

43-101 TECHNICAL REPORT

GILDA PROJECT

ATACAMA DESERT  
REGION III, CHILE  
1:50,000 Topographic Sheets C103 and C104  
UTM (PSAD 56) ZONE 19 402500 6943500

FOR

**PASSPORT METALS INC.**  
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March 22, 2008

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SUMMARY

Passport Metals Inc. (Passport) is exploring the Gilda property for epithermal precious metals and copper tourmaline breccias. The ±900 hectare Gilda Property, consists of four pedimentos (exploration concessions) and lies 42 kilometers southeast of Copiapo, in the Atacama Desert of Region III, Chile. The property is road accessible from Copiapo and the lack of vegetation makes access to the entire claim block readily accessible to all terrain vehicles (ATV's).

Passport can earn a 51% interest in the Gilda property, subject to a 0.5% NSR royalty, by making payments of \$300,000 and completing a total of \$750,000 in exploration expenditures over the next 18 months.

The Gilda pedimentos lie in an area very favourable for economic mineralization. The proximal Caldera El Durazno has structurally prepared the area, generating numerous regional fault structures during its formation. The abundant Mensura mining concessions and numerous workings in the area support the view that several of these structures are metalliferous. The regional 1:100,000 scale mapping has identified several additional regional faults that, based on the available data, appear to be severely under explored.

Immediately to the west, the Cabeza de Vaca copper district hosts several copper tourmaline breccias. The western edge of the Gilda pedimento block lies only a few kilometres from the district. The ground magnetics survey has identified several circular anomalies possibly representing tourmaline breccias in this area.

The limited sampling completed on a small diorite plug on the eastern side of the Gilda pedimento block was successful in locating anomalous copper and weakly anomalous gold mineralization.

Based on these data, further exploration is very much warranted on the Gilda property. A two-phase, success contingent program of surface exploration, followed by percussion and diamond drilling is recommended to explore the Gilda property.

Phase one has a two-pronged thrust. The initial thrust is surface exploration that will consist of mapping, prospecting and sampling of the entire claim group, but concentrating in three areas: Gilda I - copper area, Gilda II - vein bulk tonnage area and Gilda III/IV porphyry - vein-bulk tonnage area. The second thrust will be 15 kilometres of road building to provide access to each of these areas and all known workings and 75 hours of trenching to expose bedrock in each of these areas. The total phase I budget is \$250,000.

A successful conclusion to Phase I will initiate Phase II. Phase II will consist of a 4000 metres of percussion drilling and 2500 metres of diamond drilling at an estimated cost of \$750,000.

Phase I - Initial Evaluation	45 days	\$ 250,000
Phase II - Drilling	180 days	\$ 750,000
<b>Total Gilda Budget</b>		<b>\$1,000,000</b>

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## INTRODUCTION

The purpose of this report is to compile the available geological information on the Gilda property. Passport Metals Inc. is earning a 51% interest, subject to a 0.5% NSR royalty, by making payments of \$300,000 and completing a total of \$750,000 in exploration expenditures over the next 18 months. This agreement is subject to the approval of the TSX Venture Exchange.

This report was commissioned by Ms. Laara Shaffer, a director of Passport Metals Inc.

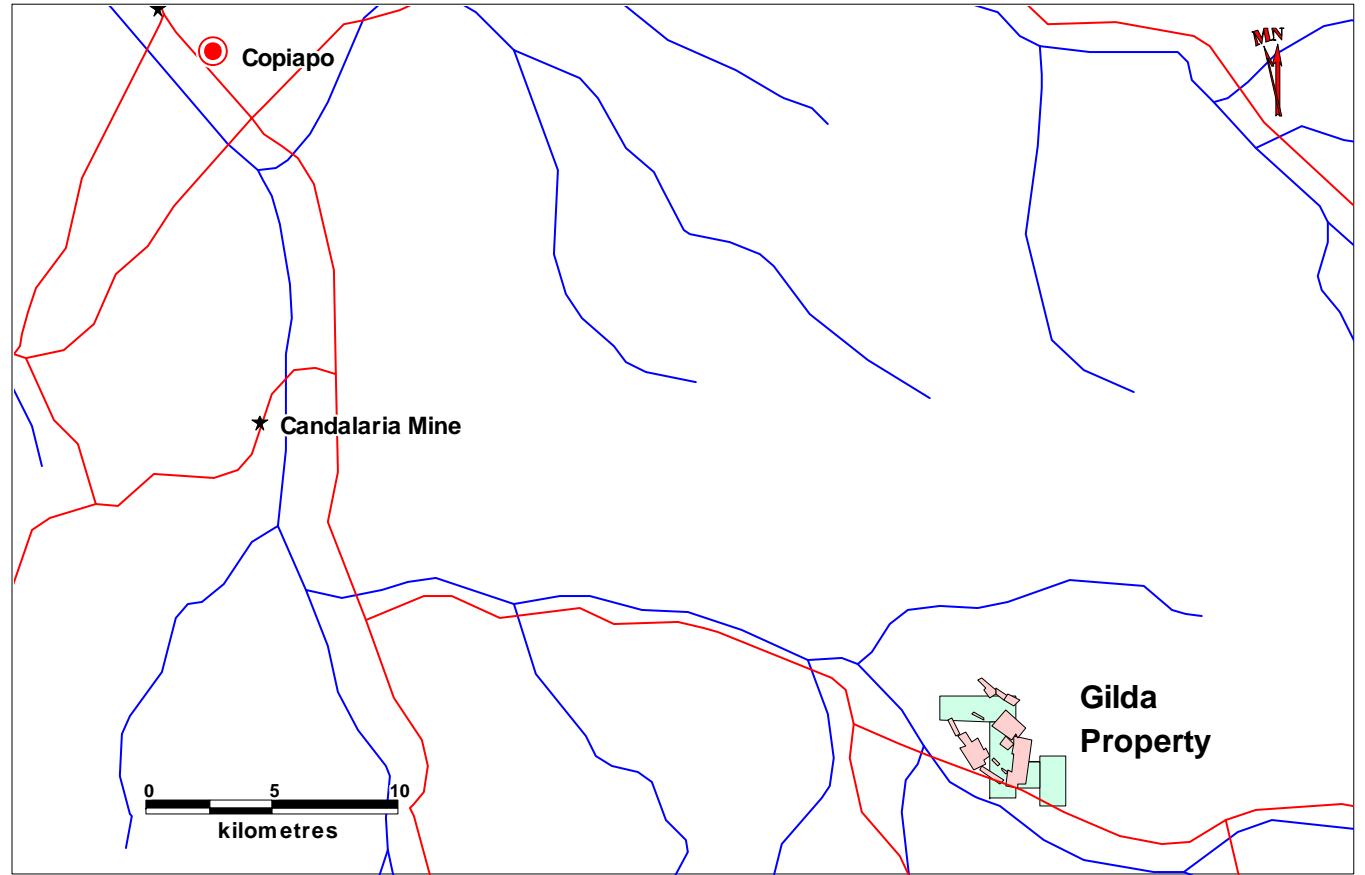
R. Tim Henneberry, P.Geo. serves as the Qualified Person responsible for preparing the Technical Report.

In preparing this report, the author relied on geological reports listed in the References (Section 21) of this report. The author visited the Gilda project on October 25, 2007.

All UTM coordinates throughout this technical report are in the datum of PSAD 56 in Zone 19.

## RELIANCE ON OTHER EXPERTS

The author is not relying on a report or opinion of any experts. The author is relying on the opinion of Lopez (&) Ashton, a Santiago, Chile based law firm for a title opinion. Lopez (&) Ashton have reviewed the staking and title records in both Copiapo and Santiago and confirm the property vendor, Minera Chile Gold & Copper Limitada, has ownership of the Gilda I to Gilda IV claims as described in the property description section.



