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GREENWOOD EXPLORATIONS LTD.,
SKYLARK PROPERTY, GREENWOOD, B.C.

PRELIMINARY EXAMINATION

BY

ALRAE ENGINEERING LTD.,

JULY 22 1975

TO PROTECT OUR CLIENTS, THE PUBLIC AND OURSELVES, ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS AND AUTHORIZATION FOR PUBLICATION OF STATEMENTS, CONCLUSIONS AND EXTRACTS FROM OUR REPORTS MUST RECEIVE OUR WRITTEN APPROVAL.

ALRAE ENGINEERING LTD.
VANCOUVER, B.C.
ENGINEERS & GEOLOGISTS

If the foregoing is in accordance with your understanding and is agreed to by you, would you please confirm your acceptance of this agreement by signing the enclosed duplicate copy at the space indicated and returning it to us.

Yours very truly,

GREENWOOD EXPLORATIONS LTD. (N.P.L.)

PER:

A handwritten signature in cursive script, appearing to read "Stanley Miller", written over a horizontal line.

Agreed to and accepted this day of December,

1975,

BRINK, HUDSON & LEFEVER LTD.

PER:

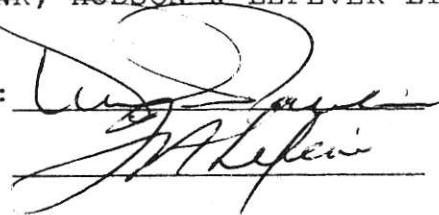
A handwritten signature in cursive script, appearing to read "J. A. Lefever", written over a horizontal line.

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Maps.

Location Map.....Scale 1" = 1/2 mile

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INTRODUCTION

The Skylark gold, silver, lead, zinc prospect near Greenwood, B.C., was traversed and examined by the writer on May 30, 1969. At this time the claims were held under Mineral Lease M 277.

This lease subsequently lapsed and title is now held by location of reverted Crown Granted claims. The same property boundaries pertain.

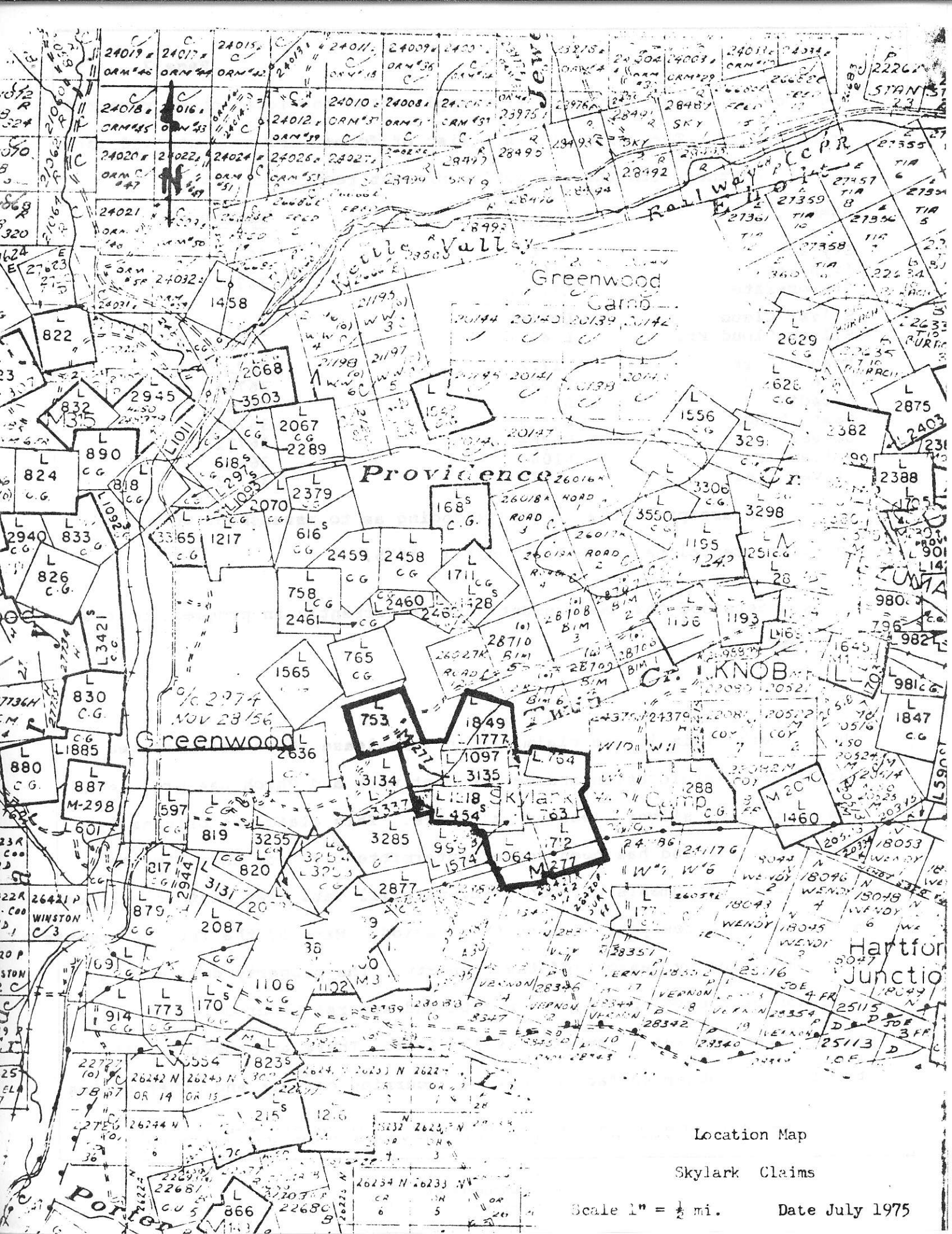
The only exploration work on this property since the 1969 examination consisted of five short diamond drill holes totalling 106.5 feet. Drilling was under the supervision of Mr. John H. Kruzick during November 1973 and is described in his report of May 21, 1974. This report has been made available to the writer for preparation of the present report.

