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REPORT
on

PRELIMINARY GEOLOGICAL EXAMINATION
of the

HUBER MOLYBDENITE PROSPECT

Houston-Telkwa Area, B.C.

Omineca Mining Division

during
MAY, 1965

by

W.M. Sharp, P. Eng.

May 18th, 1965

President and Directors
Molymine Explorations Ltd.
c/o Mr. D.W. Small
425 Howe Street
Vancouver 1, B.C.

Dear Sirs:

This report summarizes my recent geological examination of the principal mineralized areas within the Huber - Mineral Hill group of claims, of all cores obtained from previous diamond-drill exploration, and of all reports, maps, sketches, and other data kindly provided by your principals.

The helpful assistance provided by Mr. D.W. Small in furnishing full records of previous exploration, and by Mr. W.D. Yorke-Hardy in guiding and assisting during the recent geological mapping, in making available drill cores and specimen material for examination, and in providing much general information concerning the property and past exploratory work is thankfully acknowledged.

Respectfully submitted,

W.M. Sharp, P. Eng.

WMS/hb

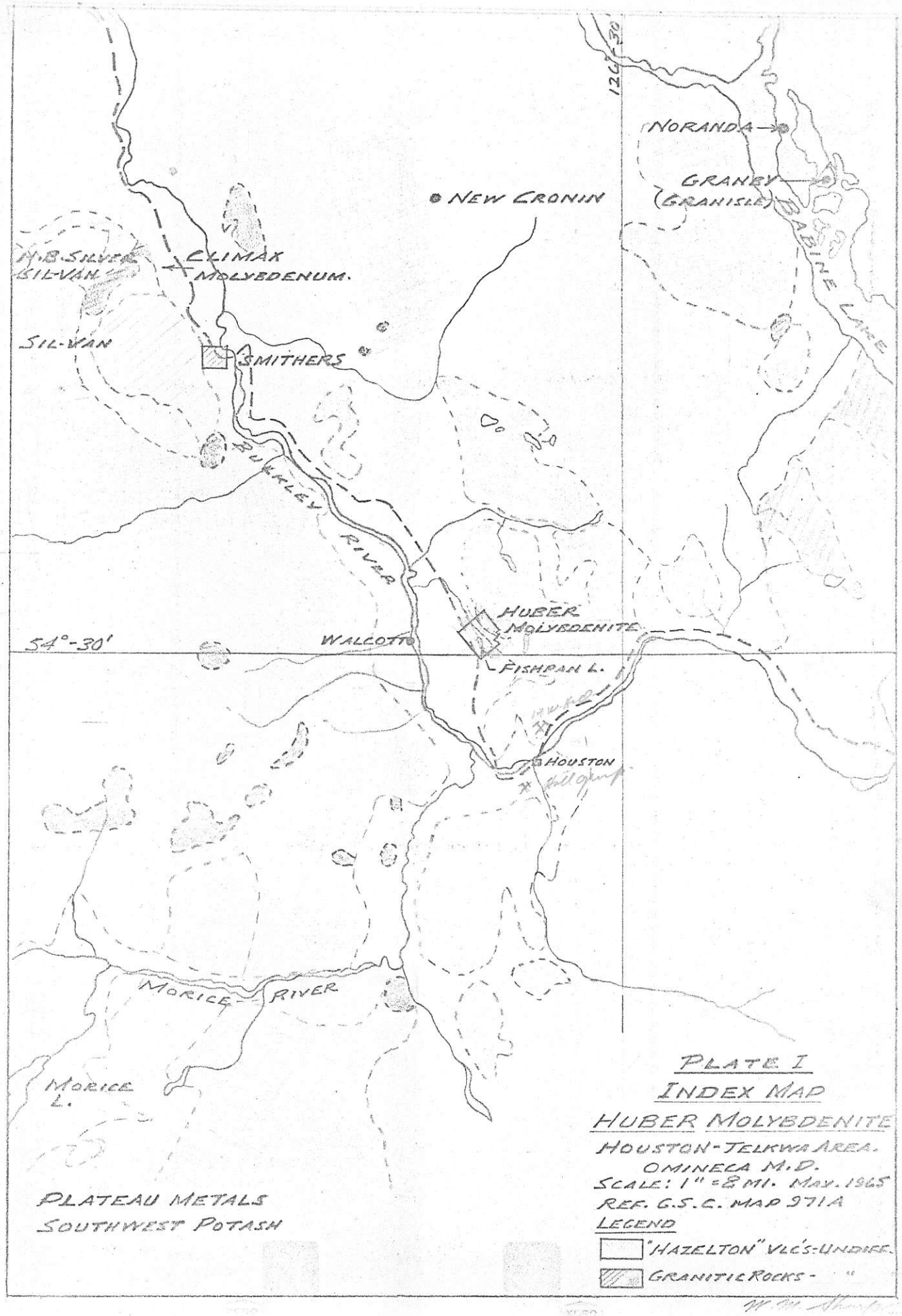


PLATE I

INDEX MAP

HUBER MOLYBDENITE

HOUSTON-TELKWA AREA.

OMINECA M.D.

SCALE: 1" = 8 MI. MAY. 1965

REF. G.S.C. MAP 971A

LEGEND

"HAZELTON" VLC'S-UNDIFF.

GRANITIC ROCKS - "

SUMMARY

The Huber Molybdenite prospect is centrally situated within a rapidly-developing major copper-molybdenum camp close to main road and rail transportation routes in north-central British Columbia. The geologically-favourable exploration area extends approximately 50 by 75 miles, east-west and north-south respectively, and is rather generally delimited by Hudson Bay Mountain on the northwest, by the north end of Babine Lake on the north-east, and by the Morice River - Morice Lake district on the southwest.

Significant mineralization within the camp is most generally localized within structurally - favourable sections of the regional Hazelton volcanic-sedimentary group or acidic phases of the Coast Range intrusive complex, or within structurally - favourable contact zones or complexes involving both.

Major mining organizations now actively exploring or developing extensive ore deposits are noted on Plate I. A considerable number of other prospects and geologically - favourable sub-areas are being explored throughout the general camp.

The Huber molybdenite-copper property consisting of a nearly square claim block, and measuring approximately 1-2/3 x 1-2/3 miles, is situated on the southwest flank of a local dome (Mineral Hill) to the south of Grouse Mountain. The principal exposures occur at less than one mile from Trans-Provincial Highway 16.

