

Geochemical Survey Results

on

The Alamo Mineral Claim

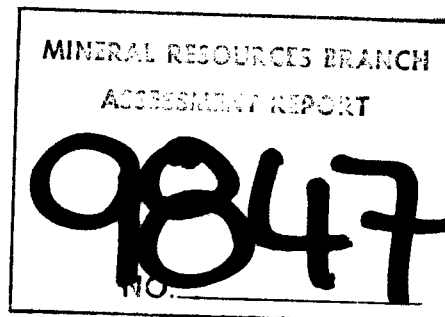
Slocan Mining Division, B.C.

82 K/3E, W
For

50⁰⁰¹
117¹⁵

Kanaka Creek Holdings Ltd.

Vancouver, B.C.



October 1981

James C. Snell P.Eng
Geological Engineer

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INTRODUCTION

During the summer of 1981, an extensive soils survey was conducted on the Alamo Mineral Claim, Slocan Mining Division in accordance with recommendations made in a report to Kanaka Creek Holdings Ltd. in January 1981. The program was detailed and supervised by the writer and conducted by McCrory Mining Services Ltd. of Nelson, B.C. The program consisted of samples being taken at 50 meter intervals on a line spacing of 100 meters over the centered part of the claim block. As the geological environment is correct for the occurrence of silver, lead, zinc mineralization in bedrock below overburden cover. A total of 350 samples were taken and analyzed for silver, lead, zinc. The results of the survey were plotted and contoured. The map accompanies this report.

LOCATION AND ACCESS

The property is located just east of the town of New Denver at Three Forks in the Slocan Mining Division of south-eastern British Columbia. The paved New Denver to Kaslo highway crosses the claims in an east-west direction. Access on the property can be gained on logging roads by four wheel drive vehicle.

TOPOGRAPHY

The claim is located on the south-west end of London Ridge. Topography to the east is steep and precipitous and to the west is more gentle and rolling. Along the stream courses of Kane Creek and Carpenter Creek, the topography can be precipitous.

CLIMATE

The weather conditions in the region are quite favourable, summers being long and warm, and winters being short and moderate. Precipitation is quite heavy during the winter months and generally considerable snow can accumulate by April when the runoff is underway.

GENERAL GEOLOGY

The property is underlain by sediments of the Slocan Group, rocks of Triassic age. The Slocan Group consists essentially of grey to black slates and shales, grey to black quartzite and bedded argillite, and intermittent grey limestone members. The formations have been considerably folded and faulted but strike generally in a northwest direction, dipping moderately to the southwest at about 50° . The rock types stratigraphically higher in the column and lying geographically to the southwest are generally more competent varieties such as quartzite and argillite. The rocks at the base of the Slocan Series lying to the northeast geographically are less competent shales and slates. The Slocan Group of rocks plays host to many silver, lead, zinc deposits in the region and mining of these ore bodies has been intermittent since 1895.

The Alamo Claim is situated in the central part of the mining camp, just north of Sandon. Several former producing mines are located just to the east and just to the south. The claim overlies transitional sediments in part being slates and shales of the basal formations and in part more competent argillite.

INTRUSIVES

A large rhyolite dyke has intruded the sediments at the north east corner of the claim block. The rock is a light grey to tan in colour, fine grained in part porphyritic. The dyke is several hundred feet in width and strikes in a northeast direction and beneath talus on the Alamo Claim to the southwest.

MINERALIZATION

Silver - lead mineralization occurs on the Alamo Claim within the rhyolite dyke. The mineralization is sparse and scattered within quartz veinlets which traverse through the rhyolite. Indications of old time hand cobbing operations were found along with tools and small piles of mineral. It is reported that the lead ore contains high silver values.

Indications of mineralization was also noted within the sediments in the form of gossan and oxidation at several locations along the railway grade. Beneath one of these locations and at highway elevation a short adit has been driven in a northerly direction.

RESULTS AND CONCLUSIONS

It can be concluded from the results of this program that:

- (1) A large coincidental zinc-silver anomaly occurs in the north central part of the survey area.
- (2) The high intensity zinc conditions lie about 100 meters to the north, east and south of an old mine working and a quartz float area.
- (3) Zinc readings were high and the area is considered to be a prime exploration target.
- (4) Secondary exploration targets can be noted on the survey plot.
- (5) An area of quartz float occurs between 6+00E and 7+00E and 2+00N. A coincidental zinc, lead anomaly overlies this quartz float area.
- (6) A good zinc-silver anomaly occurs north of the old railway grade 4+00S - 1+00E. This anomalous condition was picked up in the preliminary survey.

