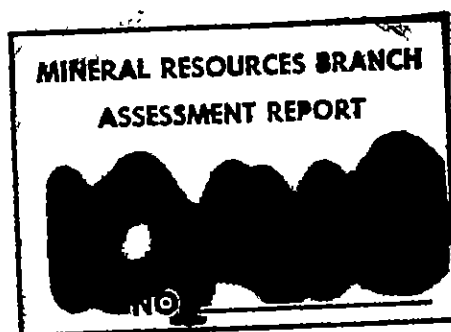


REPORT
ON
GEOLOGICAL MAPPING, MAGNETOMETER SURVEY,
AND V.L.F. EM SURVEY

ON THE
VENNER AND VENNER 2
MINERAL CLAIMS

Osoyoos Mining Division,
British Columbia



D. Johnson
LACANA MINING CORPORATION
May 20, 1982

NTS: 82E/6W
LAT: 49°17'N
LONG: 119°18'W

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
CONCLUSIONS AND RECOMMENDATIONS	2
INTRODUCTION	3
Location and Access	3
Claim Status	3
GEOLOGY	4
Regional Geology	4
Property Geology	4
GEOPHYSICS	6
Magnetometer Survey	6
V.L.F. EM Survey	6
TRENCHING	7

LIST OF FIGURES

Fig. 1 : Location Map	Foll. p. 2
Fig. 2 : Claim Map	"
Fig. 3 : Geology Map	In Pocket
Fig. 4 : Magnetometer Map	Foll. p. 6
Fig. 5 : V.L.F. EM Survey Map	In Pocket
Fig. 6 : Trench Location Map	Foll. p. 7

APPENDICES

Appendix I: Statement of Qualifications-D. Johnson
Appendix II: Statement of Costs
Appendix III: Assay Values

SUMMARY

The VENNER claim was staked by Lacana in May 1980, to cover a small, volcanic-hosted gold occurrence explored by various owners in the past decade. Extensive re-sampling of the known occurrence and the surrounding area has yielded gold assays in excess of 30 grams/tonne.

Following a regional stream sampling programme in May and June of 1980, the VENNER 2 claim was added to cover several gold anomalous stream drainages. This portion of the group has not been extensively explored.

In June 1981, 4 trenches were blasted, of which 3 exposed bedrock. These were sampled and assayed for gold content.

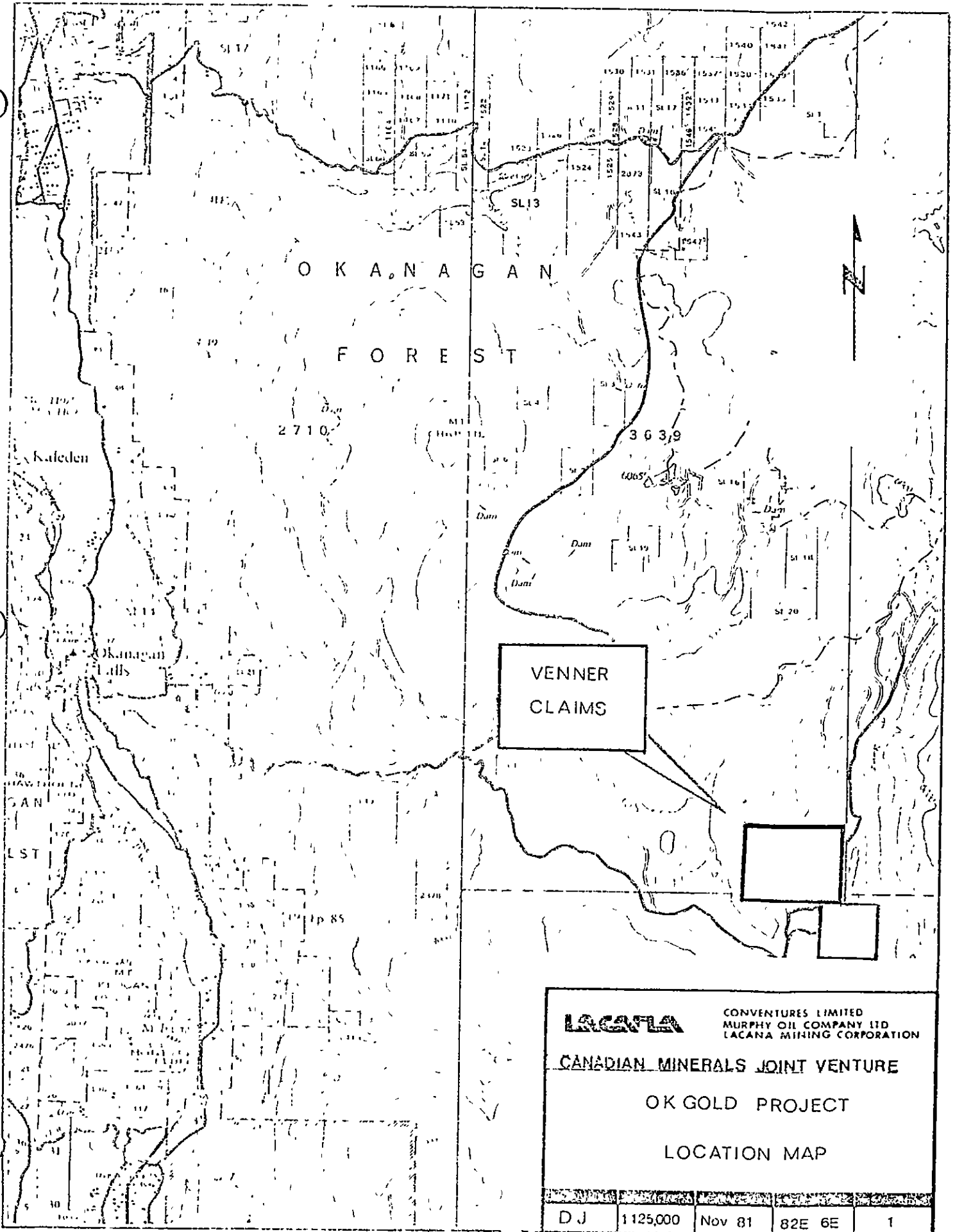
In August of 1981, D. Johnson undertook geologic mapping of a 1 km square area, on a scale of 1 to 5000. Concurrently the existing grid was expanded to cover the same 1 km square area, and surveyed with an M700 magnetometer.

