PROSPECTING REPORT

ON THE

GOLD 1-4 MINERAL CLAIMS

KLAWLI RIVER AREA

OMINECA MINING DIVISION

MAP 93N/7W

55⁰17'39" North Latitude 124⁰46'56" East Longitude

Owned by

Eric A. Shaede

Operator

Eric A. Shaede

Report prepared by Eric A. Shaede October 30, 1984 SECLOGICAL BRANCH ASSESSMENT REPORT

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Introduction

Eric A. Shaede of Sicamous, B.C. holds title to four two-post mineral claims located approximately 1 km east of the Klawli River and approximately 5 km south of Klawli Lake. These claims are known as the Gold Group and the center is at latitude 55°17'39" and longitude 124°46'56". Access to the property is by helicopter from Fort St. James, B.C., located approximately 100 km to the south. The closest road is a logging road located along the north shore of Chuchi Lake approximately 10km to the southeast.

The claims cover a mineral showing which was first located by E. Kohse in the 1920's and were optioned to Consolidated Mining and Smelting Company of Canada, Limited who sank two shallow shafts and did some trenching on the property. The claims were subsequently allowed to lapse and restaked a number of times. Quebec Gold Mining Corporation held an option on the property in 1946 and did some surface sampling. Tro-Buttle Exploration Limited held the property in 1967 and did a geochemical survey. Phelps Dodge Corporation of Canada held the property in 1971 and did some soil and silt sampling. Between 1972 and 1983 the property was apparently not covered by any mineral claims. The property was staked by the author on October 30, 1983.

The claims are underlain mainly by green Takla andesites, altered in places to chloritic and talcose schists.

The mineral showings consist of quartz-carbonate fissure veins

and areas of mineralised andesite and porphyry. Gold, silver and copper are the main elements of economic interest.

An index map showing the location of the claims is given in Figure 1.

On the 30th of October, 1983 after the location of the claims was completed, a prospecting survey of the showings was undertaken covering an area of 1.5 hectares and 12 rock samples were taken for assay. The prospecting survey covered a portion of the Gold 2 and Gold 4 claims.

Detailed Technical Data and Interpretation

The purpose of the prospecting survey was to confirm that significant gold/silver mineralisation was present in the outcrop showings.

A total of 12 rock samples were taken during the examination of the showings and old trenching workings at the locations shown in Figure 2. The samples were assayed by Kamloops Research and Assay Laboratory Ltd. and the results are given in their certificates K-6064, K-6096 and K-6064revised. Sample number 12688 was a reassay of the reject from sample number 12685. The very large difference between the original and reassays led to an investigation by the Laboratory and the result of their investigation are given in a report included as an appendix.

A description of the samples and sampling techniques is given in Table 1.

The results of the sampling and prospecting of the mineralised showings are that significant precious metals values are present and that the property is worthy of further investigation.

October 30, 1984

Eric A. Shaede, Ph.D.

ITEMISED COST STATEMENT

| Labour allowance - sample collection and prospecting |
|---|
| 6 man hours @ \$15\$90.00 |
| |
| Assaying - Kamloops Research & Assay Laboratory Ltd. |
| 13 gold assays @ \$9.00 ea\$117.00 |
| 12 silver assays @ \$3.50 ea\$42.00 |
| 11 copper assays @ \$6.50 ea\$71.50 |
| Materials - sample bags |
| 12 @ \$0.20 ea\$2.40 |
| Transportation - a portion of total costs involved in |
| travel from Sicamous, B.C. to |
| Fort St. James, B.C., return, via personal |
| automobile and from Fort St. James to |
| mineral claims via Northern Mountain |
| helicopter and from Sicamous, B.C. to |
| Kamloops, B.C. via personal auto\$115.00 |
| Report Preparation - photocopies and covers\$7.60 |
| - labour 2 hours @ \$15\$30.00 |
| |
| TOTAL COST\$475.50 |

AUTHOR'S QUALIFICATIONS

I, ERIC ALBERT SHAEDE, of Sicamous, British Columbia, do hereby certify that:

- 1. I am a graduate of the University of British
 Columbia and hold the following degrees from that University;
 B.Sc. (1966), M.Sc. (1968), Ph.D. (1971). The degrees are
 for studies in the area of Chemistry and Physics.
- I have been employed in the mining industry since 1974 in various capacities ranging from Process Engineer to Mine Manager.
- I am a member of The Society of Mining Engineers of AIME.
- I personally supervised the collection of the samples as described in this report.

Eric A. Shaede, Ph.D.

