

MAP: Bullion 7.5' Quadrangle
Lat: 40° 34' N
Long: 115° 57' 30" W

VALUATION REPORT

POKER FLATS

GOLD PROPERTY

Carlin Mining District
Elko County, Nevada, USA

for

MEXIVADA MINING CORPORATION

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by

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11 July, 2005

SUMMARY

This Valuation Report on the grassroots exploration Poker Flats property (Property), Carlin Mining District, Elko County, Nevada, USA, has been prepared at the request of Mexivada Mining Corporation Inc (Mexivada), and was contracted together with a Technical Report under an engagement letter dated December 15, 2003.

The effective date of the Valuation is July 11, 2005. The effective date of the accompanying Technical Report is July 11, 2005.

According to the terms of the engagement letter, it is intended that this Valuation Report be submitted to the TSX-Venture Exchange as a fairness opinion related to the approval process for a non-arms-length transaction by which Mexivada is acquiring an interest in the subject Property. This transaction involves a lease option agreement between Mexivada and Mr. Richard R. Redfern of Spring Creek, Nevada (Redfern), a director of Mexivada.

The accompanying Technical Report is based on a compilation and analysis of published and unpublished geological reports prepared by cited persons, and a field examination by the writer. This Valuation Report is based on, and should be read in conjunction with, the Technical Report that has been prepared. Financial information has been sourced from the internet on either the Sedar.com or specific corporate web sites.

The Valuation Report has been prepared by a “qualified person” within the meaning of National Instrument 43-101 of the Canadian Securities Administrators, and complies with the standards and guidelines set out in CIMval Standards and Guidelines (Final Version) February 2003.

The Poker Flats Property comprises four non-contiguous claim blocks consisting of 73 unpatented lode mining claims. Claims are filed and recorded with Elko County and the U.S. Bureau of Land Management (BLM).

The Property consists of approximately 1430 acres on the eastern edge of the Piñon Range, 20 miles south-southwest of the town of Elko, Nevada, and is situated in the southern portion of the Carlin Trend, which hosts numerous current and past producing gold mines. The claims were originally staked by Redfern and are now Mexivada controlled by virtue of a mining lease agreement dated and signed December 3, 2004.

Given that the Poker Flats property is a grassroots exploration property, the standard valuation approach based on Income is not considered relevant according to the CIMVal Standards and Guidelines.

The Market or Sales Comparison approach is considered most relevant, both for Valuation and as an appraisal of fairness. This comparison relies mainly on Cost based on an appraisal of arrangements, including share consideration and work commitments, which contribute to projected property costs. Both comparable transactions and lease option terms have been considered.

The cost of the Poker Flats property to Mexivada in the first year totals approximately US\$32,000, including the initial payment, lease anniversary payment, and government fees for claim maintenance.

In the author's opinion, a comparison of commitments involved in twelve different property options in Nevada indicates that the consideration paid and to be paid by Mexivada is fair.

VALUATION REPORT

POKER FLATS, Gold Property Carlin Mining District, Elko County, Nevada, USA

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1.0 Introduction and Terms of Reference

The Commissioning Entity, Mexivada Mining Corporation (the “Company” or “Mexivada”) requested independent Valuation and Technical Reports on the Poker Flats gold-silver property, Carlin Mining District, Elko County, Nevada, U.S.A. (Property) and is responsible for payment for those reports.

This Valuation Report was contracted together with the Technical Report under an engagement letter dated **December 15, 2003**. A copy of that letter has been included as Schedule “A. The effective date of this Valuation is **May 31, 2005**. The effective date of the accompanying Technical Report is **July 11, 2005**.

According to the terms of the engagement letter, it is intended that this Valuation Report be submitted to the TSX-Venture Exchange as a fairness opinion related to the approval process for a non-arms-length transaction by which Mexivada is acquiring an interest in the subject Property. This transaction involves a lease option agreement, covering the Poker Flats property, between Mexivada Mining Corporation, 491 4th Street, Elko, Nevada, 89801, and the owner of the Property, Mr. Richard R. Redfern (Redfern) of Spring Valley, Nevada, a director of Mexivada. The lease option gives Mexivada a 100% interest in the Property, subject to a 3% Net Smelter Return (NSR).

