KENNCO EXPLORATIONS, (WESTERN) LIMITED

REPORT

ON

GEOCHEMICAL SOIL SURVEY AND LINECUTTING

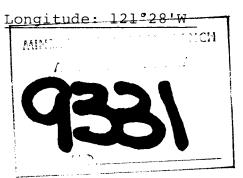
W.D. CLAIMS #1-5

Indianpoint Creek Area, 41.85 kilometres north of Wells, B.C.

Cariboo Mining Division

93H/6

Latitude: 53°29'N



Owner: Kennco Explorations, (Western) Limited
Operator: Kennco Explorations, (Western) Limited

Work Done: October 20 - November 8, 1980

R. S. Pegg

TABLE OF CONTENTS

	Page
INTRODUCTION	1
LOCATION & ACCESS	1
PREVIOUS WORK	2
GENERAL GEOLOGY & TOPOGRAPHY	2
WORK COMPLETED	2
SOIL SAMPLING & LABORATORY ANALYSIS	3
SUMMARY & CONCLUSIONS	4

APPENDIX I: Statement of Expenditures APPENDIX II: Statement of Qualifications

PLATES

Index Map	•	Foll. p.1
Plates #1-4	Mo-W Soil Geochemistry Maps	Pocket
Plates #5-8	Pb-Zn Soil Geochemistry Maps	н
Dlates #9-12	Ad Soil Geochemistry Maps	11

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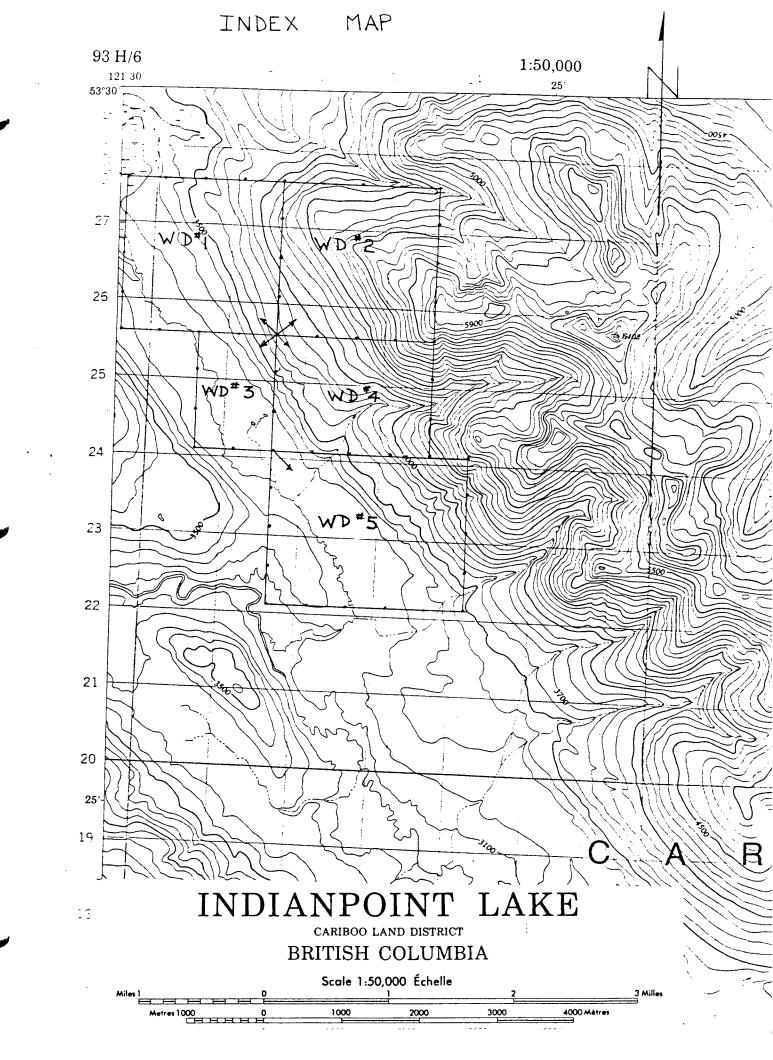
INTRODUCTION

The following report is on a geochemical soil survey and linecutting carried out on the W.D. Claims (70 units), Indianpoint Creek area, B. C. This report was written by R.S. Pegg of Kennco Explorations, (Western) Limited and the work was carried out by Bema Industries of Langley, B.C.

LOCATION & ACCESS

The claim group is situated approximately 41.85 kilometres north of Wells, at Latitude 53°29', Longitude 121°28' on N.T.S. map 93H/6, Edition 2MCE, Series A721.

The best mode of transportation to the property is by helicopter, but a new logging road along the west side of Indianpoint Creek comes within a kilometre of the claims.



PREVIOUS WORK

No previous work has been reported on this claim area.

