Prospecting Report

On Field Work Done

July 25-27 2002

On

The Palomino 13, 14, 15 Mineral Claims

Located Northeast of Perow B. C.

Omineca Mining Division, B. C.

NTS Map 93 L/9 Zone 9

Grid Coordinates	60 50 750 North 6 67 100 East
Latitude	54 deg. 35 min.
Longitude	126 deg. 25 min.

Owner Steve Bell

By

Steve Bell

January 2003

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(A) Introduction

The following is a record of the exploration work performed on the Palomino 13, 14, 15 mineral claims on July 25-27, 2002. The property may host porphyry style copper-gold and shear related copper-gold mineralization.

(i) Position/Physiography

The claims are located on a branch stream of Johnny David creek in the Nechako plateau region 6 km north east of Perow B. C. Ice has overroad the entire area and has produced a glaciated topography at 950 meters elevation. This topography has been cut by numerous streams which are entrenched up to 30m into the plateau. The claims cover a weakly mineralized quartz feldspar porphyry dyke which has been exposed by this erosion.

Glacial drift is widespread and residual soils are confined to creek valleys. Till cover varies between a few meters to over 30m. and bedrock exposures are scarce. Recent work by Levson (1997) indicates that local ice flow directions were to the south west.

The center of the prospecting area is located:

Latitude	54 deg.	35 min.
Longitude	126 deg.	25 min.

On NTS map 93 L/9 Zone 9 at grid coordinates:

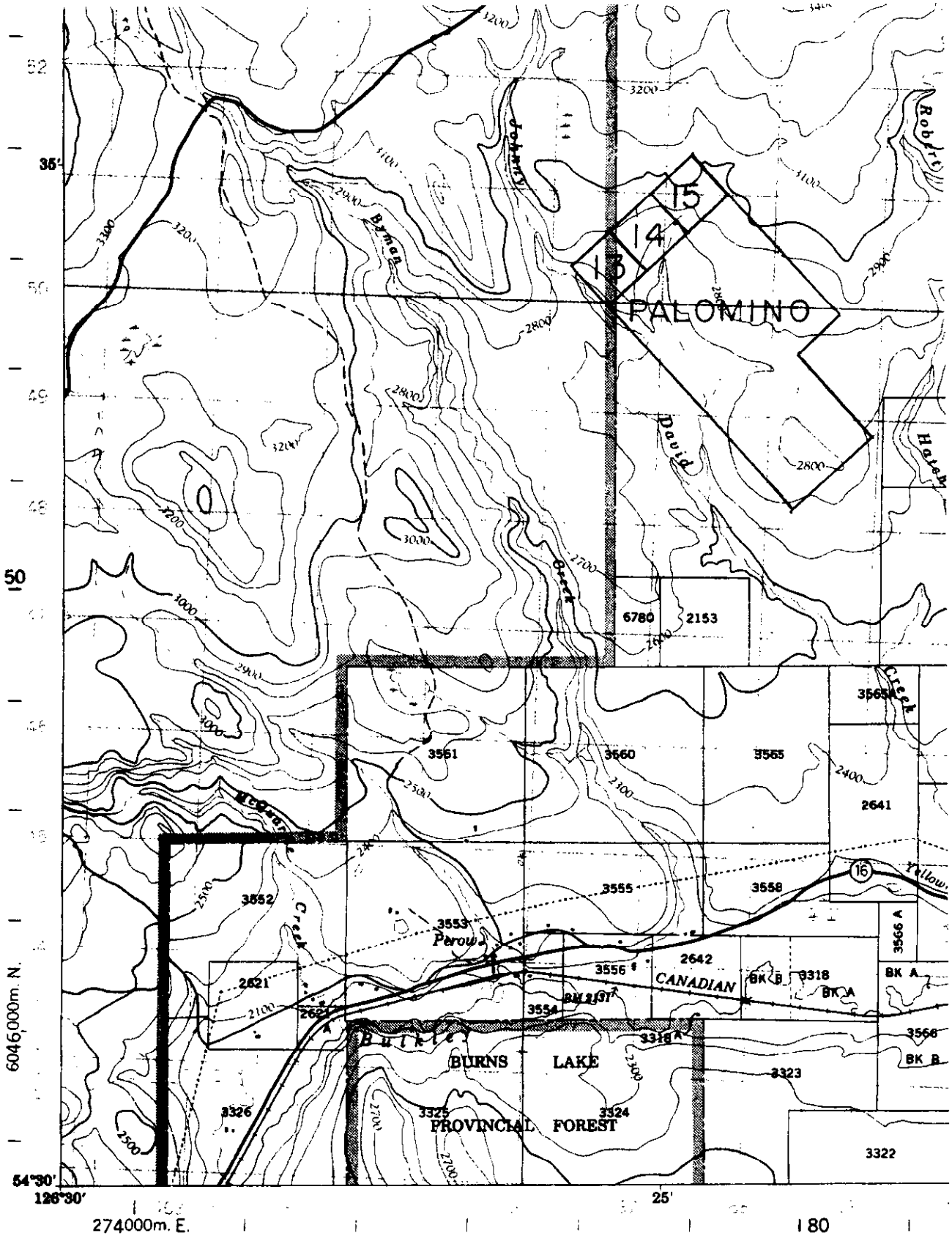
60 50 750 North

6 67 100 East

See figure (1) for map sheet location.

(ii) Access

Access is by motor vehicle from Houston via. highway 16 turning north at Perow. Follow the Byman forest road to the North road. Turn right on the North road and travel to the Johnny David creek forest service road. Follow this road to its end at a large clearcut. The distance is 45 km. Proceed north-west by foot about 500m to The center of the prospecting area.



First edition map updated by the SURVEYS AND MAPPING BRANCH, DEPARTMENT OF ENERGY, MINES AND RESOURCES, from aerial photographs taken 1968. Culture check 1971 Printed 1975

Copies may be obtained from the Canada Map Office, Department of Energy, Mines and Resources, Ottawa, or your nearest map dealer.

93 L9
TOPLEY
1:50,000

N

Roads
hard surface, all weather.....
hard surface, all weather.....
loose or stabilized surface, all weathe
loose surface, dry weather and unclassified streets.....
cart track.....
trail, cut line or portage .....

FIG 1

(iii) Exploration History

The Jack Rabbit shear zone (minfile #19 located 1.5km south east of the prospecting area) was first staked in 1927 by Mathew Sam. Early exploration was performed by Sam near the original showing and along Johnny David creek where there is reported to be widespread weak copper mineralization in intrusive and volcanic rocks. These showings where stripped and a short adit was driven on the Jack Rabbit shear where it is exposed on the south bank of Johnny David creek. A sample taken here in 1928 returned one of the highest gold grades recorded in the Smithers area. The high grade nature of the shear was confirmed by S.Bell in 1997 when a 40 cm chip sample across the shear returned 32.42 g/tonne Au. Early work was focused on exposures of mineralized zones along the creek and no work was done to test the extent of the shear beyond the valley.

