

1.0 TITLE PAGE

TECHNICAL REPORT ON BLIZZARD URANIUM DEPOSIT BEAVERDELL AREA, BRITISH COLUMBIA, CANADA

Greenwood Mining Division

NTS 92E/10W-1:50,000 Map

Mineral Title Map 82E.066

(Centered near: 49°37'27"N, 118°55'14"W)

By

Peter A. Christopher, PhD, P.Eng.

PETER CHRISTOPHER & ASSOCIATES INC.

3707 West 34th Avenue

Vancouver, B.C., Canada V6N 2K9

For

Santoy Resources Ltd.

Suite 611-675 West Hastings Street

Vancouver, B.C., Canada V6B 1N2

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3.0 SUMMARY

3.1 Property Description

The Blizzard Uranium project (Blizzard), covering 334.837 hectares, is located in the Okanagan Plateau area of south-central British Columbia and is part of the East Okanagan Uranium area mapped by the writer (Christopher, 1978). The Blizzard uranium deposit (B.C. Mineral Inventory 82E/NE-46) is about 49 air kilometers southeast of Kelowna and 24 air kilometers northeast of Beaverdell, British Columbia. The Blizzard uranium deposit was the subject of a positive feasibility study by Kilborn Engineering (B.C.) ("Kilborn") in 1979 (Kilborn, 1979). The feasibility study considered open pit mining methods for exploitation of the Blizzard deposit.

The Blizzard uranium deposit is presently held by Santoy Resources Ltd. ("Santoy"). The management of Santoy retained Peter A. Christopher Ph.D., P.Eng. to prepare an independent technical report on the Blizzard Uranium project in the form and to the standards required by NI43-101. Field examination of the Blizzard property was conducted by the writer and geologist/owner Adam Travis ("Travis") on July 19, 2005 to meet the NI43-101 requirement of a recent property examination.

The present property holder intends to evaluate lower cost and environmentally friendly in situ leaching (ISL) technology for exploitation of the Blizzard uranium deposit.

3.2 Property Location, Infrastructure and Access

The Blizzard Project, consisting of Blizzard 1 claim covering 334.837 hectares, is situated in the Greenwood Mining Division of British Columbia, Canada and centered near coordinates 49° 37' 27" N latitude and 118° 55' 14" W longitude in 1:50,000 map sheet NTS 82E/10W and on Mineral Title Map 82E.066. The area can be reached from Vancouver via the Trans-Canada Highway to Hope and then either Highway 5 to Kelowna or Highway 3 to Princeton, Osoyoos and Rock Creek. From Rock Creek paved highway 33 follows the Kettle River and West Kettle River to Beaverdell and local gravel resource roads from Beaverdell provide property access via the Beaver Creek, Cup Lake and Lassie Lake forestry roads. The project work force could use the mining community of Beaverdell or cities in the Okanagan Valley. From Kelowna access is via highway 33 to the Trapping Creek-Lassie Lake forestry roads. The Trapping Creek-Lassie Lake road system was selected by Kilborn as the best route for an upgraded mine access road.

The Blizzard deposit area is situated at the divide between the Kettle and West Kettle River drainages with local runoff entering Beaverdell Creek, Trapping Creek and Copperkettle Creek and eventually into the Kettle River system. Future uranium concentrates could be shipped via highways 33 and 3 to avoid tourist areas in the Okanagan Valley.

3.3 Property Ownership

The Blizzard Property, consisting of the Blizzard 1 claim, is 100% owned by Adam Robert Travis, the Vendor and under option to Santoy Resources Ltd. (“Santoy”) and Sparton Resources Inc. (“Sparton”). Notice has been filed with the Gold Commissioner, under the Mineral Title Act, by a prior property owner of the property area, claiming “superior right, title and interest” to the Blizzard 1 claim. Based on the company’s and writer’s reviews of the facts, the Blizzard 1 claim was properly filed and recorded by the Vendor under the new on-line staking provisions of the Act. Based on information in hand, Santoy and Sparton agreed to support the Vendor with respect to any title disputes and to provide certain indemnities in respect thereof. Santoy and Sparton could earn a 100% interest in the Blizzard claim over a 4 year period by making \$450,000 in cash option payments (\$50,000 paid upon signing of the Agreement), issuing shares (250,000 shares of Santoy and 1,000,000 shares of Sparton in year one, and 250,000 shares of Santoy and 1,000,000 shares of Sparton in year two), completing a \$1,500,000 work program with \$500,000 in the first two years, making advanced royalty payments of \$50,000 per year after the 5th anniversary of the agreement, and paying a royalty on sales (Santoy News Release dated June 13, 2005). On August 9, 2005 Santoy (News Release) announced consolidation of their joint venture holdings in the Blizzard deposit by assuming Sparton Resources Inc. obligations, issuing 1 millions shares of Santoy and 1 million share purchase warrants exercisable at \$0.75 per share for a two year period, \$50,000 cash, and a production royalty of \$0.50 per pound of uranium to Sparton,

3.4 Property Geology and Mineralization

The Blizzard uranium project is situated within the Omineca Crystalline Belt of the Canadian Cordillera. The metamorphic basement to the crystalline belt is referred to as the Shuswap terrane and in the Kettle River area, mainly layered, probably Precambrian gneisses, are referred to as the Monashee Group. Paleozoic metasedimentary rocks of the Anarchist Group overly the core gneissic terrane and at Beaverdell are called the Wallace Mountain Formation. The basement rocks to the Blizzard deposit consist mainly of Nelson and Valhalla intrusions. Dykes account for about 5 percent of the basement rocks and occur in swarms with north 20° west and north 15 to 25° east strikes. Structurally controlled linears and the structurally controlled channel that contains the carbonaceous sediments hosting the Blizzard deposit have similar orientations. The Paleo-stream channel and hosting sediments formed during Miocene (26 to 7 million years (“Ma”)) or earliest Pliocene (7 to 2 Ma) before the extrusion of a plateau basalt cap at about 5 Ma (K/Ar age). The plateau basalt cap protected the channel sediments from erosion by Pleistocene glaciers and also sealed and protected the groundwater system from highly oxidizing surface conditions. Pliocene glacial and glacialfluvial deposits represent the last major unit deposited.

3.5 Deposit Type

The Blizzard uranium deposit has been classified as a basal type deposit (Christopher and Ballantyne, 1976) and as a channel conglomerate type (McMillan, 1978). Basal type uranium deposits in the Okanagan Plateau occur in poorly consolidated fluvial or lacustrine carbonaceous sediments. Hosted sedimentary rocks are capped by an impermeable horizon, either Pliocene or Miocene plateau basalt (4.7 Ma (million years) and 5.0 Ma K/Ar ages) or by sediments of low permeability. Organic-rich sediments occupying paleostream channels or basins have maintained a reducing environment that caused deposition of secondary uranium minerals in areas of groundwater entrapment. The term 'basal type' uranium deposit is applied to these deposits because they often occur in a basal sequence of gravel and sands overlying a major unconformity and are below or at the base of a trapping impermeable layer. Unifying genetic and physical characteristic also allow classification of the deposits as channel, stratabound, or groundwater type uranium deposits. Favourable parameters for the formation of basal type uranium deposits of the Okanagan Plateau are:

- The presence of leachable uranium in high background granitic or volcanic terrane (eg. Coryell syenite, Valhalla quartz monzonite, Kettle River volcanics or Kamloops Group volcanics in the East Okanagan uranium area);
- Weathering or faulting provides ground preparation for oxidizing groundwater or other leaching solution;
- The presence in an aquifer of carbonaceous (reducing) stream and lake sediments that allow trapping of groundwater solutions and formation of a reducing environment in a normally oxidizing groundwater system;
- An impermeable cap (eg. Plateau basalt) that protects the deposits from erosion and from oxidizing surface waters (Sutherland Brown et al., 1979).
- The emplacement of breccia pipe at Blizzard may have affected fluid flow and caused a higher grade northerly sector of the deposit, although similar deposits elsewhere have formed without evidence of breccia pipe formation.

3.6 Status of Exploration Development and Operations

The Blizzard uranium deposit was discovered by Lacana Mining Corporation ("Lacana") in 1976 and explored till the late 1970s. The Blizzard property was optioned from Lacana by Norcen Energy Resources Limited ("Norcen"). A joint venture company comprised of Norcen, Campbell Chibougamou Mines Ltd. ("Campbell"), E & B Explorations Ltd. ("E & B") and Ontario Hydro completed over 400 reverse circulation and diamond drill holes. Drill holes were used to estimate a historic resource reported by Norcen as 2,200,000 tonnes grading 0.214% U₃O₈, using a cutoff grade of 0.025% U₃O₈. The resource estimate pre-dates NI 43-101 and is an historic estimate of the Blizzard deposit's potential. Kilborn's 1979 feasibility study provided historic reserve estimates that have been converted to resources by the writer as follows:

Table 3.1 Blizzard Deposit Historic Indicated and Inferred Resources* for Blizzard Deposit after Kilborn (1979).

CATEGORY	TONNES	GRADE (% U ₃ O ₈)	CONTAINED Kg (% U ₃ O ₈) (FROM KILBORN, 1979)
Indicated **	1,914,973	0.247%***	4,728,428
Inferred **	4,685	0.162%***	7,595

To Conform with NI-43-101 Conversions Where Necessary

* Report as Reserves but Rules Dictate Classification as Resources.

** Indicated and Inferred Reserves were converted to Indicated and Inferred Resources.

***Rounded to 3 places.

The Blizzard deposit was the subject of a positive feasibility study by Kilborn Engineering in 1979. The uranium production was forward sold but the property was never placed in production due to a seven year moratorium on exploration and development for uranium resources in British Columbia that was imposed by the British Columbia government in 1980.

3.7 Conclusions and Recommendations

The Blizzard uranium deposit provides a potential source of fuel for a rapidly expanding nuclear energy industry. The engineering is presently dated and was completed prior to the start of British Columbia's uranium moratorium in 1980. The writer is of the opinion that previous engineering provides a basis for a current feasibility study and that the ISL technology used in the USA could provide a cost effective and environmentally friendly method of exploitation of the Blizzard uranium deposit.

The writer recommends a success contingent staged evaluation program for further testing uranium mineralization on the Blizzard property. A \$500,000 Phase I program should consist of:

- Acquisition and digitizing of previous drill data for calculation of current resources to meet standards required by NI 43-101.
- Establish base-line environmental data necessary for approval of pilot testing of ISL methods.
- Initiate a program of public education and a response to mis-information circulated by environmental groups opposed to uranium mining and the nuclear power industry.
- Evaluate the Blizzard property for addition drill targets with uranium potential

- Establish and train staff for testing ISL methods on the Blizzard uranium deposits.
- Select and engineer sites for pilot ISL testing.
- Establish a QA/QC and Environmental Committee to formulate procedures for assurance of accurate data collection procedures and establish property water and sampling handling procedures.

Following completion of Phase 1, a \$1,000,000 Phase 2 pilot testing of ISL methods is recommended. A pilot test should concentrate on testing areas of the deposit with varying grades and composition of ore mineralogy and host material. Drill testing of other targeted areas should be undertaken in conjunction with the field pilot testing program.

3.8 Opinion of Merit

The writer is of the opinion that the recommended program is warranted, and has sufficient merit to justify the investment by the company.

