

CORPORATION FALCONBRIDGE COPPER

6415 - 64th Street Delta, B.C., Canada V4K 4E2 Telephone (604) 946-5451

FILE NTS.

July 10, 1984

OK 1-2-3-4 Mineral 827035 Claims 92F/4E

Mr. G. Kinneard Viva Ventures Ltd. 210 - 1012 Douglas Street Victoria, B. C. V8W 2C3

MINERAL CLAIMS, KENNEDY LAKE, VANCOUVER ISLAND

Dear George;

Thank you for the information concerning your mineral claims in the Kennedy Lake area. I would be interested in discussing the gold values which you mention in your letter but are not included in the reports enclosed. As you well know, the current depressed price of copper does not encourage exploration for deposits rich only in copper.

I look forward to talking to you about the OK claims next time we meet. Possibly I could visit your claims this fall if I am in the area.

Yours truly,

pc David Lefebure Project Geologist

DVL/ik

cc A. J. Davidson

210-1012 Douglas Street Victoria, B.C. V8W 2C3

June 22, 1984

Corporation Falconbridge Copper 5215 Hykawy Road R.R. 6 Duncan, B.C.

Dear Sirs:

Re: OK 1-2-3-4 Mineral Claims,

Kennedy Lake - Vancouver Island, B.C.

We own one of the choice mineral claim properties in the Kennedy Lake area consisting of four legally surveyed Crown Grants. These claims were worked in the 1903-4 era. They have proven gold values right on the strike line of a limestone - grano-dirorite contact zone.

Enclosed are some interesting details and a map showing the proximity of the Kennedy Lake Gold Camp - (See Prospector and Developer Magazine).

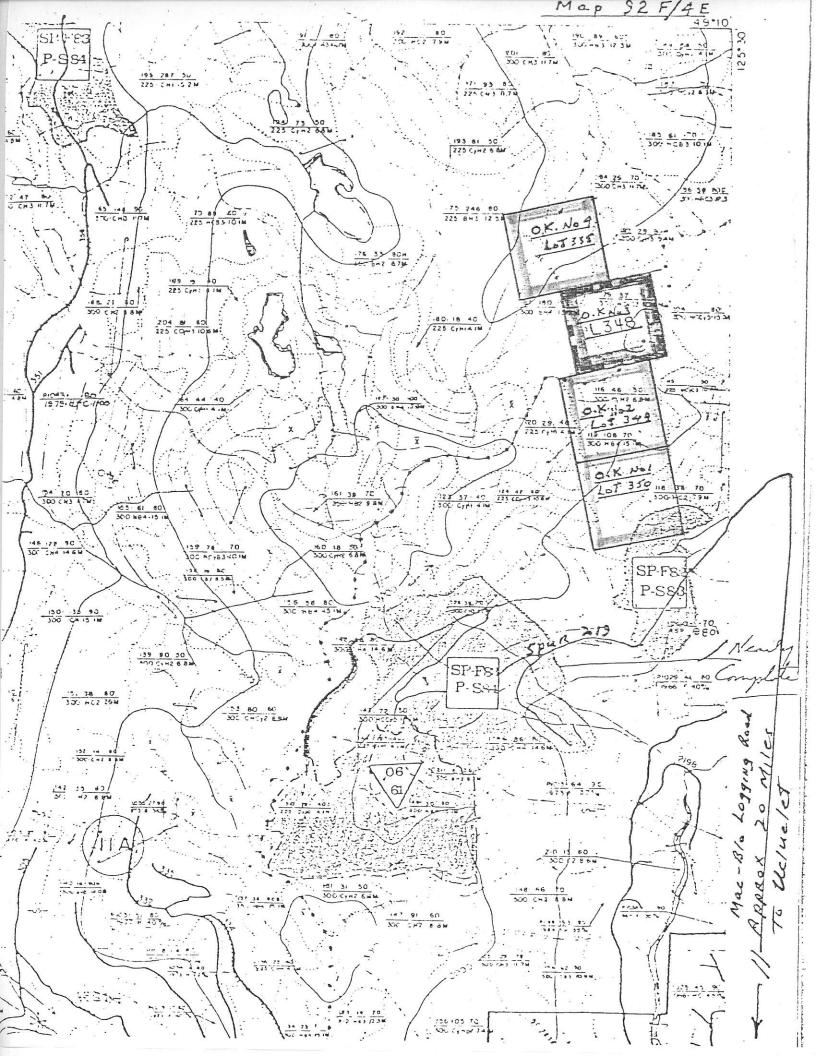
We are interested in leasing out this property for some cash and shares. If you care to discuss this in detail please contact the undersigned.

