

PROSPECTOR'S REPORT
on the
906 CLAIMS
QUESNEL AREA
CARIBOO MINING DIVISION
BRITISH COLUMBIA

MINERAL TITLES BRANCH
Rec'd.
NOV 26 1999
L.I.# _____
File _____
VANCOUVER, B.C.

Mineral Claims
906 North, South, East, A and B
Latitude: 52° 57' 37"
Longitude: 122° 32' 14"

Report Compiled by:
W.E. (Bill) Poole
Agent for Dialite Industries Ltd. and Self

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

26,089

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INTRODUCTION:

This prospecting report summarizes the 1999 work program on the 906 claim units conducted during the period October 20 to November 3, 1999. The 906 claims are comprised of five 2-post claim units. 906 North, South and East are owned by Dialite Industries Ltd. Claim units 906 A and B are owned by myself (W.E. (Bill) Poole). The claims are located in the Cariboo Mining District, N.T.S. map sheet 93B 15E at 52° 57' N 122° 32' W. The property is located on the outskirts of Quesnel and is accessed via Abbott Drive from West Quesnel.

Past production has occurred on the west half of Lot 906, which was also the site of the MicroSil plant. Exploration consisted entirely of ground searching for evidence that would extend the diatomite resource. Prospecting was time consuming due to very thick tangle, lack of rock outcrop and an overlaying clayey veneer. This prospecting method failed to add to the known resource and further work of this nature is not recommended. However, signs of diatomite were found in areas disturbed by recent small scale salvage logging. Further prospecting should include a backhoe to dig test pits using logging roads and skid trails for access. Expenditures for the year for which assessment has been applied is \$2,580.00.

LOCATION AND ACCESS:

The claim units are located near the west boundary of Quesnel south of Baker Creek. The area has access to the old MicroSil plant site via Abbott Drive from West Quesnel.

PHYSIOGRAPHY, VEGETATION AND CLIMATE:

The property is situated regionally within the Fraser Basin of the Interior Plateau physiographic area. The properties lie on an east facing slope straddling the top of the Fraser River and Baker Creek escarpments. Maximum relief is approximately 100 meters with an elevation range of 650-750 meters above sea level. Soils are generally a clayey veneer of glaciolacustrine origin over a morainal material composed of varying degrees of sand, gravel and boulders. Rock outcrops were not found on any of the 906 claims.

The forest cover is comprised of sparsely populated mixed stands of mature birch and aspen and patches of pine and fir. Small patches of beetle infested pine located on 906 N was harvested in 1998.

Climate is typical for the central interior with warm summers and moderately cold winters. Temperature extremes range from 30°C in summer to -30°C in winter. Annual precipitation is approximately 40 centimeters.