Prospector

Dated this day: October 30, 1984

REFERENCES

- J.E. Armstrong and J.B. Thurber, G.S.C. Paper #45-9, page 18, 1945.
- 2. J.E. Armstrong, G.S.C. Memoir # 252, page 184-85, 1949.
- 3. B.C. Minister of Mines Report, page 119, 1967.
- 4. B.C. Department of Mines, G.E.M., page 201, 1971.

TABLE 1

DESCRIPTION OF SAMPLES

REFER TO FIGURE 2 FOR LOCATION OF SAMPLES.

| SAMPLE # | DESCRIPTION |
|----------|---|
| 12676 | Grab sample of bleached, altered andesites with traces of pyrite and chalcopyrite from muck pile near East Shaft. |
| 12677 | Grab sample of sulfide rich rock from dump muck pile near East Shaft. |
| 12678 | Trench #1 located just west of East Shaft. Two fist sized pieces of massive chalcopyrite found loose in this trench. Trench is mostly caved in. |
| 12679 | Trench #2 located west of trench #1. Grab sample taken of fist sized pieces of rock from outcrop exposed by this trench. Bedrock is exposed for approximately 5 meters of this 6 meter long trench. Rock is altered andesite. |
| 12680 | Trench #3 located west of trench #2. Grab sample taken of fist sized pieces of altered andesite from bottom of this 4 meter long trench. |
| 12681 | Trench #5 located west of trench #4. This is the main trench approximately 16 meters long, running north-south approximately midway between the two shafts. This sample taken from the north end and is a chip sample along 2 meters of the trench wall. The rock is altered andesite with copper stains. |
| 12682 | Trench \$5. Chip sample along 2 meters of the trench wall immediately to the south of sample 12681. Rock is altered andesite with a 5 cm vein of chalcopyrite. |
| 12683 | Trench #5. Chip sample from 5 cm wide vein of chalcopyrite which was included in sample 12682. |
| 12684 | Trench #5. Chip sample along 2 meters of the trench wall immediately to the south of sample 12682. Rock is altered andesite with some veinlets of sulfides. |

TABLE 1 DESCRIPTION OF SAMPLES

| SAMPLE # | DESCRIPTION |
|----------|---|
| 12685 | Chip sample of bleached and altered andesite from outcrop on north bank of creek about 100 meters west of West Shaft. |
| 12686 | Grab sample of fist sized pieces of rock from pile of sample rejects near old tent frame. |
| 12687 | Specimen of altered andesite from outcrop near East Shaft. |
| 12688 | Sample preparation reject from sample 12685 resubmitted (blind) to the assay lab to check high gold assay reported |
| | |



KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

B.C. LICENSED ASSAYERS GEOCHEMICAL ANALYSTS METALLURGISTS

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C. V2C 5P5 PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

| CENTIF | CATEOR | HOOM | |
|--------|--------|------|--|
| | | | |

| 10 | R.R. 1 | | | | | Certificate No. K-6064 | | | |
|---|--|--|--|---|-------------------|------------------------|-------|-----------|-----|
| Ih | Sicamous, B.C. ereby certify that the to | VOE 2VO | s of assays made | e by us upon the | e herein describe | | Novem | ber 9, 19 | 983 |
| Kral No. | Marked | Au | Ag | Cu | | | | | |
| | • | ounces/ton | ounces/ton | percent | | | | | |
| 1 2 3 4 5 6 7 8 9 10 | 12676 12677 12678 12679 12680 12681 12682 12683 12684 12685 12686 L means "Less than" | .001 .078 .408 .001 L.001 .004 .120 L.001 .178 | .08 5.57 30.5 .17 .40 .04 1.02 2.95 .04 .08 | .02 2.03 9.30 .10 .10 .02 .29 3.05 .06 .03 | | | | | |

NOTE: Rejects relained thre locks. Pulps relained three renths unless otherwise arranged.

Registered Assayer, Province of British Columbia



TO Mr. Eric Shaede

Page

NOTE:

Rejects retained three weeks. Pulps retained three his unless otherwise arranged.

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912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C. V2C 5P5 PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

| R.R. #1 | | | | | Certificate NoK=6096 | | |
|---------------|---------------------------|------------|-----------------------|---------------------------|----------------------|----------------|--|
| NT PRODUCTION | amous, B.C. VOE 2 | vo | | | DateNov | ember 22, 1983 | |
| | creby certify that the fo | | s of assays made by u | s upon the herein describ | ed | samples | |
| Kral No. | Marked | Au | Ag | | | | |
| | | ounces/ton | ounces/ton | | | | |
| 1 2 | 12687 12688 | .005 | .14 | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | (*) | | | | | | |
| - | 7 | | | | | | |

