

CANADIAN SUPERIOR EXPLORATION LIMITED

1977 PERCUSSION DRILLING REPORT

on the

RAINBOW PROPERTY

KAMLOOPS M.D., B.C. 92 I / 9 W

50° 38' N Latitude

120° 29' W Longitude

December 7, 1977

CANADIAN SUPERIOR EXPLORATION LIMITED

1977 PERCUSSION DRILLING REPORT

on the

RAINBOW PROPERTY

KAMLOOPS M.D., BRITISH COLUMBIA

92 I / 9 W

LOCATION: 7 miles Southwest of Kamloops, B.C.

Lat. $50^{\circ} 38' N$

Long. $120^{\circ} 29' W$

CLAIM NAMES:

RAINBOW NE (318-3)

RAINBOW SE (319-3)

RAINBOW SW (320-3)

RAINBOW NW (321-3)

WORK PERIOD: July 12 to October 24, 1977

J.D. Blanchflower, B. Sc.

Kamloops, British Columbia

December 7, 1977

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SUMMARY

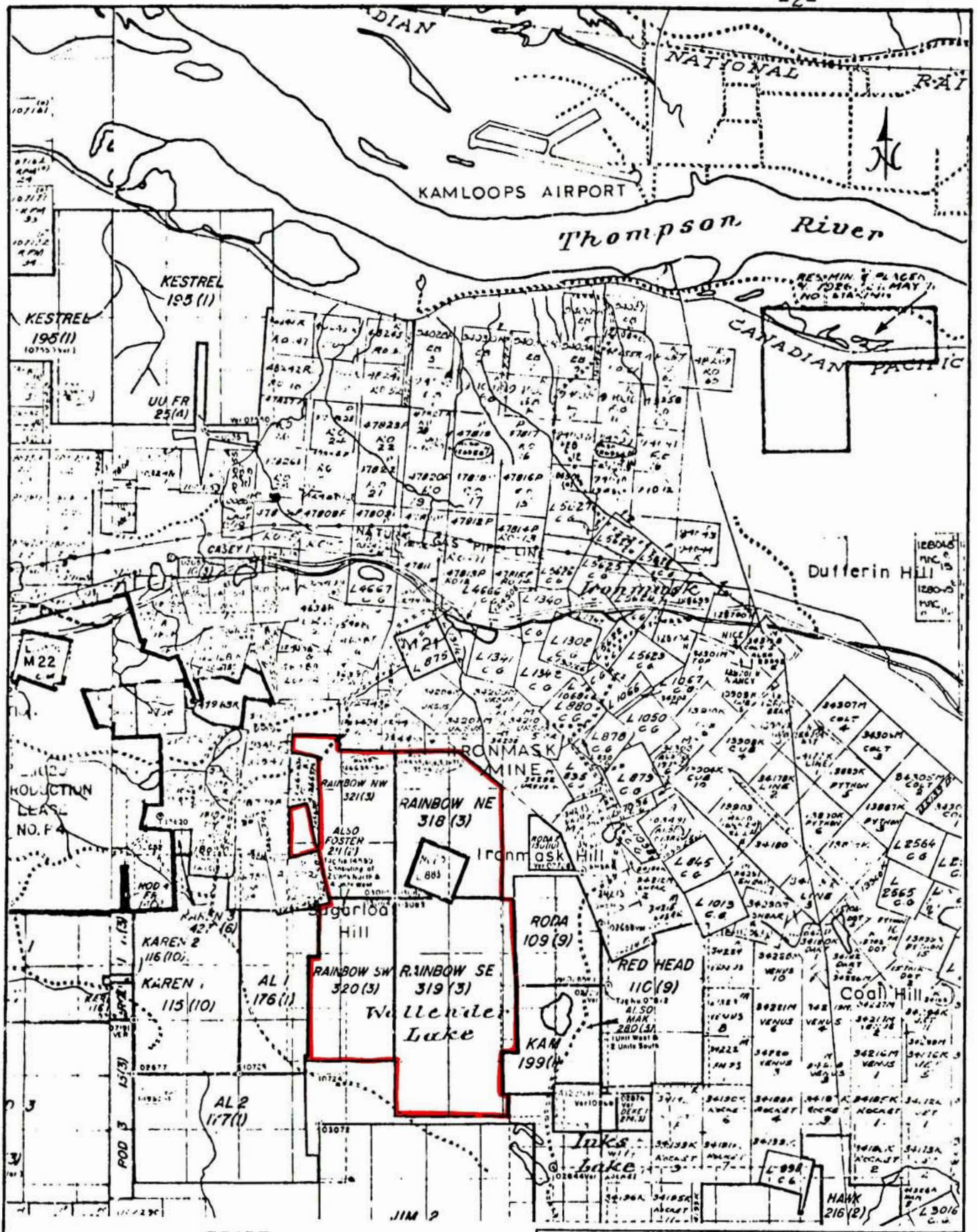
The Rainbow property is a rectangular-shaped block of four M.G.S. mineral claims located within the southwestern boundary of the City of Kamloops in southcentral British Columbia. Under the August 19th, 1977 agreement between Canadian Superior Exploration Limited and Nahatlatch Resources Ltd. (N.P.L.)/LMC Resources Ltd. (N.P.L.), C.S.E. has the right to conduct mineral exploration on the claim group.

