

**Technical Report
on the
MENARY PROJECT
Kenora Mining Division,
Northwestern Ontario**

Prepared for

Bill McNerney

February 22, 2007

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1.0 SUMMARY

Clark Exploration Consulting Inc. of Thunder Bay, Ontario was contracted by Bill McNerney to prepare a report on a prospecting, drilling, blasting, and sampling program on the Menary Project. The project was completed by Bill McNerney, Perry English, Terry Boyes, and Mel Galbraith between July 24th and 28th, 2006. Drilling was completed using a plugger.

The Menary Project is located near the international boundary with Minnesota. The nearest population centre is Fort Frances, 50 km to the southeast. The villages of Emo and Nestor Falls are located about 25 km to the south and north respectively. The Menary Project lies along the margin of a greenstone belt that forms one component of the western part of the Archean Wabigoon Subprovince of the Canadian Shield, a 900 km long, east-west trending metavolcanic-metasedimentary domain bordered and intruded by granitoid intrusions of up to batholithic dimensions. The Wabigoon Subprovince is composed of several tectonically bounded assemblages consisting of komatiitic to calc-alkalic metavolcanics overlain by clastic and minor chemical sediments. Intrusion of the granitoid domes has imparted a synformal structural character to the supracrustal rocks, and the central axial zones of many of these synformal belts may be characterised by long sinuous shear/fault zones.

The Menary property encompasses five unpatented mining claims and one mining lease. The total area covered is approximately 304 hectares. There is sufficient assessment credit to carry the claims till October of 2005. The mining lease does not have an assessment obligation but requires maintaining land taxes with the Chapple Municipality (formerly Township offices).

The exploration completed to date has concentrated on prospecting, geological mapping and mechanical stripping which have led to the discovery of ten gold showings in the area underlying and surrounding the Menary project claims. Nine of the ten known gold showings in the area occur within the metavolcanic rocks and eight of these nine showings contain deformed quartz veins filling fracture-related dilation zones. Seven of the gold showings contain visible gold and nine have produced at least one assay greater than one ounce gold per ton (Holmstead 1993).

From 1989 to 1994 Western Troy Capital Resources completed reconnaissance mapping and prospecting program followed by mechanical stripping of five separate showings. Two separate diamond drill programs were completed on the Wagg gold showing. In 1992, three short drill holes totalling 120 feet tested the width of the "F" vein and in 1994, 3000 feet of drilling was completed in the vicinity of the "A" and "B" zones, an area where it was proposed to remove a portion of a bulk sample. A 250 ton bulk sample was collected from Veins A, D, DE, and F at the Wagg Showing on claim 1079876.

In 1993, the balance of the bulk sample was extracted from the trench on the "A" vein at the Wagg gold showing for a total tonnage of about 500 tons.

In 1994 an additional 500 tons was excavated as part of the bulk sample. Most of the vein material came from Zones A, D, and E of the Wagg gold showing.

The Wagg Showing appears to be the only identified gold showing on the present claim block. A total of 346 ounces of gold was extracted from approximately 1000 tons of quartz vein material yielding a recovered grade of 0.346 ounces gold per ton. (Holmstead 1995).

2.0 INTRODUCTION AND TERMS OF REFERENCE

Clark Exploration Consulting Inc. of Thunder Bay, Ontario was contracted by Bill McNerney to prepare a report on a prospecting, drilling, blasting, and sampling program on the Menary Project. The project was completed by Bill McNerney, Perry English, Terry Boyes, and Mel Galbraith between July 24th and 28th, 2006. Drilling was completed using a plugger.

The Menary Project is located near the international boundary with Minnesota. The nearest population centre is Fort Frances, 50 km to the southeast. The villages of Emo and Nestor Falls are located about 25 km to the south and north respectively. The Menary Project lies within the Rainy River Greenstone Belt. This belt is one component of the western part of the Archean Wabigoon Subprovince of the Canadian Shield, a 900 km long, east-west trending metavolcanic-metasedimentary domain bordered and intruded by granitoid intrusions of up to batholithic dimensions. The Wabigoon Subprovince is composed of several tectonically bounded assemblages consisting of komatiitic to calc-alkalic metavolcanics overlain by clastic and minor chemical sediments. Intrusion of the granitoid domes has imparted a synformal structural character to the supracrustal rocks, and the central axial zones of many of these synformal belts may be characterised by long sinuous shear/fault zones.

The property warrants further exploration of the previously discovered occurrences, and possible extensions of showings or mineralized trends that have been discovered on the property.

3.0 PROPERTY DESCRIPTION AND LOCATION

The four mining claims and one mining lease of Bill McNerney are centred in northern half of Menary Township, Northwestern Ontario. The mining lands fall within the Ministry of Natural Resources Administrative District of Rainy River and the Ministry of Northern Development and Mines, Kenora Mining Division.

The area is located near the international boundary with Minnesota. The nearest population centre is Fort Frances, 50 km to the southeast. The villages of Emo and Nestor Falls are located about 25 km to the south and north respectively. The land position consists of a group of four unpatented mining claims and one mining lease in Menary Township (Figure 1).

Access to all of the claims and mining lease is attained via 404 Road, which leads off of paved provincial highways 11 and 71. Road 404 traverses the property in an east-west direction and all portions of the property are readily accessible from it.

Table 1: Menary Project – Property Holdings

Township	Claim No.	Area	Recording Date	Due
	Parcel No.	(hectares)	Option Date	Date
Menary	3014054	64ha	October 14, 2003	October 14, 2007
Menary	3014055	32ha	October 14, 2003	October 14, 2007
Menary	3014056	32ha	October 14, 2003	October 14, 2007
Menary	3014057	46ha	October 14, 2003	October 14, 2007
Menary	4205640	112ha	June 05, 2005	June 05, 2007
Menary	K1079876	16ha	Mining Lease	

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Menary Project is located near the international boundary with Minnesota. The nearest population centre is Fort Frances, 50 km to the southeast. The villages of Emo and Nestor Falls are about 25 km to the south and north respectively.

Access to all of the claims and patents in Menary Township is attained via 404 Road, which leads off of paved provincial highways 11 and 71. The 404 Road crosses the entire property in an east-west direction, and all portions of the property are easily accessible from it or from numerous spur roads that are in varying stages of overgrowth and disrepair.

Temperatures range from highs of 35oC in summer to lows of -30oC in winter, with snow cover between November and May. The best season for exploration is between June and October, although in lake covered or swampy areas exploration activities such as geophysical surveys and diamond drilling might best be conducted after winter freeze up.

