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06/85

GEOLOGY, GEOCHEMISTRY & DIAMOND DRILLING

ON THE

AMERICAN BOY PROPERTY

(Cindy Lou, Janelle, AB#1-AB#8, AB#13-AB#24,
Roosevelt Recovery, Silver Bell,
Cassiar Swift Water, Cassiar Clear Water)

Omineca Mining Division

93M/5E

55°18' 127°34'

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,665

OWNER & OPERATOR: Can-Ex Resources Ltd.

AUTHOR: A.M. Homenuke, P.Eng. (Geol.)

SUBMITTED: August 21, 1984

Tri-con Mining Ltd.

VANCOUVER, B.C. CANADA

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I. INTRODUCTORY NOTES

Location and Access

The American Boy Property is located a few kilometres north of New Hazelton, B.C. (Fig. 1). The claims cover the west to southwest slope of Nine Mile Mountain down to Four Mile Mountain and are bounded on the west by Two Mile Creek Valley.

Two historically active mining sites are present: the "American Boy" workings on the north part of the claims and the "Babine" workings on the southcentral part of the claims.

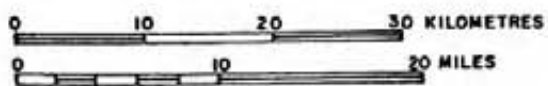
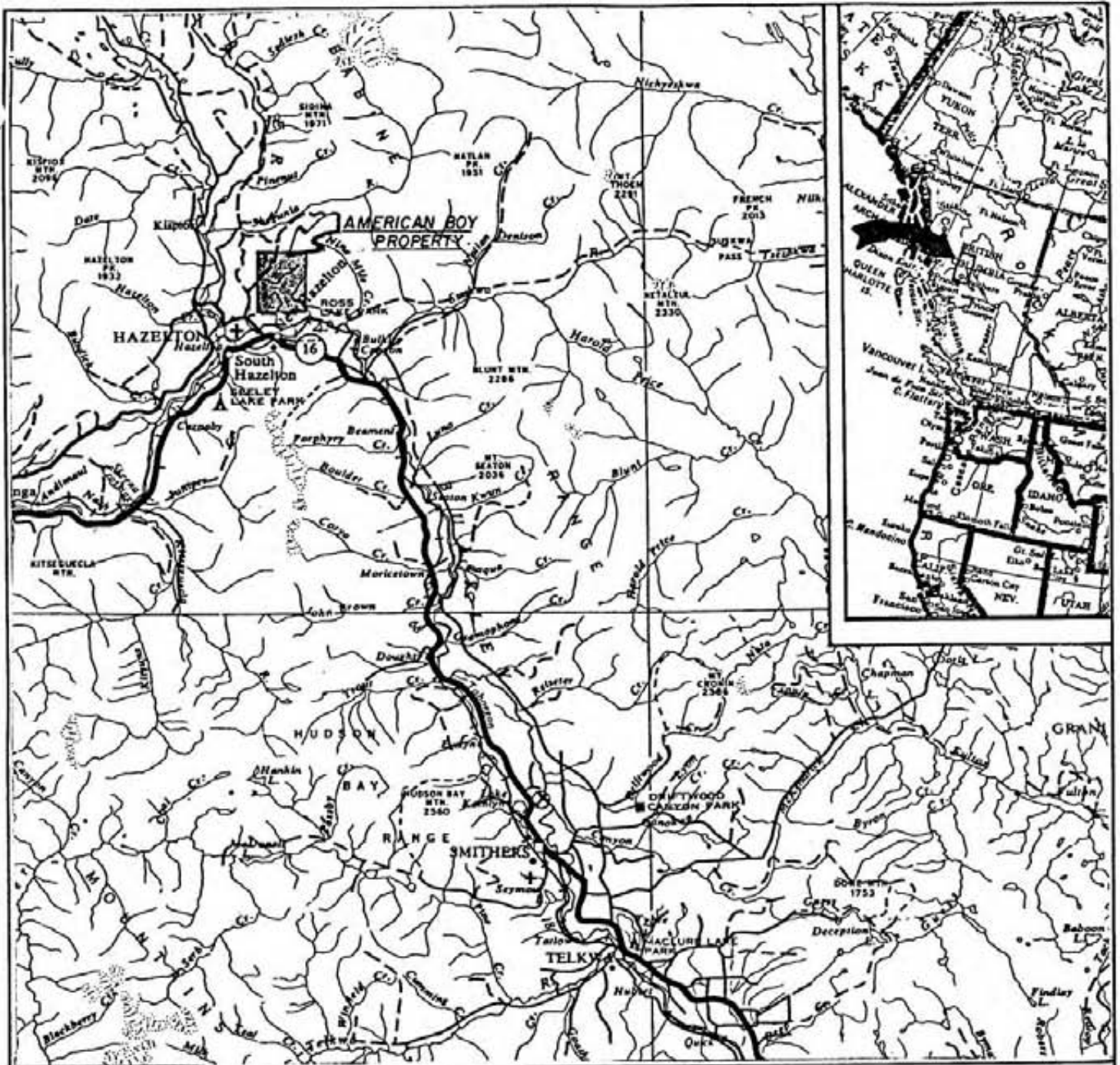
Access on the west and north is provided by the Nine Mile Mountain microwave road, maintained by B.C. Tel, and on the south by Four Mile Mountain road.

Locally, there are many old mining and logging trails, except in the central portion of the property where access is on foot or by helicopter.

Physical Features

The area of the claims is characterized by very steep southerly to westerly slopes, in many cases, to the point of forming escarpments. There is a broad, flatter area to the southwest. Three major creeks flow in a general southerly direction across the property, in part through steep-walled canyons.

The area is heavily forested, ranging from interior rain forest, through open spruce groves to subalpine vegetation. The type of vegetation is controlled by topography and elevation. There are a few open, grassy slopes with deciduous trees, and many swampy areas. Much of the timber is over mature and windfalls often impede progress on foot.



CAN-EX RESOURCES LTD.
AMERICAN BOY PROPERTY
 HAZELTON, BRITISH COLUMBIA

LOCATION MAP

FIGURE 1.

History

The first miners came into the Hazelton area, with completion of the railway through that town. The American Boy Property was first staked by D.A. Harris in 1910. From 1911 to 1916, Harris Mines Limited carried out surface trenching and underground development of five veins. Small shipments of high-grade silver ore were made to the Trail Smelter.

In 1917, 254 tons of lower-grade development ore were hauled to the Silver Standard gravity mill on Two Mile Creek.

In 1927, further minor development work was done and G.S.C. Memoir 223 mentions "some work done during 1937", but no details were given.

American Standard Mines acquired the property in 1950 and did considerable stripping, diamond drilling and underground work. A new vein (No. 6) was discovered in the fall of 1951.

In 1952, Pioneer Gold Mines of B.C. Limited did some further surface stripping.

In 1955, J. Gallo shipped 21 tons of crude ore from a shoot on the No. 6 vein. Apparently, other operators did some work on the property in the late 1950's, but no records are available.

George Braun re-staked the property in 1967, and the Northwestern Midland Development Co. Ltd. shipped 10.35 tons of Wilfley Table concentrate, stockpiled by previous operators. Minor trenching was done in 1968 and 1971.

Tri-Con Mining Ltd. re-staked the property in 1976, and in 1978 and 1980 carried out backhoe trenching, sampling and limited electromagnetic surveying.

In 1981, the property was expanded. During staking and prospecting, one new vein was found, an old vein was "rediscovered", and mineralized float from a probable third vein was found. In addition, reconnaissance soil sampling was done on many of the claim lines.

In 1982, the property was vended to Can-Ex Resources Ltd. and additional claims were staked covering the old "Babine" property. This area has workings on two veins, but little work has been done since 1913. Staking was followed by reconnaissance geochemistry and VLF-EM surveying.

Property Description

The original 6 units, located in 1976, have been expanded to a total of 225 units. Table I lists the pertinent data from the claims. Table II shows the grouping of the claims for assessment purposes. Can-Ex Resources Ltd. is owner and operator of the property. The claims are shown on Figure 2.

