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PROSPECTING REPORT

ON THE

DONNA ROSE PROPERTY

Granite Creek Area
Nelson Mining Division
British Columbia

NTS: 082F/06W
Latitude: 49°18' North
Longitude: 117°28' West

GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORTS
DATE RECEIVED AUG 20 1996
<i>Amended Nov 28/96</i>

FOR

Owners: Robert Peters, Doug Murray
Bob Benz, and Bill Konkin of Salmo, B.C.
and Ken Murray of Nelson, B.C.

Author: Ken Murray, Prospector
August 12, 1996

FILMED

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

24,507

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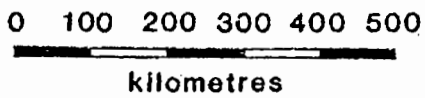
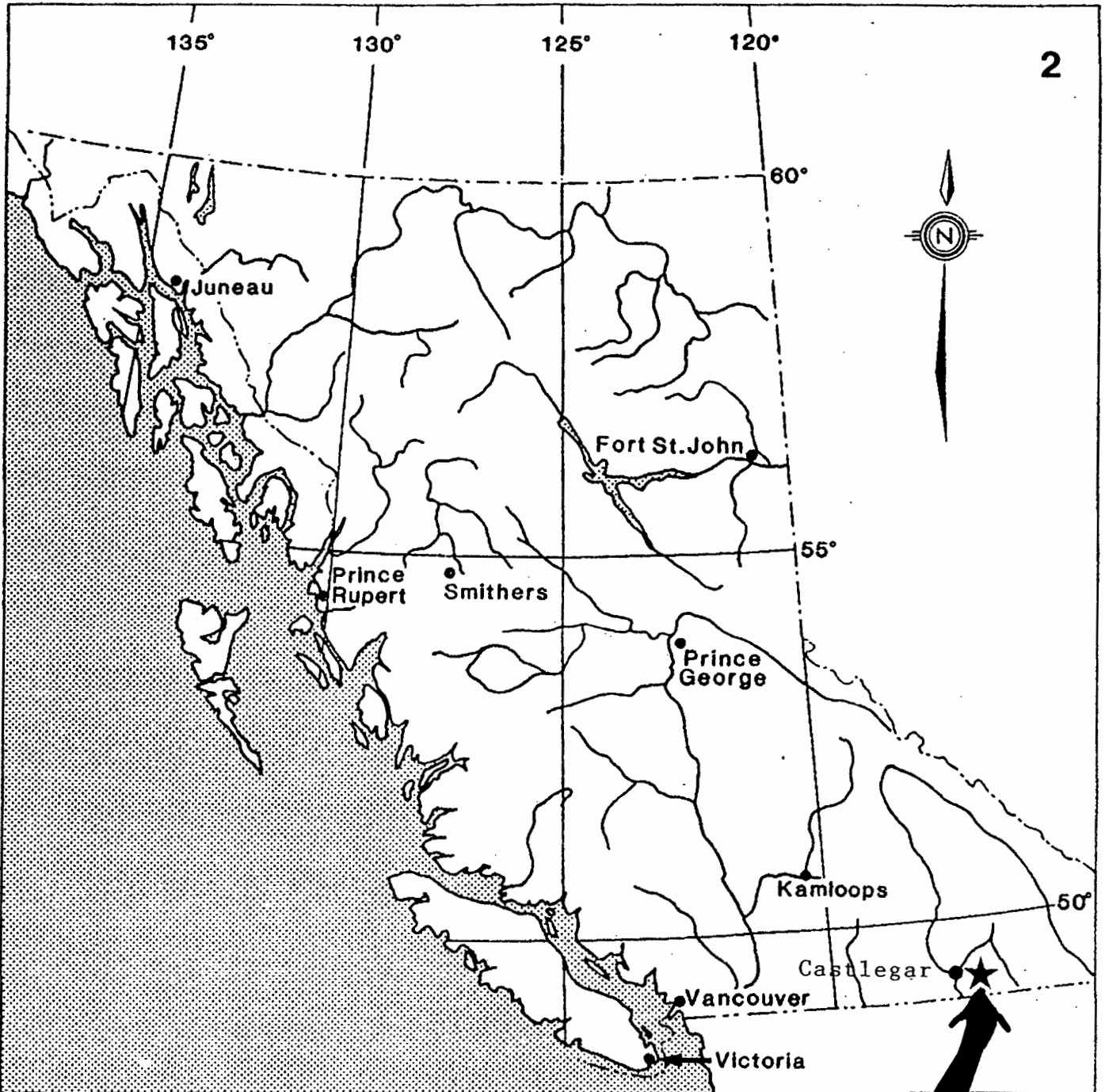
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INTRODUCTION

