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6274-PT.2

October 25, 1976

President & Directors
Grove Explorations Ltd. (N.P.L.)
Suite 2002 - 1055 West Georgia Street
VANCOUVER, B. C.

Attention Messrs J. Godfrey & D. Brown

Gentlemen:

PROGRESS REPORT #76-1 - EXPLORATION
FRENCH MINE PROPERTY, HEDLEY, B. C.
SIMILKAMEEN/OSOYOOS MINING DIVISIONS

GENERAL

This report follows upon the writer's initial "REPORT - GEOLOGY & ORE POTENTIAL of the FRENCH MINE PROPERTY ---," of July 26, 1976 date. The current report describes and summarizes exploration completed since that date, and which comprised Stage 1 of the recommended four-stage program.

GEOLOGY & MINERALIZATION

The property situates on the southeast slope of Nickel Plate Mtn., and within the same general structural and lithological setting as that containing the former Nickel Plate, Mascot, and Good Hope orebodies. Gold, the principal ore metal, is generally associated with disseminated iron, arsenic, and copper sulphides. Locally, and particularly at the Good Hope and French properties, it occurs mainly in the 'free' state. However, at the west end, and in peripheral areas of the French ore zone it is associated with disseminated to locally massive occurrences of chalcopyrite and bornite--occurring within the same general zone of silicated (skarny) limestones and

M-4 - Map No. G-1-Geology-IP Chargeability.
M-5 - Map No. G-2-VLF-EM+IP Resistivity

tuffs. On the basis of the above occurrences and associations, the writer recommended physically and geophysically-based initial stage of exploration on the property.

PROGRESS NOTES - 1976

July - August --- Drilled and blasted outcrops within West Copper Zone, and exposed section of disseminated to massive chalcopyrite/bornite mineralization with associated gold/silver values. Mapped and sampled fresh exposures.

September --- Prepared grid and carried out I.P./resistivity and V.L.F.-EM surveys over 5 mile grid situated over and to east of French mine workings.

October 1-15 --- Two additional Crown-granted claims optioned, and one claim comprising 6 units staked in order to cover geologically and geophysically-indicated extensions and possible repetitions of the French ore zone. The property now consists of 13 Crown-granted and 11 located claims.

October 16-24 --- Survey base-line and cross-line profiles, including preliminary outcrop mapping; prepare geophysical-geological over-lay maps @ 1"=300'; commence magnetometer survey of selected areas of grid; plan initial diamond drilling; take large bulk sample of West zone copper mineralization to furnish metallurgical sample.

CURRENT RESULTS

(a) West Copper Zone. A block of medium-to-high grade gold-silver-copper ore, estimated to grade 4% copper or better, has been exposed. The writer estimates that the current exposure and its local extensions may contain some 2000 tons of ore that could be selectively mined on a small-scale and shipped directly to the Tacoma smelter--subject to the receipt of a favourable metallurgical report and ore purchase quotation from the smelter.

(b) I.P. Survey. The survey delineated a broad chargeability anomaly which trends in a southeasterly direction for some 3000 feet, and which is open to the N.W. and S.E. At its mid-point the anomaly-axis lies only 300 feet north of the existing mine stopes. The available evidence from sparse outcrops suggests that the anomaly might reflect finely-disseminated pyrite within a thick, flatly N.E.-dipping band of silicified tuffs closely above the projected skarn/ore horizon--possibly comprising an alteration halo relating to an underlying skarn/silicate zone. In any case, it constitutes a high-priority drilling target.

The survey has also delineated a strong resistivity anomaly which encompasses and correlates with the old stopes, trends southeasterly and extends for at least 1200 ft. beyond the old stopes and the limiting Cariboo fault. This resistivity anomaly may be due to a through-going limestone band or, perhaps, to the mine skarn/silicate zone and its extensions beyond the workings. It also comprises an important drilling target.

A zone of anomalous chargeability, lying closely south of the mine workings and with an apparent E.-W. trend, has been partly delineated. Its significance, if any, has yet to be determined.

