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82M/05

Diamond Drill Report
(an update)

on the

ENERGITE CLAIMS

Located in the

Kamloops Mining Division
Lat. 51°21'N: Long. 119°58'W
Map Sheet, N.T.S. 82M/5 West Half
(North Barriere Lake Area)

For

KAM CREED MINES LTD.
P.O. Box 668
Sicamous, British Columbia

Report by:

Mr. D.G. Cardinal, P. Geol.
Consulting Geologist
Hope, B.C.
November 12, 1984.

D. Cardinal.

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INTRODUCTION

The Energite Claim Group is presently held by Kam Creed Mines Ltd., which has conducted systematic exploration programs over the past several seasons on the property. Recently, a geophysical, electromagnetic survey outlined a strong conductive zone that was traced for 6000 ft. A soil geochemical anomaly is also coincident with the conductive zone.

This field season (1984), Kam Creed carried out three (3) diamond holes to test the conductor and to test an auriferous quartz-shear zone. Only one (1) drill hole was completed on the 6,000 ft. conductor: undoubtedly, further drilling will be required to properly test the zone. In order that proper drill sites are located in the future, detail geological mapping of the bedrock geology and its' structures will also be required.

The writer was requested by Kam Creed to briefly examine the old workings and describe the drill core.

LOCATION AND ACCESS

The Energite Claim Group is located some 46 km. north-east of the town of Barriere, B.C., and approximately 5 km. northwest of North Barriere Lake. The claims cover a portion of the headwaters of Birk Creek which drains into the lake.

Access to the property is readily available by a secondary gravel road from Barriere and then by a log haul road which cuts across the property.

Barriere is situated some 66 km. north of Kamloops, B.C. and is serviced by the C.N.R. and the No. 5 or Yellowhead Highway.

PROPERTY INFORMATION

The Energite property consists of 40 located, contiguous mineral claims which fall in the Kamloops Mining Division with co-ordinates, Lat. $51^{\circ}21'N$; and Long. $119^{\circ}50'W$. The claim records can be examined at the Kamloops Mining Recorder Office.

The pertinent data is as follows:

<u>Claim Name</u>	<u>Record numbers</u>	<u>Anniversary Date</u>
Energite 1-6 incl.	81785-90	July 22
Energite 7- ^a	98209 - 10	July 15
Energite 9-12 incl.	69696- 99	July 9
Energite 13-14	90014- 15	July 9
Energite 15-32 incl.	98211- 28	July 15
Energite 33-40 incl.	98381- 88	July 21

BRIEF HISTORY

The ground was first staked in 1924 by a group of prospectors from Barriere, B.C. - Mess'rs. N. Farsberg, O. Bolin and C.E. Johnston. Over the next 12 years access skid-roads, trails, and several bridges were constructed to the area. Several exploration open cuts, trenches, and short drifts were developed; testing quartz veins containing pyrite, chalcopyrite, sphalerite and galena.

The ground subsequently lapsed and no mining activity in the area was reported. In 1968, the area was staked by the present owners who have gradually carried out extensive surface exploration on the property. The work has included bulldozer stripping, trenching, 6,000 ft. geophysical survey, and a recent follow-up drilling programme.

GEOLOGY

Regionally, the bedrock geology consists of a structurally complex sequence of bedded chert, fine to coarse grain clastics (e.g. argillites, slates, sandstone etc), and greenstone volcanics of Devonian to Permian age. The rocks trend northerly, associated with a complex series of thrust faults.

The claims are underlain by north trending graphitic argillites, banded iron-carbonate cherts, and semi-concordant felsic dykes. Abundant graphitic shears can be observed near the old workings. Mineralized quartz veins are also sheared,

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GEOLOGY Cont'd

and pinch and swell along strike. The veins tend to be concordant with the fabric of the rock. Along the northeast boundary of the claims, the sediments are intruded by granitic intrusives.

Several of the quartz lenses mentioned above were reported to assay up to gold 0.18 oz/ton; silver 30.8 oz/ton; lead 19.83%; and, zinc 8.29%. A five ton bulk sample sent to Cominco assayed Gold 0.16 oz/ton; Silver 20.65 oz/ton; Copper 0.25%; Lead 27.4%; and Zinc 13.3%.

