2005 Drilling Summary with Recommendations for Exploration on the Spanish Mountain Property

Cariboo Mining District

British Columbia

52° 35’ 14” N, 121° 28’ 2” W

NTS 93A11

Prepared for

WILDROSE RESOURCES LTD.

JULY, 2006

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Summary

The Spanish Mountain property is located in the Cariboo Mining Division in central British Columbia, Canada approximately 6 km east of the village of Likely and 70 km northeast of the City of Williams Lake (Figure1). The property consists of 27 mineral claims, for a total property size of approximately 4295 hectares (Figure 2). The south west corner post for the CPW claim north central portion of the property lies at approximately 52° 35’ 14” N latitude and 121° 28’ 2” W longitude (NAD 83). The area falls on the western flank of the Quesnel Highland of the Interior Plateau and the terrain is moderately mountainous with rounded ridge tops and U-shaped valleys. Topography can be locally rugged with occasional cliffs and deeply incised creek valleys. Elevations range from 910 m at Spanish Lake to 1470 m on Spanish Mountain. The climate of the Likely area is modified continental, with cold snowy winters and warm summers.

On January 20, 2003, Skygold entered into an option agreement to acquire 70% of Wildrose Resources Ltd.’s 100% interest in the Spanish Mountain property. By 2005, Skygold had met its exploration commitments and by way of an amending agreement dated March 29, 2005 issued 500,000 common shares of Skygold to Wildrose and the original option agreement was deemed to have been exercised.

Skygold remains obligated to the original vendors of the claims and is required over the next two years to pay cash payments of $104,000 plus further consideration of cash and or equivalent in shares, of $42,000. In years three to six, annual payments of $51,000 shall be made by Wildrose and Skygold in proportion to their then joint venture interests. Upon completion of all annual payments, the property will be subject to a 2.5% Net Smelter Interest.

Jay. W. Page summarizes the regional geology of the area as follows:

> “The Spanish Mountain area is located near the eastern margin of the Quesnel terrane, which is part of the Intermontane Belt. A major tectonic boundary, marking the division between the Intermontane belt and the Omineca belt to the east is defined by the Eureka thrust fault (Struik, 1986). This tectonic boundary is believed to represent a convergent zone between the arc related Quesnel terrane and the parautochthonous Barkerville terrane of the Omineca Belt to the east. The Intermontane Belt, a physiographic feature of subdued topography, is largely coextensive with the Intermontane Superterrane, a geological amalgam of at least four terranes: Quesnellia [Quesnel terrane], Stikinia, Slide Mountain and Cache Creek (Gabrielse, et al., 1991). These terranes, formed from volcanic island arcs and the intervening oceanic basins, amalgamated during the late Palaeozoic to early Mesozoic, a process that was largely complete by the time of accretion onto the margin of North America in late Triassic to early Jurassic times (Gabrielse, et al., 1991).
> The Quesnel terrane in this area consists of two units: a lower mainly pelitic unit (dark grey pelite, siltite, limestone, and lessor amounts of fragmental basalt and greywacke) and an upper mainly volcanic (fragmental basalt, diorite, greywacke, and lessor amounts of dark grey siltite, pelite and limestone) unit (Struik, 1988). Thrust inbrication has resulted in a structural stacking of these two units, but fossil and structural evidence suggests that prior to thrusting they were co-extensive and would have consisted of a western facies of mainly

> fragmental basalt and associated sediments that changed gradually to fine-grained clastics with little or no volcanics to the east (Struik, 1988). The stacking order indicates that during the Jurassic, the volcanic-rich thrust sheet was transported northeasterly over the eastern more pelitic facies. The pelitic unit appears to be mainly middle to late Triassic in age, is commonly metamorphosed to green schist (chlorite) grade and is in general finer-grained and more carbonaceous than the volcanic unit. Estimated thickness of this unit is in excess of 200 m (Struik, 1988).
>
> The volcanic unit overlying the lower pelitic unit is the dominant unit of the Quesnel terrane and commonly underlies a large area of central BC. This middle Triassic to early Jurassic volcaniclastic unit has historically been correlated to Takla Group rocks, but more recently has been informally correlated with the Nicola Group to the south where rocks of equivalent age and lithology have been recognised in the Quesnel terrane (Bloodgood, 1988). These rocks have been commonly subjected to subgreenschist metamorphism. The thickness of the volcanic unit is highly variable, and is a function of local volcanic accumulations."

Locally, the Spanish Mountain property is underlain by a northwest striking, variably dipping, folded sequence of slightly metamorphosed clastic sediments (Figure 3 and 4). The stratigraphy runs essentially parallel to the terrane bounding Eureka thrust fault. The rocks consist of an interlayered sequence of argillite, mudstone, siltstone, quartz wacke, greywacke and conglomerate.

The property has been subjected to multiple structural events with mapping discerning four phases of folding and multiple shear zones. Slump features, folding and numerous fault zones have been observed in drill core.

Pervasive carbonate (ankerite) alteration is noted throughout all rocks generally as weathered red-brown spots on surface rocks and as rhombic porphyroblasts within core. Locally, very strong sericite±quartz±ankerite±green mica (fuchsite or mariposite) alteration appears and is generally, though not totally confined to the more massive greywackes often masking and/or obliterating original textures.

Economic mineralization on Spanish Mountain is essentially restricted to gold with minimal amounts of silver (with galena), lead (galena), zinc (sphalerite) and copper (chalcopyrite). Geochemistry to date suggests a negligible to weak correlation between gold and trace elements. Gold mineralization is seen to occur as two separate styles; high-grade vein type within the quartz veins (as seen in the south Main zone) and low-grade bulk tonnage type within the intercalated ductile sediments (as seen in the central Main zone at the Imperial Pit). Historically, the high grade quartz veins have been the primary exploration target of interest, however, within the argillaceous to silty sediments widespread disseminated gold mineralization is now known to exist and this has become the target of interest with the higher grade quartz veins contributing to the overall economics of the property.

The results of the 2004 and 2005 reverse circulation and diamond drilling programs have been very positive. The majority of the drilling has been completed within the Main zone which is interpreted to be a favourable north south trending corridor approximately 1200 m by 200 m in size.

Drill results show very good continuity of greater than 1 g/t (grams per tonne) gold intercepts over significant apparent widths. Numerous holes have been drilled deep enough to indicate that two separate zones may occur in at least the central Main zone, a near surface Upper Zone consisting of interbedded black argillite and siltstone and a Lower zone also consisting of interbedded black argillite and siltstone exist. For example, Hole 05-DDH-270 intersected 78.2 m of 1.05 g/t gold from 57.5 to 135.7 m and 40.44 m of 1.27 g/t gold from 260.4 to 300.84 m.

The Main zone, as defined to date, is based on drill hole results since it is impossible to determine visually where gold mineralization occurs unless the occasional speck of free gold is seen in outcropping quartz veins. The Main zone remains open in all directions and requires both fill-in drilling and step-out drilling in all directions to fully understand the nature, size and average grade of the mineralized zone.

An aggressive drilling program consisting of 30 000 m is recommended for the 2006 field season. In addition to drilling, a program of reconnaissance geological mapping and geochemical sampling is necessary to provide data on portions of the property away from the Main zone.

A budget of $5,200,000 is proposed to complete the recommended work program.

1.0 Introduction

This report has been prepared for Wildrose Resources Ltd. to provide project information for shareholders and the interested public and is a continuous document that is updated regularly to reflect changes in claim status or significant new developments. The report is periodically filed with regulatory bodies as required.

In the spring of 2005, Pamicon Developments Ltd. (Pamicon) was retained by Wildrose's joint venture partner, Skygold to review and compile all available data on the Spanish Mountain property. Both Skygold and Pamicon have a common management team; with Pamicon providing geological consulting/contracting services to Skygold. R. Darney, P.Geo. with the assistance of R. Singh, R. Falls and R. Birch completed a data compilation. Based on that compilation, with an emphasis on previous results from a Wildrose 2004 reverse circulation drill program, a three phased diamond drill program was carried out during 2005. An initial reverse circulation drilling program field supervised by R. Johnston, P.Geo. of Mincord Exploration Consultants, was completed in late Spring 2005. R. Darney, P.Geo, R Singh and R. Johnston, P.Geo. supervised follow-up diamond drilling and reverse circulation drilling in the late summer and fall of 2005. On site assistance was provided by Pamicon personnel C. Russell, P.Geo., R. Falls, R. Birch and M.Ralph. The results of the data compilation and drill program were used to prepare a Technical Report with recommendations for further exploration that would be in compliance with the requirements set out in National Instrument 43-101 and Form 43-101F1.

In 2003 and 2004, Mincord Exploration Consultants conducted geochemical, geophysical, excavator trenching programs and completed 34 reverse circulation holes totalling 2 503.66 m. During the 2005 program, 30 reverse circulation holes totalling 3 376.88 m and 35 diamond drill holes, totalling 7 746.25 m were completed. The majority of the diamond drill holes were in the Main zone area, while the reverse circulation holes were reconnaissance holes in other portions of the property.

In addition to the data gathered during the 2003-2005 surface exploration and drill programs, this report is based in part on information derived from the historical reports of previous owners, operators and interested parties. The 43-101 "*Compilation Report*" by Jay W. Page, April 4, 2003 is an excellent presentation of historical data and excerpts from that report have been used in the preparation of this report. A complete list of sources of available data is provided in the "References" section of this report.

G. Lustig, PGeo, an independent Qualified Person visited the property on September 28, 2005, during which time he reviewed property geology, examined drill plans and sections and core. Numerous trenches, pits and road-cut exposures were also visited. He has subsequently reviewed geological, geophysical and geochemical data relating to the project. The drill hole database and quality control procedures and results have also been examined. Independent samples were not collected and assayed.

R. Darney, PGeo, non-independent Qualified Person was present during much of the 2005 drill program, and considers it to have been carried out in a professional manner. All sample collection, handling and shipping to an accredited laboratory was strictly monitored. Sample blanks and standards were submitted to the laboratory, where a check-sampling program was also carried out.

2.0 Reliance on Other Experts

In addition to data gathered during the 2005 drill program, this report is also a summary of all known previous exploration activity conducted on the property. This historical information was obtained from various company reports provided by Wildrose Resources Ltd., government reports, and personal communications with previous workers. **Much of the original data from these sources, such as assay sheets, drill logs, etc. was not available to Wildrose, Pamicon/Skygold or the authors; therefore its accuracy cannot be verified.**

It is worth noting that the location of all historical drill collars has not been verified. On going surveying by the original surveyor (Crowfoot Industries of Kamloops B.C.) has located some of these holes and have provided confidence in their locations. Wildrose continues to locate and survey historical drill holes.

The authors have not attempted to verify the legal status of the mineral claims or the joint venture agreements between Skygold and Wildrose. However, the authors have reviewed the claim status on the BC Ministry of Mines website and confirmed the status and ownership of the claims listed in this report. Placer claims, owned by Skygold, that cover a portion of lode claims area were not within the scope of this report and therefore are not discussed.

The authors are unaware of any outstanding environmental or other liabilities on the property, which could be inherited by Skygold. There are, however, numerous trenches, pits and drill sites that may require reclamation in the future.

3.0 Property Description and Location

The Spanish Mountain property is located in central British Columbia, Canada approximately 6 km east of the village of Likely and 70 km northeast of the City of Williams Lake (Figure1). The property consists of 27 mineral claims, for a total property size of approximately 4295 hectares (Figure 2). The south west corner post for the CPW claim in the north central portion of the property lies at approximately 5615150 North and 678250 East, UTM Nad 83 zone 10, on mineral titles reference map M093A053 (NTS 93A/11W) in the Cariboo Mining Division. Table 3.1 lists the claims that comprise the Spanish Mountain property. Some of the original claims have been converted to amalgamated cell claims according to the new tenure rules effective in 2005. In these cases both the old and new tenure numbers are shown in Table 3.1. The claim information contained in the table is available in the Mineral Titles Online website of the Government of British Columbia.

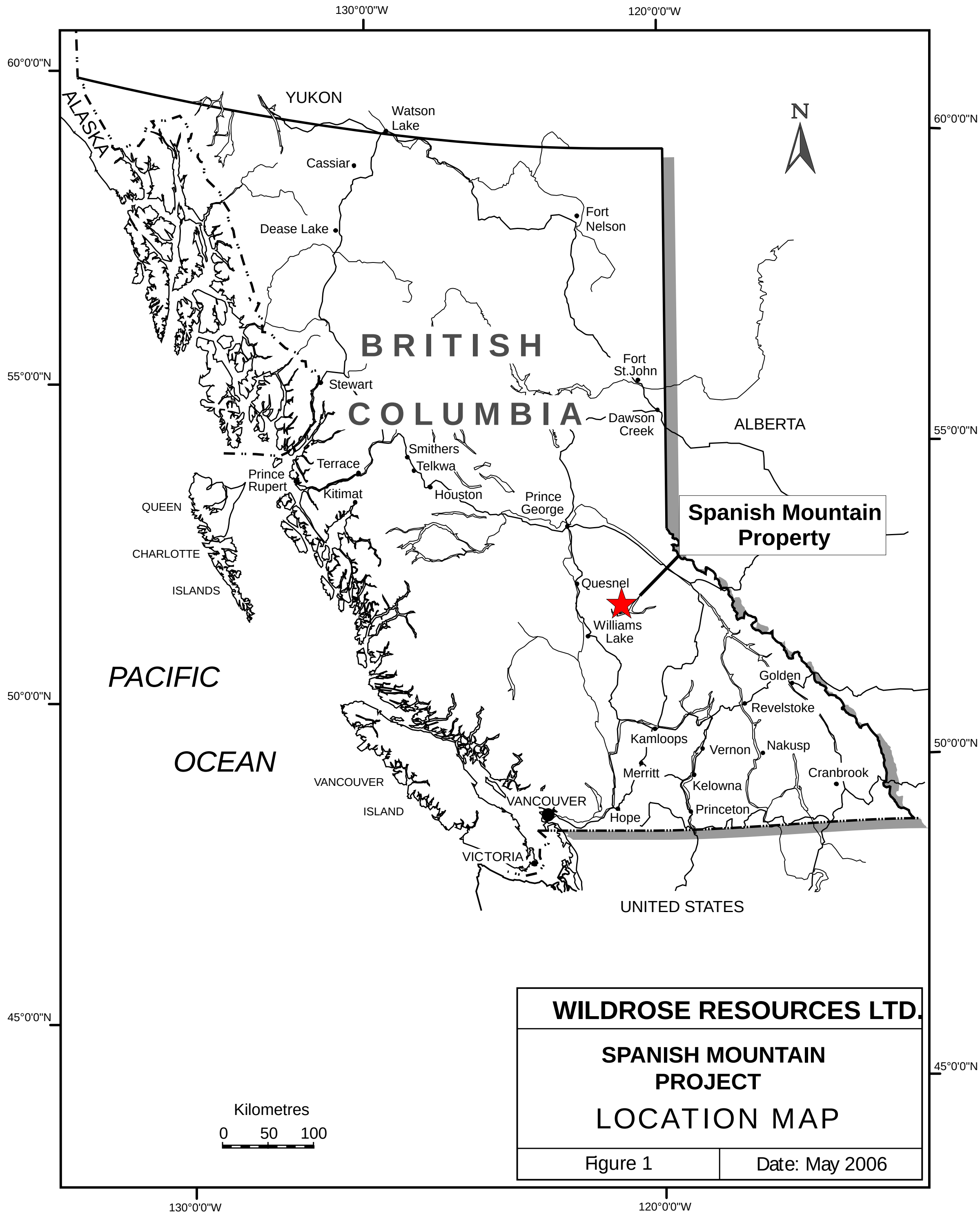

Figure 1 Spanish Mountain project location map

Table 3-1: Spanish Mountain Claim Status Cariboo Mining Division

Claim Name	Record #	Converted Record #	No. of Units	Area Hectares	Expiry Date	Name of Registration
CPW	204667		4	100	08.11.01	Wildrose Resources Ltd
ARMADA	373355		18	450	08.01.27	Wildrose Resources Ltd
ARMADA 2	399410		20	500	08.01.27	Wildrose Resources Ltd
ARMADA 4	399411		20	500	08.01.27	Wildrose Resources Ltd
ARMADA 5	399412		20	500	08.01.27	Wildrose Resources Ltd
ARMADA 6	399413		1	25	08.01.25	Wildrose Resources Ltd
ARMADA 7	399414	Converted In 512541			08.01.25	Wildrose Resources Ltd
ARMADA 8	399415		1	25	08.01.26	Wildrose Resources Ltd
ARMADA 9	399416	Converted In 512542			08.01.26	Wildrose Resources Ltd
ARMADA 10	399417		1	25	08.01.26	Wildrose Resources Ltd
ARMADA 11	399418	Converted In 512549			08.01.26	Wildrose Resources Ltd
ARMADA 12	399419		1	25	08.01.26	Wildrose Resources Ltd
PESO	204021		9	225	06.11.01	Mickle, Robert Edward
DON 1	204224		1	25	06.11.01	Mickle, Robert Edward
DON 2	204225		1	25	06.11.01	Mickle, Robert Edward
DON 3	204226		1	25	06.11.01	Mickle, Robert Edward
DON 4	204227		1	25	06.11.01	Mickle, Robert Edward
MARCH1	204274		20	500	06.11.01	Mickle, Robert Edward
MARCH 2	204275		4	100	06.11.01	Mickle, Robert Edward
JUL 3	204334		9	225	06.11.01	Mickle, Robert Edward
MY 1	204727		2	50	06.11.01	Mickle, Robert Edward
MEY 1	205151		20	500	06.11.01	Mickle, Robert Edward
N.R.1	373415		1	25	07.11.01	Mickle, Robert Edward
N.R.2	373416	Converted			07.11.01	Mickle, Robert

Claim Name	**Record #**	**Converted Record #**	**No. of Units**	**Area Hectares**	**Expiry Date**	**Name of Registration**
		In 512544				Edward
AG 1	404302	Converted In 512541 512544 517446			06.08.06	Mickle, Robert Edward
AG 2	404303		1	25	06.08.06	Mickle, Robert Edward
	512541			118	08.01.25	Wildrose Resources Ltd
	512542			79	08.01.26	Wildrose Resources Ltd
	512544			79	08.11.01	Wildrose Resources Ltd
	512549			79	08.01.26	Wildrose Resources Ltd
	517446			20	08.07.12	Wildrose Resources Ltd
	512547			20	06.08.06	Wildrose Resources Ltd
Total				**4,295**		
Placer Claims						
Jay 1	412158	Converted				
Jay 2	412159	Converted				
	514562			177	07.07.08	Wildrose Resources Ltd.

On January 20, 2003, Wildrose Resources Ltd. entered into an option agreement whereby Skygold would acquire a 70% interest in the Spanish Mountain property. By 2005 Skygold had met its exploration commitments and by way of an amending agreement dated March 29, 2005 issued 500,000 Skygold common shares to Wildrose and the original option agreement was deemed to have been exercised.

Skygold remains obligated to the original vendors of the claims and is required over the next two years to make cash payments of $104,000 plus further consideration of cash and or equivalent in shares, of $42,000. In year's three to six, annual payments of $51,000 shall be made by Wildrose and Skygold in proportion to their then joint venture interests. Upon completion of all annual payments, the property will be subject to a 2.5% Net Smelter Interest.