The Donna Rose property covers the ground known as the Rachel. The Rachel's Minfile Number is 082FSW299. Mr. Robert Peters of Salmo, B.C. found a high grade occurrence of free gold in the Grassy Mountain area in late 1994. In 1995, a partnership was formed to re-discover this showing. Although this occurrence was not found in 1995, many other showings were found and reported on, including the Rachel adit. Previous geochemical and geophysical work was used as an aid to the prospecting program. This property is made up with two 20 unit, 4 post mineral claims named the Donna Rose 31 and 32.

LOCATION AND ACCESS

This property is at $49^{\circ}18'$ north latitude and $117^{\circ}28'$ west longitude in the south-west portion of NTS map sheet 082F/06. The dominant topographical features on the claims are Grassy Mountain and Grady Lake. Grady Lake forms the headwaters of Granite Creek, which is the west fork of Erie Creek.



DONNA ROSE CLAIMS

GENERAL LOCATION MAP

Nelson Mining Division
British Columbia
NTS: 82F/06 W

Road access to the property is by the Erie and Granite Creek logging roads. If highway number three is followed for 3.5 kilometers west of Salmo, then you will come to the Erie Creek logging road turn-off. The Erie Creek logging road is then followed for 16.5 kilometres to the Second Relief turn-off. This turn-off is then followed for 6 kilometres up to the Granite Creek road to the height of land overlooking the Castlegar area. From there access is by foot southerly along the North Ridge, around the south face of Grassy Mountain, and then easterly along the East Ridge for a total hike of 3.5 kilometres. Access is also gained by helicopter from the Castlegar Airport, which is 11 kilometres to the west.

OWNERSHIP AND HISTORY

The Donna Rose property is owned 20% each by Robert Peters, Robert Benz, William Konkin, Douglas Murray, and Kenneth Murray. These claims, which are in the Nelson Mining Division of British Columbia, are the Donna Rose 31, record # 337522, and the Donna Rose 32, record # 337521. The claims are 20 units each and cover 1,000 hectares in total.

According to a prospector from Rossland, B.C., the history of this property goes back to 1905. This story was told to me by a prospector from Salmo, B.C. The story states that three American prospectors would load up with supplies in Rossland, B.C. in the spring. Each fall they would return with a heavy load of free gold, which had been mined by hard rock methods. This pattern continued for three years. The men headed south at the end of their third season and did not return the following spring. No one knew the exact location of the mine. The only clue regarding the whereabouts of the mine refers to a grassy area where the horses could graze.

Claim tags on the East Ridge indicate an old location. Mr. Bill Konkin and his father found a showing on the south side of the east ridge in the late 1940's. Mr. Stewart Barclay of Balfour, B.C. re-discovered this showing in 1954 and told me that men had been there many years before him. In 1980, 15 tonnes of ore was mined and shipped. Work that took place in 1981 included soil sampling, rock sampling, geophysics, and prospecting.

The property was examined in 1988 and then in 1989 geological work and VLF-EM surveying was completed. The next significant events were the discovery of the high grade gold samples by Mr. Robert Peters and the subsequent staking and prospecting.

PHYSIOGRAPHY

This property, which is in the south-west portion of NTS 82F/6, is in the Bonnington Range of the Selkirk Mountains. This area is bounded by the Salmo, Pend D'Oreille, Kootenay, and Columbia river systems. The Bonnington Range has been heavily glaciated as most of the mountains are rounded off and the valleys are U-shaped. The highest point of land is the summit of Grassy Mountain at 2100 metres and the lowest is in Granite Creek on the east boundary at 1300 metres. Most of the property is of moderate relief but the north face of Grassy Mountain and the east ridge is very rugged with near vertical cliffs and large boulder talus slopes. Rock exposure is good in the Grassy Mountain, North Ridge, East Ridge, and the Grady Ridge areas, but all of the lower ground to the north is heavily covered with overburden and till.

