# **GEOLOGICAL REPORT**

# ON THE

# ART-DL MINERAL CLAIMS

# CARIBOO and CLINTON MINING DIVISION

NTS: 093A007, 093A006, 092P097

FOR

HAPPY CREEK MINERALS LTD. 38151 Clarke Drive Box 1852 Squamish, BC V0N 3G0

By

D. E. Blann, P.Eng. Standard Metals Exploration Ltd.

And

D. Ridley Lodestone Explorations Co. Inc.

February 2005

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# Summary

The Art and DL properties are located approximately 75 kilometres northeast of 100 Mile House, in south central Cariboo region of British Columbia.

The Art and DL prospects cover the western portion of the Eureka Thrust, marking the terrane boundary between island arc Quesnel terrain and older Paleozoic continental crust to the east and are covered under a single property. The Art prospect contains soil anomalies of dominantly gold, arsenic, lead and several surface showings occur. Drill core from hole 01-2, previously abandoned in 2001 was sampled last year returning 0.17g/t gold and 0.35% arsenic over 12 metres, and a rock sample from 2004 returned 1,474 ppb gold (1.47g/t gold) within 15 meters of drillhole collar DDH01-01. It appears drilling was not oriented to cut across the surface gold showing, and remains an attractive trenching target.

The DL prospect is about 3 kilometres east of the Art prospect and covers old workings from the 1880's. A gently plunging saddle reef style quartz vein hosted by black phyllite is partially exposed at the old adit and has returned up to 42.9g/t gold (1.4 ounces per tonne gold) and 34.7 g/t silver over 1.0 metre. Results to date include a soil geochemical anomaly over 800 metres in length with values up to 1.0 g/t gold, and and have coincident VLF-EM geophysical conductors. The DL prospect contains similar geology to the CPW and Frasergold prospect (1.6 million ounces gold) further north, and is an attractive deposit model.

Road access to the adit is in place and a program of prospecting, geology, geochemistry and geophysics followed by drilling is expected to total \$100,000.

### 1. Location and Access

The ART-DL property is situated approximately 75 kilometers northeast of 100 Mile House and is easily reached by paved and gravel logging roads (Figure 1). Access from 100 Mile House is via the Hendrix-Canim road which leaves the highway two kilometers north of the town and is followed 50 kilometers northeast to Eagle Creek bridge. The paved road turns to gravel here and is termed the 6000 logging main which is followed northeasterly approximately 16 kilometers to the junction with the 7000 road which is followed easterly 6 kilometers to the junction with the Art Creek road. Access to the Art area is via the north trending Art Creek road and is situated near the 5 kilometer post. To access the DL area the 7000 road is followed another 5 kilometers to the junction of the Deception Creek road. This road is followed northerly up the west side of Deception Creek approximately 6 kilometers to a washout at Ledge Creek. The DL adit is situated on the north side of the creek approximately 150 meters west the road.

Elevations range from 1300 to 1000 meters, from west to east respectively, into Deception creek valley. Topography is generally gentle away from the easterly flowing Ledge Creek canyon which locally contains precipitous walls. The area has seen some logging but most of the property is covered by dense forest. The property is situated within the Interior Wet Belt and is covered by dense stands of spruce, cedar, and balsam fir as well as willow, alder and devil's club patches. The latter coupled with abundant mature deadfall make travel slow and difficult.

#### 2. Claim Status

The ART-DL property is composed of one 18 unit metric claim (Art 5) and 12 two-post mineral claims DL1-7, Art1-4, Art 6 (Figure 2, Table 1). The property is jointly owned by Ridley and Blann and is currently under option to Happy Creek Minerals Limited. The DL 1-7 claims were first located by Ridley in 1990 whereas the Art 1-4 claims were staked in 1997. The Art 5 and 6 were located in January 2004 to cover a single drill hole and connect the Art and DL claims. This

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report is to satisfy assessment requirements for one year on the ART 5 and 6 claims. The DL 1-7 claims which underlie the eastern portion of the Art 5 will be included in the Art 5 claim later in 2005.