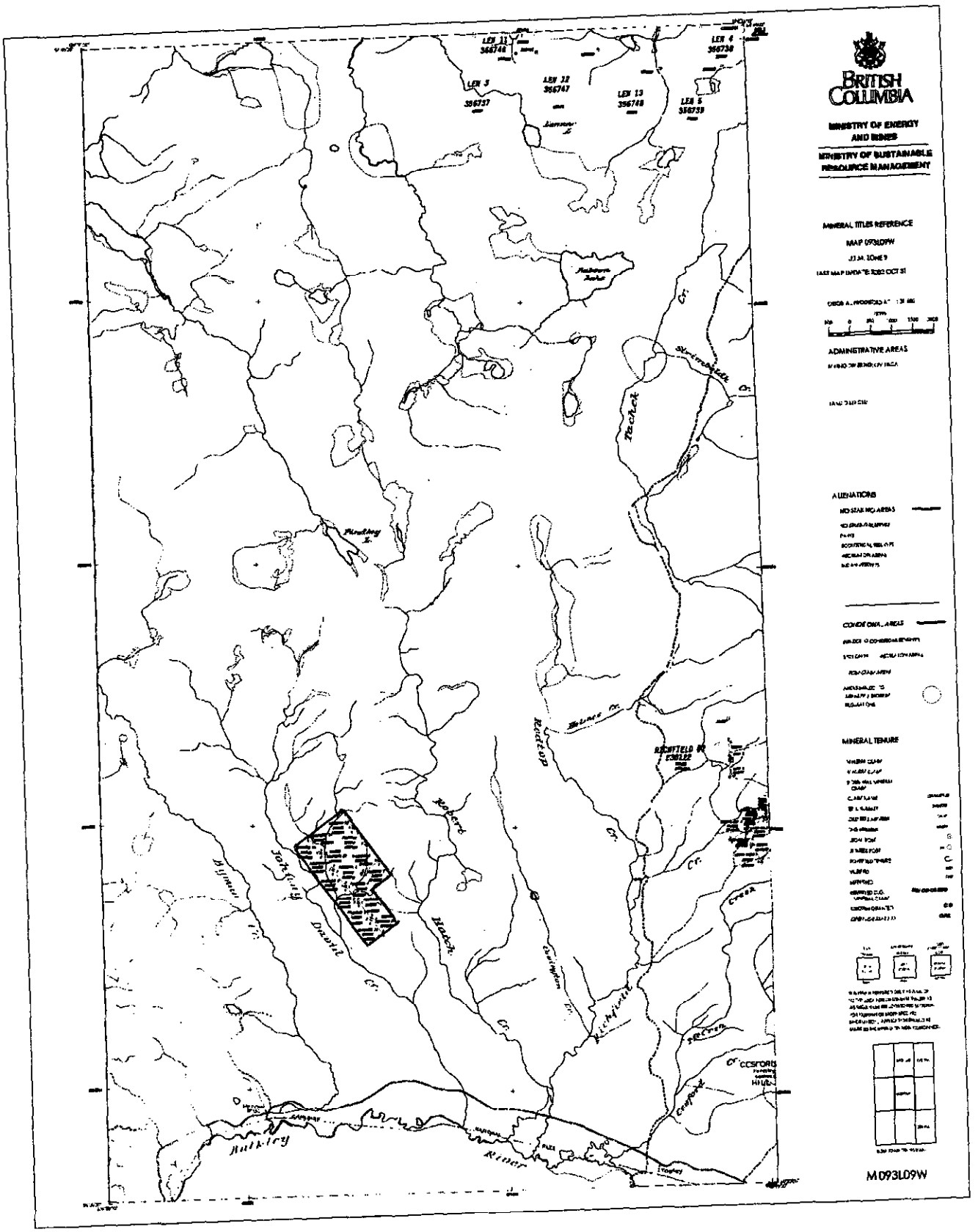
In 1970 the Tagus Syndicate (Assessment # 2738) conducted a geophysical and geochemical survey on claims located north west of the Jack Rabbit shear. Mag, EM and IP surveys were done on widely spaced lines (1000 ft.) to test the porphyry copper potential. Cu, Zn and Mo were tested for with negative results. The survey lines crossed through the prospecting area on Palomino 13, 14 and 15 however only magnetometer readings were taken on these lines.

(iv) Claims and Ownership

The following one unit claims are the focus of this prospecting report. The claims belong to the Palomino claim group and are owned and operated by S. Bell of Houston B. C.