The area has been logged by clear cut methods and the remaining strands of trees are spruce, balsam, and fir. The ridge tops are vegetated with stunted balsam and jack pines. Much of the south face of Grassy Mountain is open alpine grassland. The climate is moderate and the area is snow free from July to November. Good campsites are available on the east ridge but domestic water must be flown in. Drill water can be pumped from a pond which is 400 metres north of the Rachel adit and has 150 metres of vertical lift.

GEOLOGY AND MINERALIZATION

Most of the property is underlain by granodiorite of lower to middle Jurassic age. This is the Bonnington Pluton of the Nelson intrusions. In Granite Creek, at the north-east corner of the property, the rocks are the lower Jurassic Rosslund volcanic crystal tuffs. North of the property are very scarned sediments or volcanics that have not been identified as to age and rock type. The main structure seen so far is a north-south striking shear zone east of the top of Grassy Mountain. These shear zones with lamprophère or other mafic dykes are common in the Snowwater Creek area, which is ten kilometres to the north.

All but one of the samples taken contained mineralized quartz and had some galena present. One sample from the North Ridge is a porphyry style showing in silicified granodiorite with chalcopyrite and malachite present. Samples found by Mr. Peters in 1994 show silification, chloritization, and sericitic alteration with abundant visible gold. All of the quartz vein showings that carried gold values had galena present. Lead is a good indicator element for soil geochemistry surveying.

1995 PROGRAM

During the summer and fall of 1995, a total of 48 man-days from July 12 to October 21 were spent prospecting the property. Access was gained mainly by truck and foot and one helicopter trip was done in August. The area traversed is shown on map DR-C. A total of 6 anomalous for gold, quartz showings were discovered, sampled, and assayed. The showing at the Rachel adit was not sampled as this was done in previous work. Two high grade samples from Mr. Peters' 1994 discovery were also assayed. The prospecting traverse lines are approximately 25 metres apart and are in random directions to suit steep topography.

1996 PROGRAM

The 1996 program will include more prospecting on closer spaced traverses, especially in the heavily brushed draws on the north face of Grassy Mountain. In the areas of mineralized float, hand trenching and soil sampling will be used. The goal of the program is to re-discover the high grade showing location and advance the property to the saleable state.

STATEMENT OF COSTS

Ken Murray

July 12,14,16,17,19,30

August 2, 11-14

September 11,13,14

14 days at \$275

\$3850.00

Doug Murray

July 16, 17, 22

August 11-14, 27, 28

September 2-4, 13-15

October 18

16 days at \$200

\$3200.00

Bill Konkin

July 12,16,22,30

August 11-14

October 14,21

10 days at \$150

\$1500.00

Robert Peters

July 16,30

August 11-14

October 14,21

8 days at \$150

\$1200.00

Truck

24 days at \$70

\$1680.00

Fuel

\$ 288.00

Food

\$ 146.21

Helicopter

\$ 656.13

Assays

\$ 405.51

Office

\$ 79.23

Report Preparation

6 days at \$275

\$1650.00

TOTAL COSTS

\$14,655.08

REFERENCES

- Mulligan, R. GSC Paper 52-13 and Map 52-13A
- Little, H.W. GSC Memoir 308 and Map 1090-A
- Page, J.W. Assessment Report #10088
- Hall, G.I. Assessment Report #17172
- Shearing, R.E. Assessment Report #19021
- Klassen, H. Personal Cummination
- Barkley S. Personal Cummination

STATEMENT OF QUALIFICATIONS

I, Ken Murray, with both residence and business address at 802 Richards Street, Nelson, B.C., VII 5S3, do certify that;

1. I am a professional prospector and have worked in Western Canada, Nevada, and Venezeula since 1964.
2. I have completed the prospecting and geology course by MEMPR at Nelson, B.C. in 1983 and have completed the Advanced Prospecting course at Mecashi Lake, B.C. in 1986 and received my diploma from Malaspina College.
3. I have been in the employ of Placer Dome, Falconbridge, Cominco, and Churchill Copper Mines in related fields.
4. As a mineral exploration contractor, I have completed 154 projects for 41 mining companies.

