

Exploration of the Bunker Hill Mine Project, near Kellogg, Idaho for Lead, Silver, and Zinc

Prepared for:

**Azteca Gold Corporation, Inc.
Suite 315, 8921 N. Indian Trail Rd
Spokane WA, U.S.A., 99208**

Prepared by:

**Edward Brennan, Consulting Geologist
2/62 Cordelia St. South Brisbane Qld 4101 Australia
PO Box 874 Spring Hill Qld 4004 Australia
Phone: (61) (07) 38444052
Email: eedwardb@bigpond.net.au**

**Nicole Preuss, Geology Manager
4207 E. Rowan Ave
Spokane, WA 99217
Phone: 509-714-6126
Email: npreuss@m2tsi.com**

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1.0 SUMMARY

This report provides a summary of the physical setting, geology, and mining history of the Bunker Hill Mine Project and provides recommendations for exploration. The report was prepared at the request of Azteca Gold Corporation, Inc. so as to conform to National Instrument 43-101.

The Bunker Hill Mine Project is situated in the Coeur d'Alene Mining District, Shoshone County, Idaho. The main host rocks for the deposit are quartzites of the Revett Formation of the Ravalli Group. There are 3 main ore types, Bluebird, Jersey, and Hybrid. All ore types contain varying amounts of lead, silver, and zinc.

It is recommended that surface and underground diamond core drilling, geochemical rock chip sampling, and an assessment of the historical mining data be undertaken.

2.0 INTRODUCTION AND TERMS OF REFERENCE

This technical report has been prepared at the request of Azteca Gold Corporation, Inc., an entity with offices at Suite 315, 8921 North Indian Trail Road, Spokane WA, U.S.A., 99208. Azteca Gold Corporation Inc is a publicly traded corporation in Canada (AZG.V on the TSX-V), and has been in business since December 1, 2006.

The report concerns the Bunker Hill Mine Project near Kellogg, Idaho, U.S.A.

The report reviews the ownership of the Bunker Hill Mine Project, previous mining operations, the onsite infrastructure, and the geology and mineralization at Bunker Hill. **Much of the documentation from previous mining operations and exploration programs, however, is not available.** This Technical Report is based on third party reports, published reports made by persons and entities cited below, and by field examination of the Bunker Hill Mine Project.

On May 10, 2007 Nicole Preuss toured the accessible underground portion of the Bunker Hill Mine, with the Vendor and others. The Kellogg Tunnel and the immediate service areas adjacent to it appeared to be in good to fair working order. Access to the ore faces or any working tunnels was not granted.

On May 21, 2007 Ted Brennan and Nicole Preuss met with the Vendor of the New Bunker Hill Mine. **The Vendor showed the location where cross sections and mine level maps were stored in the Bunker Hill mine office. The author was not allowed to thoroughly examine any cross sections or maps of the mine. Nor was the author allowed to remove cross section or maps for closer evaluation. Some of the documents that were discussed during the meeting were released to the authors via the Vendor's attorney, and have been used to compile this report.** The Vendor has not reviewed this report for accuracy.

Most of the information about the property and surrounding areas are given in United States terms and units although metric units are also used at times. References to currency are always in United States dollars.

The Bunker Hill Mine Project is situated within the Coeur d'Alene mining district, Shoshone County, Idaho. While Bunker Hill is a historical mining operation, it has been out of production

for some time and for the purposes of this report will be considered an exploration property. The property contains lead, silver, and zinc mineralization.

3.0 RELIANCE ON OTHER EXPERTS

The author has relied to some extent on geological, engineering, metallurgical, legal, environmental and other reports and documents completed by others, as well as opinions from other persons. Some of these persons are not “qualified” in the terms of the definition of NI 43-101. This report draws substantially on a report by Cominco Engineering Services LTD, September 1989, An Economic Evaluation of the Bunker Hill Operation of Bunker Hill Mining Co. (U.S.) Inc., 24p.; a report by Russell, R. L., July 1984, Plan for Re-establishing Production at the Bunker Hill Mine, Review of Bunker Limited Partnership Consensus Plan, 94p.; a book by Aiken, K. G., 2005, Idaho’s Bunker Hill The Rise and Fall of a Great Mining Company, 1885-1981, University of Oklahoma Press, 284 p. Information was also drawn from Bennett, E. H. & Venkatakrishnan, R., 1982, A Palinspastic Reconstruction of the Coeur d’Alene Mining District Based on Ore Deposits and Structural Data, Economic Geology, V. 77, pp1851-1866; Leach, D. L., Landis G. P., & Hofstra, A. H., 1988, Metamorphic origin of the Coeur d’Alene base – and precious-metal veins in the Belt basin, Idaho and Montana, Geology, V. 16, pp. 122-125; and Meyer, R. L., 1981, Geology of the Bunker Hill Mine, a brief description, Internal Bunker Hill document, 5p. Additionally, this technical report draws on information derived from personal communications with the current owner and Dwight Juras. Some of the opinions expressed in this report are those of others persons and if so are cited.

