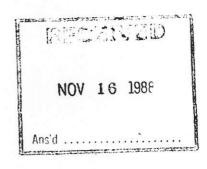
NOV 15/88 Dividend LED REACHERT 824842, BOX 514 82E/05 KEREMEDS BC VOX IMO 499-2580

MR. IAN PIRIE MINNOVA DEAR SIR



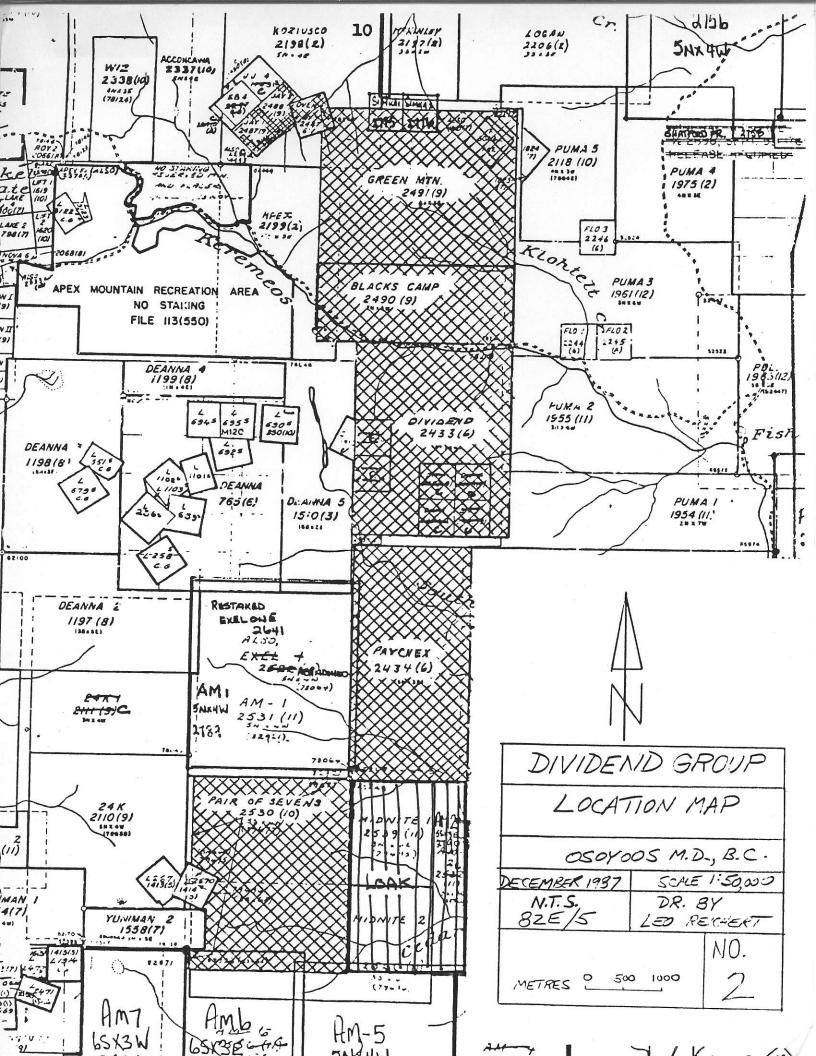
PLEASE FIND ENCLOSED AN INTRADUCTION TO THE DIVIDEND" PROPERTY AS DISCUSSED VIA TREPHONE SOME DAYS AGO -

