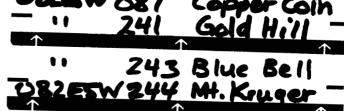
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D. I. T. HOLDINGS LTD.

SUITE 102 · 2222 BELLEVUE AVENUE WEST VANCOUVER, B.C.

SUMMARY AND CONCLUSIONS

This property is a copper prospect.

Favourable rock types are fractured and pyritized over substantial widths on the property. These zones appear to be on strike of known zones carrying copper mineralization on adjacent property lying to the south.

The claims have locational value.

A preliminary survey of the claim group is recommended to check for any fractional open ground.

A work program of geological mapping, magnetometer surveying, geochemical soil sampling and induced polarization survey over any selected areas resulting from this work is recommended to delimit any such target areas.

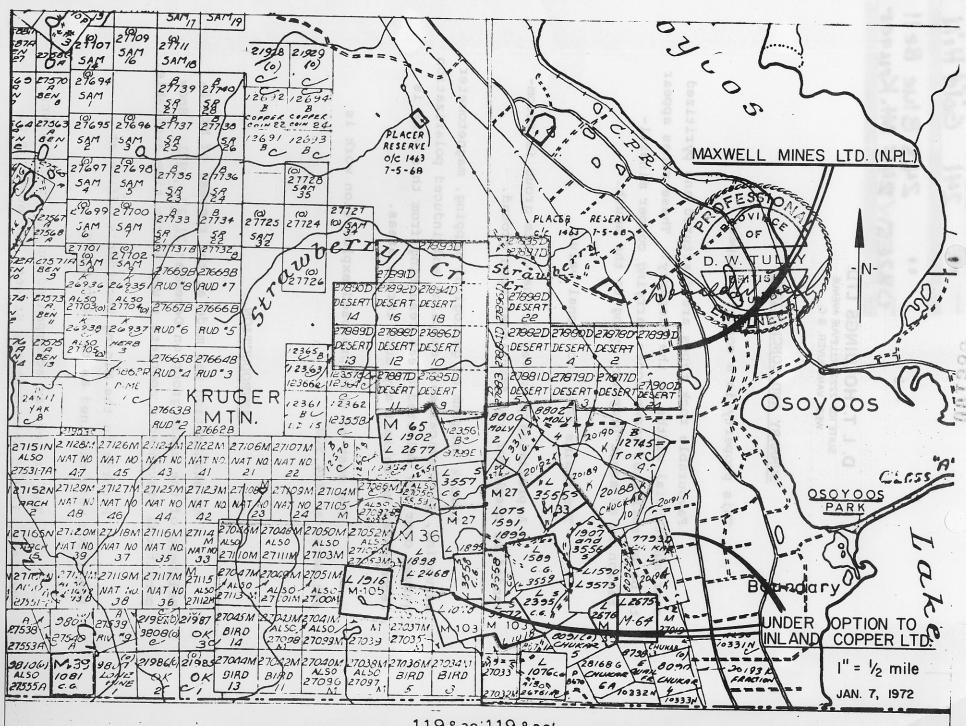
The cost of this proposed exploration work is estimated at \$24,500.

INTRODUCTION

An examination was made at the request of Mr. S. Belzberg of the claim group on December 21-22, 1971. Snow conditions prevented a complete study in the time available.

Records in the Mining Recorder's Office at Penticton were examined as to claim title.

The writer was accompanied in the field by Mr. Uno Leis, 37-615 West Hastings Street, Vancouver, B.C.



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PROPERTY

The property comprises 24 claims recorded in the name of Uno Leis as follows:

<u>Claim Name</u> <u>Record # Expiry Date</u>

Desert 1-24 incl. 27877D-27900D April 2, 1972

The claims cover approximately 1200 acres and are located about one mile west of Osoyoos, British Columbia, on the east flank of Kruger Mountain.

Access is by automobile to the final posts of Desert Claims 21-22 at the north boundary of the right of way on Highway No. 3A.

The claims are in open country below 3000 feet in elevation. Above this some small scattered pine, spruce and a few deciduous trees occur. Most of the claim group slopes rather steeply eastward between elevations 1600 and 2900 feet above sea-level.

PREVIOUS DEVELOPMENT - REFERENCES

The Desert claims are shown on British Columbia Department of Mines claim plans 82E/3W(M) and 82E/4E(M) and are situated in the same location as former claims ATKE #25-21 (now Desert #14-19), ED #16-18 (now Desert #11-13), and KAB #1-2. The record numbers of these former claims were 12272-12278B, 12362, 65-66 and 21842-43 respectively. No evidence was noted of these former claims during the field examination or any previous exploration work.

The following geological reports and maps provide background information for this ground and the general area:

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Geological Survey Canada Map #341A
Geological Survey Canada Map #538A
Geological Survey Canada Map #15-1961
B.C.D.M. Annual Report 1933, p-164; 1937, A37;
1938, A35; Bulletin 30, 1952, p-37.

