

'81- #132- #8961

GEOCHEMICAL

ASSESSMENT REPORT

on the

GOLD PROPERTY

(GOLD CLAIM)

VENNER MEADOWS

OSOYOOS MINING DIVISION, B.C.

NTS: 82E/6W
Latitude: $49^{\circ}16.7'$ - $49^{\circ}17.5'$ North
Longitude: $119^{\circ}18.4'$ - $119^{\circ}20.0'$ West
Owner: E & D Joint Venture
Consultant: K.L.Daughtry & Associates Ltd.
Authors: K.L.Daughtry, P.Eng.
W.R.Gilmour
Date: March 10, 1981

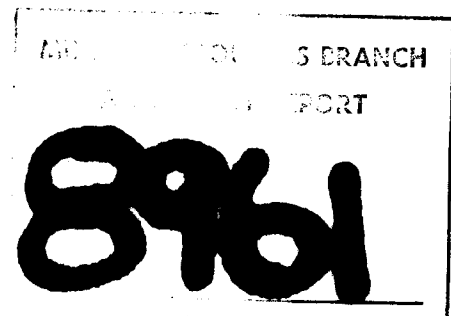


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SUMMARY

The GOLD property, held by the E & D Joint Venture, is located 20 km southeast of Okanagan Falls. This report presents the results of exploration work carried out in 1980.

During 1980, grid lines totalling 1.0 km were installed and a partial orientation soil survey was conducted. A total of 39 soil samples and one silt sample was collected and analysed for gold, silver, mercury, arsenic and antimony.

The property exhibits exploration potential and a programme of further exploration is warranted. Gold, mercury and arsenic analyses are recommended in future geochemical surveys.

The writers hold a beneficial interest in the property.

LOCATION, ACCESS, TOPOGRAPHY

The GOLD claim is located astride Solco (Fish) Creek, a southerly-flowing tributary of Vaseux Creek, 20 km southeast of Okanagan Falls, B.C. (Figures 1 & 2). Venner Meadows is on the central part of the south boundary, and Solco (Fish) Lake is 8.5 km north-northeast of the centre of the claim. Elevations on the property vary from 1370m to 1600m a.s.l. The National Topographic System reference is 82E/6W and the co-ordinates of the area of the showings are $49^{\circ}16.9'$ north and $119^{\circ}08.4'$ west.

