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REPORT on THE PROPERTY of LEXINGTON MINES LTD. GREENWOOD M.D., BRITISH COLUMBIA for LEXINGTON MINES LTD. (N.P.L.)

by: J.J. Crowhurst, B.A.Sc., P.Eng.

April 26, 1971.

BACON & CROWHURST LTD.
1720-1055 West Hastings Street
Vancouver 1, B.C.

REPORT

ON THE PROPERTY

OF

LEXINGTON MINES LTD.

GREENWOOD M.D., BRITISH COLUMBIA

for

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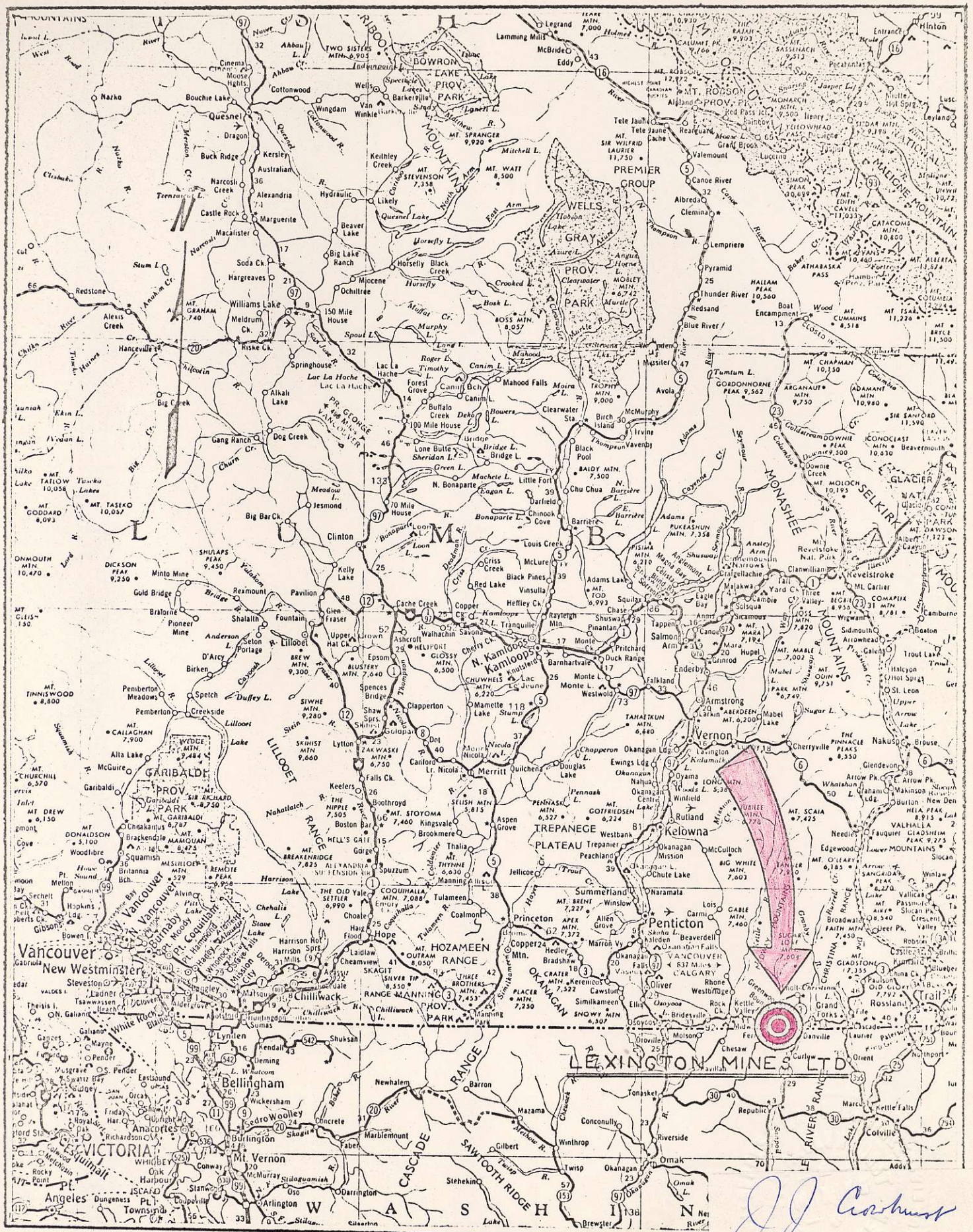

SCALE: 1" = 39 MILES

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SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The property of Lexington Mines Ltd. is in the Greenwood area of British Columbia, situated south of the southern Trans-Provincial Highway and close to the Canadian-U.S.A. border.