The crestal region of this topographic dome is underlain by intrusive, rather coarse-grained quartz - feldspar porphyry. A central northwesterly-trending panel of contact metamorphically-altered andesitic volcanics and argillaceous sediments is situated between the above quartz-feldspar porphyry and a body, or zone, of fine-grained intrusive alaskite (leucogranite) which occupies the lower west slopes of the dome and, possibly, much of the flat area adjacent to Fishpan Lake. The structural relationships between the intrusives and altered volcanics are not yet fully evident. Judging by the similarity of general composition, it would appear that the alaskite and quartz-feldspar porphyry represent successive phases of the same general leucogranitic intrusion, fringing the central panel of volcanic-sedimentary rocks.

Within the known area of mineralization a general set of NNE to ENE - trending joints and locally stronger slip-fractures traverses both the intrusives and altered volcanics. A second fracture - set, consisting of northerly-trending (formational) shears and slip-joints was locally observed within the general alaskite-"hornfels" contact zone.

Molybdenite and minor associated chalcopyrite occur principally as disseminations within the granitic rocks, and within quartz-veinlets and more silicified cross- and strike-fracture zones within both granite and hornfels. Observations to date indicate a principal area of mineralization within the general alaskite - hornfels contact zone. Hydrothermal wall-rock alteration within this section consists of kaolinization, silicification and chloritization of the hornfelsic rocks. Variable amounts of disseminated and veining pyrite and pyrrhotite occur within both the volcanic and granitic rocks — particularly within the general alaskite — hornfels contact zone.

Exploration to date includes stripping, pitting, trenching, short-hole ("X-ray") diamond drilling, magnetometer surveying, and geochemical soil surveying over a large grid (Map No. 1). In addition, one long hole at the contact zone, and oriented on the basis of one specific interpretation of the structure, was drilled by a major exploration company. This disclosed a deep (170') section containing encouraging amounts of well-disseminated molybdenite mineralization within the general alaskite - hornfels contact zone. Additional drilling was recommended by the company's field geologist, but this was not carried out.

Evidence received from all past exploration indicates the presence of an extensive zone of generally low-grade Mo - Cu mineralization over the property, and the possible presence of economic-grade mineralization within certain structurally - favourable sections within the claim - group.

The easy accessibility of the property, its proximity to principal transportation routes, and the generally-favourable operating factors which characterize this area should result in relatively low-cost exploration and, possibly, mining procedures.

CONCLUSIONS and RECOMMENDATIONS

Low-grade to near-marginal mineralization occurs in nearly all exposures within a large areal section of the claim group. Higher-grade material appears to be localized to well-fractured areas of alaskite sections of contact zones. granites or hornfelsic rocks.

The writer believes that the property has marked geological potential for extensive mineral occurrences of economic grades. However, as much of the potential exploration area is obscured by variably-deep overburden, exploration should include phased reconnaissance-to-detail geophysical procedures, followed by a broad program of physical investigation to provide detailed information concerning the extent and grade of the mineralized zones. Also, as much of the exploration area consists of public grazing land — presently used by a local rancher — it is generally agreed that, if practicable, exploration should be done by methods that will not cause excessive damage to the grassy areas. The following sequence of exploratory work is recommended:

1. Fill-in soil sampling should be done as indicated on Map No. 3 to trace apparent geochemically-anomalous zones between previously sampled grid-lines.
2. Preliminary bulldozer stripping to be done to the north and south of the two recent bulldozer cuts between lines "C" and "F" in the +200' to +400' interval. These cuts should provide additional geological detail along the alaskite-hornfels contact zone which is necessary for the orientation of subsequent exploratory drill holes.
3. The I.P. survey grid to be picketed (trees and high brush to be cleared, where necessary) as shown on Map No. 3, and an I.P. Survey to be done on the minimum grid shown. The grid and survey may be somewhat extended, if required, to follow out possible anomalous zones. The purpose of the I.P. Survey is to delineate the major disseminated sulphide zones for subsequent soil-sampling checks or drill- and/or strip-investigation. It is probable that only disseminated pyrite and pyrrhotite will respond to the I.P. Survey, but there is the additional possibility that proportionally significant

amounts of molybdenite and chalcopyrite may be associated with these gangue sulphides.

The minimum I.P. grid should extend from the existing part-line "X" to a new line "U", and between + 1400 and - 1400.

4. Following the completion and evaluation of results obtained from the foregoing exploration sequence, sample the indicated areas of bedrock by the overburden drilling ("O.D.") method. Trial of the dry-drilling technique is recommended on initial work. The general spacing, orientation, and lengths of test-holes should actually be based on geological data derived from preliminary exploratory work (#1 - #3 above). (Those who have had experience with the dry O.D. method warn that it is essential to maintain a steady flow of flushing air, as surge-flushing, except at the conclusion of each 10-foot run, promotes segregation and/or lower recovery of the sulphide fractions).

5. Deeper diamond-drill exploration of significant zones delineated by previous exploration per sequence #1 - #4.

ESTIMATED COSTS

1. Soil Sampling:

Field collection: 1 day incl. travel	$ 30.00	
Analysis, Cu - Mo Estim. 25 samples @ $2.00 ...	50.00	
Mailing and general expense	20.00	$ 100.00 ✓

2. Preliminary Bulldozer Stripping:

Estim. 3 days by light 'dozer including transportation charges		250.00 ✓

3. I.P. Survey:

Grid-line clearing and flagging or picketing; normal rate, rel. open terrain; 8 mi. ...	$500.00	
Estim. mobilization and demobilization, I.P. crew and equipment, Vancouver to site	1,000.00	
Direct survey; 10 days @ $400 or equiv. ...	4,000.00	
Auxiliary I.P. crew, 3 local, 8 days ...	550.00	
Provision; supplies and general expense ...	750.00	$6,800.00 ✓

(Note: The survey should be made while overburden is moist)

4. "O.D." Bedrock Sampling:

Estimated @ average of 5' of overburden-drilling and 50' of rock-drilling per hole. Cost per l.f. based on recent contract quotations for medium-scale programs. The test-areas outlined on Map No. 3 are only tentative; but generally represent the contemplated areal extent of this project.

per sept 10 discussion — Dave & John [illegible] subst. stripping & drill & blast as appr. EX - "packsack" drilling

Estimated freight on 5,000# drill equipment and 7,500# on 600 cfm compressor, Vancouver to job-site, return	$ 500.00	
Moving equipment and drill-site preparation	2,000.00	
"O.D." drill-sampling 10,000 L.F. @ $2.75	27,500.00	
Sample freight 1000 @ 10# = 5 tons	500.00	
Assaying: 1,000 Cu - Mo @ $7.00 each	7,000.00	
Allowance for engineering and general exp.	7,500.00	45,000
Sub-Total, Phase I		$52,150

5. Provision for reconnaissance and deep "O.D." and/or diamond drilling for depth evaluations.

Estimate 10,000 L.F. O.D./2500 L.F. BX wire-line @ 2.75/L.F. @ 10.00/L.F.		52,500
TOTAL PROGRAM		$104.650

WMS/hb

W.M. Sharp, P.Eng.

