

ARIS SUMMARY SHEET

District Geologist, Nelson

Off Confidential: 90.02.23

ASSESSMENT REPORT 18775

MINING DIVISION: Fort Steele

PROPERTY: Lower
LOCATION: LAT 49 26 00 LONG 116 08 00
UTM 11 5475771 562840
NTS 082F08E

CAMP: 001 Purcell Belt (Sullivan)

CLAIM(S): Placer Claim 45

OPERATOR(S): Fiorentino Bros.

AUTHOR(S): Stephenson, L.G.

REPORT YEAR: 1989, 16 Pages

COMMODITIES

SEARCHED FOR: Gold

KEYWORDS: Tertiary, Gravels, Placer, Gold

WORK
DONE: Drilling
ROTD 36.5 m 3 hole(s)

LOG NO: 0526	RD.
ACTION:	
FILE NO:	

DRILLING REPORT ON

PML 16217, 16226, 16250, 16251 and 16252
converted to
PLACER CLAIMS 45, 50, 47, 49 and 48

FILMED

on

PERRY CREEK

situated in
THE FORT STEELE MINING DIVISION

NTS 82F/8E

LATITUDE 49° 26'
LONGITUDE 116° 08'

OWNERS: FRANK O'GRADY, P.ENG.
ERNEST CARLSON
FRANK FIORENTINO
ANGELO FIORENTINO

OPERATORS: FIORENTINO BROS. CONTRACTING LTD.

CONSULTANT and

AUTHOUR: LAURENCE G. STEPHENSON, P.ENG.
KOKANEE PLACER LTD.

STATEMENT SUBMITTED: FEBRUARY 23, 1989

REPORT SUBMITTED: May 18, 1989

GEOLOGICAL BRANCH
ASSESSMENT REPORT

18,775

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
LOCATION & ACCESS.....	2
HISTORY.....	2
BEDROCK GEOLOGY.....	2
EXPLORATION PROGRAM.....	3
CONCLUSIONS & RECOMMENDATIONS.....	3
PROPOSED BUDGET.....	4
DRILL HOLE LOGS.....	5
ITEMIZED COST STATEMENT.....	8
AUTHOUR'S CERTIFICATE.....	9

LIST OF MAPS

MAP 1	LOCATION MAP
MAP 2	LEASE LOCATION
MAP 3	TEST PIT LOCATION
MAP 4	DRILL HOLE LOCATION
CROSSECTION 1	PC 1-3 1988 DRILL HOLES

INTRODUCTION

In the summer of 1988 Kokanee Placer Ltd. undertook to do some work for property operators Fiorentino Bros. Contracting Ltd. on their placer leases straddling Perry Creek, 30 miles southwest of Cranbrook, B.C. (Map 1).

The property consists of two groups, the Upper Group and the Lower Group, plus two additional leases. The registered owners of the leases are as follows:

	PLACER LEASE	PLACER CLAIM	OWNER
UPPER GROUP:	16236	44	ERNEST CARLSON
	16237	51	FRANK O'GRADY
	16246	46	FRANK FIORENTINO
LOWER GROUP:	16217	45	ERNEST CARLSON
	16226	50	FRANK O'GRADY
	16250	47	FRANK FIORENTINO
	16251	49	ANGELO FIORENTINO
	16252	48	ANGELO FIORENTINO
	16271	42	GUS FIORENTINO
	16275	43	GUS FIORENTINO

These leases were converted to placer claims in February 1989.

The first exploration program on this property was conducted in 1985. While the 1985 test pits indicated the presence of gold, the relatively small volume of gravel washed could not indicate if an economic operation was possible.

Originally, two test areas had been proposed for test pitting in 1988 to evaluate the placer gold potential of the leases. Kokanee, after evaluating the data, decided to proceed with test pitting on the area covered by the Upper Group (PML 16236, 16237 and 16246), and to undertake some reverse circulation drilling to search for gold bearing gravels in paleochannels on the area covered by the Lower Group (PML 16217, 16226, 16250, 16251 and 16252) plus PML 16271 and 16275. Three holes were drilled to bedrock (35 Ft., 30 Ft. and 56 Ft.) on PML 16217 in the Lower Group. (Map 2) (Total - 36.5 m)

This report details the work and results of that exploration program and will serve as the drilling assessment report for the Lower Group.