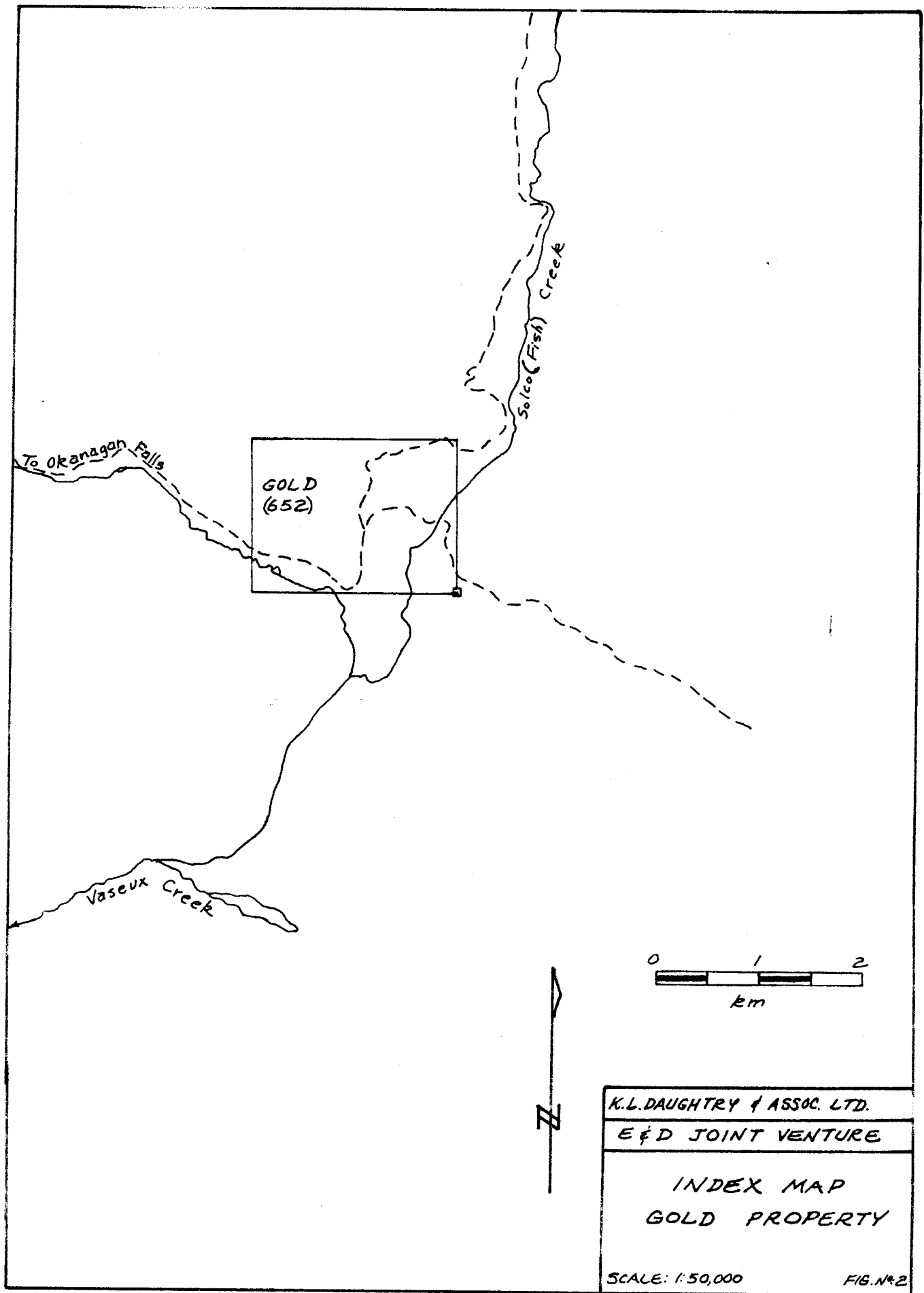
Good access is provided to the property by driving up the Shuttleworth Creek logging road from Okanagan Falls for 27 km. Much of the claim is covered by second growth with abundant windfalls and peckerpole pine.

Topography is rolling and typical of the Okanagan Plateau. The central part of the claim is a bowl-like depression between low hills. The upper part of the Solco Creek canyon extends to the southern corner of the claim.

PROPERTY

The property consists of the GOLD 12-unit mineral claim (Figure 2). The record number is 652 and the owner of record is P.P.Nielsen. The expiry date is March 1, 1982. The ownership of this claim is subject to an agreement, dated August 11, 1978, between Energex Minerals Ltd. and K.L.Daughtry & Associates Ltd. acting for K.L.Daughtry, V.F Erickson, W.R.Gilmour and P.P.Nielsen.

The showings extend eastward onto adjoining claims owned by another party.



HISTORY

K.G.Ewers and partners of Okanagan Falls, B.C. staked the AU-RAIN group of 8 claims in June 1973. This was the first recorded activity in the area of the GOLD claim. The AU-RAIN property was staked to cover an occurrence of gold-silver mineralization exposed in a road cut on a recently upgraded logging road.

The prospectors dug two trenches, one on either side of the road. The western trench encountered bedrock but the eastern one was entirely in overburden.

In November 1973, Teck Corporation Limited conducted limited soil and rock geochemical surveys and magnetometer and VLF-EM surveys over the immediate area of the showing. Soil sampling indicated the presence of above-background gold, silver and mercury values near the showing. The geophysical surveys did not indicate significant magnetic or VLF-EM response.

In June 1974, Teck enlarged the grid and carried out further soil sampling. This work delineated an area, anomalous in gold and silver values, which extended about 1100 x 800 feet (330 x 240 m). Teck concluded that the anomalies were "related to nearby gold and silver mineralization of very limited areal extent", and dropped their option. The total value of Teck's work filed for assessment was about \$3500.00.

In 1975, Ewers and partners dug 4 trenches and cut over 800 metres of trail. Twenty one rock samples were submitted for gold and silver assays.

