

ON

IP, RESISTIVITY, AND MAGNETIC SURVEYS

OVER

TARGET #1

DD CLAIM GROUP

MCLEOD RIVER, MACKENZIE AREA

CARIBOO MINING DIVISION, B.C.

PROPERTY LOCATION:

WRITTEN FOR:

WRITTEN BY:

DATE:

43 km S10°W (190°E) of the town of Mackenzie, B.C.
Latitude:, 54° 57' 00" N Latitude
Longitude: 123° 11' 30"W Longitude
N.T.S. - 93J/14

CONFIDEN

ALMO CAPITAL CORP 603 – East 30th Street Vancouver, British Columbia V5V 2V7

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GEOTRONICS SURVEYS LTD. Engineering & Mining Geophysicists

VANCOUVER, CANADA

SUMMARY

Induced polarization (IP), resistivity and ground magnetic surveys were carried out during July 2004 over Target #1 which occurs within the Snow Claims, which is part of the DD Claim Group.

The main purpose of the geophysical surveys was to determine the response to the known mineralization and then to explore for extensions of the known mineralization as well as to locate new zones. A secondary purpose was to aid in the geological mapping for which magnetic and resistivity surveys are especially useful.

The IP and resistivity surveys were carried out using a BRGM Elrec 6 multi-channel receiver operating in the time-domain mode. The transmitter used was a BRGM VIP 4000, which was powered by a 6.5 kW Honda generator. The dipole length chosen was the 15-meter dipole read to 12 levels. The total amount of surveying carried out was 5,995 meters over 13 lines. The results were plotted both in pseudosection and plan, and contoured.

The magnetic survey was carried out with a proton precession magnetometer by taking readings every 15 m on 50-or 100-m separated lines. The readings were input into a computer, plotted onto a base map at a scale of 1:5000, and contoured. They were also plotted on a second base map and profiled.

CONCLUSIONS

- 1. The IP, resistivity, and magnetic surveys have extended the known mineralization to a minimum strike length of 600 meters and perhaps as much as 700 meters. The known mineralization consists of a tholeiitic nickel-copper-platinum-palladium-thodium deposit hosted by sulphidic sedimentary and volcanic rocks. The geophysical response to this zone, labeled anomaly A, consists of an IP high correlating with a resistivity high and a magnetic high. This indicates sulphide mineralization possibly occurring within an intrusive dyke or with silicification and/or calcification. The magnetic high indicates the dyke contains magnetite or magnetite and/or pyrrhotite occurs with the mineralization. The width of the mineral zone appears to be about 10 meters and as much as 20 meters.
- 2. Anomalies C and C' consist of a similar geophysical response and thus could be caused by similar economic-type sulphide mineralization occurring within an intrusive containing magnetite. It occurs at the southern edge of the survey area and thus the size and dip of the causative source cannot be determined. However, its strike length is a minimum 550 meters.
- 3. Anomalies B and D each have similar geophysical responses which is an IP high correlating with a resistivity high. The magnetic response to B is a magnetic low and that of D is magnetic background. Each anomaly probably consists of a non-magnetic intrusive containing sulphides. The strike length of each is a minimum 700 meters with the width of the causative source of B being up to 60 meters and that of D being 20 to 50 meters.
- 4. Anomaly E occurs only on line 2+50W and thus the only dimension that can be given is a minimum width of 200 meters. The causative source is a flat-lying sulphide body perhaps occurring within a singular rock-type.
- 5. The SP response to the known mineralization was very weak. However, SP readings revealed two strong anomalies strongly indicative of sulphide mineralization. One correlates with anomaly B.

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RECOMMENDATIONS

- 1. Each of the IP anomalies should be hand trenched or cat trenched along strike as much as possible in order to determine the causative sources. Some hand trenching on anomaly A has been done already. This does not include anomaly E since its causative source occurs at depth.
- 2. Diamond drilling is recommended at least for anomaly A at this point. The recommended drilling program, which is collaboration between the writer and Mr. David Bridge, P.Geo, is designed to be done from the road to minimize environmental difficulties. These are as follows:
 - (i) Collar at (0+00E, 1+70S) at -45° in a grid 020°E direction
 - (ii) Collar at (0+00E, 1+70S) at -45° in a grid 290°E direction

