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DIAMOND DRILL REPORT  
ON THE  
CARLSON CLAIM GROUP

OMINECA MINING DIVISION  
NTS 103 I, 079

(Latitude 54° 43', Longitude 118° 21')

20105  
GEOLOGICAL SURVEY BRANCH  
DIAMOND DRILL REPORT

OWNER AND OPERATOR

G. W. Kurz

Author: G. D. Bysouth

Submitted: January, 2006

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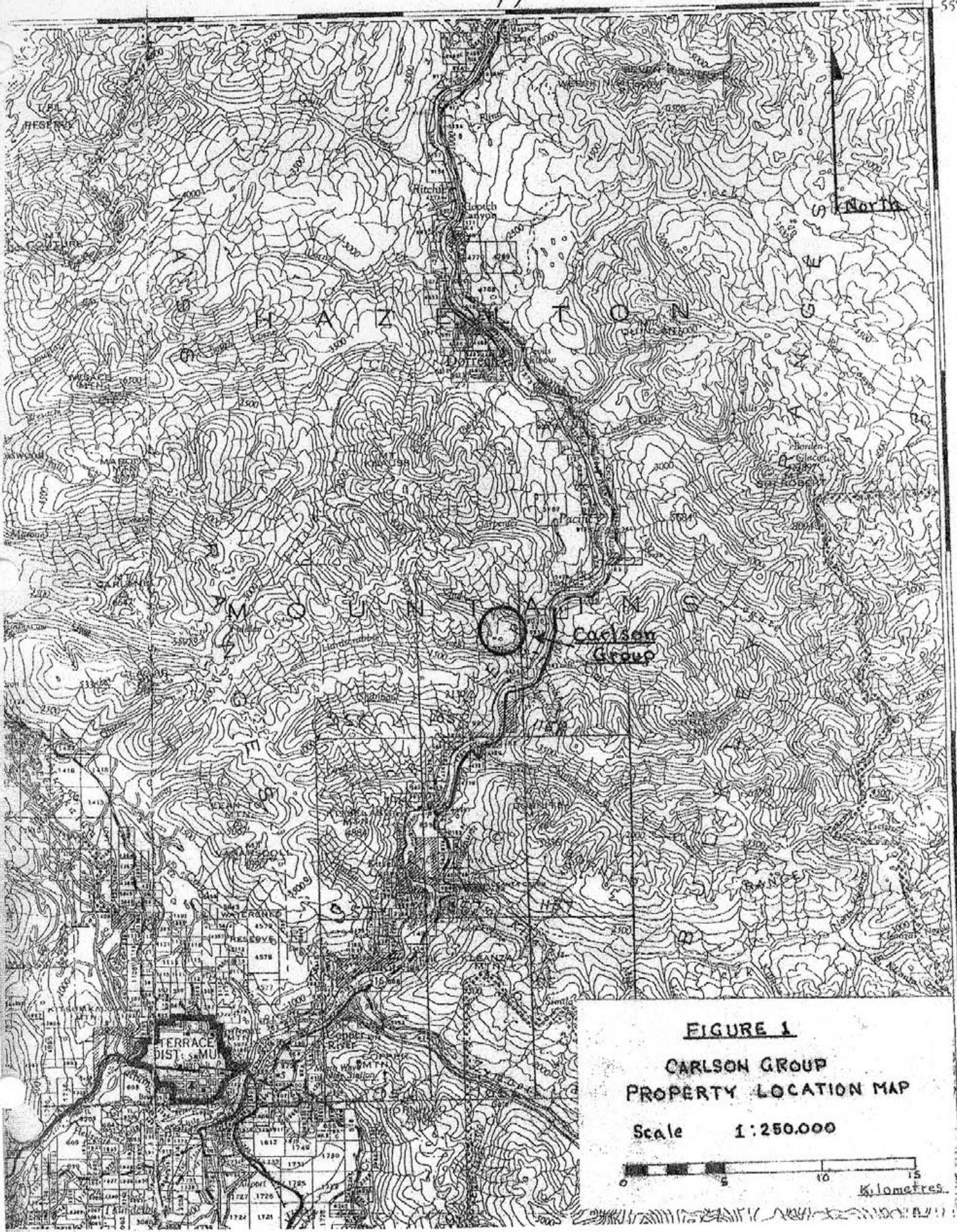
To Hazelton To Hazelton--45 miles  
15'

3

128°00'

55°0'

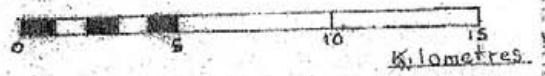
30'



**FIGURE 1**

**CARLSON GROUP  
PROPERTY LOCATION MAP**

Scale 1:250,000



## **1.0 INTRODUCTION**

The Carlson Group of Mineral Claims was staked in 2002 to cover a large area of pyrite mineralization. The property lies on the west side of the Skeena River valley, between Sand and Hardscrabble creeks, and about 2 kilometres northwest of the Pitman CNR stations. The nearest large settlement is Terrace, B.C. which lies about 40 kilometres to the southwest. Access to the property is provided by logging roads which link up with Highway 16 via a logging company bridge across the Skeena River near Pitman. Within the property, recent logging has created excellent access to the main showings; however, due to road deactivation, this access is limited to ATV-type transport.