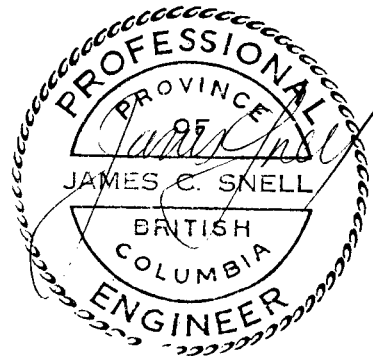
RECOMMENDATIONS

Phase I

- (1) It is recommended that an access road be constructed from the end of the present access road at 0+00 to the old mine workings and the main target area. The road should be so designed as to cross anomalous areas at 0+00 - 1+00N; 2+00E-2+00N;.
- (2) Excavation for bedrock mineralization should be undertaken around the old mine workings and over the anomalous areas north south and west of the workings.
- (3) Mineral discoveries should be excavated and sampled along the strike length.

Phase II

- (1) A good mineral discovery should be developed by diamond drilling.



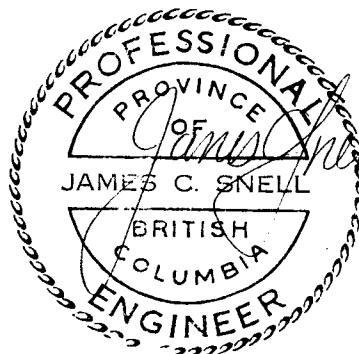
Budget

Phase I

(1)	Road construction	\$3,000.00
(2)	Excavation and sampling	\$3,000.00
(3)	Supervision and engineering, transportation	\$3,000.00
	sub total	\$9,000.00
(4)	Contingencies 10%	900.00
	total	\$9,900.00 (\$10,000.00)

Phase II

(1)	Initial diamond and drilling - 1500 feet @ \$30.00 per foot	\$45,000.00
(2)	Supervision, engineering, core logging assays.	\$10,000.00
	sub total	\$55,000.00
(3)	Contingencies 10%	5,500.00
	total	\$60,500.00 (\$60,000.00)



Respectfully Submitted.

James C. Snell P.Eng
Geological Engineer

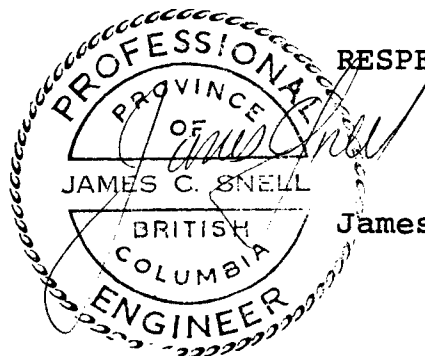
CERTIFICATE

I, JAMES C. SNELL with business and residential address in British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of Alaska School of Earth, Science and Mineral Industry, Fairbanks, Alaska, U.S.A.
3. I am a graduate of the Provincial Institute of Mining, Haileybury, Ontario.
4. I have received a Bachelor of Science Degree in the Geological Sciences in 1964.
5. I am a registered Professional Engineer of the Province of British Columbia.
6. I have examined the geochemical results contained in this report from the Alamo Mineral Claim in the Slocan Mining District, British Columbia.
7. I have arrived at the conclusions and have made the recommendations outlined in this report.

DATED at Vancouver, British Columbia, this 6th day of October, 1981.

RESPECTFULLY,



James C. Snell, P.Eng

Statement of Costs Incurred

As per Budget, page 7 of Report,
Phase I

To 22nd July 1981, all items except
road construction, per vouchers attached 6409 50

(Road construction \$3000 00 has been
completed subsequent to 30th October)

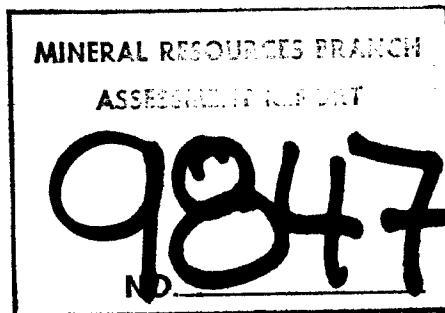
PHASE I IS COMPLETED

To Item in Invoice dated 23rd October 1981

Cost of Report

2000 00

\$ 8409 50



I N V O I C E

Date: October 23, 1981

TO:

Kanaka Creek Holdings Ltd.
1850-200 Granville St.,
Vancouver, B.C.


IN ACCOUNT WITH:

James C. Snell
609 Granville St.,
P.O. Box 10353
Vancouver, B.C.
V7Y 1G5

Re: Kaslo Project

1. Kamloops Research and Assay Laboratory Ltd. Soil Analysis. Alamo Claim.	\$ 1351.30	X
2. James C. Snell Soil Survey- Interpretation - Engineers Report - Consultations - Day - Line up work program - Secretarial, printing - Drafting geochemical map	\$ 2000.00	
TOTAL	\$ <u>3351.30</u>	X

With thanks,


James C. Snell, P. Eng.

