

YUKON MINING INCENTIVES PROGRAM

CONTRIBUTION AGREEMENT # 06-002

THE PEANUT EXPLORATION PROJECT

VICTORIA CREEK - 2006 FINAL REPORT
NTS 115-I-3 DAVID (BUD) DAVIS

Placer Prospecting Lease # IW00217

Lease staked to claims on July 11, 2006

Claims: Peanut 1 - 10 P47458 - P47467

Peanut 1 - Post # 1 (location)

North Latitude 62 06.205'
West Longitude 137 09.033'

Field work: May 29 - September 5, 2006

TABLE OF CONTENTS

TAB

Table of Contents	1
Yukon Mining Incentives Program Final Report Submission Form	2
Technical Report	3
Summary and Recommendations ...	3.1
Property, Location & Access ...	3.2
General area map	
Placer claim map	
Access air photo	
Property air photo	
Contractors & Rental Companies	3.3
Equipment and Personnel	3.4
Grid Establishment	3.5
Property Sampling Program	3.6
Trench Sample Descriptions	3.7
Trench Logs and Photographs ...	3.8
Geophysical Survey Report Aurora Geosciences Ltd. Magnetic Field Contour CD & Map	4
Reclamation Work and Photographs	5
Grid Location Map & Sample/Trench Location Map	6



Jonathan Davis May 29, 2006

Getting to a placer exploration camp is half the fun !

Bud Davis June 14, 2006 +28° C

I'd like to meet the guy who said establishing a grid was no problem !



PEANUT EXPLORATION PROJECT - TECHNICAL REPORT

3.1 SUMMARY AND RECOMMENDATIONS

The 2006 Peanut Project field season began on May 29 and finished on September 5. Three grids were established on the southern part of Placer Prospecting Lease # -IW00217 and a magnetometer geophysical survey was carried out.

A modified exploration sampling program was undertaken during the month of August. A total of nineteen trenches were excavated and stratigraphic samples were taken for heavy mineral analyses utilizing panning methods. This sampling program returned encouraging results, most notably from trenches # 1, 4, 6, 8, 9 & 10. However an opinion on the properties economic mining potential can not be made based on these initial panning results.

A further exploration program using small scale batch samples of 50 to 75 cubic yards per test site and processed through a gravity washplant is recommended. This 2007 program would both verify these initial results from the 2006 exploration program and quantify the heavy mineral fraction. The geophysical magnetometer survey recommendations and trench log analyses would be used to determine future sample location sites.

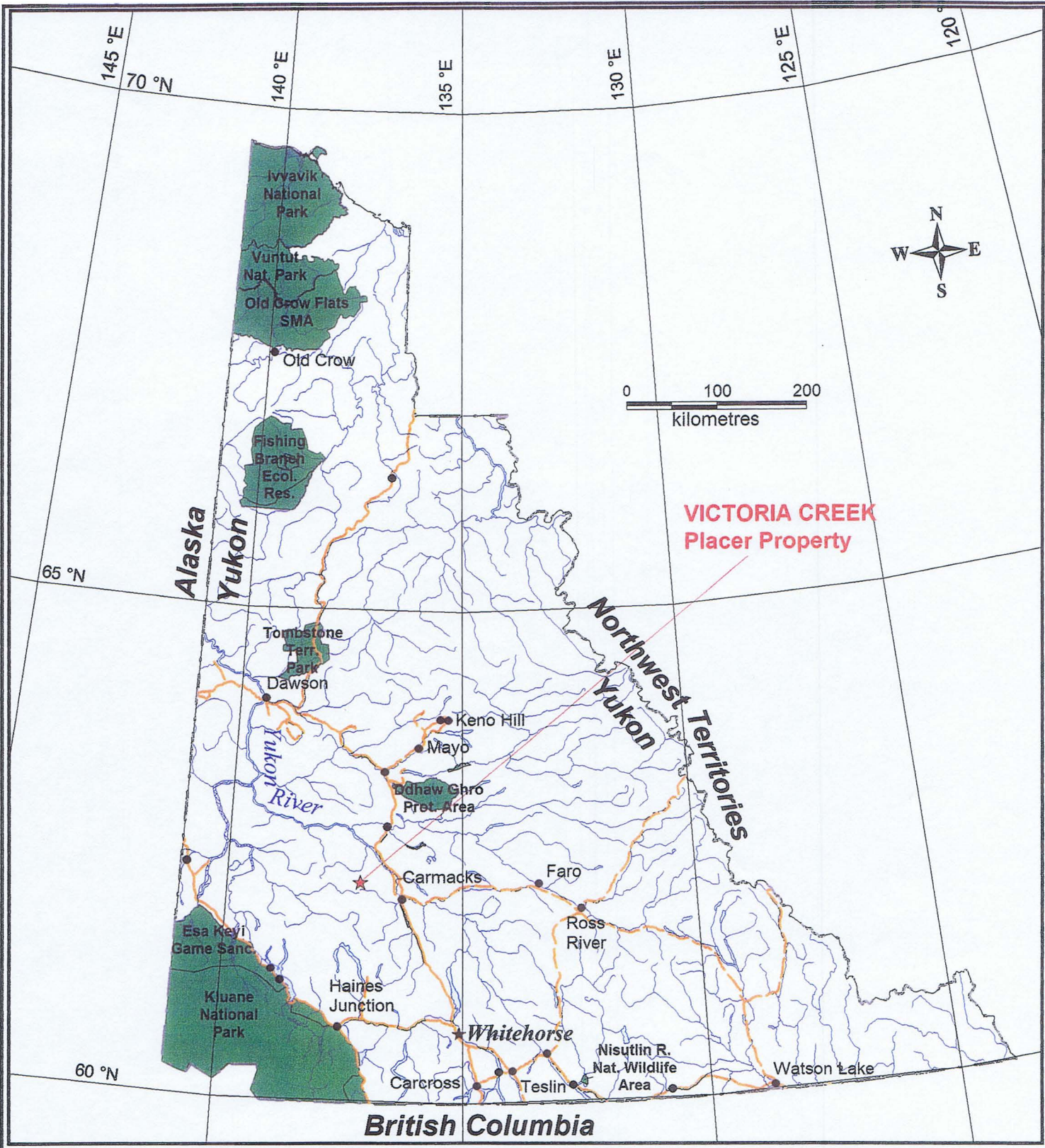
3.2 PROPERTY, LOCATION AND ACCESS

Placer Prospecting Lease IW00217 was staked to claims on July 11, 2006. Placer claim map 115-I-3

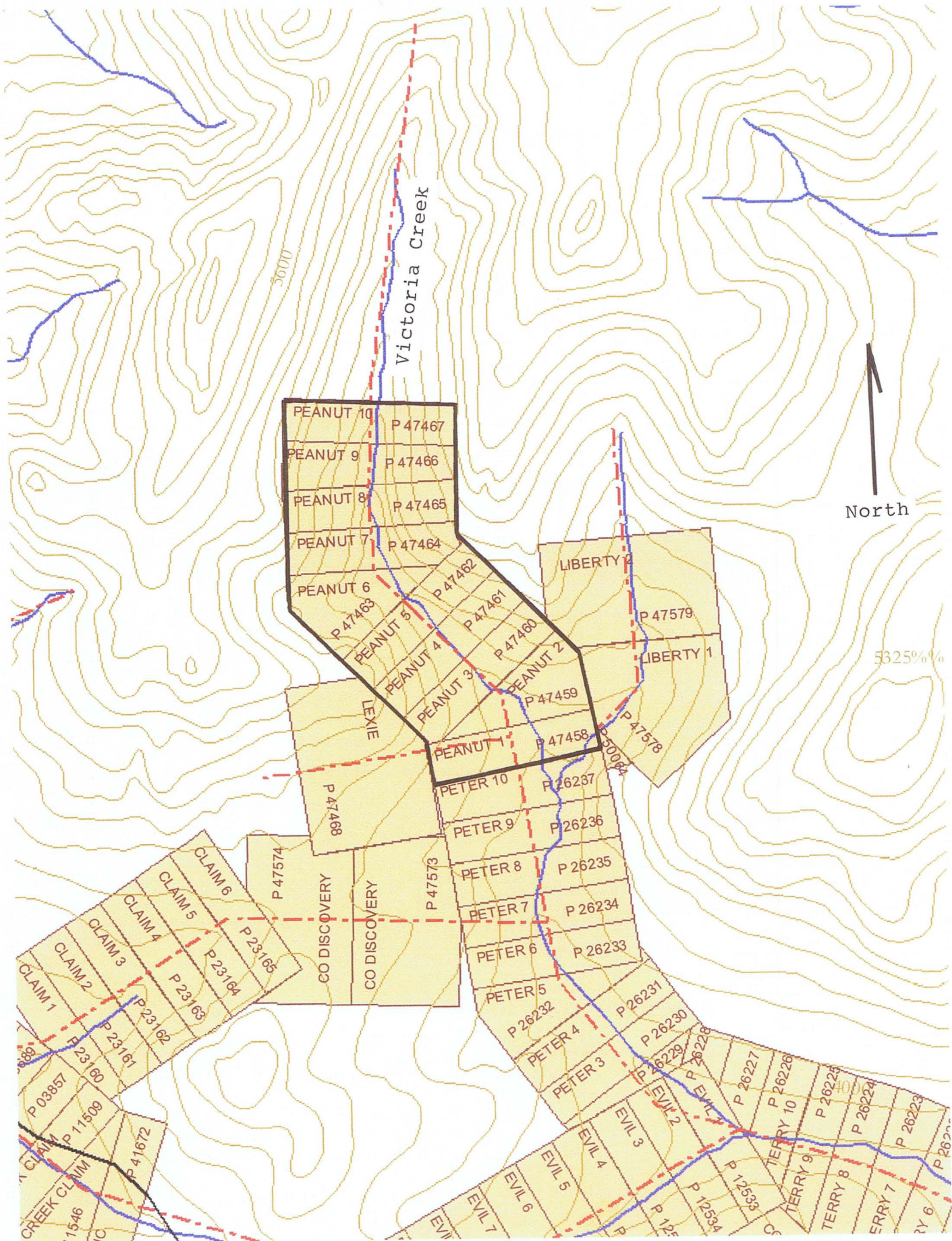
Claim names Peanut 1 - 10
Grant numbers P47458 - P47467
Claim owner David (Bud) Davis

Access to the Peanut claims is via Carmacks, then west on the Mount Nansen road some 70 kilometres. The claims are on upper Victoria Creek and there is a two kilometre road that turns (east) off the Mount Nansen road about 8 kilometres west of the dormant BYG mine site.

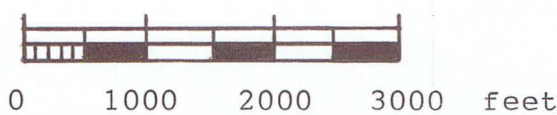
Post #1 for Lease IW00217 and Peanut 1 are located at;
North Latitude 62 06.205'
West Longitude 137 09.033' (maps following page..)



