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CONSULTING GEOLOGICAL ENGINEER

171 WEST ESPLANADE
NORTH VANCOUVER, B.C.

November 29th, 1969

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

Gentlemen:

Re: Preliminary Assessment
Mt. Baldwin Cu-Zn Prospect
Squamish Area, Vancouver Mining Division

On November 15th, 1969 the writer, assisted by Messrs. A. Shemko and S. Fegan, carried out the geochemical reconnaissance extension recommended in the writer's November 12th, 1969 report. Access to, and progress at the 4000'-4100' elevation were impeded by appreciable depths of soft snow. This, together with the relatively shorter period of daylight, restricted field work to a 1500-foot traverse. However, this was adequate for the current objective--which was to ascertain possible southerly extensions of mineralization beyond sta. K2000.

The geochemical data indicate a minimum 1000-foot southerly extension of Cu-Zn mineralization beyond that defined in the November 12th report, although neither copper or zinc show up as strongly as on the preceding traverse. In actual detail, the respective copper and zinc soil-concentrations generally appear in background-threshold ranges; however, this may be due to the fact that the current samples represent soils at appreciably greater distances from the source-zone, and that they were of poorer quality than those taken earlier on snow-free locations.

In summary, the writer still considers that the Company should attempt to acquire the property; however, he strongly recommends against acquisition on the current lump-sum terms--in view of the fact that no substantial showings are currently known to occur on

Geochemistry results.

Conclusions - (brief on mineral occurrence)

Appendix

Statement of Personnel, Time, & Costs.

Certificates of analyses.

President and Directors
Kennedy Silver Mines Ltd. (N.P.L.)
Vancouver 2, B.C.

November 29th, 1969
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the basic 5-claim Main group. The writer estimates that 3-4 months of preliminary exploratory work may be required for the delineation of actual drilling targets; therefore, no large interim cash payments are warranted.

Respectfully submitted,


W.M. Sharp, P. Eng

WMS/hb
encl.

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

171 WEST ESPLANADE
NORTH VANCOUVER, B.C.

November 12th, 1969

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

Attention Messrs. J.R. Lakes
James Law

Gentlemen:

REPORT: PRELIMINARY ASSESSMENT
MT. BALDWIN Cu-Zn PROSPECT
Squamish Area, Vancouver Mining Division

PRELIMINARY

The writer's field examinations and this report result from authorization granted by principals of Kennedy Silver Mines Ltd.

Relevant field work performed by the writer was as follows:

October 4th, 1969 -- General geological reconnaissance and inspection of outcrops and showings on Main No.'s 1, 2 and 3 located claims and adjacent McVicar Crown-granted claims.

October 12th, 1969 -- Geochemical soil-sampling via a loop-traverse over the lower easterly areas of the Whistler (Lot 6160) and Main #2 claims.

October 26th, 1969 -- Compass-chain traverse from access-road sta. K300 to the south McVicar showings and Main group location line -- the main objectives being to locate the soil-sample traverse and southerly McVicar trenches with respect to relevant claim posts or boundaries.

The writer's preliminary information was to the effect that Main #1 comprised the north-easterly claim of the 5-claim group; however, claim plots subsequently provided show this area to be actually occupied by the Crown-grant Lot 6160, with Main #1 adjoining it on the west. The initial premise resulted in the soil-sample traverse being located largely on the Crown-granted Lot 6160.

The writer gratefully acknowledges the helpful guidance and assistance provided by Mr. A. Shenko on each of the above-noted field-days.

Drawings accompanying this report comprise:

- Fig. 1 - Claim Map, Mt. Baldwin Property.
Dwg. No. 1 - Mt. Baldwin Cu-Zn Prospect -
Reconnaissance Surveys.

LOCATION and ACCESS

The Main-Lily-Agape claims group lies on the northeasterly-facing slope of the divide between Stawamus-Indian River and Raffuse (Goat) Creek Valleys, centering on a point lying about six miles east of Squamish, B.C. The composite claim block encompasses Mt. Baldwin, but generally situates to the southeast of it.

From Squamish, the property is reached via McMillan-Bloedel's main Manquam River haulage, and Raffuse Creek branch logging roads for a total distance of about ten miles.

CLAIMS and OWNERSHIP

The property includes the following claims:

			<u>REC. DATE</u>
Main #1 - #5:	Tag No.'s A63029-33, incl:	Rec. No.'s 5754-58, incl.	SEPT. 25
Lily #1 - #4:	Tag No.'s 476134-37 incl.	Rec. No.'s 15976-79, incl.	MAY 12
Agape #1 - #10:	Tag No.'s 707442-71 incl.	Rec. No.'s 15966-75, incl.	MAY 12
<i>DAL No. 1</i>	-----	REC. NO. 16492	(NOV. 3)

Main #1 - #5, incl. are owned by Mr. Peter Wyssen, Squamish, B.C. The Lily #1-#4, and Agape #1-#10, inclusive were located by Mr. Wyssen for Company principals, and recorded on May 12th, 1969.

