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# Geologic Report for the Baxter Project, Churchill & Nye Counties, Nevada

Prepared for

Fortune River Resource Corp. (formally Rio Fortuna Exploration Corp.)
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## SUMMARY

Baxter is an exploration-stage, gold/silver mineral project located in Churchill and Nye Counties, Nevada. Fortune River can acquire 100% interest in 113 unpatented lode-mining claims that comprise this project, subject to a retained royalty by the underlying owners. Accessibility is good, and no impediments to development of a mine are known should an economic discovery be made.

Gold and silver mineralization is related to a low-sulfidation, epithermal vein system. At least two drill programs were conducted by other companies prior to the Company's involvement. These programs were primarily directed toward discovery of a shallow, precious-metal deposit amenable to open pit mining. Several intercepts of strongly anomalous gold were reported, and these results, as well as other historic data, have been integrated with the Company's geologic mapping, surface sampling and geophysical survey.

The Company identified several targets in early 2004, culminating in an 11-hole reverse-circulation drilling program (5265 feet) to partially test areas informally known as Baxter mine and Chugiak during the fall of 2004. Results of this program were encouraging and included relatively narrow zones of both lower-grade (0.0X opt Au) and higher grade (0.X opt Au) mineralization.

A detailed ground magnetics survey was conducted during March 2005. A northwest trending graben may be present. Widespread precious-metal mineralization has been intersected in drill holes throughout the postulated graben, including mineralization in both the Baxter Mine and Chugiak areas. Much of the property is covered by post-mineral Quaternary alluvium and Tertiary basalt flows. Northerly trending linear magnetic lows, which are largely covered by gravel, are probably due to destruction of magnetite during hydrothermal alteration along northerly trending normal faults. Historic drill data show juxtaposed rock units along these magnetic lows, corroborating the fault interpretation. Intersections of northwesterly and northerly faults should have focused hydrothermal activity, making attractive targets for high-grade mineralization.

A detailed ground magnetics survey was conducted during March 2006 on the northern portion of the project, where several areas of auriferous quartz veins, hydrothermal breccia, and sinter are untested, or incompletely tested, by drilling. The magnetics survey identified several alluvial-covered faults and fault intersections that deserve drill testing.

A 15-hole reverse-circulation drill program, with an estimated cost of $325,000, is recommended to further test several areas within the postulated graben and the northern portion of the property. An ammendment to the existing Bureau of Land Management drill permit is being prepared.

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## INTRODUCTION

This report, commissioned by Fortune River Resource Corporation (Fortune River), summarizes geology and precious metals mineralization at the Baxter project (Baxter) in west/central Nevada, USA. The report was prepared using both public and unpublished company historic reports and data generated by the author, including consultants under his direction, over the period 2003-2006, and conforms to Canadian National Instrument 43-101 and Form 43-101F1. A recommended work program, with budget, is included.

All costs contained within this report are denominated in United States dollars. For the purpose of this report, the terms "opt Au" and "opt Ag" will refer to ounces of gold (Au) and ounces of silver (Ag) per short ton, and the term "ppm" will refer to parts per million. Multiply values in "ppm" by 0.0292 to convert to "opt". Values in ppm are equivalent to the metric unit of grams per tonne. English units of measurement will be used.

## RELIANCE ON OTHER EXPERTS

This report has been prepared using public and private documents, as well as data collected by the author and others on Fortune River's behalf. Reasonable care has been taken in preparing this report; however, the author cannot guarantee the accuracy or completeness of historic supporting documentation. Usage of such supporting documentation has been cited in this report, with a complete reference for each citation found under the title "REFERENCES." The interpretive views expressed in this report are those of the author, and may or may not reflect the views of Fortune River.

## PROPERTY DESCRIPTION AND LOCATION

The Baxter project is located in the southeastern portion of Churchill and the northwestern portion of Nye Countries in western Nevada (Figure 1), in an area of low to moderate topography known as the Broken Hills. It lies approximately 15 miles northeast of the small mining town of Gabbs. The project consists of 113 unpatented, lode mining claims, approximately 2,250 acres (Table 1 and Figure 2). All claims are located on U.S. federal land managed by the Carson City District of the U.S. Bureau of Land Management (BLM). The claims are located T14N, R37E, sections 5, 6, 7, 8, 16, 17, 18, 20, and 21, Mount Diablo Meridian. Each claim within the property boundary is identified by 2 inch by 2 inch posts, each 4 feet above the ground, and scribed with an aluminum tag as required by Nevada statutes. The claims have not been legally surveyed.

Fortune River can acquire 100% interest in the claims by making advance minimum royalty payments totaling $75,000 over a five-year period. A net smelter royalty of 3% will be payable upon commercial production, of which 1% can be purchased for $1.0 million. If Fortune River acquires 100% interest, advanced minimum royalties of $25,000 will be due annually. Currently, holding costs for unpatented mining claims are $125 Maintenance Fee per year per claim to the BLM and $8.50 Intent to Hold Fee per year per claim to Churchill and Lander Counties. Claims that are located in both counties are subject to payment of the Intent to Hold Fee in both counties. Permits for earthmoving activities, such as drilling and trenching, must be obtained from the BLM.

The company has such a permit, known as a Notice, as well as the required reclamation bond; however, work recommended here will require modifying the Notice and posting an additional bond amount.

There are no known unusual social, political, or environmental issues related to the property at this time that would adversely affect exploration, development, or production at the prospect. There are several open shafts, remnants of historic mining; however, Fortune River has fenced six of the most accessible shafts according to Nevada Department of Minerals Minimum Standards for Orphaned Shafts and Adits in order to reduce this liability.

## ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOLOGY

Access to the Baxter Project is good from three directions:

From the northwest - Travel east on route 50 from Fallon to Middlegate and turn south on route 361. Travel south approximately 15 miles to a gravel road with a sign for Quartz Mountain. Travel east on the gravel road approximately 10 miles to a junction of several gravel roads, then take a gravel road that leads due north 2 miles to the property.

From the southwest – Travel north on route 361 from Gabbs approximately 3 miles, then turn northeast onto the gravel road up Lodi Valley approximately 10 miles to the junction of several gravel roads. Take a gravel road that leads due north 2 miles to the property.

From the east - Travel southwest from U.S. Route 722 across Smith Creek Valley along a county-maintained gravel road. Descending from Burnt Cabin Summit on this road will lead to the same junction of several gravel roads as with other access routes. Turn north and travel 2 miles to the property.

There are numerous jeep trails providing good access to all parts of the project. Topography is gentle to moderate and sage-covered. The elevation at Baxter ranges between about 5500' and 6200'. Soil is well drained and snow cover is minimal, allowing easy access most of the year. The Burnt Cabin Summit 1:24,000-scale, U.S. Geologic Survey topographic map covers the project area.

Motels and restaurants of various qualities are available within a 0.5 to 1.5-hour drive of Baxter in Gabbs (seasonally), Middlegate, Austin, and Fallon. Should an economic discovery be made, improvements to necessary infrastructure, such as power, water, access, housing, etc., will be reasonably inexpensive due to its proximity to Gabbs, site of a large, open-pit magnesium mine, and the former Paradise Peak open-pit gold/silver mine. Supplies can be trucked to the site from Reno, which is the location of the nearest commercial airport.

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## HISTORY

The property is located within the Aspen Mining District, discovered about 1907 (Tingley, 1998). "Meager production" of gold (Steward and McKee, 1977) is attributed to the district. There were two periods of significant prospecting and small-scale production, 1935 and 1955/56, prior to the modern search for disseminated gold deposits in volcanic rocks during the late 1980's and early 1990's. Historically, Au- and Ag-rich quartz veins, ranging from a few inches to a feet feet wide, were exploited in quartz latite volcanic rocks and tuffaceous sedimentary rocks. Also, high-grade gold reportedly occurred in carbonized and silicified logs in the vicinity of the northern portion of the claim block. Logs up to 4 feet in diameter and 15 feet long reportedly assayed as high as 18.26 opt Au and 10.8 opt Ag, but the location of this material is imprecisely given (Stager, 1977). Sampling by Fortune River has not encountered any significant gold in petrified wood collected from the Baxter property, however.

