

REPORT ON SOIL SAMPLING

on the

**TAG 1 – 8 MC (YB 97047-054)
BUF 1 – 16 MC (YB 96999-014)
ALO 1 – 16 MC (YB 97015-030)
WHEATON 1 - 8 MC (YA 81535-542)
NOT 1 – 2 MC (YA 78958-959)**

CLAIMS

located on
NTS Claim Sheet 105D-6/3
in the
Whitehorse Mining District

Approximately 135° 03' W / 60° 16' N

**For Assessment Work Conducted During
May and November, 1999**

for

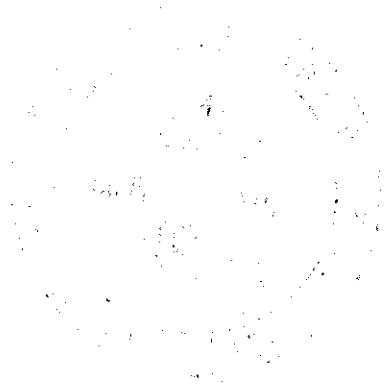
DALEY RESOURCES LTD.

BY W.G. TIMMINS, P.Eng.

February 2000



094142



This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 5,000.00.

M.B.
for Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

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INTRODUCTION

This report has been prepared at the request of Mr. Jerome Wong, President of Daley Resources Ltd. to summarize a soil geochemistry exploration program conducted during 1999. The writer has visited the property on numerous occasions between 1984 and 1999 as an exploration consultant.

Personnel employed for Daley's program were generally seconded from crews being mobilized or de-mobilized through Whitehorse on other contracts.

LOCATION AND ACCESS

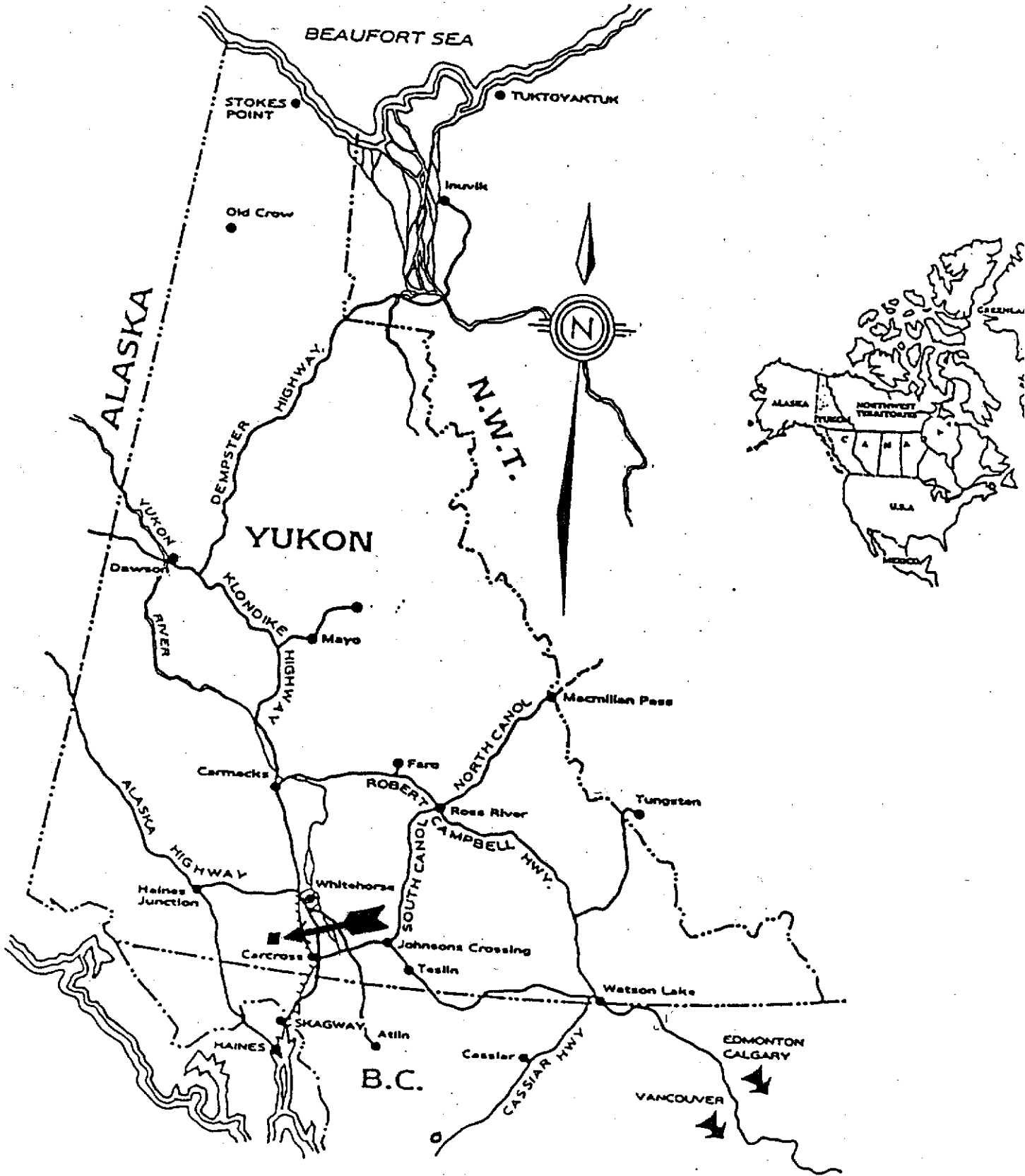
Daley's Wheaton River property is located approximately 50 kilometers south of Whitehorse on NTS map sheets 105-D-3/6. Approximate geographical coordinates are 60° 15' north latitude and 135°02' west longitude.

