

W. Simpson

SUMMARY REPORT

672558

- ON THE -

ALLENDALE LAKE PROPERTY

LYNX & FOX MINERAL CLAIMS

OSOYOOS & GREENWOOD M.D.

- FOR -

ALLENDALE RESOURCE CORP.

224 WEST ESPLANADE STREET,

NORTH VANCOUVER, B.C. V7M 1A4

PREPARED BY

KERR, DAWSON & ASSOCIATES LTD.

Suite 206, 310 Nicola Street

Kamloops, B.C.

V2C 2P5

JOHN R. KERR, P. ENG.

OCTOBER 31, 1983.

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ALLENDALE LAKE PROPERTY
Lynx & Fox Mineral Claims
Osoyoos & Greenwood M.D.

- for: -

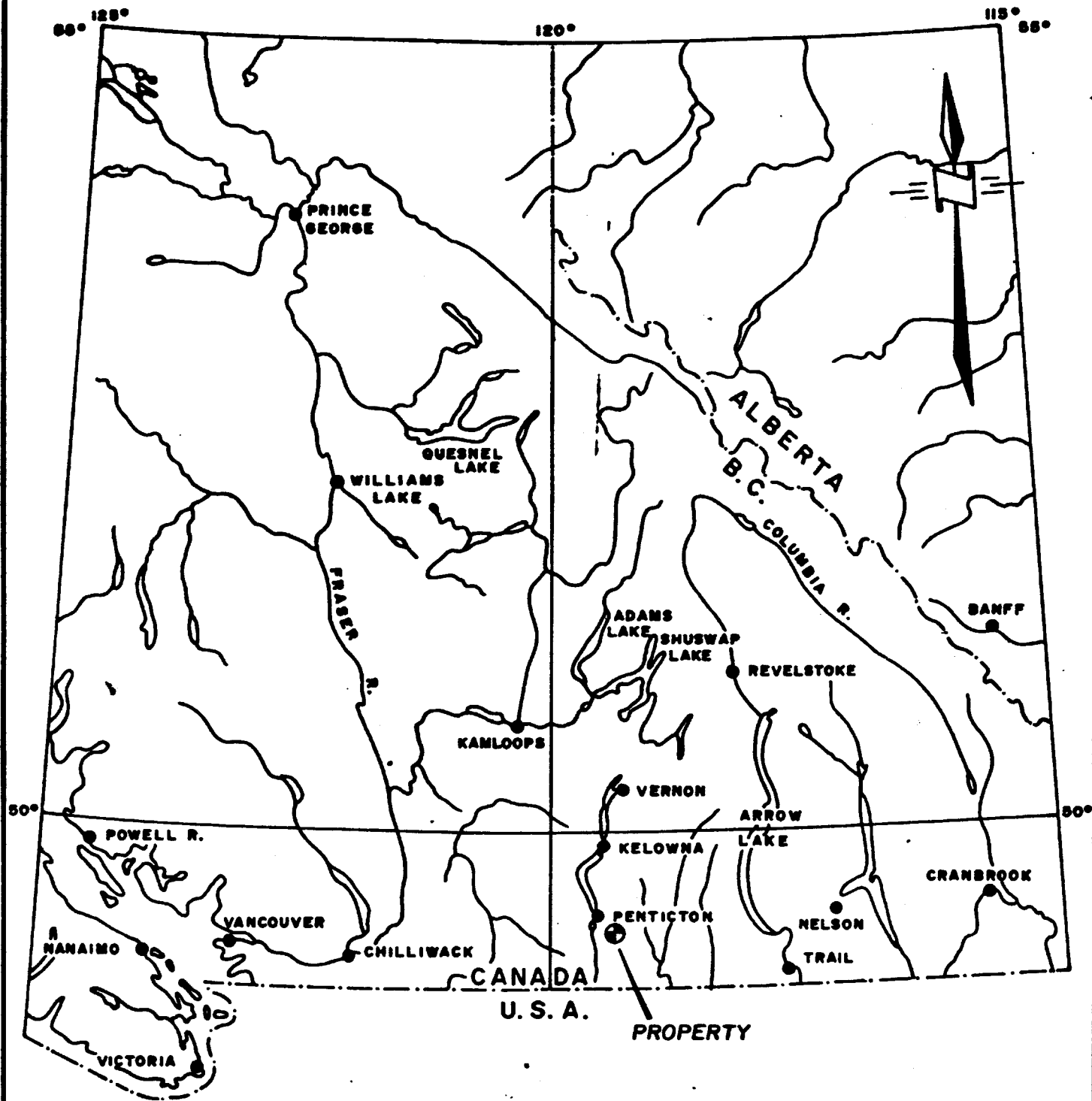
ALLENDALE RESOURCE CORP.
224 West Esplanade Street,
North Vancouver, B.C.
V7M 1A4

