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KAREN
(LOOKLOT, MOUNTAIN
VIEW)

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LANTERN GAS AND OIL LTD. (N.P.L.)
REPORT ON THE KAREN CLAIMS
GREEN MOUNTAIN, PENTICTON AREA
OSOY00S M.D., B.C.
N.T.S. 82E/- 119° 49° SW
SW BY
S. S. TAN, B. Sc., F.G.A.C.

L. J. MANNING & ASSOCIATES
610 - 890 W. Pender Street,
Vancouver 1, B.C.

Date Sept. 28/71.

File No. 82E 71-1

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L. J. MANNING & ASSOCIATES LTD.

CONSULTING MINING AND GEOLOGICAL ENGINEERS

610-890 WEST PENDER STREET VANCOUVER 1, B.C.

OFFICE PHONE:
683-5861

RESIDENTIAL PHONE:
L. J. MANNING - 985-5669

September 27, 1971.

President & Directors,
Lantern Gas & Oil Ltd. (N.P.L.)
704 - 525 Seymour St.,
Vancouver, B.C.

Dear Sirs:

The following report is based on a personal examination of the Karen claims on September 21, 1971 and on a study of published maps and reports of the area,

LOCATION & ACCESS

Approximate co-ordinates: Long. $119^{\circ} 52' W$
(centre of property) Lat. $49^{\circ} 25' N$
N.T.S. 82E (west-half), Kettle River, $119^{\circ} 49' SW$

The Karen claims is approximately 15 miles south-west of Penticton. It lies on the south slope of Green Mountain and is bounded in the north-east by Klohtelt Creek and on the south by Keremeos Creek. Access to the property is by a partly paved highway between Penticton and the Stenwinder ski-hill for 13 miles, from thence by the branch gravel road leading to the old Nickel Plate mine for an additional 3 miles.

PROPERTY

The property consists of 16 contiguous mineral claims located in the Osoyoos Mining Division. Records provided by your office indicate the claims were recorded in Penticton on Sept 16, 1971, (M.R. 67115 E-Penticton) by Clayton S. Powney and subsequently transferred to your company on Sept 22 by bill of sale No. 5633 E-Vancouver.

<u>Claim Name</u>	<u>Tag No.</u>	<u>Expiry Date</u>
Karen 1 - 5 incl.	900467-70 incl.	Sept. 16, 1972
Karen 6 - 16 incl.	224709-20M incl.	Sept. 16, 1972

TOPOGRAPHY AND VEGETATION

Elevation of the property ranges from 5,100 ft. to 6,200 ft. a.m.s.l. Klohtelt Creek drains the area. Spruce, Jackpine and meadows are the main flora. Outcrops occupy approximately 5% to 10% of the property.

HISTORY

Shallow pits sunk in a pyrrhotite vein in scattered localities attest to past activity. Some trenching and road building was carried out a few years ago (verbal communication - C. Powney) by the previous owner of the property. A shallow X-ray hole was drilled on one of the showings.

GENERAL GEOLOGY

The government geological map (G.S.C. 15-1961) indicates the area is underlain by Triassic cherts and greenstone of the Independence Formation and is intruded by diorite of the same age. An apophysis of the Cretaceous Nelson plutonic rocks occur in the west and south-west part of the property. The north-east part is traversed by a north-westerly trending fault.

LOCAL GEOLOGY

Outcrops on road cuts, pits and trenches were examined. The sediments consist of quartzite and chert. Intensely fractured and moderately altered quartz-monzonite is exposed on the upper road cut. The fracture planes are hematite coated. Sparse fine grained chalcopryite and pyrite dissemination is present.

A 10 to 15 feet wide pyrrhotite vein trends across the property in a ENE direction and is traceable by intermittent outcropping for approximately 2,000 feet. Sporadic stringers and patches of chalcopryite are intergrown with it.

CONCLUSIONS AND RECOMMENDATIONS

Highly fractured and moderately altered quartz-monzonite could act as host for stockwork type copper mineralization. The pyrrhotite vein and the regional fault indicates channel-ways for hydrothermal activity are present.