On the basis of the above-noted results, taken in conjunction with the more direct geological indications of an easterly continuation of the French ore zone, the writer recommends that the following exploration be carried out:

STAGE II --- To include AX or AQ-size diamond-drilling, core-logging/sampling, assaying, geological supervision:

2000 lin.-ft. @ 18/ft.	$36,000
Provision for follow-up geophysical surveys	2,000
Provision for administration & overhead	2,000
TOTAL, STAGE II	40,000

STAGE III --- Contingent on Stage II results:

Diamond-drilling, 4000 lin.-ft. @ $18/ft.	$72,000
Provision for underground drill stations	4,000
Provision for administration & overhead	4,000
TOTAL, STAGE III	80,000

STAGE IV --- Open -

Respectfully submitted,

W. M. SHARP, P.Eng.

October 25, 1976

CERTIFICATE

I, WILLIAM M. SHARP, with business and residential addresses in North Vancouver, British Columbia

DO HEREBY CERTIFY THAT:

1. I am a graduate of the University of British Columbia with a M.A.Sc. (1950) degree in Geological Engineering.

2. I am a Registered Professional Engineer in the Province of British Columbia, Reg. No. 2164.

3. I have practiced my profession since 1950; and as geological consultant since 1964.

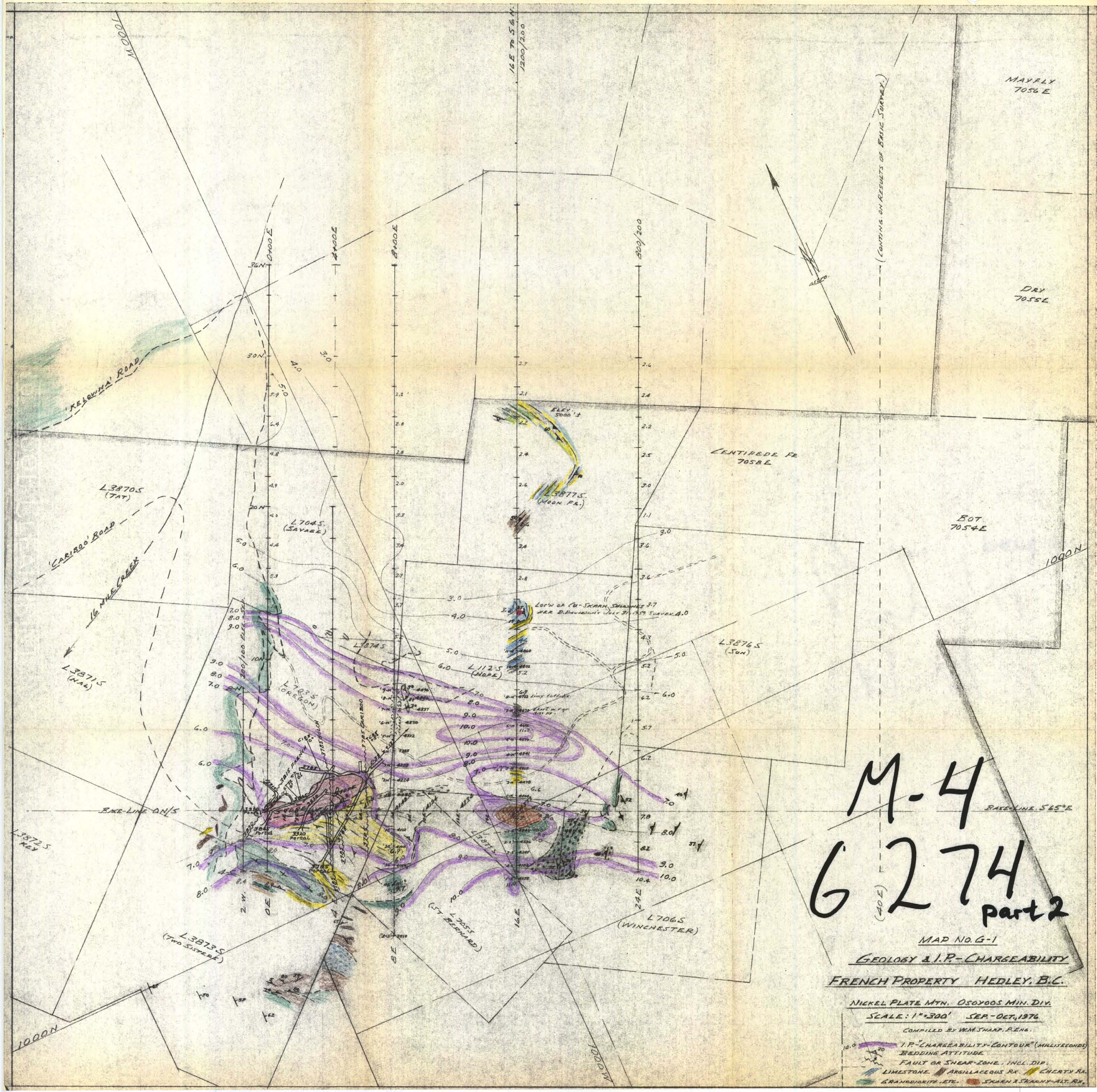
4. I have personally examined the showings on the French Mine property on consecutive visits from June through October, 1976 for Grove Explorations Ltd. (N.P.L.).

