

A REPORT ON
DRILLING AND GEOCHEMICAL SOIL SURVEY
ON THE GOLD DROP PROPERTY
JEWEL LAKE CAMP, GREENWOOD MINING DIVISION, B.C.

NTS M82E/2
49°10' North Latitude
118°36' West Longitude

FOR
KENAR RESOURCES LTD.

By
D.M. BASCO, F. GAC
Consulting Geologist

Vancouver, B.C., Canada
November 10, 1981

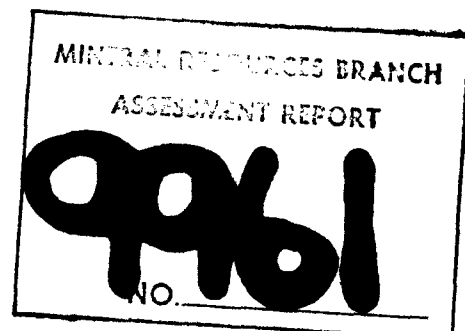


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INTRODUCTION

Submitted herewith is a Report on Diamond Drilling and Geochemical Soil Survey on portions of the area covered by the group of claims herein referred to as the Gold Drop belonging to Kenar Resources Ltd. at Jewel Lake Camp, Greenwood Mining Division, B.C., the approximate position of which is: Latitude $49^{\circ} 10' N.$ and Longitude $118^{\circ} 36' W.$

During July 20 through August 16, 1981, the writer undertook logging of the cores yielded by diamond drilling on contract in two adjoining claims of the company in question. During the same period the writer also laid out geochemical sampling programme for probing the northeasterly and southwesterly extension of the vein system observed on outcrops and underground workings.

A cursory visual examination of the surface and subsurface geology and mineralization of same work-area was likewise carried out.

LOCATION AND ACCESS

The Gold Drop property is located in south-central British Columbia at an elevation of 4,470 feet (1360 meters), about 5.6 miles (9 km.) to the northeast of Greenwood, which is in turn 125 miles (200 km.) east of Vancouver.

Access is from Greenwood via Jewel Lake road.

PROPERTY

The Gold Drop property of Kenar Resources Ltd. consists of

reverted Crown grant claims, two original Crown grant claims, and five mineral claims, the total being 35 units listed as follows:

<u>Name</u>	<u>No.</u>	<u>Record Date</u>	<u>Status</u>
Gold Drop	1374(11)	Nov. 8, 1978	Reverted Crown Grant
Gold Drop Extension	1372(11)	Nov. 8, 1978	Reverted Crown Grant
Gold Drop Fraction	1373(11)	Nov. 8, 1978	Reverted Crown Grant
Old Bird	1442(3)	March 29, 1979	Reverted Crown Grant
Silent Friend	1443(3)	March 29, 1979	Reverted Crown Grant
Golden Eagle	1441(3)	March 29, 1979	Reverted Crown Grant
Cairn Gorn	L2853	-	Crown Grant
North Star	L1165	-	Crown Grant
Ken (9 units)	2141(4)	April 24, 1980	Mineral Claims
Ann (3 units)	2187(5)	May 21, 1980	Mineral Claims
Annek (2 units)	2188(5)	May 21, 1980	Mineral Claims
Kenar (6 units)	2402(9)	Sept. 15, 1980	Mineral Claims
Leona (15 units)	2349(7)	July 4, 1980	Mineral Claims
Lake View	1858(11)	Nov. 5, 1979	Reverted Crown Grant
Gem	2036(2)		Reverted Crown Grant

HISTORY

The Gold Drop and North Star claims both occupy the same vein system, the latter being southwest of the former. The vein has been exposed over a length of 1,000 ft. (300 m.) by surface and underground workings.

The Gold Drop was first staked off in 1895, the oldest in Jewel Lake camp, owned jointly by L. Bosshart and F. Dittmer. Jewel Gold Mines Ltd. acquired the claim in 1899 but Bosshart regained ownership prior to 1925. Before 1931 Bosshart shipped out 13 tons of ore averaging 1.846 oz gold and 10.85 oz Ag per ton.

The North Star, together with Cairngorn were first bonded by Leslie Hill in 1897. Some shaft sinking uncovered significant sulphide mineralization. In 1931, both the Gold Drop and the North Star claims, as well as, with a few more adjoining claims, had been optioned to Penticton interests under the management of R.L. Clothier. Three carloads of ore has been shipped by Clothier to the Smelter at Trail during the early part of 1932.

Dentonia Mines Ltd., formed in 1931, acquired control of Gold Drop. In 1934 the Superior Mines Ltd. bonded the North Star group of claims which also include Cairngorn Fraction, Old Bird, Golden Eagle Fraction. From 1932 to 1934 the Superior Gold Mines Ltd. operated on the Gold Drop property as well, and reported 4 shipments of ore to the Trail smelter with a total of 99.968 tons carrying an average of 1.36 oz gold and 7.47 oz silver per ton.

In 1935, W.E. McArthur acquired control of North Star and Cairngorn claims and was reported to have shipped 150 tons of hand-sorted material to Trail smelter. Greenbridge Gold Mines Ltd. in 1936 obtained ownership and operated North Star Claims till 1939. A total of 47 tons yielding 152 oz gold and 4,621 oz silver

was mined and shipped out. Gold Drop was leased by Halstrom and Schuberg in 1941. Hand-steel was used to mine 126 tons of ore.

The last reported activity of the Gold Drop until recent sale, was in 1946 when Boundary Gold Mines Ltd. secured title to the property. Diamond drilling was carried out for better values at depths and to check on the vein beyond the adit to the north. Three holes were positioned on the east side of the outcrop and directed at right angle to the plane of the vein dip which is to the southeast. Unfortunately, the records and results of drilling were not available.

DRILLING SUMMARY & RESULTS

A total of 1,584 feet (482.93 meters) of diamond drilling in six holes, B.Q. size, had been completed at the sites selected for probing the continuity at depth of the vein system which carries the oreshoots that were mined out from underground workings in adjoining North Star and Gold Drop claims. See Fig. 4.

