520629 92H/10W

REPORT

ON THE

GOLD MOUNT, GAIL GOLD, WELDONNA, BONANZA GOLD AND FORMER BONANZA QUEEN-NEVADA MINERAL CLAIM GROUP

GRASSHOPPER MOUNTAIN - TULLAMEEN RIVER AREA

SIMILKAMEEN MINING DIVISION

TULAMEEN, BRITISH COLUMBIA

N. Lat. 49°33'

W. LONG. 120°54'

for

RYNCO RESOURCES LTD. (as to 75% interest) Suite 508 320-9th Avenue S.W. Calgary, Alberta T2P 1K4

and

FARWEST ENERGY INC. (as to 25% interest) Suite 508 320-9th Avenue S.W. Calgary, Alberta T2P 1K4

by

DONALD W. TULLY, P. ENG.

February 14, 1981

West Vancouver, B.C.

WITH ADDENDUM DATED MAY 27, 1981

Enguiries JA Smith 669-5650-Vermir Res. 1 294-9981-Res.

DON TULLY ENGINEERING LTD. SUITE 102-2222 BELLEVUE AVENUE WEST VANCOUVER. BRITISH COLUMBIA V7V 1C7

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- Assay Cortificate #8105-1154

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- Mine Location and Surface Plans

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INTRODUCTION

This report was prepared pursuant to a request by the Directors of Rynco Resources Ltd., Suite 508, 320 - 9th Avenue, SW, Calgary, Alberta.

The purpose of this report is to review the available information on the previous exploration work done on the ground held by the Gold Mount, Gail Gold and Weldonna mineral claims and the Bonanza Queen, Nevada reverted crown grants.

This report is based upon a personal field examination made of claims in this area in June, 1979.

A program of mineral exploration is recommended.

SUMMARY AND CONCLUSIONS

The property is located on the southeast slope of Grasshopper Mountain about four miles west of Tulameen, British Columbia. The claim group comprises five mineral claims consisting of twenty-one units on the north side of the Tulameen River. Access to the ground is readily available by motor vehicle but 4 WD equipment is required to travel the Bear Creek Road to the upper areas of the claim group.

Four mineral prospects are known in the claim area, namely the Rabbitt Mine, Old Glory Group, Bonanza Queen - Nevada, and the Sunrise Group. A portion of the adit on the Rambler claim (see claim #1191 on Figure 4) may extend northward on to the claim group.

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Production from the Rabbitt Mine has been reported in 1940 at 1,361 tons that yielded 924 ounces of gold (0.678 ounces per ton average) and 514 ounces of silver. Two adits were driven a length of 110 and 336 feet each. Development consisted of 110 feet of crosscutting, 1,150 feet of drifting and 350 feet of raising. An adit is in evidence on the Bonanza Queen. Development on the Old Glory and the Sunrise Group has been surface trenching.

It is concluded the property warrants a program of exploration to develop potential mineral targets for diamond drill testing.

A three-stage program of mineral exploration is recommended at an estimated total cest of \$198,688.00.

PROPERTY - LOCATION, ACCESS, PHYSIOGRAPHY

The property consists of five mineral claims comprising twenty-one units located about six kilometres west of Tulameen, British Columbia. The claims are named the Gold Mount, Gail Gold, Weldonna, Bonanza Gold and the former crown grant mineral claims called the Bonanza Queen (lot 72) and the Nevada (lot 79), now reverted. The claims are situated on the east and south-facing slope of Grasshopper Mountain in the valley of the Tulameen River.

Tulameen is located about 25 kilometres northwest of Princeton, British Columbia.

Access to the claims is available by motor vehicle along a gravel road leading west from the town of

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Tulameen. The Bear Creek road when open provides access to the higher elevations of the claim group (Figures 2 and 3) where a 4 WD vehicle is required.

Elevations over the property vary from about 2,800 in the valley of the Tulameen River to over 4,500 feet above sea-level on the northwest sector of the claim area. The property surface slopes towards the south and east rather steeply.

Stands of marketable timber cover the claimed ground (see photos).

