

800559

GEOLOGICAL REPORT

on

MINERAL CLAIMS

in the

HEDLEY DISTRICT

OSOY00S MINING DIVISION

49° 21' North Latitude

120° 8' West Longitude

for

BANBURY GOLD MINES LTD.

April 9, 1979

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INTRODUCTION

During February 1979, W.G. Stevenson and Associates Ltd. were commissioned by officers of Banbury Gold Mines Ltd. to make an examination and to appraise the mineral potential of a block of mineral claims in the Osoyoos Mining Division of British Columbia.

On March 24, 1979 I examined the mineral claims, made a sketch map of the geology and collected samples for assay. Mr. Douglas Dewar, President of Banbury Gold Mines accompanied me on this examination and provided valuable data, information and assistance.

PROPERTY AND TITLE

Banbury Gold Mines Ltd. have acquired a lease and option to purchase six Crown Granted Mineral Claims and four located mineral claims from Daphne Guernsey, Business Woman, of 5971 Marine Drive West Vancouver, B.C. The company has also acquired two additional mineral claims which are contiguous with the main lease block claims.

The attached map marked appendix "A" shows the location, name and lot number of the Crown granted claims and the location and name of the located mineral claims.

I have not searched title in the mining recorders office in Penticton, nor studied the terms of the lease agreement. However, a title opinion is being obtained. I understand that the pertinent terms of the option agreement whereby Banbury Gold Mines Ltd. can acquire the claims are by paying Daphne Guernsey a total of \$45,000.00 of which \$10,000.00 has been paid. The balance to be paid: \$5,000.00 on or before March 31, 1980 and \$30,000.00 on or before December 31, 1980.

LOCATION AND ACCESS

The property is located two miles west of Hedley and 2,500 feet south of the Similkameen River. More precisely the claims are centered at 49° 21' North Latitude and 120° 8' West Longitude. The workings are on the west bank of Henri Creek, between 2,500 and 3,300 feet elevation. Henri Creek flows northeasterly from the Cascade Mountain Range to the Similkameen River in a short steep valley. Access can be gained to the property from Provincial Highway Number 3 at a turn off 3 1/2 miles west of Hedley, thence easterly over an abandoned railroad grade a distance of 2 miles to the old mill site at the northeastern part of the claim block. Access to the workings within the claim block are over a steep switch back wagon trail which extends southwesterly from the mill site, a distance of 1 1/2 miles.

A road has been constructed by the logging companies a short distance south of and above this claim block. A connection from this road would provide easy access to the upper workings of the claim block.

HISTORY

In 1900, mineral claims were staked over a gold prospect on Henri Creek, 2 miles west of Hedley, B.C. These claims were acquired by Pollock Mines Company, and over the next 13 years extensive underground development was accomplished and 6 of these claims were Crown Granted.

In 1927, H. Guernsey and Victoria Locke & Associates acquired a lease and bond on the property, cleared out the old workings, extended the drifts on some of the quartz veins. During 1933 Guernsey and Associates Ltd. granted a lease option on these mineral claims to Gold Mountain Mines Ltd. In 1935, Guernsey granted Cominco an option on the property and a diamond drilling program was initiated. After completing 750 feet of drilling the Cominco option was dropped. In 1936, Gold Mountain erected a flotation mill on the property. This mill, with a capacity of 50 tons per day operated for only a few months before being shut down and dismantled.

The Crown Granted Mineral Claims have been maintained in good standing continuously since 1936 by rental payments. The located claims have been maintained by accomplishing the required assessment work.

Mr. Douglas Dewar and Associates acquired an option from the Guernsey heirs in 1978 in behalf of Banbury Gold Mines Ltd.

GEOLOGY

The geology of this property and the surrounding area is shown on Map 568 A drawn to a scale of 1" to 1 Mile and published by the Canadian Department of Mines and Resources. A more detailed geological map accompanies Memoir No. 2, "Geology and Ore Deposits of Hedley Mining District", published by the Department of Mines and Resources in 1910.

These maps show and describe a broad expanse of black argillites, calcareous argillites, limestones, minor tuff, conglomerate and chert of Triassic age. These sediments strike northeasterly and dip steeply toward the southeast. This attitude is relatively uniform with some localized contortions in the vicinity of the old workings.

South of the Similkameen River an irregular stock composed of diorite and gabbroic rocks has intruded these sediments. This stock is exposed over an area of approximately 100 acres. The attached map marked appendix "B" shows part of the claim block, topographic features and the geology, based on published and unpublished sources and on my observations while on the property.

