

GEOCHEMICAL AND GEOLOGICAL REPORT

- on the -

Kay #1 - #9 Claims

Cariboo Mining Division, British Columbia

- for -

KERON HOLDINGS LTD.,

837 E. Cordova Street, Vancouver,
B. C. V6A 3R2.

COVERING: Kay #1 - #8 claims (8-Two Post claims)
Kay #9 (20 units)

WORK PERFORMED: July 9 - August 19, 1980.

LOCATION: (1). 52°16.7' N Latitude; 120°34.2' West Longitude.
(2). NTS 93A/7E.
(3). 95 km. N 78°E of 150 Mile House, B. C.

PREPARED BY:

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

W. Gruenwald, B. Sc.,
September 17, 1980.

TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTION	1
SUMMARY AND CONCLUSIONS	2
LOCATION AND ACCESS	4
PROPERTY	5
HISTORY	6
PHYSIOGRAPHY AND VEGETATION	7
GEOLOGY	8
GEOCHEMISTRY	10
RECOMMENDATIONS	14

APPENDICES

- APPENDIX A: - Geochemical Assays
- APPENDIX B: - Personnel
- APPENDIX C: - Statement of Expenditures
- APPENDIX D: - References
- APPENDIX E: - Writer's Certificate
- APPENDIX F: - Maps

MAPS

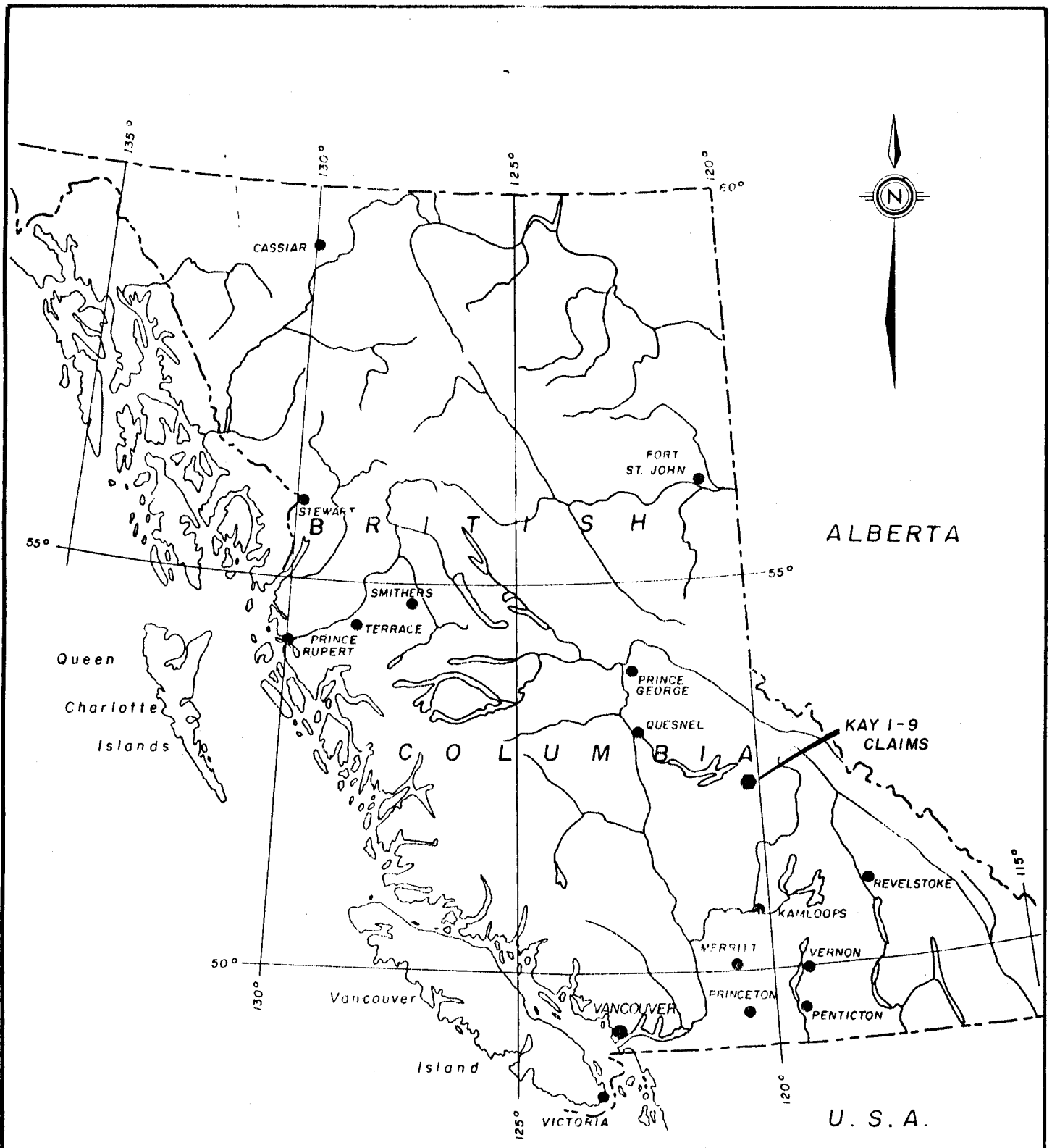
		<u>Scale</u>
Figure #220 - 1	- Location Map	1 cm = 87 km
Figure #220 - 2	- Index Map	1:50,000
Figure #220 - 3	- Geological Plan	1: 5,000
Figure #220 - 4	- Geochemical Plan (Gold)	1: 5,000
Figure #220 - 5	- Geochemical Plan (Silver)	1: 5,000

INTRODUCTION

During August, 1980, the writer examined the Kay #1 - #9 group of mineral claims located in the Crooked Lake area of the Cariboo Mining Division, B. C. The property is under option from Mr. Cliff Gunn, the registered owner of the claims.

Anomalous gold and silver values in soil and rock samples were encountered within the claim area, that first received attention in the early 1900's when placer gold was found in Frasergold Creek.

This report along with the appended maps describes the results of geochemical sampling and geological mapping carried out in July and August of 1980.



KERON HOLDINGS LTD.

LOCATION MAP

KAY 1-9 CLAIMS

CARIBOO MINING DIVISION, B.C.

Technical Work by:
Kerr, Dawson & Assoc. Ltd.

Date : September, 1980.

Scale : 1cm. = 87km.