Yours truly,

G. Kinneard

Phone: 386-8411 before 4 p.m.

381-4288 after 4 p.m.



This group contains two mineral claims—the Wanderer and L. Grant—and 1. Wanderer Group. located at the summit of a deep guich about a quarter of a mile from the short of Kennedy lake, about two unies from the mouth of Elk river and about not feet above the lake-level. The group is owned by L. Grant, of Tofino, and the claims are stake, as full claims and contain about 100 acres.

Geologic.—The rocks on the Wanderer group are igneous and apparently belong to an extension of the belt of Vancouver volcanies that occurs in the vicinity of Henderson lake, in the Alberni Mining Division. These rocks are much sheared, fissured, and altered. In place the shearing action has been so severe as to give the rocks schistose structure. The fissuring has resulted in the development of narrow quartz veins, which at and near the surface show quite good prospects in free gold by panning.

Characteristics of Ore-deposits.—The ore-deposits on the Wanderer group belong to the shear-zone type. The quartz veins which earry values in gold are narrow, but appear to be persistent, having the lines of strike S. 40° W. (mag.) and dip 72 degrees to the north-west (mag.). Some of the exidized outeroppings furnish fine specimens of quartz, with particles of free gold in the quartz gangue. If further development determines that the veins increase in width and carry fair values throughout, this property would be a good milling proposition.

The topography of the ground is such that development-work can be carried on by a serieof adits which would gain backs rapidly as they were driven into the mountain, which rises to an altitude of several hundred feet within a short distance from the outeroppings.

Development-work.—The development-work done up to September 7th, 1918, represented one assessment-work and consisted of two open-outs and short adits. The upper open-out is 12 feet long as an approach to an adit 6 feet long under cover. A sample from 6 inches of quartz assayed: Gold, 0.32 oz.; silver, 0.4 oz. The lower open-out is about 25 feet below the upper; it is about 15 feet long as an approach to an adit 4 feet long. Two samples were taken at this work; one from the floor under cover assayed: Gold, 0.64 oz.; silver, 0.8 oz. The other sample, taken from near the face, assayed: Gold, trace; silver, trace. A selected specimen assayed: Gold, 1.86 oz.; silver, 0.5 oz.; copper, 15 per cent.

The location-line of the claim was followed in a north-easterly direction for some distance to the No. 2 post of the claim, where it appeared tout the vein was persistent to that point, but this had not been determined by any work. This group of claims was only staked a short time prior to the examination.

This group of mineral claims consists of four claims known as the O.K. No. 1, O.K. Group.

O.K. No. 2, O.K. No. 3, and O.K. No. 4, and is located at the summit of the mountain at an elevation of about 4.000 feet, between the Clayoquot arm of Kennedy lake and the main lake. There is practically no trail to the group, except up the bed of Sandy creek, which is full of large boulders. Sandy creek flows into Kennedy lake about six miles from the head, and the distance to the mine-workings on the O.K. No. 3 claim is about four miles. There could be a fair trail built from the head of Clayoquot arm which would be shorter than the present route, but somewhat steeper. The group is owned by T. G. Norger, of Victoria, who staked the claims about 1900, built a cabin on the summit, and worked on the property almost continuously until he obtained a Crown grant, since which time but little further development-work has been done. The group contains about 195 acres. The claims are staked in a northerly direction from Norger creek, a branch of Sandy creek, in a line one claim wide, with the O.K. No. 1 as the most southerly and the O.K. No. 4 the most northerly.

