

BC Geological Survey  
Assessment Report  
31820

**GEOCHEMICAL REPORT**  
**ON THE**  
**MINERAL CLAIMS**  
**TENURE NOS. 601659 & 601663**  
**HEDLEY AREA**  
**OSOYOOS MINING DIVISION, BRITISH COLUMBIA**

**PROPERTY LOCATION:** Approximately 14 kilometers southwest of Hedley.

British Columbia

49° 15' 32" N Latitude, 120° 11' 10" W Longitude

BCGS Map: 092H030

N.T.S. – 092H08E

**WRITTEN FOR: VELOCITY MINERALS LTD.**

Suite 40 – 10551 Shellbridge Way,  
Richmond, BC, V6X 2W9

**WRITTEN BY: S. G. Diakow**

Delta, British Columbia V4M 3H6

**DATED:** Dec 5, 2010

**TABLE OF CONTENTS**

page

**SUMMARY..... 5**

**CONCLUSION..... 5**

**RECOMMENDATION..... 5**

**INTRODUCTION and GENERAL REMARKS..... 5**

**LOCATION AND ACCESS .....6**

**DISSCUSSION OF RESULTS.....6**

**AFFIDAVIT OF EXPENSES.....10**

**QUALIFICATIONS.....11**

**LIST OF ILLUSTRATIONS**

Figure 1: Location of claims.....7

Figure 2: Road Access.....8

Figure 3: Location of silt samples .....9

**APPENDICES**

APPENDIX 1: Assay method and results .....12 to 16

**Summary**

Nineteen silt samples were collected from the claims. Four samples were slightly anomalous in gold and three samples were anomalous in arsenic.

## **Conclusion**

1. The silt sampling was successful in locating areas that will be followed up with prospecting and geological mapping.
2. The sampling did not give spectacular results for gold and this may be a result of sparse gold on the claims.
3. The silt samplers needed an experienced supervisor to help them recognize drainages that did not have running water at the time of collection.

## **Recommendations**

The anomalous samples will be followed up with prospecting the drainage that it came from. Furthermore samples will be collected from dry stream beds as quite a few samples were not collected because the drainage was dry and silt was not recognized in the drainage.

## **Introduction and General Remarks**

This report discusses the silt sampling and results from the sampling program. Two major creeks Pettigrew and Paul Creek have their headwaters in the claim area. A silt sample program was proposed as a method of producing a first pass of gold exploration.

A total of nineteen silt samples were collected from the claim area.

The silt samplers lacked experience in the dry terrain that was typical of the claim area and had trouble recognizing some of the proposed sample sites. Samples that were collected were hard to collect unless the samplers searched up and down the creek and located a fall zone in the creek bed. The area will be revisited next year and some samples will be duplicated in a new sampling program. All sampling next year will be under the supervision of an experienced field geologist.

## **Location and Access**

The claims are situated south of Highway 3 between Hedley and Keremeos in southern B.C. and are road accessible (Figure 1). Access by road can be attained by two

different industrial logging roads(Figure2). The most westerly route utilizes the Pettigrew Creek logging roads this route is a two wheel drive road when good road conditions prevail and preferably a 4X4 vehicle for any other conditions. The second route that allows access to the claim area is via the Similkameen Indian Reservation and utilizing the Paul Creek logging road system. Permission to use this route is obtained by visiting the band office and explaining your reason for entry. A permit restricted to a couple of specific days was attained with no payment required however a longer travel permit period may require a toll fee. Both logging roads require following all local rules with regard to the logging truck traffic and a radio set at the logging frequency is advised.

## **Regional Geology**

The regional geology shows sedimentary rocks of the Stemwinder Formation to be the oldest on the area. This unit occurs in the western portion of the claim area and consists of argillite and limestone. The basal unit of the Whistle Formation, the Copperfield breccias, lies to the east of the Stemwinder Formation. Numerous mafic dykes of the Hedley intrusions intrude the sedimentary rocks. A small stock of quartz diorite of the Cahill Creek Pluton intrudes the Whistle Formation along the eastern boundary of the claims. Dykes of feldspar porphyry intrude the older units. The structural relationships of the various sedimentary units are not known at this time. A brief description of each rock unit is given below.

**Stemwinder Formation:** The oldest unit consists of sedimentary rocks of the Stemwinder Formation that have been divided into argillite and limestone. The argillite is generally black, thinly bedded and fractured with pyrite occurring along the fractures. Weathered surfaces are usually rusty due to weathering of the pyrite. The limestone is generally light blue in colour and forms beds from a few metres to 100 metres in thickness. In many locations the argillite and limestone form narrow, alternating interbeds a few centimetres thick.

