TECHNICAL UPDATE

-2006-

FOR

SILVERCORP METALS INC.

ON THE

YING

SILVER-LEAD-ZINC PROJECT

HENAN PROVINCE

PEOPLE'S REPUBLIC OF CHINA

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1. SUMMARY

The Ying Silver-Lead-Zinc Project is situated in the Luoning area of western Henan Province, of central China. Five Exploration Permits of about 52.64 km^2 cover the Ying Project. A mining permit was issued on March 26, 2006, covering 9.95 km^2 over the SGX area of the Ying Project.

Chris Broili, C.P. Geo., L.P. Geo., completed the first and second technical reports prepared on the Ying Project on April 21, 2004, and April 18, 2005 (the "2004 Report" and the "2005 Report" respectively). This current report and preliminary assessment on the Ying Project is an update on the exploration progress made by Silvercorp Metals Inc.'s ("Silvercorp", formerly, SKN Resources Inc.), which followed primarily the Exploration Program recommended by Chris Broili in the first and second reports. Chris Broili takes responsibility for the entirety of this report with the exception of Sections 17 to 21. Cathy Shuk Yim Fong, P.Eng., a Qualified Person as defined in NI 43-101 ("NI 43-101") co-authors this report. Jasman W. Yee, P.Eng., an independent Qualified Person co-authors of Sections 17 to 21 of this report.

A co-operative joint venture contract dated April 15, 2004, was consummated between Victor Mining Ltd. ("Victor"), Silvercorp's wholly owned British Virgin Islands subsidiary, and Henan Non-Ferrous Geological & Mineral Resources Co. Ltd. ("HNGMR"). Pursuant to the joint venture contract, a Chinese co-operative joint venture company, Henan Found Mining Ltd. ("Found"), was established to hold 100% of Ying Project. Victor has made the required capital contributions of $4.0 million (U.S.) to Found's capital and cash payments of US$1.5 million to HNGMR and has earned the full 77.5% interest in Found. All necessary Chinese government approvals have been obtained and a business license and a mining permit have been issued for Found. Mr. Myles Gao, P. Geo, President of Silvercorp, is the General Manager of Found. Reference to Silvercorp in this report includes, where appropriate, reference to Found, which owns and operates the Ying Project.

On the Ying property surface channel sampling and underground channel sampling averaging 1 meter wide identified about 42 mineralized veins. The mineral deposit type is similar to the Coeur d'Alene district in North America. Mineralization is hosted in a set of quartz-carbonate veins crosscutting Precambrian age mafic and felsic gneisses. The western part of the project ("SGX") consists of quartz-carbonate veins with Silver-Lead-Zinc mineralization manifested as 22 mapped vein-alteration zones. On the surface the veins follow long (usually 1 km or greater) N-NE trending structures, sometimes filled by altered andesite dikes, and occasionally as altered selvages within the gneiss along these structures.

From September 2004 to January 2006, a total of 28,957 metres ("m") of drifting, declines and raises, 204.1 m of shaft and 14,637 m of underground and surface drilling was completed. Found's tunnelling and underground drilling were primarily focused on veins S2, S2E, S4, S6, S7, S7-1, S8, S14, S16E, S16W, S16W1, and S21. In addition, Found widened several main access tunnels to 2.0 x 2.2 m from 2.0 x 1.8 m for over

2,788 m. At present, veins S1, S2, S2E, S4, S5, S6, S7, S7-1, S8, S14, S16E, S16W, S16W1, S17, and S21 can be accessed through tunnels CM 101, CM102 and CM103.

Recent work on the Ying Property defined high-grade Silver-Lead-Zinc underground mineral resources in veins averaging 0.42 meters thick. This was accomplished by channel sampling of new underground tunnels, and underground drilling. Mineralization is hosted in a set of quartz-carbonate veins crosscutting Precambrian age mafic and felsic gneisses.

This Report is based on the Resources calculated a year ago in Chris Broili's 2005 Report (April18, 2005), which reported that five veins on the Ying property have a Measured and Indicated Resource of 420,453 tonnes averaging 0.42 m wide with an average grade of 1393 gram/tonne ("g/t") silver ("Ag"), 32.76% lead ("Pb"), 9.99% zinc ("Zn"). The contained metals for the Measured and Indicated Resources are 18.8 million ounces of Ag, 137,730 tonnes of Pb, and 42,004 tonnes of Zn. The Inferred Resource is 495,205 tonnes also averaging 0.42 m wide with a grade of 1539 g/t Ag, 35.01% Pb, 9.56% Zn. This Inferred Resource contains 24.5 million ounces of Ag, 173,394 tonnes of Pb, and 47,323 tonnes of Zn.

Of 28,957 m of tunnels completed since August 2004, about 14,000 m are mining development tunnels. Therefore, the mine development is sufficiently advanced that within 2 months of Found receiving the mining permit, preliminary production could start from over 20 initial stopes that have been developed from 518m elevation ("L") and 480m L for S14 and S6 veins, 490m L and 460m L for S2 and S2E veins, 534m L, 570m L, 610m L, and 640m L for S16W, S16W1, and S16E veins, 600m L for S7 vein, 570m L and 640m L for S8 vein.

The custom milling of 40,711 tonnes of diluted by-product ore extracted from exploration and development tunnels indicate that Ag, Pb, and Zn metals from ores of the Ying Project can be easily recovered. The Pb-Ag and Zn concentrates produced satisfy the requirements of smelters. This milling test also confirms that it is economic to use off-site flotation mills to treat diluted ores.

Concentrate sales contracts have been signed with several lead and zinc smelters on terms of delivery at mine site against cash advance from smelters. The payable prices for lead and silver metals in lead-silver concentrate are 76% and 75% of spot prices, respectively, quoted on the Shanghai Metal Exchange ("SME") on the delivery date. The payable price for zinc metal in zinc concentrate is 70% of the SME spot price. China levies a 13% value-added tax (VAT) on sales of lead, zinc, silver, copper and other metal products, and the quoted prices for silver, lead and zinc on the Shanghai Metal Exchange are about 13% above World prices due to the Chinese government levying a 13% Value-added Tax on metal imports.

Three shafts, now each equipped with hoists, are in the process of sinking and are expected to reach the intended depth of 210m L by the end of 2006. The shafts are designed to be 3.8m in finished diameter. Each shaft will be equipped with a cage

guarded by four steel cables. Each Shaft is capable of hauling 150,000 tonnes of material per annum (based on 300 days/year).

Ten shrinkage stopes are currently being extracted at the Ying Mine and it is anticipated an additional 12 to 15 stopes will be under extraction in 6 months to reach its phase one mining capacity of 600 tonne per day ("tpd"). As there are a minimum of 5 portal accesses to 13 mineralized veins in which high grade ore shoots have been delineated, it is fairly reasonable to conclude that given enough time, the company can reach its production goal, without incurring substantial capital cost. The first 3 years of production is planned to come mainly through horizontal portals and thereafter, shafts will be used.

Based on the Measured + Indicated Resources in Chris Broili's 2005 Report and using a 100% dilution factor and 90% recovery rate for the high grade resources, the mineable measured + indicated ores are calculated to be 756,815 tonnes grading 696 g/t (22.3 oz/t) Ag, 16.36% Pb and 4.99% Zn. Based on a mining rate of 140,000 tonnes for 2006/2007 fiscal year and 200,000 tonnes per year thereafter, the above resources will last for four year's mine production. Since April 2005, Found has completed extensive additional tunnels and drilling in the Ying project area. An updated review of resources based on the extensive exploration and development work completed from April 1 2005 to March 31, 2006 will be prepared and is expected to be available by the end of May 2006. Mine production is anticipated to be extended with increased mineral resources.

Construction of a 600 tpd mill is underway about 17 km from the Ying Property and is expected to be completed by the end of March 2007. During the first year of production, Found will continue to use custom mills to process ore. Starting from April 1, 2007, Found's own 600 tpd flotation mill is expected to be in production, producing Pb-Ag and Zn concentrates.

Based on net metal prices of US$7.5/oz Ag, US$0.34/lb Pb, and US$0.71 lb Zn and assuming the total production cost of US$48.2 per tonne ore for the first year and US$41.6 per tonne ore thereafter, and using recovery rates of 95% for Pb, 90% for Ag, and 75% for Zn, the Silvercorp's share (77.5%) of projected net profit is anticipated to be US$30.06 million for the 1st year, US$43.6 million for the 2nd year, US$37.06 million for the 3rd and 4th years, respectively. The capital payback period is projected to be zero as all the capital expenditures is projected to be financed from first year's cash flow. For foreign invested companies such as Found, income is tax free for the first 2 years, taxable at 15% in the 3rd to 5th years, and at 30% thereafter. This projection is based on mineral resources which are not mineral reserves, and therefore do not have demonstrated economic viability.

If Pb and Zn revenue is used to cover production cost, then unit Ag production cost adjusted for Pb and Zn credit is projected to be negative US$6.3 to negative US$6.5 per ounce. If Pb and Zn are treated as free credits and only Ag revenue is used to cover the production cost, then the unit Ag production cost is projected to be US$1.99 to 1.79 per ounce.

It is considered that the Ying property is of merit and represents an advanced and production stage project.

To continue the evaluation of the project, a Phase 3 exploration and development program with a budget of US$12.1 million is recommended. Additional expenditures would be contingent on the results obtained in the Phase 3 program.

2. INTRODUCTION

The Ying Silver-Lead-Zinc Project ("the Ying Project") is located about 235 km west of Zhengzhou, the capital city of the Henan Province, central China and is at latitude 34°07'N to 34°12'N and longitude 111°14'E to 111°22'E (Figures 1 and 2). The region is underlain by Precambrian age gneiss and greenstone that host quartz veins bearing lead, zinc, silver and local copper and gold mineralization. Silvercorp Metals Inc. ("Silvercorp"), formerly known as SKN Resources Ltd. (name changed in May 2005), a Canadian public company, through its wholly owned subsidiary Victor Mining Ltd., acquired five exploration permits in the area by forming a joint-venture company with Henan Bureau of Non-ferrous Metals Geology and Mineral Resources (HBMG&MR).

A co-operative joint venture contract dated April 15, 2004, was consummated between Victor Mining Ltd., Silvercorp Metals Inc.'s wholly owned British Virgin Islands subsidiary, and Henan Non-Ferrous Geological & Mineral Resources Co. Ltd. ("HNGMR"). Pursuant to the joint venture contract, a Chinese co-operative joint venture company, Henan Found Mining Ltd. ("Found"), was established to hold 100% of Ying Project. Victor has made the obligation to make capital contributions of $3.67-million (U.S.) to Found's capital and cash payment of US$1.5 million to HNGMR and has earned the full 77.5% interest in Found. All necessary Chinese government approvals have been obtained and a business license issued for Found. Mr. Myles Gao, P. Geo, President of Silvercorp, is the General Manager of Found.

In March 2004, Chris Broili was requested by SKN to visit the Ying property, to review the available property data and to prepare a NI 43-101 technical report. On April 21, 2004, Chris Broili completed the 2004 Report on the project and SKN filed the report with the TSX Exchange. In March 2005, Chris Broili was again commissioned by SKN to evaluate its latest work and verify the Silver-Lead-Zinc resource data on the project. On April 18, 2005, Chris Broili completed an updated technical report on the project and SKN filed the 2005 Report on the SEDAR system. In February 2006, Chris Broili was again commissioned by Silvercorp to evaluate its latest work on the project. This entailed an on-site visit and preparation of a technical update suitable for submission to regulatory authorities in Canada. The on-site visit was done during January 9th through 12th, 2006. Ms. Fong visited the site during May 12-15, 2005 for a due diligent tour before she joined Silvercorp.

While carrying out this property investigation, Chris Broili was accompanied and assisted by Mr. Jiawen Wang, the SGX project geologist of Found since May 2004, Mr. Yiefei Jia, the new SGX project manager and Mr. Myles Gao, P. Geo., President of

Silvercorp. Mr. Jia and Mr. Gao also helped in translating data and information while providing other material assistance for this report.

During the on-site visit, the new underground workings in the SGX area of the Ying Project were examined. In preparing the present report, the information database includes:

1. Technical Report For SKN Resources Ltd. On the Ying Silver-Lead-Zinc Project, Henan Province, China by Chris Broili (April 21, 2004).
2. Technical Report For SKN Resources Ltd. On the Ying Silver-Lead-Zinc Project, Henan Province, China by Chris Broili (April 18, 2005).
3. Two vein plan maps assembled by the Silvercorp staff working on the Ying Property, January 2006.
4. Fourteen vein cross-sections assembled by the Silvercorp staff working on the Ying Property, January 2006.
5. Fourteen longitudinal projection maps of the veins assembled by the Silvercorp staff working on the Ying Property, January 2006.
6. Chris Broili's personal field notes.
7. Resource Utilization Plan ("RUP") Report prepared by Changsha Engineering & Research Institute of Nonferrous Metallurgy (September 2005) in Chinese.
8. "Mine and Mill Design for Ying Silver-Lead-Zinc Mine" prepared by Anhui Maanshan Institute of Mining Research (January 2006) in Chinese.
9. "Metallurgical Study and Recovery Flowsheet Test Report on ores from Ying Silver-Lead-Zinc Mine, Henan" prepared by Henan Non-ferrous Metals Research Institute (July 2005) in Chinese.
10. The Environmental Impact Assessment ("EIA") Report prepared in Chinese by Research Institute of Environment Protection of Luoyang City.

To date, many Silver-Lead-Zinc veins have been recognized on the property and twelve are currently undergoing exploration, development with some minor production. On March 30, 2006, a mining permit over the SGX exploration area was issued by the Henan Department of Land and Resources. This report is focused on the progress made by Found on the Ying Project, and a preliminary assessment of the ability to mine under the recently granted mining permit.

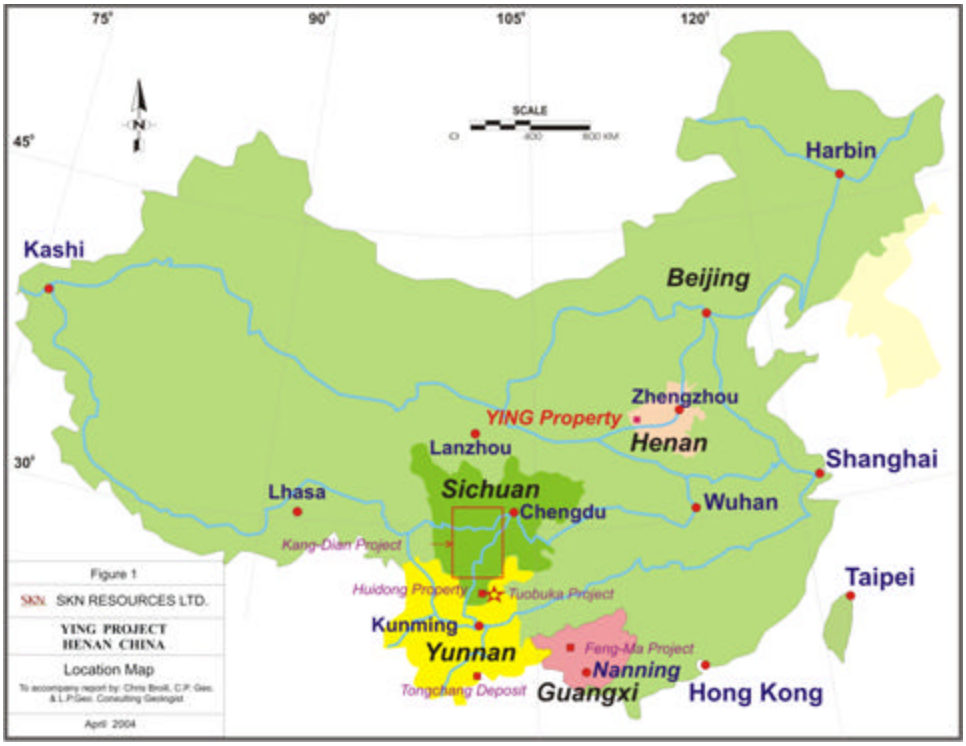

Figure 1: Location Map

3. RELIANCE ON OTHER EXPERTS

In preparing the present report, the authors has relied heavily on the various data and reports supplied by Silvercorp. The field data from Silvercorp's programs was personally reviewed in detail by Chris Broili and Ms Fong. The project was thoroughly discussed with Found's technical staff. The writers believe the field data are credible and reliable - the information is complete, comprehensive, well compiled, and is well documented and presented in a professional manner.

Most of the geologic information and sample data are written in Chinese. Mr. Yiefei Jia, (Ph. D. Geo.) the new SGX project manager and Mr. Myles Gao, P. Geo., and President of Silvercorp did translation of this information. They are both fluent in Chinese and competent in English. In addition, the tunneling and drilling update (Section 11) and exploration recommendations (Section 23) are a collaboration with Mr. Gao, and are not exclusively Chris Broili's.

We have relied on the translation of Dr. Rui Feng (Ph.D., Geol.) for the following four reports that were prepared in Chinese.

1. Resource Utilization Plan ("RUP") Report prepared by Changsha Engineering & Research Institute of Nonferrous Metallurgy (September 2005).
2. "Mine and Mill Design for Ying Silver-Lead-Zinc Mine" prepared by Anhui Maanshan Institute of Mining Research (January 2006).
3. "Metallurgical Study and Recovery Flowsheet Test Report on ores from Ying Silver-Lead-Zinc Mine, Henan" prepared by Hunan Non-ferrous Metals Research Institute (July 2005).
4. The Environmental Impact Assessment ("EIA") Report prepared by Research Institute of Environment Protection of Luoyang City.

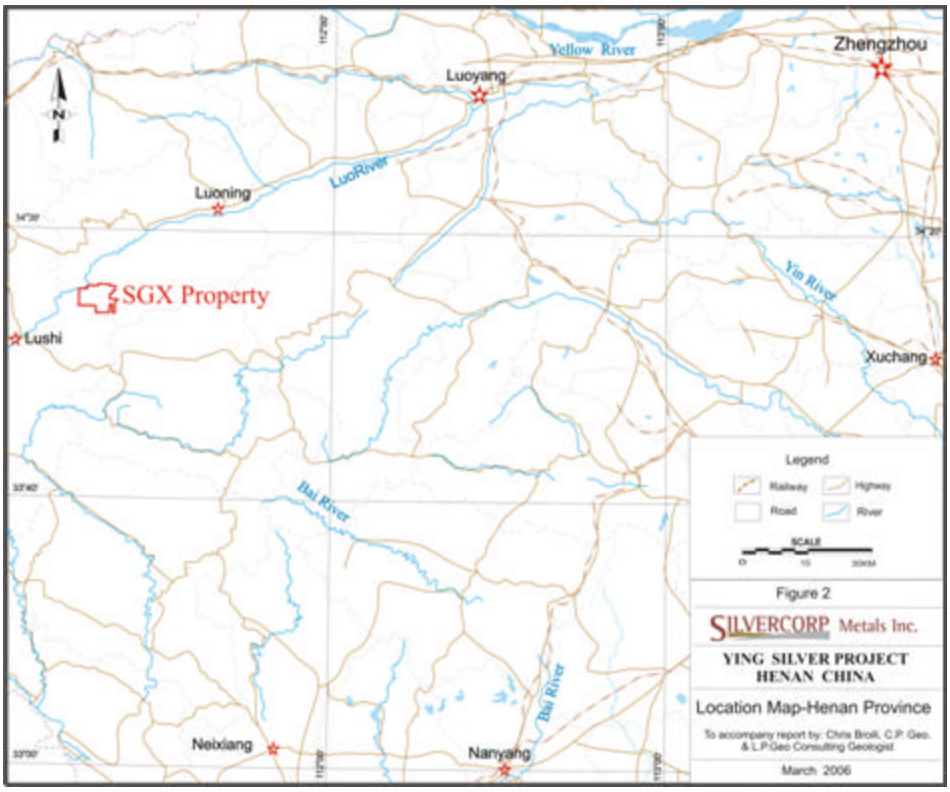

Figure 2: Location Map - Henan Province

An independent Qualified Person, as defined by NI 43-101, prepared none of the reports or other background material. However the data was prepared and compiled by competent people with some supervision by a Qualified Person, Myles Gao. The authors of this report reviewed the data and found it to be essentially correct, but disclaim the absolute accuracy of these data.

4. PROPERTY DESCRIPTION AND LOCATION

The Ying Silver-Lead-Zinc Project is situated in western Henan Province at latitude 34º07' to 34º12' North and longitude 111º14' to 111º22' East (Figures 1 & 2).

The Ying Silver-Lead-Zinc Project is currently covered by Five Exploration Permits (Figure 4). Total land holdings under the Exploration permints include:

Permit		Area
1.	Permit No. 0100000520088 expires June 6, 2007	
	Yuelianggou Ag project (SGX Area)	9.95 sq km
2.	Permit No. 4100000530262 – approved and in the process to be issued to Found	
	Qiaogoubei Au project	3.55 sq km
3.	Permit No. 0100000520087 expires June 06, 2007	
	Ximiao-Leileisi Au project	12.34 sq km
4.	Permit No. 0100000520145 expires November 03,2007	
	Shagou Ag project	7.10 sq km
5.	Permit No. 4100000320484 – approved and in the process to be transferred to Found from HNGMR	
	Sidaogou Ag project	19.70 sq km
	Total: approximately: 52.64 sq km	

On March 26, 2006, a mining permit No. 4100000610045 was issued overlying exploration permit No. 010000052088 on the Yuelianggou project (SGX area).

The existing Permits cover all of the target areas outlined in the present report.

The Exploration Permits can be renewed by the payment of further rental fees. Surface rights for mining purposes are not included in the Permits but can be acquired by payment of a purchase fee based on the appraised value of the land. Subject to negotiation, some land use compensation fees may also be due to the local farmers if their agricultural land is disturbed by exploratory work.

The Exploration Permits give the right to carry out all the exploration presently contemplated and no additional permitting is required.

There are no known or recognized environmental problems that might preclude or inhibit a mining operation in this area. Some major land purchases may be required in the future for mine infrastructure purposes (processing plant, waste disposal, office and accommodations).

A co-operative joint venture contract dated April 15, 2004, was consummated between Victor Mining Ltd. ("Victor"), SKN Resources Ltd.'s (name changed to Silvercorp in May 2005) wholly owned British Virgin Islands subsidiary, and Henan Non-Ferrous Geological & Mineral Resources Co. Ltd. ("HNGMR"). Pursuant to the joint venture contract, a Chinese co-operative joint venture company, Henan Found Mining Ltd. ("Found"), was established to hold 100% of Ying Project. Victor has the obligation to make capital contributions of $3.67 million (U.S.) to Found's capital and cash payment of US $1.5 million to HNGMR over three years to earn the full 77.5% interest in Found:

To date, Victor has made capital contributions of US $4 million to Found, and cash payments to the JV partner of US $1,500,000 thereby earning its full 77.5% interest in Found and the Ying Project.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Ying Project is located about 240 km west-southwest of Zhengzhou, the capital city of Henan Province (Figure 1). The property is easily accessed from the small city of Luoning, 40 kilometers away (Figure 2).

Zhengzhou is serviced by daily air-flights with connections to all the major cities in China. Access to the project area is to drive west from Zhengzhou on a standard express highway, then on local concrete paved and gravel roads. The last 6 kilometers to the SGX area of the Ying project must be traveled by ferry across the Guxian Reservoir. The closest city with facilities is Luoning, 40 kilometers to the east with a population of over 80,000. Adequate hotels, restaurants and banks serve the city. Eighty kilometers to the east is the much larger city of Luoyang, location of the World Heritage site (Longmen Grottos and the legendary Xiangshansi Buddhist Temple). Luoyang is also accessible with daily air-flights to major Chinese cities and a standard express highway.

Much of the project area is mountainous and rugged with steep hill slopes commonly exceeding 25°. Elevations range from 300 to 2,000 meters above sea level. All of the mineralization and significant geochemical and geophysical anomalies were discovered on hillsides. Vegetation includes sparse bushes, shrubs, ferns and local small trees.

The climate is subtropic continental with four distinct seasons. Temperature changes are dependent on elevation. Seasons have temperatures averaging 15° C and ranging from -10° C to 38° C. The annual precipitation averages 900 mm mostly occurring from the July to September period.

Local economy is based on agriculture and mining. There are major power grids adjacent to the property and a power line is extends to the SGX area. Adjacent to SGX property is a hydropower generating station at the dam forming the Guxian Reservoir. This reservoir is on the Luo River, a tributary to the Yellow River.

6. HISTORY

This is an area of known Ag-Pb-Zn mineralization that has probably been mined for short periods during the past several hundred years. Recent activity is fairly well documented from 1956.

Pre-1956: Occasional production of lead and silver from small underground mines by local people.

1956-1980: 1:200,000 scale geological mapping that covered the project areas by Henan Bureau of Geology and Mineral Resource geologic team.

1967: Airborne magnetic survey of south-western Henan province (the largest airborne survey in this area) was conducted by the Ministry of Geology of China.

1984: Compiled and published data (four publications) concerning mineralization in the district by the Henan Geological Exploration Corp. of Metallurgy.

1991-1993: 1:50,000 scale stream sediment geochemical survey covering a 9,680 km^2 in south-western Henan province including the project area was done by the No. 5 Geological Team of the Henan Bureau of Non-ferrous Metals Geology and Mineral Resources (HBMG&MR).

1991-1995: 1:50,000 scale map of mineral occurrences was compiled by the Geological Institute of Henan Bureau of Geology and Mineral Resources and HBMG&MR. The focus of the investigations was on silver, gold and a multitude of other metals.

Since 1996: No. 1 Geological Teams of the HBMG&MR and Geological Institute of Henan Bureau of Geology and Mineral Resources completed geological exploration work and discovered more mineral occurrences in the area.

2000-2002: No. 1 Geological Team of the HBMG&MR conducted 1:25,000 stream geochemical survey, 1:10,000 Induced Polarization (IP) survey, 1:5000 IP profile, 1:10,000 & 1:000 geologic mapping, 1:10,000, 1:5000, 1:2000 and 1:1000 geologic cross-sections, made trenches and tunnels, collected 2965 samples for assay, also rock geochemistry, thin sections and specific gravity.

2003: 1:10,000 geologic mapping, 1:2,000 geologic mapping of mineralized veins, local IP survey, finished trenches and tunnels, commenced drilling and did an engineering survey.

2003: Drilled 2 holes totalling 681.4 meters on grid line 8 to intercept the #14 vein. Intersected the projected veins for 2.5 meters of alteration, with horizontal width 1.08 meters at an elevation of 360 meters. Reported results were 496 g/t Ag, 9.84% Pb and 1.1% Zn indicating the mineralized zone extends down dip for

400 meters. Another hole on grid line 0 was to intercept the #8 vein, but was stopped at 460 meters elevation because the footage exceeded the budget.

2003-2004: HPGGB completed a resource estimate on the Ying project in late 2003, which was reviewed and verified following CIM guidelines on the mineral resource estimates by Chris Broili in April 2004 NI 43-101 Report. In the report, Chris Broili summarized resource estimates at SGX for six of the better explored veins listed in following table.

Resource Type	Resource (Tonne)	Grade			*In Situ* Metal Resource		
		Ag (g/t)	Pb (%)	Zn (%)	Ag (ounce)	Pb (tonne)	Zn (tonne)
Indicated	630,100	412.66	6.57	3.18	8,359,713	41,429	20,015
Inferred	6,901,800	237.33	4.84	3.11	52,663,286	333,983	214,390

See April 21st 2004 NI 43-101 report for details.

2005: In April 2005 Chris Broili updated the resource estimates at SGX for five of the recently explored veins listed in following table.

See April 18th 2005 NI 43-101 report for details.

Resource Type	Resource (Tonne)	Grade			*In Situ* Metal Resource		
		Ag (g/t)	Pb (%)	Zn (%)	Ag (ounce)	Pb (tonne)	Zn (tonne)
Measured	229,481	1,419	33.25	9.88	10,470,661	76,314	22,675
Indicated	190,671	1,362	32.16	10.12	8,362,276	61,416	19,329
Measured +Indicated	420,453	1,393	32.76	9.99	18,832,937	137,730	42,004
Inferred	495,205	1,539	35.01	9.56	24,502,345	173,394	47,323

7. GEOLOGICAL SETTING

7.1 Regional Geology

As shown on the attached map, the project area is in the zone where the Qinling orogenic belt joins the south margin of the North China Precambrian tectonic plate. This plate margin and orogenic belt is a west-northwest trending zone where the Yangtze plate abuts the North China tectonic plate (see Figure 3). This zone has many mineral occurrences over a distance greater than 300 km.

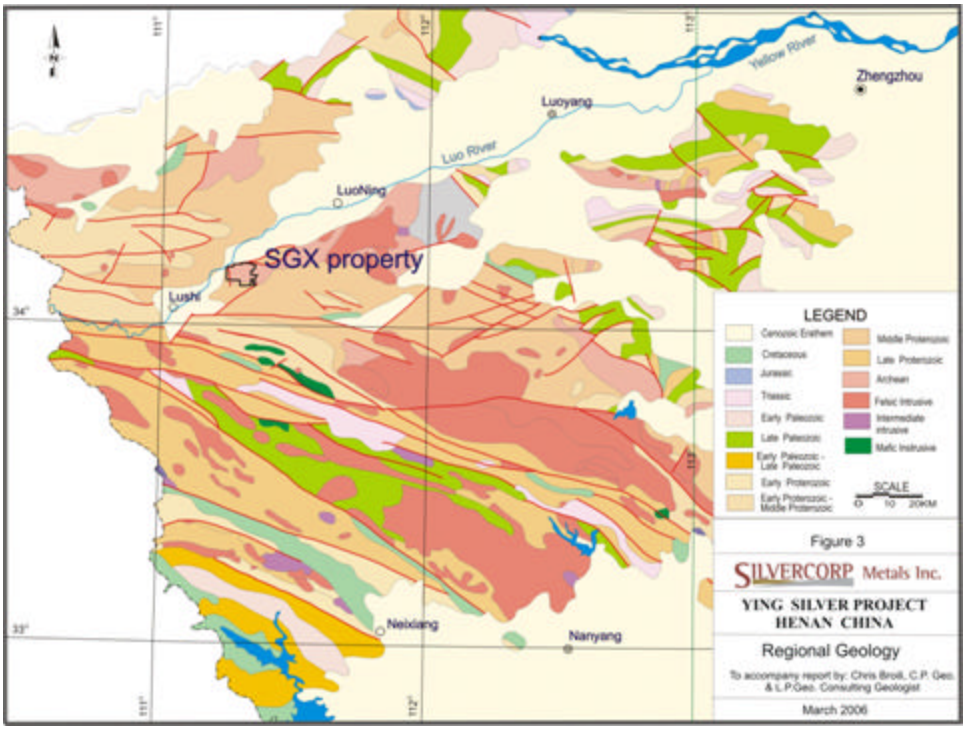

Figure 3: Regional Geology

The North China plate geotectonic units consist of rocks of different ages starting with Archean age Taihua Formation gneisses and mafic intrusions of gabbro and diabase. The gneiss consists of both felsic and mafic sequences and minor amphibolites.

The Quinling orogenic belt includes Proterozoic age rocks of Xionger Formation made up of volcanics ranging from mafic to felsic with minor clastic and chemical (carbonate) sediments. Paleozoic age Erlangping Formation consists of two assemblages, a thin-bedded sedimentary sequence overlain by a mafic volcanic sequence. The overlying rocks consist of Mesozoic and Cenozoic marine sequence including marls and carbonaceous argillites in turn overlain by clastic sediments including sandstone conglomerate. Major intrusives are Proterozoic and Mesozoic mafic to felsic composition dikes and stocks with Archean intrusions more uncommon consisting of mafic and ultramafic dikes and sills.

The structures of the Quinling orogenic belt and the southern margin of the North China plate are characterized by west-northwest trending folds and faults. The folds and faults mostly originated during the Paleozoic period when the North China plate collided with the Yangtze plate. These faults are thrusts or transpressional thrusts with an insignificant component of strike slip movement (consistent with the folding). The thrusts are in both directions with sequences to the north and south thrust over each other.

The thrusts are brittle to brittle/ductile with very little ductile component. Associated with the west-northwest trending structural belt is a set of conjugate shear structures that trend either northeast of northwest. These conjugate structures display brittle features such as fault gouge, breccia and well-defined slickensides. The conjugate fault zones host all recognized mineralization. The typical N-NE trending fault zones in the project areas are: Heigou-Luan-Weimosi, deeply seated fault zone, Waxuezi-Qiaoduan fault zone, and Zhuyangguan-Xiaguan fault zone.

Rocks of the Archaen age Taihua Formation are metamorphosed to amphibolite facies and locally to granulite facies. Proterozoic age Xionger Formation and Paleozoic age Erlangping Formation are metamorphosed to lower greenschist facies with locally lower amphibolite facies. Younger rocks are not metamorphosed.

7.2 Property Geology

The basement in the Ying area is composed of Archaen age mafic and felsic gneisses (Figure 4). Protoliths of these rocks are intermediate-to-mafic and intermediate-to-acid volcanic and sedimentary rocks, which were subjected to amphibolite facies metamorphism. The stratigraphic sequence consists of about one kilometer thick mafic gneiss with local gabbroic dikes and sills trending N-NE and dipping 30^{o} to 60^{o} toward the SE. This is overlain by a much thicker sequence of thin-bedded quartzo-feldspathic gneiss. This gneiss sequence is bounded on the north and west by Proterozoic age greenstones (andesitic in composition) along a very high-angle (>70°) "detachment" fault-shear zone. Greenstones are steeply dipping toward the northeast and southwest.

