BROKEN HILL-TYPE SULPHIDE MINERALIZATION ON THE COLBY MINES PROPERTY

Map-staked Claims:

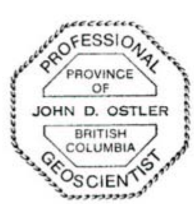
Claim Name	Area	Claim Number	Claim Name	Area	Claim Number
COLBY MINES	**81.82 ha (202.10 A)**	**544490**	**10 MILE - COLBY**	**122.70 ha (303.07 A)**	**705050**
F-X ZINC	**20.46 ha (50.54 A)**	**544492**	**COLBY 10 MILE**	**61.37 ha (151.58 A)**	**705919**
COLBY	**122.71 ha (303.09 A)**	**692003**	**COLBY - DON**	**61.35 ha (151.53 A)**	**705920**
FX- ZONE	**61.37 ha (151.58 A)**	**692004**	**(no name)**	**40.91 ha (101.05 A)**	**837392**
FX-N	**40.90 ha (101.02 A)**	**692023**	**COLBY-STAR**	**511.31 ha (1,262.94 A)**	**854163**
12 MILE	**81.80 ha (202.05 A)**	**692043**	**COLBY-KING**	**511.15 ha (1,262.54 A)**	**854164**
COLBY EAST	**163.65 ha (404.22 A)**	**692083**	**BLACK JACK COLBY**	**265.87 ha (656.70 A)**	**864827**
FX-N1	**20.45 ha (50.51 A)**	**692134**	**COLBY TRIO**	**61.38 ha (151.61 A)**	**864847**
FX - N2	**40.90 ha (101.02 A)**	**692303**	**COLBY JACK**	**347.81 ha (859.09 A)**	**978013**
			Total Property Area	**2,617.91 ha (6,466.24 A)**	

Location:
Vernon Mining Division
N.T.S.: 82 L/10 + L/15 B.C.: 082L 077
50° 44' 30"N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.

Owner and Optionor:
Craig A. Lynes
Box 131
Grinrod, British Columbia, V0E 1Y0

Optionee:
Inexco Mining Corp.
200-551 Howe Street
Vancouver, British Columbia, V6C 2C2

By:
John Ostler; M.Sc., P.Geo., Consulting Geologist
1015 Clyde Avenue
West Vancouver, British Columbia, V7T 1E3
August 28, 2012
as amended
June 27, 2014



CONTENTS

CONTENTS
Continued

CONTENTS
Continued

BROKEN HILL-TYPE SULPHIDE MINERALIZATION ON THE COLBY MINES PROPERTY

SUMMARY

The Colby Mines property comprises 18 map-staked claims covering 2,617.91 ha (6,466.24 A) in the Vernon Mining Division and in the Kamloops Division of the Yale Land District on N.T.S. map sheets 82 L/10 and L/15, and on B.C. map sheet 082L 077. The current expiry date of the claims is May 31, 2018.

Craig A. Lynes of Grindrod, British Columbia is the registered owner of the claims comprising the property. On May 9, 2011, Inexco Mining Corp. acquired an option to purchase a 100% interest in the claims from Rich River Exploration Ltd., a private company controlled by Craig Lynes subject to a 3% net smelter return for the following payments:

1. Upon execution of the option agreement: $10,000

2. Upon Inexco having been listed on a stock exchange
   $15,000 and 75,000 shares of the common stock of Inexco

3. Within 1 year after listing
   $100,000 worth of work on the property and 50,000 shares of the common stock of Inexco

4. On or before the 2nd anniversary of listing
   $10,000 and $200,000 worth of work on the property

5. On or before the 3rd anniversary of listing
   $15,000 and $300,000 worth of work on the property

6. On or before the 4th anniversary of listing
   $25,000 and $400,000 worth of work on the property

Inexco can purchase 2% of Lynes's 3% net smelter return for $1,000,000. Reportedly, amendments have included the subsequently acquired (no name) (837392) and COLBY JACK (978013) claims in that agreement.

No parts of the Colby Mines property cover private land. The nearest native reserve to the property is the Enderby No. 2 Indian Reserve, located 40 km (24.4 mi) west-southwest of the property adjacent to the town of Enderby. Consultation with local native bands would be necessary during mine development. To the author's knowledge, Inexco has not made contact with any native bands.

There is no plant or equipment, inventory, mine or mill structure of any value on the claims. It is anticipated that no damage bonds will be required for either phase of the recommended exploration.

The Colby Mines property occupies mostly southeasterly facing slopes flanking Kingfisher and Danforth creeks near Mabel Lake in the southern part of Shuswap Highland in southern British Columbia. Elevations of the Colby Mines property range from 630 m (2,067 ft) at Danforth Creek near the southeastern corner of the COLBY JACK (978013) claim at the southern boundary of the property-area, to 1,240 m (4,068 ft) at the northern boundary of the COLBY-STAR (854163) claim at the northern boundary of the property. Adequate fresh water for a mining operation could be drawn by gravity from either Kingfisher Creek or Danforth Creek from locations north of the property.

The Colby Mines property hosts a second-growth forest comprised mostly of cedar, spruce, fir, and cottonwood trees which is in various states of growth. There is insufficient timber suitable for mining on the claims. Two parallel, high-voltage power transmission lines cross the southern and eastern parts of the property-area.

The property-area experiences cold winters and hot, dry summers. Winter snow falls by late November and stays on the ground until April in open areas. Surface work can be conducted in the property-area from April until November in a normal year.

Directions for road access to the property from the B.C. highway system are as follow:

Proceed along B.C. Highway 97A to Enderby. Near the town centre, turn eastward onto Cliff Street. Proceed along Cliff Street across Shuswap River to Ashton Creek which is 9.2 km (5.6 mi) east of Enderby. Just beyond the bridge over Ashton Creek, the road divides. Turn to the left onto the Mabel Lake Road. Proceed eastward for 20.3 km (12.4 mi) on the Mabel Lake Road to the Three Valley (Kingfisher) forest service road which is controlled by FM radio frequency 153.230.

The road to the Mile 8 calcite quarry and the Dakota zone diverges to the left up the hill from the Three Valley road at km 12.9 (mile 7.4). The road to the Central zone diverges to the left up the hill from that road at km 13.8 (mi 8.4). A very overgrown road to the Cominco zone diverges up hill from the road just east of a small creek at km 16.8 (mi 10.2). The old road to the Mile 12 trench diverges to the right and down hill from the main road at km 19.4 (mi 11.8). The western part of the Central zone can be accessed by 4-wheel drive vehicles in dry weather. The eastern part of that zone can be reached only on foot.

The town of Enderby, located about 44 km (26.8 mi) west of the claims by road, is the nearest supply and service center to the property. Services at Enderby are sufficient to support surface exploration programs such as prospecting, mapping, or soil sampling. Salmon Arm, located at the junction of B.C. Highways 1 and 97C, about 68 km (41.5 mi) north of the property, hosts the nearest helicopter base and a rail yard where mineral products can be loaded for transport to a smelter. The city of Kamloops, located on B.C. Highway 1 about 175 km (106.8 mi) west of the property has services necessary to support a mining operation.

Remobilized massive and disseminated sulphide mineralization on the property is hosted by calc-silicate gneiss and marble that trend east-northeastward across the property-area. During the 1960s, mineralization was found in several parts of the current property-area including: the Mile 8, Dakota, Central, Cominco, and Mile 12 zones. From 1968 until 1977, exploration was concentrated in the Central zone, located on the COLBY MINES (544490) and COLBY EAST (692083) claims. Since the 1960s, it was known that sphalerite-galena mineralization in the Colby Mines property-area was closely associated with highly magnetic pyrrhotite.

The goal of the current (2012) exploration program was to assemble and synthesize all available data with input from helicopter-borne magnetic and electromagnetic surveys. The current program was successful in putting previously explored mineralization in the Central zone into a property-scale context and to identify three under-explored targets on the property, each of which is more extensive than the Central zone.

Results of the current airborne magnetic survey provide an intermediate-level view of magnetic features across the property, being more detailed than the regional aeromagnetic survey, while displaying larger scale features than did previous ground magnetic surveys. Results of previous ground magnetic and electromagnetic surveys conducted in various areas within the property-area were confirmed.

During the spring of 1974, K.L. Daughtry, P.Eng. Calculated an historic resource of near-surface material in zones ‘A’ and ‘B’ in the Central zone. Daughtry calculated a resource estimate of 1,672,727 tonnes (1,840,000 tons) of mineralization containing an average of 0.58% lead and 2.60% zinc.

In that historic mineral resource estimate, the resource classifications described in the *CIM Definition Standards on Mineral Resources and Mineral Reserves* have not been used. It is not compliant with the requirements of National Instrument 43-101 and the author has not attempted to bring it into compliance with that instrument. Thus, that historic mineral resource estimate can not be treated as a “current mineral resource” and should not be relied upon.

Both the regional and current airborne magnetic survey results indicate the presence of a significant magnetic “low” north of the Central zone and northwest of the Cominco zone in the northwestern part of the property-area. Previous geological mapping indicates that this “low” was the result of the emplacement of a metamorphic plume related to the Cretaceous-age Shuswap metamorphic complex. Probably, migration of fluids carrying sulphide minerals away from the plume is the direct cause of the magnetic “low”.

The area of low total magnetic field intensity in the central part of the property-area is flanked to the northeast and southwest by areas where the rocks are much more magnetic, and presumably contain higher concentrations of pyrrhotite that could be related to sphalerite +/- galena mineralization.

The three most prospective targets on the property are the area extending northwestward from the Mile 12 zone to the north-central part of the BLACK JACK COLBY (864827) claim, in the northern part of the COLBY KING (854164) claim, and the area extending from the Mile 8 zone on the TXX-Kingfisher property northwestward through the Dakota zone to north of Kingfisher Creek on the south-central part of the COLBY STAR (854163) claim.

A two-phase exploration program is recommended. The first-phase comprises geological examination, prospecting, and local soil surveys to test for covered extensions of mineralization in the three prospective target areas.

If reasonable encouragement is generated by the results of the recommended first-phase program, then a second phase of work comprising soil, and ground magnetic surveys should be conducted over three 1-km^2 (0.37-mi^2) grids, each comprising 11 1-km (0.61-mi) long lines, located in the three prospective target areas.

The estimated costs of the two recommended phases of exploration are as follow:

Program	Estimated Cost inc. G.S.T. + Contingency
1st Phase: geological examination, prospecting, and local soil surveys	$ 60,199
2nd Phase: soil and geophysical surveys	$ 182,508
Total Estimated Cost:	$ 242,707

BROKEN HILL-TYPE SULPHIDE MINERALIZATION
ON THE COLBY MINES PROPERTY

1.0 INTRODUCTION

1.1 Acknowledgment

The author would like to thank the management and staff of Discovery Consultants Ltd. of Vernon, British Columbia for generously opening their property files and providing copies of unpublished documents regarding the Colby Mines property-area.

1.2 Introduction

The author, John Ostler; M.Sc., P.Geo., was commissioned by Inexco Mining Corp. through Cassiar East Yukon Expediting Ltd. to examine the Colby Mines property, and to write this report entitled "Broken Hill-type Sulphide Mineralization on the Colby Mines Property" as amended June 27, 2014. This report was written to produce a current Technical Report regarding the Colby Mines property, Inexco Mining Corp.'s major asset, in order to provide some of the documentation necessary to support an initial public offering of the company's shares.

This report is based upon published and unpublished records of the results of previous exploration, of property examinations and regional geological mapping conducted by geologists of the British Columbia Geological Survey and of the Geological Survey of Canada, and the results of the current (2012) exploration program. Citations of that work are in standard format (Section 19.0, this report).

1.2.1 Current Personal Inspection

The author examined and sampled workings at the Mile 12 and Cominco zones, and at Chisholm's Zones 1 to 5 of the Central zone on the property on June 11, 15, 21, and 22, 2012. Inexco Mining Corporation has conducted no exploration on the property since the current (2012) program it is snowbound at the effective date of this report being June 27, 2014. The author opines that his work on the property should constitute a Current Personal Inspection of the property in compliance with Part 6.2 of National Instrument 43-101.

2.0 RELIANCE ON OTHER EXPERTS

The author has relied upon information provided by the government of British Columbia in matters of land tenure, security of title, and regulations that may affect one's ability to develop the Colby Mines property, and on Alexander Prokhodko, P.Geo. and his staff at Geotech Ltd. regarding the results of the current (2012) airborne magnetic and electromagnetic surveys.

3.0 PROPERTY DESCRIPTION AND LOCATION

The Colby Mines property occupies mostly southeasterly facing slopes flanking Kingfisher and Danforth creeks near Mabel Lake in the southern part of Shuswap Highland in southern British Columbia. It is on N.T.S. map sheets 82 L/10 and L/15, and on B.C. map sheet 082L 077 (Figures 1and 2). The property is in the Vernon Mining Division and in the Kamloops Division of the Yale Land District. The centre of the property-area is at 50° 44' 30" north latitude and at 118° 43' 12" west longitude (U.T.M.: 5,622,506 N., 378,647 E.) (Table 4).

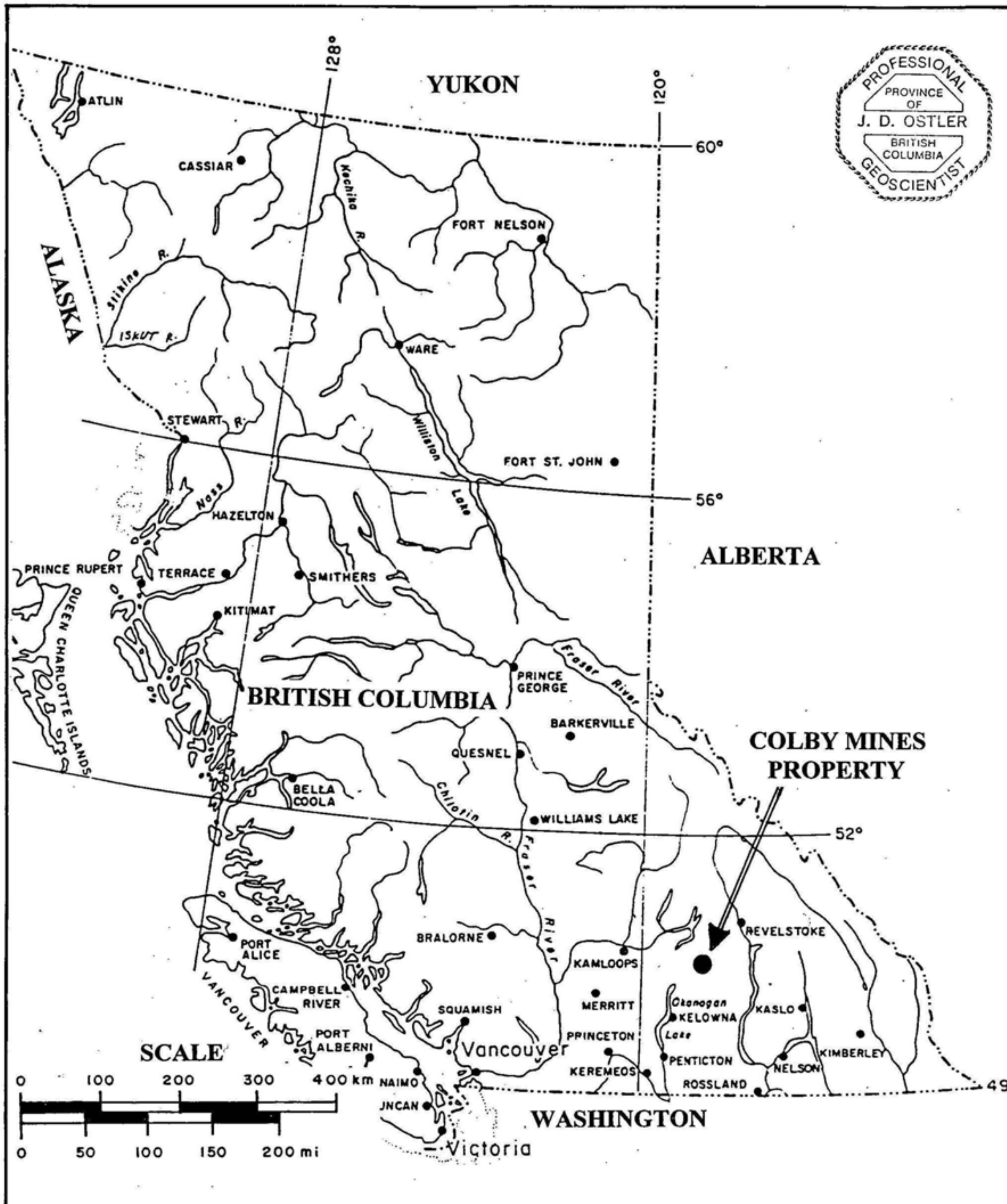
Craig Lynes of Grindrod, British Columbia is the registered owner all of the claims comprising the Colby Mines property.

On May 9, 2011, Inexco Mining Corp. acquired an option to purchase a 100% interest in the claims from Rich River Exploration Ltd., a private company controlled by Craig Lynes subject to a 3% net smelter return for the following payments:

1. Upon execution of the option agreement: $10,000
2. Upon Inexco having been listed on a stock exchange
   $15,000 and 75,000 shares of the common stock of Inexco
3. Within 1 year after listing
   $100,000 worth of work on the property and 50,000 shares of the common stock of Inexco
4. On or before the 2nd anniversary of listing
   $10,000 and $200,000 worth of work on the property
5. On or before the 3rd anniversary of listing
   $15,000 and $300,000 worth of work on the property
6. On or before the 4th anniversary of listing
   $25,000 and $400,000 worth of work on the property

Inexco can purchase 2% of Lynes's 3% net smelter return for $1,000,000.

Reportedly, amendments have included the subsequently acquired (no name) (837392) and COLBY JACK (978013) claims in that agreement.



N.

CASSIAR EAST YUKON EXP. LTD.

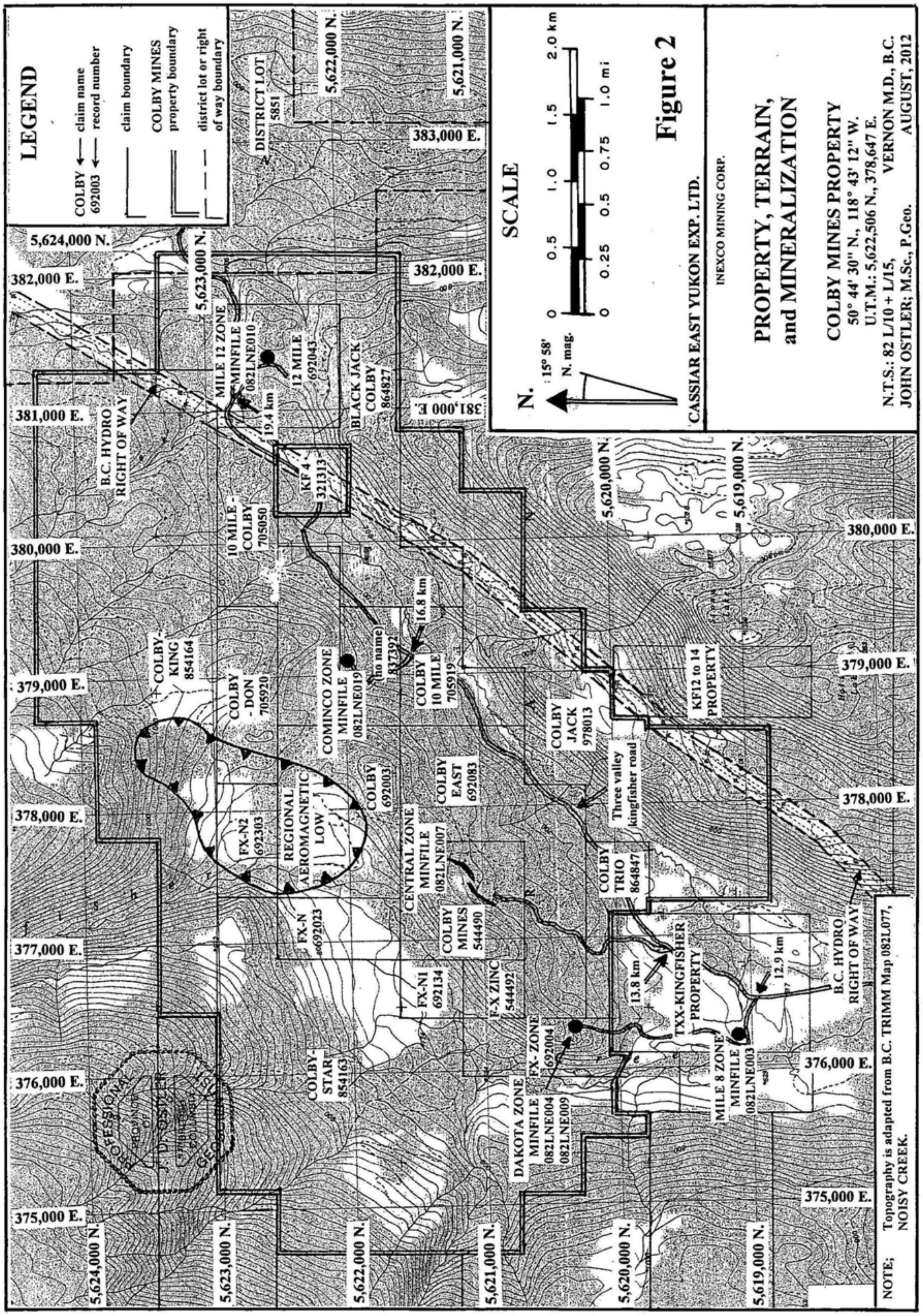
Figure 1

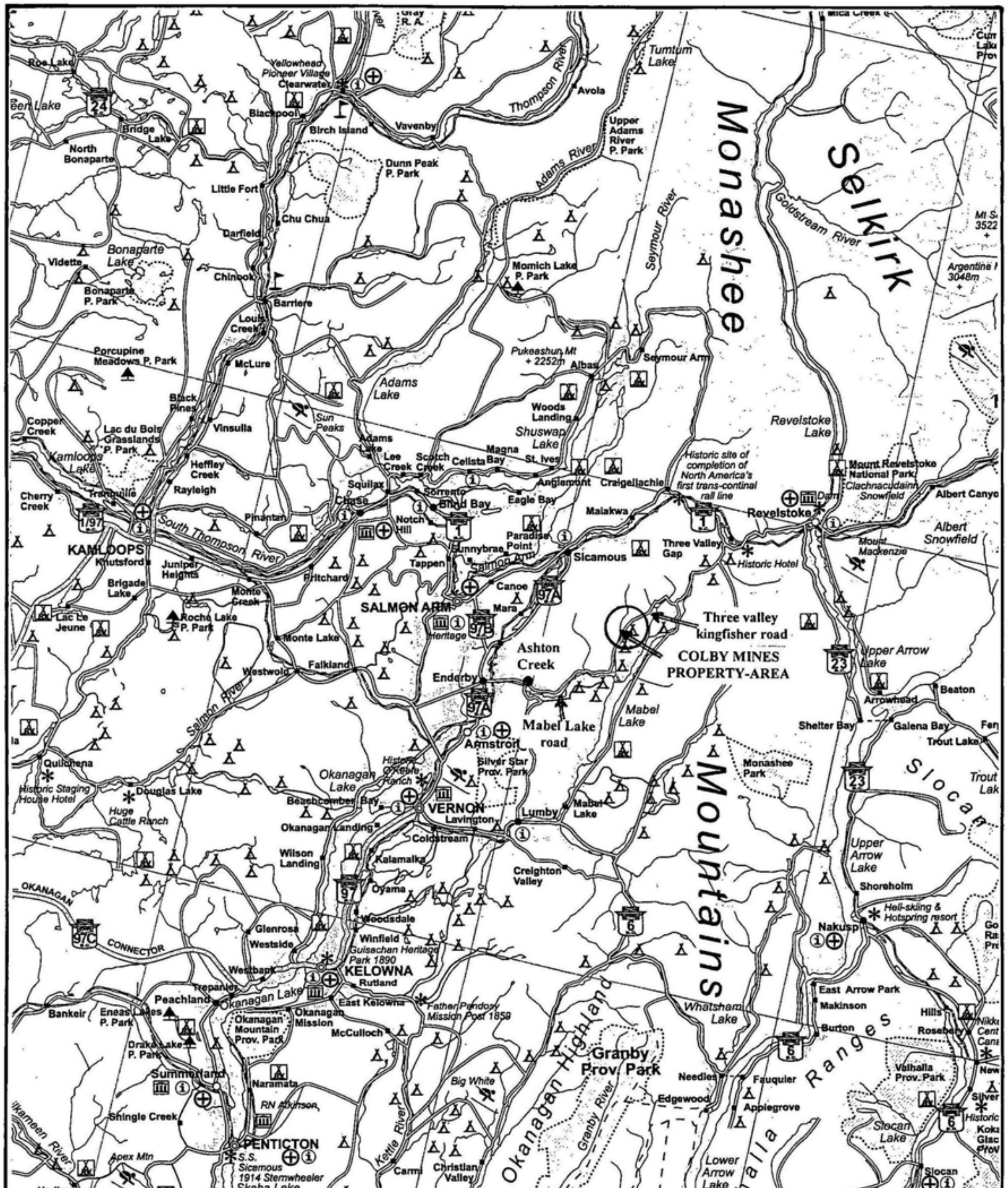
INEXCO MINING CORP.

GENERAL LOCATION

COLBY MINES PROPERTY

50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,674 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012


LEGEND
COLBY ← claim name
692003 ← record number
claim boundary
COLBY MINES property boundary
district lot or right of way boundary
SCALE
0 0.25 0.5 0.75 1.0 1.5 2.0 km
0 0.5 1.0 mi
N.
15° 58'
N. mag.
Figure 2
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
PROPERTY, TERRAIN, and MINERALIZATION
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012
DISTRICT LOT 5851
B.C. HYDRO RIGHT OF WAY
MILE 12 ZONE MINFILE 082LNE010
12 MILE 692043
19.4 km
BLACK JACK COLBY 864827
KF 4 321313
10 MILE - COLBY 705050
COLBY-KING 854164
COLBY - DON 705920
COMINCO ZONE MINFILE 082LNE019
(no name) 837392
16.8 km
COLBY 10 MILE 705919
COLBY JACK 978013
KF12 to 14 PROPERTY
REGIONAL AEROMAGNETIC LOW
FX-N2 692303
COLBY 692003
COLBY EAST 692083
Three valley kingfisher road
CENTRAL ZONE MINFILE 082LNE007
COLBY TRIO 864847
FX-N 692023
COLBY MINES 544490
FX-N1 692134
F-X ZINC 544492
13.8 km
TXX-KINGFISHER PROPERTY
12.9 km
B.C. HYDRO RIGHT OF WAY
COLBY-STAR 854163
DAKOTA ZONE MINFILE 082LNE004 082LNE009
FX- ZONE 692004
MILE 8 ZONE MINFILE 082LNE003
5,624,000 N.
5,623,000 N.
5,622,000 N.
5,621,000 N.
5,620,000 N.
5,619,000 N.
375,000 E.
376,000 E.
377,000 E.
378,000 E.
379,000 E.
380,000 E.
381,000 E.
382,000 E.
383,000 E.
NOTE; Topography is adapted from B.C. TRIMM Map 082L077, NOISY CREEK.



0 20 40 60 80 100 km

0 10 20 30 40 50 mi

Figure 3

INEXCO MINING CORP.

REGIONAL ACCESS

COLBY MINES PROPERTY

50° 44' 30" N., 118° 43' 12" W.

U.T.M.: 5,622,506 N., 378,674 E.

N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.

JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

The property area comprises 18 map-staked claims covering 2,617.91 ha (6,466.24 A) in the Vernon Mining Division and in the Kamloops Division of the Yale Land District. Tenures comprising the property (Figure 2) are as follow:

Table 1
Map-staked Claims

Claim Name	Record No.	Area: hectares (Acres)	Record Date	Expiry Date	Owner
COLBY MINES	544490	81.82 (202.10)	Oct. 27, 2006	May 31, 2018	Craig A. Lynes
F-X ZINC	544492	20.46 (50.54)	Oct. 27, 2006	May 31, 2018	Craig A. Lynes
COLBY	692003	122.71 (303.09)	Dec. 31, 2009	May 31, 2018	Craig A. Lynes
FX- ZONE	692004	61.37 (151.18)	Dec. 31, 2009	May 31, 2018	Craig A. Lynes
FX-N	692023	40.90 (101.02)	Jan. 1, 2010	May 31, 2018	Craig A. Lynes
12 MILE	692043	81.80 (202.05)	Jan. 1, 2010	May 31, 2018	Craig A. Lynes
COLBY EAST	692083	163.65 (404.22)	Jan. 1, 2010	May 31, 2018	Craig A. Lynes
FX-N1	692134	20.45 (50.51)	Jan. 1, 2010	May 31, 2018	Craig A. Lynes
FX-N2	692303	40.90 (101.02)	Jan. 1, 2010	May 31, 2018	Craig A. Lynes
10 MILE - COLBY	705050	122.70 (303.07)	Jan. 30, 2010	May 31, 2018	Craig A. Lynes
COLBY 10 MILE	705919	61.37 (151.18)	Feb. 10, 2010	May 31, 2018	Craig A. Lynes
COLBY - DON	705920	61.35 (151.53)	Feb. 10, 2010	May 31, 2018	Craig A. Lynes
(no name)	837392	40.91 (101.05)	Nov. 3, 2010	May 31, 2018	Craig A. Lynes
COLBY-STAR	854163	511.31 (1,262.54)	May 9, 2011	May 31, 2018	Craig A. Lynes
COLBY-KING	854164	511.15 (1,262.54)	May 9, 2011	May 31, 2018	Craig A. Lynes
BLACK JACK COLBY	864827	265.87 (656.70)	July 5, 2011	May 31, 2018	Craig A. Lynes
COLBY TRIO	864847	61.38 (151.61)	July 6, 2011	May 31, 2018	Craig A. Lynes
COLBY JACK	978013	347.81 (859.09)	April 4, 2012	May 31, 2018	Crag A. Lynes
Total Property area		2,617.91 (6,466.24)			

Map-staked mineral claims in British Columbia are endowed with metallic and some industrial mineral rights but no surface rights. Surface rights can be obtained during production permitting.

Effective July 1, 2012 in British Columbia, a mineral claim holder must do and record a minimum amount of assessment work or pay cash in lieu of work per year for each hectare within a claim to maintain that claim in good standing as follows:

Table 2
Annual Assessment Work Required to Maintain a Mineral Tenure

Anniversary Year after Record Date of Tenure	$ Amount of Assessment Work/ha Required to Extend the Expiry Date of a Tenure for 1 Year
Years 1 and 2	$5.00/ha
Years 3 and 4	$10.00/ha
Years 5 and 6	$15.00/ha
Subsequent years	$20.00/ha

Effective July 1, 2012, the amount of cash in lieu of work required to extend the expiry date of a mineral tenure for one year is double the amount of assessment work required for that year. To facilitate the transition to the new assessment requirement rates, when assessment work is filed to the benefit of any mineral tenure for the first time after July 1, 2012, that tenure will be deemed to be in the first anniversary year of it's record date.

Prior to July 1, 2012, sufficient assessment work was filed to extend the expiry dates of all of the claims comprising the Colby Mines property to May 31, 2018. If subsequent work is filed that year, the claims will be deemed to be in their first anniversary year after their record dates. Extending the expiry dates of the claims for one year would cost as follows:

Table 3
Annual Cost of Assessment Work

Year	Property Area (ha) Requiring Work for 1 Year Expiry Extension	Required Work @ $5/ha	Required Work @ $10/ha	Required Work @ $15/ha	Required Work @ $20/ha
2012 to 1018	0				
2018 and 2019	2,617.91	$13,089.55			
2020 and 2021	2,617.91		$26,179.10		
2021 and 2022				$39,268.65	
2022 and subsequent years	2,617.91				$52,358.20

These map-staked claims are located on the provincial virtual mineral tenure grid. No posts or lines exist on the ground; thus, there is no uncertainty regarding the area covered by the claims. Also, there are no natural features and improvements relative to, and affect the location of the outside property boundaries. Nor are there conditions on or adjacent to the claims that may affect the design of future exploration and development programs on the property (Figure 2). B.C. Hydro has a right of way over a corridor passing through the eastern and southern parts of the claim-area (Figure 2). The province of British Columbia has title to District Lot 5851 which overlaps the eastern boundary areas of the COLBY- KING (854164) and BLACK JACK COLBY (864827) claims. No restrictions to exploration are attached to Lot 5851. According to information provided by the province through the Tantalus Gator system and the Integrated Land Resource Registry, available at www.mtonline.bc.ca and at www.ILRR.ca , no parts of the property cover private land. The nearest native reserve to the property is the Enderby No. 2 Indian Reserve, located 40 km (24.4 mi) west-southwest of the property adjacent to the town of Enderby. Consultation with local native bands would be necessary during mine development. To the author's knowledge, Inexco has not made contact with any native bands. There is no plant or equipment, inventory, mine or mill structure on these claims.

Broken Hill-type massive and disseminated sulphide mineralization on the property is hosted by calc-silicate gneiss and marble that trend east-northeastward across the property-area. The locations of significant areas within the property are as follow (Figure 2):

Table 4
Locations of Significant Areas on the Colby Mines Property

Center of Entity	U.T.M. Co-ordinates	Longitude and Latitude
property centre	5,622,506 N., 378,647 E.	50° 44' 30" N., 118° 43' 12" W.
Dakota zone on the FX- ZONE (692004) claim	5,620,341 N. 376,235 E.	50° 43' 18" N., 118°45' 12" W.
Central zone on the COLBY MINES (544490) and COLBY EAST (692083) claims	5,621,161 N., 377,415 E.	50° 43' 45" N., 118° 44' 13" W.
Cominco zone on the (no name) (837392) claim	5,621,961 N., 379,127 E.	50° 44' 13" N., 118° 42' 47" W.
Mile 12 zone on the 12 MILE (692043) claim	5,622,523 N., 381,376 E.	50° 44' 33" N., 118° 40' 52" W.

At the effective date of this Technical Report, being June 27, 2014, to the author's knowledge the only royalties, back-in rights, payments, or agreements and encumbrances to which the Colby Mines property is subject pertain to the Rich River (Craig Lynes) option agreement and the 3% net smelter return due to Rich River Exploration Ltd. (Craig Lynes) from production from the property. The Colby Mines property is subject to no environmental clean-up directives or orders resulting from previous exploration or mining activities.

It is anticipated that no permits and environmental bonds will be required to conduct either phase of the recommended exploration program.

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Elevations of the Colby Mines property range from 630 m (2,067 ft) at Danforth Creek near the southeastern corner of the COLBY JACK (978013) claim at the southern boundary of the property-area, to 1,240 m (4,068 ft) at the northern boundary of the COLBY-STAR (854163) claim at the northern boundary of the property. The property hosts a second-growth forest comprised mostly of cedar, spruce, fir, and cottonwood trees which is in various states of growth. There is insufficient timber suitable for mining on the claims.

Although the till cover generally seems to be thin, most of the rock outcrops are in road cuts and along ridge crests like the one north of the Central zone. Soil profiles observed in road cuts were deemed to be sufficiently mature for soil-survey results to be meaningful. Soil geochemical surveys have been used successfully during previous exploration programs.

Directions for road access to the property from the B.C. highway system are as follow:

Proceed along B.C. Highway 97A to Enderby. Near the town centre, turn eastward onto Cliff Street. Proceed along Cliff Street across Shuswap River to Ashton Creek which is 9.2 km (5.6 mi) east of Enderby. Just beyond the bridge over Ashton Creek, the road divides. Turn to the left onto the Mabel Lake Road. Proceed eastward for 20.3 km (12.4 mi) on the Mabel Lake Road to the Three Valley (Kingfisher) forest service road which is controlled by FM radio frequency 153.230.

The road to the Mile 8 calcite quarry and the Dakota zone diverges to the left up the hill from the Three Valley road at km 12.9 (mile 7.4). The road to the Central zone diverges to the left up the hill from that road at km 13.8 (mi 8.4). A very overgrown road to the Cominco zone diverges up hill from the road just east of a small creek at km 16.8 (mi 10.2). The old road to the Mile 12 trench diverges to the right and down hill from the main road at km 19.4 (mi 11.8). The western part of the Central zone can be accessed by 4-wheel drive vehicles in dry weather. The eastern part of that zone can be reached only on foot.

The town of Enderby, located about 44 km (26.8 mi) west of the claims by road, is the nearest supply and service center to the property. Services at Enderby are sufficient to support surface exploration programs such as prospecting, mapping, or soil sampling. Salmon Arm, located at the junction of B.C. Highways 1 and 97C, about 68 km (41.5 mi) north of the property, hosts the nearest helicopter base and a rail yard where mineral products can be loaded for transport to a smelter. The city of Kamloops, located on B.C. Highway 1 about 175 km (106.8 mi) west of the property has services necessary to support a mining operation.

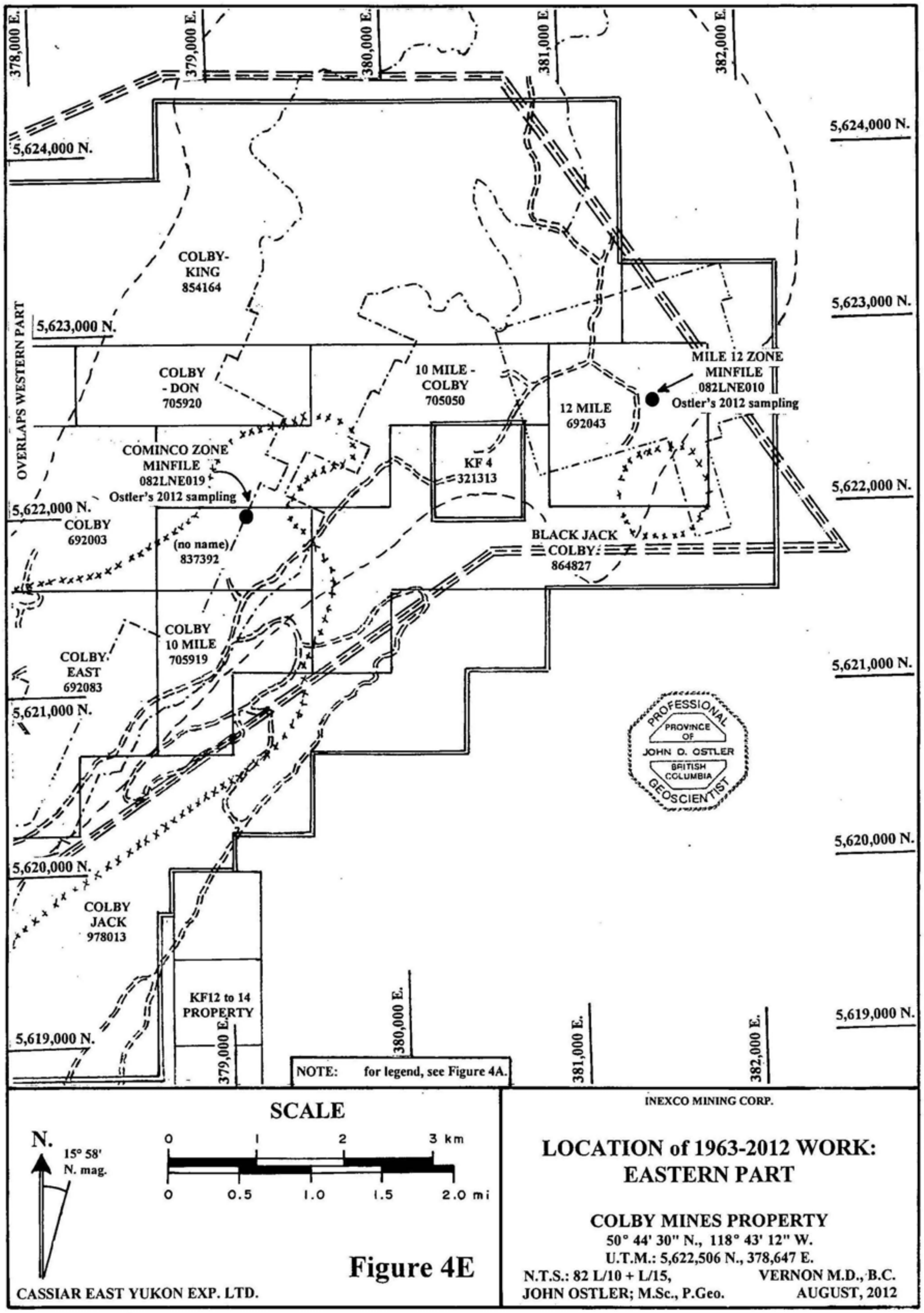
The property-area experiences cold winters and hot, dry summers. Winter snow falls by late November and stays on the ground until April in open areas. Surface work can be conducted in the property-area from April until November in a normal year.

