

Report on
Geochemical Surveys and Trenching
on the

Aumax Property
Aumax #1 to #6 Claims

Lillooet Mining Division
British Columbia
Canada

N.T.S.: 092 J/09

UTM co-ord.:567,700 m E, 5,601,400 m N
NAD 83, Zone 10

Owner/Operator:

Avino Silver & Gold Mines Ltd.
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Author:

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Introduction

The Aumax Property (the property) is located on the east side of Cayoosh Creek, 16 kilometers southwest of the town of Lillooet (Fig. 1 & 2). The property can be accessed from Lillooet by taking Highway 99 twenty-three kilometres southwest to a logging road which branches east off the Highway. Follow this logging road approximately eight kilometers easterly to the area of the Aumax Showing (Fig. 3). The Upper Zone can be accessed by hiking a further 1.5 km. southwest or by a 20 minute helicopter flight from Lillooet.

The 2004 geochemical survey and trenching program was carried out mainly on the Upper Zone, with 136 soil samples and seven rock samples collected in this area during a four day, helicopter supported program (Fig. 4). Thirty-one soil samples and seven rock samples were collected in the area of the Aumax showing during a two day truck supported program (Fig. 3).

The property consists of six located mineral claim covering 39 units as listed below:

Table 1: Table of Mineral Claims

Claim Name	Tenure Number	Number Units	Expiry Date (Assuming Report Accepted)
Aumax # 1	368966	20	01/09/06
Aumax # 2	368967	15	01/09/06
Aumax # 3	371390	1	01/09/06
Aumax # 4	371391	1	01/09/06
Aumax # 5	371392	1	01/09/06
Aumax # 6	371393	1	01/09/06

The mineral claims are owned by Avino Silver and Gold Mines Ltd. Avino was the operator of the 2004 program and contracted the author to provide geological supervision.

The property is located between Cayoosh Creek and Phair Creek. The showings are new discoveries, made in 1999 by Randy and Gary Polischuk. The discovery of the Aumax showing was made during logging road construction and of the Upper Zone during follow-up prospecting. Both showings have economically interesting gold and silver values. Mr. Randy Polischuk staked the showings and subsequently sold them to the company.

Cayoosh Creek has a history of limited placer gold production starting in the 1860's. Some of this production occurred immediately downstream of the property, near the mouth of Downtown Creek (Fig. 2).

A limited exploration program of prospecting, rock and soil sampling and mechanized trenching was carried out in October, 1999 (Pickett, 2002). Trenching on the Aumax showing was inconclusive. Many highly anomalous quartz-carbonate boulders, up to 2.2 g/t gold and 305 g/t silver, were excavated but bedrock was not reached in critical areas (Fig. 3). Chip samples of veins exposed in the trenches were highly anomalous, generally in the hundreds of ppbs gold, with one sample over one g/t gold over 0.5 metres. Pickett concluded that the source of the anomalous boulders was uphill to the southeast. Pickett recommended further prospecting and soil sampling southeast (upslope) of the Aumax showing.

Limited soil sampling and prospecting in 1999 on the Upper Zone returned extremely anomalous soil samples to 4560 ppb gold. Pickett recommended grid geochemical sampling and further prospecting in this area.

2004 Geochemical Surveying and Trenching Program

The 2004 geochemical surveying and trenching program was designed to carry out the recommendations of Pickett, 2002. All work was carried out on the Aumax # 1 mineral claim.

The author, accompanied by R. Polischuk the first day, carried out initial reconnaissance mapping of the Aumax showing and soil sampling above the showing on the 16th and 17th of June, 2004. Previous to this work, the access road to the Aumax showing was reopened with an excavator. This involved 19.5 hours work with a 325 Caterpillar excavator to clear boulders and two small slides blocking the road.

Thirty-one soil samples were taken at 10 metre intervals from 30 to 60 cm. depth in a well developed "B" horizon on the 1675 metre asl contour line starting at 566,487 m E, 5,602,023 m N and proceeding northeast (Fig. 3). This line was run approximately 200 metres upslope to the southeast of the main Aumax showing.

