



Operations Report for CANDORADO OPERATING COMPANY LTD.

**High Resolution Tri-Sensor Magnetic
& XDS VLF-EM Airborne Survey**

**Detour Lake Area Project
Cochrane, Ontario**

December 29, 2007

Report #: B-223

Requested by:

Rene Bernard

President & CEO

CANDORADO OPERATING COMPANY LTD.

Prepared by:

Charles Barrie, Managing Partner

Terraquest Ltd.

Table of Contents

1. INTRODUCTION	4
1.1. EXECUTIVE SUMMARY	4
1.2. SURVEY LOCATION	5
2. SURVEY SPECIFICATIONS	6
2.1. LINES AND DATA	6
2.2. SURVEY KILOMETRAGE	6
2.3. NAVIGATION SPECIFICATIONS	7
2.4. FLIGHT PLAN	8
2.5. TOLERANCES - REFLIGHT	8
1. <i>Traverse Line Interval</i>	8
2. <i>Terrain Clearance:</i>	8
3. <i>Diurnal Variation:</i>	9
4. <i>GPS Data:</i>	9
5. <i>Radio Transmission:</i>	9
6. <i>Sample Density:</i>	9
2.6. NAVIGATION AND RECOVERY	9
3. AIRBORNE GEOPHYSICAL EQUIPMENT	10
3.1. EQUIPMENT SUMMARY	10
3.2. SURVEY AIRCRAFT	11
1. <i>Aircraft Specifications</i>	11
2. <i>Aircraft Modifications</i>	11
3.3. SURVEY EQUIPMENT AND SPECIFICATIONS:	12
1. <i>Data Acquisition System</i>	12
2. <i>Magnetics:</i>	12
3. <i>Compensation Sensor</i>	13
4. <i>Radiometrics System</i>	13
5. <i>Flight Path Camera</i>	13
6. <i>Digital Imaging System</i>	14
7. <i>Radar Altimeter</i>	14
8. <i>Barometric Altimeter</i>	14
9. <i>Data Acquisition</i>	14
10. <i>Magnetometer Processor</i>	15
11. <i>Analogue Processor</i>	15
12. <i>Navigation System</i>	15
13. <i>GPS Differential Receiver</i>	16
14. <i>XDS VLF-EM System</i>	16

4. BASE STATION EQUIPMENT	17
4.1. BASE STATION MAGNETOMETER	17
4.2. BASE STATION GPS RECEIVER.....	17
5. TESTS AND CALIBRATIONS	18
5.1. MAGNETIC FIGURE OF MERIT	18
5.2. RADAR ALTIMETER CALIBRATION	18
6. LOGISTICS	19
6.1. PERSONNEL	19
6.2. FIELD REPORTING.....	19
6.3. BASE OF OPERATIONS	19
6.4. ACCOMMODATION.....	20
7. DATA PROCESSING	21
7.1. DATA QUALITY CONTROL & PRELIMINARY PROCESSING	21
7.2. FINAL MAGNETIC DATA PROCESSING.....	21
7.3. XDS VLF-EM DATA PROCESSING.....	22
7.4. LIST OF FINAL PRODUCTS.....	24
8. SUMMARY	25
9. APPENDICES.....	26
9.1. APPENDIX I - CERTIFICATE OF QUALIFICATION	26
9.2. APPENDIX II – DAILY LOG	27

1. Introduction

1.1. Executive Summary

This report describes the specifications and parameters of an airborne geophysical survey carried out for:

CANDORADO OPERATING COMPANY LTD.

305 – 478 Bernard Avenue
Kelowna, BC
V1Y 6N7

Attention: Mr. Rene Bernard
Phone: 250-878-8593
Fax: 250-979-2790

The survey was performed by:

Terraquest Ltd.,
2-2800 John Street, Markham
ON, Canada
L3R 0E2

Phone: 905-477-2800 ext. 22
Email: howard@terraquest.ca.

The purpose of the survey of this type is to collect geophysical data that can be used to prospect directly for economic minerals that may be characterized by anomalous magnetic or conductive responses. Secondly, the geophysical patterns can be used indirectly for exploration by mapping the geology in detail, including faults shear zones, folding, alteration zones and other structures.

To obtain this data, the area was systematically traversed along parallel flight lines by aircraft, carrying geophysical sensors and recording equipment. The lines are spaced and oriented to intersect the geology and structure so as to provide optimum contour patterns of the geophysical data.

1.2. Survey Location

The survey is located in northern Ontario approximately 120 kilometres northeast of the town of Cochrane, ON just west of the Quebec border. The Detour River passes through the western and southern portions of the survey area. The survey area would be rectangular except that the western edge is not orthogonal. The maximum east west dimension is 5.7 kilometers and the maximum north south dimension is 3.3 kilometers. The average centre of the survey area is approximately 49 degrees 55 minutes north and 79 degrees 40 minutes west.