CLAIMS

Five mineral claims which include twenty-one units comprise the claim group, which is located about six kilometres west of the town of Tulameen, British Columbia. The claims are situated in the Similkameen Mining Division. Subject to survey information obtained from the Gold Commissioner's office at Princeton on February 11, 1981 was as follows:

<u>Claim Name</u>	Record #	<u>Units</u>	Expi	ry Date	Recorded Owner
Gold Mount	340(5)	3×4 = 12	May	8, 1982	D. Javorsky
Gail Gold	341(5)	2x2 = 4	May	8, 1982	D. Javorsky
Weldonna	344(5)	1	May	8, 1982	D. Javorsky
Bonanza Gold	573(5)	2	May	11, 1983	D. Javorsky
Bonanza Queen) Nevad a)	511(2)	2	February	12, 1984	D. Javorsky
	TOTA	L 21			

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The claims appear to be contiguous and are shown on British Columbia mineral claim map M92-H-10W (Figure 4).

Plncer mining rights are held along the Tulameen River in the claim group area.

HISTORY - PREVIOUS DEVELOPMENT

Four prospects are known in the claim area namely, the former Bonanza Queen and Nevada crown grants, the Rabbitt Mine, the Old Glory Group and the Sunrise Group.

The Bonanza Queen and Nevada former crown grant mineral claims were first claimed by Messrs. Rabbitt, Fell and Jensen in 1887. These claims were prospected by Thos. Rabbitt and a tunnel driven on the lower Bonanza Queen claim to develop a quartz lode structure. Assays of \$50 -\$100 per ton in gold with \$15 in silver at the prevailing metal prices were reported from this work. The Bonanza Queen claim was crown-granted in 1892.

An important mineralized structure occurring on the present claim group is the former Rabbitt Mine located in the northwest sector of the property in the area of the Gail Gold claim. Geological Survey of Canada Memoir 243, page 99 describes this development as follows:

" LOCATION AND HISTORY: The Rabbitt property, owned by P. and T. Rabbitt of Tulameen, is at an elevation of about 4,000 feet on the northeast slope of Grasshopper Mountain overlooking Lawless Creek at

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Hillside view looking west from portal of top adit at Pabbit Mine (Photo courtesy D. Jaworski)



Old Bear Creek road at fault near jct Laws Creek and Tulameen River (Photo courtesy D. Jaworski)

Looking north from vein at Rabbit Mine (Photo courtesy D. Jaworski)

DON TULLY ENGINEERING LTD SUITE 102-2222 TELLEVITE AVENUE WEST VANCOUVER DRITISH COLUMBIA a point a mile from its junction with Tulameen River. It was located in 1938 by the Rabbitt brothers, who the same year shipped 5 tons that returned \$724 in gold. In the following year Grasshopper Mines, Limited, was incorporated to work the property, and in 1940, 1,361 tons of ore was mined from which 924 ounces of gold and 514 ounces of silver were recovered. 5.

GEOLOGY: The mineral deposits occur in volcanic rocks of the Nicola group, which are traversed by a wide, intensely sheared zone that follows the east margin of the Eagle granodiorite. The situation is further complicated on the Rabbitt property by the intrusion of the Olivine Mountain ultrabasic body. the contact of which lies about a mile southwest of the workings. On the property are several quartz veins with a general northerly strike and a steep dip. The veins are composed of glassy quartz, and vary in width from a few inches to 6 feet, averaging 3 or 4 feet. They are not composed entirely of quartz, the wider sections becoming lodes rather than veins and consisting rather of highly brecciated wall-rock cemented with quartz, which constitutes around 75 per cent of the vein material. The volcanic rock forming the fragments has been largely carbonatized, and a similar carbonatization extends into the walls of the veins for distances up to 10 feet. The quartz carries free gold, an undetermined telluride mineral, chalcopyrite, pyrite, galena, and sphalerite, but all in very small amounts, and much of the veins is quite barren.