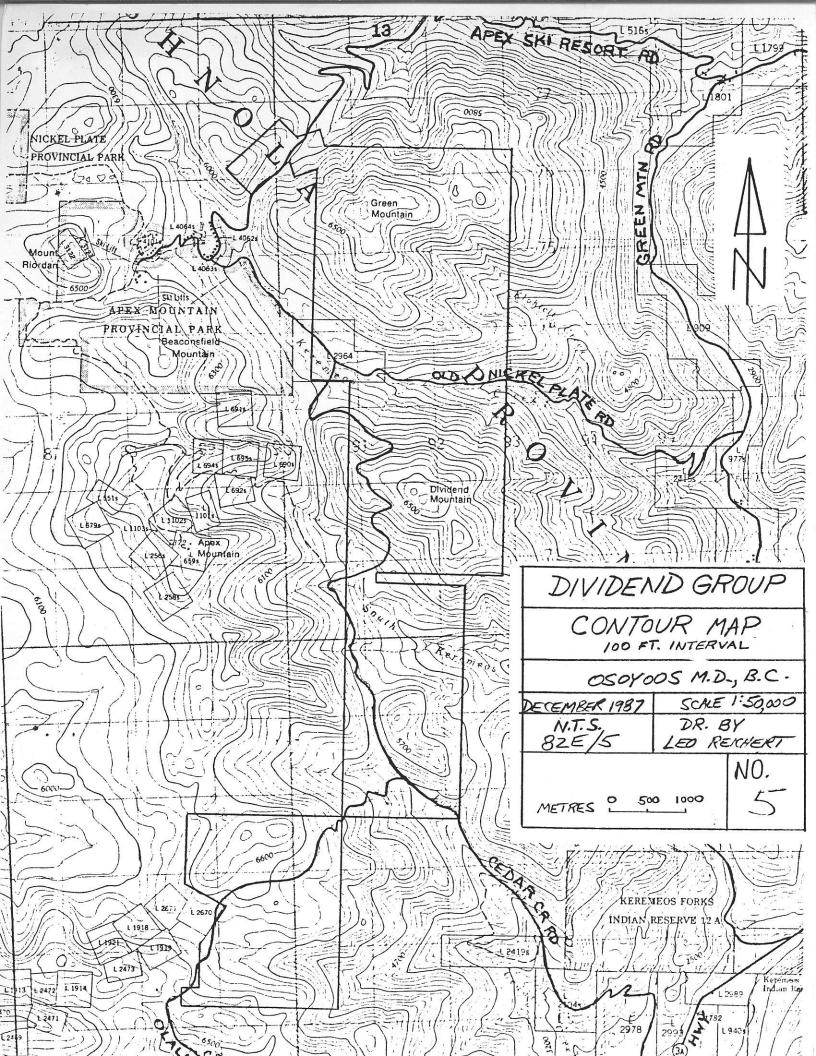
1987 MAGNETOMETER REPORT IS NOT INCLUDED BUT IS AVAILABLE UPON REQUEST

1988 MAGNETOMETER REPORT IS NOT YET COMPLETED DRAFTING BUT WILL BE AVAILABLE UPON REQUEST.

CONCRATIONS ON THE BIRTH OF YOUR SON I I LOOK FORWARD TO HEARING TO HEARING INFORMATION REPUIRED.

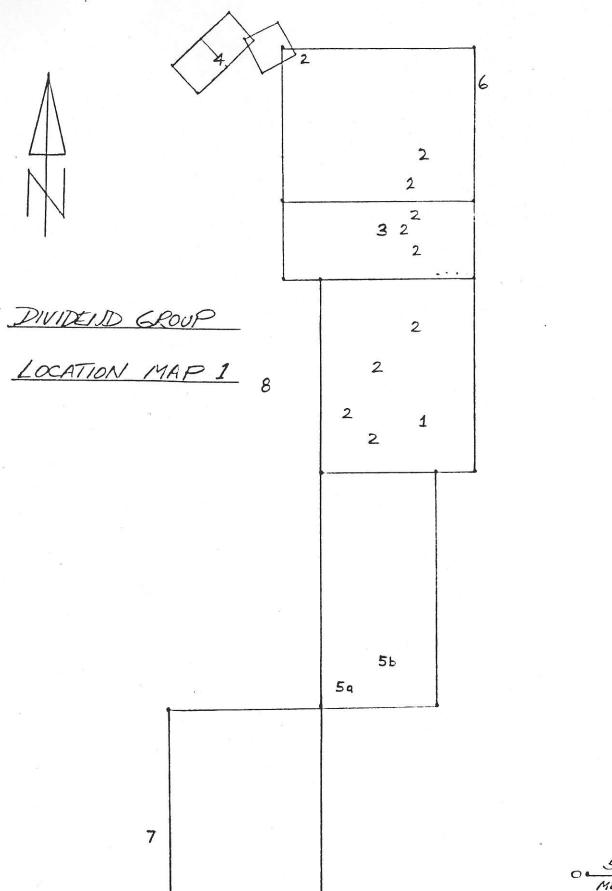
Yours SINCERLY





Dividend Group

Claim Name	Record Number	Expiry Date
Jay # 1	2487	Sept. 19, 1988
Jay #2	2488	Sept. 19, 1988
0 ven	2447	June 30, 1988
Green Mtn.	2491	Sept. 29, 1988
Black's Camp	2490	Sept. 29, 1988
Dividend	2433	June 16, 1988
Union Gap	2435	June 16, 1988
Paychex	2434	June 16, 1988
Pair of Sevens	2530	Oct. 31, 1988



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O SOO 1000 METERS Since the report by Alex Burton for Summit Pass Resources Corp. in 1981 the claims have lapsed and the ground has been legally restaked and added to. The staking was professionaly done and supervised by myself and will stand up to any inspection by the Ministry. I have not, however, enclosed assessment reports which can be easily obtained in Vancouver. Highlights of the property consist of the following (reference to map 1 for corresponding locations):

1. A large and significant Au soil anomaly near the south east peak of Dividend Mtn. Results consisted of a sample high of 960 PPB with a corresponding lower value downslope shadow covering several hundred square meters. Random soil sampling by independent sources in and adjacent to this area have confirmed anomalous Au values, however a follow up and extension of this soil survey is required.

Refer Ass. Rep. # 5574

2. Several additional outcrops of massive Sulphide mineralization have been discovered adjacent to crystaline limestone. This lends credence to our theory that structural control of the mineralization may be caused by replacement of stratabound limestone horizons in the Independence formation. These horizons are near the contact zone between the Independence and Shoemaker formations and have similar strike and dip (N30°E/70°SE). There also exists strong evidence that at least two and possibly more parallel zones of mineralization occur.

Refer map 628 A

Refer Ass. Rep. # 10092

Refer B.C.D.M.-M.M.A.R.

(1907) Dividend/Scotia Group

3. A previously unknown magnetic anomaly was discovered on Green Mtn. in 1985 and a prelimary magnetometer survey conducted by Placer Development Ltd. Although there are several massive sulphide outcrops within a few hundred meters, this anomaly is completely covered by overburden and requires follow up work.

Refer map #2

4. A strong and large mineralized zone of Pyrrhottie outcrops on the Jay #1 & #2 claims coincident with a large Cu soil anomaly

Refer Ass. Rep. # 3916 and # 4794

- 5. On the Paychex claim two seperate outcrops of massive Sulphide mineralization occur.
 - (a) Massive pyrite coincident with a large magnetic anomaly.

Refer Ass. Rep. # 1803
(anomaly # 1)

(b) Massive magnetite coincident with another large magnetic anomaly.

