

Suite 1015 - 470 Granville Street
Vancouver, B.C. V6C 1V5
Canada (604) 688-4638

W. MEYER & ASSOCIATES LTD.

680023

OB2E/01W

August 12, 1975

Consolidated Boundary Exploration Ltd. (N.P.L.)
Box 1739
Grand Forks, B.C.

448 SEE GCNL #192 1975.

re: HEK Mineral Claims

INTRODUCTION

This letter report is prepared at the request of Mr. G. Nakade of Consolidated Boundary Explorations Ltd. (N.P.L.). The writer was requested to examine the HEK mineral claims, review the available technical data and drill core, make observations and recommendations for further exploration of the property. This report is intended to supplement previous reports by Weymark Engineering Ltd.

The HEK claims were visited August 8, 1975 in the company of Mr. G. Nakade and Mr. I. Wiebe.

OBSERVATIONS

The HEK claims were staked to cover 2 zones of sulphide mineralization with potentially economic gold values spaced approximately 800 feet apart. There is geological and geophysical data to indicate that the two gold showings may occur within one continuous zone of mineralization in Anarchist Group rocks near the contact with younger Nelson and Coryell intrusive rocks.

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	None
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a <i>pro rata</i> basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	None
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	200,000 shares at 15¢ per share March 19 20,000 shares at 20¢ per share May 1975
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	None
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	None

27.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts CONSOLIDATED BOUNDARY EXPLORATION LIMITED (N.P.L.)

Dated 19th September 1975

[Handwritten signatures and stamps]

[Corporate Seal.]

BOND STREET INTERNATIONAL SECURITIES LTD.

CERTIFICATE OF UNDERWRITER ~~ON OPTIONS~~

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated September 30, 1975

[Handwritten signature: Leslie Ait]

Four short diamond drill holes aggregating 236 feet have been drilled on one of the sulphide occurrences. The results for the three holes (hole 1 - 3 inclusive) for which assay data is available is summarized below:

<u>Hole No.</u>	<u>From</u>	<u>To</u>	<u>Length of Intersection</u>	<u>Oz gold/ton (weighted average)</u>
1	10'	85'	75'	0.0732
2	0'	34'	34'	0.2802
3	30'	55'	25'	0.0924

All holes contain minor copper and silver values.

The area tested by this drilling contains potentially economic gold values. In order to demonstrate the continuity and extent of the mineralized zone, however, it will be necessary to take an aggressive approach to the drill programme and test the entire length of the potential structure between the two known showings.

The claim status was reviewed and it was concluded that additional claims be staked in view of the location of the showings relative to the present claim boundaries.

RECOMMENDATIONS

The existing 3 HEK claims should be abandoned and re-staked under the new claim staking regulations. The present group

3.

should be expanded to a minimum of 9 units to provide a minimum of protection around the known showings.

The current drill programme should be expanded to adequately test the potential ground between the two presently known showings. The holes should initially be spaced approximately 200 feet apart and drilled at -45° across the mineralized zone to a depth of 300 feet. It is anticipated that a minimum of 4 holes will be required. Holes to test the down dip extension of initial intersections, fill-in holes and tests of the extension of the known structure may be required in a second stage.

The presently available geological mapping should be extended to the north west to include the "Hecla" workings with a view to re-evaluating this area of past production.

The cost of the above programme is estimated below:


<u>STAGE 1</u>	\$
Claim staking (wages and fees)	1,000.00
Geological mapping and sampling	1,000.00
1200 ft. diamond drilling @ \$20/ft. (all inclusive)	24,000.00
Supervision, engineering, report preparation	5,000.00
General administration	<u>4,000.00</u>
	\$ 35,000.00

4.

STAGE 2

Fill-in drilling may be required in the second stage. The amount of drilling required would be entirely contingent on the outcome of Stage 1 and therefore an estimate is not included at this time.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "W. Meyer".

W. Meyer, P. Eng.

WEYMARK ENGINEERING LTD.

