

INTRODUCTION

Ed Frost of Fort Steele British Columbia, Canada controls the Prospector's Dream reverted Crown Grant claims and eight 2 Post claims called the Ken Group in South Eastern British Columbia Canada. This claim block is situated approximately 35 kilometers Southwest of Cranbrook British Columbia.

A vein containing Gold mineralization is exposed at several places on the Crown Grants. The property has never been diamond drilled.

Mr. Frost has retained Frank O'Grady to assist him to seek an option agreement on the property.

DESCRIPTION OF SHOWINGS

The showings are arbitrarily divided into the winze area to the North and the decline area to the South.

Winze Area

A quartz vein .3 meter wide accompanied by an additional .7 meter of shearing is exposed in the winzes. The vein dips 45 degrees to the West conformable with the enclosing Middle Aldridge sediments.

Both winzes are filled with water to within 2 meters of surface and are sloughed in.

Two grab samples from the stockpiles near the winzes assayed 1.35 ounces per ton gold and .845 ounces per ton gold respectively.

Decline Area (South)

Two declines are situated on a quartz vein 1.5 meters wide in this area. The vein dips 12 degrees to the East and is enclosed by Diorite, probably of the Moyie Sills.

A grab sample from the vein material assayed 2.13 ounces per ton gold.

There is a 10 ton stockpile of vein material near the northernmost decline. Visible gold is present in material on this stockpile.

A grab sample of rusty Diorite wall rock from this location assayed .021 ounces per ton Gold.

In addition to the two areas described a grab sample from the stockpile at an old sloughed hand dug trench West of the main showing assayed 1.09 ounces per ton Gold.

qtz boulder in OR. No OK apparent.

Brush showing

ACCESS

Access to the property from Cranbrook B.C. is by proceeding South from Cranbrook on highway 93 a distance of 12 kilometers to where the Lumberton Road branches off to the West. Proceed West on the Lumberton Road a distance of 10.3 kilometers to the Noke Creek road. The Noke Creek road is not marked and is easily missed. Proceed North on the Noke Creek road a distance of 3.7 kilometers to where the road forks. Proceed along the left fork a distance of 3.6 kilometers. The road again forks at this point. This is the North end of the showing area. The winze area is a short distance along the left fork.

HISTORY

1. Discovered 1890's. Two winzes (shafts), two declines and extensive hand trenching.
2. 1979. Branch road from existing logging road put in by Ed Frost.
3. 1983 to 1986. Opening up trenches and roads on property by Fenway Resources Ltd. Some geochemical sampling and grab samples assayed. No report to Minister of Mines or Ed Frost.
4. 1989. Returned to Ed Frost.

BZF/8E

RECEIVED

SEP 11 1989

Sept 6, 1989
Box 56
Kimberley B.C.
V1A 2Y5

Ans'd

Alex J. Davidson
EXPLORATION MANAGER
Minnova Inc.
4th Floor
311 Water Street
Vancouver B.C.
V6B 1B8

Dear Alex;

I am enclosing some information on a mostly unexplored gold property situated near Cranbrook B.C.

If this property is of interest to you, myself or Ed Frost can arrange to show it to you.