Access to the property from Whitehorse is by paved road following the Alaska Highway and then the South Klondike Highway as far south as Robinson; a distance of 40 kilometers. From Robinson, an all-weather gravel road (Annie Lake - Wheaton River Road) is followed for 20 kilometers to Wheaton River. During 1999 travel on the property was by ATV.

Whitehorse is serviced by major airlines and can provide personnel, supplies, equipment and services for exploration and development. A year-round, ice-free deep sea port is located at Skagway, Alaska, reached via the Whitehorse-Carcross-Skagway highway system.

The property location is shown on Figure 1.

Figure I



LOCATION MAP

PHYSIOGRAPHY, CLIMATE AND VEGETATION

The property is located on Wheaton Mountain, just south of the "Big Bend" of the Wheaton River. The claims extend from the river at an elevation of 820 meters (2700 feet) to the plateau area around the summit of Wheaton Mountain at an elevation of 1735 meters (5700 feet) with a total relief of over 900 meters. Lower slopes are underlain by Quaternary glacial and fluvio-glacial sands and gravels to an elevation of approximately 1000 meters (3300 feet); these slopes are well forested with spruce, pin and alder. Upper slopes are brush covered and rocky with locally extensive outcrop incised by narrow gullies which merge into debris fans and talus slopes below. Above 1675 meters (5500 feet) the topography is plateau-like with little outcrop, extensive areas of frost-heaved rock and stunted alpine vegetation.

Climatic conditions are typical of Carcross district of southern Yukon, characterized by a northern interior climate modified by the influence of the nearby Pacific Ocean. Average annual precipitation is approximately 40 cm. Winters in the area are long, with temperature extremes to -45° C but commonly from -10° C to -20° C. The area is generally snow free from late May to late September. A limited supply of water for diamond drilling is available close to the main work area.

PROPERTY

Daley Resources Ltd. presently holds a 100% interest in 50 mineral claims on Wheaton Mountain on claim sheets 105-D-3/6 in the Whitehorse Mining District, Yukon Territory (Figure 2).

The claims were acquired by Daley during 1996 by staking (Buf, Tag and Alo Claims) and purchased from Mr. W. Howden, of Palm Desert, California (Wheaton and Not Claims) by an agreement dated June 12, 1996.

A claim summary is presented in table 1 of this report.



FIGURE 2

CLAIM PLAN

BUF, ALO, NOT, TAG, WHEATON CLAIMS

TABLE 1 – CLAIM SUMMARY

CLAIM NAME	GRANT NO.	RENEWAL DATE
Wheaton 1 – 8	YA 81535 - 542	December 31, 2000
Not 1 – 2	YA 78958 – 959	December 31, 2000
Buf 1 – 16	YA 96999 – 7014	December 6, 2000
Alo 1 – 16	YA 97015 – 7030	December 6, 2000
Tag 1 - 8	YA 97047 - 7054	December 6, 2000

These claims were staked and recorded under the regulations of the Yukon Quartz Mining Act and are administered by the District Mining Recorder in Whitehorse, Yukon.