The property consists of four contiguous M.G.S. mineral claims (Rainbow NE, NW, SE, and SW) and one mineral lease (M-23). Located 7 miles southwest of the city center, access to the property from Kamloops is possible via the Trans Canada Highway west to the Lac Le Jeune Highway. A gravel road leading to the center of the property leaves west of the Lac Le Jeune Highway three miles south of the Trans Canada junction.

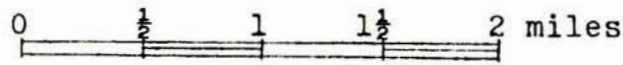
Previous work has included: several shallow shafts and test pits, I.P. and magnetometer surveys, geological mapping, and extensive diamond, rotary and percussion drilling.

The present property has no history of past ore production. The Rainbow claims are underlain by the faulted contact between the Iron Mask diorites and Sugarloaf diorites of the Iron Mask batholith. The very prominent NW-SE "Sugarloaf" fault structure transects the property.

During 1977 Canadian Superior conducted a percussion drilling program involving 9 percussion drill holes totalling 1,870 feet or 569.98 metres. The purpose of this program was to evaluate several areas not previously drilled. Work was contracted to H.N. Horning Percussion Drilling Ltd. Total cost of the project for 1977 was \$6,253.44.



SCALE
1:50,000



CANADIAN SUPERIOR EXPLORATION LIMITED

LOCATION MAP

Rainbow Property
Kamloops M.D., B.C.
92I/9W

DRFT: J.D.B. SCALE: DATE: 7/12/77

COST STATEMENT

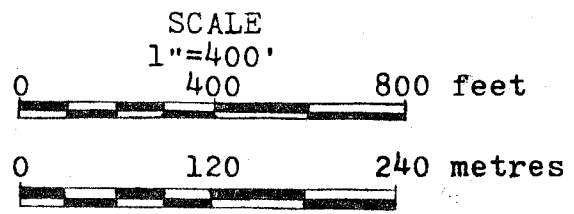
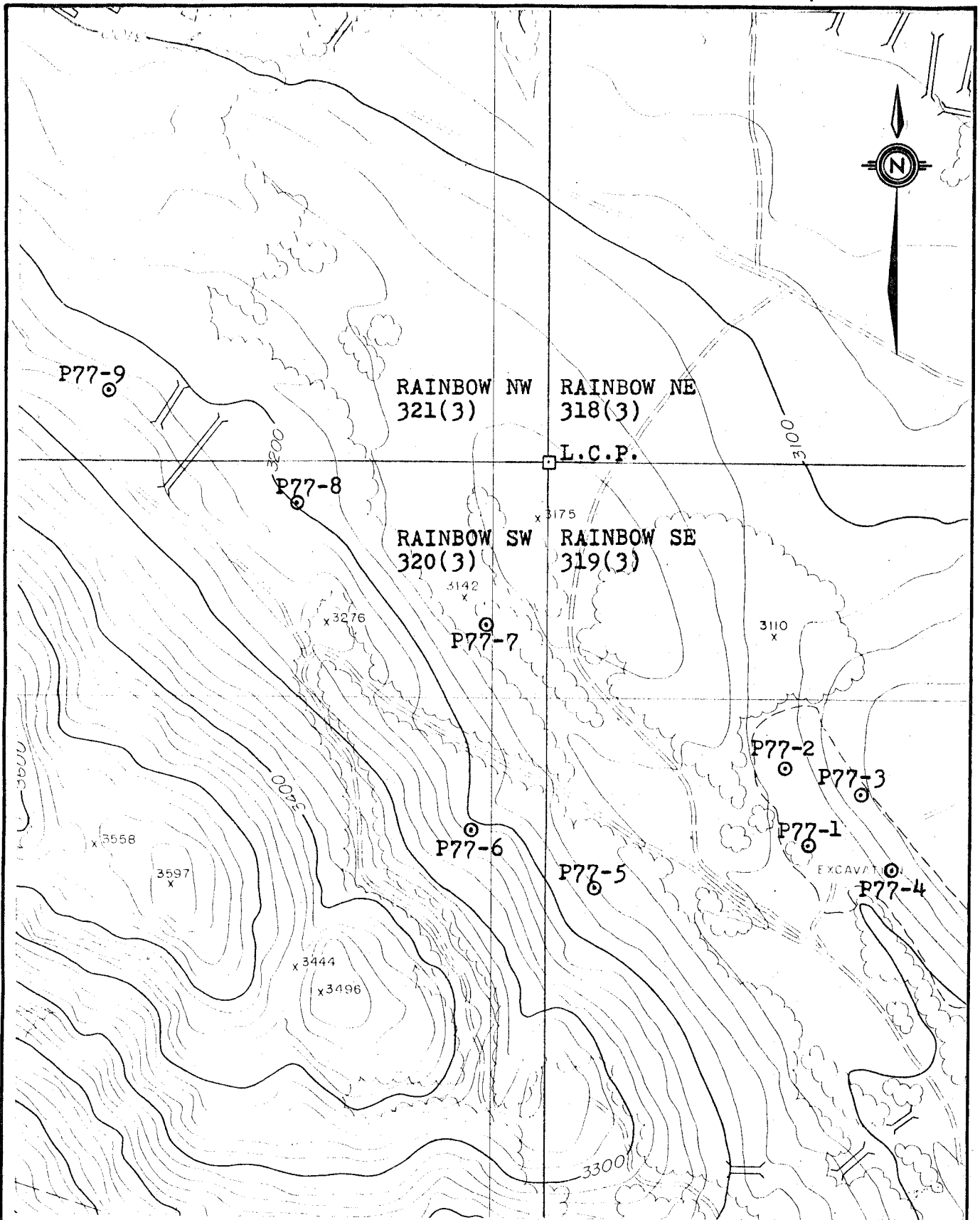
In support of an Affidavit on Application to Record Work
on the Rainbow group of mineral claims, Kamloops Mining Division.

