REPORT ON

DIAMOND DRILLING

ON

VENNER

VENNER 2, 3, 4

CLAIMS

OSOYOOS M.D., B.C.

Darrel Johnson, B. Sc.

Vancouver, B.C.

December

1983

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CONCLUSIONS AND RECOMMENDATIONS

Diamond drilling has indicated erratic gold values in altered porphyritic andesite. Drilling should continue on 25 metre spacing, with the objectives of providing more detailed geological information, and testing dip and strike extensions.

SUMMARY

The 'Venner' Claim was staked by Lacana in May 1980 to cover a known gold showing in Tertiary volcanic rocks. Since that time the property has been explored by geochemical sampling, trenching and rock sampling, geological mapping, magnetic and V.L.F. surveys, and diamond drilling. This report describes a 4-hole diamond drilling programme conducted between September 8 and September 15th, 1983.

INTRODUCTION

Location and Access

The 'Venner" claim group is located in the gently rolling "Okanagan Highlands" at elevations of 1350 to 1750 metres.

Access to the main area of interest is provided by 26 km of excellent logging road from Okanagan Falls.

Claim Status

Claims covered by this report are listed in the table below:

Claim Name	Record No.	No. of Units
Venner	1078	9
Venner 2	1273	20
Venner 3	1694	8
Venner 4	1695	2

The property lies completely within the Osoyoos Mining Division. All claims are registered 100% in the name of Lacana Mining Corporation.

Geology

Part of the 'Venner' claim group covers an 11 km by 3 km outlier of Eocene andesite, agglomerate and rhyolite tuff. Overburden cover is extensive, and most bedrock exposures are man made, in road cuts etc.

Detailed geological information gleaned from our diamond drilling program indicates the following geological package.

1. Andesite: dark green porphyritic, feldspars up to 5mm, generally clay altered throughout

(a) Agglomerate: fragmental unit, fragments vary from 10 mm to 10 cm diameter, usually derived from the andesite

(b) Altered Agglomerate: more highly clay altered, chlorite rich, mud seams, some silicification, generally more sulphides than 1 (a)

(c) Breccia: silica/carbonate cemented brecciated andesite/ agglomerate, usually with abundant sulphides

2. Rhyolite Tuff: This unit unconformably overlies the various andesite rocks in the eastern part of the drilling area. Dense, fine grained, siliceous, grey brown in colour, with very minor amounts of quartz veining very rare sulphides. This unit is not considered to be economically or genetically significant.

(a) Felsic Dikes: A pale grey-green felsic unit, possibly feeder dikes to the rhyolite tuff was observed in several of the holes. Thin section study could clarify possible relationship.

Quartz and carbonate veining is found throughout the andesite suite, as veinlets as narrow as 1mm, 'lacey' veining which is a randomly oriented network of fine veinlets, and larger veins up to 20 cm. Most common orientations of veins are 45° to 50° core axis, sub parallel to core axis, and perpendicular to core axis. Veins are generally broken and cut by numerous small scale (1-5mm) offsets.

Mineralization

Electrum, a gold-silver amalgam containing up to 30% silver has been identified both visually and by electron microscope, and is generally associated with and surrounded by pyrite and silica.

Pyrite is common throughout all units, as fracture fillings, in quartz veins, as fine disseminations, random clots, and as partial matrix in breccia zones. Rare specks of chalcopyrite were observed. Total sulphide content is up to 15%.

Gold content does not appear to be related to overall sulphide content. Unless electrum is visible, visual grade estimation is impossible.

Common accessory minerals throughout are purple flourite and amethyst.

Diamond Drilling

Diamond drilling was contracted by Beaupre Diamond Drilling of Princeton, B.C., using a Longyear 38 drill BQ hardware and John Deere 550 tractor. Work started on September 8 and 4 holes totalling 353 m were completed by September 15th.

Holes locations and objectives are summarized below:

Hole	Location	Objective
83-7	1+37.5E 0+25N	Test dip extension of mineralization 1N 82-1
83-8	1+62.5E 0+25N	Test strike extension of mineralization in 82-1
83-9	1+12.5E 0+25N	Test strike extension of mineralixation in 82-1
83-10	0+25E 0+10N	Test 200 X Mag. High

Drill holes are plotted on Figure 2 surface plan.