SOIL CHEMICAL SURVEY

The 1999 soil geochemical survey was designed to prospect for shear-zone hosted gold mineralization down slope from float mineralization located during 1997 and a weak gold geochemical anomaly suggested by a 1998 geochemical reconnaissance survey. The geological environment has been reported on in earlier reports (see Appendix 5 – "References")

A total of 98 soil samples were taken on compass and chain grid lines. Samples were collected every 25 meters from a depth of 10-25 cm and then placed in a Kraft soil envelope. Soil samples were obtained from the "B" horizon where ever possible, although the soil profile is poorly developed in this area. Samples were air dried and then shipped to Acme Analytical Labs in Vancouver for geochemical analysis for copper, and gold. Gold was analyzed by atomic absorption with a 1 ppb detection limit. A 10 gram sample is ignited at 600°C, digested with hot aqua regia, extracted by MIBK and the analyzed by a graphite furnace atomic absorption unit. Copper was analyzed by ICP with a 1 ppm detection limit. In this technique a 0.5 gram sample is digested with 3 mls. of 3-1-2 HCl-HNO₃-H₂O at 95°C for one hour and then diluted to 10 ml. with water. This leach is then analyzed by a standard ICP unit.

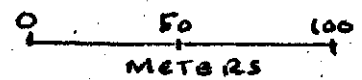
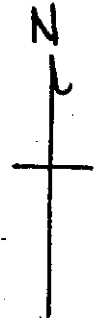
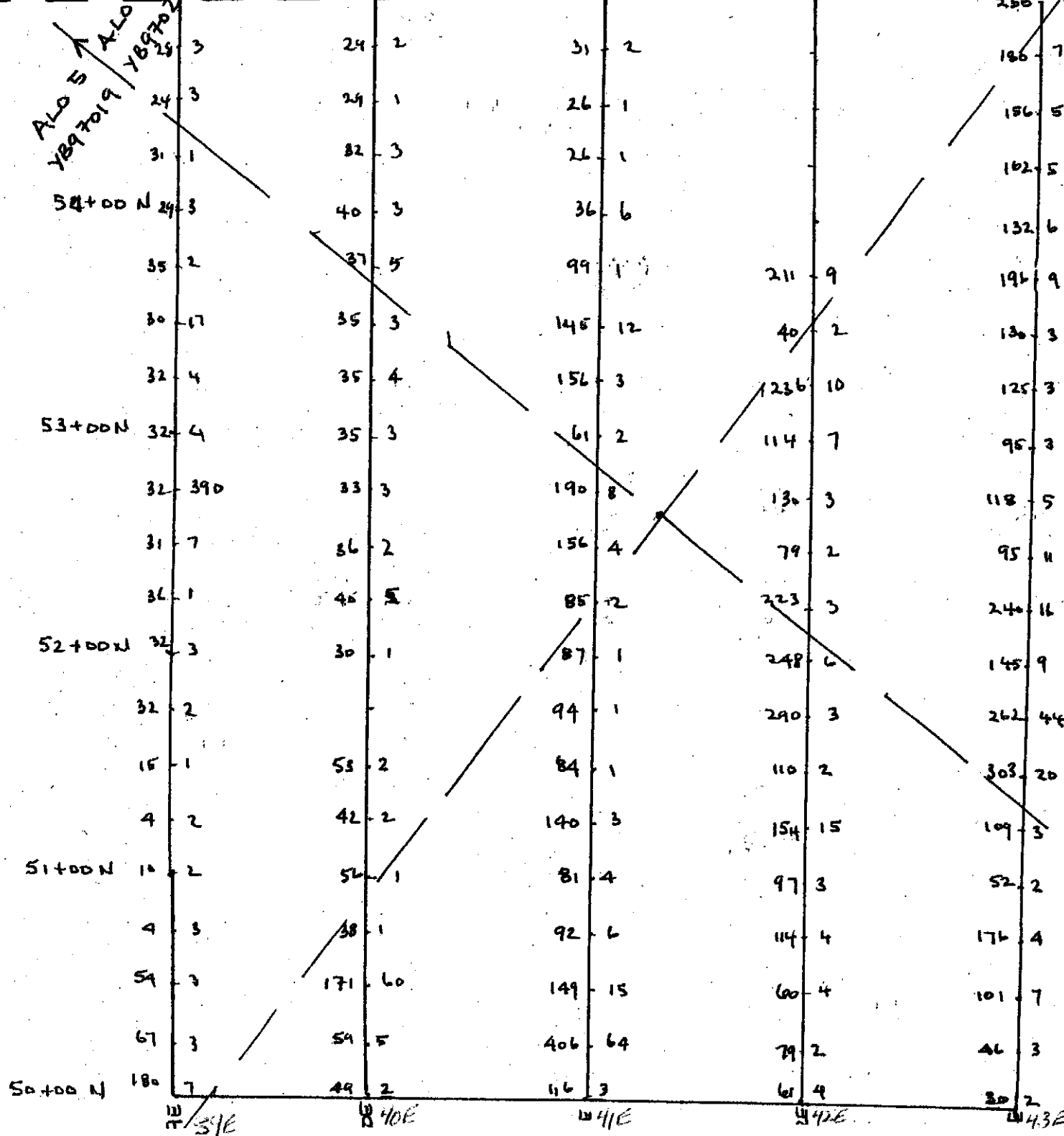
INTERPRETATION