The gneisses are dissected by the northeasterly trending high-angle and mostly west dipping conjugate faults that are commonly filled with younger diabasic to porphyritic basalt dikes forming a dike swarm. The gneisses are commonly very tightly folded with boudins fairly common, especially near the mafic gneiss – feldspathic gneiss contact. There are also local younger small granite porphyry stocks intruding this sequence. These younger intrusives range from Proterozoic to Paleozoic age.

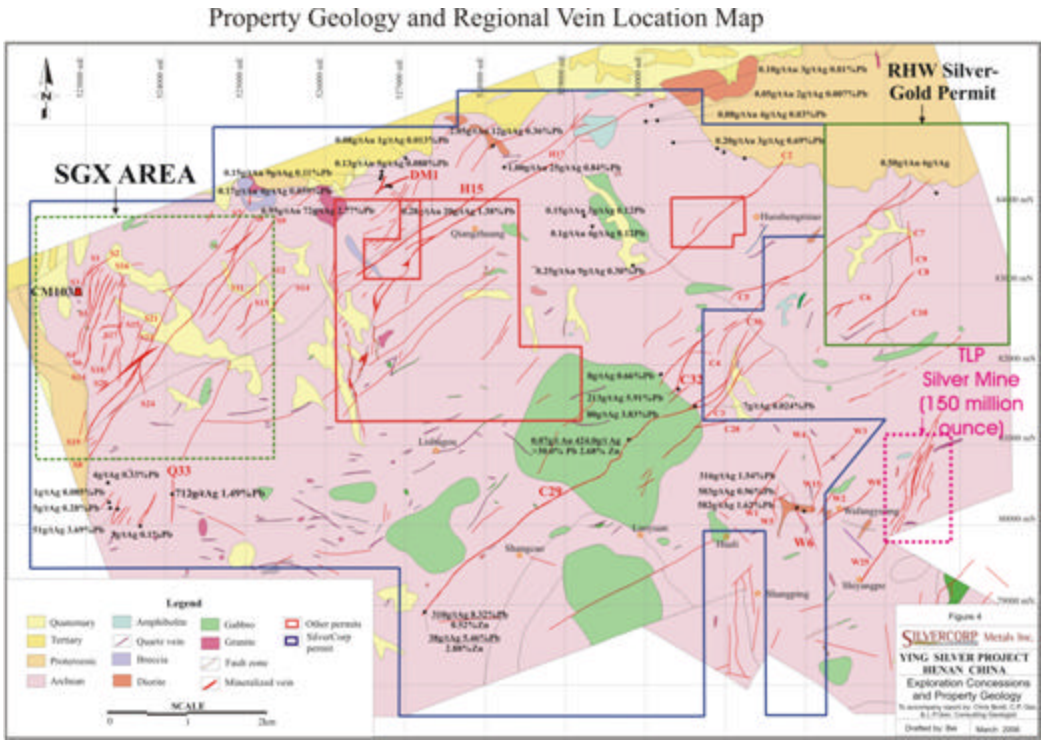

Figure 4: SGX Exploration Concessions and Property Geology

8. DEPOSIT TYPE

The targeted deposit style in the Ying Project area is:

? Mesothermal Silver-Lead-Zinc system as described by Waldemar Lindgren, 1933. Similar deposit type includes the Coeur d'Alene silver district in northern Idaho, USA (Park & MacDiarmid, 1970, p 319) that is one of the largest Silver-Lead-Zinc districts in the world.

? Mesothermal deposits most common metal products are lead, zinc, silver, copper and gold with common gangue minerals consisting of quartz, pyrite and carbonate (Park & MacDiarmid, 1970, p 317-318). Alteration products include quartz, calcite and sericite (Park & MacDiarmid, 1970, p 318).

? Mesothermal deposits are commonly in areas of strong structural deformation and in the brittle and brecciated rock units (Park & MacDiarmid, 1970, p 322; Sorenson, 1951; McKinstry and Svendsen, 1942). Mineralization is in altered country rock parallel to anticlinal axes and faults (Park & MacDiarmid, 1970, p 324)

? Mesothermal deposits commonly display crustiform textures (mineral banding) within the veins (Bateman, 1951, p 110).

9. MINERALIZATION AND ALTERATION

The known mineralization targets on the property are Pb-Zn-Ag rich quartz-carbonate veins in Precambrian gneiss and greenstone. Site visit by Chris Broili noticed the boudinage shape of high-grade mineralized veins (commonly known as "pinch and swell" in veins and caused by flexures of the fault plane enabling portions of the fault to widen "swell" or narrow "pinch" with movement along the fault) in exploration tunnels and stopes at Ying. The sections between these high-grade pockets continue as narrow shear zones with anomalous amounts of metal values.

In the western part of the Ying project, SGX, quartz-carbonate veins with Silver-Lead-Zinc mineralization are manifested as 28 mapped vein-alteration zones (Figure 5). On the surface they exist as mostly NNE trending structures, commonly filled by altered andesite dikes and quartz-carbonate veins, and more uncommonly as altered gneiss along these structures with local quartz-carbonate veins. Mapping and surface channel sampling define these veins. The altered zones persist along the length of these NNE trending structures with quartz abundance varying along the length. On the surface about 30-50% of the structures are altered and mineralized, and the rest are just altered. This may be a factor of exposure and cover, as well as zonation in the mesothermal system. The brittleness of the various lithologies cut by these N-NE structures is probably also a factor dictating the scale of these mineralized dilation zones. More of the vein zones are high on hillsides or ridges rather than being exposed in the valley bottoms.

The veins are lenticular with numerous zones of pinching and swelling. These are caused by flexures along the structure having movement perpendicular to the curves and thus providing dilation zones for mineralization to fill. Stopes seen underground ranged from 30 to 60 meters in both vertical and horizontal dimensions. Stope widths ranged from 1 to 3 meters. Veins commonly consist of quartz carbonate with occasional inclusions of altered wallrock.

During the field evaluation in 2004, it appeared the underground adits and drifts that follow veins had a similar proportion of 50% mineralized and 50% just altered. However, recent work has determined this ratio more accurately. These mineralization ratios are determined based upon the areas with greater than 1,250 g/t silver equivalent divided by total area of a vein being explored by tunnels and drill holes and projected on the longitudinal sections. The remaining part of vein is only altered. Average mineralization ration for all of veins exposed to date is 31.53% mineralized. The mineralization ratio for individual veins are as follows: S2E – 41.3%; S2 – 18.88%; S4 – 18.88%; S6 – 29.27%; S16W – 36.34%; S16E – 30.39%; S7 - 37.36%; S8 – 41.57%; S14 – 40.8%. Vein widths range from 0.2 to 2.0 meters, with one vein locally up to 5.0 meters.

Mineralization commonly occurs in crustiform textures along the vein margins consisting primarily of galena and sphalerite with local zones enriched in chalcopyrite and pyrite. This texture is typical of mesothermal systems. Sulfide contents range from 10 to 68% galena, 3 to 25% sphalerite, trace to 5% pyrite and trace to 3% chalcopyrite. Sulfides can occur massively or disseminated within the veins. Veins commonly form thin (0.3 to 0.9 m thick) and extensive (up to 100 m long and deep) massive galena lenses. Wall rock alteration commonly consists of a myriad of quartz veinlets, carbonate on fractures, sericitization, chloritization and silicification. There is also some retrograde alteration expressed as epidote along fractures.

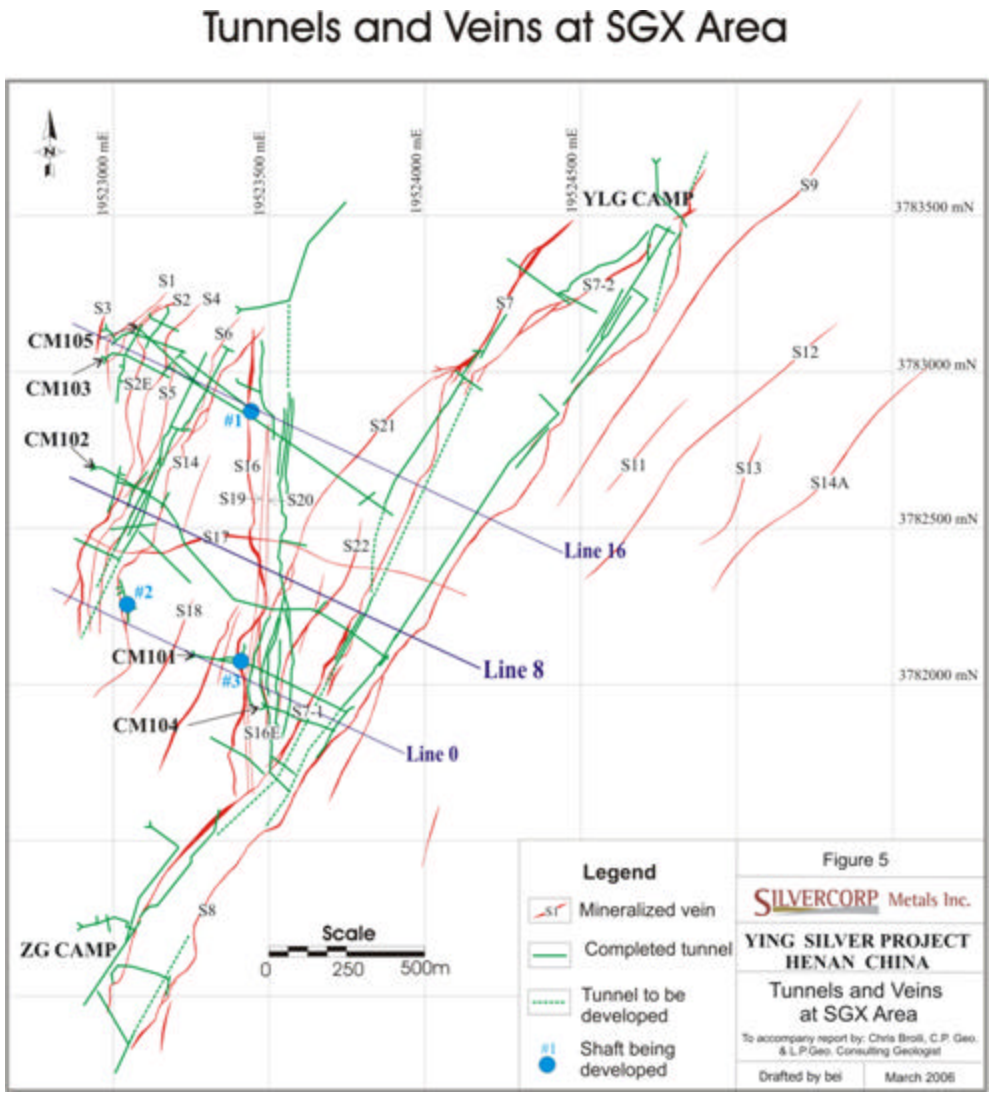

Figure 5: West SGX Property – Tunnels and Veins at SGX Area

The alteration-vein zones are recognizably more persistent at depth (see Figure 6). Many assays from underground veins had significantly better Silver-Lead-Zinc values than those from the surface veins. Surface values of eight select channel samples averaged 168.21g/t Ag, 1.42% Pb and 1.55% Zn over 1.25 meters. Underground values of eleven select channel samples averaged 877.14g/t Ag, 11.97% Pb and 4.36% Zn over 1.20 meters. This suggests two scenarios. The mineralization is either leached from the surface outcroppings or the mineralization is zoned and thus enriched at depth. It is likely that leaching is the case.

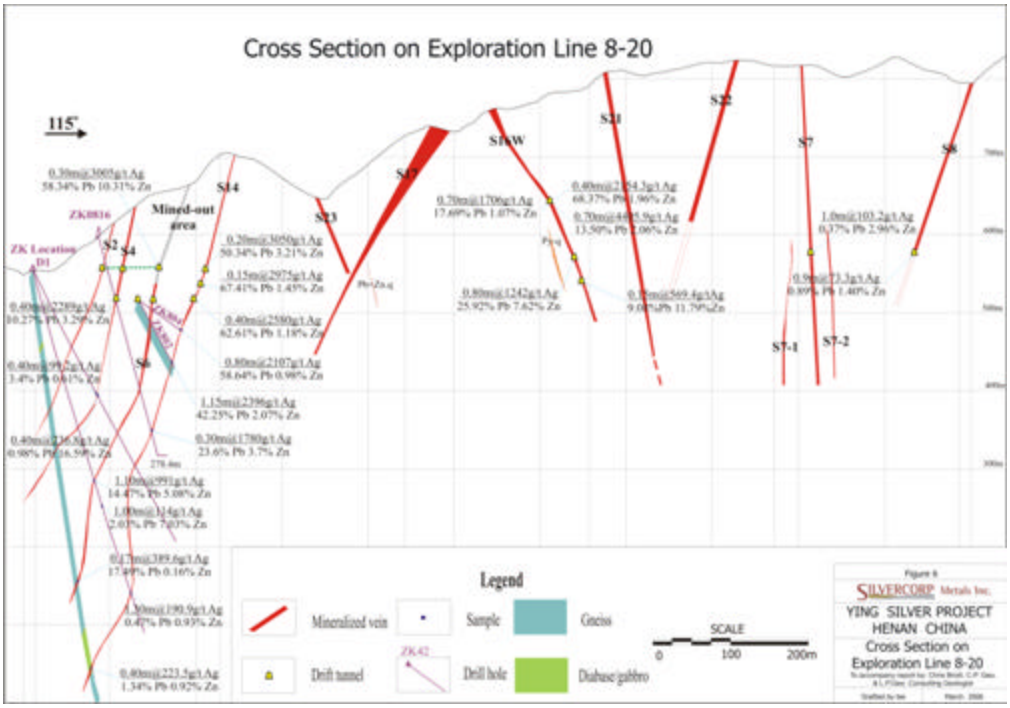

Figure 6: West SGX Property – Cross Section on Exploration Line 8-20

At the Sidaogou and Xigou areas (center and east of the property), there are about 20 veins, however they are much smaller and shorter than those in the west. The mineralization is similar in form and character to the western mineralization. Exploration is also much more limited.

10. PREVIOUS EXPLORATION WORK

Before Found took over operation on the Ying project in 2004, all exploration work was carried out by different government groups including HBMG&MR. The sampling and trenching programs were sub-contracted and under immediate supervision of the project geologists. Found and their contractors conducted the exploration work since August 2004.

Exploration work completed by government groups from 1950 throughout 1990 as follows:

1) 1:200,000 scale geological mapping by Henan Bureau of Geology and Mineral Resource from 1956 to 1980
2) Airborne magnetic survey of south-western Henan by the Ministry of the Geology of China during 1967
3) Compiled and published four mineralization maps of the district by the Henan Geological Exploration Corp. of Metallurgy in 1984

Exploration work completed by HBMG&MR from 1991 throughout 1999 as follows:

1) 1:50,000 scale stream sediment geochemical survey covering 9,640 km^2 in south-western Henan province by (HBMG&MR) during 1991 to 1993
2) 1:50,000 scale map of mineral occurrences by HBMG&MR focussing on silver, gold and other metals during 1991 to 1995
3) Geological exploration by the HBMG&MR and Geological Institute of Henan Bureau of Geology and Mineral Resources discovered more mineral occurrences since1996

Exploration work completed by HBMG&MR from 2000 throughout 2003 as follows:

1) During 2000 to 2002:
    a) 1:25,000 stream geochemical survey
    b) 1:10,000 IP survey
    c) 1:5000 IP profile
    d) 1:10,000 and 1:1,000 geologic mapping
    e) trenches and tunnels
    f) 2,965 samples for assay
    g) rock geochemistry survey
    h) thin section examination
    i) specific gravity
2) During 2003:
    a) 1:10,000 geologic mapping
    b) 1:2,000 geologic mapping of mineralized veins
    c) local IP survey
    d) trenches and tunnels
    e) drilling
    f) an engineering survey
    g) contract miners began underground exploration drifting, driving about 2,900 m of tunnels and shipping hundreds of tonnes of material to nearby smelters.

Exploration work completed by Silvercorp from 2004 to March 2005 as follows:

1) Expanded all the underground workings on five of the SGX veins:
    a) tunnel enlarging: 1,271 m
    b) declines: 298 m
    c) undercut drifting: 1,897 m
    d) main tunnel: 497 m
    e) raise: 200 m
    f) ventilation raise: 102 m
    g) underground drilling: 15 holes for 1,376 m
    h) sampling and metallurgical work

Exploration work completed by Silvercorp from March 2005 to present as follows:

1) Expanded all the underground workings on twelve of the SGX veins:
    a) tunnel enlarging: 1,467 m
    b) declines: 575.34 m
    c) undercut drifting: 11,364.26 m
    d) main tunnel: 2,144.49 m
    e) raise: 1,164.7 m
    f) ventilation raise: 53.3 m
    g) shaft: 107.1 m
    h) underground drilling: 68 holes for 9,184.86 m
    i) surface drilling: 9 holes for 4,138.7
    j) sampling and metallurgical work
2) Reconnaissance exploration outside the SGX area (see section 10.1)

10.1 Recent Silvercorp Exploration Progress

Most of Silvercorp's recent exploration work is confined to the tunnel and drill programs in the SGX area, which is now under a mining license. The details of this work are covered under section 11, the tunneling and drilling chapter of this report.

Reconnaissance exploration outside of the SGX area commenced during the summer of 2004. The program involved primarily surface mapping of old workings and follow-up of soil geochemical anomalies. This work resulted in identifying six additional Ag-Pb veins (Figure 4). These veins, with similar surface leaching characteristics to those at SGX, suggest deeper SGX-style high-grade Ag-Pb mineralization. The assay results for these six new veins are encouraging.

The DM vein, 4.2 km north-east of SGX tunnel CM103, has several north-easterly trending silicification and hematite alteration zones with some small tunnels. Significant gold, silver and lead mineralization veins were found in the old workings. One of the veins is between 0.7 to 1.3 meters (m) wide and 400m long. Surface chip samples and grab samples had encouraging results (0.8 m with 2.67 g/t Au, 26 g/t Ag and 0.14% Pb).

The 3 km long H15 vein is partially covered by a mining permit and being mined by a local mining company. About half of the H15 vein is located within Silvercorp's Ying permitting area. Chip samples and grab samples had encouraging results (1.0 m with 2.05 g/t Au, 12 g/t Ag and 0.36% Pb).

The Q33 vein, 2.9 km southeast of SGX tunnel CM103, extends north-south 800 m. Locals developed an undercut drift along the vein and intersected Ag-Pb mineralization 0.3m wide. A grab sample provided encouraging results (grab with 712 g/t Ag and 1.49% Pb).

C32 vein, located 7.6 km southeast of SGX tunnel CM103, extends about 800 meters along a northeast direction. A small portion of the vein was mapped from a small tunnel in which the vein ranges from 0.35 to 0.60m in width. Chip samples and grab samples had encouraging results (grab with 213 g/t Ag and 5.91% Pb). The main tunnel has been extended 661 m with 42.5 m of raise and 311 m of undercut drift. This work is in progress, but no significant mineralization has been intersected yet.

W6 vein, located at approximately 9.5 km southeast of SGX tunnel CM103, is over 700m in length. It was previously mined by locals on three levels. Grab samples provided encouraging results (grab with 840 g/t Ag and 3.1% Pb). Recent work includes extending the main tunnel for 280.7 m with 616.7 m of undercut drifting. This tunnel discovered an extension of the northeasterly trending and steeply southwesterly dipping S18 vein continuous over 105 m and averaging 0.1 to 1.5 m thick. Some of the more encouraging results include 0.2 m of 9525 g/t Ag, 13.53% Pb and 2.01% Zn, and 0.15 m of 5,306 g/t Ag, 10.38% Pb and 1.91% Zn.

The C29 vein, located about 6 km southeast of SGX tunnel CM103, is about 5 km in length. Chip samples and grab samples had encouraging results (0.23 m with 0.07 g/t Au, 424 g/t Ag, >30.00% Pb and 2.68 % Zn). Recent enlargement of the tunnels (181.5 m), extension of the main tunnel for 60.7 m, undercut drifting for 662.8 m and raising for 33.8 m found three mineralized zones. The longest zone is about 20 m long averaging 0.8 m with 1.5% Pb and 160 g/t Ag.

11. TUNNELLING AND DRILLING

In the 2005 Report, Chris Broili pointed out the necessity of understanding the controls for the distribution of mineralization during the second phase program. This understanding should then enable Silvercorp to advance to the next exploration and development stage. To this effect, several work programs were recommended to advance the Ying Project with a budget of US$3,300,000, to develop 13,000 meters of exploration tunnels, 900 meters in three shafts and 10,000 meters of underground drilling to further define the deeper mineralization. Additional funds of US$1,700,000 were budgeted for pilot test mining and milling, mining permits and logistics.

Silvercorp followed Chris Broili's recommendation and focused their exploration on the Ying Project through tunnelling and underground drilling.

At the SGX area, 2,903 metres of underground development were completed by HBMG&MR prior to Found acquiring the property. From August 2004 to March 2005, Found completed a total of 3,550 m of drifting, declines, and raises and 1,250 m of underground drilling. From March 2005 to February 2006, Found completed a total of 15,070 m of drifting, declines, and raises, 107 m of exploration shaft and 13,387 m of underground and surface drilling. Found's tunnelling and underground drilling focused on veins S2, S6, S14, S16E and S16W. In addition, Found widened several main access tunnels to 2.0X2.2m from 2.0X1.8 for 1,468 m. At present, veins S1, S2, S4, S5, S6, S7, S14, S16E, S16W, S8 and S17 can be accessed through tunnels CM101, CM102 and CM103. Several new veins have been discovered relating to the known veins. These include S2E, S7-1, S7-2, S16W1, S16E and a substantial extension of S21 from ~200 m to greater than 950 meters.

S2 Vein

S2 hasn't been extended since March of 2005. But a spur vein, S2E, was found adjacent to S2 and is discussed below.

S4 Vein

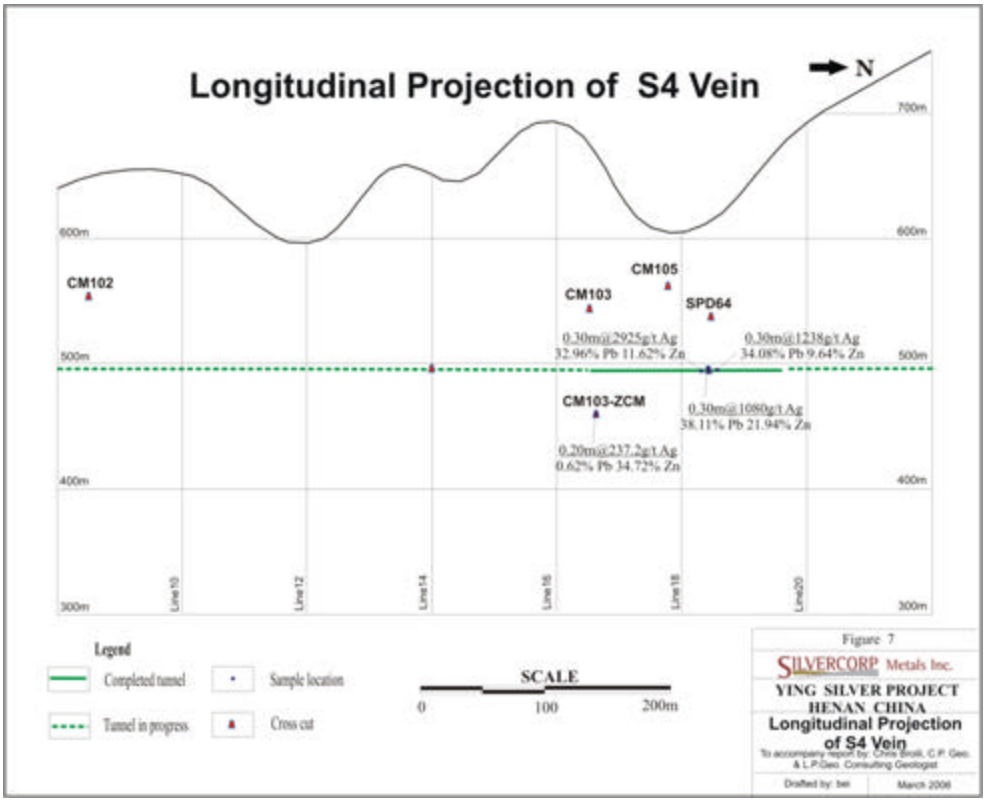

Figure 7: SGX Property – Longitudinal Projection of S4 Vein

Narrow structure of the S4 vein was traced for 550 m on surface by only limited trenching to the north of the main access tunnel, CM103. The main access tunnel, CM103 at the 549 m elevation, only intersected the structure with no significant mineralization. However, massive galena in the S4 vein was encountered on the 496 m and 460 m elevation through two declines from the 549 m and 496 m elevation in CM103 that was originally designed to intersect the S2 vein (Figure 7).

S6 Vein

Drifting by the previous operators sufficiently exposed massive galena zones within the S6 vein. Expansion with a decline did not intersect any significant mineralization, but two drill holes intercepted some noteworthy intercepts 300 to 400 meters deeper than the CM 102 access tunnel (Figure 8).

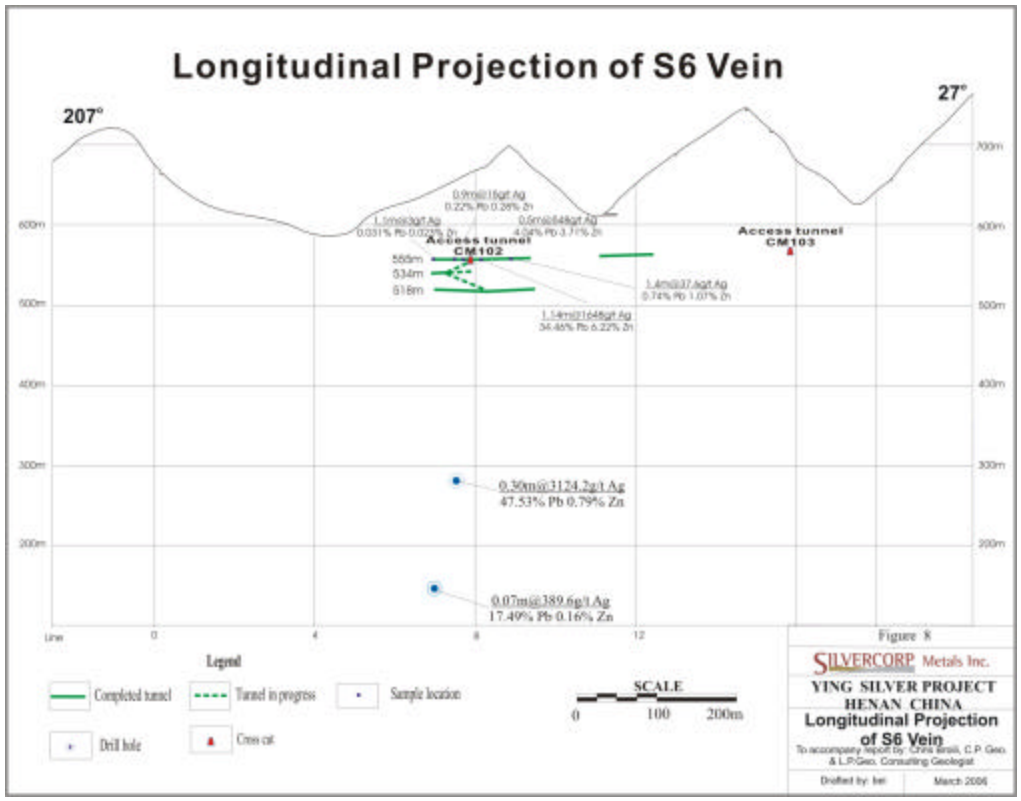

Figure 8: SGX Property – Longitudinal Projection of S6 Vein

S7 Vein

The S7 vein, previously mapped by surface trenching and limited tunnelling, extends over a 3.5 km northeast strike length to a depth of 150 m down-dip in a northwest direction. A new tunnel sufficiently exposed 200 meters of massive galena within the S7 vein (Figure 9). Substantial zones within this vein remain to be explored. In addition, two spur veins of S7 have been found adjacent.

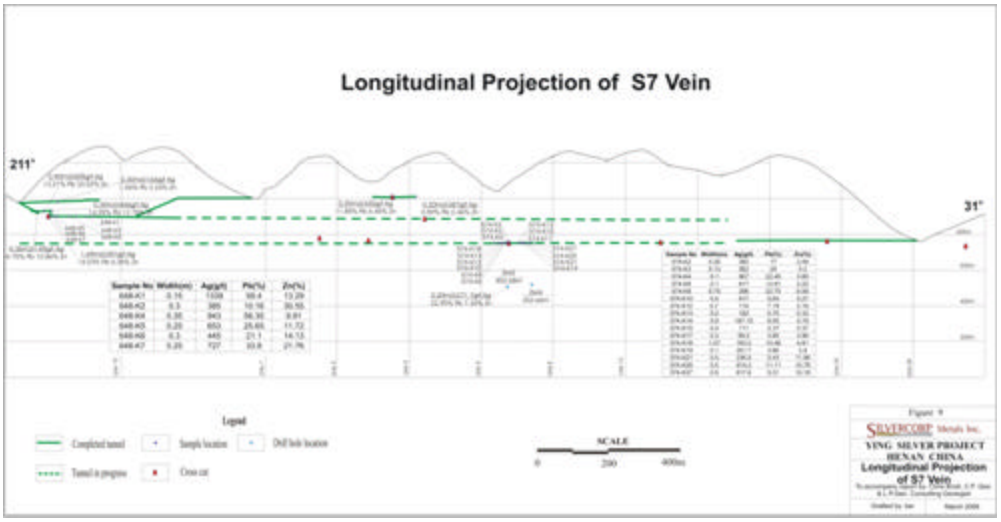

Figure 9: SGX Property – Longitudinal Projection of S7 Vein

S8 Vein

The S8 vein extends over 4.1 km northeast along strike and 275 m down-dip toward the northwest. The vein has been extensively mined in many sections on the different levels above 580 m elevation from the MG camp at the northeast end to the ZG camp at the southwest end of the vein. Currently Silvercorp is exploring the vein through four access tunnels: CM101 (on 640m elevation), and CM102 and CM103 (on 570m elevation at the SGX camp), YPD02 (at the 565m and 510m elevation) and YM01 through two declines at 585 m and 550 m elevations (Figure 11).

Drifting sufficiently exposed 200 meters of massive galena zones within the S8 vein. Substantial zones within this vein remain to be explored.

S14 vein

Updated mapping combined with new tunnelling and drilling defined massive galena, over 550 m long and 200 m down dip. The massive galena in the S14 vein is fairly continuous with a 40.8% ROM (Rate Of Mineralization, the proportion of the vein above cut-off grade). The vein ranges from 0.1 m to 1.0 m thick. 135 channel and chip samples from drifts, raises, and stopes have grades of 2,099 g/t silver, 47.27% Pb, and 3.61% Zn, (a silver equivalent grade of 4,255 g/t or 136.79 oz/t) with an average thickness of 0.36m.

The core drilling was initially on 40-50m centers to test the down-dip extension of massive galena.

S16 Vein

The S16 vein, as previously mapped by surface trenching and limited tunnelling, consists of a number of massive galena veins with quartz along a narrow structure that extends over a 2 km strike length to a depth of 300 m down-dip. The vein structure splits into two branches where they crosscut CM102. About 535 m north of the CM102

intersection, CM103 also intersected two north-striking and east-dipping veins at 570 m elevations, which are interpreted as projections of vein S16. Drifting from both CM102 and CM103 suggests that the previously reported S16 vein are actually splits into two or more parallel branches from 10 to 50 m apart and now identified as S16W, S16E and S16E1 veins. Locally they do merge so this relationship is not necessarily consistent.

Massive galena sheets are well developed along both the S16W and S16E veins and are 0.1 m to 1.0 m thick as exposed in tunnels on three levels (645 m, 570 m, and 550 m levels). S16E and S16W are two north-striking and east-dipping veins that were originally mapped as two branches of the S16 vein, but merge into a single vein about 50 m north of CM102. The entire lengths for both of these veins are mapped along 2,000 m.

The S16 vein consists of intermittent zones of massive galena extending over 950 m along strike and 300 m down-dip. Massive galena is common along both the S16W and S16E veins ranging from 0.1 to 1.0 m in thickness exposed on three levels (Figure 12).

S21 Vein

The S21 vein was previously mapped by a Chinese geological team along a length of about 100 m with a northeast extension. It crops out east of the S16E vein and where intercepted by main access tunnel CM103, the S21 vein structure did not show any obvious mineralization. The discovery surface drill hole, ZK1208 collared at 827 m elevation, was originally designed to test the S16E and S16W veins at depth (recently intercepted by drilling at 505 m from surface, assays pending). However the drill hole also unexpectedly intercepted the S21 vein at 332m from surface. The second hole, ZK6006 collared at 783 m elevation and 125 m northeast of ZK1208, again intercepted S21 vein at 111 m from surface. Two underground drill holes from the CM102 tunnel also intercepted the S21 vein.

Now, drilling, tunnelling and surface mapping work have extended the S21 vein for about 1,000 m. With this significant discovery of massive galena mineralization, the S21 vein is now being explored with one surface drill rig, one underground drill rig and by underground tunnels. Vein exploration is via drifting through access tunnels CM103 and CM102 at SGX camp on the 560 m elevation. Additional exploration is also conducted along access tunnel YPD01 at the YLG camp on the 580 m elevation (1.5 km north of the CM103 tunnel).

S16W1 Vein

The S16W1 vein was never mapped on the surface, but was only recognized in tunnels at SGX. It occurs along the west flank of the S16W vein. Both veins are nearly parallel to each other and about 1.0 to 8.1m apart, with occasional merging of the two veins. Most of these veins are massive galena. The S16W1 vein was first discovered while excavating side tunnels and draw-points parallel to and perpendicular to the S16W vein from both CM102 and CM103. At 640 m elevation, three crosscut tunnels perpendicular to a north drift along the S16W intercepted the S16W1 vein as well.