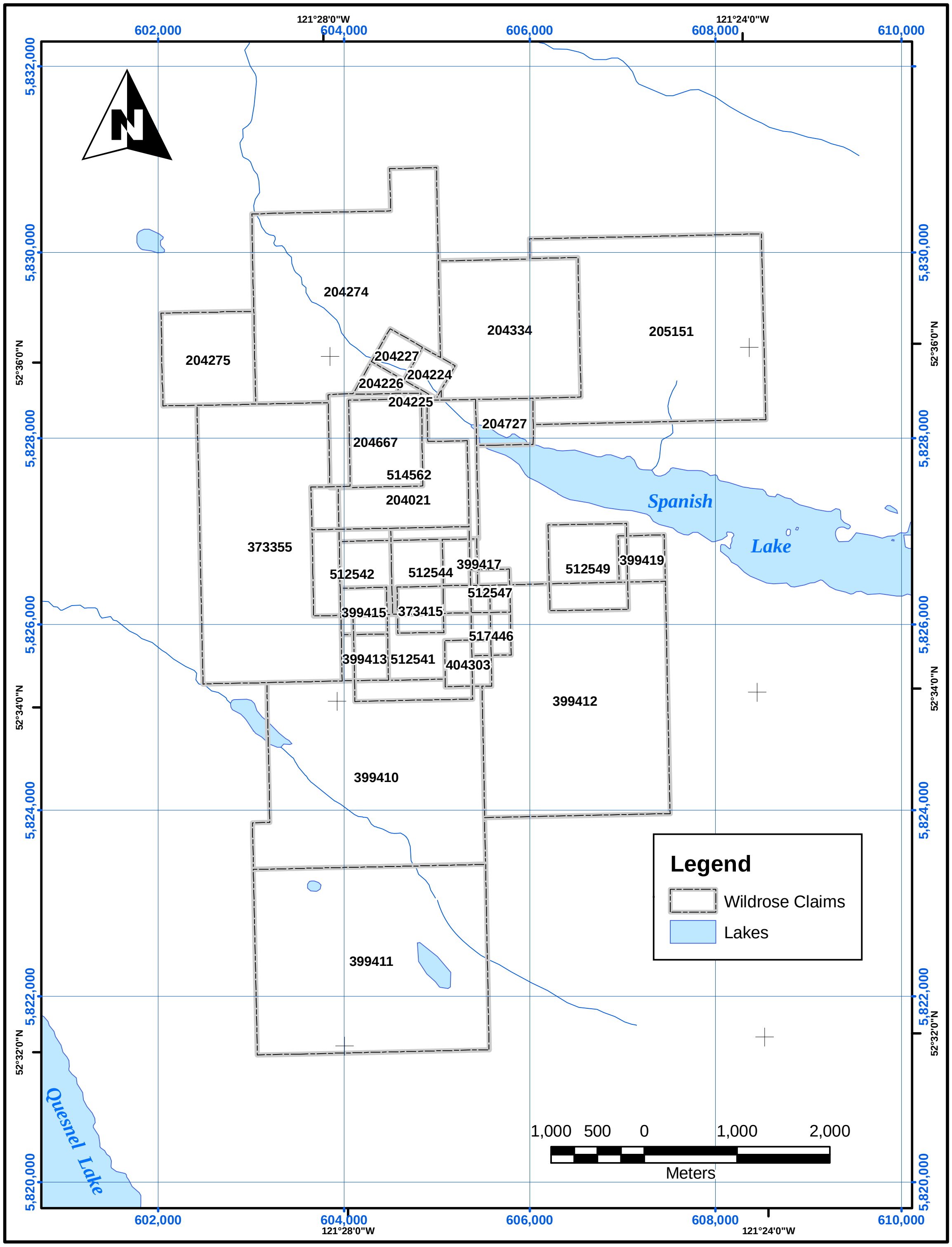

Figure 2 Spanish Mountain claim location map

4.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Main access to the Spanish Mountain property from the city of Williams Lake is via a paved secondary road which leaves Highway 97 at 150 Mile House approximately 16 km south of Williams Lake and runs 85 km to the village of Likely. From Likely, the northern portion of the claims is easily accessed by taking the gravel Cariboo Lake road for 3 km then traveling on Forest Service Road (F.S.R) 1300 for approximately 7 km. The southern portion of the claims is easily accessed directly from Likely by the Cedar Creek F.S.R., a distance of some 10 km. Numerous unmaintained logging roads wind through the claims offering good access to most areas.

Permission to use Forest Service Roads is required if any heavy trucks such as water tankers are necessary.

The property area is approximately 9 km north-south by 5 km east-west, covering the area between Mount Warren in the south to the crest of the ridge lying north of Spanish Lake. The area falls on the western flank of the Quesnel Highland of the Interior Plateau and the terrain is moderately mountainous with rounded ridge tops and U-shaped valleys. Topography can be locally rugged with occasional cliffs and deeply incised creek valleys. Elevations range from 910 m at Spanish Lake to 1470 m on Spanish Mountain.

The climate of the Likely area is modified continental with cold snowy winters and warm summers. It lies close to the east of the interior dry belt and has an annual average precipitation of approximately 70 centimetres. Snowfall averages approximately 215 centimetres between the months of October and April. Daily average temperatures range from -7° C in January to 15.4°C in July with extreme highs and lows ranging from -38°to 35°.

Vegetation in the area consists of thick stands of hemlock, balsam, cedar and fir in valley bottoms that give way to spruce, fir and pine on ridge tops.

The village of Likely has basic amenities including a motel, hotel, cabins for rent, corner store, gas pumps, seasonal restaurant and a pub. Some heavy equipment is also available for hire from local contractors. All services and supplies are readily available in the city of Williams Lake, a one hour drive from Likely.

The Williams Lake airport is serviced by two scheduled airlines that provide daily service from and to Vancouver, BC as well as points north.

5.0 History

The following history up until 2002 has been taken directly from J.W. Morton, April 16, 2004 which appears to have been adapted from J.W. Page, April, 2003.

“The Quesnel Trough, including the Spanish Mountain and Cedar Creek areas, has been an active exploration area since placer gold was discovered in the Horsefly and Quesnel rivers in 1859. Interest in the Spanish Mountain area was re-kindled in 1921 with a rich discovery of placer gold in bench deposits on Cedar Creek. These deposits had been missed by the early placer miners who had prospected and worked the gravels in the lower reaches of Cedar Creek.

In 1933, gold was discovered in quartz veins on the northwest flank of Spanish Mountain. Workings on the property in 1933, which at that time was known as the Mariner claim, consisted of an open-cut at 1235 m elevation and a trench lower down on the slope at approximately 1100 m. Prospecting and minor stripping was carried out on the property during the ensuing years between 1934 and 1938.

In 1938, the Mariner claim was optioned to the N.A. Timmins Corporation who stripped a large area of overburden and drove two short adits on the property. Of particular interest were two large quartz veins at what became known as the lower showings (at ~1200 m elevation). These veins, 1.5 and 1.8 m wide respectively, were reported to be sparsely mineralized with ankerite and pyrite. Both were exposed for 30 and 45 m respectively in the open cuts. A short adit (12.8 m) was driven into the footwall of the lower vein and an incline was driven an unknown distance down the dip of the vein. The results of this work are unknown, but in 1947 it was concluded that because the two vein-outcrops probably represented a single, faulted vein, the decline had not penetrated the vein at depth. The property appears to have been abandoned after the 1938 program.

In July 1946, eight claims, known as the Max Group, were staked in the vicinity of the 1938 adit (covering ground previously held as the Joe claims) and were transferred to El Toro B.C. Mines, Ltd. By July of 1947, they had carried out a diamond-drill program consisting of 792 m of drilling in 8 holes. In October 1947, the first production from the property was recorded when four tons of handpicked ore were shipped to the Tacoma smelter. In October 1947, the claims Mariner, Mariner 5 and 6, and the Mariner Fraction were staked over the ground covered by the original, 1933 Mariner claim. The relationship of these claims to the Max claim group is unknown. There is no recorded work from 1947 to 1971. In 1971, Spanallen Mining Limited carried out a magnetometer survey over the Marnier 1 - 25 claims, concentrated largely between 900 and 1060 m elevation on the Cedar Creek drainage of Spanish mountain. The survey was inconclusive.

In 1976, the Mariner II claim was staked over the main area of interest with the historical showings by M. B. Neilson, and geological reconnaissance was carried out by N. W. Stacy, and assisted by J. McMillian and M. Neilson. A few samples were collected, but assay values were low (Stacy, 1976). The 1976 claim map also shows subsequent staking of the six PESO claims (PESO and PESO B to PESO F) surrounding the Mariner II claim.

In 1977 and 1978, the Mariner II claim (now owned by LongBar Minerals Ltd.) and the optioned PESO (owned by R. E. Mickle) and PESO A to PESO B claims were explored by two small programs.

In 1979, Aquarius Resources Ltd. (a private company) carried out a surface exploration program on the PESO, PESO B and PESO E claims with most of the work focussed on the PESO B claim. In November 1979, Aquarius Resources Ltd. along with Carolin Mines Ltd. carried out a regional assessment of the Likely area. They concluded that the Spanish Mountain property was one of economic interest and worthy of continued exploration.

In 1979 the Mariner II claim was optioned to E. Schultz and P. Kutney, who contracted N. L. Tribe to prospect and sample the property. Road cuts and old pits were excavated by backhoe along an access road which switchbacked up across the Mariner II claim. Intermittently between 1980 and 1982, physical work consisting of stripping by D-7 and D-8 cats and the digging of approximately 240 m of backhoe trenches was carried out by R. E. Mickle and Norsemont Mining Corp. This work appears to have been primarily done on the old workings on the DON and Mariner II claims. Little information exists on this program since no work or reports were filed.

In 1981, Aquarius Resources Ltd. carried out a geochemical and geophysical program on the PESO claim (owned by E. Lorentsen and optioned to Aquarius) and on the PESO B and PESO E claims (owned by Aquarius).

In 1982, the Marnier II claim lapsed and was re-staked in October 1982 as the CPW claim.

In 1983, Lacana Mining Corporation carried out an exploration program on the DON 1-4, Mar 1, PESO, JUL 2, MY, and Apr Fr. claims (not including the CPW claim). Work focussed on the area north of the Spanish Lake road and the program found some strong gold anomalies coincident with silicified argillite, and recommended that these areas be stripped and trenched.

In March 1983, Whitecap Energy Inc. optioned the CPW claim. Exploration in 1983 consisted of a soil sample survey with ten east west, soil sample lines covering most of the CPW claim with a 40 metre sample spacing. Of the 409 samples collected, highly anomalous gold values, up to 5,100 ppb, were returned, mostly from the southwest quadrant of the claim. Aquarius Resources Ltd. also active in the area in 1983, carried out a small program on the PESO B. Work consisted of 100 m of trenching in 3 trenches and some limited soil sampling.

In 1984, JMT Services Ltd. optioned the PESO property and carried out a small geochemical program. Later in 1984, Hycroft Resources and Development Ltd. optioned the PESO and DON claim groups (DON 1-4, PESO, JUL 2, my, Mar 1-3, Fe

1, April Fr., De 2-3, and Nik claims) and carried out a combined trenching and soil sample survey. They identified a northwesterly trending zone of anomalous gold values in soils on the PESO claim, along with elevated gold values in rock samples from trenches.

During the summer of 1984, Mt. Calvery Resources Ltd. optioned the claims surrounding the CPW claim and carried out a regional reconnaissance that included prospecting, geological mapping, and rock and soil sampling. In late July, Mt. Calvery discovered free-gold within vuggy shales and siltstones in the ‘Madre’ area of the CPW claim. This, along with anomalous gold values in rocks, identified this area as having the potential to host a replacement-type of gold mineralization and opened up the possibility of a low-grade bulk tonnage deposit. As a result, in August 1984, Mt. Calvery Resources optioned the CPW claim from Whitecap Energy Ltd. and the Mariner Joint Venture. Later that fall in November, Mt. Calvery Resources and Teck Corporation entered into an agreement through which Teck would fund Mt. Calvery’s exploration in the Spanish Mountain area by purchasing shares in Mt. Calvery. Welcome North Mines was to be the operator.

Exploration under the joint venture began in the fall of 1984, with the first of what would eventually become a three phase program over the next 2 years. The program in 1984 consisted of 2,225 m of trenching including and/or subsequent to 45 trenches and pits, 467 m of diamond drilling in 10 holes (MD-1 to 10) and 589 m of reverse circulation drilling in 10 holes (MR-1 to 10). The results of this work were encouraging; rotary drill-hole MR-7 intersected 26 m of 0.19 oz/T (troy ounces per short ton) (6.51 g/t), including 4 m of 0.49 oz/T (16.8 g/t) in the Madre zone. In June 1985, Mt. Calvery began a follow up program in the Madre and LE areas consisting of 600 m of excavator trenching and sampling, and 655 m of rotary percussion (reverse circulation) drilling in 7 inclined holes in the Madre area and 1 hole in the LE area. The results of this work were positive, with surface trench assays to 0.28 oz/T (9.6 g/t) over 13 m and drill intersections to 0.16 oz/T (5.49 g/t) over 11 m in hole MR-11. These results demonstrated that the Madre zone extended to the northeast, southwest and was open to depth. Encouraged by the first phase of trenching and drilling, Mt. Calvery undertook a second phase of exploration during August and September of 1985. The objectives of which were to explore the Madre zone by grid drilling along the mineralized trend to the northeast and southwest, and to test the strike extensions of the LE and several other recently discovered mineralized zones parallel to and adjacent to the Madre. This comprehensive phase II program included approximately 820 m of backhoe trenching and sampling (550 1-metre channel samples) and 2,521 m of rotary percussion (reverse circulation) drilling in 29 inclined holes. Assay results continued to be encouraging and in the Madre zone included 14 m of 0.33 oz/T (11.3 g/t) in hole MR-20. Fill-in drilling and drilling on the strike extensions of all of the zones was recommended.

In August 1985, Mt. Calvery Resources optioned the PESO property (DON 1-4, PESO, JUL 2, MY, MAR 1-3, FE 1, APRIL FR., DE 2-3, and NIK claims) from

Hycroft Resources and Development Ltd. in order to fully evaluate the southern extension of the Madre zone. During October-November 1985, Mt. Calvery Resources carried out a third phase of exploration, this time spread over both the CPW and PESO claims. Two diamond drill holes were drilled on the CPW claim to twin existing rotary holes (MR-35 was twinned by MD-48/MD-11, and MR-13 was twinned by MD-49/MD-12), and five holes (MD-50/MD-13 to MD-54/MD-17) tested the extension of the Madre zone on the PESO claim. The funding was again provided by Teck Corp and Welcome North Mines was the operator. The twinned diamond drill ‘core’ holes returned lower assays than did the original rotary ‘chip’ holes. This was ascribed to the ‘nugget-effect’ of coarse particles of gold that was amplified by the smaller core size. The drilling on the PESO claim [option] extended the Madre zone approximately 100 m to the southwest where it was found to be terminated by a post-mineralization normal fault. The five drill holes returned anomalous assays with the best assay being 0.06 oz/T (1.7 g/t) between 9 and 11 m in hole MD-51.

In June 1986, Mandusa Resources Ltd. optioned a portion of the current Spanish Mountain property (not including the CPW claim which was at the same time optioned to Pundata Gold Corporation). Mandusa proceeded with an extensive exploration program during the summer of 1986, largely focussed on the PESO and DON claims. Work consisted of geological mapping, an IP Survey, and percussion drilling on both the PESO and DON claims. Geological mapping, along with the IP survey identified a broad graphitic shear zone extending westerly from Spanish Lake. Percussion drilling on the DON claims, which consisted of 356.62 m in 6 holes (310.92 m if hole PH86-1 is excluded), traced part of a shear zone caring anomalous gold values. The best intersection was 1.29 g/t between 6.10 and 7.62 m in hole PH86. Percussion drilling on the PESO claim identified one area, called the “green pit”, in which anomalous gold geochemistry is associated with an apparent horizontal structure related to shearing and /or fracturing. The best drill intersection in this area was between 10.67 and 13.72 m (3.05 m) in hole PH86-11 which assayed 18.25 g/t gold.

In 1987, Placer Dome Inc. optioned a group of properties in the Quesnel Trough from Carolin Mines Ltd. One of these properties included the DOG, CAT, MARCH 1 and MARCH 2 claims which are adjacent to the CPW and PESO claims on the west and north sides. Placer carried out a limited percussion drill program on the DOG claim (now covered by the ARMADA claim) to follow-up anomalous gold soil geochemistry that had been discovered by earlier programs. They drilled 338.32 m in 7 percussion holes. Five holes were drilled on the crest of the northwest ridge of Spanish Mountain, the remaining two were drilled approximately one km south in the Cedar Creek drainage. The results were surprising; very high gold assays were returned from the overburden sections of several holes. Hole 87-P7 returned 22.86 m of 8.06 g/t gold, including 10.67 m of 14.87 g/t. Other drill-holes and minor surface sampling returned anomalous gold geochemistry

In 1986, Pundata Gold Corporation optioned the CPW claim from D.E. Wallster and optioned the PESO group (PESO, DON 1-4, MY 1, MEY 1-2, JUL 2 claims) from D.V. Mickle the following spring. During 1987 and early 1988, Pundata proceeded to embark on a major and comprehensive exploration program which involved a complete re-evaluation of the Spanish Mountain property. Work included 37 diamond-drill holes (3273 m), 15 percussion (reverse-circulation) holes (1237 m), trenching (848 m), geological mapping, collection and analysis of 5,350 samples, metallurgical testing of 11 samples, and preliminary resource estimates. The primary focus of the Pundata 1987-88 program was to determine the grade and tonnage of the Madre zone including testing for its extensions and to evaluate other mineralized zones, such as the LE zone. The bulk of the work was carried out in the Main zone. Diamond drilling confirmed the highly disruptive nature of the rocks in this area and outlined the presence of two subordinate splay faults of the Madre Fault. These faults trend through the Main zone at about 060° and dip steeply to the northeast and were (at least the northern-most faults) found to contain zones of lowgrade gold mineralization. Among the better analysis from the Main zone are a 40 metre intersection of 0.050 oz/T (1.71 g/t) and 21 m of 0.085 oz/T (2.91 g/t) in trenches, 10 m of 0.848 oz/T (29.07 g/t) in reverse circulation drill hole RCH-88-112, and 7 m of 0.530 oz/T (18.17 g/t) in diamond-drill hole DDH-87-104 between 44.75 and 51.75 m.

Exploration on the adjacent LE zone was more limited, with 42 m of trenching, along with 267 m of HQ diamond-drilling (3 holes) and 157 m of NQ diamond-drilling (2 holes). During this period limited rock, soil and chip sampling, trenching and drilling were carried out on claims surrounding the CPW with most of this work directed at the PESO and DON claims. The best trenched interval on the PESO claims was 0.067 oz/T (2.297 g/t) over 9 m of sheared, phyllitic shaley siltstone in the “Cabin Trench”, although a higher gold assay as reported from quartz veining in the LB trench where 0.209 oz/T (4.145 g/t) was assayed over 1 metre. On the DON claim, 21 m of fractured graphitic siltstone averaged 0.08 oz/T (2.74 g/t) from Trench A, while similar material in Trench B returned 13 m of 0.043 oz/T (1.474 g/t). Reverse-circulation drilling on the DON claim was targeted to intersect mineralization exposed in Trench A and hole RCH-87- 100 successfully intersected 20 m of 0.035 oz/T (1.20 g/t). On the PESO claim diamond drilling at the “Green Pit” intersected 1 metre of 0.517 oz/T (17.740 oz/Tne).

In 1992, Eastfield Resources Ltd. reassembled the Spanish Mountain property with option agreements with several individuals. During 1992, Renoble Holdings Incorporated (subleasing from Eastfield mined and stockpiled 635 tonnes from a small open pit on the M1 vein in the Madre zone (CPW claim). This material was processed in two separate mill runs: 318 tonnes were sent to the Premier mill and 105 tonnes were sent to the Bow Mines (Greenwood) mill. Schroeter estimated that 1431 grams (46 troy ounces) of gold were recovered from the Premier mill and 3266 grams (105 troy ounces) were recovered from the Greenwood mill.

In 1993, Cogema Canada Ltd. optioned the property from Eastfield and carried out an extensive trenching and sampling program over two years which consisted of digging 30 trenches, and collecting approximately 900 rock/channel samples. The trenching was largely concentrated in areas on the CPW claim (with a minor amount on the north end of the PESO claim) where previous work had indicated broad-scale disseminated mineralization in shaley siltstone. Many high assays were returned from trench channel sampling. During this period Renoble Mines set up a placer gold washing plant to mine gold contained in soils on the CPW claim area and covered by a placer claim.

Consolidated Logan Mines Ltd. optioned the Spanish Mountain property from Eastfield in 1995 and in turn optioned it the Cyprus Resources Ltd. in February 1996. In the following year Cyprus carried out an exploration program for a bulk-mineable, disseminated gold target on the property. Work consisted of 2,590 m of semi-continuous trenching and 76 m of test pit trenching in a series of 8 open cuts oriented perpendicular to the slope of Spanish Mountain and spaced 200 m apart. Areas of known mineralization returned some good assays: in the LE zone, Trench TR 96-101 in the interval from 312 m to 344 m returned an average grade of 2.91 g/t over 32 m, and north of the Spanish Lake road the lower 64 m of Trench TR 96-105 in the "Dodge zone" assayed 0.716 g/t. Cyprus Canada's operations were, at this same time being shut down, and the property was consequently returned to Eastfield.

In 1997, Eastfield Resources Ltd. was reorganised, through a Plan of Arrangement, into Eastfield Resources Ltd. and Wildrose Resources Ltd. A 100% interest in the Spanish Mountain property was allocated to Wildrose Resources Ltd.

In 1999, Imperial Metals Corporation optioned the Spanish Mountain property from Wildrose to determine if low-grade, gold-mineralized sedimentary rock on the property could be used as millfeed "sweetener" for their Mount Polly Mine copper-gold concentrator located 15 km away. Metallurgical testing was carried out in late 1999 on samples from the Madre and LE zones. Five prospective areas on the property were chosen for evaluation: the Madre, LE, M5, 103 and Dodge zones. The initial objective on the property was to determine if any of the areas had consistent, elevated gold values (greater than 1 gram per tonne). Each site was percussion drilled using an air-track drill in a grid-like, blast pattern. A total of 464 holes were drilled to a maximum depth of 13 m for a tally of 2,542 m drilled. The LE zone produced the best analytical results; 107 of 201 samples collected graded better than 1 gram per tonne and 153 samples graded better than 0.5 g/t. The area of the final blast encompassed 103 of these holes with an average assay of 2.20 g/t gold. The LE zone blasted well, producing a fine muck pile that was amenable to screening. This was in contrast to the M5 zone which produced large angular blocks and much fly rock, with the result that no further work was done with the material from the M5 zone. The LE zone muck was screened into four size fractions with the fine fraction (-3/8") being trucked to Mount Polley for further grinding and processing. A total of 64 truckloads, weighting 1,908 dry tonnes, were trucked to Mount Polley during the period July 24 –

> 29, 2000. The average gold content of this material was determined by mine staff to be 3.02 g/t. The material was fed into the mill at a rate of approximately 50 - 100 tonnes per hour over a 2 day period, comprising a maximum of 10% of the total mill feed. Robertson (2001) reports that gold recovery in the milling circuit was good; however, boosting the amount of pyrite pulled off to increase gold recovery in the flotation circuit had an adverse effect on the copper concentrate grade. As a result it was concluded that the Spanish Mountain material was not suitable for blending with the Mount Polley mill feed owing to the fact that the added precious metals credits were more than offset by the reduced copper grade."

