

1991 PROSPECTING REPORT

PROSPECTING AND SAMPLING

LOG NO: 0603 RD.

ACTION:

FILE NO:

-on the-

" KAC CLAIM GROUP "

Vernon Mining Division

Province of British Columbia

for

Kenneth A. Caldwell
P.O. Box 441
Lumby B.C.
VOE 2G0

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

21,376

LOCATION

50° 12' N; 118° 32' W.

N. T. S. 82L/2E

30 Km. East of Lumby B.C.

Prepared by Ken. A. Caldwell

under supervision of

Y-H TECHNICAL SERVICES LTD.

P.O. Box 298

Vernon B.C., V1T 6M2

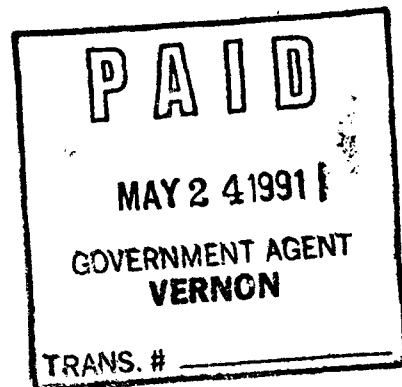


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INTRODUCTION

This report discusses the data and results obtained during a preliminary prospecting program conducted on the KAC Claim Group of 10-2 post claims located South of Cherry Creek and East of Monashee Creek approximately 30 Km. East of Lumby B.C. NTS 82L/2E. Access is by way of Highway 6, east from Lumby then turn left on South Fork road across Monashee Creek and north on Bevan Road.

PROPERTY

The property consists of 10 two post claims. These claims have been grouped KAC GROUP -dated April 2,1991- as provided under Section 28 of the Mineral Act.

Claim Name	Record No.	Expiry Date
KAC 1	3283	April 2,1992
KAC 2	3284	April 2,1992
KAC 3	3285	April 2,1992
KAC 4	3286	April 2,1992
KAC 5	3287	April 3,1992
KAC 6	3288	April 3,1992
KAC 7	3289	April 3,1992
KAC 8	3290	April 3,1992
KAC 9	3291	April 3,1992
KAC 10	3292	April 3,1992

The expiry dates shown herein reflect the one year of work applied as of the program discussed in this report. Report preparation, assays etc will extend the expiry dates till 1993. The above claims are registered in the name of Kenneth A. Caldwell and are located in and recorded in the Vernon Mining Division of British Columbia.

On April the 5,1991 the ground that the old Cherry Creek Silver Mine was on was staked by the writer and is now held in the name of Ken. A. Caldwell and are recorded as such.

JJD 1	3461	April 5,1992
JJD 2	3462	April 5,1992
JJD 3	3463	April 5,1992
JJD 4	3464	April 5,1992
JJD 5	3465	April 5,1992
JJD 6	3466	April 5,1992

PHYSIOGRAPHY AND VEGETATION

The property is fairly flat laying cleared land at about 2200 meters above sea level and having mostly second growth cedar on the northern portion of the claim group to steep sloping hills up to 3700 meters above sea level covered with fir and pine forests on the southern portion. A few recent clear-cut logged areas are in the southern portion of the claim group. There are a number of good logging roads on the property giving easy access by two wheel drive pick-up during the summer months.

