

:
National Policy 43-101 Report

EXTRA HIGH PROPERTY

KAMLOOPS MINING DIVISION
BRITISH COLUMBIA, CANADA

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Report for: Lucky 1 Enterprises Inc.

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0.0 SUMMARY

The Extra High 1 – 19, 21 – 31 claims are located on Samatosum Mountain, 60 km north of Kamloops, British Columbia, Canada. They are immediately south of the formerly producing Samatosum mine and Rea Gold prospect and are believed to be underlain by the southerly continuation of the volcanosedimentary formations that host those deposits.

Mineral deposits in the Samatosum Mountain area have been classified as volcanogenic massive sulphide deposits of the Noranda/Kuroko type. Principal mineral values are silver, gold, lead, copper and zinc. Mineral zones are stratabound and somewhat distorted and disrupted by folding and faulting and are commonly enclosed in distinctive alteration envelopes of pyritization, sericitization and dolomitization. The Samatosum deposit is essentially quartz-hosted, possibly including parts of a stockwork “feeder”, whereas Rea Gold lenses vary from massive to disseminated sulphides in barite and/or silica gangue.

The Extra High claims cover parts of the former Kamad Silver property and have been explored by geological mapping, geochemical grid sampling, electromagnetic surveys, trenching and diamond drilling. Several massive sulphide lenses have been identified on the property, in particular, in the K-7 and Twin 3 zones. The K-7 zone has length approximately 200 metres on surface and a “resource”, ***not compliant with the CIM Standard Definition***, from surface to 150 metres depth that has been calculated as 375,000 tonnes grading 4.0 g/tonne gold, 55 g/tonne silver, 0.5% copper, 4.8% lead and 6.1% zinc. The Twin 3 massive sulphide lens, located 1 km southeast of, and in the same stratigraphy as, K-7, has been drilled to shallow depths with one 1.83 metre wide drill hole intercept that averaged 30.86 g/tonne gold, 250.79 g/tonne silver, 0.24% copper, 2.1% lead and 0.77% zinc [***these figures have not been confirmed by the writer and should not be accepted as being more than indicative of metal values that may be present in the Twin 3 zone***}. Follow-up drill holes in the vicinity did not encounter any significant mineralization.

The favourable geology and mineralization that have been explored, mostly at shallow depths, on the Extra High claims combine to create exciting exploration possibilities. Previous operators have left a valuable data base of geological, geochemical and geophysical information, as well as much analytical and sub-surface data from diamond drilling efforts. Several massive sulphide lenses are present on the claims but continuity is

elusive due to faulting and folding. Impressive metal values are tempered by apparently small dimensions but larger bodies may be present both near surface and at greater depths than have been probed in the past by electromagnetic surveys and diamond drill holes.

It appears that several geologically promising parts of the Extra High claims have not been adequately tested by previous work programs. The known mineral zones have very attractive metal values, fully worthy of further work in search of their continuations laterally, at depth and in possible faulted offset locations. Additional zones of similar character may be found by careful prospecting, geophysical surveys and other technical work, particularly in the recently logged areas.

A two-phased program of exploration on the Extra High claims is proposed and recommended. Phase 1 work should include a thorough and careful compilation of all available technical data, prospecting and geological mapping, a limited geophysical program employing deep-penetrating electromagnetic techniques, trenching to expose bedrock in critical areas, and a 1750 metre program of six or seven diamond drill holes. Drilling will be directed, in part, to the K-7 zone where unsubstantiated statements suggest that a resource of major size and value may occur. If that zone can be confirmed, and possibly expanded, it may be possible to up-grade that presently ill-defined resource to an inferred category. ***[Note: There is no guarantee that the proposed work will achieve that objective.]*** The anticipated cost of Phase 1 is \$325,000.

Phase 2 will be contingent upon positive results from Phase 1 and will comprise additional technical surveys, both geological and geophysical, and more diamond drill holes in and close to the K-7 and Twin 3 zones as well as in areas of potential that may be recognized in Phase 1 work. Phase 2 work may cost \$425,000.

1.0 INTRODUCTION AND TERMS OF REFERENCE

This report discusses the history and current status of the Extra High property and recommends programs of work to continue the exploration of that property. The claims have been optioned by Lucky 1 Enterprises Inc. of Vancouver, B. C. from Mr. R. C. Wells, of Kamloops, B. C. The writer was engaged by Lucky 1 to review the data, conduct a site visit and, if appropriate, prepare recommendations for further exploration of the property. He was given access to the company's property data, and he met with the vendor on March 30 and 31, 2004, at which time he was given additional information in the form of technical reports prepared by previous owners. A site visit, with the assistance of Mr. Paul Watt of Kamloops, B. C., was undertaken on April 1, 2004.

2.0 DISCLAIMER

The author of this report conducted a field visit to the Extra High 1 – 4, 6, 8, 9, 11, 13 and 15 claims on April 1, 2004. Mr. Paul Watt of Kamloops, B. C. acted as guide to the areas of principal mineral occurrences and recounted some details regarding nearby mineral deposits, including the Samatosum mine. Snow conditions in the upper parts of the property were unfortunately and unexpectedly adverse and, in addition, previous operators had been obligated by mineral exploration guidelines to reclaim worksites by backfilling some of the trenches: consequently it was not possible to carry out a thorough field examination of the mineral occurrences.

The author, in preparing this report, has relied upon data from several sources. A large amount of regional scale geological information has been gathered and reported by geoscientists of the Ministry of Energy and Mines and the Geological Survey of Canada. Technical reports, including assessment reports prepared for submission to Mineral Titles Branch, and in-house annual summary reports, all by qualified geoscientists employed in the private sector, were of particular value in developing an understanding of work done on what is now the "Extra High" property. Even though these reports are thought to be fully reliable and comprehensive with respect to details of data acquisition, processing and interpretation, they were all prepared many years ago and, for many reasons, may not have disclosed details of all work that was completed.

The author has endeavoured in the text to acknowledge sources of information derived from the work of other geoscientists and provides in the References section (Section 20.0) a detailed listing of reports, maps and technical papers that were used in preparing this report.

3.0 PROPERTY DESCRIPTION AND LOCATION

The Extra High property is located on the southwest side of Samatosum Mountain in the Shuswap Highlands of central British Columbia (figures 1, 2, and 3) and comprises thirty located mineral claims as detailed in Table 1 and as illustrated in Figure 3 of this report. The property has been acquired by Lucky 1 Enterprises Inc. by an agreement that permits Lucky 1, by making cash payments and by incurring \$500,000 in exploration expenditures on the claims, to acquire a 100% interest, subject only to a 1½% net smelter return royalty as defined in the agreement. Lucky 1 may, at any time, purchase 50% of the NSR royalty by paying the vendor \$500,000.

The Extra High claims are approximately 60 km north of Kamloops and 22 km east of the town of Barriere. The north end of the property is located a few hundred metres south of the former Samatosum mine. Access to the claims is provided by the Squaam (Agate) Bay road and thence northerly by a network of logging roads, both active and inactive. Alternatively, access may be gained by following the road that serviced the now-inactive Samatosum mine.

