

MINING PROPERTY INFORMATION

(D.R. Morgan, Consulting Geologist, Vancouver, B.C.) c

Minfile Ref: 082FSE038

N.T.R. 82-F/7(E)

Latitude: 49° 25.1'N

Longitude: 116° 43.4'W

Elevation: 3,950 feet

Mining Div: Nelson

Province, State: B.C.

Country: Canada

Property Name: Valparaiso, Government "GOV"
Held By: Matthew J. Pritchard, David R. Morgan
Optioned By:
Mining Camp:
Metals or Minerals: Gold, silver, (tungsten)

SUMMARY: (Fact)

- On the Valparaiso property 40 km N. of Creston on the E. side of Kootenay L. an E. dipping (-40°) vein hosted by granodiorite and mineralized with gold, silver & tungsten has been traced for over 2,000 feet.
- Since 1895 this vein has been explored by numerous pits & trenches and by 645 ft of drifting (Valparaiso) & 540 ft of drifting (Government claim).
- A shipment of development heading ore from the Valparaiso claim to Trail in 1933 assayed as follows: Tons: 323 Au: 0.33 ozs/ton Ag: 3.3 ozs/ton
- Between 1953 & '56 an attempt was made to operate the property as a tungsten mine. A power line was built and a pilot mill operated briefly as follows: Tons Milled; 533 Tungsten Concentrate: 11,200 lbs Assays of Conc: 5.57% W
- Channel sampling of the vein in the Government drift resulted as follows: Length: 100 feet Width: 6.5 feet Au: 0.30 ozs/ton Ag: 1.36 ozs/ton (ref.2)
- In 1981 Custom Mining diamond drilled 4 holes (1679 ft) at the locations shown on the accompanying 100 scale plan. This program was incomplete when halted.

CONCLUSIONS: (Opinion)

- The best immediate exploration target on the property is the 100 foot section of the Government vein channel sampled by Hougland (See 5. above)
- An excellent drill access road system was built in this area by Custom Mng, but their only drill hole on this target (DDH V 81-3-1) stopped 200 ft. above the vein (See 100 scale plan & section).
- A relatively low cost program of reverse circulation rotary drilling can now be undertaken without expensive road building to test the down-dip extension of this well mineralized section of the vein.

COST ESTIMATE:

Reverse Circulation Rotary Drilling: 3000' at \$12/ft:	36,000.
Mobe & demobe:	1,000.
Assays:	700.
Bulldozer: Road clean-up, site prep: 20 hrs at \$100/hour, mobe:	2,300.
Engineering supervision plus helper	10,000.
TOTAL, including 20% contingency: \$ 60,000.	50,000.

GEOGRAPHY: The property lies on the moderately steep, west facing slopes of the Purcell Mts. on the E. side of Kootenay Lake between Akokli & Sanca

Location: creeks, near Boswell & approximately 40 km N. of Creston.

Access:	Type of Vehicle or a/c	Distance	Time	Cost	From Town of
	Pickup Truck	5.4 km			Highway 3 A
		40 km			Creston

Topography: W. facing mountainside from 3,700-5,400 el., slopes 35° to 40°

Climate: Kimberley (3,016 el) snow-free 4 April-16 Nov (median); Snowfall ± 36"

Drainage: Adequate water for: camp (yes), drilling (yes), mining (yes)

Forest cover: 80 year old spruce, balsam, cedar & pine.

Soil cover: Avg. depth (18"), soil type (), percentage outcrop (15)

Special Problems: Private roads (no), range or farm land (no), pollution (no), water rights (no), flooding (no), snow slides (no), disputed title (no)

TITLE:

Number	Name of Claims	Record #s	Recorded	C of W Due	Owner
1	Valparaiso	L.4907	Crown Grant)		M.J. Pritchard,
1	Government	L.4908	" "		11604-44A Ave, Edmonton
6	GOV # 1 - 6	*	26 Sept '85		D.R. Morgan (733-2181)
					3424 W. 6th Avenue,
					Vancouver, B.C. V6R 1T3

* Staked 29 August 1985

GEOLOGY: The property lies in granodiorites of a W. projecting 4 mile lobe of the Bayonne batholith, locally intrusive into Purcell quartzites.

- (a) **Regional:** Besides the Valparaiso vein, locally there is: the Sarah (MI 82FSE 055) a vein parallel to the Valparaiso & 700' vertically above it, exposed by open cuts & adits for 400 ft. Qtz mineralized with sparse pyrite, galena & wolframite. 10 Tons shipped by 1906 ran: Au: 0.6 ozs/ton Ag: 22 ozs/to
- (b) **Property:**

ref.4 **General statement:** "The Valparaiso quartz vein is controlled by parallel fractures within a major sheeted zone." Low temp. (PbS, ZnS, Au, Ag) was followed by high temp. (Py, Asp, Wolframite, Au, Ag) Depth potential is good.
Rock types: Granodiorite, quartz diorite, felsite, lamprophyre

Structures: Vein: 000°/40° East to 50° East

Mineralization:
Type(s): Fissure vein following sheeted and locally brecciated intrusive.
Ore minerals: Gold, silver, galena, sphalerite, wolframite, chalcopryrite
Gangue minerals: Quartz, pyrite, arsenopyrite
Alteration: Sericitic, chloritic & argillic adjacent to vein.