In 2002, Wildrose completed a very small program of geochemical sampling on the Armada claim at a cost of $1,400.

In 2003, the Spanish Mountain property was optioned to Skygold Ventures Ltd. and the property was enlarged by staking the ARMADA 2 and ARMADA 4-12 claims. In 2003 Skygold Ventures Ltd. funded a program that included establishing 30 km of grid (23 cut), collecting and analyzing 1479 soil samples, completing 23 km of induced polarization survey and brushing out the extensive, but overgrown, road system. $182,000 was spent accomplishing this work.

The soil sample results revealed a large north-northwest trending zone of anomalous gold over 1200 m long and up to 500 m wide. The anomalous level were generally greater than 300 ppb and many results were greater than 1000 ppb. The induced polarization geophysical survey showed both chargeability and resistivity anomalies also trending north north-west in the same area as the geochemical anomaly.

In 2004, Skygold undertook another extensive exploration program. A total of 30 excavator trenches were dug (2419 m), targeting geochemical and geophysical anomalies. It was found that the geophysical resistivity anomalies indicated lithological contacts between the black argillites and greywacke units, and that the trenching was successful in locating new areas of gold mineralization. In October and November of 2004, a reverse circulation drilling program was conducted on the property to follow up on the trench results and other soil and geophysical anomalies from 2003. A total of 2503.65 m was drilled in 34 holes. This drilling was successful in intersecting several wide zones of mineralization assaying >1 g/t gold, hosted primarily in black argillite.

6.0 Geological Setting

The following paragraphs summarize the regional geology; which is based on the report by Jay W. Page (2003) and incorporates work done by Rees (1981), Struik (1986, 1988), Bloodgood (1988) and Gabrielse, et al., (1991)

A major tectonic boundary, marking the division between the Intermontane belt and the Omineca belt to the east is defined by the Eureka thrust fault (Struik, 1986). This tectonic boundary is believed to represent a convergent zone between the arc related Quesnel terrane and the parautochthonous Barkerville terrane of the Omineca Belt to the east. The Intermontane Belt, a physiographic feature of subdued topography, is largely coextensive with the Intermontane Superterrane, a geological amalgam of at least four terranes: Quesnellia [Quesnel terrane], Stikinia, Slide Mountain and Cache Creek (Gabrielse, et al., 1991). These terranes, formed from volcanic island arcs and the intervening oceanic basins, amalgamated during the late Palaeozoic to early Mesozoic, a process that was largely complete by the time of accretion onto the margin of North America in late Triassic to early Jurassic times (Gabrielse, et al., 1991).

The basal unit of the Intermontane Superterrane in the Quesnel Lake area is a mafic volcanic unit, the Crooked amphibolite which, together with oceanic pillow basalt, ribbon chert and minor serpentinite, may be correlative to the Permo-carboniferous Antler Formation of the Slide Mountain terrane to the north (Struik, 1988). The Crooked amphibolite is overlain by pelites and basaltic flows and volcaniclastics of the Triassic to lower Jurassic Quesnel terrane, both of which have been thrust over the pre-Jurassic North American margin along the Eureka Thrust (Rees, 1981; Struik, 1988). In this area along the Eureka Thrust, the Quesnel and Slide Mountain terranes overlie the early Palaeozoic metasediments of the Snowshoe Group and are in direct contact with the middle Palaeozoic Quesnel Gneiss, both of which comprise the Barkerville terrane of the Omineca Belt (Bloodgood, 1988).

The Quesnel terrane in this area consists of two units: a lower mainly pelitic unit (dark grey pelite, siltite, limestone, and lessor amounts of fragmental basalt and greywacke) and an upper mainly volcanic (fragmental basalt, diorite, greywacke, and lessor amounts of dark grey siltite, pelite and limestone) unit (Struik, 1988). Thrust inbrication has resulted in a structural stacking of these two units, but fossil and structural evidence suggests that prior to thrusting they were co-extensive and would have consisted of a western facies of mainly fragmental basalt and associated sediments that changed gradually to fine-grained clastics with little or no volcanics to the east (Struik, 1988). The stacking order indicates that during the Jurassic, the volcanic-rich thrust sheet was transported northeasterly over the eastern more pelitic facies. The pelitic unit appears to be mainly middle to late Triassic in age, is commonly metamorphosed to green schist (chlorite) grade and is in general finer-grained and more carbonaceous than the volcanic unit. Estimated thickness of this unit is in excess of 200 m (Struik, 1988).

The volcanic unit overlying the lower pelitic unit is the dominant unit of the Quesnel terrane and commonly underlies a large area of central BC. This middle Triassic to early Jurassic volcaniclastic unit has historically been correlated to Takla Group rocks, but more recently has been informally correlated with the Nicola Group to the south where rocks of equivalent age and lithology have been recognised in the Quesnel terrane (Bloodgood, 1988). These rocks have been commonly subjected to subgreenschist metamorphism. The thickness of the volcanic unit is highly variable, and is a function of local volcanic accumulations.

Historically, when a more static view of the Quesnel terrane existed, it was thought that this was a deep-water stagnant basin (the Quesnel Basin) in which a volcanic pile evolved into an island arc environment as the basin slowly filled in with volcanic and sedimentary material. Although a more dynamic view of Quesnel Basin prevails today, the area is informally still referred to as the "Quesnel trough".

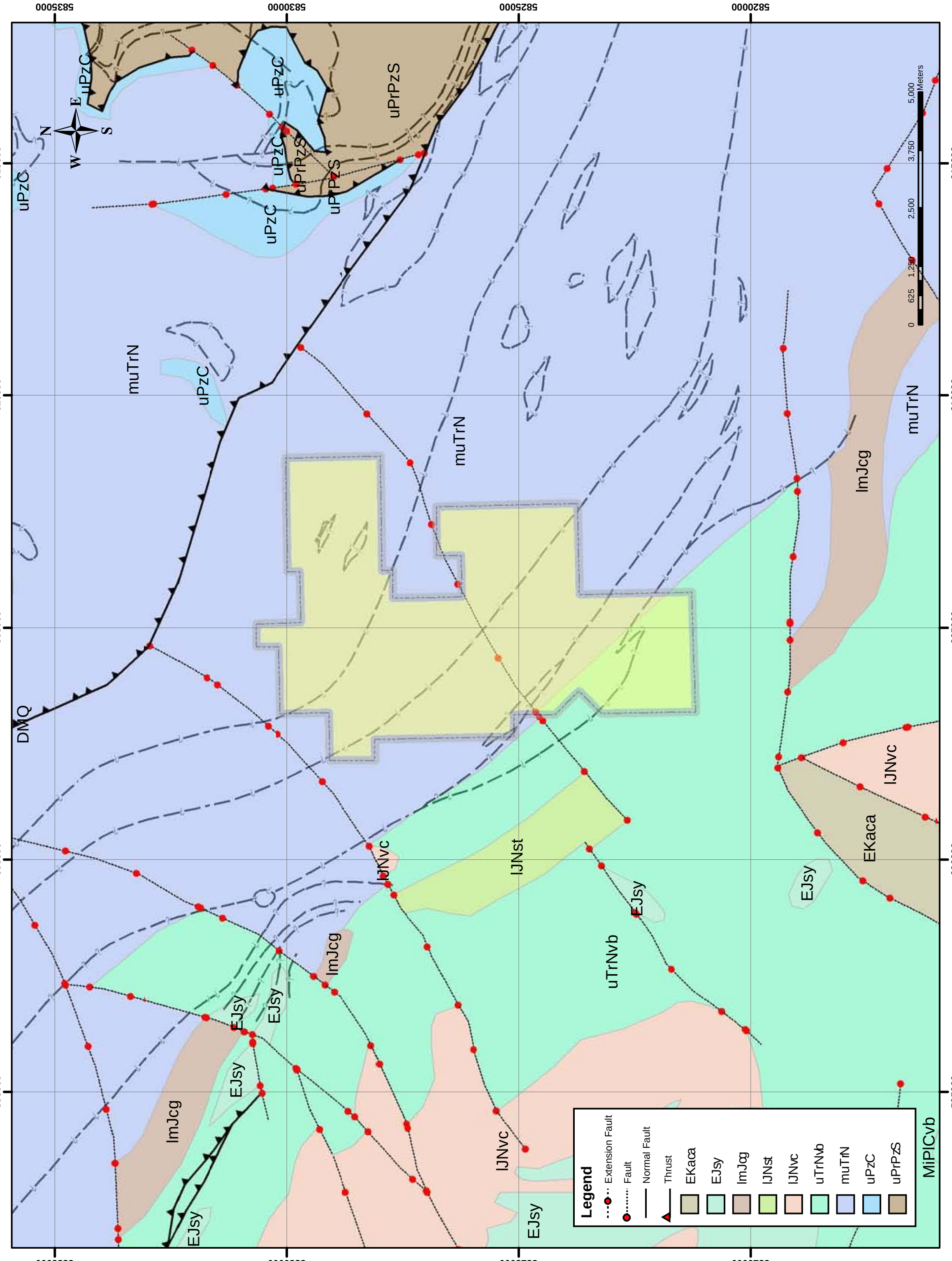

Figure 3 Regional geology

A reconstruction of the Triassic and lower Jurassic environment of the Quesnel terrane has a shallow water (< 1 km) island-arc chain of subduction-related volcanoes shedding detritus into an eastern clastic basin (Struik, 1988). The volcanic rocks, primarily volcaniclastic and pyroclastic rocks with minor pillow basalt generally have sharp contacts with the pelites. Clastic rocks within the volcanic unit are limited in scope and area and grade laterally into the volcaniclastic and pyroclastic rocks. Turbidite deposits overlap the two units. The fine-grained clastic rocks of the lower pelite unit are composed of fine-grained ash and the erosion products presumably derived from the volcanic edifices to the west.

The Triassic elements of the Cache Creek Group are interpreted by Struik as having existed to the west of an eastward-dipping, subduction-generated Quesnel terrane, following a model developed by J. W. Monger for the Nicola Group to the south. In this interpretation the Cache Creek terrane is the accretionary wedge and the Quesnel terrane is the Island arc. And as we move up in section, the lower Jurassic portion of the Quesnel terrane marks the transition from subduction related tectonics to collision (Struik, 1988).

The Intermontane belt is cut by major northwesterly trending late Cretaceous and Tertiary dextral strike-slip faults which traverse both the Omineca and Intermontane belts. The style and orientation of structural features in the Quesnel terrane is a function of their location and the rock competency. Broad folds prevail in the thick volcanic sequences, while tighter folds in the sedimentary sequences are commonly associated with thrusting (Gabrielse, et al., 1991). Westward directed structures of middle to late Jurassic age are common in the eastern margin areas. Thrusting along the tectonic boundary had a greater effect on the higher structural levels, with the result that the lower stratigraphic levels were “left behind” and are missing (Bloodgood, 1988). In the Spanish Lake area this has resulted in the basal sedimentary unit being absent from under the upper volcanic unit.

Regional geological mapping by the BCGS and GSC places the Spanish Mountain property within the pelitic unit of the eastern margin of the Quesnellia terraine.

6.1 Property Geology

The current geological interpretation of the Spanish Mountain property is based on outcrop mapping as well as observations made from the examination of drill core and thin sections. Outcrop exposures on the property are generally confined to road cuts and trenches.

6.1.1 Lithology

The Spanish Mountain property is underlain by a northwest striking, variably dipping, folded sequence of slightly metamorphosed clastic sediments (Figure 3 and 4). The stratigraphy runs essentially parallel to the terrane bounding Eureka thrust fault. The rocks consist of an interlayered sequence of argillite, mudstones, siltstones, quartz wacke, greywacke and conglomerates.

Mudstone/siltstone are generally fine-grained to aphanitic and light to dark grey in colour. These are often interbedded with dark grey to black argillite which locally contains graphitic, phyllitic partings. Surface outcrops generally have red-brown spots throughout as the result of weathering of pyrite and ankerite. Subhedral to euhedral pyrite is ubiquitous throughout these units.

The quartz wacke and greywacke are generally fine grained but locally grade to coarse wacke and conglomerates. These wackes appear to be more competent and resistant than the siltstone/argillite, generally forming most of the outcrops seen on the property. Surface outcrops are often a bleached, light tan to light grey in colour, often with red-brown spots of weathered pyrite and iron carbonate (ankerite) and in some cases are silicified. Occasionally, the wacke may have a strong argillaceous component and in many instances wispy interbeds of argillite/argillaceous siltstone are noted. Broad sections of the wacke are often strongly carbonate-quartz-sericite-green mica altered to the point where original textures are not distinguishable.

As mentioned above, wacke locally grade into poorly sorted polylithic conglomerate containing subangular to subrounded clasts of greywacke, siltstone and argillite. Graded bedding is often evident within such rocks.

For the most part previous operators have used similar terminology to that of Skygold geologists with a few exceptions.

The strongly sericite-quartz-ankerite-green mica altered rocks described in the previous section have been previously referred to as felsic volcanics, felsic tuffs or MCA rocks (massive carbonate altered rocks). In surface outcrops these rocks tend to be oxidized and ambiguous in nature. In drill core, however, a steady gradation can often be seen from “fresh” greywacke through increasingly altered greywacke to eventual sericite-quartz-ankerite-green mica schist with no original textures visible. They are therefore currently considered to be altered greywacke.

Previous operators have also referred to various “porphyries” on the property. Within the areas examined during 2005 no intrusive or porphyritic rocks were identified. This is not to say that such rocks do not exist in other areas of the property. It should also be noted the fine mudstones and siltstones observed on the property often contain euhedral ankerite porphyroblasts and can resemble porphyritic rocks.

6.1.2 Alteration

Pervasive carbonate (ankerite) alteration is noted throughout all rocks generally as weathered red-brown spots on surface rocks and as rhombic porphyroblasts within core. Locally, very strong sericite±quartz±ankerite±green mica (fuchsite or mariposite) alteration appears and is generally, though not totally confined to the more massive greywacke often masking and/or obliterating original textures. The presence of fuchsite or mariposite within the altered rocks may indicate the presence of a volcanic component within the original greywacke. Pyrite is a common constituent of all rocks appearing as possibly syngenetic, bedding parallel bands and as later coarse subhedral to euhedral crystals.

White to translucent grey quartz veins are seen throughout the property. Overall, the main vein orientation is north to northeast with a generally steep west dip. This orientation may be due to tensional gashes created by the D4 structural event referred to in the next section. Flat lying quartz veins are also seen, especially to the southeast as in the M1 pit. In surface exposures these veins occasionally have a frothy or "aerobar" texture near or on their periphery, probably due to leached out pyrite or ankerite. Very fine gold has been observed within the resulting voids. Both vein types may carry visible gold along with pyrite, galena, sphalerite and chalcopyrite. There appears to be no identifiable difference between gold bearing and barren quartz veins. The quartz veins may be seen to cut across all rock types, however, strongly folded veins within the more ductile sediments are also common and have been noted to carry gold suggesting that there have been multiple mineralizing phases. The more massive veins are more readily seen in the wackes as fracture fill as would be expected due to the more brittle nature of the wackes as opposed to the more ductile argillite and siltstone. Very little or no selvage is noted with the majority of these veins and consequently mineralization contained within the veins is not seen to continue into the host rocks.

6.1.3 Structure

Regional structure events have contributed to the complicated structural conditions on Spanish Mountain. The proximity of the Eureka Thrust to the northeast of Spanish Mountain and the potential for secondary thrusts, specifically underlying the Spanish Creek/Spanish Lake area as mapped by Rees (1981) add to the complexity of the property structure.

It is believed that the rocks underlying the Spanish Mountain property have been subjected to as many as four phases of deformation related to the Eureka thrust event. The first (D1) phase is associated with compressional forces, producing tight, northeast verging isoclinal folds. A shift in tectonic forces due to isostatic rebound resulted in refolding the F1 folds into recumbent and isoclinal F2 folds verging to the southwest. A third (D3) event consists of moderate to open folds in the same regime as D2. The last (D4) event is associated with extensional forces at right angles to the main thrust direction and resulted in moderate to open warping of fabrics. The predominant north to northeast orientation of crosscutting quartz veins appears to be related to the D4 event.

Fold axes mapped on the property generally plunge to the southeast. Minor folds have also been observed in drill core. Tops indicators such as flame structures and graded bedding observed in drill core generally suggest an overturned sequence.

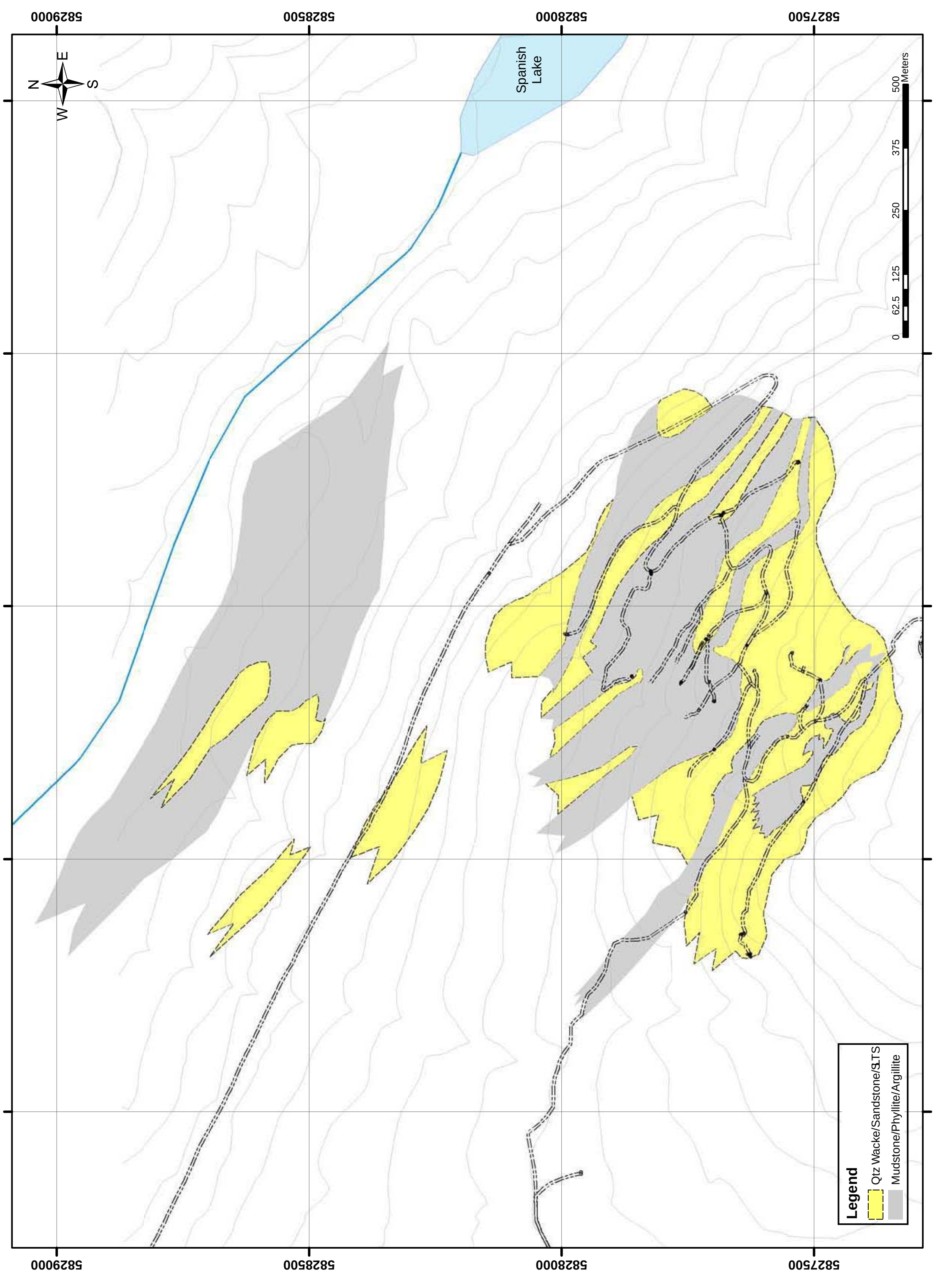

Figure 4 Property geology

Both northeast and north trending faults have been mapped or interpreted on the property. Strongly foliated, graphitic zones and brecciated or gougey sections in drill core are interpreted as fault zones.

Mapping by R. Johnston (2006) to the north of the 1300 logging road indicated that graphitic foliation increased and it appeared that numerous fault zones were present.

7.0 Deposit Types

Historically, the main exploration target has been auriferous quartz veins. To date, the highest assay values have all been attributed to quartz veins. During the 2005 diamond drilling program coarse visible gold has been observed within the veins.

