

DAWOOD MINES LTD. (NPL)
BLUE HAWK GOLD PROSPECT

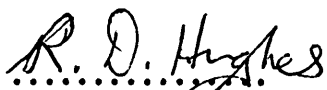
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The RJ, BLUE, and HILL mineral claims of Dawood Mines Ltd. (NPL) are situated 9 miles northwest of Kelowna, B.C. on the site of the old Blue Hawk mine. Dawood Mines acquired the claims from J. R. Dawson in 1972 and since then has carried out approximately 4500 lineal feet of trenching, line-cutting and grid preparation, magnetometer survey, mercury geochemical survey, geological mapping, and geochemical soil sampling. Results of this work are summarized and evaluated in a report on the prospect by Dr. P.E. Fox, P.Eng. (Nov. 30, 1972).

The Blue Hawk property is one of many gold prospects associated with Cache Creek sediments in the Vernon - Kelowna district of British Columbia. All have received development work in past years and many, including the Blue Hawk property, have recorded past production. Claims on the Blue Hawk prospect are underlain by argillite, chert, and quartzite of the Cache Creek group and a small northwesterly trending body of diorite. The sediments adjacent to the diorite stock are intensely altered, fractured, and mineralized. The stock is a weakly foliated hornblende diorite broken by numerous northwest and northeast shear zones and faults. Gold-bearing quartz veins are exposed in underground workings of the Blue Hawk adit and in numerous trenches and small pits. The veins trend northwesterly along shear or fracture zones in the diorite and in Cache Creek sediments close to the diorite contact. The Blue Hawk vein extends from the adit portal northwesterly for a distance of 600 feet. Other veins are exposed to the west and north. The veins consist of quartz and minor amounts of pyrite and are one to two feet thick but vary considerably along strike. Northeast faults are common and these offset and truncate many of the veins. Bulldozer trenching by Dawood Mines has extended the original vein system for several hundred feet and has uncovered a second vein system near the east boundary of HILL 1 claim.

The geochemical survey revealed anomalous amounts of copper, mercury, silver, and gold in overburden materials associated with showings near the Blue Hawk adit and farther to the north, south, and east. Recent trenching northeast of the adit revealed mineralized bedrock corresponding to high concentrations of copper, silver, and mercury in the overlying soil. The trenching and bedrock sampling program (see attached plan) has indicated a broad zone 200 x 700 feet of intensely altered Cache Creek sediments west of the stock. The sediments are consistently mineralized with low grade chalcopyrite, pyrite and associated gold. Rock chip samples from the sediments range from 0.12% copper to 0.30% copper and from 0.005 to 0.05 oz/ton gold. Samples from the vein system range from 0.005 to 0.42 oz/ton gold and associated copper and silver. The Blue Hawk vein produced some 5 tons of ore grading 10 oz/ton gold and 3.6 oz/ton silver in 1935. Assays from various trenches are noted on the attached plan. The vein systems and associated mineralized sediments collectively represent an important target for future exploration work. The company intends to continue its trenching and bedrock sampling program next spring prior to a more detailed drilling program.

Approved by



R.D. Hughes, P.Eng.
Vice-Pres. and Director
Dawood Mines Ltd. (NPL)
December 2, 1974



P.E. Fox, PhD., P.Eng.
Engineer-in-Charge

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BLUE HAWK

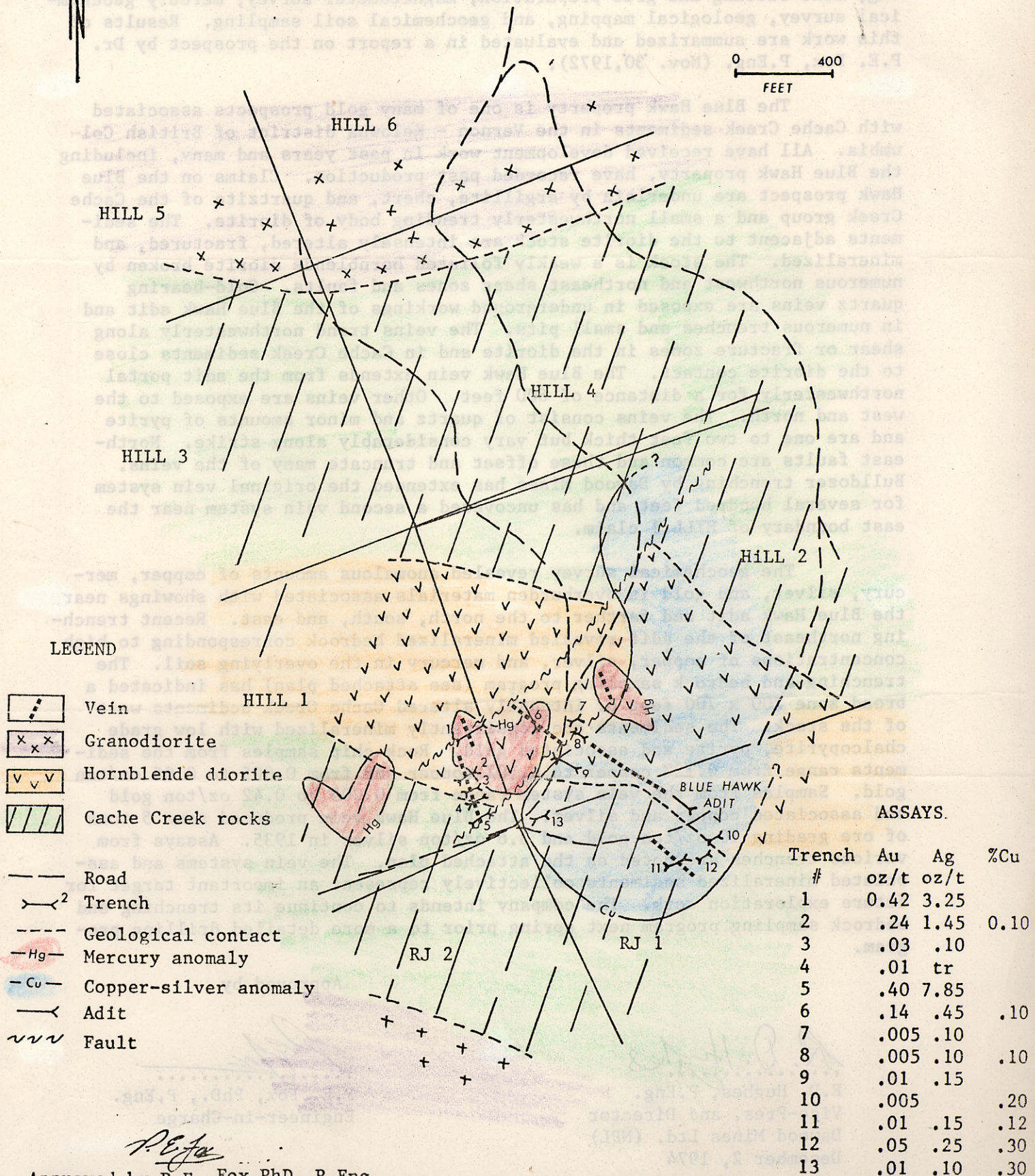
82E/13E

82E/NW-2

DAWOOD MINES LTD (NPL)

GEOLOGICAL PLAN

BLUE HAWK GOLD PROPERTY



Approved by P.E. Fox Ph.D. P.Eng.
Engineer-in-charge 2/12/74