

PROSPECTING REPORT

ON

CASSIAR MOLY CLAIMS

CASSIAR AREA

LIARD MINING DIVISION

BRITISH COLUMBIA

PROPERTY LOCATION : The Cassiar Moly claims are approximately 10 kilometers south of the town of Cassiar, B.C.

59° 12' 29" North
129° 52' 06" West
National Topographic Series 104 P04W

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Jan. 26, 2007

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Summary

The Cassiar Moly Claims tenure #s 5510053, 510064, 510065, 510066, 510322, 510323, 510332, 510333, 510532, 510535, 518610, 518611, 518614, 518616, 518619, 518620, 518622, 518624 (Figure 1) were prospected between Sept. 26 and Oct. 6th 2006. The prospecting was done by Gerry Diakow and John Hope. Kelly Bates assisted with the exploration work maintained camp and cooked. Outcrop was mapped and numerous trenches from earlier explorers were located and sampled. The Cassiar Moly property warrants further exploration. The size, grade of mineralization and location near a paved highway make it an attractive molybdenum deposit. Previous operators have contributed valuable exploration work in delineating surface showings, building roads to the various showings and drove a 451 foot exploration crosscut.

Conclusion

1. The Cassiar Moly claims have good road access. The known occurrences of molybdenite mineralization within quartz monzonite cover an area of approximately 2.5 square kilometers. (Dolmage, Campbell & Associates Report, 1966)
2. There is a high density of very high grade outcrops of molybdenite within a latite stock near the center of the claim. This core of intense mineralization covers a surface area of approximately 225 hectares.
3. The geological setting of the property is considered to be most encouraging for the possible existence of an economic molybdenite ore deposit of the "porphyry" type.
4. Molybdenite occurs both as fracture-filling and as disseminated replacements of all country rocks. The faults and fractures are mineralized by molybdenite, quartz and some chalcopyrite.

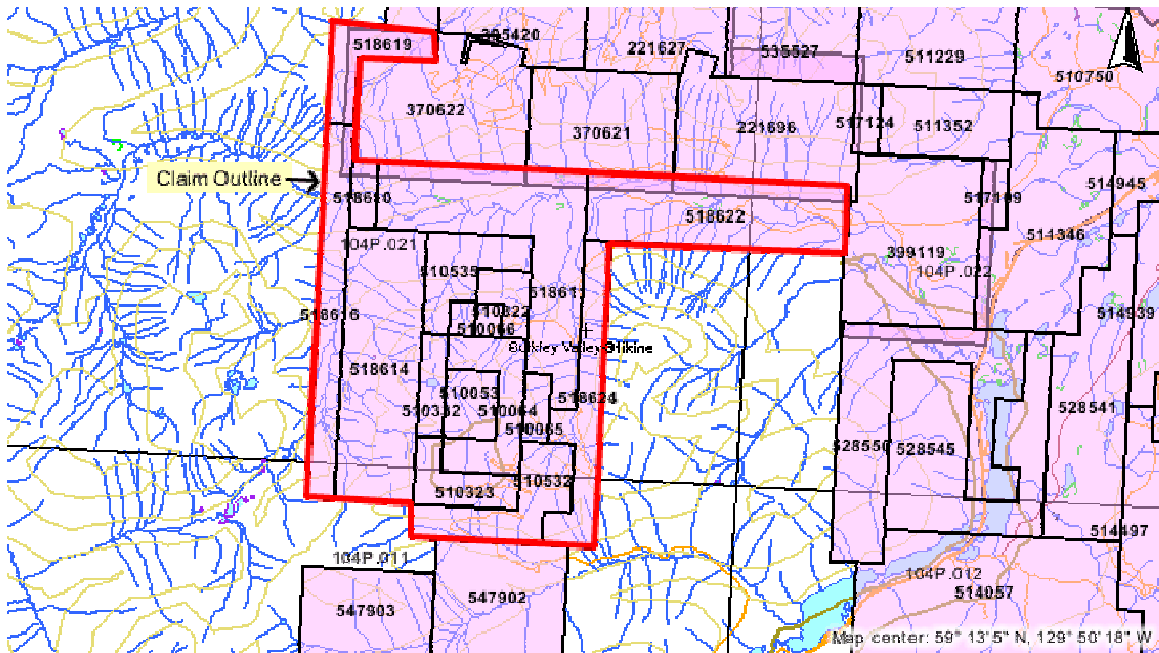


Figure 1 Map showing Cassiar Moly claims

Scale 1: 64,167

Recommendations

Depending on the exploration budget available:

1. Plan a drilling program that would bring the resource up to National Instrument 43-101 standards.
2. Clean up the existing roads so that one can easily use an ATV to access the upper crosscut area.
3. Using a GIS system remap the old showings and bring all the existing data into a modern geographical file using air photos as a base map.
4. Plan a helicopter assisted mapping and sampling program to coincide with low snow conditions, probably late summer.

Introduction

This report discusses the prospecting and sampling on the Cassiar Moly property. Work was performed on the following claims

tenure # 518622	331.228 ha
tenure # 518611	414.086 ha
tenure # 510535	115.957 ha
tenure # 510322	49.7 ha
tenure # 510066	16.568 ha
tenure # 510532	149.211 ha
tenure # 510323	82.89 ha

Location and Access

The Cassiar Moly prospect is located on the northwestern flank of the unnamed mountain west of Vines Lake in the McDame Map area. A road just north of Limestone Creek (Lang Valley Road) leads directly to the northern end of the claim area (Figure 2). A second road leads from Highway 37 south of Vines Lake to the southern end of the claim block. The

second road crosses Bass Creek and has had a bridge removed that had been damaged by high water conditions. This road leads directly to the crosscut adit driven in the winter of 1967-68.

Terrain and Vegetation

The McDame map-area lies within the Interior System of the Western Cordillera of Canada (Bostock, 1948). Two major physiographic divisions are represented: Liard Plain, including the northernmost part of the Rocky Mountain trench; and Cassiar Mountains, including Dease Plateau, Horseranch, Stikine and Kechida Ranges (Gabrielse 1963). The claim lies in the Cassiar Mountains this rugged area exhibits many features typical of alpine glaciation and having a maximum relief of about 4000 feet. The Cassiar Mountains are characterized by irregular mountain masses deeply dissected by stream valleys and glacial cirques.

The Cassiar Mountains receive moderate precipitation.

Generally, prospecting can be carried out 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's sheep and mountain goat.

History

The area was first staked by John Hope and a partner. In October, 1966, the Rusty Group property, now termed Cassiar Moly, of Value Line Minerals Ltd. was examined by Mr. H. W. Agnew, and in a report dated Nov.!, 1966 he recommended that the property be prospected, geologically mapped and soil sampled. Such a program was completed by Associated Geological Services Ltd. In August, 1967, and is represented by several progress reports and a geological map of the area. In August ,1967, Mr.H.O. Howey, senior mining engineer with Dolmage-Campbell & Associates Ltd.,examined the main showing of the property. A subsequent report, dated August 25, 1967, by Douglas D. Campbell based on the results of Mr. Howey's examination plus pertinent information from previous work recommended a winter underground exploration program to best explore the main mineral showing.

Following this recommendation an exploration adit was begun on the property in November, 1967. the heading, planned to be a 3000 ft. exploration crosscut, was driven a length of 451 feet before the operation was shut down in February, 1968, due to lack of water.

Geology

The geology of the property is dominated by three (known) finely crystalline monzonite stocks that are intrusive into the quartz monzonite that underlies most of the property. The quartz monzonite is part of a pluton which is intrusive along the eastern border of the Cassiar Batholith.