Ore controls: 1. Vein fault. 2. Sulphide sections. 3. "Wolframite has been observed in the vein walls where local shearing has occurred." M of M '55.

(c) **Economic:**

Production:	Years	Tons Milled	ozs/ton		Metals Recovered					
			Au	Ag	Cu	Pb	Zn			
Valparaiso	1933	323	0.33	3.3						

Mineralized Bodies:

Name	Length	Width	Depth	Volume	Tons	ozs/ton		Cu	Pb	Zn
	100'	6.5'				0.3	1.4			
	110'	4.1'				0.29	3.81			

(d) **Exploration:**

Direct:

	Number	Size	Footages			Totals	Years
			Gov't	Valpar.			
X - Cut				200	50	25	275'
Drift			470	80	520	125	1195'
Shaft -41°			275		118		393'
Raise			80		75		155'
D.D.H.			410	449	623	197	1981
Percussion D.H.							
Trenching	Numerous hand trenches, mostly sloughed in						

Indirect:

	Type	By	Results	Date
Geophysical	None			
Geochemical	Minor recon.			
Geological mapping	u/g only no detail			
Survey	Roads & u/g			

REFERENCES:

(a) **Reports:** * Not yet available

Author	Title	Number	Date	For
1. Curtin, C.J.	"Gold Relief Claims"		Feb '36	
2. Hougland, E.	"Palouse Co. Property"		Jan '59	Palouse Co. Ltd
3. Reeve, A.F.	"Destiny Bay Properties"		1964	N. Pacific M.L.
4. Greene, A.S.	"Hot Group of Claims"		Nov '81	Custom Mng. Co

Annual Reports Year: '00 '02 '03 '24 '26 '27 '32 '33 '34 '53 '54 '55
 Min. of Mines Page: 85 302 242 449 285 320 195 200 A27 121 129 54

(b) **Maps:** 239

By	Title & Scale	Number	Date	For
5. Rice, H.M.A.	"Nelson" East Half 1"-4 mile	Memoir 228	1941	G.S.C.
6.				
7.				

(c) **Airphotos:**

Flight line	Photo #s	Assess	Reports
5347	133-36, 165-68	10,811	

Accompanying this Report:
 ..Surface & u/g Workings 1"-100'
 .Claim Map 1:50,000
 .Topographic Map 1:50,000

Report By: David R. Morgan, Geologist, P. Eng
 Report for: _____
 Dates of Examination: 8-10 July 1984
 Date of report: _____

Signed,

49°30'

116°45'

M82F/7E

LOCKHART I
1657(5)
(101 933)
(1450 951)

DAVE 4

222 (6)

DAVE 5

481 (7)

TO NORTH S

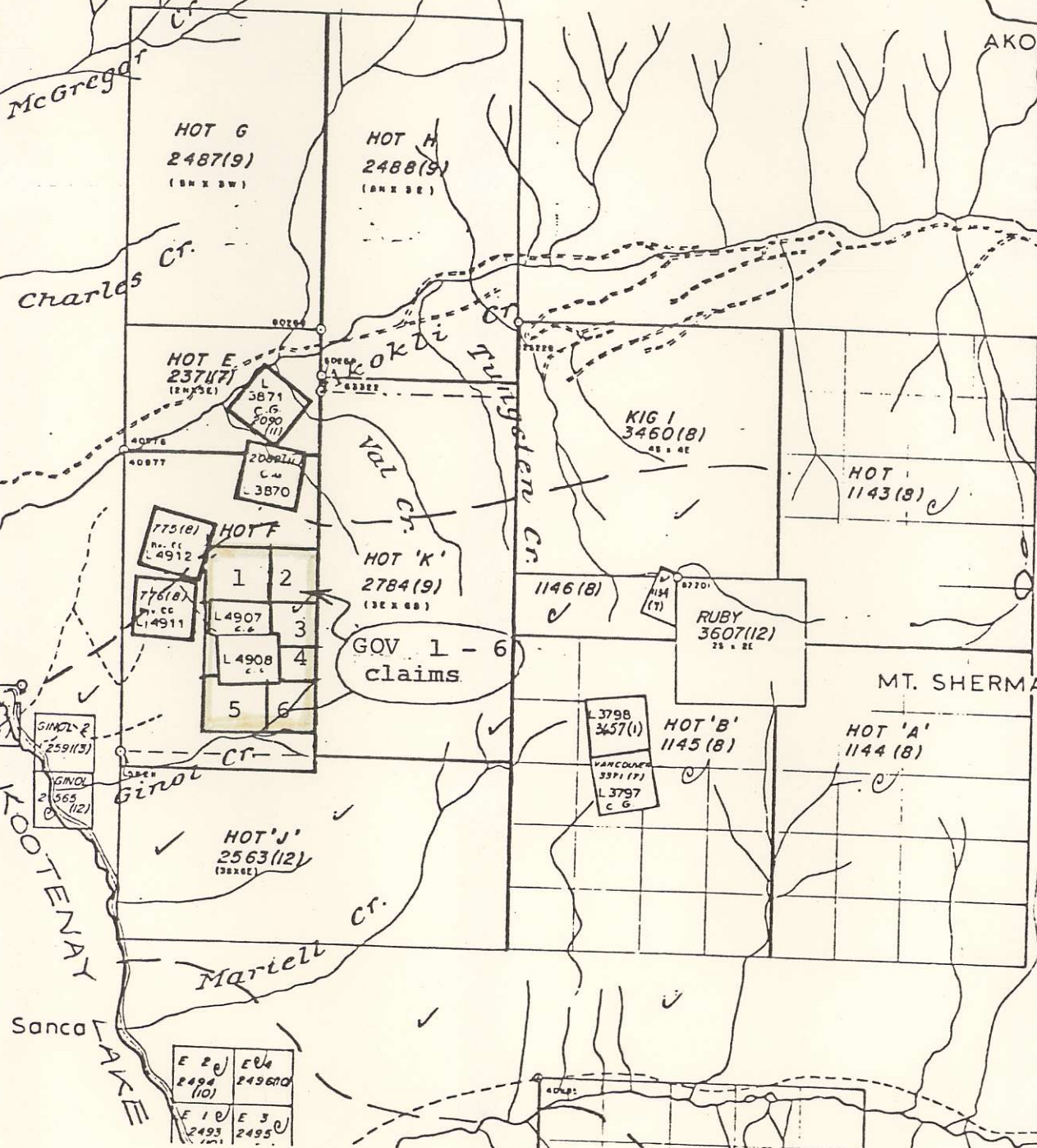
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Squaw Cr.