Refer Ass. Rep. # 1803
(anomaly # 2)

6. The Ace claim owned by Canova Res. Ltd. adjoining our claim block is a former gold producer. This claim is incorrectly plotted on the government claim map and actually lies one claim length to the east. This fact distances the claim 1 km. to the east of the massive sulphide zone which is, interestingly, the same distance that the Au soil anomaly (discussed under 1. of highlights) lies to the east of the massive sulphide zone on Dividend Mtn.

Refer Lookout & Mountain View (1924 & 1931)

- 7. The Pair of Sevens claim has no known mineralization, however it adjoins the Star of Hope and Eclipse reverted Crown granted mineral claims formerly owned by ourselves and purchased by Echo Resources Ltd. in 1985. An exploration program conducted by Echo in 1985 and follow up diamond drilling in 1986 has confirmed gold intersections of "ore" grade.
- 8. Adjoining our claims to the west of Dividend Mtn. on Apex Mtn. lies the historic Nelson Group or Apex Mine owned by Stan Brewer. This claim block has produced gold ore in excess of 3 oz./T Au from identical massive Sulphide zones in identical country rock as the Dividend Group. Since 1981 the Apex claims have been optioned, explored, drilled and reevaluated by such major companies as Union Carbide, Dupont and Cominco with encouraging and positive results although no gold production has yet been undertaken.

Refer rep. Apex Exploration and Mining Co. Ltd. (1967)

- 9.0ther significant Gold values in the immediate vicinity of the Dividend Group occur to the east,
 - (a) Kero claims owned by Grand National Resources Ltd.
 - (b) P.D.L. claim owned by Placer Development Ltd.
- 10. Mascot Gold Mines, currently being developed, lies 10 km. to the west of the Dividend Group. This is the third production era of the mine since its historic beginnings in 1902, yielding 41,637,105 g Au from 2,978,046 tonnes ore to date. Mascot plans a June 1987 start up of the

2450 tonne/day concentrator producing 12.3 kg Au/day from reserves quoted at 6.4 million tonnes grading 5.14 g/t.

Within a 5km radius of Mascot lie several other significant skarn related gold producers currently being re-evaluated with encouraging results.

Refer B.C.M.E.M. & P.R.

Geological Fieldwork 1986

Summary

Although no high grade Au rock samples have recently been taken from the Dividend Group, massive Sulphides, numerous occurences on neighboring properties with identical or similar mineralization and geology have produced gold ore. Gold values in the massive Sulphides as well as the country rock are consistently anomalous (up to 1000 PPB Au) with other ecomonic minerals assaying as high as 1.0 % Cu, 1.48% WO₃ and 25% Fe, measurable amounts of Ag, Ti, V, Mn, Ni, Mg and Zr as well as traces of Mo, Sn, Ga, Ge, Y and Yb.

Until recently the area covered by the Dividend Group was explored by several operators working on localized areas of interest independently at different times.

Today, based on previous data, an overall view of the possibilities and trends can derived much more easily.

There remains a great amount of area yet to be prospected as well as follow up on existing showings and anomalies. No previous operators have

completed a thorough program even though all conclusions and recommendations advise to do so.

This property is available for option and all terms and condtions are negotiable.

Cordially,

Leo Reichert

AUTHORS QUALIFICATIONS

- I, Leo Reichert, do hereby certify that I am a certified mining technologist and prospector with offices at Box 514, Keremeos B.C. vox-ino (Ph. 604-499-2580).
- (1) I graduated from the British Columbia Institute of Technology in 1972 with a diploma in mining technology, diploma #4538.
- (2) I completed and hold a certificate from the British Columbia Dept. Energy, Mines and Petroleum Resources, "Mineral Exploration for Prospectors" (April-May 1978) Selkirk College, Castlegar B.C.
- (3) I completed and hold a certificate from the British Columbia Mining School, Rossland B.C. (Dec.78-Mar.79)
 "Open Pit Operator Basic Training" #1970.
- (4) I completed and hold a British Columbia Dept. Energy, Mines and Petroleum Resources, "Certificate of Competency in Mine Rescue" (Mar. 1972) #5072.
- (5) I have been involved in mining exploration since 1978 and have worked the 1978,1979&1980 seasons for Wayland S. Read Ltd. as an exploration technician in the Yukon and B.C.
- (6) I was employed by "Newmont Mines", Similkameen Division as Senior Ore Control Technician from July 1972 to Nov. 1973.
- (7) I was employed by "Brenda Mines Ltd." Peachland B.C. as a summer student 1971 in the capacity of both surveyors helper and 100 ton truck operator.

- (8) I was employed in the Kalgoorlie Gold Fields of Australia (1974) as both underground tram operator and mill labourer.
- (9) Since 1981 I have made my living prospecting for myself and doing various contract exploration work for companies in B.C. and Washington State U.S.A.

Companies I have sold or optioned claims to include; Lawrence Mining Corp. Ltd.

Summit Pass Resources Ltd.

Toby Creek Resources Ltd.

Echo Mountain Resources Ltd.

Montello Resources Ltd

Yuriko Resources Ltd.

