

180-8778

DRILLING

AN INTERIM REPORT ON THE EXPLORATION
AND DEVELOPMENT ACTIVITIES OF
PINE VALLEY EXPLORERS LTD.

NICOLA M.D
921/8W
50°21'N 120°21'W

FOR
PINE VALLEY EXPLORERS LTD. (N.P.L.)
MERRITT, B.C.

SEPTEMBER 1980

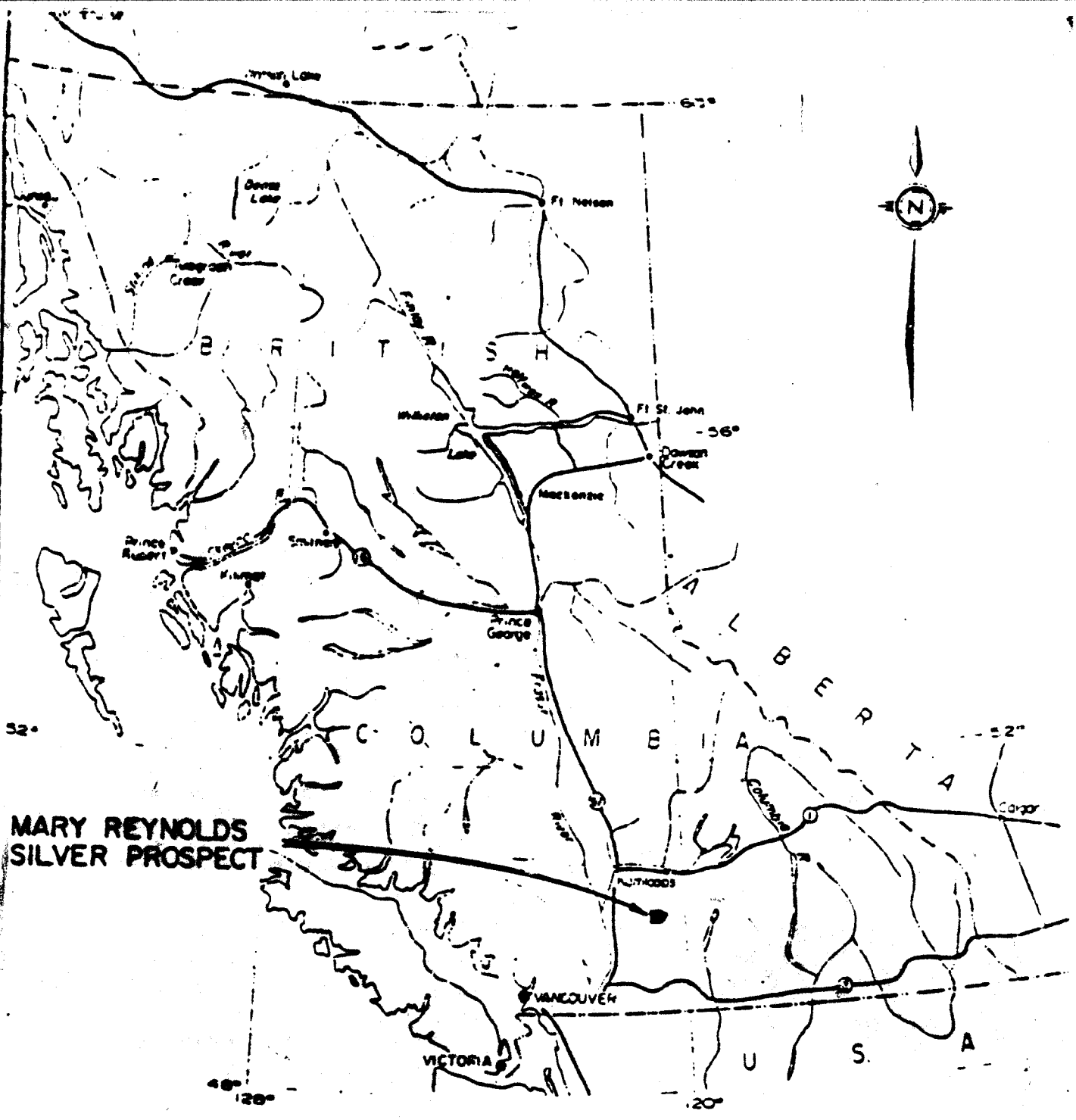
MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8778
NO.

part 1
of 2

BY
BRIAN MOUNTFORD
BRIAN MOUNTFORD AND ASSOCIATES LTD
811 - 675 WEST HASTINGS ST.
VANCOUVER, B.C.

