

GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORTS
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**GEOPHYSICAL
ASSESSMENT REPORT**

DEC 05 1995
Gold Commissioner's Office
VANCOUVER, B.C.

on the

**RAIL CLAIM GROUP
LAC LA HACHE AREA
CLINTON MINING DIVISION**

by

MURRAY S. MORRISON, B.Sc.

CLAIMS: Rail 1-23 (23 units).
LOCATION: The Rail property is situated 3 km southwest of Spout Lake, 18 km northeast of Lac La Hache, B.C.
 Lat. 51°58'; Long. 121°26';
 N.T.S. Map 92-P-14W.
OWNER: M. S. Morrison
OPERATOR: M. S. Morrison
DATE STARTED: May 29, 1995
DATE COMPLETED: June 9, 1995

FILMED

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

Kelowna, B.C.

November 30, 1995

24,163

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SUMMARY

The Rail property is situated near Spout Lake, 18 km northeast of Lac La Hache in the Clinton Mining Division of British Columbia. The property was staked by the writer in September 1991 & 1994 to cover a strong elongate airborne magnetic anomaly that is outlined on government aeromagnetic maps.

The property consists of 23, 2-post mineral claims, and in part, covers ground formerly covered by the WB mineral claims of Amax Exploration Inc. in the early 1970's.

The WB property was one of several in the region on which Amax conducted surveys in the late 1960's and early 1970's. Chalcopyrite mineralization associated with magnetite was discovered at locations south of Spout Lake (WC property) and southeast of Spout Lake at Peach Lake (Peach property), but economic concentrations of copper eluded explorationists of the day.

Exploration by Amax on the WB property in 1972-73 included magnetometer and I.P. geophysical surveys and the drilling of six percussion drill holes, totalling 381 metres. Results were negative.

Exploration work in the Spout Lake - Mount Timothy region more recently has produced some significant drill hole results. In 1991, Liberty Gold Corp. of Vancouver reported 41 metres of 0.40% copper, including 7 metres of 2.05% copper from drill hole 90-1, and 51.8 metres of 0.25% copper, including 5.2 metres of 1.02% copper from drill hole 90-10 on their Tim property near Timothy Mountain. In May of 1993, GWR Resources Inc. reported results from diamond drill hole 93-14 on their Peach Lake Property. The drill hole intersected 9.6 m of skarn mineralization grading 0.86% copper, 47% magnetite and 0.26 g/t gold.

SUMMARY continued

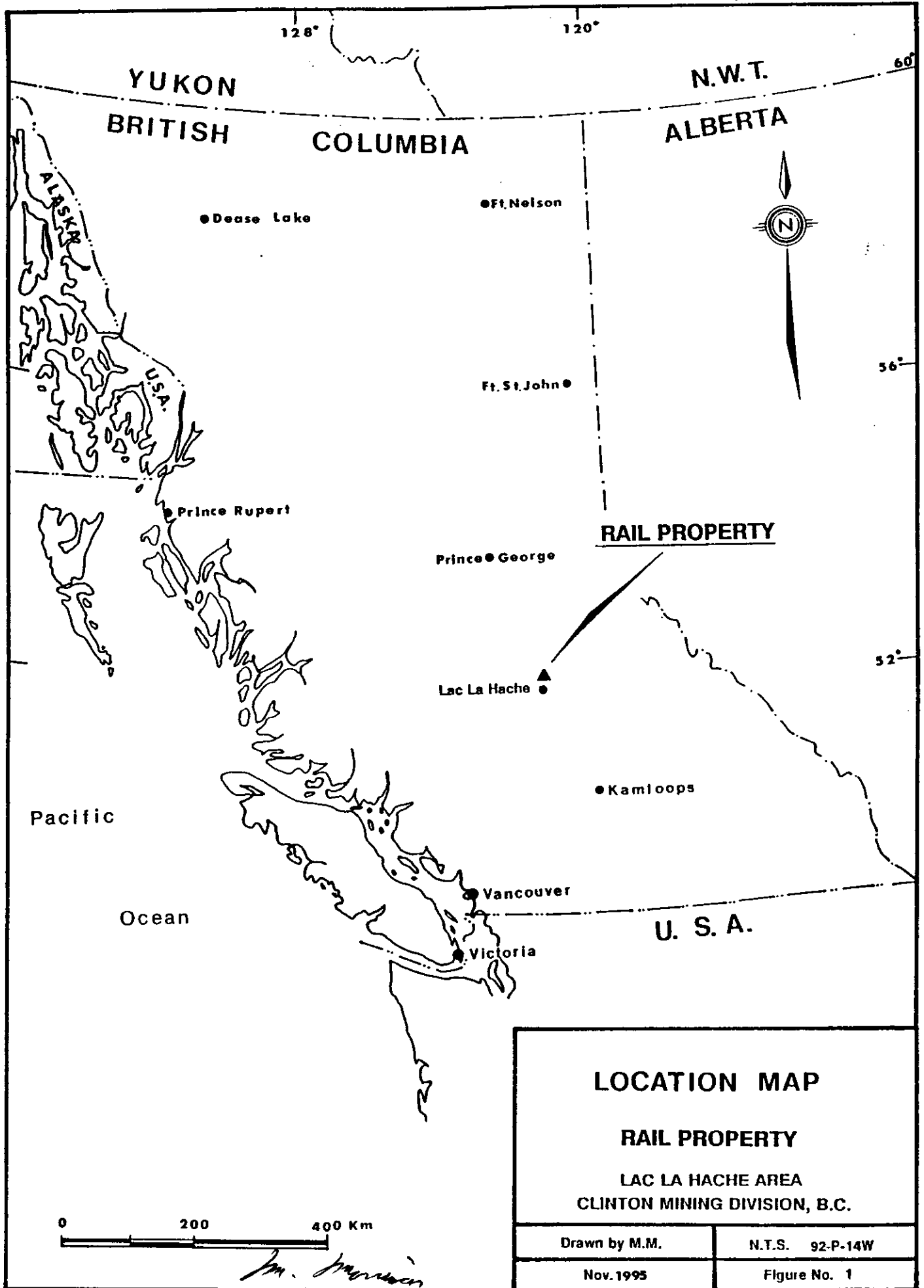
The well-known Mount Polley copper-gold porphyry deposit located 64 km northwest of Spout Lake provides the best example of the type of target that should be sought in the Spout Lake area. The Mount Polley geology consists of an alkaline laccolith that is intrusive into Nicola Group rocks. The geology features a late breccia phase and mineralization that is made up of magnetite with economic values of chalcopyrite and gold (i.e. mineable reserves of 81.5 million tonnes of 0.30% copper and 0.414 grams of gold).

