

DENAR PROPERTY

Report on Geological Investigations
and Drilling Results.

Denar 20 and Denar 40 Claims
New Westminster Mining Division,
British Columbia.

Longitude $121^{\circ} 06' W$ Latitude $49^{\circ} 07' N$.

924 / 3E

OWNER: DENAR MINES LTD.

CONSULTANTS: STOKES EXPLORATION MANAGEMENT CO.LTD.

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J. Payne. PhD.

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TABLE OF CONTENTS.

	Page
<u>SUMMARY</u>	
<u>INTRODUCTION</u>	1.
1980 Work Summary.	
<u>LOCATION AND ACCESS</u>	1.
<u>PHYSIOGRAPHY AND CLIMATE</u>	1.
<u>HISTORY OF THE PROPERTY</u>	1.
<u>CLAIM DESCRIPTION AND STATUS</u>	3.
<u>REGIONAL GEOLOGY</u>	4.
<u>PROPERTY GEOLOGY</u>	5.
<u>SULFIDE AND RELATED MINERALISATION</u>	5.
1) <u>COPPER CLIFF DEPOSIT(S)</u>	8.
<u>DIAMOND DRILLING RESULTS</u> - Copper Cliff area.	9.
2) <u>STAR GROUP CREEK AREA</u>	10.
a) Pyrrhotite Creek	10.
b) Earl showings	10.
<u>DIAMOND DRILLING RESULTS</u> - Earl Showings.	11.
c) Gold Pan Point	12.
d) Western showings	12.
e) Eastern showings	13.
<u>CORRELATION OF GEOLOGY WITH MAGNETOMETER DATA</u>	14.
<u>DISCUSSION AND RECOMMENDATIONS</u>	15.
1) <u>PRECIOUS METALS</u>	16.
a) Earl showings	16.
b) Copper Cliff showings	17.
c) Eastern showings	17.
d) Western showings	18.
e) Pyrrhotite Creek	18.
2) <u>PORPHYRY</u>	18.
a) Earl showings - Gold Pan Point	18.
b) Copper Cliff showings	18.

LIST OF FIGURES.

	Page
1. Index map and regional geology of Denar Claims.	2.
2. Molybdenite and other significant metal occurrences near Denar Claims.	Pocket.
3. Geology of Denar claims.	Pocket.
4. Sketch of typical porphyry-type hydrothermal system.	6.
5. Projection of drill holes, Earl Showings.	Pocket.
6. Projection of drill holes, Copper Cliff Showings.	Pocket.

LIST OF APPENDICES.

- I. Drill core logs - 1980 program
- II. Assay and geochemical results - 1980 program.
- III. Resumes: JoAnne Nelson, MSc.
 John G. Payne, PhD.
- IV. Cost statement.

SUMMARY.

1. The Denar property shows skarn, vein, disseminated and porphyry-type mineralisation in two main zones, the Copper Cliff area, and the Star Group Creek area.
2. Economic sulfide minerals include sphalerite, chalcopyrite, and molybdenite; Ag and Au are important in some deposits, and locally are the most important economic metals.
3. The sulfide deposits occur in a broad (at least 6 km²) area of moderate to intense alteration and veining of basalt; alteration consists mainly of silicification, while veining consists mainly of pyrite, quartz, magnetite and lesser pyrrhotite.
4. Most magnetic anomalies of large magnitude are correlated with the presence of magnetite veins in the basalt. Smaller-intensity anomalies are less readily explained; more detailed magnetometer surveys are necessary in order to evaluate the data in the proximity of skarn deposits.
5. The Copper Cliff skarn has been tested by two drill holes, which prove the continuity of the body to the northwest. A third hole failed to intersect mineralisation.
6. Five drill holes were located near the Earl showings. One of these (DDH 7 - 80) intersected over 10 m a zone averaging .15 oz/t Au which was previously intersected in the 1961 drilling program.
7. This zone should be further explored in the 1981 drill program. Additional drill holes should be sited, in conjunction with geological and magnetometric data, to test other skarn showings along the NW fracture system that seems to control mineralisation in the Star Group Creek area.
8. Further magnetometer work should be done to evaluate the skarn zones; this will be mainly on detailed grids along the strikes of the zones.
9. The porphyry potential of the property should be tested first by geochemical soil and stream sediment surveys, and detailed geological study of alteration assemblages and distribution patterns; the latter will be aided greatly by thin section petrology. Based on favorable results of these studies, deep (300 meters) drill holes could be planned to test both target zones.

INTRODUCTION.

At the request of Mr. Jac P. Neufeld, President of Denar Mines, Ltd., a geological study was conducted on the Denar 20, 40 claims from August 22 to August 27, 1980 by John G. Payne, PhD., and JoAnne Nelson, MSc. Much of the property (5 km²) was mapped on the scale of 1:2000, and most sulfide showings of economic interest were examined in detail. The geological data was correlated with results of a magnetometer survey conducted earlier in August by Mike Rogers. (1980).

Nine diamond drill holes were sited to test subsurface expressions of the Copper Cliff and Earl Showings. (Total: 660 m of NQ core).

In conjunction with the diamond drilling program, 5 km of access road were constructed during 1980.

LOCATION AND ACCESS. (See Fig. I.)

The Denar claims are located north of Shawatum Creek, and eastern tributary of the Skagit River about 12 km north of the American border. They lie at 49° 07' N, 121° 06' W in the Hope map area (NTS 92H3W). They are reached via the Silver-Skagit River road. The mine road branches at Kilometer 44, a few kilometers south of the Skagit River bridge. It is steep in places and requires a 4-wheel drive transport.

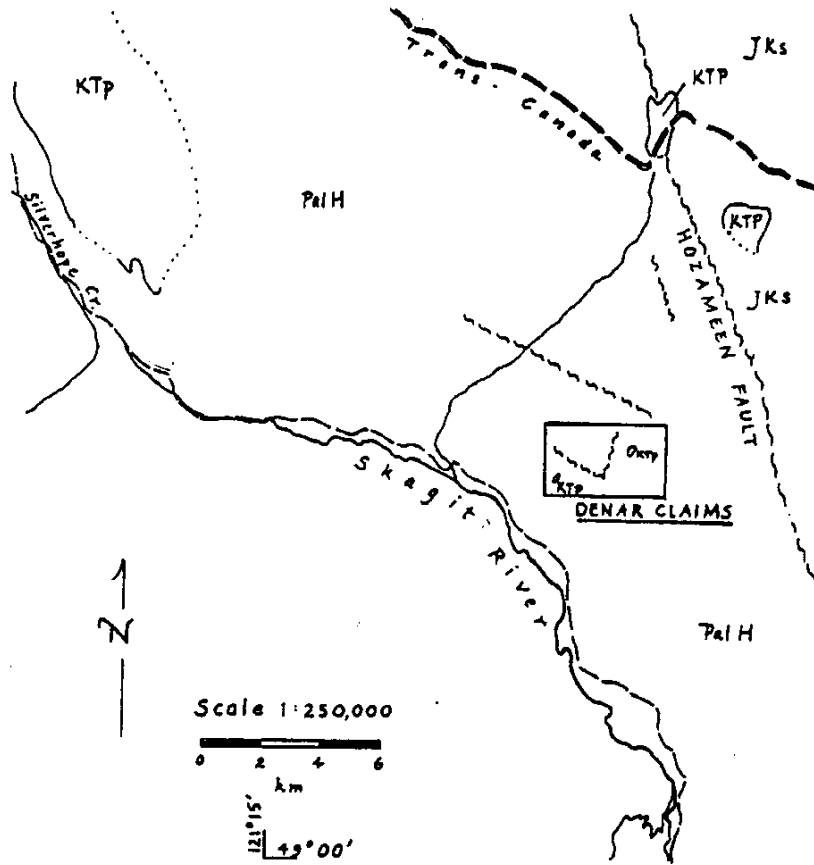
PHYSIOGRAPHY AND CLIMATE.

The claims lie on the south slopes of a ridge. Elevations range from 6001 m on Shawatum to 2000 m at the crest of the ridge. The slopes are forested or brushy, except along the ridge where meadow and parkland predominate.

Summer weather is warm and somewhat drier than in coastal areas. The winter snowpack begins to accumulate in the higher areas in November or December, and melts in April to May.

HISTORY OF THE PROPERTY.

Early prospecting in the area was first reported in 1898 (B.C. Minister of Mines Report). It received particular interest in 1910-1911 in connection with a supposed gold discovery on Shawatum Mountain (see B.C. Minister of Mines Reports 1923, 1929, 1938, 1950).



LEGEND

- KTp Cretaceous and/or Tertiary intrusions
- JKs Jurassic and Cretaceous sediments of the Pasayten Graben
- PalH Hozomeen Group of uncertain Paleozoic age — basalt, chert, limestone, pelite

Geology outside Claim block after Monger (1969).

STOKES EXPLORATION MANAGEMENT CO. LTD.	
<h2 style="margin: 0;">Index Map and Regional Geology of Denar Claims</h2>	
DATE : JAN. 1981	FIGURE: 1
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The 1923 B.C. Minister of Mines report refers to the Billican, North Star and Skagit claim groups north of Shawatum (= 10 mile creek). Part of the area of the Denar claims was staked by C.J. Howlett of Hope beginning in 1924. He carried out further staking and prospecting until his death in 1948. He obtained several very high assays from poorly located or unlocated samples. Claim names dating from this period are: Gold Coin, White Bear (= Polar Bear), Ruby, Woodpecker, Granview, Magnetite, Grubstake and Waterfall.

In 1958-59 the Don and Ted claims were staked over parts of the Gold Coin claims and the Grubstake claim. The then owners of the Gold Coin group restaked over part of the Gold Coin claims.

B.W.W. McDougall reported on the Don and Ted claims in August, 1958; Noranda also did some prospecting, mapping and magnetometer work in 1958.

Earlcrest Resources acquired the area in 1959 and enlarged it by further staking. Their claims were the Gold Coin, Again, Gil, Al, and Charlie. They carried out a major project of mapping, prospecting, and drilling from 1959 to 1961. This is described in R.B. Stokes' comprehensive report (1963), which also contains a detailed description of earlier history.

In 1974, Great Central Mines Ltd., commissioned Herbert Buchholtz of Reno, Nevada, to prepare a prospector's report (Assessment Report 5747) on the property.

The present claims, Denar 20 and 40 were purchased in 1977 by Denar Mines Ltd., from Denar Development Inc. who had acquired them in part from Great Central Mines Ltd., and in part by staking in 1976.

In 1980 G.E.A. von Rosen wrote a summary report on the Denar claims commissioned by J. Neufeld, President of Denar Mines. This study emphasised the volcanogenic potential of the area.

CLAIM DESCRIPTION AND STATUS.

Claim	Record number	Units	Valid to
Denar 20	180	20	March 3, 1982
Denar 40	181	20	March 3, 1982

REGIONAL GEOLOGY.

The region is underlain by rocks of the Hozameen group of Devonian? to Permian? age; these consist mainly of basic volcanic rocks (basalt) and massive chert. Because of the generally unlayered nature of both units, the structure is poorly understood. Regional metamorphism is in lower greenschist facies. They are bounded to the east of the property by the Pasayten Fault.

The Denar property lies in a north-northeast trending belt containing many important sulfide deposits and showings (see Figure 1). The belt cuts diagonally across several major geological units of Paleozoic and Mesozoic age; most deposits appear to be related genetically to late felsic stocks or plutons. The more important of these are as follows (data from reports of B.C. Department of Mines).

1. AM (CanAm): quartz diorite stock with pipe-like breccia cuts fine grained volcanoclastic sediments. An ore body is outlined with 2 million tons grading 1.4% Cu, 0.026 oz/t Au, 1.0 oz/t Ag. (1961 data).
2. Rainbow, D & J, Silver Daisy: little information; vein deposits in Hozameen rocks; some sheared, some fracture filling veins with quartz and pyrrhotite, chalcopyrite, and sphalerite, with sporadic arsenopyrite and galena.
3. Mammoth: pyroxenite? dike in chert containing disseminated pyrrhotite, sphalerite, and chalcopyrite, with scattered scheelite and molybdenite.
4. Wel, Ash: leucocratic granodiorite stock and dikes cut foliated Eagle granodiorite; quartz veins contain chalcopyrite, pyrrhotite, molybdenite, and magnetite. (1975, 1976 data).
5. Keystone: porphyritic quartz diorite and intrusive breccia cut the Eagle granodiorite, molybdenite pre-and-post-brecciation. Associated veins contain galena, sphalerite, Ag, and rhodochrosite. (1978 data).
6. Denar: quartz diorite stocks intrude altered basalt; skarn and vein deposits containing pyrrhotite, pyrite, sphalerite, chalcopyrite, and lesser galena and arsenopyrite; widespread zone of pyrite, magnetite veins; molybdenite and chalcopyrite in intrusion suggests possibility of porphyry deposit.

PROPERTY GEOLOGY (see Figure 3).

The property is underlain mainly by basalt in the eastern and western parts, and by massive to locally bedded chert in a broad central region between Antimony and Pyrrhotite creeks, and on the ridge above the Copper Cliff deposit. Basalt-chert contacts are steeply-dipping and probably faulted. A fault striking at 15° along Pyrrhotite Creek truncates a 120° striking fault that passes through the Giant Creek area. Monger (1969) has mapped another major WNW striking fault in the valley north of the property. In both regions of basalt the rocks are altered and veined over areas of several square kilometers; the alteration zones cover most of the property and in places extend beyond its borders. Alteration consists mainly of silicification and lesser sericitization. Vein minerals, in order of decreasing abundance, are pyrite, magnetite, quartz, and pyrrhotite. In parts of the property zones can be mapped which contain characteristic vein mineral assemblages; the major ones are noted in figure 2.3.

In each region of basalt are small intrusions of diorite to granodiorite of unknown, but probably Early Tertiary age. Some outcrop areas of these are altered and veined strongly, whereas others are fresh. The widespread alteration in the basalts suggests that a large part of the property may be underlain by the intrusive rocks at depth, and that their surface expression represents only scattered windows at the top of the intrusions.

SULFIDE AND RELATED MINERALIZATION.

Three main types of sulfide deposits occur on the Denar property; each is of economic interest in at least one locality. The deposit types are as follows:

1. Skarn, some massive sulfides, potential for small tonnage, high grade deposits containing Cu, Zn, Ag, Au.
2. Veins, some very high-grade Zn, Cu; potential for small tonnage, high grade deposits, probably not economic unless part of a larger deposit (see below).
3. Porphyry, disseminated and vein deposits over a large region, large tonnage, low grade potential for Cu, Mo, and possibly Ag and Au.