In an attempt to further define the suspected mineralized zone, a small area was surveyed at 25 x 25 m spacing, in May 1982, using a Crone "RADEM" VLF EM unit.

CONCLUSIONS AND RECOMMENDATIONS

The 1981 work programme described in this report has not expanded the previously known gold-bearing zone. The combined geological, geophysical approach has increased understanding of the geology of the area and has aided in the planning of future exploration work.

The presence of economic grade gold values in a recognizable, geophysically traceable zone is considered to be a valid target for investigation by diamond drilling. A tentative 4-hole programme is shown on inset map 3A.



O K A N A G A N
F O R E S T

VENNER
CLAIMS

LACANA CONVENTURES LIMITED
MURPHY OIL COMPANY LTD
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

OK GOLD PROJECT

LOCATION MAP

D J	1125,000	Nov 81	82E 6E	1
-----	----------	--------	--------	---

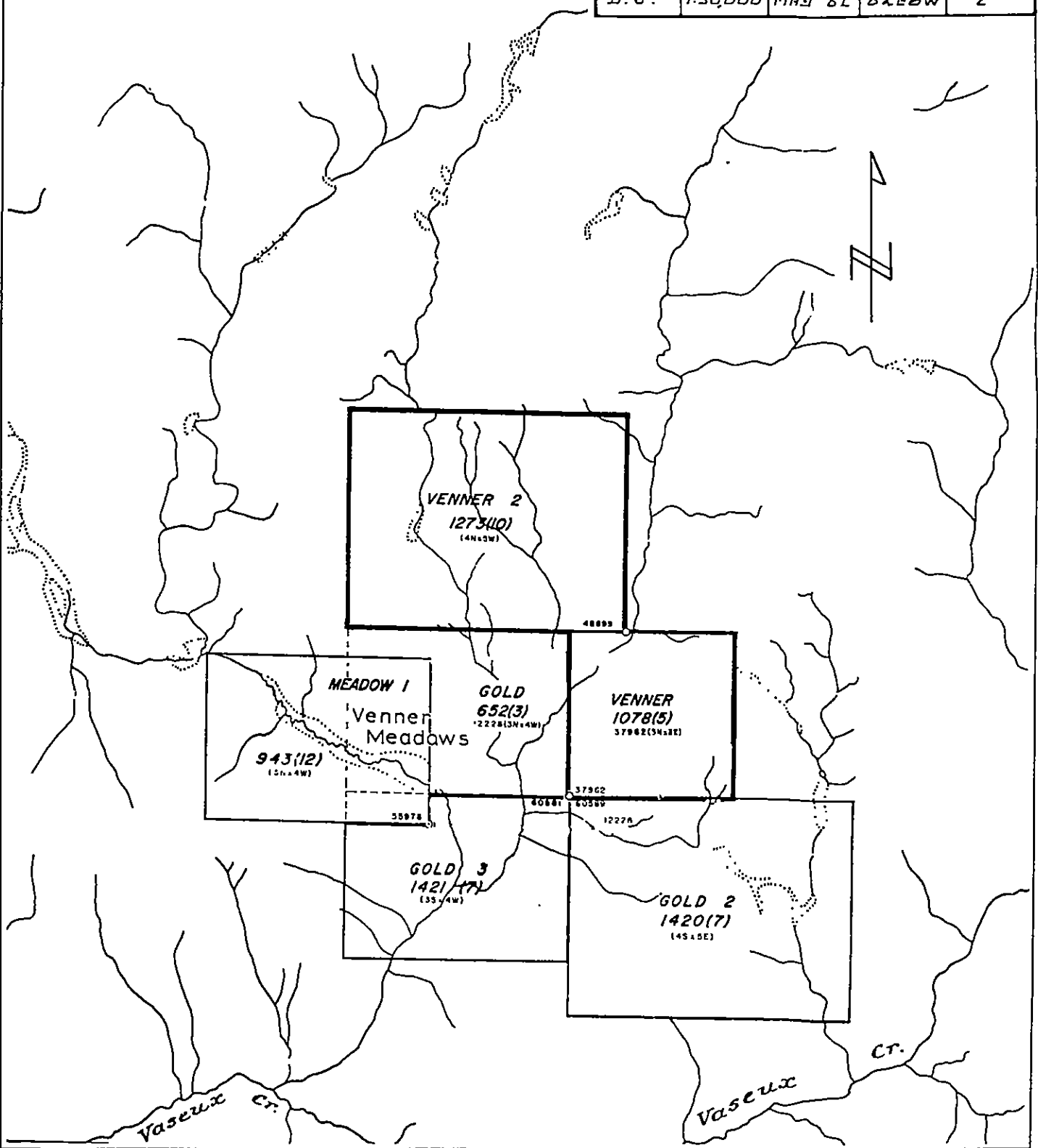
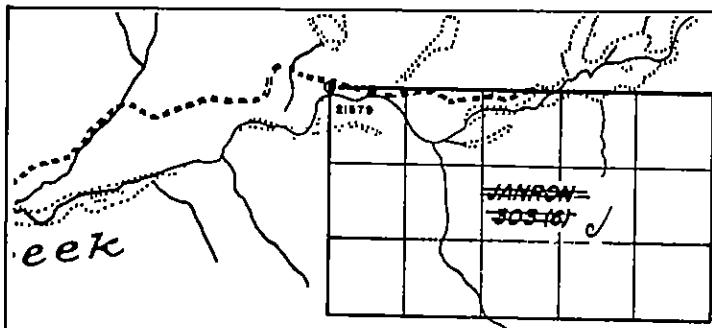
LACANA

