

King Jack  
Joan, Duplex  
Goldstream, Rta.

082FNU 125  
082FNU 184  
082FNU 134  
and others

**002365**

CONSOLIDATED REPORT

ON THE

CHAPLEAU CREEK PROPERTY

SLOCAN MINING DIVISION

BRITISH COLUMBIA

CANADA

FOR

KING JACK RESOURCES LTD.

BURNABY, BRITISH COLUMBIA

CANADA

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1. SUMMARY AND CONCLUSION

The Chapleau Creek Property owned by King Jack Resources Ltd. consists of eight modified grid claims of 94 units and one 2-post claim totaling 95 units located in the Chapleau Creek area of the Slocan Mining Division of British Columbia, Canada.

This mining property has known gold and silver mineralization and is located in an area that has produced in the past 2,634 oz of gold, 4,138,000 oz of silver, 6,545,826 lbs of lead and 2,845,673 lbs of zinc. The gold and silver mineralization occur in quartz-filled fissure veins cutting porphyritic granite. The Chapleau Creek property adjoins several mining properties that have produced gold and silver ore from similar quartz veins.

In accordance to the Phase 1 work of a multi-phase exploration program recommended by this author to evaluate the precious metal potential of the property, a series of road building and road repairs, mine rehabilitation, trenching, soil profile sampling, geologic mapping, and channel sampling of the gold-silver-bearing veins exposed in the trenches and the underground workings were conducted in August, September and October, 1985.

The geologic mapping and channel sampling of the surface and underground workings have shown that the King Jack, Rita, and Duplex veins are prime drilling targets.

The geochemical soil profile tests have shown that it is sufficient to sample only the B-Horizon soil to be able to detect the gold-silver-bearing quartz veins using the geochemical analyses for Au, Ag, Pb and Zn.

The proposed geochemical survey is designed to detect the possible extensions of the Rita, Goldstream, King Jack Vein (1), King Jack Vein (2), Joan, and Duplex gold-silver veins and generate additional drilling and trenching targets. It should also shed more light on the large alteration zone in the For Sure claim.

To evaluate further the precious metal potential of the property, continuation of the previously proposed exploration program (Phase 2 and Phase 3) is recommended at an estimated cost of \$140,000.

2. INTRODUCTION

King Jack Resources Ltd., a private company with head offices at Suite 323 - 4501 North Road, Burnaby, British Columbia, Canada, V3N 4R7, has recently acquired by option agreement the Chapleau Creek mining property located in the Slocan Mining Division of British Columbia, Canada.

At the request of Roy Ganderton, a director of the company, a site investigation was conducted on the Chapleau Creek Property on August 17, 1984 and on September 23, 1984. The author was accompanied by Roy Ganderton, Lawrence Ranson and Bob Mackenzie, owners of the property, and by Richard T. Haard on August 17, 1984. The author was assisted by Bob Mackenzie on September 23, 1984. A report was written dated August 7, 1985, on the property based on these investigations.

At the request of Roy Ganderton, a director of King Jack Resources Ltd., and the late Roy G. McKay, the then President of King Jack Resources Ltd., the Rita, Goldstream, King Jack (1), King Jack (2), Joan, and Duplex veins in the Chapleau Creek Property were mapped and channel sampled on September 28 and 30, 1985 and on October 1, 2, and 3, 1985. The results of that work were presented and discussed in a report dated October 28, 1985 which included the results and interpretation of the geochemical

soil profile analyses over a known mineralized area in the property. The various mine rehabilitation work and road construction and repairs done by personnel of the company were also included in that report. Most of the work described in these reports were done on the King Jack claim and the Ragamac No. 3 claim.

At the request of Lawrence Ranson, a director of King Jack Resources Ltd., this report is written to consolidate all the information contained on the above-mentioned reports and to comply with the guidelines set out in National Policy 2A and Local Policy #3-01 of the Superintendent of Brokers, Ministry of Consumer and Corporate Affairs.

3. LOCATION AND ACCESS

The Chapleau Creek property is located on both sides of Chapleau Creek, a tributary of Lemon Creek, nine kilometers southeast of Slocan City in the Slocan Mining Division of British Columbia (see Plate 1). The property lies at latitude 49° 44' and longitude 117° 22' and is plotted on NTS 82F/11W (see Plate 2). The topography of the property is moderate to steep and it lies between 3000 feet to 6000 feet above sea level. Most of the property is covered with merchantable timber and part of the area is currently being logged.

Access to the property is by way of Chapleau Creek road that joins Lemon Creek road which in turn joins Highway 6 three kilometers away. The junction of Lemon Creek road and Highway 6 is 9.6 kilometers (6 miles) south of Slocan City. The southern and western parts of the property are accessible through the Lemon Creek road. The Chapleau Creek road connects with a system of logging roads that provide access to the northern part of the property. The property is 96 kilometers (60 miles) to the smelter in Trail, British Columbia.

4. PROPERTY DESCRIPTION, HISTORY, AND RECENT (1985) WORK

The Chapleau Creek Property consists of 8 modified grid claims of 94 units and one 2-post claim for a total of 95 units. These claims are plotted on Plate 2 and details are listed below:

<u>Claims</u>	<u>Record No.</u>	<u>Area (units)</u>	<u>Due Date</u>
King Jack	51(8)	4	Aug. 11, 1987
J CRK 1	4409(7)	9	July 13, 1988
J CRK 2	4410(7)	8	July 13, 1988
Ragamac 1	4211(2)	15	Feb. 6, 1988
Ragamac 2	4212(2)	10	Feb. 6, 1988
Ragamac 3	4213(2)	12	Feb. 6, 1988
Ragamac 4	4214(2)	18	Feb. 6, 1988
For Sure	4464(8)	18	Aug. 24, 1988
L Jack	4430(7)	1	July 27, 1988



The J CRK and the J CRK 2 claims overlap the Fran and PC claims owned by another company. King Jack Resources Ltd. still holds a total of 95 units but in the absence of a legal land survey of the claims, the exact acreage (or hectarage) owned by the company cannot be determined at this time.

Portions of the property had been explored and developed in the past and had produced gold and silver ore. Part of what is now the King Jack claim was originally called the Jack and the King George claims which were explored by trenching and drifting in the 1920's. The King Jack claim also includes the Joan claim (formerly known as Duplex) which was staked prior to 1901 and worked intermittently until 1946. These claims have since lapsed and are now all included within the King Jack claim. Improvement on the access roads to the King Jack have been done by the owners of the property in 1984.

Adjacent to the King Jack claim and the Ragamac #3 claim are the Kilo Group and the Rita crown-granted claims. The Kilo Group (Violet, Kilo, Pansy, and Kilo #2) were operated intermittently since 1897. The property was developed by 5 tunnels and one inclined shaft and ore shipments were made in 1912, 1913, and 1938. Some development work was also done on the Rose and Rita claims at about this time. In 1984, the current owner of this property (Kilo, Rose, and Rita) did some explo-

ration work.

Adjoining J CRK #2 claim on the south is the Crusader group of crown-granted claims which were explored and developed as early as 1896. These claims are still kept in good standing by the present owners but have been dormant for sometime.

Adjacent to Ragamac #1 and Ragamac #2 claims is the Chapleau Group of crown-granted claims. The Chapleau property was developed as early as 1896 and was worked until 1905. A stamp mill was built below the mine and ore was hauled down by tramline. No work was reported until 1935 when work was resumed by leasees until 1941. In 1946 and 1947, a road was built to the property but no ore shipments were made and the property remained dormant to this day.

There used to be six crown-granted claim (Gladstone L.12083, Gladiator L.12088, Eagle L.12090, Monti L.12091 and Bessie L. 19092) that have since been cancelled which are now included in Ragamac #3 and Ragamac #4. These claims were crown-granted in the 1890's and were formerly known as the Hollinger Group. Considerable exploration work had been done on this property that involved surface stripping, trenching, and drifting. No work has been recorded and by 1938 the workings had long since been dormant. No work has been done on these claims to this day.

Adjacent to the western edge of Ragamac #1 and Ragamac #2 is the crown-granted Hope #2 (Piedmont) property which was explored and developed in 1898 - 1901. In 1927, a mill and tramway was built. The property was in intermittent production till 1951.

Previous to 1984, the present Chapleau Creek Property were staked as the Brian 1, Brian 2, Strike 2, and Morning Star claims but no work was recorded in these claims. These claims lapsed in June 1984 and were re-staked as the Ragamac #1-4, For Sure, J CRK #1 - 2, and L Jack claims by Bob Mackenzie, Lawrence Ranson, and Roy Ganderton. These claims were optioned by King Jack Resources Ltd. in the middle of 1985 together with the King Jack claim which was previously staked by Bob Mackenzie in 1975.

In accordance to a set of recommendations previously made (Phase 1) by the author, personnel of King Jack Resources Ltd. have conducted a program of mine rehabilitation, road building, trenching, and soil sampling of a profile in September and October of 1985 in their Chapleau Creek Property.

The mine rehabilitation work consisted of the re-timbering of the mine portals of the King Jack Mine, the Joan Drift, and the Duplex Drift. A permanent door was constructed

for the King Jack portal and the walls were washed in preparation for mapping and sampling. In addition, a tool shed was constructed at the King Jack Mine.

Several kilometers of the road to the King Jack Mine was widened and repaired. A road was constructed to the Joan and Duplex portals from the King Jack road. A culvert was installed across Gold Creek which allowed the trenching of the Rita Vein.

A profile line that ran across the King Jack veins was soil sampled for the A-Horizon (humus) and the B-Horizon for 1500 feet (457 meters). The A-Horizon soils were analyzed for gold and the B-Horizon soils were analyzed for gold, silver, lead, zinc, and arsenic to provide data for the parameters required for the proposed geochemical survey of the property.

Mapping and channel sampling were conducted on the veins at the King Jack, Joan, and Duplex drifts and on the veins exposed by trenching at Gold Creek (Rita Vein), at old trenches, cuts, and shallow shafts and drifts above Gold Creek (Gold-stream Vein), and along the road connecting the King Jack Mine to the Joan (Duplex) Mine.

5. REGIONAL GEOLOGY

The area within 20 miles radius of the City of Slocan is

underlain by rock formations belonging to the Milford Series, Slocan Group, Rossland Formation, Nelson Plutonic Rocks, and Valhalla Plutonic Rocks.

The oldest rocks in the area are metamorphosed Permian to Pennsylvanian rock formations belonging to the Milford Series which occur mainly west of the Slocan River. The rock units consists of quartzites, gneiss, and calc-silicates. H. W. Little mapped these rocks as Unit A (see Plate 3).

The Slocan Formation consists of a thick sequence of black argillite, slates, and black limestones of Triassic age. Within the area it consists of isolated roof pendants completely enclosed by the Nelson Intrusives.

The Rossland Formation consists of andesite and basalt flows that are quite often metamorphosed to greenstones. Within the area they comprise isolated roof pendants completely enclosed by the Nelson Intrusives.

The Nelson Intrusives consist of equi-granular to porphyritic granite that overlies most of the area. The intrusion ranges from a granite phase to a dioritic phase, the textures range from equi-granular to porphyritic, where the feldspars form large distinct phenocrysts. This rock is thought to be Cretaceous in age.

The Valhalla Plutonics consist of pegmatitic granite that intrudes usually the Nelson Plutonic Rocks. In the area they comprise small stocks, dikes, and isolated pods within the Nelson Intrusion.

6. LOCAL GEOLOGY AND MINERLIZATION

The Chapleau Creek Property is underlain by equi-granular granite of the Nelson Intrusion which grades to the north to a porphyritic granite characterized by the occurrence of large laths of feldspar phenocrysts in a coarse grained matrix. Pegmatites form parallel veins and pods within the granite which trend usually to the northwest, and probably belong to the Valhalla Plutonics.