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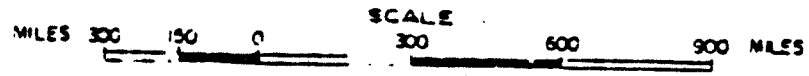
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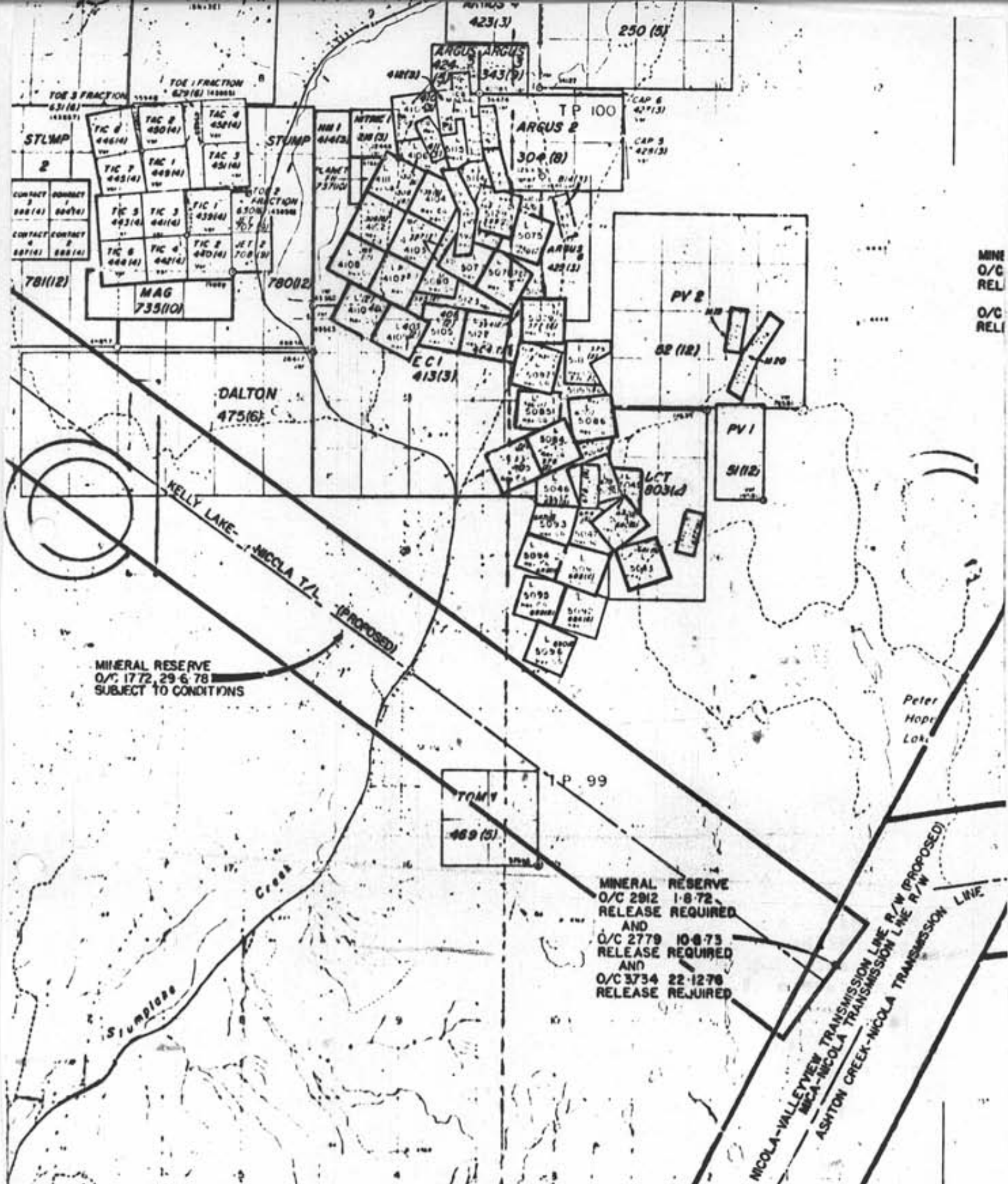


**MARY REYNOLDS
SILVER PROSPECT**

PINE VALLEY EXPLORERS LTD. (NPL)
 1925 2nd. AVENUE MERRITT, B.C.