INTRODUCTION

The property examination was accomplished during the period May 5 - 8, 1965, subsequent to making the necessary arrangements with Mr. W.D. Yorke-Hardy for the field work.

Mr. Yorke-Hardy guided and assisted the writer on field investigations, provided additional background information, and made available all diamond-drill cores for the writer's inspection.

The writer's examination consisted of Brunton - tape surveys and geological mapping of the principal exposures, check-logging of old diamond drill cores, and a general reconnaissance of the known area of mineralization.

As nearly all exposures, drill cores, and overburden had been adequately sampled, prior to the writer's examination, by previous exploration groups, the writer did not think that check-sampling would serve any useful purpose. Visual checks of previously-sampled material were made, and these were generally in accord with reported assays and descriptions. Previous sampling, with the exception of those on drill cores, could be classified as "random-chip" samples, and the necessity of a thorough, systematic sampling program is apparent.

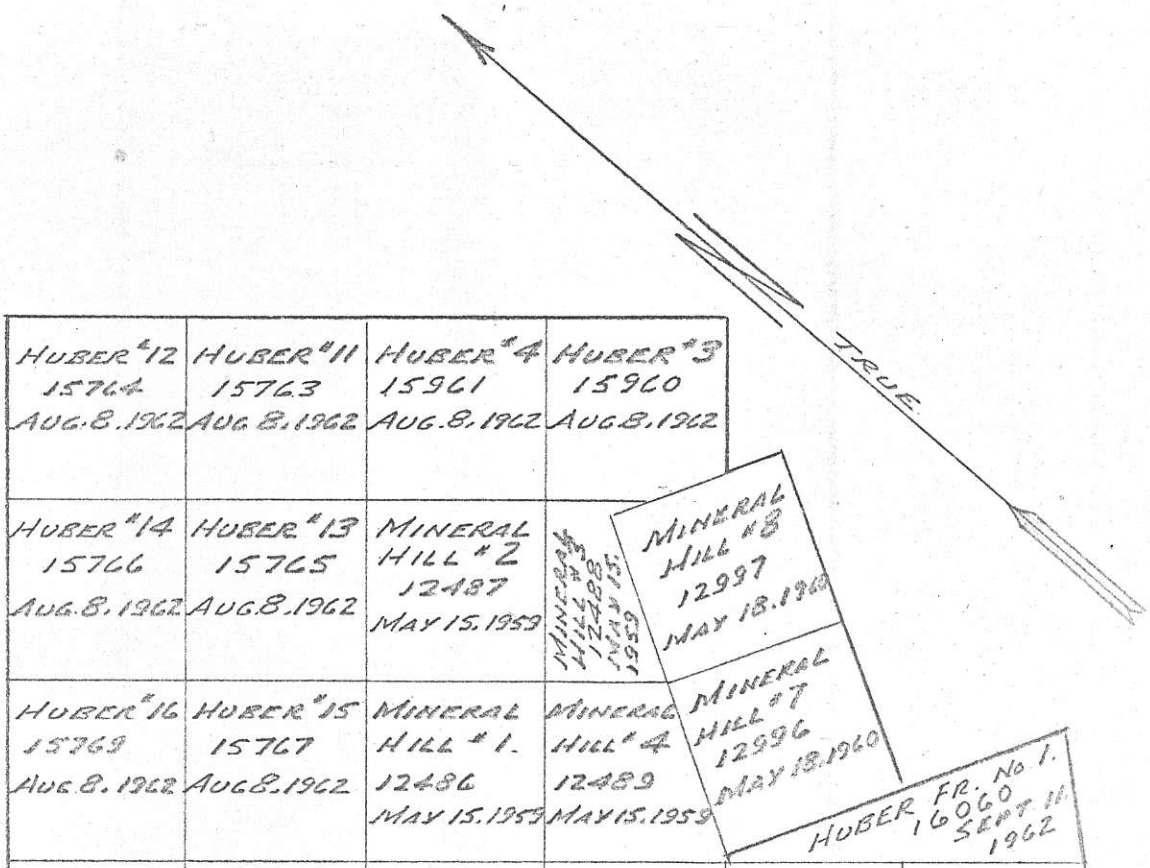
PROPERTY

The Huber Molybdenite prospect consists of an approximately square block of ~~32~~ 33 claims full-sized claims and one fraction, all held by location (Plate II).

Mr. W.D. Yorke-Hardy, Smithers, B.C., holds a 2/3 interest, and Mr. P.I. Huber, Telkwa, B.C., a 1/3 interest in the group. Mr. Huber has assigned 1/3 of his interest to Mrs. Dora A. Laidlaw for formal assistance in locating and recording the group.

The claim group is situated immediately east of Provincial Highway 16, 8 miles northwest of Houston, B.C. The claims area includes Mineral Hill, lying south of Grouse Mountain, and Fishpan (locally, "Government" Lake).

The principal showings on the property may be reached by less than one mile of 'jeep' road from Highway 16. These lie between the 2800- and 3000-foot elevations, or only a few hundred feet above Highway 16.



