

PROGRESS REPORT

824867

For Period Ending

July 12, 1969

DUSTY MAC MINES LTD.
OKANAGAN FALLS PROPERTY

by

CANNON-HICKS ASSOCIATES LTD.

D.M. Cannon, P. Eng.

The following is a Report of Progress at the Okanagan Falls property of Dusty Mac Mines Ltd. for the period ending July 12, 1969.

Trenching

Bulldozer trenching was started on June 30th and has continued on a six day week basis since that date. Trenches D. to H. have been completed but are longer than was planned so that adequate rock exposures could be obtained.

Trenches A. to C. and I. remain to be done.

Sampling

Bulk sampling has commenced. The bottoms of the bulldozer trenches are first cleaned by hand. Then a cut, 18 inches wide and 12 inches deep is drilled and blasted. All of the muck from 10 foot sections of the cut is passed through a crusher and the crushed material is split, using a Jones splitter to a 10 pound sample. Reject material is piled at the site of the sample for future reference.

General

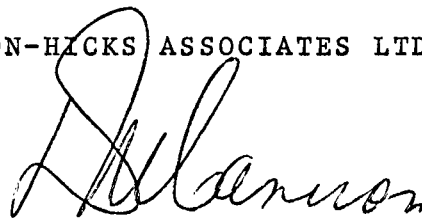
Detailed geological mapping is not complete. First evidence suggests that the breccia outcrop area is lying in a troughlike zone that is several hundred feet wide and more than 1,000 feet long. The average depth remains to be determined but in the inclined shaft and raise it is indicated to be approximately 40 feet.

Native gold and silver have been observed beyond the previously known boundaries, but the average tenor of mineralization cannot be estimated before the completion of the sampling.

It is noteworthy that on the westerly boundary of the breccia zone there are indications of a limestone member above the breccia and in "H" trench to the northeast a shaley horizon has been exposed underlying the breccia. This suggests a sedimentary sequence and opens up the possibility of a repetition of beds at depth. If this occurs there is also a possibility of the gold and silver values being repeated.

Respectfully submitted,

CANNON-HICKS ASSOCIATES LTD.

A handwritten signature in cursive script, appearing to read "D.M. Cannon", written over a horizontal line.

D.M. Cannon, P. Eng.