<u>Claim Name</u>	<u>Tenure #</u>	<u>Units</u>	Expiry Date*
Art 1	359881	1	Oct. 20, 2005
Art 2	359882	1	Oct. 20, 2005
Art 3	359883	1	Oct. 20, 2005
Art 4	359884	1	Oct, 20, 2005
Art 5	407784	18	*Jan. 24, 2006**
Art 6	407785	1	*Jan. 24, 2006**
DL 1	302825	1	Oct. 20, 2005
DL 2	302826	1	Oct. 20, 2005
DL 3	302827	1	Oct. 20, 2005
DL 4	302828	1	Oct. 20, 2005
DL 5	302829	1	Oct. 20, 2005
DL 6	302830	1	Oct. 20, 2005
DL 7	302843	<u>    1    </u>	Oct. 20, 2005
		30 units	

Table 1

\*pending assessment report approval

#### 3. History

The earliest documented prospecting in the area appears in the 1886 BC ministry of Mines Annual Report (pg. 207) which states "" ledge has also been discovered on Deception creek, and two claims located on it...the parties owning the claims inform me that they have had assay returns from surface croppings showing presence of gold and silver.' An adit, 12 meters in length, and several blast trenches were completed at this time. A note in the 1903 Annual Report refers to prospectors coming out of the Hendrix lake region with some gold but not enough to make it pay. No further reference to work in this area was filed until 1987 when E. Scholtes located 2 claims in Deception creek covering the old workings. A small work program was conducted around the old workings and filed for Assessment purposes in 1988 (Durfeld, 1988). The claims lapsed in 1990 and D. Ridley located the DL 1-8 2-post claims, covering the old workings

and a length of Ledge creek canyon. Work in the area and close examination of tree rings indicate the old workings to be those of the original 1886 claims (Ridley, 1992). The DL claims were optioned to Pioneer Metals Corp in 1993 who conducted detailed geological mapping and rock sampling of the adit zone (Ridley and Dunn, 1993). Pioneer relinquished its option in 1995 and the claims reverted back to Ridley.

In October 1997, Ridley located the Art 1-4 claims to cover mineralized rhyodacite outcrop exposed alongside a newly constructed logging road approximately 2 kilometers west-southwest of the DL adit. In the spring of 1998 additional claims were staked creating a larger property which included the new art showings and the old DL workings. An option was signed with Mandalay Resources in June of 1998 and a program of geological mapping, soil and rock sampling, and geophysical surveys were conducted (Adamec, 1999 and Christopher, 1999). This work resulted in identifying several anomalous zones worthy of further work. In May 2001 Mandalay drilled six NQ diamond drill holes totalling 481.52 meters and promptly abandoned the property and the drill core. Three holes were drilled on the Art claims and three holes were completed on the DL claims. Examination of drill location and orientation shows that the drilling was poorly placed, oriented and sampled and therefore provided limited useful data. Later that year Ridley and Blann re-logged and sampled one of the holes from the Art claims and found highly anomalous gold-arsenic values over 12 meters of continuous core length (Ridley, 2001).

In January 2004 the Art 5 and 6 claims were staked to cover the old DL claims and be contiguous with the Art claims. An option was signed in February 2004 with Wind River Resources who contracted K. Hancock to complete a compilation report on the property suitable for stock exchange requirements (Hancock, 2004). Wind River failed to complete its work commitments and the property reverted to Ridley in January 2005. During the summer of 2004 Ridley and Blann conducted a preliminary examination of drill core and anomalous zones depicted by Mandalay's 1998 work.

## 4. Regional Geology

The Art-DL property is located within the lower and eastern portion of the Nicola Group, Quesnel Terrane, and is Upper Triassic-Lower Jurassic in age (Figure 3). Nicola Group is comprised of a base of phyllite and basaltic andesite flow, breccia and minor sediment and carbonate. To the east, the Quesnel Terrane occurs in thrust fault contact with Omineca Crystalline rocks of the Slide Mountain Group and Snowshoe Formation, lower Cambrian in age.

Stocks, plugs dikes and sill of intrusive rocks coeval with the development of the Nicola Group rocks are of monzonite, diorite, syenite composition; these rocks are cut by larger, batholith sized intrusions of composite granodiorite derivation and are Early to Middle Jurassic in age. Stocks, dikes and sills of granite derivation cut Nicola Group rocks and are Cretaceous in age. Dikes of olivine basalt cut all rocks and are Holocene in age.

Relevant economic mineral deposits occurring regionally include the past producing Boss Mountain molybdenum mine, located approximately 10 kilometres northwest of the Art-DL property. Mt. Polley mine to the northwest, and Afton or Highland Valley mine to the southeast are the dominantly porphyry copper-molybdenum + gold/silver producers, however numerous showings and prospects of intrusion related, sediment hosted gold-arsenic, epithermal goldsilver, volcanogenic massive sulphides, tungsten-molybdenum, and skarn deposit styles also occur. The CPW and Fraser Gold (1.6million ounces gold) prospects occur to the north, are hosted by similar geology as the Art-DL property, and are significant gold deposits.