Isolated roof pendants of Slocan Sediments are occasionally distributed within the Nelson Intrusion.

Quartz occurs as fissure vein fillings that form several series of near parallel vein systems in the granite accompanied by silicification, argillic alteration and sometimes calcification of the wall rocks. Associated with the quartz are minor amounts of pyrite, argentite, and gold. It appears that the gold occurs as free gold or in association with sulfides.

Three vein systems occur within the property; a north-west-trending vein system such as those found in the old King Jack, Joan (Duplex) (now King Jack) and Kilo claims, a north-south trending vein system such as those found in the old Hollinger Group (now Ragamac #3), and a flat-lying vein system such as those found in the Joan (Duplex) and the old Hollinger Group. On the adjacent properties surrounding the Chapleau Creek property are mineralized shear zones that trend to the northwest, such as at the Meteor and the Rose properties. East-west and northeast-trending veins were also found in the adjacent Chapleau, Legal and Rita claims.

Mapping and channel sampling were done on the quartz veins that occur in the property which are known as the Rita Vein, Goldstream Vein, the two King Jack veins, the Joan Vein, and the Duplex Vein. These are quartz-filled fissure veins bordered by alteration halos. These alteration halos consists of silicification, sericitization, argillic alteration, and propylitization. The alteration associated with the veins is readily manifested by the bleached appearance of the wall rocks. Pyrite occurs as disseminations and concentrations within the quartz veins and as disseminations in the alteration zones. Galena is disseminated in the quartz but is not ubiquitous. Chalcopyrite also occur as disseminations at the Joan Vein.

At Gold Creek, the extension of the Rita Vein was exposed by trenching. This vein trends Az.  $320^{\circ}$  and dips  $11^{\circ}$  NE. The vein consists of quartz containing seams and laths of galena and pyrite that assayed .59 oz. per ton Au, .52 oz. per ton Ag, .35% Pb, and .10% Zn over a thickness of six inches. The altered wall rocks (hanging wall) assayed .002 oz. per ton Au and .11 oz. per ton Ag (see Plate 13).

A quartz vein parallel to the upper vein could not be sampled since it was not fully exposed at the time.

The King Jack claim is adjacent to the Rita claim which has a system of quartz veins that strike almost east-west and dip to the north (see Plate 7). Pieces of quartz containing massive pyrite were found in a sloughed trench that was dug across the projection of the vein on the east bank of Gold Creek.

At the northwest part of the King Jack claim is the old King Jack Mine. A system of quartz veins has been traced for 1200 feet (see Plate 5). An adit had been driven on a quartz vein exposed on the bank of Gold Creek. At the portal two quartz veins about 30 inches thick each strike to the northwest and dip  $14^{\circ}$  and  $40^{\circ}$  to the northeast. The portal of the adit had sloughed but was rehabilitated and re-timbered in October 1985.

The underground workings were mapped and sampled by the



author and the results are plotted on Plate 11 and the assays are shown below. The assay certificate is included in the Appendix of this report.

<u>Sample No.</u>	<u>Thickness (feet)</u>	<u>Au (oz/ton)</u>	<u>Ag (oz/ton)</u>
20806*	2.0	0.532	28.00
20807	1.5	0.036	2.04
20808	1.0	0.176	7.70
20809	2.0	0.008	0.55
20810*	2.0	0.122	8.20
20811	1.0	1.20	23.60
20812	0.50	0.030	0.84
20813	1.5	0.033	1.72
20814	1.0	0.004	0.82
20815	1.0	0.057	2.83

Sample numbers 20806 and 20810 contained coarse gold. The +100 mesh component (.59% by weight) of Sample No. 20806 assayed 55.03 oz. per ton gold. The +100 mesh component (.15% by weight) of Sample No. 20810 assayed 11.36 oz. per ton gold. This is why the ore taken from the King Jack Mine responded to amalgamation treatment in a stamp mill that was operated at the King Jack Mine. The gold-bearing vein was stoped at a point where the ore assayed 1.20 oz. per ton Au, 23.6 oz. per ton Ag and the stoping terminated when the material assayed .008 oz. per ton Au and .55 oz. per ton Ag. The vein was drifted for 210 feet (64 meters) at which point the vein was cut off by a series of steeply dipping faults. The displacement along the fault is small but collectively it was sufficient to displace the vein above the back of the drift (see Plate 11)

so that the drift missed the vein on the last thirty feet of the drift.

To the west of the King Jack Mine portal are two old log cabins and the remains of a stamp mill. A sample taken from the ground-up material assayed .182 oz/ton Au, 6.56 oz/ton Ag, .13% Pb and .02% Zn (see Assay Certificate in Appendix).

At 600 feet southeast of the King Jack Mine portal along the projection of the strike of the vein, a quartz vein is exposed by trenches and a shallow inclined shaft. The quartz vein, 2 feet thick, contains disseminations and random concentrations of pyrite, arsenopyrite (?), minor galena, and argentite (?). A selected sample of the sulfide-bearing quartz assayed 1.24 oz/ton Au, 80.8 oz/ton Ag, .13% Pb, and .03% Zn (see Assay Certificate in Appendix)

One thousand feet farther to the south another quartz vein is exposed by a series of trenches and an adit that is now caved. This vein strikes to the northwest and dips to the northeast (See Plate 5). According to British Columbia Department of Mines records, the King Jack Mine produced 170 tons that yielded 29 oz of gold and 5343 oz of silver.

Between the Rita Vein and the King Jack Mine, a quartz vein was mapped for 600 feet (183 meters). This vein, referred

to in this report as the Goldstream Vein had been trenched and drifted by the original owners of the property but all the trenches are all sloughed in (see Plate 13). The drifts are fairly shallow but it was not possible to sample them properly due to the loose condition of the backs of the drifts. This vein was detected by the soil profile tests (see Plate 14) conducted recently. With the completion of the proposed geochemical survey of the area, a program of trenching and drift rehabilitation can be carried out on the Goldstream Vein.

Farther to the northwestern part of the King Jack claim are the old workings of the former Joan (Duplex) Mine. There are two drifts in the mine, in this report, the shorter and easternmost drift is referred to as the Duplex Drift and the longer and westernmost drift is referred to as the Joan Drift (see Plate 12). Old records show that 6 tons were shipped from this mine which yielded 7 oz of gold and 520 oz of silver. A sample taken from the dump material at the portal of the Joan Drift assayed 1.08 oz/ton Au and 3.32 oz/ton Ag ( see Plate 6, and the Appendix for assay certificate).

The portals of the adits were caved, but were rehabilitated, mapped, and channel sampled in October 1985 (see Plate 12).

The Duplex Drift was collared on a vein  $4\frac{1}{2}$  feet thick that

contained abundant boxworks of oxides which are remnants of sulfide horizons within the quartz veins. Due to the loose condition of the back of the drift it was not possible to sample more thoroughly the drift but one of the samples (No. 20816) contained coarse gold, the +100 mesh component (.29% by weight) assayed .29 oz per ton Au and .527 oz per ton Ag. The Duplex Vein is still strong at the end of the drift. The drift at present is too shallow to reach the unoxidized portion of the vein. Extending the drift will require adequate timbering and mucking.

The Joan Drift had been driven for 185 feet (56 meters). An upper drift 60 feet above the main drift was driven along the vein but this is now inaccessible. Gold and silver occur in the vein in association with sulfides (pyrite, galena, sphalerite, chalcopryite). Silver also occur as argentite and tetrahedrite. The samples taken from the Joan Drift are listed below:

<u>Sample No.</u>	<u>Thickness (feet)</u>	<u>Au (oz/ton)</u>	<u>Ag (oz/ton)</u>
20818	1.0	0.017	0.99
20819	1.5	0.009	2.77
20820	2.0	0.050	4.99
20821	1.16	0.063	8.10
20822	3.0	0.088	8.4
20823	3.0	0.271	25.0

As can be seen from the assay results, the vein gets pro-

gressively thicker and assayed better towards the north. The vein is still very strong at the end of the drift and it is not known why the drift was terminated here. The ore stockpiled at the portal is the same material found at the end of the drift. A sample previously taken from the stockpile assayed 1.08 oz per ton Au and 3.32 oz per ton Ag (see Plate 12).

The Joan Vein was trenched on surface for a distance of 100 feet (30 meters). Further trenching beyond this point by the original owners did not locate the vein since these trenches were dug too far north of the projection of the vein (see Plate 12 and Plate 13).

Adjacent to the King Jack claim and the J CRK #2 claim on the north are the Cultus and Meteor claims which produced 2910 tons of ore that yielded 422 oz of gold and 151,279 oz of silver. According to the British Columbia Ministry of Mines records, quartz-filled fissure veins in porphyritic granite strike N 75° W and dip 35° N. Galena, sphalerite, tetrahedrite and native silver occur in the quartz veins. Pyrite and chalcopryite also occur which has associated gold. Scheelite is said to have been found also.

At the old Hollinger Group, which is now part of Ragamac #3 and Ragamac #4, considerable trenching, drifting and stripping

were done prior to 1938 on several quartz veins in granite. According to the British Columbia Ministry of Mines report (1938), a sample taken from a quartz vein whose original pyrite had been leached out assayed 1.06 oz/ton Au and 21.3 oz/ton Ag while a sample taken from another honeycombed (vuggy) quartz vein assayed .092 oz/ton Au and 11.3 oz/ton Ag. This part of the property was not examined during the property investigation.

Adjoining Ragamac #3 are the Kilo, Rita, and Rose mines. At the Kilo Property, the coarse grained porphyritic Nelson Granite is cut by dikes of pegmatite and quartz veins. The veins strike N 25° - 45° W and dip 35° NE, are eight to sixty centimeters (3" - 24") thick and contain disseminations and concentrations of pyrite, galena and sphalerite. A selected sample taken during the property investigation from an ore stockpile below the No. 1 adit assayed 1.02 oz/ton Au, 2.15 oz/ton Ag, 1.9% Zn (see Appendix for assay certificate). According to the Minister of Mines records, the Kilo Property produced 2,330 tons of ore that yielded 952 oz of gold, 870 oz of silver, 105 pounds of lead and 46 pounds of zinc.

The Hope No. 2 (Peidmont) crown-grant which adjoins the Ragamac #1 claim has a different geology than the rest of the area. In this property the porphyritic granite (Nelson) encloses a large pendant of black argillaceous quartzite and minor

limestone probably belonging to the Slocan Formation. The roof pendant is cut by a granitic rock and pegmatite and skarn is developed. Galena and sphalerite occur as bands and disseminations in the meta-sediments. According to the British Columbia Ministry of Mines records, 520 tons of ore yielded 2,297 oz of silver, 52,955 pounds of lead and 156,546 pounds of zinc.

In the area between Lemon Creek to the south and Enterprise Creek to the north, twenty mining properties that have similar or identical geology produced 67,293 tons of ore that yielded 2,634 ounces of gold, 4,138,002 ounces of silver, 6,545,826 pounds of lead and 2,845,673 pounds of zinc which at 1984 metal prices would have had a gross value of over \$41 million. A list of these past producers are found on Table 1 (see Appendix and Plate 10). The host rocks of these deposits is the granite of the Nelson Intrusions. A stratigraphic correlation of a representative number of these deposits are shown on Plate 4.

Exposed on a newly constructed road on the For Sure and L Jack claims is a large alteration zone in granite. The alteration consists of argillic alterations of the feldspars of the granite, the formation of travertine along fractures, chloritization, and pyritization in a fairly large area. These alterations resulted in a dull brown to light green rock which

is rusty along fractures due to the oxidation of the pyrite disseminations. There is some quartz veining in the altered zone. This type of alteration is associated with precious metal mineralization such as those found at the Myrtle Mine and the RKY-DKY property at Springer Creek. This type of alteration forms a peripheral zone adjacent to the gold-bearing quartz orebody.

