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Gold Commissioner's Office
VANCOUVER, B.C.

GEOLOGICAL RECONNAISSANCE
ON THE
HENNY CLAIMS

MINING DIVISION: Fort Steele
NTS: 82F8E & 82G5W
LATITUDE: 49 degrees 18 minutes 30 seconds
LONGITUDE: 116 degrees 0 minutes
CLAIM OWNER: James K. Ryley
OPERATORS: James K. Ryley and Michael J. Thompson

REPORT AUTHORS: James K. Ryley, BA Geol and Steven F. Coombes, P. Geo.

DATE OF SUBMITTAL: July 04, 1997

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,051

TABLE OF CONTENTS **PAGE NO.**

INTRODUCTION

[redacted]

The Henny group of claims are located in southeastern British Columbia, Canada, approximately 28 kilometres southwest of the city of Cranbrook. This eight unit claim block lies within the Moyie Range of the Purcell mountains at an elevation range of 1800 to 2100 metres.
Vegetation consists of lesser stands of lodgepole pine and abundant balsam fir and variably hemlock and cedar. Topographical relief is moderate.
Access is gained by travel south from Cranbrook along highway 3/95 for approximately 17 kilometres to the Green Bay/Monroe lake turnoff, then southwest along the seasonal Lamb creek road for 8 kilometres. Initial Post Henny 1 & 2 occur on Rabbit Foot creek road seven kilometres southwest of this junction. Access is restricted to the months of June through to October owing to persistent snowfall during the winter months.

[redacted]

The Henny Group, tenure #'s 347597-347604 inclusive, are owned 100% by James K. Ryley. It was staked in July, 1996 by Michael J. Thompson as agent for James Ryley. Operating costs are shared jointly between the two parties.
Ownership history includes Cominco Ltd. whose P.P. claims overlain a portion of the eastern section of the current claim area prior to lapsing.

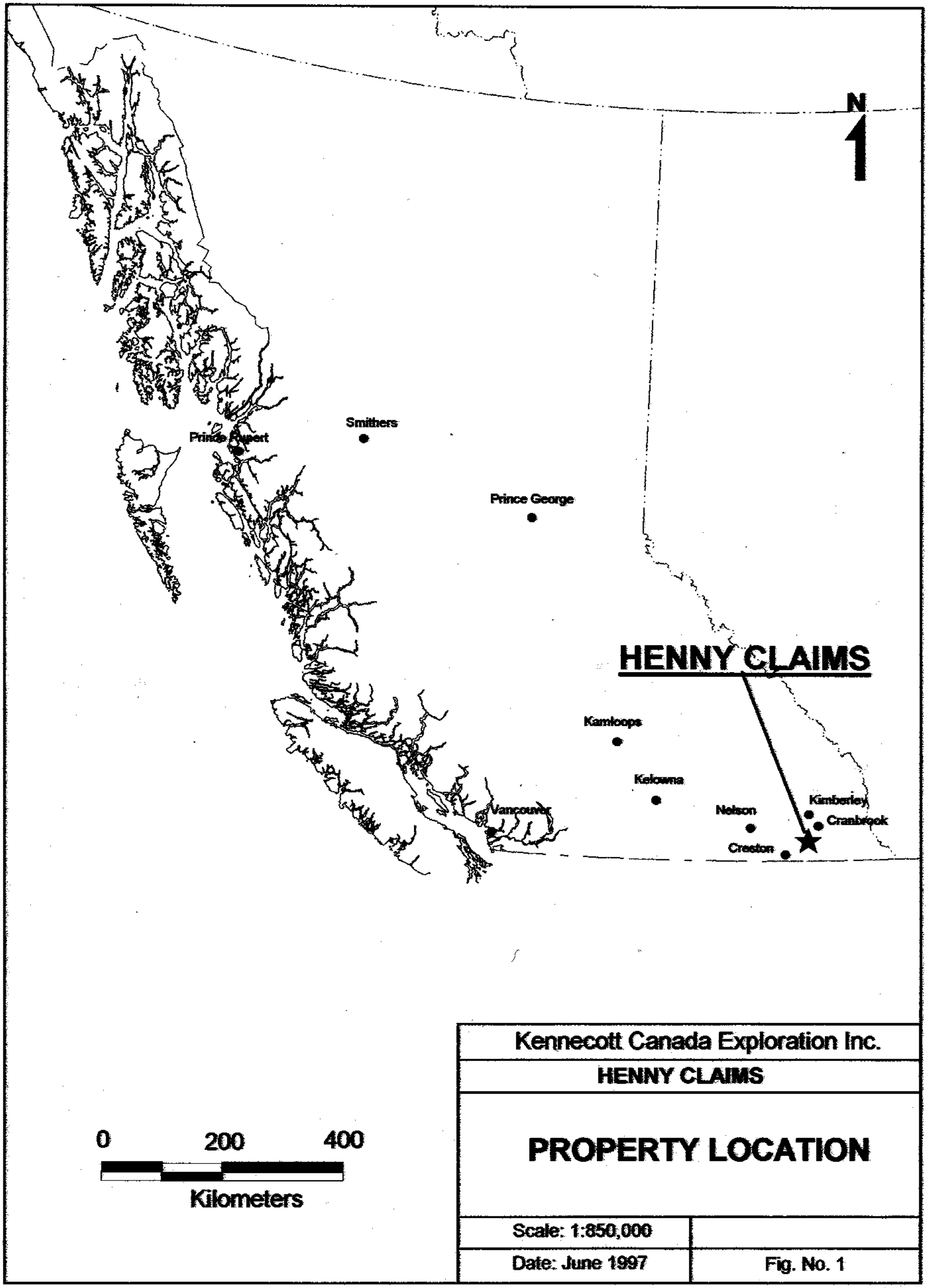
[redacted]