Granby Mining Corporation carried out a channel sampling programme of outcrops, road cuts and trenches in November 1975. Granby's report concludes "...appreciable gold and silver mineralization occurs erratically in limited areal extent....". "It might merit additional detailed sampling and some exploration, but its potential is considered not enough for Granby at this time".

From November 1975 to May 1976, Ewers and partners conducted biogeochemical surveys, trenching, and assaying. Some of this work was financed by Canex Placer Limited.

Apparently no further work was performed, and the AU-RAIN claims were allowed to lapse in 1978. The area of the showings were re-staked as the GOLD claim by the current owners in February 1979. In 1980 a 1:5,000 base map was prepared by Pacific Survey Corporation and filed for assessment work.

GEOLOGY

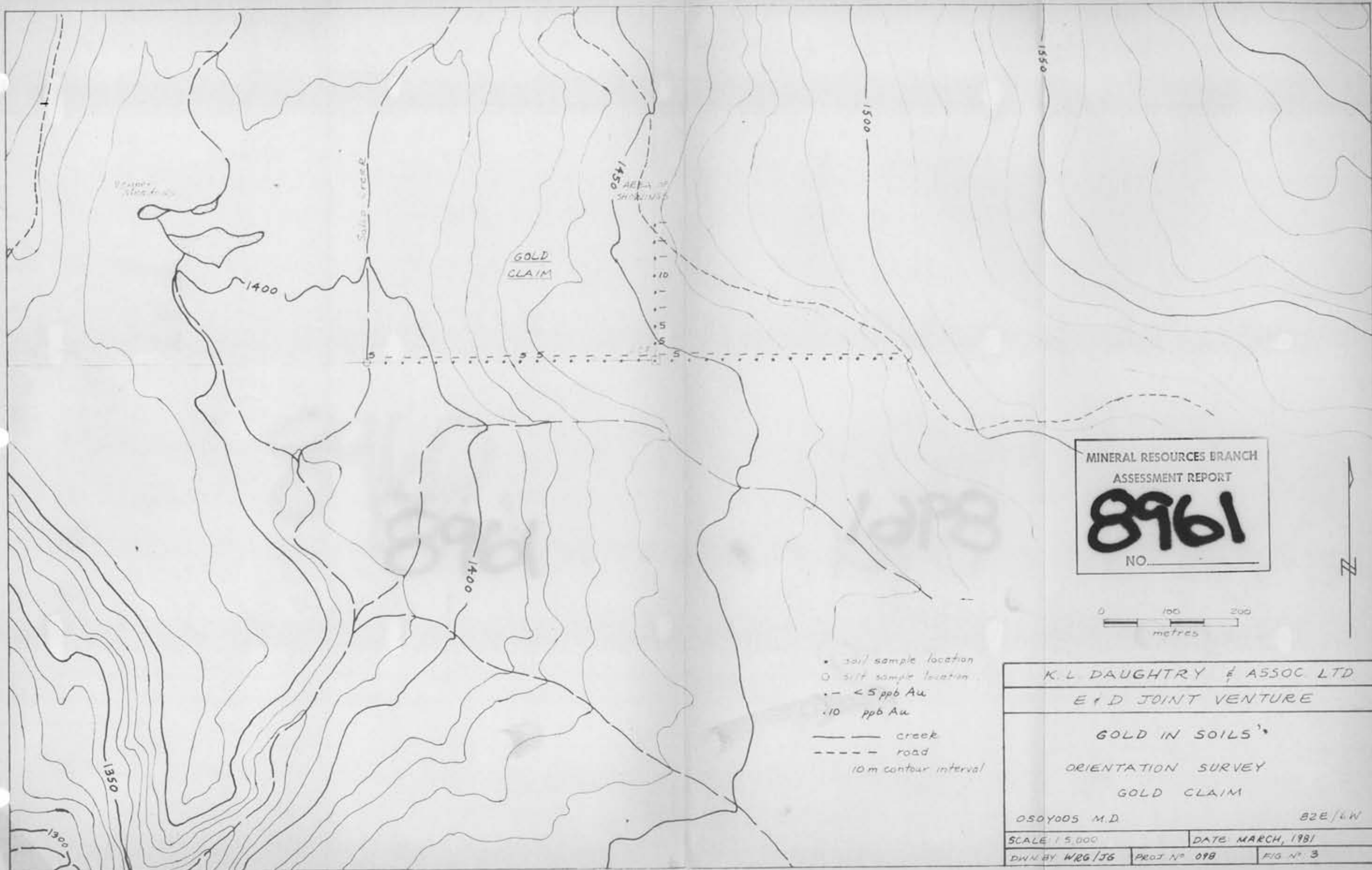
The GOLD property is an outlier of early Tertiary volcanic and sedimentary rocks which are correlative with rocks of the White Lake Basin 11 km to the west and northwest.