The best ore occurrences on the property consist of isolated molybdenite showings within the quartz monzonite country rock over an area of two

square kilometers. In the center of this area a finely crystalline monzonite stock, termed latite, is intrusive into the quartz monzonite and on the surface it is richly mineralized with molybdenite, quartz and minor chalcopyrite, both as fracture fillings and replacement disseminations. Outcrop samples of these showings range from 0.20% Mo across 3.5 meters to 3.6% across 2 meters. "The area of intense mineralization, which encompasses the latite stock as well as the fringing quartz monzonite, is approximately the size of a mineral claim cell and would aggregate 13 million tons per 30 vertical meters." (Dolmage Campbell & Ass.,1968)

PROSPECTING TRAVERSES

Traverses were made across the property with the intent of locating samples for promoting the property. Samples were collected from old workings. The traverses and sample locations are shown on the prospecting map (Figures 2).

Samples collected consisted of mineralized float and outcrop also representative host rock was collected.

The prospecting was predicated on collecting samples that would trigger investors to take this mature prospect seriously.

The claim owners needs are hand specimens that exhibit the mineral characteristics necessary to motivate a well financed joint venture partner into taking a good look at the property's potential. The samples collected were solid unfractured specimens suitable for cutting and polishing. At the time of writing this report the samples had not been assayed. Once the samples have been prepared for display the remaining sample material may then be assayed.

SAMPLE DESCRIPTION

Samples (Figure 2)

Number 1 Quartz monzonite containing disseminated molybdenite and chalcopyrite taken from the entrance of the adit.

Number 2 Quartz monzonite containing molybdenite filling fractures in the host rock.

Number 3 Latite stock area where disseminated moly occurs including rock mineralized with large blebs of molybdenite.

Number 4 Sparse moly mineralization occurring mostly in quartz veinlets.

Number 5 .Molybdenite occurring only along some fractures very thin and intermittent where found area of sparse mineralization.