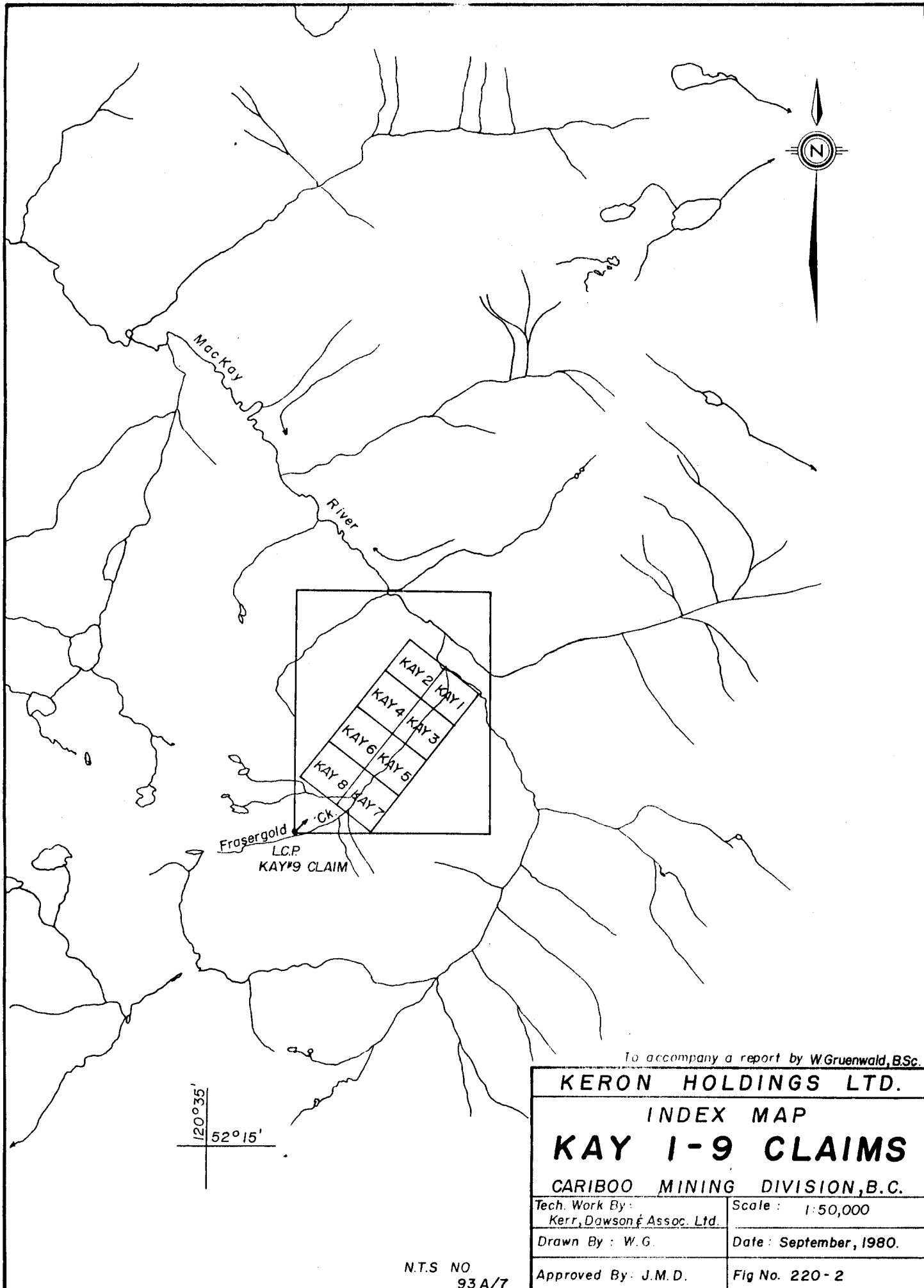
Dwg No. 220-1

SUMMARY AND CONCLUSIONS

- (1). The Kay claim group is comprised of eight two post claims (Kay #1 - #8) and one 20 unit claim, all of which are contiguous. The property is located 95 km east-northeast of 150 Mile House, B. C. in the rugged west flank of the Cariboo Mountains. Access, at present, is by helicopter from Williams Lake, B. C.
- (2). The claims were staked to cover an area of anomalous gold values in soils in the vicinity of Frasergold Creek. This creek was the site of a small placer discovery in 1901.
- (3). The property is underlain by a Triassic sequence of metasedimentary rocks comprised of gray, fissile phyllites and argillites. Concordant with the schistosity of the metasediments are veinlets and veins of milky white quartz locally containing limonite and/or minor pyrite.
- (4). The geochemical survey delineated an area of highly anomalous gold values in the northern half of the

Kay claim block. This area of anomalous gold and minor silver has a distinct "cutoff" that is parallel to the local schistosity of the metasedimentary rocks.

- (5). Quartz float found in one area (L-10NE; 7+00NW) immediately downhill or to the north-northwest of this "cutoff" returned a gold geochemical assay in excess of 6.0 grams/tonne. This would seem to suggest that the highly anomalous gold values in the northwest corner of Kay #9 are caused by one or more gold and/or silver bearing veins.



To accompany a report by W.Gruenwald, B.Sc.

KERON HOLDINGS LTD.	
INDEX MAP	
KAY 1-9 CLAIMS	
CARIBOO MINING DIVISION, B.C.	
Tech. Work By: Kerr, Dawson & Assoc. Ltd.	Scale: 1:50,000
Drawn By: W.G.	Date: September, 1980.
Approved By: J.M.D.	Fig No. 220-2

N.T.S NO
93A/7

LOCATION AND ACCESS

The Kay #1 - #9 claims are located on Frasergold creek in the western flank of the Cariboo Mountains approximately 95 air kilometers N78°E of 150 Mile House, B. C. Geographic co-ordinates for the claim block are 52°16.7' North Latitude and 120°34.2' West Longitude. Access to the claims is via helicopter from Williams Lake, B. C.

A recently constructed logging road along MacKay River comes to within six kilometers of the claim block.

PROPERTY

The Kay claims consist of eight "two post" claims, Kay #1 - #8 and one 20 unit claim (Kay #9), the details of which are as follows:

<u>Claim Name</u>	<u>Record Date</u>	<u>Expiry Date</u>
Kay #1 - #8	1182(9) to 1189(9)	September 4, 1980.
Kay #9	1810(8)	August 11, 1981

The registered owner of the claims is Mr. Cliff Gunn of White Rock, B. C.

HISTORY

The earliest record of any work in the claim area was in 1901 when gold was discovered in Frasergold and Eureka creeks. A small scale placer operation was established in early 1902 but was deemed unprofitable and was discontinued later that year. Since then, no further work has been done on the claim area except for the establishment of a small geochemical grid within the Kay #1 - #8 claims during the summer of 1979.

PHYSIOGRAPHY AND VEGETATION

The Kay claims are situated on the west flank of the Cariboo Mountains immediately adjacent to the relatively flat Fraser Plateau. The vast majority of the property is sloped moderately to steeply toward the northeast except along Frasergold creek where slopes are generally toward the southeast and northwest. Frasergold creek, a north-northeasterly flowing creek and MacKay River are the only major drainages to transect the property.

Numerous small creeks and seepages, many of which are tributaries of Frasergold creek, are found in the eastern two thirds of the claim block.

Topographic relief over the claim group is approximately 670 meters from the MacKay River valley to the headwaters of Frasergold creek.

Vegetation consists primarily of dense stands of spruce, fir, balsam, cedar, and pine found primarily in the northern two thirds of the claim block. Alpine type vegetation is found near the headwaters and upper flanks of Frasergold creek.

GEOLOGY

Regionally the Kay claim group is situated on the west flank of a northwesterly trending mass of "high grade" metamorphic rocks classified as the Snowshoe Formation (G.S.C.).

The property is described as being underlain by the Midas Formation, a sequence of black argillite, phyllite, and fine grained mica schist. Both the Snowshoe and Midas Formations are believed to be of Triassic age. Immediately northwest of the claim area and flanking the highly metamorphosed rocks of the Snowshoe Formation is a relatively large area of mid Mesozoic andesitic flows, tuffs, and agglomerates as well as intercalated argillites and limestones.

On a local scale the geology is comprised of dark gray to black, fissile, phyllites and lesser argillites. Throughout much of the claim area the metasedimentary rocks contain quartz veinlets and veins that for the most part are concordant with the schistosity of the metasedimentary rocks.

The quartz veins are almost always a milky white color and often contain isolated pieces of dislodged phyllite. Bright reddish-brown, powdery limonite patches formed from decayed iron sulphides are quite common. Pyrite when seen is generally fine grained and seldom comprises more than 1% of the vein material.

The veins are often observed to pinch and swell in relatively short distances. Since outcrops are scarce, it is difficult to trace any particular vein for any great distance; however, some of the large veins noted on cliff faces beyond the southern portion of the Kay #9 claim could be traced for in excess of 100 meters. Vein widths vary from as small as 0.5 cm to as thick as 5 meters; however, the bulk of the veins are probably between 20 cm and 100 cm thick.