The core logs present relicts of basic to intermediate rocks of andesites which make much of the greywacke interlayered with volcanic flows, tuffs, argillites and hornfels of same composition, evidently laid down originally as submarine deposits. They are for the most parts altered to greenstone with significant development of chlorite, hornblende and epidote, among others. Dykes of andesites and diorite porphyry are quite abundant with their contacts making 30° to core axis. Pyrites occur as fracture fillings

in some dykes, as replacements of ferromagnesian minerals in a few, and in a quartz vein pyrite with sulphides of copper and lead are seen sparsely distributed as specks and bunches.

Generally speaking, the drilling failed to disclose any oreshoot untouched by earlier operations, except the one at the Gold Drop claim in the southwest picked up by DH81-7 between 133 feet and 135 feet of depth, about 100 feet (30 meters) vertically below the surface. In the core log the intersection is described as a 2 feet wide replacement quartz vein in the greywacke containing irregularly distributed pyrite, chalcopyrite and galena, making an 80° contact to core axis. This intersection may indicate a sulphide-poor vein extension bordering a mineralized vein system to the southwest where it adjoins Dentonia close to the subsurface intrusive granodiorite contact, and/or the terminal portion of the oreshoot mined out from the upper Gold Drop level. See Fig. 6.

The core boxes are stored and covered with canvas, 100 meters east of drill holes DH81-4 and DH81-5 on the northeast corner of Gold Drop claim.

GEOCHEMICAL SURVEY

Two baselines (Perpendicular to each other) were chained, compassed and marked every 100 feet with yellow ribbon flagging, one tied to DH81 - 2 for the northern part of the area, and the other tied to DH81 - 8 (located but undrilled) for the southern portion of the same area. A two-man crew ran crosslines out from the baselines every 100 feet, and picked up soil samples on crosslines. The directions of the baselines are for both portions of the work area are N 15° E and N 75° W from DH81 - 2 and DH81 - 8

using them as tie points for control. Each soil sample location was marked by blue ribbon flagging. The soil horizon sampled was the B, taken by a spade dug down until the B horizon was obtained. A total of 75 samples were taken to General Testing Laboratories for silver, copper, lead, zinc, arsenic (and with 4 samples in gold) analyses.

The testing methods applied are briefly stated as follows:

Cu, Pb, Zn, Ag combination analyses: 1 gm sample aqua-regia digestion, 25 ml dilution atomic absorption finish.

As: 1 gm sample aqua-regia digestion, 10 ml dilution, atomic absorption finish.

Au: 10 gm fire assay concentration, aqua-regia digestion on dore bead, 5 ml dilution, atomic absorption finish.

On Fig. 4, only silver and lead values are recorded at sampling points on the map because a glance at the list of geochem assay results discloses nothing of significance.

Overall, all geochem values for the metallic elements listed in this report are for the most parts within the range of background values of the normal soil (residual) mantling the property. The results therefore, are inconclusive.

CONCLUSION

The drilling and geochemical soil survey yielded nothing of significance. However, the geological setting, type of occurrence and magnitude and erratic behavior of the orebody in the area don't lend them to easy detection by drilling and geochemical survey alone.

STATEMENT OF ITEMIZED EXPLORATION COSTS

KENAR RESOURCES LTD.
GOLD DROP PROPERTY
JULY 15, 1981 TO AUG. 23, 1981

Diamond Drilling (B.Q. 17/16 in.) 1584ft. at \$20/ft.	\$31,680.00
Core Boxes, Lids and Freight	550.25
Engineering Fees	2,789.55
Truck Rental 4x4 and 2 wheel drive)	1,295.61
Labour (6 men, \$10/hr., 5 weeks)	10,600.00
Living Accommodations and Meals (5 weeks)	5,233.25
Core and Rock Assays	878.70
Geochemical Assays	622.40
D-4 Cat (Preparation of drill sites)	1,900.00
Travelling Expenses	998.95
TOTAL	<u>\$56,548.71</u>

REFERENCES

Reports of the Minister of Mines for 1897, 1900, 1907, 1909, 1914, 1916-1918, 1925, 1927, 1928, 1930-1939, and 1946.

Report on the Gold Drop Property, Greenwood Mining Division, B.C. for Kenar Resources Ltd. by R.W. Phendler, P. Eng. Feb. 20, 1981.

Respectfully submitted,


D.M. Basco, F. GAC
Consulting Geologist

STATEMENT OF QUALIFICATIONS

Name: BASCO, Daniel M.

Profession: Geologist

Education: B.Sc. Geology, University of the Philippines, 1935.
Took post-graduate courses in Economic Geology, University of the Philippines, 1936-1940.
Made studies and observations of mining and exploration projects in Japan, under the auspices of Mitsui Mining & Smelting Co., 1957.