4.0 INTRODUCTION AND TERMS OF REFERENCE

4.1 Terms of Reference and Purpose

This Technical Report, requested by the management of Santoy is to propose further exploration and investigation programs to evaluate resources in the Blizzard uranium deposit on the Blizzard 1 claim on the Okanagan Plateau in the Greenwood Mining Division, British Columbia. The report has been prepared in compliance with the requirements of National Instrument 43-101 and Form 43-101F1, and is for supporting documentation to be filed with the British Columbia Securities Commission and the TSX Venture Exchange.

4.2 Source of Information and Data

The majority of the information for this report was obtained from reports and documents listed under the References and Sources of Information section of this report. The data was collected mainly by previous operators and by the writer. The writer conducted geological studies of the Beaverdell Area and East Okanagan Uranium area from 1977 to 1980 while employed by the British Columbia Department of Mines. The writer participated in field trips to uranium deposits in Washington State and to “basal type” uranium deposits in the Ningyo-Toge and Tono areas in Japan.

The writer personally examined the geological setting of the Blizzard, Hydraulic Lake, Cup Lake and Fuki/Donen uranium deposits with company personnel working in the area in the late 1970s. The writer has mapped the East Okanagan uranium area and participated in field tours of uranium deposits of Washington State, Saskatchewan and Japan that provided the writer insights into geological setting of “basal type” uranium

deposits. The writer represented the British Columbia Ministry of Energy Mines and Petroleum Resources at several of the hearings conducted by the Royal Commission of Inquiry into Uranium Mining (“Royal Commission”) and participated in a Brief Submitted to the Royal Commission (Sutherland Brown et al., 1979).

4.3 Field Involvement of the Qualified Person (Author)

The author of this report conducted a current field examination of the Blizzard 1 claim with geologist Adam Travis on July 19, 2005. The current field examination and past experience in the East Okanagan Uranium Area (Christopher, 1979) qualify the writer for preparation of this technical report.

5.0 DISCLAIMER

The writer is required by NI 43-101 to include description of the property title and terms of legal agreements that are presented in the following section. The writer reviewed property agreements and title documents in order to provide summaries of title and ownership. The writer believes that the Blizzard 1 claim area is held by Santoy but property agreements and title documents are legal matters and should be reviewed by Santoy’s legal counsel.

In British Columbia, claim locations can presently be registered on-line and the writer has checked the Blizzard 1 registration. Although the title of the Blizzard 1 claim appears to be valid, a Santoy news release dated June 13, 2005 states, “Notice has been filed with the Gold Commissioner, under the Mineral Titles Act, by a prior property owner of the property area, claiming “superior right, title and interest” to the claims. Based on the Companies’ review of the facts, the Property was properly filed for and recorded by the Vendor under the new on-line staking provisions of the Act. Based on the information in hand the Companies have agreed to support the Vendor with respect to any title disputes and to provide certain indemnities in respect thereof.”

6.0 PROPERTY DESCRIPTION AND LOCATION (FIGURES 6.1, 6.1A & 6.2)

6.1 Property Area

The Blizzard Project, consisting of Blizzard 1 claim covering 334.837 hectares, is situated in the Greenwood Mining Division of British Columbia, Canada and centered near coordinates $49^{\circ}37'27''$ N latitude and $118^{\circ}55'14''$ W longitude in 1:50,000 map sheet NTS 82E/10W and on Mineral Title Map 82E.066 (Figures 6.1, 6.1A and 6.2; Table 6.1).

6.2 Property Location (Fig. 6.1, 6.1A & 6.2)

The Blizzard Project is situated in the Greenwood Mining Division of British Columbia, Canada and centered near coordinates $49^{\circ}37'27''$ N latitude and $118^{\circ}55'14''$ W longitude in 1:50,000 map sheet NTS 82E/10W and on Mineral Title Map 82E.066. The

Blizzard uranium deposit (B.C. Mineral Inventory 82E/NE-46) is about 49 air kilometers southeast of Kelowna and 24 air kilometers northeast of Beaverdell, British Columbia.

6.3 Description of Claims (Fig. 6.2)

The location of the Blizzard 1 claim is shown on Figures 6.2 that was taken from the location shown on British Columbia Mineral Title Map 82E.066. The writer inspected and mapped the area of the Blizzard deposit in the 1970s when it was explored by Norcen Energy Resources Limited. A recent examination of the Blizzard 1 claim area was conducted on July 19, 2005.

6.4 Claim Title

Santoy was required by TSX Venture exchange to obtain a title opinion for which Graham H. Scott of VECTOR Corporate Finance Lawyers was retained. Mr. Scott concluded that, "We have been retained as special counsel to the Company, and have on its behalf on August 3, 2005, conducted a search of the database of the B.C. Ministry of Energy, Mines and Petroleum Resources (the "Ministry") through its Mineral Titles Online website in respect of the mineral tenure (the "Mineral Tenure") set out below and have obtained and examined copies of relevant records pertaining to the Mineral Tenure. Based on and relying upon the foregoing, as at the date hereof, it is our opinion that:

1. The following was the recorded holder of the Mineral Tenure, under the provisions of the *Mineral Tenure Act* (British Columbia) (the "Act").

Table 6.1. Pertinent Claim Data for the Blizzard Property, Greenwood, MD.

Claim Name	Recorded Holder	Tenure ID	Expiry Date
Blizzard 1	Adam Robert Travis	512410	May 11, 2006

The Mineral Tenure is in good standing under the Act with respect to the filing of assessment work until the applicable expiry date.

There is a Notice dated May 26, 2005 (the "Notice") recorded with respect to the Mineral Tenure by counsel for a Renee Brickner. The Notice discloses that Renee Brickner, the recorded owner of former Legacy Claim #358775, claims superior right, title and interest over any claim asserted by Adam Travis under the Mineral Tenure by virtue of section 24.1 of the Act and ss 3 and 4 of the Regulations to the Act. There are no other liens, charges or encumbrances recorded against the Mineral Tenure.

The foregoing opinion is qualified as follows:

- (a) no investigation has been made of the original on-line application for the Mineral Tenure or the existence of any interest in the Mineral Tenure, other than those that have been noted by the Ministry;
- (b) no investigation has been made of the circumstances relating to the filing of the Notice, and we express no opinion on the merits of the claims made by Renee Brickner;
- (c) we have assumed that the documents examined are the only documents pertaining to title to the Mineral Tenure;
- (d) we have assumed that the print-outs examined are, in fact, true copies of documents in existence;
- (e) there may be unrecorded interests which affect title to the Mineral Tenure;"

The writer also contacted a search of the database of the B.C. Ministry of Energy, Mines and Petroleum Resources (the "Ministry") through its Mineral Titles Online website in respect of the mineral tenure (the "Mineral Tenure") of the Blizzard 1 claim and has obtained and examined copies of relevant records pertaining to the Mineral Tenure. The writer also contacted Rick Conte ("Conte"), Deputy Director, Min. Operations at the Mining & Minerals Division, Titles Branch (Vancouver Office). Conte reviewed the situation with the writer and suggested that he had reviewed the claims made by geologist Renee Brickner ("Brickner") and ruled that the ground was open for staking when claimed by Travis and he holds legal title to the Blizzard claim area. Brickner dropped the title to Legacy Claim #358775 but failed to record an on-line claim to the area dropped.

Since an on-line title was never issued to Brickner, the Blizzard claim area remained open for five days before it was recognized as key, open ground and claimed by Travis. The writer and Santoy believe that Mr. Conte made the correct ruling in favor of Mr. Travis.

6.5 Legal Survey

The Blizzard claim has not been the subject of a legal survey. The claim was acquired using the new map staking approach and the property location should be defined by the government claim map. A reproduction of the government's plot of the Blizzard 1 claim is presented as Figure 6.2.

6.6 Location of Mineralization and Workings

The Blizzard deposit is mainly capped by recent plateau basalt but the deposit nearly outcrops along the Lassie Lake forestry road which passes along the westerly extent of the deposit. A modest increase from regional radioactive background occurs along the east side of the Lassie Lake road near the projected contact of basalt cap and underlying sediments.

6.7 Terms of Agreements

The Blizzard Property, consisting of the Blizzard 1 claim, is 100% owned by Adam Robert Travis, the Vendor and under option to Santoy Resources Ltd. ("Santoy") and Sparton Resources Inc. ("Sparton"). Notice has been filed with the Gold Commissioner,

under the Mineral Title Act, by a prior property owner of the property area, claiming “superior right, title and interest” to the Blizzard 1 claim. Based on the company’s and writer’s reviews of the facts, the Blizzard 1 claim was properly filed and recorded by the Vendor under the new on-line staking provisions of the Act. Based on information in hand, Santoy and Sparton agreed to support the Vendor with respect to any title disputes and to provide certain indemnities in respect thereof.

Santoy and Sparton agreement to earn a 100% interest in the Blizzard claim over a 4 year period by making \$450,000 in cash option payments (\$50,000 paid upon signing of the Agreement), issuing shares (250,000 shares of Santoy and 1,000,000 shares of Sparton in year one, and 250,000 shares of Santoy and 1,000,000 shares of Sparton in year two), completing a \$1,500,000 work program with \$500,000 in the first two years, making advanced royalty payments of \$50,000 per year after the 5th anniversary of the agreement, and paying a royalty on sales (Santoy News Release dated June 13, 2005). On August 9, 2005 Santoy (News Release) announced consolidation of their joint venture holdings in the Blizzard deposit by assuming Sparton Resources Inc. obligations, issuing 1 millions shares of Santoy and 1 million share purchase warrants exercisable at \$0.75 per share for a two year period, \$50,000 cash, and a production royalty of \$0.50 per pound of uranium to Sparton,

6.8 Environmental Liabilities

The writer is not aware of any environmental liabilities related to the Blizzard property, but permitting of any type of uranium mine in British Columbia will be a challenging issue. Applying in situ leaching technology may eliminate many of the environmental concerns expressed by local resident. Educating the local population to shown them that uranium is being safely mined elsewhere using ISL methods is necessary and recommended as part of the Phase 1 program. Shipments of non-radioactive yellowcake should avoid tourist areas like the Okanagan Valley.

The writer recommends that base line studies be started as soon as possible and that no physical work be conducted before initiating base line water quality studies. The Fuki discovery showing and a seep along the west side of the Blizzard uranium deposit showed less radioactive during the July 19, 2005 field examination, than when examined by the writer in the late 1970s.

6.9 Required Permits

The Blizzard project will require permits for any exploration or pilot testing of the ISL method. The Ministry of Mines should be approached and the permitting process started as soon as possible. Rick Conte, Gold Commissioner (pers. com. June 2005) suggested that, “Uranium claims are treated the same as claims for other metals but exploration will require enhanced baseline monitoring.”