HUBER "12 15764 AUG. 8. 1962	HUBER "11 15763 AUG. 8. 1962	HUBER "4 15961 AUG. 8. 1962	HUBER "3 15960 AUG. 8. 1962		
HUBER "14 15766 AUG. 8. 1962	HUBER "13 15765 AUG. 8. 1962	MINERAL HILL "2 12487 MAY 15. 1959	MINERAL HILL "3 12488 MAY 15. 1959	MINERAL HILL "8 12997 MAY 18. 1960	
HUBER "16 15769 AUG. 8. 1962	HUBER "15 15767 AUG. 8. 1962	MINERAL HILL "1. 12486 MAY 15. 1959	MINERAL HILL "4 12489 MAY 15. 1959	MINERAL HILL "7 12996 MAY 18. 1960	HUBER FR. No 1. 16060 SEPT 11 1962
HUBER "18 16910 OCT. 25. 1962	HUBER "17 16909 OCT. 25. 1962	HUBER "1 15758 AUG 8. 1962	HUBER "2 15759 AUG. 8. 1962	HUBER "10 16059 SEPT. 11. 1962	HUBER "9 16058. SEPT. 11. 1962
HUBER "20 16215 OCT. 10, 1962	HUBER "19 16214 OCT. 10, 1962	HUBER "23 16218 OCT. 10, 1962	HUBER "25 16220 OCT. 10, 1962	HUBER "27 16222 OCT. 10, 1962	HUBER "29 16224 OCT. 10, 1962
HUBER "22 16217 OCT. 10, 1962	HUBER "21 16216 OCT. 10, 1962	HUBER "24 16214 OCT. 10, 1962	HUBER "26 16221 OCT. 10, 1962	HUBER "28 16223 OCT. 10, 1962	HUBER "30 16225 OCT. 10, 1962

PLATE II

LOCATION SKETCH

HUBER - MINERAL HILL GROUP

SCALE : 1" = 1500

REF. : SKETCH BY W. O. YORKE-HARDY.

MAY. 1965.

W. W. Harp. P. Eng.

TRANSPORTATION

The general area is served by Highway 16 and by the Canadian National Railways from existing facilities at Houston and Smithers. In addition, C.P. Airlines provides a twice-weekly service to the D.O.T.-maintained airport at Smithers.

EXPLORATION AND OPERATING FACTORS

1. Transportation and Access: These are extremely favourable due to the above-noted proximity to principal freight routes.

2. Exploration Base: There is adequate space on the flat area closely below the showings for extensive camp facilities.

3. Timber and Water: These are locally available if required for exploration and/or plant construction and operation.

4. Labour: For general requirements this is available within the area; special services or personnel requirements would be supplied from Prince George, Prince Rupert, or Vancouver.

5. Equipment and Supplies: General requirements are available locally; special requirements as above (It. 4).

6. Climate: This is relatively dry during the warm to hot 'summer' season from May to October. Winters are cool, with occasional very cold periods (to -40° F.) and moderate depths of snow cover at the relatively low elevation of the property.

7. Terrain: This is gently-rolling, with steeper, but unbroken slopes at higher parts of the group. Much of the area is open grazing land; upper sections are covered by 'open' forest growth; lower sections by relatively thick growths of deciduous trees and small brush.

GENERAL HISTORY

Relatively small-scale exploration of vein-type Ag - Pb - Zn and Ag - Au - Cu prospects was carried out during the earlier years of this century. No important production resulted from these operations.

The original group of "Mineral Hill" claims was recorded by P.J. Huber on May 15, 1959 (ref. Plate II). The additional claims staked by Messrs. Huber and Yorke-Hardy were recorded from May 18, 1960 to October 10, 1962.

During 1959 Mr. Huber accomplished some preliminary bulldozer stripping.

During the fall of 1962 Southwest Potash Corporation acquired an option from the present owners and carried out a program of geochemical soil-samplings, magnetometer surveying, minor drilling and blasting of existing outcrops, and chip sampling along these sections. Following this work the option was allowed to expire. It should be noted that, during this period, Southwest Potash was involved with the exploration of their current Hudson Bay Mountain Molybdenum property — originally acquired from Mr. Yorke-Hardy and associates.

During 1962 - 1963 Mr. Yorke-Hardy drilled four shallow "X-ray" holes which provided some additional geological data with respect to two small areas on the property (Map No. 1). Low-grade molybdenum, associated with sparse amounts of chalcopyrite was found in all holes.

Canex Aerial Explorations Ltd. secured an option on the property and mapped existing exposures during June, 1964 and extended geochemical investigations. During August and September they drilled one 457' hole, using BX wire-line diamond drill equipment. The core was completely split, sampled and assayed. Additional drilling was recommended by the Canex field geologist, but this was not carried out.

During February, 1965, Molymine Explorations Ltd. was formed by Mr. Yorke-Hardy and associates with the intention that this group should carry out further exploration of the Huber Molybdenite prospect in particular and general exploration of other properties in the area, as selected by Mr. Yorke-Hardy and associates.

GEOLOGY

(A) Regional; ref. Plate I

The general map area is underlain by volcanic and sedimentary members of the regionally-occurring 'Hazelton' group of general Jura-Cretaceous age.

The predominant rock type is andesite — occurring as flows, tuffs, or varied fragmental types. Rhyolitic, trachytic, and basaltic flows and breccias are lesser, but widely-distributed components of the group.

Argillite, with minor arkose, sandstone, and limestone, is the principal sedimentary component of the Hazelton Group.

The regional structural trend of the group is NW to NNW, with local E-W deflections or complications.

Intrusives, where mapped in the general area of the prospect, are classified as granites and granodiorites. They are, most probably, related to the younger (upper Cretaceous or later) intrusive sequence. This association is based on their highly-acidic composition, frequently-porphyritic textures, and on their locally-apparent age relationships with rocks of the Hazelton group. Also the younger intrusives occur typically as relatively small stocks and domes.

(B) Local; ref. Map. No. 1

Hazelton group rocks in the vicinity of the prospect consist of red, green, to brown tuffs (and flows?) with associated argillaceous sediments. Contact and/or metasomatic alteration by the flanking intrusives has produced crystalline assemblages of 'welded' tuffs and hornfels — particularly near intrusive contacts.

Two distinct varieties of highly-acidic intrusive rock occur on the claims. To the west of the central volcanic-sedimentary panel the intrusive is a white, medium-grained siliceous granite, with only traces of dark accessory minerals, and has been designated as 'alaskite'. On the easterly flank the intrusive is a white to creamy, fine, to rather coarse-grained quartz-feldspar porphyry, locally more siliceous, pegmatitic, or aplitic, and also with only traces of accessory minerals. Border zones of the Q-F porphyry show a gradation from fine, to coarse grain sizes away from its contact with the volcanic rocks.

Both intrusives appear to be of similar composition and probably represent successive phases of one granitic intrusion.