Sincerely

Frank O'Grady
Frank O'Grady

Sept 18/89 called - out of town for a week

open for negotiation

\$5000 upfront with guarantee of 1000m drill by

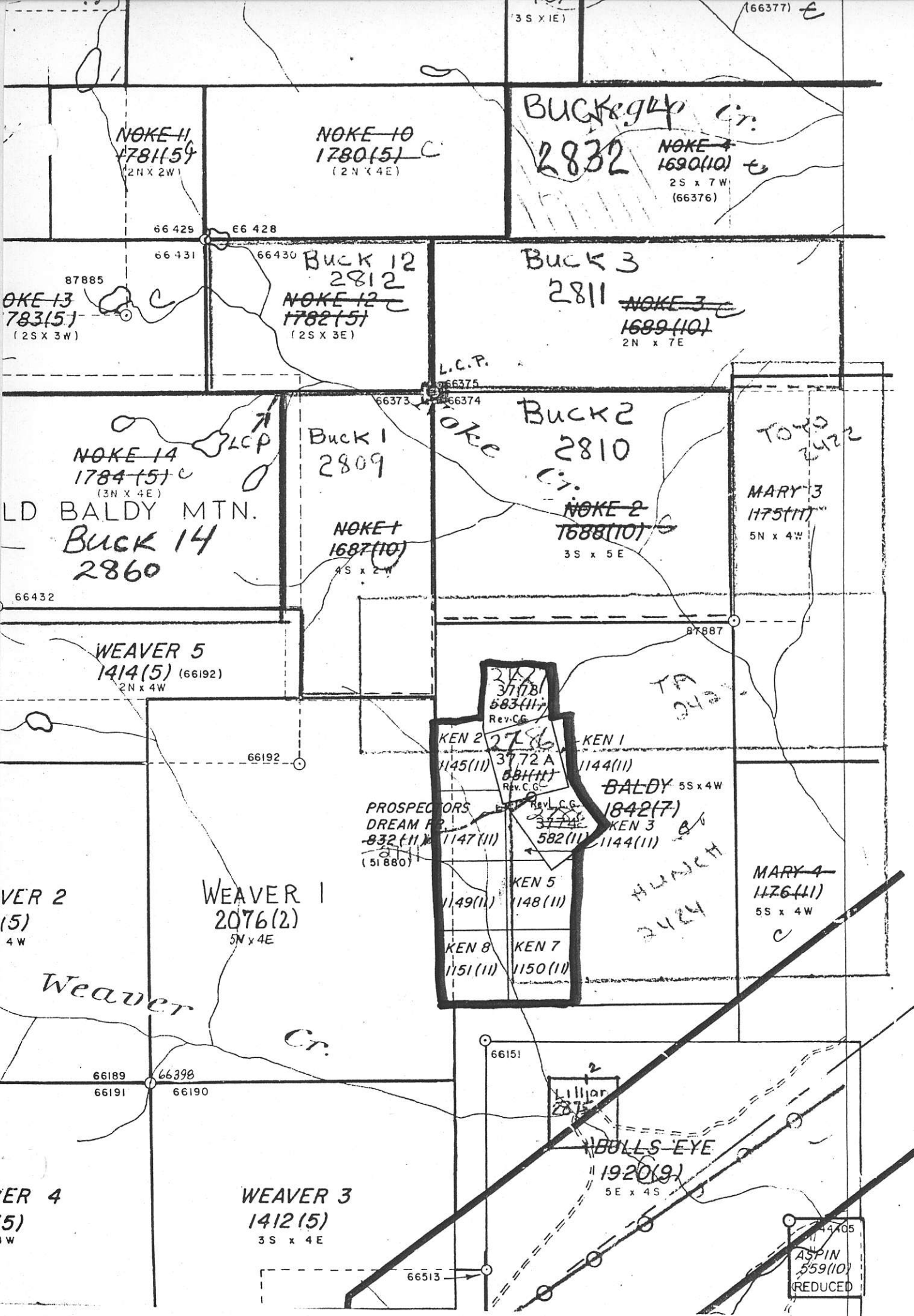
OPTION AGREEMENT

1. \$25,000 initial payment.
\$25,000 expenditure during first 12 month period.
2. \$25,000 payment on first anniversary.
\$50,000 expenditure during second 12 month period.
3. \$50,000 payment on second anniversary.
\$100,000 minimum expenditure during third 12 month period.
4. \$50,000 payment on third anniversary.
\$100,000 minimum expenditure during fourth 12 month period.
5. \$100,000 payment on fourth anniversary.
\$100,000 minimum expenditure during fifth 12 month period.
6. \$5,000,000 complete buy out OR 3½% NSR for the life of the mining operation. Fifth Anniversary.
7. \$250,000 annual payments to be deducted from \$5,000,000 buy out but not NSR.
8. Access to property by optioner at mutually convenient time. Copy of technical reports and technical data within 30 days of each anniversary or upon return of claims. If agreement terminated claims to be returned in good standing with three years assessment work filed and paid for by optioner.

CONTACTS

Ed Frost
Box 53
Fort Steele B.C.
Canada V0B 1Z0 604 - 489 - 4509

Frank O'Grady
Box 56
Kimberley B.C.
Canada V1A 2Y5 604 - 427 - 5670



NOKE 11
1781(5)
(2N x 2W)

NOKE 10
1780(5) C
(2N x 4E)

BUCK 2 Cr.
2832 NOKE 7
1690(10) e
2S x 7W
(66376)

66 429 66 428

66 431

66 430

BUCK 12
2812
NOKE 12
1782(5)
(2S x 3E)