TABLE I
MINERAL CLAIMS

<u>NAME</u>	<u>UNITS</u>	<u>RECORD #</u>	<u>LOT #</u>	<u>YEAR LOCATED</u>	<u>RECORD DATE</u>	<u>EXPIRY DATE</u>
Cindy Lou	4	320	-	1976	June 8	1985
Janelle	2	319	-	1976	June 8	1985
AB-1	10	3785	-	1981	June 4	1985
AB-2	4	3786	-	1981	June 4	1985
AB-3	10	3787	-	1981	June 4	1985
AB-4	12	3788	-	1981	June 4	1985
AB-5	6	4116	-	1981	Aug. 6	1985
AB-6	10	4117	-	1981	Aug. 6	1985
AB-7	15	4118	-	1981	Aug. 6	1985
AB-8	6	4119	-	1981	Aug. 6	1985
AB-13	4	4871	-	1981	Nov. 4	1985
AB-14	10	5694	-	1983	Aug. 19	1985
AB-15 Fr.	1	5695	-	1983	Aug. 19	1985
AB-16	10	5696	-	1983	Aug. 19	1985
AB-17	20	5697	-	1983	Aug. 19	1985
AB-18	12	5698	-	1983	Aug. 19	1985
AB-19	20	5699	-	1983	Aug. 19	1985
AB-20	20	5700	-	1983	Aug. 19	1985
AB-21	18	5701	-	1983	Aug. 19	1985
AB-22	14	5702	-	1983	Aug. 19	1985

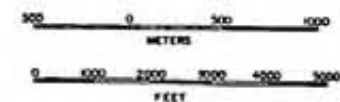
CAN-EX RESOURCES LTD.
AMERICAN BOY PROPERTY
WAZELTON, B.C.
DUMFRIES MINING DIVISION

CLAIM and INDEX MAP
PREPARED BY: A. H. HENDERSON, P. ENG.
TRI-COM MINING LTD. MARCH, 1984



--- ACCESS ROADS
└ LEGAL CORNER POST
▬ PROPERTY OUTLINE

PART OF 93M/5E



▬ CINDY GROUP
▨ JANELLE GROUP
▧ FOUR MILE GROUP
— VEIN

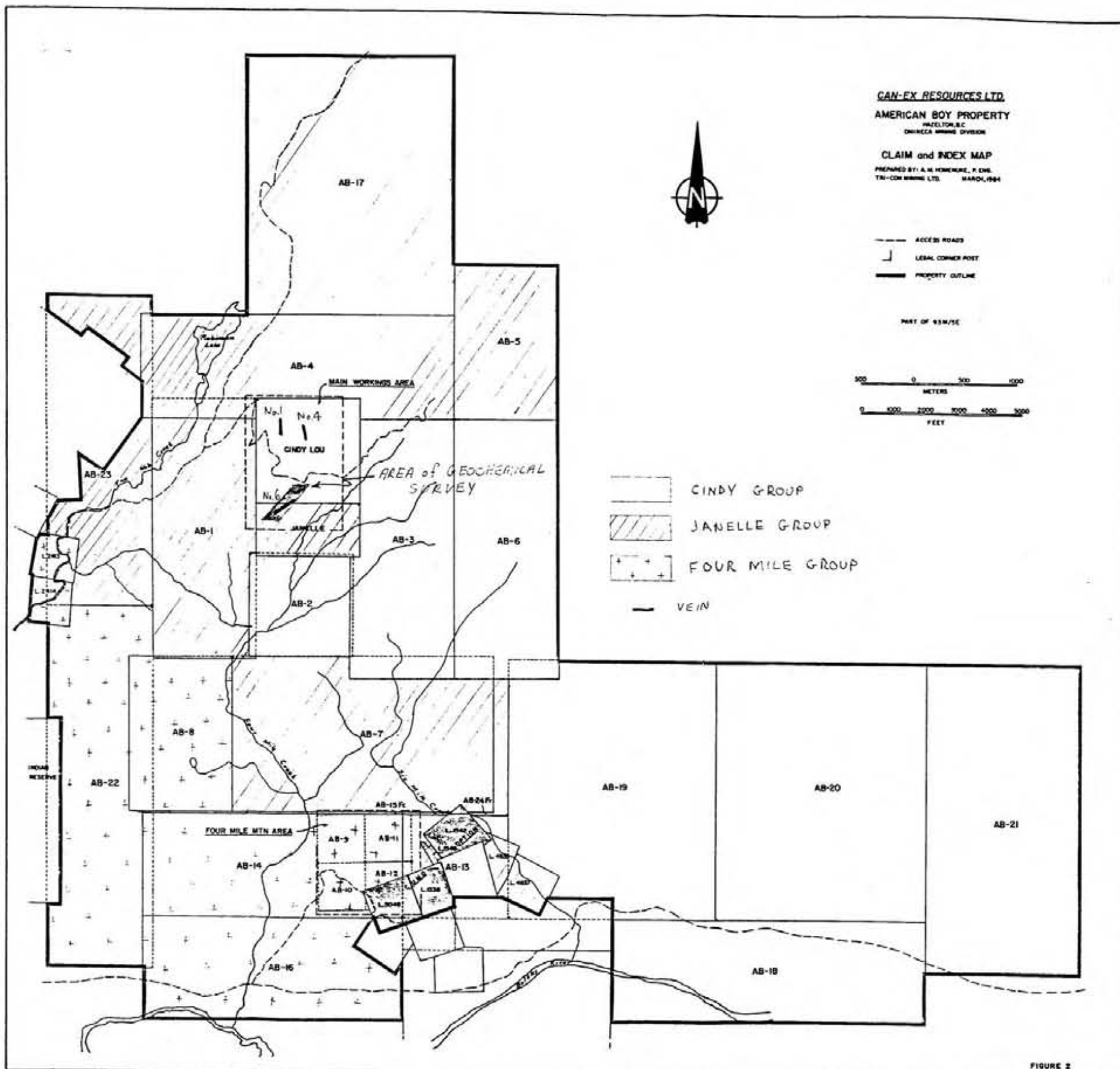


FIGURE 2

TABLE I (cont'd)

<u>NAME</u>	<u>UNITS</u>	<u>RECORD #</u>	<u>LOT #</u>	<u>YEAR LOCATED</u>	<u>RECORD DATE</u>	<u>EXPIRY DATE</u>
AB-23	12	5703	-	1983	Aug. 19	1985
AB-24 Fr.	1	5704	-	1983	Aug. 19	1985
Roosevelt Recovery	1	5897	4837	1983	Oct. 19	1985
Silver Bell	1	4952	4836	1982	Dec. 31	1985
Cassiar Swift Water	1	5692	2413	1983	Aug. 19	1985
Cassiar Clear Water	1	5693	2414	1983	Aug. 19	1985

TABLE II
CLAIM GROUPING

CINDY GROUP

Cindy Lou
AB-2
AB-3
AB-6
AB-18
AB-19
AB-20
AB-21
(98 units)

JANELLE GROUP

Janelle
AB-1
AB-4
AB-5
AB-7
AB-13
AB-15 Fr.
AB-17
AB-23
AB-24 Fr.
Silver Bell
Roosevelt Recovery
(85 units)

FOUR MILE GROUP

AB-8
AB-14
AB-16
AB-22
Cassiar Swift Water
Cassiar Clear Water
(42 units)

Economic Assessment

There are at least 15 silver-gold-base metal bearing veins on the property. A few small, but very high grade ore shoots were previously mined. The Silver Standard mine, just to the west of the American Boy, produced over 7 million ounces of silver, and the Sunrise Silver Mine on Nine Mile Mountain, and the Mohawk Mine on Four Mile Mountain also had some production.

Reconnaissance geochemistry has shown many more target areas, increasing the probability of putting together enough ore shoots to make a mine.

Present Work and Distribution

A total of \$188,000 was spent on the property in 1983. The work consisted of trenching, diamond drilling, surveying and mapping, topographic map preparation, geochemical sampling and VLF-EM surveying. The work was concentrated in the areas of the original American Boy Property on Nine Mile Mountain and the Babine Property on Four Mile Mountain.

Due to budget constraints only \$52,500 of the above total is being applied, or sufficient to cover the property for two years. Work being applied includes trenching, topographic mapping, geological mapping and surveying, all of the diamond drilling and a portion of the geochemical sampling.

This work was carried out on the Cindy Lou, Janelle, AB-3, AB-13 and AB-14 mineral claims. The large size of the property and the concentrated work areas necessitated the formation of three complex groups (See Table II and Fig. 2).

