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December 27, 1977

INTERIM REPORT # 77-1.
ASPEN GROVE COPPER - MOLYBDEN PROSPECT
NICOLA MINING DIVISION, B.C.

PRELIMINARY

The copper-molybdenum showings within the present Aspen Grove Claim block were discovered by the Copper Syndicate group of Vancouver and Merritt during the 1950's. Preliminary geological, geochemical, and geophysical surveys were made until the fall of 1962. This work was sufficient to maintain the claims in good standing for an additional 5 to 8 years. Having acquired these claims on an option basis, Consolidated Skeena Mines Ltd. immediately extended the block by additional staking.

Between the spring of 1966 and the fall of 1968 Consol. Skeena undertook reconnaissance geological, geophysical, and geochemical surveys -- each of which were followed by detailed surveys within the reconnaissance grids -- wherever the results warranted them. Two other claim blocks were also investigated; however, because of the comparatively better results obtained on the Aspen Grove (formerly Tommy Lake) -- including direct and indirect evidence -- most detailed work was done on it.

PROPERTY

The property situates at some 8 miles east of Aspen Grove, B.C. Access is by way of some 10 or more miles of main and branch logging logs. The terrain

X Roads

is gently rolling, with low topographic relief. Bedrock is overlain by coarse and fine boulder-clay till with depths ranging, generally, from 0-50 ft. This, in turn is covered with range grass and some residual stands of merchantable timber. Water is relatively plentiful.

P The writer visited the property on December 20-21, 1977.

This was done in the company of Mr. J. E. White, formerly manager for Consol. Skenen's 'Tommy Lake' and other exploration ventures within the district. During the visit, the position of the old 'Tommy Lake' survey grid (control) with respect to the new 'Aspen Grove' was outlined by J. E. White. It is also noted that neither of the two major I.P. anomalies, because the necessary financing could not be obtained, and in spite of the excellent correlation of magnetic (Fe-skarn) and I.P. anomalies, were

GEOLOGY

⊕ Host rocks for the regional Cu-Mo mineralization comprise massive, porphyritic, and vesicular flows and tuffs of andesitic-to-basaltic composition -- all interbedded with carbonaceous to silty argillites and quartzites. The Cu-Mo mineralization occurs in garnet-magnetite-epidote-chlorite skarn -- in both the fracture-filling and disseminated modes. The bulk of the well mineralized rock tends to lie

relatively close to the south-dipping contact of an E-W trending 'ridge' of ^{the} Princeton - Pennask granodiorite. In 1961 fans of diamond drill holes delineated a body of chalcopyrite/magnetite ^{mineralization} indicated the presence of some 257,000 tons of rock grading between 1.4 - 1.5% copper. It was later ^{after subsequent work had been done} found that this body was associated with a relatively minor I.P./Mag. anomalies.

In view of the amount of direct and indirect evidence of the presence of significant ore zones, the writer feels that the implementation of the following recommendations is fully warranted.

RECOMMENDATIONS & ESTIMATED COSTS.

STAGE I: Put down 4000' of 2.3" diam. 'O.B.' percussion drill hole @ \$3⁰⁰/ft. - - - 12,000

Assays: allow for 100 assays @ \$6⁰⁰ ea. - - 600

Provision for extras & conting. - - - 1,260

STAGE II Sub-total, Stage I - \$13,860

Provision for "fill-in" or "step-out" holes; 3300 ft. @ \$3⁰⁰/ft. approx - - 3,300

Provision for extras & conting. - - - 330

STAGE III

Provision for drilling depth (400' +) delineation (dia. drill) holes. - - - 12,510

TOTAL STAGES I II & III - \$30,000

Respectfully submitted

W. M. Sharp, P. Eng

CERTIFICATE

I, WILLIAM M. SHARP, with business and residential addresses in North Vancouver, British Columbia DO HEREBY CERTIFY THAT:

1. I am a graduate of the University of British Columbia with a M.A.Sc. degree in Geological Engineering.
2. I am a Registered Professional Engineer in the Province of British Columbia, Reg. No. 2164.
3. I have practiced my profession since 1946, and as a geological consultant since 1964.
4. I have personally examined and sampled most accessible surface and underground showings at the re-staked Aspen Grove at various periods since 1966-- the most recent visit being for Rockel Mines Ltd. (N.P.L.) on December 21, 1977.
5. This report is based on my personal examinations, public geological reports and maps, and general and technical data provided by Mr. J.E. White of ~~Whitby~~ Merritt, B.C.
6. I have no direct or indirect in the property or securities of Rockel Mines Ltd. (N.P.L.), nor do I expect to acquire any such interests.

North Vancouver, B.C.

July 28, 1977.

W.M. Sharp, P.Eng.