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Adits and a deep surface cutting have developed a section 85 feet long of the vein on which most work has been done. It was from this section that most of the ore had been shipped. At the northern end of this section the veia swings from north 45 degrees east to about north 25 degrees west for about 275 feet. It varies from 1 foot to 6 feet in width, but is reported to be Iow grade where it is widest. Several other veins have been exposed by open-cuts, but the average values in them are low. "

Considerable development has been done on the Rabbitt Mine. The Annual Report of the Minister of Mines for 1940 on page A61 reported on this property which was known as the Grasshopper Mine as follows:

Lloyd Kissick, Superintendent. This company operates the property known generally as the "Rabbitt Group, located 8 miles from the town of Tulameen, on the west bank of the Tulameen River. The property is accesaible by gond road from Tulemeen. The property was located by the Rabbitt Bros. in 1938. Several truck-loads of selected ore were mined from the surface and shipped during that year. The property was optioned and mining machinery was installed. During 1939 and 1940 two adits were driven on the vein for distances of 110 and 336 feet respectively. A stope was carried from the upper, No. 1, level to the surface. A raise was ariven from Ne. 2 level. Operations were suspended in November 1940.

Development consisted of 110 feet of crosscutting, 1,150 feet of drifting, and 350 feet of raising. A total of 1,361 tons of ore was mined, yielding 924 oz

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" of gold and 514 oz of silver.

An average crew of eight men was employed. "

7.

Other mineral occurrences on the claim area are the Old Glory Group and the Sunrise Group (Max Hanson's Claims). Geological Survey of Canada Memoir 243, page 99 describes the Old Glory Group as follows:

" The Old Glory group, owned by R.J. Marks of Tulameen, lies just to the southeast of the Rabbitt property and at about the same elevation.

At the time of the writer's visit in 1939 the showing had only recently been discovered, and the only exposure was in a single small open-cut. This was made in a zone of crushed quartz and carbonatized volcanic rock about 10 feet wide. Apparently a vein or breccia zone, similar to those on the properties described above, has been crushed as a result of more recent fault movements. No mineralization cf importance was seen. "

The Sunrise Group is described in GSC Memoir 243, on page 100 as follows:

" The Sunrise group of four claims was leased by Max Hanson in 1938, and was being worked by him in 1939 at the time of the writer's visit. It is on the southern slope of Grasshopper Mountain, and extends from the Tulameen road to the southern boundary of the Marcotte and Ace groups.

The principal workings are some 400 feet vertically

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COAST INTRUSIONS: 8, gray, slightly gneissic granodiorite; 6, mainly reddish, coarse-grained, siliceous granite and granodiorite: 7, light coloured granodiorite, quarts diorite, and gabbro



5.7

Peridotite, pyrozenite, gabbro

SSIC

UPPER TRIASSIC

3

Varicoloured lava; argillite, tuff, limestone; chlorite and sericite schiat

BONIFEROUS OR LATER



BRADSHAW, INDEPENDENCE, SHOEMAKER, and OLD TOM FORMATIONS: cherty and slaty argillite green andesite. Imestone; quarta-mica schiat and gneiss

- HOZAMEEN GROUP

Chert, green andesite, limestone

SI'ner

ICCHILY Tel OCCUPTANCE SYMBOLS FOR NITTALS



above the road. They consist of three open-cuts and a short adit, all driven on a single quartz vein striking north 15 to 20 degrees west and dipping steeply southwest. In all, from 200 to 250 feet of the vein is exposed. It varies in width from 1 inch to 23 inches, except at one place where it is intersected by a cross fissure and is 4 feet wide. The quartz is quite different from that of the other claims on Grasshopper Mountain. It is well banded, and was evidently deposited after the carbonatization of the wall-rock. Many of the rock fragments caught in the vein have a coating 2 or 3 millimetres thick of some iron-bearing carbonate. These coated fragments have been surrounded by quartz and, in at least one instance, a small veinlet of quartz extends from the main mass through the carbonate coating into the rock of the fragment itself. The wall-rock in the upper open-cuts is slaty argulite, whereas that at the lower workings is slaty argillite and interbedded limestone. The vein is sparingly mineralized with pyrite, chalcopyrite, and a little galena, sphalerite, and free gold. The gold values are erratic, but in places high, and some small shipments of high-grade ore have been made by the Lessees.

It is understood some test shipmente of gold-bearing rock were made from the dump at the RABBITT Mine in 1978-79.