Consulting Engineers

3310 WESTMOUNT ROAD
WEST VANCOUVER, B.C.
CANADA

TELEPHONE
922-1536

15 May 1975

The Directors

Consolidated Boundary Explorations Ltd.
Box 1739
Grand Forks, British Columbia

Gentlemen:

Re: Summary-Recommendation Report
HEK Mineral Claims
Greenwood Mining Division
British Columbia

I am pleased to submit for your information, this Summary-Recommendation Report on the results of my review of the available information relating to the HEK Mineral Claims, Record Nos 37085 - 087 inclusive, Greenwood Mining Division, British Columbia recorded in the name of I. G. Wiebe of Grand Forks, British Columbia.

Background references included the Geophysical Report by Wm. B. Chang, M. Eng. Geophysics, McGill University dated May 1975, a consultant with Weymark Engineering Ltd., the various B. C. Minister of Mines Reports dating from 1901 when the property was known as the Exchange and later as the Simpson when production of 364 tons yielded 259 oz of gold and 90 oz of silver. Sampling of drill core, recently drilled in one of the mineralized zones yielded the assays given on Annex - 1. The split core was examined by me and found to contain metallic sulphides of iron and copper.

I am well acquainted with this area, Grand Forks - Granby River, of British Columbia having examined several properties during the past ten years.

On the basis of my review of the available information and the favourable geophysical findings recorded in the Geophysical Report of Wm. Chang M. Eng. in which several anomalous zones were indicated using Magnetometer and Electromagnetic techniques as well as the "Low" portrayed by the aeromagnetic survey map No. 8487G, Department of Mines, neighboring the claims area, it is my opinion that the claims area presents opportunity for locating metallic mineral zones with commercial potentialities, viz,- copper, gold, silver and other related metallics.

Recommendations:

i. The claims should be procured from the owner under terms favourable to your company considering the present climate for mining in British Columbia.

ii. Should the claims be procured by your company then the following programme of tests and exploration should be

The Directors, Consolidated Boundary Explorations Ltd. HEK Claims

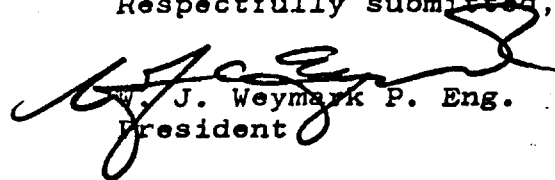
carried out:-

<u>Programme</u>	<u>Amount</u>
i. Geophysical Surveys,- Magnetometer Electromagnetic Self-Potential	\$10,000
ii. Bulldozer stripping and trenching	5,000
iii. Geological Mapping and Sampling	5,000
iv. Diamond drilling - 2,000 feet approx	30,000
v. Engineering and Tests	5,000
vi. Administration and Establishment	<u>5,000</u>
Total	\$60,000

It is my recommendation that the forlisted programme be carried out in its entirety to provide a sound evaluation base of the metallic mineral possibilities of the claims. Recognition, however, has to be given to some variation in the scope and detail of the programme depending upon the results obtained.

On conclusion of this programme, an evaluation should be made to assess future courses of action.

Respectfully submitted,


W. J. Weymark P. Eng.
President

15 May 1975

Attached:

Chemex Certificate of Assay No. 23995, May 1. 1975
Certificate of W. J. Weymark P. Eng.



CHEMEX LABS LTD.

