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PROSPECTING REPORT

ON

ROCK AND SOIL SAMPLING

OVER THE

SILVERHOPE PROPERTY

SILVER CREEK, HOPE AREA

NEW WESTMINSTER MINING DIVISION, BRITISH COLUMBIA

PROPERTY LOCATION	:	Silverhope 1-8, Silver Creek 49° 18' 30" N 121° 27' 51"' W 92H/6W
WRITTEN FOR		VALLENAR EXPLORATION CORP. 6 th Floor, 1100 Melville Street Vancouver, B.C. V6E 4A6
WRITTEN BY	:	GERRY DIAKOW 6 th Floor, 1100 Melville Street Vancouver, B.C. V6E 4A6
REVISED	:	April 29, 2000

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SUMMARY

The Silverhope claims were prospected on December 2nd to December 4th ,1999. One day was spent on a general reconnaissance and two days specifically prospecting and soil sampling. Rocks and soil samples were assayed at Acme Analytical laboratories using a 30 element aqua regia digestion plus a atomic absorption analysis for gold.

CONCLUSIONS

- 1. The contour soil sampling on the west side of Silverhope Creek indicates three areas of anomalous copper values.
- 2. The granite-volcanic contact on the east side of Silverhope Creek should be located in the field and prospected.

RECOMMENDATIONS

1. Resample the areas of anomalous copper values with a closer grid spacing .

2. Explore the ground around the eastern boundary of the claim group and locate the volcanic -granite contact.

INTRODUCTION

This report discusses rock sampling contour soil sampling and prospecting carried out along contours parallel to Silverhope Creek. The Silverhope claims are located near Silver Lake within the Hope area of British Columbia. Work was carried out on the following claims: Silverhope #s 1-6, and 8.

The rock, soil sampling and prospecting was carried out by Gerry Diakow, a mineral exploration technician from December 2nd to December 4th,1999. Three days spent exploring the Silverhope claims resulted in 6 rock samples and 33 soil samples being sent to Acme analytical laboratories.

The purpose of the prospecting and mapping was to test for copper and gold.

LOCATION AND ACCESS

The Silverhope mineral claims are located in the New Westminster Mining Division, approximately 6 kilometers south of Hope, British Columbia, National Topographic Series map reference 92H06W, latitude 49° 18' 30" N longitude 121° 27' 51" W.

Access to the property is by a hard surface industrial logging road which parallels Silverhope Creek. The Silverhope Creek road leaves the old Trans Canada Highway 2 kilometers south of Hope, British Columbia (Figure 1).

Local topographic relief varies from moderate to steep. Relief within the property ranges from 50m to 500m above sea level.

PROPERTY STATUS

The Silverhope mining property consists of 8 contiguous mineral claims comprising 200 hectares in the New Westminster Mining Division.

Map Number: 92H06W (Figure 1)