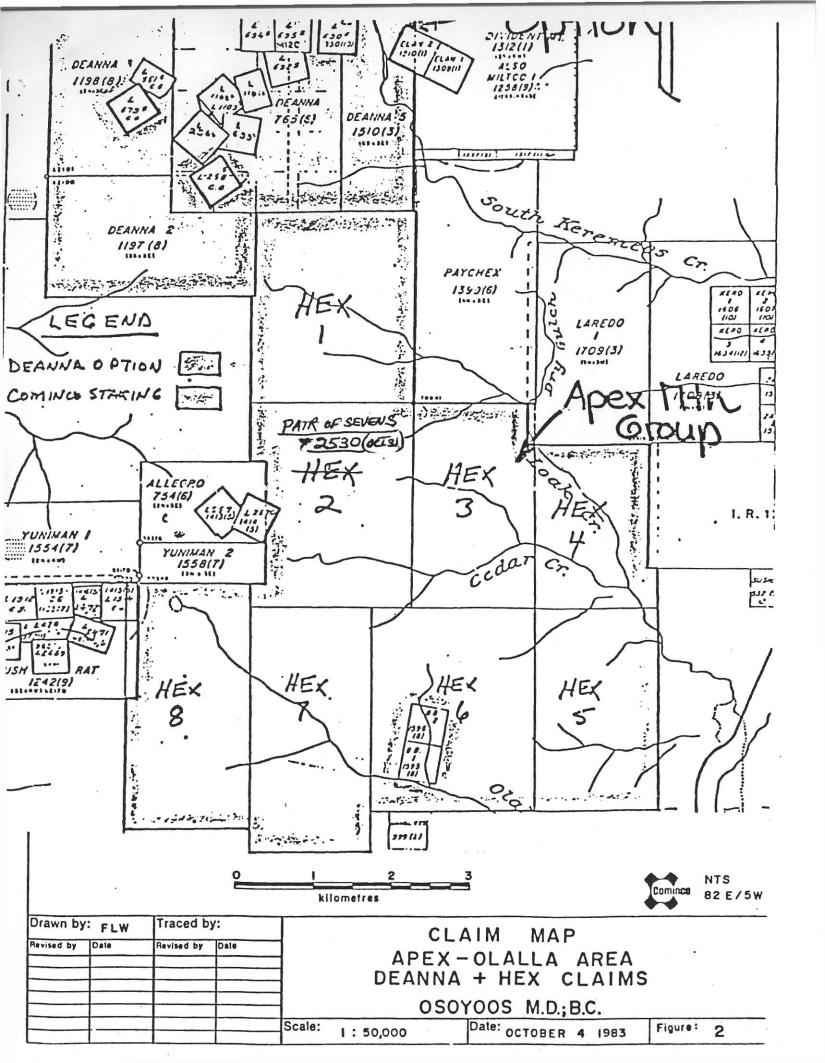
Companies I have done contracts for include Placer

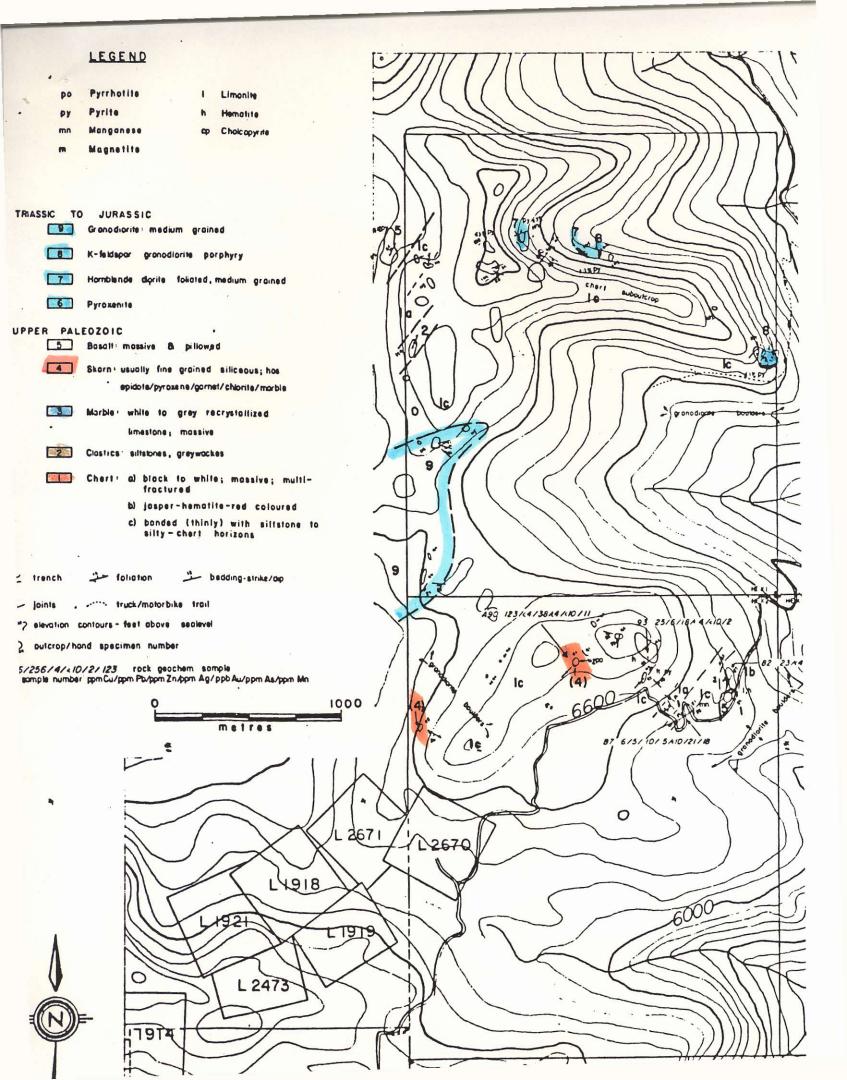
Development Ltd., 500 km grid on the Golden North/Good Hope