Early Tertiary rocks were probably once co-extensive between the White Lake Basin and the area of the GOLD property. Tertiary faults have tilted and uplifted intervening blocks resulting in erosion of the Tertiary units between the Okanagan Valley and the subject area. The distribution of Tertiary rocks in the outlier itself may be controlled by unmapped Tertiary block faults.

The pre-Tertiary basement rocks in the area of the property are shown on GSC Map 15-1961 as Mesozoic Valhalla granitic rocks and metamorphic rocks of the older Monashee Group.

The GOLD claim is underlain by andesitic flows and tuffs which overlie sedimentary rocks south of the area of the showings. The andesitic rocks are described by Verzosa (1974) as dark-coloured fine-grained feldspar porphyry and tuff. Verzosa also mentions areas of rusty, highly altered and silicified rock associated with a northeasterly-trending zone of shearing and fracturing. Alteration is accompanied by pyritization in places, is patchy, and is spatially related to bands, veins and veinlets of calcite.

He also describes a siliceous volcanic breccia, or possibly lahar, which he compares to similar rocks at the Dusty Mac Mine 19 km to the northwest. The mineralization at the GOLD property appears to be generally related to the altered and fractured rocks.

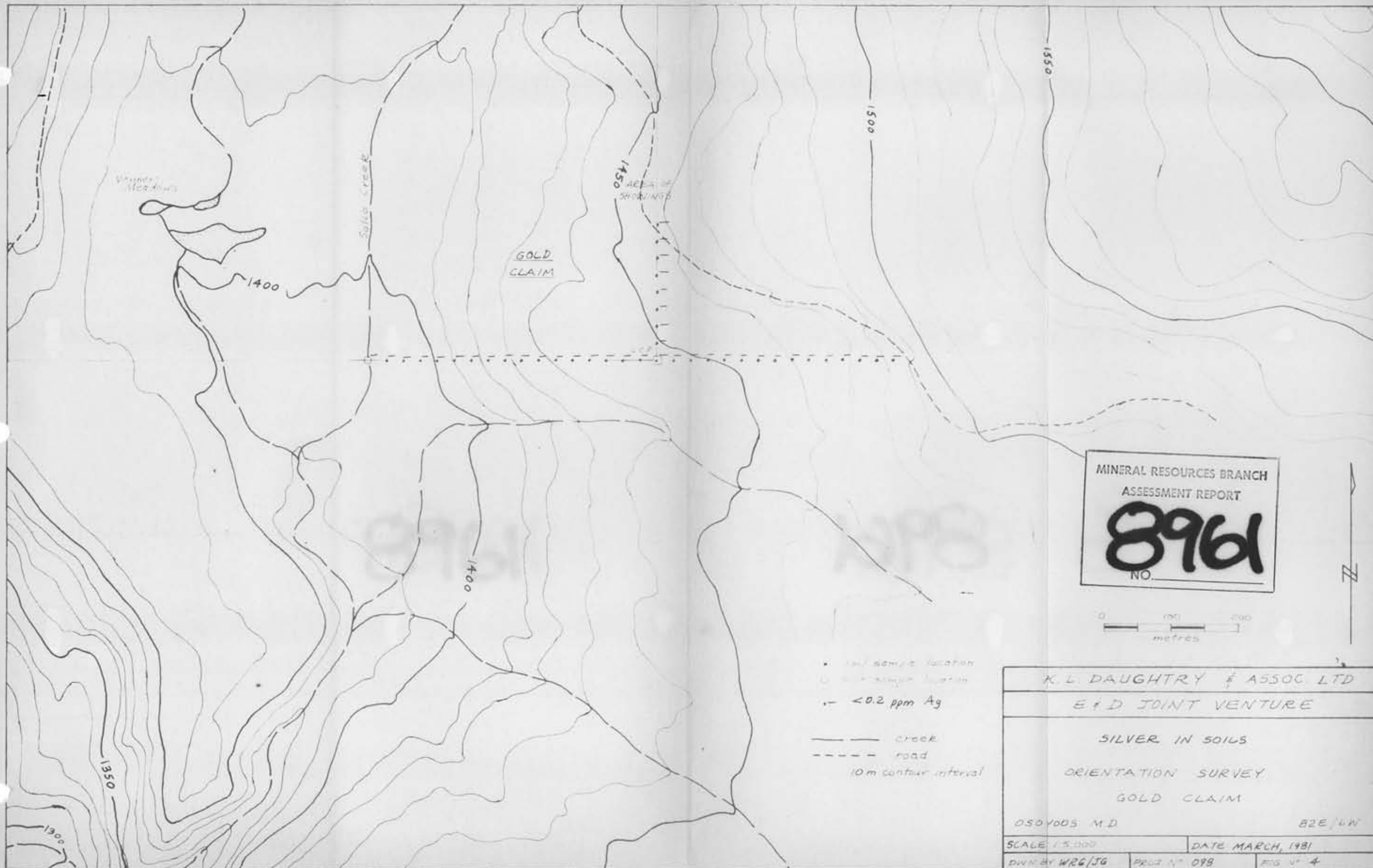


MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8961
NO. _____

0 100 200
metres

- soil sample location
- silt sample location
- - - < 5 ppb Au
- .10 ppb Au
- creek
- - - road
- 10m contour interval

K.L. DAUGHTRY & ASSOC LTD		
E & D JOINT VENTURE		
GOLD IN SOILS		
ORIENTATION SURVEY		
GOLD CLAIM		
050Y005 M.D.		B2E/LW
SCALE: 1:5,000		DATE: MARCH, 1981
DWN BY: WRG/JG	PROJ N°: 098	FIG N°: 3

