

DRILL REPORT

- on the -

AU CLAIMS

Kamloops Mining Division

- for -

KEDA RESOURCES (1973) LTD. NPL,  
#1-219 Victoria Street,  
KAMLOOPS, B. C.

LOCATION: 50° 25'N; 119° 23'W.  
NTS 82L/6W.  
18 km. NNW of Vernon, B. C.

PREPARED BY:

KERR, DAWSON & ASSOCIATES LTD.  
#1-219 Victoria Street,  
KAMLOOPS, B. C.

John R. Kerr, P. Eng.,  
January 18, 1980.

MINERAL RESOURCES BRANCH ASSESSMENT REPORT 7837 NO. _____
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INDEX

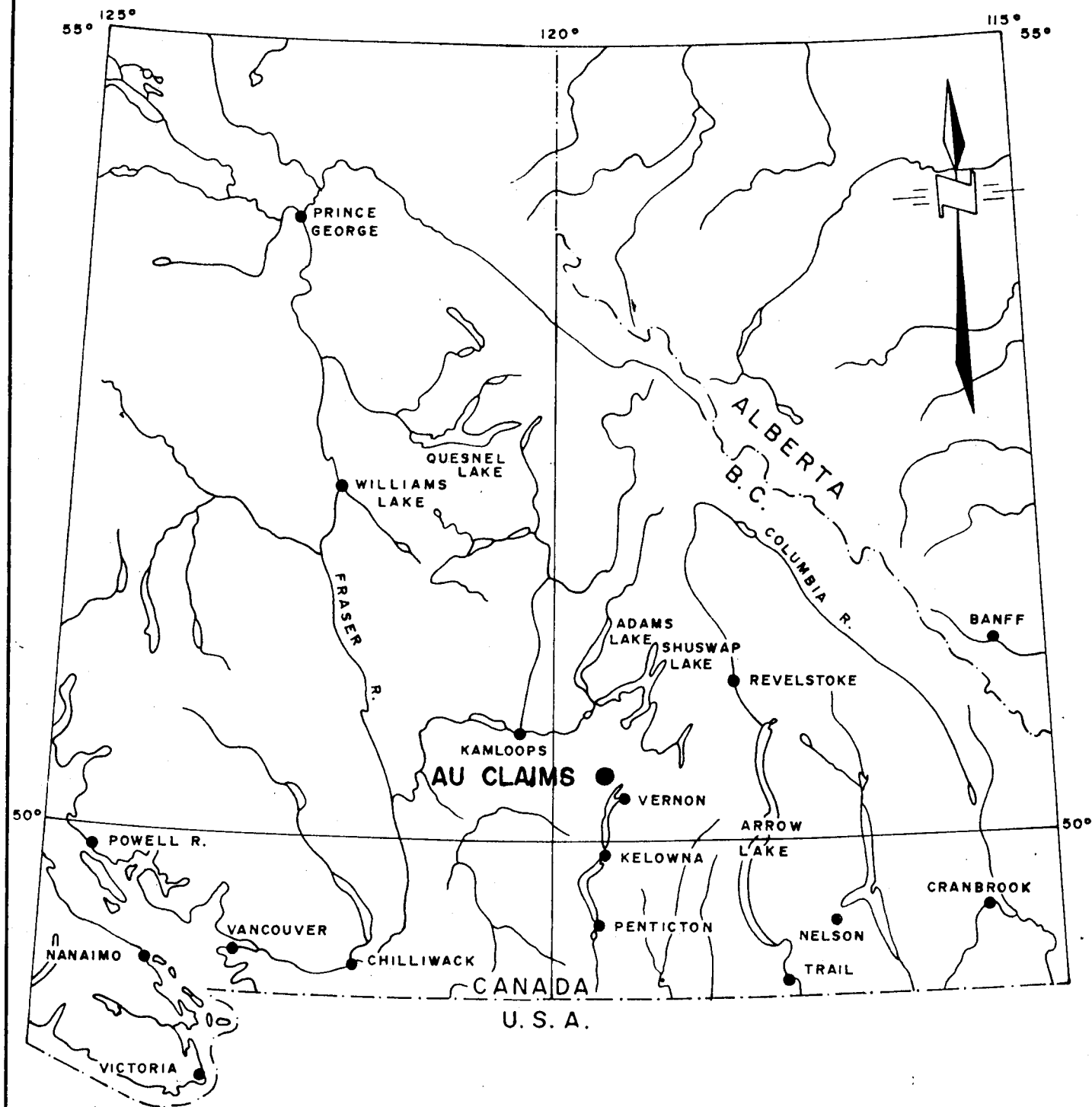
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LOCATION MAP

**AU CLAIMS**

KAMLOOPS MINING DIVISION, B.C.

