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STATEMENT OF EXPENDITURES

MERC. #31-36 MINERAL CLAIM'S

GEOLOGICAL EXAMINATION - June 8, 9; Sept. 5, 1968

Geological Field Work:

Geologist 2 days @ \$125.00	\$250.00
Assistant 1 day @ 80.00	80.00
Expenses for geologist & assistant	30.00
Rental of vehicle (Transportation to property from Calgary and return)	200.00
TOTAL EXPENDITURES	\$560.00

John M. Little



GEOLOGIC MAP
 Merc Claims 31, 32, 34, 35, 36
 Merc #3 Group
 HARDIE MTN. B.C.
 50°57'N-120°47'W
 Kamloops Mining Division

Merc #37

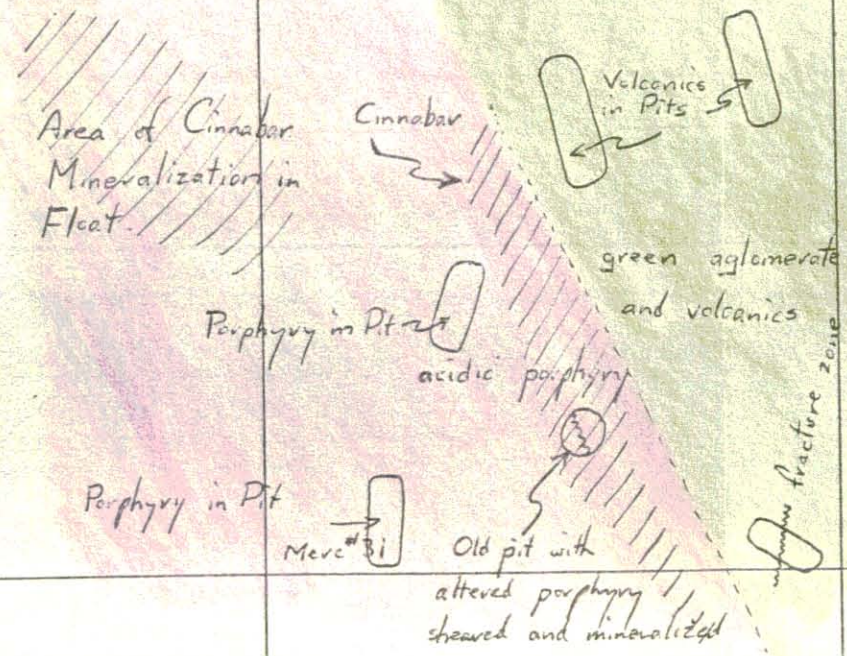
Merc #36

Merc #35

Merc #34



Merc #31

Merc #32



Altered Porphyry?

Altered Porphyry

Volcanics 
 Porphyry 

SCALE 1" = 500'
 (Approximately)

Prepared By: JOHN M. ALSTON
 For: JASON OILS LTD.
 February 28, 1969.

To accompany Report #1

C E R T I F I C A T E

I, JOHN MILLWARD ALSTON, of the City of Calgary in the Province of Alberta, hereby certify that:

I am a Certified Professional Geologist in the Province of Alberta.

I am a graduate of the University of New Brunswick with the degree BSc in Arts (1949).

I am a practicing geologist with offices at 904 - 237 - 7th Avenue, South West, Calgary 2, Alberta.

I have been actively engaged in my profession for more than nineteen years.

The foregoing report is based on actual observations in the field.