DRILL RESULTS AND OBSERVATIONS

In 1981, geochemical and geophysical surveys delineated an anomalous zone striking some 6,000 ft. in length. This season, September, 1984, an exploratory drill programme was conducted to test a portion of this geophysical conductive zone.

Three (3) drill holes were completed for a total footage of 578 feet. Hole number 84-3 was drilled on gridline 0+00 and 65 ft. east of the baseline. Two (2) other holes, nos. 84-4 and 84-5 were drilled near a short adit to test the continuation of a heavily sulfided quartz-shear zone.

The core was described with some sections split and bagged for analysis: the bags were marked according to drill hole number and footage. The drill core is stored on the

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DRILL RESULTS AND OBSERVATIONS Cont'd

property, near the drill site and in a trailer. It can be examined on request.

The core log descriptions are as follows:

(core described by D.G.Cardinal, Geologist, Sept. 16, 1984)

DRILL LOG

Drill Hole No.	Footage Interval From - To	Description	Sample of Interval	Assay Au (oz/tor)
R4-3	5' - 72'	Dk. grey argillite, highly sheared with rounded white felsic fragments. Foliation approx. 80° to core axis. Graphitic shears with disseminated pyrite throughout much of core. In places, pyrite appears to be in lenses or in bedded form. Argillite occasionally carries fine quartz stringers.	65'-68' pyrite & argillite	.058
	72' - 118'	Dk. grey graphitic argillite with abundant slicken sides and shears; @ 67'-77' indurated siliceous argillite; @ 89'-102' black graphitic- pyritiferous gouge.	89'-93' gouge 114.5' - 115.5' quartz & argillite	.002
	118'-180'	Med. to Dk grey argillite w/ graphitic shears in part siliceous. Occasional fine quartz stringers and micro veinlets of quartz/albite. minor blebs of pyrite. Foliation and shears approx. 80° to axis of core.		
	180'- 190'	same as above		

DRILL LOG Cont'd

Drill Hole No.	Footage Interval From - To	Description	Sample of Interval	Assay Au (oz/ton)
84-3	190' - 216'	Grey massive and sheared recrystallized limestone. @ 196' quartz vein 4 inch wide.	196-197 quartz & limestone.	.001
	216' - 246'	Med.-Dk. grey argillite with subrounded granitic fragments. Bedding and foliation approx. 80° to axis of core, occasional blebs of pyrite with minor fine pyrite laminations.		
	246' - 253'	Grey recrystallized limestone.		
	253-285	Dk. argillite with shear fragments, blebs of pyrite and minor quartz stringers.		
	285-364	Dk. grey conglomeratic argillite; occasional well rounded cobbles and rip-up clasts. Disseminated blebs of pyrite.		
	364-411	Dk. grey argillite, very steep (80°) to shallow (50°) foliation to axis of core. Fault gouge @ 389'-393'.		
		<u>End of Hole</u>		
84-4	8-26	Dk. grey argillite, sheared with light grey, felsic fragments. Foliation and bedding approx. 80° to core axis.		
	26- 28	Approx. 60%-80% of pyrite by volume. Quartz stringers @ 27 ft.	26-28 pyrite	.004
	28-33.5	Same as section 8'-26'		
	33.5 - 66	Graphitic, sheared argillite with occasional cubic pyrite @ 51.5 - 53 fractured, oxidized with argillite	51.5 - 53	.001

DRILL LOG Cont'd

Drill Hole No.	Footage Interval From - To	Description	Sample of Interval	Assay Au (oz/ton)
84 - 4	66 - 72	Lt. grey conglomerate with disseminated pyrite. Abundant slicken sides. 8 in. quartz vein @ 70 - 70.8'		
	72 - 88	Lt. green felsic porphyry w/ minor cubic pyrite; gouge @ 88-90.		
	90 - 97	Dk. grey argillite, quartz stringers @ 94.5 and A 91,0	89.5 - 91 quartz stringers	.002
		<u>End of Hole</u>		
84-5	0 - 35	0 -3 drill stem and gravel 3 - 35, dk. grey, graphitic argillite with abundant shear and gouge. Pyrite seams along fractures and bedding planes. Occassional small quartz stringers.		
	35 - 42	Dk. grey argillite with minor subrounded granitic pebbles and angular fragments. Foliation approx. 60° to axis of core.	40 - 42 quartz stringers	.017
	42 - 58	Dk. grey graphitic argillite with disseminated cubic pyrite.		
	58 - 63	Dk. grey argillite, minor quartz veinlets.		
	63 - 70	Graphitic argillite with minor disseminated pyrite. Minor quartz veinlets.		
			<u>End of Hole</u>	