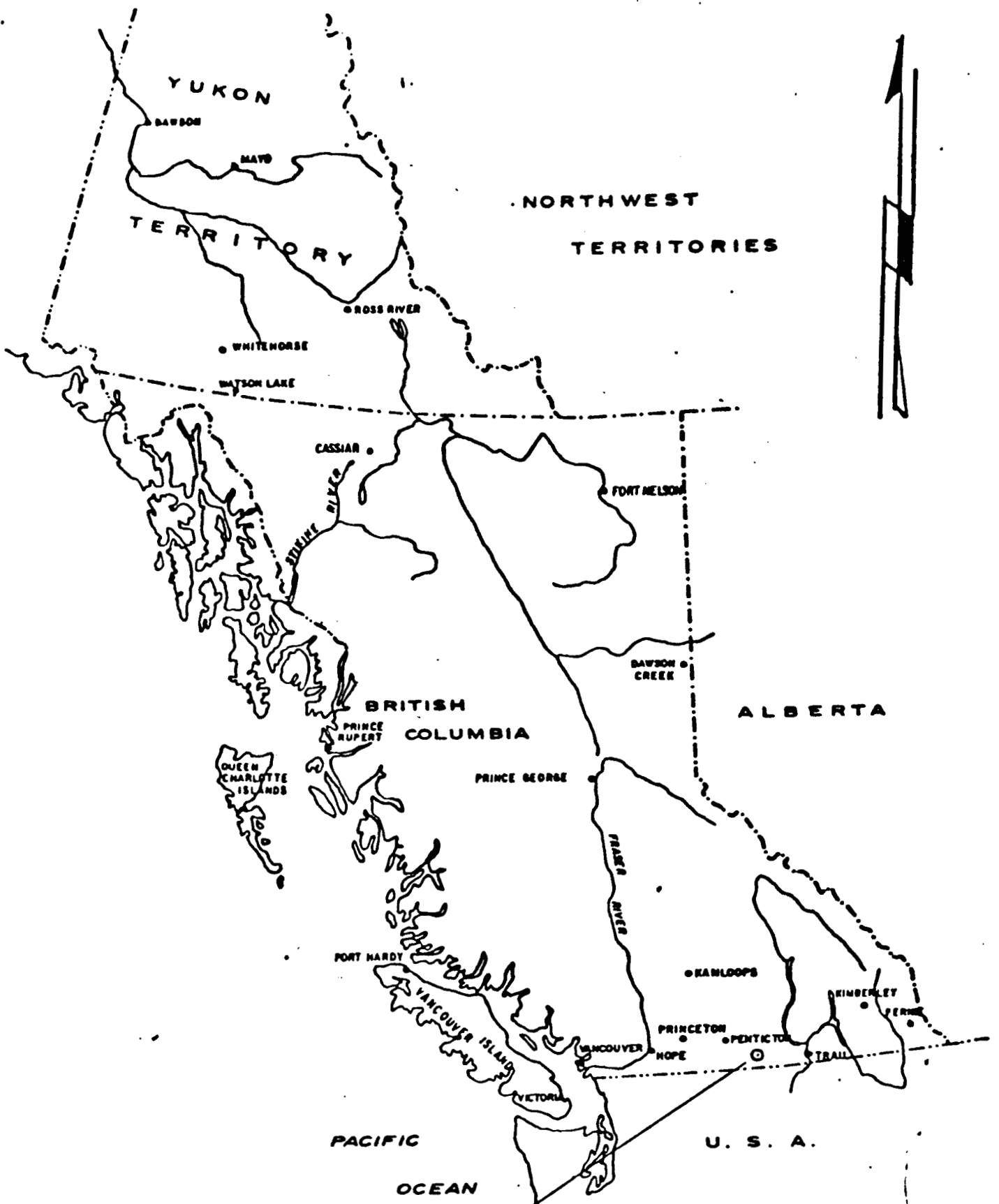
Professional Associations: Registered Geologist, Philippines Board of Examiners.
Fellow, Geological Association of Canada.
Member, Mineralogical Association of Canada.
Member, Canadian Institute of Mining and Metallurgy.

Philippines Experience: Eleven years teaching geology as Asst. Professor, University of the Philippines.
Four years Government Geologist for Philippines Bureau of Mines.
Fifteen years diversified experience in the practice of geology having been connected as Field, Mining, Exploration and Chief Geologist for different mining and exploration companies such as Mitsui Mining & Smelting co., Marsman & Co., Elizalde & Co., Island Oil & Industrial Corporation and Marinduque Mining & Industrial Corporation.

Canadian Experience: Eighteen years geological experience as Mines, Exploration and Consulting Geologist at one time or another for Western Mines Ltd., Kerr Addison Mines Ltd., Columbia River Mines Ltd., Exploram Mineral Ltd., etc.