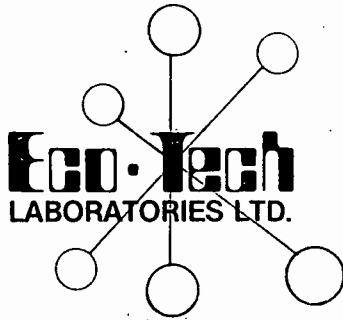
Ken Murray

OWNERSHIP

The following are the owners of Donna Rose 31 (tenure #337522)
and

Donna Rose 32 (tenure #337521) ib NTS 82F/6W in the Nelson Mining
Division. Each owner has 20%.

<u>Name</u>	<u>Address</u>	<u>Client #</u>
Ken Murray	802 Richards Street Nelson, B.C. V1L 5S3	119252
Doug Murray	Box 935 Salmo, B.C. VOG 1Z0	119243
Robert Peters	Box 175 Salmo, B.C. VOG 1Z0	121252
William Konkin	Box 35 Salmo, B.C. VOG 1Z0	137044
Robert Benz	Box 502 Salmo, B.C. VOG 1Z0	136635



13
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ENVIRONMENTAL TESTING

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 6T4 Phone (604) 573-5700
 Fax (604) 573-4557

CERTIFICATE OF ASSAY AK 96-119

KEN MURRAY
 802 Richards St.
 NELSON, BC
 VIL 5S3

13-Mar-96


No. of samples received: 17
Sample type: Rock
PROJECT #: Donna Rose
SHIPMENT #: None given
Samples submitted by: Ken Murray

ET #.	Tag #	Au (g/t)	Au (oz/t)	Ag (g/t)	Ag (oz/t)	Pb (%)	Sb (%)	Zn (%)
3	24003	1.97	0.057	54.6	1.59	3.03	-	-
4	24004	1.01	0.029	-	-	-	-	-
6	24006	1.17	0.034	-	-	-	-	-
14	24014	1.71	0.050	5706.0	166.40	1.63	-	3.26
15	24015	1.90	0.055	4652.0	135.67	2.46	1.92	1.98
16	24016			884.3	25.70			
17	24017	1.24	0.036	54.1	1.58	-	-	-

QC/DATA:

Standard:

STD-M	3.20	0.093	-	-	-	-	-	-
Mp-IA	-	-	70.0	2.04	4.32	-	-	19.00
CD-1	-	-	-	-	-	3.57	-	-


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 per Frank J. Pezzotti, A.Sc.T.
 B.C. Certified Assayer

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ENVIRONMENTAL TESTING



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Fax (604) 573-4557

CERTIFICATE OF ASSAY AK 96-137

KEN MURRAY
802 Richards St.
NELSON, BC
V1L 5S3

22-Mar-96

No. of samples received: 3
Sample type: Rock
PROJECT #: None given Donna Rose
SHIPMENT #: None given

METALLIC GOLD SCREEN ASSAY

ET #.	Tag #	Au (g/t)	Au (oz/t)	Ag (g/t)	Ag (oz/t)	Pb (%)
1	24018	0.63	0.018	934.3	27.25	77.62
2	24019	61.59	1.796	-	-	-
3	24020	24,523.50	715.179	1472.2	42.93	2.10

1994 samples supplied by Mr. Robert Peters.

QC DATA:

Standard:

Mp-IA

70.0 2.04 4.32

XLS/96Kmisc.