## 5. Property Geology

To the west, the Art prospect is underlain by basalt-andesite tuff and flow interbedded with argillite, shale, minor limestone and siltstone (Figure 4). These rocks are cut by dikes and sills of basalt to andesite composition, and hornblende granodiorite to quartz diorite stock. Foliations vary from 120-160 degrees, and dip 50-90 degrees northeast. Felsic dikes of latite-quartz monzonite composition trend 270 degrees and dip 60-90 degrees north. These rocks contain variable amounts of quartz-sericite-pyrite-carbonate alteration, quartz carbonate veinlets, hematite, trace sphalerite and chalcopyrite, and trace to 10% pyrite, and arsenic values up to 3500 ppm with 0.17g/t gold over 12 metres in drill hole 01-2.

To the east, the DL prospect lies in proximity with the Eureka Thrust and is underlain by black to graphitic and knotty phyllite and minor sediments, intensely folded with northwest to northeast trending, 30-85 degrees east dipping foliation and structural thickening near fold axis; fold hinge zones contain broken zones of milky white to clear quartz veins, of dense, massive texture and between 0.5 and 2 metres in width; this material returned 1.0 metre grading 1540 ppb gold ( 1.5 g/t gold), however quartz mixed with graphitic to iron oxide rich material adjacent the quartz veins returned 20,119 ppb gold (20.1 g/t gold) (#151762) over 0.20 metres and remains open; further east of the quartz vein, a sample returned 42,906 ppb gold (42.9 g/t gold) over 1.0 metre (Ridley, 1992). The highest gold values appear to be located within graphitic phyllite on the hanging wall side of the gently north plunging, saddle reef style quartz vein near the fold axis.

Felsic dikes trend west-northwest within the Ledge Creek canyon and contain trace arsenopyrite and stibnite, and cut the black phyllite. VLF EM survey data suggests similar orientation to conductors and geochemical anomalies in this area.

#### 6. 2004 Rock Sampling

Assessment work was carried out on the property May 20th to Nov. 5<sup>th</sup> 2004 and consisted of local geological mapping of the two main mineralized zones and preliminary mapping and prospecting of the western portion of the Art 5 claim.

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This work was filed online on Jan. 24, 2005 and is represented by receipt #110005844.

Ten rock samples were collected and submitted for analysis during the 2004 field season. Sample locations are plotted on Figure 4 and a rock sample summary and description is located in Table 2, and assay certificates located in Appendix 1.

Sample 151654 returned 1474 ppb gold and is situated within 15 meters of drillhole collar DDH01-01. The drill hole was oriented to the south while the mineralized material lies immediately east of the drill hole. Samples 151652 and 151653 were taken near the western edge of the Art 1 claim in an area with anomalous copper-zinc-silver soil geochemistry. Both samples consist of breccia and tuffaceous siltstone cemented with carbonate-limonite-goethite matrix. Analytical results of the rock samples fail to explain the soil results in that area.

#### 7. Conclusions

The Art-DL property is underlain by lower Nicola Group phyllite and volcanic rocks of basalt-andesite composition, cut by dikes of diorite and more felsic composition. Proximity with a regional crustal-scale thrust fault, widespread quartz veins, quartz-sericite-ankerite and carbonate alteration, pyrite, arsenical pyrite or arsenopyrite minerals and associated gold values occur. At the DL prospect, the more significant results (42 g/t gold over 1.0 metre) are located within rusty graphitic phyllite and quartz on the hangingwall side of a 2 metre wide, north plunging quartz vein. The first 0.20 metres of wall rock (black phyllite and quartz) returned approximately 20 g/t gold in 2004. Soil geochemistry supports the presence of a large gold system in the DL area, and the source and extent of several anomalies remain unknown. Together, the Art and DL prospect host potential for structurally controlled and sediment hosted gold deposits of economic size, and further work is warranted.

#### 8. Recommendations

Further work is recommended totaling \$100,000 for the ART-DL property in the form of:

- Detailed geological mapping, prospecting, and rock sampling around the known showings and along new logging roads and clear cuts as well as within Ledge Creek canyon.
- Establishment of two east-west trending cut baselines, north and south of Ledge creek, to provide access, followed by western extension of DL grid and infill sampling on the Art grid.
- 3) Detailed examination and sampling of 2001 drill core.
- 4) Machine trenching of known zones and those detected by the proposed work program.
- 5) The Art showings should be diamond drilled at an azimuth of about 090 degrees to cut through the magnetic, VLF-EM anomalies, and surface rock samples containing significant gold values.

