

REPORT ON
DIAMOND DRILLING

VENNER 2, VENNER 5, VENNER 6

CLAIMS

OSOYOOS, M.D.

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,156

PART 2 OF 2

Darrel Johnson
Regional Manager

April 25, 1984
Lacana Mining Corp.

TABLE OF CONTENTS

Conclusions and Recommendations	1
Summary	1
Introduction	2
Location and Access	2
Claim Status	2
Geology	2
Mineralization	4
Diamond Drilling	4

MAPS

Claim and Location Map	Fig. 1
Surface Plan	Fig. 2

APPENDICES

Statement of Costs	I
Drill Logs	II
Statement of Qualifications	III

CONCLUSIONS AND RECOMMENDATIONS

Diamond drilling has indicated erratic gold values in altered porphyritic andesite. Although gold intersections in drill holes are numerous and widespread, their narrow discontinuous nature casts serious doubt on the eventual economic viability of the zone. Further drilling cannot be recommended until regional geological trends are better understood.

SUMMARY

The 'Venner' claims 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 VLF surveys, and diamond drilling. This report describes a 5 hole diamond drilling programme conducted between October 17 and December 13, 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:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>
Venner 2	1273	20
Venner 5	1916	18
Venner 6	1917	18

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

Geology

The 'Venner' claim group partially 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 5 mm, generally clay altered throughout
 - (a) Agglomerate: fragmental unit, fragments vary from 10mm to 10cm 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 Dykes: A pale grey-green felsic unit, possibly feeder dykes 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 andesitic suite, as veinlets as narrow as 1mm, 'lacey' veining which is a randomly oriented network of fine veinlets, and larger veins up to 20cm. 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 fluorite 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. The five holes totalling 734.5m described in this report were drilled from October 17 to 21 and November 29 to December 12. Beaupre's equipment and crew performed flawlessly, except for minor time loss due to frozen water lines.

Hole locations and objectives are summarized below:

Hole	Location	Objective
83-16	137.5E 0+50N	Test zone at
83-17	112.5E 0+50N	depth
83-18	25E 0+50S	Test zone at
83-19	212.5E 0+75S	depth Test inferred
83-20	75E 0+50S	steep Southerly dip

Holes are plotted on fig. 2.

APPENDIX I

STATEMENT OF COSTS,

1. Beaupre Invoice # 160		
DDH-83-16 - 1030 Ft x 16.50 and		
DDH 83-17		\$16,995.00
2. Beaupre Invoice # 161		
DDH 83-18,19,20		22,770.00
3. Geologist R. Wells Nov. 29 - Dec. 14		
16 days x 175	\$3,150.00	
4. Helper C. Bishop Nov. 29 - Dec. 14		
16 days x 80	1,280.00	
5. Support Costs		
room		740.02
meals		498.05
truck 16x40		<u>640.00</u>
		6,380.07
	Total	46,073.07



Beaupre Diamond Drilling Ltd.

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

Oct. 17 1983

Invoice # 160

In account with :

Lacana Mining Corporation
Ste. 312, 409 Granville St.
Vancouver B.c

Hole # 15/83

From 0 - 440 ft. @ \$16.50 per. ft.-----\$ 7260.00

Hole # 16/83

From 0 - 525 ft.-----\$ 8662.50

Hole # 17/83

From 0 - 505 ft.-----\$ 8332.50

Total owing. \$ 24255.00

Thank You

R. Beaupre pres.

RECEIVED OCT 26 1983



Beaupre Diamond Drilling Ltd.

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

Dec. 10 1983

Invoice # 161

In account with:

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

Hole # 18 - 83

From 0 - 330 ft. @ \$16.50 per. ft.-----\$ 5445.00

Hole # 19 - 83

From 0 - 550 ft.-----\$ 9075.00

Hole # 20 - 83

From 0 - 500 ft.-----\$ 8250.00

Total owing---- \$ 2277 0.00

Thank You

R. Beaupre pres.

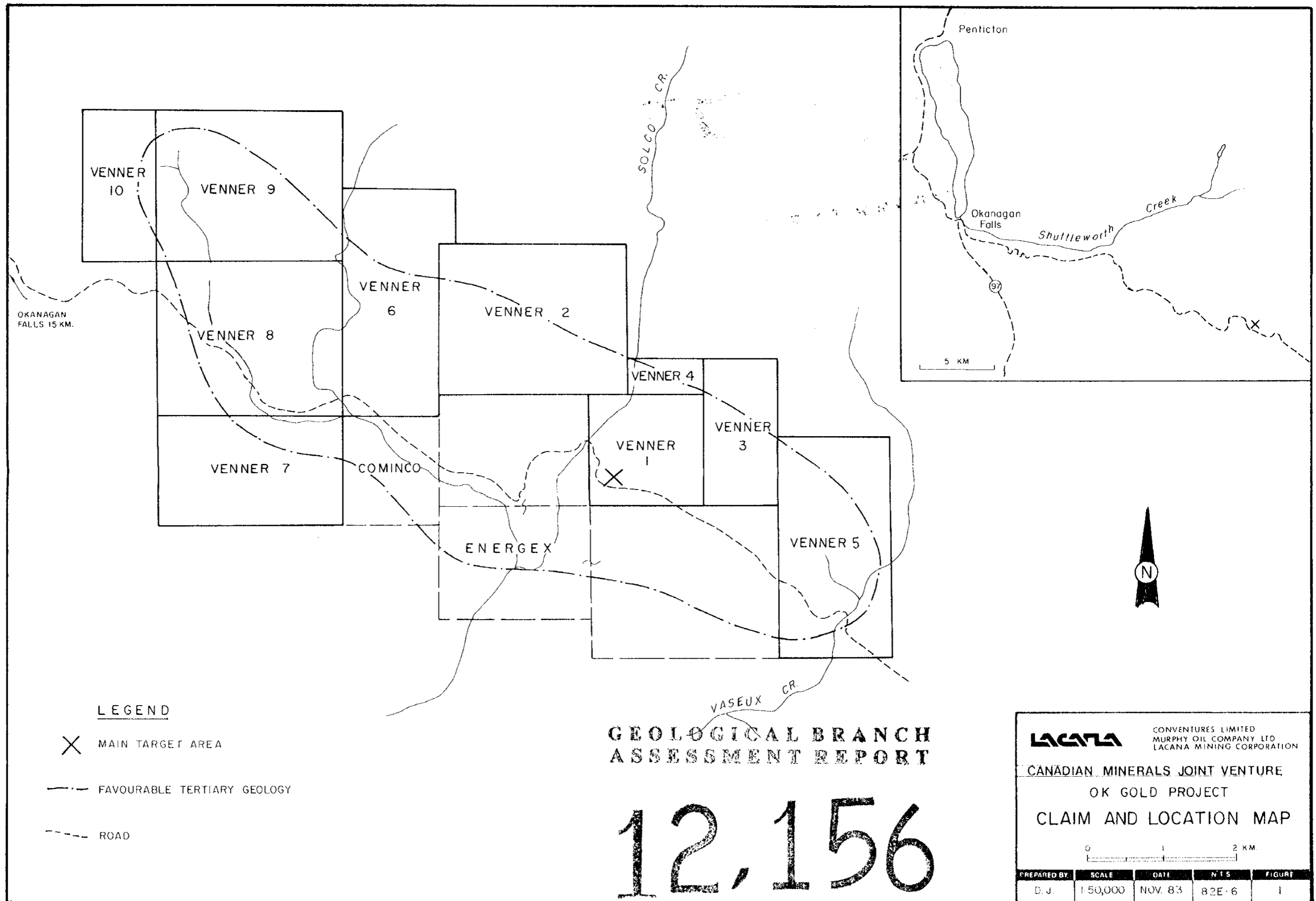
STATEMENT OF QUALIFICATIONS

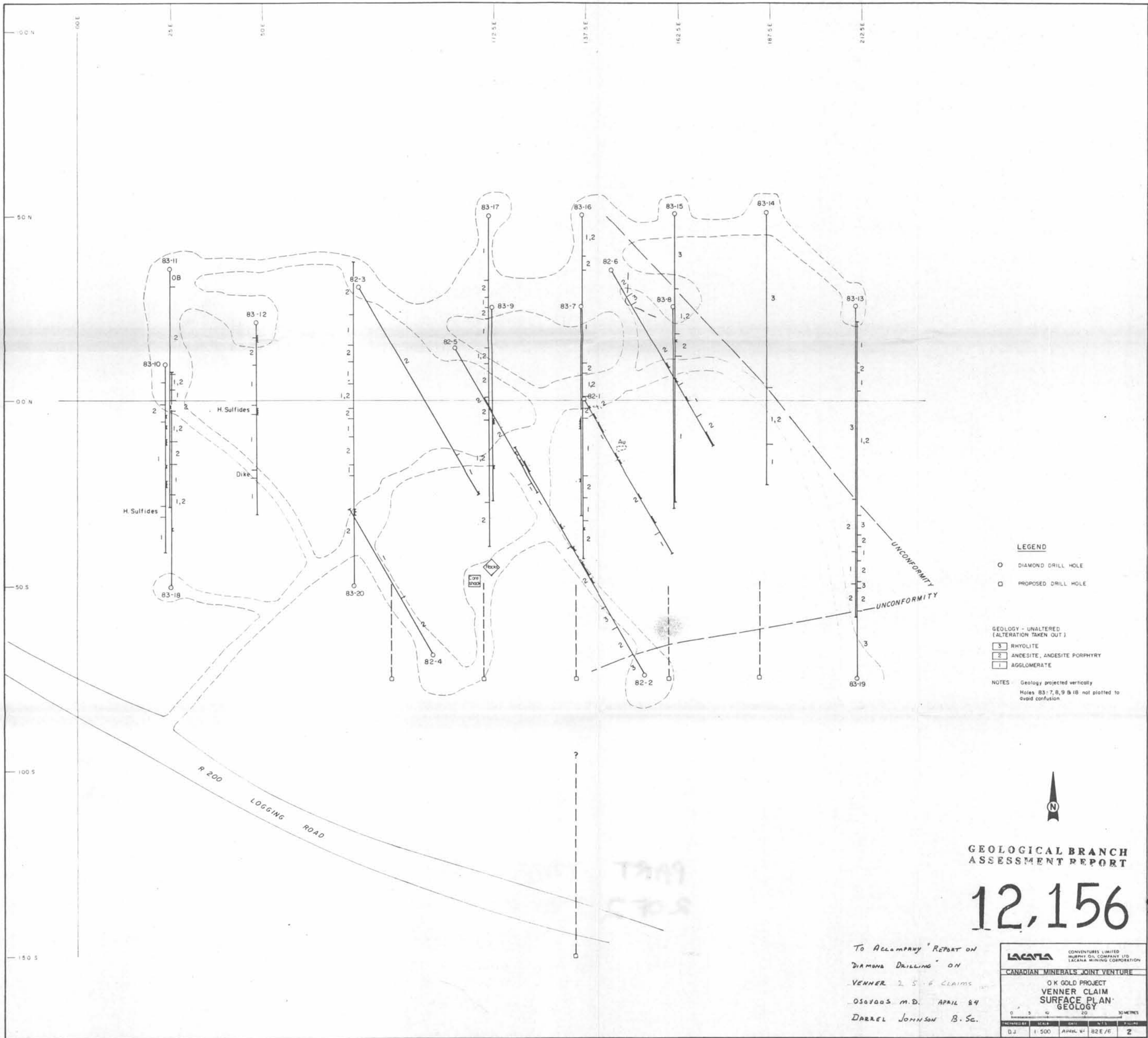
I, Darrel L. Johnson, resident of the District of Coquitlam, B.C., declare that:

1. I hold a BSc degree in geology, granted by the University of British Columbia in 1970;
2. I have worked as an exploration geologist throughout British Columbia since 1970;
3. I have been employed by Lacana Mining Corporation since 1973, as an exploration geologist, and more recently as regional exploration manager;
