

Stump 1 Mineral Claim

827958

Shear Hosted Precious Metal Prospect

The Stump 1 Mineral Claim, consisting of 12 metric units (300 hectares) is located in easily accessible, rolling terrain approximately 35 kilometres south of Kamloops, B. C. The claims straddle the eastern shore of Napier Lake (NTS 92I/8W, 50°25'N, 120°17'W). Work programs can be conducted year round.

Geologically the property is underlain by Upper Triassic Nicola volcanic rocks that outcrop as a "window" in Kamloops Group volcanics of Tertiary Age. A prominent gossan is closely associated with a strong east to west trending shear zone that has been traced up to 300 metres in width and at least 1,200 metres in length. Granitic intrusions of the Jurassic Wildhorse Batholith have been mapped on the northern part of the claim group.

The property lies 5 kilometres north of Stump Lake where the former Stump Lake Mine produced a limited amount of gold, silver, with base metals from north trending veins thought to be related to a major north trending fault system. Other prospects in the area (ie: Redbird) have the characteristics of epithermal vein systems (precious metal enriched).

A limited amount of percussion drilling (12 holes, 915 metres) completed in the early 1970's tested a large east-west trending siliceous and pyritic zone containing significant amounts of copper, zinc and in some instances gold. Reported intersections included 0.17% copper across 24.4 metres (73-P-8) and 48.8 metres grading 0.21% copper (73-P-11) located 335 metres to the northwest. Values to 230 ppb gold were reported from other holes that intersected the shear/alteration zone. Limited soil sampling by the present operators have detected erratic values in gold in soils associated with the altered shear zone (up to 315 ppb gold). VLF-EM surveys carried out in 1989 have outlined low magnitude conductors that appear to be associated with lithologic boundaries along the periphery of the shear zone. Although the owners have not completed a thorough geological evaluation of the property they have uncovered some evidence that the alteration zone is actually within Tertiary volcanics and not Triassic units as previously mapped.

The Stump 1 mineral claim has never undergone a serious evaluation for precious metal potential. A thin cover of overburden obscures surface exposures of the alteration zone over most of the claim group. There has never been a systematic soil sampling program for precious metals nor has any trenching been completed. Previous analytical/sampling procedures for gold has been of suspect quality.

A major, easterly trending shear/fault zone, with significant alteration (siliceous, sericitic, pyritic) and anomalous values in gold, copper and zinc has never undergone a systematic exploration program. The target is a bulk tonnage, shear hosted, gold-copper deposit. A 10 to 20 million tonne target is feasible within the confines of the shear/alteration zone presently outlined.

The owners are seeking a partner to fund the further exploration and development of this property. Further information may be obtained from the owners.

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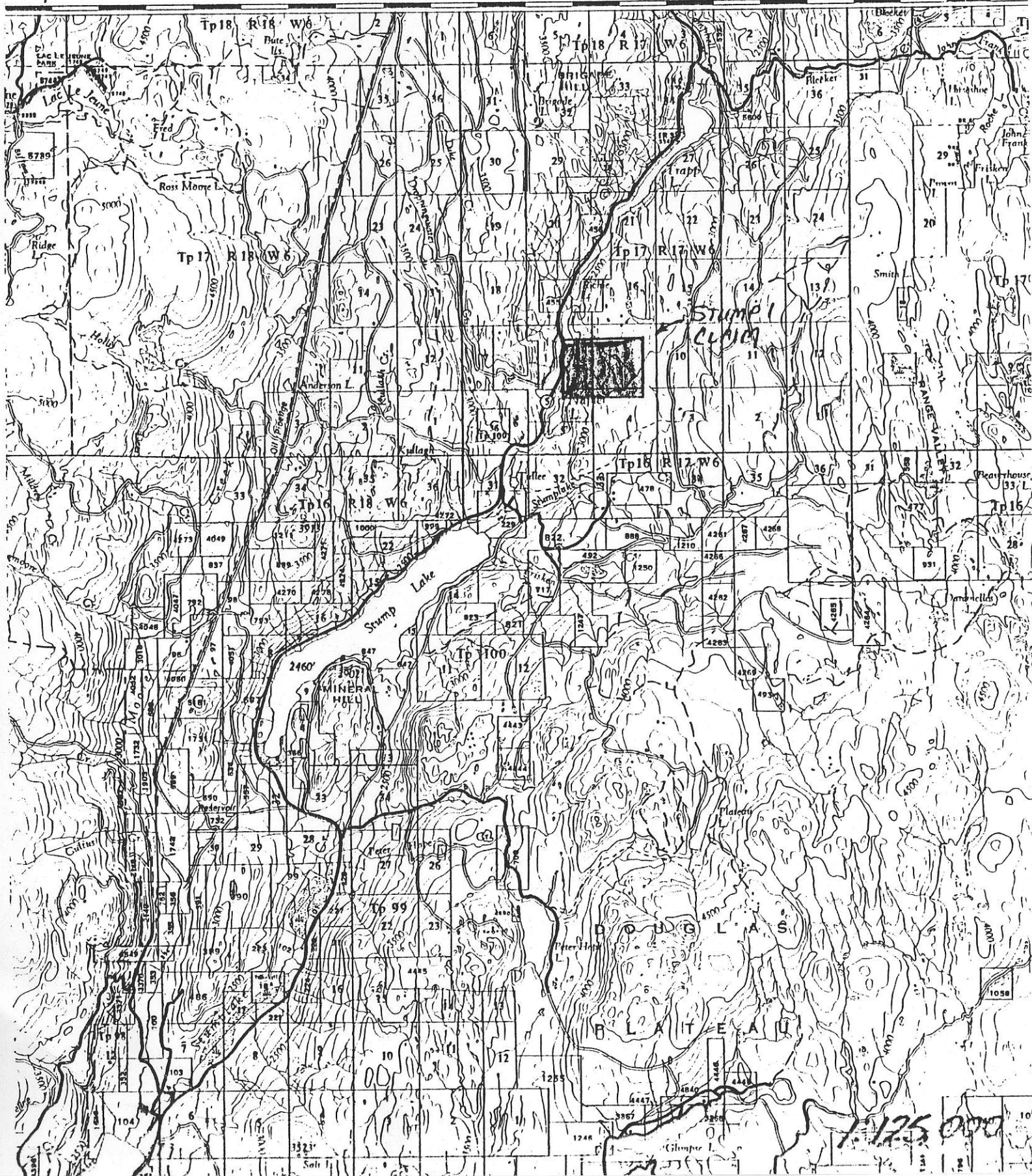
YORKTON SECURITIES INC.
SUITE 1000, BENTALL 4, 1055 DUNSMUIR STREET
P.O. BOX 49333, VANCOUVER, B.C., CANADA V7X 1L4
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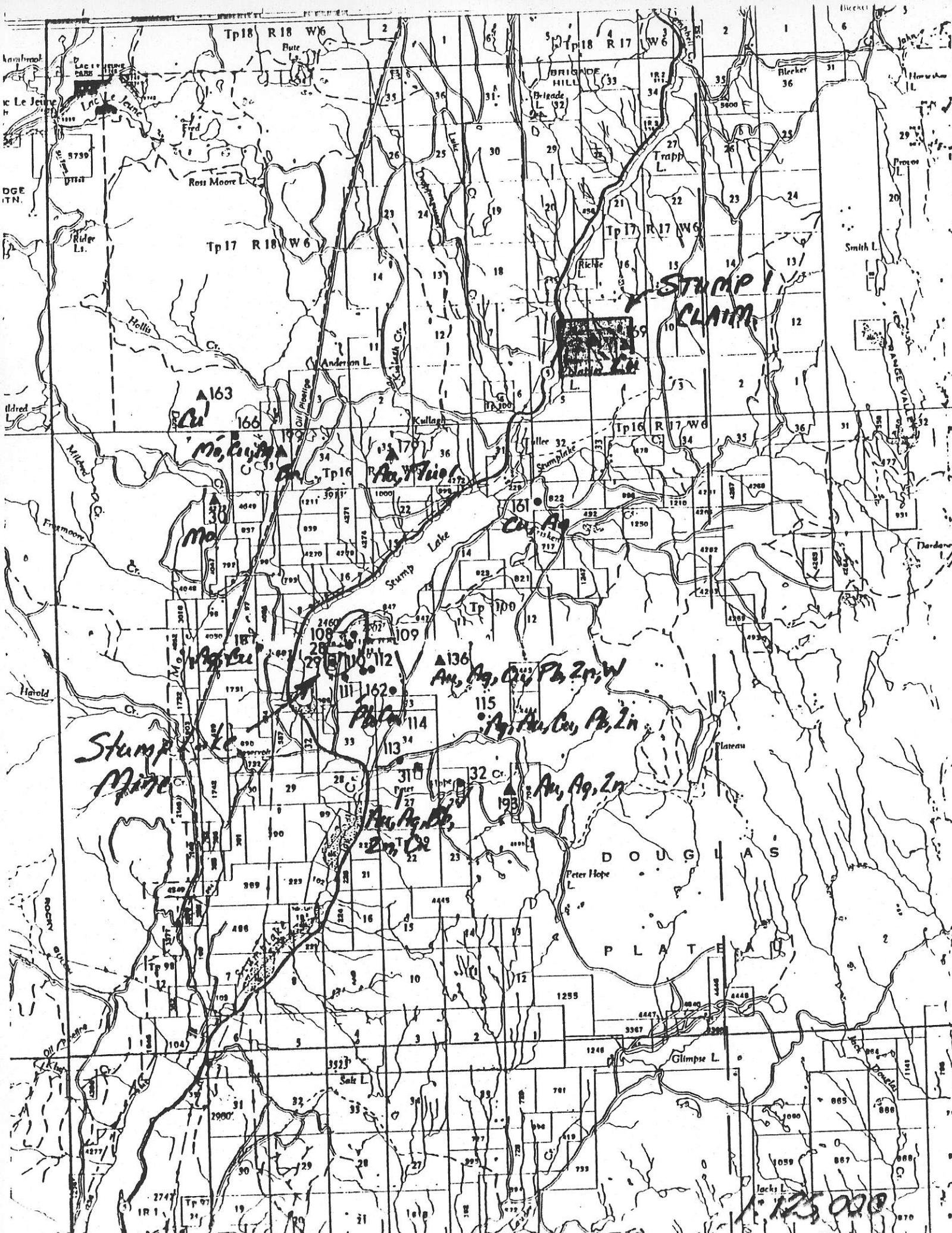
ESTS, AND WATER RESOURCES
COLUMBIA
WILLIAMS, MINISTER
A. H. RALFS, DIRECTOR OF SURVEYS AND MAPPING