MINERALIZATION

A series of fault fissures and shear zones are exposed on the property. These shears strike northerly and northeasterly and dip westerly. Vein quartz and quartz breccia which contain, arsenopyrite, pyrite, sphalerite, gold and silver, occupy certain parts of some of these fissures and shear zones.

The shear zones are prominent in the sedimentary rocks south of the intrusive. While they extend northerly into the diorite stock, previous work suggests the mineralization of importance which has been recognized to date is within the sedimentary series or in the intrusive near the contact.

Seven veins have been recognized on the property. I have observed and collected samples from two of these.

MAPLE LEAF SHEAR ZONE

The Maple Leaf Shear Zone trends north south and dips easterly. While on the property I examined surface cuts and trenches near the 3400 elevation. Some of these cuts were sloughed and or filled with snow. However, I was able to collect 3 samples where the shear zone was exposed. The position of these samples is shown on the attached map marked appendix "B". The description of the samples and assay results are shown on the tabulations marked appendix "C" and "D".

Two adits have been driven on the Maple Leaf Vein. The upper adit at an elevation of approximately 3,270 feet has exposed the Maple Leaf Shear over a length of 200 feet. It has also reportedly exposed a northeasterly trending branching vein over a distance of 60 feet.

MAPLE LEAF SHEAR ZONE CON'T.

A winze has been put down 110 feet on the most promising section of this vein.

The B.C. Minister of Mines Report of 1936 provides sample and assay data from the bottom of this winze on the south side over a width of approximately 16 feet:

Quartz on hanging wall width 42" 0.82 oz. gold, 0.2 oz. silver per ton; mineralized rock width 50" 0.09 oz. gold, 0.6 oz. silver per ton; sparsely mineralized rock width 85" 0.05 oz. gold, 0.2 oz. silver per ton; specimen heavy sulphide 1 1/2" 4.84 oz. gold, 1.6 oz silver per ton.

The No. 2 adit was driven on the Maple Leaf Shear at an elevation 270' lower than the No. 1 adit. This adit has reportedly exposed narrow tight stringers, with no valuable mineralization. A raise was driven from this adit to connect with the bottom of the winze from the No. 1 adit.

The No. 4 level was driven from this raise midway between the No. 1 and 2 levels. I have proposed the workings on the No.'s 1, 2 and 4 levels and in the winze be mapped and sampled in detail.

Ground sluicing operations were reportedly accomplished on strike of the Maple Leaf Shear Zone approximately 1,200 feet south of the underground workings. These workings reportedly exposed a gold bearing quartz vein over a width of 30 feet but operations were suspended due to difficult operating conditions in the steep terrain.

Mr. Hedley of the B.C. Department of Mines estimated that 15,000 tons of ore grade material is available for mining and the inclusion of sparsely mineralized material would substantially increase this tonnage.

MARTIN SHEAR ZONE

The Martin Shear Zone is exposed approximately 850' east of the workings on the Maple Leaf Shear. The Martin Shear strikes north 25° east and dips 60° northwesterly. It is exposed on the surface and in old workings over a length of 600 feet. While I was on the property I collected one sample from this Martin Vein. The position of this sample is shown on the attached map marked appendix "B". The description of the samples and assay results are shown on the tabulations marked appendix "C" and "D".

Five other veins are mentioned in the literature. Four of these veins lie between the Maple Leaf and Martin Veins, one is North and east of the Martin Vein. I did not make an examination of these veins.

CONCLUSIONS

1. Production by Gold Mountain Mines Ltd. on the Crown Granted Mineral Claims, which are now part of Banbury Gold Mines Ltd. property, was attained for a brief period in 1936.
2. Only generalized maps of the Maple Leaf Vein and none for the Martin Vein were available for my appraisal of this property.
3. Assays of samples, which I collected from the two veins showed significant gold value.
4. Reconnaissance maps published by the B.C. Department of Mines show the location and trend of other veins within the Banbury property.
5. The possibility of developing gold deposits on the Maple Leaf and Martin Veins warrant a modest program of exploration drilling.
6. Reports that other veins have been found within the property warrant a program of geological mapping, prospecting and sampling.
7. In addition to testing the gold veins on the Banbury property, geologic conditions where stratabound contact gold deposits similar to those at the Hedley District may be found which warrant diamond drilling.