The property is on crown land with no special restrictions on development thereon (Figures 2 and 3). Upon development permitting, one normally is able to secure surface rights necessary to conduct a permitted mining operation. The author knows of no legal impediment to Inexco Mining Corp. being able to secure such surface rights as part of the permitting process.

Two parallel, high-voltage power transmission lines cross the southeastern and eastern parts of the claim-area (Figure 2). Adequate fresh water for a mining operation could be drawn by gravity from either Kingfisher Creek or Danforth Creek from locations north of the property.

Both the mining business and the pool of professionals and skilled tradesmen who serve it are international and mobile. The Kamloops-North Okanagan area has sufficient amenities to attract the people needed to operate a new mine.

There is adequate, reasonably flat area appropriate for erecting a mill and developing a moderately sized tailings pond in the Kingfisher Creek valley in the northern part of the property-area.


378,000 E.
379,000 E.
380,000 E.
381,000 E
382,000 E.
5,624,000 N.
5,623,000 N.
5,622,000 N.
5,621,000 N.
5,620,000 N.
5,619,000 N.
OVERLAPS WESTERN PART
COLBY-
KING
854164
COLBY
- DON
705920
10 MILE -
COLBY
705050
12 MILE
692043
MILE 12 ZONE
MINFILE
082LNE010
Ostler's 2012 sampling
COMINCO ZONE
MINFILE
082LNE019
Ostler's 2012 sampling
KF 4
321313
COLBY
692003
(no name)
837392
BLACK JACK
COLBY
864827
COLBY
10 MILE
705919
COLBY
EAST
692083
PROFESSIONAL
PROVINCE
OF
JOHN O. OSTLER
BRITISH
COLUMBIA
GEOSCIENTIST
COLBY
JACK
978013
KF12 to 14
PROPERTY
NOTE: for legend, see Figure 4A.
SCALE
N.
15° 58'
N. mag.
0 1 2 3 km
0 0.5 1.0 1.5 2.0 mi
Figure 4E
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
LOCATION of 1963-2012 WORK:
EASTERN PART
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

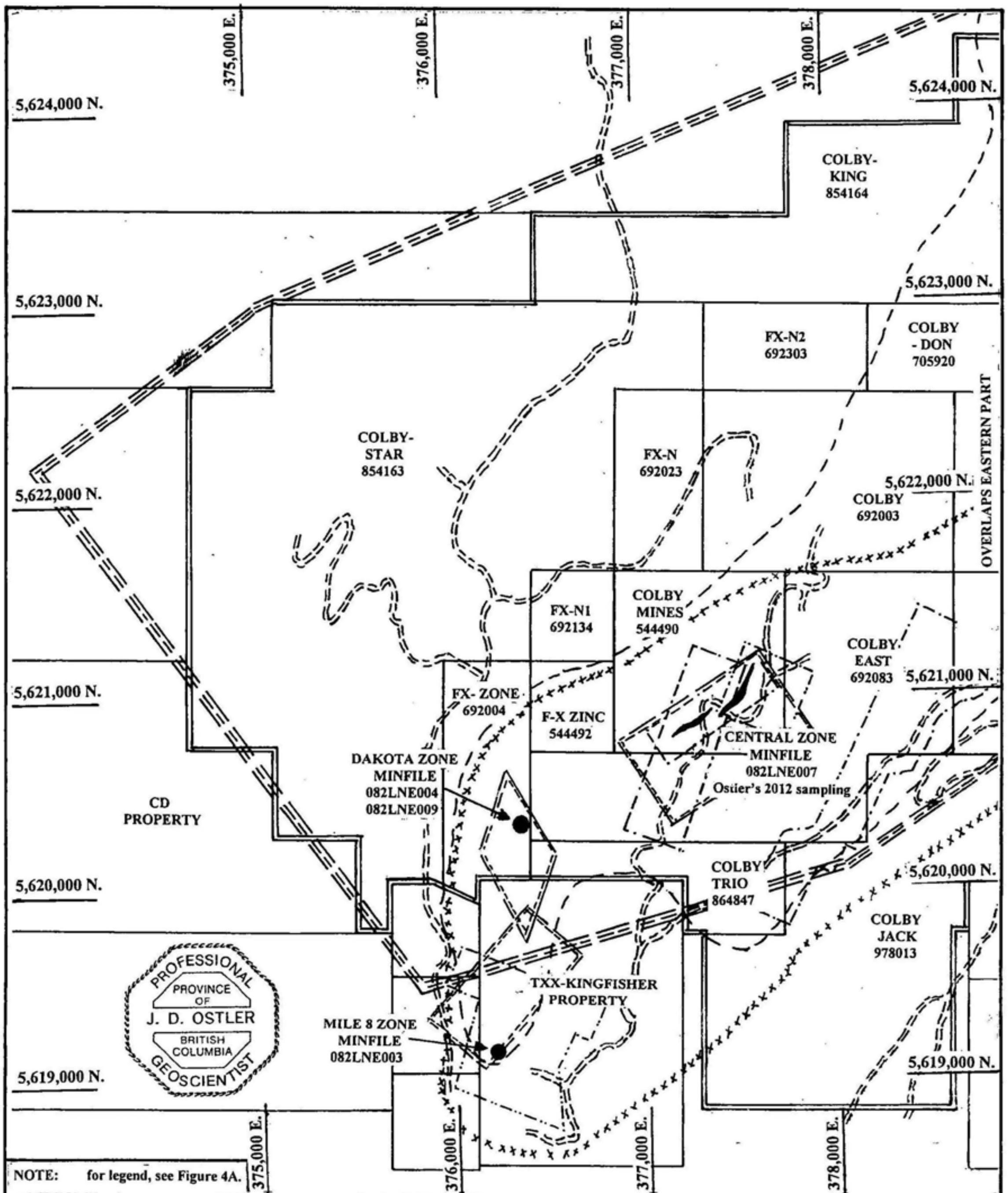


Figure 4W

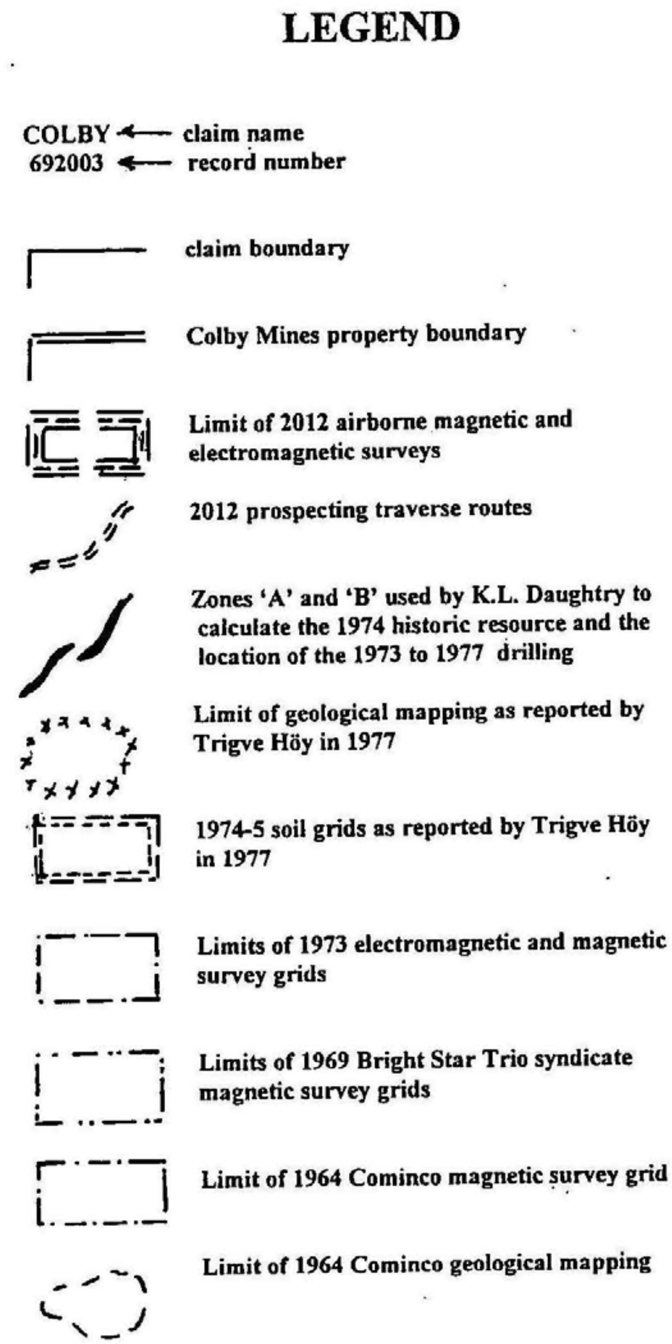
CASSIAR EAST YUKON EXP. LTD.

INEXCO MINING CORP.

LOCATION of 1963-2012 WORK: WESTERN PART

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

Figure 4A
Legend to Figures 4E and 4W



5.0 HISTORY

5.1 Chronology of Ownership and Exploration of Claims in the Colby Mines Property-area

1963 The showings of the area that became the Central zone were discovered by W.C. Rotar of the Bright Star Trio syndicate of Vernon, B.C. The Bright Star property was staked to cover the showings. By 1964, the Bright Star property comprised 28 2-post claims (McKechnie and Smith, 1964) with a maximum area of 585.2 ha (1,445.4 A).

The Consolidated Mining and Smelting Company of Canada Limited (Cominco) discovered the showings of the Cominco and Mile 12 zones and staked the core of the Kingfisher property located east of the Bright Star property. Cominco recorded a total of 65 2-post claims from November 19, 1963 to September 28, 1964. In its final form, that property covered about 1,337.6 ha (3,303.9 A) after deduction for overlap (Figures 5 and 6).

1964 Sheep Creek Mines Ltd. optioned the Bright Star property from the Bright Star Trio syndicate. Sheep Creek drilled six diamond-drill holes totalling 195.7 m (642 ft) and excavated several hand-blasted and bulldozer trenches over a distance of 731.5 m (2,400 ft) along the trend of the Central zone between elevations of 762 and 838 m (2,500 and 2,750 ft) (Chisholm, 1973). Five zinc-lead showings were explored in the Central zone at that time (McKechnie and Smith, 1964). Sheep Creek terminated its option on the property.

Probably, Cominco optioned the Bright Star property from the syndicate after the withdrawal of Sheep Creek. From September 1 to November 15, 1964, Cominco conducted 1:1,000-scale geological mapping over a 15.2 km^2 (5.7 mi^2) area that covered both the Kingfisher and Bright Star properties as well as the area that would become known as the Dakota showings (Gifford and Richardson, 1964A) (Figures 4W and 5). Also, a total of 65 ha (160.6 A) and 97.5 ha (234.7 A) were mapped at a scale of 1:100 in the Cominco and Mile 12 zones respectively (Gifford and Richardson, 1964A). Zinc-lead mineralization was found to be hosted by a marble and calc-silicate rock unit that transected both the Bright Star and Kingfisher properties.

From October 1 to 31, 1964, Cominco conducted a magnetic survey over a 5 km^2 (1.9 mi^2) area on the Kingfisher property (Gifford and Richardson, 1964B) (Figures 4E, 4W, and 6). Grid lines in the southeastern part of the survey-area were 121.9 m (400 ft) apart. Traverses were conducted along logging roads in the northwestern part of the survey-area. Readings were taken at 15.2-m (50-ft) intervals along the lines. Readings at loop-back stations were used to correct data for diurnal variation in vertical magnetic field. Magnetic “highs” where total vertical magnetic field exceeded the average for the survey by at least 400 nanoteslas (gammas) were located in several parts of the survey-area. The distribution of those magnetic “highs” did not relate to the trends of stratigraphy and mineralization.

Cominco drilled four diamond drill holes that cut a total of 112.8 m (370 ft) into the Cominco zone (Smith, 1964).

1965 Dakota Silver Mines Ltd. staked the Elk and Dakota claims to the west of Bright Star property over the showings that would become known as the Dakota zone (Figure 4W). The property comprised 28 2-post claims (McKechnie, 1965) that covered a maximum of 585.2 ha (1,445.4 A).

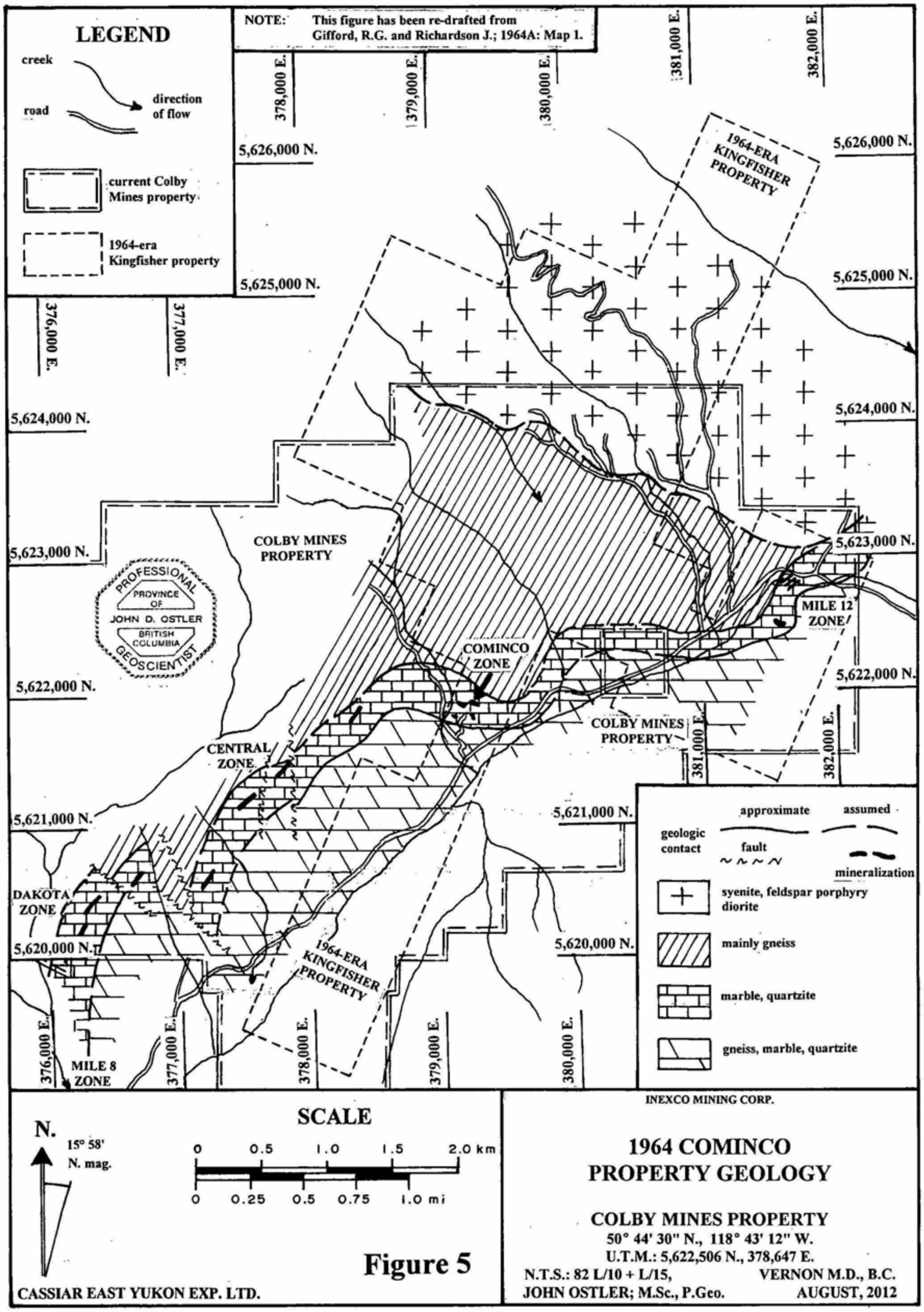
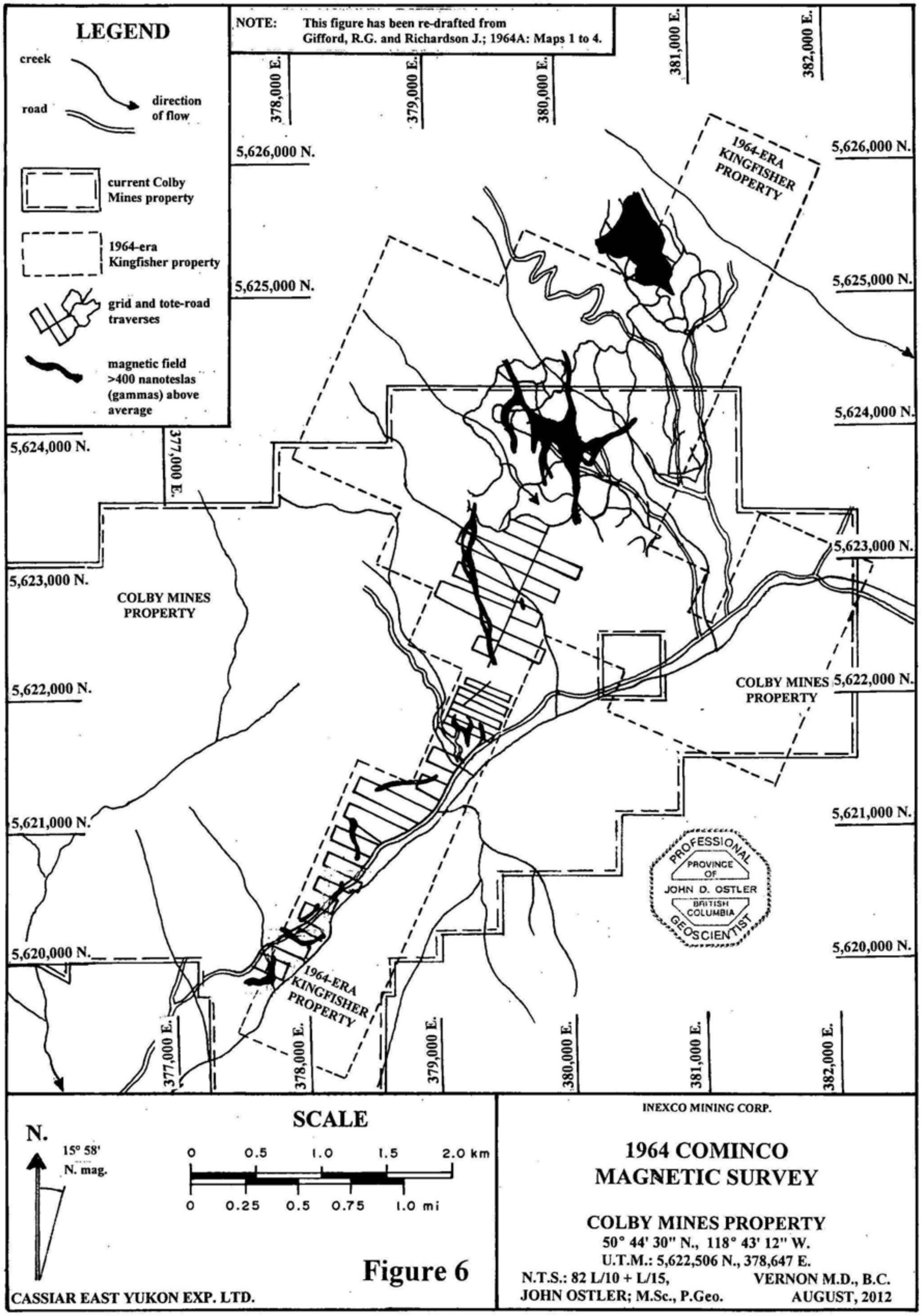

LEGEND
creek
road
direction of flow
current Colby Mines property
1964-era Kingfisher property
NOTE: This figure has been re-drafted from Gifford, R.G. and Richardson J.; 1964A: Map 1.
1964-ERA KINGFISHER PROPERTY
COLBY MINES PROPERTY
COMINCO ZONE
MILE 12 ZONE
CENTRAL ZONE
DAKOTA ZONE
MILE 8 ZONE
geologic contact
approximate
assumed
fault
mineralization
syenite, feldspar porphyry diorite
mainly gneiss
marble, quartzite
gneiss, marble, quartzite
SCALE
N.
15° 58' N. mag.
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1964 COMINCO PROPERTY GEOLOGY
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

Figure 5


LEGEND
creek
road
direction of flow
current Colby Mines property
1964-era Kingfisher property
grid and tote-road traverses
magnetic field >400 nanoteslas (gammas) above average
NOTE: This figure has been re-drafted from Gifford, R.G. and Richardson J.; 1964A: Maps 1 to 4.
377,000 E.
378,000 E.
379,000 E.
380,000 E.
381,000 E.
382,000 E.
5,626,000 N.
5,625,000 N.
5,624,000 N.
5,623,000 N.
5,622,000 N.
5,621,000 N.
5,620,000 N.
1964-ERA KINGFISHER PROPERTY
COLBY MINES PROPERTY
PROFESSIONAL
PROVINCE OF
JOHN D. OSTLER
BRITISH COLUMBIA
GEOSCIENTIST
N.
15° 58' N. mag.
SCALE
0 0.5 1.0 1.5 2.0 km
0 0.25 0.5 0.75 1.0 mi
Figure 6
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1964 COMINCO MAGNETIC SURVEY
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

1965 Continued

E.O. Chisholm (1973) described Dakota's work on its claims that year as follows:

> In 1965, Dakota Silver Mines Ltd. of Vernon, B.C. staked claims ... on the middle fork of Kingfisher Creek 8 miles (12.9 km) upstream from the confluence with Shuswap River. On the Elk 3 claim ... approximately at elevation of 2,820 to 2,980 feet (859.5 to 908.3 m), several trenches were blasted and at the lower elevation a diamond drill site was noted at which two holes were drilled at an inclination of 45° and 68° towards the trenched area, at a bearing of N. 20° West (340°). No core was found. The showing area was examined and sampled by the writer.
>
> Chisholm, E.O.; 1973: p. 6.

Cominco lost interest in the area and let its Kingfisher property lapse.

1968 The Bright Star property had grown to include a total of 127 2-post claims (Smith and Wardman, 1968) which could have had a maximum area of 2,654.3 ha (6,556.1 A). Fourteen trenches were dug and a 7.3-m (24-ft) long drill hole was drilled by a 2-man crew during a four-month long program that year.

1969 The Bright Star property comprised a total a total of 123 full and fractional 2-post claims that covered an area of about 2,402.7 ha (5,934.7 A). It extended from the Mile 8 zone to the Mile 12 zone and covered most of the area covered by the current Colby Mines property.

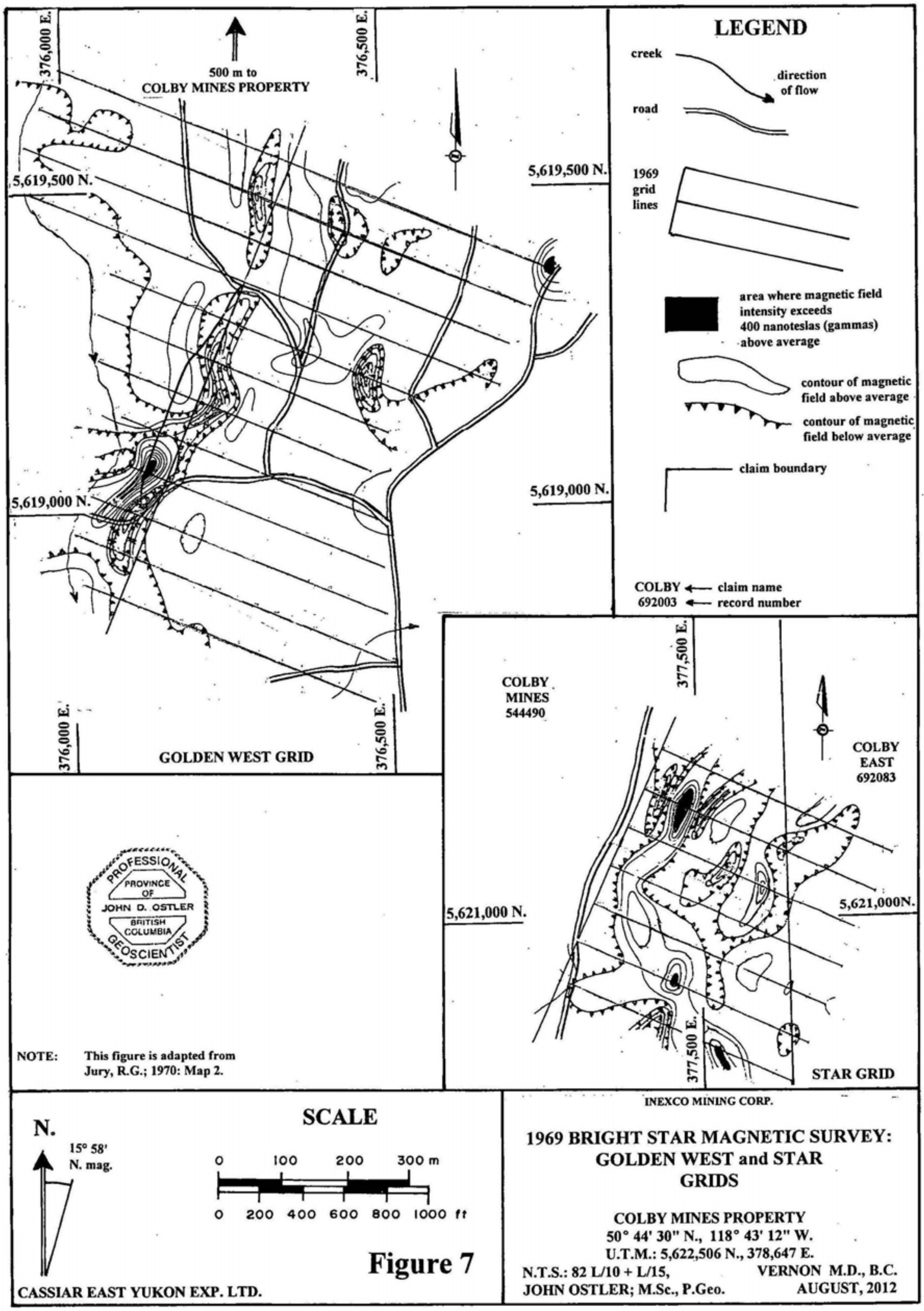
Alrae Engineering Ltd. of Vancouver, B.C. was commissioned to conduct magnetic surveys in three areas: north of the Mile 8 zone and south of the current FX- ZONE (692004) claim (named the Golden West grid-area), along the southeastern margin of the Central zone on the current COLBY MINES (544490) and COLBY EAST (692083) claims (named the Star grid-area), and around the Mile 12 zone on a grid centred on the current 12 MILE (692043) claim (named the Bright Star Trio grid-area) (Jury, 1970). A total of 2,564.1 m (8,412.5 ft) of base line and 28,541.5 m (93,640 ft) of grid line was surveyed in the three grids (Figures 4E, 4W, 7 and 8). Grid lines were spaced 61 m (200 ft) apart; readings were take at 30.5-m (100-ft) intervals along the lines. A total of 3,273.5 m (10,740 ft) of fill-in line at 30.5-m (100-ft) spacings were surveyed at 16.2-m (50-ft) spacings in a magnetically interesting part of the Bright Star Trio grid. Adjacent lines were also surveyed at 15.2-m (50-ft) intervals.

David Smith (1970) commented on the 1969 Bright Star exploration program as follows:

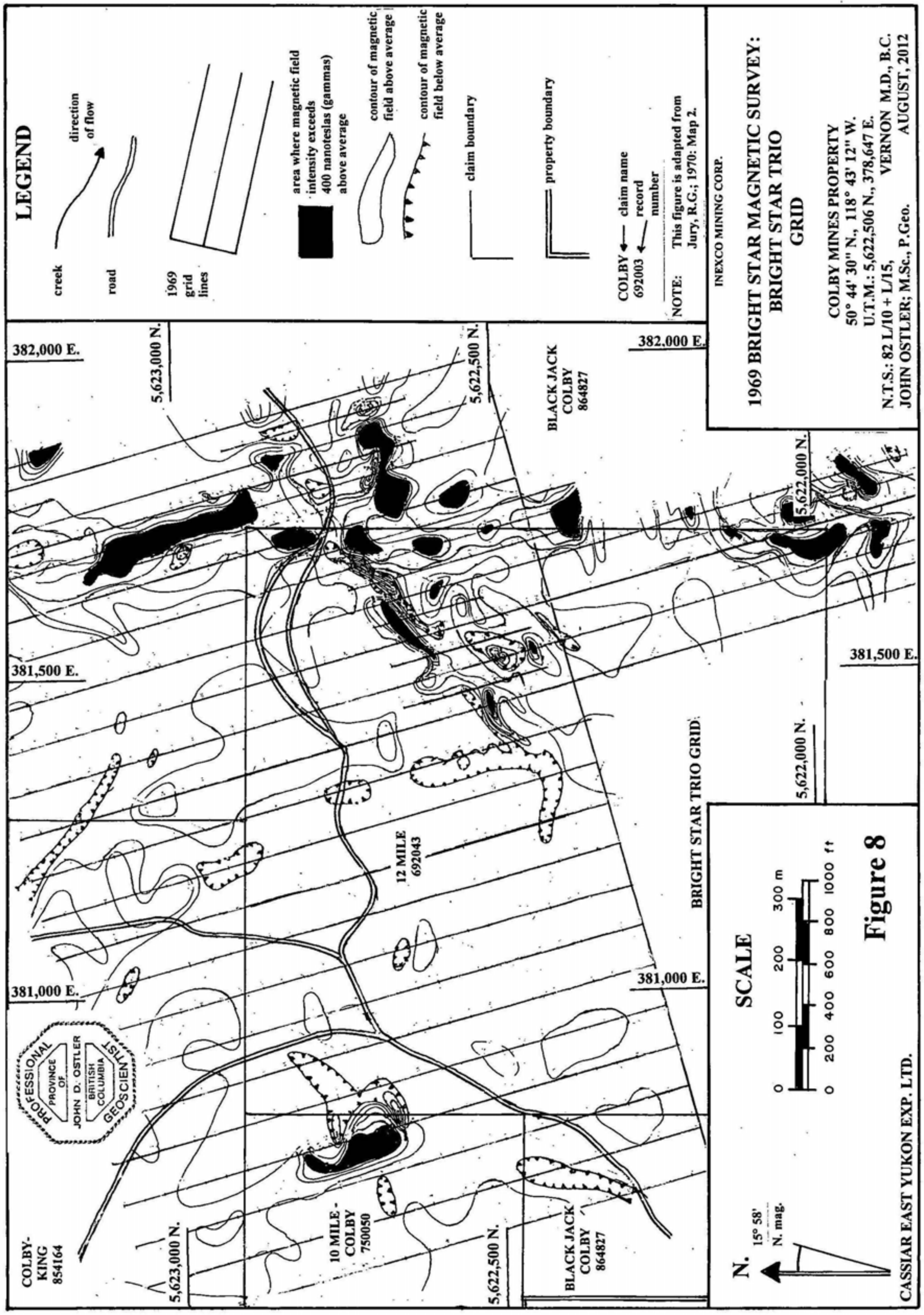
> A magnetometer survey covering 28 line-miles (45.1 line-km) was run over the BRIGHT STAR TRIO, GOLDEN WEST, and STAR groups; 1,000 soil samples were collected from the same claims for chemical analysis; and 10 holes totalling 597 feet (182 m) were diamond drilled from surface.
>
> Smith, David; 1970: p. 298.

1965 to 1973

Bright Star Trio Mining Ltd. conducted extensive bulldozer trenching and stripping, and some diamond drilling in the Central zone (Chisholm 1973; Höy, 1977).



376,000 E.
500 m to
COLBY MINES PROPERTY
376,500 E.
5,619,500 N.
5,619,500 N.
5,619,000 N.
5,619,000 N.
376,000 E.
376,500 E.
GOLDEN WEST GRID
LEGEND
creek
direction of flow
road
1969 grid lines
area where magnetic field intensity exceeds 400 nanoteslas (gammas) above average
contour of magnetic field above average
contour of magnetic field below average
claim boundary
COLBY ← claim name
692003 ← record number
PROFESSIONAL
PROVINCE OF
JOHN D. OSTLER
BRITISH COLUMBIA
GEOSCIENTIST
NOTE: This figure is adapted from Jury, R.G.; 1970: Map 2.
377,500 E.
COLBY MINES
544490
COLBY EAST
692083
5,621,000 N.
5,621,000N.
377,500 E.
STAR GRID
N.
15° 58′ N. mag.
SCALE
0 100 200 300 m
0 200 400 600 800 1000 ft
Figure 7
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1969 BRIGHT STAR MAGNETIC SURVEY:
GOLDEN WEST and STAR
GRIDS
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012


LEGEND
creek
direction of flow
road
1969 grid lines
area where magnetic field intensity exceeds 400 nanoteslas (gammas) above average
contour of magnetic field above average
contour of magnetic field below average
claim boundary
property boundary
COLBY ← claim name
692003 ← record number
NOTE: This figure is adapted from Jury, R.G.; 1970: Map 2.
INEXCO MINING CORP.
1969 BRIGHT STAR MAGNETIC SURVEY: BRIGHT STAR TRIO GRID
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012
382,000 E.
381,500 E.
381,000 E.
5,623,000 N.
5,622,500 N.
5,622,000 N.
BLACK JACK COLBY 864827
12 MILE 692043
10 MILE - COLBY 750050
COLBY-KING 854164
BRIGHT STAR TRIO GRID
PROFESSIONAL PROVINCE OF JOHN D. OSTLER BRITISH COLUMBIA GEOSCIENTIST
SCALE
0 100 200 300 m
0 200 400 600 800 1000 ft
N.
15° 58'
N. mag.
CASSIAR EAST YUKON EXP. LTD.
Figure 8

1973 and 1974: Summary

Colby Mines Ltd. located 34 (2-post) claims over the original Bright Star property (the Central zone) in 1973 ... and subsequently expanded the property to over 250 claims to include the original Kingfisher property (covering the Cominco and Mile 12 zones), the original Elk and Dakota claims (Dakota zone), and the Mile 8 zone. From a map published by Trigve Höy (1975), the author calculated that the 1974-era Black Jack property covered about 5,565 ha (13,476 A).

Trigve Höy (1975) described the staking of the Black Jack property by Colby Mines Ltd. in the current property-area and its exploration as follows:

WORK DONE

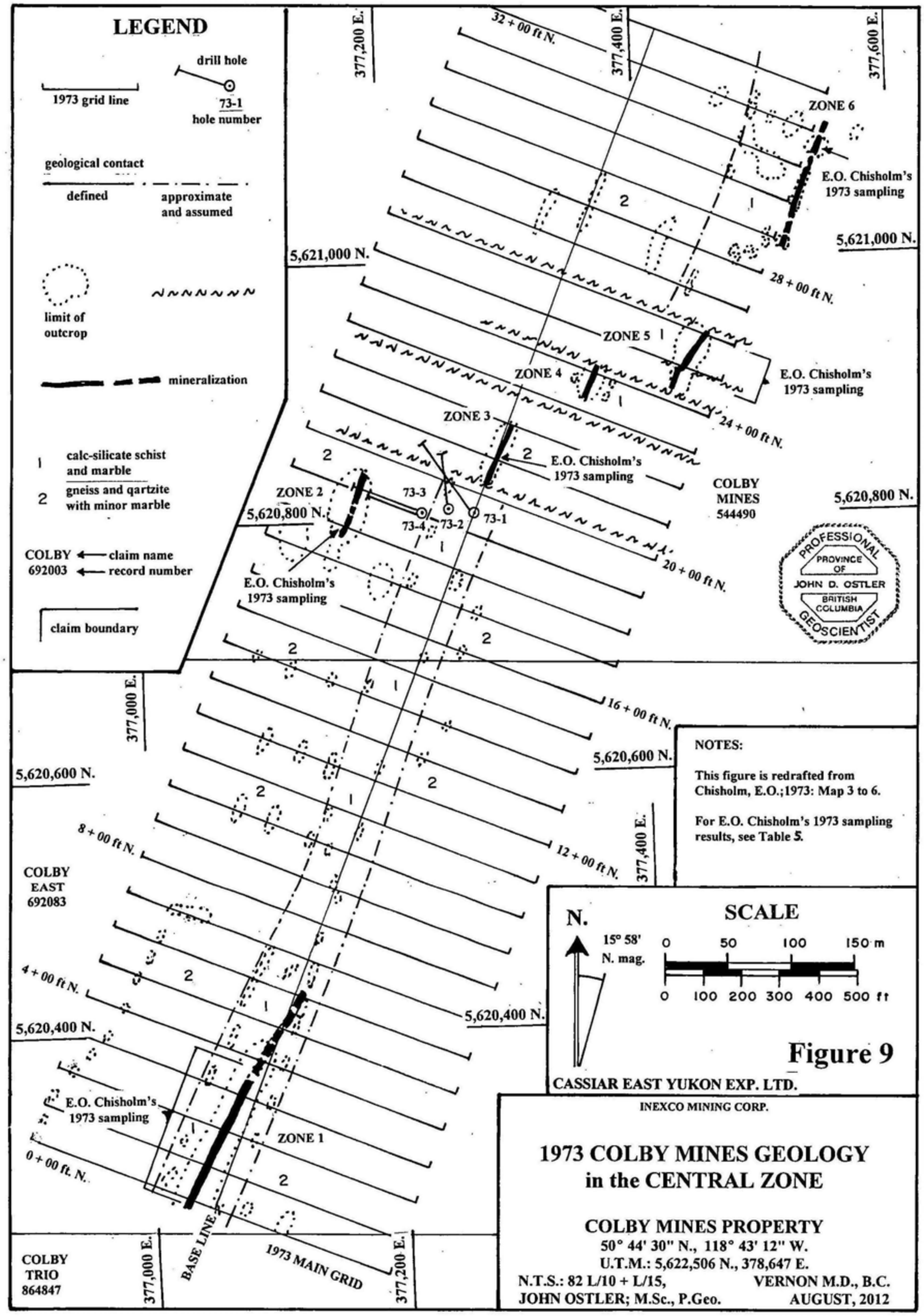
1973 and early 1974 - linecutting, magnetometer survey, and altimeter survey (Figures 10N and 10S), 7 line-miles (11.3 line-km); linecutting and electromagnetic survey (Figure 11), 2.9 line-miles (4.7 line-km); surface geological mapping, 1 inch equals 100 feet and 50 feet (Figure 9); surface diamond drilling, 25 holes totalling 5,604 feet (1,708.1 m) on FX 2, 3, 21, and 22 (the Central zone);

1974 - surface geological mapping, 1 inch equals 100 feet, ground magnetometer survey, 100-foot (30.5-m) grid spacing, more than 6.8 line-miles (10.9 line-km); and geochemical soil survey, 100-foot (30.5-m) grid spacing, more than 6.8 line-miles (10.9 line-km) covering the FX 2, 3, 21, and 22 (the Central zone) and three other groups in the north and south parts of the property; packsack drilling, five holes; road construction 2 miles (3.2 km); trenching, 250 feet (76.2 m); stripping 1,500 by 300 feet (457.2 X 91.4 m).

Höy, Trigve; 1975: p. 94.

Trigve Höy (1977) commented that trenching in August and September of 1974 led to the discovery of lead-zinc mineralization 150 to 200 metres (492.1 to 656.2 ft) east and downslope of the original Bright Star showings. These new showings are in a nearly pure marble layer striking north-northeast and dipping to the east.

1973 The 1973 main grid in the Central zone comprised a 1,005.8-m (3,300-ft) long base line oriented at 020°-200° along a previously established claim line. Thirty-three lines were turned at right angles off the base line at 30.5-m (100-ft) intervals and extended for 152.4 m (500 ft) on both sides of the base line. The grid covered a total of 30.66 ha (75.73 A). At that time, the Central zone was referred to as either the East or Main zone.


LEGEND
drill hole
1973 grid line
73-1
hole number
geological contact
defined
approximate and assumed
limit of outcrop
mineralization
calc-silicate schist and marble
gneiss and qartzite with minor marble
COLBY ← claim name
692003 ← record number
claim boundary
377,200 E.
377,400 E.
377,600 E.
377,000 E.
32 + 00 ft N.
28 + 00 ft N.
24 + 00 ft N.
20 + 00 ft N.
16 + 00 ft N.
12 + 00 ft N.
8 + 00 ft N.
4 + 00 ft N.
0 + 00 ft. N.
5,621,000 N.
5,620,800 N.
5,620,600 N.
5,620,400 N.
ZONE 6
ZONE 5
ZONE 4
ZONE 3
ZONE 2
ZONE 1
E.O. Chisholm's 1973 sampling
73-1
73-2
73-3
73-4
COLBY MINES 544490
COLBY EAST 692083
COLBY TRIO 864847
BASE LINE
1973 MAIN GRID
PROFESSIONAL
PROVINCE OF
JOHN D. OSTLER
BRITISH COLUMBIA
GEOSCIENTIST
NOTES:
This figure is redrafted from Chisholm, E.O.;1973: Map 3 to 6.
For E.O. Chisholm's 1973 sampling results, see Table 5.
N.
15° 58' N. mag.
SCALE
0 50 100 150 m
0 100 200 300 400 500 ft
Figure 9
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1973 COLBY MINES GEOLOGY in the CENTRAL ZONE
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

1973 Continued

E.O. Chisholm (1973) mapped the geology on the 1973 grid and sampled zinc-lead mineralization in six zones within it (Figure 9) (Table 5) and reported the results as follow:

Zone 1

Located at ... 00 on base line ... Elevation 2475 feet (754.4 m) (Figure 9).