Respectfully Submitted

David Blann, P.Eng.

Date

### 9. Statement of Costs

Wages			# days	9	S/day	Totals				
D. Blann, P.Eng	)		2.5		500	\$1,250.00				
D. Ridley, Prosp	pector		3		275	\$825.00				
						\$2,075.00				
Disbursements										
Truck	-		3		100	\$300.00				
Room/Board			5.5		60	\$330.00				
Communication	S		5.5		2	\$11.00				
Field Supplies						\$25.00				
Analyses										
•	Assays	rocks	10	:	22.5	\$225.00				
Reproductions	-					\$150.00				
Report						\$850.00				
-						\$1,891.00				
					Wages and					
				Di	sbursements	\$3,966.00				
				12% on Wages and Disbursements						
				Subtotal	DISDUISEMENTS	<u>\$475.92</u> \$4,441.92				
				Gubiolai		ΨΤ,ΤΓ.3Ζ				
					GST @ 7%	\$310.93				

GST @ 7% <u>\$310.93</u> \$4,752.85 Total

## 10. References

Durfeld, R. (1988): Geochemical and Geological Report on the REC Mineral Claim; owners report, *BC* 

Ministry of Energy and Mines, Assessment Report 17646

Ridley, D. (1992): Prospecting Report on the Deception Ledge Property; owners report, *BC Ministry of* 

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Ridley, D. and Dunn, D. (1993): Geological and Geochemical Report on the Deception Ledge Property;

Pioneer Metals Corporation, *BC Ministry of Energy and Mines*, Assessment

Report 23201.

Panteleyev, A., Bailey, D, Bloodgood, M. and Hancock, K. (1996): Geology and Mineral Deposits of the

Quesnel River – Horsefly Map Area, Central Quesnel Trough, British Columbia;

*BC Ministry of Energy and Mines, Geological Survey Branch*, Bulletin 97.

Adamec, D. (1999): Report on the Art Property; Mandalay Resources Corporation, *BC Ministry of Energy* 

and Mines, Assessment Report 25800.

Ronyecz, E. (2001): Report on the Ledge Property; Mandalay Resources Corporation, *BC Ministry of* 

Energy and Mines, Assessment Report 26607.

Christopher, P. (1999): Assessment Report on the DL Claims, Ledge Property; Mandalay Resources

Corporation, internal report.

Basil, C. and Hancock, K. (2000): Geology and Geophysical Report on the Ledge Property; TNR

Resources Ltd. and Ivory Oils and Minerals Inc., *BC Ministry of Energy* and

Mines, Assessment Report 26268.

Anon. (2001): Mandalay Resources Corporation, Audited Financial Statements, December 31, 2001, Year

end.

Ridley, D. (2001): Diamond Drilling Report on the ART 1 – 4 Mineral Claims; owners report, *BC Ministry* 

of Energy and Mines, Assessment Report 26821.

Hancock, K.D. (2004): Compilation Report on the Art Mineral Property; prepared for Wind River Resources Ltd.; February 2004.

## 11. Statement of Qualifications

- I, David Wayne Ridley, PO Box 77, Eagle Creek, Bc, V0K 1L0, do hereby certify:
- 1) I completed the "Mineral Exploration for Prospectors" course hosted by the BC Ministry of Mines at Mesachie Lake, BC in 1984.
- I completed the short course entitled "Petrology for Prospectors" held in Smithers, BC and hosted by the Smithers Exploration Group in 1990 and 1994.
- I attended several short courses hosted by the Kamloops Exploration Group during the Keg convention and include "Intrusion-related gold" (1999) "massive sulphides" (2001) and "Metellogeny of volcanic arcs" (1998).
- I have prospected independently since 1982 and have been employed as a contract prospector by various exploration companies in BC, Alaska, and Yukon Territory since 1984
- 5) I participated in the 2004 work program and conducted field work May 20-21 and Nov.5, 2004
- 6) I currently own a beneficial interest in the property.

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D. Ridley Feb. 10, 2005

# Statement of Qualifications

I, David E. Blann, P.Eng., of Squamish, British Columbia, do hereby certify:

That I am a Professional Engineer registered in the Province of British Columbia.

That I am a graduate in Geological Engineering from the Montana College of Mineral Science and Technology, Butte, Montana, 1987.

That I am a graduate in Mining Engineering Technology from the B.C. Institute of Technology, 1984.

