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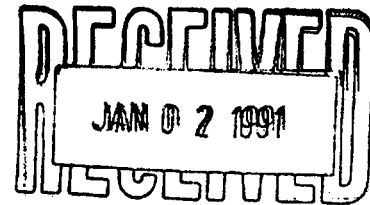
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December 31, 1990



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

Dear Sir:

Re: Prime Property, Similkameen and Nicola Mining Divisions,  
British Columbia

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At your request, I have reviewed all available data on the Prime property. This data included a number of provincial government publications as well as about 25 assessment reports on microfiche. The purpose of this review was to evaluate the exploration potential of the Prime property in the light of recent interest in alkaline-type, copper-gold porphyry systems.

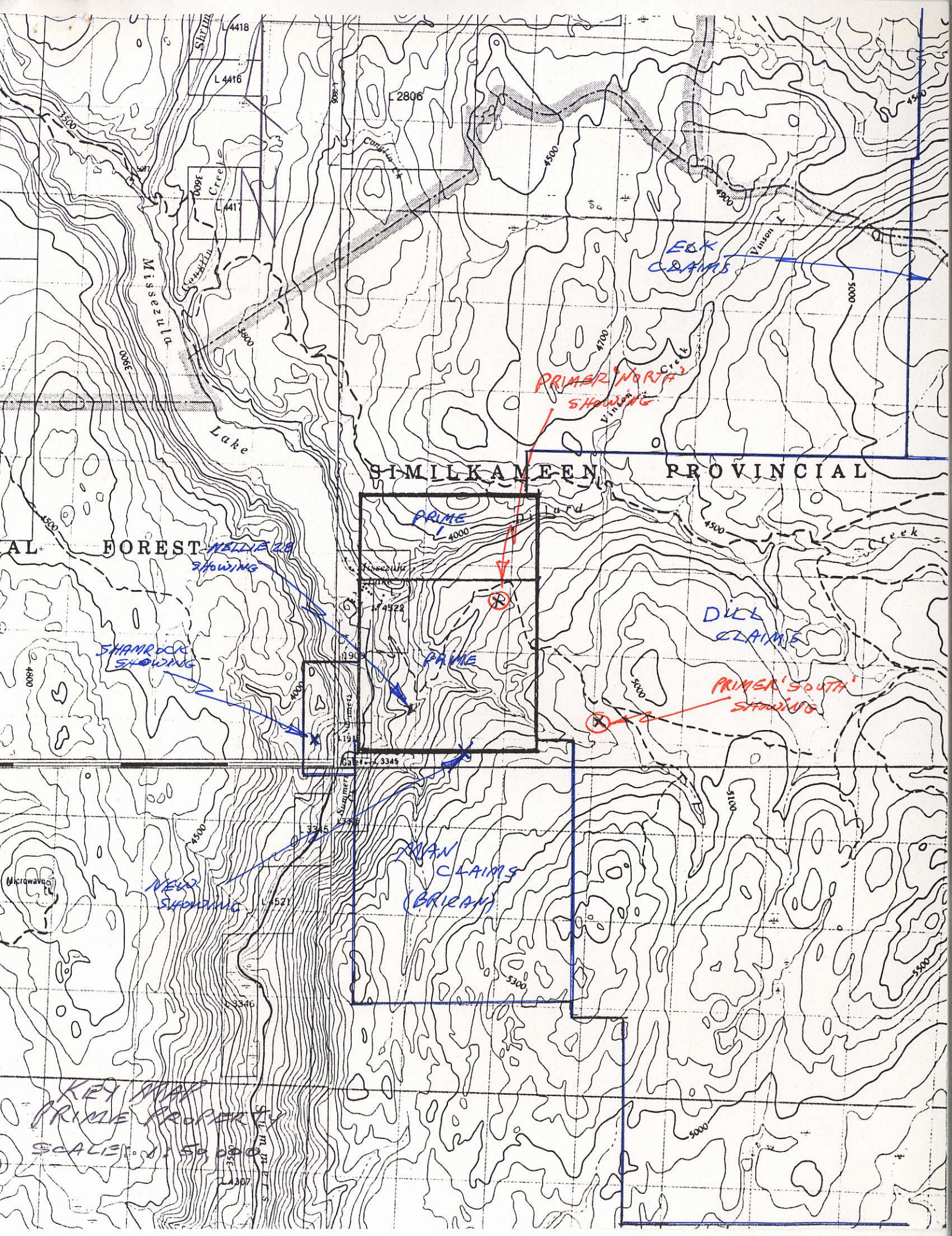
The Prime property consists of two, contiguous MGS claims aggregating 24 units (see attached map) and is registered in the name of Giant Pacific Petroleum Inc. The property covers an area of moderate to steep topography immediately south and east of the south end of Missezula Lake. Elevations vary from 3400 to 4500 feet above sea level and road access is excellent.

The property was originally staked in 1937 when it was known as the King George Group. Over the next several years considerable hand trenching was done in the area now known as the Primer "North" showing.

In 1962, the property was controlled by Primer Group Minerals Ltd. and was optioned by McIntyre Porcupine Mines Ltd. who carried out magnetometer, electromagnetic and geochemical surveys as well as trenching on both the Primer "North" and "South" showings.