To Kamloops — 20 miles

To Kamloops — 15 miles

15'





**STUMP
LAKE**

No. 136

No. 115

*No. 136
Au, Ag, Cu, Pb, Zn, W*

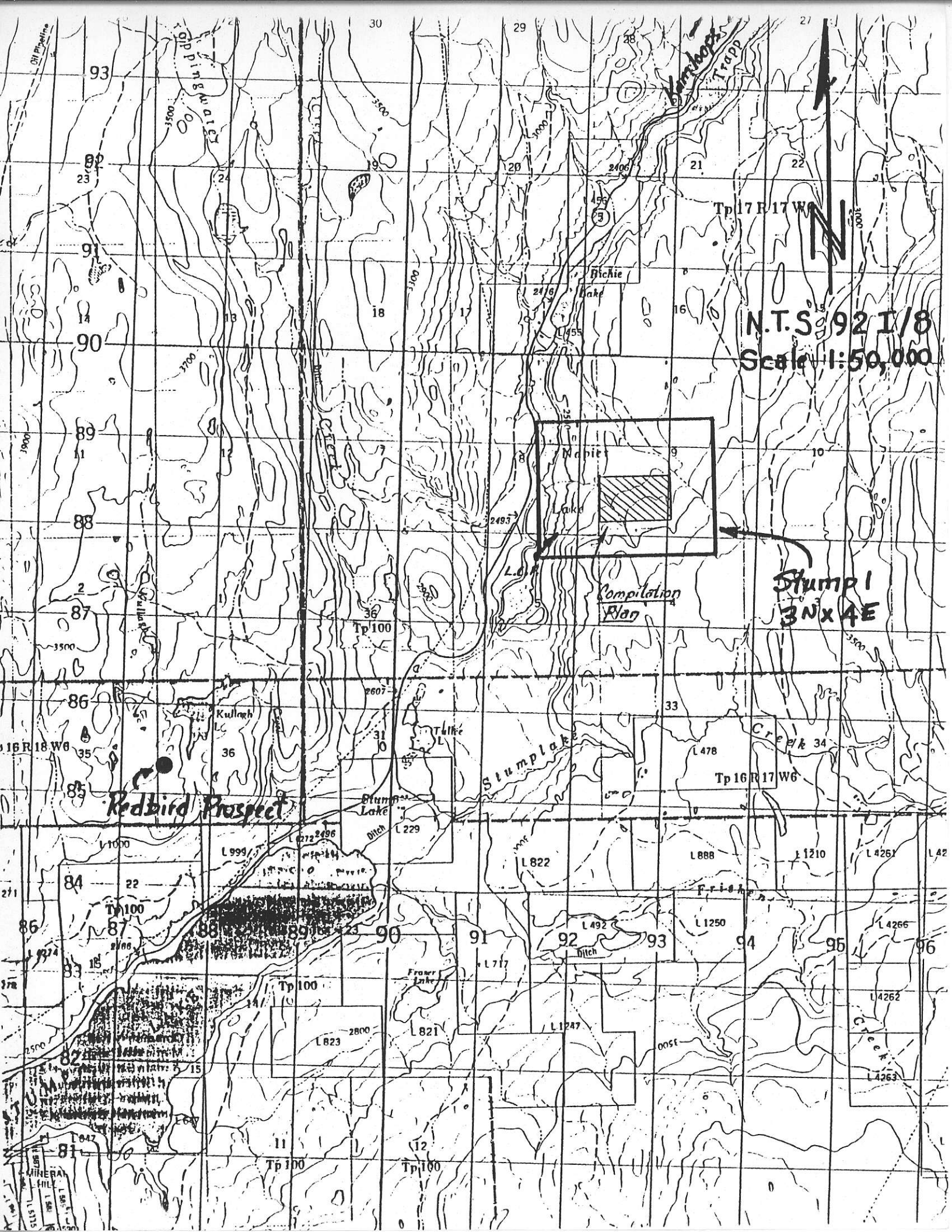
*No. 115
Ag, Au, Cu, Pb, Zn*

*No. 113
Au, Ag, Zn*

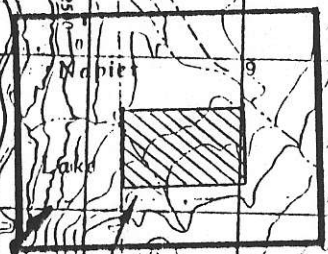
*No. 114
Au, Ag, Pb,
Zn, Cu*

*Stump Lake
Mine*

125,000



N.T.S. 92 I/8
Scale 1:50,000



Compilation
Plan

Stump 1
3N x 4E

Redbird Prospect

MINERAL
HILL
SOUTH
WEST

GEOLOGY

Hornfelsed pyroclastic rocks of the Upper Triassic Nicola Group are the oldest rocks exposed on the property. These rocks have been intruded, along the northern edge of the property, by the Jurassic Wildhorse Batholith which has caused them to be hornfelsed. Contemporaneous to the intrusion of the batholith, an east-west fracture system developed, and was intruded by a dense siliceous rock containing from 1 to 10% fine-grained disseminated pyrite. Subsequent to its intrusion, shearing was again initiated along this zone. Presently the rock, ranging from a competent very fine-grained quartz diorite to a quartz sericite schist, occupies this east-west structure. Slabs of these various rocks, cut by a diamond saw, show that as the density of the fracture cleavages increase so does its schistosity. This suggests that the whole zone is of the same composition and the textural differences are due only to the intensity of shearing present.

The siliceous pyritic zone is cut by easterly striking lamprophyre dykes which are probably related to late magmatic phases of the Wildhorse Batholith.

The Wildhorse Batholith consists of a gneissic coarse-grained granite that shows little discernible variation from one outcrop to another.