Structural mapping was carried out in the area of the Aumax showings which shows the main showing is at the junction of four faults and that the 1999 trenching did not test the main north-south structure or a mineralized east-west structure (Fig. 3).

A two person crew was mobilized by helicopter to the Upper Zone on the property August 9, 2004 and demobilized August 13, 2004. A grid controlled soil geochemical sampling survey was carried out over the Upper Zone. A base line was run due north 300 metres from 567,300 m E 5,601,370 m N. Samples were taken at 10 metre intervals on the base line and seven east-west lines run from 567,150 m E to 567,350 m E (except 1620: 250-350 m E) at 50 metre intervals from 5,601,370 m N to 5,601,620 m N. Samples were taken at 20 to 40 cm. depth from a poorly developed "B" soil horizon with fragments greater than two cm. sorted out. Grid, soil and rock sample locations and some geological information are shown on Fig. 4. A trench was excavated to bedrock by hand immediately upslope of the site of the soil sample containing 4560 ppb gold from the 1998 sample. Six chip samples were taken across the exposed fault zone (Appendix B). Geological and structural mapping were carried out in the grid area.

Interpretation and Conclusions

The soil geochemical line run upslope from the Aumax showing returned some weakly anomalous values in gold, up to 72 ppb Au, and arsenic, up to 984 ppm (Appendix C). These values, and the lack of anomalous values for other elements, especially silver, imply that there are no highly mineralized zones under or immediately upslope from the soil line. Geological mapping shows that the area where most of the mineralized boulders were excavated in 1999 is at the junction of four fault zones. The soil line and the geological information indicate that the mineralization did not come from upslope but from the area of the fault junctions where the mineralized boulders were excavated. Tr-99-02 did not reach outcrop in its north end where the main north-south fault is projected to be. This area is probably the source of the mineralized boulders and should be trenched to bedrock so the fault can be mapped and sampled (Fig. 3).

Two hundred metres northeast mapping shows that TR-99-03 did not test a major east-west mineralized structure. This structure should be trenched to bedrock, sampled and mapped.

The soil grid sampled on the Upper showing returned highly anomalous values in gold to 3.82 g/t, silver to 16.2 g/t and arsenic greater than 1%. These anomalous sample outlined a discreet area, 100 metres by 200 metres, of highly anomalous gold, silver and arsenic values (Fig. 4). This area trends northwesterly and overlies a number of fault zones trending 150° and dipping vertically. These fault zones are variably silicified and sericitized and are in andesitic volcanic host rocks in the area of the soil grid. Pyrite and minor arsenopyrite are seen in the faults. The anomaly is obscured by the remnants of a lateral moraine to the northwest but the structures can be seen continuing at least 500 metres to the southeast.

Chip samples in Trench # 1 did not return any values of economic interest, and no values high enough to explain the very high gold values in soil samples a few metres away. It must be concluded that the mineralization manifested by the very high gold values in soil has not been exposed. Further trenching is strongly recommended, either with a focused program of helicopter supported hand trenching or using a helicopter portable excavator, to expose and sample the mineralized fault zones (Fig. 4). In conjunction with this work, the southeastern extension of the mineralized structure should be prospected, sampled and mapped in detail.

The recommended work programs should take two weeks to complete and are estimated to cost \$22,000.

Respectfully submitted,

References

Pickett, J. W., 2002, Technical Report on the Aumax Property, for Avino Silver & Gold Mines Ltd.

