ASSESSMENT REPORT

On

PROSPECTING

And

PHYSICAL WORK

On

DANCER 1 - 4
MINERAL CLAIMS
Tenure Numbers 411732 - 411735

Lower Jervis Inlet Area
Near Egmont, B.C.
Vancouver Mining Division

Lat. 49°45.22' Long. 123° 58.3'
NTS Maps 92G12/W & 92G13/W

Owned and Operated by:
Justin C. LaRue 137427
Vancouver, B.C.

Information for this report
Compiled and written by:
John P. LaRue 114173
June 19th, 2005

Table of Contents

I. Introduction

(i) The Dancer 1 - 4 Mineral Claims are located at Lat. 49° 45' Long 123° 58', approximately 3 km. west of the town of Egmont, B.C., at the northern tip of the Sechelt Peninsula, within the Lower Jervis Inlet area of the Vancouver Mining Division. The claim group area is covered by NTS Maps 92G12/W & 92G/13W, and is comprised of the Dancer 1 - 4 Mineral Claims Tenure Numbers 411732 - 411735 inclusively, which total 4 units in all.

The area of the claims is easily accessible, and actually bisected by paved Highway 101, approximately 75 km. from the Langdale Ferry Terminal. An infrastructure of older logging and mining exploration roads currently exists that used to provide 4x4 and easy walking access to most parts of the property. Over the years these roads have not been maintained and passage is now rendered largely impossible without clearing the small alder and windfalls from the roadway. The property is bisected by a single upgraded and year round 4 wheel drive dirt leaving Egmont Road in proximity to North Lake and traveling generally north - northwesterly approximately 4 km.to provide access to a summer residence located on Agamemnon Channel.

Topographically, the claim area is typified by a low 300 meter elevation hummock of land. The area has been previously logged at least once, but is still covered by dense underbrush including salal, alder, young evergreen conifer (both planted and spaced), and moderate fir, hemlock and cedar stands in the more interior portions and heights of the claim. Overburden is erratic, with good rock exposure on the heights and thick clay overburden and till in the valleys.

Weather conditions are typical of the lower coast with hot summers and mild wet winters; as a result, prospecting and exploration could be carried out in the property area virtually any time of the year. Water for all phases of property development are abundant. The claim area is surrounded on three sides by deep saltwater approaches, and North Lake and Waugh Lake and a number of springs abound on the property. Triple phase power follows alongside Highway 101 between Earl's Cove and Egmont, actually bisecting the property.

(ii) The Dancer Claims 1 - 4 are as follows:

Claim Name	Tenure #	Expiry Date
Dancer 1	411732	Jun 26 '05
Dancer 2	411733	Jun 26 '05
Dancer 3	411734	Jun 26 '05
Dancer 4	411735	Jun 26 '05

Acceptance of this assessment report will extend the expiry date for the claim group through Jun 26 '06.

Regionally, the claim group lies at the northern end of the Caren Range within the Coast Plutonic Complex and is mainly underlain by plutons of granodioritic composition. Within the granodiorite masses are numerous inclusions or pendants of volcanic and sedimentary units left ass remnants after glacial erosion. A large pendant forms the major height of land on the Sechelt Peninsula and has been the host for a number of mineral occurrences. Of all the known deposits in the general area only the King Midas near Sakinaw Lake, the Cambrian Chieftain on Mt. Hallowell, and the R.C. or Skookum (1 km. to the west of the Dancer Claims) represent the only precious metal deposits on the Peninsula. All three of these properties have seen some limited production.

The earliest local history in the vicinity of the claims would include the following:

- In 1937 Mr. R. Durnsford Jr. was reported to be tunneling along the shoreline (STEIN Adit), approximately 2.5 km west of the DANCER Claims.
- In 1952 one of the locals, a Mr. Silvey discovered auriferous pyrite showings and staked the R.C. or SKOOKUM Claims along Agamemnon Channel, approximately 1 km west of the DANCER Claims.
- In 1965, a shipment of hand cobbed ore totaling 106 tons was shipped by barge from the R.C. to the Tacoma Smelter. The ore was all taken from the still visible beach pits, some reportedly at low tide as the showings extend into the channel underwater. Returns on the shipment were 34 ozs Au, 45 ozs Ag and 170 lbs of Cu. Locals who worked the project say

the ore was broken down with sledge hammers, and the crushed product was then sluiced utilizing seawater to concentrate the auriferous portion of the ore prior to shipment.

- In 1981, the ground was staked by the author and his wife. In 1982, the ground was re-staked as the CHALICE I property, and Chalice Mining Inc. was formed. Chalice completed prospecting, geochemical and geophysical surveying, geologic mapping, trenching, and a small exploratory diamond drilling program totalling 572 metres in 21 shallow holes to sample 8 initial drill targets at different locations throughout the claim group. Best drill intersection returned 0.913 ozs Au/ton across 9' at the JR zone.
- In 1987, Chalice entered into an agreement with Blue Chip Resources to continue exploration of the CHALICE I and the surrounding satellite properties (STEIN, WALLY'S 1 - 3, BACON 1 - 3). Blue Chip conducted additional gridding, geochemical surveying, and geologic mapping and IP surveying.
- In early 1994, the Chalice 1 claim lapsed and the 'heart' of the claim group was re-staked by the author and his wife as the WINDANCER and TAJ Mineral Claims.
- In 1995, these claims were optioned to Menika Mining Ltd. And an Engineer's Summary Report and Value Appraisal was prepared on the basis of the currently known and identified economic showings and inferred extensions of the ore to depth indicating "...it would not be difficult to envision the possibility of one or more bodies having a total strike length of 1,000 feet, a depth extension of 400 feet, a 4 foot thickness with an average grade of 0.40 ounces per ton gold. At a specific gravity of 2.7 such a deposit would total 135,000 tons with 54,000 ounces of contained gold. Assuming a gold selling price of $513 /oz ($380 US/oz) less mining, milling and miscellaneous production costs totaling $413 / oz., such a deposit should conservatively net $5,400,000 before taxes." Therefore, based upon reserve potential a present net worth in excess of $500,000 would not seem unreasonable." Gold is currently at $438 US changing the total potential worth of the known and inferred reserves to $29,565,000 which after milling and processing costs of $22,302,000 are extracted equal to a projected net worth before taxes of $7,263,000.

- During 1996 Spring - Summer, after consolidating additional ground to the east and south, Menika Mining Ltd. conducted extensive IP surveying over the ground between the current DANCER Claims and the Wally Claims. Several High Frequency anomalies were detected and subsequently drilled; although a number of significant massive pyrite / marcasite drill intersections were encountered in drilling, the gold values were not economic. High values in gold are normally associated with this same type of marcasite mineralization anywhere on the property between the NL Zone on the east through to the Beach showings on the western coast.
- In 2004, the property lapsed and was staked by Justin C. LaRue. During the 2004 exploration season, a program of Prospecting / Physical Work was conducted on the property to open access and re-expose several of the currently known viable economic showings (North Lake, JR, 3V and Trench) and to attempt to physically extend and define the boundaries of the disseminated mineralization discovered in the Trench 2 showing.

Several important precious metal showings occur within the DANCER Mineral Claim Group (See accompanying MinFile Master Reports). The following is taken from E.W. Grove, Ph.D., P.Eng.'s 1985 Geological Report and Work Proposal on the CHALICE MINING INC. Egmont Property (MEMPR Assessment Report 14,736): "Gold and silver bearing mineralization on the property generally comprises quartz-sulphide veins, quartz-sulphide stockwork systems, massive sulphide veins and vein stockworks, and disseminated sulphides in porphyry like situations...Together, several of the vein stockworks and porphyry zones could form a potentially commercial deposit...All geological indicators suggest that the Chalice gold mineralization represents a widespread, high level epithermal (low temperature) volcanically related type of mineralization. The mineralogy, and the geologic environment are unique in this setting and compare to a variety of low temperature gold-silver deposits in the western United States."