Date: DEC., 1976

Scale: 1" = 64 Miles

Dwn by:

Dwg no.

## INTRODUCTION

The Au claims were staked in 1973 and 1975 by Keda Resources (1973) Ltd. NPL to cover a known gold occurrence northwest of Vernon, B. C. Dramatic increases in the price of gold and silver have enthused exploration and development of many gold occurrences.

In May, 1979, Keda entered into agreement with Mr. A. Babiy to finance a preliminary drill programme. Mr. Babiy contracted the services of Mr. J. MacNeil, diamond driller, to complete the drill programme. This report summarizes the results of this programme.

Normal introductory remarks, such as location, access, topography, and history of mining are well documented in previous reports by J. M. Dawson, P. Eng., 1973, and W. Gruenwald, 1976, and are summarized below.

The property is located in south-central British Columbia, 18 km. NNW of Vernon and 16 km. SE of Falkland,

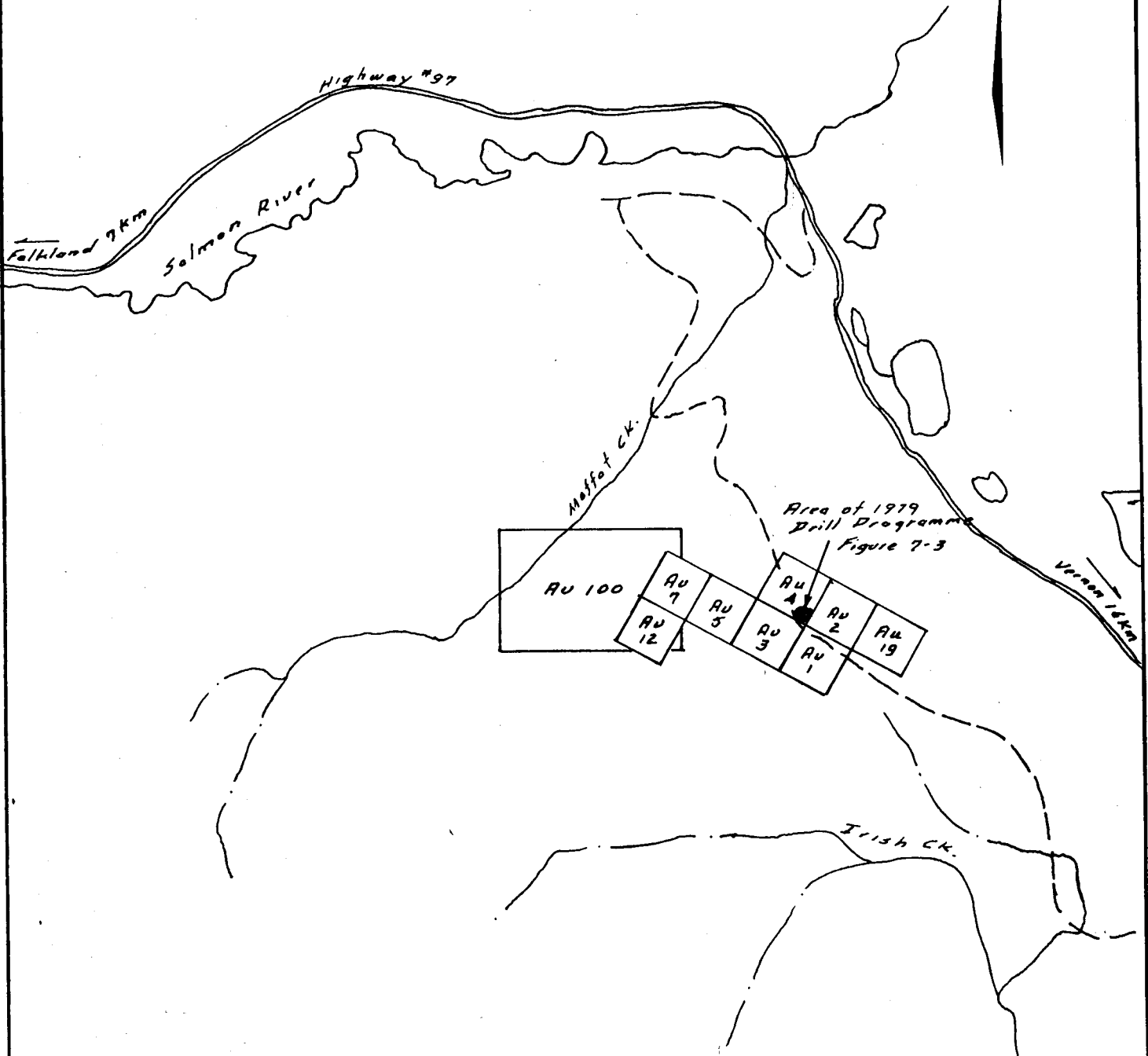
B. C. Geographic coordinates of the center of the property are 50°25'N; 119°23'W (NTS 82L/6W). Access is possible from Highway #97 by either the Irish Creek or Moffat Creek roads, a distance of approximately 8 km.