2. SURVEY SPECIFICATIONS

2.1. LINES AND DATA

Parameter	Specification	Instrument Precision
Mean Aircraft Speed	66.5 m/sec 240 km/hr	
Sampling Interval	6-8m (10Hz)	
Flight-line Interval	50 metres	+/- 3m
Flight-line Direction	150/330 degrees	
Control-line Interval	500 metres	+/- 3m
Control-line Direction	060/240 degrees	
Aircraft MTC	70 metres	+/- 5m
Mag Sensor MTC	70 metres	+/- 5m

2.2. SURVEY KILOMETRAGE

Survey Kilometers:	
Survey Lines	309 km
Tie (Control) Lines	31 km
Total	340 km

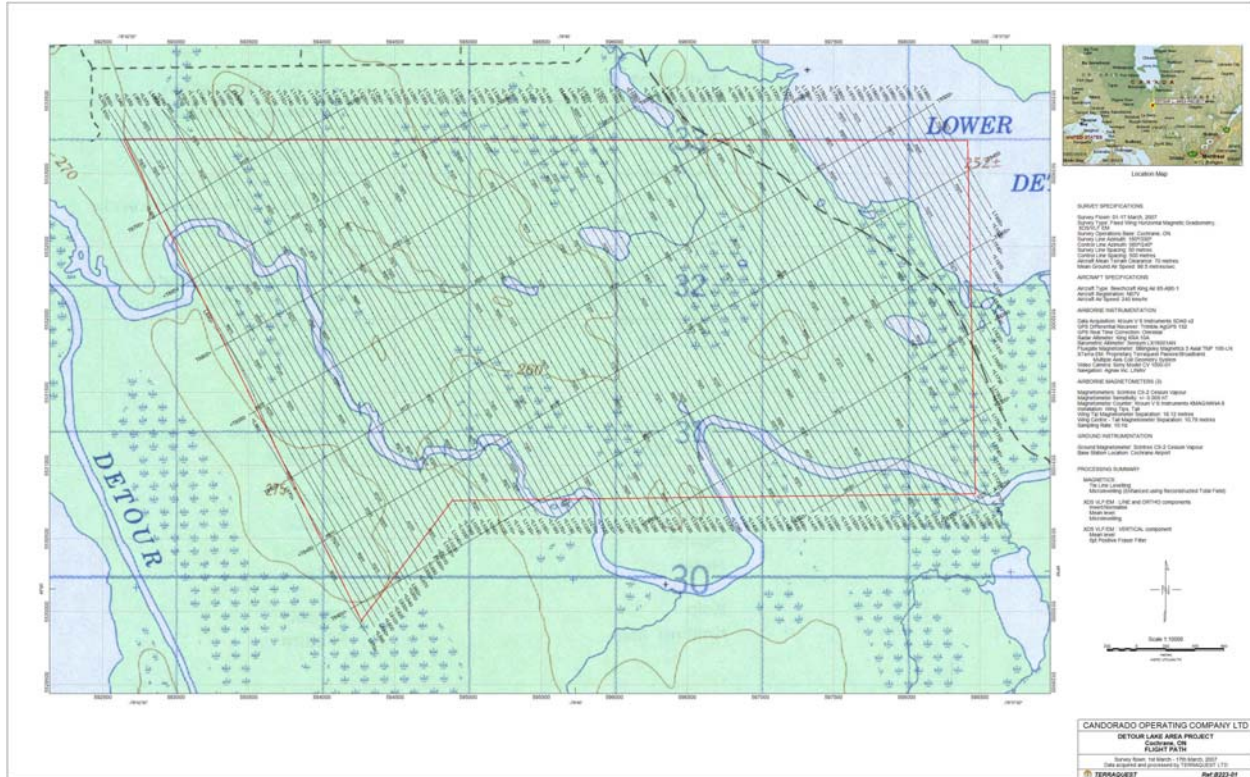
2.3. NAVIGATION SPECIFICATIONS

The client provided a poly file with a survey outline. The following file is the navigation parameter file for each block, and includes the survey corner coordinates (in NAD83 projection zone 17), line spacing, line direction, master line and other navigational parameters.

```

0  NEW AREA FILE B-223_L.NME
1  Z 17
2  594282.0  5529960.0  AREA CORNER 1
2  592664.0  5533220.0  AREA CORNER 2
2  598412.0  5533220.0  AREA CORNER 3
2  598474.0  5530804.0  AREA CORNER 4
2  598474.0  5530804.0  AREA CORNER 5
3  594282.0  5529960.0  WAYPOINTS 1
4      104  NUMBER OF LINES
5      50.0  SPACING, m.
6  597738.9  5515339.8  MASTER LINE BL
7  588477.8  5531380.4  MASTER LINE TL
8      75  MAX CROSS TRACK, m.
9      0  0  0  DELTA X/Y/Z
10     1  LOG FPR EVERY 1 SECS
11 0.9996000000  0.0  0.0 K0, X/Y SHIFT
14     200  LINES EXTENDED BEYOND AREA
16     10  FIRST LINE NUMBER
17  596248.0  5517922.0  330.00  MASTER POINT, HEADING
20 WGS-84  6378137.0  298.257223563  22  ELLIPSOID
21     0  NO EQUATORIAL CROSSING
30     20  9600  N  1  8  RS-232 PORT 2 INCOMING FORMAT
31     20  9600  N  1  8  RS-232 PORT 1 OUTGOING FORMAT
38     0  METRIC SYSTEM
39     5  RACE TRACK
41     0.00  SYSTEM LAG, Sec.
80     0.00  PLANNED ALTITUDE, units
83     0  GPS ALTITUDE FOR VERTICAL BAR
85     100  MAX VERTICAL BAR SCALE
102  UTM  UTM X/Y SCALE
    
```