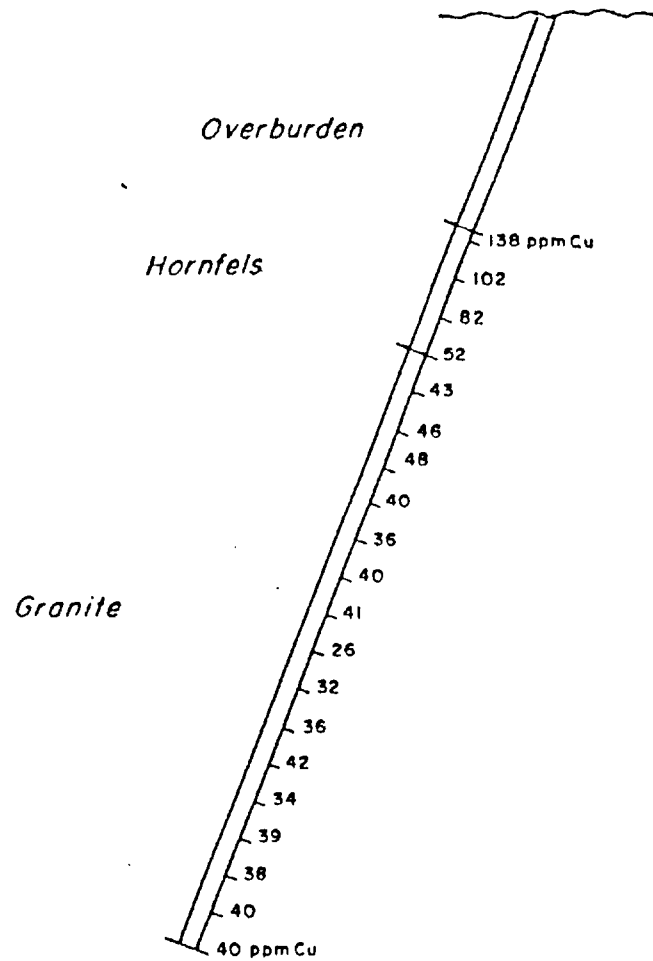
Rhyolitic to basaltic flows and pyroclastics of the Tertiary Kamloops Group unconformably overlie the Nicola

Group, the Wildhorse Batholith and its related rocks.

Napier Lake fills a relatively deep, narrow northerly trending depression which is an expression of a late or post Tertiary fault. Nicola Group rock exposures on the east side of Napier Lake suggest that this is the up-throw side.

NORTH

SOUTH



NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE 73-P-1

Scale 1 inch = 50 feet

Core Size	Azimuth NORTH	Inclination -68°
Location L102E-7+35S	Date Started 10/5/73	Date Completed 10/5/73
Recovery	Logged by C.M.R.	Drift by A.L.M.

To Accompany *Napier Lake Drilling Report*

Author

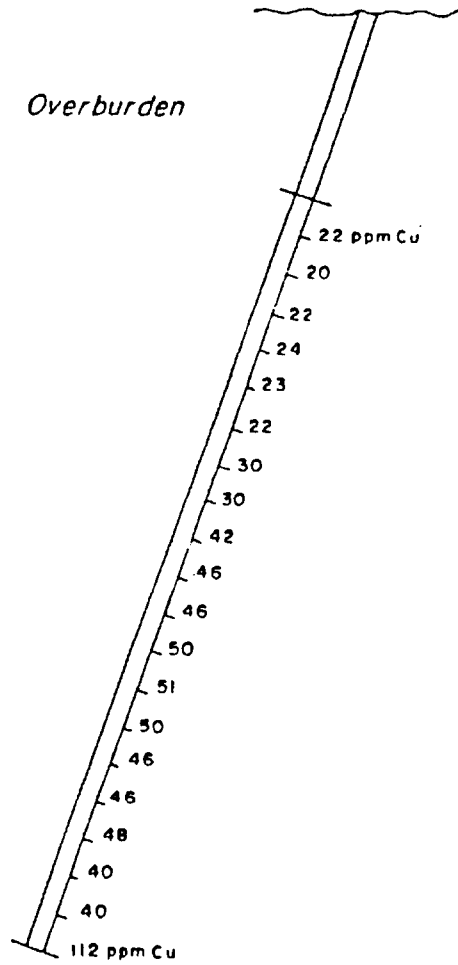
Date

NORTH

SOUTH

Overburden

Granite

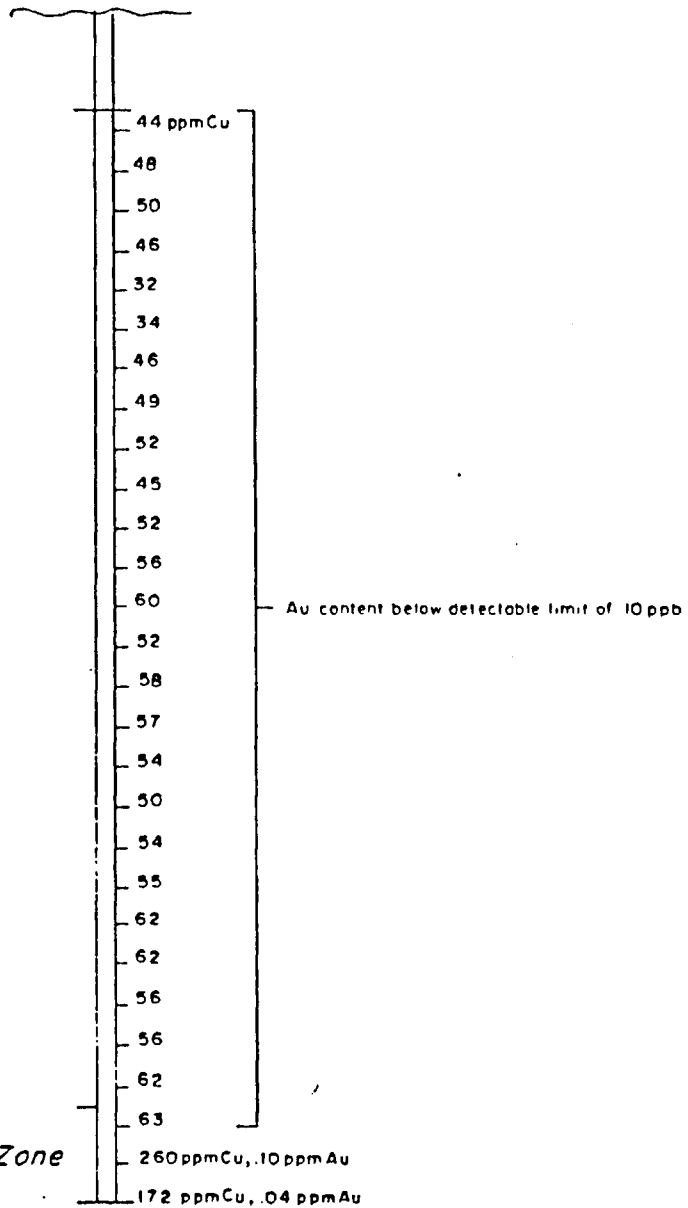


NEWCONEX CANADIAN EXPLORATION LTD.		
PERCUSSION HOLE		
73-P-2		
Scale 1 inch = 50 feet		
Core Size	Azimuth NORTH	Inclination -70°
Location L B6E-8+00S	Date Started 10/9/73	Date Completed 10/9/73
Recovery	Logged by C.M.R.	Drift by A.L.M.
To Accompany <i>Napier Lake Drilling Report</i>		
Author	Date	

Overburden

Sandstone
Actually Tertiary
Gravel

Siliceous Pyritic Zone



NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-3

Scale
1 inch = 50 feet

Core Size	Azimuth	Inclination 90°
Location L78E-10+00S	Date Started 10/9/73	Date Completed 10/9/73
Recovery	Logged by C M R	Drift by A L M

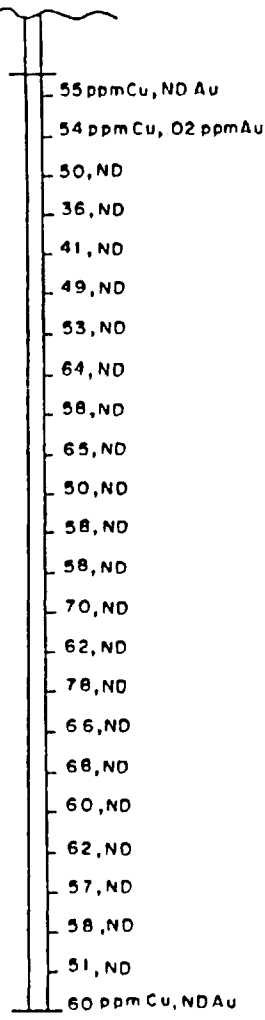
To Accompany Napier Lake Drilling Report

NORTH

SOUTH

Overburden

Sandstone
Tertiary Gravel



ND - Au content below detectable limit of 10 ppb

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-4

Scale 1 inch = 50 feet

Core Size	Azimuth	Inclination 90°
Location L75E-8+00S	Date Started 10/9/73	Date Completed 10/10/73
Recovery	Logged by C M.R.	Drft. by A L.M.