The interception of the vein on the three different elevations from three main access tunnels has defined the veins for a minimum length of 750 m along a north-south strike for a depth of over 80 m. Currently the vein is being explored by drifting along the vein through access tunnels CM101 (640 m elevation), CM102 (570 m elevation) and CM103 (560 m elevation). A number of crosscut tunnels have also been designed to intercept the vein at the 534 m through CM102 and CM103.

S7-1 Vein

The S7-1 vein is located 18 to 20 m west of the S7 vein and has never been documented by any previous geological work. The vein was intercepted by all three main access tunnels CM101 (640 m elevation), CM102 (570 m elevation), and CM103 (560 m elevation) and one crosscut tunnel from CM102 at 534 m elevation. To date, drifting along 58 m found 27 m of massive galena and sphalerite.

Limited assay results (more assays are pending) indicate that the vein contains lower silver and higher zinc in comparison with the neighbouring S7 and other veins in the SGX area. The completed tunnelling program has defined the vein being over 700 m long and 100 m deep. The S7-1 vein is parallel to the S7 vein, extending northeasterly and dipping steeply to northwest. Exploration of the vein will consist of drifting parallel to an existing drift on two elevations (534 m and 560 m) through main access tunnels CM102 and CM103.

S7-2 Vein

The S7-2 vein is first vein in the SGX area carrying high gold values. This represents a different mineralization event in comparison with other veins at the SGX area. Not only is the mineralization different, but also the alteration of the wallrock (diabase) along the vein is different (specifically silicification of the wallrock). The vein also has much more pyrite than any other vein on the property. S7-2 only occurs at the YLG camp area and is located between S7 and S8 veins, subparallel and connects to S8 vein at the northeast end and S7 vein at the southeast end.

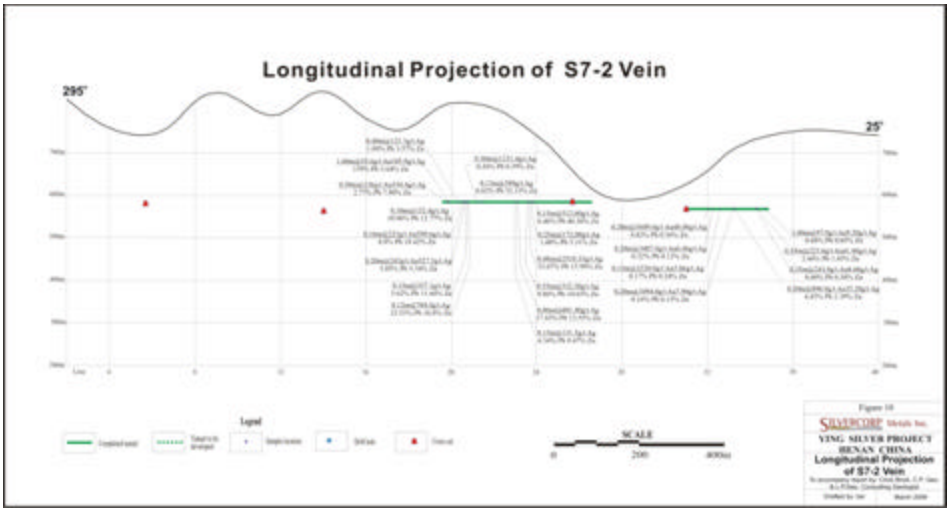

Figure 10: SGX Property – Longitudinal Projection of S7-2 Vein

S7-2 vein was traced on the surface for over 980 m by a Chinese geological team, however the type of mineralization associated was not determined due to lack of sampling. The vein was first intercepted in tunnel YPD02 when exploring S7 vein at the 565 m elevation. In tunnel YM01, a crosscut also intercepted the vein on the 585 m elevation. Using 1 g/t Au cut-off, three gold zones have been defined along a horizontal dimension (Figure 10). The south zone is 84.7 m in length, grading 9.65 g/t Au, 19.7 g/t Ag, 1.22% Pb, and 0.48% Zn averaging 0.25 m true width. The central zone is 80.3 m long, containing 4.48 g/t Au, 11.46 g/t Ag, 0.66% Pb, and 0.47% Zn averaging 0.41m true width. The north zone, defined in YM01 on the 585 m elevation, has been traced for over 18 m and open at both ends, containing 4.44 g/t Au, 12.93 g/t Ag, 0.59% Pb, and 0.52% Zn averaging 0.75m true width.

The immediate program on the S7-2 includes continued drifting along the vein at 585 m elevation through YM01, using a decline in YPD02 to explore the vein at 510 m elevation.

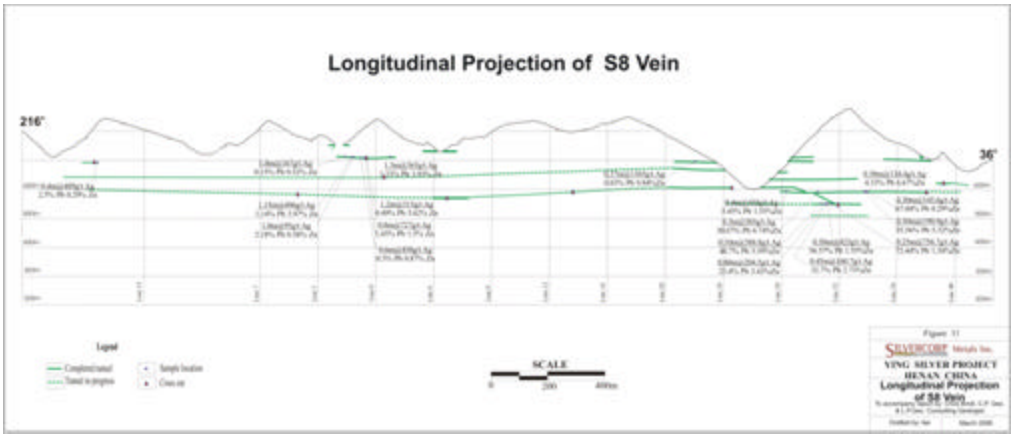

Figure 11: SGX Property – Longitudinal Projection of S8 Vein

S2E

A number of spur structures from the primary structure hosts the S2 vein. The most significant secondary vein, named S2E, is identified at 496 m and 460 m elevations of CM103 and also intercepted by drill holes at depth. The vein extends over 350 m along strike and approximately 300 m dipping northwest. A total of 307 m drifting and 51m raise has exposed the S2E vein averaging 0.47 m thick.

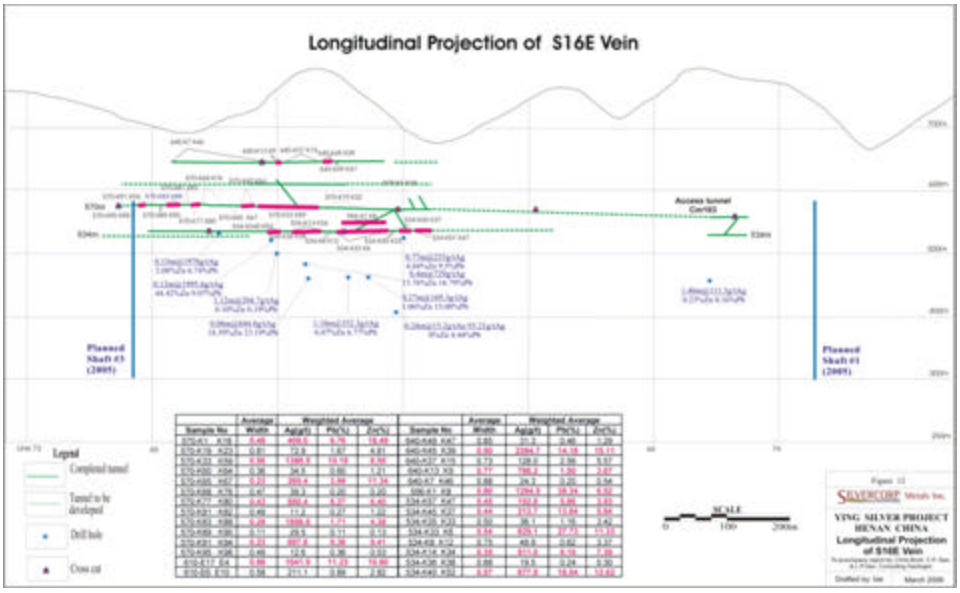

Figure 12: SGX Property – Longitudinal Projection of S16E Vein

12. SAMPLING METHOD AND APPROACH

Tunnel sampling on the Ying Project is commonly with channel sampling and minor continuous chip sampling. The channels were commonly cut 10 cm in width and 5 cm in depth producing a sample weighing approximately 2 to 10 kg for each 0.1 to 1.0 meter intervals depending the thickness of mineralization. The chip sampling produces a smaller sample weighing from 2 to 5 kg. These channel or chip samples are taken across the vein spaced 5 to 7 meters apart along the vein were mineralization or significant alteration exists.

The Ying underground and surface drill core is logged at the drill site. This mineralized NQ size (4.8 cm diameter) drill core is then hauled to a surface facility where is logged in detail, photographed and split by sawing in half with a diamond saw. Cutting is done one-piece at a time and each half placed in the core box or in the labelled cotton bag with sample number written on the bag. The bagged core is shipped to a laboratory for assaying and the remaining boxed core is stored.

Core recoveries were determined by measuring the amount of core and calculating the percentage recovered from the interval log of the core. This information is documented in the log.

Samples appear to have no sampling or recovery difficulties that could effect the reliability of results. Samples are representative, and from check sample results appear to have no sample bias. Rocks sampled underground are sulfide rich veins that follow structures. These are easily identified and sampled with little difficulty. The same is true for the core samples.

True widths of sample intervals are only a problem with the drilled intervals. The angle of the vein to core is determined by using the vein to core angles and cross-sectional correlations to determine the dip of the veins. The apparent thickness is then corrected to true thickness using simple trigonometry.

13. SAMPLE PREPARATION, ANALYSES, AND SECURITY

The core samples were split by sawing and one-half of the core was sent to the laboratory. With the tunnel samples the entire sample was sent to the laboratory. The samples were secured in sample bags and shipped in secured rice bags to the laboratory. Employees of Found, the subsidiary of Silvercorp, collected the tunnel samples and split the core for sampling.

Two laboratories conducted sample preparation and analysis:

1) The Langfang Institute of Geochemical and Geophysical Exploration (Certification ISO 9001), a well-regarded analytical laboratory in Langfang, Hebei Province, approximately 60 km from Beijing.

2) Analytical Lab of No. 6 Team of Henan Non-Ferrous Metals Geological and Mineral Resources Bureau in Luoyang located 125 km by road east-northeast of the Ying Project Area.

The sample preparation consists of drying, crushing and splitting of the sample with a riffle splitter to 150 grams, and then the sample is pulverized to 200 mesh. Lead, zinc and silver were analyzed by a 3 hour hot aqua regia digestion on 30 gram samples with an AA finish. Should the silver values exceed 1,500 g/t, a gravimetric finish is done. Should lead exceed 30% then an acid dissolution and titration is used to complete the analysis.

Check samples include field duplicates and pulps that are routinely sent to ALS Chemex Laboratories in Vancouver, Canada to determine assay accuracy or contamination difficulties. ALS Chemex in Vancouver is an ISO 9001: 2000 registered laboratory and is accredited for ISO 17025 under CAN-P-1579 "Guidelines for Accreditation of Mineral Analysis Testing Laboratories". These check samples, rather than being at regular intervals, were at random. This is helpful in recognizing and systematic contamination or other sampling difficulties. Their analytical procedures were as follows.

1. Analysis for Pb and Zn for those samples contained over upper limits using Aqua Riga digestion and AA finish. Should Pb exceed 30% then an acid dissolution and titration is used to complete the analysis.
2. Analysis for Ag using a 30 g sample uses aqua regia digestion with an AA finish. Should the Ag values exceed 1,500 g/t, a gravimetric finish is done.

Overall, the adequacy of sample preparation, security and analytical procedures are in keeping with standard industry practices.

14. DATA VERIFICATION

During the property visit on January 9th through 12th, 2006, Chris Broili was given unrestricted access to all available information and all underground workings.

Chris Broili's on-site verification of the property consisted of the following:

- checking of property locations using GPS
- visual inspection of the local geology
- visual inspection of the mineralized alteration zones

As part of the verification process, Chris Broili traversed most of the tunnels on foot using tunnel maps and digital camera to locate, document, verify and confirm numerous veins and drill sites against corresponding database entries and map postings. Included were inspections of dozens of randomly selected underground geological features and Silver-Lead-Zinc mineralized veins. Additionally, diamond drill cores and other sample materials stored at the project site were examined.

During Chris Broili's visit, the length of the mineralized veins was paced off and compared to that stated on maps and longitudinal sections. Additionally the bearings of the veins were verified with compass readings. And finally the length of the tunnels, where they intercepted veins, was paced to verify the accuracy of the working maps.

Considering the expectedly wide local variability in grade and continuity of Silver-Lead-Zinc vein mineralization – a situation somewhat analogous to nuggety, coarse gold veins – the tunnelling shows acceptable to very good correlations in vein thickness and grade between the historical tunnelling and the new tunnels and drilling. This confirms the veracity of the historical tunnel sample results.

There were no limitations placed on Chris Broili for verification purposes. In Chris Broili's opinion, the data are adequate for preparing mineral resource estimates compliant with NI 43-101.

15. ADJACENT PROPERTIES

Mineralization in the deposits that are described in this section are reflective of the mineralization on the properties that are the subject of this report. This information was provided by and translated by Silvercorp staff.

The Tieluping Lead-Silver mine is located adjacent and the east of the Ying concession. It is characterised by NNE trending, closely spaced, steeply dipping, structurally hosted quartz-carbonate veins with silver and lead mineralization in mafic gneiss. Several local operators are currently mining these multiple vein sets underground. Strike lengths of the veins range are up to 950 meters and widths range from 2.0 to 5.6 meters thick. Down-dip extensions of the veins are from 270 to 420 meters. Tieluping Silver and Lead Mine claim an indicated resource of 1,061.69 tonnes of contained silver and approximately 200,000 tonnes of contained lead according to Chinese resource standards. The reported grades average 292 g/t Ag and 3% Pb.

Alteration associated with this mineralizing system includes quartz-carbonate and sericite. All silver mineralization is associated with increasing galena content of the veins.

The Changsha Designing and Research Institute of Non-Ferrous Metal Metallurgy performed a metallurgical recovery test on two samples from Tieluping Silver and Lead Mine in 1994. Based on the test report, the best flow sheet for recovering silver and lead is to use a conventional floatation process. The material was crushed to 80% less than 0.074 mm. The recovery for silver was 94.12% to 94.58% for lead, and 82.24% to 94.92% for silver, depending on the degree of oxidization. The typical concentrate contained over 5,000 g/t silver and 65% lead.

The Haopinggou Lead-Silver-Gold deposit is located within the westernmost window of the Ying property block. Six mineralized veins exist. The steeply dipping veins trend NNE, similar to the SGX veins, with a strike length of 0.2 km to 2.4 km. A

local operator is currently mining a single structurally hosted vein underground. Width of the vein ranges from 0.5 to 3 meters, grading 0.77 to 20.55 g/t Au, 6.15 to 232.00 g/t Ag, and 0.28 to 11.23% Pb.

Alteration associated with this mineralizing system includes quartz-carbonate and sericite. All silver mineralization is associated with increasing galena content of the veins. Wall rock is mafic gneiss.

The mine head grades, production rate and other mining and milling data were not available.

On March 3, 2006, Silvercorp announced it had entered into a letter of agreement to acquire a 60% interest in the Haopinggou Mine for payment of CDN$6 million. The acquisition of the property remains subject to a number of conditions and is not included in this report.

16. GEOLOGICAL INTERPRETATION

From the work carried out by Silvercorp Metals, geological settings, distribution of mineralized quartz-carbonate veins, regional and property scale geological considerations, Silver-Lead-Zinc values, it is considered that the Ying Project property contains extensive mesothermal style Silver-Lead-Zinc mineralization of economic interest.

Recent work on the Ying Property explored and defined high-grade Silver-Lead-Zinc underground mineral resources in veins averaging 0.42 metres thick as reported in the 2005 Report. Chip and channel sampling of underground tunneling, and underground drilling accomplished this. Mineralization is hosted in a set of quartz-carbonate veins crosscutting Precambrian age mafic and felsic gneisses. Five of the recently explored veins on the Ying property have an Inferred Resource of 495,205 tonnes averaging 1539 g/t Ag, 35.01% Pb, 9.56% Zn, containing 24.5 million ounces of silver, 173,394 tonnes of lead, and 47,323 tonnes of zinc at an averaging width of 0.42m. In Measured and Indicated categories, the five veins have 420,453 tonnes averaging 1393 g/t Ag, 32.76% Pb, 9.99% Zn at an averaging width of 0.42 m. The contained metals for the Measured and Indicated Resources are 18.8 million ounces of silver, 137,730 tonnes of lead, and 42,004 tonnes of zinc.

S7 and S8 are two major veins at SGX with similar types of massive galena mineralization as the other veins, but only minor exploration. Recent tunnelling and underground drilling on these veins did find new Pb-Zn-Ag resources in these veins.

Test milling results indicate that the silver-lead ores from Ying veins are easily recoverable with a high 95.3% recover rate for lead and 90.2% recover rate for silver; and the lead-silver concentrate produced is a high quality product that satisfies all smelter requirements. This milling test also confirms that it is economic to use off-site flotation mills to treat diluted ores.

The resource estimate from the 2004 Report was based on the assumption that the entire vein is uniformly mineralized as opposed to only 30%-50% of the vein being comprised of high grade pockets which can be economically exploited. Therefore, that resource estimate had diluted mineral resource grades by more than three times while increasing the tonnage. This new indicated and measured mineral resource as shown in the resources table have decreased the total tonnes of resource substantially but the grade also increased substantially for an overall increase is total resource. The increases in the measured and indicated silver resource is 204%, lead resource is 308% and the zinc resource is 209%, but reduction of the inferred silver resource is 47%, the lead resource is 53% and zinc resource is 23%. This is due to a major proportion of the inferred resource being converted to an indicated or measured resource.

17. CURRENT OPERATIONS

17.1 Mine site access

The Ying mine is located in a side valley of the Guxian water reservoir. It is operated by Found, the 77.5% owned subsidiary of Silvercorp. The construction of the water dam cut off the mining area from the previous road access. As a consequence, barges are used to cross the water reservoir for transport of the ore to two toll mills from the mine and for the supply of the mine with bulk materials.

The capacity of a barge is about 10 to 50 tonnes of ore depending on the sizes of the barges. The ore is transported from run-of-mine stockpiles at the various portal sites to the loading point at the reservoir via small tricycle trucks with a payload to 2 tonnes each, and then unloaded onto the barges. A two-tonne loader is used to load ore onto the tricycle trucks. At the unloading points across the water reservoir, the ore is loaded directly onto 20-25t road trucks, which deliver the ore to the mill. It takes a loaded barge about 40 minutes to reach the Hedong ferry terminal to the east, and 1 hour to reach the Fanli ferry terminal to the west.

Found has proposed to commission a ferry for the Ying mine, which can carry four 25t trucks thereby increasing loading and transport efficiency by eliminating the small tricycle trucks and associated, intense manual labour.

17.2 Mining Permitting

As reported on March 30, 2006, Found has been issued a mining permit by the Department of Land and Resources of Henan Province, covering the 9.945 square kilometres SGX area within the Ying Silver Project, where Found has focused its major exploration effort. The permit was issued on the terms applied for. It allows operation of a 600 tonne per day underground mine within the permit area to produce silver, lead and zinc ores. The production rate can be increased in the future by amending the existing mining permit once expanded resource estimates have been filed with the Department of Land and Resources of Henan.

The key reports required by Chinese regulation for issuing the mining permit, each of which must be prepared by Chinese enterprises certified under their respective authorizing bodies, are:

1. Resource Utilization Plan ("RUP") Report which was prepared by Changsha Engineering & Research Institute of Nonferrous Metallurgy, a Chinese qualified person;

2. The Environmental Impact Assessment ("EIA") Report which was prepared by a qualified Chinese Environmental Engineering company;

3. The Geological Hazards Assessment Report prepared by a qualified geo-engineering firm.

We have reviewed the RUP and EIA reports. We have also reviewed the Draft Report on "Mine and Mill Design for Ying Silver-Lead-Zinc Mine" prepared by Anhui Maanshan Institute of Mining Research (January 2006) and "Metallurgical Study and Recovery Flowsheet Test Report on ores from Ying Silver-Lead-Zinc Mine, Henan" prepared by Hunan Non-ferrous Metals Research Institute (July 2005).

In our view, the RUP report is essentially a scoping study on the broad parameters of the mining development of the Ying mine. The resource/reserve data used in the RUP report were prepared by an Henan Non-ferrous; Metals Geology and Minerals Co. Ltd. of Henan Bureau of Non-ferrous Metals Geology and Mineral Resources. The Henan Bureau's resource study was reviewed and commented on in the 2004 Report. It is listed in Table 1 below.

Table 1: Resources estimates in 2004 Report

Resource	Resource	Grade			*In Situ* Metal Resource		
Type	(Tonne)	Ag (g/t)	Pb (%)	Zn (%)	Ag (ounce)	Pb (tonne)	Zn (tonne)
Indicated	630,100	412.66	6.57	3.18	8,359,713	41,429	20,015
Inferred	6,901,800	237.33	4.84	3.11	52,663,286	333,983	214,390

However, as commented on in the 2005 Report, the resource estimate from the 2004 Report was based on the assumption that the entire vein is uniformly mineralized as opposed to only 30%-50% of the vein being comprised of high grade pockets which can be economically exploited. Therefore, that resource estimate had diluted mineral resource grades by more than three times while increasing the tonnage. In the 2005 Report, the resource estimates at SGX were updated for five of the recently explored veins as listed in the following table.

Table 2: Resources estimates in 2005 Report

Resource	Resources	Grade			*In Situ* Metal Resource		
Type	(Tonne)	Ag (g/t)	Pb (%)	Zn (%)	Ag (ounce)	Pb (tonne)	Zn (tonne)
Measured	229,481	1,419	33.25	9.88	10,470,661	76,314	22,675

Resource Type	Resources (Tonne)	Grade			*In Situ* Metal Resource		
		Ag (g/t)	Pb (%)	Zn (%)	Ag (ounce)	Pb (tonne)	Zn (tonne)
Indicated	**190,671**	**1,362**	**32.16**	**10.12**	**8,362,276**	**61,416**	**19,329**
Measured +Indicated	**420,453**	**1,393**	**32.76**	**9.99**	**18,832,937**	**137,730**	**42,004**
Inferred	**495,205**	**1,539**	**35.01**	**9.56**	**24,502,345**	**173,394**	**47,323**

This scoping-level analysis of current mining operations at the Ying Mine however is based only on the resources estimate in the 2005 Report.

17.3 Mine Design

The mine is located in a narrow side valley. Horizontal portals (adits) provide easy access from the surface to the veins. Not all levels have their own access portal; some are accessed via internal declines. Declines are ramps with winches to pull and lower rail cars on tracks or hand carts between two mine levels. The level intervals are 40 m and all levels above approximately 500 m elevation ("L") are accessed through a portal–decline system (see Figure II-1). This Exploration & Development program is based on utilizing the pre-existing portals & tunnels (~30,000 m) and follows the guidance set out in a preliminary plan and design completed by Silvercorp's technical staff, recommendations in the 2004 Report and the 2005 Report, the Resource Utilization Plan Report by Changsha Engineering & Research Institute of Nonferrous Metallurgy, and most recently, the draft report on "Mine and Mill Design" by Anhui Maanshan Institute of Mining Research.

The main strategies of the Exploration & Development program are:

a) Extensive tunneling (drifting) along all mineralized veins accessed by the portal-decline system to discover high grade ore shoots on multi-levels from 800 m to 500/460 m elevations;
b) Sinking 3 vertical shafts for exploration and development at depths below 500/460 m elevations;
c) Underground drilling focusing on delineating the down-dip extension;
d) Once an ore shoot has been encountered and delineated, cutting a footwall drive (tunnel) to bypass the planned stope. This footwall bypass accesses the loading cross-cut into the stope, therefore becoming mining ready;
e) Surface deep hole drilling to test the depth extension of mineralization;
f) Custom milling of by-product ore extracted from extensive exploration and development tunnels (now over 30,000 m of tunnels developed) to finance future tunnels;
g) First 3 years of production is planned to come mainly through portals CM101, CM102, CM103 PD700, YPD01, and YPD02 to depth of 500m L;
h) Future production will be carried out through No. 1, No. 2 and No. 3 shafts;
i) Development of 3 more shafts in 2007 for further future production.

Table 3 lists the adit-decline system developed already, the relevant portals and connected levels of the Ying Mine (SGX area) (see Figure II-1 for portal and shaft locations):

Table 3: Access systems, portals, levels, and inter-level access

Access System	Portal(s) at	Inter-level Access	Levels
CM101	640m L	Decline to 570m L of CM102 Raise to 700m L of CM104 Access to No. 3 shaft	640m L
CM102	555m L to 570 m L	Connected to CM103 at 570m L Raise 570m L to 610m L Raise 610m L to 640m L Decline to 518m L of S14, S6, and S2 veins Decline 518m L to 480m L of S14, S6, and S2 veins Decline to 534m L of S16W, S16E, S7-1, S7, &S8 Veins	640m L 610m L 550m L to 570m L 534m L 518m L 480m L
CM103	550m L	Connected to CM102 at 570m L Raise 570m L to 610m L of S16W and S16W1 vein Raise 610m L to 640m L of S16W and S16W1 vein Connected YPD01 at 570 m L along S21 vein Decline to 490m L of S2, S2E and S4 veins Decline 490m L to 460m L of S2, S2E and S4 veins Decline to 518m L of S14, S6, and S2 veins Decline 518m L to 480m L of S14, S6, and S2 veins	640m L 610m L 550m L to 570m L 518m L 480m L 496m L 460m L
CM104	700m L	Decline 700m L to 640m L of CM101	700m L
CM105	600m L	Access to No. 1 shaft	570m L
PD16	600m L	Access to No. 2 shaft	600m L
PD650	640m L	Connected to CM101 for ventilation and exploration	640m L
PD680	680m L	680m L exploration and mining	680m L
PD700	700m L	Decline 700m L to 600m L of S7 & S8 veins (south)	700m L 640m L 600m L
YM01	580m L	Decline 580m L to 540m L of S8 vein (north) Decline 540m L to 500m L of S8 vein (north)	580m L 540m L 500m L
YPD02	570m L	Decline 570m L to 530m L of S7 and S7-2 veins	570m L 530m L
YPD01	570m L	Connected to CM103 along S21 vein	570m L
YLGSPD66	570m L	Connected to CM102 along S8 vein	570m L

The three shafts, now each equipped with hoists, are in the process of sinking and are expected to reach intended depth of 210m L by the end of 2006. The shafts are

designed to be 3.8m in finished diameter. Each shaft is equipped with a cage and is guarded by four steel cables. Shafts are pulled by a 1.6m diameter hoist and each is capable of hauling 150,000 tonnes of material per annum (based on 300 days/year). Photo 1 shows the operation of the hoist for No. 3 shaft, accessed through CM101 portal at 640m L.

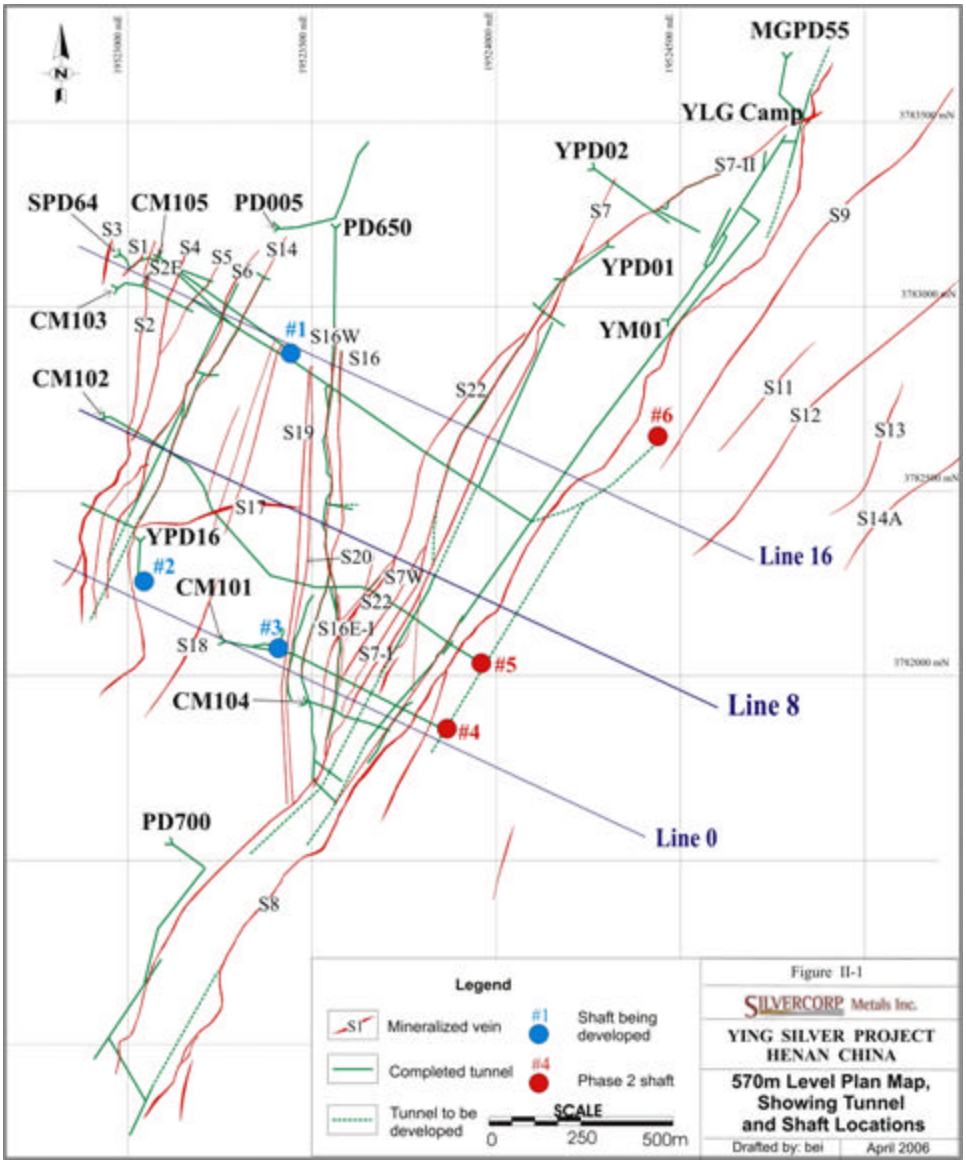

Figure II- 1: 570m Level Plan Map with Tunnel & Shaft Locations

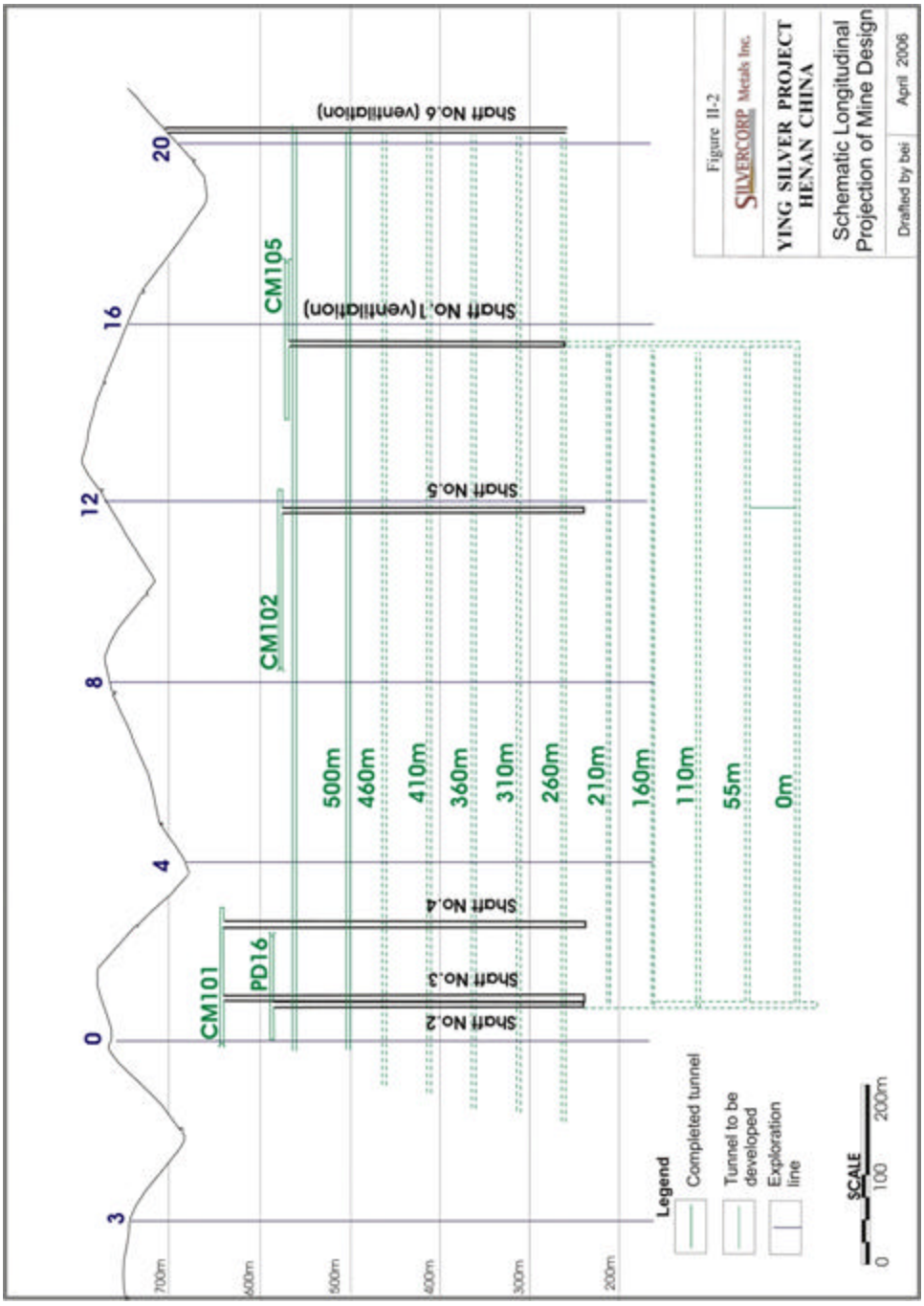

Figure II- 2: Longitudinal Projection of Mine Development System

Based on the Mine design, from 500m L down to 0m L, 11 sub-levels were planned at vertical distances of 40 m to 55 m (see Figure II-2, Longitudinal Projection of Mine Design).