The showing consists of a 450 foot (137.2-m) long zone of massive to disseminated sulphides varying from a few feet to 25 feet (7.6 m) in width in a crystalline limestone host rock (Figures 26N, 26C, and 26S). It dips vertically and strikes N. 20° to 30° E. The limestone strikes the same direction but dips at 50° to the east. Sulphides consist of pyrrhotite, sphalerite, galena, pyrite and minor chalcopyrite in massive form, and disseminated throughout the limestone walls ... Seven representative grab samples (of massive sulphide mineralization), taken at intervals of 50 to 100 feet (15.2 to 30.5 m) along the veins (Table 5).

Zone 2

Location 0 + 1800 North, 300 West. Elevation 2750 feet (838.2 m) (Figures 9 and 27).

Zone 2 is comprised of massive sulphides containing considerable galena and sphalerite. Length is 150 feet (45.7 m) and width 10 to 15 feet (3.5 to 4.6 m). Strike N 20° E, dip 75° east. The host rock is quartzite. The zone appears to pinch out or is faulted off at both ends. A grab sample of representative sulphide from the pit on the showing assayed (as in Table 5).

Zone 3

Location 0+ 2100N. Elevation 2700 feet (823 m) on base line (Figures 9 and 28). Comprised of 20 feet (6.1 m) high rock face exposing massive and disseminated pyrrhotite, sphalerite and galena over a width of 25 feet (7.6 m). A rusty zone of mineralized rubble extends 50 feet (15.2 m) on either side of the showing. Strike at both ends is covered with overburden. The zone strikes N 20° E and dips vertically. The rock face shows considerable north south fracturing and shearing. The host rock sulphides is quartzite.

A representative chip sample across the sulphide zone face assayed (as in Table 5).

Zone 4

Location 0+ 2400N; 130 East. Elevation 2750 feet (838.2 m) (Figures 9 and 29). Comprised of 12 feet (3.7 m) wide sulphide zone extending for 100 feet (30.5 m) in a N 20° E direction. Dip vertical. Sulphides consist of massive and disseminated pyrrhotite, sphalerite and galena. The host rock is crystalline limestone that dips flatly at 15° to the east. No samples were taken due to the rusty oxidized nature of the rock. The zone appears to be an extension of zone No.1 faulted 100 ft. (30.5 m) to the east.

Zone 5

Location 0+ 2400 feet North, 400 feet East. Elevation 2800 feet (853.4 m) (Figures 9 and 29). Comprised of 20 feet (6.1-m) wide 200 feet (61-m) of massive and disseminated sulphides striking N 20° E and dipping vertically. The sulphides consist of pyrrhotite, sphalerite and minor galena in a quartzite host rock. The north and south ends of the showing are covered with overburden and open to extensions.

Three representative samples from the zone assayed (as in Table 5).

Zone 6

Location 0+ 32 (32 + 00) N 500 E. Elevation 2850 feet (868.7 m) (Figure 9). Comprised of a 15 foot (4.6-m) wide zone of massive to disseminated sulphide exposed for a length of 50 feet (15.2 m). Sulphides consist of pyrrhotite, sphalerite and galena in a crystalline limestone host rock similar to No.1 showing. The north and south ends of the showing are covered with overburden and open to extensions. The strike is N 20 to 30° East; dip vertical. The enclosing limestone strikes N 20° E and dips 30° East. Two hundred feet (61 m) to the south along strike the zone appears again and the total zone length is possibly 250 feet (76.2 m). The zone appears to be a faulted extension to the east of the No.4 zone.

A representative grab sample of sulphide assayed (as in Table 5).

Chisholm, E.O.; 1973: pp. 10-15.

E.O. Chisholm (1973) examined and sampled the Dakota zone (Figures 2 and 4W) which at that time was named the West or FX 5 zone. He described that zone as follows:

A series of bulldozer trenches and rock trenches at widely spaced intervals expose a 15 to 25- feet (4.6 to 7.6-m) - wide zone of sulphide in crystalline limestone and quartzite. Mineralization consists pyrrhotite, sphalerite and minor galena in silicified shears and disseminated zones.

Two drill holes were drilled at angles of 45° and 65° beneath one of the rock trenches (see 1965, this section). ... Above the drill holes some 75 feet (22.9 m) vertically a rock trench exposed 30 feet (9.1 m) wide lead-zinc zone. A chip sample across 30 feet (9.1 m) taken by the writer assayed lead 0.54% zinc 2.15% silver 0.06 oz/ton (11.2 gm/mt) gold 0.001 (0.034 gm/mt).

The FX 5 zone (Dakota zone) is similar geologically and mineralogically to the main zone on FX 21 (his zones 3 to 5 on the 1973 grid in Figure 9) ...

Chisholm, E.O.; 1973: p. 16.

From September 8 to 21, 1973, P.P. Nielsen (1974) conducted topographic and magnetic surveys in the 1973 main grid area. Chisholm's zones 1 and 6 corresponded with "lows" in the vertical magnetic field. Zones 2, 3, and 5 corresponded with magnetic "highs", and zone 4 was accompanied by a very subtle magnetic response (Figures 10N and 10S).

The northern part of the 1973 main grid containing Chisholm's zones 2 to 6 was considered to be the most prospective area by Colby Mines. From November 2 to 7, 1973, P.P. Nielsen (1974) conducted a horizontal loop "shootback" electromagnetic survey over a grid that straddled the northern part of the 1973 main grid (Figure 11). The 1973 EM grid was centred on a 701-m (2,300-ft) long base line that was oriented at 055° lines were extended for 91.4 m (300 ft) at 90° from each side of the base line. Lines 1W and 0 were extended another 91.4 m (300 ft) to the southeast. The 1973 EM grid covered an area of 13.1 ha (32.36 A).

Table 5
E.O. Chisholm's 1973 Sampling in the Central Zone

"Representative grab" Sample No.	Location on 1973 Grid	Length m ft	Pb %	Zn %	Au gm/mt oz/ton
Zone 1					
Grab No. 1	0 + 50 N.	0.6 2	0.19	15.60	
Grab No. 2	1 + 00 N.	1.5 5	3.68	11.30	
Grab No. 3	1 + 50 N.	6.1 20	0.12	2.48	
Grab No. 4	1 + 75 N.	6.1 20	0.17	2.52	
Grab No. 5	2 + 50 N.	1.5 5	0.09	1.43	
Grab No. 6	3 + 50 N.	1.5 5	0.02	0.06	
Grab No. 7	3 + 75 N.	3.5 10	0.21	1.50	
Zone 2					
Grab sample	18 +00 N. 3 + 00 W.	Grab from pit	0.01	3.90	
Zone 3					
Composite chip	21 + 00 N. 0 + 00 W.	15.2 50 (assumed)	0.31	1.59	0.034 0.001
Zone 4					
Not sampled					
Zone 5					
Grab 1	26 + 00 N. 4 + 00 E.	6.1 20	1.02	4.66	
Grab 2	25 + 00 N. 4 + 00 E.	6.1 20	0.24	2.41	
Grab 3	24 +75 N. 4 + 00 E.	6.1 20	0.01	0.13	
Grab 4	24 +75 N. 4 + 00 E.	Best mineral	1.05	6.12	
Zone 6					
Grab sample	32 + 00 N. 5 + 00 E.	?	0.02	1.94	

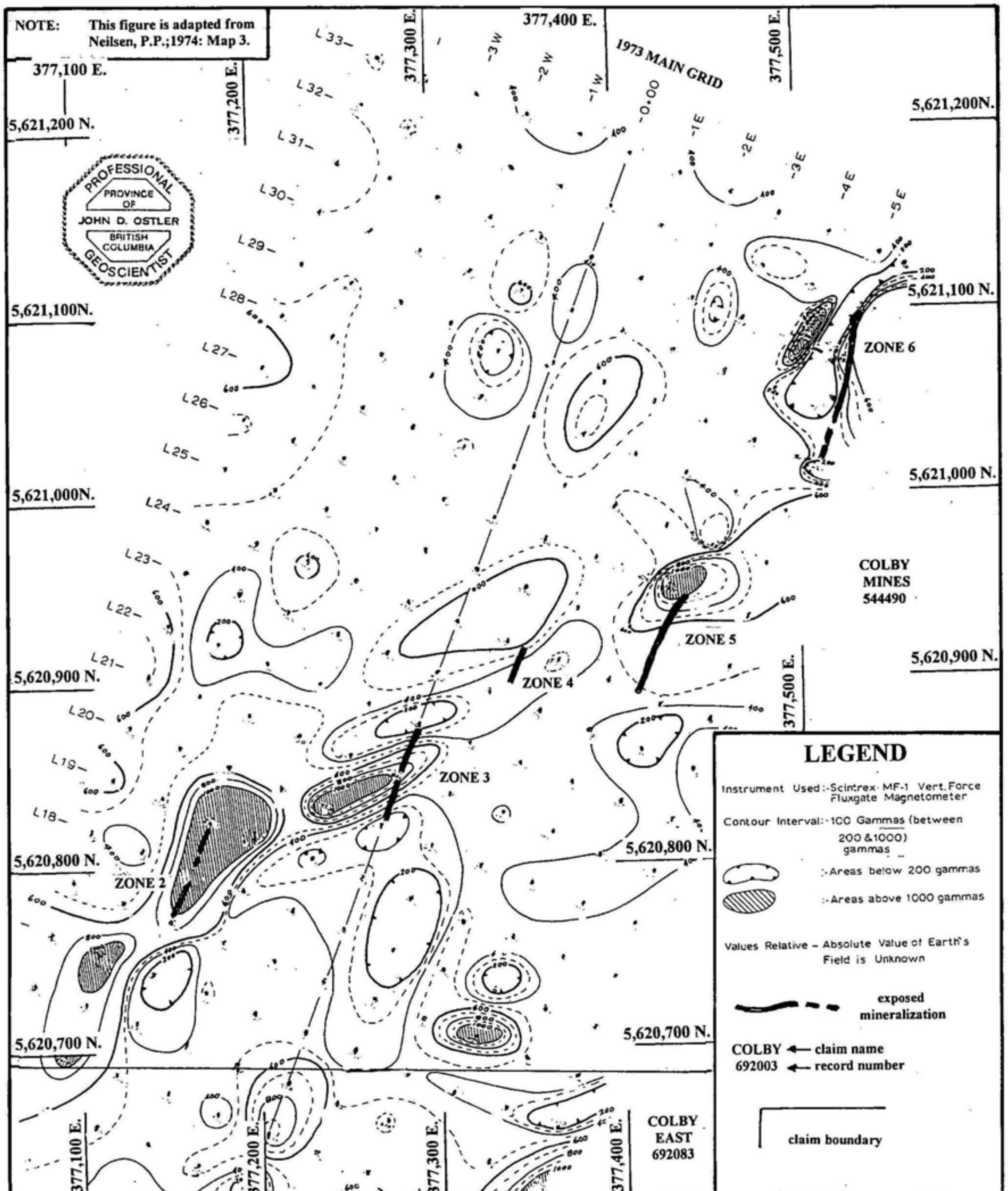


Figure 10N

1973 COLBY MINES MAGNETIC SURVEY: NORTHERN PART

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

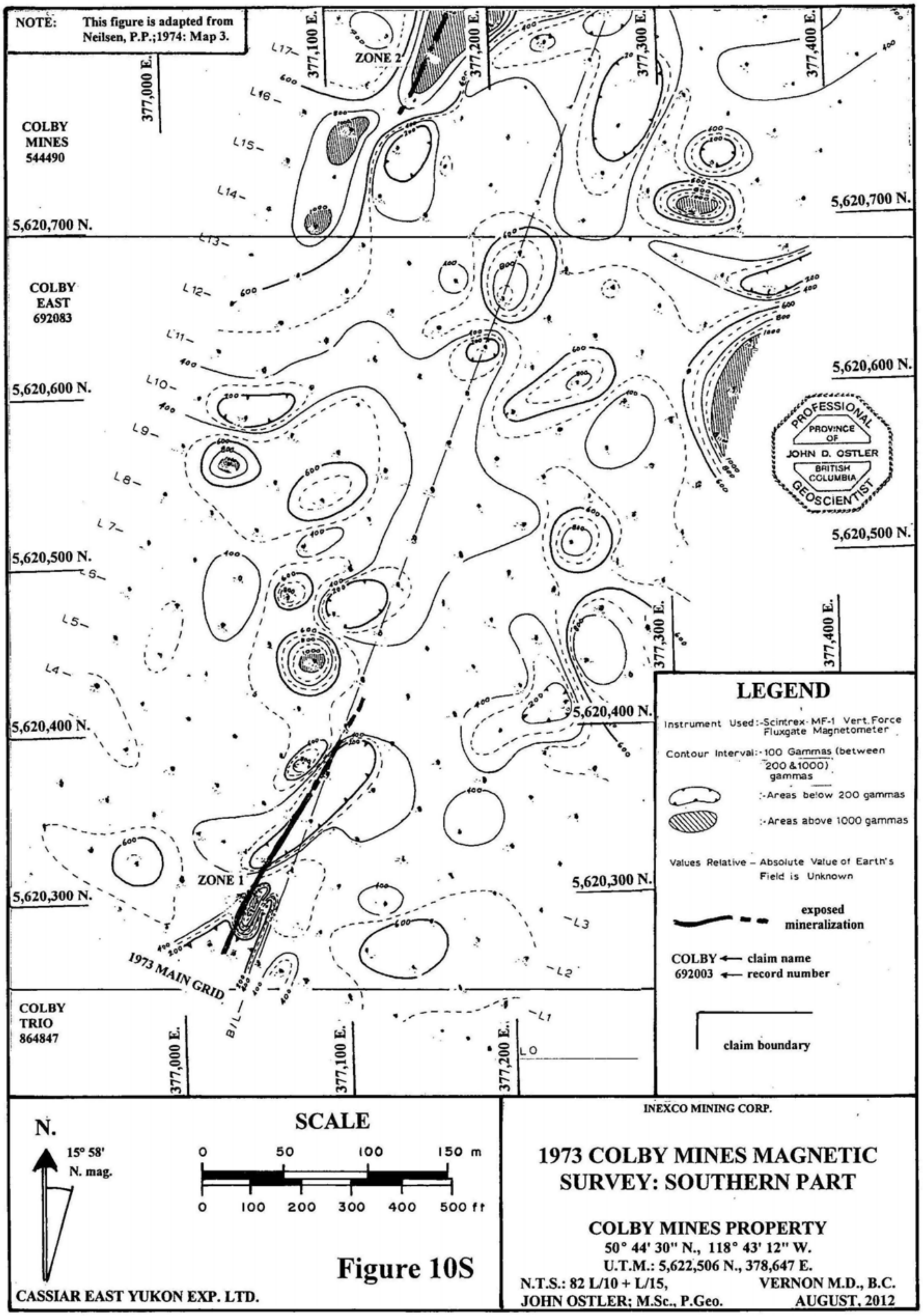

NOTE: This figure is adapted from Neilsen, P.P.;1974: Map 3.
COLBY MINES 544490
COLBY EAST 692083
COLBY TRIO 864847
ZONE 2
ZONE 1
1973 MAIN GRID
B/L
377,000 E.
377,100 E.
377,200 E.
377,300 E.
377,400 E.
5,620,700 N.
5,620,600 N.
5,620,500 N.
5,620,400 N.
5,620,300 N.
LEGEND
Instrument Used:-Scintrex-MF-1 Vert.Force Fluxgate Magnetometer
Contour Interval:-100 Gammas (between 200 & 1000) gammas
:-Areas below 200 gammas
:-Areas above 1000 gammas
Values Relative – Absolute Value of Earth's Field is Unknown
exposed mineralization
COLBY ← claim name
692003 ← record number
claim boundary
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
JOHN D. OSTLER
N.
15° 58' N. mag.
SCALE
0 50 100 150 m
0 100 200 300 400 500 ft
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1973 COLBY MINES MAGNETIC SURVEY: SOUTHERN PART
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

Figure 10S

1973 Continued

Four conductive zones were found in the 1973 EM grid area. P.P. Nielsen discussed the results of the 1973 magnetic and electromagnetic surveys as follows:

> ... The most pronounced magnetic feature observed ... is the northeast striking linear across the north-central grid-area which consists of a series of dipolar anomalies of magnetic highs with adjacent lows. These dipoles are the responses due to steeply dipping, near-surface dike-like bodies of moderate to high magnetic susceptibility.
>
> The linear is interpreted as a shear-zone in which numerous bands, veins and, possibly lenses or pods of pyrrhotite occur. Three showings along this linear co-incident with these dipoles exhibit a close association of pyrrhotite, sphalerite and galena. The linear is open at both ends of the grid and it is reasonable to assume that further magnetic coverage in these directions will delineate other mineralized zones.
>
> Due to the lack of susceptibility contrast between the gneisses, quartzites and limestones observed within the survey area, magnetic mapping on rock-types and cross-faults has been relatively unsuccessful. However, the series of spot magnetic highs and/or lows as well as flexures corroborated by the electro-magnetic survey and the geological and topographical evidence strongly indicate the existence of cross-faulting which appears to have dissected a continuous zone on mineralization into pods and lenses as observed in the showings.
>
> ... The present survey coverage has partially delineated another interesting magnetic feature on the eastern ends of Lines 12 to 17 inclusive (Figure 10S) ... (which) could represent sulphides of economic significance.
>
> Numerous other local dipolar anomalies occur throughout the grid and all are thought to be caused by pyrrhotite likely associated with sphalerite and galena.
>
> Recent drilling has shown that the geology is quite complex. Mineralization has been encountered in all rock-types present but the best mineralized intersections to date appear to be along the interpreted "shear" coincident with dipolar magnetic anomalies. The limestone is interfingered with the quartzites and the gneisses are highly folded, faulted and irregular.
>
> Nielsen, P.P.; 1974: pp. 7-9.

1974 The 1973 electromagnetic grid was expanded to form the 1974 Colby Mines grid. The 1974 grid extended for 975.4 m (3,200 ft) northeastward along the base line and for 609.6 m (2,000 ft) southeastward across it to include an area of 59.46 ha (146.87 A). It covered parts of the current COLBY MINES (544490) and COLBY EAST (692083) claims (Figure 4W).

From November 12, 1973 to March 2, 1974, Colby Mines Ltd. drilled 25 holes, using a PBS-1 drill. A total of 1,708.1 m (5,604 feet) of AQ core was recovered. Drilling commenced in the northeastern part of the 1973 grid on Chisholm's zones 2 to 6 in the Central zone and spread both east-northeast across the 1974 grid-area and south-southwest to Chisholm's zone 1 (Figures 4W, 14N, and 14S).

Two zones, named 'A' and "B' were identified by drilling in the north-central part of the Central zone. Zone 'A' covered Chisholm's zones 2 to 4. Zone 'B' coincided with Chisholm's zones 4 to 6 (Figures 11, 12, and 15).

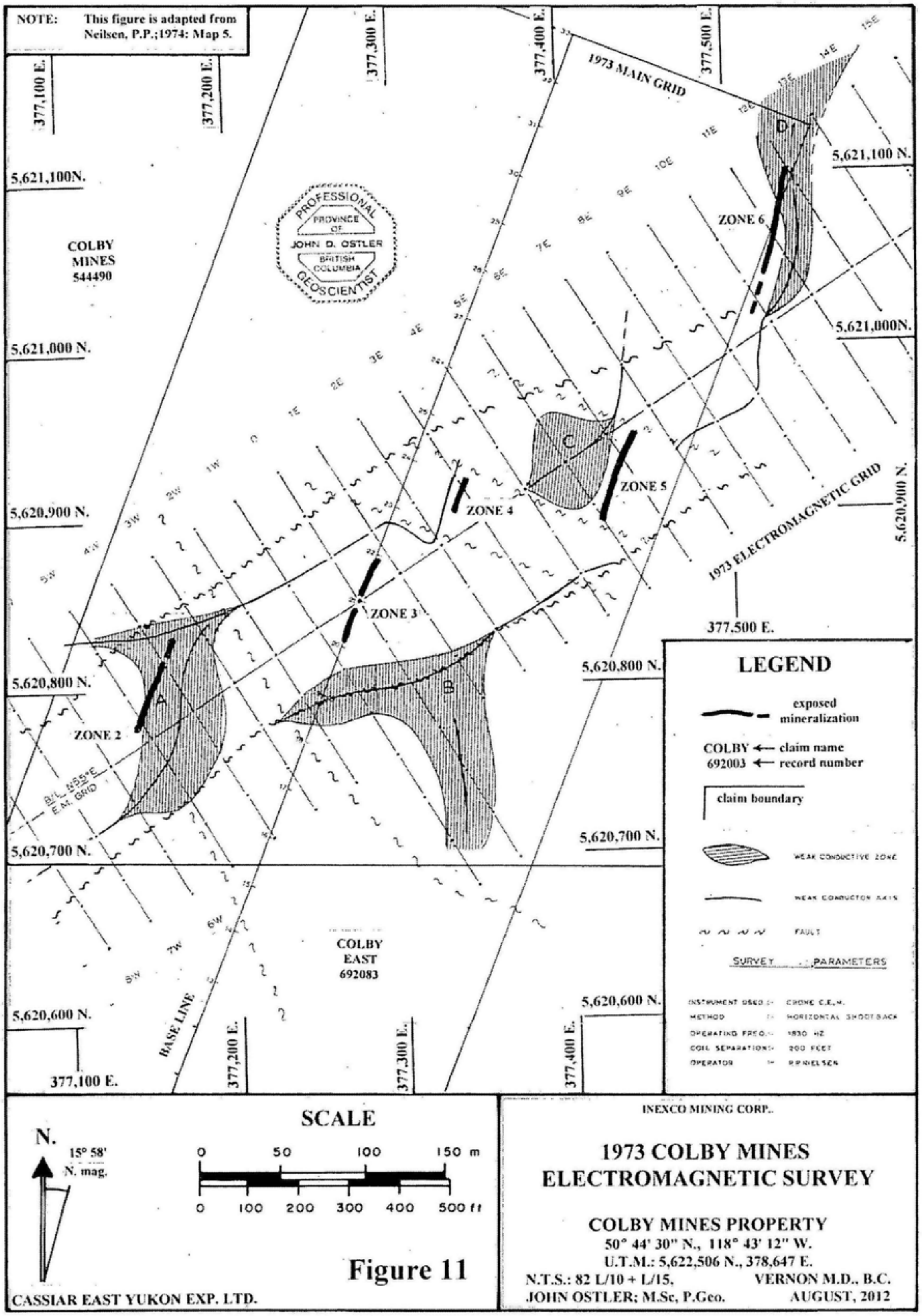
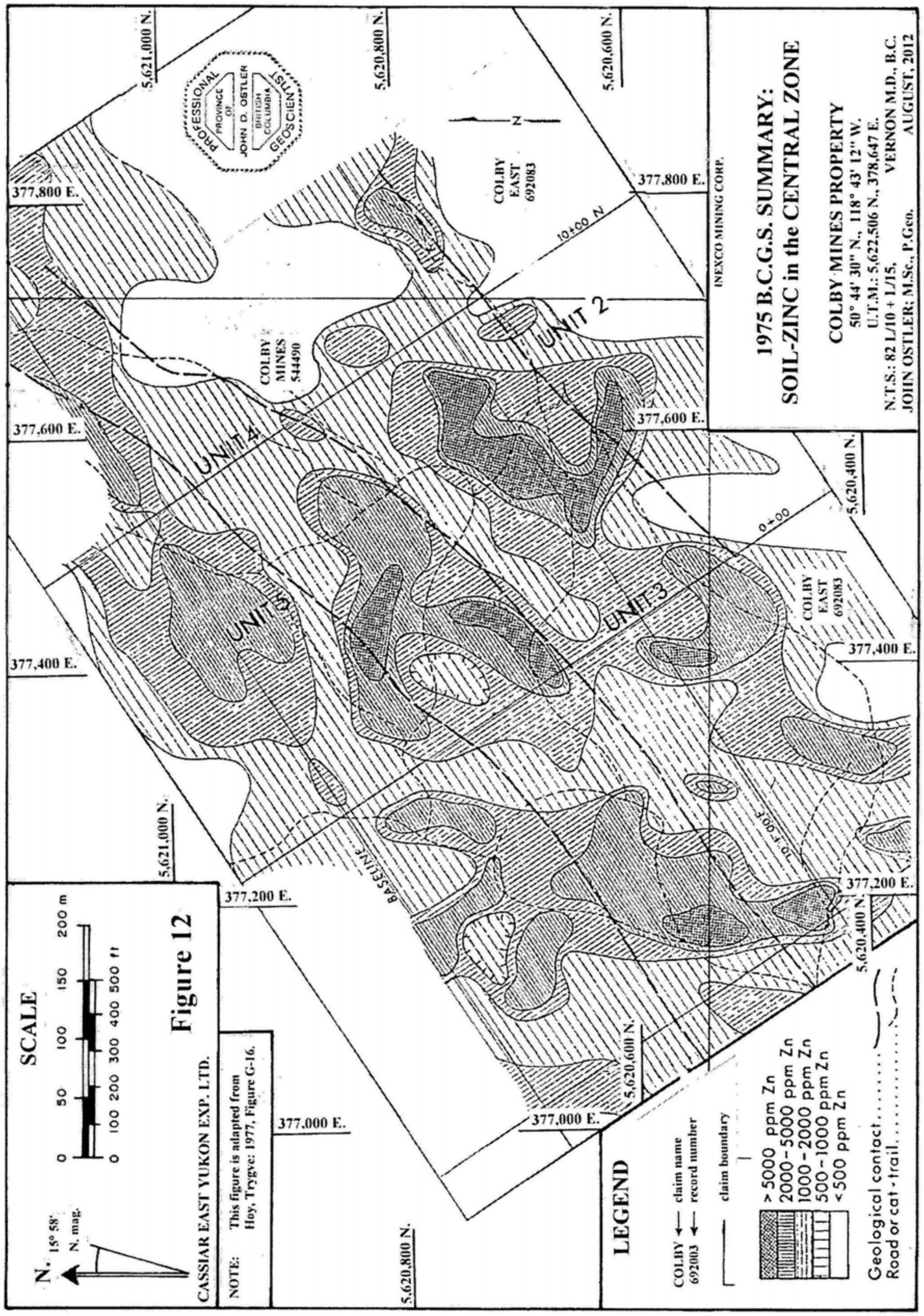

NOTE: This figure is adapted from Neilsen, P.P.;1974: Map 5.
377,100 E.
377,200 E.
377,300 E.
377,400 E.
377,500 E.
5,621,100N.
5,621,100 N.
5,621,000 N.
5,621,000N.
5,620,900 N.
5,620,800 N.
5,620,700 N.
5,620,600 N.
1973 MAIN GRID
1973 ELECTROMAGNETIC GRID
B/L N55°E E.M. GRID
BASE LINE
COLBY MINES 544490
COLBY EAST 692083
ZONE 2
ZONE 3
ZONE 4
ZONE 5
ZONE 6
A
B
C
D
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
JOHN D. OSTLER
LEGEND
exposed mineralization
COLBY ← claim name
692003 ← record number
claim boundary
WEAK CONDUCTIVE ZONE
WEAK CONDUCTOR AXIS
FAULT
SURVEY PARAMETERS
INSTRUMENT USED :- CRONE C.E.M.
METHOD :- HORIZONTAL SHOOTBACK
OPERATING FREQ. :- 1830 HZ
COIL SEPARATION :- 200 FEET
OPERATOR :- P.P.NIELSEN
N.
15° 58' N. mag.
SCALE
0 50 100 150 m
0 100 200 300 400 500 ft
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1973 COLBY MINES
ELECTROMAGNETIC SURVEY
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc, P.Geo. AUGUST, 2012

Figure 11


1975 B.C.G.S. SUMMARY:
SOIL-ZINC in the CENTRAL ZONE
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012
INEXCO MINING CORP.
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
JOHN D. OSTLER
COLBY EAST 692083
COLBY MINES 544490
UNIT 2
UNIT 3
UNIT 4
UNIT 5
BASELINE
10+00 N
0+00
10+00 S
5,621,000 N.
5,620,800 N.
5,620,600 N.
5,620,400 N.
377,800 E.
377,600 E.
377,400 E.
377,200 E.
377,000 E.
N.
15° 58'
N. mag.
SCALE
0 50 100 150 200 m
0 100 200 300 400 500 ft
Figure 12
CASSIAR EAST YUKON EXP. LTD.
NOTE: This figure is adapted from Hoy, Trygve: 1977, Figure G-16.
LEGEND
COLBY ← claim name
692003 ← record number
claim boundary
> 5000 ppm Zn
2000 - 5000 ppm Zn
1000 - 2000 ppm Zn
500 - 1000 ppm Zn
< 500 ppm Zn
Geological contact
Road or cat - trail

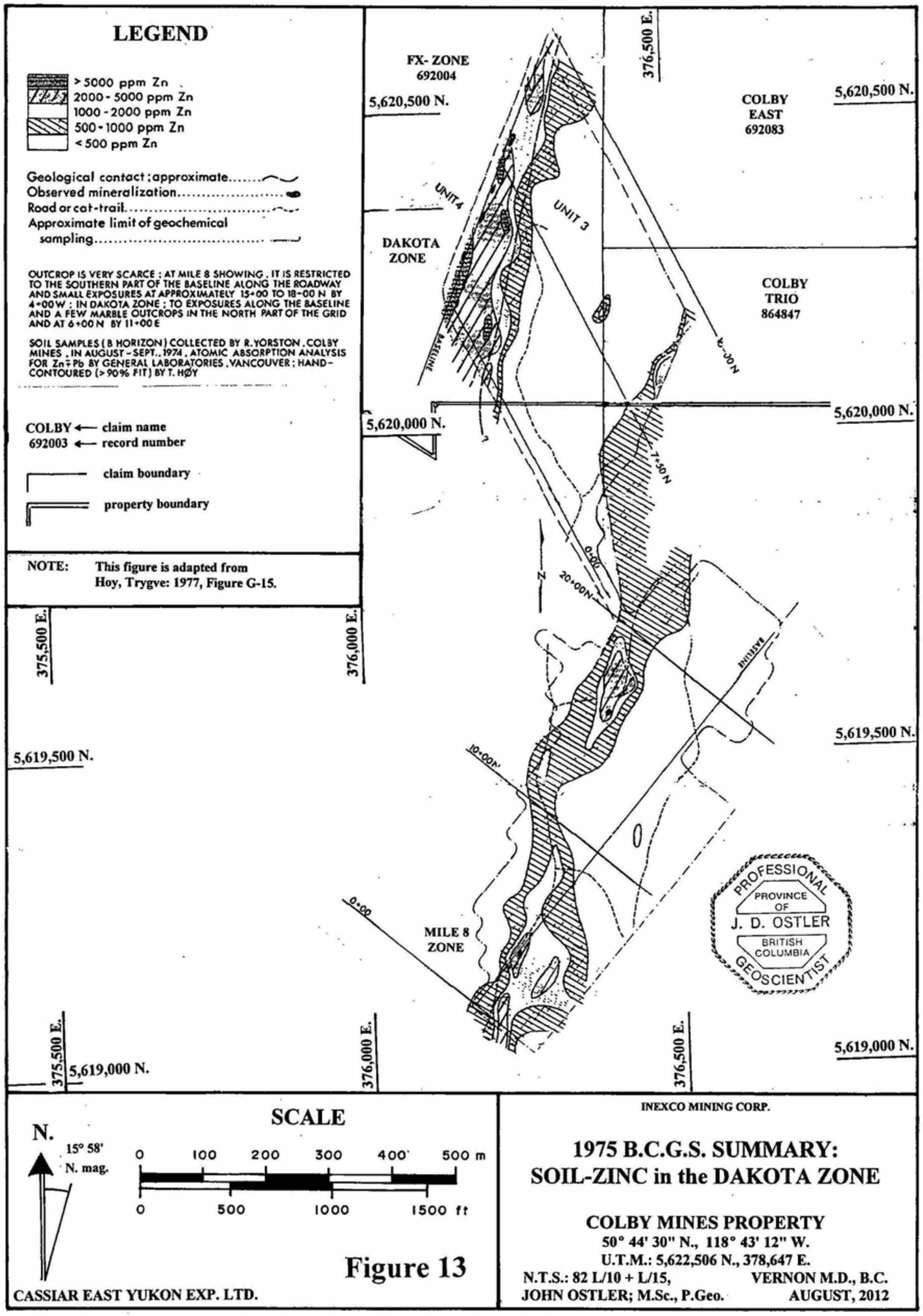
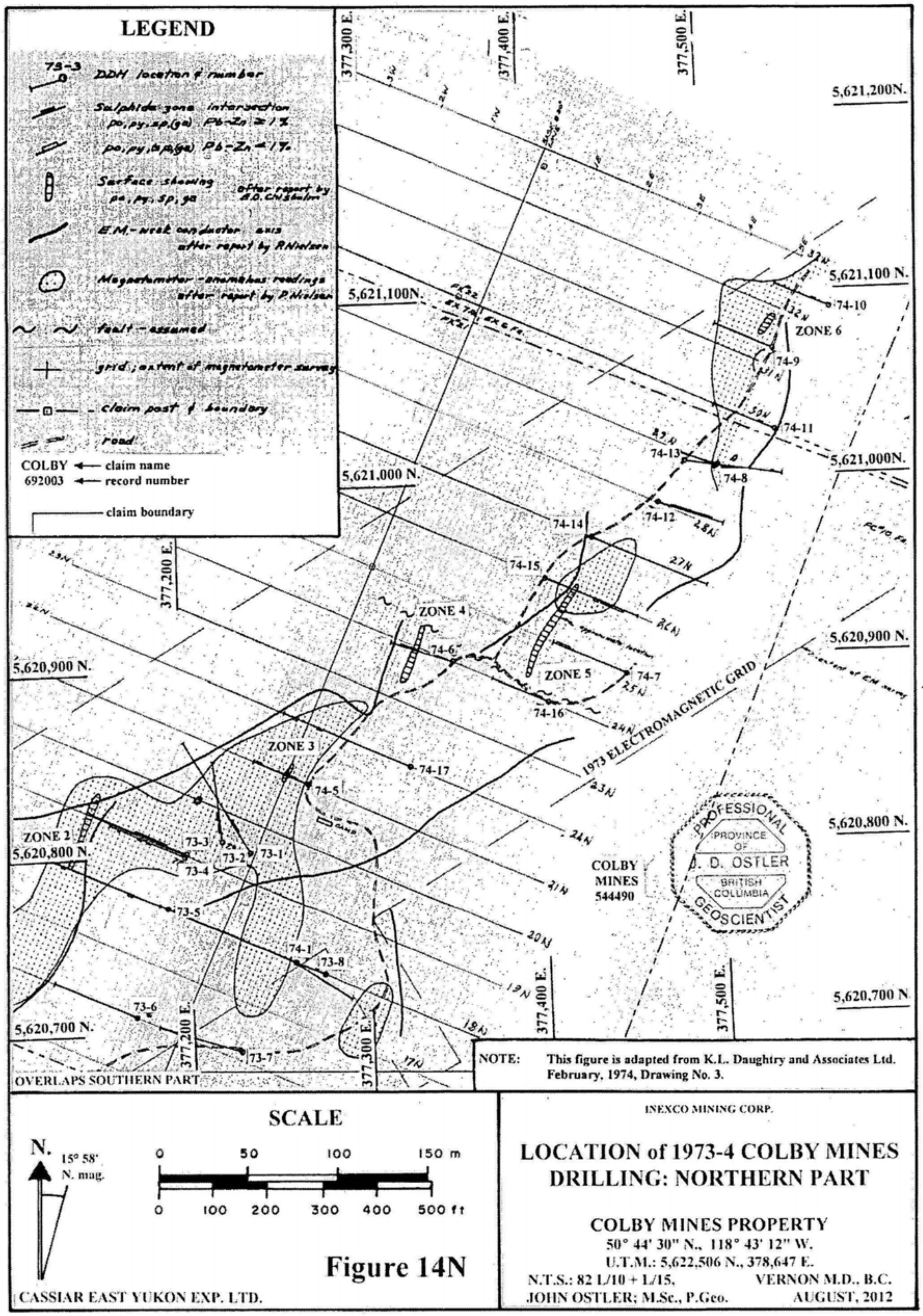
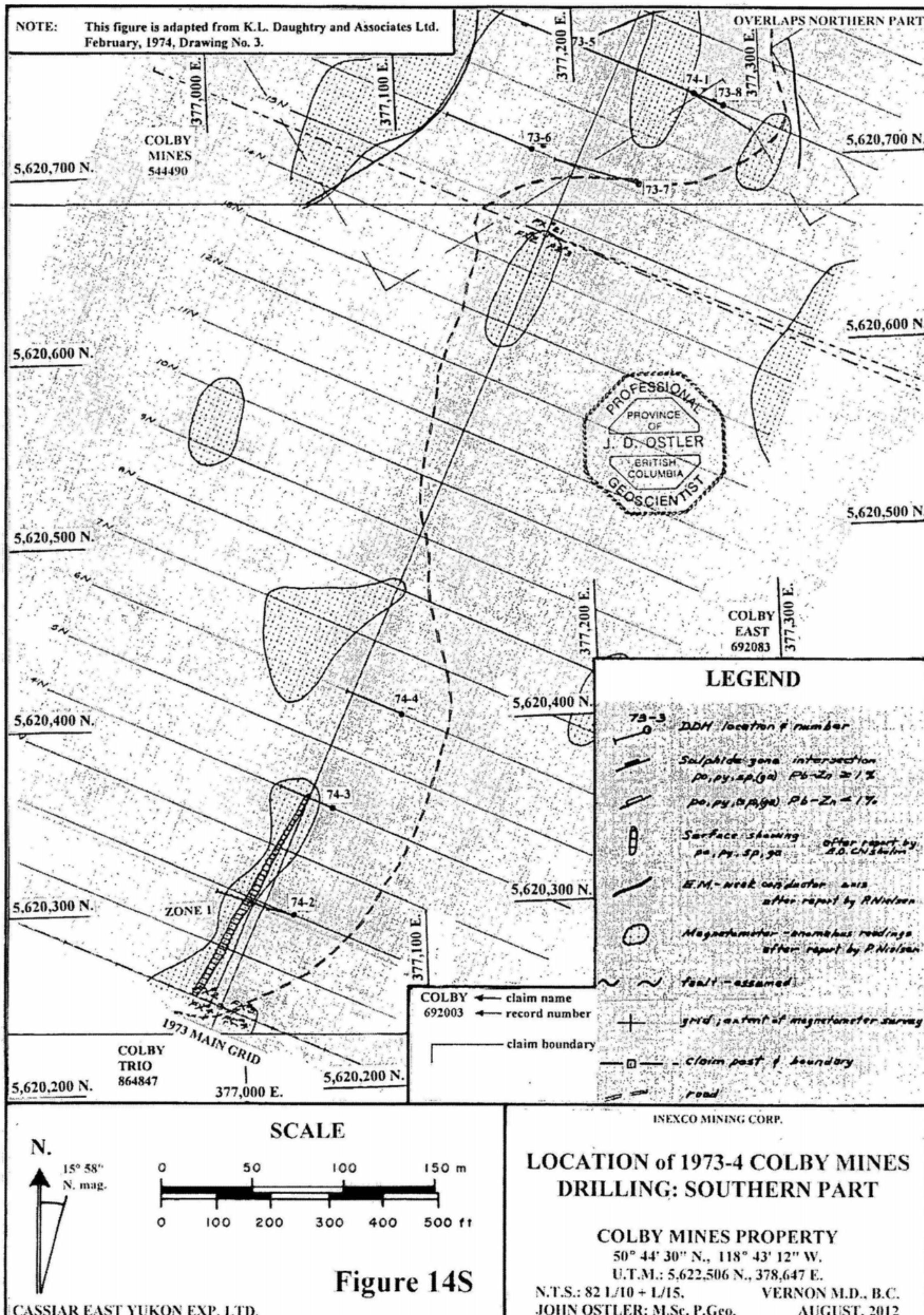

