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REPORT
ON THE
MOUNTAIN BOY SILVER PROPERTY
SKEENA MINING DIVISION,
BRITISH COLUMBIA

for
NORTHERN LIGHTS RESOURCES LTD. (N.P.L.)

by
R.W. Phendler, P.Eng.

Vancouver, Canada

November 12, 1977

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ILLUSTRATIONS

Fig. 1	Location Map	1" = 350 Miles
Fig. 2	Property Map	1" = ½ Mile
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PART "A"

SUMMARY AND CONCLUSIONS

Lying near the north end of the Portland Canal Mining District and four miles from the old Premier Mine, the Mountain Boy prospect is reported to have two significant silver-lead-zinc veins and four veins that have been located but that have received only minor prospecting.

Between 1929 and 1938 the Mountain Boy property produced sixty tons of hand-picked ore that averaged 546.8 oz. Ag, 3.2% Cu and 3.15% Pb.

The area is noted for the widths of the mineralized zones with the largest vein at the nearby Premier Mine measuring up to 60' wide and 2,000' long.

Total production from the Bear River district, of which the Mountain Boy is a part, is 31,000 tons of ore averaging 67.6 oz. Ag, 3.14% Pb and 2.67% Zn.

The principal veins are the "High Grade" vein and the Mann vein. The High Grade vein is reported to average 210 oz. Ag over narrow widths while eleven samples taken over a 40 foot length average 49.3 oz. (cut) across 2.8'.

The Mann vein is 35 - 40' in width and samples taken from there by earlier developers averaged 17.9 oz. Ag (uncut) or 11.4 oz. Ag (cut) per ton. Recent samples averaged 8.03 oz. Ag per ton across 48.0'.

The High Grade vein has been traced on surface for 1,200 feet while the Mann vein has been followed for about 200 feet along strike.

The property is relatively unexplored as the tunnels appear to have been run haphazardly. Little development was on structure and results were inconclusive. It is the opinion of the writer that additional work is warranted and that the possibility exists that commercial quantities of silver ores are present on the claims.

RECOMMENDATIONS

It is recommended that:

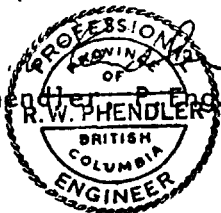
- 1) The four miles of road be reconstructed and the bridge over the American Creek be rebuilt.
- 2) The adits on the property be rehabilitated, geologically mapped and sampled.
- 3) Surface geological mapping and prospecting be carried out to relocate veins and assimilate information for study.
- 4) Underground diamond drilling be carried out to locate vein extensions both along strike and in depth.

COST ESTIMATE

1) Bridge and Road Construction	\$12,000
2) Rehabilitation of Adits	3,000
3) Engineering and Geology	3,000
4) Diamond Drilling - 1,500' at \$15/foot	22,500
5) Assaying	1,000
6) Transportation	1,500
7) Accommodation and Truck Rental	<u>2,500</u>
Total	45,500
10% Contingencies	<u>4,550</u>
Total	<u><u>\$50,050</u></u>

The sum of \$50,000 should be provided to carry out the above program.

Respectfully submitted,

R.W. Phendler P. Eng

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November 12, 1977

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PART "B"

INTRODUCTION

At the request of Mr. J.K. Newton, Vice-President of Northern Lights Resources Ltd., the writer has compiled this report on the Mountain Boy silver-lead-zinc prospect located near Stewart, British Columbia.

The property has just been acquired by Northern Lights Resources Ltd. (November 9, 1977) and an examination of the ground was planned by the writer, but snow conditions (two feet reported by local helicopter pilots) dictated that this was futile.

However, the writer is familiar with similar occurrences in the district having examined and evaluated the Noradco Mines silver property located twenty miles to the north.

LOCATION AND ACCESS

The Mountain Boy property is located 525 miles northwest of Vancouver, British Columbia at an elevation of 2,500 feet. It lies about 14 miles north of Stewart and is most easily reached by helicopter from that town in a few minutes. To reach the property by foot one drives north from Stewart on the Stewart-Cassiar highway for 12.8 miles and then a trail or old wagon road is followed up the American Creek for 4 miles. This road was constructed in 1910.

No buildings exist on the ground and ample water and timber is locally available for mine operations.