Photo 1: Hoist chamber of No. 3 shaft in adit CM101

The Exploration and Development tunnel work completed to date includes:

Table 4: Tunneling Summary from date of inception (September 1, 2004 to February 28, 2006)

Tunnel Access Name	Tunnels (m)	Shafts Sinking (m)
CM101	1,896	
No. 3 shaft (CM101)		97.00
CM102	9,283	
CM103	7,719	
CM105	295	
No.1 Shaft (CM105)		64.10
PD16	250	
No.2 Shaft (PD16)		43.00
PD650	794	
PD700	694	
YPD01 + YPD02	4,126	
WG Camp	905	
SDG Camp	2,577	
XM Camp	418	

Tunnel Access Name	Tunnels (m)	Shafts Sinking (m)
Total	28,957	204.10

Out of the 28,957 m of tunnels completed, about 14,000 m are mining development tunnels. Therefore, the mine development is sufficiently advanced that within 2 months of Found receiving the mining permit, preliminary production could start from over 20 initial stopes that have been developed from 518m L and 480m L for S14 and S6 veins, 490m L and 460m L for S2 and S2E veins, 534m L, 570m L, 610m L, and 640m L for S16W, S16W1, and S16E veins, 600m L for S7 vein, 570m L and 640m L for S8 vein.

17.4 Mining Method

The ore shoots will be mined by short-hole shrinkage stoping. In this method the mining proceeds from the lower to the upper level. The blasted ore is loaded at the base of the stope to maintain a void between blasted ore and in-situ ore. The blasted ore provides a working platform for the miners who drill and charge the blast holes into the in-situ ore. The method allows only about one third of the ore to be loaded during the extraction of the stope. Once the extraction is finished, the remaining ore in the stope can be loaded.

The stope extends between two mine levels. Stope preparation consists of the development of two raises between lower and upper level to provide ventilation and miner access. Cross-cuts at about 8m centres allow the loading of the ore from a foot wall drive. Figure II-3 illustrates the typical layout of a shrinkage stope at the Ying Mine. As the ore shoots are high grade and thin in nature, a minimum number of pillars is required. It is therefore expected that over 90% of the ore shoot will be recovered.

The typical length of a stope is about 50 m, and the distance between upper and lower levels is about 40 m, with typical mining width varying from 1 m to 1.2 m. Since the massive galena ore shoots at the Ying mine have an average width of 0.42 m for the five veins (S2, S6, S14, S16E and S16W) as documented by the 2005 Report, the dilution factors can be calculated to be between 84% to 113% when mining widths vary from 1 m to 1.2 m. Silvercorp has used 100% dilution factor in their mining plans which is believed to be fairly reasonable.

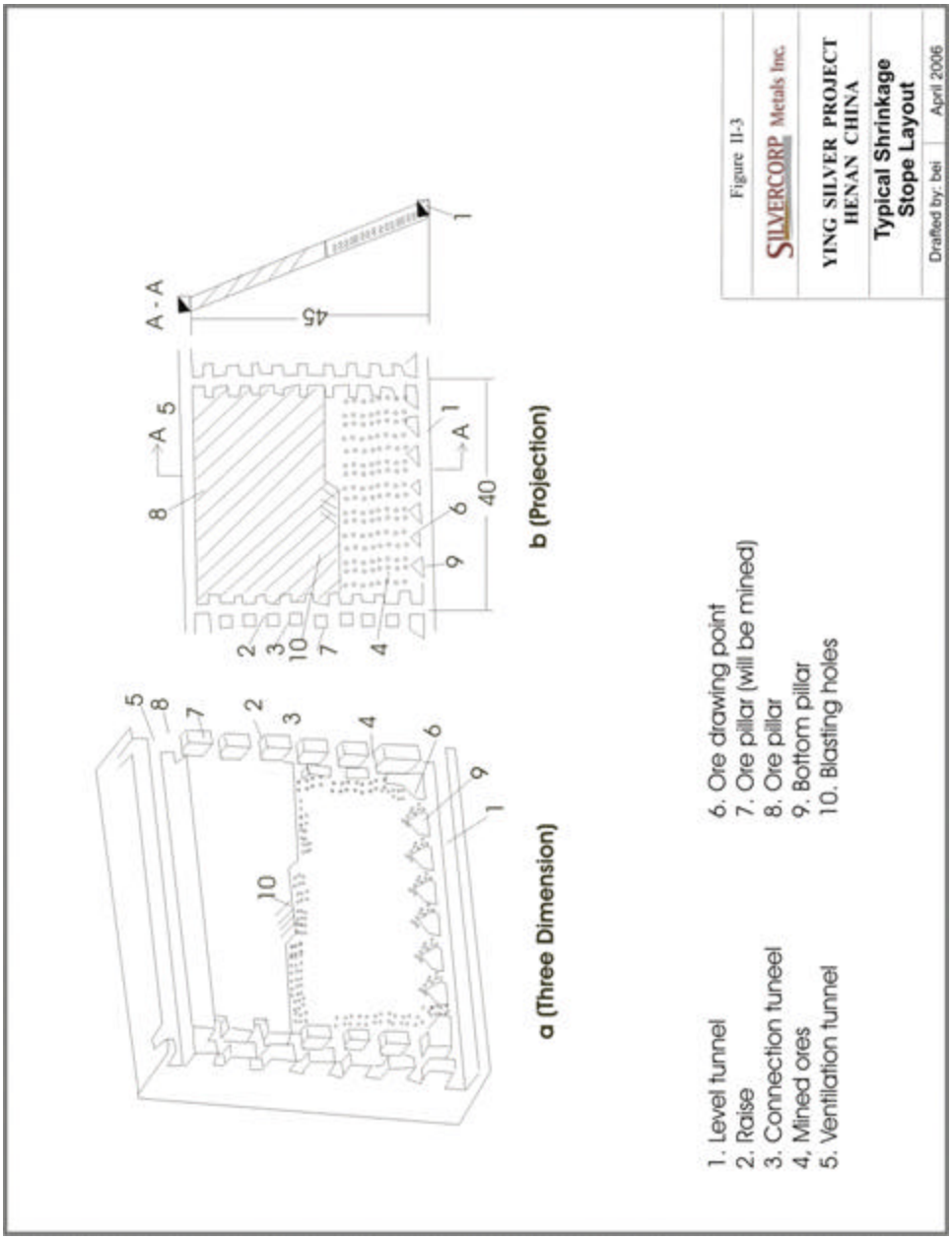

Figure II- 3: Typical Shinkage Stope Layout

Table 5: Dilution Factor for each metre blast along strike of ore shoot

Mining Width (m)	1	1.1	1.2
Ore shoot width (m)	0.42	0.42	0.42
Waste wall rock width (m)	0.58	0.68	0.78
Ore shoot density	4.20	4.20	4.20
Waste rock density	2.55	2.55	2.55
Ore contained (tonne)	1.76	1.76	1.76
Waste rock contained (tonne)	1.48	1.73	1.99
Dilution factor (%)	84%	98%	113%

Using the Measured + Indicated Resources calculated in the 2005 Report, the mineable measured + indicated resources are calculated in the table below, considering a 100% dilution factor and 90% recovery rate for the high grade ore.

Table 6: Mineable Resource with Stope Shrinkage Method

		Grade			
	Tonnes	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)
Measured + Indicated Resource	420,453	1,393	43.8	32.76	9.99
Less 10% ore loss	42,045	1,393	43.8	32.76	9.99
Sub-total	378,408	1,393	43.8	32.76	9.99
Added: 100% External Dilution	378,408	0	0	0	0
Total mineable measured + indicated ore	756,815	696	22.3	16.38	4.99

A stope crew consists typically of two airleg drillers and one helper. The burden of the production blast holes is about 1.8 m. The holes are charged with cartridge explosives and the charge is ignited with safety fuses. Miners load the ore manually with picks and trays either into rail mine trucks or hand carts.

The productivity of such lowly mechanized stopes with hand-held pneumatic drills is largely limited by the number of working faces in the stopes and the volume of ground that one airleg miner can break in a shift. The productivity of each shrinkage stope is in the range of 50 to 60 tonnes per day (tpd).

Ten shrinkage stopes are currently being extracted at the Ying Mine and it is anticipated to extract an additional 12 to 15 stopes in 6 months to reach its phase one mining capacity of 600 tpd. As there are a minimum of 5 portal accesses to 13 mineralized veins in which high grade ore shoots have been delineated, it is fairly reasonable to conclude that given enough time, the company can reach its production goal. Table 7 lists the selected shrinkage stopes currently under extraction (blasting) for the first year's production at the Ying Mine.

Table 7: Selected Shrinkage Stopes under Extraction for First-Year Production

Portal	Stope #	In-Situ Measured Resource (t)	Expected Ore Production (t)	Geological Grade			Contained Metals (t)			100% Diluted Head Grade		
				Pb(%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag	Pb (%)	Zn (%)	Ag (g/t)
CM102	S6-518-NYM-Stope	580	1,160	22.3	5.1	925.0	129	60	0.5	11.2	2.6	462.5
	S6-518-SYM-Stope	1,461	2,922	37.4	8.7	1,648.0	546	255	2.4	18.7	4.4	824.0
	S14-518-NYM-01-Stope	4,000	8,000	42.4	3.7	1,825.4	1,697	298	7.3	21.2	1.9	912.7
	S14-518-NYM-02-Stope	4,537	9,074	42.4	3.7	1,825.4	1,925	338	8.3	21.2	1.9	912.7
	S14-518-SYM-7-1-Stope	657	1,314	23.4	1.1	1,508.0	154	14	1.0	11.7	0.6	754.0
	S14-480-SNYM-Stope	7,445	14,890	42.6	1.7	1,848.0	3,169	252	13.8	21.3	0.9	924.0
	S16E-534-NYM-Stope	4,517	9,034	22.8	12.9	704.4	1,030	1,163	3.2	11.4	6.4	352.2
	S14-554-NYM	300	600	47.5	3.1	562.0	142	19	0.2	23.7	1.6	281.0
	S14-554-NYM-105-stope	200	400	30.2	6.0	1,468.5	60	24	0.3	15.1	3.0	734.3
	570-S16E-SYM	2,251	4,502	6.2	6.5	1,249.2	138	292	2.8	3.1	3.2	624.6
CM103	S14-518-NYM-Stope	4,017	8,034	43.1	4.3	1,819.6	1,733	345	7.3	21.6	2.2	909.8
	S14-518-SYM-Stope	2,056	4,112	30.2	5.2	1,168.9	621	213	2.4	15.1	2.6	584.4
	S16E-555-NYM-Stope	4,070	8,140	13.0	11.7	357.3	527	952	1.5	6.5	5.9	178.7
	S2W-496-SYM-Stope	2,342	4,684	29.4	10.2	1,718.8	689	477	4.0	14.7	5.1	859.4
	S2E-496-SYM-Stope	1,730	3,460	26.2	5.2	1,464.6	453	181	2.5	13.1	2.6	732.3
	S14-480-NYM-Stope	4,500	9,000	41.8	4.7	1,757.8	1,883	422	7.9	20.9	2.4	878.9
	S4-496-SNYM-Stope	1,772	3,544	28.9	8.5	1,000.0	512	301	1.8	14.5	4.3	500.0

Portal	Stope #	In-Situ Measured Resource (t)	Expected Ore Production (t)	Geological Grade			Contained Metals (t)			100% Diluted Head Grade		
				Pb(%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag	Pb (%)	Zn (%)	Ag (g/t)
680	S21-680-NYM-Stope	10,000	20,000	38.2	8.1	2,800.0	3,816	1,614	28.0	19.1	4.0	1,400.0
CM101	S16W-650-NYM-#18 Stope)	15,000	30,000	29.4	2.9	1,677.9	4,413	855	25.2	14.7	1.4	839.0
PD700	S7-600-NYM-Stope	7,988	15,976	33.0	17.0	703.0	2,636	2,716	5.6	16.5	8.5	351.5
Total		**79,423**	**158,846**	**33.1**	**6.8**	**1,585.5**	**26,274**	**10,790**	**125.9**	**16.5**	**3.4**	**792.7**

17.5 Geotechnical and Ground Support

Geotechnical characteristics of different rock types on the wall rock of the Ying mine are summarized in the Table below:

Table 8: Rock mechanic characteristics of vein host rocks

Rock types	Absorption Rate (%)	Saturation Rate (%)	SG	Resistance (mPa)		Static Elastic ability ($x10^3$ mPa)		RQD	Shear Resistance	
				Dry	Wet	Dry	Wet			
Hornblende Feldspar Gneiss	2.83	2.95	2.52	48.8	60.1	28		76.6	0.04	35.11
Feldspar Hornblende Gneiss	2.68	2.82	2.62	110.7	63.2	66	66.9	74.5	0.02	33.02
Alteration rock	0.8	0.89	2.77	128.7	69.7	61.4	47.7	59.7	0.03	31.67
Breccias	2.09	2.15	2.65	87.4	35.3	77.2	64.4	40.7	0.03	32.74

The rock mechanic study shows that the host rocks in the Ying mine are considerably competent and require minimum ground support.

The host rock of most of the veins consists of gneiss. The quality of the rock mass in the hanging wall and vein is good except vein S7 in which the vein is very broken. In general the development and stopes are left unsupported. For those sections of regular tunnels with well-developed shear zones and faults, timber is used to provide ground support. If ground condition is poor in shafts and service chambers, rock bolts, rock bolts with steel screen, or shotcrete are applied to provide support.

17.6 Hydrogeology and Water Management

The Ying mine area is featured with Achaean-aged gneiss rock with fairly poor porosity and permeability. However, in the shear zone, water could be accumulated and released to development tunnels once they are connected. Based on pumping tests performed on the 518 m level in adit CM102, the water inflows on the different levels are predicted and listed in the following Table.

Table 9: Water inflow prediction

Level (m)	Projected Development Area (m^2)	Projected Water Drop Depth (m)	Q in(m^3/d)	
			Normal Inflow	Maximum inflow
500	226,650	35	1,052	3,157
460	247,310	75	2,461	7,382
410	247,310	125	4,101	12,304
360	247,310	175	5,742	17,225
310	247,310	225	7,382	22,146
260	247,310	275	9,023	27,068

The water inflow into the mine is moderate. The water runs freely to the adit portals or sump pumps at the base of the declines. The pumping system consists of small scale centrifugal pumps at each sump. Ground water flows into steel pipes at the entrance of adits, then drains into concrete collecting pond for treatment before discharging into creeks.

17.7 Haulage

Three types of haulage are employed by the Ying mine. In adits CM102 and CM103 which were developed prior to Silvercorp's control of the property, ore and development waste are loaded onto one-axle handcarts with pneumatic tires from development faces and stopes, which are then hauled to a transfer station where the materials are unloaded onto motorized tricycle trucks. The tricycle trucks haul the material to the surface and dump either to ore stockpiles or to the waste dump.

In adits YM01, YPD02, YPD66, and PD680, ore haulage from the stopes and development faces to the surface is completely performed by the handcarts. One person can pull a handcart with about 800 kg of ore.

Electric winches assist the haulage miners pulling the hand carts on the inter-level declines.

In adit CM101, CM105, PD16, PD650, PD680 and PD700, the material haulage is track-bound with 0.7 m^3 side-tipper mine railcarts. The cars, usually in groups of up to 10, are pushed by a single cylinder diesel motor on the adit levels to the surface. The declines are equipped with electric winches, which are able to raise two mine cars at a time.

For levels below 500/460 m elevation, the ore and development waste haulage system is track-bound with 0.7 m^3 side-tipper mine trucks. The trucks are pushed manually in the smaller tunnels. In the main tunnel, the trucks are pushed by a single diesel locomotive. The trucks will then be loaded into a shaft cage and then will be hauled through No.1 shaft within CM105 portal, No. 2 Shaft at PD16 portal, and No. 3 shaft within CM101 portal. All three shafts are equipped with 1.6 m diameter drum hoist systems, each capable of hauling 150,000 t/year.

At the stockpile, mine employees manually sort out waste rock and direct-shipping lead ore from the run of mine ore. On a shipping campaign, the ore is loaded by front-end loader into 2 t tricycle trucks, which carry it along a one-lane unpaved road from the mine to the barge ramp. Currently, Found is constructing a conveyor-belt system for sorting waste rock and direct-shipping ore from the run of mine ore.

17.8 Crushing facility for crushing direct-shipping lead ore

A 900 m^2 steel-framed warehouse was built to house a 100 tpd crushing-plant and to store up to 1,500 tonnes of crushed direct-shipping lead ore. The crushing-plant consists of two-crushers in closed circuit to produce a finished product that is minus 4 mm in order to meet the lead smelter's requirement. (See Photo 2 and 3 below)

Photo 2: View from the hill-top of the camp and steel-framed warehouse

Photo 3: Crushing circuit for direct shipping ore

17.9 Ventilation

Currently the Ying mine relies on natural ventilation for its primary ventilation. For those areas with poor air flow, small fans are used to pump in fresh air. Natural

ventilation uses the density difference between warm and cold air as the driving force for the airflow. The temperature in the mine keeps relatively constant over the year, while the surface temperature changes with seasons. In summer the warm intake air loses heat in the mine and flows from the top to the bottom of the mine. In winter the cold intake air takes up heat in the warmer mine and flows from the bottom of the mine to the top.

Almost all main access tunnels are connected with each other, which provides adequate airflow. The connections between different systems are listed in Table 2.

Found proposes a main fan in the uppermost tunnel CM104 to pump fresh air into the mine. In addition, two ventilation shafts have been designed and will be developed to provide fresh airflow for the mine (see Figure II-2).

17.10 Compressed Air

Compressed air is used for the drilling of blast holes. Piston compressors are usually installed near the mine portals and entrances. The followings are the compressor capacities in each portal and additional capacities can be added as required:

CM101: 2x20 m^3/min
CM102: 2x20 m^3/min
CM103: 1x10 m^3/min; 1x 20 m^3/min
CM105: 20 m^3/min
PD16: 2x10 m^3/min
PD650: 10 m^3/min
PD680: 10 m^3/min
YPD66: 10 m^3/min
YPD02: 10 m^3/min
YM01: 10 m^3/min

17.11 Water Supply

Water consumption at the mine is minimal. It is primarily used for drilling, clearing the drill bits and suppressing dust. Source of this water is from the local creek. Quality and quantity from this creek is more than adequate to meet the current mine requirements.

17.12 Power Supply

Power for the mine is supplied from the local power grid by a 10 kV power line. Hydropower is generated locally by the Guxian dam and supply is sufficient. The underground voltage is 380 V; substations are installed at each portal to transform the

voltage from primary 10 kV to secondary 380 V. Copper cables are lined into the tunnels to supply power for local fans, pumps and underground diamond drills.

Three diesel generators are installed in the immediate vicinity of the portals to supply back-up power for CM101, CM102, CM103, CM105, and PD16 in the event of hydropower outage.

17.13 Manpower

The Ying mine has over 800 people at the site. The mine itself employs a staff of 127 people. This includes one mine manager, 6 mine engineers, 11 geologists, 3 mine surveyors, 3 health, safety and environmental engineers, 18 security guards, 18 surface service crews, and 61 workers performing manual ore-sorting. Found also has two metallurgists working in local custom mills to provide technical support and ensure metal recoveries.

The mine is operated by five mining contractors having a combined workforce of 767.

1. Wenzhou Construction Group: employs 137 workers and operates at adits CM101, PD650, PD700 and No. 1 shaft in CM105 and No. 3 shaft in CM101.
2. Sanli Engineering Co., Ltd., employs 87 workers and operates at adit CM103.
3. Daqian Engineering Co., Ltd., employs 189 miners and operates at adits CM102 and PD680.
4. Sanyi Tunnel Engineering Co. Ltd., employs 40 miners and develops No. 2 shaft in PD16;
5. Shunli Engineering Co. Ltd., employs 85 workers and operates at adits YM01, YPD02, YPD66 at the YLG camp, 1.5km northeast of the SGX camp.

The Ying mine contracts out surface and underground drilling to two underground and two surface drill contractors.

1. Pei Pingan Drilling: operates 4 underground drill rigs and employs 28 drillers
2. Yang Sipeng Drilling: operates one underground drill rig and employs 10 drillers
3. Liaoning Geological Exploitation Engineering Company: operates one surface drill and employs 15 workers;
4. Yantai Zhaoli Engineering Co., Ltd.: operates one Atlas Copco CS1000 surface drill and employs 16 people.

17.14 Contractual Arrangements and Schedule of Rates

There are four types of contract in the Ying mine. These include mining, diamond drilling, custom milling, and concentrate sales contracts.

Currently Found has signed similar contracts with five mining contractors. The mining contract is a schedule-of-rate contract. The contractors provide operating labour,

all fixed and mobile equipment, materials and consumables with the exception of ground support timber, power cables to main adits, rails and cars. All explosives are purchased through Found. The government only supplies explosives to the mine operator.

Mining Contracts

Measurement of development metres must be completed on the 1st day of each month and are paid on the 15th of each month. The mining contract schedule of rates follows.

Shafts:
Shaft sinking and installation: $562.50/m
Shotcrete: $231.25/m
Tunneling with

1) Rail car hauling

Table 10: Tunneling rates with rail car hauling

Size	US$/m
2.0x2.2m	102.50
2.2x1.8m	95.00
1.8x1.8m	91.25
1.8x1.6m	87.50
2.2x2.2m	107.50

2) Hand carts/tricycle truck hauling

Table 11: Tunneling rates with hand carts/tricycle truck hauling

Size	Basic rate ($/m)	for every 100m Incremental from adit entrance ($/m)	for every 1m incremental from adit level ($/m)
2.2x2.2m	69.38	3.75	0.31
2.0x1.8m	58.75	2.50	
1.8x1.8m	56.25	2.38	
1.8x1.6m	52.50	2.25	

3) Ground Support

Table 12: Ground support rates

Types	Prices	Remark
Timber Support	$0.63/m	material is not included
Shotcrete	$31.25/m	including material; >2cm in thickness
Concrete	$75.00/$m^3$	including material
Concrete Pillar	$46.25/$m^3$	including material; >21cm in thickness
Rock Bolt	$0.63/each	material is not included

Diamond Drill Contracts:

Currently Found has signed diamond drill contracts with four different drilling companies. Drilling is paid by metres completed with various rates depending on the types of drill used.

Table 13: Diamond drilling rate

Type of Drill	Rate	Remark	
Surface Drill: CS1000-P6	$75.00	<500m in length or dip >=-70°	drill pads prepared by company
	$78.75	>=500m in length or dip <-70°	drill pads prepared by company
Surface Drill: Chinese Drill	$52.50	only drill holes with dip >80°	drill pads prepared by contractor
Underground Drill - shallow hole(<300m)	$17.50	company provides power	drill pads prepared by company
Underground Drill - Deep hole (>300m)	$32.50	company provides power	drill pads prepared by company

Custom Milling Contracts

The same milling contract was signed with two offsite mills: Lushi Zhangcun Mill (LZ Mill) and Luoning Shangzhuang Mill (LS Mill). See Figure II-4 for location of these two custom mill sites. The milling fee is paid by the amount of tonnes processed. The fee for producing separate lead zinc concentrates is $18.50 per tonne and for a single concentrate of lead is $13.50 per tonne.

The contract stipulates that silver and lead recoveries be greater than 90% and zinc better than 80%. Lead assay in the lead concentrate must be greater than 50% with less than 8% zinc while zinc concentrate must contain more than 47% zinc and less than 2% lead.

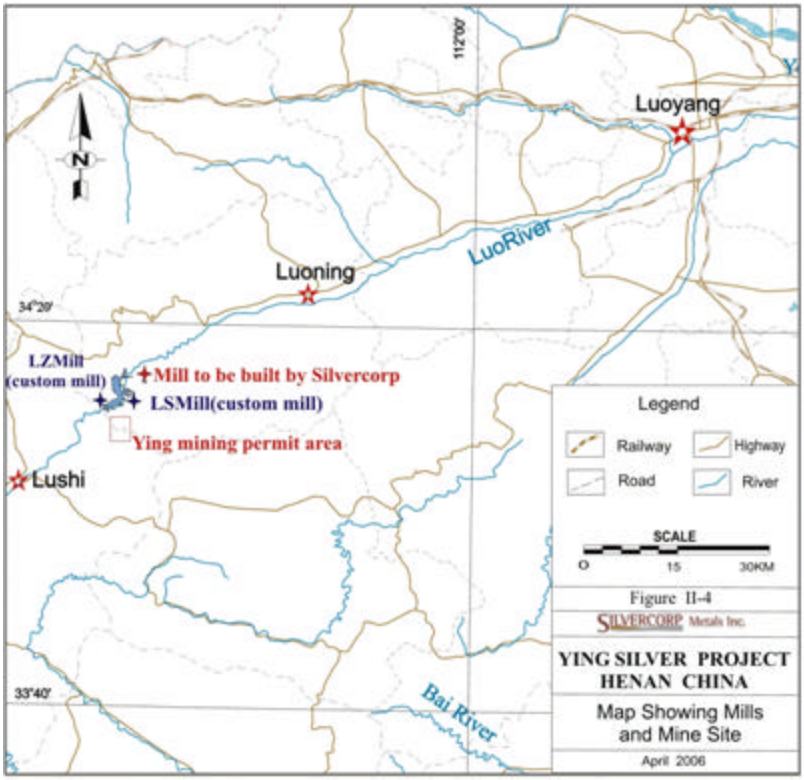

Figure II-4: Map Showing Mills and Mine Site

The contract also stipulates that mill samples be taken every two hours then composited into 8-hour shift samples. Three sets of shift composite assays are expected each operating day.

Neither custom mill is equipped with thickeners and filters so concentrates are packaged in nylon bags after decanting and natural drying for shipment. Typical moistures of the shipped concentrates range from 10 to 15%.

Concentrate Sales Contracts:

Lead concentrate and direct-shipping lead ore sales are contracted with Jiyuan Jinli Smelting Co. Ltd and Jiyuan Wanyang Smelting Co., Ltd. Both smelters are located in Jiyuan city of Henan Province, approximately 185km northeast of the Ying mine. The payable prices for lead and silver are 76% and 75% of spot prices on the Shanghai Metal Exchange on the delivery date, respectively. If the gold content is greater than 2 g/t, it would be paid based on 50% of spot price on the Shanghai Metal Exchange. Lead concentrate and direct-shipping lead ore require lead to assay greater than 55%, and silver more than 1,500 g/t. The zinc assay must be less than 6%.

Zinc produced from the custom mill is sold to two different zinc smelters – Shaanxi Shangluo Zinc Co. Ltd and Jiyuan Yongxing Zinc Smelting Co. Ltd. The payable price is 70% of spot price on the Shanghai Metal Exchange on the delivery date. The smelters require the concentrate to contain more than 47% Zn and less than 2% Pb. There are no credits for silver in the zinc concentrate.

The Shanghai Metal Exchange's quoted prices for silver, lead and zinc are about 13% above World prices due to the Chinese government levying a 13% Value-added-Tax on metal imports.

The concentrate sales contracts require that the smelters pay the transportation costs, and a cash deposit before delivery. Concentrate sale samples are taken and prepared in the custom mill while direct-shipping lead ore samples are taken and prepared in the buyer's plant. Usually the sales sample is split into four sub-samples. The buyer and Found are given two samples each. Found sends one sub-sample to Luotong Testing Centre for assaying and the results are used for settlement. The remaining sub-sample is used for arbitration purposes, if required. Normally, the error for concentrate assay is less than 2%.

17.15 Market

Within a 300 km range from the Ying project site, there are at least five lead smelters with a combined smelting capacity of 500,000 tonnes of lead metal. While the smelters purchase the majority of the lead concentrate feed, many of them have to import from overseas, therefore, Found can negotiate very good payment terms for its concentrate.

17.16 Production and Financial Summary (April 1, 2005 to February 28, 2006)

Found has carried out extensive exploration and development tunnels on the Ying project, as discussed in sections 17.2 and 17.3. The following is the summary of related expenditures:

Table 14: Unit cost of tunneling for the Ying project (September 1, 2004 to February 28, 2006)

Tunnel Access Name	Tunnels (m)	Shafts Sinking (m)	Direct Cost (US$)	Related Cost (US$)	Total Cost (US$)	**Unit Cost (US$/m)**
CM101	1,896		177,740	59,808	237,548	**125**
No. 3 shaft (CM101)		97	74,401	-	74,401	**767**
CM102	9,283		951,798	180,474	1,132,272	**122**
CM103	7,719		749,066	80,735	829,801	**108**
CM105	295		26,952	69,986	96,938	**328**
No.1 Shaft (CM105)		64	44,635	938	45,572	**711**
PD16	250		24,131	37,469	61,600	**246**
No.2 Shaft (PD16)		43	33,340	12,763	46,102	**1,072**
PD650	794		74,945	4,041	78,986	**99**
PD700	694		71,226	15,810	87,036	**125**
YM01, YPD01, & YPD02	4,126		354,422	27,588	382,010	**93**
WG Camp	905		79,037	6,984	86,021	**95**
SDG Camp	2,577		224,634	18,101	242,735	**94**
XM Camp	418		35,752	394	36,146	**86**
Total	28,957	204	2,922,076	515,091	3,437,168	**119**

Direct cost is the cost paid to contractor, related cost is referred to as management cost related to non-contract or work.

Table 15: Expenditure summary for the Ying project (based on Financial Statement prepared by management for Found) (US$)

Items	**From date of inception (September 1, 2004) to March 31, 2005**	**From April 1, 2005 to February 28, 2006**	**From date of inception (September 1, 2004) to February 28, 2006**
Assay	$4,388	$14,736	$19,124
Depreciation	$3,640	$24,758	$28,398
Drilling	$64,898	$424,931	$489,829
Geology	$2,469	$543,210	$545,679
Materials	$107,420	$659,446	$766,866
Milling	$55,922	$438,014	$493,936
Others	$22,450	$269,018	$291,468
Salary and benefits	$69,295	$324,338	$393,632
Survey	$0	$11,111	$11,111
Transportation	$18,828	$155,742	$174,570
Tunneling	$309,630	$2,301,421	$2,611,052
Total	**US$658,939**	**US$5,166,725**	**US$5,825,664**

By-product ore production of exploration and development tunneling in the Ying Project for the eleven months ended February 28, 2006, is summarized as follows (in US dollars with an exchange rate of one US dollar = 8.1 RMB):

Table 16: By-product production and sales from April 1, 2005 to February 28, 2006

By-product Ore Production	**Tonnes**
Direct-shipping lead ores	1,608
Low grade lead zinc ores	25,453
Low grade lead ores	7,498
Mill Throughput	
Lead ores	5,480
Lead zinc ores	24,545
Concentrate Production	
Lead concentrates	2,502
Zinc concentrates	1,263
By-product – Sales	
Direct-shipping lead ore - 1,099.6 tonnes	$894,011
Direct-shipping lead zinc ore - 11.8 tonnes	$8,794
Lead concentrates - 2,463.17 tonnes	$3,016,714
Zinc concentrates - 1,209.29 tonnes	$655,966
Total	**US$4,575,485**

All of the diluted by-product ore extracted by exploration and development tunneling was shipped to two offsite mills for custom milling. From the above information, Found has recovered US$4,575,485 of its costs on exploration and development, representing 78% of its total exploration and development costs.

17.17 Environmental

An environmental permit has been issued to Found for the Ying mine and proposed mine and new mill construction by Henan Provincial Environmental Protection Bureau. An approved Environmental Impact Assessment Study Report was prepared by Design Institute of Environment Protection of Luoyang City, dated January 20, 2006. The report detailed the current environmental condition at the site and established some basic socioeconomic and biophysical baseline data. The report concluded that current development mining had no significant adverse impacts.

Potential significant environmental impacts for the proposed mill and mine are likely to relate mostly to:

- Waste mine water discharge: the mine discharge water is required to be settled and treated in the settling ponds to allow discharged water to contain less than

0.012 mg/l of Pb and less than 1.02 mg/l of Zn to satisfy "National Surface Water Quality Standard", GB3838-2002II type water discharge standard

- ? Waste rocks do not contain unacceptable levels of Pb and Zn and piling of the waste rock is allowed
- ? Waste Water from the milling process shall be recycled and water shall be treated to satisfy "National Surface Water Quality Standard", GB3838-2002II type water discharge standard
- ? Tailings from the milling process are required to be disposed in the tailing dam. As most local people live above the tailing dam, tailings in the tailing dam have minimum impact on the local population's drinking water
- ? Impact on the Gu-Xian Reservoir: the mine discharge water is required to be settled and treated in the settling ponds to allow discharged water to contain less than 0.012 mg/l of Pb and less than 1.02 mg/l of Zn to satisfy "National Surface Water Quality Standard", GB3838-2002II type water discharge standard. Therefore, it will have minimum impact on the Gu-Xian Reservoir.
- ? Public Opinion survey: as required by Chinese government, a public opinion survey was performed with local affected communities. 98% of the surveyed were supportive for the project and only 2% were against the project.