The claims are underlain by mixed volcanic and sedimentary rocks of the Anarchist group of late Paleozoic age; these rocks are intruded by diorite and ultrabasic plugs. Where exploration has been conducted to date, copper mineralization has been found to be general, as demonstrated by outcrops and assay results from more than 10,000 feet of trenching and 18,000 feet of diamond drilling. Years ago, mineralized outcrops were responsible for underground exploratory work on the Mabel, Lexington and City of Paris properties.

In the past few years the principal exploration activity has taken place in the City of Paris sector where a band of dacite, 600 feet thick, is sandwiched between two sill-like bodies of serpentinized ultrabasic rocks. The dacite body is fractured throughout, sericitized and contains widespread disseminated pyrite and chalcopyrite. Diamond drilling, at 200' intervals, in the City of Paris area has shown that encouraging concentrations of chalcopyrite occur near the upper and lower margins of the dacite in this area.

Along the lower margin, a zone of mineralization has been traced from near surface down a plunge of 20 degrees for a length of 1300'. Intersections encountered so far by eleven diamond drill

holes average 0.74% copper, .073 oz. of gold per ton and 0.121 oz. of silver per ton over an average vertical extent of approximately 60 feet.

Insufficient diamond drilling has been done to test copper mineralization found along the upper dacite margin.

Induced polarization surveys have revealed 7 areas of increased chargeability as follows: A, B, C, "A", "C", "D" and "E". Zone A is in the City of Paris sector and is the only one that has been tested (partially) by drilling. Zone B should be tested by drilling and the other zones of high chargeability should be investigated by soil sampling to be followed by trenching and/or drilling if the geochemistry is encouraging.

It is recommended that the sum of $122,000 be provided in order to continue with a phased exploration program of this large and highly interesting copper property.

ESTIMATED COST - EXPLORATION PROGRAM

PHASE I

Percussion drilling - 15 holes x 300' = 4500' @ $3.33/ft. (Zones A, B)	$15,000	
Geology, engineering, assaying and evaluation of results	4,000	
Vehicle operation and maintenance, travel & miscellaneous	1,200	
Soil sampling (IP zones C, "A", "C", "D", "E")	4,800	
		$25,000

PHASE II

Diamond drilling - 3 holes x 550' = 1650' @ $12/ft. (Zones A, B)	$19,800	
Geology, engineering, assaying and evaluation of results	4,000	
Vehicle operation and maintenance, travel & miscellaneous	1,200	
		$25,000

PHASE III

Diamond drilling - 5000' @ $12/ft.	$60,000	
Geology, engineering, assaying and evaluation of results	9,000	
Vehicle operation and maintenance, travel & miscellaneous	3,000	
		$72,000

TOTAL $122,000

Respectfully submitted,

BACON & CROWHURST LTD.

J.J. Crowhurst, B.A.Sc., P.Eng.

INTRODUCTION

On December 11th, 1969 the writer and Dr. W.R. Bacon, P.Eng. visited the Lexington property and examined some of the available diamond drill core.

On April 24th-25th, 1971 the writer again visited the property. Between the two visits he has studied all the available data and discussed the property extensively with Dr. Bacon.

LOCATION AND ACCESS

The property is located close to the U.S. border near Greenwood in south central British Columbia. Greenwood, on the southern Trans-Provincial Highway (Route 3) is seven miles northwest of the property and about 320 road miles east of Vancouver.

Access to the Lexington property is by a good gravel road which starts from the highway two miles south of Greenwood. This road provides easy access to all parts of the claim groups.

PROPERTY AND OWNERSHIP

Lexington Mines Ltd. holds 27 Crown granted claims and mineral leases and 105 adjacent mineral claims (See Figure 2 and Appendix A).

HISTORY

Past production from what is now the Lexington property was confined to the old Mabel mine which produced a little over 100 tons averaging 0.12 oz. Au and 0.34 oz. Ag, and to the City of Paris mine

which produced 2100 tons averaging 3.12% Cu, 0.40 oz. Au, and 2.1 oz. Ag.

In 1962 King Midas Mines Ltd. carried out geophysical and geochemical work, stripping, diamond drilling and some tunnelling on the old Mabel Mine but results were apparently discouraging.

In 1967 Lexington Mines Ltd. acquired the claims covering the Mabel, Lexington and City of Paris mines and gradually increased their holdings to the present dimensions by staking additional ground. During 1968 extensive exploration work was carried out (geochemical, geological, geophysical) and results warranted additional investigation. Diamond drilling commenced on April 3rd, 1969, and continued until July 27th, 1970, when work was temporarily halted to fully assess findings to date.