LOCATION AND ACCESS

The ten placer leases straddle Perry Creek in southeastern British Columbia, Canada. The leases are situated above and below the confluence of Perry Creek and a tributary, Galway Creek.

The leases are approximately thirty miles by road from Cranbrook, British Columbia. Access is by paved highway for the first ten miles and by good gravel road for the last twenty miles.

HISTORY

The Perry Creek has been subjected to various placer and vein mining and exploration. During the late 19th Century and early 20th Century the area downstream from these placer leases was quite active. Since then only minor scale operations have been and continue to be undertaken by small operators.

Significant quantities have been taken from the river system at a "false" clay bedrock interface and from the bedrock surface in the canyons.

BEDROCK GEOLOGY

The hills around the placer leases consist of rocks of the Creston formation. The river valley has rocks of the Upper Aldridge formation. Several gold bearing quartz veins are located in the surrounding hills.

EXPLORATION PROGRAM

The area of the test pitting on the upper three leases had reported good indications of gold in the previous 1985 exploration program.

Kokanee dug three pits to test the continuity and to obtain a larger significant sample for processing through a small trommel and final concentrating by jig.

The three pits yielded 200 cu. metres of material but only 40% was considered to be near the bedrock surface.

The three areas are indicated on the accompanying Map 3. Gold content was not considered economic although the testing was less than satisfactory. This was due to the depth to bedrock which was greater than expected.

The second phase of the program consisted of drilling three reverse circulation drill holes between two areas of test pitting in the 1985 drill program.

The drilling indicated two channels coming out of the canyon with some amounts of fine gold associated with hard pan (false bedrock) gravel interface and the bedrock/gravel interface. The area of the drilling is indicated on Map 4 and profiled in cross section #1 and in the appended drill logs.

CONCLUSIONS AND RECOMMENDATIONS

The two areas tested represent only a small part of the Placer Leases. It appears that the comparability of the 1985 results is less concrete than expected.

Gold is definitely present in the system and the pit testing to date has not been sufficiently satisfactory in method to prove up economic reserves. The area of the drilling is quite promising and is recommended for a further two lines of reverse circulation drilling. Upon completion of that drilling a large scale pit is recommended to confirm the mineability of the reserves.

Drilling of the other areas of the claims should be held off until successful commercial production is achieved on the lower claim.

PROPOSED BUDGET

1. Drill site preparation (including survey, etc.)	\$ 7,500
2. Drilling 10 holes 150 m. (includes Geologist & sampling)	12,000
3. Permitting for test pit	3,000
4. Plant preparation	5,000
5. Stripping overburden 40,000 cu. metres	80,000
6. Mine pay gravel 5,000 cu. metres	20,000
7. Report, travel & supervision	10,000
8. Contingency	<u>14,000</u>
	\$151,500
CEIP Allowable 100%	
CEIP Grant	45,450
Total Cost	\$106,050
Kokanee Placer Management	<u>15,000</u>
	\$121,050

Time required for the program would be estimated at:

Two weeks for the drilling;
Two-four weeks for initial permitting approval;
One week to set up;
Two weeks to strip overburden;
One week to process pay gravel;
Eight to ten weeks in total.

DRILL HOLE #PC-1, logged by L.G. Stephenson, P.Eng.