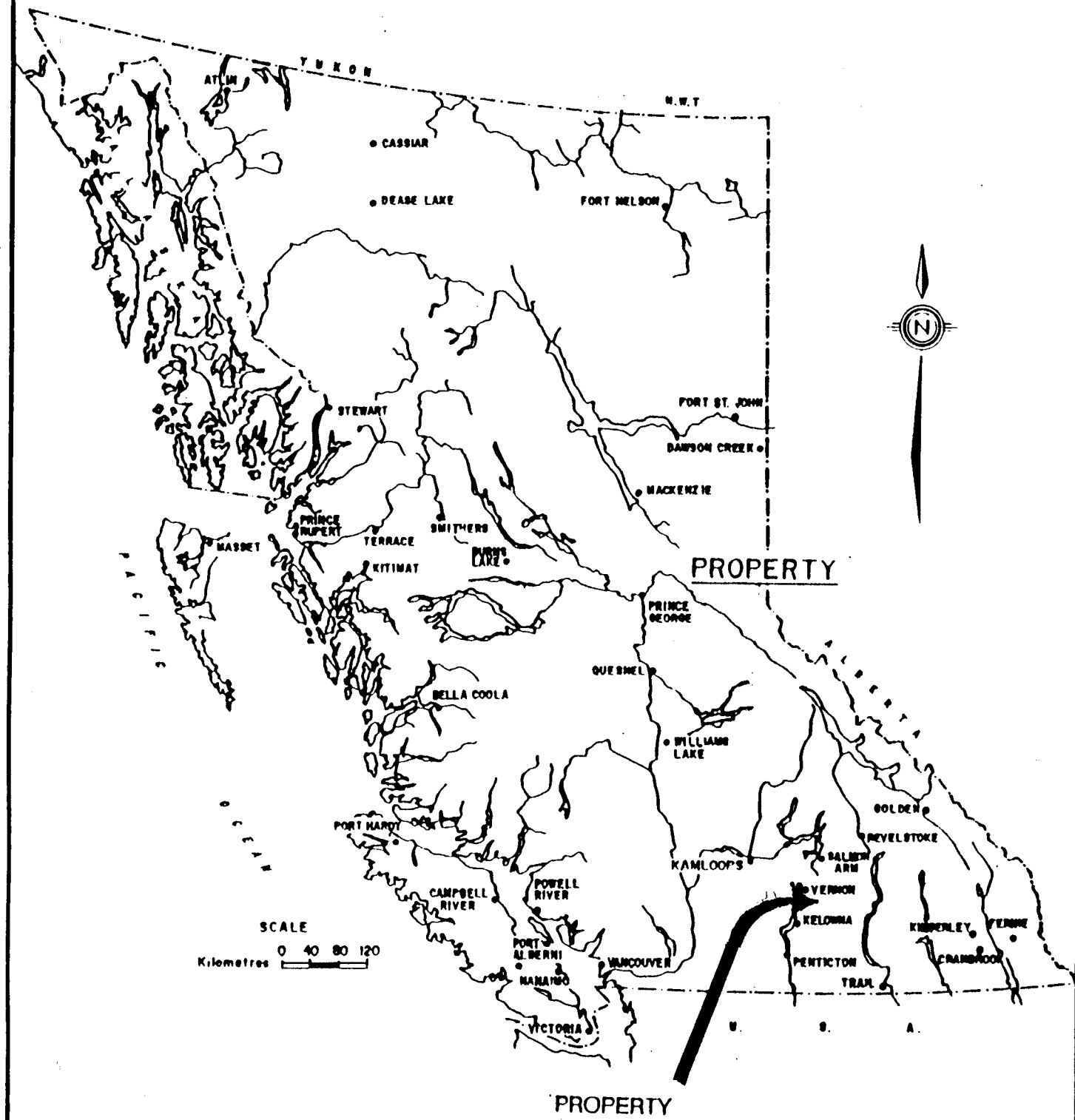
HISTORY

There is no work on record for this property. The area has been of interest to a number of prospectors and mining companys in the past. Monashee Creek (was called the South Fork of Cherry Creek in the early days) was one of the major placer mining areas in the 1800's and a number of small hard rock mines have been in production since in the area. Cherry Creek Silver Mining Company (1863) was one of these mining company's, according to a Report written by P.E. Peterson for the Silver Mountain Syndicate on March 18, 1936 some very rich silver ore was mined on the west bank of Cherry Creek and shipped to San Francisco for smelting. This old working is due west of the KAC claim group about one-half km. and is now situated on the writers JJD claims.

Samples of mineralized Quartz taken from outcrops on Monashee Creek caused the writer to stake these claims. The assay results are included in the Appendix. The best assay was from the old dump of the "Cherry Creek Silver Mining Company" on the west shore of Monashee Creek. The claims on this ground lapsed and the writer has since staked the ground surrounding the old workings.

Mohawk Oil has claimed a large expanse of land in the area that they call the PITA 1-8; 10-16 and 20-29. In recent years they have done or had work done on their properties, that is I would say, the most extensive in the area. Assessment Report #14451 by B. Callahan for Mohawk Oil dated January 1986 has a great deal of geochemical and trenching data on Pita 16, which is the property on the southern boundary of the KAC claims. Generally speaking the mineralization in this area is adjacent to the argillite/volcanic contacts.

Assessment Report 15878 by Peter A. Christopher for Approach Resourses on Mohawk Oil's Pita properties 1-8; 10-16 and 20-29 dated January 1987 is a geochemical survey of a very large area. Some major faults are indicated and a great deal of local history is included therein.



KEN. A. CALDWELL ET. AL.

KAC CLAIM GROUP

LOCATION MAP

Y.-H. Technical Services Ltd.