The property consists of 9 contiguous mineral claims, 8 under the old 2-post system, and 1 under the modified grid system. The following is a list of all claims:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Mining Div.</u>	<u>Expiry Date*</u>
Au 1	124480	2-Post	Kamloops	Mar. 8, 1984
Au 2	124481	2-Post	Kamloops	Mar. 8, 1984
Au 3	124482	2-Post	Kamloops	Mar. 8, 1984
Au 4	124483	2-Post	Kamloops	Mar. 8, 1984
Au 5	124484	2-Post	Kamloops	Mar. 8, 1984
Au 7	125727	2-Post	Kamloops	June 7, 1984
Au 12	125732	2-Post	Kamloops	June 7, 1984
Au 19	125847	2-Post	Kamloops	June 7, 1984
Au 100	422	6	Kamloops	June 18, 1984

\* on acceptance of this report.

The claims are recorded in the name of Keda Resources (1973) Ltd. NPL, the beneficial owner.



To accompany a report by J.R. Kerr

Keda Resources (1973) Ltd.

**INDEX MAP  
AU CLAIMS  
KAMLOOPS M.D.**

Tech. Work By:  
Kerr, Dawson & Assoc. Ltd.

Scale: 1:50,000

Drawn By: W.G.

Date: Jan. 1980

Approved By:

Fig No. 7-2



N.T.S. NO. B2L/6w

1979 FIELD PROGRAMME

Two inclined diamond drill holes were completed to intersect the main mineralized zone at vertical depths of 40-60 meters. A third hole commenced 33 meters west, to intersect a possible western extension of the zone. This hole was terminated in deep overburden.

A drill contract was negotiated with Mr. Jim MacNeil, private owner of a Longyear 34A diamond drill. Drilling commenced May 25, 1979, and was completed by June 29, 1979. The following summarizes the drill data;

<u>Hole No.</u>	<u>Location</u>	<u>Brg.</u>	<u>Dip</u>	<u>Depth</u>	<u>Remarks</u>
Au-1	4+50W @0+10N	N34°E	-60°	60' (18.3m)	Terminated in overburden.
Au-2	3+40W @0+05S	N34°E	-60°	315' (96.0m)	
Au-3	3+40W @2+10N	S34°W	-55°	161.5' (49.2m)	

Au-2 and Au-3, the only holes encountering bedrock, were logged in detail, attached as Appendix B. Zones or sections containing significant alteration or sulphides were sampled and either assayed or geochemically analyzed for gold (See Appendix C).

### DRILL RESULTS

Although quartz veins and shear zones were encountered in both drill holes, all assays and geochemical analyses revealed only low gold contents. Visual examination of the core indicates that the mineralized zone as observed on surface was not intersected in either of the holes.

Figure No. 7-3 shows the surface plan and section of the drill holes. It is obvious from the section, that the surface zone does not extend to depths of 40-50 meters. Three possible interpretations for this are presented:

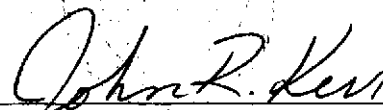
- (1). The mineralized zone pinches out with depth.
- (2). The zone is terminated or displaced at depth by a fault.
- (3). The outcrop containing the mineralized zone is in fact a large slumped block. In this event, the main zone, in place, would be located uphill, possibly coinciding with VLF-EM and geochemical anomalies.