The Menary Project is approximately 400 km by road from Thunder Bay, Ontario. Thunder Bay has a population of over 100,000 and is a full service community. Thunder Bay's population includes skilled tradesman and underground miners. All necessary supplies are available locally or in Winnipeg and Thunder Bay.

The Menary claims are located in the Beadle Lake and Off-Lake, Burditt Lake areas; a Precambrian highland that is only sparsely covered by glacial drift and is characterized by extensive outcrop exposure. This area has been subjected to only the most recent Whiteshell glacial event from the northeast. Relief is controlled by bedrock geology with the supracrustal sequences displaying positive relief relative to the batholithic complexes. Relief can attain 90 m or more.

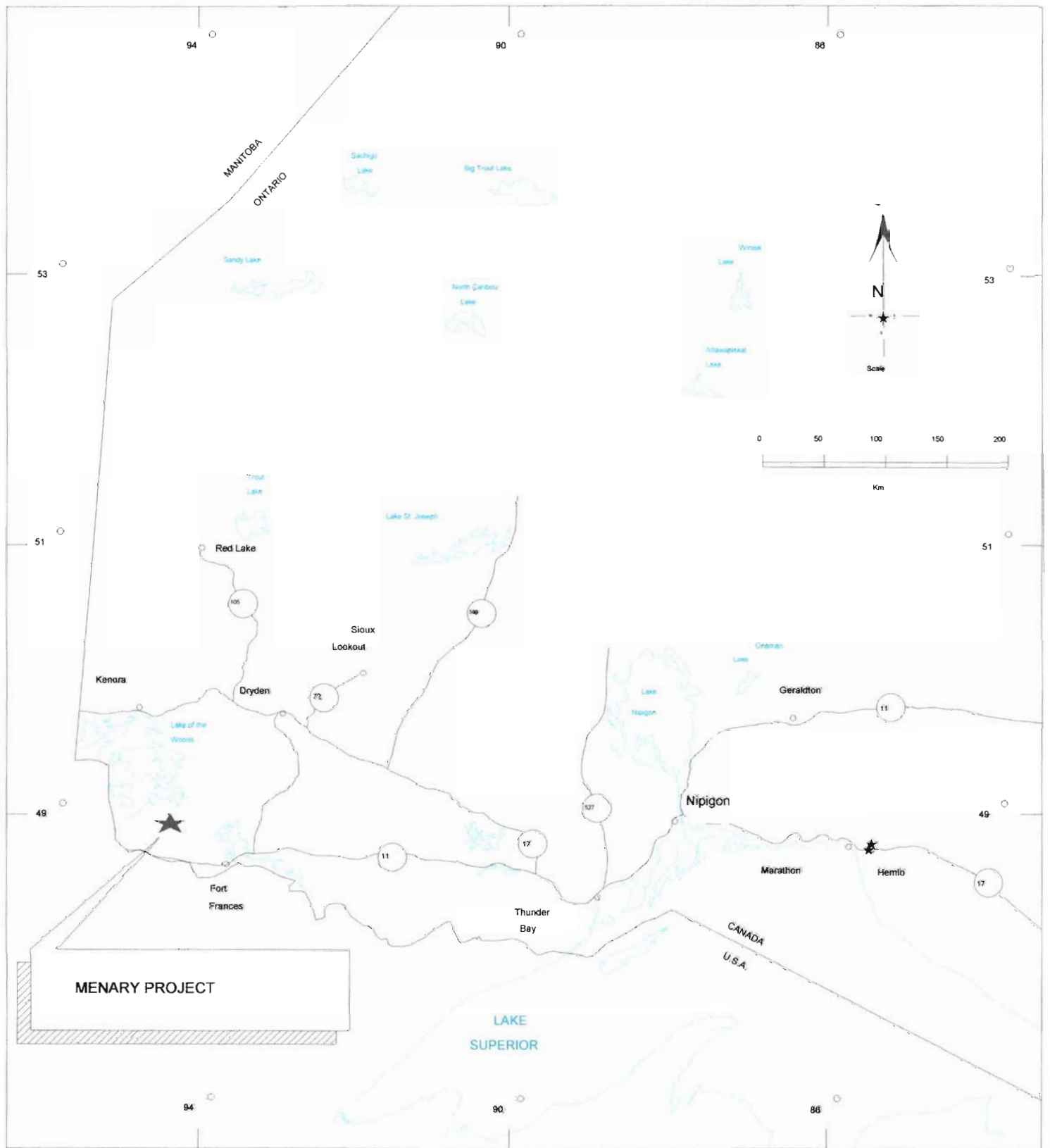
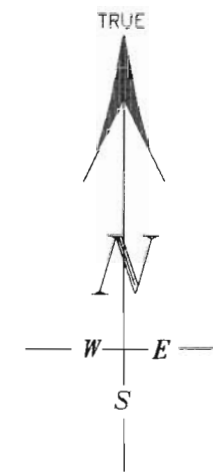
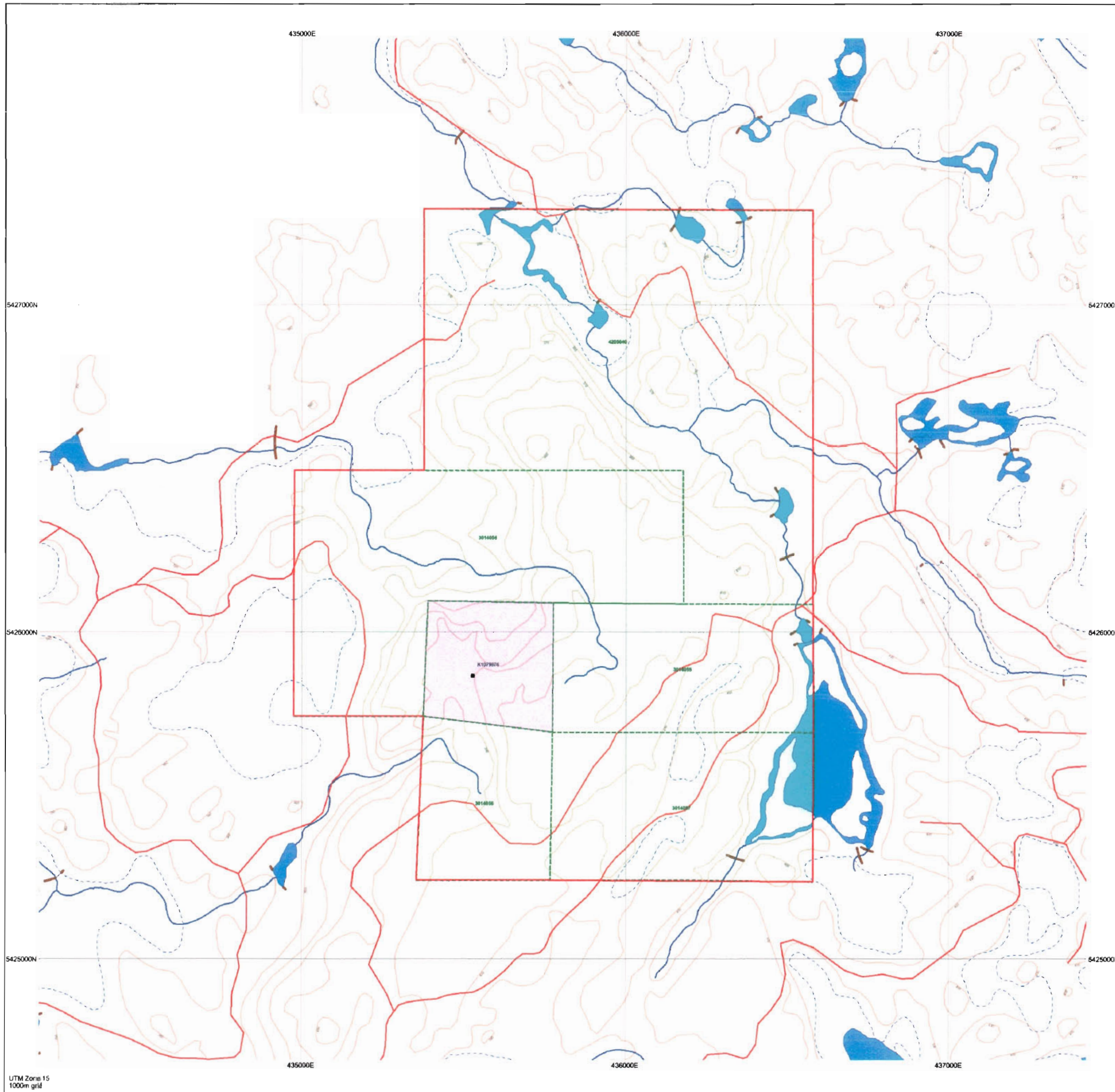
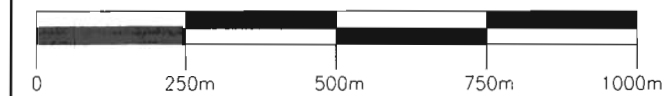


