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REPORT ON THE GEOLOGICAL
MAPPING

OF

THE SILVER LUMP PROPERTY

Lat. 49 53'N; Long. 118 29'W

N.T.S. 82 E/15E & 16W

VERNON M. D.

British Columbia

1989

for

GRAZINA RESOURCES Ltd

by

I. BOROVIĆ, P. Eng.
geologist

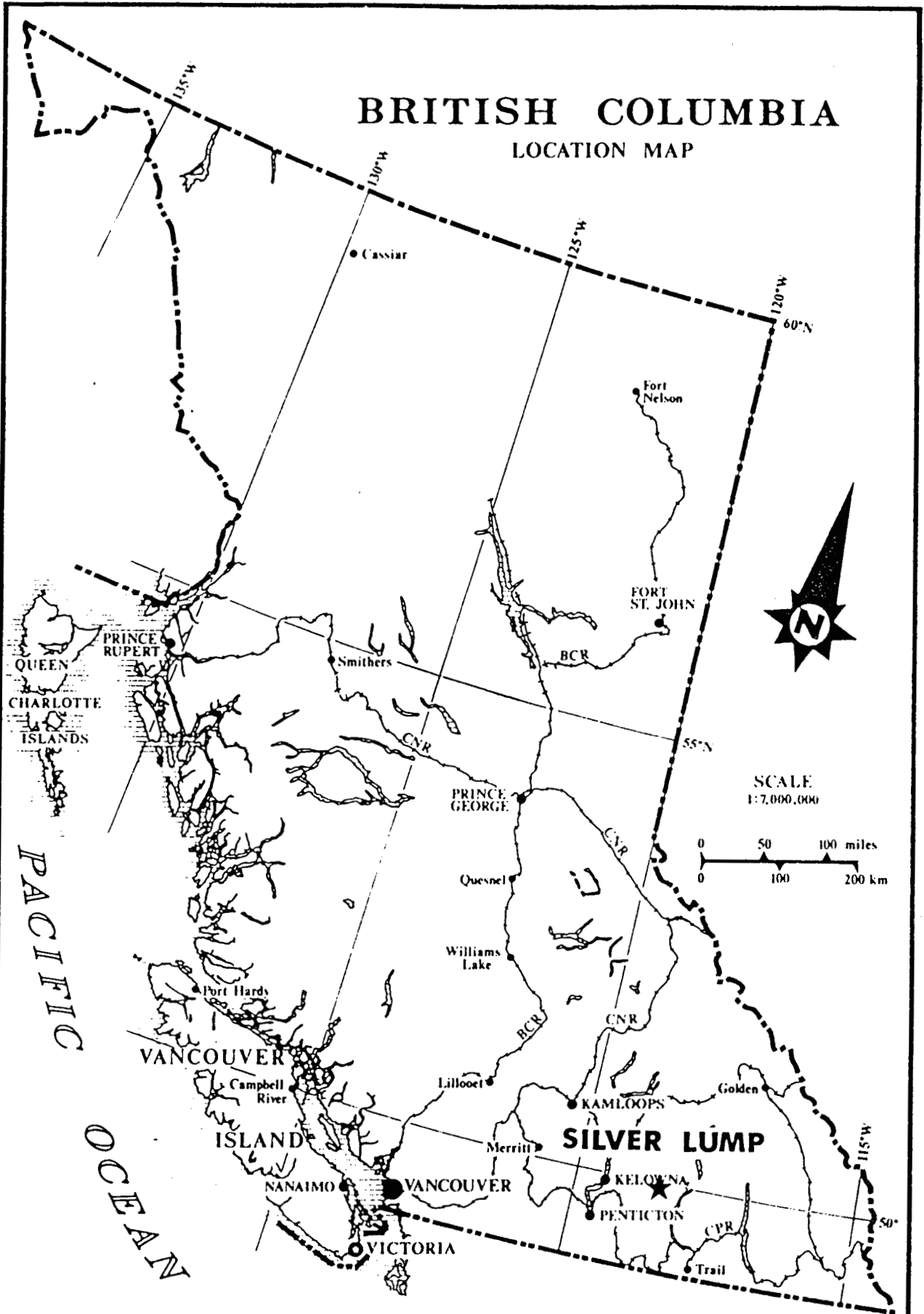
VANCOUVER, B. C.
Aug 18, 1989.

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GEOLOGICAL BRANCH
ASSESSMENT REPORT

BRITISH COLUMBIA LOCATION MAP



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GRAZINA RESOURCES Ltd
SILVER LUMP PROPERTY

DATE Aug 16, 1989.

FIG. No. 1

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SUMMARY, CONCLUSIONS AND RECOMMENDATION

The SILVER LUMP property of GRAZINA RESOURCES LTD. is located near the top of Lightning Peak, about 96 km east southeast of Vernon B. C. and about 27 km west of Needles on Lower Arrow Lake.

The property is composed of 5 located claims with 50 units and one reverted crown granted mineral claim called Silver Lump.

The Silver Lump property is well located with respect to potentially favorable geological environs, strong folding, faulting, "hot" contacts and other structures related to mineralizing events.

Past exploration and development work and small scale mining was done on a number of showings related to quartz, pyrite, galena, sphalerite, gold and silver bearing veins located within the sedimentary and volcanic rocks of the Anarchist Group underlying most of the property. The sediments were intruded by granitic and granodioritic rocks of Cretaceous age. Massive limestone lenses were then metamorphosed into various skarns ranging from diopside to garnetite.

The Silver Lump showings are of two general types which include:

- a) sulphide-quartz-carbonate lenses within strong east-west shear zones, and
- b) steeply dipping, northerly trending mineralized quartz veins.

Both types comprise similar paragenesis but proportions of metals contained in the rock are different.

Gold values are present in quartz veins and only minor amounts are present within shear zones.

Recorded values for gold in the shears are from traces to 0.02 oz/t. Recorded gold values in the quartz veins range from 0.12 to 1.0 oz/t.

Silver values range from a few oz/t to 480 oz/t. Silver is also found to be in nearly equal amounts in the veins as well as the carbonate lenses.

