

WILLIAM M. SHARP, P. ENG.
CONSULTING GEOLOGICAL ENGINEER

ROOM 1, 425 HOWE STREET
VANCOUVER 1, B.C.

June 27, 1969

800891

The President & Directors,
Kennedy Silver Mines Ltd. (N.P.L.),
Suite 826 Rogers Building,
470 Granville Street,
Vancouver 2, B. C.

Attention: Mr. J. R. Lakes, President

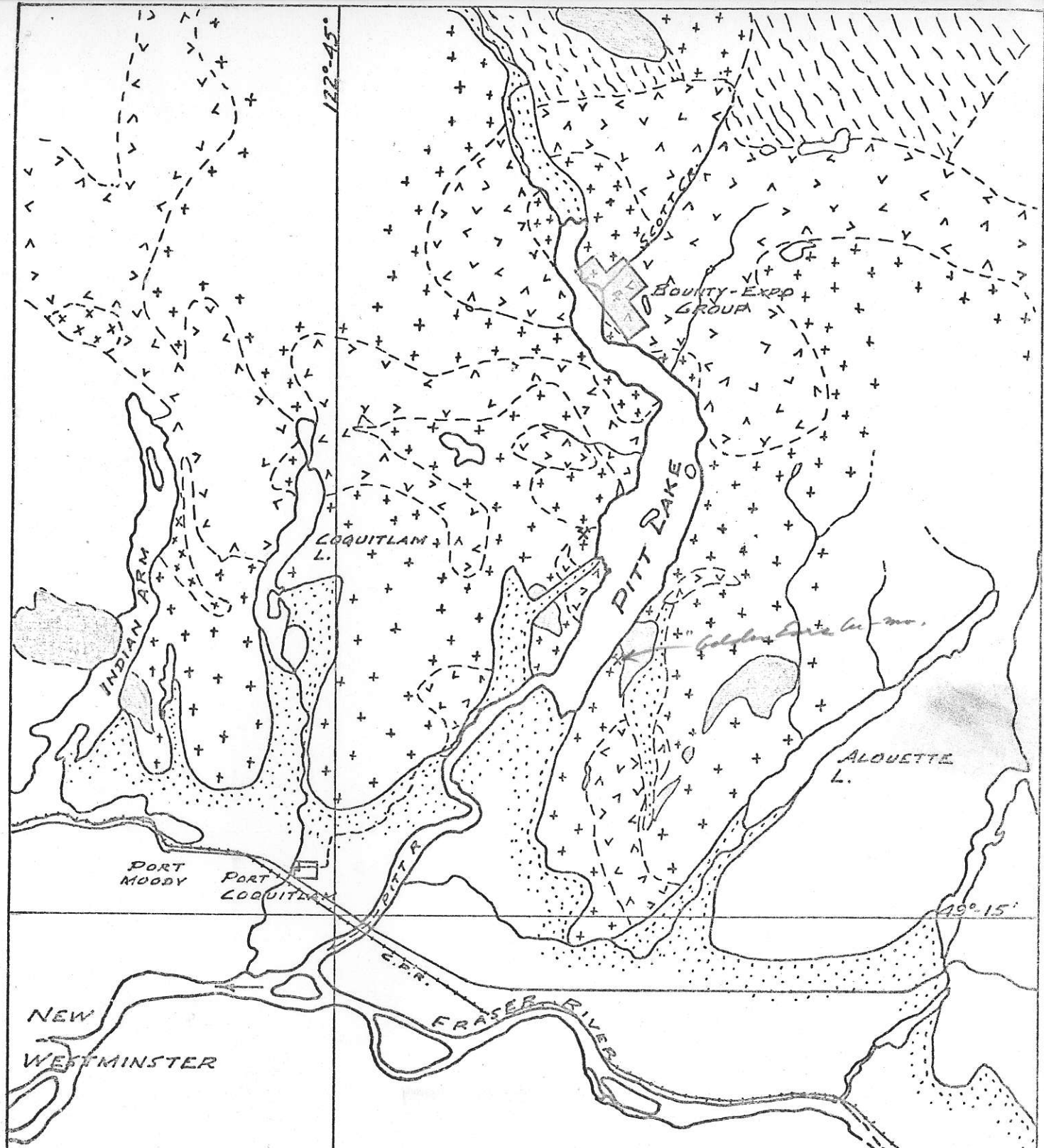
Dear Sirs:

PROGRESS REPORT: BOUNTY-EXPD PROSPECT
SCOTT CREEK, N.E. PITT LAKE AREA, B. C.,
VANCOUVER M. D.

The aggregate claim group remains unchanged; this comprises 26 full claims and one fractional claim in one near-rectangular block which straddles the lower part of Scott Creek, and trends N.W.-S.E. with local structural-formational trends. The property is quickly and easily reached from Vancouver; however, the steep, to precipitous local topography markedly restricts the use of normally adaptable exploration methods.