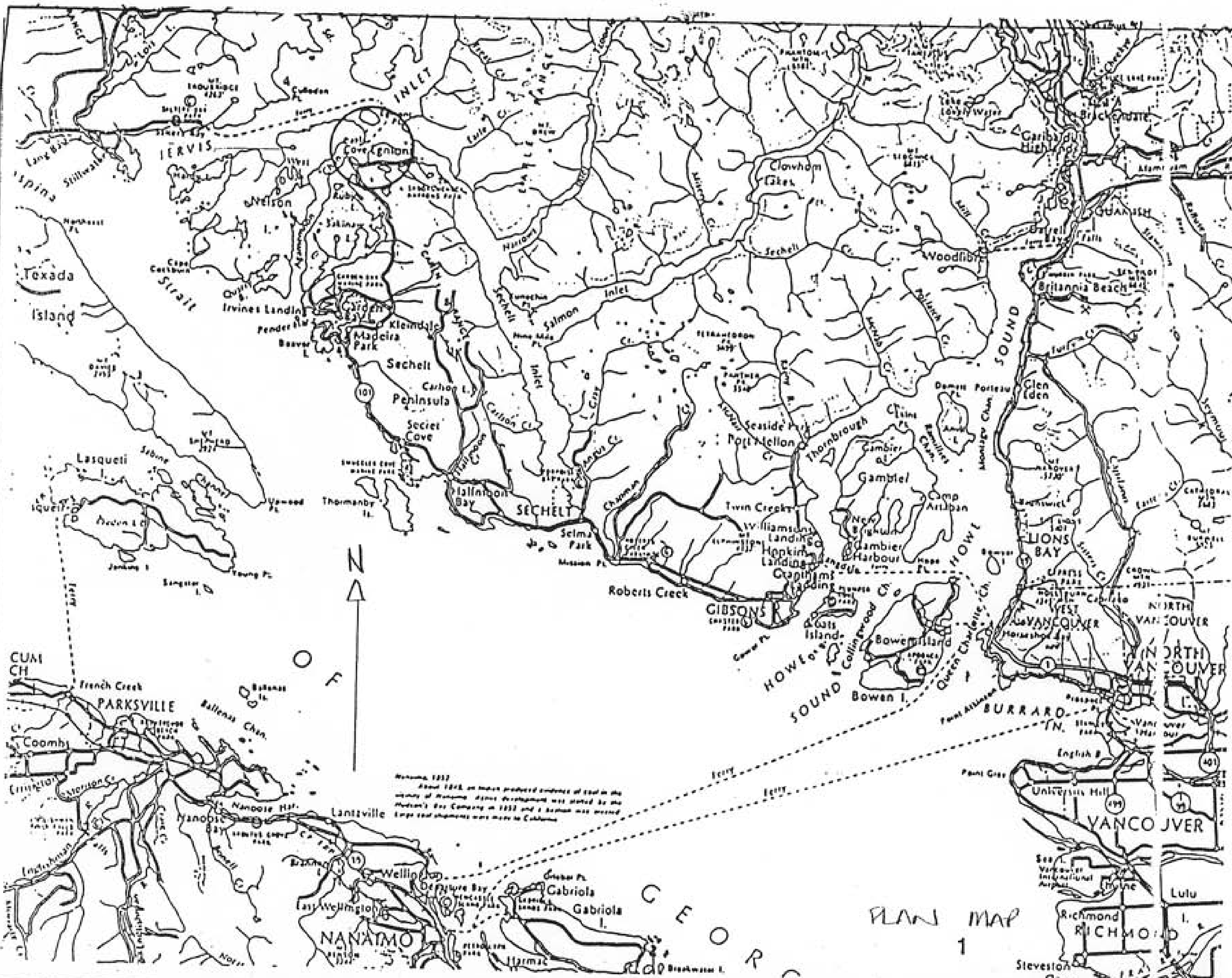
(iii) All work on the Dancer Claims was performed between July 4th - September 2nd 2004 by Justin,Tammy and John LaRue. A summary of work performed on the claim group during the '04 exploration season is as follows:

- 800 metres of roadway, between the main 4 wheel drive access road and the JR showing were opened to an approximate 4' width by slashing with a

power saw and axe to allow passage of an ATV to pack tools and a gasoline powered percussion drill / hammer.

- 1 day was spent on prospecting for bedrock exposure over the area (300 M. x 300 M.) of the large correlative zone of geophysical anomalies called the TAJ anomaly lying to the north of the Trench showing and immediately west of the 3V showings. This target area is typified by a central large magnetic high that's associated with correlative IP, VLF-EM and Self-Potential anomalies. The geophysical signatures expressed in each survey overlap.
- Hand digging and test pitting with the aid of a Gasoline powered percussion drill was performed on the 8 meter x 20 meter Trench #2 Porphyry showing to in order to extend boundaries of the known mineralization and also at the 3V and JR showings to expose some fresh rock and obtain some larger ore samples for promotional and developmental purposes.
- Photocopies of MEMPR Assessment Reports 11129, 11333,11334, 12451,12641, 14264, 14736, 15577, 17941, 18418, 21709 and 24069 were purchased through the BC-Yukon Chamber of mines Archives to provide background information on all recorded work to date

(iv) Exploration during the 2004 season was of a basic reconnaissance nature to familiarize with the property and its history of development, especially the relationships between the various known mineral showings and their history of geophysics and geochemistry surveys. Exploration was conducted over portions of Dancer 1, and 3 and focused on approximately 10% of the claim group area. All work on the claim group was conducted by Justin LaRue, owner / operator of the claims of Vancouver, BC. and by John and Tammy LaRue of McBride, BC.


PLAN MAP
1
INLET
JERVIS
Texada
Island
Strait
Nelson
Irvines Landing
Pender Hbr
Garden Bay
Madeira Park
Kleindale
Sechelt
Peninsula
Carlson L.
Secret Cove
Halfmoon Bay
SECHELT
Selma Park
Lasqueti
Thormanby Is.
Sechelt
Salmon
Inlet
Egmont
Clowhom Lakes
Woodfibre
SQUAMISH
Britannia Beach
Brackendale
Garibaldi Highlands
SOUND
Glen Eden
Seaside Park
Port Mellon
Thornbrough
Gambier
Gambier Harbour
Camp Artaban
New Brighton
Twin Creeks
Williamsons Landing
Hopkins Landing
Granthams Landing
Roberts Creek
GIBSONS
Keats Island
HOWE
Collingwood Ch.
Bowen Island
Bowen I.
Queen Charlotte Ch.
LIONS BAY
WEST VANCOUVER
NORTH VANCOUVER
BURRARD IN.
English B.
Point Grey
University Hill
VANCOUVER
Lulu I.
Richmond
RICHMOND
Steveston
CUM CH
French Creek
PARKSVILLE
Ballenas Chan.
Coombs
Nanoose Bay
Lantzville
Wellington
Departure Bay
Gabriola
Gabriola I.
NANAIMO
East Wellington
Harmac
Roberts Creek
G E O R
O F
N
Ferry

Scale 0 1 2 3 4 5 Miles

Contour interval 500 feet

Approximate magnetic declination 24° 30' East

PLAN MAP 2 - REGIONAL GEOLOGY

LEGEND

Drift and valley-fill

JURASSIC (?) OR LATER

COAST INTRUSIONS

- Mainly coarse-grained hornblende granodiorite
- Medium-grained biotite granodiorite
- Main batholithic mass; mainly quartz diorite, granodiorite
- Quartz-feldspar porphyry

AGE UNKNOWN

JARVIS GROUP

- 4 — Basalt, andesite and associated pyroclastic rocks; minor limestone, dolomitic limestone, chert, argillite
- J — Mainly conglomerate, greywacke, sandstone, argillite; greenstone
- Metavolcanic rocks; metasedimentary rocks; metadiabase
- Gneiss