The 1992, 93 & 95 ground magnetometer surveys (33 km) conducted over 18 of the 23 Rail mineral claims have outlined a highly magnetic body that occurs on the southwestern side of the property. The magnetic body is believed to represent an ultrabasic to alkalic zoned laccolith that intrudes the Upper Triassic Nicola Group rocks underlying the property. There is some evidence of late faulting on the property.

Further exploration of the Rail property is recommended, because of similarities with others in the region, particularly the Mount Polley property.

Soil geochemistry is not recommended due to the heavy till cover.

A low-cost, short-hole, reverse circulation percussion drilling program is recommended at several sites across the large property. Drill chip samples from the base of the till and from bedrock should be analyzed for magnetite, copper, gold and silver values.



INTRODUCTION

This report, written for government assessment work requirements, discusses the results of a ground magnetometer survey conducted over portions of the Rail 18-23 Mineral Claims by the writer during May - June, 1995.

The Rail Claim Group is comprised of 23 contiguous 2-post mineral claims that were staked by the writer, M. Morrison, of Kelowna, B.C., during September, 1991 & 94. The mineral claims, located midway between Rail Lake and Spout Lake, 18 km northeast of Lac La Hache, B.C., were staked to cover an elongate magnetic anomaly that is outlined on Government Aeromagnetic Map 5232G-Lac La Hache.

It is believed that the elongate magnetic anomaly could represent an alkaline body that is intrusive into the Upper Triassic Nicola Group rocks that are thought to underlie the property, and as such, could represent the potential for the existence of an "alkaline intrusive-hosted" copper-gold porphyry deposit on the Rail property. A similar geology occurs at the well-known Mount Polley copper-gold porphyry deposit located 65 km to the northwest.

The Rail property is entirely mantled by till. Therefore, in 1992, a decision was made to conduct a ground magnetometer survey over the central portion of the property in an effort to distinctly outline the boundaries of the suspected alkaline intrusive body. It was hoped that the survey might also accentuate secondary features not defined by the airborne survey (such as phase zoning within the intrusive, or fault displacements of the intrusive).

Ground magnetometer surveys conducted over the original Rail 1-17 mineral claims in 1992 & 93 were successful in clearly defining the northwest, northeast and southeast contacts of the inferred intrusive, but indicated that the southwestern contact lay outside of the borders of the claim group. As a consequence six mineral claims were added to the southwestern side of the property in September, 1994, and this year's magnetometer survey was conducted over portions of the new mineral claims in order to define the southwestern contact of the inferred intrusive.

INTRODUCTION continued

The magnetic values obtained during this year's survey are displayed and contoured on Maps R-95-1A & B accompanying this report. A complete outline of the magnetic body (i.e. the inferred intrusive) can be seen by placing the maps from the 1992 & 93 surveys adjacent to this year's maps. Maps R-92-1 and R-93-1 & 2 were filed with the 1992 & 93 Assessment Reports on the Rail property.

LOCATION AND ACCESS

The Rail property is located midway between Rail Lake and Spout Lake, 18 km northeast of Lac La Hache, B.C. (Lat. 51°58'; Long. 121°26'; N.T.S. Map 92-P-14W).

Access to the property from Highway 97 at Lac La Hache is via the Spout Lake Road (23.6 km) and a series of logging roads extending east from the Spout Lake Road as illustrated on Figure 2.