4.0 PROPERTY DESCRIPTION AND LOCATION

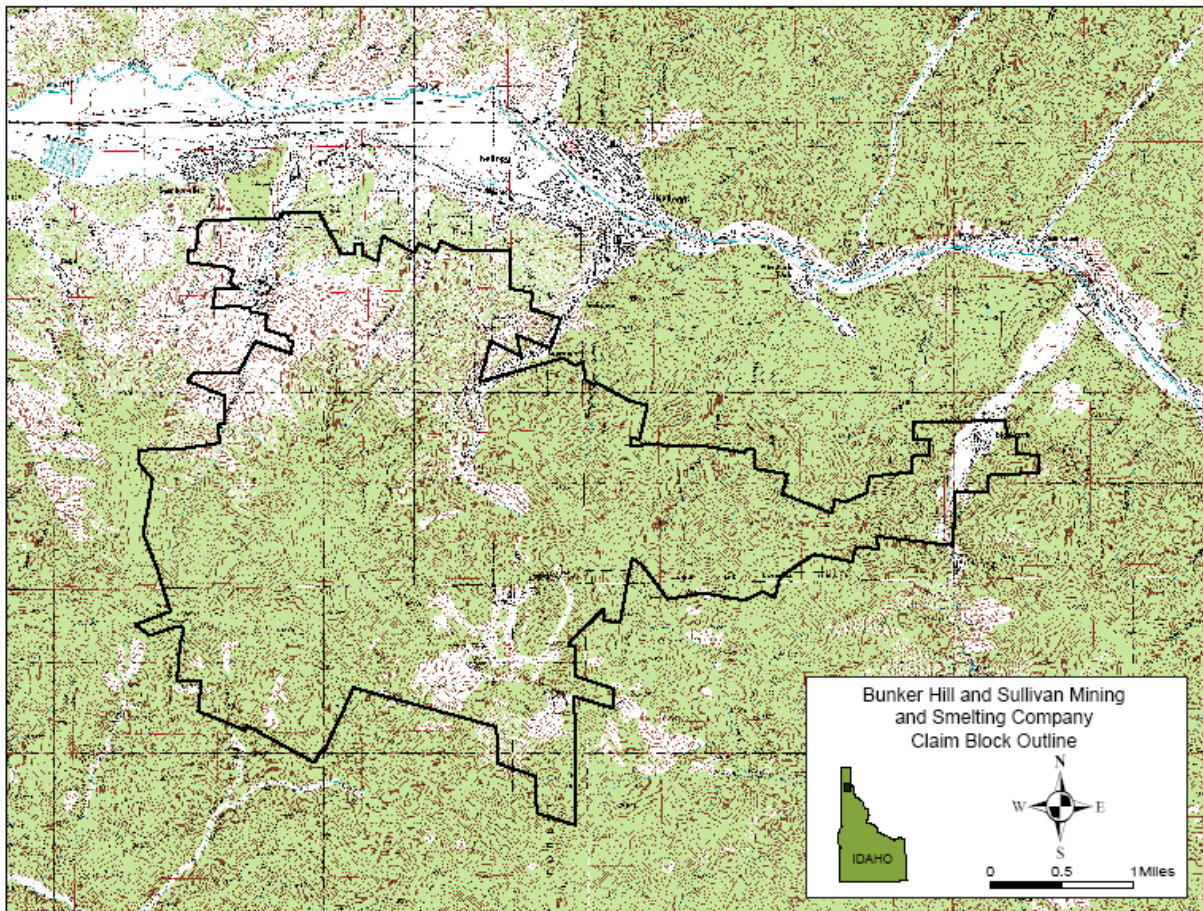
Azteca Gold Corporation is entering into an option to purchase 100% of the Bunker Hill property. The details of this transaction are currently being negotiated. The Bunker Hill Mine is comprised of 518 mining claims. The claims are located in numerous sections of six different Townships and Ranges. Figure 1, below lists the Township, Range and Sections associated with the Bunker Hill Mine. A detailed list of the mine claims including Parcel, Survey Number, Name, and Locations, along with other information is located in Appendix A. The information in Appendix A was acquired from the Shoshone County Assessor’s Office in Wallace, Idaho. Figure 2 is an outline of the mine claim block as it was when the Bunker Hill & Sullivan Mining and Smelting Company owned the property. The Vendor presented this outline map to Azteca Gold Corporation as an example of what is owned by the New Bunker Hill Company, but the Vendor did not confirm its accuracy. It has been overlaid on the area topography. Azteca has not physically surveyed the property and is relying on the map presented by the current owner, and a title opinion conducted on behalf of Azteca Gold Corporation by Evans, Keane Attorneys At Law, Kellogg, Idaho.

A map showing the location of surface facilities was provided by the Vendor, but is out of date, unreadable, and missing a scale bar, and would therefore be misleading to present in this report. Once access is granted to the property an up-to-date map showing all the current surface facilities will be developed.

Figure 1: List of Townships, Ranges, and Sections associated with the Bunker Hill Mine.

Township	Range	Sections
47 N	3 E	1, 2,3
48 N	2 E	1,2,3,10,11,12,14,15,22,23,24,25,26,35
48 N	3 E	3,6,7,8,10,13,15,16,17,18,19,20,29,30
49 N	2 E	23,26,34
49 N	5 E	30
50 N	5 E	31

Figure 2: Claim block outline of the property owned by the Bunker Hill & Sullivan Mining & Smelting Company.



Azteca Gold Corporation is not aware of any royalties, back-in rights payments, or other agreements and encumbrances to which the Bunker Hill property is subject. The EPA is currently in litigation with the current owners of the Bunker Hill Mine, in the U.S. District Court in Idaho. In that litigation the EPA is seeking recovery of past CERCLA response costs

estimated to be approximately \$24 million, as well as specific performance of various remedial actions that they have mandated in the past. Azteca is currently in discussions with the EPA in respect to limiting their future obligations and potential liability should they take title of the Bunker Hill property.

Azteca Gold Corporation has not applied for any drilling permits at this time. Prior to beginning drilling activities Azteca will receive approval of any required permits from the governing agency(s) with jurisdiction over the Bunker Hill property.

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

The Bunker Hill Mine Project is located at Kellogg, Idaho within the Coeur d'Alene mining district, Shoshone County, Idaho. The area is accessed from Spokane, Washington via Interstate 90 east, to the 50 exit.