Prepared By:
KERR, DAWSON AND ASSOCIATES LTD.,
#206-310 Nicola Street,
Kamloops, B.C.

. . .

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**LOCATION MAP
ALLENDALE LAKE PROPERTY**

OSOYOOS & GREENWOOD M. D. , B. C.

Date: Nov. 1982.

Scale: 1" = 64 Miles

Drawn by: W.G.

Dwg no. 283-1

SUMMARY

- 1). The Allendale Resource Corp. property consists of 10 mineral claims (104 units), located in the Osoyoos Mining Division, 18 km. east of the community of Okanagan Falls, B.C. Access is via a well-maintained gravel road, a distance of approximately 25 km. from Highway #97 at Okanagan Falls.

- 2). The claims were located to cover known copper/silver mineralization in a Tertiary syenite stock. Mineralization was discovered on the property in the early 1960's with the known showings developed during the early 1970's by Selco. Two diamond drill holes were completed during this period. Allendale Resource Corp. completed five drill holes in 1982 in the area of known showings. There is no evidence of normal geochemical, geophysical or geological approach to exploration ever having been completed.

- 3). The 1983 exploration programme consisted of reconnaissance geochemistry and magnetometer survey over the entire claim block, followed up by detailed geochemistry, geological mapping, magnetics, and an I.P. Survey in areas of anomalous targets in the south-central portion of the claim block.

- 4). The principle rock-type on the property is a coarse grained, porphyritic, mafic-rich Tertiary syenite stock. Geological mapping and interpretation of this stock indicates that the northern portion of the stock is very fresh, massive, and unaltered, with minimal structural features. The southern portion of the stock is altered, with evidence of increasing structural features and intrusive activity. Geological interpretation suggests that the basin of the broad arcuate valley, located on L 4 + 00N @ 1 + 00W, may be the center of later structural and/or intrusive activity.

5). Interpretation of magnetic, geochemical, and I.P. data tend to support the geological interpretation expressed above. The geochemical data has provided zones of widespread copper and silver mineralization. Coincident I.P. anomalies have provided five distinct targets for further exploration. In summary, the 1983 programme has provided a very viable geological model for developing major copper/silver ore reserves.

6). A 750 meter (~2500 ft.) diamond drill programme is recommended to initially test the five targets delineated from interpretation of the 1983 programme. Costs of this programme are anticipated to be \$100,000.00.

INTRODUCTION

General Statement:

The Allendale Lake property was staked to cover copper-silver mineralization in a Tertiary syenite stock near Okanagan Falls, B.C. The mineral occurrences are located in a late, fine-grained, felsic phase of the stock, small zones indicating economic contents of copper and silver, and anomalous contents of gold.

On November 5, 1982, a report on the property was submitted recommending an initial phase exploration programme at an estimated cost of \$60,000. This phase has now been completed, which consisted of the following work:

- 84 km. of grid lines.
- soil sampling on all lines at 50 m. intervals.
- 76 km. of magnetometer survey.
- 13 km. of induced polarisation survey.
- geological mapping accompanied by limited rock chip sampling.

Mr. M. M. Menzies, President of Allendale Resource Corp., requested that I summarize the results in report form, recommending the company proceed into the Phase II programme. This report basically summarizes the results, and is not intended to display the raw data or justify the interpretation. The data will be compiled in a more comprehensive report at a later date, which can be used to satisfy the B.C. Ministry of EMPR assessment work requirements.