Diamond drilling consisted of 5 holes totalling 102.7 metres on the Cindy Lou claim, 1 hole of 19.2 metres on the Janelle claim and 2 holes totalling 35.9 metres on the AB-13 claim. Backhoe trenching and topographic mapping were filed under physical work; some of this work is shown in this report. Reconnaissance geochemistry done in 1983 is not included in this report, but the results of a more detailed survey on the Janelle and Cindy Lou claims, which consisted of 114 organic samples run for five elements, are discussed. Geology and surveying on the Janelle claim are being applied and some notes from other areas are included to enhance discussion.

II. GEOCHEMICAL SURVEY

Procedure

Profiling over a known vein indicated that the Ah soil horizon would give a more definitive response than the B horizon on the Main Workings Area (see Fig. 2) of the American Boy Property. A total of 114 samples were taken from this horizon along the trend of the No. 6 Vein at 25 metre intervals on lines 50 metres apart.

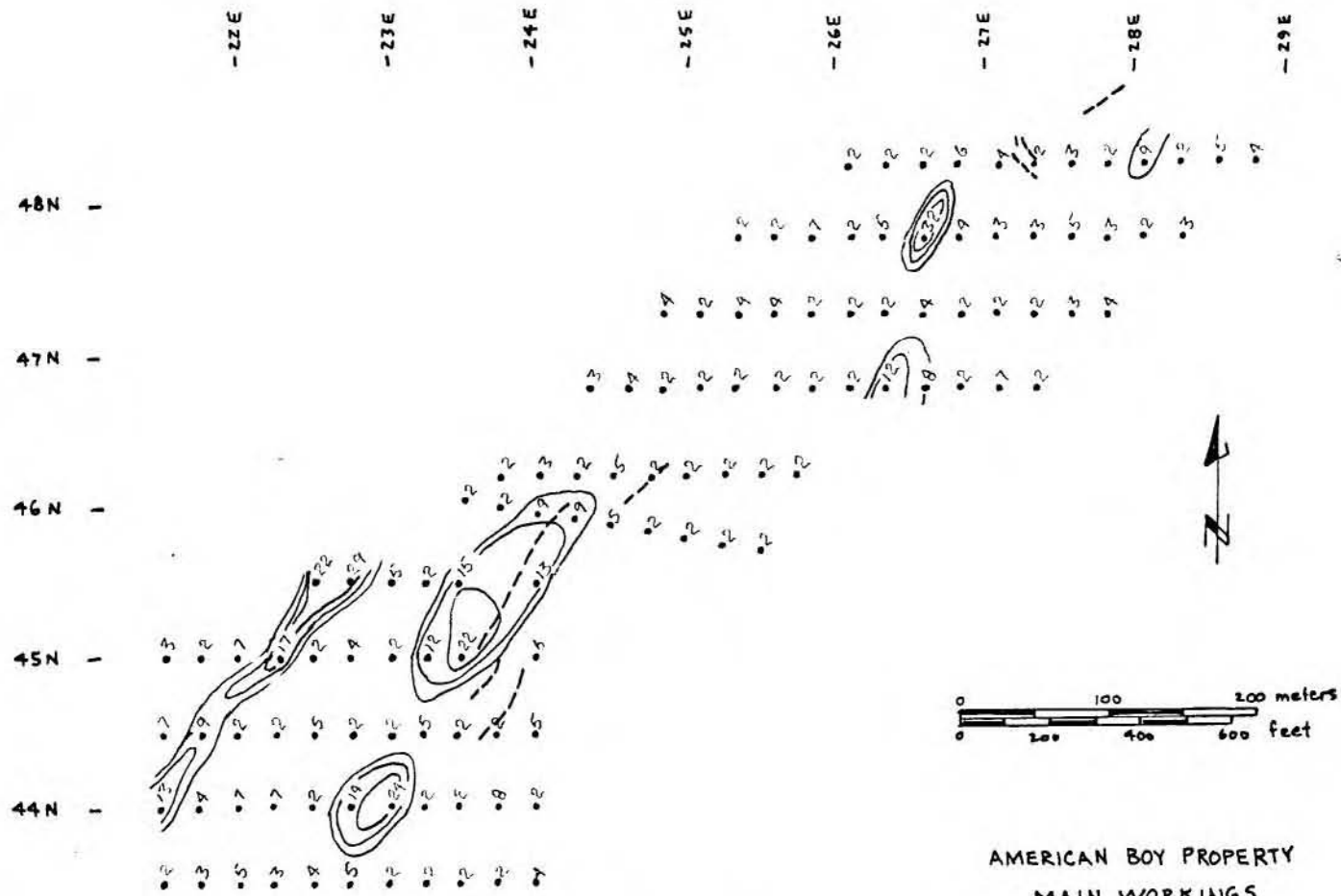
The samples were placed into kraft envelopes and marked as to location. The samples were delivered to Acme Labs in Vancouver, B.C., where they were subjected to the following procedures:

1. Preparation - dried at 60°C, pulverized if necessary, and sieved to -80 mesh.
2. Digestion - 0.5 grams of sample digested with hot aqua regia for one hour, then diluted to 10 ml. with water.
3. Analysis - Solution aspirated and analyzed by inductively coupled argon plasma (ICP). This is a computer assisted, multi-element spectral analysis: 30 elements were available, but to save on costs only lead, zinc, silver, arsenic and copper were selected.

The results are shown on Fig. 3 to 7, with contour intervals chosen by experience and data inspection to show obvious trends.

Discussion of Results

The known mineralization on the No. 6 Vein was identified by the contoured plans of all five elements. The results indicate that the No. 6 Vein probably continues to the southwest, perhaps with some fault offsets, and that there is a parallel vein about 100 meters to the west. The organic horizon was shown to be much more definitive of veins than the B horizon.

