

PROSPECTING
REPORT ON A (GEOLOGICAL) EXAMINATION

OF THE

AH-CH CLAIM GROUP

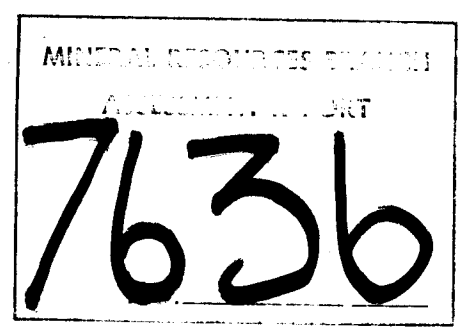
ROCK CREEK

GREENWOOD MINING DIVISION
NTS 82 E/3 E

Longitude 119°08'
Latitude 49°07'

by

JOHN S. VINCENT, P. ENG.



Vancouver, B.C.

October 6, 1979.

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ADDENDUM TO REPORT

INTRODUCTION

A study of the AH-CH claim block, and the four included Crown Grant mineral claims, was carried out on September 4, 1979 under the direction of Messrs A. Hook and C. Headey; the property owners of record. The examination was carried out at the request of Mr. Lance Mayers, President of Oliver Resources.

During the period that mining activity was at its peak at Camp McKinney, considerable underground development and exploration work was carried out on mineral claims along Rock Creek. Messrs Hook and Headey have acquired title to four of the Crown Granted mineral claims, and staked a total of 21 units to fill in a protecting block.

The purpose of the study was to evaluate the economic potential of the property. The body of the report consists of a description of the property, location, and access, an outline of previous activity, a discussion of the geology, and a discussion of the results.