The Henny Group was staked for stratiform lead-zinc deposit potential. It overlies the Lower/Middle Aldridge Formation contact, a stratigraphic position which hosts the world class Sullivan orebody forty kilometres to the north.

Recent area exploration interest by Sedex Mining Corp. and Kennecott Canada Exploration Inc. has resulted in a large land holding peripheral to the Henny. Field mapping and sampling of this area in July and August of 1996 by Kennecott Canada Exploration Inc. covered a significant portion of the Henny claims. This information forms the basis of this report and is provided on behalf of Kennecott Canada Exploration Inc.by Steven F. Coombes, P.Geol., project geologist for Kennecott's involvement in the area.

Detailed geological mapping resulted in notable changes to the Ministry of Energy, Mines and Petroleum Resources (Hoy and Diakow, 1979-80) regional geological survey. This includes the addition of mafic units (Moyie sills), fragmental occurrences and repositioning of the Lower/Middle Aldridge Formation contact. The following summarizes the program:

- geological mapping, 1:10,000 scale
- geochemical sampling, 3 soil samples, 1 rock sample, 1 stream sediment sample

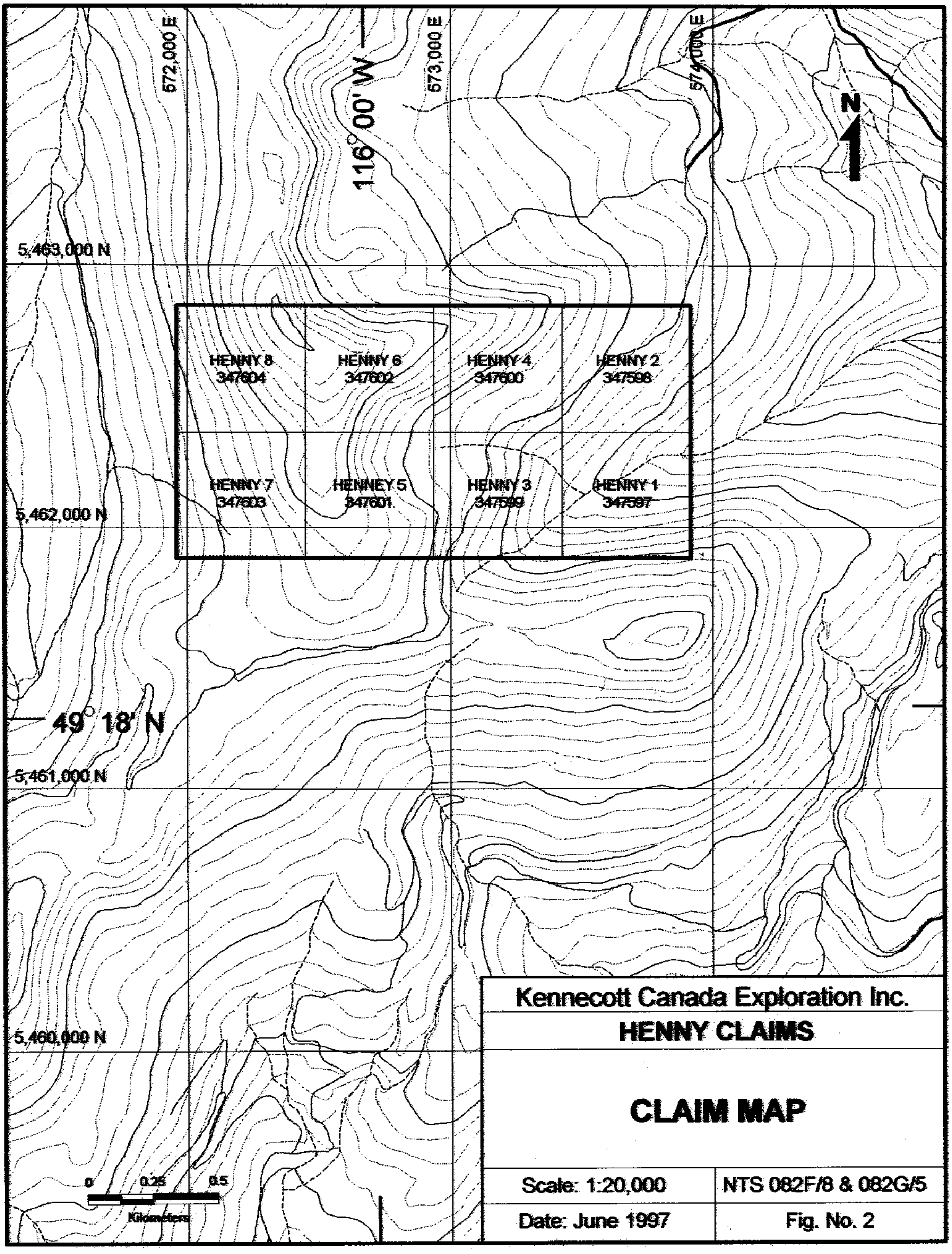


Kennecott Canada Exploration Inc.

HENNY CLAIMS

PROPERTY LOCATION

Scale: 1:850,000	
Date: June 1997	Fig. No. 1



572,000 E
573,000 E
574,000 E
116° 00' W
N
5,463,000 N
5,462,000 N
5,461,000 N
5,460,000 N
49° 18' N
HENNY 8
347604
HENNY 6
347602
HENNY 4
347600
HENNY 2
347598
HENNY 7
347603
HENNEY 5
347601
HENNY 3
347599
HENNY 1
347597
0
0.25
0.5
Kilometers
Kennecott Canada Exploration Inc.
HENNY CLAIMS
CLAIM MAP
Scale: 1:20,000
NTS 082F/8 & 082G/5
Date: June 1997