2.4. FLIGHT PLAN



3. Diurnal Variation:

Diurnal activity during the survey was limited to 10 nT deviation from a 5 minute chord.

4. GPS Data:

GPS data included at least four satellites for accurate navigation and flight path recovery. There were no significant gaps in any of the digital data including GPS and magnetic data.

5. Radio Transmission:

The aircraft pilot makes no radio transmission that interferes with the magnetic response.

6. Sample Density:

A reflight is required if the sample density along one or more of the survey lines exceeds 10 metres over a cumulative total of 1,000 metres for the magnetic survey, and 100 metres over a cumulative total of 1,000 metres for the radiometric survey.

2.6. NAVIGATION AND RECOVERY

The satellite navigation system was used to ferry to the survey sites and to survey along each line. The survey outline was supplied by the client and was used to establish the survey boundaries and the flight lines.

The flight path guidance accuracy is variable depending upon the number and condition (health) of the satellites employed. The selective availability normally imposed by the military was at a minimum during this period and consequently the accuracy was for the most part better than 10 metres. Real-time GPS correction service provided by Omnistar for South America improves the accuracy to less than 3 metres.

A digital camera recorded the ground image along the flight path with CD-ROM media. A video display screen in the cockpit enabled the operator to monitor the flight path during the survey. The GPS information is displayed along the top of the video image.

3. AIRBORNE GEOPHYSICAL EQUIPMENT

The primary airborne geophysical equipment includes three high sensitivity cesium vapour magnetometers, XDS VLF-EM and a gamma ray spectrometer system. Ancillary support equipment includes a tri-axial fluxgate magnetometer, digital camera, CD recorder, radar altimeter, barometric altimeter, GPS receiver with a real-time correction service, and a navigation system. The navigation system comprises a left/right indicator for the pilot and a screen showing the survey area, planned flight lines, and the real time flight path. All data were collected and stored by the data acquisition system. The following provides summary and detailed equipment specifications:

3.1. EQUIPMENT SUMMARY

Aircraft	King Air 90
Equipment:	
Magnetometers	CS-2 Cesium Vapour
3-axis Magnetometer	Billingsley Magnetics TFM100-LN
Gamma Ray Spectrometer	ASIS / IRIS 256 channel
Gamma Ray Detector Packs	2048 in ³ (33.6 litres) Down (8.4 litres) Up
GPS Receiver	Trimble AG132
Radar Altimeter	King KRA 10A
Barometric Altimeter	Sensym Model 256 or equivalent
Navigation	AgNav Inc. P151
Tracking Camera	NTSC video recorded in AVI format
Magnetic Specifications:	
Lateral Sensor separation	16.12 metres
Longitudinal Sensor separation	10.78 metres
Mag Output Sample Rate	10 Hz (20 hz available with noise increase)
4 th difference noise envelope	0.10 from tail stinger
FOM index (Tail)	<1.5 nT
Sensitivity	0.001 nT

3.2. SURVEY AIRCRAFT

Horizontal Gradiometer Equipped King Air 90



The Beech King Air 90 is an ideal platform for carrying out an airborne geophysical survey in these demanding environmental conditions. It is IFR equipped with twin PT6-20 turbines that will ensure reliability at both high ferry speed and slow survey speed. It is equipped with the long-range tanks capable of carrying approximately six hours of fuel.

1. Aircraft Specifications

Manufacturer	Beechcraft
Model	King Air 90
Registration	N87V
Ownership	Dynamic Aviation.
Range	5.4 hours / 1100 n miles
Cruise Speed	200 Knots, 370 Km/hr
Survey Speed	288 Km/hr
Climb	1,220 ft/min
Climb sustained	~ 500 ft/min
Fuel	Jet A with cold weather additive
Fuel Consumption	60 us gal/hr 227 litres/hr
Oil Consumption	3 liter/hr

2. Aircraft Modifications

The aircraft has three seats to accommodate the pilot, co-pilot and operator, the rest have been removed. It is equipped with long-range tanks, heavy-duty tires, cargo door and full avionics.