(iii) Collar at (0+50E, 1+95S) at -45° in a grid 020°E direction

(iv) Collar at (1+00E, 2+00S) at -45° in a grid 020°E direction

- (v) Collar at (2+50E, 1+85S) at -45° in a grid 020°E direction
 (vi) Collar at (0+10W, 1+40S) at -45° in a grid 270°E direction
 (vii) Collar at (3+50E, 1+70S) at -45° in a grid 275°E direction
- 3. If the above recommendations have positive results, than the IP, resistivity, and magnetic surveying will need to be expanded probably in all four directions. It is quite possible that the mineralization within the main zone, though it may appear to stop, may in fact continue further along strike.

i

CLAIM NAME	RECORD NO.	NO. UNITS	EXPIRY DATE
Chain #1	379233	1	May 25, 2008
Chain #2	379234	1	May 25, 2011
Chain #3	379235	1	May 25, 2006
Chain #4	379236	1	May 25, 2006
Snow #1	380877	1	May 25, 2012
Snow #2	380878	1	May 25, 2013
Snow #3	380881	1	May 25, 2012
Snow #4	380882	1	May 25, 2013
Calf#1	386374	20	May 25, 2005
Moose #1	386375	20	May 25, 2006
Moose #2	386376	15	May 25, 2006
Moose #3	386377	20	May 25, 2006
Moose #4	386378	15	May 25, 2006
TOTAL	13 claims	98 units	

The claims are owned by Precious Metals Corp. of Vancouver B. C.

LOCATION AND ACCESS

The property is located on the McLeod River 43 km south of the town of Mackenzie within northern British Columbia. Mackenzie is located 165 km by air north of Prince George and 190 km by road, which is all paved highway.

The geographical coordinates of the center of the property are 54° 57' 00" north latitude and 123° 11' 30" west longitude. It is located within NTS map area 93J/14.

(From Bridge's report) The property is accessed (Figure 1) from 'Windy Point' on Highway 97, approximately 160 km north of Prince George and approximately 32 km south of Mackenzie. The Finaly Forest Service Road (FSR) LEAVES highway 97 just south of Windy Point, which provides access to the region. One travels 10 km west along this road to the Holder/Sabai Mainline, and then south. Branch logging roads numbered H16000RD and H26000RD, which leave the holder Mainline, bisect the D.D. Platinum Palladium Mineral Property."

PHYSIOGRAPHY

The following is quoted from Bridge's report:

The D.D. Platinum Palladium Mineral Property (Figure 1) is located in rolling hills of the northern Nechako Plateau in north-central British Columbia. The area consists of low-lying hills, small lakes, and swampy areas. The property is at about 900 meters elevation with

approximately 150 meters of relief. Portions of the property have been logged with the rest being old growth forest of spruce, pine and balsam with local stands of birch and alder. The understory, varies due to slope and soil conditions, from moss and brush, to dense devils club, to open meadow.

The climate in the property area is typical of the northern Interior with long cold winters and warm summers. The snow begins to accumulate in late October and melts in May during a typical fall to spring cycle. The season for fieldwork is from June to September.

HISTORY OF PREVIOUS WORK

David Bridge gives a thorough description of the previous exploration work including a discussion of the results done in the area and on the property. The following is a very brief summary with particular attention being paid to Target #1.

Known work started in the area in 1933 with the discovery of placer gold and platinum in the McLeod River, which runs through the southeastern portion of the property. Some placer mining was done in 1934.

From 1974 until 1999 regional and local geochemistry surveys along with airborne magnetic and EM surveys were carried out in the area with much of the work covering the DD Platinum Claim Group. EM conductors, described as formational, were discovered on the property. Also an airborne magnetic high trending west-northwest was found to occur to the immediate north of the Snow Claims which is where Target #1 is located. A possible causative source is a basic/ultrabasic intrusive. Some mineralization was discovered within trenching along with anomalous soil geochemistry highs.

Mr. David Bridge, P.Geo, staked the property and started work on it in 2000. He discovered tholeiitic mineralization on the Snow #4 Claim and carried out hand trenching which exposed variably ankerite and silicified altered ultramafic rock containing disseminated chalcopyrite and pyrrhotite with assayed values in copper, nickel, cobalt, platinum, palladium and rhodium.