The Bunker Hill Mine Project is in a sub-alpine area with average annual rainfall of approximately 25 inches and average annual snowfall of approximately 48 inches. Summers are generally dry and warm while winter can bring heavy accumulations of snow in the mountains. The climate is favorable for year-round mining operations.

The closest major airports to the Bunker Hill Mine Project are in Spokane, Washington (32 miles west of Coeur d'Alene on I-90) and Missoula, Montana (108 miles east of Lookout Pass on I-90). Necessary supplies, equipment, and services to carry out exploration and mine development projects are available in Kellogg, Wallace, Mullan, Coeur d'Alene, and Wardner, Idaho, as well as Spokane, Washington. A trained mining workforce is available in the above mentioned communities.

6.0 HISTORY

The actual discovery of the Bunker Hill mining claim is unclear and surrounded in legend. The official claim notice was filed September 10, 1885 by Phillip O'Rourke and Noah Kellogg. A dispute was filed in court and First District Judge Norman Buck ruled that J. T. Cooper and O. O. Peck would each receive an eighth of Bunker Hill for providing the original grub stake money used to locate the claim. This decision was appealed, but ultimately upheld by the Supreme Court in February 1887. (Aiken, 2005)

And On July 29, 1887 S.G. Reed, M. Winch, & N. Kellogg purchased the mining claims and mill and incorporated the Bunker Hill and Sullivan Mining and Concentrating Company (BHSMC). Numerous improvements were made in mining, milling and transportation processes during the earlier years of the mine. This increased use of technology, such as the introduction of machine drills to increase productivity of mining and a tramway for transporting ore from the mine to the mill, brought about worker unrest. Local unions viewed these changes as a way for the company to decrease the size and skill level of the workforce, and thus decrease the pay of the miners (Aiken, 2005). The over 12,000 foot long, Kellogg Tunnel was completed in late 1903 linking all the mines and giving access to new ore bodies.

On March 10, 1904 the March ore body was discovered and ensured Bunker Hill reserves well into the twentieth century. In an effort to again increase the productivity at the mine West Mill No.1 and West Mill No.2 were opened in 1909 and 1912, respectively. On September 23, 1915 the BHSMC Company announced that a smelter would be built in Kellogg, Idaho and on July 5, 1917 smelting operations began. “The addition of the lead smelter put Bunker Hill in an elite group of mining concerns that had the ability to process their own mine production and position the company for greater integration during the pro-business 1920s.” (Aiken, 2005)

Between 1917 and 1949 the Bunker Hill and Sullivan Mining and Concentrating Company weathered two World Wars, the Great Depression, and the worker unrest associated with this time period. Its continued efforts to increase technological advances in mining and milling processes and the discovery of the Shea ore body set Bunker Hill on a road of expansion.

During the 1950s and 1960s the company focus was on diversifying the activities of BHSMC to better withstand the volatility of the metals market. The acquisition of a fabrication plant, lead and zinc chemical plant, and numerous options on metals properties throughout North and South America lead the company to change its name to the Bunker Hill Company in 1956, as a symbol of this new diversification. In 1968, Gulf Resources and Chemical Corporation merged with the Bunker Hill Company, ending the 81 years of Bunker Hill as an independent company. (Aiken, 2005)

With the 1970s came a new level of environmental awareness that would eventually close the Bunker Hill Mine. In 1980 revised OSHA regulations required Bunker Hill make engineering changes to contend with lead in the workplace. They were no longer allowed to rely on respirators to protect the employees. In June, 1980 the U.S. Court of Appeals for the District of Columbia affirmed the EPA ambient air quality standard for lead of 1.5 micrograms. The cost to upgrade the aging plant and smelter facilities to meet the new EPA regulation ultimately caused the closure of the mine in 1981. (Aiken, 2005)

In 1982 the Bunker Hill Company was sold to Bunker Limited Partnership. In 1984, a report by Robert Russell was prepared to address the viability of restarting the mine. This report concluded that by placing a set of 12 stopes in close proximity to each other as well as the No. 1 and No. 2 Shafts into production a viable operation would result. Improvements in mining and grade control practices were forecasted to increase the ore recovery in the Quill ore body by 11% over what recovery have been in the same stope in 1981. Mr. Russell stated that ore grade for the first year of production was expected to be 3.08% Lead, 1.74 oz. Silver, and 5.60% Zinc.

The Bunker Limited Partnership continued to operate until 1991 when the partnership filed for bankruptcy. In 1992, the Placer Mining Company was transferred the mineral rights to Bunker Hill. The operation was subsequently renamed the New Bunker Hill Mining Company. While under the current owner’s guidance the mine has been on care and maintenance. Underground railways, shops, electrical wiring, and water pumps along the Kellogg Tunnel and associated areas are in good to fair working order. The upper hoist and shaft equipment is in operating and usable condition. The condition of the mine beyond the immediate service level is unknown but is reported by the Vendor to be in good condition. All levels below the 11 level are currently

flooded. Periodic pumping and inspection of the 13 level indicated the flooded areas are in usable condition.

In March, 2007 Azteca Gold Corporation signed a letter of intent to acquire an option on the Bunker Hill Mine. The Environmental Protection Agency has stated recently that Azteca Gold will not be held liable for any prior environmental violation and cleanup. Also, they have indicated that the Bunker Hill Mine will be removed from the Superfund list. Pintlar Incorporated, a subsidiary of Gulf Resources and Chemical and the consulting firm CH2MHill are responsible for EPA Superfund cleanup of the smelter site.

The author, as the Qualified Person, has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, in accordance with the 43-101 requirements. All references to historical mineral resources or historical mineral reserves of this report will be in *quotes and italicized*, to indicate that these terms are taken directly from historical reports and are not intended to imply current mineral resources or current mineral reserves as defined by the 43-101 instrument.