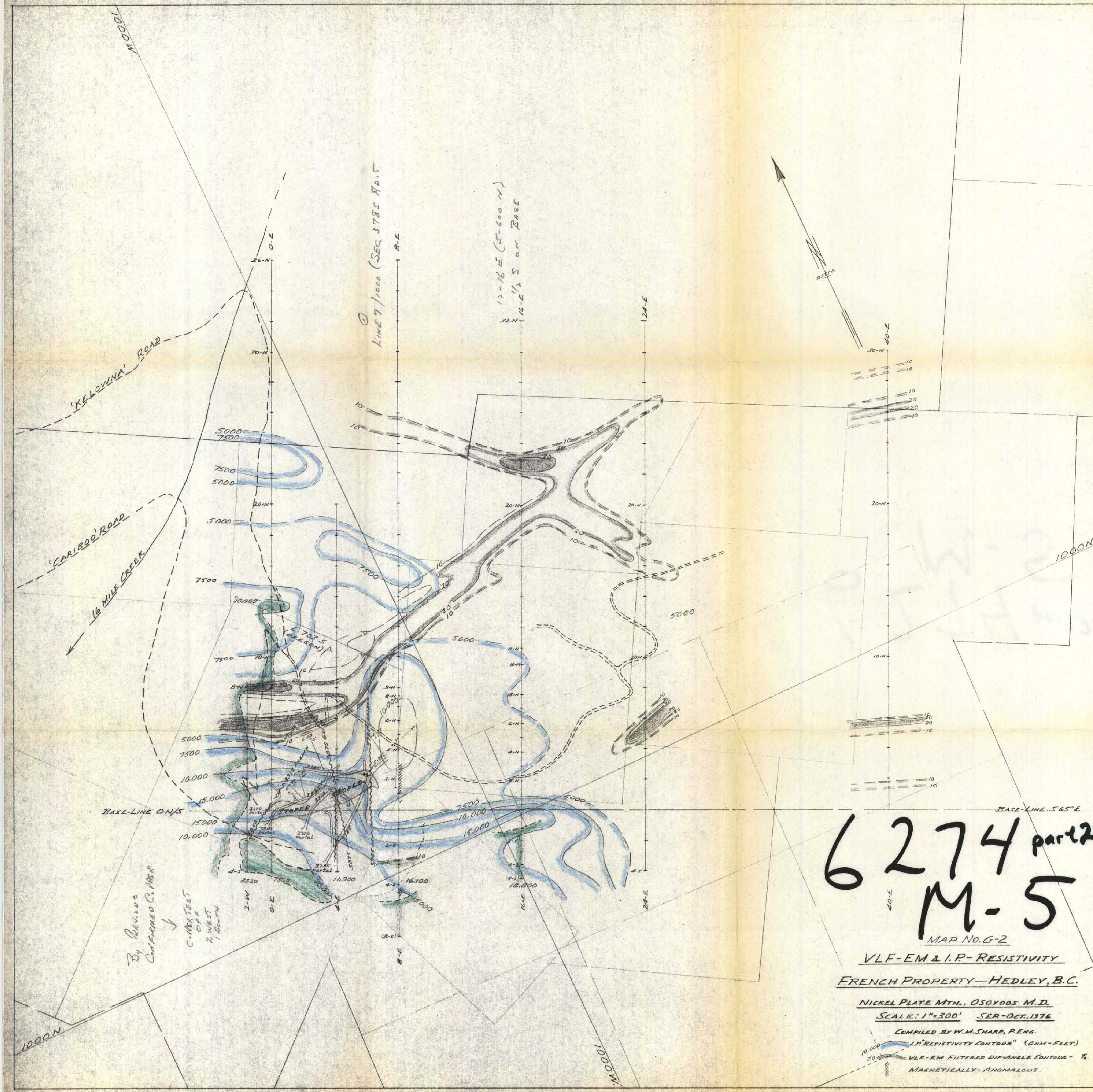
5. This report is based on my personal examinations, the mine file of geological data, and on B. C. Government reports.