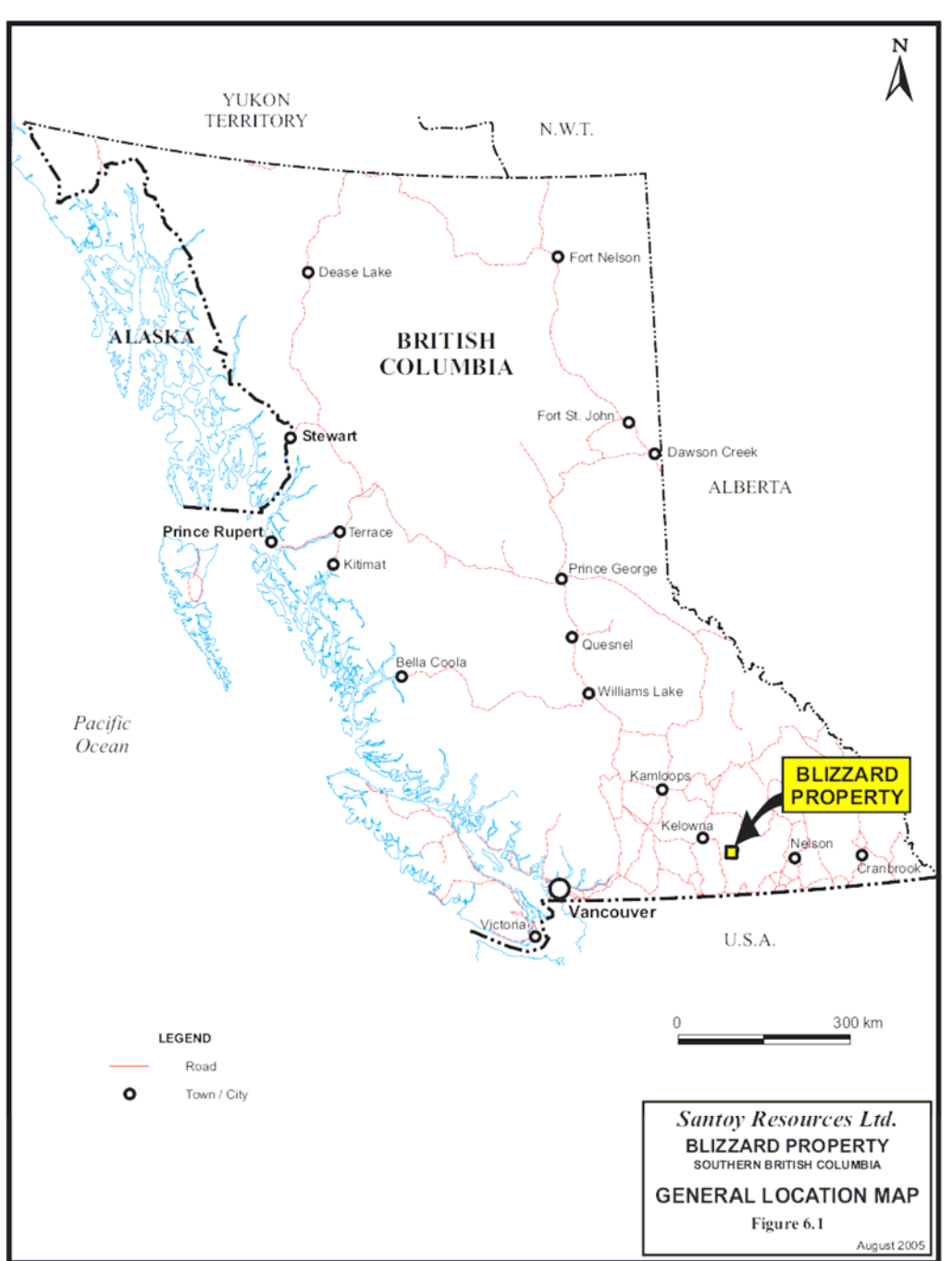


Figure 6.1. General Location of the Blizzard Property, East Okanagan Plateau, British Columbia.

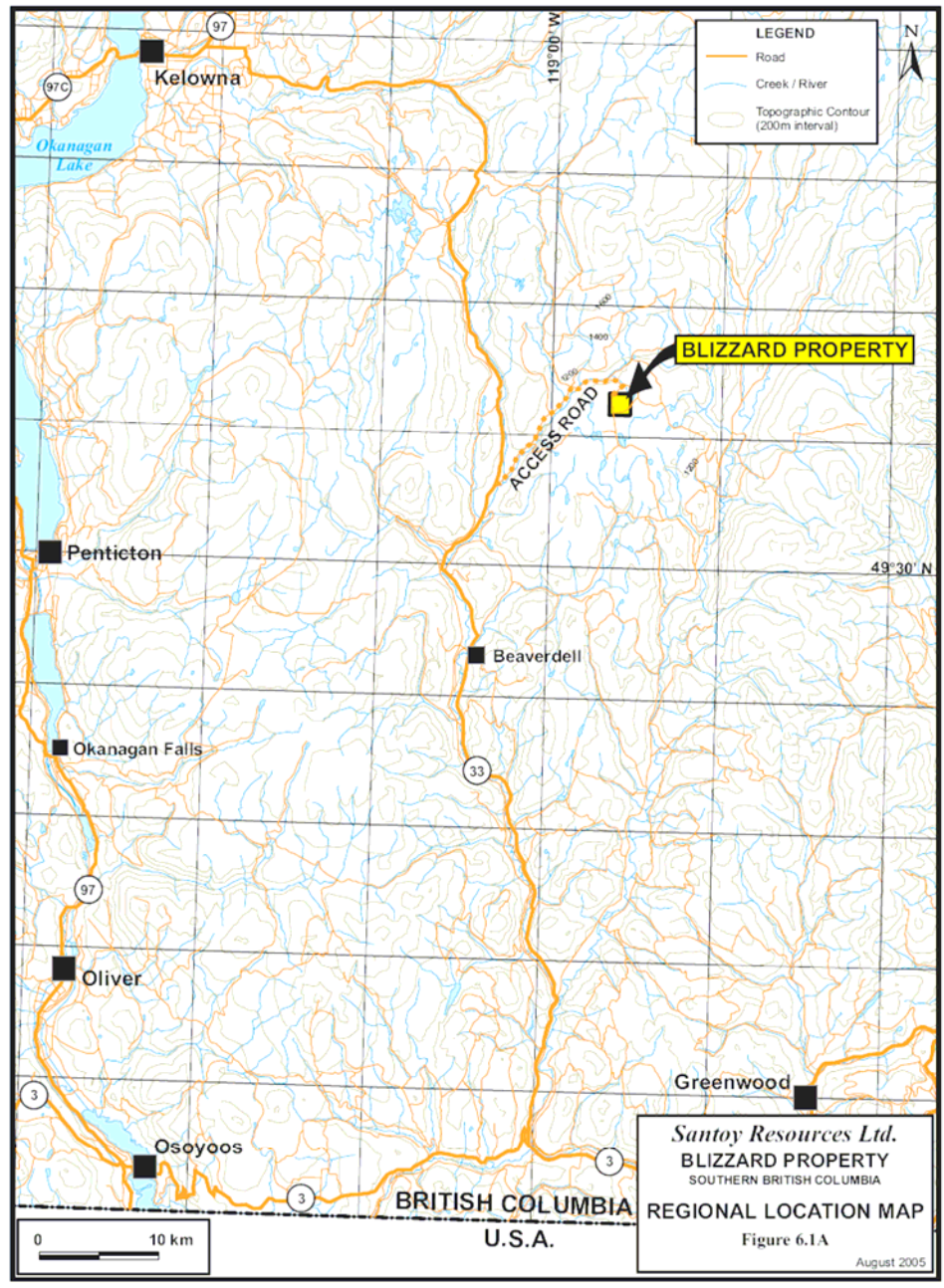


Figure 6.1A. Local Topography and Access to the Blizzard Property.

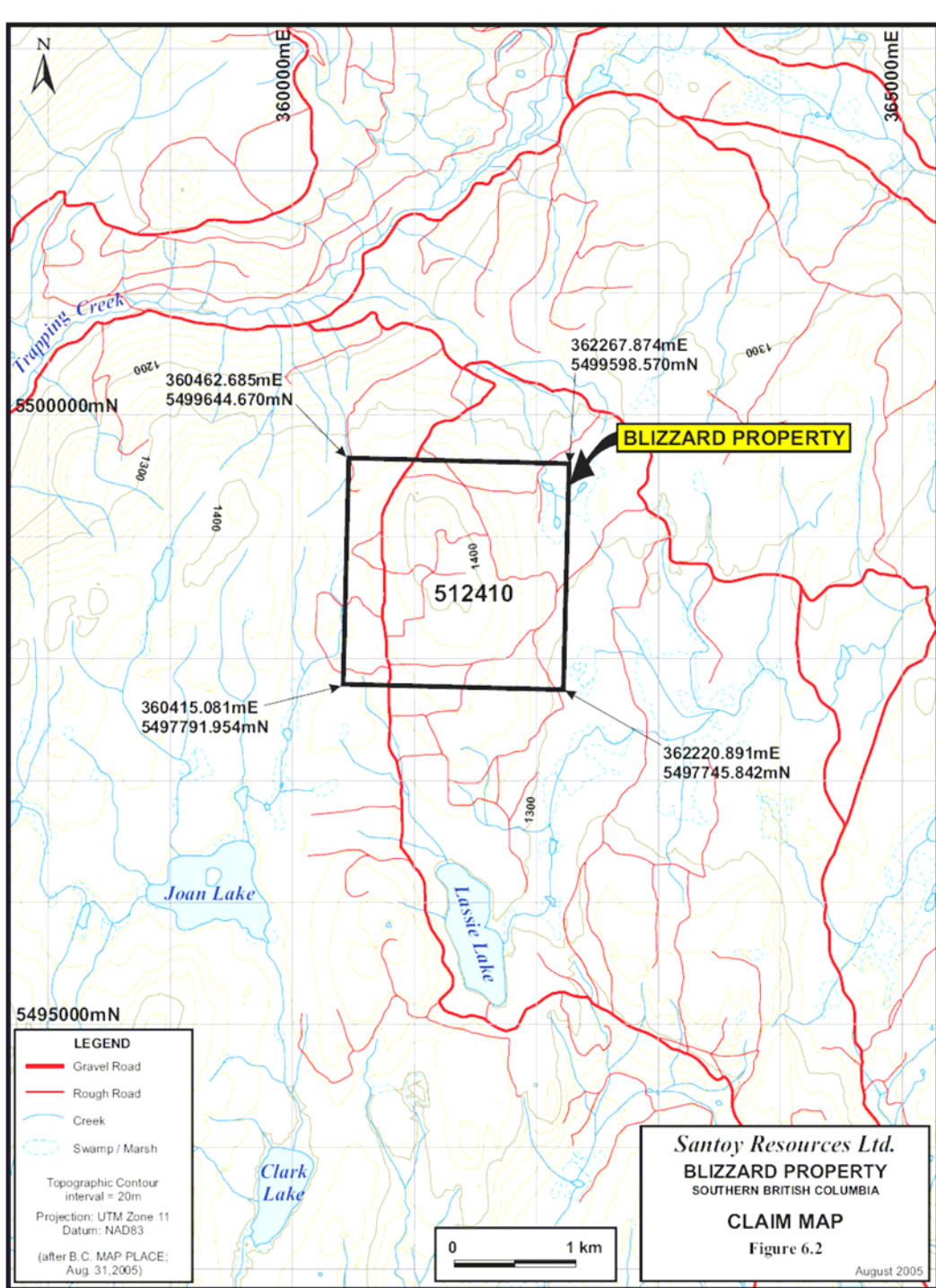


Figure 6.2. Claim Location Plan - Blizzard Property, Greenwood MD.

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

7.1 Topography, Elevation and Vegetation

The Blizzard project is located in the Okanagan Physiographic area and is situated between the Kettle River and West Kettle River drainages with the Trapping Creek, Beaverdell Creek-Maloney Creek, and Copperkettle Creek tributaries draining the ridge area that hosts the Blizzard deposit. Cup Lake, Lassie Lake, Clark Lake and Maloney Lake are small, less than 1km lakes used by local recreational fishermen.

Elevations, in the area, range from under 760 meters in the Kettle and West Kettle Rivers to about 1400 meters at the northerly end of the Blizzard basalt cap. Big White Mountain, about 15km north of the Blizzard deposit, has an elevation of about 2320 meters.