Buck 3
2811 NOKE 3
1689(10)
2N x 7E

87885
NOKE 13
783(5)
(2S x 3W)

NOKE 14
1784(5) C
(3N x 4E)
LD BALDY MTN.
BUCK 14
2860

Buck 1
2809
NOKE 1
1687(10)
4S x 2W

L.C.P.
NOKE 2
1688(10) S
3S x 5E

Buck 2
2810
NOKE 2
1688(10) S
3S x 5E

MARY 3
1175(11)
5N x 4W

WEAVER 5
1414(5) (66192)
2N x 4W

212
37178
583(11)
Rev. C.G.
KEN 2 2756
1145(11)
3772 A
581(11)
Rev. C.G.
KEN 1 1144(11)
BALDY 5S x 4W
1842(7)
KEN 3 1144(11)
582(11)
KEN 5 1149(11)
1148(11)
KEN 8 1151(11)
KEN 7 1150(11)

PROSPECTORS
DREAM P.
832(11) 1147(11)
(51880)

WEAVER 1
2076(2)
5N x 4E

MARY 4
1126(11)
5S x 4W

WEAVER 2
(5)
4W

WEAVER 4
(5)
4W

WEAVER 3
1412(5)
3S x 4E

Lillian
2875

BULLS-EYE
1920(9)
5E x 4S











4405
ASPEN
559(10)
REDUCED

5

4

HAMILTON, DELANEY, HAUSER AND RANSOM - SULLIVAN DEPOSIT

LEGEND

- MESOZOIC  GRANITIC INTRUSIONS
- PRECAMBRIAN  HELLROARING CREEK STOCK
- CAMBRIAN  { EAGER FM.
CRANBROOK FM.
- PROTEROZOIC
- WINDERMERE SUPERGROUP
-  { HORSETHIEF CREEK GP.
TOBY FM.
- PURCELL SUPERGROUP
-  MOUNT NELSON FM.
-  DUTCH CREEK FM.
-  { NICOL CREEK FM.
VAN CREEK FM.
KITCHENER FM.
-  CRESTON FM.
-  ALDRIDGE FM.
-  FORT STEELE FM.

Legend for Fig. 2.1.