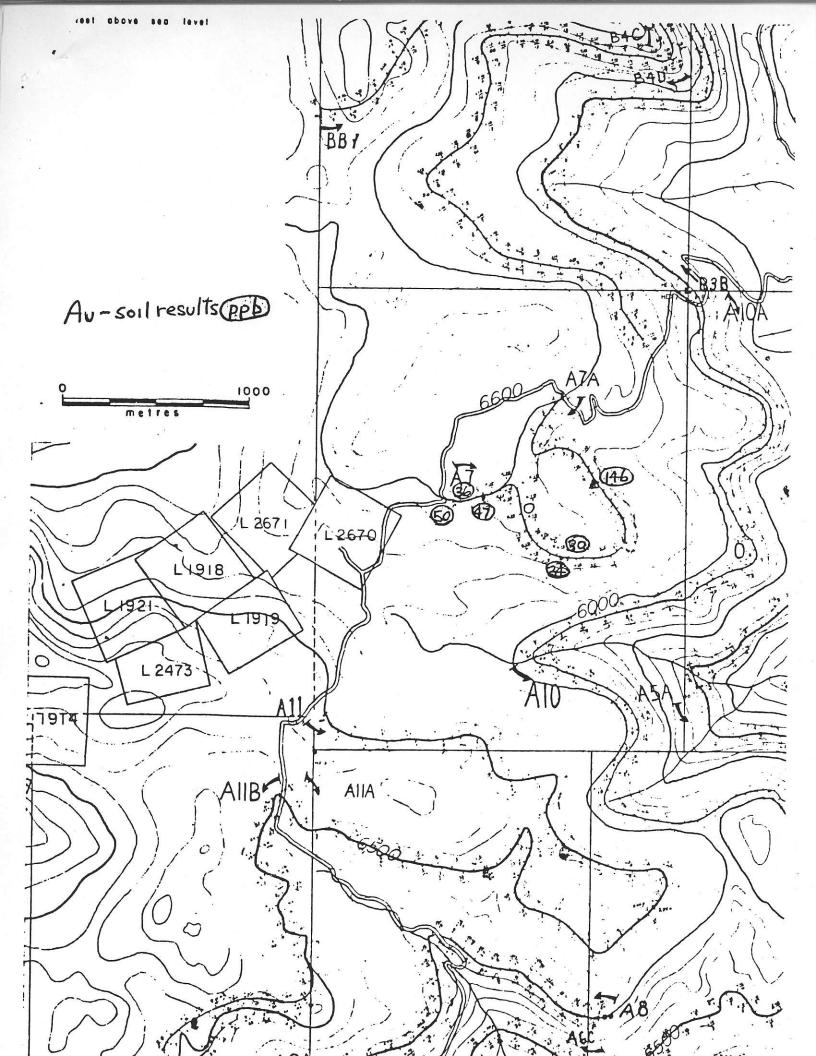
property adjoining Mascot Gold Mines Ltd., Hedley B.C. (1984,5%6)

(10) I am the recorded owner, operator and author of the "Dividend Group" of claims, the 1987 exploration program and report.

THE PAIR OF SEVENS "CLAIM # 2530, OCT 31/87 IS LOCATED OVER THE HEX#2" CLAIM NOW EXPIRED AND FORMERLY OWNED BY COMMOD LTD. FOLLOWING IS EXCLOSED AN EXCEPPT FROM ASSESSMENT REPORT #12,918. ALTHOUGH SOIL SAMPLING WAS LIMITED TO, ONLY TWO CONTOUR LINES AT 6000 \$ 6500 FT- A.S.L. APROX. 100 SAMPLES WERE THKEN ON THE "PAIR OF SEVENS" (HEX#Z) CLAIM OF WHICH SIX WERE ANOMALOUS IN GOLD VALUES. SEE MAP ENCLOSED). A FEW KILDMETERS TO THE WEST TOBY CREEK RESOURCES LID" HAS A TARGET OF SOME 25,000 TO 50 000 TONS AT A GRADE OF 0.80 TO 1.00 02 Au/ton AS DESCRIBED IN ASSESSMENT REPORT # 14,651 NOV/85. BORDERING ON THE WEST OF PAIR OF SEVENS ARE REVERTED CROWN GRANTS LOTS 2670 & 2671 OWNED BY ECHO MOUNTAIN RESOURCES. OLD DIGGINGS CONSISTING OVER A DOZEN ADITS, PITS & TRENCHES YIEDED A GRAB SAMPLE OF 6.832 OZ AU/ton AS DESCRIBED IN ASSESSMENT REPORT # 14,580 OCT/85. SINCE THAT TIME DIAMOND DRILLING ON BOTH THE ABOVE COMPANIES PROPERTIES HAVE YIELDED ORE GRADE GOLD INTERSETIONS. A SECOND PHASE OF DIAMOND DRILLING IS CURRENTY ONGOING. SEPT/87







REPORT

for

SUMMIT PASS RESOURCES CORP.. 1020-800 West Pender Street, Vancouver, B.C. V6C 2V6 Tel. (604)688-7775

on the

DIVIDEND PROPERTY with the

Dividend Mineral Claims No. 1312 Keremeos Creek " No. 1311 Elan No. 1 " No. 1309 Elan No. 2 " No. 1310

On Dividend and Green Mountains just east of Apex Mountain Ski Resort and north of Keremeos, B.C.

N.T.S. 82 E 5 W

49 22' North Latitude
0
119 52' West Longitude

in the Osoyoos Mining Division

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ALEX BURTON, P. Eng., Burton Consulting Inc., 810-626 West Pender Street, Vancouver, B.C. V6B 1V9 Tel. (604)669-8413

AUGUST, 1981

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__ BURTON CONSULTING INC. _

INTRODUCTION

A series of mineral occurrences were recently recognized to be a linear zone of pyrrhotite lenses and disseminations with significant TUNGSTEN values as well as the previously known gold and copper values.