In the years 2001 and 2002, further work consisted of trenching, grid establishment and soil sampling. The trenching revealed significant mineralization in the form of 0.246% copper, 0.248% nickel; 113 ppm cobalt, 423 ppb palladium, and 12 ppb rhodium across 6 meters. The soil sampling revealed soil anomalies in the above-named metals showing an extension to the main zone.

GEOLOGY

The following is taken from Bridge's report with special emphasis on the Snow Claims which is where Target# 1 is located.

(a) Regional

"The D.D. Platinum Palladium Mineral Property is within Takla Group rocks. Ultramafic intrusions of the D.D. Platinum Palladium Mineral Property are hosted by hornfelsed Middle to Upper Triassic Takla Group sediments. These sediments comprise the base of the Quesnel Terrane and consist of a package of slate, argillite, phyllite, fine grained and minor coarse-grained greywacke and lesser amounts of tuff, tuffaceous siltite and argillite, limestone and limy greywacke.

"Takla Group sediments are stratigraphically overlain by the Takla Group mafic volcanics. Feeding these volcanic are ultramafic dykes that trend northwesterly across the D.D. Platinum Palladium Mineral Property.

"The Quesnel Terrane, which included the Takla Group, has been thrust eastward onto the Slide Mountain Terrane, that consists of Carboniferous and Permian mafic volcanics and metamorphosed sediments.

"The region is cut by prominent northwesterly and lesser northeasterly faults that relate to crustal extension caused by development of the Wolverine metamorphic core complex in the Carp Lake area, 20 km southwest of the D.D. Platinum Palladium Mineral property."

(b) **Property**

A weakly metamorphosed sedimentary rock cover occurs on the property and consists of argillite/shale, dull gray marble, siltstone, and pale green volcanics. The argillite contains up to 5% pyrite.

Across the Snow #1 to #4 mineral claims occurs a northwesterly-trending belt of ultramafic rocks that consist of hornblendite, pyroxenite, and hornblendite with pyroxene phenocrysts. Carbonate altered ultramafic rocks are exposed in trenches C to Q in Target Area #1. How these ultramafic rocks occur with respect to the sedimentary rocks is yet to be determined (due to the extensive cover of overburden). Extensive areas of pervasive and vein ankerite carbonate alteration occur replacing, and in the vicinity of, the ultramafic rocks.

"Pyroxenite exposed on the Snow Mineral Claims consists of pale gray-green pyroxenes in a groundmass of pyroxene. The rock is not magnetic. Hornblendite has a variable amount of pyroxene cores to larger hornblende crystals in a matrix of finer hornblende crystals. The unit is dark green to black on fresh surfacé."

"A variably altered diorite is exposed northeast of the mineralization on the Snow mineral claims. It is composed of visually estimated 50% hornblende laths up to 10 mm long in a matrix of feldspar."

(c) Mineralization

The mineralization within Target #1 on the Snow Mineral claims consists of tholeiitic nickel-copper-platinum-palladium-rhodium deposits that are hosted by sulphidic sedimentary and volcanic rocks.

"Within 10 trenches and 2 drill holes with a total length of 37.5 and 3.05 meters respectively, varying amounts of platinum, palladium, copper, nickel, cobalt, and gold was found. Rhodium was also found in small quantities. Not all samples were assayed for rhodium.

"The simple arithmetic average of the 10 trenches is 0.1536% copper, 0.2024% nickel, 118 ppm cobalt, 309 ppb platinum and 335 ppb palladium with up to 0.4735% copper, 0.4459% nickel, 222 ppm cobalt, 644 ppb platinum and 633 ppb palladium over 8 meters. Petrologic examination of the copper-nickel mineralization showed that grains of chalcopyrite encapsulate smaller grains of pyrrhotite and pentlandite."

INDUCED POLARIZATION AND RESISTIVITY SURVEYS

(d) Instrumentation

The transmitter used was a BRGM model VIP 4000. It was powered by a Honda 6.5 kW motor generator. The receiver used was a six-channel BRGM model Elrec-6. This is state-of -the-art equipment, with software-controlled functions, programmable through a keyboard located on the front of the instrument. It can measure up to 10 chargeability windows and store up to 2,500 measurements within the internal memory.

