

# **Business Resources, LLC**

## **Consultants in Mining and Minerals**

**ANDERSON CREEK GOLD MINE**

**JUNE 23, 2005**

**SITE INSPECTION**

**Business Resources, L.L.C.**  
**P.O. Box 75**  
**Mill Creek, OK 74856**  
**Telephone: (405) 485-3174**  
**Fax: (405) 485-3174**

# ANDERSON CREEK GOLD MINE

JUNE 23, 2005

## SITE INSPECTION

The inspection of the Anderson Creek Property was conducted on the above date from 10:00 AM until 1:00 PM.

The property was found to be as described by Aurora Mines Inc. and consistent with all findings in our previous due diligence investigations. All assets described on the asset list attached to this document were found to be in place. As previously indicated by Aurora Mines Inc. and outlined in our previous reports, certain maintenance and repair work is required on some of the equipment. Furthermore, as a result of the camp not being used during the 2004 season, the camp will require thorough cleaning and maintenance before the next operating season.

### **Facility Inspection:**

1. Upon inspection of the Parts and Tool storage units, they were found to be open, however it appeared that all of the hand tools were in their place. The parts storage trailer was not as orderly, however there appeared to be a supply of filters, hoses, etc. for the mobile equipment.
2. The mobile home up the hill from the camp requires cleaning, and some roof repair.
3. At the camp site, the newer living quarter units appeared to be in good condition, but the older living quarters have some problems with roofs leaking, and repairs will have to be made. The carpets will also require cleaning.
4. The Recreation Room has severe damage due to the roof collapsing, probably from heavy snow load. This unit will require a new roof or removing and replacing with a new unit.
5. The lunchroom, patio and enclosure will require cleaning as well as some repairs. The patio fence is down in places and needs some repair.

## **Equipment Inspection:**

1. The three Rock Trucks are parked up the hill from the camp, and it appears that one of the trucks is in the process of being repaired. It is assumed that this truck is the one needing a new injector pump.
2. As indicated by Aurora Mines Inc., the Hitachi Excavator needs the turn table housing replaced, and it appears that a hydraulic leak on the right side of the unit will require repairs. With these repairs, it appears to be serviceable.
3. Both of the HPC-200 Gold machines appear to be in good condition, however one of the units may need the drive chain replaced.
4. As indicated by Aurora Mines Inc., the D-41 Fiat Dozer needs to have the newly rebuilt engine installed. The rest of the wear parts on this unit appear to be in good condition, (about 80% of new)
5. The 21' Speed Boat is actually 18' in length by my measurement. The cover for the boat was pushed down inside the boat and is filled with water. The water does not appear to have gotten into the engine. If the engine is good, this boat should be serviceable.
6. The 15' Boat appears to be in good condition, but the 85 H.P. motor will require rebuilding. I did find another motor at the site that also need rebuilding.
7. The barge has been pulled up on the sand bank of the lake and it appears to be serviceable.
8. I found both ATV units at the property. One unit was down by the lake, and the other was near the camp.

NOTE: The batteries were down on all of the equipment so I was not able to start and operate any of the equipment.

## **Mine & Claims:**

I inspected the claims from the lake up through the narrows, including the areas where the testing had been done. Inspection was done by walking over those areas. I inspected the upper part of the creek by helicopter.

1. There has been a considerable amount of water erosion where the road was built up through the narrows. The road will require work and the installation of a culvert will be required.
2. Through the narrows, the upper slopes will require work to reshape and prepare for mining. A proper mining plan must be established to maximize the total volume (cu. yds.) that can be mined immediately above the narrows.
3. In the areas that have been mined during the testing phases, re-shaping will be required in order to operate an efficient and effective mining program and reclamation plan.
4. In the areas below the location of the HPC-200's, a mining plan, including the removal of timber will be required. In this area, mining sections can be blocked off in 3 to 5 acre parcels and mined. Reclamation in this area can be accomplished easily.
5. From the air, it appears that mining can continue up Anderson Creek to the end of the claims. Roads and access will have to be built as the mining progresses in that direction.

**NOTE:**

After visiting the property and conducting the inspection, it is my opinion that a Mine Manager, two mechanic/operators, and three helpers, can complete all of the work required to put the machinery and equipment in working order, make repairs to the camp and other facilities and have the mine ready for full scale operation in a period of about 45 days.

A dozer (D-9) or equal, an excavator (4 cu. yd. Cap.) and a 988 Cat loader will be required to get the mine into operation.

Respectfully Submitted By:

Sam Cooper  
Business Resources, L.L.C.  
P.O. Box 75  
Mill Creek, OK 74856  
Telephone: (405) 485-3174  
Fax: (405) 485-3174

## Attachment: Anderson Creek Asset List

| <u>Equipment at Anderson Creek</u>                                     | <u>Value CD\$</u> |
|--|-------------------|
| New HPC-200 wash plant, complete with sluices                          | 389,000           |
| Reconditioned HPC-200 wash plant with sluices                          | 350,000           |
| Hitachi UH16 Excavator   | 75,000            |
| Fiat Allis Bulldozer D41   | 115,000           |
| Caterpillar D44 Rock Truck   | 125,000           |
| Caterpillar D44 Rock Truck   | 110,000           |
| Caterpillar D44 Rock Truck   | 95,000            |
| 8x10 - 471 Detroit Diesel water pump                                   | 12,000            |
| 1.5 inch water pump  | 500               |
| 1.5 inch fuel transfer pump  | 500               |
| 3 inch Kubota water pump   | 4,000             |
| 1.5 inch water pump  | 500               |
| 1.5 inch water pump  | 500               |
| 8x10 - 671 Detroit Diesel water pump                                   | 15,000            |
| 35 kw Hatz genset  | 9,000             |
| 100kw Cummins diesel generator   | 18,000            |
| 40 kw John Deere genset  | 8,000             |
| 40 kw John Deere genset  | 8,000             |
| Diesel Light Plant   | 6,000             |
| 400 Amp Diesel Welder  | 4,000             |
| 250 Amp Diesel Welder  | 2,000             |
| Ford F600 2000 gal. fuel transfer truck (used for storage)             | 500               |
| 3000 gallon Western Star Fuel Truck                                    | 12,000            |
| 2000 Gallon Fuel Barge with 120HP Merc Engine                          | 12,000            |
| 22' inboard Speedboat  | 18,000            |
| 16' outboard Speedboat   | 7,000             |
| Zodiac with outboard engine  | 2,000             |
| 6 Atco camp Trailers (value adjusted to reflect rec. room roof damage) | 80,000            |
| Workshop   | 500               |
| 20 Ft Shop trailer   | 1,000             |
| Older 14'x70' mobile home  | 1,000             |
| 8x8x40' Storage Container  | 3,000             |
| Honda ATV  | 3,000             |
| Honda ATV  | 4,000             |
| Misc Parts for Equipment   | incl.             |
| Misc Steel   | 0                 |
| Radios Satellite Phone and Broadband Internet Systems                  | 11,000            |
| Tools  | 60,000            |
|  |                   |
| <b>TOTAL VALUE CD\$</b>  | <b>1,562,000</b>  |
| <b>TOTAL VALUE US\$</b>  | <b>1,250,000</b>  |