6. I have no direct interest in the property or securities of Grove Explorations Ltd. (N.P.L.), nor do I own or expect to own any securities of this Company.

W. M. SHARP, P. Eng.

North Vancouver, B. C.
October 25, 1976


M-4
6274 part 2
MAP NO. G-1
GEOLOGY & I.P.-CHARGEABILITY
FRENCH PROPERTY HEDLEY, B.C.
NICKEL PLATE MTN. OSOYOOS MIN. DIV.
SCALE: 1"=300' SEP.-OCT., 1976
COMPILED BY W.M. SHARP, P.ENG.
I.P.-"CHARGEABILITY-CONTOUR" (MILLISECONDS)
BEDDING ATTITUDE
FAULT OR SHEAR-ZONE, INCL. DIP.
LIMESTONE
ARGILLACEOUS RX.
CHERTY RX.
GRANODIORITE, ETC.
SKARN & SKARNY-ALT. RX.
MAYFLY 7056 E
DRY 7055 E
CENTIPEDE FR. 7058 E
BOT 7054 E
L3870S (TAT)
L3871S (HAL)
L3872S KEY
L3873S (TWO SISTERS)
L3877S (MOON FR.)
L3876S (SUN)
L3874S
L704S (SAVAGE)
L112S (HOPE)
L703S (OREGON)
L705S (ST. BERNARD)
L706S (WINCHESTER)
'KELOWNA' ROAD
'CARIBOO' ROAD
16 MILE CREEK
BASE-LINE 0N/S
BASE-LINE S65°E
1000N
1000W
(CONTING ON RESULTS OF BASIC SURVEY)
LOC'N OF CU-SKARN SHOWINGS PER D. DAVIDSON'S JULY 31, 1959 SURVEY
ELEV. 5000'±
16E
8E
0E
24E
(40E)



6274 part 2
M-5
MAP No. G-2
VLF-EM & I.P.-RESISTIVITY
FRENCH PROPERTY—HEDLEY, B.C.
NICKEL PLATE MTN., OSOYOOS M.D.
SCALE: 1"=300'
SEP-OCT. 1976
COMPILED BY W.M. SHARP, P.ENG.
10,000 I.P. "RESISTIVITY CONTOUR" (OHM-FEET)
20 VLF-EM FILTERED DIP-ANGLE CONTOUR - %
MAGNETICALLY-ANOMALOUS
'KELOWNA' ROAD
'CARIBOO' ROAD
16 MILE CREEK
BASE-LINE 0N/S
BASE-LINE S65°E
1000N
LINE 7/1000 (SEC 3785 ADIT)
12-16 E (15-600 N)
16-E 1/2 S on BASE
By Previous Confirmed C. Weir
C. Next Test OFF 2 West 1 South
STOPED
3310 Portal
3785 Portal