APPENDIX I

Beaupre Diamond Drilling Ltd.

BOX 153 · PRINCETON, B.C. V0X 1W0 · PHONE 295-6198

Sept. 15 1983

Invoice # 158

In account with:

Lacuna Mining Corporation
Ste. 312, 409 Granville St.
Vancouver B.C

Hole # 7/83

From 0- 320 ft. @ $16.50 per. ft.---------- $ 5280.00

Hole # 8/83

From 0- 310 ft. @ $16.50 per. ft.---------- $ 5115.00

Hole # 9/83

From 0- 295 ft. @ $ 16.50 per. ft.---------- $ 4867.50

Hole # 10/83

From 0- 234 ft. @ $16.50 per. ft.---------- $ 3861.00

Total owning------ $ 19123.50

Thank you

K. Beaupre pres.

APPENDIX II

COMPANY Lacana Mining Corp. PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 1
Started September 8
Finished September 9
Depth 97.5 m (320')

Reference _____
Location 1+37.5E
0+25N
Elevation 1498.5m

HOLE No. 83-7
Bearing 180°
Dip: -55 @ Collar; _____ @ _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	4.6	Casing					
4.6	7.3	Badly broken- porphyritic green andesite appears non fragmental. 2 sets quartz/ calcite veins, parallel to core axis, 1 cutting at about 70-80°.					
2.3	8.4	Same massive unit/fault gouge at 26, 28 irregular quartz carbonate veins.					
8.4	11.9	Fragmental gouge zones at 34, 32 fragments, generally angular 39 looks more like breccia? Distinctly brecciated section 28.5-30.					
11.9	14	More massive section. Calcite, epidote and yellowish-brown, clay mixed throughout. Quartz at 43' at 45° to core axis fractures, same attitude.					
14	18.9	More fragmental, quartz at 15.24. Fractures generally at 45° to core axis egg sized sulpide fragment at 16.5.					
16.9	17.5	Heavy sulphides as fragments and matrix					
18.9	21.3	More massive, 2 sets fractures at 45° to core axis.					
21.3		Alternating massive/fragmental units quartz veins up to 2", at 45° to C.A. vein cut all rock types, cross contacts.					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY Ok Gold

Township _____ Claim No. Venner

SHEET No. 2 Reference _____ HOLE No. 83-7

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
23.2	24.7	Crushed zone 2m								
24.7		Quartz vein 76 mm								
27.4	29.3	Zone of intense veining-micro veinlets form a lattice work through core. Preffered attitude of larger (2mm) veinlets is at 45° to core axis. Tiny offsets visible in larger veins.								
30.6	30.8	Altered (bleached) zone centered on fracture, again at 45° to core axis.								
31.7		Similar zone to 100.5 -101								
30.5		Fracture at 45°, parallel to core axis some sulphides, probably pyrite								
34.75		Offset of above "1 1/2" parallel to core axis, (two fine veinlets). Generally more massive as depth incloses.								
35.0	48.16	Fine fragmental unit, numerous quartz veins and stringers at various attitudes -45° to core axis, 90° to core axis. Fractures parallel to core asxi larger QC. about 2" have a brecciated, altered contact zone up to 10" wide. Examples at 38.4, 37.8 mud seams at 45.4, 41.5.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 3 Reference _____ HOLE No. 83-7

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
48.16	54.4	Generally coarser fragmental, still has appearance of dark green porphyritic andesite, with feldspar clasts up to 3mm.					
48.16	48.8	Muddy, poorly cemented, rubbly section.					
49.2	49.5	30 cm section with 6 small veins, 2 to 20 mm plus numerous small irregular quartz 'blebs'					
49.84		Broken muddy section 76 cm.					
53.3	61	Top of altered zone all texture, veins, etc. from here down have been crunched-some inclusions of fresher primary rock.					
54	54.8	Altered, quartz flooded zone. Hematite strained framgemts, 12mm 54 amethyst in quartz vein.					
54.8	55.3	Some larger purple-brown fragments, very little silica.					
55.3		2 inch QV banded by gouged-section, total width 4"					
55.5	59.9	Similar muddy, rubbly unit with numerous small, 1mm quartz stringers.					
56.3		Heavy amethyst.					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 4 Reference _____ HOLE No. 83-7

