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CORPORATION FALCONBRIDGE COPPER

6415 - 64th Street Delta, B.C., Canada V4K 4E2 Telephone (604) 946-5451 OK 1-2-3-4 827352 Kennedy Lake

July 10, 1984

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

OK 1-2-3-4 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,

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).

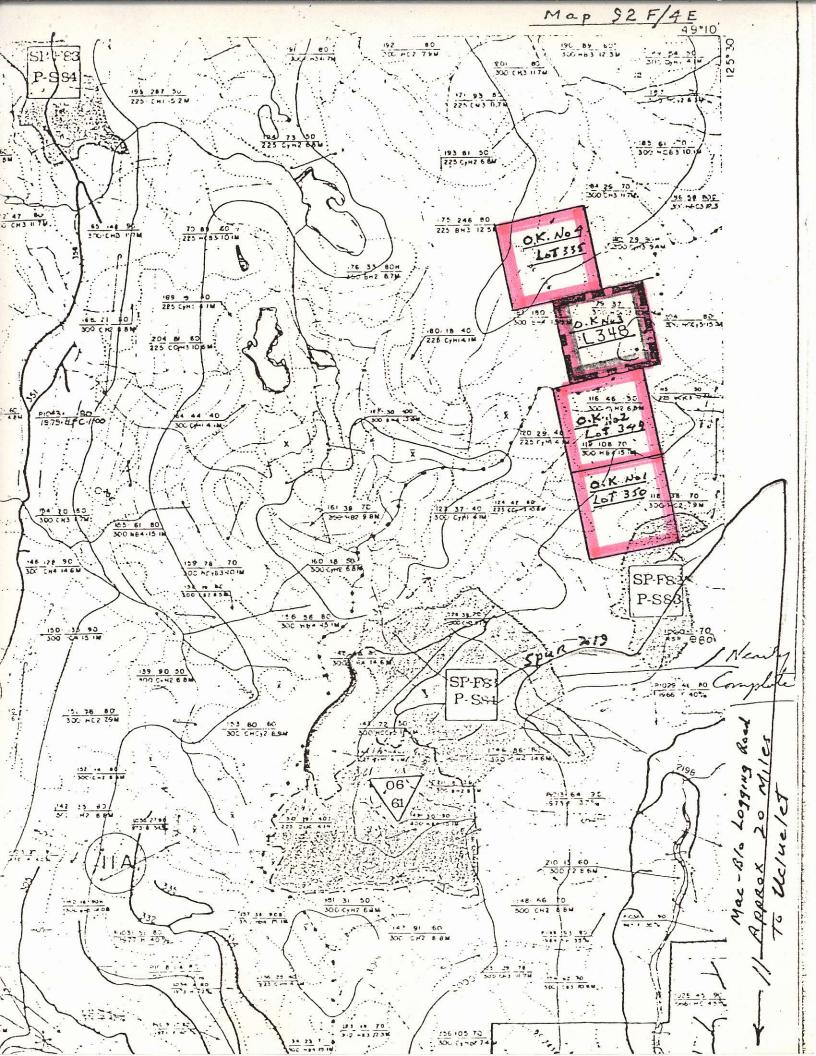
We are interested in leasing out this property for some cash and shares. If you care to discuss this in detail please contact the undersigned.

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 I. Wanderer Group. located at the summit of a deep gulch about a quarter of a mile from the short of Kennedy lake, about two miles 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 staked as full claims and contain about 100 acres.

Geology.—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 parrow 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 carry 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 outcroppings furnish fine specimens of quartz, with particles of free gold in the quartz gaugue. 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 series of 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 outgroppings.

Development-work.—The development-work done up to September 7th, 1918, represented one assessment-work and consisted of two open-cuts and short adits. The upper open-cut 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-cut 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 that 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 ewned 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 bedding-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 contact 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 be

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Northern Crown. II

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g. 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. No. 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 adit 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 30 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. Hatchery, whose post-office address is Tofino, 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 ctiffs, 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 Tofino inlet. The peaks rise to altitudes exceeding 3.000 feet within a short distance from the shore. The section presents a promising field for prospecting.

Characteristics of the Orc-deposits.—The occurrences of ore on the Northern Crown claim are replacement deposits 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, chalcopyrite, and iron pyrite, with the pyrrhotite in some portions of the deposit the most abundant. The gangue material is chiefly limestone and the usual contact minerals, garrand and epidote.

Samples to sen 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 38 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 adit had been driven too far to the left from the portal 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 Subscetion.