Fig. No. 2

REGIONAL GEOLOGY

This area of southeastern British Columbia regionally constitutes a structural assemblage on the western edge of the Rocky Mountain trench known as the Purcell Anticlinorium. Predominantly fine-grained clastic rocks of the Precambrian Supergroup comprise the core of this tectono-stratigraphic division of the Cordilleran orogen. The basal Middle Proterozoic members consist of the Lower, Middle, and Upper Aldridge and Creston formations which are a thick succession of argillites, siltstones, sandstones, and quartzites. These are overlain by interbedded argillaceous and carbonate strata of the Kitchener-Siyeh formation. Relatively absent throughout much of the Purcell mountains but occurring on the south eastern edge are the overlying Purcell lavas. The remainder of the Purcell Supergroup is comprised of strata similar to that of the Kitchener-Siyeh formation with the carbonate units commonly containing stromatolitic dolomites. Igneous activity is characterized by the Moyie Intrusions, a series of metadiorite sills and dykes which date as MesoProterozoic, occurring in relative abundance as synsedimentary intrusions into the Lower and Middle Aldridge formations.
The Henny lies within the Purcell Anticlinorium which is situated between the Rocky Mountain Foreland and Thrust belt to the east and the Kootenay Arc to the west. The area has a north-northeast structural grain characterized by moderate to steep west dipping normal and reverse faults. Easterly tranverse faults are less abundant yet can be extensive in length, such as the Kimberley, St.Mary's and Moyie faults which transect the Rocky Mountain Trench. The latter extends as a deep crustal structure into Alberta.