HAMILTON, DELANEY, HAUSER AND RANSOM - SULLIVAN DEPOSIT

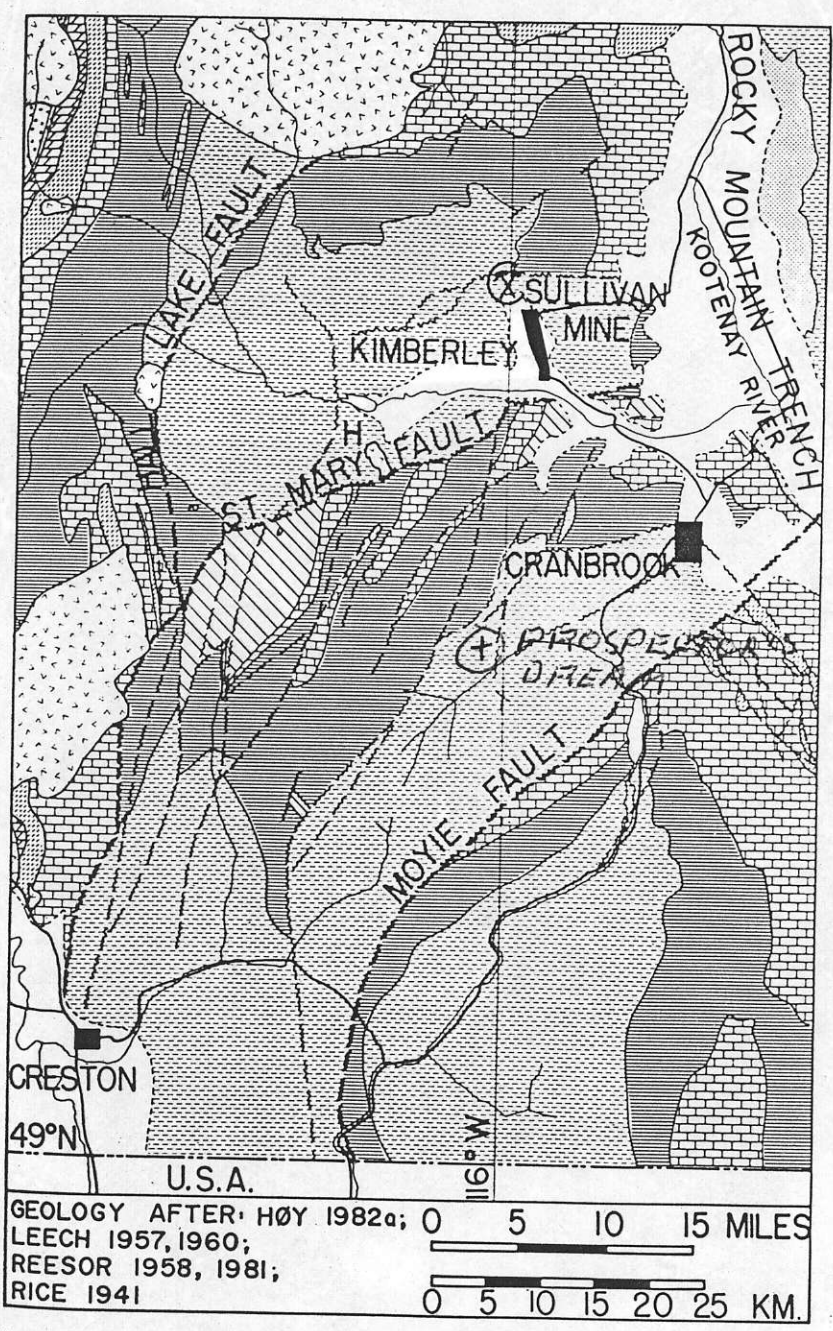


Fig. 2.1. Regional geological map.

30BCC 832 No. 132

SHOWING AREA
1:15000

30A11 419 30749

To the ^Ewest of Weaver Creek and at the base of the hills forming the divide between it and Perry Creek, quite a number of mineral locations have been made and a considerable amount of work done. The claim best known and most developed is the *Prospector's Dream*, around which are grouped the *Old Abe*, *Last Chance*, *Annie*, *Ben d'Or*, *Parker*, *Lennie*, and the *Pauper's Dream Fraction*. How these claims lay I could not exactly determine, so much re-staking had been done, as many as twelve posts being found within a radius of as many feet, and nothing short of an actual survey would untangle the claims. The same general conditions, however, apply to each, and I was able to identify certain work's as belonging to certain of the claims.

Prospector's Dream.
Mineral Claim. Owned by J. C. Green *et al*, Fort Steele. The country rock, seemingly, is entirely of igneous origin, probably a syenite or diorite. A quartz vein has been exposed, outcropping nearly horizontally along the hillside, and dipping into the hill N. 30' E. at an angle of 15'. This has been developed by a 20-foot open cut leading to a 40-foot inclined tunnel, both on the vein.

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 ent

In the open cut the quartz was very much broken, but nearer the mouth of the tunnel the vein was more solid and showed a width of 5 feet of solid quartz. Following the tunnel down, the width of quartz seems to gradually diminish, until at 40 feet in, the vein has only a width of some 6 inches. About 15 tons of quartz, of a rusty nature, was piled on the dump, which is said to run \$10.00 in gold to the ton. The vein-matter will show free gold in the pan almost anywhere, but not indicating high values. The apparent pinching out of the vein in this one tunnel has discouraged for a while, deeper prospecting and the continuity of the vein to the dip remains to be proven.

Not good.

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Whether the gold obtained is the result of the weathering of iron sulphides carrying gold, or whether it will continue to a depth as free gold, has not yet been determined.

I am informed that one or more shafts have been sunk on this property on another vein, but these shafts I was unable to find, being filled, doubtless, with water. In these the vein showing is said to be nearly vertical and to carry a width of some 5 feet of quartz with gold values.

Old Abe, owned by Steve Young *et al*, of Fort Steele, is practically an extension of the claim just mentioned.

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 an
 ure

Pauper's Dream Fraction. Located by Nitzel and Johnson, is supposed to lie between *Old Abe* and the *Prospector's Dream*, some 100 feet east of the workings on the latter. The area of this fraction is uncertain, until the prior claims have been surveyed. There has been some work done on the property, consisting of an open cut and two tunnels, 10 and 8 feet respectively. The fraction was evidently located to catch that portion of the *Prospector's Dream* lead which may not be covered by the main claims.

of

The *Last Chance*, owned by Wm. Haupt *et al*; War Engle, Hy. Kershaw *et al*; Annie, Wm. Thompson *et al*; Ben d'Or, J. C. Green *et al*; Parker, Gus Theiss, and Lennie, J. S. Parker, all of Fort Steele, are all locations in the same vicinity, but with only slight development work done on them that I could find. The limits of these claims I was unable to distinguish without a survey, in the absence of the owners to point out the true lines.