**BUD DAVIS
VICTORIA CREEK
PLACER PROPERTY
LOCATION MAP**



PEANUT 1 - 10
CLAIMS



PLACER MAP
NTS 115-I-3

MAIN ACCESS TO PLACER PROSPECTING LEASE IW00217

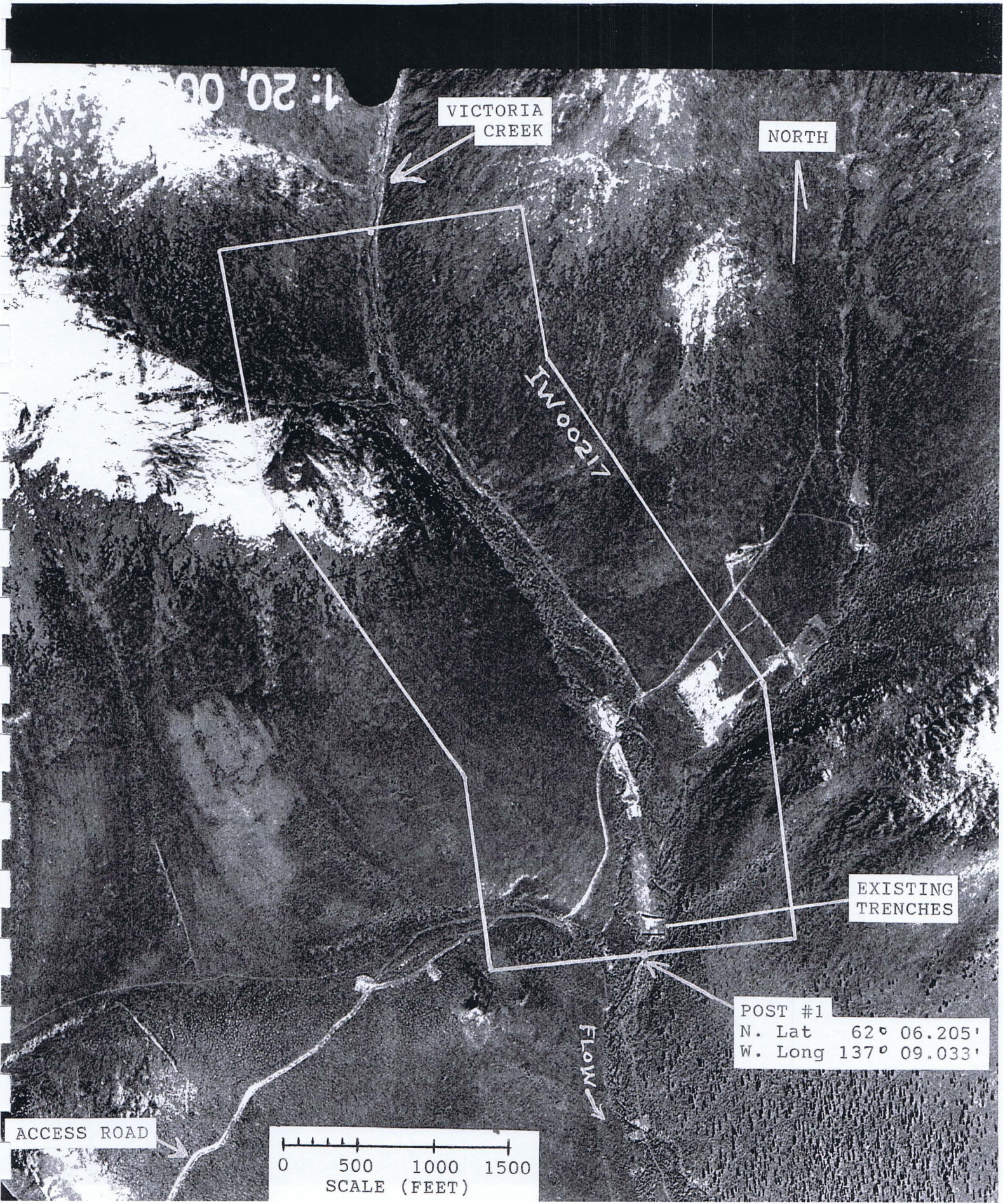
AIR PHOTO TAKEN ON SEPTEMBER 30, 1994
FLIGHT LINE #A28155 PHOTO #47

17 AIRPORT ROAD, MUNICIPAL AIRPORT, EDMONTON, ALBERTA T5G 0W8 (403) 451-1400
GEOGRAPHIC AIR SURVEY LTD.



PLACER PROSPECTING LEASE IW00217

AIR PHOTO TAKEN ON SEPTEMBER 30, 1994 (MAGNIFIED)
FLIGHT LINE #A28155 PHOTO #47



VICTORIA
CREEK

NORTH

IW00217

EXISTING
TRENCHES

POST #1
N. Lat 62° 06.205'
W. Long 137° 09.033'

FLOW

ACCESS ROAD

0 500 1000 1500
SCALE (FEET)

1:20,000

3.3 CONTRACTOR AND RENTAL COMPANIES

Contractor: Aurora Geosciences Ltd.
108 Gold Road
Whitehorse, Yukon Y1A 2W3

Attention: Phil Jackson, P.Geoph
Geophysicist

Phone: (867) 668-7672

Equipment Rentals: Versatile Rentals Plus
101 Copper Road
Whitehorse, Yukon Y1A 2Z7

Attention: Tracey Jacobs

Phone: (867) 668-7215

Norcan Leasing
213 Range Road
Whitehorse, Yukon Y1A 3E5

Phone: (867) 668-2137

3.4 EQUIPMENT AND PERSONNEL

Equipment: Dozer, Caterpillar D7E

Excavator, Hitachi ZX-200

Personnel: David (Bud) Davis
Box 304, 201 Hanson St.
Whitehorse, Yukon Y1A 1Y3

Andrew Kaegi
95 Wilson Drive
Whitehorse, Yukon Y1A 5R2

Jonathan Davis
Box 304, 201 Hanson St.
Whitehorse, Yukon Y1A 1Y3

3.5 GRID ESTABLISHMENT

Three separate grids were ground located in preparation for a magnetometer geophysical survey that was carried out by Aurora Geosciences Ltd. of Whitehorse.

The layout, linecutting, picketing and labelling of these three grids took place between June 11 and June 22. The grid work required 27 mandays to complete. Thread hipchains, compasses, hand cutting tools and a Garmin Legend GPS unit were used in locating the ground grids. The Garmin GPS unit was set up for map datum NAD83.

The three baselines totaled 780 metres with crosslines established at 30 metre spacing. The crosslines were flagged at 10 metre intervals and survey station locations marked every 20 metres. The three grid survey totaled 4.735 line kilometres.

GRID "A" baseline length 480 metres - Azimuth 352'
crosslines 3,350 metres

baseline station	A+00	UTM	Northing	6887592
			Easting	0387757

baseline station	A+480	UTM	Northing	6888067
			Easting	0387676

GRID "B" baseline length 150 metres - Azimuth 040'
crosslines 805 metres

baseline station	B+00	UTM	Northing	6887964
			Easting	0387863

baseline station	B+150	UTM	Northing	6888075
			Easting	0387961

GRID "C" baseline length 150 metres - Azimuth 262'
crosslines 580 metres

baseline station	C+00	UTM	Northing	6887631
			Easting	0387601

baseline station	C+150	UTM	Northing	6887625
			Easting	0387453

Grid location map TAB 6

3.6 PROPERTY SAMPLING PROGRAM

The original planned sample collection program had to be modified due to mechanical problems with the shaker section of the gravity washplant. Time restraints of the exploration season prevented a satisfactory solution to the problem from being implemented during the 2006 field season. Small scale bulk samples of 50 to 75 cubic yards per test site were not able to be processed due to the washplants mechanical problems. These bulk tests were required to quantify the placer gold content of the gravels and the properties initial mining potential.

A property sampling program was carried out on selected sites by excavating 19 trenches and collecting gravel samples from various stratigraphic levels or layers.

The trenching program was carried out between August 9 and August 29, and a total of 1,129 cubic metres or 1,476 cubic yards were excavated during this program.

Seventy six (76) samples with volumes of approximately 10 litres each were collected from various trench stratigraphic levels and were then classified by panning down to minus mesh 3 ($-\frac{1}{4}$ ") size fractions and volumes of about .5 litre.

Final panning reduced this .5 litre of fine gravels down to about 15 to 20 millilitres per sample. Descriptions and estimates of the heavy mineral fractions were then made from these final panned sample volumes.

The total field magnetic line profiles along with topographical features such as bench alignments and older channel locations all played a part in the selection of trenching site locations.

3.7 TRENCH SAMPLE DESCRIPTIONS

DEFINITIONS AND ABBREVIATIONS

colours - mineral grain clearly identifiable as gold without magnification, and confirmed with magnification

n/d - none detected

tr - trace, up to 5 colours

tr+ - more than 5 colours

Au - gold

Py - pyrite

As - arsenopyrite

Hm - hematite

Mn - manganese stained gravels

Qtz - fine grain quartz sands

fine - fine magnetite, grains less than 2mm

+ c - coarse magnetite, grains greater than 2mm

mm - millimetre

ml - millilitre

SAMPLE DESCRIPTIONS

Trench Number	Sample Number	Gold/Au colours	Magnetite	Magnetite volume/ml	Other Minerals	Comments
1	S-1	n/d	fine	-1ml	Py As	
	S-2	tr	fine + c	2ml	Py As	+ c to 5mm
	S-3	tr+	fine + c	5ml	Py	flat Au 1mm fleck

SAMPLE DESCRIPTIONS

Trench Number	Sample Number	Gold/Au colours	Magnetite	Magnetite volume/ml	Other Minerals	Comments
2	S-1	n/d	fine	1.5ml	Py As Hm	
	S-2	n/d	fine	3ml	Py As	
	S-3	tr	fine	2ml	Py Hm	Qtz
	S-4	tr	fine	1ml	Py Hm	
	S-5	n/d	fine	1ml	Py As Hm	
	S-6	tr	fine	2ml	Py	Qtz
3	S-1	n/d	fine	1ml	Py As	
	S-2	tr	fine	2ml	Py Qtz	flat Au 1mm fleck
	S-3	n/d	fine	-1ml	Py Hm	
	S-4	n/d	fine	1ml	Py Hm	
	S-5	tr	fine	3ml	Py As Hm	Qtz
4	S-1	tr	fine	2ml	Py Hm	flat Au 1mm fleck
	S-2	tr	fine	2ml	Py	
	S-3	tr+	fine + c	3ml	Py As Hm	
5	S-1	n/d	fine	-1ml	Py	
	S-2	tr	fine	-1ml	Py Hm	
	S-3	tr	fine	2ml	Py	
6	S-1	n/d	fine	-1ml	Py	
	S-2	n/d	fine	1ml	Py As	
	S-3	tr	fine	1.5ml	Py	flat Au 1mm fleck
	S-4	tr	fine + c	2ml	Py Hm	+ c to 5mm

SAMPLE DESCRIPTIONS

Trench Number	Sample Number	Gold/Au colours	Magnetite	Magnetite volume/ml	Other Minerals	Comments
7	S-1	tr	fine	2ml	Py Hm	Qtz
	S-2	n/d	fine	-1ml	Py	Qtz
	S-3	n/d	fine	-1ml	Py As Hm	Qtz
	S-4	tr	fine	-1ml	Py Hm	
8	S-1	tr	fine + c	1ml	Py	rounded Au 2mm+ fleck
	S-2	tr	fine	-1ml	Py	
9	S-1	tr	fine	1ml	Py	Qtz
	S-2	tr+	fine	3ml	Py As Qtz	rounded Au 1mm fleck
	S-3	tr	fine	2ml	Py	
10	S-1	tr	fine	2ml	Py Hm	
	S-2	tr	fine	1ml	Py Hm	
	S-3	tr+	fine + c	1.5ml	Py	
	S-4	tr	fine + c	1ml	Py Qtz	coarser Au
11	S-1	tr	fine	-1ml	Py Hm	
	S-2	tr	fine	-1ml	Py Hm	
	S-3	tr	fine	1.5ml	Py As	
	S-4	n/d	fine	-1ml	Py As	
	S-5	tr	fine	-1ml	Py As	
12	S-1	tr	fine	-1ml	Py	
	S-2	n/d	fine	-1ml	Py As	
	S-3	n/d	fine	-1ml	Py	clay layer
	S-4	tr	fine	1ml	Py	

SAMPLE DESCRIPTIONS

Trench Number	Sample Number	Gold/Au colours	Magnetite	Magnetite volume/ml	Other Minerals	Comments
13	S-1	tr	fine	1ml	Py Hm	Qtz
	S-2	tr	fine	-1ml	Py Hm As	Qtz
	S-3	tr	fine	-1ml	Py As	Qtz
	S-4	n/d	fine	1ml	Py Hm	Qtz
14	S-1	n/d	fine	-1ml	Py As	Qtz
	S-2	tr	fine	-1ml	Py Hm	Qtz
	S-3	tr	fine	1ml	Py	Qtz
15	S-1	n/d	fine	-1ml	Py As	Qtz
	S-2	n/d	fine	-1ml	Py As Mn	Qtz
	S-3	tr	fine	1ml	Py	Qtz
	S-4	n/d	fine	-1ml	Py	Qtz
	S-5	tr	fine	1ml	Py	Qtz
16	S-1	n/d	fine	-1ml	Py	
	S-2	n/d	fine	-1ml	Py	
	S-3	tr	fine	-1ml	Py	
	S-4	tr	fine	-1ml	Py	Qtz
	S-5	tr	fine	-1ml	Py	Qtz
17	S-1	n/d	fine	-1ml	Py As	
	S-2	n/d	fine	1ml	Py Hm	
	S-3	tr	fine	1ml	Py As Mn	Qtz
	S-4	tr	fine	1.5ml	Py	Qtz

SAMPLE DESCRIPTIONS

Trench Number	Sample Number	Gold/Au colours	Magnetite	Magnetite volume/ml	Other Minerals	Comments
18	S-1	tr	fine	-1ml	Py As	Qtz
	S-2	n/d	fine + c	-1ml	Py As	Qtz
	S-3	n/d	fine	-1ml	Py	Qtz
	S-4	tr	fine	1ml	Py	Qtz
19	S-1	n/d	fine	-1ml	Py Hm	
	S-2	tr	fine	1ml	Py As	Qtz
	S-3	n/d	fine	-1ml	Py As	Qtz
	S-4	n/d	fine	-1ml	Py	Qtz
	S-5	tr	fine	1ml	Py	Qtz

3.8 TRENCH LOGS AND PHOTOGRAPHS

TRENCHING SUMMARY

A total of 19 trenches were excavated for sampling between August 9 and August 29, 2006. The excavated volumes were calculated at 70% of trench dimensions, due to sloped trench ends and walls to prevent initial caving while collecting samples.