**Whistle Formation:** The Copperfield breccia forms the basal unit of the Whistle Formation and marks the boundary of the Stemwinder and Whistle sequences. This unit varies from clast to matrix supported and is composed of rounded to angular limestone clasts up to 1 metre in width.

Hedley Intrusions: The Hedley intrusions occur as dykes and/or sills in a number of areas of the property. They generally have a north-south strike, are within a few degrees of vertical and vary from less than 1 metre to 25 metres in width. In several locations the dykes occur as a swarm over 25 to 100 metres. They are generally fine grained, dark coloured and of dioritic or gabbroic composition. Fine grained, black hornblende laths occur within a light coloured feldspar matrix.

Cahill Creek Pluton: The Cahill Creek Pluton is a medium grained biotite+hornblende granodiorite. Numerous narrow, irregular dykes and sills cut the country rock adjacent to the intrusion. The dykes and sills are generally less than 10 metres in width.

Feldspar porphyry: The feldspar porphyry occurs as dykes over most of the property. Feldspar phenocrysts up to 1 centimetre in diameter occur in a fine grained, white or grey matrix with varying amounts of hornblende and quartz. The dykes generally strike north-south and vary from 1 metre to 25 metres in width

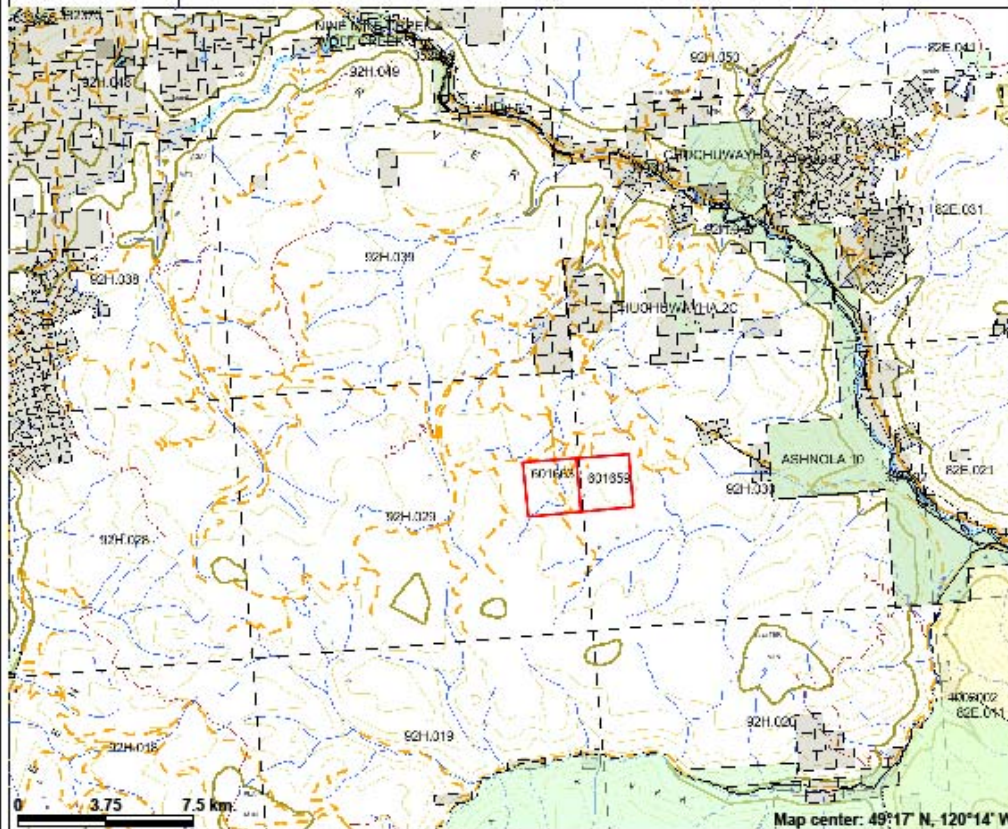
### **Discussion of Results**

Although considerable effort was expended in acquiring the samples time constraints and the generally low gold values from the sampling negated any further follow-up work this field season. The complete results are appended (Appendix 1) and also the gold values and sample locations are shown in Figure 3.

A larger data set will be acquired in the 2011 exploration season and some of the sample locations will be revisited and duplicate samples may be collected.