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17-Jun-89

Frank

ASSAY REPORT

Ag only

File No. : 626-6
Type : CHIP
Project :

SAMPLE NUMBER	Au gms/tonne	Ag gms/tonne	Au oz/ton	Ag oz/ton
59747	46.01	19.10	1.342	0.557
48	28.97		0.845	
49	72.99	21.29	2.129	0.621
50	1.13		0.033	
51	0.75		0.022	
52	0.72		0.021	
53	37.37	17.52	1.090	0.511

RDO

ACME ANALYTICAL LABORATORIES LTD.

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE(604)253-3158 FAX(604)253-1716

Peter K.

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: Core AU ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: MAR 1 1989 DATE REPORT MAILED: *March 2/89* SIGNED BY: *C. Long* D.TOYK. C.LYONG. B.CHAN. J.WANG: CERTIFIED B.C. ASSAYERS

BAPTY RESEARCH LIMITED PROJECT-MCNEIL File # 89-0471

SAMPLE:	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	V	Au*
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPB

PROSPECTOR'S DREAM SPEC.

M-86-07 C 39113	64	328	3035	412	14.0	9	19	43	40.16	2213	5	.55	5	2	4	2	2	3	.01	.382	5	7	.03	10	.01	2	.26	.01	.05	3	-
STD C/AU-P	18	61	42	134	7.4	67	31	1021	4.22	39	21	.8	39	49	18	15	17	60	.48	.095	40	56	.94	174	.06	32	1.39	.06	.13	13	505

South Decline Very poor ground conditions

Very poor exposure
quartz was not exposed.
grab sample of quartz
laying around decline.

Sample South Decline ①

New Showing called the East Vein

Never sampled before.

appears to be ^{have} a vertical ^{attitude,} massive white quartz ^{rather Vuggy was no banding} with ^{no sulfide} $< 1\%$ pyrite fine cuts
minor limonite / goethite / hematite. Varies from 1.5 to possible 2m wide.
strike length exposed in 3 areas. over ^{75 to} ~~100~~ m.

Samples from middle trench. Some Vuggy quartz with up to 2cm crystals
East showing #1 1.3m wide

Hosted by leucite



WINZE SHOWING ALDRIDGE SEDS AND 1 METER SHEAR ZONE CONTAINING .3 METER VEIN



DECLINE SHOWING 1.5 METER VEIN IN DIORITE

- Sample ① $\frac{1}{2}$ Vn 80cm wide
- 23010 ② 10cm sample of sheared clay altered diorite overlying $\frac{1}{2}$ Vn.
- ③ unaltered HW diorite 50cm sample width.