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
58.2		Brecciated section 20 cm 2.5 cm thick quartz veins at 57.8, 59.1, 59.3								
59.9		Mud seam, some ground core, quartz fragments suggest veinlet 12mm thick.								
59.9	63	Back into more massive finer grained porphyritic unit.								
63	65.8	Similar green unit, mud seams at 63, 63.6, 64 all at 45° to core axis.								
65.2	65.5	quartz-carbonate rich section, micro veinlets, irregular blebs.								
65.8	68.6	Mud zone, sulphide XTLS floating, blebs, hematite altered quartz carbonation.								
68.6		More solid, less hematite, still lots of quartz carbonate, veinlets. Blebs of sulphides on fractures and disseminated.								
70.7		Veinlets at 60, and 45° to core axis.								
71.0		Sulphides as pods, fracture filing, and along margins of quartz blebs.								
	71.6	Muddy, rubbly, fine sulphide crystals, thickly disseminated, still some hematite colour.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 5 Reference _____ HOLE No. 83-7

Started _____ Location _____ Bearing 180°

Finished _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
75.3	77.7	Solid, porphyritic green andesite, fine stringers at 45° to core axis, plus lacey dendritic calcite veinlets. Sulphides disseminated and as blebs, apparently replacing fragments.					
77.7		Start Box 11					
77.7	80	Same as above					
	80	Broken, altered zone, with much quartz/calcite Purple flourite in vein at 80.7 very fine disseminated sulphides. Purple altered, some hematite					
80.7	81.5	Similar, quartz.					
81.5	82	Numerous QC veins and blebs-maybe 30% of total.					
82	82.3	Mud zone.					
82.6		2-6mm QC veins at 25° to core axis, with numerous micro displacements.					
84.4	93.6	Back into less altered green porphyritic. Lots of lacey calcite stringers at flat angle to core axis (parallel to 15°) mud seams at 89,89.3					
92	94.18	Purple altered zone. Mudseams at 92.2, 93, 93.4 Fine sulphides throughout					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 6 Reference _____ HOLE No. 83-7

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
94.18	97.5	Less altered green porphyritic andesites mudseams at 95.3, 45° veinlets and lacey calcite throughout, purple flourite in calcite veins at 95.7, 97.2.								
97.5		End of Box 13, End of Hole								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 1
Started Sept. 10
Finished Sept. 11
Depth 94.5m

Reference _____
Location 1+62.5E
0+25N
Elevation 1501

HOLE No. 83-8
Bearing 180°
Dip: -55 @ Collar; _____ @ _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	3.35	Casing					
3.35	10.7	Rhyotite tuff.					
10.7		Erosional contact with andesitic agglomerate unit.					
10.7	14.0	Coarse fragmental, green, fragments rounded, edges indefiant and altered. Very little QC veining or lace muddy, broken-surface weathering? Some sections of purple alteration 12.8 which have more sulphides, probably pyrite, in fractures. These do not extend into meta andesite.					
14.0	14.6	Purple-green fragmental, occassional "tension gashes" filled with quartz/calcite.					
14.6	15.7	3-1 1/2" quartz veins at 45° to core axis. Clay altered fragmental, broken section at 15.2 muddy. Purple sections usually have more sulphide along fractures and disseminated section at 15.1 shows alteration (3mm wide) around fracture.					
16.3	18.1	Badly broken, muddy. Purple and green. Sulphides on fractures in purples.					
18.1	19.5	Greener, less sulphides, still broken.					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp. PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 2 Reference _____ HOLE No. 83-8

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
19.5		Back into purple.								
19.8		Muddy section.								
20	20.4	Altered, brecciated, multi-coloured.								
20.4	21	Green, possible chunk of mariposite?								
21	32.6	Altered, brecciated, multi coloured, Kaolunite replacing epidoite?								
23.9		Sulphide forms much of matrix of breccia, muddy broken section at 24.4. Quartz-calcite veining rare in altered zone.								
32.6	37.8	Green agglomerate unit, mud seam at 33.5. Quartz carbonate stringers at 34.1 (30° to core axis). 124 parallel to core axis for 15 cm. 37.2 green mica.								
37.8	41.1	Hematite altered breccia zone. Increase in maroon purple alteration this does not appear to be a separate unit coloration overlaps fragment boundaries, increase in Q.C.								
41.1	51.5	Broken fault zone.								
42.9	43.3	Bleached, muddy.								
43.3		Transition to purple unit with sulphides.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. _____

SHEET No. 3 Reference _____ HOLE No. 83-8

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
44.2	47.2	Badly broken, some mud, mostly green unit.								
47.2	51.2	More solid green, occassional "Purple Unit" fragments, some clay, hematite altered zones section ends in broken area at 51.2 stringers lacking.								
51.2	54.6	"Purple" unit occassional, but not numerous, stringers and blebs of Q.C. lacking sulphides.								
54.6	62.9	Montonous green flow, almost totally lacking in stringers/veins.								
62.9		15 cm section of purple unit, then back into green.								
69	66.4	Clay rich porphyritic green section, stringers at 64.3, 64.7, 65.2, 65.7, 65.8.								
66.4	69.5	Standard green unit, fewer clay replacements 10 mm mudseam and vein 45° to core axis, at 68.7 mud at 69.2								
69.5	69.8	Mud cemented breccia with calcite veins purple florite.								
69.8	70.7	More clay crystalline unit, offset parallel to core axis 5.cm.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 4 Reference _____ HOLE No. 83-8

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
71.6	71.8	Breccia zone, calcite cement, dark mineral, may be flourite.					
72.1		Muddier					
72.2		2.5 cm seam of red mud					
73.8	89	Faulted, with lacey blocks up to 1.5 cm of relatively fresh wall rodk. Pyrite 3-4% sulphides throughout.					
72.2	73.8	Green unit continues, non remarkable.					
73.8	77.4	Muddy agglomerate-green, some stringers					
77.4	77.7	muddy altered, multi-coloured breccia zone, much carbonate, large (12mm) chunk of purple florite.					
77.7	80.4	Brecciated, hematite altered.					
80.4	84.1	Mud cemented, fine mixed agglomerate, much sulphide? Especially at 80.7.					
84.7	84.9	Definate flow texture at 30° to core axis green lathy bed.					
84.9	86.6	Increase in hematite alteration.					
85.6		Start "purple" unit. FELSIC					
86.6	86.9	Muddy green unit.					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 5 Reference _____ HOLE No. 83-8

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
87	87.1	Green felsic unit, grading subtly into common "purple" felsic unit.					
87.1	88.1	Purple					
88.1	88.4	Broken green					
87.2		Sulphides					
88.4	94.5	Alterating green-purple felsic units, mud at 88.9, 93.4					
94.5		End of Hole, Box 13					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 1 Reference _____ HOLE No. 83-9

Started Sept. 11 Location 1+12 5E Bearing 180°

Finished Sept. 13 0+25N Dip: -55 @ Collar; _____ @ _____

Depth ~~295' (89.9)m~~ Elevation 1496

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	4.27	Casing					
4.27	18.6	Fault zone with altered and silicified zone (13.4-15.8)					
4.27	10	Badly broken (fault zone from mag?? muddy, altered, original "purple" unit. Some sulphides.					
10	11.1	Magnanese rich pruple unit, minor Q.C. stringers, no sulphides 45°, 30° fractures, with stringers at 90, 43.30 to core axis with mud at 6.1-7.6					
11.1	11.5	altered zone					
11.5	12.2	Same as 10-11.1					
12.2	13.4	Altered zone brecciated fragments, umddy matrix, locking in qtz-carb.					
13.4	15.85	Pale green felsic unit, wide range in fragment sizes and composition, highly fractured in all directions much mud, at 45° to core axis.					
15.85	16.5	More massive dark green unit, grades into altered-grey-pink zone, ends at 12.5 mudseam					
16.5	16.3	2.5 cm section bounded by mudseams in highly chloritized contains clots of metallic up to 3 mm					

Drilled by Beaupre Core Size BQ Logged by Darrel Johnson

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 2 Reference _____ HOLE No. 83-9