212 BROOKSBANK AVE.
NORTH VANCOUVER, B.C.
CANADA
TELEPHONE: 985-0648
AREA CODE: 604

• ANALYTICAL CHEMISTS • GEOCHEMISTS • REGISTERED ASSAYERS

CERTIFICATE OF ASSAY

CERTIFICATE NO. 23995

TO: Consolidated Boundary Expl. Ltd.
P.O. Box 1739
Grand Forks, B.C. VOH 1H0

INVOICE NO. 13634

RECEIVED April 30/75

ATTN: Mr. Lucke

ANALYSED May 1/75

SAMPLE NO. :	% Copper	Oz/Ton Silver	Oz/Ton Gold (Fire Assay)	
29801	0.12	0.34	0.018	0-10
29802	0.18	0.47	0.104	10-20
29803	0.08	0.52	0.134	20-25
29804	0.26	0.58	0.102	25-34
29805	0.09	0.29	0.048	34-45
29806	0.08	0.20	0.046	45-55
29807	0.08	0.54	0.092	55-59
29808	0.13	0.51	0.130	59-60
29809	0.06	0.25	0.046	60-67.5
29810	0.10	0.52	0.148	67.5-69
29811	0.09	0.25	0.066	69-73
29812	0.12	0.33	0.050	73-77
29813	0.05	0.36	0.060	77-85
29814	0.01	0.04	0.010	85-93

(Results phoned)



MEMBER
CANADIAN TESTING
ASSOCIATION

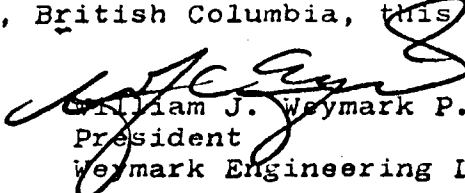
P. Swaites
REGISTERED ASSAYER, PROVINCE OF BRITISH COLUMBIA

CERTIFICATE

I William James Weymark P. Eng., Consulting Engineer President of Weymark Engineering Ltd., of the District of West Vancouver, of the Province of British Columbia hereby certify that:-

1. I am Graduate of Mining Engineering of Queen's University, Kingston, Ontario, B. Sc., 1940 and have been practising my profession for thirty years.
2. I am a practising Consulting Engineer and reside at 3310 Westmount Road, West Vancouver, British Columbia.
3. I am a member of the Association of Professional Engineers of the Province of British Columbia and also of the Consulting Engineers' Division of the Association of Professional Engineers of British Columbia.
4. I am a member of the Canadian Institute of Mining and Metallurgy, of the American Institute of Mining, Metallurgical and Petroleum Engineers and of the American Geophysical Union.
5. I have no direct or indirect interest whatsoever in Consolidated Boundary Explorations Ltd. nor do I expect to receive any interest, direct or indirect in the HEK Nos 1-3, Record Nos 37085 - 87 Incl., Grand Forks Mining Division, or any affiliate or any security of the company or affiliate.
6. The findings of the accompanying report are based on my personal review of the Geophysical Report of the HEK Mineral Claims, May 1975 by William B. Chang, M. Eng. Geophysics, McGill University, a retained consultant of Weymark Engineering Ltd., of the available background information relating to the claims and area, my personal knowledge of the Granby - Grand Forks area and examination of drill cores of drillings in mineral zones within the claims boundaries.

DATED at West Vancouver, British Columbia, this 15th May 1975


William J. Weymark P. Eng.
President
Weymark Engineering Ltd.

WILLIAM J. WEYMARK, P. ENG.

Consulting Engineer

3310 WESTMOUNT ROAD
WEST VANCOUVER, B.C.
CANADA

TELEPHONE
922-1536

15 May 1975

Consolidated Boundary Explorations Ltd
P.O. Box 1739
Grand Forks, B. C. AND TO
B. C. Securities Commission
Victoria, British Columbia AND TO
Vancouver Stock Exchange
Vancouver, British Columbia

Gentlemen: Re: Consent To File

I hereby consent to the filing of my Summary-
Recommendation Report, HEK Mineral Claims, Greenwood Mining
Division, British Columbia, dated 15th May 1975 being filed with
the Securities Commission of British Columbia, the Vancouver Stock
Exchange in connection with the proposed financing programme of
Consolidated Boundary Explorations Ltd.

Yours truly,



William J. Weymark P. Eng.