CONDENSED

GEOLOGICAL MAP OF LOWER JERVIS INLET 1957

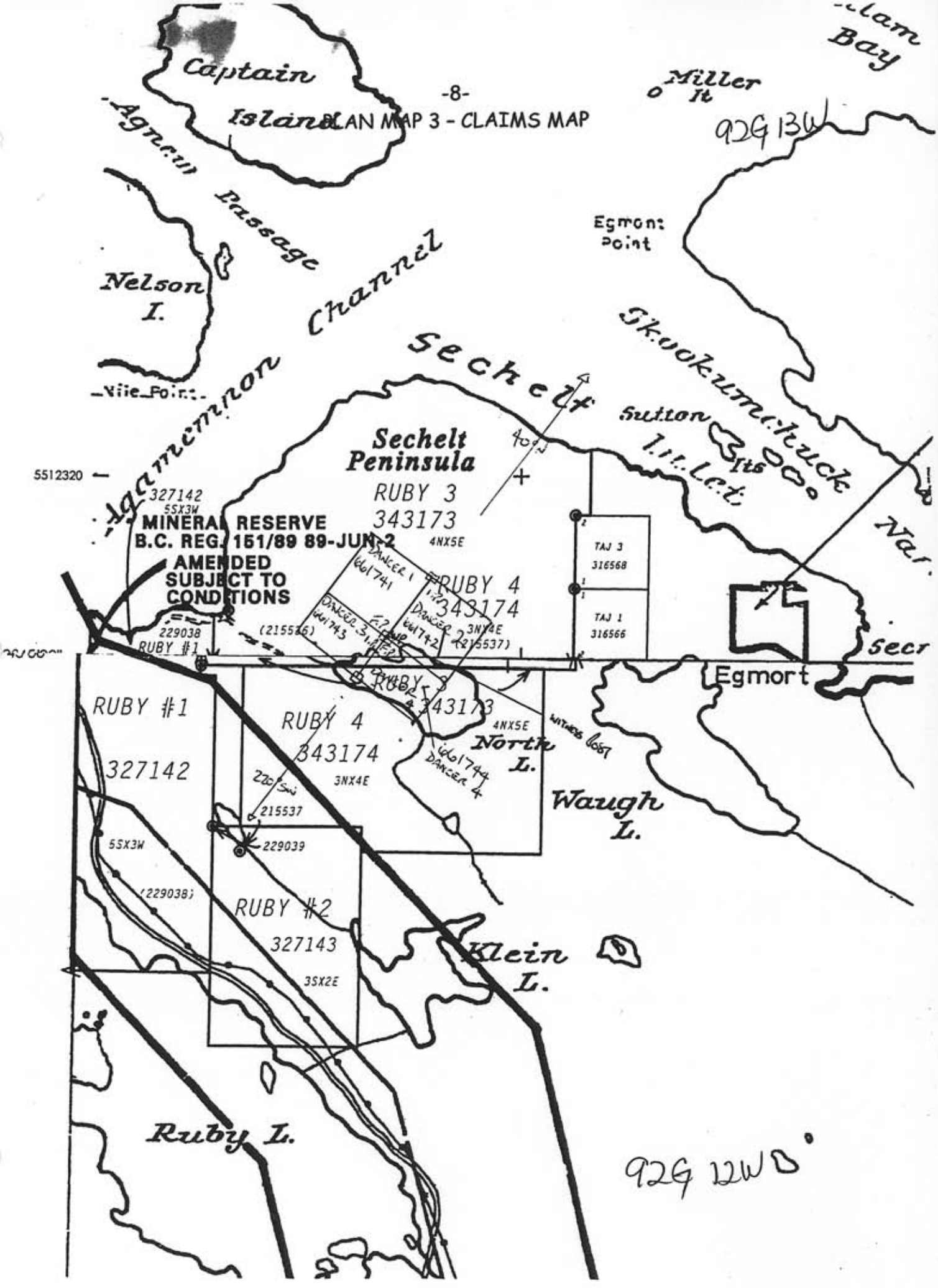
Geology by W. R. Bacon

- Geological boundary: defined / approximate / assumed
- Attitude of bedding: inclined / vertical
- Fault with dip
- Prospect (number refers to text)
- Main road
- Secondary road

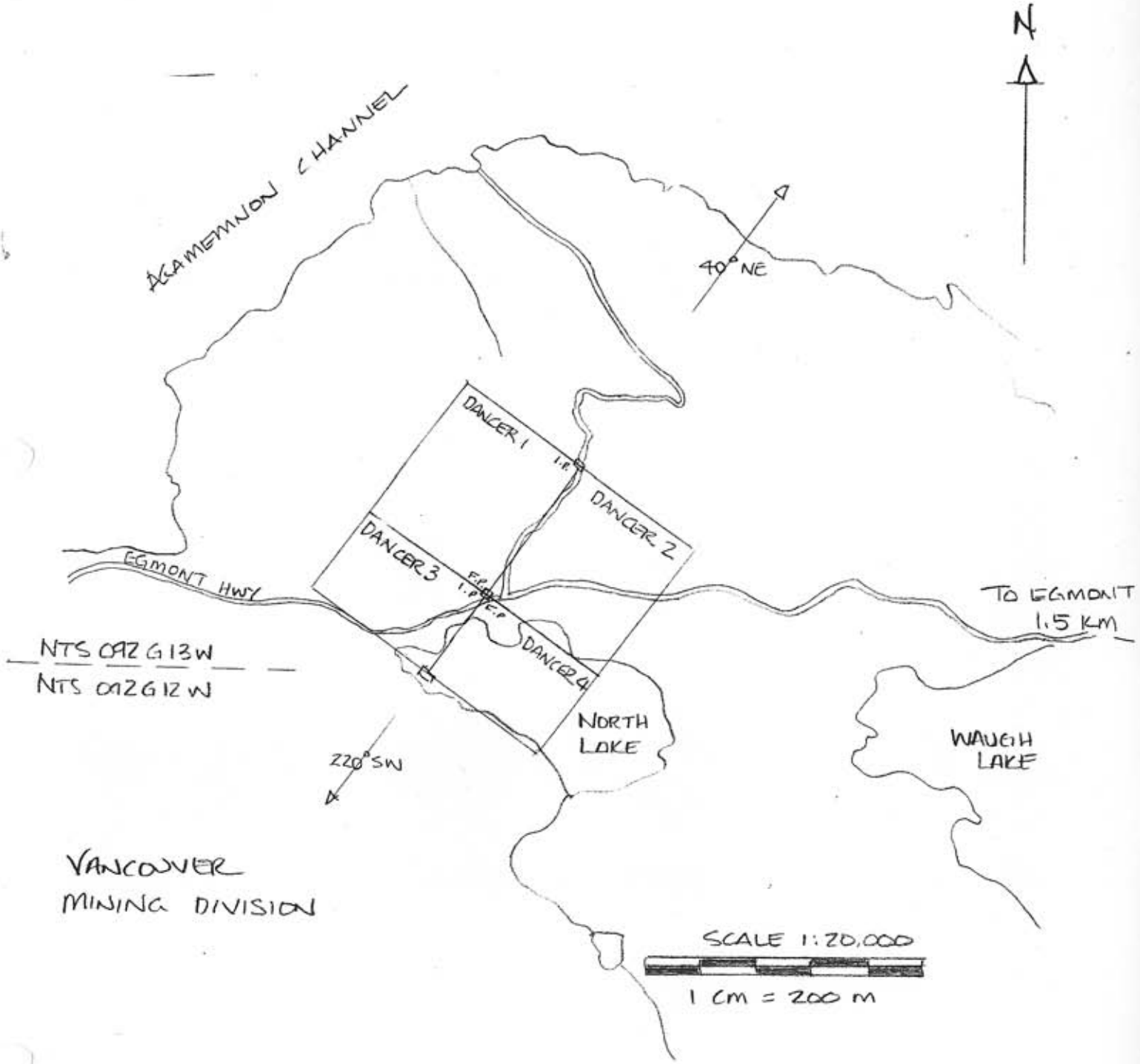
8. R.C.
9. VIRGO
10. RED JACKET
11. CHALICE

1. Mt. Diadem
2. Linda
3. Linda
4. Copper
5. Cambrian Chieftain
6. King Midas
7. 'No Mans Creek'

PLAN MAP 3 - CLAIMS MAP



PLAN MAP 4
LOCATION MAP



GEOLOGY CHALICE I

TRENCH

PIT

OUTCROP

JOINTING ATTITUDE

QUARTZ VEIN ATTITUDE

FOLIATION ATTITUDE

SHEAR ZONE

BRECCIA

▲ SS# STREAM SEDIMENT LOCATIONS

MINERALIZATION

QTZ	QUARTZ
ep	EPIDOTE
SER.	SERICITE
K	POTASSIUM FELDSP
PY	PYRITE
CPY	CHALCOPYRITE

DIKES

4	ANDESITE - BASALT
3	FELDSPAR HORNBLENDE
2	DIORITE
1	FELSITE

hb Gd	HORNBLENDE GRANODI
b Gd	BIOTITE GRANODIORITE
D	DIORITE
VVV	PENDANT

LOCAL GEOLOGY EXCERPTED FROM ASS. REPT # 12,6

SCALE 1:1000 1 CM = 100M NTS

ROADS PLOTTING — J. LARUE '88

PANEL 1

PANEL 2

PANEL 3

TRENCH 2

RUN DATE: 02/13/93
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MINFILE / pc
MASTER REPORT
GEOLOGICAL SURVEY BRANCH - MINERAL RESOURCES DIVISION
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PAGE: 1
REPORT: RGEN0100

MINFILE NUMBER: 092GNW008 NATIONAL MINERAL INVENTORY: 092G13 Au1

NAME(S): CHALICE, SKOOKUM, RC,
BEACH PIT, S. EGMONT, EARL COVE

STATUS: Prospect MINING DIVISION: Vancouver
NTS MAP: 092G13W UTM ZONE: 10
LATITUDE: 49 45 34 NORTHING: 5512130
LONGITUDE: 123 59 01 EASTING: 429158
ELEVATION: 0004 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Drill hole 1 in Beach Pit zone (Assessment Report 14736, Figure A1-1).