To Accompany *Napier Lake Drilling Report*

Author

Date

NORTH

SOUTH

Overburden

Siliceous Pyritic Zone

ppm Cu, Zn, Au
200, 132, ND

254, 210, 01

108, 84, ND

74, 62, ND

56, 66, ND

68, 58, ND

70, 46, ND

59, 64, ND

72, 58, ND

224, 56, ND

128, 58, ND

82, 54, ND

60, 62, ND

76, 50, ND

52, 58, ND

60, 60, ND

57, 54, ND

68, 58, ND

59, 48, ND

63, 60, ND

ND - Au content below detectable limit of 10ppb

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-5

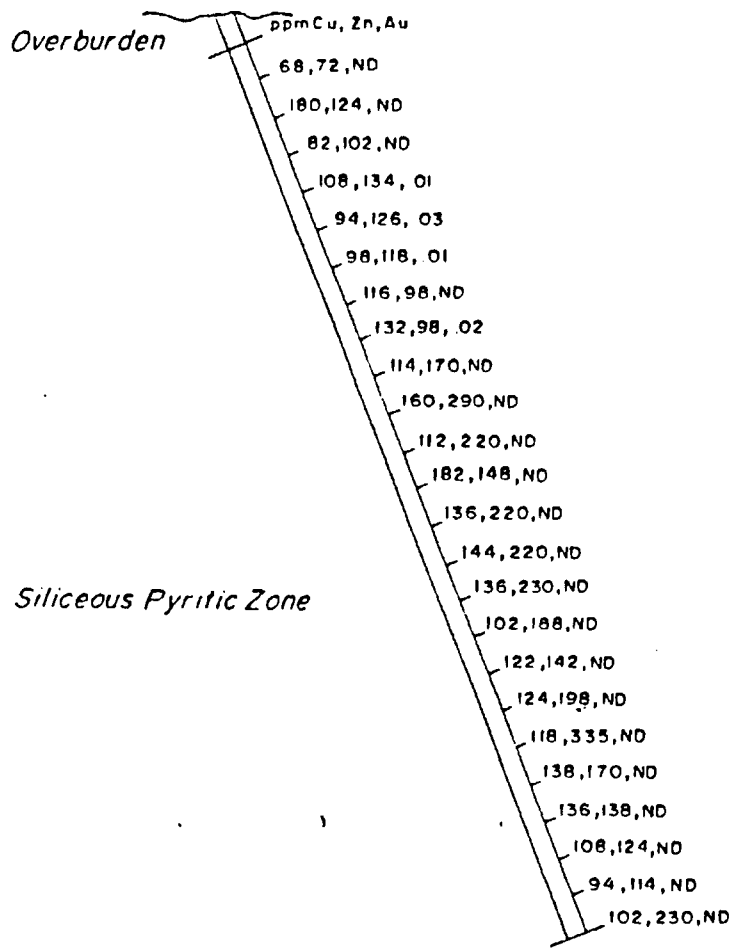
Scale
1 inch = 50 feet

Core Size	Azimuth SOUTH	Inclination -70°
Location L 63E-7+00S	Date Started 10/10/73	Date Completed 10/11/73
Recovery	Logged by C M R.	Drift by A L M.

To Accompany *Napier Lake Drilling Report*

Author

Date



ND - Au content below detectable limit of 10 ppb

CONEX CANADIAN EXPLORATION LTD.		
PERCUSSION HOLE		
73-P-6		
Scale 1 inch = 50 feet		
Direction	Azimuth SOUTH	Inclination -70°
Core No. 4+00S	Date Started 11/11/73	Date Completed 11/11/73
Company Napier Lake Drilling Report	Logged by C.M.R.	Drill by A.L.M.
Date		

Overburden

SOUTH

ppm Cu, Zn, Au
134, 116, ND
614, 46, ND
136, 102, ND
138, 78, ND
238, 84, ND
350, 128, ND
284, 225, ND
362, 570, 02
116, 178, ND
108, 265, 01
112, 420, 02
128, 148, 01
314, 205, 01
142, 124, 01
166, 146, 01
150, 126, 01
128, 102, 01
134, 112, 01
154, 108, 01
236, 94, 02
192, 106, 01
172, 98, 01
128, 112, ND
134, 92, ND

Siliceous Pyritic Zone

ND - Au content below detectable limit of 10 ppb

NEWCONEX CANADIAN EXPLORATION LTD.		
PERCUSSION HOLE		
73-P-7		
Scale 1 inch = 50 feet		
Core Size	Azimuth	Inclination 90°
Location L51E-4+00S	Date Started 12/12/73	Date Completed 12/12/73
Recovery	Logged by C M R	Drft by A. L. M.
To Accompany Napier Lake Drilling Report		

NORTH

SOUTH

Overburden

Cu% , Au oz /ton, Zn%

.05, .002, .04

.08, .004, .06

.09, .002, .13

.06, .002, .10

.07, .004, .38

.08, .002, .02

.09, .004, .04

.07, .002

.06, .001

.03, .001

.03, .001

.02, .001

.02, .001

.02, .001

Siliceous Pyritic Zone

.08, .001

.04, .001

Au content below detectable limit of 10 ppb

.04, .001

.16, .002

.22, .003

.17, .002

.15, .002

.13, .001

.28, .004

.13, .002

.13, .002

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-8

Scale
1 inch = 50 feet

Core Size	Azimuth	Inclination 90°
Location L 49+50E +8 S	Date Started 10/12/73	Date Completed 10/13/73
Recovery	Logged by C M R	Drift by A L M

To Accompany: *Nepesin Lake Drilling Report*

NORTH

SOUTH

Overburden

Siliceous Pyritic Zone

ppm Cu, Zn, Au
925, 325, 01

565, 350, 01

515, 770, 01

495, 350, 01

475, 225, 01

480, 230, ND

262, 200, 03

110, 134, 09

104, 166, 23

88, 158, 09

86, 156, 05

76, 158, 13

92, 154, ND

84, 132, ND

162, 205, ND

120, 192, ND

196, 840, 01

354, 870, 01

250, 340, 01

266, 235, 02

262, 210, 01

314, 250, 01

292, 1900, 02

ND - Au content below detectable limit of 10 ppb

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-9

Scale
1 inch = 50 feet

Core Size	Azimuth SOUTH	Inclination - 70°
Location L 43E-10+00S	Date Started 10/13/73	Date Completed 10/13/73
Recovery	Logged by CMR	Drift by ALM

To Accompany *Napier Lake Drilling Report*

NORTH

SOUTH

Overburden

Siliceous Pyritic Zone

ppm Cu, Zn, Au
76,134,05
74,172,01
88,98,ND
72,112,12
86,150,ND
84,152,ND
106,136,01
108,178,01
96,210,01
76,116,ND
80,102,ND
72,124,ND
74,120,ND
76,106,ND
76,106,ND
78,184,ND
70,122,03
72,220,01

ND - Au content below detectable limit of 10 ppb

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-10

Scale

1 inch = 50 feet

Core Size	Azimuth	Inclination 90°
Location L 48E-17+00S	Date Started 10/14/73	Date Completed 10/15/73
Recovery	Logged by C M R	Drift by A L M.