JCS/ca

July 22, 1981

Kanaka Creek Holdings Ltd.
715 - 675 West Hastings Street
Vancouver, B.C. V6B 1N2

#1000 - 789 W. Pender St.
Vancouver, B. C. V6C 1H2

----- INVOICE -----

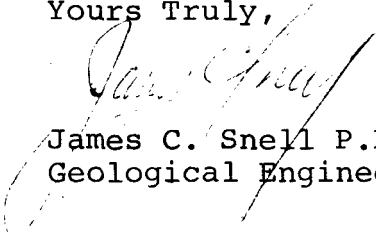
Program A (expanded on claim area)

Soil Sample Program: contracted to McCrory Mine Services Ltd.
Box 301, New Denver, B.C.

9 days for 2 men @ \$300.00 per day	=	\$2,700.00
9 days for 1 man @ \$100.00 per day	=	900.00
geological supervision	=	1,000.00
transportation - 4 wheel drive, 9 days @ \$50.00 per day	=	450.00
sample preparation and soil analysis Kamloops Research and Assay Laboratory Ltd. 318 samples	=	<u>1,359.50</u>
Sub Total	=	<u><u>\$6,409.50</u></u>

To Follow:
Engineering report
Interpretation
Maps

Yours Truly,


James C. Snell P.Eng.
Geological Engineer

JCS/ht

**KAMLOOPS
RESEARCH & ASSAY
LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

2095 WEST TRANS CANADA HIGHWAY — KAMLOOPS B.C.
V1S 1A7
PHONE: (604) 372-2784 — TELEX: 048-8320

Kanaka Creek Holdings
c/o Jim Snell
1000 - 789 West Pender Street
Vancouver, B.C.
V6H 1H2

INVOICE: 81-1121
DATE: June 30, 1981
FILE No. G-543

Sample Preparation - 316 soil samples	@ \$.60	\$ 189.60
Sample Preparation - 2 rock samples	@ \$ 2.50	5.00
318 Silver Geochemical Analysis	@ \$ 1.75	556.50
318 Lead Geochemical Analysis	@ \$.75	238.50
318 Zinc Geochemical Analysis	@ \$.75	238.50
		<hr/>
		\$ 1,228.10
Loomis Charge		8.20
		<hr/>
		<u>\$ 1,236.30</u>

**KAMLOOPS
RESEARCH & ASSAY
LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

2095 WEST TRANS CANADA HIGHWAY — KAMLOOPS B.C.
V1S 1A7
PHONE: (604) 372-2784 — TELEX: 048-8320

Kanaka Creek Holdings
c/o Jim Snell
1000 - 789 West Pender Street
Vancouver, B.C.
V6H 1H2

INVOICE: 81-1123
DATE: July 2, 1981
FILE No. G-543

Sample Preparation - 32 soil samples	@ \$.60	\$ 19.20
32 Silver Geochemical Analysis	@ \$ 1.75	56.00
32 Lead Geochemical Analysis	@ \$.75	24.00
32 Zinc Geochemical Analysis	@ \$.75	24.00
		<hr/>
		\$ 123.20
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STATEMENT

INVOICE

McCrorry Mining Service
Box 301
New Denver, B. C.
V06 1S0 (358-2546)

