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WHITERABBIT OKANAGAN CLAIMS AREA PRELIMINARY STATEMENT ON GOLD PROSPECTS

Whiterabbit Okanagan claims area was scarcely explored to date. The claims were under a twelve year moratorium previously imposed by the government of B.C. - now raised. The claims consist of 152 units* of mineral claims in the Osoyoos Mining Division of British Columbia, Canada:

Units Contained: Brent Lake - Farleigh Lake Area: Haggard Group of Claims 105 Macumazahn Claim 20 Yellow Lake Area: Church Group of Claims 27 Total 152 Units

Okanagan claims are spread over an area 20 km (north-south) long and 4 km (west-east) wide. The area extends from approximately 11 km west of Penticton in the north to approximately 11 km west of Okanagan Falls in the south. The claims area is accessible by road and is traversed by many 4-wheel drive trails. The terrain is lowmountainous, ranging from 700 m to 1,050 m above sea level. The climate is arid and the vegetation is generally sparse. Glacial till is restricted to deeper valleys and outcrops are common.

The old Dusty Mac gold mine and the currently extensively explored area of Inco Vault claims are 12 and 6 km to the south-east respectively and, are underlain by similar Tertiary sequences.

The claims area is in large sections, unmapped and has not been previously investigated for gold prospects. The following observations are based on a few preliminary traverses made during a few days when several "type" samples were collected along the trails.

The area is underlain mainly by a complex succession of Tertiary volcanics and minor clastics which overlie a pre-Tertiary basement. Dacite and granite dykes were observed and/or reported. Hydrothermal alteration in the rocks is highly evident and the grade of alteration ranges from low to high.

BRENT LAKE - FARLEIGH LAKE AREA HAGGARD GROUP OF CLAIMS

- · Rhyolites and andesites of the central Haggard area investigated show consistent evidence of high grade hydrothermal alteration: chloritization and carbonatization. Infillings of calcite, ankerite, zeolite, chalcedony and chlorite are present. Few type samples collected along the trail show gold content from 70 to 103 and 280 ppb and silver 2.3 ppm. Highly anomalous gold content in the soils was observed in the vicinity.
- In the northeastern Haggard claim area, the andesite flows are cut by abundant (although thin) crystalline quartz and chalcedony veins. Intensive chloritization, impregnation of matrix by Fe-oxides and propylitic alteration of plagioclases are present. (No assays were carried out in this area.)

^{*} A unit is an area of 500 m by 500 m.

 A few days reconnaissance in the northwestern Haggard claims area showed an andesite dyke which has a lead content of 3077 ppm (i.e. 3 kg per ton) and a silver content of 3.4 ppm and a Quartzite (?) Breccia, widely present in the region, which yielded 1955 ppm of lead (approx. 2 kg per ton) and the silver content is 7.4 ppm (from one typical sample).

The gold content in both these samples is elevated - 103 ppb. Considering the common association of lead, silver and gold in volcanics, the above elevated values are significant and may lead to adjacent prospective localities.

Other rocks which warrant further prospecting and assaying are:

- Rusty scree of enormous quartz crystals derived from an obviously prominent quartz vein in the northernmost part of the Haggard claims area; the vein was not examined closely and no assays were carried out as yet;
- Porous, White Tuffaceous Sandstones common in the northern part of the HAGGARD claims area; these are locally highly silicified into greenish grey siliceous layers and patches. Apparently extensive silica flooding into the porous host rock occurred.

Further minor, perhaps significant, geochemical anomalies were observed at other localities in the area.

Considering the findings to date, an extensive exploration program of the HAGGARD claims area is recommended which would include careful prospecting of localities mentioned as well as reconnaissance standard mapping of the remaining major unexplored regions — which will undoubtedly yield still more promise.

MACUMAZAHN CLAIM

The area of the Macumazahn claim is a volcanic hill with a central "neck" of Eocene andesite overlying Middle
Eocene phonolite. Preliminary data indicate that mineralization zones could be developed along radial and ring
dykes around the "neck" area. Future exploration should follow these indications.

YELLOW LAKE AREA CHURCH GROUP OF CLAIMS

 An outstanding characteristic of the Yellow Lake Area is an extensive crack system in the rocks of the Yellow Lake member (and older). These are filled with thick crystalline epithermal quartz-calcite veins. Quartz is recrystallized after the shape of calcite crystals, typically indicative of epithermal activity. These facies closely resemble gold bearing facies in the Inco Vault claims area.

Metallic sulphide mineralization was observed in cherts of the Triassic (?) basement in the area of Church claims.

Further work in the Yellow Lake area is recommended.

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