# Access Roads



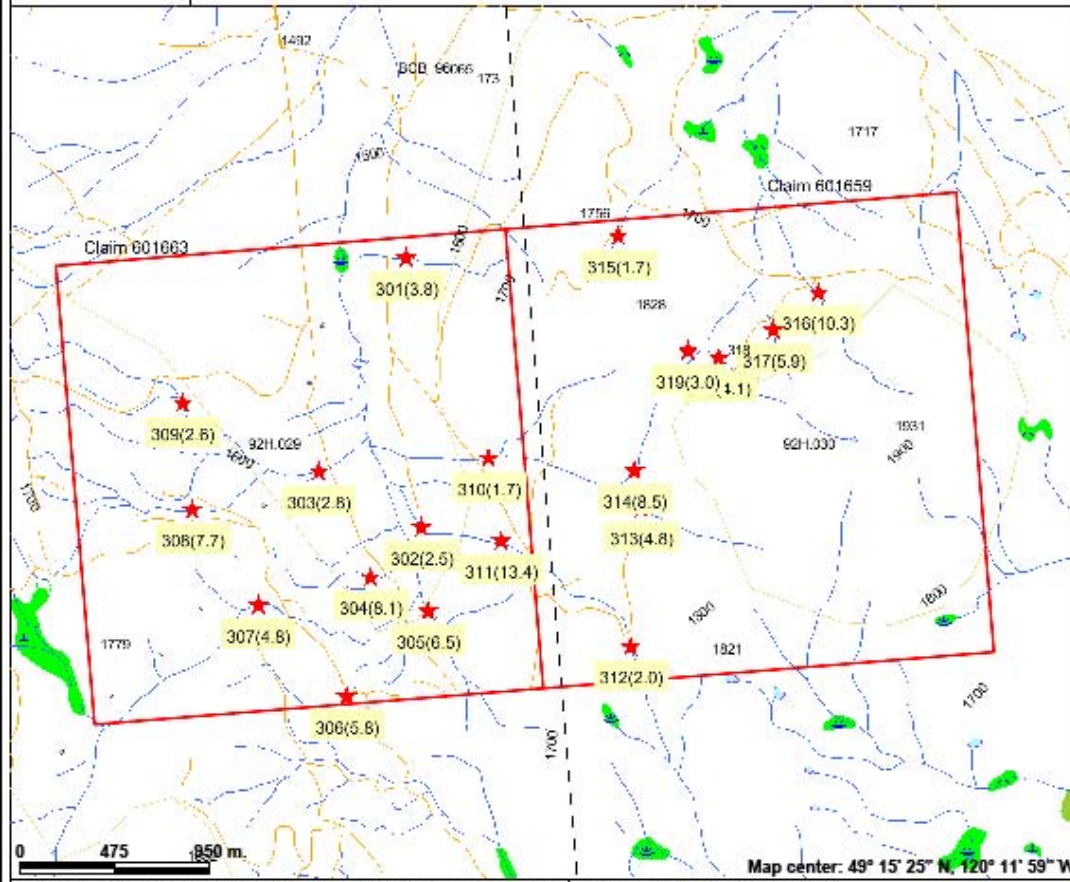
## Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks
- Mineral Reserves (current)
- Tracer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Reservation
- Recreation Area
- Other
- Survey Parcels
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:250K)
- Transportation - Points (1:250K)
- Airfield
- Anchorage - Seaplane
- Ferry Route
- Helipad
- Seaplane Base
- Air Field
- Airport
- Air Feature - Condition Unknown
- Airport Abandoned
- Transportation - Lines (1:250K)
- Ferry Route

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: 1:216,326

# Sample Locations



### Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks
- Mineral Reserves (current)
- Place Claim Designation
- Place Lines Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Reservation
- Recreation Area
- Other
- Integrated Cadastral Fabric
- Survey Parcels
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:20K)
- Transportation - Points (TRIM)
- Helipad
- Transportation - Lines (TRIM)
- Airfield
- Airport
- Airstrip
- Airport Abandoned
- Ferry Route
- Road (Gravel Unimproved) - 1 Lane
- Road (Gravel Unimproved) - 2 Lanes
- Road (Gravel Unimproved) - UC - 1 Lane

Scale: 1:27,041

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.