<u>Placer Claim</u>	<u>Cubic Metres</u>	or	<u>Cubic Yards</u>
Peanut 1 - 3	1,045		1,367
Peanut 4	84		109
	<hr/>		<hr/>
Field season totals:	1,129		1,476

DEFINITIONS AND ABBREVIATIONS

- locations - grid stations and/or GPS UTM coordinates
Garmin Legend GPS unit - Datum NAD83
- dimensions - trench dimensions are in metres
- vegetative - includes willows, grasses, black muck,
mat White River ash and "B" horizon soils
- W.R.A - White River volcanic ash layer
- m/c - multi coloured stones
- S-# - sample numbers
- boulders - diameters over 250mm (10")
- gravels - diameters greater than 3mm (1/8")
- sands - diameters less than 3mm (1/8")

TRENCH 1 LOG

Location: Grid "A" Line A+60 Station +35 West

UTM coordinates: Northing 6887648 Easting 0387709

Dimensions: 3 x 6 x 5m deep Volume (70%) 63 cubic metres

Samples: S-1 @ 1.5m S-2 @ 3m S-3 @ 5m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (10-20cm)

0.5 - 3.5 - well sorted m/c sands & gravels with green matrix. Progressing to a few boulders at 3.5m

3.5 - ground water & clay layer (10-15cm)

3.5 - 5.0 - uniform m/c gravels up to 10cm

5.0 - broken blocky bedrock

TRENCH 1



TRENCH 2 LOG

Location: Grid "A" Line A+00 Station +30 East

UTM coordinates: Northing 6887600 Easting 0387784

Dimensions: 3 x 7 x 5m deep Volume (70%) 73 cubic metres

Samples: S-1 @ 2.0m S-2 @ 2.5m S-3 @ 3.5 S-4 @ 4.0
S-5 @ 4.5m S-6 @ 5.0m

Depth log: 0 - .3 - vegetative mat
.3 - thin W.R.A. layer (5-10cm)
0.3 - 2.8 - well sorted m/c sands & gravels with
green/grey matrix. Progressing to
boulders at 2.8m
2.8 - heavy ground water flow
clay layer (10-15cm)
2.8 - 5.0 - uniform m/c sandy gravels up to 15cm
5.0 - bedrock not reached

TRENCH 2 (ground water flow heavy, late photo)



TRENCH 3 LOG

Location: Grid "A" On baseline 10 metres north of Line A+00

UTM coordinates: Northing 6887603 Easting 0387757

Dimensions: 3 x 6 x 6m deep Volume (70%) 75 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 4.0m

S-4 @ 5.5m S-5 @ 6.0m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (10-15cm)

0.5 - 1.5 - uniform m/c gravels

1.5 - 3.0 - clay intermixed with uniform gravel

3.0 - manganese stained gravel layer (20cm)
heavy ground water flow

3.0 - 6.0 - well sorted gravels, interbedded with
multiple greenish clay layers (5-15cm)

6.0 - bedrock not reached

TRENCH 3



TRENCH 4 LOG

Location: Grid "A" Line A+30 Station +20 West

UTM coordinates: Northing 6887624 Easting 0387729

Dimensions: 3 x 5 x 6m deep Volume (70%) 63 cubic metres

Samples: S-1 @ 2.0m S-2 @ 3.5m S-3 @ 5.5m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (10-15cm)

0.5 - 2.0 - uniform m/c gravels with banded clay layers 5-10 cm thick

2.0 - 4.0 - poorly sorted m/c gravels, few boulders

4.0 - minor ground water flow

4.0 - 6.0 - finer gravels to 10cm, mostly rounded

6.0 - bedrock not reached

TRENCH 4



TRENCH 5 LOG

Location: Grid "A" 3 metres south of Line A+60
From +55 West to +83 West

UTM coordinates: Northing 6887633 Easting 0387688
East end of trench

Dimensions: 3 x 28 x 1.5m deep Volume (70%) 88 cubic metres

Samples: S-1 @ 0.7m S-2 @ 1.3m S-3 @ 1.5m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (5-10cm)

0.5 - 1.5 - uniform m/c fine sands & gravels to
3cm, lite green matrix in western part
of trench, rusty brown matrix in
eastern 6 metres

1.5 - broken blocky bedrock identified as an
Andesite intrusive and is weakly
magnetic, this answers the magnetic
anomaly at Line A+60 Station +70 West

TRENCH 5 (Eastern end)



TRENCH 6 LOG

Location: Grid "A" Line A+30 Station +40 West

UTM coordinates: Northing 6887611 Easting 0387711

Dimensions: 3 x 5 x 6m deep Volume (70%) 63 cubic metres

Samples: S-1 @ 2.0m S-2 @ 3.0m S-3 @ 4.5m S-4 @ 5.5m

Depth log: 0 - 1.0 - vegetative mat

1.0 - thin W.R.A. layer (5-10cm)
manganese strained gravel layer (5cm)
under the W.R.A

1.0 - 2.0 - poorly sorted m/c gravels, few boulders

2.0 - 6.0 - m/c gravel with green/grey matrix
better sorted, boulders near 6m

6.0 - minor clay layer and ground water

6.0 - bedrock not reached

TRENCH 6



TRENCH 7 LOG

Location: Grid "A" Halfway between Line A+00 and Line A+30
at approximately station +90 West

UTM coordinates: Northing 6887594 Easting 0387672

Dimensions: 3 x 5 x 5m deep Volume (70%) 52 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 3.5m S-4 @ 4.5m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (5-10cm)

.5 - 2.0 - blocky and rounded gravels

2.0 - 5.0 - evenly sorted m/c gravels contained
within alternating green and brown
tinted matrix layers

5.0 - broken blocky bedrock
no ground water flow

TRENCH 7 (missed photograph with trench open)

TRENCH 8 LOG

Location: Grid "A" Halfway between Line A+00 and Line A+30
at approximately station +140 West

UTM coordinates: Northing 6887586 Easting 0387616

Dimensions: 3 x 5 x 4m deep Volume (70%) 42 cubic metres

Samples: S-1 @ 1.5m S-2 @ 3.5m

Depth log: 0 - .5 - vegetative mat
.5 - thin W.R.A. layer (10-20cm)
.5 - 2.0 - mostly blocky rocks with minor rounded
gravels in a rusty brown matrix
2.0 - 4.0 - continued mostly blocky rocks with
more m/c gravels now in a greenish
tinted matrix
4.0 - broken blocky bedrock
no ground water flow

TRENCH 8



TRENCH 9 LOG

Location: Grid "A" Line A+30 Station +115 West

UTM coordinates: Northing 6887612 Easting 0387632

Dimensions: 3 x 4 x 4m deep Volume (70%) 33 cubic metres.

Samples: S-1 @ 2.0m S-2 @ 3.0m S-3 @ 4.0m

Depth log: 0 - .5 - vegetative mat

.5 - thin W.R.A. layer (5-10cm)

.5 - 1.0 - mostly blocky rock layer with
a rusty brown matrix

1.0 - 2.0 - m/c gravels with a greenish matrix

2.0 - 4.0 - blocky and rounded gravels now in
a rusty brown matrix, rounds m/c

4.0 - broken blocky bedrock
no ground water flow

TRENCH 9 (photograph of trench open failed development)

TRENCH 10 LOG

Location: Grid "A" Line A+180 Station +65 East

UTM coordinates: Northing 6887777 Easting 0387795

Dimensions: 3 x 5 x 4.5m deep Volume (70%) 47 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 3.5m S-4 @ 4.5m

Depth log: 0 - .3 - vegetative mat

- no W.R.A. layer

.3 - 1.0 - m/c gravels to boulder size

1.0 - 2.5 - fine m/c gravels with brown matrix
ground water flow at 2.5m

2.5 - 4.5 - well sorted m/c gravels with a green
silty matrix, progressing to
boulders at 4.5m

4.5 - broken bedrock ??

TRENCH 10



TRENCH 11 LOG

Location: Grid "A" Line A+240 Station +35 to +50 West

UTM coordinates: Northing 6887837 Easting 0387683
East end of bench trench

Dimensions: 4 x 18 x 1m deep Volume (70%) 50 cubic metres

Samples: S-1 @ .5m S-2 @ .75m S-3 @ .75m S-4 @ 1.0m

S-5 @ 1.0m Samples taken laterally up bench, which
was later re-contoured for equipment
access to claims Peanut 1, 2 and 3.

Depth log: 0 - .2 - vegetative mat

.2 - thin W.R.A. layer (5-10cm)

.2 - 1.5 - fine m/c gravels with green matrix

1.5 - broken bedrock at sample #1 location
UTM coordinates listed above

TRENCH 11



TRENCH 12 LOG

Location: Grid "A" Line A+240 Station +60 to +78 West

UTM coordinates: Northing 6887806 Easting 0387643
West end of trench's westerly extension

Dimensions: 3 x 18 x 2m deep Volume (70%) 75 cubic metres
4.5 metres maximum depth in frozen clay layer

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 4.5m S-4 @ 2.0m

S-3 clay layer S-4 frozen gravel at west end

Depth log: 0 - .5 - vegetative mat
.5 - thin W.R.A. layer (5-10cm)
.5 - 2.5 - fine m/c gravels with green matrix
2.5 - 4.5 - frozen clay layer,
ultimate thickness unknown
2.0 - frozen m/c rounded fine gravels
in greenish matrix at trench west end
4.5 - bedrock not reached

TRENCH 12



TRENCH 13 LOG

Location: Grid "B" Baseline at station B+85 northeast

UTM coordinates: Northing 6888022 Easting 0387920

Dimensions: 3 x 5 x 4.5m deep Volume (70%) 47 cubic metres

Samples: S-1 @ 1.0m S-2 @ 2.0m S-3 @ 3.0m S-4 @ 4.0m

Depth log: 0 - .5 - (est.) vegetative mat & W.R.A. layer
mostly removed years ago

.5 - 1.0 - fine m/c rounded gravels with
a lite brown matrix

1.0 - 2.0 - rounded m/c gravels with a grey sand
and silt matrix

2.0 - 4.5 - m/c rounded uniform gravels in greenish
sandy matrix

4.5 - clay layer & minor ground water flow
bedrock not reached

TRENCH 13



TRENCH 14 LOG

Location: Grid "B" Line B+30 Station +20 North

UTM coordinates: Northing 6887999 Easting 0387871

Dimensions: 3 x 5 x 5m deep Volume (70%) 52 cubic metres

Samples: S-1 @ 1.5m S-2 @ 3.0m S-3 @ 4.5m

Depth log: 0 - .5 - (est.) vegetative mat & W.R.A.
layer mostly removed years ago

.5 - 3.5 - fine m/c rounded gravels with
a green and brown mixed matrix

3.5 - thin clay layer (10-15cm)
minor ground water flow

3.5 - 5.0 - fine m/c gravels to 5cm in
sandy grey matrix

5.0 - rusty/orange broken bedrock ??