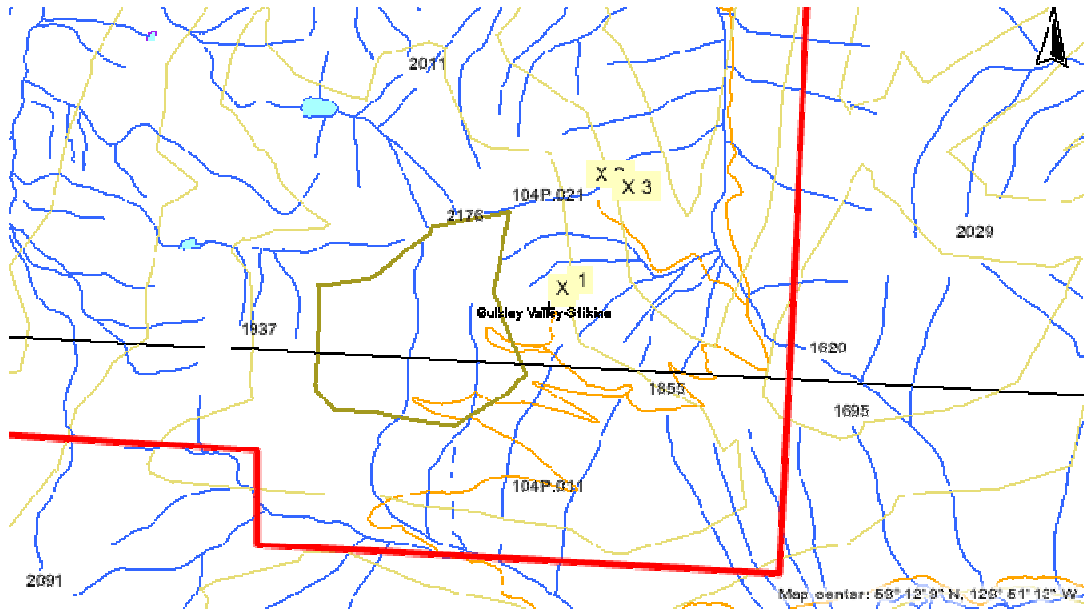


Figure 2a Map Showing Sample Location Southeast Claim Area

Scale 1: 21003

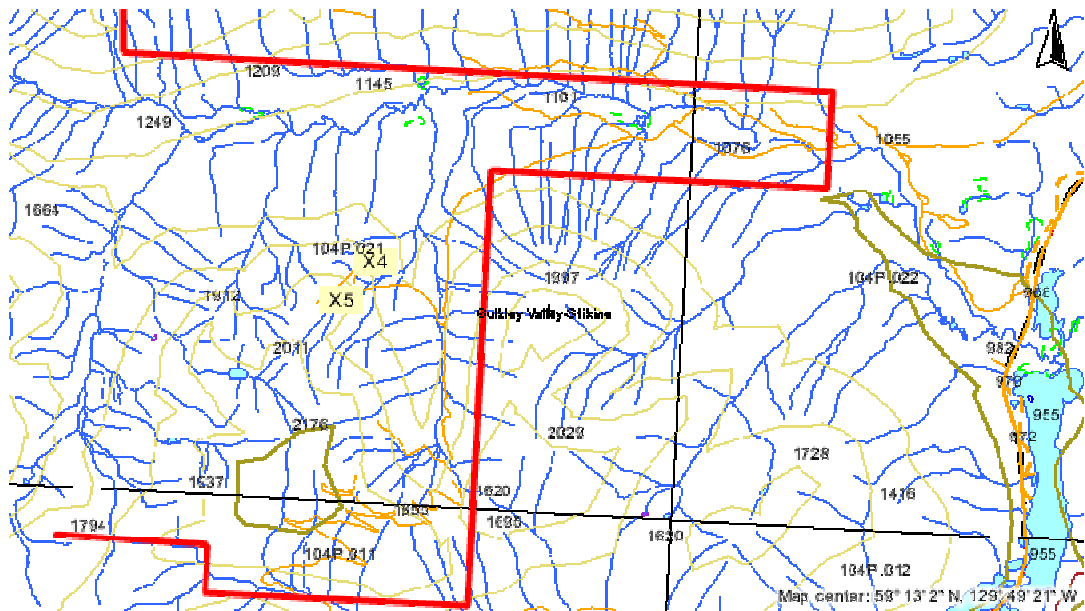
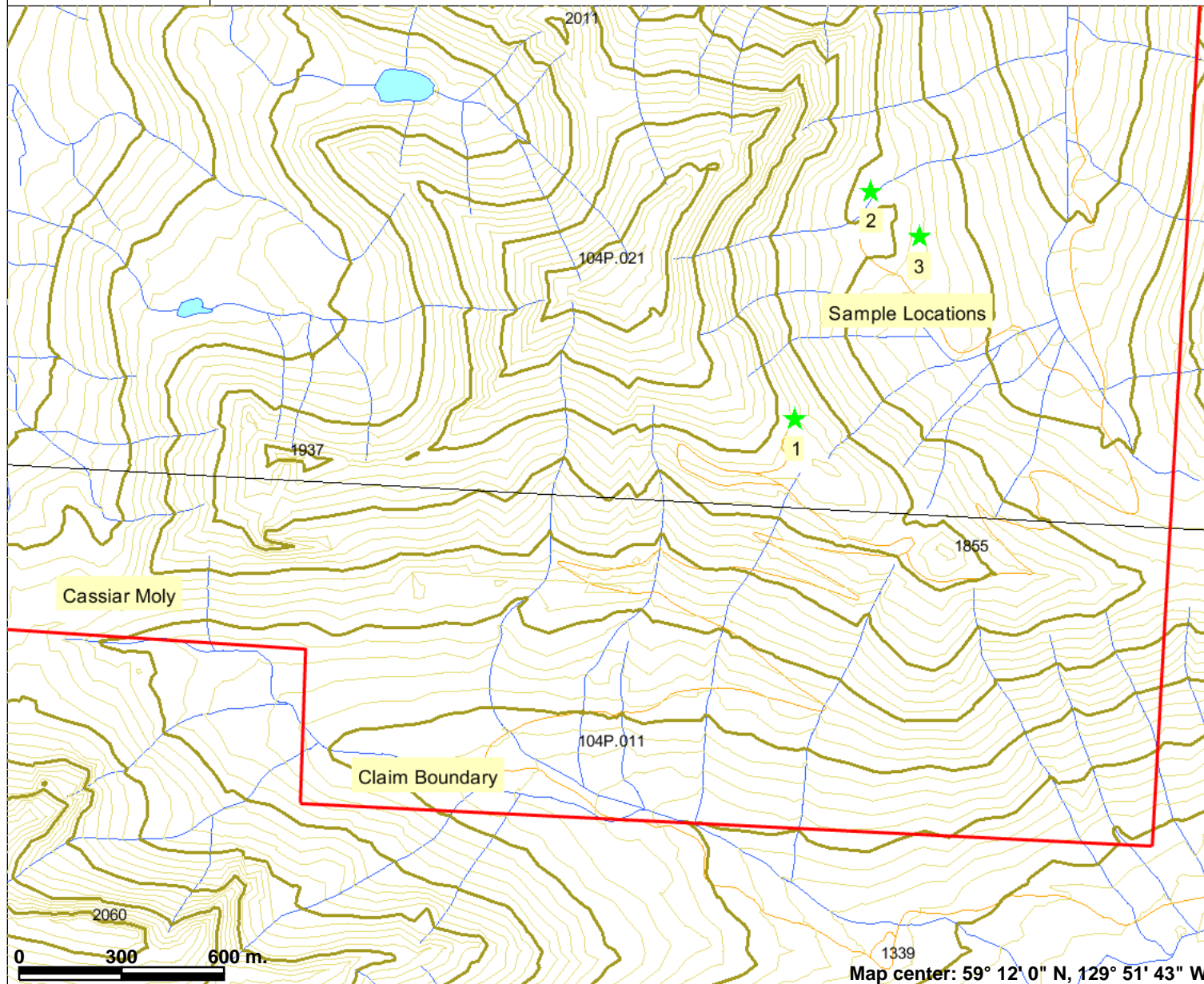