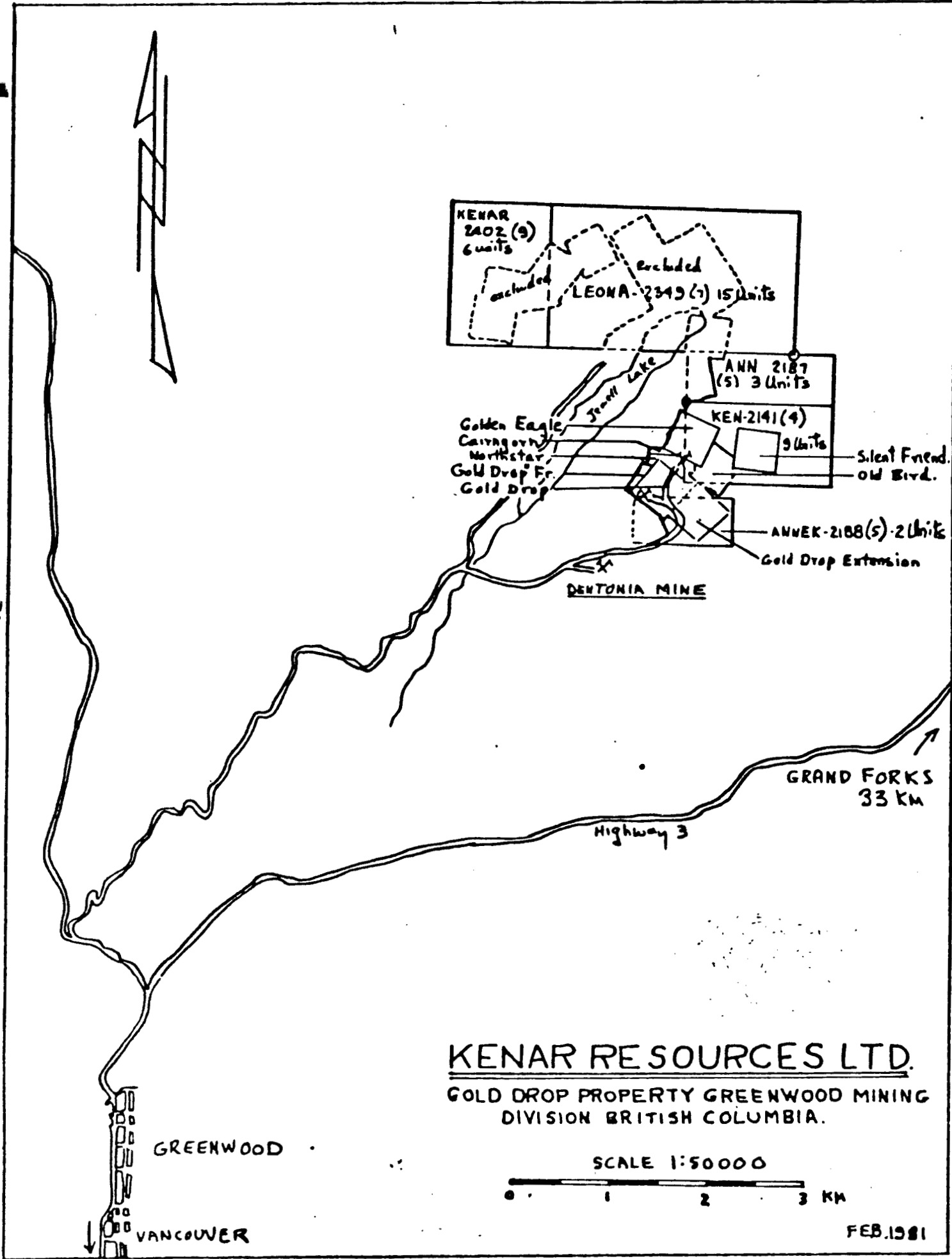
Vancouver, B.C.
May 1982


DANIEL M. BASCO, F.GAC



GOLD DROP PROPERTY

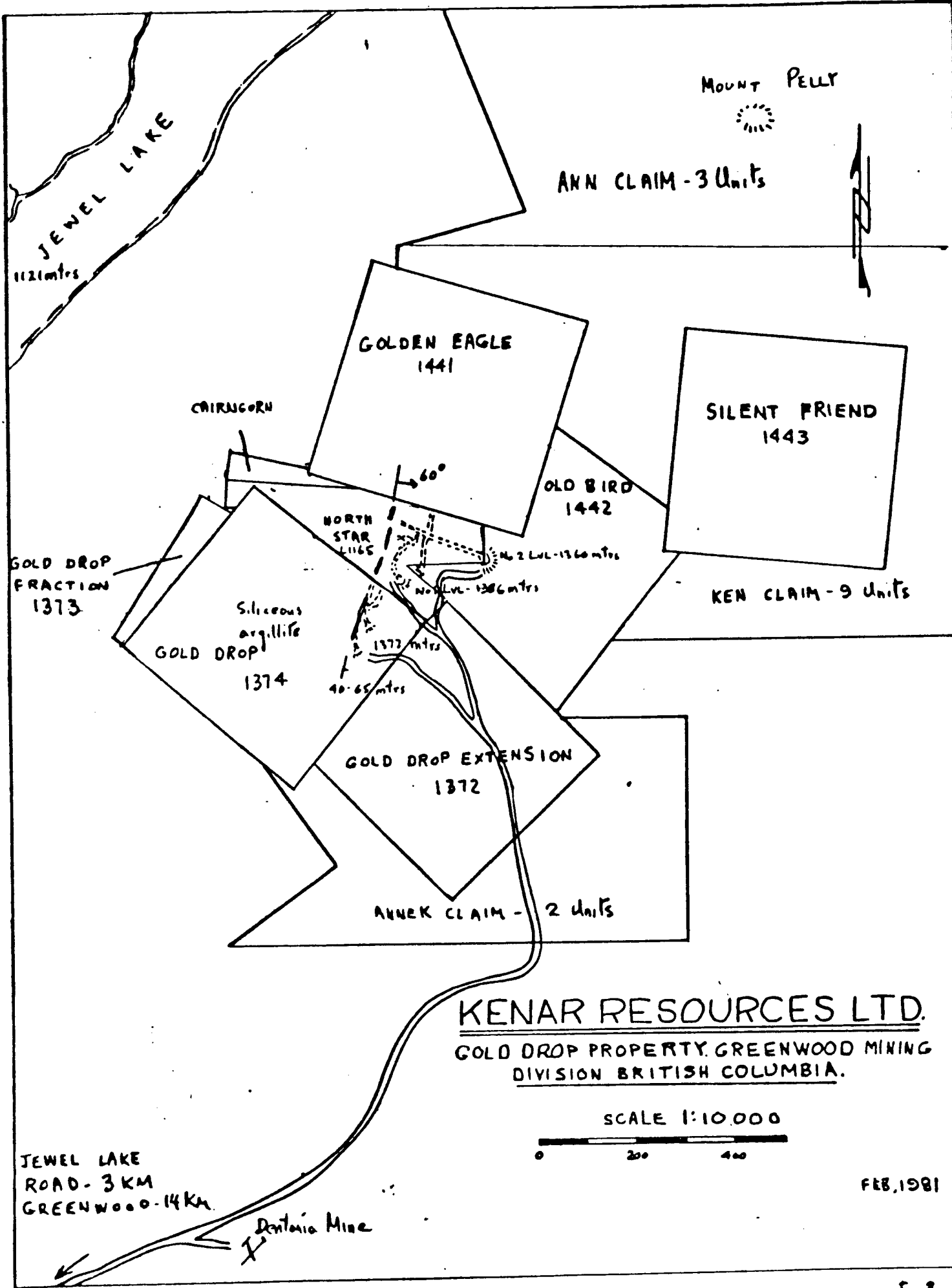
LOCATION MAP	
VANCOUVER	BRITISH COLUMBIA
KENAR RESOURCES LTD	
<u>GOLD DROP PROPERTY</u>	
SCALE 1:12,672,000	
NTS.	DATE MAY. 1980 FIG No. 1
1" = 200 MILES	



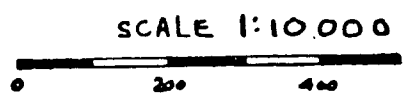
KENAR RESOURCES LTD.
GOLD DROP PROPERTY GREENWOOD MINING
DIVISION BRITISH COLUMBIA.

FEB. 1981

Fig. 2



KENAR RESOURCES LTD.
 GOLD DROP PROPERTY, GREENWOOD MINING
 DIVISION BRITISH COLUMBIA.



FEB, 1981

Drill Hole Log

COMPANY Kenar Resources Ltd.

PROPERTY Gold Drop

Section No.