Continued work on the property is recommended,  
consisting of detailed geochemistry, continued EM  
surveys, trenching, and drilling.

Respectfully Submitted By:

KERR, DAWSON AND ASSOCIATES LTD.,



*John R. Kerr*

John R. Kerr, P. Eng.,  
GEOLOGIST

January 18, 1980,

KAMLOOPS, B. C.

APPENDIX A

COST STATEMENT

COST STATEMENT

Drill Supervision:

John R. Kerr, P. Eng., 3 days @ \$200.00/day . . . . .	\$600.00	
J. M. Dawson, P. Eng., 1 day @ \$200.00/day . . . . .	200.00	
Warner Gruenwald, Geologist 1 day @ \$125.00/day . . . . .	<u>125.00</u>	\$ 925.00

Diamond Drilling (all inclusive):

536.5 ft. @ \$18.50/ft. . . . . 9,925.75

Assays and Geochem. Analysis . . . . . 85.00

Truck Rental:

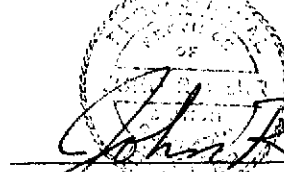
5 days @ \$25.00/day . . . . .	\$125.00	
520 mi. @ 25¢/mile . . . . .	<u>130.00</u>	255.00

Report Preparation:

J. R. Kerr - 1 1/2 days . . . . .	\$300.00	
Drafting . . . . .	60.00	
Secretarial, printing, and report binding . . . . .	<u>65.00</u>	<u>425.00</u>

TOTAL . . . . . \$11,615.25

Certified Correct:



John R. Kerr

APPENDIX B

DRILL LOGS





# KERR—DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Suite 1 - 219 Victoria St.  
Kamloops, B.C.  
Phone 374-0544

PROPERTY..... Au Claims .....

HOLE No. #2 .....

DIP AND AZIMUTH TEST		
Corrected		
Footage	Angle	Azimuth

Core Size ..... BQ .....

Angle of Hole ..... 60° .....

Claim ..... Au-4 .....

Section ..... 3+40W .....

Bearing ..... N34W .....

Total Depth ..... 315' .....

% Recovery ..... 80% .....

Elev. Collar ..... .....

Latitude ..... .....

Departure ..... .....

Sheet No ..... 1 ..... of ..... 6

Logged by ..... J. R. Kerr, P. Eng.

Date Begun ..... May 25, 1979

Date Finished ..... June 4, 1979

Core Stored At Kerr Whse.

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE				
0-12'		Casing overburden.						
(0-3.7m)								
12-28'	4'	Light grey, fine-medium grained argillite, with						
(3.7-8.5m)		band dark grey fine-grained material. Rock						
		moderately fractured, trend ~55° to core axis.						
		Calcite filling on some fracture faces.						
28-29'	0'	Dark grey, fine grained argillite.						
(8.5-8.9m)								
29-48.5'	1'	Light grey, fine-medium grained argillite as						
8.9-14.8m)		above. Fractures dominant @ 45° to core axis.						
		32' - Dark grey - fine-grained altered						
		argillite over 6". Some minor pyrite.						
		35-37' - Highly fractured.						
		42' - Highly fractured.						
		43' - very blocky and fractured.						
		48' - fractured.						
48.5-77'	7'	Dark grey, fine-grained altered and moderately						
(14.8-23.5m)		well fractured argillite, with pyrite, rusting						
		and calcite on fracture faces. No						

# KERR—DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Suite 1 - 219 Victoria St.  
Kamloops, B.C.  
Phone 374-0544

PROPERTY Au Claims

HOLE No. #2

SHEET No. 2 of 6

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE			
		recognizable dominant trend to fractures - most fractures incipient.					
		53.5-54.5' - Possible fault zone.					
		59 - 60' - Gouge or fault zone, abundant pyrite.					
		72-77' - Very highly fractured fault zone - slickenslides. Pyrite 1-3% content. Evidence of core ground 3' of core lost.	Au 2 72-77'	5'	<i>Au</i> <i>341 Ppb</i>		
77-107' (23.5-32.6m)	10'	Medium grey, coarse-medium grained argillite or greywacke. Many calcite and limonite filled incipient fractures. Dominant trend at 35-40' to core axis.					
		77' - 4 qtz. carbonate vein.					
		91-99' - Highly fractured 3' core lost.					
107-117' (32.6-35.7m)	9'	Rubble and ground chips of core. Dominantly dark grey argillite. Almost all core ground.					
117-128' (35.7-39.0m)	2'	Dark grey fine-grained argillite, with calcite filled fractures ~ 35° to core axis.					
		Traces and minor content pyrite throughout.					
128-143.5' (39.0-43.8m)	0'	Coarse grained, grey sandstone or greywacke. Moderately fractured.					