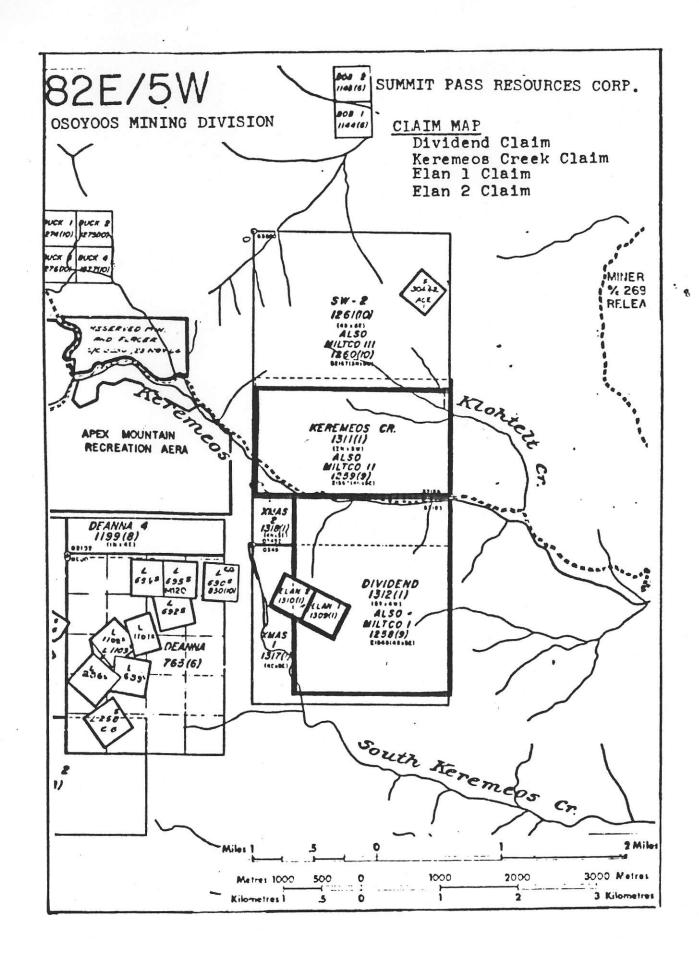
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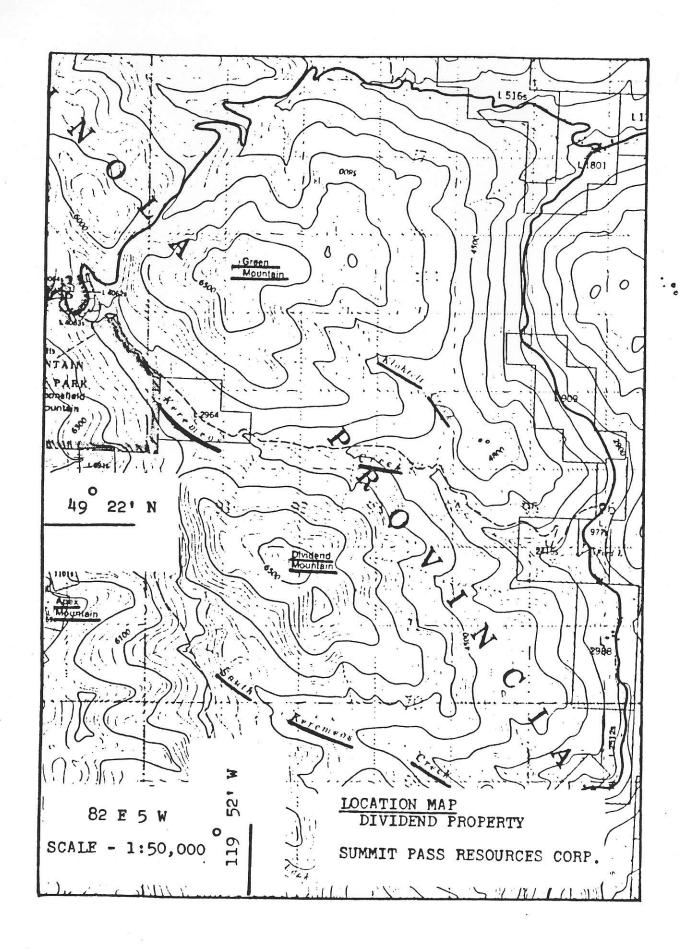
The several showings line up and appear to be part of a zone at least 2,400 metres (8,000 ft.) long that extends through a vertical extent of at least 300 metres (1,000 ft.) and maybe more than 450 metres (1,500 ft.) This is a significant and important mineral property with good potential for developing economic tonnages of open pit and maybe underground ore.

It warrants a thorough exploration program on the several surface showings as well as along strike extensions on the zone.

A program of exploration and a budget for the work is recommended.

The property was examined by Mr. Sam Craig and myself on August 8th and 9th, 1981 with the vendors, Messers Leo Reichert and Keith George as guides.





HISTORY

The first recorded claims in the area were on the 7th of July, 1899 on up to August 13th, 1904.

Exploration was centered on bodies of massive pyrrhotite carrying values in copper and gold. Most of the known pits, trenches, adits and shafts date from that time. Records are incomplete. Very little work was done from then until the early 1970's when larger claim blocks were explored with a combination of geology, geophysics and geochemistry. Several assessment reports are available for reference. No known work has been done since then until now, when the present owners recognized the presence of scheelite in the copper gold mineralization, acquired the claims and optioned them to Summit Pass Resources Corp.

ACCESS

Access is by 4 x 4 vehicle on bulldozed roads from any of the South Fork of the Keremeos River, the main Keremeos River, or the Apex Ski Resort Road, Apex is 35 km. (22 miles) west of Penticton, B.C., which is the district commercial

center. Some maintenance and upgrading work, including better drainage is required on the property roads.