The main mineral showings lie within an area of low relief made up of low rounded hills and broad drainage courses which form an unusually gentle terrain in an otherwise rugged, steep topography. To the north and south, this bench-like land drops off steeply into the deeply incised stream courses of Sand and Hardscrabble creeks. And to the west, the land rises rapidly to form a normal steep-sided divide between the two creek valleys. To the east, the valley wall of the Skeena River starts out on a very steep slope from the bench land to about the 400 metre elevation, then becomes progressively shallower as the alluvial plane of the river is approached. The elevation of the main showings range between 490 and 580 metres. The river flats lie at about 100 metres.

Rock exposure varies with topography, being more abundant on steep slopes and relatively scarce in flatter areas. Over most of the property, overburden depths appear quite shallow, probably less than three metres.

The area now covered by the Carlson Group claims was originally prospected by C.E. Carlson and his uncle during the 1920's and 1930's, but never developed. In 2002, bedrock prospecting and rock chip assaying indicated the property had a potential for significant copper, silver and molybdenum mineralization (Bysouth G.D., Kurz G.W., 2003). In 2003, the geological environment of the main showings was mapped on a scale of 1:5000 (Bysouth G.D., 2004). In 2004, a geochemical soil and silt sampling program was carried out in the vicinity of the main showings (Bysouth G.D., 2005). The present report covers a diamond drilling project conducted during the period July 5-8, 2005 and August 9-12, 2005. Two vertical B.Q. holes were drilled, one to 96m and the other to 150.2m (total drilling, 246.2m). Drilling contractor was Noble Contracting of Hudson Hope, B.C. The core is stored at Fraser Lake, B.C.