May 4, 1975

Pathfinder Holdings
Box 1017
Grand Forks, British Columbia

Re: Geophysical Report
HEK Mineral Claims
Greenwood Mining Division
British Columbia

Gentlemen:

I am pleased to submit the Geophysical Report planned to initiate the exploration of the HEK Mineral Claims Group, located in the Granby - Grand Forks Area, Greenwood Mining Division, B. C.

The geophysical survey was conducted by the writer, during April 23-26, 1975, employing a Sabre MK 11 magnetometer and a Scintrex E.M. (VLF) Scopas.

The area covered by this survey was limited to the vicinity of the sulphide mineral showings, completing approximately 800' x 1200' by magnetometer and 800' x 1600' by E.M. Scopas with 50' station spacing on 200' line interval.

This survey reveals strong magnetic and E.M. anomalies around the main showing area, where their surface assays show 0.04-0.87 oz./ton of gold.

Background information relating to this property date from 1901, known as Exchange claims, reported in the British Columbia Minister of Mines. From the old Simpson Mine, a total of 364 tons of ore were mined yielding 259 oz. of gold (.75 oz./ton), and 90 oz. of silver (0.25 oz./ton), according to the Minister of Mines Report for 1939.

I. PROPERTY

This property consists of 3 mineral claims HEK Nos. 1-3 and were staked by I.G. Ike Wiebe of Grand Forks, B. C. on April 6, 1974. (Fig. 2)

Restaking of these claims, adding 3 more, is under way by the same under the new staking regulations.

The designated names and other particulars relating to each of the claims is given below.

<u>Claim</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>Record Date</u>
HEK 1	374354M	37085	April 18, 1974
HEK 2	374353M	37086	April 18, 1974
HEK 3	374352M	37087	April 18, 1974

Reference Mineral Claim Map:
82E/1W B. C. Dept. of Mines

Recording Office:
Grand Forks
Greenwood Mining Division
British Columbia

II. LOCATION, CLIMATE AND PHYSIOGRAPHY

The claims are located 12 miles north of Grand Forks, along the west bank of the Granby River, B. C. (Fig. 3)

The geographic reference is 49°12' north latitude and 118°27' west longitude. It is in the Similkameen Land District with the Registry Office in Penticton, B. C.

The property is accessible via the paved North Fork Road from Grand Forks.

Climatic conditions in this area are continental in nature and are classified as typical interior climate. Division of B. C. Climatological Records at Grand Forks - Greenwood indicate a range of 109°F maximum to -38°F minimum with a mean of 49°F. Average precipitation at Grand Forks is 15 inches with 30+ inches of snowfall. The Greenwood area has 24 inches of rain and 92 inches of snow.

The relief is moderate with elevations of 1900 - 3200 feet above sea level. Rock outcrops are exposed at some locations. The depth of overburden varies from a few feet to over ten feet and the surface cover is occasionally forested with evergreen growth.

There are ample water, timber, sand-gravel and power resources available on the claims to support mining exploration work.

III. DESCRIPTION

The background information relating to the claims is recorded in the B.C. Minister of Mines Report for 1901, 1909, 1928 and 1930 (Exchange), for 1931 and 1939 (Simpson Mine). See Appendix A.

The Simpson Mine made a recorded production of 364 tons of ore yielding 259 oz. of gold (.75 oz./ton) and 90 oz. of silver (0.25 oz./ton). The Simpson Mine Heckla Claims are located some 2500' NE of Exchange shaft.

The following are the excerpts of these reports.

- 1928 " This group, owned by R. Simpson et al, of Grand Forks, is EXCHANGE situated about 14 miles up the Granby river on the west side. Work done this year consists of deepening an old shaft to 45 feet and unwatering another about 500 feet to the west. Massive pyrite-pyrrhotite zones have been uncovered in both shafts, but up to the present only low values in gold, silver, and copper have been found. Several years ago, according to the owners, a shipment was made from one of these shafts to the Granby smelter at Grand Forks that carried values in gold. A thorough sampling will be done to ascertain the size of the ore-bearing zone.
- 1939 SIMPSON MINE This property, 13 miles north of Grand Forks, was optioned by L. E. Hanley, of Wallace, Idaho, and developed under the direction of L. A. Grant. Seven to eleven men, with four to eight working underground, were employed for about five months. A complete small mining plant was installed. Development-work included 286 feet of drifting, 370 feet of crosscutting, 10 feet of sinking, and 6 feet of raising. The property was closed in September. A total of 364 tons of ore mined and shipped to Trail yielded 259 oz. of gold and 90 oz. of silver."