# KERR—DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Suite 1 - 219 Victoria St.  
Kamloops, B.C.  
Phone 374-0544

PROPERTY Au Claims HOLE No. #2 SHEET No. 3 of 6

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE	Au			
143.5-149' (43.8-45.4m)	0'	Light grey, fine-medium grained argillite, with calcite and minor pyrite fillings on fracture faces.						
149-158' (45.4-48.2m)	1/2'	Dark grey, fine-grained, highly fractured, sheared and altered argillite. Pyrite throughout zone in trace to 1% content. Calcite on fracture faces.						
		157-158' - shear or gouge zone.						
158-166' (48.2-50.6m)	7 1/2'	Almost all core lost or ground. Some evidence of calcite veins in small frags of core recovered.						
166-176' (50.6-53.7m)	1'	Interbanded light grey-dark grey of grained argillite.						
176-180' (53.7-54.9m)	2 1/2'	Ground chips of rock - fine - grained argillite.						
180-186' (54.9-56.7m)	5' 1/2'	Dark grey, fine grained altered. Rock highly fractured and recomented with calcite. Considerable content of fine grained pyrite as dissiminations and blotches associated with fractures.	Au-2 176-186'	10'		17 ppb		
186.5-218.5' (56.7-66.6m)	8'	Light grey, fine-medium grained argillite; moderately fractured with calcite and limonite on fracture faces.						

# KERR—DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Suite 1 - 219 Victoria St.  
Kamloops, B.C.  
Phone 374-0544

PROPERTY Au Claims

HOLE No. #2

SHEET No. 4 of 6

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE				
		194-197' - Highly fractured and blocky.						
		199-206' - Highly fractured; 3' core lost.						
		209-218.5' - Highly fractured; 4' core lost.						
218.5-224'	2'	Altered sheared and fractured argillite. Some	Au-2					
(66.6-68.3m)		limonite stain on fracture faces. Some pyrite	218.5-224	5.5'		<i>14 ppb</i>		
		- mainly associated with fracture faces.						
224-230'	1/2'	Light grey fine-medium grained argillite, possibly						
(68.3-70.1m)		a volcanic tuff - as some fine grained fragments						
		noted.						
230-241'	2 1/2'	Dominantly dark-grey, fine grained argillite						
(70.1-73.5m)		with some bands light - grey, coarser grained	Au-2					
		argillite at 35° to core axis. Quartz and	230-241'	11'		<i>225 ppb</i>		
		calcite veinlets occurring along incipient						
		fracture faces. Some pyrite assoc. with fractures.						
241-269'	3'	Interbedded fine grained dark grey argillite	Au-2					
(73.5-82.0m)		and light grey, medium-fine grained argillite	241-255'	14'		<i>14 ppb</i>		
		or volc. tuff? Banding at 20 - 40° to core axis.						
		(varies considerably). Several incipient fractures	Au-2					
		and faults. Pyrite on fracture faces.	255-269'	14'		<i>77 ppb</i>		
		249' - 6" shear zone.						
		252-254' - very fractured and blocky.						
		259' - 6" fracture zone.						

# KERR—DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Suite 1 - 219 Victoria St.  
Kamloops, B.C.  
Phone 374-0544