The Henan Provincial Government has suggested an allocation of US$1.3 million for the mine and mill environmental program, such as re-establishing vegetation and reclamation; however a bond is not required.

At the Ying mine, a concrete pond was built to contain mine drainage from underground tunnels. This water is treated to satisfy the minimum requirements of water quality standard before discharging to the environment. A number of trees were planted at the mine site as ongoing reclamation on disturbed land.

17.18 Operational Health and Safety

The Ying Mine has established comprehensive health and safety policies and procedures according to Chinese health and safety laws and regulations. These safety policies and procedures include:

1) Personal responsibilities of safe production, which covers safety responsibility for all management and staff;
2) Safety inspection policies, which outline the procedures for daily, monthly and quarterly safety inspections;
3) Safety training policies;
4) Accident reporting policies;
5) High-risk source monitoring policies;
6) Correction policies of safety rule breach;
7) Safety management policies for equipment;
8) Safety Incentive and punishment policies;
9) Operational health and safety record-filing policies;
10) Safety fund collecting policies;

11) Operating procedures for underground mining equipment;

The mine has an operational health and safety department which is staffed with three safety officers. The mandate of the department is to provide safety training, to enforce the operational health and safety policies and procedures, to make recommendations on mine safety issues, and to inspect the underground workings and explosive usages on a day-to-day basis. Each of the mining contractors appoints 1-2 safety officers of their own.

The mine maintains a safety committee of 10 persons, headed by the general manager of Found. Other committee members consist of the deputy general manager of Henan Found, the mine manager, safety department supervisor, the safety officer, and representatives of four mining contractors. The day-to-day operation of the committee is run by the mine's safety department. The mine management and the safety officers are required to have valid mine safety training certificates issued by the Provincial Bureau of Safe Production and Inspection.

Insurance policies covering death and injury have been purchased for all of the staff and workers in the mine.

The mine and the mining contractors supply personal protective equipment (PPE) to their own staff or miners. The PPE includes hard hats, gum boots, work gloves, face masks, and ear plugs.

The mine is planning to set up a mine rescue team in the near future. A medical clinic with a simple drugstore at the mine site, run by a private doctor, is designated to provide medical treatment to all staff and miners. An agreement was signed between a hospital in Luoning County and the mine to provide emergency services to the mine.

The mine maintains sound safety statistics. To date the mine hasn't recorded any serious injury or death. The mine safety department reports the operational health and safety status on a weekly basis.

18. MINERAL PROCESSING AND METALLURGICAL TESTING

The mineral processing and metallurgical testing for the Ying ore body was performed by Henan Non-ferrous Metals Research Institute (HNMRI) in July 2005. Metallurgical flotation tests were conducted on samples and blends of samples from veins S14, S16E, and S16W in adit CM102 at the SGX area.

A total of three samples were collected and shipped to HNMRI for testing. Head grades of these samples are listed in Table 17.

Table 17: Head grade of metallurgical test samples

Sample	Ag (g/t)	Pb (%)	Zn (%)
No. 1	436.45	0.72	0.87

Sample	Ag (g/t)	Pb (%)	Zn (%)
No. 3	659.75	2.66	14.34
No. 5	314.65	9.67	4.20

In order to better understand the metallurgical characteristics of the Ying ore body, HNMRI blended three samples based on the following ratio of No.1: No.3: No.5 = 2.5: 2: 5.55. It is assumed that this blend is representative of the Ying ore body and to represent the expected mill grade. The head grade result of this blended sample is provided in Table 18.

Table 18: Head grades of blended sample

Pb (%)	Zn (%)	Cu (%)	S (%)	As (%)	TFe (%)
5.88	5.23	0.063	4.02	0.001	2.83
Au(g/t)	**Ag(g/t)**	**CaO (%)**	**MgO (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**
0.17	385.7	0.74	0.64	30.71	5.4

18.1 Minerology

HNMRI performed petrographic analysis on these samples. Their study identified the following polymetallic sulfide minerals; galena, sphalerite, pyrite with trace amounts of chalcopyrite, pyrrhotite, hematite, magnetite and arsenopyrite in the ore. Silver minerals included native silver, B-argentite, cupargyrite, and stephanite. The main gangue minerals were quartz, sericite, chlorite and kaolin. The composition of the sulfide and gangue minerals in the blended ore sample is listed below in Table 19.

Table 19: Mineral composition of the Ying mine ore

Sulphides and Iron Minerals	(%)	Gangue Minerals	(%)
Pyrite, pyrrhotite	2.54	Quartz	40.00
Galena	6.80	chlorite and sericite	22.50
Sphalerite	7.80	Kaolin and clay minerals	15.00
Arsenopyrite	0.06	Hornblende and feldspars	4.00
Chalcopyrite etc.	0.20	Others	0.50
Hematite, magnetite etc.	0.60		

Galena is fine to coarse grained (0.05 to 0.5 mm) and commonly occurs as a replacement of pyrite. Galena is distributed along the fractures of quartz or other gangue minerals and commonly interlocked with sphalerite and pyrite.

Sphalerite is commonly coarse grained and ranges from 0.2 to 2.0mm in size. It is formed by replacing pyrite and enclosed in a skeleton of remaining pyrite.

Silver appears in two forms, as silver minerals such as native silver, electrum, tetrahedrite, polybasite, pyrargyrite, and argentite, and as electro-replacement in galena,

pyrite, and other sulphides. Native silver varies from very fine-grained to coarse grained, appearing as wires and sheets. Silver sulphides usually range from 0.01 to 0.07mm. Example of the distribution of silver minerals and silver bearing minerals is shown in the photo below and the detailed phase distribution of silver is listed in Table 20 below.

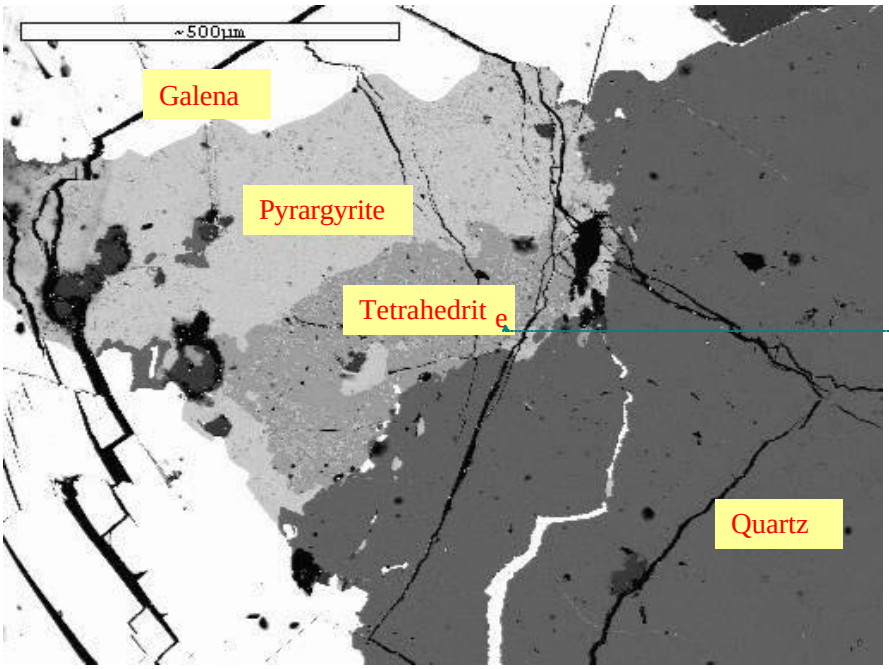

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Photo 4: Distribution of silver minerals and silver bearing minerals

Table 20: Phase distribution of Silver

Occurrence	g/t	%	Comments
Native Silver	89.45	23.32	free silver
Silver Sulphides	136.32	35.54	in tetrahedrite, polybasite, pyrargyrite, and argentite
Silver in Sulphides	140.04	36.51	in galena, sphalerite, pyrite, and chalcopyrite
Silver enclosed in gangue minerals	17.76	4.63	in quartz etc.
Totals	383.57	100.00	

18.2 Metallurgical Testing

Detailed metallurgical testwork was performed by HNRMI. It included grind optimization tests and reagent variation tests. The draft report is in Chinese and some of the details require further translations for the author to understand and review.

A summary of the key interpreted results are provided below.

Grinding Test

Optimum Grind Test results are presented below in Table 21.

Table 21: Grinding testing results of the Ying mine ore

Product	%	Grade (%)			Recovery (%)			% of
	(Wt)	Pb (%)	Zn (%)	Ag(g/t)	Pb	Zn	Ag	-200 mesh
Pb Cleaner Con	11.84	43.1	8.61	2,726.82	86.75	19.42	84.65	
Tails	88.16	0.88	4.8	66.41	13.25	80.58	15.35	60
Head	100	5.88	5.25	381.4	100	100	100	
Pb Cleaner Con	11.72	44.19	7.89	2,876.38	88.68	17.65	86.55	
Tails	88.28	0.75	4.89	59.34	11.32	82.35	13.45	65
Head	100	5.84	5.24	389.5	100	100	100	
Pb Cleaner Con	11.3	45.99	7.01	2,965.23	88.69	15.21	87.19	
Tails	88.7	0.75	4.98	55.5	11.31	84.79	12.81	70
Head	100	5.86	5.21	384.3	100	100	100	
Pb Cleaner Con	11.15	46.55	7.15	2,985.99	88.1	15.21	87.5	
Tails	88.85	0.79	5	53.53	11.9	84.79	12.5	75
Head	100	5.89	5.24	380.5	100	100	100	

The results show the optimum grind size is 70% of –200 mesh. This grind is expected to provide the best recovery for all three metals

Proposed Flow Sheet

Based on the overall results of grind and reagent variations of HNMRI's metallurgical testing program, the best test result was obtained using the flowchart shown in Figure II-5. This flowchart includes the optimum reagent rates and the various points of addition. Result of this lock cycle is shown in Table 22.

Table 22: Lock cycle test results

Product	Weight (%)	Grades			Recovery (%)		
		Pb (%)	Zn (%)	Ag(g/t)	Pb	Zn	Ag
Lead Con	7.84	68.18	6.24	4,196.52	90.89	9.39	85.12
Zinc Con	7.49	2.10	59.61	453.80	2.67	85.67	8.79
Tails	84.67	0.45	0.30	27.80	6.44	4.94	6.09
Head	100.00	5.88	5.21	386.50	100.00	100.00	100.00

The flowchart shows the ore is first ground to 70% passing 200 mesh. Zinc sulphate and sodium sulfite are added to suppress zinc from floating with the lead in the lead circuit. No pH was identified so the ore's natural pH is assumed for the lead flotation circuit. Aeroflot promoters are used for the lead float together with a Chinese designated frother identified as xxx. Two stages of lead scavengers are depicted to produce the final lead flotation tailing. The lead rougher concentrate is cleaned three times to produce the final lead concentrate with most of the silver.

The final lead tailings report to the zinc circuit. It is conditioned with lime to depress pyrite and copper sulphate to activate the zinc. The activated zinc mineral is then

floated with butyl xanthate. As with the lead circuit, there's also two stages of scavenging prior to producing a final flotation tailing and three stages of cleaning to produce the final zinc concentrate.

The lock cycle test results indicate that the Ying mine ore can be easily treated by differential flotation. Overall payable recoveries of 90.89% for Pb, 85.12% for Ag, and 85.67% for Zn were obtained on an approximate 1:1 lead to zinc Ratio in the feed.

Custom milling of the Ying ore was also performed. Since the custom milled ore is on a very large sample, results from this milling program can be considered representative of the Ying ore body. The results of the custom milling program from January 1, 2005, to April 13, 2006, are presented in Table 23 below.

Table 23: Custom milling metalluragical balance of the Ying Mine by-product ore (January 1, 2005 to April 13 2006)

		Grade			Metal content			Distribution (%)		
Feed	Tonnes	Pb (%)	Zn (%)	Ag (g/t)	Pb (tonne)	Zn (tonne)	Ag (kg)	Pb	Zn	Ag
Ore	40,711	5.73%	2.87%	353	2,371.33	1,171.45	15,033.50	100.00%	100.00%	100.00%
Lead concentrate	3,584	63.40%	6.00%	3,603	2,272.26	215.04	12,913.15	95.82%	18.36%	85.90%
Zinc concentrate	1,636	1.50%	50.00%	450	24.54	818.00	736.20	1.03%	69.83%	4.90%
Tail	35,491	0.21%	0.39%	39	74.53	138.41	1,384.15	3.14%	11.82%	9.21%

This table includes both the by-product lead zinc ore and the lead only ore treated in the two separate custom mills.

The custom milling flowsheets were not available for review, but it would not be dissimilar to the flowchart used in the locked cycle test in the metallurgical test programme performed by HNMRI. This test flow chart is depicted in Figure II-5.

Of interest to note is the lower zinc recovery experienced in the custom milling program. The lower zinc recovery is attributed to a less favourable zinc to lead ratio in the feed and the fact that no zinc was recovered in treating the lead only ore.

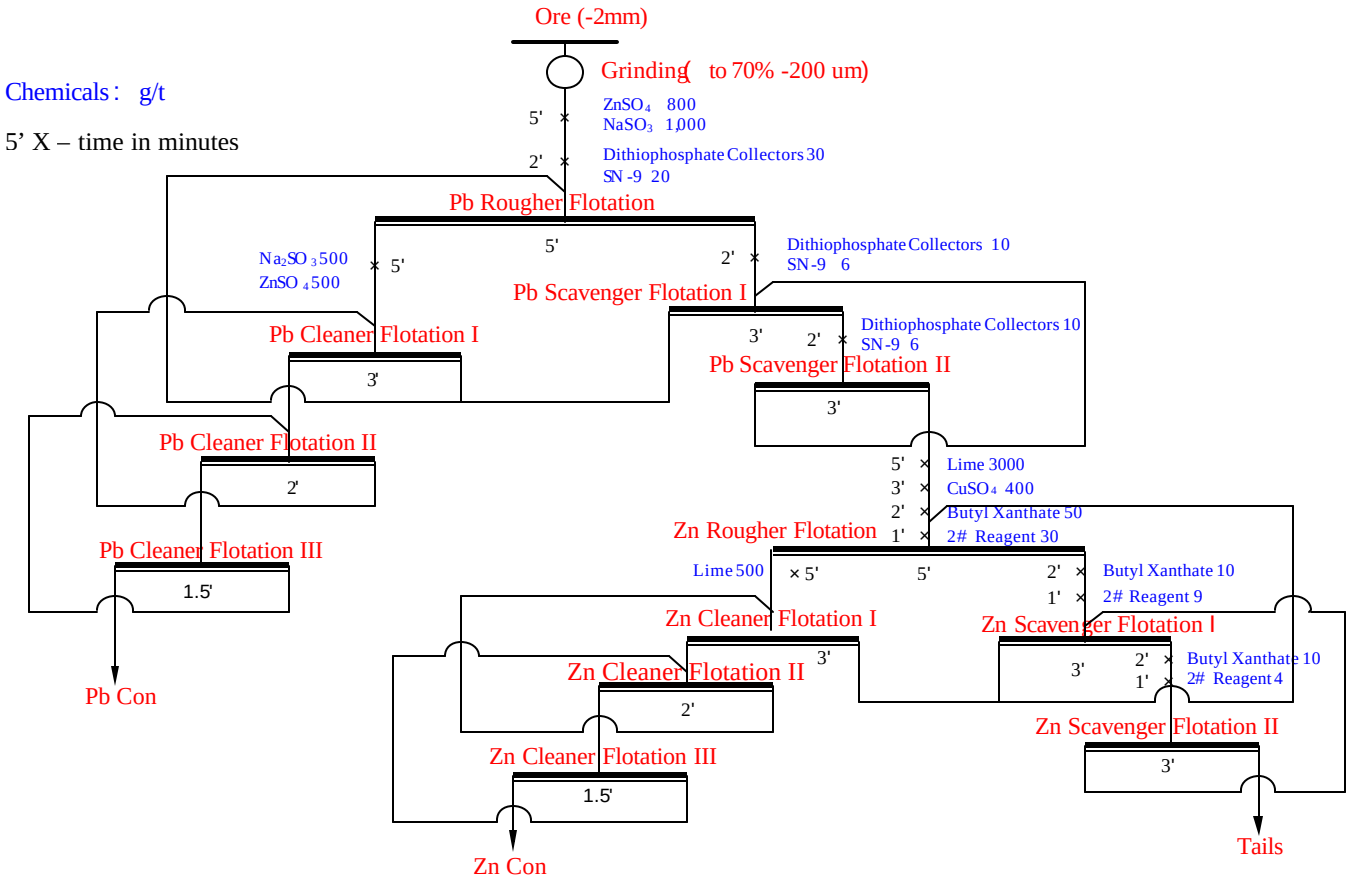

Figure II- 5: Locked Cycle Flow Sheet

The Ying lead and zinc concentrates are clean and of high quality. The high grade silver in the lead concentrate makes it extremely attractive for the lead smelters. Assays of the lead and zinc concentrates are presented in Table 24 below, together with the other elements considered to be impurities.

Table 24: Impurities in the lead and zinc concentrates

Product	% (Pb/Zn)	Impurities (%)				
		Cu	Pb	Zn	As	TFe
Pb Con	68.14	0.36	/	6.24	0.015	/
Zn Con	59.61	0.33	2.1	/	0.01	1.61
Product		**Impurities (%)**				
	F	**Au (g/t)**	**Ag (g/t)**	**MgO**	**Al_2O_3**	**SiO_2**
Pb Con	/	0.2	4,196.52	0.13	1.13	/
Zn Con	0.1	0.1	453.8	/	/	2.87

Table 25: Grain size distribution of lead concentrate

Size (um)	+ 74	- 74+ 37	- 37+ 19	- 19+ 10	- 10	Total
% (Wt)	17.39	24.64	22.10	21.09	14.78	100.00

Table 26: Grain size distribution of zinc concentrate

Size (um)	+ 74	- 74+ 37	- 37+ 19	- 19+ 10	- 10	Total
% (Wt)	50.00	28.43	12.39	6.04	3.14	100.00

Table 27: Grain size distribution and metal contents of the final flotation tailings

Grain sizes	%	Grade			Distribution by metals(%)		
(mm)	(Wt)	Pb (%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag
0.1	14.73	0.2	0.19	21.25	6.85	9.03	11.12
-0.100+ 0.074	15.18	0.27	0.23	27.28	9.49	11.11	14.71
-0.037	21.31	0.36	0.27	22.1	17.81	18.73	16.73
-0.018	21.57	0.62	0.4	31.43	31.1	27.83	24.08
-0.009	14.9	0.57	0.38	34.77	19.75	18.26	18.4
-0.01	12.31	0.52	0.38	34.21	15	15.04	14.96
Total	100	0.43	0.31	28.15	100	100	100

Tailings Water Reclamation

Laboratory testing has confirmed that water reclaimed from the tailings dam can be recycled for use in the mill. According to the lab results performed at HMRDI, there is no need for water treatment prior to re-use.

19. CAPITAL COST ESTIMATES

The following capital costs estimate, including the major equipment list, is based on the Resource Utilization Plan ("RUP") Report prepared by Changsha Engineering & Research Institute of Nonferrous Metallurgy and "Mine and Mill Design for Ying Silver-Lead-Zinc Mine" prepared by Anhui Maanshan Institute of Mining Research (January 2006). Based on discussion with Found management, it is quite advanced in terms of mine development and preparation for mill construction. Estimates are based on the use of new equipment and expressed as US dollars with no provision for inflation.

19.1 Proposed Flotation Plant

The proposed Xiashi mill for the Ying mine is located at Xiashi Village, 17 km north-east of SGX (see Figure II-4). The Guxian reservoir separates the mine and mill, which makes necessary special barges to transport ore the 6 km over water. Preparation for mill construction is underway.

The mill is designed for a capacity of 600 tpd; there will be two parallel lines each capable of treating 300 tpd. The plan will produce separate lead and zinc concentrates. (See Figure II-6 for the flow sheet of the mill). The main mill equipment is listed in Table 28 below.

Table 28: Main equipment of the proposed mill

Name	Type/size	Designed Capacity	Quantity
Jaw Crusher	PEF500x750	37.50t/hr	1
Cone Cylinder Crusher	PYH-2X	75t/hr	1
Round Vibrating Screen	YA1536	112.50t/hr	1
Grid Model Ball Mill	MQCG2.1x3.6	25t/hr	2
Highweir Double Screw Classifier	FG-20	31.59/hr	2
Flotation Cell	BF1.2	1.04~2.71t/hr	12
Flotation Cell	BF-6	23.63~26.46t/hr	32
Thickener	NZS-9	0.82, 1.19t/hr	2
Filtration	HTG-09	0.82, 1.19t/hr	2

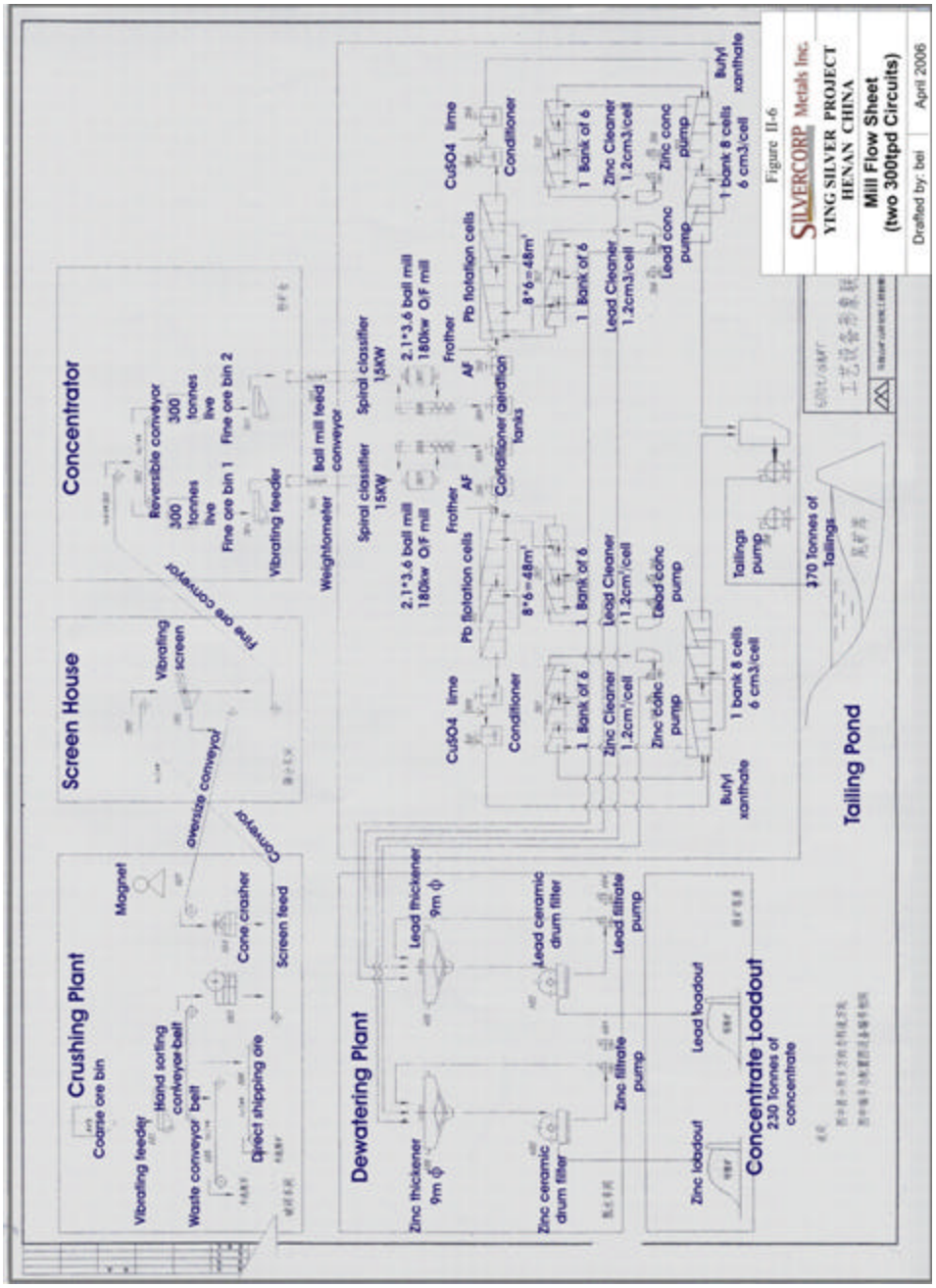

Figure II- 6: Mill Flow Sheet (two 300tpd Circuits)

Table 29: Capital cost estimates of the Ying project in US Dollars

Mine Development Costs	
Shafts	$1,520,700
Ventilation Shafts	$269,388
460m Level Tunnel	$741,638
410 Level Tunnel	$705,163
Service Chambers	$234,388
Mine Development	$355,175
Mining Equipment	$192,313
Hauling Equipment	$521,188
Hoists, Winches, Pumps etc.	$666,025
Underground Power Supply Facilities	$613,900
Subtotal	**US$5,819,878**
Mill Plant Costs	
Crusher	$152,775
Ball Mill and Flotation Cells	$932,713
Filtration	$522,050
Power Supply Facilities	$653,063
Misc.	$40,625
Tailings Dam	$1,062,500
Subtotal	**US$3,363,725**
Power Supply	
Transform Station and Generators	$1,121,500
Cables and Lighting	$380,575
Subtotal	**$1,502,075**
Water treatment	
Water Supply and drainage	$107,813
Environmental Project	$232,463
Subtotal	**US$3,344,426**
Public Facilities	
Service Buildings	$175,513
Communication	$132,625
Fire Alarm System	$48,438
Subtotal	**US$356,575**

Infrastructure	
Upgrading Mine site roads	$205,875
Mill roads	$13,913
Ore stockpiles and Concentrate storage	$12,838
Retaining walls	$234,000
Ditches	$67,313
Sewage	$13,113
Mine and Mill site transportation	$259,000
Subtotal	**US$806,050**
Other	
Mine, mill, and tailings land leasing	$158,375
Management fees	$152,525
Training	$18,750
Equipment testing	$55,325
Tunnel Maintenance	$68,288
Mining Engineering Planning	$106,550
Geotechnical Study	$65,575
Mine and Mill Design	$60,000
Construction Inspection	$75,000
Road construction (Ying site to Xiayu)	$250,000
Ferry terminal upgrade	$62,500
Ferry building	$250,000
Subtotal	**US$1,322,888**
Total	**US$11,669,113**

The proposed phase I tailings pond has an initial capacity of 1.4 million cubic metres at an initial height of 25 m. At the ultimate height of 80 m, it will have at least 4 times the initial storage capacity (see Figure II-7 for location of mill and tailing dam). The phase II tailing dam, located just north of the phase I tailing pond, is reserved for future use in case Silvercorp consolidates the mining district. Silvercorp has negotiated with local villages to acquire land usage rights for tailing ponds in both phases.

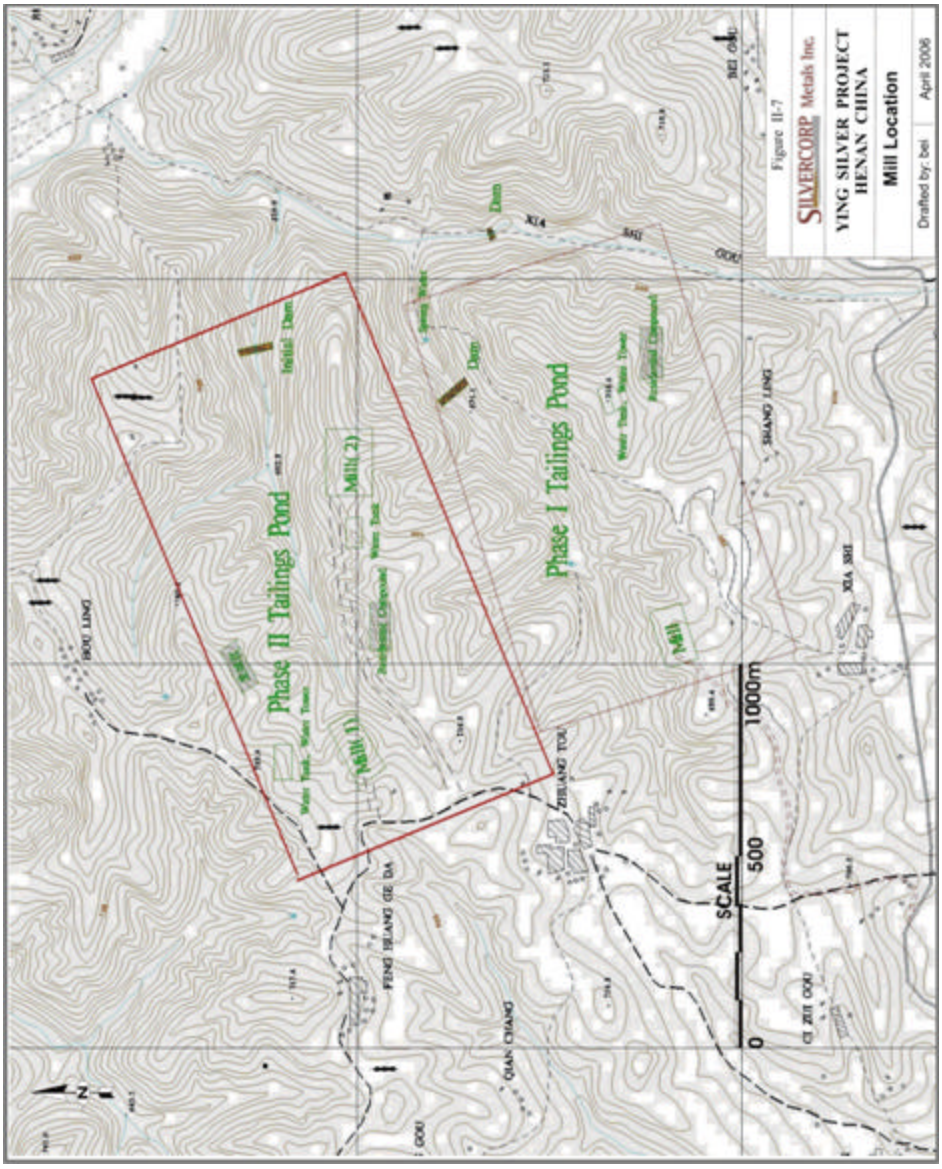

Figure II- 7: Mill Location

20. OPERATING COSTS

20.1 Operating Cost Estimate

The operating costs for mining, custom milling, shipping, General and Admin are actual numbers; only the milling costs after April 1, 2007, have been estimated by Anhui Maanshan Institute. These costs are listed below (in US dollars):

Table 30: Operating costs of the Ying project (US Dollars)

Items	Cost	
	Actual Operating (2006-2007 Fiscal Year)	After April 1, 2007
Mining	$13.38/t	$13.38/t
Ongoing sustaining cost	$8.00/t	$8.00/t
Milling	$18.50/t (toll milling fee)	$11.93/t (projected, Table 31)
Shipping	$4.33/t	$4.33/t
Admin and General	$4.00/t	$4.00/t
Total	$48.21/t	$41.64/t

Table 31: Mill Operating Cost estimate for new mill under construction

	US $/t
Consumables	2.46
Power	3.29
Manpower	1.99
Depreciation	2.30
Maintenance	1.89
Total	**US$ 11.93**

After April 1, 2007, Silvercorp is expecting to use its own 600 tpd flotation mill; therefore, the milling cost will be reduced from US$18.50/t to US$11.93/t. The ore shipping cost from the mine to the mill will also be reduced as a large ferry will be commissioned to take on larger loads than the small barges.

Due to the high cost of ore haul, Found will first manually sort out as much as possible waste rock and direct-shipping lead ore from the run of mine ore. Hand-sorting costs US$2.5/t. Based on 2004/2005 statistics, it is expected to hand sort about 7.1% to 10.5% from the run of mine ore as direct-shipping lead ore and about 28.6% to 30.5% as waste rock. A savings of almost 40% in ore transportation cost can be accomplished. Currently, Found is constructing a conveyor belt system for sorting waste rock and direct-shipping ore from the run of mine ore.

20.2 Taxes

China levies a 13% value-added tax (VAT) on sales of lead, zinc, silver, copper and other metal products, while a 17% VAT is levied on all other products, such as power and materials supply. No VAT is levied on labour and services. Paid VAT credit can be used to off-set the VAT payable.

It is worth noting that the quoted prices for silver, lead and zinc on the Shanghai Metal Exchange are about 13% above World prices due to the Chinese government levying a 13% Value-added Tax on metal imports.

For foreign invested companies such as Silvercorp, income tax is free for the first 2 years, the 3rd to 5th year is 15% and thereafter, it is 30%.

Resource Tax or government royalty is 2% based on China mining law.

21. ECONOMIC ANALYSIS

21.1 Production for April 1, 2006 to March 31, 2007

The mine development is sufficiently advanced with 14,000 m of development tunnels completed. It is expected that within 2 months following Found's receipt of the mining permit, preliminary production could start from over 20 initial stopes that have been developed from 518m L and 480m L for S14 and S6 veins, 490m L and 460, L for S2 and S2E veins, 534m L, 570m L, 610m L, and 640m L for S16W, S16W1, and S16E veins, 600m L for S7 vein, 570m L and 640m L for S8 vein (see Table 7) without requiring substantial capital.