COMMODITIES: Gold Silver Copper

MINERALS
SIGNIFICANT: Marcasite Pyrite
ASSOCIATED: Quartz
MINERALIZATION AGE: Unknown
ISOTOPIC AGE: DATING METHOD: Unknown MATERIAL DATED:

DEPOSIT
CHARACTER: Vein Stockwork
CLASSIFICATION: Hydrothermal Epigenetic
DIMENSION: 0230 Metres STRIKE/DIP: 045/40W TREND/PLUNGE:
COMMENTS: Attitude of veins in beach exposures.

HOST ROCK
DOMINANT HOST ROCK: Plutonic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Jurassic			Coast Plutonic Complex

LITHOLOGY: Granodiorite

GEOLOGICAL SETTING
TECTONIC BELT: Coast Crystalline PHYSIOGRAPHIC AREA: Fiord Ranges (Southern)
TERRANE: Plutonic Rocks

RESERVES

ORE ZONE: BEACH PIT

CATEGORY: Assay YEAR: 1966
SAMPLE TYPE: Bulk Sample

COMMODITY	GRADE	
Silver	14.0000	Grams per tonne
Gold	11.0000	Grams per tonne
Copper	0.0800	Per cent

COMMENTS: 96 tonne bulk sample.
REFERENCE: Assessment Report 11129, page 16

CAPSULE GEOLOGY

A zone of high grade gold mineralization is exposed along the southeast side of Agamemnon Channel, 1.1 kilometres southwest of the northern tip of Sechelt Peninsula.

The Chalice prospect is comprised of a zone of vein and stockwork mineralization traced discontinuously northeastward along the shore of Sechelt Peninsula for 230 metres. The zone is hosted in granodiorite of Upper Jurassic age, within the Jurassic to Tertiary Coast Plutonic Complex.

Several pits excavated in beach exposures reveal numerous discontinuous veins of quartz, marcasite and pyrite up to 0.5 metres wide in granodiorite and basaltic dykes. The veins strike 045 degrees and dip 40 to 90 degrees west. A sample from one of the pits assayed 213 grams per tonne gold and 219 grams per tonne silver (Bulletin 39, page 39). A bulk sample of 96 tonnes shipped by Abacon Mineral Explorations Ltd. in 1966 averaged 11 grams per tonne

CAPSULE GEOLOGY

gold, 14 grams per tonne silver and 0.08 per cent copper (Assessment Report 11129, page 16).

One hundred and fifty metres to the northeast, a 7 by 2 metre cliff exposure reveals a series of marcasite veinlets 4 to 6 centimetres wide cut by several basaltic dykes in granodiorite. The veins strike 055 degrees and dip 75 degrees west. A 20 metre wide stockwork of quartz and marcasite veinlets outcrops between these two exposures. The stockwork zone trends 110 degrees and dips 60 degrees east to 75 degrees west.

BIBLIOGRAPHY

EMPR AR 1961-89,90
EMPR GEM 1970-230
EMPR 2722, *11129, *12641, *14736, 17941
EMPR PF (Tomlinson, F.C. (1969): Report on R.C. Group of Mineral Claims; Howell, W.A. (1988): Report on Egmont Property, in Prospectus - Blue Chip Resources Inc.)
EMPR BULL 39, p. 39
GSC P 90-1F, pp. 95-101
GSC MAP 42-1963, 1069A; 1386A
GSC OF 611
GCNL #197, 1984; #16,#18,#23,#227, 1985
IPDM May-June 1985
Ditson, G.M. (1978): Metallogeny of the Vancouver-Hope Area, British Columbia, M.Sc. Thesis, University of British Columbia

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MASTER REPORT
GEOLOGICAL SURVEY BRANCH - MINERAL RESOURCES DIVISION
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PAGE: 1
REPORT: RGEN0100

MINFILE NUMBER: 092GNW061 NATIONAL MINERAL INVENTORY:

NAME(S): STEIN

STATUS: Showing MINING DIVISION: Vancouver
NTS MAP: 092G13W UTM ZONE: 10
LATITUDE: 49 45 03 NORTHING: 5511170
LONGITUDE: 123 59 46 EASTING: 428250
ELEVATION: 0005 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Centred on portal of adit (Assessment Report 12641).

COMMODITIES: Gold Silver

MINERALS
SIGNIFICANT: Pyrite Marcasite
ASSOCIATED: Quartz
MINERALIZATION AGE: Unknown
ISOTOPIC AGE: DATING METHOD: Unknown MATERIAL DATED:

DEPOSIT
CHARACTER: Vein
CLASSIFICATION: Hydrothermal Epigenetic
DIMENSION: Metres STRIKE/DIP: 120/ TREND/PLUNGE:
COMMENTS: Zone trends 120 to 130 degrees.

HOST ROCK
DOMINANT HOST ROCK: Volcanic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Triassic	Vancouver	Karmutsen	
Upper Jurassic			Coast Plutonic Complex

LITHOLOGY: Rhyodacite Cherty Breccia
Quartz Breccia

GEOLOGICAL SETTING
TECTONIC BELT: Coast Crystalline PHYSIOGRAPHIC AREA: Fiord Ranges (Southern)
TERRANE: Wrangellia Plutonic Rocks
COMMENTS: Hosted in roof pendant in the Coast Plutonic Complex.

RESERVES

ORE ZONE: STEIN

CATEGORY: Assay YEAR: 1983
SAMPLE TYPE: Grab

COMMODITY	GRADE	
Silver	17.3000	Grams per tonne
Gold	40.1100	Grams per tonne

COMMENTS: Sample across 0.75 metres.
REFERENCE: Assessment Report 11333

CAPSULE GEOLOGY

At the Stein showing, an adit at Agamemnon Bay on the north end of Sechelt Peninsula exposes a quartz healed rhyodacitic chert breccia within a roof pendant of volcanics and sediments of the Upper Triassic Karmutsen Formation (Vancouver Group) in the Jurassic to Tertiary Coast Plutonic Complex. The breccia zone trends 120 to 130 degrees, similar to the trend of the roof pendant.

The quartz is mineralized with pyrite and marcasite. A grab sample of pyritic material taken two metres from the portal of the adit assayed 40.11 grams per tonne gold and 17.8 grams per tonne silver (Assessment Report 12641, page 25, Sample Ton).

The showing was explored by a 21 metre long adit in 1913.

BIBLIOGRAPHY

EMPR AR 1913-288

BIBLIOGRAPHY

EMPR ASS RPT 11333, 12541, 17941
EMPR BULL 39
GSC P 90-1F, pp. 95-101
GSC MAP 42-1963; 1069A; 1386A
GSC OF 611
Ditson, G.M. (1978): Metallogeny of the Vancouver-Hope Area, British Columbia, M.Sc. Thesis, University of British Columbia

DATE CODED: 900606 CODED BY: PSF FIELD CHECK: N
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MINFILE / pc
MASTER REPORT
GEOLOGICAL SURVEY BRANCH - MINERAL RESOURCES DIVISION
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PAGE: 3
REPORT: RGEN0100

MINFILE NUMBER: 092GNW050 NATIONAL MINERAL INVENTORY:

NAME(S): NL, NORTH LAKE, TY, CHALICE

STATUS: Showing MINING DIVISION: Vancouver
NTS MAP: 092G13W 092G12W UTM ZONE: 10
LATITUDE: 49 45 03 NORTHING: 5511149
LONGITUDE: 123 58 22 EASTING: 429920
ELEVATION: 0045 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Drill hole 9 in NL zone (Assessment Report 14736, Fig. A1-1).

COMMODITIES: Gold Silver Copper

MINERALS
SIGNIFICANT: Marcasite Pyrite Chalcopyrite
ASSOCIATED: Quartz
ALTERATION: Silica
ALTERATION TYPE: Silicific'n
MINERALIZATION AGE: Unknown
ISOTOPIC AGE: DATING METHOD: Unknown MATERIAL DATED:

DEPOSIT
CHARACTER: Vein Stockwork
CLASSIFICATION: Epithermal Hydrothermal Epigenetic
DIMENSION: 0030 x 0001 Metres STRIKE/DIP: 050/65N TREND/PLUNGE:
COMMENTS: Main vein in NL zone.

HOST ROCK
DOMINANT HOST ROCK: Plutonic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Jurassic			Coast Plutonic Complex

LITHOLOGY: Granodiorite

GEOLOGICAL SETTING
TECTONIC BELT: Coast Crystalline PHYSIOGRAPHIC AREA: Fiord Ranges (Southern)
TERRANE: Plutonic Rocks

RESERVES

ORE ZONE: NL

CATEGORY: Assay YEAR: 1982
SAMPLE TYPE: Chip

COMMODITY	GRADE	
Silver	54.5000	Grams per tonne
Gold	50.3900	Grams per tonne

COMMENTS: Sample along 1.8 metre length; sample R-NL-X-5.
REFERENCE: Assessment Report 11129

CAPSULE GEOLOGY

The NL showing outcrops along Highway 101, 300 metres northeast of the west end of North Lake on Sechelt Peninsula.

A road cut along the highway reveals a vein (NL zone) hosted in granodiorite of Upper Jurassic age, within the Jurassic to Tertiary Coast Plutonic Complex. The vein strikes 045 to 050 degrees for an exposed length of 30 metres and dips 65 degrees north. The vein varies up to 0.27 metres in width. Diamond drilling indicates the vein continues downdip for at least 55 metres. Six subsidiary tension veins ranging from 3 to 15 centimetres in width are developed in the granodiorite along the northwest side of the main vein over a distance of 20 metres. The tension veins strike 080 to 100 degrees for up to 8 metres and dip 65 degrees north.

The veins are comprised of marcasite in a gangue of quartz. A chip sample of the main vein taken across a width of 0.46 metres

CAPSULE GEOLOGY

assayed 23.6 grams per tonne gold and 40.1 grams per tonne silver, while a sample of a tension vein taken over a length of 1.8 metres assayed 50.39 grams per tonne gold and 54.5 grams per tonne silver (Assessment Report 11129, p. 24, Samples R-NL-1, R-NL-X-5). An angled diamond drill-hole (DDH-10) cored a 0.91 metre section grading 37.0 grams per tonne gold and 27.5 grams per tonne silver (Assessment Report 14736, p. 20).

A silicified shear zone (TY zone) striking 110 degrees and dipping steeply north, outcrops 240 metres northeast of the NL zone. Quartz veins ranging from 20 to 50 centimetres in width are developed in the hanging wall of the shear. The veins are mineralized with pyrite and minor chalcopyrite. Grab samples have yielded assays of up to 6.99 grams per tonne gold and 175.5 grams per tonne silver (Assessment Report 14736, p. 21).

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GSC MAP 42-1963; 1069A; 1386A
GSC OF 611
GCNL #197, 1984; #16,#18,#23,#227, 1985
IPDM Feb.-March 1985; May-June 1985
Ditson, G.M. (1978): Metallogeny of the Vancouver-Hope Area, British Columbia, M.Sc. Thesis, University of British Columbia

DATE CODED: 850724 CODED BY: GSB FIELD CHECK: N
DATE REVISED: 900607 REVISED BY: PSF FIELD CHECK: N

MINFILE NUMBER: 092GNW063 NATIONAL MINERAL INVENTORY:

NAME(S): JR, 3V, DF, CHALICE

STATUS: Showing
NTS MAP: 092G13W
LATITUDE: 49 45 14
LONGITUDE: 123 58 37
ELEVATION: 0105 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Centred on collar of hole 9 in JR zone (Assessment Report 14736, Figure A1-1).

MINING DIVISION: Vancouver
UTM ZONE: 10
NORTHING: 5511506
EASTING: 429619

COMMODITIES: Gold, Silver, Lead, Copper, Zinc

MINERALS
SIGNIFICANT: Marcasite, Electrum, Pyrite, Galena, Chalcopyrite, Tetrahedrite
ASSOCIATED: Quartz, Epidote
MINERALIZATION AGE: Unknown
ISOTOPIC AGE: DATING METHOD: Unknown MATERIAL DATED:

DEPOSIT
CHARACTER: Vein, Stockwork, Massive
CLASSIFICATION: Hydrothermal, Epigenetic
DIMENSION: 0020 x 0001 Metres STRIKE/DIP: 065/90 TREND/PLUNGE:
COMMENTS: JR zone.

HOST ROCK
DOMINANT HOST ROCK: Plutonic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Jurassic			Coast Plutonic Complex

LITHOLOGY: Granodiorite
Andesitic Dyke

GEOLOGICAL SETTING
TECTONIC BELT: Coast Crystalline PHYSIOGRAPHIC AREA: Fiord Ranges (Southern)
TERRANE: Plutonic Rocks

RESERVES

ORE ZONE: JR

CATEGORY: Assay YEAR: 1985
SAMPLE TYPE: Drill Core

COMMODITY	GRADE	
Silver	21.4000	Grams per tonne
Gold	31.3000	Grams per tonne

COMMENTS: Sample over core length of 2.7 metres.
REFERENCE: Assessment Report 14736

CAPSULE GEOLOGY

A zone of precious metal bearing mineralization (JR zone) is exposed 770 metres east of Agamemnon Bay, 500 metres north of the west end of North Lake on Sechelt Peninsula.

The zone consists of a series of subparallel quartz-marcasite-epidote stringers in altered and sheared granodiorite of Upper Jurassic age within the Jurassic to Tertiary Coast Plutonic Complex. The zone strikes 065 degrees over an exposed length of 20 metres and dips nearly vertical. Exposed widths vary up to 1.5 metres. The zone is cut by several narrow andesitic dykes.

Surface samples have yielded assays of up to 6.86 grams per tonne gold and 6.72 grams per tonne silver (Assessment Report 14736, p. 22). Diamond drilling encountered a section of massive marcasite with electrum in quartz averaging 31.3 grams per tonne gold and 21.4

CAPSULE GEOLOGY

grams per tonne silver over a core length of 2.7 metres (Assessment Report 14736, page 22, Hole 9).

A quartz vein stockwork (3V zone) outcropping over a 30 by 5 metre area, lies 260 metres northeast of the JR zone. The stockwork consists of a number of subparallel anastomosing quartz-marcasite veins trending 080 to 090 degrees. Individual veins vary from 0.06 to 0.3 metres in width. Samples from the showing have assayed up to 183.2 grams per tonne gold and 347.6 grams per tonne silver (Assessment Report 14736, page 21).

A second quartz vein stockwork (DF zone) is exposed for a length of 25 metres, 300 metres northwest of the JR zone. The showing consists of quartz veins with sporadic to abundant pyrite and marcasite, occasional galena and chalcopyrite, and minor tetrahedrite developed in a faulted andesitic dyke and altered granodiorite. A chip sample taken across 2 metres assayed 46.96 grams per tonne gold and 83.0 grams per tonne silver (Assessment Report 14736, page 21).

BIBLIOGRAPHY

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EMPR BULL 39
GSC P 90-1F, pp. 95-101
GSC MAP 42-1963; 1069A; 1386A
GSC OF 611
GCNL #197, 1984; #16,#18,#23,#227, 1985
IPDM May-June 1985
Ditson, G.M. (1978): Metallogeny of the Vancouver-Hope Area, British Columbia, M.Sc. Thesis, University of British Columbia

DATE CODED: 900607 CODED BY: PSF FIELD CHECK: N
DATE REVISED: REVISED BY: FIELD CHECK:

RUN DATE: 02/13/93
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MINFILE / pc
MASTER REPORT
GEOLOGICAL SURVEY BRANCH - MINERAL RESOURCES DIVISION
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PAGE: 1
REPORT: RGEN0100

MINFILE NUMBER: 092GNW012 NATIONAL MINERAL INVENTORY:

NAME(S): WALLY, WALLY 3, BACON

STATUS: Showing MINING DIVISION: Vancouver
NTS MAP: 092G13W UTM ZONE: 10
LATITUDE: 49 45 11 NORTHING: 5511400
LONGITUDE: 123 56 57 EASTING: 431630
ELEVATION: 0116 Metres
LOCATION ACCURACY: Within 500M
COMMENTS: Trench (Assessment Report 14264).

COMMODITIES: Copper Silver Gold Molybdenum

MINERALS
SIGNIFICANT: Chalcopyrite Pyrite Molybdenite
ASSOCIATED: Quartz
ALTERATION: Sericite Epidote Chlorite
ALTERATION TYPE: Sericitic Epidote Chloritic
MINERALIZATION AGE: Unknown
ISOTOPIC AGE: DATING METHOD: Unknown MATERIAL DATED:

DEPOSIT
CHARACTER: Vein Disseminated Massive
CLASSIFICATION: Hydrothermal Epigenetic
DIMENSION: 0012 x 0002 Metres STRIKE/DIP: 150/56W TREND/PLUNGE:
COMMENTS: Quartz vein.

HOST ROCK
DOMINANT HOST ROCK: Plutonic

STRATIGRAPHIC AGE	GROUP	FORMATION	IGNEOUS/METAMORPHIC/OTHER
Upper Jurassic			Coast Plutonic Complex

LITHOLOGY: Hornblende Biotite Granodiorite
Hornblende Biotite Quartz Diorite

GEOLOGICAL SETTING
TECTONIC BELT: Coast Crystalline PHYSIOGRAPHIC AREA: Fiord Ranges (Southern)
TERRANE: Plutonic Rocks

RESERVES

ORE ZONE: VEIN

CATEGORY: Assay YEAR: 1985
SAMPLE TYPE: Grab

COMMODITY	GRADE	
Silver	65.5000	Grams per tonne
Gold	6.6500	Grams per tonne
Copper	2.9600	Per cent

COMMENTS: Sample 1.
REFERENCE: Assessment Report 14264.

CAPSULE GEOLOGY

The Wally showing occurs on the north end of Sechelt Peninsula, 500 metres northwest of the north end of Waugh Lake.

A sulphidic quartz vein (Wally 3 Vein) is developed in hornblende biotite granodiorite of Upper Jurassic age, within the western margin of the Jurassic to Tertiary Coast Plutonic Complex. The vein strikes 150 degrees for at least 12.5 metres and dips 56 degrees southwest. Widths vary from 0.65 to 1.8 metres. The vein is truncated to the northwest and possibly also to the southeast by strike slip faults.

The vein is comprised of chalcopyrite, pyrite and molybdenite as disseminations, pods and bands up to 0.4 metres thick in a gangue of vuggy, milky white quartz. Total sulphide content varies from 8 to 20 per cent. These sulphides also extend into the wallrock, which

CAPSULE GEOLOGY

exhibits sericite-epidote-chlorite alteration up to 0.3 metres from the vein. A grab sample of the vein assayed 6.65 grams per tonne gold, 65.5 grams per tonne silver and 2.96 per cent copper (Assessment Report 14264, Appendix, Sample 1).

A second quartz vein (Wally 3a Vein), striking 130 degrees for 3 metres and dipping 30 to 50 degrees southwest, outcrops 150 metres south of the previous vein, within hornblende biotite quartz diorite. The vein pinches and swells to a width of 0.3 metres. Pyrite, molybdenite and chalcopyrite occur along fractures and as disseminations in the vein.

BIBLIOGRAPHY

EMPR ASS RPT 11334, 12451, *14264, 14736, *15577, *18418
EMPR BULL 39
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GCNL #197, 1984; #16,#18,#23,#227, 1985
Ditson, G.M. (1978): Metallogeny of the Vancouver-Hope Area, British Columbia, M.Sc. Thesis, University of British Columbia

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IV. PHYSICAL WORK AND PROSPECTING

- Approximately 800 meters of roadway were opened to a 4' width by slashing with a power saw and axe to allow passage of an ATV to pack tools and a gasoline powered percussion drill / hammer to provide access to the JR, 3-V, and Trench 2 showing areas. Since the original Chalice exploration programs (Chalice Mining - 1981 time frame) were conducted in the area, the roadway infrastructure providing access to these showings has grown in with small alder and brush with areas crossed by windfall. The roadway base for this distance is still in good condition but would require additional clearing to provide vehicle access.
- Prospecting was completed over portions of the Dancer 1 and Dancer 2 Mineral Claims by Justin, Tammy and John LaRue. Utilizing the information contained in the available MEMPR assessment reports as a guide, a total of 1 day was spent prospecting for bedrock exposure within the general area lying to the north of the Trench showing and immediately west of the 3V showings. There were no remaining signs of identification (blazing, flagging) from previous surveys within this area, to exactly locate the target area so the location of the 3V and Trench 2 showings themselves were used in reference. Within this area of approximate 300 M. x 300 M size, several large and important correlative anomalies overlap with nearly identical geophysical signatures and geographical boundaries. This correlation has never been cited in any previous report. By re-contouring the original IP Frequency Effect (FE%) and Resistivity Data from the Chalice survey reports, it became apparent that the physical boundaries of a large 150 meter x 200 meter magnetic high (originally identified in Assessment Report 14736) is physically / geographically correlative and nearly identical in shape to IP Frequency Effect and Resistivity Highs, and is also associated with an intersecting VLF-EM Anomaly and co-incidental with anomalous Self-Potential readings taken during surveys conducted over the property in 1994 by the author and his wife.

  Original IP Frequency Effect data from the 1983 survey was re-contoured to reflect 6.5% FE as being anomalous on the basis this same geophysical signature is associated with known mineralization at the 3V, JR and NL showings, each of which is associated with high gold values. Original IP

Resistivity data from this same survey was also contoured (Resistivity data was logged but never contoured in the original Chalice Report). Readings above 6000 ohm metres are considered anomalous for the purposes of this work and are identified and proximal to the JR, 3V, Trench II, and NL showings and can potentially be indicative of brecciation / stockwork structures.

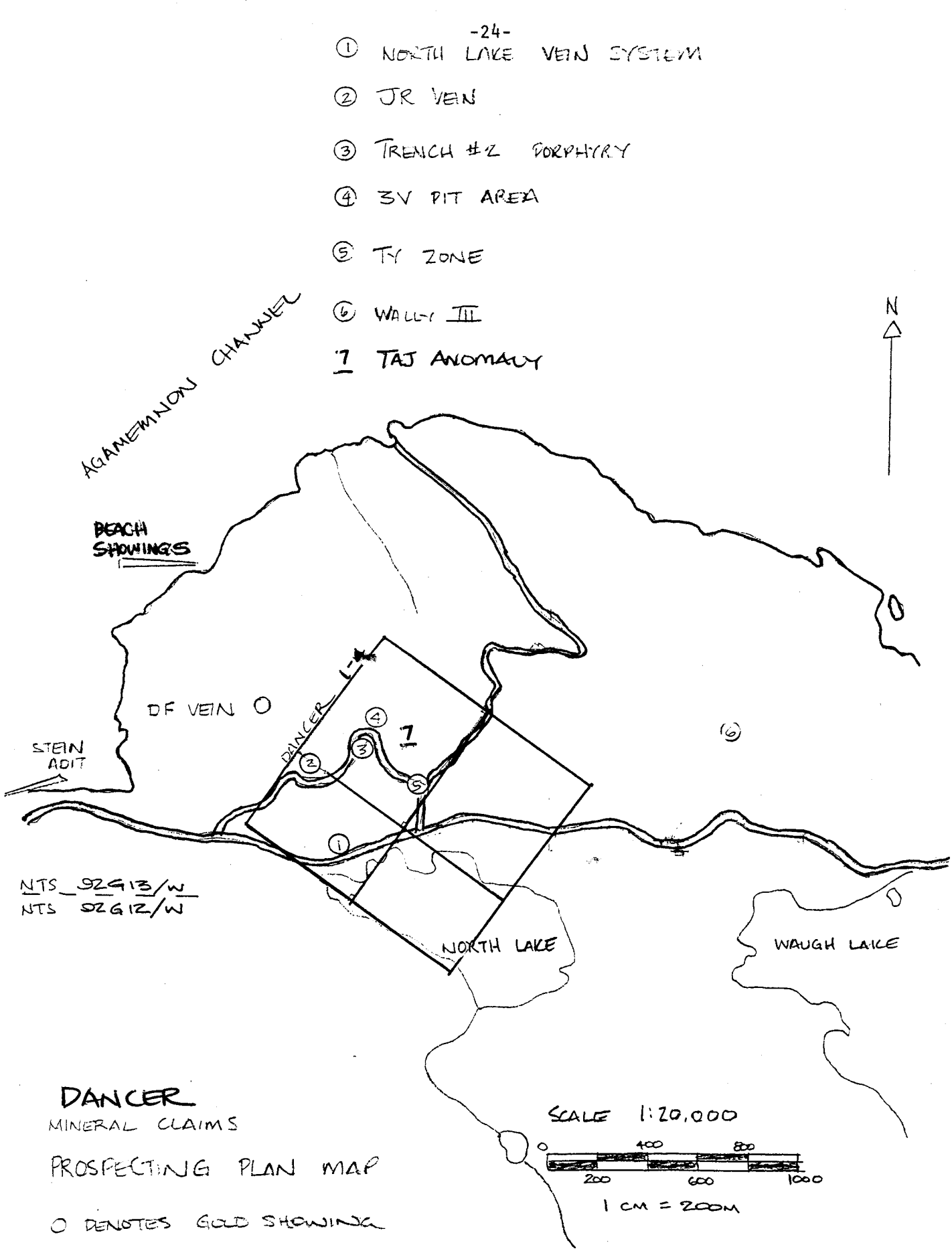
The target area is covered in a mantle of overburden bearing a thick growth of salal, minor alder and second growth forest of Hemlock and Fir. No bedrock exposure was detected within the target area although it is likely that the overburden covering is not thick here given the elevation and bedrock exposures on the heights above.

- Hand digging and excavating with the aid of a Gasoline powered percussion drill was performed on the 8 meter x 20 meter Trench #2 Porphyry showing and to obtain some larger ore samples from the JR and 3-V showings. Taken from the Author's 1994 Assessment Report #24069: "The Trench #2 porphyry is located in a small artificial rock cut exposure on a rocky height of land or hummock. At this showing, 'porphyry' disseminated gold bearing pyrite/marcasite occurs in hosting granodiorite (MEMPR Assessment Report 14736) with assays in the past reported up to 0.5 ozs Au./ton. The pyrite/marcasite disseminations in granodiroite are closely associated with sericite and epidote alteration. Thick salal and a thin mantle of overburden hinder visible rock outcropping except in the artificial rock exposure. The disseminated mineralization (gold bearing) is not uniformly distributed throughout the rock cut; the observation made at this time is that there appears to be more continuity of 'grade' or an east - west zoning to the mineralization. The mineralization appeared to be more sparsely disseminated towards the northern edge of the rock cut. Immediately to the southy of the rock cut, bedrock exposure is obscured by the mantle of thick salal and likely thin ovberburden."

An attempt was made to extend the boundaries of known mineralization to the east and west of the current Trench #2 exposure through test pitting through the mantle of overburden. Two holes were dug at 5 meter and 15 meter intervals from the easternmost edge of the porphyry showing respectively to test continuity of the mineralization. Visibly similar porphyry disseminated mineralization was encountered at a depth of 0.9

meters in the first hole located 5 meters east of the Trench 2 exposure. The second hole, located at 15 meters east of the perimeter exposure was dug to a depth of 1.5 meters without encountering bedrock. A third hole was dug 5 meters west of the westernmost perimeter edge of the mineralized showing. This hole was dug to a depth of 1.5 meters without encountering bedrock. Due to the difficulty of digging to depth through the dense salal rooting and depth of overburden, future excavations should be anticipated utilizing mechanical equipment to facilitate the removal process.

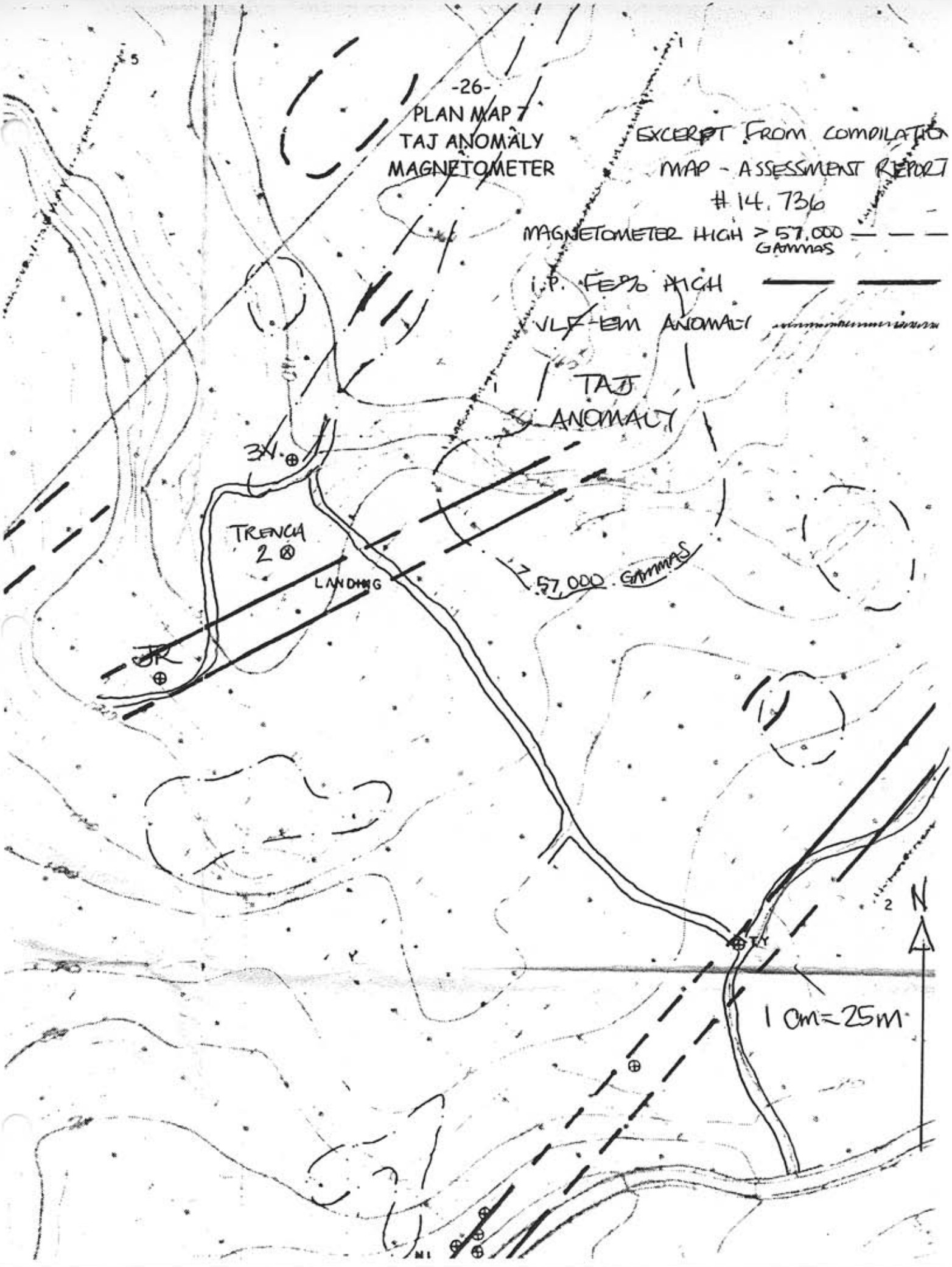
- Photocopies of MEMPR Assessment Reports 11129, 11333,11334, 12451,12641, 14264, 14736, 15577, 17941, 18418, 21709 and 24069 were purchased through the BC-Yukon Chamber of mines Archives to provide background information on all recorded work to date.


① NORTH LAKE VEIN SYSTEM
② JR VEIN
③ TRENCH #2 PORPHYRY
④ 3V PIT AREA
⑤ TY ZONE
⑥ WALLY III
7 TAJ ANOMALY
AGAMEMNON CHANNEL
N
BEACH SHOWINGS
DF VEIN
DANCER 1-7
STEIN ADIT
NTS 92G13/W
NTS 92G12/W
NORTH LAKE
WAUGH LAKE
DANCER
MINERAL CLAIMS
PROSPECTING PLAN MAP
O DENOTES GOLD SHOWING
SCALE 1:20,000
0 400 800
200 600 1000
1 CM = 200M

V. Detailed Technical Data and Interpretation

Due to the reconnaissance nature of the work completed during this exploration season, a definitive explanation of the results is not possible at this time.

The author believes that a significant exploration target has been identified through re-contouring of the original Chalice IP Survey data based on the geophysical signatures expressed over known showings and compiling this data with the results of subsequent geophysical surveys carried out over the past 20+ years. This new zone, identified now as the TAJ Anomaly, is significant for it's potential size (150m x 200m), it's correlative and overlapping geophysical surveys, and proximity to known gold showings.

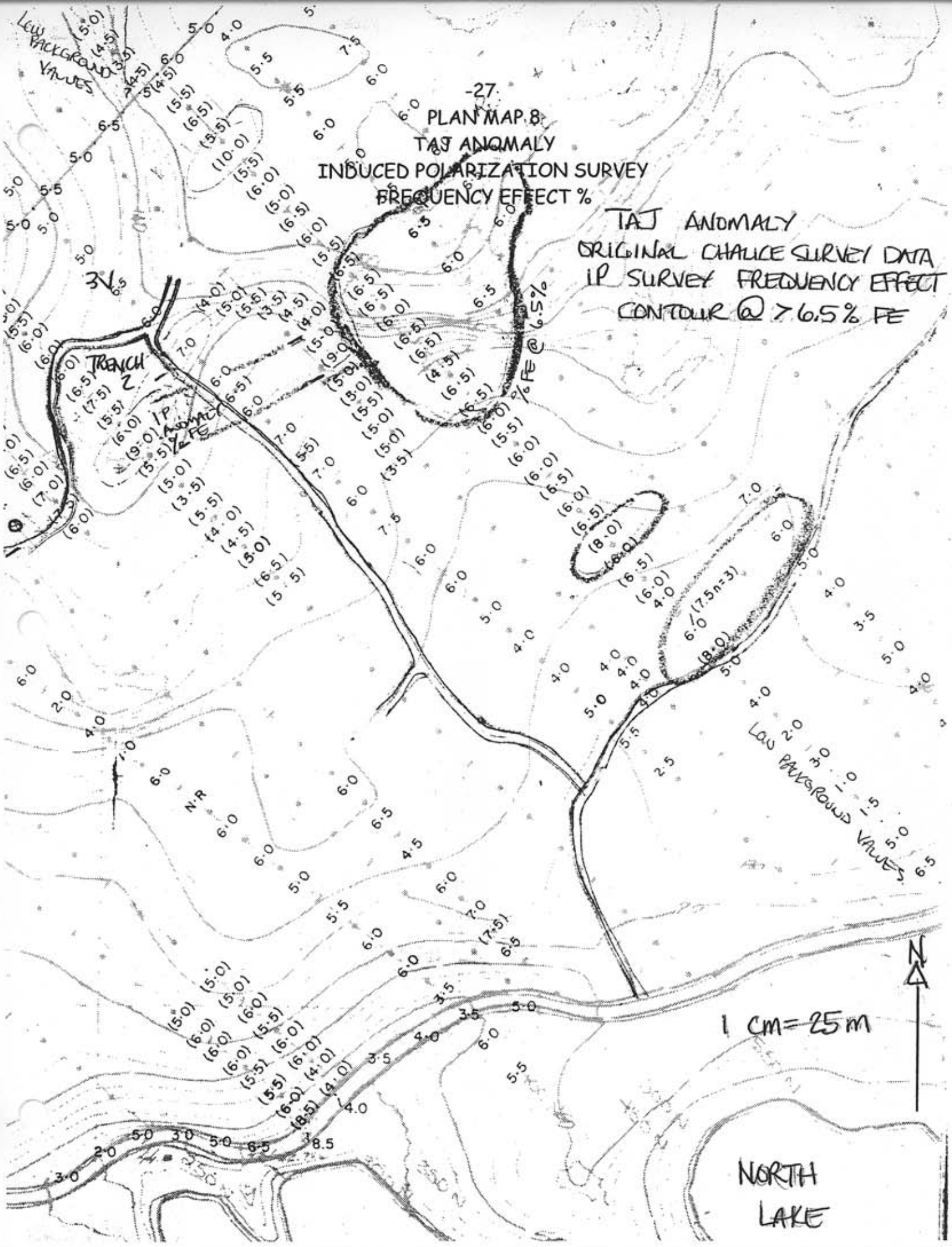

PLAN MAP 7
TAJ ANOMALY
MAGNETOMETER
EXCERPT FROM COMPILATION MAP - ASSESSMENT REPORT #14,736
MAGNETOMETER HIGH > 57,000 GAMMAS
I.P. FE% HIGH
VLF-EM ANOMALY
TAJ ANOMALY
TRENCH 2
LANDING
57,000 GAMMAS
1 cm=25m
N

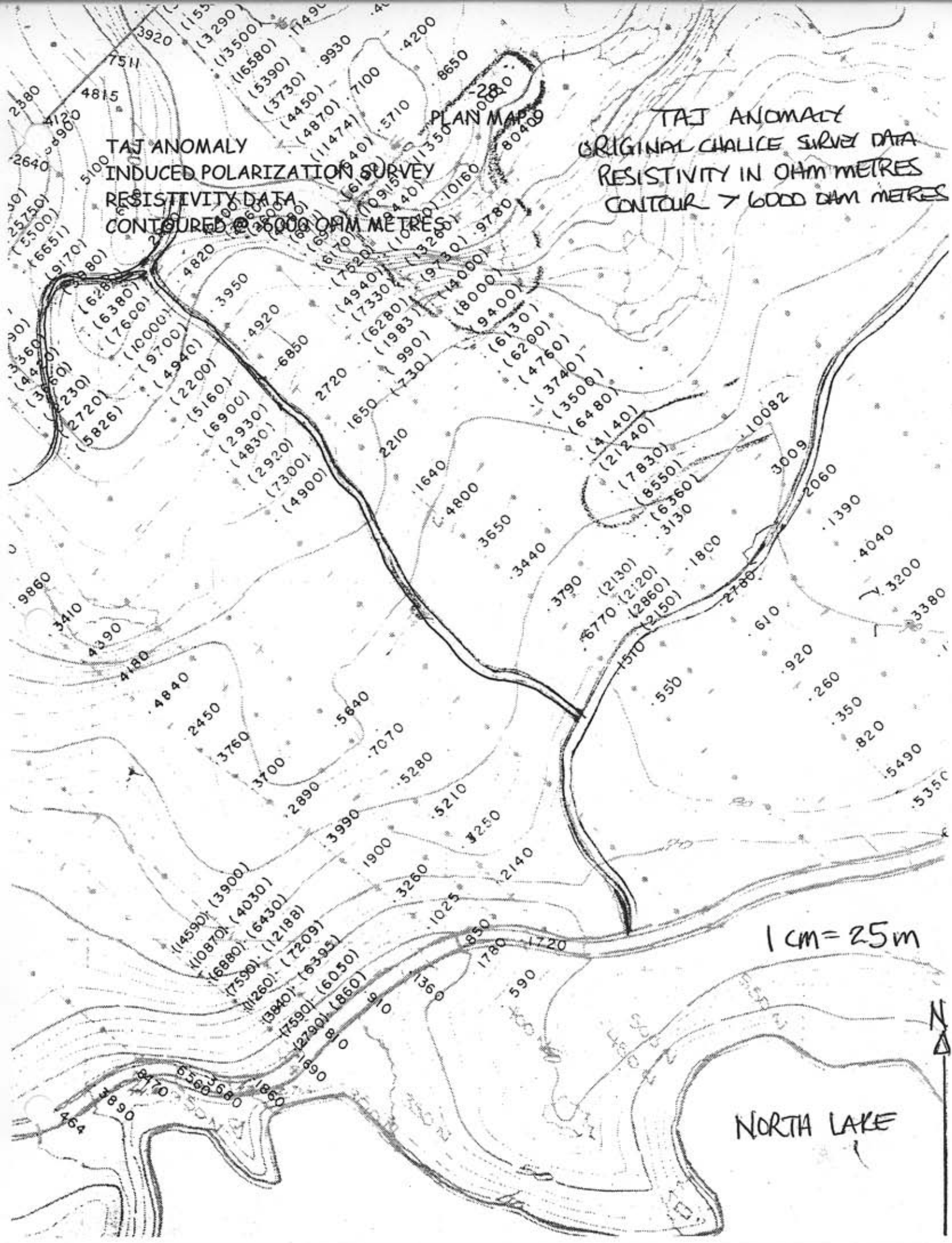
PLAN MAP 8

TAJ ANOMALY

INDUCED POLARIZATION SURVEY

FREQUENCY EFFECT %




PLAN MAP 28
TAJ ANOMALY
INDUCED POLARIZATION SURVEY
RESISTIVITY DATA
CONTOURED @ >6000 OHM METRES
TAJ ANOMALY
ORIGINAL CHALICE SURVEY DATA
RESISTIVITY IN OHM METRES
CONTOUR > 6000 OHM METRES
1 cm = 25m
N
NORTH LAKE

Itemized Cost Statement

Purchase of Prior Assessment Reports from BC Yukon Archive	$230
Prospecting - 3 persons x $150 per day x 1 day	$450
Road Clearing, Test Pitting and Excavation 3 persons x $150 per day x 1 day	$450
Mob-de-mob and Lillooet/Vancouver to/from Egmont	$580
Report Costs, typing, photocopy	$225
Total Costs Incurred '04 Season	$1935

MALASPINA COLLEGE

Statement of Course Completion

JOHN P. LARUE

has

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MINERAL EXPLORATION FOR PROSPECTORS

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