Appendix A
Cost Statement

Appendix A: Cost Statement

Aumax Showing

Excavator (CAT 325): 19.5 hours @ \$120/hr	\$2,340
Mob/demob	400
Geologist (D. Dunn) 15-17/6/04 @ \$500/day	1,500
Expenses (R+B, Truck rental, fuel etc.)	754
Technician (R. Polischuk) 16/6/04 @ \$325/day	325
Assays (31 soils, 9 rocks)	843

Upper Zone

Helicopter (Caribou-Chilcotin) 1.4 hours @ ~ \$1,080/hr	1,511
Geologist (D. Dunn) 9-13/8/04 @ \$500/day	2,500
Technician (A. Barrett) 9-13/8/04 @ \$250/day	1,250
Expenses (Food, transportation, expendables)	433
Assays (136 soils, 7 rocks)	3,114

Report Preparation 2,500

Total Costs **\$17,470**

Appendix B

Sample Descriptions

Appendix B: Sample Descriptions

Aumax Showing

Sample 198855 (566,551 m E, 5,607,551 m N)– Flt. 0.5 m diameter (dia) felsic dyke w/ 5% su. Silvery grey metallic. Tetrahedrite? Multiple < cobbles in road cut. Top layer of slope w/sulphides is rubble, not glacial till.

Sample 198856 same location 198855 – Flt. 0.3 m dia silicified sediment w/ 1% py + fine silvery metallic.

Sample 198857 Grab in roadcut. Andesite w/ 1% py + qtz str S 0° D 28° E every 10-30 cm.

Sample 198858 (565,768 m E, 5,602,923 m N) Grab. Very rusty foliated o/c.

Sample 198859 (566,036 m E, 5,602,395 m N) Grab. And. w/ qtz str S 120° D 70° S.

Sample 198860 (566,233 m E, 5,602,395 m N) Grab. Strongly carb. Alt. + sil. Phyllite. S 88° D 70° S.

Sample 198861 (566,178 m E, 5,602,182 m N) 1.2 m chip across sil. Shear zone w/ 1% py S 65° D 80° N in phyllite on strike TR-99-01 + 02.

Sample 198862 (566,377 m E, 5,662,403 m N) 1.2 m chip of shear zone in phyllite w/ str carb alt. S 52° D 80° N. Minor py.

Sample 198863 (566,480 m E, 5,662,401 m N) 1.5 m chip of qtz vn. Footwall of 5 m wide shear zone S 32° D 65° N in phyllite.

Upper Zone

Sample 68801 (567,297 m E, 5,601,395 m N) 1.5 m chip of qtz vn. Minor FeOx. S 165° D 80° W.

Sample 68802 (567,232 m E, 5,601,531 m N) 1.0 m chip Tr # 1 E-W from E end. Silicified, schistose andesite tuff. V. minor grey metallic. Aspy? Schistosity + s of Fr. S 165° D 70° W.

Sample 68803 Tr # 1 W of 02. 1.0 m chip And. alt. to serp.

Sample 68804 Tr # 1 W of 03. 1.0 m chip. Serp. And. ++ Ca CO₃.

Sample 68805 Tr # 1 W of 04. 1.0 m chip. Chlorite, sericite, minor antigorite, py.

Sample 68806 Tr # 1 W of 05. 1.0 m chip. Chlorite, sericite schist, minor py.

Sample 68807 Tr # 1 W of 06. 1.0 m chip And. w/ carb. Minor talc, v. minor py.

Appendix C

Assay Results and Assay Procedure

Appendix D

Author's Statement of Qualifications

Statement of Qualifications

I, David St. Clair Dunn, Professional Geoscientist, with a business address of 1154 Marine Drive, Gibsons, B.C., Canada, certify that:

1. I am a graduate of the University of British Columbia, Vancouver, B.C. and hold a degree of Bachelor of Science in Geology.
2. I have practiced my profession as a prospector and geologist for 35 years.
3. I am registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of the Province of British Columbia (Reg. # 18,479). I am a Fellow of the Geological Association of Canada and a member of the Association of Exploration Geochemists, the Canadian Institute of Mining, Metallurgy and Petroleum, the Honorary Advisory Board to the B.C. and Yukon Chamber of Mines, the Society of Economic Geologists and the Mining Exploration Group. I am the qualified persons for the purposes of National Instrument 43-101 in reference to this report.
4. I directly supervised the 2004 geochemical surveying and trenching programs on the Aumax Property.
5. I am the sole author of this report.
6. I am not aware of any material fact or material change from the information in this report that would make the report misleading.
7. I consent to the use of this report for the purpose of a private or public financing.

Signed:

