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MEMORANDUM

To: Ed Kimura

Date: May 16, 1988

From: Rob Pease

Re: **SPRING PROPERTY, SIMILKAMEEN MINING DIVISION, B. C.**

A data package on the above property was received from Alex Burton on behalf of Golden Pick Resources. The property report which was written by Alex Burton discusses the property in general terms, but concentrates mainly on fitting it into an epithermal gold model.

The property is located 28 km west of Peachland, and approximately 7 km east of the Elk property. Access is by logging roads. The claim block consists of five claims totalling 60 units. Golden Pick has clear title to the claims, and they are open to any offers regarding optioning the property.

The claims are mainly underlain by rhyolitic feldspar porphyries, but an outcrop of Nicola volcanics is exposed in the northern part of the property. Epithermal fault alteration (clay) zones have been identified, and are the target for epithermal gold mineralization.

Past exploration of the property was directed at porphyry Cu-Mo. Placer gold has been recovered from a creek which transects the property. The gold is fresh and shiny looking, with angular shapes including impressions of calcite and quartz crystals, and is interpreted to be locally derived.

Recent work has concentrated on mapping the zones of intense clay alteration, and testing of these structures with limited IP (resistivity) and diamond drilling. The IP was successful in demonstrating the alteration zones have relative low resistivities, and the drilling confirmed anomalous Ag-Au-Zn values over 20 m within the alteration zone.

Future work on the property should consist of geologic mapping, combined with gold-in-soil and IP surveys. This should target the epithermal alteration zones for subsequent trench and drill testing.

Optioning the property would be a high risk venture, but due to the proximity of the Elk property and the similarity of the target, I would recommend a property exam should be conducted to further evaluate this prospect.

A handwritten signature in cursive script, appearing to read "Rob Pease".

Rob Pease

RP/rp/lea
05.16.88