FIGURE 1

Regional-Scale Location Map



— Property Boundry



CYRARI CAPITAL CORPORATION

MENARY PROPERTY
 MENARY TWP. - KENORA MINING DIVISION

CLAIM DISPOSITION

FIGURE 2	Adapted from CLAIMaps III
Sept. 2005	NAD 83 - ZONE 15

CLARK EXPLORATION CONSULTING

UTM Zone 15
 1000m grid

5.0 PROPERTY HISTORY

The exploration history compiled below has been sourced from the report by Wagg and Holmstead (1993) and assessment files from the Kenora Resident Geologist's office.

Exploration activity in the area by individual prospectors dates back to the 1930s, when a copper-gold was discovered in a metavolcanic xenolith within the Jackfish Lake complex. Sporadic diamond drilling, primarily in the search for copper mineralization hosted in metavolcanic rocks, was carried out since the mid 1950's. No mineral production has been recorded from the Off-Burditt Lake area prior to 1992.

In 1974, Hudson Bay Exploration and Development drilled two diamond drill holes totalling 509 feet. The holes intersected pyrite, pyrrhotite, minor sphalerite, and trace chalcopyrite across ten feet (Sullivan, 1974).

Geological mapping by the provincial government covered the area in 1971. C.E Blackburn's 1976 report defines the geological stratigraphy and documents the known showings at that time. Blackburn's report contains the most recent government geology map to include Menary Township at a scale appropriate for exploration purposes.

Between 1983 and 1985, Agassiz Resources explored claims in the area in search of base metals. Magnetometer, VLF-EM, geological, and bedrock geochemistry surveys were completed, and follow-up horizontal loop (EM) work and overburden stripping examined disseminated sulphide mineralization associated with tuffaceous horizons (Studemeister, 1985). The Agassiz gold showing was discovered during this program (Figure 3).

A reconnaissance overburden geochemistry program was completed in the Off-Burditt Lake area and surrounding region by A.F. Bajc, and the results published in 1988 by the Ontario Geological Survey. Till samples returning anomalous gold grain counts were located on and adjacent to the property.

In 1989 Western Troy Capital Resources contracted Ovalbay Geological Services Inc. to complete magnetometer and VLF-EM geophysical surveys and geological mapping on a 52.3 kilometre cut grid. A stripping and sampling program followed the mapping program was carried out to further define and extend the main showing. A 7.3 kilometre induced polarization survey tested the main showing and tuffaceous horizons. The induced polarization survey results were disappointing as the amount and distribution of sulphides did not create any anomalies.

In 1991 a follow-up program of prospecting and geophysical anomaly investigation by Western Troy Capital Resources resulted in the discovery of

three zones of native gold bearing quartz veins. Additional claims were staked to expand the company's land position. Two additional zones of gold bearing quartz veining were discovered on the new claims. A stripping and sampling program at the Wagg showing revealed the presence of high-grade gold mineralization. The stripping uncovered six somewhat interconnected bodies of quartz, which appear to be the result of folding and faulting of a single larger structure (Wagg and Holmstead 1991). Additional claims were staked in both directions along the strike of the batholith contact, for a total of 18 kilometres around the discoveries.

An airborne magnetometer and VLF-EM survey that includes the Off-Burditt Lake area was flown for the Ontario Geological Survey, and the maps published in 1990. Previous operators investigated the conductors and the work revealed numerous zones of stratabound pyrite-pyrrhotite mineralization locally containing several percent sphalerite and chalcopyrite (Wagg and Holmstead, 1991).

In 1992 Western Troy Capital Resources completed a reconnaissance mapping and prospecting program followed by mechanical stripping. Five separate showings were stripped, mapped and sampled (Figure 3). Three short drill holes totalling 120 feet were drilled at the Wagg gold showing to test the width of the "F" vein, in an area where it was proposed to remove a portion of a bulk sample. A 250 ton bulk sample was collected from Veins A, D, DE, and F at the Wagg Showing on claim 1079876.

In 1993, the balance of the bulk sample was extracted from the trench on the "A" vein at the Wagg gold showing for a total tonnage of about 500 tons.

In 1994 an additional 500 tons was excavated as part of the bulk sample. Most of the vein material came from Zones A, D, and E of the Wagg gold showing.