LEGEND
> 5000 ppm Zn
2000 - 5000 ppm Zn
1000 - 2000 ppm Zn
500 - 1000 ppm Zn
< 500 ppm Zn
Geological contact; approximate
Observed mineralization
Road or cat-trail
Approximate limit of geochemical sampling
OUTCROP IS VERY SCARCE ; AT MILE 8 SHOWING , IT IS RESTRICTED TO THE SOUTHERN PART OF THE BASELINE ALONG THE ROADWAY AND SMALL EXPOSURES AT APPROXIMATELY 15+00 TO 18+00 N BY 4+00 W ; IN DAKOTA ZONE ; TO EXPOSURES ALONG THE BASELINE AND A FEW MARBLE OUTCROPS IN THE NORTH PART OF THE GRID AND AT 6+00 N BY 11+00 E
SOIL SAMPLES (B HORIZON) COLLECTED BY R. YORSTON , COLBY MINES , IN AUGUST - SEPT., 1974 , ATOMIC ABSORPTION ANALYSIS FOR Zn + Pb BY GENERAL LABORATORIES , VANCOUVER ; HAND-CONTOURED (> 90% FIT) BY T. HØY
COLBY ← claim name
692003 ← record number
claim boundary
property boundary
NOTE: This figure is adapted from Hoy, Trygve: 1977, Figure G-15.
FX- ZONE
692004
5,620,500 N.
376,500 E.
COLBY
EAST
692083
UNIT 4
UNIT 3
DAKOTA
ZONE
COLBY
TRIO
864847
5,620,000 N.
375,500 E.
376,000 E.
5,619,500 N.
MILE 8
ZONE
5,619,000 N.
PROFESSIONAL
PROVINCE OF
J. D. OSTLER
BRITISH COLUMBIA
GEOSCIENTIST
N.
15° 58'
N. mag.
SCALE
0 100 200 300 400 500 m
0 500 1000 1500 ft
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1975 B.C.G.S. SUMMARY:
SOIL-ZINC in the DAKOTA ZONE
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

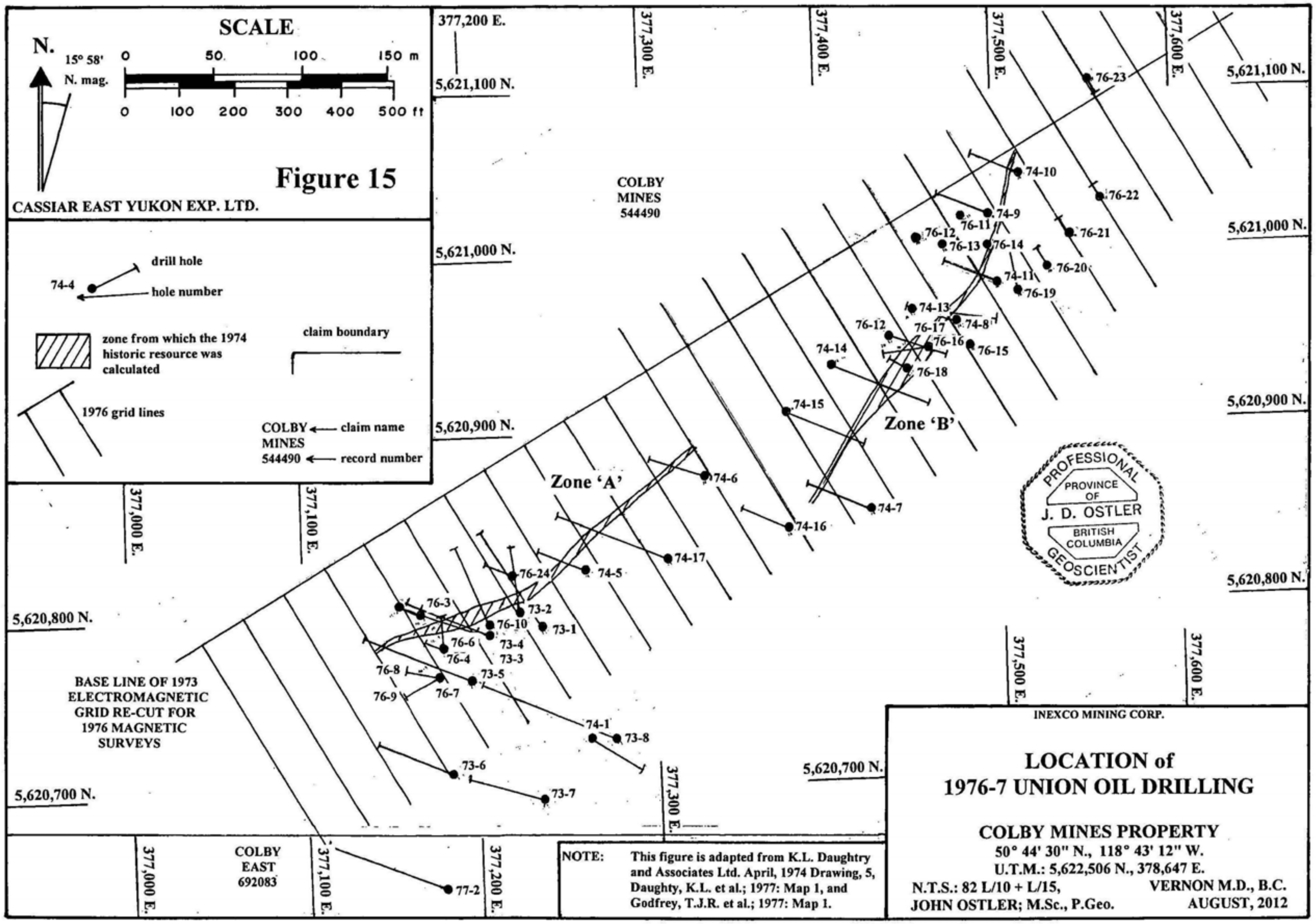
Figure 13


LEGEND
DDH location & number
Sulphide zone intersection (po,py,sp,(ga) Pb-Zn ≥ 1%
po,py,sp,(ga) Pb-Zn < 1%
Surface showing po,py,sp,ga
after report by B.D. Chisholm
E.M.-weak conductor axis after report by R.Nielsen
Magnetometer-anomalous readings after report by P.Nielsen
fault-assumed
grid; extent of magnetometer survey
claim post & boundary
road
COLBY ← claim name
692003 ← record number
claim boundary
377,300 E.
377,400 E.
377,500 E.
377,200 E.
5,621,200N.
5,621,100 N.
5,621,100N.
5,621,000N.
5,621,000 N.
5,620,900 N.
5,620,800 N.
5,620,700 N.
ZONE 2
ZONE 3
ZONE 4
ZONE 5
ZONE 6
73-1
73-2
73-3
73-4
73-5
73-6
73-7
73-8
74-1
74-5
74-6
74-7
74-8
74-9
74-10
74-11
74-12
74-13
74-14
74-15
74-16
74-17
1973 ELECTROMAGNETIC GRID
COLBY MINES 544490
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
J. D. OSTLER
OVERLAPS SOUTHERN PART
NOTE: This figure is adapted from K.L. Daughtry and Associates Ltd. February, 1974, Drawing No. 3.
SCALE
N.
15° 58' N. mag.
0 50 100 150 m
0 100 200 300 400 500 ft
Figure 14N
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
LOCATION of 1973-4 COLBY MINES DRILLING: NORTHERN PART
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012



LOCATION of 1973-4 COLBY MINES DRILLING: SOUTHERN PART

Figure 14S


SCALE
N.
15° 58'
N. mag.
0 50 100 150 m
0 100 200 300 400 500 ft
Figure 15
CASSIAR EAST YUKON EXP. LTD.
74-4
drill hole
hole number
zone from which the 1974 historic resource was calculated
claim boundary
1976 grid lines
COLBY MINES 544490
claim name
record number
377,000 E.
377,100 E.
377,200 E.
377,300 E.
377,400 E.
377,500 E.
377,600 E.
5,620,700 N.
5,620,800 N.
5,620,900 N.
5,621,000 N.
5,621,100 N.
COLBY MINES 544490
COLBY EAST 692083
Zone 'A'
Zone 'B'
74-1
74-5
74-6
74-7
74-8
74-9
74-10
74-11
74-13
74-14
74-15
74-16
74-17
73-1
73-2
73-3
73-4
73-5
73-6
73-7
73-8
76-3
76-4
76-6
76-7
76-8
76-9
76-10
76-11
76-12
76-13
76-14
76-15
76-16
76-17
76-18
76-19
76-20
76-21
76-22
76-23
76-24
77-2
BASE LINE OF 1973 ELECTROMAGNETIC GRID RE-CUT FOR 1976 MAGNETIC SURVEYS
PROFESSIONAL PROVINCE OF J. D. OSTLER BRITISH COLUMBIA GEOSCIENTIST
INEXCO MINING CORP.
NOTE: This figure is adapted from K.L. Daughtry and Associates Ltd. April, 1974 Drawing, 5, Daughty, K.L. et al.; 1977: Map 1, and Godfrey, T.J.R. et al.; 1977: Map 1.
LOCATION of 1976-7 UNION OIL DRILLING
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

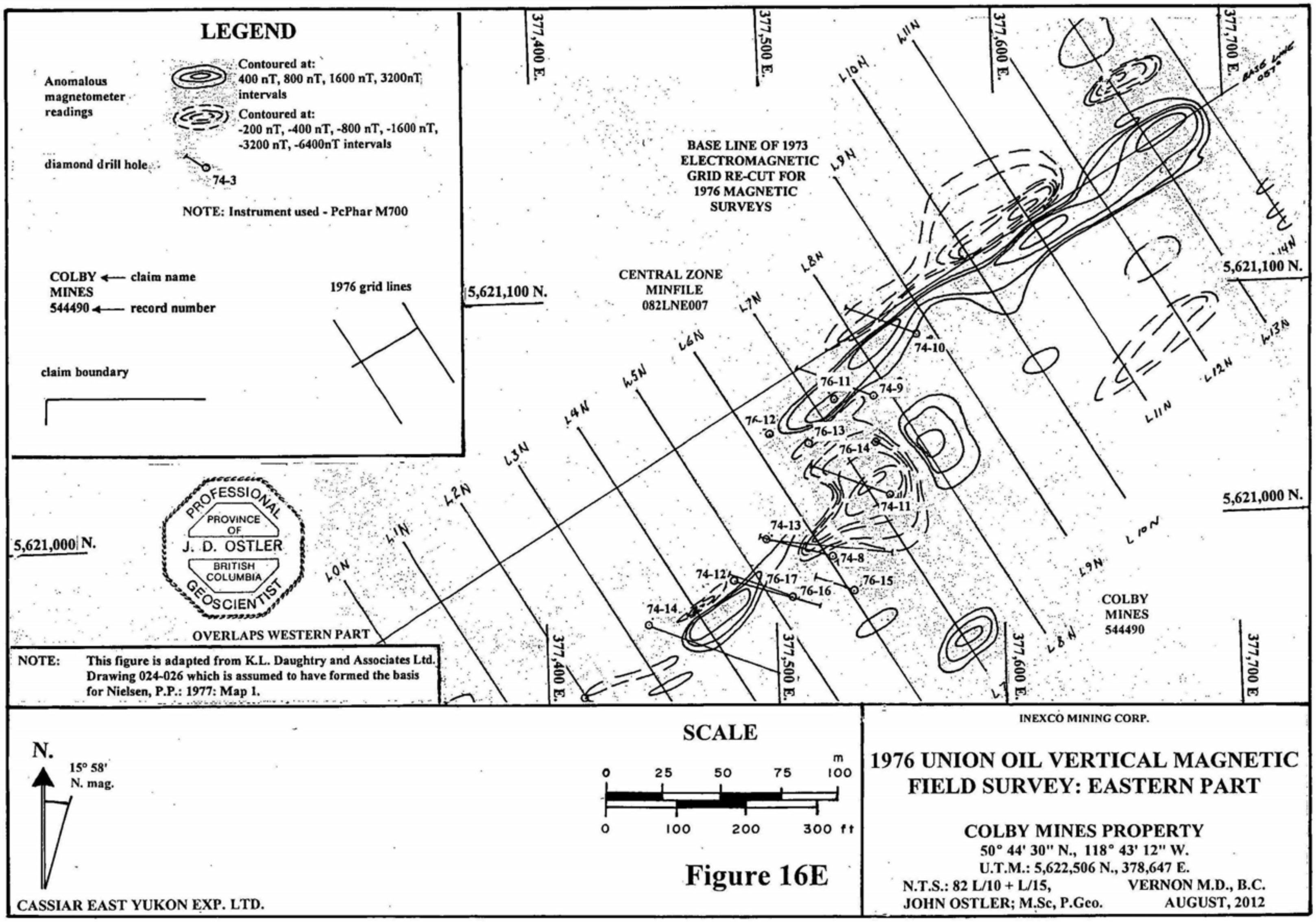

LEGEND
Anomalous magnetometer readings
Contoured at: 400 nT, 800 nT, 1600 nT, 3200nT intervals
Contoured at: -200 nT, -400 nT, -800 nT, -1600 nT, -3200 nT, -6400nT intervals
diamond drill hole
74-3
NOTE: Instrument used - PcPhar M700
COLBY ← claim name
MINES
544490 ← record number
1976 grid lines
claim boundary
BASE LINE OF 1973 ELECTROMAGNETIC GRID RE-CUT FOR 1976 MAGNETIC SURVEYS
CENTRAL ZONE MINFILE 082LNE007
COLBY MINES 544490
377,400 E.
377,500 E.
377,600 E.
377,700 E.
5,621,100 N.
5,621,000 N.
L0N
L1N
L2N
L3N
L4N
L5N
L6N
L7N
L8N
L9N
L10N
L11N
L12N
L13N
L14N
74-8
74-9
74-10
74-11
74-12
74-13
74-14
76-11
76-12
76-13
76-14
76-15
76-16
76-17
PROFESSIONAL PROVINCE OF J. D. OSTLER BRITISH COLUMBIA GEOSCIENTIST
OVERLAPS WESTERN PART
NOTE: This figure is adapted from K.L. Daughtry and Associates Ltd. Drawing 024-026 which is assumed to have formed the basis for Nielsen, P.P.: 1977: Map 1.
N.
15° 58' N. mag.
CASSIAR EAST YUKON EXP. LTD.
SCALE
0 25 50 75 100 m
0 100 200 300 ft
INEXCO MINING CORP.
1976 UNION OIL VERTICAL MAGNETIC FIELD SURVEY: EASTERN PART
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc, P.Geo. AUGUST, 2012

Figure 16E

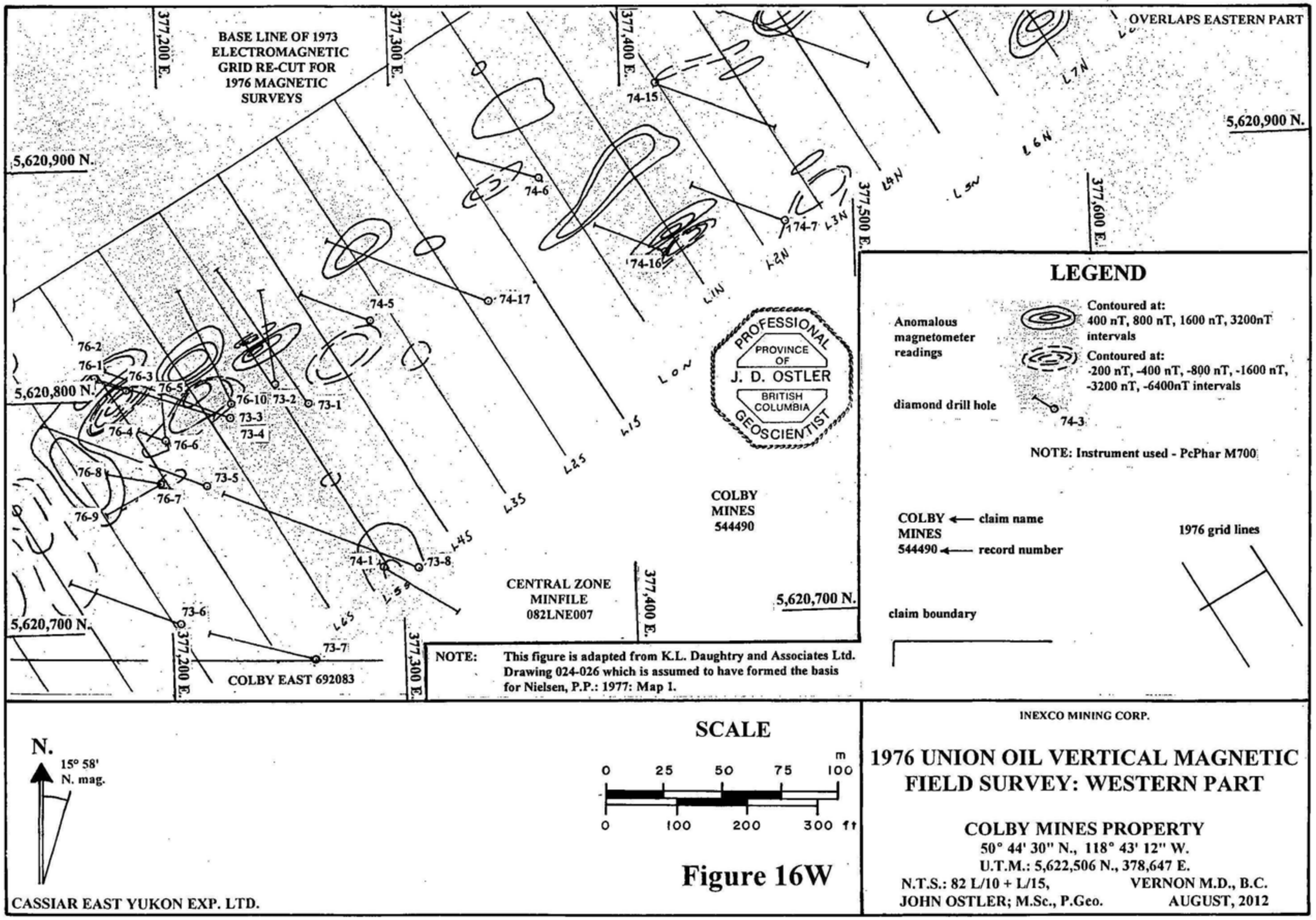

OVERLAPS EASTERN PART
BASE LINE OF 1973 ELECTROMAGNETIC GRID RE-CUT FOR 1976 MAGNETIC SURVEYS
377,200 E.
377,300 E.
377,400 E.
377,500 E.
377,600 E.
5,620,900 N.
5,620,800 N.
5,620,700 N.
74-15
74-6
74-7
74-16
74-17
74-5
74-1
76-1
76-2
76-3
76-4
76-5
76-6
76-7
76-8
76-9
76-10
73-1
73-2
73-3
73-4
73-5
73-6
73-7
73-8
L7N
L6N
L5N
L4N
L3N
L2N
L1N
L0N
L1S
L2S
L3S
L4S
L5S
L6S
COLBY MINES 544490
CENTRAL ZONE MINFILE 082LNE007
COLBY EAST 692083
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
J. D. OSTLER
NOTE: This figure is adapted from K.L. Daughtry and Associates Ltd. Drawing 024-026 which is assumed to have formed the basis for Nielsen, P.P.: 1977: Map 1.
LEGEND
Anomalous magnetometer readings
Contoured at: 400 nT, 800 nT, 1600 nT, 3200nT intervals
Contoured at: -200 nT, -400 nT, -800 nT, -1600 nT, -3200 nT, -6400nT intervals
diamond drill hole
74-3
NOTE: Instrument used - PcPhar M700
COLBY MINES 544490
claim name
record number
1976 grid lines
claim boundary
N.
15° 58'
N. mag.
SCALE
0
25
50
75
100
m
0
100
200
300
ft
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
1976 UNION OIL VERTICAL MAGNETIC FIELD SURVEY: WESTERN PART
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012

Figure 16W

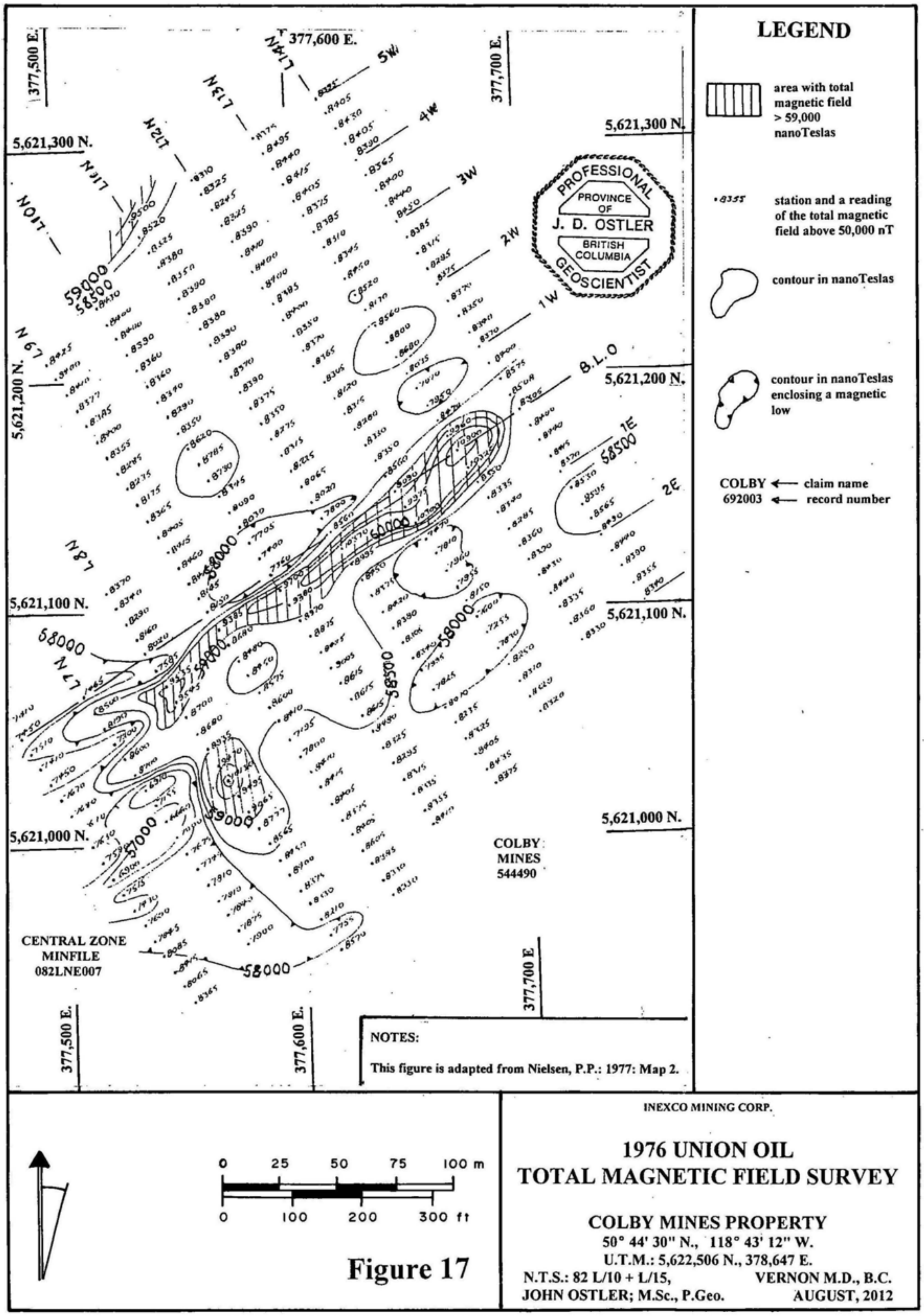


Figure 17

INEXCO MINING CORP.

1976 UNION OIL
TOTAL MAGNETIC FIELD SURVEY

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

1976 During the spring of 1976, Union Oil Company of Canada Limited of Calgary, Alberta optioned the Kingfisher property (the Black Jack property re-named) from Colby Mines Ltd. Apex Drilling of Salmon Arm, B.C. was commissioned to conduct a total of 1135.4 m (3,725 ft) of AQ core drilling. Holes 76-01 to 76-24 were drilled into the northeastern part of the Central zone (Figure 15). Drilling was conducted from October 4 to December 21, 1976.

P.P. Nielsen (1977) conducted a ground-magnetic survey in the area of the 1976 drilling from October 20 to 30, 1976 in order to assist in spotting drill holes. A total of 5,670 m (18,602.4 ft) of line in the 1973 electromagnetic grid was re-cut and surveyed for vertical magnetic field (Figure 16E and 16W). Readings were taken at 7.6-m (25-ft) intervals along lines spaced 30.5 m (100 ft) apart. Intermediate stations were spaced at 3.8-m (12.5-ft) and 1.9-m (6.25-ft) intervals in areas with steep magnetic gradients. Data was corrected for diurnal field variations. Nielsen returned to the property from December 4 to 6, 1976 to survey 1,418 m (4,652.2 ft) of the grid for total magnetic field (Figure 17). He concluded as follows:

> The magnetometer survey has resulted in a clearer, but by no means complete, understanding of the Kingfisher property. Magnetics have proven to be a fast, relatively inexpensive geophysical tool for locating drill-holes for the proving of Zn - Pb tonnage and grade.
>
> A comparison of the present vertical force results with the contour map of the magnetometer survey carried out in 1973 over a larger area using a different grid-line orientation and wider sampling interval clearly shows that it is necessary to carry out a very detailed survey using accurately located grid-lines and stations.
>
> The total field test survey did not add significantly to the interpretation of the magnetics but did partially delineate a new magnetic feature to the west of the present area under investigation.
>
> All dipolar anomalies drilled thus far have been due to pyrrhotite which has been accompanied by significant thicknesses and grades of sphalerite-galena mineralization.
>
> It is therefore recommended that all dipoles should be drilled and that the entire property should be magnetically surveyed using a coarse-cut grid initially with detailed coverage to follow in areas of interesting magnetic response.
>
> Nielsen, P.P.; 1977: p. 8.

1977 Correspondence between K.L. Daughtry and representatives of Union Oil, and an account in Geology in British Columbia 1977 (Höy, 1977) indicate that a total of 7 holes were drilled which resulted in the production of 818 m (2,683.7 ft) of BQ core. Drill hole 77-2 was located south of historic resource zone ‘A’ (Figure 15). Minor lead-zinc mineralization was intersected in several parts of the hole (Godfrey, T.J.R. et al., 1977).

By May 2, 1978, Union Oil had terminated its option on the Kingfisher property. At that time, the property had sufficient assessment work filed to its credit to keep it in good standing until 1981.

1978 to 1986

The history of exploration in the current Colby Mines property area is unknown to the author.

1986 to 2005

Fragmentary evidence from several claim maps indicates that K.L. Daughtry and Associates Ltd. and later, Discovery Consultants Ltd. maintained two 2-post claims over resource zones ‘A’ and ‘B’ in the Central zone. Those claims were allowed to lapse and subsequently re-staked on several occasions. The area northwest of the Central zone was held by various parties unknown to the author.

1987 Barry Buchanan staked the OM 1 to 6 (2283 to 2288) 2-post claims in the Mile 8 showings-area on June 8, 1987. The property covered 250.8 ha (619.6 A) located in the current TXX-Kingfisher property-area (Figure 2). Control of the claims passed to McCrory Holdings (Yukon) Ltd. of Vancouver, B.C.

1988 G.E. Nicholson (1988) examined the OM claims on March 19, 1988 for its limestone potential. Nicholson took 11 samples of white limestone which contained from 42.72 to 52.79% calcium oxide with acceptably low concentrations of silicon, iron, magnesium, aluminum, and sulphur.

1992 The Kingfisher Marble property was staked by Alfred Green. The property comprised 37 2-post and 2 modified grid claims that covered 1,309 ha (3,323.2 A) and covered the southeastern part of the current Colby Mines property-area. It extended from the Mile 8 zone to north of the Mile 12 zone. That property was explored for white calcite-rich marble. The operators seem to have had no interest in the base and precious-metal potential of the area.

1992 and 1993

Ralph Englund (1995) recorded that Franz Capital Corporation gained control of the property and conducted a program including geological mapping, and 804 m (2,637.8 ft) of diamond drilling over an 800-m (2,624.7-ft) strike length. An historic resource of 10.2 million tonnes (11.22 million tons) of calcite marble was calculated for a 30 to 50-m (98.4 to 164-ft) wide zone that had a strike length of 1,300 m (4,625.1 ft). No details of that work nor parameters of that historic resource are known to the author. The author assumes that the marble resource extended from near the Mile 8 zone to south of the Central zone extending across the current TXX-Kingfisher property (Figure 2).

1994 Control of the Kingfisher Marble property passed to Kingfisher Marble Ltd. which commissioned Ralph Englund (1995) to report on exploration and production from the property. Englund summarized that development as follows:

> ... Field work to date has included the excavation of 24,000 tonnes (26,400 tons) of white marble of which some 4,000 tonnes (4,400 tons has been processed as a minus 2-inch landscape rock) ...
>
> ... the marble meets or exceeds A.S.T.M. requirements as a dimension stone. Based on exploration work to date, a reserve (historic resource) estimate has been made for 2.5 million tonnes (2.75 million tons) of white and decorative marble over a strike length of 900 metres (2,952.8 ft) (probably located on the current TXX-Kingfisher property located south of the current Colby Mines property) ...
>
> Englund, R.J.; 1995: Summary.

1995 to 1999

Records of mineral titles online (mtonline.gov.bc.ca) show that ownership of the Kingfisher Marble property changed hands several times ending up in those of the Sheriff by June 24, 1999.

No work was recorded for the credit of the claims held by K.L. Daughtry and Associates over the Central zone.

2000 to 2006

Andrew Hockhold of Armstrong, B.C. gained control of the Kingfisher Marble property on January 18, 2000. He filed physical work to keep the property in good standing.

2000 T.H. Carpenter of Discovery Consultants Ltd. staked the Kingfish 1 and 2 (376052 and 376053) 2-post claims on April 26 and May 1, 2000 respectively to cover historic resource zones 'A' and 'B' in the Central zone. The 2000-era Kingfish property covered 50 ha (123.5 A). The property was staked on behalf of the Peregrine Syndicate, a private group.

2001 Field work by Discovery on the Kingfish property comprised sampling in the area of the 1976 production from the Central zone. T.C. Carpenter described the program as follows:

> It is evident at the Central zone that a limited mining program was carried out at the site at some time in the past as evidenced by waste piles and the presence of crushed material stored on site ... The 2001 program comprised the sampling of crushed mineralized material contained within 12 45-gallon (205-litre) drums at the main showing area as well as the sampling of mineralized material from the waste piles ...
>
> Carpenter T.H.; 2001: p. 5.

Carpenter reported that the 12 drums contained about 3.5 tonnes (3.85 tons) of crushed mineralization. Carpenter mentioned that all six samples from the drums contained >10,000 ppm lead. From that, the author deduced that samples KF 01 to 06 were from the drums and that samples KF 07 to 10 were from the dumps. The six samples taken from the crushed mineralization in the drums (KF 01 to 06) contained an average of: 99 ppm copper, 5.44% lead, 9.16 % zinc, and 3.6 gm/mt (0.105 oz/ton) silver. The four samples taken from the dumps (KF 07 to 10) contained an average of: 144 ppm copper, 0.277% lead, 7.61 % zinc, and <1.1 gm/mt (<0.032 oz/ton) silver. (The results of the author's sample CM6-CON of seven of the drums is contained in Table 8.)

Carpenter's 2001 work put the 2000-era Kingfish property in good standing until October 26, 2005.

2005 and 2006

Discovery Consultants Ltd. sold the 2000-era Kingfish property to Bearclaw Capital Corp. of Vernon, B.C. The Kingfish 1 and 2 claims were included in the map-staked (no name) (512880) claim which expired on October 27, 2006.

2006 to 2009

Andrew Hockhold let most of the 2000-era Kingfisher Marble property lapse. He retained the current TXX-Kingfisher property (located around the Mile 8 zone), the KF 12 to 14 property (located south of the current Colby Mines property), and the KF 4 (321313) claim which is surrounded by the eastern part of the current Colby Mines property (Figure 2).

2006 On October 26, 2006, the day that Bearclaw's (no name) (512880) claim expired, Craig Lynes staked the COLBY MINES (544490) and F-X ZINC (544492) claims to cover that ground.

2009 to 2011

As claims owned by Andrew Hockhold and others expired, Craig Lynes staked more claims to increase the Colby Mines property to near its current size. Lynes filed physical work on the property to keep it in good standing.

2010 On November 3, 2010, Kelly Funk of Nanaimo, B.C. map-staked the (no name) (837392) claim covering 2 cells or 40.91 ha (101.05 A) over the Cominco zone (Figure 2).

2011 On May 9, 2011, Inexco Mining Corp. obtained an option to purchase 100% interest in the Colby Mines property subject to a 3% net smelter return from Rich River Exploration Ltd., a service company controlled by Craig Lynes.

2012 On February 7, 2012, Craig Lynes obtained the (no name) (837392) claim from Kelly Funk. The claim was immediately added to the Colby Mines property and an amending agreement was signed by Rich River and Inexco on February 8, 2012.

On April 4, 2012, Craig Lynes map-staked the COLBY JACK (978013) claim along the southeastern margin of the Colby Mines property. The claim was automatically included in the property. Lynes filed physical work on that claim to extend its expiry date to May 31, 2018.

On April 25, 2012, Colin Dunn and RIT Minerals Corp. map-staked the CD1 to 4 (982242, 982262, 982282, and 982283) claims to tie onto the western side of the Colby Mines property (Figure 4W). No work known to the author has been conducted on those claims.

On January 19, 2012, the author was commissioned to find as much of the unpublished exploration records from the property as possible and to produce a comprehensive history of work in the property area. Geotech Ltd. of Mississauga, Ontario was commissioned to conduct airborne magnetic and electromagnetic surveys over the property. The surveys were flown from March 6 and 7, 2012 (Figures 4E, 4W, 22, and 23). Craig Lynes conducted a prospecting program from May 29 to June 13, 2012 in order to locate historic workings on the ground and to investigate areas of mineral potential indicated by recently uncovered exploration records and by the 2012 airborne geophysical surveys (Figure 4E and 4W). The author conducted a sampling program of mineralized rock exposures on June 11, 15, 21, and 22, 2012 (Figures 4E, 4W, and 24 to 29).

2013 to 2014

No exploration was conducted on the Colby Mines property.

5.2 Historic Mineral Resource and Mineral Reserve Estimates

During the spring of 1974, K.L. Daughtry, P.Eng. was asked by the management of Colby Mines Ltd. to produce a resource calculation of near-surface material in zones ‘A’ and ‘B’ of the Central zone for internal use (Figure 15). Daughtry calculated a resource of 1,672,727 tonnes (1,840,000 tons) of mineralization containing an average of 0.58% lead and 2.60% zinc. K.L. Daughtry listed his key assumptions and parameters in Table 6. Subsequently, during the writing of the Colby Mines statement of material facts, Daughtry’s internal resource estimate was reported as a reserve by its author. That is the “reserve” quoted in MINFILE occurrence No. 082LNE007. This is the only metallic mineral resource estimate of the property known to the author.

Daughtry’s 1974 historic resource estimate is of only a part of the Central zone and it is not relevant to exploration of the rest of the property. This estimate is not compliant with the requirements of National Instrument 43-101; thus, it can not be relied upon. In this historic mineral resource estimate, the resource classifications described in the *CIM Definition Standards on Mineral Resources and Mineral Reserves* have not been used. No classifications have been used. The Central zone would have to be re-drilled to produce a NI 43-101-compliant version of Daughtry’s 1974 historic resource. The author has not attempted to bring this historic estimate into compliance with Ni 43-101 and Inexco Mining Corp. is not treating it as current mineral resources or mineral reserves.

Table 6
1974 Historic Resource

SUMMARY OF GRADE & TONNAGE OF MINERALIZED ZONES
BLACK JACK PROPERTY

ZONE	TONNAGE	TONS/ VERTICAL FT	%Pb	%Zn	WIDTH	LENGTH	VALUE(Pb) per TON	VALUE (Zn) per TON	TOTAL VALUE per TON
A		1180	0.62	2.35	17.1'	862'	$2.48	$16.00	$18.50
including	102,000	280	0.86	3.75	4.8	730	3.44	25.50	28.90
B		954	0.53	2.91	13.8	864	2.12	19.80	21.90
including	51,500	242	1.13	4.34	7.1	426	4.52	29.50	34.00
A+B	1,840,000	2130	0.58	2.60	15.4	1730	2.32	17.70	20.00
including	154,000		0.98	4.02	5.6	1160	3.92	27.30	31.20

N.B.

- depth assumed ½ strike length
- width corrected for dip & strike ± 20%
- cut off grade at 1% Pb + Zn
- assumed general vertical dip of mineralized zones
- assumed Pb at 20¢ lb.
- assumed Zn at 34¢ lb.

DWG. 024-014

W.R.G. APRIL 1974 DRAWING NO. 7

5.3 Production from the Colby Mines Property-area

1966 The production file associated with MINFILE occurrence 082LNE007 records that 4 tonnes of mineralization was shipped from what would become known as the Central zone. That shipment contained 5,008 gm silver, 450 kg lead, and 166 kg zinc indicating a recoverable grade of 1,252 gm/mt (36.52 oz/ton) silver, 11.25% lead, and 4.15% zinc.

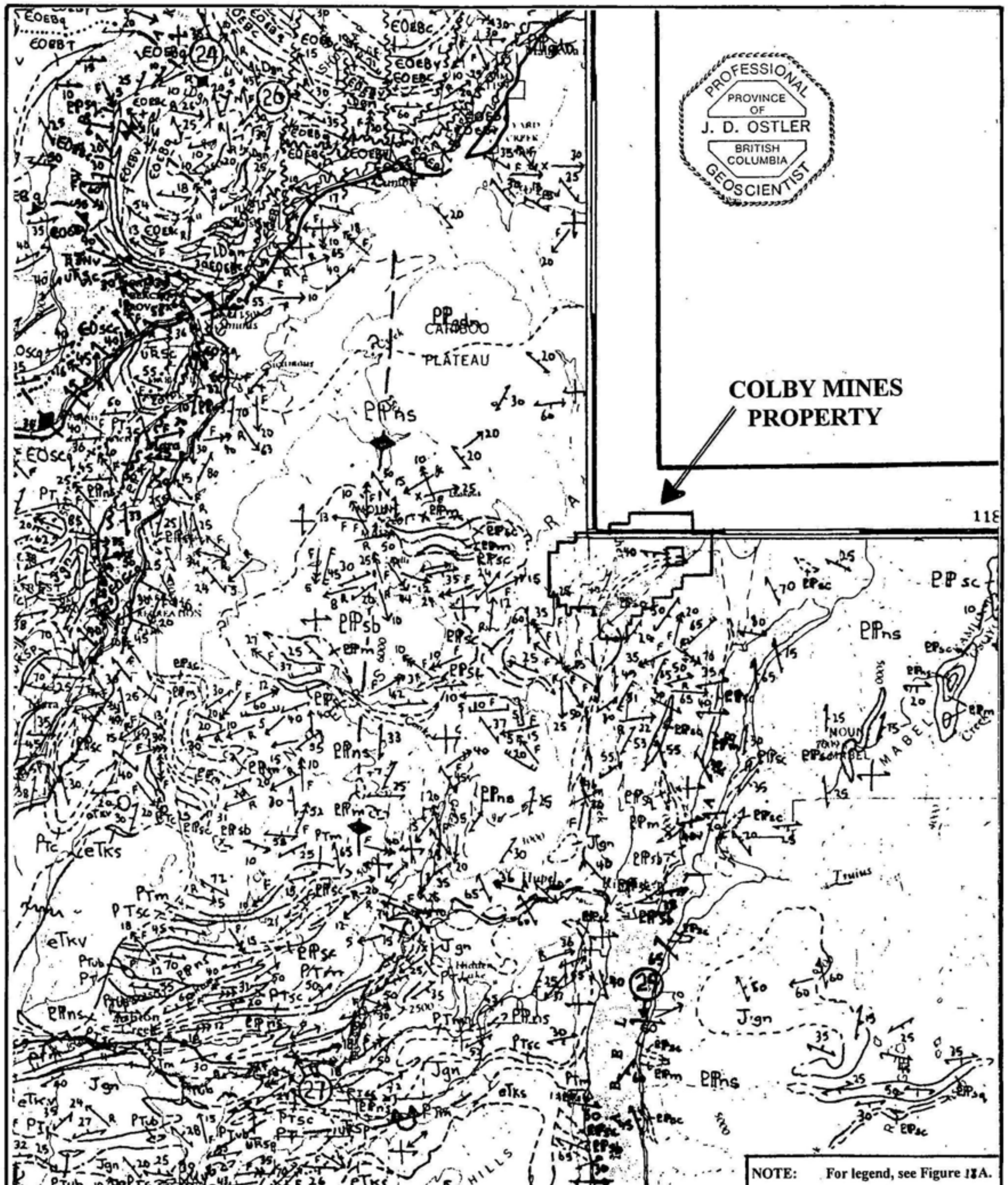
1976 The production file associated with MINFILE occurrence 082LNE007 records that 12 tonnes of mineralization was shipped from the Central zone. That shipment contained 187 gm silver, 1,157 kg lead, and 830 kg zinc indicating a recoverable grade of 15.58 gm/mt (0.45 oz/ton) silver, 9.64% lead, and 6.92% zinc.