The area is covered by interior forest with the Blizzard claim area logged just prior to Lacana's staking of the area in 1976. The area was planted and trees are now 5 to 10 meters in height. A network of old logging roads cover the property and reactivation and use of established roadways is recommended.

7.2 Access to the Property and Proximity to Population Center(s)

The area can be reached from Vancouver, British Columbia via the Trans-Canada, highway 1 to Hope and the Coquhalla Highway (#5) to Merrit and Kelowna or Highway 3 to Rock Creek and Highway 33 southerly from Kelowna or Highway 33 northerly from Rock Creek to Beaverdell. Local gravel resource roads from Beaverdell provide property access via the Beaver Creek, Cup Lake and Lassie Lake forestry roads for about 37 road kilometers. The project work force could use the mining community of Beaverdell or cities in the Okanagan Valley. From Kelowna access is via highway 33 to the Trapping Creek-Lassie Lake forestry roads for about 82road kilometers. The Trapping Creek-Lassie Lake road system was selected by Kilborn as the best route for an upgraded mine access road.

7.3 Relevant Climate and Length of Operating Season

The climate in the region is that of a dry, elevated Plateau area with the Blizzard property at about 1200 meters. The extreme summer temperatures of the Okanagan are restricted to a week or two in July or August and evenings are cool and air conditioning is seldom necessary. Wet seasons, which occur in April and May and October and November, account for most of the 40 to 50 cm of annual precipitation and winter conditions last from late November to late March.

Snow on roads may be a problem till the end of April. The climate and topography result in a number of lake and marsh areas and present an adequate water supply for mining operations.

7.4 Availability of Surface Rights, Power, Water and Mining Personnel (Figure 7.1)

The land around the Blizzard deposit is mainly Crown owned with forest rights under lease. Beaverdell is the nearest community and may have some residents with underground mining experience but personnel knowledgeable about ISL of uranium could be imported from the USA for a pilot ISL test. The Okanagan Valley contains a number of attractive residential areas for mining personnel.

Power is available from local B.C. Hydro grids and water supply is available from local streams and the Kettle River system. The ISL method should not be a large water consumer since fluids will be recycled.

7.5 Potential Areas for Tailings Disposal, Heap Leach Pads and Plant Sites

The present property owners intend to evaluate the use of ISL methods for environmentally friendly removal of uranium with host material left in place. A tailings area would not be required for ISL and numerous suitable areas exist for plant sites.

8.0 HISTORY

The earliest record of radioactive minerals in British Columbia was in 1932 when an electroscopic survey was carried out by the University of British Columbia on the Radium property on Quadra Island. Carnotite was identified in seams in volcanic rocks and samples submitted to the Mines Branch, Ottawa, assayed 27.7% U_3O_8 and 28.9% U_3O_8 . Radium Exploration, Inc. was formed but little development work was recorded (Sutherland Brown et. Al., 1979)

The Rexspar deposit at Birch Island, originally known as the Smuggler, was first investigated for fluorite in 1920 and later in 1942 with exploration and development work in the 1920,s and 30's directed to lead-mineralization. In 1949 the Rexspar Uranium and Metals Mining Company investigated three uranium bearing zones. Development work at Rexspar in 1957, consisting of 4600 meters of diamond drilling, allowed a historic resource estimate of 1.45 million tones of 0.08% U_3O_8 . The Rexspar deposit was the only substantial uranium deposit developed in British Columbia prior to the late 1960s.

In Washington State, uranium mineralization was discovered in 1954 about 25 air miles northwest of Spokane, Washington at the Midnite Mine. Exploration drilling carried on by the AEC through the winter verified a commercial orebody. Early in 1955 a second significant discovery, the Daybreak Mine, was made near Mt. Spokane about 20 miles NNE of Spokane, Washington. Drilling on the spot where unusual green crystals had been found 13 years earlier, the AEC verified the Daybreak orebody (Norman, 1957).

In 1956, the AEC signed a contract with the Dawn Mining Co. for construction of a 400 tpd processing mill at Ford, Washington. Most of the mill's requirements were met by production from Dawn's Midnite mine with provisions made for the purchase of 100 tpd on a custom basis. Exploitation of the Midnite Mine was conducted by Dawn Mining Company between from 1957 to 1965 and 1969 to 1982 with about 2.9 million tons grading 0.2% U₃O₈ treated.

The Sherwood and Big Smoke uranium deposits on the Spokane Indian Reserve in Washington State were similar to "basal type groundwater" uranium deposits in poorly consolidated Tertiary sediments in the Ningyo-Toge and Tono areas of Japan. The potential for basal type groundwater deposits extending into British Columbia was recognized by the Japanese. In 1967, PNC Exploration (Canada) Co. Ltd. ("PNC") conducted a car-borne scintillometer survey in the Eocene Kamloops Group. The Fuki outcrop, the discovery outcrop in British Columbia, was located during the 1968 prospecting program and car-borne scintillometer to check favourable geologic settings. A strong radioactive response was found adjacent to Dear Creek, about 32 air kilometers SE of Kelowna. Follow-up geological, radiometric, geochemical and drilling programs by PNC located other mineralized zones near Lassie Lake and Hydraulic Lakes. Prospecting by Lacana geologists started in 1975 led to the staking of a favourable geologic target northwest of Lassie Lake in February 1976 and two percussion drilling program discovered the Blizzard uranium deposit (Darrel Johnson Pers. Com., July 2005). The Blizzard property was optioned from Lacana by Norcen Energy Resources Limited ("Norcen"). A joint venture company comprised of Norcen, Campbell Chibougamou Mines Ltd. ("Campbell"), E & B Explorations Ltd. ("E & B") and Ontario Hydro completed over 400 reverse circulation and diamond drill holes. Drill holes were used to estimate historic resources.

The Blizzard project was advanced through a positive feasibility study with production pending outcome of a British Columbia Royal Commission of Inquiry into Uranium Mining started by Order-in-Council Number 170 dated and approved January 18, 1979. On February 27, 1980 the Minister of Mines announced a seven-year moratorium on the recording of mineral claims for the purpose of uranium exploration and the development of uranium deposits on existing claims. The ending of the moratorium and recent recovery of uranium prices has encouraged further uranium exploration and development of previously defined uranium resources.

8.1 Prior Ownership and Ownership Changes

The Blizzard Property was initially staked by Darrel Johnson for Lacana in February 1976 on the basis of favourable geological setting for uranium mineralization. The project was optioned to a group headed by Norcen in 1976 and after three years of exploration a positive feasibility study was obtained from Kilborn in 1979. The property was never placed in production due to a (now expired) moratorium on exploration and development for uranium resources imposed by the British Columbia government in 1980. The moratorium ended during a

period of low uranium prices and the Blizzard property and most of the uranium claims in British Columbia were allowed to lapse.

Claims were acquired over the Blizzard deposit but were dropped by the previous owner on May 5, 2005 and acquired by Adam Robert Travis on May 11, 2005. A notice has been filed with the Gold Commissioner, under the Mineral Titles Act, by the prior property owner of the property area, claiming “superior right, title and interest” to the claims. Based on writer’s and Santoy’s reviews of the facts, the Property was properly filed for and recorded by the Vendor under the new on-line staking provisions of the Act. Based on the information in hand Santoy has agreed to support the Vendor with respect to any title disputes and to provide certain indemnities in respect thereof.”

8.3 Historical Mineral Resource and Mineral Reserve Estimates

The Blizzard uranium deposit was discovered by Lacana Mining Corporation (“Lacana”) in 1976 and explored till the late 1970s. The Blizzard property was optioned from Lacana by Norcen Energy Resources Limited (“Norcen”). A joint venture company comprised of Norcen, Campbell Chibougamou Mines Ltd. (“Campbell”), E & B Explorations Ltd. (“E & B”) and Ontario Hydro completed over 400 reverse circulation and diamond drill holes. Drill holes were used to estimate a historic resource reported by Norcen as 2,200,000 tonnes grading 0.214% U_3O_8 , using a cutoff grade of 0.025% U_3O_8 . The resource estimate pre-dates NI 43-101 and is a historic estimate of the Blizzard deposits potential. Kilborn’s 1979 feasibility study provided historic reserve estimates that have been converted to resources by the writer as follows:

Table 8.1 Blizzard Deposit Historic Indicated and Inferred Resources* for Blizzard Deposit after Kilborn (1979).

CATEGORY	TONNES	GRADE (% U_3O_8)	CONTAINED Kg (% U_3O_8) (FROM KILBORN, 1979)
Indicated **	1,914,973	0.247%***	4,728,428
Inferred **	4,685	0.162%***	7,595

To Conform with NI-43-101 Conversions Were Necessary

* Report as Reserves but Rules Dictate Classification as Resources.

** Indicated and Inferred Reserves were converted to Indicated and Inferred Resources.

***Rounded to 3 places.

9.0 GEOLOGICAL SETTING

9.1 Regional Geological Setting (Fig. 9.1)

The Blizzard uranium project is situated within the Omineca Crystalline Belt of the Canadian Cordillera. The metamorphic basement to the crystalline belt is referred to as the Shuswap terrane and in the Kettle River area, mainly layered, probably Precambrian gneisses, are referred to as the Monashee Group. Paleozoic metasedimentary rocks of the Anarchist Group overly the core gneissic terrane and at Beaverdell are called the Wallace Mountain Formation (Reinecke, L., 1915). Uranium source rocks were emplaced during Mesozoic and Cenozoic magmatic events that resulted in the Nelson, Vahalla and Coryell granitic rocks and Tertiary volcanic, volcanoclastic and associated sedimentary rocks of the Kamloops Group and Kettle River and Marama Formations. Fluvial and lacustrine sediments accumulated in structurally controlled zones before extrusion of capping plateau basalts between about 4.7 and 5.0 Ma.

Rocks considered to be 'basement' for Tertiary unconsolidated fluvial and lacustrine deposits that underlie 'olivine plateau basalt' are divided into nine units by Little (1957, 1961). Little's subdivision of units was followed by the writer (Christopher, 1978). The units are:

- Metamorphic Rocks (Units 1, 2, 3): Metamorphic rocks generally have low radioactive background and unless associated with granitic or volcanic rocks represent poor uranium source rocks. The Monashee Group (unit 1) of the Shuswap metamorphic terrane consists mainly of layered gneiss. The Anarchist Group (Unit 2) generally consists of fault-bounded pendants of metamorphosed sedimentary and volcanic rocks in younger plutonic rocks. The Cache Creek Group (unit 3) is mainly greenstone and has been mapped in one area along the McCulloch road.
- Nelson Plutonic Rocks (Unit 4): Nelson plutonic rocks are of hypidiomorphic granular texture and are biotite-hornblende quartz diorites or granodiorites that have a strong to moderate foliation. Younger Vahalla and Coryell intrusive rocks can generally be distinguished from Nelson intrusive rocks by their more acidic and alkaline character, lack of foliation, porphyritic nature, and higher background radiation. The Nelson intrusive rocks are not considered to be a favourable basement rocks unless associated with Vahalla or Coryell intrusive rocks.
- Valhalla Plutonic Rocks (Unit 5): Valhalla intrusive rocks are generally porphyritic quartz monzonites with related pegmatitic and hypabyssal (sills and dikes) phases. Large pink feldspar phenocrysts, abundant pegmatite, smoky quartz, cataclastic texture, and purple fluorite veins or fracture coatings are common features of this unit and are considered to be characteristic of good uranium source rocks. K-Ar ages from the Beaverdell area indicate an Eocene age for some phase of this unit.