TRENCH 14



TRENCH 15 LOG

Location: Grid "A" Line A+360 Station +85 East

UTM coordinates: Northing 6887946 Easting 0387781

Dimensions: 3 x 5 x 6m deep Volume (70%) 63 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 3.5m S-4 @ 4.5
S-5 @ 5.5m

Depth log: 0 - .5 - vegetative mat

.5 - W.R.A. layer (10-15cm)

.5 - 1.5 - m/c rounded gravels with green matrix

1.5 - 2.5 - manganese stained gravel unit

2.5 - 4.5 - well sorted m/c gravels to boulders
in layered grey & brown mixed matrix
minor ground water flow @ 4.5m

4.5 - 6.0 - small fine uniform gravels mixed with
minor amounts of clay

6.0 - a few large boulders,
bedrock not reached

TRENCH 15



TRENCH 16 LOG

Location: Grid "A" Line A+480 Station +85 West

UTM coordinates: Northing 6888052 Easting 0387588

Dimensions: 4 x 6 x 5m deep Volume (70%) 84 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.0m S-3 @ 3.0m S-4 @ 4.5
S-5 @ 3.5m (east side of trench)

Depth log: 0 - .3 - vegetative mat

.3 - .7 - west side W.R.A. (5-50cm)
W.R.A. cutoff on east half of trench

.7 - 4.0 - (west side) blocky & m/c rounded
gravels with green silty matrix
a few boulders & ground water @ 4m

.3 - 4.5 - (east side) rounded m/c gravel to 5cm
in rusty brown matrix

4.5 - 5.0 - crumbly grey bedrock

TRENCH 16



TRENCH 17 LOG

Location: Grid "A" Halfway between Lines A+00 and A+30
at approximately station +65 West

UTM coordinates: Northing 6887601 Easting 0387693

Dimensions: 3 x 5 x 4m deep Volume (70%) 42 cubic metres

Samples: S-1 @ 1.0m S-2 @ 2.0m S-3 @ 3.0m S-4 @ 4.0

Depth log: 0 - .3 - vegetative mat

.3 - thin W.R.A. layer (5-15cm)

.3 - 2.0 - blocky & m/c rounded gravels with
a lite brown matrix

2.0 - 3.0 - gravels with a few boulders
minor ground water flow @ 3m

3.0 - 4.0 - clay with rounded m/c gravels

4.0 - blocky rock unit, bedrock ?

TRENCH 17



TRENCH 18 LOG

Location: Grid "A" Line A+60 Station +35 East

UTM coordinates: Northing 6887653 Easting 0387777

Dimensions: 3 x 6 x 4m deep Volume (70%) 50 cubic metres

Samples: S-1 @ 2.5m S-2 @ 3.0m S-3 @ 3.5m S-4 @ 4.0m

Depth log: 0 - 1.0 - vegetative mat

1.0 - 1.3 - W.R.A. layer (20-30cm)

1.3 - 2.5 - m/c rounded gravels up to 10cm
with a brown matrix

2.5 - 3.5 - gravels with a few boulders
ground water flow @ 3.5m

3.5 - 4.0 - clay with rounded m/c gravels

4.0 - bedrock not reached

TRENCH 18



TRENCH 19 LOG

Location: Grid "A" Halfway between Lines A+120 and A+150
at approximately station +20 West

UTM coordinates: Northing 6887724 Easting 0387736

Dimensions: 3 x 5 x 6m deep Volume (70%) 63 cubic metres

Samples: S-1 @ 1.5m S-2 @ 2.5m S-3 @ 3.5m S-4 @ 4.5m
S-5 @ 5.5m

Depth log: 0 - .5 - vegetative mat
- .5 - thin W.R.A. layer (10-20cm)
.5 - 4.5 - well sorted m/c rounded gravels up
to 15cm with a brown matrix, green
tinted mixed layers below 2.5m
4.5 - minor ground water flow
4.5 - 6.0 - slight clay intermixed with rounded
m/c small gravels
6.0 - bedrock not reached

TRENCH 19





Aurora Geosciences Ltd. Field Crew June 29, 2006

**Gabriel Fortin, Crew Chief/Geologist
Cody Woodman, Assistant**

Gabriel Fortin, surveying Line A+30 at Station +140 West



BUD DAVIS

**TOTAL MAGNETIC FIELD SURVEY
VICTORIA CREEK, PEANUT PROPERTY
WHITEHORSE MINING DISTRICT, YUKON TERRITORY**

Phil Jackson
AURORA GEOSCIENCES LTD.

CLAIMS

PEANUT 1 - 10 P47458 - P47467

Formerly Placer Prospecting Lease IW00217

Location: 62° 6' 42" N, 137° 9' 33"W

NTS: 115 I/03

Mining District: Whitehorse

Date: October 1, 2006

SUMMARY

A total magnetic field survey was conducted on the Peanut Property for Bud Davis, in order to locate detrital magnetic concentrates associated with placer gold deposits. The survey area is located along Victoria Creek, 50 km W of Carmacks, Yukon. The survey was conducted on a flagged grid with survey control aided by nondifferential GPS navigation. The survey was conducted on June 28th and June 29th. A total of 4.735 line-km was surveyed on 30m line spacing. A subtle magnetic feature is identified trending NS and exhibits characteristics of detrital or weak dipole clusters. It is recommended that the NS trending feature be test pitted at the southern end of Grid A to test for concentrations of gold that may be associated with magnetite in the area. If favourable results occur, further pitting and testing for gold should be continued to the north, as the subtle feature likely continues across the boundary seen at L300N. An expansion of the magnetics survey towards the west on grid A is also recommended to confirm the boundary of the strong magnetic anomaly as well as to test for the possibility of a splay to the NW.

TABLE OF CONTENTS

1.0 INTRODUCTION 1

2.0 LOCATION AND ACCESS 1

3.0 PROPERTY 1

4.0 PHYSIOLOGY & REGIONAL GEOLOGY 1

5.0 SURVEY GRID 3

6.0 PERSONNEL AND EQUIPMENT 3

7.0 SURVEY SPECIFICATIONS 4

8.0 MAGNETIC FIELD THEORY 4

9.0 RESULTS 4

10.0 DISCUSSION & RECOMMENDATIONS 5

REFERENCES CITED 6

APPENDIX A. CERTIFICATE 7

APPENDIX B. SURVEY LOG 9

APPENDIX C. STATEMENT OF EXPENDITURES 11

APPENDIX D. INSTRUMENT SPECIFICATIONS 13

LIST OF FIGURES

Figure 1. Property location Following page 1

Figure 2. Grid location Following page 1

Figure 3. Regional Geology Following page 2

Figure 4. Total magnetic field contour map Back pocket

1.0 INTRODUCTION

Aurora Geosciences Ltd. was retained by Bud Davis to conduct a ground total magnetic field survey on the Victoria Creek, Peanut Placer Property. A total of 4.735 line-km were surveyed. The surveys were conducted on June 28th and 29th, 2006 to locate magnetite bearing pay streaks along Victoria Creek. This report describes the surveys performed, data, results and an interpretation.

2.0 LOCATION AND ACCESS

The Peanut Property is located along Victoria Creek West of Carmacks, Yukon. and is centered at 62° 6' 42" N 137 ° 9' 33" W (Figure 1). The surveyed area runs along a swampy valley hemming-in Victoria creek, the crew was mobilized to camp via 4x4 truck from Whitehorse. The property is located approximately 50 km West of Carmacks.

3.0 PROPERTY

The Peanut Placer Property consists of the following claims staked under the Yukon Placer Mining Act in the Whitehorse Mining District¹. Claim information is summarized below:

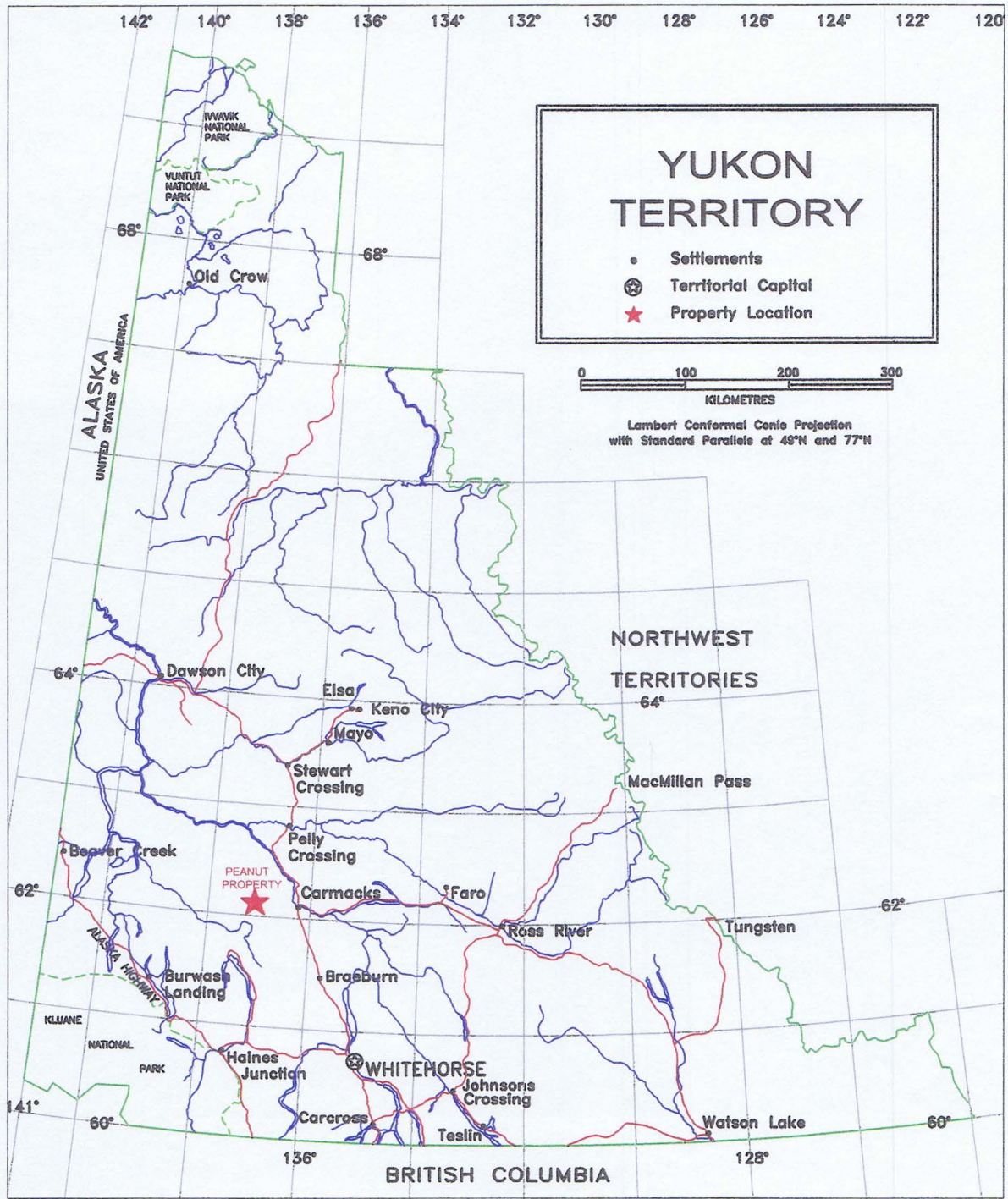
<u>Claim Name</u>	<u>Grant Number</u>	<u>Owner</u>	<u>Expiry Date</u>
PEANUT 1-10	P47458 - P47467	David (Bud) Davis	July 14, 2007

Claim locations as shown on government claim maps are shown in Figure 2. Ground checks have shown the current government claim map to be incorrect. The grid location on all figures is correct, however it should be noted that the grid lies entirely within the Peanut claims, with the south end of Grid A positioned at the south end of the Peanut 1 claim.