The following information is from the Meyers report, pages BHM00075 – BHM00093, which is a compilation of internal documents provided to Azteca Gold Corporation by the current owner’s attorney.

In 1982, “*reserve calculations*” were defined as follows:

“Proven Ore: *The term “proven ore” means a body of ore so extensively sampled that the risk of failure in continuity of the ore in such body is reduced to a minimum.”*

“Probable Ore: *The term “probable ore” means ore as to which the risk of failure in continuity is greater than for proven ore, but as to which there is sufficient warrant for assuming continuity of the ore.”*

“Possible Ore: *This category is confined to intervening blocks between maximum limits of Proven-Probable ore between levels, and as a limited continuity beyond blind Proven-Probable Reserves, for which a volume and grade can be assigned. Possible ore is not to be considered a part of the reserves that truly exist, but serve to point up necessary development which should add to actual reserves.”*

These are very limiting parameters with which to define an ore body, but this was the historical practice at Bunker Hill. The “*ore reserves*”, as of January 1982, for all ore bodies are in Figure 4.

Figure 4: 1982 Bunker Hill total ore reserves.

Category	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“ <i>Proven</i> ”	1,367,067	2.68	1.61	4.06
“ <i>Probable</i> ”	1,163,705	2.42	1.44	3.83
“ <i>Possible</i> ”	1,360,018	2.30	1.37	3.87
Total	3,890,790	2.47	1.48	3.93

Two of the ore bodies of current interests are the Quill and Newgard. These ore bodies are mainly in areas of the mine above the flooded levels and would be readily accessible. The Quill and Newgard ore body “reserves” from 1982 are shown in Figures 5 and 6.

Figure 5: 1982 Quill ore body “reserves”.

Quill Ore	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“Proven & Probable”	890,644	2.34	1.31	4.65
“Possible”	414,958	2.10	1.22	4.41
Total	1,305,602	2.26	1.28	4.57

Figure 6: 1982 Newgard ore body reserves.

Newgard Ore	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“Proven & Probable”	663,189	1.23	0.68	3.26
“Possible”	199,515	1.20	0.65	2.89
Total	862,704	1.23	0.67	3.18

Robert Russell states in his 1984 report (Plan for re-establishing productions at the Bunker Hill Mine) that “*ore reserve estimation and record keeping at Bunker Hill differ from the standard practice.*” He goes on to state, “Reserves at Bunker Hill are an inventory of potential mineable blocks. The blocks are based upon a simple set of vertically limiting rules for projection upward from the top mining floor and/or downward from the sill floor of each stope.” It was his opinion that the definition used for *proven, probable, and possible reserves* was conservative. The vertical limiting factors applied to define those categories are stated below.

- Ore Above** 0’ – 25’ Vertical – “Proven”
 25’ – 50’ Vertical – “Probable”
 50’ – 100’ Vertical – “Possible”
- Ore Below** 0’ – 50’ Vertical – “Probable”
 50’ – 100’ Vertical – “Possible”

Figure 7 show the “ore reserve” summary developed by Robert Russell in 1984. He states that a “review of the geology and ore projections in known blocks revealed a high degree of probability that more ore exists in several active areas.” In his opinion historical “ore reserve” estimates were conservative. From that review he defined 353,000 tons of “inferred” ore. Figure 7 is a compilation of the data developed by R. Russell in 1984.

Figure 7: 1984 Bunker Hill total “*ore reserves*” compiled from information in R. Russell report.

Category	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“ <i>Proven</i> ”	554,000	3.06	1.73	5.65
“ <i>Probable</i> ”	343,000	2.94	1.66	5.69
“ <i>Possible</i> ”	320,750	2.45	1.40	5.86
“ <i>Drill Indicated</i> ”	934,000	1.58	0.83	7.72
“ <i>Inferred</i> ”	353,000	1.96	1.12	7.82
Total	2,504,750	2.26	1.26	6.76

The 1989 report by Cominco Engineering Services LTD. (CESL) stated the “*ore reserve*” calculation, done by the Bunker Hill staff, considered only “crown and still pillars, and unmined portions of stope blocks”. Furthermore, the 1988 calculations used restrictive guidelines to define “*Proven*”, “*Probable*”, and “*Possible reserves*”. The historical definitions used in 1988 for Bunker Hill “*reserves*” are as follows:

“*Proven Ore:* where exposed on one side, as by drifting, or “*blind*” stoping, is considered proven for a vertical distance upward or downward of 50 feet.”

“*Probable Ore:* is presumed to extend upward or downward beyond the completely sampled section a distance of one-half the distance to the next level (normal level interval 200 feet) but the total of Proven plus Probable ore will not exceed a vertical distance of 100 feet upward or downward from the sampled section.”

“*Possible Ore:* is presumed to extend upward or downward beyond the limits of the Proven and Probable Blocks for 100 feet. “

Using these limiting definitions a 7,336,900 ton ore body was defined. The average ore grades were 2.85% Lead, 1.58 oz. Silver, and 4.95% Zinc. Figure 8 shows each type of reserve. Cominco Engineering Services stated that the “*reserve audit consisted of a review of Bunker Hill ore reserve calculation methodology and an evaluation of the geological credibility of each ore block. With minor exceptions, all ore reserve blocks are believed to be reasonable as presented.*”

Figure 8: 1988 “*ore reserve*” from as calculated by Bunker Hill staff.

Category	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“ <i>Proven</i> ”	2,949,500	3.01	1.71	4.74
“ <i>Probable</i> ”	1,803,200	2.61	1.43	5.02
“ <i>Possible</i> ”	2,584,200	2.84	1.55	5.14
Total	7,336,900	2.85	1.58	4.95

It was the opinion of CESL that “*ore reserve*” calculation at Bunker Hill “primarily rank reserves on their relative availability for mining rather than strictly on the relative levels of certainty of the assigned tonnages and grades.”

Cominco Engineering Services LTD defined their interpretation of “*ore reserves*” as having “been ranked specifically with respect to the relative level of certainty of assigned tonnages and grades.” The CESL definitions for ore reserves are as follows:

“Proven (Most Assured): *Blocks of ore, for the most part pillars and remnants, that are bounded top and bottom by previously mined areas, i.e., can be considered to have been exposed on two sides.*”

“Probable: *Ore blocks that are bounded by previous development only on the top or bottom, i.e., can be considered to have been exposed only one side.*”

“Possible (Least Assured): *These reserves by definition require no substantial proof of existence and therefore this category has not been altered from the Bunker Hill usage.*”

“Drill Indicated: *ore-grade mineralization on the Quill-Newgard area that has been encountered principally in drill holes.*”

With the redistribution of “*ore reserves*” and the addition of “*Drill Indicated*” ore another 1,582,000 tons could be added to the “*reserve*”, thereby increasing the total to 8,941,600 tons. Figure 9 shows each type of reserve as defined by CESL. The “*Drill Indicated*” ore comes from approximately 20 drill holes that intercepted mineralization. It was CESL’s opinion that the intercepts represented a real and continuous mineralized zone.

Figure 9: Redistributed “*ore reserves*” as defined by Cominco Engineering Services, LTD from the 1989 CESL report. Note the asterisk (*) under Silver Total is the average grade excluding drill indicated reserves.

Category	Tonnage	Lead (%)	Silver (oz.)	Zinc (%)
“ <i>Proven</i> ”	1,457,600	3.44	2.00	5.96
“ <i>Probable</i> ”	3,212,000	2.61	1.43	4.58
“ <i>Possible</i> ”	2,690,000	2.65	1.44	4.85
“ <i>Drill Indicated</i> ”	1,582,000	1.13	N/A	5.64
Total	8,941,600	2.50	1.58*	5.07

A company document titled “Mine Resources – Jul. 2001” discusses the tonnage and grade associated with the Sweeny Area of the mine. This document reviewed the previously submitted reports on the Sweeny Area and recalculated the contained ore, excluding any previously mined areas. The report determined that there were 36,000,000 tons of ore remaining above the Sweeny Level (Bunker Hill Mine Level 5). The average grades for “*resources*” above the Sweeny Level were 2.68% Lead, 1.02 oz. Silver, and 0.67% Zinc (Fig. 10). The document states: “*The ore resource calculation . . . relate to selected areas of the total Sweeny Area (Ore*

Zone) and do not reflect the full potential ore resource of the Sweeny Area.” Further geologic study of this area is warranted, and should be a major focus of future evaluations.

The “Mine Resources - Jul. 2001” document also discussed the area below the Sweeny Level. Approximately 5,000,000 tons were defined with an average grade of 3.04% Lead, 1.13 oz. Silver, and 0.83% zinc (Fig. 10). The document states: “*There is limited documentation available to the author in regard to this aspect of the ore resource tonnage. A more detailed study could result in a much higher resource tonnage.*” This statement is important because it indicates the deposit remains open at depth as historic mining operations did not go below about 1500 meters. Other mines in the area that mine the same structure are currently mining at depths exceeding 2700 meters.

Figure 10: Summary of Sweeny Area “ore resources”.

Sweeny Area Resource	Tons	Lead (%)	Silver (oz.)	Zinc (%)
Above Sweeny Level (BH Level 5)	36,000,000	2.68	1.02	0.67
Below Sweeny Level (BH Level 5)	5,000,000	3.04	1.13	0.83
TOTAL RESOURCE	41,000,000	2.72	1.03	0.69

7.0 GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

The Bunker Hill Mine Project is situated in the Coeur d’Alene Mining District of northern Idaho. The district lies within the Middle Proterozoic depositional basin of the Belt Supergroup which is a thick sequence of metasedimentary rocks, primarily quartzites, argillites, and minor carbonates. The Belt Supergroup is divided into four major stratigraphic intervals: the Lower Belt, the Ravalli Group, the middle Belt, and the Missoula Group. The Ravalli Group is the primary rock sequence in the area and is comprised of the Burke, Revett, and St. Regis Formations.

The Coeur d’Alene Mining District is situated at the western end of the Lewis and Clark Shear Zone. This shear zone is several kilometers wide in Idaho and represents a major crustal flaw (Bennett and Venkatakrisnan, 1982; Leach, et al., 1988). Precious- and base-metal deposits occur throughout the Lewis and Clark Shear Zone (Leach, et al. 1988). The district is bounded by the Thompson Pass fault to the north and the Placer Creek fault to the south. The Osburn fault bisects the district. According to Leach, et al. (1988) large, steeply plunging isoclinal folds and cleavage in the district developed in response to strike slip movement within the Lewis and Clark Shear Zone.

The deposits are primarily veins in the Belt Supergroup (Leach, et al., 1998). The mines in the district exploit ore in the steeply dipping veins (Bennett and Venkatakrisnan, 1982).

7.2 LOCAL GEOLOGY

The Bunker Hill Mine Project is located at Kellogg, Idaho, near the south fork of the Coeur d’Alene River, within the Page-Galena mineral belt. Its ore bodies occur within the Ravalli

Group of the Belt Supergroup (Meyer, 1981). According to White and Winston (1982) near the Bunker Hill Mine Project the Revett Formation consists of three main rock types: vitreous quartzite, sericitic quartzite, and siltite-argillite.