Projection is UTM PSAD 56 Zone 19

## GILDA PROJECT LOCATION

Figure 1

## PROPERTY DESCRIPTION AND LOCATION

The Gilda project lies on 1:50,000 topographic sheets Elisa De Bordos (C103) and Cerro Carrizalillo (C104) in the Atacama Desert of Region III, Chile. The property consists of four exploration concessions or pedimentos encompassing 900 hectares. The actual property holdings will be less as a number of pre-existing mining concessions (or Mensuras) lie with the property boundaries (Figure 2). The geographic center of the property is approximately UTM ZONE 19 402500 6943500 (PSAD 56).

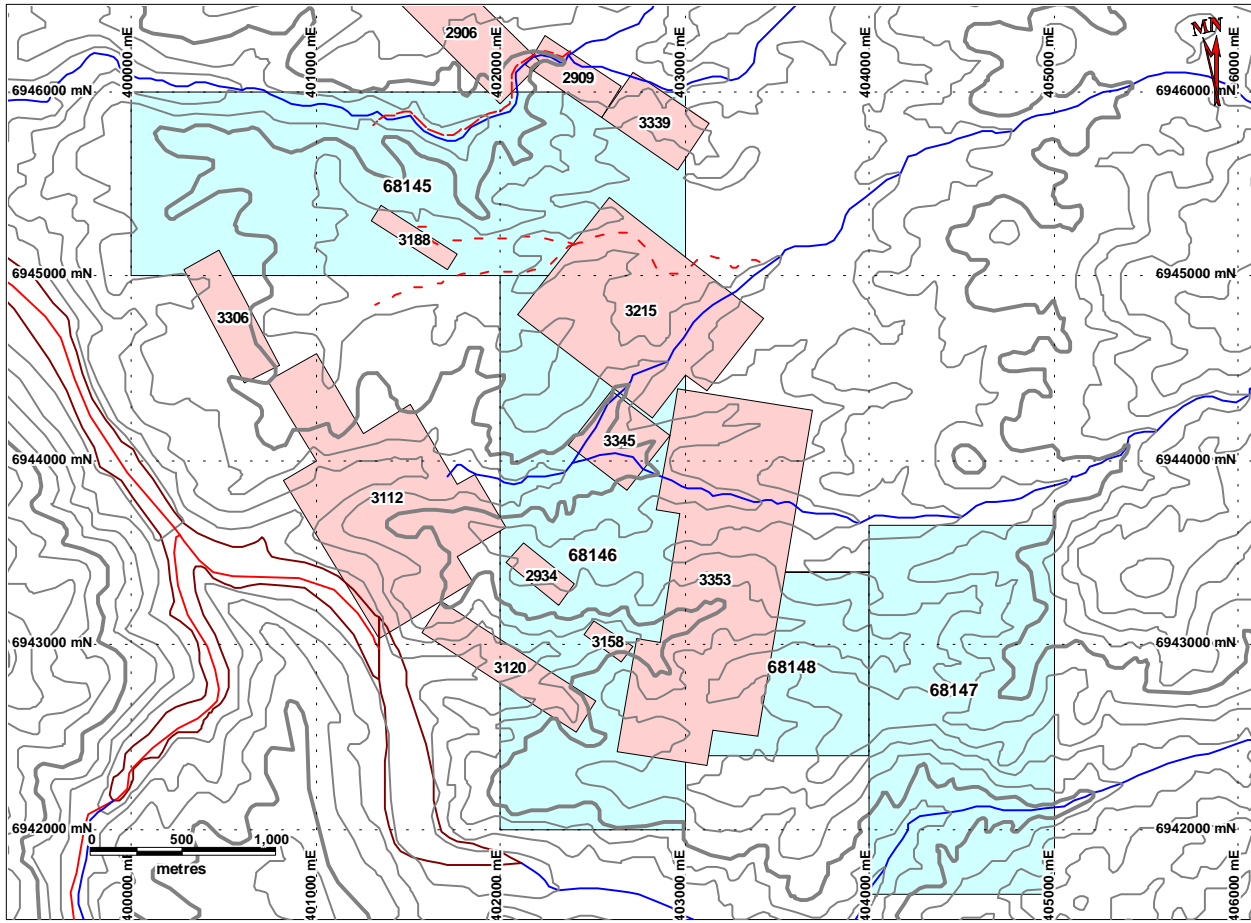
Claim	Number	Owner	Hectares	Registration Date	Grant Date	Payment Date
Gilda I	68145	Abel Angel Alberto	300	18-Apr-2008	09-Nov-2007	28-Feb-2009
Gilda II	68146	Abel Angel Alberto	300	18-Apr-2008	09-Nov-2007	28-Feb-2009
Gilda III	68147	Abel Angel Alberto	300	18-Apr-2008	09-Nov-2007	28-Feb-2009
Gilda IV	68148	Abel Angel Alberto	300	18-Apr-2008	09-Nov-2007	28-Feb-2009

The pedimentos are registered in the name of Abel Angel Alberto, a Chilean representative of Minera Chile Gold & Copper Limitada. Mr. Alberto is holding them in trust for Minera Chile Gold & Copper Limitada. Lopez (&) Ashton in their Title Opinion dated December 10, 2007 and amended March 12, 2008 confirm that the the property claims transfer from Mr. Abel Ángel Alberto to Minera Chile Gold & Copper Limitada is in the registration process by the Copiapó Mine Registrar and further confirm the claims are being hold "In Trust" for Passport Metals Inc. by Minera Chile Gold & Copper Limitada. Passport Metals Inc. is earning a 51% interest subject to a 0.5% NSR royalty under the following terms:

- \$150,000 on approval of the agreement by the TSX Venture Exchange
- \$150,000 on receipt of a NI43-101 report recommending \$750,000 in exploration expenditures
- \$750,000 in exploration expenditures to be completed within 18 months of TSX acceptance

The cost of all future exploration and development programs will be split on a 51% Passport – 49% Minera Chile basis. If one of the partners is unable to meet its commitments its percentage ownership will be decreased accordingly.

Passport has an option to purchase the 0.5% NSR royalty for \$1,000,000 at any time within a five year period from the date of a positive feasibility study.



Projection is UTM PSAD 56 Zone 19

**GILDA PROPERTY  
Claim Location (C103, C104)  
Figure 2**

There are a number of Mensuras within the present Gilda claim boundaries. The Mensuras have mineral rights that take precedence so the Gilda pedimentos only have mineral rights to the areas shaded in light blue. Passport is attempting to ascertain the ownership and history of each of the following Mensuras, but the Chilean record keeping is sketchy at best:

<b>Mensura</b>	<b>Mensura</b>	<b>Mensura</b>
2906	3120	3306
2909	3158	3339
2934	3188	3345
3112	3215	3353

A brief discussion on mineral tenure and mining law in Chile is provided for clarity. The state of Chile exercises absolute control and ownership of all mineral deposits. Mineral exploration and development is a two step process.

The first step is to acquire exploration rights through an exploration concession (pedimento). No mining rights are granted through a pedimento, which is a parallelogram that must be oriented north south. The pedimento can have a minimum length of 1,000 metres, either north-south or east-west. The maximum length in either direction (in multiple of 1,000 metres) is governed by a maximum size of 5,000 hectares.

A pedimento is valid for two years and can be extended an additional two years provided the owner relinquishes at least 50 percent of the original land area. Annual fees to maintain the pedimento are 1/50<sup>th</sup> of a Monthly Tax Unit (currently US\$62.21) per full hectare of the concessions, or US\$1.244 per hectare.