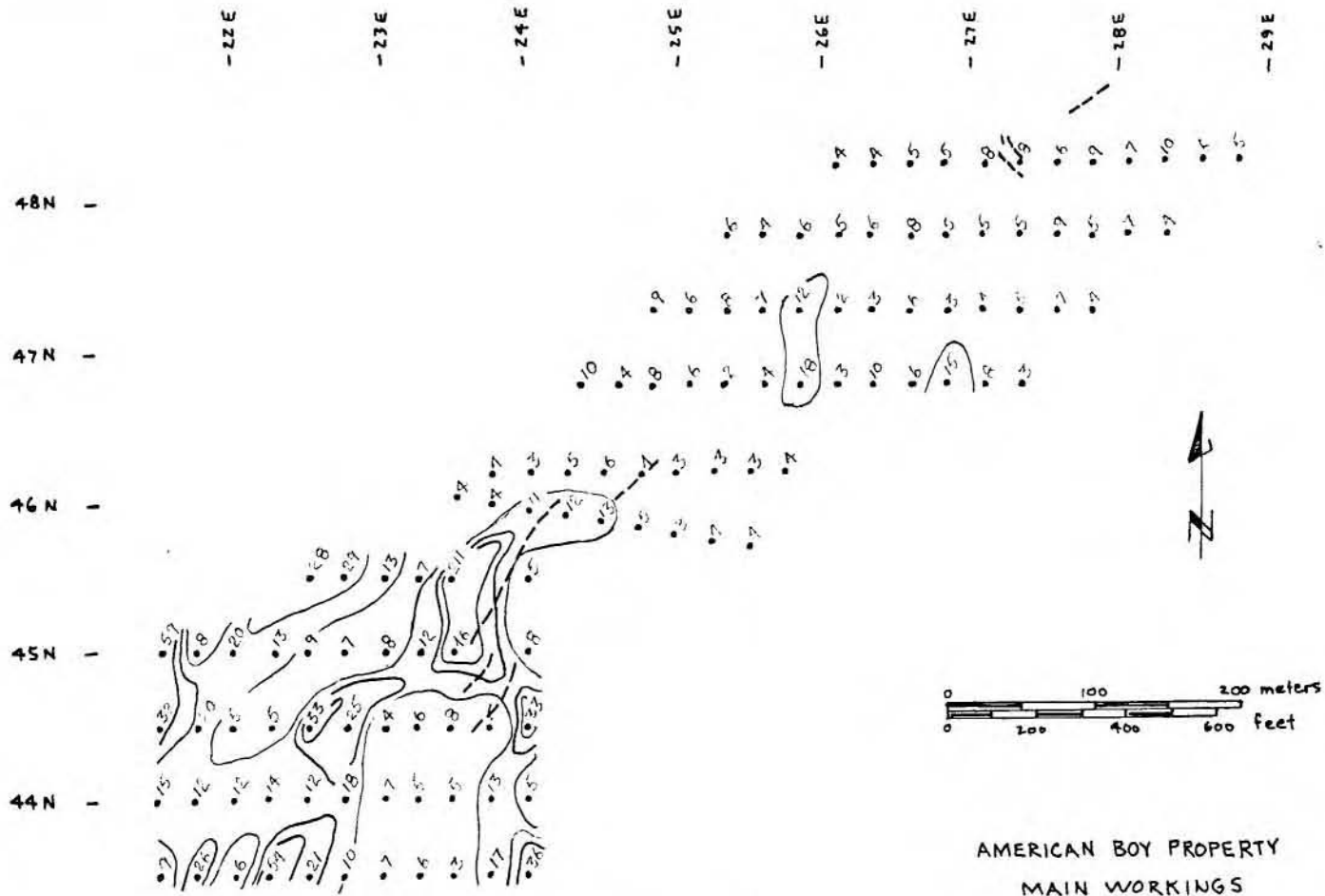


• Soil sample location and value (ppm)
 --- known mineralized veins

Contour Interval ppm
 ——— 15
 ——— 10
 ——— 8

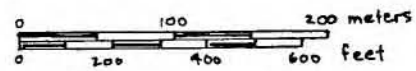
AMERICAN BOY PROPERTY
 MAIN WORKINGS
 No. 6 VEIN AREA
 GEOCHEMICAL SURVEY
 Ah HORIZON
 ARSENIC

FIG. 3



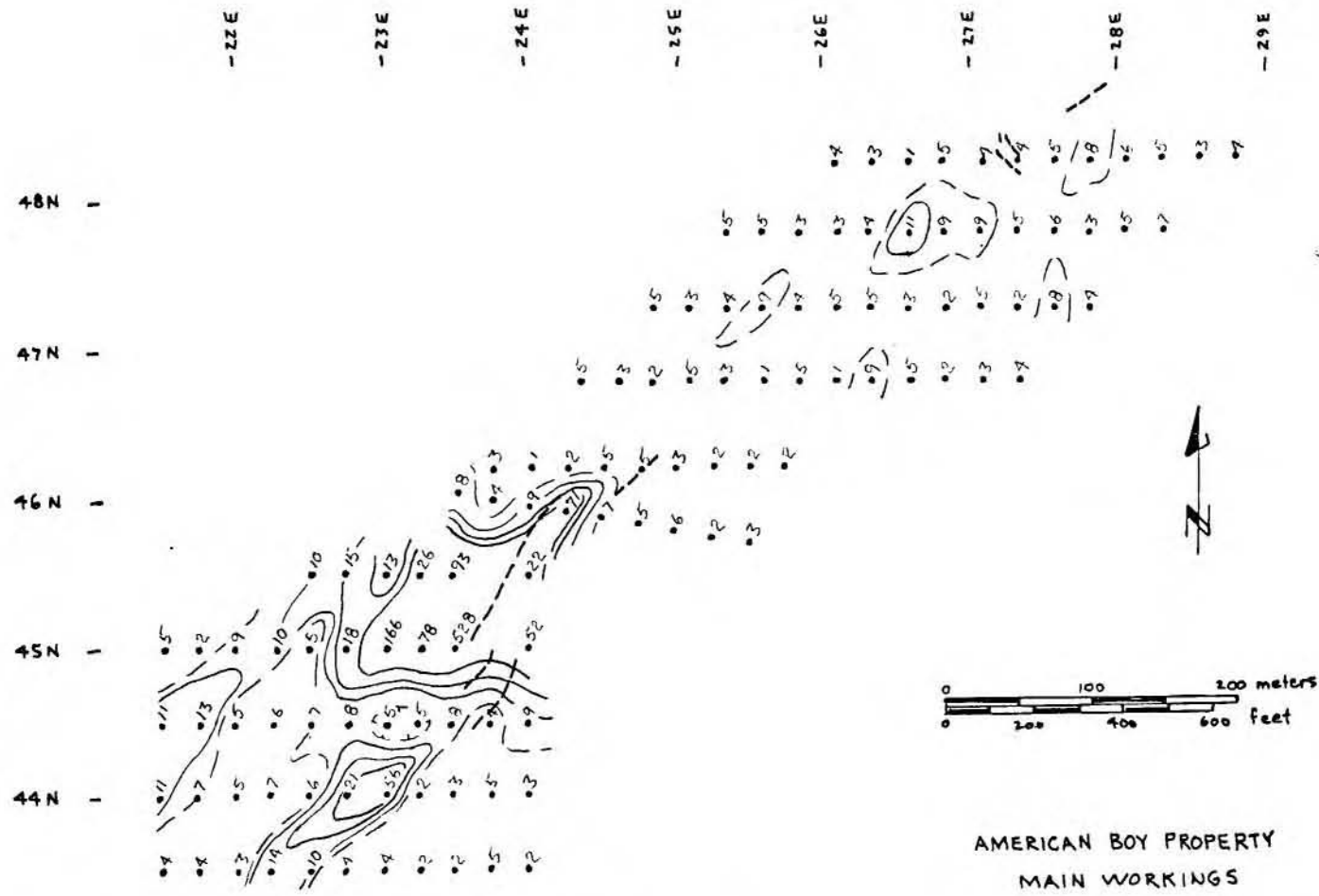
• Soil sample location and value (ppm)
 --- Known mineralized veins