The location of the soil grid in relation to the claim boundaries and the copper and gold values obtained are presented in Figure 3. Only erratic "spot" weakly anomalous gold values were obtained for the survey with a peak value of 390 ppb at 39E/52+75N. Moderately anomalous copper values are present on line 43E and probably reflect chalcopyrite mineralization in granitic float boulders. Granitic float boulders containing up to 1% (one per cent) finely disseminated pyrite and minor chalcopyrite were noted in this area during 1984 and 1985 prospecting traverses. At that time, assays of less than 0.1% copper were obtained. The host rocks were too fresh and unaltered to be considered an appropriate copper prospecting target.

CONCLUSIONS

The 1999 soil geochemical survey located only spotty anomalous gold values. A followup property visit and geological review indicated that a region of weak anomalous copper samples on the eastern end of the grid is probably reflecting low-grade copper values in granitic talus boulders. No further work is warranted to test for copper mineralization but summer prospecting of the north-west end of Wheaton Mountain should be undertaken to establish the source of quartz vein float mineralization noted during 1997 and reported on at that time (see References for comprehensive information filed in 1998 and 1999).

FIGURE 3



Cu (PPM) | Au (PPB)

ALD 3 ALO 4
YB97017 YB97018

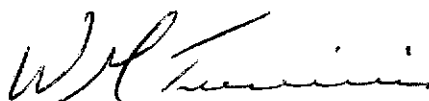
APPENDIX 1

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, WILLIAM G. TIMMINS, of the City of Vancouver, in the Province of British Columbia, do hereby certify that:

1. I am a consulting geologist, with offices at 410 – 455 Granville Street, Vancouver BC.
2. I have been practising my profession for the past 36 years, having been engaged in evaluation, exploration and development of mineral properties throughout Canada, the United States, Latin and South Americas, Australia and New Zealand.
3. I am a registered Professional Engineer in the Province of British Columbia since 1969.
4. This report is based on published and private reports, maps and data provided by Daley Resources Ltd. and property visits during 1999.
5. I have no interest, nor do I expect to receive any interest in the property or securities of Daley Resources Ltd.
6. Daley Resources Ltd. is hereby granted permission to use this report for all purposes normal to the corporate business of the Company.



April, 2000

W.G. Timmins, P.Eng.

APPENDIX 2

STATEMENT OF COSTS

YUKON EXPENSES:

Field Labour	9 m.d. @ \$175	\$1565.00
Prospecting	3 m.d. @ \$225	\$ 675.00
Room & Board (camp)	9 m.d. @ \$75	\$ 675.00
P/U Rental		
a)	2 W.D. 5 days @ \$80/day	\$ 400.00
b)	4 W.D. 5 days @ \$100/day	\$ 500.00
c)	Norcen Lease	\$ 268.71
ATV	5 days @ \$100/day	\$ 500.00
Geologists	3 days @ \$400/day	\$1200.00
Supplies		\$ 152.84
Room & Board (Hotel)		\$ 257.55
TOTAL		<u>\$6194.10</u>

Note: Mob/demob, airfares, standby time not included

APPENDIX 3

LIST OF PERSONNEL

PERSONNEL:

Period May 1 – 6 (total 9 man days)

Barclay Macdonald	3 days
Allan Eckart	3 days
G. Delorme	3 days

Period August 26-27 (total 3 man days)

G. Delorm
J. Byrne

Period November 15

G. Macdonald, P. Geol.
W. Timmins, P. Eng. (Supervisor)

APPENDIX 4

ASSAY WORK SHEETS

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: MAY 29 1999
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 PHONE (604) 253-3158 FAX (604) 253-1716 DATE REPORT MAILED: June 2/99

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-NH4OH AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR IN, FE, SR, CA, P, LI, CH, NI, NI, TI, S, V AND LIMITED FOR NA, K AND AL. AN OXIDATION LIMIT OF 10P IS 3 PPM.
 - SAMPLE TYPE: 5011 - 80' Base AUP ANALYSIS BY ACID LEACH/AL FROM 10 GR SAMPLE.