Kaolin and chlorite are the principal products of hydrothermal alteration of the intrusives. The former, particularly noticeable in the Canex drill core, is recognized by its creamy colour and strong clay-odour. Chlorite occurs within occasional sections of the intrusive — particularly near contacts with, or inclusions of hornfels and volcanics.

Molybdenite - chalcopyrite mineralization typically occurs as fine disseminations and occasional quartz-sulphide veinlets in the intrusives — principally the alaskite body. Within the central hornfelsic panel it occurs principally in quartz-sulphide veinlets, and to a lesser extent as very fine-grained disseminations. Accessory minerals are veining, or disseminated pyrite and pyrrhotite, and traces of scheelite.

Cross-fracturing, on general NNE to ENE trends appears to form one structural control for mineralization. Stronger northerly-trending formational fractures appear to exert another control at the alaskite-hornfels contact zone and westward.

DETAILS OF PREVIOUS EXPLORATION

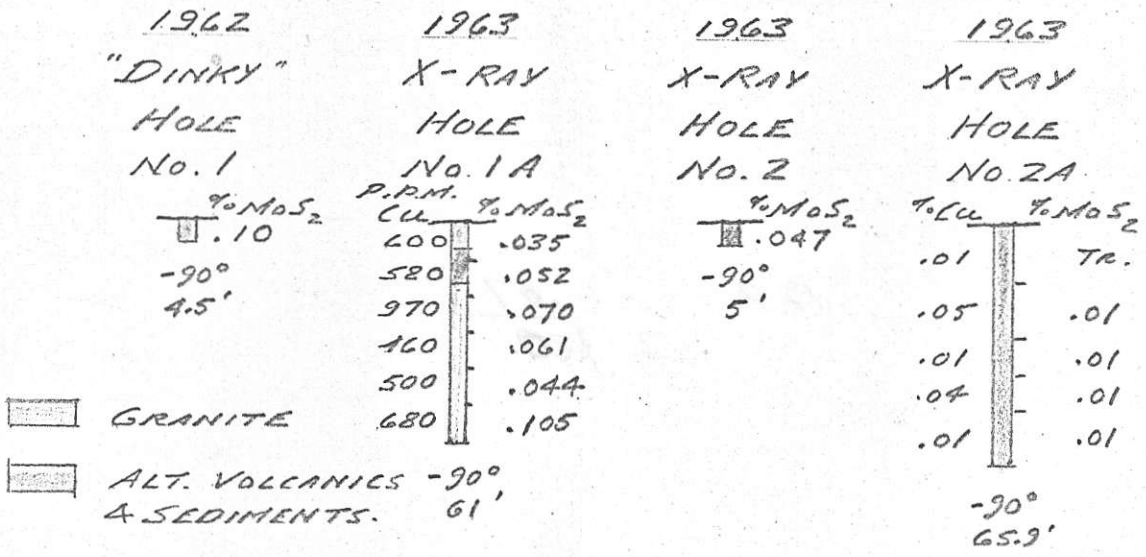
1. Geochemical Survey: (Map No. 1)

Three principal, and two minor anomalous areas are indicated. The zone centering at D, - 200 is logically correlative with visibly mineralized exposures in this locality. The small zone at C, + 200 may be related to unexposed mineralization occurring within a local inferred prong of hornfels. The absence of an anomaly about the mineralized exposures at G, + 250 only raises questions regarding the over-all reliability of the survey methods. The absence of anomalous results may, of course, be due to an absence of oxidized, or "soluble" metallics.

In general, the interpretation of soil-sampling over these areas is somewhat misleading, due to pronounced differences in depths of overburden, and also due to the general occurrence of fresh, relatively unresponsive ore sulphides.

2. Magnetometer Survey (Map No. 2)

The resultant anomalies are generally rather weak — arising only from erratic concentrations of weakly-magnetic pyrrhotite. If anything, they generally indicate the extent of the central hornfels - volcanic panel



SCALE: 1" = 50'

TRACED FROM PLOTS BY W.D. YORKE-HARDY.

NOTES:

DDH "1A":

0-5.5': ALASKITE WITH SPARSE DISSEM. MoS_2 & PYRITE WITHIN MATRIX.

5.5-8.5': HORNFELS WITH TRACES MoS_2 & SPARSE PYRITE IN QUARTZ VEINLETS.

8.5-15.0': SILICIFIED HORNFELS WITH SPARSE MoS_2 IN PYRITE VEINLETS.

15.0-61.0': ALASKITE W. APPRECIABLE ALT.-KAOLINITE; GEN. SP. MoS_2 ASSOC. W. CLOTS & DISSEMS. OF PYRITE; MINOR CHALCOPYRITE.

DDH. "2A":

0-65.9': ALL RATHER FINE-GRAINED BROWN HORNFELS. GEN. SP. MoS_2 ASSOC. W. PYRITE & PYRRHOTITE IN QUARTZ VEINLETS.
@ 17'-32' QUARTZ VEINLETS @ 45° TO 60° TO CORE AXIS
@ 32'-48' = 25% QUARTZ W. SCATTERED PYRITE AND TRACES OF MoS_2.
@ 48'-65.9' = 5% QUARTZ W. SP. DISSEM. & VLT.-PYRITE; ONLY TRACES MoS_2.

SUMMARY: MoS_2 ASSAYS DO NOT REFLECT NOTICEABLE VARIATION IN MoS_2 CONTENT OR ANY FLUCTUATION WITH Cu ASSAYS.

PLATE III

PRELIMINARY DIAMOND DRILLING

HOBER MOLYBDENITE PROSPECT
1962-1963.
EX. MAY. 1965 BY W.M.S.

Depth	% Core Recov.	% MoS2 Core	% MoS2 Sludge
	63.9	.06	–
	74.1	.03	.04
	87.2	.13	.15
	94.4	.06	.08
	82.7	.10	.09
	90.6	.06	.07
	97.5	.06	.07
	90.4	.07	.07
	74.7	.04	.04
100′	76.2	.03	.06
	89.2	.10	.08
	91.8	.03	.03
	88.5	.05	.05
	89.9	.07	.07
	53.4	.11	.07
	65.9	.14	.07
	62.8	.12	.11
	70.4	.13	.16
	78.4	.15	.19
200′	81.0	.09	.08
	88.7	.17	.14
	87.5	.13	.14
	81.3	.06	.16
	72.0	.07	.06
	72.0	.04	.06
	86.8	.09	.08
	94.7	.07	.06
	59.0	.07	.04
	87.7	.05	.03
300′	90.8	.04	.04
	86.6	.03	.02
	92.4	.04	.04
	90.0	.02	.02
	88.0	.07	.05
	85.0	.01	.05
	85.0	.07	.04
	92.0	.04	.04
	91.1	.01	.06
	94.1	.04	.03
400′	86.6	.02	.02
	96.0	.03	.06
	88.6	.01	.01
	81.4	.02	.02
	82.9	.02	.02
	84.6	.02	.02
	83.9	.03	.02

Interval annotations: 120′ @ 0.07; 80′ @ .13; 140′ @ .05; Core: 70′ @ 0.135%

NOTES.