LOCATION MAP 906 GROUP CARIBOO MINING DIVISION BRITISH COLUMBIA

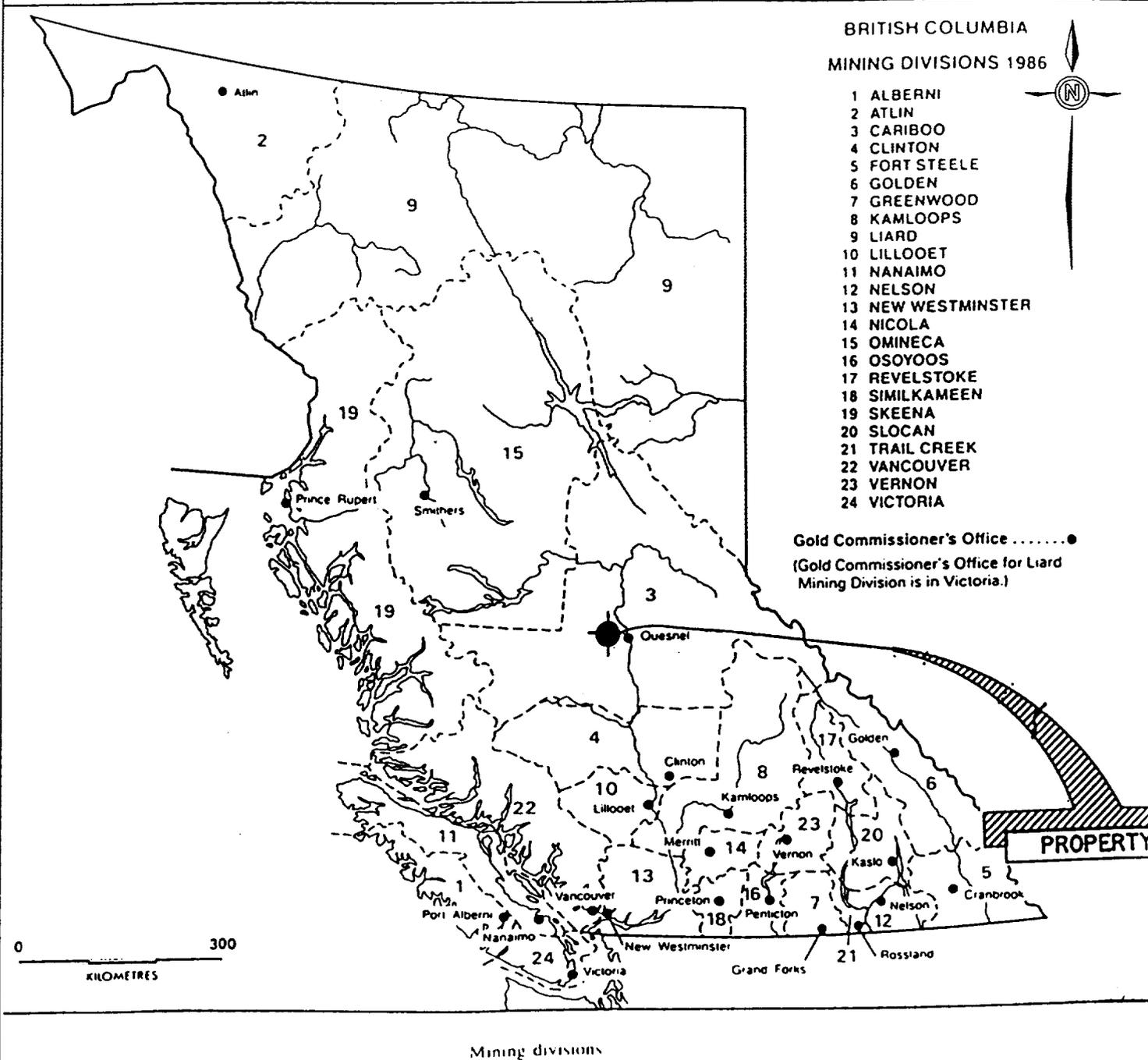


FIGURE 1

CLAIMS:

The claim records as noted in the recording office are listed as follows:

CLAIM	UNITS	TENURE NO.	EXPIRY DATE	TITLE
906 N	1	353025	Dec. 12, 1999	Dialite Industries Ltd.
906 S	1	353026	Dec. 12, 1999	Dialite Industries Ltd.
906 E	1	360744	Nov. 28, 1999	Dialite Industries Ltd.
906 B	1	367132	Nov. 25, 1999	W.E. (Bill) Poole
906 A	1	367131	Nov. 25, 1999	W.E. (Bill) Poole

HISTORY AND PREVIOUS WORK:

Lot 906 is a past producer of diatomite, which was processed into a granular domestic absorbent product by calcining. The two major past producers to which production was recorded are Dome Petroleum's Crownite operation 1968 – 1980, and MicroSil Industrial Minerals Limited 1981 – 1983.

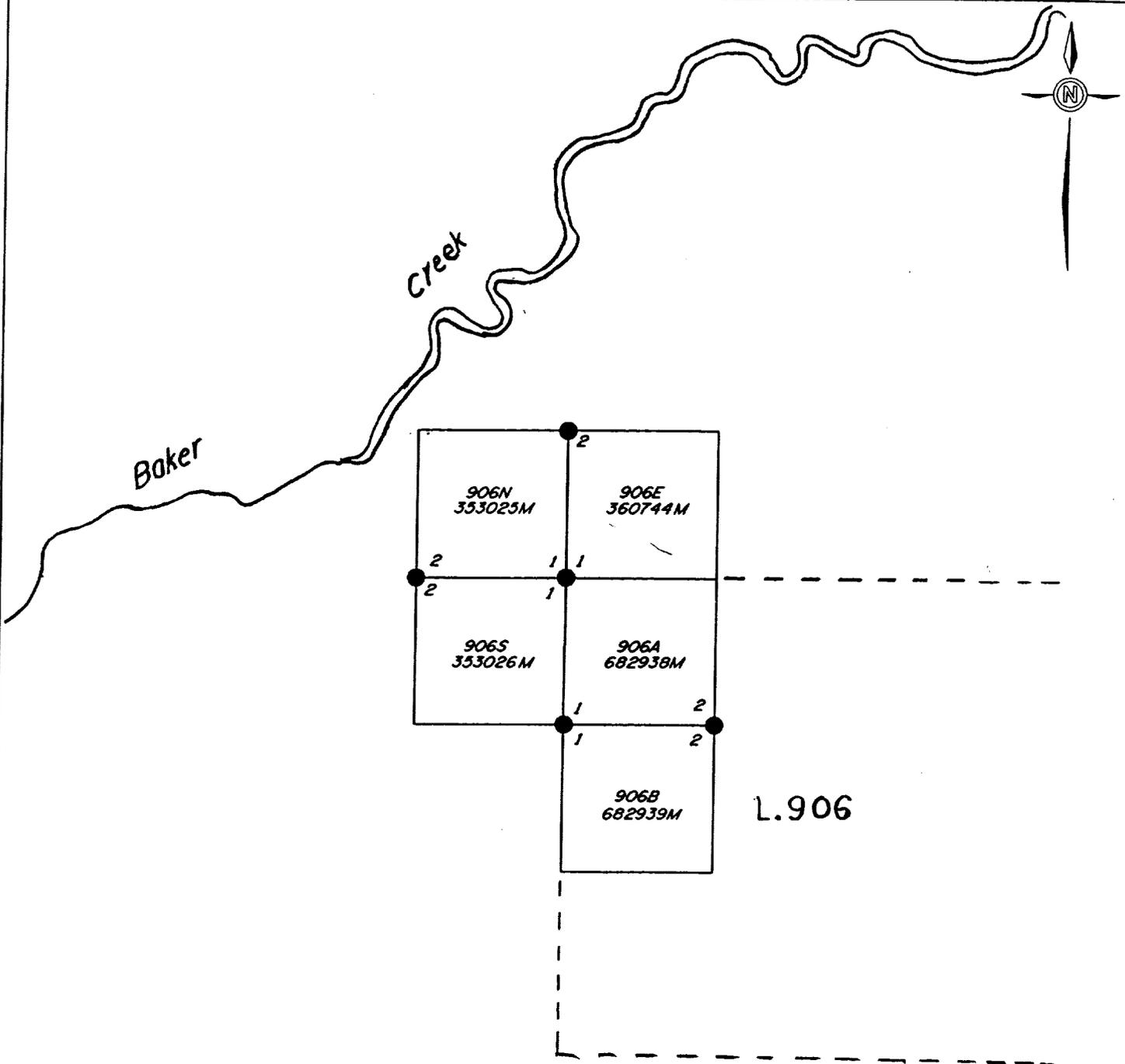
Crownite and MicroSil's in-house research directed by R.A. Fyles, P. Eng. (Mining Engineer) resulted in a technical success with all their objectives being met.

The new redesigned processing plant was in operation long enough to prove efficiency of the process and the acceptability of its products in the market place.

Proven and probable reserves are 1,300,000 tonnes.

-5-

CLAIMS MAP
906 GROUP
CARIBOO MINING DIVISION
BRITISH COLUMBIA



L.906



SCALE = 1:20,000

FIGURE 3

REGIONAL GEOLOGY:

The area is underlain by Tertiary volcanic and sedimentary rocks which overlie Paleozoic and Mesozoic rocks of the Cache Creek Complex (Group) and Nicola Group. These Tertiary rocks range in age from Paleocene to Pliocene but are dominated by plateau basalts of Miocene age and an underlying sedimentary succession including tuffs, conglomerate, sandstone and shale.