Main #1 - #5 are currently held by the Company principals under an option granted by Mr. Wyssen.

HISTORY

The Main group *was acquired by Peter Wyssen from the* represents a re-staking (~~Sept. 25th, 1965~~) of claims *estate of* formerly held by Basil Zurbriggen of Squamish, B.C.

Exploratory work on the Main group consists mainly of surface stripping and rock-trenching carried out by B. Zurbriggen — initially as independent exploration and subsequently for Britannia Mining and Smelting Co. Ltd. during a short-term option granted this company during 1957. To the writer's knowledge, no diamond drilling has been done on the Main group or on the adjoining Lily and Agape groups.

Exploration in the Mt. Baldwin locality has been focussed on the northerly-contiguous McVicar group, where extensive trenching and diamond drilling have delineated several significant N.N.W.-trending shear-zone.

occurrences of Fe-Cu-Zn-Pb sulphide mineralization over gross widths of up to 100 feet. The probable S.S E. extension of the McVicar structures and mineralization forms the principal mineral potential of the Company's Mt. Baldwin prospect.

GEOLOGY

The general Mt. Baldwin area is principally underlain by major pendants and septa of strongly sheared and metamorphosed members of the regional Gambier Group -- occurring as major inclusions within the larger mass of the 'Coast Intrusive' plutonic complex.

Within the actual claims area bedrock largely consists of variably sericitized-chloritized-silicified felsic tuffs and/or arkosic sediments -- rather sparsely intruded by relatively narrow tongues of quartz diorite-to-granodiorite. The whole assemblage has been sheared, to varying degrees, on northerly-to-northwesterly trending, steeply-dipping planes.

The local Fe-Cu-Zn-Pb sulphide mineralization is localized to zones of more intense shearing and alteration. Within the McVicar claims this occurs over widths ranging from a few feet up to 100 feet or more -- the mineralization occurring as massive fillings, parallel bands, and disseminations.

The Zurbriggen trenches over the Main group expose several minor, discontinuous mineralized bands and lenses which appear typical of a much less-sheared and altered panel of rocks to the west of the 'McVicar' panel. However, recent mapping and soil sampling along the N.E.-facing slopes, provide fair evidence that the McVicar structures and, possibly, similar Fe-Cu-Zn mineralization extend S.S.E. through the easterly 'Main' and adjoining 'Mily' and 'Agapé' claims. In detail, it would appear that one such geochemically-indicated zone is structurally related to a thin tongue, or lens of quartz diorite traversing the Whistler (L.6160) and Main #2 claims.

GEOCHEMICAL SURVEY

The location of soil-sample points, elevations, and concentrations (p.p.m.) of copper and zinc in soil are shown on Dwg. No. 1. Samples were taken from the B-zone (oxidized) soil horizon or, where this was absent or poorly developed, from the horizon closely below the surface organic layer. As clay frequently comprises the only soil cover, a number of the samples are geochemically non-indicative; however, all samples from the Main #2 portion of the traverse were from satisfactory soil.

Soil samples were laboratory-tested for 'total' copper and zinc via nitric-hydrochloric acid extraction -- atomic absorption analysis.

The southerly half of the traverse contains decidedly anomalous concentrations of Cu and Zn, with a zone of at least a 500-foot strike length extending into the northeasterly corner of Main #2. An extension of this traverse would be required to determine whether or not there is a further southeasterly extension of the indicated anomaly; this is rather urgently required prior to making any decision re the acquisition of the Main #1 - #5 group.


SUMMARY

1. The composite claim group -- particularly those claims containing probable extensions of the McVicar Structures and mineralization -- contains considerable potential for the occurrence of economically-mineable concentrations of copper-zinc-lead sulphide mineralization.
2. The property is very favourably located for relatively low-cost exploration and, possibly, eventual mining.
3. The mineralization is of a type that is rather readily traced by geochemical methods, and which should respond to one or more corollary geophysical exploration methods.
4. The total purchase price of the Main group is undoubtedly reasonable; however, the single, lump-sum payment appears rather severe in light of the little that is currently known about the general ore potential of the group. Also, in the writer's present opinion, only the Main #2 and #5 have any substantial mineral potential; of the adjoining claims, the Lily block and the Agapé No.'s 2, 7, 8, 9 and 10 comprise the better geological bets.

RECOMMENDATIONS

1. The writer currently favours acquisition of the Main group on the basis of its favourable potential for extensions of the McVicar Cu-Zn zones -- although no mineable orebodies have been thus far delineated on the McVicar ground. However, in view of the present lack of information concerning the more general potential of the group, the writer suggests that his principals attempt to negotiate an extended cash-payment deal for the group -- even though the gross payments may exceed the presently-designated sum via cash or a stock equity. The remaining alternative, prior to a recommendation for outright purchase, is to attempt to extend the present geochemical survey, for a more positive assessment, before heavy snowfalls make the area inaccessible until next spring or early summer.

Respectfully submitted,


W.M. Sharp, P.Eng.