Seams @ 70°; occasional clots f. gr. pyrite. Trace to sparse MoS2.

Seams & vlts. @ 30° to 70° w. min'l'n. Best on 60°+ vlts. Gen. sp. cpy.-moly. & py.

Minor quartz-py-pyrrh vlts @ 40°-60°.

Seams & vlts @ 70-80°; w. seams dissem. MoS2 parallel to core. Scant kaolin.

Note py-cpy-moly assoc'n @ 100′-110′ on sub-parallel quartz veinlets.

MoS2 in qz.-py. vlts

Sil-brecc. contacts incr. min'l'n.

Broken; poor core recov. for wire-line! Note strong clay-gouge @ incr. min. sects.

All dissem. MoS2 in kaolin-alt sects.

Loc. fair MoS2 on steep fractures = probable X-fract. set. Minor chlorite (?)

Gen. all dissem. MoS2; scant vlt. min'l'n. Rel. strong kaolin alt'n. Sp. cpy.

Sparser MoS2 w. incr. coarse clots pyrite. Minor cpy in vlts @ 60°

Sp. moly. in occasional seams. Increase of py-pyrrh to contact.

Sparse min'l'n. assoc. w. quartz seams @ > 45°. All brown sugary hornfels.

Generally sparse mineralization occurring on occasional clots & seams of quartz: py. w. minor pyrrh.

Note moly-pyrrh association near bottom of hole.

Brg. 190°
Incl. -60°
Lgth. 457′; 1″ = 50′

Alaskite

Met. Volc's. & Seds.

PLATE IV

Canex Diamond Drill Hole
Size BX-W.L. - Drilled 1964
Ref. S. Wise Log: Sk. by W.D. Y.-H.
Checked May, 1965 W.M.S.

and, perhaps, two N.E.-trending zones of pyrrhotite mineralization or localized hydrothermal leaching (- anomalies).

3. Mineralization and Sampling (Map No. 1)

Molybdenite, with minor amounts of chalcopyrite has been traced through random exposures over an approximate 3000' by 3000' area, and within all diamond drill cores examined. No adequate sampling program, based on core or cutting assays of sub-surface bedrock material, over a systematic grid has been accomplished; hence the results to date cannot be considered representative. The indicated grades, which generally range from 0.03% to 0.20% MoS_2, are sub-marginal. Future assaying should include determinations of copper, and other metal content where appreciable amounts are present in sample material, or within certain mineralized zones.

4. Diamond Drilling (ref. Map No. 1; Plates II and IV)

The information provided by the very small amount of drilling so far accomplished is too meagre to permit more than localized inferences in regard to geological controls or patterns of mineralization. D.D.H.'s 1, 1a, 2, and 2a suggest that MoS_2 is more evenly disseminated within alaskite, and that its occurrence in hornfels is largely confined to veinlets, in association with pyrite and pyrrhotite. However, as none of these holes was long enough, or so oriented as to test a complete cross-fracture zone within both rock types, the above must be considered as only preliminary inferences. The Canex drill hole discloses better mineralization within the kaolinized alaskite section than elsewhere in the core. However, if the present inferences regarding the attitude of the composite alaskite-hornfels contact zone are valid, then it is obvious that the hole passes acutely through the better-mineralized section, from 140' - 220', and diverges from this section with increasing depth (see X-Sec. A-A, Map No. 1). Obviously more than one hole was required to test both cross-fracture control and contact-fracture control, and consequently evaluate the comparative potential of each.

The necessary preliminary exploration may be done more economically and extensively at shallow depths by percussion-drill sampling than by further diamond drilling which, the writer believes, should be reserved

for deeper geological exploration and more precise sampling of mineralization delineated by more rapid, lower-cost methods.

Respectfully submitted,

W.M. Sharp, P. Eng.

May 18th, 1965

WMS/hb

CERTIFICATE

I, W.M. Sharp, of North Vancouver, B.C., do hereby certify that:

1. I am a Consulting Geological Engineer with residence at 3280 Chesterfield Avenue and office at 161 Pemberton Avenue, North Vancouver, B.C.

2. I am a registered Professional Engineer in the Province of British Columbia.

3. I am a graduate of the University of B.C. with B.A.Sc. and M.A.Sc. degrees in Geological Engineering, and have practised my profession since 1946.

4. I am not a vendor, member of the Board of Directors, or a regular employee of the company to which this report is directed.

5. I have no interest, direct or indirect, in the properties or securities of the above company, nor do I expect to have any such interest.

6. This report on the Huber Molybdenite prospect is based on personal examinations recently made during May 5 - 8, ~~1965~~ and August 6-8, 1965 and earlier reports, maps, and other pertinent technical data provided by principals of Molymine Explorations Ltd. (N.P.D.) and Mr. W.D. Yorke-Hardy, Smithers, B.C.

W.M. Sharp, P.Eng.

REFERENCES

1. Presentation re Proposal to Form a Mining Exploration Company on the Huber Molybdenite Prospect in the Bulkley Valley
   --- W.D. Yorke-Hardy

2. A Brief Presenting Aspects of the Huber Molybdenite Prospect on Mineral Hill between Smithers and Houston, British Columbia.
   --- W.D. Yorke-Hardy