Contour Interval
 ppm
 ——— 30
 ——— 20
 ——— 10



AMERICAN BOY PROPERTY
 MAIN WORKINGS
 No. 6 VEIN AREA
 GEOCHEMICAL SURVEY
 Ah HORIZON
 COPPER

FIG 4

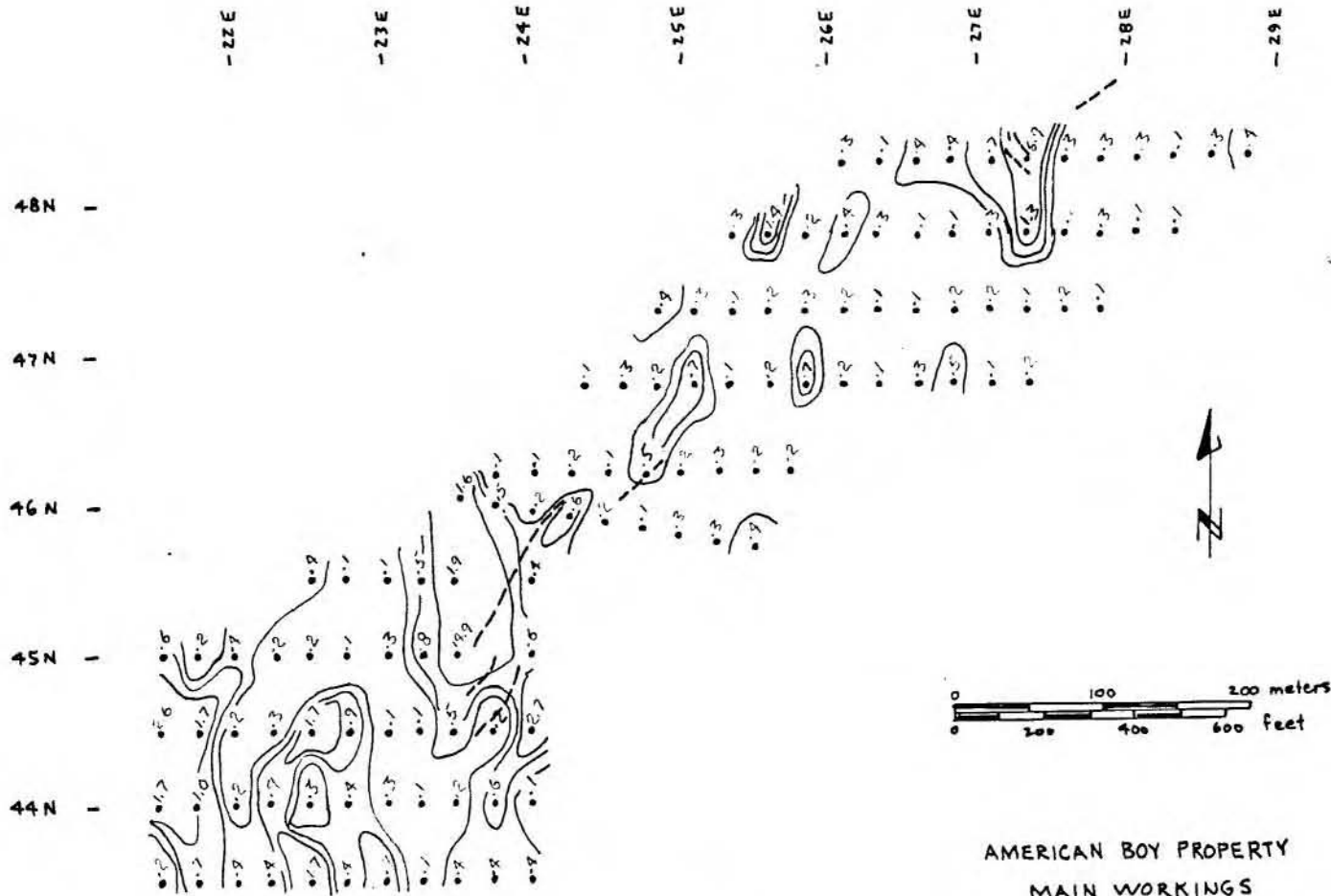


• Soil sample location and value (ppm)
 --- known mineralized veins

Contour Interval
 ppm
 ——— 20
 ——— 15
 ——— 10
 - - - 7

AMERICAN BOY PROPERTY
 MAIN WORKINGS
 No. 6 VEIN AREA
 GEOCHEMICAL SURVEY
 Ah HORIZON
 LEAD

FIG. 5

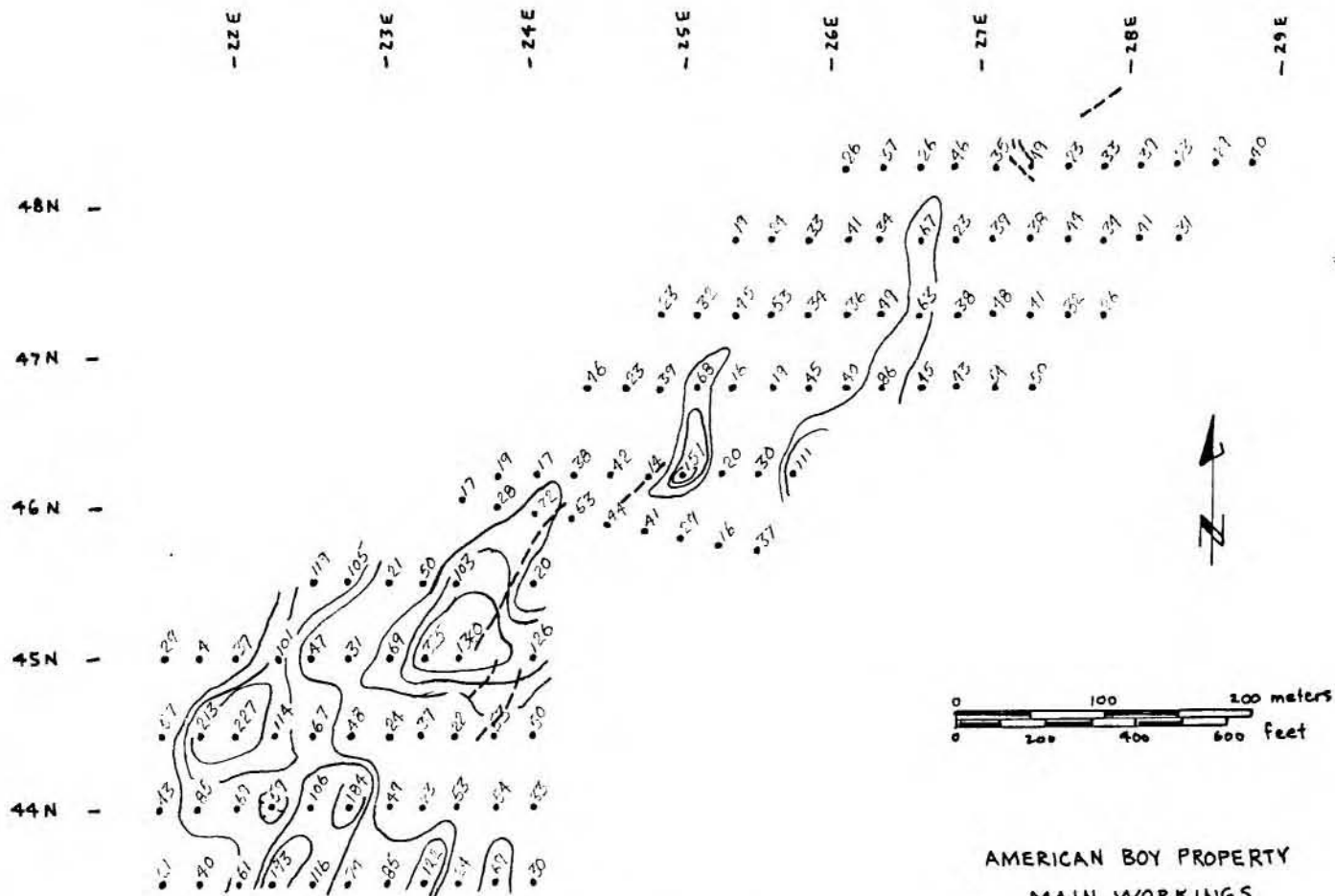


• Soil sample location
 and value (ppm)
 --- Known mineralized veins

Contour Interval
 ppm
 ——— 1.0
 ——— .5
 ——— .35

AMERICAN BOY PROPERTY
 MAIN WORKINGS
 No. 6 VEIN AREA
 GEOCHEMICAL SURVEY
 Ah HORIZON
 SILVER

FIG. 6



• Soil sample location
 and value (ppm)
 --- Known mineralized veins

Contour Interval
 ppm
 ——— 140
 ——— 100
 ——— 60

AMERICAN BOY PROPERTY
 MAIN WORKINGS
 No. 6 VEIN AREA

 GEOCHEMICAL SURVEY
 Ah HORIZON
 ZINC

FIG. 7

To the northeast, the geochemical pattern is somewhat sporadic perhaps due to thicker glacial drift and till cover.

III. DIAMOND DRILLING

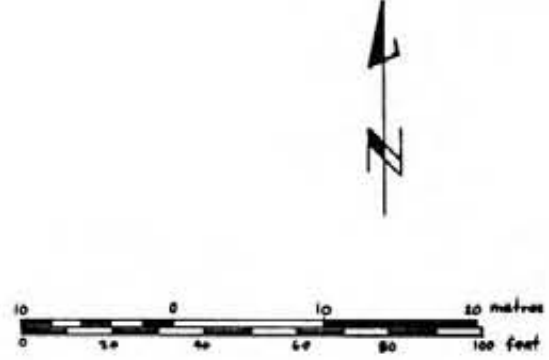
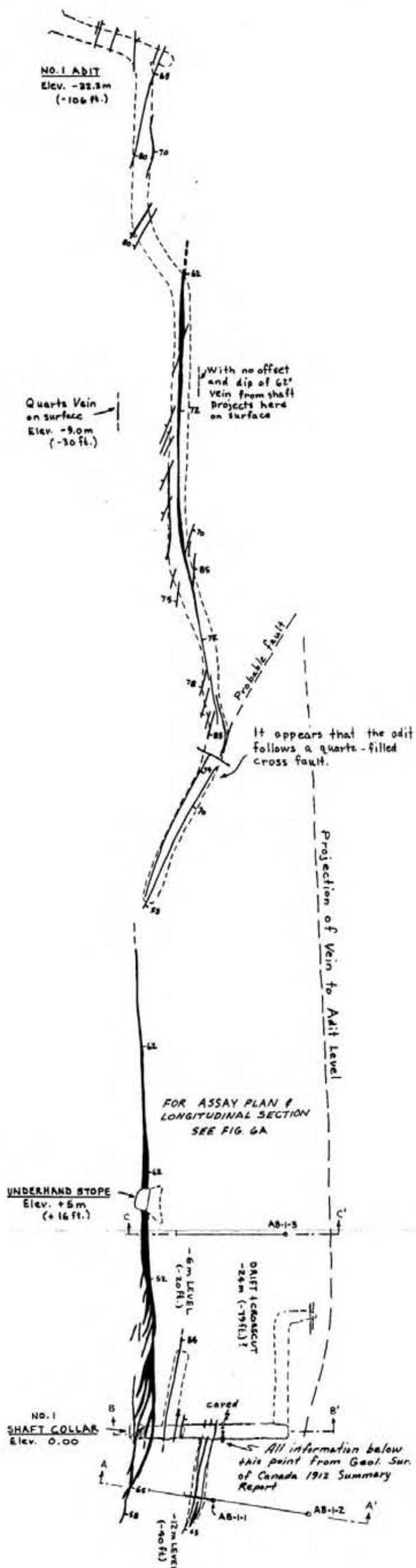
Introduction