7. GEOCHEMICAL PROFILE TESTS

A line passing across three gold-bearing veins including the King Jack Vein was soil sampled (see Plate 13) to provide a geochemical soil profile to be used as a basis for interpreting the geochemical data in the proposed soil survey of the property.

The soil samples were taken at an interval of 100 feet (30.5 meters) and both the humus (A-Horizon) and the B-Horizon soils were sampled. The A-Horizon soils were analyzed for gold and the B-Horizon soils were analyzed for gold, silver, lead, zinc, and arsenic. The gold was analyzed using the Fire Assay-Atomic Absorption method, the silver, lead, and zinc were analyzed using Hot Acid Extraction and Atomic Absorption technique. The arsenic was analyzed using the Nitric-Hydrochloric Digestion and Colorimetry method. The geochemical results are



plotted on Plate 14 and the analyses are included in the Appendix of this report.

The soil profile for the gold in the A-Horizon showed the King Jack Vein (1) only with a magnitude of 45 ppb Au in a background of less than 5 ppb Au.

The soil profile for the gold in the B-Horizon soil reflected the three gold-bearing veins; the Goldstream Vein, the King Jack Vein(1), and the King Jack Vein (2) with 15 ppb Au as anomalous while less than 3 ppb Au is background.

The soil profile for silver, lead, and zinc in the B-Horizon more or less reflected the three veins with 3.2 ppm Ag, 30.6 ppm Pb, and 153.2 ppm Zn as being anomalous and .9 ppm Ag, 22 ppm Pb, and 118 ppm Zn as background. The silver profile did not pick up the King Jack Vein (2). The zinc soil profile in the B-Horizon did pick up the tree veins but the dispersal is comparatively wider while the arsenic did not reflect the veins at all. The geochemical profiles are shown on Plate 14.

The profiling tests showed that it is sufficient to sample the B-Horizon soils only and to analyze these samples for Au, Ag, Pb, and Zn to be able to detect the gold-silver-bearing veins that occur in the property.

8. RECOMMENDATIONS

The Chapleau Creek Property has several known fissure vein systems that contain gold and silver mineralization. In addition, the property is adjacent to several gold and silver mining properties that have similar geology. To evaluate the precious metal potential of the property, a multi-phase exploration program is being recommended which consists of the rehabilitation of mine portals and access roads, geologic mapping and sampling, soil sampling, trenching, diamond drilling, and reclamation.

Phase 1 involves the rehabilitation of the old portals and trenches and the repair of the access roads to allow underground mapping and sampling of the vein underground. Geochemical test profiles over the known mineralization was recommended to determine the best parameters for the geochemical survey. This phase has essentially been completed in 1985 as described in this report.

In view of the favorable and encouraging results of the Phase 1 work recently completed on the property, the Phase 2 and Phase 3 exploration work should be carried out on the property.

Phase 2 involves geochemical soil sampling of the B-Horizon on a grid as shown on Plate 9. The soil samples should be

analyzed for Au, Ag, Pb, and Zn. Prospecting, mapping, and sampling of the remainder of the property outside of the King Jack claim should be included in this work phase. The geochemical soil sampling and geologic mapping consists of a detailed grid using cut lines and a reconnaissance-type grid using contour lines at 500 feet elevation intervals as shown on Plate 9.

Phase 3 involves follow-up geochemical surveys on geochemical anomalies generated by the Phase 2 program followed by diamond drilling if warranted. Included in Phase 3 is a program of diamond drilling of the Rita, King Jack, Joan, and Duplex Veins which need not be contingent to the results of Phase 2 work since the mapping and sampling of these veins generated legitimate drill targets. The proposed drill holes are shown on Plate 12.

9. ESTIMATE OF COST

The following cost estimates reflect local costs in the Slocan area of British Columbia. Mobilization and demobilization costs and accommodation costs will not be required if local labor and expertise will be used in the exploration program. These costs are therefore not included in the following cost

estimates.

Although Phase 1 is essentially completed, the cost estimate of this phase is included in this report since the information obtained by Phase 1 was used to estimate the next work phases.

Phase 1

Property Acquisition

Staking costs \$ 4,750.00  
Ground survey 1,000.00

Access Roads

Construction  
3000 meters, bulldozing, rock work 10,000.00

Road Repairs  
Bulldozing, brush clearing, culverts,  
drainage, maintenance 8,900.00

Preliminary Property Work

Trenching \$ 2,000.00  
Prospecting 2,500.00  
Heavy mineral testing 1,500.00  
\$ 6,000.00 6,000.00

Geological Consultant

3,900.00

Snow Removal and winter maintenance

10,000.00

Rehabilitation of Mine Portals

Front-end loader \$ 4,950.00  
Timber and Materials 1,400.00  
Labor and Truck Rental 3,200.00  
\$10,000.00 10,000.00

Underground Mapping and Sampling

Geologist (10 days @ \$210) \$ 2,100.00  
Support Costs (Helper and  
assays) 1,400.00  
\$ 3,500.00 3,500.00

Geochemical Test Profiles

Line cutting & sampling \$ 900.00  
Assays, freight, etc. 700.00  
Truck rental, fuel 240.00  
Geologist (4 days @ \$210) 840.00  
Drafting, printing, etc. 400.00  
\$ 3,080.00 3,080.00

Sub-total

\$ 61,130.00

Add 10% contingency

6,113.00

\$ 67,243.00

Allow

\$ 68,000.00

The continuation of the exploration of the Chapleau Creek Property to the next phases (Phase 2 and Phase 3) is justifiable considering the favorable results of the Phase 1 work. The cost of the Phase 2 and Phase 3 programs is essentially the same as that estimated in a previous report by this author (dated August 7, 1985).

Phase 2

Geochemical Soil Survey

Line cutting		
Base line (4.5 km @ \$200)	\$ 900.00	
Lines (72.5 km @ \$150)	10,875.00	
Sampler (105 @ \$150)	15,750.00	
Analysis (838 @ \$9.10)	7,625.00	
Supplies & Freight	500.00	
Truck Rental (includes fuel)		
(72 truck days @ \$50)	3,600.00	
	<u>\$39,250.00</u>	\$39,250.00

Geologic Mapping

Geologist (20 days @ \$210)	\$ 4,200.00	
Truck Rental & Support	900.00	
	<u>\$ 5,100.00</u>	\$ 5,100.00

Supervision

(10% of Geochemical Survey and Geologic Mapping)		\$ 4,435.00
---	--	-------------

Consulting Fees

(Data interpretations, drafting, report preparation, typing, printing, secretarial)		<u>\$10,000.00</u>
---	--	--------------------

    Sub-total \$58,785.00

    Add 10% contingency \$ 5,878.00

\$64,663.00

Allow \$65,000.00

Contingent on the favorable outcome of the Phase 2 program, a follow-up program, Phase 3 is recommended on the targets generated by the Phase 2 program. Phase 3 program will consist of follow-up soil sampling, trenching, and diamond drilling. Reclamation work will be required after trenching. Included in this work phase will be the diamond drilling of targets already generated by the Phase 1 work on the Rita, King Jack, Joan and Duplex veins.

Phase 3

Follow-up Geochem	\$ 9,000.00
Trenching	5,000.00
Diamond Drilling (2500 feet @ \$18)	45,000.00
Technical Support	4,000.00
Reclamation	<u>5,000.00</u>
Sub-total	\$68,000.00
Plus 10% contingency	<u>6,800.00</u>
	<u>\$74,800.00</u>
Allow	\$75,000.00

  
P. J. Santos, P. Eng.  
Consulting Geologist

10. BIBLIOGRAPHY

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-----  
1985

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Siems, P.L., Bush,  
J.H., Bonichsen, W.

Hydrothermal alteration for mineral  
exploration workshop; University of  
Idaho, 493 pp

11. CERTIFICATE OF QUALIFICATIONS

I, Perfecto J. Santos, of 626 - 9th Avenue, of the City of Castlegar, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geological Engineer with the firm of Anginel Resources Ltd. whose offices are located at 626 - 9th Avenue, Castlegar, British Columbia, Canada,

That I am a registered Professional Engineer in the Province of British Columbia, Canada,

That I am a graduate of the College of Engineering, University of the Philippines with the degree of Bachelor of Science in Mining Engineering (Geology Option),

That I have been practicing my profession continuously for the past twenty four years,

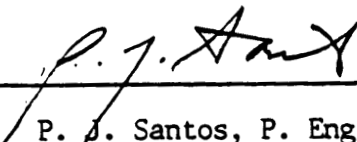
That I have prepared this report based on personal work on the Chapleau Creek Property owned by King Jack Resources Ltd. of Burnaby, British Columbia, Canada, as described in this report,

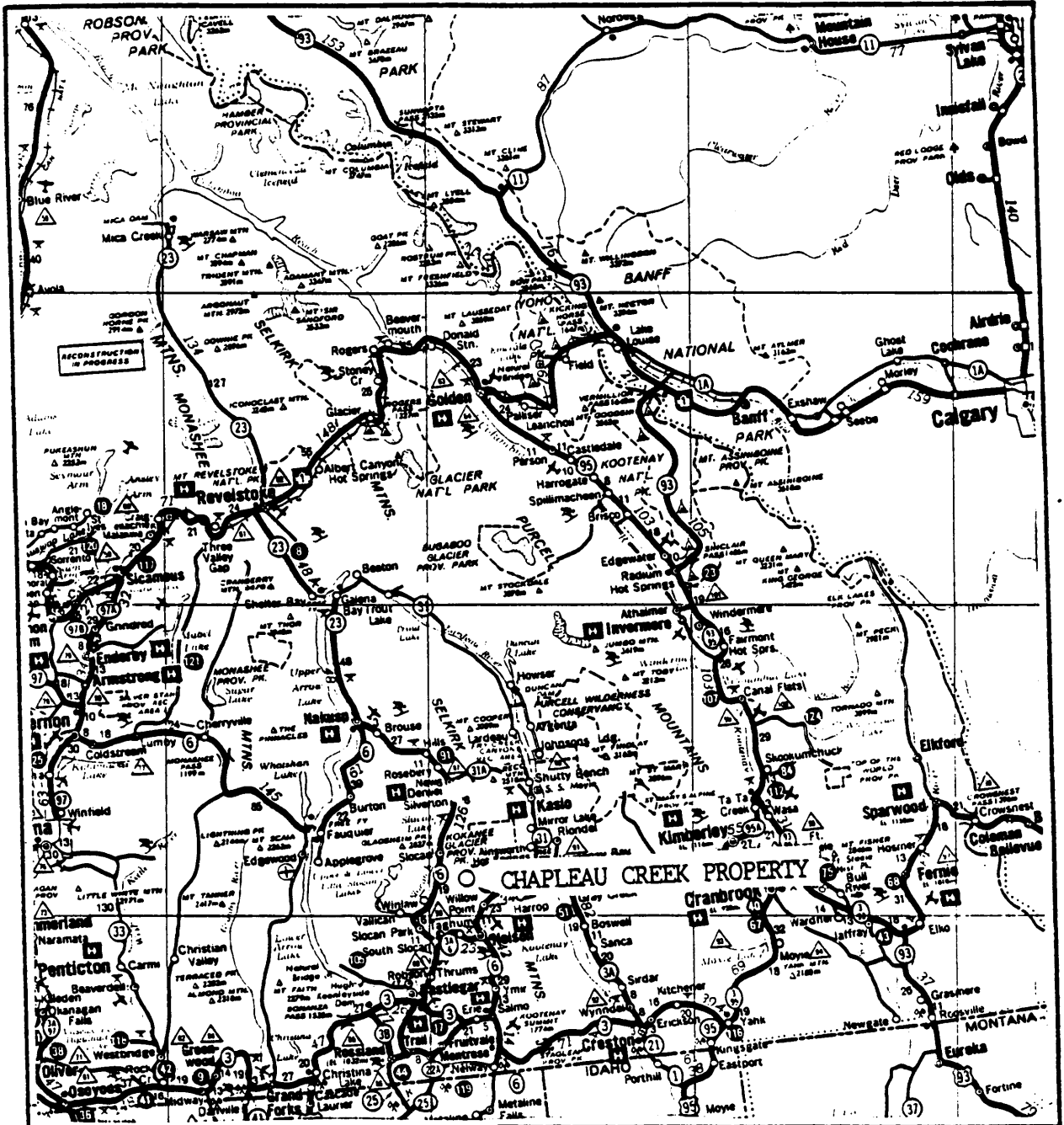
That in addition, pertinent available literature and maps were studied prior to the preparation of this report,

That I have not received directly or indirectly nor do I expect to receive any interest direct or indirect in the property and/or shares of King Jack Resources Ltd,

I hereby authorize King Jack Resources Ltd. to use this report or summary thereof for the purpose of filing prospectus and statement of material facts to fulfill the requirements of Stock Exchanges and Securities Commissions.