PROPERTY AND OWNERSHIP

The Mountain Boy property consists of twenty-six mineral claims, as follows:

Name	<u>Lot No.</u>	<u>Name</u>	<u>Lot No.</u>
American Girl	444	Lucky Jim #1	5718
Mountain Boy	445	Lucky Jim #2	5720
Northern Belle	446	Lucky Jim #3	5719
Hard Money	447	Lucky Jim #4	5721
Sigrid	4959	Lucky Jim #5	5722
Sigrid #1	4960	Lucky Jim #6	5723
Mt. Boy Extension	4961	Last Chance #1	5724
Cotton Top	4964	Last Chance #2	5725
Mt. Boy Extension #1	4962	Last Chance #3	5726
Fox	4963	Eagle	6085
Chris	4965	Canary #2	6086
Silver Mask	4966	Canary #3	6087
Belle Fraction	5390	Canary #4	6088

All claims are located in the Cassiar Land District, Skeena Mining Division, and total area is 914.41 Acres. The claims are reverted Crown grants which reverted to the Crown in the spring of 1974. Mr. G. Lauder (deceased) and Mr. S. Liening acquired leases on the claims and the surviving partner holds them to this date. No claim search was made by the writer at this time.

HISTORY

In 1907 silver-bearing quartz vein material was discovered and underground development on what was the Mann vein began two years later. Development totalled about 250' but no production resulted. In 1914 the "High Grade" vein was discovered and four tons of hand-sorted ore averaging 1074 oz. Ag, 4.57% Cu and 2.00% zinc was shipped. Two additional adits were driven in 1928 and 1929.

Between 1929 and 1938 sixty tons of ore were shipped averaging 546.8 oz. Ag, 3.2% Cu and 3.15% Pb (from Bulletin 58-1971 "Geology and Mineral Deposits of the Stewart Area" - B.C. Dept. of Mines).

Additional prospecting has disclosed the presence of four additional veins on the claims under discussion.

The most recent work has been carried out by prospector R. Schumacker in 1976 when he rehabilitated and sampled the Mann Tunnel. In the fall of that year the road was surveyed for possible rebuilding.

GEOLOGY AND MINERALIZATION

The area in which the Mountain Boy prospect is located is underlain by volcanic rocks of the Hazelton group just east of the Coast Range intrusive complex.

The Hazelton group, of Jurassic age, is made up of argillite, quartzite, tuffaceous sediments and fine-grained to porphyritic red to green andesites of the Bear River series. These andesites are the host rocks of the Mountain Boy mineral veins. The vein fillings are composed of quartz, jasper, barite and calcite carrying argentite, galena, sphalerite and chalcopyrite along favourable bands within the andesites and associated tuffaceous varieties.

The "High Grade" vein strikes northwest and dips 25° to the west and has been traced for 1,200 feet on surface. The original discovery averaged 3.5 feet in width and it was from here that 45 tons of ore were shipped. Samples were reported to average 210.5 oz. Ag.

The "Mann" vein is located 500 feet east of and 500 feet below the High Grade vein. It strikes northeast and dips from 45 to 65 degrees southeast. The vein is reported to be 35 feet wide and consists mainly of white quartz mineralized with bands of argentiferous galena and sphalerite. The silver assays are reported to vary between 0.5 oz. and 53 oz. but for the most part fall between one and five ounces per ton. Zinc values are reported to average around 5% and lead around 1%.

Old records and maps show that eleven samples taken from the open cut on the High Grade vein average 107.8 oz. Ag (uncut) and 49.3 oz. Ag (cut) across 2.8'. It is normal practice to reduce high erratic assays when averaging a series of silver samples. Samples that are above the average are reduced to the average and the series of samples averaged again, resulting in the "cut" average.

One sample taken from the Daly tunnel 50' south of the open cut assayed 2.36 oz. Ag across 2.0'. The Fagan Tunnel was driven 200 feet north of the open cut and the vein assayed 1.96 oz. Ag/5.0'.