To Accompany *Napier Lake Drilling Report*

NORTH

SOUTH

Overburden

Cu %, ppm Zn, Au

.07, 150, .02

.10, 480, .07

27, 550, .11

35, 360, .16

21, 160, .07

22, 720, .10

.29, 220, .06

24, 210, .07

17, 440, .05

.16, 180, .07

.10, 180, .04

.16, 220, .05

35, 180, .16

.19, 230, .10

.16, 190, .07

.13, 500, .06

.16, 450, .07

.12, 570, .05

.10, 230, .05

.08, 170, .03

.10, 510, .05

.09, 400, .06

.07, 350, .04

Siliceous Pyritic Zone

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-11

Scale
1 inch = 50 feet

Core Size	Azimuth SOUTH	Inclination -70°
Location L 39E-4+60S	Date Started 10/15/73	Date Completed 10/15/73
Recovery	Logged by C M R	Drift by A L M

To Accompany *Napiar Lake Drilling Report*

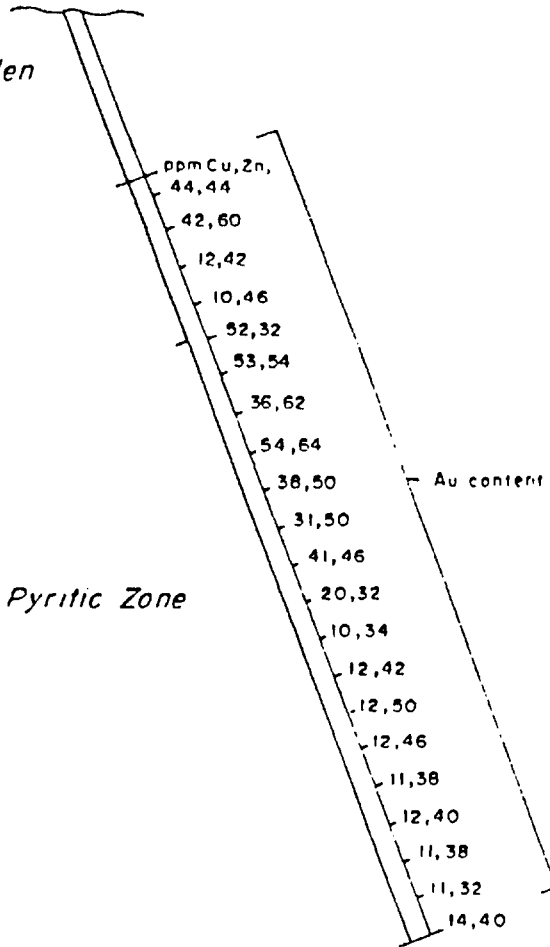
NORTH

SOUTH

Overburden

Hornfels

Siliceous Pyritic Zone



Au content below detectable limit of 10 ppb

NEWCONEX CANADIAN EXPLORATION LTD.

PERCUSSION HOLE

73-P-12

Scale 1 inch = 50 feet

Core Size	Azimuth SOUTH	Inclination -70°
Location L 24E-3 + 00N	Date Started 10/15/73	Date Completed 10/15/73
Recovery	Logged by C.M.R.	Drift by A.L.M.

To Accompany Napiier Lake Drilling Report

Stump 1 Mineral Claim Shear Hosted Precious Metal Prospect

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The property lies 5 kilometres north of Stump Lake where the former Stump Lake Mine produced a limited amount of gold, silver, with base metals from north trending veins thought to be related to a major north trending fault system. Other prospects in the area (ie: Redbird) have the characteristics of epithermal vein systems (precious metal enriched).

A limited amount of percussion drilling (12 holes, 915 metres) completed in the early 1970's tested a large east-west trending siliceous and pyritic zone containing significant amounts of copper, zinc and in some instances gold. Reported intersections included 0.17% copper across 24.4 metres (73-P-8) and 48.8 metres grading 0.21% copper (73-P-11) located 335 metres to the northwest. Values to 230 ppb gold were reported from other holes that intersected the shear/alteration zone. Limited soil sampling by the present operators have detected erratic values in gold in soils associated with the altered shear zone (up to 315 ppb gold). VLF-EM surveys carried out in 1989 have outlined low magnitude conductors that appear to be associated with lithologic boundaries along the periphery of the shear zone. Although the owners have not completed a thorough geological evaluation of the property they have uncovered some evidence that the alteration zone is actually within Tertiary volcanics and not Triassic units as previously mapped.

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A major, easterly trending shear/fault zone, with significant alteration (siliceous, sericitic, pyritic) and anomalous values in gold, copper and zinc has never undergone a systematic exploration program. The target is a bulk tonnage, shear hosted, gold-copper deposit. A 10 to 20 million tonne target is feasible within the confines of the shear/alteration zone presently outlined.

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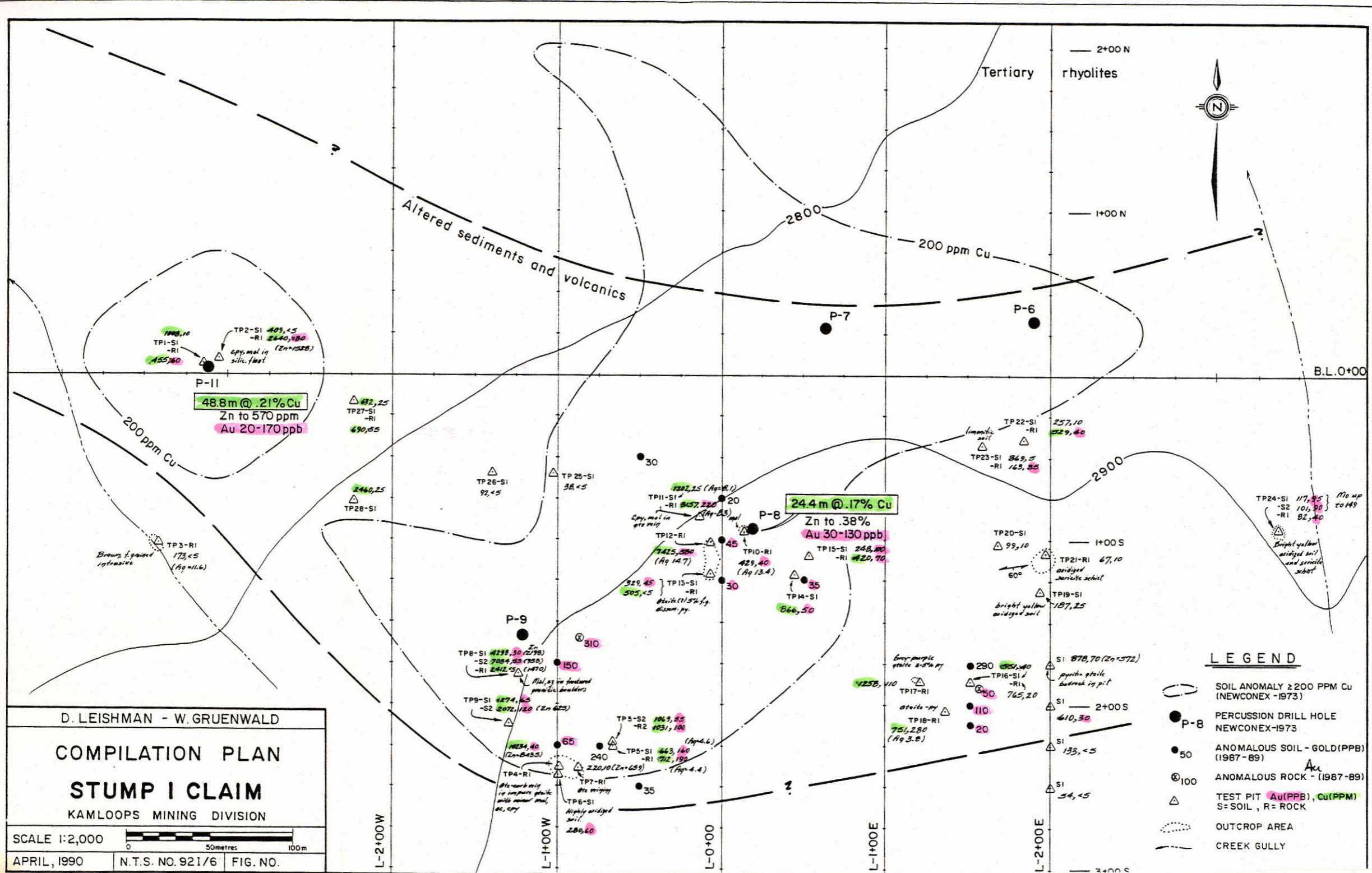
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P.O. BOX 49333, VANCOUVER, B.C., CANADA V7X 1L4
Members: The Principal Stock Exchanges in Canada
Investment Dealers' Association of Canada



D. LEISHMAN - W. GRUENWALD
 COMPILATION PLAN
 STUMP I CLAIM
 KAMLOOPS MINING DIVISION

SCALE 1:2,000
 0 50metres 100m
 APRIL, 1990 | N.T.S. NO. 921/6 | FIG. NO.

LEGEND

- SOIL ANOMALY ≥ 200 PPM Cu (NEWCONEX -1973)
- P-8 PERCUSSION DRILL HOLE NEWCONEX-1973
- 50 ANOMALOUS SOIL - GOLD (PPB) (1987 - 89)
- ⊙ 100 ANOMALOUS ROCK - (1987-89)
- △ TEST PIT Au (PPB), Cu (PPM)
- S=SOIL, R=ROCK
- OUTCROP AREA
- - - CREEK GULLY

Excerpts from Report by P.A. Leishman
Feb. 22, 1990.