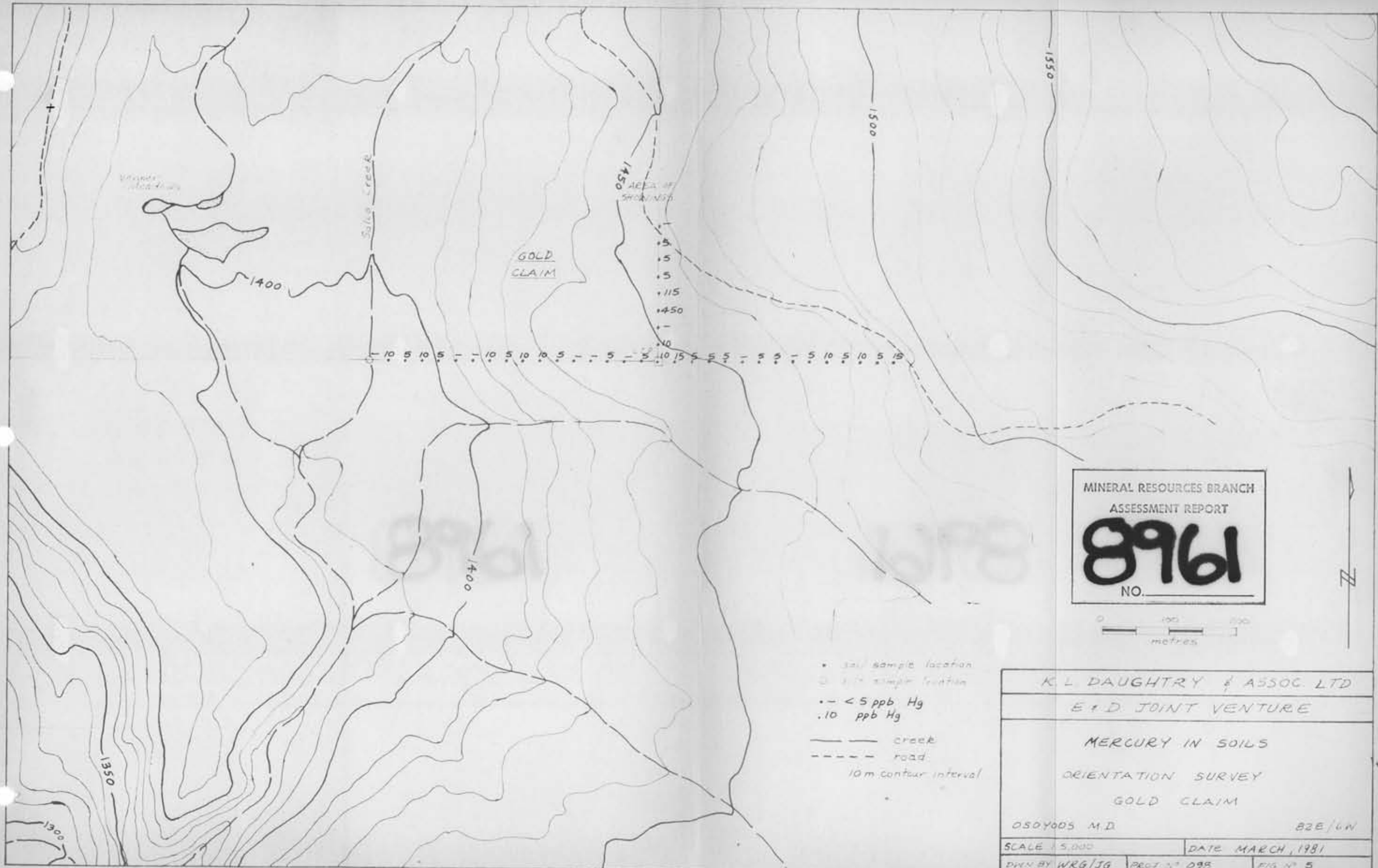


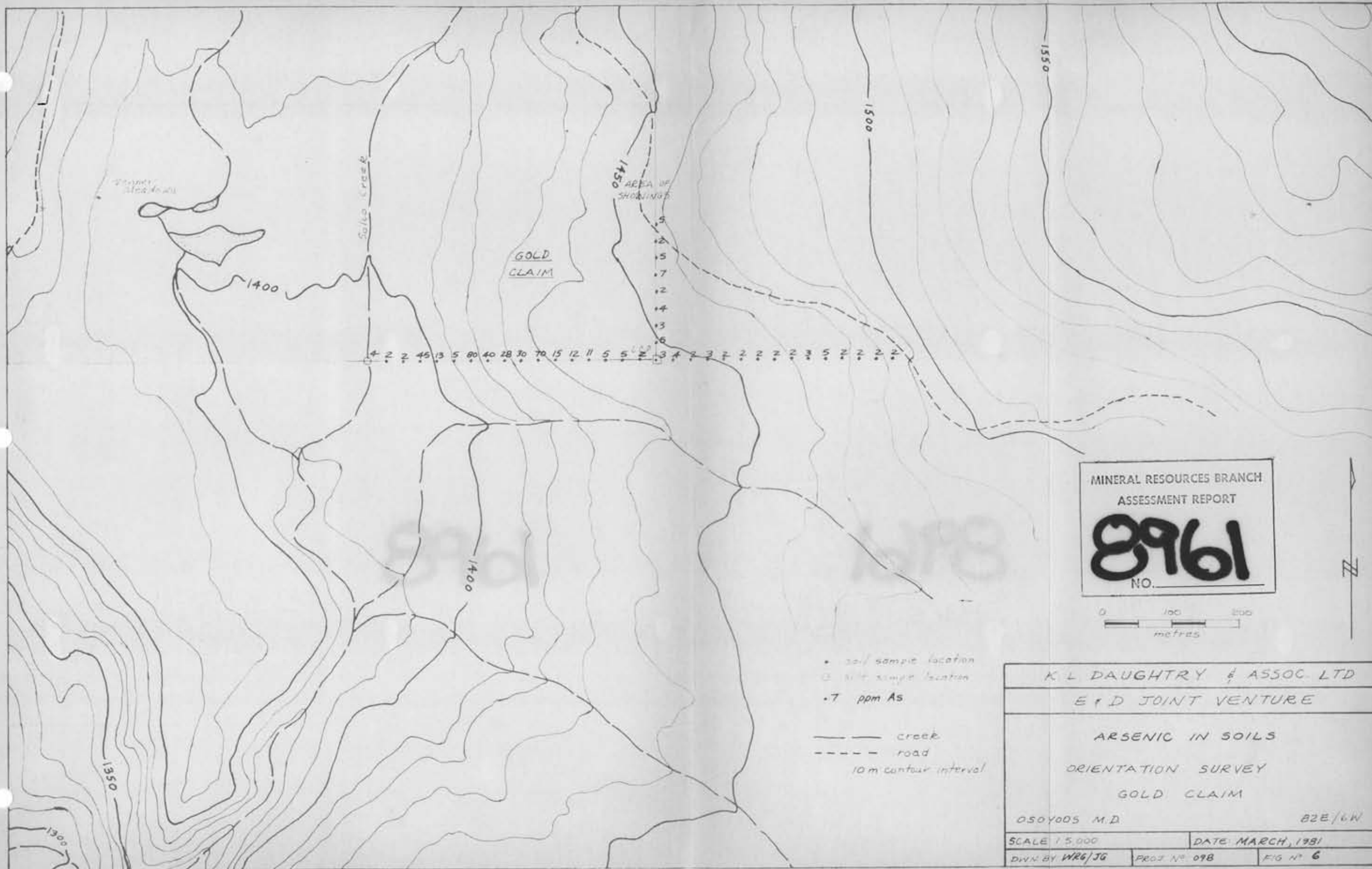
MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8961
NO.