GENERAL GEOLOGY & TOPOGRAPHY

The major part of the claim area is covered by overburden. The G.S.C. (Map 1356A) has mapped the eastern region of the claims as being Black Stuart Formation (Lower Devonian and (?) Younger) argillites and breccias. Dome Creek Formation argillites (Lower and Upper Cambrian) and Mural Formation limestones (Lower Cambrian).

Maximum relief in the area is approximately 884 metres. The western portion of the claim area is swamp while to the east the land rises fairly sharply and is well treed.

The primary exploration target on the property is lead-zinc mineralization in the Black Stuart Formation.

WORK COMPLETED

Bema Industries of Langley, B.C. completed the line-cutting and soil sampling during the period October 20 - November 8, 1980. A total of 32.85 line kilometres were blazed and flagged, including 7.26 kilometres within W.D. #1, 8.69 kilometres in W.D. #2, 2.48 kilometres within W.D. #3,

6.93 kilometres in W.D. #4, and 7.49 kilometres within W.D. #5. A total of 617 soil samples were taken. This includes 120 samples from W.D. #1, 159 samples from W.D. #2, 52 samples from W.D. #3, 140 samples from W.D. #4, and 146 samples from W.D. #5.

SOIL SAMPLING & LABORATORY ANALYSIS

A total of 617 soil samples were collected during the geochemical survey. The crew attempted to obtain samples of the 'B' horizon every 50 metres along the NE-SW cut lines but the soil horizon development varied from good to very poor. The samples were sent to Min-En Laboratories Ltd. of North Vancouver for the analysis for silver, lead, zinc, tungsten and molybdenum. The methods of analysis are as follows:

Mo, Pb, Zn & Ag: nitric, perchloric digestion, A.A. analysis

W: fusion, colorimetric.

SUMMARY & CONCLUSIONS

Statistical analysis shows that the anomalous "cutoff" for the elements are as follows: Pb \geq 80 ppm, Zn \geq 400 ppm, W \geq 10 ppm, Ag \geq 3.0 ppm, and Mo \geq 20 ppm.

The soil sampling program outlined several anomalous areas within the claim boundary. Numerous soils, especially to the east of the baseline, contained anomalous amounts of zinc, as well as several with anomalous amounts of silver, lead and molybdenum and a few containing anomalous amounts of tungsten.

No mineralization was discovered at the time of sampling and the sampling crew evidently saw few outcrops. The large distance between the sampled lines makes contouring impossible, but the relatively high metal values in the soils indicate the presence of mineralization, although hydromorphic processes are possibly enhancing the values. It appears that more detailed sampling and prospecting are the next step in the property evaluation.

June 8, 1981

Vancouver, B.C.

R. S. Pers, B.A. Sc.

STATEMENT OF EXPENDITURES

1.	Labour			
	I. Johnson (Operations Mgr) K. Hansen (Supervisor) N. Marcy (Field Technician) D. Harris ("") R. Jordan ("") R. Jordan (Warehouseman)	0.5 days @ \$175/day 23.5 days @ \$140/day 22.25 days @ \$130/day 22 days @ \$130/day 19 days @ \$130/day 1 day @ \$95/day	= = =	
	R. Joidan (Warehousenan)	-		
		TOTAL LABOUR COSTS		\$11,930.00
2.	Rentals			
	Survey Equipment Chainsaws Radio Fly camp Crewcab	17 days @ \$15/day 11 days @ \$20/day 19 days @ \$7.50/day 19 days @ \$40/day 21 days @ \$35/day 1270 kms at 15¢/km	= = =	\$ 255.00 220.00 142.50 760.00 735.00 190.50
		TOTAL RENTAL COSTS		\$ 2,303.00
3.	Helicopter costs		=	\$ 4,470.00
4.	Food costs		=	966.76
5.	Camp fuel		=	37.43
6.	Truck gas		=	151.35
7.	Water Buckets		=	28.00
8.	Flagging		=	119.60
9.	Hip Chain Thread		=	57.75
10.	Motel Room (during trip to prope	erty from Vancouver)	=	37.80
11.	Motel Room (during trip from pro	perty to Vancouver)	=	67.20
12.	Meals (during mobilization & dem	obilization)	=	78.65
13.	. Plane Fare (R. Jordan, Quesnel to Vancouver)		=	73.05
14.	Drafting		=	2,460.50
15.	Geochemical Analysis: 617 soils for Pb, Zn, Ag, W & Mo + sample preparation @ \$0.60/s		=	5,151.95
16.	Compilation, Report Writing & Pr	rinting	=	400.00
		TOTAL EXPENDITURES		\$28,333.04

STATEMENT OF QUALIFICATIONS

Rex Stephen Pegg: Exploration Geologist,
Kennco Explorations, (Western) Limited.

- (1) Completed BASc at the University of Toronto in 1976.
- (2) Employed by Willroy Mines Ltd as mine geologist in 1976-77; by Long Lac Mineral Explorations as a project geologist in 1977-80; by Kennco Explorations, (Western) Limited from April 1980 to present, under the supervision of C.J. Westerman, Ph.D.

June 8, 1981

R. S. Pedo. BASC.