CLAIMS

There are two metric claims and two - two post claims.

The metric claims are:

Dividend (20 units) Record 1312 Keremeos (15 units) Record 1311

The two post claims are:

Elan No. 1 Record 1309 Elan No. 2 Record 1310

From my personal observation in the field the claims appear to be satisfactorily staked and plotted in their correct location.

PHYSIOGRAPHY

The claims are in the Okanagan of the Interior of B.C. They are on Dividend and Green Mountains with the valley of Keremeos Creek between. Slopes are steep with valley floor and lower slopes covered with evergreens with upper southern slopes in bare alpine growth. The claims are just east of

the Apex Mountain Ski Resort and although they are in the weather shadow of Apex Mountain, do have considerable snowfall in the winter. The climate is pleasant with relatively dry winters and summers.

REGIONAL GEOLOGY

Mapping by H.S. Bostock in 1927 for the G.S.C. at a scale of one mile to the inch was printed as Map 628A, Ollala. In the area of the claims Triassic sediments and lesser amounts of volcanics were mapped as the Old Tom, Shoemaker and Independence Formations. These Formations are cut by post Triassic granodiorite.

Later mapping at 1 inch to 4 miles by C.E.

Cairnes in Map 538A Kettle River (West Half) shows
only two Triassic sequences, the Andesite, Basalt
and related intrusives which is equivalent to the
Old Tom Formation: and a sedimentary unit composed
of Chert, Argillite, Limestone, tuffaceous sediments
which is the equivalent of the combined Shoemaker and
Independence Formations. Superficial field
examination shows no recognizable differences between
the sediments. Cherts with occasional small lenses
of limestone and tuffaceous beds seem the common

rock types. Revision of the map in 1961 illustrates the difficulty in separating the Independence, Old Tom and Shoemaker Formations.

PROPERTY GEOLOGY

Cherts, plus silliceous and also argillaceous cherts, with occasional lenses of recrystallized limestone are host rocks for the pyrrhotite, gold, chalcopyrite and scheelite mineralization. Mineralization consists of massive pyrrhotite lenses and of disseminated sulphides. Scheelite occurs in both the massive pyrrhotite and disseminated. Faulting is common both along the sulphide lenses and probably as cross faults. The Pyrrhotite lenses range from a few centimetres to at least three metres wide and 15 metres long. Commonly they occur as discontinuous sub parallel series of lenses across the 30 or 50 metres of exposure across the zone in bands of mineralization. Dips are close to vertical and while strikes vary from N30E to N60W the trend is magnetic north. The zones of mineralization appear to line up and can be traced for more than 2,400 metres (8,000 ft.) of length, and maybe more than 450 metres vertically. The direction the zones trend is sub-parallel to the trend of the contact

between Formations.

At one place the zone of massive pyrrhotite is in a lense of cherts within a tongue of the granodiorite.

. . .

SPECULATION

Visually the granodiorite is not dissimilar to other known "tungsten granites." The preference of the sulphides for what appears to be preferred formational horizon and along a major structural trend bode well for the possibility of there being enough economic tonnage for a mining operation.

Narrow high grade lenses are likely to occur as well as lower grade disseminated mineralization. The possibility of mining the whole width of the zone in a large tonnage lower grade open pit operation with values in gold, copper and tungsten is attractive.

A large tonnage with reasonable widths over a long length and for an extensive vertical depth is a reasonable exploration target on this property, as there is such a long unexplored strike length of mineralization.

MAGNETICS

Airborne and ground magnetic surveys have been done by at least three sets of previous workers over portions of the property. The magnetics outlined areas and linear trends of magnetically high anomalies. It was assumed that the anomalies coincided with the pyrrhotite rich gold-copper zones. Detailed ground work shows the magnetically high anomalies to be more complex. Full interpretation of the anomalies will need correlation with the geology, mineralization and geochemical surveys.

Further magnetic surveys are needed both to cover the rest of the property and for detailed work within specific areas of sulphide mineralization.

GEOCHEMISTRY

Various workers have made copper and copper plus gold analyses on soil samples collected from grids on portions of the claims. No analyses were made for tungsten. In general the copper soil values and the magnetic highs coincide on ground magnetic surveys better than with airborne magnetic surveys.

Relationships between soil gold and soil copper values probably show the fact that some of the copper in soils is related to rock type rather than to mineralization, plus the fact that gold mineralization and weathering cycle may be more restricted than for copper.

Soil sampling for copper, gold and tungsten will have to be extended greatly and redone for check analyses plus tungsten in previously soil sampled areas.

:::

TRENCHING

Some modern bulldozer trenching was done, but most exposures of mineralization are from old turn of the century hand dug trenches, pits, shafts and the occasional adit. On one showing there is stuck rod from two diamond drill holes, but no record of this work is available. At the turn of the century assays in gold and copper were reported ranging from trace to high grade.

Two recent samples taken by the vendors ran:

Mark	Au oz/T	Ag oz/T	Cu %	<u>w038</u>	
B.S.	0.024	0.10	0.32	0.33	
G M	0.020	0.10	0.09	tr.	

CONCLUSIONS

Cherty sediments for 2,400 metres length and at least 450 metres vertically carry lenses and disseminations of pyrrhotite with gold, chalcopyrite and visible scheelite. The tungsten content of the mineralized zones was not previously recognized.

Lower grade open pit tonnage potential is impressive.

There is no knowledge of grades across the width of the massive plus disseminated mineralization.

This property is an excellent exploration bet and extensive detailed exploration work on it, is certainly justified.