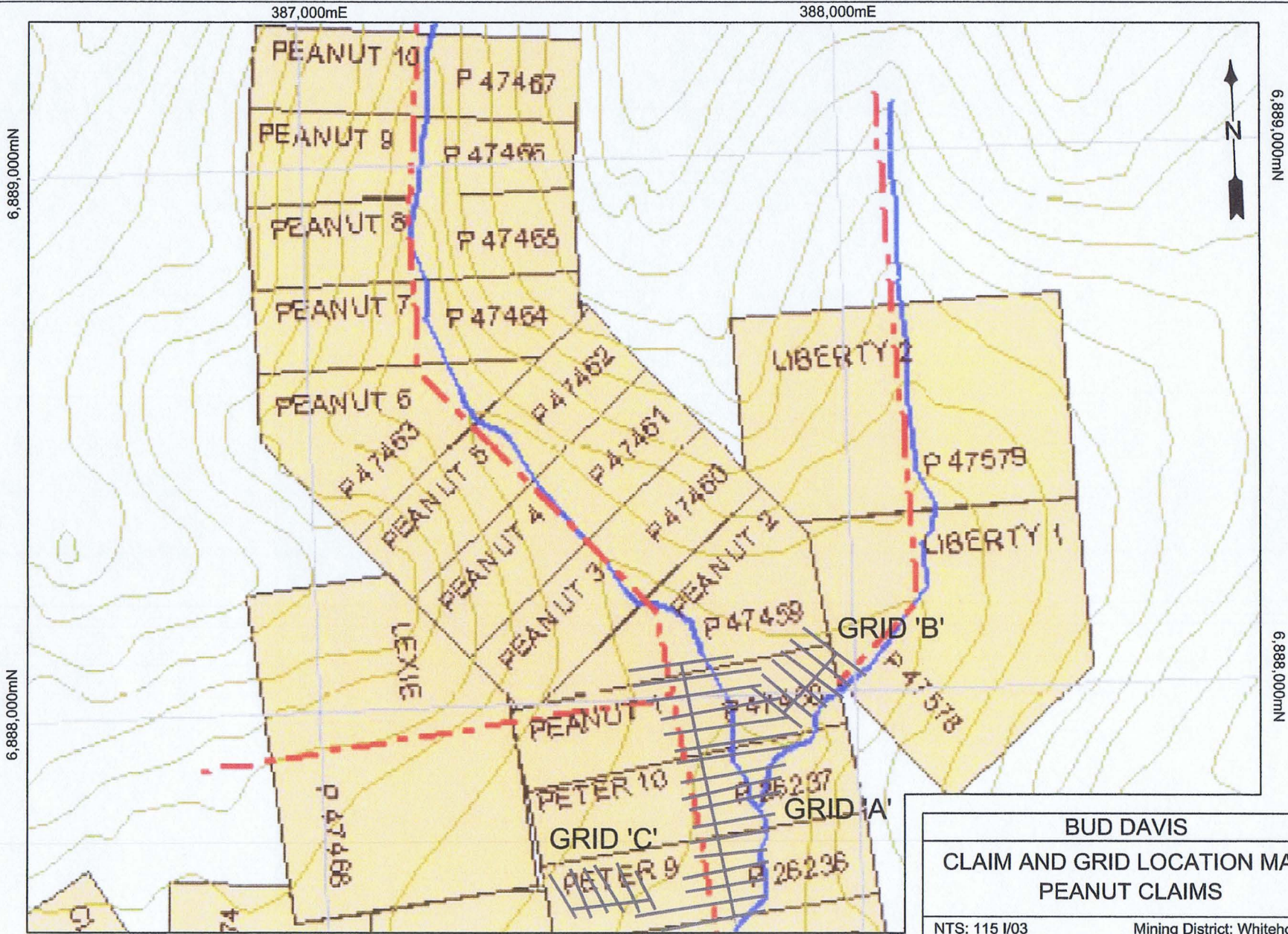
4.0 PHYSIOLOGY AND REGIONAL GEOLOGY

The property and survey grid area are in the Mount Nansen area at elevations ranging from 4200 to 5200 feet. The area is subject to continental climatic conditions with short, hot, generally dry summers and cold winters. Temperatures range from -20 to -55°C during the winter and from 10 to 30°C during the in the summer.

¹ Claim information from www.yukonminingrecorder.ca on Oct. 1, 2006



BUD DAVIS	PEANUT PROPERTY	
PROPERTY LOCATION	MINING DISTRICT: WHITEHORSE	
	NTS: 115 I/03	SCALE 1: 6 000 000
Aurora Geosciences Ltd.	DRAWN BY: PJ	
	DATE: OCT 1, 2006	FIGURE: 1



6,889,000mN

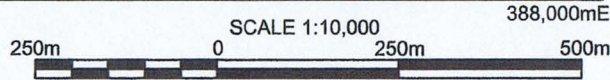
6,888,000mN

387,000mE

388,000mE

6,889,000mN

6,888,000mN

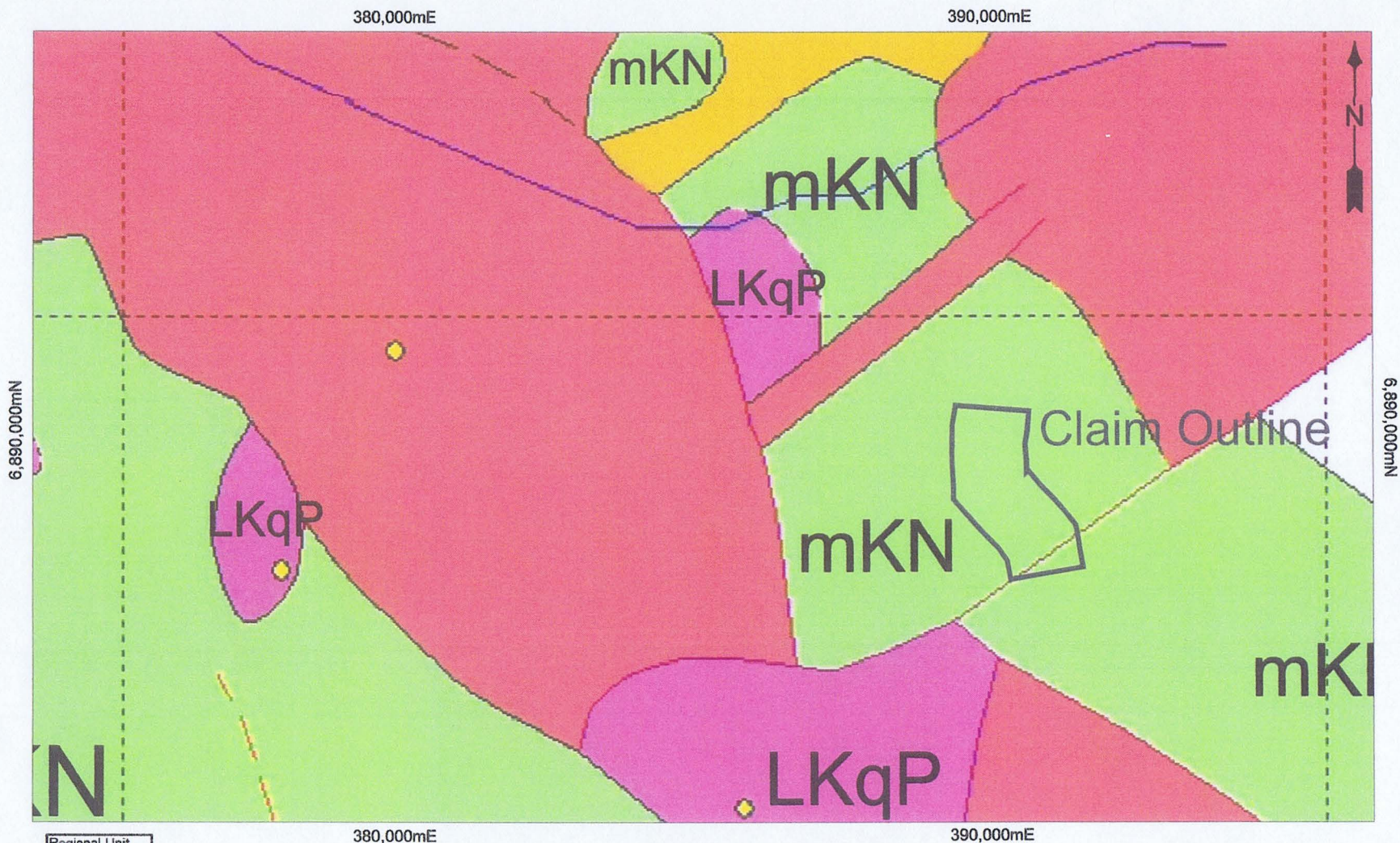


BUD DAVIS	
CLAIM AND GRID LOCATION MAP	
PEANUT CLAIMS	
NTS: 115 I/03	Mining District: Whitehorse
Datum: UTM NAD 83 Zone 8	Job: BUD-06-01-YT
Date: 06 Oct 02	Figure 2
AURORA GEOSCIENCES LTD.	

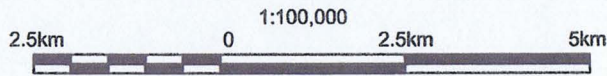
The Peanut Property is located in the northern Cordillera. The regional geology is shown in Figure 3 and rock unit lithologies are briefly summarized in Table 1. (Gordey et al., 2003).

Table 1. Stratigraphy

Rock unit	Lithology
Mount Nansen Group mKN	massive aphyric or feldspar-phyric andesite to dacite flows, breccia and tuff, massive, heterolithic, quartz and feldspar-phyric, feldspar lapilli tuff, flow banded quartz phyric rhyolite and quartz feldspar porphyry plugs, dykes, sills and breccia (Mount Nansen GP., Byng Creek Volcanics, Hutshi Gp.)
Whitehorse Suite - mKyW	hornblende syenite, grading to granite or granodiorite (Whitehorse Suite)
Prospector Mountain Suite - LKqP	quartz monzonite, biotite quartz-rich granite; porphyritic alaskite and granite with plagioclase and quartz-eye phenocrysts; biotite and hornblende quartz monzodiorite, granite, and leucocratic granodiorite with local alkali feldspar phenocrysts (Prospector Mountain Suite, Carcross Pluton)
Long Lake Suite - EJyL	resistant, dark weathering, massive, coarse- to very coarse- grained and porphyritic, mesocratic hornblende syenite; locally sheared, commonly fractured and saussuritized; locally has well developed layering of aligned pink K-feldspar tablets (Big Creek Syenite)



Regional Unit	
	DMgPW
	EJyL
	LKqP
	PPN1
	PPa
	mKN
	mKqW
	uKC1



* Gordey, S.P. and Makepeace, A. J. (comp.) 1999 Yukon Digital Geology

BUD DAVIS	
GEOLOGY MAP	
PEANUT CLAIMS	
NTS: 115 I/03	Mining District: Whitehorse
Datum: UTM NAD 83 Zone 8	Job: BUD-06-01-YT
Date: 06 Oct 02	Figure 3
AURORA GEOSCIENCES LTD.	

5.0 SURVEY GRID

Three separate grids were established using a hipchain and magnetic compass. The grids are orientated with the base line having the same azimuth as the associated creeks. Grid A tracks along Victoria Creek at an azimuth of 350°, Grid B follows Liberty Creek at 43° and Grid C follows a nameless creek at the south end of Grid A with the baseline tracking 265°. Survey lines are orthogonal to the baselines, line separation on all grids is 30 meters and stations along the lines were marked with flagging tape at ten meter intervals. Data from all three grids has been merged to form a single database and plotted as a single map. Control for the magnetic survey was maintained with nondifferential GPS navigation. The operator's track was recorded then matched with the magnetic data through the time stamp and interpolation.

6.0 PERSONNEL AND EQUIPMENT

The survey was conducted by the following personnel:

Gabriel Fortin	Crew chief, Junior Geologist
Cody Woodman	Field technician

The crew were equipped with the following instruments and equipment:

Field magnetometer:	2 - Gem GSM-19T proton precession magnetometer.
Base magnetometer:	1 - Gem GSM-19T proton precession magnetometer.
Data processing:	P-1.2GHz laptop with Oasis Montaj software package.
Other equipment:	1 - satellite phone 2 - Garmin 72 non-differential GPS receivers

The geophysical crew spent a total of 4 man-days on the property. The geophysical survey log is attached as Appendix B.

7.0 SURVEY SPECIFICATIONS

The magnetometer survey was conducted according to the following specifications:

<u>Station spacing:</u>	5 m nominal, location of each station matched to GPS position through the track time stamp and interpolation.
<u>Base station magnetometer:</u>	Installed on the survey grid at 387753E, 6888057N near the camp and cycled at 5 s. Variations exceeding 10 nT over the 5s interval were rejected.
<u>Synchronization:</u>	Base and rover mags were synchronized daily to GPS time (UTC).