6.0 GEOLOGICAL SETTING AND MINERALIZATION

6.1 Regional Geology

The area northwest of Mabel Lake was mapped by A.V. Okulitch (1979) of the Geological Survey of Canada, from 1972 to 1974 (Figure 18). He mapped the rocks in the property-area as Palaeozoic and Proterozoic strata metamorphosed during the development of the Shuswap Metamorphic Complex. The rocks northwest of the property were mapped as undifferentiated granitoid gneiss and schist. The central calc-silicate band that contains much of the known mineralization was mapped as marble, calcium-silicate gneiss and amphibolite. Rocks southeast of the band were mapped as quartzite and pelitic schist. His account of the history of orogenic events in the area now covered by south-central British Columbia was as follows:

> Stratigraphic and radiometric studies indicate that a succession of orogenic events have affected rocks in the project-area beginning in the Archean and Early Proterozoic times ... The extent of such early events in the Shuswap Complex is unknown ...
>
> Intrusive rocks ... and meagre but widespread stratigraphic and structural evidence suggest that two orogenic events affected the Eastern Cordillera during Palaeozoic time. The first of these ... (that may have) occurred in the Late Ordovician, is the Cariboo Orogeny. At its type locality in the Cariboo Mountains a major break occurs between the Upper Cambrian and Upper Middle Ordovician strata ... Metamorphism of the Lardeau Group (occurred) at 479 +/- 17 Ma ..., a widespread mid-Ordovician unconformity in the Rocky Mountain Thrust Belt ... and effusion of activity along the continental margin (also occurred) at this time.
>
> In the project-area, mesoscopic structural data are not definitively supportive of such an event as two phases of early isoclinal folding are not really distinguishable and at least one such phase is present in post-Ordovician units ... Tightly folded, pervasive foliation in the Lardeau Assemblage is not as clearly developed in the Milford and Kaslo groups and the Tsalkom and Sicamous Formations but regional differences in intensity of deformation and possible preferential development of early structures at depth ... obscure relationships. Earliest structures in the Mount Fowler Batholith ... appear to post-date earliest features in adjacent country rocks ... Despite such ambiguities, earliest structures in units of the Lardeau assemblage are interpreted to have formed during the Ordovician Cariboo Orogeny. Early structures in the Shuswap Complex may have also formed at this time.



INEXCO MINING CORP.

N.
15° 58'
N. mag.

SCALE

0 2 4 6 8 10 km

0 1 2 3 4 5 mi

REGIONAL GEOLOGY
from G.S.C. OPEN FILE 637

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

Figure 18

CASSIAR EAST YUKON EXP. LTD.

Figure 18A
Legend to Figure 18

PHANEROZOIC
CENOZOIC
Tertiary or Quaternary
Pliocene or Pleistocene

TQs Conglomerate (near Vernon); basaltic arenite, breccia, rubble, conglomerate (along North Thompson and Clearwater Rivers).

Tertiary
Miocene and/or Pliocene (may include Pleistocene)

mTv Plateau lava; olivine basalt, andeside, related ash and breccia; basaltic arenite; minor basal sediments; (may include younger valley basalts).

Eocene and (?) Oligocene
Kamloops Group (Princeton Group in southwest corner; Skull Hill Formation along North Thompson River).

eTkv Andesite, basalt, dacite, trachyte flows and dykes, breccia, tuff, agglomerate.

Kamloops Group (Chu Chua Formation along North Thompson River; Tranquille Beds near westernmost South Thompson River; includes unit Tcg on Map A).

eTks Sandstone, conglomerate, shale; minor coal, tuff arkose.

UNCONFORMITY

Paleocene or Eocene

pTy Syenite, granite; minor monzonite, shonkinite.

MESOZOIC
Cretaceous

Kg Granite, granodiorite; lesser quartz monzonite and quartz diorite.

Baldy Batholith and satellitic stocks.

Kqm Quartz monzonite, granodiorite; minor pegmatite.

Early Cretaceous
Salmon Arm, Deep Creek, Nisconlith and Scotch Creek Plutons.

eKgd Granodiorite, granite, quartz monzonite; minor diorite, gabbro, quartz, diorite.

Raft Batholith

eKqm Quartz monzonite, granodiorite; minor pegmatite and diorite.

Jurassic or Cretaceous

Syenite and felsite dykes.

Jurassic

Jgn Massive and foliated, syntectonic pegmatite, aplite, leucocratic granite and quartz monzonite bordering and within Shuswap Metamorphic Complex and Okanagan Plutonic and Metamorphic Complex; Silver Star Intrusions; (may include orthogneiss of Palaeozoic and Proterozoic ages).

Late Jurassic
Valhalla Plutonic Rocks

lJgd Granodiorite, granite; minor gabbro, diorite, quartz diorite.

Early Jurassic
Long Ridge Pluton

eJg Foliated, lineated granite (may include Palaeozoic plutonic rocks).

Nelson Plutonic Rocks; Thuya Batholith and satellitic stocks.

eJgd Quartz diorite, granodiorite; minor diorite, granite, amphibolite, gabbro and ultramafic rocks.

eJdi Diorite; minor quartz diorite and gabbro.

eJy Syenite and monzonite.

INTRUSIVE CONTACT

Triassic and Jurassic
Upper Triassic and Lower Jurassic
Nicola Group (possibly includes Slocan Group near southeast edge of area).

℞JNv Andesite and basalt flow rocks, porphyritic augite andesite, breccia, tuff, agglomerate, greenstone, chloritic phyllite; minor argillite, limestone, sericitic schist.

Upper Triassic
Karnian and Norian
Nicola Group

u℞Ns Black shale, argillite, conglomerate, limestone, siltstone; minor tuff and phyllite.

u℞Nc Limestone

Slocan Group
Sicamous Formation

u℞sc Sericitic, graphitic and argillaceous limestone; calcareous phyllite, argillite.

u℞sp Shale, argillite, massive siltstone, phyllite, tuff and calcareous pelite; minor conglomerate, limestone, greenstone, chloritic phyllite and andalucite -, staurolite - and kyanite - bearing schist.

u℞scg Conglomerate.

Figure 18A
Legend to Figure 18 Continued

PALAEOZOIC AND MESOZOIC

OKANAGAN PLUTONIC AND METAMORPHIC COMPLEX (MAY INCLUDE METAMORPHIC EQUIVALENTS OF UNIT CPTA AND/OR OLDER ROCKS, AND TRIASSIC GNEISSIC GRANITE).

PMn	HORNBLENDE AND BIOTITE GNEISS, PARAGNEISS; MINOR SCHIST, MARBLE, QUARTZITE AND AMPHIBOLITE.
PMnm	DIORITIC GNEISS, AMPHIBOLITE.
Psc	MARBLE.
Psb	QUARTZ MICA SCHIST.

PALAEOZOIC

PERMIAN AND (?) PENNSYLVANIAN

KASLO GROUP

PKvb	MASSIVE AND FOLIATED GREENSTONE, CHLORITIC PHYLLITE, AMPHIBOLITE; MINOR ULTRAMAFIC ROCKS.
PKub	SERPENTINIZED ULTRAMAFIC ROCKS.

SLIDE MOUNTAIN GROUP

FENNELL FORMATION

PF	PILLOW LAVA FLOWS, MASSIVE AND FOLIATED GREENSTONE, GREENSCHIST, ARGILLACEOUS CHERT; MINOR AMPHIBOLITE, LIMESTONE, BRECCIA.
PFt	CHERT
PFp	ARGILLITE, SILTSTONE
PFcg	CONGLOMERATE
PFub	SERPENTINIZED ULTRAMAFIC ROCKS.

TSALKOM FORMATION

PT	GREENSTONE, CHLORITE PHYLLITE, AMPHIBOLITE; MINOR BLACK SHALE, LIMESTONE, MARBLE.
PTub	SERPENTINIZED ULTRMAFIC ROCKS.
PTc	MASSIVE, WHITE LIMESTONE.
PTcg	FOLIATED AND STRETCHED QUARTZ PEBBLE CONGLOMERATE.
PTm	AMPHIBOLITIC GNEISS.
PTsc	GREY, DIOPSIDIC MARBLE.

CARBONIFEROUS AND PERMIAN (MAY INCLUDE TRIASSIC)

CHESTERIAN - MORROWAN AND WOLFCAMPIAN-GUADALUPIAN (MAY INCLUDE KARNIAN - NORIAN).

THOMPSON ASSEMBLAGE (MAY INCLUDE UNIT ŪRNs).

CPTA	UNDIVIDED.
CPTAs	SILICEOUS ARGILLITE, VOLCANICLASTIC SANDSTONE, QUARTZITE, SILTSTONE; MINOR LIMESTONE, SHEARED CONGLOMERATE, BRECCIA AND GREENSTONE.
CPTAv	GREENSTONE, TUFF.
CPTAc	MASSIVE, CRYSTALLINE WHITE AND GREY LIMESTONE; MINOR CHERT PEBBLE CONGLOMERATE, ARGILLACEOUS LIMESTONE AND CHERT.
CPTAcg	CONGLOMERATE WITH LIMESTONE MATRIX.

CARBONIFEROUS

MILFORD GROUP

CMss	SILTSTONE, SANDSTONE, SHALE; MINOR QUARTZ GRANULE CONGLOMERATE.
CMsp	BLACK SHALE, ARGILLITE; MINOR SANDSTONE.
CMvd	GREENSTONE, CHLORITIC PHYLLITE.

MISSISSIPPIAN

OSAGEAN - MERAMECIAN

MILFORD GROUP

MMc	FINE GRAINED GREY LIMESTONE; MINOR DOLOMITE AND SHALE.
MMcg	GRANULE TO BOULDER CONGLOMERATE, SOME WITH LIMESTONE AND GREENSTONE CLASTS.

MISSISSIPPIAN (?) OR OLDER

OLD DAVE INTRUSIONS (INCLUDES ULTRAMAFIC ROCKS ASSOCIATED WITH UNITS ЄOEbv AND ŘJNv).

Pub	SERPENTINITE AND SERPENTINIZED ULTRAMAFIC ROCKS; MINOR PYROXENITE AND PERIDOTITE.

CHAPPERON GROUP

PCv	CHLORITIC PHYLLITE, GREENSTONE, MICACEOUS SCHIST; MINOR LIMESTONE AND ULTRAMAFIC ROCKS.

DEVONIAN

LATE DEVONIAN

MOUNT FOWLER BATHOLITH, SOUTH FOSTHALL PLUTON;

lDgn	FOLIATED AND LINEATED LEUCOCRATIC GRANITE, GRANITIC FELDSPAR PORPHYRY, QUARTZ MONZONITE, GRANODIORITE, MINOR PEGMATITE AND QUARTZ DIORITE.

ORDOVICIAN

LATE ORDOVICIAN

LITTLE SHUSWAP GNEISS

lOgn	LEUCORATIC GRANITE GNEISS, QUARTZ MONZONITE GNEISS, GRANODIORITE GNEISS; MINOR DIORITE GNEISS.

Figure 18A
Legend to Figure 18 Continued

CAMBRIAN AND ORDOVICIAN

EAGLE BAY FORMATION

- **ЄOEBvq** FOLIATED ACID VOLCANIC ROCKS, CHERT, SILICEOUS PHYLLITE; SHEARED AND ALTERED QUARTZ FELDSPAR PORPHYRY AND/OR QUARTZ GRANULE CONGLOMERATE; GNEISSIC ACID IGNEOUS ROCKS NEAR SHUSWAP LAKE.
- **ЄOEBv** GREENSTONE, CHLORITIC PHYLLITE; MINOR AGGLOMERATE, SERICITIC PHYLLITE, QUARTZITE, LIMESTONE AND TUFF.
- **ЄOEBq** SERICITIC, SILICEOUS PHYLLITE, SERICITIC QUARTZITE, QUARTZ BIOTITE SCHIST, QUARTZ BIOTITE GARNET SCHIST; MINOR TUFF AND LAYERS OF UNITS ЄOEBv, ЄOEBc.
- **ЄOEBp** BLACK ARGILLITE, ARGILLACEOUS PHYLLITE, SHALE; MINOR LIMESTONE.
- **ЄOEBc** MASSIVE WHITE CRYSTALLINE LIMESTONE, DARK GREY FOLIATED LIMESTONE; MINOR LIMESTONE WITH CHERT NODULES.
- **ЄOEBcg** CONGLOMERATE, SOME WITH BLACK QUARTZ CLASTS; MINOR BRECCIA AND AGGLOMERATE.

TSHINAKIN LIMESTONE MEMBER

- **ЄOEBT** MASSIVE WHITE CRYSTALLINE LIMESTONE; MINOR GREENSTONE AND GREENSCHIST.

SILVER CREEK FORMATION

- **ЄOscq** QUARTZ BIOTITE, SERICITE AND GARNET SCHIST; MINOR QUARTZO-FELDSPATHIC BIOTITE GNEISS, PEGMATITE, AMPHIBOLITE, MARBLE.

CHASE QUARTZITE MEMBER

- **ЄOscc** QUARTZITE, SILICEOUS MARBLE, CRYSTALLINE LIMESTONE; MINOR PELITIC SCHIST.

PROTEROZOIC AND PALAEOZOIC (MAY INCLUDE ARCHAEAN)

SHUSWAP METAMORPHIC COMPLEX

- **PCPns** UNDIVIDED; GRANITOID GNEISS, PARAGNEISS, SCHIST; MINOR QUARTZITE, MARBLE, AMPHIBOLITE.
- **PCPsb** QUARTZ MICA SCHIST, COMMONLY GARNET-AND SILLIMANITE-BEARING.
- **PCPsq** QUARTZITE; MINOR PELITIC SCHIST.
- **PCPsc** MARBLE, DIOPSIDIC MARBLE; MINOR CALCIUM SILICATE GNEISS AND AMPHIBOLITE.
- **PCPm** AMPHIBOLITE, AMPHIBOLITIC GNEISS, MINOR HORNBLENDE BIOTITE SCHIST.
- **PCPsqc** SILICEOUS MARBLE, CALCAREOUS QUARTZITE, CALCIUM SILICATE GNEISS; MINOR PELITIC SCHIST.
- **PCPgdn** GRANODIORITE, DIORITE AND TONALITE GNEISS; AUGEN GNEISS.

GEOLOGICAL BOUNDARIES (APPROXIMATE, ASSUMED).

FAULTS

- MYLONITE ZONES (TEETH ON HANGING WALL).
- THRUST FAULTS (APPROXIMATE, ASSUMED; TEETH ON HANGING WALL).
- HIGH ANGLE FAULTS (APPROXIMATE, ASSUMED).

PLANAR STRUCTURES

- BEDDING (TOPS KNOWN: INCLINED, OVERTURNED).
- BEDDING (TOPS UNKNOWN: HORIZONTAL, INCLINED, VERTICAL).
- FOLIATION, SCHISTOSITY; GNEISSIC LAYERING OR CLEAVAGE (HORIZONTAL, INCLINED, VERTICAL): EARLIEST OR ONLY OBSERVED.
- AXIAL PLANES (INCLINED, VERTICAL) OF MESOSCOPIC FOLDS OBSERVED TO HAVE DEFORMED BEDDING; EARLIEST OR ONLY OBSERVED.
- AXIAL PLANES (INCLINED, VERTICAL) OF LATER MESOSCOPIC FOLDS OBSERVED TO HAVE DEFORMED BEDDING, FOLIATION OR PRE-EXISTING STRUCTURES.
- AXIAL PLANES (INCLINED, VERTICAL) OF LATEST MESOSCOPIC FOLDS OBSERVED TO HAVE DEFORMED BEDDING AND TWO PHASES OF PRE-EXISTING STRUCTURES.

LINEAR STRUCTURES

- LINEATIONS (PLUNGING, HORIZONTAL) FORMED BY FOLD AXES (F), BEDDING/FOLIATION INTERSECTION (X), MINERAL ALIGNMENT OR RODDING (R) AND BOUDINAGE AXES (A); (UNDETERMINED LINEATIONS NOT LABELLED): EARLIEST OR ONLY OBSERVED.
- LINEATIONS (PLUNGING, HORIZONTAL) OBSERVED TO BE ASSOCIATED WITH LATE FOLDS OR SUPERIMPOSED UPON PRE-EXISTING STRUCTURES.
- LINEATIONS (PLUNGING, HORIZONTAL) OBSERVED TO BE ASSOCIATED WITH LATEST FOLDS OR SUPERIMPOSED UPON TWO PHASES OF PRE-EXISTING STRUCTURES.

FOLDS

- EARLY AXIAL TRACE (ANTIFORM: UPRIGHT, OVERTURNED OR RECUMBENT).
- EARLY AXIAL TRACE (SYNFORM: UPRIGHT, OVERTURNED OR RECUMBENT).
- LATE AXIAL TRACE (ANTIFORM, SYNFORM).

GEOCHRONOLOGIC SAMPLE SITE

- PALAEONTOLOGIC SAMPLE
- RADIOMETRIC SAMPLE

The second Palaeozoic event is represented by a profound unconformity below middle Devonian strata in the Rocky Mountain thrust belt ..., a stratigraphic break in the Cariboo Mountains between Silurian and late Devonian units ... and an unconformity between the Milford and Lardeau groups in the Kootenay Arc ... and possibly west of Adams Lake. Formation of this unconformity coincided with Late Devonian plutonism and uplift. Greatest uplift, where the Devonian-Mississippian unconformity cuts below the mid-Ordovician one, corresponds generally with known exposures of Devonian plutons.

Permo-Triassic orogenic events (Sonoman) comprise deformation, low grade metamorphism, plutonism, uplift and erosion that effected rocks as young as Permian and preceded deposition of strata as old as Late Triassic in and south of the project-area and as old as Middle Triassic to the southeast near Grand Forks ... Evidence for these events is restricted to rocks of the Thompson Assemblage (sensu stricto) and the Chapperton Group in the Intermontane Belt and the southermost part of the Omenica Crystalline Belt. Farther east, a disconformity separates Triassic from older rocks ... These events are the earliest known in the Okanagan Plutonic and Metamorphic Complex.

The Columbian Orogeny, occurring during Early Jurassic to mid-Cretaceous time, was the major event affecting rocks in the project-area. Most of the polyphase (early (second phase), and late) folding, regional metamorphism and faulting took place at this time. Extensive plutonism accompanied and followed deformation ...

Within the project-area, radiometric data ... suggest that closure of the K-Ar isotopic system during waning regional metamorphism and deformation took place at least 130 to 155 Ma (Early Cretaceous to Middle Jurassic). Early Jurassic rocks ... were affected by most deformational phases of the orogeny; Early Cretaceous plutons are post-tectonic.

Uplift and erosion followed the Columbian Orogeny. Final cooling of the high grade metamorphic rocks may not have taken place until about 50 Ma ..., or a discrete thermal event, perhaps associated with Eocene plutonic and volcanic rocks, affected the Rb-Sr and K-Ar isotopic systems and annealed fission tracks in zircon, sphene and apatite. Movement along northerly trending faults and latest warping preceded or accompanied extrusion of (early Tertiary plateau basalts). Numerous feeder dykes followed fracture and fault planes. Such tensional features may be induced by post-orogenic erosion, uplift and cooling of the crust ...

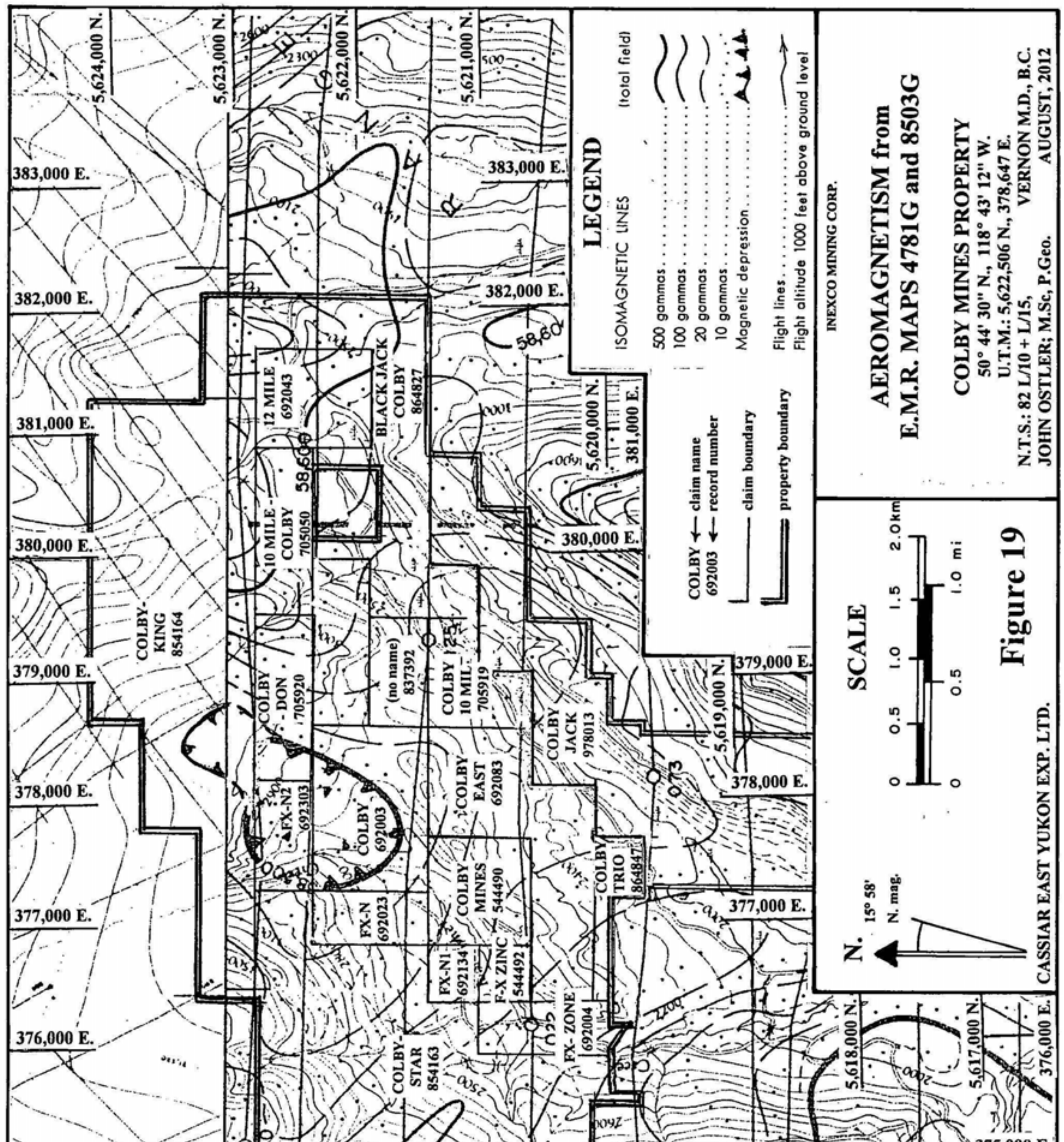
Post Eocene uplift and faulting took place predominantly in the Shuswap Complex and resulted in erosion of (early Tertiary Kamloops Group volcanics) and further exposure of the metamorphic terrane.

Okulitch, A.V.; 1979: G.S.C., Open File 637,
Notes to Map B: Stratigraphy and Structure.

Table 7
Table of Geologic Events and Lithologic Units around Mabel Lake

Time	**Formation or Event**
Recent 0.01-0 m.y.	**Valley rejuvenation**: Down cutting of stream gullies through till, development of soil profiles.
Pleistocene 1.6-0.01 my.	**Glacial erosion and deposition:** Removal of Tertiary-age regolith, deposition of till and related sediments at lower elevations, smoothing of the Tertiary-age land surface.
Miocene to Pliocene 23.8-1.5 m.y.	**Intrusion of olivine basalt dykes**.
Eocene to Pliocene 57.1-1.6 m.y.	**Erosion, and unroofing of the rocks, incision of the land surface:**
Eocene 56.5-35.4 my.	**Tensional faulting:** Deposition of the Kamloops Group flood basalt on the erosional surface.
Late Cretaceous to Eocene 97-57.1 m.y.	**Disruption of stratigraphy by northerly trending transcurrent faults, onset of regional erosion. Transcurrent and normal faulting**
Early to Middle Cretaceous 146-97 m.y.	**Thrust and transcurrent faulting, and deformation of the Cache Creek terrane:** **Thrust faulting of Upper Eagle Bay and Sicamous Formation rocks** near Shuswap Lake
Early Jurassic to Middle Cretaceous 200-130 m.y. including Middle Jurassic to Early Cretaceous 155-130 m.y.	**Columbian Orogeny:** **Deformation of Cache Creek rocks in a northeastward dipping subduction zone, accretion of Nicola Group rocks to North America:** progressive deformation and regional metamorphism, overriding of Cache Creek and Quesnel terrain rocks onto Kootenay Arc strata, intense deformation, uplift, regional metamorphism culminating in extensive plutonism in Kootenay Arc rocks. The orogeny progressed from east to west. **First and second phase of folding in Upper Eagle Bay and Sicamous Formation rocks probably also in the Colby Mines property-area.** **Metamorphic closure related to the Shuswap Metamorphic Complex:** **MINERALIZATION: Final re-mobilization of silver-lead-zinc mineralization in the Colby Mines property-area**
Late Triassic (Rhaetian) 209.6-200 m.y.	**Deposition of the Nicola Group, and associated alkalic intrusions:** mafic volcanics, associated sediments, and coeval dioritic sub-volcanic intrusions cut by monzonitic to dioritic stocks in an island arc environment.
Late Permian to Early Triassic 256-241 m.y.	**Mild orogenic event in southern British Columbia:** Deformation, low-grade metamorphism, plutonism, uplift and erosion.
Late Devonian to Triassic 355-251 m.y.	**Deposition of the Kaslo and Milford Group clastic sediments in the Cordilleran Miogeosyncline.** These rocks were deposited on an erosional surface resulting in a major unconformity between them and the underlying eugeosynclinal rocks.
Late Devonian to Mississippian 355 to 314 m.y.	**Deposition of Upper Eagle Bay Formation felsic volcanic rocks and Sicamous Formation pelitic and carbonate sedimentary rocks** deposited on an erosional on Middle Eagle Bay stratigraphy.
Late Devonian 383-355 my.	**Regional Uplift and Plutonism:** An erosional surface developed on the Middle Eagle Bay, Slocan and Lardeau group rocks.
Early to Middle Ordovician 490-460 m.y	**Cariboo Orogeny:** Early deformation and regional metamorphism of the Lower to Middle Eagle Bay Formation, Slocan and Lardeau groups.
Cambrian to Devonian 544-355 m.y.	**Deposition of the metasedimentary rocks in the Colby Mines property-area, the Lower to Middle Eagle Bay Formation mafic volcanic and meta-sedimentary rocks**, and the Lardeau and Slocan group volcanics and sediments in the Cordilleran Eugeosyncline. **MINERALIZATION: Deposition of Broken Hill-type massive sulphide mineralization in the Colby Mines property-area**
	m.y. = million years ago

NOTE: **Data for this table was compiled by the author from various sources including Okulitch (1979), Hoy (1998), and Douglas ed. (1970).**


LEGEND
ISOMAGNETIC LINES (total field)
500 gammas
100 gammas
20 gammas
10 gammas
Magnetic depression
Flight lines
Flight altitude 1000 feet above ground level
INEXCO MINING CORP.
AEROMAGNETISM from
E.M.R. MAPS 4781G and 8503G
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc, P.Geo. AUGUST, 2012
COLBY ← claim name
692003 ← record number
claim boundary
property boundary
SCALE
0 0.5 1.0 1.5 2.0 km
0 0.5 1.0 mi
N.
15° 58'
N. mag.
CASSIAR EAST YUKON EXP. LTD.
COLBY KING 854164
COLBY DON 705920
10 MILE COLBY 705050
12 MILE 692043
BLACK JACK COLBY 864827
(no name) 837392
COLBY 10 MILE 705919
COLBY JACK 978013
FX-N2 692303
COLBY 692003
COLBY EAST 692083
COLBY MINES 544490
COLBY TRIO 864847
FX-N 692023
FX-N1 692134
F-X ZINC 544492
FX- ZONE 692004
COLBY STAR 854163
PROFESSIONAL
PROVINCE OF BRITISH COLUMBIA
J. D. OSTLER
GEOSCIENTIST
373,000 E.
374,000 E.
375,000 E.
376,000 E.
377,000 E.
378,000 E.
379,000 E.
380,000 E.
381,000 E.
382,000 E.
383,000 E.
5,617,000 N.
5,618,000 N.
5,619,000 N.
5,620,000 N.
5,621,000 N.
5,622,000 N.
5,623,000 N.
5,624,000 N.
Figure 19

6.2 Regional Geophysics and Biochemistry

6.2.1 Regional Aeromagnetic Surveys

In 1965 and 1972, the federal Department of Mines and Technical Surveys conducted fixed-wing airborne aeromagnetic surveys over the area northwest of Mabel Lake. Energy, Mines, and Resources Maps, 4781G and 8503G covering N.T.S. map-areas 82 L/10 and 82 L/15 were two of the aeromagnetic maps produced. The current Colby Mines property-area straddles the boundary of those two maps. Both maps were re-scaled to 1:50,000 to produce parts of Figure 19.

The generally north-northeasterly regional magnetic field pattern is re-oriented into a sub-circular pattern about 5 km (3.1 mi) in diameter. That pattern is centred on a mild “low” that is centred at the southern boundary of the FX-N2 (692303) claim. This “low” corresponds with an area of granulite-facies metamorphic rocks. It may have been produced by a loss of iron from those rocks by the expulsion of metal-rich fluids during local metamorphic re-crystallization.

6.2.2 Regional Biochemical Surveys

During April 2006, the Geological Survey of Canada conducted a program of helicopter-assisted tree-top sampling in an area flanking both sides of the northern part of Mabel Lake. The current Colby Mines property-area was in the northwestern part of that survey-area. Twigs from near the tops of douglas fir trees were analyzed for 53 elements (Dunn and Thompson, 2007). Subsequently, those twig and needle samples were re-analyzed in order to discern which of the two media was most closely associated with mineralization (Dunn and Thompson, 2009). A total of 90 hemlock tree-bark samples were taken in an area of previously defined douglas fir twig and needle anomalies southeast of Mabel Lake.

Upon examining the results of those biochemical surveys in the Colby Mines property-area, the author could not discern any patterns that were associated with mineralization.

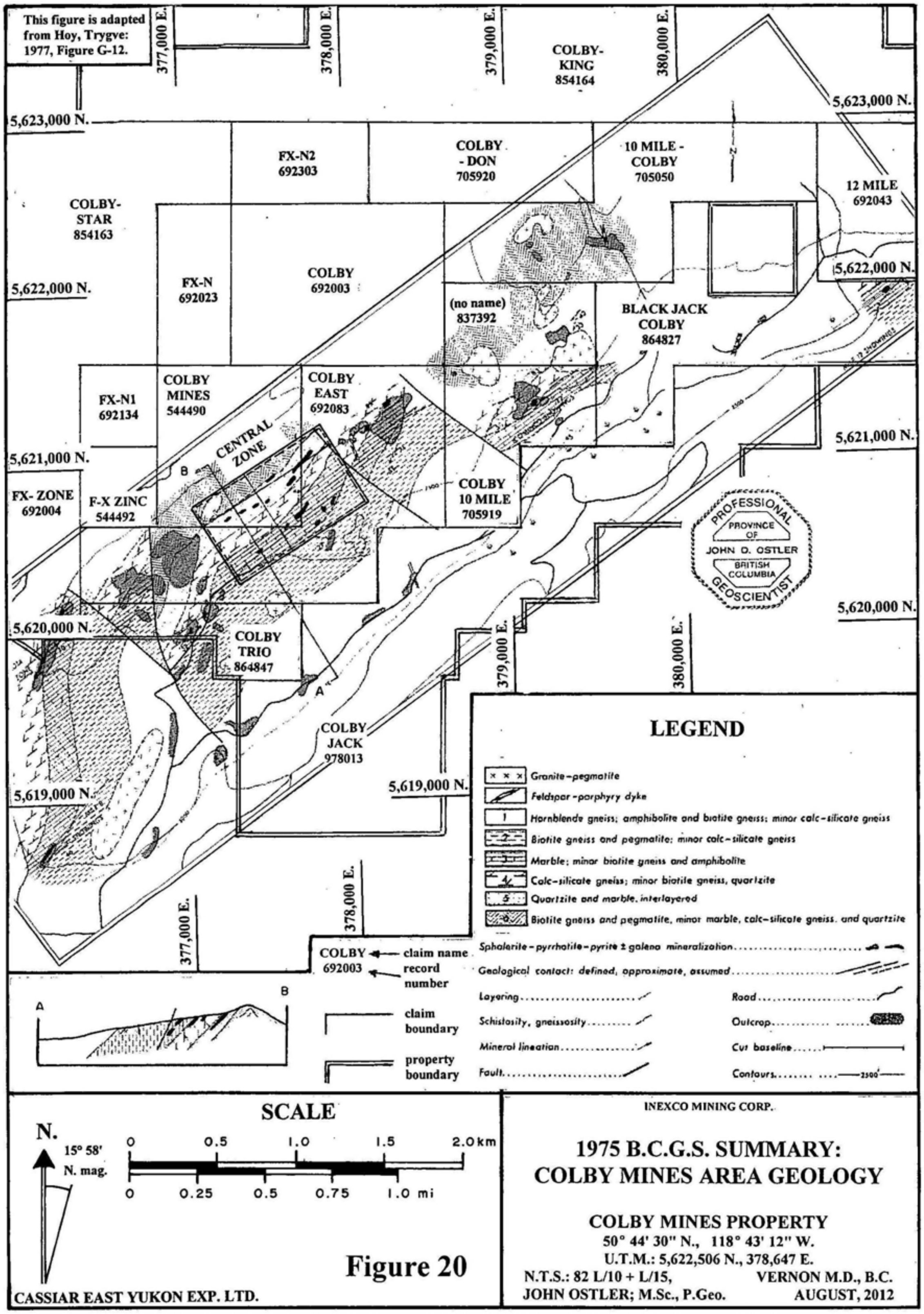
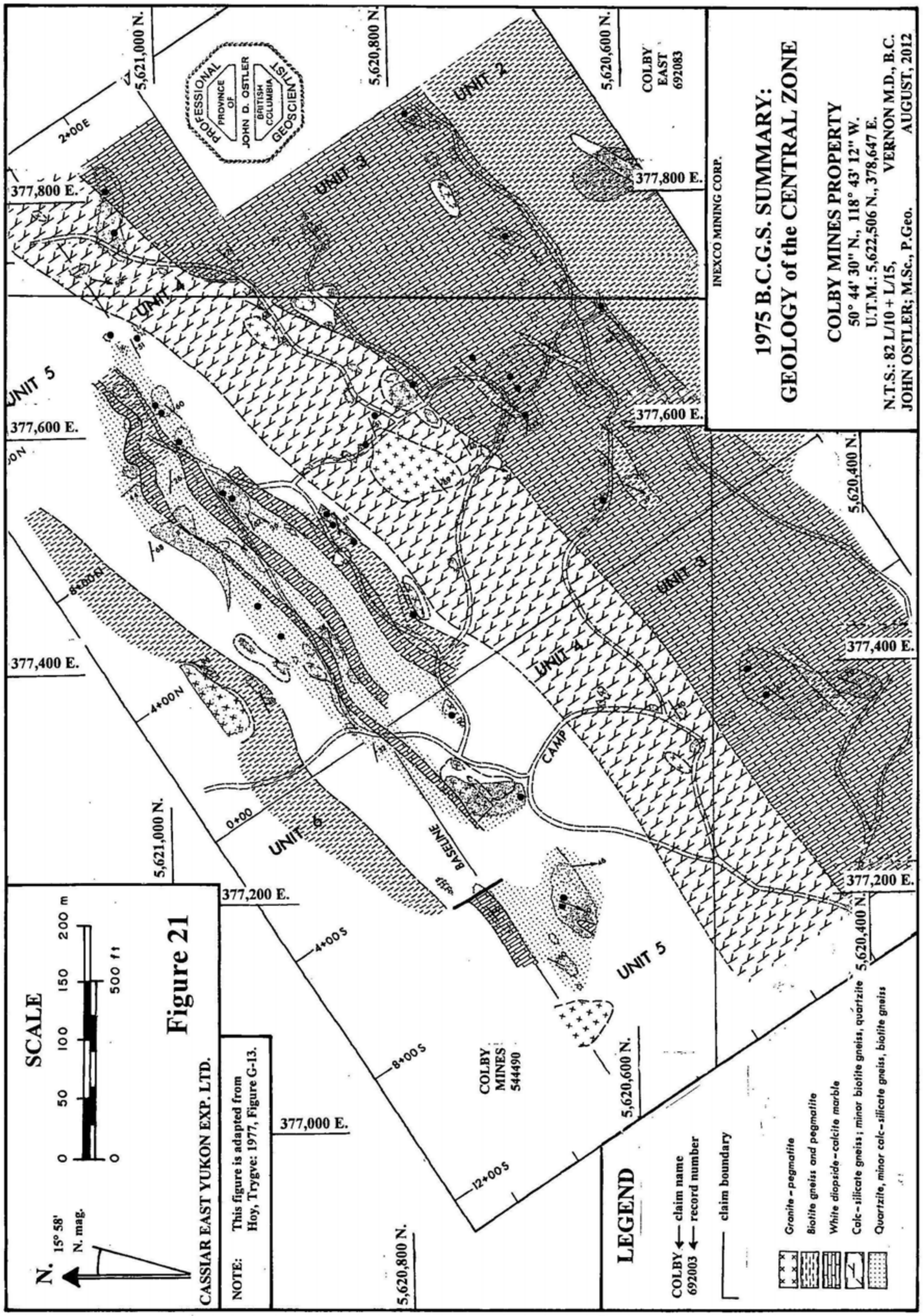


Figure 20

1975 B.C.G.S. SUMMARY: COLBY MINES AREA GEOLOGY

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012


1975 B.C.G.S. SUMMARY:
GEOLOGY of the CENTRAL ZONE
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012
INEXCO MINING CORP.
COLBY EAST 692083
COLBY MINES 544490
UNIT 2
UNIT 3
UNIT 4
UNIT 5
UNIT 6
BASELINE
CAMP
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
JOHN D. OSTLER
LEGEND
COLBY ← claim name
692003 ← record number
claim boundary
Granite – pegmatite
Biotite gneiss and pegmatite
White diopside – calcite marble
Calc – silicate gneiss; minor biotite gneiss, quartzite
Quartzite, minor calc – silicate gneiss, biotite gneiss
SCALE
0 50 100 150 200 m
0 500 ft
N.
15° 58'
N. mag.
Figure 21
CASSIAR EAST YUKON EXP. LTD.
NOTE: This figure is adapted from Hoy, Trygve: 1977, Figure G-13.

6.3 Property Geology

6.3.1 Stratigraphy

Trygve Höy of the British Columbia Geological Survey examined the area of the current Colby Mines property and summarized the local geology as follows:

> The property lies within the Shuswap Metamorphic Complex ... Jones (1959) (and) Okulitch (1974) assign rocks in the Colby area to the Monashee Group, a heterogeneous package of probable Proterozoic and Early Palaeozoic age comprising granitoid gneiss, augen gneiss, sillimanite-bearing schist, and prominent marble and quartzite layers (Figure 20).
>
> Rocks within the map-area have been divided into six metamorphic units and two intrusive units. The sequence of metamorphic units probably represents an originally conformable package of sedimentary rocks ...
>
> Unit 6 which includes all rock units beneath unit 5 is exposed only in the western part of the Central zone and north of the Cominco showings (Figures 20 and 21). This unit consists dominantly of medium to coarse-grained garnet-biotite gneiss that is intruded by many granite-pegmatite sills and dykes. Some white quartzite, marbles, and rare calc-silicate gneiss layers occur in unit 6.
>
> Unit 5 is well-exposed in the Central zone and northwest of the Cominco showings. It consists of fairly pure white marble interlayered with quartzite ... The more impure quartzite (layers included in) unit 5 (those containing diopside and/or feldspar) may be mineralized with sulphides; one of the most continuously mineralized sections in the Colby area is a zone in a quartzite which follows the baseline from approximately 7 +00 N to 11 + 00 N (Figure 21).
>
> Unit 4 is a heterogeneous unit comprised predominantly of calc-silicate gneiss, but including rusty-weathering to clean white marble, garnet-biotite gneiss, minor quartzite and minor amphibolite ... The rocks of unit 4 host sulphide mineralization in the Central zone, Dakota zone, and Cominco showings ...
>
> Unit 3 is a massive white marble up to several hundred metres thick ... Included in the marble are a number of discontinuous layers of garnet-biotite gneiss and hornblende gneiss. The most significant mineralization in the Central zone and all the mineralization in the Mile 12 and Mile 8 showings are contained within unit 3.
>
> Unit 2 consists of rusty-weathering garnet-biotite-sillimanite gneiss with minor amounts of associated calc-silicate gneiss. Granite-pegmatite bodies, up to several hundred metres in diameter commonly intrude unit 2.
>
> Unit 1 .. Consists of hornblende gneiss, garnet-biotite gneiss, and some calc-silicate gneiss. The hornblende gneiss grades to amphibolite ...
>
> Units 1 to 6 are intruded by numerous stock-like bodies. These range in size from small discontinuous sills a few metres in length to almost equidimensional stock-like intrusions several hundred metres in diameter ... The pegmatites are generally massive; only rarely do they have a conspicuous planar fabric ... They are composed of feldspar and quartz with lesser amounts of biotite, muscovite, and garnet ...
>
> Höy, Trygve; 1977: pp. G20 - G 21.