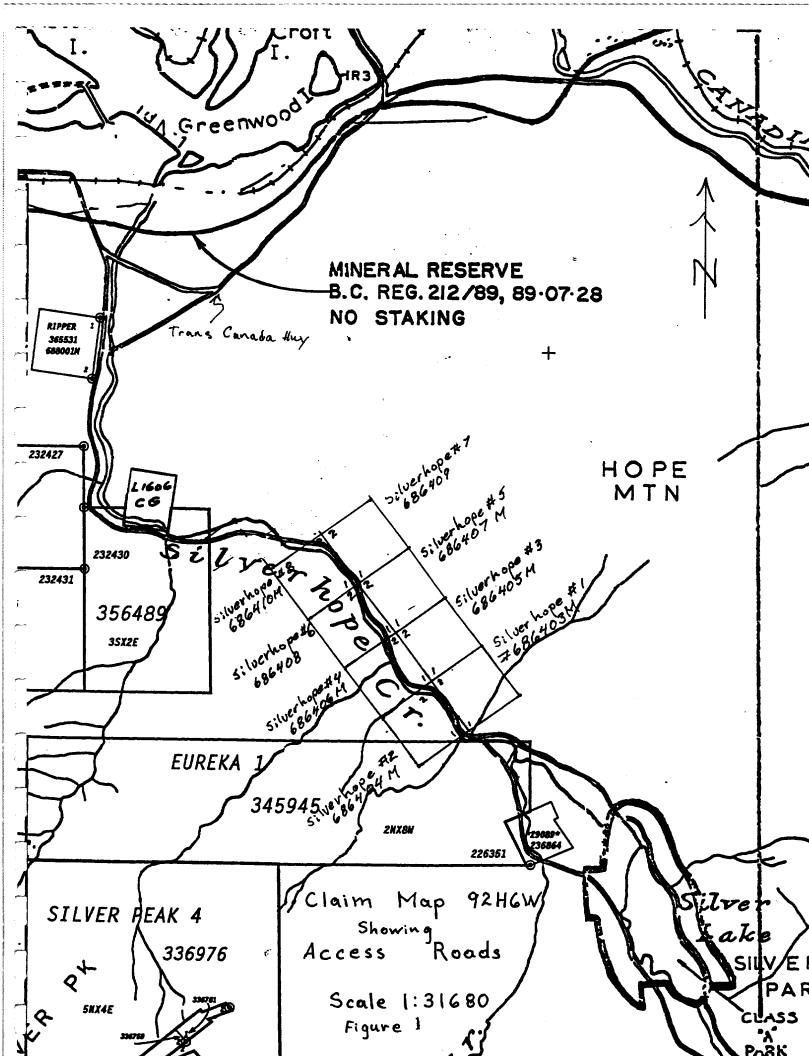
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Claim Name	Record #	Expiry Date
Silverhope #1	369348	May 14, 2002
Silverhope #2	369349	May 14, 2002
Silverhope #3	369350	May 14, 2002
Silverhope #4	369351	May 14, 2002
Silverhope #5	369352	May 14, 2002
Silverhope #6	369353	May 14, 2002
Silverhope #7	369354	May 14, 2002
Silverhope #8	369355	May 14, 2002

Physiography

The Silverhope claims are found within the Southern Coast mountains. The coast mountains extend for 1700 km, are between 100-200 km wide, and reach elevations of over 4000 m, although summits are only 2000 m, in the vicinity of the claims. The coast mountains are characterized here by steep rugged hillsides and cascading creek flows.

On the Silverhope claims, the terrain varies from near flat flood plains and creek benches to vertical cliff faces up to 300 meters in height.



History

The Silverhope claims are located on the east side of Silver Peak down slope from the Crown-granted Eureka - Victoria mine.

The Eureka - Victoria property is located at 1525 meters on the north and west sides of Silver Peak. This occurance has the distinction of being the first Crown granted property in British Columbia. Discovered in 1868, considerable high - grade ore was shipped from then until 1874. However, no production data exists. The workings comprise several adits and a glory hole . The mine closed in 1874, due in part to transportation expenses, and in part to litigation with regard to ownership and management of the property.

In 1961, a new company was formed and a new crosscut was extended to 126 meters and a 69 - metre raise driven about 60 meters from the portal.

Vanstate Exploration Ltd. acquired an option on the 3 crown grants in 1980. In 1981, a 61 metre raise was driven from the Eureka drift and a new adit was driven 65 meters to intersect the raise. Based on this work an indicated resource of 38,000 tonnes grading 449.15 grams per tonne silver and an inferred resource of about 10,900 at the same grade were reported (Vanstate Resources Ltd. Statement of Material Facts 1983).

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Prospecting Traverses

Two traverses were undertaken on the Silverhope claims. Both traverses were started at the south end of the claim group and proceeded to the north end of the claims. The first soil sample contour line is 150 metres above Silverhope creek starting at the Silverhope #2 south claim boundary and ending at the north claim boundary of Silverhope #8. The second soil sample contour line is on the east side of Silverhope Creek starting at the south boundary of Silverhope #1 and extending 1200 metres north stopping at a talus slope on the Silverhope #5 claim (Map 1).

Sample Number	Location of Sample	Elevated Value	Comments
R1	southeast silverhope #1	.6 ppm Ag	mafic volcanic subcrop
R2	quartz diorite outcrop		sulfide rich
R3	granite with quartz veinlets		pyrite
R4	metased rock from talus	Ni 150ppm Cr 179ppm	visible sulfides
R5	granite	Au 5.7 ppb	
R6	metasedimentary rock	Cu 127 ppm	visible sulfides

COMPILATION OF SAMPLES

DISCUSSION OF SOIL SAMPLES

The contour soil sampling done along the side hill west of Silverhope Creek indicated greater values in copper and gold than the parallel line east of the creek. The higher values on the Silverhope #6 claim are particularly anomalous and should be resampled at a closer grid spacing. The soil sampling east of the creek really doesn't indicate an anomalous area.