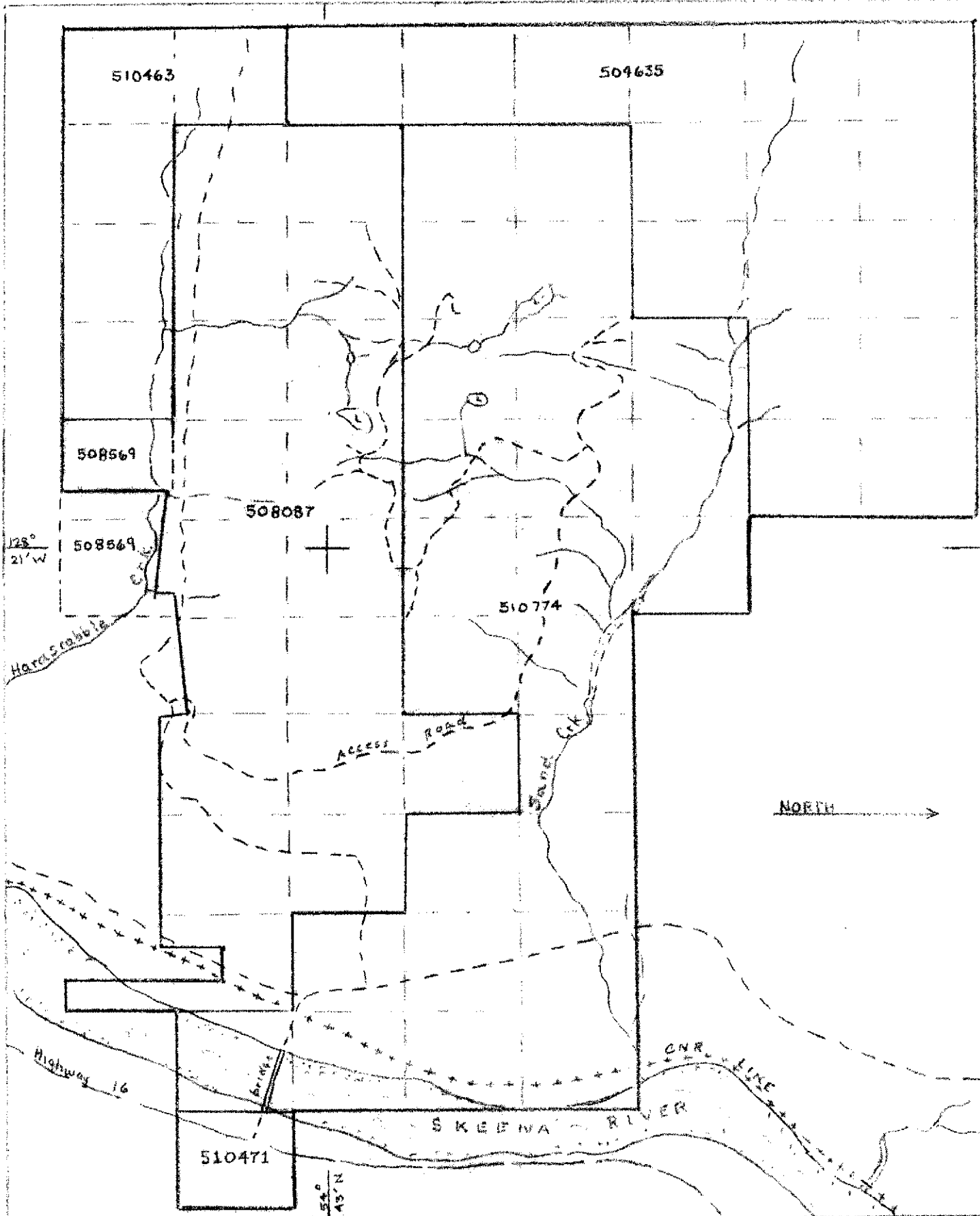


FIGURE 2

CARLSON GROUP CLAIM MAP

Scale 1:20000

NTS 1031,079



## 2.0 MINERAL CLAIMS

Prior to implementation of the Mineral Titles Online system, the Carlson Claim Group consisted of 30 two-post claims. The ground these claims covered has now been re-staked under the new system, and additional ground has been staked, all by the original owner G.W. Kurz of Fraser Lake, B.C. The current tenure is as follows:

<u>Tenure No.</u>	<u>Claim Name</u>	<u>Expiry Date</u>	<u>Area</u>
504635	Carlson	2006/Jan/23	298.842
508087		2006/Oct/24	392.395
508569		2006/Oct/24	37.377
510463		2006/Apr/09	93.438
510471	Axe	2006/Apr/09	18.685
510774		2006/Oct/24	467.036

The diamond drilling covered in this report was done within tenure number 508087.

## 3.0 GENERAL GEOLOGY

The Carlson Group claims are underlain by a sequence of volcanic and sedimentary rocks that have been mapped as early Jurassic Hazelton Group (Duffel and Souther, 1964), or more recently as early Jurassic Kitselas Volcanics (Gareau et al., 1997). The Kitselas Volcanics are predominantly of felsic composition. The volcanic rocks we have encountered on the property were all of basic composition, probably ranging from andesite to olivine basalt. Both of the above references indicate the property lies close to a large granitic intrusive, which Gareau et al, 1997 show as the Hardscrabble pluton of probable Eocene age.

From the above, and until proven otherwise, the following assumptions will be made in this, and future reports:

1. The assemblage of volcanic rocks and associated sedimentary rocks underlying the claim group belong to the early Jurassic Hazelton Group.
2. The plutonic rocks that form a complex contact zone across much of the claim group are part of the Eocene Hardscrabble pluton.

Disseminated pyrite and, to a lesser extent, pyrrhotite occur along the plutonic contacts in both the intrusive and intruded rocks. In numerous locations, usually in quartz veins, these minerals are associated with various combinations of other minerals, most notable of which are: molybdenite, scheelite, native bismuth, bismuthinite, chalcocopyrite and sphalerite.

Seven major showings have been identified. The most important of these are Site 13 and Site 31. At Site 13, chalcocopyrite and pyrite, with minor molybdenite and rare sphalerite, occur in

volcanic rocks, with and without quartz gangue. At Site 31, molybdenite and pyrite occur in quartz vein systems associated with quartz-sericite-pyrite alteration.

A description of Carlson Group geology and mineralogy is given in a recent assessment report (Bysouth G.D., 2004)

#### **4.0 DIAMOND DRILL PROGRAM**

##### **4.1 INTRODUCTION**

The project started on July 5, 2005 and was finished on August 13, 2005. A total of 246.2 meters of drilling was completed in two vertical B.Q. diamond drill holes. Survey control was by Garmin-etrex G.P.S. Drill hole locations are shown in Figure 3. Drill hole sections are given in Figures 4 and 5.

The objective of drill hole 05-01 was to test the westward extension of a quartz vein system located to the east in hornfels. (Site 17 -Bysouth and Kurz, 2003). It was collared on July 5, 2005, but due to breakdown was not finished until August 9, 2005, at a depth of 96 meters.

The objective of drill hole 05-02 was to test the depth of mineralization exposed at Site 13 (Bysouth and Kurz, 2003; Bysouth, 2004). It was collared on August 10, 2005, and completed on August 12, 2005, at a depth of 150.2 meters.