PENTICTON

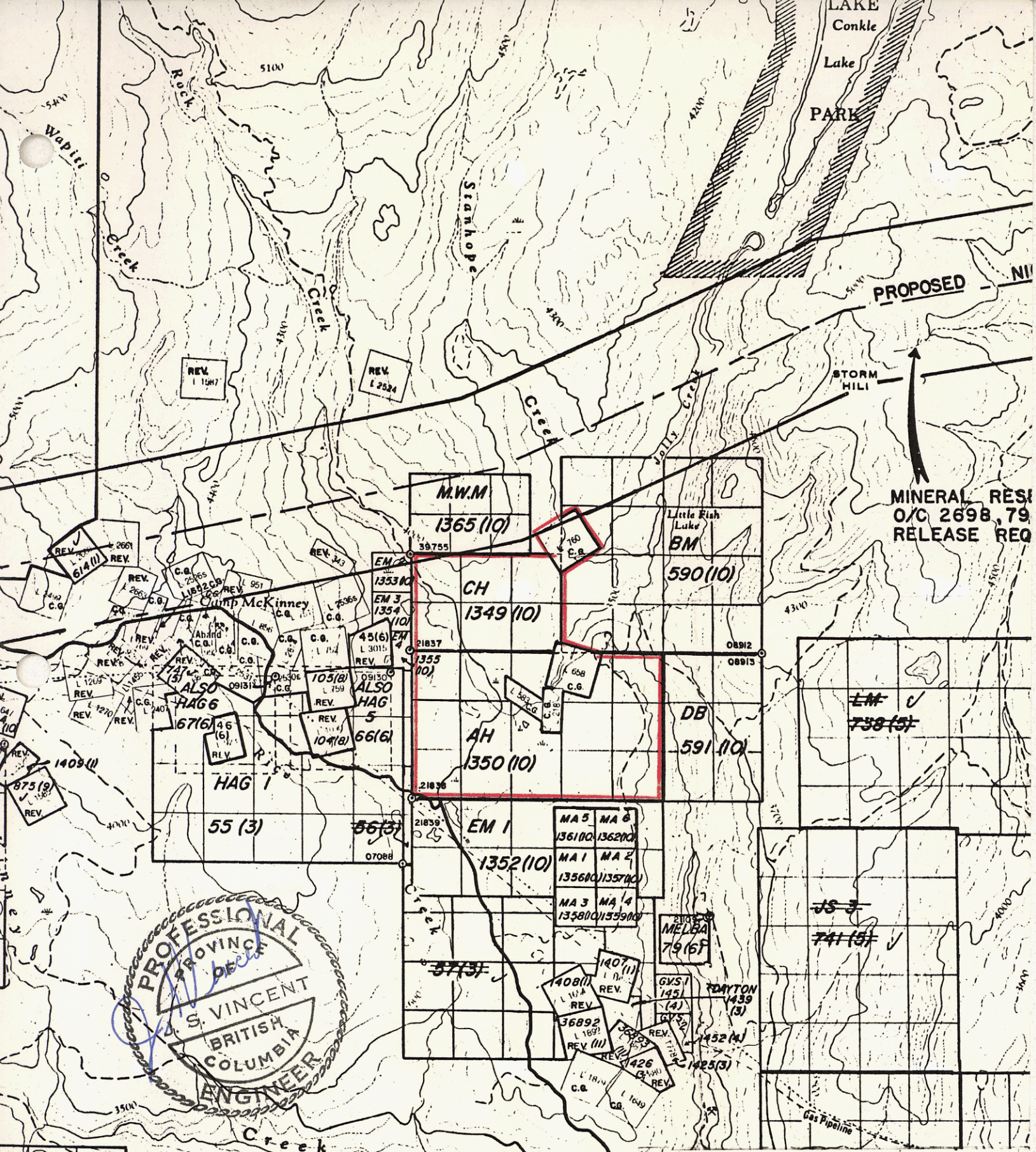
BRITISH COLUMBIA

Scale 1:250,000 Échelle 1:250,000

82 E EDITION 2

FIG. 1

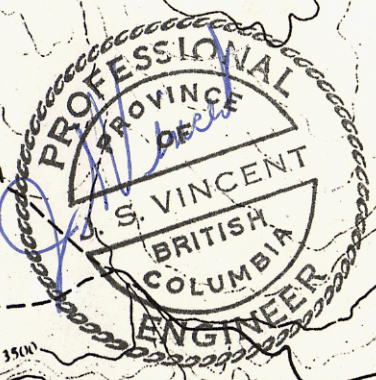




PROPOSED



MINERAL RES
O/C 2698, 79
RELEASE REQ



MAP 82E / 3

1:50000

Fig 2

NICKEL 3
1559 (6)

PROPERTY, LOCATION AND ACCESS

The property is located 3 km due east of Camp McKinney and approximately 8 km north of the Rock Creek bridge on Highway 3, and is pretty well centered at 119°08' west longitude and 49°07' north latitude. Access is gained from Canyon Road which turns north off Highway 3 immediately west of the Rock Creek bridge. The roads are in good condition and quite easily travelled by a 2-wheel drive vehicle.

The claim group lies within the Greenwood Mining Division and is shown on Figure 2, Mineral Titles Map 82E/3. Four Crown Grant claims and 2 located claims totaling 21 units comprise the property and their particulars are listed as follows:

Victoria Crown Grant	L 218
Snowdon Crown Grant	L 583
England Crown Grant	L 658
Lemon Crown Grant	L 760

The CH mineral claim, Record No.1349, consisting of 6 units, was staked by Mr. Cyril Headey of Oliver on September 23rd, 1978, and recorded October 4th. The AH claim, Record No.1350, 15 units, was recorded on October 4th, 1978, by Mr. Arthur Hook.

PREVIOUS WORK

Between the years 1894 and 1903 Camp McKinney was at its apex of activity, and production is reported to have been in the order of \$1,000,000. During this time a number of other prospects were at various stages of exploration and development, but none apparently recorded significant production. It appears that several of the more active properties were located along Rock Creek where outcrop allowed the discovery of mineralized veins, and the Crown Grant mineral claims listed in this report were located during this period of activity. A number of shafts and adits were excavated but these have long since caved in most cases. There are varying reports of high-grade gold shipments, particularly from the England and Victoria Claims.

As in many of the old gold camps, placer activity predates production from bedrock mining. Early placer mining in Rock Creek led to the discovery of mineralization on the Victoria claim in 1884 only a short distance upstream. However, little was done until 1887 when the more spectacular material was found in what later developed into Camp McKinney. By 1897 225 meters of drifting in 2 adits, 32 meters of winze, and 75 meters of raise had been completed on the Victoria. A total of 30 tons of sorted ore grading 2.15 oz gold and 5.2 oz of silver per ton was shipped.

On the England claim 60 meters of drifting and 25 meters of winze was excavated to open up the same vein structures being worked on the Victoria to the south. However, there is no report of any significant discovery.

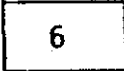
The Snowden claim lies within what was regarded as the Lemon Camp. By 1901 a 70 meter shaft had been sunk and 57 meters of drifting on 2 levels completed. A mill consisting of 5 stamps was in operation. The amount and tenor of ore is not reported.

The Lemon claim lies 1 km north of the England on Stanhope Creek. An adit has been driven along a northerly trending shear zone for about 23 meters. It would appear that this work was done about the same time as that to the south.