Registered Assayer, Province of British Columbia



Mr. Eric Shaede

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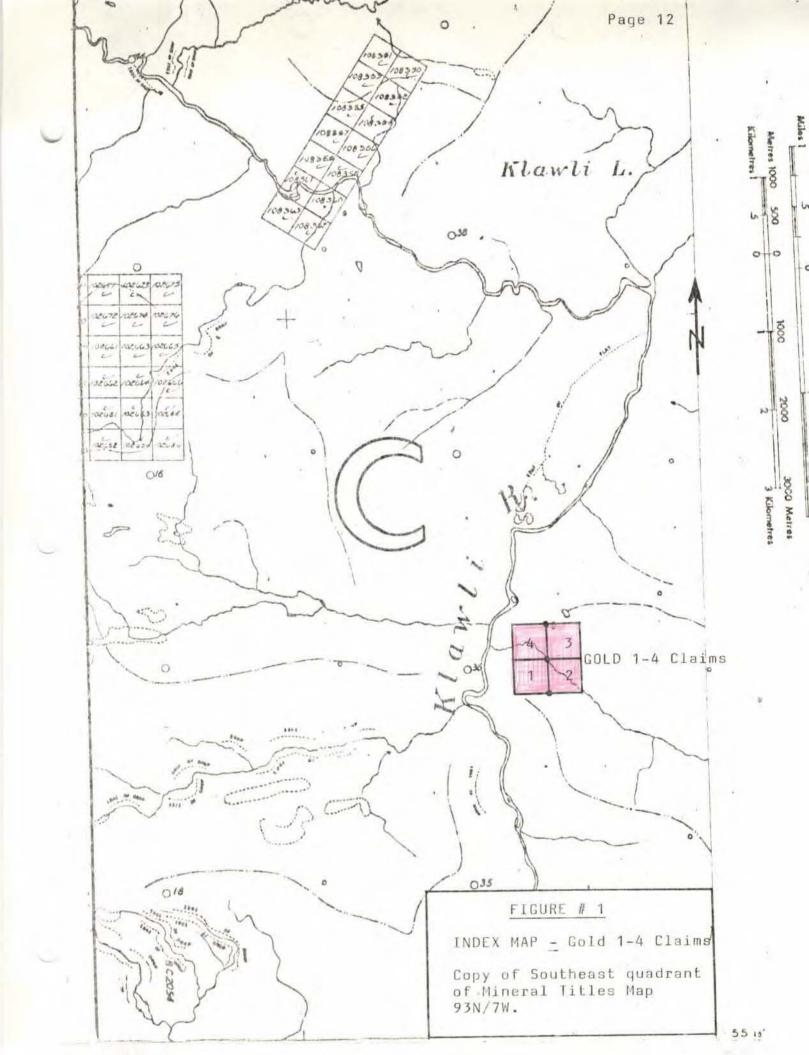
CERTIFICATE OF ASSAY

| 70 | | | - | Certificate I | No. K 6064 (Revised) |
|---|--|--|-------------------------------|---------------|----------------------|
| | R.R. #1, | | | | December 13,1983 |
| | Sicamous, B.C. VOE 2VO | | | Date | |
| | I hereby certify that the following | lowing are the results of assays | made by us upon the herein de | escribed | samples |
| Kral No. | Marked | Au | | | |
| 100 | | ozs/ton | | | |
| 1 2 3 4 5 6 7 8 9 10 | 12676 12677 12678 12679 12680 12681 12682 12683 12684 12685 | .002 .043 .350 .003 .002 .001 .004 .079 .001 .031 | | | |
| | | | | | |

NOTE:

Rejects retained three peks. Pulps retained three Alhs unless otherwise arranged.

Registered Assayer, Province of British Columbia



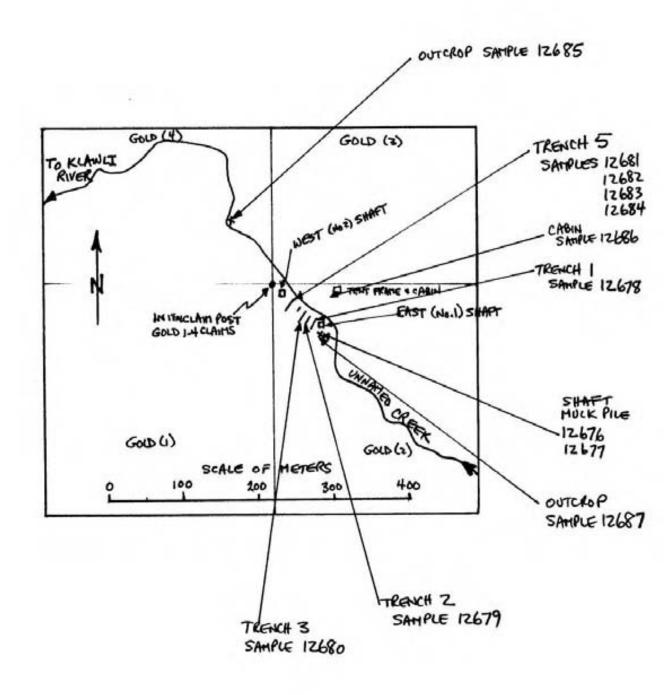


FIGURE 2
SAMPLE LOCATION MAP

KAMLOOPS RESEARCH & ASSAY _ABORATORY LTD.