(c) Theory

When a voltage is applied to the ground, electrical current flows, mainly in the electrolyte-filled capillaries within the rock. If the capillaries also-contain certain mineral particles that transport current by electrons (mostly sulphides, some oxides and graphite), then the ionic charges build up at the particle-electrolyte interface, positive ones where the current enters the particle and negative ones where it leaves. This accumulation of charge creates a voltage that tends to oppose the current flow across the interface. When the current is switched off, the created voltage slowly decreases as the accumulated ions diffuse back into the electrolyte. This type of induced polarization phenomena is known as electrode polarization.

A similar effect occurs if clay particles are present in the conducting medium. Charged clay particles attract oppositely-charged ions from the surrounding electrolyte; when the current stops, the ions slowly diffuse back to their equilibrium state. This process is known as membrane polarization and gives rise to induced polarization effects even in the absence of metallic-type conductors.

Most IP surveys are carried out by taking measurements in the "time-domain" or the "frequency-domain".

Time-domain measurements involve sampling the waveform at intervals after the current is switched off, to derive a dimensionless parameter, the chargeability "M", which is a measure of the strength of the induced polarization effect. Measurements in the frequency domain are based on the fact that the resistance produced at the electrolyte-charged particle interface decreases with increasing frequency. The

The diurnal variation was monitored in the field by the closed loop method to enable the variation to be removed from the raw data prior to plotting.

Halfway through the survey, a magnetic storm was encountered the lasted for several days. This affected lines 050W, 100W, 250W, 250E, 350E, 450E, and 550E. The writer monitored the storm with the magnetometer while carrying out the survey, sometimes spending several minutes at a station.

(k) Data Reduction

The data was first corrected for diurnal drift as well as the magnetic storm. It was then input into a computer. Using Geosoft software, it was next plotted with 57,000 nT subtracted from each posted value and contoured at an interval of 100 nT on a base map, GP-18, with a scale of 1:5,000. In addition, the data was profiled on a separate base map, GP-19, also with a scale of 1:5,000 and with a profile scale of 1 cm = 500 nT. For the profile map, the base magnetic value used was 57,500 nT. Also, as mentioned above, the magnetic data were profiled above each resistivity pseudosection.

DISCUSSION OF RESULTS

The surveys revealed a number of significant IP anomalies throughout the survey area. For ease of discussion, these have been labeled by the upper case letters, A to E. The writer has attempted to label each anomaly largely based on its position but also on its characteristics. However, it must be pointed out that at times this was difficult, possibly due to faulting as well as mineralization increasing and decreasing. Therefore, for example, anomaly B on some lines may actually be anomaly A, or vice versa.

<u>Anomaly A</u> occurs across the main zone of mineralization. It consists of an IP high correlating with resistivity and magnetic highs and therefore indicates that these three surveys responded to the known mineralization very well as outcropped on line 0+00E. The mineralization, as mentioned above, consists of a tholeiitic nickel-copper-platinum-palladium-rhodium deposit hosted by sulphidic sedimentary and volcanic rocks. Ankerite alteration with quartz silicification is associated with the mineralization, which occurs within an ultramafic intrusion altered to listwanites. A magnetite layer occurs within the intrusion, which overlies the mineralization.

The IP high responded to the sulphides within the mineralized zone. The correlating resistivity high, for the most part, is probably reflecting the ultramafic intrusion. It could also be reflecting the quartz silicification and/or ankerite associated with the mineralization.

The magnetic response is also a high of up to a few hundred nanoTeslas. This indicates magnetite and thus the causative source is the magnetite layer overlying the vein.

The SP response to the known sulphide zone is weak at best and thus is not helpful in delineating the mineralization.

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The subsequent surveying done to the east and to the west of the main showing extended the strike length to a considerable amount. The mineralization is indicated by all three surveys to extend from 4+50E to at least 1+50W resulting in a minimum strike length of 600 meters. The geophysical anomaly is centered at about 1+55E. There is some evidence that the mineral zone extends further west to 2+50W but further work in this area would need to be done to verify this. If it does, it is probable that it occurs at a greater depth.

The width of the mineralization as indicated by the IP anomaly appears to be about 10 meters on average. Some of the pseudosections, however, indicate a wider zone, perhaps about 20 meters. The indicated depth extent of the mineralization is difficult to determine but on many of the lines, especially 2+50E, the geophysical response is quite strong at depth indicating the minimum depth extent to be 90 meters.