These deposit types are related in a geological model which is illustrated schematically in Figure 4. The intrusion acts as a heat source which sustains the convective movement of water, with rising hot water in the core and descending cool water on the periphery. The alteration of basalts by the water

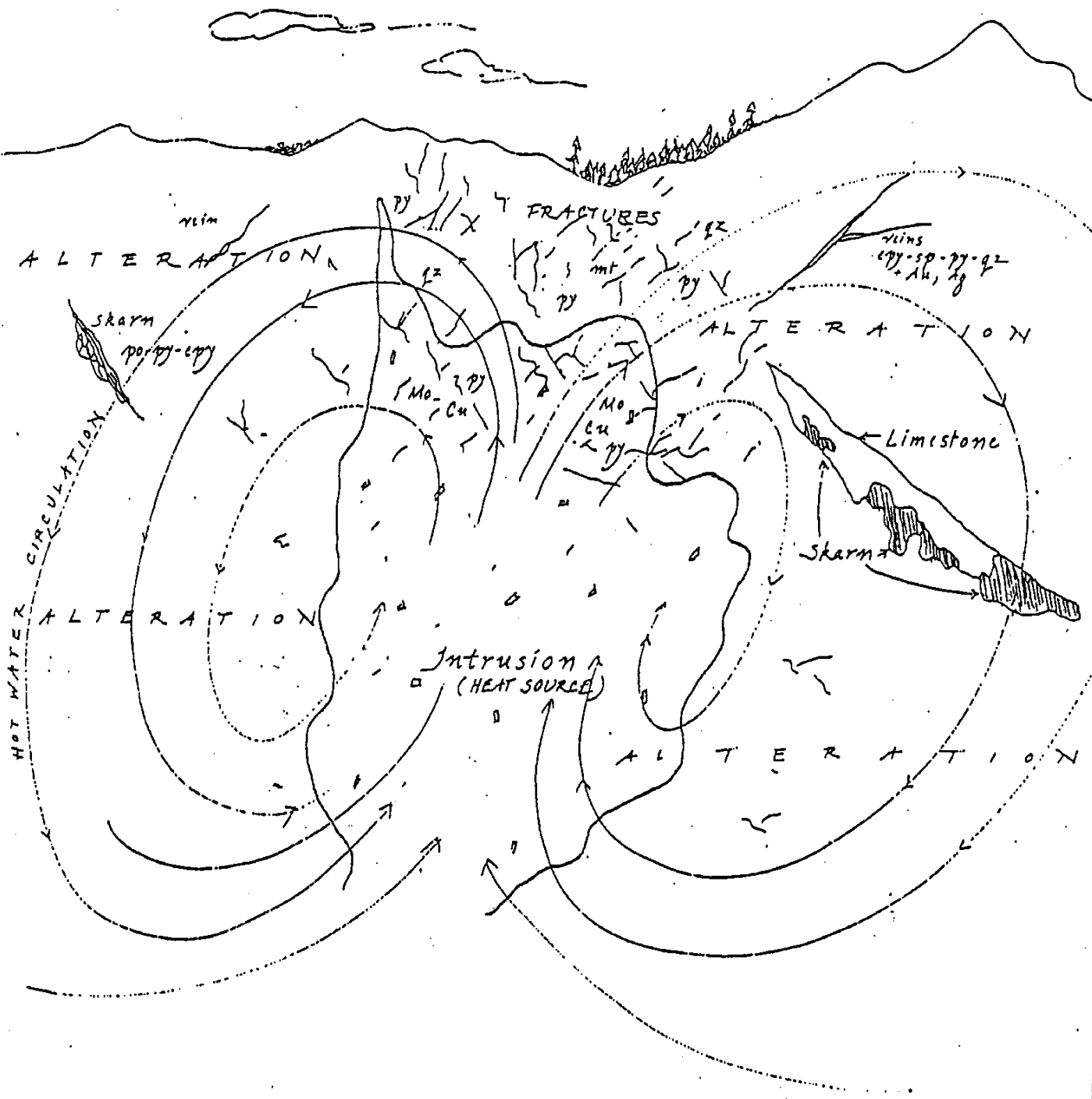


FIGURE 4

Sketch of Typical Porphyry-type Hydrothermal System

provides Fe and possibly Cu to the solutions; these elements appear elsewhere as sulfide veins and massive deposits. The intrusion also supplies silica and probably potassium, as well as molybdenum, and some of the copper and zinc. The water comes in part from the intrusion (juvenile) and partly from ground water (meteoric). Vein deposits occur along favorable fracture zones in the upper part of system above the intrusion. Skarns occur in a variety of sites, controlled by (a) favorable host rock, (b) a permeable contact, (c) proximity to an intrusion body, as at the Earl Showings and (d) unknown reasons. The presence of limestone is particularly favorable for development of a large skarn deposit, but large bodies may form elsewhere as well, such as in permeable basalt or basalt breccia.

Skarns have formed in the apparent absence of limestone at Copper Cliff and Pyrrhotite Creek. These consist of massive pyrrhotite with small amounts of chalcopyrite. They lack sphalerite or skarn minerals such as garnet or calcite, and appear to be grossly enlarged versions of the sulfide blobs and veins which are common in the altered basalts. In limestone-derived skarns in the Earl, Western and Eastern showings sphalerite is locally abundant, with scattered concentrations of chalcopyrite, arsenopyrite and galena in a matrix of calcite-garnet-epidote-actinolite gangue.

Gold and silver on the property occur sporadically in skarns, veins, breccias and shears. An association of precious mineral mineralisation with visible sulfides such as sphalerite is erratic, drill-core and surface samples should be extensively analysed, and assayed if necessary.

Vein deposits containing sulfides other than pyrite and pyrrhotite are mainly restricted to the Earl and Eastern showings. The Earl deposit contains an important high-grade sphalerite-chalcopyrite vein, while in the Eastern showings sphalerite and chalcopyrite are subordinate.

Intrusive rocks near the Copper Cliff and Earl-Western showings are strongly altered and veined, with disseminated pyrite and locally chalcopyrite (on Gold Pan Point), and quartz-sulfide veins, locally containing molybdenite below Copper Cliff. Both the Copper Cliff and Earl-Western areas are considered to have potential for development of a porphyry deposit.

1) COPPER CLIFF DEPOSIT(S).

The main Copper Cliff showing is an irregular lens-shaped body of massive sulfide, with an average thickness in the surface showing of 3 to 4 meters (maximum 5 m), with its long axis perpendicular to strike measuring about 25 m. The body is controlled by a dominant fracture system which strikes $120 - 130^{\circ}$ and dips $40 - 50^{\circ}$ southwest; and by a subordinate fracture system at $82/40S$. The body consists mainly of medium grained pyrrhotite with numerous irregular veins and patches up to a few cm across of pyrite and much less chalcopyrite. In the fresh samples from the drill core, pyrrhotite is strongly magnetic. Surface trenches (Shear & Stokes, 1961) gave the following average assay across the surface showing.

77' (23.5 m): Cu 0.5%, Ag 0.6 oz/t, Au 0.003 oz/t.

Six hundred feet from the main showing on a bearing of 295° is an old trench 10 m by 2 m in size containing a probable extension of the Copper Cliff body. An assay from this deposit gave the following results -

30' (9.15 m): Cu -.4%, Ag 0.3 oz/t, Au 0.01 oz/t.

This trench has not been examined in the present study.

The massive sulfide body is enclosed in basalt which was moderately to strongly altered by brecciation, silicification, and veining by pyrite, quartz, actinolite, epidote, and chlorite. The least altered basalt is aphanitic and dark green in color, containing 0.5-1% magnetite. The magnetite may be original or may have formed in a contact metamorphic aureole about the quartz diorite intrusion nearby. In general magnetite is destroyed during silicification and sericitization, and many zones with abundant pyrite contain no magnetite. Within a few meters of the massive sulfide body, veins and irregular patches up to a few cm across of quartz-pyrite-epidote are common.

About two kilometers northeast of the main sulfide body, pyrrhotite veining is abundant in the basalt over an area a few hundred meters across. Downhill from this region in Giant Creek at elevation 1220 m, a float cobble of massive sulfide was found in this study; it consists of massive pyrrhotite with 2% chalcopyrite. Prospecting on the steep slopes above this find should be done in order to locate its source.

The top of a medium to fine grained intrusion of quartz diorite to granodiorite outcrops over a small area 200 meters southeast of the Cooper Cliff showing. The intrusive rock is strongly altered, with abundant pyrite veins. A few quartz-rich veins contain clots of molybdenite up to 5 mm across. Because of limited exposure in this region, the extent of this type of veining and alteration is poorly known. Numerous whole-rock samples have been collected in this region for geochemical analysis of Cu, Mo, Ag, and Au. This region may represent the top of an important porphyry deposit with economic values in Mo and possibly Cu, Ag, and Au.

DIAMOND DRILLING RESULTS - Copper Cliff area.

Four drill holes were sited in the Copper Cliff area. They are shown on Figures 3 and 5. Detailed core logs for DDH 2,3 and 4-80 appear in Appendix II.

DDH 1 - 80 was drilled in a region of basalt containing abundant pyrite and pyrite-magnetite veins. It stayed in this unit throughout its length.

DDH 2 - 80, 3 - 80, and 4 - 80 were drilled to intersect the Copper Cliff showing. A plan view is shown on Fig 5, by projecting them onto a vertical plane at 114° . DDH 2 - 80 intersected two major massive sulfide layers from 17.72 to 20.11 m, and from 23.45 to 24.6 m. The total width of the zone is 6.9 m, with massive sulfide comprising 3.5 m. DDH 2 - 80 intersected massive sulfide from 30.18 to 31.05 m (width 0.87m) with a halo containing abundant sulfides from 29.1 to 31.7 m (width 2.6m). In both holes, very abundant quartz-pyrite-epidote veins occurred in the few meters above the massive sulfide, and pyrite-actinolite-chlorite-quartz veins are common throughout the hole. Quartz veins up to a few cm across are very abundant below the massive sulfide intersections.

The massive sulfide is mainly pyrrhotite with veins and patches of pyrite and lesser chalcopyrite. Visual estimate of chalcopyrite content of massive sulfide is 0.3% in DDH 2 - 80 and 1% in DDH 3 - 80.

It is thought that DDH 2 - 80 intersected the main part of the massive sulfide body, whereas DDH 3 - 80 intersected a narrower part near its western edge. DDH 4 - 80 did not intersect the massive sulfide zone.

In the geochemical results shown on Fig. 5 and in detail in Appendices I and II, copper abundance correlates well with visible chalcopyrite. Precious metals are scarce in the massive sulfide, as they are in assays of its surface outcrop. (Stokes 1963).

2) STAR GROUP CREEK AREA.

Several major showings ((Pyrrhotite Creek, Earl, Gold Pan Point, Western (=Main), and Eastern)) are along a northwest trending zone up to 100 m wide. This zone is defined by

1. abundant northwest trending, subvertical fractures, some of which contain significant sulfides, and
2. several skarns with outcrop areas up to a few meters across.

The host rock is slightly to strongly altered basalt and basalt breccia, with minor but significant limestone lenses in two of the skarn showings. Just northeast of the zone on and near Gold Pan Point is a medium grained intrusion of quartz diorite to granodiorite similar to that below Copper Cliff. It contains 3-5% disseminated pyrite and local blobs up to 3 mm across of chalcopyrite.

a) Pyrrhotite Creek.

Several skarns with outcrop areas of up to 3 m across are exposed in small cuts in altered basalt on the east bank of Pyrrhotite Creek. The skarns are mainly massive pyrrhotite with 1-2% chalcopyrite and very variable (0-80%) quartz. Pyrrhotite Creek marks a major lithologic contact between basalt and chert; this contact zone might have been a favorable site for formation of skarn, especially where the contact is intersected by the northwest trending fracture zone. The area between these showings and the Earl showings is covered by overburden.

b) Earl Showings.

At the north end of a major outcrop ridge is a massive sulfide skarn exposed over a width of 2 m. It contains pyrrhotite, lesser sphalerite, and minor chalcopyrite, the last mainly associated with patches of strongly silicified basalt. Just to the south of the skarn is a vein and silicified breccia zone containing massive sulfide veins up to 30 cm wide. The main vein, averaging 10-20 cm wide, grades upwards from pyrrhotite-rich at the base of the cut to sphalerite-pyrrhotite with local patches of coarse calcite-pyrite near the middle, and to massive coarse grained sphalerite with lesser chalcopyrite near the top. Nearby

is a vein up to 3 cm wide composed of massive arsenopyrite and quartz. This is hosted by white, strongly bleached, silicified breccia which contains Cu-stained clasts. To the southwest for a few tens of meters, the basalt contains scattered veins averaging a few mm wide containing pyrrhotite and sphalerite with calcite and quartz. Still further southwest in a series of horizontal cuts is exposed a thin limestone layer in the basalt, along which was developed a medium to coarse grained skarn composed of calcite, pyrrhotite, and sphalerite, with patches of vuggy quartz, and with intergrown silicates, mainly epidote and actinolite. The limestone lens may represent an original bedding plane; it strikes north-south and dips 15-25° to the west. Further southwest the intensity of veining and alteration decreases greatly, and the northwest trending fracture zone becomes insignificant.

DIAMOND DRILLING RESULTS - Earl showings.

The most encouraging results of the 1961 drill program were in the vicinity of the Earl Showings (Stokes 1963), where .37 oz/ton Au was encountered in the last 2.1 m of DDH 8 - 61. This area was selected as a preferred target for drilling in 1980. In total, five holes were collared above the showings. Their locations are shown on Fig. 3. Fig. 6 is a projection onto a vertical plane striking 60°, parallel to the trends of DDH 8 - 80 and 9 - 80.

In all of the holes, numerous gently-dipping limestone skarn horizons are intercalated with strongly-altered basalts. The skarns contain small to moderate amounts of sphalerite as disseminated blobs with pyrrhotite in a calcsilicate matrix of calcite ± garnet ± quartz ± epidote ± actinolite. Scattered sphalerite-pyrrite veins, and one arsenopyrite vein, were encountered in DDH 5 - 80. Detailed core logs are in Appendix II.

Picked assay data is shown on Fig. 6. (For details please see Appendix II). Zinc corresponds to visible sphalerite, most of it in skarns. The lack of correlation between the various metals is noteworthy. Gold occurs in some skarns (up to .464 oz/t), but is absent in most. Conversely, it is abundant (.299 oz/t) in DDH 7 - 80 in an otherwise barren sheared zone in basalt. Silver values up to .38 oz/t occur in some skarns. The correlation of Ag with zinc or gold abundance is very poor.