After 1939

No further work seems to have been done until 1966, when Explorations, consisting of trenching, stripping, drilling and induced polarization was undertaken by Fento Mines, successor to Bryell Minerals Ltd.

Hole 2, 100' under Glover Creek shows interest .30 Au, 3.75 Ag, .54% Cu over a length of 29' (true width 18'), according to the report for Bryell Minerals Ltd., by Tibor Kobusicky of Spokane, Washington, written in 1969.

The claims later were elapsed, and 3 claims, HEK Nos. 1-3 were staked by I. Wiebe in April 1974.

On the request of Ike Wiebe, the owner of the claims, some reconnaissance type work was made in the vicinity of outcrops with a McPhar magnetometer and Ronka E.M. 16 for a couple of hours in April, 1974. The quick test revealed geophysical anomalies on the main showing area of interest.

Later in October, 1974, the property was examined by Newmont Mining Corp. of Vancouver.

The old base line was recharged, mapping and sampling has been done on showings area. (Appendix B). The assays for gold and silver of #8563 and 64 taking across 17' of length at the main showing area returned average of 0.59 oz./ton of Au, 0.72 oz./ton of Ag., but the assay results of other claims area show generally less than 0.1 oz./ton of gold. First diamond drilling at the main showing was started on April 17, 1975 by I. Wiebe.

IV. GEOLOGY AND MINERAL ZONE

General:

Geological References are: Map 6 - 1957, Kettle River, East Half by H. W. Little of the Geological Survey of Canada, paper 65-1 by H. W. Little, Greenwood Map Area 82E/2 by J.W.H. 4, Regional Geology, for the Chronology of Geological Sequence from the Monashee and Grand Forks Groups of paragneiss of proterozoic to the basalts of miocene (tertiary) periods. (Fig. 4)

Within 15 miles from the claims area a number of mines produced gold and silver in quartz vein and replacement.

The favourable geology for gold ores in this area is to be reported in the areas of pre-tertiary volcanic and sedimentary rocks and to the margins of intrusive bodies.

The following tabulation is some information on the gold mines recorded in Bulletin No. 20 - part III Lode - Gold Deposits, 1945.

GOLD AND SILVER PRODUCTION IN THE VICINITY OF HEK CLAIMS AREA

<u>Area</u>	<u>Geology</u>	<u>Minerals</u>	<u>Ore Tons</u>	<u>Gold Oz.</u>	<u>Silver Oz.</u>
Lower Granby within 12 miles south of HEK claims	in <u>quartz vein</u> occurring in greenstone or granodiorite in <u>silicified zone</u> or following <u>fractures</u> <u>bedding plane</u> in limestone	with small pb, zn with some cu	7,159	4,670	10,439
Jewel Lake Camp 7 miles west of claims	<u>Quartz vein</u> in highly altered micaceous quartzite & greenstone intruded by granodiorite also by many small dykes	containing pyrite, galena sphalerite chalcopyrite telluride free gold	139,054	39,392	243,037
Greenwood province #7, etc. 10 miles S.W. of claims	<u>Quartz vein</u> Greenstone (andesite and latite flows) argillite Limestone intruded by several small bodies of serpentine pyroxenite gabbro, diorite, granodiorite	Pyrite, Galena Sphalerite Chalcopyrite Arsenopyrite	51,155	18,255	1,630,180
Winnipeg 9 miles S.W. of claims	<u>Replacement</u> close to the margin of a small body of diorite which intrudes greenstone	abundance of pyrrhotite some chalcopyrite in chloritic rock	58,772	11,675	36,536 and 189,597 ^{cu} _{lbs}