Eight holes were drilled, totalling 157.8 metres, with a "Winkie" drill producing a 2.5 cm. core. The objective was to test the continuity from surface on known veins. Due to the small core diameter, the total core was assayed from any significant intersections. For holes AB-1-1 to AB-1-3, AB-4-1, 2 and AB-6-1, the core is stored at the drill sites. B-1 and 2 core is stored in Vancouver, to where it was transported for logging. Logs of the holes are in Appendix 1.

No. 1 Vein (Fig. 8)

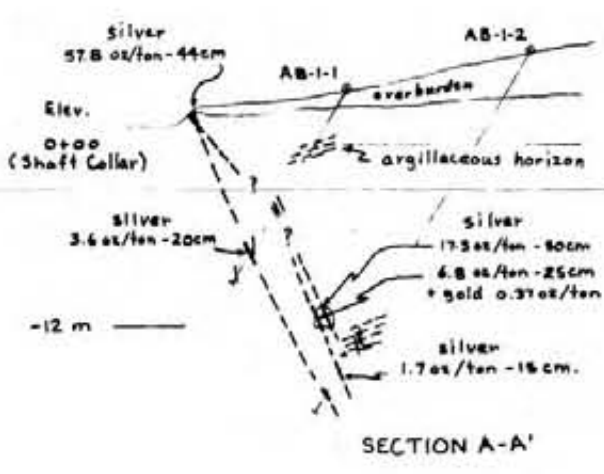
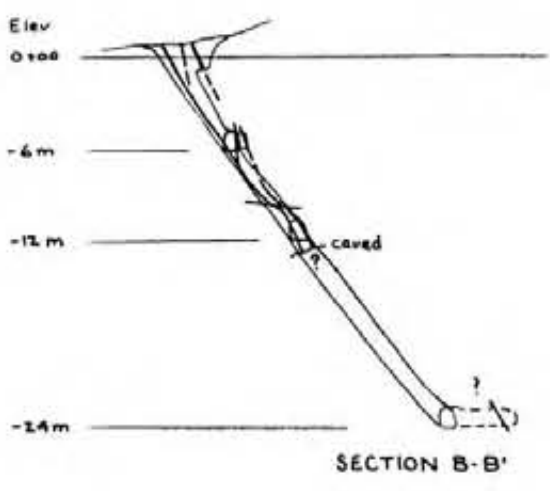
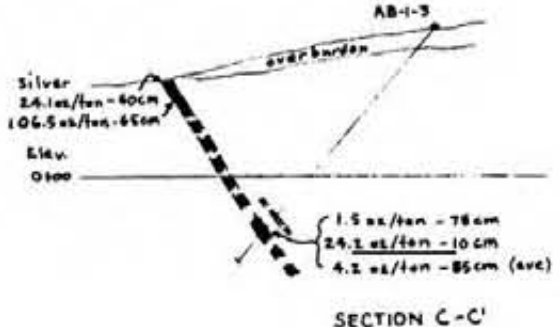
Three holes were drilled on the No. 1 Vein, AB-1-1 to AB-1-3, two near a cross-cutting fault and one under a high grade ore shoot. Near the fault the vein was indicated to be formed of several stringers, at least one of which was weakly mineralized. AB-1-1 intersected 20 cm. of quartz assaying 3.56 oz. silver per ton and AB-1-2 intersected 15 cm. of quartz assaying 1.74 oz. silver per ton.

AB-1-3 intersected 75 cm. assaying 1.53 oz. silver per ton and 10 cm. assaying 24.2 oz. silver per ton for an average of 4.2 oz/ton across 85 cm. This is similar to the surface width indicating that the vein structure remains strong at this depth (17 m down dip).



— Vein
- - - Underground workings
—> Diamond drill hole

Map control by transit & tape or stadia



CAN-EX RESOURCES LTD.
AMERICAN BOY PROPERTY
MAIN WORKINGS
PLAN & SECTIONS-NO. 1 VEIN

Prepared by: A. M. Homenuke, P. Eng. April, 1984
TRI-CON MINING LTD.

The host rock in all the above holes was a fine grained grey sandstone with minor argillite, belonging to the Bowser Group.

No. 4 Vein (Fig. 9)

Two holes, AB-4-1 and 2, were drilled on the No. 4 vein. AB-4-1 probably went through a fault which "stretched" the vein and AB-4-2 intersected 21 cm. of quartz assaying 55.6 oz. silver per ton and 0.135 oz. gold per ton. These values are similar to those on surface and indicate that there is continuity of ore mineralization.

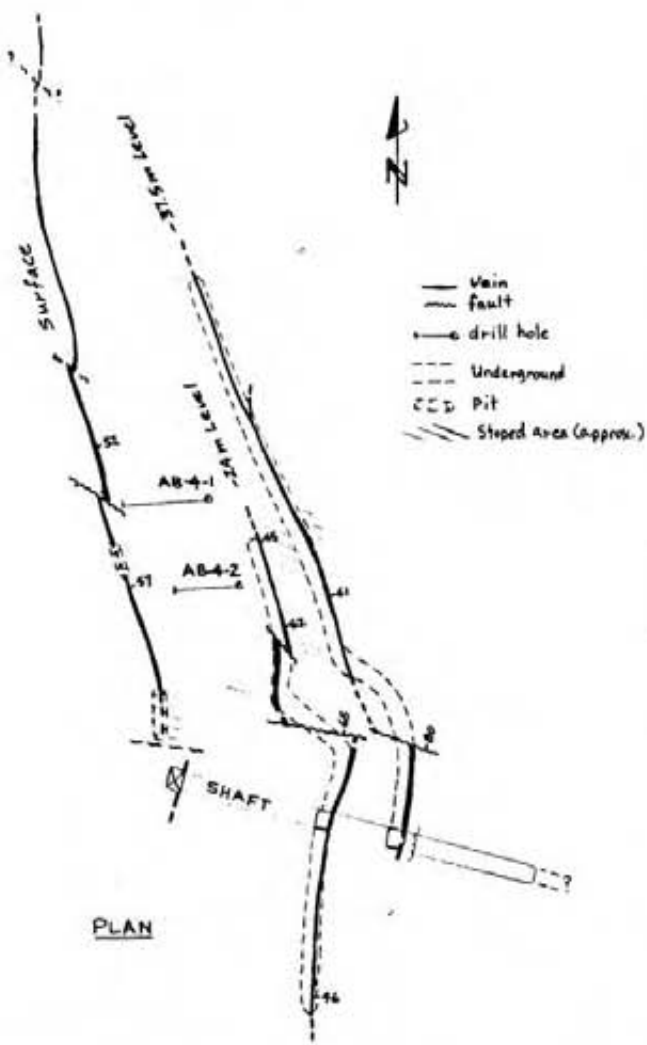
No. 6 Vein (Fig. 10)

AB-6-1 was drilled to intersect the No. 6 Vein below a shallow shaft from which some ore had been shipped in the past. The hole intersected 40 cm. assaying 1.26 oz. silver per ton, but hit the vein in an unfavourable argillite horizon instead of the more favourable sandstone host.