The accompanying Technical Report is based on a compilation and analysis of published and unpublished geological reports prepared by cited persons, and a field examination by the writer. It summarizes previous work, appraises the exploration potential of the Property, and makes recommendations for future work. The writer examined the geology and infrastructure of the Property on October 30, 2003, and prepared both the Technical and Valuation Reports.

As the Property is grassroots, and as the objective of the determination of value is to provide a fairness opinion regarding the non-arms-length transaction being entered into by Mexivada, the Comparative Cost method has been used almost exclusively.

2.0 Scope of the Valuation

It is intended that this Valuation Report be submitted to the TSX-Venture Exchange as a fairness opinion related to the approval process for a non-arms-length transaction by which Mexivada is acquiring an interest in the subject Property.

This Valuation Report is based on a review of information on property dealings reported by companies listed on the TSX or TSX-Venture Exchanges. The sources of the information have been the Sedar web site and individual company web sites. Given the regulatory requirements which companies must follow in reporting their transactions, the writer has assumed that the information provided is correct.

3.0 Compliance with CIMVal Standards

The Valuation Report has been prepared by a “qualified person” within the meaning of National Instrument 43-101 of the Canadian Securities Administrators. The Valuation Report complies with, and is completely consistent with, standards and guidelines set out in CIMVal Standards and Guidelines (Final Version) February 2003.

4.0 Property Location, Access and Infrastructure

The Property comprises four non-contiguous blocks containing 73 unpatented lode mining claims registered in the name of Richard R. Redfern, 758 E. Thorpe Dr., Spring Creek, Nevada, 89815. The claims total approximately 1430 acres and are located in the Carlin Mining District, Elko County, Nevada, USA. The claims cover parts of Sections 14, 25, and 26 in Township 31 North, Range 53 East and Sections 18, 29, and 30 in Township 31 North, Range 54 East.

5.0 Property Ownership Status and Agreements

Mexivada controls the Poker Flats claims through a Mining Lease Option (MLO) dated December 3, 2004. The lease is for a term of twenty years and, on an option basis, is renewable annually in subsequent years. Under the terms of the agreement, upon the regulatory approval of the TSX Venture Exchange, to which the MLO is subject, Mexivada pays a non-refundable lease payment of US\$10,000 annually for each year of the twenty-year term, payable on the MLO anniversary date.

The Property is subject to a three percent (3%) NSR royalty in addition to lease payments. The MLO recognizes a two-kilometer area of interest (AOI) around and within the Redfern claims. Any unpatented lode mining claims acquired by Mexivada or Redfern within the AOI are subject to the terms of the current lease. Production royalties retained by Redfern, on mineral rights acquired from a third party, shall only be a 1% NSR, deemed to be included in the first one percent of NSR purchased by Mexivada from the property as a whole. Any patented mining claims or private properties acquired by Redfern in any way from third parties within the AOI are included in this MLO. Any patented lode mining claims or private properties within the AOI acquired in any way from third parties by Mexivada shall be subject to a 1% NSR production royalty payable to Redfern. The purchase of this 1% NSR from Redfern by Mexivada shall be included in the first percent of NSR purchased by Mexivada from the Poker Flats property as a whole.

Mexivada may terminate the MLO at any time by providing Redfern with written notification thirty (30) days prior to termination. Non-refundable lease payments shall be paid to Redfern in full to the date of termination, as well as all annual holding fees which become due during the MLO year, and next due following termination.

If certain of the Redfern claims are found to be invalid and non-relocatable, Mexivada may relinquish portions of the Redfern claims to Redfern at any time upon thirty (30) days written notice to Redfern, and keep this MLO in effect as to the remainder of the Redfern claims. Partial relinquishment will relieve Mexivada of any obligations or liabilities with respect to the relinquished portion in the same manner as would termination of the MLO.

Partial termination will not diminish the advance minimum royalty payments. Where partial or complete termination of the lease agreement occurs, Mexivada shall be responsible for any outstanding environmental or reclamation liabilities.

Mexivada must maintain the Redfern claims in good standing until September 1, 2006, whether or not Mexivada terminates the MLO prior to September 1, 2005. In subsequent years, if Mexivada terminates the MLO within 120 days prior to September 1 of that agreement year, Mexivada will be responsible for maintaining the optioned claims in good standing for the next one-year period following termination. Evidence that Mexivada has or will complete necessary claim maintenance will be supplied to Redfern no later than ten (10) days prior to the end of the assessment year, or thirty (30) days prior to MLO termination. If Mexivada releases a portion of the subject claim block, the MLO remains valid and all non-refundable lease payments and NSR royalties remain unchanged. All non-refundable lease payments and production royalties shall be paid in full to the date of termination.