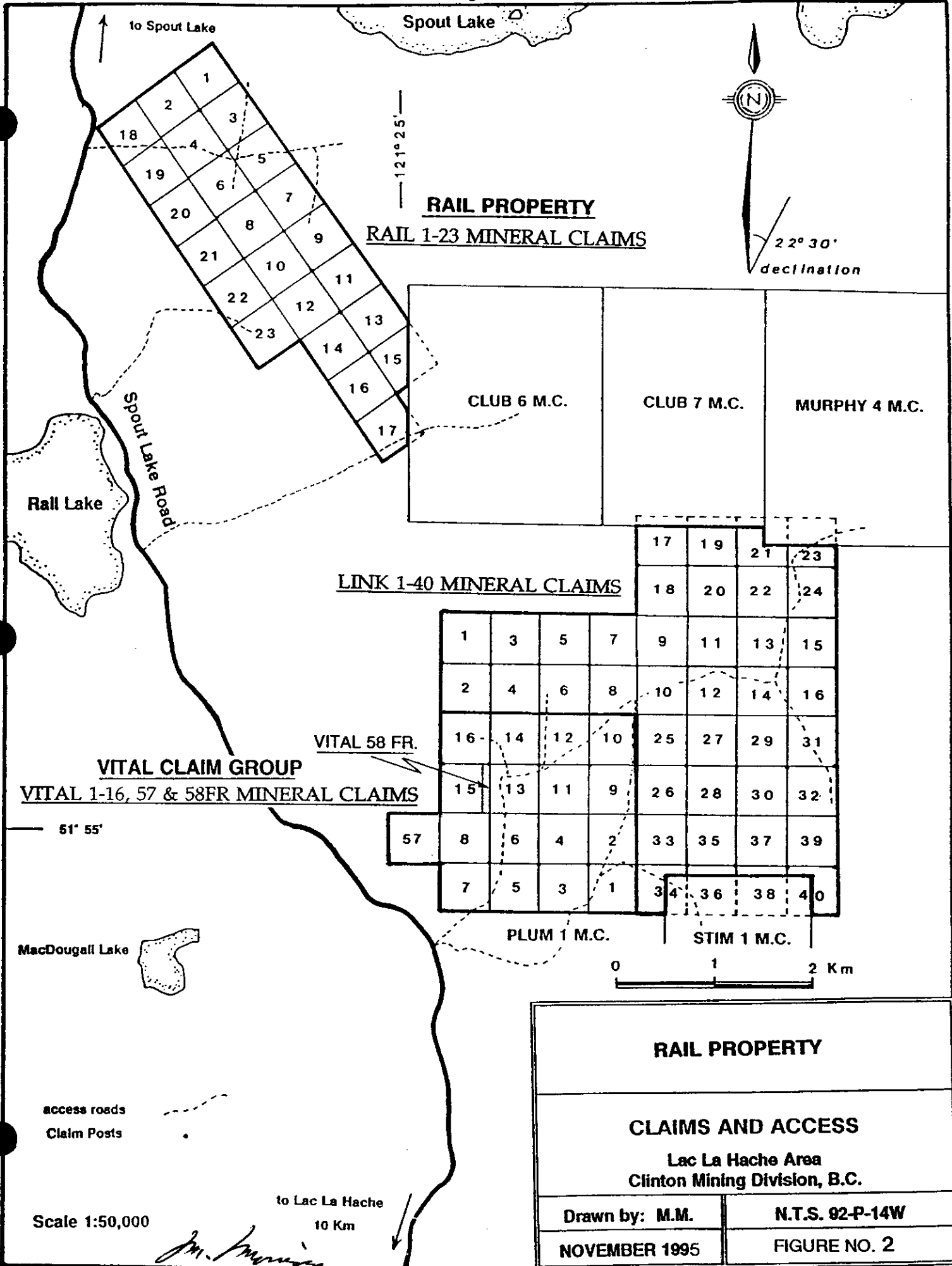
PHYSICAL FEATURES AND CLIMATE

The Rail property covers an area of very subdued relief at the 1120 m elevation near the centre of the Fraser Plateau.

The property is located at the height of land midway between Rail Lake, 2 km to the southwest, and Spout Lake, 2 km to the northeast. Drainage on the property is internal and flows into large shallow marshes.

The entire property is covered by a boulder-clay till believed to range from 3 to 10 metres thick. Geomorphic features include low glacial ridges and shallow meltwater channels.

There is no outcrop on the property.



RAIL PROPERTY

CLAIMS AND ACCESS

Lac La Hache Area
Clinton Mining Division, B.C.

Drawn by: M.M.

N.T.S. 92-P-14W

NOVEMBER 1995

FIGURE NO. 2

Scale 1:50,000

J.M. Murray

PHYSICAL FEATURES AND CLIMATE continued

Forest cover on the property is predominantly Lodgepole pine - some of which has been recently clear-cut logged. Other forest species include poplar and spruce which fringe the grassy marshes and generally grow in lower poorly drained regions on the property.

The property and surrounding countryside are used as summer rangeland for cattle.

The Fraser Plateau has a moderate climate with summer highs seldom exceeding 30°C and winter lows usually not dropping below -30°C. Precipitation equals approximately 40 cm annually and one-third of it occurs in the form of snow. The snow begins to accumulate around the first of November and generally lingers in the forested areas until early April.

CLAIM STATUS

The Rail 1-23, 2-post mineral claims were staked during September, 1991 & 94, by the writer, M. Morrison, of Kelowna, B.C. They were recorded in the writer's name in the Clinton Mining Division. The following table lists the mineral claims comprising the Rail Group:

<u>CLAIM NAME</u>	<u>UNITS</u>	<u>TENURE NO.</u>	<u>DATE OF RECORD</u>	<u>EXPIRY* DATE</u>
Rail 1	1	304273	September 8, 1991	September 8, 1996
Rail 2	1	304274	September 8, 1991	September 8, 1996
Rail 3	1	304275	September 8, 1991	September 8, 1996
Rail 4	1	304276	September 8, 1991	September 8, 1996
Rail 5	1	304277	September 8, 1991	September 8, 1996
Rail 6	1	304278	September 8, 1991	September 8, 1997
Rail 7	1	304279	September 8, 1991	September 8, 1996
Rail 8	1	304280	September 8, 1991	September 8, 1997
Rail 9	1	304281	September 8, 1991	September 8, 1996

<u>CLAIM NAME</u>	<u>UNITS</u>	<u>TENURE NO.</u>	<u>DATE OF RECORD</u>	<u>EXPIRY* DATE</u>
Rail 10	1	304282	September 8, 1991	September 8, 1997
Rail 11	1	304283	September 9, 1991	September 9, 1996
Rail 12	1	304284	September 9, 1991	September 9, 1997
Rail 13	1	304285	September 9, 1991	September 9, 1996
Rail 14	1	304286	September 9, 1991	September 9, 1996
Rail 15	1	304287	September 9, 1991	September 9, 1996
Rail 16	1	304288	September 9, 1991	September 9, 1996
Rail 17	1	304870	September 24, 1991	September 24, 1996
Rail 18	1	330642	September 7, 1994	September 7, 1996
Rail 19	1	330643	September 7, 1994	September 7, 1996
Rail 20	1	330644	September 7, 1994	September 7, 1996
Rail 21	1	330645	September 7, 1994	September 7, 1996
Rail 22	1	330646	September 8, 1994	September 8, 1996
Rail 23	1	330647	September 8, 1994	September 8, 1996

* (New Expiry Date based on the acceptance of this report for Assessment Work Credits).

HISTORY

The Rail Property covers a portion of ground that was formerly covered by the WB mineral claims of Amax Exploration Inc. in 1972-73. The WB mineral claims comprised one of several properties that Amax had staked in the early '70's to surround their prime exploration target on the WC and Peach/Pit properties located south and east of Spout Lake, respectively (see Regional Mineralization).

In 1972 Amax conducted a helicopter magnetometer survey over several of their properties including the WB, and in 1973 followed-up the airborne survey with a ground magnetometer survey. Five kilometres of Induced Polarization survey were conducted on the WB property in 1973 and six percussion drill holes, totalling 381 metres, were drilled on the WB 24, 30, 41 and 45 mineral claims (G.E.M. 1972 & 73).

HISTORY continued

Some old roads have been located on the present Rail property that could date back to the early 1970's, and some pyroxenite sand that could represent percussion drill chips was noted at grid 21N, 4+25W on the Rail property.

