NORTHERN HEMISPHERE DEVELOPMENT CORP.

Annual Information Form

December 15, 2004

Table of Contents

Glossary

Certain terms used throughout this Annual Information Form are defined below:

"Affiliate" - In respect of any company or corporation, another company or corporation which is its parent or subsidiary or which is controlled by the same person who controls it.

"g/t" - Grams per metric tonne.

"mineralization" - A natural aggregate of one or more valuable minerals.

"net profit interest" or "interest" - A specified percentage of the entire proceeds received from a mine's production less capital costs, labour and materials for the mining and treating of ore. Costs also usually include transportation to the point of sale, geological, assaying and local overhead expenses.

Net Smelter Return Royalty" ("NSR") - A phrase used to describe a royalty payment made by a producer of metals, usually to a previous property owner, based on gross mineral production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.

"operator" - The party in a joint venture which carries out the operations of the joint venture.

"ore" - A natural aggregate of one or more minerals which may be mined and sold at a profit.

"ounces" - Troy ounces.

"ton"- 2,000 pounds or 907 kilograms.

"Tonnage" and "grade" - The quantity of ore reserves and the amount of gold and silver (or other products) contained in such reserves and include estimates for mining dilution but not for other processing losses.

"Tonne" - 2,205 pounds or 1,000 kilograms

Conversion Table

In this AIF a combination of Imperial and metric measures are used with respect to mineral properties located in Canada. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below:

Imperial Measure =	**Metric Unit**	**Metric Measure =**	**Imperial Unit**
2.47 acres	1 hectare	0.4047 hectare	1 acre
3.28 feet	1 metre	0.3048 metres	1 foot
0.62 miles	1 kilometre	1.609 kilometres	1 mile
0.032 ounces (troy)	1 gram	31.1 grams	1 ounce (troy)
1.102 tons (short)	1 tonne	0.907 tonnes	1 ton
0.029 ounces (troy)/ton	1 gram/tonne	34.28grams/to	1 ounce(troy/ton)

ITEM 1. CORPORATE STRUCTURE

1.1. Name and Incorporation

Northern Hemisphere Development Corporation (the "Issuer") was incorporated on March 6, 1978 under the laws of the Province of British Columbia by registration of its Memorandum and Articles pursuant to the *Company Act* under the name Pan-Cana Development Corporation. Effective May 18, 1978, the Issuer changed its name to Hemisphere Development Corp. and increased its authorized capital from 5,000,000 to 10,000,000 common shares without par value. On September 13, 1994, the Issuer altered its memorandum to increase its authorized capital to 50,000,000 common shares without par value. Effective March 20, 1979 the Issuer adopted new articles and on January 14, 2000, the Issuer changed its name to its present name, consolidated its share capital so that every five shares were consolidated to one new share and subsequently increased its authorized capital to 100,000,000 common shares without par value. Effective October 8, 2004, the Issuer was transitioned from the *Company Act* (British Columbia) to the *Business Corporations Act* (British Columbia) and removed the Pre-existing Company Provisions (as defined by the *Business Corporations Act* (British Columbia)), adopted new articles and increased its authorized share capital to an unlimited number of common shares without par value.

The head office of the Issuer is located at 15th Floor – 675 West Hastings Street, Vancouver, BC, V6B 1N2. The auditors for the Issuer are Smythe Ratcliffe, Chartered Accountants, of Vancouver, BC.

1.2. Intercorporate Relationships

The Issuer has one active wholly owned subsidiary, Hemisphere Development Corporation ("Hemisphere US"), incorporated in the State of Colorado on May 22, 1980.

ITEM 2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1. Three-Year History

The Issuer is a natural resource company primarily engaged in the acquisition, exploration and development of natural resource properties since 1978. The mineral property is in the exploration stage. At February 29, 2004, the Issuer's most recently completed fiscal year, the Issuer had an option to acquire a 100% interest in the Kaza-Northstar Property situated in Omineca Mining Division of British Columbia and a 50% interest in one lithium claim, known as the Elk 1 Claim located in the Northwest Territory, 115 km. east-southeast of Yellowknife. The Issuer's subsidiary Hemisphere US has, for more than 20 years, held a small minority interest in oil and gas producing oil wells situate in the State of Oklahoma. Hemisphere US has not participated in the drilling of any new wells since 1982. During the year ended February 29, 2004, the Issuer realized revenue from the oil and gas holdings of $15,046. Costs have been written down to a nominal value and detailed records are no longer available with respect to the

Issuer's costs and percentage interests. The revenue from these wells is not material to the Issuer.

The Issuer maintains its 50% interest in the Elk 1 Claim. This claim was written off the books in a prior year as the Issuer has no further plans to incur any further expenditures on this property. The Elk 1 Claim is in good standing until 2009.

On March 11, 2002, the Issuer entered into an option agreement with Mona Jean Miller-Tait of North Vancouver, B.C. (the "Optionor"), who is at arm's length to the Issuer, to acquire a 100% right, title and interest in a group of mineral claims located in the Omineca Mining Division of British Columbia and more particularly referred to as the Kaza-Northstar Property. To earn out its option the Issuer agreed to pay the Optionor the sum of $75,000, issue 700,000 of its common shares to the Optionor, and incur a total of $500,000 in exploration expenditures on the property over a four year period expiring April 18, 2006. Once the Issuer has exercised its option, the Optionor is entitled to a 3% NSR, to be paid in installments of $15,000 annually commencing on April 18, 2007 until such time as the Issuer publicly announces that it will be placing the property into commercial production. The Issuer may purchase the first 2% of the NSR for $1,000,000 for each percentage point and the remaining 1% may be purchased for $2,000,000. Additionally, if the Issuer decides to place the property into commercial production, it shall issue to the Optionor a total of 500,000 shares within 15 days of a public announcement of its intentions. To February 29, 2004, the Issuer had paid the first $45,000, issued 200,000 common shares to the Optionor and spent a total of $313,068 in exploration expenditures on these claims. During the year ended February 28, 2003, the Issuer acquired a 100% interest in 7 claims adjacent to the Northstar-Kaza properties for staking costs of $11,720. These claims are in good standing until March 28, 2011 and have been included as part of the Northstar-Kaza properties as per the terms of the options agreement.

2.2. Significant Acquisitions and Significant Dispositions

On June 16, 2003 the Exchange accepted for filing an agreement dated June 9, 2003 among Silver Standard Resources Inc. ("Silver Standard"), Aber Diamond Corp. ("Aber"), and the Issuer whereby Silver Standard agreed to purchase Aber's 48.27% interest and Northern Hemisphere's 51.73% interest in the Sunrise Lake Deposit for a total of US$490,000 cash and the issuance of 83,004 common shares of Silver Standard, of which the Issuer received US$252,440.40 cash and 42,938 common shares of Silver Standard.

There were no significant acquisitions or dispositions completed by the Company during its most recently completed financial year other than as set out above in section 3.1 and elsewhere in this document.

Subsequent to the most recently completed financial year, the Issuer announced that it had signed an agreement to acquire a Right of First Refusal to participate in a 12.5% working interest in the drilling of a Slave Point natural gas test well located in northeastern British Columbia in the Peace River region, known as the Bougie/Trutch

area. The Issuer paid $25,000 and should the Issuer decides to enter into a Participation Agreement, it will pay an additional $37,500. Upon participation in the drilling of a test well during the winter of 2004-2005, the Issuer will have the right to earn its 12.5% working interest in approximately 26 sections of leases. The Bougie/Trutch area prospect is currently the focus of oil and gas exploration and was developed by a major oil and gas company who will be the operator and retain a 50% working interest in the leases by paying its 50% working interest costs.

ITEM 3. NARRATIVE DESCRIPTION OF THE BUSINESS

3.1. General Description

At the end of the Issuer's last fiscal year, the Issuer's business consisted of the exploration and development of natural resource properties, specifically the Kaza-Northstar property. Refer to the disclosure above under Item 2 for particulars of the Issuer's option to acquire a 100% interest in this property. Refer to the Issuer's audited financial statements for the year ended February 29, 2004, the Kaza-Northstar Report and previous reports, and the interim financial statements of the Issuer, all of which may be reviewed on the SEDAR website at www.sedar.com for information about the Issuer, which may not be included in this Annual Information Form.

3.2. Material Mineral Project

The Issuer concentrated its activities on the Kaza-Northstar Project during the past year and expects to continue to concentrate its exploration activities on this property for the following year. As a result the information in this Annual Information Form will relate to the Kaza-Northstar property.

The following information is a brief compilation taken from the report titled, "Progress Report on Year-2004 Surface Exploration and Diamond Drilling Programs on the Kaza-Northstar Project" effective date September 30, 2004, prepared by Carl M. Schulze, BSc. P. Geo of All-Terrane Mineral Exploration Services for the Issuer (the "Kaza-Northstar Report"), which report can be reviewed on the SEDAR website at www.sedar.com.

(a) Property Description and Location

The Kaza–Northstar property is located roughly 220 air kilometers north-northwest of Fort St. James, and about 150 km north-northeast of Smithers in north-central British Columbia. The property hosts two major project areas: the Northstar project area, centered at 56° 03' 05" N Latitude, 126° 15' 00" W Longitude; and the Kaza project area, centered at 55° 58' 45" N Latitude, 126° 20' 15" W Longitude. A third project area, the Henry Lee Creek area, was identified in 2004, centered at 56° 0' 00" N Latitude, 126° 19' 00" W Longitude.

The property covers roughly 8,450 hectares areas within NTS Sheets 93M/16 and 94D/01, extending as a north-northeast-trending contiguous claim block along the eastern portion of Kaza Lake. It consists of 40 two-post claims and 20 four-post claims for a total of 338 claim units. Refer to Table 1 of the Kaza-Northstar Report for a description

of the claims and their expiry dates. The two-post claims are owned by Ms. J. Miller-Tait under option to the Issuer. The four-post TLA 1 through TLA 7 claims were recorded in April, 2002 and the Garry claim was recorded in September, 2003; these were subsequently included in the agreement. The TLA 9-25, TED 1-2 and WILD ROSE 1-4 claims were staked in 2004, and also included into the agreement. All claims are unpatented and, to the author's knowledge, have not undergone a legal survey.

The property has received full permitting for surface exploration and proposed diamond drilling programs, as well as for access to the property. The Issuer has agreed to conduct full reclamation of all surface disturbances, including drill sites incurred during its exploration program, and has fully reclaimed a derelict outfitter's camp south of Kaza Lake. The Issuer has also conducted full reclamation of the former exploration camp at Kaza Lake. The Issuer has also improved bridge access across Lion Creek by raising the bridge in compliance with 100-year flood levels, and has constructed temporary bridges and installed culverts across significant stream crossings.

A large camp complex capable of housing 16 people, with generator power and fully electrified core logging facilities, has been constructed at Kaza Lake, equidistant between the two project areas.

The Northstar project area hosts several zones of copper-silver mineralization occurring as massive chalcocite and/or bornite veining, largely within a north-south extending dilational corridor. The Kaza project area hosts several zones of copper-gold-silver mineralization occurring as skarn and replacement-style horizons commonly associated with felsic dykes. The Henry Lee area hosts several copper-gold occurrences, some with strongly elevated molybdenum values, centered on a small monzonitic to granitic stock. No mineral resources or reserves have been established within the property, and there are no previous mine workings.

(b) Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Kaza-Northstar property is accessible by all-weather logging roads in good condition extending roughly 260 road kilometers from Fort St. James to roughly two kilometers south of the south property boundary. From there, the property is accessible during the summer by 4WD vehicles along a narrow road, extending through the Kaza project area to the Northstar project area. This road has been upgraded considerably during the 2004 season, including culvert and temporary bridge construction; however, 4WD vehicles are still recommended during wet weather. The Northstar project area is also accessible by fixed wing aircraft based at Fort St. James and by helicopter from Smithers, B.C. 150 kilometres to the south-southwest. A major road-accessible logging camp, the Lovell Cove camp, is located about 60 road kilometers to the southwest along the BC Rail line.

The Northstar project area is located within the Cariboo Heart Range, with elevations from 1,200 metres (4,000 feet) to 1,750 metres (5,750 feet). Topography in the Northstar project area is moderate to steep, mostly below the tree line at about 1,600 metres (5,250 feet) where it is covered by thick stands of sub-alpine fir with lesser spruce. The Kaza and Henry Lee project areas are located within gently to moderately rolling terrain west

of the Cariboo Heart Range with elevations ranging from 1000 metres (3,300 feet) to 1,250 metres (4,100 feet). Vegetation at the Kaza project area consists of regenerated mixed coniferous and deciduous forest and scrub following a forest fire occurring in the mid-1960s. Most of the Henry Lee Creek area escaped the fire, and is covered by mixed spruce and fir forests.

The climate is typical of northern continental areas, with cool summers and cold winters, and fairly abundant summer rainfall and winter snowfall, particularly in the Northstar project area. The snow-free field season occurs from June to early November, likely somewhat shorter at higher elevations, although drilling can be done under early winter conditions with moderate snow cover.