LOCATION MAP
MARY REYNOLDS SILVER PROSPECT





MINE
 O/C
 REL
 O/C
 REL

MINERAL RESERVE
 O/C 1772, 29-6, 78
 SUBJECT TO CONDITIONS

MINERAL RESERVE
 O/C 2912 1-8-72,
 RELEASE REQUIRED
 AND
 O/C 2779 10-8-73
 RELEASE REQUIRED
 AND
 O/C 3734 22-12-76
 RELEASE REQUIRED

- DIVISIONS**
- Crown Granted
 - Reverted CG Mineral Claim
 - Forfeited Mineral Claim
 - Verified Legal Corner Post
 - Power Transmission Line

Ver.

TO SOUTH SEE MAP 921/W

MINERAL TITLES REFERENCE MAP 9

DEPARTMENT OF MINES AND PETROLEUM RESOURCES

This map is prepared as a guide only to the location of mineral claims that have not been forfeited. If a corner post has been verified it is indicated with a checkmark.

INTRODUCTION

Since September 1979 when we last reported on the Company's activities, two main projects have been developed.

- (a) The Mary Reynolds - silver gold prospect near Merritt, B.C.
- (b) A placer gold prospect on Lawless Creek near Tulameen, B.C.

The Mary Reynolds prospect has been drilled with 11 holes along the strike of the main known mineralised structure. The Lawless Creek placer has been staked and plans made for a reconnaissance type test programme.

THE MARY REYNOLDS PROSPECT

PROPERTY

The property held in good standing by Pine Valley Explorers Ltd consists of two mineral claims and two mineral leases in the Nicola Mining Division.

NAME	RECORD NO.	SIZE	ANNIVERSARY
P.V.1.	51	2 units	Dec 29 1980
P.V.2.	52	16 units	Dec 29 1980
M19R (Robert Dunsmuir)	L673	20.66 acres	Dec 14 1980
M20R (Mary Reynolds and Gold Cup)	L675) L674)	40.94 acres	Dec 14 1980

LOCATION AND ACCESS

The Mary Reynolds prospect is located in south central British Columbia some 40Km south of Kamloops and 5Km east of Stump Lake. Property co-ordinates are approximately 50°20' north and 120°20' west, (N.T.S. 92I8) elevation is 1,036m A.S.L.

The claims can be reached by driving either 40Km south from Kamloops or 47Km north from Merritt on Highway #5, then 5Km east on the Peterhope Lake road. Access over the claim area is provided by utilising several old logging roads.

Total topographic relief is less than 300m; the climate is moderate with approximately 380mm of precipitation annually.

BACKGROUND (See drawing number 1)

The Mary Reynolds silver-gold veins were discovered in the early 1880's. During the period up to 1900 a number of shallow shafts, short tunnels and surface trenches were excavated. Between 1889 and 1919 some 131 tons of "hand picked" high grade ore were shipped to the Cominco Smelter at Trail. This ore averaged some 50oz per ton of silver and 0.2oz per ton of gold. Additional exploration consisting mainly of tunnels was completed between 1919 and 1930; no further shipments were made. It has not been possible to ascertain what developments were conducted on the property from 1930 to 1966; however present day examination leads to the conclusion that whatever was done was of little significance.

In December of 1966, Mr Faulkner acquired the property on behalf of Pine Valley Explorers. During 1967 the Company did some road building and a small amount of underground drifting on the 85 level (the main level). In 1968 a small concentrating plant, for summer operation only, was assembled at the 85 level portal. This Concentrator was never used and was dismantled in 1969. Also during 1968 about 20 tons of hand sorted material was shipped to Trail, the material was found to contain, an average of 10oz silver per ton and 0.06oz per ton of gold.