Summary

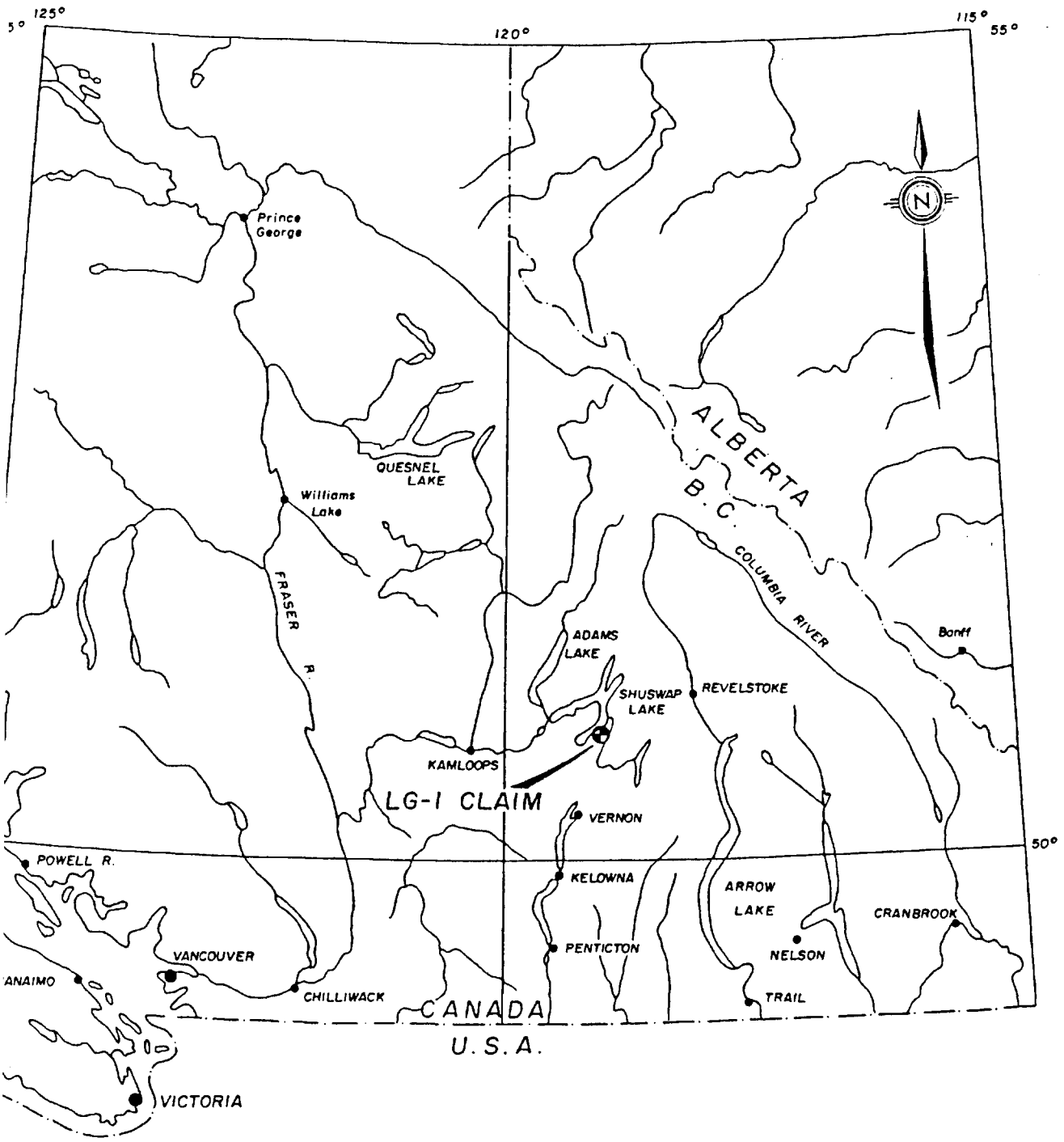
The LG-1 mineral claim (known as the Annis property) was first explored and developed in the late 1950's through to the late 70's. Initially, massive lead-zinc sulphide mineralization with silver values was located along a shear/vein system (Adit Zone). Grades of 13% lead, 4% zinc and up to 4 ounces silver across widths to 11 feet were recorded from surface trenches. A second parallel zone (Conductor B) of significantly greater strike dimensions was also located.

Recent work completed on the LG-1 mineral claim has succeeded in further delineating a strong VLF-EM and magnetic anomaly (Conductor B) due to massive sulphide mineralization. This conductor has a strike length of greater than 700 metres and has been only partially drill tested. Grades up to 18% combined lead-zinc with up to 5 ounces silver have been recorded over short (0.7 metre) intervals in some of the previous drilling. Recently discovered surface exposures of massive sulphides indicate this sulphide conductor might have a metal zonation which may result in grades of greater economic potential being located within areas previously untested by drilling.

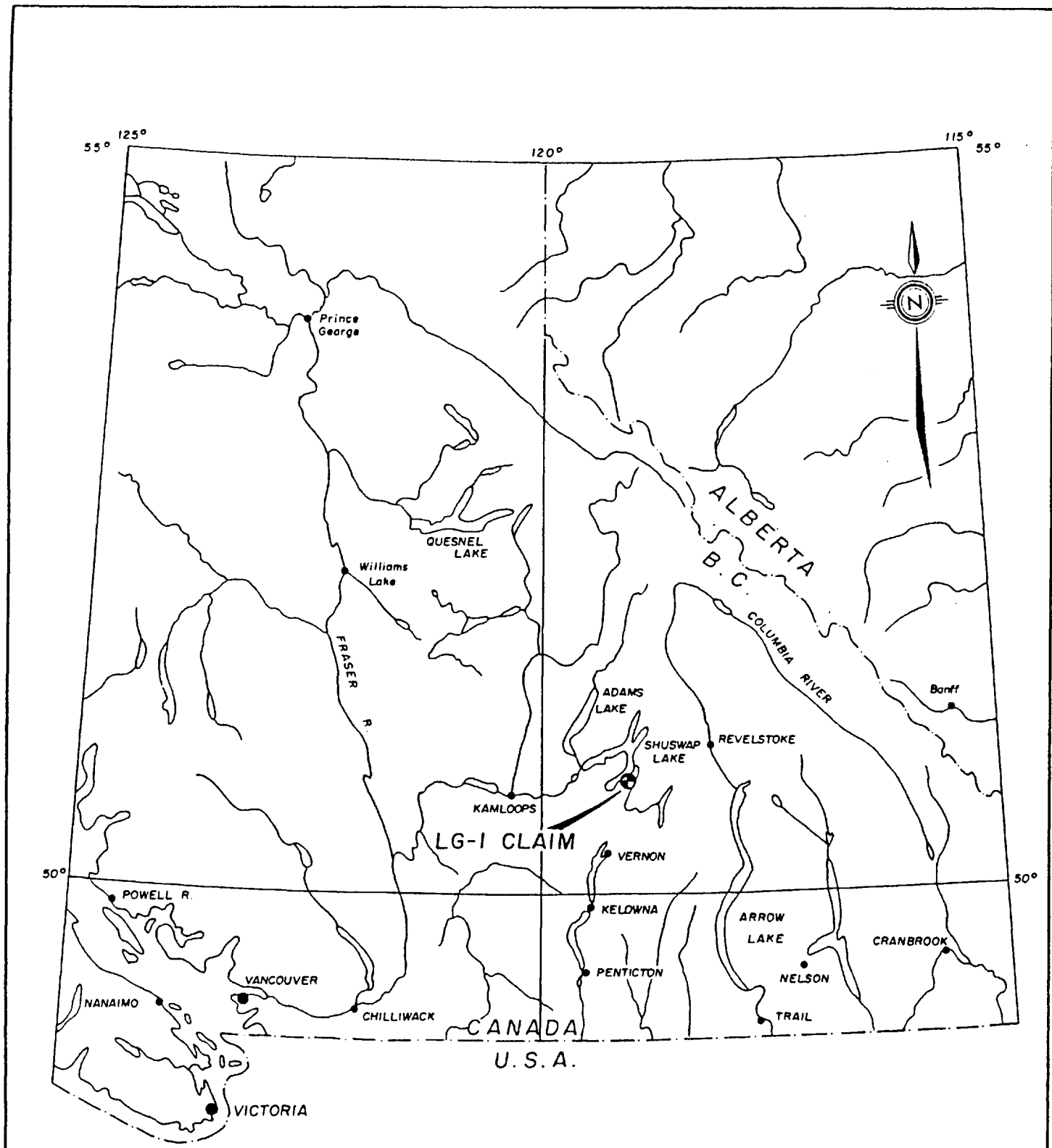
At least one other target area has been partially delineated by geophysical and geochemical surveys (Conductor C). A number of other geophysical responses indicate other targets might be developed within the LG-1 mineral claim.