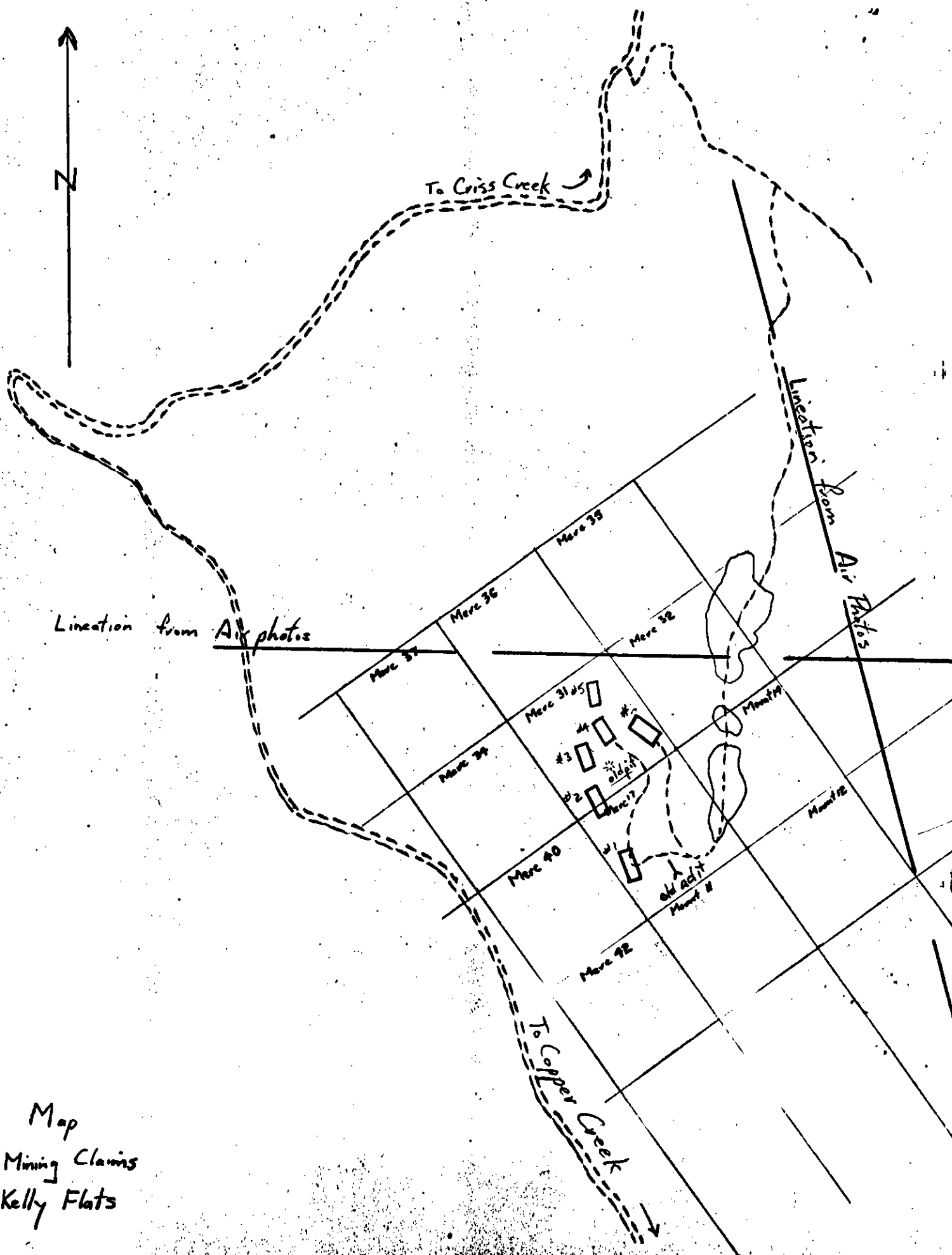
I am President of Jason Oils Ltd. which has entered into an agreement to acquire an interest in the subject claims from Mr. L. J. Leier.

Dated at Calgary this 9th day of September 1968.



John Millward Alston
P. Geol (Alberta)

Kelly Flats



Map
 Mining Claims
 Kelly Flats

GEOLOGICAL REPORT

Merc. Group #3

Merc. Claims 29 to 59 Inclusive

Hardie Mountain, B.C.

Prepared For: JASON OILS LTD.

September 9, 1968.

intersected by steep gullies draining to the Southwest. The area is sparsely timbered with spruce and pine some of which is approaching merchantable timber. The nearest sources of water is Red Lake located approximately one mile to the North. Power is available at Savona.