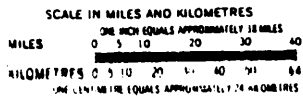
DATED at Castlegar, British Columbia, Canada this 12th day of May, A.D. 1986.

  
\_\_\_\_\_  
P. J. Santos, P. Eng.



**LEGEND and SYMBOLS**

○ Chapleau Creek Property



**P. J. (PEC) SANTOS P. ENG.**  
*Consulting Geologist*

Project Title

INDEX MAP

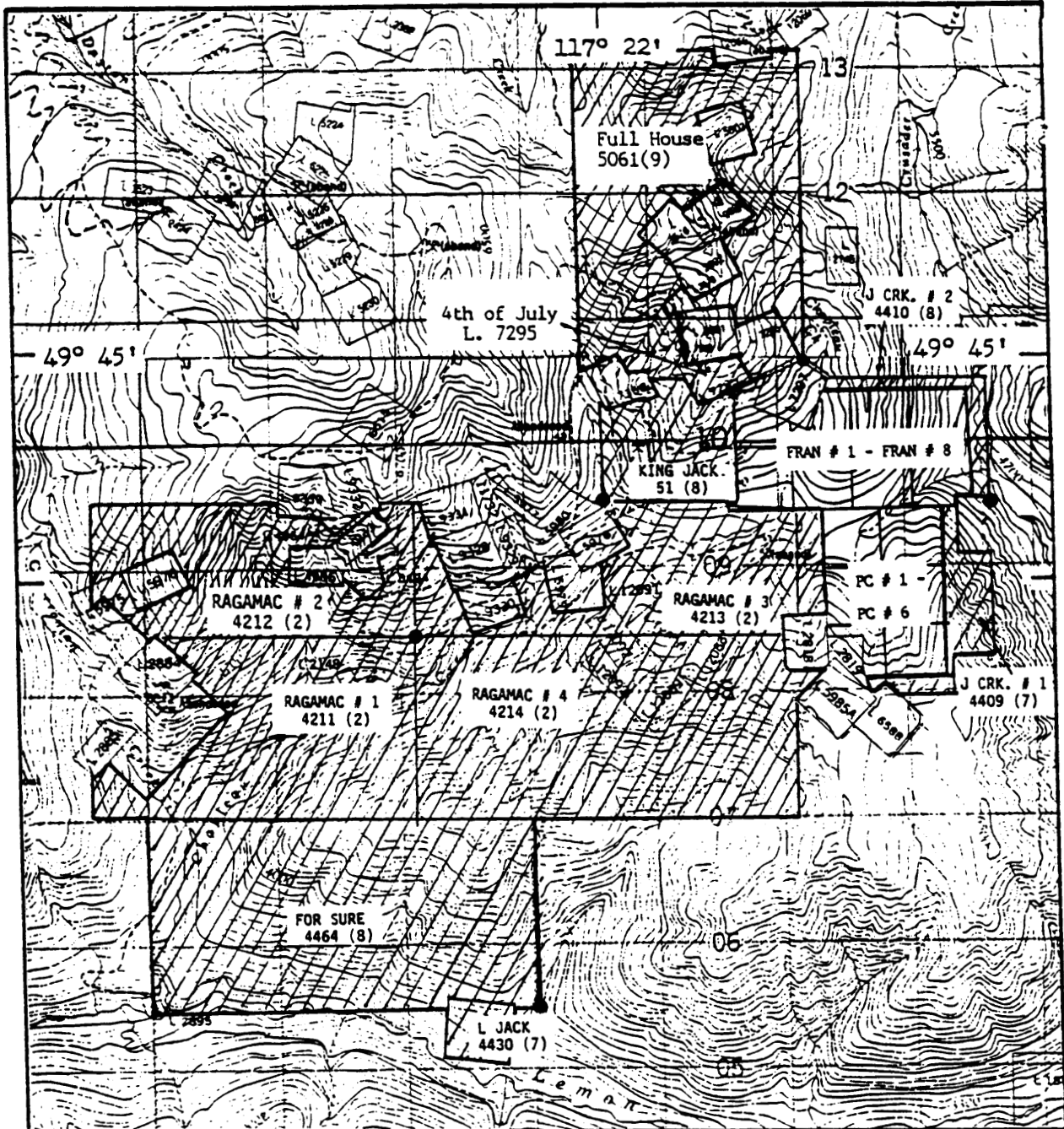
CHAPLEAU CREEK PROPERTY  
Slocan Mining Division  
CANADA

DATE

SCALE

DRAWN BY  
P. J. SANTOS

AS SHOWN  
PLATE NO.  
1



**LEGEND and SYMBOLS**



Chapleau Creek Property

**P. J. (PEC) SANTOS P. ENG.**  
*Consulting Geologist*

Project Title

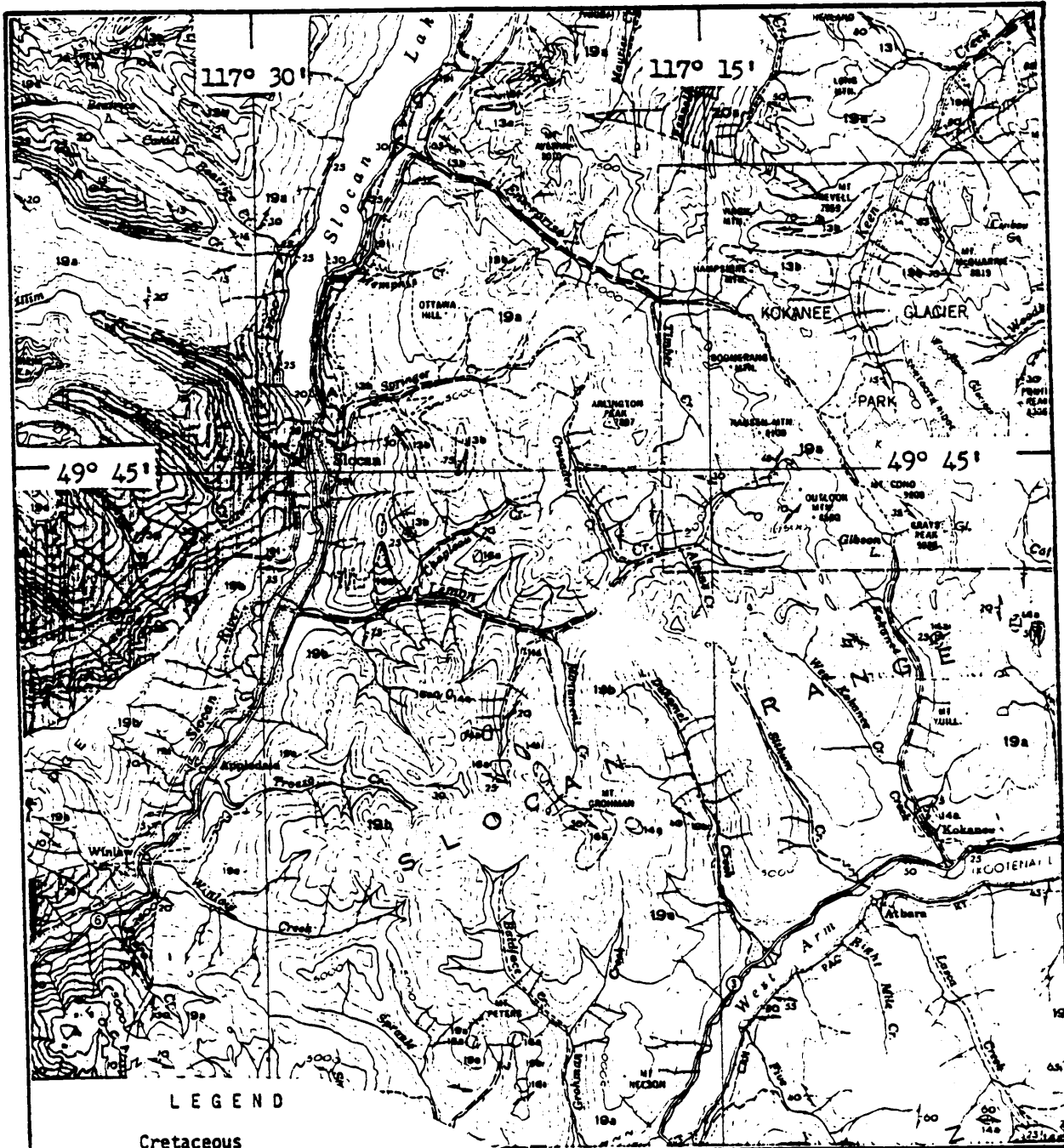
CHAPLEAU CREEK PROPERTY  
KING JACK RESOURCES LTD.

DATE - August 1985

SCALE - 1: 50 000

DRAWN BY - P. J. SANTOS

PLATE NO. 2



LEGEND

- Cretaceous**
- [20] VALHALLA PLUTONIC ROCKS
- [19] NELSON PLUTONIC ROCKS
- Jurassic**
- [16] ROSSLAND FORMATION
- Triassic**
- [13] SLOCAN FORMATION
- Permian and Pennsylvanian**
- [A] MILFORD SERIES