The property contains abundant moderate terrain suitable for construction of mine workings, processing plant sites tailings ponds, heap-leach pads and waste disposal areas, if warranted. Abundant water is available at Kaza Lake and Lion Creek.

Fort St. James is a full-service community servicing a population of about 5,500, with excellent road and hydro-electric power access. The B.C. Rail line, which extends north-northwest from the town, is located roughly 20 kilometres west of the property. Smaller population centers exist along Takla Lake, particularly in the Lovell Cove area.

(c) History

Much of the information comprising the following section is supplied by the year-2002 compilation report by J. Varas and Richard Williams.

(i) Northstar Project Area

The showings comprising the Northstar project area were first discovered and staked as the FRED prospect by Mr. Robert Tait in 1965. Five showings were identified: the Main showing, the North showing, the CV and CVH showing (both also referred to as the B showing) and the BC showing (BC Minfile, 2003). The Main showing consists of disseminated bornite, chalcopyrite and copper oxide mineralization within north-south striking, steeply east dipping siltstones, from which a sample returned a value of 2.65% copper, 6.86 g/tonne silver and 0.2 g/tonne gold (Property File, Kikuchi, T., 1969). The North showing, located 300 – 450 metres to the northwest, hosts disseminated chalcocite within andesite, from which a sample taken in 1966 returned 1.57% copper and 13.7 g/tonne silver (White, 1966). The BC showing, 500 metres southeast of the Main showing, consists of a 7 – 15 centimetre wide vein, from which a channel sample returned a value of 50.9% copper, 603.4 g/tonne silver and 0.3 g/tonne gold (Letter from the President, Northstar Copper, 1967). The CVH showing, consisting of bornite, chalcocite and specular hematite located 600 metres south-southeast of the Main showing, returned a value from trench chip sampling of 2.60% copper, 5.14 g/tonne silver and 0.2 g/tonne gold across 7.3 metres (Kikuchi, 1969). The CV showing, consisting of shear-hosted bornite, covellite, chalcocite and specular hematite located 45 metres west of the CVH showing, returned a channel sample value of 3.3% copper and 10.3 g/tonne silver across 3.66 metres (Kikuchi, 1969).

Exploration in 1966 consisted of preliminary mapping, prospecting and geological mapping, followed by grid soil sampling and a 637-metre diamond drilling program of nine AQ-diameter holes targeting the Main and B showings set out in Table 2 of the Northstar-Kaza Report.

In 1968, a further eleven AQ-diameter holes totaling 800 metres were drilled, as well as 9,144 metres of bulldozer trenching and blasting of 50 shallow pits. Trenching across part of the B showing revealed a system up to 11 metres wide and traceable for 60 metres, consisting of sub-parallel chalcocite-bornite veins to 0.45 metres in width (Varas and Williams, 2002, after White, 1968). An 8.16-metre channel sample reported the following grades:

Sample # *	Sample Width (m)	Ag (g/tonne)	Cu (%)
7172	3.05	4.65	0.65
7173	0.41	173.6	32.00
7174	1.27	3.1	0.70
7175	3.05	4.65	0.90
7176	0.38	1.125	7.2
Total	**8.16m**	**12.65 g/tonne Ag**	**2.62% Copper**

Sampling of a second trench located 150 metres to the south-southwest returned the following grades (White, 1968):

Sample # *	Sample Width (m)	Ag (g/tonne)	Cu (%)
7186	3.35	4.65	1.05
7187	1.83	13.95	3.00
Total	**5.18**	**7.9 g/tonne Ag**	**1.74% Cu**

* from Varas and Williams, 2002.

A further thirteen AQ-diameter holes totaling 1242 metres were drilled, largely across the B showing. From this work, a northwest-southeast trending zone of disseminated and irregular veinlets of bornite within brecciated porphyritic andesite (White, 1968) was delineated, with interpretation, including drill intercepts, described in Figure 3.

In 1972, nine AQ-diameter holes totaling 693 metres were drilled; however, locations and results are not known.

In 1973, Bethlehem Copper Mines Ltd. optioned the property, conducted a geochemical survey across the eastern portion of the property, excavated two more bulldozer trenches, and drilled eight shallow AQ diamond drill holes totaling 290 metres.

In 1974 Northstar Copper Mines Ltd. conducted limited bulldozer trenching and a 10-hole, 398-foot (121.5m) “Winkie” drilling program targeting extension of the shale unit

hosting the "RMT" showing, interpreted as occurring north of the B-showing. No significant intercepts were reported.

The property lay dormant until 1996, when Everest Mines and Minerals Ltd optioned both the Kaza and Northstar properties. A bulldozer trench at the B-showing exposed a system of parallel chalcocite veins and mineralized shear zones within porphyritic andesite. Eight continuous 2-metre chip/ channel samples were obtained, returning a value of 2.8% copper and 13.6 g/tonne silver across 16 metres (Miller-Tait, 1996). A second showing, the "B-Zone 2", discovered 100 metres to the north, is comprised of three narrow north-south striking, west-dipping chalcocite-bornite veins. Channel sampling returned the following results:

Width (m)*	Ag (g/tonne)	Cu (%)
2.0	50.4	8.4
2.0	60	11.8
1.0	55	9.6
1.0	40.7	7.7

* after Varas and Williams, 2002

In 1997, Everest Mines and Minerals Ltd established a cut grid of eleven 990-metre lines ranging from 0+00 to 10+00N, extending east from Base Line 0+00. Everest conducted a detailed soil geochemical program at 15-metre station intervals across the southern ten lines (a 30-metre station interval was used for the southern three lines). The program focused on copper, silver, gold, lead and zinc analysis, and delineated numerous northeast-southwest to north-south trending copper anomalies. Everest also excavated three new trenches and a blast trench: the "Discovery Cut", hosting the "New Vein", located south of the B-showing; Trench TN-1 located about 40 metres to the north of the Discovery Cut; and the blast trench and trench TN-2, about 180 metres to the northeast, all within porphyritic andesite. Channel sampling of the 0.75-metre "New Vein", hosted within a 2.0-metre wide shear zone oriented at 160°, returned values of 51.68% copper and 279 g/tonne silver across 1.0 metre, and 20.6% copper and 124 g/tonne silver across 2.0 metres. Results from trench sampling are as follows:

Trench *	Width (m)	Copper (%)	Silver (g/tonne)	Gold (ppb)
Discovery	5.0	7.9	55.2	266
Blast trench	5.5	7.3	46.6	
TN-1	23.0	2.1	4.6	
TN-2	7.0	7.9	55.2	

* after Varas and Williams, 2002

A fourth trench, TN-3, south of the Discovery Cut, was not sampled, due to "no visible mineralization".

Also in 1997, Everest contracted Geotronics Surveys Ltd. to conduct ground magnetic, Induced Polarization (IP) chargeability and resistivity surveys covering the same grid lines as the geochemical survey. The IP survey revealed a broad anomalous area ranging from 500 metres wide along Lines 7 + 00 and 9 + 00N to 900 metres wide along Lines 2+00, 3+00 and 4+00N. The survey indicates the anomalous zone strikes roughly north-south, is at least 900 metres long and is open along strike. In southern areas it is comprised of up to four zones, with a single source comprising the northern part. The northwestern part of the anomaly correlates with magnetic and resistivity contacts, with magnetic and resistivity highs correlating with porphyritic andesites, and lows corresponding with sedimentary units (Varas and Williams, 2002; after Mark, 1998). In the southeastern part the response is more complex, with correlation between IP response and anomalous copper and silver soil geochemical values ranging from excellent to no correlation (Mark, 1998).

In March 2002, the Issuer entered into its option agreement to acquire a 100% interest in both the Kaza and Northstar properties. The Issuer then staked the TLA 1 – 8 claims, covering territory between the two claim blocks, effectively creating one contiguous land holding, as well as additional ground to the north and south of the respective project areas. The Northstar and Kaza properties are now referred to as the Northstar project and Kaza project areas.

In July 2002, J. Patricio Varas and Richard Williams, along with consultant Godfrey Walton visited both project areas, and provided recommendations for further exploration. These formed the basis of the year-2003 surface exploration field program described in this report.

(ii) Kaza Project Area

The earliest records on the Kaza project area date from 1967, when the FIRE claim block was controlled by Mr. R.M. Tait. That year, pyritic gossanous zones with intermittent chalcopyrite up to 30 metres wide and with a minimum strike length of 300 metres were identified. However, only two channel samples were obtained from locations about 800 feet apart, with the following results (Sinclair, 1967):

Sample No. *	Country Rock	Channel Length	Gold (oz/ton)	Silver (oz/ton)	Copper (%)
13003D	Hornblendite	6 ft	0.05	2.25	1.30
13004D	Marble	4 ft	0.015	0.20	1.30

* after Sinclair, 1978

In 1968, Mr. Tait conducted further exploration, including geological mapping and a 10-hole, 2,164-foot (660-metre) diamond drilling program. This reportedly returned a value of 1.17% copper, 14.4 g/tonne gold and 120 g/tonne silver across 1.2 metres from DDH #9, although no records to substantiate this intercept are available. One 4-metre surface chip sample reportedly returned a value of 0.88% copper, 15.43 g/tonne gold and 127 g/tonne silver.

In 1973 Dynasty Explorations Ltd conducted soil sampling and magnetometer surveys across the mineralized area. The soil survey revealed a broad copper anomaly 3800 feet (1160 metres) long by 1500 feet (460 metres) wide covering the main mineralized area. The magnetometer survey revealed erratic magnetic highs corresponding with narrow magnetite horizons. Dynasty also analyzed six rock samples taken from the best exposures of skarn-style mineralization in the main mineralized trench, with the following results (Dean and Davis, 1973):

Sample Number	Width	Copper (%)	Gold (oz/ton)	Silver (oz/ton)
3-D-17	6.5 feet	0.20	0.004	0.05
3-D-26	13 feet	0.88	0.45	0.37
3-D-28	Grab	0.22	0.010	0.08
3-D-29	9 feet	1.01	0.040	0.34
3-D-30	6 feet	1.39	0.071	0.41
3-D-32	5 feet	0.28	Trace	0.28

Dynasty also conducted regional copper geochemical sampling traverses along Lion Creek, Kaza Creek and several tributaries. Background copper values were returned from Lion Creek; background to weakly anomalous values were returned from Kaza Creek and a Kaza Creek tributary. Sampling along a tributary of Lion Creek north of the main mineralized area returned copper values ranging from background (66 ppm) to strongly anomalous (1400 ppm), with numerous values exceeding 200 ppm copper.

In 1980, Dome Exploration (Canada) Ltd. conducted soil geochemical surveying for copper, silver, gold and arsenic outside of the main mineralized trend and determined that no significant anomalies were identified. Dome also conducted chip sampling along the main mineralized trend, obtained values to 0.085 opt gold across 5 metres, and identified the importance of "hornblendite zones" as potentially auriferous. However, Dome concluded that there was likely insufficient tonnage to warrant further exploration.

In June 1983 Asarco Exploration Company of Canada Ltd. staked the 20-unit BLUE claim across the Main Trend, and obtained numerous samples for petrographic analysis.

In August, 1985, Mr. Robert M. Tait staked the LOG 1-4 claims covering the Main Trend. Three rock samples obtained returned gold and silver values ranging from background to 0.69 opt silver and 0.050 opt gold.

In 1996, Everest Mines and Minerals Ltd. obtained five 10-kg, minus-20 mesh stream sediment samples. Three returned anomalous gold values: 97 ppb gold from a creek draining the northern portion of the main trend; 144 ppb gold from a creek to the south; and 428 ppb gold from a creek to the west (Miller-Tait, 1996). Everest also mapped the known showings in detail, divided the main trend into the Main, South and North showings, and obtained 29 rock chip/ channel samples showing the presence of pyrite – chalcopyrite +/- malachite +/- magnetite. The best results are as follows:

Showing *	Width (m)	Cu (%)	Au (g/tonne)	Ag (g/tonne)
Main	10	0.99	1.57	29.1
South	10	0.95	0.81	17.1
North	10	0.46	4.69	7.0
North	10	1.5	4.77	17.0
North	10	0.98	3.70	11.7
North	5	3.1	1.86	30.0

* after Varas and Williams, 2002

The Main and South showings are located along the same topographic lineament covering a distance of 370 metres (Varas and Williams, 2002; after Miller-Tait, 1996). The North showing was described as three gossanous, pod-like bodies up to 20 metres in diameter (Varas and Williams, 2002; after Miller-Tait, 1996).

Also in 1996, I.S. Thompson of the firm of Derry, Mitchener, Booth and Wahl collected four composite grab and one grab sample from the Kaza showings, with the following results (Thompson, 1996):

Sample No *	Description	Cu (%)	Au (g/tonne)	Ag (g/tonne)
#73221	Main showing	0.35	0.48	8.0
#73222	Parallel to #73221	0.28	1.10	8.6
#73223	South Showing	0.16	0.16	3.9
#73224	Grab, oxidized volcanics	0.27	0.34	7.5
#73225	Between Main and South	2.30	0.01	12.5

* after Varas and Williams, 2002

In August 1996 Everest entered into an option agreement with Mr. R.M. Tait on the thirteen claims then comprising the Kaza property. In 1997 Everest conducted soil geochemical, ground magnetometer and Induced Polarization (IP) chargeability and resistivity surveys, as well as an intensive mechanical trenching program.