Recorded data are supported by 1987 investigations. Grab (picked) samples collected from the quartz veins assayed very high grade silver (4810 10.17 oz/t; 4811 17.84 oz/t; 4822 52.45 oz/t) and gold (4810 0.210 oz/t; 4811 0.120 oz/t; 4822 0.232)

At this stage of geological investigations it is not possible to give average contents of gold and silver in the mineralized structures or speculate on the available reserves. The results of geological mapping, VLF EM and ground magnetic surveys show that mineralized veins have a possible extend for at least 800 m in a north-south direction.

Mineral production since 1904 concentrated mainly on high grade veins with very high silver and base metal content. Gold, in the past, was more of a byproduct. It is recorded that some 35 to 55 tons of high grade silver, lead, zinc, gold and copper ore was shipped to smelter in Trail B. C. from 1904 till 1930.

Geological mapping in July and beginning of August 1989 on a 1:5000 scale of the northern part of the Silver Lump property was a logical continuation of the mineral exploration of this area. It did confirm the results of previous surveys.

All the results of 1987 (Borovic, I. 1988) and 1989 exploration show that the property's geological, structural and mineralogical relations point to the possibility of the existence of a mineral deposit in the property area; Therefore a continuation of the exploration efforts is strongly recommended and an adequate, necessary budget proposed.

It is the writer's opinion that because of the nature of the vein type of silver, zinc, lead and gold mineralization, a more economically advantageous mining situation should also be explored since it is "a possibility in finding replacement pyrite gold mineralization in metamorphosed limestone lenses".

It is also the writer's opinion that in the next exploration phases trenching (Phase I) and diamond drilling (Phase II) of the various coincidental anomalies should take place. If Phase I is successful Phase 2, should continue.

EXPLORATION PLAN AND ESTIMATED BUDGET 1989.

Geological detail mapping and sampling of the trenches, and geological structural studies should continue.

Exploration-physical work should start by opening and enlarging the surface exposures coincidental with VLF, soil and magnetic anomalies.

The cost of the proposed exploration program is estimated at \$ 94 600.00. Additional work (Phase 2) would be dependent on favorable results of Phase 1.

PHASE 1

Geology, engineering, supervision, evaluation....\$	24 000.00
Room & Board.....\$	6 000.00
Trenching.....\$	45 000.00
Assaying.....\$	7 000.00
Transportation.....\$	4 000.00

Total	\$ 86 000.00
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Contingencies (10% of total).....\$	8 600.00
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Total Phase 1.....\$	94 600.00
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PHASE 2

Geology, engineering, supervision.....\$	20 000.00
Room and board.....\$	6 000.00
Diamond drilling (5000 ft. @ \$ 70.00/foot)....\$	350 000.00
Assaying.....\$	12 000.00
Transportation.....\$	5 000.00

Total	\$ 393 000.00
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Contingencies (10% of total).....\$	39 300.00
-------------------------------------	-----------

Total Phase 2.....\$	432 300.00
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INTRODUCTION

GRAZINA RESOURCES Ltd, a Vancouver, B. C. based mineral exploration company, intends to continue the exploration of the gold, silver, lead, zinc and copper bearing mineral property known in the past as Silver Lump, Rampalo or Lightning Peak, located on the top of the Lightning Peak Mtn. some 65 km east south east from the town of Lumby B. C.

The conclusions expressed in this report are based upon the results of the extensive geological, geochemical and geophysical work done on the Silver Lump property in 1987 and also geological work in 1989 and in the past.

PROPERTY**Location:**

(Fig. 1)
 Lat. 49 53'; Long. 118 29'

The Lightning Peak area is about 27 km west of Needles on Lower Arrow lake and about 96 km east south east of Vernon, B. C.

Access:

Access to the property is by a two lane paved road 96 km east from Vernon along Highway #6 to Inonoaklin Crossing, then by the Kettle River logging road south. At K50 on the Kettle River road a secondary logging road is then followed SE across Winifred Creek up over the divide into the Silver Lump property. This road is in good condition and leads into the middle of the Silver Lump RCG. Numerous roads crisscross the property making the old mine workings and showings very accessible.

Claims:

(Fig. 2)

The Property is composed of five located mineral claims with a total of 50 units and one reverted crown grant (RCG) as follows:

Claim(# units)	Rec. No.	Lot No.	Rec. Date
Geo Gold(6)	2326		Aug. 21.1988.
Lightning Gold(18)	2327		Aug, 21.1988.
Pay Day Gold(8)	2328		Aug, 21.1988.
Gold Lump(6)	2329		Aug, 21.1988.
Pay Day Au(12)	2330		Aug, 21.1988.
Silver Lump(RCG)	2301	2409	June,29.1989.