The schistosity (and the veins) generally strikes northwesterly and dips from 20°-35° toward the southwest. Small scale anticlinal folding was noted in one outcrop on the baseline around 10+00NE and may reflect a larger scale regional feature.

GEOCHEMISTRY

During July, 1980, geochemical exploration on the Kay claim group began by the establishment of a chain and compass grid totalling 24.5 km in length. Sample stations were marked at 50 meter intervals on lines spaced 200 m apart. From this grid, a total of 463 soils, 24 rocks and 9 silt samples were collected.

Soil samples were collected from the "B" horizon whenever possible (10-30 cm deep), while silt samples were collected from the fine grained, active portion of the stream bed. Upon collection, the samples were placed in waterproof Kraft envelopes and marked by the appropriate grid co-ordinates. Analysis of these samples was carried out by Acme Analytical Laboratories Ltd. of Vancouver, B. C.

After drying, the samples were seived to obtain a -80 mesh fraction. Rock samples and coarse grained soils or silts were pulverized to the desired mesh size. Analysis for gold and silver were carried out as follows:

<u>Silver</u>	<u>Gold</u>
Digestion: 0.5 gm sample digested with dilute aqua regia in boiling water and diluted to 10 mls with demineralized water.	A 10 gm sample which has been ignited overnight at 600°C is digested hot with dilute aqua regia, and the clear solution is extracted with Methyl Isobuthyl Ketone.
Determination: by Atomic Absorption	Gold is determined by Atomic Absorption from the above extractant with background correction.

Results for silver and gold are stated in parts per million (ppm) (see Appendix "A"); however, the results for gold were plotted on figure #220-4 in parts per billion (ppb) for ease of reading.

A statistical analysis for gold and silver was done with the results stated as follows: (See figure #220-4).

	<u>Gold</u>	<u>Silver</u>
Mean (\bar{x})	19.5 ppb	1.3 ppm
Standard Deviation (s)	25.1 ppb	1.2 ppm
Background	< 19.5 ppb	< 1.3 ppm
Possibly Anomalous	19.5-44.6 ppb	1.3-2.5 ppm
Probably Anomalous	44.7-69.7 ppb	2.6-3.7 ppm
Definitely Anomalous	> 69.7 ppm	> 3.7 ppm

The extremely "high" values for gold and silver were cut from the above calculations to avoid erroneous geochemical categories.

The bulk of the anomalous gold values (figure #220-4) are found in two major areas both of which are northeast of L-4NE. By far, the most intense and definite anomaly is found in the northwest corner of Kay #9 between L-8NE and L-16NE and generally west of 6+00NW. Contained in this anomalous area are values in soils and rocks as high as 1,000 ppb and +6,000 ppb respectively or 1 gram and +6 grams per metric tonne. Outcrops in this area are few and when observed, consist of dark gray, fissile phyllites that locally contain small concordant milky white quartz veinlets. It was from a quartz boulder that the highest value on the property was obtained (6.0 ppm at L-10NE, 7+00NW). This piece of float if not glacially transported would have a source immediately uphill (SSW) of its location.

The second anomalous area is found to the southeast of the above anomaly in the area between L-6NE and L-14NE and generally east of 4+00NW. This anomalous area though quite diffuse contains values as high as 500 ppb (0.5 gm/tonne). The scarcity of outcrops and probably deeper overburden may be reasons for the observed anomaly pattern.

An imaginary line drawn between L-10NE; 16+00NW and L-6NE; 13+00SE appears to be a line of demarcation between these two anomalous areas and the background and weakly anomalous area to the southwest. This arbitrary line has a trend of 315° or roughly NW-SE which is the approximate strike of the schistosity of the phyllites and any concordant veins.

The anomalous silver values appear to be much more scattered; however, a vague correspondence between the silver anomalies and the gold anomalous areas previously discussed can be observed (see figure #220-5).

Based on the above geochemical data anomaly distributions and the presence of abundant quartz float, it is conceivable to suggest that a distinct horizon of the metasedimentary rocks within the Kay claims is host to a gold and/or silver bearing vein or vein system.

RECOMMENDATIONS

Based on information to date, the following is recommended:

- (1). Carry out detailed geochemical sampling between L-8NE, 10NE, and 12NE in the northwest corner of Kay #9.
- (2). Extend L-10NE, 12NE, and 14NE to at least 22+00NE.
- (3). Detail prospect and sample any outcrops on newly established lines as well as checking the extremely anomalous rock sample at L-10NE; 7+00NW.
- (4). Contingent on the above, put in a cat road and trench the most anomalous areas.

Respectfully submitted by:

KERR, DAWSON & ASSOCIATES LTD.,



Werner Gruenwald

Werner Gruenwald, B. Sc.,
GEOLOGIST

Kamloops, B. C.,

September 17, 1980.

APPENDIX A

Geochemical Assays



To: Kerr, Dawson & Associates Ltd.,

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

80-700^C

File No. _____

Type of Samples Soils

Disposition _____

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au								
LO 0+50 SE	.9	.010								1
1	1.2	.030								2
1+50	1.6	.030								3
2	3.9	.030								4
2+50	1.0	.020								5
3	.7	.005								6
3+50	.5	.010								7
4	1.5	.020								8
4+50	.7	.030								9
5	2.3	.030								10
5+50	2.8	.030								11
6	1.3	.020								12
6+50	1.8	.020								13
LO 7 SE	.9	.020								14
L2NE BL SE	1.1	.020								15
0+50	1.3	.020								16
1	1.7	.040								17
1+50	1.3	.040								18
2	2.7	.020								19
2+50	1.2	.020								20
3	1.2	.010								21
3+50	1.1	.010								22
4	.4	.030								23
4+50	1.8	.010								24
5	1.7	.010								25
5+50	.7	.010								26
6	2.1	.020								27
6+50	2.9	.020								28
7	2.9	.020								29
7+50	.4	.020								30
8	.4	.020								31
8+50	.5	.005								32
L2NE 9 SE	.4	.030								33
										34
										35
										36
										37
										38
										39
										40

Brown Soil

Brown Soil

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All results are in PPM.

DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER *D. Toye*

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 C

GEOCHEMICAL ASSAY CERTIFICATE

Type of Samples

Disposition

SAMPLE No.			Ag	Au							
L6NE	BL	SE	.7	.005							1
L-4NE	0+50		1.3	.025							2
	1		2.3	.030							3
	1+50		1.6	.090							4
	2		.3	.050							5
	2+50		.5	.005							6
	3		1.2	.010							7
	3+50		.5	.015							8
											9
	4+50		.6	.005							10
	5		.2	.025							11
	5+50		1.2	.005							12
	6		.5	.015							13
	6+50		.3	.025							14
	7		.5	.035							15
	7+50		.3	.005							16
	8		.6	.005							17
	8+50		.2	.010							18
	9		.1	.005							19
	9+50		.3	.010							20
	10		.7	.020							21
	10+50		.7	.015							22
L6NE	11	SE	.6	.025							23
											24
L6NE	BL	SE	.9	.010							25
	0+50		.7	.005					Brown Dirt		26
	1		1.1	.005							27
	1+50		1.3	.025					Brown Dirt		28
	2		.5	.050					Grey Shale		29
	2+50		1.4	.010					Brown Dirt		30
	3		1.3	.025					Brown Dirt		31
	3+50		.4	.100					Grey clay		32
	4		.9	.030					Brown Dirt		33
	4+50		5.0	.015							34
	5		.7	.015							35
	5+50		.5	.005							36
	6		.5	.005							37
	6+50		.4	.010					Brown Dirt		38
L6NE	7	SE	.9	.005					Grey Shale		39
											40