The aircraft has been extensively modified to support a tail stinger and two wing tip extensions. The transverse separation between the wing tip magnetic sensors is 16.12 meters and the longitudinal separation to the tail sensor is 10.78 meters. Considerable effort has been made to remove all ferruginous materials near the sensors and to ensure that the aircraft electrical system does not create any noise.

3.3. Survey Equipment and Specifications:

1. Data Acquisition System

Data Acquisition System	Records digital data from all sensors (including GPS, MAG, and altimeter)
Model	2410 Pocket PC or laptop
Manufacturer	HP Ipaq
Serial Number	071-1114-00 or equivalent
Memory Card	512 M CF card
Software	SDAS by Kroum VS Instruments Ltd.
Video acquisition	Uses DIVX compression software
Video recording	Via laptop PC via USB capture device

2. Magnetics:

Three high resolution cesium vapour magnetometers, manufactured by Scintrex, mounted in a tail stinger and two wing tips extensions; transverse separation of 16.12 metres and a longitudinal separation of 10.78 metres. The magnetic system is fully compensated post flight for aircraft manoeuvre noise

Sensor Type	Cesium Vapour
Model	CS-2 or CS-3
Manufacturer	Scintrex Ltd.
Resolution	0.001 nT counting at 0.1 per second
Sensitivity	+/- 0.005 nT
Dynamic Range	20,000 to 100,000 nT
Fourth Difference	0.02 nT
Recorded Sample Rate	0.1 seconds
Noise Envelope	0.10nT (Tail Mag)

3. Compensation Sensor

The fluxgate tri-axial magnetometer (which is used for compensation of aircraft motion) is mounted in midsection of the tail stinger and monitors aircraft manoeuvre and magnetic interference.

Sensor Type	Fluxgate
Model	TFM100-LN or equivalent
Manufacturer	Billingsley Magnetics
Description	Low noise miniature triaxial fluxgate magnetometer
Axial Alignment	> Orthogonality > +/- 0.5 degree
Accuracy	< +/- 0.75% of full scale (0.5% typical)
Field Measurement	+/- 100,000 nanotesla
Linearity	< +/- 0.0035% of full scale
Sensitivity	100 microvolt/nanotesla
Noise	< 14 picotesla RMS/-Hz @ 1 Hz

4. Radiometrics System

Radiometrics	Gamma Ray Spectrometer
Model	GRS 410
Manufacturer	Pico Envirotec Ltd.
Crystal Manufacturer	Alpha Spectra
Downwards Volume	2048 in ³ (33.6 litres) Downward
Upwards Volume	(8.4 litres) Upward
Software	Real Time Data Collection
Energy Detection Range	50KeV to 3 MeV
Count Rate	Up to 1000,000 pps communication
Collected Spectrum	256 Channels

5. Flight Path Camera

Type	Video (mounted in belly of aircraft)
Model	VCC-5774
Manufacturer	Sanyo

Element	1/3 inch CCD
Lens	wide angle adaptor typically 4 mm, ~ 60° field of view

6. Digital Imaging System

Digital Imaging System	NTSC image logged onto laptop PC
Model	USB 2000 video capture
Manufacturer	Avermedia
Software	DIVX
Format	AVI multimedia format 640x480 pixel Images can be captured in JPEG.
Media	CD or DVD Disks

7. Radar Altimeter

Type	Radar
Model	KRA-10A
Manufacturer	King
Serial Number	071-1114-00
Accuracy	Plus or Minus 5% at 50 to 2,500 feet
Radar Output	Analog for pilot, converted to digital for data acquisition

8. Barometric Altimeter

Type	Barometric
Model	LX18001AN
Manufacturer	Sensym
Source	coupled to aircraft barometric system

9. Data Acquisition

Data Acquisition	Recording only
Model	IPAQ 2410 Pocket PC
Manufacturer	Hewlett Packard
Operating System	Microsoft Windows Mobile 2003
Processor	Intel PXA270 520 MHz , 128 MB memory
Ports	Serial communication
Display	3.5" transfective colour, Up to 4 fields
Recording Media	removable memory cards Compact Flash type II
Recording Program	SDAS software by Kroum VS Instruments

10. Magnetometer Processor

Magnetometer Processor	Stand alone unit
Model	KMAG4
Manufacturer	Kroum VS Instruments
Input Range	3 ms – 10,000 ms
Sampling	10 ms - 1,000ms
Bandwidth	No input filtering
Resolution	0.005 nT
Ports	Two R232; one to GPS, one to DAS instrument time
Output	Instrument time, GPS and up to 4 magnetic fields in pT

11. Analogue Processor

Analogue Processor	Stand alone module – 2 modules per system
Model	KANA 8
Manufacturer	Kroum VS Instruments
Channels	Each module has 8 differential channels, 24 bit ADC
Video	Video overlay board
Serial Ports	CPU and GPS interfaces
Video Ports	In/out ports
Sampling	Selectable sampling for each input type as required
Analog Inputs	Radar & barometric altimeters, temp, VLF-EM, video