Location and Access:

The claims are located 18 km. east of the community of Okanagan Falls, B.C., in the southern portion of the Okanagan Valley. Geographic co-ordinates of the center of the property are 49° 23'N, 119° 21' W (NTS 82E/6W).

Access is possible along a well-maintained gravel road to Allendale Lake, a distance of 24 km. east of Okanagan Falls, and thence 1.5 km. west to the main showings along a 4 x 4 dirt road. Access to other areas of the claims is possible via well-maintained logging roads.

Topography and Vegetation:

The claims are located on the divide between the Okanagan and Kettle River valleys. Relief is generally moderate, however, local rocky knolls give rise to precipitous, hummocky terrain. Elevation range from 1500 m. (a.s.l.) to 1850 M. (a.s.l.).

An interesting land form exists in the southern portion of the claims. An arcuate shaped, steep walled valley, approximately 1000 meters in diameter centers on L 5 + 00 N @ 3 + 00 W. The valley bottom is flat, with a high organic accumulation, swampy conditions, and a small lake. This feature is apparent on air and satellite photos, and strongly suggests a volcanic vent or cauldron. It is definitely the result of less resistant weathering rock than the surrounding syenite, i.e. breccia pipe or later intrusion. It is within this area that geochemical and magnetic response has delineated targets for further exploration.

The property is lightly forested, trees being mainly stands of jack-pine and fir. Land depressions are generally filled with deep overburden, swamps and light to moderate underbrush. Rocky knolls are lightly covered with overburden, and are occasionally devoid of vegetation.

Claims:

The property consists of ten mineral claims, four located by the two-post method, and six located by the Modified Grid System (MGS) of staking. The following provides information regarding the legal description of each claim:

<u>Name</u>	<u>Type of Claim</u>	<u>Rec. No.</u>	<u>No. Units</u>	<u>Mining Div.</u>	<u>Expiry Date</u>
Lynx 1	2-post	15423	1	Osoyoos	June 10,1986
Lynx 2	2-post	15424	1	Osoyoos	June 10,1986
Lynx 3	2-post	1422	1	Osoyoos	July 16,1986
Lynx 4	2-post	1423	1	Osoyoos	July 16,1986
Fox 1	M.G.S.	3103	20	Greenwood	June 21,1987
Fox 2	M.G.S.	3104	20	Greenwood	June 21,1987
Fox 3	M.G.S.	3105	20	Greenwood	June 21,1987
Fox 4	M.G.S.	3106	20	Greenwood	June 21,1987
Fox 5	M.G.S.	1892	20	Osoyoos	Sept.20,1984
Fox 6	M.G.S.	1893	20	Osoyoos	Sept.20,1984

The Lynx 1 & 2 claims are recorded in the name of Robert Bechtel, and the Lynx 3 & 4 claims are recorded in the name of Florence Bechtel (nee Niddery). These claims are under agreement to Allendale Resource Corp. The Fox 1-6 claims are recorded in the name of Allendale Resource Corp.

The Moon and Dick claims were located after location of the Lynx claims, and prior to location of the Fox claims. These claims are in good standing, and are recorded in the name of Knie Resources Ltd. Therefore, the portion of these claims falling within the Fox claims will take precedence over that portion of the Fox claims. The Cameron, Shelley, Kam, and P.W. claims were staked after location of the Fox 1-4 claims, and prior to location of the Fox 5 & 6 claims. Therefore the portion of these claims falling within the Fox 5 & 6 claims will take precedence over that portion of the Fox 5 & 6 claims. At the time of my title search (Sept. 30, 1983), the Cameron, Shelley, Kam and P.W. claims were in good standing and were located in the name of individuals. Many of the claim posts have been located in the field, having been tied into the grid system; therefore the accompanying representation of the claims is considered relatively accurate (Fig. 282-2).