SUMMARY AND CONCLUSIONS

The Energite Claim Group consist of 40 located mineral claims which are held by Kam Creed Mines Ltd. The property is situated some 46 km. northeast of the town of Barriere, B.C., and can easily be reached by a series of well maintained gravel roads..

Originally, claims on the existing ground were staked in 1924 when highly mineralized quartz veins were uncovered. In 1968, the ground plus additional claims was restaked by Kam Creed. From 1980 to date, the company has carried out aggressive, systematic exploration programs, to the point where drill targets have been outlined. Results obtained from old workings, sampled by an engineer include gold 0.18 oz/ton; silver 30.8 oz/ton; lead 19.83 %; and zinc 9.29 %. In 1978, a 5 ton bulk sample sent to Cominco's smelter returned Au 0.16 oz/ton; Ag 20.65 oz/ton; Cu 0.25 %; Pb 27.4 %; and Zn 13.3 %. Limited drilling conducted in July 1984 intersected two 3 ft. sections carrying 0.160 oz/ton and 0.22 oz/ton gold.

The property is underlain by graphitic argillites, banded cherts; and, banded iron carbonate cherts cut by felsic dykes. Argillites host a number of semi-concordant, lensiod quartz structures. Some of the quartz lenses are heavily mineralized consisting of pyrite, chalcopyrite, galena and sphalerite. Gold and silver are associated with the sulphides.

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SUMMARY AND CONCLUSIONS Cont'd

The Energite claims merit follow-up detail exploration consisting of mapping, sampling and drilling. A 2 - phase programme is recommended at an estimated cost of \$194,320.00, with the second phase contingent on encouraging results of the first phase.

RECOMMENDATION

Based on the previous work and encouraging results obtained by Kam Creed such as the strong conductive zone and coincident geochemical anomaly; the bulk sample results; and the mineralized quartz-shear structures, the property merits additional follow-up work.

It is therefore recommended that a 2-phase programme be implemented to test and define the conductive zone by stripping and drilling, and detail mapping and sampling for better control on the auriferous related quartz structures.

PROPOSED PROGRAMME AND ESTIMATED COST

The programme should consist of detail geologic mapping, geochemical surveys, stripping, and diamond drilling.

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PROPOSED PROGRAMME AND ESTIMATED COST Cont'd

PHASE I Detail Follow-up

Geological surveys	\$ 6,000.00
Geochemical surveys	4,000.00
Stripping and trenching	8,000.00
Supervision and Reports	3,500.00
Contingencies	2,580.00
	<u>\$24,080.00</u>

PHASE II Diamond Drilling

Geological survey	3,000.00
Diamond Drilling - 10 holes (P.Q. core, 5,000 ft @ \$25/ft.)	125,000.00
Logging and Analysis	15,000.00
Supervision and Reports	9,000.00
Contingencies	18,240.00
	<u>170,240.00</u>

Total for Phase I and II

\$194,320.00

Respectfully submitted,



D.G. Cardinal, P. Geol.

Consulting Geologist.