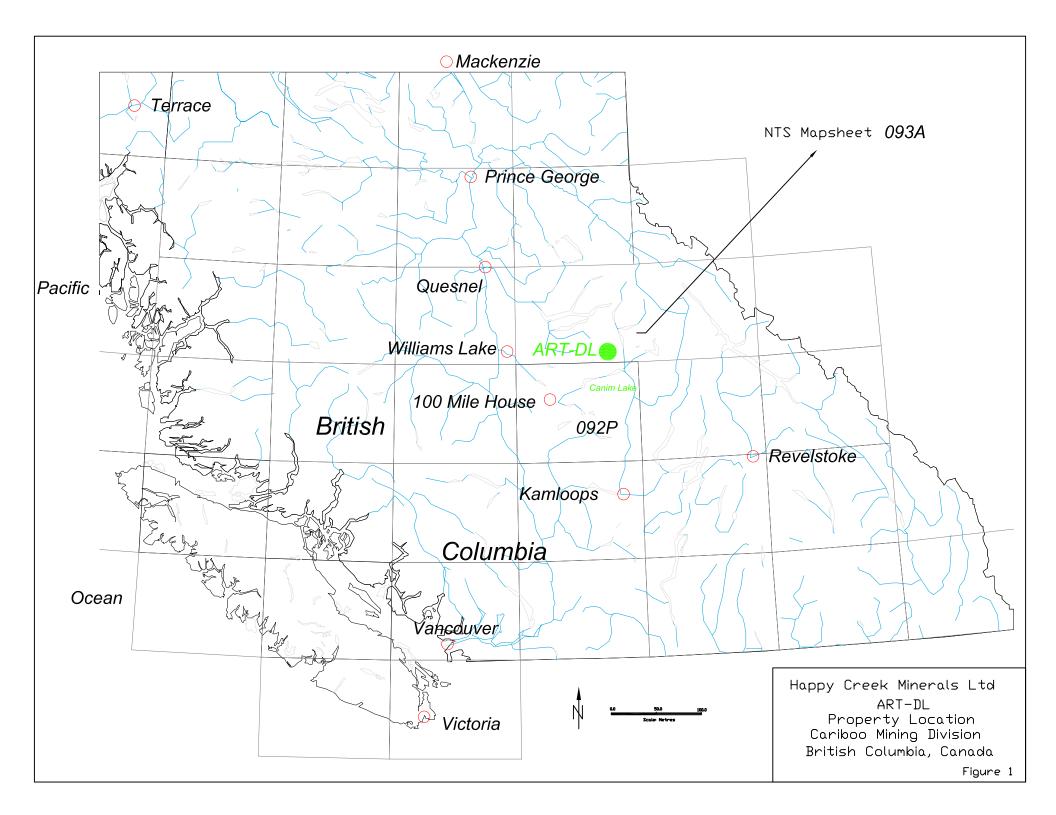
That I have been actively engaged in the mining and mineral exploration industry since 1984, and conclusions, recommendations within this report are based on regional and property fieldwork conducted between 1991 and 2004.