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C. V2C 5P5 PHONE: (604) 372-2784 — TELEX: 048-8320

December 13, 1983.

Mr. Eric Shaede R.R. #1 Sicamous, B.C. VOE 2VO

Dear Sir:

As requested, we have thoroughly investigated the possibility of a mix-up with regard to samples sent to our laboratory for gold analysis. While we have not been able to duplicate the sample in question, we are confident that a mix-up did not occur and that the error is most probably due to the nugget effect which is common to samples where free gold is present. There is evidence to support this as I shall point out.

Our standard procedure is to pulverize each sample and sieve through a 100 mesh screen. The sieve is examined for particles which do not pass through and if this occurs then this portion is weighed and assayed separately. There was no +100 material in any of your samples. When we received your letter, we re-assayed the pulps and noticed that on three of the samples there was not good agreement, and one of these samples was the one you were questioning. At this point, we decided to see if there was any free gold in the -100,+200 range, so we screened all of the samples through a 200 mesh sieve. We found free gold, in varying amounts, in five of the samples, in the +200 fraction.

| Sample # | %wt +200 | Au ozs/ton |
|----------|----------|------------|
| 12677 | 4.22 | .127 |
| 12678 | .40 | 4.63 |
| 12679 | 3.94 | .018 |
| 12683 | .32 | 3.33 |
| 12685 | .72 | .31 |

Accordingly, I have revised the assay certificate to reflect the assays which we obtained after screening through a 200 mesh sieve.

I have also included a table to indicate the normal checks that we get

when we re-assay a sample for gold. Each assay run of 24 samples has one random repeat inserted to check for precision. This table indicates the precision obtained through the last 2,400 samples which were assayed for gold.

This table, plus the fact that we did find appreciable amounts of free gold in the -100,+200 fraction of your samples, convinces me that the questionable results were as a result of free gold being present in the portion of the -100 mesh sample that we originally assayed.

I wish that I could state that there was a simple solution to this problem, but the only way to obtain an absolutely accurate assay where free gold is present, is to physically extract all of the gold from the sample. Unfortunately, the cost of doing this negates it as a viable solution.

I have taken the liberty of enclosing a paper on gold geochemistry, and while I am certain that you are well aware of problems encountered by free metal in an analysis. I am sure that you will find it interesting.

Should there be anything further that I might be able to do to assist you, please do not hesitate to ask.

Yours very truly.

Derek A. Blundell

President.

DAB/cb

Encl.

| | SAMPLE NUMBER | ORIGINAL -100 MESH | WEIGHT TAKEN | RE-ASSAY -100 MESH | WEIGHT TAKEN | RE-ASSAY -200 MESH | SAMPLE WEIGHT | WEIGHTED AVERAGE |
|--|------------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|------------------|---------------------|
| | 12676 | .002 | 29.167 | .002 | 29.167 | .002 | 29.167 | .002 |
| | 12677 ** | .078 | 29.167 | .034 | 29.167 | .037 | 114.48 | .043 |
| | 12678 ** | .408 | 14.583 | .28 | 14.583 | .351 | 184.81 | .350 |
| | 12679 | .001 | 29.167 | .003 | 29.167 | .003 | 123.19 | .003 |
| | 12680 | L.001 | 29.167 | .001 | 29.167 | .002 | 95.20 | .002 |
| | 12681 | .001 | 29.167 | L.001 | 29.167 | .001 | 129.64 | .001 |
| | 12682 | .004 | 29.167 | .003 | 29.167 | .004 | 124.21 | .004 |
| | 12683 ** | .12 | 14.583 | .070 | 14.583 | .076 | 129.86 | .079 |
| | 12684 | L.001 | 29.167 | .001 | 29.167 | .001 | 145.30 | .001 |
| | 12685 ** | .178 | 29.167 | L.001 | 29.167 | .004 | 129.17 | .031 |
| | 12686 | .004 | 29.167 | .004 | 29.167 | .004 | 126.80 | .004 |
| | | | | | | | e+ | |

ASSAY #2

ASSAY #3

ASSAY #1

^{**} Significant free gold found in -100,+200 fraction.