PROPERTY GEOLOGY:

The undeveloped portions of the deposit are generally overlain by one to five meters of porous basalt with strong alteration of the basalt and the diatomite in the contact zone. In the developed portions of the deposit the basalt has been mostly removed. A major feature is the continuous (except for faulting) 15 cm 'Iron' seam which extends throughout the deposit. Due to reclamation this marker horizon is exposed only at one location in the lower east side of the deposit. A similar iron seam is apparently noticeable in the Big Bend deposit - 13 km to the north. The usable depth of the deposit is considered to be 15 - 20 meters although areas of greater thickness were evident in previous mining. The overburden overlying unmined portions of the pit are tills composed of varying degrees of sand and gravel, clay, sands and vesicular basalt layers and boulders. Below the true overburden noted above there is a gradation zone of clays, gravels, sands and pebbles with increasing amount of diatomite grading into the zone considered economic by the previous Crownite and MicroSil operations. This overburden has been largely removed up to the northwest corner of Lot 906 but ranges from 3.5 meters along the north boundary to the east and increasing gradually to 10 meters as one goes south along the west boundary of Lot 906.

No exposed bedrock was found on any of the 906 claims.

The surficial geology exposed in road cuts, root turns, etc. is comprised of loamy-clayey glacial lacustrines that appear to be veneered over morainal materials or sandy gravelly materials which may be shoreline deposits.

REGIONAL GEOLOGY MAP 906 GROUP CARIBOO MINING DIVISION BRITISH COLUMBIA

GEOLOGICAL LEGEND

STRATIFIED ROCKS

QUATERNARY RECENT

Rvb Basalt flows, breccia, cinder cones

TERTIARY

MIOCENE AND PLIOCENE

MPvb Olivine basalt flows, breccia, tuff

MPs Sandstone, shale, conglomerate, diatomite, lignite, coal, clay

OLIGOCENE AND MIOCENE

OME ENDAKO GROUP: Andesite, basalt, dacite

PALEOCENE, EOCENE, OLIGOCENE

ITs Conglomerate, sandstone, shale, tuff, breccia

UPPER CRETACEOUS AND LOWER TERTIARY

KTOL OOTSA LAKE GROUP: Rhyolite, dacite, trachyte, sandstone, shale, conglomerate

CRETACEOUS

LOWER CRETACEOUS

IKs SKEENA GROUP: Conglomerate, sandstone, argillite, greywacke, shale, coal, volcanic breccia

JURASSIC

MIDDLE JURASSIC

mJNV HAZELTON GROUP, (part), undivided, basalt, andesite, tuff, breccia, greywacke, mudstone, conglomerate

LOWER AND MIDDLE JURASSIC

Js Shale, greywacke, conglomerate

UPPER TRIASSIC AND LOWER JURASSIC

TRJT NICOLA OR TAKLA GROUP: Andesite, basalt, tuff, breccia, conglomerate, greywacke, shale, limestone

TRIASSIC

UPPER TRIASSIC

uTRC Limestone

MISSISSIPPIAN TO TRIASSIC CACHE CREEK GROUP

PPcc Limestone, minor chert, argillite, greenstone

PPcs Ribbon chert, black argillite, limestone, greenstone

PPcv Basic volcanics, minor limestone, argillite, chert

CAMBRIAN

LOWER CAMBRIAN

ICC MURAL FORMATION: Limestone, siltstone, sandstone

PLUTONIC ROCKS

CRETACEOUS

EARLY CRETACEOUS (in whole or in part)

EKg NAPER INTRUSIONS: Quartz monzonite, syenite, monzonite, granodiorite, diorite

TRIASSIC

LATE TRIASSIC

TRJg Granodiorite, quartz diorite, quartz monzonite, diorite

Geological legend and base derived from:

1:paper H.W. R.B. Campbell, G.C. Taylor and D.F. Stoll (compilers) (1974) *Persim River, Sheet 93 Geological Survey of Canada Map 1424A, 1:1,000,000*

1:paper H.W. (1959) *Quesnel Geological Survey of Canada Map 12-1959, 1:253,440*

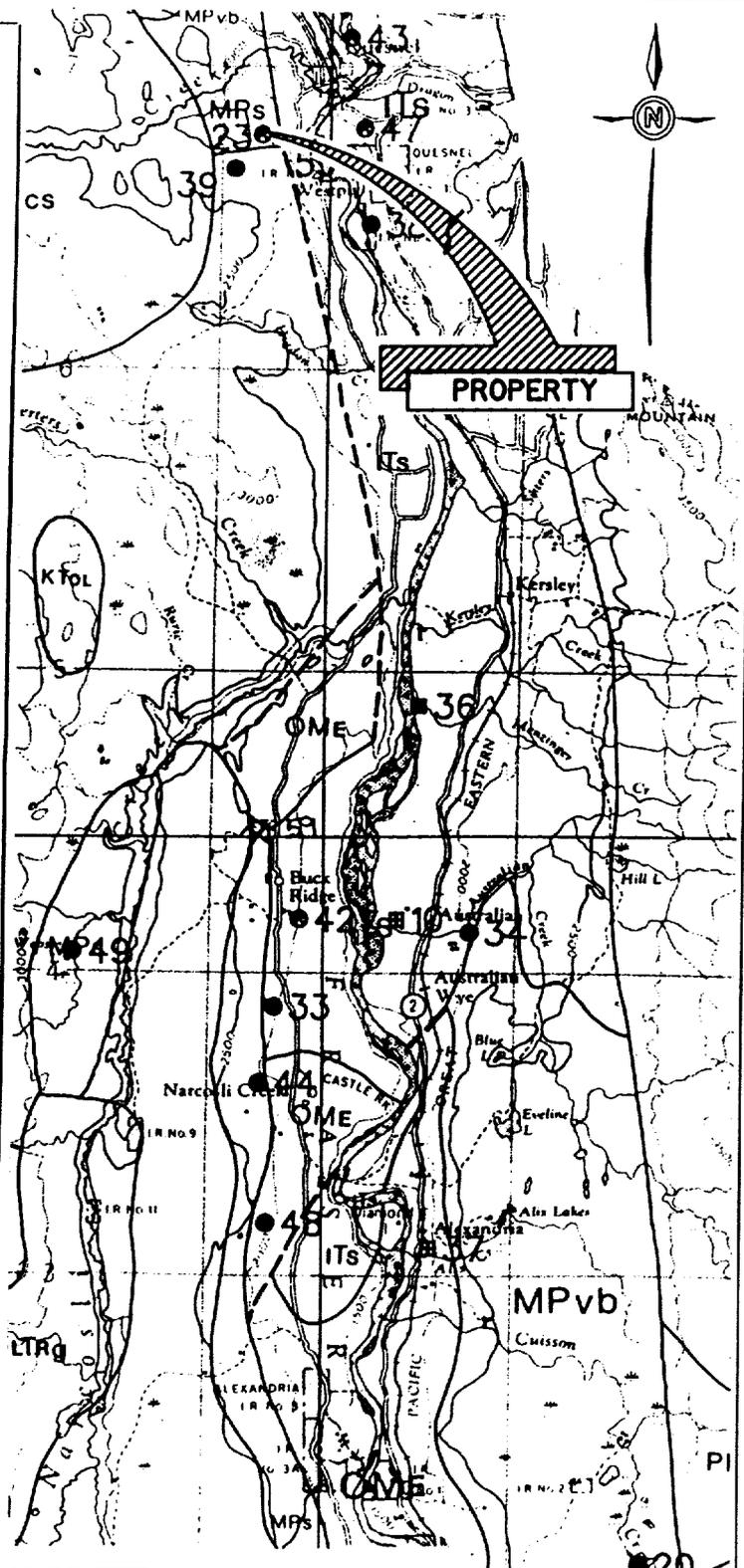
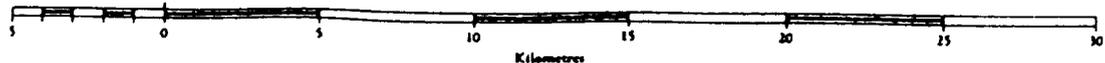


