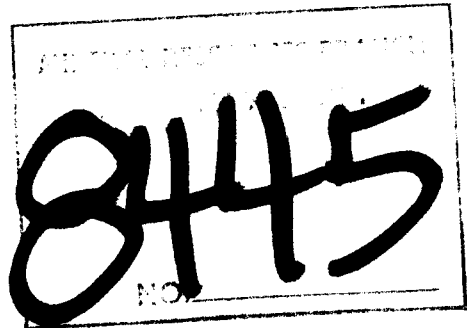


A Report on
GEOCHEMICAL SAMPLING
On The
GOLDEN NEIGHBOUR #1, #2, #3, #4
and
CAMP #1
MINERAL CLAIMS
OMINECA M.D.

N.T.S. 94E-6-E
Lat: 57° 19'
Long: 127° 02'



Owner: LACANA MINING CORPORATION
Author: Stephen C. Gower
Date: November, 1980

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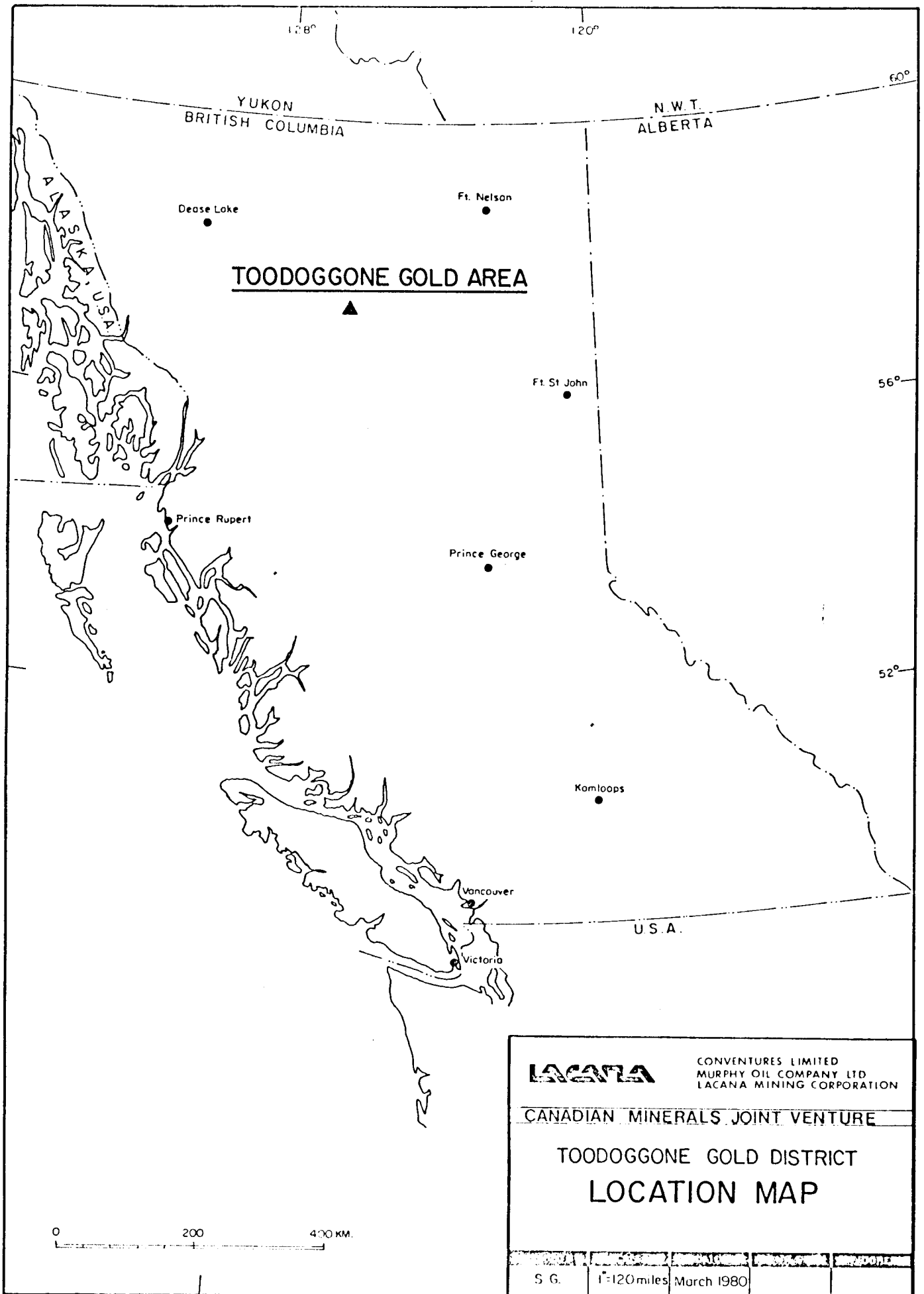
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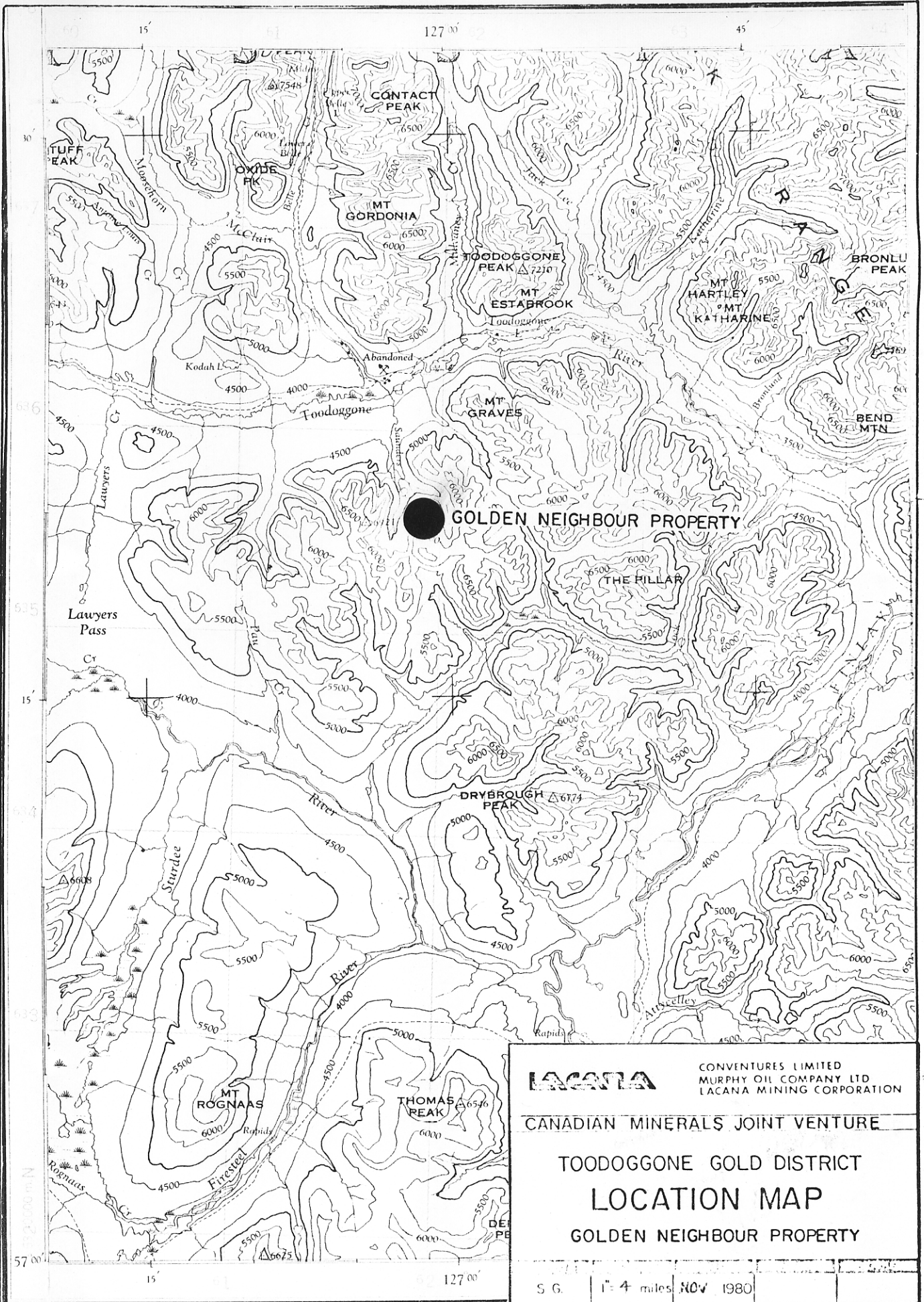
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LACANA