High gold values concentrate tightly in a pod-shaped zone encountered for 12 m at the end of hole 8 - 61, and for 10 m in hole 7 - 80. The average Au content of this zone is .17 oz/t in hole 8 - 61 and .15 oz/t in hole 7 - 80. Within the zone encountered by DDH 7 - 80, gold occurs both in a skarn setting and in sheared basalt. Because of the NW-trending fracture control in the area, it is likely that the zone is elongate NW-SE. The plutonic body which outcrops on Gold Pan Point was encountered at the bottom of the four of the five holes. It is strongly altered but, except for pyrite, unmineralised. DDH - 6 - 80, located furthest from the surface outcrop of the intrusive body, shows the least mineralisation. Some of the limestones seen within it have not been converted to skarn.

The pluton vertically below, and DDH 6 - 80 to the southwest, constrain the extent of subsurface mineralisation near the Earl Showings. The deeply overburden-covered area to the northwest is still unknown, and could be tested in future drill programs.

c) Gold Pan Point.

A few meters below the main contact of the granodiorite with basalt is a tongue of granodiorite a few m across. At its lower contact with basalt is a lens up to 50 cm wide and 3 m long containing coarse pyrite and quartz with minor actinolite. A few meters below this in altered andesite, a small cut exposes a vein containing pyrrhotite, quartz, and abundant sphalerite. Further south on the point the intensity of alteration and veining decreases markedly.

d) Western Showings.

Four skarn zones occur on the side of the hill over a north-south distance of 40 m. The largest, exposed in a cut near the top of the outcrop, is up to 5 m long and 3 m wide. It consists of fine to medium grained pyrrhotite, quartz, and sphalerite. Adjacent to it on the southeast is a lens of coarse grained marble up to 1 m thick. Surrounding the skarn and marble is porphyritic basalt, and nearby is a porphyritic dacite-rhyolite intrusion.

Both the basalt and rhyolite are moderately silicified and veined with pyrite. The skarn appears to strike 040° and dip 50° southwest under the limestone-marble, but its other contact against basalt indicates that the body is an irregular pod rather than a stratabound layer.

Below this is another pit exposing a skarn 6 m long by up to a few m wide at the contact of the porphyritic basalt and felsite intrusion. This skarn is zoned, with patches rich in pyrrhotite and others rich in sphalerite. Near the south end of the body is an outcrop about 1 m long which contains three distinct zones, each about 35 cm thick; they are from north to south -

1. quartz with minor pyrrhotite, pyrite
2. sphalerite-pyrrhotite-rich with lesser quartz
3. arsenopyrite-quartz

Contacts of the three zones strike 122° and dip 46° northeast.

To the north of this skarn is a body up to 5 m across composed mainly of uniformly fine grained pyrrhotite-quartz-sphalerite. About 20 meters north of the upper showing is a skarn up to 3 m across containing quartz, pyrrhotite, and sphalerite.

The basalt in this region is strongly silicified, and generally has a light purplish-green color. It contains abundant pyrite and pyrrhotite veins which oxidize to give the weathered surface a deep reddish-brown color. Some of the basalt in and near the cuts appears to be brecciated.

Much of the region between the Western and Eastern showings is covered by overburden. Outcrops along Drill Creek show prominent northwest trending fractures and quartz veins, indicating continuation of the controlling northwest structures through this region.

e) Eastern Showings.

The northwest fracture set is prominent. One cut exposes a 5-10 cm vein of massive, coarse grained pyrrhotite with lesser sphalerite, and other smaller pyrrhotite and quartz veins occur along the same trend within a few meters of this vein. Some of the veins can be traced for several tens of meters along strike. About 90 meters to the southeast, two skarns are exposed in cuts. Both skarns appear to be pods up to 5 m across. They contain a variety of mineral assemblages and textures as follows:

1. massive pyrrhotite-quartz with lesser sphalerite
2. coarse grained garnet enclosing fine grained magnetite-garnet-quartz
3. grossular garnet and calcite in replacement veinlets and patches in basalt

4. garnet-epidote-actinolite with minor pyrrhotite
5. garnet-calcite-magnetite with patches of vuggy quartz.

A few tens of meters above this is a small skarn up to 2 m across and 5 m long; it formed along the contact of a thin chert interlayer and strongly brecciated basalt. The skarn consists of grossular garnet with less actinolite, epidote, and pyrrhotite.

Representative assays taken from previous studies are as follows:

Sample Area and description	width (ft)	Au(oz/t)	Ag(oz/t)	Zn%	Cu%	Pb%
Earl sl-po veins	3	0.28	2.70	12.45	0.25	0.05
vein zone	36	0.10	1.50	na	0.05	na
DH-61-8 (165-177)	12	0.30	0.41	1.0	0.10	0.06
Gold Pan Point (lower cut)	6	0.05	0.95	6.15	tr	0.10
Western (Upper cut)	25	0.06	1.55	5.95	0.15	tr
(lower cut)	15	0.08	0.65	5.65	tr	tr
Eastern	10	0.01	2.4	3.2	0.07	1.83

CORRELATION OF GEOLOGY WITH MAGNETOMETER DATA.

Several magnetic anomalies are present in the three grids surveyed by Mike Rogers. Some of the anomalies can be correlated with geological data, whereas others are in areas of poor to no outcrop, and their interpretation must be made by correlating with other areas of suspected similar geology.

Intense magnetic anomalies are due to magnetite as veins and minor skarns. The largest of these is along the main ridge crest above Hellabore Flats. Another occurs on the baseline of the Main grid between stations 6+25E and 7+00E. Most of this anomaly is covered by overburden. A small pit just north of station 7+00E exposes a vein up to 30 cm thick of magnetite with lesser quartz. Just north of this is a sharp contact with strongly altered basalt containing very abundant pyrite veins and no magnetite.

The broad anomaly on the Copper Cliff grid which extends from southwest to northeast is partly due to magnetite-pyrite veins, which are abundant in outcrop near the southwest corner of the grid. In the northeast part of the grid are abundant pyrrhotite veins but little magnetite. The intensity of the anomaly suggests that the pyrrhotite veins are underlain by more-magnetic rock, either a massive sulfide containing magnetic pyrrhotite, or a region of magnetite-bearing veins not exposed on surface. The massive sulfide float below this

area in Giant Creek would favor the presence of a massive sulfide body in this region. Depressions in the central part of the grid along this trend may be due to more intense alteration near the intrusive centre. The strong low on the baseline at 0+00 W is because the massive sulfide body is beside the instrument rather than below it. Similar anomalous effects due to topography may be present elsewhere in the grids, for example in the cliffy regions around the Eastern showings.

A weaker magnetic anomaly on the Main grid on lines 6 and 7 E, at stations 1+25 N correlates with an intrusion of porphyritic diorite which contains up to 1% magnetite.

A possibly significant anomaly occurs on the base line of the Main grid at station 2W. This high might be caused by a massive sulfide or by magnetite veins.

Further magnetometer surveys should be done to aid in geologic interpretation in and near zones of economic interest, and to prospect covered areas along the major northwest trending fracture zones.

DISCUSSIONS AND RECOMMENDATIONS.

The geology of the Denar property points to an intrusive-related hydrothermal system as the environment of mineralisation, with structural and lithologic controls on the location of high-grade zones. The alignment of most of these zones (Pyrrhotite Creek, Earl, Western, Eastern showings), suggests that they are located along a shear zone that strikes at 135°. This is consistent with the orientation of some of the major faults in the area. Several of the important showings within this trend - the Earl and Western Showings, and Gold Pan Point - are associated with the roofs of small intrusive bodies. Both the country rocks and the plutons tend to be strongly altered. Chlorite-pyrite-sericite are common in plutonic rocks; pyrite, pyrrhotite, magnetite, quartz, epidote, actinolite and chlorite occur in basalts. Molybdenite and chalcopyrite occur in rare fracture veinlets within plutons.

The distribution of high-grade zones and the widespread alteration favor a porphyry rather than a volcanogenic setting for mineralisation on the Denar property.

The property exhibits potential for two type of targets:

1. precious metals in skarn-shear-zone-breccia settings.
2. porphyry - Mo.

Future programs should be concerned with both of these targets.

1) PRECIOUS METALS.a) Earl Showings.

The most important result of the 1980 drilling program was to confirm and enlarge a zone of high Au values encountered in 1961 drilling.

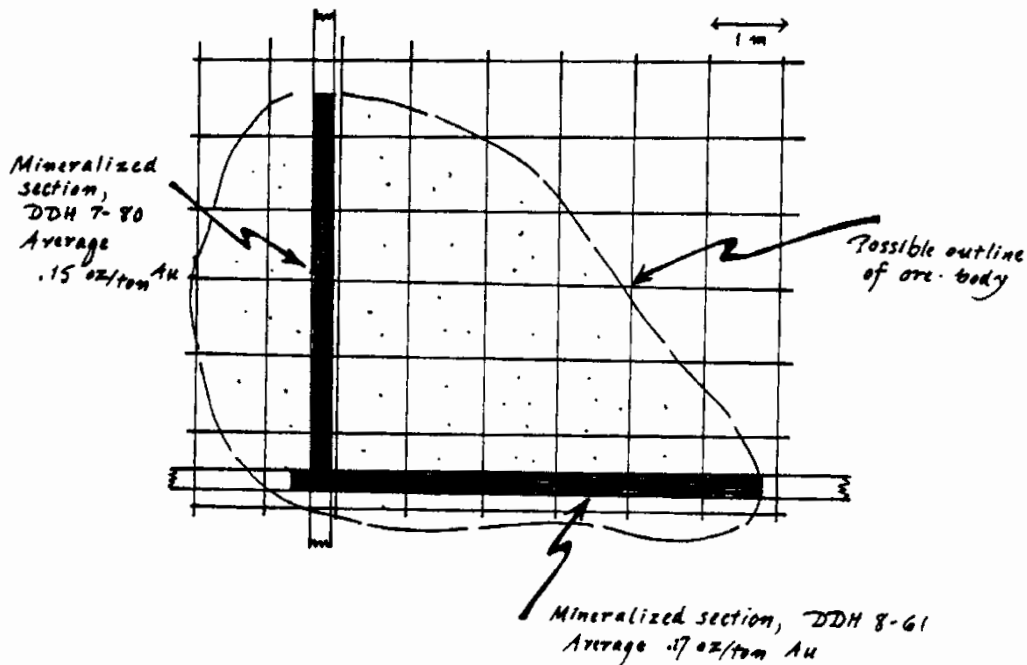
In gross section at the end of hole 8-51 this body measures 10 m vertically (DDH 7 - 80) and at least 12 m in a horizontal NE direction.

The average in the two intersections is .16 oz/ton Au. According to the overall control of northwest shears/fractures, the northwest dimension of the body should exceed its NE diameter.

The first object of the 1981 drill program should be to define the full extent of the Au-bearing zone. Several horizontal northwest-trending holes along it, plus vertical intersections northwest of DDH 7 - 80, should be used. These should be surveyed and tied in to the 1980 drill sites for best accuracy of volume estimates.

The following calculation shows the effect on total oz of Au and dollar value, depending on the NW dimension of the body.

The sketch shows the possible outlines, in cross-section, of the Au-bearing zone encountered in DDH 8-61 and DDH 7-80. Its cross-sectional area is 128 m² and its average grade, if consistent with that in the drill holes, is .16 oz/ton Au.



The size of this body depends on its extent in a northwest direction. Given the grade and NE cross-section given above, expectable volumes and amounts and dollar values of gold are as follows:

Length, NW-SE	Au, oz total	
10 m	652.8	\$ 391,680
20 m	1305.6	\$ 783,360
30 m	1958.4	\$1,175,040
40 m	2611.2	\$1,566,720
50 m	3263.0	\$1,957,800
		@ \$600/oz

The maximum probable northwest extent is 50 m, as the body was not intersected in DDH 5-80. Differences in grade, and irregularities in the shape of the body, will have a strong effect on the total Au content; therefore this calculation should be considered "ballpark" only.

The covered zone between the Earl Showings and the Pyrrhotite Creek showings should be tested with a detailed magnetometer survey. The drilling at Earl showings could be extended in this direction.

b) Copper Cliff Showings.

The drill-hole data from this area could be interpreted in two ways; either the massive sulfide body pinches out along strike, or its thickest part swings north, deeper into the hill. In the second case, a fourth hole north of DDH - 4 could provide another intersection; however the analytical results - less than 1% Cu, and negligible Au and Ag in the massive sulfide - make it unworthy of further pursuit at this time. Prospecting should be done to locate the source of the massive sulfide float (sample 8933) in Giant Creek.

c) Eastern Showings.

The Eastern showings gave one of the better silver assays on the property - 2.4 oz/t over 3.03 m (Stokes 1963). Another good silver assay came from a sample collected in 1961 along the old foot trail below the showings (R.B. Stokes personal communication). This area is as yet undrilled and incompletely mapped, and deserves further attention.

d) Western Showings.

These skarns have been partly tested by drill holes in 1961 (61-1-2). The abundance of skarns and their relatively high content of sphalerite suggest that two more short holes should be drilled from sites near the new road above the showings. Encouraging results in this area should lead to detailed magnetometer surveys and further drilling to the southeast toward the Eastern Showings.

e) Pyrrhotite Creek.

The chert-basalt contact in Pyrrhotite Creek may be a favorable site for development of skarn deposits. It should be tested by a detailed magnetometer survey from near the major switchback in the road up to a large talus patch of basalt containing abundant magnetite veins at elevation 1610 m. Particular attention should be taken of the magnetic signature of the known skarns along the creek.

2) PORPHYRY.

a) Earl Showings - Gold Pan Point.

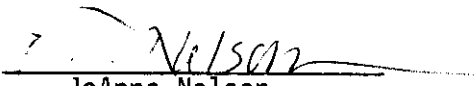
b) Copper Cliff Showings.

Both regions contain skarns and vein deposits, strongly altered country rocks over a broad area, and felsic intrusive rocks showing moderate to strong alteration and veining. Sulfides are very abundant in all rocks, and chalcopyrite and molybdenite are locally present in the intrusive rocks. These data suggest that both regions might be at the top of a major porphyry system, which might contain economic Cu-Mo mineralisation at moderate depth (within the first 300-500 meters from surface).

To test this possibility would require the following:

1. A geochemical soil survey to test for anomalous zones in Cu, Mo, Ag and Au throughout the region of altered basalt. Surveys could be one on the magnetometer grids, with extensions and additional lines where necessary based on geology and preliminary results.
2. More geological mapping in detail to outline zones and assemblages of alteration which might point toward a hydrothermal center or centers, and zones of most probable accumulation of economic minerals. Thin section petrography would be useful in this program.