Mining rights are acquired through a mining concession or Mensura, again a parallelogram oriented north south. The Mensura can have a minimum length of 100 metres, either north-south or east-west (in multiples of 100 metres) to a maximum size of 10 hectares. A group of Mensuras cannot exceed 1,000 hectares. However, pedimentos can be directly converted directly to Mensuras, though it is advisable to keep the resulting Mensura at or under 300 hectares in size due to a marked increase in rate of annual fees for Mensuras over 300 hectares in size.

Mensuras have indefinite terms. Annual fees to maintain a Mensura are 1/10<sup>th</sup> of a Monthly Tax Unit (currently US\$62.21) per full hectare of the concessions, or US\$6.221 per hectare.

The registered owner(s) of an exploration or mining concession has the legal right to complete whatever construction or facilities may be required. They have the right to prospect and excavate within the borders of the mineral tenure regardless of the surface rights ownership (with the exception of orchards or vineyards).

However, mining development, including prospecting, exploration, processing plants and tailings management or disposal, are considered to be activities that may cause an environmental impact and may therefore be subject to the environmental impact assessment system, requiring an Environmental Impact Study.

Effective January 1, 2006 the Chilean government imposed a royalty tax on foreign companies operating mines in Chile, which is up to 5% of earnings prior to tax and interest.

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

The Gilda property lies 42 kilometers southeast of Copiapo, in the Atacama Desert area of Region III, Chile. The pedimentos are road accessible from Copiapo, a large (140,000 population) regional mining centre. There are reportedly over 350 active mining operations of varying sizes in the Copiapo area. The Gilda property is reached by driving south on Rota I5 from Copiapo to secondary road G15, then 27 kilometres along G15 to an unnamed secondary road, then 7 kilometres along this road to property.

The topography is moderate to steep with elevations ranging from about 1400 metres to 1800 metres. There is very little vegetation, and most of the ground cover consists of felsenmeer. The entire property is relatively accessible by foot traverse or ATV.

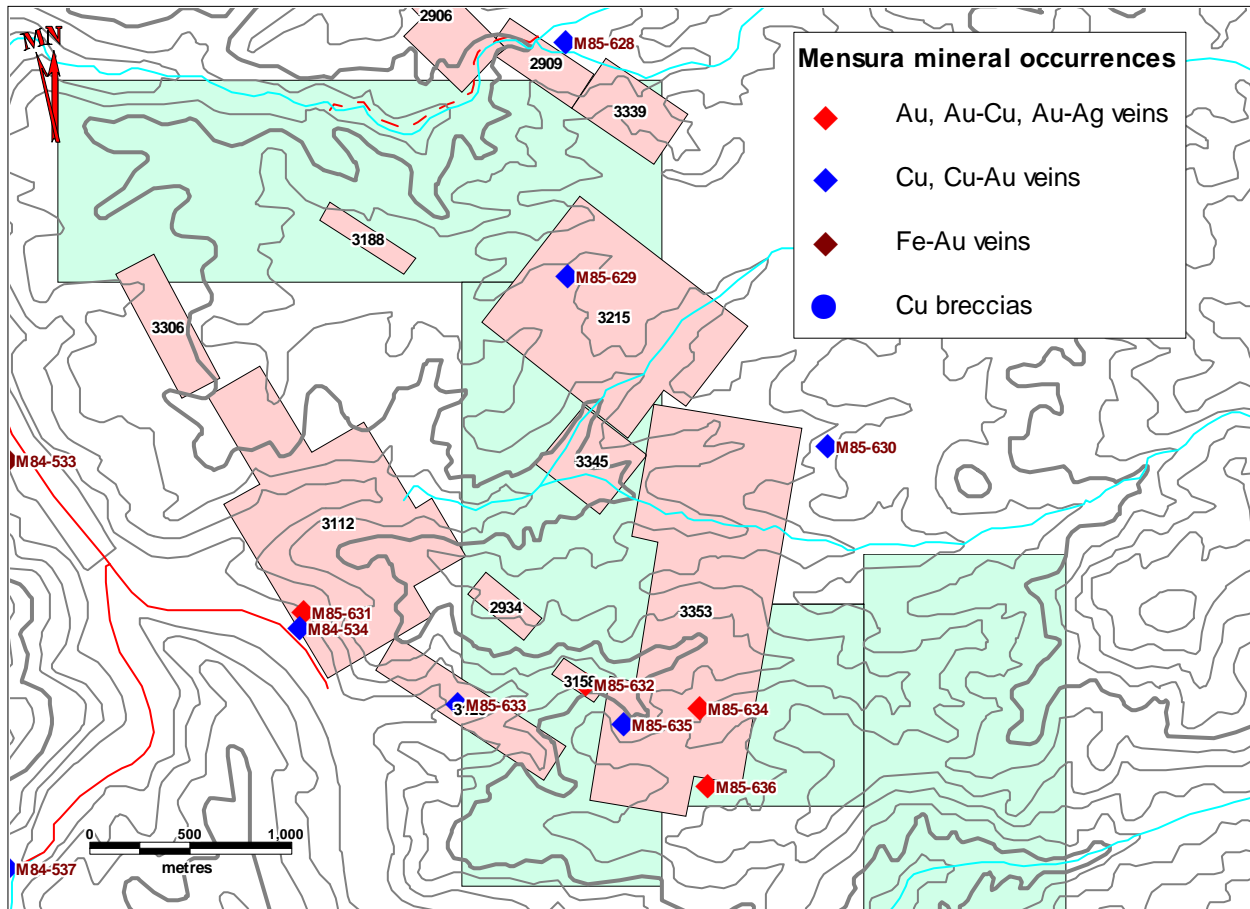
The Gilda property lies within the Atacama Desert and is extremely arid. The field season is year round, though snow can be expected for short periods in the southern hemisphere winter, June through August. Temperatures range from 17°C in the winter to 30°C in the summer.

The logistics of working in this part of Chile are very good. The property is road accessible and the lack of vegetation allows ATV or motorcycle access to the entire property. All exploration and mining supplies, personnel and equipment are available in Copiapo. Anything not readily available can be brought in daily from Santiago by air.

## HISTORY

The area hosting the Gilda claims has a long history of exploration and development for gold and copper. The Incas and Spanish Colonists were the first to search for placer and shallow gold deposits. The minerals resource sheets for Los Loros (Diaz et al, 1998) and La Guardia (Diaz et al. 2000) show several active and abandoned mines throughout the area surrounding and including the Gilda property (Figure 4, page 14). Three distinct deposit types are present: copper breccias, precious metal ± copper veins and copper gold veins.

Mensura	Number	Name	Metals		Length	Strike	Dip	Width	Depth
			Primary	Secondary					
3112	M84-534	s/n	Cu-Au-Ag		>100m	305	Vertical	2.5m	>25m
3112	M85-631	s/n	Au-Ag	Pb-Zn		335	Vertical	1-2m	
3120	M85-633	Al N de Millonaria	Cu	Ag-(Pb-Zn)	>500m	306	Vertical	1m	>100m
3158	M85-632	La Despreciada	Au	Cu	500m	306	75SW	0,5m	>100m
3215	M85-629	Rosario	Cu-Au	Ag-(Pb-Zn)	>500m	340	Vertical	1,5-1,8m	>140m
3353	M85-634	Cañaverál?	Au-Ag	Cu	100m	350	85W	0,3m	>50m
3353	M85-635	s/n	Cu-Ag		>200m	300	75SW	0,3-0,5m	>50m
3353	M85-636	Cañaverál?	Au-Ag		>50m	350	73W	0,5m	>50m



Projection PSAD 56 Zone 19

**GILDA PROPERTY**  
**Mensura Mineral Occurrences**  
**Figure 2b**

The occurrences within the Gilda property boundaries are shown on Figure 2b and described in the table on the preceding page. They are predominantly vein deposits ranging from 50 to 500 metres in length and 30 to 200 centimetres in width. They have been tested to depths ranging from 25 to 140 metres. The veins generally trend to the northwest.