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DEAN TOYE, B.Sc.
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CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 c

Type of Samples

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au							
L6NE 7+50 SE	.1	.005							1
8	.3	.005							2
8+50	.7	.010							3
9	1.4	.005							4
9+50	.7	.005							5
10	.7	.020							6
10+50	.4	.005							7
11	.5	.005							8
11+50	.9	.005							9
12	2.6	.005							10
12+50	2.3	.005							11
L6NE 13 SE	1.7	.005							12
									13
L8NE 0+50 SE	2.1	.055							14
1	.9	.020							15
1+50	2.3	.030							16
2	1.4	.030							17
2+50	.3	.020							18
3	1.2	.020							19
3+50	.3	.030							20
4	.5	.025							21
4+50	.2	.330							22
5	1.2	.025							23
5+50	1.3	.005							24
6	3.2	.025							25
6+50	.8	.190							26
7	1.2	.030							27
7+50	.9	.280							28
8	1.0	.015							29
8+50	.9	.050							30
9	.6	.010							31
9+50	.4	.005							32
10	1.4	.005							33
10+50	.4	.005							34
11	.8	.005							35
11+50	1.6	.005							36
L8NE 12 SE	.7	.270							37
									38
									39
									40

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 ASSAYER *Dean Toy*

DEAN TOYE, B.Sc.
 CHIEF CHEMIST
 CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 C

Type of Samples Soils

GEOCHEMICAL ASSAY CERTIFICATE

Disposition

SAMPLE No.			Ag	Au								
L10NE	BL	SE	.7	.005								1
	0+50		1.2	.040								2
	1		2.3	.040								3
	1+50		1.9	.020								4
	2		2.9	.070								5
	2+50		2.1	.500								6
	3		1.3	.020								7
	3+50		3.9	.030								8
	4		2.6	.020								9
	4+50		3.3	.320								10
	5		1.8	.030								11
	5+50		1.6	.010								12
	6		.8	.005								13
	6+50		.8	.015								14
	7		3.6	.005								15
	7+50		3.6	.020								16
	8		5.2	.020								17
	8+50		1.8	.040								18
	9		.9	.010								19
	9+50		1.9	.010								20
L10NE	10	SE	.7	.005								21
L12NE	BL	SE	.8	.070								22
	0+50		.3	.050								23
	1		1.3	.020								24
	1+50		.8	.030								25
	2		3.0	.010								26
	2+50		2.0	.005								27
	3		.7	.005								28
	3+50		.9	.005								29
	4		.6	.005								30
	4+50		.8	.005								31
	5		2.6	.010								32
	5+50		2.4	.250								33
	6		.6	.020								34
	6+50		1.1	.010								35
	7		.9	.020								36
	7+50		.8	.010								37
L12NE	8	SE	.9	.005								38
L12NE	8+50	SE	.8	.005								39
L12NE	9	SE	.9	.030								40

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ASSAYER *D. Toye*

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To: Kerr, Dawson & Associates Ltd.

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone:253 - 3158

File No. 80-700^C

Type of Samples Soils

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au								
L14NE 0+50 SE	1.2	.075								1
1	1.2	.015								2
1+50	.1	.005								3
2	1.2	.005								4
2+50	6.8	.005								5
3	1.3	.005								6
3+50	.6	.005								7
4	2.3	.005								8
4+50	.7	.005								9
5	.7	.005								10
5+50	.3	.005								11
6	.6	.005								12
6+50	.6	.005								13
L14NE 7 SE	1.0	.005								14
L16NE BL SE	.8	.005								15
0+50	2.5	.005								16
1	1.9	.015								17
1+50	.6	.005								18
2	4.5	.005								19
2+50	1.7	.005								20
3	.7	.005								21
3+50	1.5	.005								22
4	1.6	.005								23
4+50	.7	.005								24
L16NE 5 SE	.9	.010								25
LO BL NW	2.2	.005								26
0+50	1.4	.005								27
1	1.5	.005								28
1+50	1.3	.005								29
2	.4	.005								30
2+50	.4	.005								31
3	.6	.005								32
3+50	1.1	.005								33
4	.9	.030								34
4+50	1.0	.005								35
5	.8	.005								36
5+50	1.4	.005								37
LO 6 NW	1.5	.005								38
										39
										40

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ASSAYER *D. Toye*

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phone: 253 - 3158

File No. 80-700 C

Type of Samples Soils

GEOCHEMICAL ASSAY CERTIFICATE

Disposition

6

SAMPLE No.	Ag	Au																			
L0 6+50 NW	6.1	.005																			1
7	1.3	.005																			2
7+50	2.0	.005																			3
8	.8	.005																			4
8+50	1.0	.005																			5
L0 9+00 NW	.8	.005																			6
L2NE 0+50 NW	1.4	.010																			7
1	1.3	.010																			8
1+50	1.2	.005																			9
2	2.0	.020																			10
2+50	.7	.005																			11
3	2.3	.020																			12
3+50	.8	.040																			13
4	1.6	.020																			14
4+50	1.3	.035																			15
5	1.3	.005																			16
5+50	.4	.005																			17
6	1.3	.005																			18
6+50	.8	.005																			19
7	.9	.005																			20
7+50	.4	.005																			21
8	.5	.005																			22
8+50	1.1	.010																			23
9	.4	.080																			24
9+50	2.4	.005																			25
L2NE 10 NW	3.1	.020																			26
L4NE 0+50 NW	1.3	.005																			27
1	.3	.005																			28
1+50	.5	.005																			29
2	.8	.005																			30
2+50	.1	.005																			31
3	2.1	.005																			32
3+50	.6	.005																			33
4	.2	.005																			34
4+50	.1	.005																			35
5	1.7	.005																			36
5+50	.6	.005																			37
L4NE 6 NW	1.2	.005																			38
																					39
																					40

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 DIGESTION:.....
 DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980
 DATE REPORTS MAILED Aug. 7, 1980
 ASSAYER *Dean Toye*

DEAN TOYE, B.Sc.
 CHIEF CHEMIST
 CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.

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Assaying & Trace Analysis

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phone: 253 - 3158

80-700 C

File No. _____

Type of Samples _____

Disposition _____

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au																			
L4NE 6+50 NW	.2	.005																			1
7	.7	.005																			2
7+50	1.2	.005																			3
8	.4	.005																			4
8+50	.5	.005																			5
9	1.1	.005																			6
9+50	.3	.005																			7
10	.8	.005																			8
10+50	.2	.005																			9
L4NE 11 NW	.7	.005																			10
L6NE 0+50 NW	2.5	.005																			11
1	1.7	.005																			12
1+50	1.3	.005																			13
2	2.5	.055																			14
2+50	3.0	.040																			15
3	.6	.005																			16
3+50	.4	.035																			17
4	.7	.045																			18
4+50	.1	.005																			19
5	.3	.005																			20
5+50	2.1	.005																			21
6	1.4	.005																			22
6+50	1.4	.005																			23
7	.2	.005																			24
7+50	.5	.005																			25
8	.1	.005																			26
8+50	.2	.005																			27
9	.3	.010																			28
9+50	.2	.005																			29
10	.1	.005																			30
10+50	1.4	.005																			31
11	.3	.005																			32
11+50	.1	.005																			33
12	.1	.005																			34
L6NE 13 NW	2.0	.005																			35
																					36
																					37
																					38
																					39
																					40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER Dean Toye