Pacific Coast Mines, Inc., a subsidiary of U.S. Borax, and Inspiration Gold, Inc., which changed its name to Western Gold Exploration and Mining Company, Ltd., conducted drilling programs on the property during the 1980's and early 1990's in the unsuccessful search for disseminated gold deposits (Ernst, 1987; Ernst, 1988; and Ernst, 1989). However, narrow veins with higher-grade gold (0.X opt) were intersected, and these veins are the target of current exploration.

## GEOLOGICAL SETTING

The prospect lies at the eastern edge of the Broken Hills, southwest of the Desatoya Mountains and northwest of the Paradise Range. The area lies within a large, oval-shaped topographic feature that may represent the margin of a large Tertiary caldera. The steep, arcuate topographic low west of Burnt Cabin summit may be the eastern wall of this postulated caldera. Coarse debris flows exposed in cliffs northeast of the Baxter project contain blocks many 10’s of feet across, indicating proximity to a major Tertiary fault. Both pre- and post-mineral felsic flow domes and extensive areas of sinter float lie within the proposed caldera, further evidence of a large volcanic center. No age dates are available for the volcanic rocks in this area, but regional geology dictates a Tertiary age (Stewart and Carlson, 1976).

The property is located within a broad zone of regional strike-slip faulting, known as the Walter Lane, which began to form around 20 million years ago and continues to be active through the present. Older volcanic domes and Walker Lane faults are related to low-sulfidation, epithermal gold/silver mineralization at Baxter and other prospects in the region. Known precious metal occurrences of significance within the Walker Lane gold belt include several multi-million ounce districts, such as Comstock, Rawhide, Tonopah, Goldfield, and Paradise Peak. Oldow (2005) reports that the Walker Lane fault system bends across western Nevada, which resulted in the formation of northerly trending half grabens to accommodate greater movement along the northeastern portion of the bend. Such north-trending extensional faults appear to have guided hydrothermal fluids at Baxter.

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Several rock units have been mapped at the Baxter project. Thicknesses of bedrock units are unknown due to poor exposure and post-mineral faulting, but thicknesses are probably highly variable due to the active structural and volcanic environment in which they were deposited.

Tuff is most extensively exposed bedrock unit and is composed primarily of lithic tuffs with variable lithic sizes and compositions. Lithic fragments up to 10's of feet across are common at the project, although most lithic fragments are in the range of inches. Felsic, intermediate, and mafic volcanic rocks and felsic pumice are common as lithics. Very poor sorting suggests that many of these beds formed as ash-rich debris flows. Limited data indicate that fragments increase in size to the northeast, suggesting a topographic high and the source of lithics lie in that direction. The arcuate break in topography described above as a possible caldera rim may have been the source of this debris. In the central portion of the project, beds of graded conglomerate and sandstone are common as interbeds within the tuff unit, along with rare, thin beds of poorly welded ash-flow tuff. The tuff unit typically dips gently (less than 30 degrees) where well exposed. The unit is commonly argillically altered on the Baxter property, intensely in places. Certain subunits within the tuff are moderately silicified and iron stained, such as those exposed east of the Baxter mine and at the Chugiak area. Some of these areas of widespread silicification were drilled during the late 1980's and early 1990's in search of disseminated gold.

Tertiary andesite flows and dikes underly the tuff unit and are possibly underlain by another unit of tuff.

Bedded sinter occurs locally near the top of the tuff unit in the northern portion of the claim block. The sinter includes rare reed fossils, and is overlain by minor tuffaceous sediment and then a younger, unaltered vesicular basalt flow. Another basalt, possibly older, is mostly concealed by alluvium within the graben. Historic drill holes indicate the basal postion of this unit is altered; thus, it may have acted as a cap to hydrothermal fluids. Outcrop and subcrop are highly oxidized basalt without vesicles, in contrast to the black, glassy basalt flow that overlies sinter to the north.

Several hydrothermal breccia bodies, up to 200 feet across, crop out approximately 100 feet topographically below the sinter. Multi-stage breccia contains angular to rounded blocks of various rock types; some fragments may be inherited from lithic-rich tuff, which is host to the bodies. The matrix is mostly ground rock fragments, with very rare chalcedonic quartz. Some breccia fragments are well rounded and some of these contain euhedral adularia crytals that have nucleated on feldspar phenocrysts. Rare quartz-after-calcite occurs between large breccia blocks. One select sample of this filling contains 1.52 ppm gold, which is in contrast to very low concentrations in the breccia bodies where quartz is absent. The filling may be leakage from more extensive gold mineralization at depth.

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Two ages of felsic rocks exist: an older, altered quartz latite unit and a younger, unaltered rhyolite unit. Both consist of volcanic flows, domes, necks, dikes, and small intrusive bodies. Quartz veinlets, locally with quartz-after-calcite textures, are present within areas of argillically altered quartz latite, and mineralization may be genetically associated with these pre-mineral volcanic domes and intrusions. Exposures of fresh gray perlite and black vitrophyre represent the chilled margin of post-mineral volcanic domes.

Unaltered Quaternary alluvium forms a thin cover over much of the eastern and central portions of the claims. Alluvium is generally less than 200' thick and has been incised in places along the eastern portion of the claims, exposing bedrock in several drainages.

## DEPOSIT TYPES

Baxter is a volcanic-hosted, low-sulfidation gold/silver system. It has geologic characteristics similar to several highly profitable, multi-million-ounce, high-grade gold/silver deposits throughout the world, including El Penon (Chile), Hishikari (Japan), and Kubaka (Siberia). The Sleeper and Midas deposits, located in Nevada, are additional examples. Fortune River's Highland prospect is similar and is located approximately 4 miles to the northeast.

A small, but unknown, amount of gold was produced from the Baxter Mine where ore appears to have been stoped from erratically distributed high-grade shoots. These shoots are believed to be from the upper-level of this epithermal system, suggesting the possibility of more continuous high-grade mineralization below currently tested areas. Evidence that Baxter is the upper expression of such a mineral system includes: presence of quartz-after-calcite (boiling) and banded chalcedony veins (low temperature), sinter (surface deposit), hydrothermal breccia pipes (relatively near surface), felsic domes and necks (surface and near surface deposits), and the geochemical signature (low base metals, anomalous arsenic and mercury).

## MINERALIZATION

Gold, silver, arsenic, antimony, mercury, selenium, and molybdenum are the most consistently anomalous elements on the property. These metals often are indicators of productive low-sulfidation epithermal systems, forming large halos around economic gold/silver deposits. Silver to gold ratios are generally less than 10:1.

Historic workings follow zones of crushed, altered, iron-oxide stained rock and clay, which locally contain banded silica veins and quartz replacing laminar calcite. Black manganese oxide coatings are abundant. The highest grade surface sample (CW-44) is from an ore pile of the historic Baxter mine; it assayed 0.619 opt (21.2 ppm) Au with 0.385 opt (13.2 ppm) Ag. Sample assays range from this high value to less than detection limit. Known higher grade mineralization appears to be discontinous, and is interpreted to be leakage above potentially more widespread mineralization preserved deeper in the hydrothermal system.

Numerous gold occurrences exist elsewhere in the region, with the Bruner District, located approximately 4 miles to the southeast, being the closest significant historic producer. Historic production is reported to be $1.6 million from approximately 110,000 tons of ore (Dennis, 1995).

## EXPLORATION

Fortune River acquired the property in February of 2003 from two geologists, Elliott Crist and the author. Detailed mapping and sampling was conducted in 2004; the author did the work in the graben area, and independent consultant Dave Mough did the work in the northern area (Chalk Wells area). An eleven-hole, reverse-circulation drilling program (5265 feet) was conducted in 2004 by O'Keefe Drilling Company under the author's supervision. Elliott Crist and the author shared on-site supervision of the drill.

The author recommends drilling an additional 15 reverse-circulation drill holes to further test the area of the graben and the northern area, where sinter and hydrothermal breccia pipes suggest erosion is at a higher level of exposure than in the graben area.