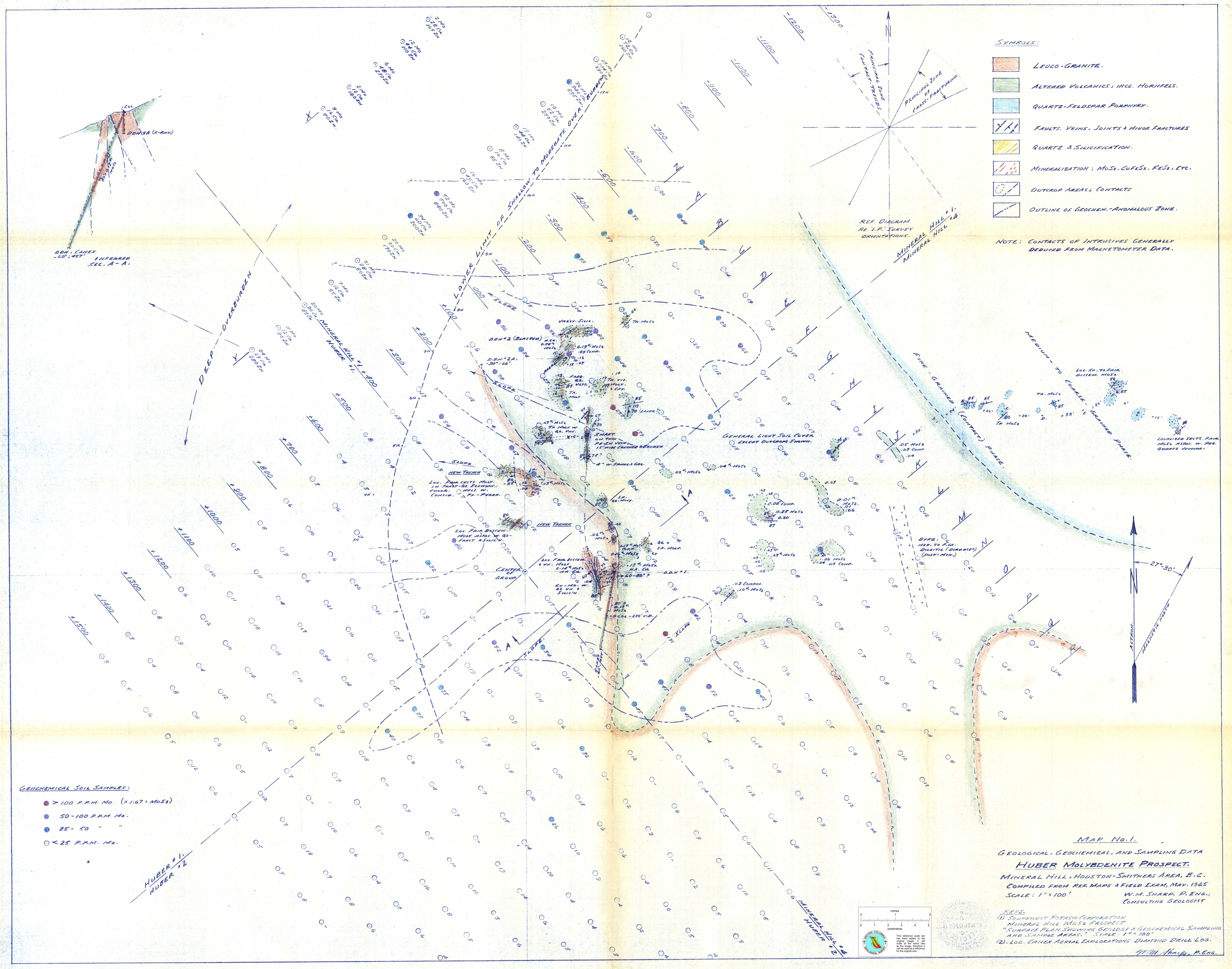
3. Report on Huber Molybdenite, Venture 70, by S. Wise, Canex Aerial Explorations Ltd., 15th September, 1964

4. Southwest Potash Corporation; Mineral Hill MoS_2 Prospect:
   (a) Magnetometer Contour Map; Scale 1" = 100'
   (b) Surface Plan Showing Geology and Geochemical Sampling - Sample Areas — Scale 1" = 100'

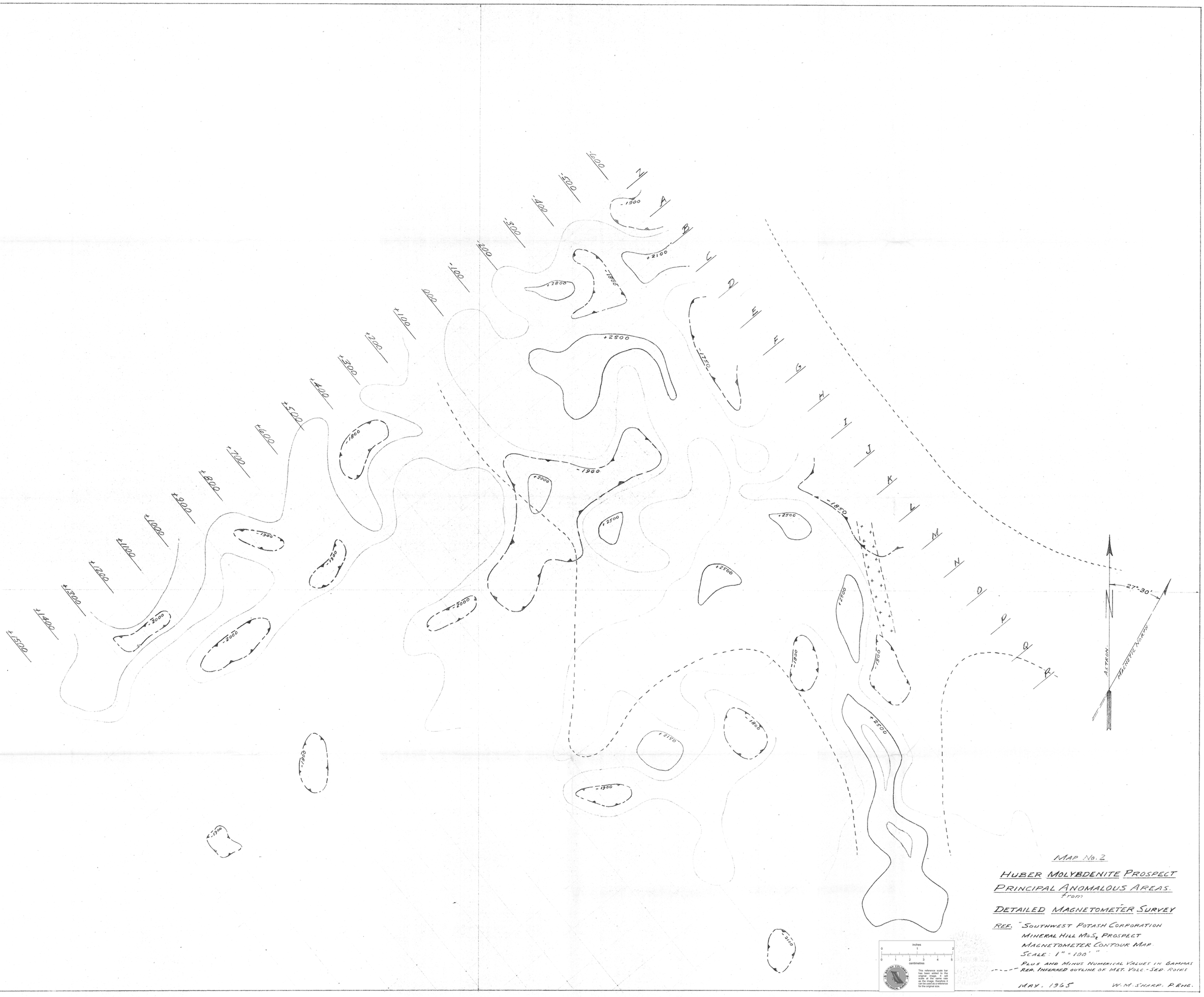
5. G.S.C. Map 971A; Smithers - Ft. St. James
   Scale 1 inch = 8 miles