Local Geology and Mineralization

The rocks in the area include Greenstone of the Anarchist Group intruded by Granodiorite of Nelson, Granite of Coryell and also by feldspar porphyry dike filled in E-W (true) shear or fault. The age of the dike is not known, but seems to be almost the same as Granodiorite of Nelson Group. (Fig. 5)

General lack of outcrops prevented establishing definite contact especially in the south part of the grid. The skarn at the showing area is apparently the contact facies of the volcanics, near granodiorite ore bodies. These rocks seem to contain most of the economic minerals. Mineralization on the claims area occurs in shear replacement and disseminated type. Minerals in the skarn are mainly pyrite, pyrrhotite, minor chalcopyrite, sphalerite as few stringers, tourmaline and garnets. The content of the sulphide minerals are in the range of a few percentage to 20% containing some value of gold and silver in general. In the main showing area assays reveal the gold value of the range of 0.04 - 0.87 oz./ton and 0.2-0.9 oz./ton for silver.

V. GEOPHYSICS

1. General

The magnetic and E.M. V.L.F. surveys have been conducted during April 23-26, 1975.

The objective of magnetic surveys is to find from surface measurement, the shapes or the volumes of formations whose susceptibilities or natural remanent magnetization differ markedly from those of surroundings, while E.M. survey is made for pursuing the response to changes in conductivities.

These anomalies may be due to changes of geologic features, in addition to sulphide zones.

Moderate - fair readings in both magnetics and E.M. are expected in the semi-disseminated pyrite - pyrrhotite ore zones of interest of this survey.

However low magnetics are also considered to be important because it may be a manifestation of a couple of high magnetics, caused by shapes of ore bodies. A series of low mag may be suspected due to fault or shear zones.

2. Ground Control

The work was founded on an existing chained base-line of a length of 1,800 feet, running 36° west of true north.

Grid line of 200' spacing was established using compass and pace, at the same time readings for E.M. V.L.F. components were taken at each 50' station interval. Readings are shown on Appendix C.

Every station on 100' spacing was tagged with flagging tape in both red and blue.

3. Magnetic Survey

An airborne magnetic map, surveyed by the Dept. of Energy, Mines and Resources, is shown at Fig. 6. Flight altitude is 1,000 feet above ground level. This map displays low magnetics on the claims area.

A ground magnetometer was conducted using a Sabre MK 11, Model 3650, fluxgate, portable, Adams Marine & Electronics Ltd. Instrument. See Appendix D.

Reference stations were established at 3+00N and 9+00N on base line, and the instruments were set at 51,880 and 51,800 gammas respectively, for the vertical magnetic intensity. The survey was made within three hours on April 25, 1975. The diurnal variations during the survey were too little to correct the readings for the variations.

The magnetic map is shown on Fig. 7 and detailed magnetic map around the principal showing area was also prepared (Fig. 7S).

It shows general magnetic variations on the grid lie in the range of -400 and 400 gammas, with an average (background) values 0 gamma. However at the showing the survey reveals the magnetic intensity of a maximum 3,500 gammas at 2+40W9+25N and -2,540 gammas of a minimum at 2+60W9+75N.

Unambiguous interpretation on the correlation between magnetics and geology was difficult due to lack of outcrops and limited survey. However intrusive rocks of granodiorite seems to lie in the range of intermediate magnetic intensity, while volcanics of greenstone are exposed in both high and low readings. The magnetic map shows a weak geologic trend such as contact or fault running E-W (true) passing 5+00N, B.L. and 4+00W, 11+00N.

There seems to be also a N-S (true) trend connecting 2+00W 11+00N and 14+00N, B.L. This might be due to a shear zone. It is suggested to continue magnetic surveys on the vicinity to find any relation with mineralization.