Trigve Höy (1977) tentatively correlated the rocks of the Colby Mines property-area with those around Riondel on the eastern side of Kootenay Lake. Because of the loss of primary rock structures and textures in both areas, his correlation was based on the similarity of rock types and sequences.

He correlated the prominent marble unit in the Colby Mines property-area (unit 3) with the lower Cambrian Badshot marble in the Riondel area. Mochican Formation schists, quartzites, and marbles underlying the Badshot Formation near Riondel were correlated with units 4 and 5 in the Colby area. Höy thought that unit 6 could be a more 'argillaceous' equivalent of the upper part of the Hamill Group.

Micaceous schists overlying the Badshot marble were correlated with the gneisses of unit 2 on the Colby Mines property.

6.3.2 Deformation and Metamorphism

Trigve Höy (1977) described the deformation and metamorphism of the rocks exposed in the current Colby Mines property-area as follows:

> The structure ... is dominated by four northwest-trending faults (Figure 20) ... (with) right-lateral ... displacement ranging from ... 100 metres to 700 meters (328-2,297 ft).
>
> A fifth fault which trends northeast is inferred to cutout unit 3 southwest of the Central zone ... (There) biotite-garnet gneiss of unit 2 is in contact with calc-silicate gneiss of unit 4.
>
> These faults cut across an earlier mineral foliation which strikes north-northwest and dips at varying angles to the southeast. This foliation is ... almost parallel with layering. Mineral lineations contained within the foliation plunge to the southwest. Macroscopic folds were not recognized ... although two types of mesoscopic folds are common. The first type is typically tight to isoclinal and plunges to the southwest, parallel to the mineral lineations. The second type is more open and has a more variable attitude, although generally it plunges to the southwest ...
>
> The rocks of the Colby area have been subjected to high-grade regional metamorphism; aluminous gneisses contain sillimanite and occasionally kyanite. Diopside is common ... throughout the Colby area. The assemblage, diopside-forsterite (stable at 560° C temperature and 5 k bar pressure) was observed in one marble sample from the Mile 8 showing (south of the current property-area) ... The assemblage calcite-phlogopite-diopside-chondrodite (indicative of upper amphibolite and/or granulite facies metamorphism) has been identified in marbles at three localities ... Scapolite is common in calc-silicate gneisses, frequently being associated with diopside and plagioclase.
>
> Höy, Trygve; 1977: pp. G20 - G 23.

6.4 Property Mineralization

E.O. Chisholm (1973) examined the western part of the current property-area and summarized his observations of mineralization in the Central and Dakota zones as follows:

> Mineralization includes pyrrhotite, sphalerite, galena and minor chalcopyrite and pyrite. It favours a replacement mode in vertically oriented lenses in the crystalline limestone and calcareous quartzite, but occurs also near the limestone in the enclosing quartzite.
>
> Structural control for the mineralization appears to be a northerly trending regional fault along the Kingfisher Creek valley ... The strike of the fault is sub-parallel to the mineralized zones which are possibly in subsidiary faults off the main structure.
>
> The strike trends in the host rock are also in this direction and are parallel to geological contacts. Compressional forces shown on the GSC Tectonic map of the area acted from the north and south causing northerly trending shears.
>
> A series of post mineral cross faults are evident displacing the favourable limestone belt and with it, the mineralized zones (in the Central zone) ...
>
> The evidence points to a vertical shear structure as a locus of mineralization that strikes in a N 20 to 30° E direction. The host limestone and gneissic quartzite strike in the same direction ... but dip at 40 to 50° easterly. The most favourable host for lead-zinc mineralization is the crystalline limestone. The sulphides are found in silicified shear zones within the limestone and locally in the enclosing quartzites. A second mode of occurrence ... is disseminated replacement of the limestone in proximity to the silicified shears.
>
> Chisholm, E.O.; 1973: pp. 8-10.

E.O. Chisholm's assumption that sub-vertical shears trending at about 025°-205° were responsible for mineralization is supported by results of the current (2012) airborne magnetic survey (Figure 22). In both the eastern and western parts of the property-area broad, north-northeasterly trending bands comparitively high magnetism occur. These could be expressions of conduits carrying pyrrhotite-sphalerite mineralization into the local stratigraphy.

Mineralization could have been deposited in sub-vertical dilations that trended at 055°-235°, parallel with orientation of the greatest compressional stress. The least compressional stress could have been oriented at 145°-325° The dominant, right-lateral shear plane would trend at 025°-205° as E.O. Chisholm reported, and a recessive, left lateral shear plane would trend at 085°-265°.

The close association of galena and sphalerite with magnetic pyrrhotite has been of great benefit to exploration on the Colby Mines property. Most of the 1974 to 1977 drill holes in the central zone were spotted on anomalies generated by P.P. Nielsen's (1974 and 1977) magnetic surveys (Figures 10N, 10S, 14N, 14S, 16E, 16W, and 17).

Trigve Höy (1977) examined mineralization closely; his findings were as follow:

> Mineralization in marbles consists of dark, medium-grained sphalerite, with varying amounts of pyrrhotite and minor pyrite disseminated through a medium to coarse-grained white calcite matrix ... Galena is also common, though much finer grained and more widely scattered. In polished section, the sulphides appear as angular equidimensional to elongate intergrowths of dominantly sphalerite and pyrrhotite entirely enclosed in the calcite matrix. The sulphide concentration varies considerably across a mineralized zone, commonly producing a crude layering ... Poorly defined folds with tight hinge zones may be defined by this sulphide layering.
>
> Mineralized quartzites almost invariably contain calcareous minerals in accessory amounts ... Dark sphalerite with pyrrhotite in concentrated generally in thin layers, or is seen to define the foliation in the quartzite. Galena is more common in quartzites than in the marbles, although it is always subsidiary to sphalerite. The sulphide concentration varies form widely scattered individual sphalerite and pyrrhotite grains entirely enclosed in quartz to almost massive, sphalerite-pyrrhotite (+/- galena, pyrite) intergrowths with only interstitial subrounded to subangular quartz and diopside grains.
>
> Mineralization in calc-silicate gneisses shows gradational features between that in the marble and that in quartzite. Sphalerite, pyrrhotite, pyrite +/- galena may be evenly distributed through a coarse-grained calcite-diopside rock or may tend to concentrate in layers in a more quartz-rich rock.
>
> In general, mineralized sections in quartzites are of lower grade but are more continuous along strike with the layering than those in the marbles. Discontinuous high-grade pods are common in the marbles.
>
> Höy, Trigve; 1977: p. G27.

The author examined mineralization in the Mile 12, Cominco and Central zones and found E.O. Chisholm's description of the setting of mineralization and T. Höy's description of its character to be accurate. There seems to be no preferential concentration of mineralization in either calc-silicate or carbonate rocks throughout the property-area. Thus, both rock types are prospective.

The author's 2012 sampling is insufficient to predict an average tenor of mineralization at the Colby Mines property. In 1974, K.L. Daughtry calculated that mineralization in Zones 'A' and 'B' in the Central zone contained an average of 0.58% lead and 2.60% zinc (Table 6) (Section 5.2, this report). His historic resource was calculated from the results of extensive sampling, both from surface exposures and from drill cores. This may be a reasonable assessment of the average tenor of mineralization that one could expect to find on the property. The results of the author's 2012 sampling in the Mile 12, Cominco, and Central zones are as follow:

Table 8
Ostler's 2012 Sampling Results

S. No.	U.T.M. Location	Claim	Zone	Description	Interval m ft.	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM1-1	5,622,523 N., 381,376 E.	12 MILE (692043)	Mile 12	bands and ribbons of Po, Sph in quartz gangue	0.50 1.64 composite chip	65.1	0.830	10.15	5.88 0.172
CM1-2	5,622,523 N., 381,376 E.	12 MILE (692043)	Mile 12	bands and ribbons of Po, Sph in quartz gangue	0.50 1.64 composite chip	68.5	0.195	4.81	0.72 0.021
CM1-3	5,622,523 N., 381,376 E.	12 MILE (692043)	Mile 12	intensely folded bands of Po, Sph in quartz gangue	0.40 1.31 composite chip	45.9	0.280	4.61	1.35 0.039
CM1-4	5,622,523 N., 381,376 E.	12 MILE (692043)	Mile 12	average of mineralization throughout the trench	composite grab	32.3	0.256	2.64	0.89 0.026
CM2-1	5,621,901 N., 379,107 E.	(no name) (337392)	Cominco	diss Sph + Po in boulder beside trench	chips off boulder	327	0.003	1.280	0.68 0.019
CM3-6.0-17.0m	5,621,961 N., 379,127 E.	(no name) (337392)	Cominco	average if greywacke throughout trench	11.0 36.1 composite chip	67.8	0.060	0.946	0.56 0.016
CM3-7.9m	5,621,961 N., 379,127 E.	(no name) (337392)	Cominco	band of disseminated Sph, Po in greywacke	0.3 0.98 composite chip	171.5	0.333	2.89	2.25 0.066
CM3-9.8m	5,621,961 N., 379,127 E.	(no name) (337392)	Cominco	band of disseminated Sph, Po in greywacke	0.03 0.09 composite chip	205	0.143	1.985	1.69 0.049
CM4-1	5,621,935 N., 379,135 E.	(no name) (337392)	Cominco	band of disseminated Sph, Po in greywacke	0.25 0.82 composite chip	41.8	0.187	3.06	2.37 0.069
CM4-2	5,621,935 N., 379,135 E.	(no name) (337392)	Cominco	band of disseminated Sph, Po in greywacke	0.02 0.08 composite chip	146.0	0.394	0.663	1.20 0.035
CM4-3	5,621,935 N., 379,135 E.	(no name) (337392)	Cominco	average if greywacke throughout trench	9.0 29.5 composite chip	23.8	0.005	0.459	0.53 0.015

Notes: **For locations of samples, see Figures 4E, 4W, and 24 to 29.**
Py = pyrite, Po = pyrrhotite, Cpy = chalcopyrite, Ars = arsenopyrite, Gal = galena, Sph = sphalerite, msv = massive, diss = disseminated

Table 8 Continued
Ostler's 2012 Sampling Results

S. No.	U.T.M. Location	Claim	Zone	Description	Interval m ft.	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM5-9.5m	5,620,612 N., 377,156 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	heavily diss Sph, Po, Gal in cut across stripped outcrop	1.5 4.92 composite chip	59.9	0.269	1.365	0.49 0.014
CM5-30m	5,620,628 N., 377,159 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	heavily diss Sph, Po, Gal in cut across stripped outcrop	4.0 13.1 composite chip	27.2	0.242	2.30	0.44 0.067
CM5-48m	5,620,640 N., 377,167 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	lightly diss Sph, Po, Gal in cut across stripped outcrop	6.0 19.7 composite chip	40.7	0.119	0.217	0.83 0.024
CM5-61m	5,620,647 N., 377,177 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	lightly diss Sph, Po, Gal in cut across stripped outcrop	8.0 26.2 composite chip	17.9	0.212	0.635	0.28 0.008
CM5-86m	5,620,668 N., 377,182 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	lightly diss Sph, Po, Gal across stripped outcrop	7.0 23.0 composite chip	13.6	0.330	0.538	0.26 0.008
CM5-99m	5,620,676 N., 377,190 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	lightly diss Sph, Po, Gal in cut across stripped outcrop	2.0 6.56 composite chip	16.5	0.005	0.0934	0.27 0.008
CM5-121m	5,620,702 N., 377,197 E.	COLBY EAST (692083)	Central Chisholm's Zone 1	lightly diss Sph, Po, Gal in trench across stripped outcrop	6.4 21.0 composite chip	15.2	0.115	0.0239	0.10 0.003
CM6-CON	5,621,165 N., 377,421 E.	COLBY MINES (544490)	Central	brown-grey concentrate	grab from the 7 of 15 drums still in good enough condition to sample	67.0	6.17	0.931	3.83 0.103

Notes: **For locations of samples, see Figures 4E, 4W, and 24 to 29.**
Py = pyrite, Po = pyrrhotite, Cpy = chalcopyrite, Ars = arsenopyrite, Gal = galena, Sph = sphalerite, msv = massive, diss = disseminated

Table 8 Continued
Ostler's 2012 Sampling Results

S. No.	U.T.M. Location	Claim	Zone	Description	Interval m ft.	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM7-1	5,621,162 N. 377,306 E.	COLBY MINES (544490)	Central Chisholm's Zone 2	band of msv to diss Po, Gal, Sph in silica gangue	1.5 4.92 composite chip	51.6	9.43	11.60	6.12 0.179
CM7-2	5,621,157 N. 377,302 E.	COLBY MINES (544490)	Central Chisholm's Zone 2	band of msv to diss Po, Gal, Sph in silica gangue	1.5 4.92 composite chip	133.0	2.33	8.21	3.47 0.102
CM8-1	5,620,588 N., 377,160 E.	COLBY MINES (544490)	Central Chisholm's Zone 3	lightly diss Sph, Po, Gal in silica gangue across stripped outcrop	1.0 3.05 composite chip	66.0	0.151	0.717	0.55 0.016
CM8-2	5,620,628 N., 377,159 E.	COLBY MINES (544490)	Central Chisholm's Zone 3	msv to diss Sph, Po, Gal in rubble in northern part of trench	composite grab	355	2.54	5.11	1.43 0.042
CM8-3	5,620,640 N., 377,167 E.	COLBY MINES (544490)	Central Chisholm's Zone 3	msv to diss Sph, Po, Gal in silica gangue	2.5 8.20 composite chip	195.0	1.435	2.09	2.14 0.062
CM9-1	5,620,647 N., 377,177 E.	COLBY MINES (544490)	Central Chisholm's Zone 4	msv to diss Sph, Po, Gal in rubble across moss-covered outcrop	composite grab	60.6	0.230	1.365	0.99 0.029
CM10-1	5,620,668 N., 377,182 E.	COLBY MINES (544490)	Central Chisholm's Zone 5	lightly diss Sph, Po, Gal in silica gangue in blocks near trench across outcrop	composite grab	22.0	0.003	0.0778	0.24 0.007

Notes: **For locations of samples, see Figures 4E, 4W, and 24 to 29.**
Py = pyrite, Po = pyrrhotite, Cpy = chalcopyrite, Ars = arsenopyrite, Gal = galena, Sph = sphalerite, msv = massive, diss = disseminated

7.0 DEPOSIT TYPE

The mineral exploration targets on the Colby Mines property are Broken Hill-type sedimentary exhalite, massive sulphide deposits.

Broken Hill type massive sulphide deposits were described by Trygve Höy (1996) as follows:

BROKEN HILL TYPE Pb-Zn-Ag +/- Cu S01

IDENTIFICATION

SYNONYMS: Shuswap-type, Ammeburg-type Zn-Pb, Jervois-type.

COMMODITIES (*BY-PRODUCTS*): Pb, Zn, Ag, (*Cu, Au, barite*)

EXAMPLES (British Columbia (MINFILE # - *Canada/ International*):
Cottonbelt (082M086), River Jordan (082M001), Ruddock Creek (082M082-084), Big Ledge? (082LSE012), Colby? (082ESW062); *Broken Hill and Pinnacles (New South Wales, Australia), Broken Hill and Black Mountain, Aggeneys district and Gammsberg area (South Africa), Knalla and Nygruvan, Bergslaggen district (Sweden).*

GEOLOGICAL CHARACTERISTICS

CAPSULE DESCRIPTION:
Deposits comprise massive to semimassive galena, sphalerite, pyrrhotite and pyrite and/or magnetite layers or stacked lenses hosted by thin-bedded, commonly calcareous paragnesiss successions. A complex gangue mineralogy includes a variety of calcsilicate minerals. These stratabound deposits are typically thin, but laterally extensive and were deformed and metamorphosed together with their hostrocks.

TECTONIC SETTING:
Strongly deformed and metamorphosed supracrustal rocks commonly referred to as ‘mobile belts’ which probably originated in an intracratonic rift or possibly continental margin setting.

DEPOSITIONAL ENVIRONMENT / GEOLOGICAL SETTING:
Marine sediments and associated minor bimodal (?) Volcanics (often felsic, possibly alkalic) reflect active extensional tectonics. Host successions include inferred evaporites and are generally interpreted as shallow marine. Underlying gneissic successions suggest some deposits formed on or along margins of tectonic highs. However, intense deformation and metamorphism have commonly masked relationships.

AGE OF MINERALIZATION:
Commonly Lower and Middle Proterozoic; some British Columbia deposits may be hosted by Late Proterozoic to Cambrian rocks.

HOST / ASSOCIATED ROCK TYPES:

Hosted by thin-bedded calcareous schists, impure marble, quartzites and, less commonly, graphitic schists. A common and important host rock is garnet quartzite which occurs as envelopes to the sulphide bodies; associated with well layered and heterogeneous successions of quartzite, crystalline marble, quartzo-feldspathic gneiss, hornblende gneiss, and abundant pelitic and calcareous schist and gneiss; locally associated carbonatite and amphibolite. Banded iron formations, chert, gahnite, quartzites and tourmalinites are common in the host stratigraphic succession as distal facies or in footwall successions. Scapolite-rich units and sulphur isotopes suggest associated evaporites. Metamorphic grades vary from amphibolite to granulite.

DEPOSIT FORM:

Stacked sulphide on sulphide/magnetite lenses are common; they are thin, irregular, discontinuous, strongly deformed massive sulphide bodies. Thickening in fold hinges is often critical to make economic thickness. Individual lenses vary from less than a metre to tens of metres and may extend hundreds of metres often grading laterally into quartzite, quartz gahnite, garnet quartzite or pyrite/pyrrhotite disseminated units that may persist for tens of kilometers.

TEXTURE / STRUCTURE:

Mineralization occurs as discontinuous massive to semimassive sulphide lenses or as disseminated stratabound sulphides. Sulphides are massive to irregular banded, with locally coarse “skarn” textures; locally well-layered or laminated sulphides and silicates occur. They are commonly medium to coarse grained and intimately intergrown with gangue calcsilicate minerals, quartz or magnetite; as well, there are occasional thin monomineralic sulphide layers. Disseminated sulphides are common in granular marble. Pegmatite zones are present I some ore (mineralized) zones.

ORE MINERALOGY (Principal and *subordinate*):

Galena, sphalerite, galena, magnetite pyrrhotite pyrite; chalcopyrite, tetrahedrite, molybdenite arsenopyrite, löllingite. In some deposits, magnetite makes up more than 40% of the ore (mineralization). Some deposits display zoning from siliceous Zn-rich to distal carbonate-silicate Pb-Ag ore (mineralization).

GANGUE MINERALOGY:

Quartz, garnet, calcite, rhodonite, magnetite, siderite, pyroxenes and amphiboles, commonly manganiferous, fluorite, *Mn olivine, apatite, gahnite, plagioclase, biotite, chlorite, ankarite, epidote, graphite, barite, hematite, wollastonite, sillimanite, staurolite, vesuvianite*. The complex gangue mineralogy is characteristic of Broken Hill-type deposits.

ALTERATION MINERALOGY:

Original alteration assemblages are replaced by a complex variety of metamorphic minerals. Alteration envelopes and deposit zoning are common in larger deposits, but are generally not recognized in smaller ones. Footwall alteration pipes are generally not recognized, except for some of the Cu-rich deposits, which complicates their interpretation. Typically the alteration reflects enrichment of Fe, Si, Mn, Ca, P, F, K and CO_3 and includes metamorphic silicates including amphiboles, olivine, biotite, phlogopite, sillimanite, orthoclase and clinozoisite as well as carbonates, fluorite and a variety of other minerals. Spessartine-quartz halos surround many deposits, with more regional silicification (quartz) and K (sillimanite) enrichment. In the Broken Hill area, Australia, with increasing intensity of mineralization, Fe-Si-Mn systems (typical of metamorphosed iron formations) are overprinted by extreme Ca-Mn-F enrichment with calcsilicate assemblages.

WEATHERING:

Large gossans are not common; however, pyrrhotite and pyrite in some deposits locally produce rusted outcrops. Some Australian deposits have deep weathered zones: gossanous quartz-garnet-gahnite rocks, with abundant Mn and Fe oxides (goethite and coronadite) and carbonates (dolomite, cerrusite, and smithsonite). Leached sulphides mark the transition into underlying sulphide ore (mineralization).

ORE CONTROLS:

Not well understood; deposits appear to be restricted to Proterozoic "mobile belts", generally interpreted to be intracratonic rifts. Oxidized shallow marine basins, possibly developed due to extensional faulting above basement highs, and associated bimodal (?) Volcanism are local controls.

GENETIC MODEL:

Difficult to interpret due to high metamorphic grades. A sedimentary exhalite origin, with sulphide deposition in rapidly deepening rifts, is preferred because the deposits are associated with iron formations, chert and Mn-rich iron oxide facies. This environment, dominated by oxidized facies, contrasts with reduced, anoxic basins that commonly host sedex deposits. However, associated bimodal volcanics, ore (mineralization) and gangue chemistry and sulphide textures suggest similarities with volcanogenic massive sulphide deposition. Some workers have supported replacement models for the mineralization.

ASSOCIATED DEPOSIT TYPES:

Sedimentary exhalitave deposits ..., carbonatites ..., nepheline syenites, polymetallic veins ... and W-Mo veins.

EXPLORATION GUIDES

GEOCHEMICAL SIGNATURE:

Anomalous enrichments of Mn, Cu, Au, Bi, Sb, W, Co, and As in the ore (mineralization) and some proximal exhalative units; high Ag:Pb ratios, Mn and K enrichment (with muscovite, k-feldspars and sillimanite) in alteration halos; elevated base metal values (concentrations) (particularly Zn) and Mn in more regional iron formations. In silt samples expect anomalous Pb, Zn, Ag, Mn and Ba.

GEOPHYSICAL SIGNATURE:

Deposits with associated magnetite produce strong magnetic anomalies. Electromagnetic and induced polarization surveys may detect those deposits with pyrrhotite and pyrite massive sulphide lenses. Associated graphite in some (*e.g.* Big Ledge) may provide local targets.

OTHER EXPLORATION GUIDES:

Main exploration guide is appropriate sedimentary/tectonic environment - thin-bedded succession of paragneiss with abundant carbonate. The mineralization may occur at, or near, the transition from quartzo-feldspathic basement rocks to fine-grained metasediments. Rapid lithologic facies change changes in the vicinity of deposits may indicate local hydrothermal systems. Associated volcanism is indicative of extension or rifting. Associated volcanism is indicative of extension or rifting. In closer proximity to deposits, unusual mineral assemblages include garnet quartzites, gahnite quartzites and Mn-rich calcsilicate with skarn textures.

ECONOMIC FACTORS

TYPICAL GRADE AND TONNAGE:

Deposits frequently occur in clusters with numerous small, uneconomic deposits. Broken Hill-type targets average less than 5 to 20 Mt, but may be in excess of 100 Mt (Broken Hill, Australia: 280 Mt containing 10.0% Pb, 8.5% Zn and 148 g/t Ag, including approximately 150 Mt of more than 20% Pb + Zn). Grades are variable, commonly with 2 to 10% Pb, 2 to 8% Zn and 10 to 150 g/t Ag. Some deposits contain no byproduct copper, others have 0.1 to 1% Cu. In British Columbia, known deposits range in size from less than one million to 6.5 Mt; geological reserves (resources) may be considerably larger. Grades range from approximately 2 to 5% Zn and 2.5 to 6.5% Pb with up to 50 g/t Ag. Ruddock Creek contains 5 Mt with 7.5% Zn, 2.5% Pb and Jordan River, 2.6 Mt with 5.6% Zn, 5.1% Pb and 35 g/t Ag.

ECONOMIC LIMITATIONS:

Structural thickening is often critical to the genesis of economic deposits. Broken Hill-type deposits have not been mined in British Columbia, due mainly to their form - thin, though laterally persistent layers - and their location in remote, mountainous terrains.

IMPORTANCE:

These deposits are an important source for lead, zinc and silver, and remain attractive exploration targets in British Columbia.

Höy, Trygve
in:
Lefebure, D.V. and Höy, Trigve ed.; 1996, pp. 117-119.

8.0 EXPLORATION

8.1 Summary of the Exploration Conducted by the Author and Inexco Mining Corp. in the Colby Mines Property-area

On January 19, 2012, the author was commissioned to find as much of the unpublished exploration records from the property as possible and to produce a comprehensive history of work in the property area. Also, he conducted a sampling program of mineralized rock exposures on June 11, 15, 21, and 22, 2012 (Figures 4E, 4W, and 24 to 29).

The current (2012) exploration program is the only exploration that Inexco Mining Corp. has conducted in the Colby Mines property-area.

8.2 Procedures and Parameters of the Current (2012) Exploration Program

8.2.1 Airborne Geophysical Surveys

A total of 205.3 line-km (125.2 lin-mi) of airborne magnetic and electromagnetic survey covering an area of 22.59 km^2 (8.41 mi^2) was flown over all of the claims except the COLBY JACK (978013) claim

(Figures 4E, 4W, 22, and 23). Lines spaced 100 m (328 ft) apart and oriented at 145°-325° were flown from northwest to southeast. Perpendicular tie lines oriented at 055°-235° were spaced 1,000 m (3,280 ft) apart.

A. Prikhodko et al. (2012) which constitutes Appendix 'A' in the author's recent assessment report (Ostler, 2012) described flight specifications and equipment as follows:

Flight Specifications

During the survey the helicopter was maintained at a mean altitude of 95 metres (311.7 ft) above the ground with an average survey speed of 80 km/hour (50 mph). This allowed for an average bird terrain clearance of 61 metres (200.1 ft) and a magnetic sensor clearance of 82 metres (269.0 ft).

The on board operator was responsible for monitoring the system integrity. He also maintained a detailed flight log during the survey, tracking the times of the flight as well as any unusual geophysical of topographic features.

On return of the aircrew to the base camp the survey data was transferred from a compact flash card (PCMCIA) to the data processing computer. The data were then uploaded to the Geotech office in Aurora (Ontario) for daily quality assurance and quality control by qualified personnel.

Aircraft and Equipment

The survey was flown using a Eurocopter Aerospatiale (Astar) 350 B3 helicopter., registration C-GTEQ. The helicopter is owned and operated by Geotech Aviation. Installation of the geophysical and ancillary equipment was carried out by a Geotech Ltd. crew.

The electromagnetic system was a Geotech Time Domain EM (VTAM) system. VTAM, with the serial number 17 had been used for the survey ...

The VTAM receiver and transmitter coils were in concentric-coplanar and Z-direction oriented configuration. The EM bird was towed at a mean distance of 35 metres (114.8 ft) below the aircraft ... Thirty-two time measurement gates were used for the final data processing in the range of 0.096 to 7.036 msec.

VTAM System Specifications

Transmitter

Transmitter coil diameter: 17.6 m (57.74 ft)
Number of turns: 4
Effective coil area: 973 m^2 (10,473 ft^2)
Transmitter base frequency: 30 Hz
Peak current: 225 A
Pulse width: 3.41 ms
Wave form shape: Bi-polar trapezoid
Peak dipole moment: 248,151 N.A.
Average EM bird terrain clearance: 61 metres (200.1 ft) above ground

Receiver

Z-coil diameter: 1.2 m (3.94 ft)
Number of turns: 100
Effective coil area: 113.04 m^2 (1,216.4 ft^2)

Airborne magnetometer

The magnetic sensor utilized for the survey was Geometric optically pumped caesium vapor magnetic field sensor mounted 13 metres (42.65 ft) below the helicopter ... The sensitivity of the magnetic sensor is 0.02 nannoTesla (nT) at a sampling interval of 0.1 seconds.

Radar altimeter

A Terra TRF 3000/TRI40 radar altimeter was used to record terrain clearance. The antenna was mounted beneath the bubble of the helicopter cockpit.

GPS navigation system

The navigation system used was a Geotech PC104 based navigation system utilizing a NovAtel's WAAS (Wide Area Augmentation System) enabled GPS receiver. Geotech navigate software, a full screen display with controls in front of the pilot to direct the flight and a NovAtel GPS antenna mounted on the helicopter tail ... As many as 11 GPS and two WAAS satellites may be monitored at any one time. The positional accuracy of circular error probability (CEP) is 1.8 m (5.9 ft). The co-ordinates of the block were set-up prior to the survey and the information was fed into the airborne navigation system.

Digital acquisition system

A geotech data acquisition system recorded the digital survey data on an internal compact flash card. Data is displayed on an LCD screen as traces to allow the operator to monitor the integrity of the system. (Sampling rates were as follow: THEM = 0.1 sec, Mag. = 0.1 sec., GPS position = 0.2 sec, and Radar altimeter = 0.2 sec.)

Base station

A combined magnetometer/GPS base station was utilized on this project. A Geometric Caesium vapor magnetometer was used as a magnetic sensor with a sensitivity of 0.001 nT. The base station was recording the magnetic field together with the GPS time at 1 Hz on a base station computer.

The base station magnetometer sensor was installed (118° 57.2481' W., 50° 50.6504' N.); away from electric transmission lines and moving ferrous objects such as motor vehicles. The base station data were backed up to the data processing computer at the end of each survey day.

Prikhodko, A. Et al.; 2012: pp. 5-10.

8.2.2 Prospecting and Examinations of Mineralization

A total of 33.0 km (20.1 mi) of road and trail was prospected with varying degrees of intensity throughout the property-area (Figures 4E and 4W). An estimated 33 hectares (81.5 acres) of area was prospected assuming an average investigation of a 10-m width from the centre line of a road or trail. Prospecting was conducted primarily to locate various workings and other features recorded in previous reports and other documents. Standard prospecting methods were employed.

The author examined an estimated 0.6 ha (1.48 A) of workings at the Mile 12 and Cominco zones, and at Chisholm's Zones 1 to 5 of the Central zone (Figures 4E, 4W, and 24 to 29). Station locations were established using Garmin XL12 and XL60 GPS units; structural measurements were taken with a Brunton Compass.

A total of 26 rock samples (Table 8) were analyzed at ALS Chemex in Kamloops, B.C. by an induced coupled plasma (ICP) technique. Over-limit metal concentrations were re-analyzed by atomic absorption and fire assay.

8.3 Sampling Method and Approach

The 26 samples of mineralization (Table 8) taken by the author comprised composite chip and composite grab samples that were taken to establish the character and general tenor of sulphide mineralization at various workings throughout the property-area. The author considers his sampling density to be appropriate at the current stage of exploration.

During the 1970s, Zones 'A' and 'B' of the Central zone on the current COLBY MINES (544490) claim were well explored (Sections 5.1 and 5.2). Most of the property-area has received very little detailed exploration. At the current stage of exploration, new targets are being investigated. Knowledge regarding details of thickness and mineral tenor are insufficiently defined across the property-area to justify the detailed sampling protocols that are normally employed to convert indicated and measured resources into reserves. The author considered such protocols as the taking of multiple samples and conducting analysis at several laboratories to be an unjustified at the current stage of exploration on the Colby Mines property.

There is significant variation among the author's rock-sample results. The author opines that this variance is due to low sample density and local variations in mineral concentration that are largely unexposed. As targets are developed and a greater amount of mineralization is exposed and sampled, the population of samples will increase and more closely reflect the distribution and tenor of sulphide mineralization in those areas. Also, it should be remembered that the current stage of exploration, a few high assay results from a few small mineral showings are of little importance compared with the task of locating the thickest and richest accumulations of massive sulphide mineralization throughout the property-area.

8.4 Results and Interpretation of the Current (2012) Exploration Program

8.4.1 Airborne Geophysical Surveys

A. Prikhodko et al. (2012) presented their conclusions regarding the data from the 2012 airborne magnetic and electromagnetic surveys as follows:

> ... Based on the geophysical results obtained, a number of TEM anomalies are identified across the property. In general, these conductive zones and EM anomalies correspond to lithological broad objects and local targets strongly associated with magnetic dyke similar anomalies as observed in the Time-constant (Tau) image presented with the calculated vertical magnetic gradient (Gvt) contours.
>
> The local conductive targets are presented in the RIDS of L1340 and L1371 (Figures 22 and 23). The approximate depths to tops of the targets is around 50 metres (164 ft).
>
> One of the lithological conductors is presented in R.I. section for L1170 (Figures 22 and 23).
>
> A power line is identified toward the south-eastern part of the property. Caution is recommended during further interpretation; as such cultural components might affect the geological response inherent in the data.
>
> We recommend a detailed interpretation of the available geophysical data, in conjunction with the geology. It will include resistivity depth imaging of more surveyed lines and Maxwell modeling for the local conductors prior to ground follow up and more drill testing.
>
> Prikhodko, Alexander, Ora, Marta
> and Venter, Nick; 2012: p. 17.

The current (2012) airborne magnetic survey provides an intermediate-level view of the total magnetic field across the property (Figure 23). It is more detailed than the results of the regional aeromagnetic survey (Figure 19) and displays larger scale features than do the ground magnetic surveys conducted by Cominco in 1964 (Figure 6), by Colby Mines in 1973 (Figure 10N and 10S), and by Union Oil in 1976 (Figures 16E, 16W, and 17).

Both the regional and current airborne magnetic survey results indicate the presence of a significant magnetic "low" north of the Central zone and northwest of the Cominco zone in the northwestern part of the property-area (Figures 19 and 23). Previous geological mapping indicates that this "low" was the result of the emplacement of a metamorphic plume related to the Cretaceous-age Shuswap metamorphic complex resulting in the conversion of rocks to granulite-grade gneiss and migmatite. Probably, migration of fluids carrying sulphide minerals away from the plume is the direct cause of the magnetic "low". The general pattern of low

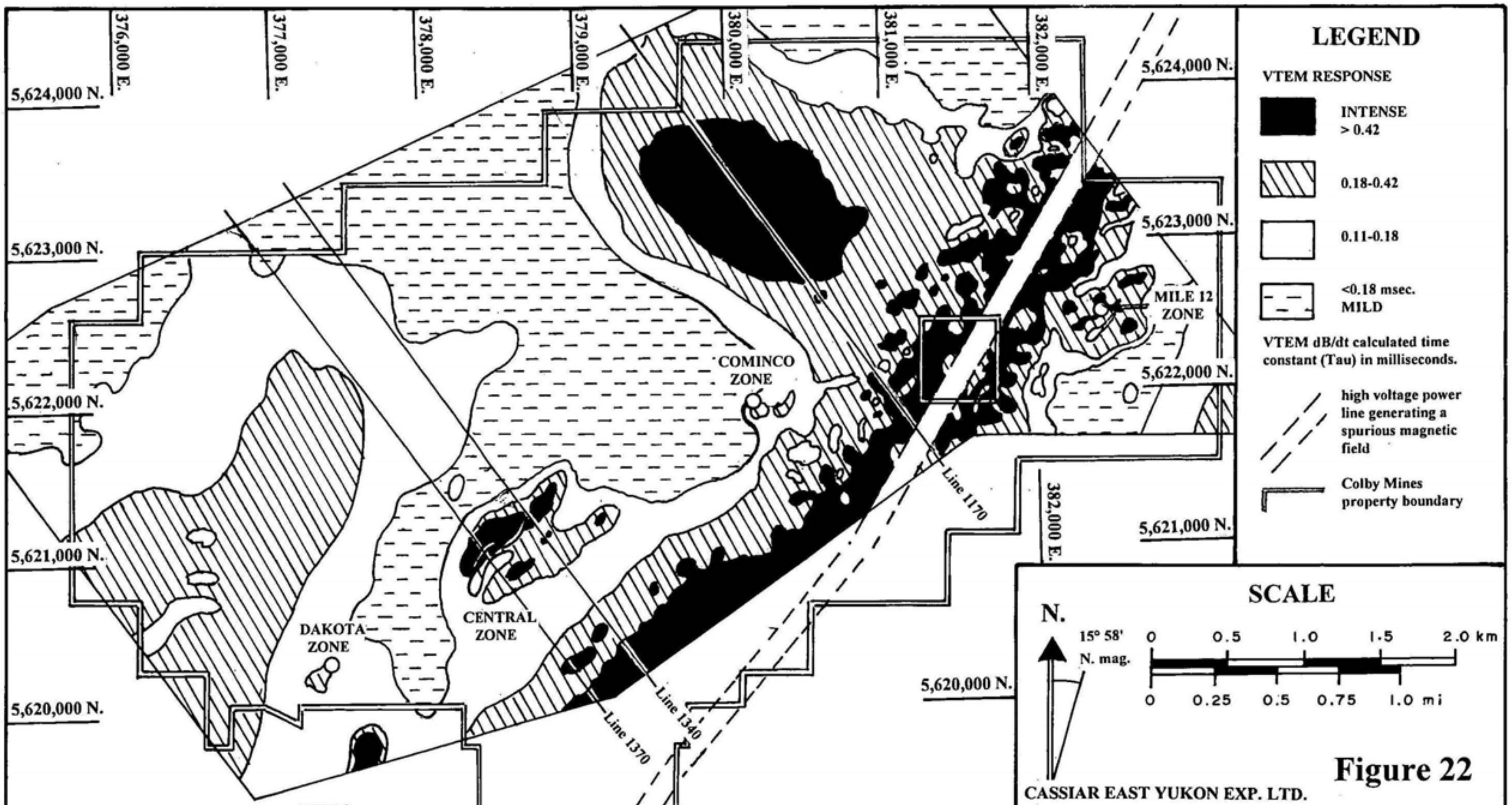


Figure 22

CASSIAR EAST YUKON EXP. LTD.

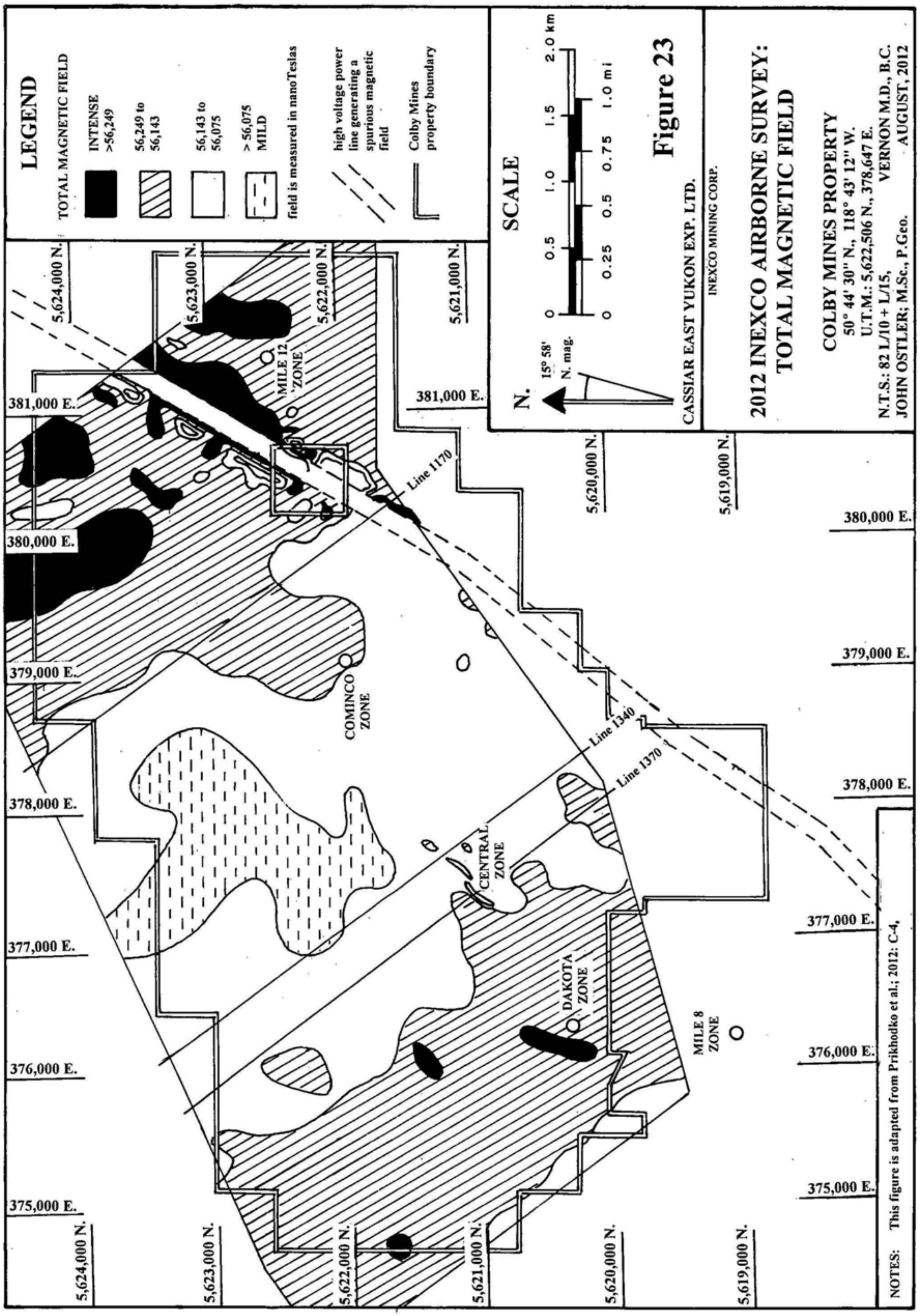
INEXCO MINING CORP.