There is no record of any work having been done on the property from 1974 until 1992. In 1992 the writer conducted a ground magnetometer survey over the Rail 5-10 mineral claims on a 25 by 200 metre grid. In 1993, the survey was expanded to cover the Rail 2, 4, 12, 14, 16 & 17 mineral claims on a grid spacing of 25 by 100 or 200 metres.

REGIONAL GEOLOGY

The regional geology of the Lac La Hache area is illustrated on the Bonaparte Lake, 1"=4 mile, map sheet (#1278A) of the Geological Survey of Canada (Campbell and Tipper, 1971). Much of the Fraser Plateau to the west and south of Lac La Hache is mantled with thick Tertiary lava flows of Miocene and/or Pliocene age. However, a wide window in the Tertiary volcanics east of Lac La Hache exposes a 16 by 40 km belt of Upper Triassic Nicola Group volcanics and sediments. The western edge of the large Takomkane Batholith of Triassic or Jurassic age intrudes the Nicola Group rocks at Spout Lake, Mount Timothy, Timothy Lake and Spring Lake 17 km to the east of Lac La Hache. A 6.5 km wide dioritic and syenodioritic contact phase of the batholith extends 11 km from Mount Timothy to Spout Lake.

A late fault coincident with Timothy Creek cuts through the centre of the Nicola Group belt on the Bonaparte Map and crosses the countryside 2 km east of the Rail property.

Map 1278A indicates that the Rail property lies just to the north of the window in the Tertiary volcanic cover, but the results of the 1992, 93 & 95 magnetometer surveys would suggest that the Tertiary volcanics do not overlie much of the Triassic rocks on the property. The elongate airborne magnetic anomaly that is outlined on the Government Aeromagnetic

REGIONAL GEOLOGY continued

Series Map 5232G-Lac La Hache, which is covered by the Rail Claim Group, is believed to represent an alkaline-rich body that is intrusive into the Nicola Group rocks which are believed to underlie the property.

A veneer of Pleistocene boulder-clay till blankets the entire property.

REGIONAL MINERALIZATION

Copper occurrences are common east of the Timothy Creek Fault within basaltic and andesitic volcanic rocks of the Nicola Group, particularly where they are intruded by micro-dioritic, syenodioritic or monzonitic intrusive bodies. Mineralization consists of chalcopyrite or bornite and ranges from low grade disseminations to higher grade veinlets associated with shearing. Skarn development has also been noted at intrusive-volcanic contacts on the old WC property of Amax Exploration Inc. located immediately south of Spout Lake. Chalcopyrite occurs with magnetite at the skarn occurrences.

Similar chalcopyrite-magnetite mineralization occurs at the contact of an alkalic intrusive complex emplaced into Nicola Group rocks on the old Peach Lake property of Amax Exploration Inc. located just 4 km east of Spout Lake.

The Spout Lake and Peach Lake properties, located 4 km and 8 km east of the Rail property respectively, are now owned by GWR Resources of Vancouver, and are currently optioned to Regional Resources of Toronto. A vigorous exploration effort has been conducted on these properties since December 1992 in an attempt to prove up an economic deposit of magnetite, copper and gold. As an example of success a news release in the May 7, 1993 Canada Stockwatch reported that diamond drill hole 93-14 had intersected 9.6 m of skarn mineralization grading 0.86% copper, 47% magnetite and 0.13 g/t gold.

REGIONAL MINERALIZATION continued

Another development in recent years involved the discovery of native copper, chalcopyrite and chalcocite mineralization by Liberty Gold Corp. on their Tim property located near Mount Timothy, 12 km southeast of the Rail property. In 1990, drill hole 90-1 on the Tim property returned 41 metres of 0.40% copper, including 7.0 metres of 2.05% copper, and drill hole 90-10 returned 51.8 metres of 0.25% copper, including 5.2 metres of 1.02% copper (Vancouver Stockwatch, October 17, 1991, p. 39).

As early as 1968, A. Sutherland Brown noted the "marked similarity of the Spout Lake geology with that of the Cariboo Bell area (now called Mount Polley area) located 65 km northwest of Spout Lake (Report of the Minister of Mines, 1968, pp. 155-159).

The main feature of the Mount Polley geology is an alkaline multiphase laccolith that is intrusive into (and coeval with) Nicola Group rocks. The phases range from syenodiorites to monzonites to pyroxenites, and include a very important semi-discordant breccia phase that has been mineralized with late magnetite and chalcopyrite. Native gold occurs within chalcopyrite grains. A pyrite "halo" extends east (or geologically above) 1000 metres from chalcopyrite-magnetite mineralization.

The current mineable reserves at the Mount Polley property have been calculated at 81.5 million tonnes grading 0.30% copper and 0.414 grams of gold (George Cross News Letter, Nov. 2, 1995) and the property is presently being prepared for production.

PROPERTY GEOLOGY

There is no outcrop on the Rail Claim Group, but it is thought that Upper Triassic Nicola Group volcanics and/or sediments may underlie the property. The results of the recent magnetometer surveys suggest that a phased-alkaline body may intrude the Nicola Group rocks on the west side of the property (see Ground Magnetometer Survey - Discussion).

A boulder-clay till, estimated to be 3 to 6 metres thick, covers the entire property. The till is comprised of 40% boulders of 10 to 100 cm size set in a matrix of brown clay. Ninety per cent of the boulders are granitic (granodiorite and diorite, presumably originating from the Takomkane batholith), some boulders are gabbro or pyroxenite, and a few are basalt boulders of Tertiary Age.

It is possible that the source of the gabbro and pyroxenite boulders is local and that they originate from that portion of the property overlying the magnetic anomaly. It appears that highly magnetic pyroxenite may have been encountered during the 1973 Amax drill program. Pyroxenite sand, which probably represents drill cuttings, was noted at grid 21N, 4+25W during this year's survey.

The high clay content of the till is expected to have hampered previous soil geochemical surveys in the area.

GROUND MAGNETOMETER SURVEY

Grid

The grid numbering system used for the 1992 & 93 ground magnetometer surveys on the Rail property was expanded to the southwest to cover this year's survey on portions of the Rail 18-23 mineral claims. A second Baseline (BL4 + 75N) was measured along the Location Line of the Rail 18-23 mineral claims at 145 degrees azimuth for 2700 metres this year. Flagged grid lines were then measured at 100 metre intervals perpendicular from the Baseline for 250 to 550 metres to the southwest as illustrated in Maps R-95-1A & B accompanying this report. A more detailed grid with 50 metre line spacing was established on positions of the Rail 18 mineral claim. Stations were marked at each 25 metre measure along all of the grid lines. A Topoline belt chain and a Silva Ranger compass were used to establish the 12 km of grid line which was laid-out in conjunction with the ground magnetometer survey.