Mexivada will be responsible for all real property and assessed taxes on its personal property and improvements placed upon the Redfern claims accruing after the effective date of the lease.

14.0 Key Assumptions, Risks, and Limitations

The main assumptions used in this Valuation are that:

- a) exploration properties are generally similarly valued by different companies and by the capital markets; and
- b) property agreements have been accurately reported on the Sedar.com and various individual company web sites.

It is recognized that the valuation of all exploration properties is subject to the capital market perception of commodity prices, and that all properties have certain technical, environmental, permitting, political, socio-economic and financial risks, and that some properties may have operating and marketing risks.

The risks associated with the Poker Flats property are similar, on a cost basis, to those associated with other properties to which the Property is being compared. There are no particular technical, environmental, permitting, or financial risks that are unique to the subject Property.

One possible risk, and the main limitation of assigning a value to a grassroots property, is that maintaining an option requires a financial commitment and, as the highly volatile junior exploration capital market can be unpredictable, a company might find it difficult or impossible to raise the capital needed to maintain its option. For this reason, a comparison has been made measuring probable financial commitment over time. In the event of an economic downturn, lower financial commitment will provide a company more opportunity to maintain its option.

15.0 Valuation Approaches and Methods

To the writer's knowledge, there has been no previous Valuation Report done for the Poker Flats property.

There is no other practical use of the Property except as an exploration prospect. Given that the Poker Flats property is a grassroots exploration property, the standard valuation approach based on Income is not considered relevant according to the CIMVal Standards and Guidelines.

The Market or Sales Comparison approach is considered most relevant, both for Valuation and as an appraisal of fairness. This comparison relies mainly on Cost and an appraisal of arrangements, including share consideration and work commitments, which contribute to projected costs.

Under the Sales Comparison approach, both comparable transactions and lease option terms are considered. Comparable transactions are set out in Table 2.

The obligations of Mexivada (the “Lessee”) under the Lease Option are comparatively limited, consisting of annual lease payments and responsibility for claim maintenance payments made annually to the Bureau of Land Management (BLM).

The Lessee has no annual commitment to carry out exploration work, an obligation that usually takes the form of either an undertaking to finance and cause completion of a minimum dollar value of work each year, or an undertaking to complete a minimum drilling footage per year. This latter alternative is often linked to a formulated payment to the Lessor in the event that drilling is not completed within an agreed time frame.

An alternative valuation method addresses the concept of the cash flow generation potential of an Optionee or Lessee as a publicly traded entity. By acquiring the right to a property through either an Option or Lease Option agreement, a publicly traded company may increase its market capitalization and/or its capability to arrange financing. An analysis of the comparative contribution of each of Mexivada’s properties to the general market perception is beyond the scope of this Valuation, but it should be recognized that the optioning of a single exploration property can have an effect on market capitalization far exceeding the cost or imputed value of the property.

There are a number of factors that may affect market capitalization and/or the capability of arranging financing. These factors include general market perceptions of the world price volatility of the target commodity or commodities, and the perceived potential of the general property area.

These market factors are generally beyond the control of individual companies, however, an exploration company can alert the capital markets to positive attributes particular to its property or properties, thereby taking advantage of positive perceptions about commodities or areas. While this Valuation Report has concentrated on Cost and Comparative Cost, the valuation has not assigned any premium to the Poker Flats property for market acceptability.

16.0 Valuation

Table 1 summarizes option agreements for nine Nevada properties in addition to the Mexivada agreement, and addresses comparative costs projected for the first five years. Table 2 illustrates Mexivada's first-year payments. There are no share considerations and no work commitments.

The base cost of the Poker Flats property to Mexivada in the first year is US\$32,000 consisting of a down payment of \$10,000 upon approval of the transaction, the remaining \$10,000 balance on the MLO anniversary date, and claim maintenance costs estimated at \$12,000.