CONVENTURES LIMITED
MURPHY OIL COMPANY LTD
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

TOODOGGONE GOLD DISTRICT
LOCATION MAP
GOLDEN NEIGHBOUR PROPERTY

S.G. 1:4 miles NOV 1980

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SUMMARY

The GOLDEN NEIGHBOUR claims were staked by S.C. Gower for Lacana in August 1979. The claims are adjacent to the north-east corner of the CHAPPELLE ground and cover the old Kennco Saunders Gold Moly property abandoned in 1973. The property is underlain by gossanous Toodoggone volcanics cut by quartz veins and veinlets which exhibit a strong gold and molybdenum in soil geochemical anomaly, 4,000'x 1,000'. The strength of the gold anomaly is comparable to the geochemical expression of the discovery showings on the CHAPPELLE and LAWYERS property. The CHAPPELLE property is currently being readied for production by Dupont of Canada, the LAWYERS property (4 miles north of CHAPPELLE) is being actively explored by Serem Exploration.

CONCLUSIONS

The GOLDEN NEIGHBOUR claims are situated in a newly discovered gold camp (Toodoggone), whose significance is just becoming known. Precious metal mineralization is related to a period of Tertiary volcanism which trends N.W. across the eastern margin of the Intermontane Belt. The geochemical expression of the property indicates the presence of a sizeable mineralized zone which may possess either sufficient grade to support open pit mining, or veins of higher grade material as at CHAPPELLE, exploitable by underground methods.

RECOMMENDATIONS

Property work should consist of additional rock and soil sampling and geological mapping to identify the extent of the mineralized zone, followed by bulldozer and hand trenching. If encouraging results are discovered in the work, diamond drilling should be utilized to determine the grade of mineralized material. A comfortable camp with tent frames and a shower is a necessity to provide a solid work base in this remote environment.

INTRODUCTION

Present interest in the CHAPPELLE district was started by Kennco Exploration in 1969, with the discovery of rich gold and silver bearing quartz float fragments. Subsequent geochemical surveys in the surrounding area resulted in the discovery of other precious metal centres which were named the CHILI, KODAH, LAWYERS, SAUNDERS and BLACK prospects. Major exploration projects were developed by Kennco on the KODAH, LAWYERS and CHAPPELLE properties in 1970-72, with expenditures totalling over \$600,000. The other properties because of logistical difficulties were largely ignored. In 1973, due to severe budget cutbacks by Kennecott Copper, the decision was made by Kennco to concentrate available funds on the LAWYERS property and the SAUNDERS claims were allowed to lapse.

The SAUNDERS claims were subsequently acquired by Lacana Mining Corporation as the GOLDEN NEIGHBOUR prospect. This area was evaluated in 1980 utilizing silt, soil and rock geochemistry.