A base line oriented at 330^{o} was established, with eleven grid lines spaced 100 metres apart ranging from 5+00N through 5+00S. These extend 500 metres at 60^{o} and 240^{o} respectively from the base line. A total of 381 soil samples were obtained at 25-metre sample intervals, with no samples taken in areas of swampy ground. The survey identified strongly anomalous coincident copper and gold values along the Main Trend, including copper values exceeding 1.0% and several gold values exceeding 1.0 g/tonne gold, to a maximum of 5.09 g/tonne gold. The survey also identified numerous copper anomalies, commonly but not exclusively coincident with anomalous gold zones.

The Induced Polarization survey revealed five anomalous zones, interpreted to represent sulphide-rich zones. Two of these anomalies are coincident with the Main Trend, the third occurs parallel to this at roughly 2+50E along the extent of the grid, the fourth occurs to the west, and the fifth underlies the north-eastern portion of the grid.

The trenching program targeted the strongest geochemical anomalies along the main trend and exposed massive sulphide zone up to 23 metres wide with an inferred strike length of 450 metres. The best results were obtained in trench K-T-7, returning a value of 1.70 g/tonne gold and 7958 ppm copper across 7.5 metres (Church and Miller-Tait, 1998).

In 2003, following the date the Issuer entered into its option agreement to acquire both the Kaza and Northstar properties, the Issuer conducted surface exploration programs, including line cutting, Induced Polarization and surface magnetometer geophysical surveying, systematic soil sampling and geological mapping across cut grids, and rock geochemical sampling throughout the property. These led to identification of the "Dilational Corridor" in the Northstar project area, and the Hornblendite Zone in the Kaza project area. Refer to the Progress Report on the Year 2003 Surface Exploration Program, which may be accessed on the SEDAR website at www.sedar.com.

(d) Geological Setting

(i) Regional Geology

The Kaza-Northstar property is located within the Intermontane Belt of the Canadian Cordillera and is underlain by the Stikinia terrane which lies in north-northwest contact with the Cache Creek terrane roughly 10 kilometres to the east. Stratigraphy, including ages of groups and formations, is based on reports authored by Dean in 1973, in turn based on Geological Survey of Canada reports O.F. 342 and O.F. 2322.

The Cariboo Heart Range and much of the broad, north-northwest trending Lion Creek valley to the west is underlain by Upper Triassic Takla Group (Stuhini Group) rocks, predominantly Savage Mountain Formation subaqueous augite porphyritic basaltic and porphyritic andesitic flows and tuffs, with lesser shale and greywacke and minor limestone. These stratigraphically overlie Dewar Formation tuffs and clastic sediments, with minor limestone, also part of the Takla Group, exposed within southwestern portions of the Cariboo Heart Range.

South of Kaza Lake, klippes of Takla Group rocks have been emplaced by thrust faulting onto an assemblage of predominantly Jurassic to Cretaceous Hazelton Group rocks, which underlie much of the lower Lion Creek valley. Here, the Hazelton Group consists largely of Telkwa Formation calc-alkaline basaltic to andesitic flow, tuff and lapilli tuff volcanics, with lesser dacitic and rhyolitic volcanics and intercalated volcaniclastic sediments (Church and Tait, 1998, after Dean, 1973). Telkwa Formation rocks are overlain by Cretaceous Sustut Group, Tango Creek Formation conglomerate, sandstone, siltstone and coaly shale, which directly underlie the Stuhini Group klippes. Hazelton Group rocks have also been intruded by Tertiary Kastberg Intrusives, consisting of biotite

rhyodacite porphyry and massive leuco-rhyolite (Church and Tait; 1998, after Dean, 1973).

Regional and district scale faults, including the Takla Fault east of the Cariboo Heart Range, and the Pinchi Fault further to the east, extend NNW – SSE, conformable to regional stratigraphic and tectonic trends within the northern Cordillera at comparable latitudes. Within the Lion Creek area, these faults signify major structural breaks manifested as river drainages.

Dean (1973) identified a major northeast-dipping thrust fault, the "Vital Fault", east of the Takla Fault, resulting in emplacement of upper Cretaceous layered "Axelgold" gabbros onto Triassic to Jurassic Stilika Assemblage metapelites, metaconglomerates and metavolcanics. Pennsylvanian to Permian Cache Creek oceanic volcanics, oceanic shales and chemical sediments, and serpentinite underlie much of the territory east of the Vital Fault.

The Early Jurassic Hogem Batholith, consisting of foliated quartz monzonite, occurs southwest of the project area (Varas and Williams, 2002, after Thompson, 1996).

(ii) Property Geology

The major lithological units and stratigraphy that form the basis of the property geology of this report were identified and mapped by Dean in 1973.

The Northstar project area is underlain by Upper Triassic Savage Mountain Formation volcanics and lesser limestone and fine clastic sediments. Southeast of Kaza Lake, Savage Mountain Formation volcanics occur within a thrust fault-emplaced klippe overlying Cretaceous Tango Creek Formation conglomerate and sandstone (Unit 6, Map 1), visible at one outcrop location along the access road. The property area extending south-southwest of the south shore of Kaza Lake is underlain by Lower Jurassic Hazelton Group, Telkwa Formation calc-alkaline volcanics, predominantly basalts, andesites and andesite tuffs. Quartz and quartz-feldspar porphyritic dykes occur within the Telkwa Formation volcanics; these have been interpreted as members of the Tertiary Kastberg Intrusives.

Dean (1973) interpreted two parallel north-northwest – south-southeast trending property-scale faults northeast of the Kaza project area. The southwestern fault was also indicated by year -2003 mapping, although presence of the northeastern fault was not confirmed.

1. Northstar Project area - Geology

The Northstar project area is underlain by four members of the Upper Triassic Savage Mountain Formation volcano – sedimentary package. The oldest member, "Unit 1", consists of a broad unit of feldspar porphyritic andesite, with up to 25% porphyritic plagioclase clasts to 2.0 cm in length, locally bladed, within a fine grained dark groundmass. Andesites are commonly vesicular to amygdaloidal with calcite emplacement. The "B" showing and trenches exposed by Everest Minerals occur within

these porphyritic andesites. The second unit "Unit 2" consists of augite porphyritic green epidotic and chloritic basaltic flows, tuffs and lapilli tuffs, which have undergone greenschist-facies metamorphism. An age relationship was established through identification of rare lithic fragments of Unit 1 feldspar-porphyritic andesites within the basalts. Unit 3 consists of fine bedded shales, mudstones and siltstones, locally calcareous. Unit 4 consists of grey limestone, locally as broad units, and commonly hosting late-stage calcite vein stockwork zones.

Year-2003 mapping indicates that Unit 2 basalts underlie southern and southwestern portions of the Northstar project area, separated from Unit 1 andesites to the northeast by a north-northwest extending contact. A small limestone unit occurs along the contact south of the Discovery Cut. Northwestern portions of this project area, including the Main Zone area, are underlain by a complex sequence of east-northeast – west-southwest-trending intercalated, largely narrow, members of Unit 1 andesites, Unit 2 basalts and Unit 3 fine clastic sediments, locally calcareous. A fairly broad member of veined Unit 4 limestone extending conformably to this sequence marks the upper (northwest) boundary of the finely intercalated portion, although broader andesitic, basaltic and sedimentary units occur along a similar orientation farther to the northwest. The North showing occurs within Unit 1 andesites, along and to the north of a conformable fault contact separating these from Unit 2 basalts and minor Unit 3 sediments to the south-east.

Stratigraphic interpretation from year-2004 diamond drilling suggests the small limestone unit just south of the Discovery Cut may be flat-lying to very gently north-dipping, in basal fault contact with underlying Unit 2 basaltic flows and lapilli tuffs.

Farther to the northwest, beyond the property boundary, northeast-southwest trending Unit 2 basalts are intercalated with members of Unit 3 fine clastic sediments up to 75 metres in width. Much of the sediments and portions of the volcanics have undergone strong carbonate alteration and silicification.

South of the gridded area, an east-northeast – west-southwest trending lens of weakly quartz – feldspar porphyritic granite was identified. No occurrences of similar lithology are mentioned in past literature; descriptions in past reports suggest it resembles the Early Jurassic Hogem Batholith most closely.

Dean (1973) indicated that areas just north of Kaza Lake southwest of the project area are underlain by upper Triassic Dewar Formation sediments and tuffs; however, this area was not visited during the 2003 season.

2. Northstar Project Area - Structural Geology

Detailed geological mapping in 2003 identified a pervasive structural fabric, manifested as small shear zones, minor faults and a widespread northwest – southeast oriented foliation with variable dips ranging from steeply southwest to steeply northeast dipping. Joint planes are commonly parallel to this. This fabric is dominant in southern and eastern areas, including the "B" showing area, where mineralization is controlled by it.

The inferred major contact and most stream drainages also parallel it. However, in northeastern areas, underlain by feldspar porphyritic andesite, a more pronounced north-northwest-south-southeast trending fabric predominates. At Trench T-N-2 and a bornite occurrence to the north, chalcocite – bornite veins are oriented roughly north-south, dipping steeply, variably to the west or east. This suggests an approximately north-south oriented dilational corridor open to the north and potentially extending somewhat south of the Discovery Cut.

Bedding within the limestone unit along the northwest – southeast trending andesite - basalt contact is oriented at 300^{o}, dipping at -40^{o} to the northeast.

To the northwest, foliation generally parallels the finely intercalated northeast – southwest trending stratigraphy. The Main showing occurs along a fault contact oriented at 55^{o}, dipping steeply to the southeast, between Unit 1 andesites to the southeast and Unit 3 fine bedded siltstone to mudstone to the northwest. To the northwest, the North Showing occurs within porphyritic andesite along the northwest side of a fault of similar orientation, separating the andesites from basalts to the southeast. Both major structural fabrics occur within intercalated basalts and sediments in the area of carbonate alteration further northwest.

Interpretation of year-2003 mapping results indicates the boundary between northwest-southeast trending stratigraphy and the northeast-southwest trending intercalated assemblage to the northwest occurs north of L 9 + 00N. However, no fault contacts or fold axis were observed, and are omitted from interpretations to date.

Year-2004 drilling results suggest a flat-lying fault controlled contact between overlying limestone and underlying Unit 2 basalts, the latter including pyroclastic and volcanic breccia members. The contact itself is strongly sheared, showing intense ductile deformation with a “swirling” texture and some fine intercalation of limestone with basalt. Limestone in drill core directly above the contact also shows strong ductile deformation.

3. Kaza Project Area

The lithologic units and stratigraphy underlying the Kaza project area were first mapped and compiled by Dean in 1973. Lithologic units ranging from Unit 1 through Unit 5 described in this report are based on the stratigraphic column for the Kaza Property developed by Dean; however, these are not the same units as those described under “Northstar Project Area”.

4. Kaza Project Area - Geology

The Kaza project area is underlain predominantly by a thick sequence of Lower Jurassic Telkwa Formation calc-alkaline volcanics and lesser intercalated sediments. The predominant rock type is a feldspar-porphyritic andesite, with up to 30% plagioclase feldspar phenocrysts within a dark green groundmass. Most of the mineralized occurrences are hosted by this rock type. Western portions are underlain by an augite +/- hornblende porphyritic andesite, locally with small plagioclase laths to 5 mm in length

(Church and Tait, 1998). Small units of fine grained, dark green tuffs occur at several locations.

Year-2003 mapping east of the gridded area identified a broad unit of basalt, texturally distinct from the Kaza project area andesites, but also locally augite and feldspar porphyritic. Mapped by Dean as andesites, these are now interpreted as a separate lithologic unit.

A unit of light grey limestone occurs along strike to the north-northwest of the Main Trend. To the southeast, along Kaza Creek, two small south-southeast trending, southwest dipping units of calcareous sandstone occur within porphyritic andesite.

Several north-northwest - south-southeast trending quartz and quartz - feldspar porphyritic dykes occur within the project area, most prominently within the Main Trend (Unit 5a, Map 2a). Much of the Kaza project area mineralization is spatially associated with these dykes, particularly one major dyke interpreted to extend along the entire length of the Main Trend. Another quartz porphyritic dyke, sub-parallel to these, occurs about 1.5 kilometres to the northeast, and has been interpreted as an extension of one or more dykes mapped farther south-southeast by Dean. These dykes are provisionally interpreted as members of Tertiary Kastberg Intrusives, although they differ compositionally from descriptions of Kastberg Intrusives provided in previous reports, and may predate the Kastberg Suite. A small north-south trending unit of weakly hornblende porphyritic rhyolite extends across the north-eastern end of Trench K-T-5; this resembles descriptions of the Kastberg Intrusives.

Small units of "hornblendite', commonly hosting chalcopyrite and pyrite, occur in the North Showing area of the main trend. Numerous similar occurrences discovered in 2003 led to identification of a distinct trend, called the "Hornblendite Trend", extending at 105^{o} from the area near trench K-T-8. These are now interpreted as altered andesite skarn occurrences with a distinct geochemistry, rather than a separate lithological unit.