In view of the foregoing the following reconnaissance program is recommended:-

Phase I

1. Prepare a topographical base map and conduct a photogeological interpretation of the area.
2. Establish an east-west base line across the property centre and run north-south grid line at 400 foot intervals.
3. Conduct a geochemical soil , magnetometer and low frequency EM survey over the grid.
4. Geologically map and prospect the area.
5. Conduct trenching or stripping in areas of interest.

Contingent on results of Phase I, Phase II consisting of the following should be implemented:-

Phase II

1. Conduct an Induced Polarization survey over target area outlined in Phase I.
2. Trench and/or diamond drill selected target areas.

COST ESTIMATESPhase I

1. Topographical base map and photogeology	\$ 1,200.00
2. Line cutting-20 miles @ \$100/mile	2,000.00
3. Soil sampling and analysis	1,800.00
4. Magnetometer and EM surveys	2,500.00
5. Geological mapping & prospecting	1,500.00
6. Transportation	800.00
7. Data compilation, interpretation & report	1,500.00
8. Miscellaneous - room & board etc.	500.00
9. Trenching	1,000.00
10. Engineering & supervision	1,500.00
11. Contingencies	<u>1,700.00</u>
Total Phase I	\$ <u>16,000.00</u>

Phase II

1. Induced Polarization survey say 5 miles @ \$500/mile	\$	2,500.00
2. Allowance for trenching and diamond drilling		12,000.00
3. Engineering & supervision		2,500.00
4. Contingencies		<u>1,500.00</u>
	Total Phase II	18,000.00
	Total Phase I and II	\$ <u>34,000.00</u>

Respectfully submitted,

L. J. MANNING & ASSOCIATES LTD.



S. S. Tan, B. Sc., F.G.A.C.

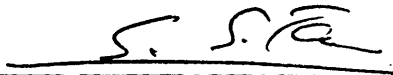
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CERTIFICATE