DATE **APRIL 2/91**

SCALE **1:8,000,000**

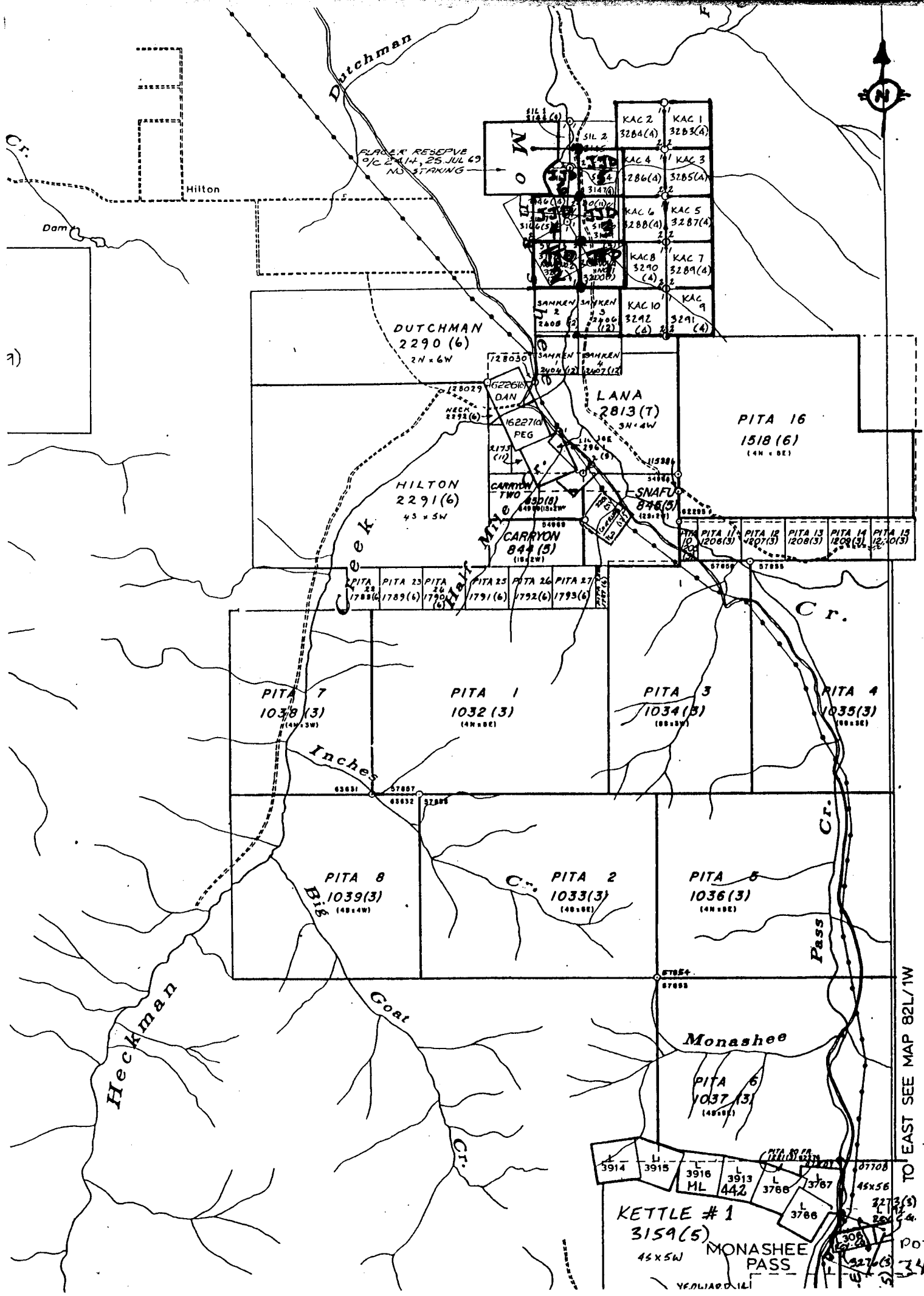
FIGURE No. **1**

The only other work in close proximity to the KAC group is the Carryon Claim Group, Assessment Report #8993 by owner Ted Archibald May 1980 and Assessment Report 11892 December 15, 1983 where a trench was dug and significant gold and silver values were found (.34 to 1.4 oz./ton Au. and 1.93 to 11.66 oz./ton Ag. + Pb.). This property is now owned by Ashworth Explorations who has since claimed a large expanse of land on the west side of Monashee Creek plus the Lana claim which is just south of the KAC group on the east side of Monashee Creek. The claim group is now called the Hilton.

GEOLOGY AND ECONOMIC POTENTIAL

The writer who is the owner and operator of the KAC group believes that the lithology in the area is the key to the economic mineral potential of the area. The major structure is a NW striking interbedded sedimentary/volcanic unit with specific beds within the unit having variable strikes and dips. From all the information that I have gathered, drilling, looking at core samples and maps as well as old reports and a little hearsay the gold and silver found in Monashee Creek and Heckman Creek came out of the volcanic rocks in the area which leaves great potential for a hard rock mine in the area. The fact that the old Cherry Creek Silver Mine was so close and was said to have had average assays of 658.43 oz./ton of silver and some gold. The mineralization was said to have been argentiferous tetrahedrite or freibergite, with galena and sphalerite the gangue being quartz, and the country rock blackish shales or slates. I believe the meaning of this is that the mineral was found in the quartz-ankerite exhalatives found adjacent to the argillite units which occur between the volcanic beds. Which makes the KAC Group of claims a very good candidate for mineral of the same caliber.

The KAC property is underlain by interbedded volcanics and marine sediments. The marine sediments are usually right



5

TO EAST SEE MAP 82L/1W

LAND SURVEY DIST. & THE BUREAU OF LAND MANAGEMENT

POT 2458

next to a quartz flow that has a varying amount of mineralization. The samples taken and assayed for this report were taken in an area where a couple of these structures were showing along a logging road. There is also at least one large cross cutting fault that has been filled with quartz and some mineralization. This quartz zone was sampled where the fault crosses Cherry Creek (on the claims called the SIL at that time) in my preliminary work before staking the KAC claims. The results are in the Appendix and are the sample described as LRDD EW VIEN.