Between 1965 and 1971 inclusive, Primer carried out an extensive programme of exploration which included geological mapping,





SIMILKAMEEN PROVINCIAL FOREST

AL FOREST

KEY MAP  
PRIME PROPERTY  
SCALE 1:50,000



geochemical soil surveys, ground and airborne geophysical surveys, surface stripping and the completion of approximately 12,000 feet of core drilling in 28 holes and 4200 feet of percussion drilling in 31 holes.

In 1972-73, the Primer property and the adjacent (to the west) Belcarra Explorations property were optioned to Rio Tinto Canadian Exploration Ltd. who carried out surface mapping, magnetometer and induced polarization surveys and drilled five core holes totalling 2103 feet.

The claims expired in 1977 and were restaked (Prime and Prime 1) and sold to Piper Petroleum Ltd. Prime 2 claim (20 units) was added in 1978 to cover the Primer "South" showing. From 1977 through 1979, minor geological and geophysical surveys were done as assessment work.

In 1980-81, the Prime property as well as adjacent ground to the south (now Brican's Man property), was optioned to Newmont Exploration who primarily confined themselves to exploring a new showing which straddled the south boundary of the Prime property. Newmont carried out geological mapping, magnetometer and I.P. surveys as well as 2165.7 metres of core drilling in 10 holes.

In 1982, the Prime 2 claim expired and was never restaked.

From 1984-88, minor geological, geochemical and geophysical surveys were carried out to cover assessment requirements.

In 1989, Fairfield Minerals acquired the Primer "South" showing by staking.

The Prime property is underlain by flows and fragmental volcanics of the Triassic Nicola group intruded by coeval, alkaline, subvolcanic bodies ranging from small stocks to narrow dikes and sills. They are generally porphyritic and range from syenite to diorite in composition. These bodies have a west to northwesterly orientation and may have been intruded into structurally prepared zones. There is also extensive later faulting. Copper mineralization occurs as disseminations and fracture coatings of chalcopyrite as well as quartz-magnetite-chalcopyrite veinlets both in intrusive and extrusive rocks. Most of the past work has been concentrated in the Primer "North" and "South" showings which consist of pyrite-chalcopyrite "cores" surrounded by halos of pyrite.

The Primer "South" showing is the larger of these two zones and was estimated to contain 32,000,000 tons grading 0.20% Cu by Rio Tinto Exploration. The most impressive drill hole here is 69-7 which graded 0.17% Cu over 971 feet (30-1001').

The Primer "North" showing does not appear to have had any significant exploration since about 1970. It is poorly described in the literature, but appears to be underlain primarily by Nicola volcanics cut by dikes and smaller alkalic bodies. It seems to be poorly defined by trenching and drilling, but could be about 800 feet N-S by about 2000 feet (E-W) and possibly larger. It does not appear to link up with the Primer "South" zone although the two could be part of a large, northwesterly-trending structurally controlled zone.

The following are a list of assay results taken from a report by Don Tully in 1968:

Drill Hole 65-1:	0 - 76'	0.15% Cu
	195 - 295'	0.29% Cu
65-4:	0 - 50'	0.15% Cu
66-3:	30 - 130'	0.34% Cu
66-4:	6 - 201'	0.29% Cu
66-5:	14 - 110'	0.15% Cu
67-7:	8 - 174.5'	0.51% Cu
68-1:	40 - 310'	0.06% Cu
68-2:	40 - 460'	0.12% Cu
68-4:	684 - 1001'	0.11% Cu
68-5:	48 - 247'	0.22% Cu
68-6:	22 - 64'	0.04% Cu
68-7:	52 - 256'	0.05% Cu
68-8:	1 - 106'	0.26% Cu
68-10:	3 - 100'	0.58% Cu

Some of the holes were analyzed for gold, silver and molybdenum as well as copper. Most values seemed to be in the "trace" category, however Hole 68-7 returned 0.01 oz/T gold over the interval 52 - 256 feet. Soil sampling in this area returned values up to 400 PPB Au.

The Nellie 28 showing was discovered by Belcarra Explorations. It is described as: "malachite and chalcopryrite in highly fractured and oxidized Nicola volcanics. The zone is poorly exposed in small outcrops in a creek canyon" (see attached map). Grab samples vary from 0.42% Cu to 1.24% Cu. Very little work appears to have been done here.

The "New" showing was worked on extensively by Newmont in 1980-81. Widespread low copper values were encountered during the drilling programme and a zone was defined that was "200 metres long by 10 to 30 metres wide with an average copper content of between 0.3 and 0.4%". The highest gold value encountered was 0.2 oz/T gold over 3.0 metres. The best gold grade encountered on surface was reported to be 0.104 oz/T Au over 14 metres (trench).

In summary, this is obviously a property in an alkaline (Cu-Au) porphyry setting. There appears to have been no serious work on the Primer "North" showing since about 1970 and obviously the zone is not totally defined. Potential certainly exists for further mineralization elsewhere on the property and given the interest in this type of setting, it is obviously a property worth exploring.

Respectfully submitted,

**DAWSON GEOLOGICAL CONSULTANTS LTD.**

A handwritten signature in cursive script that reads "James M. Dawson". The signature is written in dark ink and is positioned above the typed name.

James M. Dawson, P.Eng.