3. Based on positive results of the first two steps, drilling of most probable targets, with initial holes up to 300 meters long. Based on present data, initial drilling would probably be in the altered granodiorite outcrops on the road southeast of the Copper Cliff showing, and in the Gold Pan Point area. The drill program should not be started until the skarn targets of the Earl Showings in particular have been properly tested, and steps 1 and 2 described above have been completed.


JoAnne Nelson,
Geologist.

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* * * * *

APPENDIX I.

Drill Core Logs - 1980 program.

Core is stored on the property

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DRILL CORE LOG.

Company Dunar Mines Ltd. Property "Copper Cliff" Scale 1 cm = 2 m Hole No. 2-80
 1:200

Started -	Bearing - 105°	Lat. -	Collar El. - 1122 m	Logged by: J. Nelson	Remarks: Massive sulfide with interspersed basalt from 17.72 - 24.6 m. Total thickness of MS 3.52 m Assays: Cu, Pb, Zn % values ppm Au, Ag 02/tm Assays * @ geochem.
Completed -	Angle - 70°	Dep. -	Bottom El. 1006 m	Size of core: 4.9 cm	
Driller -	Length	Location -	Level -	Survey data:	

Interval	Recovery		S	V	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval								
	From	To										M.	%	From	To	Cu	Pb	Zn	Ag	Au
0	3.36		1.5	45	overburden (base approximate)															
3.36	4.27		.7	78	basalt - dark green, very fine grained - except where altered (see mineralization) highly fractured.					bruciated zone. Abt fine chlorite veinlets. py-ep veins. Py blobs in breccia matrix + act needles, small ep grains. to cpy on a few lfs surfaces	8901	1.5	3.86	180	48	160	.5	.005		
4.27	5.5		1.2	98	moderately magnetic except in altered zones, in which mt destroyed.					finely bruciated, white silicified py veins top abundant fine chlorite veinlets act. bruciated; silicified with large percent pyrite - epidote, blobs	8902	3.66	5.5	360	17	50	.3	.005		
5.5	7.32		1.8	99						ep veins, veinlets dk gr, fine chl veinlets fair	8903	5.5	7.32	225	26	60	.3	.005		
7.32	8.72		1.4	100						unbruciated. Dark green. Py veinlets, silicified, ep, py veins + ep, act. Abt veinlets. silicified, ep, py to cpy in fracture py blobs, py veins to 1cm	8904	7.32	8.72	130	12	52	.2	.005		
8.72	9.46		.75	100		moderate- strong				py on fc; small py patches disseminated in rock	8905	8.72	9.46	74	13	70	.1	.005		
9.46	11.6		2.8	100		magnetic				zones of patchy ep, py, py veins to cpy on fractures accompanied by silicified zones with spotty chlorite shaly white alteration	8906	9.46	11.6	78/585	10/11	38/52	1/4	.010/.005		
11.6	13.11		1.6	100						patchy ep-py about 70% to cpy on fc mt veinlets, veins, disseminations outside these zones light green silicified basalt actinolite sprays	8907	11.6	13.11	645	12	48	.6	.010		
13.11	13.75		.65	100							8908	13.11	13.75	196/220	8/10	38/32	.2/.3	.005/.005		
13.75	15.22		1.4	94							8909	13.75	15.22	280	10	34	.3	.005		
15.22	16.15		1.0	100							8910	15.22	16.15	190	9	75	.2	.005		
16.15	17.69		1.6	100						lamellar texture - fine act veins/shaly silicified zones, parallel about 1-2 mm laminations! alternate with non-laminated zones + sparse py veinlets, fracture coatings	8911	16.15	17.69	1950	14	55	.6	.005		
17.69	18.72		1.6	100	MASSIVE SULFIDE - mostly po. py veins, mt disse- near top. cpy around scattered py cubes in po; at pot/ehl contacts. 18.72 - 19.72 extract as above	MS				30° small basalt layer in sulfide contact 70° po-py/ep (cpy 2%) breccia zone.	8912	17.69	18.72	525	15	62	.5	.005		
19.72	20.75		1.4	90	MASSIVE SULFIDE - mostly po. strongly magnetic. py patches - lesser cpy - patches, veinlets, mt py-pd contacts, po-based matrix	MS					8913	19.72	20.75	4050	75	200	.25	.015		
20.75	21.65		.9	100	Fault breccia - angular basalt fragments - quartz, chlorite veins in matrix BASALT.	B				core spongy, pyrite - possible shear zone Abundant vein-breccia zones - wht, light green py veinlets mt these	8914	20.75	21.65	350	375	3300	10/0	.005		
21.65	22.55		.9	100							8915	21.65	22.55	280	14	38	.4	.005		
22.55	24.8		1.6	100						near massive sulfide, quartz veins to 10 cm patchy pyrite - epidote	8916	22.55	24.8	100	13	70	.3	.005		
24.8	25.6		1.5	100	MASSIVE SULFIDE - 10-25% po, 2% cpy in act CV gangue: sulfides as stringers. fe, sickensides.	MS				strong mag netic	8917	24.8	25.6	320	10	38	.3	.005		
25.6	27.15		1.55	100	basalt	B					8918	25.6	27.15	1330	12	36	.6	.805		
27.15	28.6		1.5	100						py-py blobs	8919	27.15	28.6	490	14	60	.4	1.600		
28.6										finely bruciated. small dark green clasts in lighter silicified (?) matrix (to 20 cm) sparse thick qz veins, ep-py veins top blobs	8920			106	5	25	.1	.005		

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DRILL CORE LOG.

Company Denar Mines Ltd Property "Copper Cliff" Scale 1:200 Hole No. 2
 1:200
 Scale 1cm = 2m

Started -	Bearing - 105°	Lat. -	Collar El. - 1122 m	Logged by: <u>J. Nelson</u>	Remarks: Alteration decreasing towards bottom of hole. Py less abundant than hanging wall. Ep nearly absent.
Completed -	Angle - 70°	Dep. -	Bottom El. 1006 m	Size of core: <u>4.9 cm</u>	
Driller - <u>Interior</u>	Length <u>66.3 m</u>	Location -	Level -	Survey data:	

Interval	Recovery		S	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays					
	From	To									M.	%	From	To	Cu	Pb	Zn	Ag
56	55.8	57.4	1.6	100	Basalt - dk gn fine grained except alteration (as shown)				breccia texture less pronounced. Py veins thinner, sparser									
58	57.4	58.2	.8	100	B chips Hard-silicified				breccia texture absent or very poorly developed, only in scattered short sections.	8926	58.6	59.15	91	7	34	.1	.005	
60	59.5	60.5	.9	90						g ₂ - thick sugary vein. cut by py stringers, rare epidote.								
62	60.5	61.6	1.1	100	B chips				zone of prominent criss crossing py veins - fill two fracture sets simultaneously									
64	61.6	62.6	1.0	100	chips				py on fc surfaces throughout. 3 sugary g ₂ alteration. crumbly. Light green - chl?	8927	63.9	64.4	52	8	35	.1	.005	
66	62.6	64.4	1.4	78						py - chl on fractures. py continuous in patches								
68	64.4	65.0	.5	85														
	65.0	66.3	1.3	100														
	T.D. 66.3 m																	

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DRILL CORE LOG.

Company Diner RES. Property Copper Cliff Scale _____ Hole No. 4

Started -	Bearing - 030	Lat. -	Collar El. -	Logged by:	Remarks:
Completed -	Angle - -70	Dep. -	Bottom El. -	Size of core:	
Driller -	Length 79.3 m	Location -	Level -	Survey data:	

Core No.	Interval		Recovery		Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To	M.	%								From	To					
70																		
71	70.5	76.8	6.1	100	Basalt. dark green. relatively unaltered, unfoliated.				py vein 80° py veins, fracture coatings + light green chl. py-qz veinlets most py veins steep-late fractures? no ep.									
72																		
73																		
74																		
75																		
76																		
77	76.8	79.3	2.5	100					quartz vein - alteration. 10 cm. light green edges. sparse py veinlets patchy py near-horizontal qz vein. 1 cm Patchy py.									
78																		
79																		
80																		

TD = 79.3 m

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DRILL CORE LOG.

Company Denar Property Ferl Showings Scale 1:100 Hole No. DDH 5-80
 1 cm = 1 m

Started -	Bearing -	Lot -	Collar El. -	Logged by: <u>J. Nelson</u>	Remarks:
Completed -	Angle - <u>90°</u>	Dep. -	Bottom El. -	Size of core:	
Driller -	Length <u>316 ft.</u>	Location -	Level -	Survey data:	

Interval	Recovery		Core S/S	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To									M.	%	From	To	Cu%	Pb%	Zn%
27				basalt - in part silicified					parallel-laminated silicified zone with quartz, po.	92-97	27.9	29.4	.01	.01	.01	.01	.001
28				breccia - alteration not mechanical. mottled					gz vein - perpendicular fractures filled with act (?)								
29				basalt					breccia-textured - light anastomosing matrix								
30				breccia - alteration. Fairly indistinct fragments - rounded, irregular	B				blobby qz vein - 2 cm thick	97-101	29.4	30.6	.01	.01	.02	.01	.001
31				silicified basalt - relatively coarse-grained quartz encloses light grey, sparse cherty fragments					po-spy veins @ 70°	101-106	30.6	32.1	.01	.01	.02	.05	.001
32				bas dark grey to black					abundant ruggy act patches								
32.1	37.4								po-qz vein 3 cm thick @ 30°								
33				breccia - mottled - brown anastomosing matrix. fabric @ 20°	B				po-act veins.	106-111	32.1	33.6	.02	.06	.04	.09	.001
34									qz-ep vein.								
35				increasing silicification.					abundant po-act patches. some elongate parallel to foliation	111-115	33.6	34.85	.02	.01	.17	.06	.001
36				skarn - fine grained silicified; coarse grained calcite + sulfides. white.	S				quartz veins (columnar?) + po greenish qz vein 5 cm thick + po veins	115-119 ft			.03	.01	2.26	.09	.101
37				silicified basalt - light grey.	B				"wormy" pink-green mottling throughout abundant po patches, veins	119-124	36.06	37.6	.01	.01	.04	.01	.001
37.4	43.3			silicified basalt - mottled grey, brown, green.					5% sp - blobs intergrown with po. Coarse (2 x 2 mm grains)	124-132	37.6	40.0	.01	.01	.01	.01	.001
38									fine grained qz matrix. qz-po veins								
39									silicified, abundant qz-po veins streaky texture in blades. short breccia intervals. irregular qz veins, fine grained act.								
40				breccia (alteration) skarn: coarse grained qz - ep patches. sulfides	S	15°			cylindrical et in veinlet - open space filling	132-141 ft	40.0	42.7	.01	.01	.35	.02	.009
41				breccia (alteration)	B				4% sp. 10% po blobby, parallel to contact @ 15°	132-141 ft	40.0	42.7	.02	.01	.57	.04	.019
									streaky, blobby, lavender-grey-green ep patches; po blobs, veins qz veins. conjugate set @ 70° + po				.015	.01	.46	.03	.014

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DRILL CORE LOG.

Company Denor Property Earl Showings Scale 1cm = 1m Hole No. DDH 5-80
 1:100

Started -	Bearing -	Lat. -	Collar El. -	Logged by: <u>Nelson</u>	Remarks:
Completed -	Angle -	Dep. -	Bottom El. -	Size of core:	
Driller -	Length <u>316ft</u>	Location -	Level -	Survey data:	

Interval	Recovery		Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays						
	From	To								From	To	Cu %	Pb %	Zn %	Ag %	Au %		
41			breccia															
42			sk. light colored, white. fine grained, with coarse veins, patches sulfides. + brown ga, ep(?), wo(?)					39.5% coarse sp. po patchy veins. fine sp. aggregates disseminated. rd mineral. hematite? vertical po veins.										
43			silicified basalt. highly fractured. fractures healed (g2). strong alteration halos surround these. bleached					coarse qz - act veins po - veinlets, patches	141-144	42.7	43.6	.01	.01	.04	.01	.002		
44	43.3	49.2	breccia. streaky - textured. streaky sk. very coarse. many well-formed minerals. ct, ep, sp. open, vuggy texture breccia. streaky - textured dense buff-ga(?) in places.					sp 30% blobby po. small veinlets - patches ct, ep	146-148ft	44.2	44.8	.02	.01	.41	.04	.014		
45																		
46			silicified light grey basalt, semi-breccia					strong po development in veins										
47								5cm qz vein + po, sp po veinlets, patches. qz veins cut by sulfides.										
48			highly fractured, cream to light grey fault zone - clay with rock fragments silicified basalt - highly fractured, cream to light grey					qz-filled fracture veinlets parallel fault plane										
49	49.2	54.8	skarn. ct, ep, light green mineral, mixed with white qz, grey breccia fragments. breccia. mottled, streaky grey. cut by abundant light creamy fine grained qz					cherty qz in fractures parallel to fault 3cm ct-po-sp vein - sp 10% - coarse										
50								highly fractured. 80°. po-act in fractures. asp vein 1cm										
51								quartz alteration 1po as patches with act; veins. white qz vein minor sp at selvage of qz vein po dissem. sp 2% disseminated										
52			sk. relatively fine grained. qz + ct - ep intergrowths (skeletal ct around ep), coarse ct patches. abundant ga - patchy fine grained act agg.					po-act veins, clumps										
53			breccia. streaky, mottled texture. grey, cream, rare pink.															
54			sk. qz, ct, sulfides, ga, dit(?)					po blobs.										
55			breccia. streaky, mottled texture green, creamy, pink.						178-179 ft.	53.9	54.2	.02	.01	1.17	.02	.015		



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DRILL CORE LOG.