REFERENCES

The following reports and publications available to the writer contain information pertinent to the Gold Mount, Gail Gold, Weldonna, Bonanza Gold and the former crown grants Bonanza Queen and Nevada claims:

Origin of the Tulameen Ultramafic-gabbro Complex, D.C. Findlay. Canadian Journal of Earth Sciences 6,399 (1969)Geological Survey of Canada Memoir 243 with Maps 888A and 889A Geological Survey of Canada Memoir 26 Annual Reports of the Minister of Mines British Columbia for -1887, p. 275; 1888, p. 318; 1891, p. 577; 1896, p. 562; 1928, p. 268; 1929; p. 279; 1933, p. 174; 1938, special report; 1939, p. A37; 1940, p. A60, A61; 1941, p. A25

Airphotos BC5206-112, 113, 114 and BC5206-161, 162, 163

Faulting in the Grasshopper Mountain Area, Southwestern British Columbia, (Unpublished report by Alison Bell, B.Sc., dated April 18, 1979 and was submitted to the writer by David J. Javorsky)

British Columbia Ministry of Energy, Mines and Petroleum Resources, Resource Data Section 092HNE014 - Computer Readout

Report on the Rabbitt Mine, Lawless Creek-Tulameen River Area, Similkameen Mining Division, B.C., dated March 21, 1979 by Robert Steiner, B.A., P.Geol.

REGIONAL AND LOCAL GEOLOGICAL SETTING

Three lithological units underlie the claim area, namely the Nicola volcanics, the Coast Intrusion Eagle granodiorite body and the ultrabasic Tulameen Complex. A tentative geologic timetable is as follows:

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Formation	Description/Event	Age		
Sand, gravel and glacial debris	Unconsolidated	Quaternary		
Brooter dobrio	(Erosional unconformity)			
Mineralization and metamorphism quartz vein emplacement	Gold, silver and tellu- rides, possibly platinum, sulphides and oxides or iron, copper, lead and zinc generally associ- ated with quartz lodes and stockworks	Tertiary (?)		
	(Several events of fold- ing, faulting, shearing and related tectonic activity)			
Eagle Granodior- ite body	Complex of acidic to intermediate intrus- ives	Jurassic (?)		
	(Tectonic activity)			
Tulameen ultra- basic complex	Dunite, pyroxene-rich rock types with gabbro	Jurassic		
	(Tectonic activity)			
Nicola volcanics	Andesitic lavas, frag- mentals and greenschist	Upper Triassic		

Grasshopper Mountain is traversed by a broad belt of Nicola volcanic rocks trending more or less parallel to the Eagle granodiorite mass to the west. The south and easterly portions of the mountain are occupied by ultrabasic rocks at the northern extremity of the surface expression of the Tulameen complex. The trend of the structural elements in both the Nicola and ultrabasic rocks is north-northwesterly. A study of the airphotos covering this area (Figure 7) shows the basic underlying fracture pattern. The north-northwesterly trending lineaments are confirmed by the aeromagnetic pattern as shown on Figure 6 and the airphoto study as shown on Figure 7.

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The relationship of the Eagle granodiorite body and the ultrabasic complex is somewhat obscure but Findlay has suggested the Copper Mountain intrusives may indeed have a co-magmatic relationship with both these intrusive masses.

MINERALIZATION

The gold-telluride mineral deposits lie within the Nicola volcanics in association with shear zones occupied by breccia pipes and zones and stockworks of quartz veins. Findlay has indicated the proximity of these auriferous deposits to the contact zonal phase of the Tulameen complex.

The development of the quartz veins and stockworks in the Nicola wallrocks in the contact zones of the Tulameen ultrabasic appears related to a deep-seated fracture pattern. The lavas are carbonatized and in some instances graphitic schist is in evidence.

The principal mineral is pyrite. Chalcopyrite, galena and sphalerite and hematite are also in evidence in small amounts. Most of the gold pccurs in the quartz and is erratic. The sulphide minerals may occur in both the quartz and wallrocks.

The Rabbitt Mine was shut down in 1940 in the early stages of World War II. It is reported the mine production was 1,361 tons of ore that yielded 924 ounces of gold and 514 ounces of silver per ten. Considering that gold was priced at \$35.00 per ounce in 1940 and with the current value of gold at about \$600 (Canadian) per ounce the present value of the gold would be about \$407/ton.

