Part 2 of 2

GEOCHEMICAL REPORT ON ALAMO GROUP

ALAMO 1 and 2 CLAIMS

SOUTHERN HIGHLAND VALLEY

KAMLOOPS MINING DIVISION

LATITUDE -- 50° 22'
LONGITUDE -- 120° 59'

Owner: H. H. Shear

Operator: Granges Exploration AB
1060 - 1055 West Hastings St.,
Vancouver, B.C.
V6E 2E9

Date of Work: May 17 - June 19, 1977

Dated at Vancouver, B.C.
November 10, 1977

Author:
H. H. Shear, P.Eng.

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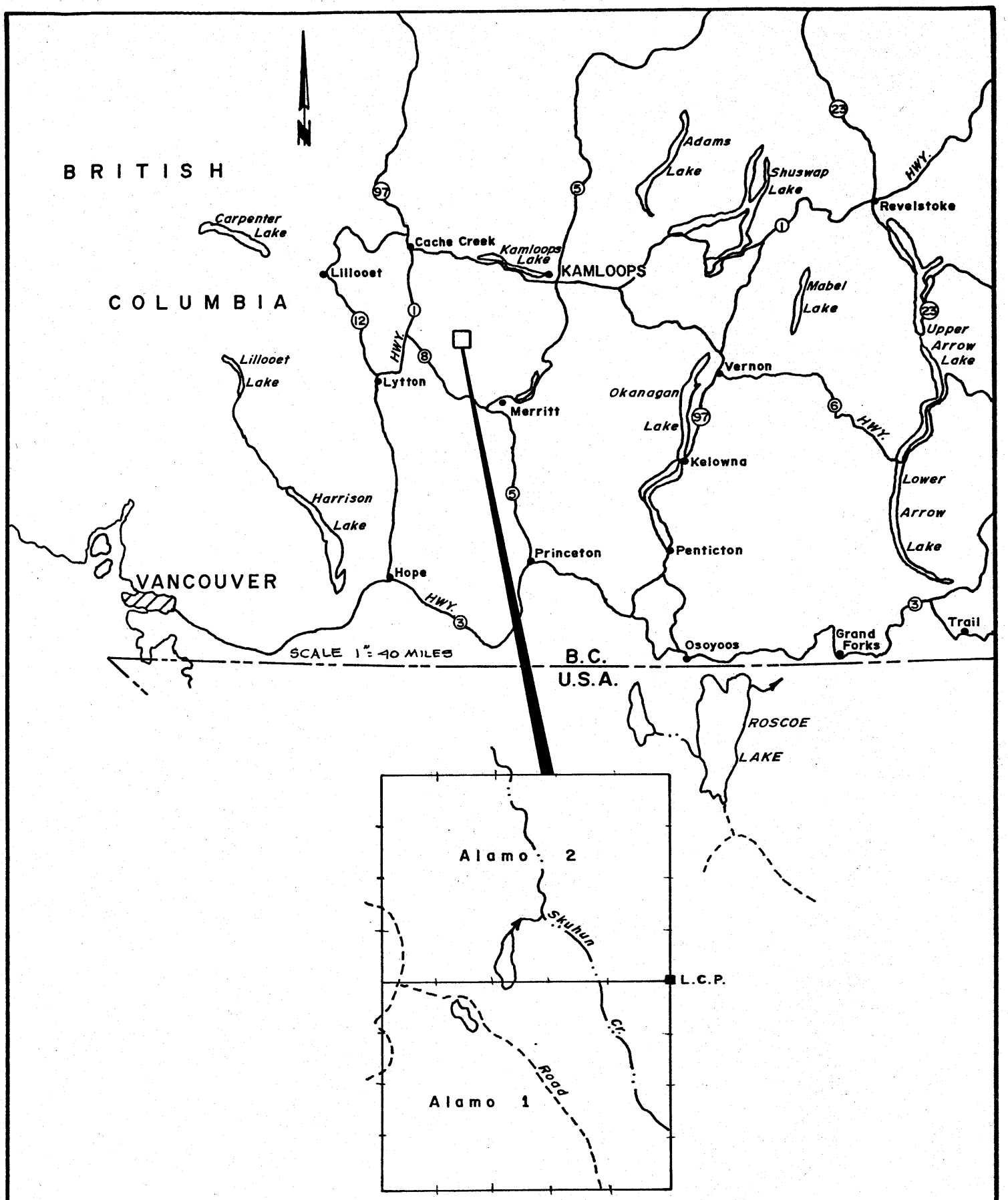
ENCLOSURES

1 Plan - Geochemical Surveys, Alamo Option Scale: 1"=400'



GRANGES EXPLORATION AB.