Year 2004 drilling intersected numerous felsic to intermediate feldspar +/- quartz porphyritic dykes, ranging from dioritic – gabbroic to "rhyolitic" (actually fine grained quartz-monzonitic) in composition. Monzonitic to rhyolitic phases, commonly altered, are by far the most abundant. Although drill sections show these as separate litholigical units, the porphyritic nature suggests these are phases of a single major intrusive event, tentatively classed as belonging to the Eocene Kastberg Intrusive event.

5. Kaza Project Area - Structural Geology

Stratigraphy in the Kaza project area trends north-northwest – south-southeast, roughly parallel to the base line of the cut grid. The dominant foliation, most pronounced within mineralized zones, extends approximately parallel to stratigraphy, with a predominantly vertical to steep north-east dip. However, at Trenches K-T-1 and K-T-2 at the South Showing along the Main Trend, both the quartz-feldspar porphyritic dyke and the foliation attain a southeast – northwest orientation, with predominant foliation measurements of 300^{o}, dipping steeply to the north-northeast. Also, at trench K-T-8 at

the North Showing, foliation within massive sulphides is oriented at 125° with a vertical dip. Small faults and shear zones throughout the Main Trend are roughly parallel to foliation.

Drill core logging results indicate dykes are subvertical, and that 2003 structural interpretations are valid. Holes KZ-04-01, KZ-04-02 and KZ-04-04 also confirm the presence of the Hornblendite Zone, with abundant fault and mineralized skarn pod intercepts. Holes KZ-04-01 and KZ-04-02 both intersected a basal sequence of fine grained, non-porphyritic andesite tuff at depth (Unit 1b), locally laminated, suggesting a gently northeast-dipping contact with overlying feldspar porphyritic andesites. Hole KZ-04-04 also intersected andesite tuff and undifferentiated non-porphyritic andesite at a comparable depth.

An andesitic fragmental unit intersected near surface on Hole KZ-04-05 may represent a mylonitic zone within a tuffaceous horizon. Mixed feldspar porphyritic flows and fragmental members towards the base of this suggest mixed pyroclastic and flow origins.

Foliation directions to the east along Kaza Creek are more variable, with fabrics oriented at 70°, dipping steeply southwards, and at 295°, dipping at 50° to the north-northeast, in addition to the predominant foliation.

A significant fault, oriented at roughly 105°, is suggested by a zone of brecciated andesite up to 10 metres wide, locally with minor fracture-controlled copper mineralization, northeast of trench K-T-8. This is parallel to, and slightly northeast of, the mineralized "Hornblendite Zone".

The contact between feldspar porphyritic andesites and the newly recognized basaltic unit to the east along Kaza Creek is interpreted as a north-south trending fault, resulting in dextral offsetting. Dean has interpreted this as contiguous with a north-northwest – south-southeast trending fault extending towards a magnetite skarn occurrence, the "North Mag" occurrence, associated with a felsic dyke north of the Kaza project area. Several occurrences along Kaza Creek of brecciated andesite and minor shale having a north-south striking, vertical foliation are located roughly one kilometer downstream of the fault contact, also suggesting the presence of a fault zone.

6. Henry Lee Creek area

The Henry Lee Creek area received exploration based on numerous strongly anomalous copper values returned from soil sampling along both flanks of the creek ravine, and on strongly anomalous silt values returned from downstream year-2003 sampling by Northern Hemisphere. This area, located roughly 2 – 3 km north-northeast of the Kaza project area, is underlain by chlorite and calc-silicate altered Hazelton Group, Telkwa Formation andesite, largely to the east of a small granitic to monzonitic stock centered just west of "Henry Lee Creek" (unofficial name). Numerous small strongly pyritic dykes extend roughly east-west from the stock, causing local calc-silicate (skarn) alteration, commonly mineralized and gossanous on surface, within adjacent andesite.

Strong silica, calc-silicate and localized argillic alteration occur within altered volcanics; the dykes also display some silicification and weak argillic alteration.

Several small monzonitic plugs and dykes also occur southeast of the larger stock. One dyke extends southeast-northwest, indicating a separate lineament, roughly parallel to the Hornblendite Trend, controls dyke emplacement.

Slightly west of the main access road the feldspar porphyritic andesites lie in north-south contact with a broad unit of andesite tuffs, agglomerates and pyroclastic (largely agglomerate) breccias to the east. A small gabbroic stock occurs along the northern extent of the contact; adjacent volcanics have undergone strong silicification and are weakly pyritic and limonitic. Locally, these resemble cherts and have been indicated as such. The gabbro unit has a diabasic fabric, although no diabase has been mapped in the project area. The stock's association with silicification suggests emplacement postdated that of adjacent feldspar porphyritic andesites.

(e) Mineralization

(i) Northstar Project Area Mineralization

The most prospective mineralized zones at the Northstar project area identified prior to the 2004 drilling program occur within the "B" showing area and along the interpreted north-south dilational corridor hosting the Discovery Cut and Trench T-N-2. The Main and North showings have low potential to host significant mineralized zones.

(ii) "B" Showing

The B showing consists of several zones of vein and shear-hosted chalcocite and minor bornite hosted by Unit 1 feldspar porphyritic andesite. Trench T-N-1 exposed massive chalcocite veins with azurite and malachite staining within east-southeast striking, steeply southwest dipping shear zones. Massive bornite and minor malachite and azurite also occur as amygdules within vesicular andesite, where it has replaced secondary calcite veins and vesicular infilling. Past sampling returned values to 2.1% copper and 4.6 g/tonne silver across 23.0 metres. Host andesites display fairly strong hematite alteration; epidote occurs as veins and as amygdules somewhat outbound from the zone.

Drilling in 1968 identified a copper horizon at depth, interpreted as striking north-south and dipping 50^{o} to the west (Church and Tait, 1998). Drill records are unavailable; however White has described mineralization as disseminations and irregular veinlets of bornite within brecciated andesite porphyry (White, 1968). Reported drill intercepts range from 1.14% copper across 40 feet (12.2 metres) to 1.68% copper across 48 feet (14.6 metres), with an intercept grading 1.97% copper across 16 feet (4.9 metres), open at depth, terminated due to hole abandonment. These do not necessarily represent true widths. However, reinterpretation in 2003 of the reported data suggests an east-southeast striking zone, dipping to the southwest, conformable to orientation of surface shear-hosted mineralization.

(iii) Dilational Corridor

Several vein-style massive chalcocite showings, with azurite and malachite staining, hosted by Unit 1 porphyritic andesite, occur to the south and northeast of the B showing. These include the Discovery Trench, where a 1.0 metre channel sample of massive bornite returned 51.68% copper and 279 g/tonne silver, and a 5.0-metre chip sample returned 7.9% copper, 55.2 g/tonne silver and 266 ppb gold; and Trench T-N-2, where channel sampling returned 7.9% copper and 55.2 g/tonne silver across 7.0 metres. At both locations, almost all mineralization is confined to massive chalcocite veins, ranging from sub-centimetre to 0.75 metres in width. Vein orientations are variable at the Discovery Cut, however at Trench T-N-2, 150 metres to the northeast, north-south to north-northwest – south-southeast striking, steeply east-dipping vein orientations predominate.

Roughly 125 metres north of T-N-2 early excavations of feldspar porphyritic andesite revealed bornite with malachite staining within calcite and drusy quartz vein stockwork zones. This area was not trenched in 1997; however a 2.3 metre chip sample obtained in 2003 returned 4.69% copper and 33.2 g/tonne silver. The setting is distinct as mineralization occurs as bornite, which has a higher sulphide content than chalcocite, within quartz or calcite veins, rather than as massive sulphide veins. Host rocks display fairly strong hematite alteration.

Year-1997 Induced Polarization surveying revealed a north-south trending chargeability anomaly underlying these showings. This suggests these exposures represent parts of a dilational corridor up to 100 metres wide, open to the north and for a limited distance to the south. Early extensional tectonics resulted in formation of abundant open space-bearing fracture and breccia zones, subsequently infilled by massive chalcocite veins, grading northwards to vein-hosted bornite. Year-1997 soil sampling along strike at L 9+00N, 200 metres to the north, returned anomalous copper values to 388 ppm, although no anomalous values were returned from L 8+00N.

(iv) Fracture Filling and Disseminated Copper (from year-2004 drilling)

The 2004 drilling program resulted in long intercepts of disseminated and fracture-filling copper sulphide mineralizaton from Holes NS-04-02, drilled at an azimuth of 110^{o} and dip of -45^{o} into the dilational corridor, and from NS-04-04, drilled from the same set-up and azimuth, but at a dip of -65^{o}. The intercepts include fairly distinct predominantly monomineralogic zones of chalcocite, bornite, chalcopyrite, and zones having combinations thereof. No distinct progression towards more sulphide-rich or iron-rich end members occurs. Mineralization extends primarily through Unit 1 feldspar porphyritic andesites, extends through the underlying flat-lying limestone unit, and terminates abruptly at the basal Unit 2 basalts, in fault contact with the overlying limestone.

Within the Unit 1 andesite, mineralization is strongest within breccia zones, including tuff breccia, and other areas of strong permeability, and weakest in massive porphyritic flow units. Permeability appears to be the strongest controlling factor for mineral

emplacement. Replacement-style mineralization is common, particularly within vesicles and of calcite stringers. Alteration is quite weak, occurring as weak chloritization, silicification and clay-alteration. "Typical" hydrothermal alteration is absent; no barren sulphide zones were intersected.

Hole NS-04-02 returned a weighted average value of 0.553% copper and 1.65 g/t silver across 453.7 feet (138.3m) from 167.5 - 621.2 feet. Hole NS-04-04 returned an interval of 0.51% copper across 286.2 feet (87.2m) from 188.1 – 474.3 feet (Table 3). These include high-grade sub-intervals of 2.37% copper across 14.6 feet (4.4m) in Hole NS-04-02, and 1.08% copper across 34.5' (10.5m) from Hole NS-04-04. The limestone unit hosts some of the best intercepts, including 0.607% copper across 45.7 feet (13.93m) from Hole NS-04-02; and 2.00% copper across 19.0 feet (5.8m). Structural interpretation suggests a flat-lying fault contact (thrust fault?) separating the limestone and overlying Unit 1 andesites; this fault returned an interval of 1.763% copper across 20.8 feet (6.34m) from Hole NS-04-02. Interpretation to date also suggests steeply west-dipping zones of particular sulphide assemblages, such as chalcopyrite or chalcocite, terminating abruptly at the andesite – limestone fault contact.

(v) Main Showing

The Main Showing, located 600 metres northwest of trench T-N-1 of the B Showing, occurs along a fault contact striking at 55°, dipping at 85° to the southeast, separating Unit 3 thin-bedded mudstone and shale to the north from Unit 1 hematite-altered feldspar porphyritic andesite to the south. Mineralization occurs within a strongly developed shear zone, largely within the sediments, and consists of bornite and lesser chalcocite, with strongly developed malachite staining. Minor sulphide veining extends along joints and small shears within the sediments. Past channel sampling returned a value of 2.65% copper and 6.2 g/tonne silver across 1.8 metres.

Although this zone was tested by several diamond drill holes, no records are available, suggesting no significant intercepts were encountered. This is in contrast with favourable results available from early drilling of the "B" showing. Surface investigation also suggests the Main Showing has low potential to host mineralized zones of significant size.

(vi) North Showing

The North Showing, located from 300 to 450 metres northwest of the Main Showing, consists of vein and replacement-style chalcocite with minor malachite within Unit 1 vesicular feldspar porphyritic andesite. This occurs along the north flank of a northeast – southwest trending fault, with Unit 2 augite porphyritic basalts to the southeast. Small members of Unit 3 shale and mudstone occur along the fault trace. To the northwest of the fault, chalcocite with minor copper oxides and chrysocolla occur within narrow carbonate and quartz-carbonate veins up to 0.20 metres in thickness. Past grab sampling, likely from the area near the fault, returned values to 1.57% copper, 12.5 g/tonne silver; year-2003 sampling of vein material returned values to 0.76% copper and 2.6 g/tonne

gold. However, vein density is too low to provide potential ore grade material; the chalcocite zone near the fault also appears to be of limited extent.

(vii) Other Mineralization

A previously exposed, unnamed zone located midway between the Main Showing and trench T-N-1 of the "B" showing consists of minor fracture-filling bornite-chalcocite veining within hematite-altered feldspar porphyritic andesite. It also hosts banded quartz-carbonate veins with malachite staining, commonly within orange ankerite-altered zones. Composite grab sampling returned values to 1.59% copper and 8.1 g/tonne silver; chip sampling of an ankeritic zone returned 1255 ppm copper and 0.7 g/tonne silver. However, economic potential of this occurrence is low.

Ankeritic and carbonate-altered veins increase in abundance to the northwest.