RECOMMENDATIONS

1. Open up, map and sample the underground workings.
 2. Conduct a program of geological mapping and prospecting over the property.
 3. Initiate a modest program of diamond drilling to test the extension of the known veins at depth and along strike.
- Depending on the results obtained from this program, additional drilling, geological mapping and metallurgical testing may be warranted.

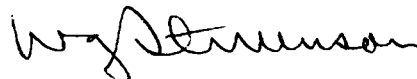
COST ESTIMATE FOR PROPOSED PROGRAMPHASE NO. 1

1. Compilation of Topographic map from existing air photographs.	\$ 1,000
2. Opening up and rehabilitating old workings.	4,000
3. Geological mapping, sampling and assaying/underground.	5,000
4. Geological mapping, prospecting, sampling and assaying/surface.	5,000
5. Diamond Drilling: 1500 feet @ 15.00/foot, including sampling and assaying.	22,500
6. Contingencies @ 20%	7,500
	<hr/>
	\$45,000

Depending on the results obtained during this phase of the program additional drilling, mapping, sampling, assaying and metallurgical testing may be warranted.

<u>PHASE NO. 2</u>	\$25,000
Total Phase 1 & 2	<hr/>
	70,000
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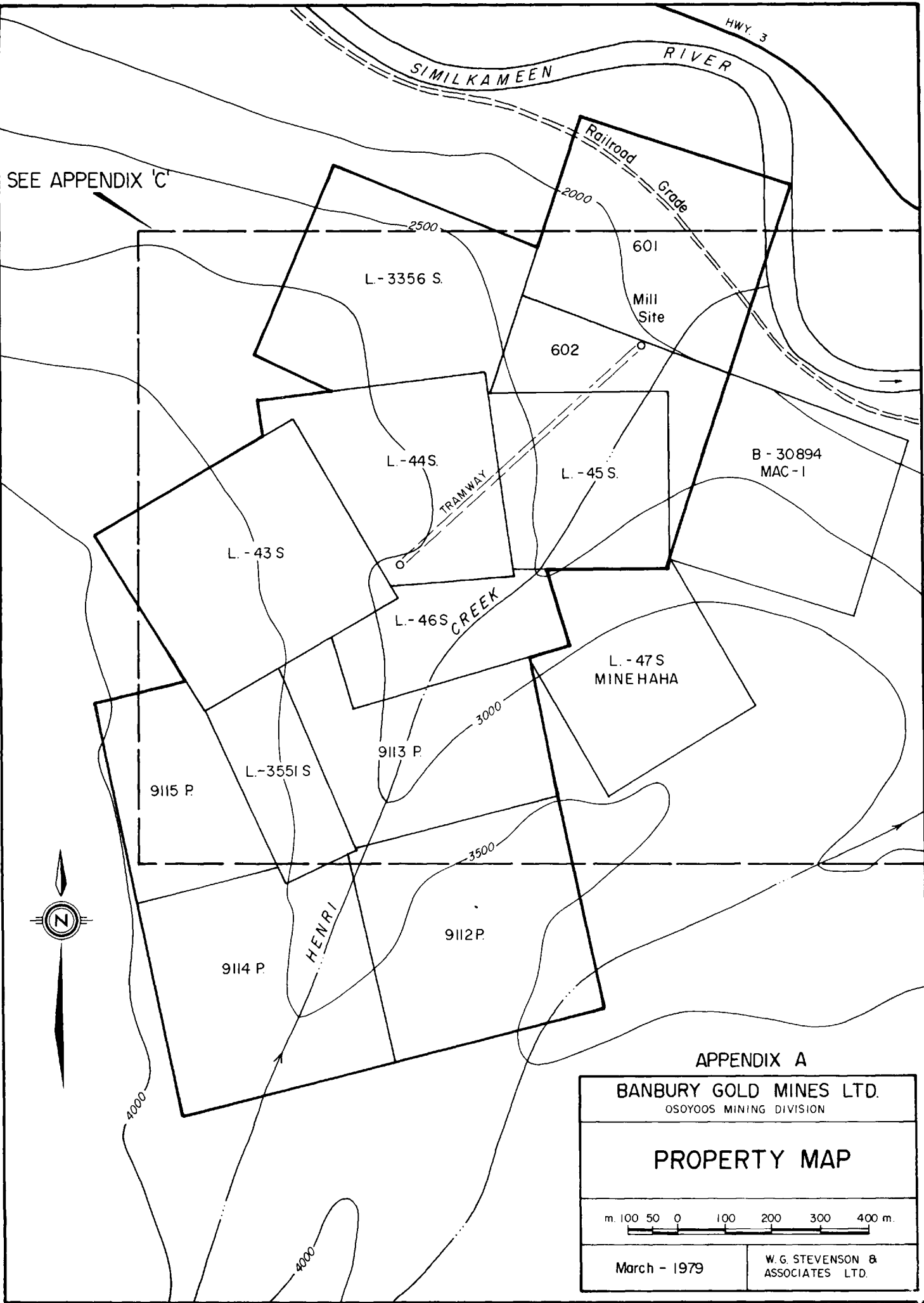
Respectfully submitted,
W.G. Stevenson & Associates Ltd.



