

**RECEIVED**  
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**PROSPECTING REPORT**  
**ON**  
**SUNSHINE HILL**  
**PROPERTY**  
**DEASE LAKE AREA**  
**LIARD**  
**MINING DIVISION, BRITISH COLUMBIA**

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**PROPERTY LOCATION :** The Sunshine Hill claim is along the western mountainside of Gnat Pass

58E 11' 15" North  
129E 52' 40" West  
National Topographic Series 104 I

**WRITTEN BY :** GERRY DIAKOW  
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Delta, B.C. V4M 3H6

March 20, 2006

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Map 1 - Map showing all samples and traverses..... In Pocket

## Summary

The Sunshine Hill claim was prospected on September 27 to Oct. 1, 2005. The prospecting was done by Gerry Diakow. Outcrop was mapped and 3 trenches were located and sampled. 15 rock samples were collected and 4 of these samples were sent to ACME Analytical for analysis. The samples were assayed using a 30 element aqua regia digestion and gold by fire assay and analysis by ICP-ES. (15 gram).

## Conclusion

1. The Sunshine Hill claim covers the Dalvenie Mineral prospect listed in the British Columbia Minfile as "**Dalvenie 104I 003**."
2. A 1987 soil sampling program indicated anomalous gold/copper values associated with volcanic breccia and possibly along the fault extension known as the Dalvenie Fault.
3. A geophysical survey clearly traced the shear zone as a coincident VLF (Very Low Frequency) conductor and pronounced linear magnetic low. Two large splays in the hanging wall of the shear are also indicated by the geophysical survey. (Assessment Report #19885)
4. The 2005 sampling of trenches indicates anomalous copper, gold and silver values at surface on the property.

The Dalvenie property warrants further exploration. The size, grade of mineralization and location near a paved highway make it an attractive target for both precious metals (gold, silver, and platinum group) and base metal (copper, nickel) deposits. Previous operators have contributed valuable exploration work towards its development as a mining property. This valuable early work consists of trenching and exposing the shear zone for nearly 4000 feet. Establishing a permanent grid that I was able to re-locate during the Sept/05 visit, the original grid used metal tags on survey

stakes thus allowing the complete grid to be relocated. Equity Silver Ltd.'s geological, geophysical and geochemical surveys can be retrieved from the BC Mining Ministry Assessment Report Files. Thus future surveys can be continuations of past surveys and are more economical to perform and collate then starting from square one again.

### **Recommendations**

Copy the complete report *Geological, Geochemical and Geophysical Report on the Gnat Pass Property* by J.F. Wetherill research all related assessment reports on the original property.

- 1) Use the services of a consulting Professional Geophysicist to reprocess the geophysical data using modern software programs.
- 2) Establish in the field the exact location of the original 15.2 km grid that was used for the Geophysical and Geochemical surveys completed by Equity Silver Ltd.
- 3) Initiate a modern Geographical Information System (GIS) using North America Datum 1983 (NAD83) to convert all survey stations to a common grid using Global Positioning System (GPS) instruments calibrated to NAD83 Universal Transverse Mercator (UTM) coordinates.
- 4) Run a Very Low Frequency survey parallel to the Dalvenie Fault covering the complete length of the fault.
- 5) Run a reconnaissance geochemical survey on the downhill side of the Dalvenie fault the complete length of the fault.
- 6) Prospect, map and sample all the old crown grants that make up the Dalvenie property.

## **Introduction**

This report discusses the prospecting and locating of old workings and surveys on the Sunshine Hill claim. Trenches that were located were flagged and sampled. The metal tags on stakes in place allow for the accurate locating of previous soil sample and geophysical surveys.

Work was carried out on the following claim.

Sunshine Hill tenure number 505453 ,area 255.96 hectares

## **Location and Access**

The Dalvenie prospect is located on the east flank of Thenatlodi Mountain in the Cry Lake Map area, about 20 miles by Highway 37 southeast of the south end of Dease Lake. The settlement of *Dease Lake* is located at the south end of Dease Lake. It is the transportation, communications, and supply centre for the region. An asphalt airstrip over 6000 feet long lies on a broad terrace on the north side of the Tanzilla River a few miles southwest of the settlement of Dease Lake.