Geology.—The rocks on the O.K. group belong to the Vancouver series and consist of while and blue limestones and dioritic rocks, with the limestone occurring in extensive masses on the southerly part of the property and dioritic rocks on the northerly part. The hedding-planes of the limestone strike east (mag.) and dip 40 degrees to the north. The dioritic rock is sheared fractured, and altered, especially so near the line of contact with the limestone.

Characteristics of the Ore-deposits.—The occurrences of copper ore belong to the contact-metamorphic type, although they do not occur at the immediate centact of the igneous and sedimentary rocks, but are found enclosed by walls of the dioritic rock. The mineralization is chiefly chalcopyrite, with which is associated iron pyrite and some pyrrhotite and magnetite.

The outeroppings are characterized by the chalcopyrite occurring in masses of rather unusual purity and considerable size. These outeroppings are quite persistent for about 200 feet along the surface, where the mineral is about 3 feet wide, as shown by trenching. The strike is

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a makes of rather unit and tofor about 200 feet alontreaching. The strike of S. 20° E. (mag.) and dip 50 degrees to the easterly. Samples from the outcrops can be taken which carry quite high-grade ore in copper values, but a sample taken from the underground workings assayed only: Gold, trace; silver, 0.8 oz.; copper, 4.7 per cent.

The surface outcrops are on the O.K. Yo. 3 claim and gave promise that the property would develop into a mine that would produce a grade of copper ore sufficient to warrant shipping direct to a smelter, but in the underground workings, which are almost directly under the trench along the outcrops, it does not appear as though the ore-deposit had maintained continuity or value to any appreciable depth. The ore occurs on the northerly side of the summit between the main Kennedy lake and the Clayoquot arm of the lake, where the mountain-side is very precipitous, and float as well as some outcrops are found at other points on the mountain-side, but no work has been done to determine their extent.

Development-work.—The development-work on the O.K. group is confined to that on the O.K. No. 3 claim, and consists of an addit about 105 feet long, in addition to about 200 feet of rather deep trenching. The adit was started as a crosscut and driven 60 feet. At a point 21 feet from the portal some ore is exposed and the course of the adit changed to the right or at right angles for 15 feet, where the course is again changed to the left at right angles for 20 feet. Some ore is crosscut in the last change in the course of the adit, and it appears as though this occurrence of ore is possibly an extension of the ore exposed near the portal in the main adit.

• This mineral claim is owned by J. E. Martin, superintendent of Kennedy Lake Northern Crown. Hat there, whose post-office address is Todno, B.C. The claim is located about 300 feet above sea-level near the head of Clayoquot arm of Kennedy lake. The property is easy of access, being only about a mile and a half from the Kennedy Lake Hatchery by water and about half a mile by a good trail from the shore. The claim is staked for a

full-sized mineral lode claim, 1,500 feet square.

Geology.—The geologic formations on this mineral claim belong to the contact-metamorphic type, the rocks being igneous and altered sedimentaries. The results of metamorphism are well illustrated and the line of contact clearly defined between the dioritic igneous rock and limestone. The latter occurs as forming high precipitous criffs, with the line of strike of the bedding-planes N. 70° W. (mag.) and dip 65 degrees to the north-east (mag.). There are some igneous intrusive-dykes which cut the limestone.

The mountain range back of the Northern Crown claim forms the watershed between the Clayoquot arm and the upper part of Toino inlet. The peaks rise to altitudes exceeding 2,000 feet within a short distance from the shore. The section presents a promising field for prospecting.

Characteristics of the Ore-deposits.—The occurrences of ore on the Northern Crown claim are replacement aleposits in limestone and represent illustrations of Clapp's contact deposits in a zone of contact metamorphism some distance from the actual line of contact. The mineralization is made up of pyrrhotite, chaicopyrite, and iron pyrite, with the pyrrhotite in some portions of the deposit the most abundant. The gaugue material is chiefly limestone and the usual contact minerals, gar and epidote.

Samples taken from across about 3 feet where the outcrop has been stripped on the southerly side of a high precipitous limestone cliff assayed: Gold, trace; silver, 0.8 oz.; copper, 8.4 per cent. Gold, trace; silver, trace; copper, 1.5 per cent. Another sample from a sorted dump at the portal of a short adit assayed: Gold, trace; silver, 0.8 oz.; copper, 9.1 per cent.