Started _____ Location _____ Bearing 180°

Finished _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
16.5	17.1	Dark green, porphyritic					
17.1	18.6	Altered, grading back into massive porphyritic unit, much mud					
18.6	25.9	Massive again, green porphyritic, mudseams at 18.6,19.7,20.4,22.4, broken at 24.8,22.4. Muddy agglomerate 23.9					
25.9	28	Hematite cemented agglomerate well rounded green porphyritic cobbles well sorted.					
28	30.5	Alterating bands, about 15 cm each massive green and hematite cemented mudseam, at 29.2-29.4, minor qtz calcite veins, 30.3 qtz vein with amethyst.					
30.5	34.6	Mostly green porphyritic, some minor sections (10-15 cm) or purple felsic, few stringers altered zone (31.1-31.4)					
		Box 4					
34.4	35.8	Alternating green-purple					
35.8	43	Green porphyritic unit, fairly massive, 2.5 cm QCV at 39.9 with purple florite					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Crop PROPERTY OK Falls

Township _____ Claim No. Venner

SHEET No. 3 Reference _____ HOLE No. 83-9

Started _____ Location _____ Bearing 180°

Finished _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
43	47.2	Agglomerate, slightly mematitic, mud at 46.5, breccia QV at 46.6.								
47.2	52.4	Basically green porphyritic, but shot through with a section of fractures random orientations, filled with muddy, hematite and sulphides.								
52.4	53.0	Muddy, rubbly-flow top.								
53.0	53.3	Purple-felsic with sulphides as fracture filling and crystal margins.								
53.3		Mud at 2.5 cm								
53.3	56.2	Mixed green-purple, muddy brecciated, much quartz, calcite, irregular blebs.								
56.2		End of run. Muddy-broken, much sulphide.								
56.2	57.1	Muddy, mixed agglomerate.								
57.1	57.6	More angular, 6 mm quartz vein, with 6mm displacement. Minor sulphides								
57.6	60.5	Mixed agglomerate, highly altered, fragment edges fuzzy, often pyritic. Mud seam at 58.2. General increase in sulphide content with depth.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 4 Reference _____ HOLE No. 83-9

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
60.5	62.4	Muddy, sulphide rich broken finer agglomerate zone, derived from green porphyritic unit?								
62.4	63.4	Brecciation-rounded broken,cobbles, lacey veining. Sulphides throughout, but not heavy.								
8.8	64.2	Pruple flow								
64.2	64.5	Altered, lacey veined green unit.								
64.5	64.7	Muddy zone, rounded small cobbles.								
64.7	65.2	Purple porphyritic green feldspar clasts. Some lacey veining.								
65.2	66.8	Greener mixed porphyry unit, only minor lacey veining. Sulphide blebs throughout. Unidentified black nonmetallic at 66.5. 66.7, apparently as fracture coating.								
66.7	69.8	Mixed agglomerate, well rounded fragments, some hematite altered.								
68.9		Mud seam, 19 mm								
68.9	69.5	Muddy mixed breccia, low sulphide contend.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 5 Reference _____ HOLE No. 83-9

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
69.5	74.3	Green-porphyry. Sulphides throughout, generally as clots up to 3mm. Some carbonate filled gashed with florite (purple) and sulphide clots.					
74.3	75.9	Zone of reddish alteration (hematite) which ends at 6 mm shear plane at 45° to core axis.					
75.9	77.7	Alterating green-purple, some pyrite.					
77		12 cm calcite vein parallel to core axis.					
77.7	78.3	Coarser agglomerate unit.					
78.3	80.3	Alternatives green and pruple porphyritic.					
79.6		1" calcite vein with 8" lacey zone below.					
80.3	83.8	Green porphyrite unit.					
83.8	84.7	More agglomerate, mixed composition, some felsic appearing, larger rounded cobbles.					
84.7		8" zone with heavy metallics pyrhotite?? Brassy replacing matrix, phenocrysts intact. Not in veinlets					
84.9		Green prohyry. Some sulphides on 45° fractures.					
89.9		End of Hole					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 1 Reference _____ HOLE No. 83-10

Started Sept 14 Location 0+9.5N Bearing 180°

Finished Sept 15 0+25E Dip: -55 @ Collar; _____ @ _____

Depth 234' (71.3m) Elevation 1484 m

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	4.9	Casing					
4.9	5.6	Badly broken green porphyritic andesite, minor sulphides.					
5.6	6.25	Green porphyritic, mud at 6.1					
6.25	6.6	Broken, muddy.					
6.6	7	Mixed green and purple altered porphyry network of fine random stringers. Sulphides on fractures and as dessinenated clots fine grained.					
7	7.8	Broken, muddy 1.5 core lost					
7.8	8.8	Perhaps another 30 cm of core lost. Muddy, broken, many quartz fragments. Sulphides throughout.					
8.8	9.4	Green porphyritic.					
9.4	11	Purple and green fine agglomerate, partial metallic matrix.					
11	11.3	Bedding 25° to core axis.					

