File Terrace

September 16th, 1968

President and Directors Kleanza Mines Ltd. (N.F.L.) c/o Mr. D.W. Small Suite 201, 535 Thurlow Street Vancouver 5, B.C.

> RE: Geological Examination of the Quartz Silver Group, Nelson River, Terrace Area, Skeena Mining Division, B.C.

Gentlemen:

With this, the writer briefly reports on his examination of the Quartz Silver showings.

GENERAL

The writer examined, mapped, and sampled the mineralized showings on August 5, 1968; in this he was guided and ably assisted by Mr. R.H. Eates, Terrace, B.C.

The showings are easily accessible to standard motor vehicles via 24 miles of Celgar main-line and branch logging road from the Company's access-control gate; this gate is located closely off Highway 16 at a point some 4 miles west of Terrace, B.C.

The property is situated on the rather gentle south slope of the Nelson River valley at about the 1000-foot elevation. The claim group comprises the Quartz Silver #1-#6, inclusive, mineral claims, located by John Apolczer, Terrace, B.C. on July 11 and 14, 1968. A one-third interest in the property was assigned to Mr. Bates via a Bill of Sale executed on July 30, 1968.

GEOLOGY and MINERALIZATION

Generally minor amounts of galena, chalcopyrite, sphalerite, and pyrite occur as fracture-fillings and marginal dispersions within a variably trades-albitized and silicified fine-grained dyke of, presumably, dioritic or felsite to syenitic composition. The larger, or westerly showing was originally exposed by a 20-foot road-cut; this was further opened by drilling and blasting. The small easterly exposure, exposed over a 10-foot length, lies about 125 feet E.S.E. of the main showing.

The principal set of mineralized joint-fractures trends N.N.W., with near-vertical dips.

Kleanza Mines Ltd. (N.P.L.) Vancouver 5, B.C.

SAMPLING

The showings were completely sampled by the linear-chip method; these are summarized in the following assay schedule. As lead, zinc, and copper occurred in generally insignificant amounts, only gold and silver determinations were requested:

Sample No.	Location	Description	Width	oz/ton Gold	os/ton Silver
15635	Main Show, west	Minor Pb, Zn, Cu	101	trace	0.6
- 36	Main Show, east	11 H H	5.5	trace	trace
- 37	Main, select grab	н н н н		trace	0.7
- 38	East Show, total	Ox.quartz, sp.py	8.0	trace	0.10

SUMMARY and CONCLUSIONS

In view of the decidedly sub-marginal mineral content of the exposures examined, this section of the property does not warrant further exploration. Possibly a further day's investigation of the group via general soil and/or silt sampling, with field-type geochemical testing could be carried out — on the assumption that no cash or work commitments would be incurred on tentative acquisition of the property.

Respectfully submitted,

W.M. Sharp, P.Eng.

WMS/hb