In February, 1970, H.H. Shear, P.Eng., who had been closely associated with the drilling program up to that time, indicated in a report ("Report on the 1969 Work Program for Lexington Mines Ltd.") that 768,000 tons of 0.80% Cu was outlined by diamond drilling on the property. At that time 22 drill holes had been completed, mainly in the City of Paris sector, and five had cut "ore grade" sections which were located over a strike length of 600'.

Since that time eleven additional holes have been drilled, all of them in the City of Paris area. Of these, six intersected mineralization comparable to that found previously in the aforementioned five holes.

In 1971, an induced polarization survey was undertaken in the northwestern part of the property.

GEOLOGY AND MINERALIZATION

The area in which the Lexington Mines property is located is underlain by mixed sedimentary and volcanic rocks of late Paleozoic age intruded by ultrabasic rocks and diorite of Cretaceous age. The sedimentary rocks are primarily argillites and quartzites whereas the volcanic rocks are andesites and dacites. All have a general northwesterly trend.

The diorite is a fine-grained gray rock that forms irregular dykes and plugs. The Mabel Mine, about which little is known, is located in this rock type.

The serpentine intrusives are sill-like bodies that enclose a thick band of dacite in the southeast part of the claim group. These formations strike northwest and dip at about 25° to the northeast. The enclosed dacite is medium-grained, pale gray-green in colour and forms the host rock for most mineral occurrences in the Lexington claim group. It is well sericitized and locally sheared.

The dacite, where explored by diamond drilling, is mineralized with disseminated pyrite and chalcopyrite. The band of dacite is about 600' thick and has been traced on surface for 6800'.

The better concentrations of copper mineralization appear to be confined to the upper and lower dacite-serpentine contacts. The old City of Paris mine explored and developed small pods of chalcopyrite mineralization associated with the upper contact of the dacite and serpentine.

Late augite porphyry dykes intrude the dacite and appear to be spatially related to copper-bearing zones in the district. They are termed pulaskite dykes.

Before the present program was initiated in 1969 the hangingwall limit of the dacite was thought to be the best locus for copper mineralization but the recent drilling has shown that the footwall is also favourable.

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Of the 28 holes put down in the vicinity of the City of Paris workings, 11 have intersected interesting mineralization as follows:

D.H.	Section	Core Intersection	% Cu	Oz. Au	Oz. Ag
1	20+00N	64.0'	0.61	0.015	0.15
28	"	30.0'	0.30	0.003	0.03
29	"	10.0'	0.42	0.003	0.04
11	18+00N	53.0'	0.46	0.050	0.27
13	"	64.0'	1.08	0.090	0.14
32	"	39.0'	0.40	0.004	0.04
4	16+00N	80.0'	1.16	0.250	0.09
21	14+00N	118.0'	0.52	0.060	0.09
33	"	28.0'	1.08	0.018	0.14
25	12+00N	30.0'	0.36	0.016	0.09
26	10+00N	56.0'	0.99	0.076	0.16

These holes represent a pipe-like zone of mineralization which lies on the footwall of the dacite band, strikes northwesterly, dips to the northeast and plunges to the southeast at 20°. Its apparent dimensions are length 1300 feet, width 180', and average thickness 63.0'.

D.D.H. 27, the southeasternmost in the City of Paris vicinity, intersected about 200' of pulaskite dyke in the projected area of the mineral zone. This does not necessarily close off the mineral zone in this direction. At its northwest end, the City of Paris zone projects to surface, but is not visible due to the presence of overburden.

GEOPHYSICAL SURVEYS

In 1968, Seigel Associates Limited conducted an induced polarization survey over part of the southeastern sector of the property. Line spacing was 400' and electrode spacing and station intervals were 200'. Results of the survey indicated that about 70% of the area covered is underlain by rocks exhibiting chargeabilities in excess of 6.0 milliseconds and ranging up to 26.0 milliseconds. Areas with chargeabilities in excess of 10.0 milliseconds (considered to be relatively high) are shown on the accompanying claim location map (Fig. 2). They are designated Zones A, B and C.

Zone A This zone has a length of 3000' and is flanked on the north and south by magnetic features which correspond to bodies of serpentine. This zone coincides closely with an area underlain by dacite that is known to contain disseminated chalcopyrite. The two branches at the south end of the zone correspond with the upper and lower contacts of the dacite band. Concentrations of mineralization are known to exist on these contacts.

Zone B This zone is underlain by dacite and serpentine on the south and diorite on the north. Chargeabilities in excess of 20 milliseconds are noted and most of the zone lies within areas of low resistivity. One hole (D.D.H. 3) has been drilled on this zone and returned low copper values. Additional exploratory work is warranted here.