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 2 Reference Grid- 25E, 12.5N HOLE No. 83-10

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip:- 45 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
11.3	13.1	Green prophyritic some sulphides, some mud minor purple sections.								
13.1	13.3	Quartz-calcite veins and blocks.								
13.3	19.9	Purple-green agglomerate, some veinlets, fine sulphides throughout.								
14.9	17	Increase in fragment size and angularity.								
17		Veinlets with displacement. Black non crystaline nonmetallic carbonate?								
17	17.4	Broken								
17.4	18	Mixed coarse fragmential some fine sulphides.								
18	18.4	Broken								
18.4	20.1	Mixed coarse agglomerate, fine sulphides. Some veinlets at 45° to core axis								
20.1	20.7	Pruple porphyritic, broken, veinlets at 20.4 (45° to core axis)								
20.7	21.8	Mixed Agglomerate								
21.8	28.2	Purple-green, porphyritic andesite.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 3 Reference _____ HOLE No. 83-10

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
29.2		12 mm vein at 45° to core axis. Black non metallic mineral.								
28.2	30.5	Chaotic fragmental. Much quartz, calcite veining and blocks.								
30.5	38.4	generally green porphyritic mixed pink/ purple altered zones.								
36.6		10 cm vein-blue, opalescent silica in brecciated vein 6 to 12 mm.								
38.4	39.9	Muddy fine agglomerate. Veins at 39, 39.2 sulphide throughout.								
39.9	40.7	Chaotic bedded flow, 25-30° to core axis Color varies green to purple bedded sulphide layers.								
40.7	43.6	Similar, bedding not evident. Muddy, pyrite rare.								
43.9	44.8	Dense grey green porphyry, black non metallic mineral.								
44.8	45.1	Breccia								
45.1	45.4	Chaotic flow.								
45.4	51.8	Green porphyritic, no sulphides, minor veinlets.								

Drilled by _____ Core Size _____ Logged by _____

COMPANY Lacana Mining Corp PROPERTY OK Gold

Township _____ Claim No. Venner

SHEET No. 4 Reference _____ HOLE No. 83-10

Started _____ Location _____ Bearing 180°

Finished _____ _____ Dip: -55 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
51.8	52.1	Section of cross cutting, dark streaks of possible metallic, with quartz calcite stringers.								
52.1	52.7	Mixed agglomerate								
52.7	53	Green porphyry, lacey calcite or quartz.								
53	53.8	Mixed agglomerate.								
53.8	56.2	Green porphyry								
55.5		1mm veinlet, 15° to core axis with purple florite.								
56.2	58.5	Green porphyry, pyrite common throughout as blebs, fracture filling etc.								
56.4	Green	non metallic								
58.5	66.9	Colour changes to more grey-green. Sulphide content increases to maybe 10% stringers, blebs, fracture fillings random orientation.								
66.9		Sulphide content drops Lithology changes to slightly muddy gritty green unit.								
67.2	71.3	Green prophyry.								
		End of Hole								