The claims extend from the near vicinity of the Samatosum mine at elevation 1615 metres, southerly across gently to moderately steeply sloping forested (and recently logged) sidehills to elevation 1200 metres. Claims convey mineral but not surface rights and may be retained by performance and recording of “annual labour” or by paying cash in lieu of that work. Records indicate that the Extra High claims will expire in 2005 but it is expected that work will be performed and recorded during the current year to extend that expiry date.

TABLE 1 - Claims

Claim Name	Units	Tenure No.	Current Expiry Date
Extra High 1	1	376044	May 6, 2005
Extra High 2	1	376045	May 6, 2005
Extra High 3	1	376046	May 6, 2005
Extra High 4	1	376047	May 6, 2005
Extra High 5	1	409315	April 5, 2005
Extra High 6	1	376049	May 6, 2005
Extra High 7	1	409316	April 5, 2005
Extra High 8	1	376051	May 6, 2005
Extra High 9	1	376610	May 6, 2005
Extra High 10	1	409317	April 5, 2005
Extra High 11	1	376612	May 6, 2005
Extra High 12	1	409318	April 5, 2005
Extra High 13	1	376614	May 6, 2005
Extra High 14	1	409319	April 5, 2005
Extra High 15	1	376616	May 6, 2005
Extra High 16	1	409320	April 5, 2005
Extra High 17	1	409321	April 5, 2005
Extra High 18	1	409322	April 5, 2005
Extra High 19	1	409323	April 5, 2005
Extra High 21	1	409324	April 5, 2005
Extra High 22	1	409325	April 5, 2005
Extra High 23	1	409327	April 5, 2005
Extra High 24	1	409327	April 5, 2005
Extra High 25	1	409328	April 5, 2005
Extra High 26	1	409329	April 5, 2005
Extra High 27	1	409330	April 5, 2005
Extra High 28	1	409331	April 5, 2005
Extra High 29	1	409332	April 5, 2005
Extra High 30	1	409333	April 5, 2005
Extra High 31	1	409334	April 5, 2005

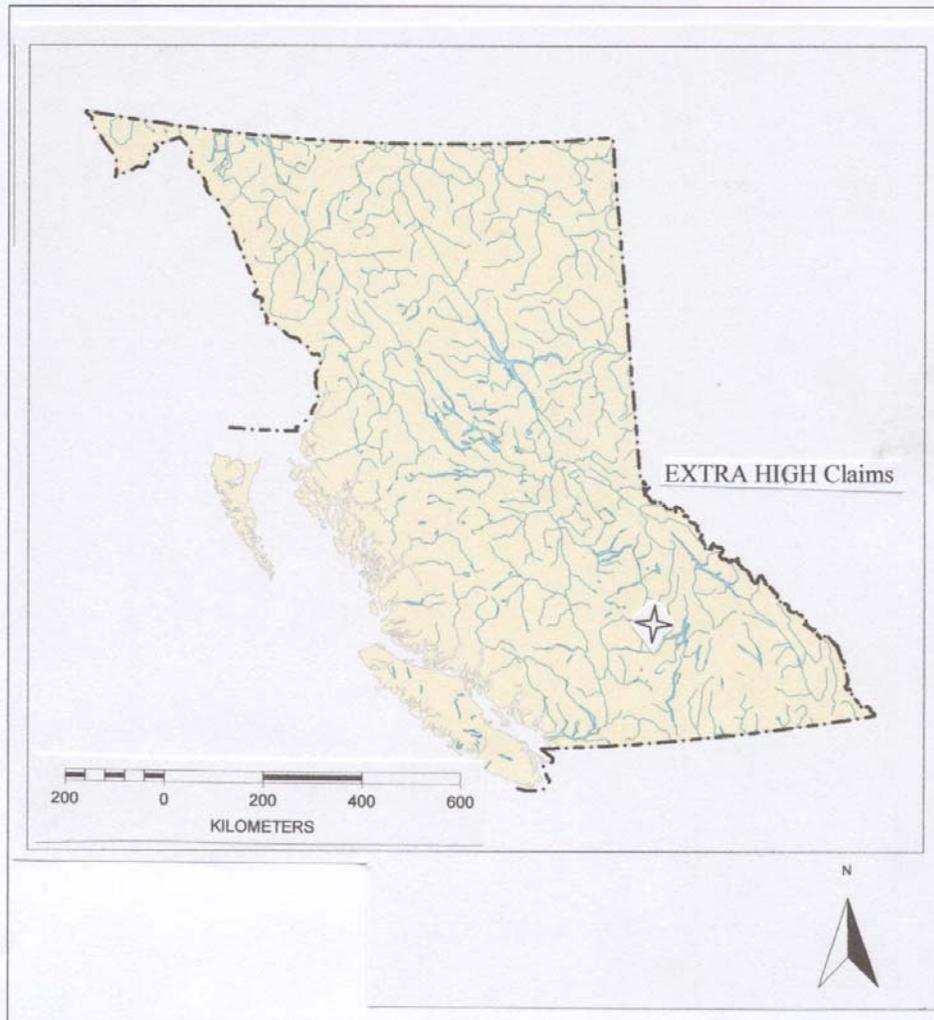


FIGURE 1 Location Map – EXTRA HIGH Claims
Kamloops M.D., B. C.

To accompany report by E. Ostensoe, P. Geo.