4. E.M. V.L.F. Survey

The Scintrex Scopas was employed to carry out the V.L.F. E.M. survey. The instrument used was Serial No. 10/023, SE 80, Model 707011. The transmitting station used for the survey was NLK, Jim Creek, Washington, U.S.A. 48N12, 121W55; 18.6 KHz; 250kw. Contour maps were prepared on Fig. 8, 9, 10 and 11 for Azimuth, Horizontal Field Setting, Vertical Field, Dip Angle respectively. E.M. Scopas contour map and profile were prepared for the main showing area on Fig. 11S.

Azimuth

The anomalous readings of Apparent compass azimuth 40° and 70° were obtained. Normal azimuth is assumed to be of 55° - 60° range. Readings of azimuth 70° show north and west (true) trend from the main showing. The main showing and the Clover Creek showing are revealed anomalous reading of 40° and 70° . Azimuth 160° was observed at 2+00W and 9+50N.

Horizontal Field gain control setting

The range of setting of the control on the grid was from 1.25 to 2.65. The ratio is 2.1. North-West (grid) part of grid seem to be more conductive than the south-east (grid).

The lowest readings of 1.25 were observed near the main and Clover Creek showings.

Vertical Field

A couple of the highest reading 2.8 were obtained again on the main showings. The contour of 2.8 coincides with magnetic anomaly.

Dip Angle

Readings are consistently positive probably due to conductive up-going surface. Real crossover is assumed to be located at the point of rapid rates of changes, toward north (grid) on north south line.

VI. CONCLUSIONS

1. The geophysical tests undertaken at the HEK Claims have been of considerable value both as an aid to exploration and for obtaining geological information. The geophysical survey is considered to supply an excellent guide for placement of diamond drill hole locations.
2. Most important feature revealed by this survey is to outline the shape of the main showing. The anomaly is presumed to be 7 - 20% sulphide ore body with a length of approximately 125' and a width of 30 - 60', related to possible shear zone. The depth of bottom of the ore body is not known, but to be determined by drilling.
3. There seems to be a general correlation among E.M., magnetics and geology. The E.M. and magnetic surveys manifest the interesting trend of geologic feature as well as mineralized zone. Through the ore body E.M. shows a very strong N-S (true) trend, while magnetics reveals a low reading. This anomaly is considered to be shear zone.
4. The immediate job is to complete the surveys on the claims area followed by or even concurrent with diamond drilling.

VII. OPINION

In view of the results obtained from this survey, the HEK claims area is considered in the favourable geological and mineralized environment for the Commercial ore deposit. The area warrants further exploration and development.

VIII. RECOMMENDATIONS

Consistent with the fore-expressed opinion, I recommend that:

1. Geophysical surveys	
Magnetic method	
Electromagnetic method	
Self-potential method	\$ 10,000
2. Stripping and trenching	5,000
3. Geological surveys	
Sampling and mapping	5,000
4. Surface diamond drilling - 2,000 feet	30,000
5. Engineering and tests	5,000
6. Administration and establishment	<u>5,000</u>
	Total \$ <u>60,000</u>

Some variation should be tolerated within the scope and detail of this programme depending upon the results obtained.

Yours truly,



William B. Chang, M.Eng.
Consulting Geophysicist

CERTIFICATE

I, William B. Chang, of the City of Vancouver, in the Province of British Columbia, hereby certify:

1. That I am a Consulting Geophysist, and my address is 1063 Balfour Avenue, Vancouver 9, B. C.
2. That I am a graduate of the Seoul National University with the degree of B.Sc. (1964) in Mining Engineering, of McGill University with the degree of M.Eng. (1970) in Applied Geophysics.
3. That I have practised my profession as geophysist more than five years.
4. I have no direct or indirect interest whatsoever in the HEK Claims nor do I expect to receive any interest, direct or indirect in the HEK properties or any security of HEK Claims or affiliate.

DATED this 4th day of May 1975



William B. Chang, M.Eng.
Consulting Geophysicist