DESCRIPTION OF PROSPECTING ACTIVITIES

The program conducted consisted of two main activities

1. General prospecting looking for any outcrop that had the general criteria of quartz bedding along argillites. This took place on April 5 and 6, 1990. There were numerous outcrops of volcanic rock but quartz was difficult to find on the property in outcrops. The search for quartz argillite bedding was performed on all the steeper ground where there was a possibility of finding outcrop, KAC 3, 5, 6, 7, 8, 9 and 10.

2. With technical help from Y-H TECHNICAL SERVICES LTD. samples were taken along the area where I had previously found quartz argillite bedding. A hand dug trench was made and samples taken from this trench for assay. The road way was mapped in the sample area and the following day I drew up a map with the sample locations on it. This activity took place on April 1 and 2, 1991 and was done on claims KAC 3, 5 and 6.

Many years ago in the Highland Valley I met an old Native gentleman who I spent some time with. He was a "douser" as I understand it is called when one uses rods to find mineral or water. He taught me the basics of dousing and I have since played with the rods at opportune times to find water or mineral. Being a Diamond Driller gave me lots of opportunities to see if I could fortell where the mineral would be in a drill hole. I used this method of tracing systems and have found it to be a good tool for such things. I can and did use this method of finding systems in the KAC claim area and on the claims. The problem is that I can not differentiate between water or unwanted mineralization. As I understand it neither can an E. M. Survey. Both methods detect "conductors".

April 5, 1990

Walking from the final post of claims KAC 9 and 10 over claim 10 all visible rock was rusty volcanics the same was found on claim 9 claim 8 had some pieces of quartz float but I could not find an origin for them. Claim 7 was the same.