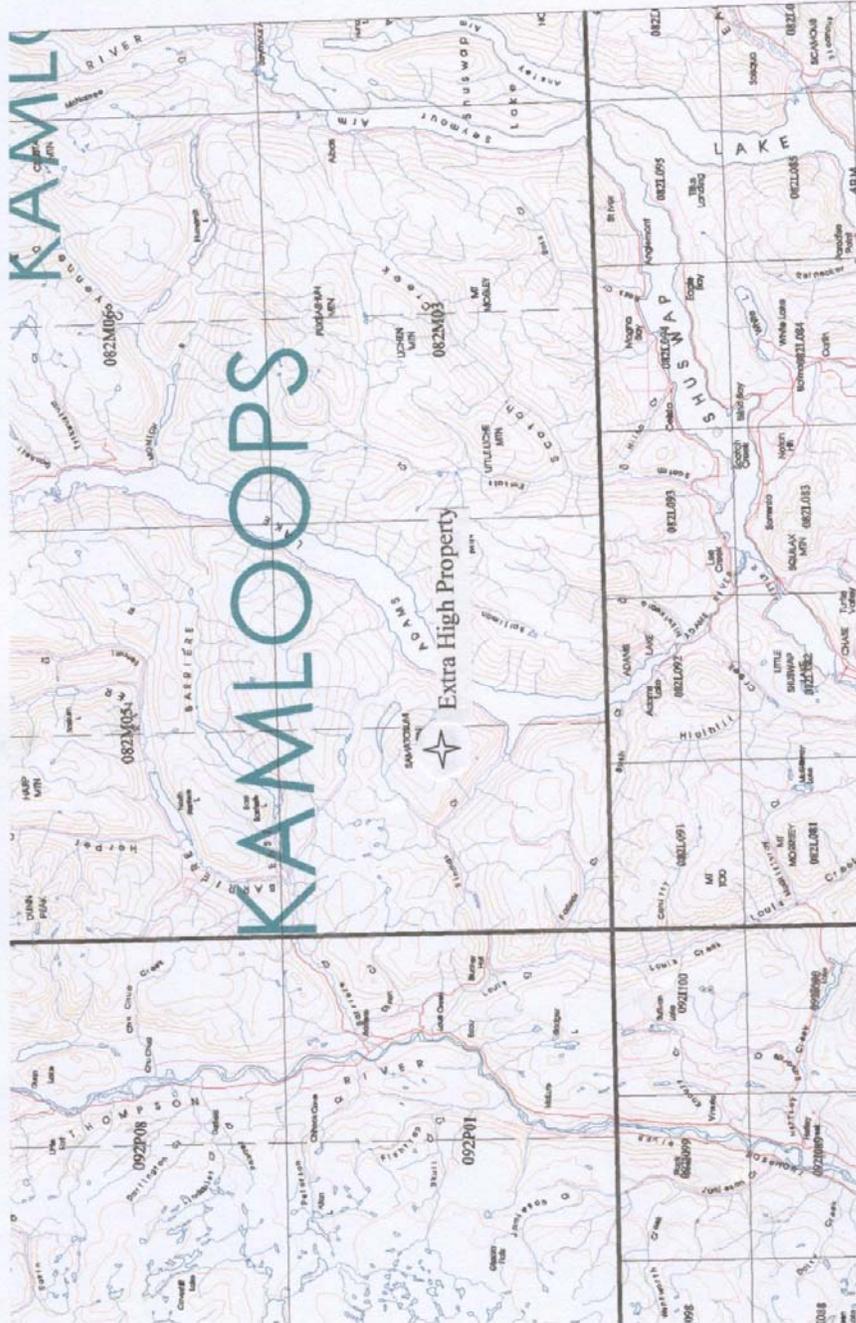


Figure 2. Location Map – Extra High Property
Kamloops M. D., B. C.
To accompany report by E. Ostensoe, P. Geo.

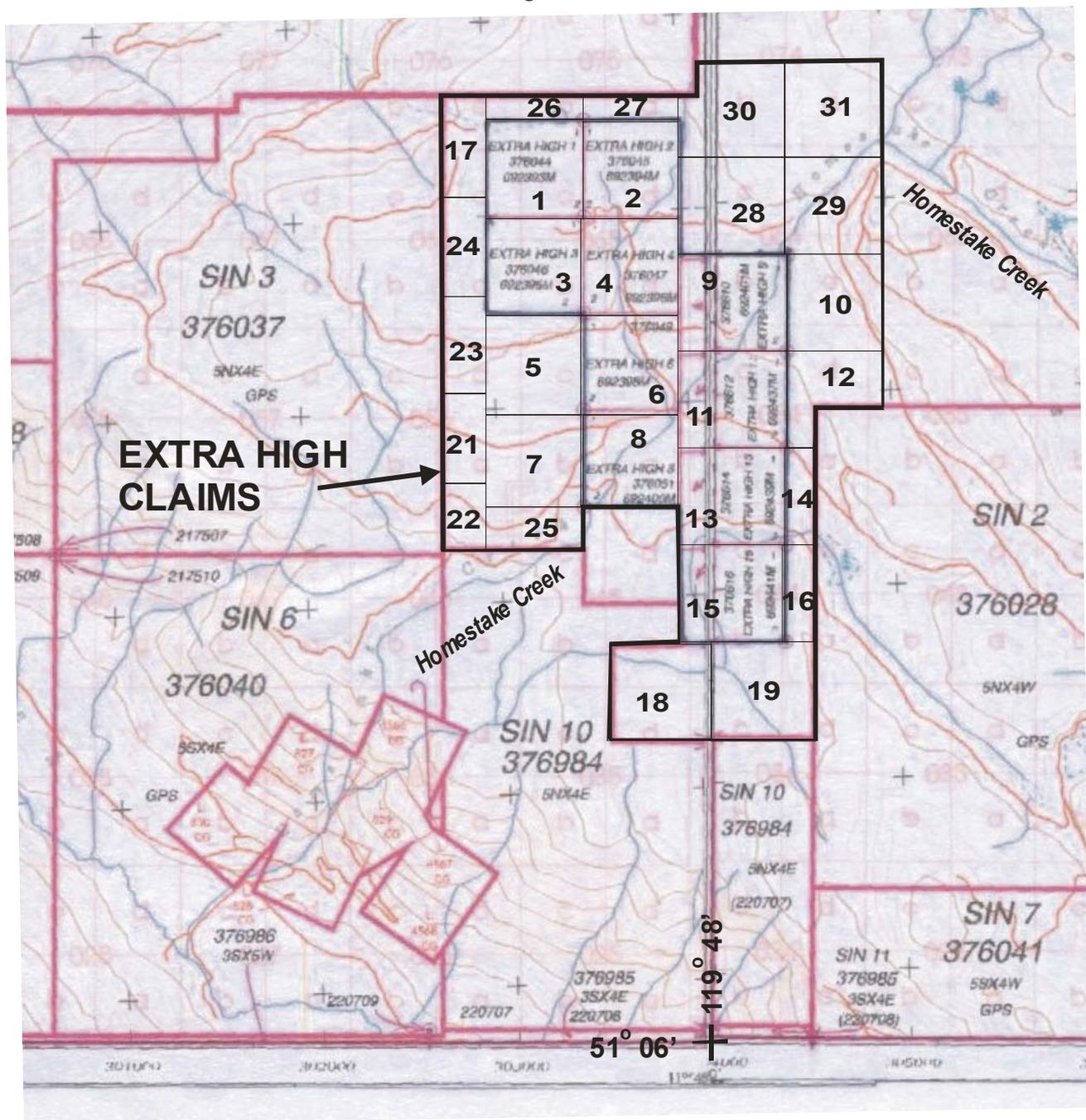


FIGURE 3. Claim Map - EXTRA HIGH Claims
Kamloops M.D., B.C.

To accompany report by E. Ostensoe, P.Geo.

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Extra High property is located 60 km north of Kamloops (Figures 1, 2 and 3). Access from Kamloops is readily achieved via provincial highway 5 to Louis Creek and thence by secondary roads that follow Sinmax Creek to Squaam (Agate) Bay on the west side of Adams Lake; a side road rises steeply above the lake and gives access to the Extra High claims.

The Extra High claims, being in the interior of British Columbia, experience a moderately severe climate: summers are hot and mostly dry; winters are cold. Annual precipitation is about 100 cms rainfall equivalent, of which two-thirds falls as snow and the remainder, rain. Winter snowpack accumulation is in excess of two metres.

The forests that once covered the Extra High claims were partially clearcut logged in recent years. Reforestation, largely natural, is beginning to reclaim the cut areas. Homestake Creek and several of its tributary small streams cross parts of the claims.

British Columbia's great 19th Century Gold Rush began in the Kamloops area when fur traders in the 1850s obtained gold nuggets from Thompson River natives (Howey and Scholefield, 1914). That event marked the start of a Kamloops tradition of mining and service to the mining industry that continues: the city offers the mining industry a richness of resources, including exceptional transportation facilities, quality health and educational services, and a large population that provides a pool of experience and talent.

The Extra High claims are located in the Shuswap Highlands of the Interior Plateau physiographic province of Canada's Cordillera. Major lakes, in particular Adams Lake, and North Thompson River occupy deeply incised valleys with elevations below 1000 metres whereas uplands rise to a general surface level at or near 1800 metres.

