

Nook
Property Submission
093G/116.

Apr. 3/92.

NTS.

821923

Nook property

- east of Prince George. - 50% logged.
- Slide Mt terrane → Chulchua equivalent. -
- mass py frags. - fragments - - on logging landing
- Nook Hill - airborne data. + various ground surveys.
- streams anomalous Cu - Ag.
- camp on Wansa L.

MOUNTAIN JOINT VENTURE (NOOK HILL AREA) **BRITISH COLUMBIA**

LOCATION

Nook Hill area is about 45 km east of Prince George, British Columbia within NTS map area 93G/16.

PROPERTY; OWNER

Mountain Joint Venture is owned by a private Edmonton businessman. R.A. Olson Consulting Ltd. is the Operator for Mountain Joint Venture. A 'volcanogenic massive sulphide' showing was discovered at Nook Hill area during 1991; this showing is unstaked. A narrow, massive sulphide zone which was intersected by drilling about 6 km southwest, is covered by a small mineral claim group held by other interests.

GEOLOGY; SHOWINGS

Several geochemical and geological anomalies indicative of volcanogenic massive sulphide deposits exist at Nook Hill area. These anomalies include: (a) 5 rock samples, 20 stream sediment samples and 1 soil sample that contain anomalous levels of one or more of copper (Cu), lead (Pb), zinc (Zn), gold (Au), silver (Ag) and cadmium (Cd); (b) volcanic fragmental rocks that may indicate nearby volcanic venting; and (c) massive and stringer pyrite zones that are associated with strong alteration comprising one or more of sulphidization, silicification, sericitization and chloritization. These geochemical and geological anomalies are atypical of the Slide Mountain Group pillow to massive basalts that predominate elsewhere at the Prince George area.

The bedrock at Nook Hill area is poorly exposed; outcrop underlies less than one per cent of the area. Nook Hill is, in part, forested by virgin timber, but large portions of the area have been logged. Access is good to much of Nook Hill area via the old secondary and tertiary logging roads.

PRIOR EXPLORATION

Between 1965 and 1984, anomalous Cu and Zn in stream sediments from creeks draining Nook Hill were followed up by one or more of: grid surveying, geochemical soil surveys, ground geophysical surveys (Induced Polarization, Resistivity, VLF-EM, vector pulse electromagnetic, magnetometer), airborne geophysical surveys (magnetometer, multi-channel electromagnetic), and a small amount of diamond drilling in a few holes. The results of this exploration showed "distinct anomalous zones" for both the geochemical and geophysical surveys. The geophysical electromagnetic anomalies were interpreted to be caused by either sulphide bodies or graphitic zones in bedrock, or both. The best drill intersections are reported to be 3.58% Cu and 0.29% Zn across 0.3 m, and 0.86% Cu and 0.1% Zn across 1.0 m. "A 1 metre wide zone of massive sulphide was intersected at the contact between black graphitic argillites and a porphyritic dacite". However, core recovery in

this zone is reported to have been less than 10% "over 19 m at the conductive zone, ... [but] black sludge was reported in the drill mud [and is] interpreted as indicating a sulfide intersection". Drilling also intersected a graphite-rich argillite, disseminated pyrite in amounts up to 25 volume per cent, strong alteration, and geochemically anomalous gold and silver contents.

In 1991, exploration which was performed northeast of Nook Hill, discovered several occurrences of fragmental volcanics, anomalous geochemical Cu, Pb and Zn results in stream sediment samples, and a poorly exposed zone of disseminated, fracture-fill and locally massive pyrite. This sulphide occurrence is about 6 km northeast of Nook Hill where the prior work described above was performed.

PROPOSED EXPLORATION

Follow-up exploration is required at and northeast of Nook Hill to search for base metal-precious metal volcanogenic massive sulphide deposits in Slide Mountain Group rocks. This exploration should include detailed prospecting, systematic geochemical stream sediment sampling of all creeks which drain Nook Hill area, semi-detailed geological mapping to search for favourable mineralized horizons, and rock sampling of any showings discovered. Prior to performing the recommended follow-up fieldwork, the available geological, geochemical and geophysical data for Nook Hill area should be assembled, compiled at a suitable scale and interpreted. The intent of the compilation is to aid in focusing the follow-up exploration.

Because the sulphide showings discovered during 1991 northeast of Nook Hill are not staked, prior to or during the recommended follow-up fieldwork, selected parts of Nook Hill area should be staked to protect the known showings and favourable geology.