6. G.S.C. Map 671A; Houston, Coast District, British Columbia;
   Scale 1 inch to 4 miles

7. Sketch Plan of Huber Molybdenite Group; @ 1" = 1500', provided by W.D. Yorke-Hardy.



SYMBOLS:
LEUCO-GRANITE.
ALTERED VOLCANICS, INCL. HORNFELS.
QUARTZ-FELDSPAR PORPHYRY.
FAULTS, VEINS, JOINTS & MINOR FRACTURES
QUARTZ & SILICIFICATION.
MINERALIZATION; MoS2, CuFeS2, FeS2, ETC.
OUTCROP AREAS; CONTACTS
OUTLINE OF GEOCHEM.-ANOMALOUS ZONE.
NOTE: CONTACTS OF INTRUSIVES GENERALLY DEDUCED FROM MAGNETOMETER DATA.
REF. DIAGRAM RE. I.P. SURVEY ORIENTATIONS.
PRINCIPAL ZONE (CONTACT-TRENDS)
PRINCIPAL ZONE OF CROSS-FRACTURING
GEOCHEMICAL SOIL SAMPLES:
> 100 P.P.M. Mo. (x 1.67 = MoS2)
50-100 P.P.M. Mo.
25 - 50 " "
< 25 P.P.M. Mo.
DEEP OVERBURDEN
LOWER LIMIT OF SHALLOW TO MODERATE OVERBURDEN
GENERAL LIGHT SOIL COVER EXCEPT OUTCROPS SHOWN.
FINE-GRAINED (CONTACT) PHASE
MEDIUM TO COARSE-GRAINED PHASE
CENTER OF GROUP
MINERAL HILL #1 / HUBER #1
MINERAL HILL #1 / MINERAL HILL #4
MINERAL HILL #4 / HUBER #2
HUBER #1 / HUBER #2
DDH. CANEX -60°, 457' INFERRED SEC. A-A.
ASTRON.
MAGNETIC NORTH
27°30'
MAP No. 1.
GEOLOGICAL, GEOCHEMICAL AND SAMPLING DATA
HUBER MOLYBDENITE PROSPECT.
MINERAL HILL, HOUSTON-SMITHERS AREA, B.C.
COMPILED FROM REF. MAPS & FIELD EXAM, MAY, 1965
SCALE: 1" = 100'
W.M. SHARP, P. ENG., CONSULTING GEOLOGIST
REFS.
(1) SOUTHWEST POTASH CORPORATION MINERAL HILL MoS2 PROSPECT "SURFACE PLAN SHOWING GEOLOGY & GEOCHEMICAL SAMPLING AND SAMPLE AREAS." SCALE: 1" = 100'
(2). LOG. CANEX AERIAL EXPLORATIONS DIAMOND DRILL LOG.
W.M. Sharp, P.ENG.
inches
centimetres
BRITISH COLUMBIA GEOLOGICAL SURVEY
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



MAP No. 2

HUBER MOLYBDENITE PROSPECT
PRINCIPAL ANOMALOUS AREAS.
from
DETAILED MAGNETOMETER SURVEY

REF. "SOUTHWEST POTASH CORPORATION
MINERAL HILL MoS_2 PROSPECT
MAGNETOMETER CONTOUR MAP.
SCALE: 1" = 100' "
PLUS AND MINUS NUMERICAL VALUES IN GAMMAS
----- REP. INFERRED OUTLINE OF MET. VOLC - SED. ROCKS

MAY. 1965 W. M. SHARP, P.ENG.

ADDITIONAL SOIL SAMPLES REQUIRED

ADDITIONAL SOIL SAMPLES REQUIRED

INFERRED HORNFELS

Q.F. PORPHYRY CONTACT

INFERRED ALASKITE - HORNFELS CONTACT

OVERBURDEN THICKENS DOWN-SLOPE TO WEST

MODERATE TO SHALLOW O.B. UP-SLOPE

TRENCH #1. MAY. 1965

TRENCH #2 MAY. 1965

INFERRED ALASKITE-HORNFELS CONTACT PER MAGNETOMETER DATA.

ASTRON.

MAGNETIC NORTH

27°30'

LEGEND

- SUGGESTED TEST-STATIONS WITH RE. TO PROPOSED INDUCED POLARIZATION ("I.P.") SURVEY ON S.W.-N.E. GRID LINES.
- SUGGESTED TEST STATIONS RE ABOVE "I.P." SURVEY ON N.W.-S.E. GRID-LINES.
- OUTLINE OF PROPOSED "O.B." DRILL-SAMPLE AREAS.
- SUGGESTED SOIL-SAMPLE POINTS FOR PROPOSED "FILL-IN" GEOCHEMICAL SURVEY LINES. TWO SAMPLES PER STA. @ ± 10'-SPACING RECOMMENDED FOR CHECK MO-Cu. DETERMINATIONS.

MAP No. 3.

PRELIMINARY EXPLORATION PLAN

HUBER MOLYBDENITE PROSPECT.

MINERAL HILL, HOUSTON-SMITHERS AREA, B.C.
REF.- MAPS No's 1 & 2 ; SCALE 1" = 100'
MAY. 1965.
W. M. Sharp, P. ENG.