The Mann vein was drifted on in the Mann Tunnel and samples taken by L. Germaine in 1930 are as follows:

<u>Width</u>	<u>oz. Ag</u>	<u>% Zn</u>	<u>% Pb</u>	<u>Location</u>
6.0'	17.70	2.63	tr.	At portal, cross vein
6.0'	3.21	0.47	tr.	Adjoins previous sample
6.0'	3.35	3.28	0.23	" " "
6.3'	14.42	9.36	0.16	" " "
7.0'	53.90	1.83	0.58	" " "
7.0'	10.48	tr.	0.18	" " "
38.3'	17.9 (uncut)			
Avg.				
38.3'	11.4 (cut)	2.87	0.20	

Samples taken from a crosscut 100' west are as follows:

<u>Width</u>	<u>oz. Ag</u>	<u>% Zn</u>	<u>Location</u>
5.0'	0.99	0.90	Collar of crosscut
5.0'	1.05	3.78	Adjoins previous sample
4.9'	1.15	3.35	" " "
4.5'	2.26	0.32	" " "
<u>6.3'</u>	<u>5.37</u>	<u>0.90</u>	
Avg. 25.7'	2.33	1.82	

Samples taken from a short intermediate crosscut are as follows:

<u>Width</u>	<u>oz. Ag</u>
5.0'	6.4
5.0'	8.8
<u>5.0'</u>	<u>2.4</u>
Avg. 15.0'	5.9

Samples taken by Mr. R. Schumacker from the Mann adit in 1976 are as follows:

<u>Sample No.</u>	<u>Width</u>	<u>oz. Ag</u>	<u>% Zn</u>	<u>% Pb</u>
MB7	30.0'	8.44	12.6	0.26
3	6.0'	2.35	0.8	0.10
2	6.0'	3.08	1.7	0.67
1	<u>6.0'</u>	<u>16.66</u>	<u>9.88</u>	<u>1.92</u>
Total, averages	48.0'	8.03	9.42	0.49

These samples correspond to those taken in 1930 from the portal area which averaged 11.4 oz. Ag across 38.3'.

Additional samples taken by Schumacker are as follows:

<u>Sample No.</u>	<u>Width</u>	<u>oz Ag</u>	<u>% Zn</u>	<u>% Pb</u>	<u>Location</u>
MB4	8.0'	75.21	7.80	4.56	Raise
MB6	30.0'	2.19	1.49	0.20	XC 40' West
MB5	30.0'	2.73	1.57	0.17	XC 100' West

COMMENT

The reported width of the Mann vein (in excess of 40') is impressive and it is obvious that although much of the vein averages around 6 oz. Ag per ton, richer pods exist. Mining costs per ton for wide veins are sharply reduced from veins in the 3-5 foot range. It is believed that the lower level Tolin tunnel did not reach the Mann vein and underground diamond drilling is indicated.

The many veins on the Mountain Boy property warrant exploration in view of the present price for silver and the values reported from earlier sampling. Although no proven ore exists on the property, the possibility of finding significant tonnages of commercial grade ore does exist.