Based on Found's 2006-2007 mine plan, the Ying mine will produce a total 140,000 tonnes of diluted ore (Table 7), containing a projected 70,000 tonnes of high grade ores plus 70,000 tonnes of waste rock at 100% dilution. 40,000 tonnes of waste rock (assumed to contain 0 oz/t Ag, 0% Pb, and 0% Zn) will be manually separated from the run of mine ore for dumping and 10,000 tonnes of massive galena will be picked up for direct-shipping to smelter after crushing. The direct-shipping ore is projected to contain 67.52 oz/t Ag, 55% Pb, and 8% Zn (based on 2005 sales grade), therefore, there are 90,000 tonnes of diluted ore required to be shipped and milled by custom milling at the LZ and LS Mills. The projected head grades for the 90,000 tonnes of ore to be shipped and milled are calculated in Table 32.

Table 32: Projected Production for April 2006 to March 2007

	Tonnes	Grade			
		Pb(%)	Zn (%)	Ag (g/t)	Ag (oz/t)
High grade ore	70,000	32.76	9.99	1,393.0	44.6
100% dilution From Production	140,000	16.38	4.995	696.5	22.3
less:					
Hand sorting waste rock (28.6%)	40,000	0.00	0.00	0.0	0.0
Remaining	100,000	22.93	6.99	975.1	31.22
Less:					
Hand sorting direct-shipping ore (7.1%)	10,000	55.00	8.00	2,102.2	67.5
Remaining ore to be shipped + milled	90,000	19.39	6.87	849.9	27.19

21.2 Financial Summary for Life of Mine

Using the total mineable measured + indicated ore in Table 6 (which is based on the Resource calculation as at April 2005), a financial analysis of the Ying project incorporating the cost estimate, recovery rates for metals from actual custom milling, and the most recent Chinese tax schedule in Section 4 of this report is possible. The cash flow analysis for 4-year mine life is listed in Table 33 below.

Table 33:Cash Flow Analysis for Ying Project

		Year 2006/2007	Year 2007/2008	Year 2008/2009	Year 2009/2010	Total
Ore Mined (tonne)		**140,000**	**200,000**	**200,000**	**200,000**	**740,000**
Grade						
Silver (oz/t)		22.3	22.3	22.3	22.3	22.3
Lead (%)		16.38%	16.38%	16.38%	16.38%	16.38%
Zinc (%)		4.99%	4.99%	4.99%	4.99%	4.99%
Less: Hand sorted Waste Rock (tonne)	**28.6%**	**40,000**	**57,200**	**57,200**	**57,200**	**211,640**
Grade						
Silver (oz/t)		0	0	0	0	
Lead (%)		0	0	0	0	
Zinc (%)		0	0	0	0	
Less: Hand sorted direct-shipping ore (tonne) Grade	**7.1%**	**10,000**	**14,200**	**14,200**	**14,200**	**52,540**
Silver (oz/t)		67.50	67.50	67.50	67.50	67.50
Lead (%)		55%	55%	55%	55%	55%
Zinc (%)		8%	8%	8%	8%	8%
Ore to be shipped and milled (tonne)		**90,000**	**128,600**	**128,600**	**128,600**	**475,820**
Grade						
Silver (oz/t)		27.19	27.23	27.23	27.23	27.23

		Year 2006/2007	Year 2007/2008	Year 2008/2009	Year 2009/2010	Total
Lead (%)		19.37%	19.40%	19.40%	19.40%	19.40%
Zinc (%)		6.87%	6.88%	6.88%	6.88%	6.88%
Milling Recovery Rate						
Silver		90.00%	90.00%	90.00%	90.00%	90.00%
Lead		95.00%	95.00%	95.00%	95.00%	95.00%
Zinc		75.00%	75.00%	75.00%	75.00%	75.00%
Metal Products						
Silver produced from Direct-shipping ore (oz)		675,000	958,500	958,500	958,500	3,550,500
Lead produced from Direct-shipping ore (lb)		12,100,000	17,182,000	17,182,000	17,182,000	63,573,400
Silver Produced from milled ore (oz)		2,202,300	3,151,350	3,151,350	3,151,350	11,659,995
Lead Produced from milled ore (lb)		36,432,880	52,145,500	52,145,500	52,145,500	192,938,350
Zinc Produced from milled ore (lb)		10,206,900	14,592,600	14,592,600	14,592,600	53,992,620
Total Metal Products						
Total Silver produced (oz)		2,877,300	4,109,850	4,109,850	4,109,850	15,210,495
Total Lead produced (lb)		48,532,880	69,327,500	69,327,500	69,327,500	256,511,750
Total Zinc produced (lb)		10,206,900	14,592,600	14,592,600	14,592,600	53,992,620
Metal Prices (US$)(net of smelter charges and value added tax)						
Silver (US$/oz) ($10/oz x 75%)		7.50	7.50	7.50	7.50	7.50
Lead (US$/lb) ($0.45/lb x 76%)		0.34	0.34	0.34	0.34	0.34
Zinc (US$/lb)($1.015/lb x 70%)		0.71	0.71	0.71	0.71	0.71
Revenue (US$)						
Silver (US$)		21,579,750	30,823,875	30,823,875	30,823,875	114,051,375
Lead (US$)		16,598,245	23,710,005	23,710,005	23,710,005	87,728,260
Zinc (US$)		7,252,002	10,368,042	10,368,042	10,368,042	38,356,129
Total Revenue (US$)		**45,429,997**	**64,901,922**	**64,901,922**	**64,901,922**	240,135,764
Mining Cost (US$13.38/t)	13.38	1,873,200	2,676,000	2,676,000	2,676,000	9,901,200
Sustaining capital cost (US$8/t)	8.00	1,120,000	1,600,000	1,600,000	1,600,000	5,920,000
Custom Milling cost (US$18.50/t)	18.50	1,665,000				
Milling cost using own mill (US$11.93/t)	11.93		1,534,198	1,534,198	1,534,198	6,267,594
Shipping cost (US$4.33/t)	4.33	389,700	556,838	556,838	556,838	2,060,301
Admin + General (US$4/t)	4.00	560,000	800,000	800,000	800,000	2,960,000
Hand sorting cost ($2.5/t) for waste rock (US$)	2.50	100,000	143,000	143,000	143,000	529,100
Hand sorting cost ($2.5/t) for direct-shipping ore (US$)	2.50	25,000	35,500	35,500	35,500	131,350
Total Production cost (US$)		**5,732,900**	**7,345,536**	**7,345,536**	**7,345,536**	**27,769,545**
Resource Tax (US$)	2.00%	**908,600**	**1,298,038**	**1,298,038**	**1,298,038**	**45,637,889**
Pre-Income tax net profit (US$)		**38,788,497**	**56,258,348**	**56,258,348**	**56,258,348**	**166,728,331**
Income tax rate		**0%**	**0%**	**15%**	**15%**	
Income tax payable (US$)		-	-	8,438,752	8,438,752	16,877,504
Net Profit after income tax (US$)		**38,788,497**	**56,258,348**	**47,819,596**	**47,819,596**	**190,686,037**
Silvercorp's share (77.5%) of Net Profit		**30,061,086**	**43,600,220**	**37,060,187**	**37,060,187**	**147,781,678**

		Year 2006/2007	Year 2007/2008	Year 2008/2009	Year 2009/2010	Total
after income tax (US$)						
Less: Capital Expenditure for Future Development (US$)		**11,669,113**				
Net Cash Flow		**27,119,384**	**56,258,348**	**47,819,596**	**47,819,596**	**179,016,924**
Silvercorp's share of cash flow (77.5%) (US$)		**21,017,523**	**43,600,220**	**37,060,187**	**37,060,187**	**138,738,116**
Unit Silver production cost	**US$/ oz**	**1.99**	**1.79**	**1.79**	**1.79**	**1.83**
Unit Silver production cost adjusted for by-product credit	**US$/ oz**	**-6.30**	**-6.50**	**-6.50**	**-6.50**	**-6.46**

If lead and zinc revenue is used to cover production cost, then unit silver production cost adjusted for lead and zinc credit is negative US$6.3 to negative $6.5 per ounce. If lead and zinc are treated as free credit, only silver revenue is used to cover the production cost, then unit silver production cost is US$1.99 to 1.79 per ounce.

21.3 Payback

The capital expenditure of US$11,669,113 is designed for mine production starting from the 2007/2008 fiscal year. Due to the extremely high grade nature of the Ying ore body, it is essentially self-financing after the initial capital contribution of ~US$4 million and cash payment of US$1.5 million for Silvercorp to earn its 77.5% interest in the project (through holding 77.5% of Found). According to management, the cash position of Found at the end of March 2006 is still US$2.6 million with no debt. The capital required in 2006-2007 fiscal years is expected to be financed entirely by cash-flow generated from sales of ore obtained during continued mine development and exploration tunneling and from mine production, therefore the payback period is zero.

21.4 Mine Life

Based on the Measured + Indicated Resources in the 2005 Report and using a 100% dilution factor and 90% recovery rate for the high grade resources, the mineable measured + indicated ores are calculated to be 756,815 tonnes grading 696 g/t (22.3 oz/t) Ag, 16.36% Pb and 4.99% Zn. Based on a mining rate of 140,000 tonnes for 2006/2007 fiscal year and 200,000 tonnes/year thereafter, the above resources will last for four year's mine production.

Extensive additional tunnels and drilling completed by Found since April 2005 are anticipated to increase the reportable Resource and thereby extend mine production. An updated review of resources based on the extensive exploration and development work completed from April 1 2005 to March 31, 2006 in being prepared and is expected to be available by the end of May 2006, the expanse of the mine production should be extended with increased mineral resources.

22. INTERPRETATION AND CONCLUSIONS

From September 2004 to January 2006, a total of 28,957 metres ("m") of drifting, declines and raises, 204.1 m of shaft and 14,637 m of underground and surface drilling was completed. Found's tunnelling and underground drilling were primarily focused on veins S2, S2E, S4, S6, S7, S7-1, S8, S14, S16E, S16W, S16W1, and S21. In addition, Found widened several main access tunnels to 2.0 x 2.2 m from 2.0 x 1.8 m for over 2,788 m. At present, veins S1, S2, S2E, S4, S5, S6, S7, S7-1, S8, S14, S16E, S16W, S16W1, S17, and S21 can be accessed through tunnels CM 101, CM102 and CM103.

Recent work on the Ying Property defined high-grade Silver-Lead-Zinc underground mineral resources in veins averaging 0.42 meters thick. This was accomplished by channel sampling of new underground tunnels, and underground drilling. Mineralization is hosted in a set of quartz-carbonate veins crosscutting Precambrian age mafic and felsic gneisses.

Based on Chris Broili's 2005 Report (April18, 2005), five veins on the Ying property have a Measured and Indicated Resource of 420,453 tonnes averaging 0.42 m wide with an average grade of 1393 gram/tonne ("g/t") silver ("Ag"), 32.76% lead ("Pb"), 9.99% zinc ("Zn"). The contained metals for the Measured and Indicated Resources are 18.8 million ounces of Ag, 137,730 tonnes of Pb, and 42,004 tonnes of Zn. The Inferred Resource is 495,205 tonnes also averaging 0.42 m wide with a grade of 1539 g/t Ag, 35.01% Pb, 9.56% Zn. This Inferred Resource contains 24.5 million ounces of Ag, 173,394 tonnes of Pb, and 47,323 tonnes of Zn.

The custom milling of 40,711 tonnes of diluted by-product ore extracted from exploration and development tunnels indicate that Ag, Pb, and Zn metals from ores of the Ying Project can be easily recovered. The Pb-Ag and Zn concentrates produced satisfy the requirements of smelters. This milling test also confirms that it is economic to use off-site flotation mills to treat diluted ores.

Out of the 28,957 m of tunnels completed, about 14,000 m are mining development tunnels. Therefore, the mine development is sufficiently advanced that within 2 months of Found receiving the mining permit, preliminary production could start from over 20 initial stopes that have been developed from 518m elevation ("L") and 480m L for S14 and S6 veins, 490m L and 460m L for S2 and S2E veins, 534m L, 570m L, 610m L, and 640m L for S16W, S16W1, and S16E veins, 600m L for S7 vein, 570m L and 640m L for S8 vein.

Concentrate sales contracts have been signed with several lead and zinc smelters on terms of delivery at mine site against cash advance from smelters. The payable prices for lead and silver metals in lead-silver concentrate are 76% and 75% of spot prices, respectively, quoted on the Shanghai Metal Exchange ("SME") on the delivery date. The payable price for zinc metal in zinc concentrate is 70% of the SME spot price. China levies a 13% value-added tax (VAT) on sales of lead, zinc, silver, copper and other metal products, and the quoted prices for silver, lead and zinc on the Shanghai Metal Exchange are about 13% above World prices due to the Chinese government levying a 13% Value-added Tax on metal imports.

Three shafts, now each equipped with hoists, are in the process of sinking and are expected to reach the intended depth of 210m L by the end of 2006. The shafts are designed to be 3.8m in finished diameter. Each shaft will be equipped with a cage guarded by four steel cables. Each Shaft is capable of hauling 150,000 tonnes of material per annum (based on 300 days/year).

Ten shrinkage stopes are currently being extracted at the Ying Mine and it is anticipated to extract an additional 12 to 15 stopes in 6 months to reach its phase one mining capacity of 600 tonne per day ("tpd"). As there are a minimum of 5 portal accesses to 13 mineralized veins in which high grade ore shoots have been delineated, it is fairly reasonable to conclude that given enough time, the company can reach its production goal, without incurring substantial capital cost. The first 3 years of production is planned to come mainly through horizontal portals and thereafter, shafts will be used.

Based on the Measured + Indicated Resources in Chris Broili's 2005 Report and using a 100% dilution factor and 90% recovery rate for the high grade resources, the mineable measured + indicated ores are calculated to be 756,815 tonnes grading 696 g/t (22.3 oz/t) Ag, 16.36% Pb and 4.99% Zn. Based on a mining rate of 140,000 tonnes for 2006/2007 fiscal year and 200,000 tonnes per year thereafter, the above resources will last for four year's mine production. Since April 2005, Found has completed extensive addition tunnels and drillings in the Ying project area, an updated review of resources based on the extensive exploration and development work completed from April 1 2005 to March 31, 2006 in being prepared and is expected to be available by the end of May 2006, the expanse of the mine production should be extended with increased mineral resources.

Construction of a 600 tpd mill is underway at about 17 km from the Ying Property and is expected to be completed by the end of March 2007. During the first year production, Found continues to use custom mills to process ore. Starting from April 1, 2007 it is expected to use its own 600 tpd flotation mill to produce Pb-Ag and Zn concentrates.

Based on net metal prices of US$7.5/oz Ag, US$0.34/lb Pb, and US$0.71 lb Zn and assuming the total production cost of US$48.2 per tonne ore for the first year and US$41.6 per tonne ore thereafter, and using recovery rates of 95% for Pb, 90% for Ag, and 75% for Zn, the Silvercorp's share (77.5%) of projected net profit is anticipated to be US$30.06 million for the 1st year, US$43.6 million for the 2nd year, US$37.06 million for the 3rd and 4th years, respectively. The capital payback period is projected to be zero as all the capital expenditures is projected to be financed from first year's cash flow. For foreign invested companies such as Found, income tax is free for the first 2 years, the 3rd to 5th year is 15% and thereafter, it is 30%.

If Pb and Zn revenue is used to cover production cost, then unit Ag production cost adjusted for Pb and Zn credit is projected to be negative US$6.3 to negative US$6.5 per ounce. If Pb and Zn are treated as free credit, only Ag revenue is used to cover the production cost, then the unit Ag production cost is projected to be US$1.99 to 1.79 per ounce.

It is considered that the Ying property is of merit and represents an advanced and production stage project.

23. RECOMMENDATIONS

The authors reviewed Found's work program in collaboration with Mr. Myles Gao and recommend the following plan and budget. The program is designed to establish mineral resources and reserves for future mining operations. The recommended Phase 3 Exploration and Development Program for 2006 totals US$12.1 million and is presented as follows:

1) Development tunnels: A total of 13,177 meters of mine development tunnel is planned at an estimated cost US$ 1.37 million, averaging US$ 104 per meter. The work is mainly concentrated in the main tunnel CM101 (2,150 m), CM102 (5,385 m), CM103 (3,262 m), PD700 (500 m), PD650 (650 m), and newly developed tunnel PD680 (400 m) at the SGX camp, and YPD01 (500 m) and YM01 (330 m) at the YLG camp.

2) Exploration tunnels on known veins: 10,790 meters of underground tunnelling is planned with a budget of US$ 1.1 million at about US$ 102 per meter. These cross-cutting and drifting tunnels will be developed on the 14 known mineralized veins through access tunnels CM101, CM102, CM103, PD640, PD680, PD700, YPD01, YPD02, YM01 at the SGX area and C29 and C31 veins at the SDG area with intentions of upgrading and expanding silver resources from the veins.

3) Exploration tunnels on 12 veins at a budget of US$0.67 million: 4,540 m have been designed to intersect S9, S11, S12, S13, S14 at the northeast end and S8 vein at the YLG camp. Further 2,100 m of tunnels will be developed at the southwest end of S8 vein to detect the seven northeast trending veins at the HZG camp where massive galena lenses with over 80 oz of silver grade were recently discovered.

4) Drilling: US$ 1.08 million for 32, 800 meters of drilling are planned, averaging US$ 33 per meter. The drilling includes 71 underground holes totalling 25,705 meters and 16 surface holes totalling 7,090 meters. Underground drill holes together with exploration tunnels are to test the continuity of different mineralized veins at the down-dip and strike directions, further to upgrade mineral resource categories and convert the resources to reserves.

5) Completing three shafts: US$ 1.07 million to sink 900 m and install cages. By end of the year, three shafts are expected to sink to 200 m elevation; cages and pump will be installed. Two of the shafts will be used to haul ore and waste and third one will provide ventilation for the mine. When the shafts are up running in the beginning of 2007, tunnels will be developed at six levels (500 m, 460 m, 410 m, 360 m, 310 m, and 260 m levels). By 2008, the shafts will be used for ore production.

6) Surface facility, camp construction, and reclamation: US$ 0.26 million. This budget mainly covers the cost to complete a 1,200 sq. m. office complex, to build a 600 tonnes/day manually sorted belt corridor for direct-shipping ore, erosion and flood control facilities, additional housing and business centre construction, tree planting, water supplies, sewage handling and other civil infrastructure.

7) Material and equipment purchases: US$ 0.71 million.

8) Mill and tailings dam construction: US$ 3.37 million. This budget includes: mill and tailings dam design; land lease; ore hauling road construction; building and installing a 600-tonnes/day mill (consisting of two crushers, two 300 tonnes/day ball mills, lead flotation cells, zinc flotation cells and screen filters); and, construction of a tailings dam.

9) Technical reports, assaying, public relations, management and administration, salary and benefits, staff training, mining leasing, contingency and other expenses: US$ 2.4 million.

In the authors' opinion, the character of the Ying property has sufficient merit to justify the Phase 3 program as recommended. The implementation of a Phase 3 program would be contingent on the results obtained from the Phase 2 program.

24. DATE: April 18, 2006

"Chris Broili"

Centralia, Washington, U.S.A.
April 18, 2006

Chris Broili, C.P. Geo. & L.P. Geo.
Consulting Geologist, BK Exploration Associates

"Jasman W. Yee"

Vancouver British Columbia, Canada.
April 18, 2006

Jasman W. Yee, P.Eng.

"Cathy Shuk Yim Fong"

Vancouver British Columbia, Canada.
April 18, 2006

Cathy Shuk Yim Fong, P.Eng.
V.P. Corporate Development,
Silvercorp Metals Inc.

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11. Technical Report For SKN Resources Ltd. On the Ying Silver-Lead-Zinc Project, Henan Province, China by Chris Broili (April 21, 2004).
12. Technical Report For SKN Resources Ltd. On the Ying Silver-Lead-Zinc Project, Henan Province, China by Chris Broili (April 18, 2005).

CERTIFICATE OF QUALIFIED PERSON

1. I, Chris Broili, of 2104 Graf Road, Centralia, Washington, U.S.A., am currently an Exploration Geologist with BK Exploration Associates.

2. I am the primary author responsible for the preparation of the technical report titled "Technical Report –2006- for Silvercorp Metals Inc. on the Ying Silver-Lead-Zinc Project, Henan Province, People's Republic of China" and dated April 18, 2006 (the "Technical Report").

3. I graduated with a Bachelor's degree in Geology from Oregon State University (B.Sc.) and a Master's degree in Economic Geology from the University of Idaho, College of Mines (M.Sc.). I am a licensed Professional Geologist in the State of Washington (#547), a Certified Professional Geologist in the United States (#7937) with the American Institute of Professional Geologists, a Fellow of the Society of Economic Geologists, and a member of the American Institute of Mining and Metallurgy. My relevant experience for purposes of this Technical Report include Senior Minerals Geologist with Union Carbide Corp. and Atlas Precious Metals Inc., Vice President of Exploration for Yamana Resources Inc., Vice President of Exploration for Mines Management Inc., and Senior Geological Consultant for numerous junior and senior mining companies. I have been directly involved in mining exploration for the past 35 years. I have read the definition of "qualified person" set out in NI 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

4. I visited the properties and reviewed data on January 9th through 12th, 2006 (four days) with the technical staff of Silvercorp Metals and Henan Found Mining Ltd.

5. I am responsible for Sections 1 through 16, and 22 and 23 of this report.

6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

7. I have had previous involvement with the Ying Project. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the Ying Project, nor in the securities of Silvercorp Metals Inc.

8. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

9. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

Dated this 18th day of April, 2006
Centralia, Washington, U.S.A.

"Chris Broili"

Chris Broili, C.P. Geo. & L.P. Geo.

METALLURGIST'S CERTIFICATE

1. I, Jasman W. Yee, of 6698 Lochdale Street, Burnaby, British Columbia, Canada, am currently a consulting metallurgist.

2. I graduated with a Bachelor's degree of Applied Science in Chemical Engineering from the University of British Columbia (B. Ap. Sc.)

3. I am a licensed Professional Engineer in the province of British Columbia (#16841) with the Association of Professional Engineers and Geoscientists of B.C., and a member of the Canadian Institute of Mining, Metallurgy and Petroleum (#615).

4. I have been directly involved in mineral processing for the past 35 years.

5. I have read the definition of "qualified person" set out in NI 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the content of Sections 17 to 21 of this report.

7. I have had no previous involvement with the Ying Project. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the Ying Project, nor in the securities of Silvercorp Metals Inc.

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Update Supplement that is not reflected in the Technical Update Supplement, the omission to disclose which makes the Technical Update Supplement misleading.

9. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

10. I have read NI 43-101 and Form 43-101F1, and the Technical Update has been prepared in compliance with that instrument and form.

Dated this 18th day of April, 2006
Vancouver, British Columbia, Canada

"*Jasman W. Yee*"

Jasman W. Yee, P. Eng.

ENGINEER'S CERTIFICATE

1. I, Cathy Shuk Yim Fong, of 3441 Mons Drive, Vancouver, British Columbia, Canada, am currently an officer of Silvercorp Metals Inc.

2. I graduated with a Bachelor's degree of Applied Science in Civil Engineering from the University of British Columbia (B. Ap. Sc.)

3. I am a licensed Professional Engineer in the province of British Columbia (#20568) with the Association of Professional Engineers and Geoscientists of B.C.

4. I have been directly involved in mining and heavy industrial civil/structural design for the past 18 years.

5. I have read the definition of "qualified person" set out in NI 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am not aware of any material fact or material change with respect to the subject matter of the Technical Update Supplement that is not reflected tin the Technical Update Supplement, the omission to disclose which makes the Technical Update Supplement misleading.

7. I am co-signing with the author applying all of the tests in section 1.5 of NI 43-101.

8. I have read NI 43-101 and Form 43-101F1, and the Technical Update has been prepared in compliance with that instrument and form.

Dated this 18th day of April, 2006
Vancouver, British Columbia, Canada

"Cathy Shuk Yim Fong"

Cathy Shuk Yim Fong, P. Eng.

CONSENT OF AUTHORS

TO: Toronto Stock Exchange
Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission

We, Chris Broili, P. Geo., of 2104 Graf Road, Centralia, Washington, U.S.A.,, Jasman Yee, P.Eng., of 6698 Lochdale Street, Burnaby, British Columbia, and Cathy Shuk Yim Fong, P. Eng. of 3441 Mons Drive, Vancouver, British Columbia do hereby consent to the filing, with the regulatory authorities referred to above, of the technical report titled "Technical Report –2006– for Silvercorp Metals Inc. on the Ying Silver-Lead-Zinc Project, Henan Province, People's Republic of China" and dated April 18, 2006 (the "Technical Report") and to the written disclosure of the Technical Report and of extracts from the Technical Report in the written disclosure in the Annual Information Form and Short Form Prospectus of Silvercorp Metals Inc. being filed.

Dated this 18th day of April, 2006

"Chris Broili"

Chris Broili, C.P. Geo. & L.P. Geo.

"Jasman W. Yee"

Jasman W. Yee, P. Eng.

"Cathy Shuk Yim Fong"

Cathy Shuk Yim Fong, P. Eng.

APPENDIX 1: ASSAYS OF VEINS

Tunnel Assay Table

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
16-Sep-05	**S2E**	A078023	519.96	-58.50	0.20	917	29.47	38.48	5.47	2,800	90.02		
28-Sep-05		A079203	515.44	-18.51	0.50	147	4.74	30.12	3.19	1,570	50.47		
22-Sep-05		A078035	510.74	-17.46	0.40	944	30.34	41.46	9.27	3,133	100.73		
06-Oct-05		A079222	496.00	-101.80	0.25	1,043	33.54	29.48	14.50	2,975	95.66		
03-May-05		A079777 A079776	496.00	-74.50	0.70	1,123	36.11	33.98	2.16	2,659	85.50		
30-Apr-05		A079772	496.00	-69.70	0.25	4,767	153.25	52.05	4.17	7,161	230.22		
27-Apr-05		A079768 A079767	496.00	-65.00	0.90	423	13.59	23.00	0.93	1,437	46.21		
19-Apr-05		A079763 A079755	496.00	-60.00	1.00	1,181	37.97	27.14	3.03	2,470	79.42		
13-Apr-05		A078547	496.00	-55.00	0.10	248	7.96	17.27	29.65	2,384	76.64		
08-Apr-05		A078544	496.00	-50.00	0.30	1,048	33.69	44.36	3.04	3,064	98.52		
01-Apr-05		A078533	496.00	-40.00	0.20	2,172	69.83	34.37	2.72	3,751	120.61		
28-Mar-05		A078528	496.00	-34.60	0.30	789	25.37	16.35	3.65	1,652	53.12		
13-Mar-05		A078620	496.00	-15.00	0.40	8,566	275.40	16.70	19.86	10,213	328.36		
15-May-05		A078985	496.00	10.30	0.30	628	20.19	4.83	14.14	1,503	48.33		
02-Oct-05		A079211	460.00	-127.50	0.20	206	6.61	3.80	21.45	1,384	44.51		
26-Sep-05		A078046	460.00	-122.50	0.60	1,156	37.18	18.64	16.68	2,735	87.92		
14-Sep-05		A079900	460.00	-118.90	0.90	3,398	109.25	22.78	22.19	5,413	174.02		
12-Sep-05		A079892	460.00	-117.50	1.30	2,437	78.37	36.41	7.23	4,317	138.80		
06-Sep-05		A079877	460.00	-107.50	0.40	725	23.30	23.79	6.57	2,040	65.60		
01-Sep-05		A079855	460.00	-102.50	0.50	1,938	62.32	57.81	1.97	4,471	143.76		
29-Aug-05		B394794	460.00	-98.10	0.60	2,829	90.95	29.45	13.67	4,720	151.76		
25-Aug-05		B394783	460.00	-95.10	0.80	4,838	155.55	41.11	16.22	7,343	236.09		
21-Aug-05		B394772 B394773	460.00	-91.90	0.80	4,144	133.25	37.58	2.66	5,856	188.29		
19-Aug-05		B394767	460.00	-87.50	0.10	330	10.60	24.23	5.00	1,589	51.10		
22-Jul-05		A078379	460.00	-67.50	0.20	1,729	55.58	78.98	0.61	5,090	163.66		
15-Nov-05	**S2**	B466003	519.52	-99.09	0.40	983	31.61	7.04	3.91	1,465	47.11		
11-Nov-05		B465996	514.83	-102.56	0.50	603	19.40	30.42	5.47	2,147	69.01		
10-Nov-05		B465992	510.36	-106.03	0.50	1,266	40.69	31.57	3.66	2,772	89.12		
07-Mar-05		A078608	496.00	-14.50	0.20	155	4.97	0.35	24.70	1,342	43.15		
19-Mar-05		A078513	496.00	594.00	0.40	261	8.39	1.02	24.18	1,452	46.68		
19-Mar-05		A078516	496.00	609.00	0.40	2,289	73.59	10.27	3.29	2,879	92.55		
27-Mar-05		A079557	496.00	619.00	0.15	1,214	39.03	7.00	15.77	2,258	72.60		
03-Apr-05		A079573	496.00	659.00	0.15	2,868	92.21	50.78	11.62	5,562	178.84		
03-Apr-05		A079574	496.00	664.00	0.16	1,110	35.69	18.91	9.71	2,369	76.16		
03-Apr-05		A079575	496.00	679.00	0.50	2,299	73.91	33.87	7.93	4,105	131.97		
29-May-05		A078574	496.00	689.00	0.20	2,523	81.13	64.98	2.80	5,398	173.57		
30-May-05		A078594	496.00	692.00	0.60	2,318	74.53	45.15	4.90	4,456	143.26		
03-Dec-05		B466049	460.00	-119.50	0.50	835	26.85	8.37	7.72	1,555	49.99		
29-Nov-05		B466039	460.00	-114.50	0.60	2,225	71.54	15.79	16.44	3,672	118.05		
26-Nov-05		B466034	460.00	-109.50	1.10	2,099	67.48	41.91	6.58	4,180	134.39		
21-Nov-05		B466022	460.00	-104.50	0.80	1,856	59.68	40.34	7.78	3,928	126.29		
10-Nov-05		B465993	460.00	-94.50	0.25	802	25.77	25.66	5.92	2,165	69.62		
05-Nov-05		B465978	460.00	-89.50	0.50	1,841	59.20	61.97	7.54	4,814	154.78		
30-Oct-05		B465962	460.00	-84.50	0.25	400	12.87	18.59	28.93	2,558	82.24		
20-Dec-05	**S4**	B466103	506.84	-73.95	0.20	209	6.73	22.39	7.19	1,496	48.08		
17-Dec-05		B466095	501.95	-77.89	0.40	1,278	41.10	15.01	29.43	3,309	106.38		
14-Dec-05		B466087	499.54	-86.41	0.20	1,153	37.08	51.70	3.31	3,492	112.28		
13-Aug-05		A078086	496.00	-179.20	0.25	783	25.16	26.01	12.82	2,489	80.01		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
03-Aug-05		A078063	496.00	-169.60	0.20	265	8.52	16.95	10.31	1,470	47.25		
22-Jul-05		A078377	496.00	-154.60	0.30	1,910	61.41	46.67	17.88	4,728	152.01		
05-Jul-05		A079398	496.00	-149.60	0.30	1,238	39.80	34.08	9.64	3,134	100.76		
29-Jun-05		A079384	496.00	-145.00	0.30	1,809	58.16	38.11	21.94	4,459	143.35		
06-Jul-05		A079400	496.00	-140.50	0.40	2,926	94.06	32.96	11.62	4,868	156.51		
24-Jul-05		B465979	496.00	-129.70	0.20	959	30.83	41.22	6.89	3,025	97.27		
28-Jul-05		A078392	496.00	-125.60	0.25	3,449	110.88	37.40	12.29	5,610	180.38		
05-Aug-05		A078068	496.00	-120.00	0.40	1,153	37.07	48.44	3.51	3,364	108.14		
28-Aug-05		B394789	496.00	-95.60	0.50	88	2.84	0.30	29.10	1,482	47.66		
07-Sep-05		A079879	496.00	-70.00	0.60	860	27.65	10.78	9.61	1,771	56.95		
14-Sep-05		A079899	496.00	-55.00	0.4	878	28.22	12.66	4.80	1,640	52.72		
06-Jan-06		B740754	460.00	-162.50	0.15	206	6.61	5.97	18.01	1,312	42.20		
02-Jan-06		B466146	460.00	-157.50	0.40	246	7.90	12.96	19.13	1,701	54.68		
10-Dec-05		B466074	460.00	-132.50	0.50	131	4.21	1.02	27.52	1,480	47.59		
06-Dec-05		B466061	460.00	-127.50	0.40	422	13.58	20.64	4.02	1,484	47.71		
04-Nov-05		B465976	460.00	-72.50	0.20	1,591	51.17	41.20	1.61	3,406	109.52		
23-Nov-05	**S6**	B386196	480.00	442.50	0.50	1,623	52.18	16.03	18.59	3,182	102.30		
05-Nov-05		B466226	480.00	447.50	0.60	1,596	51.30	28.93	8.94	3,241	104.19		
05-Nov-05		B466205	480.00	452.50	0.25	4,865	156.41	5.41	43.93	7,179	230.80		
20-Nov-05		B466225	480.00	457.50	0.45	1,687	54.22	30.90	21.32	4,003	128.69		
25-Nov-05		B466352	480.00	462.50	0.42	1,687	54.22	30.90	21.32	4,003	128.69		
26-Nov-05		B466359	480.00	467.30	0.60	668	21.48	15.77	5.96	1,617	51.98		
02-Dec-05		B466366	480.00	471.60	0.70	1,182	38.00	26.44	7.62	2,659	85.50		
06-Dec-05		B466386	480.00	472.50	0.55	2,386	76.71	38.84	4.04	4,217	135.57		
11-Dec-05		B466398	480.00	477.50	0.62	694	22.33	12.32	17.62	2,051	65.94		
16-Dec-05		B466620	480.00	482.50	0.65	2,419	77.77	31.92	5.98	4,050	130.21		
31-Dec-05		B465786	480.00	492.50	0.40	1,566	50.35	10.97	21.83	3,065	98.55		
29-Jul-05		A079056	53.00	309.02	0.15	521	16.74	24.10	2.48	1,655	53.22		
05-Jun-05		A078582	6.00	344.85	0.30	653	21.00	26.63	5.08	2,018	64.88		
07-Dec-05	**S7**	B466439	654.64	1553.61	0.20	580	18.65	13.07	33.99	2,745	88.26		
20-Sep-05		A079923	640.00	649.40	0.08	169	5.44	4.09	29.00	1,719	55.25		
21-Jul-05		A079141	574.00	455.00	1.00	438	14.09	9.85	14.17	1,527	49.08		
27-Apr-05		A078831	574.00	337.60	0.50	618	19.86	5.31	10.18	1,325	42.60		
25-Apr-05		A078825	574.00	343.00	0.50	914	29.39	11.11	10.78	1,895	60.91		
26-Mar-05		A079624	574.00	410.00	0.75	296	9.52	22.75	6.58	1,568	50.42		
25-Mar-05		A079609	574.00	405.00	0.10	617	19.84	12.91	2.25	1,269	40.79		
20-Mar-05		A079439	574.00	394.00	0.13	582	18.71	29.00	5.20	2,053	65.99		
20-Mar-05		A079446	574.00	400.00	0.10	907	29.16	22.45	3.85	2,037	65.49		
20-Mar-05		A078523	574.00	1579.31	0.15	1,339	43.05	59.40	13.29	4,476	143.92		
20-Mar-05		A078522	574.00	1595.31	0.30	385	12.38	10.16	30.55	2,264	72.79		
20-Mar-05		A078520	574.00	1644.31	0.35	943	30.32	56.35	9.91	3,791	121.89		
20-Mar-05		A078519	574.00	1676.31	0.25	653	20.99	25.65	11.72	2,292	73.68		
20-Mar-05		A078518	574.00	1686.31	0.30	445	14.31	21.10	14.13	2,006	64.50		
20-Mar-05		A078517	574.00	1691.31	0.25	727	23.37	33.80	21.76	3,186	102.44		
09-Feb-06	**S7-1**	B740789	563.00	-10.00	0.10	2,326	74.78	7.38	29.57	4,041	129.93		
16-Dec-05		B466093	560.00	0.00	0.20	556	17.89	2.26	27.68	1,966	63.20		
08-Jan-06		B740755	560.00	5.00	0.15	164	5.27	11.56	13.46	1,291	41.50		
11-Jan-06		B740763	560.00	10.00	0.20	842	27.08	6.25	31.85	2,618	84.17		
17-Jan-06		B740785	560.00	15.00	0.25	1,041	33.47	5.40	13.35	1,903	61.17		
13-Dec-05		B466611	534.00	700.00	0.25	376	12.07	30.19	2.70	1,778	57.16		
23-Oct-05	**S7-2**	B385862	585.00	-1295.10	0.70	8	0.25	0.27	0.32	343	11.03	5.148	
26-Oct-05		B385867	585.00	-1279.90	0.80	18	0.56	0.87	0.69	316	10.16	3.814	
16-Nov-05		B385896	565.00	-1209.40	0.60	21	0.66	1.26	0.77	228	7.32	1.954	
16-Nov-05		B385897	565.00	-1198.50	0.30	12	0.37	0.92	0.79	216	6.94	2.133	
26-Oct-05		B385866	565.00	-1197.30	0.25	11	0.35	0.55	0.82	738	23.73	11.086	
26-Oct-05		385851	565.00	-1190.00	0.50	3	0.09	0.28	0.28	95	3.04	1.113	
26-Oct-05		079046	565.00	-1177.00	0.25	18	0.59	1.14	1.89	1,036	33.32	14.672	
26-Oct-05		394929	565.00	-1159.00	0.30	4	0.14	0.06	0.00	72	2.33	1.094	

