

RECEIVED
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Gold Commissioner's Office
VANCOUVER, B.C.

ASSESSMENT REPORT
FOR THE
2004 ROCK GEOCHEMISTRY
OF THE
LONE PINE 2,3,4,5,6 MINERAL CLAIMS
SITUATED IN THE
OMINECA MINING DIVISION

93L057

LATITUDE: 54 ° 31 ' LONGITUDE: 126 ° 44 '

OWNED BY: DANIEL MERKLEY

WORK BY: DANIEL MERKLEY & WILLIAM R. MERKLEY

REPORT BY: DANIEL MERKLEY

JANUARY 2005

27,720
GEOLOGICAL SURVEY BRANCH

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LOCATION AND ACCESS

LOCATION: The Lone Pine 2, 3, 4, 5, 6 group of mineral claims is located approximately 11 km north-west of Houston, British Columbia. The claims are located approximately 2 km north-east of Highway 16, between Houston and Smithers, British Columbia. The claims cover the south-west slope and top of Mineral Hill, a small mountain unnamed on most maps situated about 4 km south-west of Grouse Mountain.

ACCESS: Access to the claims is provided by an old mining exploration road, which leaves Highway 16 near the top of Hungry Hill and travels east for approximately 2 km. The old road passes through the west edge of lot 297A and was passable by pickup truck until recently. Passage during the last few years has been restricted by a bridge that has fallen into disrepair.

CLAIM HISTORY AND STATUS

HISTORY:

- 1914: **Joseph Bussinger** and **Chas. Barrett** hold the Lone Pine Group consisting of the Venus, Uranus, Lone Pine mineral claims; and the Grafter Group consisting of the Grafter, Iron King, Iron Mask, Bluebell claims
- 1915: **Michael McCormick** holds the Silver King Group consisting of the Silver King, Mother Lode and Maggie mineral claims
- 1926: **E. and B. Hoops, F. Mapleton** and **J. Bussinger** hold the Mickey Group consisting of the Suprema claim
- A. S. Miller, M. E. Leblanc** and **J. Bussinger** hold the Venus Group
- J. Bussinger** holds the Butte Group comprising the Enterprise claim
- 1959: **William Merkley** explores copper-silver mineralization with Caterpillar Trenching
- 1962: **Southwest Potash** carries out a Magnetometer Survey (A. R. 00510)
- 1963: **Southwest Potash** carries out a Geochemical Survey (A. R. 00509)
- 1964: **Canex Aerial Exploration** carries out Diamond Drilling, Geological Mapping and a Geochemical Soil Survey
- 1965: **Moly mine Exploration** carries out an Induced Polarization Survey (A. R. 00757)
- 1969: **Manex Mines** performs an Induced Polarization and Resistivity Survey (A. R. 002285)
- 1969: **Manex Mines** completes a Geochemical Soil Survey (A. R. 02517)
- 1977: **Granby** carries out Percussion Drilling (A. R. 06152)
- 1978: **Granby** carries out Percussion and Diamond Drilling (A. R. 07117)
- 1981: **Noranda Mining and Exploration Inc.** completes a Ground EM survey (A. R. 09135)
- 1983: **Noranda Mining and Exploration Inc.** completes Geochemical, Geological and Geophysical surveys (A. R. 12180)
- 1988: **Southern Cross Gold Inc.** carries out Diamond Drilling (A. R. 17341)
- 1991: **Lorne B. Warren** performs a Geochemical Survey (A. R. 21635)
- 1992: **Lorne B. Warren** performs a Geochemical Survey (A. R. 22962)
- 2002: **Daniel Merkley** performs a Geochemical Rock Survey (A. R. 26831)
- 2003: **Daniel Merkley** performs Prospecting on the ground (A. R. 27151)
- 2003: **Daniel Merkley** performs Prospecting on the ground (A. R. 27427)

STATUS:

The Lone Pine 2, 3, 4, 5, 6 claims are grouped under the name Lone Pine, event number 3204460

The Lone Pine group is owned by Daniel Merkley of Houston, British Columbia. Assessment work on the claims was performed by Daniel Merkley and William R. Merkley of Houston, British Columbia. With acceptance of this assessment work report the mineral claims will remain in good standing Until January 17, 2006. The claims are defined as follows:

Lone Pine-2	Tenure Number 399606	1 Unit	Expires Jan. 18, 2006
Lone Pine-3	Tenure Number 399607	1 Unit	Expires Jan. 17, 2006
Lone Pine-4	Tenure Number 399608	1 Unit	Expires Jan. 17, 2006
Lone Pine-5	Tenure Number 399609	1 Unit	Expires Jan. 17, 2006
Lone Pine-6	Tenure Number 399610	1 Unit	Expires Jan. 17, 2006

PURPOSE

PURPOSE: A multielement analysis of rocks were undertaken to investigate the following metals:

(1) **RHENIUM:** Rhenium is a rare element, which sometimes occurs in nature in association with molybdenum. It is presently valued at \$1250 US an ounce. Because there have not been any prior analysis performed on the molybdenite mineralization on the property for this element it was decided this would be a worthwhile undertaking: it would enhance the value of the mineralization found on the Lone Pine-2, 3, 4, 5, 6 mineral claims.

(2) **MERCURY:** In the 1965 annual report for the Minister of Mines and Petroleum Resources a geochemical soil survey for mercury in soils undertaken by S. Brown of the Government is discussed along with graphics. The survey and results are also discussed in the February issue of the Western Miner magazine. The survey was performed on several molybdenum deposits to find if mercury could be utilized as a pathfinder element for molybdenite. The survey was performed on the Glacier Gulch, Lucky Ship, Endako and Huber (Mineral Hill, Lone Pine) deposits. Mercury profiles were found to coincide with molybdenite showings and ore zones on the properties sited.

Geochemical analysis of rock found at outcrop on the Lone Pine property was undertaken to determine if molybdenum values correlate with mercury values. If this is the case, geochemistry soil surveys could prove useful for the exploration for subsurface molybdenite mineralization.

(3) **ANTIMONY:** Geochemical analysis for antimony was undertaken to determine if antimony values correlate with silver values. If the silver mineralization found on the property is associated with an antimony-rich variety of tetrahedrite, antimony would be a useful pathfinder element for further exploration.

PROCEDURE

PROCEDURE: Past exploration on the property appears to have been centered on 4 mineralized zones: Alaskite Zone, Quartz Breccia Zone, Granby Zone and Porphyritic Granite Zone. It does not appear any exploration has been directed at joining these various mineral zones. If any work was performed in this regard, it was very limited.

A search was directed towards the area between the Alaskite Zone and the Quartz Breccia Zone because these appear to be the most promising zones of mineralization.

A zig-zag course was made between the two sited zones in a search for outcrop. Although overburden does not appear to be more than a meter deep at most locations, there is very scant outcrop.

Rock samples were taken where outcrop was discovered between the two zones sited.