Owner: GRAZINA RESOURCES Ltd.
 304-700 W. Pender St.
 Vancouver, B. C. V6C 1G8

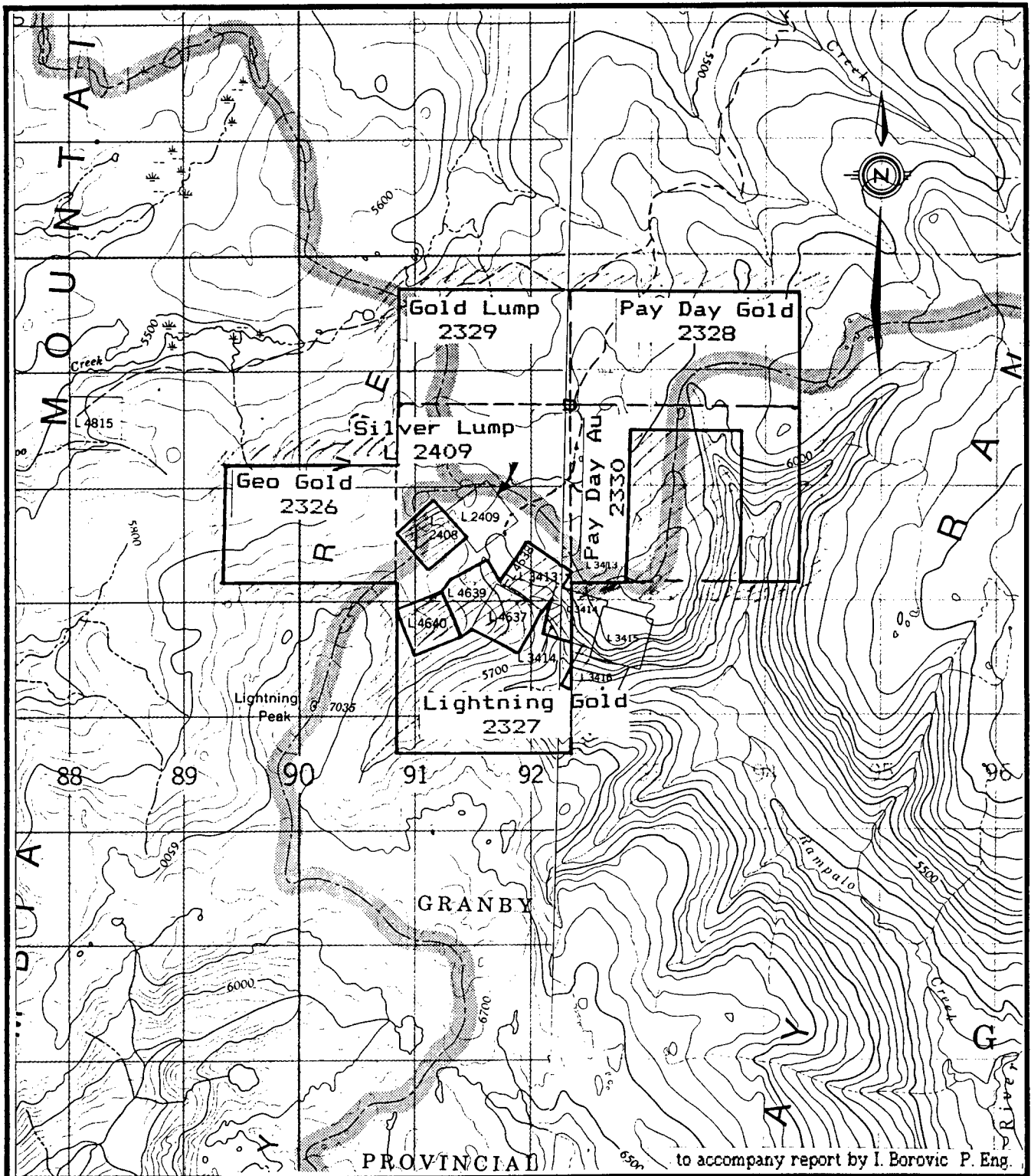
Title of the claims was examined by the writer on Oct., 1987, at the Mining Recorder's office, Vernon, B. C. and claims found to be in good standing.

Facilities and Services:

Room and board for the exploration crew is available in the camping place 34 km north of the property at the intersection of the main logging road and Highway #6.. Exploration supplies and equipment are available in Vernon 96 km to the west. There are also all necessary hospital, school and transportation facilities available in Vernon.

Property facilities:

Timber and water are available on the property or in close proximity.



to accompany report by I. Borovic P. Eng.

GRAZINA RESOURCES Ltd
SILVER LUMP PROPERTY

SCALE: 1:50 000	APPROVED BY:	DRAWN BY
DATE: Aug 16, 1989.		NTS 82E/15416W

CLAIM MAP

IGNA engineering & consulting ltd.	DRAWING NUMBER 2
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G E O L O G Y

Regional Geology (Fig. 3)

The regional geology of the Silver Lump area is described in more detail by Cairnes C. E. (1930) and Little H. W. (1957). The area is underlain by a roof pendant composed of sediments and volcanic rocks of the Permian Anarchist Group, and intruded and surrounded by the Nelson and Valhalla granites of the Cretaceous period.

The Anarchist Group is represented by sedimentary and volcanic rocks mainly greenstone, greywacke, limestones and paragneiss. According to Cairnes (1930) the limestone belt extends from the Potosi group in the west to and across the Silver Lump property. The limestone is metamorphosed into skarn. The skarn type mineralization occurs within the property.

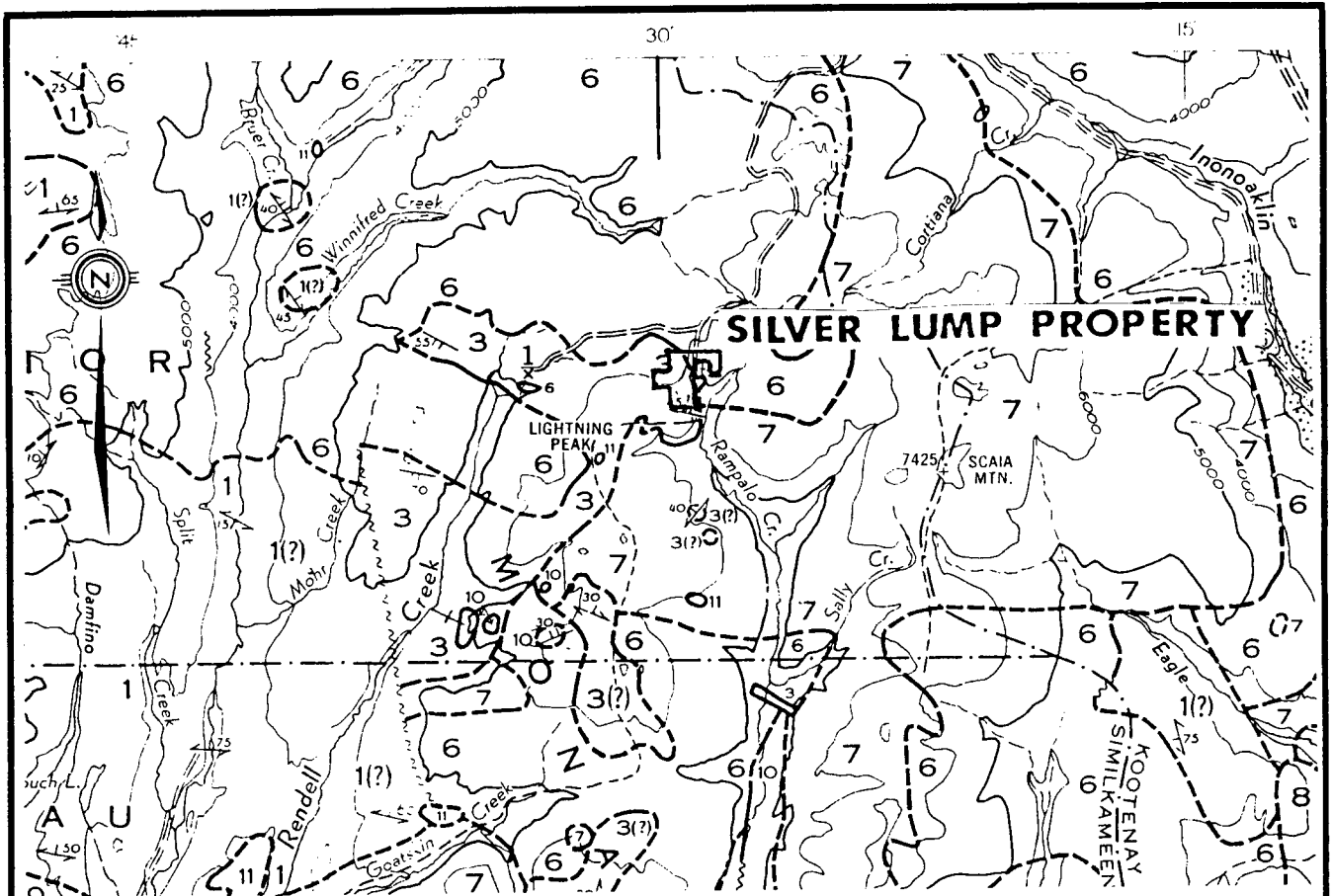
During and following the granitic intrusion the roof pendant sediments became intensely metamorphosed and metasomatized. Specifically, the hot solutions from the granite carrying iron and magnesia changed the sedimentary rocks, particularly the limestone to a variety of skarns ranging from diopside skarn to garnetite.