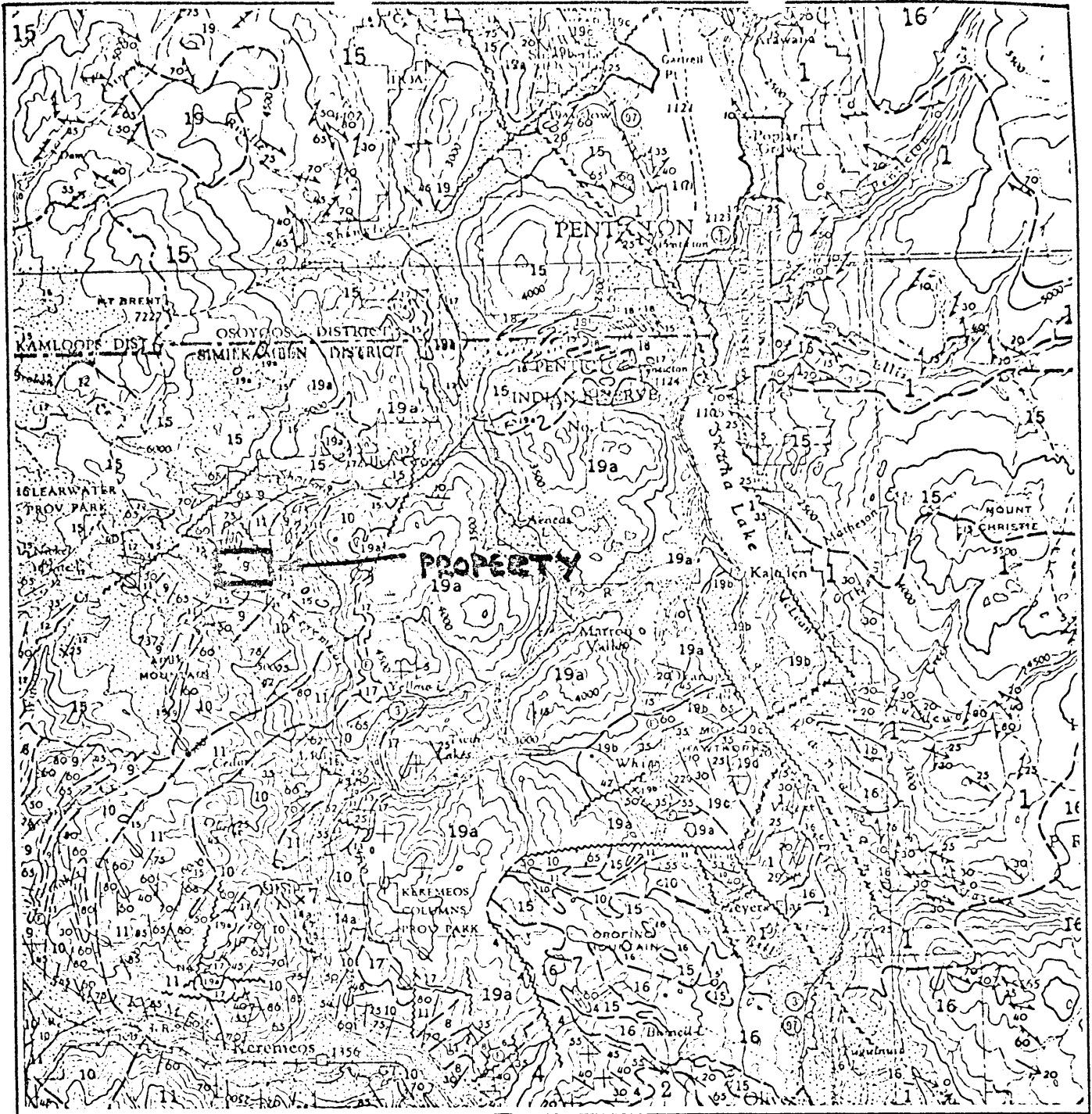
I, Siak S. Tan, residing at 310 - 1965 West 8th Avenue, in the City of Vancouver, Province of British Columbia, hereby certify that:

1. I am employed as a geologist by L. J. Manning and Associates Ltd., with offices at 610 - 890 West Pender Street, Vancouver, B. C.
2. I am a graduate of Carleton University, Ottawa, Ontario, B.Sc. (Geology) in 1964, and have practiced my profession since that time.
3. I am registered as a Fellow of the Geological Association of Canada.
4. I have successfully completed, by examination, the academic requirements for admission to membership of the Association of Professional Engineers of British Columbia, and am presently enrolled as an Engineer-in-Training.
5. I have no interest, direct or indirect, in the properties or securities of Lantern Gas and Oil Ltd. (N.P.L.) or any of its affiliates, nor do I expect to receive any such interest.
6. This report is based on a personal examination of the Karen claims on Sept. 21, 1971, on a study of published reports and maps and personal knowledge of the area.

DATED at Vancouver, British Columbia this 28th day of September 1971.



S. S. Tan, B.Sc., E.I.T., F.G.A.C.



4 2 0 4 Miles.

- 9 = Independence Fm:
Chert, greenstone
- 11 = Old Tom Fm:-
diorite, greenstone
- 15 = Nelson Plutonic Rocks.

LANTERN GAS & OIL LTD. (N.A.L.)