Historically, copper mineralization has been known on several Crown Grants in this area near the U.S. - Canada international boundary for many years. The main zone of mineralization on the Inland Copper property is said to lie just south of the border in Washington State and is reported to be 9000 feet by 2000 feet in size.

The ground lying south of the claim group is largely under current option to Inland Copper Ltd, Canadian Superior Explorations and St. Joe Minerals.

REGIONAL GEOLOGY

Greenstones, schists and sediments of the late Paleozoic Kobau Group of rocks are intruded by satellitic rocks of the Mesozoic Nelson Batholith. These rocks are in the contact metamorphic zone of the batholith in the claim group area.

The main intrusive mass outcrops north and south of the Desert claim group. This intrusive is known as the Osoyoos granodiorite with multiple associated phases.

Small gold placers are reported immediately north of the Desert claim group attesting to the presence of gold in the area.

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Copper with minor molybdenum mineralization occurs in contact metamorphic zones on claims immediately to the south of the claims. A copper zone of substantial size is reported on the Inland Copper Incorporated ground just south of the international boundary.

PROPERTY GEOLOGY

Andesitic lavas, flow breccias and associated pyroclastics were noted during the field examination on Desert Claims 19, 20, 21 and 22. These rocks have medium-grained phases of diorite-like type and may be intrusive. A quartz bearing phase was noted in several outcrops on Desert Claims 15, 16, 17 and 18.

Lithologically there are three rock types which grade from volcanic breccias on the east to quartz-bearing intrusive-like phases on the west side of the claim group.

Structurally, the rocks trend north-south. Three fracture zones strike south-southwest and dip steeply westward. These occur on claims 15-16, near the east side of 17-18 and about the middle of claims 17-18 on the location line. Pyrite was found in each.

MINERALIZATION

Disseminated pyrite and sparse magnetite were the main minerals noted during the course of the field examination. A few grains of pyrrhotite with pyrite were noted on the location line between Desert Claims 17 and 18 about 200 feet west of the final posts. This zone of mineralization may be 400 feet wide.

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No economic minerals were noted during this preliminary field examination.

RECOMMENDATIONS

- 1. A chain and compass location line survey is proposed to check for any open ground. Fractional areas are believed to exist within the claim group.
- 2. At the same time a control survey grid should be established over the claim group in an east-west direction. One base-line along the line dividing Desert Claims 4-22, 6-20, 10-18, 12-16, 13-14 is proposed with picket lines at 400-foot intervals in a north-south direction to cover the claim group.
- 3. A magnetometer survey is recommended at 100-foot intervals along each picket line.
- 4. When snow conditions have lessened, a combined geochemical soil sampling program and geological survey is proposed at the same marker points as the recommended magnetometer survey.
- 5. Those areas that reveal magnetic and geochemical targets and coupled with available information gathered from the proposed geological survey are recommended for induced polarization geophysical examination. It is reported this technique has produced copper mineral targets on the optioned Inland Copper property adjacent to the south.

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ESTIMATED COSTS

1.	Preliminary location line survey of claim group to locate and stake any open fractional ground\$	1,000
2.	Layout control survey grid with picket lines at 400-foot intervals and picket line markers at 100-foot stations 28 line-miles x \$140/line mile	3,920
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3.	Magnetometer survey 28 line-miles x \$100/line mile	2,800
4.	Geological mapping 24 claims x \$100/claim	2,400
5.	Geochemical survey Collect 1456 soil samples x assay for copper, molybdenum, silver, lead, zinc	7,736
6.	10 line-miles induced polarization survey x \$350/line mile	3,500
7.	Administration and contingencies	3,144
	TOTAL\$	24,500

Respectfully submitted,

January 7, 1972

Donald W.

SUITE 102 2222 BELLEVUE AVENUE WEST VANCOUVER. B.C.

CERTIFICATE

- I, DONALD WILLIAM TULLY, of the City of West Vancouver, Province of British Columbia, hereby certify that:
- 1. I am a Consulting Geologist residing at 102-2222 Bellevue Avenue, West Vancouver, B.C.
- 2. I am a registered Professional Engineer in the Provinces of British Columbia and Ontario.
- 3. I am a graduate with a degree of Bachelor of Science from McGill University in 1943.
- 4. I have practiced my profession for twenty-seven years.
- 5. I have no direct or indirect interest in the securities of Maxwell Mines Ltd (N.P.L.) nor do I intend to receive any interest.
- 6. The above report is based on a personal field examination I made on December 21-22, 1971, and from information gathered from available published maps and reports.
- 7. I have examined four claim posts and find them in accordance with the requirements of the Mineral Act of British Columbia.

DATED AT West Vancouver, British Columbia, this 7th day of January, 1972.

Donald W. Tully, B. Sc. P. Eng

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