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Jan 11/72

Bill Siola will
contact Lee Terry
re this matter.

It does not look
promising

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BC

MESSAGE FOR

KAL RESOURCES LTD.

J 1 - 18 claims

Kamloops Mining Division

ALRAE ENGINEERING LTD.

April 28th, 1972

TO PROTECT OUR CLIENTS, THE PUBLIC AND OURSELVES, ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS AND AUTHORIZATION FOR PUBLICATION OF STATEMENTS, CONCLUSIONS AND EXTRACTS FROM OUR REPORTS MUST RECEIVE OUR WRITTEN APPROVAL.

**ALRAE ENGINEERING LTD.
VANCOUVER, B.C.**

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INTRODUCTION

Kal Resources Ltd. holds mineral claims at the southeastern extremity of the Iron Mask Batholith in the Kamloops Area of B.C. Various forms of exploration work including geochemical soil sampling, Induced Polarization surveys, and diamond drilling have been undertaken to evaluate this property in past years. Copper mineralization within the Iron Mask Batholith intrusives has been encountered in this past work, but only short intervals of near commercial grade copper mineralization have been encountered to date.

On April 21st, 1972, the writer traversed the "J" claims of Kal Resources Ltd., and examined the geological setting and mineralized areas within the claim group.

LOCATION AND ACCESS

The "J" claims are located approximately 10 miles south-southwest of Kamloops, B.C., and some 5 miles south of the Village of Knutsford. Highway No. 5, the main road from Kamloops to Merritt, provides ready access to the property. This highway passes immediately to the east of the claim group and several ranch roads lead into the claim group. A gravel road leading southerly from Knutsford to Brigade Lake crosses the western portion of the claim group at McLeod Lake. Relief within the claim area varies from 3000 ft. to 3500 ft. above sea level, and much of the claim group is forested by widely spaced fir trees. The lower elevations are open grassland.

CLAIMS

The claims presently held by Kal Resources Ltd. together with their respective record numbers are as follows:

<u>Claim Name</u>	<u>Record Nos.</u>
J 1 - 8	52877 to 52884 respectively
J 9 Fraction	52885
J 10 Fraction	52886
J 11 - 18	76470 to 76477 respectively

All 18 claims are within the Kamloops Mining Division.

PREVIOUS WORK

Earliest hand prospecting work on this claim group is evidenced by shallow pits and trenches which were probably made in exploration for gold in the 1890's and possibly in the search for high-grade copper in the 1930's. During 1965 and 1966 there is a record of three short diamond drill holes being drilled on the property, however, core recovery was described as poor and there is no available description of mineralization encountered. During 1968 and 1969 a geochemical soil survey and an Induced Polarization survey were conducted over the present claim area as well as claims to the north and west held by the Company at that time. Anomalies indicated by the survey work were drilled during the summer season of 1969 or tested by bulldozer trenching. This work consisted of 2,921 ft. of BQ drilling in nine holes and approximately 1000 lineal feet of bulldozer trenching.

GEOLOGY

The "J" claims are underlain by Upper Triassic Nicola volcanics; post Nicola

intrusives of picrite basalt; diorite, micro-diorite and monzonite of the Iron Mask intrusives; the younger Sugarloaf intrusions of porphyritic micro-diorite, and Cherry Creek intrusions of trachyte, latite porphyry and breccias. Miocene sediments and volcanics of the Kamloops Group which cover the central and western portions of the claim group. The Iron Mask intrusives are exposed only on the north-eastern portion of the claim group at areas of lowest elevation. Cap rock volcanics are flat lying and appear to be from 200 to 400 ft. in thickness. The Iron Mask Batholith and the younger Cherry Creek and Sugarloaf intrusions are hosts to copper mineralization in the Iron Mask batholith area. Copper mineralization within the intrusives appears to be associated with joints and faults particularly those striking north north east and a second set striking north north west. Flat lying shear zones are also often copper-bearing.

Copper minerals occurring in the intrusive rocks and within the "J" claims consist of chalcopyrite, chalcocite, native copper, and malachite in order of decreasing importance. Although drill intersections and bulldozer trenches have only encountered copper mineralization up to .3 to 0.43% Cu across intervals in the order of 20 ft. it is possible that larger and rich occurrences may be encountered in structurally favourable settings within the claims.