Map center: 49° 15' 25" N, 120° 11' 59" W  
 Notes: Sample number (Au ppb) = 301(3.8)



<b>SILT SAMPLE NUMBER</b>	<b>UTM EASTING</b>	<b>UTM NORTHING</b>
136301	703099 E	5460731N
136302	703106 E	5459376N
136303	702601E	5459681N
136304	702875E	5459127N
136305	703132E	5458951N
136306	702703E	5458553N
136307	702701E	5459028N
136308	701980E	5459523N
136309	701925E	5460061N
136310	703510E	5459725N
136311	703529E	5459261N
136312	704132E	5458754N
136313	704229E	5459421N
136314	704186E	5459598N
136315	704149E	5460769N
136316	705154E	5460441N
136317	704927E	5460276N
136318	704640E	5460154N
136319	704522E	5460181N

**AFFIDAVIT OF EXPENSES**

A truck-assisted silt sampling survey was carried out on the Mineral Claims Tenure numbers 601659 and 601663 which occurs at the headwaters of Pettigrew Creek and Paul Creek work was done during the period of July 6th to July 8<sup>th</sup>, 2010, to the value of the following:

**FIELD (July):**

Mob/demob, Vancouver – Keremeos	\$ 200.00
Party chief Hector Diakow 3 Days @\$300/day	\$ 900.00
Assistant Davis Holmes 2 Days@\$220/day	\$ 540.00
Room and board 2 men@ \$100.00/man/day times 2 days	\$ 400.00
19 samples @ \$18.50/sample	\$ 350.00
Truck and fuel 3days @ \$125/day	\$ 375.00
Report and maps	\$ 400.00
<b>TOTAL</b>	<b>\$3,165.00</b>

Respectively submitted

Stephen G. Diakow

## **STATEMENT OF QUALIFICATION STEPHEN G. DIAKOW**

I completed two years of science at Vancouver City College and the University of British Columbia completing courses in chemistry, physics and biology.

1. Studied Civil and Structural Engineering at British Columbia Institute of Technology.
2. I have worked in Mineral Exploration for the past 43 years. Including the major companies Union Carbide Mining Exploration, Canadian Superior Mining Exploration and Anaconda Mining Exploration.
3. I have received 3 British Columbia prospectors assistance grants, the first from Dr. Grove in 1975 and last in 1998.
4. Member of the Society Of Economic Geologists

**Client:** Velocity Minerals Ltd.  
 Suite 40 - 10551 Shellbridge Way  
 Richmond BC V6X 2W9 Canada

Submitted By: Gery Dakow  
 Receiving Lab: Canada-Vancouver  
 Received: June 21, 2010  
 Report Date: June 30, 2010  
 Page: 1 of 2

**CERTIFICATE OF ANALYSIS** VAN10002812.1

**CLIENT JOB INFORMATION**

Project: None Given  
 Shipment ID:  
 P.O. Number  
 Number of Samples: 18

**SAMPLE PREPARATION AND ANALYTICAL PROCEDURES**

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
SS80	19	Dry at 60C sieve 100g to -80 mesh			VAN
Dry at 60C	19	Dry at 60C			VAN
RJ5V	19	Saving all or part of Soil Reject			VAN
1DX3	19	1:1.1 Aqua Rega digestion ICP-MS analysis	30	Completed	VAN

**SAMPLE DISPOSAL**

STOR-PLP Store After 90 days Invoice for Storage  
 STOR-RJT-SOIL Store Soil Reject - RJ5V Charges Apply

**ADDITIONAL COMMENTS**

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

Invoice To: Velocity Minerals Ltd.  
 Suite 40 - 10551 Shellbridge Way  
 Richmond BC V6X 2W9  
 Canada

CC:



This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only. All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only. \*\*\* warning indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



**AcmeLabs**

Acme Analytical Laboratories (Vancouver) Ltd.

1020 Cordova St. East Vancouver BC V6A 4A3 Canada  
Phone (604) 253-3158 Fax (604) 253-1716

www.acmelab.com

Client: **Velocity Minerals Ltd.**  
Suite 40 - 10551 Shelbridge Way  
Richmond BC V6X 2W8 Canada