<u>Footage</u>	<u>Description</u>	<u>Pan/ Jig</u>	<u>% Full</u>	<u>Results</u>
0-2	Surface river gravels	J	40	Contaminated
2-4	Surface river gravels	J	50	No heavies
4-6	Surface river gravels Water table at 5 feet	P	20	Small speck
6-8	Surface gravels to fine sandy clay layer at 7'	P	30(12")	No gold, 7 good sized chunks of magnetite
8-10	Gravels some clay	P	10	Very minor heavies
10-12	Clay and gravel	P	40(10")	1 lge speck & con- siderable blacksand
12-14	Clay and gravel	P	60(8")	No gold small amt black sand
14-16	Gravel	P	70(6")	No gold, lots of black sand
16-18	Gravel	P	70(7")	No color, small amts of black sand
18-20	Gravel	P	70	Very minor heavies 15 sm specks, poss contamination
20-22	Gravel	P	80	1 speck
22-24	Gravel, some clay hardpan	P	60	(no notes recorded)
24-26	Clay hardpan	P	25	1 lge thick speck black sand
26-28	Gravel and sand	P	95	Lots of gold 1 lge & 5 very fine specks
28-30	Gravel, sand some clay	P	55(6")	1 small speck, lots of heavies
30-32	Clay gravel bedrock 31'	P	10	3 large specks
32-34	Gravel bedrock	P	60(8")	1 speck, lots of black sand
34-35	Bedrock	P	20(12")	
35	End of hole			No gold

NOTES: Pan/Jig - whether the sample was panned P or run through the
jig J.

% Full - Recovered sample percent with 100% representing a
full bucket and 0% an empty one.

DRILL HOLE #PC-2, logged by L.G. Stephenson, P.Eng.

<u>Footage</u>	<u>Description</u>	<u>Pan Jig</u>	<u>% Recovery</u>	<u>Results</u>
0-2	Surface river gravels	J	5	No gold
2-4	Surface river gravels	J	10	No gold
4-6	Surface river gravels some water	J	25	No gold
6-8	Surface gravels	J	25	No gold
8-10	Gravels clay content up	J	90	No gold
10-12	Surface gravels clay content up	P	15	very little mater- ial, no heavies
12-14	Clay mud hardpan wet	P	20	very little mater- ial not heavies
14-16	clay mud hardpan	J	30	No gold
16-18	Gravel mud	J	25	No gold
18-20	Mud minor gravel	P	5	very little heavies
20-22	Gravel, boulders	P	55	2 good specks
22-24	Gravel, bedrock 24'	P	50	1 good speck, 1 speck
24-26	Broken bedrock	P	65(7½)	Quite abit of clay 1 speck
26-28	Broken bedrock	P	50(9")	No gold
28-30	Broken bedrock	J	50	No gold
30	End of hole			

NOTES: Pan/Jig - whether the sample was panned P or run through the
jig J.

% Recovery - recovered sample percent with 100% representing
a full bucket and 0% an empty one.

DRILL HOLE #PC-3, logged by L.G. Stephenson, P.Eng.

<u>Footage</u>	<u>Description</u>	<u>Pan/ Jig</u>	<u>% Full</u>	<u>Results</u>
0-2	Overburden till	J	10	No gold
2-4	Overburden till	J	40	No gold
4-6	Overburden till	J	65	No gold
6-8	Overburden till boulders	J	60	No gold
8-10	Some sandy till	J	30	No gold
10-12	Overburden till	J	50	No gold
12-14	Overburden till	J	75	No gold
14-16	Overburden till clay rich	J	70	No gold
16-18	Gravel water table	J	70	No gold
18-20	Gravel clay	J	70	No gold
20-22	Gravel clay	J	60	No gold
22-24	Gravel	J	55	No gold
24-26	Gravel clay	P	40	Lots of heavies, 2 small specks
26-28	Clay some gravel	J	25	
28-30	Hardpan clay		5	Wash together no gold
30-32	Hardpan clay		5	Wash together no gold
32-34	Hardpan clay		5	Wash together no gold
34-36	Hardpan clay		5	Wash together no gold
36-38	Hardpan clay		5	Wash together no gold
38-40	Hardpan clay		7	Hwas together no gold
40-42	Hardpan clay minor gravel		2	Wash together no gold
42-44	Hardpan clay minor gravel		2	Wash together no gold
44-46	Hardpan clay minor gravel		2	Wash together no gold
46-48	Hardpan clay minor gravel		2	Wash together no gold
48-50	Hardpan clay minor gravel		2(14")	Wash together no gold solid gumbo
50-52	Hardpan clay	J	10(15")	Solid gumbo
52-54	Clay bedrock at 52'	P	10	No heavies bedrock
54-56	Bedrock	P	40(8")	Major diorite no gold very little black sand

NOTES: Pan/Jig - whether the sample was panned P or run through the jig J.

