

CAMP MCKINNEY PROJECT

See Ann Rept '90
under 'Debsic'

Nexus Resource Corp. ("Nexus") has an option-to-purchase a 100% interest in eight Crown Granted mineral claims at Camp McKinney adjoining staked claims which it already owns.

Camp McKinney is located approximately 15 miles northeast of Osoyoos, B.C. The main mine in the district, the Cariboo-Amelia, which is included in the Crown Grants, produced 69,500 oz of gold from ore grading 0.56 oz/t in the period 1894 to 1903. From 1960 to 1962 a further 13,000 oz. of gold and 14,000 oz of silver were produced from approximately 13,000 tons of ore. All of this past production was based on a cutoff grade of 0.5 oz/t. The Cariboo-Amelia mine was reportedly the first gold mine in B.C. to pay a dividend to its shareholders.

Past production has been from quartz veins carrying free gold and auriferous pyrite. The known strike length of the Cariboo-Amelia vein is about 2500 feet with a vertical extent on the order of 500 ft. Production records show that historic grades have been extremely high:

1894 - 1903	125,000 tons at 0.56 oz/t gold
1940's	2,000 tons at 0.65 oz/t gold
1960 - 1962	13,000 tons at 1.06 oz/t gold

The 1894 - 1903 grade is reported to be the recovered grade, so that the in-situ grade was probably in excess of 0.6 oz/t.

The property was explored in the 1930's by Bralorne and Pioneer Gold Mines. Exploration during the 1950's led to the discovery of the ore mined during 1960 - 1962. Since then the only exploration has been some geophysical and geochemical surveys and a minor amount of drilling.

Excellent potential exists for finding additional high-grade reserves. Assays show that ore grade material was left in the mine when production ceased in 1962. These include a 40 ft vein segment averaging 1.7 oz/t gold across a width of 1.9 ft on the floor of the sixth level (the lowest level) and a 35 ft segment averaging 1.5 oz/t gold across 1.4 ft on the fifth level. Discussions have been held with the mine geologist who was on site during the 1960's mining operation. He confirms that mining ceased due to the low gold price rather than the lack of suitable ore. Compilation and re-interpretation of the geology by Nexus shows that finding ore in Camp McKinney is mainly a structural geology procedure. The main vein has been faulted off at intervals along its strike length and displaced 200 ft or more. Plotting of previous drill holes indicates that most of the holes either stopped short of the vein or passed over the faulted-off portions.

Additional potential also exists on parallel veins not previously mined. Preliminary work by Nexus confirmed that another vein on the claims is also high grade with grab samples returning assays of up to 3.5 oz/t gold.

.../2

With Cominco's Trail smelter being relatively close by and with the ore being very high in silica (used as a flux) there is the possibility that the ore could be directly shipped to the smelter. Alternatively, a gravity and flotation mill could be installed and a concentrate shipped to the smelter. In either case, the lengthy permitting process required for the use of cyanide would be avoided. Since an all-weather gravel road and a power line cross the property, development costs should be relatively low.

Nexus has assembled a significant land package (about 1650 acres) consisting of staked claims and optioned Crown Grants. With Nexus having the right to purchase the claims outright there will be no royalties or other residual interests. Other claim holders in the district include Teck Corporation.

McKinney Mines Corp. has the option to earn a 50% interest in the project.

104G/03,04

Galore CK 1:50,000

OF 1989-8

U

With Cominco's Trail smelter being relatively close by and with the ore being very high in silica (used as a flux) there is the possibility that the ore could be directly shipped to the smelter. Alternatively, a gravity and flotation mill could be installed and a concentrate shipped to the smelter. In either case, the lengthy permitting process required for the use of cyanide would be avoided. Since an all-weather gravel road and a power line cross the property, development costs should be relatively low.

Nexus has assembled a significant land package (about 1050 acres) consisting of staked claims and optioned Crown Grants. With Nexus having the right to purchase the claims outright there will be no royalties or other residual interests. Other claim holders in the district include Teck Corporation.

McKinney Mines Corp. has the option to earn a 20% interest in the project.