Project: None Given  
Report Date: June 30, 2010

Page: 2 of 2 Part 1

**CERTIFICATE OF ANALYSIS**

**VAN10002812.1**

Method	Analyte	1DX30																			
		Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P
Unit		ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%	%	
MDL		0.1	0.1	0.1	f	0.1	0.1	0.1	f	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	2	0.01	0.001	
136301	Silt	0.7	41.0	6.5	116	0.3	21.5	6.9	367	2.28	7.5	1.6	3.8	1.8	59	1.6	0.5	0.1	52	0.55	0.062
136302	Silt	0.8	42.2	6.0	98	0.4	23.9	8.6	419	2.61	8.9	1.6	2.5	2.5	52	1.1	0.5	0.1	65	0.59	0.065
136303	Silt	0.7	38.8	5.0	83	0.3	20.0	7.9	365	2.37	13.4	2.2	2.8	2.2	45	0.8	0.5	0.1	60	0.57	0.057
136304	Silt	0.6	83.7	7.0	85	0.7	28.8	7.9	490	2.56	15.9	2.5	8.1	2.0	51	0.8	1.1	0.2	58	1.21	0.077
136305	Silt	1.1	72.1	5.3	127	0.4	50.9	6.1	427	1.57	10.5	1.5	6.5	0.8	73	2.7	1.0	0.1	40	2.01	0.090
136306	Silt	0.9	51.6	6.4	87	0.6	30.7	10.3	546	2.70	13.4	2.4	5.8	2.0	67	0.9	0.8	0.1	64	1.07	0.090
136307	Silt	1.3	67.9	6.2	81	0.4	31.9	9.7	577	2.44	14.7	4.9	4.8	1.9	68	0.7	0.9	0.1	59	1.32	0.068
136308	Silt	1.1	49.4	4.9	84	0.3	26.7	7.3	502	3.45	35.8	1.8	7.7	1.9	57	0.9	0.7	<0.1	67	0.81	0.114
136309	Silt	0.5	17.3	4.2	31	<0.1	13.5	5.9	285	1.66	6.0	0.5	2.6	3.0	43	<0.1	0.3	<0.1	53	0.46	0.052
136310	Silt	0.8	19.0	6.2	29	<0.1	15.5	9.7	281	1.14	2.1	2.7	1.7	1.7	63	<0.1	0.3	<0.1	41	0.64	0.043
136311	Silt	0.7	34.4	4.0	49	<0.1	19.5	14.2	552	2.61	16.5	1.0	13.4	2.6	42	<0.1	0.8	<0.1	57	0.61	0.077
136312	Silt	0.8	111.8	6.0	44	0.3	47.3	7.6	493	2.66	6.5	6.2	2.0	3.7	72	0.3	0.4	0.2	50	0.86	0.044
136313	Silt	7.7	45.7	6.5	37	0.2	19.5	24.1	5861	8.87	75.1	6.0	4.8	1.2	80	0.3	0.7	0.1	130	1.19	0.192
136314	Silt	1.1	21.8	4.4	52	<0.1	17.7	7.2	321	2.42	7.8	1.6	6.8	3.1	83	<0.1	0.4	<0.1	79	0.49	0.093
136315	Silt	1.5	25.8	6.4	53	<0.1	19.0	8.0	755	2.30	9.0	3.9	1.7	2.5	109	0.2	0.5	0.1	78	0.67	0.088
136316	Silt	2.3	35.4	9.2	56	0.1	24.1	10.1	1053	2.43	12.3	4.8	10.3	2.3	161	0.2	0.7	0.1	84	0.65	0.114
136317	Silt	1.6	25.2	3.3	53	0.1	20.5	6.8	670	2.52	11.5	4.4	5.9	2.2	73	0.2	0.8	<0.1	83	0.67	0.114
136318	Silt	1.1	48.1	11.3	85	0.6	24.5	12.4	839	2.75	12.5	2.4	4.1	1.1	57	1.4	0.4	0.2	85	0.43	0.087
136319	Silt	0.9	67.6	13.7	168	0.6	28.5	11.3	826	2.80	9.2	2.4	3.0	1.8	52	4.0	0.4	0.2	64	0.48	0.054

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Acme Analytical Laboratories (Vancouver) Ltd.  
 1020 Cordova St. East Vancouver BC V6A 4A3 Canada  
 Phone (604) 253-3158 Fax (604) 253-1716

www.acmelab.com

Client: **Velocity Minerals Ltd.**  
 Suite 40 - 10551 Shelbridge Way  
 Richmond BC V6X 2W9 Canada

