GEOCHEMICAL REPORT

on the

ELM GROUP OF MINERAL CLAIMS

KAMLOOPS M.D. NTS 92I/15W

LAT 50-58 N LONG 120-52 W

by

J.D.MURPHY

OWNER AND OPERATOR

TENURE NUMBERS: 335776 TO 335781

1996-04-20

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ADDENDA

LIST OF ILLUSTRATIONS

INTRODUCTION

The ELM Group of six claims, located under the 2-Post system, is centred on the junction of Criss and McGee Creeks, 25 km straight line distance due north of Savona on the Trans Canada Highway at the west end of Kamloops Lake. Distance by road from Savona is 41.5 km. Take the T.C.H. west 9.3 km to the Deadman Creek turnoff. Continue north on this well maintained secondary road for 12.4 km where an active logging road branches northeast just before the bridge over Criss Creek. Follow the logging road 10.6 km to the "23 km" marker where a disused logging road branches north. Continue on this road to the "7 km" marker. About 100 m past this point a little used track turns east then south to Criss Creek, a distance of approximately 2 km, ending at a point near the common post for ELM claims 3,4,5, and 6.

The claims have been partially logged, mainly on the west side of the creek, but on claim 7 on the east side as well. The resulting network of old trails provides good access within the claims. The area is now used extensively for cattle grazing during the snow free period.

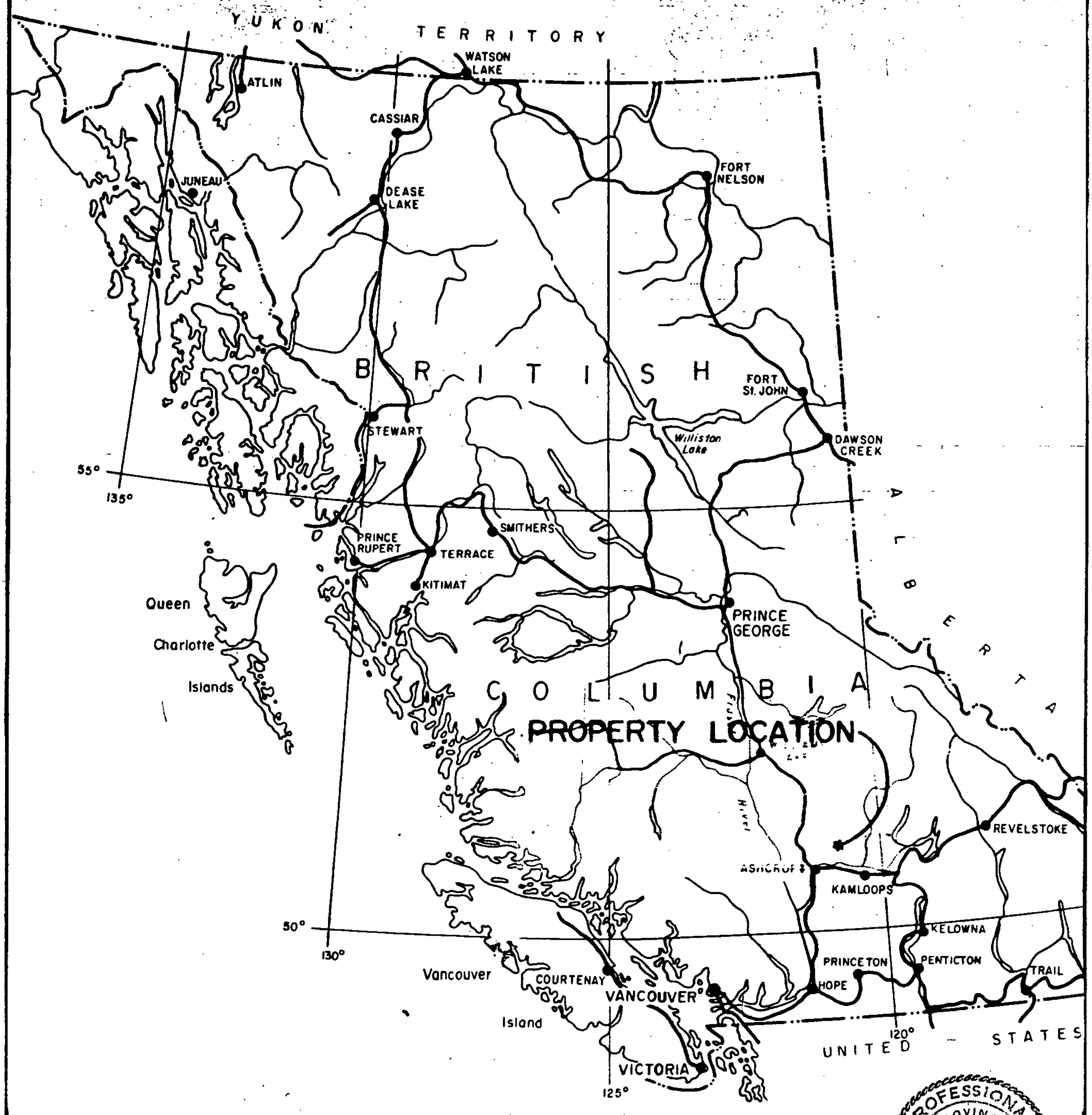
Elevations within the claim group vary from 900 to 1100 metres. Relief is moderate. Topography is generally subdued with relatively gentle slopes. Notable exceptions are the NE and SE slopes of the prominent NW trending ridge underlying claims 1 and 3. The SE slope is particularly steep, dropping over 200 m in a horizontal distance of 400 m. Steep rock scarps to 30 m, but usually much less, are common along Criss Creek, particularly where it cuts the granite intrusive. The area is well drained by Criss Creek, a fast flowing stream draining southwest to Deadman .Creek, which in turn flows south to the Thompson River. Bush is fairly open and park- like, with little underbush even where tree growth is thickest. Fir is the common species, with some minor stands of poplar along water courses and open grassy areas where moisture is more abundant.