The Cry Lake map area covers about 490 square miles in north-central British Columbia. Since the early 1870's the region has been important for placer gold mining and big-game hunting. Significant deposits of copper, zinc and asbestos have been discovered by mineral exploration geologists and the varied geology offers favourable conditions for occurrences of tungsten and lode gold.

Highway 37 runs north-south near the western boundary of the Cry Lake map area. The paved highway 37 connects Kitwanga on highway 16 with the Alaska highway at Watson Lake, Yukon Territory.

The Dalvenie prospect is accessed by a 1.5 mile gravel road directly off highway 37 at Gnat Pass .

### **Terrain and Vegetation**

The Cry Lake Map area includes parts of two major physiographic elements in the Canadian Cordillera. These are the Kaska Mountains represented by the Cassiar Mountains and the Stikine Plateau represented by the Spatsizi and Tanzilla Plateaus. Most of the Cry Lake map area lies within the Cassiar Mountains, a moderately rugged mountainous region with local relief of as much as 4200 feet.

Cassiar Mountains are characterized by irregular mountain masses deeply dissected by stream valleys and glacial cirques.

The climate at Dease Lake is similar to that of the Cassiar Mountains and the Cry Lake map sheet. Dease Lake is normally free of ice during the last week in May or the first week in June. Generally, prospecting can be carried out on the Tanzilla Plateau from May to October but in the Cassiar Mountains snow may hamper work before mid-June and after mid-September. Unsettled weather is common during the summer months when the region gets its maximum precipitation. On average the latter part of July until the end of August provides the best weather for travel in the high mountains. Occasionally September affords ideal conditions because of low water, pleasant temperatures, and relatively few insects.

Timber line ranges from about 4593 to 5249 feet above sea level but good stands of timber are generally restricted to much lower elevations along the main river valleys. White Spruce and cottonwood, the largest trees grow mainly in the valley bottoms whereas lodgepole pine, trembling aspen, and minor birch are found commonly on flanking gravel and sand terraces. Edible wild fruits include raspberry, strawberry, cranberry, several varieties of blueberry, and saskatoon (service berry). Big-game animals include moose, Osbourne's caribou, black, brown and grizzly bear, stone sheep and mountain goat.

## **History**

The Dalvenie claim area was first staked in 1899. In 1935, the Dalvenie Syndicate acquired the property and the Dalvenie 2-9, Mac and New Deal 1-4 claims were subsequently Crown granted. Work in 1935 traced the mineralization for 1200 feet by means of 13 shallow opencuts. In 1966, Copper Pass Mines Ltd. acquired the Crown grants and staked additional claims. Work completed in 1966 included geological mapping, induced polarization and soil geochemical surveys, trenching and some short X-Ray diamond-drill holes. The claims were most recently worked in the late 1980's up to 1990 by Equity Silver Mines Ltd. who eventually dropped the option most likely because of low copper gold prices during this period. Equity however performed soil geochemistry and some geophysical surveys while operating the property. Furthermore Equity recommended more exploration work in Assessment Report #19885 filed with the British Columbia Provincial Department of Mines in 1990. In this report the author *J.F. Wetherill* concluded

“The Dalvenie Shear hosts significant gold – copper values in a wide structurally controlled, persistent, quartz – sulfide zone. A geophysical survey clearly traced the shear zone as a coincident VLF (Very Low Frequency) conductor and pronounced linear magnetic low. Two large splays in the hanging wall of the shear are also indicated by the geophysical survey. A large, strong, multi –element soil geochem anomaly (A) occur over one of the splay intersections. The possibility of a high grade ore shoot(s) at the intersection of these splays with the main structure is good.

Geology, geophysics and geochemistry reveal several additional parallel mineralized structures in the area of the Dalvenie shear.

Structure, grade and access make the Dalvenie Shear an excellent exploration target. Further work is recommended.