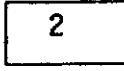
Since production ceased in the early part of the century there have only been short-lived attempts to revive the various properties. Placer activities have shown more continuity, and at least one on Rock Creek at the upper end of the England claim is being operated at present.

LEGEND


TERTIARY


 Volcanic flow rocks with interbedded sedimentary rocks; 6a, conglomerate, sandstone, shale and tuff

PALEOZOIC

 Basaltic and andesitic lavas, greenstone, tuff, quartzite, limestone and argillite; 2a, quartzite, argillite, limestone, slate, schist, phyllite, sandstone and conglomerate

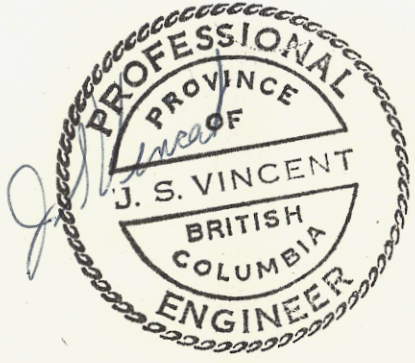
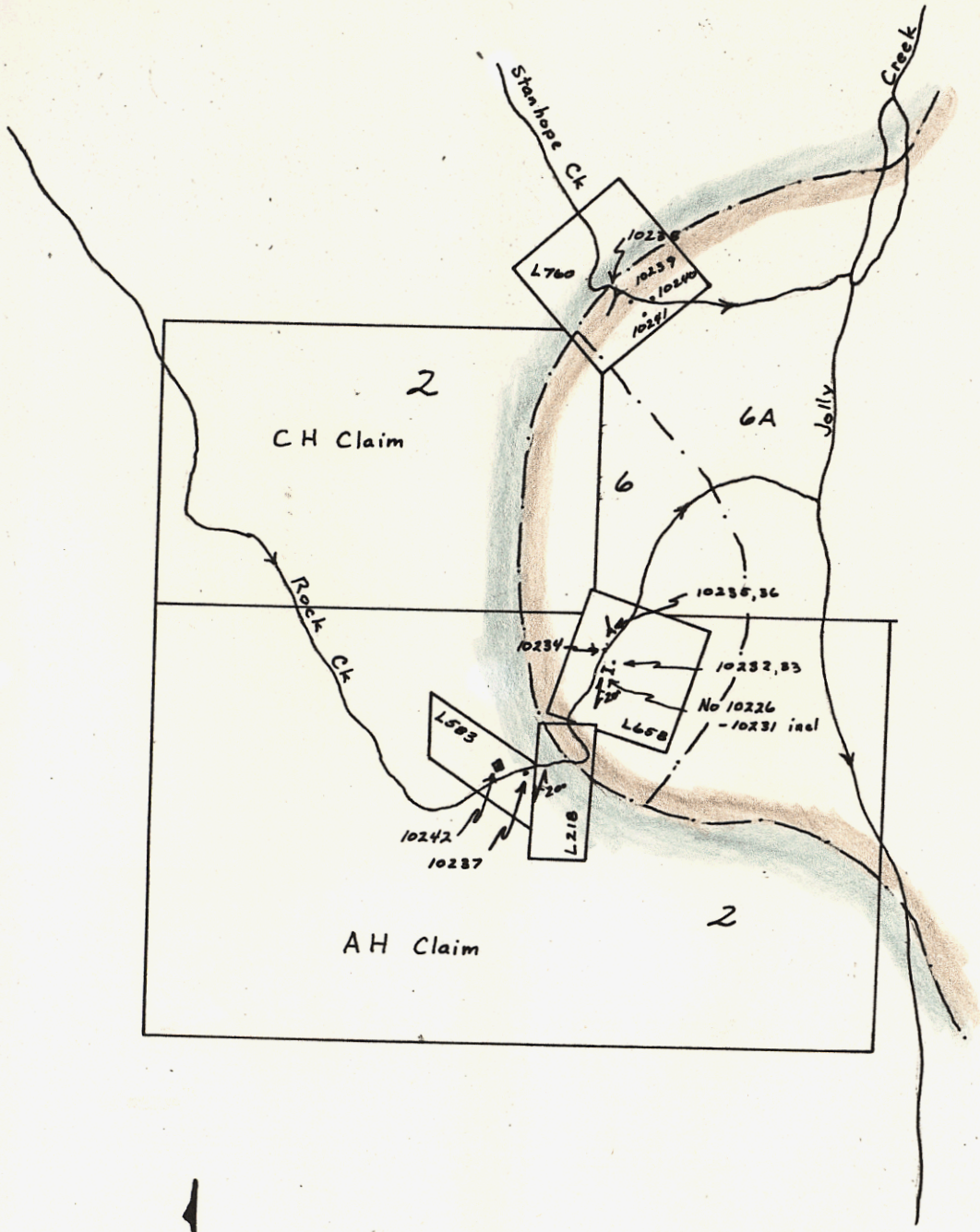
 Creek