5.0 HISTORY

The Homestake mine (Minfile no. 82M-025), located beside the Squaam Bay road, a few kilometres south of the Extra High claims, has been known and worked since about 1893 and is currently inactive. Volcanogenic massive sulphide-barite-type mineralization with values in copper, lead, zinc, silver and gold, occurs in strongly expressed intensely altered felsitic to intermediate calcalkalic volcanic rocks. Underground development work, in several episodes, amounted to several thousand metres of drifting which investigated the mineral zones. A small ore processing mill was installed. Approximately 12,400 grams gold, 9,565,000 grams silver, 11,080 kgs copper, 171,300 kgs lead and 246,500 kgs zinc were produced in the period 1935 through 1941 from 7000 tonnes of ore (Hoy, 1986). Several shipments of "ore" were sent to the Trail smelter in the early 1980s (Carmichael, 1991, p. 2). Further work, including detailed mapping, geophysical surveys and diamond drilling, was directed to the property following the discovery in 1983 of the Rea Gold VMS deposit and the Samatosum massive sulphide vein deposit in 1986. Both of the latter are located nearby and at higher elevations but in geological environments that are broadly similar.

The Rea Gold (Minfile no. 82M-191) and Samatosum (Minfile no. 082M-244) properties were found and developed in the 1980s and exploration and prospecting work was expanded into the surrounding areas, including ground that is now included in the Extra High claims. Both properties are described as volcanogenic massive sulphide deposits with important but erratically distributed values in gold and silver, occurring in alkalic volcanic rocks. A small open pit mine and processing plant were constructed and operated in the period 1989 through 1992 at the Samatosum minesite with production of 429,356,776 grams silver, grams/tonne gold, 77.3 grams/tonne silver, 2.25% zinc, 2.14% lead and 639,118 grams gold, 3,678,016 kgs copper, 5,069,127 kgs lead, 97,620 kgs antimony and 9,538,263 kgs zinc (figures from Minfile database). 0.53% copper (Hoy, 1986, p. B9) has not been brought to production. The Rea deposit, estimated to comprise about 242,870 tonnes with 6.5 grams/tonne gold, 73.3 grams/tonne silver, 2.25% zinc, 2.14% lead and 0.53% copper (Hoy, 1986, p.B9) has not been brought to production.

A large amount of exploration data from the early days of investigation of the Rea/Samatosum and surrounding areas is available in assessment reports and other documents. These have not been wholly reviewed by the writer and may have been rendered moot by subsequent survey and drilling work by later operators. The results of the latter work are

compiled in annual summaries prepared for management and, perhaps incompletely, in assessment reports.

The writer has referred to the work of Esso Minerals as summarized by Wells (2003), and Homestake Canada Ltd. (Carmichael, 1991) and has relied to a large extent on data contained therein in compiling some parts of this report. Discussions concerning VMS deposits at Homestake and Rea Gold (Hoy, 1986, p.B7 – B19) and such deposits in general (Hoy, 1991) are particularly relevant to this review. Landsat-type photographs, not included in this report, show the extent of clear-cut logging.

The K-7 zone, located on the present Extra High 1 claim, was discovered after the Rea VMS lenses and was explored by Kamad Silver Company by means of geophysical surveys, trenches and diamond drilling. Esso Minerals, in 1985 through 1987, completed on what is now the Extra High 1 claim and was formerly the Kamad 7 claim, a comprehensive program of line cutting, geochemical sampling, and HLEM-EM and VLF-EM geophysical surveying and 1814 metres of diamond drilling in eleven drill holes. In 1988 Esso drilled a further seventeen holes with total length 1125 metres, of which seven holes intersected the K-7 zone. Homestake Canada Ltd. acquired the claims from Esso in 1989, completed eleven km of additional Genie EM geophysical surveys, 785 metres of backhoe trenching and drilled twenty-five holes with total length 4972 metres. In 1990 Homestake completed a further 2961 metres of NQ diamond drilling in four holes and attempted down-hole Pulse EM geophysics.

6.0 GEOLOGICAL SETTING

The Extra High claims are located between Adams Lake and North Thompson River in the Shuswap Highlands of southern British Columbia. The area is dominated by sedimentary formations of late Paleozoic age, their weakly to moderately strongly metamorphosed equivalents, a few crystalline intrusions of granodioritic composition, plateau lavas and Quaternary glaciofluvial deposits (figure 4). Stratigraphic units mostly strike northwesterly and dip moderately steeply northeasterly. Regional mapping compiled by Schiarizza and Preto (1984) shows strong and persistent northwesterly striking and northeasterly dipping thrust faults, overturned folds and a few northeasterly striking faults.