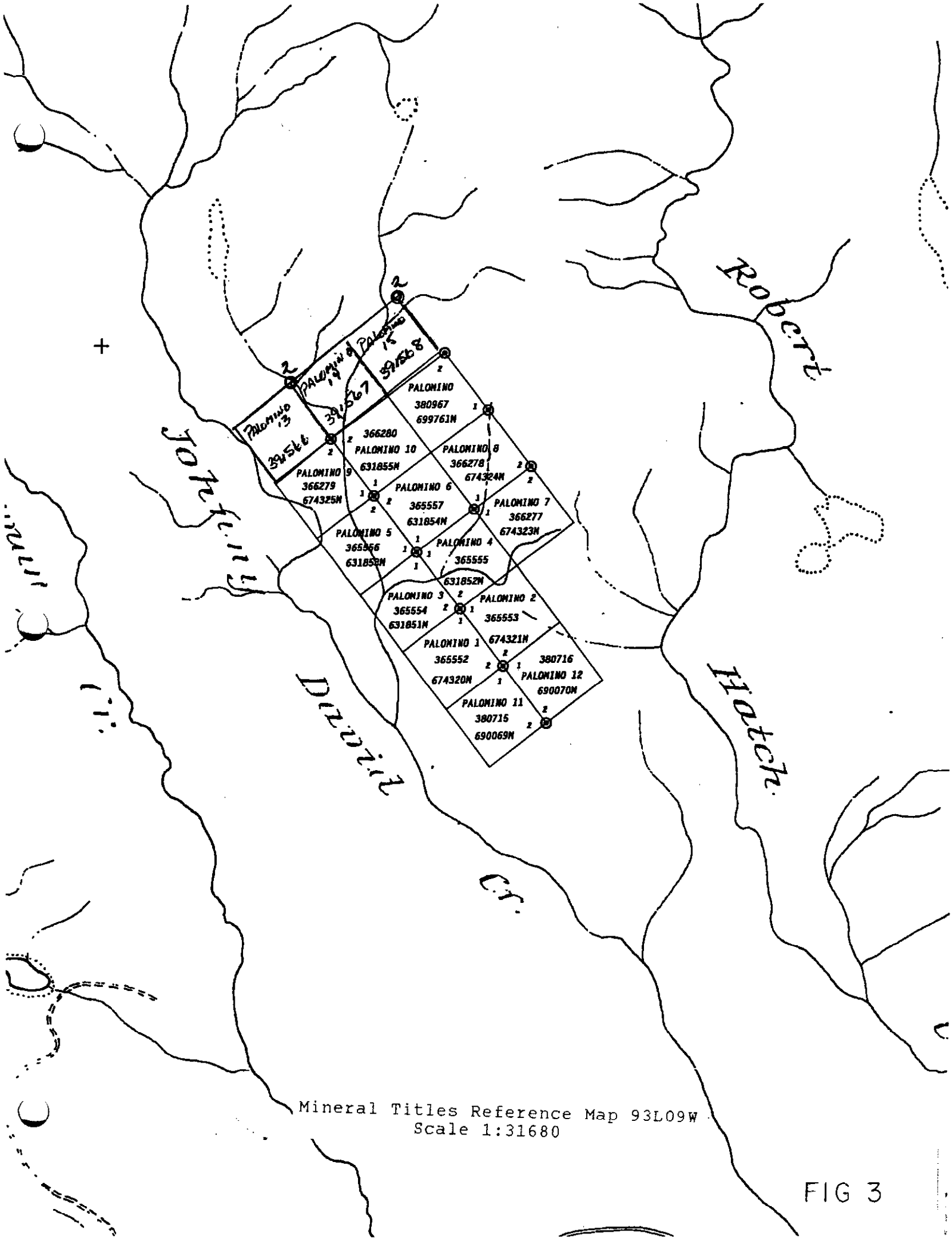
Claim Name	Tenure #
Palomino 13	391566
Palomino 14	391567
Palomino 15	391568

See Figure (2 and 3) for claim post locations.