HOLE No. DH81-1

Started July 23/81	Bearing S88° W	Lat.	Collar El. 4750'	Logged by D. Basco	Date July 28/81
Completed July 27/81	Angle from Horizon -45°	Dep.	Bottom. El.	Remarks	
Driller Interior D.D.	Length 213' (64.94m)	Location	Level		

In Feet		Interval	RECOVERY		DESCRIPTION	Sample No.	From-To	Interval	ASSAY			
From	To			%					Au	Ag	Cu	Pb-Zn
0	8				No core				oz/st	oz/st		
8	30				Dyke: quartzo-feldspathic dyke in hornblende schist. Foliation 30° to core axis.							
30	105				Andesitic Flows, with minor interbedded greywacke, tuffs, argillites and hornfels. Bauding 30° to core axis. Sparse pyrite in fracture with calcite and quartz.							
105	136				Greywacke: Chloritic, sparse pyrite pyrite disseminations. Feldspathic sands and small volcanic fragments set in a matrix of chloritic paste.							
136	146				Dyke: felsite, contact 40° to core axis.							
146	177				Greywacke: as 105-136 above, with thin dyke material in parts.							
177	180				Hornfels; few pyrite and occasional chalcopyrite in fractures, banded 60° to core axis.	876	177'-180'3'		0.005	Tr		

Drill Hole Log

COMPANY Kenar Resources Ltd.

PROPERTY Gold Drop

Section No.

HOLE No. DH81-2

Started July 28/81	Bearing Due W	Lat.	Collar El. 4720'	Logged by D. Basco	Date July 31/81
Completed July 31/81	Angle from Horizon -60°	Dep.	Bottom. El.	Remarks	
Driller Interior D.D. Ltd.	Length 287' (87.5m)	Location	Level		

In Feet			RECOVERY		DESCRIPTION	Sample No.	From-To	Interval	ASSAY				
From	To	Interval		%					Au	Ag	Cu	Pb-Zn	
0					No core.								
6	31				Augite Andesite Flow; tuffaceous in parts. Few pyrite along fracture with calcite.								
31	43				Greywacke; sparsely pyritic with minor quartz and calcite along fractures.								
43	50				Dyke; andesitic, sparse pyrite in calcite stringers.								
50	96				Greywacke. Pyrite with rare chalcopyrite in fractures.	878	89.5-90	5	0.014	Tr			
96	106				Andesite Dyke; gradational contact								
106	157				Greywacke; with intercalated layers of andesite flows, tuffs and volcanic breccia.								
157	172				Hornblende Diorite Porphyry Dyke contact 30° to core axis.								
172	283				Greywacke. Pyrite along fractures 176-177.	879	176-177		0.008	Tr			
283	285				Argillite								
285	287				Greywacke; pyrite in fractures 285-286.5	880	285-286	5	0.022	Tr			

END OF HOLE

Drill Hole Log

COMPANY Kenar Resources Ltd.

PROPERTY Gold Drop

Section No.

HOLE No. DH81-4A

Started Aug. 7/81	Bearing N50°W	Lat.	Collar El. 4575'	Logged by D. Basco	Date Aug. 13/81
Completed Aug. 12/81	Angle from Horizon -45°	Dep.	Bottom. El.	Remarks	
Driller Interior D.D.	Length 297' (90.55m)	Location	Level		

In Feet			RECOVERY		DESCRIPTION	Sample No.	From-To	Interval	ASSAY				
From	To	Interval		%					Au	Ag	Cu	Pb-Zn	
0	26				No core.								
26	36				Greywacke; chloritic, relict fragments stretched out along bands 45° to core axis.								
36	46				Diorite Porphyry Dyke; pyrite in fractures.	890	36-39	3	0.012	Tr			
46	49				Andesite Dyke.								
49	50				Greywacke.								
50	73				Andesitic Flows; amygdaloidal in parts. Few pyrite in fractures. Few thin beds of greywacke in the flows.	891	65'-67'	2	0.010	Tr			
73	85				Greywacke.								
85	99				Andesite Dyke.								
99	157				Greywacke; few relict fragments elongated 40° to core axis..								
157	170				Augite Andesite Dyke								
170	224				Greywacke.								
224	228				Andesite Dyke.								
228	297				Greywacke; banded 25° - 30° to core axis; minor intercalated layers of tuffs and andesite flows.								

END OF HOLE

Drill Hole Log

COMPANY Kenar Resources Ltd.

PROPERTY Gold Drop

Section No.

HOLE No. DH81-7

Started Aug. 13/81	Bearing N72°W	Lat.	Collar El. 4530'	Logged by D. Basco	Date Aug. 14/81
Completed Aug. 14/81	Angle from Horizon -45°	Dep.	Bottom. El.	Remarks	
Driller Interior D.D.	Length 235' (71.64m)	Location	Level		

In Feet		Interval	RECOVERY		DESCRIPTION	Sample No.	From-To	Interval	ASSAY				
From	To			%					Au	Ag	Cu	Pb-Zn	
0	14				No core.								
14	133				Greywacke; silicified, sericitized, chloritic in parts, relict fragments of volcanic rocks in fine chloritic matrix, stretched out in bands 20° - 30° to core axis; sparsely pyritic, oxidized fractures near surface; minor intercalated layers of tuffs and andesitic flows.								
133	135				Replacement quartz vein in greywacke 80° to core axis, with occasional crystals of pyrite, chalcopryrite and galena.	892	133-135	2	0.005	Tr			
135	141				Greywacke.								
141	163				Andesite Flow.								
163	164				Tuff								
164	166				Andesite Dyke								
166	199.5				Greywacke; few pyrites with calcite along fractures 178'-180' & 197'-199.5'.	893	178-180	2	0.002	Tr			
						894	197-199.5	2	5,0.005	Tr			

General Testing Laboratories

A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2

PHONE (604) 254-1847 TELEX 04-507514 CABLE SUPERVISE



TO:
KENAR RESOURCES LTD.
 463 - 1155 West Georgia Street
 Vancouver, B.C.
 VOE 3H4

OCT - 1

CERTIFICATE OF ASSAY

No.: 8109-0357 DATE: Sept. 29/81

We hereby certify that the following are the results of assays on: **Ore**

MARKED	GOLD	SILVER	Copper	Lead	Zinc	XXX	XXX	XXX
	oz/st	oz/st	Cu (%)	Pb (%)	Zn (%)			
876 - SS	0.005	trace	-	-	-			
877	0.005	trace	-	-	-			
878	0.014	trace	-	-	-			
879	0.008	trace	-	-	-			
880	0.022	trace	-	-	-			
881	0.008	trace	-	-	-			
882	0.005	trace	-	-	-			
883	0.002	trace	-	-	-			
884	0.002	trace	0.01	0.02	0.01			
885	0.012	trace	-	-	-			
886	0.002	trace	-	-	-			
887	0.010	trace	-	-	-			
888	0.003	trace	-	-	-			
889	0.014	trace	-	-	-			
890	0.012	trace	-	-	-			
891	0.010	trace	-	-	-			
892	0.005	trace	0.01	0.14	0.01			
893	0.002	trace	-	-	-			
894	0.005	trace	-	-	-			
895	0.002	trace	-	-	-			

SAMPLES RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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L. Wong

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade



TO:
 KENAR RESOURCES LTD.
 c/o Mr. John Kucheran
 197 Granby Ave.,
 Penticton, B.C.