In 1996 conductive zones were traced from the original claim group onto newly acquired claims.

G. Pogson, L. Fraser and M. Galbraith prospected and completed some bedrock trenching from 1996 to 1999. The work was completed on their claims in Menary Township just north of Cyrari Capital Corporation's 2005 claim block.

6.0 REGIONAL GEOLOGY

The Menary Project property lies along the western margin of a greenstone belt in the Off-Burditt Lake area that forms one component of the western part of the Archean Wabigoon Subprovince of the Canadian Shield, a 900 km long, east-west trending metavolcanic-metasedimentary domain bordered and intruded by granitoid intrusions of up to batholithic dimensions. The Wabigoon Subprovince is composed of several tectonically bounded assemblages consisting of komatiitic to calc-alkalic metavolcanics overlain by clastic and minor chemical sediments. Intrusion of the granitoid domes has imparted a synformal structural character to the supracrustal rocks, and the central axial zones of many of these synformal belts may be characterised by long sinuous shear/fault zones. The larger, crustal-scale Quetico Fault (in part) forms the southern boundary of the Wabigoon Subprovince and crosscuts both supracrustal and plutonic assemblages of the western Wabigoon region.

The Sabaskong Batholith, in the northwest, is broadly trondhjemitic in composition, while the Jackfish Lake Complex; in the southeast is predominantly syenodioritic. The metavolcanics maintain their trend northeast of Burditt Lake, eventually merging with the Pipestone Lake and Kakagi Lake greenstone belts in a "Y" shaped junction approximately 10 kilometres north of the property.

The regional geology is best described by Blackburn (1979):

"The thick Early Precambrian metavolcanic assemblage underlies more than one-third of the map-area and occupies a northeast-southwest belt which is five miles (8km) in width. On the northwestern flank of the belt, a mixed mafic sequence of massive lava, porphyritic basalt, and pillow lava is overlain by a mixed sequence of massive lava, pillow lava, porphyritic lava, and pyroclastic rocks. This sequence may be as much as 15,000 feet (4600 metres) thick. This lower mafic sequence is intruded by numerous quartz-feldspar porphyry dikes. An upper sequence of mixed mafic to felsic metavolcanics outcrops on the shores of Burditt and Off Lakes in the centre of the belt: felsic-to-coarse grained pyroclastic rocks, quartz feldspar porphyry, and minor dacite and rhyolite; mafic metavolcanics consist of thin massive and pillowed lavas. A narrow mafic unit lies on the eastern flank of the belt.

Regional metamorphism increases from lower greenschist grade in the centre of the volcanic belt to lower amphibolite grade towards the belt margins. A broad migmatite zone is developed on the eastern flank of the belt.

Felsic to intermediate plutonic rocks of Early Precambrian age and attributable to several episodes, all later than the volcanic activity, underlie less than two-thirds of the map-area. The volcanic belt lies between the

trondhjemitic Sabaskong Batholith on the northwest, the heterogeneous, hybrid, granodioritic to dioritic Jackfish Lake Complex to the east, and the Fleming Township trondhjemitites to the southeast. The Jackfish Lake Complex is bordered on its eastern side by granitic gneisses and migmatites. Three stocks intrude and lie completely within the volcanic belt: the Black Hawk Stock, a porphyritic granodiorite body with a monzonitic marginal zone; the Finland Stock, a heterogeneous quartz monzonitic to dioritic body; and the granodioritic Burditt Lake Stock.

A northwest-trending swarm of Middle to Late Precambrian diabase dikes crosscuts all other bedrock and postdates the major deformation.

During Pleistocene times, Wisconsin glacial activity was associated with ice originating in the Patrician and Keewatin centres, while glacial Lake Agassiz extended into the southwestern part of the map-area.

Major deformation of the metavolcanics was synchronous with plutonic activity. The main structural trend of the greenstone belt is northeast-southwest. No evidence of a major fold structure aligned parallel to this trend was found; on the contrary, all facing criteria indicate a southeast-facing homoclinal sequence. Tensional tectonics, with associated intrusion of diabase dikes, post dated the major episode of compressional tectonics.

Mineralization consists chiefly of pyrite, chalcopyrite, and minor magnetite within the mixed felsic to mafic metavolcanics, in the vicinity of Off Lake, and exploration in recent years has mostly been centred on this type of mineralization. Bismuthinite in association with chalcopyrite-pyrite-magnetite occurs within a mafic xenolith in the Jackfish Lake Complex. Substantial amounts of Pleistocene sand and gravel have been partially exploited.”

The property lies within the contact zone of the thick mafic volcanic sequence and the Sabaskong Batholith in the northwest of Blackburn’s map area.

Unconsolidated Pleistocene deposits, consisting of boulder and cobble dominated sandy tills, occur as a thin discontinuous layer of bedrock cover in the area northwest of Burditt Lake. Sands and clays are present in minor amounts in low-lying, well-drained areas. Recent sediments consist of organic debris, which has been accumulating in swamps and bogs.

Table 2. Table of Lithologic Units
(from Wagg and Holmstead 1993.)

PHANEROZOIC

Pleistocene and Recent

Till, sand, gravel and organic debris.

Unconformity

PRECAMBRIAN

Proterozoic

Mafic Intrusive Rocks

Diabase dykes

Intrusive Contact

ARCHEAN

Intermediate to Felsic, Syntectonic, Intrusive rocks

Equigranular trondhjemite, granite dykes, equigranular monzonite and intrusive breccia

Intrusive Contact

Felsic Metavolcanic Rocks

Medium grained to porphyritic rhyolite and dacite, quartz feldspar porphyry dykes

Mafic to Intermediate Metavolcanic Rocks

Fine to medium grained basalt to andesite, gabbro, pillowed basalt, porphyritic basalt, pillowed and porphyritic basalt, pillowed variolitic basalt, spherulitic basalt, tuff, tuff breccia, and lapilli tuff

7.0 PROPERTY GEOLOGY

The claim group lies along the western margin of a greenstone belt at the contact with the Sabaskong Batholith in the Off-Burditt Lake area.

The contact between the relatively massive rocks of the Sabaskong Batholith and the well foliated metavolcanics strikes 40 to 50 degrees and dips sub-vertically to 70 degrees to the east. Adjacent to the batholith, there is a package of massive to pillowed metabasalts up to 1000 metres thick. The pillowed flows occasionally exhibit a poorly developed variolitic texture.

Granitic dykes and numerous small bodies of feldspar and quartz feldspar porphyry have been emplaced subparallel to the northeasterly trend of individual flows and foliation. Shear zones up to two and a half metres wide, displaying varying degrees of chloritization, calcite alteration, pyrite mineralization, and quartz veining or silicification, are not uncommon. The shears are most common and best developed immediately adjacent to the porphyries.

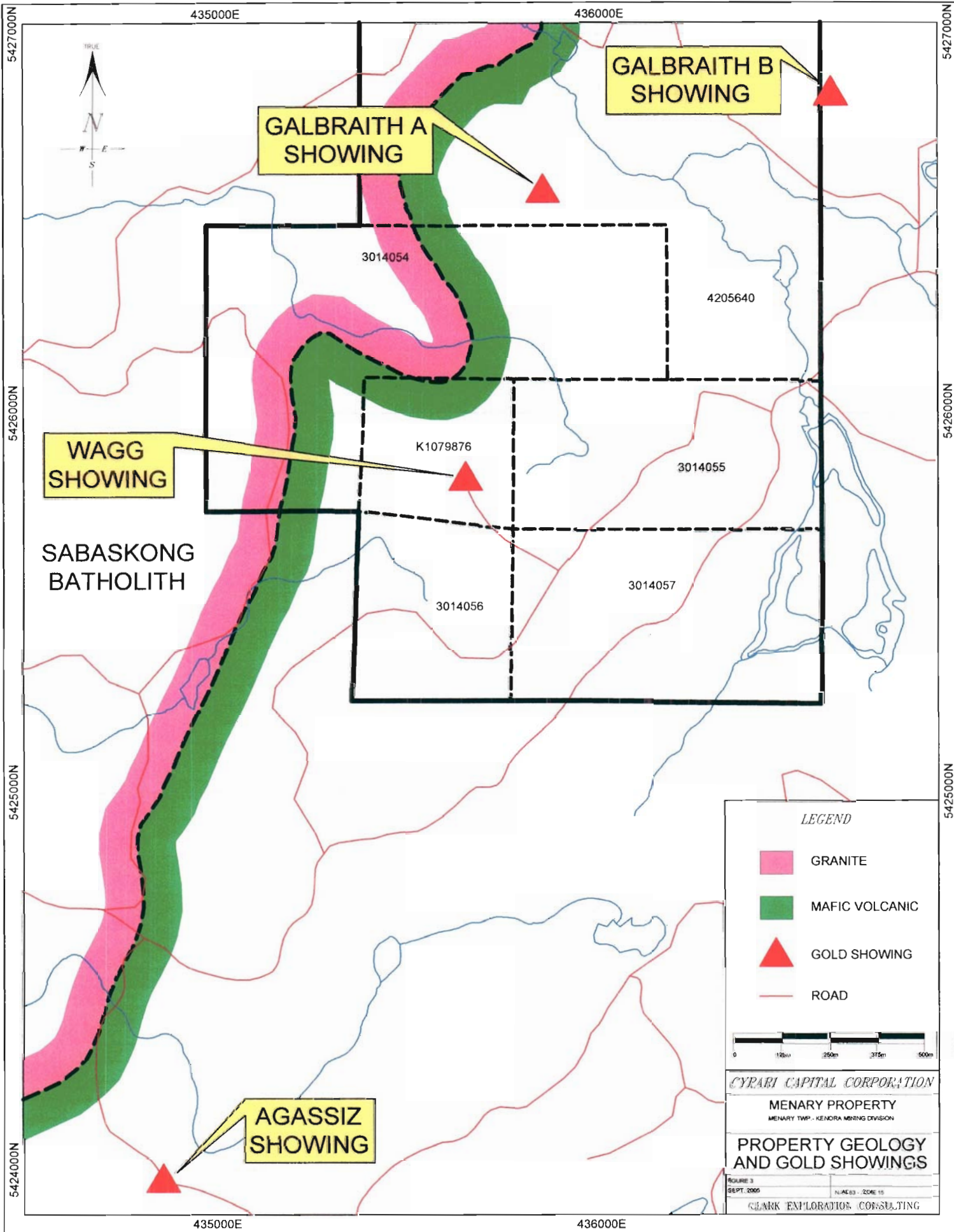
Overlying this package of metabasalts is a series of flows containing a number of tuffaceous to chemical metasedimentary horizons. The flows range from gabbroic textured to pillowed, with porphyritic varieties occurring to the east. Altered shear zones are present in the lower section of this package of metabasalts.

Foliation and shearing varies from parallel to strike and dip to a more north-south fabric. The metamorphic grade is lower to middle greenschist with local upper greenschist facies noted at the granitic contact.

Northwest trending diabase dykes postdate regional metamorphism.

The facing direction of the units, determined from pillowed flows, is southeast. Sulphide mineralization is sporadic and consists of pyrite and minor galena. Pyrite mineralization is predominantly concentrated within the felsic intrusives, sheared volcanic flows and tuffs and quartz veins.

Two large scale structures, possible faults, are oriented sub-parallel to regional structures at 030 to 050 degrees and dip sub-vertically. Rocks adjacent to these structures either exhibit a foliation fabric parallel to the structure or a blocky fault brecciated texture.



435000E

436000E

5427000N

5427000N



**GALBRAITH A
SHOWING**

**GALBRAITH B
SHOWING**

**WAGG
SHOWING**

**SABASKONG
BATHOLITH**

3014054

4205640

K1079876

3014055

3014056

3014057

5426000N

5426000N

5425000N

5425000N

5424000N

435000E

436000E

8.0 GOLD MINERALIZATION

Significant gold mineralization on the property is concentrated around the Wagg Showing located in the northeast portion of Menary property claims. Numerous exploration programs have concentrated on this area and over half of the discovered showings have been stripped, mapped and sampled.

In the area underlying and surrounding the Menary claims, seven of the ten known showings contain visible gold and nine have returned assay values in excess of one ounce gold per ton. Mechanical stripping has not tested four of the showings and six occur in areas not covered by earlier ground geophysical surveys.

Quartz veins hosting high grade gold mineralization have been the main targets of previous exploration in the area. A total of six gold bearing quartz veins, named the A, B, C, D, E and F Veins, can be found at the Wagg Showing and range in width from 0.5 to 2.0 metres and most dip steeply to the west. Exposed stripped quartz veining suggests they are folded boudins resulting from several periods of deformation concentrated on a single continuous quartz vein. The quartz lenses commonly display bifurcations and irregular offshoots. Evidence of both brittle and ductile deformation can be recognized in the veins and surrounding country rock. The lenses pinch and swell, and frequently exhibit tight minor folds that plunge primarily moderately to steeply to the south. Walls of the major quartz lenses vary from curvilinear to joint controlled, and smaller more planar veins frequently jump irregularly along joints while maintaining a relatively constant north to northeasterly strike.