Program

A Scintrex MF-2 Portable Fluxgate Magnetometer was used to survey the property. The magnetometer with a resolution of 5 gammas was considered suitable for the survey.

Baseline station values were established by making a double traverse along the baseline on a day of slight diurnal variation. The baseline stations were then corrected for diurnal variations, and the corrected values were used during the survey.

Looped traverses were made along pairs of grid lines, starting and ending at baseline stations (usually within 1 to 2 hours), and corrections were made to all values for diurnal variations. During this year's survey, intermediate readings were taken midway between all flagged grid stations in addition to the grid station readings to increase the detail of the survey. All of the corrected readings are plotted on the contoured magnetometer maps, R-95-1A & B, accompanying this report. A constant value of 50,000 gammas has been subtracted from all of the values on the maps for ease of plotting and clarity.

GROUND MAGNETOMETER SURVEY continued**Results**

Note: The following discussion refers to the magnetic values plotted on Maps R-95-1A & B. As mentioned earlier, a constant value of 50,000 gammas has been subtracted from all field readings for easier plotting on the maps.

The strong elongate airborne magnetic anomaly that crosses the Rail property has now been covered by ground magnetometer surveys at a grid spacing of 12.5 by 50, 100 or 200 metres. The central segment of the anomaly was surveyed in 1992 (Map R-92-1), the northwestern and southeastern portions (Maps R-93-1 & 2) were surveyed in 1993, and finally, the southwestern portion (Maps R-95-1A & B) was covered this year.

The ground magnetometer survey, as illustrated on all five maps, distinctly outlines a zone of high magnetics (1,000 to 15,100 gammas) against a background of low magnetics (-400 to 1,000 gammas). The strong anomaly extends 2,200 metres from grid line 16N on the south to line 38N on the north and varies from 300 to 500 metres in width. The anomaly underlies the Rail 4, 6, 8, 10, 12 & 18-23 mineral claims.

The strong magnetic anomaly is interpreted to represent an ultrabasic to alkalic body (possibly a laccolith) that has intruded the Upper Triassic Nicola Group rocks that are believed to underlie the property. Scattered float of gabbro and pyroxenite across the property suggest that at least some of the intrusive may be of gabbroic or pyroxenitic composition. A pile of pyroxenite sand noted at grid 21N, 4 + 25W during the magnetometer surveys could represent drill cuttings from the Amax Exploration 1973 drill program.

The range of intensity of the magnetic values of the anomaly from 4,000 to 15,100 gammas along a 2,200 metre length could represent zoning within the intrusive. For instance, a zone of high magnetics (8,000 gammas) extending from L 32N to L 35N at grid 5W could

GROUND MAGNETOMETER SURVEY continued**Results** continued

represent a gabbroic phase, while another zone of very high magnetics (12,500 gammas) extending from L 20N to L 22N at grid 4W could represent a pyroxenitic phase.

The magnetic gradient from 1,000 to 8,000 gammas is less steep on the northeast side of the magnetic body than on the southwest side suggesting that if the magnetic body does, in fact, represent a laccolith then the laccolith has a moderately steep dip to the northeast.

This year's survey along the southwestern side of the inferred intrusive with a grid spacing of 12.5 by 100 metres accentuated some of the cross-cutting features first noted in 1992. As an example, there are distinct breaks in the otherwise uniform contour pattern that surrounds the inferred intrusive in the vicinity of lines 33N, 30N and 24N. The breaks suggest that the inferred intrusive may be segmented by late cross-cutting faults at these localities.

Another major feature outlined during this year's survey is the circular magnetic high (1000 to 6550 gammas) that is centred near the northwest corner of the Rail 18 mineral claim. The evenly spaced concentric contour lines are thought to represent an intrusive body that lies below overburden on this portion of the property. A belt of moderate magnetic values (1000 to 2000 gammas) connects the Rail 18 anomaly to the main elongate anomaly, indicating that the two anomalies are most probably of common origin.

The highly erratic magnetic values on L26N at 10+50W are coincident with an area where Tertiary basalt scoria float was noted during the survey.

GROUND MAGNETOMETER SURVEY continued**Discussion**

The magnetic data suggests that the elongate inferred intrusive may be made up of two or more phases. Some float found scattered across the property suggests that at least two of these phases may be of gabbroic and pyroxenitic, composition. There is also the possibility that a late magmatic segregation phase with concentrated magnetite, copper and gold values could occur at some location within, or adjacent to, the intrusive. Such an event seems to have occurred at the Mount Polley deposit where a late semi-discordant breccia phase has introduced magnetite and chalcopyrite (with gold) into the zoned laccolith intrusive (see Regional Mineralization).

In addition to the inferred cross-cutting faults located in the vicinity of lines 33N, 30N and 24N, and mentioned under the title "Results," there appears to be a wide break in high magnetic values between the large elongate inferred intrusive and the circular Rail 18 inferred intrusive (i.e. between lines 38N and 41N). It is thought that the break in high magnetic values could be caused by the destruction of magnetite by late hydrothermal solutions moving through a strong fault zone. It is possible that the circular inferred intrusive is simply a part of the northern end of the elongate inferred intrusive that has been offset 350 metres to the southwest by faulting. The contour pattern on L37N at the north end of the elongate magnetic anomaly indicates drag-folding that is consistent with the cross-fault/displacement hypothesis.

The magnetic evidence of cross-faulting and the associated breakdown of magnetite by late hydrothermal solutions suggests a potential for porphyry style copper and gold mineralization on the property. The inferred fault zone lying between L38N and L41N appears to be the strongest cross-cutting fault on the property and it displays the most displacement. This fault is considered a prime exploration target for porphyry style copper-gold mineralization.

