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### **NEWS RELEASE**

#### **STARFIRE MINERALS PRECIOUS METALS DIVISION ANNOUNCES AN AGREEMENT TO OPTION THE PORPHYRY PEARL - TOODOGGONE MINERAL BELT**

Starfire Minerals Precious Metals Inc. a division of Starfire Minerals Inc. holds the right to earn a 100% interest in the Porphyry Pearl property pursuant to a letter of intent with Mr. Arne Birkeland on the Porphyry Pearl property. The property, which is situated in the Toodoggone mining district in northern British Columbia, consists of 5550 hectares between 6 and 14 kilometres north of Toodoggone River some 300 kilometres north of Smithers and 55 km northwest of the Kemess South Mine.

Terms of the option agreement include:

- (1) The issuance of 400,000 common shares on regulatory approval and 800,000 shares on the anniversary of the signing of the agreement for the subsequent 4 years (for a total of 3,600,000 shares);
- (2) Cash payments of \$15,000 on signing, \$65,000 on August 15, 2006, \$50,000 on October 15, 2007, \$150,000 on October 15, 2008, and \$250,000 on October 15, 2009 (for a total of \$530,000 in cash payments);
- (3) Work commitments of \$400,000 for year 1; \$700,000 for year 2; \$1,100,000 for year 3; \$1,100,000 for year 4 and \$1,500,000 for year 5 (for a total of \$4,750,000 in work commitments); and
- (4) A 3% Net Smelter Royalty (NSR) applies in favour of the vendor. Starfire has been granted an option to buy out half of the NSR for 3 million dollars.

This acquisition is subject to regulatory approval.

#### **Past Exploration and Property Description**

A 43-101 report was completed in 2004 for the property by Nick Carter, P. Geo. and the summary is included below. Initial mineral claims covering the area of the current Porphyry. The earliest record of work within the area of the present property dates back to 1971 when Sumac Mines Ltd. (an exploration entity of Sumitomo Metal Mining Company) located claims east of Moosehorn Creek to cover anomalous base and precious metals values indicated by a

reconnaissance stream sediment geochemical survey. Work on what was known as the Moose property through 1974 included grid construction, the preparation of orthophoto base maps, soil geochemistry, Induced Polarization and magnetic surveys and 493.5 metres of diamond drilling in four holes.

The Porphyry Pearl property, situated in Stikine Terrane of the northern Intermontane tectonic belt, is underlain principally by Toadogone Formation volcanic rocks of the Early Jurassic Hazelton Group. These are intruded by small, subvolcanic porphyry intrusions and by larger granitic intrusions, both of which are coeval with the Early Jurassic volcanic rocks.

Previous exploratory work identified two distinct styles of precious and base metals mineralization. The Porphyry Pearl zone in the southern property area has received the most attention to date. Porphyry copper-gold mineralization in this zone occurs as sulphide disseminations and fracture fillings within an intensely altered, buried granitic intrusion that has dimensions of at least 1100 x 800 metres. While previous diamond drilling yielded generally low copper and gold values, it is significant that several holes contained average gold values of 0.28 gram/tonne gold and 0.02% copper over their entire lengths of 200 metres. These holes include intervals of 28 to 57 metres averaging +0.5 gram/tonne gold.

Epithermal vein and disseminated precious and base metal mineralization has been recognized at several localities within the large property area. The Moose silver-base metals zone in the central property area includes discrete quartz-sulphide veins and breccia zones within a north-northwest-striking, moderately southeast-dipping zone, which is some 300 metres long and up to 30 metres thick. Previous diamond drilling returned silver values of +100 grams/tonne over limited drill hole lengths. Other epithermal prospects in the central property area include the Marmot gold-silver zone and an area of anomalous gold and silver in soils northeast of the Moose zone, both have been only partially investigated by past work. Epithermal gold-silver mineralization, exposed in several localities in the eastern property area, associated with fault zones of regional extent, also merits further investigation.

### **Deposit Model**

The deposit and mineralization model being proposed for the Porphyry Pearl is that of the active Kemess Mine 55km to the southeast. The high local grades of precious metal and extensive border phase mineralization support the expectation that the Porphyry Pearl mineralized porphyry system has the potential to host precious metal-rich, base metal mineralization, like the Kemess South and Kemess North ore deposits. Kemess South open pit mine operated by Northgate Minerals Corporation with remaining proven reserves (December 31, 2003) of 91.7 million tonnes, averaging 0.57 g/t gold and 0.21% copper, containing 2.06 million oz gold, and 459 million lbs copper (Northern Miner Handbook, 2004-2005). The Kemess North deposit contains proven and probable reserves of 414 million tonnes averaging 0.31 g/t gold and 0.16% copper, containing 4.1 million oz gold and 1.46 billion lbs of copper (Northern Miner Handbook, 2004-2005). Success at the Kemess South operation prompted Northgate's plans to advance the Kemess North deposit towards production.

### **Past Producers**

Production from the Toadogone district began with the Baker Mine operation in 1981 and continues with the current South Kemess mine of Northgate Minerals Corporation. District production through 2004 amounts to more than 1.6 million ounces gold, which has been derived

from three past producers and one current producer. As indicated on Table 1, more than 80% of this production has been from the South Kemess mine.

Table 1:

<u>Deposit Name</u>	<u>Tonnes Milled</u>	<u>Au (kg)</u>	<u>Ag (kg)</u>	<u>Cu (t)</u>	<u>Recovered Grades</u>		
					<u>Au (g/t)</u>	<u>Ag (g/t)</u>	<u>Cu (%)</u>
McClair Creek Placer (1935)		3.3					
Baker Mine (1981-83, 1996-97)	81878	1284	23813	13.1	15.68	290.84	0.02
Lawyers (Cheni) (1989-1992)	619869	5402	113184	N/A	8.71	182.59	N/A
Shasta Mine (1989-91, 2000)	113113	603	33019	N/A	5.33	291.91	N/A
South Kemess (1998-present)	<u>78471586</u> 79286446	<u>44968</u> 52260	<u>4781*</u> 173797	<u>165609</u> 165622	0.57	4.13*	0.21

(1,680,200 oz. Au; 6,130,498 oz. Ag)

\* Ag recovered in 2000 only

## 2006 Exploration Program

The Porphyry Pearl property, particularly the Porphyry Pearl zone, warrants additional exploratory work. A first phase program is recommended to include a 3D Induced Polarization survey and geological mapping, prospecting and sampling at an estimated cost of \$392,920. A second phase of diamond drilling, estimated to cost \$553,150 would be contingent on the results obtained from first phase work (Nick Carter, 2004).

Starfire Minerals Inc. includes a uranium, nickel and precious & base metal divisions with properties in Ontario, Quebec and British Columbia.

ON BEHALF OF THE BOARD OF DIRECTORS OF

**STARFIRE MINERALS INC.**

“Freeman Smith”

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Freeman Smith

Qualified Person who has reviewed this news release