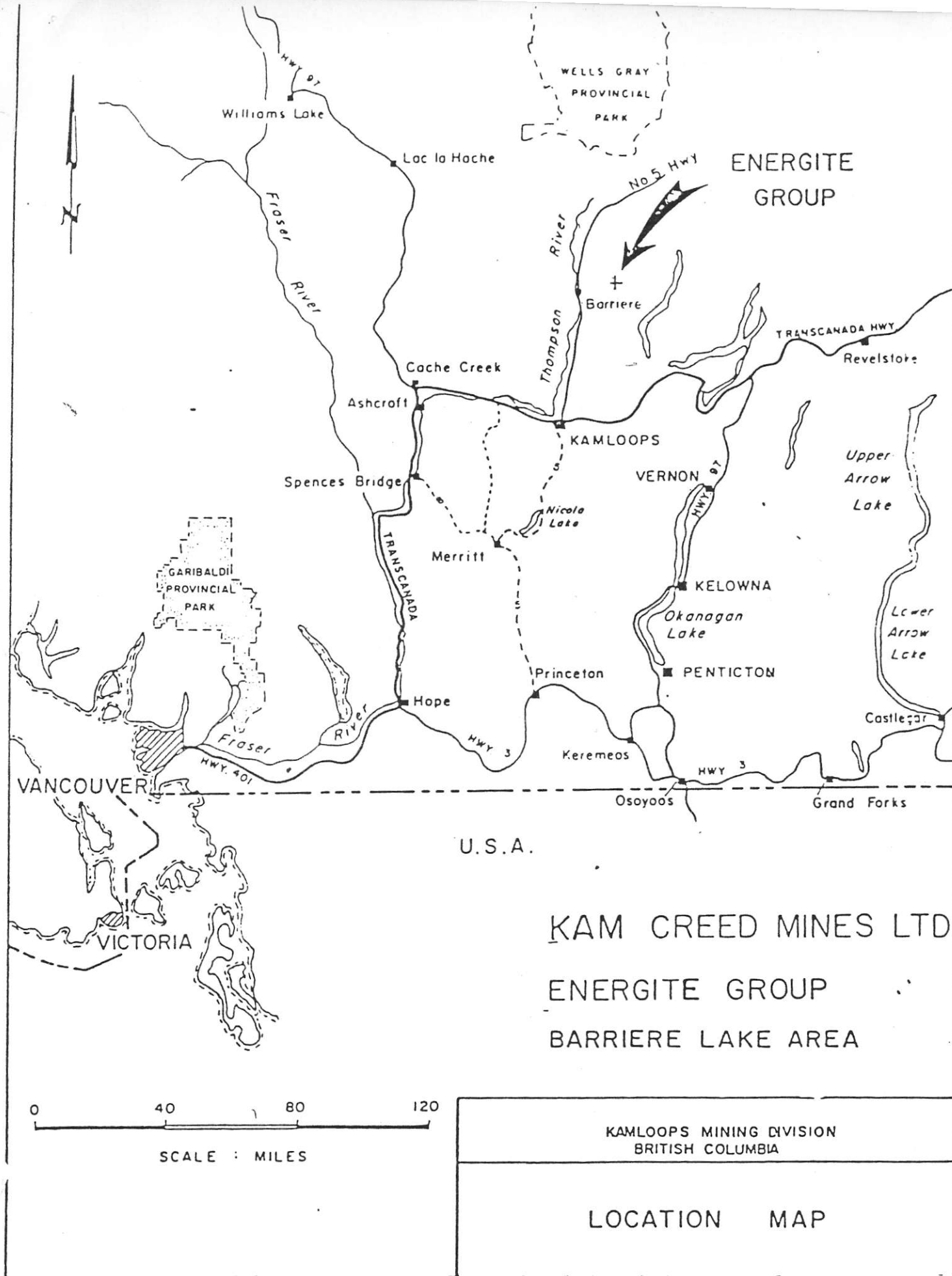