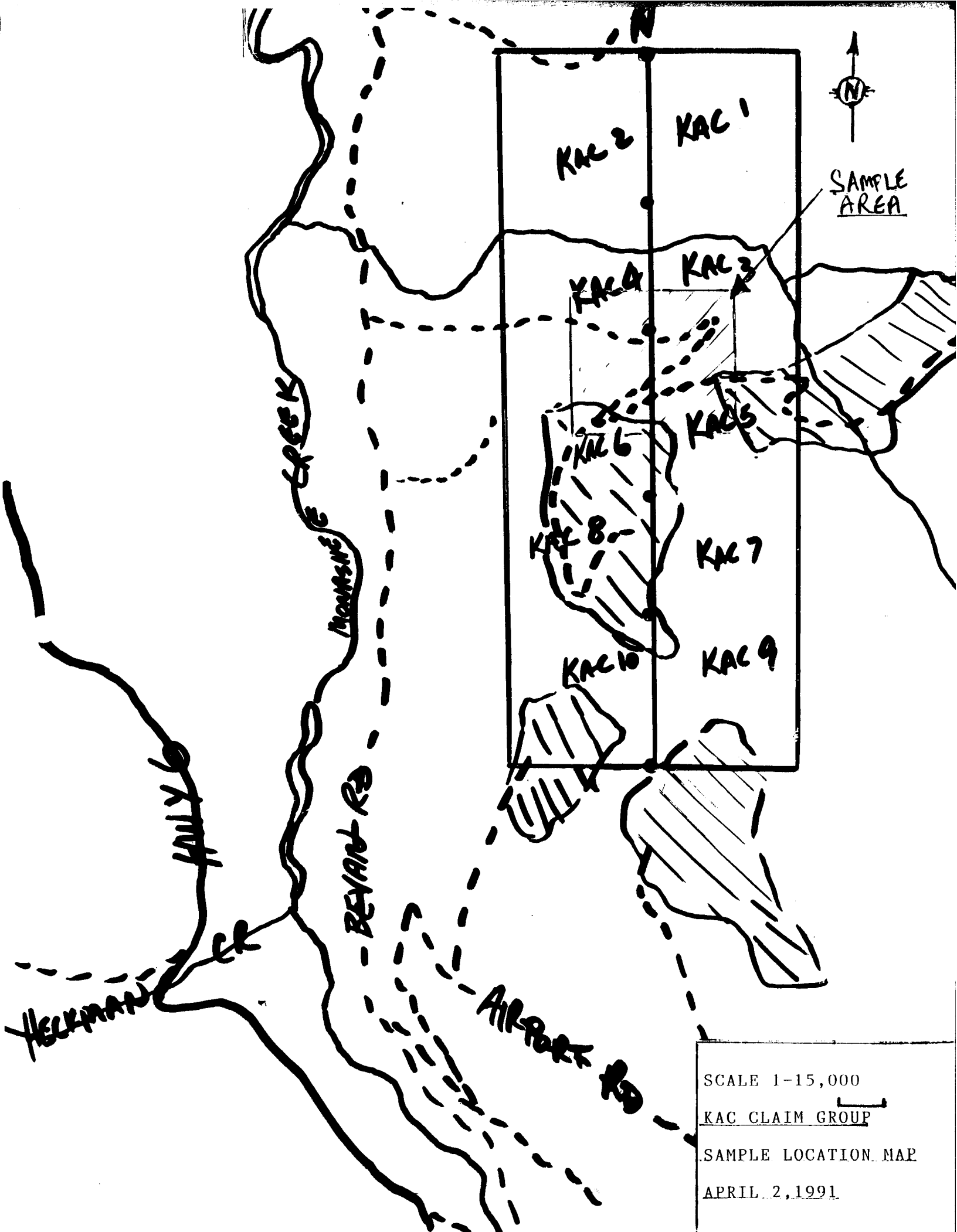
April 6, 1990

The following day I drove up the road through claims 4, 3, 6 and 5 and walked to where I had left off the previous day again the outcrops all seemed to be volcanics although some quartz was again found as float until I started checking along the road way where bedrock was close and some quartz with lots of iron staining was found. I planned on coming back with technical help soon but didn't find time till the spring of 1991.

April 1, 1991

With the assistance of Y-H Technical Services Ltd. sampling of the area was performed. Grab samples were taken of the area below where bedrock was visible in the ditch a hand dug trench was excavated in the ditch area where bedrock was visible and a noted gouge zone was sampled, the material was very wet as water was coming out of the bedrock through the gouge zone. The area just north of the gouge zone was of particular interest in that the rock is a porphoritic-volcanic the only one that I have seen in the area. It must be very dense in that the water in the gouge zone was not able to penetrate it.

The bedding in this area is dipping to the south east the same as the bedding on the Pita and Hilton claims as well as the direction the old reports say the Cherry Creek Mine was dipping.



SAMPLE AREA

KAC 2

KAC 1

KAC 4

KAC 3

KAC 6

KAC 5

KAC 8

KAC 7

KAC 10

KAC 9

MOMMSING CREEK

BEVAN RD

AIRPORT RD

OKIN

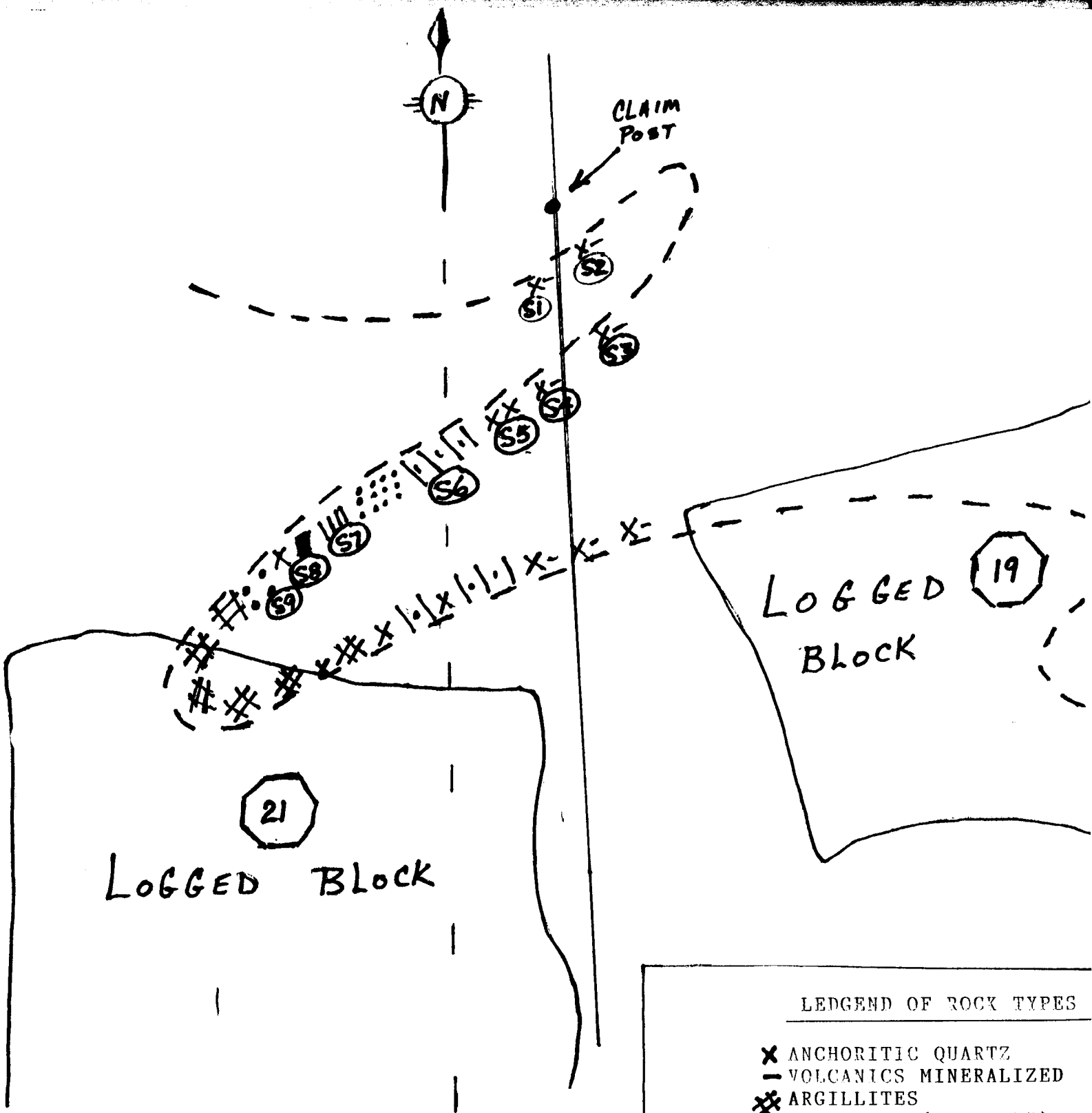
HECKMAN CR

SCALE 1-15,000

KAC CLAIM GROUP

SAMPLE LOCATION MAP

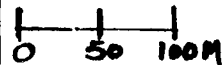
APRIL 2, 1991



LEDGEND OF ROCK TYPES

- X ANCHORITIC QUARTZ
- | VOLCANICS MINERALIZED
- # ARGILLITES
- VOLCANICS (PORPHYRY)
- VOLCANICS + ARGILLITES
- ||| MINERALIZED GOUGE ZONE
- QUARTZ + CALCITE +
- BRECIATED VOLCANICS

SCALE 1-5000



KAC CLAIM GROUP

SAMPLE LOCATION MAP

APRIL 2, 1991

TECHNICAL DATA AND INTERPRETATION OF RESULTS

The purpose of this work was to find out if the bedding on the KAC claim group is the same as is found on the banks of the Monashee Creek near the old workings of the Cherry Creek Mine and other zones of noted mineralization in the area. With this being preliminary work I believe we were successful in most of our objectives. I was hoping for better assay values but as has been pointed out to me these systems will vary greatly from point to point even on the same bedding plane.

The Lithology seems to be running near true north in this area. This will help us in planning future work such as a geochemical soil sampling survey.

CONCLUSIONS

More work is definitely needed to determine the potential for mineralized systems on these claims. The volcanic bedding type system here is changing every few meters with a possibility of different minerals and quantity of minerals within each system. Therefore I believe, at this point, that the best method of finding a system that is carrying a ore grade material would be to start off by doing a geochemical soil sampling survey at close intervals running in an east west direction. This should pick up the mineralized zones within each system.

ASSAY RESULTS (Au geochem with ICP and 30 element ICP)

Description	Au(ppb)	Ag(ppm)	Ca(%)	Cu	Fe(%)	Zn	As
KAC-1	<5	1.6	.75	12	1.72	55	16
KAC-2	<5	0.2	.29	22	1.89	42	19
KAC-3	<5	<.2	3.53	32	2.98	35	20
KAC-4	<5	.3	1.19	6	1.20	17	15
KAC-5	<5	.3	1.42	8	1.11	21	11
KAC-6	5	<.2	3.73	16	2.97	46	24
KAC-7	<5	<.2	2.31	30	3.43	189	74
KAC-8	<5	<.2	11.06	6	.47	30	10
KAC-9	<5	<.2	>15.00	7	.35	23	8

Copies of the Certified Assayers sheets are in the appendix.

NOTE: Not enough samples were taken to warrant a statistical analysis.

DISCUSSION OF RESULTS:

1990 Samples:

3 HS - A heavily mineralized grab sample taken from the area of the old Cherry Creek Silver Mine dump

- highly anomalous in Au, Ag, As, Cd, Cu, Pb, Sb, W, Zn, P
- low in Fe, Mn
- element dispersion suggests presence of proustite (Ruby Silver) a silver arsenic mineral probably associated with the sphalerite which is low in iron and which contains some cadmium.
- copper and arsenic values suggest tetrahedrite.
- lead value is from galena
- tungsten value suggests scheelite, may occur in recoverable quantities.

1 GP - a ankeritic grab sample from the west bank of Monashee Creek

- slightly elevated values in Au
- anomalous in Ag and Zn

E.W. Vien- a oxidized quartz grab sample taken from the East-West fault zone at the no placer staking point on Monashee Creek

- weakly anomalous in Au
- elevated W
- low in other elements of economic potential

1991 SAMPLES: (see sample map)

KAC 1 -quartz/ankerite grab sample found in the ditch in the sample area

- anomalous in Ag
- low in other elements of economic potential

KAC 3+6-sample 3 is a quartz/volcanic slightly mineralized grab sample taken from the ditch

- sample 6 is a volcanic sample with large phenocrysts and iron oxide
- weakly anomalous Cu with elevated iron and calcium
- trace of Au in #6

KAC 7-a 3.8 meter hand dug trench was made in the logging road ditch to take samples of the gouge zone at this point. Some iron staining was noted in the gouge
-anomalous in As, Ba, Ni, Zn.
-high in Iron and calcium-ankerite
-elevated Cu

KAC 8+9-quartz/calcite grab samples taken just south of the gouge zone
-high in calcium with noteable increase in strontium