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone:253 - 3158

File No. 80-700 C

Type of Samples Soils

GEOCHEMICAL ASSAY CERTIFICATE

Disposition

8

SAMPLE No.				Ag	Au										
L 8NE	BL	NW		.5	.030										1
	0+50			.3	.040										2
	1			.4	.035										3
	1+50			1.4	.450										4
	2			.5	.050										5
	2+50			.5	.130										6
	3			.4	.020										7
	3+50			.5	.030										8
	4			.2	.005										9
	4+50			.2	.140										10
	5			3.1	.180										11
	5+50			.2	.030										12
	6			.3	.025										13
	6+50			5.8	.020										14
	7			2.6	.010										15
	7+50			2.4	.010										16
	8			.6	.005										17
	8+50			.3	.005										18
	9			.1	.010										19
	9+50			.7	.010										20
	10			.1	.010										21
	10+50			.1	.010										22
	11			.2	.005										23
	11+50			.2	.005										24
	12			1.3	.010										25
	12+50			.5	.010										26
	13			.9	.005										27
	13+50			.4	.015										28
	14			.3	.005										29
	14+50			.3	.010										30
L 8NE	15	NW		.2	.005										31
L 10NE	0+50	NW		1.5	.280										32
	1			1.1	.060										33
	1+50			1.8	.005										34
	2			.6	.005										35
	2+50		N.S.												36
	3			.9	.045										37
L 10NE	3+50	NW		.4	.010										38
															39
															40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER *[Signature]*

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 C

Type of Samples Soils

GEOCHEMICAL ASSAY CERTIFICATE

Disposition

SAMPLE No.	Ag	Au								
L10NE 4 NW	2.9	.005								1
4+50	1.7	.005								2
5	.7	.005								3
5+50	1.1	.005								4
6	.7	.015								5
6+50	1.4	.220								6
7	.7	.230								7
7+50	5.5	.290								8
8	1.0	.045								9
8+50	.5	.170								10
9	1.2	.005								11
9+50	1.1	.740								12
10	.8	.340								13
10+50	3.2	.060								14
11	.3	.100								15
11+50	1.3	.020								16
12	.3	.005								17
12+50	.2	.030								18
13	2.9	.190								19
13+50	.4	.150								20
14	.5	.025								21
14+50	.3	.005								22
15	1.3	.090								23
15+50	.4	.045								24
L10NE 16 NW	3.1	.040								25
L12NE 0+50 NW	2.7	.005								26
1	1.9	.005								27
1+50	1.9	.020								28
2	.3	.005								29
2+50	.6	.090								30
3	1.5	.005								31
3+50	.7	.015								32
4	.2	.005								33
4+50	.1	.005								34
5	.7	.005								35
5+50	.9	.005								36
6	.5	.015								37
L12NE 6+50 NW	.7	.015								38
										39
										40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER

Dean Toye

DEAN TOYE, B.Sc.
CHIEF CHEMIST
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phone: 253 - 3158

File No. 80-700 c

Type of Samples Soils

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au							
L12NE 7 NW	.4	.055							1
7+50	.6	.035							2
8	2.5	.010							3
8+50	1.8	.025							4
9	2.0	.005							5
9+50	2.0	.010							6
10	1.2	.025							7
10+50	1.1	.040							8
11	1.2	.040							9
11+50	1.1	.440							10
12	.3	.140							11
12+50	1.0	.010							12
13	.3	.100							13
14	1.7	.060							14
14+50	8.7	.025		HO					15
15	1.4	.035							16
15+50	.6	.165							17
16	.3	.170							18
16+50	.5	.075							19
17	.2	.100							20
17+50	.1	.670							21
L12NE 18 NW	1.1	1.000							22
L14NE BL NW	.4	.015							23
0+50	.3	.005							24
1	.2	.015							25
1+50	2.6	.005							26
2	3.0	.005							27
2+50	.9	.025							28
3	.1	.005							29
3+50	.5	.005							30
4	2.8	.005							31
4+50	.3	.005							32
5+50	.5	.005							33
6	1.5	.005							34
6+50	5.1	.010							35
L14NE 7 NW	1.3	.015							36
									37
									38
									39
									40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER *Dean Toy*

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

File No. 80-700 C

Type of Samples Soils

GEOCHEMICAL ASSAY CERTIFICATE

Disposition

SAMPLE No.	Ag	Au									
L14NE 7+50 NW	2.2	.005									1
8	1.8	.020									2
8+50	.4	.010									3
9	.1	.120									4
9+50	1.3	.040									5
10	2.4	.110									6
10+50	1.5	.120									7
11	1.7	.110									8
11+50	.9	.070									9
12	1.4	.030									10
12+50	1.1	.020									11
13	.6	.020									12
13+50	.6	.010									13
14	.5	.020									14
14+50	.5	.030									15
15	.8	.020									16
15+50	.8	.020									17
L14NE 16 NW	.7	.060									18
L16NE 0+50 NW	.9	.005									19
1	.4	.010									20
1+50	.8	.020									21
2	.6	.130									22
2+50	1.0	.005									23
3	2.0	.005									24
3+50	1.8	.005									25
4	5.7	.005									26
4+50	1.4	.010									27
5	1.9	.005									28
5+50	4.7	.005									29
6	.3	.005									30
6+50	1.4	.010									31
7	.4	.005									32
7+50	4.2	.010									33
8	.3	.005									34
8+50	4.2	.005									35
9	.7	.020									36
9+50	.4	.010									37
L16NE 10 NW	1.1	.005									38
											39
											40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980

DATE REPORTS MAILED Aug. 7, 1980

ASSAYER *[Signature]*

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 C

Type of Samples Soils

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au																			
12 L16NE 10+50 NW	.9	.060																			1
11	.6	.030																			2
11+50	3.2	.150																			3
12	1.4	.080																			4
12+50	.6	.040																			5
13	.3	.005																			6
13+50	.7	.005																			7
L16NE 14 NW	1.5	.005																			8
L 2SW 0+50 SE	1.3	.010																			9
1	2.0	.020																			10
1+50	2.0	.020																			11
2	2.2	.030																			12
2+50	1.6	.040																			13
3	5.0	.020																			14
3+50	1.6	.010																			15
5	.5	.010																			16
4+50	2.3	.020																			17
5	.9	.005																			18
5+50	1.6	.020																			19
6	.7	.030																			20
6+50	1.2	.010																			21
L 2SW 7 SE	.6	.100																			22
L 4SW 0+50 SE	2.0	.020																			23
1	1.7	.010																			24
1+50	1.5	.020																			25
2	.5	.005																			26
2+50	.9	.020																			27
L 4SW 3 SE	3.9	.010																			28
																					29
																					30
																					31
																					32
																					33
																					34
																					35
																					36
																					37
																					38
																					39
																					40

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 DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980
 DATE REPORTS MAILED Aug. 7, 1980
 ASSAYER Dean Toye

DEAN TOYE, B.Sc.
 CHIEF CHEMIST
 CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-700 C

Type of Samples Soils

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Ag	Au								
L 2SW BL NW	.7	.005								1
0+50	.4	.010								2
1	1.5	.010								3
1+50	1.0	.010								4
2	1.3	.005								5
2+50	1.2	.010								6
3	.8	.020								7
3+50	1.8	.005								8
4	.9	.010								9
4+50	1.1	.090								10
5	1.6	.040								11
5+50	.7	.005								12
6	.7	.010								13
6+50	.7	.010								14
L 2SW 7 NW	.4	.005								15
										16
L 4SW BL	1.7	.010								17
0+50 NW	2.0	.010								18
1	1.6	.010								19
1+50	2.0	.020								20
2	1.7	.005								21
2+50	1.3	.020								22
3	4.3	.110								23
3+50	2.4	.005								24
4	1.3	.005								25
4+50	1.3	.010								26
5	.7	.005								27
5+50	.7	.030								28
L 4SW 6 NW	1.3	.005								29
										30
										31
										32
										33
										34
										35
										36
										37
										38
										39
										40

\bar{x} = 19.5 ppb
 Std Dev (s) = 25.1 ppb
 Au = 439
 Ag = 460
 Mean (x) = 1.26 (~1.3)
 Std Dev (s) = 1.16 (~1.2)

Background < 19.5 ppb < 1.3 ppm
 Possibly Anom 19.5 - 41.6 1.3 - 2.5
 Probably Anom 44.8 - 69.7 2.6 - 3.7
 Definitely Anomalous > 69.7 ppb > 3.7

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 DIGESTION:.....
 DETERMINATION:.....