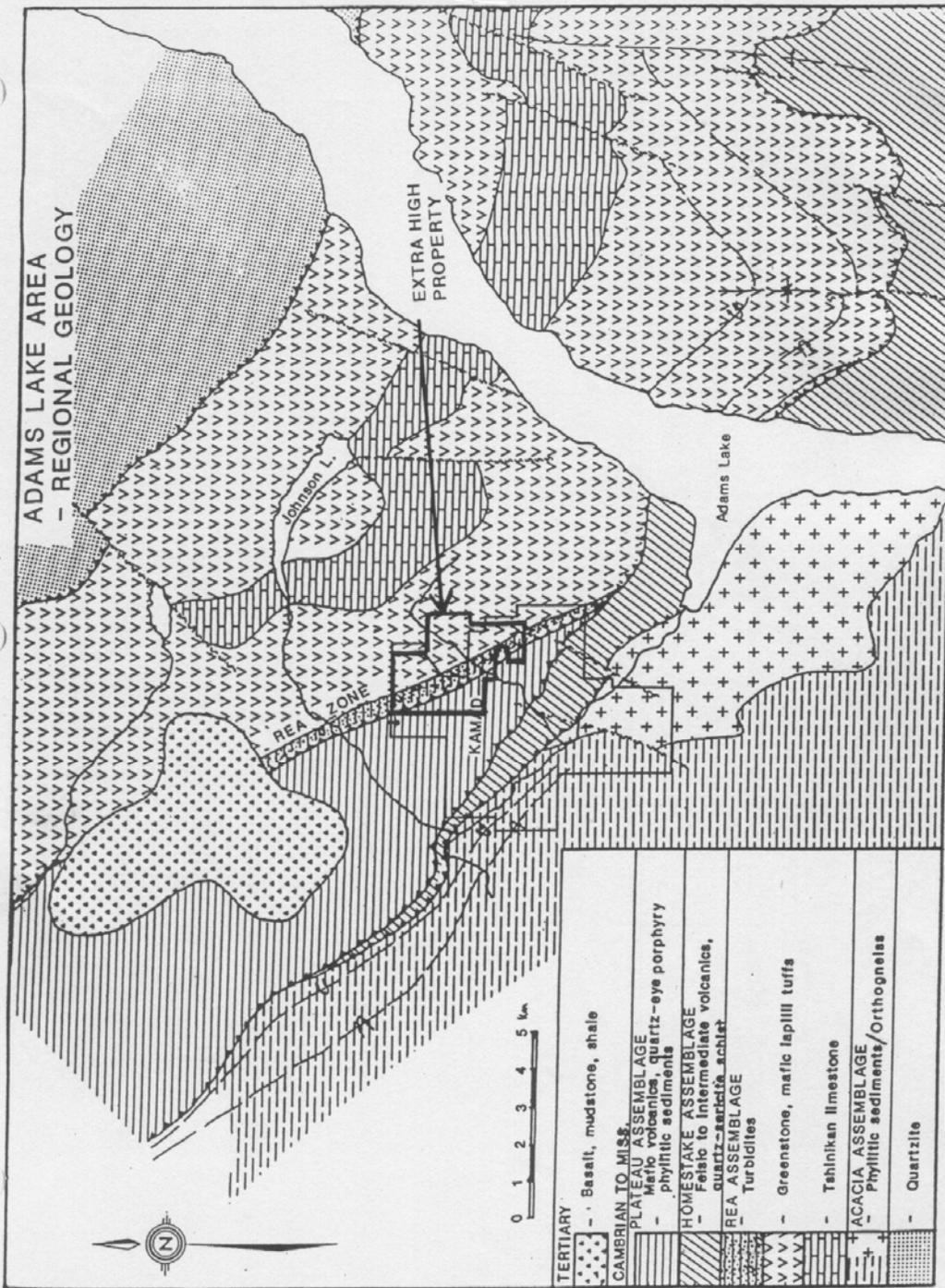


Figure 4. Regional Geology - Adams Lake Area, B. C. (after Carmichael, 1991)

After Carmichael (1991)

“Volcanogenic massive sulphide deposits occur in marine volcanic rocks or associated marine sedimentary rocks, commonly close to plate margins” (Hoy, 1991, quoting Lydon, 1984, Sawkins, 1990). A stockwork “feeder” zone typically is surmounted by a concordant lens of massive sulphide mineralization that commonly exhibits metal zoning both laterally and vertically. Alteration assemblages are variable but usually have volumes vastly greater than that of the metallic mineral lenses. These conceptual elements are present in the Extra High claims area.

The Homestake-Extra High-Rea Gold-Samatosum mineral deposits occur within the Eagle Bay Formation of Devonian-Mississippian age. That formation includes a mixture of intermediate to felsic metavolcanic rocks of bimodal calcalkaline affinity in an island arc tectonic setting (Hoy, 1991, table 1). Propylitic alteration and silicification have affected volcanosedimentary rocks in the near vicinity of the various mineral zones. Hoy (1986, p. B15), on the basis of trace element and alteration patterns, suggests that metallic mineral deposition occurred in a rift developed in a volcanic arc environment. Rift failure was followed by a thick accumulation of clastic sedimentary rocks, now metasedimentary rocks.

The Homestake deposit, located in the valley bottom of Sinmax Creek, south of the Extra High claims, occurs in silvery grey to greenish-grey sericite-quartz phyllite that appears in outcrops that parallel the valley. The phyllite is derived from felsic to intermediate volcanic and volcanoclastic rocks (Schiarizza and Preto, 1984) and presumably represents a regional metamorphic event, possibly modified by an unrevealed intrusion that was the source of epigenetic fluids.

The Rea-Samatosum-K-7 et al., deposits occur in felsic volcanic rocks, cherts and pyritic metasediments and are, arguably, in an overturned sequence (Figure 5). Overlying rocks are turbidites, greywackes and conglomerates with intermediate to mafic volcanics. Local geology is further confused by a series of sub-parallel thrust faults that strike northwesterly and dip northeasterly, vaguely conforming to regional patterns. The Rea deposits are located a short distance north of the north boundary of Extra High 1 claim. They comprise at least three lenses and likely should include the K-7 zone that lies on Extra High 1 claim and, by extension, the Twin 3 lens. The lenses are located along a thrust faulted,

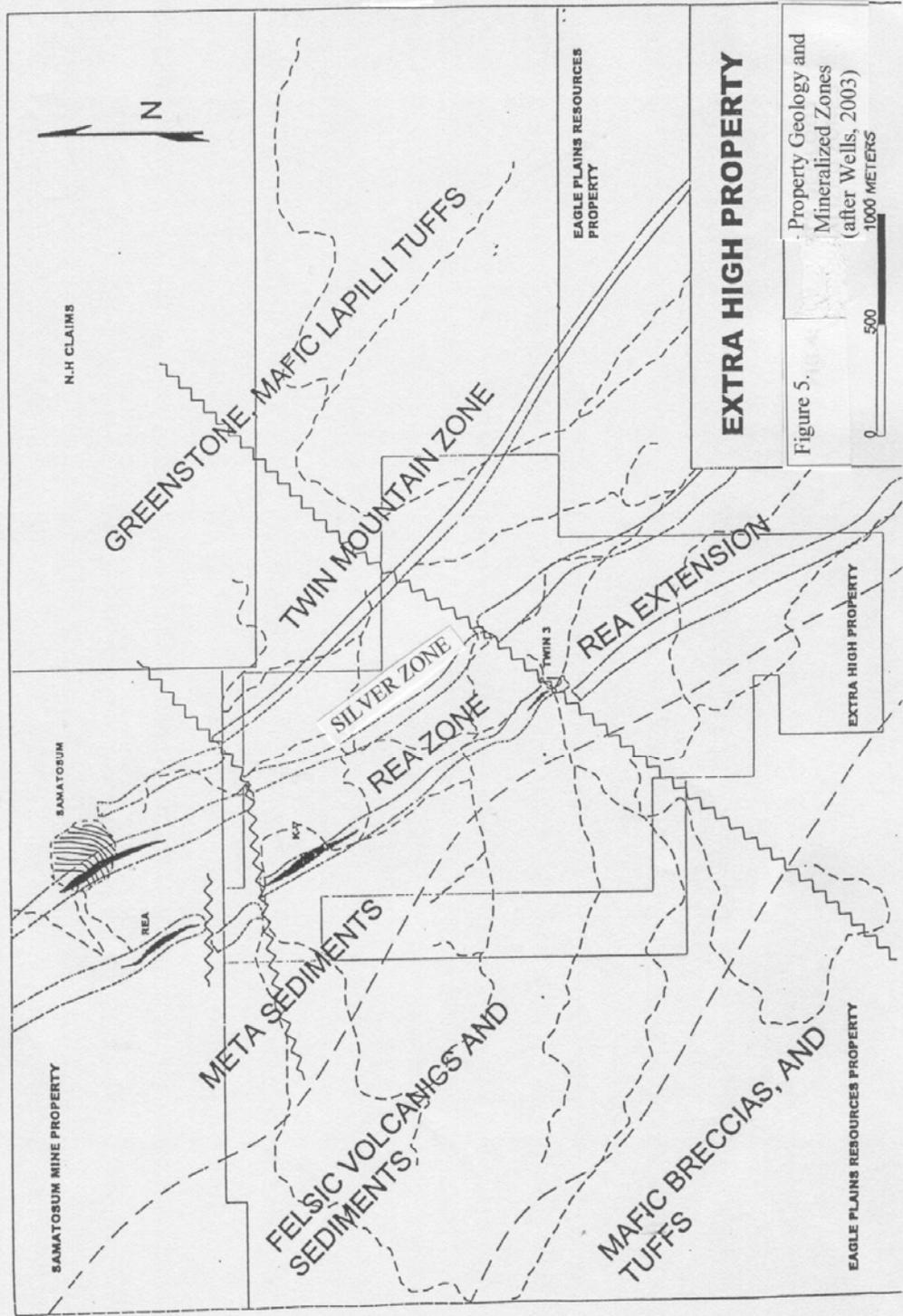


Figure 5.
Property Geology and
Mineralized Zones
(after Wells, 2003)

0 500 1000 METERS

probably post-mineralization, contact: that the lenses are offset shreds of what was once a single zone is speculative.