4. Work described in this report was conducted under my direct personal supervision.

Dated this 24 day of

June 19 1974 at Coquitlam B.C.





LEGEND

- DIAMOND DRILL HOLE
- PROPOSED DRILL HOLE

GEOLOGY - UNALTERED
(ALTERATION TAKEN OUT)

- 3 RHYOLITE
- 2 ANDESITE, ANDESITE PORPHYRY
- 1 AGGLOMERATE

NOTES: Geology projected vertically
Holes 83-7, 8, 9 & 18 not plotted to
avoid confusion



GEOLOGICAL BRANCH
ASSESSMENT REPORT

12,156

PART
2 OF 2

TO ACCOMPANY REPORT ON
DIAMOND DRILLING ON
VENNER 2, 5 & 6 CLAIMS
OSAYOOS M.D. APRIL 84
DARREL JOHNSON B.S.G.

LACANA		CONVENTURES LIMITED	
MURPHY OIL COMPANY LTD.		LACANA MINING CORPORATION	
CANADIAN MINERALS JOINT VENTURE			
O.K. GOLD PROJECT			
VENNER CLAIM			
SURFACE PLAN			
GEOLOGY			
0	5	10	20
METERS		30 METERS	
DR	SCALE	DATE	REV.
DJ	1:500	APRIL 84	82E/6
			2