CONVENTURES LIMITED
MURPHY OIL COMPANY LTD
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

VENNER CLAIMS

PREPARED BY	SCALE	DATE	PROJECT NO.	FIGURE NO.
D. J.	1:50,000	MAY 81	82E6W	2



INTRODUCTION

Location and Access

As shown on Fig. 1, the Venner property is located 21 km, E.S.E. of Okanagan Falls, B.C. Terrain is gently rolling with elevations ranging from 1490 to 1630 metres.

Excellent road access is provided by Weyerhaeuser's 'R' 200 - logging road, from the sawmill at Okanagan Falls.

Claim Status

Dimensions, etc. of the claims are shown in the table below and on Fig. 2. Both claims are in the Osoyoos Mining Division.

<u>Name</u>	<u>Record Number</u>	<u>Number of Units</u>	<u>Record Date</u>
Venner	1078	9	May 21, 1980
Venner 2	1273	20	Oct 16, 1980

GEOLOGY

REGIONAL GEOLOGY

Regional geology is shown on G.S.C. map 15-1961 (Kettle River, West half). The "Venner" gold showing is contained within a three kilometre x eleven kilometre outlier of mixed volcanic and sedimentary rocks, probably of Eocene age. In gross terms, this environment is similar to the Dusty Mac Mine some 19 kilometres to the northwest.

PROPERTY GEOLOGY

In the immediate area of the main Au showing, extensive overburden hampers detailed geological mapping. On a larger scope, sufficient bedrock is exposed, largely in recent logging road cuts, to assemble a basic picture of property geology.

1. Andesite

The gold mineralization is hosted in a dark fine-grained porphyritic andesite. Metallic minerals are rare. There is no readily visible guide to the presence of gold, although there may be a rough correlation of gold content with the degree of silicification. A 25-30 cm wide quartz carbonate vein which cuts the main showing area is not completely barren, but certainly does not account for more than a small portion of the gold present.

2. Agglomerate

An agglomerate or lahar fragmental unit, composed largely of, and apparently derived from, the andesite was found and sampled at several locations, with no gold content discovered.

3. Rhyolite

The only definite rhyolite outcrop is found in a road cut 100 metres south of the showing. Much of this outcrop is highly weathered, into five to ten cm plates, and has been used for road fill. A fresher competent, very siliceous, variety was exposed by road work in late October. A highly weathered flow top consisting of hexagonal columnar blocks has an apparent attitude of $\frac{030^\circ}{15E}$.

4. Tuff

Much of the hill rising gently to the east of the showing is underlain by a tuff unit of rhyolitic composition. Most outcrops are badly broken blocky rubble, and accurate determination of bedding is difficult. Attitude inferred from a few good clean outcrops is about $\frac{320^\circ}{80E}$.

This tuff will quite effectively mask any mineralization extending east of the main showing, eliminating geochemical or geophysical expression.

GEOPHYSICS

Magnetometer Survey

Our existing grid, previously soil-sampled earlier in 1981, was expanded an additional 500 metres to the east. Stations were read at 50 m intervals on a total of 12.5 km of east-west lines, using a McPhar M-700 magnetometer. Traverses were looped, tying in at a base station, to allow measurement of and correction for diurnal drift. Corrected, relative values are plotted on Fig. 4.

Total magnetic relief measured was 650 gammas. Several features are immediately evident, some of which can be related to known geology.

1. The eastern portion of the grid, largely underlain by rhyolite and tuff, is fairly flat magnetically, while the area of andesite and agglomerate displays much more relief.
2. The known gold showing coincides well with a magnetic low, indicative of silicification and carbonate alteration.
3. A suggested northeasterly trend extending from 0E, 1N to 7E, 10N parallels an inferred fault in Solco Creek.

V.L.F. EM Survey

Early in May 1982, a small area in the southeast corner of the Venner claim was covered by a tightly spaced (25m x 25m) V.L.F. EM survey. A Crone "RADEM" unit was used, reading the Cutler Maine transmitter. It was hoped that the well known response of V.L.F. EM to structural features and veins would trace a carbonate vein and related alteration zone exposed in a road cut just west of the boundary of the Venner claim.

The survey was apparently successful. A distinct east-west crossover zone was detected, coincident with the exposure of the target vein system. Also evident was the lack of response in the eastern part of the detail grid, attributable to the masking effects of the rhyolite and tuff.

10N

1000 1160 840 940 860 1160 1270 1100 1060 1060 1020 970 850 970 740 1040 1170 1130 1070 1160 1150

920 1260 980 990 1120 1150 110 900 800 730 890 860 940 730 1050 1130 1100 1100 1080 1080 1190

1100 890 900 990 1030 1080 1070 920 720 770 850 940 970 960 980 1010 990 1130 1140 1210 900

1170 1120 940 970 1020 980 920 820 870 950 1020 850 1070 960 930 990 1020 1000 1070 1170 1240

1130 1360 1400 1170 1140 1030 1040 1000 970 1210 1030 1010 1000 1050 980 970 950 990 1000 970 1020

5N

900 840 870 1000 950 1000 1070 1070 1000 960 950 950 940 960 950 910 910 910 930 890 990

960 990 1000 1060 970 1000 1000 800 910 820 960 1000 1000 1150 980 960 970 940 940 950 940

840 1100 870 1060 1000 950 880 1060 1100 1000 1000

870 840 900 1080 1040 1150 1100 1150 1130 1000 1060 1020 1040 960 950 950 950 1020 1000 1040

940 940 870 900 1030 1150 1200 1240 1180 1200 990

1000 750 760 820 1080 1120 1100 1070 1100 1170 870 1060 1070 1000 990 1000 970 1020 980 1120

1020 1080 980 1080 1000 1000 1080 1100 1120 1120

1060 1070 1080 1090 1000 1080 1060 1020 1070 980 1150 1000 1100 1150 1000 1070 1000 990 970 1020

0N

880 870 900 1030 1020 960 1000 990 940 1010 1090 1060 990 1050 900 880 920 1080 1000 1020 1040

0E

SE

km 87

R 200

10E



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

10,410
NO

RELATIVE GAMMAS

MSPHAR M-700

0 Metres 150

LACANA CONVENTURES LIMITED
MURPHY OIL COMPANY LTD
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

VENNER
CLAIM
MAGNETICS

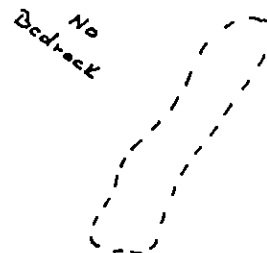
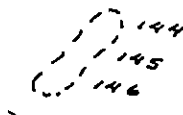
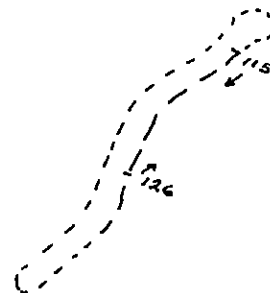
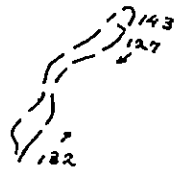
TRENCHING

The original gold showing occurs in an isolated outcrop, surrounded on all sides by deepening overburden. Trend was originally interpreted as 300°. In an attempt to expose bedrock and trace mineralization, four trenches were blasted, one southeast of and three northwesterly of the showing. Three of these exposed bedrock, and were sampled in one-metre intervals, yielding thirty-two samples. Trench locations, and sample numbers are shown on Fig.6, and assay values as Appendix III.

3100N -

1+00E -

1+50E -



x Au

LACFLA

CONVENTURES LIMITED
MURPHY OIL COMPANY LTD.
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

VENNER CLAIM TRENCHES

LEGEND

x Au ORIGINAL SHOWING

123 SAMPLE NUMBER
(1 metre chain)

PREPARED BY	SCALE	DATE	SHEET NO.	TOTAL SHEETS
D.J.	1:500	MAY 82	82E6W	6

0 5M

STATEMENT OF QUALIFICATIONS
D. Johnson

I, Darrel Johnson, of the City of Port Coquitlam, B.C. do hereby state that:

1. I graduated from the University of British Columbia in 1970, with a B.Sc. degree in geology;
2. I have been working as an exploration geologist with various exploration companies in British Columbia since 1970, and have considerable practical experience gained during several years of pre-graduation employment in the industry;
3. I am presently employed by Lacana Mining Corporation as a senior exploration geologist;
4. All work described in this report was conducted under my direct supervision.

Dated May 20, 1982 at Vancouver, B.C.


D. Johnson

STATEMENT OF COSTSA. Trenching

1. <u>Wages:</u> D. Johnson, June 17,18,19,23 1981 4 days @ \$150/day	\$ 600.00
L. Killough, June 17,18,19,20,21,22 6 days @ \$60/day	360.00
D. Marsden, June 17,18,19,20,21,22 6 days @ \$55/day	330.00
A. August (Blaster), June 18,19,20,21 4 days @ \$70/day	280.00
	<u>\$1,570.00</u>
2. <u>Support Costs:</u>	
Motel & Meals - 20 mandays @ \$30	\$ 600.00
Trucks - 1 x 4 days @ \$15	60.00
- 1 x 6 days @ \$15	90.00
	<u>\$ 750.00</u>
3. <u>Equipment Rental & Supplies:</u>	
Explosives, etc. (Conex Invoice #49719)	\$ 283.52

B. Geological Mapping & Magnetometer Work

1. <u>Wages:</u> D. Johnson, August 17,18,19 3 days @ \$150/day	\$ 450.00
D. Shuttleworth, August 16,17,18,19,20 5 days @ \$60/day	300.00
R. Seiler, August 16,17,18,19,20 5 days @ \$55/day	275.00
	<u>\$1,025.00</u>
2. <u>Support Costs:</u>	
Camp & Groceries:	\$ 250.00
Truck - 1 x 3 days @ \$15	45.00
- 1 x 5 days @ \$15	75.00
	<u>\$ 370.00</u>

cont'd

APPENDIX II - cont'd - Statement of Costs

C. V.L.F. EM Survey

1. Wages: L. Killough, May 7,8,9 1982
3 days @ \$75/day \$ 225.00

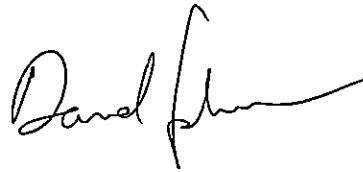
2. Support Costs:

Motel & Meals, 3 days @ \$35/day \$ 105.00

Truck - 1 x 3 days @ \$20 60.00

\$ 390.00

TOTAL COSTS \$4,388.52



ASSAY RESULTS



To: Lacana Mining Corp.,
312 - 409 Granville St.,
Vancouver, B.C.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 81-0590

Type of Samples Rocks

Disposition _____

ASSAY CERTIFICATE

Attn.: Mr. D. Johnson

Project : OK Gold

No.	Sample	Ag oz/ton	Au oz/ton					No.
1	J81 115	.01	.001					1
2	116	.02	.002					2
3	117	.11	.093	x				3
4	118	.03	.004					4
5	119	.07	.008					5
6	120	.05	.010					6
7	121	.02	.009					7
8	122	.11	.016	TR 1				8
9	123	.01	.005					9
10	124	.02	.003					10
11	125	.08	.004					11
12	126	.06	.008					12
13	127	.12	.013					13
14	128	.07	.003					14
15	129	.38	.028	x				15
16	130	.08	.004					16
17	131	.03	.002					17
18	132	.05	.014					18
19	133	.01	.001					19
20	J81 134	.01	.019					20

All reports are the confidential property of clients.

DATE SAMPLES RECEIVED June 25, 1981

DATE REPORTS MAILED July 4, 1981

ASSAYER

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



To: Lacana Mining Corp.,

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

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

Telephone: 253 - 3158

File No. 81-0590

Type of Samples Rocks

Disposition _____

ASSAY CERTIFICATE

No.	Sample	Ag oz/ton	Au oz/ton						No.
1	J81 135	.03	.009						1
2	136	.01	.014						2
3	137	.03	.007						3
4	138	.04	.014						4
5	139	.07	.006						5
6	140	.03	.001						6
7	141	.03	.001						7
8	142	.04	.004						8
9	143	.04	.007						9
10	144	.12	.008						10
11	145	.05	.006						11
12	J81 146	.04	.002						12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20