Geology by H.W. Little, GSC Memoir 308  
Map 1090A

**P. J. (PEC) SANTOS P. ENG.**  
*Consulting Geologist*

Project Title

GEOLOGIC MAP  
LEMON CREEK AREA  
Slocan Mining Division  
B.C., Canada

DATE · Oct. 1984

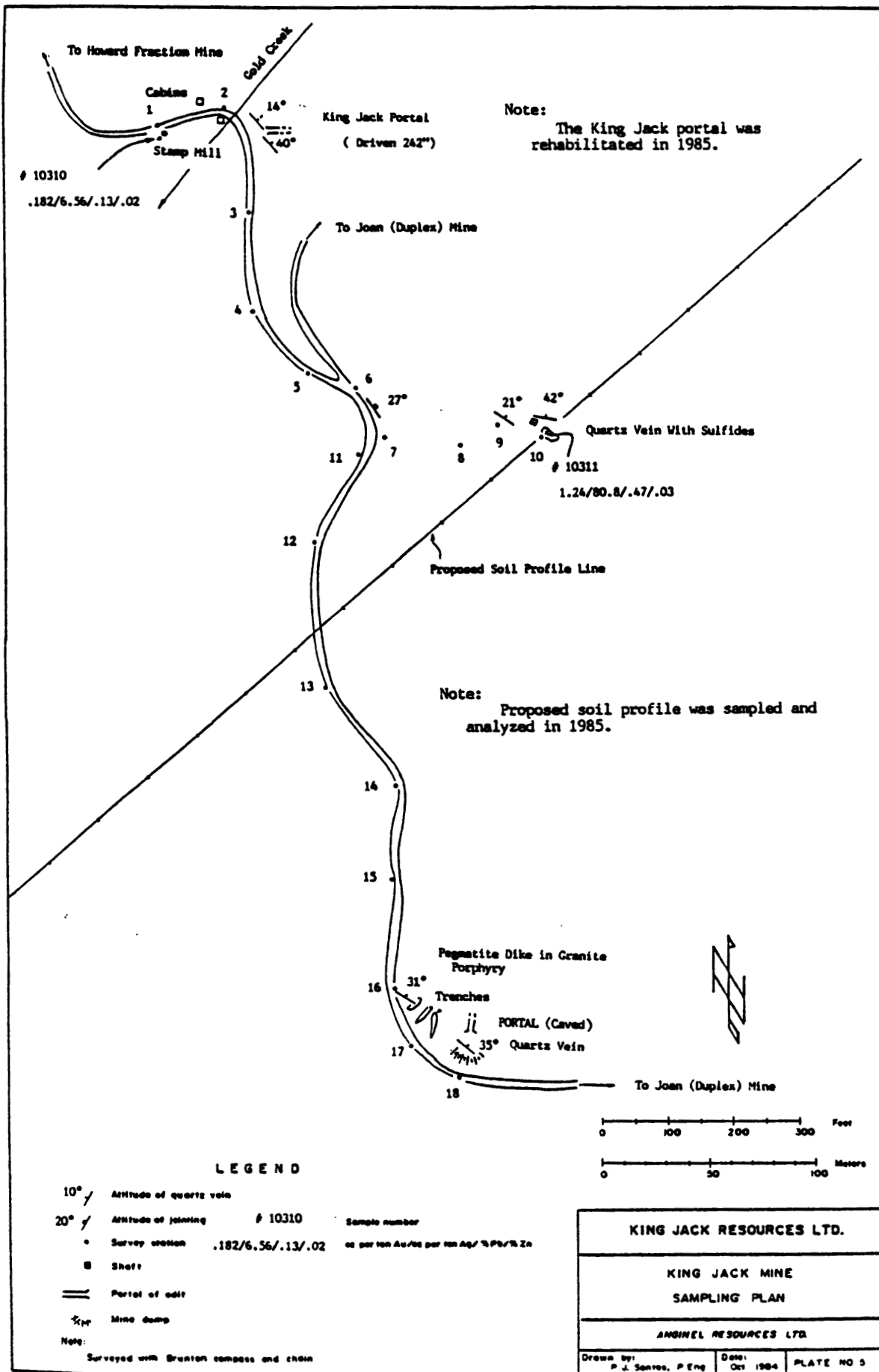
SCALE · 1 in = 4 Mi

DRAWN BY ·

PLATE NO. 3

ERA, PERIOD, EPOCH		NELSON (WEST HALF) H.W. LITTLE			NELSON (EAST HALF) RICE, 1944	ROVER-ERIE CREEKS AREA	GOLD DEPOSITS (EXAMPLES)	
		WEST PART	SOUTHEAST PART	NORTHEAST PART	WEST PART			
TERTIARY	PLIOCENE		?					
	MIOCENE		CONGLOMERATE ?					
	OLIGOCENE							
	EOCENE							
	PALEOCENE							
MESOZOIC	UPPER CRETACEOUS	SOPHE MOUNTAIN FORMATION ?						
	LOWER CRETACEOUS					NELSON INTRUSIVES	CHAPLEAU CREEK AREA OTTAWA MINE ENTERPRISE GRANITE-POORMAN ARLINGTON ROZAN	
	UPPER JURASSIC		?			ROSSLAND GROUP	PATTI (Norcross Res.) CONNOR (Waybe Res.) ROZAN (Patrick Res.) ROOT (Noramex Min.) HUNGARY MAN (Waybe) YAMR MINE KEYSTONE (Delaware) SILVER DOLLAR ARLINGTON (Erie Gold) CLUBINE CUMSTOCK T.L. LICUM AREA SECOND RELIEF MAY & JENNE PERRIER ROSSLAND GOLD- CAMP BEE (Silver Dart Min.) Bulldog (Silver Dart Min.)	
	MIDDLE JURASSIC		HALL FORMATION					
	LOWER JURASSIC	ROSSLAND FM ?	ROSSLAND FM ?	(ROSSLAND FORMATION TO NORTHWEST) ?				
	TRIASSIC		SINEMURIAN BEDS ?	YMR GROUP ?	SLOCAN GROUP ?			SLOCAN GROUP ?
					KASLO GROUP ?			KASLO GROUP ?
	PALÆOZOIC	PERMIAN	?				HALL-YMIR FORMATION (UNIT B)  ROSSLAND FORMATION (ELISE- BEAVER MOUNTAIN FORMATION)  ?	
		PENNSYLVANIAN	MOUNT ROBERTS FORMATION ?			MILFORD GROUP		
		MISSISSIPPIAN						
DEVONIAN								

PLATE 4 Correlation of formations and gold-silver deposits in the Slocan-Nelson-Erie Creek areas.  
(Modified from H.W. Little's GSC Memoir 308)



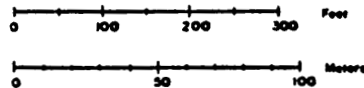
Note:  
The King Jack portal was rehabilitated in 1985.

Note:  
Proposed soil profile was sampled and analyzed in 1985.

**LEGEND**

- 10° / Altitude of quartz vein
- 20° / Altitude of junction # 10310
- Survey station .182/6.56/.13/.02
- Shaft
- ▬ Portal of adit
- ⊗ Mine dump

Note:  
Surveyed with Brunton compass and chain

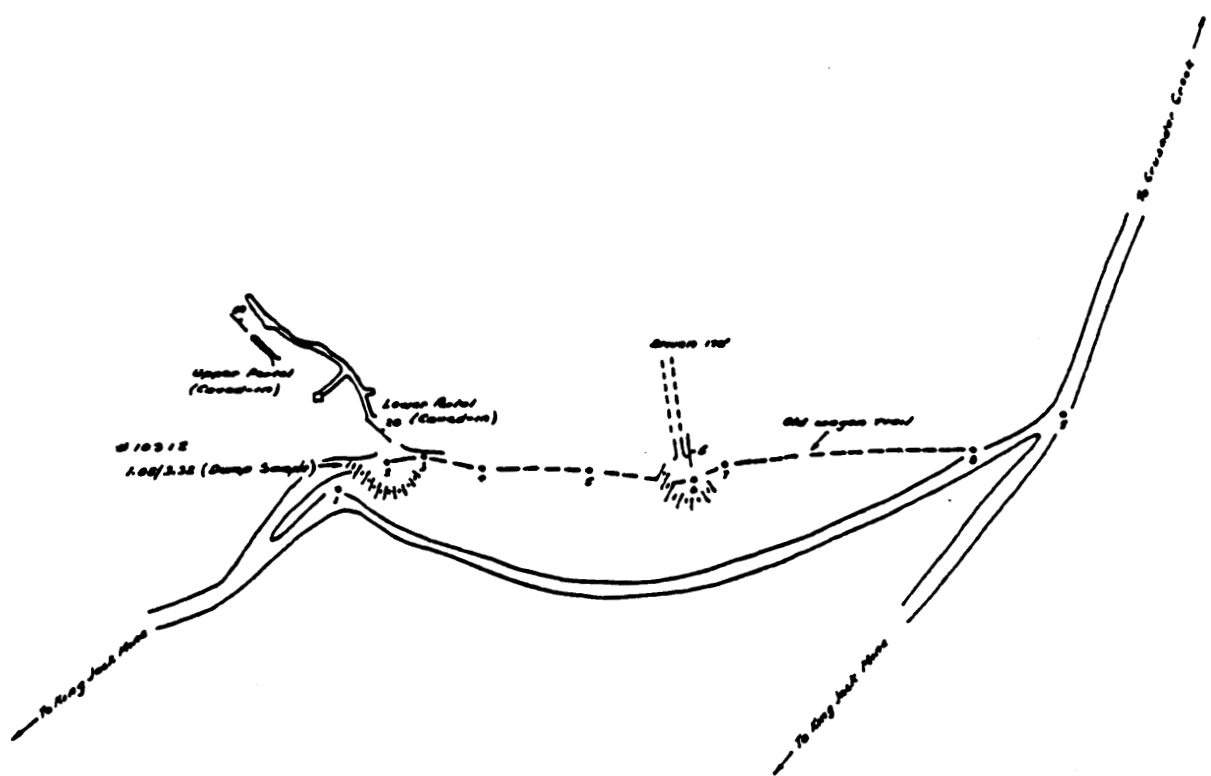


**KING JACK RESOURCES LTD.**

**KING JACK MINE  
SAMPLING PLAN**

**ANGIMEL RESOURCES LTD.**

Drawn by: P. J. Santos, P. Eng. Date: Oct 1984 PLATE NO 5



LEGEND

- Altitude of quartz vein
- Survey station #10312 Sample number
- Partial of edit 100/132 oz per ton Au/oz per ton Ag
- Ore/mine dump
- Rese

Note:  
Surveyed with Brunton compass and chain.

0 100 200 300 Feet

0 50 100 Meters

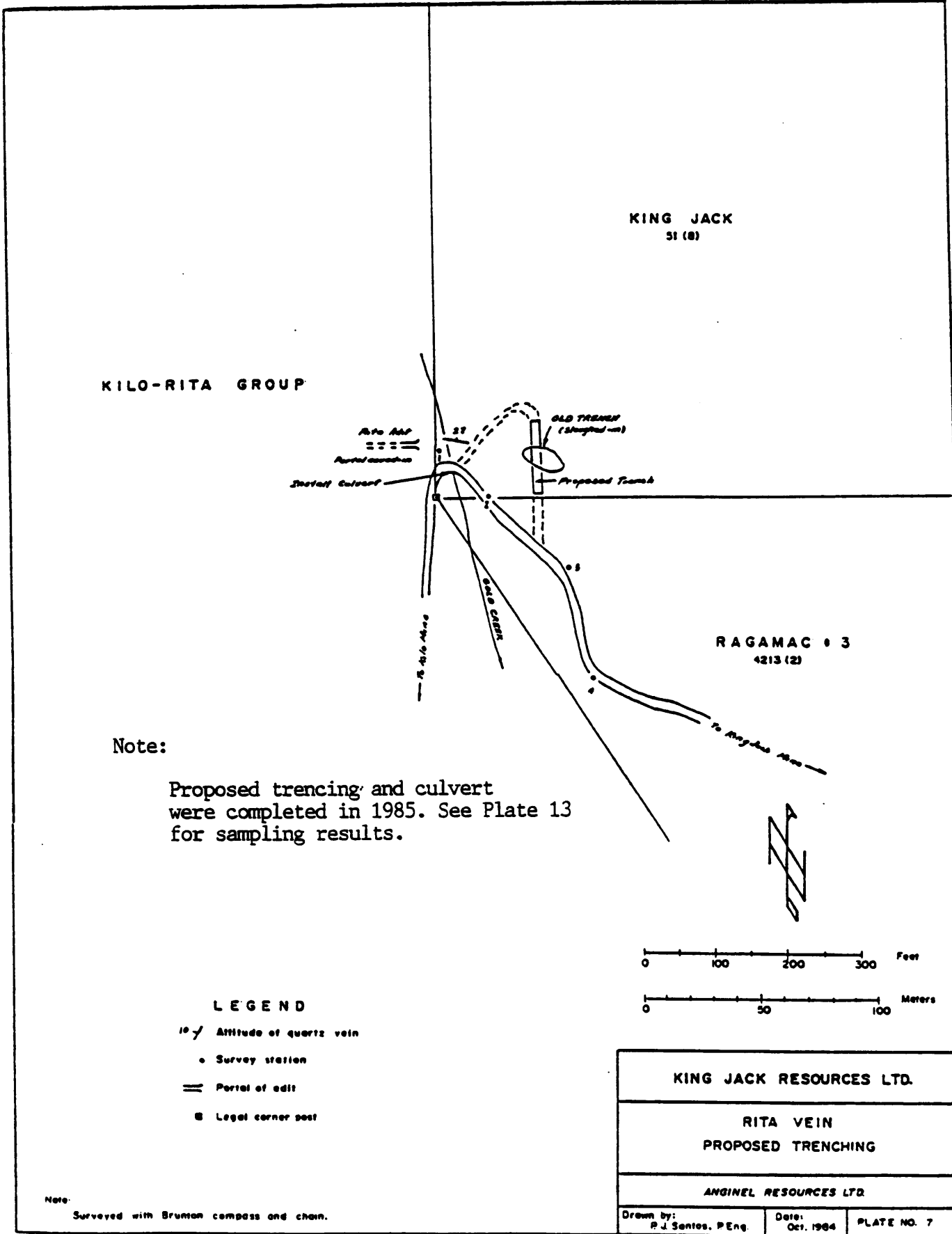
KING JACK RESOURCES LTD.