Mineral Titles Reference Map 93L09W

FIG 2



Mineral Titles Reference Map 93L09W
Scale 1:31680

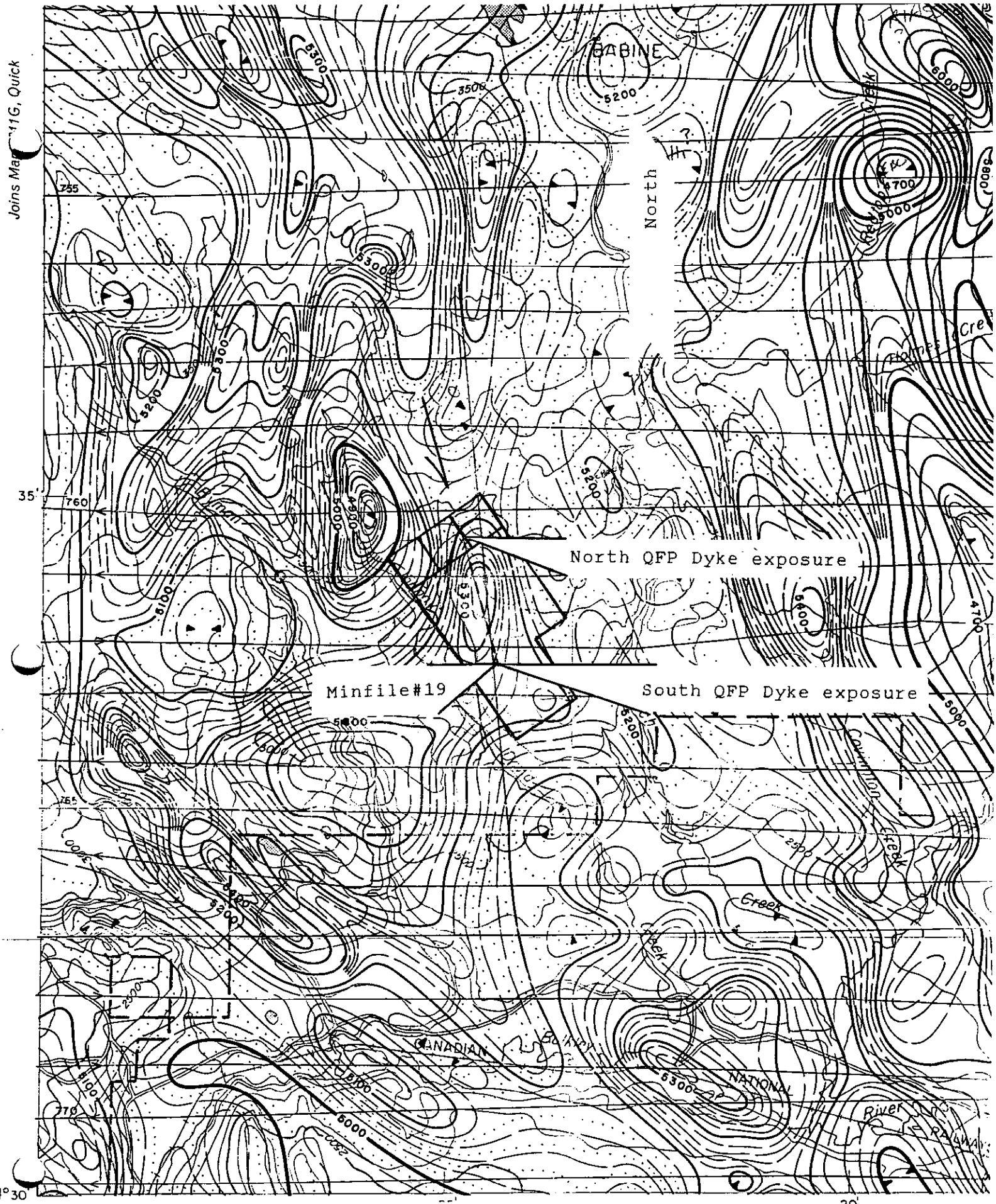
FIG 3

(v) Economic Assessment

Weak copper mineralization in the form of disseminated Chalcopyrite was observed in intrusive dyke rock on Palomino 14 and 15. This quartz feldspar porphyry dyke described in the prospecting report strikes in the same direction as a dyke which out crops 1.5 km to the south east. These two exposures appear to be outcrops of the same dyke. The Jack Rabbit shear zone is adjacent to the southern exposure of this dyke. Structurally controlled copper/gold mineralization in the Jack Rabbit shear is probably related to the dyke and its emplacement. There may be more structures related to the emplacement of this dyke which could host significant copper/gold mineralization particularly in the vicinity of an areomagnetic anomaly which is located between the northern and southern exposures. (see fig.4) The alteration of the host rock adjacent to the dyke in the prospecting area is more intense than that observed in the south and may signal the presence of undetected mineralization.

(B) Summary of Work

The three northern most claims Palomino 13, 14, and 15 form a prospecting area which was investigated over the course of three days using conventional prospecting techniques. The purpose of which was to locate and describe previously unreported out crop. Ten out crops were located and described.



Aeromagnetic Map 5312G Topley
scale 1:63360

FIG 4

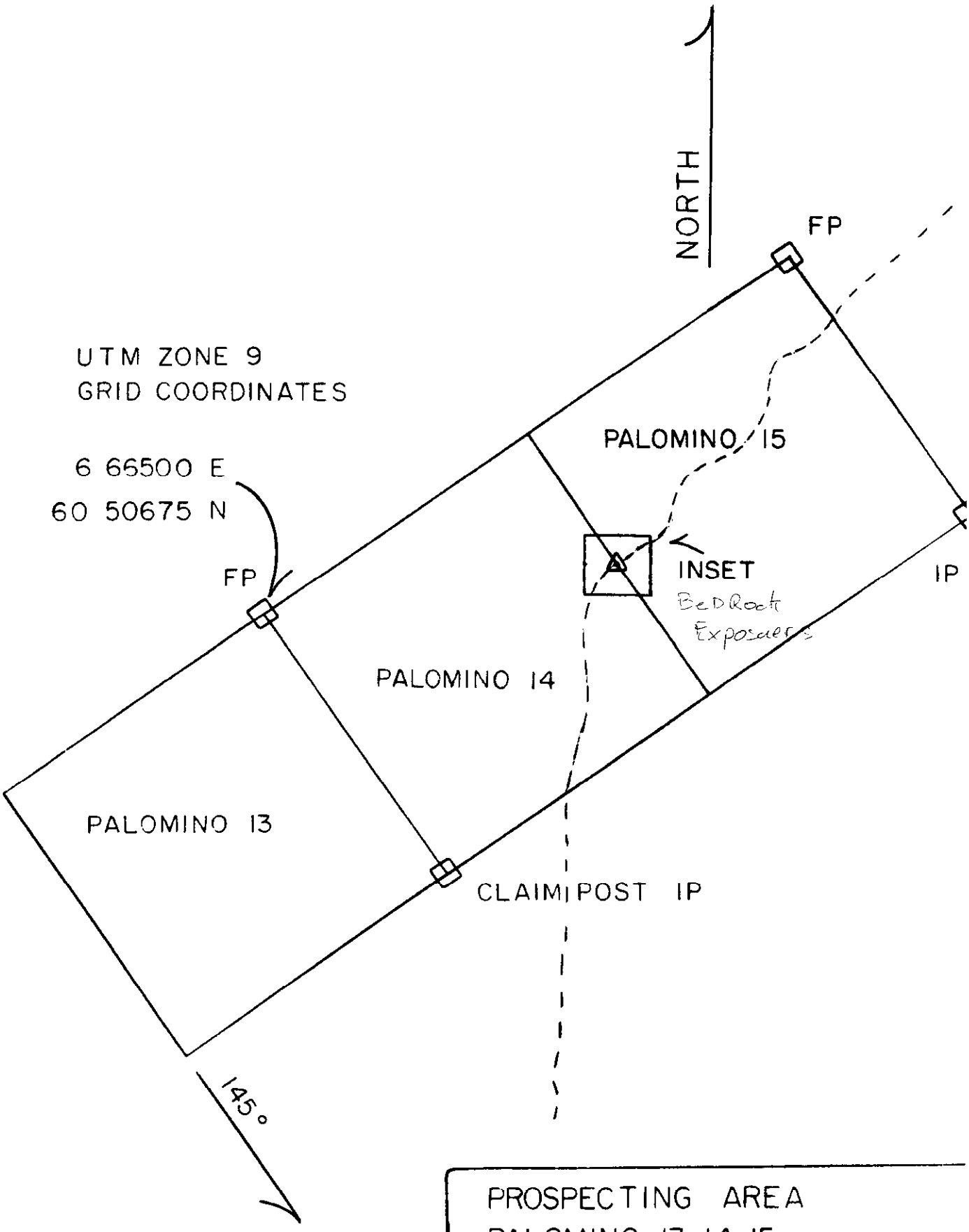
(C) Recommendations

Electromagnetic geophysical methods should be used to map the terrain along the trace of the "Jack Rabbit" dyke. Conductive zones may indicate structures which host mineralization. The prospective terrain extends for a distance in excess of 1.5 km and is coincident with a large areomagnetic anomaly. (See fig 4 for location).

(D) Prospecting Report

(i) Observations

Widespread glacial drift conceals bedrock in the prospecting area but outcrop is found where stream beds cut through the till and expose bedrock. This only occurs however if the erosion is deep and where the water course forms a gully with steep sides. Several fortuitous exposures of bedrock were investigated along a steep north east to south west trending gully. The bedrock is exposed in the stream bottom and along the steep sides of the gully at several locations within a 100m x 100m area. (see inset fig. 5). Here bedrock controls the direction of the stream. A resistant quartz feldspar dyke at "A" (see geological plan of out crop Fig. 6) is exposed on the eastern bank which deflects the stream to the west. The stream follows the trace of a suspected fault before resuming its normal course. The displaced portion of the dyke is exposed on the western bank at "B". Lateral displacement is 50m.