 Geologic contact, assumed

 Attitude of schistosity

 Sample site and number

 Shaft and adit



TRAVERSE AND SAMPLE
LOCATION MAP

Sc 1:25,000

FIG 3
1:25,000

GEOLOGY

Regional

The regional geology has been outlined by H.W. Little on G.S.C. maps 6-1957 and 15-1961, and shows the general claim area to be underlain by a sequence of Paleozoic volcanic and sedimentary rocks. The volcanics consist of basaltic to andesitic lavas, greenstone and tuff, while the sediments vary in composition from coarse clastics through to limestone. Although the time designation is Paleozoic the section includes time-rock units regarded as upper Proterozoic and Triassic. Early workers use the term "Anarchist Series" in reference to the oldest rocks of the area, and refer to varying degrees of metamorphism which produced schists and gneisses. Sheared basic and serpentinized rocks were noted along Rock Creek in old reports, and these were regarded as intrusive in origin.

The main intrusive rocks of the area belong to the Jurassic-Cretaceous Nelson and Valhalla granitic complexes, and these underlay large areas to the north and west. To the east numerous windows poke through patches of Tertiary cover rocks.

In the area of the crown grant claims, and east of Rock Creek, Tertiary volcanic flow rocks and sediments represent the youngest stratigraphic sequence.

The Camp McKinney mineralization consists of quartz veins with varying amounts of pyrite, galena, and sphalerite which strike easterly and dip at high angles to the south.

An 1897 report describes the veins as cross-cutting the host rock foliation, and being displaced by low-angle easterly dipping faults with a right hand sense of movement. The writer at that time had the benefit of underground access on which to base his observations of ore control. In a 1934 report the writer observed that the quartz veins were conformable with the strike and dip of the schistosity. Examination at this time was limited to surface outcrop.

Gold values appear to improve with depth, and free gold was recovered from time to time. The better values occurred in lenses or pods along the vein, and the values were reported to be in direct proportion to the sulphide content and vein size: values decreased as the width and sulphide content decreased.

Property:

Reports based on observations made while underground activity was at its peak, 1897-1898, describe similar mineralization to that described above, but hosted by quartz veins with a northerly strike and moderate easterly dip. The best descriptions of the type and control of mineralization in the area were based on observations made in the Victoria workings; the most extensive at the time. The vein material is described as bluish quartz containing pyrite, sphalerite and galena, and the width varies from 5 cm to 50 cm. The galena is regarded as the host for gold; no free gold is mentioned. The vein is hosted by the fault zone which cross-cut the gently dipping greenstones. The mineralization found on the England was described as similar in character and value to that on the Victoria.

An 1896 report of the England claim describes 3 veins with a northerly strike and easterly dip which run the length of the claim within a

zone about 25 meters wide. A winze 27 meters deep was sunk on the center vein and the description gives the impression that talc and quartz containing varying amounts of pyrite, sphalerite, and galena are contained by a strong shear zone. Again, it is indicated that the gold value is directly related to the galena content.

Outcrop is scarce on the property and exposure is pretty well limited to the canyons cut by Rock and Stanhope Creeks. Figure 3 illustrates the writer's traverse and the location of sample sites. The short adit driven in the western vein on the England claim is the only one remaining open, thus it is not possible to examine the mineralization described in the old reports. However, if a 25 meter-wide zone exists which contains significant values in precious metals, bed rock sampling and examination should provide some indication of its presence. Towards this end a total of 16 samples were collected for geochemical analysis and assay. The analytical work was carried out by Bondar-Clegg & Co. Ltd. of Vancouver.

Samples numbered 10226 to 10231 inclusive were collected across a slide area approximately 12 meters thick above the caved portal of the lower adit on the England claim. The rock is sheared to moderately foliated along a southeasterly strike with a 10-15° dip to the northeast. Quartz and carbonate stringers are concordant in a siliceous chloritic schist with lenses and remnants of unshaped greenstone. Disseminated euhedral pyrite is visible in the quartz stringers, and surface oxidation varies from moderate to light. Sampling of the section did not return significant precious metal values: gold varies from less than 0.068 gms (0.002oz) per ton to 0.273 gms (0.008oz), while silver ranges from 0.684 gms (0.02oz) to 5.127 gms (0.15oz) per ton.