DATE SAMPLES RECEIVED July 28, 1980
 DATE REPORTS MAILED Aug. 7, 1980
 ASSAYER *D. Toye*

DEAN TOYE, B.Sc.
 CHIEF CHEMIST
 CERTIFIED B.C. ASSAYER



To: Kerr, Dawson & Associates Ltd.,
1 - 219 Victoria St.,
Kamloops, B.C.
V2C 2A1

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B. C. V6A 1R6

phone: 253 - 3158

File No. 80-902

Type of Samples Silts, Rock

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.		Ag	Au							
L 8NE 14+25 NW	silt	.4	.010	P						1
L12NE 11+10		.4	.015	P						2
13+15		.2	.140 *	P	(S-1)					3
13+15		.4	.040	P	(S-2)					4
L12NE 16+60		.7	.080	P						5
L14NE 3+10		.3	.005	P						6
3+90		.3	.010	P						7
L14NE 9+25		1.2	.015							8
L16NE 10+56 NW	silt	2.2	.120 *							9
CR - 1	R	.3	.010		Quartz chips from Frasergold Creek.					10
B/L 10+10 NE		.6	.010							11
10+90		1.3	.055 *							12
B/L 11+25 NE		.1	.005							13
L10NE 7 NW		3.3	+6.0 *		Piece of quartz-phyllite float.					14
9+40		.4	.085 *							15
11		.3	.035							16
L10NE 11+80 NW		.3	.010							17
L11+90NE 15+50 NW		.5	.020							18
										19
L12NE 9 NW		.3	.005							20
10+60		.1	.010							21
										22
13+10		.3	.005							23
L12NE 18		.7	1.200 *		Piece of quartz-phyllite float. From soil pit that assayed 1,000 ppb. or 1.0 ppm.					24
L14NE 3+90		.1	.015							25
8+40		.5	.010							26
10+80		.2	.010							27
L14NE 12+25		.1	.005							28
L16NE 2+60		1.1	.015							29
8+20		.2	.010							30
12+10		.8	.005							31
L16NE 13+35 NW		.2	.005							32
										33
L 2SW 2+80 SE	R	.1	.005		Sample of extremely large milky white quartz vein (4-5" thick)					34
										35
										36
										37
										38
										39
										40

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DIGESTION:.....

DETERMINATION:.....

*p = -20 mesh and pulverized

DATE SAMPLES RECEIVED Aug. 22, 1980

DATE REPORTS MAILED Aug. 29, 1980

ASSAYER

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER

APPENDIX B

Personnel

PERSONNEL

		<u>Dates</u>	<u>Days</u>
J. M. Dawson, P. Eng.	Geologist	July 2,3,10,11	- 3 3/4 days
B. Jardine) J. Dalin) B. Baker)	Renegade Mineral Exploration Services Ltd.	July 9-20	- 34 1/2 days
L. Voyer	Assistant	August 14-19	- 5 1/4 days
W. Gruenwald, B.Sc.	Geologist		
<u>Field:</u>		August 14-21	- 5 1/2 days
<u>Office:</u>		Sept. 2-5, 9, 15, 16.	- 5 1/2 days

APPENDIX C

Statement of Expenditures

STATEMENT OF EXPENDITURES

(1). LABOUR:

J. M. Dawson, P. Eng., 3 3/4 days @ \$200.00/day	\$ 750.00	
W. Gruenwald, B. Sc., 11 days @ \$150.00/day	1,650.00	
L. Voyer, Assistant, 5 1/4 days @ \$90.00/day	472.50	
B. Jardine) Renegade Mineral B. Baker) Exploration Services Ltd. J. Dalin) 33 days @ \$100.00/day \$3,300.00		
1 1/2 days @ \$50.00/day <u>150.00</u>	<u>3,450.00</u>	\$6,322.50

(2). EXPENSES AND DISBURSEMENTS:

(a). Geochemical Analyses	\$2,295.24	
(b). Helicopter Transportation	2,496.65	
(c). Truck Rental: 800 km. @ 0.12/km.	96.00	
(d). Car Rental: (Avis)	209.36	
(e). Camp Equipment Rental:	100.00	
(f). Room and Board (including groceries)	420.33	
(g). Flagging, string (topofil), bags, printing, freight, report binding, xeroxing, telephone, secretarial, and miscellaneous supplies	<u>357.08</u>	<u>5,974.66</u>

TOTAL HEREIN \$12,297.16

APPENDIX D

References

REFERENCES

Minister of Mines
Annual Report

1902
1933

Page H66,67
Page A 117

Campbell, R.B.

1963

Quesnel Map
Sheet 1"=4 mi.
Geological Survey
of Canada.

APPENDIX E

Writer's Certificate

CERTIFICATE

I, WERNER GRUENWALD, OF KAMLOOPS, BRITISH COLUMBIA,
DO HEREBY CERTIFY THAT:

- (1). I am a geologist residing at 45 West Battle Street, Kamloops, British Columbia, and employed by Kerr, Dawson and Associates Ltd. of Suite #1 - 219 Victoria Street, B. C.
- (2). I am a graduate of the University of British Columbia, B. Sc. (1972), and a fellow of the Geological Association of Canada. I have practised my profession for 8 1/2 years.
- (3). I am the author of this report which describes the results of an exploration programme carried out in part by myself on the Kay #1 - #9 claims, Cariboo Mining Division, British Columbia.