The second deposit type, which became the main focus of the 2005 work program, is a sediment hosted bulk tonnage type. Wide intervals of disseminated >1 g/t gold have been intersected in drill holes (reverse circulation and diamond) and trenches. The gold is hosted within intercalated metasediments consisting of argillite to siltstone (and rarely wacke) generally with a strong pyrite component. One possible analogy is the Paracatu deposit located in the state of Minas Gerais in Brazil. Paracatu has been classified as a “unique” deposit consisting of “a metamorphic gold system with finely disseminated gold mineralization hosted within an original bedded sediment host” (Hanson 2005). The gold mineralization is hosted within metamorphosed phyllites. Another possible analogy is the Frasergold property located near the town of Horsefly in central British Columbia. Gold mineralization is primarily restricted within a specific horizon of a black phyllite containing up to 40% porphyroblasts of iron-carbonate (Belik 1981) known as the “Knotted Phyllite” by previous workers (Boronowski and Sebert 2003). The property has been classified as turbidite-hosted gold vein-type deposit and has been compared to the Bendigo and Ballarat gold deposits of Australia and the Meguma district of Nova Scotia (Boronowski and Sebert 2003).

Past workers have postulated a low-grade, bulk-tonnage, manto-type deposit where gold mineralization was deposited by hydrothermal fluids localized into fracture and shear zones which then spread out upon encountering permeability barriers, forming mantos (McClintock 1985; Page 2003).

8.0 Mineralization

Prior to work performed in 2004 known areas of gold mineralization were referred to as the Madre zone (now referred to as the Main zone), West Madre zone, LE zone, M zone, 11, 12 and 13 zones, M5 zone, 14 Oz zone, A zone, E zone, 103 zone and Dodge zone. With the mapping and drilling performed by Wildrose and Skygold in 2004 – 2005 these areas have now been assimilated within a north-south trending anomalous corridor which has been further divided into the South Main zone, Central Main zone and North Main zone. The South and Central Main zones encompass all of the previous known zones mentioned above with the exception of the 103 and Dodge zones; which are encompassed by the North Main zone.

The reader is cautioned that this corridor does not in any way construe that the mineralization is confined in a north-south trend; in fact, further exploration may indicate an east-west trend.

Economic mineralization on Spanish Mountain is essentially restricted to gold with minimal amounts of silver (with galena), lead (galena), zinc (sphalerite) and copper (chalcopyrite). Geochemistry to date suggests a negligible to weak correlation between gold and trace elements. Gold mineralization is seen to occur as two separate styles; high-grade vein type within the quartz veins mentioned above (as seen in the M1 Pit) and low-grade bulk tonnage type within the intercalated ductile sediments (as seen in the Imperial Pit). Historically, the high grade quartz veins have been the exploration target of interest; however, within the argillaceous to silty sediments, the widespread disseminated gold mineralization is now the primary target with the higher grade quartz veins contributing to the overall economics of the property.

9.0 Exploration

Since the last 43-101 report by Jay W. Page, P.Geo., April 4, 2003, exploration work on the Spanish Mountain property has included the establishment of a grid followed by geochemical and geophysical surveying in 2003 and machine trenching with reverse circulation drilling in 2004. Follow-up diamond and reverse circulation drilling was completed in 2005. The following sections of this report will discuss this work.

9.1 2003 Exploration Program

In 2003, a 30 kilometre grid (100 m line spacing with 25 m stations) was established over the central and northern portions of the claims. The entire grid was soil sampled (1479 samples) and an induced polarization survey was completed on 23 km of the grid. Figures 5, 6 and 7 present the results of the geochemical and induced polarization surveys.

"The 2003 soil sampling survey revealed an extensive area of anomalous Au in soil; with a +300 ppb anomaly extending over 1200 m northwest from the main Madre-LE Pit (Imperial Pit) area, where the anomaly is over 400m across. Contours of higher Au values (500 or 1000ppb) show a distinct az 120°- 300° trend, which is parallel to and often coincident with chargeability and resistivity anomalies acquired from the 2003 IP survey. This is also the trend of stratigraphy in the Spanish Mountain area. It should be noted that this is also the down-ice direction of glaciation and that some of this extensive soil anomaly may be due to down-ice dispersion." (Johnston December 2004)

A 23 km induced polarization Survey was carried out on the property between June and October of 2003 by Al Scott of Vancouver, BC. The survey data were received in both pseudo-section and inverted image3D format (12.5 m depth) as digital data files.

The survey was conducted along 100 m north south oriented grid lines with n=5 readings collected every 25 m along lines.

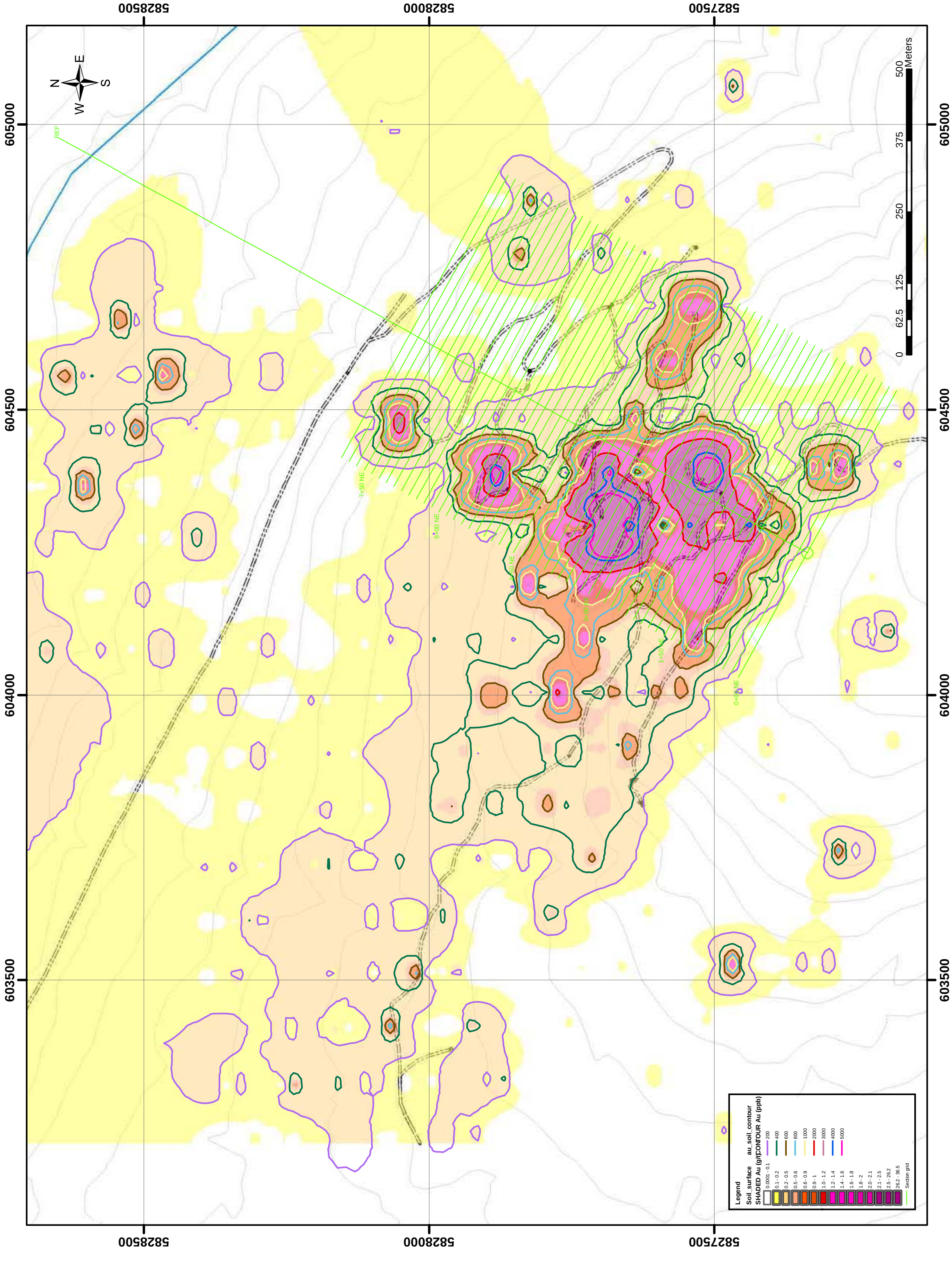

Figure 5 Geochemical contour map

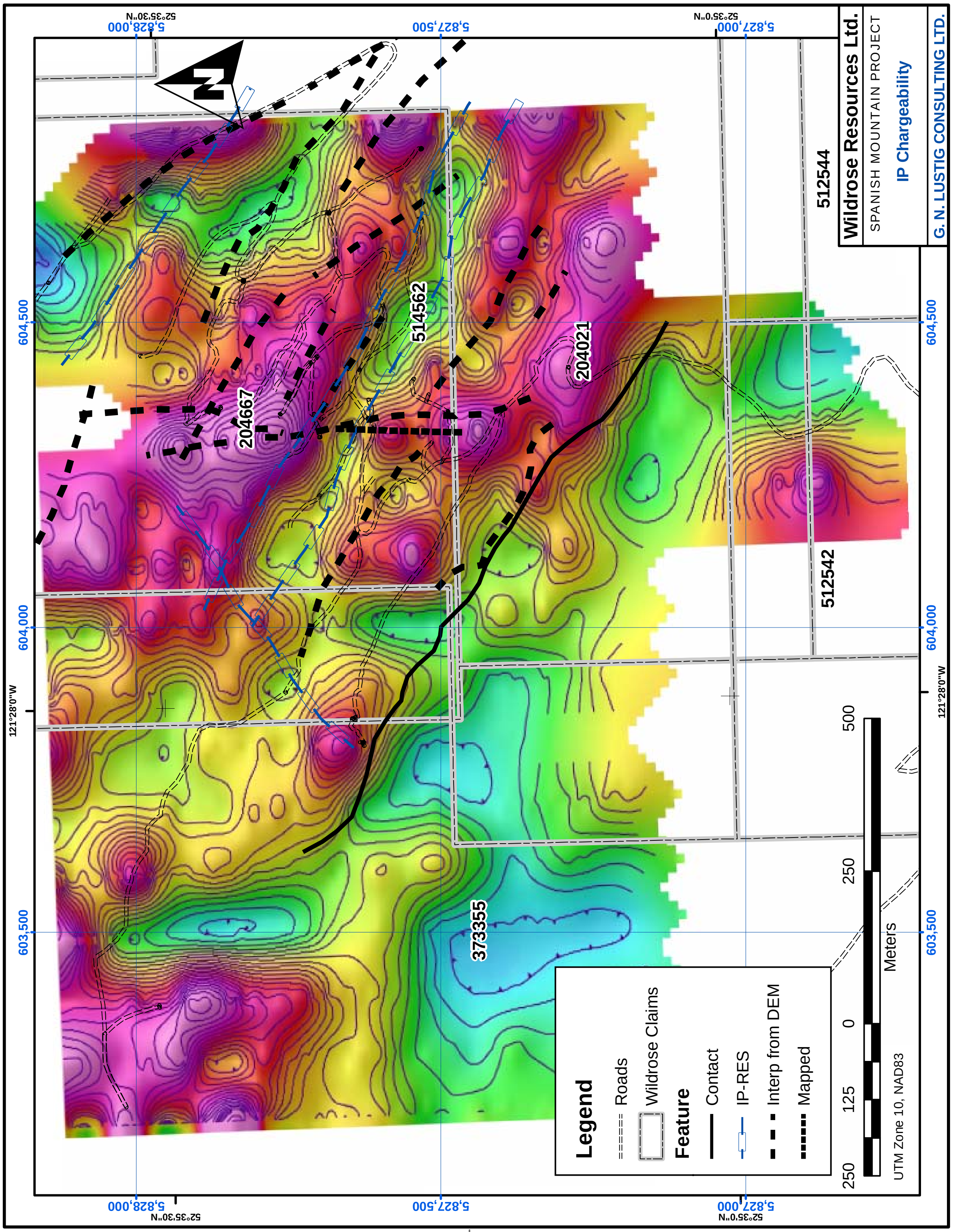

Figure 6 IP Chargeability

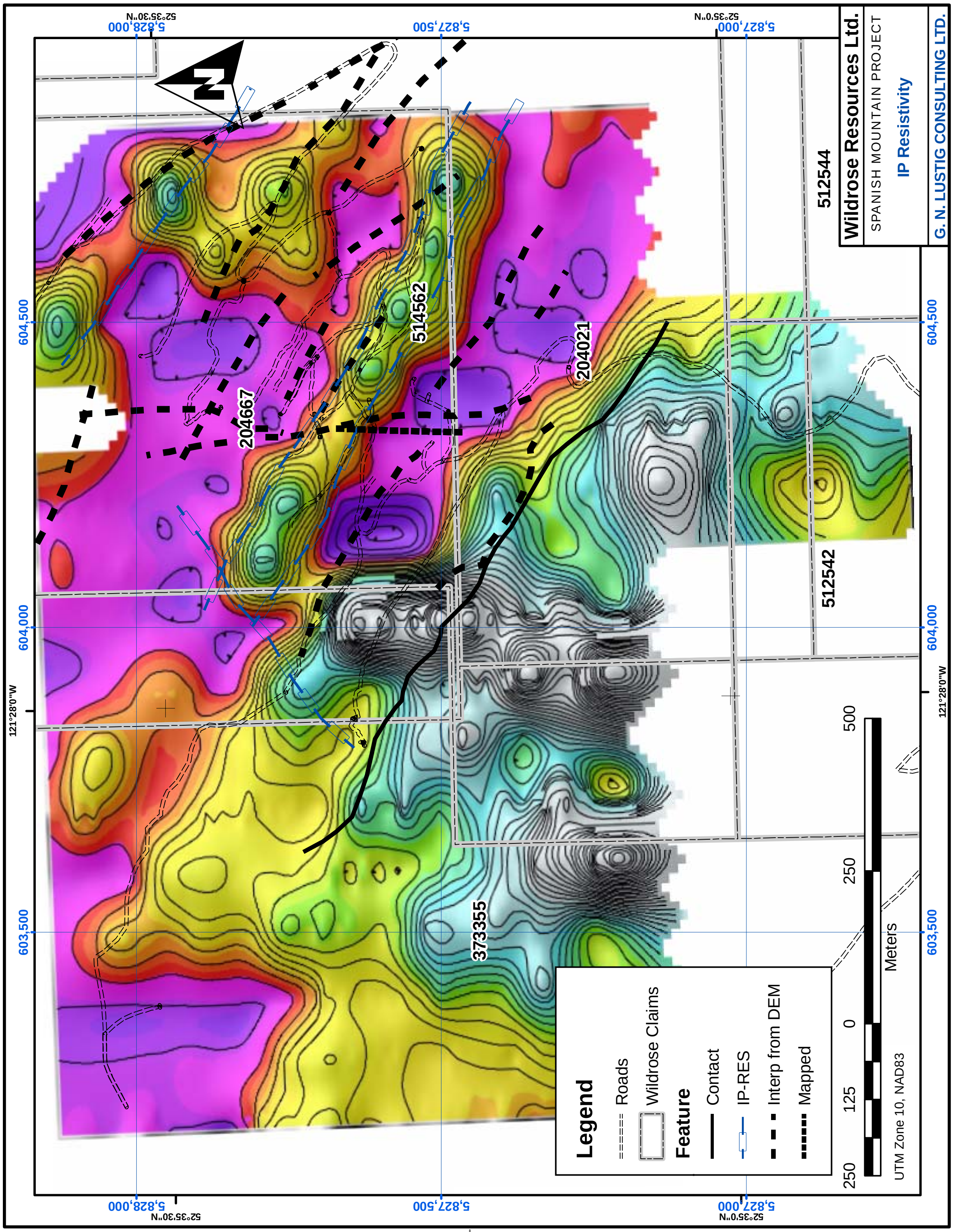

Figure 7 IP Resistivity

For the purpose of this report, the author can only comment on the Image3D inverted data. A complete set of pseudo section data was unavailable at the time of this report. In addition, inverted sections would be more practical and it is uncertain if these were created.

The survey data, received in ASCII format, was imported into ArcView GIS software and converted to UTM coordinates using GPS survey data. The chargeability and resistivity data were gridded with a 15 m cell size and a surface shaded map was created (Figures 6 and 7).

In general, the data tends to mimic stratigraphy fairly closely with major lithological breaks indicated by coincident changes in resistivity and chargeability. Although the survey does not provide enough coverage or detail to discern individual stratigraphic units, there is a sense of broad stratigraphy striking NW-SE, which agrees with the known regional trends. In addition to stratigraphy, structures may also be mimicked by the survey and are indicated on Figure 6.

9.1.1 Stratigraphy

A quartz-wacke unit is mapped in the central portion of the survey area and is coincident with a resistivity high and chargeability low (Figures 6 and 7). It appears that the survey is reliable in detecting rock units, at least in this area of the property.

Chargeability anomalies may be less reliable due to the high (up to 15%) bedded sulphide content in argillite units as well as local graphitic bedding planes. The chargeability may be useful in mapping gross stratigraphy, however more detail is required.

9.1.2 Structure

A structural interpretation of the survey is shown in Figures 6 and 7. Although many of the features shown represent breaks in geophysical responses, several of these interpreted structures are coincident with mapped faults. It is therefore reasonable to assume that these features may in fact be mapping buried structures.

9.2 2004 Exploration Program

During early summer 2004, a program of excavator trenching (2419 m), geologic mapping and sampling was completed. Figure 8 and Table 9-1 shows the locations, coordinates of the trenches while Table 9-2 lists the more significant results.

“The principal aim of the 2004 trenching was to follow up anomalies discovered during the 2003 Mincord soil geochemical and geophysical programmes. The highest priority was given to targets away from the main Madre area (Main zone) where much of the historical work had been done, in order to discover new zones.

A total of 30 trenches and numerous pits were dug, to an approximate total length of 2419 m, across an area of 1600 by 800 m. The bulk of the trenching was done with a CAT 320L excavator over the course of 230 machine hours during June and early July. Mapping and

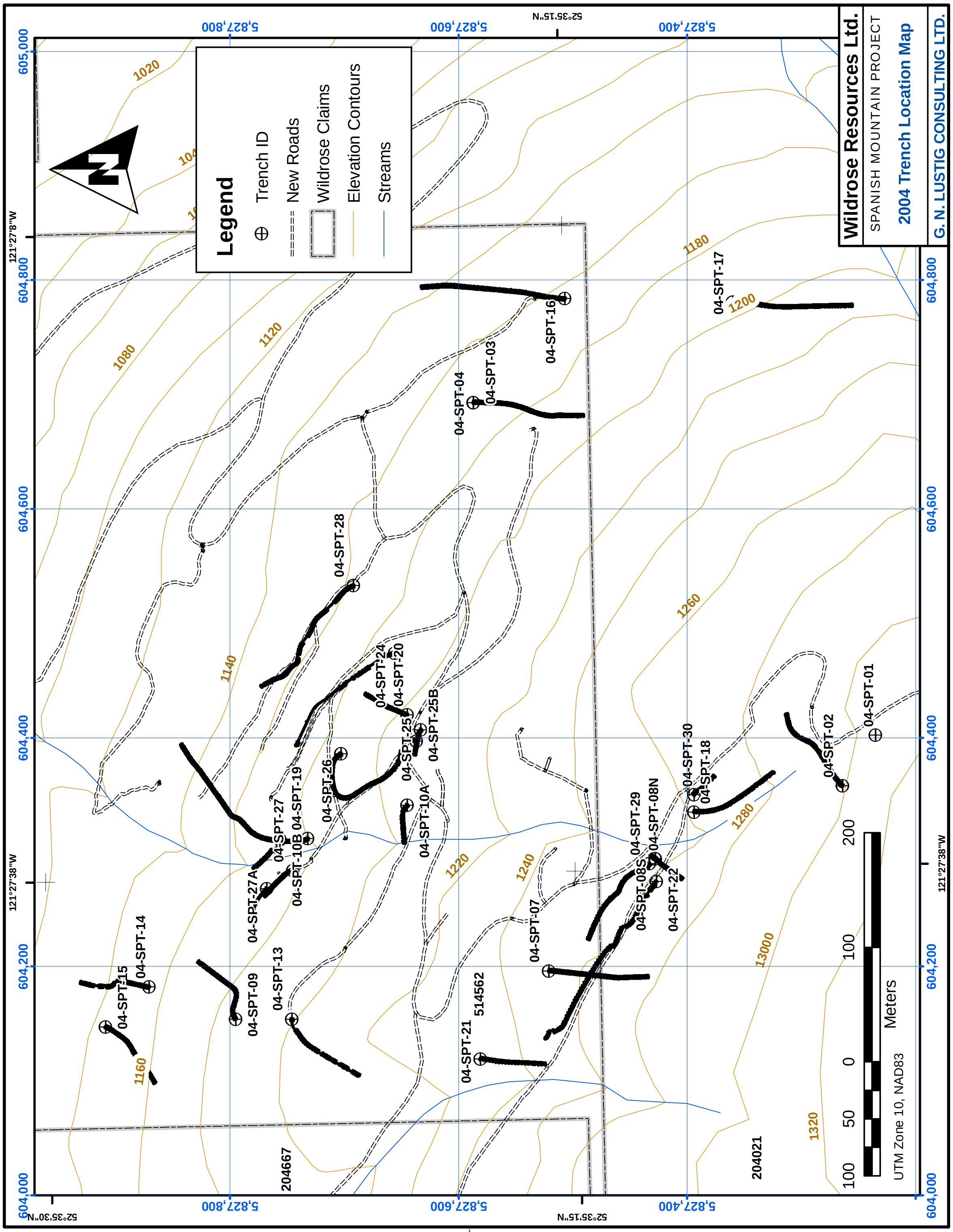

Figure 8 Trench location map

sampling of these trenches continued into October. The machine-dug trenches were about 1m wide and varied in depth with the overburden. In the deeper trenches the walls were benched back for safety reasons. Overburden depth ranged from zero to two metres throughout most of the 2004 work, but was found to be over 20 m deep in the area 500 m west of the Madre and LE zones (Main zone).