Rock outcrops are confined mainly to the channels and banks of Criss and McGee Creeks. Elsewhere, overburden predominates and rock exposures are restricted to ridges and road cuts. Overburden varies from a thin mantle of detritus from the current erosion cycle, to remnants of glacial outwash deposits 5 to 10 m thick as seen at several locations along Criss Creek. These remnants vary from silt grade to boulders, and may exhibit distinct cross bedding.

Government reports indicate that mineralization on Criss Creek has stimulated exploration activity since at least 1893. Initial work was done for placer gold, later, mercury and lode gold. Currently, silver and molybdenum are of primary interest.

Previous work on the area covered by the ELM Group included driving 5 short adits, minor hand trenching, some bulldozer trenching, drilling 3 diamond drill holes and 8 percussion holes. Several geochem surveys were conducted, collecting both soil and stream sediment samples.

Molybdenum mineralization is associated with a small granitic body of Triassic-Jurassic age, intrusive into Triassic Nicola volcanics. Gold- silver mineralization is spatially associated with a small diorite plug, also intruding Nicola volcanics. The Au-Ag Zone is hosted by a small listwanite unit at the faulted contact between Nicola volcanics and Ashcroft Formation conglomerate of Jurassic age.



Km 100 0 100 200 300 400 Km

Miles 100 50 0 100 200 Miles

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PROVINCE OF BRITISH COLUMBIA
JAY D. MURPHY

PLATE NO. I		
ELM MINERAL CLAIMS KAMLOOPS M.D. 92I /15W		
LOCATION MAP		
J.D.M	89-03-27	SCALE NOTED

SUMMARY AND CONCLUSIONS

There is no indication from the current survey that Molybdenum Zone mineralization is associated with Quartz Zone veining.

RECOMMENDATIONS

Make a field check in the area of 107-N/103-E to explain the anomalous 24 ppm value at this station. Some additional soil sampling may be required.

Look for a possible extension of the Molybdenum Zone to the southeast along strike. Soil geochemistry should be tried first, in preference to geophysics.

FIELD PROCEDURES

Four old picket lines were partially check chained , reflagged and renumbered at 50m station intervals. A total of more than 2 km of line was re-established in this manner, to provide control for soil sampling. A mattock was used for this purpose to excavate through a 10 to 20 cm thickness of 'A' Zone material, and expose the slightly rusted 'B' Zone from which a couple of handfuls of material was taken and placed in numbered Kraft paper sample bags. Samples were subsequently air dried and shipped to CDN Resource Laboratories Ltd., Burnaby, and analyzed for total molybdenum.

Purpose of the survey was to check a linear depression with no rock exposure, situated east of, and roughly parallel to the Quartz Zone. In McGee Creek where molybdenum mineralization is well exposed there are some spatially associated exposures of "bull" quartz veins similar to those in the Quartz Zone. It was theorized that the Quartz Zone might also have associated, but unexposed moly mineralization detectable by soil geochem.

DISCUSSION OF RESULTS

Survey results are plotted on Plate No. 3. Calculated geochemical parameters are also listed. The two highest values of 24 and 117ppm were excluded from these calculations.

A few anomalous Mo values were recorded, but are too widely scattered to indicate significant mineralization. The very high value of 117 ppm on line 106-N is almost certainly due to contamination from the dump from the short adit driven into the adjacent quartz vein containing coarse pyrite and weak, scattered molybdenite. Two other high values on the same line are similarly suspect.

Two other anomalous values occur, a 4 ppm value at 104-N/99+50-E, and 24 ppm at 107-N/103-E. The first probably reflects Quartz Zone mineralization, the latter can't be explained without further fieldwork. Both these samples are located close to the main access road, but it's unlikely that this would contribute to the high values.

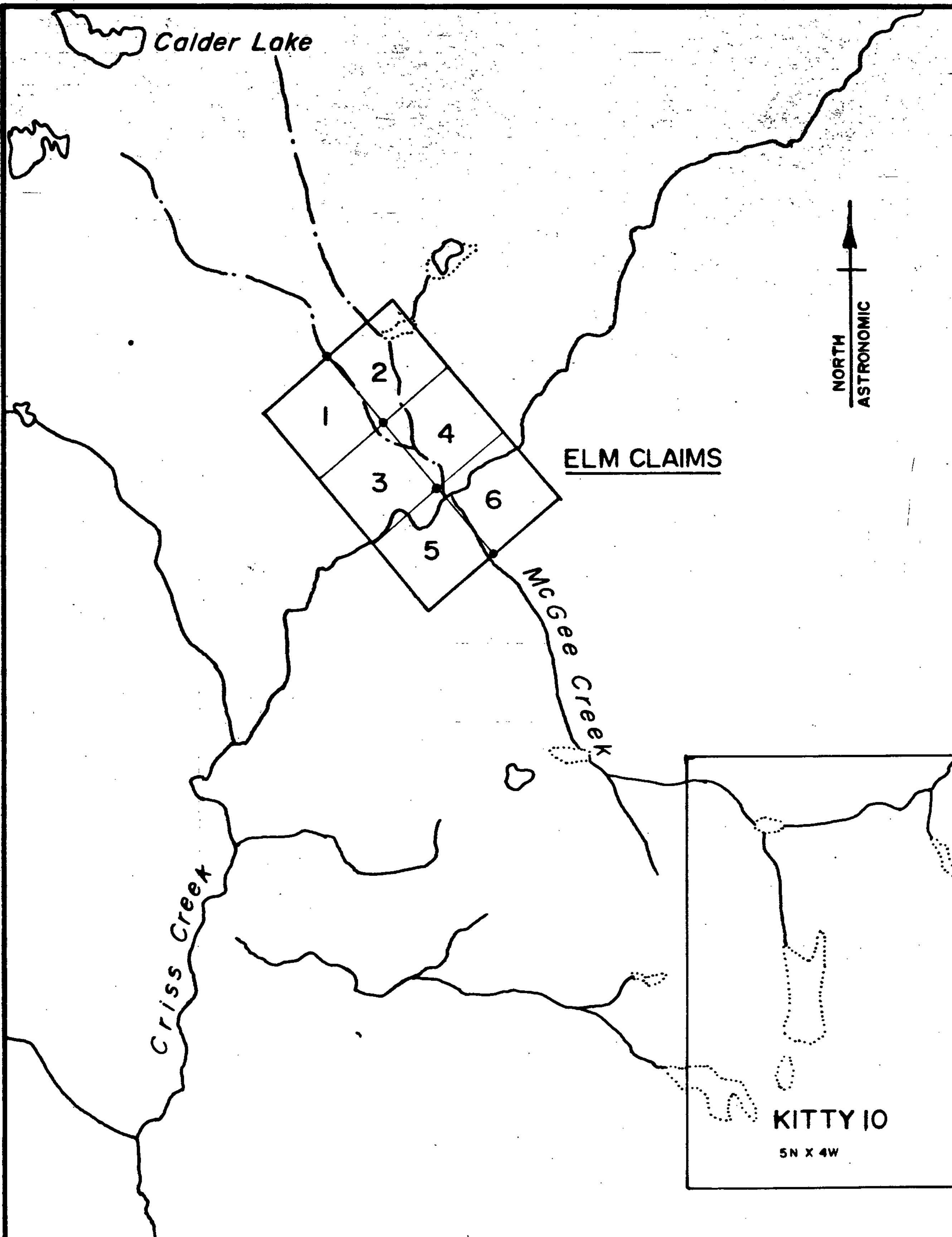

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PLATE NO. 2

ELM CLAIMS - KAMLOOPS M.D. - 92I/15W

CLAIM MAP

J.D.M	1:31680	96-04-20

STATEMENT OF COSTS

The folowing costs were incurred on the ELM Group of Mineral Claims . Field work was done by J.D.Murphy, PEng, between 1995-05-06 and 1995-09-15.

Labour		
4 days fieldwork; rerun 2.2 km grid, collect 46 soil samples @ $ 250/day	1000.00	
20 hrs office; drafting, report preparation @ $30/hr	600.00	
TOTAL LABOUR	1600.00	1600.00
Transportation		
4 days 4 x 4 rental @ $30/day	120.00	
420 km @ $.25/km	105.00	
TOTAL TRANSPORTATION	225.00	225.00
Food and Lodging 4 days @ $25/day		100.00
Reprographics		12.00
Assaying 46 sample preps and analyses for Mo.		147.65
Shipping Charges Bus from Kamloops to Burnaby		10.00
TOTAL COSTS		**$2094.65**

STATEMENT OF QUALIFICATIONS

I, Jay D Murphy, hereby certify;

1. That I am a Consulting Geological Engineer, resident at 1345 Todd Road, KAMLOOPS, B.C, V2C 5B4.
2. That I am a graduate of the University of Manitoba (1954), with a BSc in Geological Engineering.
3. That I have practiced my profession continuously since graduation.
4. That I am a member of The Association of Professional Engineers and Geoscientists of British Columbia.
5. That the information contained in this report is based on a personal examination of the subject property.

Jay D Murphy

CDN RESOURCE LABORATORIES LTD.
2225 Springer Ave., Burnaby, B.C., V5B 3N1, 291-1303, Fax: 291-1392