HISTORY OF THE AREA

The earliest record of work in the area is contained in the 1930 Ministry of Mines Report which describes placer activity on the Toodoggone River, 6 km. north of the GOLDEN NEIGHBOUR property. Hard rock prospecting was carried out by Cominco during this time which resulted in the staking of the CAIRN claims, for lead-zinc approximately one mile west of CHAPPELLE vein "A". In 1965, Texas Gulf Sulfur did reconnaissance through the area and staked, but did not record claims on the LAWYERS property. In 1968, Kennco Exploration (Western) Ltd., Cominco and Cordilleran Explorations were involved in rapid reconnaissance and ground acquisition programs for prophyry copper and molybdenum in the Thutade area. Work by Kennco in 1968 resulted in the discovery of anomalous copper in silt values from what would prove to be the CHAPPELLE vein "A" area, and six claims were staked to hold the ground for evaluation. In 1969, Gordon Davies while employed by Kennco, sampled quartz float in the vicinity of the silt anomalies which resulted in the discovery of fragments assaying 2.5 oz./ton Au., 65.0 oz./ton Ag. Between 1970 and 1972, exploration on the CHAPPELLE resulted in the discovery of quartz veins near the mineralized float and at six other locations on the CHAPPELLE property.

GEOLOGICAL SETTING

The precious metal properties which comprise the CHAPPELLE district are situated near the eastern margin of the Intermontane Belt. The vein systems at the CHAPPELLE property occur within a small window of Takla Group volcanic rocks of Upper Triassic Age, intruded by granitic stocks of the Omineca intrusives and partially overlain unconformably by Jurassic and younger volcanic and sedimentary rocks. The other precious metal occurrences in the district, CHILI, LAWYERS, KODAH and GOLDEN NEIGHBOUR occur in structurally controlled zones of shattering in Toodoggone Group volcanics of Lower to Middle Jurassic Age. To the west of the district, the Toodoggone rocks are unconformably overlain by Sustut Group sedimentary rocks of Upper Cretaceous to Tertiary Age.

The Toodoggone volcanics consist of a pile of complexly intercalated volcanic and sedimentary rocks 500 metres or more thick. The Toodoggone Group occupies an area 85 x 15 km. trending northwest and centered on the CHAPPELLE property. Three principal subdivisions can be recognized in the group.

- 1) A lower dominantly pyroclastic assemblage which includes purple agglomerates, tuffs and dacites.
- 2) An overlying acidic assemblage which includes rhyolites, dacites and quartz feldspar porphyries.
- 3) An upper assemblage which includes dacites and quartz feldspar porphyries.

The Toodoggone rocks commonly display broad open folds with dips of 15-25 degrees. Steeper dips are observed where rotation and tilting of fault blocks has occurred.

The area of interest on the GOLDEN NEIGHBOUR property is underlain by highly altered quartz feldspar porphyry volcanics. Alteration consists of quartz sericite cut by quartz veinlets zoned to the south by epidote. The altered rock is pyritic resulting in a gossanous expression in weathered material.

GEOCHEMISTRY

A detailed geochemical sampling program consisting of 116 silt samples and 670 soil samples was carried out on the GOLDEN NEIGHBOUR property. Soil samples were taken at 50 metre spacings on a grid constructed by chain and compass survey. Silt sample control was established by locating the sample sites on a 1:5000 topographical map prepared by Burnett Resources Surveys Ltd. Soil samples were taken from the "B" podual horizon and analyzed for gold and silver by Min-En Labs of North Vancouver utilizing techniques described in Appendix.

Background values in soil and silt were determined to be 5-15 ppb. gold and 0.3-1.9 silver, weakly anomalous values are 20-100 ppb. gold, 2.0-3.1 ppm. silver. Moderately anomalous values are greater than 200 ppb. gold and 5.0 ppm. silver. The gold in soil anomaly occurs over a strike distance of 2000 metres and a width of 500 metres, striking generally 330°. A core area of moderately to highly anomalous gold values lies within the weakly anomalous zone over a length of 1700 metres and a width of 100 metres. Sporadic clusters of weakly anomalous gold values occur to the west of the main anomaly area.

Silver in soil values are generally non-anomalous however, three trends are evident. The two southern trends strike generally north-east along lines 1 + 50N and 8 + 00N. The north trend strikes north-west spacially related to a north-west trending fault zone.

Gold in silt values generally reflect areas of anomalous gold in soil. One highly anomalous value (1250 ppb.) west of the main anomaly area warrants detailed follow-up. Silver in silt values are generally background.

APPENDIX I

STATEMENT OF COSTS

Albert August	July 29, Aug. 4, 5, 9, 10, 12	
	Wages 7 days @ \$62.00/day	\$ 434.00
	Support 7 days @ \$50.00/day	350.00
Henry Awmack	Aug. 2, 3, 4, 5, 9, 10, 11, 12	
	Wages 8 days @ \$65.00/day	520.00
	Support 8 days @ \$50.00/day	400.00
Gary Lepp	Aug. 3, 4, 5	
	Wages 3 days @ \$72.50/day	217.50
	Support 3 days @ \$50.00/day	150.00
Tim Lepp	Aug. 2, 3, 4, 9, 12	
	Wages 5 days @ \$50.00/day	250.00
	Support 5 days @ \$50.00/day	250.00
Mike MacPhail	Aug. 2, 3, 4, 5, 10, 11	
	Wages 6 days @ \$50.00/day	300.00
	Support 6 days @ \$50.00/day	300.00
Dan Williams	July 29, Aug. 3, 4, 5, 9, 10, 11, 12	
	Wages 8 days @ \$50.00/day	400.00
	Support 8 days @ \$50.00/day	<u>400.00</u>
	TOTAL WAGES & SUPPORT	\$3971.50
Analytical costs:		
	Silts 116 @ \$5.60/sample	\$ 649.60
	Soils 670 @ \$5.60/sample	3752.00
Topographical Map:		2600.00
Drafting:		250.00
Report preparation:		<u>150.00</u>
	SUBTOTAL	\$11373.10

