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604-661-1588

PARTS OF KNUTSFORD PROPERTY REPORT

Ojectives

The target mineralization is a porphyry style copper-gold deposit. Several occurances of this type of mineralization are hosted by the Iron Mask batholith which underlies most of the property. Examples of other deposits would include the Ajax, located 4.0 kilometers west of the porperty, which is currently in production. Another example is the now exhausted Afton deposit located 13 kilometers northwest of the property.

Previous exploration on the property has determined porphyry style copper mineralization occurs. The objective of the 1989 work porgram was to target specific areas for drill testing by conducting soil, magnetometer and EM-VLF, and induced polarization surveys.

Location and Access

The Knut property is located approximately 300 kilometers northeast of Vancouver and 7.0 kilometers south of downtown Kamloops, in the rural area of Knutsford (see Figure 1). The claims are roughly centred at 50 36' latitude and 120 20' longitude on NTS map sheet 92I/9.

The old Kamloops/Merritt highway crosses the eastern margin of the property. Secondary roads provide easy access to most of the claim block (see Figure 2).

Claim Status

The Knut property consists of six modified grid mineral claims, three fractional claims, and one reverted crown grant. A claim schedule is listed below in Table 1. Significant portions of the MD-1 and MD-8 claims are overstaked on pre-existing claims which are not part of the subject property. ~~The claims are wholly owned by Placer Dome Incorporated~~. All of the claims are located on deeded land.

Claim Name	Units	Record No.	Expiry Date	Owner
MD-1	10	6079	Feb. 02, 1992	
MD-2	16	6080	Feb. 02, 1992	
MD-3	8	6081	Feb. 02, 1992	
MD-4 Fr.	1	6099	Mar. 29, 1991	
MD-5 Fr.	1	6100	Mar. 29, 1991	
MD-6 Fr.	1	6101	Mar. 29, 1991	
MD-7	12	6913	Oct. 16, 1992	
MD-8	6	7147	Oct. 31, 1992	
Knut	4	8212	Dec. 20, 1989	
Dispatcher	1	7448	Dec. 24, 1994	

Physiography and Climate

The property covers gently rolling open grasslands of the interior plateau. Elevations range from 840 to 980 metres. Land use is agricultural, as most of the property is used for grazing cattle with some minor hay production.

Summer temperatures can exceed 30 degrees centigrade and will fall as low as -20 degrees in winter. Annual precipitation is generally under 25 centimetres. Reasonable weather conditions for exploration work can be expected from April to November.

History

Exploration was conducted in the area of the current claims in the period from 1969 to 1973. This work consisted of soil, magnetometer and EM-VLF, and induced polarization surveys, followed by percussion and diamond drilling. These surveys were conducted by Great Plains Development Ltd., Royal Canadian Ventures Ltd., and Craigmount Mines Ltd.

The results determined copper-in-soil, and IP metal factor anomalies. Drill testing was successful in locating porphyry style copper mineralization. However, some of the best soil and IP anomalies were never tested.

Placer Dome Inc. reviewed the available property data in mid-1989 and determined that significant favourable areas remained to be tested, and subsequently optioned the property.

Regional Geology

The following discussion has been largely extracted from Northcote (1976) and Kwong (1987).

The Knut property is situated within the southern portion of the Iron Mask batholith. This multiphase, alkaline batholith lies within the Nicola belt portion of the Quesnel Trough in the Intermontane tectonic belt of the Canadian Cordillera. The Nicola belt is characterized by Late Triassic volcanic and sedimentry rocks of the Nicola Group that have been intermittently intruded by coeval and comagmatic alkaline plutons, such as the Iron Mask batholith. Early Tertiary sedimentry and volcanic rocks of the Kamloops Group and Miocene-age basaltic flows and volcaniclastics unconformibly overlie the Nicola strata and the various intrusive rocks, usually within graben structures.

The Iron Mask batholith is a Upper Triassic-Jurassic age intrusive complex, elongated in a northwest-southeast direction with an exposure length of 20 kilometres and an average width of 4.0 kilometres. It is comprised of four major units; Iron Mask Hybrid, Pothook, Sugarloaf, and Cherry Creek. These units are generally fine grained and sometimes porphyritic. They range from gabbro to syenite composition with diorite predominating. Northwesterly, northerly, and northeasterly trending recurring fractures or faults controlled emplacement of the various Iron Mask units.

Property Geology

The distribution and descriptions of the various rock types on the property have been compiled from Northcote (1977) and Kwong (1987). The major rock units are shown on Figure 4.

The oldest rock units in the map area are three phases of the Iron Mask batholith. The Iron Mask Hybrid is exposed on the western flank and the northern tip of the property. It is generally described as a melange of intrusive rock, composed of rounded to angular fragments of various sizes, texture and composition in a dioritic matrix. The fragments, which can make up more than 80 per cent by volume of the rock, include mainly coarse and fine grained diorite and coarse grained gabbro with lesser amounts of medium to coarse grained hornblendite and scattered xenoliths of Nicola Group volcanic rocks.

The Sugarloaf unit is exposed as a small enclosed body in the southern portion of the map area. This unit is a porphyritic rock of diorite to andesite composition. A distinguishing feature is the presence of hornblende and/or augite phenocrysts.

The Cherry Creek unit occupies a central belt of the map area. This unit is weakly to strongly porphyritic, fine grained, and ranges in composition from diorite to syenite. A speckled texture is characteristic which results from a clustering of fine grained mafic minerals.

Triassic Nicola Group volcanic rocks dominate the eastern flank of the map area. They are mainly tuff and tuff breccia with multi-coloured fragments and are commonly very hematitic.

Tertiary Kamloops Group rocks compose a prominent hill in the east-central portion of the map area. These rocks unconformably overlie the Iron Mask batholith and the Nicola Group rocks. They are mainly of basaltic composition and occur as vesicular flows and flow breccias.

Statement of Qualifications

I, Robert B. Pease, of 1872 Whistler Court, Kamloops B. C., do hereby certify that:

1. I graduated from the University of Waterloo, Waterloo Ontario, with an Honours B. Sc. Degree in Earth Sciences, in 1981.

2. From 1976 until the present, I have been engaged studying geology, or working in mineral exploration or mine geology, in various regions of Canada. I have been employed continuously by Placer Dome Inc., or subsidiaries, since 1982.

3. I am an Associate of the Geological Association of Canada, and a member of the Canadian Institute of Mining and Metallurgy.

4. I personally supervised the field work as decribed in this report, and have assessed the resulting data.

Respectfully Submitted,

Robert B. Pease

References

Kwong, Y. T. J. (1987): Evolution of the Iron Mask Batholith and its Associated Copper Mineralization. British Columbia Geological Survey Branch, Bulletin 77, 55 pp.

Murphy, J. D. (1988): Report on the MD and Knut Mineral Claims, Knutsford, B. C. Private report to Salor Scientific Inc.

Northcote, K. E. (1976): Geology of the Southeast Half of the Iron Mask Batholith, in Geological Fieldwork, 1976, Paper 1977-1, B. C. Ministry of Energy, Mines, and Petroleum Resources, pp. 41-46.