

STAVE LAKE PROPERTY SUMMARY

N.T.S. 92G-9E

Latitude 49°34'N Longitude 122°05'10"W

Mineral Claims: K.F. Group, 6 claims

The Stave Lake copper-moly showing was discovered in 1969 by Canex Aerial Exploration Ltd., who mapped, trenched and drilled the property in 1969-70. The deposit was judged uneconomic at that time but the key claims, covering the mineralized area, have since been held by former Canex prospector L. Kiss. A short examination option of the ground was taken in 1972 by Jason Explorers Ltd. which performed additional trenching and sampling confirming initial surface results.

Location and property maps of the K.F. property are attached.

The subject claims are currently held by Specific Natural Resources Ltd. through an option agreement with Mr. Kiss.

LOCATION AND ACCESS

The Stave Lake deposit which lies some 50 miles (80 kilometers) to the east of Vancouver, B.C., occurs on the north wall of a broad cirque at the head of the third major, west-flowing tributary of Winslow Creek. The mineral showing, which ranges in elevation from 5400 to 6000 feet, is readily accessible to examination on a 20-35 degree sloping bedrock sidehill.

Ready access to the property can be gained by helicopter from Mission 30 miles (48 kilometers) to the south. Canex utilized the Chehalis Lake-Eagle Creek logging road as a closer point for "slinging-in" their drilling equipment and camp.

MINERAL ZONE

- Mineralization consists of chalcopyrite, bornite and molybdenite in narrow quartz stringers or as coatings of fractures or in disseminations between fractures.
- A fracture set, striking east-west and dipping steeply to the north, contains the majority of the sulphide mineralization.
- The host rocks to the mineralization are a quartz diorite and porphyritic granodiorite, parts of the Mesozoic Coast Crystalline Belt.
- Alteration associated with the deposit consists of chloritization of hornblende and biotite and saussuritization of more calcic zones in the plagioclases. Silicification within and adjacent to the mineralized fractures is well demarked by the weather-resistant ribs which outline each fracture in surface outcrop.
- The area over which mineralization has been found measures 4800 feet by 1100 feet (1460 meters by 330 meters). Prospecting by Jason found additional mineralization to the southwest, apparently en echelon to the main zone.
- Mapping conducted by Canex used the "number of fractures per 10-foot (3-meter) interval" as the basic map unit. Discrete, laterally continuous zones of +10 fractures per 10 feet (3 meters) were mapped out and considered the principal targets on the property.

EXPLORATION TO DATE

Surface trenching and sampling by Canex over parts of the mineral zone yielded assay averages as follows:

<u>Trench</u>	<u>Width feet/meters</u>		<u>Weighted Average Assays</u>	
			<u>Cu %</u>	<u>MoS₂ %</u>
i	30'	9 m	0.19	0.19
2	80'	24 m	0.18	0.11
3	130'	39 m	0.50	0.05

Check chip sampling and additional bedrock-blast trenching by Jason in 1972 correlated well with Canex results. Selected assay averages from these trenches were as follows:

<u>Trench</u>	<u>Width feet/meters</u>		<u>Weighted Average Assays</u>	
			<u>Cu %</u>	<u>MoS₂ %</u>
W	55'	17 m	0.54	0.09
M	69'	21 m	0.63	0.07
E	48'	14 m	0.24	0.02

Seven NQ diamond drill holes, 3652 feet (1112 meters) in aggregate, were drilled in 1970 to test the central section of the showing. Assay results from these holes were disappointingly low relative to surface expectations. The best section averaged 0.21% copper and 0.048% molybdenite over a core length of 144 feet (43 meters).

CONCLUSIONS

The surface showing on the Stave Lake Property exhibits the characteristics of a major potentially viable copper-moly deposit. This impression has been largely borne out by surface work to date. The mineral zone extends into a glacial debris and snow-covered area to the east, into overburden to the west

and south and mineralized float has been found uphill to the north. The zone is therefore open to probable increases in size and possible grade improvement.

The relatively negative results of the diamond drilling may be explained by:

- a) preferential core loss in the very brittle quartz-sulphide fractures (core recovery in general was good);
- b) a very rapid deterioration of the mineral zone below the plane of present surface. This aspect need not be entirely negative if the mineral concentrations have some undetermined plunge.