APPENDIX I

STATEMENT OF COSTS CONT'D

	Subtotal brought forward	\$11373.10
Property Survey:		3291.71
Helicopter Transportation		
	For Survey 6 hrs. @ \$436.00/hr.	2616.00
	For Geochemical Sampling:	
	1 hr. @ \$436.00/hr.	436.00
Supervisor:	S.C. Gower 2 days @ \$150.00/day	<u>300.00</u>
	TOTAL ASSESSMENT WORK VALUE	\$18,016.81

STATEMENT OF QUALIFICATIONS

STEPHEN C. GOWER

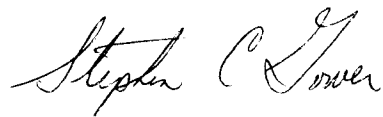
I Stephen C. Gower have been employed as a geologist by Kennco Explorations (Western) Limited, during the period of April 1970 to December 1976 and by Lacana Mining Corporation from the period of February 1977 to the present.

I graduated from the University of British Columbia in the spring of 1970 with a B.Sc. in geology, and have taken several masters courses in exploration and property evaluation.

I am a member of the C.I.M.M. in good standing.

Dated this 17 day of November 1980 at Vancouver, B.C.

Stephen C. Gower, Geologist

A handwritten signature in cursive script that reads "Stephen C. Gower". The signature is written in dark ink and is positioned below the typed name.

*MIN-EN Laboratories Ltd.**Specialists in Mineral Environments*

Corner 15th Street and Bewicke

705 WEST 15th STREET

NORTH VANCOUVER, B.C.

CANADA

ANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORKPROCEDURE FOR GOLD GEOCHEMICAL ANALYSIS.

Geochemical samples for Gold processed by Min-En Laboratories Ltd., at 705 W. 15th St., North Vancouver Laboratory employing the following procedures.

After drying the samples at 95°C soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed and pulverized by ceramic plated pulverizer.

A suitable sample weight 5.0 or 10.0 grams are pre-treated with HNO_3 and HClO_4 mixture.

After pretreatments the samples are digested with Aqua Regia solution, and after digestion the samples are taken up with 25% HCl to suitable volume.

At this stage of the procedure copper, silver and zinc can be analysed from suitable aliquote by Atomic Absorption Spectrophotometric procedure.

Further oxidation and treatment of at least 75% of the original sample solutions are made suitable for extraction of gold with Methyl Iso-Butyl Ketone.

With a set of suitable standard solution gold is analysed by Atomic Absorption instruments. The obtained detection limit is 5 ppb.

*MIN-EN Laboratories Ltd.**Specialists in Mineral Environments*Corner 15th Street and Bewicke
705 WEST 15th STREET
NORTH VANCOUVER, B.C.
CANADAANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORKPROCEDURES FOR: Cu, Mo, Cd, Pb, Mn, Ni, Ag, Zn

Samples are processed by Min-En Laboratories Ltd., at 705 W. 15th St., North Vancouver Laboratory employing the following procedures.

After drying the samples at 95°C soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed by jaw crusher and pulverized by ceramic plated pulverizer.

1.0 gram of the samples are digested for 6 hours with HNO_3 and HClO_4 mixture.

After cooling the samples are diluted to standard volume. The solutions are analysed by Atomic Absorption Spectrophotometers.

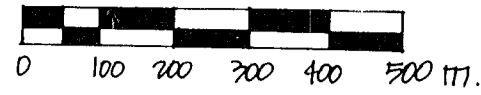
Copper, Lead, Zinc, Silver, Cadmium, Cobalt, Nickel and Manganese are analysed using the CH_2H_2 -Air Flame combination but the Molybdenum determination is carried out by C_2H_2 - N_2O gas mixture directly or indirectly (depending on the sensitivity and detection limit required) on these sample solutions.

Background corrections for Pb, Ag, Cd upon request are completed.

**LOCATION PLAN OF MINERAL CLAIMS AND TWO POST CHAPPELLE CLAIMS IN THE VICINITY OF SAUNDERS CREEK ;
OMINEA MINING DIVISION, CASSIAR LAND DISTRICT.**

UTM LOCATION OF LEGAL CORNER POST FOR GOLDEN NEIGHBOUR 1,2 & 3 MINERAL CLAIMS ZONE 9; 610296.0 EAST, 6792997.1 NORTH
N.T.S. 94 B / 66

SCALE 1:10,000



ALL DISTANCES ARE IN METERS UNLESS OTHERWISE NOTED.
BEARINGS ARE AZIMUTHIC, DERIVED FROM PROVINCIAL GOVERNMENT TRIANGULATION STATIONS "FUBAR" AND "TODD" AND ARE REFERRED TO THE 12TH OF 1948 MERIDIAN THROUGH THE LEGAL CORNER POST OF THE GOLDEN NEIGHBOUR 1, 2 AND 3 MINERAL CLAIMS.
• IP PENALTY IRON POST SET
• OIP PENALTY OLD CHAPPELLE IRON POST FOUND
• WT PENALTY WITNESS
• O.T.A. PENALTY TRVERSE STATION.