Project: None Given  
 Report Date: June 30, 2010

Page: 2 of 2 Part 2

CERTIFICATE OF ANALYSIS

VAN10002812.1

Method	Analyte	Unit	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30
			La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se	Ta
		MDL	ppm	ppm	%	ppm	%	ppm	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	
136301	Silt		23	28	0.40	167	0.095	3	1.82	0.018	0.22	0.3	0.05	3.7	0.2	<0.05	5	1.5	<0.2
136302	Silt		21	32	0.43	167	0.106	2	1.79	0.019	0.28	0.2	0.04	4.3	0.2	<0.05	5	2.1	<0.2
136303	Silt		17	27	0.41	139	0.093	2	1.59	0.021	0.26	0.5	0.05	3.6	0.2	<0.05	5	2.0	<0.2
136304	Silt		21	29	0.56	201	0.108	7	2.18	0.026	0.33	0.6	0.12	4.7	0.2	0.05	6	4.3	<0.2
136305	Silt		11	23	0.42	121	0.081	16	1.18	0.029	0.17	0.6	0.08	2.7	0.1	0.10	3	8.8	0.2
136306	Silt		19	34	0.52	173	0.107	5	2.10	0.031	0.36	0.4	0.07	6.0	0.2	0.05	5	5.1	<0.2
136307	Silt		19	31	0.68	196	0.104	9	1.90	0.033	0.32	0.6	0.09	4.2	0.2	<0.05	5	6.6	<0.2
136308	Silt		13	28	0.41	143	0.081	4	1.36	0.025	0.23	0.4	0.08	3.0	0.1	<0.05	4	3.7	<0.2
136309	Silt		10	20	0.33	128	0.083	3	0.89	0.031	0.18	0.1	0.01	2.1	0.1	<0.05	3	<0.5	<0.2
136310	Silt		10	25	0.27	118	0.067	9	0.75	0.023	0.13	<0.1	0.03	1.4	0.2	<0.05	2	1.1	<0.2
136311	Silt		10	24	0.51	199	0.096	2	1.40	0.037	0.32	0.2	0.02	3.7	0.1	<0.05	5	<0.5	<0.2
136312	Silt		30	23	0.42	244	0.111	4	2.06	0.028	0.26	<0.1	0.03	3.9	0.3	<0.05	5	<0.6	<0.2
136313	Silt		15	11	0.26	837	0.055	3	0.67	0.014	0.16	0.1	0.14	1.9	0.2	0.06	3	2.8	<0.2
136314	Silt		10	37	0.44	196	0.101	1	1.07	0.023	0.27	0.3	0.02	3.1	0.2	<0.05	4	0.6	<0.2
136315	Silt		9	32	0.46	214	0.088	4	1.18	0.018	0.25	0.2	0.03	3.2	0.3	<0.05	4	1.8	<0.2
136316	Silt		10	36	0.54	266	0.099	8	1.40	0.019	0.27	0.2	0.06	3.6	0.2	0.05	4	3.6	<0.2
136317	Silt		9	39	0.29	152	0.362	3	0.91	0.015	0.12	0.2	0.04	2.4	0.2	<0.05	3	2.9	<0.2
136318	Silt		23	26	0.48	203	0.372	<1	2.62	0.014	0.19	0.2	0.03	4.3	0.2	<0.05	7	1.0	<0.2
136319	Silt		28	34	0.43	201	0.095	1	2.35	0.014	0.24	0.2	0.04	5.9	0.2	<0.05	8	1.3	<0.2

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**QUALITY CONTROL REPORT**

VAN10002812.1

Method	Analyte	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	1DX30	
		La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se	Ta
Unit		ppm	ppm	%	ppm	%	ppm	%	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
MDL		1	1	0.01	1	0.001	1	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5	0.2
<b>Pulp Duplicate</b>																		
136301	Silt	23	26	0.40	157	0.085	3	1.82	0.016	0.22	0.3	0.05	3.7	0.2	<0.05	5	1.5	<0.2
REP 136301	QC	23	27	0.39	166	0.085	1	1.76	0.017	0.23	0.2	0.05	3.7	0.1	<0.05	5	1.3	<0.2
<b>Reference Materials</b>																		
STD DS7	Standard	13	195	1.05	410	0.133	37	1.04	0.088	0.49	3.6	0.25	2.9	4.2	0.18	5	4.1	1.1
STD DS7 Expected		12	179	1.05	410	0.124	38	0.959	0.080	0.44	3.4	0.2	2.5	4.2	0.18	6	3.5	1.09
BLK	Blank	<1	<1	<0.01	<1	<0.001	<1	<0.01	<0.001	<0.01	<0.1	<0.01	<0.1	<0.1	<0.05	<1	<0.5	<0.2

This report supersedes all previous preliminary and final reports with the File Number dated prior to the date of this certificate. Signature indicates final approval. Analytical results are unaudited and should be used for reference only.