3 - 6

Company Densar Property Fair - Showing Scale 1 cm = 1 m Hole No. DDH 5-80

Started -	Bearing -	Lat. -	Collar El. -	Logged by: <u>J. Nelson</u>	Remarks:	
Completed -	Angle -	Dep. -	Bottom El. -			Size of core:
Driller -	Length <u>316 ft</u>	Location -	Level -			Survey data:

Interval	Recovery		Core	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To									M.	%	From	To	Ca%	Pb%	Zn%
69									3 cm patchy po - trace sp. extensive qz veining with po.	230-233 ft			.01	.01	.03	.02	.001
70				mild brecciation, streaky texture in places		B			patchy po + 10% sp in qz. po-act-ep patches								
71				white qz alteration white fine grained qd + py dike @ 20°					py-po on fracture surfaces								
72				basalt - mottled with qz alteration		B			po - patchy, in veins. irregular qz alteration act-po patches veins								
73									20 cm qz vein - po on features								
74																	
75				basalt. dark green fine grained relatively unaltered. lightly fractured		B			po-py clump. brown to green (bleached selvages) coarse qz. plag-act-ep-po segregations								
76									mottled texture in places. act segregations - fine, coarse								
77				biotite noted - in small stringers; oriented plates. @ 25° to core axis			25°		patchy act. segregations. ep less common								
78																	
79				silicified zone. sugary quartz veins, grey cherty alteration													
80									patchy act segregations abundant some veins. po in veins, veinlets								
81																	
82									qz vein with bright green ep sp								
83				calcareous siltstone? laminated at 10° to core axis. light grey stain. coarse			5°		py veinlets qz-act-po-sp (10%) - ep (tr)	275-279 ft	83.3	84.5	.02	.01	.47	.02	.001

STOKES EXPLORATION MANAGEMENT CO. LTD.
 STE. 713 - 744 W. HASTINGS ST., VANCOUVER, B.C. V6C 1A5
 TEL. (604) 688-8541 CANADA

DRILL CORE LOG.

Company Demar Mines Ltd. Property Demar (East Showings) Scale 1cm = 1m Hole No. 7-80

Started -	Bearing -	Lat. -	Collar El. -	Logged by: <u>J. Nelson</u>	Remarks:
Completed -	Angle - <u>90°</u>	Dep. -	Bottom El. -	Size of core:	
Driller -	Length	Location -	Level -	Survey data:	

Interval	Recovery		Core	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To									M.	%	From	To	Cu%	Pb%	Zn%
50										166-171	50.3	51.8	.01	.01	.01	.01	.001
51				basalt													
52										171-176	51.8	53.3	.01	.01	.01	.01	.001
53																	
54						B			qz veins	176-181	53.3	57.8	.02	.01	.03	.01	.048
55	54.7	60.4		basalt - strongly mottled. brown background, light green (actinolite-quartz?) patches with amaxbrid shapes. no preferred fabric.					fuzzy qz vein 4 cm Ø 15°, cp patches inside.	181-185	57.8	56.1	.01	.01	.02	.01	.009
56									qz vein - silicified, indistinct margins. Epidote throughout	185-189	58.1	57.3	.01	.01	.02	.01	.001
57									qz fracture vein Ø 60° part - blobby zone leads down to qz vein Ø 25°. abundant po								
58									po in lt green patches throughout	189-194	57.3	58.8	.01	.01	.01	.01	.001
59						B			silicified zone cut by abundant steep, sharp-edged qz-act (?) veins. + po	194-199	58.8	60.3	.01	.01	.01	.01	.001
60									silicified zone. abundant sharp-edged, steep act-qz veins + po	199-204	60.3	61.8	.01	.01	.02	.01	.001
61	60.4	65.7		skarn. dense ga in silicified matrix. basalt. chl in fractures		S											
62						B											
63				skarn. dark ga + dit py patches. top.		S											
64									trace sp.	209-214	63.3	64.8	.01	.01	.04	.01	.001

STOKES EXPLORATION MANAGEMENT CO. LTD.
 STE. 713-744 W. HASTINGS ST., VANCOUVER, B.C. V6C 1A5
 TEL. (604) 688-8541 CANADA

DRILL CORE LOG.

Company Demar Mines Ltd. Property Earl Showings Scale 1:100 Hole No. DDH-8-80
 1cm = 1m

Started -	Bearing - 60°	Lat. -	Collar El. -	Logged by: <u>J. Nelson</u>	Remarks:
Completed -	Angle - 65°	Dep. -	Bottom El. -	Size of core:	
Driller -	Length	Location -	Level -	Survey data:	

Interval	Recovery	M	%	Strat	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays					
												From	To	Cu%	Pb%	Zn%	Ag ^{oz} /ton	Au ^{oz} /ton	
24					skarn - dense garnet basalt interval					abundant po veinlets									
25											82-87	24.8	26.4	.01	.04	.12	.03	.004	
26					streaky silicified / diopside skarn thin silicified basalt intervals					po patches trid. sp. with ga bands @ 50	87-92	26.4	27.9	.01	.02	.25	.01	.008	
27																			
28					silicified basalt					3cm ep-cr-sp patch thick sugary qz veins + po	92-97	27.9	29.4	.01	.01	.21	.01	.011	
29	29.2	33.65			chips swirled texture					qz vein, 1 cm across cuts po veinlets - follows several fracture systems	97-101	29.4	30.6	.01	.01	.01	.01	.002	
30					dark, more homogeneous basalt					cr-po patches, very coarse - sampled backwards									
31										po in fracture veinlets	101-106	30.6	32.1	.01	.01	.01	.01	.001	
32					coarse brown basalt + biotite					5 cm qz vein @ 30°	106-111	32.1	33.6	.01	.01	.01	.01	.001	
33																			
34	33.65	40.4			basalt: dark green to brown, relatively coarse with abundant biotite - contact metamorphic					thick sugary qz veins - many grade into matrix	111-116	33.6	35.1	.01	.01	.01	.01	.001	
35										po veins sparse - fractures-veins abundant	116-119	35.1	36.0	.01	.01	.01	.01	.001	
36											119-124	36.0	37.6	.01	.01	.34	.01	.001	
37																			
38											124-128	37.6	38.8	.01	.01	.09	.01	.001	

STOKES EXPLORATION MANAGEMENT CO. LTD.
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DRILL CORE LOG.

Company Dimer Mines Ltd Property Earl Showings Scale 1 cm = 1 m Hole No. DDH-8-80

Started -	Bearing - 60°	Lat. -	Collar El. -	Logged by: <u>J. Nelson</u>	Remarks:
Completed -	Angle - 65°	Dep. -	Bottom El. -	Size of core:	
Driller -	Length	Location -	Level -	Survey data:	

Interval	Recovery		S	V	S	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To											M.	%	From	To	Cu%	Pb%	Zn%
38						basalt - green to brown (biotite-rich) homogeneous, very fine grained						133	38.8	41.3	.01	.01	.01	.01	.001
39								B											
40																			
41	40.4	46.1				dark green basalt, homogeneous chlm fractures					3 sparse po fracture veinlets - visible mineralization much less than above	133-138	40.3	41.8	.01	.01	.01	.01	.001
42																			
43						- thin-laminated green fault zone? + py dips						138-142	41.8	43.0	.01	.01	.01	.01	.001
44																			
45												142-147	43.0	44.5	.01	.01	.01	.01	.001
46																			
47	46.1	51.7				dark green basalt					raggy qz vein - euhedral crystals	147-151	44.5	45.8	.01	.01	.01	.01	.001
48								B			poorly mineralized	151-156	45.8	47.3	.01	.01	.01	.01	.001
49											scattered po fracture veinlets: small actinolite segregations	156-161	47.3	48.8	.01	.01	.01	.01	.001
50																			
51											2 cm po vein @ 45°	161-166	48.8	50.3	.01	.01	.01	.01	.001
52	51.7	57.1				basalt - more variable texture, due to silicification						166-171	50.3	51.8	.01	.01	.04	.02	.003
								B				171-176	51.8	53.3	.02	.01	.05	.02	.001



STOKES EXPLORATION MANAGEMENT CO. LTD.
 STE. 713-744 W. HASTINGS ST., VANCOUVER, B.C. V6C 1A5
 TEL. (604) 688-8541 CANADA

DRILL CORE LOG.

Company Denar Mines Ltd. Property Earl Showings Scale 1 cm = 1 m Hole No. DDH 9-80

1:100

Started -	Bearing -	Lat. -	Collar El. -	Logged by: <u>JLN</u>	Remarks:
Completed -	Angle -	Dep. -	Bottom El.	Size of core:	
Driller -	Length	Location -	Level -	Survey data:	

Interval	Recovery		S	Description of Unit	L = Lithology S = Structure M = Mineralization	L	S	M	Description of Mineralization	Sample No.	Interval		Assays				
	From	To									M.	%	From	To	Cu	Pb	Zn
26				skarn		S				85-90	25.8	27.3	69	79	134	.8	.085
27	27.25	33.1		basalt. highly fractured. light green, grey silicified						90-95	27.3	28.8	122	3	3025	.4	.130
28				very highly fractured. Probable fault					fault breccia in qz matrix								
29				silicified, streaky basalt. ep clots highly fractured		B				95-100	28.8	30.3	65	3	1415	.4	.310
30				pink, grey streaks cut each other strongly mottled, streaked grey, green cherty basalt.					ep-po-sp clots ga-ep-ct clots	100-105	30.3	31.8	53	9	332	.5	.050
31				streaks @ 60°													
32				streaks @ 40° garnet shows parallel development.		B			patchy po	105-110	31.8	33.3	124	5	625	.2	.070
33	33.1	39.05								110-115	33.3	34.9	94	1	136	.3	.005
34				skarn. fairly coarse. ga-ep-di		S			minor po. trace sp								
35				basalt													
36				dark green basalt mottled texture		B				115-120	34.9	36.4	151	4	97	.3	.010
37				streaky green, brown basalt. green around fractures					abundant chl veinlets cut qz alteration	120-125	36.4	37.9	118	3	86	.4	.010
38				very silicified. po patches in fabric @ 60°						125-130	37.9	39.4	117	9	135	.5	.010
39				skarn. ga-ep-di in silicified matrix		S			trace sp, ct. abundant ep-coated fractures								
40				basalt. irregularly silicified. highly fractured, brecciated with po, ct, ct.		B				130-135	39.4	40.9	218	5	224	.4	.005

APPENDIX II.

Assay and geochemical results -

1980 program.



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsfort, B.C.
V2S 2C4

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1237

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

D. D. H. No. 1

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	008960	.02	.01	.02	.01	.01	.001	1
2	008961	.02	.01	.01	.01	.01	.001	2
3	008962	.01	.01	.01	.01	.01	.001	3
4	008963	.01	.01	.01	.01	.01	.001	4
5	008964	.01	.01	.01	.01	.01	.001	5
6	008965	.02	.01	.01	.01	.01	.001	6
7	008966	.02	.01	.01	.01	.01	.001	7
8	008967	.02	.01	.01	.01	.01	.001	8
9	008968	.02	.01	.01	.01	.01	.001	9
10	008969	.02	.01	.01	.01	.01	.001	10
11	008970	.01	.01	.01	.01	.01	.001	11
12	008971	.01	.01	.01	.01	.01	.001	12
13	008972	.01	.01	.01	.01	.01	.001	13
14	008973	.02	.01	.01	.01	.01	.001	14
15	008974	.01	.01	.01	.01	.01	.001	15
16	008975	.01	.01	.01	.01	.01	.001	16
17	008976	.01	.01	.01	.01	.01	.001	17
18	008977	.01	.01	.01	.01	.02	.001	18
19	008978	.01	.01	.01	.01	.01	.001	19
20								20

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DATE SAMPLES RECEIVED Oct. 9, 1980

DATE REPORTS MAILED Oct. 16, 1980

ASSAYER

[Signature]

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsfort, B.C.
V2S 2C4

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

phone: 253 - 3158

File No. 80-951

Type of Samples Cores

Disposition _____

GEOCHEMICAL ASSAY CERTIFICATE

1

P.D. K-2

SAMPLE No.	Cu	Pb	Zn	Ag	Au	Ni					
# 8901	180	48	160	.5	.005	23				1.5- 3.36M	1
8902	360	17	50	.3	.005	66				3.66- 5.5	2
8903	225	26	60	.3	.005	158				5.5 - 7.32	3
8904	130	12	52	.2	.005	150				7.32- 8.72	4
8905	74	13	70	.1	.005	140				8.72- 9.46	5
8906(1)	78	10	38	.1	.010	72				9.46-11.6	6
8906(2)	585	11	52	.4	.005	80				9.46-11.6	7
8907	645	12	48	.6	.010	92				11.6 -13.11	8
8908(1)	196	8	38	.2	.005	41				13.11-15.22	9
8908(2)	220	10	32	.3	.005	37				13.11-15.22	10
8909	280	10	34	.3	.005	48				15.22-16.15	11
8910	190	9	75	.2	.005	52				16.15-17.72	12
8911	1950	14	55	.6	.005	30				17.72-18.72	13
8912	525	15	62	.3	.005	12				18.72-18.74	14
8913	4050	75	200	2.6	.015	32				18.74-20.11	15
8914	350	375	3300	10.0	.005	28				20.11-20.75	16
8915	280	14	38	.4	.005	25				20.75-21.65	17
8916	100	13	70	.3	.005	76				21.65-22.55	18
8917	320	10	38	.3	.005	24				22.55-23.45	19
8918	1330	12	36	.6	.005	18				23.45-24.6	20
8919	490	14	60	.4	1.600	29				24.6-25.6	21
8920	106	5	25	.1	.005	44				27.4 -28.45	22
8921	84	5	32	.1	.005	50				31.3 -32.6	23
8922	57	8	40	.1	.005	68				37.3 -38.4	24
8923	72	7	32	.2	.005	50				43 -41.35	25
8924	85	10	34	.1	.005	44				46.7 -47.3	26
8925	75	7	38	.1	.005	58				54.3 -55.5	27
8926	91	7	34	.1	.005	62				58.4 -59.15	28
# 8927	52	8	35	.1	.005	56				63.5 -64.4 M	29
											30
											31
											32
											33
											34
											35
											36
											37
											38
											39
											40

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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED Aug. 28, 1980

DATE REPORTS MAILED Sept. 8, 1980

ASSAYER *D. Toye*

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



To: Denar Mines Ltd.,

SCIENCE ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

phone: 253 - 3158

File No. 80-951

Type of Samples Rock, Rockchip

Disposition _____

GEOCHEMICAL ASSAY CERTIFICATE

2

SAMPLE No.	Mo	Cu	Pb	Zn	Ag	Au	Ni	W				
# 008932	1	610	22	75	.6	.100	50	1			Spec.	1
008933 *												2
008951 *												3
008952	2	320	13	40	.2	.010	25	1				4
008953	6	95	9	25	.1	.005	33	1				5
008954	1	60	15	12	.1	.010	58	1				6
008955 *												7
008956	7	70	8	18	.1	.005	34	1				8
008957	1	300	15	10	.2	.010	140	2				9
# 008958	3	25	3	8	.1	.005	12	1				10
												11
DH#3 22.4 -23.3 m	2	510	12	18	.4	.005	70	1				12
29.1 -30.18	2	900	15	45	.5	.010	44	1				13
30.18-31.05	1	9700	18	48	1.8	.045	56	1				14
DH#3 31.05-31.7 m	1	850	13	44	.4	.005	31	1				15
												16
												17
												18
												19
												20
												21
												22
												23
												24
												25
												26
												27
												28
												29
												30
												31
												32
												33
												34
												35
												36
												37
												38
												39
												40

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REVISIONS:.....