Mineral Claim & 27th Claim	Located	Record No.	Mining Division	Land District
Chappelle 174	Oct 19, 1970	970699	Omineca	Cassiar
175	"	970700	"	"
176	"	970701	"	"
177	"	970702	"	"
178	"	970703	"	"
179	"	970704	"	"
180	"	970705	"	"
181	"	970706	"	"
182	"	970707	"	"
183	"	970708	"	"
184	"	970709	"	"
185	"	970710	"	"
186	"	970711	"	"
187	"	970712	"	"
188	"	970713	"	"
189	"	970714	"	"
190	"	970715	"	"
191	"	970716	"	"
192	"	970717	"	"
193	"	970718	"	"
194	"	970719	"	"
195	"	970720	"	"
196	"	970721	"	"
197	"	970722	"	"
198	"	970723	"	"
199	"	970724	"	"
200	"	970725	"	"
201	"	970726	"	"
202	"	970727	"	"
203	"	970728	"	"
204	"	970729	"	"
205	"	970730	"	"
206	"	970731	"	"
207	"	970732	"	"
208	"	970733	"	"
209	"	970734	"	"
210	"	970735	"	"
211	"	970736	"	"
212	"	970737	"	"
213	"	970738	"	"
214	"	970739	"	"
215	"	970740	"	"
Golden Neighbour 1	Aug 16, 1979	1961	"	"
Golden Neighbour 2	"	1962	"	"
Golden Neighbour 3	"	1963	"	"
Orange	Nov 10, 1979	2387	"	"
Saunders 1	March 1, 1980	2483	"	"
Saunders 2	"	2484	"	"
Saunders 3	"	2485	"	"
Saunders 4	"	2486	"	"
O.T. 1	July 9, 1980	"	"	"
O.T. 2	"	"	"	"
O.T. 3	"	"	"	"
O.T. 4	"	"	"	"
Golden Neighbour 4	July 24, 1980	2762	"	"
Jolly Roger 2	July 21, 1980	2763	"	"
Artful Dodger 1	Aug 1, 1980	2719	"	"
Fagan 1	Aug 9, 1980	2817	"	"

8445

STATION	BEARING	DISTANCE
B.C. Trig. Station "TODD"	149° 18' 30"	
B.C. Trig. Station "FUBAR"	111° 20' 18"	2291.649
IP # 2 Location Post Chappelle 2 Post	97° 31' 39"	4494.010
IP # 3	0° 31' 39"	1549.219
IP # 4	332° 53' 40"	1491.980
IP # 5	297° 57' 05"	1042.950
WT IP # 6 Witness Post Golden Neighbour 2	212° 44' 07"	1199.680
IP # 7	18° 28' 37"	2411.969
B.C. Trig. Station "TODD"	282° 41' 18"	
IP # 8		
TI # 6	295° 40' 00"	1269.929
TI # 7	69° 49' 00"	1226.736
IP # 9	207° 04' 02"	2042.999
TI # 8		
IP # 10 Witness Location Post Golden Neighbour 3	300° 59' 30"	13.979
TI # 9		
IP # 11 Witness Location Post Chappelle 2 Post	92° 59' 40"	5.970
IP # 12 Legal Corner Post Artful Dodger 1	369° 41' 30"	171.905
IP # 13		
IP # 14 Legal Corner Post Golden Neighbour 4	2° 41' 30"	1490.405
IP # 15		
IP # 16	99° 28' 10"	2279.232
TI # 13	292° 41' 30"	2271.232
IP # 14 Legal Corner Post Golden Neighbour 4	178° 11' 10"	280.420
IP # 15		
IP # 15 Legal Corner Post Fagan 1	58° 12' 10"	940.940
IP # 16		
IP # 16 Legal Corner Post Golden Neighbour 4	330° 01' 10"	59.020
IP # 17	360° 01' 00"	1470.617



MICHAEL J. McILWAINY
B.C. LAND SURVEYOR
#40, 220 ROYAL AVENUE
NEW WESTMINSTER, B.C.

CERTIFIED CORRECT ACCORDING TO SURVEY DATED THIS 1st DAY OF October, 1980.

M. J. McIlwainy



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8445
NO.