JOAN (DUPLIX) MINE  
SAMPLING PLAN

ANGINEL RESOURCES LTD

Drawn by P. J. Santos, P. Eng	Date Oct 1984	PLATE NO 6
----------------------------------	------------------	------------





Note:

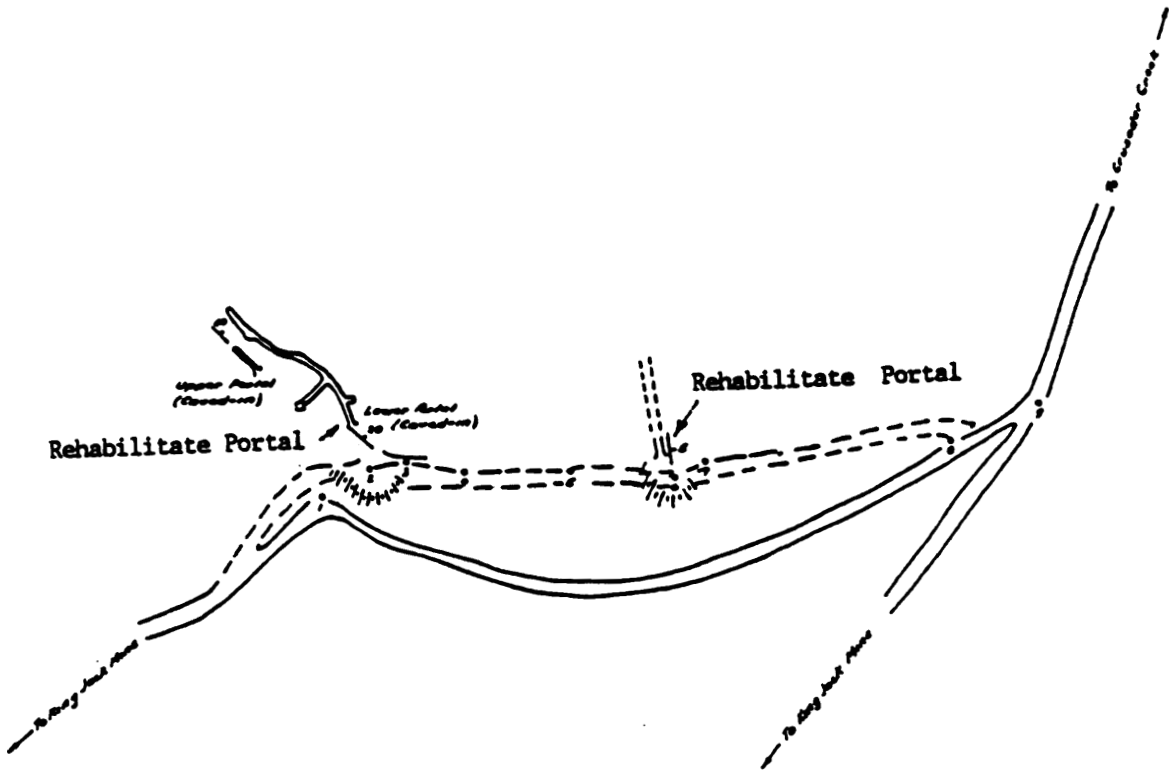
Proposed trenching and culvert were completed in 1985. See Plate 13 for sampling results.

LEGEND

- $10^\circ /$  Attitude of quartz vein
- o Survey station
- ≡ Portal of edit
- Legal corner post

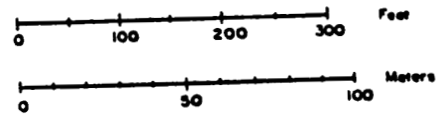
Note: Surveyed with Brunton compass and chain.

<b>KING JACK RESOURCES LTD.</b>		
<b>RITA VEIN PROPOSED TRENCHING</b>		
<b>ANGINEL RESOURCES LTD.</b>		
Drawn by: P.J. Santos, P.Eng.	Date: Oct. 1984	PLATE NO. 7



Note:

Proposed road repair and rehabilitation of adit portals were completed in 1985.

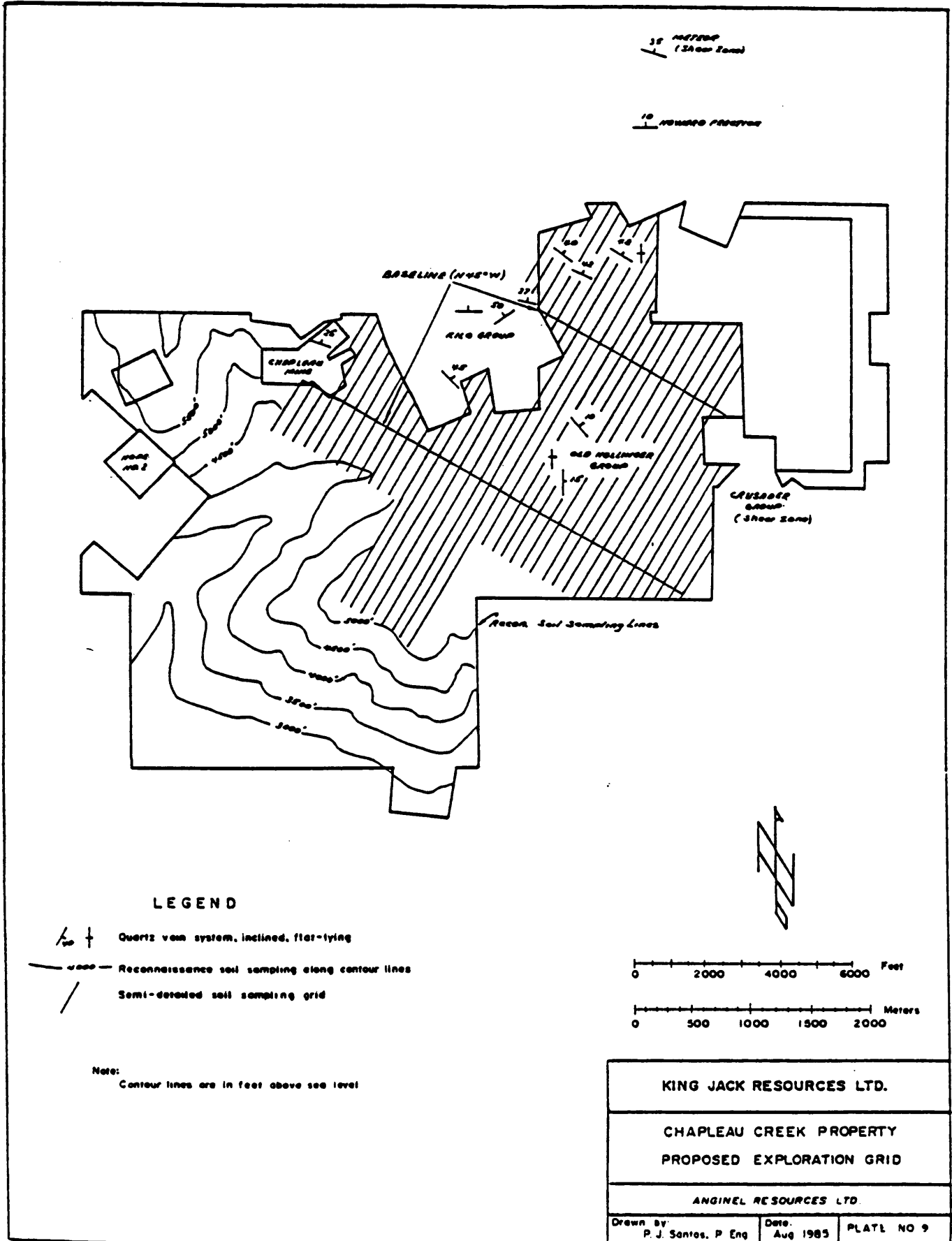


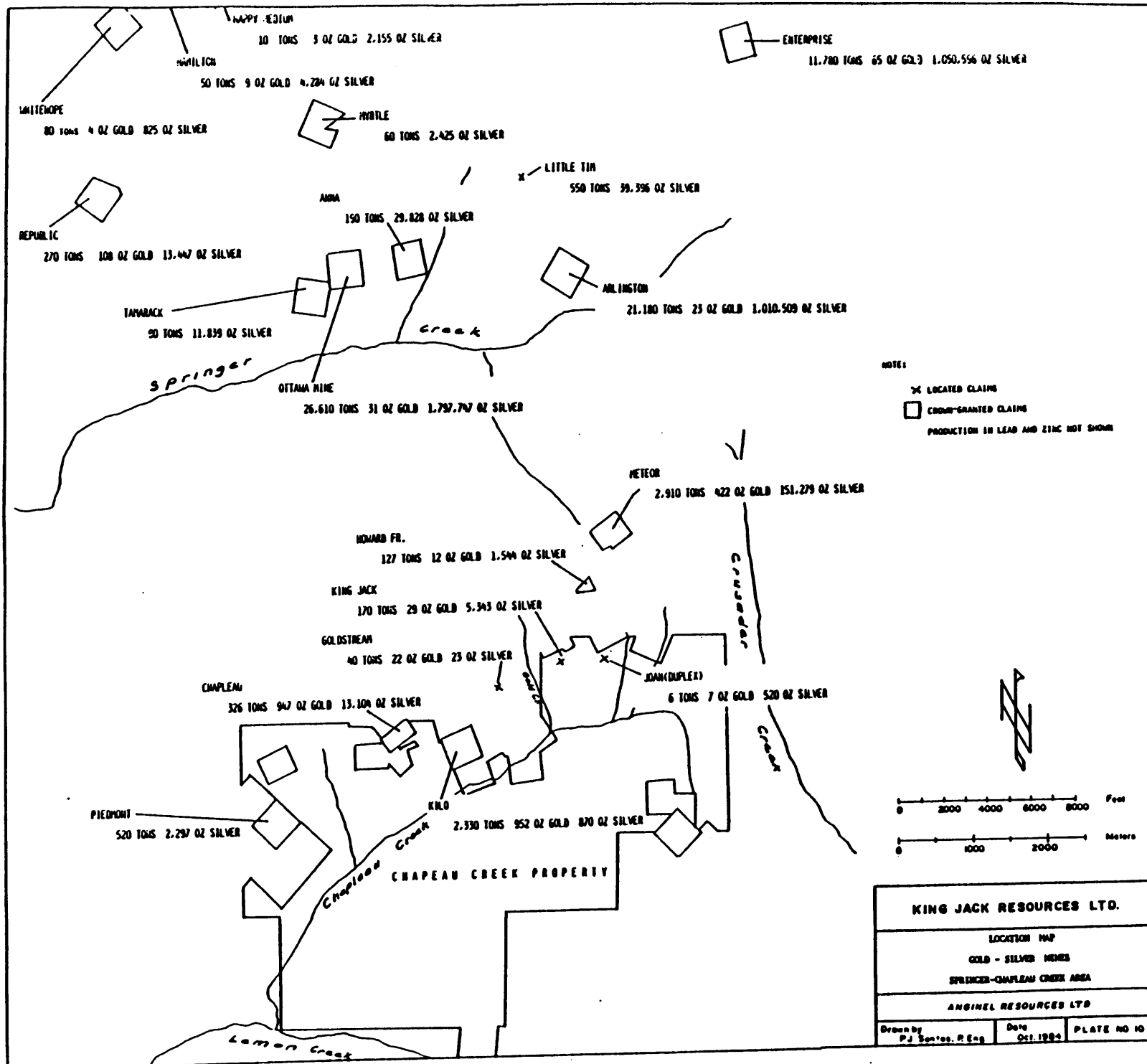
LEGEND

- Altitude of quartz vein
- Survey station
- Portal of adit
- Ore/mine dump
- Raise
- PROPOSED ROAD REPAIR