ALAMO CLAIMS

LOCATION AND CLAIM MAP

0 500 1000 1500 2000 2500 3000 M.

SCALE 1:50,000

JUNE 13, 1977
FIG. 1

INTRODUCTION

During the period May 17th to June 19th, 1977, Granges Exploration Aktiebolag's exploration crew worked on the Alamo 1 and 2 Claims. This crew consisted of two men plus a geologist, H. H. Shear, who supervised the program.

The program consisted of camp erection, establishing a grid, mapping surface features and outcrops within the grid area, and geochemical soil sample collection. The program also included geochemical silt sampling of a number of drainage patterns outside the grid area.

This survey was conducted by Granges Exploration Aktiebolag in an effort to locate zones of interest for further detailed investigation.

PROPERTY

Data on the Alamo claims follows:

Claim Name	No. of Units	Tag No.	Record No.	Record Date
Alamo #1	20	42611	784	April 28, 1977
Alamo #2	20	42612	785	April 28, 1977

A claim map has been incorporated with the index map on Figure 1.

The Alamo claims are owned by H. H. Shear.

LOCATION AND ACCESS

The Alamo Group is located in Southern British Columbia in the southern part of the Highland Valley, approximately 200 kilometers northeast of Vancouver, B.C. Access is from Highway 8 which connects Spences Bridge and Merritt. A dirt road leaves Highway 8 twenty-three kilometers from Spences Bridge and follows Skuhun Creek Valley in a northeasterly direction. Approximately 13 kilometers from Highway 8 a branch road leaves the Skuhun road, just past Skuhost Creek, and leads northerly for 5 kilometers to the Alamo Group.

The group lies at an elevation of 5,000 feet and the terrain is relatively flat.

GEOLOGY

The Alamo Group is underlain by the Guichon Batholith.

GRID

A grid was run on the Alamo Claims as shown on the map titled Geochemical Surveys - Alamo Option which is enclosed

with this report. The grid line separations are 400 feet and 800 feet, and stations were marked every 100 feet along the lines. The reason for English rather than metric measurements was that part of the overall exploration program by Granges included an induced polarization survey which had as one objective to check a limited I.P. survey done in the area in 1965. It was necessary, therefore, to place the grid lines and mark stations in the same place as the original lines of the old I.P. survey in order to properly compare the two. For the sake of simplicity, the balance of the grid placed on the Alamo Group by Granges' crew was completed using the same intervals for line and station spacings.

A total of 15.48 kilometers of cross line and 1.28 kilometers of base line was completed. In addition, in the area from 12N to 26N and from the base line to 30E, stations were marked at 200 feet by 200 feet intervals in completing detailed soil sample collection over that area.

Cross lines were brushed out where necessary, and, in places, a power saw was used to clear windfalls, in order to facilitate traversing the lines for other surveys in Granges' overall program. Stations were marked by flagging every 100 feet and with small aluminum tags and flagging every 200 feet.

GEOCHEMICAL SURVEYS

During the survey 616 soil samples were collected and analysed for copper and molybdenum. Soils were collected from the upper "B" horizon at an average depth of 0.3 meters using hand augers. Samples were taken at 100-foot intervals along the cross lines and baseline. In the area from the baseline to 30E and between lines 12N and 26N fill-in soil sampling on 200 x 200 foot centers was completed.

In addition, 36 silt samples were collected from drainage patterns immediately surrounding the grid area. The purpose of silt sample collection was to try and evaluate the extent to which the grid area has been contaminated by glacial float from the Lornex and Highmont properties to the north and northwest, in relation to sporadic high soil sample values obtained from the soil sample survey on the Alamo grid. The silt samples were analysed for copper and molybdenum. Results of the silt sampling are shown in the upper right hand corner of the map titled Geochemical Surveys - Alamo Group enclosed with this report. Control for the survey was effected by using B.C. Provincial photograph BC 5728 0165 which has an approximate scale of 1:50000.

All samples were placed in kraft soil envelopes and delivered to Acme Analytical Laboratories Ltd., 6455 Laurel St., Burnaby, B.C. The samples are dried for approximately 16 hours at

75° centigrade and sieved to -80 mesh. A 0.5 gram sample is digested with diluted aqua regia in a hot water bath for one hour and diluted to 10 mls with demineralized water. The determination of copper and molybdenum is by atomic absorption from the solution.