0 100 200
metres

• 1st sample location
○ 2nd sample location
- - - <0.2 ppm Ag
—— creek
- - - road
10m contour interval

K.L. DAUGHTRY & ASSOC LTD		
E & D JOINT VENTURE		
SILVER IN SOILS		
ORIENTATION SURVEY		
GOLD CLAIM		
DSOY005 M.D.		B2E/LW
SCALE 1:5,000		DATE MARCH, 1981
DRAWN BY WRG/JG	PROJ N° 098	FIG N° 4





MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8961
NO.

0 100 200
metres

- soil sample location
- silt sample location
- 7 ppm As

— creek
--- road
10m contour interval

K L DAUGHTRY & ASSOC. LTD		
E & D JOINT VENTURE		
ARSENIC IN SOILS		
ORIENTATION SURVEY		
GOLD CLAIM		
OSOY005 M.D.		82E/LW
SCALE 1:5,000		DATE MARCH, 1991
DWN BY WRG/JG	PROJ NO. 098	FIG NO. 6



GEOCHEMICAL SURVEY

An orientation soil survey was conducted over 975 m of blazed and flagged lines at 25 m intervals.

A total of 39 soil samples and one silt sample were collected in numbered Kraft paper bags and sent to Bondar-Clegg & Co., North Vancouver for gold, silver, mercury, arsenic and antimony analysis. The -80 mesh fraction was subject to hot aqua regia digestion and analysed by atomic absorption (Au, Ag, Hg), colorimetric (As) and x-ray fluorescence (Sb) methods. Wherever possible samples were collected from the B horizon, at approximately 15 - 20 cm depth.

Table 1 summarizes the distribution of geochemical values.

Table 1

		<u>detection</u> <u>limit</u>	<u>number</u>	<u>range</u>	<u>mean</u>	<u>median</u>	<u>mode</u>	<u>number</u> <u>anomalous</u> <u>samples</u>	<u>anomalous</u> <u>values</u>
Au	ppb	5	39	< 5-10	< 5	< 5	< 5	---	---
Ag	ppm	0.1	39	0.2	0.2	0.2	0.2	---	---
Hg	ppb	5	39	< 5-450	20	5	5	2	115,450
As	ppm	2	39	2-80	11	2	2	6	28,30,40, 45,70,80
Sb	ppm	2	39	< 2	< 2	< 2	< 2	---	---

RECOMMENDATIONS

Phase A Approximately 10 to 20 soil samples should be collected from areas of known mineralization and analysed for gold, silver, mercury, arsenic and antimony.

Phase B Exploration should be carried out over the property to find and delineate areas of gold-silver mineralization similar to the known zone previously discovered. The full extent of the known gold-silver mineralization should be delineated and evaluated.

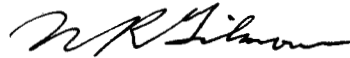
The following programme is recommended.