History:

It is unknown as to when mineralization was discovered at Allendale Lake, however the property was recognized for its porphyry copper potential during the 1960's. The only evidence of work is considerable trenching in the area of known showings. Old sills and scattered drill core indicate the presence of at least two diamond drill holes. This work was evidently completed by Selco during the early 1970's. There is no evidence or documentation of a normal exploration approach having been undertaken (i.e. geochemistry, geophysics). Allendale Resource Corp. acquired the property and completed a 5-hole diamond drill programme during 1982. This work is documented in a report by the writer submitted to Allendale on November 5, 1982.

FIELD PROGRAMME - 1983.

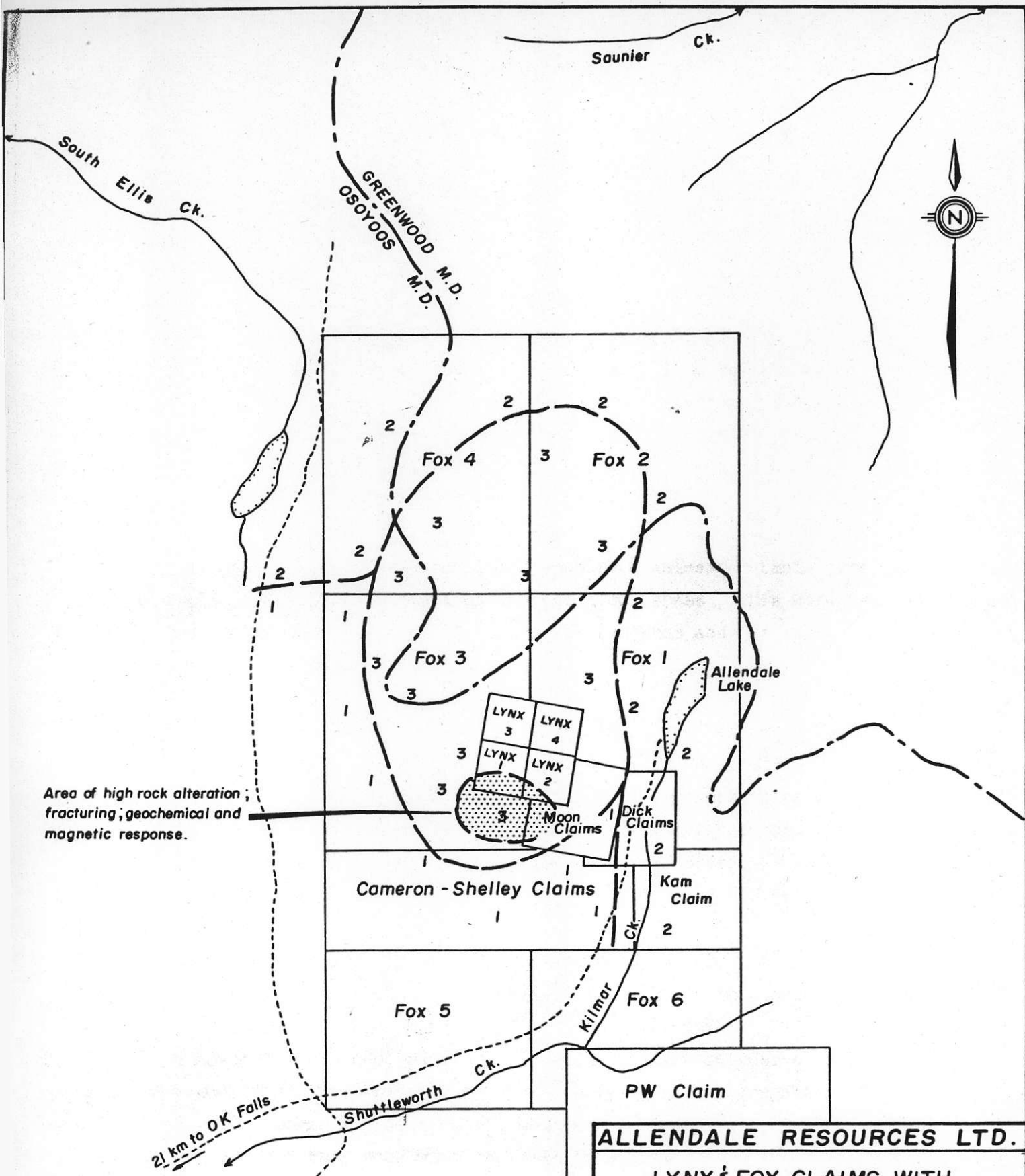
A reconnaissance grid was established over a large portion of the claim area, consisting of a 5 km. baseline and 44 km. of grid lines at 500 meter intervals with sample sites marked every 50 meters. Soil sampling and magnetometer readings (excepting 2 lines) were completed on this grid. Based on anomalous soil values and erratic magnetic readings in the southern portion of the property, a detailed grid (32 km.) was established from L 0 + 00 to L 20 + 00 N, with lines at 100 meter intervals. Soil sampling and magnetometer readings were taken on these lines. The claim area was geologically mapped, concentrating most effort to the southern portion of the claims. This programme was accompanied by limited rock-chip sampling. All work was completed by the staff of Kerr, Dawson and Associates Ltd.