COST STATEMENT

	APRIL 5/90	APRIL 6/90	APRIL 1/91	APRIL 2/91
MY LABOUR				
at \$150.00/day	\$150.00	\$150.00	\$150.00	\$150.00
Y-H TECHNICAL SERVICES at \$350.00/day			350.00	
Vehicle 4by4 at \$40.00/day	40.00	40.00	40.00	
POWER SAW at \$10.00/day	10.00	10.00	10.00	
	<u>200.00</u>	<u>200.00</u>	<u>550.00</u>	<u>150.00</u>

Sub Total \$1,100.00 -work completed prior to Anniversary date.(Statement of work April 2,1991)

Report preparation time and costs:

Ken A. Caldwell-report preparation	
History search and writing the report	
3 days at \$150.00-----	\$450.00
Y-T Technical Services-consultations and help	
with writing report combined time 1 day-----	\$350.00
Assay charges 9 samples (Echo Tech Lab.)-----	\$154.08
Office materials-----	\$50.00
Vehicle twice to Vernon plus deliver samples to Kamloops-----	\$50.00
Sub Total for report preparation-----	<u>\$1054.08</u>
Total (Prospecting and Report)-----	<u>\$2154.08</u>

CERTIFICATE OF QUALIFICATIONS

I Kenneth A. Caldwell, of Lumby B.C. am a registered Free Miner, April 1990 ID Number 1000012, April 1991 Free Miners Number 103949.

I have been involved in the mining industry for 23 years as a Diamond Driller or Miner, which has given me a fairly rounded idea of how things work and what goes on in our mother earth, but lacking in the technical expertice of geology. As a result I hired some help to try and get the most out of this work program.

Technical Expertice Supplied by

Y-H Technical Services Ltd.
R.W. York-Hardy
Box 298
Vernon B. C.
V1T 6M2

APPENDIX

***Assay results from KAC 1-9 samples" Assayers sheet"**

***Assay results from preliminary work, before staking the KAC claims.**

Sample 1 G.P. was taken out of a quartz zone on the west side of Monashee Creek below the Gold Pan Cafe on Highway 6, East of Lumby.

Sample 2 H.H. was taken on the east shore of Monashee Creek in a definite Hemitite Zone about 400 Meters down stream from the old Cherry Creek Silver Mine. The values were not as good as I had hoped. This Quartz zone runs parallel, I believe to the old drift that went under the creek.

Sample 3 H.S. was taken out of the area I believe was the old dump for the Cherry Creek Silver Mine. The results were for dump rock I guess pretty good, but one must remember that the ore was hand picked for shipment and anything that wasn't extremely high grade was not shipped as it was transported on mules backs to the coast and then shipped to San Fransisco. There was a silver assay and a zinc assay done on this sample as well as the 30 element ICP. Silver being 306.9 g/t, Zinc 6.52%, Copper 4568 ppm and gold 625 ppm.

Sample 1 LRDDEW VEIN was taken from the large quartz seam that crosses Monashee Creek right at the no Placer Staking zone on the claims map. The vein is almost vertical and runs almost due east-west and I believe therefor that it is a fault filled with quartz.

ECO-TECH LABORATORIES LTD.

LONE RANGER DIAMOND DRILLING - ETK 9

10041 EAST TRANS CANADA HWY.
 KAMLOOPS, B.C. V2C 2J3
 PHONE - 604-573-5700
 FAX - 604-573-4557

BOX 441
 LUNBY, B.C.
 V0E 2G0

1-209

APRIL 15, 1991


VALUES IN PPM UNLESS OTHERWISE REPORTED

9 ROCK SAMPLES RECEIVED APRIL 8, 1991

RT#	DESCRIPTION	AU(ppb)	AG	AL(%)	AS	B	BA	BI	CA(%)	CD	CO	CR	CU	FE(%)	K(%)	LA	MG(%)	MN	MO	NA(%)	NI	P	PB	SB	SH	SR
209 - 1	KAC-1	<5	1.6	.09	16	7	23	<5	.75	<1	4	195	12	1.72	.01	13	.22	576	12	<.01	8	291	34	<5	<20	30
209 - 2	KAC-2	<5	.2	.91	19	7	38	<5	.29	<1	4	214	22	1.89	.14	22	.60	424	18	.05	8	272	16	<5	<20	23
209 - 3	KAC-3	<5	<.2	.72	20	<2	27	<5	3.53	<1	13	137	32	2.98	.04	24	.96	839	8	<.01	17	574	12	<5	<20	80
209 - 4	KAC-4	<5	.3	.07	15	6	16	<5	1.19	<1	3	220	6	1.20	<.01	<10	.10	372	17	<.01	6	244	9	<5	<20	15
209 - 5	KAC-5	<5	.3	.05	11	5	9	<5	1.42	<1	2	252	8	1.11	<.01	<10	.25	357	16	<.01	5	377	13	<5	<20	52
209 - 6	KAC-6	5	<.2	.34	24	<2	45	<5	3.73	<1	9	28	16	2.97	.11	25	.36	910	3	<.01	7	886	9	<5	<20	73
209 - 7	KAC-7	<5	<.2	.36	74	<2	59	<5	2.31	1	11	31	30	3.43	.11	25	.16	481	14	<.01	49	882	12	5	<20	60
209 - 8	KAC-8	<5	<.2	.05	10	<2	<5	<5	11.06	1	2	102	6	.47	.01	<10	.10	273	10	<.01	10	162	2	<5	<20	717
209 - 9	KAC-9	<5	<.2	.04	8	<2	<5	<5	>15.00	1	1	37	7	.35	.01	<10	.17	227	5	<.01	7	81	<2	<5	<20	1094