FIGURE 4



PROSPECTING PURPOSE AND METHODOLOGY:

The purpose of this geological survey was to extend the boundaries of the diatomite resource through intensive prospecting outside the previously confirmed diatomite area. The methodology used for this search was firstly, to map potential outcrop areas interpreted from aerial photography, and secondly, to plot a grid pattern with line intervals of 50 - 150 meters located in an east west direction across the 906 claims. Along these lines soils would be checked for signs of diatomite from test pits, root turns or slide areas. Rock outcrop (if encountered) would also be noted as possible markers.

RESULTS:

Extensive searching was often impeded by thick humous overlying lacustrine clays which in turn overlay the sought after tills. Progress was also hampered by an extremely thick tangle of brush. Rock outcrops were not found on any of the claim units. During mine development the overlying basalt was removed and deposited with other waste overburden in an area 300 meters south of the pit. There are some exposed outcrops to the north of the claims on the Baker Creek escarpment, however their origin was not recognizable but is probably Cache Creek material. Varying amounts of diatomite mixed with clays and glacial fluvial material were found in two locations recently uncovered by logging. The one occurrence was uncovered during winter road construction on 906 E. The other occurs on a logging skid trail located on 906 N. Both occurrences may grade into economic diatomite at depth. Further ground searching of this nature is not recommended. Work in the future should include backhoe test pits.

DISBURSEMENTS**Personnel:** W.E. (Bill) Poole**Activities:** Prospecting: October 20 – November 3, 1999

Date	Number of Days
Oct 20 - 22	3
Oct 28 - 29	2
Nov 3	1

Total Prospecting Days - 6 days @ \$300/day = \$1,800.00

Transportation - 6 days @ \$40/day = \$240.00

Report \$1,020.00

Total Disbursements: \$3,060.00



W.E. (Bill) Poole

STATEMENT OF QUALIFICATIONS

I am an experienced amateur prospector and holder of a Free Miner's Certificate, Client Number 121680. I have successfully completed prospecting courses, attended various short courses and try to keep current with the latest developments by reading publications and attending conferences. I have staked numerous claims and have filed both physical and geological reports. I was the recipient of a 1998 and 1999 Prospector's Assistance Grant. (Reference No. 98/99-P4 and 98/99-P11).

I am the author of this report which is based on a study of private and public reports, a field examination with the operator of MicroSil Industries Limited, Mr. R.A. Fyles, P.Eng. (Mining Engineer) and my own personal examination of the property on six separate occasions between October 20 and November 3, 1999. I am confident this report is descriptively accurate and consent to its publication in a Statement of Material Facts.

Prepared by:



W.E. (Bill) Poole

Figure 5

SURFICIAL GEOLOGY OF THE 906 GROUP
 CARIBOO MINING DIVISION
 QUESNEL, B.C.

NTS Map 093B 15E

Geographic Latitude Longitude
 (NAD 83) 52° 58'09" 122° 32'31"
 UTM East: 530770 North: 5868930