From 1969 to 1973 assessment work only was carried out. This consisted of line cutting; soil sampling; self potential, resistivity and magnetometer surveys. During the period 1973-1977 twenty-one samples were taken by Mr Faulkner from the underground workings, other samples of relevance are summarised as follows, and shown on sketch number 1.

1. By the Ministry of Mines in 1930
2. By A.F. Reeve P.Eng. in 1967
3. By Don Faulkner in 1968
4. By Don Faulkner in 1976
5. By M.H. Sanguinetti P.Eng. in 1976
6. By B. Mountford P.Eng. in 1977

REGIONAL GEOLOGY

The Geology of the Stump Lake area is pictorially described on G.S.C. map number 8864 and Memoir number 249 (1961) by W.E. Cockfield. A.F. Reeve P.Eng. used this background information in his assessment of the regional geology in 1972. Mr Reeve is quoted in full as follows:

"The western and central parts of the region are occupied by a northwest trending belt of triassic volcanic and sedimentary rocks (Nicola Group) intruded by felsic plutonic masses. Locally, these are important host rocks for copper sulphide mineralisation.

In the vicinity of Swakum Mt. and Stump Lake, quartz and calcite vein deposits containing gold and silver occur in the Nicola group.

In the Stump Lake area there are nine known gold-silver properties and prospects. The most important of these to date is the Stump Lake mine, which is located about 2 miles west of the Mary Reynolds prospect. It produced 77,605 tons of ore averaging 0.11oz Au/ton, 3.26oz Ag/ton, 0.26% Cu, 1.4% Pb and 0.24% Zn between 1916 and 1944."

ECONOMIC GEOLOGY OF THE MARY REYNOLDS PROSPECT

The property is underlain predominantly by foliated augite andesites of the Nicola Group. The significant geological feature on the property is a northeast trending quartz-carbonate alteration zone. The Mary Reynolds prospect lies in the central part of this zone on numeral lease M20R. The zone itself has a maximum width of more than 150ft and is at least 3,000ft in length.

The alteration zone appears to be a steeply dipping shear which has been bleached and silicified by hydrothermal activity. The zone is composed of varying amounts of green schist, fine grained grey quartz, bleached remnants of andesite and limestone, and minor amounts of calcite and ankerite. Included in this assemblage are narrow veins predominantly quartz-calcite and carrying irregular disseminations of pyrite, galena and sphalerite, these veins also carry the silver and gold.

In addition to the Mary Reynolds showing at least four other similar zones have been noted, these have not yet been developed.

The mineralised "vein system" of the Mary Reynolds has been developed along a strike length of about 350ft by trenches, shafts and underground workings. The 85 level, which with 50 level is the location of most of the past activity, follows a vein 18" - 24" in thickness. A sub-parallel vein to the west has been intersected by a cross cut but not explored further. Above the 50 level a small amount of ore has been stoped out, during the early days. This stope reached a mining width of some 8ft. On the same level there are two parallel veins 4ft and 18" wide respectively.

Galena appears to be the principal silver carrying mineral, the silver to lead ratio is possibly some 10:1 (therefore a hand cobbing programme to sort galena would give a high grade silver product).

RECENT WORK

During the period 1st March 1980 to the end of July 1980, an 11 hole 645m drilling programme was undertaken along the strike of the main alteration zone, 250 metres of road was completed and a start made towards opening the lower adit. (No 260) Drawing number 1 shows the location of these holes.

The work under the control and on site supervision of Mr Don Faulkner (Pine Valley Explorers) was carried out by H. Allen Drilling Ltd. The author has subsequently inspected the operation and is satisfied that it was professionally executed.