Subsequent erosion removed the overlying rocks exposing the granites and the roof pendant contacts.

Glacial deposition of till during the Pleistocene age covered much of the bedrock so that outcrops are sparse over large areas.

Structure

The Lightning Peak roof pendant structurally represents a westerly plunging syncline. Near the eastern end of the roof pendant, in the area of the Pay Day property, the lithologies are predominantly volcanic flows which are gradually succeeded to the west by tuffaceous and sedimentary rock types. The limestones may be the youngest rocks of The Anarchist Group in the area.



SILVER LUMP PROPERTY

Geology by H. W. Little, 1953-1956

LEGEND

- CRETACEOUS(?)
- 6 NELSON INTRUSIONS: granodiorite, porphyritic granite; diorite, monzonite, quartz monzonite
- PERMIAN(?)
- 3 ANARCHIST GROUP
Greenstone, greywacke, limestone; paragneiss

- Drift-covered area [stippled symbol]
- Geological boundary (defined approximate) [dashed line symbol]
- Bedding (inclined, overturned) [dotted line with arrow symbol]
- Bedding (inclined, vertical; tops unknown) [dotted line with cross symbol]
- Gneissosity (inclined, vertical) [dotted line with cross symbol]
- Fault (defined, approximate, assumed) [wavy line symbol]
- Fossil locality [circle with 'f' symbol]
- Mineral property [circle with 'm' symbol]

to accompany report by I. Borovic P. Eng.

GRAZINA RESOURCES Ltd		
SILVER LUMP PROPERTY		
SCALE: 1" = 4 M	APPROVED BY:	DRAWN BY
DATE: Aug 16, 1989.		NTS 82 E/15#16 W
REGIONAL GEOLOGY		
IGNA engineering & consulting ltd.		DRAWING NUMBER
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Mineralization

The Lightning Peak roof pendant is extensively mineralized. More than 20 showings were noted and all of them fall within the area of the roof pendant. The showings have been recorded since 1904 and onwards at the time when the major interest of mining companies was centered on the veins with massive high grade mineralization.

It is obvious that granites surrounding the Lightning Peak roof pendant have high heavy metal concentrations as evidenced by the large number of mineral occurrences in the area. Thus it follows that there is a good chance of finding an economic mineral deposit associated with the granites of Lightning Peak.

Mineralized hydrothermal solutions coming from a granitic intrusion have been deposited mainly in the rocks near the granite-sediment contact.

Metamorphosed calcareous tuff of The Anarchist Group of the Upper Paleozoic age is cut by several east-west trending shear zones and injected by many calcite veins and veinlets.

Pyrite, sphalerite, chalcopyrite and galena occur as disseminated grains, fracture fillings, stringers and massive lenses in quartz-carbonate gangue in intensely altered, fractured and faulted rocks.

"The relations between the north-south system of quartz veins and the east-west trending mineralized shear zones is not well understood. Though much of the same mineral paragenesis is present in both, the proportions are quite different. Pyrite is the only visible mineral present in quartz veins and is only a minor constituent of the shear zones.... gold values are significant in the quartz veins and are of minor importance in the shear zones. High grade silver minerals are present in both systems, but are more abundant in the east-west veins which include conspicuous amounts of ruby and native silver, whereas the north-south veins contain more grey copper. The inference is that the two vein systems were formed at different times or under different conditions." (Cairnes, C. E. 1930)

Property Geology

(1987 survey)

Two different rock types were recognized in the field: recrystallized limestone and intrusive granite to granodiorite.

The limestone is recrystallized to a coarse marble. The colour varies from white to rusty red at the surface and gray to greenish gray below the surface.

The intrusive rocks are light to dark gray in colour, fine to coarse grain, and massive. The composition of intrusive is variable from almost of alaskite composition to that of a mafic granodiorite.

The intrusive vary from massive bodies to narrow vertical dykes. The contacts between the limestone and the intrusive are usually deeply weathered and have the appearance of gossan where observed at the surface. The gossan zones vary from a few cm to over 1 m in width.

Structure

The strikes of the contacts vary considerably from place to place as the intrusive bodies appear to be irregular in shape and size.

The mineralized zone of the Silver Lump Showing is apparently associated with two shear zones. The limestone horizon, as mapped previously in the property area, is at least 220 meters long and at least 80 meters wide.

HISTORY OF EXPLORATION AND MINING

1904

About 16 miles of pack trail was built from Fire Valley to the Lightning Peak Group property. A small group of men carried on development till the end of the year.

1917

Development on the Waterloo property consisted of open-cuts and tunnels. The 4 foot wide lead was not developed to any great depth.