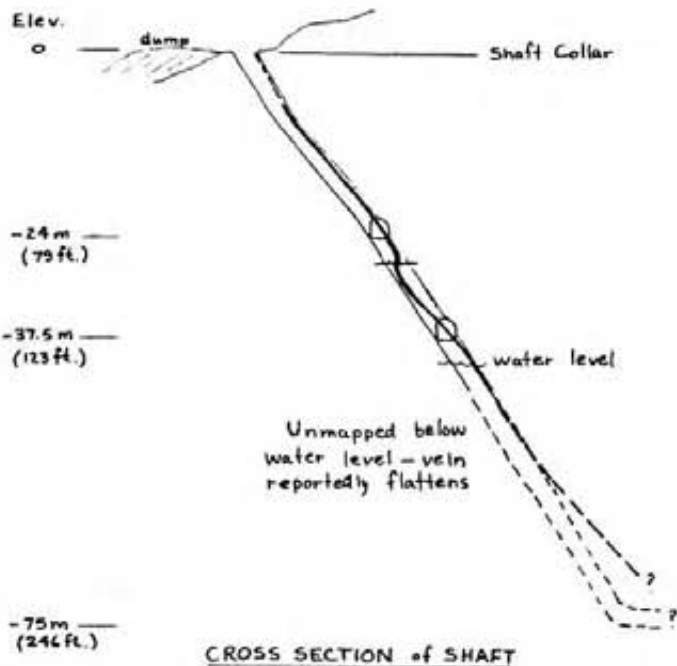
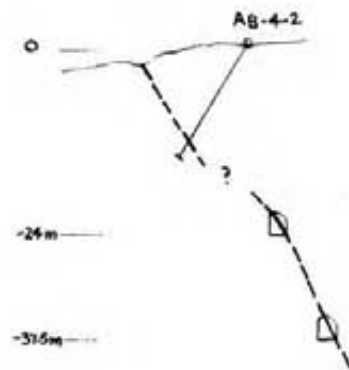
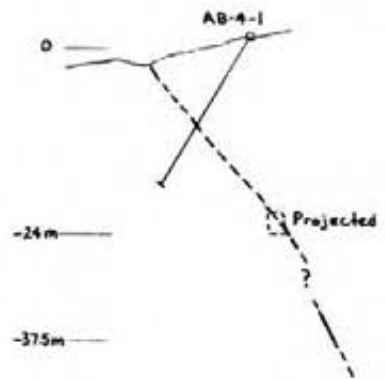
Babine Workings, Four Mile Mountain Area (Fig. 11)

B-1 was drilled under a known vein to obtain information on the nature of the structure away from the weathered and poorly exposed bedrock surface. At a depth of 9 metres the vein was 60 cm. wide and consisted of a quartz-siderate stockwork with a trace of sulfides. 2.2 metres on the hanging wall side was intensely altered and veined with a trace of sulfides including sphalerite.

B-2 was drilled under the surface exposure of a second vein, but drilling stopped short of the objective due to difficult drilling and cold weather.



CROSS SECTIONS of DRILL HOLES



Note: For assays, see Fig. 7A
Longitudinal Section



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AMERICAN BOY PROPERTY
MAIN WORKINGS
NO. 4 VEIN

Prepared by: A.M. Homenuke, P.Eng
TRI-CON MINING LTD.