Table 1: First-year Payments - Poker Flats

Payment Type	Payment Amount
Down payment	10,000
Balance of lease payment	10,000
Sub Total	20,000
Claim maintenance	12,000
Minimum value to Mexivada	32,000

17.0 Valuation Conclusions

The amount to be committed by Mexivada in the first and subsequent years is low compared to similar nearby properties. Cash cost is second lowest of the twelve known agreements, and there are no further outlays in the form of share payments or work commitments. Share payments are substantial in seven of the agreements being studied, and work commitments are substantial in five of the agreements.

The limited obligations under the terms of the Lease make the option on the Poker Flats property advantageous to the Lessee. Taking into account the twelve similar property agreements, it is reasonable to conclude that the Poker Flats Lease Option agreement is fair to Mexivada, the Commissioning Entity.

Table 2: Comparison of Nevada Property Options and Lease Option Agreements

Property Name	Optionee	%	Date	Down Payment	Other Payments.	\$ 1st Year	\$ Total for 5 years	Share Issue	Work Requirements	NSR
Triple Junction/ Dixie Forks	Sahelian/Sage	55-70	2004	?	?	?	?	?	15K ft drilling-Bankable feasibility study	3%
Pony Spur	Sahelian/Sage	100	2004	Total option payments over a 5-year period for each property are cash					-	3%
Dike	Sahelian/Sage	100	2004	US\$87,500 and common shares to the value of US\$115,000						
Beowawe	Prospectors Consolidated	60-70	2004	?	?	250,000	750,000	1.8 mil. Over 2 years	250,000/year for 3 years	3%
Sno	Pacific Ridge Exploration	60	2004	- \$2.0 million in exploration work over 4 years - \$180,000 in advance royalty payments - issue 1,000,000 common shares				1.0 mil	2.0 million	?
Rock Creek/ South Silver Cloud	Duncan Park Holdings Corp.	100	2002	6,667	46,583	30,000	300,000	125,000	-	3%
Santa Renia	Duncan Park Holdings Corp.	100	2002	6,667	46,583	30,000	300,000	125,000	-	3%
Woodruff/Tonka	Duncan Park Holdings Corp.	100	2002	6,667	46,583	30,000	300,000	125,000	-	3%
Elephant	Duncan Park Holdings Corp.	100	2002	6,667	46,583	30,000	300,000	125,000	-	3%
Dixie Creek	Frontier Pacific	100	2002	30,000	10,000	40,000	415,000	-	42,500 ft drilling	3%
Silver Cloud	Placer Dome	70	2002	?	?	?	?	?	\$7,000,000	?
Poker Flats	Mexivada	100	2004	10,000	10,000	20,000	60,000	-	-	3%

- Note: 1. All properties are located in Nevada, U.S.A.
2. All currency is shown in US\$.
3. Agreement details acquired from pertinent websites listed in References section.

REFERENCES

Web sites:

Sedar.com Pacific Ridge Exploration
Sedar.com Frontier Pacific
Sedar.com Prospectors Consolidated Resources
Sedar.com Atna Resources Ltd.
Sedar.com Duncan Park Holdings Corporation
Sedar.com Sage Gold Inc
Sedar.com Placer Dome Inc.
Atna.com
Frontierpacific.com
DuncanPark.com
Pacificridgeexploration.com
PlacerDome.com
Nevadagoldproperties.com

CERTIFICATE OF AUTHOR

I, Edward D. Harrington, do hereby certify that:

1. I graduated with a B.Sc. degree in Geology from Acadia University, Wolfville, Nova Scotia in 1971.
2. I am a Member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia, License #23328.
3. I have pursued my career as a geologist for over twenty years in Canada, the western United States, the Sultanate of Oman, and Mexico.
4. I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association as defined in NI 43-101, and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
5. I am responsible for the preparation of the technical report titled “Technical Report on the Poker Flats property, Carlin Mining District, Elko County, Nevada, U.S.A” and dated July 11, 2005 (the “Technical Report”). I inspected the Property on October 30, 2003. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
6. I am responsible for the preparation of this Valuation Report, prepared in conjunction with the Technical Report.
7. I am independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101 and I have not had prior involvement with the Property that is the subject of the Technical Report and this Valuation Report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical and Valuation reports that is not reflected in either, the omission to disclose which makes the Technical or Valuation reports misleading.
9. I consent to the filing of the Valuation Report with any stock exchange or other regulatory authority and any publication, including electronic publication, in the public company files on their websites accessible by the public, of the Valuation Report.

Dated this 11th day of July 2005

Edward D. Harrington, B.Sc., P.Geo.