PROPERTY Au Claims HOLE No. #2 SHEET No. 5 of 6

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE	Au		
		260 - 267' - Highly fractured and very blocky (3' lost core).					
269-277'	1'	Altered, sheared and fractured fine-grained	Au-2				
(82.0-84.5m)		dark grey argillite. Pyrite (1-2%) mainly assoc. with fracture faces.	269-277'	8'	Trace		
277-285.5'	0'	Light grey-grey, medium-grained volcanic tuff.					
(84.5-87.1m)		Several quartz stringers and veinlets in section. Considerable content of disseminated pyrite throughout section.	Au-2 277-285.5'	8.5'			
285.5-288.5'	1'	Quartz-carbonate (calcite?) vein with disseminated and blebs of pyrite throughout. Vein ~ 70° to core axis.	Au-2 285.5-288.5'	3'	.009 oz./T		
(87.1-87.9m)							
288.5-291'	0'	Light grey-green, medium grained volcanic tuff. Quartz veinlets @ 70° to core axis. Pyrite ~1-2% throughout.					
(87.9-88.7m)							
291-293.5'	0'	Dark grey-green medium grained volcanic rock, or possible dyke. Pyrite in f. disseminations and along incipient fractures.	Au-2 288.5-293.5'	5'	130 ppb		
(88.7-89.5m)							
293.5-315'	0'	Light grey-green fine-medium grained volcanic tuff. Pyrite disseminations throughout and along					
(89.5-96.1m)							



APPENDIX C

ASSAYS & GEOCHEM. ANALYSIS



# Kamloops Research & Assay Laboratory Ltd.

2095 WEST TRANS CANADA HIGHWAY-KAMLOOPS, B.C. V1S 1A7  
TELEPHONE 372-2784 - TELEX 048-8320

B.C. LICENSED ASSAYERS  
GEOCHEMICAL ANALYSTS

## CERTIFICATE OF ASSAY

TO Kerr, Dawson & Associates Ltd.,  
3 - 219 Victoria St.,  
Kamloops, B. C.

Certificate No. K-2060  
Date June 18, 1979.

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

Kral No.	Marked	GOLD	SILVER							
		Ounces Per Ton	Ounces Per Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1	285.5 - 288.5	.009								
2	269 - 277	Tr								
Tr denotes "trace"										

**NOTE:**

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

*DAB for Peps*  
.....  
Registered Assayer, Province of British Columbia



# Kamloops Research & Assay Laboratory Ltd.

2095 WEST TRANS CANADA HIGHWAY-KAMLOOPS, B.C. V1S 1A7  
 TELEPHONE 372-2784 - TELEX 048-8320

B.C. LICENSED ASSAYERS  
 GEOCHEMICAL ANALYSTS

## CERTIFICATE OF ASSAY

TO Kerr, Dawson & Associates,  
3 - 219 Victoria St.,  
Kamloops, B. C.

Certificate No. K-2086  
 Date June 18, 1979.

COPY

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

Kral No.	Marked	GOLD	SILVER							
		Ounces Per Ton	Ounces Per Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1	1	.051	<i>DDH A4-3 109'-113'</i> <i>Surface chip sample</i> <i>Surface chip sample</i> <i>Surface grab sample.</i>							
2	2	.135								
3	3	.27								
4	4	.008								

**NOTE:**

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

*DAS for PSB*  
 .....  
 Registered Assayer, Province of British Columbia



# Kamloops Research & Assay Laboratory Ltd.

2095 WEST TRANS CANADA HIGHWAY—KAMLOOPS, B.C. V1S 1A7  
TELEPHONE 372-2784 · TELEX 048-8320

B.C. LICENSED ASSAYERS  
GEOCHEMICAL ANALYSTS

## CERTIFICATE OF ASSAY

TO Kerr Dawson & Associates,  
3 - 219 Victoria St.,  
Kamloops, B. C.

Certificate No. K-2118  
Date July 11, 1979.


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

Kral No.	Marked	GOLD	SILVER							
		Ounces Per Ton	Ounces Per Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1	Au 5	Tr								
2	Au 6	N.D.								

Tr denotes "trace"  
N.D. = None detected

**NOTE:**

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

  
.....  
Registered Assayer, Province of British Columbia







APPENDIX D

WRITER'S CERTIFICATE

**JOHN R. KERR, P.ENG.**

**GEOLOGICAL ENGINEER**

1 - 219 VICTORIA STREET  
KAMLOOPS, B.C.

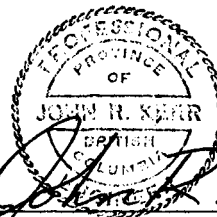
PHONE (604) 374-0544

STATEMENT OF QUALIFICATIONS

I, JOHN R. KERR, OF KAMLOOPS, B. C., DO HEREBY CERTIFY THAT:

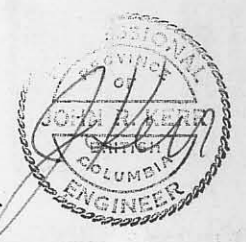
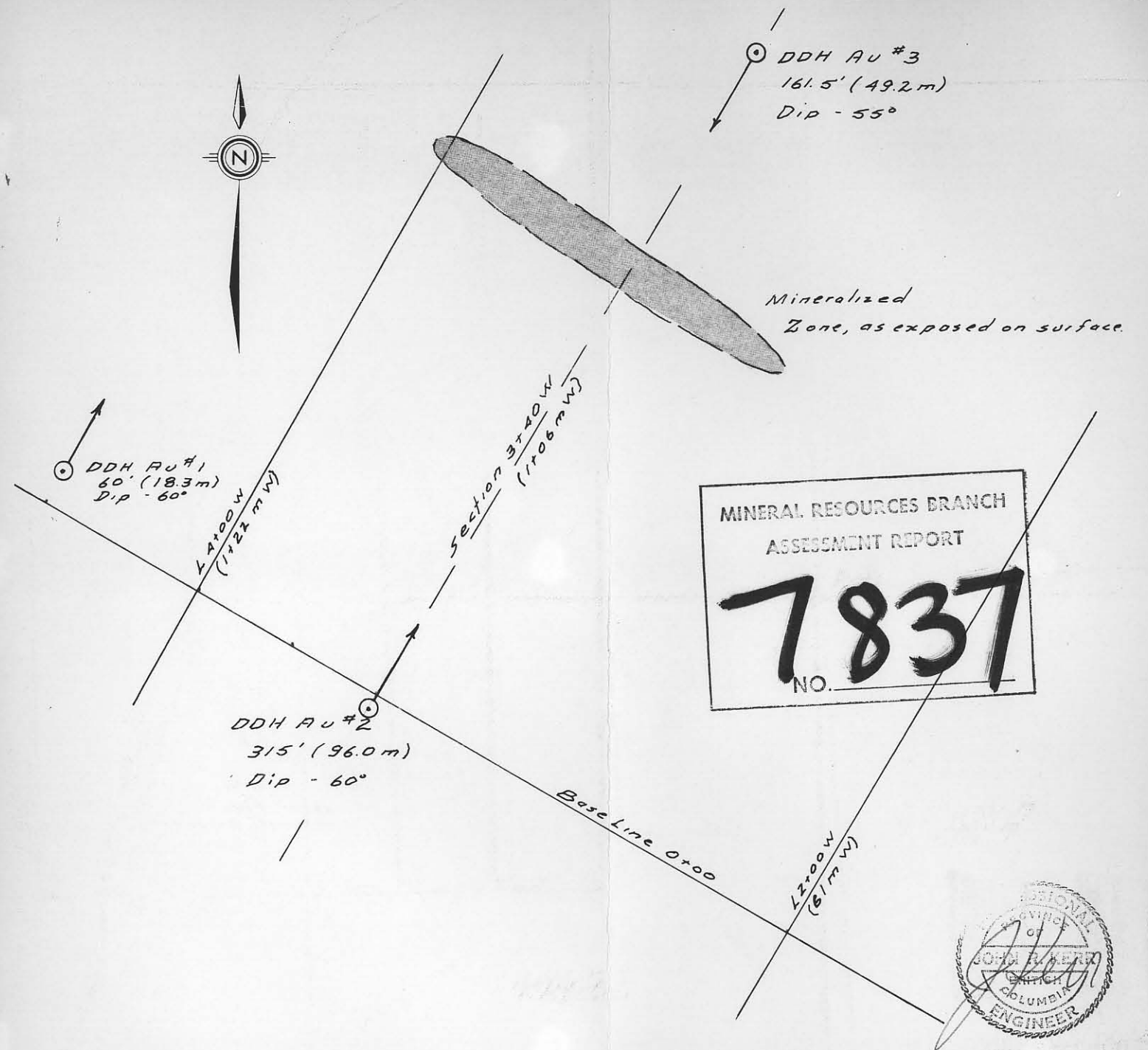
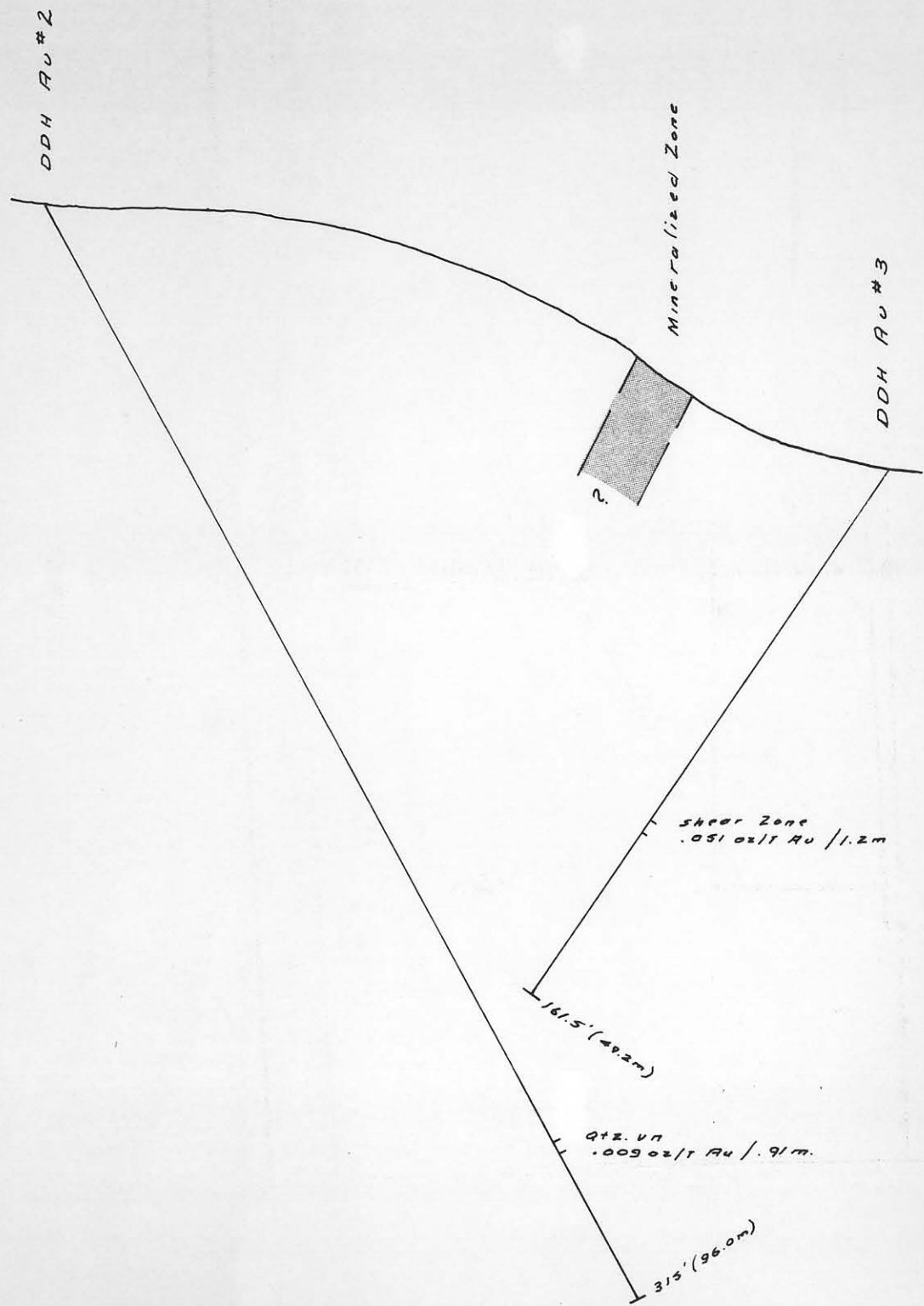
- (1). I am a member of the Association of Professional Engineers of British Columbia, and a Fellow of the Geological Association of Canada.
- (2). I am a geologist, employed by Kerr, Dawson and Associates Ltd., of Suite #1- 219 Victoria Street, Kamloops, B. C.
- (3). I am a graduate of the University of British Columbia, with a B. A. Sc. in Geological Engineering and have practised my profession continuously since graduation.
- (4). I supervised the drill programme as described in this report. I am the author of this report which is based on the results of the drilling.

KERR, DAWSON AND ASSOCIATES LTD.,



John R. Kerr, P. Eng.,  
GEOLOGIST

Kamloops, B. C.,  
January 18th., 1980.



Keda Resources (1973) Ltd.

AU CLAIMS  
Komloops M.D.  
LOCATION PLAN & SECTION  
DIAMOND DRILL HOLES

To accompany a report by J.R.Kerr  
Fig No 7-3

Tech Work: K.D.A.	Scale: 1:500
Drawn by: J.R.K.	Date: Jan. 1980