(viii) Kaza Project Area

1. Main Trend

The main trenched area encompassing Trenches T-K-1 through T-K-6 is now referred to as the "Main Trend". This consists of a north-northwest – south-southeast trending zone of relatively continuous skarn-style sulphide zones, with narrow massive magnetite zones. These occur within Jurassic Hazelton Group Telkwa Formation feldspar porphyritic calc-alkaline andesite, spatially associated with quartz-feldspar porphyritic dykes, commonly strongly calcareous, extending conformably to local stratigraphy. Year-2003 mapping indicates one major dyke extends throughout the Main Trend area; towards the southern limit of the trenched area, the zone attains a south-east orientation. Several smaller sub-parallel dykes also occur along the Main Trend.

Mineralization consists of massive to semi-massive pyrite and chalcopyrite +/- bornite, developed most strongly along dyke margins. Bornite is more abundant towards the southern end of the Main Trend. Endoskarn sulphide mineralization also extends roughly one metre into the dykes; gold values tend to be highest within endoskarn and immediate exoskarn (host rock) mineralization. Host rock sulphide mineralization is commonly associated with small shear zones, where sulphides have undergone near complete oxidation. Narrow magnetite skarn zones are most common within southern trenches, with variable, sub-economic to low copper and gold values.

Copper and gold values are not uniformly coincident; zones of high copper and low gold values (6409 ppm copper, 360 ppb gold across 3.0 metres, Trench K-T-1), the inverse (339 ppm copper, 1.515 g/tonne gold across 4.0 metres, Trench K-T-2) and coincident high copper-gold zones (24600 ppm copper, 1.555 g/tonne gold across 1.0 metre, Trench K-T-1) were all recognized. This suggests multiple pulses of mineral emplacement, with varying geochemical signatures.

North of trench K-T-6, along strike extension of the Main Trend, gold-bearing chalcopyrite occurs as veinlets and blebs within Unit 2 limestone. Values to 2.62% copper, 0.918 g/tonne gold and 37.8 g/tonne silver were returned from year-2003

composite grab sampling. Fairly abundant trench push of strongly silicified limestone with patchy and fracture controlled chalcopyrite occurring just to the northwest, returned strongly anomalous values to 6610 ppm copper, 0.319 g/tonne gold and 26 g/tonne silver (values above from two composite grab samples). These, together with strongly anomalous copper and gold-in-soil values indicate the main zone extends further to the northwest, through variable lithologies.

2. "Hornblendite Zone"

Past exploration in the North Showing area identified numerous small hornblendite units, commonly with high pyrite and/or chalcopyrite contents. These, originally believed to be dykes, are now believed to be zones of calc-silicate skarn alteration of a distinct metasomatic geochemistry to that seen in the Main Skarn area, resulting in formation of abundant hornblende. Year-2003 exploration identified an east-southeast – north-northwest trending zone hosting fairly abundant hornblendite occurrences, present largely as rubblecrop on surface, northeast of the Main Trend (Map 2a). Foliation and shear zones within trenches K-T-7 and K-T-8, which host the highest combined massive sulphide-hosted copper-gold grades to date, strike roughly parallel to the interpreted trend. Thus, these trenches, in the North Showing area near the previously identified hornblendite zones, are now interpreted to occur towards the known western end of the hornblendite zone.

Year-2003 exploration led to discovery of several hornblendite occurrences in rubblecrop, with mineralization occurring as vein, banded and blebby chalcopyrite and pyrite, generally unoxidized. This is a distinct fabric from skarn zones in the Main Trend, indicating a separate mineralogical setting. Year-1997 geochemical surveying revealed a strongly anomalous gold and variably anomalous copper signature of this zone. Directly northeast of the occurrences yielding the highest gold values, a zone of brecciated andesite, locally with fine fracture-controlled auriferous chalcopyrite and malachite veining, extends parallel to the hornblendite zone. This suggests a significant property-scale fault zone, which potentially controlled mineral emplacement along the southwest side.

Year 2004 exploration revealed several small chalcopyrite-bornite pods within limestone and calcareous andesites in the intersection area of the Main Trend and Hornblendite Zones just west of the access road. Values returned from grab and composite grab sampling ranged from 0.559% copper with 12.0 g/t silver and 1.82 g/t gold to 1.75% copper, 44.6 g/t silver and 4.12 g/t gold.

Similar sulphide mineralization was discovered to the east-southeast of the Hornblendite Zone, although hornblende development was less pronounced. Values obtained ranged from 1235 ppm copper and 0.138 g/tonne gold across 1.1 metres, to 2600 ppm copper and 7.93 ppm gold from a composite grab sample. This occurrence, called the "O'Grady's Bar" showing, is proximal to a strongly foliated quartz-porphyritic monzonite dyke. It remains undetermined whether this represents an extension of the Hornblendite Zone.

3. Mineralized Zones Encountered in Year-2004 Drilling

Year-2004 diamond drilling confirmed the presence of mineralized skarn pods, including magnetite–pyrite +/- chalcopyrite pods and chalcopyrite-enriched epidote-altered skarn zones, within both the Main Trend and Hornblendite zones. Magnetite skarns consist of banded to semi-massive magnetite skarn with banded to clotty pyrite and chalcopyrite up to 3.5 feet (1.1m) thick, commonly associated with mineralized calc-silicate skarn zones within andesite. A 3.3-foot (1.0m) magnetite skarn intersected in Hole KZ-04-04 targeting the Hornblendite Zone returned a value of 0.077% copper, 2.5 g/t silver and 5.04 g/t gold.

Epidote alteration zones are common both within the Main Skarn and Hornblendite zones. Hole KZ-04-02 returned an intercept grading 0.602% copper, 5.3 g/t silver and 0.38 g/t gold from a quartz-epidote skarn zone. High copper and gold values were also returned from "typical" andesite skarn zones. An intercept of this material in Hole KZ-04-01 in the Hornblendite Zone returned 0.246% copper; 2.4 g/t Ag and 0.30 g/t Au across 15.8' (4.8m) from 525.7 - 541.5 feet.

Drilling also intersected numerous mineralized fault zones within the Main Trend and Hornblendite Zones. A value of 0.144% copper with 62.1 g/t silver and 0.22 g/t gold was returned was returned from a 4.9-foot (1.5m) fault zone in Hole KZ-04-03 within the Main Trend.

Carbonate-altered zones, including fracture zones with late calcite stringers, may also host chalcopyrite with minor accessory gold and silver. An intercept grading 0.115% copper, 1.8 g/t silver and 0.11 g/t gold across 32.4 feet (9.9m) was returned from carbonate-altered fractured andesite with calcite veinlets in Hole KZ-04-02.

High copper and anomalous gold and silver values have been returned from "rhyolite" dykes, actually fine grained feldspar porphyritic monzonite dykes with up to 8% pyrite. A 4.8-foot (1.5m) intercept of mineralized "rhyolite" in Hole KZ-04-02 targeting the Hornblendite Zone returned 0.239% copper, 3.9 g/t silver and 0.21 g/t gold. However, most copper and gold values returned were lower, although anomalous.

A broad low-grade interval returning 0.045% copper, 0.5 g/t silver and 0.11 g/t gold across 193 feet (58.9m) was returned from Hole KZ-04-05 within the southern part of the Main Trend. This consists mostly of altered andesite, including mylonite zones, with epidote altered portions and a minor dacitic dyke.

In contrast to the Northstar project area, most copper mineralization at the Kaza project area occurs as chalcopyrite; both the Main Trend and Hornblendite Zones also host abundant "barren" sulphides. This indicates a predominantly metasomatic origin of mineralization, with a hydrothermal component of origin.

4. Other Mineralized Occurrences

Several trends of pyrite – chalcopyrite skarn parallel to, and to the northeast of, the Main Trend were identified (Map 2a). Copper and gold values are weakly to moderately

anomalous, ranging from 428 ppm copper and 0.023 g/tonne gold across 0.6 metres to 1230 ppm copper and 0.13 g/tonne gold across 1.1 metres. At least one zone is spatially associated with a quartz porphyritic monzonite dyke. Chip sampling within an old trench along the interpreted southeastern extension of the southernmost of these zones returned values to 2390 ppm copper and 0.583 g/tonne gold across 2.0 metres. Zones discovered to date have weakly anomalous to background gold and moderately elevated copper soil geochemical signatures; the bedrock sources of several much stronger copper and/or gold-in-soil anomalies have not been found.

An occurrence of replacement-style massive magnetite, called the "North Mag" occurrence, is located along the access road about 1.5 km north-northeast of the Main Trend. Massive magnetite with minor chalcopyrite and pyrite occurs within foliated andesite along the projected trace of a north-northwest – south-southeast trending property-scale fault delineated by Dean in 1973. Chip sampling in 2003 returned a value of 1158 ppm copper, 2.2 g/tonne silver and 0.03 g/tonne gold across 6.8 metres. Year 2004 chip sampling returned values to 0.303% copper, 5.4 g/t silver and 0.025 ppm gold across 2.8m. This zone occurs to the immediate northeast of a strongly calcareous north-northwest – south-southeast trending quartz-feldspar porphyritic felsic dyke. Felsic dyke exposures were also mapped by Dean along the south side of the fault trace.

Another occurrence, called the "Far East" occurrence, is located along Kaza Creek about 1.75 kilometres east of the Main Trend. This consists of chalcopyrite-rich calcite veins within strongly chloritized basalts. Chip sampling returned a value of 3.06% copper, 0.05 grams/tonne gold and 74 grams/tonne silver across 0.9m. A composite grab sample of silicified chalcopyrite-bearing basalt 40 metres to the north of these returned 0.58% copper, 1.210 grams/tonne gold and 6.2 grams/tonne silver. The latter is distinguished by stronger silicification and lesser chlorite alteration, as well as higher gold and lower silver and copper values. However, year-2004 prospecting failed to identify further size potential of this showing, or additional showings in this area.

(ix) Henry Lee Creek area

Mineralization at Henry Lee Creek consists largely of small, strongly gossanous skarn occurrences commonly proximal to small felsic dykes. Abundance increases towards contacts with a small granitic stock just west of Henry Lee Creek. Chip sampling of andesite skarn returned values to 0.868% copper, 0.07 g/t gold, 28.6 g/t silver and 0.032% molybdenum across 1.3m. Soil sampling also returned scattered anomalous copper and gold values to 0.128% copper and 0.065 g/t gold.

Quartz vein and stockwork zones also occur, commonly with very high molybdenum values. Chip sampling of a quartz stockwork zone returned a value of 0.134% copper, 0.0479% molybdenum, 10.6 g/t silver and 0.04% gold across 1.2m. An adjacent composite grab sample returned 0.108% copper, 0.141% molybdenum, 6.5 g/t silver and 0.855 g/t gold.

High molybdenum values were also returned at many locations from soil sampling, including the vicinity of the granitic stock, where one sample returned 142 ppm

molybdenum. Copper values near the stock are somewhat elevated, to a maximum of 243 ppm (with 108 ppm molybdenum); gold values here are not elevated. The geochemical signature is reminiscent of copper-molybdenum +/- gold systems, although no porphyry-style mineralization has been noted in the stock to date.

Anomalous molybdenum values were obtained from soil sampling overlying or proximal to the stock, and were used to obtain a rough outline of the stock, although the western boundary remains undetermined. Elevated molybdenum values to the southwest suggest the presence of other intrusive structures or dykes.

Strongly elevated copper values to 1314 ppm with 1.6 g/t silver were returned along the access road, roughly along the north-south contact between feldspar porphyritic andesite flows and andesitic tuff breccia to the east. A nearby silt sample returned 257 ppm copper and 6.1 g/t silver; other soil samples along the interpreted contact returned elevated copper values. The small "chert" unit (silicified andesite?) is coincident with elevated copper values to 329 ppm.

Copper, silver and molybdenum are the main target elements in the Henry Lee Creek area; gold values were generally low with rare anomalous values from rock and soil sampling. Localized high arsenic and antimony values indicate a hydrothermal mineralizing system, although these are not necessary strongly correlative with gold.

(f) Work Program & Drilling

In 2004, the Issuer constructed a large base camp with generator power, capable of housing 16 people, along the south shore of Kaza Lake, equidistant from the two project areas. The complex includes fully electrified core shack facilities and permanent core racks. Road access was also improved through construction of temporary bridges across two crossings of Kaza Creek, lifting of the Lion Creek Bridge to comply with 100-year flood levels, and installation of numerous culverts south of the camp. The road was also upgraded somewhat, although 4WD vehicles are still recommended.

The following sections focus on the diamond drilling and surface programs on the Northstar and Kaza project areas. All sampling procedures were conducted by All-Terrane Mineral Exploration Services, in contract to the Issuer. Sampling parameters, including drill core sampling, were rigorous, thus a high degree of reliability is expected. "Check" and "repeat" samples of drill core proved a high reliability of repetition of results; "Metallic Screen Fire Analysis" techniques indicate that a coarse gold effect at the Kaza project area is unlikely.

(i) <u>Northstar Project Area</u>

Five NQ-diameter holes for a total of 3,162' (963.7m) were drilled at the Northstar Project area. Two of these, Holes NS-04-02 and NS-04-04, were drilled at the same 110^{o} bearing from the same set-up, and intersected fracture controlled and disseminated copper sulphide mineralization, likely occurring along steeply north-dipping zones within feldspar porphyritic andesite and along a basal limestone unit. A third, Hole NS-04-05, intersected chalcocite vein mineralization more typical of surface veining in the

Discovery Cut, the target for this hole. Hole NS-04-01, targeting the "B Zone, and Hole NS-04-03, targeting the Dilational Corridor farther north, failed to return notable mineralized intercepts. A summary of drill results is shown in Table 3 of the Northstar-Kaza Report.