01569 CERTIFICATE OF ASSAY

No.: 8110-1966 DATE: Nov. 4/81

We hereby certify that the following are the results of assays on: soil samples

MARKED	XXXXXX	SILVER	Copper	Lead	Zinc	Arsenic	XXX	XXX
		Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)	Au	
OW - ON		0.9	49	16	78	20	0.02	
1N		0.8	51	15	146	15		
2N		0.5	34	14	76	9		
3N		0.5	41	16	77	8		
4N		1.0	139	17	92	17	0.02	
5N		0.8	49	17	77	6		
6N		0.8	59	17	85	7		
7N		0.3	27	214	72	4		
8N		0.8	28	17	75	2		
9N		0.8	31	59	119	2		
10N		0.5	23	17	69	7		
OS		0.5	62	13	79	3		
1S		0.5	64	16	145	4		
2S		0.5	35	15	140	2		
3S		0.3	36	21	199	4		
4S		0.8	100	13	130	7		
1W - OS		0.8	129	17	140	4		
1S		0.8	39	19	103	5		
2S		0.8	83	15	86	7		
3S		0.3	47	16	101	3		
4S		0.3	59	14	117	3		
ON		0.8	39	17	66	3		
1N		0.5	43	16	73	5		
2N		0.5	35	13	92	2		
3N		1.0	64	17	109	6		
4N		0.3	28	13	70	9		
5N		0.5	34	14	62	3		
1E - OS		0.5	57	14	72	3		
1S		0.3	42	150	96	2		
2S		0.5	49	15	46	5		
3S		0.3	28	13	84	3		
4S		0.3	50	14	152	2		

/ Continued on page 2 ...

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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L. Wong
 L. Wong
 PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

COPY



TO:
KENAR RESOURCES LTD.
 page 2

CERTIFICATE OF ASSAY

No.: 8110-1966 DATE: Nov. 4/81

We hereby certify that the following are the results of assays on: soil samples

MARKED	GOLD xxx	SILVER Ag(ppm)	Copper	Lead	Zinc	Arsenic	xxx	xxx
			Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)		
2W - ON		0.5	33	17	73	3		
1N		0.5	53	17	101	7		
2N		0.5	28	15	65	5		
3N		0.3	31	15	79	5		
4N		0.5	59	15	159	6		
OS		0.8	48	16	98	10		
1S		0.5	39	15	94	4		
2S		0.3	33	25	106	4		
3S		1.0	54	15	114	9		
4S		0.5	48	15	124	5		
3W - ON		0.5	33	16	73	4		
1N		0.5	28	21	96	4		
2N		0.5	26	16	84	5		
3N		0.8	34	13	72	4		
OS		0.8	52	14	109	6		
1S		0.8	55	16	105	4		
2S		0.5	33	14	122	3		
3S		0.8	43	17	136	10		
4S		1.0	104	13	130	5		
4W - ON		0.5	32	12	60	5		
1N		0.5	37	13	57	7		
2N		0.3	29	24	65	4		
3N		0.9	34	17	116	8		
OS		0.8	39	15	91	4		
1S		1.0	55	13	93	3		
2S		0.8	43	24	83	24		
3S		0.5	62	14	90	14		
4S		0.3	38	18	71	9		
5W - OS		0.3	34	15	58	3		
1S		0.5	49	16	119	2		
2S		0.5	77	15	153	35	002	
3S		0.3	53	17	90	12		
4S		0.5	73	15	73	7		

Continued on page 3 ...

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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L. Wong

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
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TO:
KENAR RESOURCES LTD.
 page 3

CERTIFICATE OF ASSAY

No.: 8110-1966 DATE: Nov. 4/81

We hereby certify that the following are the results of assays on: soil samples

MARKED	Ag	SILVER	Copper	Lead	Zinc	Arsenic	XXX	XXXX
		Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)	12	
6W - OS		0.5	46	19	101	7		
1S		0.8	70	21	185	10		
2S		0.8	67	19	149	36		
3S		1.0	64	15	161	4		
4S		1.0	58	19	109	2		
7W - OS		0.5	44	15	89	3		
1S		1.2	60	21	107	3		
2S		0.5	37	15	85	11		
3S		0.8	45	17	93	4		
4S		0.8	57	16	88	4		

cc. Mr. Arnie Kucheran

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 L. Wong

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General Testing Laboratories

A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2
 PHONE (604) 254-1847 TELEX 04-507514 CABLE: SUPERVISE



TO:
 KENAR RESOURCES LTD.
 c/o Mr. John Kucheran
 197 Granby Ave.,
 Penticton, B.C.

CERTIFICATE OF ASSAY

No.: 8110-1966 DATE: Nov. 6/81

We hereby certify that the following are the results of assays on: soil samples (further analysis)

MARKED	GOLD	SILVER	XXX	XXX	X XX	XXX	XXX	XXX
	Au(ppm)							
OW - ON	0.02							
OW - 4N	0.02							
5W - 2S	0.02							
7W - 4S	0.02							

Method of analysis (Ref. 8110-1966):

Cu Pb Zn Ag combination analysis: 1 gm sample aqua-regia digestion, 25 ml dilution atomic absorption finish.

As : 1 gm sample aqua-regia digestion, 10 ml dilution, atomic absorption finish.

Au : 10 gm sample fire assay concentration, aqua regia digestion on dore bead, 5 ml dilution, atomic absorption finish.