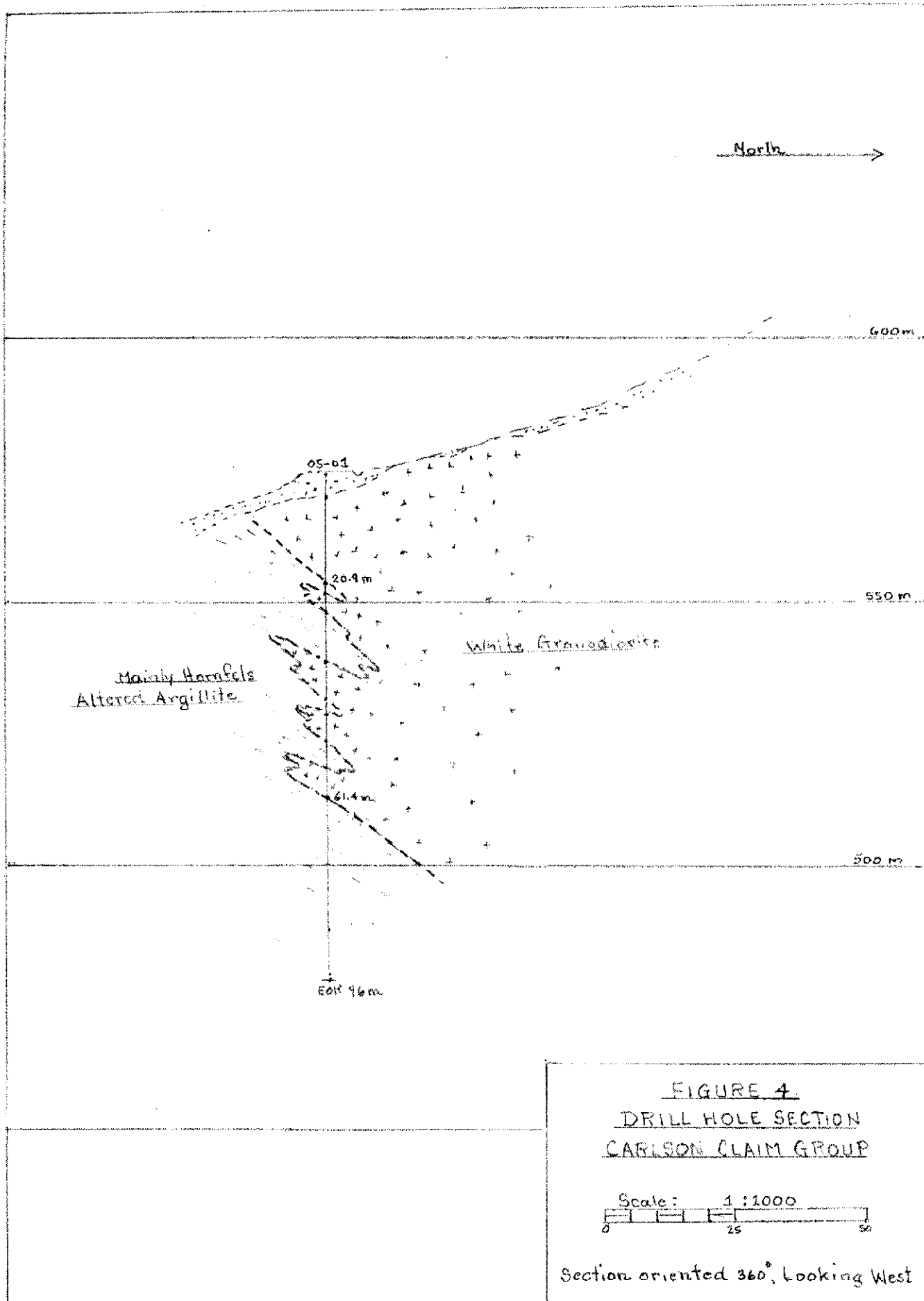
##### **4.2 DRILL RESULTS**

###### **Hole 05-01**

Hole 05-01 was cased to 4.0 m. A white granodiorite was intersected down to 20.9 m; this was followed by short alternating sections of hornfels and granodiorite down to 61.4 m. At 61.4 m an argillite sequence was intersected which was followed by a thin flow of epidote-altered andesitic lava at 86.4m - 95.0 m. Below that was a maroon colored argillite to the end of the hole at 96 m. Of significance to geophysical exploration was a layer of black graphitic argillite at 78 m - 85.3 m. The only significant sulfide mineralization noted were a few veinlets of massive pyrrhotite with blebs of chalcopyrite in the granodiorite at about 47 m. Pyrrhotite, minor pyrite and rare chalcopyrite were also noted in the granodiorite in the form of pervasive disseminations.

###### **Hole 05-02**

Hole 05-02 was cased to 4.6 m. From the casing to 12.5 m, a mineralized andesite was intersected which was cut off by a fault at 12.5 to 13.4 m. The mineralization consisted of two parts separated at 9.0 m by a band of epidote-chlorite mineralization dipping at about 60-degrees. The upper mineralization was comprised of near-vertical pyrite-chalcopyrite veinlets in epidote-chlorite altered andesite. Its grade was estimated at .15 - .20 % copper. The lower mineralization