LOCATION AND ACCESS

The claim group is located two miles east of the village of Greenwood in the Boundary district of British Columbia. The good gravel road from Greenwood to the Phoenix Mine, some three miles to the east of the claims, passes through the northern portion of the claims. There are numerous bulldozer access roads through the group providing good access to almost any point within the property. A hydro electric transmission line crosses the southern portion of the claim group and is the route for power distribution between Grand Forks and Greenwood.

CLAIMS

The present claim group consists of the following ten claims which are



Location Map

Skylark Claims

Scale 1" = 1/2 mi.

Date July 1975

now located claims resulting from application for location of reverted crown grants. The following is a list of former crown grants and lot number together with the respective present record numbers:

<u>NAME</u>	<u>LOT NO.</u>	<u>RECORD NO.</u>
Skylark	L 763	36714
Iron Cap	L1574)	36715
Triumverate	L1777).	
Silver Cloud	L1218)	36716
Silver Cloud Fr.	L 454)	
Meadow Lark	L1712	36717
Hope No. 2	L1849	36718
Arcadia	L3135	36719
Last Chance	L 753	36720
Denver	L 764	36721
Smilax Fr.	L1064	36722
Silver King	L1097	36723

All claims are presently in good standing as to assessment work filing and claim rental payments to August 1, 1975.

It is understood that assessment work is currently in progress on the property.

HISTORY

The Skylark claim is the claim within this lease which has received by far the most exploration and development work and which has produced the most gold, silver, lead and zinc ore. This claim was originally staked in 1893 and has been worked intermittently from that time to 1940. Small shipments of good grade material have been sent to various smelters every few years during this period. Many of the later shipments have been made by lessors of the property. The property during this time has been developed by two shafts and several hundred feet of drifting. Deepest shaft reported is 150 feet. There are numerous pits, trenches and other surface hand work occurring on this and other claims

of the group. During 1968 a magnetometer survey was run over a portion of the lease and in the spring of 1969 two bulldozer trenches were made on the Skylark claim in an attempt to trace the vein structure under overburden to the south of the shaft. One of these trenches was successful in penetrating deep overburden and locating the vein structure.

Recorded production for the Skylark claim during the period 1893 to 1940 is 2,030 tons with an average recovery of 0.36 oz per ton gold; 83.6 oz per ton silver; plus lead and zinc.