The veins are composed of fine to medium grained sugary quartz, and vary in colour from white to light brown to dark red. They tend to be very porous throughout, and vuggy sections are common.

Mineralization consists of fine to occasionally coarse native gold, one to two percent fine pyrite, lesser chalcopyrite often coated by covellite, and minute quantities of bornite, molybdenite and native copper. Hematite and limonite amount to one to two percent of the veins as stain and vug coatings. Black hematite crystals were observed at one location and traces of tourmaline have been observed in float vein material. A pinkish-white mineral that may be either a weathering product or a variety of potassium feldspar was encountered with some regularity along fractures and the walls of sealed fissures. Gold is most abundant near and along vein walls, in and around vuggy portions of the veins, and in areas exhibiting some degree of structural complexity or strong iron staining. There seems to be little if any correlation between local sulphide abundance and gold content.

Country rock is essentially unaltered adjacent to most veins, and contacts are generally sharp. This appears to indicate that the veins were emplaced along

dilation zones controlled by fracturing and jointing. Immediately adjacent to some veins, the rock is more strongly foliated than in the surrounding outcrops. In these areas the rock commonly contains one to two percent pyrite, pyrrhotite, or chalcopyrite, and exhibits subtle chloritization, and possibly tourmalization.

The zone of veining can be best described as an arcuate zone about 125 metres in length and up to 25 metres in width.

The data listed in table 3 does not comply with NI 43-101 standards.

Table 3: Wagg Showing 1993 Sampling
Adapted from Wagg and Holmsted (1993)

Wagg Veins	Vein Width (metres)	Vein Length (metres)	Sample Type – Composite or Arithmetic average of grab, channel and chip samples	Sample Size (kilograms)	Assay (opt gold)
Vein A	0.5 to 1.75	13	Composite	10	0.939
Vein A	0.5 to 1.75	13	Arithmetic average of 7 samples		2.932
Vein B	0.5	13	Composite	10	1.046
Vein B	0.5	13	Arithmetic average of 11 samples		1.251
Vein C	0.45 to 0.75	12	Arithmetic average of 6 samples		1.912
Vein D	0.7 to 0.85	24	Composite	10	1.406
Vein D	0.7 to 0.85	24	Arithmetic average of 16 samples		0.786
Vein E	0.8 to 0.9	11	Composite	10	2.045
Vein E	0.8 to 0.9	11	Arithmetic average of 10 samples		1.274
Vein F	0.3 to 2.0	46	Composite	10	0.850
Vein F	0.3 to 2.0	46	Arithmetic average of 23 samples		1.137

9.0 PREVIOUS DRILLING

In May of 1992, three short drill holes totaling 120 feet were drilled under the Wagg gold showing located on mining lease 1079876. The holes were drilled to test the width of the “F” Vein in this area where it was proposed to remove a portion of a bulk sample. Drilling was abandoned due to inconclusive results.

The holes intersected metamorphosed pillowed basalts, which display a weakly variolitic texture around pillow margins and exhibit a weak to moderate foliation. A narrow, weakly foliated, feldspar porphyry dyke was intersected in hole WT-92-01. Several narrow, mainly barren of mineralization, quartz veins were intersected in holes WT-92-01 and WT-92-03.

During phase one of the 1994 drill program, a total of six short diamond drill holes were completed in the vicinity of the "A" and "B" zones at the Wagg gold prospect. Drill intercepts on the "A" zone include: 1.716 ounces gold per ton over 0.1 metres, 0.074 ounces gold per ton over 1.0 metre, 0.036 ounces gold per ton over 0.4 metres and 0.509 ounces gold per ton over 0.7 metres. One drill hole intersected the "B" zone and intersected 0.007 ounces gold per ton over 1.1 metres.

A 3000 foot, phase two drill program was completed in the fall of 1994. The "A" zone at the Wagg gold showing was intersected at a vertical depth of about 100 feet and the "B" zone at the same showing was intersected at a vertical depth of 30 feet. The drill program indicated that the Wagg gold prospect (zones "A" thru "F") was actually one vein prior to being tectonically broken and displaced (Holmstead 1995). No gold assay intercepts are available from this drill program.

10.0 1992 BULK SAMPLE

From 1992 to 1994, a bulk sample was extracted and milled to extract the gold and silver. In 1994 the ball mill set-up was capable of processing one to two tons per hour of operation.

Wagg and Holmstead 1993 state: "To date all the gold has not been removed from the concentrate therefore exact figures of gold recovery from the bulk sample are not available at the time of this report. To date about 75 troy ounces of gold have been recovered. A total of 247 tons of material were processed by the mill; 42% from Vein A, 32% from Vein F, 14% from Vein D, 5% from Vein DE and 7% from composite material from all veins."

In total 1000 ton bulk sample was collected from Veins A, D, DE and F at the Wagg Showing on mining lease 1079876 (see table 4). Preliminary metallurgical work completed by Edward Ludwig of Nighthawk Diamond drilling concluded that the gold bearing quartz at the Wagg Showing was "a very free milling ore which will require grinding to approximately 100% minus 100 mesh".

The bulk-sampling program was successful in demonstrating that the gold at the Wagg showing was free milling and that a gravity separation circuit could be set up to remove the gold with little or no significant impact on the surrounding environment.

Table 4: Bulk Sampling Data
Adapted from Holmstead (1993)

Year	Tons	Gold (ounces)	Silver (ounces)
1992	250	Combined with	1993 totals
1993	250	227*	9.7*
1994	500	129.1	4.9
Total	1000	346.1	14.6

11.0 2005 EXPLORATION PROGRAM

Clark Exploration Consulting Inc. of Thunder Bay, Ontario was contracted by Bill McNerney to prepare a report on a stripping and sampling project on the Menary Project. The project was completed by Garth and Terry Boyes, Perry English and Bill McNerney between June 20th and 24th, 2005. The trenching was completed using a ½ yard bucket backhoe.

An area approximately 70 x 30 metres with depths of 0 to 2.5 metres was excavated exposing mafic volcanics with a weak northeast foliation. A quartz vein was exposed intermittently for approximately metres with blow outs of up to 60 centimetres. The boudinaged vein conformed to the NE trending foliation.

A total of five six samples (32980, 32981, 32983-85) were taken using a channel saw all from the quartz vein material with minor pyrite and iron staining. The channel samples were all 45 to 60 centimetres in length and are illustrated on Map 1. A single grab sample (32982) was taken of a quartz vein also. The only sample that assayed was the grab sample that assayed 232 ppb gold.