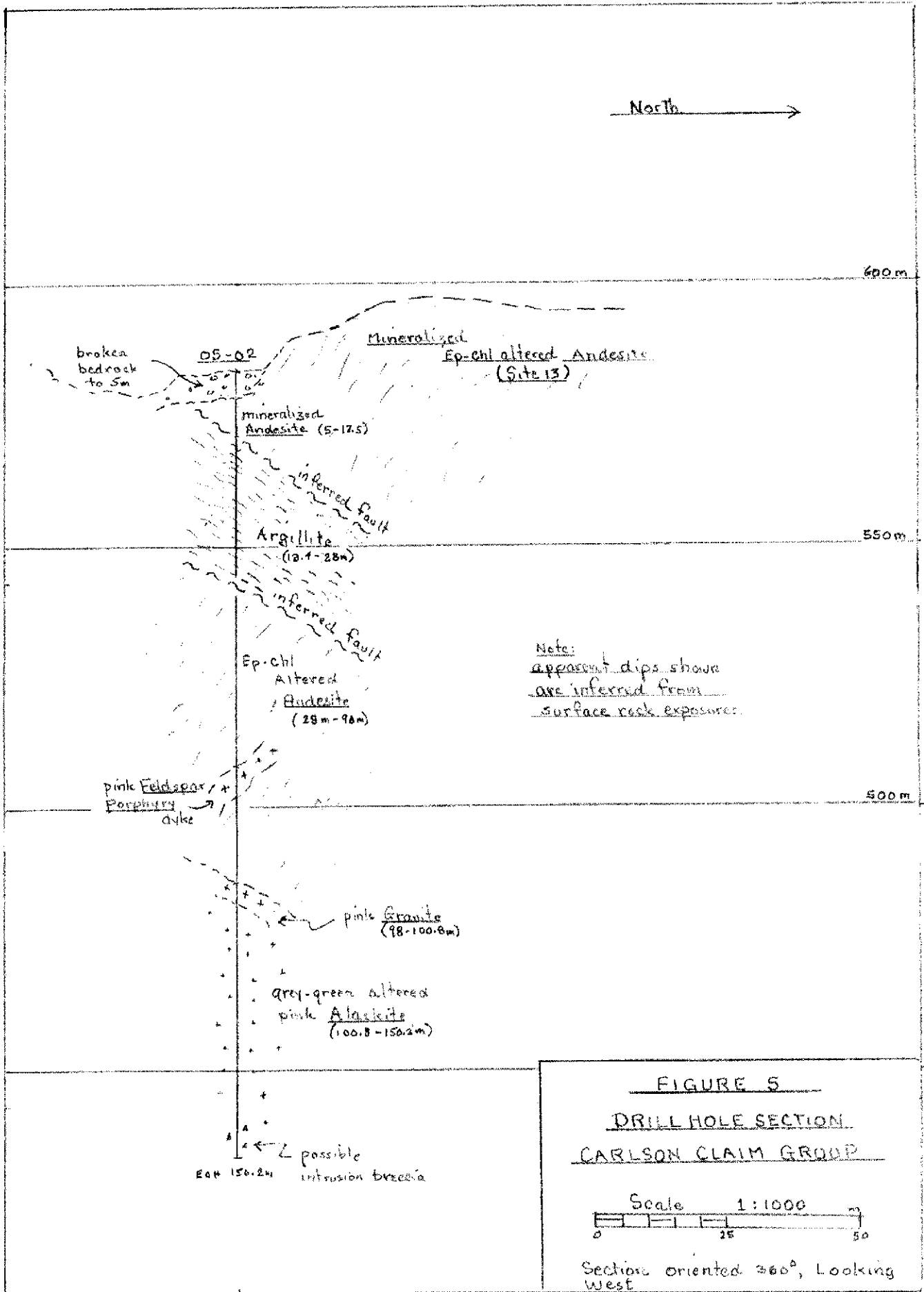


was mainly coarse fracture-fillings of chalcopyrite and lesser molybdenite in an altered augite andesite. The very hard nature of the host rock and its lighter coloration was suggestive of silicification; this may have been related to an irregular, steeply dipping quartz vein which lay along the general axis of mineralization. For the most part, the sulphides were free of any gangue mineral including quartz. The grade of mineralization was estimated to be 2.0% copper and .15% MoS<sub>2</sub>. In overall aspect, the mineralized intersection appeared to have undergone multiple fracturing, healed first by alteration minerals, then by sulphides and quartz, followed by carbonate minerals.

Below the fault at 12.5 to 13.4 m, a grey argillite sequence was intersected that was largely barren of visible sulfide minerals. Bedding structures were not evident. The general fabric of the rock suggested soft deformation along a steeply inclined axis—possibly between 50- and 80- degrees. At 41.8 m, the argillite passed into another andesite unit similar to the first. This contact also may have been along a fault.

The second andesite unit was intersected from 41.8 m to 76.1 m. It was tentatively identified as a sequence of volcanic breccias and massive flows that had been altered by various combinations of epidote, chlorite and carbonate—this includes saussarite and scarn-like zones of massive epidote. The dark green alteration assume to be chlorite may also include actinolite, and certain unidentified cream colored segregations may be albite. Finely disseminated pyrite and veinlets of massive pyrite occur throughout the unit. Chalcopyrite was noted associated with quartz at 48 - 57 m. and at 69 - 75 m with calcite and quartz veining. A feldspar porphyry with distinctive pink feldspar phenocrysts cut the andesite at 76.1m - 81.4 m, and at 98 m the andesite was intruded by pink granite along a sharp low angle contact. Between the dyke and the intrusive contact, the andesite showed an increased degree of epidote and carbonate alteration.