The core is stored in Merritt and has been inspected and logged by R. Wells, Geologist, and B. Mountford P.Eng. Copies of the logs are appended to this report. Selected sections of core exhibiting mineralisation were split and sent for assay. This work is not yet completed. However, a hole by hole summary of the significant results to date is as follows:

From	To	Intersection Width	Assays			
			Au g/ton	Ag g/ton	Cu	Pb Zn
Hole Number 1 40.84m long at 45° dip						
31.69	32.61	0.92	0.04	0.23		
Hole Number 2 59.4m long at 60° dip						
46.32	47.85	1.53	0.032	0.04		
47.85	49.37	1.52	0.014	Tr		
49.37	50.90	1.53	0.048	Tr		
Hole Number 3 43.28m long at 45° dip						
36.11	36.57	0.46	0.018	Tr		
36.57	37.03	0.46	0.050	Tr		
37.18	37.79	0.61	0.030	Tr		
37.39	38.70	0.91	0.058	Tr		
38.70	40.23	1.53	0.014	Tr		
40.23	41.14	0.89	0.038	Tr		
41.14	41.50	0.36	0.024	Tr		
Hole Number 4 64.92m long at 60° dip						
43.73	44.04	0.31	0.032	Tr		

From	To	Intersection Width	Assays			
			Au g/ton	Ag g/ton	Cu	Pb
Hole Number 5 91.74m long at 45° dip						
No significant assays but zone present						
Hole Number 6 46.63m long at 45° dip						
No significant assays but zone present						
Hole Number 7 21.94m long at 60° dip						
No assay taken as yet						
Hole Number 8 86.79m long at 60° dip						
61.40	61.44	0.04	0.021		0.93	
61.44	61.57	0.13	0.003		0.045	
Hole Number 9 76.81m long at 45° dip						
25.90	26.36	0.46	0.033		1.38	
26.96	27.36	0.40	0.069		2.84	
27.36	27.43	0.07	0.106		6.43	
30.20	30.90	0.70	0.026		0.56	
52.70	52.90	0.20	0.016		0.44	
53.60	53.90	0.30	0.10		0.22	
53.90	54.90	1.00	0.042		0.43	
Hole Number 10 34.44m long at 70° dip						
4.47	6.10	1.53	0.028		1.28	
29.98	30.20	0.22	0.056		0.43	
30.90	31.40	0.50	0.39		0.36	
31.40	32.70	1.30	0.023		0.67	
Hole Number 11 77.72m long at 45° dip						
15.40	16.05	0.65	0.106		7.77	
16.05	16.64	0.59	0.053		0.93	
18.75	19.17	0.42	0.045		5.46	
46.75	47.85	1.10	0.018		0.50	
47.85	48.31	0.46	0.012		0.80	
70.88	72.30	1.42	0.011		0.30	
71.50	71.80	0.30	0.023		0.52	

DISCUSSION

The most significant holes in the programme, as can be seen, are holes numbers 9, 10 and 11, these are generally south of the old mine workings.

Hole number 3 also contains interesting gold values. This hole is located north of holes 9, 10 and 11 and north of the furthest underground extension. However, holes 5, 4, 1 and 2 limit to some extent the extension of the values in hole number 3.

The location of samples taken in the old workings in 1977 are indicated on sketch number 1. They were taken across the vein from the back. The assay results are shown on the following table.

UNDERGROUND DRIFTING - TARY METHODS

SAMPLE	A WIDTH		B WIDTH		C WIDTH		D WIDTH		WEIGHTED AVERAGE	WIDTH
M Au 1 Ag	0.051 1.00	1'-0"	0.14 0.77	1'-0"	0.003 0.04	1'-0"			0.065 0.60	3'-0"
M Au 2 Ag	0.016 2.30	1'-0"	0.032 0.56	1'-0"	0.026 0.61	1'-0"			0.025 1.16	3'-0"
M Au 3 Ag	0.075 0.83	1'-0"	0.021 1.60	1'-0"	0.046 1.65	1'-0"			0.047 1.36	3'-0"
M Au 4 Ag	0.02 2.30	3'-6"							0.02 2.30	3'-6"
M Au 5 Ag	0.038 5.85	5'-6"							0.038 5.85	5'-6"
M Au 6 Ag	0.019 2.92	2'-0"	0.12 45.70	2'-0"	0.008 0.52	2'-0"			0.049 16.38	6'-0"
M Au 7 Ag	0.025 9.51	1'-6"	0.014 1.15	1'-6"	0.012 1.52	1'-6"	0.015 13.40	1'-0"	0.017 6.98	5'-6"
M Au 8 Ag	0.031 14.90	1'-6"	0.011 0.10	2'-0"	0.010 0.09	2'-0"	0.098 5.90	1'-6"	0.035 4.51	7'-0"
M Au 9 Ag	0.071 0.71	1'-0"	0.078 0.61	1'-0"	0.054 3.30	1'-0"			0.068 1.54	3'-0"

NOTES (1) All samples A-B-C-D etc. are taken from the west to the east of the section at the points shown in sketch

(2) The weighted average of all the above assays is:

0.04 oz Au & 4.52 oz Ag/ton.