12.0 2006 EXPLORATION PROGRAM

Clark Exploration Consulting Inc. of Thunder Bay, Ontario, was contracted by Bill McNerney to prepare a report on a prospecting, drilling, blasting, and sampling program on the Menary Project. The project was completed by Bill McNerney, Perry English, Terry Boyes, and Mel Galbraith between July 24th and 28th, 2006. Drilling was completed using a plugger.

Previously stripped areas from the 2005 work program were cleaned in 2006. Three previously identified showings were relocated, and one new Au-Cu-Zn showing ("404 Road Showing") was identified; 15 holes were spotted from showings and subsequently drilled.

Table 5: 2006 Showing Co-ordinates

Easting (NAD 83)	Northing (NAD 83)
435 755	5 425 788
435 755	5 426 125
436 110	5 426 125
436 310	5 426 125

Daily Log of 2006 Exploration Work Program:

July 24, 2006: B. McNerney (8 hours): Cleaned off previously stripped showings and spotted holes to be drilled with plugger.

July 25, 2006: B. McNerney, P. English, T. Boyes, M. Galbraith (10 hrs each): Prospected and relocated (3) previously identified showings. Using plugger, 15 holes were drilled.

July 26, 2006: B. McNerney, P. English, T. Boyes, M. Galbraith (8 hrs each): Prospected and relocated (2 Galbraith) previously identified showings and identified (1) new showing. Loaded and blasted 15 holes.

July 27, 2006: B. McNerney, P. English, T. Boyes (8 hrs each): Cleaned off, drilled and blasted new Au-Cu-Zn ("404 Road") Showing.

July 28, 2006: B. McNerney, P. English, T. Boyes (8 hrs each): 25 samples were taken (Figure 4). Samples were bagged and shipped to Accurassay Laboratories in Thunder Bay, Ontario. Showings were shown to C.J. Baker, independent geologist.

Table 6: 2006 Sampling Data

Sample No.	Au (ppb)	Au (oz/t)	Au (ppm)	Easting (NAD 83)	Northing (NAD 83)	Description
32988	28	<0.001	0.028	435755	5425788	Grab- qtz
32990	32	<0.001	0.032	435685	5425946	V.Fine qtz
32991	62	0.002	0.062	435690	5425894	Near qtz
32992	6	<0.001	0.006	435451	5425798	Qtz-fel
32993	<5	<0.001	<0.005	436310	5426125	Qtz-shear
32994	8	<0.001	0.008	436310	5426125	Qtz
32995	14	<0.001	0.014	436310	5426125	Dark red shear
32996	5	<0.001	0.005	436310	5426125	Qtz- wallrock
32997	9	<0.001	0.009	435755	5425788	Qtz
32998	40	0.001	0.04	435755	5425788	Qtz-wallrock
32999	10	<0.001	0.01	435755	5425788	Rose qtz + py
33000	63	0.002	0.063	435755	5425788	Py
32763	15	<0.001	0.015	435755	5425788	Wallrock shear
32764	12	<0.001	0.012	435755	5425788	Rose qtz
32765	47	0.001	0.047	435755	5425788	Rose qtz
32766	24002	0.7	24.002	435746	5425762	Mafic-volc qtz
32767	38	0.001	0.038	435746	5425762	Qtz- shear
32768	36	0.001	0.036	435746	5425762	Qtz- wallrock shear
32769	398	0.012	0.398	436776	5426866	Qtz
32770	13630	0.398	13.63	436791	5426850	Qtz Py
32771	30	<0.001	0.03	436839	5426849	Qtz Py
32772	205	0.006	0.205	436310	5426125	Py Po CLL
32773	115	0.003	0.115	436310	5426125	No qtz ff
32774	314	0.009	0.314	436310	5426125	Cu- Zn- Py
32775	102	0.003	0.102	436310	5426125	Cu- Zn shear

13.0 INTERPRETATION AND CONCLUSIONS

The majority of previous exploration work in the Menary Project area was undertaken in the early 1990's. Reconnaissance mapping and prospecting and mechanical stripping programs clearly indicated that thin, fine to medium grained, pillowed and massive intermediate to mafic flows represent the highest potential to host gold bearing quartz veins. Nine of the ten known gold showings in the area occur in these rocks and eight of the nine showings contain deformed quartz veins filling fracture-related dilation zones. Seven of the gold showings contain visible gold and nine have produced at least one assay greater than one ounce gold per ton.

The Wagg Showing appears to be the only identified gold showing on the present claim block. The showing has been extensively worked. It has been stripped, washed, mapped, grab, chip and channel sampled, drilled to shallow depths and bulk sampled.

Diamond drilling of the Wagg gold showing has indicated that the numerous gold bearing quartz veins (Zones "A" thru "F") outlined on surface was actually one vein prior tectonic fracturing and displacement (Holmstead 1995).

The bulk-sampling program demonstrated that the gold from the Wagg Showing is free milling and that a gravity separation circuit was capable of removing the gold with insignificant impact on the surrounding environment.

A total of 346 ounces of gold was extracted from approximately 1000 tons of quartz vein material yielding a recovered grade of 0.346 ounces gold per ton. The majority of the gold was free milling with about 0.1 ounces gold per ton lost to the tailings (Holmstead 1995).

14.0 RECOMMENDATIONS

The Menary Project requires a further exploration to assess the claims for economic gold mineralization and to evaluate the economic potential of the Wagg Showing.

The program will consist of work concentrated over areas proximal to the historic gold showings and along the contact zone between the metavolcanic rocks and the Sabaskong Batholith. The showing scale program will include mechanical stripping, outcrop washing, mapping and detailed sampling to extend the exposures at previous stripped showings and to expose previously unstripped gold showings and to potentially assess the need for and define future potential drilling targets.

15.0 REFERENCES

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- Christie, B.J. (1984): Summary of Geochemical Sampling on the Hodge Claim Group, Menary Township, Northwestern Ontario for Agassiz Resources Inc., 11p., plus 2 appendices.
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Wagg, C.A., Holmstead, W.E. (1993): 1992 Exploration Programme on the Menary Township Property, District of Kenora, Ontario for Western Troy Capital Resources, 37p. plus appendix.

Walker J.A., (1984): Report on Magnetic, VLF and Horizontal Loop EM Surveys, Hodge and Box Lake Grids, Menary and Senn Townships, Ontario for Agassiz Resources Ltd., 11p. plus 3 maps.

16.0 CERTIFICATE OF QUALIFICATIONS

I, Julie Labonté, G.I.T., do hereby certify that:

1. I am currently employed as a geologist in training by Clark Exploration Consulting.
2. I graduated with a degree of Bachelor of Science (Hons.) from Memorial University, St. John's, Newfoundland, 2004.
3. I am a member of the P.E.G (#G2545).
4. I have worked as a geologist for a total of 3 years since my graduation from university.