- Kettle River Formation (Unit 6) and Kamloops Group (Unit 7): The Kettle River Formation may be an extrusive equivalent of Valhalla plutonic rocks with abundant rhyolitic tuffs and flows having Valhalla like chemical composition. Strong uranium silt response is obtained from fault-controlled stream valleys that cut this unit but some strong radiometric responses result from high thorium content. The main exposure of the Kamloops Group rocks is east of Cup and State Lakes and near Dear Creek. Along Dear Creek south of the Beaverdell Creek road, the rocks are of alkaline character and may be correlatives of the Marron Formation (Church, 1973). Although a phase of the Coryell plutonic rocks cut this unit, it appears to be partly an extrusive equivalent of Coryell plutonic rocks.
- Coryell Plutonic Rocks (Unit 8): Coryell plutonic rocks are generally represented by syenitic or monzonitic phases except in the area of Dear Creek and along the western margin of Kamloops group rocks where pyroxene or amphibole-bearing quartz syenite or quartz monzonite occurs. Syenitic Coryell plutonic rocks can generally be distinguished by reddish weathering and high to very high background radiation. A swarm of N20°W trending Coryell dikes cut pegmatitic Valhalla rocks in the area of the Blizzard deposit.
- Marama(?) Formation (Unit 9): Volcanic rocks of intermediate composition occur along Wilkinson Creek near Carmi. Generally northerly trending feeder dikes (unit 9A) occur with Coryell dikes near the Blizzard deposit. Since the dykes appear to be younger than Coryell or Marron Formation rocks they are correlated on the basis of age and composition with the Marama Formation (Church, 1973).
- Plateau Basalt Formation (Unit 10):

9.2 Property and Local Geology (Fig. 9.2 & 9.3)

The general geology of the Blizzard property area is shown on Figure 9.2 with an illustrative longitudinal section of the deposit presented as Figure 9.2 and the local geological column presented in Figure 9.3. Rocks considered to be “basement” to the Blizzard deposit consist mainly of Nelson and Valhalla intrusions (Little, 1957, 1960, and 1961) and dykes of a felsic, alkaline nature (Coryell) and olivine basalt (feeders of plateau basalts). Dykes account for about 5% of the basement rocks and occur in swarms with N20°W and N15-25°E strikes. The uranium deposit is a flat-lying body of loosely consolidated sandstone and mudstone occurring mainly beneath a capping of basalt. The basalt cap is massive at the top and becomes vesicular as it approaches the underlying sediments. The hosting sediments occupy an area about 1600 meters by 150 meters and have an average thickness of about 15 meters. Uranium occurs in a series of horizontal lenses generally striking NW to SE.

The paleo-stream channel that contains the carbonaceous sediments that host the Blizzard deposit is considered to have formed during Miocene (26 Ma to 7 Ma) or earliest Pliocene (& Ma to 2Ma) before the extrusion of the plateau basalt cap at about 5 Ma (K-Ar whole rock age

determination (Christopher, 1978). Pleistocene glacial and glaciofluvial deposits represent the last major unit deposited in the area and form a generally thin layer overlying other units.

A diatreme breccia pipe occurs at the NW end of the Blizzard deposit and intrudes the basalt and sedimentary rocks. The breccia pipe is mushroom shaped and from 60 to 90 meters in diameter. Breccia bodies have not been described at other, similar deposits, but the pipe occurs at the higher grade end of the deposit and may have increased fluid flow resulting in higher grade.

The presence of carbonaceous trash in host sedimentary rocks is common to most of the basal type deposits. Limonite staining is common and carbonaceous debris is rare in a sandstone unit. Carbonaceous sandstone contains 5 to 15% carbonaceous debris and is often interbedded with carbonaceous mudstone. Carbonaceous mudstone contains carbonaceous material from fine debris to wood fragment up to 4cm.

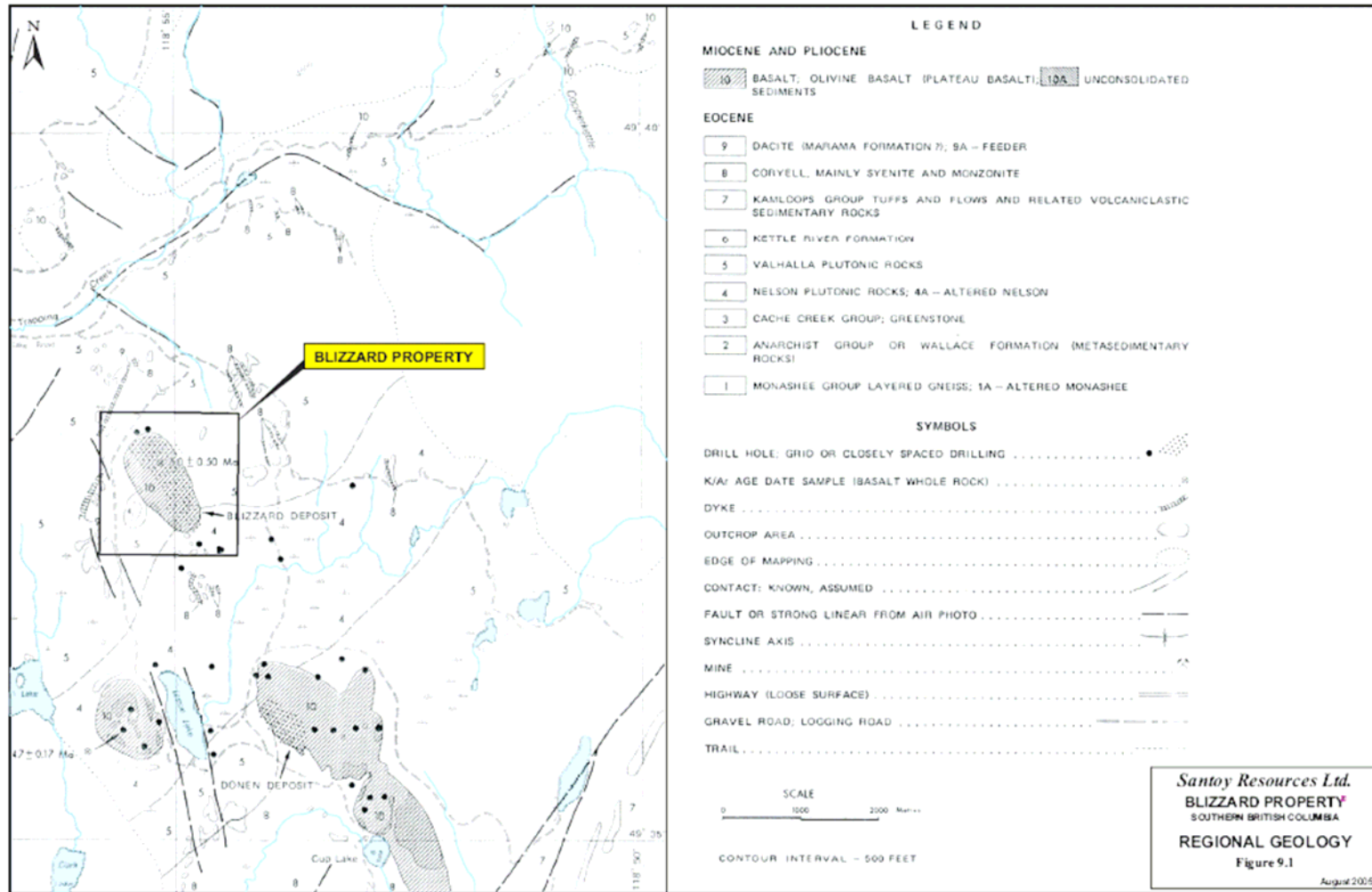


Figure 9.1 Property and Local Geology (after Christopher, 1978 and Norcen reports 1977-1979)..

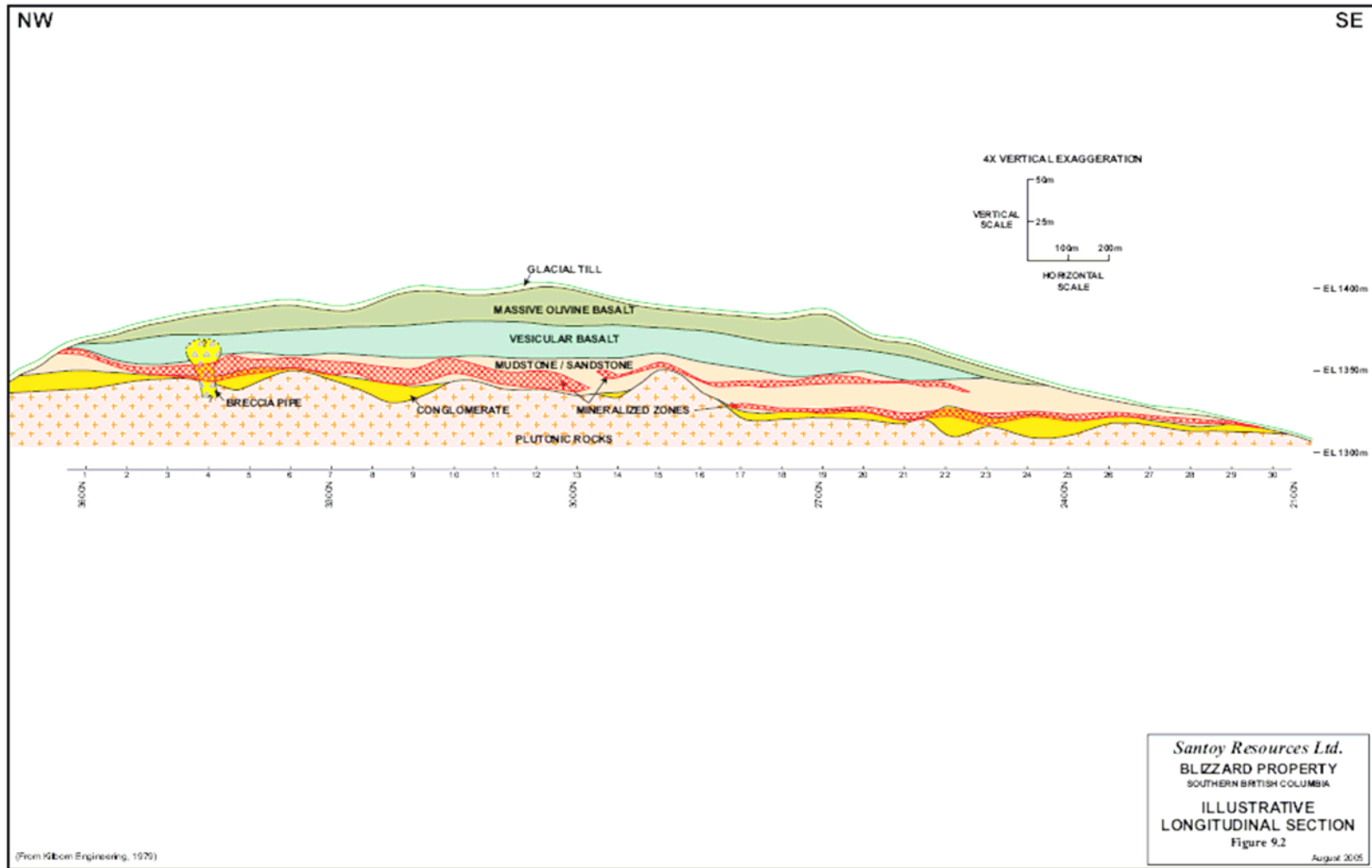


Figure 9.2 Illustrative Longitudinal Section of Blizzard Deposit.

