860791
Ashlu Creek

August 4, 1988

- Had a call from Alex Husar (879-3649) who has a partial interest in the Ashlu Creek Property which is owned by Walter (Slim) Babkirk (939-4370)
- Claims that they have impressive Au, Ag, Pt values which are locked up in Tellurides. - also lots of scheelite.
- Went to Slims house in Coquitlam to examine drill core and rock samples. Has disseminated sulphides? (Tellurides) hosted in chlorite and sericite schists.
- Warrants a prop. exam and will do so on Aug. 6/88.
- If P.M.s occur in Tellurides then a Thio-urea digestion is recommended prior to assay.
- Sumitomo Metal Mines was interested in the Ashlu Mine and took a bulk sample that ran:
  312.5 g/mt Au, 222 g/mt Ag.
- Grab samples taken from Top Portal Vein (~ 7 ft. thick) ran:

SAMPLE	Cu (%)	Ag (o.p.t.)	Au (o.p.t.)
A	1.04	10.22	18.300
B	11.80	26.35	18.520

- Up to 0.2% Pt has been recorded in and around the vein.

Ref: Ministry of Mines 1935 pp. F1

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(tel # 879-3649) 2615 Columbia
Vanc. B.C.

Walter (SLIM) Babkirk -
(tel # 939-4370)

- Mineralization = Alex and Slim figure that the ore bearing minerals are Petzite, Silvanite and Calverite.

- From 115 lbs of rock Slim got 11 o.p.t. Au.

GEOLOGY:

Regional:

Geological survey of Canada map 42-1963 presents the most recent data compiled regionally. The area is part of the Coast Crystalline Complex, composed of extensive Cretaceous or earlier granodiorite intrusives intertwined with metamorphic rocks as well as unmetamorphosed volcanics and sediments. In some places, these rocks are overlain or cut by Tertiary or later volcanics of various composition. Some granitic rocks also have been determined as belonging to this more recent period.

Granodiorites occupy the largest portion of the Squamish-Ashlu area.

The area in the Ashlu basin between Pokosho and Pykett Creeks contains several copper and gold showings centered on the Hawk claims.

Local:

The Hawk mineralized structure strikes about N15°E and dips about 25°W.

The structure is bounded by a metamorphic zone which may be as much as 100' wide, lying between granodiorite in both the hanging-wall and the foot-wall. A strong quartz vein, between 3 to 4 feet, wide follows close to the granodiorite hanging-wall.

The metamorphic rock is mostly fine-grained biotitic, occasionally banded, dark rock, which could be a metamorphosed tuff or dyke rock. Contacts with the granodiorite rock are sometimes sharp, sometimes diffused.

At the far south end of the workings, a very straight and tight shear striking N40°W, dip 66°SW is present. The quartz vein is more or less "dispersed" before it reaches this shear.

The quartz vein consists of brittle milky white quartz with pods, streaks and disseminations of sulphides. The gold is apparently related to the sulphides and probably occurs as a telluride. In addition, the quartz vein carries irregularly disseminated scheelite, sometimes in crystals one or two inches in diameter and there is minor chalcopyrite.

It has been concluded that the average grade of the Ashlu vein across an average mining width of about 150 cm, is of the order of 0.4 to 0.5 oz/tonne of gold. Tungsten content is lightly variable and appears to be concentrated in the central portion of the vein.