The trenches were surveyed using compass and tight chain; using GPS points as reference and were mapped at 1:100 or 1:200 scale. They were sampled by continuous chip method, with only local exceptions due to overburden or water.

It was found that the best results were obtained from the same areas where geophysical anomalies were coincident with anomalous Au-in-soil. Geophysical anomalies which had no associated high soils returned disappointing results." (Johnston, 2004)

Table 9-1: Summary of Trench Locations

Trench Number	UTM E	UTM N	Elevation (m)	LENGTH (m)
04_SPT_01	604402	5827255	1300	31.9
04_SPT_02	604358	5827264	1297	83.8
04_SPT_03	604693	5827587	1170	105.2
04_SPT_04	603940	5827640	1230	105.2
04_SPT_05	603804	5827696	1190	65.0
04_SPT_06	604006	5827575	1250	40.0
04_SPT_07	604196	5827521	1250	98.3
04_SPT_08N	604294	5827428	1258	5.0
04_SPT_08S	604294	5827428	1258	32.7
04_SPT_09	604154	5827795	1185	70.9
04_SPT_10	604341	5827645	1205	71.6
04_SPT_11	603925	5827780	1175	95.0
04_SPT_12	603972	5827738	1190	45.0
04_SPT_13	604154	5827748	1195	81.0
04_SPT_14	604182	5827871	1155	69.7
04_SPT_15	604147	5827909	1145	72.4

Trench Number	UTM E	UTM N	Elevation (m)	LENGTH (m)
04_SPT_16	604784	5827507	1165	129.8
04_SPT_17	604781	5827360	1195	107.3
04_SPT_18	604337	5827393	1267	82.7
04_SPT_19	604305	5827734	1179	160.5
04_SPT_20	604420	5827645	1205	44.5
04_SPT_21	604119	5827581	1230	60.3
04_SPT_22	604274	5827427	1262	174.5
04_SPT_23	604200	5828043	1100	21.7
04_SPT_24	604474	5827637	1195	123.0
04_SPT_25	604407	5827633	1205	23.3
04_SPT_26	604386	5827703	1185	118.3
04_SPT_27	604284	5827745	1175	35.0
04_SPT_27A	604269	5827768	1170	23.0
04_SPT_28	604533	5827692	1162	126.2
04_SPT_29	604290	5827433	1258	91.6
04_SPT_30	604351	5827397	1263	24.9

Table 9-2: Summary of the Most Significant Trench Results.

Trench	From (m)	To (m)	Length (m)	Au g/t
04_SPT_03	0	105.2	105.2	0.60
Incl.	47.0	69.1	22.1	1.60
04_SPT_07	0	98.3	98.3	0.52
04_SPT_08	0	21.7	21.7	0.56
04_SPT_10	0	71.6	71.6	0.53
04_SPT_19	0	160.5	160.5	0.51
Incl.	0	22.5	22.5	0.92
+04_SPT_21	0	60.5	60.5	0.42

Trench	From (m)	To (m)	Length (m)	Au g/t
04_SPT_22	23.2	48.2	24.8	1.31
And	52.0	70.0	18.0	0.84
And	71.3	100.8	29.5	0.54
And	108.0	157.8	21.0	1.22
04_SPR_26	47.8	72.4	24.6	0.72
And	74.1	118.3	44.2	0.77
04_SPT_27	0	35.0	35.0	0.42
04_SPT_29	0	82.1	82.1	1.03
04_SPT_30	0	24.9	24.9	2.41
Incl.	6.0	13.2	7.2	7.65

10.0 Drilling (Item 13)

In October and November 2004, a reverse circulation drilling program was initiated to test the anomalous assay results from the trenching program as well as anomalous areas outlined by the geochemical and geophysical surveys.

In the late spring of 2005, a three phase program was initiated, the phase one reverse circulation program followed up on the 2004 drilling. The significant gold assay results received during this phase of drilling led to a Phase Two diamond drilling program in the late summer followed by a Phase Three combined reverse circulation and diamond drilling program in the fall.

The following sections of this report discuss the individual drilling phases. Figure 9 is a plan map showing the drill hole locations. **It must be noted that, in the following discussions, all assay intervals are down hole intercepts (apparent widths) and do not necessarily reflect the true width of mineralization**. The individual drill logs and analytical results are not included in this report but are housed at Skygold's offices in Vancouver, BC.

10.1 2004 Drill Program

The first drill program, funded by Skygold and managed by Mincord, was carried out between October 16 and November 14, 2004; during which time a total of 2503.65 m was drilled in 35 holes. "The drilling was conducted by Pat Mooney of Kelowna using a track- mounted machine. Logistically the rig was excellent, being compact, unitized and self-propelled, but was lacking in power to deal with the high volume of water that was encountered in all of the holes. A number of holes were planned to go to 140 m (the amount of drill rods on hand), but none were able to

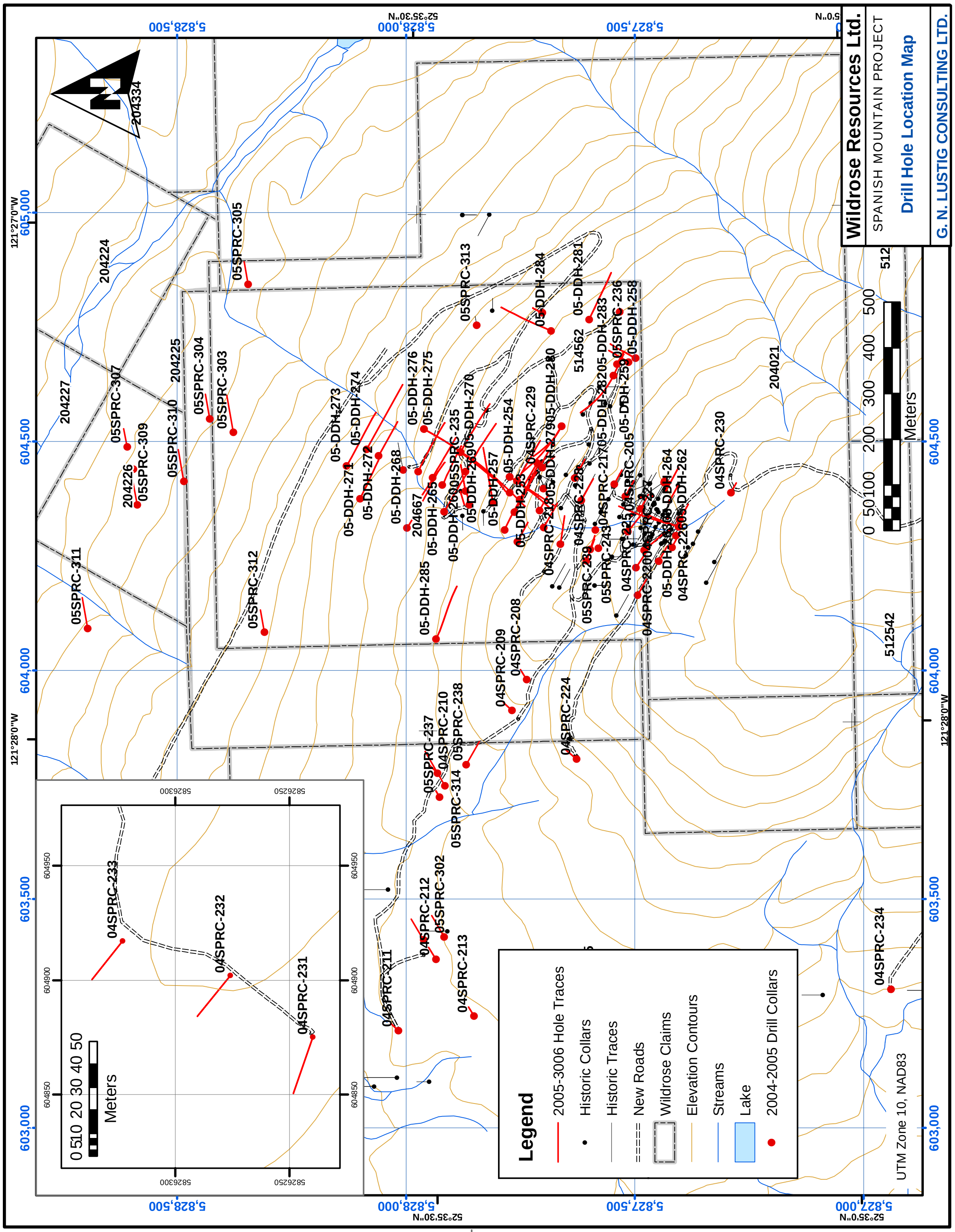

Figure 9 Drillhole location map

reach this. The deepest hole was 04SPRC-218, which bottomed out at 125.58 m. Only four holes were able to exceed 100 metre depth." (Johnston, 2004)

Table 10-3 gives the location data, lengths, dips and azimuths of the various holes and Table 10-4 shows the most significant mineralized intersections. See Figure 9 for drill hole locations.

Table 10-1: 2004 Reverse Circulation Drill Hole Location Data

HOLE No.	UTM E*	UTM N	Elevation	Azimuth	Dip	Depth (m)
04SPRC-201	604784	5827533	1158		-90	45.72
04SPRC-202	604669	5827539	1184	120	-60	63.4
04SPRC-203	604371	5827616	1211	120	-55	95.4
04SPRC-204	604349	5727709	1189	120	-60	81.69
04SPRC-205	604353	5827488	1241	120	-60	71.02
04SPRC-206	604381	5827521	1234	120	-60	77.11
04SPRC-207	604329	5827402	1264	120	-60	77.11
04SPRC-208	603973	5827739	1190	60	-60	51.21
04SPRC-209	603908	5827775	1175	45	-60	51.21
04SPRC-210	603770	5827930	1130	45	-60	51.21
04SPRC-211	603213	5828019	1115	45	-60	46.33
04SPRC-212	603362	5827935	1135	60	-60	61.57
04SPRC-213	603240	5827858	1135	60	-60	46.33
04SPRC-214	604281	5827757	1177	120	-60	96.62
04SPRC-215	604312	5827699	1188	120	-60	120.4
04SPRC-216	604361	5827862	1136	80	-60	76.81
04SPRC-217	604407	5827545	1227	120	-60	70.71
04SPRC-218	604276	5827663	1201	100	-60	125.58
04SPRC-219	604262	5827480	1249	140	-55	99.06
04SPRC-220	604224	5827498	1247	125	-55	89.00

HOLE No.	UTM E*	UTM N	Elevation	Azimuth	Dip	Depth (m)
04SPRC-221	604373	5827752	1171	120	-60	105.77
04SPRC-222	604420	5827632	1203	120	-60	93.57
04SPRC-223	604303	5827516	1239	130	-60	113.39
04SPRC-224	603806	5827627	1213	40	-60	60.05
04SPRC-225	604164	5827494	1254	120	-60	79.86
04SPRC-226	604269	5827419	1271	120	-60	77.72
04SPRC-227	604238	5827448	1261	120	-60	75.29
04SPRC-228	604264	5827598	1223	110	-60	64.62
04SPRC-229	604443	5827703	1177	140	-60	73.76
04SPRC-230	604388	5827290	1292	120	-60	49.38
04SPRC-231	604874	5826241	1425	290	-60	52.43
04SPRC-232	604900	5826279	1435	310	-60	46.33
04SPRC-233	604924	5826296	1430	310	-60	43.28
04SPRC-234	603303	5826943	1125		-90	70.71

* UTM Zone 10, NAD 83

Table 10-2: 2004 Reverse Circulation Drill Holes Most Significant Results

Hole No.	From (m)	To (m)	Interval (m)	Au g/t
04SPRC-202	3.96	20.72	16.76	1.51
04SPRC-216	18.90	76.81 EOH*	57.91	1.09
04SPRC-221	26.52	44.18	18.29	1.08
And	66.15	105.77 EOH*	39.62	1.72
04SPRC-228	20.42	61.57	41.15	3.26
Incl.	29.57	43.28	13.72	8.02
04SPRV-229	17.37	73.76 EOH*	56.39	1.04

* End of Hole

The above holes all intersected significant widths of interesting gold mineralization hosted within units of interbedded black argillite and argillaceous siltstone. The best mineralized interval of the 2004 drilling was returned from hole 04SPRC-228 which intersected 41.15 m of 3.26 g/t Au including 13.72 m of 8.02 g/t Au.

Most of the hole was in silty argillite and argillaceous siltstone, but 12.0 m of carbonate altered wacke was encountered from 40 to 52m. The best mineralized section was from 31.09 to 35.66 m that averaged 17.29 g/t.

During the program, mineralization was also encountered within altered greywacke units, likely associated with cross-cutting quartz veins. For example, hole 04SPRC-219 intersected 18.29 m of 1.73 g/t Au including 1.52 m of 13.95 g/t Au and hole 04SPRC-220 returned assays of 3.28 g/t Au over 12.19 m including 6.1 m of 6.24 g/t Au.

The favourable results of the 2004 drilling led to a three phase drill program in 2005.

10.2 2005 Drilling Program

During 2005, three phases of drilling were completed for a total of 11 123.13 m. The first phase was reverse circulation, the second was diamond drilling and the third consisted of combined reverse circulation and diamond drilling.

The Phase One May-June 2005 exploration program at Spanish Mountain was composed of 16 reverse circulation drill holes drilled on the CPW and adjacent claims between May 5 and June 10, 2005. "A total of 1677.02 m was drilled and a total of 1093 samples collected by Mincord under the supervision of R. Johnston, P.Geo. Analytical work was performed by Eco-Tech Laboratories of Kamloops, BC. Gold analyses were done by metallic screen method on a 1000 gram split, and 28 element ICP was also done on all samples.

The drilling was contracted to Drift Exploration Drilling of Alberta. The work went fairly well, though it did have its share of problems. The drill rig is large and heavy and requires a water truck and pickup onsite, requiring larger pads. The drill diameter was 139.7 millimetres (5.5")." (Johnston, December, 2005). Drilling details are summarized in Table 11-3.

Table 10-3: 2005 Reverse Circulation Drill Hole Location Data

Hole No.#	UTM E	UTM N	Elevation(m)	Azimuth	Dip	Depth (m)
05SPRC-235	604392	5827870	1123	080	-60	117.35
05SPRC-236	604674	5827514	1190	030	-60	100.58
05SPRC-237	603723	5827927	1135	060	-60	30.48
05SPRC-238	603794	5827869	1149	120	-60	115.82
05SPRC-239	604267	5827580	1229	110	-60	120.4

Hole No.#	UTM E	UTM N	Elevation(m)	Azimuth	Dip	Depth (m)
05SPRC-240	604410	5827436	1258	300	-45	120.4
05SPRC-241	604413	5827435	1258	325	-45	120.4
05SPRC-242	604294	5827411	1264	015	-60	97.23
05SPRC-243	604307	5827587	1215		-90	60.96
05SPRC-244	604397	5827700	1183	120	-60	124.97
05SPRC-245	604453	5827714	1175	300	-60	107.59
05SPRC-246	604346	5827764	1173	120	-60	129.54
05SPRC-247	604367	5827810	1149	080	-60	118.87
05SPRC-248	604239	5827606	1225	110	-60	102.11
05SPRC-249	604388	5827774	1159	120	-60	89.92
05SPRC-250	604438	5828007	1090	080	-60	120.4
				Total metres		**1677.02**
All hole locations by differential GPS; NAD 83, Zone 10						

The 2005, Phase One, drilling was designed as a follow-up on the results from the 2004 Wildrose reverse circulation drill program. The main target of the 2005 drilling was the central Main Zone, where the 2004 drilling had traced the Imperial Pit argillite hosted style mineralization for 160 m to the north. Six infill holes, 05SPRC-235, 244-247 and 249, were drilled in the area to test the continuity of mineralization. The final hole of the program, 05SPRC-250, was a step-out hole drilled 330 m north of the pit. The first hole, 05SPRC-235 drilled 30 m east of 04SPRC-216 intersected 65.53 m grading 3.35 g/t gold.

The remaining holes in the first phase were drilled in the South Main zone and as reconnaissance holes west of the Main zone. Assays returned anomalous values in all holes with narrow intercepts grading over 1.0 g/t gold. The best intercept was 21.34 m grading 4.33 g/t gold in hole 05SPRC-242 in the South Main zone. This mineralization was interpreted to be auriferous quartz veins hosted by sericite-carbonate-mariposite altered wacke.

The following Table 10-6 gives the most significant results of the Phase One program.

Table 10-4: 2005 Phase One Significant Results

Hole No.	From (m)	To (m)	Interval (m)	Au g/t
05SPRC-235	22.86	88.39	65.53	2.35

Hole No.	From (m)	To (m)	Interval (m)	Au g/t
05SPRC-244	Get no's and reaversge			
O5SPRC0245	51.82	107.59 EOH*	55.77	1.48
Incl.	54.87	76.2	21.33	2.09
05SPRC-246	94.49	124.97	30.48	1.25
Incl.	106.68	112.78	6.10	2.15
05SPRC-247	32.01	118.87 EOH*	86.96	1.36
Incl.	108.21	118.87 EOH*	10.66	3.63
05SPRC-249	36.58	89.92 EOH*	53.34	2.05
Incl.	51.82	71.63	19.81	3.79
05SPRC-250	64.01	120.40 EOH*	56.39	1.17
05SPRC-242	45.72	67.06	21.34	4.33
Incl.	47.25	56.39	9.15	8.78

Positive results from the Phase One program, especially in the Central Main zone where the argillite-siltstone hosted style of gold mineralization was beginning to show continuity, led to Phase Two and Phase Three drill programs in the late summer and fall of 2005.

In July 2005, a diamond drilling program was initiated in the Central Main zone to follow-up on the reverse circulation drilling earlier in the summer. Diamond drilling had not been utilized since 1988 due to poor core recoveries at the time and the associated possible loss of gold values. The 2005 drilling was contracted to LDS Diamond Drilling of Kamloops B.C. A total of 2853.31 **m** were drilled in14 NQ holes. Core recoveries were generally greater than 95 % except in areas of intense faulting where recoveries were lower and variable. The good recoveries are likely due to greatly improved technologies in both equipment and drilling mediums. Daily drilling progress averaged approximately 150 m per 24 hours.

Table 10-7 gives the locations and details of the Phase Two holes.

Table 10-5: Phase Two Diamond Drill Hole Locations

Hole No.	UTM E	UTM N	elev (m)	azimuth	Dip	depth (m)
05-DDH-251	5827810	604366	1144.5	246	-60	80
05-DDH-252	5827758	604414	1156	203	-60	120

Hole No.	UTM E	UTM N	elev (m)	azimuth	Dip	depth (m)
05-DDH-253	5827774	604423	1147	207.6	-55	210
05-DDH-254	5827774	604423	1147	343.5	-70	210
05-DDH-255	5827870	604434	1120	229.2	-55	120
05-DDH-256	5827917	604347	1120	192.3	-60	120
05-DDH-257	5827785	604307	1166	306.9	-60	120
05-DDH-258	5827499	604682	1184	60.65	-60	40
05-DDH-259	5827499	604682	1184	192.3	-70	40
05-DDH-260	5827921	604405	1116	200.3	-60	120
05-DDH-261	5827881	604477	1120	233.8	-55	120
05-DDH-262	5827405	604314	1260	1	-45	15
05-DDH-263	5827405	604314	1260	224.3	-70	15
05-DDH-264	5827405	604314	1260	212.5	-50	15

The focus of the Phase Two program was to verify the results of the Phase One reverse circulation drilling and to continue to expand on the argillite-siltstone hosted gold mineralization. Hole 05-DDH-251 was collared to twin 04SPRC-247 in order to verify and compare the gold values received in reverse circulation versus diamond drilling. It was found that, in general, individual intervals varied in assay grade, however, when larger intervals were weight averaged, the overall grade was similar.

The most significant results from the Phase Two diamond drilling program are presented in Table 10-8. Hole 04SPRC-247 has been included for comparison to 05-DDH-251.

Table 10-6: Phase Two Most Significant Results

Hole No.	From (m)	To (m)	Interval (m)	Au g/t
05-DDH-251	21.3	73.3	53.8	1.06
Incl.	36.55	73.3	36.75	1.27
Incl.	64.0	73.3	9.3	2.51
	193.5	243.1	49.6	1.16
Incl.	222.1	243.1	21.0	1.02
Incl.	195.0	211.0	16.0	2.07
05-DDH-252	76.0	154.5	78.5	1.49
Incl.	76.0	123.75	47.75	1.69
And	132.5	154.5	22.0	1.60
05-DDH-253	48.1	67.5	29.4	1.59
and	122.0	138.4	16.4	1.25
05-DDH-254	15.7	103.2	87.5	1.17
Incl.	35.8	85.7	49.9	1.47
05-DDH-255	55.8	107.0	51.2	1.49
Incl.	71.5	107.0	35.5	2.02
	130.25	162.0	31.75	1.43
	176.5	189.0	12.5	1.43
05-DDH-256	25.4	89.0	63.6	1.09
Incl.	39.9	64.5	24.6	1.87
	124.8	139.8	15.0	2.35
05-DDH-257	244.7	280.6	35.9	1.62
05-DDH-258	49.0	60.65	11.65	1.10
05-DDH-260	5.18	77.9	72.72	1.14
Incl.	38.75	61.5	22.75	2.39
05-DDH-264	26.5	32.9	6.40	10.80

Hole No.	From (m)	To (m)	Interval (m)	Au g/t
	74.8	88.0	13.2	1.19
	172.4	212.45	40.05	1.24
Incl.	195.0	212.45	17.45	2.35

Phase Two drilling was very successful in confirming continuity of the argillite-siltstone hosted gold mineralization in the Central Main zone area and verifying that the results of reverse circulation drilling are consistent with the values from diamond drilling. Additional holes in the South Central zone also returned significant intersections indicating that further exploration is necessary in all areas to fully assess the potential of the property.

