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475 Howe St.
Vancouver, B. C.

Bacon & Crowhurst
92 I/2
673527

Attention: Mr. N. Hakari, Chief Geologist

Dear Mr. Hakari:

The induced polarization surveys on the Cinderella Group, Merritt area, Nicola M. D., British Columbia have been reviewed in detail, and have been compared with the rest of the data on the property (copper geochemical survey, magnetic survey, and geologic map). There are three new anomalous zones which are discussed individually below. The results of this review of data suggest the drill hole proposed for 6+00S by 11+00E should be moved northward about 500 feet to 1+00S by 12+00E, the bearing and inclination remaining the same. The induced polarization survey indicates that there is an extension of the same zone that was to be tested in the first proposal, but that the mineralization is stronger to the north and at a depth of about 200 feet.

The anomalous zones are discussed below:

Anomalous Zone 1

This zone appears to be an extension of the north striking gossan that crosses line 8+00S about 6+00E. The frequency effect anomaly becomes quite strong on line 4+00S at about 9+00E and can be seen on 0+00N at about 10+00E. The anomalous zone is deeper and therefore more spread out to the north. This zone would appear to be the best untested target remaining from a geophysical standpoint. The geochemical map shows a possible weak anomaly on the down hill

side on lines 4+00S and 8+00S. The frequency effect anomaly is over 10 on line 0+00S for a considerable area, and there are no better induced polarization targets on the ground surveyed.

The drill hole recommendation is stated above in the introduction.

Anomalous Zone 2

From 12+00N by 13+00E through 8+00N by 14+00E to 4+00N by 15+00E is a zone of anomalously high frequency effect values. This zone shows up on only the larger separations and is therefore believed to lie at a depth of more than 100 feet. As might be expected there is no reflection of the zone in the geochemical survey. The zone appears to be located on the eastern edge of a very small magnetic high. The induced polarization survey indicates a fairly steep dip to the east and the surface geologic map shows a small block of sediments and andesite between two intrusives. This zone may be a faulted extension of anomalous zone one above, and in any case the geologic setting is very similar and it should only be drilled if zone 1 shows promise.

A drill hole collared at 8+00N by 16+00E and drilled S70°W at an inclination of 60° to 500 feet should test this zone.

Anomalous Zone 3

On lines 4+00S and 12+00S there are coincident anomalies associated with the granite-andesite contact at 19+50W and 20+50W respectively. The induced polarization results indicate a steep dip to the east for this zone. The zone is also a recognizable high on both the copper geochemical survey and on the magnetic survey. The total sulfides

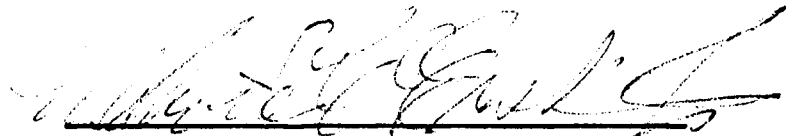
in the zone are probably low, but this geologic environment has not been tested previously.

We recommend a short (200 foot) drill hole at 11+00S by 19+50W drilling due west at an inclination of 45°.

In summary we believe that, unless the above program encounters significant mineralization (the program consisting of one relocated hole and one new short-hole recommendation), no further work should be contemplated. The overall program through completion of the above work will have been a reasonable test of the property.

Respectfully submitted,

CHAPMAN, WOOD & GRISWOLD LTD.



Melville C. Erskine Jr.
Geological Engineer

June 6, 1966

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