## LEGEND

### QUATERNARY

Qa, Qc Depositos Aluviales (alluvial deposits)

### MIOCENE

TMga, Tga Gravas de Atacama (Atacama gravels)

### EOCENE

TEmd, Tdr Porfidos monzoniticos y dioriticos  
(Porphyritic monzonites and diorites)

### PALEOCENE

TPc Calderas Lomas Bayas, El Durazno, Agua  
Nuevo and Jorquera

TPc(a) pre-collapse trachyandesitic tuffs and lavas

TPc(b) collapse breccias

TPc(c) intracaldera dacitic ignimbrites

TPc(d) intracaldera dacitic to trachyandesitic lavas

TPc(f) rhyolite domes and dykes

TPisp Ignimbritas de Sierra La Peineta  
(rhyolitic to dacitic ignimbrites)

TPqr Estratos de Quebrada El Romero  
(Quebrada El Romero strata)

TPqr2 dacitic to trachyandesitic lavas

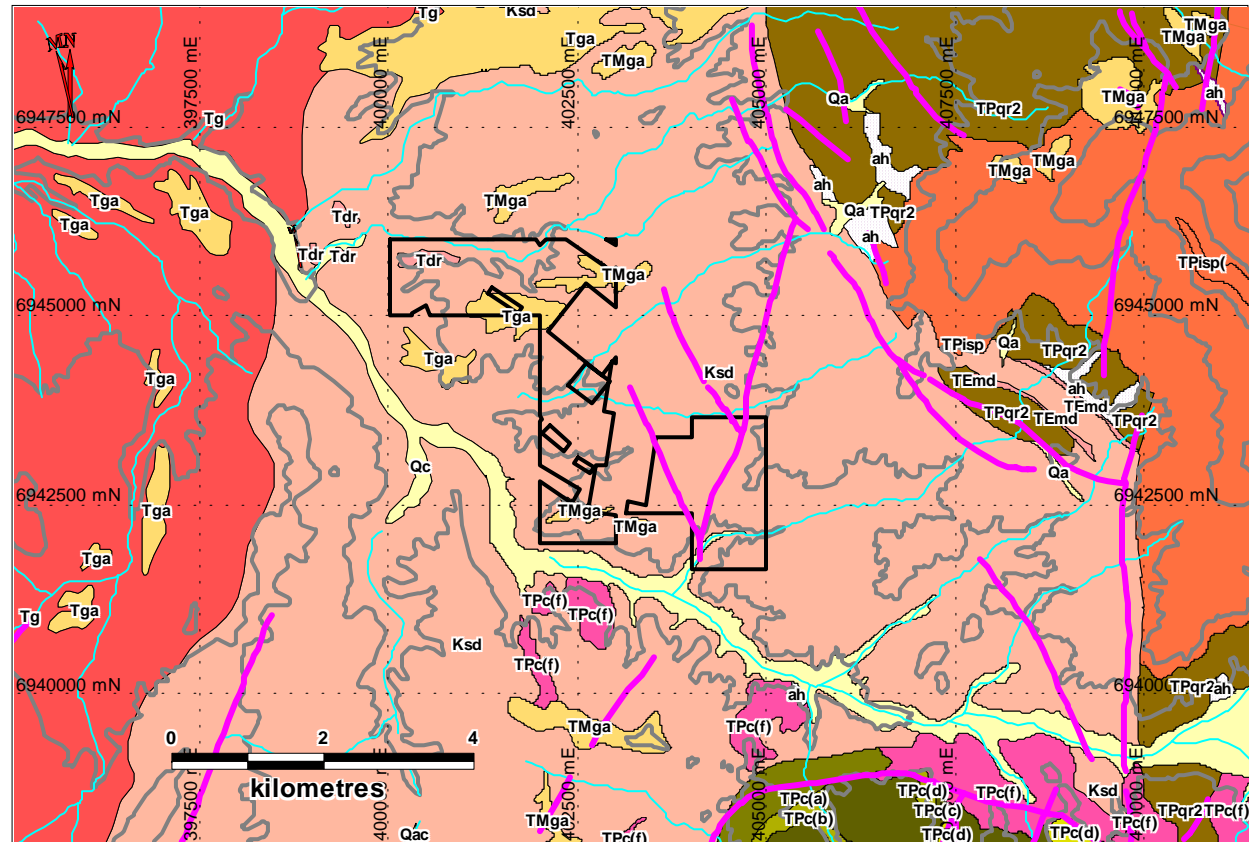
TPgcv Pluton Cabeza de Vaca  
porphyritic granodiorites to granites

### CRETACEOUS

Ksd Lavas de Sierra La Dichosa  
basaltic to trachybasaltic lavas

ah - zona de alteración hidrotermal  
(Zone of hydrothermal alteration)

Geology from: Iriate, Arevalo and Mpodoiz (1999).



Projection is PSAD 56 Zone 19

**GILDA PROJECT  
REGIONAL GEOLOGY**

Figure 3

GEOLOGICAL SETTING  
(Iriarte et al, 1999; Arevalo, 2005)

The Gilda property lies in a very favourable geological setting. The Cabeza de Vaca copper district lies 4 kilometres to the southwest. The northwest section of the Caldera El Durazno lies 5 to 7 kilometres to the southeast. Several large fault structures, likely related to the formation of the caldera, trend through the eastern section of the Gilda pedimentos. The numerous workings and pre-existing Mensuras within the Gilda pedimentos boundaries further support this view.

The geology of the Gilda pedimentos area has been mapped by Iriarte et al, 1999, while the western third of the Gilda pedimentos area has been mapped by Alevato (2005). The following geological summary is taken from the two 100,000 scale geological maps and legends, which have been translated by the author from Spanish.

The oldest rocks in the map area are the Cretaceous Lavas de Sierra La Dichosa. They are predominantly porphyritic basalts to trachybasalts with phenocrysts of plagioclase and pyroxene in a pilotaxitic groundmass. Individual flows are 7 to 20 metres thick. Subordinate breccias, paraconglomerates and red sandstones occur as interbeds within the lavas. These lavas form the basement in the map area.

The Lavas de Sierra La Dichosa are intruded by the Paleocene Cabeza de Vaca pluton, a 1 to 7 km wide by 60 kilometre long multiphase intrusion. The pluton ranges from medium grained, light grey biotite and hornblende granodiorite to porphyritic granite. Fine grained quartz monzonite and monzodiorite form small outcrops on the northwest contact. Copper bearing tourmaline breccias are associated with this intrusion.

A 500 metre thick lava sequence ranging from basal dacites through andesites to trachyandesites of the Paleocene Estratos de Quebrada El Romero overlies the Cretaceous volcanics on the eastern and northeastern section of the map area. These flows are overlain by Paleocene ignimbrites (the Ignimbrites de Sierra La Peineta) which form a 1100 metre thick sequence, possibly related to a speculated "megacaldera" formed prior to the development of the nested Calderas El Durazno, Lomas Bayas and Agua Nuevo. The ignimbrites include basal thin ash fall tuffs and pyroclastic flow tuffs and pumice, through a series of 20 to 30 metre thick massive welded lithic tuffs and pumice interbedded with trachytic lavas to 100 m thick rhyolitic to dacitic biotite ignimbrites.

These units are overlain by the Paleocene sequence associated with the formation of the Lomas Bayas, El Durazno, Agua Nueva and Jorquera Calderas. Only the rocks from the 12 kilometre in diameter El Durazno caldera outcrop in the map area, with the ring structure clearly defined by faulting. The caldera sequence consists first of basal pre-collapse ash fall tuffs, pyroclastic flows and reddish-brown and green porphyritic trachyandesite lavas and breccias. Second are the actual collapse breccias, which are lenticular breccia deposits containing metre to decameter andesitic bombs. The collapse breccias appear as large blocks on the edge of the ring fracture of the El Durazno caldera.