## DRILLING

Fortune River received BLM acceptance of their Notice (serial number NVN-78815) on August 11, 2004 and acceptance of their $3,900 cash bond on September 2, 2004. All drill pads were reclaimed and seeded shortly after drilling, but the BLM has not yet inspected the sites. Upon completion of a site inspection, a portion of the bond may be released or applied towards bonding of new sites.

The eleven-hole, reverse-circulation drilling program partially tested two areas: the area east of the Baxter mine and the Chugiak area. Although +0.01 opt gold was intersected in all but one of the Fortune River holes at the Baxter mine area (see Table 2), several historic holes that contained high-grade gold were not duplicated by the Company's nearby drill holes. This discrepancy may indicate the erratic nature of the near surface mineralization or a sampling or lab analysis problem with the samples obtained from the historic drill holes. It was common at that time to collect very small samples, which can provide highly variable results.

The intercepts listed in Table 2 are not true thicknesses because insufficient information is available to evaluate the effects of intersecting structures along presumed mineralized faults; however, holes were oriented to intersect the primary fault close to perpendicular.

In all but one of the Company's holes at the Baxter Mine area, silicified rock was encountered immediately beneath thin alluvial cover, suggesting the primary mineralized fault lies immediately beneath the narrow valley that provided access for the drill rig. Detailed magnetics suggest the fault dips eastward; thus, the westerly directed holes barely clipped the western margin of the fault zone. The originally presumed feeder fault lies to the southwest and was tested with drill holes, but this fault contains little or no gold and variable pathfinder elements. Silica flooding, with actual veins only intersected in the deeper holes, suggests the main boiling horizon lies at depth. Previously exploited

gold mineralization appears to be erratically distributed leakage; therefore, further drilling is recommended to test the probably feeder structure at greater depths than 2004 holes tested.

The Chugiak area provided more encouraging results. The projection of a major fault under thin gravel cover did contain significant gold mineralization in holes B04006 and B04007 (see Table 2). The strongest mineralization (5 feet of 9.12 ppm Au within a 20-foot zone of 3.50 ppm Au) occurs at the intersection of the high-angle fault with the relatively flat-lying stratigraphic contact between a quartz latite flow and overlying tuff. The narrow zone of mineralization is shown to be limited on strike by historic drilling, but it may represent leakage from more laterally extensive mineralization at depth.

## SAMPLING METHOD AND APPROACH

The author collected rock-chip samples and supervised surface sampling by Fortune River's consultants Elliott Crist and Dave Mough. Sample spacing was determined by the distribution of exposures of altered rock and veins and not a sample grid.

Insufficient information exists to properly evaluate historic drill data; thus, it is not used other than to indicate the presence of gold and silver mineralization for follow-up drill testing.

Fortune River's drilling program consisted of injecting a mist of water to retain dust and splitting a portion every five feet of drill depth at the rig using a wet splitter that was set to provide +5 pounds of sample while preventing overflow of the 20" by 24" sample bag. The author believes the sampling provides as accurate a sample as can be obtained using the reverse-circulation drill technique. Samples were collected and the bags tied by O'Keefe Drilling Company, and were delivered to American Assay Labs (AAL) immediately upon completion of each hole by either the author or Elliott Crist.

## SAMPLE PREPARATION, ANALYSES AND SECURITY

American Assay Laboratories (AAL) (Certificate of ISO/IEC 17025 Compliance issued by Global QA, Inc.) dried the samples, untied the sample bag, and then crushed the entire sample to -10 mesh. A 1000-gram split was then pulverized to -200 mesh to make a pulp. A 30-gram split was analyzed for gold via standard fire assay with atomic adsorption finish. A separate split was run for multi-element ICP analyses. ALS Chemex (Standards Council of Canada Accredited Laboratory No. 579) conducted duplicate fire assays, including metallic screen analyses on select intervals.

It is the author's opinion that surface and drill sampling conducted on behalf of Fortune River was properly collected, prepared, and analyzed utilizing an appropriate degree of security. Insufficient information is available for the author to comment on the quality of procedures used for all historic drill samples.

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## DATA VERIFICATION

There is no data available to the author to verify previous drill results, although one of Fortune River's holes did unsuccessfully attempt to duplicate an historic hole that reportedly contained several intervals of +3 ppm Au. Inspiration reported trouble with their original lab, but subsequent analyses indicated that they solved the problem by using another lab (Ernst, 1988; and Ernst, 1989). There is no record of their sampling procedure at the drill rig, but it was standard practice at that time to collect a small sample. Most modern exploration programs collect a much larger sample than that which was typically collected in the late 1980s. It is generally believed that a large sample of at least five pounds is necessary to provide reliable drill assay information in vein systems.

The Company's drill program included blanks, standards, repeats, and duplicates. A blank preceded every sample batch, generally with a second black inserted elsewhere. Blanks consisted of fresh basalt collected near the property; blanks were treated like drill samples, including passing through the entire prep procedure, and were run in sequence with the drill samples.

Standards were purchased from a local sample-prep lab. They proved to be quite variable, apparently due to poor homogenization of the original material, and checked only within fairly wide margins of values.

Repeats of pulps show good reproducibility, with only hole B04001 showing poor reproducibility. It is likely that the lab did not correctly prep these samples because pulps from subsequent holes reproduced very closely (Figure 3).

Duplicates consisted of collecting rejects from AAL of all +0.01 opt Au mineralized intervals and intervals immediately uphole and downhole, and then delivering those rejects to ALS Chemex. The duplicates were re-prepped by ALS Chemex utilizing the same procedure as AAL and either fire assayed with atomic adsorption finish (30 gram) or metallic (screen) assayed (1000-gram sample screened with coarse fraction fire assayed and multiple 30-gram fine fractions fire assayed, with the final assay being the recombined fine and coarse assays by weight percentage). Duplicates compare well (Figure 4), and metallic assays compared to conventional fire assays indicate no significant nugget problem. However, future drilling should continually re-assess potential nugget problems, as the coarseness of gold in different portions of the same vein may differ. The author's experience is that the aggressive prep procedure used is adequate to solve minor nugget effects.

## ADJACENT PROPERTIES

There are numerous showings of low-sulfidation gold/silver mineralization in the region, including those in the Bruner District, at Fortune River's Highland prospect, at Buffalo Hump, and at Eastgate. However, none of these or other similar prospects bear directly on the potential of Baxter.

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## MINERAL PROCESSING AND METALLURGICAL TESTING

No modern metallurgical testing has been done at Baxter.

## MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES

No mineral resources or reserves have been defined at Baxter to date.

## OTHER RELEVANT DATA AND INFORMATION

There are no other data known to the author that bear directly on the potential of the Baxter project.

## INTERPRETATION AND CONCLUSIONS

The Baxter project is a low-sulfidation gold/silver system, largely untested below approximately 300-foot depth. The Company's initial shallow drilling program confirmed the existence of attractive gold grades at the Chugiak target and low-grade gold grades near the historic Baxter mine. The author believes a second program of deeper drilling is justified at both areas previously tested and at several other areas identified by compiling geologic, geochemical, geophysical, and historic drill data (Figure 5). Several forms of evidence indicate that the amount of erosion into this mineral system is minimal; therefore, there is good potential to encounter deeper, high-grade gold/silver mineralization at several targets. Presently known erratic high-grade gold and silver mineralization may be "leakage" from more extensively distributed mineralization at depth. The magnetics survey reveals several linear lows that appear to be northwestly and northly trending faults, which appear to be associated with gold mineralization. The intersections of these faults are especially attractive targets, where bonanza grades may exist. Access is good and topography is favorable for inexpensively drill testing these targets. Should an economic discovery be made, improvements to necessary infrastructure (power, water, access, housing, etc.) should be reasonably inexpensive. There are no known environmental, social or logistical impediments to developing a mine at Baxter.