GROUND MAGNETOMETER SURVEY continued**Discussion** continued

In summary, there are at least three valid exploration targets on the Rail property. First, there are the magnetic highs which could represent magmatic segregation deposits within, or adjacent to, the intrusive. These deposits could contain concentrations of magnetite, copper and gold values. Second, there are the lineal magnetic "lows" that appear to represent cross-cutting faults. It seems that the magnetite in the intrusive has been partially destroyed by late hydrothermal solutions passing through well broken rock. These same hydrothermal solutions may have deposited copper and gold mineralization into the fault zones "porphyry style." Third, there is the possibility that contact metasomatic zones, enriched with magnetite, copper and gold values, could occur at any point around the perimeter of the inferred intrusive and extend for some distance into the country rock.

CONCLUSIONS AND RECOMMENDATIONS

This year's ground magnetometer survey conducted over portions of the Rail 18-23 mineral claims completes ground survey coverage over a strong elongate airborne magnetic anomaly that is on government map 5232G (Lac La Hache). The survey, started in 1992, has a grid spacing ranging from 12.5 by 50 metres to 12.5 by 200 metres.

The 1992, 93 & 95 surveys conducted over the Rail 2, 4, 5-10, 12, 14 & 18-23 mineral claims have outlined three zones with high magnetic values. The largest and strongest zone, with values of up to 15,100 gammas, is elongate and extends for 2200 metres across the Rail 2, 4, 6, 8, 12 & 19-23 mineral claims. It is thought that this zone represents an ultrabasic to alkalic laccolith that is intrusive into the Upper Triassic Nicola Group sediments and volcanics which are believed to underlie the property.

A second, circular, zone of high magnetics (6550 gammas) was outlined during this year's survey on the Rail 18 mineral claim. It is thought to represent a fault displaced segment of the elongate anomaly (see Discussion).

A third zone of high magnetics (7,400 gammas) was discovered during the 1993 survey near the boundary of the Rail 16 & 17 mineral claims, 1 km southeast of the elongate anomaly. The third zone is interpreted to represent Tertiary volcanics unrelated to the inferred intrusive.

As outlined under the title "Discussion" it is thought that the property could host magmatic segregation deposits with iron, copper and gold values, or contact metasomatic deposits with these same elements, or porphyry style copper- gold deposits. Even the Mount Polley deposit model (see Regional Mineralization) could be applied to the Rail property.


CONCLUSIONS AND RECOMMENDATIONS continued

A low-cost, short-hole Reverse Circulation Percussion drilling program is recommended to test all three possibilities of mineralization at several sites across the property. Magnetic highs, lineal magnetic lows, and the inferred intrusive contact zones should all be tested.

Samples should be collected from the base of the till and from the upper 10 metres of bedrock. Any drill holes that contain visible copper mineralization near surface should be continued to depth.

All samples collected should be analyzed for magnetite, copper, gold and silver. The property is readily accessible and very amenable to testing with a percussion drill.

November 30, 1995
Kelowna, B.C.



Murray Morrison, B.Sc.

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APPENDIX A**STATEMENT OF QUALIFICATIONS**

I, Murray Morrison, of the City of Kelowna, in the Province of British Columbia, do hereby state that:

1. I graduated from the University of British Columbia in 1969 with a B.Sc. Degree in Geology.
2. I have been working in all phases of mining exploration in Canada for the past twenty-five years.
3. During the past twenty-five years, I have intermittently held responsible positions as a geologist with various mineral exploration companies in Canada.
4. I have conducted several geological, geochemical, and geophysical surveys on mineral properties in Southern British Columbia during the past twenty-five years.
5. I conducted the magnetometer survey outlined in this report.
6. I own a 1% Net Smelter Returns interest in the Rail 1-23 mineral claims.

November 30, 1995
Kelowna, B.C.



Murray Morrison - B.Sc.

APPENDIX B**STATEMENT OF EXPENDITURES - ON THE RAIL CLAIM GROUP**

Statement of Expenditures in connection with a Ground Magnetometer Survey carried out on the Rail Claim Group, located 18 km northeast of Lac La Hache, B.C. (N.T.S. Map 92-P-14W) for the year 1995.

MAGNETOMETER SURVEY (12.0 km)

M. Morrison, geologist	9 days @ \$250.00/day	\$ 2,250
Automobile (including gasoline and insurance)	9 days @ \$40.00/day	360
Meals and Lodging	9 days @ \$56.30/day	507
Flagging and belt chain thread		35
Magnetometer rental	9 days @ \$25.00/day	<u>225</u>
	Sub-total:	\$ 3,377