<u>Anomaly B</u> occurs 60 to 75 meters to the south of anomaly A and sub-parallels it. It consists of an IP high correlating with a resistivity high and a magnetic low. Therefore the causative source is a sulphide body possibly occurring within a non-magnetic intrusive. This zone extends from line 1+50W to line 5+50E and thus has a minimum strike length of 700 meters with it being open to the east. Its characteristics indicate that it dips to the south. Its width is up to 60 meters.

Within the western part of anomaly B, Bridge located hornfelsed argillites mineralized with pyrrhotite and some chalcopyrite.

<u>Anomalies C and C'</u> occur at the southern edge of the survey area. They appear to be related thus they are labeled C and C'. This anomaly is similar to anomaly A in that it consists of an IP high correlating with a resistivity high and a magnetic high. It is thus concluded that its causative source may be similar to that of anomaly A, that is, sulphides containing coppernickel-platinum-palladium-rhodium mineralization occurring within an ultrabasic intrusive that contains magnetite. Anomaly C is more magnetic than anomaly C'. Bridge noted a hornblendite containing disseminated pyrrhotite and chalcopyrite in the area of anomaly C on lines 100E, 150E, and 200E and thus this could be its causative source.

Anomaly C' extends from line 0+00E, where it is thus open to the west, to line 5+50E, where it is open to the east, resulting in a minimum strike length of 550 meters. Because the anomalies occur on the edge, or close to the edge, of the survey area, the widths of the causative sources are difficult to determine, but could be up to 30 meters as indicated on line 5+50E.

<u>Anomalies D and D'</u> occur on the northern edge of the survey area and are two anomalies that appear to be related as well. Its characteristics are similar to that of anomaly B in that it is an IP high correlating with a resistivity high. The magnetic response is flat, that is, background. The interpretation is therefore similar in that the causative source is sulphides occurring within an intrusive body that contains little or no magnetite. It extends from line 1+50W where it is open to the west; to line 5+50E, where it is open to the east, for a

minimum strike length of 700 meters. The width of the causative source appears to be 20 meters to perhaps 50 meters.

An outcrop was located at 0+95S on line 5+50E by Bridge and consisted of hornfels mineralized with pyrrhotite and minor chalcopyrite. Though the associated IP anomaly has not been labeled as part of anomaly D, it could very well be.

<u>Anomaly E</u> occurs only on line 2+50W and is seen on this line at depth (60 meters?). It indicates the causative source is a flat-lying body of sulphide mineralization, perhaps occurring within a specific rock-type. Because it occurs on only one line at the edge of the survey area, its dimensions cannot be determined. However it does have a minimum width(?) of 200 meters. The correlating resistivity response is background and that of the magnetic response is background as well.

There are two strong SP responses, one at (1+00W, 0+10N) and the other at (2+50E, 2+30S). Because of the strength of these two anomalies, it is quite probable that these are caused by sulphide mineralization. The second SP anomaly at (2+50E, 2+30S) does correlate with IP anomaly B that undoubtedly reflects sulphides. However, there is no correlating IP anomaly with the SP anomaly at (1+00W, 0+10N).

An interesting feature has been revealed by the resistivity survey as shown on Figure #GP-1, which is a map of level #1, or separation n=1. It shows a broad resistivity low extending in a southeasterly direction from the lake to the southeast corner of the survey area cutting across a number of the anomalies. As a result, it is quite possible that this low is reflecting a fault. However, the magnetic high of anomaly A extends unbroken across the resistivity low. Therefore, if the low is reflecting a fault, the magnetic high then indicates there is no horizontal displacement.

