

from DIMAC prospectus Nov, 1980.

93 D/8  
676107  
Nifty

- 7 -

per ton gold to 0.20% copper. Silver appears to range between .1 to .4 ounces per ton but several 10-foot intervals assayed in excess of 1.0 ounce per ton.

Both geochemical sampling and magnetometer surveying suggest that mineralization in the stockwork area may continue easterly for a significant distance. Coincident geochemical and magnetic anomalies continue easterly from the known showings for a distance greater than 2,500 feet.

Mr. McInnis recommended in his report that a 5,000 foot diamond drilling program be undertaken on the property at a cost estimated by the Issuer of \$250,000.

The Issuer plans to seek joint venture participation in the development of the property. There are no present plans to spend funds from the Issuer's treasury on further exploration of the property.

### 3. NIFTY PROPERTY

The Nifty Property consists of the Nifty, Nifty 2 - 11 and the Keen 1 - 3 mineral claims and is located within the Skeena Mining Division, 15 miles north-northwest of Hagensborg, B. C. The property straddles the Noosgulch River and covers an area of approximately 10,440 acres.

The claims are in good standing under the B. C. Mineral Act and are described as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
Nifty	18	389	June 27, 1977	June 27, 1981
Nifty 2	12	47109	Oct. 14, 1980	Oct. 14, 1981
Nifty 3	8	401	August 4, 1977	August 4, 1981
Nifty 4	20	406	August 4, 1977	Survey Pending
Nifty 5	16	47104	Oct. 14, 1980	Oct. 14, 1981
Nifty 6	18	402	August 4, 1977	August 4, 1988
Nifty 7	18	403	August 4, 1977	August 4, 1981
Nifty 8	2	47105	Oct. 14, 1980	Oct. 14, 1981
Nifty 9	2	47107	Oct. 14, 1980	Oct. 14, 1981
Nifty 10	2	47106	Oct. 14, 1980	Oct. 14, 1981
Nifty 11	2	47108	Oct. 14, 1980	Oct. 14, 1981
Keen 1	18	404	August 4, 1977	Survey Pending
Keen 2	18	408	August 4, 1977	Survey Pending
Keen 3	15	405	August 4, 1977	August 4, 1981

By agreement dated June 20, 1980 the Issuer purchased all right and title to the Nifty Property from United Mineral Services Ltd. in consideration for the payment of \$10,000 cash. In addition the Issuer has agreed to pay to United Mineral Services Ltd. any cash option payments made by Rio Tinto Canadian Explorations Ltd. ("Riocanex") to the Issuer pursuant to an option agreement concerning the property dated June 21, 1980 between Riocanex and the Issuer. If

the agreement with Riocanex is terminated, no further payments are required to be made to United Mineral by the Issuer in order to retain a 100% interest in the property.

Pursuant to the June 21, 1980 agreement, the Issuer optioned the property to Riocanex. Under the terms of the agreement, Riocanex may exercise its option to acquire a 65% interest in the property by making annual option payments to the Issuer (payable to United Mineral Services Ltd. as aforesaid) and expending a total of \$1,500,000 on the property by December 31, 1987. The Issuer will then have the option of participating as to 35% of further development costs or be reduced to a 20% net profit royalty.

Access to the property is by logging road, which extends up to Noosgulch River from the Bella Coola highway to the southern boundary of the property. The main showing, which is exposed on the Nifty 5 claim, is approximately 4 miles north of the end of the logging road and is accessible by helicopter from Hagensborg.

The Nifty Property was discovered in 1931. A 25-foot adit was driven underneath the main showing area. However, there is little documentation of the work performed at that time. In the early 1960's Cominco completed some trenching and surface sampling but allowed the property to lapse. The property was staked by United Mineral in the summer of 1977 and it was subsequently optioned to Pan Ocean Oil Ltd. of Calgary, Alberta. In the summer of 1978 Pan Ocean Oil Ltd. carried out a regional appraisal of the claims in conjunction with a detailed survey of the Nifty 2, 3, 4 and 5 claims and a diamond drill program. A total of 2,215 feet were drilled in 5 holes from a single set-up above the main showing located on the Nifty 5 claim. Pan Ocean Oil Ltd.'s option was terminated in December of 1978.

No further exploration was conducted on the property until this year when the Issuer optioned it to Riocanex, the present operators.

There is no underground development on the property except for the adit located on the Nifty 5 claim, and there is no plant or equipment on the property.

Various types of mineralization occur on the Nifty Property. The most important is the massive sulphide, silver, lead and zinc showings associated with acid, submarine, fragmental volcanics on the Nifty 5 claim.

A pyritiferous gossan developed at the main showing is exposed for approximately 830 feet along strike, while massive sulphide lead-zinc-barite-silver showings are exposed locally as pods and lenses over a strike length of 330 feet and lie above and in part interbedded with the disseminated pyritic zone. Massive sulphides are composed of a coarse grained mixture of sphalerite, galena, pyrite and lesser chalcopyrite. Sphalerite galena and pyrite also occur as disseminations and veins below the massive sulphides while bedded and massive silver rich barite occurs above and adjacent to the massive sulphides. The best assay results have been obtained in chip samples along trenches which tested the barite and massive

sulphide mineralization. Chip samples from the barite zone assayed 0.72% lead, 2.37% zinc and 5.69 oz/ton silver over an apparent width of 37 feet (true width about 23 feet) while samples obtained from the massive sulphides assayed 2.32% lead, 7.40% zinc and 2.50 oz/ton silver over an apparent width of 30 feet (true width of about 23 feet). These samples were collected by J. R. Woodcock, P. Eng. as consultant for Pan Ocean Oil Ltd.

Pyrite-rich, felsic volcanoclastic rocks occur on the Keen claims, although to date no significant lead-zinc-silver mineralization has been discovered. Tetrahedrite-chalcopyrite occur locally as fracture fillings in overlying subaerial volcanics.

Data collected from exploration to date does not permit any ore reserves to be calculated. Pan Ocean Oil Ltd.'s drilling intersected low grade lead, zinc, silver and barite mineralization. The drill program did establish the presence of a large, fairly intense, sulphide system associated with felsic volcanics. Drilling has not completely tested the main showing area due to the nature of mineralization, complex faulting and drilling difficulties encountered.

Riocanex is now conducting and compiling an exploration program consisting of geological mapping and geophysical surveys.

No significant expenditures are currently required or expected to be made on the Nifty Property by the Issuer.

#### 4. DIEX JOINT VENTURE PROPERTIES

The DIEX Joint Venture is a joint venture between the Issuer and Energex Minerals Ltd. to explore for porphyry type, silver and gold deposits within geologically favourable areas of the southern Coast Mountains of British Columbia.

A joint venture agreement has been reached in principal but a formal agreement has not yet been executed.

Exploration is at a very early stage. Four properties have been acquired by staking and have been recorded in the name of the Issuer as operator of the joint venture. The properties were staked over areas that produced geochemically anomalous values in silts and rock samples collected in a reconnaissance fashion throughout the area of interest. The potential of these properties, if any, is not known. They have no known history nor is there any plant or equipment on the properties. The properties are described as follows: