LOG NO: RD. 0830 ACTION:

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508
FILE NO:

1110 V. Date Rec. Back Amended

GEOLOGICAL AND GEOCHE

ASSESSMENT REPORT

ON THE

BLUE CLAIMS

VERNON MINING DIVISION

FILMED

Latitude: 50° 10' North

Longitude: 119° 10° West O1

NTS: 82L/3E, 82L/3W

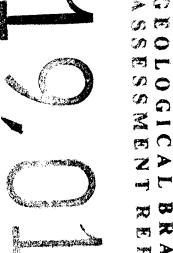
For

Universal Trident Industries Ltd. 1030 - 609 Granville Street Vancouver, British Columbia V7Y 1G5

By

Rod W. Husband, B.Sc.

June 30, 1989



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SUMMARY

Daiwan Engineering Ltd. conducted a two part exploration program on the Blue claims near Vernon B.C. between August 1, 1988 and May 31, 1989. The program consisted of reconnaissance geological mapping and geochemical sampling of rock outcrop and stream sediments. A total of

18 silt samples and 6 rock samples were collected from the claims during the two part program.

Part one of the program consisted of the collection of 9 silt samples and 4 rock samples. One of

these silt samples contained anomalous gold values and was the target for the follow-up stage.

Part two resulted in the collection of 9 silt samples and two rock samples from the area around

the gold anomaly.

Limited outcrop and flat topography lead to the surveys failing to define any significant targets.

only two moderately anomalous gold values were found in the silt samples.

Further work on the property should consist of a soil geochemical survey in the areas of the two

silt anomalies and across the fault zone in an effort to better define a target.

A total of \$ 7,644.66 was spent on the property between August 1, 1988 and May 31, 1989.

Phone: (604) 688-1508

INTRODUCTION

At the request of Mr. Ron Philp, of Universal Trident Industries Ltd., Daiwan Engineering Ltd.

conducted a two part exploration program on the Blue claims near Vernon B.C.. The program

consisted of geochemical sampling of outcrop and stream sediments.

The initial part of the program consisted of the collection of nine silt samples and four rock

samples. The follow up program consisted of the collection of nine silt samples and two rock

samples in the area of a gold anomaly from the original survey.

This report is a compilation of work completed on the property during the two part field program

and from previous work in the area.

LOCATION AND ACCESS

The property consisting of 78 units is located approximately 15 kilometres east of Vernon, B.C.

on the east side of Bluenose Mountain and is centred at latitude 50° 12', longitude 119° 3' NTS

map 82L/3E.

Access is via highway 6 between Vernon and Lumby to Lavington. From Lavington, the property

can be reached by travelling south on the logging roads in the area.

PHYSIOGRAPHY AND CLIMATE

Topography is relatively flat with deep creek gulleys cutting the claims. Water is available from

several creeks for most of the year. Some of these creeks may dry up in the summer months.

Topographic relief ranges from 600 metres, in the valley on the north edge of the claims, to 1,250

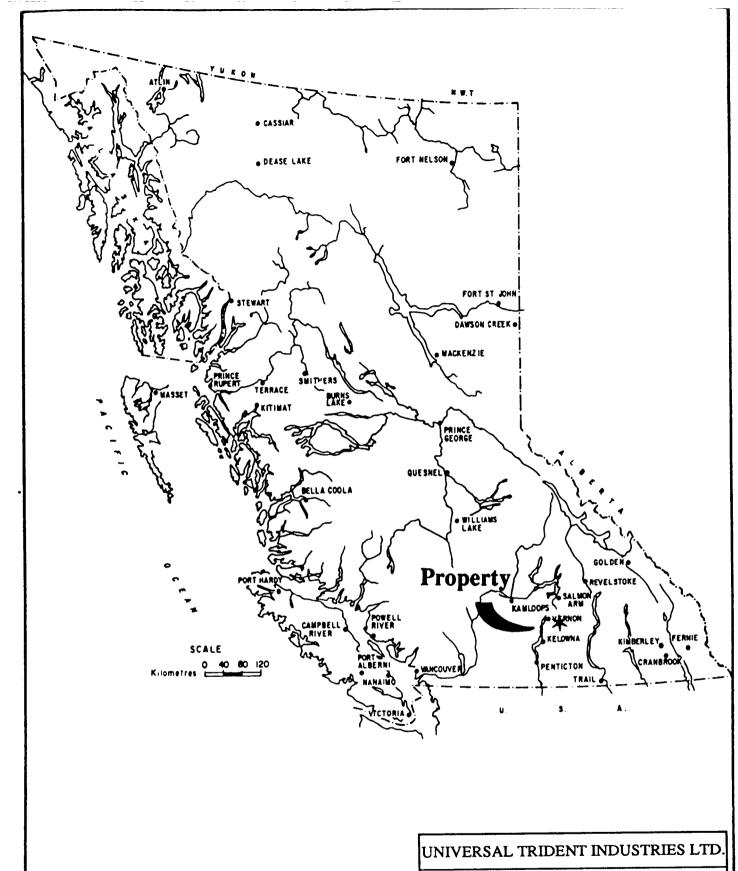
metres on the crest of Bluenose Mountain.

Vegetation is generally heavy with a second growth forest. Some areas of the claims have

recently been logged.

The area is characterized by dry hot summers and mild winters with snowfall limited to the higher

elevations.



BLUE CLAIM GROUP, VERNON, B.C.

LOCATION MAP

SCALE I: 8,000,000 DATE JUNE, 1989

PIG.

DAIWAN ENGINEERING LTD.

PROPERTY

The 78 unit claim group owned by Universal Trident Industries Ltd. consists of the following particulars:

Claim Number	<u>Units</u>	Record #	Expiry Date
Blue II	20	2898	July 18, 1989
Blue IV	20	2900	July 18, 1989
Blue V	18	2901	July 18, 1989
Blue VI	<u>20</u>	2902	July 18, 1989
	Total 78 Units		

HISTORY

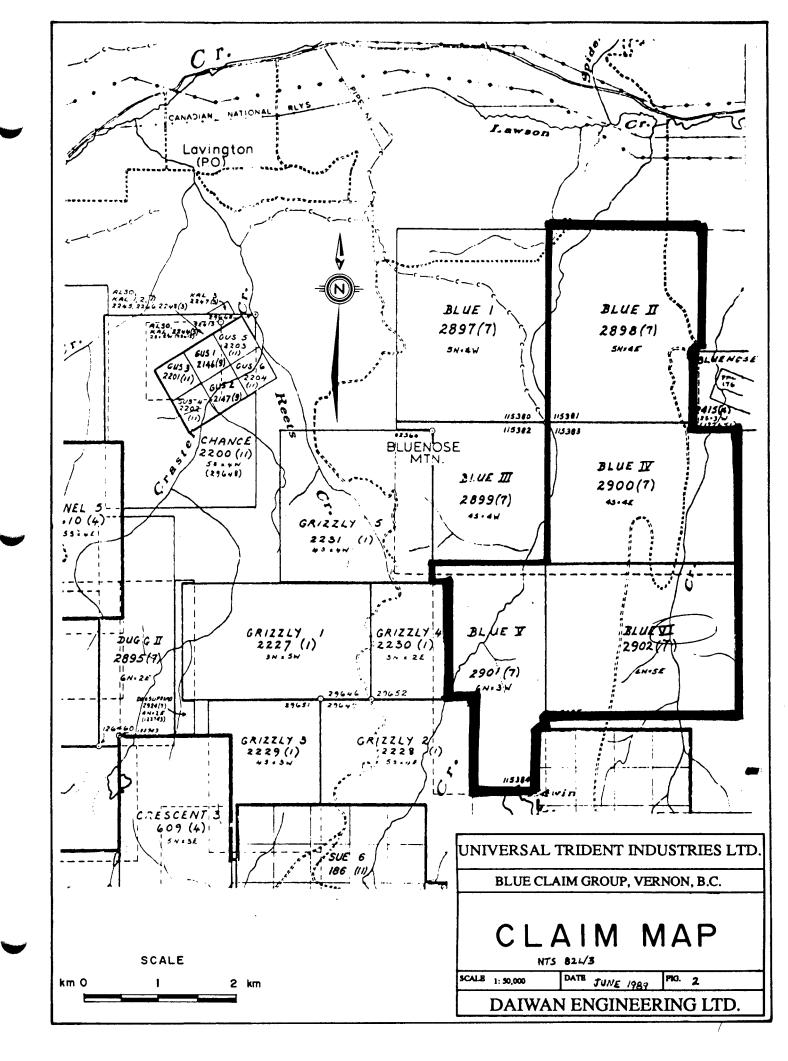
Lode mining in the Vernon area dates back to 1899 when 16 ounces of gold was taken out of 1 ton of quartz veins on the Bon Diable mineral claim. From that time until the present numerous mining operations were conducted in the area (see Figure 3) producing gold, silver and base metals.

The Chaput mine produced 39 ounces of gold, 54,569 ounces of silver, 654 kg of copper, 72,217 kg of lead, and 50,848 kg of zinc from 2,000 tonnes of ore.

The White Elephant mine produced 2,030 ounces of gold and 306 ounces of silver from 5,146 tonnes on ore during its 3 years of operation in the early 1930's.

The Kalamalka mine operated intermittently from, 1935 through 1944 and produced 2,897 ounces of gold, 3,473 ounces of silver, 420 kg of lead, 172 kg of zinc, and 208 kg of copper from 6,592 tonnes of ore. The Kalamalka property has recently been explored by Triple Star Resources.

Uranium exploration in the area was popular during the 1970's. In 1977 Kerr Addison spent \$48,500 drilling on the Crescent claims.In 1979 Suncor spent \$125,000 on an extensive exploration program including geochemical and geophysical surveys in addition to drilling on the same claim. Reports show few positive results from this program.



More recently the Lacana - Huntington discovery renewed interest in the area when they reported a drill hole intercept of 235 feet grading 2.03 oz/ton gold in June of 1988. Since that

announcement the Vernon area has become an active exploration area again.

Canova Resources Ltd. conducted an exploration program on the Skookum claims and reported

grab samples assaying as high as 320.83 oz/ton Ag and .117 oz/ton Au from the contact of a vein and the surrounding schist. Values up to 68.83 oz/ton Ag and .094 oz/ton Au have been reported

from channel samples across 2 metres. A drill program was proposed for the property but no

information was obtained regarding it.

QPX Minerals Inc., conducted a geophysical and geochemical survey over their claims in the

Vernon area in the 1988 field season.

No previous work has been recorded on the Blue claims.

REGIONAL GEOLOGY (Gilmour 1979)1

The Blue claims are located near the western edge of the Shushwap Metamorphic Terrane. The

regional geology is transitional between the Omineca crystalline belt, of which the Shushwap Terrane is part, and the Intermontane belt of eugeosynclinal volcanic, sedimentary, and intrusive

rocks. The rocks in the area range in age from Lower Palaeozoic (possibly Precambrian) to

Miocene/Pliocene.

The oldest rocks in the area belong to the "Monashee" metamorphic rocks of Proterozoic to

Palaeozoic age. This unit generally comprises layered gneiss with lesser amounts of pegmatite, marble, greenstone, and gabbro. Less metamorphosed volcanic rocks of Carboniferous-Permian and

Upper Triassic ages also occur in the area.

These rocks have been intruded by Jurassic to Eocene plutons. The "Nelson" plutonic rocks are

biotite-hornblende diorites, granodiorites, and granites with a strong to moderate foliation. The

Late Jurassic "Valhalla" plutonic rocks are generally porphyritic quartz monzonite to granite and

the Eocene Coryell plutonic rocks, mainly syenites, monzonites, and granites both contain high

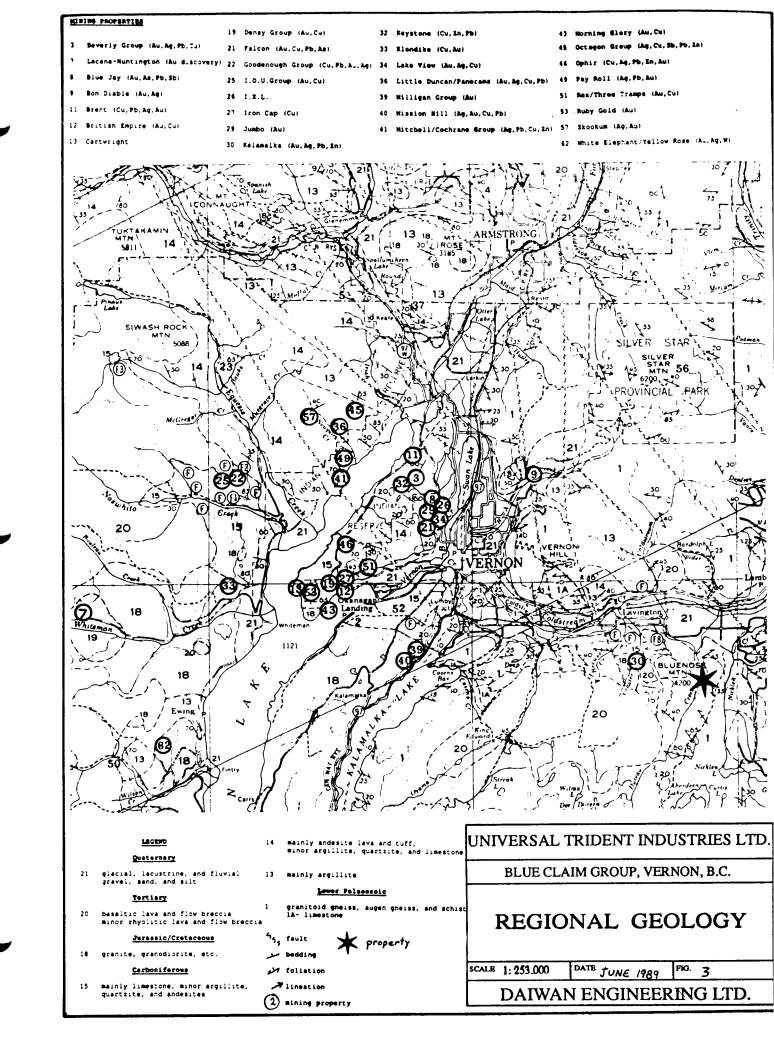
background uranium values.

In late Cretaceous to early Eocene times a profound erosional period levelled the entire region.

Intense continental volcanic and tectonic (graben formation) activity with extensive deposition of

volcanic and sedimentary rocks commenced in the Eocene.

Daiwan Engineering Ltd.



A more mature topography existed in the Miocene with the formation of fluvial quartz pebble

conglomerates and sandstones. In late Miocene to Pliocene times olivine plateau basalt flows

covered much of the area. Later uplift has resulted in the erosion of most of the Tertiary rocks.

STRUCTURE AND MINERALIZATION

Many northwest to northeast trending faults cut the map area, these faults predate the Tertiary basalt flows in the region. Precious metal hosting quartz veins have been found in close

and interest in the late state for late fill miner is an arrest form. The following is an arrest form Town 1050 arrest.

association with the late stage faults. The following is an exsert from Jones 1959 report:

Gold and silver prospects are more numerous than those of base metals. Within a radius of 13

kilometres of Vernon are many deposits in which gold is the main metal and from 13 to 24

kilometres from Vernon most deposits contain silver accompanied by some lead, zinc, and gold.

Nearly all are vein deposits and lie in or near fault fissures. A few are bodies of disseminated

minerals near the contact of granite bodies.

The geologic factors having a bearing on the vein deposition of the ore are:

(1) Faults. Few fault zones are without attendant mineralization, indeed the presence of

mineralization can almost be accepted as evidence of faulting nearby.

(2) Zoning. Mineral deposits are concentrated around the north end of Okanagan Lake and exhibit

a rough concentric zoning of metallic content. The localization and zoning of the deposits may be

partly a consequence of the convergence of the faults in the area whereby the rocks were

shattered more than elsewhere producing unusually favourable conditions. The proximity of

Cretaceous of Tertiary granite intrusions may also have been a contributing factor.

PROPERTY GEOLOGY

Reconnaissance mapping on the Blue claims showed them to be outcrop free for the most part.

The limited exposures were noted and plotted on figure 4.

The following account of the property geology is taken from reconnaissance mapping in addition

to the G.S.C. open file 637:

The Blue claims are underlain by a quartz-mica schist belonging to the Okanagan Metamorphic

Complex. The age of these rocks are uncertain but are believed to be Proterozoic.

Intruding the quartz-mica schist and outcropping on the southern border of the claims are a series

of Jurassic Nelson Plutonic rocks, varying in composition from quartz diorite to granodiorite.

Overlying the schist on the eastern edge of the property, on Bluenose Mountain, are olivine

basalts and plateau lavas of Miocene age.

One major fault was mapped to cut the property in the eastern region. The fault trend north-

northwest.

No alteration or quartz veining was observed on the claims but that can be attributed to the lack

of outcrop.

GEOCHEMICAL SURVEY

The geochemical survey conducted on the Blue claims consisted of a two part survey. The first

part involved the reconnaissance mapping and the collection of nine stream silt samples and six rock samples and was carried out in August 1988. The follow up survey was concentrated in the area of the single anomaly obtained from the first survey. This survey resulted in the collection

of nine silt samples and two rock samples. The rock samples were taken from the creek near the

site of the original anomaly.

The samples were delivered to Acme Analytical Laboratories Ltd. in Vancouver where the silts

were dried and screened to -80 mesh and the rocks were crushed and powdered to -80 mesh. The samples were then analyzed for copper, lead, zinc, arsenic, and silver by I.C.P. The I.C.P. assay

involves the digestion of 0.500 grams of the sample with 3-1-2 HCl-HNO3-H2O acid at 95

degrees celsius for one hour. This sample is then diluted to 10 ml with water and analyzed. The

samples were also analyzed for gold by acid leach and atomic absorbtion by Acme labs.

The sample locations for both surveys are plotted on Figure 4 The first survey resulted in one

silt sample, 8-19-8slt, with anomalous gold content of 17 ppb. The remaining silt samples ranged from 1 - 4 ppb gold. None of the six rock samples collected in this survey contained anomalous

gold values. The range of gold in the rocks was from 1 - 3 ppb.

Daiwan Engineering Ltd.

Sample 8-19-8slt also contained elevated amounts of silver (1.1 ppm) and zinc (93 ppm) relative to the other samples. The range of values for silver was from 0.20 to 0.70 ppm for the eight remaining silt samples. The range of zinc values for the remaining samples was from 47 to 76 ppm.

Two of the six rock samples contained slightly elevated silver values (1.0 ppm) relative to the values in the remaining rocks (from 0.40 to 0.60 ppm).

The follow up survey failed to produce anomalous results in the silts or the rocks collected from the area of the anomalous sample from the first survey. However, the survey produced two samples with anomalous values of gold and zinc. Sample BLUE-SLT-89-01 contained 34 ppb gold while the remaining samples ranged from 1 to 4 ppb gold. Sample BLUE-SLT-89-02 contained 118 ppm zinc while the remaining ranged from 30 to 70 ppm. The remaining four elements that the samples were analyzed for failed to produce any significant values.

The two rock samples collected from the creek near the site of the initial anomaly did not return any significant assay values.

CONCLUSIONS

- 1.0 Outcrop on the claims is very limited due to the relatively flat nature of the topography.
- 2.0 Two creek gulleys are interpreted to be fault controlled. Fault zones in the district have been shown to host precious metal rich quartz veins.
- 3.0 The results of the survey produced only two moderately anomalous gold values in silt samples.

RECOMMENDATIONS

- 1.0 Due to the limited outcrop on the claims a grid should be established across the faults in the area of the two moderate gold anomalies and soil sampled in order to define targets for continued exploration.
- 2.0 A geophysical VLF-EM survey should be conducted on the grid to detail the postulated faults.
- 3.0 Trenching may assist to detail favourable targets outlined by the geochemical and geophysical surveys.

STATEMENT OF COSTS

1.0	CONTRACT GEOCHEMICAL SURVEY (Hi-Tec Resource Manager - incl. assay costs	nent)	2080.26
2.0	WAGES - supervising geologist 1.5 days @ \$380/day - project geologist 2.67 days @ \$270/day - project geologist 5.17 days @ \$250/day - professional engineer 1.17 days @ \$450/day		570.00 720.00 1291.67 525.00
		total wages	3106.67
3.0	ASSAYS 9 silt samples 5 element ICP + geochem Au @ \$15 ea. 3 rock samples 5 element ICP + geochem Au @ \$15 ea.	total assays	135.00 45.00 180.00
4.0	FOOD AND ACCOMMODATIONS 6 days @ \$77.17/day		463.00
5.0	TRANSPORTATION - 4 X 4 rental gas incl. 6 days @ \$101.60/day		609.56
6.0	FIELD SUPPLIES (flagging, topo thread, etc)		105.17
7.0	DRAFTING AND REPORT COSTS		750.00
8.0	OFFICE COSTS (telephone,photocopying,typing,etc.)		350.00

TOTAL PROJECT COSTS \$ 7644.66

CERTIFICATE OF QUALIFICATIONS

I, Rod W. Husband, do hereby certify that:

- 1. I am a geologist for Daiwan Engineering Ltd. with offices at 1030-609 Granville Street, Vancouver, British Columbia, V7Y 1G5.
- 2. I am a graduate of the University of British Columbia with the degree B.Sc., Geology.
- 3. I have practised my profession since completion of my degree in December 1986.
- 4. This report on the Blue Claims property is based on personal fieldwork on the property and information obtained from previous reports by professional engineers and others who have examined the property.

Rod W. Husband, B.Sc.

BIBLIOGRAPHY

- 1. Gilmour W. Nov 6, 1979 Geological, geochemical, and geophysical Assessment report on the Channel Property, Vernon B.C. for Banquest Resources Ltd.
- 2. Jones A.G. 1959 Geological Survey of Canada Memoir 296

(Appendix 1)

Sample Descriptions

SAMPLE DESCRIPTIONS

Ommi BB BBOOKII	<u> </u>	Assays	
Sample #	Description	Au (ppb)	Ag (ppm)
8-17-1s	stream silt	2	.4
8-17-2s	stream silt	1	.3
8-17-3s	stream silt	2	.2
8-19-1slt	stream silt	1	.7
8-19-2slt	stream silt	2	.5
8-19-3slt	stream silt	3	.5
8-19-4slt	stream silt	4	.6
8-18-5slt	stream silt	2	.3
8-19-8slt	stream silt	17	1.1
8-17-1F	qtz knot in chloritic		
	schist with py, po, cp?	1	1.0
8-17-1R	quartz vein? pegmatite?	3	.5
8-17-2R	quartz vein? pegmatite?	2	.4
8-19-1F	20% pyrite, qtz-bi gneiss		
	with qtz veinlets	3	.6
8-19-1R	biotite gneiss 50% biotite	2	1.0
8-19-2R	felsic intrusion in biotite		
	gneiss trace pyrite	2	.6
BLUE SLT 89-01	stream silt	34	.1
BLUE SLT 89-02	stream silt	4	.1
BLUE PAN 89-03	stream silt	1	.1
BLUE PAN 89-04	stream silt	2	.1
BLUE SLT 89-05	stream silt	1	.1
BLUE SLT 89-06	stream silt	2	.1
BLUE SLT 89-07	stream silt	1	.1
BLUE SLT 89-08	stream silt	1	.2
BLUE SLT 89-09	stream silt	1	.1
BLUE RX 89-01	granodiorite float from		
	creek trace py	5	.1
BLUE RX 89-02	30 cm granodiorite trace py	6	.1

Daiwan Engineering Ltd.

#1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5 Phone: (604) 688-1508 (Appendix 2)

Assay Certificates

#1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5 Phone: (604) 688-1508 ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: MAY 18 1989

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED: May 30/87

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAN SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HMO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER. THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR MA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM. - SAMPLE TYPE: P1 SILT P2 ROCK AU* AMALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

SIGNED BY D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

DAIWAN ENGINEERING LTD. FILE # 89-1140 Page 1 SAMPLE# Cu Pb zn ÞΑ As Au* PPM PPM PPM PPM PPM **PPB** BLUE SIT 89-01 . 1 BLUE SIT 89-02 . 1 BLUE SIT 89-05 . 1 BLUE SIT 89-06 . 1 BLUE SIT 89-07 . 1 BLUE SIT 89-08 . 2 BLUE SIT 89-09 . 1 VRN 89-03 . 2 VRN 89-05 . 1 VRN 89-06 . 1 VRN 89-07 . 1 VRN 89-08 . 1 VRN 89-10 . 1 VRN 89-11 . 2 VRN 89-12 . 1 . 1 VRN 89-13 VRN 89-14 . 1 BLUE PAN 89-03 . 1 BLUE PAN 89-04 . 1 NO NUMBER SILT . 1 (VRN 89-04)

7.0

STD C/AU-S

DAIWAN ENGINEERING LTD. VERNON FILE # 89-1140 Page 2

SAMPLE#	Cu PP M	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
KLT 89-01	44	16	47	. 1	5	14
VRN 89-01	4	5	11	. 1	2	2
VRN 89-02	5	7	8	. 1	2	1
VRN 89-09	4	2	1	. 1	2	1
SLA 89-01	7	10	14	. 2	2	1
SLA 89-02	1	3	4	. 1	2	1
SLA 89-02A	. 8	11	4	2.0	129	250
SLA 89-03	22	16	63	. 3	2	4
SLA 89-04	17	12	43	. 1	2	1
SLA 89-05	3	9	16	. 1	2	1
SLA 89-06	4	6	7	. 1	2	1
SLA 89-07	4	13	7	. 1	33	4
SLA 89-08	4	10	10	. 1	32	6
SLA 89-09	10	41	29	. 1	67	3 2
SLA 89-10	6	18	6	. 1	2	2
SLA 89-11	20	14	6	3.3	34	60
SLA 89-12	13	19	12	9.5	30	61
SLA 89-13	20	16	46	.3	3	45
SLA 89-14	69	9	112	.1	5	1
SLA 89-15	3	5	2	5.8	30	39
SLA 89-16	2	4	1	1.7	7	12
SLA 89-17	6	8	5	3.9	11	43
SLA 89-18	4	23	4	. 3	25	9
SLA 89-19	17	7	14	. 5	3	3
BLUE RX 89-01	4	4	20	. 1	2	5
BLUE RX 89-02	2	2	9	. 1	2	6
STA 89-20	6	13	2	. 5	208	76
STD C/AU-R	58	43	132	7.1	38	530

COMPANY: HI T	TEC RESOURCE M	IANAEMENT				CP REPORT		· ·	(ACT:	FIRE) PAGE 1 OF 1
PROJECT NO: V	/ERNON		705 WEST	15TH ST.	, NORTH V	ANCOUVER,	B.C. V7M	1T2		FILE NO: 8-1298S
ATTENTION: P.	SOREARA/D.BLA	INN		(604) 980	-5814 OR	(604)988-	4524	# TYPE SILT	SEDCHEM #	DATE: SEPT 4, 1988
(VALUES IN P	PM) AG	AS	CU	PB	SB	ZN	AU-PPB			
8193SLT	.5	19	25	14	7	66	3			
8203SLT	. 4	11	28	12	4	89	1			
194SLT	.6	15	21	9	5	61	4			
8205SLT	.9	19	9	23	6	87	3			
8195SLT	.3	1	22	14	4	59	2			
8196SLT	1.0	7	34	18	3	69	3			
8197SLT	.2	9	24	14	6	39	1			
8198SLT	1.1	1	42	30	5	93	17			
VRNSLT1	.6	27	70	16	3	72	1			
SLTVRN2-40H	.5	17	20	21	6	74	2			
81715	. 4	2	26	10	7	47	2			
81725	.3	1	26	14	6	47	1			
8191SLT	.7	12	29	17	6	54	1			
8201SLT	.3	9	45	15	2	65	3			
8192SLT	.5	20	32	29	4	76	2			
8202SLT	.9	17	30	14	4	76	4			
8173SLT	.2	5	26	10	6	48	2			

COMPANY: HI-TEC RES	OURCE MAN	AGEMENT		MIN-E	N LABS	ICP REPORT		1				(ACT:FIRE) PAGE 1 OF 1
PROJECT NO: VERNON			705 WEST	157H ST.,	NORTH	VANCOUVER,	B.C. V	7H 1T2				FILE NO: 8-1298/P1
ATTENTION:				(504) 980	-5814 0	R (604) 988-	4524	# TYPE	ROCK	SEOCHE	1 1	DATE: SEPTEMBER 3, 1988
(VALUES IN PPM)	AG	AS	£U	PB	SB	ZN	AU-PPB					
/ DTH881	1.4	20	52	18	5	202	3					
DTH882	.4	3 9	22	12	3	63	2					
DTH883	. 4	31	25	17	4	40	1					
DTH884	.6	8	21	5	5	82	5					
· DTH885	.8	36	7 7	20	2	134	2					
DTH886	. 4	1	23	9	1	67	3					
DT6887	.4	30	7	26	9	166	1					
DT6888	.8	8	19	15	3	92	1					
` DT6889	.7	11	22	10	1	82	2					
8171F	1.0	8	131	3	3	45	1					
8181F	.6	25	72	29	7	37	2					
8191F	.6	9	37	14	5	49	3					
8162R	.4	28	27	15	3	43	1					
8172R	.4	29	23	12	4	40	2					
8192R	.6	25	24	11	4	40	2					
891R	1.0	28	20	37	6	85	2					
8161R	.8	9	49	16	6	87	1					
8171R	.5	30	23	20	5	39	3					•
8181R	.4	27	27	25	5	42	4					
8201R	.8	1	31	20	3_	83	2					
8163R	. 4	30	22	23	4	33	1					