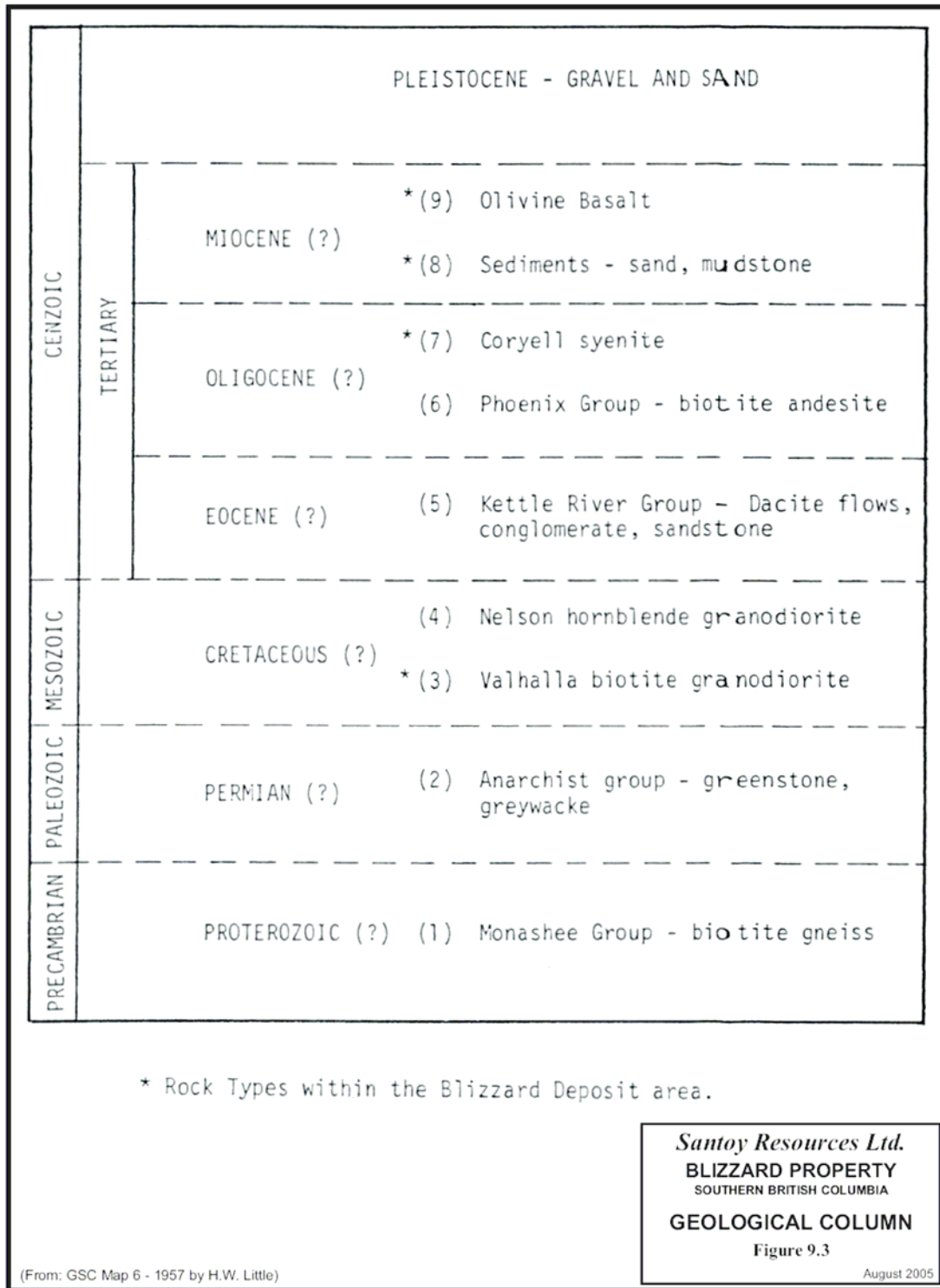


Figure 9.3. Geologic Column for Blizzard Property Area.

9.3 Structural Geology

Structurally controlled liners and the structurally controlled channels containing the Blizzard deposit have similar NNW orientations. Structurally controlled dike swarms occur in both NNW and NNE directions. Structures that control emplacement of a breccia pipe near the north end of the Blizzard deposit have not been defined.

10.0 DEPOSIT TYPES

10.1 Mineral Deposit Type/Model for the Property (Fig. 10.1)

The Blizzard uranium deposit has been classified as a basal type deposit (Christopher and Kalnins, 1977) and as a channel conglomerate type (McMillan, 1978). Basal type uranium deposits in the Okanagan Plateau occur in poorly consolidated fluvial or lacustrine carbonaceous sediments. Hosted sedimentary rocks are capped by an impermeable horizon, either Pliocene or Miocene plateau basalt (4.7 Ma (million years) and 5.0 Ma K/Ar ages) or by sediments of low permeability. Organic-rich sediments occupying paleostream channels or basins have maintained a reducing environment that caused deposition of secondary uranium minerals in areas of groundwater entrapment. The term 'basal type' uranium deposit is applied to these deposits because they often occur in a basal sequence of gravel and sands overlying a major unconformity and are below or at the base of a trapping impermeable layer. Unifying genetic and physical characteristics also allow classification of the deposits as channel, stratabound, or groundwater type uranium deposits. Favourable parameters for the formation of basal type uranium deposits of the Okanagan Plateau are:

- The presence of leachable uranium in high background granitic or volcanic terrane (eg. Coryell syenite, Valhalla quartz monzonite, Kettle River volcanics or Kamloops Group volcanics in the East Okanagan uranium area);
- Weathering or faulting provides ground preparation for oxidizing groundwater or other leaching solution;
- The presence in an aquifer of carbonaceous (reducing) stream and lake sediments that allow trapping of groundwater solutions and formation of a reducing environment in a normally oxidizing groundwater system;
- An impermeable cap (eg. Plateau basalt) that protects the deposits from erosion and from oxidizing surface waters (Sutherland Brown et al., 1979).

- The emplacement of a breccia pipe at Blizzard may have affected fluid flow and caused a higher grade northerly sector of the deposit although similar deposits have formed elsewhere without evidence of breccia pipe formation.

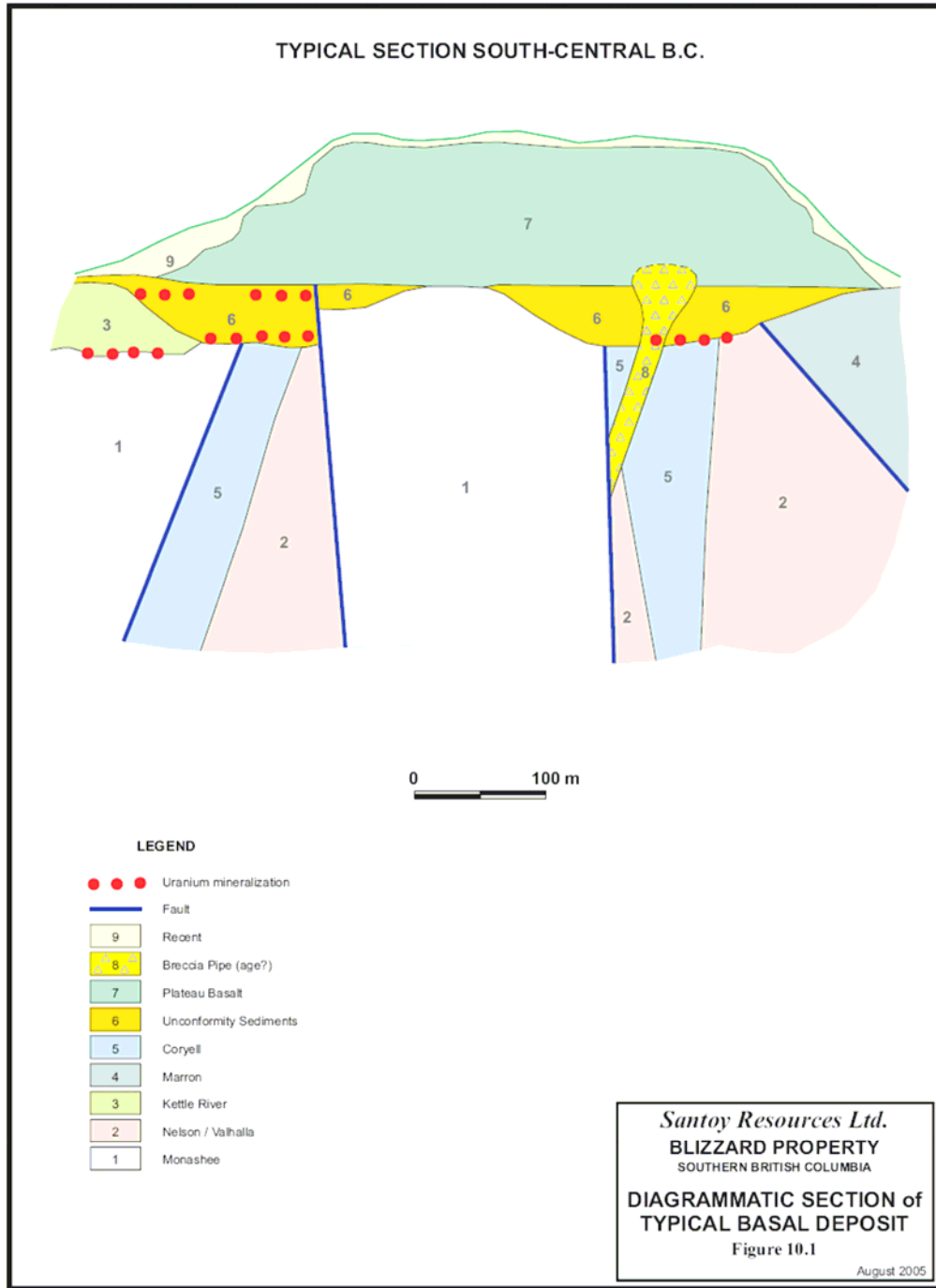


Figure 10.1 Schematic Diagram Showing Stratigraphic Section and Styles of Mineralization. (after Christopher and Kalnins, 1977).

10.2 Geological Concepts For Guiding Exploration Programs

Exploration of the Blizzard claim is at an advanced stage and the property is at the engineering, metallurgical testing, process selection and permitting stage. Pilot processing is warranted at current prices and therefore the permitting and necessary baseline environmental studies should be expedited.

The writer believes that the East Okanagan Uranium area has potential for further discoveries but most of the area has been claimed by other holders and discussion of the exploration potential of the surrounding areas would not be in the best interest of Santoy shareholders.

11.0 MINERALIZATION

The two most abundant uranium minerals are autunite (calcium uranyl phosphate) and saleeite (magnesium uranyl phosphate). Autunite and saleeite occur primarily within the sandstone and mudstone as coatings surrounding the clasts and within the matrix. Uranium minerals occur to a lesser extent within the conglomerate, a breccia pipe and intermittently within the upper few meters of the basement rocks. The ore body is sinusoidal and trends SE in a channel containing fluvial sediments. Significant mineralization varies from 40 to 275 meters in width and from 0.6 meters to 16.6 meters in thickness. The uranium is concentrated in a series of horizontal lenses and does not appear to be associated with other metallic minerals.

12.0 EXPLORATION BY THE ISSUER

Santoy has not conducted recent exploration on the Blizzard uranium project. Blizzard property has previously been explored by Lacana and a consortium of companies with Norcen as the operating manager. Exploration by the issuer has been limited to data acquisition and to site examinations. Santoy has personnel with experience on the Blizzard deposit and has contacted consultants and previous staff to investigate the practicality and advantages obtained by using experienced personnel.