12. Navigation System

Navigation System	
Model	P151
Manufacturer	AgNav Inc.
Operating System	Windows
Microprocessor	CPU Pentium based
Ports	RS232 for all devices
Graphic Display	Colour Screen
Pilot Display	P202: position, left/right, navigational info

13. GPS Differential Receiver

GPS Differential Receiver	
Model	AG 132
Manufacturer	Trimble
Antenna	L1/L2
Channels	12
Position Update	0.2 second for navigation
Correction Service	Real time correction service subscription – Omnistar
Sample Rate	1 second
Accuracy	~ 3 meters

14. XDS VLF-EM System

The XDS VLF-EM System is currently being developed by Terraquest Ltd. and is included along with commercial surveys primarily to test and further develop the system but also to assist the client in their exploration program. It uses 3 orthogonal air-core coils mounted in the pod of the tail stinger, and coupled with a receiver-console, tuned to a range of 22.0 to 26.0 kHz thereby including both Cutler Maine NAA frequency 24 kHz and Seattle WA NLK frequency 24.8 kHz. Recorded parameters are the unfiltered X, Y and Z directions of the VLF-EM field.

VLF / EM	
Model	XDS
Manufacturer	Terraquest Ltd.
Primary Source	Electro-Magnetic field component radiated from government VLF radio transmitter
Parameters Measured	X, Y and Z components, absolute field
Frequency Range	22.0 - 26.0 kHz
Gain	Constant gain setting
Filtering	No filtering

4. Base Station Equipment

4.1. BASE STATION MAGNETOMETER

High sensitivity magnetic base station data was provided by a cesium vapour magnetometer logging onto a computer and with time synchronization from the GPS base station receiver.

The magnetometer was the same as used in the aircraft, a CS-2 magnetometer manufactured by Scintrex. The magnetometer processor was a KMAG manufactured by Kroum VS Instruments and the data logger was an iPAQ PDA by Hewlett Packard. The counter was powered by a 10VAC 50/60hz to 30VDC 3.0 amp power supply with an internal 12VDC fan. The logging software SDAS-1 was written by Kroum VS Instrument Ltd. specifically for the pocket pc hardware. It supports real time graphics with selectable windows (uses two user selectable scales, coarse and fine). Time recorded was taken from the base GPS receiver. Magnetic data was logged at 2Hz. Data collection was by RS232 recording ASCII string and stored on flash card.

Magnetometer Type	Cesium Vapour
Model	CS – 2
Manufacturer	Scintrex
Sensitivity	0.01 nT
Noise Envelope	0.05 nT
Sampling Interval	1 second
Minimum Range	50 -3,500 ft

4.2. BASE STATION GPS RECEIVER

Model	12 channel GPS
Manufacturer	Deluo
Type	L1, C/A code
Antenna	Built in patch
Logging Rate	1 per second
Power	5 VCD taken from iPAQ power supply

5. TESTS AND CALIBRATIONS

5.1. MAGNETIC FIGURE OF MERIT

Compensation calibration tests were performed to determine the magnetic influence of aircraft maneuvers and the effectiveness of the aircraft compensation method. The aircraft flew a square pattern in the four survey directions at a high altitude over a magnetically quiet area and perform pitches ($\pm 5^\circ$), rolls ($\pm 10^\circ$) and yaws ($\pm 5^\circ$). The sum of the maximum peak-to-peak residual noise amplitudes in the total compensated signal resulting from the twelve maneuvers is referred to as the Figure of Merit (FOM) index.

5.2. RADAR ALTIMETER CALIBRATION

A radar altimeter calibration was done over the runway.

6. LOGISTICS

6.1. PERSONNEL

The contractor supplied the following properly qualified and experienced personnel to carry out the survey and to reduce, compile and report on the data:

Field:	Pilots Operator	Jordan Yeo, Weston Thomas Phil Mikkonen
Office:	Senior Geophysicist Manager	Allen Duffy Charles Barrie

6.2. FIELD REPORTING

The aircraft arrived in Cochrane, ON on February 28, 2007. The base station was set up and the FOM and calibration flight was on March 1st. The survey was flown concurrently with another survey to the south such that the traverse lines continued from one survey to the next. The data were separated later for each client.

A gamma ray spectrometer was also on board during this survey; although it was not requested by contract, the data are available for purchase.

The survey was completed successfully in 8 flights N87V200-2007 over a total of 17 days from March 1st to 17th including all tests and calibrations. Poor weather prohibited survey on 7 full days and a few half days. Downtime for aircraft maintenance included 1 full day and for equipment malfunction 2 days.

6.3. BASE OF OPERATIONS

The main base of operations was at Cochrane airport; the ferry distance is 120 kilometres. The base station (combined high sensitivity magnetic and GPS) was set up at the airport as far away from cultural interference as possible. Gear was stored in Wayne's hanger

6.4. ACCOMMODATION

Accommodations for the crew were the responsibility and cost of Terraquest. The crew was housed initially at Thriftlodge but changed to Best Western on March 4th. High speed internet was available and most of the time it was reliable.

