

Broulan Reef Report by P.Geo David Busch

THE BROULAN REEF PROPERTY IS ON TREND OF THE MOST SIGNIFICANT GOLD PLAY BEING DEVELOPED IN CANADA TODAY

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The Bruce Channel discoveries are showing individual deposits of 5 million ounces of gold with up to 13 million ounces from all known zones. This is a very large resource that Goldcorp plans to evaluate from underground within the next year.

All deposits occur below a thrust fault that strikes NW-SE and dips 48 degrees to the southwest. These deposits include the mineralization at the Cochenour mine.

- The thrust is marked by intense shearing over widths of 60 meters.
- Within or flanking the shear is a Mottled Rhyolite Dike (MRD) which can be up to 40-50 meters thick.
- The MRD is highly silicified and is marked by patchy development of sericite. Biotite alteration occurs in mafic rocks within and flanking the thrust fault.
- The thrust fault, MRD and alteration is referred to as the THRUST PACKAGE which in total can be from several metres to 100+ metres in true thickness.
- The Thrust Package is older than most other structures and consequently is itself folded and faulted.
- No significant gold mineralization has been developed above the Thrust Package to date.

It is speculated that a second north south trending and west dipping structure may also play a role in localizing gold below the Thrust Package. The existence and location of this fault is somewhat speculative at the moment.

Deposits tend to develop as a series of elongated blobs just beneath Thrust Package. Deposits including the Cochenour, Bruce Channel and Finn Zones lie beneath the Thrust Package over a strike length of 2 kilometres.

The Thrust Package has been intersected in 2 holes in our current drilling. A third hole was just entering the Thrust Package when it had to be abandoned. In the north part of the property the Thrust Package has a dip of about 45 degrees to the southeast.

The planned hole from McKenzie Island will enter the property at or below the Thrust Package and should remain below it to the end. This will allow testing of a significant section of the most favourable setting.