Percussion Drilling costs from July 12 to October 24, 1977

Percussion Drilling

| | |
|--|------------------|
| 1,870 feet (569.98 m.) drilled @ \$3.00 per foot | \$5,610.00 |
| 1,870 feet (569.98 m.) drilled with water @ 25¢ per foot | \$ 467.50 |
| 7.65 batches of AM 9 (chemical grout) @ \$23.00 per batch | <u>\$ 175.94</u> |

Total Percussion Drilling Cost \$6,253.44



J.D.B. and others

CANADIAN SUPERIOR EXPLORATION LIMITED

1977 DRILL HOLE PLAN
 Rainbow Property
 Kamloops M.D., B.C.
 921/9W

DRFT: J.D.B. SCALE 1"=400 DATE: 7/12/77

CANADIAN SUPERIOR EXPLORATION LIMITED

PERCUSSION DRILL HOLE DATA

| PERCUSSION HOLE NUMBER | ELEVATION (ft. A.M.S.L.) | DEPTH OF OVERBURDEN | | TOTAL DEPTH | | AZIMUTH | DIP | COMMENT |
|---------------------------|-----------------------------|---------------------|--------|-------------|------|---------|------|-----------|
| | | Meters | Feet | Meters | Feet | | | |
| P 77 - 1 | 3,107' | > 21.34 | > 70' | 21.34 | 70' | | -90° | Abandoned |
| P 77 - 2 | 3,105' | > 27.43 | > 90' | 27.43 | 90' | | -90° | Abandoned |
| P 77 - 3 | 3,150' | > 30.48 | > 110' | 30.48 | 100' | | -90° | Abandoned |
| P 77 - 4 | 3,130' | 21.34 | 70' | 33.53 | 110' | | -90° | Abandoned |
| P 77 - 5 | 3,161' | 3.05 | 10' | 91.44 | 300' | | -90° | |
| P 77 - 6 | 3,218' | 6.1 | 20' | 91.44 | 300' | | -90° | |
| P 77 - 7 | 3,142' | 6.1 | 20' | 91.44 | 300' | | -90° | |
| P 77 - 8 | 3,198' | 3.05 | 10' | 91.44 | 300' | | -90° | |
| P 77 - 9 | 3,241' | 3.05 | 10' | 91.44 | 300' | | -90° | |

CERTIFICATE

I, J. Douglas Blanchflower, of the City of Kamloops, in the Province of British Columbia, do hereby certify:

That I am a practicing Geologist and employed by Canadian Superior Exploration Limited, with offices located at 2201 - 1177 West Hastings Street, Vancouver, British Columbia.

I further certify:

1. That I am a graduate of the University of British Columbia (1971) and hold a B. Sc. (Honours) degree in Geology.
2. I have been practising my profession for the past six years.
3. This report is based on information obtained by the writer from personal supervision of the percussion drilling program.



J.D. Blanchflower, B. Sc.
Geologist

Kamloops, B.C.

December 7, 1977

Between

CANADIAN SUPERIOR EXPLORATION#5 - 465 VICTORIA ST.

(hereinafter called "the Company")

KAMLOOPS, B.C. V2C 2A9

And

H.N. HORNING PERCUSSION DRILLING LTD.

(hereinafter called "Horning")

c/o JARRETT, GOULD & ELLIOTTSte. 200 - 186 Victoria StreetKAMLOOPS, B.C.