KERR, DAWSON AND ASSOCIATES LTD.,



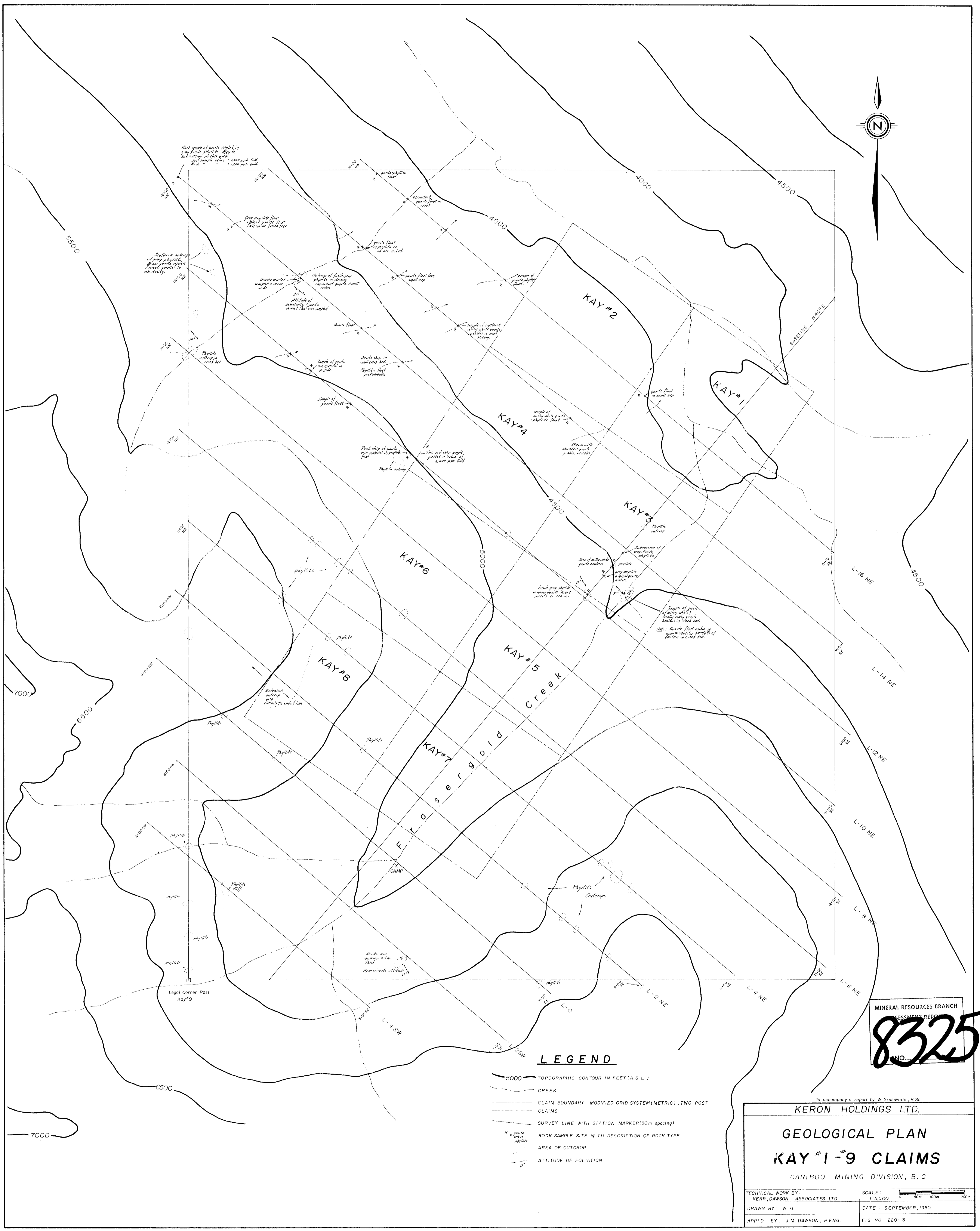
Werner Gruenwald

W. Gruenwald, B. Sc.,
GEOLOGIST

September 17, 1980,
KAMLOOPS, B. C.

APPENDIX F

Maps



LEGEND

- 5000 TOPOGRAPHIC CONTOUR IN FEET (A.S.L.)
- CREEK
- CLAIM BOUNDARY: MODIFIED GRID SYSTEM (METRIC), TWO POST CLAIMS
- SURVEY LINE WITH STATION MARKER (50m spacing)
- ROCK SAMPLE SITE WITH DESCRIPTION OF ROCK TYPE
- AREA OF OUTCROP
- ATTITUDE OF FOLIATION

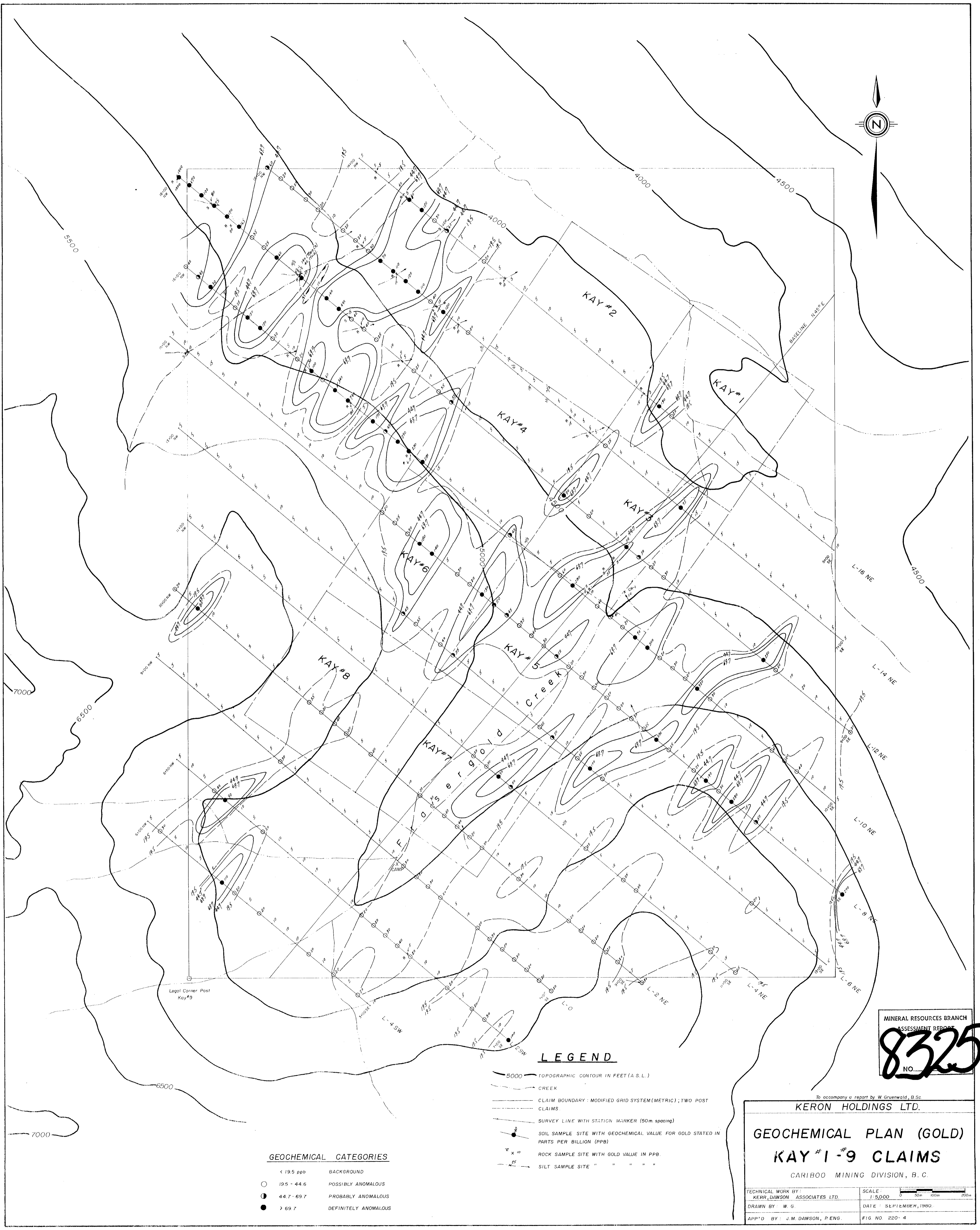
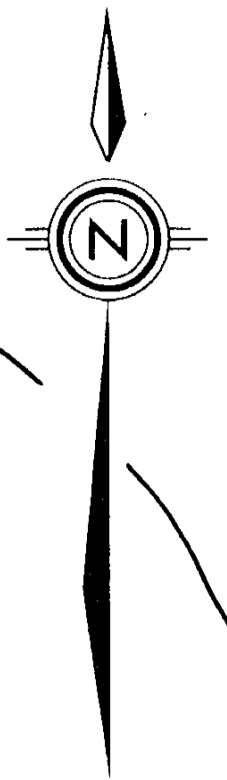
MINERAL RESOURCES BRANCH
 GEOSCIENCE REPORT
8325
 NO.

To accompany a report by W. Gruenwald, B.Sc.

KERON HOLDINGS LTD.