Dated January, 2007

"Julie Labonté"

Julie Labonté, G.I.T.

APPENDIX A
2006 Exploration Program Expenditures

APPENDIX A: 2006 EXPLORATION WORK PROGRAM EXPENDITURES

P. English	1 000.00
T. Boyes	1 000.00
B. McNerney	1 200.00
M. Galbraith	300.00
Equipment Expenses	1 028.00
Blasting	200.00
Lodging	628.00
Food	520.00
Fuel	120.00
Filing of Assessment Work	1500.00
Fax	20.00
Sample Shipping	34.00
Assays	<u>592.00</u>
TOTAL	8 142.00

**APPENDIX B
2006 Assay Certificate**



1046 Gorham Street
Thunder Bay, ON
Canada P7B 5X5

Tel: (807) 626-1630
Fax: (807) 622-7571

www accurassay.com
ussay@accurassay.com

Certificate of Analysis

Friday, June 22, 2007

McNemey, William
806 Buchana Blvd, 115+032
Boulder City, NV, US
89005
Ph#: (702) 521-9701
Fax#:
Email hmcnemey@mac.com

Date Received : 28-Jul-06
Date Completed : 11-Aug-06
Job # 200641332
Reference :
Sample #: 25 Rock

Accurassay #	Client Id	Au ppb	Pt ppb	Pd ppb	Rh ppb	Ag ppm	Co ppm	Cu ppm	Fe ppm	Ni ppm	Pb ppm	Zn ppm
81887	32988	28				< 1						
81888	32990	32				< 1						
81889	32991	62				< 1						
81890	32992	6				< 1						
81891	32993	<5				< 1						
81892	32994	8				< 1						
81893	32995	14				< 1						
81894	32996	5				< 1						
81895	32997	9				< 1						
81896	32998	40				5						
81897	Check 32998	38				5						
81898	32999	10				1						
81899	33000	63				5						
81900	32763	15				3						
81901	32764	12				< 1						
81902	32765	47				1						
81903	32766	24002				< 1						
81904	32767	38				< 1						
81905	32768	36				< 1						
81906	32769	398				12						
81907	32770	13630				4						
81908	Check 32770	16207				5						
81909	32771	30				< 1						
81910	32772	205				1		1271				
81911	32773	115				1		658				5257
81912	32774	314				2		3382				7635
81913	32775	102				2		1705				

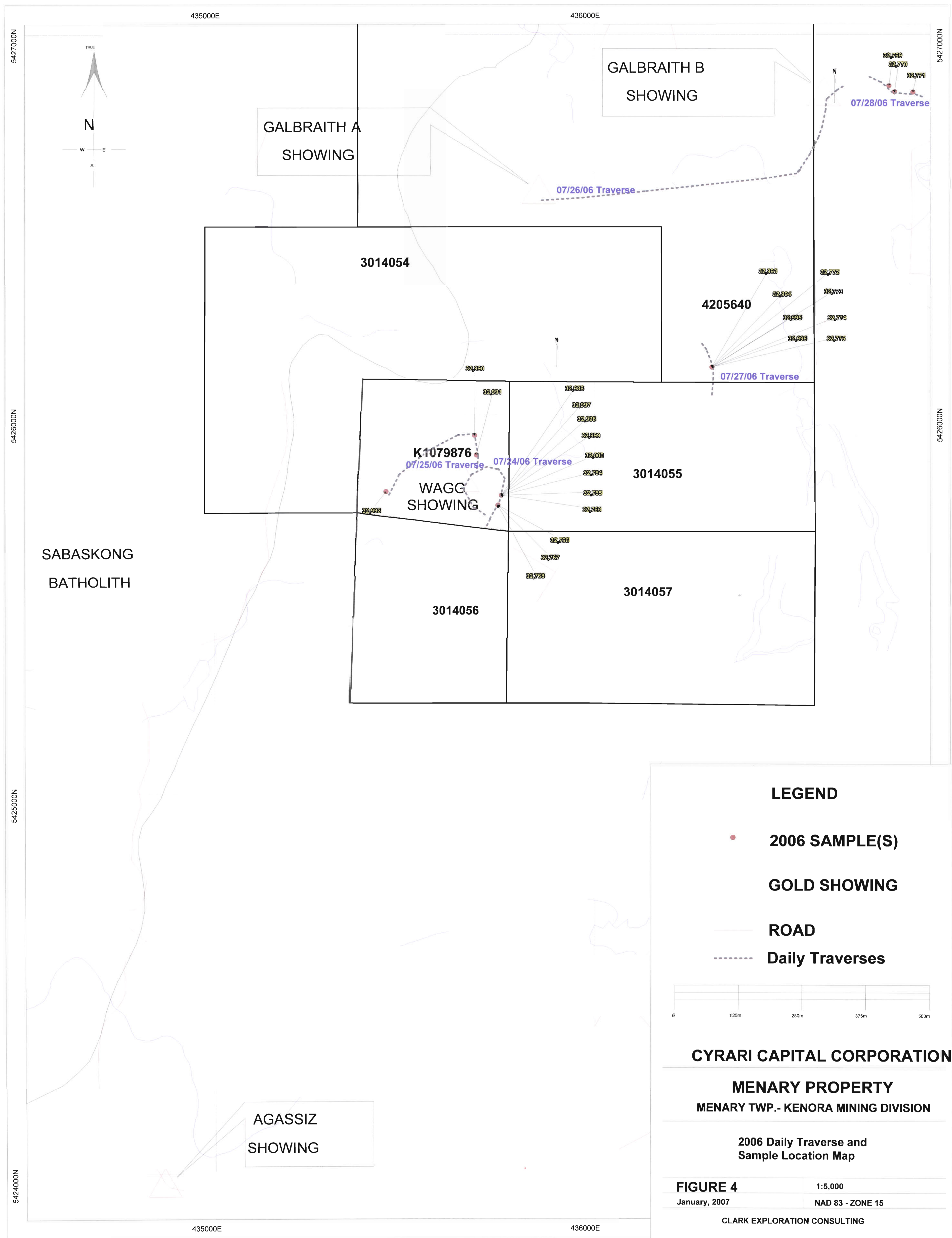
PROCEDURE CODES: AL4AU3, AL4Ag, AL4Cu, AL4Zn

Page 1 of 1

Certified By: 
Derek Desjardins H.Bsc., Laboratory Manager

The results included on this report relate only to the items tested

The Certificate of Analysis should not be reproduced except in full, without the written approval of the laboratory



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