RECOMMENDATIONS

A three-stage program of mineral exploration is proposed.

In the initial stage it is recommended a program of electromagnetic and magnetometer surveying be carried out over the property as well as a geochemical soil sampling survey. The perimeter of the claim area should be established by careful chain and compass survey. The access road to the Rabbitt Mine area and the caved portal workings should be apened up and the mine re-examined. The property should be geologically mapped. This stage should include a sampling of the dump at the RABBITT Mine and, if the assay results warrant, test shipments should be sent to a smelter.

Contingent upon the results of this first stage of exploration and provided an engineering evaluation recommends further testing of any anomalous zones resulting from this work, it is proposed to test any such anomalies with induced polarization surveying.

Should the results of this second stage of further target delineation prove rewarding and, contingent upon an engineering evaluation recommending a continuation of the program of mineral exploration, it is recommended any anomalous zones be stripped with a bulldozer or backhoe and examined by sampling and geological mapping in preparation for a diamond drill test in Stage 3.

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ESTIMATED COST OF THE PROPOSED WORK PROGRAM

Stage 1

Geological mapping, sampling and estimat- ing tonnage of the dump at the RABBITT Mine	\$ 7.500	١
Bulldozer access and rehabilitation of portal at the Rabbitt Mine	• 1,500	
(100 hours bulldozer or backhoe x \$75/hr)	7,500	
MAXMIN method electromagnetic and magneto- meter surveying over the claim area on a 50-metre grid pattern. The cost includes establishing the grid-control		
(estimate 87.5 line-kilometres x \$750 per line-km)	65,625	
Geochemical soil sampling including sample collection and analysis for Gold, Silver, Lead, Zinc, Copper		
(estimate 1,750 samples x \$7.75/sample)	13,563	
Estimated total cost of Stage 1		\$ 94,188
Stage 2		
Contingent upon an engineering evaluation		

Carried Forward		\$113,688
Estimated total cost of Stage 2		19,500
100 hours bulldozer or backhoe work x \$75/ hour stripping any anomalous areas	7,500	
(20 line-km x \$600 per line-km)	12,000	
and assuming 20 line-kilometres of induced polarization method geophysical surveying		

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Stage 3

Contingent upon an engineering evaluation of the results of Stage 2, it is proposed to test any potential mineral target areas of apparent merit by diamond drilling.

Five BQ size wireline diamond drill holes each 150 metres in depth are proposed.

(5 x 100 = 500 metres x \$170 per metre or \$51.82/foot)

This cost to include mobilization, drillsite preparation, core-handling, supervision, demobilization and engineering)

Estimated total cost of Stage 3

85,000

Estimated total cost Stages 1, 2 and 3

\$198,688

Respectfully submitted,

Docaid la hely

February 14, 1981

Donald W. Tully, P. Eng.

14.

\$113,688

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CERTIFICATE

I, DONALD WILLIAM TULLY, of the Municipality of West Vancouver, Province of British Columbia, hereby certify as follows:

- I am a Consulting Geologist with an office at Suite 102, 2222 Bellevue Avenue, West Vancouver, British Columbia.
- 2) I am a registered Professional Engineer in the Provinces of Ontario and British Columbia.
- 3) I graduated with a degree of Bachelor of Science, Honours Geology, from McGill University in 1943.
- 4) I have practiced my profession for thirty-five years.
- 5) I have no direct, indirect or contingent interest in the Gold Mount, Gail Gold, Weldonna, Bonanza Gold and the reverted Bonanza Queen-Nevada crown grants (#511-2) mineral claims, subject of this report, or in the securities of Rynco Resources Ltd., or Farwest Energy Inc., nor do I intend to receive any interest.
- 6) This ADDENDUM dated May 27, 1981 is based upon a field trip in this area in June 1979, a field examination of the Rabbitt Mine on May 10, 1981, and a study of the available reports and published information on the subject claims. I have not seen the claim posts.
- 7) Written permission is required from the writer to publish this report with Addendum dated May 27, 1981 in any Prospectus or Statement of Material Facts.

DATED at West Vancouver, British Columbia this 5th day of June, 1981.