DETERMINATION:.....

* assay result

DATE SAMPLES RECEIVED Aug. 28, 1980

DATE REPORTS MAILED Sept. 8, 1980

ASSAYER Dean Toye

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsfort, B.C.

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-951 B

Type of Samples Rocks

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Mo%	Cu%	Pb%	Zn%	Ag oz/ton	Au oz/ton	Ni%	No.	W%
1	# 008933	.001	.32	.01	.01	.03	.001	.01	1	Trac
2									2	
3	# 008951	.001	.39	.01	.01	.02	.001	.01	3	Trac
4									4	
5	# 008955	.059	.01	.01	.01	.01	.001	.01	5	Trac
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20									20	

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DATE SAMPLES RECEIVED Aug. 28, 1980

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ASSAYER

Dean Toye

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1237

Type of Samples Core

Disposition

ASSAY CERTIFICATE

D.D.H. No. 4

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	008979	.01	.01	.01	.02	.01	.001	1
2	008980	.01	.01	.01	.01	.01	.001	2
3	008981	.01	.01	.01	.01	.01	.001	3
4	008982	.02	.01	.01	.01	.01	.001	4
5	008983	.01	.01	.01	.01	.01	.001	5
6	008984	.01	.01	.01	.01	.01	.001	6
7	008985	.02	.01	.01	.02	.01	.001	7
8	008986	.02	.01	.01	.02	.01	.001	8
9	008987	.01	.01	.01	.02	.01	.001	9
10	008988	.01	.01	.01	.01	.01	.001	10
11	008989	.01	.01	.01	.03	.01	.001	11
12	008990	.02	.01	.01	.02	.01	.001	12
13	008991	.01	.01	.01	.01	.01	.002	13
14	008992	.01	.01	.01	.01	.01	.001	14
15	008993	.01	.01	.01	.01	.01	.001	15
16	008994	.01	.01	.01	.01	.01	.001	16
17								17
18								18
19								19
20								20

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DATE SAMPLES RECEIVED Oct. 9, 1980

DATE REPORTS MAILED Oct. 16, 1980

ASSAYER

D. Toye

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsford, B.C.
V2S 2C4

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1237

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	B3-H4 87- 92	.01	.01	.04	.04	.01	.001	1
2	^{20.6 23.2} B2-H5 68- 76.5	.01	.01	.04	.04	.01	.001	2
3	^{22.1 24.2} B2-H5 82- 86	.01	.01	.01	.01	.01	.001	3
4	^{27.9 29.4} B3-H5 92- 97	.01	.01	.01	.01	.01	.001	4
5	^{28.7 30.6} B3-H5 97-101	.01	.01	.02	.01	.01	.001	5
6	^{30.6 32.1} B3-H5 101-106	.01	.01	.02	.05	.01	.001	6
7	^{32.1 33.6} B4-H5 106-111	.02	.06	.04	.09	.01	.001	7
8	^{33.6 34.55} B4-H5 111-115	.02	.01	.17	.06	.01	.001	8
9	^{34.55 35.4} B4-H5 119-124	.01	.01	.04	.01	.01	.001	9
10	^{35.4 36.3} B5-H5 124-132	.01	.01	.01	.01	.01	.001	10
11	^{36.3 37.2} B5-H5 141-144	.01	.01	.04	.01	.01	.002	11
12	^{37.2 38.1} B1-H6 28- 32	.01	.01	.07	.07	.01	.001	12
13	^{38.1 39.0} B1-H6 32- 36	.01	.01	.01	.02	.01	.001	13
14	^{39.0 40.0} B1-H6 36- 40	.01	.01	.01	.02	.01	.001	14
15	^{40.0 41.0} B1-H6 40- 45	.01	.01	.02	.01	.01	.001	15
16	^{41.0 42.0} B2-H6 45- 49	.01	.01	.15	.01	.01	.009	16
17	^{42.0 43.0} B2-H6 49- 54	.01	.01	.03	.01	.01	.004	17
18	^{43.0 44.0} B2-H6 54- 59	.01	.01	.01	.01	.01	.001	18
19	^{44.0 45.0} B2-H6 59- 63	.01	.01	.01	.01	.01	.001	19
20								20

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DATE SAMPLES RECEIVED Oct. 20, 1980

DATE REPORTS MAILED Oct. 28, 1980

ASSAYER _____

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsfort, B.C.

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

11-5-80

80-1195

File No. _____

Type of Samples Cores

Disposition _____

ASSAY CERTIFICATE

H-5

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	51.3- 52.3	.03	.01	1.45	.17	.02	.001	1
2	59 - 60.4	.02	.03	1.02	.10	.01	.001	2
3	74.5- 76.5	.01	.01	.23	.02	.02	.001	3
4	115 -119	.03	.01	2.26	.09	.01	.101	4
5	132 -141	.01	.01	.35	.02	.01	.009	5
6	132 -141 A	.02	.01	.57	.04	.01	.019	6
7	146 -148	.02	.01	.41	.04	.02	.014	7
8	178 -179	.02	.01	1.17	.02	.01	.015	8
9	216 -218.9	.01	.01	.31	.04	.01	.008	9
10	223 -224.4	.01	.01	.17	.01	.02	.001	10
11	230 -233	.01	.01	.03	.02	.01	.001	11
12	275 -279	.02	.01	.47	.02	.01	.001	12
13	287 -290	.01	.01	.22	.01	.01	.001	13
14	290 -292	.01	.01	.07	.02	.01	.013	14
15	EARL - S	.01	.01	.03	.02	.01	.001	15
16								16
17								17
18								18
19								19
20								20

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DATE SAMPLES RECEIVED Oct. 3, 1980

DATE REPORTS MAILED Oct. 7, 1980

ASSAYER

=====

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1287

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

2

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	B3-H6 63-68 ^{19.1 25.6}	.01	.01	.01	.05	.01	.001	1
2	B3-H6 68-73 ^{22.2 23.1}	.01	.01	.01	.01	.01	.001	2
3	B3-H6 73-78 ^{22.1 23.6}	.01	.01	.01	.04	.01	.001	3
4	B3-H6 78-83 ^{23.6 25.1}	.01	.01	.01	.02	.01	.001	4
5	B4-H6 83-88 ^{25.1 26.7}	.01	.01	.01	.01	.01	.001	5
6	B4-H6 88-93 ^{26.7 28.2}	.01	.01	.01	.01	.01	.001	6
7	B4-H6 93-98 ^{28.2 29.7}	.01	.01	.01	.02	.01	.001	7
8	B4-H6 98-102 ^{29.7 31.2}	.01	.01	.01	.01	.01	.001	8
9	B5-H6 102-106 ^{31.2 32.7}	.01	.01	.01	.01	.01	.001	9
10	B5-H6 106-111 ^{32.7 34.2}	.01	.01	.01	.01	.01	.001	10
11	B5-H6 111-116 ^{34.2 35.7}	.01	.01	.01	.01	.01	.001	11
12	B5-H6 116-121 ^{35.7 37.2}	.01	.01	.01	.01	.01	.001	12
13								13
14	B6-H6 121-126 ^{37.2 38.7}	.01	.01	.01	.01	.01	.001	14
15	B6-H6 126-130 ^{38.7 40.2}	.01	.01	.01	.01	.01	.001	15
16	B6-H6 130-136 ^{40.2 41.7}	.01	.01	.01	.01	.01	.001	16
17	B6-H6 136-141 ^{41.7 43.2}	.01	.01	.01	.01	.01	.001	17
18								18
19								19
20								20

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DATE SAMPLES RECEIVED Oct. 20, 1980

DATE REPORTS MAILED Oct. 28, 1980

ASSAYER _____

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1287

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

3

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	42.2 44.2 B7-H6 141-146	.01	Trace	.06	.01	.01	.001	1
2	44.2 47.8 B7-H6 146-148	.01	Trace	.10	.02	.01	.003	2
3	47.3 B7-H6 148-156	.01	Trace	.01	.01	.01	.001	3
4	48.2 B7-H6 156-159	.01	Trace	.01	.01	.01	.001	4
5	49.7 B8-H6 159-164	.01	Trace	.01	.01	.01	.001	5
6	50.75 B8-H6 164-167.5	.01	Trace	.11	.01	.01	.004	6
7	52.1 B8-H6 167.5-172	.01	Trace	.04	.01	.01	.001	7
8	54.2 B8-H6 172-179	.01	Trace	.09	.01	.01	.001	8
9	55.4 B9-H6 178-183	.01	Trace	.04	.01	.01	.006	9
10	57.7 B9-H6 183-187	.01	Trace	.06	.02	.01	.011	10
11	58.2 B9-H6 187-192	.01	Trace	.10	.06	.01	.001	11
12	59.7 B9-H6 192-197	.01	.01	.09	.01	.01	.001	12
13								13
14	61.6 B10-H6 197-200	.01	Trace	.01	.02	.01	.001	14
15	63.7 B10-H6 200-207	.01	.20	.56	1.01	.01	.001	15
16	63.9 B10-H6 207-211	.01	.01	.08	.38	.01	.001	16
17	65.1 B10-H6 211-215	.01	.01	.05	.04	.01	.001	17
18								18
19								19
20								20

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ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1287

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

4

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	^{52.7} B11-H6 215-220	.01	.01	.02	.01	.01	.002	1
2	^{62.8} B11-H6 220-227	.01	Trace	.01	.01	.01	.001	2
3	^{70.6} B11-H6 227-233	.01	Trace	.01	.01	.01	.001	3
4								4
5	^{32 77.1} B12-H6 234-238	.01	Trace	.01	.01	.01	.001	5
6	^{73.6} B12-H6 238-243	.01	Trace	.01	.01	.01	.001	6
7	^{74.5} B12-H6 243-247	.01	Trace	.01	.01	.01	.002	7
8	^{70.4} B12-H6 247-252	.01	Trace	.01	.01	.01	.001	8
9								9
10	^{77.9} B13-H6 252-257	.01	Trace	.01	.01	.01	.002	10
11	^{79.7} B13-H6 257-262	.01	Trace	.01	.01	.01	.001	11
12	^{80.9} B13-H6 262-267	.01	Trace	.01	.01	.01	.089	12
13	^{82.1} B13-H6 267-271	.02	Trace	.01	.01	.01	.025	13
14	^{85.6} B14-H6 271-276	.01	Trace	.01	.01	.01	.004	14
15	^{84.8} B14-H6 276-280	.01	Trace	.01	.01	.01	.002	15
16	^{86.4} B14-H6 280-285	.01	Trace	.01	.01	.01	.001	16
17	^{87.6} B14-H6 285-289	.01	.01	.03	.01	.01	.009	17
18								18
19	^{89.7} B15-H6 289-295	.01	Trace	.03	.01	.01	.004	19
20	EART S-7	.01	Trace	.01	.01	.01	.001	20

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ASSAYER _____

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsford, B.C.
V2S 2C4

ANALYTICAL LABORATORIES LTD.
Assaying & Trace Analysis
852 E. Hastings St., Vancouver, B.C. V6A 1R6
Telephone: 253 - 3158

File No. 80-1322
Type of Samples Core
Disposition _____

ASSAY CERTIFICATE

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	B1-H7 15.9 31- 36	.02	.01	.38	.01	.02	.001	1
2	9.4 36- 41 12.4	.02	.01	[REDACTED]	.01	.01	.001	2
3	41- 46 13.0	.01	.01	.24	.01	.01	.005	3
4	B1-H7 46- 51 15.0	.01	.01	[REDACTED]	.01	.01	.002	4
5	B2-H7 51- 56 17.0	.01	.01	.01	.01	.01	.001	5
6	56- 60 18.2	.01	.01	.01	.01	.01	.001	6
7	60- 65 19.7	.01	.01	.01	.01	.01	.001	7
8	B2-H7 65- 70 21.2	.01	.01	.01	.01	.01	.001	8
9	B3-H7 70- 76 23.0	.01	.01	.05	.01	.01	.009	9
10	76- 79 23.9	[REDACTED]	.01	[REDACTED]	.08	.01	[REDACTED]	10
11	79- 84 25.5	.02	.01	[REDACTED]	.01	.01	[REDACTED]	11
12	B3-H7 84- 89 27.0	.03	[REDACTED]	[REDACTED]	[REDACTED]	.01	[REDACTED]	12
13	B4-H7 89- 94 28.5	.02	.01	.04	.01	.01	.001	13
14	94- 99 30.0	.01	.01	.02	.01	.01	.001	14
15	99-104 31.5	.02	.01	.22	.03	.01	[REDACTED]	15
16	B4-H7 104-107 32.4	.02	.01	.16	.01	.01	[REDACTED]	16
17	B5-H7 107-112 33.9	.02	.01	.10	.05	.01	[REDACTED]	17
18	B5-H7 112-117 35.5	.02	.01	.02	.01	.01	.001	18
19								19
20								20

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DATE SAMPLES RECEIVED Oct. 24, 1980

DATE REPORTS MAILED Nov. 4, 1980

ASSAYER _____

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1322

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

2

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	B5-H7 367 117-121	.01	.01	.01	.01	.01	.001	1
2	B5-H7 379 121-125	.01	.01	.05	.01	.01	.001	2
3	B6-H7 394 125-130	.01	.01	.02	.01	.01	.002	3
4	130-135 425	.01	.01	.01	.01	.01	.001	4
5	135-139 421	.01	.01	.01	.01	.01	.001	5
6	B6-H7 433 139-143	.01	.01	.03	.01	.01	.001	6
7	B7-H7 448 143-148	.01	.01	.01	.01	.01	.001	7
8	B7-H7 461 148-152	.01	.01	.01	.01	.01	.001	8
9								9
10	B7-H7 476 152-157	.01	.01	.01	.01	.01	.001	10
11	B7-H7 491 157-162	.01	.01	.01	.01	.01	.001	11
12	B8-H7 503 162-166	.02	.04	.42	.11	.01	.004	12
13	166-171 518	.01	.01	.01	.01	.01	.001	13
14	171-176 533	.01	.01	.01	.01	.01	.001	14
15	B8-H7 548 176-181	.02	.01	.03	.01	.01		15
16	B9-H7 551 181-185	.01	.01	.02	.01	.01		16
17	185-189 573	.01	.01	.02	.01	.01	.001	17
18	189-194 588	.01	.01	.01	.01	.01	.001	18
19	B9-H7 593 194-199	.01	.01	.01	.01	.01	.001	19
20								20