The Samatosum deposit lies about 500 metres northeast of the Rea lenses. It is a stratabound "...highly deformed quartz vein system containing massive to disseminated components of tetrahedrite, sphalerite, galena and chalcopyrite hosted in structurally complex wallrocks" (Minfile report). It lies within the so-called "Silver Zone": Wells (2003, p. 18) states that "Previous geological work identified an isoclinal fold which repeats the mineralized horizon: the Silver Zone is on the upright limb and the Rea zone is overturned. The Silver Zone is dismembered by a thrust fault which is subparallel to stratigraphy".

7.0 DEPOSIT TYPES

The various mineral deposits located in the Eagle Bay Formation in the general Samatosum area are loosely described as “volcanogenic massive sulphide” deposits of the “Kuroko” type. This classification has been applied to zinc-lead-(copper)-(barite) mineralization that occurs proximally to centers of explosive (?) felsic volcanism in arc-related rifts (Hoy, 1991, p. 20). Other deposits of this type include the Tulsequah Chief, Big Bull and Kutcho Creek deposits of northern British Columbia, and the Britannia and Seneca deposits that occur in roof pendants in crystalline rocks of southern British Columbia.

Volcanogenic massive sulphide deposits are present at Homestake in the valley bottom and 4 km away in the Rea/Samatosum area. Mineralogically somewhat similar, the occurrences are structurally different: Homestake rocks are intensely foliated whereas the higher elevation mineral zones are more closely related to contrasting lithologies, overturned folds and thrust faults. The Rea geological horizon that is apparently favourable for mineral deposition may have been repeated near-surface by a series of thrust faults that strike and dip similarly to regional stratigraphy. The bedded formations are variously folded, are in part overturned, and due to the faulting pattern, may not persist to depth.

Exploration of the Extra High claims should be directed to locating more VMS-type lenses within the zone that straddles the volcanic/sedimentary transition. Further prospecting of the newly logged areas combined with re-analysis of drill hole and geophysical data may identify areas that are particularly attractive for exploration.

8.0 MINERALIZATION

Mineral zones in the Rea zone, including the K-7 and Twin 3 lenses on the Extra High property, occur within a common stratigraphy that involves, from stratigraphic bottom to top:

1. Graphitic chert and argillite
2. Sericite tuff with local interbedded chert. The chert is often mineralized with stringers of pyrite, sphalerite, galena, arsenopyrite and chalcopyrite
3. Felsic pyroclastic rocks (footwall to K-7 sulphide horizon). Intense sericite-pyrite alteration, local chlorite and stringer sulphides
4. Pyritic siltite with up to 60% pyrite. This is stratigraphically equivalent to the K-7 massive sulphide horizon and has anomalous base and precious metal values (Wells, 2003, p. 18).

An apparently similar and parallel horizon that lies about 300 metres northeast of the Rea zone is referred to as the “Silver” zone. It hosts the productive Samatosum deposit as well as significant mineralization in the vicinity of the Twin 3 zone and may be, as discussed above, a displaced fault slice that doubles up the Rea zone.

The K-7 zone is located near the north end of Extra High 1 claim, a few hundred metres south of the Rea VMS deposit and has similar stratigraphy. Polymetallic sulphides occur as lenses in pyritic siltite and consist of weakly banded, fine to medium grained pyrite, galena, sphalerite, arsenopyrite with local chalcopyrite (Wells, 2003, p. 18). Small hand specimens of massive sulphide mineralization from the K-7 zone were examined megascopically by the writer: vaguely banded fine to medium grained pyrite dominates, with a groundmass of finer-grained black sphalerite. Coarse pyrite grains are also present resulting in an overall fragmental texture.

A K-7 resource of 375,000 tonnes with 4.0 g/tonne gold, 55 g/tonne silver, 0.5% copper, 4.8% lead and 6.1% zinc, has been outlined from surface to 150 metres depth by trenching and drilling (reported by Carmichael, 1991, p. 1, no calculations given). ***[Note: the trenches have been reclaimed and the writer is unable to confirm the foregoing figures.]***

The Twin 3 zone is located 1200 metres southeast of the K-7 lens and lies within the same Rea "zone". The writer was unable to examine outcrops in the area. Wells (2003) in his report quoted a former owner, Apex Energy Corp., which company in 1987 reported a 1.83 metre drill hole intercept of the Rea horizon that assayed 30.86 g/ton gold, 250.29 g/ton silver, 0.77% zinc, 2.1% lead and 0.24% copper. Later drilling by Homestake Canada Ltd. intersected both the Silver and Rea zones at depth: the Rea zone was weak and apparently barren and the Silver zone over core lengths of 40 to 70 metres returned highly anomalous gold, silver, copper, lead and zinc values. One hole (T91036) intersected 20 cm of massive sulphide mineralization in the Silver zone at 300 metres depth that assayed 9.46 g/tonne gold, 89.8 g/tonne silver, 0.34% copper, 3.63% lead and 5.66% zinc (Wells, 2003, p. 12). ***[Note: The writer has not confirmed the foregoing statement.]***

A generic description of volcanogenic massive sulphide mineral deposits, aka Noranda/Kuroko Massive Sulphide Cu-Pb-Zn deposits, is included as Appendix 1 of this report.

9.0 EXPLORATION

The Extra High claims have been explored by several companies since discovery of the Rea Gold lenses in 1983 and the Samatosum deposit in 1986. A good quality picketline grid established in the early stages of work formed the basis for prospecting, mapping, geochemical soil sampling and a variety of electromagnetic geophysical surveys.

Kamad Silver Company Ltd. Carried out geophysical and diamond drilling programs in 1983 and 1984 and identified massive sulphide mineralization in the Rea Horizon (after Carmichael, 1991).

259146 B. C. Limited in 1985 drilled five holes with total length 369.7 metres into the Rea Horizon.

Esso Minerals Canada option the property from Kamad Silver in late 1985 and in 1986 conducted geological, geochemical and geophysical surveys, followed in the same year by trenching and 1814 metres of diamond drilling. A further 1125 metres of diamond drilling was performed in 1987. A comprehensive program of evaluation in 1988, directed to all

parts of the property and drilling of 2094 metres resulted in the more complete delineation of the “K-7” lens located on what is now the Extra High 1 claim.

Homestake Canada Ltd. acquired Esso’s interest in Kamad’s property late in 1989 and drilled 4972 metres in 25 holes, excavated 785 metres of backhoe trenches in 14 trenches, and surveyed 11 km using GENIE EM geophysical techniques, largely in the northmost part of the claims. Much of their program was directed to the down-dip extension of the K-7 lens. In 1990 Homestake drilled 2961 metres and in 1991 that company compiled data, completed additional geological mapping, fill-in geochemistry and geophysics and traced by drilling the Rea horizon to depths of over 300 metres. The Silver Zone was probed by four drill holes. The Twin 3 zone was not explored. Homestake subsequently carried out reclamation work and ceased exploration.