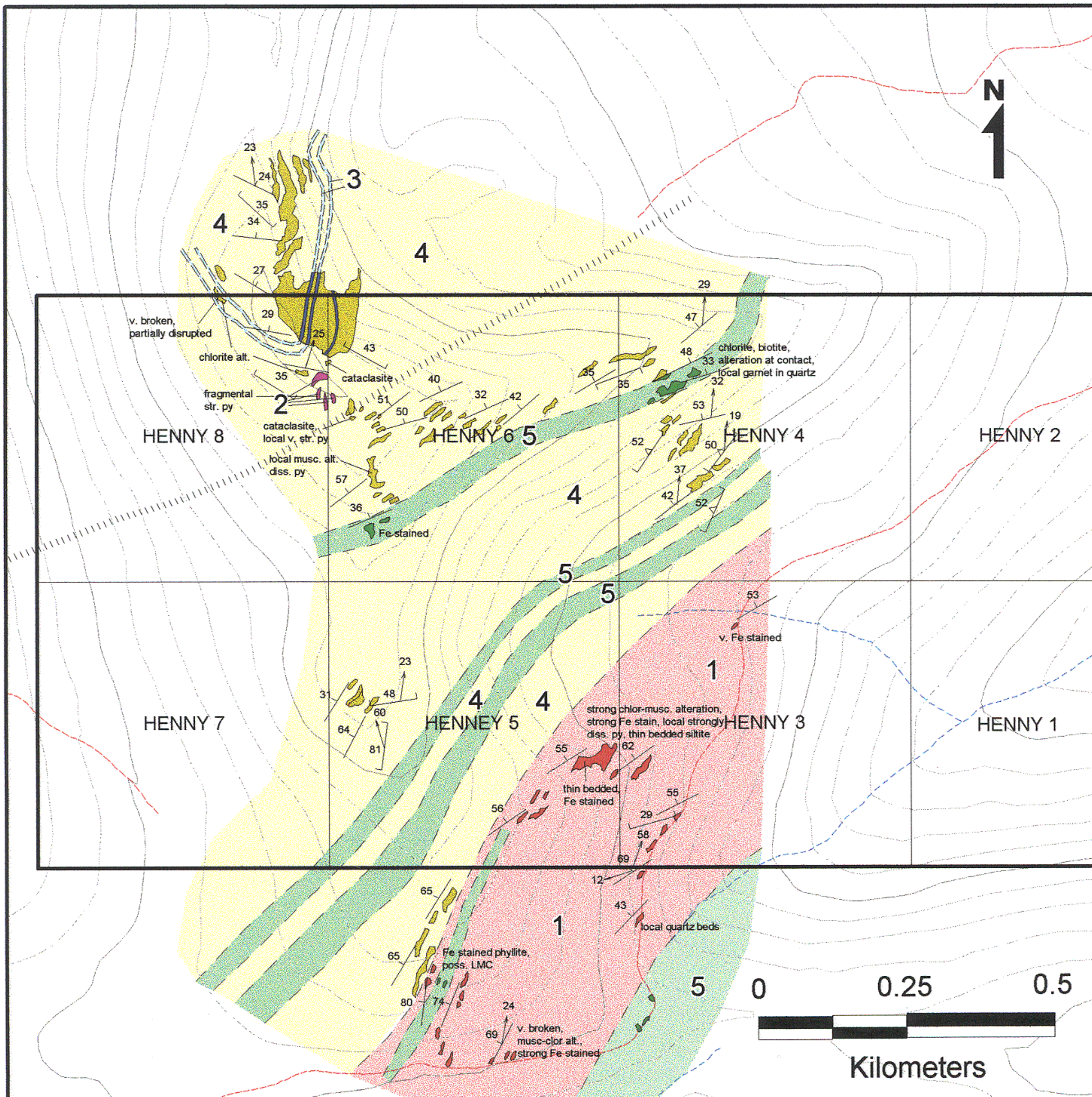
PROPERTY GEOLOGY

[redacted]