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ASSAYER _____

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



To: Denar Mines Ltd.,

ASSAY ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1322

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	B10-H7 199-204 <i>51.8</i>	.01	.01	.02	.01	.01	.001	1
2	204-209 <i>63.3</i>	.01	.01	.10	.01	.01	.001	2
3	209-214 <i>57.8</i>	.01	.01	.04	.01	.01	.001	3
4	B10-H7 214-219 <i>66.4</i>	.01	.01	.03	.01	.01	.001	4
5								5
6	B11-H7 219-224 <i>67.9</i>	.01	.01	.01	.01	.01	.001	6
7	224-229 <i>61.4</i>	.01	.01	.02	.02	.01	.001	7
8	229-234 <i>70.9</i>	.01	.01	.07	.01	.01	.001	8
9	B11-H7 234-239 <i>72.4</i>	.01	.01	.01	.01	.01	.001	9
10	B12-H7 239-244 <i>73.9</i>	.01	.01	.01	.01	.01	.001	10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20

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ASSAYER

[Signature]

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsfort, B.C.
V2S 2C4

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

80-1418

File No. _____

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	H-8-B1 ^{14.6} 39- 48	.01	.01	.20	.01	.01	.002	1
2	48- 53 ^{16.05}	.02	.01	.31	.01	.01	.014	2
3	H-8-B1 ^{17.6} 53- 58	.01	.01	.12	.02	.01	.005	3
4	H-8-B2 ^{19.1} 58- 63	.02	.01	.02	.01	.01	.001	4
5	63- 68 ^{20.6}	.01	.01	.17	.01	.01	.001	5
6	68- 73 ^{22.1}	.01	.01	.05	.01	.01	.001	6
7	H-8-B2 ^{23.3} 73- 77	.01	.01	.21	.01	.01	.004	7
8	H-8-B3 ^{24.9} 77-82	.02	.01	.71	.01	.01	.137 ✓	8
9	82- 87 ^{26.4}	.01	.04	.12	.03	.01	.004	9
10	87- 92 ^{27.9}	.01	.02	.25	.01	.01	.008	10
11	H-8-B3 ^{29.4} 92- 97	.01	.01	.21	.01	.01	.011	11
12	H-8-B4 ^{30.6} 96-101	.01	.01	.01	.01	.01	.002	12
13	101-106 ^{32.1}	.01	.01	.01	.01	.01	.001	13
14	106-111 ^{33.6}	.01	.01	.01	.01	.01	.001	14
15	H-8-B4 ^{35.1} 111-116	.01	.01	.01	.01	.01	.011	15
16	H-8-B5 ^{36.0} 116-119	.01	.01	.01	.01	.01	.001	16
17	119-124 ^{37.6}	.01	.01	.34	.01	.01	.001	17
18	124-128 ^{39.8}	.01	.01	.09	.01	.01	.001	18
19	H-8-B5 ^{41.3} 128-133	.01	.01	.01	.01	.01	.001	19
20								20

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DATE SAMPLES RECEIVED Nov. 10, 1980

DATE REPORTS MAILED Nov. 18, 1980

ASSAYER

Dean Toye

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 80-1418

Type of Samples Core

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Cu%	Pb%	Zn%	Ag oz/ton	Ni%	Au oz/ton	No.
1	H-8-B6 133-138	.01	.01	.01	.01	.01	.001	1
2	H-8-B6 137-142	.01	.01	.01	.01	.01	.001	2
3	H-8-B6 142-147	.01	.01	.01	.01	.01	.001	3
4	H-8-B6 147-151	.01	.01	.01	.01	.01	.001	4
5								5
6	H-8-B7 151-156	.01	.01	.01	.01	.01	.001	6
7	H-8-B7 156-161	.01	.01	.01	.01	.01	.001	7
8	H-8-B7 161-166	.01	.01	.01	.01	.01	.001	8
9	H-8-B7 166-171	.01	.01	.04	.02	.01	.003	9
10								10
11	H-8-B8 171-176	.02	.01	.05	.02	.01	.001	11
12	H-8-B8 176-181	.01	.01	.02	.01	.01	.001	12
13	H-8-B8 181-186	.01	.01	.01	.01	.01	.001	13
14	H-8-B8 186-191	.02	.01	.37	.01	.01	.006	14
15								15
16	H-8-B9 191-195	.01	.01	.02	.01	.01	.001	16
17	H-8-B9 195-200	.01	.01	.02	.01	.01	.001	17
18	H-8-B9 200-205	.01	.01	.01	.01	.01	.001	18
19								19
20								20

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DATE SAMPLES RECEIVED Nov. 10, 1980

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ASSAYER

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



To: Denar Mines Ltd.,
33825 S. Fraser Way,
Abbotsford, B.C.
V2S 2C4

ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

phone: 253 - 3158

File No. 80-1420

Type of Samples Core

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

SAMPLE No.	Cu	Pb	Zn	Ag	Ni	Au					
H9-B1 43-48 ^{13.0} ^{12.5}	134	9	307	.5	19	.005					1
48-55 ^{14.7}	1351	19	1759	5.2	45	.010					2
55-60 ^{2.2}	200	3	75	.6	40	.015					3
H9-B1 60-65 ^{19.7}	85	3	64	.5	41	.005					4
											5
H9-B2 65-70 ^{21.2}	127	13	4187	.4	18	.510					6
70-75 ^{22.7}	160	15	330	.8	36	.070					7
75-80 ^{24.2}	128	10	190	1.5	45	.065					8
H9-B2 80-85 ^{25.7}	141	5	61	.4	43	.020					9
											10
H9-B3 85-90 ^{27.3}	69	79	134	.8	43	.085					11
90-95 ^{28.7}	122	3	3025	.4	46	.130					12
95-100 ^{30.3}	65	3	1415	.4	31	.310					13
H9-B3 100-105 ^{31.8}	53	9	332	.5	33	.050					14
											15
H9-B4 105-110 ^{33.3}	124	5	625	.2	22	.070					16
110-115 ^{34.9}	94	1	136	.3	46	.005					17
115-120 ^{36.4}	151	4	97	.3	60	.010					18
H9-B4 120-125 ^{37.9}	118	3	86	.4	37	.010					19
											20
H9-B5 125-130 ^{39.4}	117	9	135	.5	43	.010					21
130-135 ^{40.9}	218	5	224	.4	73	.005					22
135-140 ^{42.4}	93	5	57	.4	55	.005					23
H9-B5 140-145 ^{43.9}	70	5	87	.4	46	.005					24
											25
H9-B6 145-150 ^{45.5}	301	18	499	.6	36	.045					26
150-155 ^{47.0}	117	7	396	.3	42	.005					27
155-160 ^{48.5}	114	4	201	.3	59	.005					28
H9-B6 160-165 ^{50.0}	120	22	305	.6	45	.005					29
											30
H9-B7 165-170 ^{51.5}	103	3	82	.4	87	.005					31
170-175 ^{53.0}	114	3	50	.6	63	.005					32
175-185 ^{54.5}	116	2	34	.4	47	.005					33
H9-B7 185-190 ^{56.0}	94	2	31	.3	56	.005					34
											35
H9-B8 190-195 ^{57.5}	77	3	160	.3	42	.005					36
195-200 ^{59.0}	120	3	37	.2	47	.005					37
200-205 ^{60.5}	93	1	31	.5	62	.005					38
H9-B8 205-210 ^{62.0}	140	3	47	.5	63	.005					39
											40

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All results are in PPM. ✓

DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED Nov 10, 1980

DATE REPORTS MAILED Nov 18, 1980

ASSAYER Dean Toye

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



To: Denar Mines Ltd.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

phone: 253 - 3158

File No. 80-1420

Type of Samples Core

Disposition

GEOCHEMICAL ASSAY CERTIFICATE

2

SAMPLE No.		Cu	Pb	Zn	Ag	Ni	Au						
H9-B9	210-215	65.2	82	1	49	.7	54	.005					1
	215-220	66.7	91	1	37	.5	57	.005					2
H9-B9	220-230	69.7	75	1	31	.4	53	.005					3
													4
H9-B10	230-235	71.2	39	8	2045	.3	10	.120					5
	235-240	72.7	52	4	62	.2	26	.010					6
	240-245	74.2	28	14	504	.6	7	.005					7
H9-B10	245-250	75.8	54	11	1435	.4	10	.075					8
													9
H9-B11	250-263	79.7	145	3	88	.2	45	.005					10
													11
													12
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													39
													40

All reports are the confidential property of clients
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DIGESTION:.....

DETERMINATION:.....

DATE SAMPLES RECEIVED Nov 10, 1980

DATE REPORTS MAILED Nov 18, 1980

ASSAYER 

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

APPENDIX III.

Resumes: JoAnne Nelson, MSc.
John G. Payne, PhD.

C E R T I F I C A T E.


I, JoAnne Nelson, do hereby certify:

That I am a geologist residing at
4027 West 18th Avenue, Vancouver,
British Columbia, V6B 2T2.

That I hold a B.Sc in geology from
the University of Washington (1973)
and an M.Sc in geology from the
University of British Columbia (1976).

That I have no financial interest, either
direct or indirect, in the subject
property and that I do not expect to obtain
any such interest.

That the information contained in this
report is based on my personal knowledge
of the general area, reference to the
works cited in this report, and to
examination of the property in question.



JoAnne Nelson,
Geologist.

ENGINEER'S CERTIFICATION.

I, John G. Payne, PhD., of North Vancouver, British Columbia, do hereby state:

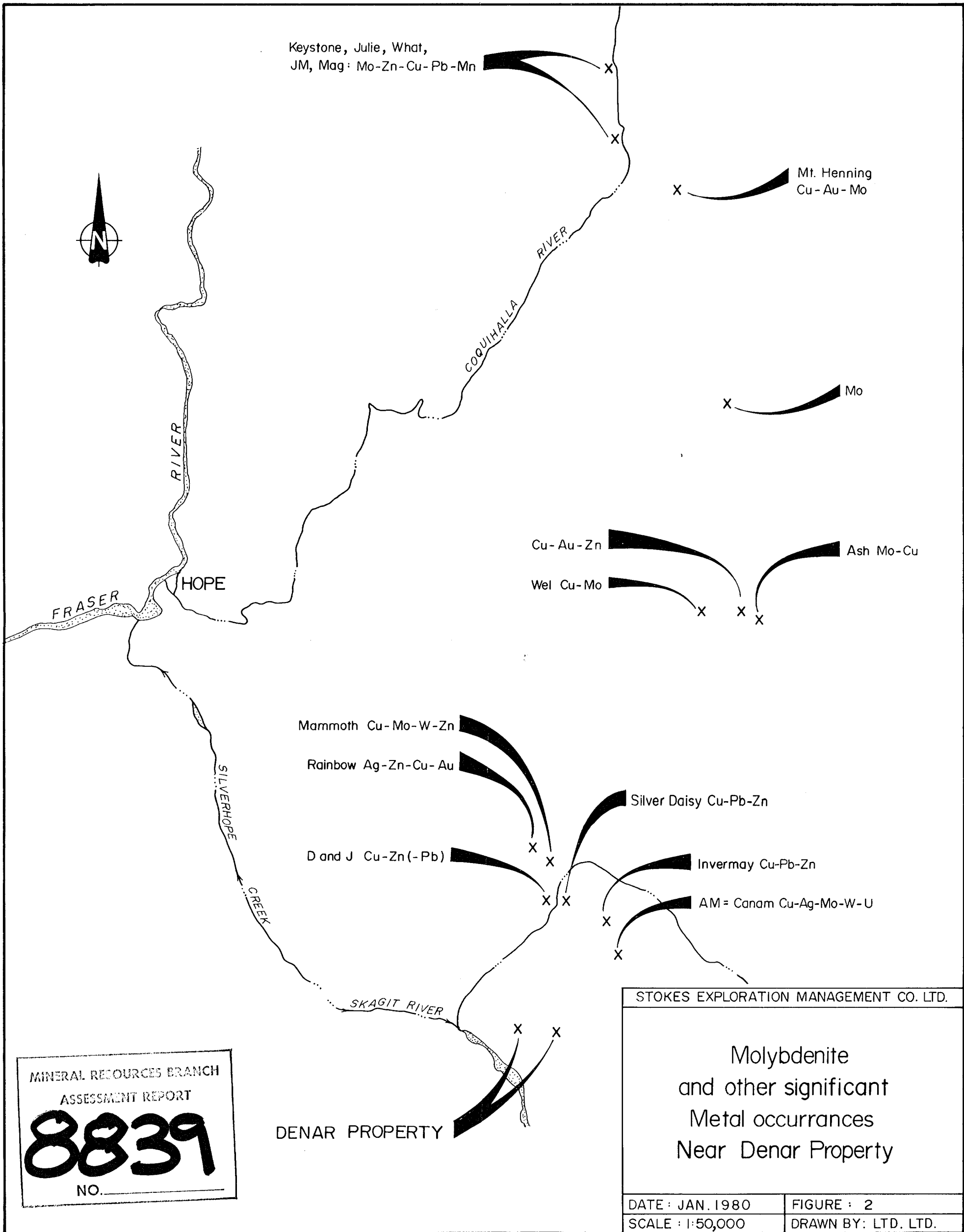
1. I am a consulting geological engineer. I graduated from Queen's University, Kingston, Ontario in 1961 with a BSc., degree in Geological Engineering. I received a PhD degree in Geochemistry from McMaster University in 1966.
2. My address is 877 Lillooet Road, North Vancouver, B.C. V7J 2H6.
3. I have practiced geology since graduation for 14 years, mainly in the North American Cordillera.
4. I have no direct or indirect interest in the Denar 20 and Denar 40 Claims or in Denar Mines Ltd.
5. This report may be used by Denar Mines Ltd., in a Statement of Material Facts or Prospectus for public financing.

Dated: Vancouver, British Columbia,
26th day of January, 1981.

John G. Payne, PhD.,
Consulting Geological Engineer.

APPENDIX IV.

Cost Statement.



Keystone, Julie, What,
JM, Mag: Mo-Zn-Cu-Pb-Mn

X Mt. Henning
Cu-Au-Mo

X Mo

Cu-Au-Zn
Wel Cu-Mo

Ash Mo-Cu

Mammoth Cu-Mo-W-Zn

Rainbow Ag-Zn-Cu-Au

D and J Cu-Zn(-Pb)

Silver Daisy Cu-Pb-Zn

Invermay Cu-Pb-Zn

AM = Canam Cu-Ag-Mo-W-U

STOKES EXPLORATION MANAGEMENT CO. LTD.