LOGICAL SURVEY BRANCH
 26,089

Legend

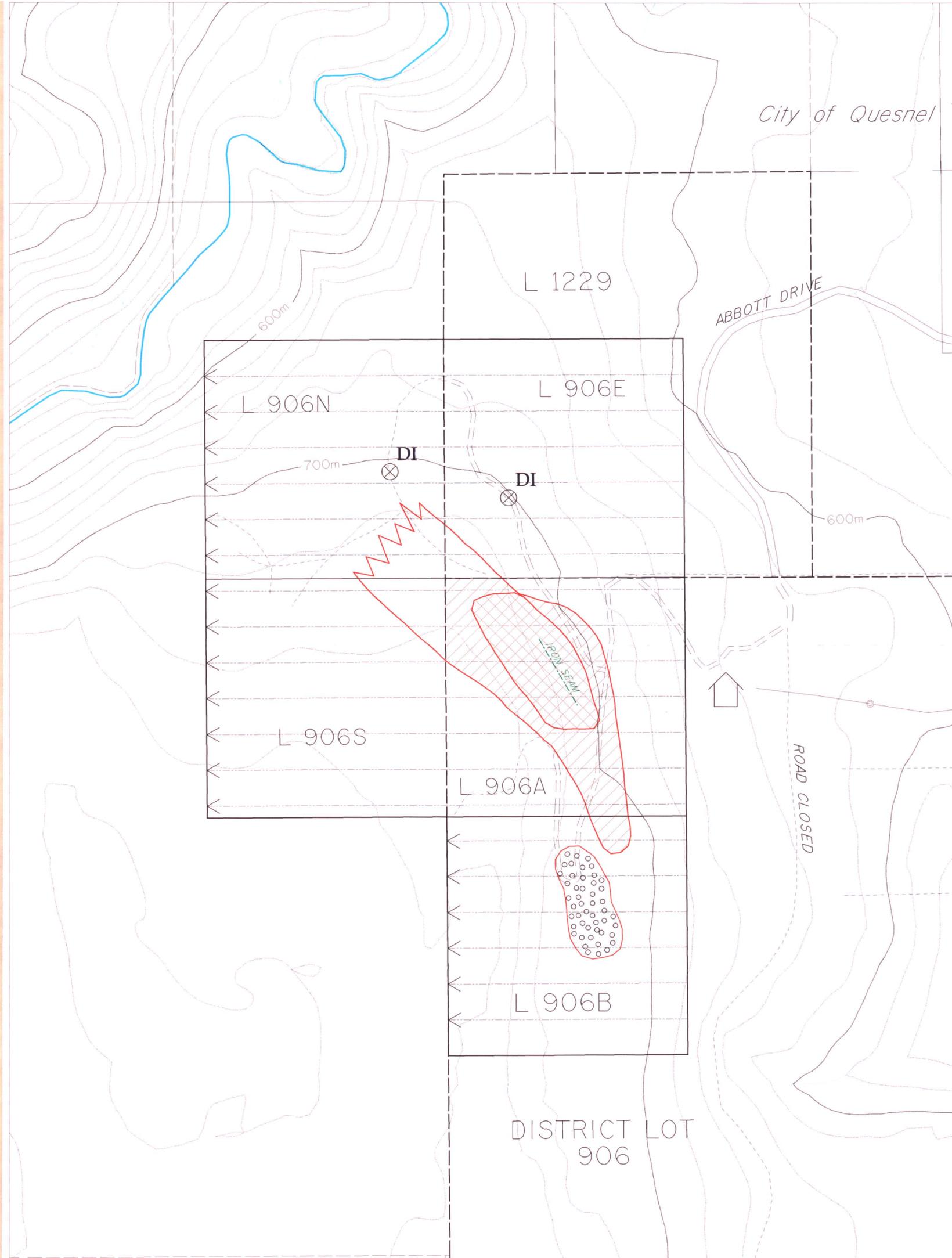
- Lot Boundary
- 906 Claim Boundary
- Public Road
- Private Road
- Logging Skid Trail
- MicroSil Plant Site
- Main Diatomite Pit
- Proven Diatomite Reserves
- Probable Diatomite Reserve and Pit Extention
- New (1999) Diatomite Occurrences
- 'Iron' Seam
- Waste (Overburden) Area
- Contour Lines (20 meter intervals)
- Approximate Location of hip chain and compass tracers

Dominant soil parent materials are comprised of loamy-clayey glaciolacustrines that are veneered over morainal or glacial fluvial material.

Bedrock, which has been largely removed from the deposit by previous mining, consisted of 1-5 meters of porous basalt that generally overlaid the economic diatomite.

A 15cm thick 'Iron' seam is a significant feature that extends horizontally throughout the deposit.

Scale: 1:5,000



City of Quesnel

ABBOTT DRIVE

ROAD CLOSED

DISTRICT LOT
 906