RECOMMENDATIONS

Stage One

Previous exploration work needs to be tied together and all plotted on the same base map at the same scale. Some of the grids on the ground may be recoverable and should be integrated with new grids running along the trend of the mineralized zones.

The roads should be upgraded and improved for easier access to all parts of the property.

Geochemical soil sampling and ground magnetometer surveys should be done on a grid basis. Soil samples should be run for copper, gold and tungsten. Ground magnetometer should be used within the grid system as a pyrrhotite prospecting tool with special flagging to outline zones on the surface to guide later geochemical profile sampling and backhoe trenching.

Geological mapping on a property grid basis and on a detailed basis over showings and anomalies is needed.

Once zones of interest are established a program of work to test grades across the zones will

be required. This will entail backhoe pitting and bulldozer trenching.

Stage Two

It is expected that because of the long length of the known mineralization that certain sections will have reached Stage Two point before others.

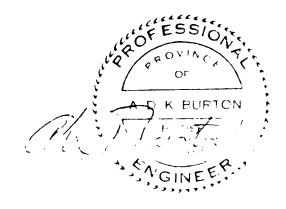
The sections that are explored to this Stage, if favourable, can then be drilled across the zone for geology and grade.

Stage One exploration will continue on the remainder of the property while drilling of Stage
Two is being done on the first portion.

Further drilling can then be done on the remainder of the property provided the Stage One results warrant it.

BUDGET

First Portion	Second Portion		Stage One	Stage <u>Two</u>
\$ 50,000		Compilation Grid, geology, magnetics, geochemistry, road upgrading, backhoe pitting and bulldozer trenching	\$ 50,000	
120,000		Diamond drilling, assays, engineering 10 holes - 100 m each @ \$120/m		\$120,000
<u>.</u>	\$ 50,000		50,000	
	120,000		-	120,000
170,000	170,000	Sum	100,000	240,000
34,000	34,000	Contingency 20%	20,000	48,000
204,000	204,000	Totals	120,000	288,000
\$408	000	GRAND TOTAL	\$408,000)



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Airborne Magnetometer Survey, 1974 5199 Dividend Project, Dividend Mtn. Southcan Mining Limited.

5574 Geochemical Report, 1975 Dividend Project, Dividend Mtn. Southcan Mining Limited.

Geological Survey of Canada, Maps

ALSO 4794 10 092

Map 628A Olalla 14 743 15181

Map 538A

Kettle River, W. Half 16 796

Map 15-1961 Revision of Map 538A

CERTIFICATE

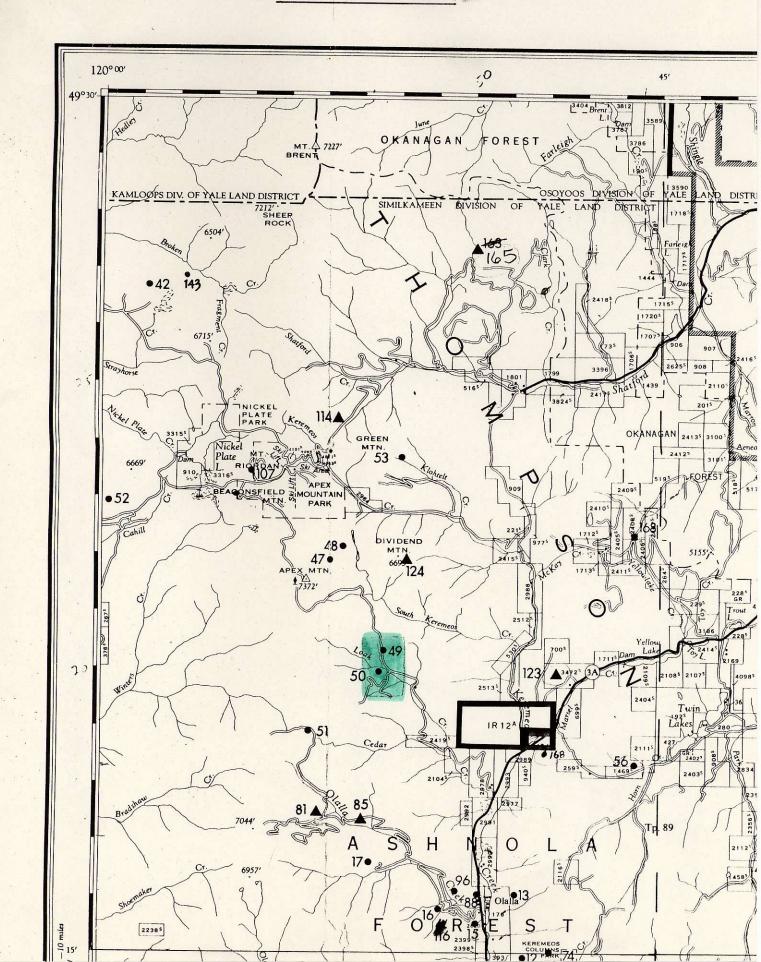
I, Alex Burton do hereby certify that I am an independent consulting geologist with offices at 810-626 West Pender Street, Vancouver, B.C. V6B 1V9.

- 1) I certify that I am a geology graduate of the University of British Columbia and am a Registered Professional Engineer in B.C. with Certificate No. 6262.
- 2) I have practised my profession for 25 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and other countries.
- 3) I have no interest or holdings of any sort in Summit Pass Resources Corp., or the Dividend Property, nor do I expect to receive any.
- 4) I consent to the use of this report by Summit Pass Resources Corp. in any prospectus or statement of material facts.

Dated in Vancouver this 1st day of September, 1981.

ALEX BURTON, P. Eng. Consulting Geologist

LOAK 82E/SW



,mo

, Zn , Zn , Cd