WHEREAS the Company has requested Horning to proceed to the Company's mineral property in the KAMLOOPS area of B.C. and there carry out a programme of percussion drilling totalling approximately 5,000 feet.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. Horning will provide all the equipment, supplies, fuel and labour to carry out the said programme and will, at its expense, have these available and in good order at the drill site on a date to be stated by the Company.
2. The Company will construct all necessary access roads and drilling sites and will provide on request and without delay such transport, bulldozers, equipment, labour or assistance as may be necessary in moving the said drilling equipment to or from or on or about the drill site and will bear the cost thereof.
3. The Company will determine the location of all drill holes, the order of drilling the said holes, and the method of obtaining samples but in all other respects the drilling operations shall be carried out under the direction and control of Horning. Horning will carry out the drilling as expeditiously as possible but shall not be liable for delays due to weather, mechanical failures or other circumstances beyond its control nor shall Horning be obliged to drill at any site or move its equipment by any route which it considers unsafe for its equipment or personnel.
4. Horning will hold the Company harmless from all and any demand claims, writs, suits or causes of action arising out of the operations conducted by Horning saving always those attributable in whole or in part to the acts or omissions, negligent or otherwise, of the Company, its servants or employees. For the greater certainty of this undertaking, Horning shall maintain public liability insurance in the amount of \$500,000.00 and in a form acceptable to the Company.
5. Horning will comply with all laws of the state, province or country having jurisdiction and shall do all things necessary to prevent the mineral property of the Company being subjected to charges or liens or in any way imperilled by reason of the act, omission or default of Horning. Without restricting the generality of the foregoing it is expressly provided that Horning shall maintain registration with the Workers' Compensation Board of British Columbia and shall promptly pay all levies and assessments made by that Board.
6. Horning will maintain a daily record of the drilling operation and will furnish to the Company a copy thereof duly signed by the Company's representative at the drill site. In the report the hole identification number shall be those prescribed by the Company if any.
7. The remuneration payable by the Company to Horning shall be \$3.00 per foot drilled.
8. The Company shall reimburse Horning for additional costs according to the following Schedule "A".

SCHEDULE "A"

| <u>Additional Cost</u> | <u>Reimbursement</u> |
|--|----------------------|
| (a) Chemical grout and mud used. | AT COST |
| (b) Casing lost by Horning in any hole requiring over 50 feet of casing. | AT COST |
| (c) Time driving casing in excess of 50 feet and excessive time recovering any casing. | FIELD COST |
| (d) Rods lost by Horning in any hole exceeding 300 feet in depth. | AT COST |
| (e) Excessive time required to draw rods from any hole exceeding 300 feet in depth. | FIELD COST |
| (f) Waiting time (including Saturdays, Sundays and Statutory Holidays, if a designated working day). | FIELD COST |
| (g) On site moving time. | NIL |
| (h) Travelling time in excess of one (1) hour. | MAN HOURS |
| (i) Water supplied with water truck. | 25¢ PER FOOT |
| (j) Mobilisation. | NIL |
| (k) Moving in and moving out. | NIL |

For the purpose of this Agreement "waiting time" includes only time lost by Horning through delays occasioned by the Company, its servants or employees, through failure to provide instruction, permits, licences, access roads, transportation and the like when required. It is understood and agreed that item (f) in the foregoing schedule is intended to reimburse Horning for delays beyond its control and that if a normal working day is lost the reimbursement shall be the stipulated rate for each hour which would normally have been worked. (i.e. 8 hours for single shift operation and 16 hours for double shift operation).

Also for the purposes of this agreement "on site moving time" shall mean time required to move the drilling equipment on and about the company's property from camp to drill platform or landing and from one drill platform or landing to another but not including moving to or from the property itself.

Field cost is defined as the aggregate of the following:

1. Labour - per man hour \$ 7.50
 2. Equipment rental - per hour 12.00
 3. Materials used or lost on job to which field rate is applied at delivered cost to job site.
 4. Overhead at 10% of labour and rentals.
9. Horning shall render statements of account at weekly or greater intervals and the amount due to Horning as shown by the statement shall be payable seven days after presentation.

- 10. On or before arrival of Horning's equipment at the Company's property, the company as security for payment of the contract price shall deposit in trust with Horning's solicitors, N/A and accompany the deposit with a letter of instruction in the form set out in Schedule "B" appended hereto.

IN WITNESS WHEREOF the parties have caused these presents to be signed on their behalf by their respective officers at the places and on the dates stated below.

AT: Kamloops, B.C.

ON: October 18, 1977

AT: Kamloops, B.C.

ON: Oct 18 1977

Canadian Superior Exploration Ltd.

Per: *J.P. March Power*

H.N. HORNING PERCUSSION DRILLING LTD.

Per: *H. Horning*