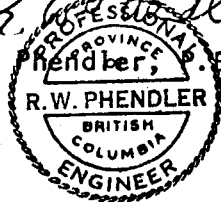
Respectfully submitted,

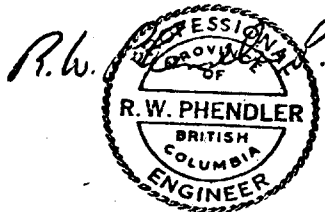
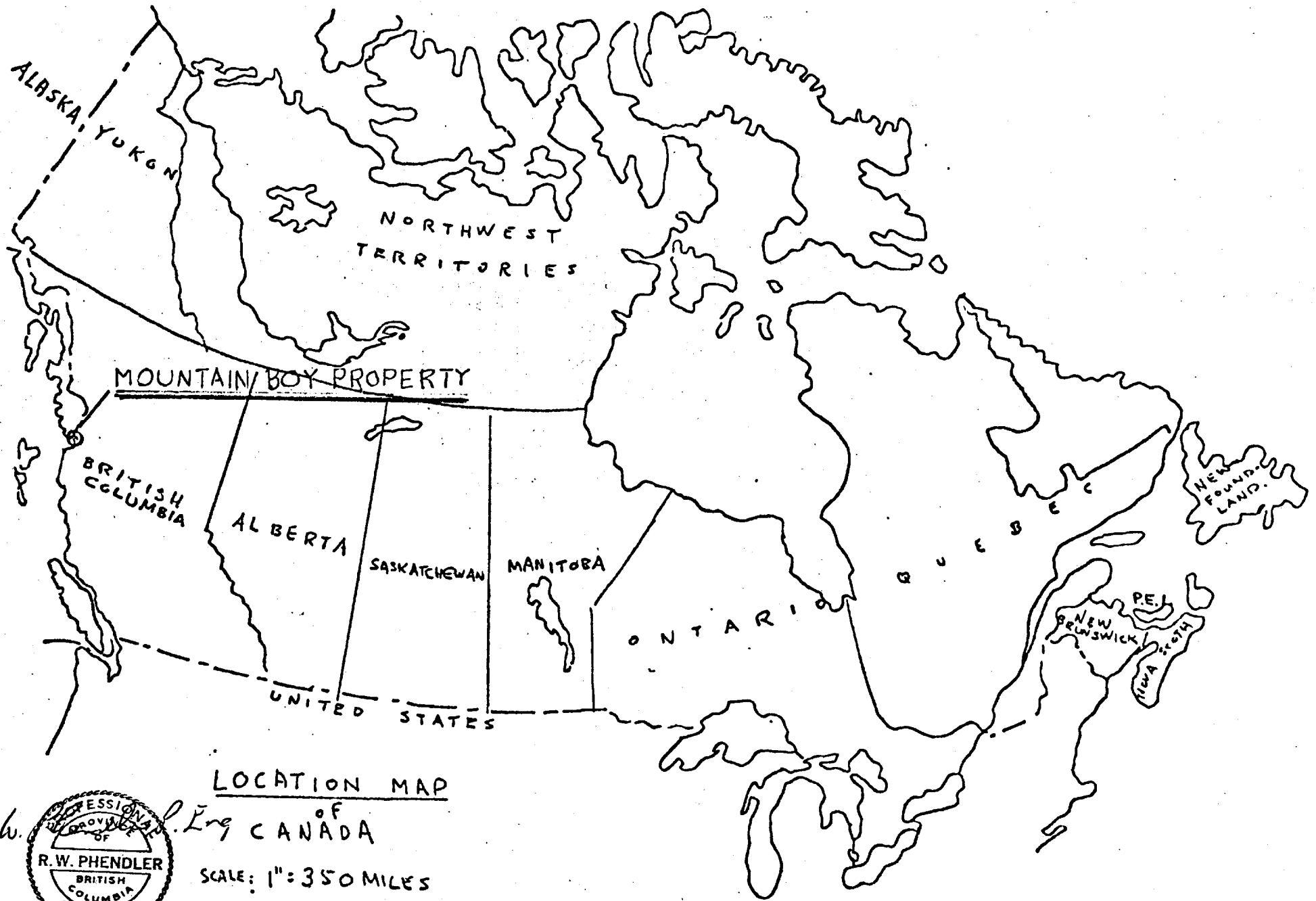
R.W. Phendler, P.Eng.

