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ASSESSMENT REPORT
FOR THE
2003 PROSPECTING
OF THE
LONE PINE MINERAL CLAIM GROUP
SITUATED IN THE
OMINECA MINING DIVISION
NTS 93L/10E

LATITUDE: 54° 31' LONGITUDE: 126° 44'

OWNED BY: DANIEL MERKLEY

WORK BY: DANIEL MERKLEY & WILLIAM R. MERKLEY

REPORT BY: DANIEL MERKLEY

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FEBRUARY 2004

MINERAL SURVEY BRANCH
2742

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TABLE OF CONTENTS

INTRODUCTION:

Location and Access.....Page 1
Claim History and Status.....Page 1-2
Purpose.....Page 3
Procedure.....Page 3

CONCLUSION.....Page 7-8-9

STATEMENT OF EXPENDITURES.....Page 10

AUTHOR'S QUALIFICATIONS.....Page 11

MAPS

Regional Map.....Page 4
Mineral Claim Map.....Page 5
Map of Prospecting Traverses.....Page 6

INTRODUCTION

(1) LOCATION AND ACCESS:

The Lone Pine group of mineral claims is located approximately 11 km north-west of Houston, in west-central British Columbia (Fig. 1). The mineral claims are situated north-east from a point approximately 200 meters east of the south end of Fishpan Lake. Access to the claims is via an old exploration road built during the 60's, which departs Highway 16 at a point approximately 1.5 km west of the Summit Lake Road turn-off. An alternate route to the property is via the Summit Lake Road to the Pacific Northern Gas pipeline right-of-way, then west for approximately 3 km.

(2) CLAIM HISTORY AND STATUS:

Several occurrences of molybdenite, chalcopyrite, tetrahedrite, sphalerite and galena are mentioned in the Ministry of Mines Reports for 1915, 1926 and 1927. The ground covered by the claims was explored on an on-going basis from 1960 to 1990. Thirteen assessment reports are available with details of passed exploration:

00509, 00510, 00757, 002285, 02517, 06152, 07117, 09135,
12180, 17341, 21635, 22862, 27151

Minfile numbers of Capsule Geology and Bibliography available:

027, 028, 029

Passed exploration was mainly directed at the molybdenite and

silver potential in the area. Exploration included about 28,000 feet of drilling (percussion and rotary).

The Lone Pine mineral claim group is owned by Daniel Merkley of Houston, British Columbia. Assessment work on the claims was carried out by Daniel Merkley and William R. Merkley of Houston, British Columbia. With acceptance of this report the mineral claims will remain in good standing until January 17, 2005.

The original mineral claims (Lone Pine-2, Lone Pine-3, Lone Pine-4, Lone Pine-5, Lone Pine-6) have been grouped under the name Lone Pine, event number 3204460.

The Lone Pine mineral claims are defined as follows:

<u>CLAIM NAME</u>	<u>TENURE NUMBER</u>	<u>UNITS</u>	<u>EXPIRY DATE</u>
Lone Pine-2	399606	1	January 18, 2005
Lone Pine-3	399607	1	January 17, 2005
Lone Pine-4	399608	1	January 17, 2005
Lone Pine-5	399609	1	January 17, 2005
Lone Pine-6	399610	1	January 17, 2005

PURPOSE:

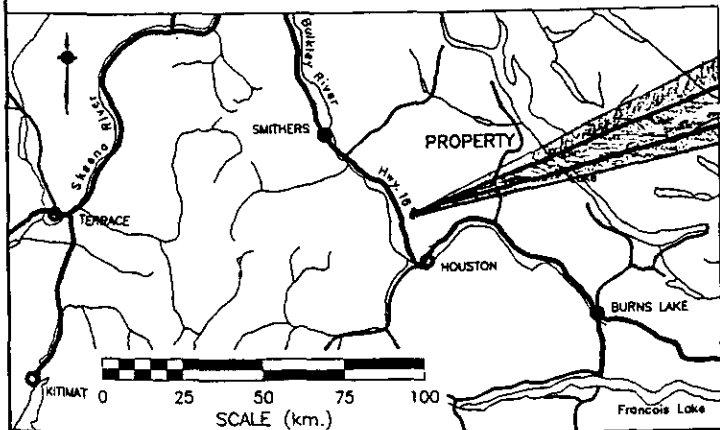
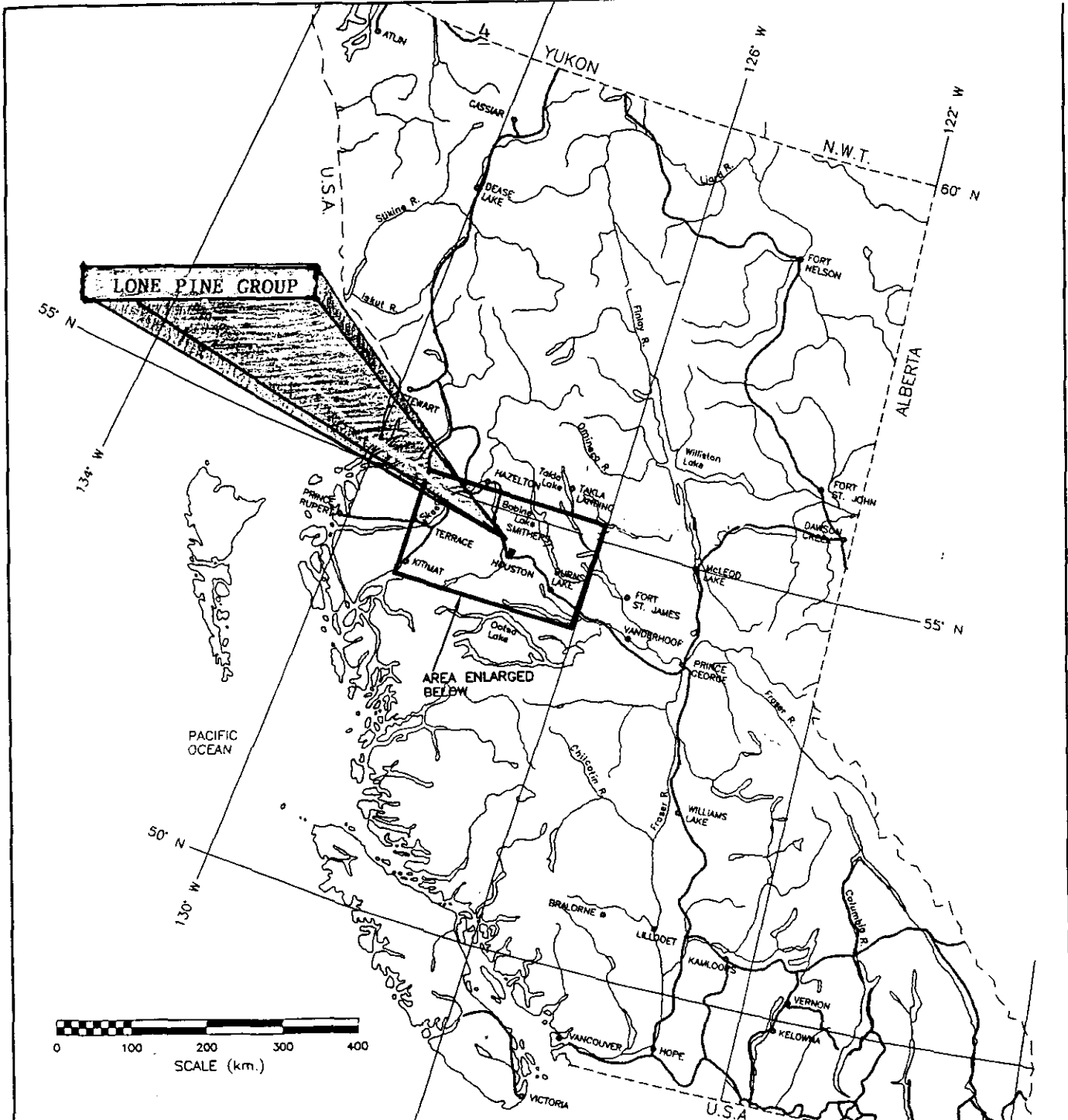
Prospecting over the Lone Pine mineral claim group during the 2003 field season was done with two major objectives:

- (1) To gain a broad overview of the large mineralized area and discover any mineralized rock outcrops not previously discovered during past exploration.
- (2) To discover molybdenite mineralization, which could be the focus for a future rock geochemistry program for silver and rare metals.

PROCEDURE:

Two men spent two days prospecting. On day 1 a northerly course was made from the southwest corner of the Lone Pine-2 mineral claim, northward into the Lone Pine-5 mineral claim and back (track #1 on the prospecting traverse map).

On day 2 a northerly traverse was made through the Lone Pine-4 and Lone Pine-6 mineral claims. The return trip was made in the general vicinity of the central claim line (track #2 on the prospecting traverse map).



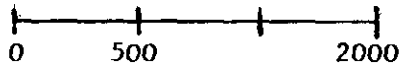
LONE PINE GROUP
OMINECA MINING DIVISION
93L/10E

MINERAL CLAIM MAP

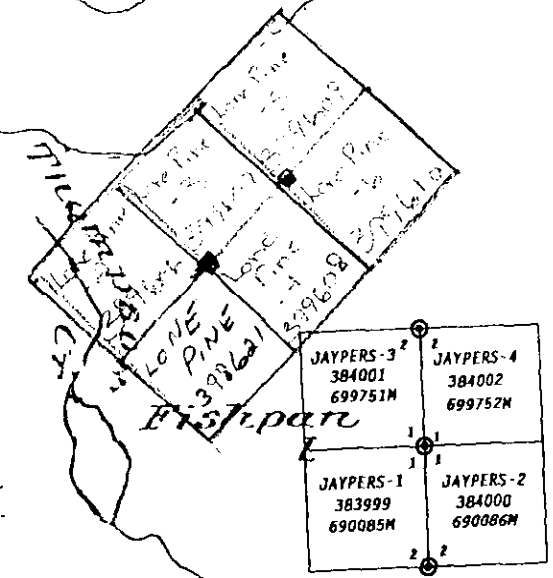
93L/10E

604454

Scale: Meters



NORTH



RES. MIN. & PLACER
1/2 MILE EITHER SIDE
O/C 2401, 16-JUL-70
RELEASE REQUIRED

54°30'00"

126°45'00"

646272

MAP OF PROSPECTING TRAVERSES

Lone Pine-5

Lone Pine-6

trench

Lone Pine-3

Lone Pine-4

biotite hornfels/qtz. vng./Mo

trench

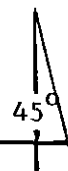
granite float/pyrite

trench

trench/qtz./pyrite

Lone Pine-2

SCALE: 1:5,000



CONCLUSION:

The two prospecting traverses verified at least one geological characteristic of the property expounded by past explorationists: biotite hornfels underlies a great extent of the claims. Virtually all the area covered by the prospecting traverses were found to be underlain by biotite hornfels, which was often bleached by quartz veining to yellowish or greenish hues. The western region of the Lone Pine-3 claim showed a noticeable facies change from the rest of the claims. In that it appears to be underlain by at least a small portion of mauve volcanics, probably belonging to the Telkwa Formation.