Zone C This zone trends southwesterly and lies northeast of the hangingwall serpentine band. It is not delineated on its north side and appears to be underlain by andesite, quartzite and argillite. This anomaly may be attributable to the argillite.

In 1971, Seigel Associates Limited undertook an induced polarization survey in the northwestern sector of the property. 22.4 line miles was cut and surveyed. The base line was oriented northwest-southeast and lines spaced 400 feet apart were cut perpendicular to it.

The chargeability profiles revealed that background values range from about 3.0 to 8.0 milliseconds which is a normal background for most rock types. Four areas of abnormal chargeability were located and are designated "A", "C", "D" and "E".

Zone "A" Chargeabilities as high as 53.0 milliseconds were obtained and are attributed to a near-surface source. Serpentine may be the cause of the marked response but this should not detract from the anomaly as chalcopyrite occurs in this rock type in the City of Paris workings and on the Lone Star property, immediately south of the International Boundary.

Zone "C" Zone "C" contains extensive chargeability increases with a peak value of about 47.0 milliseconds. The source is believed to be near surface.

Zone "D" In Zone "D" the chargeability responses range up to 24.0 milliseconds and, again, are considered to be near surface.

Zone "E" Moderate chargeability increases are found in Area E and are accompanied by increases in resistivity. A rise in magnetism was also noted in this area which may indicate the presence of magnetite or serpentine.

GEOCHEMICAL SURVEY

A geochemical survey conducted by Lexington Mines Ltd. in 1968 disclosed the presence of a significant copper soil anomaly over the mineralized dacite where the drilling program was carried out. This anomaly was confirmed by further work in 1969.

Some copper soil anomalies were found on the Lex group where values were in the 60-90 ppm range. (Background is considered to be around 30-40 ppm copper.)

Random high readings were found in the northwest portion of the Lexington group. Samples were taken on lines spaced 800' apart.

APPENDIX - LIST OF CLAIMS

Crosn Grant Claims

City of Denver	L1161
Lexington	L645
Oro	L614
No. 4	L791
Fanny H. Fr.	L1643
Mabel	L609
ND des Mines	L1095S
Oro Fr.	L1096S
City of Vancouver Fr.	L2013
Golden Cache Fr.	L955
Puyallop	L1152
City of Paris	L622
Lincoln	L621

Mineral Leases

Cornucopia	L608; M309
No. 55	L1420S; M313
No. 66	L1418S; M313
Rob Roy	L1153; M219
Falcon	L1640; M219
Lady of the Lake	L1642; M219
Silver Duck Fr.	L1648; M219
Black Jack	L5625; M335
Marie Stuart	L868; M310
Excelsior	L2609; M161
Cuba	L1650; M173
New Jack of Spades	L2084; M47R
St. Lawrence	L595; M47R
Lex	?

Located Claims

Lex 1-4	26779-26782
Lex 5-18	26932-26945
Lex 20-43	26947-26970
Lex Fr.	26971
Lex 44-68, 70	26007-27032
Lex Frs. 2-5	27159-27162
Lex 19	26946
Velma	19326
Dew 1-24	34590-34613
Cod 1-6	34584-34589

CERTIFICATION

I, John James Crowhurst, of the City of Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY THAT

1. I am a practising mining engineer with Bacon & Crowhurst Ltd., Ste. 1720 - 1055 W. Hastings St., Vancouver, 1, B.C.

2. I am a graduate of the University of British Columbia and have been granted the degree of Bachelor of Applied Science.

3. I have been practising my profession as a mining engineer for 29 years.

4. I am a member of the Association of Professional Engineers of British Columbia, Registration No. 2120.

5. On December 11th, 1969, and April 24th-25th, 1971, I visited the Lexington Mines Ltd. property in the Greenwood area of British Columbia.

6. I nor any member of my firm have directly or indirectly received or expect to receive any interest direct or indirect in the property of the company or any affiliate nor do I nor any member of my firm beneficially own directly or indirectly any securities of the company or any affiliate.

J.J. Crowhurst

J.J. Crowhurst, B.A.Sc., P.Eng.

April 26th, 1971.

Greenwood
3 Miles

Boundary Falls

Canadian Pacific Railway

HWY 3

WEST KOOTENAY HIGH TENSION POWER LINE

Vancouver
290 Miles

LEX GROUP

"C"

"D"

"E"

LEXINGTON

"A"

LINCOLN

GROUP

Mc Corren Creek

Gidon Creek

△3390'

DEW GROUP

Norwegian Creek

+
2800'

COD

GROUP

△4078'

△4326'

Hypocrite Creek

CANADA
U.S.A.