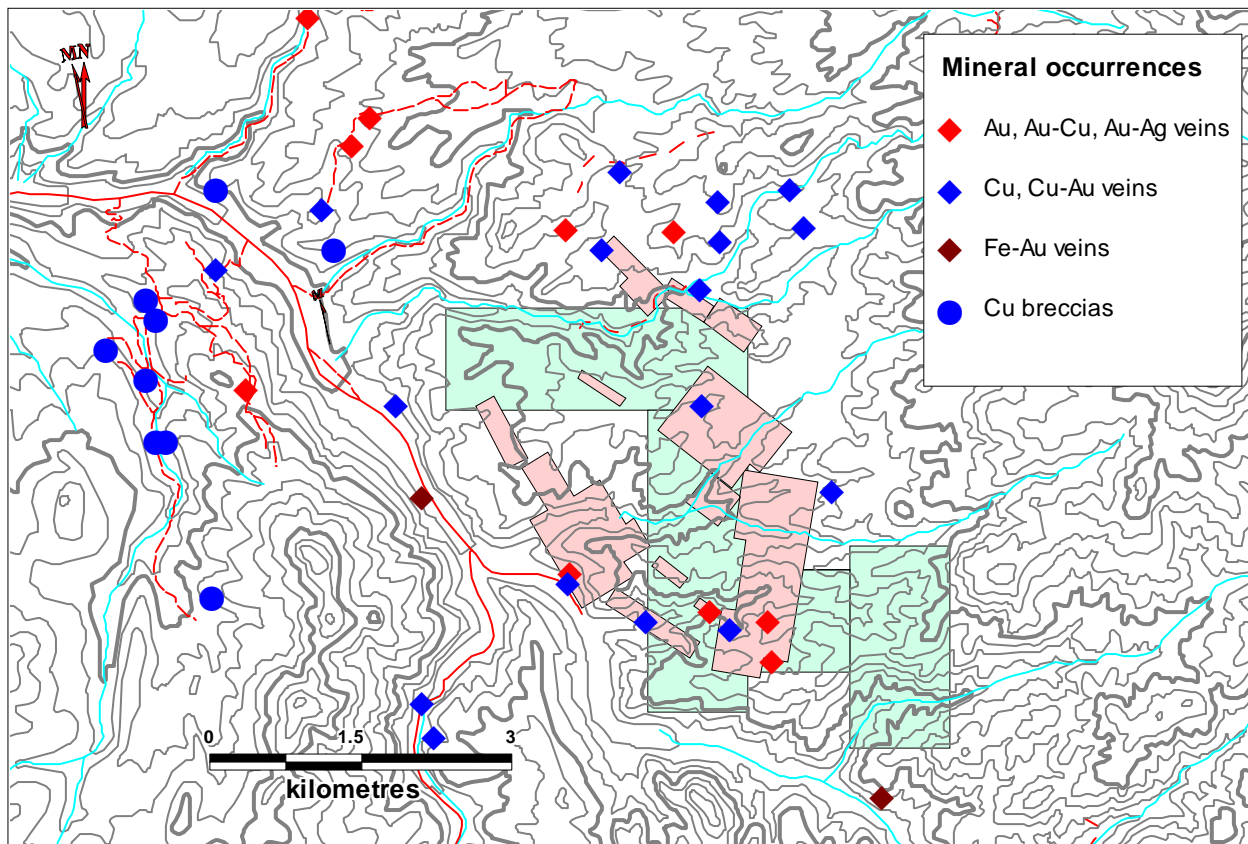
The collapse breccias are in turn overlain by intracaldera ignimbrites. These rocks are white to light pink welded tuffs, pumice and welded lithic dacites attaining thickness of up to 800 metres. 500 metre thick intracaldera lavas overlie the ignimbrites. These lavas range in composition from basal pink dacite to reddish brown trachyandesite at the top. Individual flows are 5-10 metres thick. Porphyritic rhyolite domes and dykes intrude the pile, primarily within the calderas.

Eocene hypabyssal porphyritic monzonites and diorites occur as small stocks and plugs within all of the earlier units. The main host rocks of the porphyries are locally affected by intense hydrothermal alteration (silicification - argillization).

Miocene gravels, outcropping throughout the map area, were formed during the erosional cycle associated with general uplift through the middle Miocene. Quaternary alluvial deposits are associated with active to intermittent drainage systems.

The Gilda claims have not been mapped. The regional geology (Figure 3) shows the claim block lies with the Cretaceous Lavas de Sierra La Dichosa, 5 kilometres to the north of the El Durazno caldera. The Miocene gravels cover several sections of the claim block. Of particular interest are the numerous faults, likely related to the development of the El Durazno caldera, that trend through the claim block. These are excellent targets for epithermal mineral deposits.

The minerals resources sheets for Los Loros (Diaz et al, 1998) and La Guardia (Diaz et al. 2000) show several active and abandoned mines throughout the area surrounding and including the Gilda property (Figure 4). Three distinct deposit types are present: copper breccias, precious metal  $\pm$  copper veins and copper gold veins.



Projection PSAD 56 Zone 19

**GILDA PROPERTY**  
**Mineral Occurrences in Gilda Area**  
**Figure 4**

The copper breccias are associated with the Cabeza de Vaca pluton. The 9 known breccias are generally circular in nature, ranging in size from 12 to 150 metres in diameter. Mineralization consists of oxide copper. These breccias have been shown in the past to be on the outer fringes of buried porphyry copper systems.

The precious metal veins carry gold, gold and silver or gold and copper. The 11 known vein deposits range in length from 100 to 600 metres. They are 0.3 to 2 metres in thickness and have been traced to a depth of 30 to 150 metres.

The base metal veins carry copper  $\pm$  gold or silver or  $\pm$  silver-lead-zinc. The 17 known veins range from 0.3 to 5 metres in width and 300 to 1000 metres in length. They have been tested to depths of 15 to 140 metres.

-15-  
MINERALIZATION

There are two distinct exploration targets on the Gilda property: epithermal precious metals and copper tourmaline breccias. The epithermal precious metal deposits are associated within large scale faults related to the development of the Caldera El Durazno. These deposits can be both vein deposits and also bulk tonnage deposits. The western portion of the claim block also has the potential to host copper-tourmaline breccias associated with the Paleocene Cabeza de Vaca intrusion.

The limited sampling and prospecting completed on the property to date has identified several veins structures traceable for several kilometres. While most of the sections of these vein structures lie on the pre-existing Mensuras, sections between the Mensuras lie within the present Gilda property boundary.