The Henny overlies the lower basal Middle Proterozoic members the Lower and Middle Aldridge Formations. Intruding this clastic assemblage are no less than five gabbroic to dioritic Moyie sills. General bedding trend with exception to the northwest sector is 050 degrees with a similar northeast dip. The northwest portion (Henny 5 and 8) contains easterly to northeasterly striking strata resultant of a syncline with a northeast trending axis (030 degrees). Rocks exposed include medial and proximal turbidites which typically consist of medium bedded coarse grained silty quartzite grading into fine grained silty quartzite or siltite. Fragmental rocks (clast or matrix supported breccias) occur on the northwest corner and indicate expulsion of pore fluids from host sediments along structural conduits.

[redacted]

Lower Aldridge
This basal unit is characterized by an uncommon amount of syngenetic pyrrhotite throughout in various textural types. These include siltstone, quartzite, argillite and quartzwacke. The contact with the Middle Aldridge is transitional and represented by a change from siltite to quartz-wacke dominant bedding (Hoy, 1979-80). Mapping by Kennecott has repositioned the lower/middle contact southward owing to strong iron-stained phyllites in contact with siltstones proximal to the southern claim boundary and within the Henny 5 claim block. A decrease of rusty weathering in the overlying siltstones marks the Middle Aldridge. The lower contact is bound by a thick sill which occupies the southeast corner of the Henny 1 claim block (see fig. 3). A relatively thin sill has been projected as lying near the lower/middle contact.



5	MOYIE SILLS: gabbro
4	MIDDLE ALDRIDGE: siltstone
3	MIDDLE ALDRIDGE: quartzite
2	MIDDLE ALDRIDGE: fragmental unit
1	LOWER ALDRIDGE: rusty weathering siltstone

31 bedding

29 cleavage

23 lineation

fault

Kennecott Canada Exploration Inc.

HENNY CLAIMS

GEOLOGY

Scale: 1:10,000	NTS 082F/8 & 082G/5
Date: June 1997	Fig. No. 3

Middle Aldridge
This member occupies a major portion of the claim block which differs significantly from previous mapping in which the Lower Aldridge swung northward to occupy the Henny 7 and 8. In addition, this unit contains three metadiorite to metagabbro Moyie sills which increase the section thickness approximately 80 metres. It is characterized by thick interlayered successions of siltstone and quartzite wacke. The stratigraphic boundary between the Lower and Middle Aldridge formations was determined where iron stained phyllites transitionally grade into relatively clean siltstones and quartzwacke.

[redacted]

Strata on the Henny is consistent with inclined strata of the Moyie region which has a dominant westward dip, reflecting its position on the western flank of the Purcell Anticlinorium. Localized flexure of the stratigraphy has produced a synclinal fold in the northwest corner. Bedding attitudes indicate closure of the syncline to the south and a northeast axial (030) trend.
Faulting consists of one prominent northeast trending (230°-245°) fault which belongs to the regionally extensive Moyie Fault system, a Laramide-aged (re-activated Middle Proterozoic)right-lateral reverse fault. This fault lies one kilometre to the south and juxtaposes Lower Aldridge Formation against the Kitchener Formation for an estimated net displacement of 12 kilometres (Hoy, 1984).
Lineation measurements are consistent with the regional north-northeast structural grain.

[redacted]

Three types of hydrothermal alteration have been observed. These include biotite and muscovite alteration and silicification. The former is in association with chlorite development in contact with a Moyie sill on the Henny 4 claim block. Muscovite alteration is in general aerially extensive and typically occurs near large structures. It consists of clusters of creamy to honey coloured masses found pervasively replacing detrital feldspars and phyllosilicates. Locally it is represented by greenish coloured larger crystalline flakes pervasively replacing siltites and argillites. Examples of this were observed in both the Lower and Middle members accompanied by moderate to strong chloritic alteration.
Silicification accompanies dewatering fragmentals as observed on the Henny 8 claim block.