1918

Some high grade silver ores at Lightning Peak were discovered.

1919

The Lightning Creek and Extension (Equinox Group) property was worked by W. A. Calder and two men. Development consisted of shafts, 97 feet, tunnels, 150 feet, crosscuts, 37 feet, and open-cuts, 50 feet. Ten tons of silver lead ore were shipped to the Trail smelter.

Development on the Rampalo property, owned by T. Cortiana, consisted of 75 feet of open-cut and tunnel.

1920

W. A. Calder shipped 6 tons of ore to Trail from the Lightning Peak claim of the Equinox group which carried some silver and high values in lead.

Development on the Rampalo was advanced by the owner and was continued during the winter.

1921

The Lightning Peak mine was leased to William Williams and a 400-foot drift commenced with the idea of developing the vein about 40 feet below the winze. Some good ore, with high lead content, was encountered in segregations in a 4-foot lead.

Work done on the Rampalo and Silver Lump claims consisted of a 400-foot tunnel and 27-foot upraise. Silver sulfide ore was struck in this tunnel scattered through the limestone, carrying values of 137 oz Ag, 0.35 oz Au, to the ton.

1922

Development done on the West Fork claim, one of the old Equinox group, leased by W. Williams, consisted of a tunnel driven 70 feet on the lead, and a shaft sunk 19 feet in depth and 29 feet from the face of the tunnel. The ore, in silver-lead and zinc sulfides with specks of chalcopryrite, occurred in lenses in a 4-foot lead. High silver and lead values were found near the shaft. Seven and a half tons of silver-lead ore from the lower tunnel were shipped to the Trail smelter. A general sample of sorted ore carried 23 oz Ag, 54% Pb, and 5.5% Zn to the ton. Samples from the shaft carried 150 oz Ag, 64% Pb, and 4% Zn to the ton.

The Killarney claim was owned by W. Bunting of Edgewood. Prior to 1922 two tunnels of 25 and 50 feet respectively were driven into the wash and broken ground near the creek. A few tons of silver-lead ore were taken out of this ground, but the vein in-place was not found.

Only assessment-work was done on the Waterloo and Fotosi claims. On the Waterloo further exploration of the lower tunnel developed more lower grade ore than was found near the surface. No further ore developments were made on the Fotosi.

1923

Ten tons of silver-lead ore were shipped to the Trail smelter from the West Fork claim.

1924

Only a few tons of ore were shipped from the West Fork claim.

On the Killarney claim an open-cut 20 feet deep was excavated. Development opened up a lead 4 to 8 inches wide, containing galena, gold and silver, but not consistently mineralized. A new crosscut was driven below present workings to give 72 feet more depth.

1925

Practically all development work was done at the extreme ends of a mineralized belt on the Lightning Peak group and very little was known regarding the possibilities in between due to a heavy overburden of gravel and loam.

Veins so far developed measured from 2 inches to 6 feet in width, with the values decreasing as the vein widened. Samples from the smaller veins on the Killarney and West Fork carried values from 20 oz Ag to the ton, 8% Pb and 9% Zn to 180 oz Ag to the ton, 50% Pb and 15% Zn. From the larger veins such as on the Waterloo claim, values amounted to 18 oz Ag to the ton, 8.5% Pb and 9% Zn with much higher values obtained with close sorting.

Development-work on the Lightning Peak Group consisted of several hundred feet of tunnels and a shaft 95 feet deep, but there was very little ore developed, although several hundred tons had been shipped. A sample of the sorted ore assayed 50 oz Ag to the ton and 50% Pb.

A sample from the Killarney claim assayed a trace Au, 180 oz Ag to the ton, 49% Pb and 3% Zn. A crosscut was driven 125 feet below to tap the vein uncovered in an open-cut.

No work was done on the Rampalo Group.

On the AU and Silver Spot No. 2 surface trenching, open-cuts and shallow shafts excavated about 200 feet apart developed a vein about 1,500 feet in length. A sample from a shaft 10 feet deep, where the vein was 10 inches wide, assayed 0.12 oz Au, 24.5 oz Ag to the ton, 13% Pb and 4.5% Zn.

Development on the IXL claim consisted of trenching, open-cuts, and shallow pits.

1926

The Lightning Peak Section was not visited during the season, but assessment-work was reported on other claims. The Government cut out and partially graded a snow-road.

1929

Development on the Fay Day group consisted of numerous open-cuts along a mineral-zone 600 feet in length, which measured 2 feet across in the narrowest and 6 feet in the widest part. The ore-minerals were pyrite, sphalerite, galena, and specks of chalcopyrite in a siliceous gangue. At an elevation of about 30 feet below, a crosscut tunnel was driven which intersected the vein. A ten foot sample of the more solid sulfides assayed: Au, trace; Ag, 30 oz to the ton; Cu, 4.2%; Pb, nil; Zn, 12%; Ni, nil; Arsenic, nil; bismuth, trace.

An assay from the southwest section of the property contained: Au, .70 oz to the ton; Ag, 480 oz to the ton.

The First Chance group, worked by W.A. Calder of Edgewood, had a lower tunnel driven in an easterly direction for 685 feet along the strike of the vein. The ground had been faulted and only small segments of ore were found. Some high grade ore was mined and shipped from this section in former years.

A 21 foot crosscut was driven under the upper open-cut on the slope of the creek and the vein drifted on for 44 feet on the Killarney claim, owned by W. J. Banting of Edgewood.

1930

Shipments of silver-lead-zinc ore were made to the Trail smelter. Development continued on the Waterloo No. 2 tunnel and a lean zone was struck on each side of a narrow tongue of diorite which intruded into the limestone about 30 feet from the face at the time of examination. Some stoping on a high-grade ore-shoot was done about 70 feet from the face. A new tunnel, No. 3, about 90 feet lower in elevation than No. 2 was commenced and driven about 50 feet.

A 10 inch sample taken 14 feet down the shaft assayed: Au, 0.36 oz to the ton; Ag, 16.6 oz to the ton; Pb, 8.2%; Zn, trace.

A preliminary geological survey was made of the area by C. E. Cairnes, of the G.S.C.