Several structural features are present within the Bunker Hill Mine Project. The Osburn Fault to the north places the Prichard Formation next to the mine formations (Meyer, 1981). The property is bounded to the east by the Alhambra thrust fault (Meyer, 1981). The Bunker Hill Mine Project lies just to the north of the Tyler Ridge anticline (Juras, 1982). The Cate fault, a strong shear zone, is sub-parallel to the Tyler Ridge anticline (Meyer, 1981; Juras, 1982).

According to Meyer (1981) ore bodies within the Bunker Hill Mine Project can be grouped into three different types. “Bluebird” ore is characterized by mineralogy consisting of sphalerite and galena (sphalerite in excess of galena) with variable amounts of pyrite (Meyer, 1981). The gangue minerals are bluish-clear quartz along with some siderite.

“Jersey” type ore bodies consist principally of veins containing galena with lesser amounts of sphalerite, chalcopyrite, and tetrahedrite (Meyer, 1981). These veins are referred to as “link” veins as they appear to extend between and have a structural relationship with the Cate fault and the Dull fault (Meyer, 1981; Juras, 1982). Gangue minerals are primarily white quartz and some siderite (Meyer, 1981).

A third type of ore body important to past production in the Bunker Hill Mine is also structurally controlled (Meyer, 1981). These ore bodies are zones of brecciation associated with junctions of major faults. Meyer (1981) suggests that recurrent shattering was accompanied by pulses of sulfide-carbonate replacement.

The Vendor provided a copy of a mine level map. A section of the middle of the map is missing from the copied document, and no north arrow is shown on the map, thus making this item incomplete. Also the copy does not give a clear indication of its location in the mine. Without a complete copy and an exact location, it would be misleading to include the document in this report. Once access is granted to the historical records and an evaluation of existing sections and plan levels will be completed.

8.0 DEPOSIT TYPE

The Coeur d’Alene Mining District is situated at the western end of the Lewis and Clark Shear Zone. (Bennett and Venkatakrishnan, 1982; Leach, et al., 1988). Precious metal and base-metal deposits occur throughout the Lewis and Clark Shear Zone (Leach, et al. 1988). The deposits are primarily veins in the Belt Supergroup (Leach, et al., 1998), and mines in the district exploit ore in the steeply dipping veins (Bennett and Venkatakrishnan, 1982).

The Bunker Hill Mine Project is a lead, silver, zinc deposit that is in shear-hosted vein structures along the south end of the Coeur d’Alene Mining District.

9.0 MINERALIZATION

According to Meyer (1981) ore bodies within the Bunker Hill Mine Project can be grouped into three different types. “Bluebird” ore is characterized mineralogically by sphalerite and galena

and variable amounts of pyrite. Gangue minerals are bluish clear quartz and siderite. This ore is commonly localized in smaller parasitic folds, broken by reverse shears (Meyer, 1982).

In the footwall of the Cate fault are “link” veins. These quartz-sulfide vein fillings contain argentiferous galena with lesser sphalerite, chalcopyrite, and tetrahedrite. White quartz is the principle gangue mineral with some siderite. Original filling textures have been destroyed by post-ore shearing, resulting in development of steely and schistose galena which flow around boudins and rods of siderite and chalcopyrite (Meyer, 1981). This category of ore is referred to as “Jersey” type.

“Hybrid” ore bodies are multi-stage systems where “Bluebird” type fracture zones opened and brecciated and then where re-fractured and flooded by galena from the newly opened “link” veins. The galena penetrated and partially replaced the previous minerals and filled the remaining spaces. (Meyer, 1981)

No maps or sections showing the location of mineralized zones were provided by the Vendor. Once access is granted to the property an evaluation of existing maps and section will be completed.

10.0 EXPLORATION

To date, there has been no exploration activates conducted on the property by Azteca Gold Corporation, or its’ contractor. The Bunker Hill mine has been on care and maintenance since the current owner acquired the property in 1992.

11.0 DRILLING

Historic drilling locations will be confirmed where possible by searching mining records. Currently, there is no access to these records, but access is expected to be granted in the near future.

New diamond core drilling will be conducted from the surface. It is estimated that approximately 50,000 feet of core drilling will be conducted. Surface drilling will be done by a Boart Longyear LF-70 diamond core dill rig. Drilling will be conducted to confirm historically reported ore zones and to identify additional new ore bodies.

Orientation of drill holes will be identified once access is granted to the historical data. By gaining an understanding of the historical placement of drill holes and their relative success in finding ore, a more efficient drilling program can be developed.

12.0 SAMPLING METHOD AND APPROACH

The author does not have any documentation for sampling methods, recovery factors, or sample quality at this time. Once access is granted to the historical mine documents it is believed that past procedures and relevant details of location, density, size, etc. will become apparent. At this time there is no reason to question the reliability of historical data.

Any future sampling will be in compliance with standard industry best practice methods.

13.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

The author does not have any documentation for sample preparation, quality control measure, or security measures at this time. Once access is granted to the historical mine documents it is believed that past sample preparation, analytical procedures, and quality control measures will become apparent. At this time there is no reason to question the reliability of the historical data.

Any future sampling, analyses, and quality control activities will be in compliance with standard industry best practice methods.

14.0 DATA VERIFICATION

The author does not have any documentation on data verification at this time. Once access is granted to the historical mine documents a detailed analysis of the quality control measures, and the nature of any limitations in the data will be identified.

During the site visit by the author, no access was granted to underground areas where samples could be collected and geology verified. Once access is granted to these areas of the mine, a sampling program to verify historical data will be undertaken in accordance with standard industry best practice methods.

15.0 ADJACENT PROPERTIES

The following information is from Mitchell and Bennett's (1983) compilation of historic production in the Coeur d'Alene Mining District. **The information is not necessarily indicative of the mineralization on the Bunker Hill Mine Property.** Each property is hosted by the same rock formations, the Revett and St. Regis, and found within the Wardner sub-district. Figure 2 lists the production statistics from each of the properties in the Wardner sub-district of the Coeur d'Alene Mining District, excluding Bunker Hill. Figure 3 lists the production statistics from other properties hosted by the Revett and St. Regis Formations.