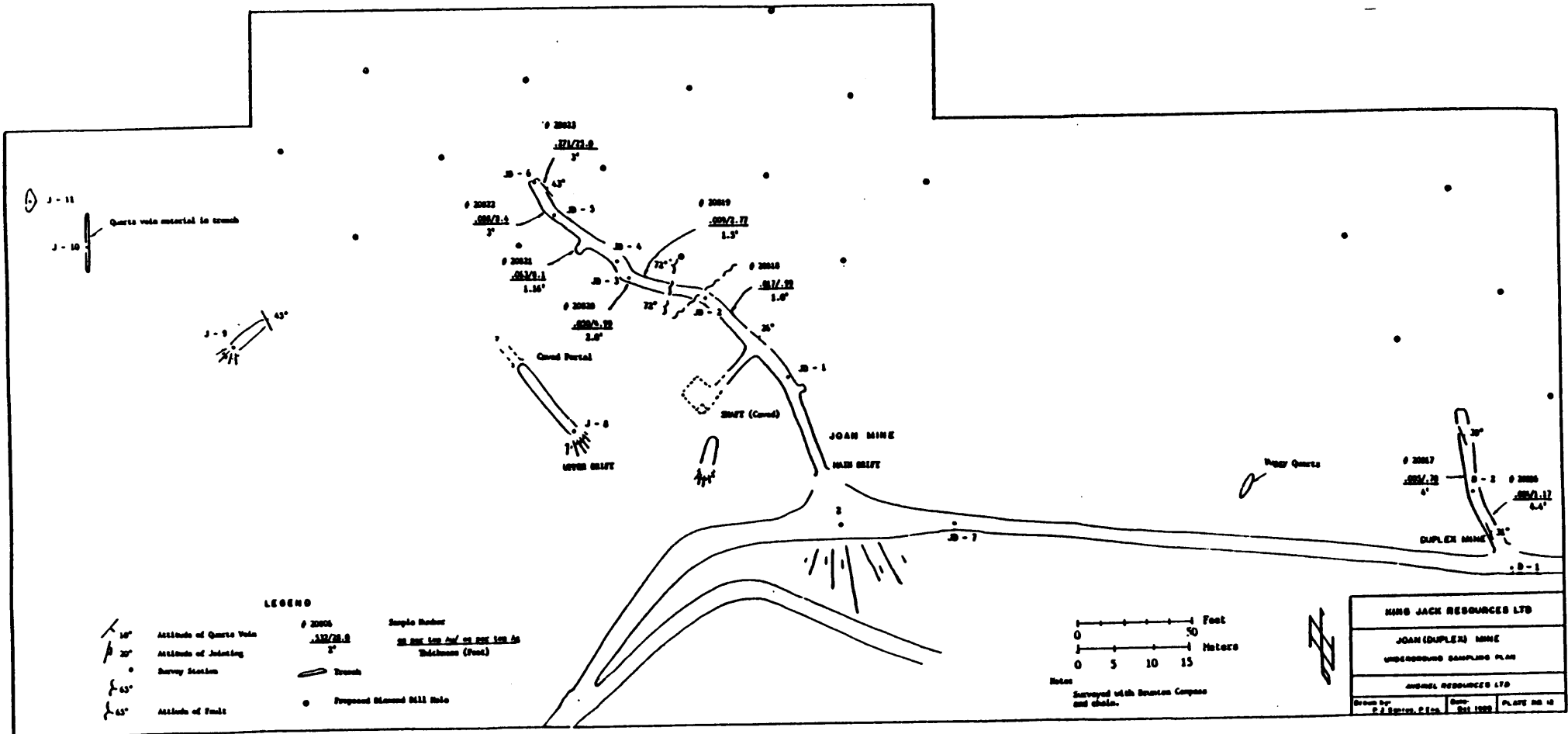
Note: Surveyed with Brunton compass and chain.

KING JACK RESOURCES LTD.		
JOAN (DUPLIX) MINE PROPOSED REHABILITATION		
ANGINEL RESOURCES LTD.		
Drawn by: P. J. Santos, P. Eng	Date: Oct. 1984	PLATE NO. 8



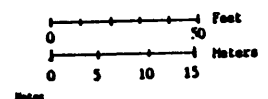






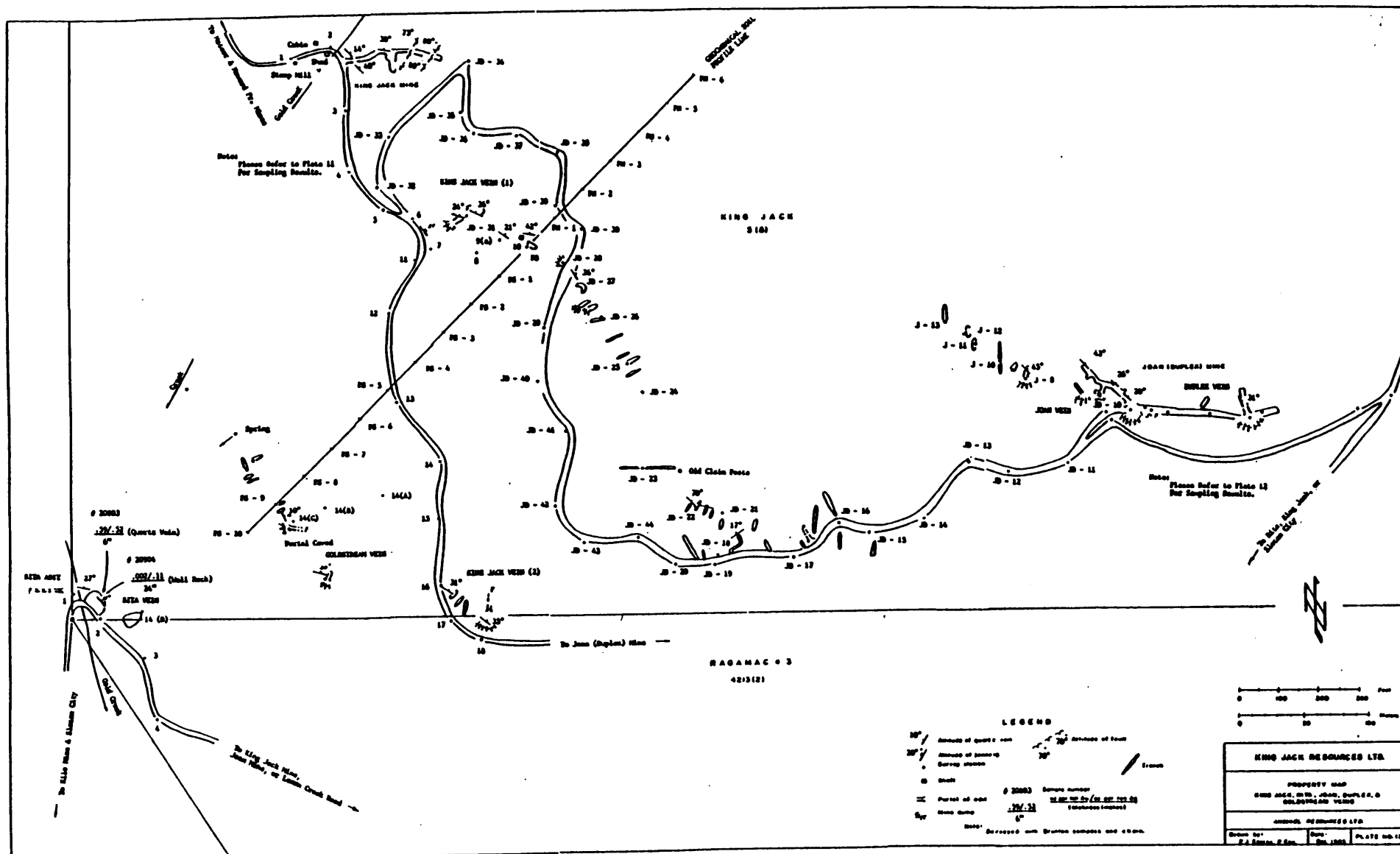
LEGEND

- 10° Attitude of Quartz Vein
- 20° Attitude of Jointing
- Survey Station
- 45° Attitude of Fault
- Sample Number
- Cracks
- Proposed Blasted Drill Hole
- THICKNESS (Feet)



Notes  
Surveyed with Brunton Compass and chain.

MINE JACK RESOURCES LTD		
JOAN (DUPLEX) MINE		
UNDERGROUND SAMPLING PLAN		
MINE JACK RESOURCES LTD		
Drawn by:	Date:	Plate No. 42
C. J. Spruce, P. Eng.	Oct 1999	