Drilled by _____ Core Size _____ Logged by _____

APPENDIX III

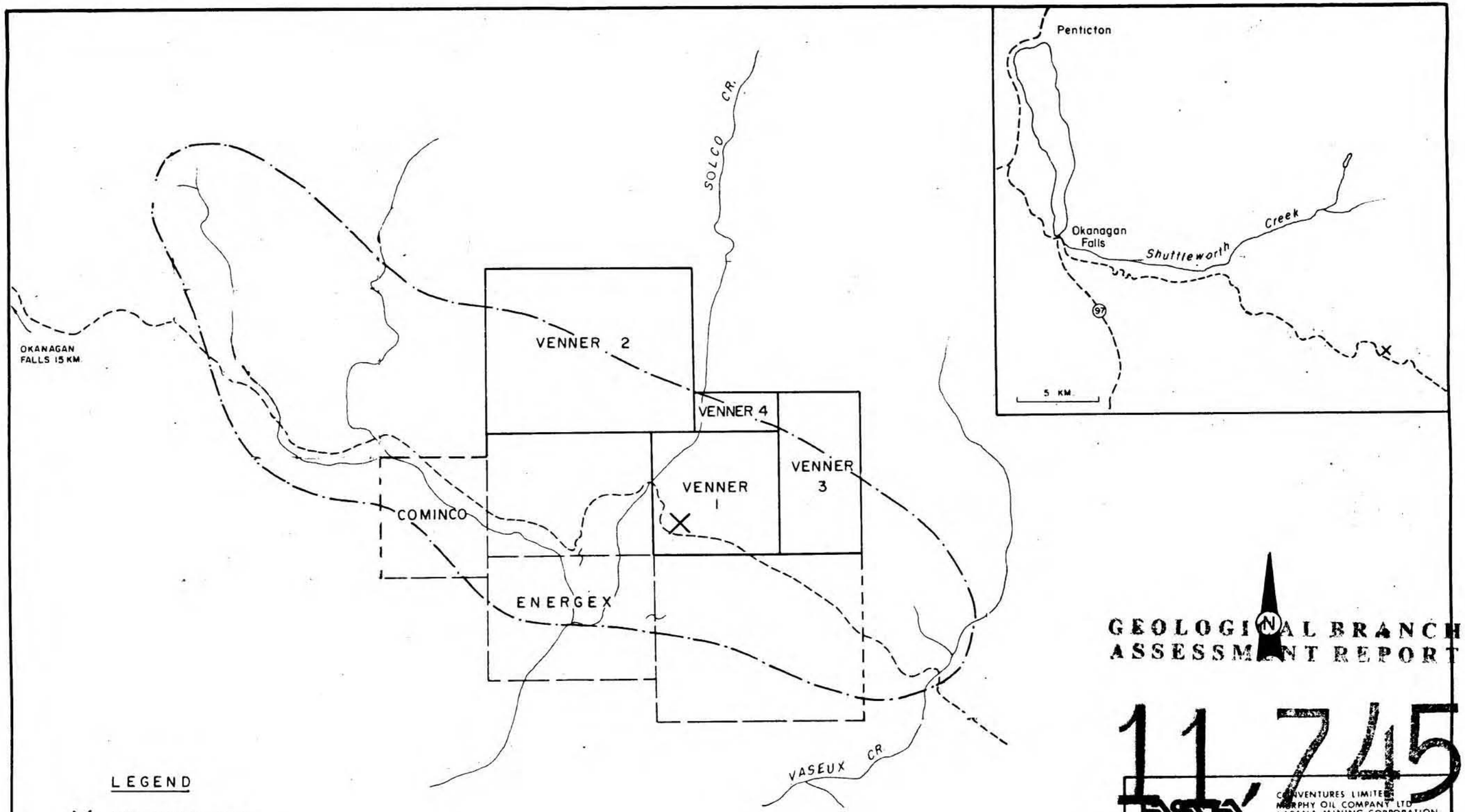
I, Darrel Johnson, of the City of Coquitlam, B.C. do hereby state that:

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 personal supervision.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

11,745

CONVENTURES LIMITED
MURPHY OIL COMPANY LTD
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE

OK GOLD PROJECT

CLAIM AND LOCATION MAP

0 1 2 KM.

PREPARED BY	SCALE	DATE	N.T.S.	FIGURE
D.J	1:50,000	NOV 83	82E-6	1

00 E
25 E
50 E
112.5E
137.5 E
162.5E
50 N
00 N
50 S
100S
82-3
83-9
83-7
82-6
83-8
82-5
83-10
82-1
Rocks
Core shack
82-4
82-2
R 200 LOGGING ROAD

GEOLOGICAL BRANCH
ASSESSMENT REPORT

11,745

LEGEND

Diamond drill hole

N

LACANA
CONVENTURES LIMITED
MURPHY OIL COMPANY LTD.
LACANA MINING CORPORATION

CANADIAN MINERALS JOINT VENTURE
O K GOLD PROJECT
VENNER CLAIM
SURFACE PLAN

0 5 10 20 30 METRES

PREPARED BY	SCALE	DATE	N.T.S.	FIGURE
D.J.	1:500	MAY 1983	82E/6	2