Work on the Lightning Peak Group was chiefly concerned with the exploration and development of the main vein or vein zone. Workings on the main vein zone included a shaft, 95 feet deep, four adits, and considerable surface work and investigation of the main vein over a vertical range of about 200 feet and a length of nearly 1,000 feet on either side of the First Chance and West Fork claim boundaries. Most of the production came from workings in the vicinity of the main shaft on the West Fork claim. This shaft was sunk on the vein.

Some surface exploration was done on a quartz vein occurring along the hanging-wall, east side, of a wide dyke of quartz porphyry.

Development work on the Pay Day group included numerous trenches and an adit 60 feet long. A sample assayed: Au, trace; Ag, 30 oz to the ton; Cu 4.2%; Pb, nil; Zn, 12%; Ni, nil; Arsenic, nil, Bismuth, trace.

The principal work that was done in the Rampalo group area was on either side of the boundary between the Rampalo and Silver Lump claims. There three adits varying in length from 60 to 390 feet were driven to develop a quartz vein. This adit was 60 feet long and followed the claim. 250 oz Ag and \$10 in gold are said to have been obtained.

On the Victoria claim surface work exposed two narrow quartz veins each about 6 inches wide in which some mineralization occurred.

On the Condor fraction a little surface work was done to investigate a shear zone several feet wide.

Most of the work on the Killarney property was done on the Killarney claim. Two main adits and three shorter adits were driven and considerable trenching and stripping were done.

1931

Development during the early part of the season concentrated upon sinking the inclined shaft on the AU claim, commenced in 1930, to a depth of 70 feet and drifting on the vein 72 feet, with a crosscut at the end of the drift 40 feet long. During the autumn this work was discontinued and a lower tunnel (No. 4) was driven on the Waterloo claim. A sample of ore taken from the bottom of the shaft assayed: Au, 1 oz per ton; Ag, 24.5 oz per ton; Pb, 10.5%; Zn, 8%. This compares with a ten-inch sample taken 14 feet down the shaft in 1930 which assayed: Au, 0.36 oz per ton; Ag, 16.6 oz per ton; Pb, 8.2%; Zn, trace.

The No. 4 tunnel was driven ahead for a total distance of 165 feet.

Tunnel measurements to date are as follows:

No. 1, 150 feet; No. 2, 380 feet, No. 3, 75 feet; No. 4, 165 feet.

Assessment-work was done on the un-Crown-Granted claims and development on most of the others. No spectacular finds, but interesting mineralization was discovered on the Morning and Potosi groups.

1932

Very little work was done on the property this year, except the cleaning out of No. 4 tunnel on the Waterloo claim which had caved in. A car load of mixed ore was shipped to the Trail smelter that assayed \$30 Au. and \$13 Ag per ton.

An assay from the Pay Day group contained 68% Pb and 5 oz Ag per ton.

The inclined shaft upon the AU claim was deepened to 70 feet and a drift driven 72 feet in a southerly direction with a crosscut 10 feet long near the end and across the dyke. A sample of sorted ore from the bottom of the shaft assayed: Au, 1 oz to the ton; Ag 24.5 oz to the ton; Pb, 10.5%; Zn, 8%. This compared with a 10-inch sample taken 14 feet down the shaft in 1930 which assayed: Au, 0.30 oz to the ton; Ag, 16.6 oz to the ton; Pb, 8.2%; Zn, trace.

1933

In the Lightning Peak Area the No. 4 level, 150 feet below the original ore-outcrop, was driven approximately 900 feet and followed the general east-west strike of the main shear-zone.

In the No. 1 and No. 2 tunnels a considerable amount of high-grade ore was mined and shipped to the smelter. Low-grade ore was found in the intermediate and No. 3 tunnels.

1934

Development on the Waterloo No. 3 and Silver Spot consisted of driving No. 4 to a total distance of about 1,780 feet to the east, with occasional short crosscuts north and south excavating numerous open-cuts on the strike of the shear-zone to the east as well as sinking a shallow winze and raising on one of the better-mineralized shear-zones. The end of the No. 4 level is approximately 195 feet below the surface.

On the Lightning Peak group the No. 4 level was extended 17 feet to the south through a fault, and the vein, about 3 feet wide with free walls, containing tetrahedrite, galena, pyrite, and sphalerite, was disclosed.

A channel sample assayed: Au, 0.05 oz per ton; Ag 40 oz per ton.

1935

Further development-work was done on No. 4 adit-level on Lightning Peak. This drift was advanced through a faulted area, and what appears to be the vein, though narrow in width, has been picked up on the south side of the fault.

Further surface-stripping was continued on the Potosi-Spokane.

A. Williams and W. B. Johnstone, of Edgewood, continued prospecting and development on the Pay Cheque (formerly Pay Day) claim, located 1,000 to 1,500 feet east of Pay Day.

W. J. Banting, of Edgewood, continued development-work on the Killarney property during the year.

1936

A raise started from No. 4 level and intended to reach No. 2 was driven for some distance when operations were discontinued for the winter on the Waterloo property.

W. A. Calder, of Edgewood, shipped 2 tons of ore from the Lightning Peak property. The metal contents were 214 oz Ag, 363 lb. Pb, and 228 lb. Zn.

1966

Reconnaissance geochemical soil survey of the Hope group was done.

1968

Geochemical and topographic survey. Companies staked 203 mineral claims. Results of geochemical survey were inconclusive.

1973

Development-work on the Pay Day property included geological mapping of the Pay Day 2 adit at a scale of 1 inch equals 20 feet. Metals included silver, zinc, copper, lead, and minor gold.

1974

Work done on the Pay Day property included surface geological mapping, 1 inch equals 50 feet, and ground magnetometer and electromagnetic survey, 1.5 line-miles, 50-foot grid spacing covering Pay Day 1 and 2. Surface diamond drilling of two holes totalling approximately 300 feet on Pay Day 1 was also done. Metals include silver, copper, lead and zinc. Two diamond drill holes were drilled near the Pay Day adit. Assay results are not available.

1980 (Fig. 6)

Geophysical survey of Geo 1, 2, 3 and Pay Day claims. Results are shown on Fig. 7. Northeast/southwest trending conductors possible fault-shear zone.

1981

Geological survey of the same area as in 1980.

1984

Geological survey of the Big P. Group.