The target on the LG-1 mineral claim is a "SEDEX" type, strata controlled, massive sulphide ore body. A target size in the range of 1/2 to one million tonnes with a grade of 15% combined lead-zinc with 5-10 ounces silver is a reasonable expectation based on known mineralization.

The following report outlines the most recent and historical exploration programs completed on the LG- 1 mineral claim. A success contingent program of exploration and development with a budget of \$181,950. is proposed for the LG-1 claim.



<p>LOCATION MAP</p> <p>LG - I CLAIM</p> <p>KAMLOOPS MINING DIVISION, B. C.</p>		
<p>Technical Work By: D. Leishman B.Sc. W. Gruenwald B.Sc.</p>	<p>Scale: 1:2,500,000 (1cm = 25km)</p>	
<p>Date: Jan., 1987.</p>	<p>Drawn By: W. G.</p>	<p>Fig. No. 1</p>



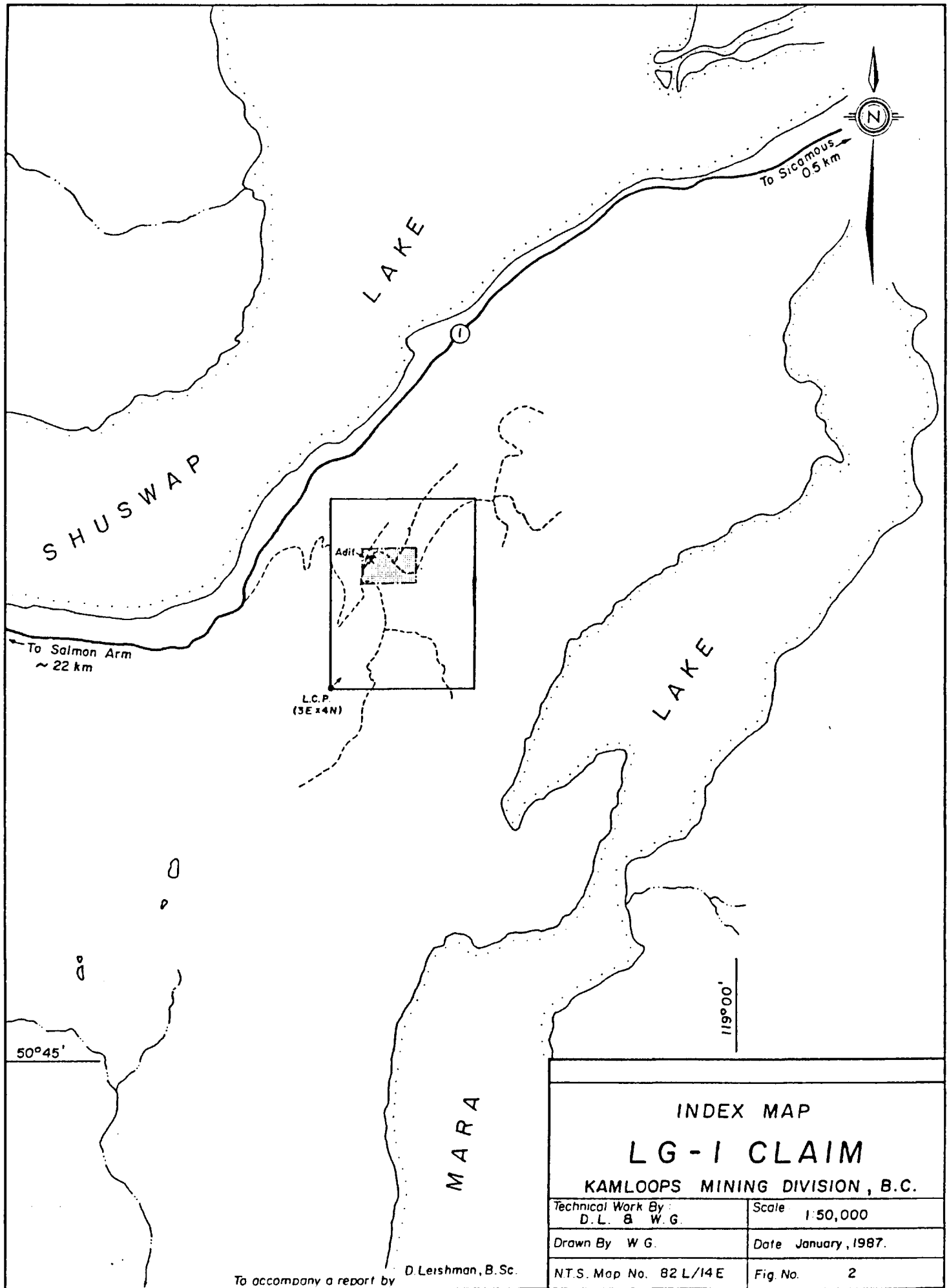
<p>LOCATION MAP</p> <p>LG - 1 CLAIM</p> <p>KAMLOOPS MINING DIVISION, B. C.</p>		
<p>Technical Work By: D. Leishman B.Sc. W. Gruenwald B.Sc.</p>		<p>Scale: 1:2,500,000 (1cm = 25km)</p>
<p>Date: Jan., 1987.</p>	<p>Drawn By: W. G.</p>	<p>Fig. No. 1</p>

History

The area covered by the LG-I mineral claim has undergone intermittent periods of work since 1958. In 1958 an 85 foot adit was driven to intersect the downdip extensions of previously discovered surface showings of massive sulphide (lead-zinc) mineralization. In 1964, as documented in the M.M.A.R., Annis Mines Ltd. trenched the property in the area of lead-zinc-copper mineralization (surficial expressions of the mineralization developed underground). In 1965 the same company extended the adit to 125 feet. Trenching and prospecting was also continued. By 1966 the adit was extended to 160 feet and 5 short holes (shown as A-1 to A-5 on Figure 5) were drilled by the company. Mineralization was reported in all 5 holes however no logs or assay values are available.

It was reported in 1967 that further trenching had extended the strike of known mineralization to 1,200 feet. In addition at least 9 more holes were drilled. Drill hole collars for all 14 drill holes are shown on Figure 5 (labelled A-1 to A-14). It has not been possible to obtain assay data for these drill holes nor have any collars been definitively located in the field. Old maps and sketches from the work by Annis Mines Ltd. (authored by Sherwin Kelly) indicate these drill holes were drilled along the projected strike extension of the Adit Zone (shown as Conductor A on Figure 5). The same plan data indicates assays varying from 1.1% to 13% lead, trace to 4.3% zinc and trace to 4.2 ounces per ton silver were obtained from a number of trenches located along the easterly extension of the Adit Zone. These values were reported over widths from 2 to 11 feet.

Further trenching was also completed by Annis Mines Ltd. during this period on an area south of the Adit Zone. The approximate locations of this trenching is shown on Figure 5 and corresponds to the westerly extension of Conductor B. Table I below lists individual values obtained from the four areas shown on Figure 5. These assay values were taken from plan maps prepared by Kelly.



To Salmon Arm
~ 22 km

To Sicamous
0.5 km

L.C.P.
(3E14N)

Adit

50°45'

119'00"

MARA

INDEX MAP
LG-1 CLAIM
KAMLOOPS MINING DIVISION, B.C.

Technical Work By: D.L. & W.G.	Scale 1:50,000
Drawn By W.G.	Date January, 1987.
N.T.S. Map No. 82 L/14E	Fig. No. 2

To accompany a report by D Leishman, B.Sc.