## RECOMMENDATIONS

It is the author's opinion that the Baxter prospect is of sufficient merit to justify a 12,000' reverse-circulation drilling program at the graben area and at the northern area (15 reverse-circulation holes averaging 800' each at $25/foot, plus contingence, for a cost of approximately $325,000). Targets include following up 2004 holes near the Baxter mine and at Chugiak by drilling deeper along projections of mineralized faults, as well as drilling several northwestly and northly trending magnetic lows near historic holes that contain anomalous gold (Figure 6 and 7). This program will determine if deeper positions of structures at the Baxter mine and Chugiak areas contain significant gold mineralization, and if other postulated structural intersections are mineralized. Follow-up drilling should be contingent upon receiving favorable results of this drilling program.

Fortune River is preparing an amendment to its Notice with the BLM in order to drill additional holes at Baxter, approval of which will be subject to posting an additional reclamation bond.

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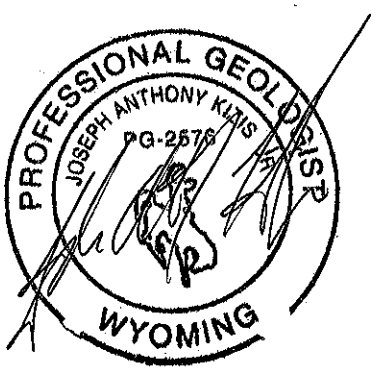
## DATE AND SIGNATURE PAGE

I, JOSEPH ANTHONY KIZIS, JR, consulting geologist with a business address of 4790 Caughlin Parkway, # 207, Reno, Nevada 89509-0907, HEREBY CERTIFY THAT:

1. I am a graduate of Kent State University, Ohio, with a B.S. degree in Geology (1974) and of the University of Colorado, Colorado, with a M.S. degree in Geology (1979).
2. From 1974 to present I have been actively employed in various capacities in the mining industry at numerous locations in North and South America.
3. I personally conducted fieldwork at the Baxter prospect between 2003 and 2005, totaling approximately 50 days, and have been engaged by Fortune River Exploration Corporation to complete this report, entitled **Geologic Report for the Baxter Project, Churchill & Nye Counties, Nevada** (dated March 22, 2006), and make recommendations for further work at the property.
4. To the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
5. I am a Director and President of Fortune River, with a contract to provide geologic and managerial services to the Company.
6. I am a 50% partner with the underlying owner of Highland; therefore, I am not independent of Fortune River as defined in Section 1.4 of National Instrument 43-101.
7. I am a Professional Geologist, registered with the State of Wyoming (PG-2576) since 1997.
8. I am a Qualified Person for the purposes of National Instrument 43-101. I have read and understand the terms of National Instrument 43-101 and Form 43-101F1, and have submitted this report with the intention of complying with these documents.
9. I approve of this report being used for any lawful purposes as may be required by Fortune River and its affiliates.

DATED in Reno, Nevada this 3rd day of May 2006.

Joseph Anthony Kizis, Jr., B.S., M.S., PG-2576



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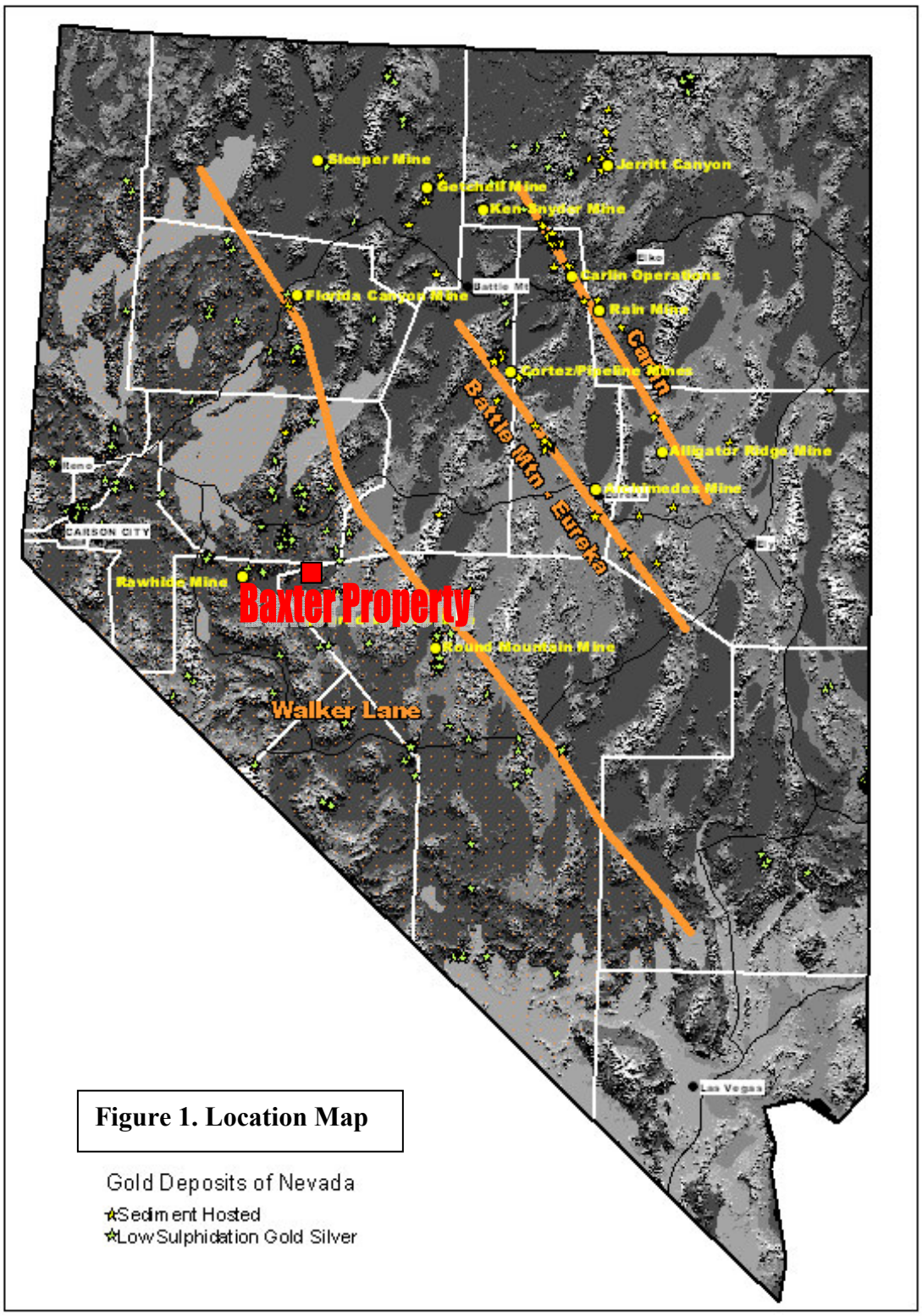