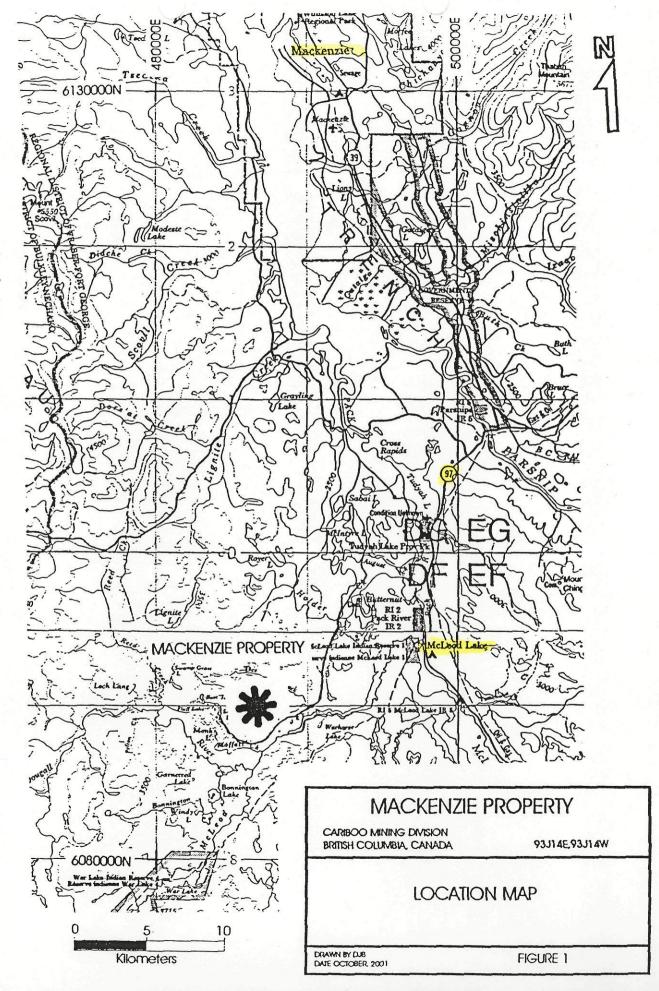
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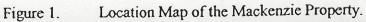
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