RECOMMENDATIONS

Since both lower adits (260 and 110) were apparently driven to the main alteration zone, and they may extend the zone values, indicated by holes 9, 10, 11 and the 85 and 50 level workings, the recent rehabilitation work should continue so that both tunnels can be examined and sampled.

The average grade in the old workings is approximately 0.06oz Au/ton and 4.5oz Ag/ton; similar grades were encountered in holes 9, 10 and 11. This material at today's metal prices approximates \$125.00 per ton. A strictly limited drill programme seems warranted to attempt to extend and define the zone. It should also allow preliminary evaluations of the viability of exploiting any developed tonnage using the small concentrator and the other equipment on site. Six holes are recommended as shown on drawing number 1. The total amount of drilling is estimated to be 200-250 metres.

A comprehensive surface geological map is necessary to assess the potential of the total claim area. There are several further zones and prospects that should be investigated and sampled.

Our report dated September 1979 included a recommendation for a "hand cobbing" and upgrading operation to be carried out on the existing dumps. This has not yet been completed. Today's gold and silver prices are still favourable and it should be considered.

BUDGET

Field Programme

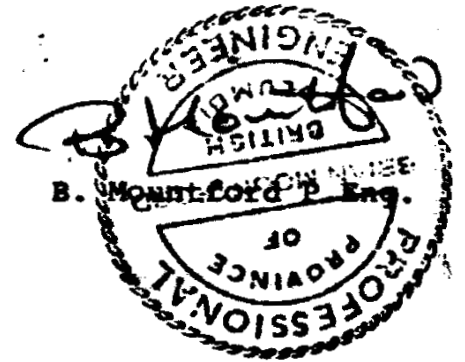
1.	Rehabilitate and sample the lower adits (numbered 260 and 110)	\$5,000
2.	6 drill holes, 250m @ \$70/m	17,500
3.	Surface mapping, prospecting and testing	12,000
4.	Hand cobbing operation	10,000
	TOTAL	<u>\$44,500</u>

Office Programme

Report writing, map production and compilation of data	\$3,000
General office cost, bookkeeping and overhead	<u>2,000</u>
TOTAL	<u>\$5,000</u>

TOTAL ESTIMATE	\$49,500
SAY:	<u><u>\$50,000</u></u>

Respectfully submitted



LAWLESS CREEK PLACERS

Pine Valley Explorers Ltd are currently negotiating the 100% acquisition of two placer leases and a joint venture participation in 5 contiguous leases on Lawless Creek.

LOCATION AND ACCESS (See copy of Map 92H/10W attached)

Lawless Creek is in the Similkameen Mining Division (N.T.S. 92H/10W). Access is available from Merritt, Hope or Tulameen, B.C. via logging roads and the dirt road (old rail track) that crosses the Couquihalla.

HISTORY

Following a very cursory investigation into old government reports, no history of previous work on Lawless Creek has been established. However, adjacent creeks have been worked and proved productive.

In April of this year Don Faulkner, President of Pine Valley Explorers, hand dug a test pit on placer licence 2965 and panned the gravels excavated. Each pan showed significant colours and the concentrate crudely recovered from about 0.5 cubic metres assayed 5.0oz of Au per ton.

PINE VALLEY PROPOSAL

The licences and deals being negotiated are reported to be as follows: (refer to Map 92H/10W appended)

Licence 2964 and 2965 (the one tested above) were issued to Don Faulkner. The licences, subject to the regulatory approval of the issuance of 20,000 shares of Pine Valley Explorers Ltd to George Cressey (Agent who staked licences) will be assigned 100% by Faulkner to Pine Valley.

It is also understood that Faulkner and Cressey, who is the owner of 3 adjacent leases, propose to jointly co-operate to carry out initial prospecting on their 5 licences.