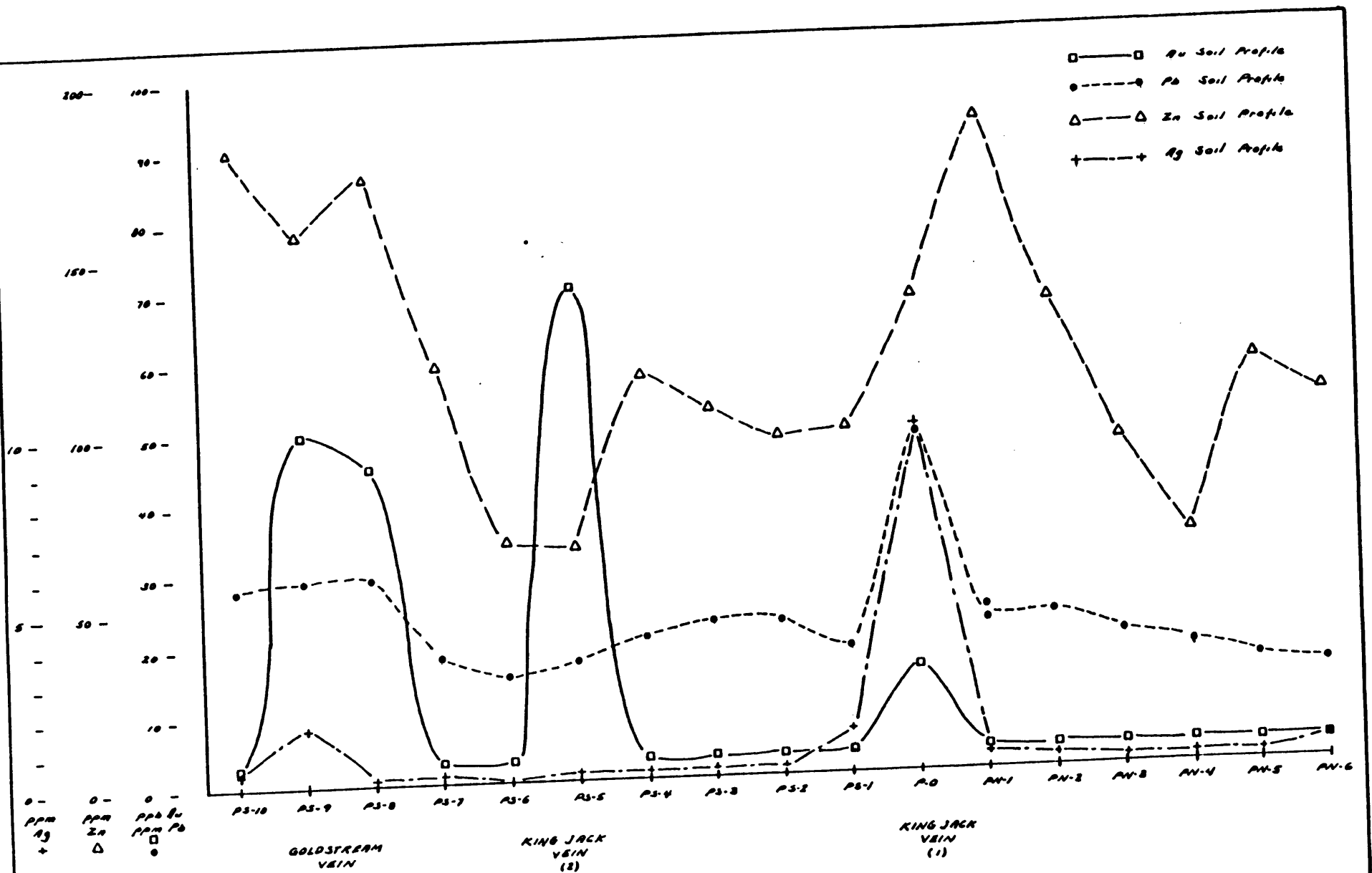


PLATE 14: Geochemical B-horizon soil profile, Chapleau Creek Property.

A.J. Santos, A.Eng.  
1985





Member  
Canadian Testing  
Association

# KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

912-1 LAVAL CRESCENT — KAMLOOPS, B.C.  
V2C 5P5

PHONE (604) 372-2784 — TELEX 048-8320

## CERTIFICATE OF ASSAY

B.C. LICENSED ASSAYERS  
GEOCHEMICAL ANALYSTS  
METALLURGISTS

TO Mr. P. J. Santos

626 9th Ave.,

Castlegar, B.C. V1N 1H4

Certificate No. K 6593

Date September 12, 1984.

I hereby certify that the following are the results of assays made by us upon the herein described \_\_\_\_\_ samples

Kral No	Marked	Au	Ag	Pb	Zn					
		ozs/ton	ozs/ton	percent	percent					
1	10309	1.02	2.15	1.90	.94					
2	10310	.182	6.56	.13	.02					
3	10311	1.24	86.8	.47	.03					
4	10312	1.08	3.32	-	-					

NOTE  
Rejects retained three weeks  
Pulps retained three months  
unless otherwise arranged

*R. A. B. / 10/13*

Registered Assayer, Province of British Columbia



# KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.

V2C 5P5

PHONE: (604) 372-2784 — TELEX: 048-8320

## CERTIFICATE OF ASSAY

**B.C. LICENSED ASSAYERS  
GEOCHEMICAL ANALYSTS  
METALLURGISTS**

TO Mr. P.J. Santos  
626 9th Ave.,  
Castlegar, B.C. V1N 1M4

Certificate No. K 7212  
Date October 15, 1985.

Project: Chapleau

I hereby certify that the following are the results of assays made by us upon the herein described \_\_\_\_\_ samples

Krn. No.	Marked	Au	Ag	Pb	Zn				
		ozs/ton	ozs/ton	percent	percent				
1	20802	.007	.26	-	-				
2	20803	.59	.52	.35	.10				
3	20804	.002	.11	-	-				
4	20805	.058	.29	.01	L.01				
5	20806 *	.532	28.0	-	-				
6	20807	.036	2.04	-	-				
7	20808	.176	7.7	-	-				
8	20809	.008	.55	L.01	-				
9	20810 *	.122	8.2	-	-				
10	20811	1.2	23.6	-	-				
11	20812	.030	.84	-	-				
12	20813	.033	1.72	-	-				
13	20814	.004	.82	-	-				
14	20815	.057	2.83	-	-				
15	20816 *	.004	1.17	L.01	.02				
16	20817	.005	.78	L.01	.01				
17	20818	.017	.99	-	-				
18	20819	.009	2.77	L.01	.01				
19	20820	.050	4.99	-	-				
20	20821	.063	8.1	-	-				

NOTE  
Repects retained three weeks  
Pulps retained three months  
unless otherwise arranged

*Steve A. Stundell*

Registered Assayer, Province of British Columbia



Member  
Canadian Testing  
Association

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### CERTIFICATE OF ASSAY

B.C. LICENSED ASSAYERS  
GEOCHEMICAL ANALYSTS  
METALLURGISTS

TO Mr. P. J. Santos

Certificate No. K 7212 2

Date October 15, 1985

Project: Chapleau

I hereby certify that the following are the results of assays made by us upon the herein described \_\_\_\_\_ samples

Krai No	Marked	Au	Ag	Pb	Zn				
		ozs/ton	ozs/ton	percent	percent				
21	20822	.088	8.4	-	-				
22	20823	.271	25.0	-	-				
Samples marked * have been screened and found to contain coarse gold.									
		Percent Weight	Au ozs/ton	Combined Au ozs/ton					
	20806	-100 mesh	99.41	.21	.532				
		+100 mesh	.59	55.03					
	20810	-100 mesh	99.85	.105	.122				
		+100 mesh	.15	11.36					
	20816	-100 mesh	99.71	.003	.004				
		+100 mesh	.29	.527					

NOTE  
Rejects retained three weeks  
Pulps retained three months  
unless otherwise arranged

*Deek A. Small*

Registered Assayer, Province of British Columbia

KAMLOOPS RESEARCH  
&  
ASSAY LABORATORY  
LTD.

B. C. CERTIFIED ASSAYERS  
-----  
912 LAVAL CRESCENT  
PHONE 372-2784 - TELEX 048-8320

-----  
GEOCHEMICAL LAB REPORT  
-----

MR P J SANTOS  
626 9TH AVE  
CASTLEGAR B C  
VIN 1M4

DATE OCT 3 1985

FILE NO. 1387

PROJECT KINGJACK

PAGE 1 / 2  
AS

KRAL NO.	IDENTIFICATION	AU	PB	ZN	AG	AS
1	A PD	45.0	0.0	0.0	0.0	0.0
2	1A PS	3.0	0.0	0.0	0.0	0.0
3	2A	3.0	0.0	0.0	0.0	0.0
4	3A	3.0	0.0	0.0	0.0	0.0
5	4A	3.0	0.0	0.0	0.0	0.0
6	5A	3.0	0.0	0.0	0.0	0.0
7	6A	3.0	0.0	0.0	0.0	0.0
8	7A	3.0	0.0	0.0	0.0	0.0
9	8A	3.0	0.0	0.0	0.0	0.0
10	9A	3.0	0.0	0.0	0.0	0.0
11	10A PS	3.0	0.0	0.0	0.0	0.0
12	1A PN	3.0	0.0	0.0	0.0	0.0
13	2A	3.0	0.0	0.0	0.0	0.0
14	3A	3.0	0.0	0.0	0.0	0.0
15	4A	3.0	0.0	0.0	0.0	0.0
16	5A	3.0	0.0	0.0	0.0	0.0
17	6A PN	3.0	0.0	0.0	0.0	0.0
18	2A AG	3.0	0.0	0.0	0.0	0.0
19	B PD	15.0	49.0	137.0	10.8	1.0
20	1B PS	3.0	19.0	100.0	1.1	1.0
21	2B	3.0	23.0	99.0	0.2	1.0
22	3B	3.0	23.0	106.0	0.1	1.0
23	4B	3.0	21.0	116.0	0.1	1.0
24	5B	70.0	18.0	64.0	0.1	1.0
25	6B	3.0	16.0	65.0	0.0	1.0
26	7B	3.0	19.0	121.0	0.4	1.0
27	8B	45.0	30.0	172.0	0.3	1.0
28	9B	50.0	30.0	158.0	1.8	1.0
29	10B PS	3.0	29.0	181.0	0.6	1.0
30	1B PN	3.0	24.0	187.0	0.4	1.0

KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.  
GEOCHEMICAL LAB REPORT

FILE NO. 1387

PAGE 2 / 2  
AS

KRAL NO.	IDENTIFICATION	AU	PB	ZN	AG	AS
31	2B	3.0	23.0	135.0	0.4	1.0
32	3B	3.0	20.0	95.0	0.3	1.0
33	4B	3.0	18.0	68.0	0.2	1.0
34	5B	3.0	21.0	117.0	0.2	1.0
35	6B PN	3.0	20.0	107.0	0.6	1.0
36	1B AG	3.0	21.0	109.0	0.1	1.0
37	2B	3.0	22.0	103.0	0.1	1.0
38	3B AG	3.0	21.0	130.0	0.2	1.0

SAMPLES 1 TO 18 TESTED FOR GOLD ONLY

IN AU COLUMN 3 INDICATES <3 PPB

IN AG COLUMN 0.0 INDICATES <0.1 PPM

IN AS COLUMN 1 INDICATES <2 PPM

AU METHOD FIRE ASSAY ATOMIC ABSORPTION

PB ZN AG METHOD HOT ACID EXTRACTION ATOMIC ABSORPTION

AS METHOD NITRIC HYDROCHLORIC DIGESTION COLORIMETRIC

Statistical Data:

Lead

Mean: 22.25 ppm

Standard Deviation: 8.38 ppm

Silver

Mean: .9 ppm

Standard Deviation: 2.30 ppm

Zinc:

Mean: 118.5 ppm

Standard Deviation: 34.68 ppm

TABLE 1  
 PRODUCTION OF MINES  
 IN THE SPRINGER-CHAPLEAU CREEK AREA  
 Slocan Mining Division, British Columbia, Canada

<u>Mine</u>	<u>Tons Mined</u>	<u>Gold (oz)</u>	<u>Silver (oz)</u>	<u>Lead (lb)</u>	<u>Zinc (lb)</u>
Ottawa	26,610	31	1,797,747	793,498	28,027
Arlington	21,180	23	1,010,509	1,899,263	262,049
Little Tim	550	----	39,396	53,614	17,778
Republic	270	108	13,447	401	304
Tamarack	90	----	11,839	18,717	----
Hamilton	50	9	4,284	4,235	----
Anna	190	----	29,828	2,841	326
Myrtle (Alma)	60	----	2,425	1,188	1,999
Happy Medium	10	3	2,155	2,228	----
Enterprise	11,780	65	1,050,596	3,691,593	2,354,233
Whitehope	80	4	825	25,185	24,365
Chapleau	326	947	13,104	----	----
Kilo	2,330	952	870	105	46
Piedmont	520	----	2,297	52,955	156,546
King Jack	170	29	5,343	----	----
Meteor	2,910	422	151,279	----	----
Joan Duplex	6	7	520	----	----
Howard Fr.	127	12	1,544	----	----
Goldstream	40	22	23	----	----
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	67,293	2,634	4,138,002	6,545,286	2,845,673