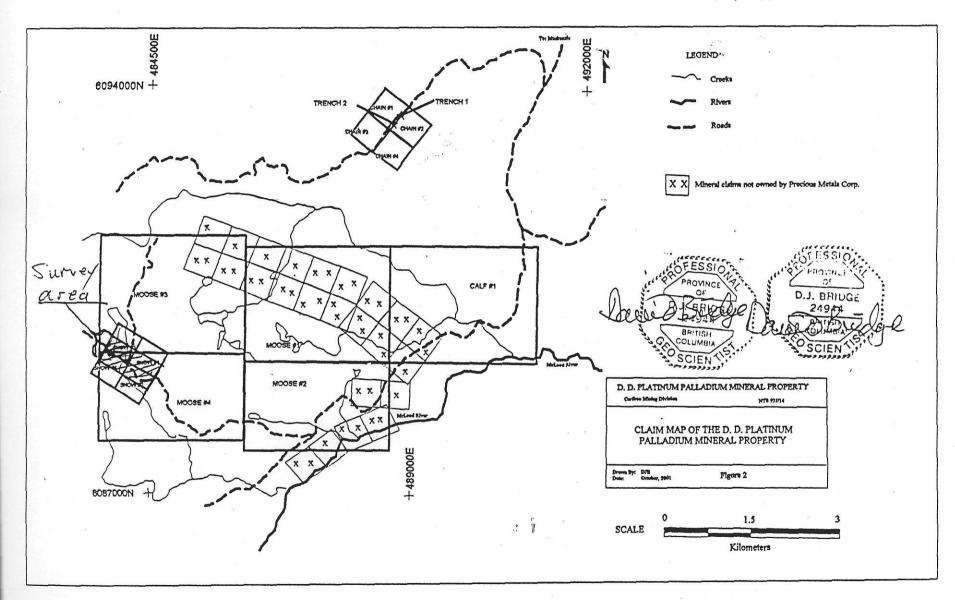
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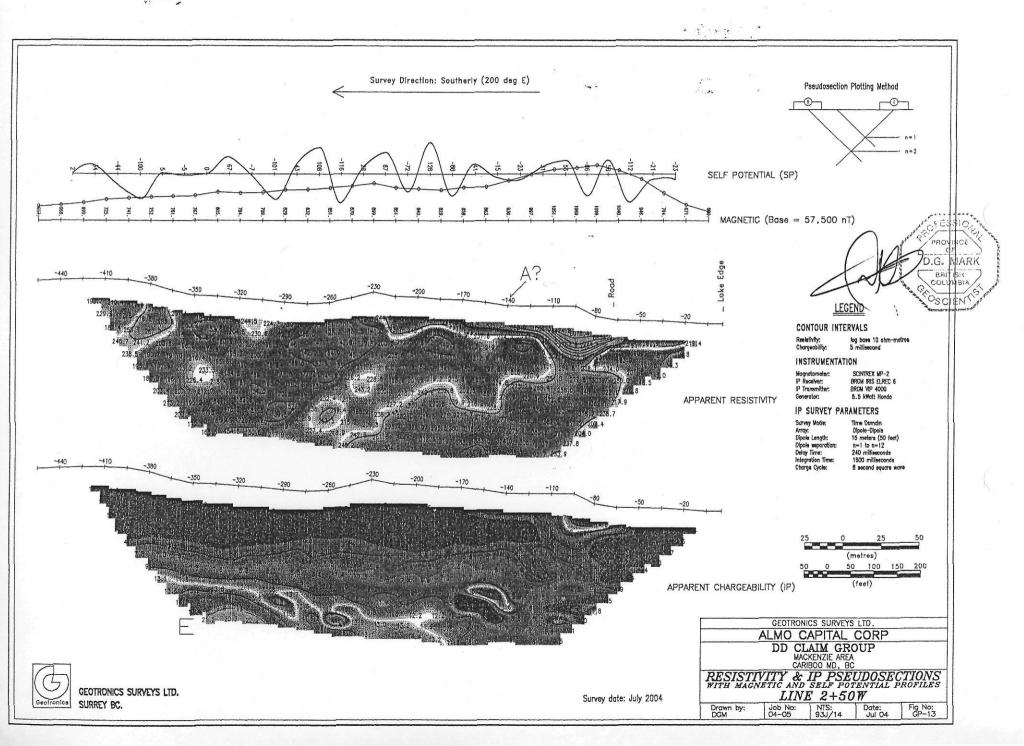


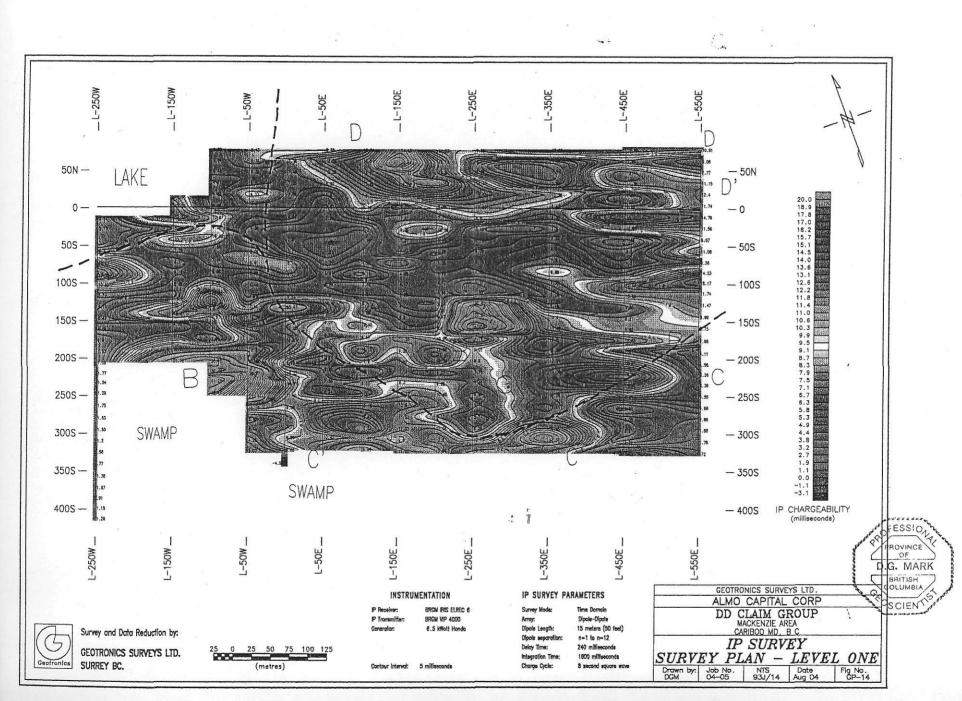




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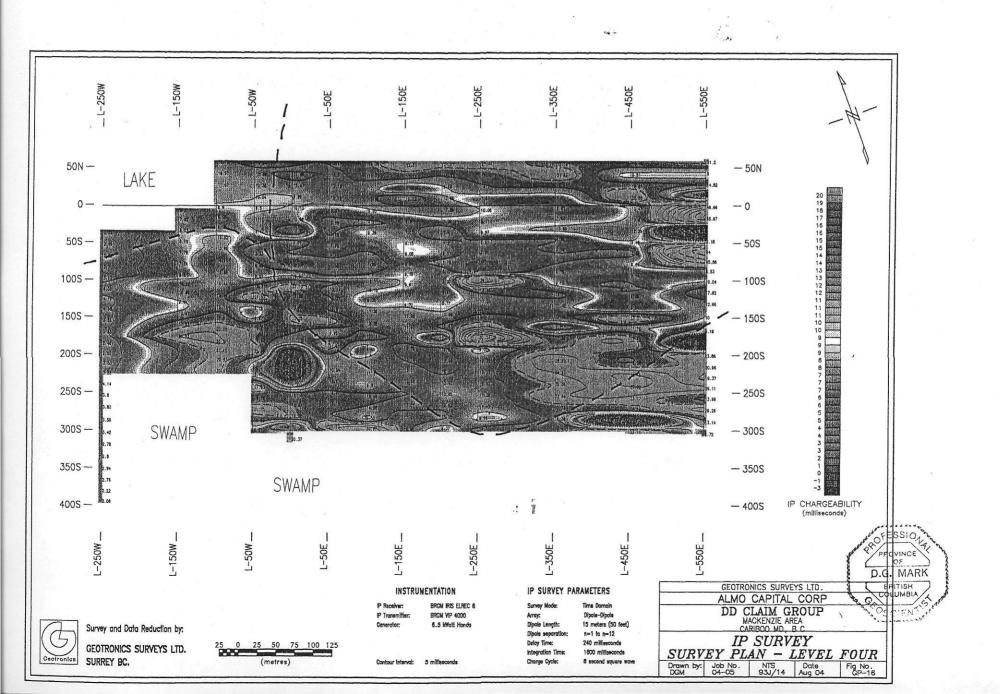






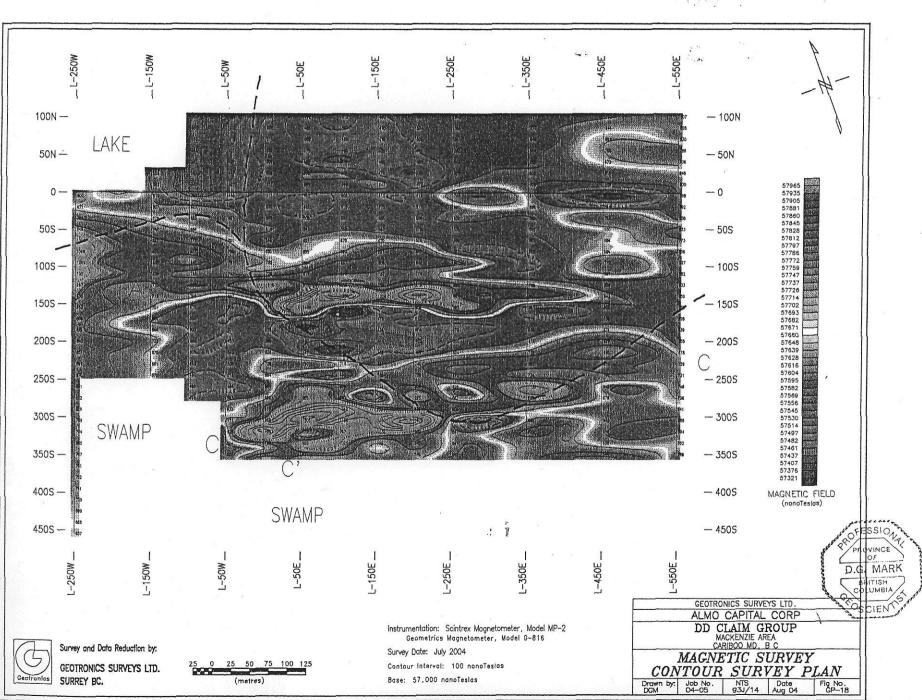
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