The continuity, and grades of the Dalvenie shear, and the easy access, make the structure an excellent exploration target. “

The latter conclusion is from the last recorded work on the claims. When Gerry Diakow first looked at the property in July 1998, the ground was then held by Ed Asp and had not been actively explored since Equity Silver Mines 1990 work.

## **Geology**

The area of the Dalvenie prospect is underlain by the Lower to Upper Triassic Stuhini Group. At the occurrence, the rocks are described as augite and plagioclase porphyry, andesite, basalt, tuff, breccia, argillite, quartzite, shale and minor thin beds of chert. The strata are intruded by an alaskan-type ultramafic body, the Late Triassic Gnat Lake Ultramafite, consisting of hornblendite, hornblende clinopyroxenite and hornblende gabbro.

Monzonitic to syenitic rocks of the Early to Middle Jurassic Three Sisters Pluton outcrop to the immediate south. The Gnat Lake Ultramafite and the Three Sisters Pluton are part of the Hotailuh Batholith.



Two parallel basalt dikes occur trending 016 degrees east of north and dipping 75 degrees from horizontal west. The dikes are about 3 feet thick and separated by 2 to 5 feet of sheared material. The dikes occur along a highly sheared fault zone which forms the main mineralized zone. The dikes and the mineralized zone have been traced along surface for 3782 feet. The maximum width of the zone is at least 42 feet wide.

The fault zone contains smoky grey quartz with abundant sulphide mineralization observed at three showings. Sulphides present include massive pyrite with blebs of chalcopyrite and arsenopyrite, and smears of bornite and hematite along fractures. Siderite, barite, magnetite, pyrrhotite and sphalerite have also been reported.

The wallrock of the mineralized zone is mainly the ultramafite but in the extreme southern part the wallrock is sedimentary. The wallrock is generally unmineralized but may contain sulphides locally. The basalt dikes are locally mineralized.

#### Pre 2000 Assays from Property

A weighted average of six chip samples yielded 1.19 per cent copper over 24 feet (Assessment Report 898). Another composite sample taken over 42 feet yielded 1.03 per cent copper (Assessment Report 897). A 4 foot chip sample yielded 1.37 grams per tonne gold (Assessment Report 898).

A 1968 drillhole reportedly yielded 3.73 per cent copper and 4.80 grams per tonne gold over 5 feet (as reported in Assessment Report 19885).

#### **PROSPECTING TRAVERSES**

Traverses were made across the property with the intent of locating showings and any old workings. The traverses and sample locations are shown on the prospecting map (figure 1). The most common rocks in the

traverse areas are basaltic flows and associated breccias some mafic volcanic rock was observed.

### COMPILATION OF SAMPLES

All samples are rock

Sample Number	Location of Sample	Elevated Value	Comments
B184801	1 <sup>st</sup> trench showing	Cu over 1.0% Au 129.9ppb	massive sulfides
B184802	open cut	Cu over 1.0% Au 50.1ppb	malachite staining
B184803	Dark green mafic rock	disseminated sulfides	
B184834	sta. 4 Dr. Gabrielse's	showing Ni and Co anomalous	