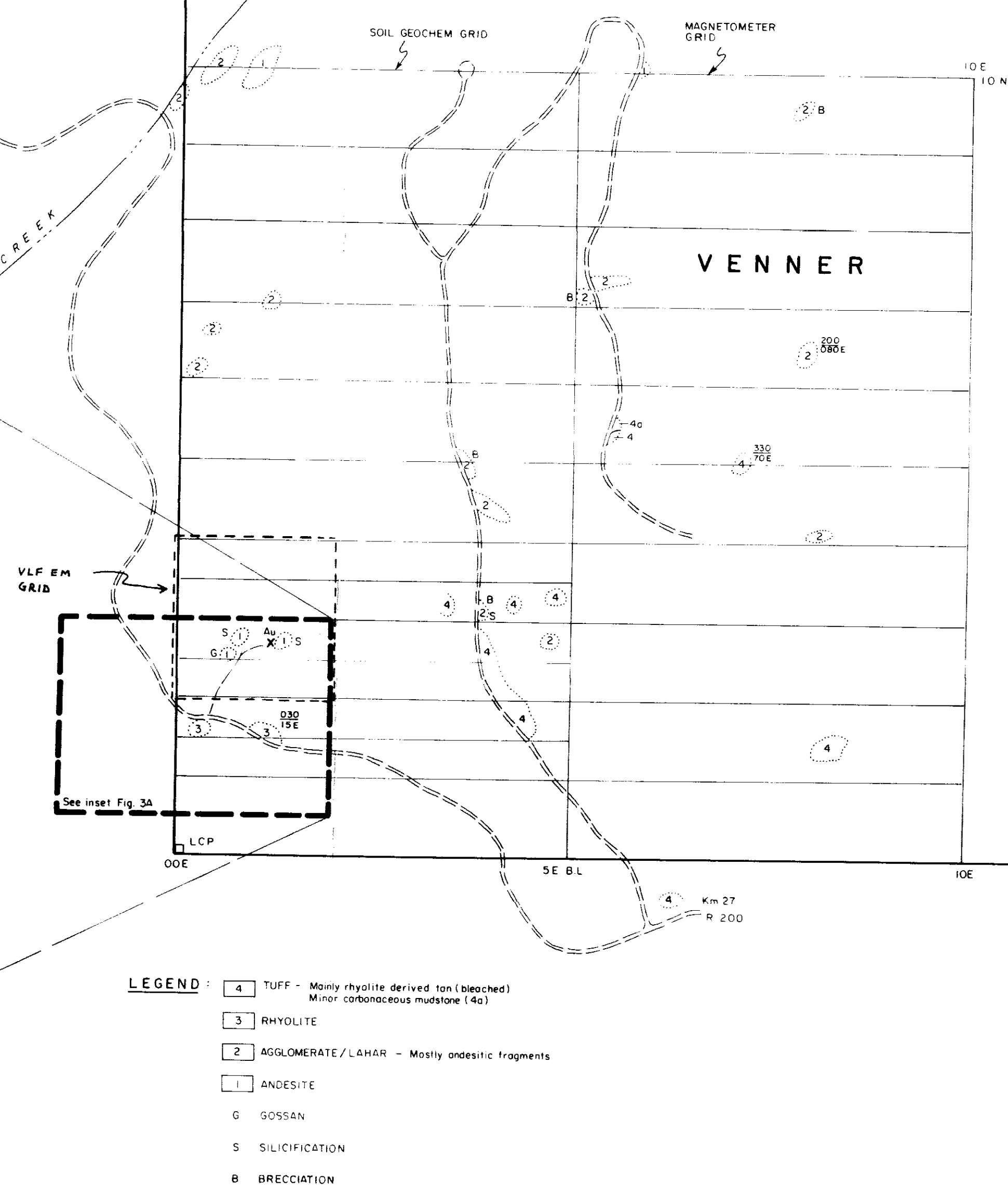
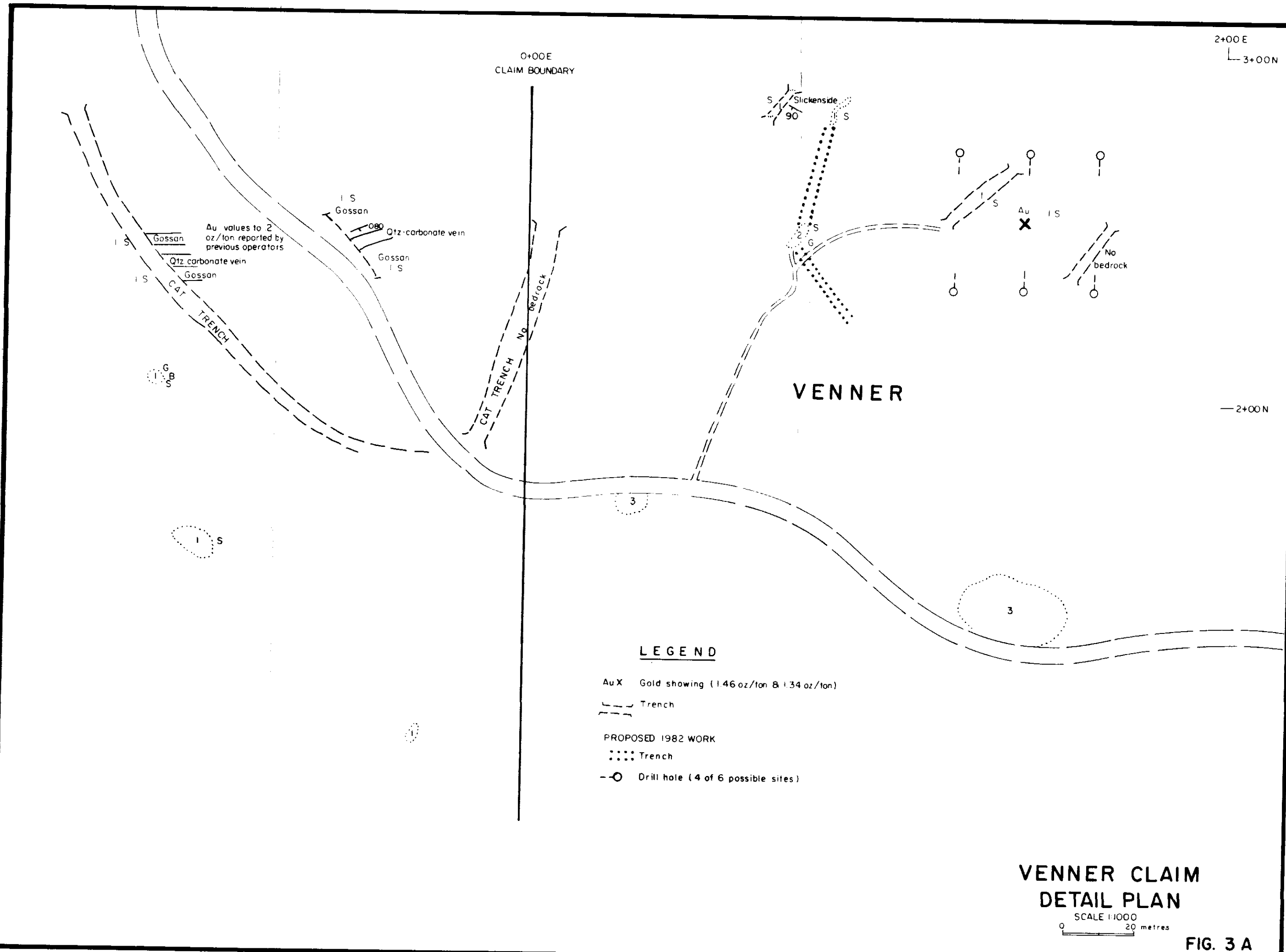
