REPORT

ON THE

U2 CLAIM

GREENWOOD MINING DIVISION

Prepared for CONSOLIDATED BOUNDRY EXPLORATION LTD.

Ву

W. MEYER, P. ENG.

July 25, 1977

Vancouver, B.C.

SUMMARY & CONCLUSIONS

The U2 Claim is located along the east side of the Granby River in the Greenwood Mining Division.

The claim covers three mineral showings, the most important of which is anomalous radioactivity in a sharpstone conglomerate.

Sampling by the writer in August, 1976 and July 1977 returned assays ranging to 1.16 lbs. $U_3 O_8/$ ton from bedrock surfaces. The claim is adjacent to other Consolidated Boundry uranium holdings currently being explored by Cassiar Asbestos Corporation.

A comprehensive exploration programme for uranium has never been carried out on the property.

A programme of technical and physical work is recommended. The cost of such a programme is estimated at \$53,000 in two stages.

Co-My

RECOMMENDATIONS

Although the main showing is well enough exposed to proceed with a physical programme, it is recommended that preliminary technical surveys be carried out over the claim area initially. Geological mapping should be carried out to determine the location and extent of the sharpstone conglomerate horizon and the mineralization controls within it. Much of the claim area has only a thin cover of overburden and should be suitable to geochemical and radiometric surveys.

Bulldozer stripping and/or drilling and blasting can be carried out in anomalous areas outlined by
the technical surveys. It is anticipated that the main
showing will warrant a drill hole and therefore provision should be made for this in a second stage.

The cost of the programme is estimated below:

Stage 1:

| Line cutting | \$ 3,000 |
|----------------------|------------------|
| Geological mapping | 2,500 |
| Geochemical sampling | 3,000 |
| Geochemical analysis | 1,200 |
| Carried forward | \$ 9 7 00 |

| Brought forward | \$ 9,700 | |
|---|------------------|----------|
| Radiometric survey | 2,500 | |
| Bulldozer trenching | 2,000 | |
| Drilling, blasting and sampling | 2,500 | |
| <pre>Field tools, hardware, vehicle rentals, etc.</pre> | 3,500 | |
| Board, lodging, transportation and communication | 2,500 | |
| Consulting, drafting, report preparation | 2,500 | |
| | 25 , 200 | |
| Contingency | 4,800 | |
| Total Stage 1 | | \$30,000 |
| Stage 2: | | |
| Diamond drilling - 1,000' @ \$20/foot | \$ 20,000 | |
| Supervision | 3,000 | |
| Total Stage 2 | | 23,000 |
| Total Stages 1 & 2 | | \$53,000 |

Respectfully submitted,

Com Meye

W. Meyer, P. Eng.

CONSOLIDATED BOUNDRY EXPLORATION LTD.

INTRODUCTION

The following report on the U2 Claim is prepared at the request of G. Nakade of Consolidated Boundry Exploration Ltd.

The U2 Claim comprising 12 units is located north of the city of Grand Forks, B.C. in the Greenwood Mining Division. The principal showing on the claim is a uranium occurrence in a conglomerate. Showings of copper and molybdenite also occur within the claim.

Recently, Consolidated Boundry, together with Chinook Construction & Engineering Ltd., entered into a joint venture agreement with Cassiar Asbestos Croporation for the exploration and development of much of their uranium holdings in the area. The U2 Claim was excluded from the agreement at Consolidated Boundry's request.

A programme of technical and physical work is recommended to assess the uranium mineralization on the claim.

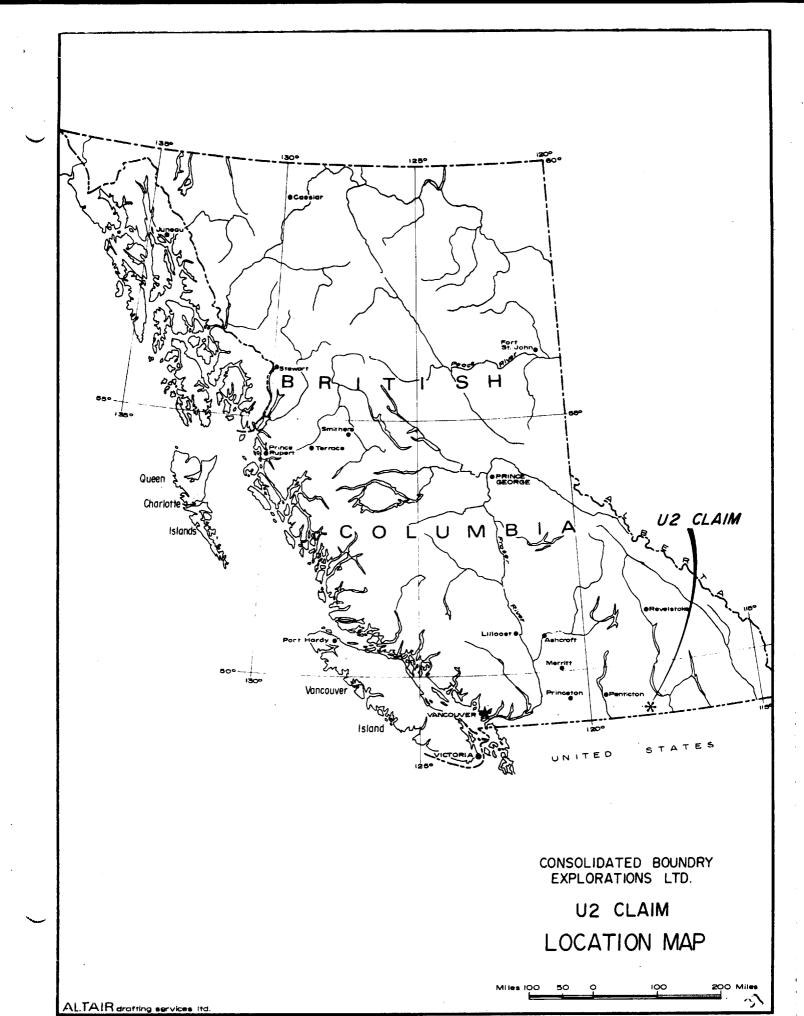
LOCATION & ACCESS

The U2 Claim is located on the east side of the Granby River approximately six miles north of the city of Grand Forks, B.C. in the Greenwood Mining Division. The claims are centered around Latitude 49° 06' N and Longitude 118° 22' W.

Access from Vancouver is via Highway No. 3 to Grand Forks, a distance of approximately 350 miles [see Figure 1]. Alternately, Grand Forks can be reached by scheduled PWA flights to Penticton or Castlegar and then by local carrier to the city airport.

The U2 claim is reached from the city by six miles of paved road north along the east side of the Granby River. The paved road, a transmission line and the Granby River pass through the claim. Grand Forks is an adequate supply center for the area providing many services to the mineral exploration industry.

The claim area is characterized by spersely timbered to open rolling hills. The use of the land on the claim area is for cattle grazing.



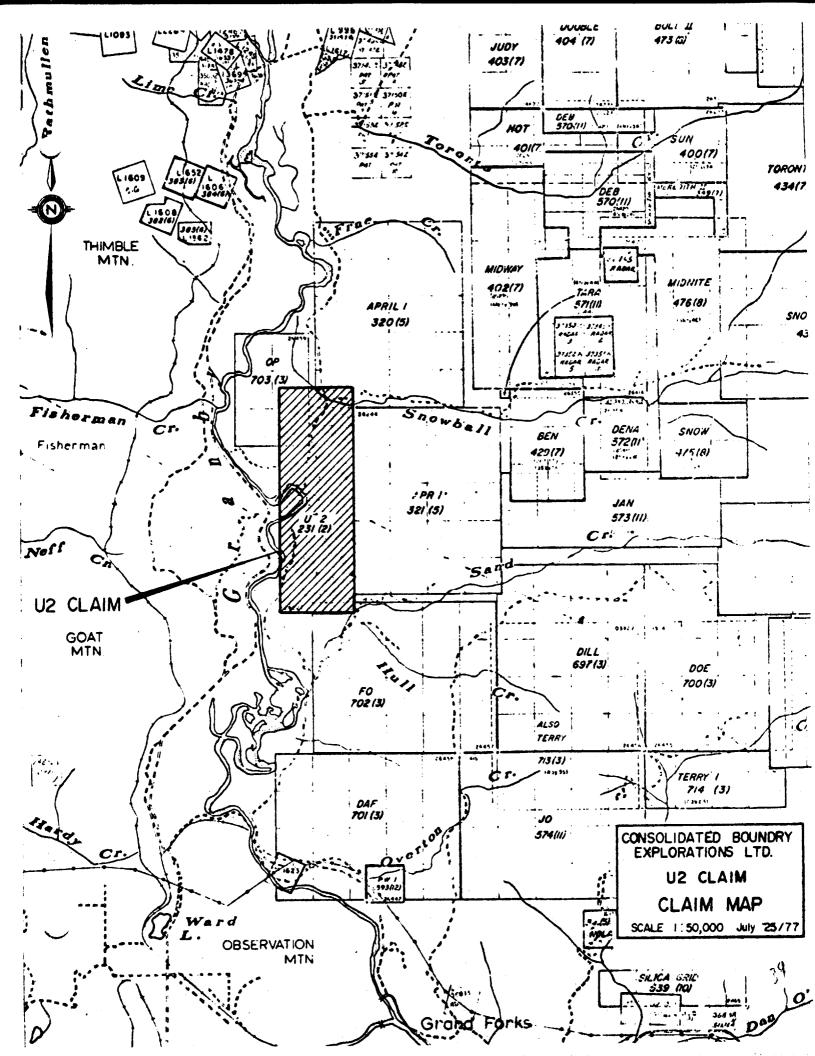
CLAIMS

The U2 Claim consists of 12 metric units within the Greenwood Mining Division [Figure 2].