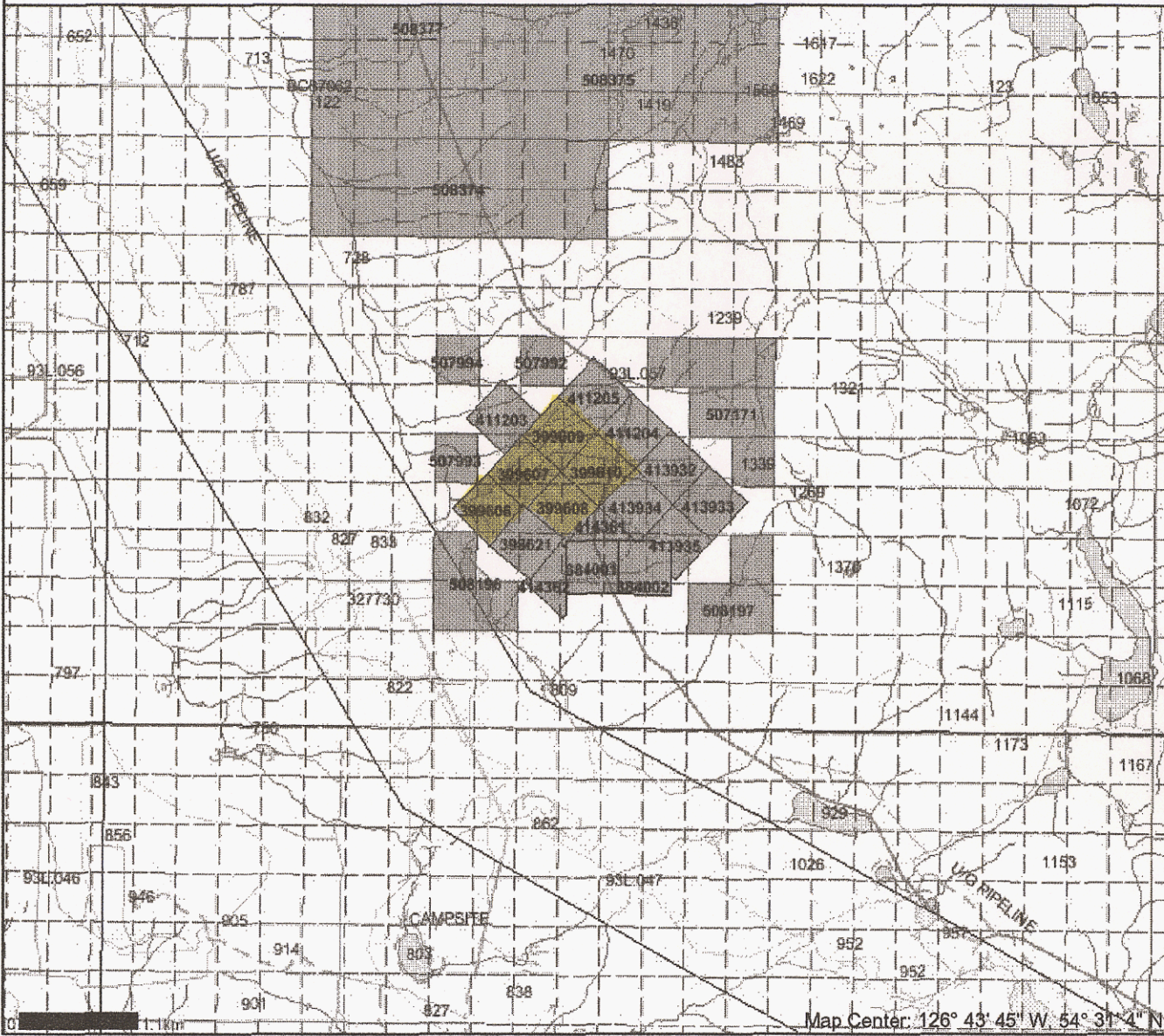
BRITISH COLUMBIA

LONE PINE 2, 3, 4, 5, 6
MINERAL CLAIMS

5

Map created Fri Mar 25 15:26:38 PST 2005

Legend



- Indian Reserves
- National Parks
- Parks
- Mineral Titles Grid
- Mineral Tenures
- Reserves (Sites)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Mining Divisions
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area Exclusion
- Area Indefinite Contours
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport, Abandoned
- Ferry Route
- Road (Gravel Undivided) - 1 Lane
- Road (Gravel Undivided) - 2 Lanes
- Road (Gravel Undivided) - U/C - 1 Lane
- Road (Gravel Undivided) - U/C - 2 Lanes
- Road (Paved Divided) - Not Elevated - 1 Lane Each Way
- Road (Paved Divided) - Not Elevated - 2 Lanes Each Way
- Road (Paved Divided) - U/C - Not Elevated - 2 Lanes Each Way
- Road (Paved Undivided) - Not Elevated - 1 Lane
- Road (Paved Undivided) - Not Elevated - 2 Lanes
- Road (Paved Undivided) - Not Elevated - 4 Lanes
- Road (Paved Undivided) - D/C - Not Elevated - 4 Lanes
- Road (Unimproved)
- Cut (Roadway)
- Embankment/Fill (Roadway)
- Trail
- Bridge - Foot
- Bridge - Trestle
- Tunnel
- Bridge
- Rail Line (Double Track)
- Rail Line (Multiple Track)
- Rail Line (Single Track)