Prospecting traverse #1:

Prospecting traverse #1 was characterized by a scarcity of outcrop. There was enough float discovered -- which appeared to be of proximal provenience -- that the underlying rock type could be determined to be biotite hornfels. Near the north end of the traverse, the hornfels takes on a dark green colour -- a chloritic hornfels, as stated in other reports. It appears limited in extent. Also, near the north end of the Lone Pine-3 mineral claim an area of large, angular bearing quartz veins and noticeable molybdenite was discovered. This was in a swampy area east of the site of large trenches and drilling, which was probably exploration undertaken by Molymines Exploration, Granby and Southern Cross Gold Ltd. in the 60's, 70's and 80's. Several similar large trenches were discovered on this traverse, but it was difficult to differentiate the trenches from old creek beds because of the deep, and apparently water-washed rock found in both of them. Several

of the trenches (?) were dozens of meters long and three or more meters deep. Most of the trenches did not reach bedrock, although most bore large, jagged float. The trenches had sloughed in enough to prevent determining if they had reached bedrock or not. The erratics they contained appeared to be of proximal provenience and some contained minor amounts of molybdenite. The trenches did serve to define the depth of overburden as being several meters deep.

The number of float and their shape and size at the north-central area of the Lone Pine-3 mineral claim suggest they originate from the immediate area. At the drill sites west of this location an intercept of 50 feet of 8 ounces per ton silver was obtained during exploration in the 80's. Traverse #1 transected these trenches and drill sites where green, chloritic hornfels suggests a greater distance from the intrusives and a cooler environment. This could explain the high silver values, ie. it is at the periphery of the quartz monzonite intrusives in the area. There was also a noticeable amount of chalcopyrite at this location.

Prospecting traverse #2:

Granite porphyry float was discovered on traverse number 2 and it probably originated from the intrusive body drilled to the east of the traverse, where low-grade molybdenite was intercepted. Some of the float discovered bore scarce disseminated molybdenite and pyrite. Overall, the traverse was hindered by overburden, even moreso than traverse number 1. Prospecting further to the east would perhaps be more favourable; the terrain rises and outcrop might be more

likely discovered there. Another more favourable area for the discovery of outcrop would be near the southern region of Lone Pine-4, an area of uplifted topography and apparently the central "hub" of the molybdenite mineralization in the area

Overall, the Lone Pine Group appears to cover a classic molybdenite porphyry orebody. A feature supporting this is the prominent uplifted terrain -- a moundlike feature -- at the center of the molybdenite, tetrahedrite, sphalerite, chalcopyrite and galena mineralization. This appears to be a not-uncommon feature at molybdenite type orebodies. The Berg porphyry about 95 km southwest of Houston also displays a similar feature and there are several other similar moundlike features associated with other well-explored molybdenite properties.

Further exploration on the Lone Pine Group could entail the following:

- (1) Rock sampling from outcrop further east on the Lone Pine-4 and Lone Pine-6 mineral claim, where steeper terrain could possibly offer more rock exposure.
- (2) Further rock sampling of molybdenite mineralization could be directed at silver and rare metals, because the presence of these metals would provide the extra value to enhance the present molybdenum and copper values on the property.
- (3) The location of past work could be mapped with GPS for future correlation.

STATEMENT OF EXPENDITURES

(1) LABOUR:	2 men X 2 days @\$100.00 per day each	\$400.00
(2) TRANSPORTATION:	2-wheel drive pickup (2 days X \$35)	\$70.00
(3) PROVISIONS:	\$7.50 ea. per day (4 X \$7.50)	\$30.00
(4) REPORT PREPARATION:		<u>\$125.00</u>
	TOTAL EXPENDITURES	\$625.00

AUTHOR'S QUALIFICATION

I, DANIEL MERKLEY, DO HEREBY CERTIFY THAT:

- (1) I AM A PROSPECTOR AND RESIDE AT HIGHWAY 16 EAST, HOUSTON, B. C.
- (2) I HAVE MORE THAN 30 YEARS OF PROSPECTING EXPERIENCE.
- (3) I PREPARED THIS REPORT.

RESPECTFULLY SUBMITTED

Daniel Merkley

DANIEL MERKLEY

PROSPECTOR