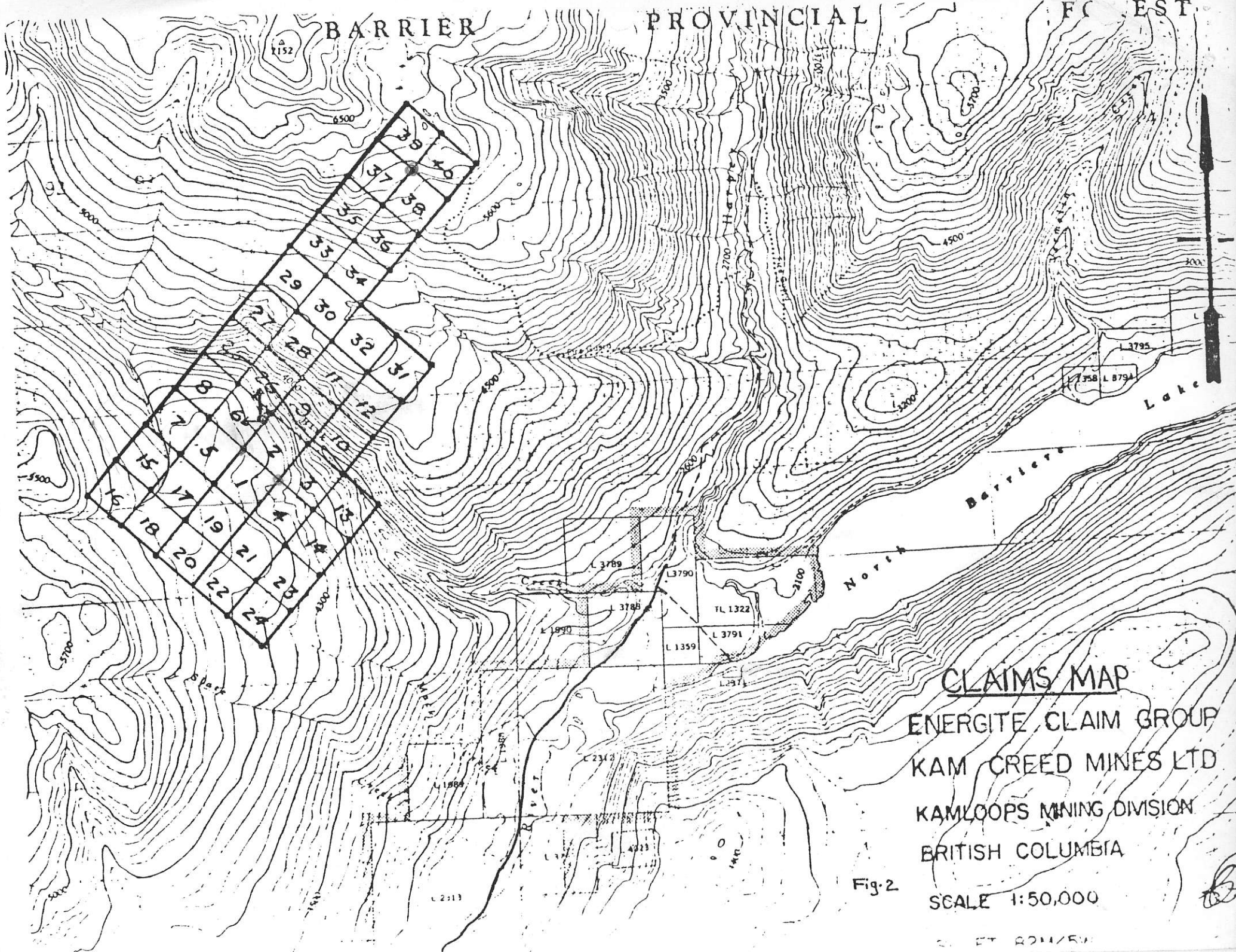