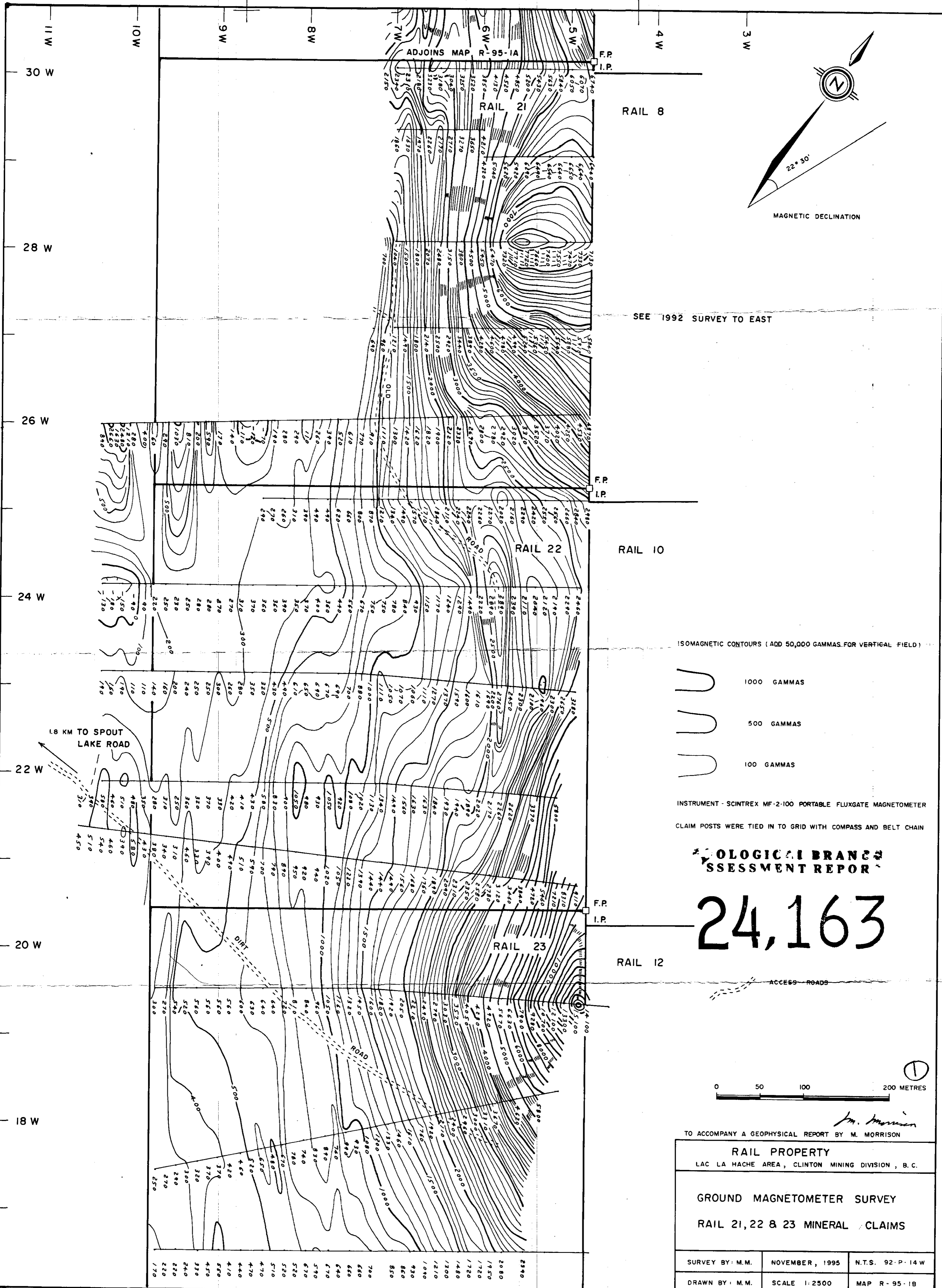
REPORT PREPARATION COSTS

M. Morrison, geologist (correcting magnetometer readings for diurnal variations; plotting and contouring magnetometer readings; analyzing material and writing report).	2 days @ \$250.00/day	\$ 500
Drafting		53
Typing		107
Copying reports		<u>20</u>
	Sub-total:	\$ 680
	Grand Total:	\$ <u>4,057</u>

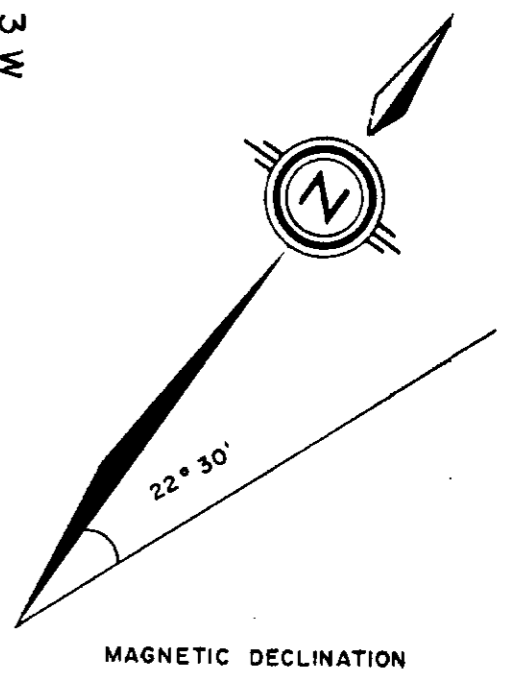
I hereby certify that the preceding statement is a true statement of monies expended in connection with the Ground Magnetometer Survey carried out May 29 - June 9, 1995.

November 30, 1995.


 Murray Morrison - Geologist



ADJOINS MAP R-95-1A



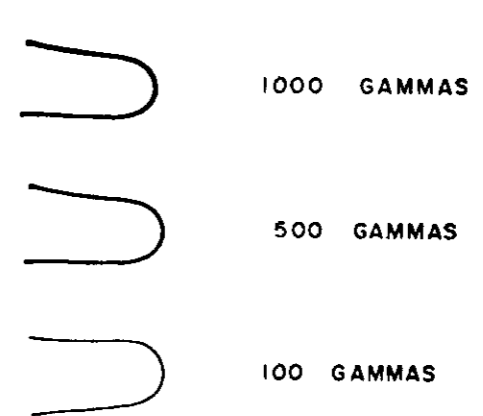
RAIL 8

RAIL 10

RAIL 12

SEE 1992 SURVEY TO EAST

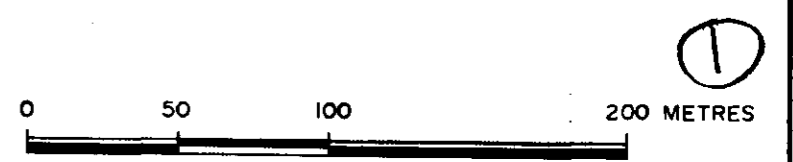
ISOMAGNETIC CONTOURS (ADD 50,000 GAMMAS FOR VERTICAL FIELD)



INSTRUMENT - SCINTREX MF-2-100 PORTABLE FLUXGATE MAGNETOMETER
CLAIM POSTS WERE TIED IN TO GRID WITH COMPASS AND BELT CHAIN