Trenching and drilling work has served to test the major geochemical soil sampling anomalies and I.P. anomalies. One I.P. anomaly on claim "J" #5 remains untested. This anomaly is of moderate chargeability (2 to 3 times background) and is approximately 300 x 600 ft. in area. The area is indicated to be underlain by picrite basalt and to be near the edge of the Kamloops Volcanics.

Numerous copper sulphide and native copper occurrences are noted within the Iron Mask intrusive and some have, in the past, produced copper ore. The Afton Mines Ltd. property currently under active exploration is located at the northern extremity of the Iron Mask Batholith. This deposit contains disseminated native copper and chalcocite in intrusive rocks. Other major occurrences within the intrusive consist chiefly of disseminated chalcopyrite.

CONCLUSIONS AND RECOMMENDATIONS

The Kai Resources Ltd. "J" claims are underlain chiefly by intrusive rocks of the Iron Mask batholith which are known to be host to many copper occurrences. A major portion of the claims is, however, covered by an apparently thin deposit of Kamloops volcanic rocks. These are estimated to be from 200 to 400 ft. in thickness. Disseminated chalcopyrite is known to occur on the north-eastern portion of the claims in which the Iron Mask intrusive rocks are exposed.

Detailed exploration of this exposed portion of intrusive is warranted and geological study of the exposed intrusive may indicate targets beneath the edge of the cap rock volcanics worthy of testing by drilling through the volcanics. One I.P. anomaly previously located, but as yet untested, is an immediate drill target.

To continue with the evaluation of this claim group the following work is recommended:

- a) Geological mapping of the intrusive rocks with particular attention to joint and fault patterns which appear to control the distribution of mineralization.
- b) Aero photo structural interpretation of the south-eastern

portion of the Iron Mask intrusive.

- c) Test profiles of geochemical soil sampling with extractions by hot acid techniques to compare with previous survey work.
- d) Resampling of mineralized areas and drill cores, if available, for precious metal content.
- e) Diamond drilling of the "J" 5 claim I.P. anomaly and of structural targets in the exposed batholith.

This initial work may be followed by seismic profiles to determine cap rock thickness and deeper drilling of geological targets through the cap rock if warranted.

COST ESTIMATE

The approximate cost of the above recommended work would be as follows:

PHASE I

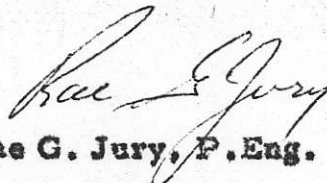
a)	Base map preparation for mapping and photo studies	\$ 400.00
b)	Geological mapping	1,000.00
c)	Air photo structural interpretation	500.00
d)	Geochemical soil tests	500.00
e)	Resampling of exposed mineralization for precious metal content	1,000.00
f)	Diamond drilling of the "J" 5 claim I.P. anomaly and of exposed intrusive areas - 2,000 ft. @ \$10/ft.	20,000.00
g)	Supervision, accommodation and transportation	<u>1,500.00</u>
	Sub-total	\$24,900.00

PHASE II

a)	Seismic profiles to determine cap rock thicknesses	\$ 2,000.00
b)	Drilling of geological targets through the cap rock if warranted - 4,000 ft. @ \$10/ft.	40,000.00
c)	Supervision, assaying, accommodation, mobilization, etc.	<u>5,000.00</u>
	Sub-total	<u>\$47,000.00</u>
	TOTAL	<u>\$71,900.00</u>

Should this work encounter economically significant concentrations of copper mineralization much more work would be required to fully evaluate the discovery.

Respectfully submitted,



Rae G. Jury, P. Eng.

CERTIFICATE

I, Rae G. Jury, of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of Queen's University in Kingston (B.Sc. in Geological Sciences 1957).
3. I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and also a member of the Canadian Institute of Mining and Metallurgy.
4. I have practiced my profession since 1957 with Labrador Mining and Exploration Company, Queмонт Mining Corporation, Canadian Johns-Manville Co.Ltd. and Alrae Engineering Ltd.
5. I have examined the location of some of the "J" claims and found them to be located in accordance with the B.C. Mineral Act. Recent over-staking is noted but should not affect title to the "J" 1 - 8 claims which have been held in good standing since 1965.
6. I have personally examined geological setting and mineralization, where possible, on the "J" 1 - 18 mineral claims on April 21, 1972.
7. I have not received nor do I expect to receive any interest, either directly or indirectly, in the properties or securities of Kal Resources Ltd.

DATED at Vancouver, B.C. this 28th day of April, 1972.


Rae G. Jury, P.Eng.