Systematic soil geochemical sampling was also done across eastern, northern and western extensions of the Northstar grid. The largest anomaly was returned from the eastern extension, where copper values to 1009 ppm were returned, expanding upon an anomalous area delineated in 2003. This anomaly, in an area of fairly well drained and slightly rolling terrain, close to small limestone exposures, represents another target area for follow-up exploration.

A second anomalous area occurs just southeast of the Main Skarn. A value of 5680 ppm copper occurs 100m upslope of two other samples returning 476 and 542 ppm copper respectively. This occurs roughly 150m south of a boulder train originating from the Main Skarn area and was originally thought to be caused by this. However, although float train boulders found along Base Line 0 + 00 returned values to 4.56% copper, soil sampling immediately downslope did not return anomalous values. The terrain near the float train is steep, thus the dispersion train is unlikely to extend as far outbound as the anomalous values. Therefore it is likely these represent a separate source.

An area of somewhat elevated copper values to 207 ppm occurs along the northern projected extension of the Dilational Corridor, particularly along L 12 + 00N. Two samples returned anomalous gold values of 20 and 70 ppb respectively. The bornite vein occurrence sampled in 2003 is the only location along the Dilational Corridor to host elevated gold values suggesting a gradational zonation. These elevated copper-gold values may indicate a further extension of this.

Two small copper anomalies along Lines 1 + 00N and 3 + 00N returned values of 444 and 345 ppm copper respectively. These occur uphill of previous sampling, and suggest potential for further copper occurrences at high elevations.

(ii) Kaza Project Area

The program at the Kaza project area consisted of five NQ-sized diamond drill holes for 3,718 feet (1,133.2m). Holes KZ-04-01, KZ-04-02 and KZ-04-04, extending progressively north-eastwards, tested the east-southeast trending Hornblendite Zone. Hole KZ-04-01 returned an intercept grading 0.117% copper, 2.1 g/t silver and 0.24 g/t gold across 27 feet (8.2m) (see Table 4 of the Kaza-Northstar Report) from andesitic skarn and quartz-porphyritic monzonite dyke rock. A second intercept returning 0.085% copper, 1.0 g/t silver and 0.10 g/t gold across 74.3' (22.6m), including a sub-interval grading 0.246% copper, 2.4 g/t silver and 0.30 g/t gold across 15.8' (4.8m), was intersected further down-hole.

Hole KZ-04-02 returned an interval grading 0.115% copper, 1.8 g/t silver and 0.11 g/t gold across 32.4 feet (9.9m), from carbonate-altered fractured andesitic volcanics. Hole KZ-04-04 returned a 15.7-foot (4.8m) intercept grading 0.229% copper, 2.8 g/t silver and

0.17 g/t gold from sheared andesite, including a 3.3-foot (1.0m) fault-hosted sub-interval grading 5.04 g/t gold, 0.077% copper and 2.5 g/t silver.

Hole KZ-04-03 tested the down-dip extension of the Main Zone south of the Hornblendite Zone. This intersected a strongly pyritic fault zone grading 62.1 g/t silver, 0.144% copper and 0.22 g/t gold across 4.9 feet (1.5m).

Hole KZ-04-05 tested the Main Trend south of Hole KZ-04-03, returning a 184.3-foot (56.2m) intercept grading 0.045% copper, 0.5 g/t silver and 0.11 g/t gold, largely from strongly altered and brecciated andesite, with minor dacitic dyke rock. A separate interval returned 0.115% copper, 3.7 g/t silver and 1.64 g/t gold across 1.5 feet (0.5m) from brecciated and altered andesite hosting banded chalcopyrite and pyrite.

In addition to the above intercepts, all holes intersected numerous zones of anomalous-grade copper +/- silver-gold mineralization.

Some additional surface rock sampling was done in the intersection area of the Main Trend – Hornblendite Zone, and several copper-gold skarn pods were discovered. All six samples taken from this area returned high gold values from 1.81 g/t to 4.12 g/t gold. Silver and copper values were also consistently high, ranging from 7.0 to 44.6 g/t silver and 0.56 % to1.75% copper respectively.

A select composite grab sample of talus float within a coincident gold geochemical anomaly located 150 metres southwest of the southern portion of the Main Trend returned 14.8 g/t gold with anomalous copper and silver values. This, the highest-grade value returned by the Issuer to date, represents a new exploration target in the Kaza project area.

(iii) Personnel and Surface Production

Technical personnel involved with the 2004 exploration program consisting of two geologists, a chief technician and three field technicians were all employees of All-Terrane Mineral Exploration Services, an arm's length private company, under contract to the Issuer.

Diamond drilling, road refurbishment, and cooking services were done by or subcontracted to Standard Drilling & Engineering Ltd. of Wells, B.C., a non arm's length company, wholly owned by the President of the Issuer. Camp construction services were supplied by Boychuk Construction Ltd, an arm's length company or by Standard Drilling & Engineering Ltd..

A total of 17 rock, 1 silt and 223 soil samples were taken from the Northstar project area in 2004. At the Kaza project area, 28 rock and 15 soil samples were taken, and at the Henry Lee project area, 29 rock, 130 soil and 23 silt samples were taken.

(g) Year-2004 Diamond Drilling Program

At the Northstar project area, five NQ-diameter holes for a total of 3,162' (963.7m) were drilled. Two of these, Holes NS-04-02 and NS-04-04, were drilled at the same 110° bearing from the same set-up, and intersected fracture controlled and disseminated copper sulphide mineralization, likely occurring along steeply north-dipping zones within feldspar porphyritic andesite and along a basal limestone unit. A third, Hole NS-04-05, intersected chalcocite vein mineralization more typical of surface veining in the Discovery Cut, the target for this hole. Hole NS-04-01, targeting the "B Zone, and Hole NS-04-03, targeting the Dilational Corridor farther north, failed to return notable mineralized intercepts.

A discussion of mineralized intercepts is provided in Section 7.2.2.1 of the Kaza-Northstar Report, "Mineralized Zones Encountered in Year-2004 Drilling", and will not be repeated in detail here. The large intercepts in Holes NS-04-02 and NS-04-04 likely represent steeply-dipping mineralized zones, although true extent and orientation of these are unknown. Currently, Hole NS-04-02 likely intersected the zones at an angle of 55°, resulting in a true width of 82% of apparent width, or 372 feet (114m). Hole NS-04-04 likely intersected the zone at a 35° angle, resulting in a true width of 57% of apparent width, or 163 feet (49.7m). No true width estimates are available for Hole NS-04-05.

The program at the Kaza project area consisted of five NQ-sized diamond drill holes for 3,718 feet (1,133.2m). Holes KZ-04-01, KZ-04-02 and KZ-04-04, extending progressively north-eastwards, tested the east-southeast trending Hornblendite Zone. Hole KZ-04-03 tested the down-dip extension of the Main Zone south of the Hornblendite Zone, and Hole KZ-04-05 tested the Main Trend south of Hole KZ-04-03.

The drilling results are summarized in "Kaza Project area" in the Kaza Northstar Report and will not be repeated here. Drilling indicated the majority of zones are spatially related to sub-vertical felsic dykes; thus intercepts are interpreted at about 45o, with true widths of 71% of apparent widths. Some flattening of drill holes with depth suggests intercepts somewhat more representative of true widths.

All drill core was placed in 5-foot core boxes, with lids nailed on, and delivered to the core logging facilities. Core boxes were photographed, box intervals were recorded, and recoveries calculated, with 100% recovery assigned to a reasonable maximum interval measured. All records were carefully tabulated and included with the detailed drilling logs; summary logs of major units were also recorded for immediate communication to the Issuer. Detailed logs include detailed and abundant structural measurements, as well as lithological, alteration and mineralogical descriptions.

(h) Sampling and Analysis

(i) <u>Surface Sampling</u>

All surface geochemical sampling was subject to rigorous parameters, including detailed descriptions of each sample. Rock samples were obtained using a 22-oz Estwing rock hammer, and located in the field using a non-differential Global Positioning System

(GPS) instrument. Samples were placed in plastic bags designed specifically for rock sampling. A tag with the unique sample number, supplied by Eco Tech Laboratories, was placed in the bag; the sample number was written on both outsides of the bag in "Magic Marker". The sample number was also written on Tyvex Tags using grease pencils and attached to the sample location in the field.

Samples were recorded as to location (UTM - NAD 27 Canada) sample type (grab, composite grab, chip, etc), width of chip samples, exposure type (outcrop, rubblecrop, float, etc.), formation, lithology, modifier (for textural or structural descriptions), colour, degrees of carbonate presence and silicification, other alteration, economic mineralization including estimated amounts, date, sampler and comments. Minimum weight of rock samples was 0.25 kg, although most samples, particularly chip samples, were much heavier, commonly exceeding 1.0 kg. At zones of continuous chip sampling, samples intervals were broken at contacts of distinct mineralogy or lithology. Samples did not exceed 3.0 metres in length.

Rock sampling was done in an effort to accurately represent tenor of a mineralized zone, and involved collection of material as evenly as possible along the entire interval.

Chip samples, which are preferred, were taken at sites of continuous outcrop; composite grab and grab samples were taken in areas of rubblecrop, felsenmeer or float. Chip samples, measured using measuring tape, were taken from trenches, unless slumping has compromised original outcrop exposure. Trench samples were taken to test particular mineral horizons or rock types for specific mineralogical characteristics.

Soil samples were taken at 50-metre station spacing across the year-2003 grids, including base and tie lines. Sample numbers supplied by Eco Tech Laboratories were written in grease pencil on a Tyvex tag and tied onto the station picket. Samples were placed in kraft bags, with a Tyvex tag supplied by Eco Tech showing the unique sample number placed in the bag, and the sample number written in "Magic Marker" on both sides of the bag. The bags were then dried as much as possible before shipping. Samples were preferably taken of B-horizon material, although sampling of A or C horizon soil was done where B-horizon material was unavailable. This was preferable to omitting the sample. Minimum original sample weight was 0.25 kg, although in the case of several A-horizon samples, much of this was comprised of organic material, and insufficient material remained for gold analysis.

All samples were described as to location (grid station, UTM coordinates if taken along traverse), horizon, depth of sample, slope angle, colour, percent coarse fragments, surrounding vegetation, surficial lithology, fragment lithology, percent organics, date, sampler and comments. If a particular parameter could not be determined, particularly fragment lithology, no record was made.

Variability in results of soil sampling may be caused by depth of overburden, slope angle, and outcrop exposure, with lower values expected in flat areas with thick overburden. Year-2003 results indicate that A-horizon samples tend to be enriched in copper. Gold

ions are less mobile also; thus samples with high copper-gold ratios may indicate transport distance rather than low bedrock gold values.

Silt samples were taken from several locations at a particular site to improve representability, focusing on fine material. Samples were placed in kraft bags with a sample tag showing unique sample number, labeled and marked in the field in the same manner as soil samples. Mossmat samples were taken if exposed silt was unavailable. Sample locations in UTM NAD-27 format were recorded in the field using a non-differential GPS and described as to percent fines, colour, stream grade and width, date, sampler and comments. All samples were taken in order to provide accurate representation of mineralization present.

Field data was entered into Microsoft Excel spreadsheet format, and later matched with analytical results. This process was continually re-checked to ensure correct results are associated with descriptions.

The writer of the Kaza Northstar Report cannot verify the adequacy and quality of historical sampling, sample preparation, security and analytical procedures, for work performed before 2002. No descriptions were included in any past records, and the author was not involved in past exploration. Sampling techniques, preparation, analytical procedures and security were included in the year 2002 report by Varas and Williams.

(ii) Drill Core Sampling

All drill intervals sampled were split using a manual core splitter, with one half placed in the core box as originally oriented and stored in good-quality core racks at the camp site. No unsplit portions were allowed to be shipped, guaranteeing availability of core for re-sampling, if necessary. Detailed and accurate records of sample lengths were retained, as were records of box intervals and core recoveries. All sample intervals were laid out prior to sampling, with sample numbers marked with small wooden blocks, and sample intervals carefully documented. A tag supplied by Eco Tech for each sample taken was stapled into the core tray within the sample interval.

At the Northstar project area, all mineralized intervals were sampled, including all portions of the large fracture-controlled intercepts. All five holes at the Kaza project area were split from top to bottom. Sample intervals were chosen on the basis of changes in lithology, alteration or mineralization, rather than on systematic regular intervals. Drilling and core sampling was recorded in feet and tenths of feet.

(i) Security of Samples

(i) Surface Samples

All rock samples were placed in thick plastic industry standard sample bags, sealed with thick plastic serrated “Zap Straps” and sent in similarly sealed rice bags to Eco Tech Laboratories of Kamloops, B.C., a certified analytical laboratory. Sealed rice bags were personally handed to the courier, a subsidiary of Greyhound Bus Lines, by the qualified person, and were delivered by the courier directly to Eco Tech.