RECOMMENDED PROGRAMME

Subject to a satisfactory conclusion to the above negotiations, Pine Valley should complete a preliminary test programme on the placer leases.

The suggested programme takes advantage of some of the equipment already available to the Company. A survey is required with a base line set up running parallel with the creek, preferably along the road that parallels the creek. From this base line a square grid can be set up with lines at 30 metre spacing. A numbering and lettering system is recommended, with the numbers being used along the base line and the letters on lines at right angles to the base. Alternate numbers and letters should also be used i.e. A-C-E, 1-3-5 etc, so that closer prospecting can be incorporated later if desirable (i.e. 15 metre spacing).

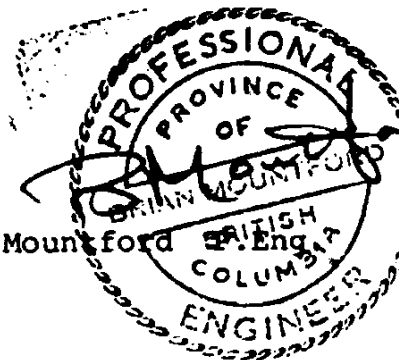
Test pits should be excavated on the corners of the grid, care being taken to accurately measure the quantity and vertical location of the gravel as it is excavated. All the excavated material should be passed over a screen and sluice and the "colours" obtained should be removed after each pass, assayed and recorded.

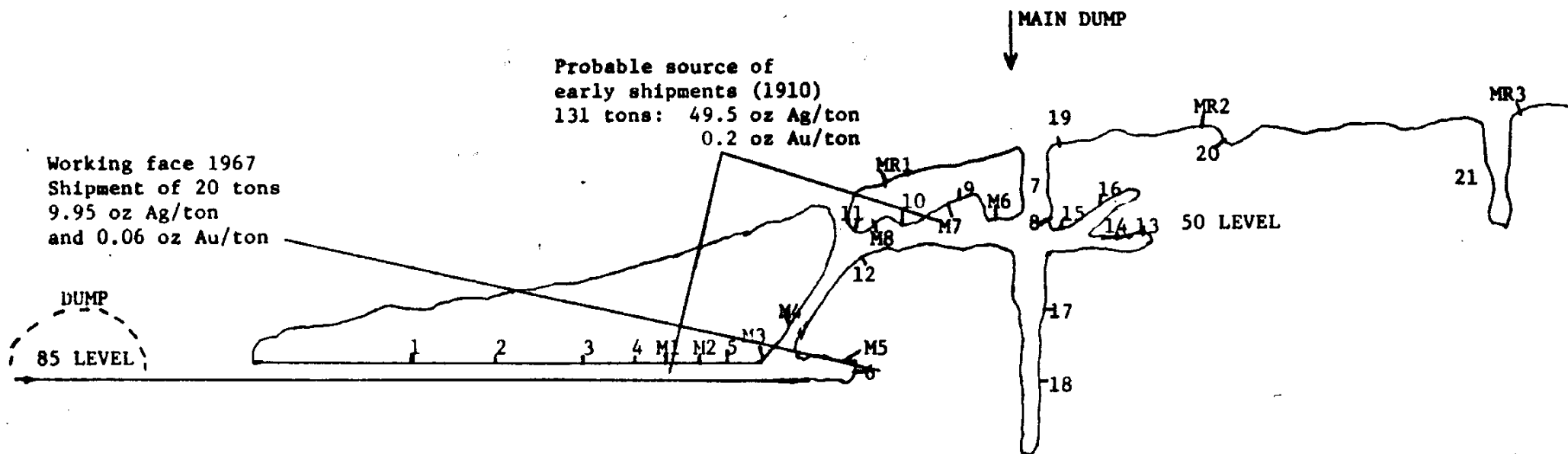
BUDGET

Mobilisation of equipment and set up	\$1,500.00
Back hoe for test pits: 150 hrs @\$40	6,000.00
Travel, groceries, accommodation etc.	2,500.00
Assays, surveying, engineering	2,500.00
	<hr/>
	12,500.00
Contingency and miscellaneous	2,500.00
	<hr/>
	15,000.00
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TOTAL	\$15,000.00
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Respectfully submitted