The Phase Three drilling program was initiated in late September 2005. Two drills were employed on the project. A diamond drill, contracted from LDS Diamond Drilling Ltd., was used to continue to infill and expand on the argillite-siltstone hosted gold mineralization in the Central Main zone in addition to further testing the South Main zone and explore areas both east and west of the Main zone. A second drill, a reverse circulation rig was contracted from Northspan Explorations Ltd. of Kelowna, B.C. to continue to do reconnaissance drilling in other areas of the property, primarily testing geochemical targets and testing the North Main zone.

During the period of September 27 and November 17, 2005, a total of 1699.86 m of reverse circulation drilling in 14 holes (05SPRC-301-314) and 4892.94 m of diamond drilling in 21 holes (05-DDH-265-285) was completed. The author supervised the diamond drilling and R. Johnston, PGeo., of Mincord supervised the reverse circulation drilling. Table 10-9 gives the hole locations while Table 10-10 lists the most significant results from the program.

Table 10-7: Phase Three Drill Hole Locations

Hole #	UTM E	UTM N	Elev. (m)	azimuth	Dip	depth (m)
05-DDH-265	5827942	604421	1104	224.6	-60	119
05-DDH-266	5827978	604361	1104	238.7	-60	121
05-DDH-267	5827974	604434	1094	258.2	-60	119
05-DDH-268	5827998	604311	1103	306.9	-60	119
05-DDH-269	5827881	604477	1114	264.3	-45	209
05-DDH-270	5827881	604477	1114	300.8	-65	209
05-DDH-271	5828101	604375	1070	206.4	-55	119
05-DDH-272	5828060	604469	1062	148.4	-55	119

Hole #	**UTM E**	**UTM N**	**Elev. (m)**	**azimuth**	**Dip**	**depth (m)**
05-DDH-273	5828130	604447	1050	252.7	-55	119
05-DDH-274	5828086	604483	1053	282.9	-55	119
05-DDH-275	5827961	604527	1084	276.5	-45	209
05-DDH-276	5827961	604527	1084	278.9	-60	209
05-DDH-277	5827703	604781	1117	29.57	-50	29
05-DDH-278	5827703	604781	1117	48.16	-60	29
05-DDH-279	5827660	604534	1172	293.2	-60	299
05-DDH-280	5827660	604534	1172	361.5	-75	299
05-DDH-281	5827600	604767	1147	239.9	-60	119
05-DDH-282	5827547	604644	1185.4	106.4	-60	119
05-DDH-283	5827547	604644	1185.4	267.3	-60	299
05-DDH-284	5827683	604742	1133.8	225.3	-55	29
05-DDH-285	5827935	604068	1133.1	282.6	-60	119
05SPRC-301	5827960	603409	1130.5	107.6	-60	60
05SPRC-302	5827913	603417	1137	108.2	-60	60
05SPRC-303	5828372	604520	980	164.6	-60	80
05SPRC-304	5828425	604556	980	108.8	-60	80
05SPRC-305	5828342	604852	980	146.9	-70	80
05SPRC-306	5828504	604654	980	92.35	-70	80
05SPRC-307	5828608	604484	933.66	156.7	-75	80
05SPRC-308	5828595	604435	942.95	93.88	-60	80
05SPRC-309	5828587	604364	938.45	121.3	-60	80
05SPRC-310	5828486	604412	953.83	141.4	-60	80
05SPRC-311	5828704	604097	945.71	137.8	-60	80
05SPRC-312	5828308	604088	1032.3	99.67	-60	80
05SPRC-313	5827843	604754	1086.5	46.33	-65	80
05SPRC-314	5827917	603745	1134.1	174.4	-60	60

Table 10-8: Phase Three Most Significant Drill Hole Results

Hole No.		From	To	Interval	Gold g/t
05-DDH-265		49.1	159.1	110.0	1.13
	Incl.	49.1	74.35	25.25	1.61
	And	143.5	159.1	15.6	2.83
05-DDH-266		25.5	135.0	109.5	1.12
	Incl.	43.5	123.5	80.0	1.43
	Incl.	43.5	76.75	33.25	1.72
	Incl.	43.5	60.5	17.0	2.62
05-DDH-267		23.55	73.4	49.85	1.24
	Incl.	38.2	60.7	22.5	2.07
	Incl.	45.45	60.7	15.25	2.60
05-DDH-268		73.5	145.5	72.0	1.22
	Incl.	73.5	138.0	64.5	1.31
	Incl.	73.5	104.5	31.0	2.13
		248.0	277.0	29.0	0.52
	Incl.	248.0	261.5	13.5	0.77
05-DDH-269		53.5	103.5	50.0	1.25
	Incl.	61.0	81.0	20.0	1.74
		239.0	260.7	21.7	0.99
	Incl.	239.0	251.0	12.0	1.46
05-DDH-270		57.5	135.7	78.2	1.05

Hole No.		From	To	Interval	Gold g/t
	Incl.	57.5	90	32.5	2.14
		212.4	300.84	88.44	1.01
	Incl.	212.4	228	15.6	1.6
	And	260.4	300.84	40.44	1.27
05-DDH-271		78.50	111.86	33.36	0.72
	incl.	99.50	109.80	10.30	1.03
		180.50	188.50	8.00	1.03
05-DDH-272		51.50	93.22	41.72	1.02
	incl.	75.00	89.50	13.00	1.87
05-DDH-274		68.00	113.50	45.50	1.76
	incl.	84.50	109.00	24.50	2.52
		161.00	187.20	26.20	0.86
	incl.	161.00	167.70	6.70	1.58
	and	179.50	187.20	7.46	1.35
05-DDH-275		45.00	68.50	23.50	0.90
	incl.	51.50	62.00	10.50	1.55
		115.00	144.50	29.50	1.45
	incl.	115.00	126.40	11.40	2.89
		180.50	229.50	49.00	0.86
05-DDH-276		88.50	109.90	21.40	0.91
	incl.	88.50	93.50	5.00	2.76
		228.50	276.50	49.50	0.56

Hole No.		**From**	**To**	**Interval**	**Gold g/t**
	incl.	247.00	260.50	13.50	1.12
	incl.	242.50	251.50	9.00	1.79
05-DDH-279		55.00	94.50	39.50	1.55
	Incl.	87.20	93.00	5.80	6.14
		228.00	285.05	57.05	1.21
	Incl.	265.50	283.00	17.50	1.93
05-DDH-280		62.50	120.40	57.90	1.09
	Incl..	62.50	74.50	12.00	1.36
	and	103.50	120.40	16.90	2.28
05-DDH-281		153.50	162.50	9.00	1.08
05-DDH-282		12.47	39.50	27.03	1.13
	Incl.	12.47	23.00	10.53	2.16
05-DDH-283		8.00	33.50	25.50	1.04
	incl.	9.00	17.00	8.00	1.64
	bottom of hole	256.50	266.50	10.00	1.45
05-DDH-285		147.50	159.64	12.10	1.66
	end of hole	262.50	282.55	20.05	1.05
	incl.	268.50	276.00	7.50	1.82
RC-303		110.95	164.59	53.64	0.49
	Incl.	153.62	164.29	10.97	0.93

Hole No.		**From**	**To**	**Interval**	**Gold g/t**
RC-304		41.76	108.81	67.05	0.87
	Incl.	73.76	108.81	35.05	1.08
	Incl.	98.15	108.81	10.66	1.51
	Entire Hole	3.66	108.81	105.15	0.61
05SPRC-307	end of hole	5.18	156.67	146.31	0.26
	incl.	5.18	28.35	23.17	0.57
05SPRC-308		10.67	65.53	54.86	0.39
	incl.	22.86	30.48	7.62	0.93
05SPRC-309		25.30	103.20	77.72	0.55
	incl.	57.30	87.78	30.48	0.79
	incl.	66.45	71.02	4.57	1.03
05SPRC-310	end of hole	24.99	141.43	116.44	1.34
	incl.	32.61	69.80	37.19	1.77
	incl.	32.61	53.04	20.43	2.28
		88.09	101.80	13.71	2.33
05SPRC-311		12.80	29.56	16.76	0.61
	incl.	17.37	21.95	4.58	1.03
		131.67	134.20	3.05	2.79
05SPRC-313		1.52	26.52	25.00	0.55
	incl	18.90	24.99	6.09	1.71

Hole No.		**From**	**To**	**Interval**	**Gold g/t**
05SPRC-314		21.34	99.67	78.33	0.32
	incl.	21.34	34.14	12.80	0.64
	and	92.05	99.67	7.62	0.69

The results of the Phase Three program continue to be very positive. Fill-in holes in the Central Main zone, from Cross Section 3+30 m NE (near the south edge of the Imperial Pit) to hole 05-DDH-274 on Cross Section 7+65 m NE, show very good continuity of greater than 1.00 g/t gold intercepts over significant apparent widths. Numerous holes have now been drilled deep enough to indicate that two separate zones, a near surface Upper Zone consisting of interbedded black argillite and siltstone and a Lower zone also consisting of interbedded black argillite and siltstone in this portion of the Main zone. Drill holes 05-DDH-265, 270 and 279 all show significant Lower zone mineralization. The two zones are separated by a thick unit of variably quartz-sericite altered greywacke. Although the wacke unit is generally unmineralized, quartz veining locally gives multiple gram intercepts over narrow widths. Figure 11 is a schematic cross section and Figure 12 is a schematic long section through the Main Zone and represented on the Main Zone Plan (Figure 10).

Reconnaissance reverse circulation drilling in the northern projection of the Main zone has also returned very significant mineralization. Hole 05SPRC-310 returned a very significant width of greater than 1.00 g/t gold. The hole was in the vicinity of holes 05SPRC-307-309 which also encountered wide intersections of lower grade material. In other portions of the Main zone, holes with good grades are in close proximity to holes with lower-grade intercepts. This indicates that widely spaced reconnaissance holes such as 05SPRC-314 require follow-up drilling.

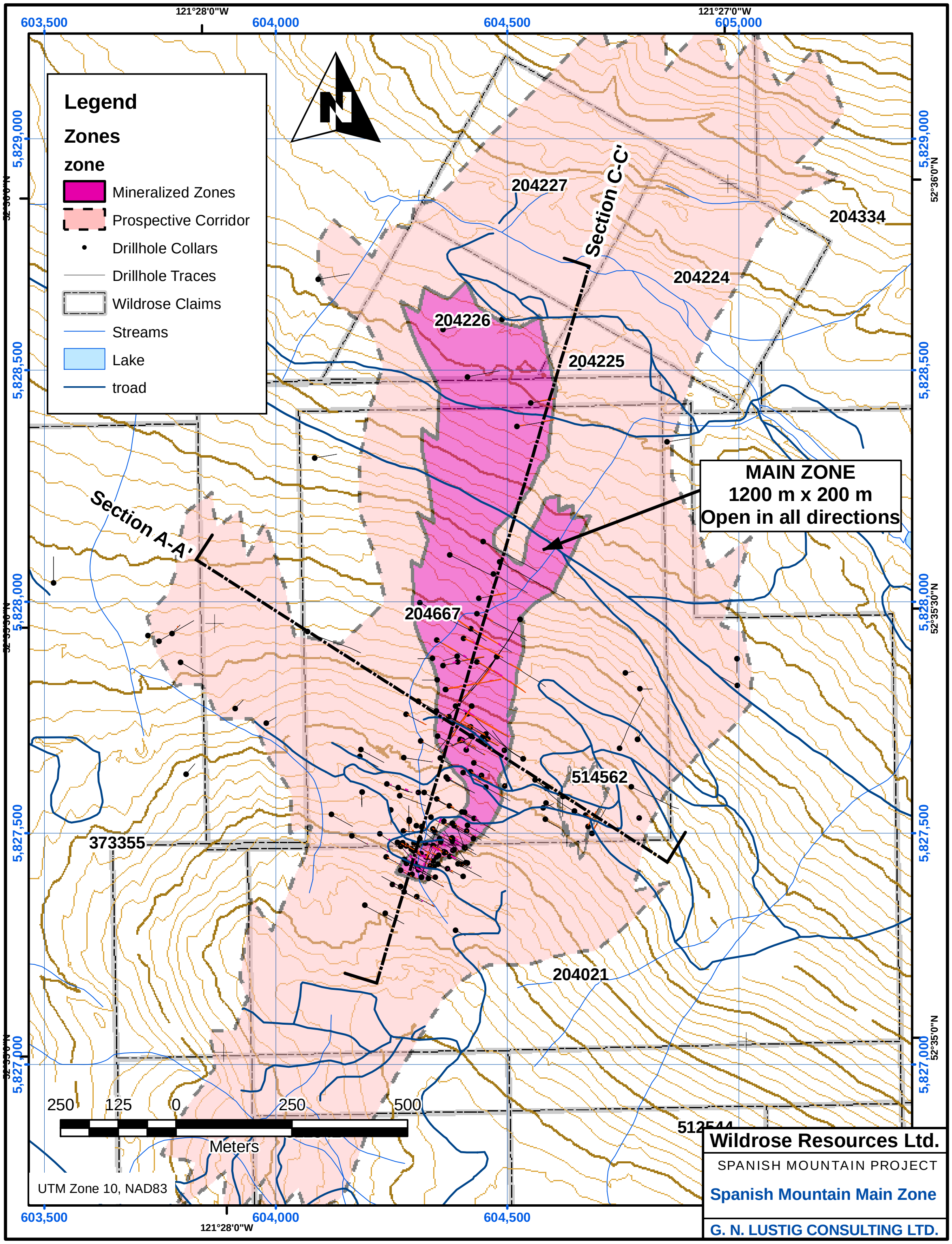

Figure 10 Spanish Mountain Main Zone

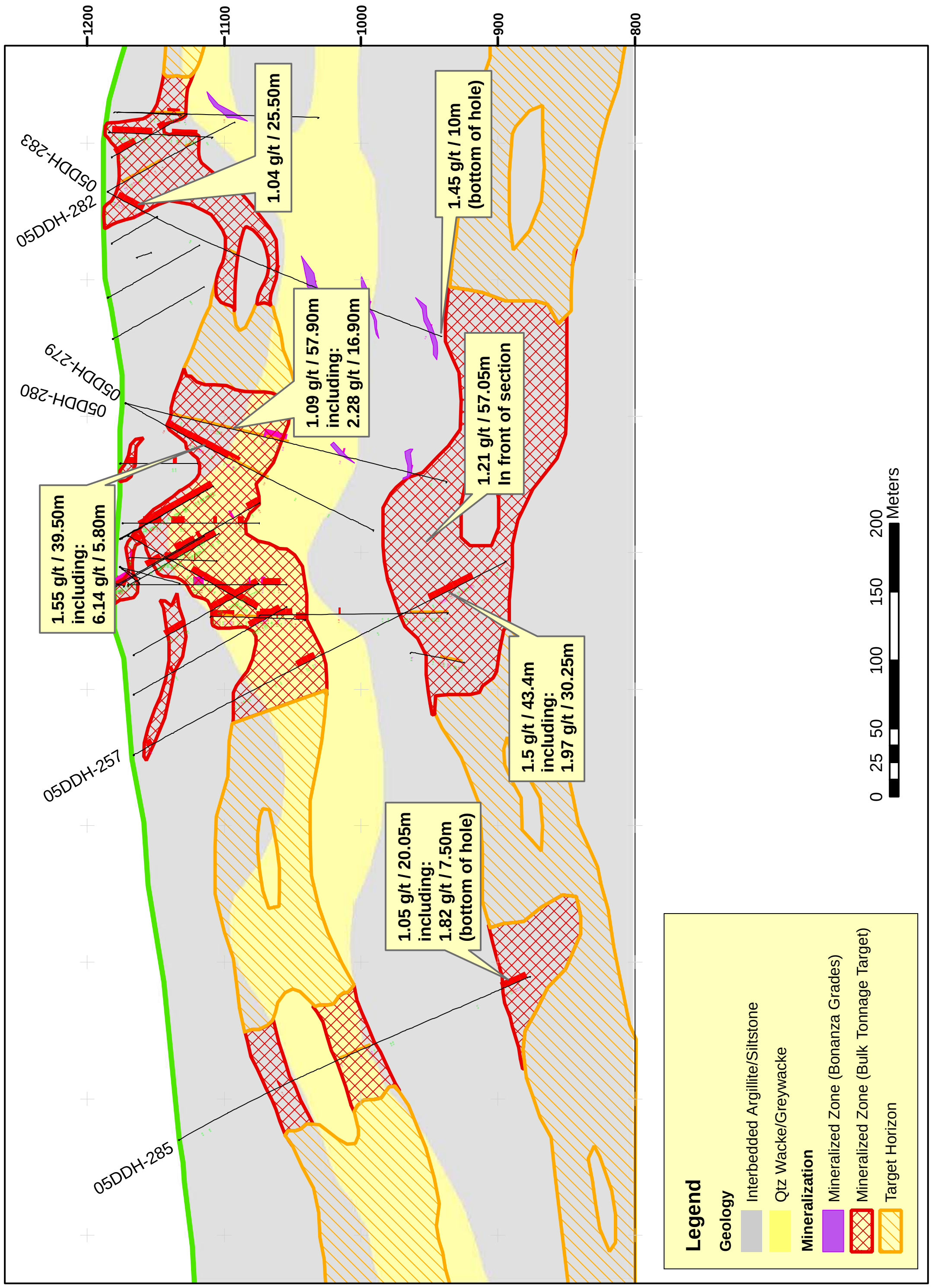

Figure 11 Main zone Schematic Cross Section A-A’ Looking Northeast

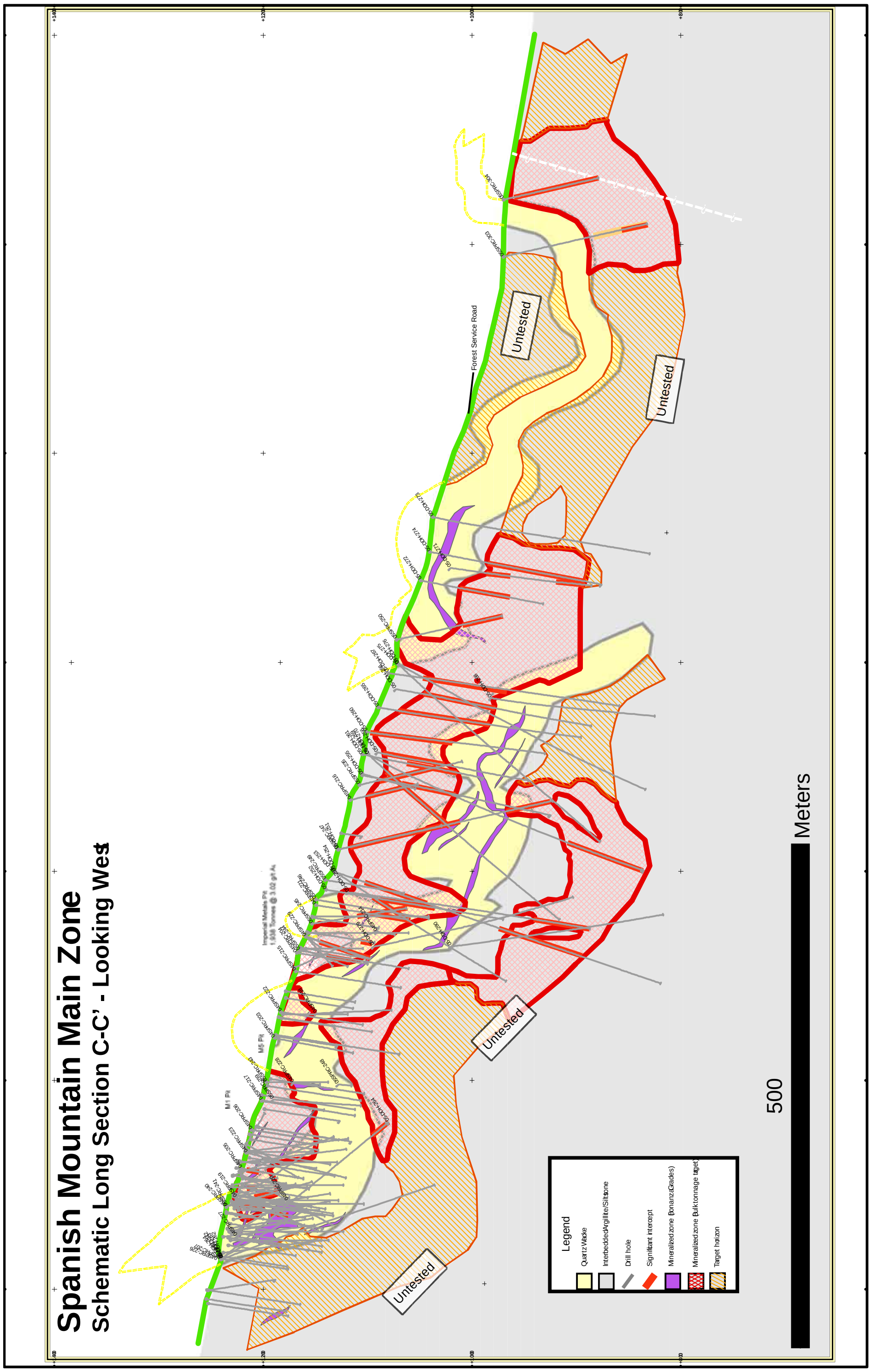

Figure 12 Main zone Schematic Long Section C-C' Looking West

11.0 Sampling Method and Approach

According to Page (2003), “Numerous exploration programs have been carried out on the Spanish Mountain property by a large number of companies, both big and small. There is very little information in the old reports on sampling methods, sample quality and other parameters.” Page also commented “In the opinion of the author, the larger programs run by Mt. Calvery Resources Ltd., Pundata Gold Corporation, Mandusa Resources Ltd., Cyprus Canada Ltd., and Imperial Metals Corporation which this report largely draws upon for information, have been professionally managed and the programs conducted according to accepted industry standards.”