A large pit has been excavated in the canyon wall about 60 meters north of the slide section. It appears to have been located to cut an oxidized

zone which persists along the wall and dips easterly into the hill at 20°. The rock is dark blue-grey, aphanitic, and contains angular fragments in an uneven distribution. This material assayed less than 0.068 gms (0.002 oz) gold and 1.020 gms (0.030 oz) silver per ton. A second chip sample across a 2 meter section of massive blue-grey sucrosic silica assayed less than 0.068 gms (0.002 oz) gold and 1.360 gms (0.040 oz) silver per ton.

At the creek elevation the dominant rock type is an andesite with chlorite schist zones which dip easterly at moderate to low angles.

Along the creek bottom, and about midway on the England claim, a siliceous zone is exposed in the andesite which contains stringers of milky to glossy quartz with fresh grains of euhedral pyrite. A sample assayed 0.408 gms (0.012 oz) gold and 2.040 gms (0.060 oz) silver per ton (No.10234).

About 90 meters further north along Rock Creek an old adit has been driven into the west wall of the canyon along the western-most vein of the zone. Two samples chipped at the portal across an oxidized siliceous zone which contains visible pyrite: Number 10235, 24.480 gms (0.72 oz) gold and 20.400 gms (0.60 oz) silver across 30 cm, and Number 10236, 48.280 gms (1.42 oz) gold and 81.600 gms (2.40 oz) silver across 60 cm. Similar values were obtained earlier from an examination carried out by the Dankoe Mines' Geologist. The vein strikes north, dips easterly at 70°, and pinches out about 10 meters along in the drift.

As a result of the examination and sampling results, and a consideration of earlier descriptions, it can be concluded that precious metal values are confined to narrow quartz veins. There is no evidence at hand to suggest that a significant distribution of values beyond the veins has developed.

The workings on the Victoria are caved and inaccessible, but much of the rock exposed along the creek is talcose and well serpentinized. Blocks in the talus shed off the walls above contain quartz stringers generally concordant with the schistosity. A specimen of this vein quartz with disseminated euhedral grains of pyrite assayed 3.128 gms (0.092 oz) of gold and 6.800 gms (0.20 oz) of silver per ton (Number 10237)

The shaft on the Snowden has long since caved, but a study of the rock in the dump indicates almost total medium to light grey talc schist with varying amounts of disseminated pyrite. A bag of specimens (10242) were sent for geochemical analysis and returned 0.2 ppm silver and 15 ppb gold. As previously mentioned, the shaft was 70 meters deep, and 57 meters of drifting was completed on 2 levels. The only ore description refers to white quartz containing iron sulphides; there is no mention of values.

The Lemon claim at the north end of the property lies across the narrow canyon of lower Stanhope Creek. The old workings consist of an adit driven 40 meters on a shear zone containing quartz stringers. The zone strikes 60° and dips 70° to the southeast. A sample of chips taken over the shear assayed 0.204 gms (0.006 oz) of gold and 0.680 gms (0.02 oz) of silver. The host rock exposed in continuous outcrop along the creek is massive dacite, dark green to black, and aphanitic to fine grained. Fractures at 60°/70° SE are closely spaced.

A particularly siliceous zone downstream 75 meters was chip sampled across a 2 meter interval and returned values of 0.2 ppm silver and 10 ppb gold (10239).

Chip samples were collected from a fresh exposure of a 25 cm quartz-carbonate vein striking northerly and dipping 70° east. Pyrite, galena, and possibly sphalerite returned values of 0.7 ppm silver and 5 ppb gold. Although well fractured, the rock is tight and unproductive looking. Veining could not be expected to persist for any significant distance.

Above the creek, and just below the edge of the bluff, an outcrop of glossy crystalline quartz was chip sampled: Number 10241; 0.2 ppm silver, 10 ppb gold.

DISCUSSION OF RESULTS

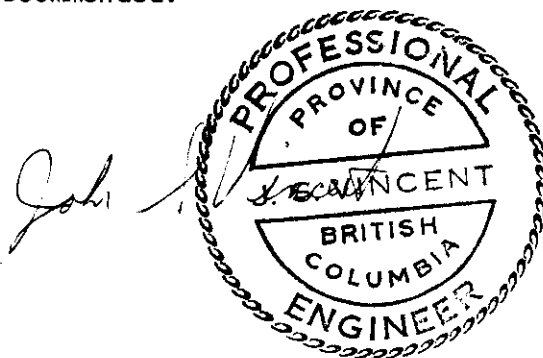
The results of visual examination and rock sampling do not provide any encouragement for the economic development of the property. The possibility was evaluated that 2 potential types of mineralization might exist in the geologic setting indicated.