The granite appeared as a medium grained granitic textured rock from 98 m to 100.8 m , then was intruded by, or graded into, a texturally complex siliceous rock tentatively identified as an alaskite due to its simple composition of feldspar and quartz. Textures varied mainly from porphyritic, with pink feldspar or quartz phenocrysts, to aphanitic without any visible crystal development. Although of normal pale pinkish coloration, most of the intersected alaskite showed various shades of grey or greenish-grey due to fracture-fillings of green clay and epidote-quartz, and in some cases, granulated rock. Very fine fracturing and brecciation was noted throughout the section. At the end of the hole, the texture became strongly fragmental with pieces of rounded aphanitic rock and subrounded pink feldspar crystals, both up to 1.4 cm diameter, contained in a siliceous matrix of fine white feldspar and quartz. Weak pyrite mineralization was noted throughout the alaskite, as disseminations associated with the alteration minerals, and as random hairline veinlets.



### 4.3 INTERPRETATION

Hole 05-01 intersected an irregular contact zone formed between the Hardscrabble granodiorite and Hazelton Group argillite. The interfingering of intrusive and intruded rock observed in this hole is considered to be a characteristic of the contact zone throughout the claim group. The presence of hornblende in some of the hornfels indicates a moderately high temperature of contact metamorphism had been reached. It suggests also that certain hornblende-feldspar porphyries observed in outcrop may in fact be hornfels rather than intrusive dykes. The almost total lack of quartz veining in the hole, and the weak mineralization encountered obviously indicates the vein systems of Site 17 were not intersected.

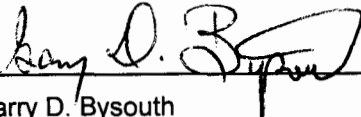
Hole 05-02 did not intersect the full width of mineralization indicated by Site 13 surface exposures. Evidence from the drilling and from surface exposures show the mineralization has a northerly strike and a steep easterly dip of about 60-degrees. The hole, therefore, intersected only the western edge of the mineralization.

The andesite host rock intersected in hole 05-02 is interpreted to represent a sequence of volcanic breccias and massive flows in which the flows show up as hard, compact less altered zones. The alteration is interpreted to be largely propylitic, with possibly some silicification associated with the larger quartz veins. The kaolin and green clay alteration, and the epidote-quartz alteration, in the granite and alaskite is interpreted to be of hydrothermal origin and is assumed to be related to the propylitic alteration of the andesites.

The alaskite is difficult to interpret. At this point it is assumed to represent the most evolved phase of a granitic magma. Its very fine grain size indicates a sudden loss of volatiles during emplacement--these volatiles may, in turn, be the source of the alteration and mineralization observed in nearby surface exposures and in drill hole 05-02.

**5.0 STATEMENT OF EXPENDITURES**

1. Diamond Drilling---July 5-8, 2005 and August 9-12, 2005	
246.2 m @ an all-inclusive cost of \$78.72/m.....	\$19,380.86
2. Core Logging---September 16-17, 2005	
G. Bysouth - 16 hrs @\$60/hr.....	\$960.00
3. Report Preparation	
G. Bysouth - 15 hrs @\$60/hr.....	\$900.00
4. Camp Costs.....	\$500.00
Total Cost of Drilling.....	\$21,740.86

  
\_\_\_\_\_  
Garry D. Bysouth  
Geologist

**REFERENCES**

Duffel S. and Souther J.G., 1964. Geology of Terrace Map - Area British Columbia. Geological Survey of Canada. Map 1136A.

Gareau S.A., G.J. Woodsworth, and M. Ricki, 1997 Regional Geology of the Northeastern Quadrant of Terrace Map Area, West-Central B.C.; in Current Research 1997-A; Geological Survey of Canada.

Bysouth G.D. and Kurz G.W., 2003. Prospecting Report on the Carlson Claim Group, British Columbia Assessment Report.

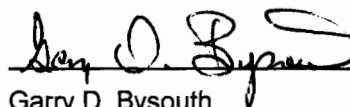
Bysouth G.D. , 2004. Geological Report on the Carlson Claim Group, British Columbia Assessment Report.

Bysouth G.D., 2005. Geochemical Survey Report on the Carlson Claim Group, British Columbia Assessment Report.

**APPENDIX A****STATEMENT OF QUALIFICATIONS - Garry D. Bysouth**

I, Garry D. Bysouth, of Boswell, British Columbia, do certify that:

1. I am a geologist.
2. I am a graduate of the University of British Columbia with a B.Sc. Degree in Geology (1966).
3. From 1966 to the present I have been engaged in mining and exploration geology in British Columbia.
4. I have logged the diamond drill core described in this report, and have geologically mapped the surface area relevant to the diamond drilling.