Development-work.—The development-work on the Northern Crown mineral claim consists of an open-cut along the strike of an outcrop 28 feet long and an adit about 50 feet below the open-cut. The adit is driven about 62 feet long, with an open-cut approach about 12 feet long. The adit was driven with the purpose of intersecting the ore-deposit exposed in the upper open-cut, but it appeared to the writer that the adii had been driven too far to the left from the portai to accomplish the purpose, and that the course from the portal should have been nearly at right angles to that taken. Near the face of the adit the course has been changed to the right, and there are indications of ore near the face.

Deer Creek Subsection.

Deer creek empties into Tofino inlet, Clayoquot sound, at the head of the inlet. Several years ago this was one of the most popular fields for the prospector on the west coast of Vancouver island, when several mineral claims were staked and partly developed. The South

(Section 203 (1))

CERTIFICATE OF TITLE TO MINERALS.

| Date of appl | ication the | 8th | day of | October | , 19 |
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| is the owner or gases) | of* | ames Kinneard als, precious moder | and base (save | coal, petroleum | and any gas |
| in respect of | the land in | Alberni A | ssessment Distr | ict , Bri | ish Columbia, |
| described as | Lot 335, Cl D.D. 230179 | | ict - Subject to | o the terms of (| Crown Grant filed |
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Victoria 186 mondiale Company Company

This preservy consists of a full size mineral claim viz: C.M. I, II, III, IV, each 1500' M 1500' in size or it all about 200 acres and are situated at 2500' allitude above aca level and about 15 from Monnedy Lie, Vancouver Islams, F.G.

ACCESSIBILITY.

From Victoria the property is reached first by C.P.E. steame? 4 times a month to Clayquot about 24 hours journey and from Clayquot a distance of about 10 miles by smaller beat within 15 milesof the property. Remody Lake is connected with the Salt water by a long channel about 5 miles wide and 45 miles long ravigable for leaded scows its entire length except last 5 mile where the channel is rocky and the water is stallow making it impossible for navigation by larger beats.

The Government has made a channel 25° wide at one ride but gasoline boats and row boats have to be pulled up and down these rapids.

While in Clayquot I had a long conversation with ID. Erewster, M.P. for the district and he informed me that the Government is just about to build a gravity surface tran from the rapids to salt water to enable shipping of timber, etc. from the lake.

At the present time the property is reached from Lemmey Lake the first lemiles by trail and the last miles by following an old creek bed; with \$500 expense a trail about half the distance in length and with a gentle slope to the Lake can be made from Clayquot Arm to the Property.

GEOLOGY,

Five distinct veins about 4' wide are expected on the surface for several hundred feet and show good values in copper for their entire width in every place that the ledges have been broken into. Each of these veins lie alonguide of a dierite dike with about the same width which gives assurance that the ore bodies will go down to considerable depth.

The mountain is very steep, in most alaces almost perpendicular, and by driving a tunnel about 100 ft. below present tunnel the veins can be tapped at considerable depth. The strike of the veins N.30° dipping 60° to the N.E.

DEVELOPMENT.

E direction to crosscut and tap 2 volus at 50° dopth esposed on the surface. This tunnel would, if driven at a right angle have tapped the first volu now, but as the tunnel was driven 20° out of direction, it will take 4° more before the first volu is reached.

Che "blind" vein 4° wide is cross cutted in the tunnel...

giving good values.

In average assaytaken from the different value gave

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TOUTE & TABLE.

All the claims are covered with a very begy greatle of timber running I would think at least 40-0000048, to the acre and consisting of Yellow and Red Cedar, Hemlock, Thire Fir (Balsam).

A stream crosses the property within 3000' of the proposed tunnel, and ample fall can be obtained to give any reasonable amount of power required.

CONCLUSION:

17)

Considering the very little work done on the property the showings are excellent and as a prospect I consider the surface showings are of the best- and I am sure that the ore bodies will "go down" to considerable depth.

Faithfully yours,