% Full - Recovered sample percent with 100% representing a full bucket and 0% an empty one.

Wash together - samples are almost 100% clay and were processed together.

ITEMIZED COST STATEMENT - DRILLING

October 4-6, 1988, 3 days drilling

Hole # 1 - 35 Ft. @ \$26.00 per Ft.	\$ 910.00
-------------------------------------	-----------

Hole # 2 - 30 Ft. @ \$26.00 per Ft.	780.00
-------------------------------------	--------

Hole # 3 - 56 Ft. @ \$26.00 per Ft.	1,456.00
-------------------------------------	----------

1 Hr. charge (stuck)	175.00
----------------------	--------

1 Driveshoe	125.00
-------------	--------

Mob. & Demob 3 Hrs. @ \$175.00 per Hr.	525.00
--	--------

Total	\$3,971.00
-------	------------

- 9 -

CERTIFICATE

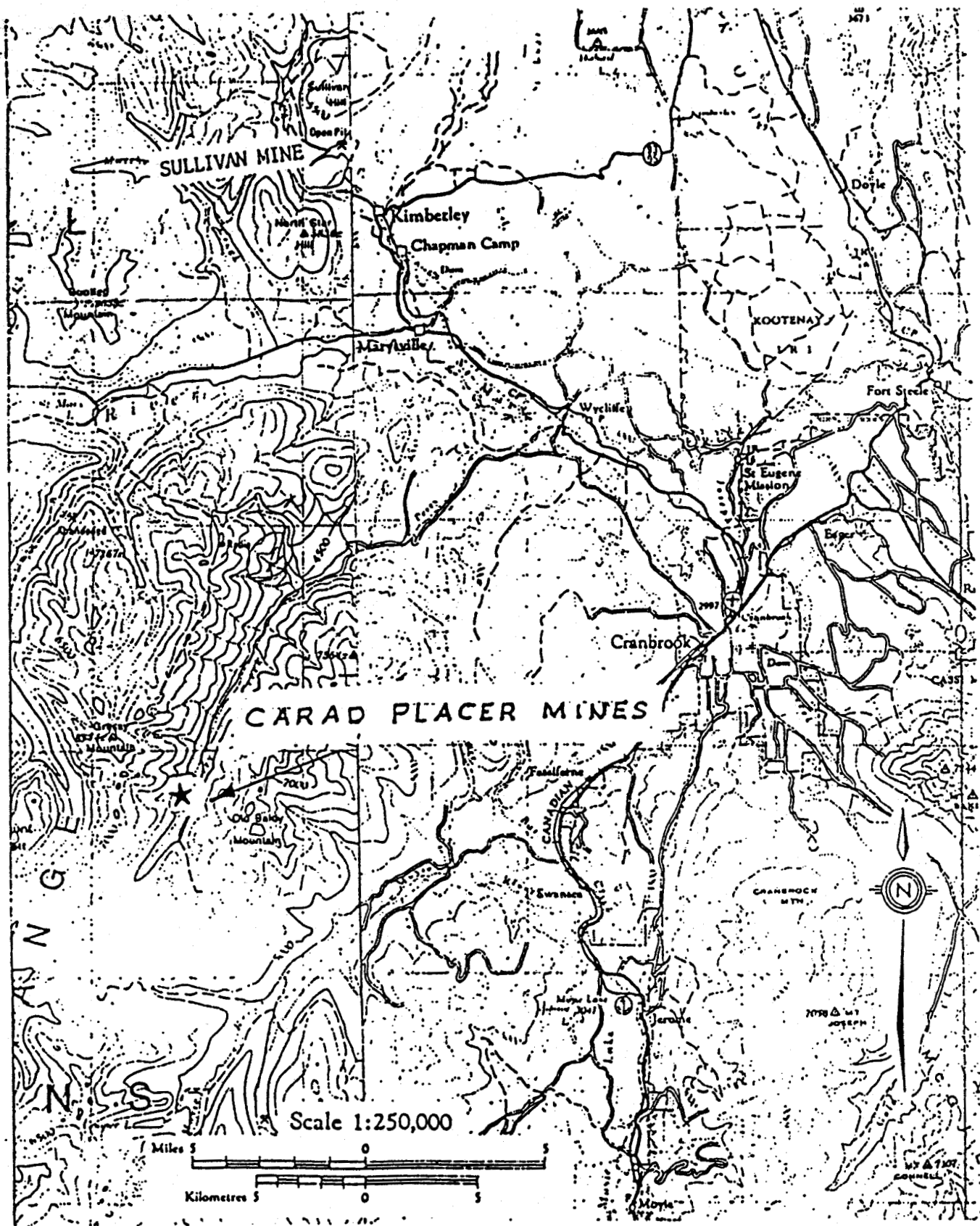
I, Laurence G. Stephenson of the City of Toronto in the Province of Ontario, Canada, hereby certify as follows:

1. THAT I am an exploration consulting geologist.
2. THAT I have worked in the field of mining exploration and evaluation for 21 years in the employ of several mining companies and as a self employed consultant in various parts of Canada.
3. THAT I am a geological graduate of Carleton University, Ottawa with a B.Sc. degree (1975) and a graduate of York University, Toronto with a M.B.A. degree (1985).
4. THAT I am a Registered Professional Engineer of the Province of Ontario (1981)
5. That my knowledge of the property described was principally acquired while conducting the exploration program during 1988.
6. THAT I have no interest either direct or indirect, in Carad Placer Mines.
7. THAT I hereby consent to the use of this report to satisfy requirements of any securities commission or stock exchange in Canada.

Dated at Toronto, Ontario, this 7th day of March 1989.

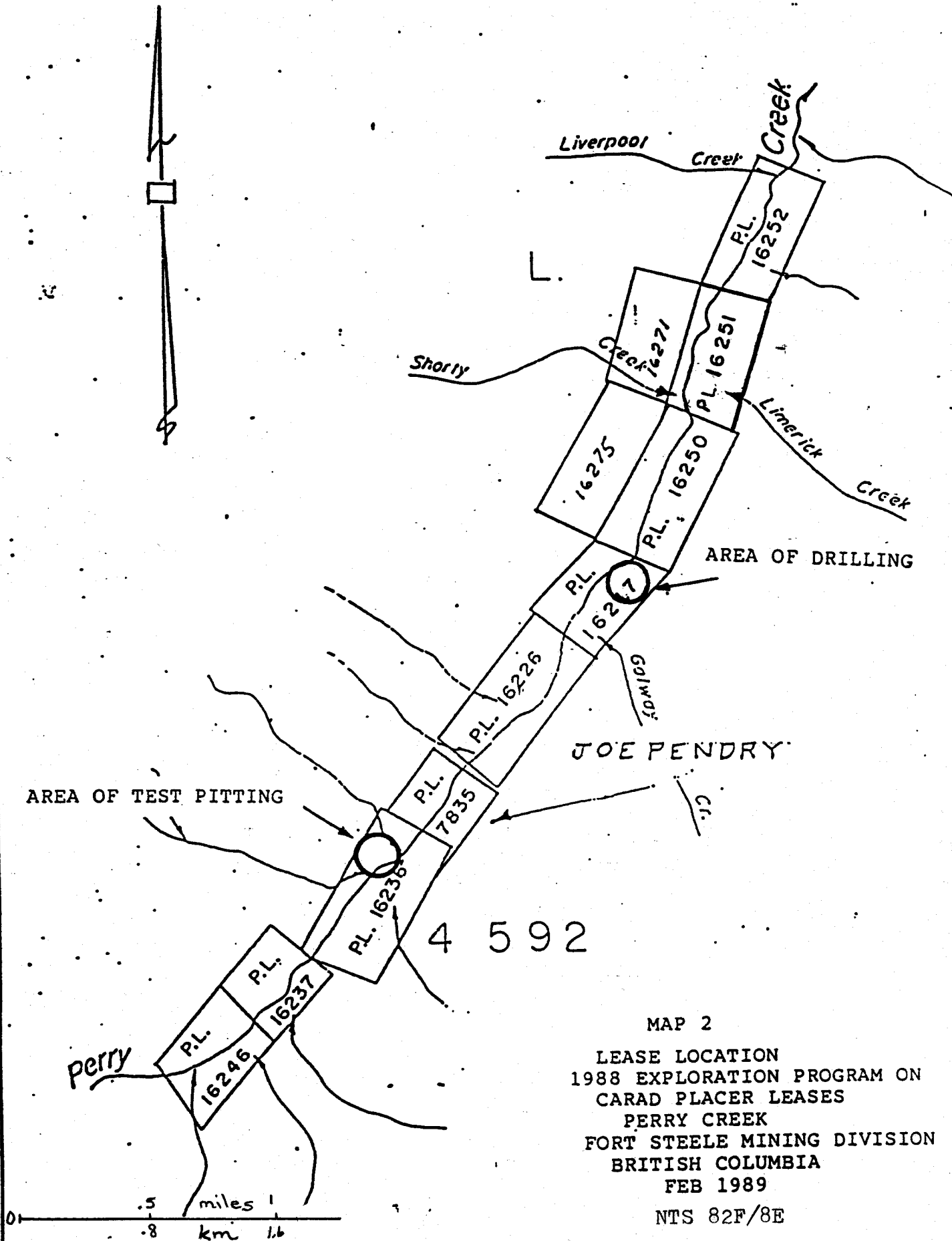
SIGNED: 