DARK LIMONITE AND QUARTZ VEIN MATERIAL



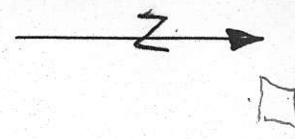
ALDRIDGE SEDIMENT - DIORITE CONTACT



10 TON STOCKPILE



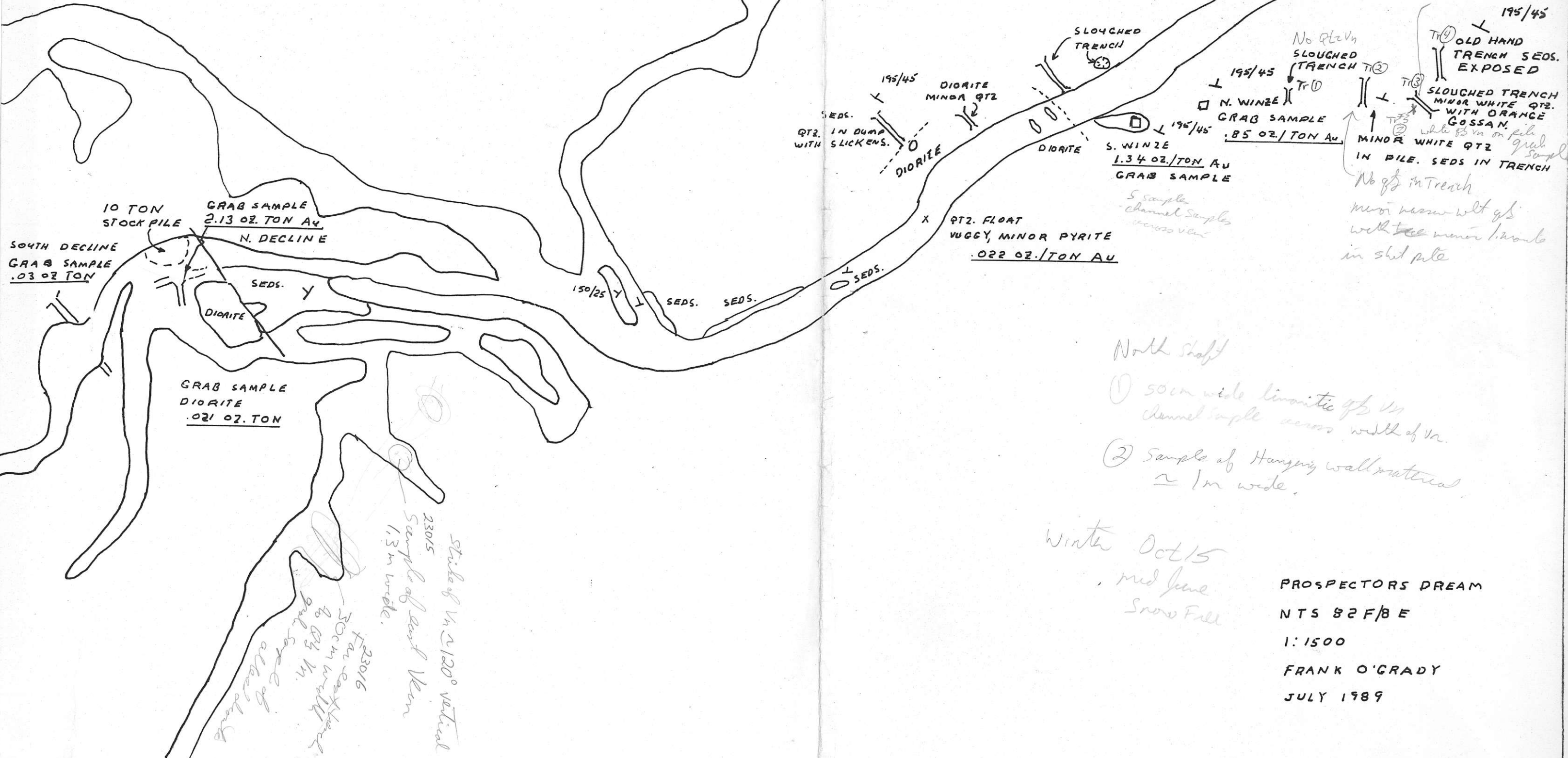
SHEAR CONTAINING VEIN IN DIORITE



Brush showing

Small pile of high grade quartz vein
try impression - boulder dug from trench
No bdrk in trench

OLD HAND TRENCH
NO BEDROCK EXPOSED
GRAB SAMPLE FROM PILE
1.09 OZ./TON AU



15cm wide of Vn may not be in place

TR #3

195/45

TR #4 OLD HAND TRENCH SEDS. EXPOSED

No Qtz Vn SLOUGHED TRENCH TR #5

195/45

N. WINZE GRAB SAMPLE .85 OZ./TON AU

TR #6 SLOUGHED TRENCH MINOR WHITE QTZ. WITH ORANGE GOSSAN. TR #7 white Qtz Vn on pile TR #8 MINOR WHITE QTZ IN PILE. SEDS IN TRENCH

S. WINZE 1.34 OZ./TON AU GRAB SAMPLE

5 samples channel samples across view

SEDS. QTZ. IN DUMP WITH SLICKENS.

X QTZ. FLOAT WUGGY, MINOR PYRITE .022 OZ./TON AU

No Qtz in Trench
more narrow wlt Qtz
with minor boulders
in shot pile

10 TON STOCK PILE
GRAB SAMPLE 2.13 OZ. TON AU
N. DECLINE

SOUTH DECLINE
GRAB SAMPLE .03 OZ TON

GRAB SAMPLE
DIORITE
.021 OZ. TON

23015
Strike of Vn 2120° vertical
Sample of leaf vein
1.3m wide.

23016
Far east hand
30cm wide
to Qtz Vn
grab sample of
at hand

North shaft

- (1) 50cm wide limonitic Qtz Vn channel sample across width of Vn.
- (2) Sample of Hanging wall material ~ 1m wide.

Winter Oct 15
mid June
Snow Fall

PROSPECTORS DREAM
NTS 82 F/B E
1:1500
FRANK O'GRADY
JULY 1989