An I.P. survey was initiated in late Sept., 1983 covering 13 km. of grid between lines 4 + 00 N and 11 + 00 N. This phase of the programme was coordinated by the staff of Phoenix Geophysics Ltd., with back-up support of Kerr, Dawson and Associates Ltd.

All soil and rock chip samples were analyzed for copper and silver at the laboratories of Acme Analytical in Vancouver. A selected suite of samples from the area of interest were geochemically analyzed for gold. A base map was prepared at a scale of 1:5000 showing claim boundaries and the grid. Due to extreme magnetism in the rock, considerable difficulty was experienced in tying-in grid lines. The grid representation on this map is believed reasonably accurate.

The geophysical staff of Phoenix Geophysics compiled all of the I.P. data, and have submitted their interpretation under separate cover. A summary of these results is included with this report.

The attached 1:5000 scale map compiles the interpretation of the geochemical, induced polarisation, and magnetometer data, delineating areas within the claims that require further exploration.



Area of high rock alteration; fracturing; geochemical and magnetic response.

Geological Classification

- 1 Precambrian - Monashee Gp.
- 2 Cretaceous - Valhalla and Nelson Intrusions
- 3 Tertiary - Coryell syenite stock.

ALLENDALE RESOURCES LTD.

LYNX & FOX CLAIMS WITH
GENERAL GEOLOGY

ALLENDALE LAKE PROPERTY

OSOYOOS AND GREENWOOD MINING DIVISIONS, B.C.

Tech. Work By: K.D.A.

Scale: 1:50,000

Drawn By: W.G.

Date: Oct. 1983.

Approved By: J.R.K.

Fig. No. 282-2

GEOLOGY

The general geology of the area is documented on the 1"=4 miles G.S.C. map sheet #15-1961, the geological mapping and compilation completed by H.W. Little in 1958 and 1959.

The claim block centers around a small (8 km²) syenite stock, one of the several mid-Tertiary Coryell intrusions. This stock intruded granodiorite and quartz-monzonite rocks of the Cretaceous Valhalla and Nelson plutonic events; and schists and gneisses of the Precambrian Monashee Group. Outliers of mid-Tertiary sedimentary and volcanic rocks exist within the general area of the claims.

Geological mapping was completed on a reconnaissance basis over the entire claim block, detailing the anomalous areas. This work has given a better understanding of structural features and the intrusive complexities of the property.

Four distinct phases of the Coryell syenite complex are recognized:

1. Coarse-grained, porphyritic, dark grey hornblende/biotite rich syenite, distinguished by coarse phenocrysts of orthoclase. The rock is generally massive, fresh, relatively unfractured, and indicates minor to weak signs of secondary alteration. Alteration when present includes Kaolinization of orthoclase, chloritization of the mafics, and chlorite/epidote along fractures. Occasional pyrite grains are disseminated in the rock and along fractures. A relatively high content of magnetite (1-3%) is throughout the rock.
2. Fine-medium grained, mafic-rich dark grey/black intrusive rock (syenite?). This appears to be an early crystal segregation of the rock magma at the time of emplacement of the batholith. Contacts of this rock with the main syenite mass are very gradational. Weak-moderate chlorite alteration is prevalent in this rock, occasionally containing appreciable (1-3%) pyrite, and traces of Chalcopyrite.