1. Previous work has proven the existence of significant precious metal values in quartz veins, but it has also shown that the zones are extremely erratic and irregular. There is nothing to indicate that this feature will change for the better. Narrow quartz veins with low values host erratic thicker pods or lenses which contain higher grade material, but characteristically a lot of rock would be moved to extract the lenses.
2. The second possibility, and the more appealing of the two, was that values might be hosted in the Tertiary volcanic rocks which would allow the development of a bulk tonnage of lower grade material; perhaps similar to that mined at the Dusty Mac operation at Okanagan Falls. With this in mind, samples were collected and rock types examined to evaluate this type of potential. The England claim was of particular interest because of the reported 25 meter - wide zone containing 3 quartz veins. Unfortunately, field results do not support such a conclusion, and the potential for a bulk tonnage of significant grade being discovered is very limited.

CONCLUSIONS

Field examination and rock sampling do not provide any encouragement for the discovery of economic quantities of precious metal mineralization on the property.

No further work can be recommended.



CERTIFICATE

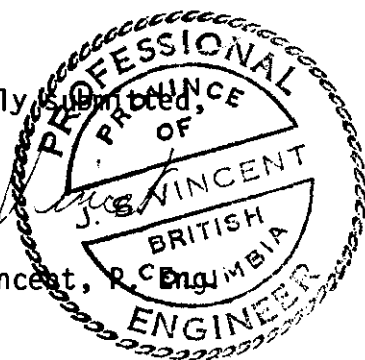
The undersigned certifies that:

1. He is a consulting mining geologist with business and residential addresses at 4859 12A Ave., Delta, B.C.
2. He is a graduate of Queen's University, B.Sc., 1959, and of McGill University, M.Sc., 1962, in Mining Geology.
3. He is member in good standing of the Association of Professional Engineers in the Province of British Columbia.
4. He has based this report on data provided from maps and sources as stated, and from a visit to the property on September 4, 1979.
5. He does not own, or have any interest in, the securities or properties of Oliver Resources Ltd.

Respectfully submitted,



John S. Vincent, P. Eng



APPENDIX

COST STATEMENT

LABOUR

John S. Vincent, P.Eng.

Field 1 1/2 days

Office 2 1/2 days

4 days @ \$250.00 / day

\$1000.00

ROOM AND BOARD

70.50

TRUCK RENTAL

250 miles @ .25

62.50

ANALYTICAL

Assay

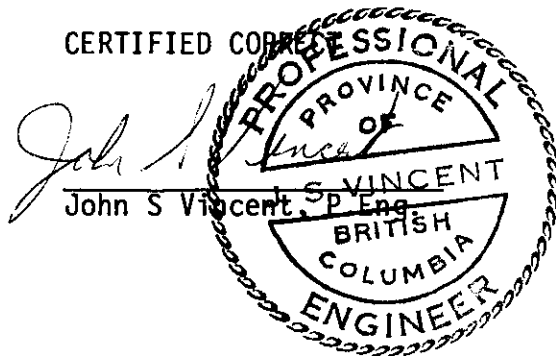
110.50

Geochemical

28.60

\$1272.10

CERTIFIED COPY





BONDAR-CLEGG & COMPANY LTD.

764 BELFAST ROAD, OTTAWA, ONTARIO, K1G 0Z5 PHONE: 237-3110 TELEX: 053-3548

Mr. J. S. Vincent
Canadian Nickel Company
#160 - 10451 Shellbridge Way
Richmond, B.C.
V6X 2W8

INVOICE: C^G 3695
DATE: September 17/79
REPORT NO: 29 - 1870
PROJECT:

W. O. No. C 7203

4	Silver	Analyses	@ \$ 1.65	\$ 6.60
4	Gold	Analyses	@ \$ 3.75	15.00
4	Sample Preparations		@ \$ 1.75	<u>7.00</u>
				<u>\$ 28.60</u>

sja



BONDAR-CLEGG & COMPANY LTD.