GEOLOGICAL PLAN
KAY #1-9 CLAIMS
 CARIBOO MINING DIVISION, B.C.

TECHNICAL WORK BY: KERR, DAWSON ASSOCIATES LTD.	SCALE: 1:5000 0 50m 100m 200m
DRAWN BY: W.G.	DATE: SEPTEMBER, 1980.
APP'D BY: J.M. DAWSON, P.ENG.	FIG. NO. 220-3



5500

7000

7000

KAY #1
KAY #2
KAY #3
KAY #4
KAY #5
KAY #6
KAY #7
KAY #8
KAY #9
FLORIDA CREEK
BASELINE N45°E
L-16 NE
L-14 NE
L-12 NE
L-10 NE
L-8 NE
L-6 NE
L-4 NE
L-2 NE
L-0
L-4 SW
L-2 SW
L-0 SW
L-2 SE
L-4 SE
L-6 SE
L-8 SE
L-10 SE
L-12 SE
L-14 SE
L-16 SE
Legal Corner Post Kay#9

LEGEND

- 5000 — TOPOGRAPHIC CONTOUR IN FEET (A.S.L.)
- CREEK
- CLAIM BOUNDARY: MODIFIED GRID SYSTEM (METRIC); TWO POST CLAIMS
- SURVEY LINE WITH STATION MARKER (50m. spacing)
- SOIL SAMPLE SITE WITH GEOCHEMICAL VALUE FOR GOLD STATED IN PARTS PER BILLION (PPB)
- ROCK SAMPLE SITE WITH GOLD VALUE IN PPB
- x 10 SILT SAMPLE SITE " " " " "
- x 25 " " " " "

GEOCHEMICAL CATEGORIES

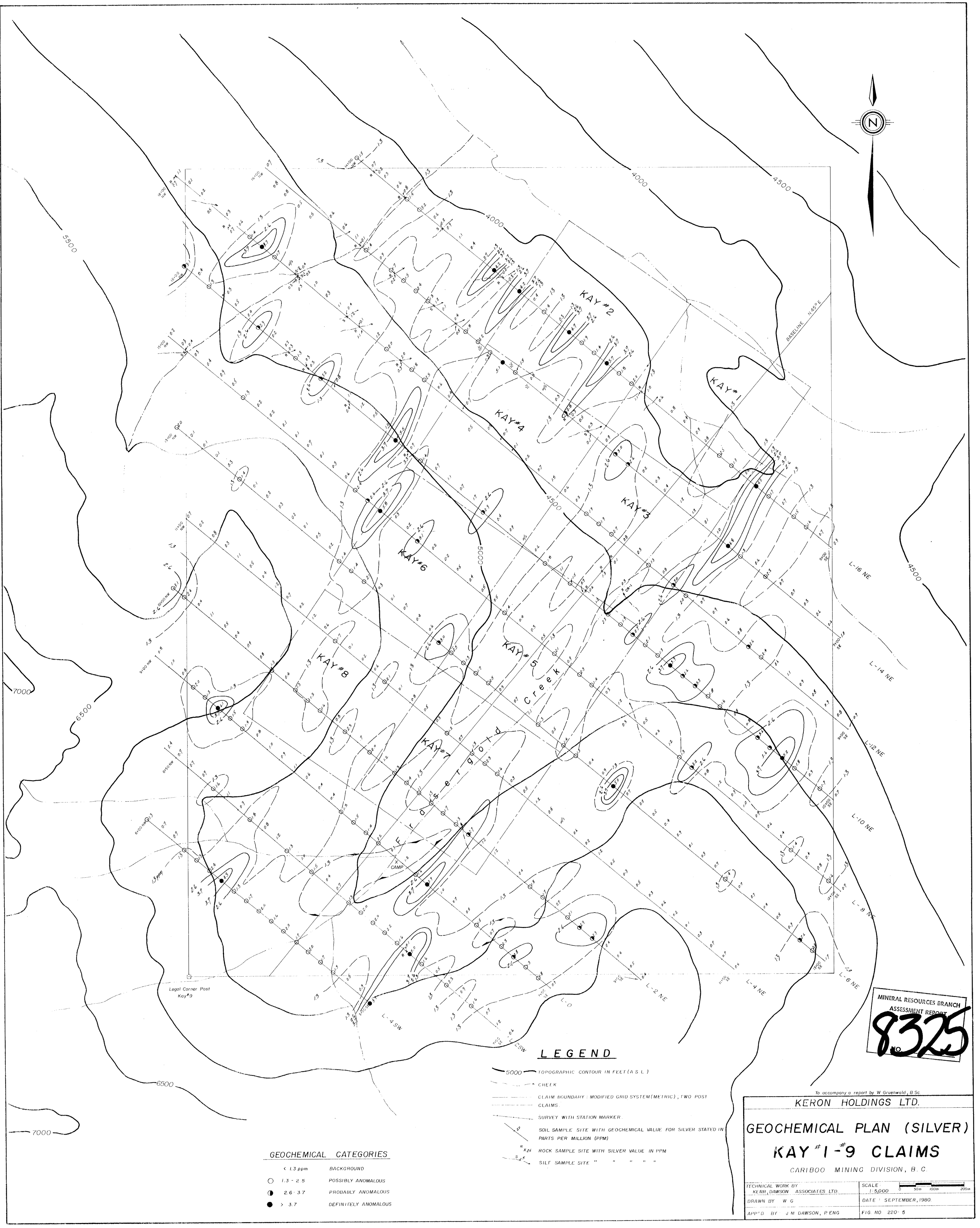
- < 19.5 ppb BACKGROUND
- 19.5 - 44.6 POSSIBLY ANOMALOUS
- 44.7 - 69.7 PROBABLY ANOMALOUS
- > 69.7 DEFINITELY ANOMALOUS

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8325
NO.

To accompany a report by W. Gruenwald, B.Sc.
KERON HOLDINGS LTD.

GEOCHEMICAL PLAN (GOLD)
KAY #1-9 CLAIMS
CARIBOO MINING DIVISION, B. C.

TECHNICAL WORK BY: KERR, DAWSON ASSOCIATES LTD.	SCALE: 1:5,000
DRAWN BY: W. G.	DATE: SEPTEMBER, 1980.
APP'D BY: J. M. DAWSON, P. ENG.	FIG NO 220-4



GEOCHEMICAL CATEGORIES

< 1.3 ppm	BACKGROUND
○ 1.3 - 2.5	POSSIBLY ANOMALOUS
● 2.6 - 3.7	PROBABLY ANOMALOUS
● > 3.7	DEFINITELY ANOMALOUS

LEGEND

- 5000 — TOPOGRAPHIC CONTOUR IN FEET (A.S.L.)
- CREEK
- CLAIM BOUNDARY: MODIFIED GRID SYSTEM (METRIC), TWO POST CLAIMS
- SURVEY WITH STATION MARKER
- SOIL SAMPLE SITE WITH GEOCHEMICAL VALUE FOR SILVER STATED IN PARTS PER MILLION (PPM)
- X25 ROCK SAMPLE SITE WITH SILVER VALUE IN PPM
- SILT SAMPLE SITE " " " " "

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8325

To accompany a report by W. Gruenwald, B.Sc.
KERON HOLDINGS LTD.

GEOCHEMICAL PLAN (SILVER)
KAY #1-9 CLAIMS
CARIBOO MINING DIVISION, B.C.

TECHNICAL WORK BY KERR, DAWSON ASSOCIATES LTD.	SCALE 1:5,000
DRAWN BY W.G.	DATE SEPTEMBER, 1980
APP'D BY J.M. DAWSON, P.ENG.	FIG. NO. 220-5