13.0 DRILLING (FIGURE 13.1; TABLE 13.1)

Lacana completed 15 holes totaling 954 meters of percussion drilling in 1976 (Geology in B.C., 1976, p.E30). Norcen completed 33 diamond drill holes totaling 2040.4 meters and 19 rotary holes totaling 521.64 meters in 1977 (Geology in B.C., 1977 p.E31, E32); 294 diamond drill holes totaling 15,000 meters and 47 rotary holes totaling 2,000 meters in 1978 (Geology in B.C., 1978, p. E31); and 86 percussion drill holes totaling 1,384 meter in 1979 (Geology in B.C. 1979, p. 35). Drilling done during 1977 and 1978 was used by Kilborn in calculations that form the basis of their reserve estimate. Kilborn stated that the drilling basis for their estimate is 327 diamond drill holes completed during 1977 and 1978 and 19 rotary drill holes completed during

1977. Drill-hole locations, used for resource estimates, are summarized on Figure 13.1 with significant results summarized in Table 13.1.

The “Ore Body” was described by Kilborn (see Figure 13.1) as follows: “The concentration of ore grade uranium in sedimentary rocks appears to be continuous from 70 metres northwest of the basalt capping (3680N) to at least 265 metres southeast of the basalt, a minimum distance of 1520 metres. The ore varies from 40 metres to 275 metres in width, and from 0.6 metres to 16.6 metres in thickness. The ore body is sinusoidal and trends southeasterly. At approximately section 3300N the ore formation suddenly spreads southerly from a width of 75 metres on 3300 N to a width of 275 metres on 3270 N. It gradually narrows to a width of 60 metres at 2870 N and continues on a course less than 100 metres wide to its southeastern end at section 2160 N.”

Kilborn identified mineralized zone I through VI with most of the estimated mineral resource in Zones I through III. The distribution of zones is summarized in Figure 13.1 from Kilborn (1979). Zone I contains higher grade, approximately 0.5% U_3O_8 , from the northwest end to basement highs at 3300N. The southern part of Zone I and all of Zone II grade approximately 0.1% U_3O_8 . Zone III, situated mainly in talus conglomerate, averages 0.3% U_3O_8 (Kilborn, 1979).

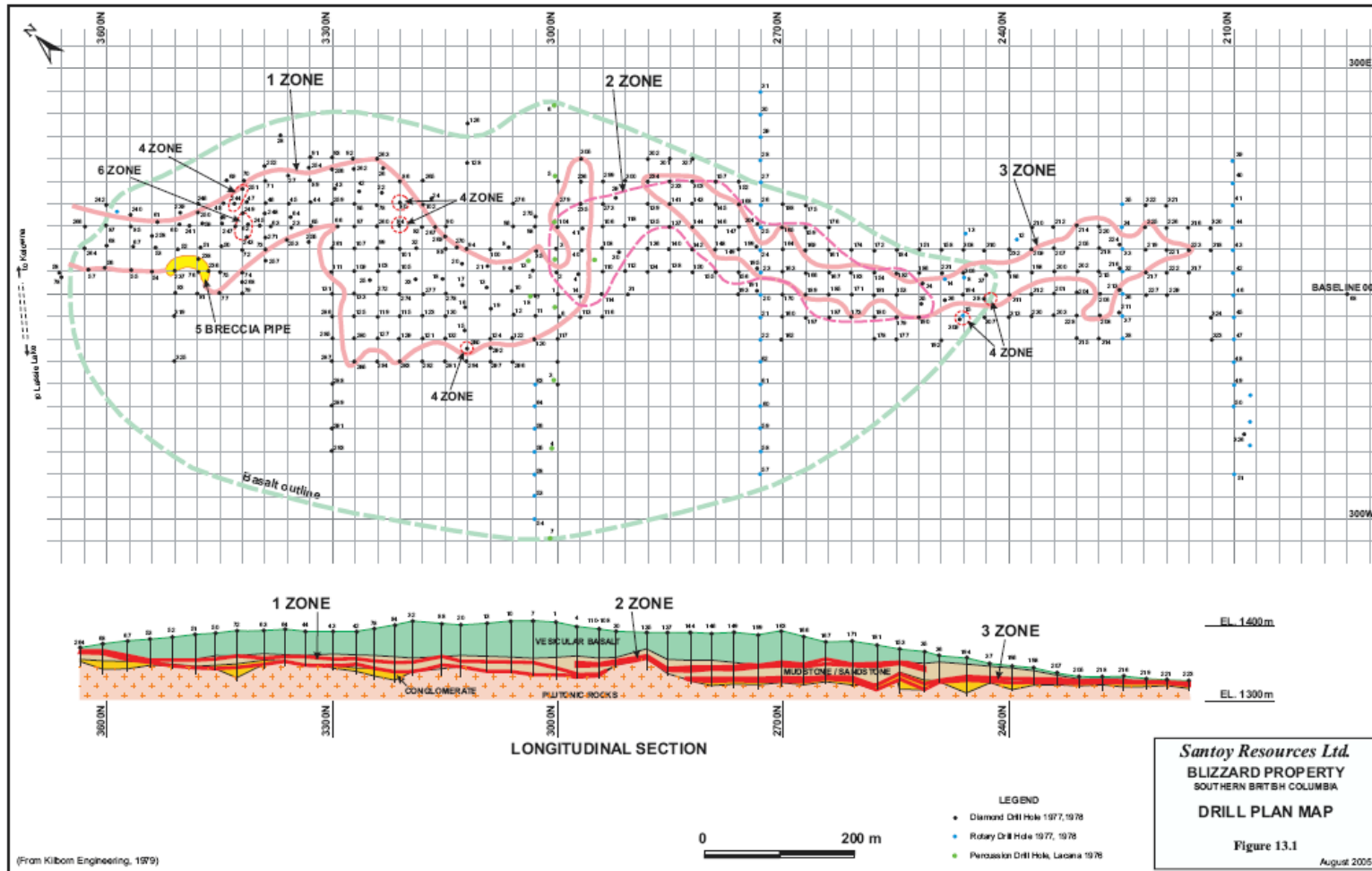


Figure 13.1 Drill Hole Locations for Blizzard Property (from Kilborn, 1979).

Table 13.1. Blizzard Property Significant Drill Intersections (from McWilliams et al., 1979 (on file in Santoy office). et al., 1979 for Details (on file in Santoy office).

Hole #	Section #	Interval (m)	Thickness (m)	% U ₃ O ₈	Recovery %
264	3630	8.84-13.87	5.34	1.700	75
266	3630	6.10-10.67	4.57	0.740	86
68	3600	14.79-20.27	5.48	1.667	67
87	3600	10.67-18.27	7.62	0.110	71
53	3540	26.37-31.10	4.73	0.281	100
258	3540	23.17-31.71	8.54	0.106	86
52	3510	30.18-35.82	5.64	1.006	97
238	3480	40.55-47.26	6.71	0.503	87
51	3480	30.50-42.07	11.57	1.31	84
236	3465	29.27-30.49	1.22	0.214	96
“	“	36.58-60.67	24.09	0.299	91
75	3450	32.32-47.56	15.24	0.115	77
50	3450	35.36-45.27	9.91	0.642	100
49	3450	33.54-42.07	8.53	0.150	97
247	3435	30.18-51.52	21.34	0.421	95
243	3420	36.89-48.48	11.59	0.709	34
62	3420	35.21-50.30	15.09	0.884	80
249	3420	36.13-47.10	10.97	0.782	93
47	3420	42.68-44.51	1.83	0.232	100
245	3405	36.13-44.51	8.38	0.902	92
248	3390	36.13-47.79	11.66	1.408	90
46	3390	34.76-45.43	10.67	0.581	94
64	3360	35.51-40.85	5.34	0.411	95
45	3360	35.98-47.87	11.89	2.038	92
44	3330	32.01-43.90	11.89	1.372	?

Hole #	Section #	Interval (m)	Thickness (m)	% U ₃ O ₈	Recovery %
261	3300	49.85-55.18	5.33	0.139	99
259	3300	32.93-45.27	12.34	0.508	76
43	3300	35.36-44.36	9.00	0.342	92
95	3270	39.33-55.94	16.61	0.306	95
42	3270	35.37-41.77	6.40	0.284	73
262	3270	32.77-37.80	5.03	0.570	54
103	3240	63.11-70.73	7.62	0.110	76
260	3240	55.18-63.57	8.39	0.488	104?
78	3240	42.22-51.07	8.85	0.248	72
22	3240	35.06-49.69	14.63	0.166	P/RC
84	3210	48.78-60.75	11.97	0.180	89
121	3180	73.78-75.30	1.52	0.237	88
277	3180	75.00-80.18	5.18	0.116	90
32	3180	51.83-67.07	15.24	0.118	P/RC?
278	3150	72.56-75.46	2.90	0.121	94
88	3150	48.17-53.66	5.49	0.126	89
15	3120	77.74-80.18	2.44	0.131	P/RC
20	3120	46.65-53.66	7.01	0.119	P/RC?
13	3090	50.31-65.55	15.24	0.181	P/RC
21	3090	44.21-47.87	3.66	0.131	P/RC
12	3060	64.94-71.95	7.01	0.141	P/RC
10	3060	52.13-64.02	11.89	0.164	P/RC
7	3030	54.57-69.81	15.24	0.109	P/RC
5	3030	45.73-54.88	9.15	0.119	P/RC
2	3000	48.78-55.79	7.01	0.156	P/RC
3	3000	43.29-53.05	9.76	0.108	P/RC
40	2970	42.68-46.65	3.97	0.204	82

Hole #	Section #	Interval (m)	Thickness (m)	% U ₃ O ₈	Recovery %
40	2970	56.10-57.62	1.52	0.253	85
41	2970	39.94-56.92	7.22	0.126	90
298	2970	51.68-53.20	1.52	0.196	71
110	2940	45.88-47.41	1.53	0.305	98
273	2940	43.29-44.82	1.53	0.130	87
149	2760	41.46-44.82	3.36	0.288	71
147	2760	35.36-46.19	10.67	0.172	66
“	2760	52.82-58.54	5.72	0.129	102
141	2850	59.15-61.43	2.28	0.198	98
142	2820	43.29-46.34	3.05	0.188	94
“	2820	39.94-41.46	1.52	0.130	97
144	2820	40.70-41.46	0.76	0.257	?
“	2820	59.91-63.11	3.20	0.532	79
165	2700	29.88-31.10	1.22	0.104	100
“	2700	43.29-44.82	1.53	0.130	83
189	2670	41.16-43.75	2.59	0.118	97
166	2670	55.94-58.84	2.90	0.912	99
185	2640	54.88-56.40	1.52	0.253	98
183	2610	39.02-43.21	4.19	0.119	95
171	2610	47.56-51.37	3.81	0.884	?
181	2580	42.99-48.02	5.03	1.512	72
153	2550	35.52-39.94	4.42	0.497	92
34	2520	27.74-32.32	4.57	0.408	58
36	2490	29.12-32.01	2.89	0.306	75
194	2460	23.63-26.22	2.59	0.131	94
306	2460	20.12-23.93	3.81	0.117	88

Hole #	Section #	Interval (m)	Thickness (m)	% U₃O₈	Recovery %
37	2430	17.84-21.95	4.11	0.428	90
196	2400	14.79-21.19	6.40	0.257	83
198	2370	13.72-18.60	4.88	0.126	58
207	2340	8.84-13.41	4.57	0.128	64
215	2280	9.91-12.65	2.74	0.170	92
216	2250	7.01-9.45	2.44	0.166	69
224	2250	3.81-6.10	2.29	0.196	66
221	2190	1.83-4.73	2.90	0.314	88

14.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

14.1 Sampling Personnel and Security

Blizzard property data was mainly from samples collected by Norcen personnel and consultants. The last major program on the Blizzard structure was completed in 1979. A seven year moratorium on uranium mining and exploration expired and uranium claims are treated like other metal mining claims although owners can expect to be required to perform stricter environmental monitoring.