GEOLOGY:

The subject claims are located in an area of basic volcanic rocks cut by acidic porphyritic intrusives. The volcanics consist of a heterogeneous mixture ranging from green brecciated agglomerate to basalt and green basic porphyritic dykes. The acidic intrusions are mostly light coloured porphyries in the form of small stocks and associated dykes.

The cinnabar mineralization appears to be associated with the acidic intrusions and particularly with the acidic dykes. An examination of the aerial photographs reveals numerous linear trends two of which are noted on the sketch map. On the ground these trends have been identified with basic dykes cutting the volcanic and with zones of fracturing. The acidic dykes appear to be more local and have not been identified on the air photos.

MINERAL OCCURANCES:

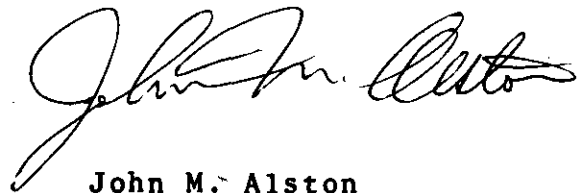
On the Merc. 31 Claim several pits have been opened by bulldozers to expose the bedrock on the projection of a mineralized trend extending Northwesterly from the Merc. 17 claim to the Southeast where it is exposed at the entrance to a caved adit. The rock exposed in the pits is predominantly acidic porphyry with minor volcanic rock, much of which is weathered and altered. Thin veins of dolomite occur in some of the pits and some of these contain minor showings of cinnabar. The muck pile of an old caved pit located to the east of pit #3 contains showings of cinnabar mineralization of a higher grade than in the new pits. It appears that the mineralization trend from the old adit extends in the vicinity of this old pit and between pits #3 and #4.

RECOMMENDATIONS:

Because of the scarcity exposures, the bedrock geology on the Merc. 31 claim and its vicinity is still obscure. In order to outline further areas in which to trench it is recommended that a geochemical survey should be undertaken in the area surrounding the old pit within a radius of about 2000'. This should provide sufficient control to

(-3-)

assist in laying out trenches across the indicated mineralized trend.

A handwritten signature in cursive script, appearing to read "John M. Alston".

John M. Alston
P. Geol. (Alta.)

Calgary, Alberta.

September 9, 1968

SUMMARY AND CONCLUSIONS:

The following report is based on field examination of the subject claims conducted June 8th and 9th, 1968 by the writer and Mr. Lee G. Morrison, P. Eng., photogeologic interpretation by the writer during August 1968 and further field examination by the writer and an assistant September 5, 1968.

Exposures of bedrock in the bulldozed pits on Merc. Claim 31 were examined in detail and a reconnaissance of the area of Merc Claims 32, 34 and 36 was undertaken. Outcrops in this area are extremely sparse and considerable attention was paid to the float scattered over the surfaces in order to obtain clues as to the obscure bedrock. Mineralization consisting of disseminated cinnabar was found in scattered occurrences both in the bedrock exposed in the pits and in a few pieces of float.

LOCATIONS AND MEANS OF ACCESS:

The Merc. #3 Group of Claims, consisting of Merc. 29 to 59 inclusive, are situated on the west slope of Hardie Mountain above the valley of Carabine Creek. They are four miles north of Copper Creek Station on the Canadian National Railway running along the north shore of Kamloops Lake. A gravel road from the Trans Canada Highway just West of Savona connects with the road from Copper Creek to Criss Creek. From the latter road in the vicinity of Red Lake a wagon road has been cleared for about a mile to the property. See attached sketch map.

HISTORY AND OWNERSHIP:

The subject claims were staked in 1966 and subsequently purchased by Mr. L. J. Leier. They are located in the same general area as previous claims held by Kamloops Mercury Mines Limited in the 1940's and known as the Merc. Group.

PHYSICAL FEATURES:

The Merc. #3 Group is located on the West flank of Hardie Mountain approximately 1000' above the level of the valley of Carabine Creek. The area of Merc. 31, 32, 35 and 36 claims is relatively flat except where it is