NELSON Cr. M.D.
FORT STEELE M.D.

MT. DAVIE

AKOKLI MT



HELEN MARY 1457

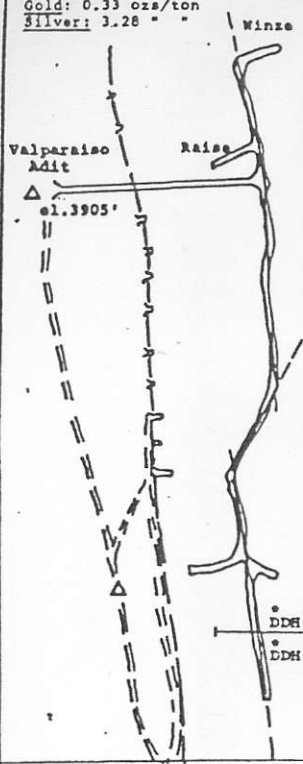
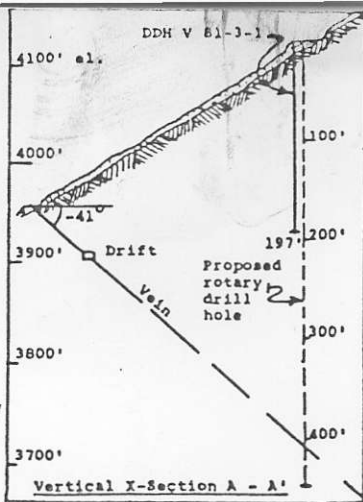
GINOL 2 259(13)

GINOL 2 565 (12)

E 2	E 4
2494 (10)	2496(10)
E 1	E 3
2493	2495

P 02 F/7 W

Shipment from Valparaiso to Trail in 1933;
 Tons: 323
 Gold: 0.33 ozs/ton
 Silver: 3.28 "



(* Diamond drilling by Custom Mining Inc. in 1981 program)

410' DDH V 81-1-1 (-60°)
 449' DDH V 81-1-2 (-80°)
 el. 4160'

DDH V 81-2-1 (-90°) el. 4142'
 623'

E. Hougland's channel sampling in drift, 1956:
 Length: 100 feet
 Width: 78 inches
 Gold: 0.30 ozs/ton
 Silver: 1.36 ozs/ton
 (Weighted average of 20 samples)

X-Section
 DDH V 81-3-1 (-90°)
 197'

Proposed rotary drill holes

Raise to surface el. 3954'

To Hwy 3A 5.4 km

E. Hougland sampling
 Length: 110 feet
 Width: 50 inches
 Gold: 0.293 ozs/ton
 Silver: 3.81 ozs/ton
 (Weighted average of 7 samples)
 el. 4100'

"Government" Shaft (-41°) el. 3950'

Power Line 2200 volt

old mill

Spring

Valparaiso & Government Crown Grants
 Near Boswell, Nelson M.D.
SURFACE & UNDERGROUND WORKINGS
 Scale: 1" to 200 feet
 Date:
 By: D.R. Morgan, P. Eng
 Sources:
 1. Reeve, A.F., 1964
 2. Greene, A.S., 1981