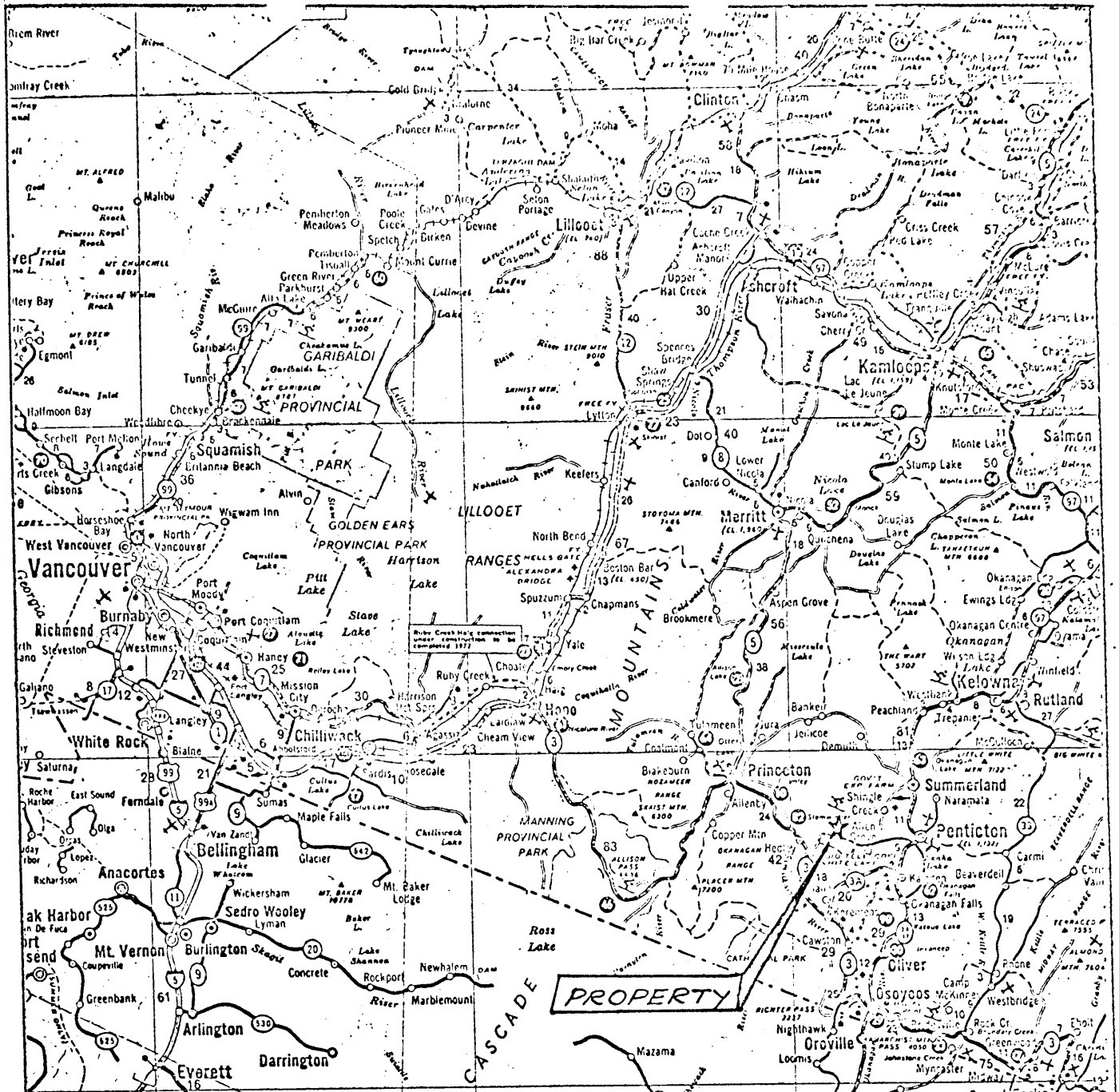
REGIONAL GEOLOGY

KAREN CLAIMS, PENTITION AREA.

OSOYOOS M.D., B.C.

N.B. Geology after G.S.C. Map 15-1961
Kettle River (N^W/4), B.C.

S. Tim Sept. 1971.



Property Location Map:-

LANTERN GAS & OIL LTD.(N.L.)

**KAREN CLAIMS, PENTICTON AREA,
OSOYOOS N. D., B.C.**

CONSULTING ENGINEERS:-

**L.J.MANNING & ASSOCIATES LTD.
610-890 W. PENDER, VANCOUVER.**

PH: (604) 683-5861.

S.L.

DWG.

S. Tan. Sept. 1971.