CERTIFICATION

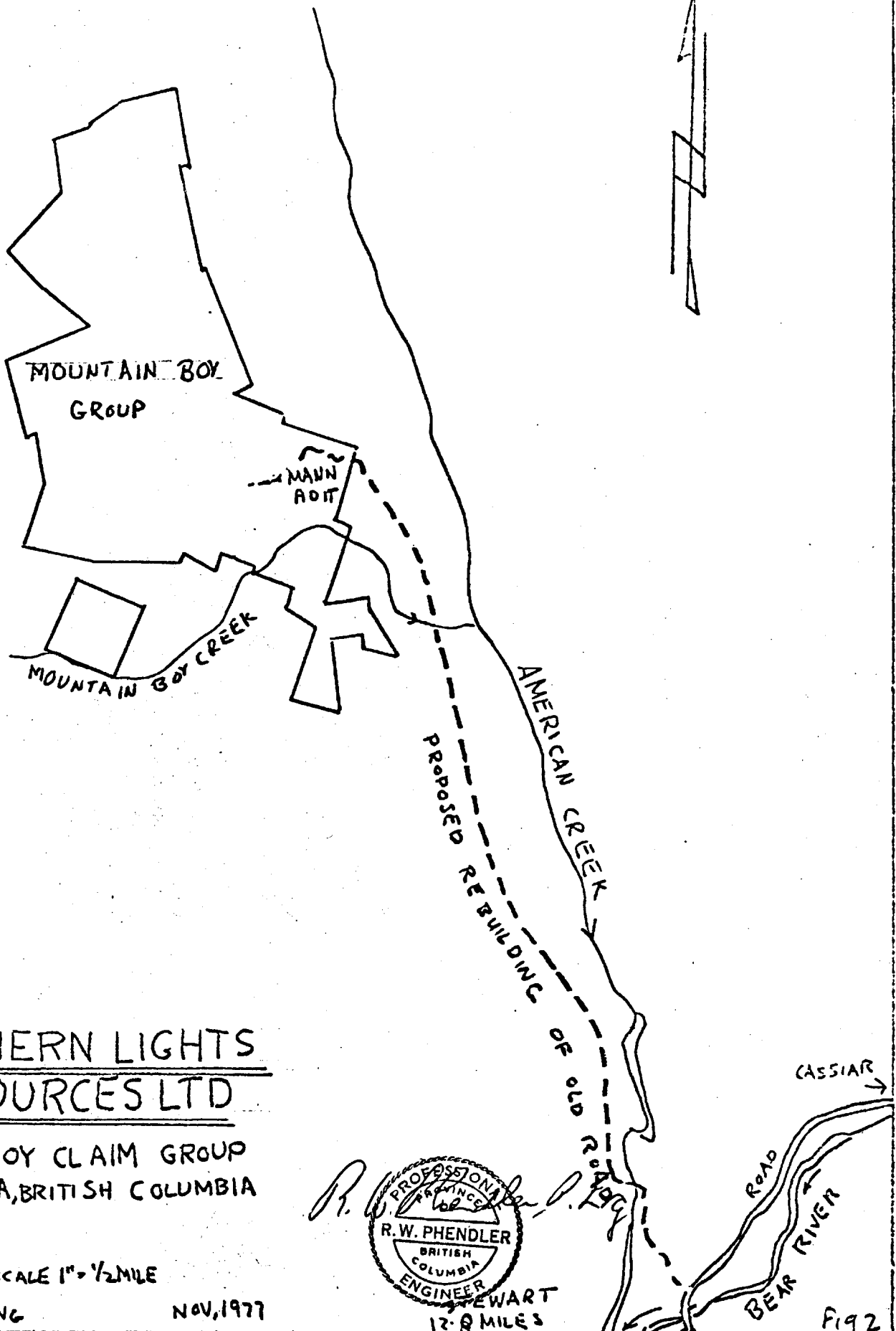
I, R. William Phendler, of 6175 Granville Street, Vancouver, British Columbia, hereby certify as follows:

- 1) That I am a registered member of the Association of Professional Engineers in the Province of British Columbia (No. 4421 - 1963).
- 2) That I have practiced my profession continually as mine, exploration and consultant geologist for the past 24 years in Quebec, Ontario, Newfoundland, Nova Scotia, Saskatchewan, British Columbia, the Yukon and Northwest Territories in Canada, the U.S.A., Mexico, Colombia, Peru and Chile.
- 3) That I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in Geology.
- 4) That I am the owner of 10,000 shares of Exel Explorations Ltd., receiving those in 1976 in payment of consulting work done in 1973 - 1975. I hold no interest in the subject claims.
- 5) That the information contained in this report was compiled from reports provided and a study of Government Bulletins. I have not been on the property but am familiar with other similar vein type deposits in the area.

R. W. Phendler, P. Eng.
R.W. Phendler, P. Eng.
A circular seal for a Professional Engineer in the Province of British Columbia. The seal contains the text: "PROFESSIONAL ENGINEER", "PROVINCE OF BRITISH COLUMBIA", and "R.W. PHENDLER".



P. Ing



NORTHERN LIGHTS
RESOURCES LTD

MOUNTAIN BOY CLAIM GROUP
TEWART AREA, BRITISH COLUMBIA

SCALE 1" = 1/2 MILE

R. PHENDLER, P. ENG

NOV, 1977

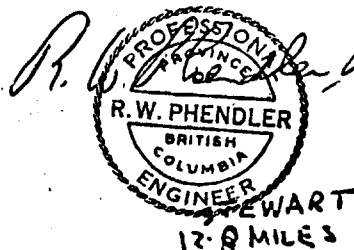


Fig 2



NORTH MANN ADIT - 2595'

MOUNTAIN BOY CLAIM.

HIGH GRADE VEIN

TOLIN ADIT - 2437'

25°

MANN ADIT - 2503'

OPEN CUT

FAGAN ADIT 2356'

DALY ADIT 3015'

MANN VEIN

55°

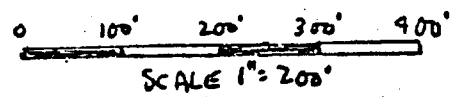
AMERICAN GIRL CLAIM
HARD MONEY CLAIM

NORTHERN BELLE CLAIM

SOUTH MANN ADIT 2340'

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STEWART AREA, BRITISH COLUMBIA



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Fig 3