DATE June 24 1981

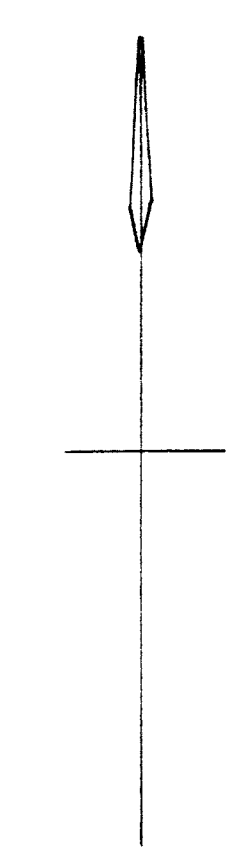
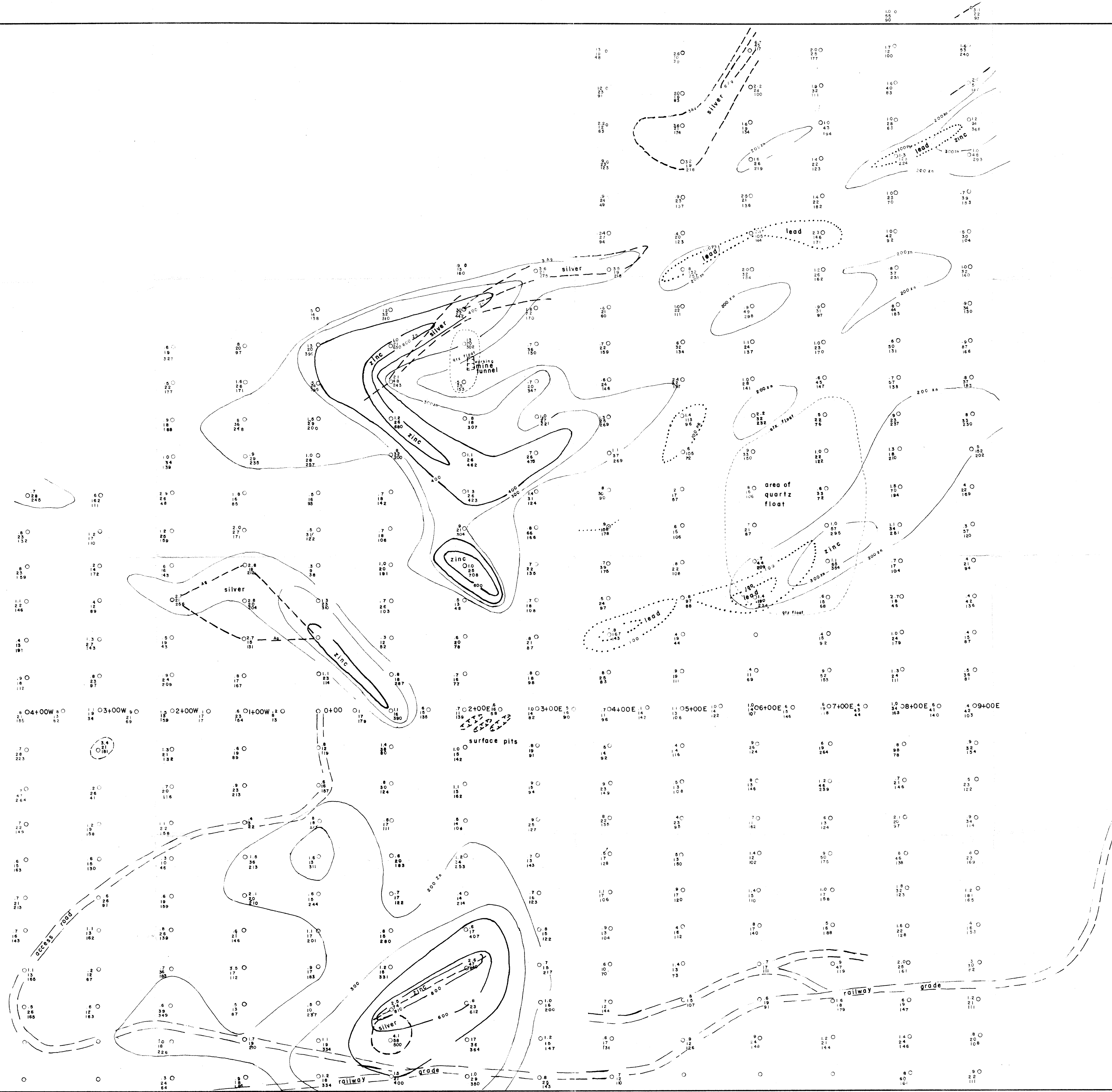
Kanaka Creek Holdings

c/o J. Snell

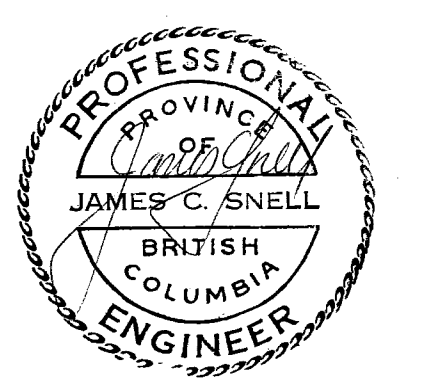
DATE	DETAILS	DEBIT	CREDIT	BALANCE
	9 Days for 2 Men @ \$300.00 per day			\$ 2,700 00
	9 Days for 1 Man @ \$100.00 per day			900 00
	4-wheel drive, 9 days @ \$50.00 per day			450 00
	Geological Supervision J. Snell, P.Eng.			1,000 00
	Sub-Total			5,050 00
	Plus 40%			2,020 00
	TOTAL			\$ 7,070 00

REDIFORM - 8M101

\$ 7070.00 paid to Snell on a/c.



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
9847



KANAKA CREEK HOLDINGS LTD.		SCALE	DRAWN BY
ALAMO CLAIM		1cm = 25m	J.C. Snell P. Eng.
SOIL SURVEY CONTOURS Ag Pb Zn			
DATE	APPROVED BY	DRAWING NUMBER	
AUG 10/81	Slocan Division BC		