Scale: 1:58,985

DO NOT USE FOR NAVIGATION

Map Center: 126° 43' 45" W, 54° 31' 4" N

1:1km

61


ROCK SAMPLE LOCATION MAP

LONE PINE - 5

LONE PINE - 6








N45°E

 LPRX-04-8
LPRX-04-6 & LPRX-04-7

LONE PINE - 3


LONE PINE - 4

 LPRX-04-3
 LPRX-04-2
 LPRX-04-5
 LPRX-04-4

 LPRX-04-1

LONE PINE - 2

LEGEND

 - Rock sample location

SCALE

1:5000



GEOCHEMICAL ANALYSIS CERTIFICATE



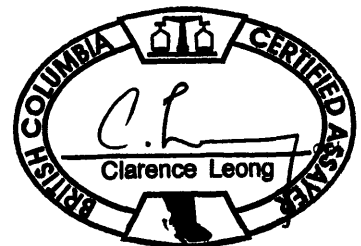
Merkley, Dan File # A500015 (a)
Box 453, Houston BC V0J 1Z0

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Sc	Tl	S	Hg	Se	Te	Ga
	ppm	ppm	ppm	ppm	ppb	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm	%	ppb	ppm	ppm	ppm
LPRX-04-1	522.33	88.04	5.18	14.2	322	1.0	.3	21	.53	22.8	2.8	2.3	6.5	5.4	<.01	.82	1.87	<2	.03	.004	5.6	3.1	.02	160.6	<.001	1	.23	.026	.22	2.0	.4	.06	.15	19	.2	.74	1.0
LPRX-04-2	427.31	263.20	27.48	14.0	3979	1.0	4.5	14	5.19	265.7	1.8	15.2	4.3	10.5	<.01	94.79	6.07	<2	.10	.052	1.7	3.2	.01	30.7	<.001	1	.25	.006	.25	1.2	.2	.07	5.57	50	2.2	3.54	1.1
LPRX-04-3	2.77	173.06	4.20	74.0	173	6.1	7.1	867	3.51	2.1	.2	<.2	.6	11.7	.09	1.17	.47	64	.65	.111	3.0	14.6	.45	28.6	.174	1	.93	.072	.15	4.6	12.1	.14	.79	<.5	.2	.18	4.3
LPRX-04-4	9.36	433.85	1.89	26.5	296	5.0	14.6	288	2.77	2.2	.4	.2	.3	11.0	.14	.90	.95	44	.49	.045	1.5	10.4	.34	8.4	.205	<1	.63	.062	.11	88.1	5.7	.12	1.93	<.5	.6	.24	2.1
LPRX-04-5	146.44	678.17	7.45	67.2	388	4.0	9.0	644	4.92	4.1	2.0	2.6	1.7	5.8	<.01	1.76	15.12	71	.85	.108	7.0	7.1	.66	45.6	.161	1	1.51	.015	.09	45.4	10.0	.23	2.78	<.5	1.1	7.40	8.1
LPRX-04-6	1068.65	41.13	81.68	155.3	920	3.5	61.9	3221	3.46	1.0	7.9	34.3	1.4	50.9	.43	6.69	1.71	8	1.85	.048	1.7	3.8	.62	40.1	.009	1	.48	.012	.32	1.0	2.5	.16	2.50	14	1.6	.55	1.5
LPRX-04-7	6.54	102.77	1.74	89.4	158	3.5	13.9	1431	3.99	.5	.4	2.0	2.0	39.0	.06	2.87	.19	86	1.25	.075	7.2	6.1	1.30	323.1	.167	<1	1.53	.050	1.09	.4	7.8	1.25	.31	<.5	.3	.03	5.4
LPRX-04-8	>2000	2592.74	3.50	224.5	19907	2.9	6.3	160	2.17	77.1	3.3	13.7	.2	10.3	1.72	763.20	1.78	2	.24	.005	<.5	4.6	.09	51.0	.005	<1	.07	.015	.05	.9	.5	.06	2.10	265	2.2	.94	.3
STANDARD DS6	11.47	119.76	29.48	142.7	284	25.8	11.1	733	2.88	21.0	6.7	46.1	3.3	40.4	5.84	3.50	4.91	58	.87	.082	15.0	184.3	.59	170.3	.087	16	1.93	.074	.16	3.3	3.4	1.74	.02	226	4.4	2.24	6.2

GROUP 1F15 - 15.00 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP/ES & MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: Rock R150

Data P FA _____

DATE RECEIVED: JAN 5 2005 DATE REPORT MAILED: Jan 21/05



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GEOCHEMICAL ANALYSIS CERTIFICATE



Merkley, Dan File # A500015 (b)
Box 453, Houston BC V0J 1Z0

SAMPLE#	Cs ppm	Ge ppm	Hf ppm	Nb ppm	Rb ppm	Sn ppm	Ta ppm	Zr ppm	Y ppm	Ce ppm	In ppm	Re ppb	Be ppm	Li ppm	Pd ppb	Pt ppb	Sample gm
LPRX-04-1	.27	<.1	.03	.60	11.5	.2	<.05	1.3	2.34	9.0	<.02	29	.2	2.0	<10	<2	15
LPRX-04-2	.34	.1	.15	.13	7.5	.2	<.05	3.1	4.54	3.7	<.02	23	.1	.9	<10	<2	15
LPRX-04-3	1.46	.2	.12	.08	11.6	.5	<.05	2.2	10.63	6.3	.11	<1	.3	12.0	<10	<2	15
LPRX-04-4	.50	.2	.21	.16	7.9	1.5	<.05	3.3	7.69	3.5	.05	2	.2	6.0	<10	<2	15
LPRX-04-5	.56	.3	.16	.32	6.1	2.7	<.05	3.5	23.40	14.6	.03	6	.8	24.0	<10	<2	15
LPRX-04-6	.60	<.1	.02	.06	24.3	.3	<.05	1.0	5.68	3.7	<.02	125	.2	2.2	<10	<2	15
LPRX-04-7	10.86	.1	<.02	.04	119.5	.4	<.05	.4	10.51	14.2	.04	1	.2	16.3	<10	<2	15
LPRX-04-8	.30	<.1	<.02	.11	4.2	.1	<.05	1.1	.89	1.2	<.02	359	<.1	1.1	<10	<2	15
STANDARD DS6	5.49	<.1	.05	1.65	14.9	5.7	<.05	3.5	7.31	28.8	1.93	<1	2.2	15.8	164	45	15

GROUP 1F15 - 15.00 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP/ES & MS.
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.
- SAMPLE TYPE: Rock R150

Data 1 FA

DATE RECEIVED: JAN 5 2005 DATE REPORT MAILED: Jan 21/05



CONCLUSION

Values for Rhenium, Mercury and Antimony were shown to be anomalous and associated with the mineralization on the Lone Pine mineral property. Previously cited significance is verified by the rock sample analysis. Analysis verified the following:

- (1) **Rhenium** values are directly associated with molybdenum values. There could be a constant and direct ratio of approximately 8(Mo ppm):Re ppb, a ratio of 1:8. The author received some information suggesting this ratio is usually around 1:19. The results suggest the molybdenite mineralization at the Lone Pine property could be unusually rich in Rhenium. An expanded rock geochemical survey could possibly verify this possibility.
- (2) **Mercury** values were found to be directly related to molybdenum values in the rock samples analyzed during this assessment work. Thus, mercury could be utilized as a pathfinder element and included in analysis during rock or soil sample surveys.
- (3) **Antimony** was found to be directly related to silver values in the multielement analysis. Therefore, the tetrahedrite mineralization on the Lone Pine property contains antimony. Taking this finding into consideration, antimony could be utilized as a pathfinder element for the discovery of silver mineralization on the Lone Pine mineral property.

STATEMENT OF EXPENDITURES

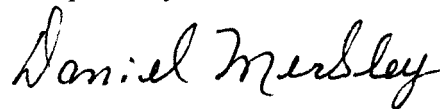
(1) 2 man-days labour (16 hrs. X \$25 per hr.)	\$400.00
(2) 2-wheel drive pickup truck	\$30.00
(3) ATV	\$120.00
(4) Provisions	\$40.00
(5) Geochemical analysis	\$260.96
(6) Report preparation	<u>\$145.00</u>
<u>TOTAL EXPENDITURES</u>	<u>\$995.96</u>

AUTHOR'S QUALIFICATIONS

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 40 years of prospecting experience
- (3) I prepared this report

Respectfully submitted

A handwritten signature in black ink that reads "Daniel Merkley". The signature is written in a cursive style with a large initial 'D'.

Daniel Merkley

Prospector