GEOCHEMICAL ANALYSIS CERTIFICATE



Diakow, Gerald File # A601084

1537 54th St., Delta BC V4M 3H6 Submitted By: W / A

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	Hg	Sc	Tl	S	Ga	Se
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm	
G-1	.3	3.2	2.5	44	<.1	3.6	4.2	575	2.04	<.5	2.8	<.5	4.3	70	<.1	<.1	.1	44	.59	.074	9	8.1	.59	243	.159	2	1.16	.118	.54	.1	.01	2.5	.3	<.05	5	<.5
B184801	.3	>10000	16.3	97	72.8	925.3	429.4	2628	23.09	720.6	1.3	129.9	.1	6	.8	197.1	24.8	21	.16	.063	2	51.0	.07	8	.002	2	.38	.604	.14	.5	.02	7.3	<.1	8.79	2	55.7
B184802	7.7	>10000	7.8	34	26.6	52.3	16.1	127	5.87	230.5	.6	50.1	1.3	4	.1	4.5	11.0	39	.03	.017	1	32.8	.07	18	.003	1	.37	.007	.10	.7	.01	1.6	<.1	3.86	3	11.0
B184803	.8	710.4	.8	8	.7	19.6	13.2	239	2.50	10.5	.2	.9	.6	60	<.1	2.5	.4	68	1.32	.314	4	61.3	.67	51	.157	1	1.02	.134	.30	.2	<.01	3.7	.1	.55	3	.8
B184804	.5	286.2	2.7	9	.3	103.8	92.7	171	4.54	693.0	.2	.5	.4	69	<.1	6.2	.3	68	1.05	.163	4	57.2	.65	32	.130	1	.96	.106	.13	.3	<.01	3.8	.2	2.99	4	2.0
STANDARD DS6	11.7	123.7	30.1	141	.3	25.3	10.8	703	2.81	21.0	6.6	46.2	3.0	39	6.0	3.5	5.0	56	.85	.081	13	188.6	.57	160	.080	17	1.89	.073	.15	3.7	.23	3.1	1.7	<.05	6	4.3

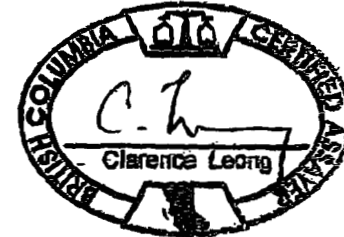
GROUP 1DX - 15.00 GM SAMPLE LEACHED WITH 90 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 300 ML, ANALYSED BY ICP-MS.  
(>) CONCENTRATION EXCEEDS UPPER LIMITS. SOME MINERALS MAY BE PARTIALLY ATTACKED. REFRACTORY AND GRAPHITIC SAMPLES CAN LIMIT AU SOLUBILITY.  
- SAMPLE TYPE: ROCK R150

Data *by* FA

DATE RECEIVED: MAR 14 2006

DATE REPORT MAILED:

*March 21/06*



**STATEMENT OF QUALIFICATION STEPHEN G. DIAKOW**

1. I attended Vancouver City College and the University of British Columbia completing courses leading to a B.Sc in chemistry.
2. Studied Civil and Structural Engineering at British Columbia Institute of Technology.
3. I have worked in Mineral Exploration for the past 39 years . Including the major companies Union Carbide Mining Exploration, Canadian Superior Mining Exploration and Anaconda Mining Exploration.
4. I have received 3 British Columbia prospector assistance grants, the first from Dr. Grove in 1975 and last in 1998.

AFFIDAVIT OF EXPENSES

Prospecting and sampling of old workings was carried out within the Sunshine Hill claim group from September 27 to Oct. 1, 2005. Work was carried out on the claim located near Gnat Pass within the Liard Mining Division, British Columbia, to the value of the following:

Mob/Demob:

Wages 1 man, 1/2 day @ \$300/day

Field:

1 man, 4 days @ \$300/day	\$1200.00
Room & board, 5 man days @ \$100 man/day	\$500.00
Truck & fuel, 5 days @ \$125/day	\$625.00
Total	\$2325.00

Laboratory

Sample preparation and testing of:

4 samples @ \$25.00	\$115.13
Report	

**Grand total: \$2440.40**

Respectfully submitted ,

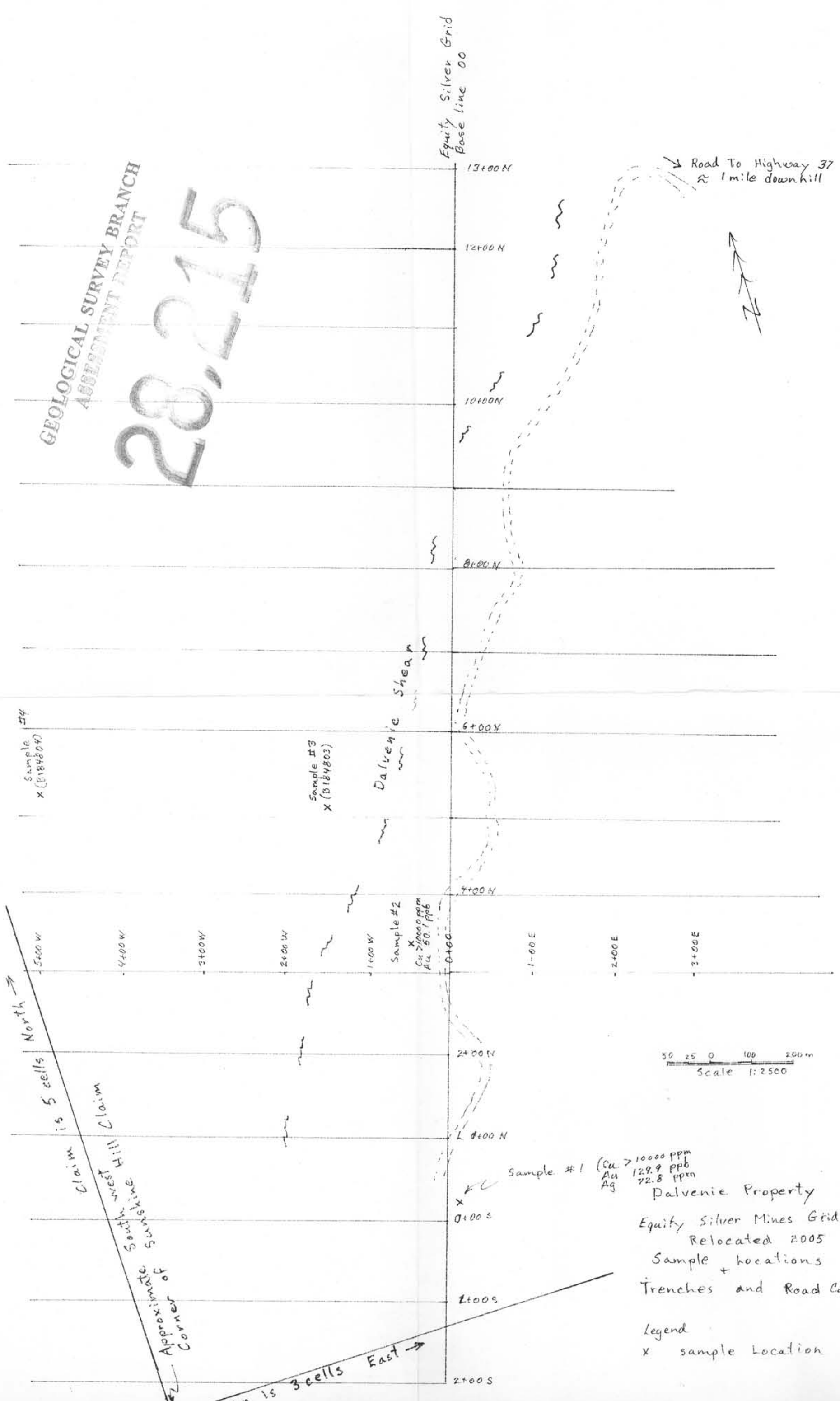
Gerry Diakow



GEOLOGICAL SURVEY BRANCH  
ASSESSMENT REPORT

28,215

Equity Silver Grid  
Base line 00



Sample #4  
X (B184804)

Sample #3  
X (B184803)

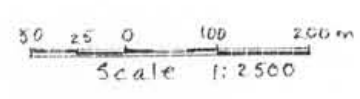
Dalvenie Shear

Sample #2  
X  
Cu 71000 ppm  
Au 50.1 ppb

Sample #1 (Cu > 10000 ppm  
Au 129.9 ppb  
Ag 72.8 ppm)

Dalvenie Property  
Equity Silver Mines Grid  
Relocated 2005  
Sample + locations  
Trenches and Road Cuts

Legend  
X sample Location



North →  
Claim is 5 cells  
Claim  
Sourthern Hill  
Corner of  
Approx. of  
Claim is 3 cells East →