W.G. Stevenson, P. Eng.

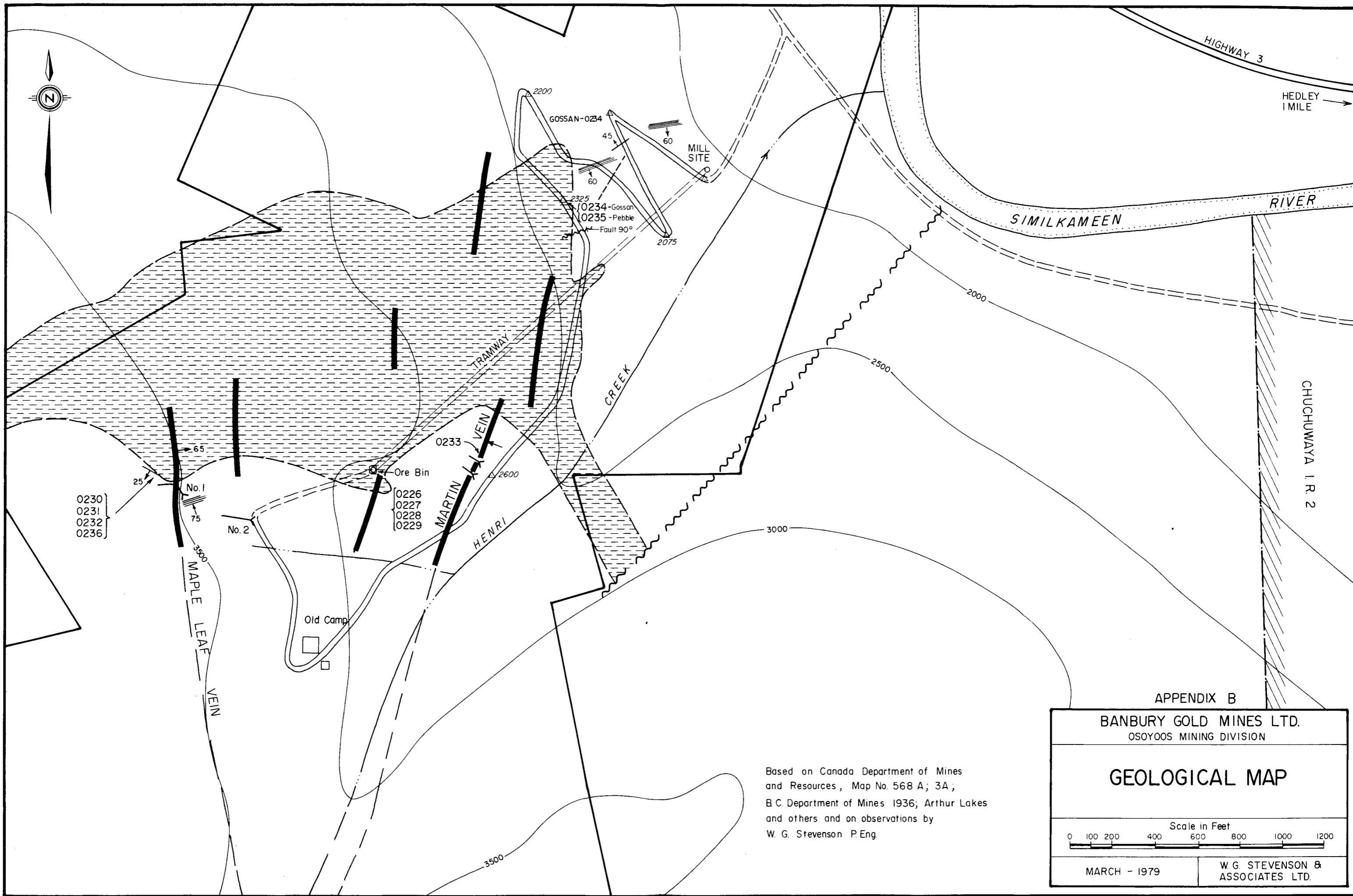
Vancouver, B.C.
April 9, 1979

SEE APPENDIX 'C'



APPENDIX A

BANBURY GOLD MINES LTD. OSOYOOS MINING DIVISION	
PROPERTY MAP	
m. 100 50 0 100 200 300 400 m.	
March - 1979	W. G. STEVENSON & ASSOCIATES LTD.