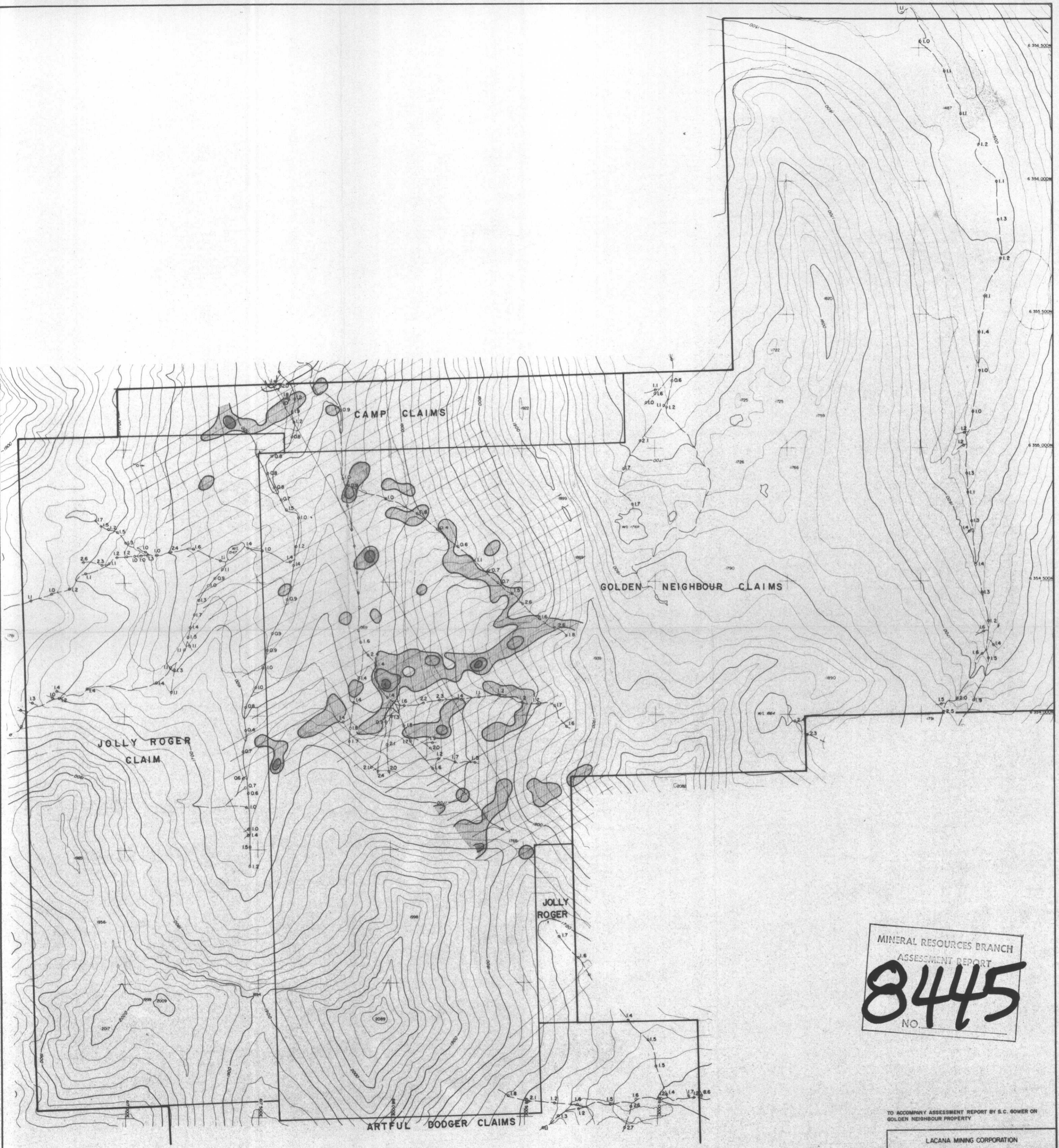
TO ACCOMPANY ASSESSMENT REPORT BY S.C. GOWER
ON GOLDEN NEIGHBOUR PROPERTY

LACANA MINING CORPORATION	
GOLDEN NEIGHBOUR PROPERTY GOLD GEOCHEMISTRY SILT	
SCALE: 1:10000	DATE: APRIL 1980
CONTOUR INTERVAL: 20m	JOB NO: 80-1317
DATE OF PHOTOGRAPHY: AUG. 30, 1979	
COMPILED BY 5 <small>Geological Services Company Ltd.</small>	

- LEGEND**
- 25 Gold in ppb
 - o Silt sample location
 - ++ Soil sample grid
- SOIL ANOMALIES**
- Background
 - Weakly
 - Moderately
 - Highly



NOTE
Control derived from N.T.S. map 94E
Grid: U.T.M.
Vertical Datum: Geoidic



CAMP CLAIMS

GOLDEN NEIGHBOUR CLAIMS

JOLLY ROGER CLAIM

JOLLY ROGER

ARTFUL DODGER CLAIMS

LEGEND

- 2.3 Silver in ppm
- Silt sample location
- ⊕ Silt sample grid
- Background
- ▨ Weakly anomalies
- ▩ Moderately "
- Highly "



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8445
NO.

