CAN-EX RESOURCES LTD.

TRENCHING AND ASSAY REPORT

on the

AMERICAN BOY GROUP

(Cindy Lou, Janelle)

OMINECA MINING DIVISION, B.C.

93M/5E

55°19'N 127°34'W

Registered Owner: A. Homenuke

Operator: Can-ex Resources Ltd.

Author: A. Homenuke, P.Eng. (Geol.)

Submitted: July 7, 1978

C O N T E N T S

PART I. INTRODUCTORY NOTES

Location and Access

The American Boy Group is located on the southwest flank of Nine Mile Mountain 10 km NNE of Hazelton, and 4 km E of the old Silver Standard Mine (Fig. 1). Access is by a four-wheel drive road switchbacking up from the Nine Mile Mountain road. Old cat roads provide local access.

Physical Features

The claims are located on a steep westerly slope between elevations of 2300 feet (700 m) and 3300 feet (1000 m). A relatively flat bench about 100 meters wide trends northerly through the center of the group. The area is forested by overmature cedars and firs. There are local areas of dense underbrush.

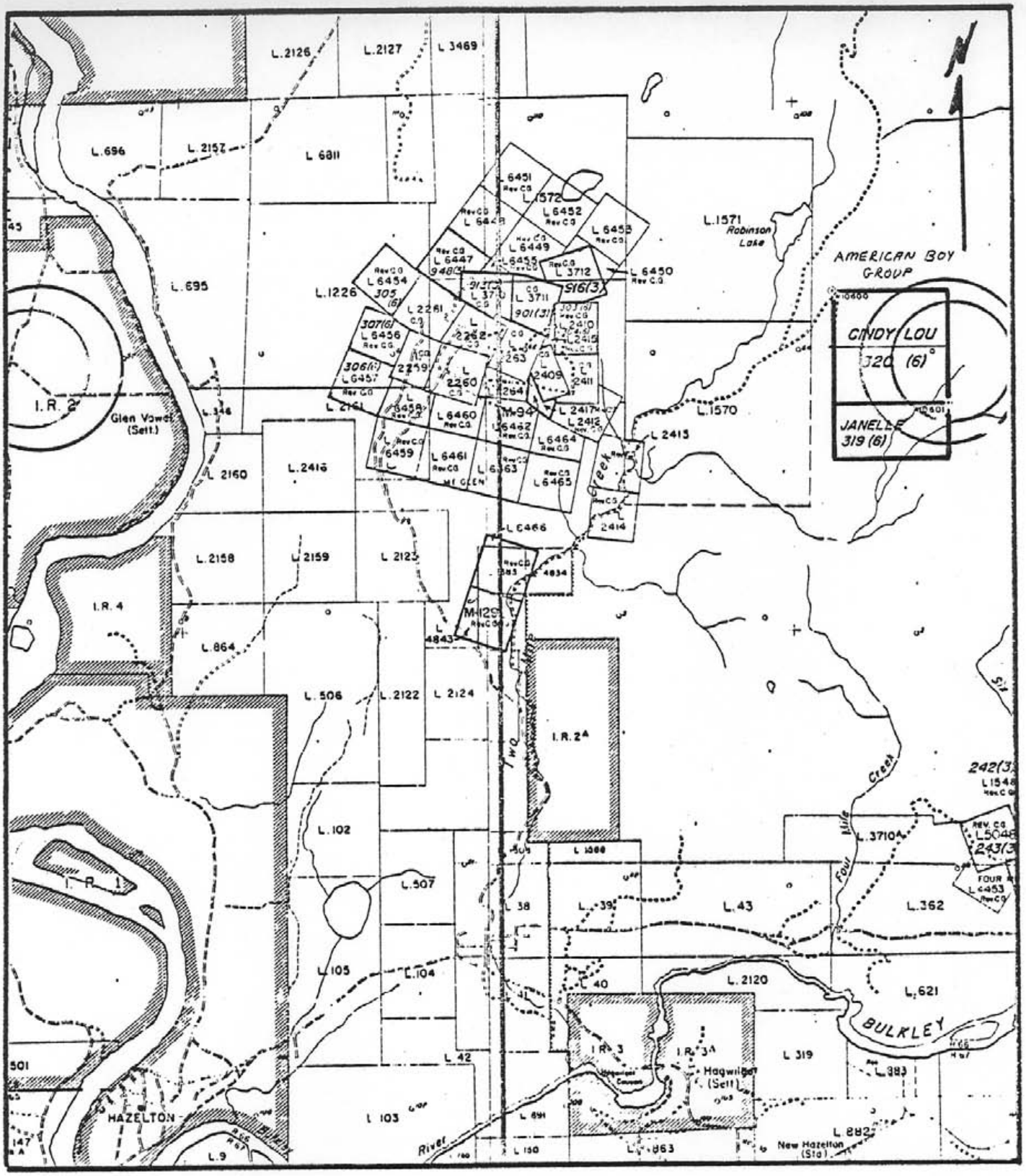
Claims

The American Boy Group consists of the Cindy Lou (4 units) and the Janelle (2 units) mineral claims. The record numbers are 320 and 319 respectively. The record date is June 8.

The claims were staked in 1976 and the writer is the registered owner. Can-ex Resources Ltd. and S. Homenuke share the costs of this program.

History

The American Boy property was first located in 1910. Shipments of ore in early years totalled several hundred tons. Intermittent work was carried on until 1952. Some further shipments of hand-sorted ore are rumored to have been made since then. A detailed account of the history and geology is reported by Kindle (1954).



PART of M 93M/5E

Miles 1 .5 0 1 2 Miles

Metres 1000 500 0 1000 2000 3000 Metres

Kilometres 1 .5 0 1 2 3 Kilometres

AMERICAN BOY GROUP

INDEX MAP

FIG. 1

Economic Assessment

The American Boy property occurs in a setting similar to the Silver Standard Mine. At least five veins are known to exist and have been explored by workings and diamond drilling. Much of the strike length and down-dip extensions remain to be explored, especially in overburdened areas. As shipments of silver-lead ore assaying nearly 100 oz. silver per ton have been made in the past, the property is considered to have excellent potential for finding further ore shoots and possibly further veins.

Summary of Work Performed

Work performed in 1977 consisted of backhoe trenching and sampling on two veins and examination of old workings to assess their potential. The loader bucket on the backhoe was used to brush out the old trails. The work was divided as follows:

Cindy Lou	79 meters backhoe trenching and assaying (10 samples). 600 meters of trail repaired. Old workings examined.
Janelle	20 meters backhoe trenching and 1 assay sample. Old workings examined.

PART II. TECHNICAL DATA AND INTERPRETATION

Geologic Summary (Kindle, 1954)

The claims are underlain by tuffaceous sedimentary rocks with fine grained argillaceous interbeds. The beds strike north and dip 15° westerly. Five quartz veins occur along fault fissures. They strike north to northeast and dip east to southeast. The vein minerals are galena, sphalerite, arsenopyrite, tetrahedrite and pyrite. The veins are shown on Fig. 2. The No. 3 vein and the Main Vein as referred to by Kindle are considered to be the same by the writer and are labelled No. 3 vein. Kindle's No. 5 vein is referred to as No. 4 and the more recently discovered vein to the south is labelled No. 5. The backhoe trenching was done on No. 3 and No. 5.

Assaying

The following table is a summary of assays taken on the property. Some of these were taken in 1976 and are so identified. This earlier work is not claimed for assessment work. Sample locations are shown on Fig. 2.

Sample No.	Vein	Description	Width(cm)	Silver oz/Ton	Gold oz/Ton
1	No.3	Chip	30.5	1.04	0.054
2	No.3	Selected section #3	12.2	4.17	0.280
3	No.3	Chip	36.6	5.46	0.084
4	No.3	Chip	21.3	0.46	0.132
5	No.3	Chip	24.4	0.16	0.084
6	No.3	Chip	21.3	0.10	0.124
7	No.3	Chip	21.3	0.51	0.302
8	No.3	Chip	24.4	0.38	0.440
9	No.3	Chip	39.6	3.86	0.164
10	No.3	Chip	27.4	7.79	0.084
(1976) 11	No.3	Channel	20.3	7.05	0.446
(1976) 12	No.1	Specimen	-	299.47	0.116
(1976) 13	No.5	Sphalerite from dump	-	26.18	0.032
(1976) 14	No.5	Galena " "	-	209.66	0.088
(1976) 15	No.5	Chip	10.3	99.46	0.158
16	No.5	Grab	-	84.81	-

Discussion of Results

The trenching on the No. 3 vein increased the exposure of gold-silver mineralization about 60 meters north of that previously exposed. Along strike to the south, the No. 3 vein was explored by underground workings. Sampling by Kindle (1954) indicated silver values as high as 20 oz./ton with up to 0.1 oz. gold per ton. On the assumed continuation of the No. 3 vein 300 meters north of this area Kindle reported a dump sample assaying 10.81 oz. silver per ton and 1.435 oz. gold per ton. While, in general, the assays to date do not show an orebody, the area between the two exposures remains to be tested.