**Figure 1. Location Map**

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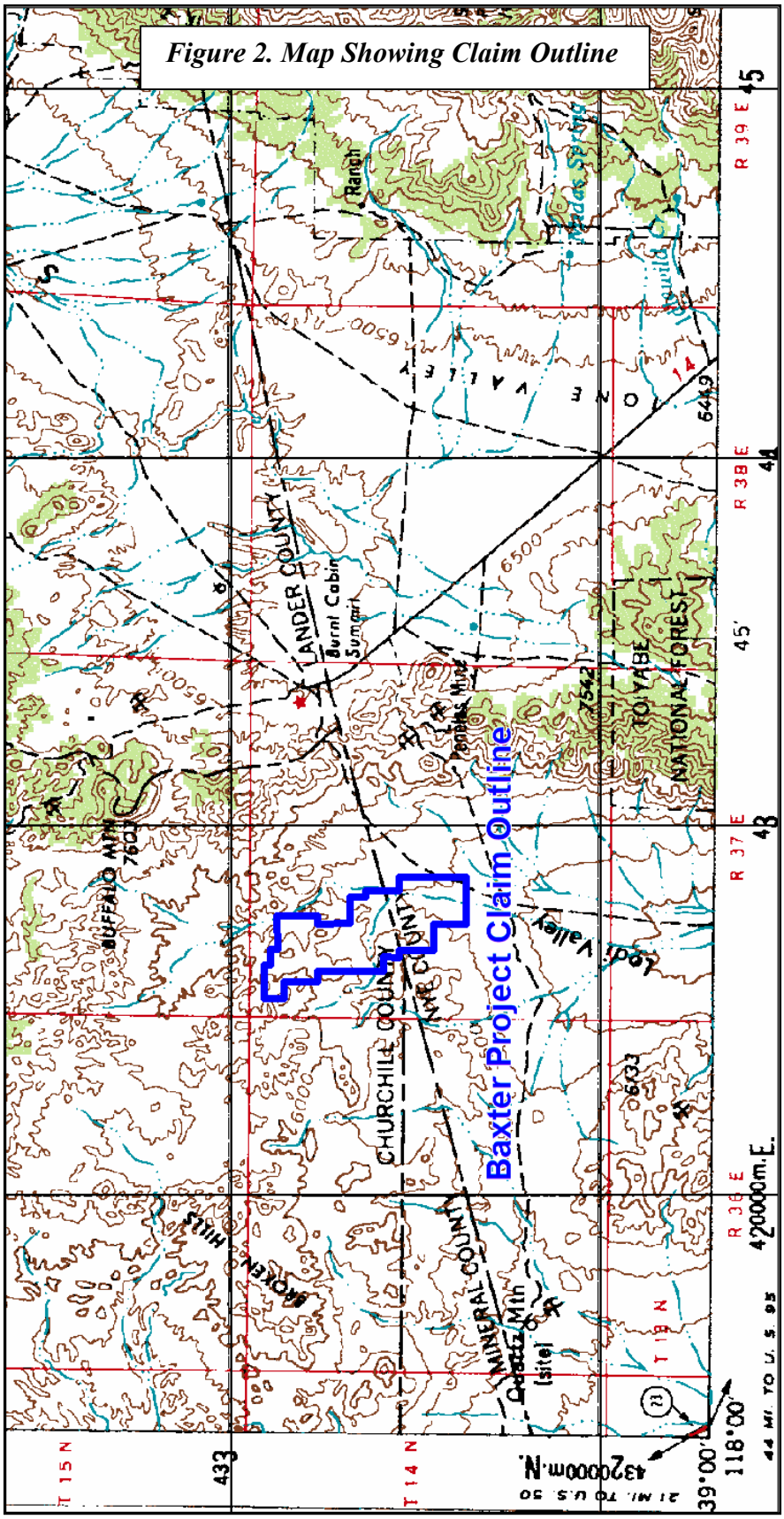
***Figure 2. Map Showing Claim Outline***



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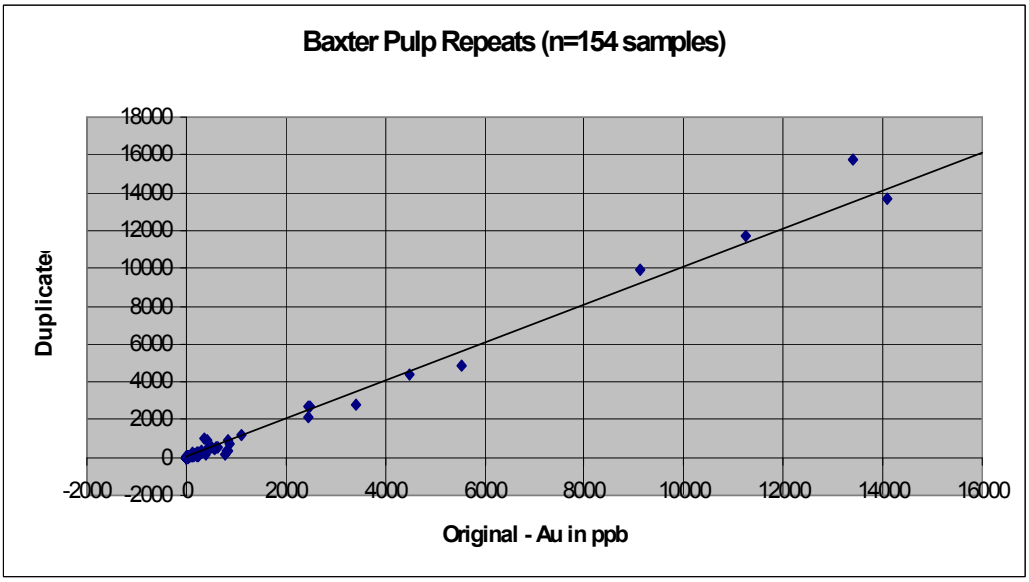


