Harper Creek
82M/12

Harper Creek Property Option Agreement

As of January 31, 2003, the Issuer holds a 100% interest in 51 claim units in the Kamloops Mining Division, British Columbia, known as the Harper Creek Property. The company received a 100% interest in the mineral rights of the property from MBI Mining Brokers Inc. ("MBI") in exchange for 100,000 shares of the company in 1996. The claims are subject to a 2.5% net smelter return royalty ("NSR"). Should the project advance to the feasibility study stage of development, the original vendor has the option of earning back a 50% interest and becoming operator of the joint venture in return for payment to the Issuer of $100,000 and incurring double the expenditures incurred by the Issuer to that date, within the following two years..

November Back-Fr.

Location and Access

The Harper Creek property is located about 120 Kilometres (75 miles) due north of the city of Kamloops and about 11 kilometres (7 miles) southeast of the village of Vavenby in the North Thompson River valley of south-central British Columbia, Canada. The claims are centered at approximately 51° 30'N, 119° 50'W on map sheet 82M/12 W. Access from Kamloops is on Highway No.5 (North Thompson) to Vavenby, a distance of 142 kilometres (89 miles), and from there by gravel forestry road (Jones Creek Forest Service Road), a distance of 11 kilometres (7 miles) to the claims. Vavenby and Kamloops are on the main CNR rail line, Kamloops has a major airport with numerous daily flights to major centres in the province.

Property

The company holds 100% interest in 51 claims, collectively called Harper Creek Property, in the Kamloops Mining Division. The claims comprise 1035 hectares and the claims are in good standing until 1 September, 2003 and May, 2004. Good standing refers to the status of the claims according to the provincial government. The claims are on crown (government) land, which individuals or companies may claim from the government, become the recorder holder of those claims. To retain title to the claims ("good standing"), the record holder must have performed or caused to be performed on the claim, exploration and development having a value which is not less than an amount for each unit calculated in accordance with the regulations ($100 per unit per claim in the first 3 years and $200 per unit per claim there after). If the claim holder does not perform work or enough work on the claim, then the claims are not in good standing and will be forfeited back to the government.

History

Recorded exploration activity in the area of the property began in 1966 as follow-up to geochemical reconnaissance when Noranda staked the Goof and Sue claims. This was closely followed by staking of Cygnus Mines Limited's (QCM) Hail claims by Cordilleran Engineering Limited. Initial work included line-cutting, geological, geophysical, and geochemical surveys which was followed by extensive bulldozer trenching, sampling and diamond drilling. In excess of 163 holes totalling more than 25,830 metres (84,750 feet) were drilled by Noranda and QCM up to the end of 1973. A joint venture agreement was signed in 1970 by Noranda and QCM for continued exploration of the property and in 1972 preliminary feasibility studies for open pit designs for the combined low grade deposits were conducted using computer methods. This work defined a resource in the East Zone (QCM) of 53,000,000 tonnes with a grade of 0.37%copper, 0.016% molybdenum and minor credits for gold and silver (Minfile,

1987). These studies were upgraded in 1973 and 1974 using revised parameters. The new "mineable ore" (a term longer in use) estimate for both zones was 85,500,000 tonnes at 0.388% copper. In 1986, Aurun leased the QCM property with the intention of considering the potential of both small, high-grade and large, low-grade deposits, the potential of the precious metal content of the massive sulphide layers and some of the more siliceous layers, and the economic value of titanium-bearing minerals in certain of the more mafic strata. A pre-feasibility study was commissioned by Aurun in 1988 with the result that the combined geological reserves in the East and West Zones (QCM and Noranda respectively) were found to be 96,000,000 tonnes grading 0.41% copper, 0.045 grams/tonne (g/t) gold and 2.5 g/t silver. This study concluded that the chances of expanding these reserves were positive and that further expenditures on geological exploration were justsified (PBK, 1988). Base on "mineable reserves" (a term no longer in use) of 65,340,000 tonnes grading 0.36% copper, 0.040 g/t gold and 2.2 g/t silver, and mining at a daily production rate of 12,600 tonnes per day with copper at $1.08 (U.S.) per pound, their financial model showed a negative rate of return on invesment. However, their study recommended the project could proceed with an increased price for copper and with quality used equipment.

In 1996, the company conducted a drilling program consisting of 8 diamond drill holes totalling 2847.44 metres (9342 feet). Mineralization was confirmed to occur in north dipping tabular bodies with copper grades ranging from <0.01% to 1.8%. Averages of the mineralised sections in the seven holes which encountered mineralization confirm the northward dip and tabular form of the zones, as well as averaged grades of 0.2% to 0.4% copper. The cost of the program was $362,363.66 CDN ($266,191.61 US). At present, the company has no plans to further explore the property until metal prices rebound to a level where the property becomes viable.

Geology and Mineralization

The primary exploration target on the property is copper. The property lies within the Paleozoic, low metamorphic grade metasedimentary and metavolcanic rocks of the Eagle Bay Assemblage, which has been intruded by Late Devonian granitic orthogneiss. The Eagle Bay Assemblage rocks on the property have undergone greenschist grade metamorphism and consists of light grey quartz sericite phyllites commonly intercalated as lenses and layers with sericitio quartzites, carbonaceous and chloritic phyllites and intrusions of orthogneiss.

Mineralization, consisting of pyrite, chalcopyrite and pyrrhotite, occurs primarily within the phyllitic succesaion. Pyrite is the most abundant sulphide, averaging about 2% in the barren zones and about 55 in the copper mineralized zones; local intervals exceed 20% over lengths of up to 1.5 metres. Chalcopyrite occurs as disseminations and patches with pyrite in fractures and in massive sulphide layers. Molybdenite occurs with quartz in veinlets and fracture fillings. Other sulphides reported include sphalerite, galena and arsenopyrite. Minor gold and silver values occur within the mineralized zones. The presence of magnetite with pyrite and chalcopyrite, and studies of the host lithologies suggest a volcanogenic-exhalative (Kuroko) model for the origin of the mineralization. In 1988, Phillips Barratt Kaiser Engineering Ltd. of Vancouver conducted a pre-feasibility study on the property. The report concluded the West Zone contained "geological ore reserves" (this term is no longer valid in today's terminology. Under current terminology, this occurrence is now classified as a "mineral resource") of 53,500,000 tonnes of 0.42% copper, 0.047 g/t gold, and 2.6 g/t silver. The report concludes that, given the metal prices of the day ($1.08 U.S. per pound copper), the deposit could not be mined economically, but the chances for reserve expansion are positive and further geological exploration is justified.

Cu only payable metal

requires .5 - .7% Cu. to be of interest