**2012 INEXCO AIRBORNE SURVEY:
ELECTROMAGNETIC RESPONSE**

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

NOTES: This figure is adapted from Prikhodko et al.; 2012: C-5,

dB/dt is a measure of the time varying field generated by the VTEM transmitter. Tau is a time constant related to the conductivity of the rocks and a measure of the speed of the decay of the electromagnetic responnse. Measured in milliseconds.


LEGEND
TOTAL MAGNETIC FIELD
INTENSE >56,249
56,249 to 56,143
56,143 to 56,075
> 56,075 MILD
field is measured in nanoTeslas
high voltage power line generating a spurious magnetic field
Colby Mines property boundary
SCALE
0 0.5 1.0 1.5 2.0 km
0 0.25 0.5 0.75 1.0 mi
N.
15° 58'
N. mag.
Figure 23
CASSIAR EAST YUKON EXP. LTD.
INEXCO MINING CORP.
2012 INEXCO AIRBORNE SURVEY:
TOTAL MAGNETIC FIELD
COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15,
VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo.
AUGUST, 2012
5,624,000 N.
5,623,000 N.
5,622,000 N.
5,621,000 N.
5,620,000 N.
5,619,000 N.
375,000 E.
376,000 E.
377,000 E.
378,000 E.
379,000 E.
380,000 E.
381,000 E.
MILE 12 ZONE
COMINCO ZONE
CENTRAL ZONE
DAKOTA ZONE
MILE 8 ZONE
Line 1170
Line 1340
Line 1370
NOTES: This figure is adapted from Prikhodko et al.; 2012: C-4,

magnetism across the central part of the property-area is disturbed by a partial band of higher magnetism related to the stratigraphy hosting the Central and Cominco zones. This may be due to partial flushing of magnetic sulphide minerals from the rocks adjacent to mineralization in and between those zones.

If the mineralization in these two zones is a remnant of previously more extensive mineralization, then that mineralization must pre-date emplacement of the Cretaceous-age Shuswap metamorphic complex. Local geological mapping indicates that mineralization post-dates deposition of the local meta-sedimentary rocks in the early Palaeozoic Era. This would broadly confine the age of deposition of mineralization in the property-area to Early Palaeozoic to Cretaceous.

The area of low total magnetic field intensity in the central part of the property-area is flanked to the northeast and southwest by areas where the rocks are much more magnetic, and presumably more pyrrhotite-rich. Of particular interest are the area extending from the Mile 8 zone on the TXX-Kingfisher property northwestward through the Dakota zone to north of Kingfisher Creek on the south-central part of the COLBY STAR (854163) claim, and the area extending northwestward from the Mile 12 zone to the northern property boundary. The presence of sulphide mineralization near the Dakota zone is indicated by previous soil survey in that area (Figure 13). There is a mild increase in the total magnetic field in that area. The presence of sulphide mineralization north of the Mile 12 zone is indicated by a previous ground magnetic survey (Figure 8) which is confirmed by a magnetic anomaly generated by the current (2012) airborne survey. A significant ground-magnetic anomaly from the 1964 Cominco survey occurs in the northeastern part of the property coincident with the largest magnetic anomaly in that area generated by the current (2012) survey (Figures 6 and 23).

The local magnetic field generated by the high-voltage power line that crosses the property-area just northwest of the Mile 12 zone disrupts the pattern of magnetic results from the current (2012) airborne survey along the power line right of way.

The pattern of electromagnetic responses across the current (2012) survey-area confirms that of the magnetic data (Figures 22 and 23). The pattern of electromagnetic response across the magnetic "low" is essentially flat, as could be expected. Between the area of the magnetic "low" and the more highly magnetic rocks in the northeastern part of the property-area is an intense electromagnetic anomaly which indicates an area of rapid change in magnetic field strength. The power line generates a complex pattern of electromagnetic responses that effectively mask those of the current (2012) survey along the power line right of way. There is a distinct pattern of electromagnetic response related to the Mile 12 zone which is cut-off by disturbance by the power line on its northwestern side. Mineralization of the Central zone is clearly illustrated by the electromagnetic response in that area. As well, the two mineralized zones discovered during 1974 in "pure marble" southeast of the drilling area are accompanied by electromagnetic responses. There is an intense electromagnetic response located along the southeastern boundary of the current (2012) survey-area that crosses the power line at a low angle. This rapid change in the local magnetic field may indicate either the presence of magnetic rocks just south of the survey area or the presence of a "wet" fault structure beneath the swamps of Danforth Creek.

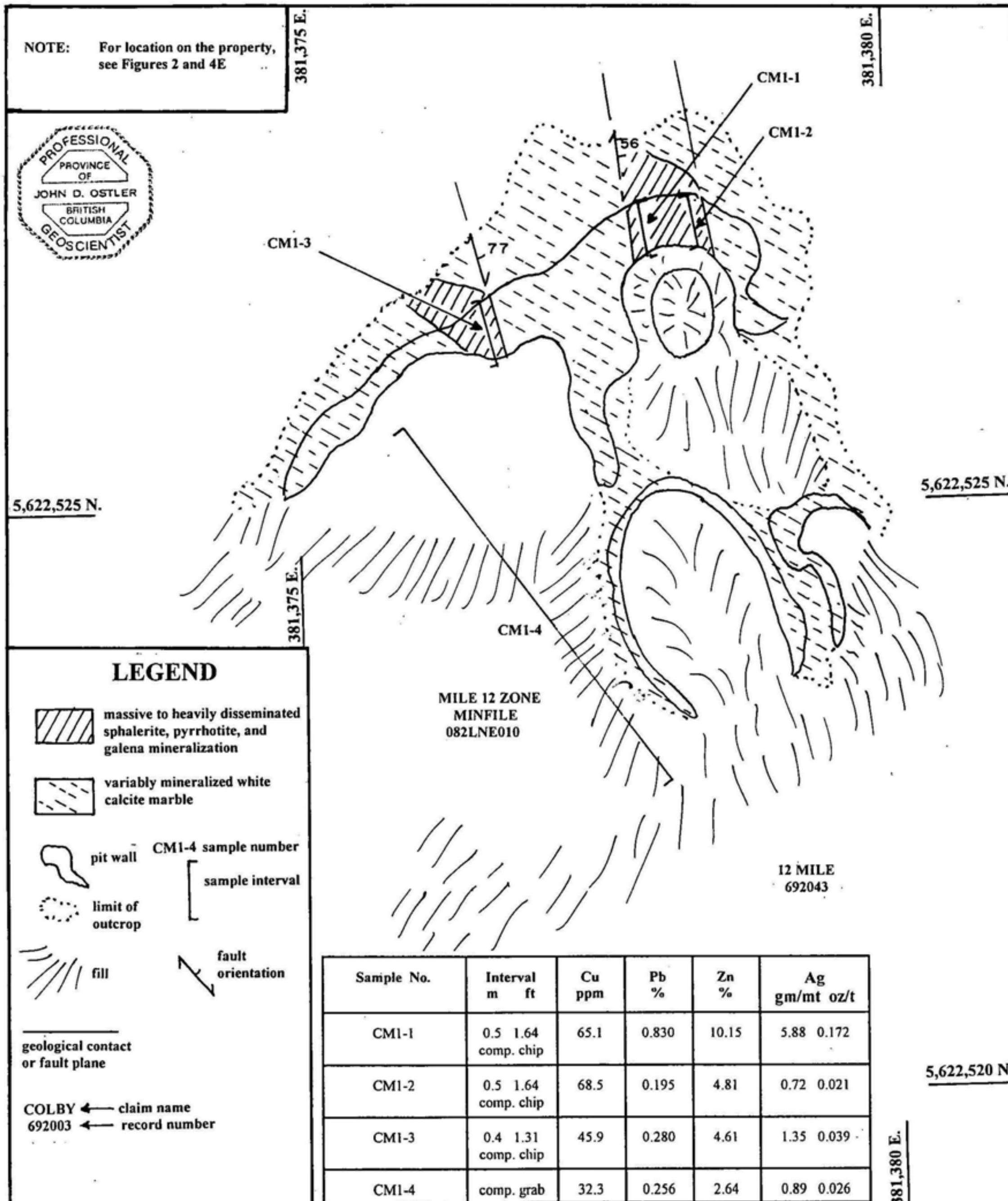
8.4.2 Prospecting, and Examinations of Mineralization

Prospecting during the current (2012) exploration program resulted in the location and identification of workings in the major mineralized zones in the property-area, which greatly facilitated examination and sampling of them.

The author examined and sampled mineral showings in the Mile 12, Cominco and Central zones (Figures 24 to 29) (Table 8). For a discussion of the character and tenor of mineralization, see Section 6.4 of this report.

The showings of the Mile 12 zone are hosted by a single trench located on the eastern side of the old Kingfisher-Three Valley road on the 12 MILE (692043) claim. The trench appears to have been subjected to several blasts and bulldozer pushes that occurred at different times, possibly accounting for its complex profile (Figures 4E and 24).

The host rock is marble containing about 60% white calcite and 40% light green diopside. Throughout the marble are rusty weathering bands of pyrrhotite that weather to hematite and orange limonite, sphalerite that weathers to purple limonite, and traces of galena. Samples CM1-1 to CM1-3 were taken from bands of massive and heavily disseminated pyrrhotite-sphalerite mineralization. Concentrations of lead, zinc, and silver in those three samples range from 0.830% lead, 10.15% zinc, and 5.88 gm/mt (0.172 oz/ton) silver in sample CM1-1



Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM1-1	0.5 1.64 comp. chip	65.1	0.830	10.15	5.88 0.172
CM1-2	0.5 1.64 comp. chip	68.5	0.195	4.81	0.72 0.021
CM1-3	0.4 1.31 comp. chip	45.9	0.280	4.61	1.35 0.039
CM1-4	comp. grab	32.3	0.256	2.64	0.89 0.026

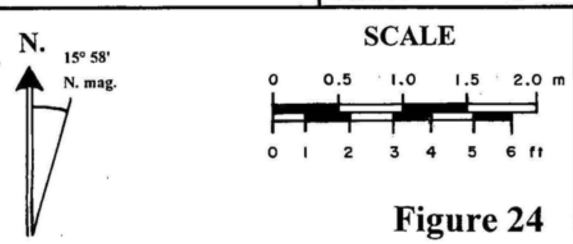


Figure 24

CASSIAR EAST YUKON EXP. LTD.

NOKA RESOURCES INC.

MILE 12 ZONE

CORNING CREEK PROPERTY
50° 58' 45" N., 119° 33' 05" W.
U.T.M.: 5,650,605 N., 320,910 E.
N.T.S.: 82 L/10 + L15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

to 0.280% lead, 4.61% zinc, and 1.35 gm/mt (0.039 oz/ton) silver in sample CM1-3. Sample CM1-4 was a composite grab and chip sample of the rock debris occurring across the trench floor. It contained 0.256% lead, 2.64% zinc, and 0.89 gm/mt (0.026 oz/ton) silver, which the author assumes is close to the average tenor of mineralization in the area of the trench.

Three bulldozer trenches and a blast pit located in the northern part of the (no name) (837392) claim comprise the Cominco-zone workings (Figures 4E and 25). Chips from a boulder beside the most southerly trench, sample CM2-1, contains 0.0030% lead, 1.28% zinc, and 0.68 gm/mt (0.019 oz/ton) silver. There is no outcrop in the floor of the trench; the author assumes that outcrop was not encountered there.

The main Cominco bulldozer trench and the blast pit were excavated into the western and southeastern sides respectively of a rock knob. There, the host rock is calc-silicate schist that originally was a series of calcareous greywacke beds. Pyrrhotite-sphalerite mineralization is concentrated in the upper pelitic turbidite 'E' units of the graded beds. This resulted in thin bands of massive to heavily disseminated mineralization from 2 to 25 cm (0.8 to 10 inches) thick separated by broader intervals of very sparsely disseminated mineralization. Four samples, CM3-7.9m, CM3-9.8m, CM4-1, and CM4-2, were taken from turbidite 'E' units. They ranged from sample CM4-1 which contained 0.187% lead, 3.06% zinc, and 2.37 gm/mt (0.069 oz/ton) silver, to sample CM4-2 which contained 0.394% lead, 0.663% zinc, and 1.20 gm/mt (0.035 oz/ton) silver. The two composite chip samples taken from all of the material in the two trenches contained: in sample CM3-6.0-17.0m 0.060% lead, 0.946% zinc, and 0.56 gm/mt (0.016 oz/ton) silver, and in sample CM4-3 0.005% lead, 0.459% zinc, and 0.53 gm/mt (0.015 oz/ton) silver. The author assumes that the average tenor of mineralization in the rock knob is similar to the average of these two samples. Another bulldozer trench, located south of the rock knob, uncovered little outcrop and no significant mineralization.

E.O. Chisholm (1973) examined six areas of mineralization that had been stripped at that time in the Central zone, located on the current COLBY MINES (544490) and COLBY EAST (692083) claims. He provided a general map of all of the zones and plans of the workings of his zones 1, 5, and 6. The results of his sampling are in Table 5. Presently, zones 1 and 4 closely resemble their forms when E.O. Chisholm sampled them in 1973. Zones 2, 3, and 5 have been blown apart subsequent to Chisholm's examination of them,

Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM2-1	comp. chip from boulder	327	0.003	1.280	0.68 0.019
CM3-6.0-17.0m	11.0 36.1 comp. chip	67.8	0.060	0.946	0.56 0.016
CM3-7.9m	0.3 0.98 comp. chip	171.5	0.333	2.89	2.25 0.066
CM3-9.8m	0.03 0.09 comp. chip	205	0.143	1.985	1.69 0.049
CM4-1	0.25 0.82 comp. chip	41.8	0.187	3.06	2.37 0.069
CM4-2	0.2 0.08 comp. chip	146.0	0.394	0.663	1.20 0.035
CM4-3	9.0 29.5 comp. chip	23.8	0.005	0.459	0.53 0.015

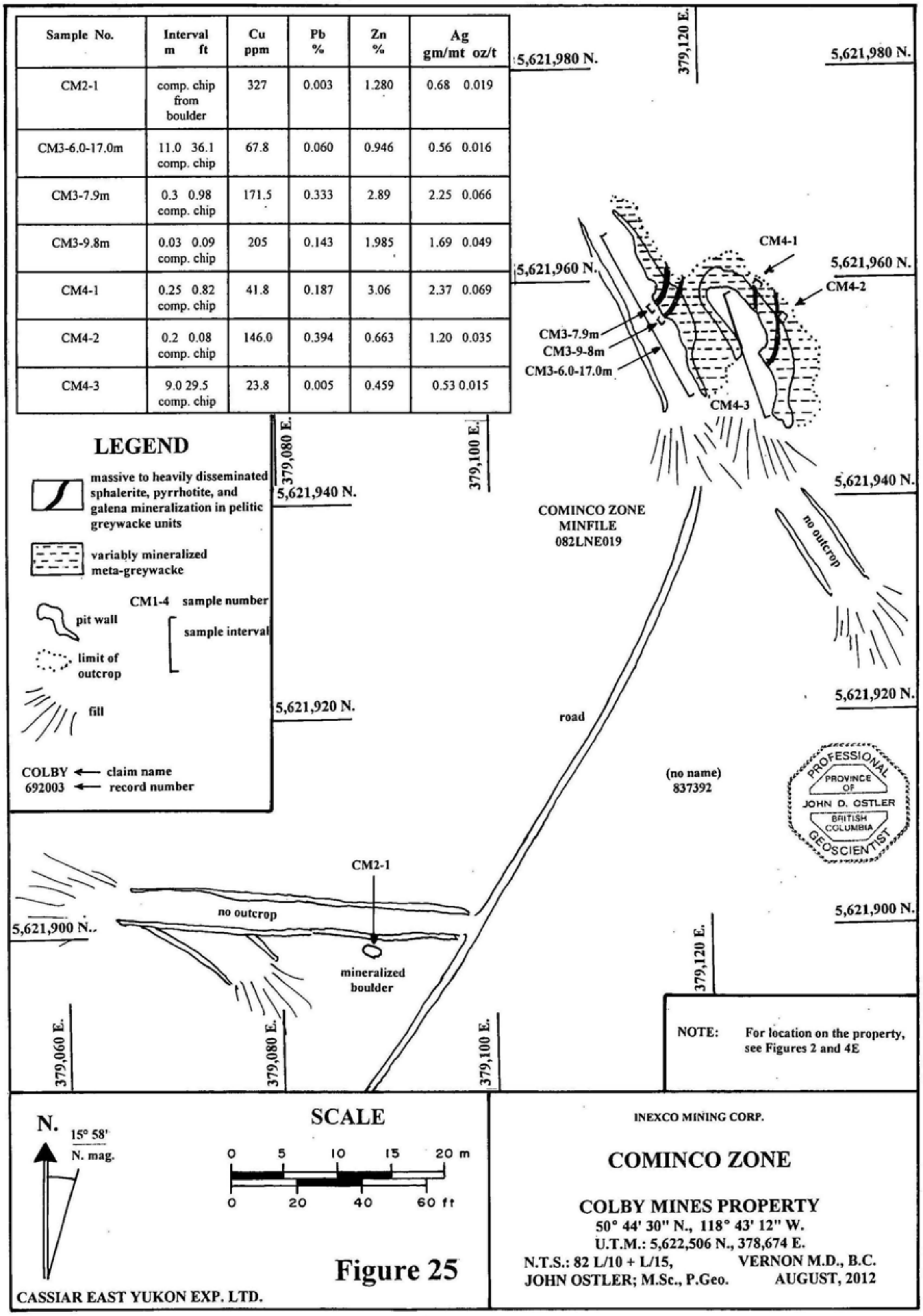


Figure 25

COMINCO ZONE

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,674 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM5-121m	6.4 21.0 comp. chip	15.2	0.115	0.0239	0.10 0.003

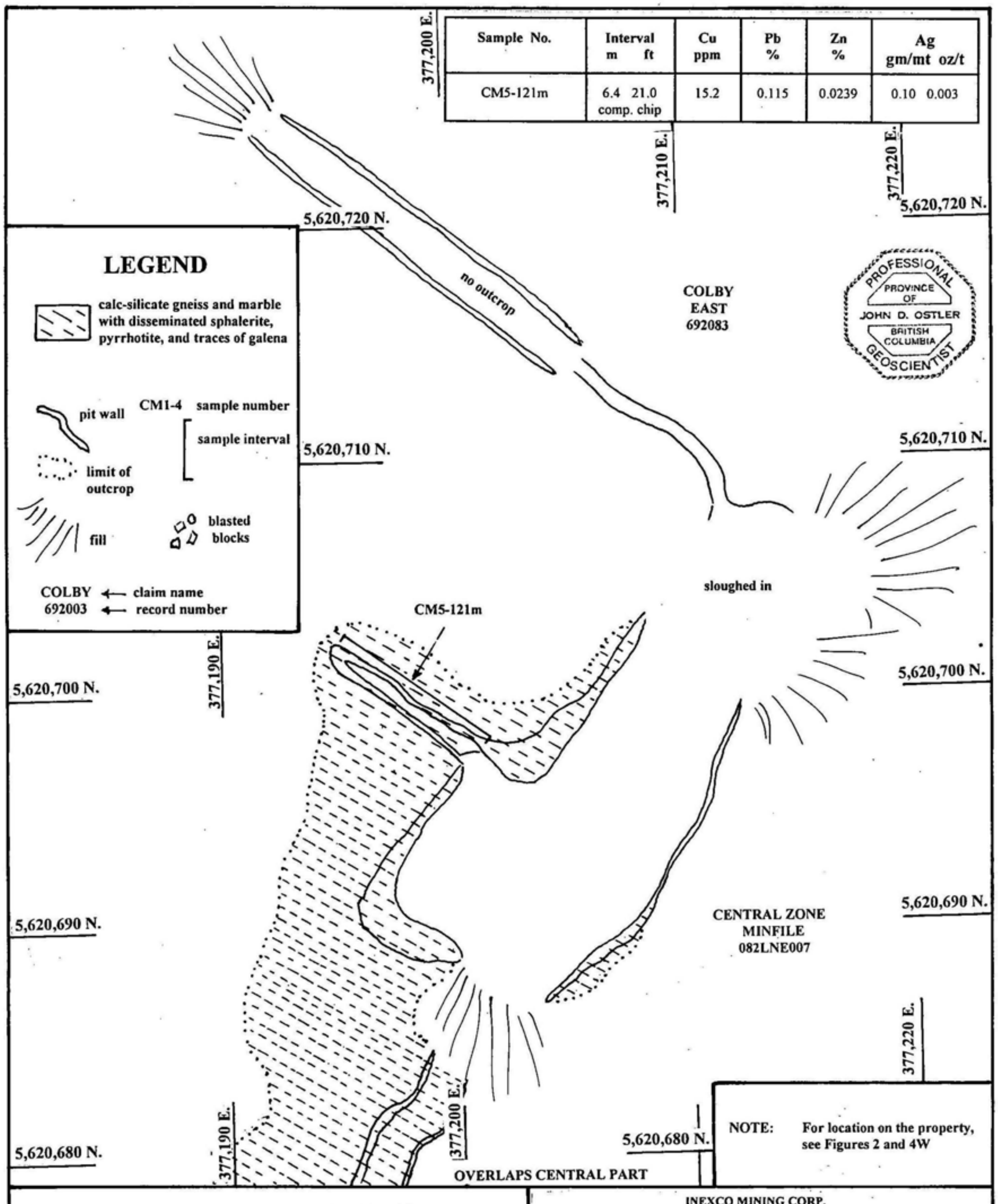


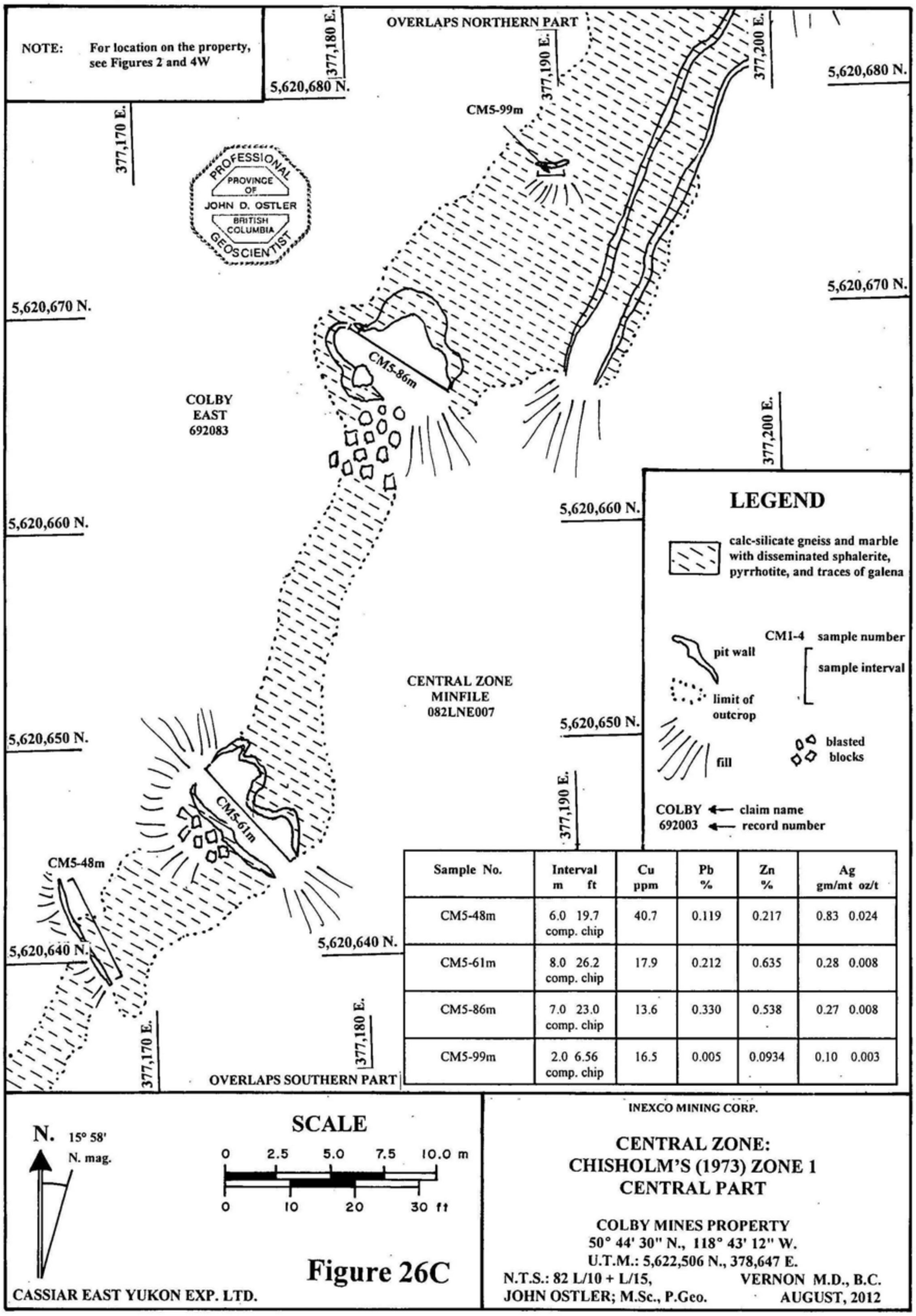
Figure 26N

CASSIAR EAST YUKON EXP. LTD.

INEXCO MINING CORP.

CENTRAL ZONE: CHISHOLM'S (1973) ZONE 1 NORTHERN PART

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012



Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM5-48m	6.0 19.7 comp. chip	40.7	0.119	0.217	0.83 0.024
CM5-61m	8.0 26.2 comp. chip	17.9	0.212	0.635	0.28 0.008
CM5-86m	7.0 23.0 comp. chip	13.6	0.330	0.538	0.27 0.008
CM5-99m	2.0 6.56 comp. chip	16.5	0.005	0.0934	0.10 0.003

Figure 26C

INEXCO MINING CORP.

CENTRAL ZONE:
CHISHOLM'S (1973) ZONE 1
CENTRAL PART

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM5-9.5m	1.5 4.92 comp. chip	59.9	0.269	1.365	0.49 0.014
CM5-30m	4.0 13.0 comp. chip	27.2	0.242	2.30	0.44 0.067
CM5-48m	6.0 19.7 comp. chip	40.7	0.119	0.217	0.83 0.024

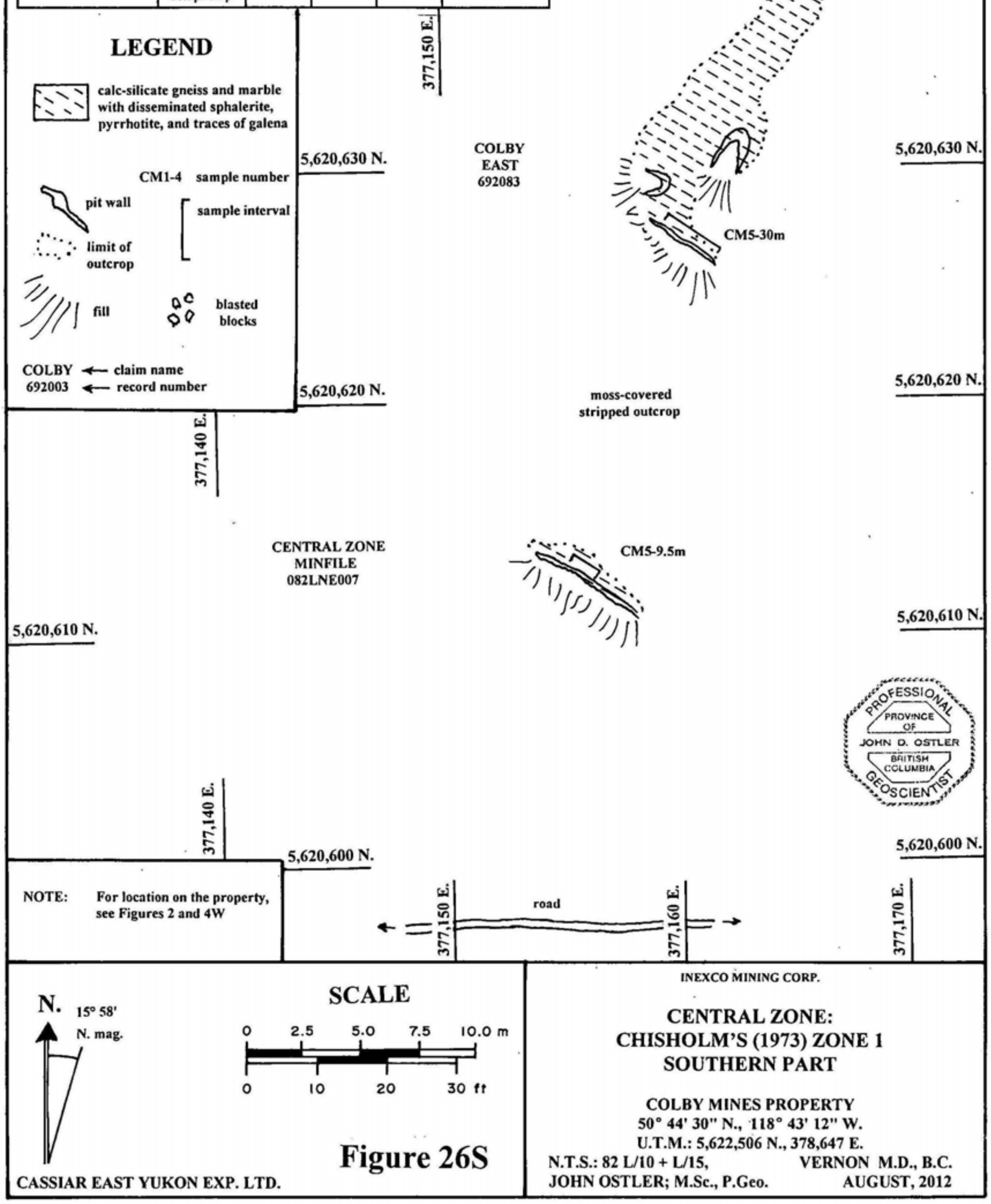


Figure 26S

CASSIAR EAST YUKON EXP. LTD.

INEXCO MINING CORP.

CENTRAL ZONE: CHISHOLM'S (1973) ZONE 1 SOUTHERN PART

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

They no longer resemble the workings that Chisholm sampled in 1973 (Figures 4W, 9, 26N to 26S, and 27 to 29). The author could not positively identify Chisholm's zone 6.

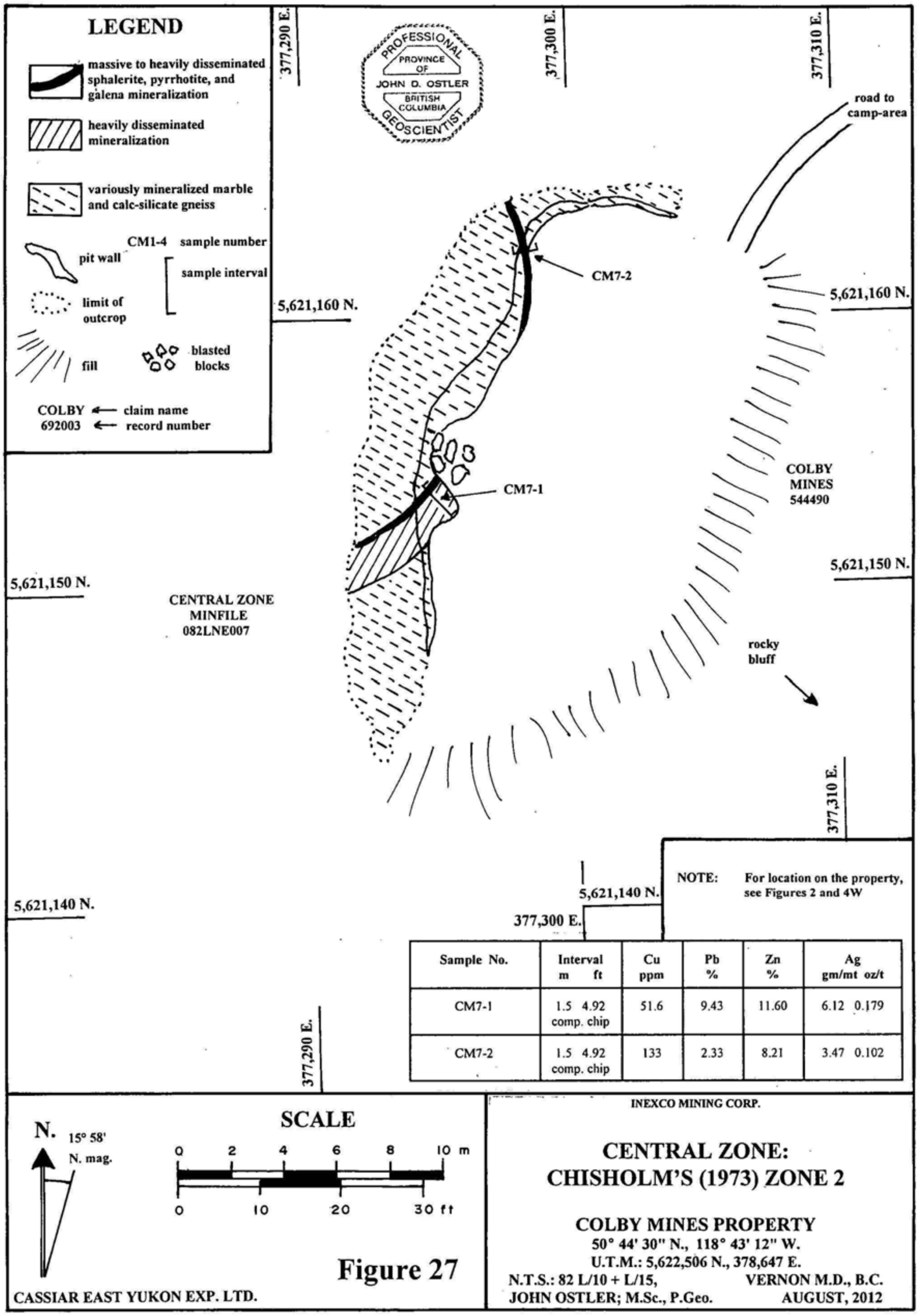
Zone 1 occupies a prominent north-northeasterly trending nose on a generally southeasterly facing slope. Its resistance to weathering seems to be due to a high quartz content in the gangue associated with pyrrhotite-sphalerite +/- galena mineralization. Mineralization occurs in lenses of massive and heavily disseminated sulphides in a quartz-orthoclase gangue hosted in sparsely mineralized calc-silicate gneiss and marble.

The author sampled several cuts across the stripped outcrop in the hope of repeating Chisholm's 1973 sampling (Figures 26N to 26S). Chisholm's sampling locations could not be identified with certainty on the ground, and the author's sample-metal concentrations differed significantly from those of the earlier sampling (Tables 5 and 8). The seven samples that the author collected from zone 1 contained an average of 0.185% lead, 0.739% zinc, and 0.38 gm/mt (0.011 oz/ton) silver.

Chisholm's zone 2 was developed by a bulldozed trench located atop a bluff of marble and calc-silicate gneiss located just west of the camp area (Figures 4W and 9). A 1.5-m (4.92-ft) thick band of massive and heavily disseminated pyrrhotite-sphalerite-galena mineralization is exposed in the back wall of the trench.

The author sampled it at two locations (Figure 27) (Table 8). The average metal concentrations of the two samples are 5.88% lead, 9.91% zinc, and 4.80 gm/mt (0.139 oz/ton) silver. The comparitively high lead and silver concentrations in these samples seems to be related to the relative abundance of galena in the mineralization at this location.

Chisholm's zone 3 is located northeast of the camp-area (Figures 4W, 9 and 28). Currently, the showings-area is covered by an extensive bulldozer trench. A small outcrop containing a 1-m (3.05-ft) thick segregation of lean pyrrhotite-sphalerite mineralization is exposed at the eastern margin of the trench. The showings in the back wall area of the trench has been blasted into heaps of large variously mineralized blocks. A 2.5-m (8.20-ft) thick zone of massive and heavily disseminated pyrrhotite-sphalerite-galena mineralization occurs in calc-silicate gneiss and marble in outcrop down hill from the western edge of the trench. Of the three samples taken from this working, sample CM8-2, probably most represents the tenor of the mineralized zone in this area. It is a composite chip sample taken from the blocks in the northern part of the trench that contains



Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM7-1	1.5 4.92 comp. chip	51.6	9.43	11.60	6.12 0.179
CM7-2	1.5 4.92 comp. chip	133	2.33	8.21	3.47 0.102

Figure 27

CENTRAL ZONE: CHISHOLM'S (1973) ZONE 2

COLBY MINES PROPERTY
50° 44' 30" N., 118° 43' 12" W.
U.T.M.: 5,622,506 N., 378,647 E.
N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.
JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012

Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM8-1	1.0 3.05 comp. chip	66.0	0.151	0.717	0.55 0.016
CM8-2	composite grab	355	2.54	5.11	1.43 0.042
CM8-3	2.5 8.2 comp. chip	195.0	1.435	2.09	2.14 0.062

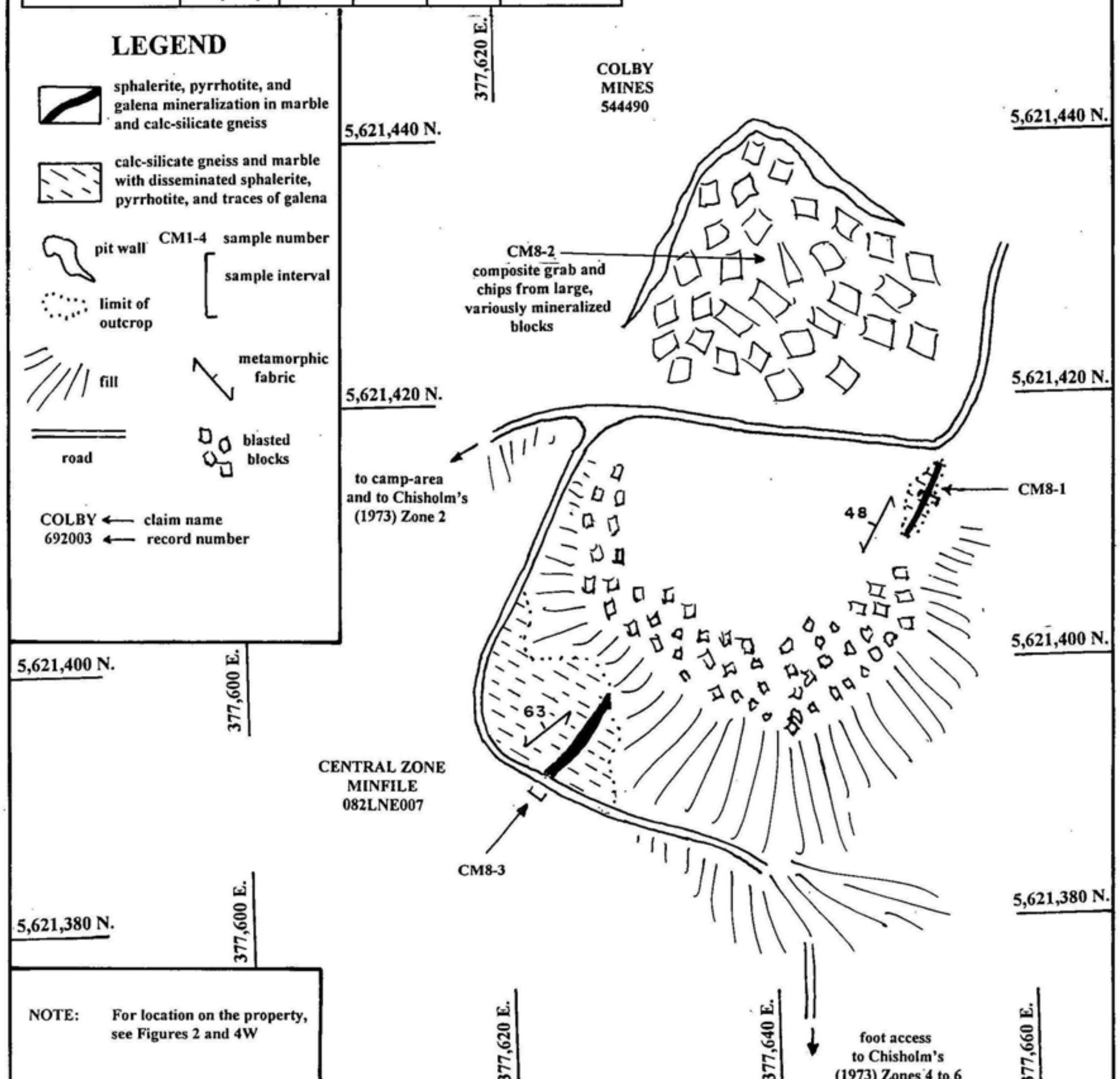


Figure 28

CASSIAR EAST YUKON EXP. LTD.