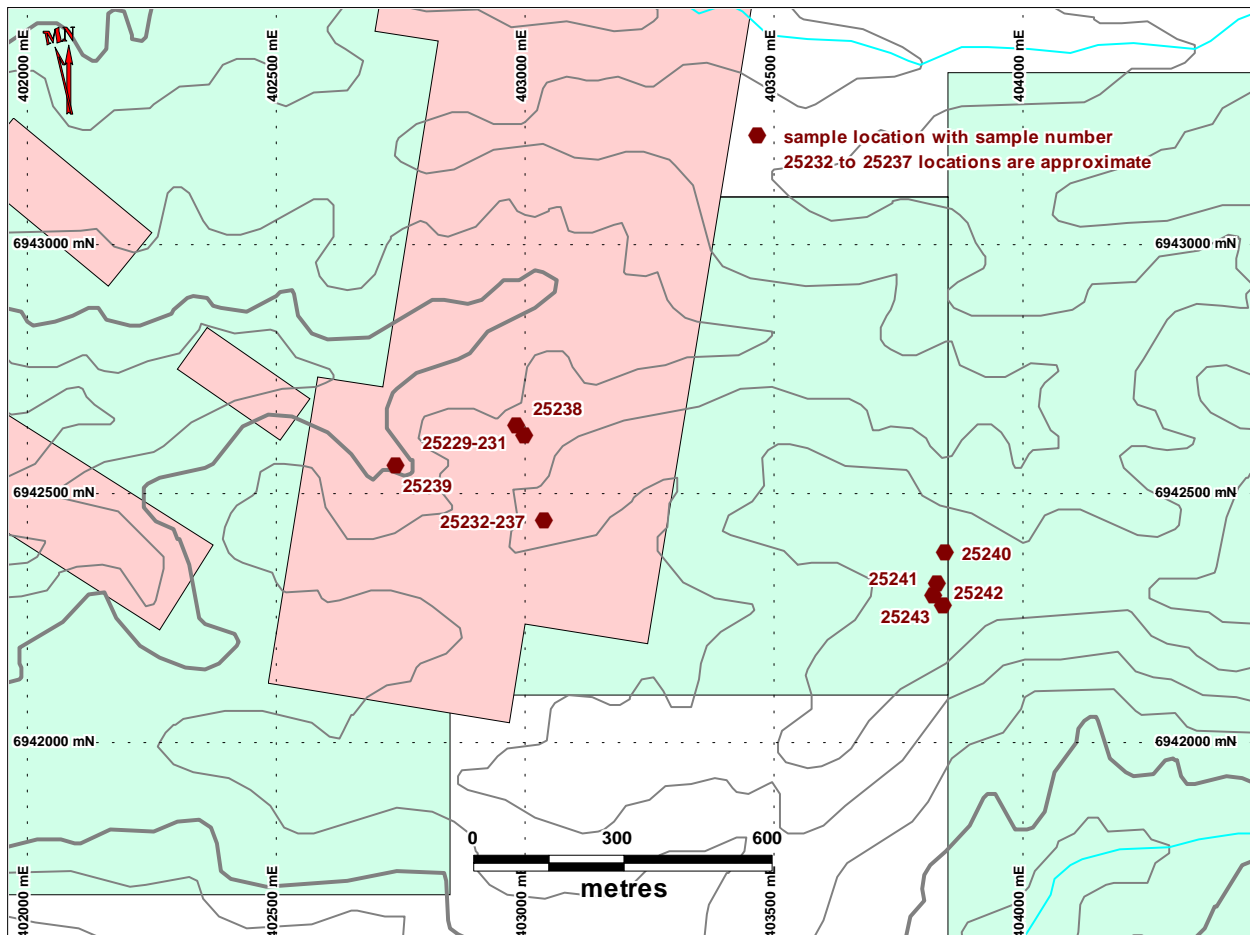
Limited sampling of some of the veins from the Mensuras by the author has returned the following values:

Sample No.	Location	Width	ppb Au	ppm Ag	ppm Cu	ppm Mo	ppm Pb	ppm Zn
25229	3353 - adit	0.6 m	759	39.4	3645	173	2203	3782
25230	3353 - adit	0.3 m	314	35.9	> 10000	169	> 10000	> 10000
25231	3353 - adit	0.6 m	140	42.4	> 10000	80	> 10000	1869
25232	3353 - bedrock	Grab	144	> 100	> 10000	10	> 10000	2571
25233	3353 - bedrock	Grab	5	0.3	54	< 1	58	79
25234	3353 - open cut	Grab	315	80.8	9402	4	> 10000	> 10000
25235	3353 - open cut dump	Grab	202	16.9	> 10000	34	> 10000	> 10000
25236	3353 - quartz	Grab	5	0.3	29	3	70	208
25237	3353 - bedrock	Grab	7	< 0.3	88	< 1	254	359
25238	3353 - shaft	Grab	2567	> 100	7507	13	> 10000	> 10000
25239	3353 -dump grab	Grab	74	10	464	1178	6798	> 10000

Three samples (25229-25231) were taken from an adit following a 30 to 50 cm quartz vein. Samples 25232-25237 were taken on a traverse up a hill behind the adit. No GPS fixes were obtained so the sample locations are approximate. Sample 25238 was taken from the collar of a shaft on the same structure as the adit. Sample 25239 was taken from an adit dump.

The significant volume of copper, lead and zinc in these samples is intriguing. These base metal values suggest the possibility that these structures represent the outer edges of a porphyry system where precious and base metal veins represent the final out-gassing phase of porphyry development. This further suggests the possibility of a porphyry system at depth.

Sample 25232 is especially interesting as it is clearly showing significant base and precious metals in the host rock between the vein structures.



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**GILDA PROPERTY**  
**2007 Sampling**  
**Figure 5**

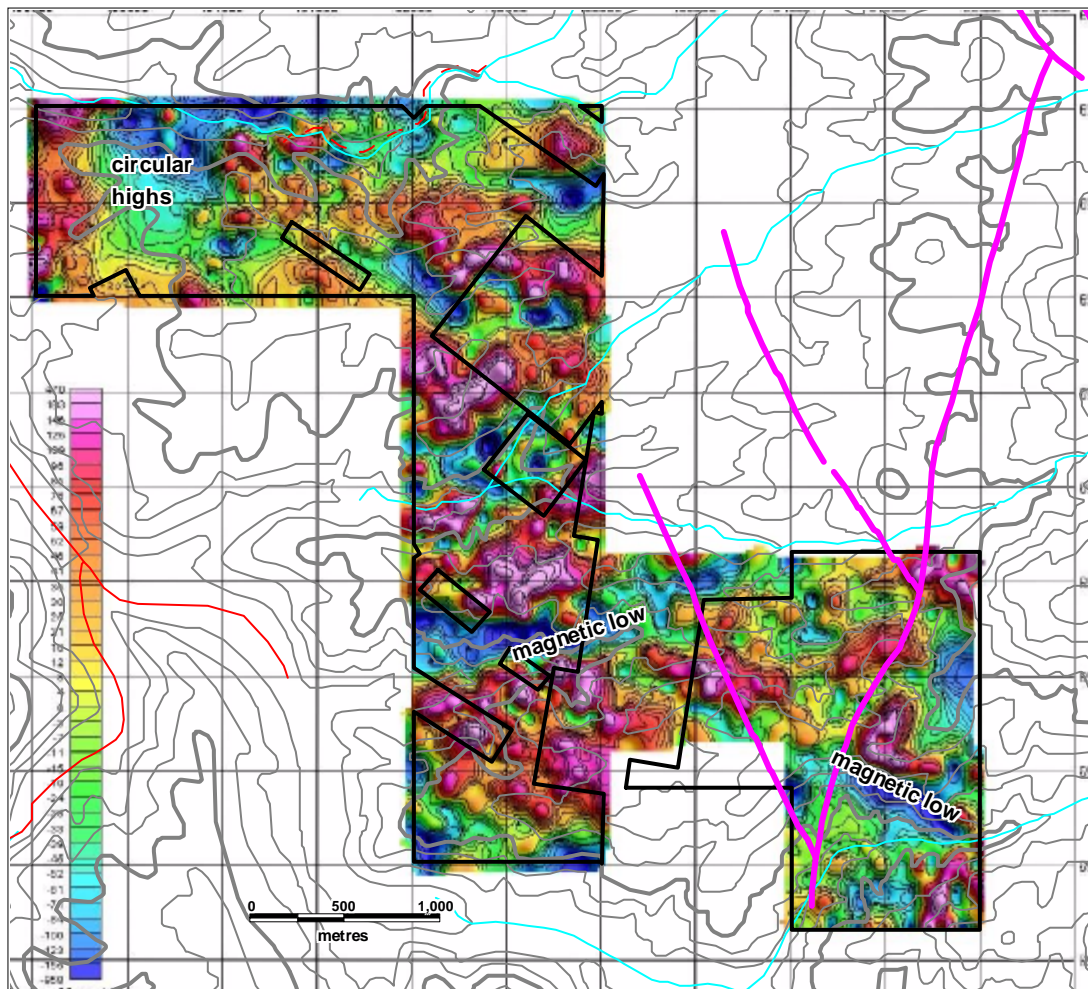
Four samples (25240-25243) were taken from an area of disseminated malachite mineralization associated with a small hypabyssal diorite plug. Results from 25241 are pending.