Fig. 1

BARRIER

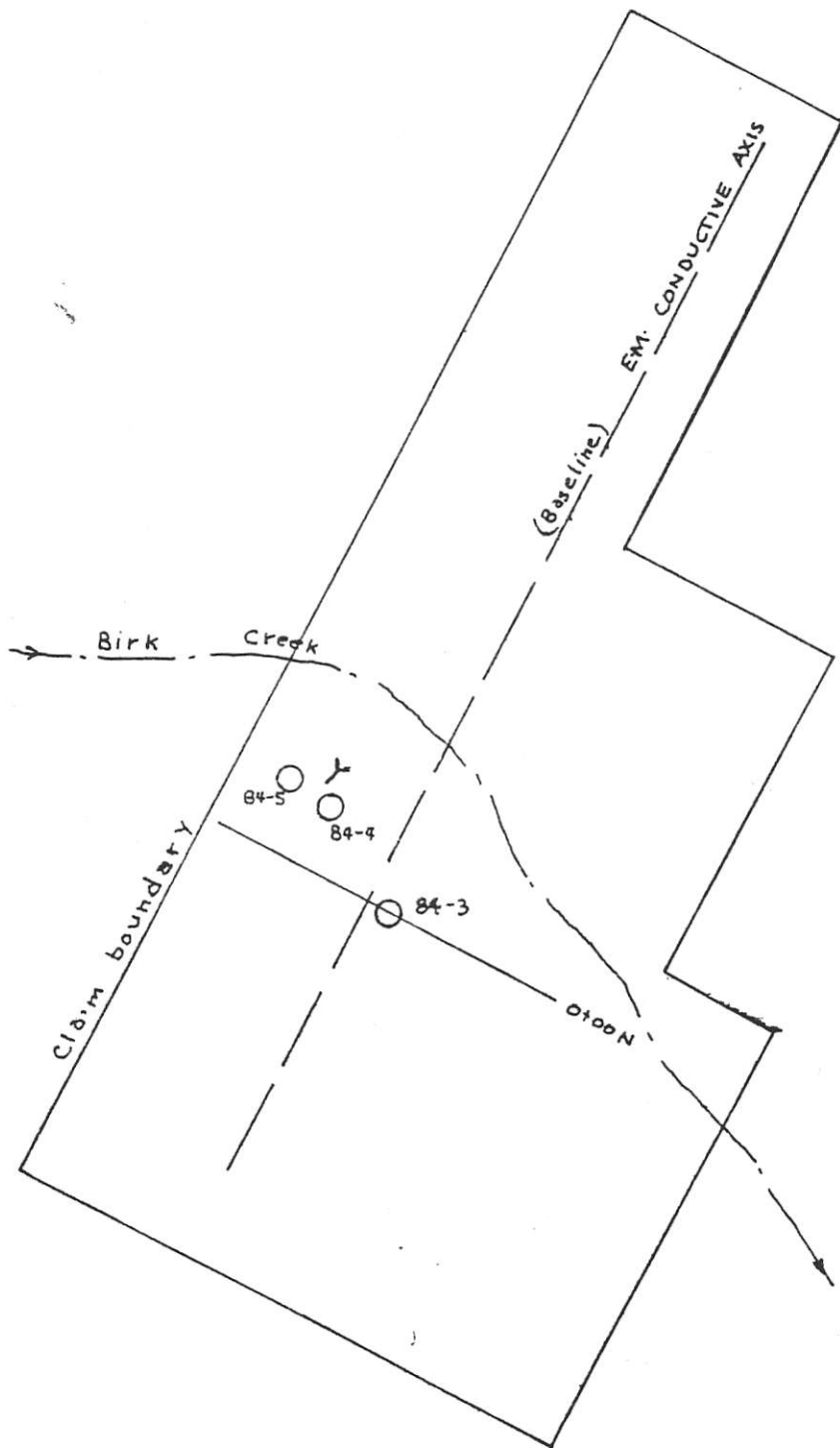
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CLAIMS MAP
ENERGITE CLAIM GROUP
KAM CREED MINES LTD
KAMLOOPS MINING DIVISION
BRITISH COLUMBIA
SCALE 1:50,000

Fig. 2



ENERGITE CLAIM GROUP
KAM CREED MINES LTD

1984 DRILL HOLE LOCATION MAP

○ 84-3 Drill station

┘ Adit

Scale 1/2 in. = 1 mile.

Fig. 3

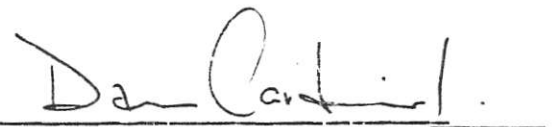
D.G.C.

APPENDIX I

Certificate:

I, Daniel G. Cardinal of the Municipality of Hope, British Columbia, do hereby certify that:

1. I am a professional geologist residing in Hope, B.C., mailing address; P.O. Box 594, Hope, B.C. VOX 1L0.
2. I am a graduate of the University of Alberta and a member in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA).
3. Since 1970, I have been actively involved in the Canadian mining industry, both as a project manager and consulting geologist for major and junior resource companies.
4. The findings in the report are derived from data acknowledged and from personal examination of the property during September 8, 9, and 16, 1984.
5. The full text of the report and accompanying maps may be reproduced in the Company's Prospectus or Statement of Material Facts.



Daniel G. Cardinal, P. Geol.

APPENDIX II

References:

- Report of the Minister of Mines, B.C., 1934, 1936
- Report on Energite Group, C.T. Pasieka, P.Eng. Oct., 1980
- Preliminary Map No. 56 - Geology of the Adams Plateau -
Clearwater Area, P. Schiarizza and V.A. Preto, 1984.