All rock and samples underwent crushing so that a minimum of 65% of the sample size was passed through a -10 mesh (1.7mm) screen. The resulting material was then thoroughly mixed, and a 250-gram portion of this underwent pulverization ensuring that a minimum of 90% of material passed through a -140 mesh (0.11 mm) screen. From this, a 50-gram sample underwent analysis by fire assay with atomic absorption finish. Soil and silt sampling underwent similar techniques, with a 30-gram sample undergoing fire assay.

All samples, including soil and silt samples, were also analyzed by 28-element ICP to test for abundances of Ag, Al, As, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sn, Sr, Ti, U, V, W, Y and Zn. In this case, a 0.5g sample within 10 ml of solution was submitted. Detection limits for gold for soil, silt and some surface rock samples was 0.005 ppm (1 ppm = 1 g/t); for the remaining rock and all core samples, fire assay techniques resulted in a detection limit of 0.03 g/t, with values given in both g/t and oz/t. "Overlimit" values were automatically provided for gold, silver and copper values.

Eco Tech provides comprehensive in-house quality-control for all sampling, including core sampling, using numerous blanks to test for any potential contamination, confirming that no detectable contamination has occurred. Every 35th sample was resplit and reanalyzed; at least one resplit was done for batches of less than 35 samples. Also, repeat analysis was done for every 10th sample, or at least one for batches of less than 10 samples. Eco Tech also conducted repeated in-house standard sampling for all 28 elements involved in ICP analysis and gold to determine accuracy of analysis. Standards were emplaced into the sample stream at a minimum frequency of every 40th delivered sample; or at least one per batch of less than 40 samples.

Eco Tech also performed repeat analysis of samples yielding high element values, particularly gold. This is particularly important, whereby duplicate analysis may determine potential for the "coarse gold effect".

All pulps and rejects were instructed to be stored for up to one year.

(ii) Drill Core Sampling

All samples were placed in industry-standard plastic rock sample bags, with a sample tag supplied by Eco Tech placed in the bag, which was then tied using a "Zap Strap" cable tie. Samples were shipped in rice bags, in the same manner as surface samples. The core trays, including the groove underlying the blade, were thoroughly cleaned after each sample. The splitting area, including tables and floors, was swept clean at the end of each day.

Detailed records of drill hole locations, including elevation, were made using a non-differential GPS, and recorded in UTM NAD 27 format. These include bearings and dips of holes. Samples were analyzed for the same 28 elements as surface samples, and rock samples were analyzed by 50-gram fire assay with a detection limit of 0.03 g/t. Also, select samples of strongly mineralized material throughout the drilling program were subjected to metallic screen fire assay to test for potential coarse gold effect.

Results were tabulated into "Excel" spreadsheet format, with weighted averages calculated per sample interval for copper, gold and silver, and overall weighted averages calculated for each mineralized interval. Data was rigorously checked for accuracy of transcription.

(j) Interpretation and Conclusions

Please see Northern Hemisphere's technical report, "Progress Report on the Year-2003 Surface Exploration Program on the Kaza-Northstar Project" for discussions and conclusions from the 2003 surface program. Very briefly, the report concluded the presence of a north-south trending dilational corridor hosting the bulk of chalcopyrite +/- bornite veining, including the Discovery Cut, in the Northstar project area. It also reported the identification of the east-southeast trending Hornblendite Zone, hosting abundant copper-silver-gold mineralization in the Kaza project area, as well as the "North Mag" and "Far East" occurrences.

Please see below Mr. Schulze's interpretation and conclusions.

(i) Interpretation

1. Northstar Project area

Diamond drilling of Holes NS-04-02 and NS-04-04 revealed a broad zone of fracture controlled and disseminated copper sulphide mineralization with little associated alteration or barren sulphides. Host lithologies consist primarily of Unit 1 feldspar porphyritic andesite, including brecciated and tuffaceous units, and an underlying crystalline limestone unit. Within the andesites, sulphides are most abundant in fractured and brecciated units, showing a direct affinity for permeable horizons. Mineralized grades in limestone are equivalent to or exceed those in andesite.

The broad intervals consist of numerous sub-intervals of specific sulphide mineralogy, including predominantly chalcocite, predominantly bornite and predominantly chalcopyrite, with some zones of mixed mineralogy, and with large ranges in grade. Cross section plotting suggests these zones dip very steeply to the west, but do not extend into the basal limestone unit. These also do not extend to surface, although disseminated and fracture controlled bornite and chalcocite were reported from 1960s drilling of the "B-Zone.

Preliminary interpretations suggest the limestone unit is flat lying, outcropping south of the Discovery Cut along a roadcut into a steep hillside. Strongly sheared and mineralized zones in core suggest the contact between limestone and overlying andesites is a local uncomformity, although permeable to fluid movement. A second fault contact separates the limestone from underlying Unit 2 chloritic augite-porphyritic basalts, which are unmineralized. This indicates that this contact is impermeable to fluid movement and/or the underlying basalts are unreactive.

The mineralized interval has a strong induced polarization high chargeability signature, with a weak to moderate coincident resistivity high signature. This signature, which also

doesn't extend to surface, is strongly suggestive of weakly silicified and disseminated to fracture-controlled mineralization, very much as encountered; Induced Polarization surveying appears to be an excellent tool for this type of target selection. This signature extends, at varying depths, at least 100m to the south and 200 metres to the north, suggesting a north-south trending zone along the western margin of the dilational corridor.

Numerous shorter higher-grade intercepts were returned from 1960s-era drilling in the B-Showing area just northwest of the Issuer's two large intercepts. These may represent higher grade sections of larger, lower grade intercepts of similar disseminated and fracture-controlled mineralization encountered in 2004. Also, DDH 7 drilled in 1967 further north into the Dilational Corridor returned similar grades (60 feet of 0.68% copper, ending in 0.58% copper, Varas and Williams) to the 2004 intercepts, suggesting a similar disseminated mineralized fabric.

The style and mineralogy of disseminated and fracture-controlled mineralization is similar to the larger chalcocite veins; both have weak to no associated alteration, indicating low emplacement temperatures. These settings are part of the same mineralized system, likely a "Sustut Copper"-style low temperature aqueous fluid system (Harper) (see Section 6.1). The larger chalcocite veins may represent metal deposition and/or replacement in larger open pore spaces, such as veins and fissures. Mineralization was very late, replacing late calcite stringers and amygdules.

2. Kaza Project area

Drilling of the Hornblendite Zone confirmed the presence of small skarn zones, including magnetite-pyrite +/- chalcopyrite pods and chalcopyrite-enriched epidote zones, to depths of at least 200m. Anomalous copper grades were returned throughout much of the total footage drilled. Gold and silver grades ranged from background to moderately anomalous, with grades exceeding 0.5 g/t generally confined to skarn pods and narrow fault zones. High grade intervals of all commodities were rare; copper grades were inferior to those from the Northstar project area.

Drilling of the Main Trend encountered similar results from similar settings, although a 184.3 feet (56.2m) intercept of low grade copper-silver-gold mineralization, coincident with surface mineralization within a vertical zone, was returned. In both zones, felsic dykes, although mineralized, returned lower values than adjacent andesite-hosted skarn zones.

Drill sections indicate a very strong correlation between felsic dykes on surface and at depth, suggesting dykes and adjacent skarn mineralization are aligned along vertical structures. Results indicate that the Main Trend and Hornblendite Zones are actually structural corridors hosting abundant but small, discontinuous pods and skarn zones, with some spatial relationship to felsic dykes. Dykes are likely more continuous; however, dyke hosted and exoskarn mineralized zones are of limited extent. Most intercepts encountered were sub-economic, although mineralized fault zones may also have somewhat greater potential for continuity. The highest concentration of pods occurs

towards the intersection of the two zones, where the year-2004 program led to discovery of several chalcopyrite-bornite pods in this area. This is also the only area with abundant bornite, suggesting potential for increased copper to iron ratios, and thus higher grades for copper, gold and silver, at and perhaps north of the intersection area.

3. Henry Lee Creek area

Mineralization identified to date during very preliminary surface exploration in the Henry Lee Creek area consists of skarn, quartz stockwork and dyke hosted occurrences of limited size, although skarn-hosted copper and silver grades are locally quite high. Molybdenum grades are high in quartz stockwork zones and some skarn occurrences; high molybdenum values were not noted elsewhere. The density of occurrence is high, increasing in grade and abundance towards a small granitic stock just west of Henry Lee Creek. This is the only intrusion with associated sulphide mineralization on the property (a small stock in the southern Northstar project area has a different composition and has no associated mineralized occurrences). Felsic dykes in the Main Trend and Hornblendite Zones likely originate from this intrusion; although they have lithological variations, a common feldspar porphyritic fabric and mineralogy to the stock and each other suggests a common origin.

The dimensions of the stock have not been delineated, particularly to the west. If this stock is of significant size, it may represent the "heat engine" and source of metal-bisulphide-bearing fluids resulting in formation of mineralized zones in the Kaza project area. High molybdenum +/- copper and gold values in rock and soil sampling are reminiscent of copper-molybdenum-gold porphyry systems, although to date no porphyry-style mineraalization and alteration has been observed on surface. Potential exists for sizable stockwork, replacement and skarn occurrences.

(ii) Conclusions

The 2004 diamond drilling program at the Northstar project area identified disseminated and fracture filling copper mineralization within Unit 1 feldspar porphyritic andesite consisting of north-south trending, steeply west dipping distinct zones of chalcocite, bornite or chalcopyrite, or combinations of these. These geochemically distinct zones terminate at the fault-controlled contact of the andesite with an underlying flat-lying to gently north-dipping limestone unit, although equal to somewhat higher grade copper mineralization extends downwards into the limestone. Mineralization terminates abruptly at the basal limestone fault contact with underlying Unit 2 chloritic basalts and pyroclastics.

A potential deposit setting consisting of sub-vertical north-south striking disseminated Sustut copper-type low temperature mineralization, terminated along the lower limestone contact, may be used as a working model for exploration. This is enhanced by strong coincident Induced Polarization chargeability anomalies extending roughly north-south.

At the Kaza project area the continuation of the Main Skarn and Hornblendite Zones at depths was confirmed. Chalcopyrite mineralization with minor gold and silver occurs

within small skarn pods and fairly narrow zones distributed within much broader structural corridors comprising each zone. Mineralized fault zones, calcite – carbonate horizons and felsic dykes were also intersected. Much mineralization is spatially associated with these dykes, although highest grades were returned from adjacent skarn zones. However, with the exception of a few rare intercepts, mineralization is likely discontinuous and of sub-economic grade.

Drilling focused on the Hornblendite Zone and Main Trends south of the intersection area. Several copper-silver-gold skarn pods were discovered on surface in the intersection area, which remains a viable exploration target.

A strong copper soil anomaly with coincident weakly anomalous silver values was identified towards Ominicetla Creek within the eastern flagged grid extension. This represents a viable exploration target for similar mineralization to that encountered in Holes NS-04-02 and NS-04-04, as this anomaly has a similar geochemical signature.

The broad area of mineralization in the Henry Lee Creek area was discovered in 2004. First-pass exploration focused on skarn and stockwork occurrences along and to the east of a granitic stock of unknown dimensions. To date no exploration has been done west of the stock. The intrusion may represent the heat engine and locus of mineralization in the Kaza project area.

(k) Recommended Work Program

At the Northstar project area a ten-hole, 2,300-metre (7,545-foot) drill program is recommended to test for continuity of mineralization intersected in Holes NS-04-02 and NS-04-04 during the 2004 field program. This program is designed to test for mineralization near the discovery holes first, and then progress outwards along the interpreted zone extensions. If similar mineralization is not encountered in the first few holes, the program should be re-evaluated.

Expenditures for the field drilling program, including 10% contingency, are estimated at roughly CDN$433,000.

The proposed budget does not include further drilling at the Kaza project area. However, one or two further holes may be warranted to test the intersection area of the Main Trend and Hornblendite Zones.

Further surface exploration, including detailed prospecting and geochemical sampling, is recommended for the anomalies outlined at the Northstar project area. The large anomaly in the eastern extension warrants particular attention. Surface exposure is likely limited; exploration is recommended to include chain saw line cutting and Induced Polarization chargeability and resistivity surveying along 600m sections of Lines 1 + 00N through 5 + 00N. If Induced Polarization surveying goes ahead, completion of the remaining four lines originally planned for 2003 is recommended.

Further grid-based surface exploration is recommended for the Henry Lee area. This should consist of establishment of a chain saw-cut grid with 100m line spacing,

systematic soil sampling at 50m station spacing, detailed geological mapping and rock sampling. Ground magnetometer and Induced Polarization surveys are also recommended.

Total proposed expenses for surface exploration, including 10% contingency, stand at $59,939; expenses for the drilling program stand at $430,527.