Denald Whelly

Donald W. Tully, P. Eng.

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ADDENDUM DATED MAY 27, 1981 DESCRIBING THE FORMER RABBITT MINE WORKINGS TO A REPORT ON THE GOLD MOUNT, GAIL GOLD, WELDONNA, BONANZA GOLD AND FORMER BONANZA QUEEN-NEVADA MINERAL CLAIM GROUP, DATED FEBRUARY 14, 1981 1.

The former Rabbitt Mine workings were examined on May 10, 1981 in company with Messrs. J. Cleveland and D. Javorski.

The mine workings are located on the northeast slope of Grasshopper Mountain overlooking Lawless Creek. Access is available by 4WD vehicle along the Bear Creek road, about three kilometres from the Tulameen River.

The surface area of the mine workings cover a length of about 150 metres north-south as shown on the surface plan accompanying this ADDENDUM. The Upper and Lower portals of these respective tunnels, several testpits and a small mill building, all caved and in ruins, are in evidence.

The examination included a sampling of the exposed glassy quartz vein structure and quartz stockwork in the open pit at the south end of the surface workings. A sample of this vein zone was taken on the south face of the open pit across 115 centimetres (3.8 feet). The Vein zone consists of glassy quartz and sheared and chloritized greenstone. Strong vertical to steeply west dipping shearing accompanies the quartz vein on both the hanging-wall and footwall. Quartz veins in a stockwork occur on the hanging-wall side and appear to have a selvage of siderite in the chloritized greenstone. The main glassy quartz vein strikes north-south and is exposed in the north face of the open pit over an observed width of about 30 centimetres. Caving conditions in the open pit prevented sampling this north face. The sample assayed 0.502 ounces in gold, 0.21 ounces silver and 0.19 percent copper per short ton. Chalcopyrite and pyrite occur in blebs and scattered grains in the vein. The vein appears to be strong and strikes into apparently untested ground towards the south. 2.

The mine dump area was sampled as shown on the surface plan although the dump boundaries were somewhat obscured by brush. Five samples were taken over the dump area. The best assay was 0.088 ounces of gold per short ton and the arithmetic average of the five samples taken was 0.046 ounces of gold per short ton. Silver and copper values were negligible in the dump samples. It is estimated some 1,460 short tons of mine dump rock occur in the sampled area.

The four character samples numbered 843, 844, 845 and 846 shown on the assay sheet accompanying this ADDENDUM contained a considerable amount of chalcopyrite and pyrite in grab samples from the mine area and were taken for informational purposes.

Diamond drill testing of the vein structure is recommended both to the depth projection and the southward strike extension as shown on the surface plan accompanying this ADDENDUM. Five BQ core size wireline diamond drill holes are proposed as outlined in STAGE 3 on page 14 of my report dated February 14, 1981. The estimated cost of this proposed program of 500 metres (1,640 feet) of diamond drilling is \$85,000.

Respectfully submitted, *Decently lickly* Donald W. Tully, P.Eng.

May 27, 1981

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Scale = 1: 1000



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4,7	• ANALYTICAL CHEMISTS	• GEOCHEMISTS	• REGISTERED ASSAYER	TELEPHONE. (604) 984-0221 5 TELEX: 043-52597
TO : RYNCO C/O P 621-6 Vanco V6B 1	RESOURCES ROSPECTOR PUBLICAT 02 W. HASTINGS ST. UVER, B.C. P2	IONS	CERT. # INVOICE DATE P.O. # ELDON 1	: A8310152-001-A # : I8310152 : 27-JAN-83 : 55919 120
ATTN:	JACK CLEVLAND			

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Vin CANADIAN TESTING

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Sample

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тезину Laboratories CIT A Division of SGS Supervision Services Inc.



IDN TULLY ENGINEERING LTD. 102 - 2222 Bellvue Avenue West Vancouver, B.C. **V7V** 1C7 RYACO - FARINEST 1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2 PHONE (804) 254-1647 TELEX 04-507514 CABLE SUPERVISE

CERTIFICATE OF ASSAY

No.: 8105-1154

DATE: May 21/81

We hereby certify that the following are the results of assays on:

TO:



Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

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