Sample No.	ppb Au	ppm Ag	ppm Cu	ppm Mo	ppm Pb	ppm Zn
25240	20	< 0.3	86	< 1	79	108
25241						
25242	5	< 0.3	113	1	44	83
25243	6	< 0.3	245	1	14	61

The results show the area is anomalous in copper and weakly anomalous in gold.

There does not appear to have been any prior exploration completed on the Gilda pedimentos prior to Passport Metals Inc. There has, of course, been considerable development completed on the pre-existing Mensuras.

Passport Metal Inc. completed a brief examination of the Gilda pedimentos, taking a total of 15 samples: 11 on the pre-existing Mensuras to establish background and get a general feel for the economic potential of the pedimento block and four samples over a small diorite plug on pedimento Gilda IV. The assay results have been detailed in the mineralization section.



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**GILDA PROPERTY**  
**Geodatos Total Field Magnetics**  
**Figure 6**

Geodatos Geofisica de Avanzada completed 90 line kilometres of ground magnetic survey over the entire claim block in early January. Several interesting anomalies have been located:

- A series of circular magnetic highs in the northwest corner of the claim block, possibly suggestive of copper tourmaline breccias.

- Two distinctive magnetic lows through the southern portion of the claim block. This suggests a major fault as the linear highs to the south and north of the fault appear to be terminated and shifted against the fault.

The faults mapped during the regional mapping program (Iriate et al, 1999) do not appear to have a distinct magnetic signature.

## DRILLING

There does not appear to have been any drilling completed on the Gilda property. As stated in the history section, the Chilean record keeping system does not appear to be thorough or complete.

## SAMPLING METHOD AND APPROACH

The 2007 rock sampling program was completed by the author. This program consisted of 15 grab rock samples from old adits, workings, dumps and also from bedrock.

Grab rock samples were taken from old adit dumps. 1-3 kilograms of vein material were placed in a poly sample bag with a sequentially numbered assay ticket. The bag was then sealed with twist ties or flagging tape for transport to the lab. The sample location and sample data were recorded in a field book. Each sample location was flagged with the sample number, sampler and date.

Adit and open cut chip samples were from exposed veins. 1-3 kilograms of vein material was taken from the exposure working across the vein from the hanging wall to the footwall of the vein and placed in a poly sample bag with a sequentially numbered assay ticket. The width of the vein at the sample location was then measured. The bag was then sealed with twist ties or flagging tape for transport to the lab. The sample location and sample data were recorded in a field book with the location. Each sample location was flagged with the sample number, sampler and date.

Bed rock samples were taken from felsenmeer and exposed bedrock. 1-3 kilograms of material were placed in a poly sample bag with a sequentially numbered assay ticket. The bag was then sealed with twist ties or flagging tape for transport to the lab. The sample location and sample data were recorded in a field book. Each sample location was flagged with the sample number, sampler and date.

The 2007 verification sampling program was designed and implemented by the author, who took the samples, sorted and sealed them in rice bags. They were delivered to Acme Analytical Laboratories S.A. in Santiago, Chile by Minera Chile Copper and Gold Ltda. personnel.

#### SAMPLE PREPARATION, ANALYSIS AND SECURITY

All rock samples were taken by the author, as described above. The author had them delivered to Acme Analytical Laboratories S.A. in Santiago, Chile.

Acme's sample preparation procedures are described below. Samples are first catalogued and dried. The rock samples are then two stage crushed to minus 10 mesh and a 250 gram sub-sample is pulverized on a ring mill pulverizer to -140 mesh. The sub-sample is rolled, homogenized and bagged in a pre-numbered bag.

For Acme's 1D multi element ICP-MS analysis, a 0.5 gram sample is digested with 3 ml of a 3:1:2 (HCl:HN03:H2O) which contains beryllium acting as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10 ml with water. The sample is analyzed on an ICP-MS unit.

Samples for gold geochemical analysis are weighed to 30 grams and fused along with proper fluxing materials. The bead is digested in aqua regia and analyzed on an atomic absorption instrument. Over-range values for rocks are re-analyzed using gold assay methods.

Passport did not insert its own standards, blanks and duplicates into the sample sequences for this sampling program. Acme inserted standard reference materials through the lab handling process and performed an appropriate percentage of repeats and re-splits, allowing for quality control assessment. Results are entered and printed along with quality control data (repeats and standards). The data is faxed and/or mailed to the client. Acme's standards, repeats and re-splits performed well.

The author feels confidence in the assay results from Acme based on the labs in-house re-splits, re-checks and standards.

#### DATA VERIFICATION

The quality control measures for the 2007 verification exploration program on the Passport Metals Inc. Gilda property consisted of Acme Analytical initiated resplits, rechecks and standards through the sample stream. The lab runs three quality control measures. First, they insert standards in to the sample stream. Secondly, they complete a repeat analysis on every tenth sample. Thirdly, they complete a resplit and analysis on every 25<sup>th</sup> sample.

The author feels these were sufficient quality control measures for the 2007 verification program. All future programs will include additional quality control measures of duplicates, blanks and Passport initiated standards.

#### ADJACENT PROPERTIES

This technical report is not relying on data from adjacent properties.

#### MINERAL PROCESSING AND METALLURGICAL TESTING

The author is not aware of any mineral processing or metallurgical testing undertaken on the Gilda pedimentos. There has been historic production from several of the pre-existing Mensuras, but they are held by others and are not included in the present Gilda property.

#### MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES

There are presently no mineral reserves or mineral resources on the Gilda property.

#### OTHER RELEVANT DATA AND INFORMATION

There is no additional relevant data or information known that is not disclosed on the Gilda property.

## INTERPRETATION AND CONCLUSIONS

The Gilda property lies in a very favourable geological setting. The Cabeza de Vaca copper district lies 4 kilometres to the southwest. The northwest section of the Caldera El Durazno lies 5 to 7 kilometres to the southeast. Several large fault structures, likely related to the formation of the caldera, trend through the eastern section of the Gilda pedimentos. The numerous workings and pre-existing Mensuras within the Gilda pedimentos boundaries and the abundant mineral occurrences in the general area further support this view.

The bulk of the Passport sampling was on pre-existing Mensuras. The series of Mensuras from 3306 in the north through 3112 to 3120 and then 3353 suggest development along a vein structure, as does 3112 through 2934 and 3158 to 3353. Mensura 3318 through to 3215 also suggest a vein structure. The sub-parallel nature of these structures is very interesting. While 2906, 2909 and 3339 do not have much relevance to the present Gilda Claim block, they also suggest another sub-parallel structure.

Sample 25232 taken from the host rock between vein structures is particularly interesting as it suggests the possibility of potential bulk tonnage precious and base metal mineralization within the host rock outside of the known vein structures.

The sampling also concentrated on a zone of malachite mineralization associated with a small diorite plug on the boundary of Gilda III (68147) and Gilda IV (68148).