Pre-season prep work:	$ 1,920
Geologist: 26 days @ $480/day:	12,480
Assistant: 26 days @ $250/day:	6,500
Rock sampling: 120 samples @ $30 ea:	3,600
Soil/silt sampling: 320 samples @ $27 ea:	8,640
Geophysical surveying: 6 days @ $1,400 ea (incl. geological crew):	8,400
Mobe/demob of geophysical crew (excl. expenses):	4,000
Groceries @ $35/manday:	2,310
Permitting:	480
Accommodations:	400
Shipping:	330
Truck rental: 26 days @ $70/day:	1,820
Radio rental: 26 days @ $20/day:	520
Fuel (travel):	440
Travel expenses:	150
Equipment (including expendables):	400
Camp fuel:	2,000
Minor supplies:	100
Sub-total:	**$54,490**
10% contingency:	$ 5,449
Total:	**$59,939**

Assumes:
1. Surface program during or contiguous with drilling program; no additional mobe-demob
2. Budget for cook is included in drilling budget or no cook is present
3. Partial camp fuel in case program not completely coincident with drilling program
4. Two personnel sufficient; two more for IP surveying (includes mobe-demob expenses)
5. Line cutting to be done by existing or local crew (of limited extent)

Personnel:	Geologist @ $480/day:	$ 46,160.00
	Assistant @ $250/day:	16,000.00
	Cook @ $250/day:	14,750.00
Drilling @ $20/foot:		150,926.00
Mobe/Demob (excluding wages):		12,000.00
Wages for travel + set-up:		11,400.00
Site and trail preparation		4,900.00
Bulldozer “Cat” and excavator rentals:		17,600.00
Bentonite, drill lubricants:		3,500.00
Drill bits, expendable parts:		9,100.00

Tests:	1,750.00
Drill moves:	14,400.00
Reclamation:	14,000.00
Permitting:	1,920.00
Core sampling:	34,600.00
Shipping:	1,600.00
Groceries ($35/person-day):	19,600.00
Accommodations:	2,600.00
Mileage:	2,712.00
Truck rental:	4,270.00
Radio rental:	1,170.00
Travel fuel:	2,430.00
Travel expenses:	825.00
Field equipment, including expendables:	1,200.00
Field office supplies:	800.00
Minor supplies:	1,175.00
Totals:	**$391,388.00**

10% contingency:	**$ 39,138.80**
Total drilling budget:	**$430,526.80**

Assumes:

1. 2,300m in 10 holes
2. One set-up per hole (may do multiple holes if warranted)
3. Average of 80 feet per shift, all-in; moves = 1 shift
4. Cross-shift drilling
5. 1 geologist + 1 assistant to manage program
6. Split entire hole at 2m intervals (average)
7. Costs do not include significant additions to existing camp or road improvements
8. Summer drilling program
9. Wages for Standard Drilling of $300/day/ drill set-up contractors at $350
10. Heavy equipment rental at $800/day (10 hrs at $80/hr)
11. **Field program Costs ONLY: Excludes corporate overhead, clerical fees, etc.**

ITEM 4. RISK FACTORS

The securities offered hereunder must be considered highly speculative due to the nature of the Issuer's business. Prospective investors should carefully consider the risks involved, which include the following:

4.1. Limited Operating History

The Issuer has no history of earnings and there is no evidence that it will acquire any earnings in the near future.

4.2. Requirement for Further Financing

There is no assurance the Issuer will be able to raise additional funds or settle debt by the issuance of shares for debt to satisfy the remaining indebtedness. Also, the Issuer intends to raise additional funds to satisfy part of its capital expenditures and development plans on it properties. Failure to raise additional funds to meet these obligations could result in the Issuer forfeiting its interest in this property. Also, if the Issuer's exploration programs are successful, additional funds will be required to place the properties in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Issuer to forfeit its interest in its properties and reduce or terminate its operations.

4.3. Development

The Issuer is subject to all of the risks inherent in the mineral industry and the development of mineral properties are highly speculative and involve substantial risks, even when conducted on properties known to contain quantities of minerals. Operations are subject to a variety of existing law and regulations relating to the development, permitting procedures, safety precautions, property reclamation, employee health and safety, and pollution and other environmental protection controls. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing, or other factors could cause delays or increase costs; such delays or increased costs could materially and adversely affect the financial performance of the Issuer. Mineral exploration is subject to accidents, environmental hazards, the discharge of toxic chemicals and a variety of other hazards. Such events may increase production costs or result in liability. All phases of the Issuer's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental hazards may exist on the Issuer's properties which are unknown to the Issuer at present which have been caused by previous or existing owners or operators of the properties. The Issuer currently does carry on operations and as a result does currently maintain insurance against such liabilities. Upon the occurrence of any of the events set out above, the Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

4.4. Title Matters

While an investigation has been conducted into the title to the mineral properties comprising the operation and the Issuer has satisfied itself as to the security of such title according to the laws of Canada, this is not to be construed as a guarantee of title. Titles to and the extents of mineral applications and titles may be disputed and the titles to the properties may be subject to unregistered encumbrances, transfers, title defects and historical claims of indigenous peoples.

4.5. Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors including the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation. The mineral industry in general is an intensely competitive industry in which operators compete for the acquisition of mineral claims as well as the recruitment and retention of qualified employees. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the properties.

4.6. Environmental Risks and other Regulatory Requirements

The current or future operations of the Issuer, including the development activities and commencement of production on its property, require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or exploration and development costs or reduction in levels of exploration and development at producing properties or require abandonment or delays in development of new properties.

4.7. Management

The success of the Issuer is currently largely dependent upon on the performance of its directors. The loss of the services of these persons will have a material adverse effect on the Issuer's business and prospects. There is no assurance that the Issuer can maintain the service of its directors or other qualified personnel required to operate the business. Failure to do so could have a material adverse affect on the Issuer and its prospects.

4.8. Competition

Significant and increasing competition exists for mineral opportunities in British Columbia. There are a number of large established mineral companies with substantial capabilities and greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional attractive mineral properties on terms it considers acceptable. Accordingly, there can be no assurance that the Issuer's exploration programmes will yield any new reserves or result in any commercial mineral operations.

ITEM 5. DIVIDENDS

To date, the Company has not paid any dividends on its common shares nor is it intended to pay a dividend on any of its shares in the immediate future. Dividends will, in all probability, only be paid in the event the Company successfully brings one of its properties into production.

ITEM 6. GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Issuer consists of an unlimited number of common shares. Each common share entitles the holder to one vote at general meetings of the Issuer. This is the only class of shares of the Issuer. At February 29, 2004, the date of the most recently completed fiscal year, the Issuer had 10,131,123 common shares issued and outstanding. The Articles of the Issuer provide no material characteristics for exchange, conversion, exercise or redemption and retraction of the common shares. Any dividend rights and other rights upon dissolution or winding-up of the Issuer will be determined by management of the Issuer at such time, or should these rights be determined.

ITEM 7. MARKET FOR SECURITIES

7.1 Trading Price and Volume

The shares of the Issuer are listed and posted for trading on the TSX Venture Exchange. The following table sets out the price ranges and volume traded on this exchange during the most recently completed fiscal year.

MONTH	PRICE RANGES	VOLUME TRADED
March, 2003	$0.060 - $0.12	132,620
April, 2003	$0.040 - $0.080	184,220
May, 2003	$0.045 - $0.065	148,000

June, 2003	$0.07 - $0.13	350,488
July, 2003	$0.045 - $0.08	15,800
August, 2003	$0.05 - $0.15	99,500
September, 2003	$0.11 - $0.19	152,400
October, 2003	$0.11 - $0.22	176,115
November, 2003	$0.125 - $0.235	296,400
December, 2003	$0.125 - $0.190	286,000
January, 2004	$0.12 - $0.165	133,500
February, 2004	$0.12 - $0.16	120,740

7.2 Prior Sales

Other than the issuance of share purchase warrants pursuant to a private placement and incentive stock options granted to directors, officers, consultants and employees of the Issuer, there is no class of securities of the Issuer outstanding which are not listed or quoted on a marketplace. For particulars of outstanding share purchase warrants and incentive stock options, refer to the SEDAR website at www.sedar.com and review the Issuer's audited and interim financial statements.

ITEM 8. ESCROWED SECURITIES

No shares of the Issuer are held in escrow.

ITEM 9. DIRECTORS AND OFFICERS

9.1. Name, Address, Occupation and Security Holding

The full names, municipality of residence, positions and offices held in the Issuer by the directors and executive officers of the Issuer, principal occupation within the past five years and periods during which each director and executive officer has served in such capacity for the fiscal year ended February 29, 2004.

Name, Present Office Held & Country of Residence	Director Officer Since	Principal Occupation and Occupation During the Past Five Years
J. Frank Callaghan President, CEO and Director Canada	March 1, 2000	Businessman, Principal of Standard Drilling & Engineering Ltd., a company under contract to the Issuer to provide project management and drilling services; Director, President and CEO of four other public companies
Charles N. O'Sullivan, Director and Chairman of the Board Canada	May, 1987	Self-employed Geophysicist and Mining Executive, Director and Chairman of one other public company
H. K. (Ken) Maddison Director Canada	May, 2000	Chartered Accountant and Fellow of the Institute of Chartered Accountants; Director and Officer of a number of public companies.
Alan Crawford Director	August, 2000	President of a private venture capital firm.

Canada		
J. Frank Bradley* CFO & Secretary Canada	May 2000	Chartered Accountant; Associated with various public companies in the mineral exploration and development business.

* On August 30, 2004, Frank Bradley was replaced by Charles N. O'Sullivan as CFO of the Issuer and the position of Secretary was eliminated. On November 8, 2004, Mr. O'Sullivan resigned as CFO and Richard Lee was appointed in his stead. Mr. Lee is a Certified Management Accountant.

As a group, the directors and senior officers beneficially own, directly or indirectly 1,332,967 common shares of the Issuer, representing approximately 13.16% of the voting securities of the Issuer at the end of the most recently completed fiscal year end.

The audit committee of the Issuer consists of Charles O'Sullivan, H. K. (Ken) Maddison and Alan Crawford.

The directors' term expires at such time as they resign as a director or are not re-elected at an annual general meeting of the Issuer.

9.2. Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or officers nor a shareholder holding 20% or more of the issued shares of the Issuer, is, or within the past 10 years prior to the date of this Annual Information Form has been, a director or officer of any other issuer that, while that person was acting in such capacity was the subject of a cease trade order or similar order or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days, nor has such person become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, during the past ten years.

9.3. Penalties or Sanctions

Subsequent to January 1, 2001, no director, officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has:

(a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

9.4. Personal Bankruptcies

During the 10 years prior to the date hereof, no director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control or the Company, or a personal holding company of any such persons has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person or company.

9.5. Conflicts of Interest

Certain of the Directors of the Issuer are also directors and/or officers of other companies engaged in mineral exploration and development, as well as mineral property acquisitions. Accordingly, mineral property acquisition and/or exploration opportunities or prospects of which they become aware will not necessarily be made available to the Issuer. The directors intend, to allocate these opportunities or prospects from time to time among the various companies in which they are involved, on the basis of prudent business judgment, the relative financial ability, and need of each company in which they are directors and/or officers to participate. In the event of any conflict of interest, the directors will act in accordance with the common law and the provisions of the Business Corporations Act (British Columbia).

ITEM 10. PROMOTERS

No person or company has, within the past three most recently completed financial years or during the current financial year, been a promoter of the Issuer or of a subsidiary of the Issuer. The directors of the Issuer also act in the capacity of promoters.

ITEM 11. LEGAL PROCEEDINGS

There are no legal proceedings to which the Issuer is a party or of which any of its property is the subject and no such proceedings are contemplated.

ITEM 12. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the following persons and any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Issuer:

(a) a director or executive officer of the Issuer;

(b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of the common shares; and

(c) any associate or affiliate of any of the persons or companies referred to in (a) or (b) above;

other than as may be set out above.

ITEM 13. TRANSFER AGENTS AND REGISTRARS

The Issuer's registrar and transfer agent for its common shares is Computershare Trust Company of Canada in Vancouver, BC.

ITEM 14. MATERIAL CONTRACTS

Particulars of material contracts entered into by the Issuer since January 1, 2000 are set out above under the heading "General Development of the Business of the Issuer".

ITEM 15. INTEREST OF EXPERTS

15.1. Names of Experts

The author of the Kaza-Northstar Report, Carl Schulze, BSc , PGeo, of All Terrane Mineral Exploration Services is the only expert who has prepared or certified a statement, report described or included in a filing made under National Instrument 51-102 by the Issuer during the Issuer's most recently completed fiscal year and whose profession or business given authority to the statement, report or valuation made by the person or company.

15.2. Interests of Experts

Mr. Schulze held no registered or beneficial securities or other property of the Issuer, directly or indirectly, at the time of the preparation of the Kaza-Northstar Report, nor has he received any securities or other property of the Issuer since that time, nor is it contemplated that he will receive any such securities or property of the Issuer.

ITEM 16. ADDITIONAL INFORMATION

Additional information relating to the Issuer including copies of news releases, material change reports, information circulars for each annual meeting of shareholders, audited and interim financial statements, managements' discussion and analysis for each financial period, geological reports, etc. may be found on the SEDAR website at www.sedar.com.

Additional financial information is provided in the Issuer's financial statements and MD&A for its most recently completed financial year is provided on the SEDAR website.