*** GEOCHEMICAL ANALYSIS ***

To: Mr. Jay Murphy
1335 Todd Road
Kamloops, B.C.
V2C 5B4

File No: 96025
Date: 03/07/96

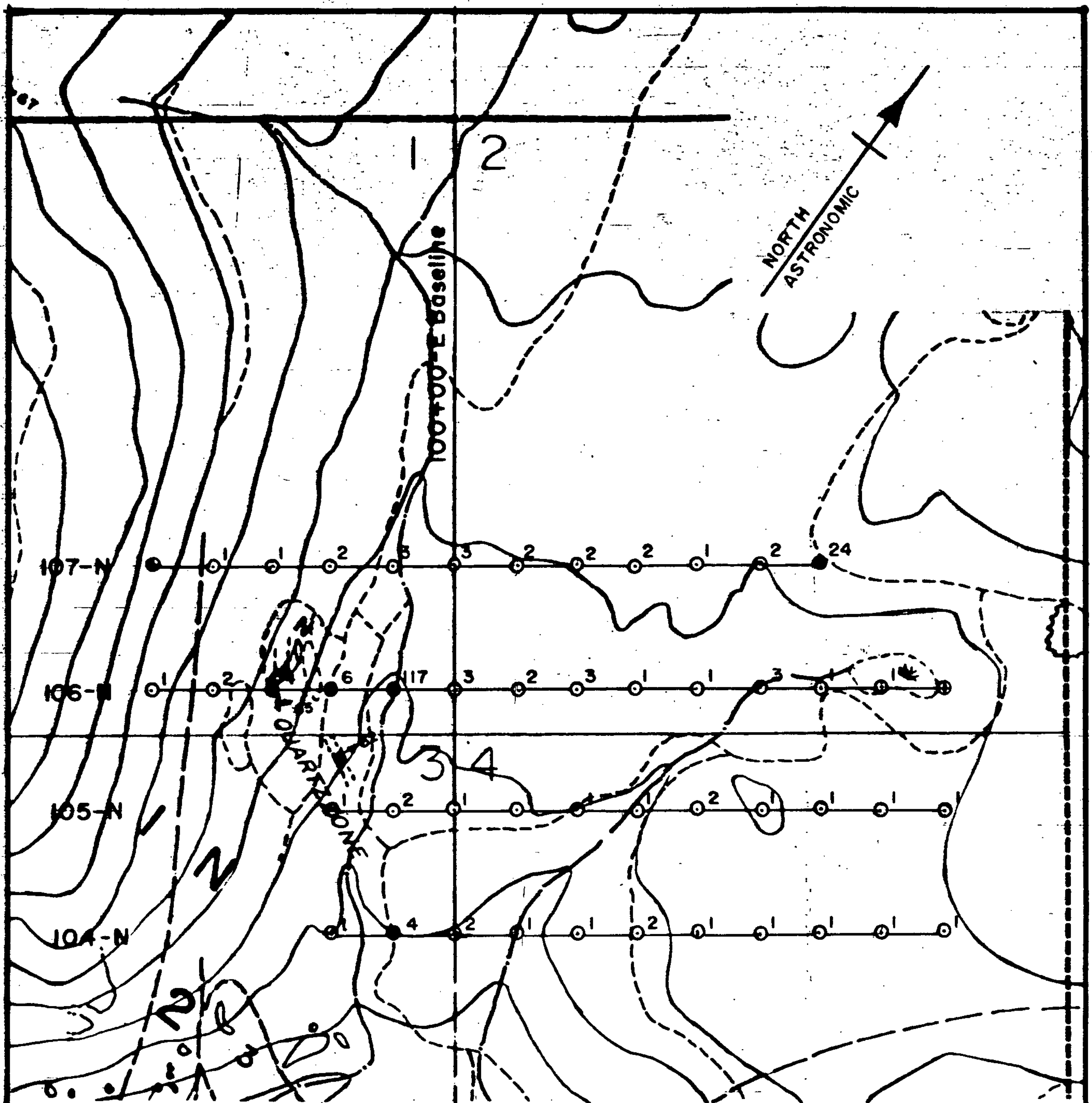
Attn:

	Mo ppm		Mo ppm
4N 9E	1	6N (0)+50E	1
4N 9+50	4	6N 2E	1
4N 0E	2	6N 2+50	3
4N 0+50	1	6N 3E	1
4N 1E	1	6N 3+50	1
4N 1+50	2		
4N 2E	1	7N 8E	1
4N 2+50	1	7N 8+50	1
4N 3E	1	7N 9E	2
4N 3+50	1	7N 9+50	3
4N 4E	1	7N 0E	3
5N 9E	1	7N 0+50	2
5N 9+50	2	7N 1E	2
5N 0E	1	7N 1+50	2
5N 0+50	1	7N 2E	1
5N 1E	1	7N 2+50	2
5N 1+50	1	7N 3E	24
5N 2E	2		
5N 2+50	1		
5N 3E	1		
5N 3+50	1		
5N 4E	1		
6N 7+50	1		
6N 8E	2		
6N 8+50	4		
6N 9E	6		
6N 9+50	117		
6N 0E	3		
6N 0+50	2		
6N 1E	3		

Duncan Sanderson
Licensed Assayer of British Columbia

FIELD NOTES ON SAMPLES

Sample Location	Sample Value (ppm Mo)	Remarks
106-N/99+50-E	117	possibly disturbed by adits
106-N/100+50-E	2	offset 5m
107-N/97+50-E	no sample	10-15cm organic cover on bedrock or scree, conglomerate otc. 5m W
107-N/98+50-E	1	offset 7m N to avoid roots, logs
107-N/100-E	3	offset 7m E to avoid trail
107-N/101-E	2	20cm organic cover



KEY

—o—² Picket line, sample station, value in ppm Mo

⊕ No sample

● Anomalous value

GEOLOGY

3 Diorite

2 Listwanite

1 Conglomerate

N Nicola Volcanics

GEOCHEM. PARAMETERS

MEAN:—		1.7
STANDARD DEVIATION:—		1.1
THRESHOLD:—		3.9
ANOMALOUS:—	PLUS	3.9

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0 50 100
METRES

PLATE NO. 3

ELM CLAIMS - KAMLOOPS M.D.

92I/15W

MOLYBDENUM
SOIL GEOCHEMISTRY

J.D.M	1:5000	96-04-17