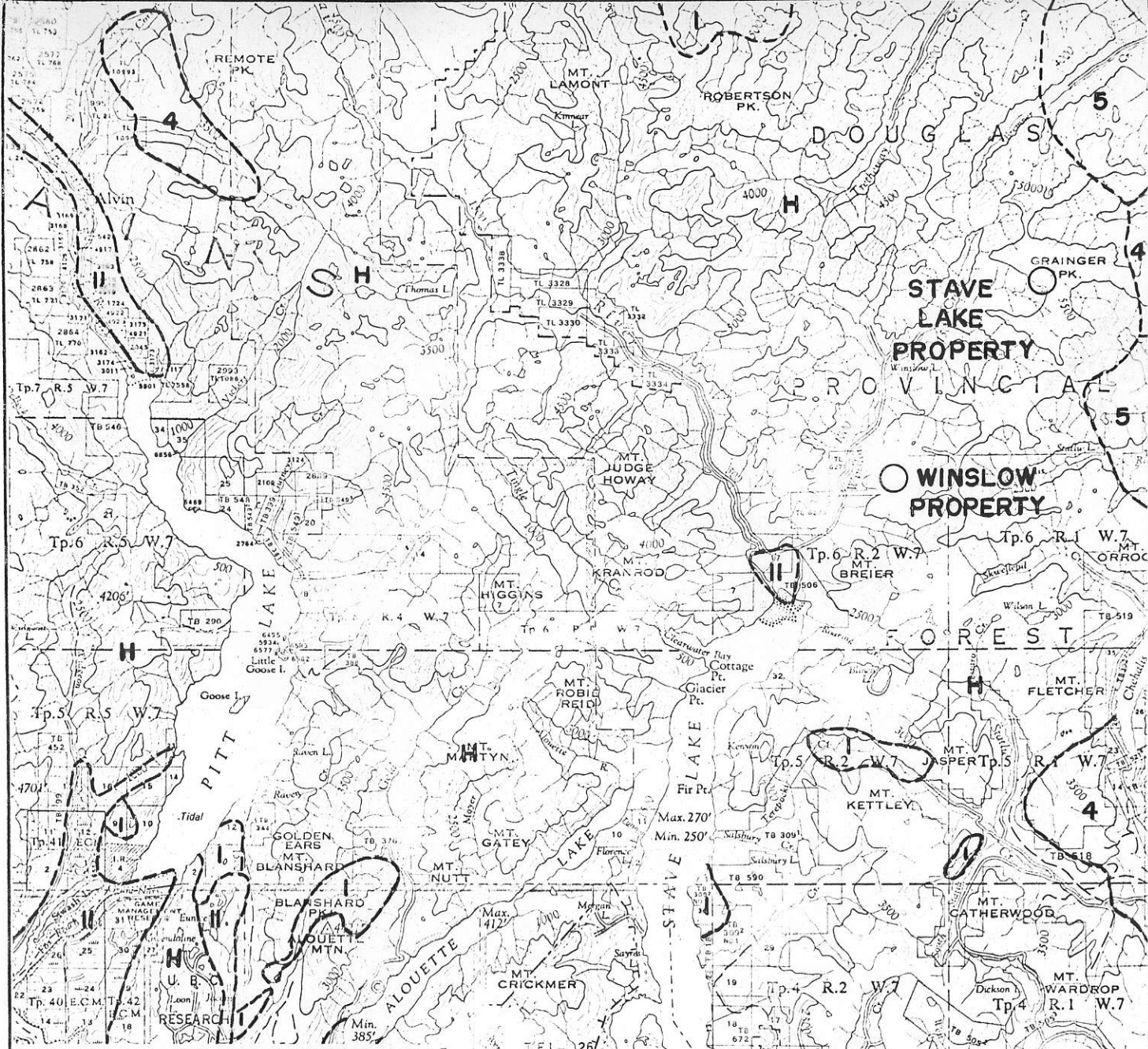
In general the following positive aspects would appear to amply demonstrate that further careful assessment of the deposit is warranted:

1. The location is convenient to established infrastructure and access facilities.
2. The deposit is obviously large and occurs in a setting amenable to large scale surface mining.
3. Surface grades are comparable to operating open pit mines in British Columbia, i.e. Brenda Mines Ltd. ore reserves grade 0.17% copper and 0.043% molybdenum. In addition tungsten is reported to be present in the Stave deposit but has not been assayed for.
4. Exploration of possible extensions to the metal zone has not been carried out nor has the region been thoroughly explored.
5. Available mapping is based only on the number of fractures present and the aggregate metal content of those fractures is not recorded.

6. Drilling to date has tested only a small part of the deposit.
7. The core exhibits a marked lack of preserved quartz-sulphide veins relative to the surface exposures. Predominant sulphide mode-of-occurrence in the core is as hair-line crack fillings and disseminations suggesting possible loss of core in vein zones.
8. The deposit stands as a major metal inventory of eventual economic interest even if grades, on further investigation, prove currently uneconomic.