The property is underlain by a variety of granitic, to dioritic intrusives. The dominant local geological feature of the property is the sheared N.W.-S.E. trending granite-diorite contact underlying the South gully, but which is totally obscured by a coarse talus filling. X-ray dia. drill hole no. 1 (Aug. 1968), although lost at a point 160 feet short of its proposed length, proved the existence of the inferred contact-shear zone - the core recovered comprising substantially chloritized diorite and meta-volcanics with minor occurrences of chalcopryrite. From this and other evidence the writer infers the existence of 100 feet*, more or less, of potentially mineralized contact shear zone. The '925' (Johnson), '500', '110', and other showings are probably on lesser shear-fracture zones diverging from a through-going 'South' shear zone. *width*

The other important geological feature comprises the wide zone of dioritic-dibasitic dykes trending northwesterly through, and containing the '1500', '925', and '120' (Wagner) Cu-Au showings. X-ray dia. drill hole no. 2 (1968), collared closely above the '120' edit and aimed at the '350' dip-projections, partly tested the westerly half of the dyke zone and



LEGEND

- + + + QUARTZ DIORITE & DIORITE
- ^ ^ GRANODIORITE
- x x x GRANITE
- / / / MIGMATITE
- . . . OLDER VOLCANICS & METAMORPHICS
- RECENT ALLUVIUM

FIG. 1.
INDEX MAP
 AND
GENERAL GEOLOGY
EXPO-BOUNTY CLAIM GROUP
 NEW WESTMINSTER M.D.
 REF. G.S.C. MAP 1151A; 1 IN. = 4 MI.
 TO ACCOMPANY PROGRESS REPORT
 KENNEDY SILVER MINES LTD. (N.P.L.)
 27/6/69
 W.M.S.

Kennedy Silver Mines Ltd. (N.P.L.),

June 27, 1969

adjacent diorite country rock. This hole intersected consecutive 3-foot lengths of mineralization assaying 0.65% and 0.39% Cu respectively.

To date relatively minor parts of total potentially-mineralized zones have been explored by soil (Cu) sampling, magnetic surveys, trenching, and diamond drilling. The aggregate results, however, have indicated a significant potential for the occurrence of disseminated Cu-Au mineralization. Sample data pertaining to the 1967-68 trench exploration has been detailed in previous reports.

During April 1969 survey control and lines for an I.P. survey were established on the adjoining Bounty 3 and 4 claims. The I.P. survey was carried out by Barringer Research Limited during May, 1969. This program, all carried out over difficultly-accessible gullies and slopes, comprised 83 independent readings over 6 lines totalling 8300 feet, including detail work. For this survey Muntec 7.5-KW pulse equipment was used on pole-dipole arrays; 'e' spacings of 100 feet with $n = 2$ were standard, but were locally augmented by arrays with $n = 3$, $n = 4$.

In summary, the I.P. survey positively confirmed the known veining and disseminated pyrite-pyrrhotite mineralization within the '350-120' zone, and also indicated a significant N.W. extension into the Scott valley bottom area. Also, the survey less positively indicated other chargeability sources (sulphides or polarizing alteration minerals) over a plus-600 foot strike interval of the 'South' contact zone, and on probable N.W. extensions of the 925, or parallel mineralization. In all cases, except within the talus-filled South gully area, there is good conformability of geochemical, and I.P.-anomalous zones.

Exploration results to date suggest that at least three distinct potentially-mineralized zones warrant further detailed physical exploration, and that prospecting of higher, southeasterly extensions of the main structure should be carried out. With this, the writer makes the following specific recommendations for exploration, noting that parts of the previously-recommended (Dec. 8, 1967) Stage I work have been accomplished:

A. 350-120 Zone:

1. Expose bedrock below '120' portal and, at the same time, construct a bench for diamond drilling purposes.
2. Diamond drill full cross-section of I.P. anomaly.

Kennedy Silver Mines Ltd. (N.P.L.),

June 27, 1969

C. South Gully Zone:

Diamond drill lower, accessible cross-sections of the structure-including a new hole to replace no. 1 - 1968.

D. Southeast (Lake) Zone:

1. Provide necessary claim coverage.
2. Carry out direct, geochemical, and magnetometer prospecting.
3. Provide for trenching and diamond drilling.

Estimated Costs:

A.	1. Bulldozer excavation, 2 days @ \$250	\$ 500	
	2. 750 feet @ \$10 per ft.	<u>7,500</u>	\$ 6,000
B.	500 feet @ \$10 per ft.		5,000
C.	800 feet @ \$10 per ft.		<u>8,000</u> 21,000
D.	1. Estimate 5 days @ \$100 gross cost	500	
	2. Estimate 20 days @ \$100 gross cost	2,000	
	3. Provide for 4 @ 250' - 1000' @ \$10	<u>10,000</u>	<u>12,500</u>
	Provision for assay & engineering cost		1,500
	Provision, contingent work & general expense		<u>5,000</u>
	Total		<u>\$40,000</u>

Respectfully submitted,

W. M. Sharp
 W. M. Sharp, P. Eng.

WMS/LA