8.0 MAGNETIC FIELD THEORY

Magnetic field theory is well described in standard texts (eg. Telford *et. al.* 1990). In a placer setting, magnetite derived from bedrock weathering is concentrated in the main channel of a creek or river (thalweg) where the water flow has the highest velocity and greatest turbulence. As a result, minerals with high specific gravity (magnetite, ilmenite, gold, etc.) are preferentially concentrated in this region of the stream bed as material with lower specific gravity is winnowed from the sediment. High concentrations of "black sand" (magnetite, ilmenite, chromite) are often recorded in auriferous pay streaks where the stream bed has remained relatively immobile for some period, permitting hydraulic concentration to build up a significant volume of these minerals.

The materials comprising black sand are magnetically susceptible. Magnetite has a very high magnetic susceptibility of $1200-19200 \times 10^{-3}$ SI units, ilmenite ranges from $300-3500 \times 10^{-3}$ SI units. Average magnetic susceptibilities for sedimentary, igneous (excluding ultramafic) and metamorphic rocks are 0-18, 3-160 and $0-70 \times 10^{-3}$ SI units and the magnetic susceptibility of fluvial sediments is in the range $0-2 \times 10^{-3}$ SI units. There is consequently a significant susceptibility contrast between gravels with elevated concentrations of black sand and both bedrock and average gravels.

9.0 RESULTS

Digital data is appended to this report on CDROM. The magnetic field data is in the following format:

Line	Station	UTME_WGS84	UTMN_WGS84	Rawmag	Corr_mag	Final
------	---------	------------	------------	--------	----------	-------

"Rawmag" is the raw total magnetic field reading from the rover unit, "Corr_mag" is the reading after the diurnal correction has been applied and "Final" is the final data set after all levelling required for day to day and operator to operator level shifts. A plot at 1:2000 is appended to this report in the back pocket:

Figure 4. Total magnetic field contour map

10.0 DISCUSSION & RECOMMENDATIONS

The total magnetic field survey identified several significant features on the property. Data collected was levelled with 57000 nT as the datum. The total field ranges from 56698 nT to approximately 58100 nT, with areas of magnetic high over 57700 nT. A large magnetic high is seen on the southern half of Grid A, a change in lithology and/or faulting is interpreted at L300N, within the magnetic high a more subtle magnetic feature trends from the southern end of the baseline on Grid A through to L300N, the trend is indicated in Figure 4 and may continue past L300N as it is hidden by the stronger lithologic change. The feature can be traced as seen in Figure 4 and exhibits characteristics of detrital or weak dipole clusters.

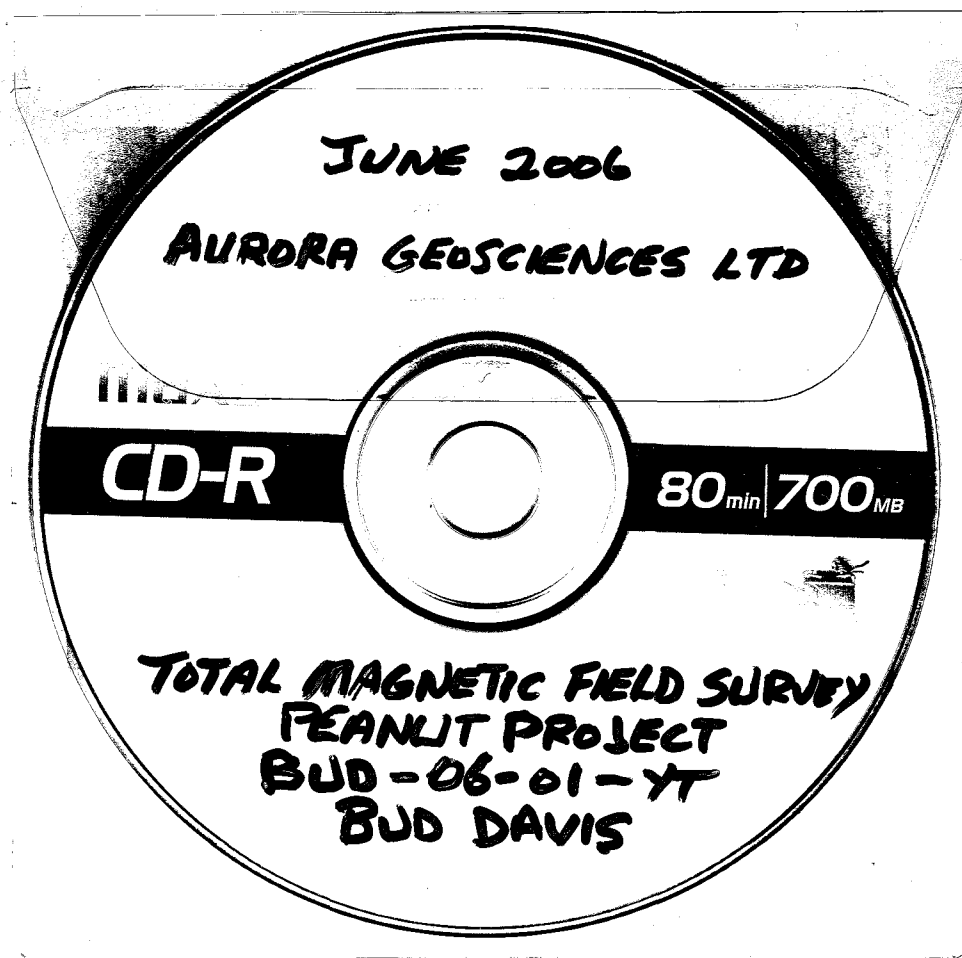
It is recommended that the NS trending feature be test pitted at the southern end of Grid A to test for concentrations of gold that may be associated with magnetite in the area. If favourable results occur, further pitting and testing for gold should be continued to the north, as the subtle feature likely continues across the boundary seen at L300N. An expansion of the magnetics survey towards the west on grid A is also recommended to confirm the boundary of the strong magnetic anomaly as well as to test for the possibility of a splay to the NW. The subtle feature as traced on Figure 4 is currently shown as open to the south and north with the possibility of a splay to the northwest, it should also be noted that features seen past the end the survey lines, particularly at the west side of L60N on Grid A appear large and open due to artifacts created by the minimum curvature gridding algorithm.

Respectfully submitted,

AURORA GEOSCIENCES LTD.



Phil Jackson, P.Geoph.
Geophysicist



References Cited

Telford, W.M., L.P. Geldart and R.E. Sheriff (1990) Applied Geophysics (2nd Edition) New York: Cambridge University Press.

Gordey, S.P., Makepeace, A.J., 2003: Yukon digital geology, version 2.0, S.P. Gordey and A.J. Makepeace (comp.), Geological Survey of Canada, Open File 1749, and Yukon Geological Survey, Open File 2003-9(D)

APPENDIX A. CERTIFICATE

STATEMENT OF QUALIFICATIONS

I, Phil Jackson, of the City of Whitehorse, Yukon, Canada,

HEREBY CERTIFY:

That my address is 75 Walnut Crescent, Whitehorse, YT Y1A 5C7.

That I am a graduate of Concordia University in Geology / Physics:
B.Sc. - Concordia University, Montreal, Quebec, 1996

That I have been a practising Geophysicist since 1997:

January 1997 to present	Aurora Geosciences Ltd. Yellowknife, N.W.T. Geophysicist
-------------------------	--

That I am registered as a Professional Geophysicist by The Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (Registration #1667).

That I am entitled to practice as a Professional Geophysicist in the Northwest Territories and Nunavut.

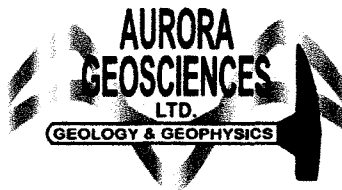
That I have no direct or indirect interest in the Peanut Property.

Dated this 5th day of October, 2006 at Whitehorse, YT



Phil Jackson, P. Geoph.

APPENDIX B. SURVEY LOG



AURORA GEOSCIENCES LTD.
JOB BUD-06-01-YT
BUD DAVIS MAG SURVEY

Period: June 28th - June 29th, 2006

Personnel: Gabriel Fortin Crew Chief / Geologist
Cody Woodman Helper

Wed 28 June/06 Mobe & Survey
Mobe to camp from Whitehorse and survey part day.
Wx: rain and cool
Production 2.0 km

Thu 29 June/06 Survey & Demobe
Suveyed remainder of grid and de-mobe to next job via Dawson City.
Wx: Cloudy and warm.
Production: 2.735 km

APPENDIX C. STATEMENT OF EXPENDITURES

Crew charges - 2 person for 2 days	1460.00
Job Prep and phone & computer rental	400.00
Magnetometer rental 3 units for 2 days	480.00
Truck rental 2 days @ \$100	200.00
Supplies (fuel, flagging/pickets, groceries, etc)	86.43
Report - lump sum cost	2200.00
General administration fees	12.94
GST on Exploration services and admin.	290.35
Total project expenses	\$5129.50

I certify that these expenses are correct to the best of my knowledge.



Phil Jackson, P.Geoph.
Geophysicist

APPENDIX D. INSTRUMENT SPECIFICATIONS

APPENDIX G

GSM-19T MAGNETOMETER/GRADIOMETER

THEORETICAL DESCRIPTION

Introduction

The GSM-19T is a portable standard proton magnetometer/gradiometer designed for handheld or base station use for geophysical, geotechnical, or archaeological exploration, long term magnetic field monitoring at Magnetic Observatories, volcanological and seismic research, etc. The GSM-19T is a secondary standard for measurement of the Earth's magnetic field, having 0.2nT resolution, and 1nT absolute accuracy over its full temperature range.

The GSM-19T is a microprocessor based instrument with storing capabilities. Large memory storage is available (up to 2Mbytes). Synchronized operation between hand held and base station units is possible, and the corrections for diurnal variations of magnetic field are done automatically. The results of measurement are made available in serial form (RS-232-C interface) for collection by data acquisition systems, terminals or computers. Both on-line and post-operation transfer are possible.

The measurement of two magnetic fields for determination of gradient is done concurrently with strict control of measuring intervals. The result is a high quality gradient reading, independent of diurnal variations of magnetic field.

Optionally the addition of a VLF sensor for combined magnetometer / gradiometer-VLF measurement is available.

Magnetic Field Measurement

The magnetic field measuring process consists of the following steps:

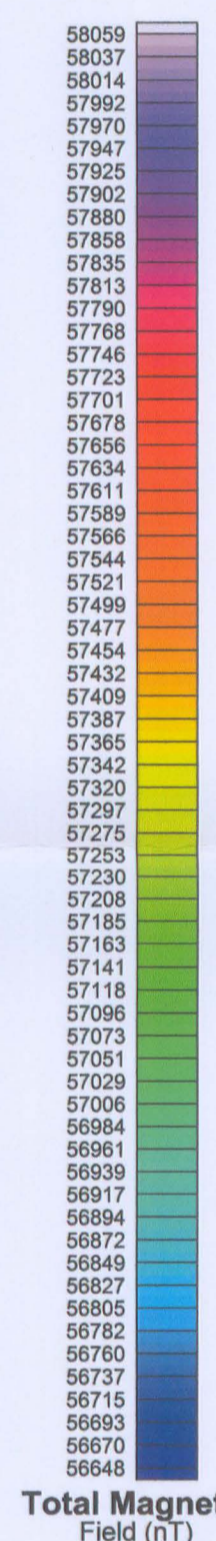
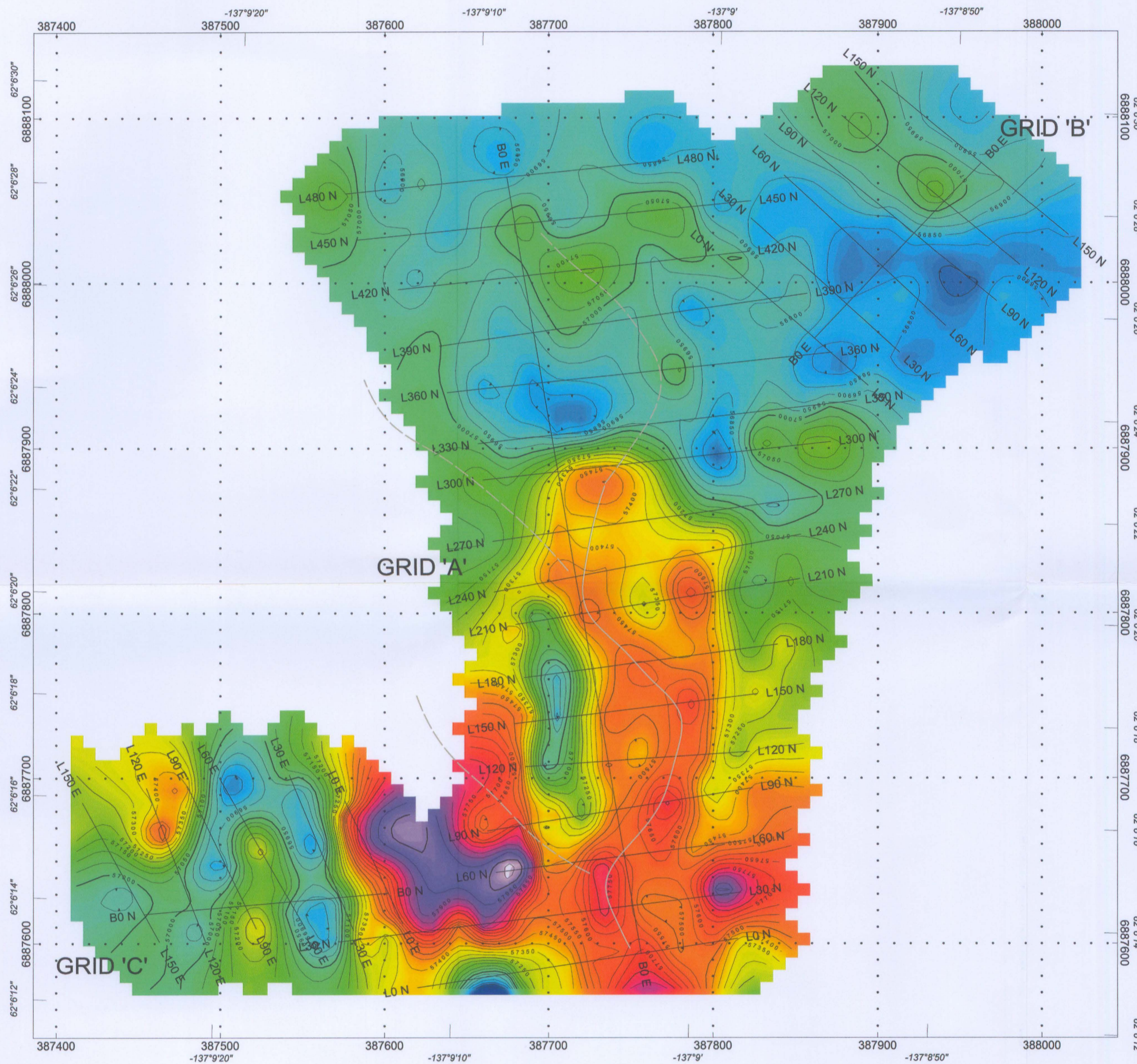
- a) **Polarization:** A strong DC current is passed through the sensor creating polarization of a proton-rich fluid in the sensor.
- b) **Pause:** The pause allows the electrical transients to die off, leaving a slowly decaying proton precession signal above the noise level.
- c) **Counting:** The proton precession frequency is measured and converted into magnetic field units.
- d) **Storage:** The results are stored in memory together with date, time and coordinates of measurement. In base station mode, only the time and total field are stored.

INSTRUMENT SPECIFICATIONS

MAGNETOMETER / GRADIOMETER

Resolution:	0.01nT (gamma), magnetic field and gradient.
Accuracy:	0.2nT over operating range.
Range:	20,000 to 120,000nT.
Gradient Tolerance:	Over 10, 000nT/m
Operating Interval:	3 seconds minimum, faster optional. Readings initiated from keyboard, external trigger, or carriage return via RS-232C.
Input / Output:	6 pin weatherproof connector, RS-232C, and (optional) analog output.
Power Requirements:	12V, 200mA peak (during polarization), 30mA standby. 300mA peak in gradiometer mode.
Power Source:	Internal 12V, 2.6Ah sealed lead-acid battery standard, others optional. An External 12V power source can also be used.
Battery Charger:	Input: 110 VAC, 60Hz. Optional 110 / 220 VAC, 50 / 60Hz. Output: dual level charging.
Operating Ranges:	Temperature: - 40°C to +60°C. Battery Voltage: 10.0V minimum to 15V maximum. Humidity: up to 90% relative, non condensing.
Storage Temperature:	-50°C to +65°C.
Display:	LCD: 240 X 64 pixels, OR 8 X 30 characters. Built in heater for operation below -20°C.
Dimensions:	Console: 223 x 69 x 240mm. Sensor Staff: 4 x 450mm sections. Sensor: 170 x 71mm dia. Weight: console 2.1kg, Staff 0.9kg, Sensors 1.1kg each.
VLF	
Frequency Range:	15 - 30.0 kHz plus 57.9 kHz (Alaskan station)
Parameters Measured:	Vertical in-phase and out-of-phase components as percentage of total field. 2 relative components of horizontal field. Absolute amplitude of total field.
Resolution:	0.1%.
Number of Stations:	Up to 3 at a time.
Storage:	Automatic with: time, coordinates, magnetic field / gradient, slope, EM field, frequency, in- and out-of-phase vertical, and both horizontal components for each selected station.
Terrain Slope Range:	0° - 90° (entered manually).
Sensor Dimensions:	140 x 150 x 90 mm. (5.5 x 6 x 3 inches).
Sensor Weight:	1.0 kg (2.2 lb).

9 V 1997



LEGEND
TOTAL FIELD MAGNETICS
 CONTOUR INTERVALS (nT)

50
250
1000

REFERENCE FIELD: 57,000 nT
 INSTRUMENTS: Gem GSM-19 Magnetometers
 GRIDDING ALGORITHM: Minimum Curvature
 GRID CELL SIZE: 7.5 m
 GRID HANNING FILTER: 0 pass
 DATA FILE: Grid_A_mag.gdb
 OPERATORS: GF & CW
 LINE-KM SURVEYED: 4.70 km

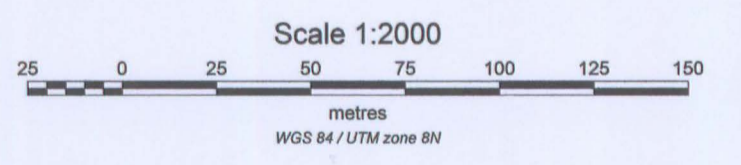
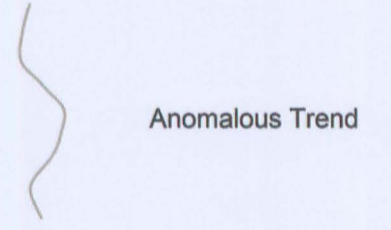
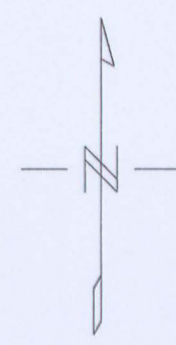


Figure 4

VICTORIA CREEK	
GRIDS A, B & C - PEANUT PROJECT	
TOTAL MAGNETIC FIELD CONTOURS	
YUKON TERRITORY, CANADA	
NTS: 115 I/3	DATE SURVEYED: June 2006
MAP NAME: Merged_Grids_ABC.map	DRAWN BY / DATE: PJ / July 2006
AURORA GEOSCIENCES LTD.	

RECLAMATION WORK AND PHOTOGRAPHS

Reclamation work was carried out at all test site locations on the Peanut claims. This reclamation work was carried out while the exploration trenching program progressed, between August 9 and August 29, 2006.

The trenches were back-filled and the surface areas were re-contoured. The vegetative mat which includes willows, grasses, black muck, White River ash and "B" horizon soils were then last spread where-ever possible.

The volume of gravels moved in this reclamation work totaled some 903 cubic metres or 1181 cubic yards. This amount was calculated at 80% of the trenching volumes because of gravel swell factors.

The two pre-existing trenches on Peanut 1 claim were not refilled. These two very shallow trenches did not reach bedrock and are over 12 year old.

It was determined that the current level of regrowth of natural grasses and willows at these older sites did not warrant the levelling of these old trench piles and thus negating this new growth.

Photographs of the two pre-existing trenches and the reclamation work carried out at the new 2006 trench locations are included in this report section.

The UTM coordinates for the new trenches are logged in the technical report section.



Top photograph - NORTHERN TRENCH (looking east)

Both pre-existing trenches are located on Peanut 1 claim, with a distance between them of 30 metres.

Bottom photograph - SOUTHERN TRENCH (looking east)



TRENCH 1 (back-filled)



TRENCH 2 (back-filled)



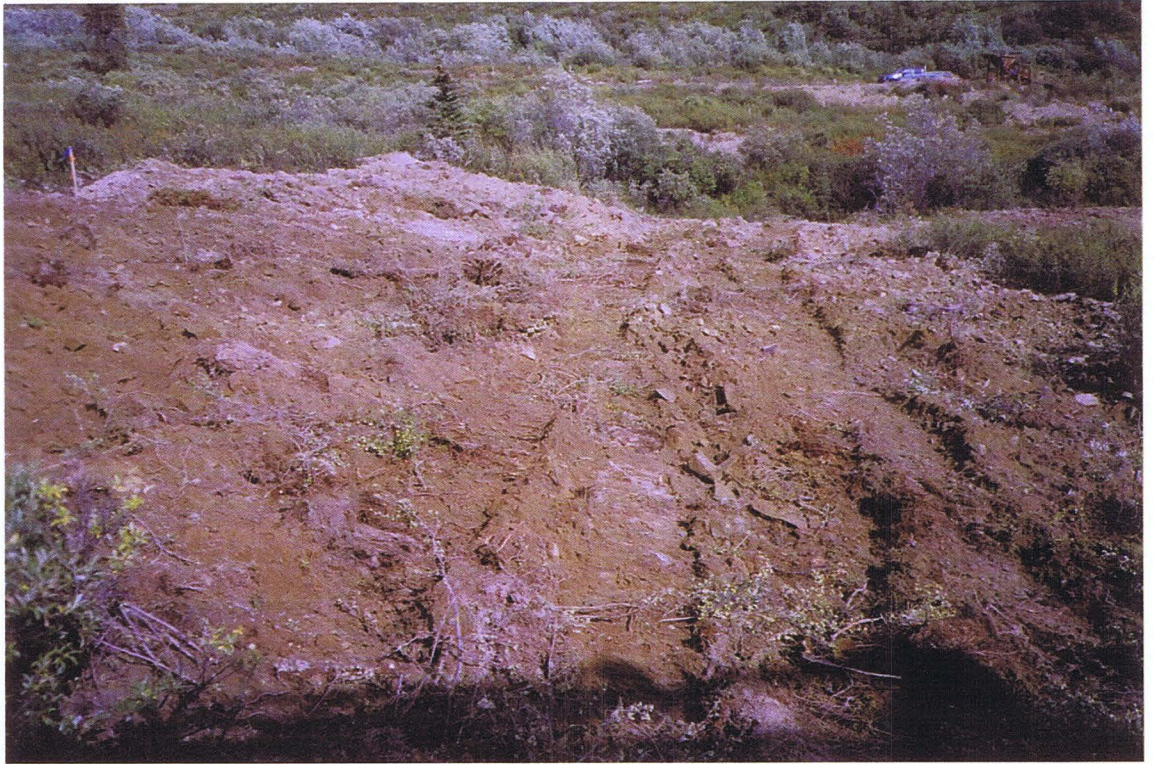
TRENCH 3 (back-filled)



