

**KERR, DAWSON AND ASSOCIATES LTD.**  
Consulting Geologists and Engineers

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Allies

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December 4, 1984

Mr. A. F. Reeve  
Laramide Resources Ltd.  
904 - 675 West Hastings Street  
Vancouver, B. C. V6B 1N2

Dear Bert:

This letter will summarize the exploration activity on the Allies property during the past year. The maps I'm enclosing are rough - to illustrate the conclusions only. We will be preparing proper ones for the assessment report.

A detailed grid was laid out on the property in May-June, 1984 and detailed prospecting and geological mapping performed. This work delineated the area of the "window" of older rocks, confirmed that these were Nicola greenstone and serpentinites and ascertained that there were essentially only three outcrop areas of the older rocks within the map area.

In August-September, 1984, a series of access roads were constructed to the various showings and extensive trenching of the known showings and workings was undertaken. Approximately 2 km. of road was constructed.

The new exposures in the areas of showings and/or workings were mapped and sampled in detail. Soil samples were taken at 25 meter intervals on all road cuts and silt samples were taken at 25 meter intervals on the main creeks to the boundary of the claim. Anomalous gold values in soil are spotty as would be expected with the heavy (estimated 5-15 meters) overburden cover. In stream sediments, anomalous gold values are again somewhat erratic but do show a clustering in the immediate vicinity of No. 1 (Discovery) Shaft. Although feldspar porphyry dikes are found at the Southwest showing and Dodd's showing -- the best values encountered in chip samples at both these showings was in the area of .03 oz Au/ton.

Detailed mapping of new exposures now indicates that the feldspar porphyry dikes may trend easterly to slightly south of east.

It was decided to sample a number of the porphyry boulders in the vicinity of the Discovery Shaft to try to obtain an average of what a potential mineralized zone might run. In addition all information on the immediate area of the Discovery (No. 1) Shaft was compiled on a 1:400 plan. Twenty-two samples of feldspar porphyry boulders (both quartz veined and barren) averaged 0.10 oz Au/ton.

From the disposition of porphyry boulders in the vicinity of No. 1 Shaft, it is evident that the source is relatively nearby. However, the orientation of the mineralized zone is by no means certain. A decision was made to attempt some deep back-hoe trenching in early November, 1984. Conditions were adverse and the machine employed was not equipped with ice lugs. After one day's successful operation in which probable bedrock was encountered, the back-hoe slid over a bank and had to be hauled out by two Weyerhaeuser bulldozers.

A deep, narrow cut up to 8 meters deep was made in a north-northwesterly direction about 50 meters west of No. 1 Shaft. The back-hoe cut ran from the basalt outcrop to the main road. Outcrop dropped off rapidly away from the basalt, however about 4 meters from the road a large (at least 2 meters) slab of ?? outcrop was encountered. Unfortunately this was at the end of a shift and the next morning the machine slid over a bank. Three grab samples were taken from this rock mass which certainly seemed to be in place. They ran 0.038, 0.298 and 0.048 oz Au/ton respectively. The material was typical porphyry cut by narrow stockwork veins of quartz. The quartz carried scattered coarse pyrite, chalcopyrite and minor bornite. This outcrop was encountered about 4-5 meters below the road surface.

After the back-hoe was pulled out, an attempt was made with the D-8 to trench down to the "bedrock". Unfortunately the trench was making water and the cat got stuck about 3 meters down.

I feel that if this rock mass is not bedrock it is indeed very close therefore before drilling I would recommend the following programme: clear the area for about 120 meters west of the Discovery Shaft along a strip about 40 meters wide (see figure 2) and run a series of back-hoe or excavator trenches (say 5 or 6 across this area using a Cat 235. This would give us sufficient information about the orientation of the mineralized zone to spot drill holes with confidence.

respectfully submitted,

KERR, DAWSON AND ASSOCIATES LTD.

James M. Dawson, P. Eng.  
Geologist

JMD/lld

Encl.