The pertinent claim data is shown below:

| Claim | Record Number | Expiry Date |
|-------|---------------|-------------------|
| U2 | 231[2] | February 25, 1978 |

The claim was visited by the writer in August 1976 and June 1977.



HISTORY

Grand Forks, once a thriving smelter town processing ore from the Phoenix camp, has had a long history of mining dating back to the 19th century. The principal products were copper, gold and silvar and the principal camps were Phoenix, Deadwood, Union and Franklyn. Today, only the Phoenix Mine continues to operate.

In recent years a number of uranium occurrences have been identified in the Grand Forks area, primarily in the Snowball Creek area. Over the past few years, Consolidated Boundry Explorations has staked, optioned or entered into joint venture agreements on most of the better known occurrences. In June 1977, Consolidated Boundry, with joint venture partner Chinook Construction & Engineering Ltd., entered into an option agreement with Cassiar Asbestos Corporation for exploration and development of uranium prospects in the Snowball Creek area.

The U2 Claim was excluded from the agreements with both Chinook and Cassiar Asbestos.

Previous work on the U2 Claim included prospecting and trenching of radioactive occurrences in a sharpstone conglomerate. It is these showings which

are of current interest.

A copper occurrence in a skarn zone near the Granby River had previously been developed by an adit. The underground workings, at least fifty years old, are now caved, and were not examined.

GEOLOGY & MINERALIZATION

The claim area is underlain by crystalline limestones, cherts and greywacke of the Paleozoic Anarchist
Group. The sediments are intruded by numerous dykes of
medium to coarse-grained Nelson granodiorite. The main
mass of Nelson Intrusions lies to the east of the claim
[ref: GSC Map 6-1957-Kettle River East Half].

On a high knoll in the central claim area, limestones are in contact with a cherty fragmental rock identified as sharpstone conglomerate. This unit is sheared north to northwest parallel to the Granby River fault.

Anomalous radioactivity occurs in both the rocks of the Nelson Batholith and the Sharpstone Conglomerate. The showings of interest occur erratically through the cherty conglomerate on a high knoll in the central claim area where the thin veneer of overburden has been removed by bulldozer stripping. Four samples were taken which represent varying degrees of radioactivity from background values to definitely anomalous values. The results are shown below:

| Sample No. | % ∪ ₃ 0 ₈ | Lbs. U ₃ O ₈ /ton | <u>Remarks</u> |
|------------|---------------------------------|---|---------------------------|
| 1336 | 0.002 | 0.04 | Background |
| 1335 | 0.009 | 0.18 | Weak radio- activity |
| 1337 | 0.021 | 0.42 | Moderate radioactivity |
| 1334 | 0.036 | 0.72 | _ |

A moderately radioactive sample assayed in August 1976 returned a value of 0.058% U $_3$ O $_8$ or 1.16 lbs./ton.

All samples were from bedrock surfaces exposed by bulldozer trenching dating back approximately ten years.

Insufficient mapping and sampling has been carried out to determine the mineralization controls.

Other showings on the claim include a copper, gold, silver occurrence in a skarn zone in limestone adjacent to a granitic dyke and a molybdenite showing. A 5 foot chip sample in massive sulphides in the skarn returned an assay of 0.18% Cu with minor gold-silver.

The molybdenite showing was not examined.

Respectfully submitted,

W. Meyer, F. Eng

CERTIFICATE

I, William Meyer, do hereby certify that:

- 1. I am a geologist with residence at 911 Jarvis Street, Coquitlam, B.C.
- 2. I am a graduate of the University of British Columbia [B.Sc., 1962].
- 3. I am a registered member of the Association of Professional Engineers of the Province of British Columbia.
- 4. I have worked as an exploration geologist for fourteen years for the following companies: Phelps Dodge Corporation of Canada Ltd., Gibraltar Mines Ltd., Associated Geological Services Ltd.. Western Geological Services Ltd. [senior partner]

I am presently a senior partner in W. Meyer & Associates Ltd.

5. I have no interest, direct or indirect, nor do I anticipate receiving any, in the properties or securities of Consolidated Boundry Exploration Ltd.

W. Meyer, P. Eng.

July 25, 1977

Vancouver, B.C.