PROSPECTING AREA
PALOMINO 13, 14, 15
INSET INDICATES LOCATION
OF GEOLOGICAL PLAN

0 METER 250

FIG 5

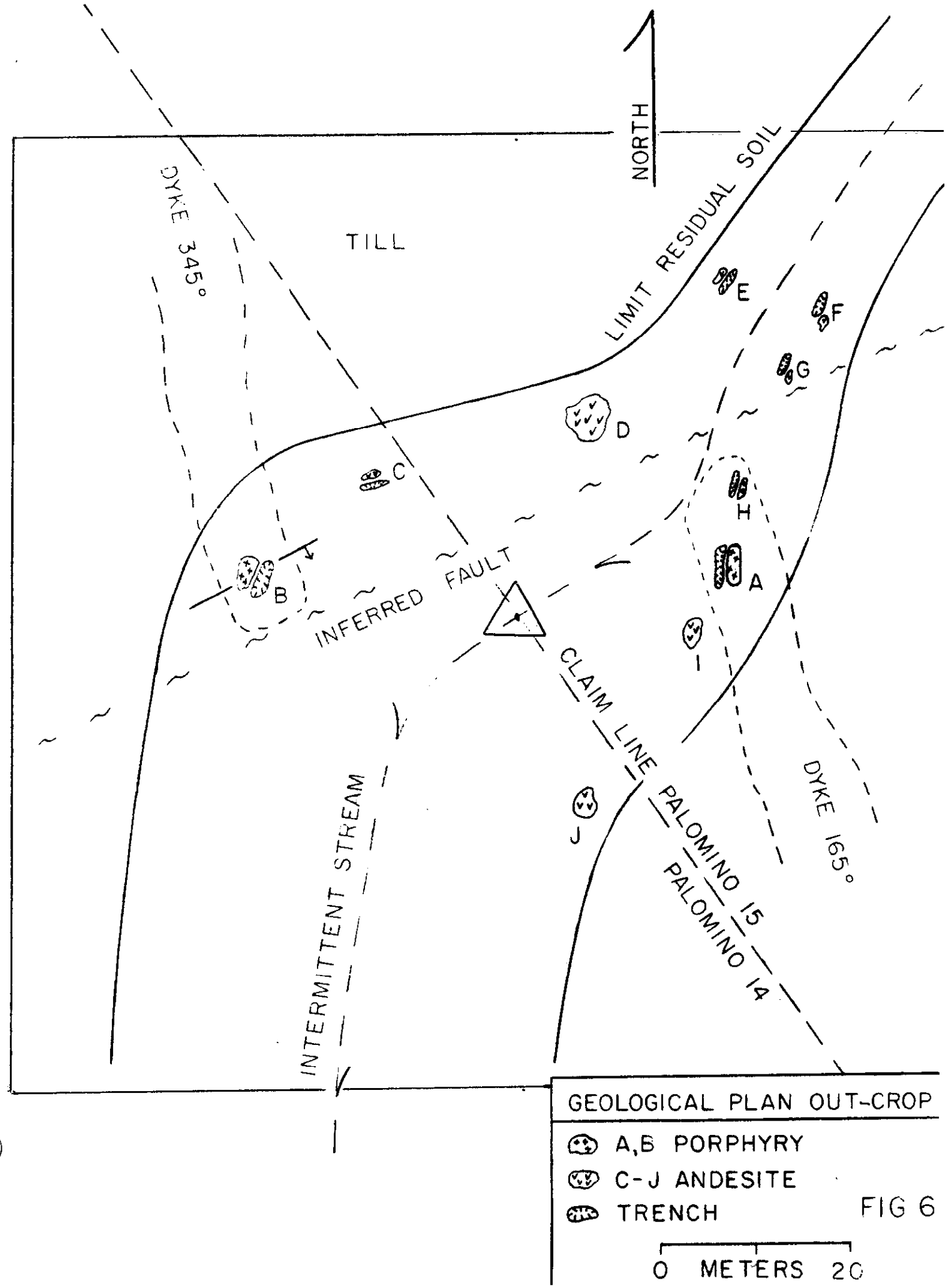

NORTH
DYKE 345°
TILL
LIMIT RESIDUAL SOIL
E
F
G
D
C
H
A
B
INFERRED FAULT
I
CLAIM LINE
PALOMINO 15
PALOMINO 14
DYKE 165°
INTERMITTENT STREAM
J
GEOLOGICAL PLAN OUT-CROP
A,B PORPHYRY
C-J ANDESITE
TRENCH
0 METERS 20

FIG 6

(i) Observations

The country rock is Andesite which has been exposed at C, D, E, F, G, H, I and J by stripping residual soils. To obtain fresh specimens loose and broken surface rock was removed at E, F, G, and H.

(ii) Outcrop Descriptions

"A" Quartz feldspar porphyry dyke:

Overall beige to white colored medium grained porphyritc intrusive rock is exposed for several meters along the eastern side of a steep gully at "A"

The dyke contains angular lathes of chalky white feldspar and rounded to subhedral quartz phenocrysts. The feldspars are 1-2 mm long and evenly distributed throughout a light beige to white aphanitic groundmass. Quartz "eyes" are less abundant, slightly larger and not as evenly distributed as the feldspar. Mafic minerals are either bleached or absent. The light color appears to be as a result of the overall sericitization and kaolinization of the dyke. Abundant fine grained beige colored iron carbonate ? appears in patches and as epithermal veinlets which occupy frequent 1-4mm fractures. Occasional malachite staining was noted on fresh samples.