  
Garry D. Bysouth  
Geologist

**APPENDIX B****LIST OF ABBREVIATIONS**

alt'n.....	alteration
arseno.....	arsenopyrite
bx.....	broken rock
carb.....	undefined carbonate minerals
cp.....	chalcopyrite
gal.....	galena
py.....	pyrite
pyr.....	pyrrhotite
qtz.....	quartz
rx.....	rock
sphal.....	sphalerite
( ).....	minor concentration
ep.....	epidote
chl.....	chlorite

**APPENDIX C**

**DIAMOND DRILL LOGS**







EXPLORATION DIAMOND DRILL LOG

SCALE of LOG 1:200

HOLE NO 05-1 Page 3 of 3

GEOLOGY	FOLW.	DEPTH	MINERALIZATION	REMARKS	BLOCKS	% REC	% SULF	SAMPLE NO.	ASSAY VALUES					
<p><u>Argillite Sequence</u> (61.4 - 86.4)</p> <p>normal hornfelsic contact to ~ 60m then grades to a sequence of grey-green, dk grey and black argillite with increasing softness from contact. ↓</p> <p>* Note: the spotted hornfels appears as a granular rx under magnification with porphyroblasts of white spar, black hornblende and bio. in a finer seriate tex. matrix and is thus a high grade hornfels. The granitic side of the contact can be taken as 4.6-20.9m; the argillite side as 61.4-EOH with that in between as complex contact zone.</p> <p>black graphitic argillite</p>					64		<.5							
		66					100							
		69				67		<.5						
						70.1		<.5						
		72					100							
						73.2		<.5						
		75					95							
				} cal. stkwks.		76.2		<.5						
		78					79.3		<.5					
							95							
		81				82.3		<.5						
							95							
	84				85.4		<.5							
						95								
	86.4													
<p><u>Andesite/Basalt Unit</u> (86.4 - 95 m)</p> <p>dk green rx with clots and zones of ep. and with zones and patches of dioritic-looking rx.</p>						95								
		87					<.5							
		90				88.4		<.5						
							95							
		93				91.5		<.5						
						95								
	95				94.5		<.5							
Maroon Argillite		96	E.O.H	96 m	96	90								

*Jan D. Byrnes*

SCALE of LOG 1:200

EXPLORATION DIAMOND DRILL LOG

HOLE NO. 03-2 Page 1 of 5

LOCATION Carlson Group BEARING - UTM. REF. 6063249 N CORE SIZE BQ  
 DATE COLLARED Aug. 10, 2005 LENGTH 150.2 m DEPARTURE 541479 E DATE Sept 16-17, 2005  
 DATE COMPLETED Aug. 12, 2005 DIP 90° ELEVATION 583 m LOGGED BY Garry D. Bysouth

GEOLOGY	FOLN.	DEPTH	MINERALIZATION	REMARKS	BLOCKS	% REC	% SULF	SAMPLE NO.	ASSAY VALUES				
Casing To 5.0m		5.0											
Andesite (5.0-12.5m) dk. green, saus.-chl. altn. clots and zones of ep-in places a bx. texture. H 5-6 At 9.2-12.5m - lighter color. a H 6-7, sl. pinkish east, round mafic relicts (augite → chl.?) ; bx. and healed tex with frags & matrix same. (silicification?) / 12.5		6.0m	broken zone	poss. fault	5.5m								
			10° 3mm Cp-Py } dissem. 10° 2mm Cp-Py } along 10° 2mm Cp-Py } frac.	limonite to 7.5m		30							
		9.0m	30° 3cm ep-chl (py-cp) ← border of altn zone?		7.6m		1%						
			~10°.5cm? qtz veins with associated coarse cp in frac. fillings	broken rx healed by qtz, then cp and then carb.	9.1m		95						
		12.0m	80°.5cm Mo-cp 60°.5cm Mo-cp		10.7		90	4%					
					12.5		90						
Fault Zone (12.5-13.4m)			broken rx, 99 carb veining	65% lost core	13.4	35							
Grey Argillite (13.4-28m) med. dk grey argill. with graphitic partings. H. 3-5, foln mainly 10-20°  a few 1mm-.5cm reddish grey ovoid inclusion of H-7 - pass. acidic vol. frags.		15.0m				100	<.5						
		10-20		Py ~.5% thru unit	16.8		<.5						
		18m			19.5		98	<.5					
		10-20		good solid core, minor carb. veinlets.	21m		85	<.5					
		10-20			22.3			<.5					
		24m			25.3		100	<.5					
		27m			28.4		90	<.5					
Spotted Grey Argillite (28-37m)		30m			30.5		95	<.5					

Mineralized section 5.0-12.5m  
 Estimated grade .80% Cu  
 .100% MoS<sub>2</sub>