*Figure 3. Baxter Pulp Repeats*

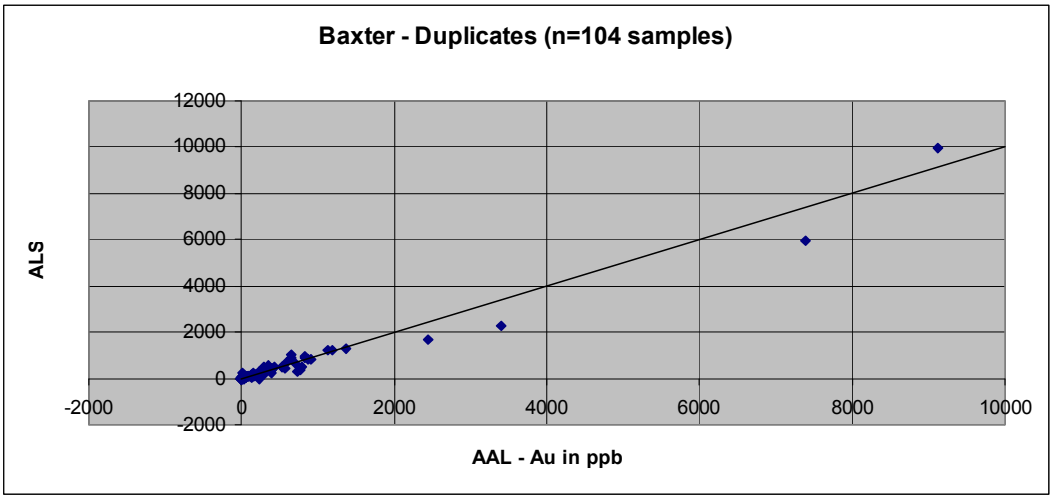


*Figure 4. Baxter Duplicates*

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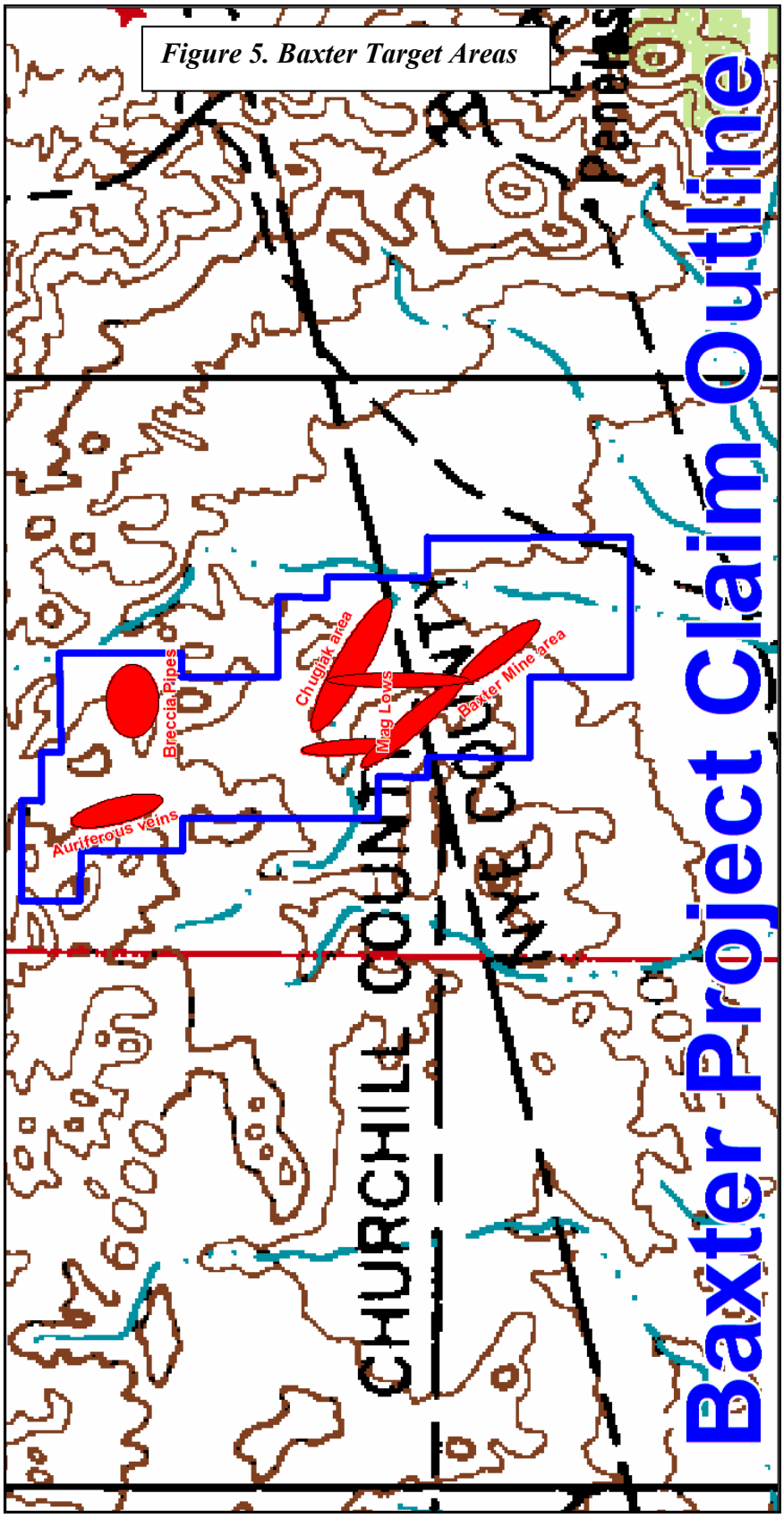


*Figure 5. Baxter Target Areas*

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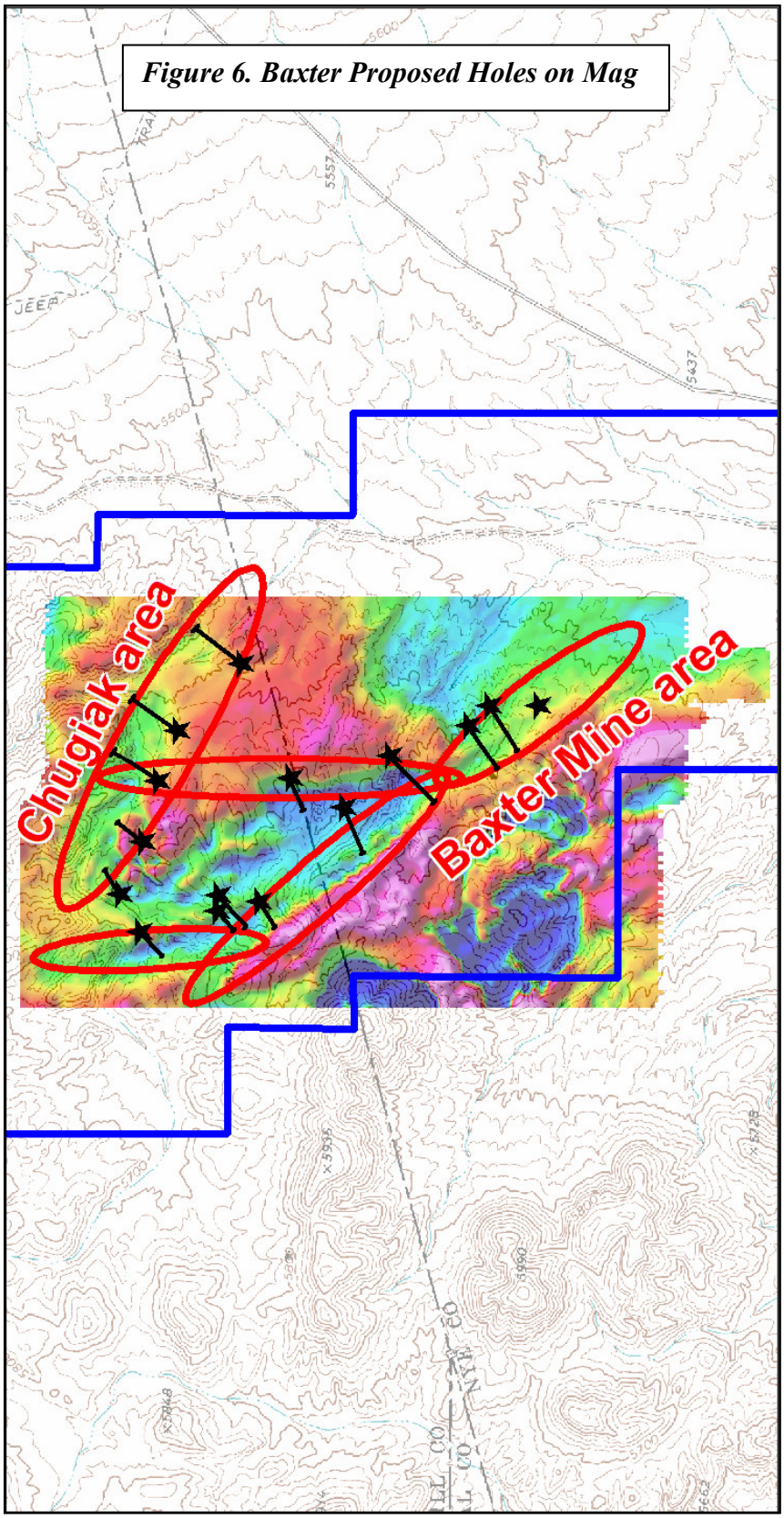

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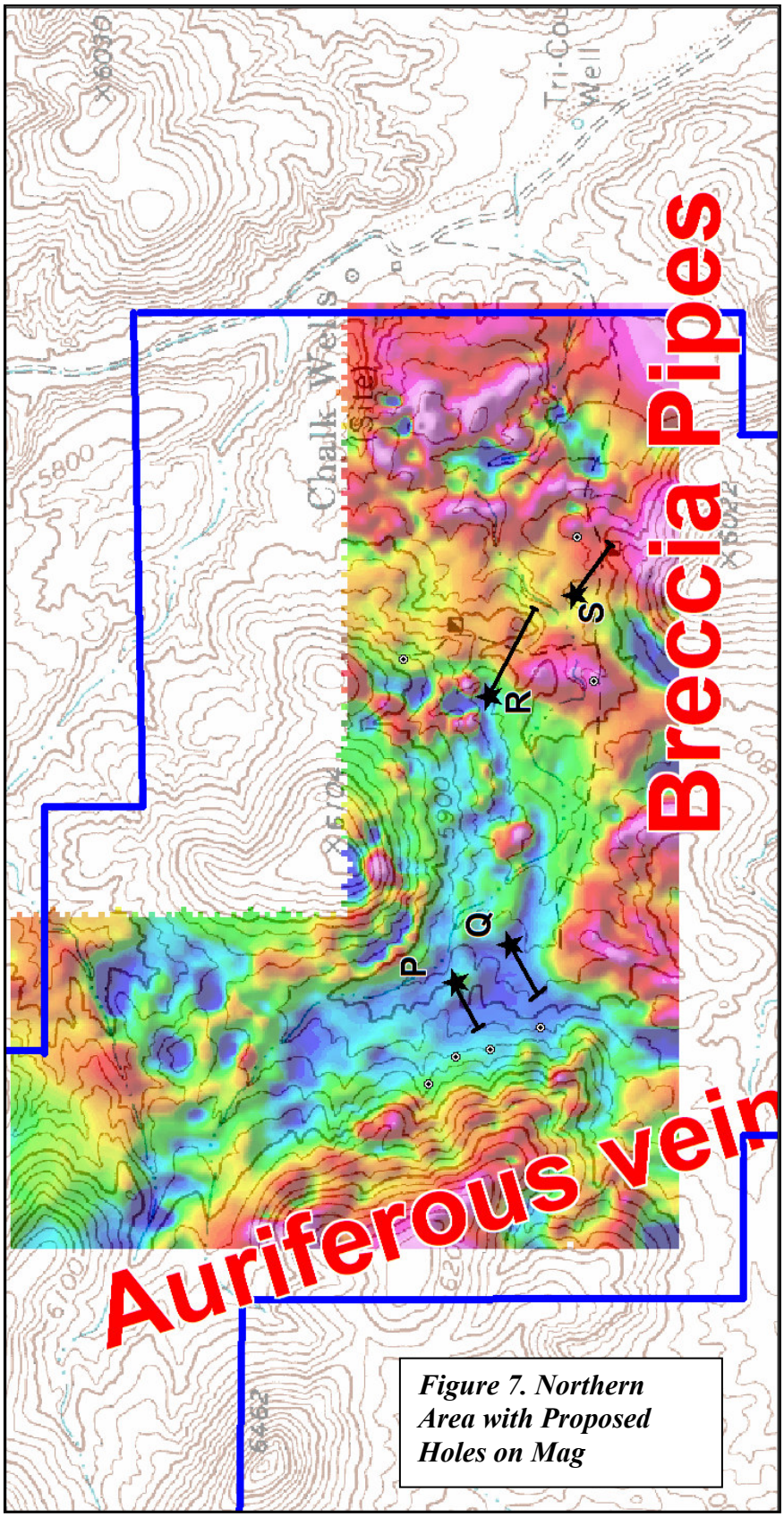