SIGNED BY... *[Signature]* D. JOYL. CLARKE, J. KING; CHEMIST B.C. ASSOCIATES

PROJECT 00 FILE # 99 - 1295 Page 1.

SAMPLE#	CU PPM	AU* PPB
39E 55+00N	22	1
39E 54+75N	28	3
39E 54+50N	24	3
39E 54+25N	31	1
39E 54+00N	29	3
39E 53+75N	34	2
39E 53+50N	35	17
39E 53+25N	30	2
39E 53+00N	32	4
39E 52+75N	30	390
39E 52+50N	32	7
39E 52+25N	31	1
39E 52+00N	36	3
39E 51+75N	32	2
39E 51+50N	15	1
39E 51+25N	4	2
39E 51+00N	10	2
39E 50+75N	4	3
39E 50+50N	54	3
39E 50+25N	67	3
39E 50+00N	180	7
40E 55+00N	32	4
40E 54+75N	29	2
40E 54+50N	29	1
40E 54+25N	32	3
40E 54+00N	40	3
40E 53+75N	37	5
40E 53+50N	35	3
40E 53+25N	35	4
40E 53+00N	35	3
40E 52+75N	33	3
40E 52+50N	36	2
40E 52+25N	40	5
40E 52+00N	30	1
40E 51+50N	53	2
40E 51+25N	42	2
STD C/AU-8	63	49

SAMPLE#	CU PPM	AI# PPB
40E 51+00N	56	1
40E 50+75N	18	1
40E 50+50N	171	60
40E 50+25N	59	5
40E 50+00N	49	2
41E 55+00N	26	1
41E 54+75N	31	2
41E 54+50N	26	1
41E 54+25N	26	1
41E 54+00N	36	6
41E 53+75N	99	1
41E 53+50N	145	12
41E 53+25N	156	3
41E 53+00N	61	2
41E 52+75N	190	8
41E 52+50N	156	4
41E 52+25N	85	2
41E 52+00N	87	1
41E 51+75N	94	1
41E 51+50N	84	1
41E 51+25N	140	3
41E 51+00N	81	4
41E 50+75N	92	6
41E 50+50N	149	15
41E 50+25N	406	64
41E 50+00N	116	3
42E 53+75N	211	9
42E 53+50N	40	2
42E 53+25N	236	10
42E 53+00N	114	7
42E 52+75N	130	3
42E 52+50N	79	2
42E 52+25N	223	3
42E 52+00N	248	6
42E 51+75N	290	3
42E 51+50N	110	2
STD C/AD-S	62	49

SAMPLE#		Cu PPM	Au* PPB
42E	51+25N	154	15
42E	51+00N	97	3
42E	50+75N	114	4
42E	50+50N	60	4
42E	50+25N	79	2
42E	50+00N	61	4
43E	55+00N	250	8
43E	54+75N	180	7
43E	54+50N	156	5
43E	54+25N	162	5
43E	54+00N	132	6
43E	53+75N	196	9
43E	53+50N	130	3
43E	53+25N	125	3
43E	53+00N	95	3
43E	52+75N	116	5
43E	52+50N	95	11
43E	52+25N	240	16
43E	52+00N	145	9
43E	51+75N	262	44
43E	51+50N	303	20
43E	51+25N	109	3
43E	51+00N	52	2
43E	50+75N	176	4
43E	50+50N	101	7
43E	50+25N	46	3
43E	50+00N	30	2
STD	C/AU-S	58	53

APPENDIX 5

LIST OF REFERENCES

REFERENCES:

Cairnes, D.D., 1916

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Davidson, G. & Robertson, R., 1986

Report on 1985 Exploration Activities – Wheaton River Joint Venture.

Doherty, R.A. & Hart, C., 1988

Preliminary Geology of Map Sheets 105 D-3 and 105 D-6. Open File 1988-2.

Lambert, M.B., 1974

The Bennett Lake Cauldron Subsidence Complex, British Columbia and Yukon Territory. GSC Bulletin 227.

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Assessment Reports for the subject property, 1997, 1998