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

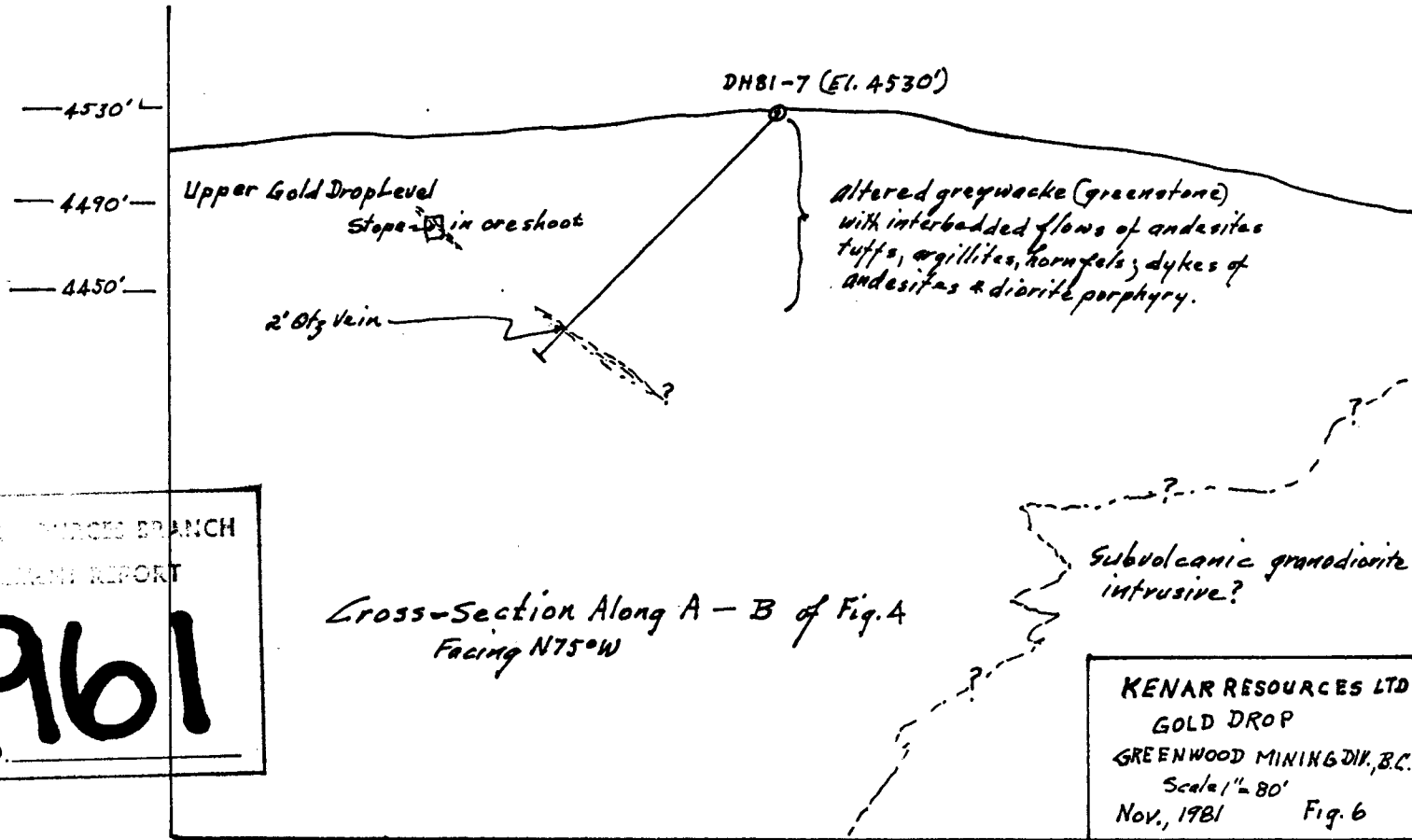
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L. Wong