3. Light grey, fine-medium grained syenite or monzonite. The mafic content is appreciably lower than the main syenite mass, and is dominantly biotite. The rock is fresh, massive, dense, and shows very little sign of secondary alteration. The contacts of this rock are sharp and well-defined, indicating a separate and later intrusive event.

4. Small pods, dykes and sills of fine-grained buff/white/light grey granodiorite, granite or aplite. The rock appears quite variable in original composition and secondary alteration. The common feature of the rock is a moderate content of primary quartz as grains and masses within the rock. Alteration is extremely variable, ranging from weak to high secondary silicification, sericitization, K-feldspar, and kaolinization. Variable content of sulphides, consisting of pyrite, chalcopyrite, chalcocite, bornite, and possibly tetrahedrite exist within the rock. Although these pods and dykes of mineralized rock appear prevalent on the surface, only one 4-6 inch dyke was encountered in any drill hole. In bedrock exposures of the rock have been highly oxidized with abundant malachite and azurite.

This rock appears to be intruding all other phases of the syenite, and is probably the last geological event of the syenite intrusion.

Also logged in the drill core were irregular masses of rock believed to be highly thermally altered xenoliths. These rocks are in part very crystalline, and appear to be intrusive. Confusion, therefore, exists in identifying these rocks with the black altered mafic-rich phase of the syenite.

There is an apparent spatial distribution of the various phases of the Coryell intrusion within the main stock. In the northern portion of the stock, the coarse-grained, unaltered, porphyritic variety is most abundant (>95%). The southern portion (commencing ~ L 20 + 00N) indicates a gradational increase in the abundance of the other phases.

Accompanying this is an increase in structural complexities (i.e. fault and fracture densities), alteration, and mineralized zones. Alteration of the syenite includes chlorite, secondary biotite, epidotes and magnetite. Alteration of the small aplite dykes and sills includes sericite, K-feldspar, kaolinite, fluorite and sulphides.

All data collected from the property to date suggests that the arcuate land feature in the south-central portion of the claims is the center of a major structural, intrusive, and/or extrusive event. This may be a major fault center, a later phase felsic intrusion, a breccia pipe or a volcanic cauldrea. Geochemical and magnetic interpretation tend to support this hypothesis.

ECONOMIC POTENTIAL

The fact that a major structural, feature, a breccia pipe or a late-phase felsic intrusive mass may exist on the property has major economic importance. All three features are considered an excellent geological environment to host large-tonnage ore deposits. The following facts support this evidence and give credence to this area as a real and viable exploration target.

- 1). The area of interest is a deep and steep-walled arcuate valley, indicating the area to be underlain by rocks less resistant to erosion. Intrusive rocks having undergone substantial secondary alteration, such as clay, sericite, chlorite and epidote are generally very soft and eroded easily. Such rocks are ideal hosts for mineral deposits. The fact that this valley is circular, suggests that the underlying rock mass is circular, such as the case of breccia pipes, caulderns and some intrusions.
- 2). Small dikes and sills of altered felsic intrusive rock exist erratically on the property, assays indicating a content of 2-5% Cu and 1-3 oz/T Ag. These intrusions appear to become more abundant towards the south-central portion of the claims. In the vicinity of L 10 + 00N from 3 + 00W to 4 + 00W, a visual estimate of the float, boulders, and surface debris indicates ~50% to be of the altered, felsic, later phase intrusive rock. Fracture, shear and fault density appears to increase in the same pattern.
- 3). The geochemical response in the northern portion of the claims is very low, the background content of copper ranging 2-10 ppm, and silver .1 ppm. Some erratic possible anomalies do exist ranging 20-30 ppm.

In the southern portion of the claims, the background content of copper increases to 20-30 ppm and silver increases to .2 - .3 ppm. Erratic, isolated anomalies ranging 50-100 ppm Cu, and .5 - .6 ppm Ag in the area between L 12N and L 15N probably reflect the small mineralized dykes and sills that are known to exist in this area.