764 BELFAST ROAD, OTTAWA, ONTARIO, K1G 0Z5 PHONE: 237-3110 TELEX: 053-3548

Mr. J. Vincent
Canadian Nickel Company
4859 - 12A Avenue
Delta, B. C.
V4M 2B6

INVOICE: C ^{C 3967} 3967
DATE: September 27, 1979
REPORT NO: A29 - 1025
PROJECT:

W. O. C 7963

13	Gold, Silver	Assay	@ \$ 8.50	<u>\$ 110.50</u>
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ljm

To: Canadian Nickel Company

REPORT NO. A29 1025

PAGE No. 1

BONDAR-CLEGG & COMPANY LTD.

DATE: September 27, 1979

160 - 10451 Shellbridge Way
Richmond, B. C.

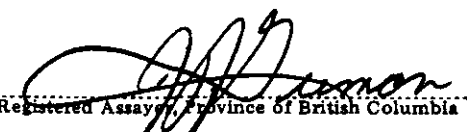
CERTIFICATE OF ASSAY

Sample Submitted: September 11, 1979
Results completed: September 27, 1979

I hereby certify that the following are the results of assays made by us upon the herein described ore samples.

MARKED	GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton							
10226	0.008		0.11								
10227	0.008		0.15								
10228	0.002		0.06								
10229	0.002		0.04								
10230	L0.002		0.02								
10231	L0.002		0.03								
10232	L0.002		0.03								
10233	L0.002		0.04								
10234	0.012		0.06								
10235	0.72		0.60								
10236	1.42		2.40								
10237	0.092		0.20								
10238	0.006		0.02								
L denotes 'less than'											

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.


Registered Assayer, Province of British Columbia

Report On Assessment Work Applied For

Of The

Ah-Ch Claim Group

Plus Four Crown Grants (Grouped As A Unit)

Rock Creek

Greenwood Mining Division

NTS 82 E/3

Longitude 119° 08'

Latitude 49° 07'

By

C. Heady

Oliver, British Columbia

October 16, 1979

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<i>Geological Report</i>	A5-6
<i>Statement of Exploration and Development</i>	

Introduction

The geographic position and access is shown on the attached maps. The property definition is:

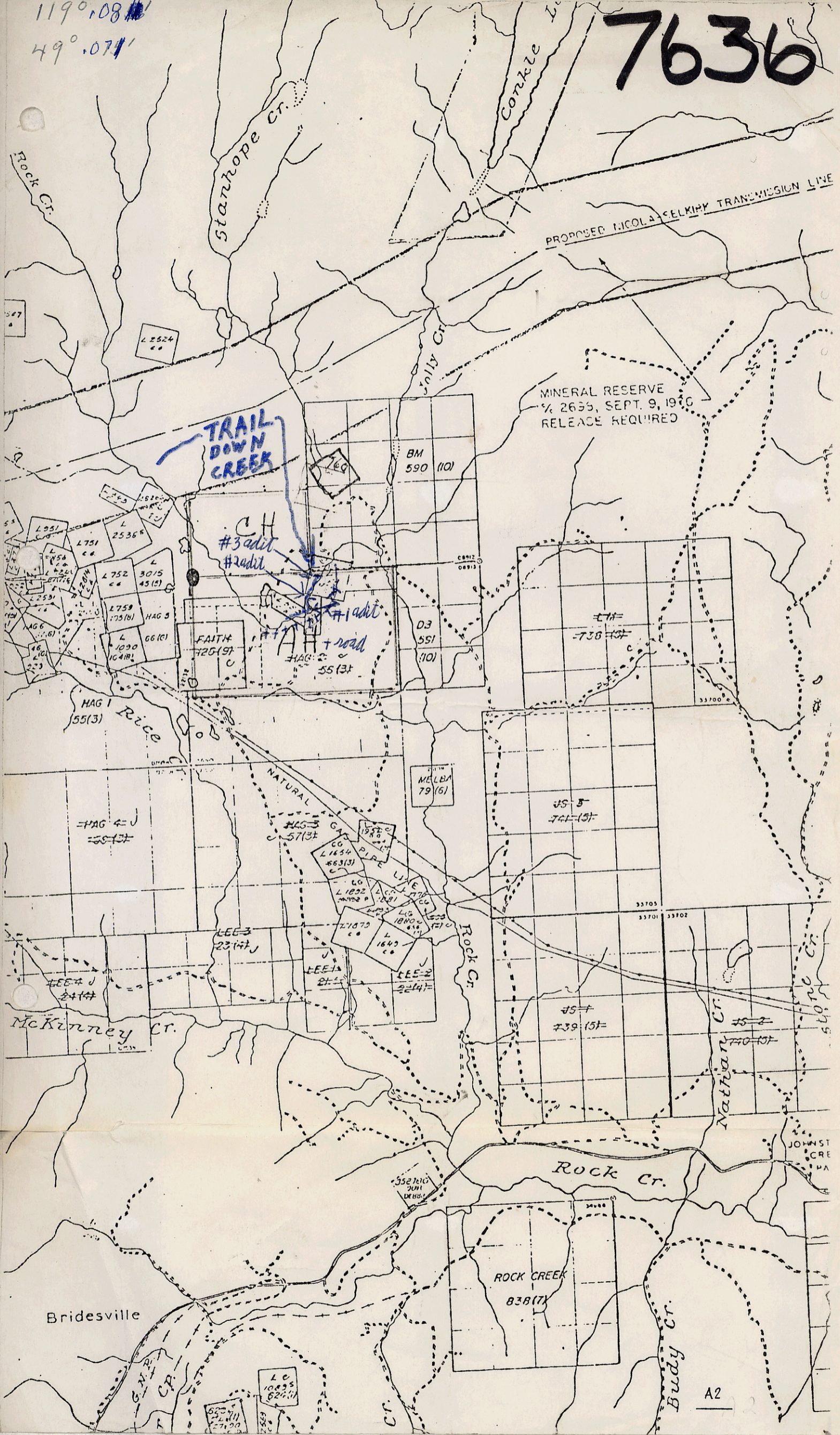
Longitude 119°08' ; Latitude 49°07'
In the Camp McKinney area.