B. Mountford





ASSAY INFORMATION

Imp	Wdth	Au oz/t	Ag oz/t	Pb %	Zn %	Sampler	Date	Samp Wdth	Au oz/t	Ag oz/t	Pb %	Zn %
1	1.0'	.05	6.4	.3		D. Faulkner	1976	20 3.0'	.09	11.3	.7	
2	1.5'	.1	15.1	1.5		"	"	21 2.2'	.05	5.9	.4	
3	1.8'	.05	7.8	.8		"	"	MR-1 5.0'	0.02	1.3	0.05	0.05
4	2.0'	.07	11.4	.9		"	"	MR-2 2.5'	0.04	2.0	0.09	0.23
5	4.0'	.09	8.1	.7		"	"	MR-3 9.0'	0.03	0.36	0.05	0.05
6	5.0'	.06	9.9	1.0		"	"	M1 3.0'	0.065	0.60		
7	2.0'	.13	13.2	1.1		"	"	M2 3.0'	0.025	1.16		
8	3.0'	.19	23.9	1.9		"	"	M3 3.0'	0.047	1.36		
9	4.0'	.08	7.01	1.4		"	"	M4 3.5'	0.02	2.30		
10	6.0'	.22	32.5	3.5		"	"	M5 5.5'	0.038	5.85		
11	3.5'	.13	22.1	2.8		"	"	M6 6.0'	0.049	16.38		
12	7.0'	.11	9.2	.8		"	"	M7 5.5'	0.017	6.98		
13	4.0'	.13	32.5	1.6		"	"	M8 7.0'	0.035	4.51		
14	4.0'	.14	37.6	1.8		"	"	M9 3.0'	0.068	1.54		
15	7.0'	.19	76.6	5.4		"	"					
16	4.0'	.1	19.2	1.2		"	"					
17	3.5'	.08	13.0	.7		"	"					
19	3.0'	.09	11.3	.7		"	"					

DUMP SAMPLING			Sampler
oz/ton Ag	oz/ton Ag		Reeve
0.01	0.6		
1. 0.22	90.8		"
0.22	146.8		"
RANDOM "BLIND"			
2. 0.025	4.24		Mountford
0.032	8.33		"
HAND SORTED "ORE"			
3. 0.14	68.8		Mountford
<u>PINE VALLEY EXPLORERS</u>			
<u>MERRITT, B.C.</u>			
Longitudinal Section of			
Mary Reynolds Workings			
Looking West. Sketch number			
Scale: Approx. 1" = 80'			
September 1980			
BRIAN MOUNTFORD & ASSOCIATES LTD			
After a sketch by			
Don Faulkner			

PINE VALLEY EXPLORERS LTD. N.P.L.

1925 - 2nd Avenue, - Box 441

Merritt, B.C. - VOK 2B0

Statement of Costs incurred in carrying out the exploration program on the Idaho Mountain Project of Pine Valley Explorers Ltd. during period from March 1st 1980 to November 30 1980, as described in the accompanying report of Brian Mountford & Associates Ltd.

Diamond Drilling

11 holes BQ wireline totalling 645 metres (2105')

March 1, 1980 to June 10, 1980

Inclusive mob.- demob. - water haul - fuel - bit cost
labor cost \$68.90/metre (\$21.05/ft.)

\$ 44,460.

H. Allen Diamond Drilling Ltd. Merritt B.C.

Bulldozing

250 metres road 4 drill sites reopen 260 Adit

TD 20 tractor with rippers 5 hrs May 15 1980

H.E. Sanders Contracting Merritt B.C.

570.

Engineering

Reports Brian Mountford & Associates Ltd 1,639

Core Logging Scope Exploration Services Ltd (R. Wells) 2,354

Assaying - Bondar Clegg, General Testing, Kamloops Assy 1,254

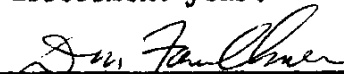
Equipt rental (transit) Frederick Goertz Ltd. 2 mo. 125

Report preparation printing copies etc. labor 600

Total

\$ 51,002

Certified that the above represents an accurate summary of the costs incurred in the 1980 assessment year.


for Pine Valley Explorers Ltd. (NPL)