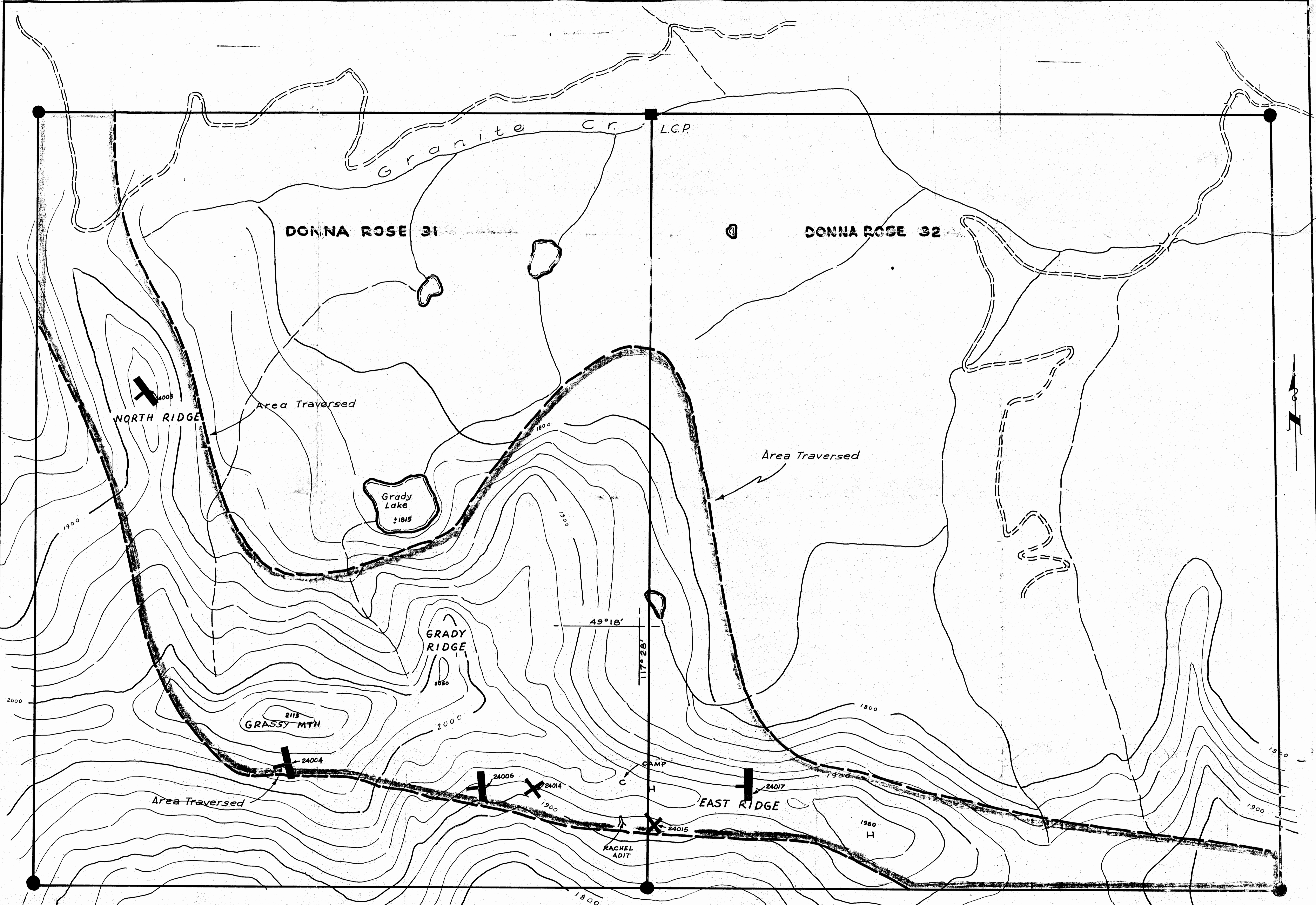


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B.C. Certified Assayer

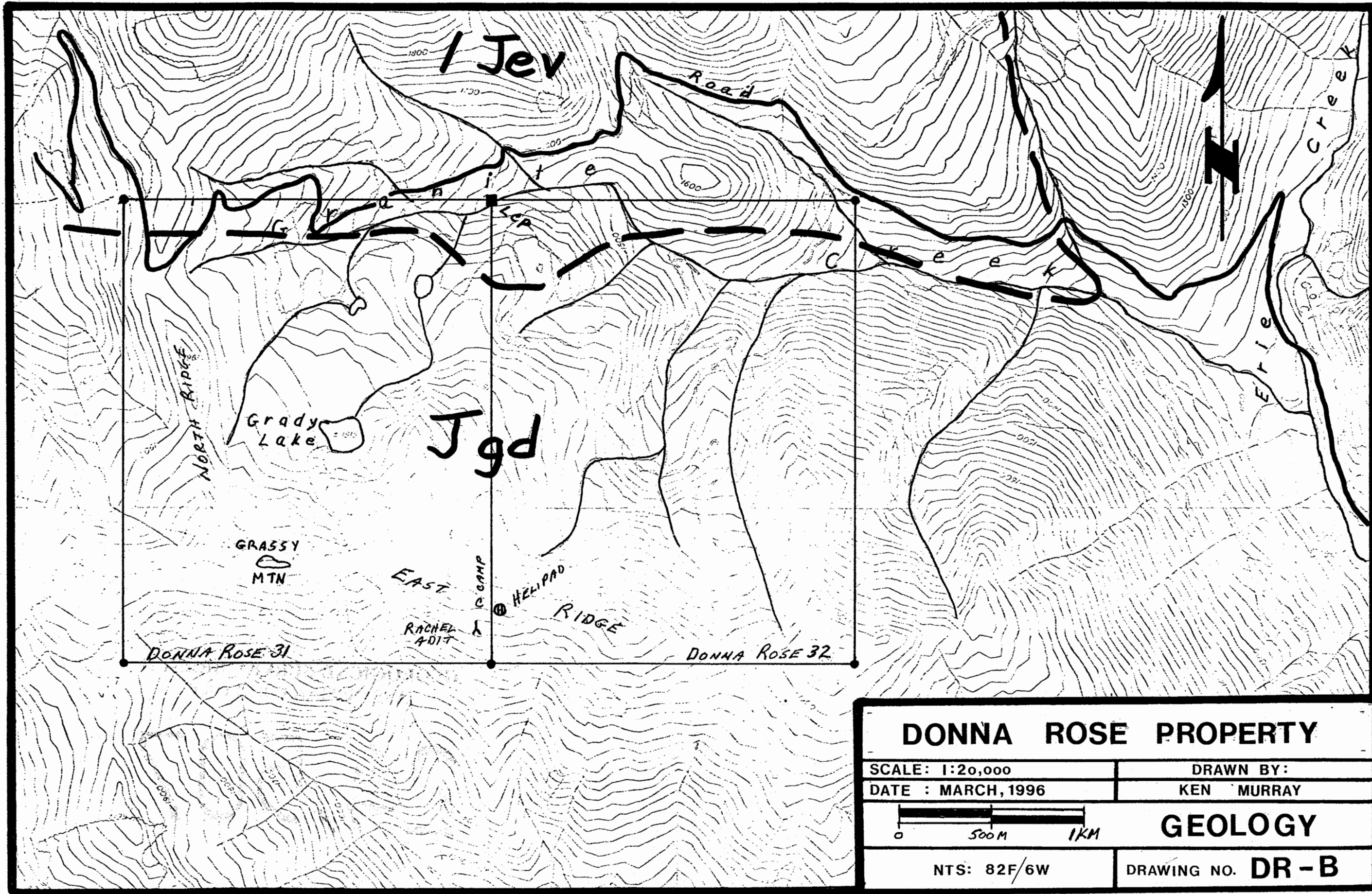
DONNA ROSE - ROCK SAMPLE DESCRIPTIONS

- 24003 Chalcopyrite and malachite in granodiorite. Showing is 1.0 metres long by 0.60 metres wide. Joints strike 320° and dip 060° SW. The showing is 100m south of the top of North Ridge Peak.
- 24004 20 cm quartz vein in granodiorite. Vein strikes 345° and dips 075° west. This showing is 100m south of the summit of Grassy Mountain.
- 24006 15 cm quartz vein in granodiorite with minor galena vein strikes 355° and dips 060° west. This showing is 450m west of campsite on top of East Ridge.
- 24014 Quartz float with 15% galena. Host rock is granodiorite. This showing is 150m east of 24006.
- 24015 Quartz float with 20% galena. Host rock is granodiorite. This showing is 100m east of Rachel Adit.
- 24017 15cm quartz vein with minor galena in granodiorite. Vein strikes 000° and dips 085° west. This showing is 400 metres east of camp on East Ridge..



24507

DONNA ROSE PROPERTY	
Scale: 1:5000	Drawn by
Date: Nov. 1996	W. KONKIN
95 PROGRAM	
NTS: 82F/6W	Drawing No. DR-C



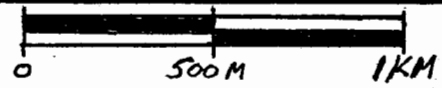
DONNA ROSE PROPERTY

SCALE: 1:20,000

DRAWN BY:

DATE : MARCH, 1996

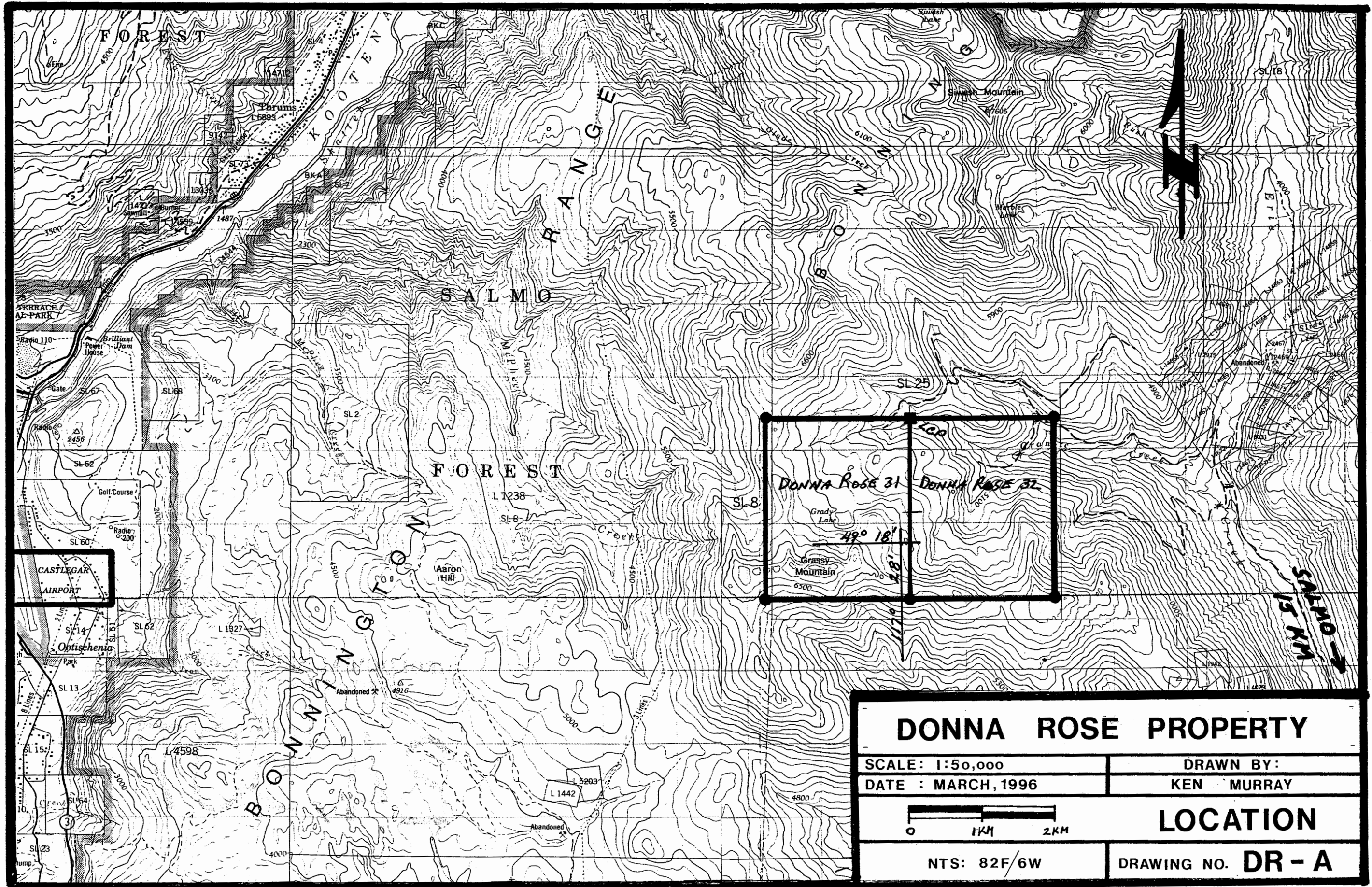
KEN MURRAY



GEOLOGY

NTS: 82F/6W

DRAWING NO. DR-B



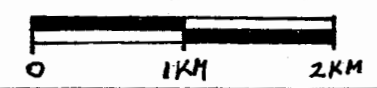
DONNA ROSE PROPERTY

SCALE: 1:50,000

DRAWN BY:

DATE: MARCH, 1996

KEN MURRAY



LOCATION

NTS: 82F/6W

DRAWING NO. DR - A