APPENDIX B

BANBURY GOLD MINES LTD. OSOYOOS MINING DIVISION	
GEOLOGICAL MAP	
Scale in Feet 0 100 200 400 600 800 1000 1200	
MARCH - 1979	W. G. STEVENSON & ASSOCIATES LTD.

Based on Canada Department of Mines and Resources, Map No. 568 A; 3A; B.C. Department of Mines 1936; Arthur Lakes and others and on observations by W. G. Stevenson P.Eng.



GENERAL TESTING LABORATORIES

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 PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

TO:
W.G. STEVENSON & ASSOCIATES LTD.
 609 - 475 Howe Street
 Vancouver, B.C.
 V6C 2B3

CERTIFICATE OF ASSAY

No.: 7903-2652 DATE: Mar. 30/79

We hereby certify that the following are the results of assays on: **Ore**

MARKED	GOLD	SILVER	XXX	XXX	XXXX	XXX	XXX	XX
	oz/st	oz/st						
226 W	0.086	0.05						
227	2.294	0.66						
228	0.001	trace						
229	0.867	0.07						
230	0.246	0.09						
231	0.002	trace						
232	0.036	trace						
233	0.799	0.19						
234	0.001	trace						
235	0.038	trace						
236 W	0.164	0.14						

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

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L. Wong
L. WONG

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
 REFEREE AND/OR OFFICIAL CHEMISTS FOR National Institute Of Oilseed Products • The American Oil Chemists Society
 OFFICIAL WEIGHMASTERS FOR Vancouver Board Of Trade

Tabulation of sample and assay data to accompany
 Geological Report Dated April 9, 1979
 by W.G. Stevenson & Associates Ltd.
 Mineral Claims Hedley District Osoyoos Mining Division
 for Banbury Gold Mines Ltd.

Sample Number	Location	Description	Width	Oz. Gold per ton	Oz. Silver per ton
0226	Ore Bin Near Maple Leaf No. 2 adit	Mill Feed	-	0.086	0.05
0227	"	Mill Feed	-	2.294	0.66
0228	"	Speciman Sulfide Ore	-	0.001	Trace
0229	"	"	-	0.867	0.07
0230	50' above Maple Leaf No. 1 adit	Fissure in pit	1 1/2'	0.246	0.09
0231	"	"	2'	0.002	Trace
0232	"	"	2 1/2'	0.036	Trace
0233	Workings on Martin Vein	Quartz Vein	1 1/2'	0.799	0.19
0234	On road 600 feet southwest of mill site	Shear Zone	1'	0.001	Trace
0235	"	Gossan Shear Zone Breccia	1'	0.038	Trace
0236	50' above Maple Leaf No. 1 adit	Quartz Vein	1'	0.164	0.14

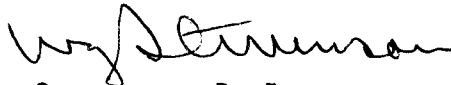
CERTIFICATE

I, William G. Stevenson, DO HEREBY CERTIFY:

1. That I am a Consulting Geological Engineer with offices at Suite 609, Crown Trust Building, 475 Howe Street, Vancouver, B.C.
2. That I am a graduate of the University of Utah, 1946, with a Bachelor of Science Degree.
3. That I am a registered Professional Engineer in the Association in British Columbia.
4. That I have practised my profession for more than 25 years.
5. That I have no direct, indirect or contingent interest in the mineral claims over the Henri Creek Gold Mine in Osoyoos Mining Division, British Columbia nor in the securities of Banbury Gold Mines Ltd. nor do I intend to receive any such interest.
6. That this report dated April 9, 1979 is based on an examination I conducted March 24, 1979, on a study of published and unpublished maps and reports and on discussions with officers of the company.

DATED at Vancouver, British Columbia, this Ninth day of April, 1979.

W.G. STEVENSON & ASSOCIATES LIMITED



W.G. Stevenson, P. Eng.

APPENDIX "E"

W. G. STEVENSON & ASSOCIATES LIMITED
CONSULTING GEOLOGISTS