ISO 9002 Accredited Ço.) GEOCHEMICAL ANALYSIS CERTIFICATE Gerald PROJECT WET COAST File # A000049 Fage. Diakow, 1537 - 96th Sti, Oelts BC Yen 3HG Submitted by: Derald Diakow SAMPLE# Сu Pb Ni Ca ۶e As. U Th Sr Cd Sb Ai V Сa p Cr ш Mo 2n Ag Mo Au. La Ng Ba Τt 8 AL Ne Aut ppm -DOM: DDI **pp**(th inqq (DCIII) ppm. **OD** X ppn ppm ppm ppm ppm ppm PP0 ppm. **CD** x х. ppm **ODU** X **OD** x ppm X X % pps. pob 51 51 16 239 2.89 9 <8 <2 5 75 .25 .046 38 .73 482 .15 **<3 3.96** .02 .17 <2 ¥1 153 8 ₹.≯ .4 -5 <3 4.3 21 496 3.23 24 31 .27 133 ٧2 26 B 46 <.3 15 7 <8 <2 3 .2 <3 <3 71 .31 .040 8 .15 <3 2.76 .01 .04 <5 1 .9 389 2.74 .21 ٧3 2 79 20 59 .3 17 10 5 <8 **<**2 3 46 .4 <3 <3 86 .47 .055 6 24 .57 212 . 16 <3 2.92 .02 <2 3.5 25 .38 .074 ٧4 36 7 8 322 2.25 5 <8 <2 3 .2 3 <3 74 23 .61 149 <3 1.17 .03 .23 <2 1 41 ×.3 16 6 .13 2.6 <5 2 7 <3 <3 79 .10 .034 28 . 36 73 .01 ٧S 2 15 8 38 .3 19 9 206 2.68 6 <8 <.2 5 . 14 <3 1.45 .04 <2 2.5 ٧6 52 5 36 <.3 19 8 196 2.50 <2 <8 <2 2 7 <.2 <3 <3 71 .10 .037 4 23 .45 72 .13 <3 1.92 .01 .05 3 8.5 ٧7 58 50 .3 30 16 303 3.45 7 <8 <2 2 10 .5 <3 4 90 .12 .033 33 .61 134 . 20 <3 2.50 .02 .06 2 4 ۵ 6 1.4 3 10 53 55 .5 39 13 243 3.40 7 <8 <2 <.2 3 <3 101 .13 .056 5 50 .64 104 .14 <3 3.03 .01 .06 2 V8. 2 6 2.6 64 15 ? 191 1.99 5 <2 3 11 3 <3 .12 .033 20 .48 128 ν9 1 <3 24 <.3 <8 <.2 64 6 .11 <3 1.89 .02 .07 3 1.9 V10 ۷ 55 5 34 .5 22 9 268 2.56 ß <8 <2 13 .3 3 <3 60 .18 .051 7 31 .56 111 .12 <3 2.20 . 02 .10 2 2.2 -34 59 3 <3 2.52 .01 ¥11 10 7 .5 42 11 221 3.20 R 12 <2 3 11 .2 **3** 82 .17 .057 A 48 .59 86 .11 .06 15 11.7 200 3.52 34 38 .5 17 9 9 <8 <2 14 <.2 3 <3 130 39 .54 113 .02 ¥12 2 7 . 14 .101 5 .16 <3 2.87 .10 <2 4 6.7 80 37 10 308 2,31 <8 <2 30 <.2 3 <3 68 .22 .061 32 .66 193 .13 ¥13 1 <.3 21 14 4 <3 1.71 .02 . 20 4 6 4 4.6 11 .3 26 28 234 4.00 10 <8 <2 ح> .60 ¥14 1 4 48 <.3 11 4 149 .13 .100 6 51 -99 .14 <3 2.68 .02 .10 <2 3.3 ¥15 10 188 7 59 . 4 35 11 430 3.06 9 \$1 <2 12 <.2 <3 3 80 .19 .078 8 44 .68 108 . 14 <3 2.56 .02 .10 3 4.0 76. 10 648 2.92 <A <2 2 ' 17 65 .24 .078 ¥16 3 62 11 <.3 31 я .4 <3 <3 6 35 .36 166 .11 <3 2.34 .01 .06 <2 15.1 9 47 55 <.3 35 255 3.34 12 <8 <3 <3 .13 .105 .57 8 11 <2 .4 81 7 75 ¥17 4 45 .13 <3 3.09 .01 .06 <2 2.4 <3 <3 ¥18 13 241 9 59 <.3 65 13 251 3.54 7 10 <2 S 21 <.2 84 .15 .040 8 54 .72 117 . 16 <3 3.12 .01 .06 16 1.5 47 <3 30 <.3 20 221 2.00 <8 <2 2 13 <.2 <3 <3 55 .21 .063 5 28 .54 ¥19 3 8 6 89 .11 <3 1.70 .01 .06 2 2.0 .3 ¥20 1 21 6 57 <.3 34 11 382 2.89 6 <8 <2 3 8 <3 <3 76 .12 .102 7 40 .50 113 <3 2.52 .01 .11 .05 <2 12.6 383 2.90 **RE V20** 22 - 7 58 <.3 33 11 5 <8 <2 3 8 .4 <3 <3 78 .12 .103 7 41 .50 114 .12 <3 2.55 .01 .05 <2 2.4 19 6 58 <.3 46 14 494 3.72 <8 <2 3 11 .3 <3 <3 87 .16 .028 9 49 .42 140 V21 4 .14 <3 2.37 .01 .07 <2 1.5 5 2 29 <.2 <3 <3 .42 .207 .37 16 16 86 <.3 13 8 4040 2.02 <8 <2 55 4 19 428 .13 <3 1.56 . 02 .09 ¥22 <1 ₹2 .3 15 2 ŝ 20 .3 <3 <3 .72 200 ¥23 1 29 4 56 <.3 11 378 2.87 <8 <2 91 .30 .106 6 26 .19 3 1.77 .03 .12 <2 8.9 18 ≺3 ¥24 1 46 7 63 <.3 23 12 356 2.88 7 <8 <2 4 <.2 ≺3 89 .19 .073 6 33 .74 184 .21 <3 2,33 .02 . 13 <2 1.9 56 <.3 27 294 2.74 5 8> <2 17 .2 <3 <3 ¥25 42 6 11 4 62 .16 .065 35 .76 174 .20 <3 2.38 4 .02 .13 <2 1.6 59 21 476 2.81 2 <2 14 V26 29 8 <.3 11 <8 3 <.2 <3 3 85 .17 .105 5 30 .62 174 1 .18 <3 2.13 .02 .08 <2 1.5 29 10 2 9 <2 19 <3 ¥27 <1 59 .3 15 12 516 3.19 4 <.2 <3 97 .29 .096 5 24 .75 176 .22 <3 2.09 ,03 . 10 <2 1.3 ¥28 <1 24 8 62 <.3 15 12 382 3.00 6 <8 <2 3 18 <.2 <3 3 67 .32 .170 4 21 .80 193 <3 1.73 .19 .02 . 13 <2 1.1 ¥29 <1 30 <3 52 <.3 14 12 301 3.22 3 <8 <2 4 18 <.2 3 <3 100 ,26 .094 5 21 .86 137 .24 <3 2.26 .02 . 13 <2 1.4 **V30** 22 14 65 <.3 17 16 664 2.74 3 <8 <2 2 26 .2 <3 65 .46 23 .57 .18 <1 3 . 115 4 257 <3 1.98 50. .10 <2 13 60 <.3 9 12 701 3.23 10 <2 31 <.2 <3 67 .57 .242 ¥31 <1 28 3 4 5 3 6 17 .89 341 .24 <3 2.37 .03 .25 <2 1.1 17 V32 2 34 Q 68 <.3 34 13 328 3.00 4 35 <2 3 .3 <3 3 91 .21 .077 7 40 .68 229 . 16 <3 3,13 .02 .20 <2 3.4 20 29 3 V33 1 13 113 <.3 12 1229 2.76 3 <8 <2 2 26 .3 3 66 .40 .353 5 37 .43 437 .11 <2 <3 2.07 .01 . 10 2.3 15 162 14 871 3.70 19 <2 STANDARD DS2 144 36 <.3 40 62 4 32 12.4 9 11 91 .61 .091 19 190 .67 165 .11 <3 2.02 .04 .18 8 221.3 GROUP 10 - 0.50 GN SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H20 AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-ES. UPPER LIMITS - AG, AU, HG, Y = 100 PPM; NO, CO, CO, SB, BI, TH, U & B = 2,000 PPN; CU, PB, ZN, NI, MN, AS, Y, LA, CR = 10,000 PPN. - SAMPLE TYPE: SOIL AU* BY ACID LEACHED, ANALYZE BY ICP-MS. (10 gm) Samples beginning 'RE' are Beruns and 'RRE! are Reject Reruns. ORT MAILED: Jan 18/2000 SIGNED BY. D. TOYE, C.LEONG, J. WANG; CERTIFIED B.C. ASSAYERS DATE RECEIVED. All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only. Data 7 FA