L.G. Stephenson
160 Northwood Dr.
Willowdale, Ontario
M2M 2K3



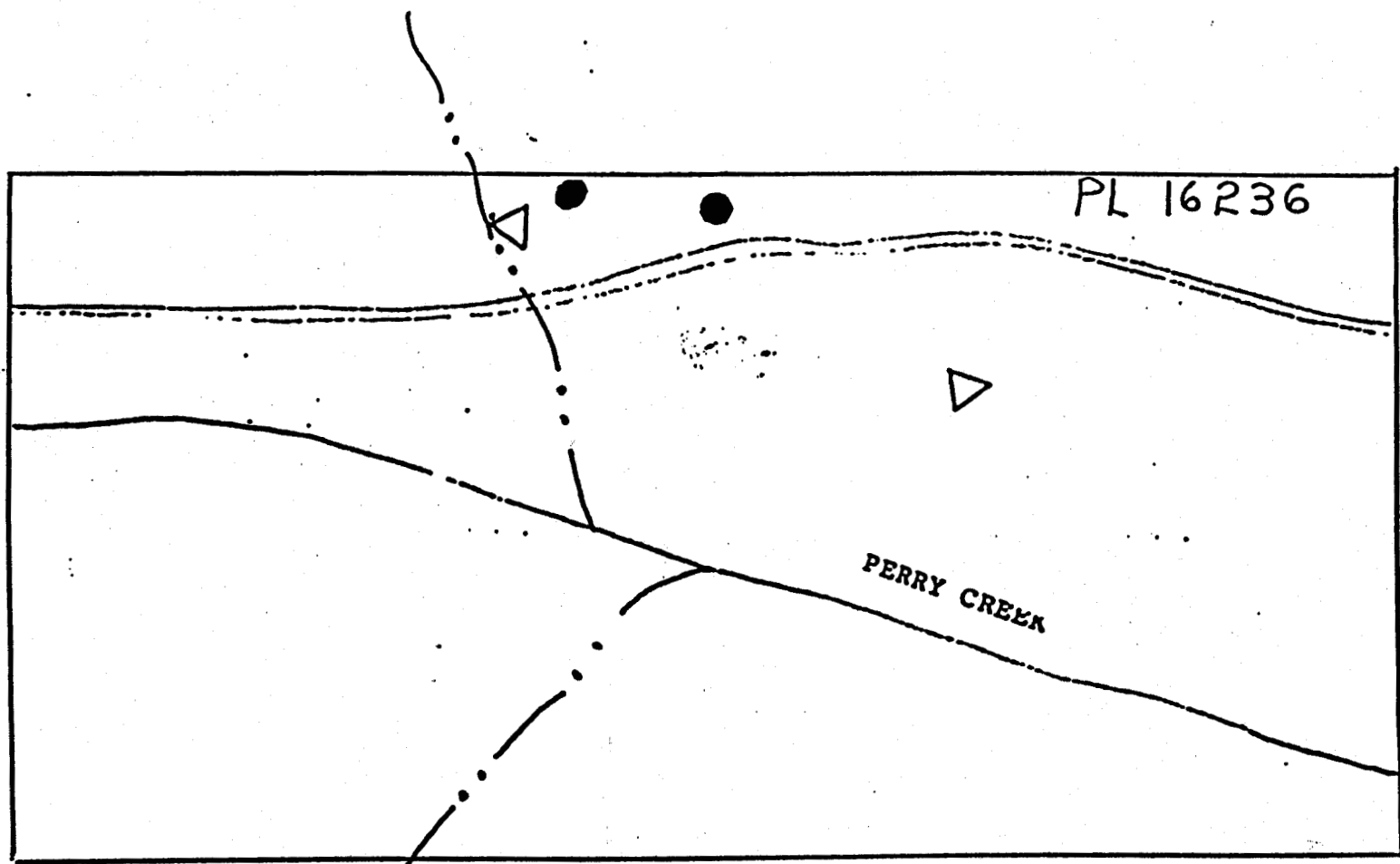
MAP 1
 LOCATION OF EXPLORATION
 1988 EXPLORATION PROGRAM ON
 CARAD PLACER LEASES
 PERRY CREEK
 FORT STEELE MINING DIVISION
 BRITISH COLUMBIA