7. Data Processing

7.1. DATA QUALITY CONTROL & PRELIMINARY PROCESSING

Throughout the data acquisition period, the data were monitored and reviewed thoroughly for quality control and tolerances on all channels. This included any corrections to the flight path, making flight path plots, importing the base station data, creating a database on a flight-by-flight basis, and posting the data. All data were checked for continuity and integrity. Any errors or omission or data beyond tolerances were flagged for re-flight and the crew was notified, ready for their flight in the morning.

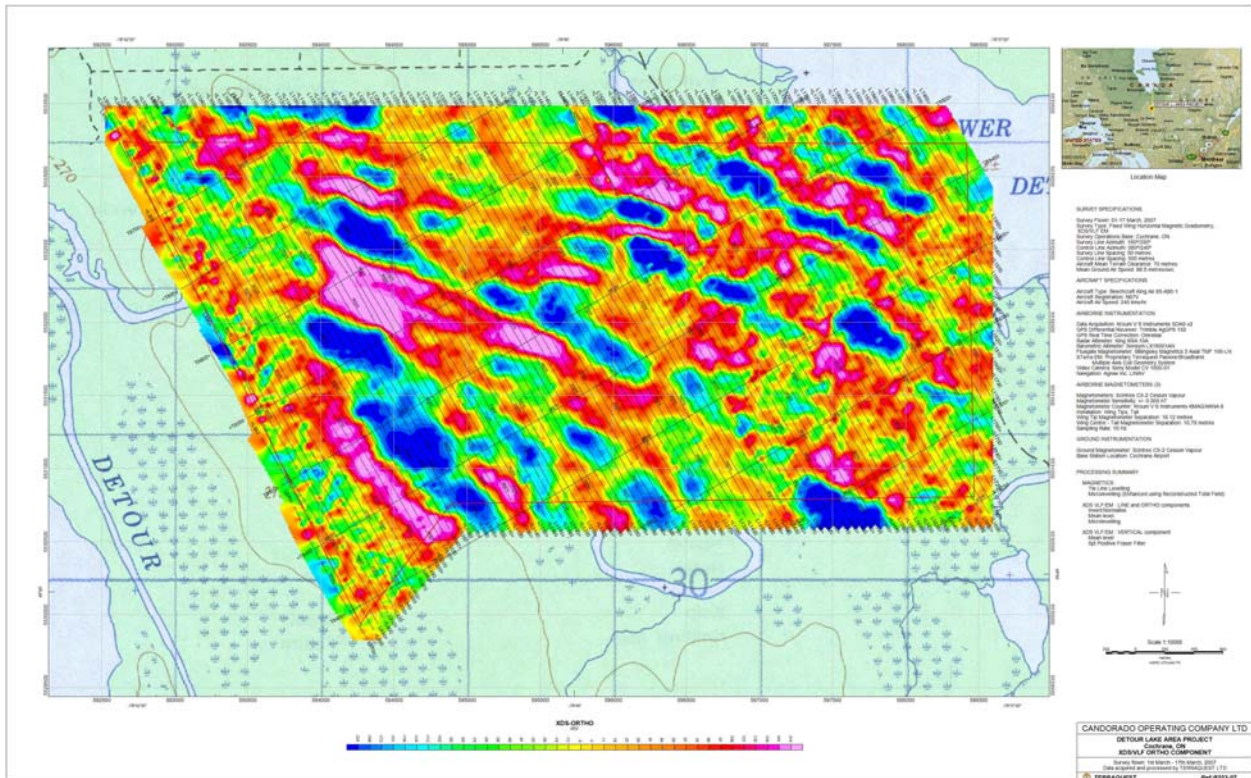
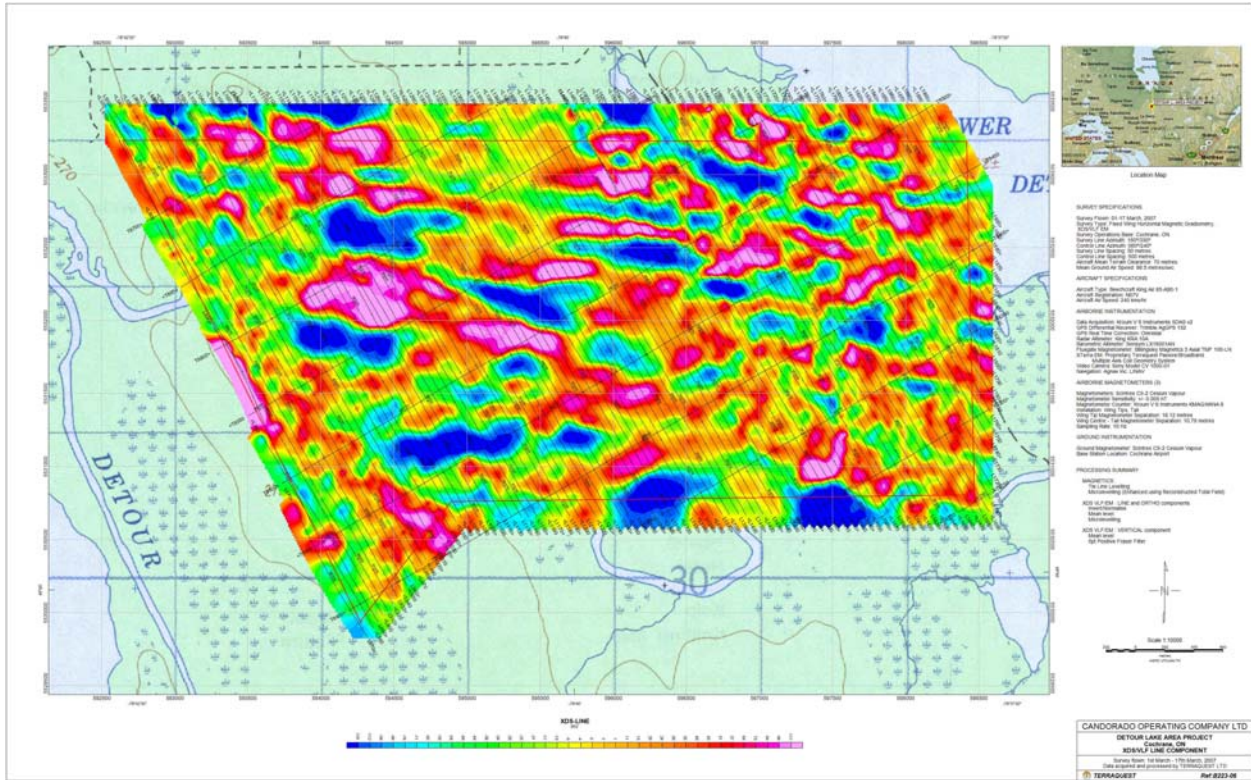
Although not requested by contract, Terraquest Ltd. had a gamma ray spectrometer on board during this survey. Despite the presence of snow coverage, preliminary processing of the radiometric data indicates that the results have some integrity. These data are available to purchase.