DISCUSSION OF RESULTS

Results of the soil survey were somewhat inconclusive in that the anomalous results obtained are erratically distributed. Anomalous values tend to occur in swamps and along drainage patterns. A concentration of anomalous values in copper and molybdenum occurs along line 18N from 8E to 19E. Soil development is generally poor on the Alamo Group and in places, north and west of the two small lakes shown on the plan of results, the overburden consists of sand. This material would not be conducive to good soil geochemical results.

The silt sampling suggests that the grid area may be contaminated with transported copper values. In general the copper values increase to the northwest towards the Lornex mine. The molybdenum values of the silts, however, indicate that there may be a source of molybdenum occurring between 4N, 10E and 20N, 30E. Molybdenum values on the two streams on the southeast portion of the silt survey increase towards this area. Silt sample values in molybdenum decrease suddenly immediately to the north. Also, molybdenum values

from the stream sampled just west of the Alamo claims increase going upstream to a point west of this area and then drop significantly.

CONCLUSIONS

While anomalous soil sample values obtained from this program are generally erratic, there is a noticeable concentration of anomalous values in the area between 4N, 10E and 20N, 30E. Silt sample values in molybdenum suggest a source in this general area.

EXPENDITURES

Personnel:	
D. F. Pasco (May 17-22; June 9-10, 16-19; 18 days @ $65.03)	$1,170.54
A. Cudworth (May 17-28; 12 days @ $54.45	653.40
H. H. Shear (June 1-2; 16-19; 6 days @ $68.26	399.56
Geochemical Assay Costs (652 samp. @ 1.80)	1,173.60
Camp, Food and Lodging	543.52
Transportation (4 x 4 rental and fuel)	603.36
Map and Report Preparation	466.31
TOTAL	$5,010.29

Respectfully submitted,

H. H. Shear, P.Eng.

STATEMENT OF QUALIFICATIONS

Name:	Henry Herbert Shear
Profession:	Exploration Geologist
Education:	B. Sc. -- Geological Engineering (1959); B. Sc. -- Mining Engineering (1960), both from University of Arizona
Professional Associations:	Member of the Association of Professional Engineers of British Columbia Member of The Canadian Institute of Mining and Metallurgy
Experience:	4 years -- Field Geologist with various companies in British Columbia 1 year -- Exploration Manager for General Resources Ltd. in Australia 7 years -- Consulting Geologist and Project Manager including 4 years with Quintana Mineral Corp. 1 year -- Project Geologist with Giant Mascot Mines, Ltd. May, 1976, to present -- Project Geologist with Granges Exploration AB

H. H. Shear, P.Eng.
Nov. 10, 1977

Alamo # 2

Alamo # 1

10W 10E 20E 30E 40E 50E

26N 18N 12N 8N 4N 0N 8S 16S

2W, Alamo # 2
2W, Alamo # 1

SW Alamo #2

SW Alamo #1

SW Alamo #1

CLAIM LINE

0 Base Line

ROAD

SKUHUN CR.

SPRUCE

< 150 ppm Copper

< 7 ppm Molybdenum

STREAM SEDIMENT GEOCHEMISTRY

SCALE 1" = 3000' (APPROX.)
(1:50,000)

STREAM — Cu in ppm. / Mo in ppm. — SAMPLE LOCATION

ALAMO 2 LCP

ALAMO 1 LCP

LOCATION MAP

SCALE 1" = 2 MILES APPROX.

NTS 92 I/7

Grouvard L.
Tupper L.
Roscoe
Knight
B.14 L.
Antler L.
Chataway
Hart L.
Gypsum L.
ALAMO CLAIMS
Skuhun Creek

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
NO. 6571 part 2

Compiled by
J.V. Shearer
Nov. 10, 1977

OUTCROP

STREAM

DRY STREAM

SOIL SAMPLE LOCATION — Cu in p.p.m. / Mo in p.p.m.

0 200FT 400FT 600FT 800FT

0 500FT 1000FT 1500FT 2000FT 2500FT

DRAWN BY: H.W.S.

DATE: JUNE 1977

GRÄNGES EXPLORATION AB
CANADIAN DIVISION
VANCOUVER OFFICE

GEOCHEMICAL SURVEYS
ALAMO OPTION
HIGHLAND VALLEY, B.C.

SCALE: 1: 4800 OR 1" = 400'

PROJECT No.: 70117

N.T.S. No.: 92 I/7W