The authors concur with Mr. Page and will, therefore, only comment on the sampling procedures used during the 2003-2005 exploration programs.

During the 2003 soil sampling program, supervised by J.Page, P.Geo., samples were collected from “B” horizon material at depths varying normally between 20-40 centimetres. Care was taken to ensure that the samples were free of surface organic material. The samples were then place in Kraft soil sample envelopes and taken daily to the Likely staff house where they were strung on wires and partially dried prior to shipping to the laboratory

The 2004 trenching and reverse circulation drilling program was also carried out by Mincord under the supervision of Robert Johnston, P.Geo.

“A comprehensive system of QA/QC was conducted as an important part of the 2004 exploration program to ensure the integrity of the results collected. This involved rigorous sample collection and handling procedures.

During the trenching program, samples were collected on sheets of plastic to avoid the loss of soft crumbly material that may contain coarse gold; notably the Aerobar type. The material was then transferred to a numbered plastic sample bag with matching numbered sample tag inside. The plastic sheets were wiped clean between samples. The bags were sealed with a cable lock. An appropriate number of sequential samples were then placed into numbered rice sacks, again sealed with a cable lock, for shipment in lots of 10-40 sacks, to Acme Labs in Vancouver via Van-Kam Freightways in Williams Lake.” (Johnston, 2004)

“During the RC drilling program, samples were collected every 5’ (1.524m) from the cyclone. This was run through a riffle splitter for a first split; half was discarded and other half split again. Both halves of this final split were bagged; one was sent to the lab for analysis as described above, and the other retained as a reject, which was stored on the property. Both the cyclone and splitter were cleaned between samples as best as was possible.” (Johnston, 2004)

Mr. Johnston also supervised the 2005 reverse circulation drilling and used the same procedures as described above. The diamond drilling program was supervised by the author and Pamicon geologists.

During the geological logging of the core, sample intervals were chosen by the geologist.

Intervals were normally three (1.5) metres of core length but often shorter intervals were used in areas of suspected higher-grade material or where geological boundaries were encountered. The beginning and ending of each sample interval was marked with engraved aluminium tags stapled to the core box.

A number of check analyses were carried out on sections of several of the drill holes; both at Acme Lab, and also at ALS Chemex Laboratories. Minor variations occurred locally in the check analyses; some values went up, others went down but the overall Au grade of these sections did not change significantly.

12.0 Sample Preparation, Analysis and Security (Item 15)

Mr. Jay Page, P.Geo. 2003, has compiled of the historical sample testing and analysis by previous operators. Many different laboratories were used and Mr. Page commented.

> "The large number of exploration programs carried out on the property have used many different laboratories and techniques for analysis. Documentation regarding sample preparation, assaying and analytical procedures for many of the programs and laboratories is fragmentary, and for some of the early programs non-existent."
>
> The following laboratories: Acme Analytical Laboratories Ltd., ALS Chemex Laboratories Ltd. (formerly Chemex Laboratories Ltd. and Bondar Clegg) and Assayers Canada (formerly Min-En Laboratories Ltd.) are ISO 9000 certified and have certified professional assayers on staff who supervise all analytical work. Acme Analytical Laboratories Ltd. and ALS Chemex Laboratories Ltd. routinely include analysis of standards and repeat analysis of randomly picked samples for quality assurance and control. All of the above laboratories, including Eco-Tech Laboratories Ltd. are members of laboratory industry associations. All of the major programs since the 1980's have been supervised by professional engineers or geoscientists and the exploration has followed normal industry procedures.
>
> In the opinion of the author, the sample preparation, security of procedures and analytical procedures have followed industry normal and are adequate. In terms of adequacy of sampling, where it is considered inadequate, such as in mineral resource calculations, it is noted as such."

Samples from the 2004 trenching and 2004 and 2005 reverse circulation drilling were all bagged at the trench or drill sites as described in the previous section of this report. The samples were then transported daily to the Likely staff house, by Mincord employees, where they were stored ready for shipment. In 2004, Mincord employees drove the samples to Williams Lake where they were shipped via Van-Kam Freightways to Acme Labs in Vancouver. In 2005, the samples were shipped directly from the Likely staff house via Van-Kam Freightways to EcoTech Labs in Kamloops.

> "All of the rock and RC chip samples were analyzed for metallic gold and 30 element (Group D) ICP.
>
> Sample blanks were inserted into the sample sequence at intervals of approximately 1/20(during trenching). These sample blanks were of unmineralized argillite rocks from the Keithly Creek Road area. A series of four blank samples were submitted as a separate shipment at the beginning of the programme to ensure the absence of anomalous gold values.
>
> As a further check on both the laboratory and the sampling techniques, duplicate samples were collected in the field from various samples in the trenches. These were also collected approximately every 20 samples. Results from the sample blanks and duplicates revealed no problems with the sampling or analyses.
>
> During the drilling, both the cyclone and splitter were cleaned between samples as best as was possible. Mincord's own prepared standards were inserted into the sample stream at a rate of 1/30 as a further check.
>
> In addition to the Mincord QA/QC procedures, Acme Laboratories also carried out their own programme of inserting silica blanks and their own in-house standards and performing repeat analyses." (R. Johnston, PGeo. 2004)

In 2005, all drill core was taken by pickup truck from the drill to a central office and core-handling facility located on the Spanish Mountain property. The core was first logged for recovery and rock quality by a Pamicon technician, and then geologically logged by Robert Falls, Reagen Birch, Bob Singh or Colin Russell, P.Geo.; all employees of Pamicon. Assay intervals were laid out as discussed in Section 12.0. The samples were then cut in half lengthwise with the use of a diamond saw and the sample portion bagged in plastic sample bags. The remaining half of the core was returned to the core box with permanent intervals marked as discussed in the previous section. Assay tags were placed in the bags with the samples and the bags tied with plastic non-removable plastic straps. Individual samples were then bagged in rice bags, which were in turn tied with plastic straps. All samples were taken by a Pamicon employee to the staff house in Likely where they were stored until they were shipped to Eco Tech Labs Ltd. in Kamloops. Samples were either shipped directly by a Pamicon pick-up truck or via Van-Kam Freightways from Williams Lake.

To avoid contamination of samples, the diamond saw was rinsed down and the blade cleaned and sharpened by taking a slice through a concrete brick between each sample.

The remaining and unsampled core was cross stacked at the logging site. It is planned that, during the 2006 program, covered core racks will be constructed for all core

Samples were assayed for gold by screen metallic methods. A 28 element ICP analysis was also run on each sample. In each batch of thirty samples, one gold standard, one blank sample and one duplicate sample was included by Pamicon. Eco Tech Labs carried out a systematic duplicate and re-split assay procedure for their own quality control purposes. In the authors' opinion, the results of both quality control programs were well within acceptable limits.

13.0 Data Verification

R. Darney, P. Geo. was an integral part of the 2005 drilling and sampling program he is completely familiar with the presented data and its validity.

However, because of the volume and nature of the historic data (mainly Minfile reports and copies of old property reports and data, with little original material) used in the history section of this report, much of the sampling and analytical data was not verified. All of the drill core from the pre-Skygold/Wildrose era is missing, as were many original drill logs and assay certificates in Skygold's dataset.

R. Darney personally knows many of the previous authors and geologists and feels with a high degree of confidence that their work was completed in a professional manner. As previously mentioned, portions of the historic drilling data would not meet the standards needed for inclusion in any resource estimations as defined by NI 43-101, but will be sufficient for guiding future exploration. R. Darney also verified all results obtained by Skygold in 2005 by comparing reported assays against certified lab results.

G. Lustig, P. Geo. has not independently sampled and assayed any of the material from the Spanish Mountain Project.

14.0 Adjacent Properties

The Skygold property is virtually surrounded by other claim groups that collectively cover large areas of similar geology. At this time little work has been completed on most of the properties and published information on results is non-existent. Placer gold properties and operations exist on both Cedar and Spanish Creeks. Gold production has been historically recorded but there is little more to add that Mr. Page did not discuss in the history section of his report.

Two mining properties of economic interest are the Mt. Polley Mine 12 km To the SW and the QR deposit 24 km to the WNW. Mt. Polley is an alkalic porphyry copper-gold deposit with reserves of 40,976,902 tonnes @ 0.448% Cu and 0.318 g/t Gold. (Imperial Metals website)

15.0 Mineral Processing and Metallurgical Testing

Since no metallurgical testing has been done since the previous 43-101 report, the following discussion is taken directly from Jay W. Page, P.Geo., April, 2003:

Mineral processing and metallurgical testing has been carried out by several companies on material from the Spanish Mountain property. In 1988, Pundata Gold Corporation had metallurgical testing done by Bacon, Donaldson & Associates, Scotia Systems Inc, and Giant Bay Biotech Inc. Eastfield Resources Ltd. provided two samples to Westmin Resources Ltd for cyanide leach tests in 1994. In 2000, Eastfield submitted a sample of auriferous soil for testwork at Imperial Metals Corporation’s Mount Polly mill, and in addition in 2000, Imperial Metals processed a bulk sample at Mount Polly from the LE zone. References are made to earlier test work done by Coastech Research Inc of North Vancouver, BC and Lakefield Research, Lakefield, Ontario for Teck Corporation in 1985; however, the results of this work are not known to the writer, and are not included in this report.

15.1 1988 Test Work

Pundata Gold Corporation carried out several different types of metallurgical testing in 1988. Five samples of material from the CPW claim were chosen on the basis of testing different characteristics, they are:

TR-M1 – a homogenized composite sample from trench M1 in the Madre zone was made up of composites from 41 panel samples. The material was composed of oxidized, highly fractured, mildly graphitic medium grey, fissile, limonitic shaley siltstone with numerous 1 mm quartz stringers, less than 1% pyrite and an average gold content of 1.13 g/t (Honsinger and Campbell, 1988).

TR-L – a homogenized composite from Trench L in the LE zone, made up from 19 panel samples. It is composed of highly oxidized, moderately fractured, well foliated dark grey siltstone with abundant aerobar patches and minor mariposite altered zones. The average gold grade was 1.82 g/t (Honsinger and Campbell, 1988).

RCH-87-106 - a homogenized sample from reverse circulation drill hole RCH-87-106 in the Madre (Main) zone. It is made up of the samples collected from 7 to 30 m depth. It is composed of unoxidized black, highly graphitic siltstone with minor quartz stringers and 2 to 3% pyrite. The gold content assayed at 1.75 g/t (Honsinger and Campbell, 1988).

RCH-88-110 - a homogenized sample from reverse circulation drill hole RCH-87-110 in the Madre (Main) zone. It is made up of samples obtained from 39 to 49 m depth. The material is composed of dark grey, highly graphitic lithic tuff with up to 5% fine-grained pyrite, minor talc, and minor quartz. The average gold grade was 3.67 g/t (Honsinger and Campbell, 1988).

RCH-88-113 - a homogenized sample from reverse circulation drill hole RCH-87-113 in the LE zone. It is made up of samples obtained from 11 to 23 m depth. The material is composed of unoxidized graphitic shaley siltstone with minor quartz. The average grade was 1.20 g/t (Honsinger and Campbell, 1988). Splits of all five samples were sent to Bacon, Donaldson & Associates of Vancouver, BC and they found that:

- Floation tests indicated that this method did not offer much promise.

- Carbon in leach tests were more satisfactory with 93.6% and 97.5% gold extraction from the oxidized material (TR-M1, TR-L) and 39.3%, 50.8% and 90.7% gold extraction from the unoxidized samples (RCH-87-106, RCH-88-110 and RCH-88-113 respectively).

- Sample RCH-88-110 was subjected to further test which involved a jigging step following grinding. The results indicated a common flow sheet for all samples with gravity concentration (jig) followed by carbon-in-leach cyanidation. The best results had 80.1% of the gold reporting to the jig and 15.4% being recovered by cyanide for a total recovery of 95.5%.

Three splits were sent to Scotia Systems Inc. of Salt Lake, Utah. All three samples (RCH-87-106, RCH88-110, RCH-88-113) contained significant amounts of carbonaceous material and pyrite. The test work by Scotia Systems was to evaluate a flotation concentrate leach process, and to evaluate both direct carbon-in-leach cyanidation and bromine leaching. The results were:

- Bulk sulphide flotation of samples RCH-87-106 and RCH-88-113 recovered ~90% of the gold into cleaned concentrates; however only 60% of the gold was recovered from the highly carbonaceous RCH-88-110.

- Carbon-in-leach cyanidation of each flotation concentrate after regrinding to 400 mesh extracted 83 to 96% of the contained gold.

- Direct carbon-in-leach cyanidation of whole-ore sample RCH-88-113 indicated good gold extraction, with only 0.17 g/t (12.8%) left in the leach residue.

- Bromine Bio'D' leach of sample extracted only 52% of the gold and sodium bromide consumption was very high.

Scotia Systems concluded that carbon in leach of whole ore was the most promising procedure. Bulk sulphide flotation was not as successful, although recoveries were good, due to excessive frothing due to abundant carbon. It was also found that the organic carbon content could retard gold recovery by as much as 40 %. The bromine leaching was unsuccessful. Giant Bay Biotech Inc. of Burnaby, BC conducted preliminary amenability tests on samples RCH-87-106, RCH-88-110 and 113. The tests were under taken to see if sulphur metabolizing bacteria (thiobacillus ferroxidans) could oxidize the pyrite in the samples and deactivate the carbonaceous constituents in the pregnant solution robbing areas. They found that:

- Bioleaching achieved a 92-93% sulphide oxidation in samples RCH-87-106 and RCH-88-110, and 75% oxidation in RCH-88-113.

- Cyanide C-I-L bottle-roll tests showed good gold recoveries, in the mid-80's to mid-90's, were possible without bioleaching, and that bio-oxidation results in only a marginal improvement in gold recovery in 2 out of 3 cases.

15.2 1994 Test Work

In 1994, Eastfield Resources Ltd shipped two samples to Westmin Resources Ltd. for testing in their Premier Gold Plant Facility. The two samples were:

cdn 100 – a 500 gram sample of –20 mesh screened material from colluvium collected from the CPW claim. The average grade was 476.5 grams gold per tonne and 694 grams silver per tonne. This sample contained a small amount of sulphides (Clary, 1994). [Note: no further details are given about how this sample was collected. The reader is cautioned that this is not a typical soil sample from the property]

cdn 300 - a 500 gram sample of –20 mesh screened gravity concentrate from a small pilot wash plant that was constructed to wash auriferous soil from the CPW claim. The average grade was 1326.5 grams gold per tonne and 518 grams silver per tonne (Clary, 1994).{Note: no further details are given about how this sample was collected. It is not stated how much material was washed through the plant to collect this sample.] The objective of the testing was to determine how well the material leached relative to cyanide consumption and to determine the most economical cyanide addition. This work was focussed on the compatibility of the material with the Premier Gold Plant Facility. The leach test results on sample cdn 300 (the gravity concentrate) showed good leachability with 97.6% gold and 82.9% silver recoveries, but were inconclusive on sample cdn 100 (the colluvium sample) because of cyanide depletion, recoveries were 77.9% for gold and 40.6% for silver (Clary, 1994). Clary concluded that both samples exhibited good leaching characteristics at high cyanide levels, but also showed pregnant solution robbing characteristics as well. He recommended that future work concentrate on lowering cyanide consumption, possibly through pre-aeration prior to cyanidation.

15.3 1999 – 2000 Test Work

In 1999, Imperial Metals Corporation optioned the Spanish Mountain property from Wildrose to determine if gold-rich sedimentary rock on the property could be used as mill-feed for their Mount Polly Mine concentrator located 15 km away. Metallurgical testing was carried out in late 1999 on samples from the Madre and LE zones. It was found that when the mineralized siltstone was crushed and screened, the gold was concentrated in the finest size fraction. It was also determined that gold recoveries in excess of 80% could be achieved using a standard flotation process.

Five prospective areas on the property were chosen for evaluation: the Madre, LE, M5, 103 and Dodge zones. The initial objective on the property was to determine if any of the areas had consistent, elevated gold values (greater than 1 gram per tonne). Each site was percussion drilled using an air-track drill in a grid-like, blast pattern. The LE Zone produced the best analytical results; 107 of 201 samples collected graded better than 1 gram per tonne and 153 samples graded better than 0.5 g/t (Robertson, 2001a). The area of the final blast encompassed 103 of these holes and averaged 2.20 g/t gold (Morton, 2002). The LE zone muck was screened into four size fractions with the fine fraction (-3/8”) being trucked to Mount Polley for further grinding and processing.

A total of 64 truck-loads, weighting 1,908 dry tonnes, were trucked to Mount Polley during the period July 24 –29, 2000. The average gold content of this material was found to be 3.02 g/t with a calculated total gold content of 187.55 oz. or 5,762 grams (Robertson, 2001a). The material was fed into the mill at a rate of approximately 50 - 100 tonnes per hour over a 2 day period, comprising a maximum of 10% of the total mill feed. Robertson (2000) reports that gold recovery in the milling circuit was good; however, boosting the amount of pyrite pulled off to increase gold recovery in the flotation circuit had an adverse effect on the copper concentrate grade. As a result it was concluded that the Spanish Mountain material was not suitable for blending with the Mount Polley mill feed. It was not able to enhance the value of the copper concentrate because the added precious metals credits were more than offset by the reduced copper grade due to dilution by pyrite.

In 2000, also tested at this time was the effect of pre-screening on the auriferous soil stockpiled by Renoble Holdings in 1993, and if pre-screening was successful could the soil be considered for processing with the hard rock mineralization. A composite sample was collected by taking a shovel full of material from a 50 cm depth from six locations around the base of the stockpile. An assay of the sample gave a grade of 0.43 g/t (Robertson, 2001b). After screening it was found that 81.3% of the gold had passed through a 10-mesh screen in 49.4% of the sample weight (Robertson, 2001b). A 10-mesh screen was thought to be the minimum size that could be screened on the site; however, because material of this size was already too small to be added to the hard rock material, any consideration of processing the placer/ auriferous soil material would require a separate mill circuit from the hard rock, or a wet screening process would be needed.

16.0 Mineral Resource and Mineral Reserve Estimates

Mt. Calvery Resouces Ltd. in 1985 and Pundata Gold Corporation in 1988 both attempted preliminary reserve estimates. At the time, drilling on the property was limited and the overall geometry of the deposit was not fully understood. **The methods and parameters used for their mineral resource and reserve calculations differ from those in use today and, therefore, these resource estimates would not comply with the current definitions of resource/ore reserves used in NI 43-101.**

17.0 Other Relevant Data and Information

This section is not applicable to this report.

18.0 Interpretation and Conclusions

The Spanish Mountain property covers a very large area that is underlain by rocks favourable to host sediment-hosted and vein style gold deposits. Historical exploration of the property has led to the discovery of numerous mineralized zones some of which still remain under-explored. The known mineralized zones have been regrouped into a favourable mineralized corridor referred to as the Main zone (formerly the Madre). This has been further subdivided into South Main zone (M1, M5, etc.), Central Main zone (LE zone) and the North Main zone (Dodge zone). The corridor is approximately 1200 m by 200 m in size, unexplored and therefore open in all directions.

Work on the Spanish Mountain property since 2003 has provided data necessary to recognize the overall potential of the property. Historical work, although not confined to, was focussed primarily on the gold bearing quartz vein potential in the South Main zone area. Recent reverse circulation drilling recognized broad zones of gold mineralization not necessarily associated with abundant quartz veining. Follow-up surface mapping and diamond drilling has indicated that gold mineralization is associated with large areas of interbedded siltstone and black argillaceous rocks.

The four phases of deformation have intensely folded and faulted the more ductile argillaceous rocks, which have flowed around fractured blocks of the more brittle greywacke beds. Quartz, likely mobilized from the sediments during deformation, is seen repetitively folded and remobilized during subsequent periods of deformation. This remobilization has possibly caused some upgrading of the gold mineralization especially in fold hinges, bedding plane shearing and cross-cutting fault structures. With the intensity of the deformation, these structures are common and close spaced especially within the Main zone.