Figure 10: Production statistics for Wardner sub-district, excluding Bunker Hill production (compiled from Mitchell and Bennett, 1983).

Property	Tons Produced	Lead (lbs.)	Lead (%)	Silver (oz.)	Silver (oz/ton)	Zinc (lbs.)	Zinc (%)
Last Chance	2,845,356	432,477,581	7.60	8,611,079	3.03	N/A	N/A
Senator Stewart	1,041,814	150,925,283	7.24	6,610,160	6.34	323,888	0.02
Ontario	325,502	41,675,316	6.40	1,776,391	5.46	N/A	N/A
Sierra Nevada	289,450	38,811,872	6.70	1,314,667	4.54	55,485	0.01
Caledonia	263,182	66,775,589	12.69	8,092,307	30.75	N/A	N/A
Arizona	2,321	57,950	1.25	1,590	0.69	29,312	0.63
TOTAL	4,767,625	730,723,591	7.66	26,406,194	5.54	408,685	0.004

Figure 11: Production statistics from Coeur d’Alene Mining District properties hosted by the Revett and St. Regis Formations (compiled from Mitchell and Bennett, 1983).

Property	Tons Produced	Lead (lbs.)	Lead (%)	Silver (oz.)	Silver (oz/ton)	Zinc (lbs.)	Zinc (%)
Page Group	4,307,335	541,567,870	6.29	14,609,180	3.39	543,559,226	6.31
Blackhawk	214,126	34,707,194	8.10	756,323	3.53	9,419,415	2.20
Crown Point	63,098	12,797,717	10.14	669,695	10.61	N/A	N/A
Alhambra	2,200	140,636	3.20	10,536	4.79	N/A	N/A
New Hilarity	879	44,311	2.52	661	0.75	70,362	4.00
Sunshine	9,800,584	139,671,091	0.71	294,659,890	30.07	8,432,646	0.04
Galena	3,872,524	20,354,814	0.26	95,092,611	24.56	1,474,465	0.02
Crescent	868,926	3,261,626	0.19	22,570,068	25.97	582,731	0.03
Polaris	320,783	3,682,340	0.57	7,368,759	22.97	29,718	0.005
Silver Summit	798,761	147,555	0.01	19,932,835	24.95	119,200	0.01
Coeur Unit	755,618	331,731	0.02	11,845,834	15.68	474,912	0.03
Mineral Point	440,779	127,162	0.01	5,859,581	13.29	N/A	N/A
Big Creek Silver	16,847	1,239,698	3.68	323,019	19.17	N/A	N/A
Argentine	401	4,238	0.53	4,132	10.30	N/A	N/A
Signal	248	18,265	3.68	251	1.01	20,206	4.07
TOTAL	21,463,109	758,096,248	1.77	473,703,375	22.07	564,182,881	1.31

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

If historical data is found to show previous mineral processing and metallurgical testing was completed, a discussion summarizing those activities will be forthcoming. Currently, a discussion is not applicable due to the inaccessibility of historic data.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

There are no current reserves or resources estimated at this time. Any new information gathered will be reported in compliance with NI 43-101 standards.

18.0 OTHER RELEVANT DATA AND INFORMATION

The library at the University of Idaho in Moscow has several Special Collections that contain historical documents from the Bunker Hill Mine. A list of these documents is contained in Appendix B. This data is readily accessible and a valuable resource of information pertaining to historic operations of the mine.

19.0 INTERPRETATIONS AND CONCLUSIONS

The Bunker Hill Project is in the early stages of due diligence. It is a historic lead, silver, zinc mine, in an active district where many other mines are currently operating. The completions of exploration activities will discuss the new information gathered and summarize the historic data.

20.0 RECOMMENDATIONS

Azteca Gold Corporation should implement three work programs; a drilling campaign, a geochemical rock chip sampling program, and an assessment of the historical data. All programs should be conducted concurrently. None of the three work programs are contingent upon the successful completion of any other work program.

The drilling campaign should consist of surface drilling to intersect historic ore zones and identify new ore body locations. Approximately 50,000 feet of diamond core drilling at an estimated cost of \$3.5 million. Additionally, an extensive underground geochemical rock chip sampling program of the stopes should be implemented to identify exposed ore zones. All safely accessible levels of the mine should be rock chip sampled to identify current ore locations, and a basic map of each area where samples were collected should be developed. The estimated cost for the rock chip sampling program would be \$2 million. An assessment of the historical data with regard to drill hole assays and locations, quality control measures, and the degree of data confidence should also be undertaken. Estimated cost of the historical data assessment would be \$1.5 million. This assessment should attempt to identify locations of previous sample collection and re-assess that same location. None of the data at Bunker Hill is electronically formatted. During the assessment of historical data all available information should be captured electronically, by either scanning or data entry. The estimated total cost for these programs is \$7 million. Figure 12 contains a breakdown of the estimated costs associated with the three work programs. The budget and timing of these activities may change once Azteca is granted access to the Bunker Hill property.

Figure 12: Work programs and associated cost estimates.

WORK PROGRAMS	
Drilling Campaign	
Total Footage	50,000 ft
Cost/Foot	\$50/ft
Mob/Demob Costs	\$50,000
Core Logging	\$350,000
Assaying	\$600,000
TOTAL COST	\$3,500,000
Geochemical Sampling	
Mapping/Surveying	\$1,200,000
Sample Collection	\$500,000
Assaying	\$300,000
TOTAL COST	\$2,000,000
Data Assessment	
Data Identification	\$200,000
Data Capture	\$900,000
Geologic Modeling	\$400,000
TOTAL COST	\$1,500,000

21.0 REFERENCES

Aiken, K. G., 2005, Idaho's Bunker Hill The Rise and Fall of a Great Mining Company, 1885-1981, University of Oklahoma Press, 284 p.