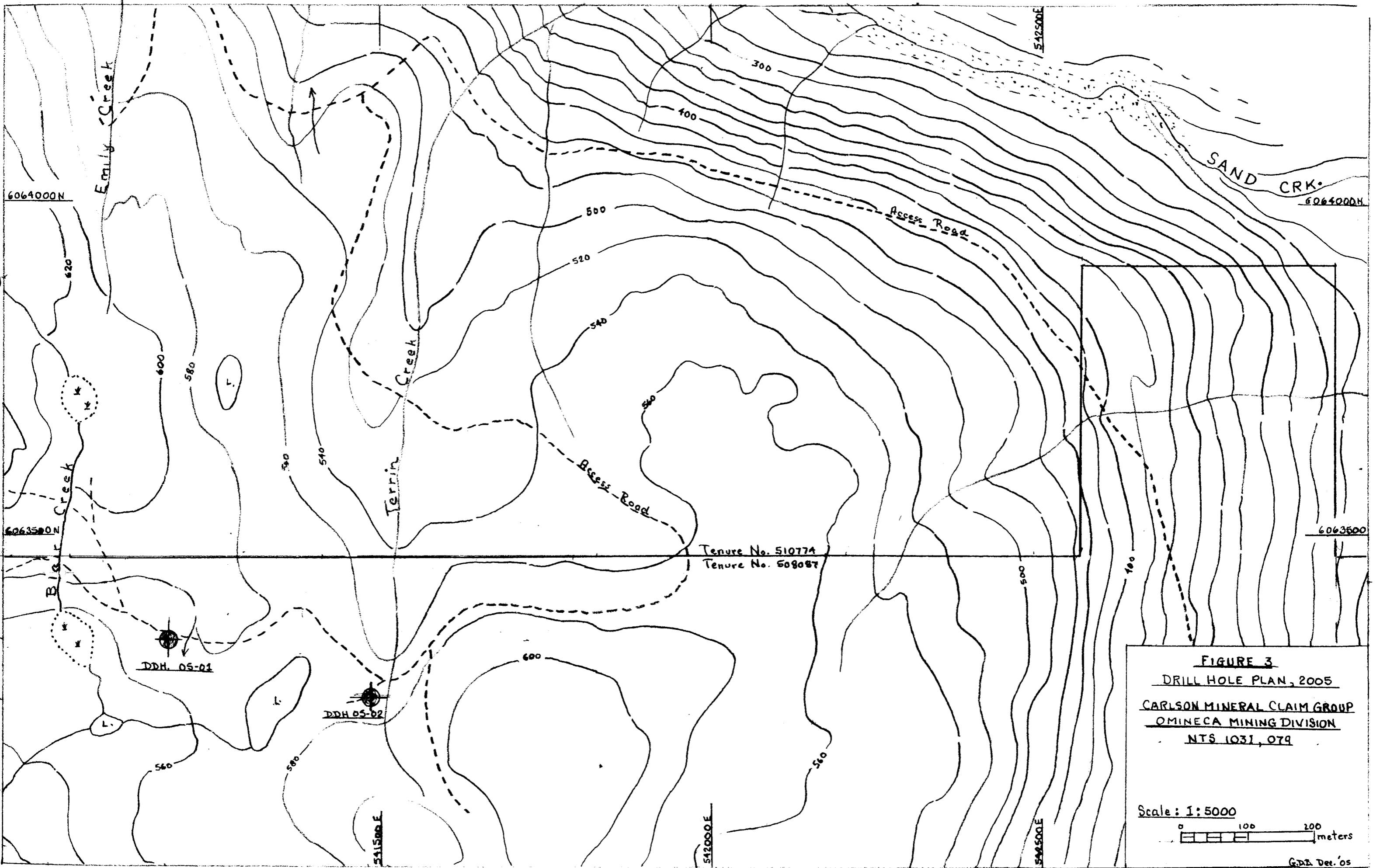
SCALE of LOG 1:200

EXPLORATION DIAMOND DRILL LOG

HOLE NO 05-2 Page 5 of 5

GEOLOGY	FOLW.	DEPTH	MINERALIZATION	REMARKS	BLOCKS	% REC	% SULF	SAMPLE No.	ASSAY VALUES					
brown qtz. porp.	}	132	5" 1cm Carb vein system		130.5	98	<.5							
					132.3	50								
brown qtz. porp.	}	40' 135	irreg. Segregations of grey siliceous material	incr. green clay on slips ↓	135.4	100	<.5							
					138	80								
alt'd andesite	}	45 141	45+80, 3mm+5mm, qtz x 2		138.4	80	<.5							
					141	95								
dark zone (chl.?)	}	45 144			141.5	95	.5							
					144	95								
	}	45 147	80°, 1cm, qtz-clay-py	intrusion breccia?	144.5	95	.5							
					147	95								
EQH 150.2m	}	50 150	rounded frags 1mm - 1cm dia d. pink Ksp and chilled rhyolite? in siliceous QFP matrix.		147.6	100	.5							
					150	100								
<p>Note: there is a poss. the pink alaskite is part of an acidic volcanic sequence and as such, consists of both intruded and extruded rx.</p> <p><i>Gregory B. Byrnes</i></p>														





**FIGURE 3**  
 DRILL HOLE PLAN, 2005  
 CARLSON MINERAL CLAIM GROUP  
 OMINECA MINING DIVISION  
 NTS 1031, 079

Scale: 1:5000  
 0 100 200 meters  
 GDB Dec '05