Area	Lead %	Zinc%	Silver oz./ton
1	13.9	2.75	4.8
2	1.27-2.85	1.8-2.9	0.5-0.8
3	3.6	1.83	2.5
4	1.15-1.75	0.42 -0.80	0.1- 0.65

Assays for Various areas of Trenching 1966

Table I

As shown in the above table, assays of up to 17% combined lead-zinc with up to 4.8 oz./ton silver were obtained however no widths were stated. These samples were taken from trenches near what the present operators have designated as Conductor B. There is no evidence that Annis Mines Ltd. completed any drilling in this area.

There is no documentation of further work completed on the property until 1973 when Sicamous Resources Ltd. completed some grid work. This was followed up in 1976 by the same company by a geochemical soil survey which outlined a large zinc anomaly. Based on this and known mineralization the property was then optioned to Granges Exploration. In 1977 Glen White Geophysical Consulting Services Ltd. carried out a pulse type E.M. survey.

In 1978 Maverick Mountain Mines and Granges Exploration completed a geochemical soil survey which was followed by the diamond drilling of 13 shallow holes (1794 feet drilled). Of this drilling 9 drill holes (6 collar locations) were completed on Conductor B with the remaining 4 holes (3 locations) on the Adit Zone (Conductor A).

Field work completed by Gruenwald and Leishman succeeded in locating 3 drill hole collars (drill holes G78-8, G78-9, G78-10). Using other plan maps from work completed in 1978 the remaining drill hole collars were plotted (see Figure 5). The locations plotted on Figure 5 of drill hole collars on Conductor B are believed to be reasonably reliable however collar locations for Conductor A (Adit Zone) are approximate only.

The logs for this drilling were not completed in any detail and neither was all mineralization sampled. There is an added problem of missing assay data for drill hole G78-8 and G78-11. The table below lists the drill holes completed by Granges/Maverick Mountain on Conductor B. Location co-ordinates are from the 1978 grid. Length of holes is in feet.

Hole No.	Location	Dip	Azimuth	Length	Summary
G78-7	1+17S 4+30E	50°	S50°W	387'	No Samples, several references to visible gal,sph,cpy below 300'.
G78-8	0+10N 2+30E	45°	S60°W	94'	Sample No. 27173-27174, no assays. references to massive sulphides (Po with sph, gal, cpy) 49 to 54'.
G78-9	2+30N 0+24E	55°	S60°W	91'	No Samples. References to massive po with gal, sph, and cpy from 36 to 73'.
G78-2	2+22N 0+10E	55°	S60W	189.9'	Sample No. 27163 (5' 1%Pb-Zn, .4 oz.Ag) sample of massive sulphides.
G78-3	2+22N 0+10E	75°	S60°W	160.6'	Samples 27164-65 (up to 10.4% Pb-Zn, 5.12 oz.Ag/1.7'). Numerous references to cpy and sph (unsampled).
G78-10	2+57N 0+10E	45°	S60°W	89.6'	No Samples, references to 10% py/po.
G78-11	2+70N 20W	45°	S60°W	67'	Sample No. 27175-27179, no assays. References to massive po with gal, sph and cpy from 49 to 60'.
G78-12	2+70N 20W	70°	S60°W	66.3'	Sample No. 27180-27185. Up to 18.85% Pb-Zn, 5.75 oz.Ag/2.2'. Sulphides from 53 to 66'.
G78-13	2+70N 20W	90°		89'	Sample No. 27186-27189 of mineralization from 70 to 82'. Up to 2.25%Pb-Zn, 1 oz.Ag.

Total Footage 1,234.4' (376.2 metres).

1978 Drilling Summary Conductor B

Table II

No further work was recorded on the property until it was acquired by Caltex Hydrocarbons Inc. in 1981.

The work completed by Caltex Hydrocarbons Inc. in 1981 and 1982 included a magnetic and soil sampling survey over areas of the E.M. response previously indicated by White's survey. This work was successful in outlining an area of strong magnetic response with co-incident geochemical values. This was in an area where no trenching had been completed, nor was there any known mineralization (between drill holes G78-8 and G78-9). It is believed this work by Caltex was the last work completed on the property prior to being acquired by Gruenwald and Leishman.

Regional Geology

Mapping by the Geological Survey of Canada indicates that the LG-1 claim to be underlain by rocks of the Archean (or later) Mount Ida Group. The Mara and Sicamous Formations which consist of quartzites, argillites, limestones, and schists (sericite and chlorite), have been mapped in the immediate area of the claim group. The predominant foliation within these metamorphosed units strike's approximately east to west with an indicated dip of 35° to 45° to the north. A major, northerly striking fault is indicated by the G.S.C to pass through the claim group.

More recent work by the B. C. M. M. A. R. has placed the Sicamous and Mara Formations at the base of the Devonian Eagle Bay Succession. This recent work has suggested the Sicamous Formation is the basal suite of sediments to the predominantly volcanic Eagle Bay assemblage. This lithological change is considered to represent a facies change as opposed to a time change. The Eagle Bay Formation is the host for numerous base and precious metal deposits including the Samatosum silver, base metal deposit presently being mined by Minnova/Rea Gold Corporation.

The claims lie very near the western margin of the extensional Shuswap Metamorphic Complex. Pegmatite dykes seen in the northern area of the property and described in drill logs are probably connected to this metamorphic complex.

gammas that do correspond to the axis of the conductor. The significance of these remains to be explained.

On L2+00W, centred at 9+37S there is a major gradient change in magnetics (approximately 2,700 gammas). This "magnetic high" lies immediately south of a weak but distinct VLF-EM conductor on the same line (see Figures 3 and 4).

Conclusions

The continued survey work completed on the LG-1 claim has clearly indicated that the known mineralized horizons (Conductors A and B) have a good electromagnetic and magnetic response.

This recent VLF-EM and magnetometer survey has better delineated Conductor B. In addition, prospecting along this conductor has revealed the existence of boulders of massive sulphides with significant values in base metals and silver (Samples LGR 5 and LGR 6). There are indications that a metal zonation occurs along the strike length of this conductor.

A previous drill hole spotted by Granges in 1978 (G78-8) appears to have been set-up immediately on top of the Conductor B as outlined by the recent survey work. It is conceivable that this drill hole did not properly test the target. A second drill hole (G78-7) near the eastern end of the same conductor may not have fully tested the target area. No samples were collected from this hole despite a number of references to mineralization in the drill logs. A strong magnetic anomaly (+22,000 gammas) located along the axis of the same conductor has not been drill tested. Assuming drill holes G78-7 and G78-8 did not properly test the downdip and eastern extensions of Conductor B there appears to be up to 500 metres of untested geophysical conductor.

In-situ mineralization identified by the operators in the area of the Adit (Conductor A) appears to be strata controlled. Also, the identification of mafic volcanics in the same area indicates the geology of this property has never been properly mapped. There is no indication that assays for gold were completed on a regular basis.

The identification of a strong VLF-EM conductor (Conductor C) with some enrichment of base metals and silver in the soils, parallel to and south of areas of past work appears to open up a new target area.

The LG-1 mineral claim hosts potentially economic, stratabound, massive sulphide mineralization. Further work should be orientated towards the re-evaluation of this claim geologically and geophysically .

Recommendations

The LG-1 mineral claim clearly warrants further exploration and development. This should consist of two phases with a proposed budget of \$181,950.

Phase I

Continued grid and geophysical surveys over the entire area of the claim. Remaining area of claims to be covered with 100 metre grid. Areas of interest would be detailed with lines spaced at 50 metres (less if necessary for magnetic data).

Geological mapping of the property at a scale of 1:2,500. This should be followed by detailed sampling of altered and mineralized outcrops and soil sampling over and immediately adjacent to any geophysical conductors.

Backhoe trenching of geophysical and geochemical targets.

Phase II

Drill testing of Conductor B at depth and along strike and the drill testing of other targets developed in Phase I.

Budget Proposal

Phase I

Establishment of grid and geophysical surveys	\$9,000.00
Geochemical surveys (soils and rock chip, approximately 450 samples)	7,000.00
Geological Mapping (structural and stratigraphic control)	7,000.00
Trenching (40 hours backhoe and supervision)	8,500.00
Reporting	<u>3,000.00</u>
Total	\$34,500.00
Contingency 10%	<u>3,450.00</u>
Total Costs Phase I	\$37,950.00

Phase II

Diamond Drilling, 1,000 metres NQ core @ \$130.00/metre (all incl.)	\$130,000.00
Reporting	<u>4,000.00</u>
Total	\$134,000.00
Contingency	<u>10,000.00</u>
Total Costs Phase II	\$144,000.00

Total Projected Costs For Phased Program **\$181,950.00**

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