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KALCO VALLEY MINES LTD.

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MEMORANDUM ON

KALCO VALLEY MINES LIMITED CLAIMS

SIMILKAMEEN MINING DIVISION

PRINCETON, BRITISH COLUMBIA

April 12, 1967

KALCO VALLEY MINES LIMITED CLAIMS

Summary

Kalco Valley Mines Limited own a large claim group well located three miles southwest of the Copper Mountain Mine at Princeton, B. C.

The property contains widespread copper sulphides and localized high grade gold-palladium-copper deposits. These have been well explored on the surface by geophysical and geochemical surveys; by trenching; and by geological mapping. The work points to a possible open pit area 3,000 feet long and 1,500 feet wide with disseminated and fracture plane sulphides with copper and molybdenum values.

Work Done

Possible open pit area

1. Trenching: bulldozer trenching in and along the Copper Mountain syeno-gabbro exposed disseminated sulphides over a 1,200 foot length. 78 bulk samples averaged 0.364% copper.

2. Geology

Reference: C.I.M.M. Bulletin, May, 1951, K.C. Fahrni. The Copper Mountain Mine is along the syeno-gabbro contact in gently folded Nicola tuffaceous rocks on the crest and limb of an open anticline.

A zone of folliation, which is along a fault tangential to the intrusive is mineralized with copper sulphides. Mr. Fahrni has measured sections in the Nicola Series and noted that the most favorable beds at the mine were tuffs and agglomerates.

On Kalco claims the few outcrops show extensive crushing and brecciation along the syeno-gabbro contact. The intrusive is highly altered and crushed; it contains dikes of potash feldspar and quartz. On the surface the Nicola rocks are massive and thin bedded chert. A measured section shows the most favorable tuffs and fragmentals to lie from 100 to 980 feet below the surface.

3. Geophysics

A magnetometer survey outlines a magnetic high over the intrusive contact.

An Induced Potential Survey by McPhar Geophysics Limited shows a series of anomalies tangential to the intrusive in Nicola rocks over a 6,000 foot length, 500 to 1,500 feet west of the contact.

An induced potential survey by Utah Construction Company shows a 1,500 feet by 1,500 feet anomaly over the McPhar anomaly.

4. Geochemical Survey

A total heavy metal soil survey outlined an anomalous area 3,000 feet by 1,000 feet in Nicola rocks 500 to 1,500 feet west of the syeno-gabbro in the possible open pit area.

5. Diamond Drilling

Three holes totalling less than 200 feet have been drilled in the area and gave very low copper and molybdenum values, (0.08% Cu., 0.005% Mo.).

Conclusions

The Kalco Mines Limited's claims cover a possible open pit area with low copper and molybdenum values with favorable geology, assays, geophysics and geochemistry.

Recommendations

The area should be bulk sampled by a series of vertical drill holes at least 1,000 feet deep at regular spacings. No further work should be done on the high grade at present.