- 1). Geological mapping of the property to outline favourable host rocks and/or structures for gold/silver mineralizations.
- 2). A detailed soil survey over areas of favourable geology. Unless the results from the completion of the orientation survey vary significantly from the results presented in this report the samples should be analysed for gold, mercury and arsenic.
- 3). A detailed rock sampling programme, aided by backhoe trenching where necessary, should be carried out in areas of anomalous soil values.

Phase C Delineation and evaluation by drilling areas of gold-silver mineralization should follow.

March 10, 1981

Respectfully submitted,



W.R. Gilmour



K.L. Daughtry, P. Eng.

REFERENCES

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- (1973) Geology of the White Lake Basin. Bulletin 61 B.C. Department of Mines & Petroleum Resources.
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- (1969) GEM pp 294-296.
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- (1975) p E21 AU
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- (1973) p 47 AU
- Kim, H. (1975) Report on AU-RAIN Claim Group for Granby Mining Corporation.
- Thompson, K.G. (1976) AU-RAIN Claim Group. Assessment Report 5886.
- (1975) AU-RAIN Claim Group. Assessment Report 5702.
- Verzosa, R.S. (1974) Geochemical Report, AU-RAIN Claim Group Assessment Report 5009.
- (1973) Geochemical and Geophysical Report, AU-RAIN Claim group. Assessment Report 4763.

STATEMENT OF COSTS

1). Professional Services

K.L.Daughtry, P.Eng .5 days @ \$250/diem		
Supervision, report writing	\$ 125.00	
W.R.Gilmour, Geologist 2 days @ \$175/diem		
report writing	350.00	
	<u>\$ 475.00</u>	\$ 475.00

2). Labour

J. Graham, prospector		
3 days @ \$100/diem		
November 15-17, 1980		300.00

3). Transportation

November 15-17, 1980		
3 days @ \$25/day	\$ 75.00	
354 km @ \$.20/km	70.80	
gas, oil	24.00	
	<u>\$169.80</u>	169.80

4). Geochemical Analyses

39 Soil Samples and 1 Silt Sample for:		
gold @ \$4.25	\$170.00	
silver @ \$1.65	66.00	
arsenic @ \$2.90	116.00	
mercury @ \$3.50	140.00	
antimony @ \$3.50	140.00	
sample preparation @ \$.50	20.00	
	<u>\$652.00</u>	652.00

5). Field Supplies		40.00
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6). Office, Printing, Draughting, shipping		<u>175.00</u>
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TOTAL		<u><u>\$1811.80</u></u>
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STATEMENT OF QUALIFICATIONS

I, KENNETH L. DAUGHTRY, of R.R. #4, Vernon, British Columbia, DO HEREBY
CERTIFY that:

1. I am a Consulting Geologist in mineral exploration.
2. I have been practising my profession for sixteen years in Canada, the United States, and Ireland.
3. I am a graduate of Carleton University, Ottawa, with a Bachelor of Science degree in Geology and Chemistry.
4. I am a member of the Association of Professional Engineers of British Columbia, Ontario, and Yukon Territory, and a Fellow of the Geological Association of Canada.
5. This report is based upon knowledge of the GOLD property gained from an examination of the showings on the property and from the study of numerous assessment reports on the property.
6. I hold a beneficial interest in the GOLD property.

Vernon, B.C.
March 10, 1981


K.L. Daughtry, P.Eng.

STATEMENT OF QUALIFICATIONS

I, W.R.GILMOUR, of 13511 Sumac Lane, Vernon, B.C., V1B 1A1, DO HEREBY
CERTIFY that:

1. I am a consulting geologist in mineral exploration employed by
W.R.Gilmour & Associates Ltd., Vernon.
2. I have been practising my profession in British Columbia, the Yukon
Territory, and Nevada for 11 years.
3. I am a graduate of the University of British Columbia with a Bachelor
of Science degree in geology.
4. I am a Fellow of the Geological Association of Canada.
5. This report is based upon knowledge of the GOLD property gained from
an examination of the showings on the property and from the study of
numerous assessment reports on the property.
6. I hold a beneficial interest in the GOLD property.

Vernon, B.C.
March 11, 1981



W.R.Gilmour