Figure 2b Map Showing Sample Locations North Central Claim Area

Scale 1: 41,905

Figure 2a Sample Location Southeast Claim Area



Legend

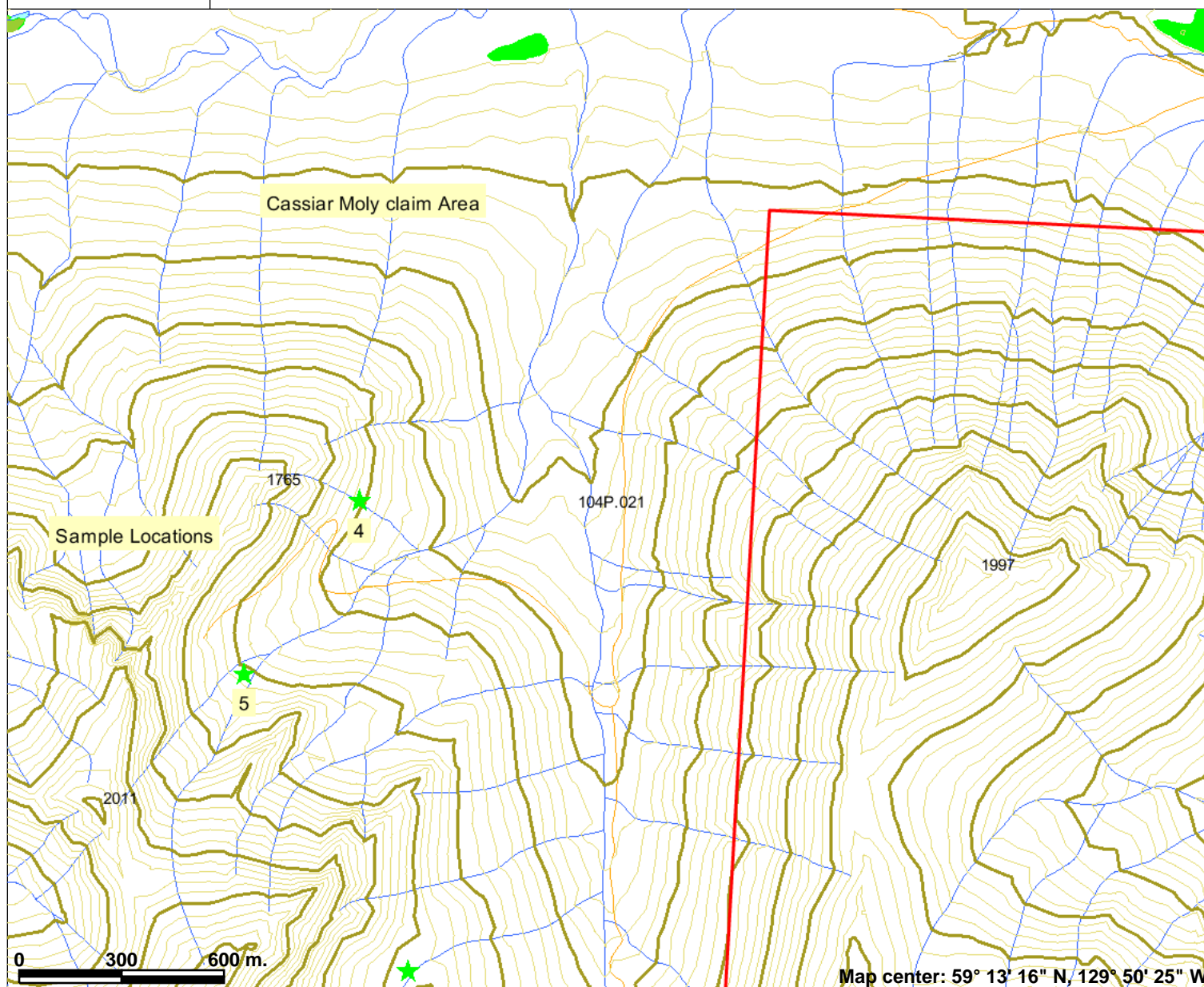
- Indian Reserves
- National Parks
- Parks
- Mineral Reserves (current)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid
- Contours (TRIM)
- Contour - Index
- Contour - Index.Indefinite
- Contour - Index.Depression
- Contour - Index.Depression Indefinite
- Contour - Intermediate
- Contour - Intermediate.Indefinite
- Contour - Intermediate.Depression
- Contour - Intermediate.Depression Indefinite
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:20K)
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Attention

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.



Scale: 1:17,703

Figure 2b Sample Locations



Legend

- Indian Reserves
- National Parks
- Parks
- Mineral Reserves (current)**
 - Placer Claim Designation
 - Placer Lease Designation
 - No Staking Reserve
 - Conditional Reserve
 - Release Required Reserve
 - Surface Restriction
 - Recreation Area
 - Others
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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 40 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.
5. Member of the Society Of Economic Geologists

AFFIDAVIT OF EXPENSES

Prospecting and sampling of old workings was carried out within the Cassiar Moly claim tenure numbers 510066, 510322, 510323, 510532, 518611 and 518622 from Sept.26th to Oct 6th, 2006. Work was carried out on the claims located near Vines Lake within the Liard Mining Division, British Columbia, to the value of the following:

Mob/Demob: No Charge

Field:

Prospectors Gerry Diakow and John Hope, 11 days @ \$300/day/man	\$6600.00
Cook and assitant Kelly Bates 11 days @ \$200/day	\$2000.00
Fuel and food at camp \$40/man/day for 11 days	\$1320.00
Truck & fuel,.11 days @ \$100/day	\$1100.00
	Total \$11,170.00
Report	\$500.00
	Grand total: \$11,670.00

Respectfully submitted ,

Gerry Diakow