RECOMMENDATIONS

1. Detailed geochemical surveys of overburden areas akin to the deposit.
2. Thorough prospecting of the same area.
3. Regional prospecting and silt sampling of the region surrounding the deposit.
4. Additional claim acquisition.
5. Remapping and check sampling of surface exposures incorporating a bulk sampling technique.
6. Re-log and check sampling of diamond drill core including a tungsten check and spectrographic analysis.
7. Future drilling should incorporate sludge collection and sample equipment.



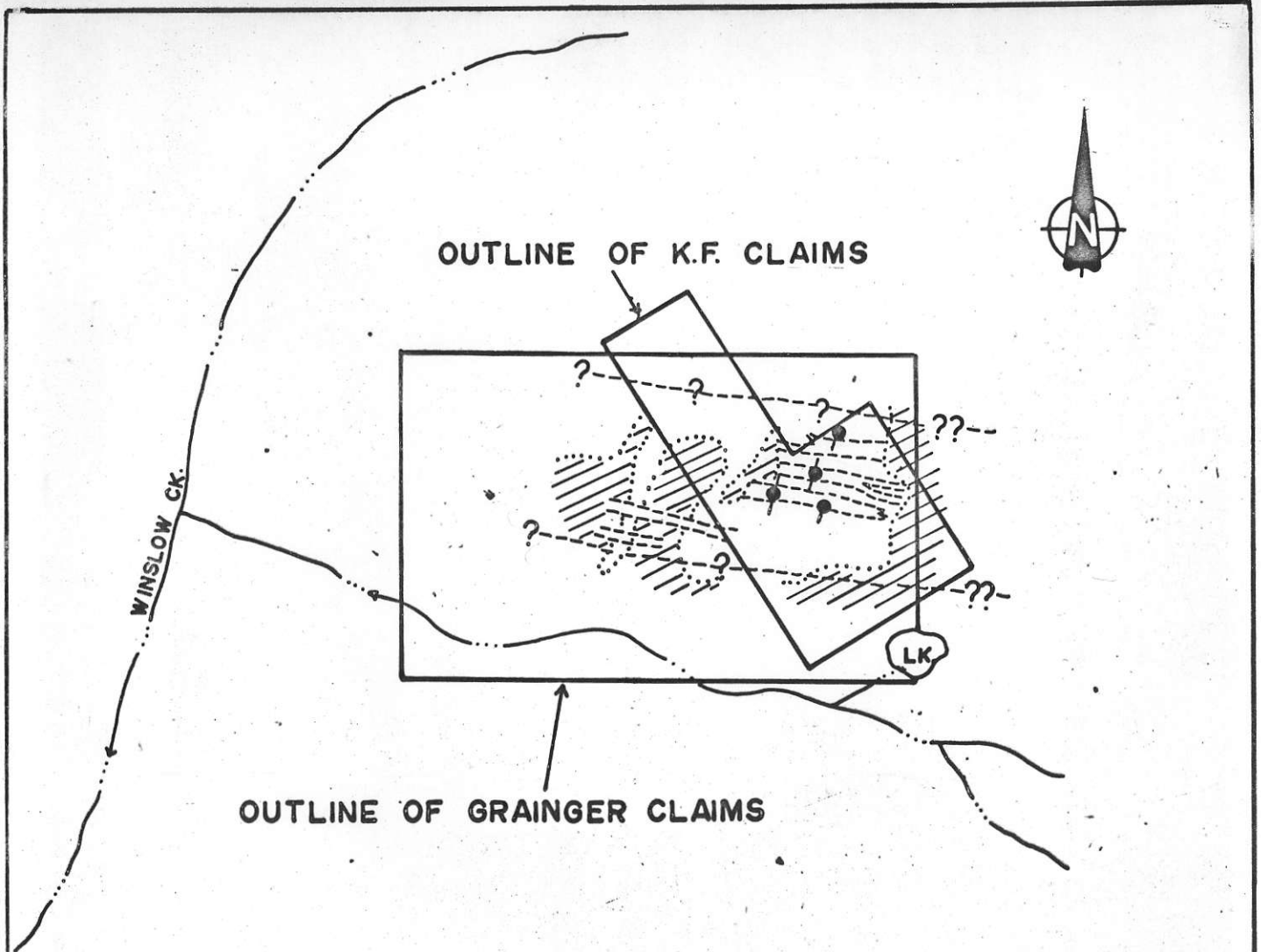
LEGEND

- QUARTERNARY
 - II** Alluvial
- TERTIARY
 - 9** Basalt Flows
- JURASSIC & CRETACEOUS
 - 5** Greenstone, schist, etc.
- JURASSIC
 - 4** Meta-Andesite-Dacite
- PRE-JURASSIC
 - I** Amphibolite, Gneiss, etc.
- H** COAST PLUTONIC ROCKS

Note: Geology after GSC Map 115-1-A

ESPERANZA EXPLORATIONS LTD.
STAVE LAKE PROPERTY
REGIONAL GEOLOGY & LOCATION MAP

Scale: 1:253,440	Date: MAY 1979	NTS. 926
Revised:	By: J.G.	Fig.