Bennett, E. H. & Venkatakrisnan, R., 1982, A Palinspastic Reconstruction of the Coeur d'Alene Mining District Based on Ore Deposits and Structural Data, *Economic Geology*, V. 77, pp1851-1866.

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Internal Company Report, Author unknown, *Mine Resources* Jul. – 2001.

Juras, D. S., 1982, Structure of the Bunker Hill Mine, Kellogg Idaho, Idaho Bureau of Mines and Geology, *Bulletin* 24, pp. 31-34.

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Meyer, R. L., 1981, Geology of the Bunker Hill Mine, a brief description, Internal Bunker Hill document, 5p.

Meyers, R.L., 1982, A bound copy of a compilation of various documents from the Vendor's Attorney. pp. BHM00075 – BHM00093.


Russell, R. L., July 1984, Plan for Re-establishing Production at the Bunker Hill Mine, Review of Bunker Limited Partnership Consensus Plan, 94p.

22.0 SIGNATURE AND DATE

I, Edward Brennan, hereby certify this report on the 12th day of July, 2007.



I, Nicole Preuss, hereby certify this report on this 12th day of July, 2007.



23.0 STATEMENT OF QUALIFICATIONS

Authors Certificate

I, Edward Brennan, of Brisbane, Australia, hereby certify:

- (1) I am a consulting geologist to Azteca Gold Corporation. My address is as follows:
Edward Brennan, Consulting Geologist
2-62 Cordelia St. South Brisbane Qld 4101 Australia
PO Box 874 Spring Hill Qld 4404 Australia
- (2) I have taken full responsibility for the technical report “Exploration of the Bunker Hill Mine Project, near Kellogg, Idaho for Lead, Silver, and Zinc.” Dated July 12, 2007.
- (3) I visited the property on May 21st, 2007, and had with me an engineer who is familiar with the area in Matt Russell. Also with me was geologist Nicole Preuss who assisted in the compilation of this report. I have had at my disposal the historical documents on the Bunker Hill Exploration Project that Azteca Gold Corporation currently has available.
- (4) I am a fellow of the Australasian Institute of Mining and Metallurgy and a member of the Canadian Institute of Mining and Metallurgy. I have been a member (of various grades) of these institutions since 1956. I was the Australasian Institute of Mining and Metallurgy’s representative of the JORC committee for 10 years and for seven of the 10 years I was Deputy Chairman.
- (5) I am a graduate of the University of New South Wales with a B. E. in Applied Geology in 1962.
- (6) I have practiced as a consulting geologist in Australia, North and South America, Papua New Guinea, Solomon Islands, Indonesia, Malaysia, Thailand, Myanmar, Portugal, Finland, with various minor assignments elsewhere in the world for a period of 35 years. Before consulting I was employed as a geologist and a trainee geologist by several companies for 15 years.
- (7) By means of education, expertise in the style of mineralization and geological setting of the potential area at the Bunker Hill Mine Project, I fully qualify to be a qualified person for the purpose of Canadian National Instrument 43-101.
- (8) I have had no prior knowledge of the Bunker Hill Exploration Project area although I have had previous experience with this type of deposit.

- (9) All material facts and information made available to me by the title holder have been included in this report and thus there is no material that could influence opinions of the property that is apparently available that is not included.
- (10) In every respect I am independent of Azteca Gold Corporation and have received only a fee for service. There is no planned or expected benefit to me for this report.
- (11) I am fully aware of the Canadian National instrument 43-101 and forms and this report has been compiled to comply with the relevant instructions.
- (12) I consent to filing of this technical report with the Toronto Stock Exchange or any other exchange or regulatory authority in the form that has been presented. I authorize the publication of this report in this format by the regulatory authorities including in electronic media.

Edward Brennan, Consulting Geologist Dated: July 12th, 2007

Co-Author Certificate

I, Nicole Preuss, of Spokane, Washington, hereby certify:

- (1) I am a consulting geologist with M2 Technical Services, on full time loan to Azteca Gold Corporation. My address is as follows:
Nicole Preuss, Geology Manager
4207 E. Rowan Ave.
Spokane WA 99217.
- (2) I have, under the guidance and supervision of Edward Brennan, written and compiled the technical report “Exploration of the Bunker Hill Mine Project, near Kellogg, Idaho for Lead, Silver, and Zinc”, dated July 12, 2007.
- (3) On May 21st, 2007, I visited the property and had with me an engineer who is familiar with the area in Matt Russell. I have had at my disposal the historical documents on the Bunker Hill Exploration Project the Azteca Gold Corporation currently has available.
- (4) I am a member of the Australasian Institute of Mining and Metallurgy and have been since 2001.
- (5) I graduated with various honors from Central Missouri State University with a Bachelor of Science in Geology, and from Southern Illinois University with a Master of Science in Geology.
- (6) All material facts and information made available to me by the title holder have been included in this report and thus there is no material that could influence opinions of the property that is apparently available that is not included.
- (7) I control 50,000 shares of Azteca Gold Corporation, in the form of stock options, and thus I am not independent of Azteca Gold Corporation.
- (8) I am fully aware of the Canadian National instrument 43-101 and forms and this report has been compiled to comply with the relevant instructions.
- (9) I consent to filing of this technical report with the Toronto Stock Exchange or any other exchange or regulatory authority in the form that has been presented. I authorize the publication of this report in this format by the regulatory authorities including in electronic media.

Nicole Preuss, Geology Manger

Dated: July 12th, 2007