Wells (2003, p.11) reports that he was informed in 1992 that Homestake’s exploration target was a VMS deposit of greater than 5 million tonnes.

The Kamad claims expired in 1999. A prospector, Paul Watt, of Kamloops staked the Extra High 1 - 25 claims in 2000 and thereby acquired the southerly continuation of the Rea horizon, Silver zone and Twin Mountain zone. He prospected and soil sampled portions of his claims and re-sampled parts of several reclaimed trenches. He allowed fifteen of his claims to expire in 2002.

R. C. Wells, P. Geo. of Kamloops assisted Mr. Watt and in 2001 strongly recommended a thorough compilation of previous exploration data (Wells, 2001). Mr. Wells purchased the Extra High property in 2002 and is the vendor to Lucky 1 Enterprises Inc. The latter company in April 2004 acquired by staking twenty claims surrounding the optioned ground resulting in the current claim package (Table 1).

10.0 DRILLING

Parts of the present Extra High claims have been explored by diamond drilling techniques. Carmichael (1991) documented 13,335 metres of drilling by Homestake Canada Ltd. in the period 1985 through 1989 although he did not discuss in detail the locations of drill holes and some work likely was directed to the Homestake Bluffs area near Sinmax Creek. Nonetheless, it appears almost certain that most drilling was directed to the Rea Horizon with lesser amounts to the Silver zone and the Twin Mountain zone.

Drill holes were positioned to undercut surface expressions of mineral zones, geochemically anomalous areas and geophysical “targets”. Many of the holes were drilled using “NQ” size tools; some of the longer holes were reduced to “BQ” size at depths of about 500 metres. Recoveries were, except in unusual circumstances, close to 100%. Cores were logged in detail by geologists. Homestake employed the “Geolog” system in order to maximize the recording and retrieval of drill core information. Selected portions of core samples were submitted for comprehensive analyses by recognized commercial laboratories. After total digestion of the samples, they were analysed for gold, fluorine and 37 other elements using induced coupled plasma (ICP) methods.

Analytical data was reviewed by project geologists who were responsible for interpreting results and reporting progress to their managers.

Much of the Kamad drill core was stored on the Homestake (Huber) farm near Sinmax Creek and may be available there for further examination and, if desired, for re-analysis.

11.0 SAMPLING METHOD AND APPROACH

The writer is unaware of details of geochemical sampling methods employed by the various companies that carried out exploration programs on what are now the Extra High claims but is confident that the major companies followed the then-current industry practices and that analyses were performed in recognized fully accredited laboratories.

One can assume that soil samples that were collected on the property grid by previous operators were prepared by drying and sieving and then analysed by induced coupled plasma methods. Such procedures are widely accepted in the mineral exploration industry.

Drill cores were split using conventional tools and half-core samples were submitted to analytical laboratories for routine determinations of gold, fluorine and 37 other elements.

Lucky 1 Enterprises Inc. has not yet undertaken any field work but the vendor, R. C. Wells, P. Geo. in 2003 submitted three samples of weakly oxidized massive sulphide “float” from the K-7 mineral zone to a Kamloops analytical laboratory that performed gold, silver, copper, lead and zinc assays plus 28 element induced coupled plasma determinations. Results obtained are included as Appendix 2 of this report. ***[These certificates of assay and analyses likely represent “best obtainable” material from the K-7 zone and may not be representative of that zone.]***

12.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

The writer has no personal knowledge of details of sample preparation, analyses and security procedures employed by former operators of what are now the Extra High claims but is confident that the work was performed in a professional manner by adequately trained personnel with proficiency in field techniques then employed in the mineral exploration industry.

13.0 DATA VERIFICATION

The writer has not attempted to verify data obtained from various technical reports prepared for previous operators of what are now the Extra High claims but is confident that data were acquired by adequately trained professional and/or technical personnel following procedures then employed in the mineral exploration industry.

14.0 ADJACENT PROPERTIES

Minfile capsule geology and bibliography data for the formerly producing Samtosum, Rea Gold and Homestake mines that adjoin the present Extra High claims have been downloaded from the British Columbia Ministry of Energy and Mines provincial mineral deposit data base and are reproduced and included with this report as Appendix 3. ***[This information has been compiled from many diverse sources and the writer has not verified that data. The reader should not assume that the Minfile data are wholly accurate nor that information concerning the adjoining properties is necessarily applicable to nor indicative of the geology, mineralization and structural setting of the Extra High claims.]***

15.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The writer is not aware of any mineral processing and metallurgical testing of any materials obtained from the present Extra High claims. Details of any such test work and of actual production performance carried out on ores of adjoining mines, Samatosum, Rea and Homestake, if required, may be obtained from property files maintained by the former operators and by the British Columbia Ministry of Energy and Mines.

16.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The only known statement of mineral resources present on the Extra High claims is included in a Minfile Inventory Report identified as: Minfile Number 082M-277, K-7. The data are apparently derived from Assessment Report 22389, page 1, and are based "...on several drill holes" ***[The following "inventory" is not known to conform to any recognized standard required in the preparation of mineral resource and mineral reserve estimates]:***

375,000 tonnes, unclassified, silver	55.00 g/t
gold	4.00 g/t
copper	0.500%
lead	4.800%
zinc	6.100%.

17.0 OTHER RELEVANT DATA AND INFORMATION

This report is believed to contain relevant data and information pertaining to the Extra High claims sufficient to enable an informed decision concerning the merits of the claims. The present optioners of the property in the course of acquiring that property have relied upon various summaries of available data and upon the opinions of qualified explorationists. A large amount of technical work, including geological mapping, geochemical sampling, geophysical surveys, trenching and diamond drilling, has been directed to the Extra High claims area and details or partial details of that work can with difficulty be recovered from archives and other sources.

The writer has not been able to acquire and review all data from previous programs of work. His field examination was hampered by spring snow conditions and by the fact that trenches had been backfilled and re-contoured in accordance with reclamation standards. He, in the following sections of this report, recommends that all available data should be compiled and carefully reviewed prior to commencement of further exploration of the claims. Of particular concern is the presence of pyritic and graphitic members of the Eagle Bay Formation that may confuse interpretation of geophysical data and may obscure mineral zones.

18.0 INTERPRETATION AND CONCLUSIONS

The writer's examination of available technical reports and field inspection enable a positive interpretation of the merits of the Extra High claims. Previous workers have described a series of sub-parallel mineralized zones, the Rea, Silver and Twin Mountain zones, that strike northwesterly and dip northeasterly. Each zone contains stratabound volcanogenic massive sulphide mineral deposits and the three zones may in fact be a single stratigraphic horizon that has been disjointed by isoclinal folding and thrust faulting. Similar deposits located in the northwesterly continuations of the zones have been shown to contain valuable mineral deposits, namely the Samatosum and Rea Gold deposits. These are believed to be typical Noranda/Kuroko-type deposits with metal tenors similar to those found in economically viable mines.

The Extra High claims have been explored at surface and at shallow depths by the full range of exploration methods. The mineralized horizon(s), i.e. the Rea, Silver and Twin Mountain zones, contain numerous sections of massive sulphide mineralization and one area in particular, the K-7 lens, that includes an unknown amount of material similar to that mined at the nearby Samatosum mine. Several drill core intercepts of that horizon at shallow depths contain similar mineralization and the mineralized zones may persist to greater depths.