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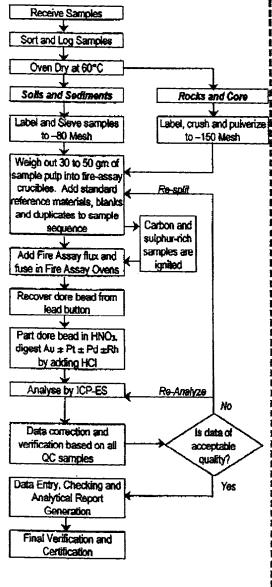


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METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE GROUP 3B - PRECIOUS METALS BY FIRE GEOCHEM





Comments

Sample Preparation

Solis and sediments are dried (60°C) and sieved to -80 mesh ASTM (-177 m). Rocks and drill core are crushed and pulverized to 95% -150 mesh ASTM (-100 μ m). Splits of 30.00 gm (or 50.00 gm) are weighed into fire assay crucibles. Quality control samples comprising blanks, duplicates and reference materials Au-S, Au-R, Au-1 or FA-100S (in-house standard reference materials) added to each batch of 34 samples monitor background, precision and accuracy, respectively.

Sample Digestion

A fire assay charge comprising fluxes, fitharge and a Ag inquart is custom mixed for each sample. Fusing at 1050°C for 1 hour liberates Au, Ag, Pt, Pd and Rh (samples having Rh > 10 ppb require a fusion digestion containing a Au inquart) After cooling, lead buttons are recovered and cupeled at 950°C to render Ag \pm Au \pm Pt \pm Pd \pm Rh dore beads. Beads are weighed then leached in hot, conc. HNO₃ to dissolve Ag leaving Au (\pm PGE) sponges. Large sponges are weighed, otherwise conc. HCl is added to dissolve the sponges.

Sample Analysis

Au, Pt, Pd and Rh are analysed in sample solutions by ICP-AES (Jarrel Ash AtomComp model 800 or 975). Rh can be determined quantifiably up to 10 ppb from the same sample solution, however a Au inquart must be used to accurately determine higher concentrations

Data Evaluation

Data is inspected by the Fire Assay Supervisor then undergoes final verification by a British Columbia Certified Assayer who signs the Analytical Report before release to the client. Chief Assayer is Clarence Leong, other certified assayers are Dean Toye and Jacky Wang.

Document Methods and Specifications for Group 3B.doc

Date: Feb 3, 2000

Prepared By: J. Gravel

STATEMENT OF QUALIFICATION STEPHEN G. DIAKOW

- 1. I attended Vancouver City College and the University of British Columbia completing courses leading to a B.C. in chemistry.
- 2. Studied Civil and Structural Engineering at British Columbia Institute of Technology.
- 3. I have worked in Mineral Exploration for the past 34 years . Including the major companies Union Carbide Mining Exploration, Canadian Superior Mining Exploration and Anaconda Mining Exploration.
- 4. I have received 3 British Columbia prospector assistance grants, the first from Dr. Grove in 1975 and last in 1998.

S.G.DIAKOW

AFFIDAVIT OF EXPENSES

Prospecting and general reconnaissance was carried out within the Silverhope claims belonging to Vallenar Exploration Corp., from December 2nd to December 4th, 1999 located at Silver Lake in the Hope area within the New Westminster Mining Division, British Columbia, to the value of the following:

Mob/Demob:

Field:

1 men, 3 days @ \$300/day	\$900.00
Room & board, 3 days @ \$140/day	\$420.00
Truck & fuel,. 3 days @ \$100/day	\$300.00

\$1620.00

Laboratory

	\$729.60
33 soil samples @ 18.70	\$617.21
6 rock samples@ \$18.75	\$112.50

Report

Grand total:

\$2349.60

Respectfully submitted,

Project Manager N. D. Laker