The last work performed on these claims was during 1896 and 1897. The current owners are C. Heady and A. Hook and the operator is L. Mayer of Oliver Resources, a public trading company on the Vancouver Stock Exchange.

The prospects of the property are gold, with minor amounts of silver, lead and zinc.

119° 08' 11"
49° 07' 11"

7636



Description of Work Done

The former wagon road on the south east side of Jolly Creek which is 2,000 metres long and 3 metres wide was cleared of overhanging brush and jack pine. Corduroy timber was laid in a swampy area for 12.2 metres which provided access by four wheel drive. A trail down into the gorge which zig zagged down the south bank and along the bottom of the canyon for 1,200 metres was cleared. The three former adit entrances which had collapsed and had been covered by slide were also cleared. The adit entrances were:

1. 2.1 by 2.5 Metres
2. 2.1 by 2.5 Metres
3. 2 by 1.8 Metres

On September 8, 1979, Jack Vincent was accompanied to the claims to obtain details in providing a geological report.

Cost of Work Done

Work performed on claims

C. Heady and A. Hook

Clearing trails and roads (May 27, June 3 and 10, 1979)

3 days at \$60.00 x 2 \$360.00

Clearing adits (June 30, July 1, September 22, 23, and
30, 1979)

5 days at \$60.00 x 2 600.00

Travel

10 days x 103 miles x \$.30 per mile 309.00

TOTAL \$1,269.00

Professional Engineering report by Jack Vincent on studying the
Rock Creek Prospect \$1,301.21

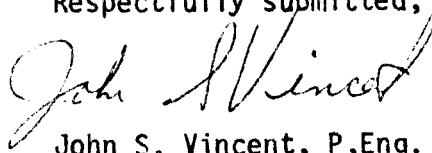
A5

October 13, 1979.

In account with Oliver Resources Ltd. for services rendered in studying the Rock Creek Prospect.

Four days at \$250.00	\$1000.00
Expenses as per report	162.11
Analytical costs	110.50
	28.60
	<hr/>
	\$1301.21

Respectfully submitted,



John S. Vincent, P,Eng.

FIELD EXPENSE ACCOUNT

Geological Field Party At: Osoyoos - Rock Gk Date: Sept 8-9 19 79

Leader J. S. Vincent.

Date	Rec't	Paid To	Detail of Expense	Prefix	Suffix	Class	Amount
Sept 8	1	Sahara Flagg Inn	Hotel				56.50
9			Meals + tips				11.50
	2		Misc				2.50
			Gas				29.11
			Mileage, 250mi @ .25				62.50

RECONCILIATION

Cash Advanced \$ _____

paid as Above \$ _____

Balance \$ _____

DETAIL OF BALANCE

Outstanding Expense Account \$ _____

Cash in Hand \$ _____

Bank (In Trust) \$ _____

Total \$ _____

SOURCE CODE 9960

Total 162.11

For Head Office Use Only

Invoice Number	Pay Vendor	Prefix	Suffix	Class	Amount
Gross Value	Due Date				
Goods Rec'd.	Payment Approved				

Signature: *J. S. Vincent*