Costs

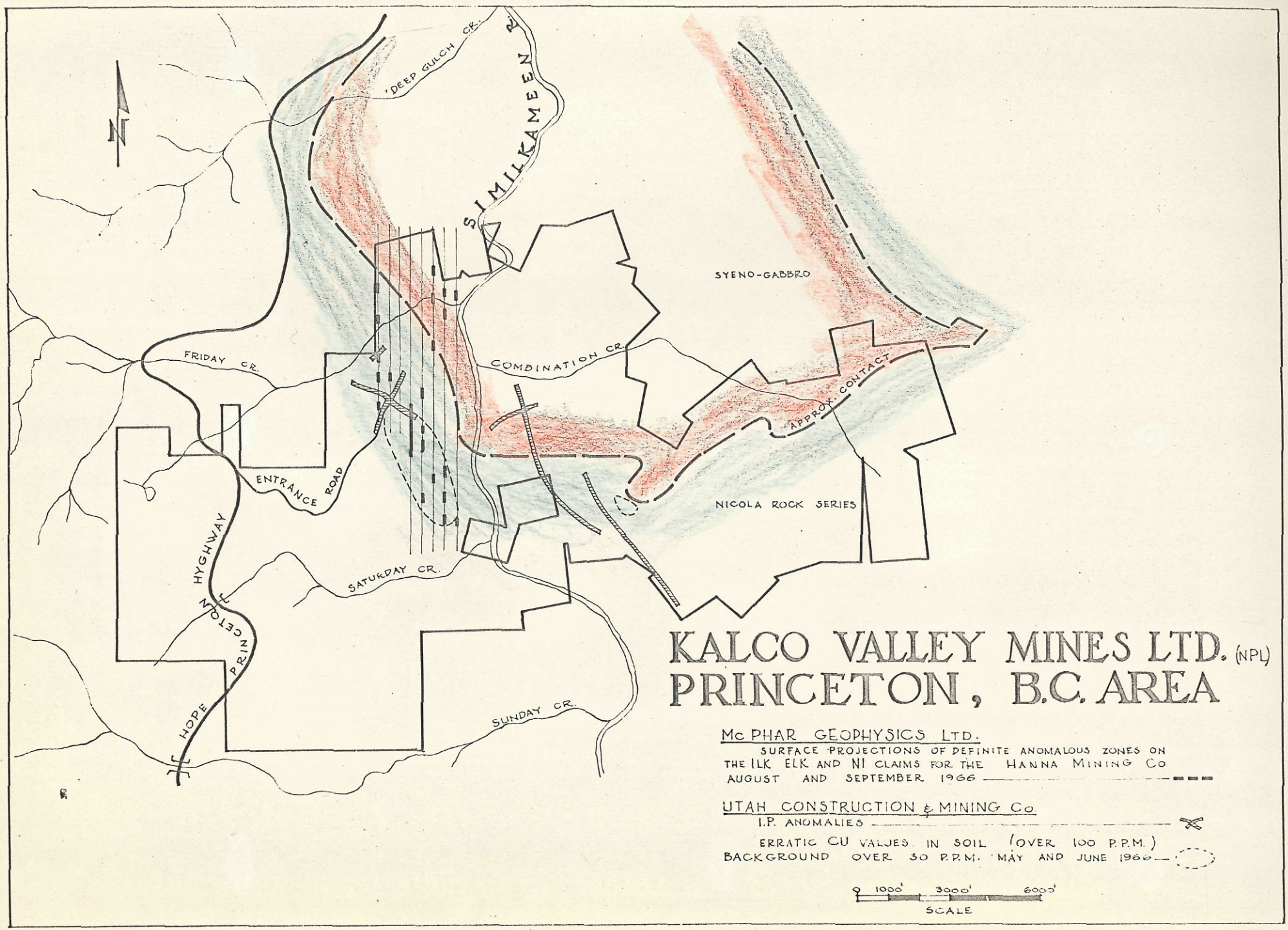
2,000 feet BX wire line	$20,000
8,000 feet longhole	40,000
Assaying	8,000
Supervision & Engineering	10,000
Transportation	2,000
Estimated Total	$80,000

D C Malcolm

D.C. Malcolm, P. Eng.

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA D. C. MALCOLM

pdm



KALCO VALLEY MINES LTD. (NPL)
PRINCETON, B.C. AREA

Mc PHAR GEOPHYSICS LTD.

SURFACE PROJECTIONS OF DEFINITE ANOMALOUS ZONES ON THE ILK ELK AND NI CLAIMS FOR THE HANNA MINING CO AUGUST AND SEPTEMBER 1966 ———— — — —

UTAH CONSTRUCTION & MINING Co.

I.P. ANOMALIES ————

ERRATIC CU VALUES IN SOIL (OVER 100 P.P.M.)
BACKGROUND OVER 30 P.P.M. MAY AND JUNE 1966 ——

0 1000' 3000' 6000'
SCALE