LEGEND

AREA IS UNDERLAIN
BY COAST PLUTONIC
ROCKS (QUARTZ DIORITE)

----- AREAS OF CONCENTRATED
----- CU-MO MINERALIZATION

..... GENERAL AREA OF
..... OBSERVED MINERALIZATION

////// OVERBURDEN SNOW COVER

● D.D.H.

ESPERANZA EXPLORATIONS LTD.

STAVE LAKE PROPERTY

K.F. & GRAINGER CLAIMS

PROPERTY MAP

Scale: 1" = 1/2 mile Date: MAY 1979 N.T.S. 9269

Revised: _____ By: J.G. Fig. _____

STAVE PROPERTY (COPPER-MOLYBDENUM)

NEW WESTMINSTER MINING DIVISION
BRITISH COLUMBIA

LOCATION

The STAVE property is located in the Coast Range Mountains, about 55 kilometers northeast of the town of Mission, B.C. Geologically it lies within the Coast Plutonic Complex.

GENERAL DESCRIPTION

The prospect contains extensive areas of low grade chalcopyrite-molybdenite-bornite mineralization in several separate zones. The area over which weak mineralization has been noted is about 1450 meters east-west by 325 meters north-south.

The setting does not seem to be a classic 'porphyry copper' environment. Some porphyritic granodiorite is reported but the main host rocks are holocrystalline quartz diorite, apparently normal differentiates of the Coast Plutonic Complex. Hydrothermal alteration is generally absent except as selvages along the fracture walls.

PREVIOUS WORK

Prior work by former owners gave surface grades of up to 24 meters of 0.11 percent molybdenite (0.066 percent molybdenum) with 0.18 percent copper.

The property has been tested by 1113 meters of diamond drilling in seven holes. Drilling under the sampled section noted above cut much lower grade than the surface sampling. However, low grade values were noted over extensive core lengths. The best section ran 0.048 percent molybdenite (0.029 percent molybdenum) and 0.21 percent copper over 43 meters.

No geophysical work has been done in the area as yet.

RECOMMENDATIONS

Some potential for the discovery of economic zones exists on the property. If such zones exist they may respond to induced polarization. A test induced polarization survey is recommended over the better of the known zones. If the test results are encouraging the whole zone of fracturing should be surveyed. The work would require helicopter support. The estimated cost of this recommended program is \$25,000.

STAVE PROPERTY

<u>Claim Name</u>	<u>Number of Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
KF 1 to KF 5 inclusive	n/a	22158-22162	August 18, 1980
KF 7	n/a	22164	August 18, 1980
GRAINGER	15	441	April 18, 1980
GRAINGER #1	3	523	July 24, 1980

The Stave Property consists of the above 8 located mineral claims situated near Stave Lake, New Westminster Mining Division, British Columbia.

Pursuant to a letter of agreement dated April 30, 1979, between the Company and Specific Natural Resources Ltd., the KF 1-KF 5 and KF 7 mineral claims were transferred and assigned to the Company along with certain other mineral claims. Total consideration paid to Specific Natural Resources Ltd. was \$40,000.00, of which amount \$8,000.00 was deemed applicable to the KF mineral claims. The Grainger claims were subsequently staked by the Company later in 1979.

Pursuant to a Prospector Incentive Agreement dated April 1, 1979, Leslie Kiss, Company Prospector, may become entitled to cash bonus payments totalling \$2,000.00, drill footage bonus at the rate of 50¢ per foot up to a maximum 16,000 feet, issue of share capital of the Company based on exploration and development expenditures with respect to the Property at the rate of 15,000 shares if as and when expenditures aggregate \$1,000,000.00, an additional 20,000 shares when expenditures aggregate \$2,000,000.00, an additional 25,000 shares when expenditures aggregate \$3,000,000.00, and a 10% net profits interest in production proceeds from the Property. The Company may at any time discharge its obligation to pay the 10% net profits by issue and allotment of 100,000 shares in the capital of the Company.

715M

Atase L. ; grab from talus east of 6" moly
vein etc. 21' 1710 m. slight alt'd Qtz-dior.
with some rust patches

.168 .003
Cu, Mo

pp 1 of 2

24/7/79

Sample #

716M

Loc's
Atase L. ; trench # 2. Rubble from
trench floor (30'). Qtz-dior w moly veinlets
(red flag - J. Brock)

Elements

Cu, Mo
.068 / .048

717M

Atase L. ; tr. # 2. ^{this sample 30'}
Qtz dior. ^{w. moly veinlets} J. Brock

Cu, Mo
.039 / .036