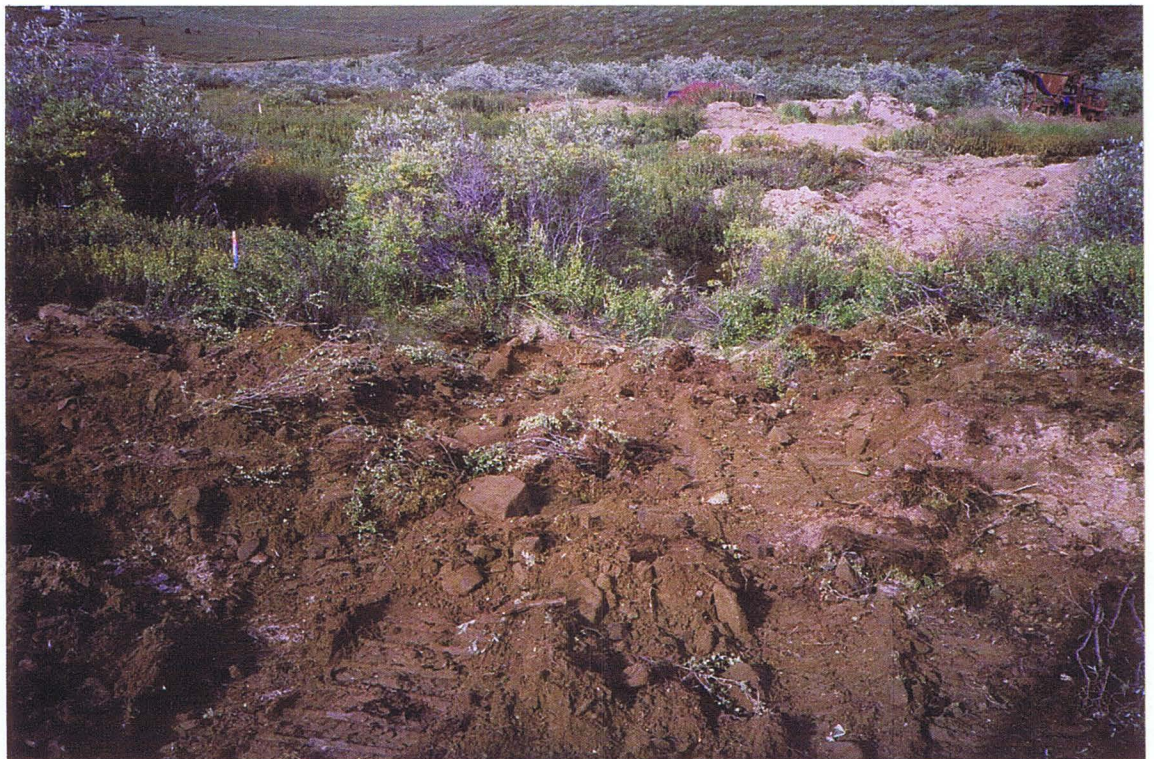
TRENCH 4 (back-filled)



TRENCH 5 (back-filled) Looking East



TRENCH 6 (back-filled)



TRENCH 7 (back-filled)



TRENCH 8 (back-filled)



TRENCH 9 (back-filled)



TRENCH 10 (back-filled)



TRENCH 11 (bench re-contoured for equipment access)



TRENCH 12 (back-filled)



TRENCH 13 (back-filled)



TRENCH 14 (back-filled)



TRENCH 15 (back-filled)



TRENCH 16 (back-filled)



TRENCH 17 (back-filled)

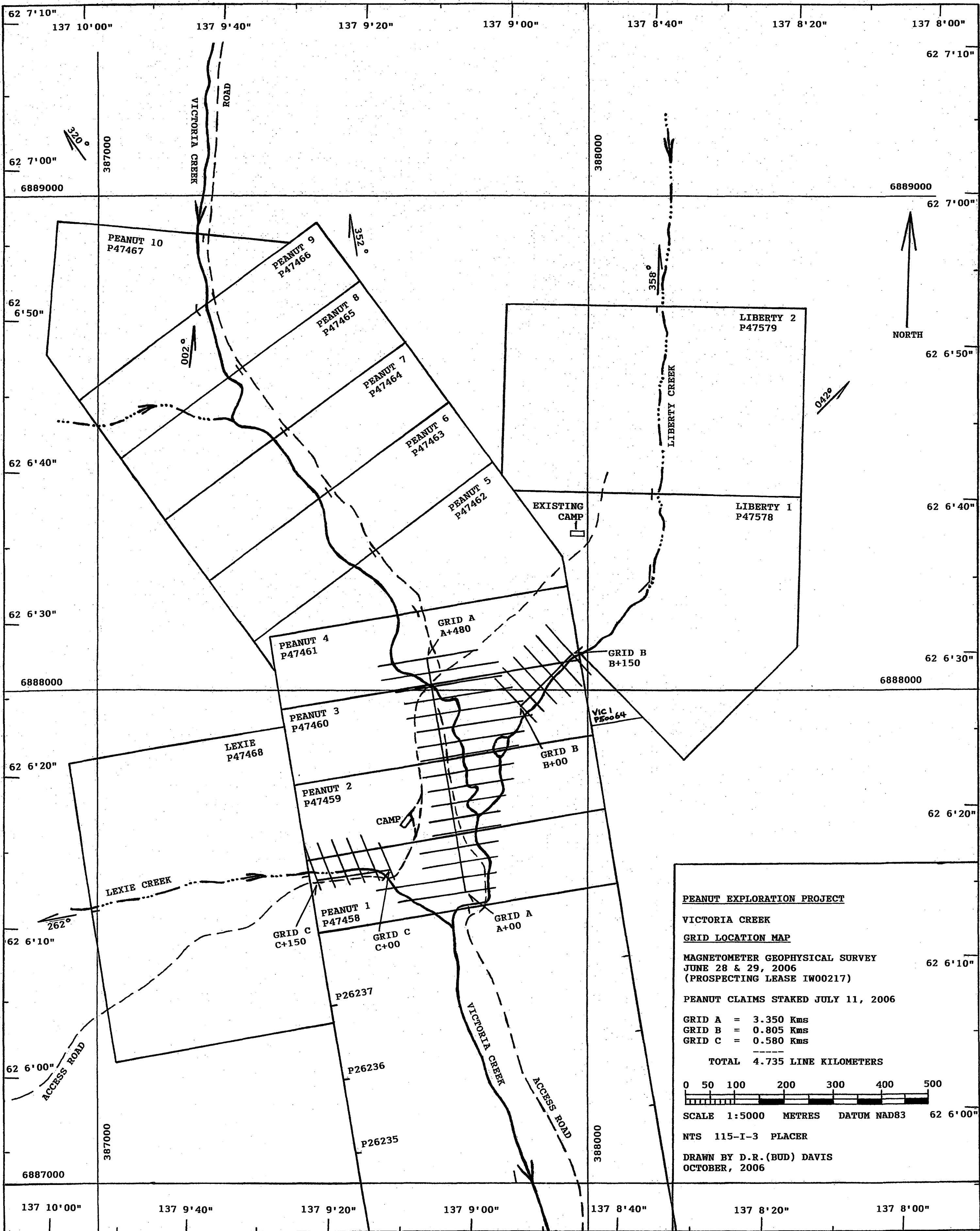


TRENCH 18 (back-filled)



TRENCH 19 (back-filled)





PEANUT EXPLORATION PROJECT

VICTORIA CREEK

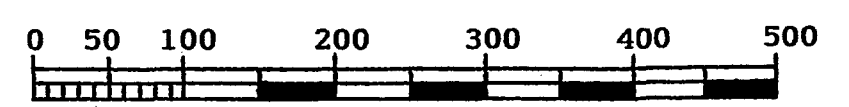
GRID LOCATION MAP

MAGNETOMETER GEOPHYSICAL SURVEY
 JUNE 28 & 29, 2006
 (PROSPECTING LEASE IW00217)

PEANUT CLAIMS STAKED JULY 11, 2006

- GRID A = 3.350 Kms
- GRID B = 0.805 Kms
- GRID C = 0.580 Kms

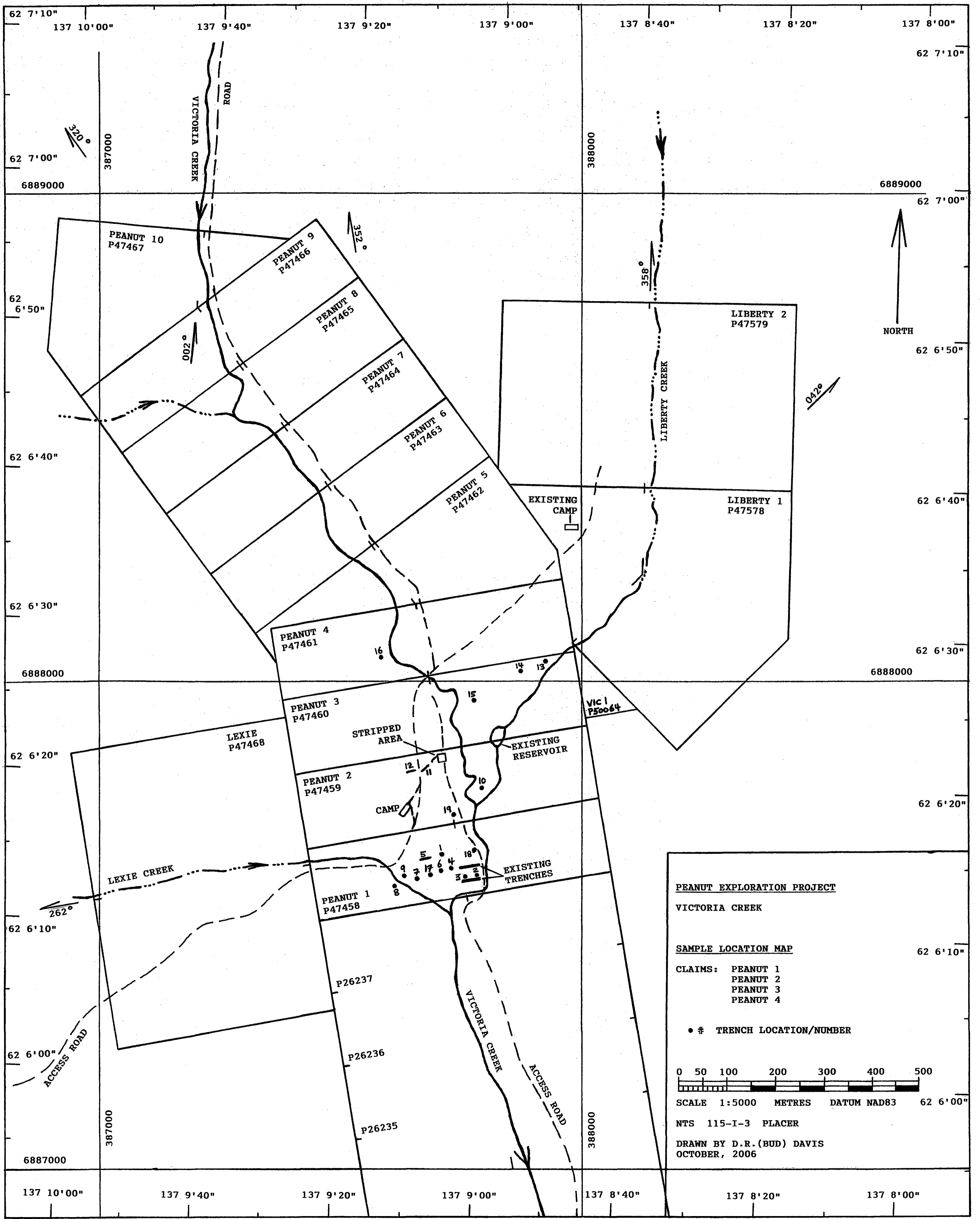
TOTAL 4.735 LINE KILOMETERS



SCALE 1:5000 METRES DATUM NAD83

NTS 115-I-3 PLACER

DRAWN BY D.R. (BUD) DAVIS
 OCTOBER, 2006

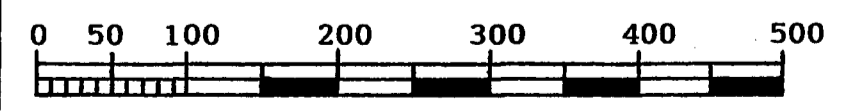


PEANUT EXPLORATION PROJECT
VICTORIA CREEK

SAMPLE LOCATION MAP

- CLAIMS: PEANUT 1
 PEANUT 2
 PEANUT 3
 PEANUT 4

• # TRENCH LOCATION/NUMBER



SCALE 1:5000 METRES DATUM NAD83 62 6'00"

NTS 115-I-3 PLACER

DRAWN BY D.R.(BUD) DAVIS
 OCTOBER, 2006