B

C

Base Line

A

GROUP

CITY OF
PARIS MINE

Area of
1969-70 drilling
program

STAKED

STAKED

Road to Grand Forks
8 MILES

Road to U.S.
Border

LEGEND

- LEXINGTON MINES LTD CLAIMS SHOWN THUS
- OTHERS SHOWN THUS
- ZONES OF HIGH CHARGEABILITY (INDUCED POLARIZATION)
- GRAVEL ROAD
- POWER LINE
- RAILWAY

inches
centimetres

BRITISH COLUMBIA GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

BACON & CROWHURST LTD.

LEXINGTON MINES LTD.

CLAIM LOCATION MAP

SCALE

Feet 2000 1000 0 1000 2000 Feet

Dec. 31, 1970

FIG. 2

J. J. Crowhurst

Dec 1970

GREENWOOD 6 miles

M 0011

M 0001

M 0006

6000 N

5000 N

4000 N

3000 N

CITY OF VANCOUVER

C.G.
L.2013

MARY STUART Fr.

M.L.
L. 868

CITY OF PARIS
C.G.
L. 622

CUBA

M.L.
L. 1650

LEXINGTON
C.G.
L.645

LEX 19

CITY OF DENVER

C.G.
L.1161

LEX 20

No. 4

C. G.
L 791

LINCOLN
C.G.
2
L 621

CITY OF PARIS WORKINGS

LINE OF OVERBURDEN

LINE OF OVERBURDEN

BASE LINE

TO GRAND FORKS

OUTLINE OF LEXINGTON CLAIMS

Line 24+00 N (F)

Line 20+00 N (D)

Line 18+00 N (C)

Line 16+00 N (B)

Line 14+00 N (A)

Line 12+00 N (AB)

Line 10+00 N (AC)

Line 8+00 N (AD)

Line 6+00 N (AE)

Line 4+00N (AF)

Line 2+00 N (AG)

Line 0+00 N (AH)

DDH 5 (-54°) 521'

DDH 10 (Vert.) 649'

DDH 2 (-45°) 507'
DDH 6 (-65°) 494'

DDH 17 (Vert.) 726'
0.30 Cu/60.0'
0.33 Cu/0.21 Ag/50.0'
0.30 Cu/30.0'

DDH 16 (Vert.) 787'

DDH 4
(-45°)
532'

DDH 15
(-80°)
769'

D.D.H. 29 (-63°)
275'
0.42 Cu/10.0'

DDH 1 (-55°)
501'

DDH 28 (Vert.) 255'
0.30 Cu./300'

D.D.H. 31
(Vert.) 479'

DDH 11 (-45°) 368'
DDH 13 (Vert.) 372'
1.08 Cu/0.09 Au/0.14 Ag
64.0'

DDH 22 (Vert.) 601'
DDH 23 (-60°) 520'
DDH 24 (-60°)

0.61 Cu/0.05 Au
0.15 Ag/64.0'

DDH 32 (Vert.) 342'
0.40 Cu./39.0'

0.46 Cu/0.05 Au
0.27 Ag/53.0'

1.16 Cu./0.25 Au
80.0'

D.D.H. 30 (-63°) 252'

DDH 9 (-45°) 866'

DDH 21 (Vert.)
623'
0.52 Cu/0.06 Au
118.0'

DDH 18 (-60°) 327'
DDH 20 (-60°) 446'

0.35 Cu/53.0'

0.29 Cu/80.0'

DDH 33 (Vert.)
642'
1.08 Cu./280'

DDH 25 (Vert.)
0.36 Cu./300'
759'

DDH 26
(Vert.)
779'
0.99 Cu.
56.0'

DDH 27 (Vert.)
784'

DDH 19 (-45°)
672'

0.38 Cu/53.0'

0.40 Cu/50.0'

DDH 12 (-45°)
DDH 14 (Vert.)

U.S. BORDER – 2000'

BACON & CROWHURST LTD.

LEXINGTON MINES LTD.

SURFACE PLAN

CITY OF PARIS AREA

GREENWOOD, BRITISH COLUMBIA

SCALE

FEET 100 50 0 100 200 300 400 FEET

FIG. 3

LEGEND

1 PULASKITE
2 DACITE
3 SERPENTINE
4 ANDESITE

inches 0 1 2 3 4 5
centimetres 0 1 2 3 4 5

This reference scale bar is valid only when the original map is at scale at the same ratio as the image. Inventory 5 can be used for reference for the original size.

ALTAIR drafting AUGUST 1970