NOTE: < = LESS THAN
 > = GREATER THAN

TI(%)	U	V	W	Y	ZN	
<.01	<10	3	<10	1	55	KAC-1
.09	<10	95	<10	5	42	KAC-2
.01	<10	65	<10	1	35	KAC-3
<.01	<10	2	<10	<1	17	KAC-4
<.01	<10	2	<10	1	21	KAC-5
<.01	<10	4	<10	<1	46	KAC-6
<.01	<10	6	<10	<1	189	KAC-7
<.01	<10	9	<10	8	30	KAC-8
<.01	<10	13	<10	11	23	KAC-9


 ECO-TECH LABORATORIES LTD.
 CLINTON S. AYERS
 LABORATORY MANAGER

ECO-TECH LABORATORIES LTD.

LONE RANGER DIAMOND DRILLING - ETK 90-58

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BOX 441
 LUMBY, B.C.
 VOE 260

APRIL 5, 1990

VALUES IN PPM UNLESS OTHERWISE REPORTED

3 ROCK SAMPLES RECEIVED MARCH 29, 1990

ET#	DESCRIPTION	AU(PPB)	AG	AL(%)	AS	B	BA	BI	CA(%)	CD	CO	CR	CU	FE(%)	K(%)	LA	MG(%)	MN	MO	NA(%)	NI	P	PB	SB	SN	SR
58 - 1	G.P.	10	1.2	.34	5	4	15	<5	8.15	4	5	206	<1	.78	.06	<10	.39	544	14	.02	13	370	12	5	<20	1092
58 - 2	H.H.	5	.2	.13	15	10	20	<5	3.30	<1	6	149	<1	1.87	.03	<10	.65	477	7	.02	4	260	28	<5	<20	185
58 - 3	H.S.	625	>30.0	.03	110	8	5	<5	1.48	857	2	160	4568	.49	.01	<10	.07	132	77	.02	11	1870	1890	5040	<20	99

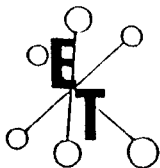
NOTE: < = LESS THAN

TI(%)	U	V	W	Y	ZN
<.01	50	40	20	12	180
<.01	30	29	19	5	37
<.01	90	30	3538	2	>10000

1-G.P.
 2-H.H.
 3-H.S.

Frank Pezzotti
 ECO-TECH LABORATORIES LTD.
 FRANK PEZZOTTI, A.Sc.T.
 B.C. CERTIFIED ASSAYER

SC90/K1



ECO-TECH LABORATORIES LTD.

ASSAYING - ENVIRONMENTAL TESTING

10041 East Trans Canada Hwy., Kamloops, B.C. V2C 2J3 (604) 573-5700 Fax 573-4557

April 5, 1990

CERTIFICATE OF ANALYSIS ETK 90-58A

=====

LONE RANGER DIAMOND DRILLING

Box 441

Lumby, B.C.

VOE 2G0

SAMPLE IDENTIFICATION: 3 ROCK samples received March 29, 1990

1002/row

ET#	Description	Ag (g/t)	Zn (%)
58 - 3	H.S.	306.9	6.52


ECO-TECH LABORATORIES LTD.

FP FRANK PEZZOTTI, A.Sc.T.
B.C. Certified Assayer

SC90/K1

ECO-TECH LABORATORIES LTD.

LONE RANGER DIAMOND DRILLING - ETK90-6

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 PHONE - 604-573-5700
 FAX - 604-573-4557

2160 VERNON STREET
 LUMBY, B.C.
 V0E 2G0

APRIL 5, 1990

VALUES IN PPM UNLESS OTHERWISE REPORTED

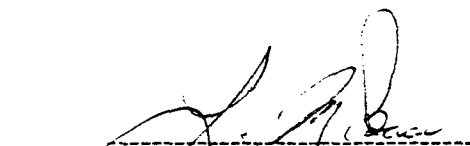
1 ROCK SAMPLE RECEIVED APRIL 3, 1990

ETK#	DESCRIPTIONS	AU(ppb)	AG AL(%)	AS	B	BA	BI CA(%)	CD	CO	CR	CU FE(%)	K(%)	LA MG(%)	MN	MO NA(%)	NI	P	PB	SB	SN
64 - 1	L.R.D.D.E.W.VIEW	25	.4 .07	5	12	20	<5 1.44	<1	7	122	11 .97	.02	<10 .09	345	8 .03	16	110	14	5	<20

NOTE: < = LESS THAN

SR TI(%)	U	V	W	Y	ZN
47 <.01	50	38	13	2	18

SC90/KAM1

FOR

 ECO-TECH LABORATORIES LTD.
 FRANK J. PEZZOTTI, A.S.C.T.
 B.C. CERTIFIED ASSAYER