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 applie	cation the	8th	day of	October	, 19
at 8:50				* * *	
is the owner or gases)	Kelly J of* all miner in,upon or u	ames Kinneard als, precious nder	and base(save (coal, petroleum a	and any gas
in respect of t	he land in	Alberni A	ssessment Distri	ict Britis	h Columbia,
described as	Lot 335, Cl D.D. 230179		ict - Subject to	o the terms of Cr	own Grant filed
<i>x</i>	Lots 349 and filed D.D.		oot District - S	Subject to the te	rms of Crown Gran
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the title of	id minerals	precious and	base (save	gistered by endorseme	ent on it as a
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From "Open file section of Dept of OK. Mary Sources, E.S. Sees 113, 2010. Douglas Bldg This precently consists of a rull size mineral claims viz: 0. %. I, II, IV, each 1500' % 1500' in size or it all about 200 acres and are situated at 0500' elittude phove sea level and about 16 from Kennedy Lke, Vancouver Island, 2.6.

ACCESSIBILITY.

From Victoria the proporty is reached first by C.P.R. steame 7 4 times a month to Ulayquot about 24 hours journey and from Clayquot a distance of about 10 miles by smaller beat with-in 15 miles of the property. Kennedy Lake is connected with the Salt water by a long channel about 5 miles wide and 45 miles long mavigable for leaded scows its entire length except last g mile where the channel is rocky and the water is stallow making it impossible for navigation by larger boats.

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 II. Browster, M.P. for the district and he informed me that the Covernment is just about to build a gravity surface transfrom the rapids to salt water to enable shipping of timber, etc. from the lake.

At the present time the property is reached from Lenney Lake the first la miles 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.

CEOLOGY.

Five distinct veins about 4' wide are exposed 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 alongside of a diorite 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 access almost + /t / perpendicular, and by driving a tunnel 4000 long from a point about 00 ft. below present tunnel the velns can be tapped at considerable depth. The strike of the voins N.3007. dipping

60° to the H.E.

At 2500 altitude a tunnel 52 long driven in a N. 50° E direction to crosscut and tap 2 volus at 50° depth exposed on the surface. This tunnel would, if driven at a right angle have tapped the first vein now, but as the tunnel was driven 200 out of direction, it will take 4 more before the first vein is reached.

One "blind" vein 4 wide is cross cutted in the tunnel . giving good values.

An average assaytaken from the different volus gave

the:	r of row rull	returns:		Total.
	veln	.05 Gold,	12.56%Copper.	7.35,62
" 2	2.5	.02 H	4.5 5	0,40
. " 3	11	.025 "	2.4 5 "	5,20
1 4	13	.125 H	15 3 "	50 . 30

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(1)

All the claims are covered with a very heavy growth of timber running I would think at least 40-80000 at to the acre and consisting of Tellow and Red Cedar, Henlock, Thite 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:

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.

Foithfully yours,



Vancouver Petrographics Ltd.

JAMES VINNELL, Manager
JOHN G. PAYNE, Ph. D. Geologist

P.O. BOX 39 8887 NASH STREET FORT LANGLEY, B.C. VOX 1JO

PHONE (604) 888-1323

Invoice 4641

Report for: David Lefebvre,

Corporation Falconbridge Copper,

5215 Hyhawy Road, Duncan, B.C., V9L 4T8

July 19, 1984

DETERMINATION OF GREEN MINERAL IN SAMPLES BCS 2332 AND 2333

The green mineral in both these samples is muscovite; in thin section it is colourless. It forms a streaky mass of ragged flakes 0.05 to 0.1mm in length interlayered with lenses of quartz. Cubic grains of pyrite occur along the more quartzitic layers. Fine Fe-Ti oxides are scattered (in small aggregates) within the micaceous parts.

According to Deer, Howie and Zussman (Rock Forming Minerals, 1966) fuchsite is a chromium - bearing variety of muscovite with up to 6% Cr203; they do not state what the lower limit is. It is pleochroic in shades of green. The pale green colour of some muscovites is due to Fe2+ in the structure. This muscovite is colourless and non-pleochroic.

Muscoutte

I supect that other elements or element combinations may also give rise to green colours in micas. Optical properties such as RI and 2V,or X-ray powder patterns are of little value in determining chemical composition of muscovites. The only sure method is by chemical analysis, either by probe (only if more than approximately 0.5 wt. %) or by other methods on a mineral separate. If you need know the trace element content of this mica then I suggest that you submit it to a geochemical lab for separation and analysis.

A. L. Littlejohn, N.Sc.

now show the string of the season of the sea

MILE ORDINGO

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