Other claims within this lease which have produced ore or have been developed significantly are the Last Chance and the Silver Cloud. The Last Chance has been mined by shaft and underground methods intermittently during the period 1904 to 1937 and recorded production during this time totals 890 tons with an average grade of 0.17 oz gold per ton; 110 oz silver per ton.

As previously mentioned a total of 106.5 feet of diamond drilling was completed on the Skylark Claim in 1969.

GEOLOGY

The claims are immediately east of the eastern boundary of the Cretaceous Nelson Intrusive and is underlain by the Permian Anarchist Group of volcanics and sediments.

In the vicinity of the Skylark shafts arsenopyrite bearing calcareous argillite was noted. Five to fifteen percent disseminated pyrite occurs in the shaft area but the sulphide content decreases away from the shafts. A sample of this material, when assayed, was found to contain 0.08 oz of gold per ton; a trace of silver; and 0.26% copper.

Although no intrusive rocks outcrop near the Skylark shafts a calcareous material resembling diorite and containing pyrite and pyrrhotite occurs in small quantities on the dump. A grab sample of this material assayed 0.03 oz of gold per ton and a trace of silver.

The skylark vein material was exposed in a bulldozer trench through 18 feet of overburden approximately two hundred feet south of the shafts. The vein consists of quartz well mineralized with galena, stibnite, and argentite. The vein and hanging-wall material were sampled at two points approximately ten feet apart on the trench floor with the following results:

		oz Au	oz Ag	% Pb	% Zn
South edge of trench	12" vein (true)	0.28	5.49	0.45	3.01
H.W. of vein above	4.0 ft. horiz.	0.32	20.02		
Floor of trench	3" vein	0.75	17.35	1.19	
H.W. of 3" vein	7.0 ft. horiz.	0.06	1.54		

The vein at this exposure dips from 34° to 58° to the southeast and strikes northeasterly but is irregular.

A very old adit along bedrock surface was encountered in this trench but it is evident that the adit did not encounter the best vein and hanging wall material as sampled. This material would be from two to ten feet east of the adit course.

The 1969 short hole drilling appears to have been located at the south wall of this trench and encountered mineralization on the projected mineralization on the projected strike of the above zone. All holes are from two drill locations approximately 10 feet apart and were drilled westerly and southwesterly at angles of -45° to -80°. Core recovery was 80% in most holes. Mineralization encountered varied

from 0.005 to 0.07 oz of gold per ton and 0.46 to 5.9 oz of silver per ton. Lead and zinc were less than 0.5% combined in these samples. Drilling tested the vein mineralization to depth of approximately 15 feet below the trench floor and for a strike length of some 15 feet.

A second bulldozer trench 500 feet south of the shafts did not encounter the strike extension of the vein but did expose pyrite bearing calcareous argillite (?). A grab sample of this material assayed 0.10 oz of gold per ton and a trace of silver.

A second zone of sulphide mineralization occurs on the Silver Cloud claim approximately one half mile west of the Skylark shafts and adjacent to the access road through the claims. 15% to 30% pyrrhotite occurs here in chloritic andesite. This zone is exposed in several short pits, tranches, and adits. There is very little outcrop in the area of the pits (100 by 300 feet) and to the east of the pits.

Sulphides appear to be in irregular lenses and disseminated zones rather than as veins. No chalcopyrite was observed during the brief examination and no samples were taken for assay.

The Last Chance shaft, approximately 2,400 feet northwest of the Silver Cloud workings is located at the southern edge of a fine grained ultrabasic intrusive. Most of the old workings appear to be along irregular quartz veins and lenses in a contorted talc-carbonate alteration zone of the ultrabasic. Shafts and stopes are caved and inaccessible but one sample of a ten inch wide quartz vein at the surface break through of a stope was taken. This vein assayed 0.29 oz of gold per ton and 4.10 oz of silver per ton.

AX diamond drill core scattered near the collar of the shaft indicates fresh granodiorite to be present in the area although surface outcrops were not discovered.

