STATEMENT OF WORK

for

BEAR MINERAL CLAIM GROUP

No. 5980

19 UNITS

in the

GREENWOOD MINING DIVISION , B.C.

Map No. 82E/2E

Lat. 49°10'

Long. 118°35'

on behalf of

JOHN KEMP

BOX 866

GRAND FORKS, B.C.

V0H 1H0

by

JOHN KEMP

DON HAIRSINE

May 20, 1992

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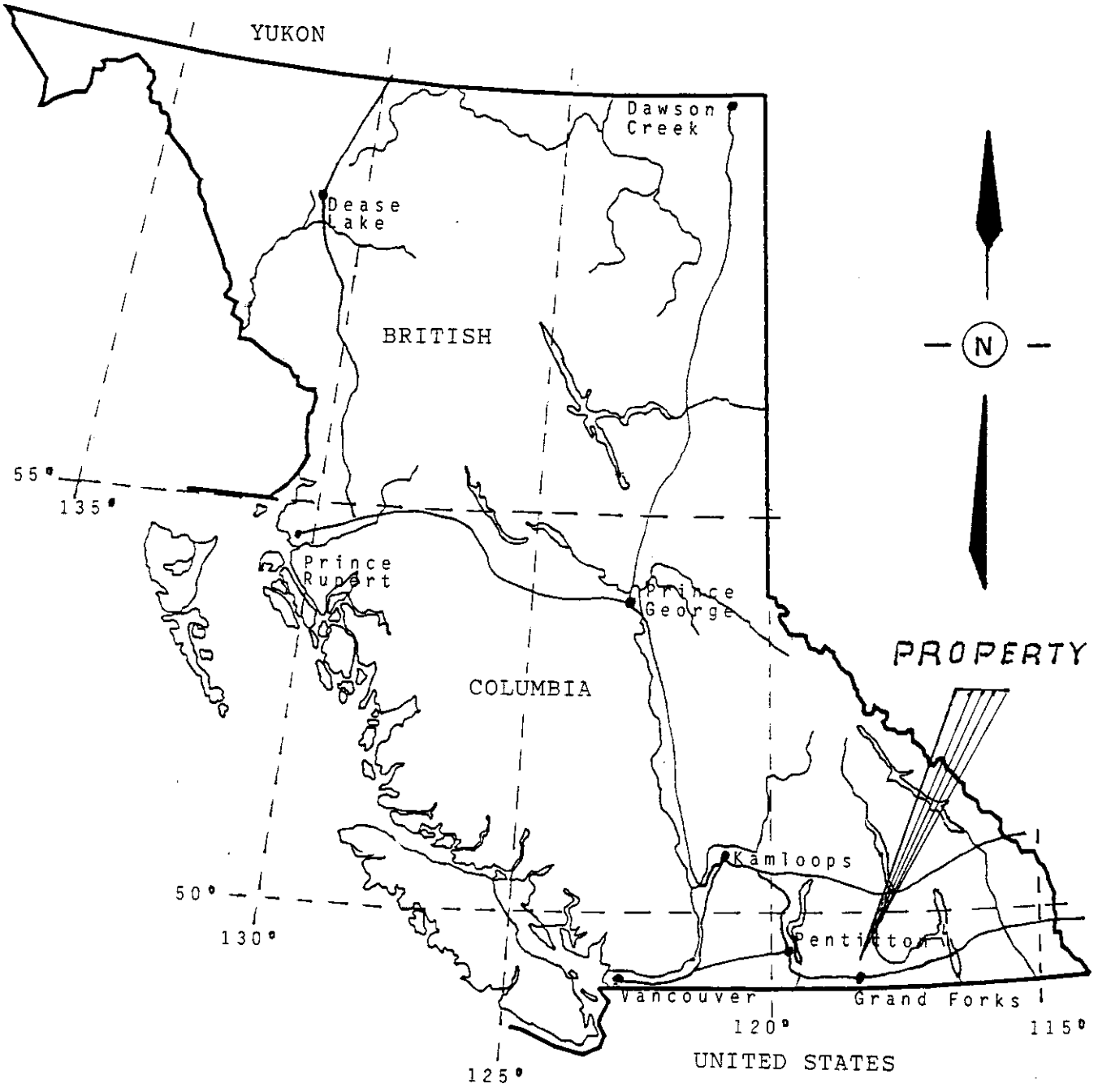
INTRODUCTION

From results of exploration in 1990/91 on the Bear Claim No. 5890, additional claims were added to form the Bear Claim Group. These were added to cover old workings discovered in last years fieldwork and is a possible continuation of mineralization which trends off Bear.

Extensive prospecting was carried out on the Cub claims and because of excessive overburden, it was decided that a Geophysical Survey would determine if any correlation exists between showings on the Bear and Cub claims.

This report relates information as to the results thereof and recommendations for future exploration on the claim group.



LOCATION MAP

BEAR CLAIM GROUP

GREENWOOD MINING DIV.

LAT. 49°10' LONG 119°35'

SCALE	DATE	NTS	FIGURE
1:6,400,000	MAY 10/92	82E/SE	1

SUMMARY

Fieldwork on the property was confined to the north-west corner (referred to in this report as "Bear North") and the centre portion (referred to as "Bear South") of the claim group.

The grids from fieldwork in 1990 were re-established with the extension of existing lines and the addition of new lines for a total of 7700 meters. Intensive prospecting on the grids and random traverses were carried out on the Cub claims. Good results around the old trenches were obtained and which appear to tie in with showings on the northwest of Bear. Eighteen assays were processed and results were positive with highs of 10700 PPB Gold and 19254 PPM Copper.

During April of 1992 a Geophysical Survey was carried out on "Bear North" and "Bear South". The purpose of the Geophysical Survey was to locate potential sulphide bearing zones comparable to those known to exist in the immediate area. Results from the survey were successful in delineating potential areas of mineralization and confirming geology on the property as is reported in the conclusion.

CONCLUSION

The Geophysical Survey on the Bear group was successful in delineating anomalous zones of which a number of zones could be significant in defining potential mineralized structures.

On the Bear North grid the low Magnetometer correlization with the creek could confirm a fault. On Bear South two anomolies were noted which may be possible alteration zones when correlated with prospecting notes. Samples were assayed from one zone with the result of a number of parallel magnetic lows indicating some possible shear zones, and also observed in fieldnotes.

The Magnetometer survey results could also have been successful in locating the Knob Hill and Brooklyn Groups contact with the Coryell Group to the east.

RECOMMENDATIONS

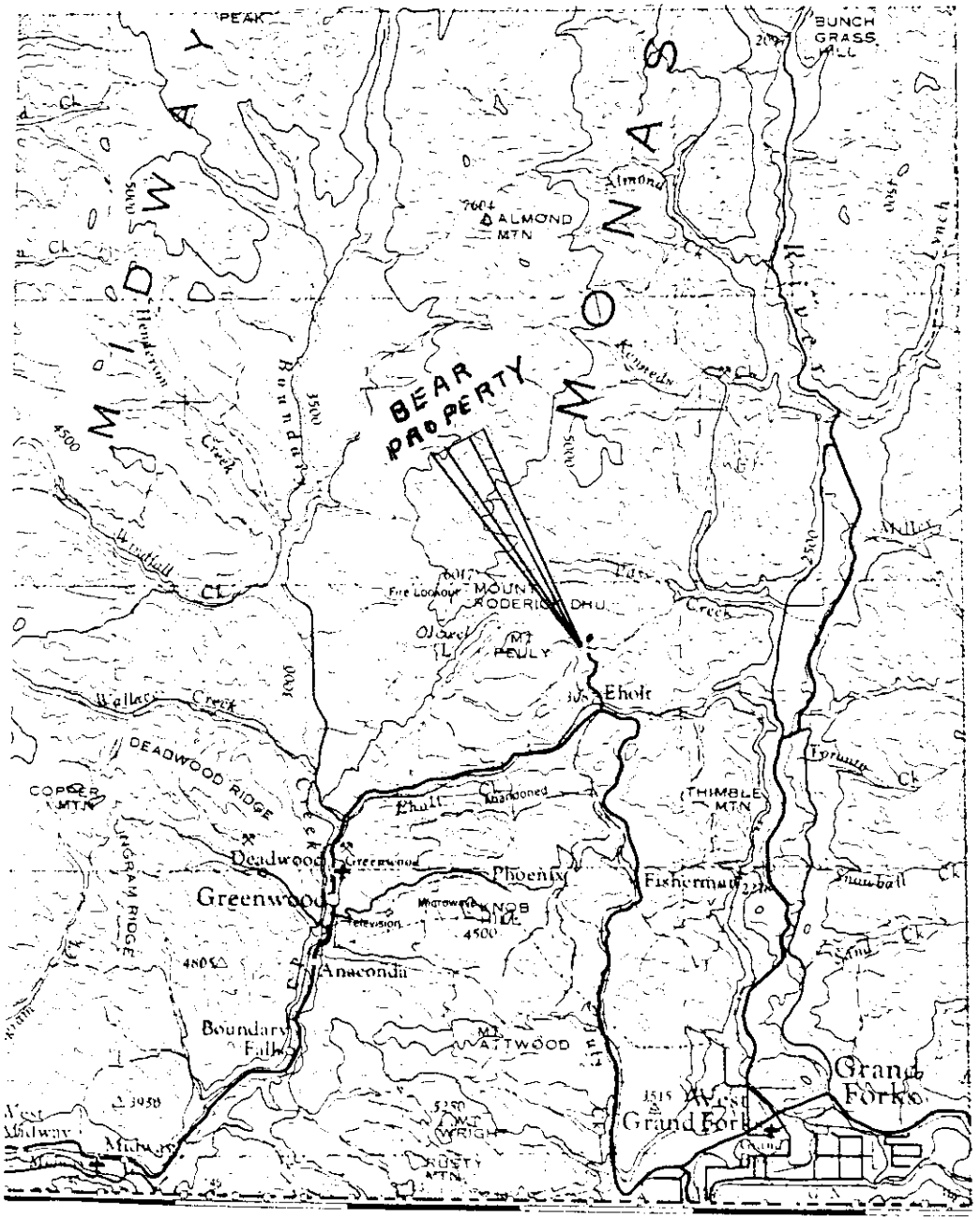
Fieldwork on this property should now involve a Geochemical survey on both grids and possibly a Self Potential Survey as it may indicate the sulphide zones more readily. These programs when overlain with the magnetometer program will result in a better understanding of the property.

HISTORY

The history of the area stems back to the discovery of the copper, gold deposits of the Pheonix area. The Pheonix district produced approximately 28 million tons of ore averaging slightly over 1.5 o/o copper with significant gold and silver values.

In the immediate vicinity the Detonia Mine near Jewel Lake has produced gold and silver, but is presently closed. Also in the area are the tailings of another gold producer at Jewel Lake.

Many small workings appear on the property, the largest being three, twenty meter shafts, but no major developement has taken place.



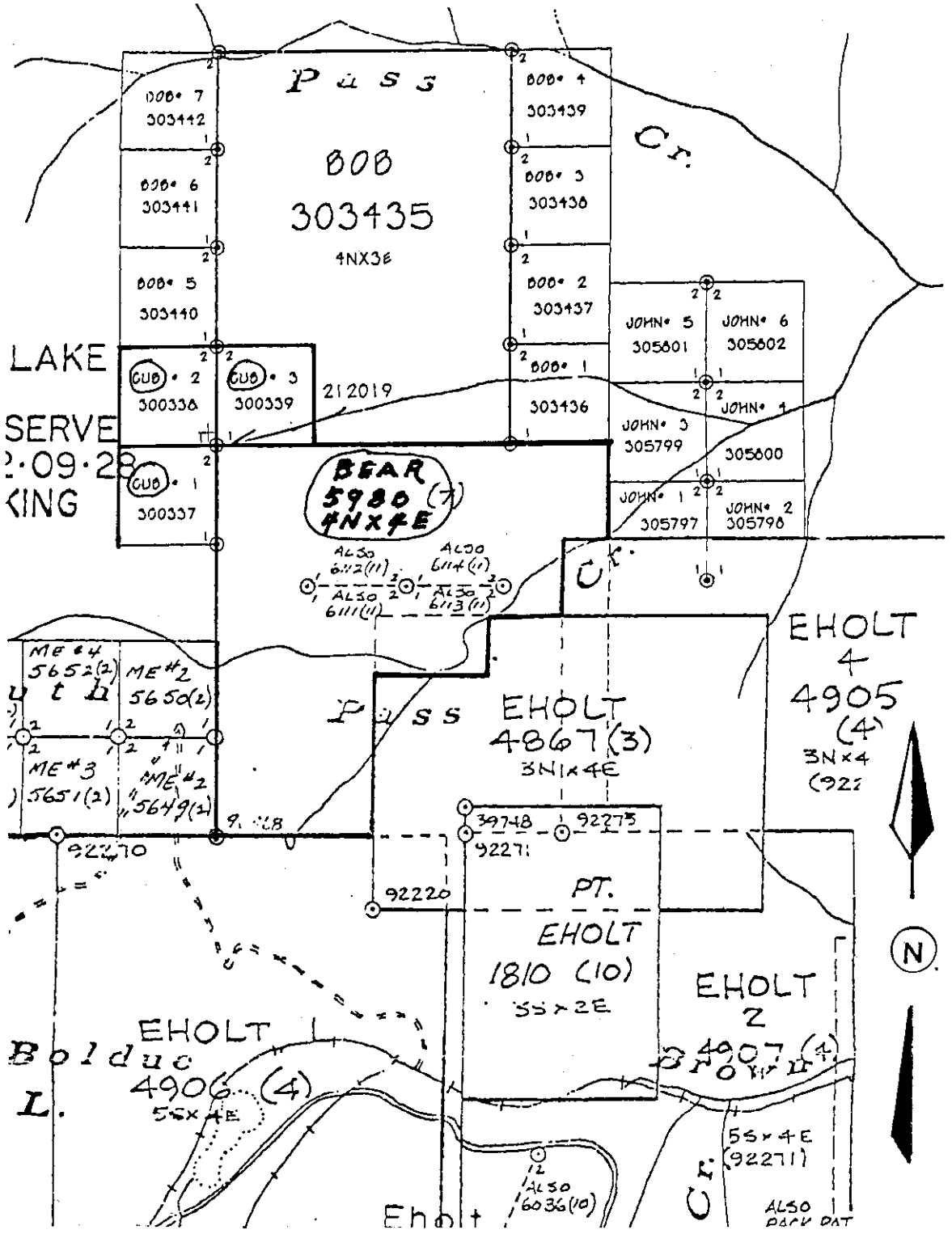
LOCATION + ACESS

BEAR CLAIM GROUP

GREENWOOD MINING DIV

LAT. 49° 10' LONG 118° 35'

SCALE	DATE	N.T.S.	FIGURE
1:250,000	MAY 10/92	82E/2E	2



500 0 500 1000 1500 2000 M

CLAIM MAP

BEAR CLAIM GROUP

GREENWOOD MINING DIV.
LAT 49°10' LONG 118°35°

SCALE	DATE	NTS	FIGURE
1:31680	MAY 10/92	82E/2E	3

PROPERTY

The property consists of one four post claim and three two post claims to the northwest.

Claim Name	Units	Record No.	Expiry
Bear	16	5880	July 8, 1992
Cub No. 1	1	300337	June 10, 1992
Cub No. 2	1	300336	June 10, 1992
Cub No. 3	1	300339	June 10, 1992

The Bear Claim Group is located in the Greenwood Mining District and is on Map Sheet No. 82E/2E Lat. 49°10' Long. 118°35'. The claim group is situated on the east side of Pelly Mountain and encompasses the drainage area and headwaters of the South Pass Creek.

ACCESS

Good access to this area is off Highway No. 3 at Eholt which is 17 Km east of Greenwood or 23 Km west of Grand Forks. After leaving Highway No. 3 proceed north up the South Pass Forestry Road for 2½ Km, this will place one at the Southwest corner of the property and the road continues on through the northwest of the claims.

South Pass forestry road is an active logging road.

WATER AND POWER

Sufficient water for all phases of exploration would be available from the easterly flowing tributaries of South Pass Creek which bisects the property.

A commercial power line is 3Km south at Eholt.

PHYSIOGRAPHY AND CLIMATE

The area lies to the east of Pelly Mountain which is part of the Almond Mountain range of the Monashees.

The property is characterized by moderate to steep sloped forest to the west and a relatively flat to moderate dipping valley to the east.

The area has forest cover of pine, larch, ceder and poplar with a considerable area having been logged. The property is heavily covered with overburden . The general climate is of long arid summers, with moderate winters which provides an exploration season of up to eight months.

GEOLOGY

The general geology of the area is of the Nelson Group to the Northwest and the Knob Hill and Brooklyn Groups central and south and in the contact with the Coryell intrussions to the east. The Knob Hill Group is also predominate in the West and Southwest.

The Cretaceous rocks of the Nelson Group, mostly granodiorite, quartzdiorite and minor diorite are dominant in the Northwest.

On the East is the Eocene age, Penticton Group rocks which are made up of dikes and sills and irregular plutons of syenite and diorite intrusions. Also present are flows of andersite.

In the centre and Southwest of the area lay the Permian, Kob Hill Group consisting of siliceous greenstones, fine chert breccia, conglomerate and minor limestone.

In the centre of the area and South of the Knob Hill Group is the Triassic, Brooklyn Group consisting of chert breccia and sharpstone conglomerate. Minor amounts of fine grained diorite are found along with fragmental greenstone. Hornfels and skarn are also present.

MINERALIZATION

Mineralization appears in sheer zones, mainly disseminated sulphides and some times massive pyrrhotite, pirite and small amounts of chalcopyrite are seen throughout the property. On the Cub No. 2, a mafic type rock, magnetic with pyrite and chalcopyrite is present, found in one of the trenches and appears as an anomaly on the magnetometer survey.

MAGNETOMETER SURVEY

The Magnetometer Survey was carried out utilizing a Proton Unimag II Model G846, manufactured by EG & G Geometrics.

The survey was carried out on grids using 40 meter stations on the baseline and 20 meter stations on the grid lines.

On the Bear north grid repeated readings at baseline station No. 03 +20N were made after each line to check for time variations. On Bear south station No. 06 +00S was used. No correction for time variation was made. At each station three readings were taken, and a low profile reading to delineate surface magnitite. Field person was demagnetized and all readings were oriented to north.

Field results were forwarded to Addie Consultants of Nelson, B.C. and contoured by use of a Turbocon program.

TURBOCON

This is a computer contouring program that contours up to seven hundred data points using twenty contours. Contours are derived from the interpolation of Delaunay triangle sides using methods derived in 1981 and employed in both the U.S. Geological Survey and National Oceanigraphic and Atmospheric Administration contouring programs. Although the final contours are angular appearing they are not in any way less accurate than a map having "smoothed" contours.

The advantage of this program is that it is very fast allowing one to experiment with the data. For instance, in this study, maps with 500 gamma contours and 200 gamma contours were produced. While the 200 gamma maps are quite dramatic in identifying anomalies it is with the 500 gamma maps that interpretations can be most easily made. All maps have been made on the same scale as the original data maps.

The only disadvantage of this program is the small output map of six square inches. However, larger maps can be made by joining sections together.

One can conclude that for a small survey area such as this project the "Turbocon" is an ideal contouring program.

PROCEDURE

The data was first digitized by an overlay grid. This was then entered into a computer program which created an X-Y-Z file. This file was converted into an ASCII text file which is used by Turbocon.

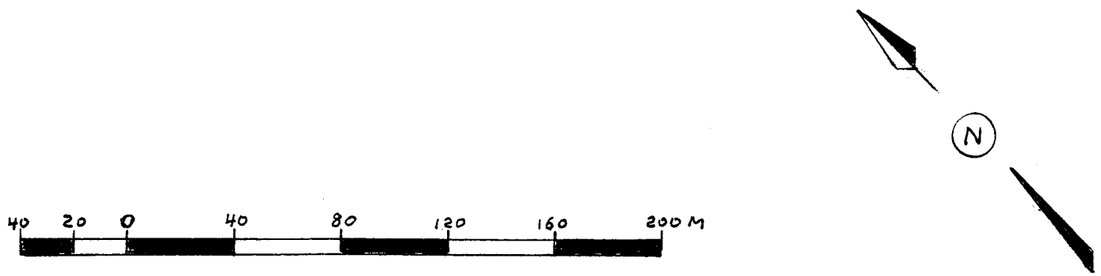
FIG. 4

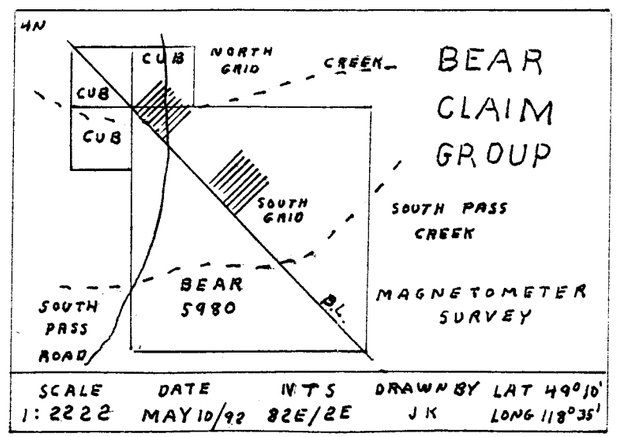
BEAR NORTH GRID

	04+00E	03+80E	03+60E	03+40E	03+20E	03+00E	02+80E	02+60E	02+40E	02+20E	02+00E	01+80E	01+60E	01+40E	01+20E	01+00E	00+80E	00+60E	00+40E	00+20E	00+00
04+80N						57313	57254	56853	57145	57527	57175	56995	56816	56897	57014	56791	56887	56919	56798	56639	56849
04+40N						57115	56936	56893	56719	56825	57108	57103	57054	57010	57012	57010	57086	56924	56804	56859	57015
04+00N						57143	57112	57101	57053	57022	56986	57092	56992	57053	57088	57112	56990	55704	57041	57165	57052
03+60N						57162	57271	57160	57212	57035	56841	57071	57080	57013	57210	57100	56900	56909	56889	56828	56867
03+20N						57040	56934	56989	56755	56640	56715	56866	56845	56895	56855 56300	57166	56957	56775	56840	56818	56797
02+80N						56944	56896	56903	56902	56716	56639	56674	56730	56779	56709	56665	56729	56736	56785	56797	56870
02+40N						56653	56792	56818	56728	56799	56866	56894	56818	56904	56950	56841	56886	56856	56883	56758	56816
02+00N						57233	57067	57077	57106	57048	56945	56009	57297	57400	56950	56745	56830	56910	56991	57007	56890
01+60N						57011	57120	57079	57081	56914	57070	57143	57136	56963	57125	57231	57018	56925	57029	56946	56891

BEAR SOUTH GRID

	04+00E	03+80E	03+60E	03+40E	03+20E	03+00E	02+80E	02+60E	02+40E	02+20E	02+00E	01+80E	01+60E	01+40E	01+20E	01+00E	00+80E	00+60E	00+40E	00+20E	00+00
04+80S						57025	56977	56942	57243	58000	56852	56897	56972	56965	56896	56890	57023	57367	56954	57044	57018	56864	56719	56852	56927	56966
04+40S						57174	57328	57208	57123	57209	57216	57112	56950	56977	57168	57163	57290	56925	56955	56977	57009	57179	57022	57086	57049	57017
04+00S						57350	57553	57310	57190	57018	56970	57080	57250	57219	57319	57301	57258	57084	57508	56892	57120	57326	57160	57546	57126	57152
03+60S						57023	57220	57021	57114	57117	57122	57665	57041	57148	57411	57119	57069	56982	56916	57032	57028	56990	56930	56859	57042	57100
03+20S						57065	56947	57052	57052	57032	57079	57100	56025	56994	56887	57300	56995	57004	56888	56934	56978	56926	57154	56941	56789	57122
02+80S						57167	57111	57049	57126	56826	56126	57258	57293	57196	57184	57430	57109	57008	56953	56962	56836	57109	57250	56963	57053	57028
02+40S						57091	57090	56919	56796	56974	57198	57312	57042	57033	57049	57050	57012	57075	56931	56926	58502	57117	56940	57321	57284	56988
02+00S						57075	57453	57625	57010	56928	57012	55200	57177	57204	57169	57006	57032	57529	57221	57060	57159	57316	56954	56806	56779	57046
01+60S						56958	57114	57167	57160	57116	57190	57292	57282	57401	57307	57146	57079	57135	57115	57155	56863	57028	57106	57225	57261	56992





OBSERVATIONS

BEAR CLAIM GROUP

The data is found on Fig. 4. Since two blocks are indicated these have been treated as 1. Bear North Claim, and 2. Bear South Claim.

Observations on the Bear North Claim (Fig. 5)

The 200 gamma contour map indicates three anomalies, all magnetic lows. It is easier to interpret them from the 500 gamma contour map.

1. Line 04+00N at 00+60E. A magnetic low occurs between two highs. This may be a pluton junction area.

2. Line 03+20N, 01+00E. This low is on the flank of a magnetic high and may represent a fault.

3. Line 02+00N, 01+80E. A similiar situation to the above.

Observation on the Bear South Claim (Fig. 6)

The data used is from Fig. 4. The 200 gamma contour map (Fig. 7) indicates two magnetic low, and two magnetic high anomalies. The regional trend is north fifteen to twenty degrees west.

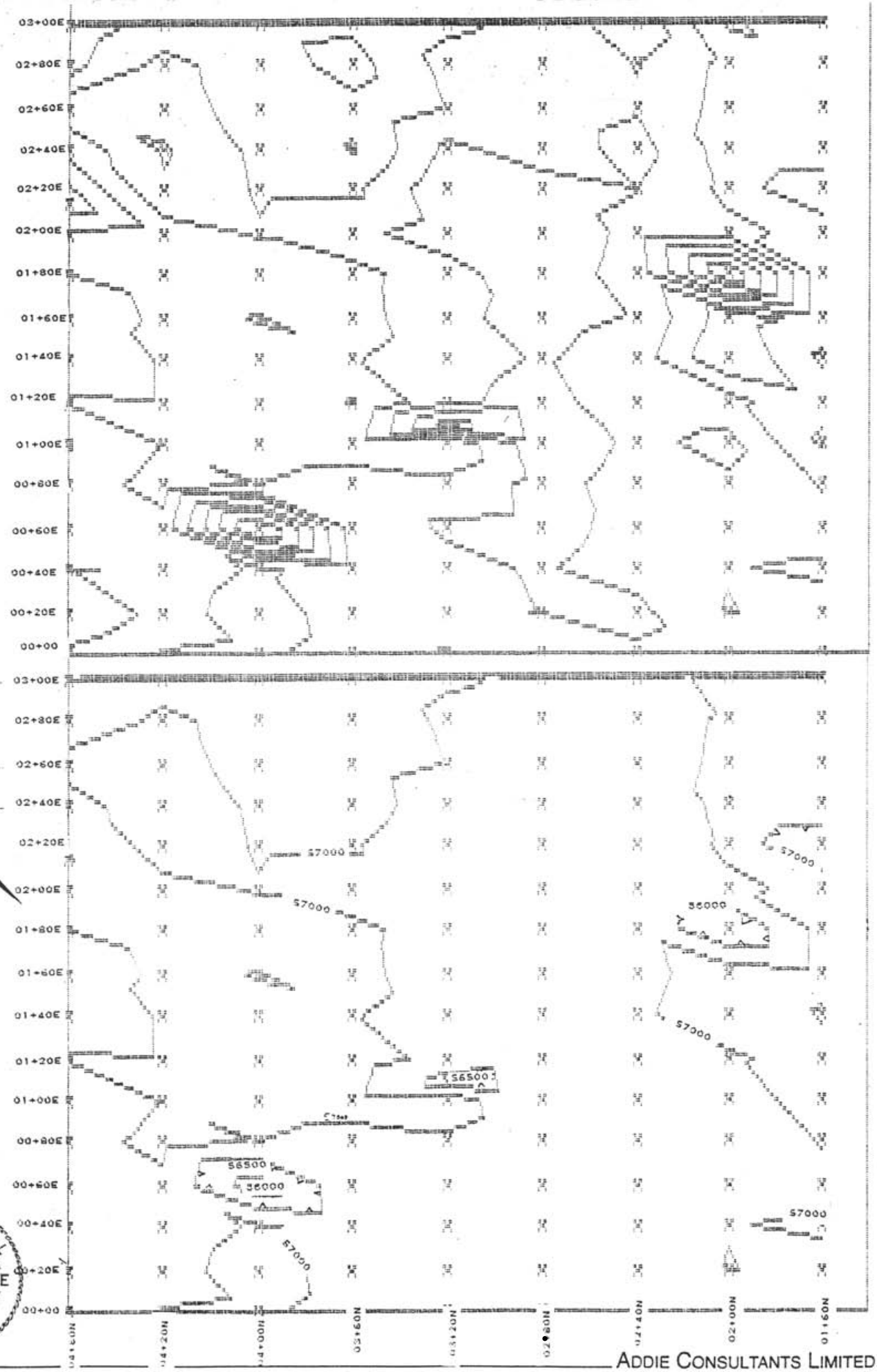
1. A magnetic high of 58,000 gammas exists at line 06+80S, 01+00E which seems to be half surrounded by a magnetic low. Is this an alteration zone?

2. Another magnetic high exists on the edge of the map at line 04+40S, 03+20E. Its strength is well indicated on Fig. 7.

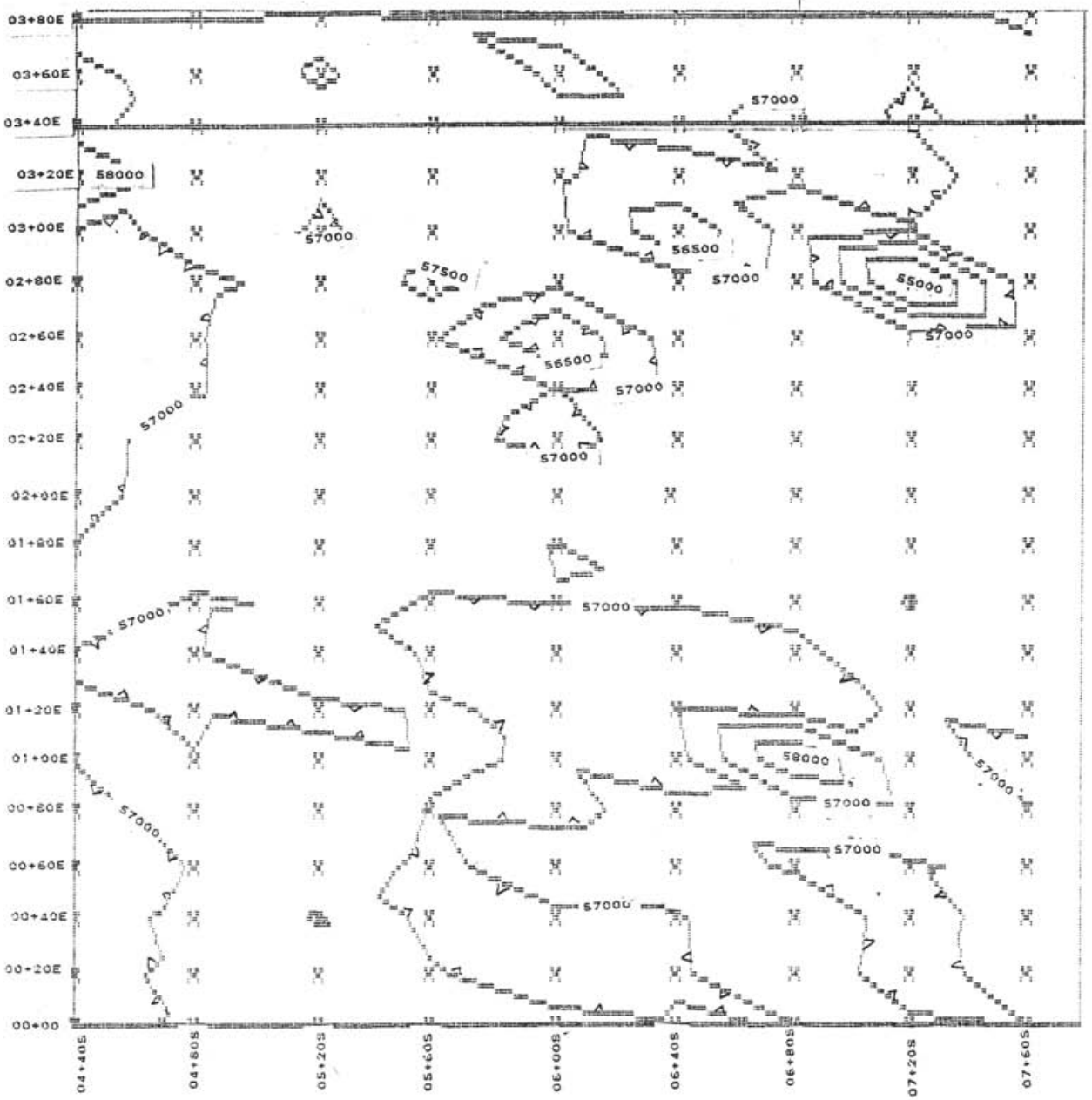
3. Parallel magnetic lows (shear zones?) exist between lines 05+60S, 02+80E and 06+00S, 02+60E, and again from lines 06+00S, 03+20E to line 07+60S, 02+80E.

BEAR NORTH CLAIM

FIG. 5

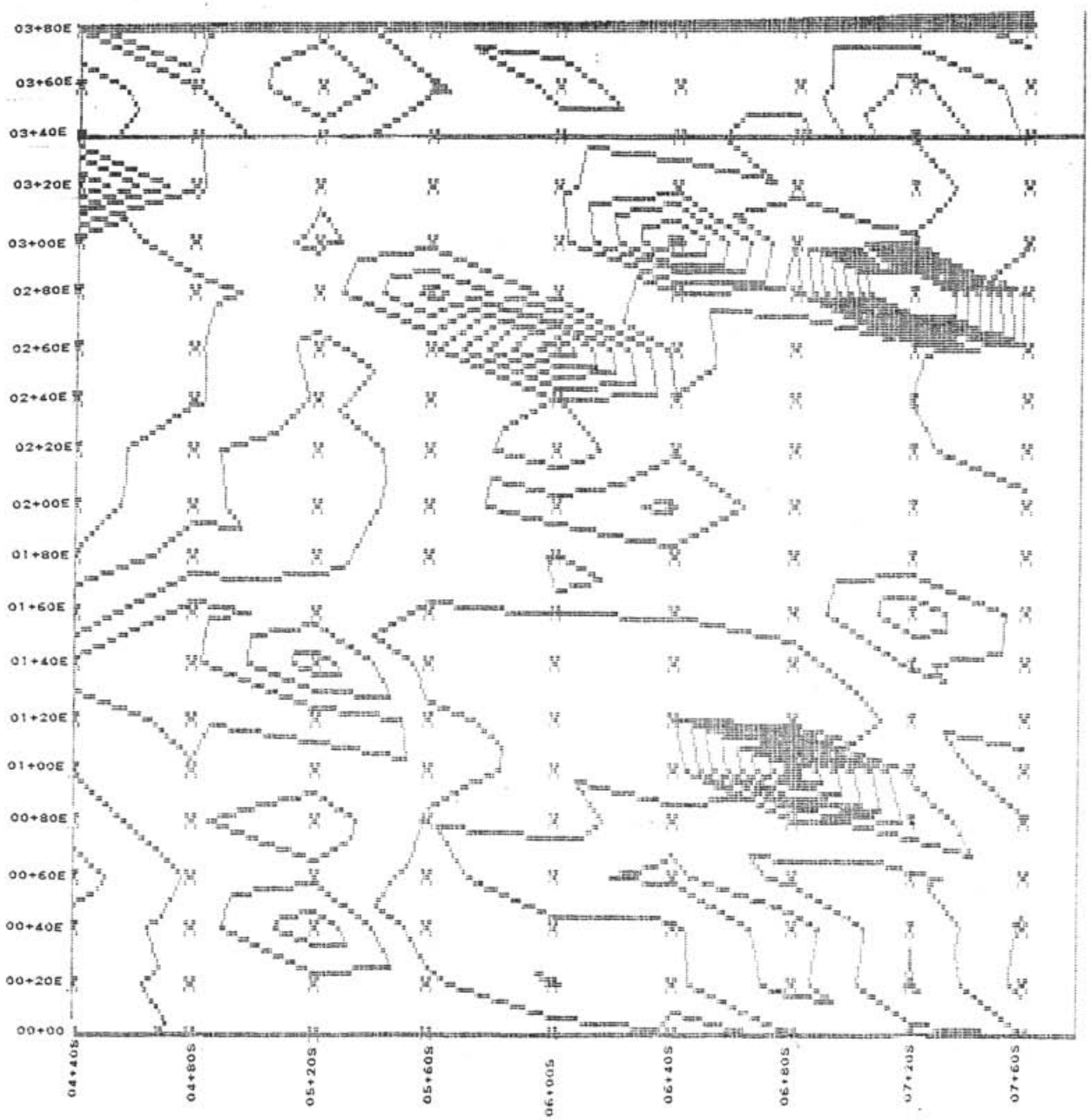


BEAR SOUTH CLAIM



Contour Interval = 500.0

BEAR SOUTH CLAIM



Contour Interval = 200.0

SCALE 1 : 2222

1 Cm.

STATEMENT OF QUALIFICATIONS
and fact.

1. I am a Professional Engineer of the Province of British Columbia residing at 604 3rd Street, Nelson, B.C., V1L 2P9.

2. That I am a Fellow in good standing of the Geological Association of Canada.

3. That I have not been on any of the properties mentioned in this report.

George G. Addie

Dated at Nelson, British Columbia on the 14th day of May, 1992.

CERTIFICATE

JOHN KEMP

BOX 866

GRAND FORKS, B.C. V0H 1H0

Basic Prospecting Course
B.C. Ministry of Mines, 1970

Prospecting Course
B.C. Chamber of Mines, 1989

Advanced Prospecting Course, 1991
B.C. Ministry of Mines &
Malaspina College

Petrology for Prospectors
Ministry of Energy, Mines & Petroleum Resourses
1992

DON HAIRSINE

BOX 1239

GRAND FORKS, B.C. V0H 1H0

Basic Prospecting Course, 1956

Advanced Prospecting Course, 1984
B.C. Ministry of Mines &
Malaspina College

Petrology for Prospectors
Ministry of Energy, Mines & Petroleum Resourses
1992

STATEMENT OF EXPENSES

The field work of establishing the grids of 7.7 Km of line, prospecting and Geophysical Survey was carried out on the Bear Claim Group, Greenwood Mining Division, B.C. on May 1, 2, 3, 4, 5, and 9th 1992 to the value of the following.

Field work 2 men 5 days	
10 Man days at $200.00 per day	$2,000.00
Vehicle rental 4X4 at $65.00 per day	325.00
Field supplies (ribbon, topo line)	40.00
Magnetometer rental at $125.00 per week	125.00
Addie Consultants Contouring and Interpretation	125.00
Data Compilation	150.00
Total	$2,765.00

Eighteen assays were processed compliments of Tech Exploration and Crown Resourses.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

22,348

CUB 2

CUB 3

BOB #303435

BOB 1

CUB 1

BEAR #5960

BEAR NORTH GRID

BEAR SOUTH GRID

SOUTH PASS CR.

4N1

4N4E.

04+80N
04+40N
04+00N
03+60N
03+20N
02+80N
02+40N
02+00N
01+60N
00+00

04+40S
04+80S
05+20S
05+60S
06+00S
06+40S
06+80S
07+20S
07+60S

SOUTH PASS CREEK

BASELINE 135°

EHOLT #3 4867

EHOLT #4 4905

JEWEL LAKE 5KM.

FORESTRY ROAD

PASS CREEK #3 HIGHWAY 2.4 KM.

L.C.P.

SPUR ROAD OFF PASS CREEK RD.

4E.

N

LEGEND

STREAM
SWAMP
ROAD
GRID
TRENCHES
SHAFT
ADIT
TRAVERSES
FAULT
ASSAYS

ACESS

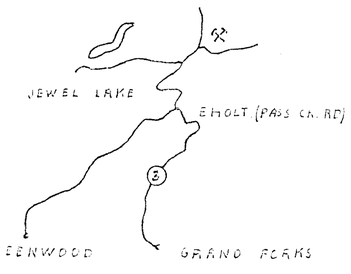


FIGURE 8

BEAR CLAIM GROUP

GREENWOOD MINING DIV

MAGNETOMETER SURVEY

PROSPECTING REPORT

DATE	NTS	LAT 49°10' LONG 118°35'	DRAWN BY
MAY 10/92	82E/2E		J.K.

80 40 0 100 200 300 400
100 60 20

SCALE 1:5000