

ONE RESOURCES CANADA CORP.

MINERAL - OIL - AND GAS PROPERTIES OF CANADA
 MANAGEMENT - DEVELOPMENT - JOINT VENTURE - STAKING
 CASH BUYERS OF PLACER GOLD & CONCENTRATES

672889

PHONE - (604) 669-4002

MEZZANINE FLOOR 448 SEYMOUR STREET VANCOUVER B.C. V6B 3H4

132

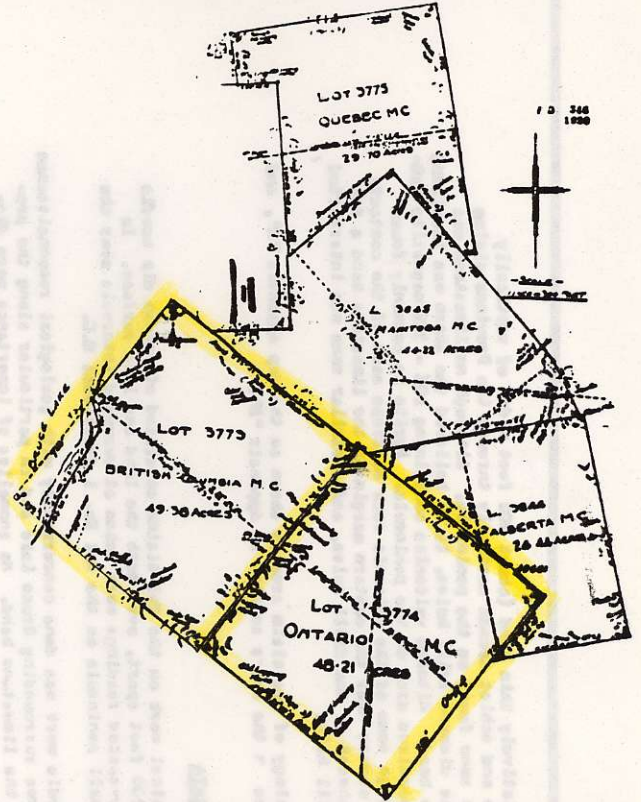
MINERAL PROPERTY DESCRIPTION

NAME: BRITISH COLUMBIA - ONTARIO
 LOT # 3774-3773
 MINING DISTRICT: VANCOUVER
 LAND DISTRICT: NEW WESTMINSTER
 AREA IN HECTARES:
 AREA IN ACRES:
 MINERALS PRESENT: CU-FE-AU-AG
 MAP # 92P / 9E
 DUE DATE: JUNE 28 - 1986
 TYPE OF ACCESS: WATER AND THEN ROAD
 CLAIM STATUS: SURVEYED (XX) STAKED ()
 HISTORY OF PROPERTY INCLUDED IN REPORT: YES (XXX) NO ()
 PAST ASSAY RESULTS: FE-54.16% CU-.13% SULPHUR-3.85% TI-1% ZN-.1% AG-trace
 GOLD COMMISSIONER'S FILE - RECORD # 1784-1783
 DATE PROPERTY FIRST CROWN GRANTED OR STAKED: JUNE, 1913
 NEAREST TOWN: APPROX. DISTANCE: 5 MILES

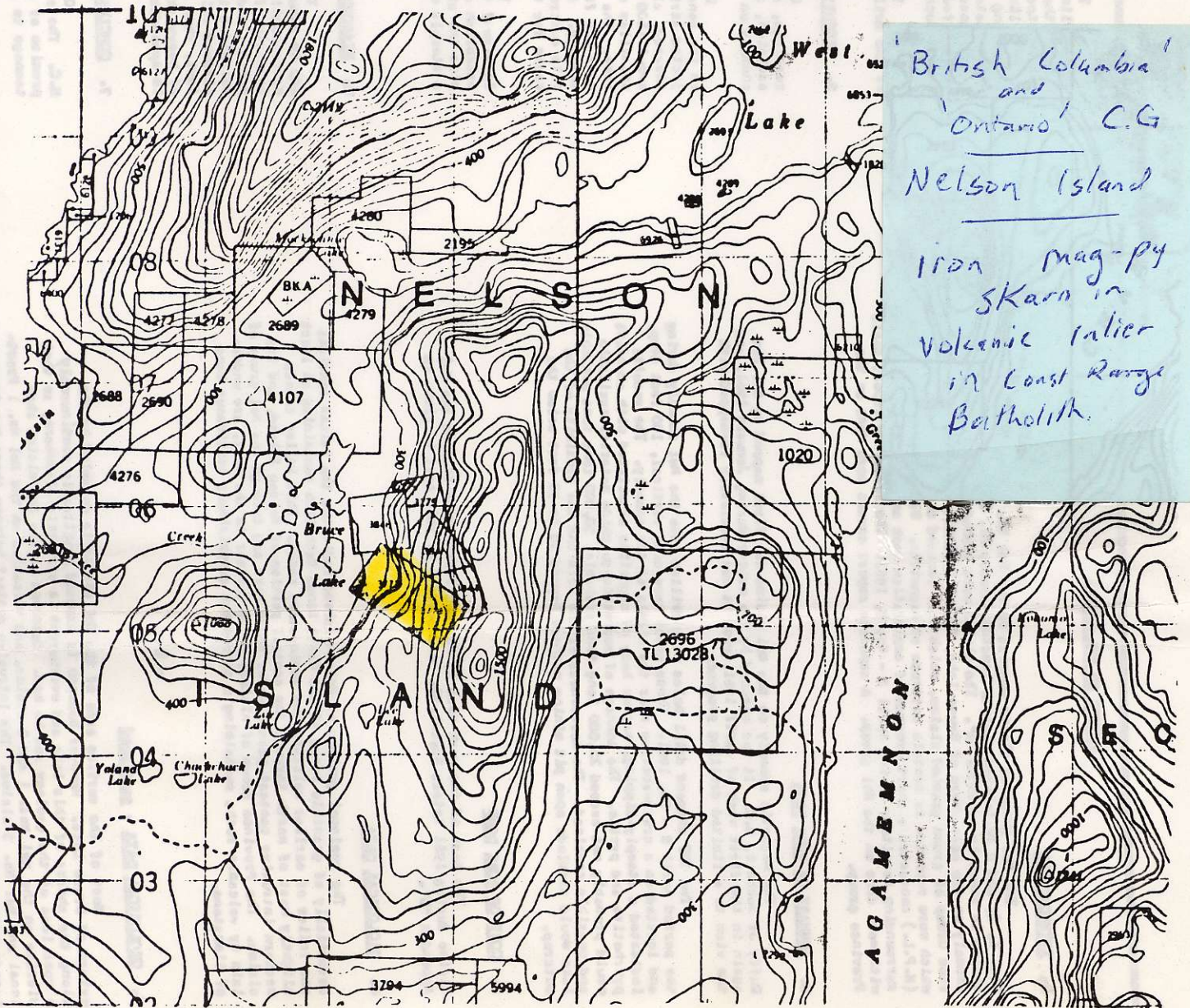


(APPROXIMATE LOCATION OF PROPERTY)

MINERAL PROPERTY



TOTAL PRICE OF PROPERTY:



*British Columbia and Ontario C.G. Nelson Island
 Iron mag-py skarn in volcanic tuff in Coast Range Batholith.*

BRUCE LAKE CLAIM

1. INTRODUCTION

The No. 1 group of claims consist of the No. 1 Fractional, and No. 1, 2, and 3 full-sized claims, located January 21, 1961. A map of these claims is shown in Appendix "A". The claims were staked to cover a magnetic anomaly on the east shore of Bruce Lake, Nelson Island. They adjoin the Province Group of crown granted claims, which were located many years ago, and which were reported to contain outcrops of magnetite. Western Ferric Ores Ltd. (W.F.O.) conducted a short program of exploration work on these claim groups and surrounding territory during April 3 - May 3, 1961. The following report deals with work done on the No. 1 group. A separate report covers work done on the Province group.

2. SUMMARY OF WORK DONE

The Magnetic anomaly on the No. 1 claims was first mapped by Mr. Tom Duffy of Sechart, B.C. It was checked by the writer during January 1961, and again in the first week of April 1961, when it was accurately re-mapped with the view to a limited drilling program.

Two EMF diamond drill holes were drilled into the No. 1 anomaly during the period April 8 - 30, 1961. These holes were each vertical, 100 feet deep, and located on a cross-section near the middle of the anomaly. The results indicated a steeply-dipping, narrow body of magnetite associated with abundant pyrrhotite and pyrite. The tonnage of magnetite-sulphide material available would probably not exceed 25,000 long tons probable, 50,000 long tons probable and possible combined. The narrowness of the vein and the proximity of the lake would preclude open pit mining methods beyond 20 to 30 feet below the outcrop.

3. COST OF WORK DONE

The cost of the work done by Western Ferric Ores Ltd. on the No. 1 claims during 1961 totals \$3,141.25. A breakdown of this cost is given in Appendix "D".

4. GEOLOGICAL DATA

The regional geology of Nelson Island indicates the island consists essentially of granitic rocks of the Coast Range Batholith containing at least one inlier of earlier volcanic and sedimentary rocks. This inlier trends slightly west of north through the central portion of Nelson Island, and its western intrusive contact passes under Bruce Lake and through the No. 1 group of claims. The Province group of claims, being further to the east, are underlain by volcanic rocks containing a narrow but surprisingly continuous band of limestone.

- 2 -

4. GEOLOGICAL DATA - continued

Most of the surface area of the No. 1 claims is occupied by the waters of Bruce Lake. However bedrock is exposed practically continuously along the shores of this lake and overburden is very thin elsewhere, so that a good idea of the geology can be had. Outcrops on the No. 1 claims show diorite on the No. 1 and 2 claims, and volcanics on the No. 1 Fractional and No. 3 claims. The intrusive contact between these two types trends northerly across the small peninsula on the No. 1 Fract. M.C. Extensive skarn has formed at this point on the contact, including magnetite and sulphide mineralization.

The relatively thin band (about 200 feet wide) of vertically dipping limestone and schist trends northerly through the Province claims towards the skarn zone found on the peninsula. Although no limestone was intersected in the diamond drill holes, it is believed the skarn was localized by this limestone band. Altered volcanics containing 10% - 30% magnetite outcrop along the anomalous area on the peninsula. Pyrite is commonly found disseminated through some of the volcanic rock outcrops east of the contact. A schistose zone occurs near the eastern margin of the limestone band a few hundred feet southeast of the drill holes, and a similar zone was intersected in the second drill hole.

The geology of the claim area is shown on the map Appendix "A", and of the drill holes in the cross section in Appendix "B".

5. GEOPHYSICAL DATA

Geophysical work on the No. 1 claims consisted of random dip needle readings, about 200 feet apart, over both the land and lake surface. In addition, closely-spaced readings were taken at surveyed intervals over the anomaly on the small peninsula on the No. 1 Fractional M.C.

Dip needle work was done concurrently with geological reconnaissance in the general area surrounding Bruce Lake and in particular along the projected strike of the limestone band. No anomalies of importance were discovered, although two small, faint anomalies were discovered near a small lake about 1500 feet northwest from the northwest corner of Bruce Lake. One of these anomalies occurs on a logging road, about 1500 feet northwest from this small lake. The other lies about 1500 feet east from the lake. No bedrock outcrops near the first small anomaly, but picritic diorite is exposed at the second anomaly. The high percentage of ferro-magnesium minerals in the picritic diorite outcrop is definitely responsible for the second anomaly and probably the cause for the first.

The dip needle anomaly on the peninsula is shown in Appendix "E". In view of the absence of "low" or negative readings, it is difficult to establish a dip to the orebody. However the general shape of the anomaly plus the attitude of the diorite contact as found in the drill holes suggests a steeply westward dip to the magnetite-skarn body.

- 3 -

6. DIAMOND DRILL DATA

The location and geology of the two drill holes is shown on the map in Appendix "B". The holes were spaced 50 feet apart on a section cross-cutting the anomaly more or less in its center. No. 1 hole, the more easterly of the two, penetrated greenstone mineralized with some magnetite, pyrite, and garnet from 0 - 14 feet, then heavy skarn with considerable iron sulphides to 35 feet, then magnetite with pyrite to 51 feet, then somewhat altered volcanics to 100 feet. No. 2 hole penetrated diorite from 0 to 51 feet, then altered diorite to 67 feet, then volcanics with irregular patches of heavy skarn to 101 feet. Assays were made of No. 1 core and are shown in Appendix "C".

7. CONCLUSIONS

One small body of magnetite was found on the No. 1 Fractional M.C. The size and shape of the dip needle anomaly over this body gave promise of a reasonable tonnage, but the drilling failed to develop sufficient tonnage to justify further work at this time.

Respectfully submitted,

MEZZANINE FLOOR 448 SEYMOUR STREET VANCOUVER B.C. V6B 3H4

MINERAL - OIL - AND GAS PROPERTIES OF CANADA
MANAGEMENT - DEVELOPMENT - JOINT VENTURE - STAKING
CASH BUYERS OF PLACER GOLD & CONCENTRATES
PHONE - (604) 669-4002

ONE RESOURCES CANADA CORP.