Molybdenite
and other significant
Metal occurrences
Near Denar Property

DATE: JAN. 1980

FIGURE: 2

SCALE: 1:50,000

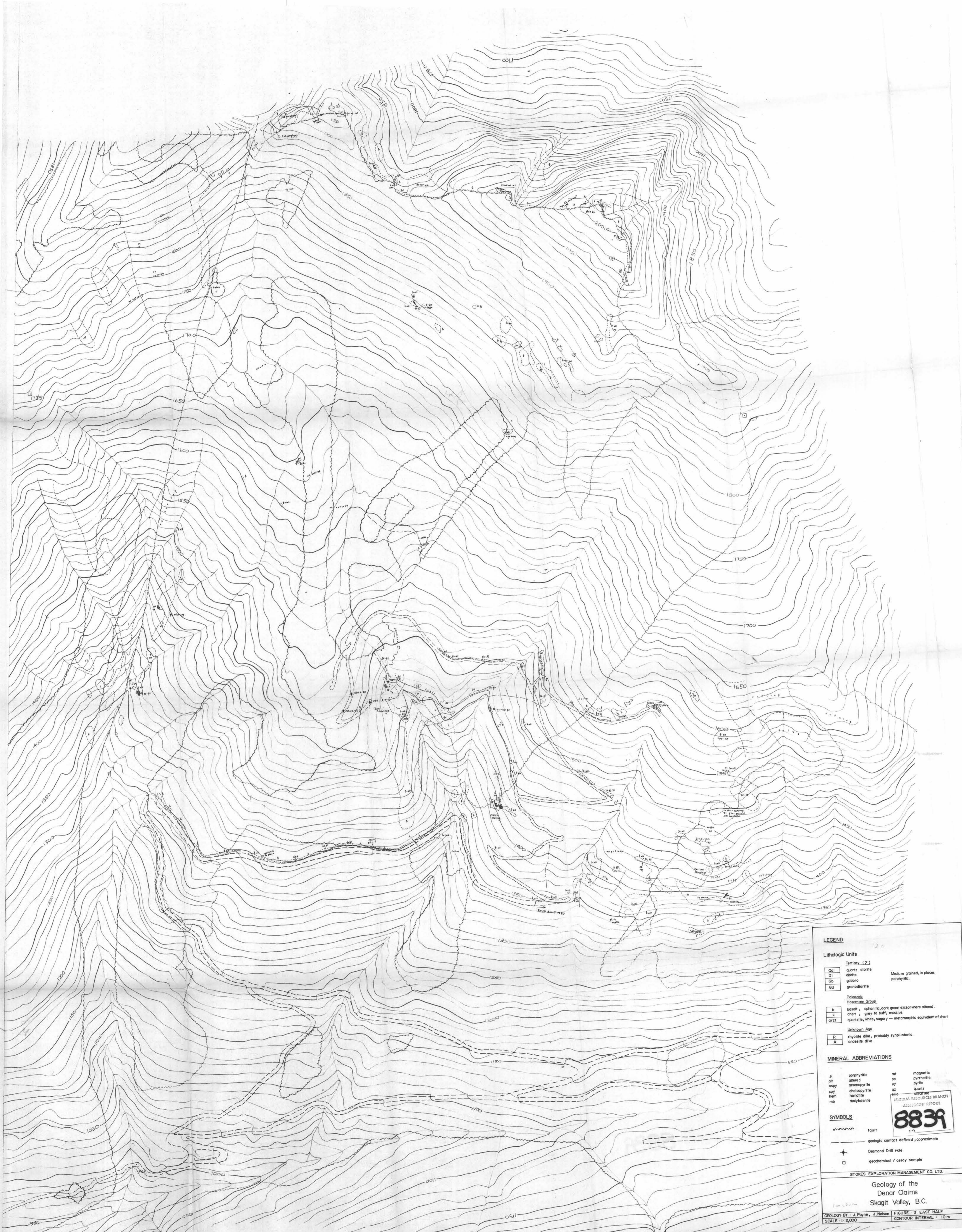
DRAWN BY: LTD. LTD.

MINERAL RESOURCES BRANCH
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NO. _____

DENAR PROPERTY



LEGEND

Lithologic Units

Tertiary (T)

Qd	quartz diorite	Medium grained, in places porphyritic.
Dl	diorite	
Gd	granodiorite	

Proterozoic
Hozomeen Group

D	basalt - aphanitic, dark green except where altered.
E	chert - gray to buff, massive.
qrzt	quartzite, white, sugary - metamorphic equivalent of chert

Unknown Age

R	rhyolite dike, probably syngenetic.
A	andesite dike.

MINERAL ABBREVIATIONS

pl	porphyritic	mt	magnetite
al	altered	py	pyrrhotite
oxy	oxenquartzite	py	pyrite
cpy	chalcopyrite	qtz	quartz
hem	hematite	st	staurolite
mb	molybdenite		

SYMBOLS

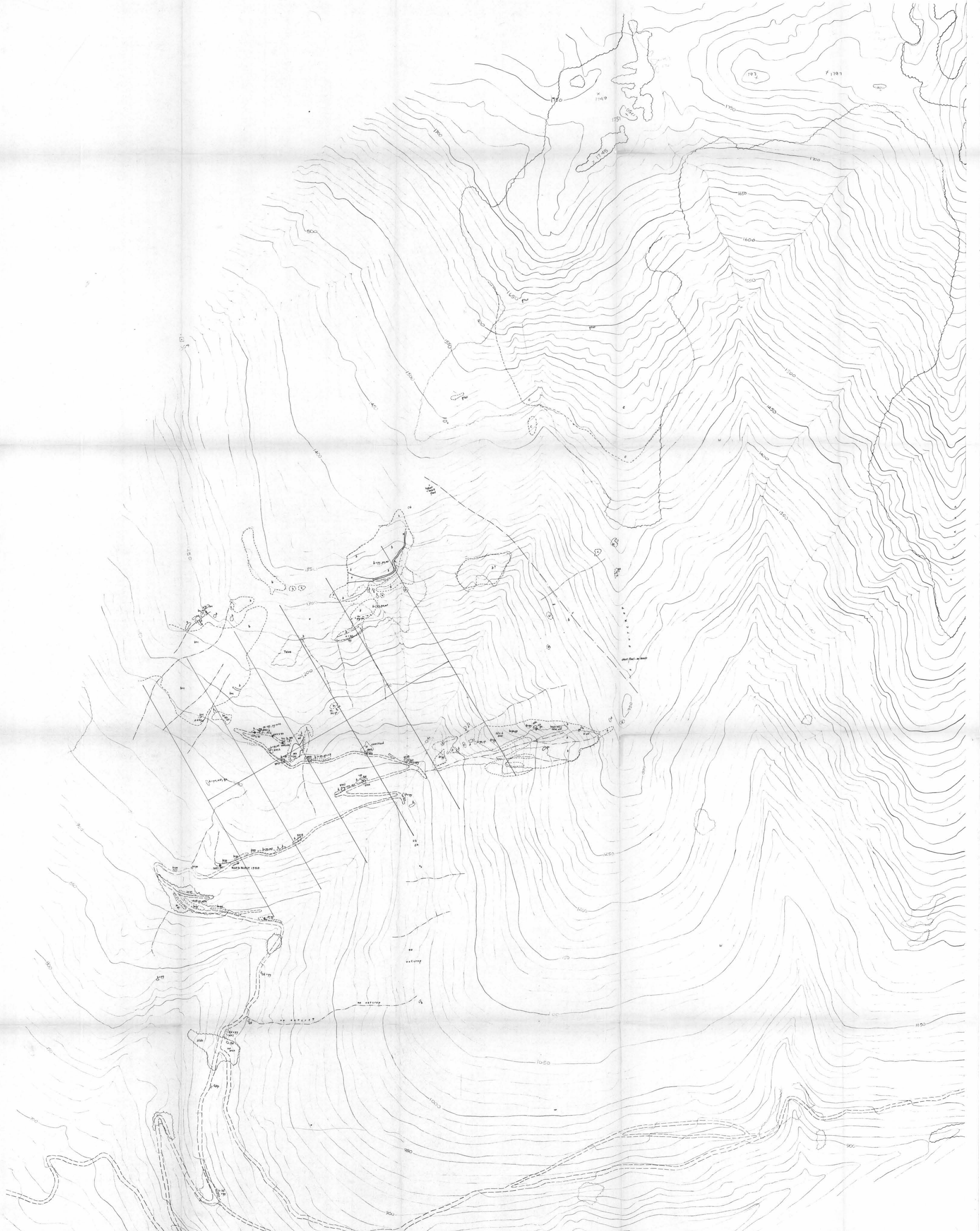
—	geologic contact defined / approximate
+	Diamond Drill Hole
□	geochemical / assay sample

STOKES EXPLORATION MANAGEMENT CO. LTD.

Geology of the
Denar Claims
Skagit Valley, B.C.

FIGURE 3 EAST HALF
SCALE 1:2,000
CONTOUR INTERVAL 10 m

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8839



SEE FIGURE 3 EAST HALF FOR LEGEND

MINERAL PROVINCES BRANCH
ACCOUNTS REPORT
8839
N.D.

STOKES EXPLORATION MANAGEMENT CO. LTD.
Geology of the
Denar Claims
Skagit Valley, B.C.

GEOLOGY BY: J. Payne, J. Nelson | FIGURE 3 WEST HALF
SCALE: 1:2,000 | CONTOUR INTERVAL: 10 m

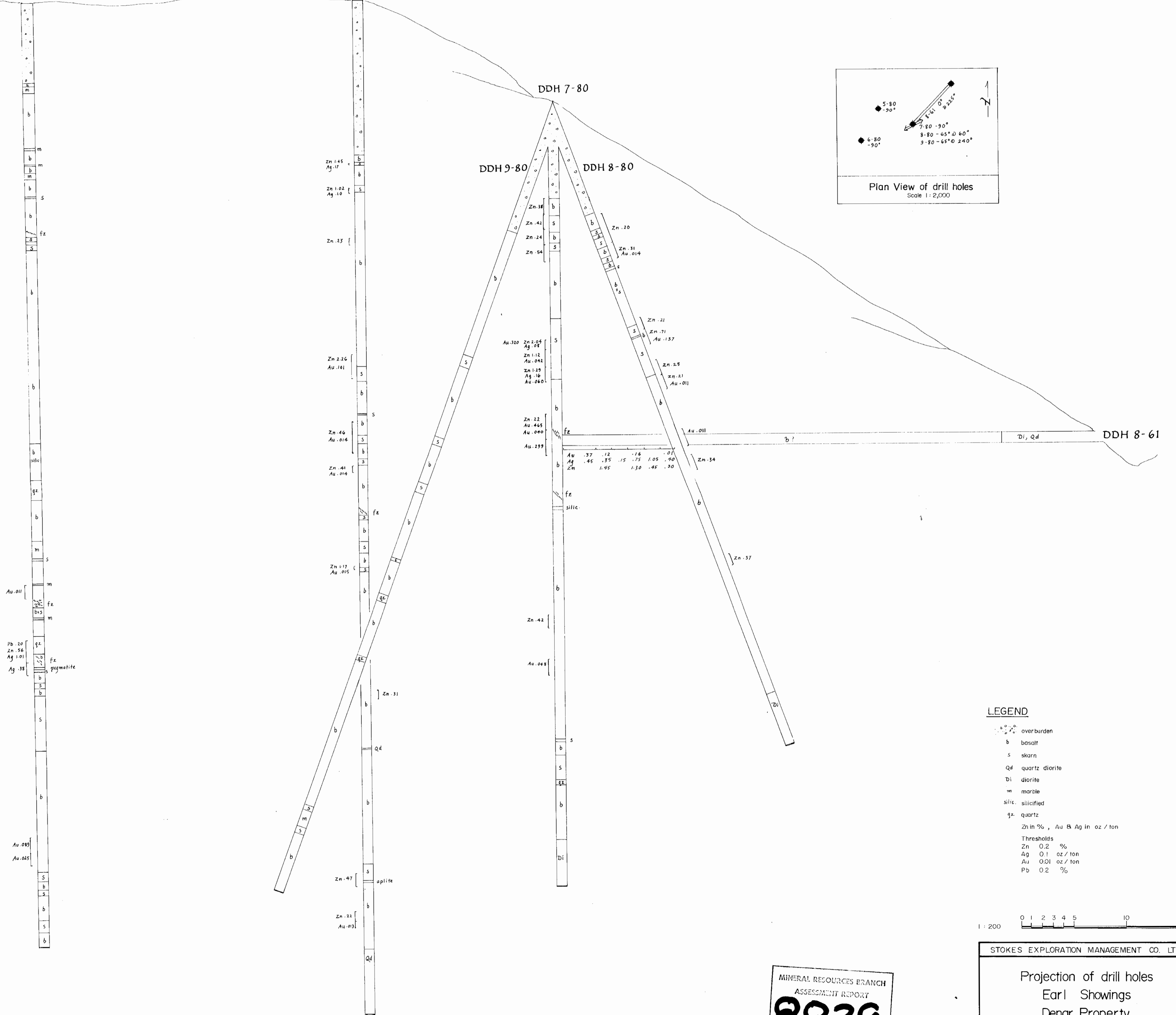
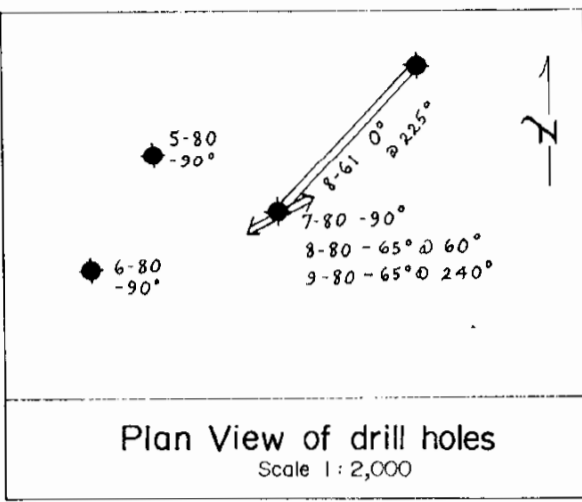
DDH 6-80

DDH 5-80

DDH 7-80

DDH 9-80

DDH 8-80



LEGEND

- overburden
 - basalt
 - skarn
 - quartz diorite
 - diorite
 - marble
 - silicified
 - quartz
- Zn in % , Au & Ag in oz / ton
- Thresholds
 Zn 0.2 %
 Ag 0.1 oz / ton
 Au 0.01 oz / ton
 Pb 0.2 %



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
8839
 NO. _____

STOKES EXPLORATION MANAGEMENT CO. LTD.

Projection of drill holes
 Earl Showings
 Denar Property
 onto vertical plane striking 60°

DATE : JAN. 1981 FIGURE : 6
 GEOLOGY BY : DRAWN BY : EDCO LTD.