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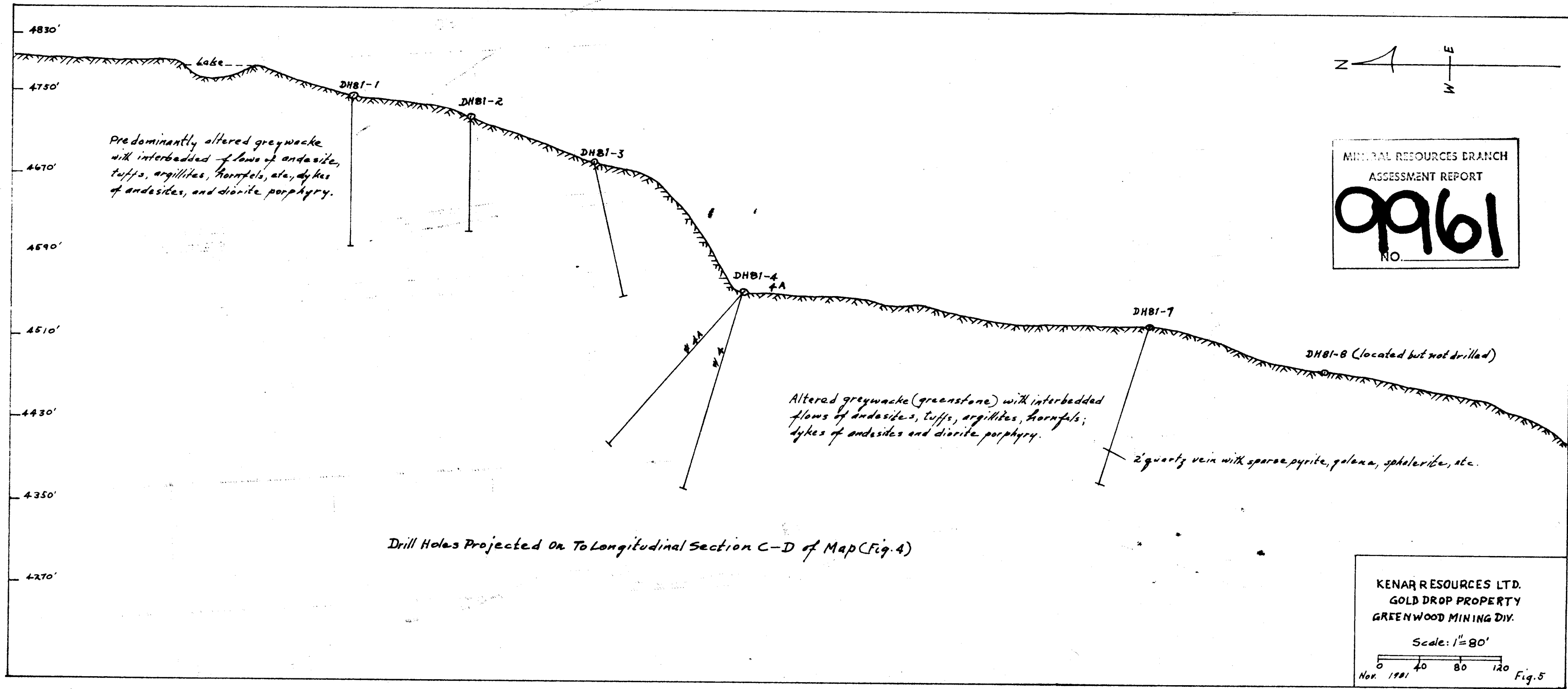
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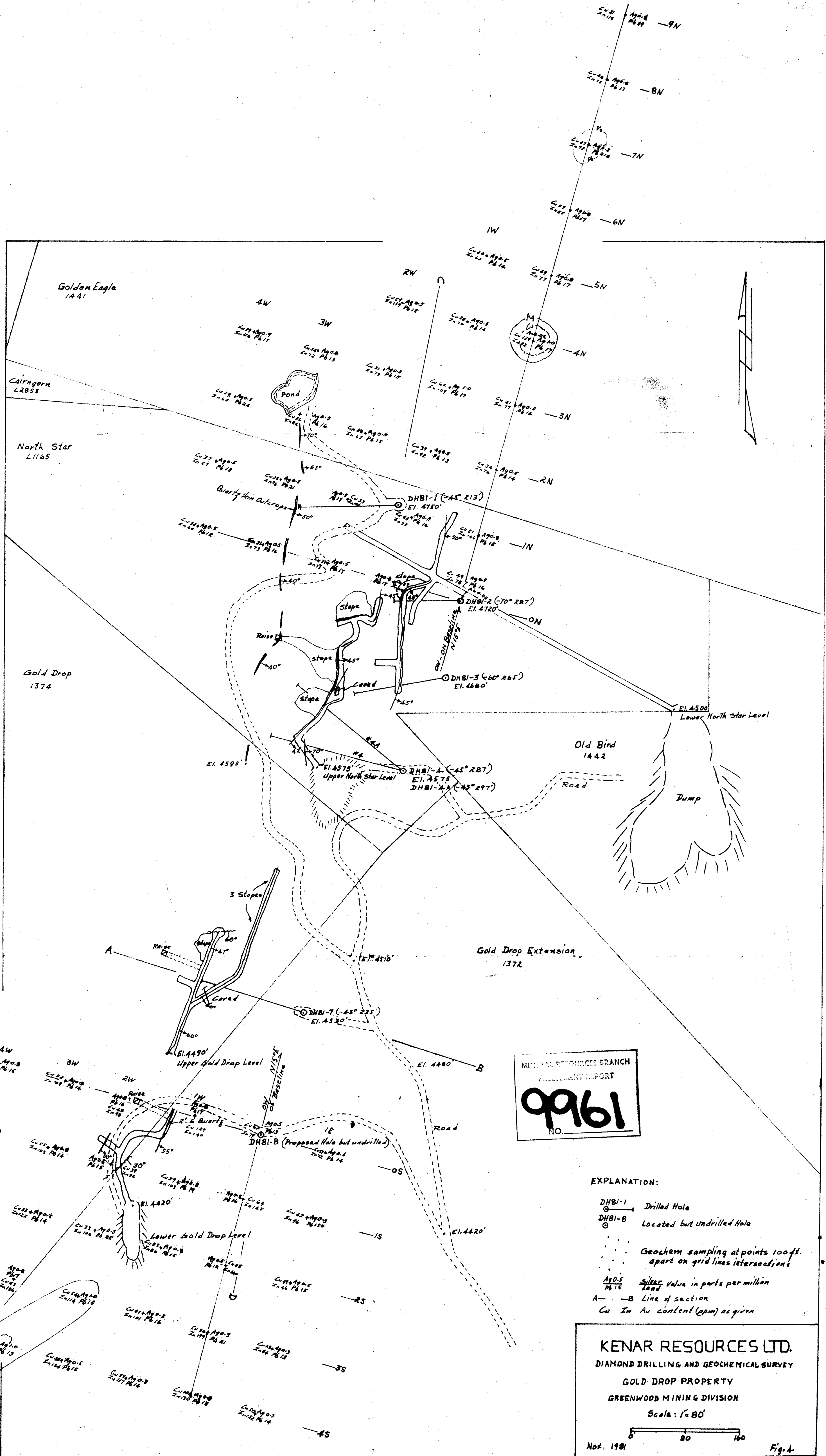


Cross-Section Along A - B of Fig. 4
Facing N75°W

MINING RESOURCES BRANCH
ASSESSMENT REPORT
9961
NO. _____

KENAR RESOURCES LTD
GOLD DROP
GREENWOOD MINING DIV., B.C.
Scale 1" = 80'
Nov., 1981 Fig. 6





MINERAL RESOURCES BRANCH
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9961
NO.

- EXPLANATION:**
- DHBI-1 Drilled Hole
 - DHBI-B Located but Undrilled Hole
 - Geochem sampling at points 100 ft. apart on grid lines intersections
 - AgOs PPM Silver value in parts per million
 - A-B Line of section
 - Cu Zn Au content (ppm) as given

Geochemical Category in PPM

Silver (Ag):
Background --- 0.9 maximum
Anomalies --- 1.0 and over

Lead (Pb):
Background --- 2000 maximum
Anomalies --- 201.0 and over

Copper (Cu):
Background --- 100.0 maximum
Anomalies --- 101.0 and over

Zinc (Zn):
Background --- 300.0 maximum
Anomalies --- 301.0 and over

Gold (Au):
Background --- 0.1 maximum

KENAR RESOURCES LTD.
DIAMOND DRILLING AND GEOCHEMICAL SURVEY
GOLD DROP PROPERTY
GREENWOOD MINING DIVISION
Scale: 1" = 80'
Nos. 1981 Fig. 4

Symbols for Anomaly if Any: C for Ag, P for Pb, G for Au.