INEXCO MINING CORP.

CENTRAL ZONE: CHISHOLM'S (1973) ZONE 3

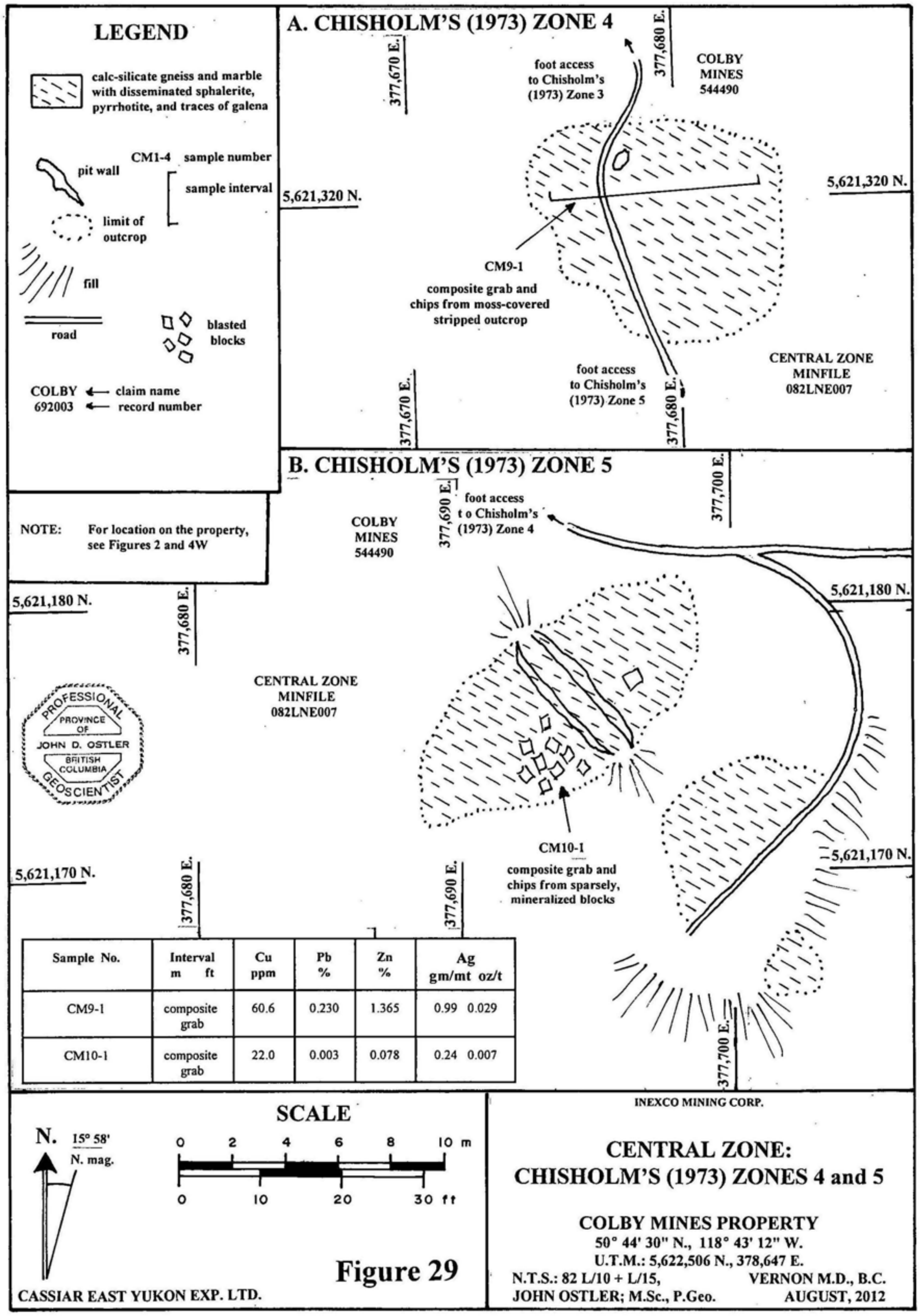
COLBY MINES PROPERTY

50° 44' 30" N., 118° 43' 12" W.

U.T.M.: 5,622,506 N., 378,647 E.

N.T.S.: 82 L/10 + L/15, VERNON M.D., B.C.

JOHN OSTLER; M.Sc., P.Geo. AUGUST, 2012



Sample No.	Interval m ft	Cu ppm	Pb %	Zn %	Ag gm/mt oz/t
CM9-1	composite grab	60.6	0.230	1.365	0.99 0.029
CM10-1	composite grab	22.0	0.003	0.078	0.24 0.007

Figure 29

2.54% lead, 5.11% zinc, and 1.43 gm/mt (0.042 oz/ton) silver (Table 8).

Chisholm's zone 4 is located on a resistant siliceous knob that is variously mineralized with pyrrhotite and sphalerite with traces of galena (Figures 9 and 29). The stripped outcrop on the knob is mostly moss-covered now. The author's sample from zone 4, CM9-1, was a composite grab sample of rock across the knob that could be broken off it. That sample contained 0.230% lead, 1.365% zinc, and 0.99 gm/mt (0.029 oz/ton) silver. Chisholm's zone 5 workings are hosted by calc-silicate gneiss and marble, sparsely mineralized with pyrrhotite and sphalerite. Subsequent blasting has masked the 1973 sample sites (Figures 9 and 29). The author's sample from this working, CM10-1, was a composite grab sample taken from blocks excavated from a trench cut across the main outcrop. It contained 0.003% lead, 0.078% zinc, and 0.24 gm/mt (0.007 oz/ton) silver.

8.5 Exploration Managers and Contractors for, and Cost of the Current (2012)Exploration Program

Table 9
Contractors for the 2012 Exploration Program

Contractor	Activities
Cassiar East Yukon Expediting Ltd. 1015 Clyde Avenue West Vancouver, British Columbia V7T 1E3 (604) 926-8454	Examination and sampling of workings, research and reporting
A.L.S. Canada Ltd. 2103 Dollarton Highway North Vancouver, British Columbia V7H 0A7 (604) 984-0221	Assay and analysis of rocks
Geotech Ltd. 245 Industrial Parkway North Aurora, Ontario L4G 4C4 (905) 841-5004	Airborne geophysical surveys
Rich River Exploration Ltd. Box 131 Grindrod, British Columbia V0E 1V0 (250) 832-2089	Prospecting
Arcprint and Imaging 4305 Dawson Street Burnaby, British Columbia V5C 4B4 (604) 293-0029	Scale changes, scans and copy of maps, figures, and text

Cassiar East Yukon is a private exploration service company owned by the author. A.L.S. Canada Ltd. is part of an international laboratory group that does contract work for a variety of industries. Geotech Ltd. is an internationally recognized geophysical development and survey company. Rich River Exploration Ltd. is a private exploration service company controlled by Craig A. Lynes. Arcprint and Imaging is a privately owned photocopy and print company that has no specific orientation toward the mineral exploration industry.

Rich River Exploration Ltd. is the recipient of payments due under the Colby Mines property option agreement (Section 3.0, this report).

None of the other four contractors have any interest in the Colby Mines property or in the securities of Inexco Mining Corp. and are independent of Inexco Mining Corp., Craig A. Lynes, and the Colby Mines property as defined by Part 1.5 of National Instrument 43-101.

The cost of the current (2012) exploration program was: $111,726.48 + $13,274.78 H.S.T. = $125,000.86 (Ostler, 2012). All of the current (2012) exploration was funded by Inexco Mining Corp.

9.0 DRILLING

No drilling was conducted during the current (2012) exploration program.

10.0 SAMPLE PREPARATION, ANALYSIS, AND SECURITY

No aspect of sample preparation of samples from the current (2012) exploration program was conducted by and employee, officer, director, or associate of Inexco Mining Corp, “the issuer”.

A total of 26 samples of mineralization (Table 8) were taken by the author and locked in plastic bags that were kept under the author’s exclusive control until they were delivered to ALS Canada Ltd. in Kamloops, B.C. There, they were dried, weighed, then crushed until 70% of their mass would pass through a < 2 mm screen. Crushed samples were split in a riffle splitter, then pulverized so that 85% of it passed through a 75-um screen. Sample splits were analyzed using ALS Chemex Code ME-ICP61 analysis: 15-gram samples were digested in 90 ml of aqua regia at 95° C. for 1 hour, diluted to 300 ml, and analyzed for 49 elements using Induced Coupled Plasma (ICP) method ME-MS61 and Atomic Emission Spectrometry (ICP-AES) method (ALS Chemex Code OG62). Samples with over-limit metal concentrations were subjected to four-acid digestion and re-analyzed by atomic absorption and fire assay: Pb-AA62, and Zn-AA62.

The A.L.S. lab did not report periodic re-analyses or comparisons with standards in the certificates of assay and analysis.

The samples were analyzed at the ALS Chemex laboratory at 2,953 Shuswap Road, Kamloops, British Columbia, the Minerals Division of the ALS Laboratory Group. ALS Chemex is accredited under ISO 9001:2000 (No. 0007629) and ISO 17,025. It is independent of Inexco Mining Corp., as defined in Part 1.5 of National Instrument 43-101. The author is confident that the samples from the current (2012) exploration program have been processed at that laboratory in a proper and secure manner, and that the results of the analyses of those samples as reported by ALS (Canada) Ltd. are true and accurate.

All of the sampling of the current (2012) exploration program was personally conducted by the author. The goal of that program was to establish the location of mineralization and its relation to stratigraphy and not the conversion of mineral resources into reserves. The author has confidence in the current (2012) data and is of the opinion that collecting and analyzing it once is adequate.

11.0 DATA VERIFICATION

The author assembled a comprehensive history of exploration from both published and unpublished documents and personally examined and sampled workings during the current (2012) exploration on the Colby Mines property. He filed the results of all of the current (2012) program in a recent assessment report (Ostler, 2012). The author personally designed Figures 1 to 5, and 24 to 29 of this report; all which are related to the results of current (2012) exploration. The author has confidence that the results of the current 2012 exploration program are reliable.

The current (2012) exploration program was designed to bring all the results of previous exploration into a single context that could be used to identify undeveloped mineral potential of the Colby Mines property. That program succeeded, and consequently, the current data from the property is adequate to support the author's recommendations in this Technical Report.

All available data from both the current (2012) and past exploration programs has been reviewed by the author who is the Qualified Person for the Colby Mines project.

Some of the historic exploration results were not filed for assessment credit and thus were not entered into the public record. Fortunately, some of those results survived in the files of Discovery Consultants Ltd. of Vernon, British Columbia.

11.1 Trenching

There is mention in the published literature of at least five separate hand and bulldozer trenching programs that were conducted in the property-area from 1964 to 1974 by Sheep Creek Mines Ltd., Dakota Silver Mines Ltd., the Bright Star Trio syndicate, and Colby Mines Ltd. None of the details of any of those trenching programs are known to the author. The current extent and condition of trenches in the Mile 12 and Cominco zones, and in Chisholm's (1973) zones 1 to 5 of the Central zone are the subject of Figures 24 to 29 of this report.

11.2 Drilling

From 1964 to 1969, five drill programs were conducted in the current Colby Mines property-area. In 1964, Sheep Creek Mines Ltd. drilled 6 holes in the Central zone and Cominco drilled 4 holes in the Cominco zone. In 1965, Dakota Silver Mines Ltd. drilled 2 holes in the Dakota zone. From 1968 to 1969, the Bright Star Trio syndicate drilled 11 holes, presumably all in the Central zone. The author knows of no records or core from those drill programs. The results of that drilling could not be verified.

From November 12, 1973 to March 2, 1974, Colby Mines Ltd. drilled 25 holes, using a PBS-1 drill. A total of 1,708.1 m (5,604 feet) of AQ core was recovered. Drilling commenced in the northeastern part of the 1973 grid on Chisholm's zones 2 to 6 in the Central zone and spread both east-northeast across the 1974 grid-area and south-southwest to Chisholm's zone 1 (Figures 4W, 14N, and 14S).

Although the drill logs from the 1973-1974 drill program were filed for assessment credit (Gilmour, 1974), no sections were filed. The author found those sections in the property file of Discovery Consultants Ltd. of Vernon, B.C. They have been included in the author's recent assessment report in order to put them into the public record (Ostler, 2012). The footings and a pile of broken core are all that remain of the 1973-4 core racks in the camp area at the Central zone. The writer knows of no intact core from these drill programs. The results of the 1973-4 drilling could not be verified.

In 1976, Union Oil Company of Canada Limited commissioned Apex Drilling of Salmon Arm, B.C. to conduct a total of 1135.4 m (3,725 ft) of AQ core drilling. Holes 76-01 to 76-24 were drilled into the northeastern part of the Central zone (Figure 15).

The drill logs for the following drill holes were filed for assessment credit (Daughtry, K.L. et al., 1977): 76-1, 76-2, 76-3, 76-4, 76-14, 76-19, part of 76-21, 76-22, 76-23, and 76-24. The author found drill sections for holes 76-1 to 76-7 and 76-10 in the property file of Discovery Consultants Ltd. (Ostler, 2012). No assay certificates or core from that drilling are known to the author. The results of the 1976 drilling could not be verified.

Correspondence between K.L. Daughtry and representatives of Union Oil, and an account in Geology in British Columbia 1977 (Höy, 1977) indicate that during 1977, a total of 7 holes were drilled which resulted in the production of 818 m (2,683.7 ft) of BQ core. Drill hole 77-2 was located south of historic resource zone 'A' (Figure 15). Minor lead-zinc mineralization was intersected in several parts of the hole. Only a drill log and a location map were filed by T.J.R. Godfrey (1977) for assessment credit. The results of the other holes from the 1977 drilling and any results of analyses are not known to the author. No core that program is known by the author to exist. The results of the 1977 drilling could not be verified.

11.3 Geological Mapping

In 1964, Cominco conducted 1:1,000-scale geological mapping over a 15.2 km^2 (5.7 mi^2) area that covered both the Kingfisher and Bright Star properties as well as the area that would become known as the Dakota showings (Gifford and Richardson, 1964A) (Figures 4E, 4W, and 5). Also, a total of 65 ha (160.6 A) and 97.5 ha (234.7 A) were mapped at a scale of 1:100 in the Cominco and Mile 12 zones respectively (Gifford and Richardson, 1964A).

In his summary of work, Trigve Höy (1977) noted the following geological mapping conducted by Colby Mines Ltd.: (1973) 2.9 line-miles (4.7 line-km); surface geological mapping, 1 inch equals 100 feet and 50 feet, (1974) an unspecified area of surface geological mapping, 1 inch equals 100 feet.

Although no original reports of the 1973-4 Colby Mines mapping are known to the writer, subsequent reports presumably of that work were published by Trigve Höy (1977) (Figures 20 and 21). His property-scale map was in concordance with Cominco's 1964 mapping. Geological mapping in the central zone recorded more detail consistent with the previous 1964 Cominco mapping in that area (Figures 5, 20, and 21) (Section 6.3.1, this report).

The concordance of the 1964 Cominco mapping with that published by Trigve Höy (1977) supports the author's confidence in that mapping. The author verified the mapping in the workings areas that he examined.

11.4 Soil Surveys

David Smith (1970) reported that the Bright Star Trio syndicate conducted soil surveys on the Bright Star Trio, Golden West and Star grids, collecting 1,000 soil samples from those grids. Although the magnetic surveys on those grids were filed for assessment (Figures 7 and 8), no record of those soil surveys is known to the author. They could not be verified.

Trigve Höy (1975) reported that in 1974 Colby Mines Ltd. conducted a soil survey over a grid with line spacings of 100 ft (30.5m) that covered in excess of 6.8 line-miles (10.9 line-km) in the Central zone and on grids in three other areas in the northern and souther parts of the 1974-era property.

Although no original reports of the 1974 Colby Mines geochemical surveys are known to the writer, subsequent reports presumably of some of that work were published by Trigve Höy (1977). Soil-zinc results, presumably from the 1974 survey in the Central zone contained a distinct anomaly in the northwestern part of the grid-area in the area that hosted Chisholm's zones 2 to 6 (Figure 12). Also, two grids that extended from the Mile 8 zone to the Dakota zone are presumed by the author to have been constructed by Colby Mines in 1974 (Figure 13). Those grids covered a combined area of 48 ha (118.56 A). Soil-zinc results indicate that a north-south trending zone of zinc-enriched soils extends northward from the Mile 8 zone onto the current property-area and is located about 330 m (1,082 ft) east of the Dakota zone.

The results of those soil surveys have not been verified during the current (2012) exploration program.

11.5 Magnetic and Electromagnetic Surveys

The current (2012) airborne magnetic survey provided an intermediate-level view of the total magnetic field and electromagnetic response across the property (Figures 22 and 23). The results of these surveys are more detailed than those of the regional aeromagnetic survey (Figure 19) and display larger scale features than do the ground magnetic surveys conducted by Cominco in 1964 (Figure 6), by Colby Mines in 1973 (Figure 10N and 10S), and by Union Oil in 1976 (Figures 16E, 16W, and 17).

The author has neither the helicopter support, nor the computing power, nor the expertise to verify the results of the current (2012) airborne geophysical surveys. He relied on Alexander Prokhodko, P.Geo. and his staff at Geotech Ltd. regarding the results of the current (2012) airborne magnetic and electromagnetic surveys (Section 2.0, this report).

In 1964, Cominco conducted a ground magnetic survey over a 5 km^2 (1.9 mi^2) area in the eastern part of the current Colby Mines property-area (Gifford and Richardson, 1964B) (Figures 4E, 4W, and 6). The extensive ground-magnetic anomaly located in the northern part of the COLBY KING (854164) claim in the northeastern part of the current property-area was confirmed by magnetic anomalies from the current (2012) airborne survey (Figures 6 and 23). These magnetic anomalies are flanked to the west by an intense electromagnetic response indicating an abrupt change in the local magnetic field in that area (Figure 22).

The Bright Star Trio syndicate commissioned Alrae Engineering Ltd. of Vancouver, B.C. to conduct magnetic surveys in three areas: north of the Mile 8 zone and south of the current FX- ZONE (692004) claim (named the Golden West grid-area), along the southeastern margin of the Central zone on the current COLBY MINES (544490) and COLBY EAST (692083) claims (named the Star grid-area), and around the Mile 12 zone on a grid centred on the current 12 MILE (692043) claim (named the Bright Star Trio grid-area) (Jury, 1970). A north-south trending series of ground-magnetic anomalies extended from south of the Mile 12 zone, through that zone to the north-central part of the BLACK JACK COLBY (864827) claim. The northern part of this group of anomalies is confirmed by an intense aeromagnetic anomaly revealed by the current (2012) airborne survey.

From September 8 to 21, 1973, P.P. Nielsen (1974) conducted topographic and magnetic surveys in the 1973 main grid area. Chisholm's zones 1 and 6 corresponded with "lows" in the vertical magnetic field. Zones 2, 3, and 5 corresponded with magnetic "highs", and zone 4 was accompanied by a very subtle magnetic response (Figures 10N and 10S).

The northern part of the 1973 main grid containing Chisholm's zones 2 to 6 was considered to be the most prospective area by Colby Mines. From November 2 to 7, 1973, P.P. Nielsen (1974) conducted a horizontal loop "shootback" electromagnetic survey over a grid that straddled the northern part of the 1973 main grid (Figure 11). The 1973 EM grid was centred on a 701-m (2,300-ft) long base line that was oriented at 055° lines were extended for 91.4 m (300 ft) at 90° from each side of the base line. Lines 1W and 0 were extended another 91.4 m (300 ft) to the southeast. The 1973 EM grid covered an area of 13.1 ha (32.36 A).

Four conductive zones were found in the 1973 EM grid area.

P.P. Nielsen (1977) conducted a ground-magnetic survey in the area of the 1976 drilling from October 20 to 30, 1976 in order to assist in spotting drill holes. A total of 5,670 m (18,602.4 ft) of line in the 1973 electromagnetic grid was re-cut and surveyed for vertical magnetic field (Figures 16E and 16W). Readings were taken at 7.6-m (25-ft) intervals along lines spaced 30.5 m (100 ft) apart. Intermediate stations were spaced at 3.8-m (12.5-ft) and 1.9-m (6.25-ft) intervals in areas with steep magnetic gradients. Nielsen returned to the property from December 4 to 6, 1976 to survey 1,418 m (4,652.2 ft) of the grid for total magnetic field (Figure 17). Details of the total magnetic field around the central zone are masked by larger-scale features in the results of the current (2012) airborne survey. However, the drilling area in which most of the 1973-6 magnetic and electromagnetic surveys were conducted hosted a distinct electromagnetic response in the results of the current (2012) airborne survey. Also in the current survey electromagnetic results are two anomalies southeast of the main drilling area whish are reported to have been trenched in 1975 resulting in the discovery of massive sulphide occurrences in "pure marble" (Hőy, 1977).

Many of the results of the electromagnetic and magnetic survey conducted in the property-area are mutually confirmatory and contribute to their verification.

11.6 Sampling

In 1973, E.O. Chisholm sampled 6 zones in the Central zone (Figure 9) (Table 5). During the current (2012) exploration program, the author examined and sampled Chisholm's zone 1 on the COLBY EAST (692083) claim and zones 2 to 5 on the COLBY MINES (544490) claim (Figures 26N, 26C, and 26S) (Table 8). Currently, Chisholms zones 1 and 4 resemble their configurations in 1973. Zones 2, 3, and 5 have been blown apart since Chisholm's 1973 inspection. Several cuts across the stripped outcrop at Chisholm's Zone 1 appeared to the author from his diagrams (Chisholm, 1973) to be his sample sites. The cuts were sampled. The author's sample results did not closely resemble those of E.O. Chisholm (Tables 5 and 8); his sampling could not be verified.

During 1973, E.O. Chisholm also examined the Dakota zone located on the current FX- ZONE (692004) claim. He opined that mineralization at that zone was similar geologically and mineralogically to that of the Central zone. The author did not examine the Dakota zone and can not verify Chisholm's opinion.

There reports of two small shipments of mineralization from the Central zone : in 1964 and in 1976 (Section 5.3, this report). Tom Carpenter (2001) sampled 12 205-L (45-imp gal) drums of concentrate located beside the footings of the drill core rack in the camp area on the COLBY MINES (544490) claim. His 6 samples from the drums (KF 01 to 06) contained an average of: 99 ppm copper, 5.44% lead, 9.16 % zinc, and 3.6 gm/mt (0.105 oz/ton) silver. The author's sample CM6-CON of 7 of the 12 drums that were still in good enough condition to sample contained: 67.0 ppm copper, 6.17% lead, 0.931% zinc, and 3.83 gm/mt (0.105 oz/ton) silver. The results of the author's sampling of that concentrate confirm those of Tom Carpenter with the exception of that for zinc. Most of the zinc may have leached from the concentrate near the tops of the drums during the 11 years between the taking of Carpenter's and the author's samples.

11.7 Industrial Mineral Exploration

From 1987 until present, various parties have explored parts of the current Colby Mines property for calcite and other industrial minerals. Industrial mineral potential is neither the focus of Inexco Mining Corp, nor is it that of this report. No attempt was made to verify the results of any exploration for industrial minerals.

12.0 MINERAL PROCESSING AND METALLURGICAL TESTING

To the knowledge of the author, no mineral processing studies or metallurgical tests have been conducted on mineralization from the Colby Mines property-area for base or precious metals.

13.0 MINERAL RESOURCE ESTIMATES

To the knowledge of the author, no resource estimates have been calculated of mineralization within the Colby Mines property-area.

14.0 REPORTING REQUIREMENTS FOR ADVANCED PROPERTIES

Reporting requirements for development and production properties contained within National Instrument 43-101 and in Items: 15 to 22 of 43-101F1 are not applicable to this report.

15.0 ADJACENT PROPERTIES

No development on any adjacent property is indicative of the mineralization on, or affects the potential of the Colby Mines property.

16.0 OTHER RELEVANT DATA AND INFORMATION

There are no unusual or unique circumstances or facts affecting the ownership, or potential to develop the Colby Mines property.

17.0 INTERPRETATION AND CONCLUSIONS

The goal of the current (2012) exploration program was to assemble and synthesize all available data with input from helicopter-borne magnetic and electromagnetic surveys. The current program was successful in putting previously explored mineralization in the Central zone into a property-scale context and to identify three under-explored targets on the property, each of which is more extensive than the Central zone.

Results of the current airborne magnetic survey provide an intermediate-level view of magnetic features across the property, being more detailed than the regional aeromagnetic survey, while displaying larger scale features than did previous ground magnetic surveys. It confirmed the results of those previous ground magnetic and electromagnetic surveys conducted in various areas within the property-area.

Both the regional and current airborne magnetic survey results indicate the presence of a significant magnetic “low” north of the Central zone and northwest of the Cominco zone in the northwestern part of the property-area. Previous geological mapping indicates that this “low” was the result of the emplacement of a metamorphic plume related to the Cretaceous-age Shuswap metamorphic complex. Probably, migration of fluids carrying sulphide minerals away from the plume is the direct cause of the magnetic “low”.

The area of low total magnetic field intensity in the central part of the property-area is flanked to the northeast and southwest by areas where the rocks are much more magnetic, and presumably contain higher concentrations of pyrrhotite-sphalerite +/- galena mineralization. It has was known since the 1960s that sphalerite-galena mineralization in the Colby Mines property-area was closely associated with highly magnetic pyrrhotite.

The three most prospective targets on the property are the area extending northwestward from the Mile 12 zone to the north-central part of the BLACK JACK COLBY (864827) claim, in the northern part of the COLBY KING (854164) claim, and the area extending from the Mile 8 zone on the TXX-Kingfisher property northwestward through the Dakota zone to north of Kingfisher Creek on the south-central part of the COLBY STAR (854163) claim.

The presence of sulphide mineralization northwest of the Mile 12 zone may be indicated by a series of ground-magnetic anomalies generated by the 1969 Bright Star Trio survey and confirmed by a magnetic anomaly generated by the current (2012) airborne magnetic survey. Mineralization in the northern part of the COLBY KING (854164) may be indicated by extensive coincident magnetic anomalies from the 1964 Cominco and current (2012) airborne surveys as well as being flanked by an intense electromagnetic response. The prospective area in the southwestern part of the property-area coincides with a mild magnetic high with mild electromagnetic anomalies as defined by the current (2012) survey results. However, the presence of extensive soil anomalies near the Dakota sone may indicate the presence of sulphide mineralization across the FX- ZONE (692004) and adjacent claims.

Both geophysical and soil geochemical surveys are remote techniques that measure properties that may or may not relate directly to mineralization. Anomalies generated by those surveys can not be used to predict a specific quantity or tenor of mineralization. Thus, they are considered to be remote, early stage techniques that are normally used to locate the existence of mineralization. The conclusions of this report are based on evidence generated by these remote techniques and carry the risks intrinsic to relying on them.

18.0 RECOMMENDATIONS

A first-phase program of geological examination, prospecting, and local soil surveys to test for covered extensions of mineralization is recommended. Focus should be on: the Mile 12 zone workings and covering the 12 MILE (692043) claim and parts of adjacent claims, the coincident 2012 Inexco airborne and 1964 Cominco ground magnetic anomalies in the central part of the COLBY KING (854164) claim, and from the COLBY TRIO (864847) and FX- ZONE (692004) claims, through the Dakota zone and east of the Central zone onto the F-X ZINC (544492) and adjacent claims.

If reasonable encouragement is generated by the results of the recommended first-phase program, then a second phase of work comprising soil and ground magnetic surveys is recommended. Three 1-km^2 (0.37-mi^2) grids, each comprising 11 1-km (0.61-mi) long lines should be established in the three previously mentioned prospective areas. The grids should have east-west trending lines spaced 100 m (328 ft) apart. Soil samples should be taken at 50-m (164-ft) intervals and magnetic measurements should be taken at 25-m (82-ft) intervals along the grid lines.

Estimated costs for the first-phase program are listed in Table 10. Those for the second-phase program are listed in Table 11.

Table 10
Estimated Cost of the Recommended First-phase Exploration Program

Item	**Cost**	**Accumulated cost**
Wages:		
1 geologist: field work; 24 days @ $600/day	$ 14,400	
research and reporting; 14 days @ $600/day	$ 8,400	
1 prospector; 24 days @ $350/day	$ 8.400	
	$ 31,200	$ 31,200
Transport:		
1 4X4 pick-up trucks; 24 days @ $150/day.	$ 3,600	
Gasoline and camp fuel	$ 1,400	
	$ 5,000	$ 5,000
Camp and Crew Costs:		
Hotel: 4 man-nights @ $ 100/man-night	$ 400	
Meals in transit: 4 man-days @ $50/man-day	$ 200	
Camp food: 44 man-days @ $30/man-day.	$ 1,320	
1 2-man camp; 1 month @ 1,500/month	$ 1,500	
Camp and field supplies.	$ 500	
	$ 3,920	$ 3,920
Analysis and Assay:		
40 rocks analyzed by ICP and AA @ $60/sample	$ 2,400	
160 soils analyzed by ICP @ $55/sample.	$ 8,800	
	$ 11,200	$ 11,200
Communication and Office Costs:		
Phone, office expenses and assessment report production..	$ 800	$ 800
Itemized Cost of Recommended First-phase Program		**$ 52,120**
Goods and services tax (G.S.T.) (5% of previous items)		$ 2,606
Itemized Budget		**$ 54,726**
Contingency 10% of itemized budget		$ 5,473
Total estimated Cost of Recommended First-phase Program		**$ 60,199**

Table 11
Estimated Cost of the Recommended Second-phase Exploration Program

Item	**Cost**	**Accumulated cost**
Wages: 1 geologist: field time; 38 days @ $600/day . . . . Research and reporting; 25 days @ $600/day . . . . 4 Geological technicians; 38 days @ $350/day each	 $ 22,800 $ 15,000 $ 53,200 $ 91,000	 $ 91,000
Transport: Crew-cab 4X4 pick-up truck; 38 days @ $150/day . . . . Gasoline, oil, and camp fuel	 $ 5,700 $ 7,000 $ 12,700	 $ 12,700
Camp and Crew Costs: Hotel: 10 man-nights @ $100/man-night . . . . 5-man base camp; 1.5 months @ $3,000/month . . . . Magnetometer with base station; 5 weeks @ 700/week . . . . Survey and camp supplies . . . . Meals in transit: 10 man-days @ $50/man-day . . . . Camp food; 180 man-days @ $30/man-day	 $ 1,000 $ 4,500 $ 3,500 $ 500 $ 500 $ 5,400 $ 15,400	 $ 15,400
Analysis and Assay: 693 soils analyzed by ICP @ $55/sample	$ 38,115	$ 38,115
Communication and Office Costs: Phone, office expenses and assessment report production	$ 800	$ 800
Itemized Cost of Recommended Second-phase Program		**$ 158,015**
Goods and services tax (G.S.T.) (5% of previous items)		$ 7,901
Itemized Budget		**$ 165,916**
Contingency 10% of itemized budget		$ 16,592
Total estimated Cost of Recommended Second-phase Program		**$ 182,508**

The estimated total cost of both phases of the recommended program is $242,707.

19.0 REFERENCES

Carpenter, T.H.; 2001: Assessment Report on the Kingfisher Property Kingfish 1 and 2 Mineral Claims, Mabel Lake Area ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 26,730; 11 p. inc. 2 figs, 1 map, analyses.

Chisholm, E.O.; 1973: Geological Report on the FC 1-13 and FX 2-22 Claims (Black Jack Claim Group) ... B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 4,934; 19 p., 6 figs.

Daughtry, K.L.; 1974: Drilling Report on the Black Jack Property Kingfisher Creek Area ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 4,933; No text, drill logs,3 figs., Table of significant intersections.

Daughtry, K.L., Taylor, A.H. and Gilmour W.R.; 1977: Assessment Report Diamond Drilling on the FX-21 and FX-22 Mineral Claims; B.C.; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 6,254; 3 p., 3 figs., drill logs.

Dunn, C.E. and Thompson, R.I.; 2009: Investigations of base metals and gold biogeochemical anomalies in the Mabel Lake area, southern British Columbia (NTS 82L09 and 10); Geol. Surv. Canada, Open File 6147, 42 p., diskette.

Dunn, C.E. and Thompson, R.I.; 2007: Biogeochemical exploration using Douglas-fir tree tops in the Mabel Lake area, southern British Columbia (NTS 82L09 and 10); Geol. Surv. Canada, Open File 5538, diskette.

Douglas, J.R.W. ed.; 1970: Geology and Economic Minerals of Canada; Dept. Energy, Mines, Res. Canada, Econ. Geol. Rept. No.1, Ch. VIII, pp. 428-489.

Englund, R.; 1995: Report on the Kingfisher Claim Group Kingfisher Creek Area; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 24,607; 16 p. inc. 4 figs., 3 small maps, Appendices.

Gifford, R.G. and Richardson J.; 1964A: Geological Report on the Kingfisher Nos. 1-3 Groups and Bright Star Trio No. 3 Group ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 579; 5 p., 3 maps.

Gifford, R.G. and Richardson J.; 1964B: Geophysical Report on the Kingfisher Nos. 1 and No. 2 Groups and Bright Star Trio No. 3 Group ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 578; 4 p., 3 maps.

Gilmour, W.R.;1974: Drill Report on the Black Jack Property ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 4933; drill logs, 3 figs., 1 table.

Godfrey, T.J.R., Taylor, A.H. and Murray, D.L.; 1977: Assessment Report Diamond Drilling on the FX-2 Mineral Claim; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 5,551; 4 p. inc. 2 figs., drill log.

Hoy, Trygve; 1998: Massive Sulphide Deposits of the Eagle Bay Assemblage, Adams Plateau, South Central British Columbia (082M3,4); B.C. Min. Energy, Mines and Petr. Res., Pap. 1991-1, pp. 223-245.

Höy, Trygve; 1986: Broken Hill-type Pb-Zn-Ag +/- Cu
in:
Lefebure, D.V. and Höy, Trygve ed.; 1996: Selected British Columbia Mineral Deposit Profiles, Vol. 1 - Metallics and Coal; B.C. Min. Employment and Investment, Geol. Surv. O.F. 1996-13, pp. 117-119.

Höy, Trygve; 1977: Kingfisher, Bright Star (FX, FC, Colby) (82L/10)
in:
-----; 1977: Geology in British Columbia 1975; B.C. Min. Energy, Mines and Petr. Res., pp. G18-G 30.

Höy, Trygve; 1975: Kingfisher, Bright Star (82L/NE-4 to 9)
in:
-----; 1975: Geology in British Columbia 1974; B.C. Min. Energy, Mines and Petr. Res., pp. 91-94.

Jones, A.G.; 1959: Vernon Map-area British Columbia; Geol. Surv. Canada, Mem. 296.

Jury, R.G.; 1970: Bright Star Trio Mining Co. Ltd. Magnetometer Survey Report Kingfisher Property; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 2,169; 6 p. , 2 maps.

Nielsen, P.P.; 1977: Geophysical Report on the Ground Magnetic Survey of the Kingfisher Property, Mabel Lake Area, B.C.; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 6,214; 9 p. inc 1 fig., 2 maps.

Nielsen, P.P.; 1974: Geophysical Report on the Electromagnetic, Magnetic and Topographic Surveys of the Black Jack Property, Kingfisher Creek Area, B.C.; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 4,945; 13 p. inc 1 fig., 4 maps and sections.

Nicholson, G.E.; 1988: Prospecting Report on the OM 1-6 Mineral Claims ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 17,470; 10 p. inc. 3 figs., analyses.

Okulitch, A.V.; 1979: Geology and Mineral Occurrences of the Thompson-Shuswap-Okanagan region, south-central B.C.; Geol. Surv. Canada Open File 637, 5 maps and sections, descriptions.

Okulitch, A.V.; 1974: Stratigraphy and Structure of the Mount Ida Group, Vernon (82L), Seymour Arm (82M), Bonaparte Lake (92P) and Kettle River (82E) Map-areas, British Columbia; Geol. Surv. Canada Pap. 74-1, Pt. A, pp. 25-30.

Ostler, John; 2012: Airborne Geophysical Surveys, Sampling, and Prospecting on the Colby Mines Property; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 33,-?-; 114 p. inc. 50 figs., Appendices, analyses.

Prikhodko, Alexander, Orta, Marta and Venter, Nick; 2012: Report on a Helicopter-borne Versatile Time Domain Electromagnetic (VTEM) and Aeormagnetic Geophysical Survey Colby Mines Project Sicamous, British Columbia; Report for Inexco Mining Corp.; 17 p. inc 6 figs., 6 appendices, 5 tables, plans and sections. (Appendix ‘A’ of Ostler, 2012)

Rotar, W.; 1974: Report on Line Cutting and Grid Establishment R-1, D-3 and D-7 Mineral Claims ...; B.C. Min. Energy, Mines and Petr. Res., As. Rept. No. 5,369; No text, 2 figs.

Smith, David; 1970: Bright Star
in:
-----; 1970:Geology, Exploration, and Mining in British Columbia 1969; B.C. Min. Energy, Mines and Petr. Res., p. 298.

B.C. Minister of Mines, Annual Reports:

McKechnie, N.D.;1965: pp. 165.

McKechnie, N.D. and Smith, David;1964: pp. 105-108.

Smith, David; 1964: p. 108.

Smith, David and Wardman, L.; 1968: p. 222.

John Ostler: M.Sc., P.Geo.,
Consulting Geologist
West Vancouver, British Columbia,
June 27, 2014

APPENDIX 'A'

CERTIFICATE of the QUALIFIED PERSON

I, John Ostler, of 1015 Clyde Avenue in the City of West Vancouver, Province of British Columbia do hereby certify:

That I am a consulting geologist with business address at 1015 Clyde Avenue, West Vancouver, British Columbia;

That this Certificate of the Qualified Person applies to the Technical Report entitled " Broken Hill-type Sulphide Mineralization on the Colby Mines Property" dated effective June 27, 2014;

That I am a graduate of the University of Guelph in Ontario where I obtained my Bachelor of Arts degree in Geography (Geomorphology) and Geology in 1973, and that I am a graduate of Carleton University of Ottawa, Ontario where I obtained my Master of Science degree in Geology in 1977; that I am registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia and that I have been engaged in the study and practice of the geological profession for over 40 years;

That I have participated in exploration for massive sulphide deposits since 1977 for clients, for one of my own public companies, and on my own behalf in Canada, the United States of America, and Chile;

That I have read the definition of Qualified Person set out in Part 1.1of National Instrument 43-101and I hereby certify that because of my education, professional affiliation, and relevant experience, I am a Qualified Person with regard to the Colby Mines property as defined in Part 1.1of National Instrument 43-101;

That I conducted the current (2012) examination and sampling of some of the workings on the Colby Mines property during the following times: June 11, 15, 21, and 22 , 2012, and that my attendance on the property at those times represents a Current Personal Inspection of the Colby Mines property in compliance with part 6.2 of National Instrument 43-101;

That I am responsible for all of the Technical Report entitled "Broken Hill-type Sulphide Mineralization on the Colby Mines Property" dated effective June 27, 2014;

That I am independent of the Colby Mine property, its registered owner Craig A. Lynes, and of Inexco Mining Corp. as defined in Part 1.5 of National Instrument 43-101;

That my prior involvement with the Colby Mines property was my review of previous published exploration in the property-area and review of exploration data in the Discovery Consultants property files on February 17, 2012;

That I have read the versions of National Instrument 43-101 and 43-101F1 effective on June 30, 2011 and that the Technical Report entitled "Broken Hill-type Sulphide Mineralization on the Colby Mines Property" dated effective June 27, 2014 complies with those revisions of National Instrument 43-101, and 43-101F1; and

That as of the date of this certificate, to the best of my knowledge, information, and belief, the Technical Report entitled "Broken Hill-type Sulphide Mineralization on the Colby Mines Property" dated effective June 27, 2014 contains all scientific and technical information that is required to be disclosed to make said Technical Report not misleading.

John Ostler; M.Sc., P.Geo.
Consulting Geologist

West Vancouver, British Columbia
June 27, 2014