The writer made several site examinations of the Blizzard uranium project during the late 1970's and found the personnel to be competent and exploration to industry best practice standards. Holes were logged geologically and radiometrically and cores split and sent for chemical assays. Chemical assays were generally higher than radiometric assays suggesting that the uranium deposit is very young, possibly still forming and uranium daughter products have not had time to reach equilibrium.

15.0 DATA VERIFICATION

15.1 Quality Control and Data Verification

The writer conducted field examinations of the Blizzard Property from 1977 through 1979 during uranium exploration programs and uranium hearings. The presence of significant uranium values has been checked and confirmed by previous operators, the writer and several government agencies. A positive feasibility study was produced by Kilborn in 1979. The writer believes that a current resource study should be conducted to NI 43-101 recommended standards using exploration data obtained by previous operators.

Mineralized drill core was removed by Norcen from the Blizzard deposit and un-mineralized core was buried. No surface showings of Blizzard deposit mineralization exist and drilling would be required to obtain confirmation engineering samples. Since the writer, federal and provincial government official, and several mining companies has previously confirmed the presence of significant uranium mineralization in Norcen drill core and no surface outcrops occur, no engineer's check samples were attempted.

16.0 ADJACENT PROPERTIES`

16.1 Relevant Data on Adjacent Properties

Uranium mineralization, in similar geological environments, occurs SSE of the Blizzard Deposit near Lassie Lake where the Donen deposit occurs and near Dear Creek where the Fuki Deposits occur about 2.0km and 8.0km, respectively from the Blizzard uranium deposit, and occurs NNW of the Blizzard Deposit near Haynes Lake and Hydraulic Lake about 20 and 27km, respectively from the Blizzard uranium deposit (Christopher, 1978).

17.0 MINERAL PROCESSING AND METALLURGICAL TESTING

17.1 Mineral Processing and Metallurgical Testing

Metallurgical testing of the Blizzard deposit was conducted by Lakefield Research of Canada Ltd., Envirotech Corporation and Hazen Research (International) Inc. (Kilborn, 1979) and a review conducted by A.H. Ross & Associates (Ross, 1979) as part of the Kilborn positive feasibility study. The Kilborn study recommended open pit mining with the recovery process incorporating conventional sulphuric acid leach followed by LAMIX (ion exchange and two stage precipitation) uranium recovery.

The writer is not aware of studies conducted that considered ISL technology. The ISL technology presents a low cost and environmentally friendly approach to removing uranium from the Blizzard deposit. The ISL methods have been successfully employed in the USA and Australia. Its applicability to the Blizzard deposits warrants testing.

18.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

18.1 Mineral Resource Estimates

The Blizzard property has historic mineral resources that are discussed and reported under the historic resource section of this report converted from Kilborn's (1979) historic reserves in the following section..

18.2 Mineral Reserve Estimates

The Blizzard property has not been the subject of a recent positive pre-feasibility or feasibility study and therefore does not have current mineral reserves. Historic reserves estimated by Kilborn (1979) in a positive feasibility study have been converted to resources to comply with NI43-101 and are reported in Table 18.1 and in the historic resource section of this report. The following information and parameters were used by Kilborn (1979) for resource estimation:

- The dry bulk density used in the estimation is 2.25 tonnes per cubic meter,

- A minimum grade of 0.025% % U₃O₈ over a minimum one meter thickness was considered and shorter high grade section were diluted at zero grade to one meter,
- The maximum projection of ore beyond a drill hole was 15 meters and normally a projection of 5-10 meters was assumed,
- Drilling done during 1977 and 1978 was used for estimations with 327 diamond drill holes and 19 rotary drill holes used,
- Resources were estimated using the horizontal polygon method,
- Polygons were drawn on plans to conform with geologic interpretation,
- Chemical assays were used when available and radiometric assays used when no material was recovered for chemical assay.

Table 18.1 Kilborn's 1979 Measured and Indicated Resources* for Blizzard Deposit

Blizzard Deposit after Kilborn (1979).

CATEGORY	TONNES	GRADE (%U ₃ O ₈)	CONTAINED Kg (% U ₃ O ₈) (FROM KILBORN, 1979)
Indicated **	1,914,973	0.247%***	4,728,428
Inferred **	4,685	0.162%***	7,595

To Conform with NI-43-101 Conversions Were Necessary

* Report as Reserves but Rules Dictate Classification as Resources.

** Indicated and Inferred Reserves were converted to Indicated and Inferred Resources.

***Rounded to 3 places.

18.3 Extent Mineral Resources Affected by Metallurgical and Mining Parameters

The Blizzard uranium resources have good leaching characteristic and Kilborn estimated 97% recovery based on sulphuric acid leaching. The ISL methods were not as well know at the time of the Kilborn feasibility study and the ISL option was dismissed without serious consideration. If ISL method can be used, then mineralized material could be treated in place and the presence of an open pit on the Okanagan Plateau, a concern to recreational land users and environmentalists would not apply.

19.0 OTHER RELEVANT DATA AND INFORMATION

The writer is not aware of any data not included in this report that would make the report misleading or would influence the writer's opinion that the property warrants the recommended Phase 1 and Phase 2 programs. In the writer's opinion, the programs represent worthwhile investments and if the ISL pilot test is successful, should provide necessary data for conducting a current feasibility.

20.0 INTERPRETATION AND CONCLUSIONS

The seven year moratorium on uranium exploration resulted in the shelving of a uranium deposit with a positive feasibility study (Kilborn, 1979). Following the imposed time, the moratorium expired but uranium price had dropped by nearly an order of magnitude. Most uranium projects in British Columbia remained inactive and claims lapsed. Recovery of prices has renewed interest in uranium exploration and deposits with historic resources, like the Blizzard Project, are again valuable assets. Since the high prices of the late 1970s and early 1980s, producers have looked to cut costs and significant developments of ISL technology have occurred in the United States and Australia that make the ISL method of extracting uranium environmentally friendly and economically attractive. The ISL method of extracting uranium has the following benefits:

- ISL eliminates the need for an open pit,
- Removes uranium but leaves trap that can be returned to reducing state needed to extract uranium from ground water,
- Eliminates concerns about waste and tailings.
- Water can be reused and a near closed system produced by sealing the deposit area,
- Surface facility is relatively small compared to land required for open pit mine, mill, tailing and waste areas.

The ISL method warrants testing at the Blizzard Deposit with a Phase 1 program required to obtain information necessary for permitting of a Phase 2 pilot test of the ISL extraction method on the Blizzard Deposit.

21.0 WORK RECOMMENDATIONS

21.1 Summary Recommendation of Two Phases of Work

The writer recommends an initial program of research and conceptual modeling of the ISL methods for extracting uranium from the Blizzard deposit. Baseline environmental study should be started as soon as possible to establish natural background values in local waters and terrane. The use of consulting firms used by Norcen and Kilborn would provide access to a considerable data base and restrict environmentalists that oppose mining to less knowledgeable and less experienced experts. The Phase 1 program might also consider some condemnation drilling to better define the extent of the Blizzard deposits and presence of possible satellite deposits.

A success contingent Phase 2 program of pilot testing of ISL methods is dependent on the successful laboratory tests and ability to obtain necessary permits and local support for safely removing uranium from the Blizzard Deposit.

21.2 Recommendation of Phase One Work

The budget estimate of \$500,000, for the recommended Phase 1, data base acquisition, current resource study, lab testing of the ISL method of extraction for the Blizzard deposit, a current base line environmental study and public information programs to present the benefits of mining the Blizzard deposit, is summarized in Table 22.1.

21.3 Recommendation of Phase Two Work

Following completion of Phase 1, a \$1,000,000 Phase 2 pilot testing of ISL methods is recommended. A pilot test should concentrate on testing areas of the deposit with varying grades and composition of ore mineralogy and host material. Drill testing of other targeted areas should be undertaken in conjunction with the field pilot testing program.

21.4 Opinion that Property is of Sufficient Merit to Justify Work Recommended

In the writer's opinion, the character of the property is of sufficient merit to justify the recommended Phase 1 program, and the program represents a worthwhile investment by Santoy.

TABLE 21.1. SUMMARY OF WORK PROGRAM AND BUDGET FOR PHASE 1 WORK PROGRAM ON BLIZZARD PROPERTY.

Type	Description	Estimated Cost
Project Preparation		10,000.00
Engineering Staff		200,000.00
Baseline Studied	Minimum 12 month water quality data is required	50,000.00
Public Relation	Public Relations and Education program needed for the Okanagan Valley and Beaverdell-Rock Creek Areas	100,000.00
Site Inspection and Review of Other ISL Uranium Sites		50,000.00
Legal and Title		25,000.00
Permitting		25,000.00
Contingency		40,000.00
Total Estimated Cost		\$500,000.00

A Phase 2 recommended budget of \$1,000,000 is estimated for ISL testing of the Blizzard deposit and possible sample collection for metallurgical testing and possible drilling for expansion of resources. The Phase 2 budget of \$1,000,000 should be defined based on Phase 1 experience.

Phase 1 Recommended Budget	\$ 500,000.00
Phase 2 Recommended Budget	<u>\$1,000,000.00</u>
Total Recommended Phase 1 and Phase 2	<u>\$ 1,500,000.00</u>

22.0 REFERENCES AND SOURCES OF INFORMATION

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23.0 SIGNATURE, STAMP AND DATE

Signed and stamped at Vancouver, B.C., this 31st day of August 2005.

Peter A. Christopher, PhD, P.Eng.

24.0 CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geological Engineer registered (#10,474) with the Association of Professional Engineers and Geoscientists of British Columbia since 1976.
2. I am a Fellow of the Geological Association of Canada.
3. I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.
4. I have been practicing my profession as a Geologist for over 35 years and as a Consulting Geological Engineer since June 1981. I have authored over 200 qualifying engineering and exploration reports, and over 20 professional publications. I have work experience in most areas of the United States, Canada, Mexico and several other Latin American countries. As a result of my experience and qualifications, I am a qualified person as defined in National Instrument 43-101.
5. I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the properties or securities of Santoy or Sparton. I am independent of Santoy and Sparton in accordance with the application of Section 1.5 of National Instrument 43-101.

6. I have based this report on previous exploration experience in the Beaverdell area and mapping of the East Okanagan Uranium Area for the B.C. Government, on a review of reports listed in the references and sources of data section and on a personal examination of the Blizzard Property¹⁹, 2005.
7. I am not aware of any material fact or material change with respect to the subject matter of this technical report which is not reflected in this report, of which the omission to disclose would make this report misleading.
8. I have read National Instrument 43-101, Form 43-101F1 and believe my report is in compliance with National Instrument 43-101.
9. I consent to the use of this report by Santoy Resource Ltd. for any Filing Statement, Statement of Material Facts, Prospectus or Annual Information Form issued by Santoy.
10. I consent to the filing of the Technical Report by Santoy Resource Ltd. with any stock exchange and other regulatory authority and any publication of the Technical Report by them for regulatory purposes, including electronic publication in the public company files on their websites accessible to the public.

Dated at Vancouver, British Columbia, the 31st day of August 2005.

Peter A. Christopher, Ph.D., P.Eng.