Between lines 4 + 00N and 12 + 00N, large significant geochemical anomalies are known to exist ranging 150-1450 ppm Cu, and .6 - 1.3 ppm Ag. There is a moderate correlation of copper to silver anomalies.

In the valley floor, between lines 3 + 00N to 7 + 00N, deep swampy overburden exists. Soils were not collected in much of this area, however, soils from around the northern edge of the swamp were quite anomalous. Therefore, the anomalies may, in fact, be much larger than interpreted, taking in a large portion of the swamp area.

Soils from L 4 + 00N to L 12 + 00N were selectively analyzed for gold. The results were disappointingly low, with no anomalies being interpreted.

4). The magnetic response over the syenite stock is quite unusual. The massive, dense, unaltered syenite is known to have an evenly disseminated magnetite content ranging 1-3%. In the northern portion of the property, background magnetic field ranges 58,000-58,500#, with very few erratic variations.

In the southern portion of the property, three distinct magnetic features are apparent:

- a). An arcuate pattern of erratic magnetic lows and highs ranging from 53,000-62,000# follows the rim of the circular, steep-walled valley.

- b). A lineal magnetic pattern of erratic magnetic highs ranging to 63,000 γ extends from L 0 to 20 + 00N at 8 + 00 to 10 + 00W.
- c). The floor of the circular valley is a broad magnetic low ranging 57,500 γ to 58,500 γ . The lows in this area correlate well with geochemical anomalies.

An interpretation of these magnetic results tend to substantiate the presence of intrusive and/or extrusive activity. The broad magnetic low in the valley floor, suggests a rock-type lacking magnetic minerals, such as felsic igneous or volcanic rock. The erratic magnetic response around the rim of the valley suggests a highly altered zone within the main syenite stock, suggesting that the known magnetite content has been redistributed into significant pods, with a preferred crystal orientation. This magnetic feature is accompanied with chlorite, epidote, secondary biotite and Kaolinite alteration. The lineal magnetic feature between 8 + 00W and 10 + 00W may represent a fault zone.

- 5). Results of the Induced Polarisation survey are based on a preliminary interpretation received from the staff of Phoenix Geophysics Ltd.

In summary, the strongest I.P. anomalies, related to on the map as definite anomalies, fall mainly within the zone of erratic magnetic response, and probably reflect a significantly high content of magnetite. With the exception of definite anomalies on L 11N @ 10 + 00W, and on L 10N @ 6 + 00W, there is only minimal correlation of definite I.P. anomalies to geochemical anomalies. Several weak to moderate I.P. anomalies have been interpreted within the broad magnetic low, that directly correlate to copper (silver) geochemical anomalies. These zones possibly reflect a 1-5% metal content and should be regarded as viable exploration targets.

Compiling all data, five exploration targets exist within the Allendale property.

- I. L3 + 00N to L5 + 00N from the baseline to 5 + 00W. This area is largely underlain by swamp, where I.P. and geochemical response is detected only on the western and eastern flank of the swamp. The eastern portion of this zone is apparently on the Moon claims, not controlled by Allendale.
- II. L7 + 00N to L10 + 00N from the baseline to 2 + 50E. The strongest copper/silver geochemical anomaly forms a lineal pattern in a general NW-SE direction. This anomaly correlates well with moderate strength I.P. anomalies detected on all lines. The I.P. response is confused to the east, probably due to a high magnetite content. This coincident I.P./geochemical anomaly can be traced to the south of Lines 5 + 00N and 6 + 00N, however this portion of the anomaly falls on the Moon claims.
- III. L7 + 00N to L10 + 00N @ 5-6 + 00W. A strong copper/silver geochemical anomaly is coincident with moderate-strong I.P. response. The area flanks the zone of erratic magnetic response. Float of highly altered, felsic intrusive rock is noted in this area.
- IV. L8 + 00N to 10 + 00N (B) from 1 + 50W to 3 + 00W. This zone is the largest most consistent copper geochemical anomaly, with no obvious silver correlation. Moderate I.P. response is detected on L10 + 00N (B), which does not correlate well with the anomaly, however downhill dispersion of geochemical values must be suspected, as the area of the anomaly is very steep.