The primary exploration target on the Extra High claims is the Rea-Silver-Twin Mountain horizon in its various fold- and thrust fault-determined locations. Further exploration, primarily by means of diamond drilling, will facilitate structural interpretation of the position of the horizon and may intercept larger bodies of massive sulphides. There seems little doubt that even a modest-sized body of such material will have exceptional values in precious and base metals, sufficient to enhance the value of a small to medium sized mining company.

19.0 RECOMMENDATIONS

The regional, local and property data bases should be thoroughly researched and compiled in order to acquire the maximum amount of information concerning the nature of and distribution of the Rea Gold-Silver-Twin Mountain horizon(s) that contains the volcanogenic massive sulphide mineral zones. This work should precede field work which will be in large part directed by the compilation and its interpretation.

The geologically most attractive parts of the property, i.e. the imbricated thrust fault slices, should be surveyed using the best available deep penetrating electromagnetic survey techniques. EM data may be influenced by pyritic and graphitic sections in the Eagle Bay Formation that are unrelated to, or only indirectly to, the mineral zones that are the primary focus of exploration. Following better definition of the distribution of the principal mineral horizon, a program of drilling long inclined diamond drill holes should be undertaken to confirm the interpreted distribution of that horizon: ideally, as in some of the Homestake Canada Ltd. drill holes, all three parts of that bed will be crossed in each hole.

Drill holes should be surveyed in detail both at the collar and in the hole. Cores should be logged with emphasis on identifying useful marker beds and minor structures that can be employed in sub-surface mapping. It is estimated that five drill holes, each of at least 500 metres length, will be required to substantially improve the vertical profile of the Extra High area geology and the mineralized stratigraphic horizon. Metallic mineralization in stringer (or feeder) zones or in stratabound favourable beds may be encountered.

If the above-detailed drilling program enables preparation of an improved three dimensional economic model of the Extra High area, it should be possible to commence a Phase 2 program of focused diamond drill holes to penetrate parts of the horizon where thicker, possibly richer, mineralized strata may be found.

The first program, Phase 1, is expected to cost about \$325,000, viz.

Research and compilation.....	\$ 5,000
Grid preparation, line cutting.....	12,000
Trenching, re-opening old trenches.....	20,000
Geological mapping, sampling.....	10,000
Electromagnetic surveys.....	25,000
Diamond drilling –	
1750 metres @ \$80/metre.....	140,000
Analyses.....	10,000
Transportation, vehicles, freight.....	12,000
Supervision, core processing, reporting.....	<u>60,000</u>
Sub-total.....	\$294,000
Allowance for unscheduled costs – 10%.....	<u>29,400</u>
Total.....	\$323,400
	<i>say \$325,000.</i>

Following completion of Phase 1, a second program of work should be undertaken but only if a reasonable conceptual structural model can be constructed. The Phase 2 program may include, in addition to five to ten diamond drill holes, some carefully focused geophysical work, also, perhaps, some additional bulldozer or excavator trenching.

The second program, Phase 2, may cost about \$425,000, viz.

Data review and updating.....	\$ 5,000
Allowance for geophysical surveys.....	15,000
Trenching work.....	20,000
Specialist geological consultant.....	15,000
Diamond drilling –	
allow for 3000 metres @ \$80/metre..	240,000
Analyses.....	10,000
Transportation, vehicles, freight.....	12,000
Supervision, core processing, reporting.....	<u>65,000</u>
Sub-total.....	\$382,000
Allowance for unscheduled costs – 10%.....	<u>38,200</u>
Total.....	\$420,200
	<i>say \$425,000</i>

It is the writer's opinion that the above-detailed Phase 1 and Phase 2 programs of data compilation, geophysical surveys and diamond drilling is warranted by the favourable geology and mineralization that has already been identified at the Extra High property and by its proximity to valuable mineral bodies at the Rea Gold and Samatosum deposits. Phase 2 work should only be implemented if it can be demonstrated that the stratigraphic horizon(s) with VMS-type mineralization persist to greater depths than already drilled and can be probed with reasonable expectations that economically attractive bodies may be found.

20.0 REFERENCES

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Kamloops Mining Division, British Columbia, private report for P. Watt.

21.0 CERTIFICATE OF AUTHOR'S QUALIFICATIONS

I, Erik A. Ostensoe, P. Geo., do hereby certify that

1. I am a consulting geologist with office and residence in Vancouver, British Columbia, Canada
2. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (member no. 18727)
3. I graduated from the University of British Columbia, Vancouver, B. C. in 1960 with a Bachelor of Science degree in Honours Geology, and that I completed course requirements for a Master of Science degree at Queen's University, Kingston, Ontario
4. I have worked for more than forty years in the mining and mineral exploration industries in most parts of western North America and, to a much lesser extent, in South America and I am presently a consulting geologist and have been so since May, 1981
5. I am, as a result of my experience and qualifications, a Qualified Person as defined in National Instrument 43-101
6. I travelled on April 1, 2004 to the Extra High claims that are the subject of the accompanying report and, despite adverse snow conditions and the fact that much of the trenching and other excavations that had been prepared by previous operators had been reclaimed by backfilling, re-contouring and other reclamation efforts, I was able to observe exposures of bedrock formations and zones of massive sulphide mineralization in the K-7 and Twin 3 lenses and to become familiar with the general terrain in which they occur
7. I prepared the accompanying report entitled "National Instrument 43-101 Report, Extra High Property, Kamloops Mining Division, British Columbia" on the basis of technical reports by professional geoscientists who at various times worked on the subject property as employees of major mining companies or government agencies, with reference to published literature concerning the regional geology of the southern Interior Plateau, and the identification and classification of volcanogenic massive sulphide mineral deposits of the Noranda/Kuroko type, and various other sources, including in particular the Minfile and MapPlace websites maintained by the British Columbia Ministry of Energy and Mines, and from personal

observations and impressions gained from a site inspection on April 1, 2004 and from discussions with the current and previous owners of the Extra High claims

8. There are on the Extra High claims no inferred, indicated or measured mineral resources nor probable or proven mineral reserves as defined in the *Standard Definitions of Mineral Resources and Mineral Reserves, Definitions and Guidelines* proposed by the Canadian Institute of Mining Metallurgy and Petroleum

9. I am not aware of any material fact or material change with respect to the subject matter of this report that is not reflected in this report, the omission to disclose which would make this report misleading

10. I have no interest, direct or indirect, in the Extra High property that is the subject of this report, nor in the securities of Lucky 1 Enterprises Inc. and I am independent of that company in accordance with the application of Section 1.5 of National Instrument 43-101

11. I have no interest, direct or indirect, in any mining property in the vicinity of the Extra High property

12. I consent to the use of this report, in whole or in part, by Lucky 1 Enterprises Inc. provided that quotations are appropriately attributed and not modified or otherwise taken out of context

13. I have read National Instrument 43-101, Form 43-101F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101F1

Signed and dated at Vancouver, British Columbia, this 22nd day of April, 2004.

"Erik A. Ostensoe"
Erik A. Ostensoe, P. Geo.