April, 1984

FIG. 9

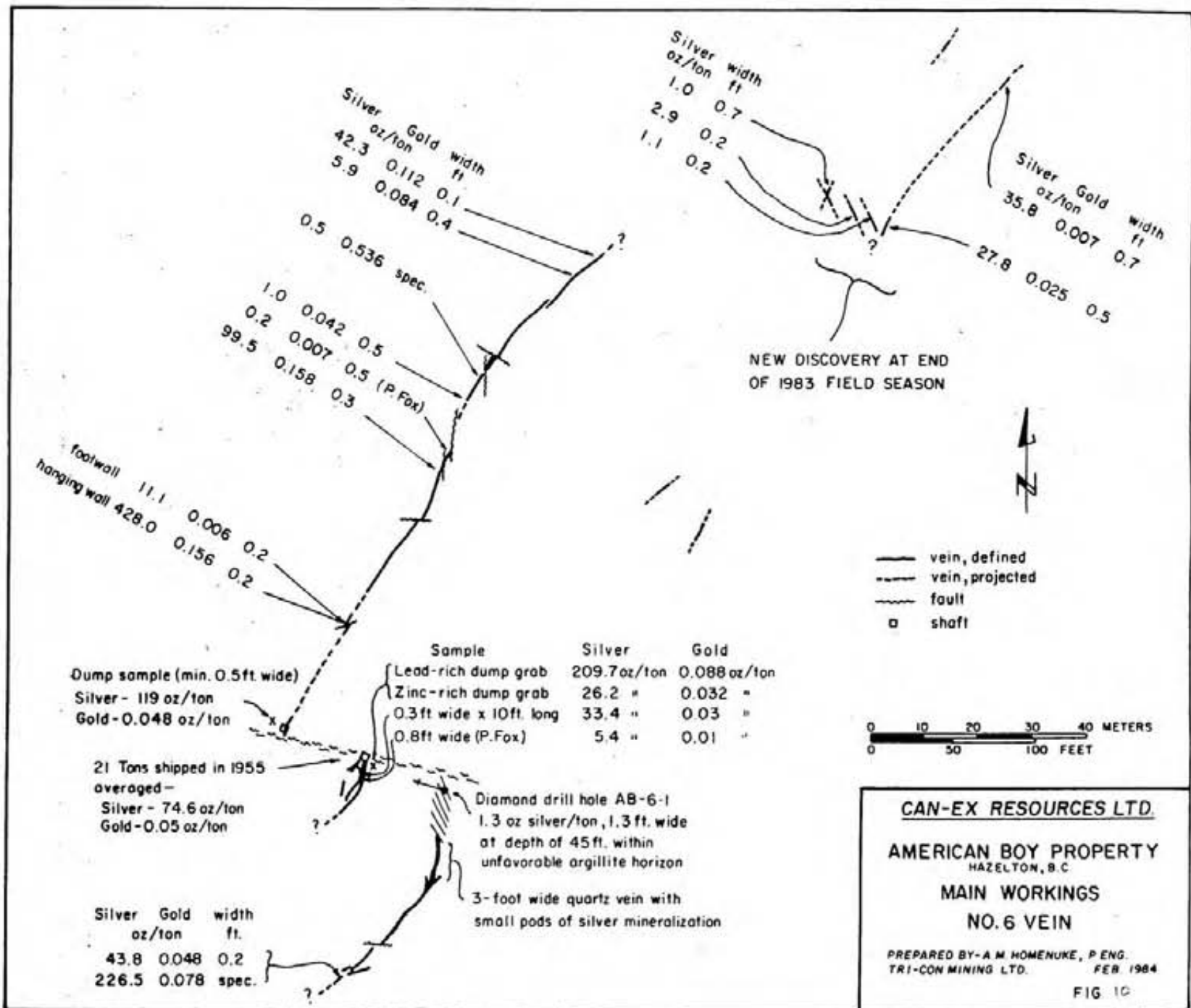
IV. GEOLOGY

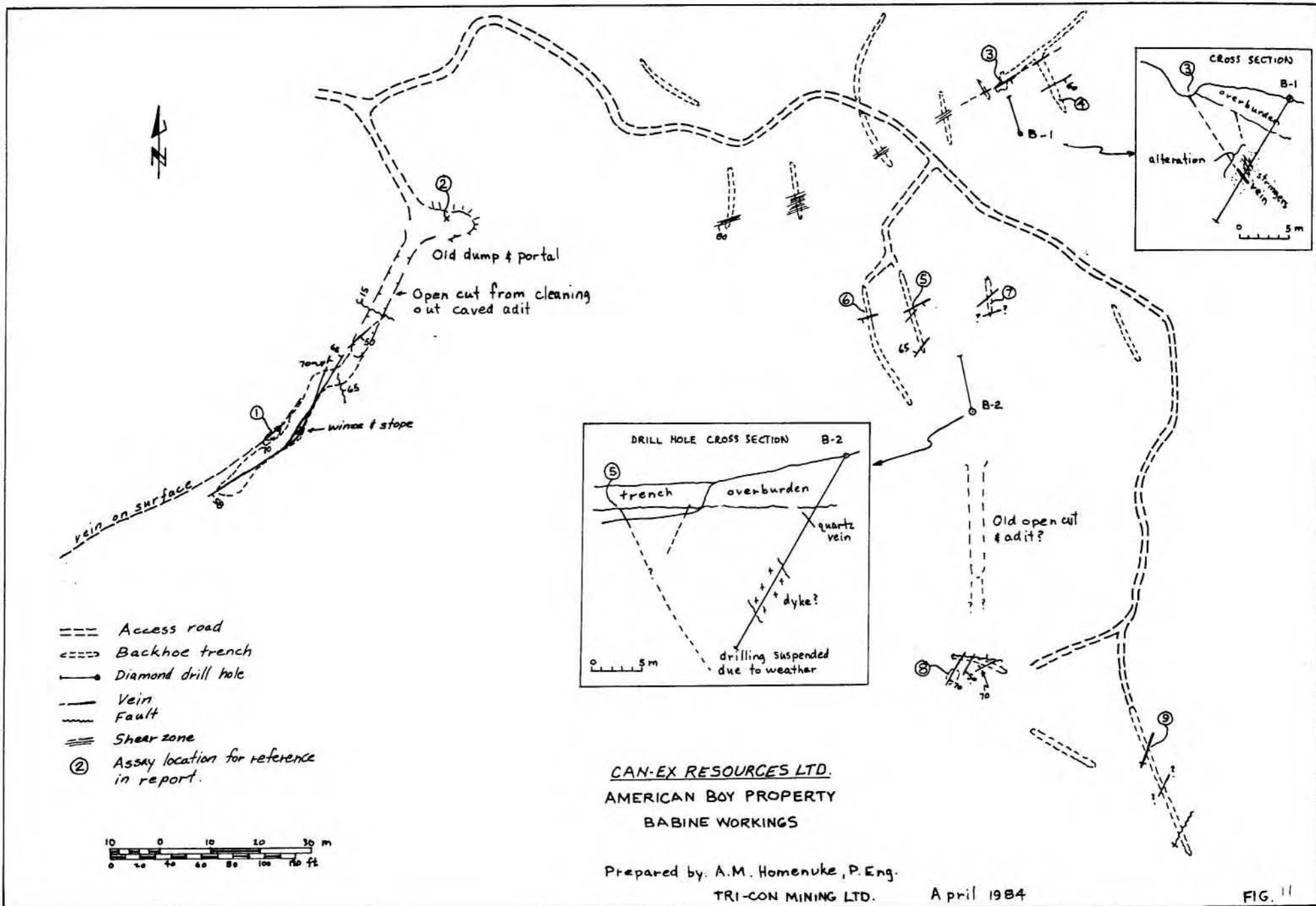
Only the mapping and surveying on the Janelle and AB-13 claims are being applied for assessment, however results of mapping elsewhere are shown on the respective drill hole plans. Silver-gold, base metal mineralization occurs in at least 15 veins on the total property. The most significant ore shoots are in the Main Workings area (original American Boy). Several quartz veins striking northerly and northeasterly are hosted by sandstones, siltstones and argillites of the Bowser Group. Other gangue minerals include siderite, pyrite, calcite and chlorite. Ore mineralization including galena, sphalerite, tetrahedrite, and chalcopyrite occurs primarily at structural intersections. The most significant mineralization to date is in Veins No. 1, No. 4 and No. 6. Mapping control was provided by transit and stadia, with tape and compass additions for accessible underground workings. The results of mapping in these areas is shown on Fig. 8, 9 and 10.

Janelle Claim (No. 6 Vein)

The No. 6 Vein system has been traced intermittently by trenching for almost 1000 metres. The most significant mineralization occurs at the southwest end of the exposures on the Janelle claim. A series of silver-rich sulfide lenses are present over a strike length of 200 metres. There are at least two parallel veins which make up the No. 6 system. The best mineralization appears to be related to a westerly trending cross-fault. Two shafts were sunk on the vein on opposite sides of this fault (see Fig. 10) in the early 1950's. 21 tons of ore from the eastern shaft averaged 75 oz. silver per ton.

Geochemical sampling discussed earlier indicates that this vein system continues at least 200 metres further to the southwest.





CAN-EX RESOURCES LTD.
 AMERICAN BOY PROPERTY
 BABINE WORKINGS

Prepared by: A.M. Homenuke, P.Eng.
 TRI-CON MINING LTD.

April 1984

FIG. 11

TABLE III
ASSAYS - BABINE WORKINGS

<u>SAMPLE #</u>	<u>LENGTH (cm)</u>	<u>AG(opt)</u>	<u>AU(opt)</u>	<u>%Pb</u>	<u>%Zn</u>	<u>%As</u>	<u>%Sb</u>
1	45	1.98	0.004	1.33	0.01	0.01	-
2	grab	16.90	0.046	15.86	0.01	0.03	-
3	5	10.10	0.001	-	-	-	-
4	grab	0.10	0.001	0.06	0.01	-	-
5	15	2.45	0.003	2.60	0.01	-	-
6	15	3.12	0.053	3.62	0.05	-	-
7	grab	2.36	0.003	4.55	1.92	0.20	-
8	10	5.90	0.182	6.32	7.98	14.80	-
9	10	6.34	0.014	5.98	0.33	0.81	0.74

AB-13 Claim (Babine Workings)

Results of surveying and mapping on the Babine Workings is shown on Fig. 11. The Four Mile Mountain area is cored by a microdiorite intrusive which has hornfelsed the host Bowser sediments for several hundred metres. A number of sulfide-bearing veins are contained within this hornfelsed halo. They are quartz-siderite veins with an antimony sulfosalt, probably boulangerite, and sphalerite being the principal sulfides. There are lesser amounts of pyrite, arsenopyrite and galena. Silver accompanies the galena while significant gold values are present with the arsenopyrite. Surface assays are shown in Table III. Results to date are subeconomic but further work is required to fully assess this area.

V. CONCLUSIONS

There are sufficient indications from trenching, drilling, underground and surface sampling and geochemical sampling that enough high grade silver ore exists to warrant further exploration, especially on the No. 1 and No. 6 veins. This should be in the form of underground development and diamond drilling.

Respectfully submitted,
Tri-Con Mining Ltd.



A.M. Homenuke, P.Eng.
Geological Engineer

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COST STATEMENT

Cindy Group	Oct. 10 - Oct. 27, 1984	
	102.7 meters diamond drilling	
	"Winkie" Drill, 2.5 cm. core	\$98.09/m
		\$10,073.84
		=====
Janelle Group	Oct. 25 - Dec. 16, 1984	
	Diamond drilling 55.1 meters @ 98.09/m	5,404.76
	Geochemical Sampling & grid	
	2 days @ 175	350.00
	Analysis - 67 samples; ICP for Cu, Pb, Zn,	
	Ag, As @ 5.75	385.25
	Surveying, mapping, sampling & core logging	
	A. Homenuke, P.Eng. 4 days @ 400	1,600.00
	Helper 2 days @ 175	350.00
	Assaying 16 samples variously for As, Sb,	
	Ag, Au, Cu, Pb, Zn	350.00
	Room and Board 8 days @ \$35/day	280.00
	Truck Rental 6 days @ \$50/day	300.00
	Maps, Report & Interpretation (apportioned)	
	A. Homenuke, P.Eng. 3 days @ 400	1,200.00
	Miscellaneous materials, rentals,	
	secretarial and copying	<u>150.00</u>
	Subtotal	4,965.25
JANELLE GROUP TOTAL		\$10,370.01*
		=====

*NOTE: This is a larger figure than recorded on the Statement of Exploration and Development as the latter was a close estimate only.

CERTIFICATE OF QUALIFICATION

I, ALEXANDER M. HOMENUKE, do hereby certify:

1. THAT I am a member in good standing of the Association of Professional Engineers of British Columbia.
2. THAT I received the Degree of Bachelor of Science in Geological Engineering from the Colorado School of Mines in 1974.
3. THAT I received a Diploma of Technology in Mining from the B.C. Institute of Technology in 1969.
4. THAT I have been employed in various aspects of mining exploration for 15 years and am presently employed by Tri-Con Mining Ltd., of #2580 - 1066 West Hastings Street, Vancouver, British Columbia.
5. THAT I presently reside at 29825 Harris Road, Mt. Lehman, B.C.
6. THAT this Report is based on work supervised or conducted by myself.

DATED AT VANCOUVER, British Columbia, this 21st day of August, 1984.



A.M. Homenuke, P.Eng.
Geological Engineer

APPENDIX I
DIAMOND DRILL HOLE LOGS