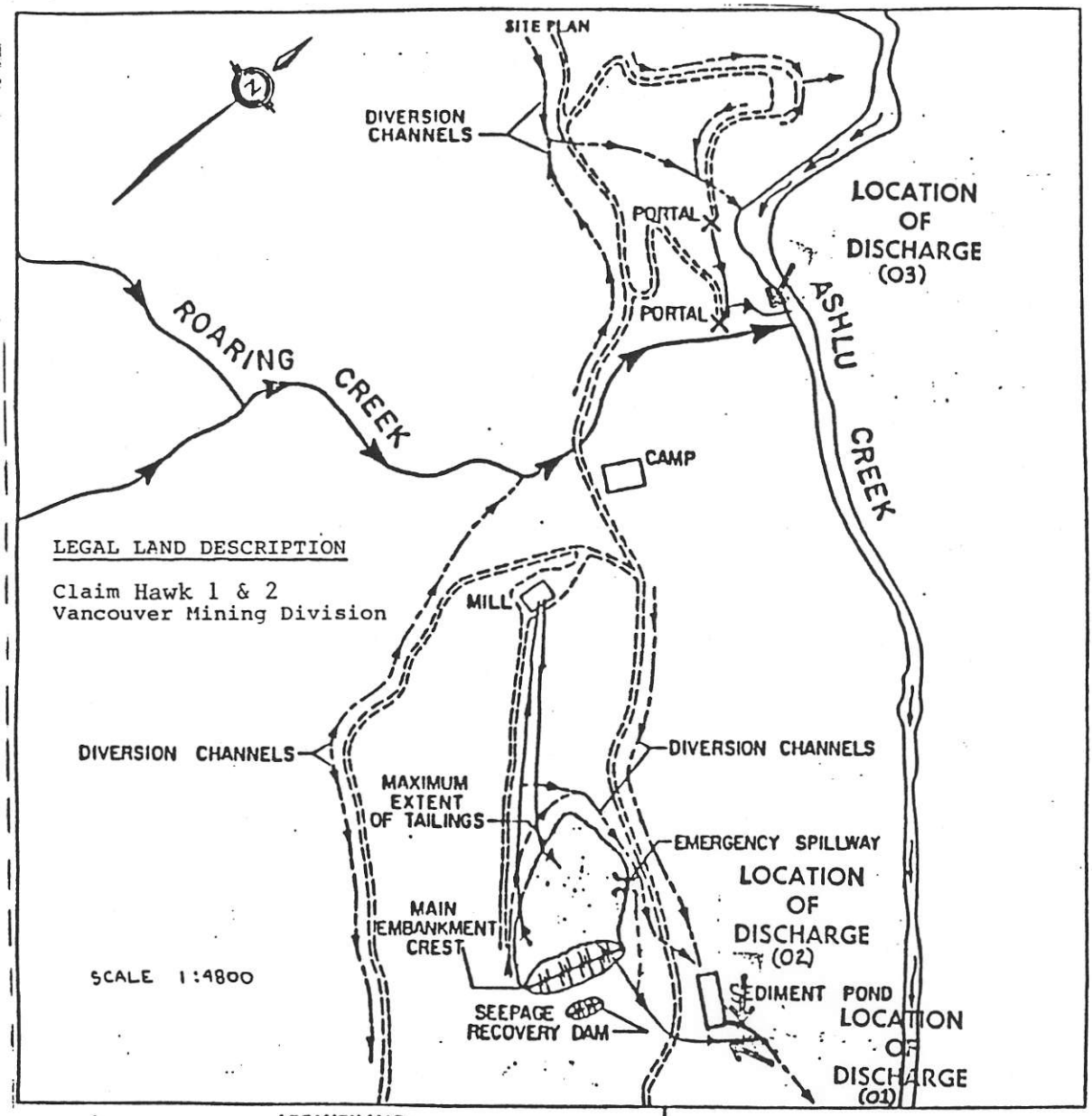
150 cm = 59.1 inches

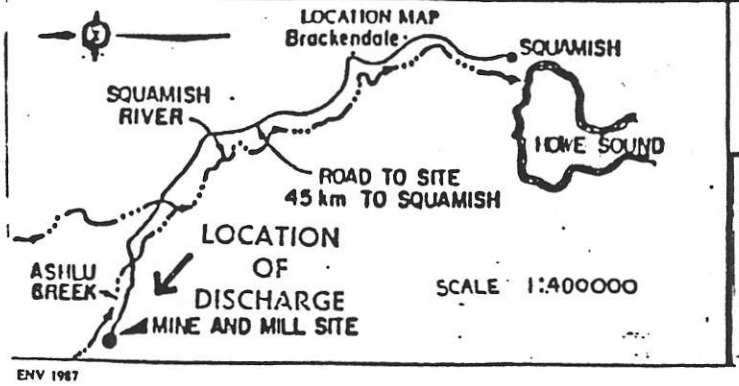
0.40 oz/tonne = .36 oz/ton

Province of British Columbia

Ministry of Environment

WASTE MANAGEMENT BRANCH





ENV 1987

Osprey Mining & Exploration Ltd.
(Name of applicant(s))

Nov. 29/82 .....
(Date) (Signature of applicant(s) or agent)

(FOR OFFICE USE ONLY)

OCT 27 1983 Regional Waste Manager
(Date issued)

Appendix A-1 to Permit No. PE-6816

Approval No. .....