Further exploration is necessary to fully understand the potential of the property.

19.0 Recommendations

An aggressive exploration program consisting of geologic mapping, geochemical surveying and diamond drilling is recommended for the Spanish Mountain property during the 2006 field season. This program should include:

- infill drilling within the Main Zone to provide better controls on mineralization for completing a preliminary resource estimate by the end of 2006
- step out drilling to expand the known limits of the Main Zone
- regional drilling to test outside targets based on exiting geochemical evidence
- regional geochemistry and geology on unexplored areas within the remaining property area
- geophysics
- metallurgical testing
- on going data compilation and 3-D modelling of geological data
- detailed aerial photography
- continued surveying of historical and current drillholes.

20.0 Budget for 2006 Program

ITEM	Amount	
WAGES		
Manager	$82,000	
Sr. Geologists	$162,000	
Jr. Geologists	$150,000	
Samplers	$125,000	
Core Cutters	$81,000	
Labourer	$50,000	
Sub total		**$650,000**
RENTALS		
Field Equipment	$10,000	
Generator	$7,000	
Trailers	$15,000	
Miscellaneous	$4,000	
Truck Rental	$44,000	
Sub total		**$80,000**
SUBCONTRACTS		
Surveying	$13,000	
Drilling (30,000 m)	$2,260,000	
Assays (20,000 core samples)	$755,000	
Assays (2,000 geochem samples)	$30,000	
Assays (800 rock samples)	$30,000	
Metallurgy	$50,000	
Airphotos	$25,000	
Helicopter	$20,000	
Excavator	$62,000	
Cat 850	$30,000	
Waterline	$25,000	
Sub total		**$3,300,000**
MATERIALS, SUPPLIES AND SUPPORT		
Meals	$80,000	
Hotel	$60,000	
Staff House&Support	$30,000	
Travel & Accom.	$15,000	
Core Racks	$13,000	
Core Facility	$7,000	
Core Boxes	$55,000	
Field Supplies	$5,000	
Fuel	$35,000	
Freight	$25,000	
Radios&Communication	$15,000	
Office, copying etc.	$10,000	
Sub total		**$350,000**

CONTRACT FEES	**$370,000**
CONTINGENCY	**$450,000**
TOTAL BUDGET	**$5,200,000**

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APPENDIX 1

Statements of Qualification

Certificate of Qualified Person

I, Gary Norman Lustig, P. Geo do hereby certify that:

1. I am a geologist and president of G. N. Lustig Consulting Ltd. with offices at 1637 Springhaven Place, Kamloops, BC, Canada V2E 1C7;

2. I graduated with a degree of Bachelor of Science (Advanced) in geology from the University of Saskatchewan in 1973. In addition, I obtained a Master of Science in geology in 1979 from the University of Manitoba.

3. I am registered with the following statutory professional organizations:
   - Professional Geoscientist (P. Geo.) with The Association of Professional Engineers and Geoscientists of the Province of British Columbia as Member - Reg. No. 20462
   - Professional Geologist (P. Geol.) with The Association of Professional Engineers, Geologists and Geoscientists of the Northwest Territories as Licensee - Reg. No. L908
   - Professional Engineer (P. Eng.) with The Association of Professional Engineers and Geoscientists of Saskatchewan as Member - Cert. No. 4392

4. I have worked as a geologist for a total of 33 years, including 2 years in which I was in full-time graduate studies. I have worked on a variety of mining and exploration projects in Canada, United States, Mexico, Spain, Australia, Papua New Guinea, Indonesia, South Africa and Chile.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the preparation of all sections of the technical report titled "*2005 Drilling Summary with Recommendations for Exploration on the Spanish Mountain Property*", dated June 27, 2006 relating to the Spanish Mountain property. I visited the Spanish Mountain property in 2005 for 1 day and reviewed exploration data, visited mineralized bedrock exposures and examined drill core.

7. My prior involvement with the property that is the subject of the Technical Report was a visit and review of the Property as a consultant to Placer Dome (CLA) Ltd..

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

9. I am independent of Wildrose Resources Ltd., applying the test of Section 1.4 of National Instrument 43-101.

10. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated on July 24, 2006

Gary N. Lustig, M.Sc. P. Geo.

Gary N. Lustig
G. N. Lustig Consulting Ltd.
1637 Springhaven Place
Kamloops, BC
V2E 1C7

Phone/Fax: (250) 374-5138
Email: gnlustig@geo-xplore.com

Consent of Author

To: TSX Venture Exchange, British Columbia Securities Commission, Ontario Securities Commission, Alberta Securities Commission:

I, Gary Lustig, do hereby consent to the filing of the written disclosure of the technical report titled "*2005 Drilling Summary with Recommendations for Exploration on the Spanish Mountain Property*" and dated June 27, 2006 (the "Technical Report") and any extracts from or a summary of the Technical Report in the Filing Statement of Wildrose Resources Ltd., and to the filing of the Technical Report with the securities regulatory authorities referred to above.

I also certify that I have read the written disclosure being filed and I do not have any reason to believe that there are any misrepresentations in the information derived from the Technical Report or that the written disclosure in the [insert type of disclosure document (i.e. prospectus, AIF, etc.)] of [insert name of company making disclosure] contains any misrepresentation of the information contained in the Technical Report.

Dated this 24th Day of July, 2006.

____

Gary N. Lustig M.Sc. P. Geo.

STATEMENT OF QUALIFICATIONS

I, **Robert J. Darney**, of 6276 Sunshine Coast Highway, Sechelt, V0N 3A7, in the Province of British Columbia, (Tel. (604) 885-2676)

DO HEREBY CERTIFY:

1. THAT: I am a consulting Geologist with offices at Suite 615-800 West Pender Street, Vancouver, B.C. Canada, V6C 2V6. (Tel. (604) 684-5901, Fax. (604) 684-0279, E-mail bdarney@amemining.com.

2. THAT: I am a member of the association of Professional Engineers and Geoscientists of the Province of British Columbia. (reg. no. 19716)

3. THAT: I graduated from the University of British Columbia in 1967 with a Bachelor of Science Degree in Geology, and that I have practiced my profession continuously since that year.

4. THAT: My experience has encompassed a wide range of geological environments in Canada and the United States of America. I am familiar with the geology of the Likely region having made several property inspections, both placer and lode and also conducted exploration programs in areas surrounding the Mt. Polley alkalic porphyry copper-gold deposit. My thirty-six years of experience has allowed me to be involved in the design, budgeting and field execution of numerous exploration programs in Canada and the United States of America.

5. THAT: As a result of my experience and qualifications I am a qualified person as defined in N.I. 43-101.

6. THAT: During July to November 2005 I was on site and assisted in the execution of a diamond drilling program on the Spanish Mountain property. Since then, I have worked intermittently on data compilation, interpretation and report preparation.

7. THAT: This report was prepared by myself with the aid of Mr. Bob Singh, Mr. Rob Falls and Mr. Colin Russel, PGeo. who were also employed on the project drill program and assisted in much of the geological interpretation.

8. THAT: I have reviewed the titles of the mineral claims through the British Columbia Ministry of Energy and Mines. During the site visit, individual claim posts were not inspected. I have also read the Spanish Mountain Property Acquistion documents in Skygolds' possession.

9. THAT: I am a shareholder of Skygold Ventures Ltd. and also a principal of a contracting firm that the president of Skygold is also a partner of and therefore I am not an "Independent" Qualifed Person in respect of this report

10. I have read National Instrument 43-101 and Form 43-101F, and that the technical report has been prepared in compliance with this Instrument and Form 43-101F

DATED at Vancouver B.C. this 24th day of July, 2006

Robert J. Darney, P.Geo.

APPENDIX 2

Assay Methods

Eco Tech Laboratory Ltd.

GOLD ASSAY

Samples are sorted and dried (if necessary). The samples are crushed through a jaw crusher and cone or rolls crusher to –10 mesh. The sample is split through a Jones riffle until a –250 gram sub sample is achieved. The sub sample is pulverized in a ring & puck pulverizer to 95% - 140 mesh. The sample is rolled to homogenize.

A 30 g sample size is fire assayed using appropriate fluxes. The resultant dore bead is parted and then digested with aqua regia and then analyzed on a Perkin Elmer AA instrument.

Appropriate standards and repeat sample (Quality Control Components) accompany the samples on the data sheet.

Eco Tech Laboratory Ltd.

Analytical Procedure Assessment Report

METALLIC GOLD ASSAY

Samples are catalogued and dried. Rock samples are two stage crushed to minus 10 mesh, then split to achieve a 1000 gram (approximate) sub sample. The sample is pulverized to 95% -140 mesh. The sample is weighed, then rolled and homogenized and screened at 140 mesh.

The –140 mesh fraction is homogenized and 2 samples are fire assayed for Au. The +140 mesh material is assayed entirely. The resultant fire assay bead is digested with acid and after parting is analyzed on a Perkin Elmer atomic absorption machine using air-acetylene flame to .03 grams/t detection limit.

The entire set of samples is redone if the quality control standard is outside 2 standard deviations or if the blank is greater than .015 g/t.

The values are calculated back to the original sample weight providing a net gold value as well as 2-140 values and a single +140 mesh value.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and or mailed to the client.

Eco Tech Laboratory Ltd.

Analytical Procedure Assessment Report

MULTI ELEMENT ICP ANALYSIS

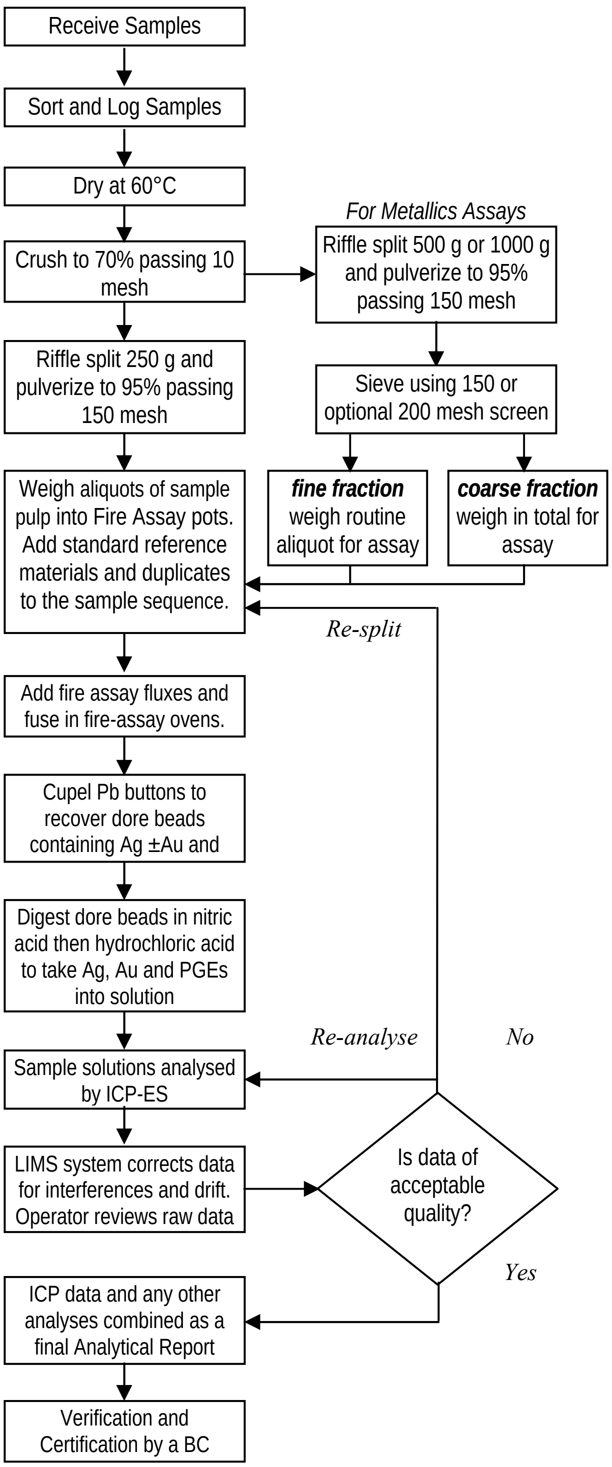
A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H20) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

Results are collated by computer and are printed along with accompanying quality control data (repeats and standards). Results are printed on a laser printer and are faxed and/or mailed to the client.

	Detection Limit					Detection Limit				
			Low		Upper				Low	Upper
Ag	0.2ppm	30.0ppm		Fe	0.01%		10.00%			
Al	0.01%		10.0%			La	10ppm		10,000ppm	
As	5ppm		10,000ppm		Mg	0.01%		10.00%		
Ba	5ppm		10,000ppm		Mn	1ppm		10,000ppm		
Bi	5ppm		10,000ppm		Mo	1ppm		10,000ppm		
Ca	0.01%		10,00%		Na	0.01%		10.00%		
Cd	1ppm		10,000ppm		Ni	1ppm		10,000ppm		
Co	1ppm		10,000ppm		P	10ppm		10,000ppm		
Cr	1ppm		10,000ppm		Pb	2ppm		10,000ppm		
Cu	1ppm		10,000ppm		Sb	5ppm		10,000ppm		
Sn	20ppm		10,000ppm							
Sr	1ppm		10,000ppm							
Ti	0.01%		10.00%							
U	10ppm		10,000ppm							
V	1ppm		10,000ppm							
Y	1ppm		10,000ppm							
Zn	1ppm		10,000ppm							

METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE
GROUP 6 – PRECIOUS METALS ASSAY

Analytical Process



Comments

Sample Preparation

Rock and drill core are jaw crushed to 70% passing 10 mesh (2 mm), a 250 g riffle split is then pulverized to 95% passing 150 mesh (100 μm) in a mild-steel ring-and-puck mill. One assay ton aliquots (29.2 g) are weighed into fire assay crucibles. Option for 2 assay-ton aliquots is available on request. Smaller aliquots of ¼ or ½ assay ton may be required with difficult ore matrices.

Metallics Assay: A 500 g reject split (or optional 1000 g) is pulverized to 95% passing 150 mesh. Screening the pulp gives a fine and coarse fraction (containing any coarse gold) for assaying.

Sample Digestion

The sample aliquot is custom blended with fire assay fluxes, PbO litharge and a Ag inquart. Firing the charge at 1050°C liberates Au ± PGEs that report to the molten Pb-metal phase. After cooling the Pb button is recovered placed in a cupel and fired at 950°C to render a Ag ± Au ± PGEs dore bead. The bead is weighed and parted (i.e. leached in 1 mL of hot HNO_3) to dissolve Ag leaving a Au sponge. Adding 10 mL of HCl dissolves the Au ± PGE sponge. A Rh fire assay requires inquarting with Au.

Sample Analysis

Solutions are analysed for Ag, Au, Pt, Pd and Rh on a Jarrel-Ash Atomcomp model 975 ICP emission spectrometer. Au in excess of 30 g/t forms a large sponge that can be weighed (gravimetric finish). Ag in excess of 300 g/t is reported from the fire assay solution otherwise a separate split is digested in aqua regia and analysed by ICP-ES.

Metallics Assay: The coarse fraction is assayed in total. An aliquot of the fine fraction is assayed. Results report the total Au in the coarse fraction, the fine-fraction Au concentration and a weighted average Au concentration for the entire sample.

Quality Control and Data Verification

An Analytical Batch (1 page) comprises 34 samples. QA/QC protocol incorporates a sample-prep blank (SI or G-1) as the first sample carried through all stages of preparation to analysis, a pulp duplicate to monitor analytical precision, a -10 mesh rejects duplicate to monitor sub-sampling variation (drill core only), two reagent blanks to measure background and aliquots of in-house Standard Reference Materials like STD AU-1, AG-2 or FA-10R to monitor accuracy.

Raw and final data undergo a final verification by a British Columbia Certified Assayer who signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong, other certified assayers are Leo Arciaga, Ken Kwok, Marcus Lau, Dean Toye and Jacky Wang.

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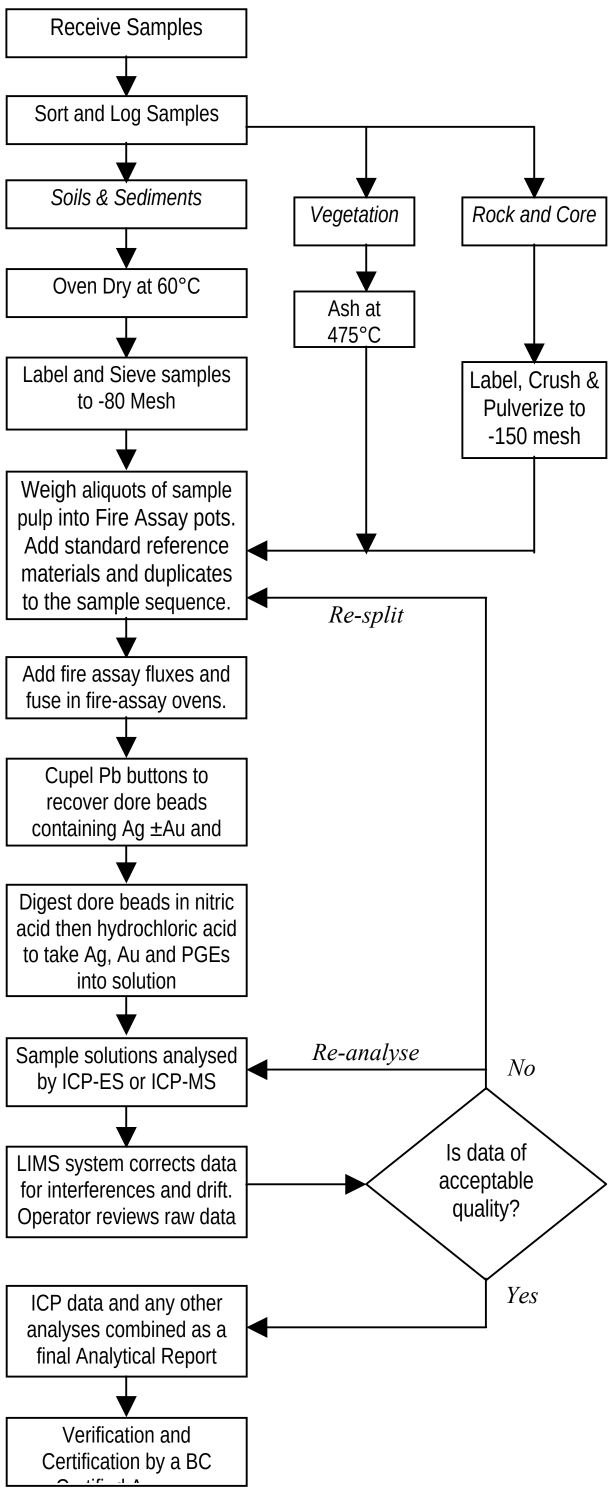
METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE
GROUP 3B & 3B-MS - PRECIOUS METALS BY FIRE GEOCHEM

Analytical Process



Comments

Sample Preparation

All samples are dried at 60°C. Soil and sediment are sieved to -80 mesh (-177 µm). Moss-mats are disaggregated then sieved to yield -80 mesh sediment. Vegetation is pulverized or ashed (475°C). Rock and drill core is jaw crushed to 70% passing 10 mesh (2 mm), a 250 g riffle split is then pulverized to 95% passing 150 mesh (100 µm) in a mild-steel ring-and-puck mill. Pulp splits of 30 g are weighed into fire-assay crucibles.

Sample Digestion

The sample aliquot is custom blended with fire assay fluxes, PbO litharge and a Ag inquart. Firing the charge at 1050°C liberates Au ±PGEs that report to the molten Pb-metal phase. Once cooled the Pb button is recovered then fired in a MnO cupel at 950°C to render a Ag ±Au ±PGE dore bead. The bead is weighed and parted (i.e. leached in 1 mL of hot HNO_3) to dissolve Ag then 10 mL of HCl is added to dissolve the Au ± PGEs. A Rh fire assay requires inquarting with Au for quantitative analysis.

Sample Analysis

Group 3B: Solutions analysed by a Jarrel Ash Atom-Comp 975 ICP-ES determine Au only. Analyses on a Perkin Elmer Elan 6000 ICP-MS determine Au, Pt and Pd.
Group 3B-MS: Lower Au, Pt and Pd detection limits are achieved by a longer determination time on the Elan 6000 ICP-MS.
Rh by Au inquart gives a quantitative analysis. Rh by Ag inquart is semi-quantitative owing to the limited solubility of Rh in Ag.

Quality Control and Data Verification

An Analytical Batch (1 page) comprises 34 samples. QA/QC protocol incorporates a sample-prep blank (SI or G-1) carried through all stages of preparation and analysis as the first sample, a pulp duplicate to monitor analytical precision, a -10 mesh rejects duplicate to monitor sub-sampling variation (drill core only), two reagent blanks to measure background and aliquots of in-house Standard Reference Materials like Au-S, Au-R, Au-1 or FA-10R and FA-100S monitor accuracy. Group 3B-MS incorporates new crucibles and additional reagent blanks to permit accurate analysis at very low concentration levels.

Raw and final data undergo a final verification by a British Columbia Certified Assayer who signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong, other certified assayers are Leo Arciaga, Ken Kwok, Marcus Lau and Jacky Wang.

Document: Method and Specifications for Group 3B-MS.doc	Date: June 7, 2005	Revised by: T. Ferguson