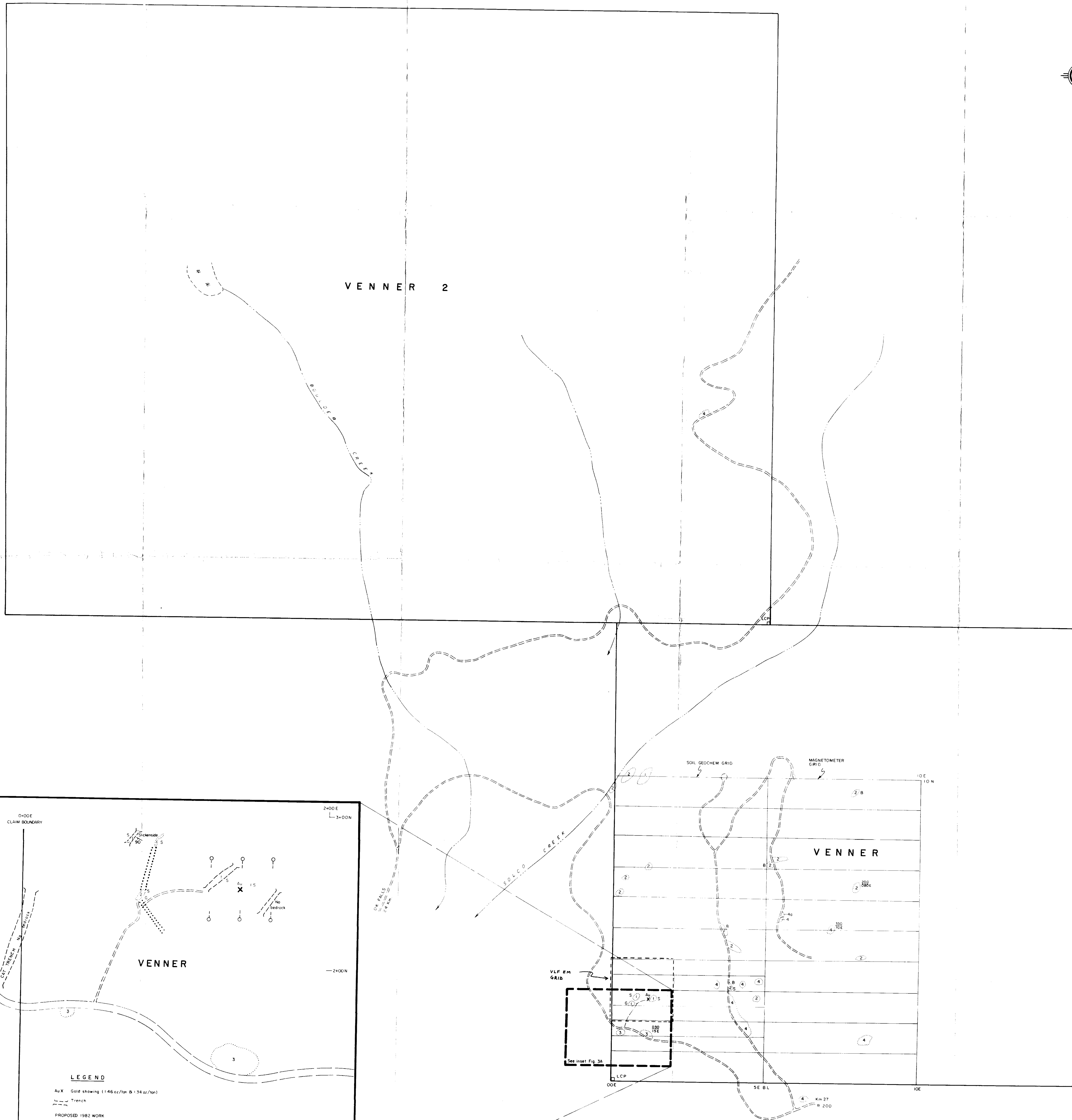
All reports are the confidential property of clients.