CONCLUSIONS AND RECOMMENDATIONS

The Skylark and Silver Cloud prospects appear to be the most promising of the several mineralized zones within the claim group. These occur as high grade vein structures and massive sulphide replacement bodies. The Last Chance mineralization is a gold-silver occurrence within erratic quartz veins near an ultrabasic mass and consequently will be most costly of the three zones to explore. To complete examination of the claims, the following work is recommended:

- (a) Completion of the grid lines and magnetometer survey;
- (b) Detailed electromagnetic survey in the vicinity of the Skylark and Silver Cloud prospects;
- (c) Detailed geological mapping with particular emphasis on structural controls of mineralization; and
- (d) Diamond drilling to test the Skylark vein and favourable anomalies outlined by the geophysical and geological work.

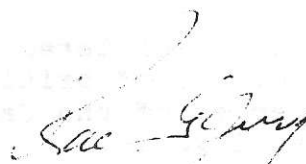
COST ESTIMATE

Approximate cost of the above recommended work would be as follows:

Completion of grid lines	\$1,000
Completion of ground magnetometer survey	1,000
Detailed EM survey in the vicinity of the Skylark and Silver Cloud Showings	3,000
Geological mapping	
Diamond drilling - 3000 @ \$15/ft.	45,000
Contingencies	<u>5,000</u>
	<u>\$58,000</u>

Should this work encounter economically significant gold, silver, lead, zinc mineralization much more work would be required to fully evaluate the deposit.

Respectfully submitted,



Rae C. Jury, P.Eng.

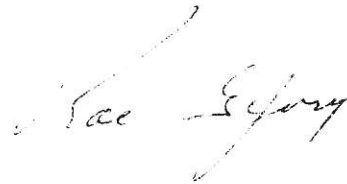
C E R T I F I C A T E

I, Rae G. Jury, of the City of Vancouver, British Columbia,

do hereby certify that:

- 1) I am a consulting geological engineer.
- 2) I am a graduate of Queen's University in Kingston (B.Sc. in Geological Sciences, 1957).
- 3) I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and also a member of the Canadian Institute of Mining and Metallurgy.
- 4) I have practiced my profession since 1957 with Labrador Mining & Exploration Company, Quemont Mining Corporation, Canadian Johns-Manville Co. Ltd., and Alrae Engineering Ltd.
- 5) I have not examined claim posts on the Skylark Claim Group, however, this is a group of surveyed land lots with well defined boundaries which are a matter of legal record.
- 6) I have personally examined mineralization showings on the listed claim group on May 30, 1969.
- 7) I have not received, nor do I expect to receive, any interest, either directly or indirectly in the properties or securities of Greenwood Exploration Ltd.

DATED at Vancouver, this 22nd day of July, A.D. 1975.



Rae G. Jury, P.Eng.

VANCOUVER CURB
EXCHANGE LISTING

**VANCOUVER CURB
EXCHANGE LISTING**

ITEM 6:

Directors and Officers of the Company:

- | | |
|-------------------|---|
| Harry Miller | Director and President
203 - 1054 West 11th Avenue
Vancouver, B.C.
Executive |
| Hoawrd L. Toban | Director
1401 - 1305 West 12th Avenue
Vancouver, B.C.
Importer |
| John H. Kruzick | Director
7132 Buffalo Street
Burnaby, B.C.
Proprietor |
| Eleanor R. Beatty | Secretary
204 - 4275 Imperial Street
Burnaby, B. C. |

**VANCOUVER CURB
EXCHANGE LISTING**

ITEM 10:

The following are the names, addresses and shareholdings of the beneficial shareholders of more than 5% of Brink, Hudson & Lefever:

	<u>Class</u>	<u>Number of Shares</u>	<u>Percentage Held</u>
<u>BRINK, HUDSON & LEFEVER LTD.</u>			
Lorne C. Aggett 2410-1644 Nelson Street Vancouver, B.C.	Common	1,519 shares	8.5%
Donald H. Byers 1308 West 37th Avenue Vancouver, B.C.	Common	2,374 shares	13.3%
Brian D. Graves 1901-1816 Haro Street Vancouver, B.C.	Common	2,606 shares	14.6%
Francis A. Lefever 8421 Oak Street Vancouver, B.C.	Common	2,606 shares	14.6%
Harold W. Lefever 4212 Cypress Street Vancouver, B.C.	Common	2,638 shares	14.7%
G. Douglas MacDonald 6090 Blenheim Street Vancouver, B.C.	Common	1,182 shares	6.6%