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
26-Oct-05		394927	565.00	-1140.00	1.00	9	0.30	0.68	0.05	173	5.58	2.220	
26-Oct-05		394926	565.00	-1134.00	0.25	12	0.38	0.53	0.67	270	8.69	3.407	
29-Oct-05		B385709	565.00	-1122.60	0.35	23	0.72	1.16	1.10	595	19.13	7.854	
29-Oct-05		394925	565.00	-1122.00	0.35	42	1.34	2.44	1.45	550	17.69	5.609	
29-Oct-05		078180	565.00	-1117.00	0.40	9	0.28	0.60	0.30	272	8.74	3.727	
29-Oct-05		B385708	565.00	-1105.30	0.30	3	0.08	0.08	0.22	91	2.92	1.236	
29-Oct-05		078174	565.00	-1091.00	0.30	9	0.28	0.29	0.22	193	6.20	2.695	
29-Oct-05		B385706	565.00	-1059.50	0.33	18	0.57	1.63	0.97	279	8.98	2.444	
29-Oct-05		B385703	565.00	-1025.70	0.35	17	0.56	0.86	0.41	465	14.96	6.534	
29-Oct-05		078153	565.00	-1011.00	0.15	6	0.19	0.17	0.24	155	5.00	2.183	
29-Oct-05		078154	565.00	-985.00	0.20	7	0.21	0.32	0.12	1,769	56.88	29.056	
29-Oct-05		078155	565.00	-983.00	0.20	48	1.55	4.82	0.36	888	28.56	10.329	
29-Oct-05		B385701	565.00	-979.50	0.30	9	0.30	0.44	0.33	322	10.36	4.648	
29-Oct-05		078750	565.00	-945.00	0.30	30	0.95	1.13	1.15	649	20.86	8.614	
21-Dec-05	**S8**	C100041	662.85	588.68	0.40	463	14.90	4.69	31.26	2,145	68.98		0.506
15-Dec-05		C100003	656.08	596.03	0.20	396	12.73	4.60	16.98	1,396	44.89		0.297
12-Feb-06		B430504	640.00	503.27	1.10	6,124	196.89	43.31	7.01	8,284	266.35		0.944
11-Feb-06		B430503	640.00	508.27	0.40	903	29.04	13.89	3.84	1,672	53.74		0.253
2006-2.7		B740749	640.00	513.27	0.90	1,301	41.83	9.19	3.14	1,838	59.09		0.794
2006-2.7		B740747	640.00	518.27	0.70	748	24.03	7.16	9.99	1,524	48.99		0.680
31-Dec-05		C100032	640.00	566.27	0.60	599	19.27	7.55	7.58	1,278	41.07		
19-Nov-05		B466318	640.00	630.00	0.40	358	11.52	18.28	36.38	2,857	91.85		
02-Sep-05		A078261	595.07	427.29	0.30	1,122	36.06	11.08	3.07	1,735	55.78		
27-Aug-05		A078138	591.73	423.58	0.85	1,207	38.80	40.95	5.83	3,211	103.25		0.539
25-Aug-05		A078130	588.38	419.86	0.38	1,987	63.87	29.45	4.42	3,439	110.57		1.127
22-Aug-05		A078119	585.04	416.15	0.25	834	26.80	8.97	15.31	1,939	62.34		0.708
03-Jun-05		A078722	585.00	-999.10	0.50	191	6.14	35.56	5.32	1,944	62.50		
05-Jul-05		A078732	585.00	-998.70	0.30	146	4.68	67.04	8.29	3,368	108.28		
19-Aug-05		A078115	581.69	412.43	0.36	1,073	34.49	1.12	14.99	1,832	58.89		0.785
16-Aug-05		A078113	578.35	408.72	0.90	1,954	62.82	7.11	3.14	2,403	77.26		1.380
31-Dec-05		B465762	575.00	203.00	0.17	2,049	65.88	18.49	2.11	2,930	94.19		0.332
04-Dec-05		B466375	575.00	230.00	0.15	1,830	58.85	3.21	2.03	2,062	66.30		
18-Nov-05		B386180	575.00	245.40	0.17	1,125	36.17	18.43	1.65	1,981	63.69		0.5471
13-Nov-05		B386174	575.00	250.00	0.47	897	28.86	14.80	14.29	2,200	70.75		0.4897
11-Nov-05		B386167	575.00	255.00	0.50	480	15.44	23.89	4.44	1,699	54.62		0.3026
11-Nov-05		B386168	575.00	260.00	0.50	1,022	32.87	47.05	6.35	3,309	106.40		0.4956
09-Nov-05		B386162	575.00	265.00	0.30	1,421	45.67	43.83	22.71	4,348	139.79		0.3208
12-Oct-05		B465753	575.00	310.00	0.50	1,089	35.02	1.26	5.86	1,420	45.67		0.298
27-Sep-05		B466158	575.00	325.00	0.85	4,944	158.95	4.59	2.48	5,255	168.97		
24-Sep-05		B394094 B394095 B394096	575.00	330.40	1.50	1,144	36.79	28.94	3.51	2,532	81.41		
23-Sep-05		B394085	575.00	335.00	1.00	1,936	62.23	41.00	4.26	3,868	124.35		
20-Sep-05		B394071 B394072 B394073 B394074	575.00	340.00	1.05	4,001	128.65	15.76	3.69	4,842	155.66		
16-Sep-05		B394052	575.00	355.00	0.45	2,727	87.68	38.50	7.43	4,704	151.25	0.127	1.208
11-Sep-05		A078283	575.00	360.00	0.42	2,318	74.51	10.99	10.03	3,257	104.73	0.157	1.166
07-Sep-05		A078274	575.00	365.00	0.32	2,021	64.98	33.30	8.89	3,848	123.73	0.136	1.457
31-Aug-05		A078256 A078257 A078258	575.00	370.50	1.10	2,766	88.94	35.25	6.47	4,561	146.64	0.116	2.027
29-Aug-05		A078139	575.00	375.00	0.85	5,686	182.79	10.00	5.42	6,365	204.63	0.000	
25-Aug-05		A078128	575.00	380.00	0.80	2,564	82.43	30.30	8.53	4,248	136.56	0.185	2.142
31-Jul-05		A078338	575.00	385.00	0.50	2,708	87.05	13.05	9.40	4,170	134.08	0.228	2.943
28-Jul-05		A078323	575.00	390.00	0.45	763	24.54	30.33	17.96	3,081	99.05	0.315	1.168
25-Jul-05		A078308	575.00	393.90	0.40	4,349	139.82	3.62	6.54	4,857	156.15	0.339	0.284

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
21-Jul-05		A079137 A079138 A079139	575.00	399.00	1.05	2,215	71.21	28.98	9.77	3,998	128.53	0.045	0.607
18-Jul-05		A079118	575.00	401.00	0.25	1,370	44.04	30.00	8.03	3,017	97.00		
24-Jul-05		A078305	575.00	405.00	0.29	620	19.92	43.07	11.34	3,150	101.27		1.102
24-Sep-05		B394093	575.00	462.00	0.50	2,022	65.02	1.69	0.88	2,135	68.65		
19-Oct-05		B465755	575.00	490.00	0.15	1,723	55.39	1.76	6.75	2,118	68.08		
23-Oct-05		B465920	575.00	500.00	0.40	1,156	37.15	3.06	2.93	1,424	45.78		0.949
26-Oct-05		B465927	575.00	505.00	0.20	984	31.64	1.31	21.68	2,069	66.52		
28-Oct-05		B465931	575.00	510.00	0.60	2,140	68.81	2.63	11.09	2,778	89.31		
31-Oct-05		B465937	575.00	515.00	0.30	1,321	42.47	1.78	16.21	2,166	69.64		
03-Nov-05		B465944	575.00	523.70	0.35	2,798	89.97	9.04	3.30	3,336	107.27		
07-Nov-05		B386158	575.00	529.00	0.20	1,694	54.45	8.97	14.19	2,746	88.28		1.5805
09-Nov-05		B386163	575.00	535.00	0.30	227	7.31	17.20	13.28	1,584	50.92		5.751
22-Sep-05		A079030	550.00	-970.80	0.60	98	3.15	33.22	0.97	1,546	49.71		
21-Sep-05		A079028	550.00	-965.50	0.80	234	7.52	21.55	5.41	1,400	45.02		
14-Sep-05		A079020	550.00	-939.30	0.07	341	10.96	46.68	5.72	2,583	83.03		
11-Aug-05		A078158 A078159	550.00	-886.30	0.65	330	10.61	46.34	0.76	2,322	74.65		
13-Aug-05		A078166	550.00	-881.30	0.30	423	13.60	56.57	1.55	2,883	92.71		
03-Sep-05		A078192	550.00	-875.30	0.45	161	5.17	32.70	2.73	1,670	53.70		
03-Sep-05		A078191	550.00	-870.30	0.80	205	6.57	23.47	3.43	1,358	43.65		
03-Sep-05		B394923	550.00	-868.00	0.50	76	2.43	29.29	2.66	1,438	46.22	215.000	
03-Sep-05		B394924	550.00	-862.00	0.55	339	10.89	48.70	5.59	2,659	85.49	94.000	
17-Nov-05		B385900	550.00	-703.70	0.30	1,298	41.75	6.06	3.16	1,704	54.79		
09-Oct-05	**S8-1**	A079047	585.00	-575.00	0.40	66	2.11	6.12	23.65	1,447	46.51		
14-Oct-05		A078193	585.00	-563.50	0.60	142	4.55	23.94	4.89	1,384	44.50		
30-Oct-05		B385875	585.00	-556.80	0.55	295	9.49	40.47	2.21	2,121	68.18	209.000	
12-Aug-05		A078165	585.00	-1158.00	0.25	675	21.70	65.42	1.50	3,507	112.74		
10-Nov-05		B385891	585.00	-1150.50	0.30	73	2.34	0.98	26.50	1,372	44.13		
03-Nov-05		B385879	585.00	-1150.50	0.35	192	6.19	25.00	5.24	1,496	48.10		0.113
08-Nov-05		B385890	585.00	-1145.70	0.15	62	1.99	1.89	28.14	1,478	47.51		
28-Oct-05		B385870	585.00	-1137.70	0.15	332	10.68	43.86	3.85	2,489	80.02	2053.000	
07-Nov-05		B385884	585.00	-1126.50	0.15	62	1.98	2.91	23.45	1,298	41.73		0.270
12-May-05	**S14**	A079789	565.50	140.00	0.60	1,249	40.17	48.65	2.89	3,440	110.58		
09-May-05		A079786	562.50	140.00	0.70	73	2.35	39.80	9.61	2,209	71.01		
06-May-05		A079780	560.50	140.00	0.50	343	11.03	23.60	0.16	1,347	43.30		
22-Mar-05		A079552	556.50	236.50	0.35	624	20.06	15.80	0.67	1,323	42.52		
09-Sep-05		A078215	553.51	391.25	0.10	1,304	41.93	38.87	1.12	2,998	96.38		
11-Mar-05		A078615	553.50	237.00	0.30	689	22.15	27.51	2.43	1,965	63.19		
28-Apr-05		A079770	550.50	140.00	0.60	216	6.95	10.43	22.65	1,732	55.68		
06-Sep-05		A078210	549.60	388.49	0.30	1,569	50.46	30.68	1.50	2,935	94.37		
02-Sep-05		A079097	545.83	385.45	0.30	516	16.60	17.62	0.91	1,303	41.89		
23-Aug-05		A079084	541.75	382.83	0.25	1,543	49.61	27.32	3.47	2,861	91.97		
27-Mar-05		A079563	540.00	374.66	0.13	1,953	62.79	65.10	5.19	4,946	159.03		
27-Mar-05		A079562	539.00	394.65	0.18	3,281	105.49	39.70	2.86	5,092	163.71		
27-Mar-05		A079561	538.50	414.51	0.20	5,241	168.50	76.10	0.36	8,469	272.30		
16-Aug-05		A079075	537.66	379.79	0.20	1,081	34.74	36.78	6.36	2,935	94.35		
14-Jan-06		B740774	535.14	73.00	0.40	369	11.87	35.49	1.29	1,928	61.98		
14-Jan-06		B740773	535.14	79.98	0.65	324	10.43	22.49	3.52	1,441	46.32		
14-Jan-06		B740771 B740772	534.49	89.72	0.60	573	18.42	26.00	1.64	1,748	56.19		
16-Aug-05		A079074	534.10	376.34	0.20	8,642	277.85	60.84	0.53	11,235	361.20		
14-Jan-06		B740777	533.80	41.46	0.30	6,218	199.91	25.21	1.05	7,332	235.72		
14-Jan-06		B740778	532.96	26.76	0.10	2,057	66.13	24.63	3.22	3,249	104.47		
14-Jan-06		B740776	532.53	52.91	1.00	673	21.62	14.51	1.26	1,345	43.24		
14-Jan-06		B740775	532.23	73.06	0.58	489	15.71	19.60	2.37	1,428	45.91		
06-Aug-05		A079062	529.81	373.51	0.15	4,321	138.92	39.88	0.46	6,026	193.73		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
14-Jan-06		B740769 B740770	529.04	98.05	0.50	1,037	33.33	31.36	5.53	2,623	84.33		
13-Mar-05		A078618	529.00	424.50	0.20	2,972	95.54	49.78	0.92	5,116	164.49		
10-Mar-05		A078614	528.50	406.50	0.20	2,946	94.71	55.32	1.15	5,335	171.51		
13-Jan-06		B740810	528.36	265.18	0.35	3,755	120.73	48.20	4.00	5,979	192.23		
13-Jan-06		B740814	527.76	220.18	0.30	422	13.56	12.92	6.94	1,296	41.68		
04-Apr-05		A078538	526.50	162.00	0.25	518	16.65	53.36	1.67	2,849	91.60		
06-Aug-05		A079061	525.83	370.58	0.20	1,186	38.11	36.89	0.68	2,774	89.20		
13-Jan-06		B740813	525.36	229.18	0.17	1,701	54.69	54.41	0.41	4,017	129.13		
13-Jan-06		B740811	525.16	254.18	0.15	2,653	85.30	44.29	0.44	4,543	146.06		
13-Jan-06		B740809	525.16	276.18	0.30	2,431	78.16	29.44	0.38	3,691	118.68		
13-Jan-06		B740807	524.76	301.18	0.50	492	15.82	18.47	0.43	1,292	41.54		
01-May-05		A079774	524.00	10.00	0.40	471	15.14	19.75	1.83	1,391	44.73		
26-Apr-05		A079765	524.00	20.00	0.25	28,148	904.98	59.56	1.92	30,752	988.71		
15-Apr-05		A078550	524.00	25.00	0.55	1,029	33.08	10.77	9.30	1,925	61.88		
15-Apr-05		A079751	524.00	29.00	0.60	1,992	64.04	39.38	1.68	3,733	120.03		
15-Apr-05		A079752	524.00	33.00	0.30	4,125	132.64	43.29	4.87	6,183	198.79		
22-Apr-05		A079759	524.00	38.50	0.40	874	28.11	20.25	4.33	1,934	62.19		
22-Apr-05		A079760	524.00	45.00	0.50	833	26.77	20.41	1.14	1,748	56.20		
22-Apr-05		A079761	524.00	50.00	0.70	2,447	78.69	53.62	2.06	4,808	154.58		
09-May-05		A079787	524.00	53.00	0.40	983	31.61	31.20	5.12	2,543	81.75		
22-Apr-05		A079762	524.00	55.00	0.80	355	11.41	8.83	16.02	1,488	47.84		
15-May-05		A079793	524.00	61.00	0.40	3,338	107.30	48.80	6.74	5,717	183.80		
15-Jun-05		A079369	524.00	85.00	0.40	1,192	38.33	56.30	2.32	3,678	118.25		
28-Jun-05		A079383	524.00	102.00	0.30	1,780	57.22	58.10	0.07	4,235	136.15		
14-Jan-06		B740768	523.60	106.01	0.15	546	17.55	32.51	3.54	2,086	67.06		
17-May-05		A079795	523.50	67.50	0.40	1,595	51.27	37.84	4.73	3,416	109.83		
02-Aug-05		A079058	521.95	367.42	0.30	1,653	53.16	29.75	0.40	2,928	94.13		
28-Jun-05		A078473	520.00	199.70	0.40	1,456	46.81	66.07	1.05	4,294	138.04		
28-Jun-05		A078472	520.00	204.70	0.40	1,688	54.27	45.79	0.93	3,664	117.81		
23-Jun-05		A078454	520.00	209.70	0.80	137	4.40	44.40	3.99	2,200	70.73		
23-Jun-05		A078453	520.00	214.80	0.20	1,062	34.15	43.90	2.79	3,047	97.96		
07-Jun-05		A078587	520.00	218.50	0.30	952	30.61	36.30	1.63	2,561	82.35		
07-Jun-05		A078586	520.00	223.50	0.30	1,241	39.89	41.60	2.44	3,112	100.05		
23-Jun-05		A078455	520.00	225.30	0.15	828	26.63	39.50	2.59	2,618	84.18		
04-Jun-05		A078580	520.00	228.50	0.50	1,458	46.89	45.08	1.29	3,422	110.02		
01-Jun-05		A078575	520.00	232.50	0.30	1,464	47.07	57.08	1.08	3,924	126.16		
01-Jun-05		A078576	520.00	239.00	0.20	1,330	42.76	31.53	1.39	2,727	87.66		
01-Jun-05		A078577	520.00	245.80	0.20	3,695	118.81	28.38	2.09	4,992	160.50		
23-Jun-05		A078456	520.00	251.30	0.20	5,465	175.69	52.60	4.54	7,900	253.98		
23-Jun-05		A078457	520.00	257.30	0.20	3,893	125.15	73.70	0.29	7,016	225.58		
23-Jun-05		A078458	520.00	267.30	0.40	3,908	125.65	52.15	1.60	6,185	198.84		
23-Jun-05		A078459	520.00	274.30	0.20	1,531	49.21	19.85	1.21	2,426	77.98		
23-Jun-05		A078460	520.00	281.50	0.15	1,620	52.10	20.45	0.72	2,518	80.94		
23-Jun-05		A078461	520.00	288.50	0.25	1,001	32.19	7.75	3.54	1,496	48.11		
23-Jun-05		A078463	520.00	293.50	0.25	546	17.55	29.90	0.32	1,823	58.60		
20-Apr-05		A079588	518.00	451.20	0.50	1,798	57.81	27.83	1.67	3,052	98.11		
20-Apr-05		A079590	518.00	470.70	0.40	3,673	118.10	15.92	0.24	4,356	140.06		
22-Apr-05		A079597	518.00	487.70	0.30	1,859	59.76	74.19	0.55	5,015	161.25		
22-Apr-05		A079598	518.00	492.70	0.20	1,085	34.87	9.79	1.14	1,552	49.90		
23-May-05		A078570	518.00	569.50	0.20	1,883	60.55	50.82	2.99	4,170	134.06		
25-May-05		A078572	518.00	571.50	0.20	6,836	219.80	42.63	0.61	8,664	278.56		
25-Dec-05		B466118	480.00	-60.00	0.30	2,978	95.75	45.28	1.62	4,966	159.65		
19-Dec-05		B466099	480.00	-50.00	0.30	598	19.24	24.39	2.68	1,755	56.42		
07-Dec-05		B466063	480.00	-35.00	0.25	1,988	63.91	52.49	0.22	4,213	135.45		
03-Dec-05		B466051	480.00	-30.00	0.20	1,500	48.24	49.82	0.35	3,619	116.35		
23-Nov-05		B466028	480.00	-20.00	0.20	974	31.31	29.62	1.98	2,318	74.51		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
20-Nov-05		B466018 B466019	480.00	-15.00	0.90	1,289	41.46	27.14	0.71	2,468	79.36		
11-Nov-05		B465997	480.00	-10.00	0.50	1,613	51.84	46.95	2.44	3,710	119.27		
08-Nov-05		B465987	480.00	-5.00	0.40	812	26.09	24.17	10.11	2,311	74.31		
01-Nov-05		B465966	480.00	0.00	0.40	1,907	61.30	25.73	12.95	3,607	115.97		
18-Oct-05		A079246	480.00	5.00	0.20	839	26.99	25.34	9.78	2,373	76.29		
01-Oct-05		A079208	480.00	10.00	0.20	1,330	42.76	29.61	4.40	2,788	89.65		
20-Sep-05		A078030	480.00	20.00	0.40	1,620	52.07	10.03	8.33	2,438	78.39		
15-Oct-05		A079240	480.00	25.00	0.30	618	19.86	30.47	7.13	2,242	72.08		
11-Sep-05		A079887	480.00	30.00	0.30	1,461	46.97	27.75	3.62	2,804	90.15		
06-Sep-05		A079875	480.00	35.00	0.25	1,568	50.41	22.04	9.42	2,945	94.69		
04-Sep-05		A079867	480.00	40.00	0.40	1,167	37.53	33.02	2.72	2,690	86.48		
01-Sep-05		A079856	480.00	45.00	0.90	1,146	36.84	31.07	4.84	2,687	86.37		
30-Aug-05		B394796	480.00	49.80	0.70	735	23.63	11.17	8.48	1,609	51.73		
27-Aug-05		B394786	480.00	60.70	0.60	3,221	103.56	44.23	5.66	5,356	172.20		
25-Aug-05		B394782	480.00	64.50	0.60	899	28.89	35.63	9.19	2,838	91.26		
01-Aug-05		A078051	480.00	90.00	0.20	663	21.32	45.60	2.48	2,705	86.97		
25-Jun-05		A079376 A079377	480.00	140.60	0.60	2,227	71.60	45.30	2.90	4,276	137.49		
14-Jun-05		A079366	480.00	144.90	1.00	1,737	55.84	58.25	5.14	4,439	142.71		
07-Jun-05		A079360	480.00	149.50	0.30	1,592	51.17	32.55	6.22	3,260	104.82		
10-Aug-05		A078079	480.00	229.40	0.40	345	11.08	27.50	9.52	1,957	62.92		
17-Sep-05		A078026	480.00	250.00	0.20	369	11.86	18.96	5.38	1,424	45.80		
21-Sep-05		A078033	480.00	255.00	0.30	790	25.41	12.75	1.22	1,386	44.57		
24-Sep-05		A078043	480.00	260.00	0.60	1,743	56.04	40.36	0.77	3,482	111.96		
16-Oct-05		A079242	480.00	265.00	0.20	1,108	35.64	41.54	0.46	2,883	92.70		
21-Oct-05		A079248	480.00	275.00	0.40	1,478	47.51	32.85	1.38	2,929	94.18		
30-Aug-05		A079094	480.00	411.00	0.40	626	20.13	18.33	1.90	1,490	47.90		
11-Aug-05		A079068	480.00	416.00	0.30	848	27.25	13.40	0.69	1,446	46.48		
18-Jul-05		A078209	480.00	420.00	0.25	508	16.32	31.85	0.59	1,879	60.43		
10-Jul-05		A078490	480.00	425.50	0.20	2,866	92.14	38.46	0.73	4,524	145.44		
29-Jun-05		A078475	480.00	426.00	0.20	1,445	46.45	38.42	0.46	3,088	99.28		
22-Jun-05		A078452	480.00	431.00	0.20	1,414	45.47	34.30	1.10	2,914	93.68		
17-Jun-05		A079201	480.00	436.00	0.20	1,114	35.81	5.30	1.31	1,400	45.00		
23-May-05		A078571	480.00	447.00	0.15	369	11.87	19.00	3.86	1,354	43.54		
18-Apr-05		A079584	480.00	452.00	0.25	511	16.44	19.31	4.60	1,544	49.65		
20-May-05		A078568	480.00	456.00	0.15	719	23.12	11.05	4.90	1,418	45.59		
12-Jun-05		A078596	480.00	457.00	0.20	3,968	127.56	57.10	2.60	6,500	208.99		
13-Jun-05		A078480	480.00	461.00	0.30	2,066	66.41	50.38	0.18	4,200	135.04		
07-Jul-05		A078483	480.00	467.00	0.20	1,052	33.81	45.64	0.43	2,998	96.39		
10-Jul-05		A078489	480.00	471.00	0.20	2,710	87.13	51.68	1.82	4,977	160.02		
22-Jul-05		A079054	480.00	481.00	0.70	1,762	56.65	48.33	0.31	3,816	122.69		
11-Aug-05		A079069	480.00	486.00	0.40	826	26.56	29.21	4.36	2,266	72.85		
29-Aug-05		A079090	480.00	491.00	0.50	1,861	59.84	43.68	3.04	3,849	123.74		
07-Sep-05		A078212	480.00	496.50	0.40	1,166	37.49	41.45	0.29	2,929	94.17		
28-Sep-05		A079938	480.00	501.00	0.50	1,487	47.81	32.81	1.19	2,928	94.14		
22-Oct-05		B386076	480.00	506.00	0.40	1,816	58.37	57.56	0.48	4,267	137.19		
27-Oct-05		B386093	480.00	511.00	0.40	993	31.92	30.58	0.33	2,299	73.91		
02-Dec-05		B466367	480.00	540.20	0.30	807	25.96	12.04	1.63	1,393	44.79		
08-Dec-05		B466393	480.00	546.00	0.60	2,076	66.73	17.00	2.68	2,920	93.89		
11-Dec-05		B466399	480.00	551.00	0.28	5,055	162.52	16.13	8.24	6,127	196.98		
14-Dec-05		B466616	480.00	555.60	0.41	5,617	180.60	64.80	4.43	8,562	275.28		
01-Jan-06		B466641	480.00	561.00	0.26	959	30.83	17.66	3.83	1,886	60.63		
01-Jan-06		B465783	480.00	566.00	0.30	1,431	46.00	28.52	1.25	2,694	86.60		
11-Jan-06		B740633	480.00	582.00	0.35	631	20.29	15.25	0.32	1,290	41.48		
13-Feb-06		B746701	480.00	591.00	0.15	1,238	39.80	37.88	0.95	2,882	92.64		
19-Nov-05	**S16E**	B466315	640.00	545.00	0.70	1,883	60.55	1.68	20.53	2,929	94.16		
16-Nov-05		B466306	640.00	550.00	0.40	6,546	210.47	9.77	23.46	8,072	259.53		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
13-Nov-05		B466240	640.00	555.00	0.30	1,391	44.71	14.37	4.51	2,211	71.09		
11-Nov-05		B466232	640.00	560.00	0.60	725	23.32	31.62	8.52	2,464	79.22		
30-Sep-05		A079943	640.00	635.00	0.50	2,384	76.64	0.56	0.97	2,453	78.88		
18-Sep-05		B394061	617.03	730.36	0.70	1,698	54.58	3.53	18.20	2,710	87.14		
16-Sep-05		B394054	616.09	729.73	0.40	3,106	99.85	9.46	14.80	4,207	135.27		
15-Sep-05		A078292	614.36	728.39	0.50	989	31.80	1.71	4.84	1,291	41.51		
11-Sep-05		A078285	611.28	724.93	0.70	1,491	47.94	4.02	4.21	1,861	59.83		
12-Jan-06		B740726	610.00	601.00	0.30	185	5.94	1.69	23.75	1,384	44.48		
02-Jan-06		B465795	610.00	625.00	0.18	5,966	191.82	42.43	21.86	8,795	282.75		
02-Jan-06		B465794	610.00	630.00	0.70	1,178	37.87	11.80	22.25	2,732	87.84		
01-Jan-06		B466649	610.00	645.00	0.25	600	19.30	2.01	16.10	1,449	46.59		
17-Dec-05		B466622 B466623	610.00	655.00	1.36	1,096	35.23	3.39	1.41	1,306	41.98		
07-Dec-05		B466390	610.00	665.80	0.65	1,433	46.08	42.01	15.54	3,944	126.79		
05-Dec-05		B466381	610.00	670.00	1.30	808	25.97	8.58	15.02	1,883	60.53		
01-Dec-05		B466364	610.00	675.00	1.10	1,057	33.98	16.51	10.09	2,233	71.79		
22-Nov-05		B386194	610.00	690.00	1.10	1,115	35.84	6.37	19.06	2,289	73.58		
30-Oct-05		B465935 B465936	610.00	705.00	1.90	1,080	34.72	16.67	5.13	2,027	65.16		
02-Nov-05		B465939	610.00	710.00	0.60	4,459	143.38	12.18	4.95	5,208	167.45		
04-Sep-05		A078269	603.59	718.20	0.30	2,109	67.81	10.83	9.01	2,994	96.26		
01-Sep-05		A078260	599.75	715.32	0.70	998	32.10	1.49	31.00	2,533	81.44		
28-Jul-05		A078317	597.75	505.00	0.58	916	29.45	28.10	10.60	2,605	83.75		
28-Jul-05		A078318	597.75	508.00	0.40	911	29.29	18.80	7.74	2,072	66.62		
28-Jul-05		A078321 A078322	597.75	525.00	0.55	725	23.32	23.10	1.42	1,768	56.83		
28-Jul-05		A078319	595.80	519.00	0.40	1,638	52.65	56.00	3.28	4,156	133.63		
25-Aug-05		A078127	595.52	712.24	0.50	461	14.82	0.66	25.60	1,704	54.79		
22-Aug-05		A078118	591.49	708.59	0.40	4,244	136.45	12.58	15.29	5,501	176.85		
23-Sep-05		B394082	586.00	521.00	0.40	1,456	46.82	33.13	7.57	3,214	103.32		
10-Aug-05		A078107	580.14	698.79	0.50	2,080	66.88	17.20	2.18	2,909	93.54		
23-Sep-05		B394081	573.40	533.60	0.45	546	17.56	6.02	11.60	1,351	43.44		
06-Apr-05		078820	570.00	699.00	1.00	3,089	99.31	0.45	0.37	3,126	100.49		
08-Mar-05		078681 078682	570.00	700.00	1.00	1,671	53.72	12.96	12.04	2,789	89.68		
09-Mar-05		A078684 078685 A078686	570.00	704.30	0.90	2,225	71.54	6.73	4.87	2,740	88.11		
10-Mar-05		A078691	570.00	706.20	0.20	2,239	71.98	47.01	14.40	4,906	157.73		
13-Mar-05		A078698 A078699 A078700	570.00	709.90	1.25	1,567	50.39	10.95	7.65	2,393	76.92		
16-Mar-05		A079409 A079410 A079411	570.00	720.00	0.90	1,890	60.76	21.35	4.91	3,024	97.21		
19-Mar-05		A079436	570.00	730.00	0.50	1,457	46.84	15.81	14.60	2,817	90.58		
25-Mar-05		A079614	570.00	735.00	0.65	3,158	101.53	16.75	16.53	4,650	149.49		
27-Mar-05		A079629	570.00	740.00	0.80	1,525	49.03	12.54	17.64	2,892	92.97		
16-Apr-05		A079712	570.00	745.00	0.40	339	10.89	10.14	22.50	1,835	58.98		
01-Apr-05		A079663	570.00	749.60	0.45	1,192	38.32	3.28	30.31	2,769	89.04		
05-Apr-05		A079673	570.00	755.00	0.40	534	17.17	3.34	14.22	1,350	43.40		
28-Apr-05		A078832	570.00	810.30	0.30	333	10.69	4.66	18.21	1,394	44.82		
07-Jun-05		A079337	570.00	856.00	0.60	1,502	48.29	1.27	5.55	1,819	58.48		
12-Jun-05		A079264	570.00	865.00	0.27	896	28.80	32.95	8.81	2,704	86.95		
24-Jun-05		A079168	570.00	891.00	0.40	3,886	124.92	4.22	10.78	4,575	147.10		
25-Jun-05		A079172	570.00	895.50	0.40	1,373	44.15	0.46	0.85	1,433	46.07		
28-Jun-05		A079185	570.00	900.00	0.25	1,196	38.44	0.84	1.77	1,315	42.28		
29-Jun-05		A079188	570.00	904.20	0.40	1,724	55.42	1.63	3.79	1,972	63.41		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
11-Jul-05		A078442	570.00	925.00	0.15	1,141	36.69	5.20	3.30	1,517	48.79		
11-Jul-05		A078444	570.00	930.00	0.18	1,421	45.68	3.96	2.02	1,684	54.13		
14-Jul-05		A079105	570.00	935.00	0.30	519	16.67	10.60	18.15	1,828	58.76		
03-Aug-05		A078346	550.55	528.78	0.50	733	23.57	33.24	2.16	2,238	71.97		
02-Aug-05		A078344	546.61	525.79	0.30	1,334	42.90	53.68	0.28	3,613	116.15		
12-Feb-06		B747668	544.36	593.57	0.80	635	20.43	31.55	9.92	2,438	78.37		
09-Feb-06		B747658	543.86	617.25	0.25	643	20.68	30.66	9.85	2,405	77.31		
31-Jul-05		A078340	542.26	523.30	0.40	1,291	41.52	33.70	5.31	2,966	95.35		
12-Feb-06		B747669	540.18	586.72	0.70	478	15.36	12.17	6.52	1,301	41.82		
09-Feb-06		B747659	538.45	585.19	0.50	674	21.68	14.64	4.71	1,516	48.73		
20-Jul-05		A079130	534.00	485.00	0.55	524	16.83	18.95	12.39	1,911	61.45		
13-Jun-05		A079277	534.00	530.10	0.65	453	14.56	29.35	5.27	1,942	62.42		
04-Jun-05		A079325	534.00	550.00	0.30	707	22.74	26.48	4.28	2,028	65.21		
31-May-05		A079306	534.00	555.00	1.20	444	14.27	19.18	11.66	1,807	58.08		
28-May-05		A079997	534.00	560.50	0.60	417	13.41	29.33	9.51	2,106	67.71		
24-May-05		A079977	534.00	565.00	0.20	1,168	37.55	65.12	3.62	4,088	131.42		
22-May-05		A079968	534.00	570.50	0.10	1,930	62.07	59.07	1.30	4,485	144.19		
19-May-05		A079958	534.00	580.00	0.55	1,111	35.72	25.95	18.47	3,083	99.12		
16-May-05		A079750	534.00	585.00	0.70	2,119	68.13	57.76	26.20	5,800	186.49		
13-May-05		A079738	534.00	585.50	0.67	424	13.62	11.11	9.45	1,341	43.11		
09-May-05		A079907	534.00	590.00	0.70	1,247	40.08	43.75	13.25	3,722	119.65		
05-May-05		A078845	534.00	595.00	0.70	949	30.50	40.95	4.88	2,908	93.50		
05-May-05		A078844	534.00	600.00	0.80	1,325	42.61	30.65	8.98	3,045	97.90		
10-Apr-05		A079686	534.00	609.30	0.45	1,029	33.08	43.75	11.04	3,399	109.29		
27-Mar-05		A079625	534.00	615.00	0.35	1,137	36.56	32.65	7.22	2,857	91.87		
16-Mar-05		A079412	534.00	620.00	0.40	660	21.20	54.05	10.66	3,446	110.80		
29-Mar-05		A079630	534.00	624.80	0.40	343	11.03	1.03	34.54	2,026	65.14		
25-Apr-05		A078827	534.00	635.00	0.20	1,768	56.83	21.29	0.71	2,700	86.81		
03-Jun-05		A079317	534.00	660.00	0.22	227	7.29	0.40	23.08	1,339	43.06		
14-Jun-05		A079281	534.00	670.00	0.70	850	27.33	3.60	13.33	1,635	52.56		
22-Jun-05		A079165	534.00	690.00	0.32	521	16.74	6.41	11.89	1,356	43.58		
01-Jul-05		A079198	534.00	695.00	0.25	1,041	33.48	43.89	3.24	3,047	97.97		
07-Jul-05		A078425	534.00	700.00	0.20	1,144	36.78	33.75	5.51	2,830	90.98		
07-Jul-05		A078427	534.00	700.00	0.20	691	22.21	8.36	4.74	1,268	40.78		
20-Jul-05		A079136	534.00	720.80	0.78	551	17.72	11.25	7.02	1,359	43.70		
26-Jul-05		A078313	534.00	725.00	0.40	1,247	40.09	48.92	9.90	3,781	121.57		
28-Jul-05		A078327	534.00	730.00	0.80	990	31.82	17.00	11.66	2,261	72.68		
30-Jul-05		A078333	534.00	735.00	0.80	721	23.20	15.90	12.10	1,967	63.23		
26-Aug-05		A078133 A078135	534.00	740.00	0.50	369	11.86	5.38	17.62	1,432	46.05		
29-Aug-05		A078143	534.00	745.00	0.20	505	16.24	19.89	16.33	2,120	68.15		
26-Sep-05		B466151	534.00	770.00	0.20	622	19.99	0.80	33.52	2,247	72.24		
29-Sep-05		B466163	534.00	775.00	0.40	333	10.70	1.72	39.03	2,258	72.60		
11-Oct-05		B466179	534.00	785.00	0.45	551	17.72	3.38	24.10	1,838	59.09		
16-Oct-05		B466189	534.00	790.00	0.40	704	22.65	9.37	25.05	2,289	73.59		
21-Dec-05	**S16W**	C100019	655.00	27.00	0.60	347	11.16	9.92	11.31	1,303	41.88		
02-Jan-06		C100058	655.00	131.00	0.20	599	19.25	26.56	7.30	2,066	66.42		
03-Jan-06		B740702	655.00	136.00	0.60	345	11.08	9.70	15.82	1,505	48.38		
09-Jan-06		B740714	655.00	141.00	0.30	438	14.07	9.95	33.12	2,430	78.11		
09-Jan-06		B740716	655.00	151.00	0.10	284	9.13	2.57	31.26	1,876	60.33		
10-Jan-06		B740718	655.00	156.00	0.30	470	15.10	23.85	31.63	2,978	95.73		
10-Jan-06		B740720	655.00	161.00	0.40	577	18.55	10.92	25.45	2,246	72.21		
16-Nov-05		B466308	640.00	340.00	0.60	1,566	50.35	51.95	2.02	3,854	123.92		
01-Nov-05		B466202 B466203	640.00	365.00	0.50	534	17.16	25.38	5.20	1,851	59.52		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
29-Oct-05		B466327 B466328 B466329 B466348 B466349 B466350 B386095 B386096 B386097	640.00	370.00	5.94	1,940	62.36	27.24	2.81	3,223	103.61		
27-Oct-05		B386091 B386092	640.00	375.00	1.20	1,452	46.68	25.38	1.21	2,580	82.96		
23-Oct-05		B386079	640.00	378.00	0.30	2,681	86.20	68.76	1.19	5,639	181.30		
18-Oct-05		B386069	640.00	385.00	0.15	1,149	36.93	39.11	1.12	2,852	91.70		
15-Sep-05		A079919	640.00	429.40	0.13	989	31.80	1.71	4.84	1,291	41.51		
19-Jul-05		A078499	640.00	539.50	0.30	2,160	69.43	0.68	0.39	2,207	70.95		
28-Sep-05		B466168	627.84	343.39	0.25	616	19.81	11.00	5.00	1,318	42.37		
28-Sep-05		B466160	624.85	341.16	0.25	1,592	51.18	17.54	6.30	2,631	84.58		
25-Sep-05		B394098	614.88	333.73	0.25	711	22.84	16.36	8.71	1,815	58.34		
23-Sep-05		B394084	609.89	330.01	0.70	554	17.82	12.56	20.00	2,034	65.39		
23-Sep-05		B394083	605.90	327.04	0.70	484	15.57	17.76	2.39	1,347	43.31		
21-Sep-05		B394075	601.92	324.06	1.10	1,156	37.16	39.23	2.32	2,921	93.92		
14-Dec-05		B466090	600.00	32.78	0.40	1,402	45.07	14.45	12.38	2,599	83.57		
11-Dec-05		B466080	600.00	37.78	0.80	683	21.95	20.79	11.23	2,093	67.30		
08-Dec-05		B466066	600.00	42.78	1.40	410	13.17	5.06	45.86	2,800	90.03		
05-Dec-05		B466057	600.00	47.78	1.40	1,010	32.46	33.32	6.87	2,742	88.14		
02-Dec-05		B466047	600.00	52.78	1.10	1,695	54.50	56.11	11.51	4,609	148.18		
02-Dec-05		B466046	600.00	57.78	1.40	2,365	76.04	59.13	9.40	5,307	170.61		
05-Dec-05		B466056	600.00	62.83	1.40	848	27.28	27.02	11.19	2,520	81.01		
08-Dec-05		B466065	600.00	67.83	0.70	2,309	74.23	59.91	3.24	4,991	160.46		
10-Dec-05		B466072	600.00	72.83	0.70	2,660	85.51	39.54	22.03	5,374	172.78		
14-Dec-05		B466089	600.00	77.83	0.70	825	26.52	41.71	14.38	3,268	105.06		
19-Dec-05		B466098	600.00	82.83	0.60	502	16.13	16.78	9.16	1,645	52.87		
21-Dec-05		B466106	600.00	87.83	0.20	555	17.83	4.86	37.53	2,541	81.71		
24-Dec-05		B466117	600.00	92.83	0.40	1,239	39.83	25.09	25.74	3,519	113.15		
27-Dec-05		B466122	600.00	97.83	0.20	268	8.63	27.24	20.09	2,372	76.25		
02-Jan-06		B466145	600.00	102.83	0.30	6,640	213.50	41.45	16.27	9,162	294.57		
05-Jan-06		B466143	600.00	107.83	0.20	500	16.09	15.07	17.90	1,986	63.85		
05-Jan-06		B466144	600.00	112.83	0.20	683	21.96	19.99	18.13	2,387	76.75		
01-Nov-05		B465965	595.16	56.46	0.25	1,918	61.65	58.77	5.19	4,644	149.32		
16-Oct-05		A079241	591.44	53.11	0.20	1,026	32.97	54.27	7.99	3,695	118.79		
16-Sep-05		A078294	589.95	315.15	0.50	924	29.72	6.24	5.81	1,463	47.05		
13-Oct-05		A079236	587.73	49.77	0.25	2,652	85.27	55.53	5.87	5,274	169.56		
26-Sep-05		A078045	587.17	-40.84	0.70	268	8.61	21.74	4.11	1,380	44.38		
11-Dec-05		B466601	585.22	588.92	0.50	1,297	41.68	32.70	7.55	3,035	97.57		
12-Oct-05		A079232	584.01	46.42	0.20	1,459	46.89	50.49	5.17	3,834	123.28		
12-Oct-05		A079231	580.29	43.07	0.30	1,132	36.39	45.14	4.72	3,261	104.83		
24-Sep-05		A078038	577.45	-33.89	0.80	1,236	39.74	60.83	2.93	3,942	126.74		
18-Sep-05		A078027	576.58	39.73	0.70	693	22.30	32.22	8.34	2,449	78.74		
16-Sep-05		A078019	572.86	36.38	0.80	881	28.34	16.85	9.93	2,064	66.35		
17-Sep-05		A078024	572.59	-30.42	0.9	470	15.11	13.44	8.56	1,443	46.40		
04-Jun-05		A079329	570.00	272.60	0.45	1,271	40.85	45.93	4.97	3,445	110.76		
01-Jun-05		A079309	570.00	282.50	0.80	1,258	40.44	45.33	2.77	3,302	106.17		
18-Jul-05		A079124 A079125 A079126	570.00	300.00	1.20	906	29.12	16.04	4.61	1,801	57.90		
27-May-05		A079989	570.00	303.20	0.30	596	19.17	25.58	5.83	1,953	62.78		
18-Jul-05		A079123	570.00	310.00	0.50	2,034	65.39	66.20	0.79	4,865	156.41		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
07-May-05		A079652 A078849	570.00	320.00	1.95	1,212	38.95	15.10	6.69	1,551	49.87		
23-Mar-05		A079601 A079602 A079603	570.00	325.00	1.30	1,497	48.12	38.67	4.81	3,357	107.93		
22-Mar-05		A079449	570.00	330.00	0.80	829	26.65	31.30	13.12	2,773	89.14		
20-Mar-05		A079443 A079444 A079445	570.00	335.20	1.30	1,195	38.43	26.15	14.52	2,988	96.07		
19-Mar-05		A079438	570.00	340.00	0.30	1,268	40.77	8.25	3.32	1,774	57.03		
13-Mar-05		A079402	570.00	344.60	1.30	2,320	74.59	32.87	7.59	4,067	130.76		
17-Mar-05		A079418	570.00	345.00	0.90	9,278	298.29	33.50	4.91	10,924	351.23		
12-Mar-05		078696	570.00	350.00	0.90	3,928	126.28	45.28	10.98	6,359	204.46		
10-Mar-05		078694 A078692	570.00	355.00	1.00	1,159	37.27	19.90	8.06	2,382	76.58		
07-Mar-05		A078675 079648 A078674	570.00	360.00	1.55	1,683	54.11	19.95	5.91	2,805	90.20		
23-Mar-05		A079604	570.00	846.90	0.15	77	2.48	0.65	32.42	1,643	52.84		
31-Mar-05		A079659	570.00	864.20	0.15	844	27.14	42.34	7.92	3,007	96.67		
01-May-05		A078842	570.00	940.40	0.40	513	16.50	5.61	18.16	1,612	51.83		
05-May-05		A078848	570.00	950.00	0.60	687	22.10	8.23	13.89	1,694	54.46		
01-Jul-05		A079200	570.00	1072.00	0.10	137	4.42	26.79	3.68	1,443	46.38		
11-Sep-05		A079889	569.15	33.04	0.20	413	13.29	20.85	13.32	1,926	61.91		
16-Sep-05		A078020	567.72	-26.95	0.60	217	6.97	9.76	13.99	1,293	41.56		
10-Sep-05		A079883	565.43	29.69	0.80	765	24.59	22.14	6.40	2,003	64.38		
26-Jun-05		A079381	558.00	180	0.30	208	6.70	3.46	20.06	1,307	42.01		
31-Dec-05		B466140	557.40	53.46	0.20	747	24.02	31.26	15.04	2,780	89.39		
31-Dec-05		B466114	551.76	46.00	0.50	1,318	42.38	36.75	17.85	3,716	119.48		
31-Dec-05		B466104	545.12	38.27	0.50	1,228	39.47	25.45	10.00	2,776	89.26		
31-Dec-05		B466094	541.51	34.26	0.40	590	18.98	11.30	20.19	2,025	65.12		
02-Oct-05		A079210	534.00	0.00	0.70	182	5.84	7.73	18.90	1,405	45.17		
17-Oct-05		A079245	534.00	5.00	0.65	509	16.38	32.31	21.60	2,898	93.18		
27-Sep-05		A078048	534.00	10.00	0.50	378	12.15	7.39	30.20	2,123	68.27		
03-Jun-05		A079319	534.00	12.10	0.37	617	19.85	17.68	5.60	1,629	52.39		
24-Sep-05		A078040 A078041	534.00	15.00	0.90	309	9.94	13.11	10.94	1,382	44.42		
06-Sep-05		A079874	534.00	50.00	1.00	291	9.37	13.38	11.37	1,396	44.87		
04-Sep-05		A079869	534.00	55.00	0.20	1,284	41.28	31.98	10.12	3,114	100.11		
31-Aug-05		B394798	534.00	60.00	0.30	420	13.50	30.55	18.67	2,595	83.45		
28-Aug-05		B394791	534.00	65.00	0.30	532	17.09	28.28	19.07	2,630	84.56		
27-Aug-05		B394784	534.00	70.90	1.50	164	5.27	3.95	45.20	2,476	79.62		
17-Aug-05		A078090	534.00	90.00	0.70	647	20.80	28.81	5.09	2,104	67.65		
12-Aug-05		A078082	534.00	100.00	0.30	176	5.65	1.02	34.20	1,842	59.23		
09-Aug-05		A078073	534.00	105.20	0.60	275	8.84	20.20	9.94	1,599	51.41		
29-Jul-05		A078397	534.00	119.90	1.70	1,651	53.07	8.55	9.62	2,468	79.35		
25-Jul-05		A078383	534.00	124.70	0.70	538	17.29	6.51	13.86	1,471	47.28		
31-Dec-05		B465792	534.00	287.50	0.20	1,449	46.60	44.79	5.77	3,613	116.17		
29-Dec-05		B465777 B465778 B465779	534.00	292.50	1.90	626	20.11	10.14	6.29	1,352	43.46		
31-Dec-05		B465791	534.00	297.50	0.30	1,940	62.39	23.91	7.39	3,300	106.11		
02-Nov-05		B465941 B465942	534.00	307.00	1.20	1,678	53.95	31.89	3.54	3,192	102.61		
02-Nov-05		B465940	534.00	311.00	0.50	922	29.63	25.53	21.12	3,002	96.51		
28-Oct-05		B465930	534.00	315.00	0.50	1,571	50.52	49.02	4.57	3,857	124.00		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
23-Oct-05		B465915 B465916 B465918	534.00	319.50	1.90	559	17.97	23.91	6.55	1,879	60.40		
09-Oct-05		B466174 B466175	534.00	337.50	0.65	632	20.32	27.17	5.34	2,032	65.34		
06-Oct-05		B466170 B466172	534.00	342.50	0.65	468	15.06	22.27	8.60	1,816	58.39		
01-Oct-05		B466166	534.00	347.50	0.70	1,121	36.03	35.64	4.35	2,831	91.02		
29-Sep-05		B466162	534.00	352.50	0.85	1,066	34.26	28.65	6.09	2,564	82.43		
27-Sep-05		B466159	534.00	357.50	0.20	442	14.22	48.81	3.78	2,681	86.20		
24-Sep-05		B394091	534.00	362.50	0.15	569	18.31	9.08	11.79	1,512	48.61		
23-Sep-05		B394087 B394088	534.00	367.50	1.00	564	18.14	19.62	4.57	1,609	51.74		
19-Sep-05		B394063	534.00	377.50	0.20	1,724	55.44	35.12	9.57	3,660	117.69		
16-Sep-05		B394056	534.00	382.70	0.20	2,062	66.30	39.95	6.76	4,069	130.83		
15-Sep-05		A078293	534.00	387.50	0.40	1,797	57.78	40.18	7.08	3,829	123.09		
11-Sep-05		A078281	534.00	397.50	1.10	737	23.70	22.42	2.89	1,820	58.51		
03-Sep-05		A078265	534.00	412.50	0.60	1,306	41.99	15.73	8.80	2,387	76.76		
31-Aug-05		A078255	534.00	417.50	0.60	2,069	66.53	26.85	5.54	3,465	111.41		
26-Aug-05		A078131	534.00	427.50	0.45	208	6.69	13.45	10.89	1,292	41.55		
23-Jul-05		A079147	534.00	477.50	0.16	570	18.31	8.23	10.22	1,402	45.08		
19-Jul-05		A079128 A079129	534.00	482.50	0.85	406	13.05	11.90	18.91	1,806	58.06		
16-Jul-05		A079114 A079115	534.00	492.50	0.85	1,315	42.29	37.57	2.00	2,995	96.30		
11-Jul-05		A078439 A078440	534.00	497.50	0.40	282	9.08	33.94	7.11	2,052	65.98		
15-Jul-05		A079107	534.00	497.50	0.20	1,166	37.48	53.75	9.38	3,879	124.71		
02-Jul-05		A078402	534.00	507.70	0.17	1,372	44.09	5.25	4.02	1,784	57.35		
30-Jun-05		A079190	534.00	522.50	0.20	1,266	40.69	52.00	13.85	4,117	132.38		
26-Jun-05		A079178	534.00	527.50	0.20	955	30.69	6.14	25.71	2,434	78.27		
31-May-05		A079307	534.00	535.50	0.13	113	3.63	0.49	26.48	1,391	44.71		
23-May-05		A079975	534.00	542.50	0.20	498	16.03	1.05	37.69	2,332	74.98		
21-May-05		A079965	534.00	548.00	0.50	1,057	33.97	39.71	11.66	3,286	105.64		
05-May-05		A078846	534.00	577.50	0.30	1,477	47.50	7.79	4.51	2,020	64.95		
16-May-05		A078839 A079746 A079747	534.00	582.50	0.90	458	14.74	10.68	10.55	1,410	45.33		
22-Sep-05		B394080	534.00	588.10	0.20	174	5.59	15.41	13.67	1,473	47.37		
24-May-05		A079983	534.00	597.00	0.20	184	5.91	5.26	32.39	1,943	62.48		
28-May-05		A079999	534.00	602.50	0.20	116	3.73	0.88	35.19	1,824	58.64		
01-Jun-05		A079312	534.00	607.50	0.15	747	24.01	1.31	46.48	3,009	96.73		
07-Jun-05		A079333 A079334	534.00	617.50	1.00	1,828	58.76	7.04	1.59	2,200	70.74		
09-Jun-05		A079343	534.00	621.40	0.18	1,028	33.04	10.23	3.49	1,625	52.25		
10-Jun-05		A079253	534.00	623.30	0.30	1,012	32.53	40.15	3.54	2,874	92.40		
13-Jun-05		A079270	534.00	628.20	0.35	784	25.21	16.65	6.71	1,805	58.04		
18-Jun-05		A079290	534.00	632.50	0.85	677	21.77	11.40	6.06	1,446	46.49		
07-Nov-05		B386160	534.00	647.50	0.20	591	19.01	26.10	30.96	3,162	101.67		
20-Sep-05		B394069	534.00	652.50	0.50	800	25.70	30.15	5.91	2,352	75.62		
07-Nov-05		B386159	534.00	657.50	0.30	206	6.63	6.29	22.92	1,559	50.14		
02-Aug-05		A078345	534.00	692.50	1.10	851	27.37	23.30	25.55	3,047	97.98		
05-Aug-05		A078101	534.00	697.50	0.25	755	24.27	37.19	20.95	3,319	106.70		
22-Aug-05		A078120	534.00	722.50	0.50	405	13.01	9.30	21.70	1,827	58.75		
27-Aug-05		A078136	534.00	732.50	0.40	473	15.21	9.63	39.40	2,750	88.41		
29-Aug-05		A078142	534.00	737.50	0.35	293	9.41	11.15	19.72	1,699	54.64		
31-Aug-05		A078253	534.00	742.50	0.30	808	25.97	20.74	14.42	2,368	76.12		
01-Sep-05		A078259	534.00	747.50	0.50	254	8.17	15.21	8.06	1,279	41.11		

Sample Date	Veins	Sample	Elev.(m)	Meters So. of CM103	Width (m)	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)	Au (g/t)	Cu (%)
31-Dec-05	**16W1**	C100046	640.00	326.00	1.00	2,119	68.12	48.90	3.88	4,366	140.39		
31-Dec-05		C100033	640.00	331.00	0.70	2,247	72.25	23.91	5.77	3,530	113.50		
31-Dec-05		C100018	640.00	336.00	0.40	899	28.90	0.19	31.67	2,410	77.49		
11-Dec-05		B465850	640.00	351.00	0.20	1,241	39.89	16.09	7.04	2,254	72.46		
30-Nov-05		B466413	640.00	368.50	0.70	501	16.12	15.92	4.50	1,387	44.60		
25-Oct-05		B465926	610.00	420.00	0.30	978	31.44	23.77	2.46	2,098	67.45		
08-Nov-05		B386161	610.00	430.00	0.20	1,888	60.70	62.52	1.03	4,575	147.09		
04-Dec-05		B466378	610.00	435.00	0.60	762	24.49	23.39	3.27	1,904	61.21		
14-Dec-05		B466615	610.00	438.00	0.70	2,290	73.63	57.46	3.23	4,868	156.52		
31-Dec-05		B466629	610.00	440.00	0.72	671	21.57	18.65	6.48	1,766	56.77		
16-Apr-05		A079717	570.00	343.40	0.20	1,063	34.17	17.33	13.02	2,412	77.54		
15-Apr-05		A079711	570.00	346.60	0.20	1,258	40.45	17.66	9.70	2,464	79.21		
27-Mar-05		A079627	570.00	397.90	0.40	3,529	113. 46	40.05	6.07	5,507	177.06		
06-Nov-05		B465948	570.00	564.00	0.20	1,555	49.99	4.82	10.38	2,251	72.37		
31-Dec-05		B386166	570.00	574.00	0.15	1,950	62.70	27.25	14.56	3,791	121.88		
31-Dec-05		B466630	570.00	580.00	0.22	373	11.98	38.12	30.24	3,417	109.85		
31-Dec-05		B466632	570.00	588.90	0.30	264	8.49	3.05	26.21	1,637	52.63		
31-Dec-05		B466633	570.00	595.70	0.25	720	23.15	18.89	8.87	1,938	62.31		
31-Dec-05		B466634	570.00	602.00	0. 20	921	29.62	45.82	10.95	3,375	108.49		
06-Jan-06		B740618	570.00	638.00	0.28	527	16.93	6.77	12.73	1,416	45.54		
10-Jan-06		B740631	570.00	644.00	0.22	733	23.57	39.23	3.37	2,549	81.95		
14-Oct-05		A079238 A079239	558.00	-79.00	0.70	224	7.22	0.81	27.28	1,553	49.95		
12-Oct-05		A079229 A079230	558.00	-74.00	0.65	258	8.29	0.67	29.32	1,678	53.94		
04-Oct-05		A079214	558.00	-63.00	0.20	277	8.91	26.33	10.55	1,889	60.74		
04-Oct-05		A079215	558.00	-59.00	0.40	284	9.13	7.15	32.60	2,133	68.59		
06-Oct-05		A079221	558.00	-46.00	1.30	107	3.43	1.42	26.20	1,410	45.35		
02-Jan-06	**S21**	B385759	606.24	141.39	0.30	1,897	61.00	30.67	14.90	3,899	125.36		
24-Oct-05		B385863	580.00	-640.00	0.65	822	26.42	13.51	18.11	2,252	72.39	0.119	
26-Oct-05		B385865	580.00	-635.00	0.35	944	30.34	33.21	12.05	2,917	93.79	0.370	
27-Oct-05		B385869	580.00	-628.00	0.16	1,087	34.94	33.11	1.07	2,535	81.49	0.104	
28-Oct-05		B385871	580.00	-625.00	0.20	549	17.66	7.72	13.84	1,532	49.25	0.088	
30-Oct-05		B385876	580.00	-620.00	0.30	5,371	172.69	16.80	9.97	6,554	210.71	0.281	
05-Aug-05		A078744	580.00	-510.30	0.15	513	16.48	6.46	40.30	2,698	86.75		
04-Jul-05		A078727 A078728	580.00	-494.30	0.48	2,510	80.71	33.07	15.98	4,664	149.96		
04-Jul-05		A078729 A078730	580.00	-492.50	0.43	409	13.16	12.16	13.13	1,546	49.69		
05-Aug-05		A078747	580.00	-473.50	0.06	881	28.34	17.43	13.55	2,260	72.67		
23-Sep-05		A385856	580.00	-428.30	0.25	1,060	34.10	40.42	8.39	3,164	101.74		
22-Oct-05		B385859	580.00	-423.30	0.30	815	26.20	28.63	19.64	2,955	95.02	0.252	
23-Aug-05		A078171 A078172	580.00	-388.70	0.26	336	10.81	1.11	35.66	2,076	66.74		
03-Sep-05		A078186	580.00	-378.20	0.30	1,231	39.59	0.26	0.39	1,261	40.54		
31-Aug-05		A078181	580.00	-362.30	0.12	704	22.65	23.53	10.60	2,201	70.75		
03-Sep-05		B394917	580.00	-342.50	0.16	599	19.25	8.80	18.42	1,844	59.29	0.223	
20-Sep-05		A079027	580.00	-278.10	0.15	2,501	80.39	19.67	3.00	3,473	111.66		
23-Sep-05		A079031	580.00	-265.70	0.40	1,211	38.92	1.16	23.72	2,386	76.70		
21-Nov-05		B385715	580.00	-140.50	0.10	207	6.65	7.51	22.95	1,613	51.87		
21-Nov-05		B385720	580.00	-130.00	0.30	1,132	36.40	0.84	10.78	1,679	53.99		
06-Dec-05		B385740	580.00	-126.00	0.30	2,278	73.24	31.79	3.09	3,766	121.09		
25-Nov-05		B466032	560.00	-30.00	0.35	8,034	258.30	30.47	9.08	9,751	313.50		

Drill Hole Assay Table

Sample Date	Sample	Drill Hole	Veins	From (m)	To (m)	Intervals (m)	Distance to CM103	Elev. (m)	Ag(g/t)	Ag(oz/t)	Pb(%)	Zn(%)	Ag Equiv. (g/t)	Ag Equiv. (oz/t)
2005.11.22	B466298 B466299 B466300	ZK1208	S21	331.80	333.60	1.80	232.60	497.28	2853	91.73	34.43	2.90	4,443.64	142.9
2005.04.20	M381686 M381687	ZK1801	S2	82.07	83.74	1.67	-104	424.03	1101	35.39	16.60	12.91	2,414.20	77.6
2005.04.30	M381700	ZK1802	S2	70.99	73.11	2.12	-50	455.55	31	0.99	0.06	0.14	40.04	1.3
2005.05.01	M381694	ZK1802	S2E	97.01	97.33	0.32	-32	441.66	342	11.01	22.05	0.86	1,313.55	42.2
2005.5.20	M381776	ZK1803	S2	63.41	64.94	1.53	-144.32	458.22	13	0.42	0.29	2.37	137.80	4.4
2005.5.20	M381783	ZK1803	S2E	97.16	97.62	0.46	-164.9	438.55	1399	44.96	9.20	41.95	3,778.45	121.5
2004.12.17	394820	ZK5001	S16W	99.46	99.69	0.23	596.00	511.00	49	1.58	0.52	5.97	354.35	11.4
2005.02.04	M381624	ZK5201	S16W	107.93	108.41	0.48	480	518.09	1696	54.53	40.50	5.49	3,665.62	117.9
2005.04.02	M381653	ZK5202	S16W	122.26	122.36	0.10	472	473.24	880	28.29	10.56	10.66	1,831.66	58.9
2005.5.20	M381765	ZK5401	S16E	130.43	131.29	0.86	424.2	527.63	49	1.58	0.05	2.86	186.94	6.0
2005.5.20	M381767 M381768	ZK5401	S16W	154.24	155.40	1.16	416	519.38	1066	34.28	10.47	2.34	1,619.40	52.1
2005.5.20	M381770 M381771 M381772	ZK5401	S16W1	157.84	160.39	2.55	416	517.67	968	31.13	11.83	3.19	1,618.85	52.0
2005.04.03	M381663	ZK5402	S21	100.68	100.98	0.31	424	462.21	1246	40.06	20.57	2.79	2,246.45	72.2
2005.04.03	M381672	ZK5402	S16W	169.86	170.08	0.22	418	465.27	212	6.82	7.57	6.03	817.69	26.3
2005.03.04	M381675	ZK5402	S16W1	174.49	174.93	0.44	418	462.21	2076	66.75	5.66	17.93	3,166.01	101.8
	B100027	ZK5603	S21	54.32	54.54	0.22	225.32	579.06	1471	47.28	31.06	9.35	3,225.02	103.7
08/12/2005	B466487 B466488 B466489 B466490 B466481	ZK6008	S21	109.10	115.20	6.10	114.44	669.79	2835	91.16	38.16	8.07	4,828.72	155.2