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519 UNITED KINGDOM BUILDING
409 GRANVILLE STREET
VANCOUVER 2, B.C.

March 22, 1966.

007370

Bayonne Mine Ltd.,
1115 - 736 Granville Street,
Vancouver, B. C.

PROGRESS REPORT

Mountain Treasure, Henderson Lake

GENERAL

During November and December of last year the trail from Henderson Lake to the property was cut out and improved, a camp was established, a helicopter landing spot was cleared, and drilling equipment was moved on to the job. Drilling was started in mid December and carried through to March 15th.

DIAMOND DRILLING

Five holes were diamond drilled to test the No. 1 and 2 showings underground. Herewith is a brief description of the core therefrom:

D.D. Hole #1 - 65

This hole was drilled 15 feet from the portal of No. 4 tunnel under the tunnel northeasterly at minus 45 degrees for 98 feet. The hole started in dark green andesite containing bands of disseminated pyrrhotite, pyrite and chalcopyrite. Two sections assayed as follows:

From 2 to 4 feet, copper 0.79% and gold and silver traces.
From 27 to 30 feet, exactly the same assays.

PROPERTY FILE
92 F 175

D.D. Hole #1 - 66

This hole was directed between trenches 1 and 2 at minus 45 degrees, south 20 degrees west for 102 feet. The hole collared in 45 feet of skarn, followed by 39 feet of fine black argillite with fine white veinlets of quartz and minor pyrite, 6 feet of light green porphoritic dyke rock and 12 feet of black slate.

D.D. Hole #2 - 66

This hole was directed from near the south end of No. 1 trench, south 20 degrees west at minus 60 degrees for 99 feet.

The first 15 feet cut massive pyrrhotite, pyrite and magnetite, 19 feet of fine-grained black rock cut by numerous white quartz veinlets, 16 feet of skarn, 2 feet of light grey fine-grained limestone, 9 feet of light green epidotized limestone, 5 feet of brown skarn, 20 feet of epidotized limestone and 1-1/2 feet of skarn. The first 15 feet of heavy iron mineralization assayed 0.54% copper and traces of gold and silver.

D.D. Hole #2B - 66

This hole was drilled from the same set-up, or #2 - 66, but vertically for 81 feet to check the inclined hole.

The first 8 feet was massive pyrrhotite, pyrite and magnetite, the next 2-1/2 feet epidote and skarn, followed by black rock cut by fine epidote veinlets, 10 feet of grey fine-grained limestone containing pyrite

stringers, 8 feet of limestone, 6 feet broken and crushed zone, 5 feet of grey epidotized skarn and 1 foot of dark green altered limestone. The first 8 feet of heavy mineralization assayed 0.38 copper and traces of gold and silver.

D.D. Hole #3 - 65

Located near the south end of No. 3 trench, this hole was directed under the showing exposed in the trench south 20 degrees west at 60 degrees for 100 feet.

The first 20 feet cut green andesite porphyry, the next 2 feet altered green fine-grained limestone, 4 feet of epidotized limestone, 3 feet of limestone, and skarn, 4 feet of heavy sulphides including pyrite, chalcocopyrite, pyrrhotite and magnetite, 6 feet of skarn with some sulphides, 10 feet of porphyry, 3 feet of green epidotized limestone, 1 foot of black epidotized limestone, 4 feet of skarn and sulphide mineralization, 25 feet of skarn and epidotized limestone, and 4 feet of light grey fine-grained limestone.

The two sulphide zones were sampled, they assayed from 33 to 37-1/2 feet, 3.47% copper, 0.52 ounces per ton of silver and a trace of gold; and from 67 to 71 feet 1.49% copper, 0.22 ounces of silver per ton and a trace of gold.

D.D. Hole # 4 - 66

Located 80 feet southeast of trench No. 3, and directed west at minus 60 degrees for 103 feet.

The first 11 feet cut badly fractured andesite porphyry and skarn, the next 13 feet skarn and altered limestone, followed by 4 feet of black fine-grained rock, 16 feet of altered limestone and skarn with minor sulphides, 5-1/2 feet of skarn, altered limestone and pyrite, chalcopyrite and pyrrhotite, 20 feet of light grey porphyry, 8-1/2 feet of epidotized light green limestone, 7 feet of skarn and 13 feet of skarn containing scattered sulphides.

From 44 to 49-1/2 feet assayed 3.35% copper, 0.40 ounces of silver per ton and a trace of gold, and the bottom 18 feet assayed 0.57% copper and traces of silver and gold.

INCLINED SHAFT

The inclined shaft and mineralized outcrops south of the area drilled were sampled as follows: Every 5 feet of the 50-foot inclined shaft was chip sampled and this assayed 2.06% copper, 1.3% lead, 0.55% zinc and traces of silver and gold. Chip samples across 5-foot sections of the outcrops above the shaft assayed 0.47% copper and traces of silver and gold.

ASSESSMENT REQUIREMENTS

Government requirements for one hundred dollars' work per claim per year were recorded on the Rick 1 to 12 claims for two years.

RESULTS OF WORK

The diamond drilling has shown that the mineralization is uniform to about 100 feet of depth, and within and near the limestone-andesite contact

there are mineralized zones containing copper and silver.

The shaft area, 1500 feet south of the trenched area, shows the same mineralization, and the inclined shaft demonstrates the presence of copper-silver mineralization to a depth of 40 feet.

The north-south trending contact zone is a highly mineralized band at least 1500 feet long which is favorable for the occurrence of copper-silver and possibly lead-zinc mineral deposition. This and other favorable areas on the property should be thoroughly investigated.

RECOMMENDATIONS

Three holes should be drilled 100 feet west of holes 1 - 66, 2 - 66 and 3 - 66 to check the continuity of the mineralization.

Geological mapping should be carried out along the contact zone between the limestone and andesitic rocks.

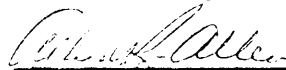
Additional magnetometer surveying should be conducted over the north-south favorable zone.

Geochemical investigations should be made over areas covered with overburden in and near the favorable contact zone.

Where practical bedrock should be exposed by trenching to assist in the delineation and sampling of the mineralized zones.

The scope of this work will be dependent on results obtained.

Respectfully submitted,



P. Eng.

Allen Geological Engineering Ltd.