The proximity to the Caldera El Durazno, combined with the occurrence of several sub-parallel vein structures and local hypabyssal intrusives make the Gilda property an attractive exploration target. Although it is not on the present Gilda pedimentos, sample 25232 is particularly encouraging as it may be indicating a possible bulk tonnage target. The proximity to the Cabeza de Vaca copper district further enhances the exploration potential.

The ground magnetic surveys have identified some preliminary geophysical targets. The small circular anomalies in the northwest corner of the claim block need to be followed-up. These anomalies may represent copper breccia bodies, similar to those found in the Cabeza de Vaca district immediately to the west. These copper breccia bodies, while small in nature, are very important as they have been shown to represent the upper reaches of buried copper porphyry systems.

The magnetic lows are interpreted to represent possible alteration fault systems. The numerous veins within the Gilda property boundaries may be sourced from these systems.

A two phase exploration program is warranted. The first phase should consist of preliminary surveys: mapping, sampling, and mechanical trenching. The second phase will consist of follow up drilling.

The geological mapping should be concentrating on geological structure and lithology. The presence of several sub-parallel veins suggests there likely was a significant mineralizing event associated with the caldera. Prospecting should be concentrated on locating additional structures. More importantly, it should be concentrated on rock types. More porous horizons within the volcanic pile (the volcanoclastics associated with basalt – trachybasalt pile) are prime targets for bulk tonnage mineralization as the precious metals (and base metals) can “leak” from the fractures hosting the vein structures into the surrounding country rock. The closely spaced sub-parallel veins structures suggested by the number, spacing and orientation of the Mensuras, suggest the possibility and make this an attractive target on the Gilda I (68145) and Gilda II (68146).

The second area requiring further exploration is the diorite plug area on the Gilda III and Gilda IV claims. While the sample results were not as high as expected, they were anomalous nonetheless and require follow-up. This could be accomplished rather cheaply by establishing a cat trail from the Core Area along the high ground to the diorite plug area. This should give you a good look at the diorite plug.

Success contingent percussion and diamond drilling will follow.

RECOMMENDATIONS

The Gilda pedimentos lie in an area very favourable for economic mineralization. The proximal Caldera El Durazno has structurally prepared the area, generating numerous regional fault structures during its formation. The abundant Mensura mining concessions and numerous workings in the area support the view that several of these structures are metalliferous. The regional 1:100,000 scale mapping has identified several additional regional faults that, based on the available data, appear to be severely under explored.

Immediately to the west, the Cabeza de Vaca copper district hosts several copper tourmaline breccias. The western edge of the Gilda pedimento block lies only a few kilometres from the district. The ground magnetics survey has identified several circular anomalies possibly representing tourmaline breccias in this area.

The limited sampling completed on a small diorite plug on the eastern side of the Gilda pedimento block was successful in locating anomalous copper and weakly anomalous gold mineralization.

Based on these data, further exploration is very much warranted on the Gilda property. A two-phase, success contingent program of surface exploration, followed by percussion and diamond drilling is recommended to explore the Gilda property.

Phase one has a two-pronged thrust. The initial thrust is surface exploration that will consist of mapping, prospecting and sampling of the entire claim group, but concentrating in three areas: Gilda I - copper area, Gilda II - vein bulk tonnage area and Gilda III/IV porphyry - vein-bulk tonnage area. The second thrust will be 15 kilometres of road building to provide access to each of these areas and all known workings and 75 hours of trenching to expose bedrock in each of these areas. The total phase I budget is \$250,000.

A successful conclusion to Phase I will initiate Phase II. Phase II will consist of a 4000 metres of percussion drilling and 2500 metres of diamond drilling at an estimated cost of \$750,000.

Phase I - Initial Evaluation	45 days	\$ 250,000
Phase II - Drilling	180 days	\$ 750,000
<b>Total Gilda Budget</b>		<b>\$1,000,000</b>

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REFERENCES

Diaz, Alejandro C., Lledo, Haroldo V. and Vivillo, Waldo S. (1998). Yacimientos Metaliferos de La Hoja Los Loros, Region de Atacama. Servicio Nacional de Geologia y Minera. Mapa de Recursos Minerales de Chile, No. 2. Escala 1:100,000.

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Iriate, S.D., Arevalo, C.V. and Mpodozis, C.M. (1999). Carta Hoja La Guardia, Region de Atacama. Servicio Nacional de Geologia y Minera. Carta Geologica de Chile, Serie Geologia Basica, No. 13. Escala 1:100,000.

Arevalo, C.V. (2005). Carta Los Loros, Region de Atacama. Servicio Nacional de Geologia y Minera. Carta Geologica de Chile, Serie Geologia Basica, No. 92. Escala 1:100,000.

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COST ESTIMATES

<b>Phase I - Ground Surveys</b>					45 days
Property mapping and Prospecting					
Allow 300 samples					
Road Building					
Gilda I / Gilda II - 10 km					
Gilda III / Gilda IV - 5 km					
Trenching					
Gilda I / Gilda II - 50 hours					
Gilda III / Gilda IV - 25 hours					
Allow 200 samples					
Consultant	10 days	@	\$ 500 /day	\$	5,000
Project Geologist	45 days	@	\$ 200 /day	\$	9,000
Junior Geologist	45 days	@	\$ 125 /day	\$	5,625
General Laborer	45 days	@	\$ 50 /day	\$	2,250
Room & Board	145 days	@	\$ 50 /day	\$	7,250
Thin / Polished sections					\$ 2,500
Boundary Surveying					\$ 10,000
Road Building	15 km	@	\$ 7,500 /km	\$	112,500
Bulldozer	75 hours	@	\$ 75 /hour	\$	5,625
Analysis - rock	500 sample	@	\$ 30 /sample	\$	15,000
Analysis QA/QC	40 sample	@	\$ 30 /sample	\$	1,200
Travel					\$ 10,000
Equipment and rentals					\$ 10,000
Contingency					\$ 53,050
<b>Phase I - Initial Evaluation</b>					<b>\$ 250,000</b>

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 COST ESTIMATES  
 (Continued)

<b>Phase II - Drilling</b>						180 days
Percussion drilling Core Area						
Percussion drilling Gilda 4 Area						
Diamond drilling Core Area						
Diamond drilling Gilda 4 Area						
Consultant	20	days	@	\$ 500	/day	\$ 10,000
Project Geologist	180	days	@	\$ 200	/day	\$ 36,000
Junior Geologist	180	days	@	\$ 125	/day	\$ 22,500
Junior Geologist	180	days	@	\$ 125	/day	\$ 22,500
General Laborer	180	days	@	\$ 50	/day	\$ 9,000
Room & Board	740	days	@	\$ 50	/day	\$ 37,000
Percussion Drilling	4000	metres	@	\$ 50	/metre	\$ 200,000
Diamond Drilling	2500	metres	@	\$ 75	/metre	\$ 187,500
Bulldozer	300	hours	@	\$ 75	/hour	\$ 22,500
Analysis - core	1000	sample	@	\$ 25	/sample	\$ 25,000
Analysis - rock	2000	sample	@	\$ 25	/sample	\$ 50,000
Analysis QA/QC	200	sample	@	\$ 25	/sample	\$ 5,000
Travel						\$ 30,000
Equipment and rentals						\$ 20,000
Contingency						\$ 73,000
<b>Phase II - Drilling</b>						<b>\$ 750,000</b>

DATE AND SIGNATURE PAGE

I, R. Tim Henneberry, P.Geo.:

Am responsible for the preparation of all sections of this Technical Report: "NI43-101 TECHNICAL REPORT GILDA PROJECT" dated 26-February-2008.

Prepared this Technical Report in accordance with National Instrument 43-101.

Make this Technical Report effective at March 22, 2008.

Dated this 22<sup>nd</sup> of March, 2008 in the town of Mill Bay, British Columbia

"signed and sealed"

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R. Tim Henneberry, P.Geo.