TO ACCOMPANY ASSESSMENT REPORT BY S.C. GOWER ON GOLDEN NEIGHBOUR PROPERTY

LACANA MINING CORPORATION

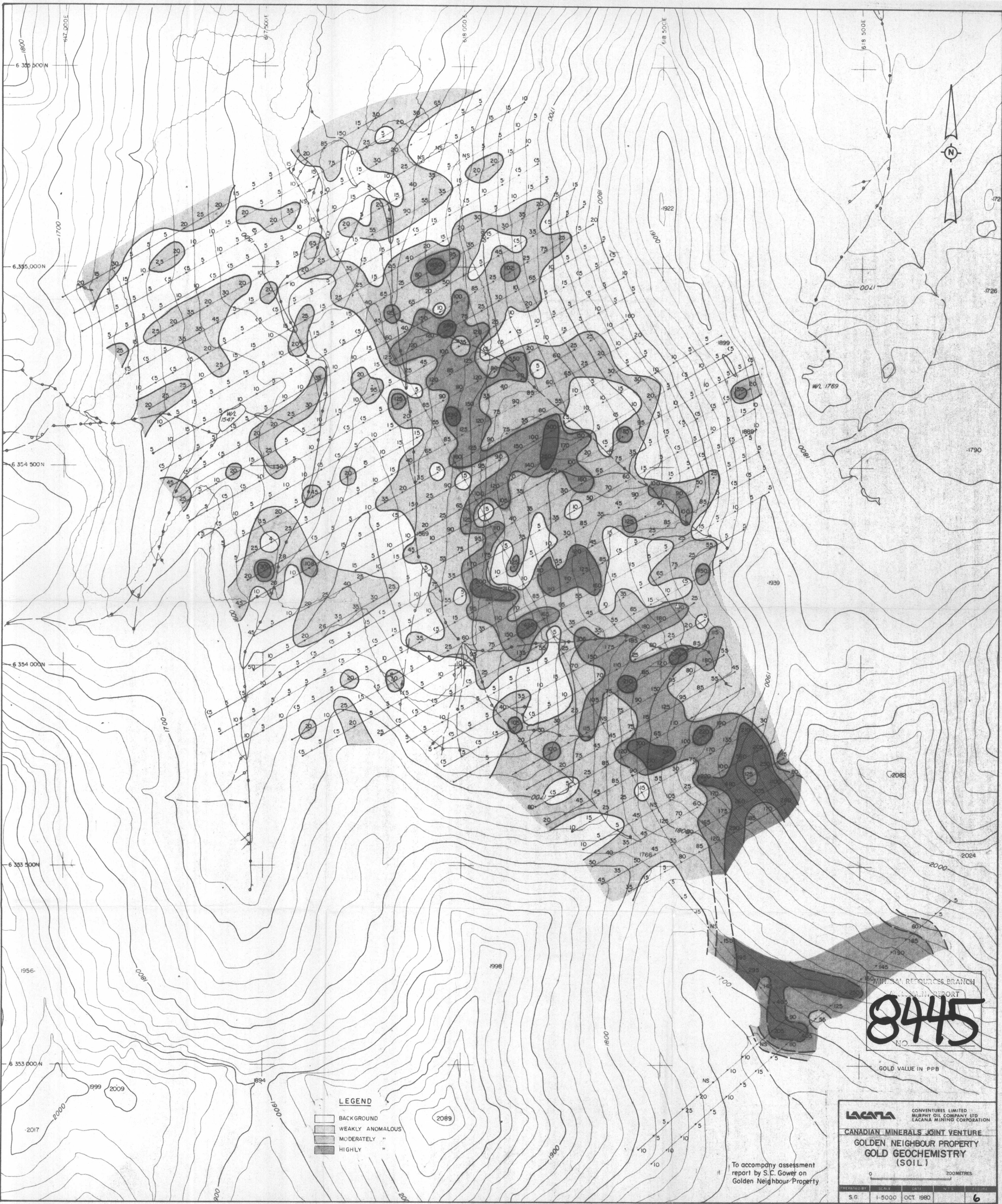
**GOLDEN NEIGHBOUR PROPERTY
SILVER GEOCHEMISTRY
SILT**

SCALE: 1:10000 DATE: APRIL 1960
CONTOUR INTERVAL: 20m JOB NO: 80-1017

DATE OF PHOTOGRAPHY: AUG. 30, 1964

COMPILED BY
Mineral Resources Branch

NOTE:
Contours derived from N.T.S. map 94E
and 117E
Vertical Datum: Geoidic



MINERAL RESOURCES BRANCH
 TECHNICAL REPORT
8445
 NO.

GOLD VALUE IN PPB

LEGEND

- BACKGROUND
- WEAKLY ANOMALOUS
- MODERATELY "
- HIGHLY "

LACANA CONVENTURES LIMITED
 MURPHY OIL COMPANY LTD
 LACANA MINING CORPORATION

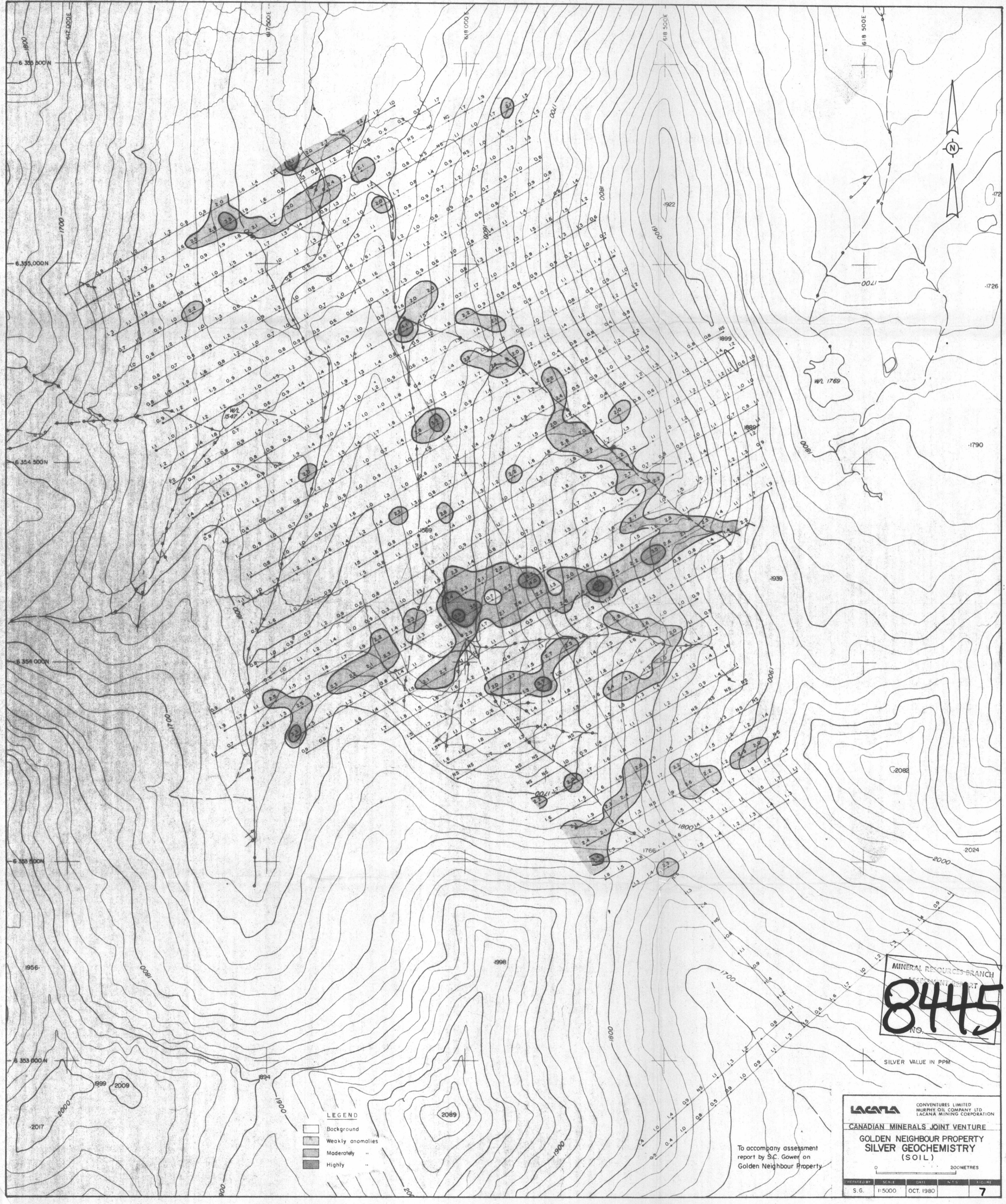
CANADIAN MINERALS JOINT VENTURE

**GOLDEN NEIGHBOUR PROPERTY
 GOLD GEOCHEMISTRY
 (SOIL)**

To accompany assessment report by S.C. Gower on Golden Neighbour Property

0 200METRES

PREPARED BY	SCALE	DATE	N.T.S.	FIGURE
S.G.	1-5000	OCT 1980		6



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8445
NO.