Depending upon the results of this initial follow-up program, additional exploration may be required. This could include an airborne geophysical survey to identify potential sulphidic zones, and to aid in focusing further, more detailed fieldwork. As well, one or more of grid surveying, ground geophysical surveying, geochemical soil sampling, detailed prospecting, rock sampling and detailed mapping of selected targets may be required.

The estimated cost to perform the recommended program of data compilation and initial follow-up exploration at Nook Hill area in 1992 is \$84,500. This estimate does not provide for any staking, the cost of which will be contingent on the size of the area to be protected by such staking.

RAO has small NSR (1% to \$5m 1/2% after)

MOUNTAIN JOINT VENTURE

PROPOSED DEAL FOR OPTION OF NOOK PROSPECT

<u>Year</u>	<u>Cash Payments</u>	<u>Annual Expenditures</u>	<u>Proposed Program; Remarks</u>
1992	\$2,500 (FIRM: on signing)	\$99,700 (FIRM)	For surface exploration, including staking selected mineral claims, systematic follow-up geochemical stream sediment sampling, follow-up prospecting, rock sampling and geological mapping at a scale of 1:20,000. The first year program would also allow the optionee an opportunity to examine the property if so desired.
OPTION IS RENEWABLE ON AN ANNUAL BASIS BY THE OPTIONEE FOR 1993 AND BEYOND			
1993	12,500*	200,000	The second year program will be dependent on the results obtained in 1992. Assuming positive results, the 1993 program could comprise one or more of an airborne geophysical survey to assist in the identification of other potential sulphidic zones, grid surveying, detailed geological mapping of selected targets, ground geophysical surveys, systematic geochemical soil sampling, and overburden and rock trenching, as required, to more accurately define potential drill collars.
TOTAL	\$15,000*	\$299,700*	EARNs 25 PER CENT WORKING INTEREST, plus option to acquire another 25 per cent more as follows

***NOTE:** Cash payment of \$12,500 reduced to \$7,500 if total of \$299,700 spent on the Nook Prospect area by the end of 1992. The \$7,500 cash payment must be made when the optionee commits to spend more than \$150,000 during 1992.

1994	20,000**	400,000**	Assuming the results of the 1993 program are positive, exploration during 1994 would mainly be directed towards drilling. As well, further detailed and follow-up exploration, including prospecting of favourable geology, and one or more of detailed geological mapping, geochemical surveys and ground geophysical surveys would be performed in selected areas identified as being the most favourable for precious and base metal massive sulphide deposits.
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****NOTE:** If a major program is undertaken in 1993 rather than in 1994, then (a) the cash payment of \$20,000 is reduced to \$15,000, and (b) the exploration expenditures of \$400,000 are reduced to \$300,000 for exploration in 1993. The cash payment of \$15,000 must be made when the optionee commits to spend the \$300,000 during 1993.

TOTAL	\$35,000***	\$699,700***	EARNs 50 PER CENT WORKING INTEREST, plus option to acquire up to another 30 per cent more as follows:
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*****NOTE:** Optionee can reduce the total cash payments to \$25,000 and the total exploration expenditures to \$599,700 to earn a 50 per cent working interest by an aggressive commitment to exploration by end of 1993 as noted above.

<u>Year</u>	<u>Cash Payments</u>	<u>Annual Expenditures</u>	<u>Proposed Program; Remarks</u>
1995	25,000	1,500,000	Each additional \$500,000 expenditure, plus the cash payment as shown, earns the optionee an additional 10 per cent interest to a maximum of: - Optionee - 80 per cent working interest - Protective Holdings - 20 per cent working interest At this point, Protective Holdings Ltd. may be willing to sell an additional percentage, but this would be negotiated at the time. However, their interest would never be reduced below a 1.0 per cent NSR royalty.
1996	50,000	(over	
1997	75,000	three year period)	

ALTERNATIVELY FOR 1993 AND LATER

1995	25,000 or	150,000	After 1993, the optionee must spend at least \$150,000 annually on exploration at Nook Prospect, OR pay Protective Holdings Ltd. \$25,000 in cash or the amount needed to maintain the mineral claims in good standing, whichever is greater, if the optionee wishes to maintain their then existing level of interest in the property.
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Any company or investor who wishes to become a participant in Mountain Joint Venture must agree to sign the Mountain Joint Venture Agreement of May, 1991 and to be bound by the terms and covenants of that Agreement.