7.2. FINAL MAGNETIC DATA PROCESSING

In the first step the raw magnetic data was compensated for aircraft motion effects using data from the fluxgate sensor. The lateral magnetic gradient was calculated by subtracting the left wing sensor reading from the right wing sensor reading and dividing the resulting value by the tip-to-tip separation (16.12 metres), yielding the measurement expressed as nT/m. The longitudinal gradient was similarly calculated by subtracting the tail sensor measurement from the average of the wing-tip values normalized by the wing-centre to tail sensor separation (10.78 metres). Both gradients were “DC shifted” by subtracting the median value on a line-by-line basis and converted from aircraft-centric to survey grid orientation by selectively inverting (multiplying by -1) in the south and westbound directions. The gradient data was subsequently verified by generating a Reconstructed Total Field (RTF) grid using the Lateral and Longitudinal data grids as input. The RTF is a coherent, detailed and well leveled product but does not contain the low to lower-mid wavelength components; because the units are pseudo nT it should not be used for quantitative modelling.

In the final correction process, the compensated tail sensor magnetic data were initially corrected with standard tie-line intersection leveling. Tie line leveled Total Field Magnetic data from the Left Wing, Right Wing and Tail Sensors were subsequently subjected to an enhanced micro-leveling procedure, operating on the regional magnetic component (isolated by removal of the reconstructed Total Field). Leveling in this manner minimizes “damage” to higher frequency geologic anomalies and improves upon residual errors left by traditional tie-line leveling. The vertical magnetic gradient was subsequently calculated from the final processed total magnetic field data grid (originating from the Tail Sensor). The finalized datasets were gridded with minimum curvature procedure with a cell size of 10 metres.

Operations Report for CANDORADO OPERATING COMPANY LTD.
 High Resolution Aeromagnetic & XDS VLF-EM Survey, Detour Lake Area Project, Cochrane, Ontario



8. SUMMARY

An airborne tri-sensor, high sensitivity magnetic and XDS VLF-EM survey was performed at 70 metre mean terrain clearance, 50 metre line intervals, 500 metre tie line interval, with data sample points at 6-8 metres along the flight lines. A high sensitivity magnetic base station located at the airport in Cochrane, ON recorded the diurnal magnetic activity and reference GPS time during the survey for adherence to survey tolerances.

The data were subjected to final processing to produce the following 1:10,000 scale colour maps with projection NAD83 UTM zone 17: a) total magnetic intensity and calculated first vertical derivative of tail sensor, b) measured lateral and longitudinal magnetic gradients, c) XDS VLF-EM Line, Ortho and Vertical components, d) flight path and e) digital terrain model.