DATE SAMPLES RECEIVED June 25, 1981

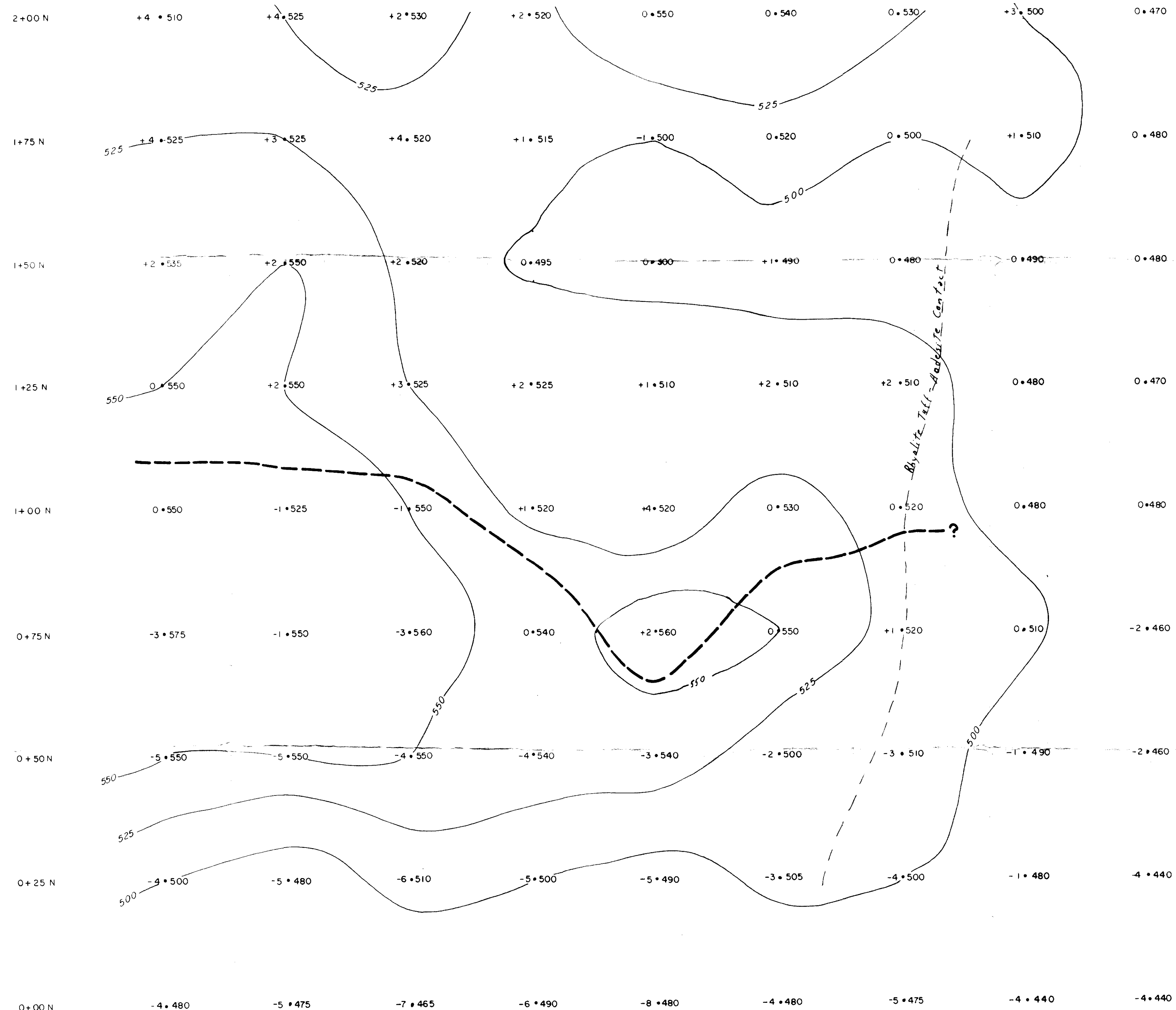
DATE REPORTS MAILED July 4, 1981

ASSAYER DT

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



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
10410



LINE 0+00 E LINE 0+25 E LINE 0+50 E LINE 0+75 E LINE 1+00 E LINE 1+25 E LINE 1+50 E LINE 1+75 E LINE 2+00 E

NOTE: 1) VLF is on an independent grid
 2) Field Strength tuned at 500
 3) Cutler Maine station used
 4) Op. faced West

LEGEND
 -4.440 Dip & Field Strength
 -500 Field Strength Contours
 --- Cross-over
 Line 0+00E 0+00N at 0+00E Line 1+50 N on original grid.

TO CUTLER MAINE
 VLF TRANSMITTER

MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
10410

<small>CONVENTURES LIMITED MURPHY OIL COMPANY LTD LACARA MINING CORPORATION</small>				
CANADIAN MINERALS JOINT VENTURE				
OK GOLD PROJECT VLF SURVEY				
D.D.	1:00	MAY 1982	82 E - 6W	6903 - 5