***Figure 7. Northern Area with Proposed Holes on Mag***

**Joseph Anthony Kizis, Jr.**
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## *Table 1. List of Claims Included in the Baxter Project*

| | Claim Name | BLM NMC Number | County | County | Listed Owner | Date Filed | Churchill County# | Nye County# |
|---|---|---|---|---|---|---|---|---|
| 1 | Twink 1 | 844645 | Churchill | | Crist | 2003 | 351098 | |
| 2 | Twink 2 | 844646 | Churchill | | Crist | 2003 | 351099 | |
| 3 | Twink 3 | 844647 | Churchill | | Crist | 2003 | 351100 | |
| 4 | Twink 4 | 844648 | Churchill | | Crist | 2003 | 351101 | |
| 5 | Twink 5 | 844649 | Churchill | | Crist | 2003 | 351102 | |
| 6 | Twink 6 | 844650 | Churchill | | Crist | 2003 | 351103 | |
| 7 | Twink 7 | 844651 | Churchill | | Crist | 2003 | 351104 | |
| 8 | Twink 8 | 844652 | Churchill | | Crist | 2003 | 351105 | |
| 9 | Twink 9 | 844653 | Churchill | | Crist | 2003 | 351106 | |
| 10 | Twink 10 | 844654 | Churchill | | Crist | 2003 | 351107 | |
| 11 | Twink 11 | 844655 | Churchill | | Crist | 2003 | 351108 | |
| 12 | Twink 12 | 844656 | Churchill | | Crist | 2003 | 351109 | |
| 13 | Twink 13 | 844657 | Churchill | | Crist | 2003 | 351110 | |
| 14 | Twink 14 | 844658 | Churchill | | Crist | 2003 | 351111 | |
| 15 | Twink 15 | 844659 | Churchill | | Crist | 2003 | 351112 | |
| 16 | Twink 16 | 844660 | Churchill | | Crist | 2003 | 351113 | |
| 17 | Twink 17 | 844661 | Churchill | | Crist | 2003 | 351114 | |
| 18 | Twink 18 | 844662 | Churchill | | Crist | 2003 | 351115 | |
| 19 | Twink 19 | 844663 | Churchill | | Crist | 2003 | 351116 | |
| 20 | Twink 20 | 844664 | Churchill | | Crist | 2003 | 351117 | |
| 21 | Twink 21 | 844665 | Churchill | | Crist | 2003 | 351118 | |
| 22 | Twink 22 | 844666 | Churchill | | Crist | 2003 | 351119 | |
| 23 | Chalk 1 | 844667 | Churchill | | Crist | 2003 | 351120 | |
| 24 | Chalk 2 | 844668 | Churchill | | Crist | 2003 | 351121 | |
| 25 | Chalk 3 | 844669 | Churchill | | Crist | 2003 | 351122 | |
| 26 | Chalk 4 | 844670 | Churchill | | Crist | 2003 | 351123 | |
| 27 | Chalk 5 | 844671 | Churchill | | Crist | 2003 | 351124 | |
| 28 | Chalk 6 | 844672 | Churchill | | Crist | 2003 | 351125 | |
| 29 | Chalk 7 | 844673 | Churchill | | Crist | 2003 | 351126 | |
| 30 | Chalk 8 | 844674 | Churchill | | Crist | 2003 | 351127 | |
| 31 | Chalk 9 | 844675 | Churchill | | Crist | 2003 | 351128 | |
| 32 | Chalk 10 | 844676 | Churchill | | Crist | 2003 | 351129 | |
| 33 | Chalk 11 | 844677 | Churchill | Nye | Crist | 2003 | 351130 | 559216 |
| 34 | Chalk 12 | 844678 | Churchill | Nye | Crist | 2003 | 351131 | 559217 |
| 35 | Chalk 13 | 844679 | Churchill | Nye | Crist | 2003 | 351132 | 559218 |
| 36 | Chalk 14 | 844680 | Churchill | Nye | Crist | 2003 | 351133 | 559219 |
| 37 | Chalk 15 | 844681 | Churchill | Nye | Crist | 2003 | 351134 | 559220 |
| 38 | Chalk 16 | 844682 | Churchill | Nye | Crist | 2003 | 351135 | 559221 |
| 39 | Chalk 17 | 844683 | Churchill | | Crist | 2003 | 351136 | |
| 40 | Chalk 18 | 844684 | Churchill | | Crist | 2003 | 351137 | |
| 41 | Chalk 19 | 844685 | Churchill | | Crist | 2003 | 351138 | |
| 42 | Chalk 20 | 844686 | Churchill | | Crist | 2003 | 351139 | |
| 43 | Chalk 21 | 844687 | Churchill | | Crist | 2003 | 351140 | |
| 44 | Chalk 22 | 844688 | Churchill | | Crist | 2003 | 351141 | |
| 45 | Chalk 23 | 844689 | Churchill | | Crist | 2003 | 351142 | |