1987

Extensive geological, geophysical and geochemical work was done by Grazina Resources Ltd. under supervision by Igna Engineering and Consulting Ltd. Results were good enough to propose continuation of the exploration.

WORK DONE 1989.

(see Fig. 5 for grid location)

An extensive detail geological survey was performed in the northern part (Gold Lump and Pay Day Gold claims) of the Silver Lump property during July and beginning of August 1989. (July 26 to 31 and Aug. 1, 2, 9 to 11)

GEOLOGICAL MAPPING**Detail Geology**

(Fig. 5)

The mapped area has very few outcrops, as most of the area is covered by variable thicknesses of glacial till and colluvium. The probability of mineralized veins and scarns within the area exists but exploration is difficult because of the overburden.

Black Hornfels

(1a)

The oldest rocks mapped in the 1989 survey appear to be dark gray to black, fine to medium grained hornfels (Fig. 5, 1a), massive without any pronounced layering. It is fractured and fractures are filled mostly by quartz and sometimes calcite. Pyrite appears the only mineral present. In the area where hornfels is mapped near the younger intrusive rocks the amount of pyrite increases and gossanous area of about 3 to 4 m was found. (outcrops on the road in between L 6+00N and 8+00N). There is also secondary silicification seen near the intrusive contacts.

The northerly trending hornfels was mapped to the L 12+00N immediately west of the Base Line area.

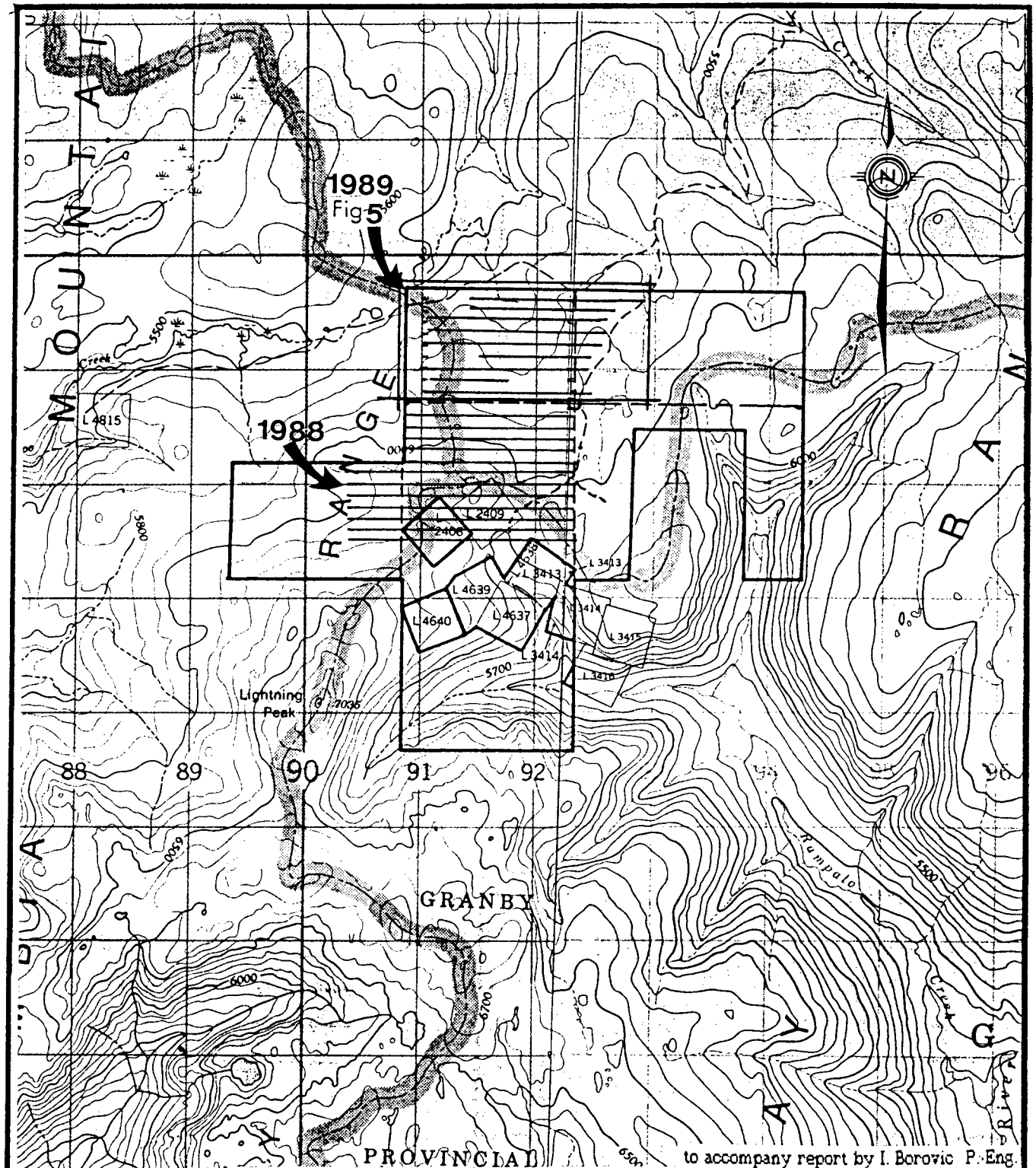
Biotite-Hornblende Granodiorite

(3)

Biotite-Hornblende Granodiorite (Fig. 5, 3) has intruded and highly altered fine-grained clastic and crystalline sediments. The intrusive rocks are light to dark gray, medium to coarse grained, massive. The composition of the intrusive varies from very light (alaskite?) composition to mafic biotite-hornblende granodiorite. Most of the intrusives mapped within the surveyed area is of mafic biotite-hornblend variety. Porphyritic quartz appears in the outcrop and subcrop outlined in the area of L 8+00N St. 9+00W.

The appearance of the intrusive in the most of the mapped area suggests a "roof pendent" environment.

Intense fracturing was observed in the outcrop located at L6+00N to L 8+00N St 1+85W to 2+00W. Strike of the fractures is 309 dipping 37 to SW.



to accompany report by I. Borovic P.Eng.

GRAZINA RESOURCES Ltd
SILVER LUMP PROPERTY

SCALE: 1:50 000

APPROVED BY:

DRAWN BY

DATE: Aug 16, 1989.

NTS 82 E/15416 W.