*Allendale
has option
for 75%
of these
claims*

- V. L10 + OON (B) and L11 + OON @ 10 + 00W. A copper geochemical anomaly coincides with a strong I.P. anomaly. Outcrop exposures indicates lenses and pods of bornite/chalco pyrite rich felsic intrusions in this area.

All five targets are sufficiently advanced to the drill stage of exploration, which warrants the following recommended exploration programme.

RECOMMENDATIONS

The results of the initial surface programme are very encouraging, and interpretation has successfully developed a viable model for a major ore deposit. It is therefore justified that Allendale continue with an aggressive approach to the next phase of exploration. The following two-phase programme is recommended.

Phase I.

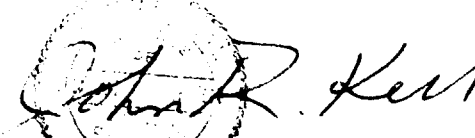
- 1). At least five sites have been selected that warrant diamond drilling all drilled to a minimum depth of 150 m. (~500 ft).
- 2). Drill access roads into proposed drill sites, all exposed outcrop being examined and sampled where warranted.
- 3). The drill programme is to be properly supervised, with logging, splitting, and sampling of the drill core being as current as possible with drilling. All mineralized sections of core are to be sampled and submitted for copper, silver and gold assay.
- 4). Compilation of results in report form.

Costs of the above programme are estimated to be \$100,000.00 (see Appendix A for details).

Phase II.

Continued drilling on the property would be warranted if results of the initial drilling were considered favourable. Pending the nature of economic mineralization encountered, the second phase of drilling could be completed by "chip" type sample drilling process (i.e. rotary or percussion). The scope and costs of this phase are totally contingent upon the results of the initial phase.

Respectfully Submitted By:
KERR, DAWSON AND ASSOCIATES LTD.



John R. Kerr, P. Eng.
GEOLOGIST

APPENDIX A
COST ESTIMATE

COST ESTIMATE

(Phase I)

Diamond Drilling (N.Q.) 2500 ft. @ \$24.00/foot	\$60,000.00
Supervision	10,000.00
Road Building for Drill Access	10,000.00
Assays	3,000.00
Room, Board & Transportation	3,000.00
Miscellaneous Supplies	1,000.00
Report and Compilation	3,000.00
~ 10% Contingencies	<u>10,000.00</u>
TOTAL	\$100,000.00

APPENDIX B

WRITER'S CERTIFICATE

JOHN R. KERR, P. ENG.

Geological Engineer


#206 - 310 NICOLA STREET • KAMLOOPS, B.C. V2C 2P5 • TELEPHONE (604) 374-0544

CERTIFICATE

I, John R. Kerr, of the City of Kamloops, British Columbia

DO HEREBY CERTIFY THAT:

- (1). I am a member of the Association of Professional Engineers of British Columbia and a fellow of the Geological Association of Canada.
- (2). I am employed by Kerr, Dawson and Associates Ltd., with my office at #206-310 Nicola Street, Kamloops, B.C.
- (3). I have practised continuously as a geologist since graduation from the University of British Columbia in 1964 with a B.A. Sc. in Geological Engineering.
- (4). I do not hold any interest directly or indirectly to title of the Fox or Lynx claims (as referred to in this report), or in the securities of Allendale Resources Ltd.
- (5). This report is based on an exhaustive study of all available data, published and unpublished reports and my examination of the claims and work programme during the period July 18 - October 10, 1983. I personally supervised all phases of the work programmes.
- (6). Permission is hereby granted to Allendale Resources Ltd. to use this report for financing purposes, and to satisfy the requirements of the Securities Commission, the Stock Exchange, and the B.C. Ministry of Mines.


John R. Kerr, P. Eng.,
GEOLOGIST

October 31, 1983.
Kamloops, B.C.