(ii) Outcrop Description

"B" Quartz feldspar porphyry dyke:

The outcrop at "B" appears to be the displaced portion of the dyke at "A". It outcrops 50m to the west of "A" and is exposed for a few square meters on the western bank of the gully. Overall beige to buff colored medium grained porpyritic rock. Here the dyke appears to be slightly more siliceous with glassy quartz phenocrysts dominating. The groundmass is quartz rich and the feldspars seem to have been completely altered to patches of of clay mineral. The beige colored carbonate ? is present and occupies both fractures and shears. One shear contains visible chalcopyrite with malachite stain. It strikes at 240 degrees and dips @ 60 degrees to the south. The dyke itself appears to strike at 165/345 degrees.

"C" Altered Andesite ?

Dark forest green to pistachio colored medium grained rock. Outcrops near the dyke at "B" and may have been affected by both the emplacement of the dyke and action of the inferred fault. Ground mass consists of an aggregate of dark green chlorite ? with minor quartz and calcite and patches of lighter green epidote. Beige colored iron carbonate occupies fractures and slickensides.

(ii) Outcrop Description

"D" Altered Andesite ?

Greenish buff colored medium grained rock. weathered surface is reddish brown. No dark minerals visible and ground mass appears to be largely altered to clay minerals with pale green chlorite ? and and quartz. Small 1-2 mm subhedral crystals of plagioclase ? are present throughout however since they are largely altered to clay minerals they are difficult to distinguish from the ground mass. 1-2 mm veinlets of white quartz with minor calcite appear in small irregular discontinuous fractures. Minor pyrite is present and appears as discrete subhedral grains or in small <1mm anhedral patches.

"E" Altered Andesite ?

Similar to "D" lighter color with slightly more quartz and carbonate.

"F" Altered Andesite ?

Same as "E" with more epithermal quartz and carbonate filled fractures.

"G" Altered Andesite ?

Same as "F".

(ii) Outcrop Description

"H" Altered Quartz feldspar porphyry ?

This outcrop is located 6m north of the QFP outcrop at "A" and appears to be altered quartz feldspar porphyry. Possibly near the contact of adjacent andesitic host rock at "G". The medium grained rock is a grayish buff color and contains both feldspar and quartz phenocrysts which vary in size from <1mm to 5mm. The phenocrysts are almost all rounded anhedral crystal shapes. The feldspars range in color from buff to flesh. The quartz is glassy white to dark grey. The matrix is very hard to break and probably consists of fine grained quartz and feldspar. There are numerous white quartz and calcite filled fractures some of which exhibit open space filling. The occasional grain of Chalcopyrite is present within the matrix usually with quartz.

"I" Altered Andesite.

Outcrop is in contact with the dyke at "A". Similar to "C" a greenish colored medium grained volcanic rock. Matrix consists of light green chlorite ? and quartz with rare fresh feldspar and is slightly pyritic. There are what appears to be small rounded chlorite ? filled amygdules present which suggests a volcanic origin.

(ii) Outcrop Description

"J" Andesite

Maroon to light grey medium grained andesite. Relatively fresh on an unweathered surface. Sightly porphyritic with anhedral plagioclase phenocrysts and minor mafic phases possibly pyroxene. The matrix cannot be determined with hand lens. Numerous 1-2mm quartz filled fractures are present.

(E) Conclusions

The Quartz feldspar porphyry which out crops on Palomino 14 and 15 has the same characteristic appearance as the dyke adjacent to the Jack Rabbit shear zone located 1.5 km to the south east. Both dykes have the same strike and line up with each other on plan which suggests that they are the same structure.

Authors Qualifications

This is to certify that I, Steve Bell have graduated from Queen's University, Kingston Ontario with the degree of Bachelor of Science; Mining Engineering on May 25 1985.

In 1989, I completed two years training in the department of Geological Engineering at Queen's University.

I have been employed in the mineral industry as a Mining Engineer and have a variety of experience working in various geology departments.I am now an independent Prospector.

Houston, B.C. January 2003

Steve Bell

Statement of Work 2002

Day	Date	Activity	Hours
1	July 25	Conventional Prospecting Palomino 13	12
2	July 26	Conventional Prospecting Palomino 14	12
3	July 27	Conventional Prospecting Palomino 15	12
Total Labor (field work)			36

Itemized cost Statement Period July. 25-27 (2002)

Palomino 13, 14 and 15

1)	Labor 36 hours @ $30/hr.	$1,080.00
4)	Food @ $14.00/day (3 days)	$42.00
5)	Vehicle operation ($45/day)	$135.00
7)	Report	$500.00
Total Period Project		$1757.00

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