MOUNTAIN JOINT VENTURE

CONFIDENTIALITY AGREEMENT

In consideration for and as a condition of the furnishing to you by Protective Holdings Ltd. (PHL), who holds a 100% interest in Mountain Joint Venture, or by R.A. Olson Consulting Ltd. (RAOCL) on behalf of PHL, of certain confidential and proprietary information relating to the Nook Hill area, which is about 45 km east of Prince George, British Columbia within NTS map area 93G/16, (hereafter referred to as the Nook Prospect), you acknowledge the confidential and proprietary nature of such information and agree with PHL and RAOCL to hold and keep the same confidential as provided in this letter agreement.

As used herein, the term "Evaluation Material" refers to all information that has been or may hereafter be provided to you by PHL or by RAOCL concerning the Nook Prospect, including without limitation, financial, engineering, technical, title or other information, irrespective of the form of the communication.

You agree with PHL and RAOCL to exercise all reasonable steps to safeguard the confidentiality of the Evaluation Material and not to disclose any part of it or any information derived therefrom to any third person except to such limited number of your employees and advisors as (i) may require access to the Evaluation Material for the sole purpose of assisting you in evaluating a possible transaction with PHL and RAOCL concerning the Nook Property and (ii) agree in writing with PHL and RAOCL to preserve the confidentiality of such Evaluation Material and to observe the other provisions hereof to the same extent as you agree herein. You agree with PHL and RAOCL that you will not copy or permit any of your outside agents, consultants or advisors to copy any of the Evaluation Material without the prior written approval of each of PHL and RAOCL. Promptly upon the completion of your review of the information or upon the request of RAOCL on behalf of PHL, but in no event later than 90 days from the date hereof, you will return to RAOCL on behalf of PHL all Evaluation Material previously furnished to you, together with all copies of any of the same made by you or any of your employees or agents. Within such time period you will also destroy all notes, memoranda, reports, and documents generated by you, your employees or agents related to the Evaluation Material and/or any meetings or discussions concerning same and confirm such destruction in writing to RAOCL on behalf of PHL.

You acknowledge that the Evaluation Material is being furnished to you solely to assist you in evaluating a possible transaction with PHL and RAOCL related to the Nook Prospect, and you agree with each of PHL and RAOCL that you will not use the Evaluation Material or any information derived therefrom for any other purpose.

Also, you further agree with each of PHL and RAOCL, as a condition of you receiving this confidential and proprietary information, that for a period of two years from the date hereof, neither you, ~~your parent company, if any,~~ nor any ~~affiliates~~^{of yours} or subsidiaries of either will acquire, except by, through or under a written agreement with PHL and RAOCL, any rights, directly or indirectly, in the lands and properties located within the area extending for ~~10~~ km in all directions about the Nook Prospect, ~~area~~ (53°52.5'N, 122°05'W), 10



The term "Evaluation Material" does not include information, if any, which (i) becomes generally available to the public other than as a result of a disclosure by you or by other persons, including your employees and agents, to whom you have disclosed such information; (ii) was available to you on a non-confidential basis prior to its disclosure to you by PHL or RAOCL, provided that such prior disclosure and its non-confidential status were evidenced in writing, (iii) becomes available to you on a non-confidential basis from a person other than PHL or RAOCL, provided that such person is lawfully in possession of the information and it is obtained from that person not in violation of any contractual, legal or fiduciary obligations to PHL or RAOCL.

You agree with each of PHL and RAOCL to be responsible for enforcing the confidentiality of the Evaluation Material and you agree to take such action as may be necessary to prevent any disclosure by any of your agents or employees. You further acknowledge that each of PHL and RAOCL shall be entitled to equitable relief by way of injunction if you breach or threaten to breach any of the provisions of this letter. In the event one or more of PHL and RAOCL deem it appropriate to initiate or take any action to enforce your obligations hereunder, you agree to reimburse such party or parties for all costs and expenses, including reasonable attorney's fees, incurred by them in this regard unless the Court of last resort declines to award to such parties all of the remedies sought by them.

You agree with each of PHL and RAOCL that neither you nor any of your employees or agents will, without the prior written consent of PHL and RAOCL, disclose to any other person the fact that you are evaluating a possible transaction with PHL and RAOCL relative to the Nook Prospect.