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| | Claim Name | BLM NMC Number | County | County | Listed Owner | Date Filed | Churchill County# | Nye County# |
|---|---|---|---|---|---|---|---|---|
| 46 | Chalk 24 | 844690 | Churchill | | Crist | 2003 | 351143 | |
| 47 | Chalk 25 | 844691 | Churchill | | Crist | 2003 | 351144 | |
| 48 | Chalk 26 | 844692 | Churchill | | Crist | 2003 | 351145 | |
| 49 | Chalk 27 | 844693 | Churchill | | Crist | 2003 | 351146 | |
| 50 | Chalk 28 | 844694 | Churchill | | Crist | 2003 | 351147 | |
| 51 | Chalk 29 | 844695 | Churchill | | Crist | 2003 | 351148 | |
| 52 | Chalk 30 | 844696 | Churchill | | Crist | 2003 | 351149 | |
| 53 | Chalk 31 | 844697 | Churchill | | Crist | 2003 | 351150 | |
| 54 | Chalk 32 | 844698 | Churchill | | Crist | 2003 | 351151 | |
| 55 | Chalk 33 | 844699 | Churchill | | Crist | 2003 | 351152 | |
| 56 | Chalk 34 | 844700 | Churchill | | Crist | 2003 | 351153 | |
| 57 | Chalk 35 | 844701 | Churchill | Nye | Crist | 2003 | 351154 | 559222 |
| 58 | Fred 1 | 844702 | | Nye | Crist | 2003 | | 559223 |
| 59 | Fred 2 | 844703 | | Nye | Crist | 2003 | | 559224 |
| 60 | Fred 3 | 844704 | | Nye | Crist | 2003 | | 559225 |
| 61 | Fred 4 | 844705 | | Nye | Crist | 2003 | | 559226 |
| 62 | Fred 5 | 844706 | | Nye | Crist | 2003 | | 559227 |
| 63 | Fred 6 | 844707 | | Nye | Crist | 2003 | | 559228 |
| 64 | Fred 7 | 844708 | | Nye | Crist | 2003 | | 559229 |
| 65 | Fred 8 | 844709 | | Nye | Crist | 2003 | | 559230 |
| 66 | Fred 9 | 844710 | | Nye | Crist | 2003 | | 559231 |
| 67 | Fred 10 | 844711 | | Nye | Crist | 2003 | | 559232 |
| 68 | Fred 11 | 844712 | | Nye | Crist | 2003 | | 559233 |
| 69 | Fred 12 | 844713 | | Nye | Crist | 2003 | | 559234 |
| 70 | Fred 13 | 844714 | | Nye | Crist | 2003 | | 559235 |
| 71 | Fred 14 | 844715 | | Nye | Crist | 2003 | | 559236 |
| 72 | Twink 23 | 865133 | Churchill | | Kizis | 2004 | 360287 | |
| 73 | Twink 24 | 865134 | Churchill | | Kizis | 2004 | 360288 | |
| 74 | Twink 25 | 865135 | Churchill | | Kizis | 2004 | 360289 | |
| 75 | Twink 26 | 865136 | Churchill | | Kizis | 2004 | 360290 | |
| 76 | Twink 27 | 865137 | Churchill | | Kizis | 2004 | 360291 | |
| 77 | Twink 28 | 865138 | Churchill | | Kizis | 2004 | 360292 | |
| 78 | Twink 29 | 865139 | Churchill | | Kizis | 2004 | 360293 | |
| 79 | Twink 30 | 865140 | Churchill | | Kizis | 2004 | 360294 | |
| 80 | Chalk 37 | 865141 | Churchill | | Kizis | 2004 | 360296 | |
| 81 | Chalk 38 | 865142 | Churchill | | Kizis | 2004 | 360297 | |
| 82 | Fred 15 | 866043 | | Nye | Kizis | 2004 | | 589856 |
| 83 | Fred 16 | 866044 | | Nye | Kizis | 2004 | | 589857 |
| 84 | Fred 17 | 866045 | | Nye | Kizis | 2004 | | 589858 |
| 85 | Fred 18 | 866046 | | Nye | Kizis | 2004 | | 589859 |
| 86 | Fred 19 | 866047 | | Nye | Kizis | 2004 | | 589860 |
| 87 | Fred 20 | 866048 | | Nye | Kizis | 2004 | | 589861 |
| 88 | Fred 21 | 866049 | | Nye | Kizis | 2004 | | 589862 |
| 89 | Fred 22 | 866050 | | Nye | Kizis | 2004 | | 589863 |
| 90 | Chalk 36 | 866051 | Churchill | Nye | Kizis | 2004 | 361144 | 589865 |

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## *Table 1. List of Claims Included in the Baxter Project*

| | Claim Name | BLM NMC Number | County | County | Listed Owner | Date Filed | Churchill County# | Nye County# |
|---|---|---|---|---|---|---|---|---|
| 91 | Chalk 39 | 887128 | Churchill | | Crist | 2005 | 367538 | |
| 92 | Chalk 40 | 887129 | Churchill | | Crist | 2005 | 367539 | |
| 93 | Chalk 41 | 887130 | Churchill | | Crist | 2005 | 367540 | |
| 94 | Chalk 42 | 887131 | Churchill | | Crist | 2005 | 367541 | |
| 95 | Chalk 43 | 887132 | Churchill | | Crist | 2005 | 367542 | |
| 96 | Chalk 44 | 887133 | Churchill | | Crist | 2005 | 367543 | |
| 97 | Chalk 45 | 887134 | Churchill | | Crist | 2005 | 367544 | |
| 98 | Chalk 46 | 887135 | Churchill | | Crist | 2005 | 367545 | |
| 99 | Chalk 47 | 887136 | Churchill | | Crist | 2005 | 367546 | |
| 100 | Fred 23 | 911796 | | Nye | Crist | 2005 | | 642654 |
| 101 | Fred 24 | 911797 | | Nye | Crist | 2005 | | 642655 |
| 102 | Fred 25 | 911798 | | Nye | Crist | 2005 | | 642656 |
| 103 | Fred 26 | 911799 | | Nye | Crist | 2005 | | 642657 |
| 104 | Fred 27 | 911800 | | Nye | Crist | 2005 | | 642658 |
| 105 | Fred 28 | 911801 | | Nye | Crist | 2005 | | 642659 |
| 106 | Fred 29 | 911802 | | Nye | Crist | 2005 | | 642660 |
| 107 | Fred 30 | 911803 | | Nye | Crist | 2005 | | 642661 |
| 108 | Fred 31 | 911804 | | Nye | Crist | 2005 | | 642662 |
| 109 | Fred 32 | 911805 | | Nye | Crist | 2005 | | 642663 |
| 110 | Fred 33 | 911806 | | Nye | Crist | 2005 | | 642664 |
| 111 | Fred 34 | 911807 | | Nye | Crist | 2005 | | 642665 |
| 112 | Fred 35 | 911808 | | Nye | Crist | 2005 | | 642666 |
| 113 | Fred 36 | 911809 | | Nye | Crist | 2005 | | 642667 |

## Table 2. Baxter Project - 2004 Drilling Program

| Drill Hole | Total Depth | AAL - Repeat Orientation | Begin interval Chemex Duplic. Feet | Feet | End interval AAL - Original Feet | Au (g/t) | Thickness Au (g/t) | AAL - Original Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|---|---|---|---|
| **B04001** | 540 | -45, S55W | 50 | 60 | 10 | 0.79 | 0.29 | 0.42 | |
| **B04002** | 540 | -45, S55W | 40 | 60 | 20 | 0.46 | 0.40 | 0.55 | |
| **B04003** | 700 | -70, S61W | 60 | 65 | 5 | 0.84 | 0.87 | 0.97 | |
| | | | 100 | 105 | 5 | 0.87 | 0.76 | 0.83 | |
| **B04004** | 500 | -45, S40W | 355 | 360 | 5 | 0.74 | | 0.29 | |
| | | | 375 | 380 | 5 | 0.57 | 0.43 | 0.45 | |
| | | | 415 | 425 | 10 | 0.41 | 0.43 | 0.41 | |
| **B04005** | 400 | -45, S55W | Nil | | | | | | |
| **B04006** | 400 | -60, due N | 170 | 190 | 20 | **3.50** | **3.73** | 3.50 | |
| ***including*** | | | 170 | 175 | 5 | **9.12** | **9.96** | **9.93** | |
| **B04007** | 460 | -70, due N | 155 | 190 | 35 | 2.00 | | 1.71 | 12.90 |
| ***including*** | | | 170 | 175 | 5 | **7.38** | | **5.98** | 15.10 |
| | | | 275 | 280 | 5 | 0.85 | | 0.87 | |
| | | | 290 | 295 | 5 | 0.29 | | 0.49 | |
| **B04008** | 400 | -70, due N | 315 | 320 | 5 | 1.19 | | 1.22 | |
| **B04009** | 490 | -70, S80W | 135 | 140 | 5 | 0.40 | | 0.42 | |
| | | | 170 | 175 | 5 | 0.40 | | 0.34 | |
| | | | 375 | 380 | 5 | 0.40 | | 0.46 | |
| **B04010** | 135 | -90 | 100 | 105 | 5 | 0.46 | | | |
| **B04011** | 700 | -70, S55W | 60 | 70 | 10 | 0.796 | | | |

**5265 Total footage**

AAL Original, AAL Repeat, and AAL Grav. are on the same pulp.
Chemex assays are new pulps made from reject

**+3 g/t Au in BOLD**

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