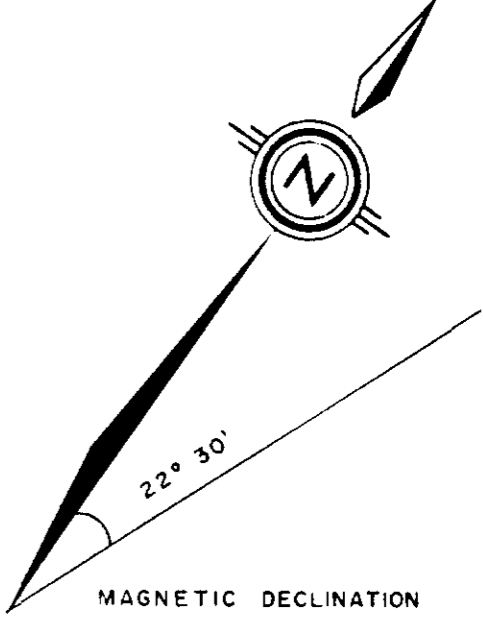
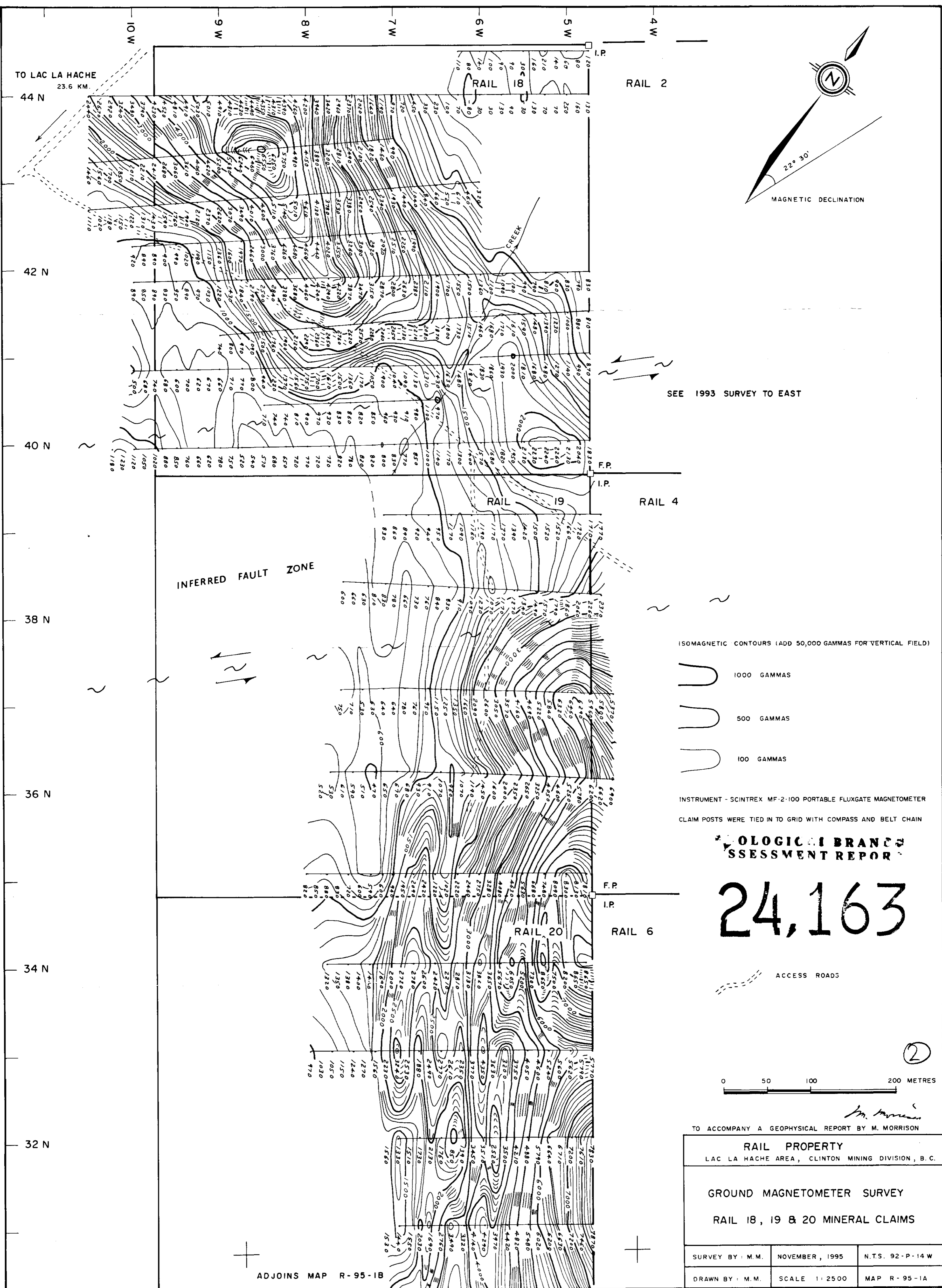
**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

24,163



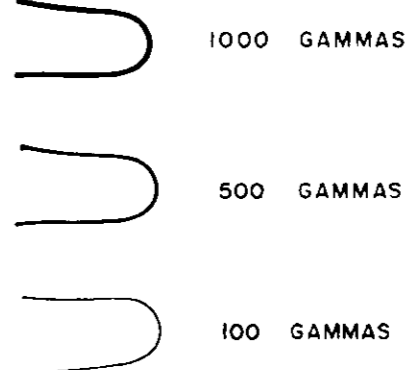
M. Morrison
TO ACCOMPANY A GEOPHYSICAL REPORT BY M. MORRISON

RAIL PROPERTY LAC LA HACHE AREA, CLINTON MINING DIVISION, B. C.		
GROUND MAGNETOMETER SURVEY RAIL 21, 22 & 23 MINERAL CLAIMS		
SURVEY BY: M.M.	NOVEMBER, 1995	N.T.S. 92-P-14 W
DRAWN BY: M.M.	SCALE 1:2500	MAP R-95-1B



SEE 1993 SURVEY TO EAST

ISOMAGNETIC CONTOURS (ADD 50,000 GAMMAS FOR VERTICAL FIELD)



INSTRUMENT - SCINTREX MF-2-100 PORTABLE FLUXGATE MAGNETOMETER

CLAIM POSTS WERE TIED IN TO GRID WITH COMPASS AND BELT CHAIN

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

24,163

ACCESS ROADS

0 50 100 200 METRES

TO ACCOMPANY A GEOPHYSICAL REPORT BY M. MORRISON

RAIL PROPERTY
LAC LA HACHE AREA, CLINTON MINING DIVISION, B. C.

GROUND MAGNETOMETER SURVEY
RAIL 18, 19 & 20 MINERAL CLAIMS

SURVEY BY : M.M.	NOVEMBER, 1995	N.T.S. 92-P-14 W
DRAWN BY : M.M.	SCALE 1:2500	MAP R-95-1A

ADJOINS MAP R-95-1B