All data have been archived as Geosoft database (GDB) plus all MAP and GRID files used to make the maps.

Respectfully Submitted,

Charles Barrie, M.Sc.
Vice President
Terraquest Ltd.

9. APPENDICES

9.1. APPENDIX I - CERTIFICATE OF QUALIFICATION

I, Charles Barrie, certify that I:

- 1) am registered as a Fellow with the Geological Association of Canada and work professionally as a geologist,
- 2) hold an Honours degree in Geology from McMaster University, Canada, obtained in 1977,
- 3) hold an M.Sc. in Geology from Dalhousie University, Canada, obtained in 1980,
- 4) am a member of the Prospectors and Developers Association of Canada,
- 5) am a member of the Canadian Institute of Mining , Metallurgy and Petroleum,
- 6) have worked as a geologist for over twenty five years,
- 7) am employed by and am an owner of Terraquest Ltd., specializing in high sensitivity airborne geophysical surveys, and
- 8) have prepared this operations and specifications report pertaining to airborne data collected by Terraquest Ltd..

Markham, Ontario, Canada

Signed

Charles Q. Barrie, M.Sc.
Vice President, Terraquest Ltd.

9.2. APPENDIX II – DAILY LOG

Date: February 28, 2007

Weather: Flyable

Flight numbers:

Lines Flown:

Notes: Mobilizing
Crew arrived in Cochrane
Rental truck picked up in Timmins
Accommodations secured, moving on Sunday March 4

Date: March 1, 2007

Weather: Flyable

Flight numbers: N87V200

Lines Flown:

Notes: Wayne's hanger used for base station and storing gear
FOM and RAT completed
Base station will not lock
Tried two sensors each with two cables, Changed sensor location six times

Date: March 2, 2007

Weather: Snow storm

Flight numbers:

Lines Flown:

Notes: Base station Testing completed
Sensors suspect, both base station and spare
Two sensors shipped from office to Cochrane

Date: March 3, 2007

Weather: Snow storm

Flight numbers:

Lines Flown:

Notes: Replacement sensors arrived
CS3 S/N 0311047, H8
CS3 S/N 0311047 installed into base station
Base station tested, Seems to be working OK,
Suspect sensors shipped from Cochrane to office

Date: March 4, 2007

Weather: Flyable

Flight numbers: N87V201

Lines Flown: 1 to 58 Inclusive

Notes: Morning flight aborted due too dead battery
Changed hotels, Best Western is better then Thriftlodge
Informed first FOM was no good

Date: March 5, 2007
Weather: High winds, low visibility
Flight numbers:
Lines Flown:
Notes: H8 tested and is not functioning properly (base station spare)

Date: March 6, 2007
Weather: Flyable
Flight numbers: N87V202 AND N87V203
Lines Flown: 59 to 94 Inclusive
Notes: N87V202 aborted tail magnetometer did not lock
Most likely due to -35°C Temperatures
Second FOM completed N87V203

Date: March 7, 2007
Weather: Flyable
Flight numbers: N87V204
Lines Flown: 95 to 105 Inclusive
Notes: Morning flight not possible due too right engine not starting
Afternoon flight aborted due too turbulence and low visibility

Date: March 8, 2007
Weather: Flyable
Flight numbers: N87V205
Lines Flown: 106 to 144 Inclusive
Notes: Plane grounded in morning due too faulty enunciator panel
Enunciator panel repaired in morning

Date: March 9, 2007
Weather: Precipitation over grid, high winds and low ceiling
Flight numbers:
Lines Flown:
Notes: Ground test of control surfaces completed
Arc from behind instruments observed
Test aborted
Crew informed that fourth difference noise is extremely high

Date: March 10, 2007
Weather: Freezing rain, snow, hail
Flight numbers:
Lines Flown:
Notes: Arcing problem investigated, no solution
Magnetometer noise investigated, no solution
Cleared to continue production
Third FOM required

Date: March 11, 2007
Weather: Flyable
Flight numbers: N87V206
Lines Flown: Lines 145 To 190 inclusive, Ties 710 To 785 inclusive
Notes: Arcing problem resolved, no morning flight
Large power cable routed behind instrument panel frayed behind engine power control cluster by elevator controls
Moderate turbulence during flight
Generators and Inverters flight tested for noise

Date: March 12, 2007
Weather: Flyable
Flight numbers:
Lines Flown:
Notes: Grounded, Enunciators U/S
Testing continuing on enunciator system
PCB used to control lights likely cause

Date: March 13, 2007
Weather: Not Flyable
Flight numbers:
Lines Flown:

Date: March 14, 2007
Weather: Not Flyable
Flight numbers:
Lines Flown:

Date: March 15, 2007
Weather: not flyable
Flight numbers:
Lines Flown:

Date: March 16, 2007
Weather: not flyable
Flight numbers:
Lines Flown:

Date: March 17, 2007
Weather: Flyable
Flight numbers: N87207
Lines Flown: tie lines finished, survey finished