Sample No. 12 from the No. 1 vein (299.66 oz. silver per ton) indicates that potential exists for high grade ore on this vein. Much of the strike length remains untested.

Sample No. 16 was from the trenching on the No. 5 vein (84.81 oz. silver per ton). The other samples from this vein ranged from 26.18 to 209.66 oz. silver per ton and indicate that this vein has potential for producing ore. To the northeast and southwest, the vein is covered by overburden.

Conclusions

The presence of high-grade silver and gold mineralization in three veins on the property indicate a potential for possible ore bodies on the American Boy group. This potential is enhanced by the proximity and similarity to the Silver Standard Mine, which was a major silver producer.

As much of the property is covered by overburden, the application of modern geochemical and geophysical techniques could lead to the discovery of new silver-lead-gold mineralization.

The backhoe proved to be a valuable tool for trenching to extend known showings.

REFERENCES

Kindle, E.D. (1954), Mineral Resources, Hazelton and Smithers Area, Geol.Surv. of Canada, Mem.223.

CERTIFICATE OF QUALIFICATIONS

I, ALEXANDER M. HOMENUKE, DO HEREBY CERTIFY:

1. THAT I am a member in good standing of the Association of Professional Engineers of British Columbia.

2. THAT I received the Degree of Bachelor of Science in Geological Engineering from the Colorado School of Mines in 1974.

3. THAT I received a Diploma of Technology in Mining from the B.C. Institute of Technology in 1969.

4. THAT I have been employed in various aspects of mineral exploration for 10 years and am presently employed by Tri-Con Mining Ltd. of 213 - 475 Howe Street, Vancouver, B.C.

5. THAT I presently reside at #1 - 2025 Sandalwood Crescent, Abbotsford, B.C.

6. THAT this report is based on work supervised or conducted by myself.

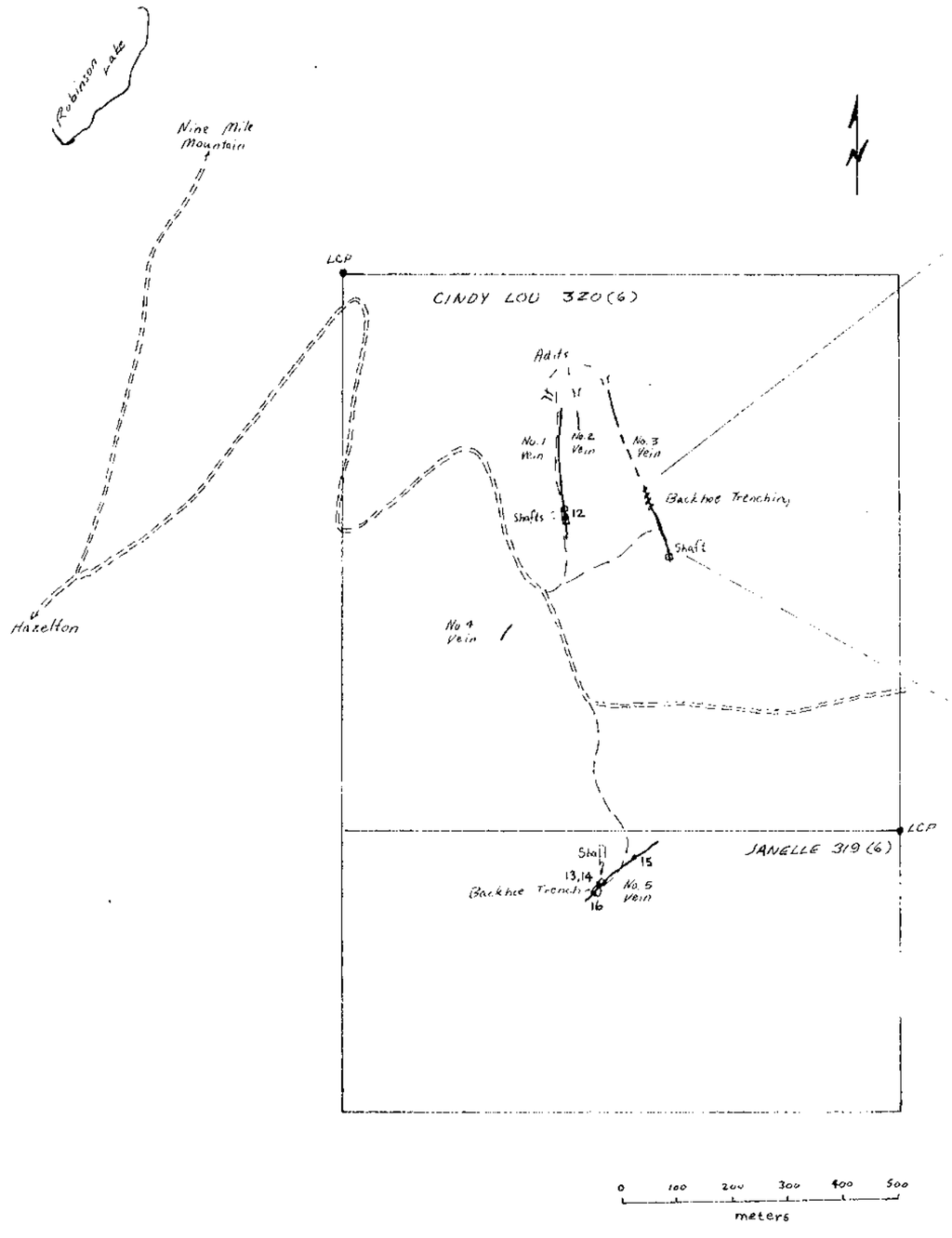
Dated at Vancouver, B.C., this 7th day of July, 1978.