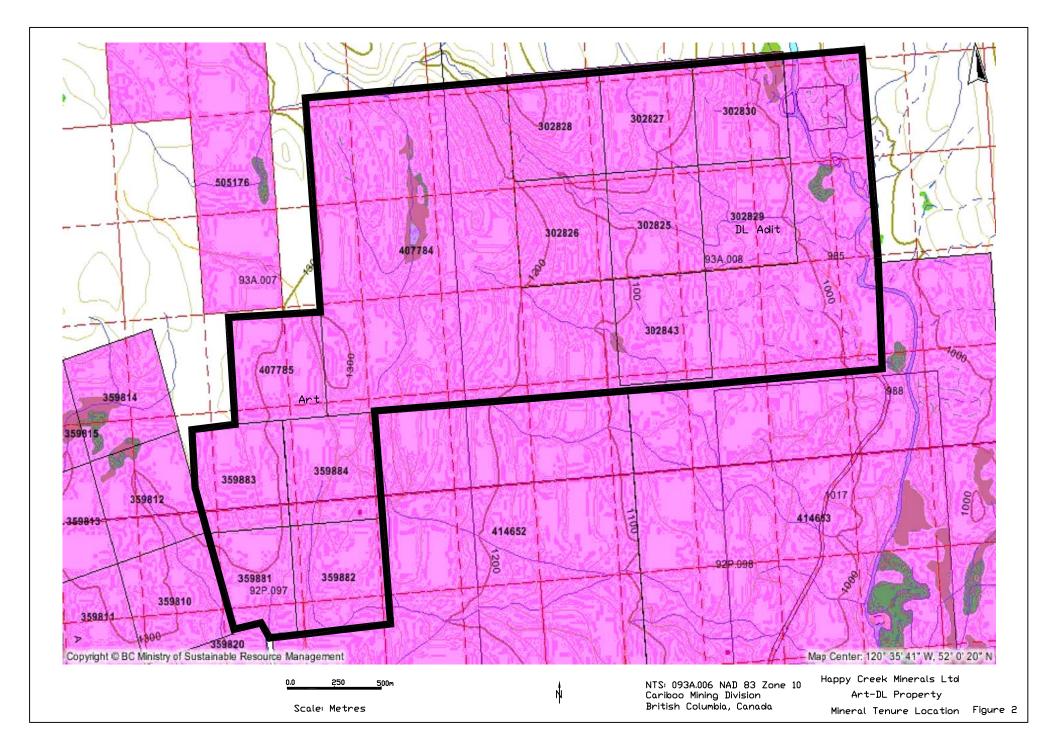
Dated in Squamish, B.C., March 2, 2005

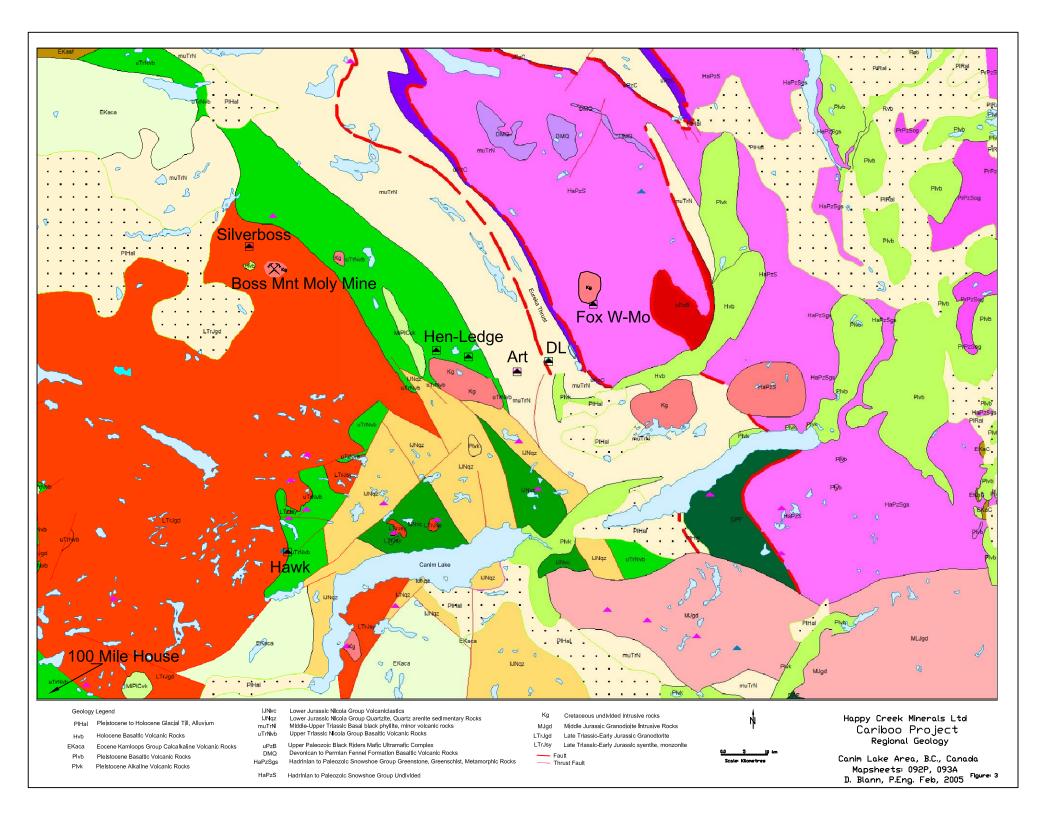
David E Blann, P.Eng.

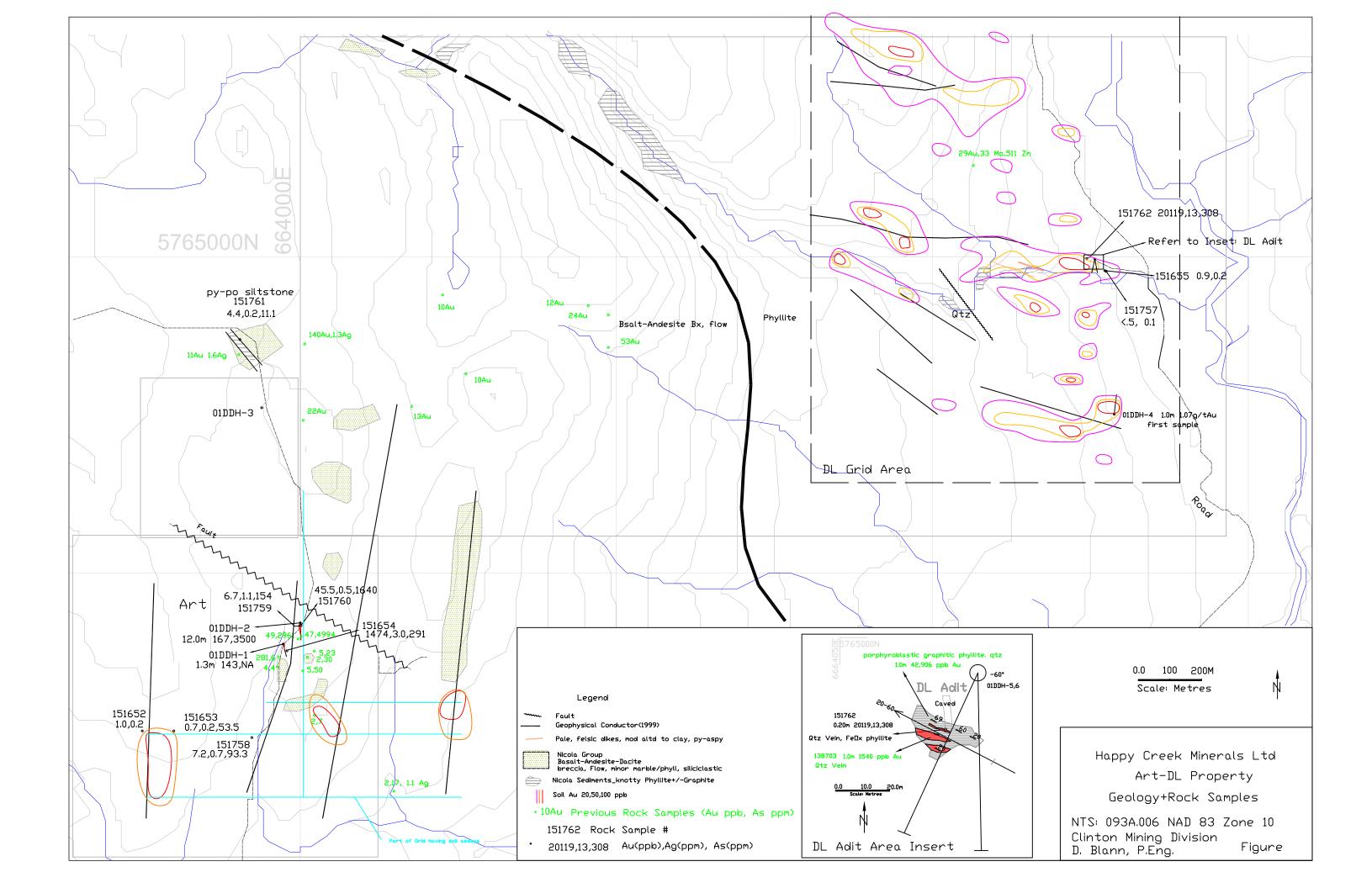
Sample	easting	Northing	Description	Мо	Cu	Pb	Zn	Ag	As	Au	Sb	Bi	W	Hg
				ppm	ppm	ppm	ppm	ppm	ppm	ppb	ppm	ppm	ppm	ppm
151757	666546	5764957	South of DL Adit- root wad float Qtz-ank vein, tr py	0.8	5.0	4.3	17	0.1	1.1	<.5	0.2	<.1	6.2	<.01
151758	663847	5763479	Art- 0.5m chip of Qtz ccdy bx vein 1 metre wide in ditch	9.2	125.6	40.4	132	0.7	93.3	7.2	2.2	<.1	3	0.07
151759	664001	5763835	Orange felsic dike in het FxVBx, qtz-lim, py3% 360/80	1.3	8.8	8.0	9	1.1	154	6.7	6.1	0.1	1.6	0.01
151760	664001	5763833	1 metre grab 5cm vns msv py, sil-ser+/- ank-ca 006/80	2.5	29.2	21.3	23	0.5	1640	45.5	23.6	0.1	1.1	0.01
151761	663809	5764739	vfg grey siltstone beside rd, laminated 5% py-po, 316/70	3.9	165.5	8.4	60	0.2	11.1	4.4	1.4	0.2	0.9	0.02
151762	666489	5764996	0.20m grab of vuggy bxwk qtz mqatrix, white qtz-ca vn, strong FeOx wallrock of qtz vn	1.1	4.9	233.6	9	13.0	308	20119	2	3.4	7.1	0.03
151652	663500	5763500	grab from blowdown; bx;blk seds and mafic volc frags;carb-limonite matrix; minor py	9.3	133.9	10.1	66	0.2	11	1	1.2	0.2	0.6	0.01
151653	663600	5763500	grab o\c; shear zone 320\75E;in blk seds; @ L4N;4W 1998 art grid	21.0	102.8	9.6	147	0.2	53.5	0.7	4.1	0.2	0.7	0.02
151654	663951	5763753	angular float; granitized volcanic? 7-10% f-gr py;beside road @ DDH01-02	3.5	156.0	6.5	55	3.0	291	1474	0.5	0.1	1.5	0.03
151655	666546	5764957	see 151757; ang float; grey sed with qtz stringers; minor blowdown	1.0	40.6	2.3	76	0.2	8	0.9	0.6	<.1	1.2	0.01

663878 5764523 DDH01-03 drill site beside road









ACME ANALYTICAL LABORATORIES LTD. (ISO 9002 Accredited Co.)

852 E. HASTINGS ST. VANCOUVER BC V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716

#### GEOCHEMICAL ANALYSIS CERTIFICATE

Standard Metals PROJECT Art-DL File # A500083

P.O. Box 1852 38151 Clark, Squamish BC VON 3GO Submitted by: D. Ridley

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SAM	YPLE#	Mc	Cu	PD	Zn	Ag	NF	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V C.	a P	La	Cr	Mg	Ba -	₿	Al	Na	ĸ	₩ ŀg	Sc T1	S	Ga Se	
		mac	ppm	ppm	opm	ppn	ppm	ppm	ppr.	ž	ppm	ppr	ррь	ppm	ppn:	ppm	ppm :	qq mqq	m	7 I	ppm	ррл	٦p	ipm 1	ppm	ž	*	% թշ	maa w	ррп ррт	8	ррт ррт	
0 1 0 1 0 1	151757 151758 151759 151760 151761	9.2 : 1.3 2.5	125.6 8.8 29.2	21.3	132 9 23	.7 ( 1.1 .5	221.1 7.4 13.8	45.4 3.7 11.6	329 3	.21 .64 .62 2	1.1 93.3 154.4 .640.4	.4 1.0	7.2 6.7 45.5	.3 3.6 3.7	11 16 31	1.6 .2 .6 2	2.2 6.1 23.6	<.1 9 .1 .1 2	4 .1 3 .2 2 .2	5 .037 2 .103 2 .107	2 18 21	17.2 345.9 12.2 14.4	1.79 .04 .29	97 .030 35 .002 73 .006	3 34 5 10	1.60 .24 .68	.008 .036 .049	.19 3. .06 1. .11 1.	0 .07 6 .01 1 .01	2.3 .1	10 <.05 .11	4 <.5 1 <.5 2 .8	
			165.5	8.4					508 5		11.1	. 0						.2 19		8 .142		178.7								3.1 .2	•	74.0	
C 1	151762 151652 151653		133.9		66	.2	28.2	17.3	30 1 475 3 489 5	. 64	307.5 11.0 53.5	. 9		1.5	226	.4	1.2		3 1.6	1 .003 4 .167 5 .115	5	22.0 76.2 98.9	1.57		2	4.12	. 595	1.02 .	6.01	.2 <.1 12.3 1.4		14 2.5	
Ç 1	151655 151655	3.5		6.5		3.0	30.6	21.4	411 4	.80	291.1 8.0	.5	1474.4	1.0	19	4	.5	.2 29 1 25. <.1 5	6.5	5 .115 B .143 4 .084	3	98.9 103.7 19.6 2	1.64	27 .210	1		068	.02 . 1.25 1. .07 1.	5.03	2010 12	.25 3.14 11	10 3.2 7 1.4 5 1 1	
	ANDARD DS6										21.3		-	-	-	. –						·			-					3.2 1.6		0 1.1	

GROUP 1DX - 15 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HN03-H20 AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP-MS. (>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY. - SAMPLE TYPE: Rock R150 60C

Data FA

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DATE RECEIVED: JAN 5 2005 DATE REPORT MAILED: AM 18/05