NTS 82F/8E



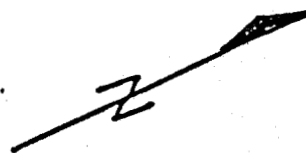
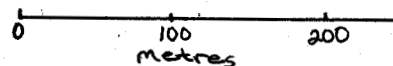
MAP 2
 LEASE LOCATION
 1988 EXPLORATION PROGRAM ON
 CARAD PLACER LEASES
 PERRY CREEK
 FORT STEELE MINING DIVISION
 BRITISH COLUMBIA
 FEB 1989
 NTS 82F/8E

1" = 1/2 MILE



LEGEND

- △ 1985 TEST PITS
- 1988 TEST PITS
- == PERRY CREEK ACCESS ROAD
- RIVER BEDS FLOWING
- INTERMITTENT



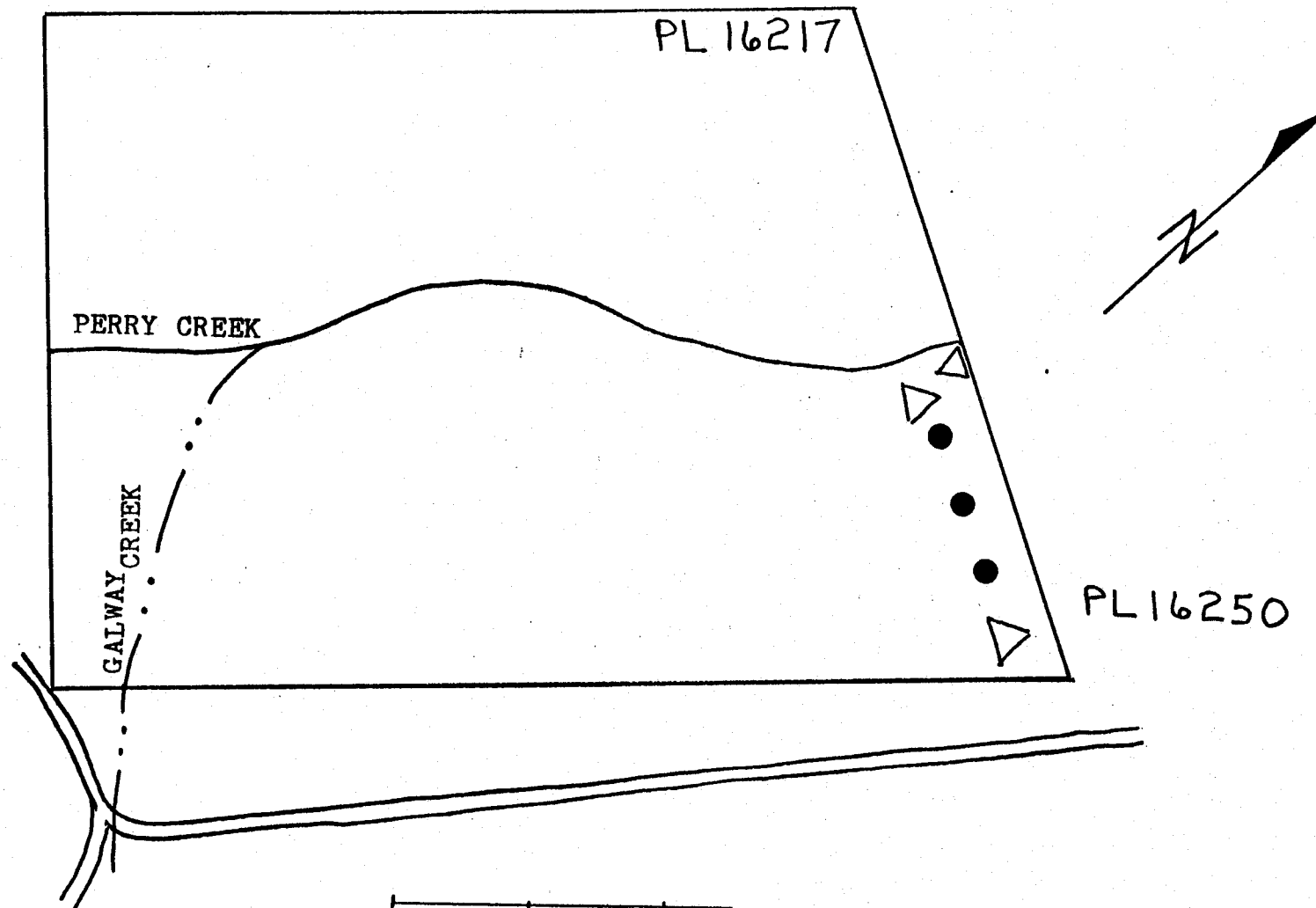
MAP 3

TEST PIT LOCATION
1988 EXPLORATION PROGRAM ON
CARAD PLACER LEASES
PERRY CREEK
FORT STEELE MINING DIVISION
BRITISH COLUMBIA

FEB 1989

PL 16226

PL 16217



PL 16250

0 100 200
metres

LEGEND

- △ 1985 TEST PITS
- 1988 DRILL HOLES
- == PERRY CREEK ACCESS ROAD
- RIVER BEDS FLOWING
- INTERMITTENT

MAP 4

**DRILL HOLE LOCATION
1988 EXPLORATION PROGRAM ON
CARAD PLACER LEASES
PERRY CREEK
FORT STEELE MINING DIVISION
BRITISH COLUMBIA**

FEB 1989

FEET

20

10

0

10

20

200

100

0

100

200

300

400

500

E-5

C11

PC1

PC2

PC-3

C12

overburden
T11

Gravel
water table

Gravel
clay

X
HP

HP
Gravel
clay

HP

Gravel

HP
Gravel

HP

X
HP

HP
Gravel
Bedrock

Bedrock

HP

HP

HP

HP

HP

LEGEND

PC1-3 1988 Drillholes
C-11,12 1985 Test Pit
E-5

Bedrock

HP Hardpan

X Minor gold show

* Good gold show

inite clay layer

CROSSSECTION 1
1988 EXPLORATION REPORT ON
CARAD PLACER LEASES
PERRY CREEK
FORT STEELE MINING DIVISIO
BRITISH COLUMBIA

FEB 1990