You acknowledge and agree that neither this letter agreement, nor the delivery of the Evaluation Material to you, nor any discussions or negotiations with you concerning the Mountain Joint Venture project and your possible participation therein will prevent PHL and RAOCL or any one or more of them from negotiating with and entering into one or more agreements with others to sell, farm-out or otherwise dispose of the Nook Prospect and that PHL and RAOCL and each of them shall be free to do so without liability or obligation to you.


You understand that none of PHL or RAOCL makes any representation or warranty as to the accuracy or completeness of the Evaluation Material. You agree that neither of PHL or RAOCL nor any of their respective employees or agents shall have any liability to you or any of your agents or employees resulting from you or their use of the Evaluation Material.

This letter agreement may not be assigned by you.

If you are in agreement with the foregoing, please sign and return one copy of this letter to RAOCL which will constitute your agreement with each of PHL and RAOCL with respect to the subject matter of this letter.

Accepted and Agreed to for good,
valuable and sufficient consideration

this 3rd day of April, 1992

By: 

Title: District Geologist

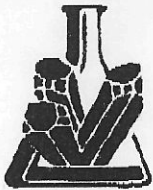
R.A. OLSON CONSULTING LTD.

By: 

Reg Olson

Dear Reg,
Please find enclosed analytical results for samples which I submitted from the ~~Nook~~ property. Metal values for all samples are low. As discussed on the phone, what the area needs is a high grade massive sulphide showing. At the moment the area is interesting because of the anomalous geochem. But without a good showing it is hard to sell this grassroots project. Consequently we are not prepared to pursue this project any further. Thank you for the tour and review of the data.

yours sincerely
G.2.



**MINERAL
• ENVIRONMENTS
LABORATORIES**

Division of Assayers Corp. Ltd.

Nick Property
R. Olsen
DATE: JUNE 12 '92
letter.
+ copy of results

TO: MINNIVA INC.

ATTENTION: GARY WELLS

FAX# 604-5360

THE TOTAL NUMBER OF PAGES BEING SENT IS 3 INCLUDING THIS COVER LETTER.

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CONTACT OUR FAX OPERATOR IMMEDIATELY AT (604) 980-5814.

SPECIAL INSTRUCTIONS:

FAXING FILE 2V-0453-RG2 \$ 1341
(file complete)

OFFICE AND LABORATORIES:
705 WEST FIFTEENTH STREET, NORTH VANCOUVER, BC.
CANADA V7M 1T2

PHONE: (604) 980-5814 (604) 988-4524
TELEX: VIA USA 7601067
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06/12/1992 10:25

604 980 9621 P.02



EN
LABORATORIES
(DIVISION OF ASSAYERS CORP.)

SPECIALISTS IN MINERAL ENVIRONMENTS
CHEMISTS • ASSAYERS • ANALYSTS • GEOCHEMISTS

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3176 TATLOW ROAD
SMITHERS, B.C. CANADA V0J 2N0
TELEPHONE (604) 847-3004
FAX (604) 847-3005

Geochemical Analysis Certificate

2V-0453-RG2

Company: MINNOVA INC.
Project:
Attn: GARY WELLS

Date: JUN-11-92
Copy 1. MINNOVA INC., VANCOUVER, B.C.

We hereby certify the following Geochemical Analysis of 2 ROCK samples submitted JUN-04-92 by GARY WELLS.

Sample Number	#AL-FIRE PPB	AG PPM	CU PPM	PB PPM	ZN PPM
N-3	17	2.1	39	24	50
N-4	14	3.3	31	32	47

Certified by _____

COMP: MENNOVA INC.
 PROJ:
 ATTN: GARY WELLS

MIN-EN LABS -- WHOLE ROCK ANALYSIS
 705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2
 (604)980-5814 OR (604)988-4524

FILE NO: 2V-0453-RL1
 DATE: 92/06/12
 * ROCK * (ACT:F26)

SAMPLE NUMBER	AL2O3 %	BA %	CAO %	FE2O3 %	K2O %	MGO %	MNO2 %	NA2O %	P2O5 %	SI02 %	SR %	TI02 %	LOI %	S %
N-1	7.79	.015	.38	1.09	.01	1.48	.03	3.69	.03	83.22	.005	.31	.60	.01
N-2	7.37	.010	19.67	11.72	1.84	4.20	.44	.04	.02	48.67	.005	.41	4.00	.14
N-5	12.83	.085	6.91	4.27	3.03	1.65	.15	2.58	.14	52.01	.040	.29	15.60	1.81

TOTAL P.03

06/12/1992 10:26 604 980 9621 P.03