SILVER VALUE IN PPM

- LEGEND**
- Background
 - Weakly anomalies
 - Moderately "
 - Highly "

To accompany assessment report by S.C. Gower on Golden Neighbour Property

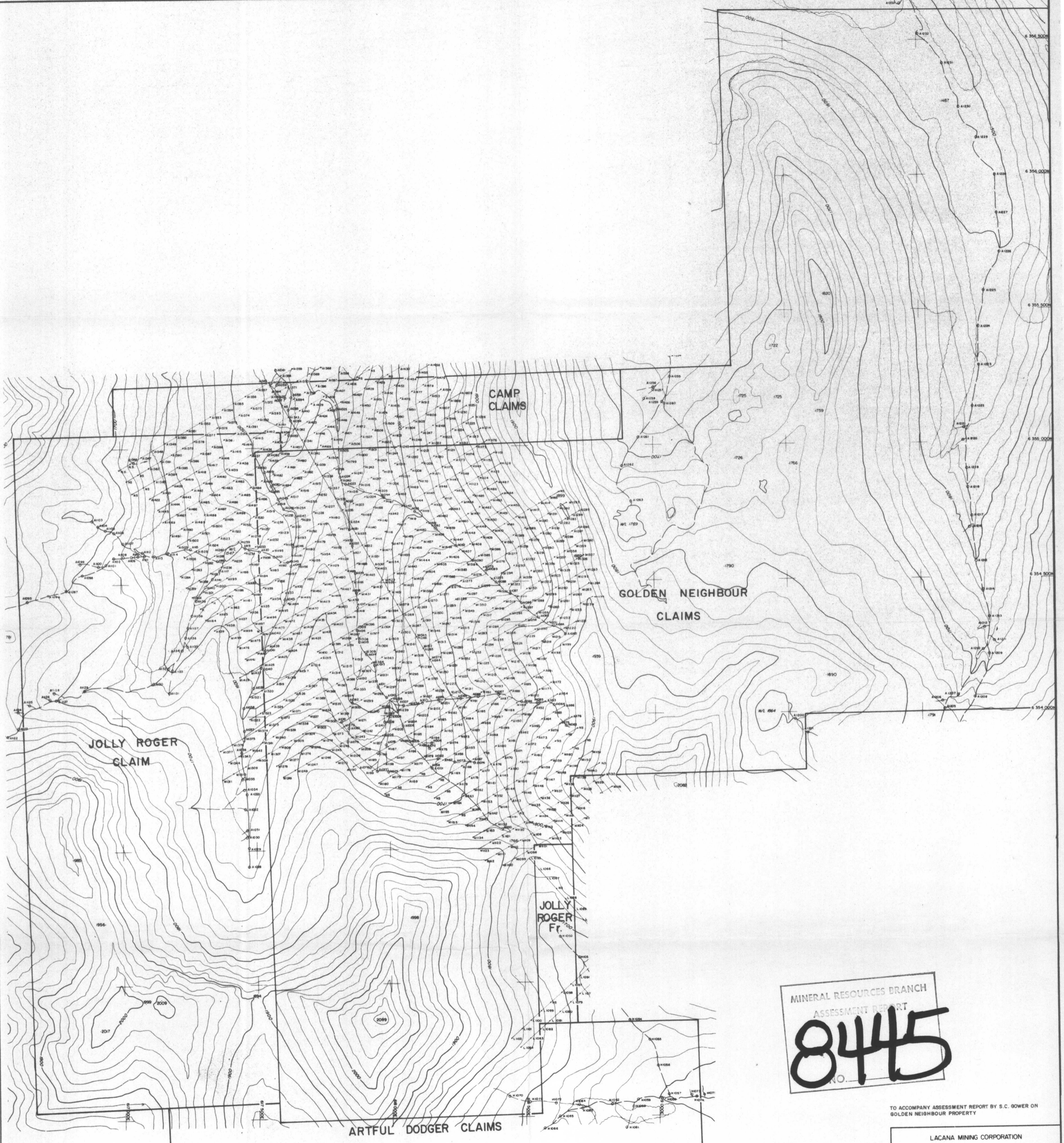
LACANA CONVENTURES LIMITED
MURPHY OIL COMPANY LTD.
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

**GOLDEN NEIGHBOUR PROPERTY
SILVER GEOCHEMISTRY
(SOIL)**

0 200METRES

REPAIRED BY	SCALE	DATE	N.T.S.	FIGURE
S.G.	1:5000	OCT. 1980		7



LEGEND
 O Silt sample location
 * Soil
 A123 Sample number abbreviated from ABC-123



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
8445
 NO.

TO ACCOMPANY ASSESSMENT REPORT BY S.C. GOWER ON GOLDEN NEIGHBOUR PROPERTY

LACANA MINING CORPORATION	
GOLDEN NEIGHBOUR PROPERTY SAMPLE NUMBERS	
SCALE: 1:10000	DATE: APRIL 1990
CONTOUR INTERVAL: 20m	JOB NO. 80-017
DATE OF PHOTOGRAPHY: AUG. 30, 1974	
COMPILED BY	

NOTE
 Control derived from N.T.S. map 94E
 GRS UTM
 Vertical Datum: Geoid