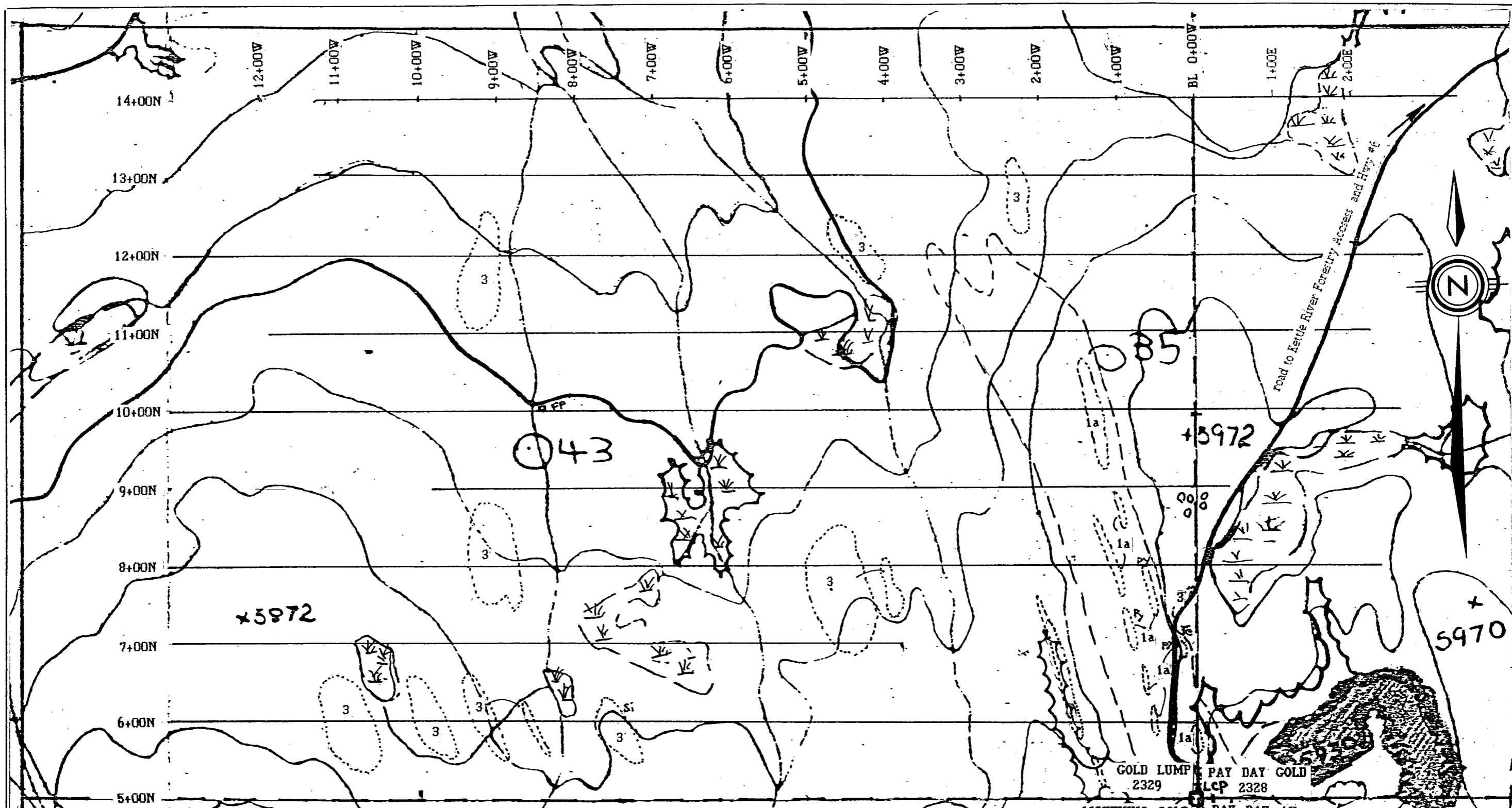
EXPLORATION GRID

IGNA

engineering & consulting ltd.

DRAWING NUMBER

4



LEGEND

- 1A Black, fine to medium grained hornfels; fractures filled with quartz and calcite; Pyrite and limonite present;
- 3 Biotite, hornblende Granodiorite; medium to coarse grained; equigranular; varieties with quartz porphyry also present Quartz vein material found in float in the areas underlain by Granodiorite.

- outcrop and subcrop
- py pyrite
- Fe gossan
- Si secondary SiO₂ enrichment swamp
- approximate contact
- old pits
- old FP of Peak 125&126

IGNA
engineering & consulting ltd.

GRAZINA RESOURCES Ltd
Silver Lump Property

GEOLOGY MAP

Scale: 0 100m

NTS 82 E/15&16W

Date: Aug 16, 1989.

Figure: 5

IGNA

19011

GOLD LUMP 2329
PAY DAY GOLD LCP 2328
LIGHTNING GOLD 2327
PAY DAY AU 2330

to accompany report by I. Borovic P. Eng.

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STATEMENT OF EXPENSES

PERSONEL:

Senior geologist, P. Eng. and
Assistant (Chem. Eng. with two years mineral expl. exp.)

Field Work

(July 26-31; Aug 1,2 and Aug 9-11)

Geological mapping 9 days at \$ 450.00/day.....	\$4050.00
Grid survey(flagging) 4 days at \$ 150.00/day.....	\$ 600.00
Topo map.....	\$ 265.00
Room and Board 13 man/days at \$ 100.00/man/day ..	\$1300.00
Transportation, travel 11 days at \$75.00/day (incl. km and daily rate).....	\$ 825.00

Total field work.....	\$7040.00

Office Work

Report.....	\$1300.00
Word processing, draughting, coppies.....	\$ 225.00

Total office work.....	\$1525.00

Total expenditures(Field + Office Work)....	\$8565.00

C E R T I F I C A T E

I, I. Borovic, of the city of Vancouver, B. C., do hereby certify that:

1. I have personally done and supervised the exploration program carried out in the area of the Silver Lump property of Grazina Resources Ltd. located 96 km east south east of Vernon, B.C.
2. The expenditures claimed for the performance of the work are correct.

Respectfully submitted



I. Borovic, P.Eng.

Vancouver, Aug 18 1989.