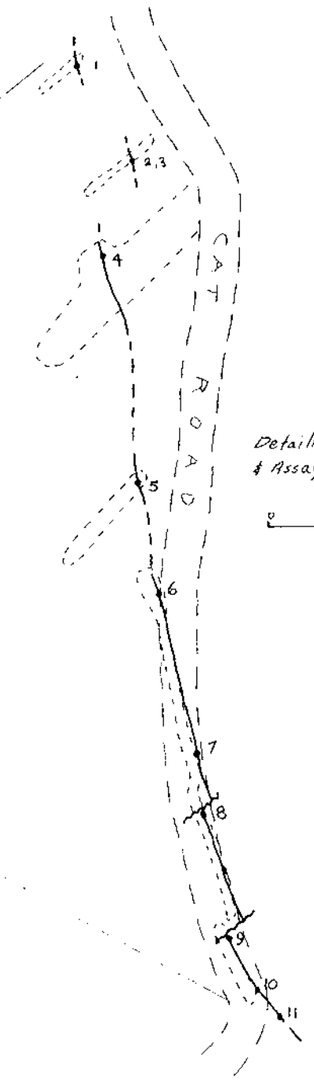
A.M. HOMENUKE, P. Eng.
Geological Engineer

ITEMIZED COST STATEMENT

Oct. 28-Nov. 3, 1977

100 meters backhoe trenching 600 meters road repair	
per contractor's bill	$ 1,000.00
S. Homenuke, 5 days - not claimed	
A. Homenuke, P.Eng., 2 days (Nov. 2 and 3) at $ 100/day	200.00
Travel Expenses	
Abbotsford to Smithers return (Nov. 1 and 4) Smithers to property (Oct. 28-Nov. 3)	
4 x 4 truck, 8 days at $ 20.00	160.00
gas	80.00
Assaying	
10 samples (Au and Ag) at $9/ea.	90.00
Report	
A. Homenuke, P.Eng., 1½ days at $100.00/day	150.00
Secretarial, copying, etc.	75.00
Total	$ 1,755.00
Amount Claimed	$ 1,200.00





Detailed Plan of Trenching & Assaying on No. 3 Vein

0 5 10 15 20
meters

LEGEND

- Access Road
- Cat trail
- Backhoe trench
- Vein
- Fault
- 5 • Sample location & number for reference in report

Base map prepared from chain & compass survey with additional data from G.S.C. Memoir 223

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
6789
NO.

PART 2 OF 2

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
A. M. HOMENUK

CAN-EX RESOURCES LTD.
AMERICAN BOY GROUP

ASSAY PLAN

Prepared by: A.M. Homenuke, P.Eng.
July 7, 1978

FIG. 2