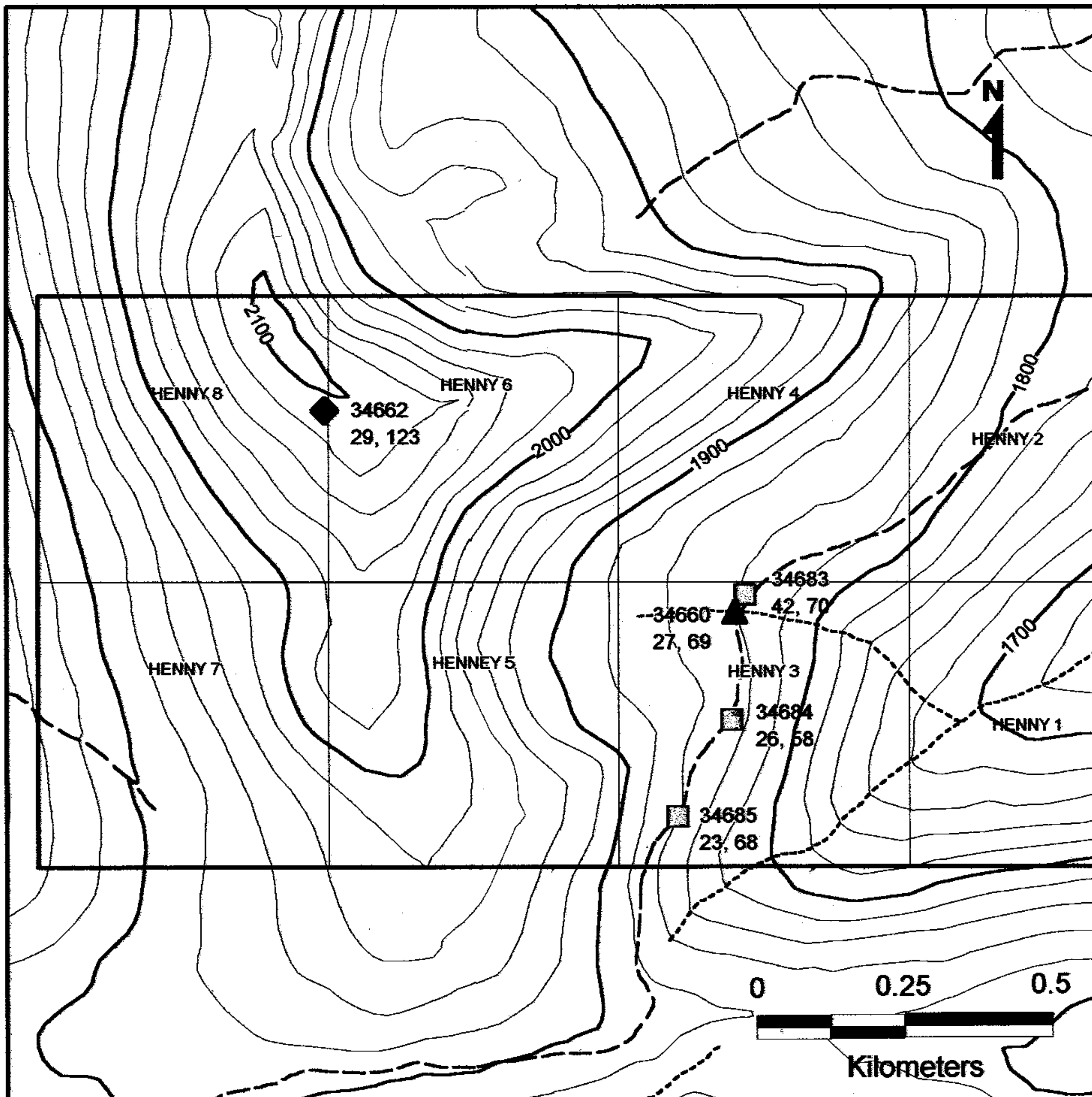
Mineralization independant of minfile occurrence numbers 43 and 80 was not observed on the property.

GEOCHEMISTRY

[redacted]

Slightly anomalous to anomalous values for lead and zinc were determined through a statistical mean average and standard deviation from samples collected during the Kennecott field season.

A zinc value of **69 ppm** was obtained and is considered slightly anomalous. The lead value of **27 ppm** is slightly anomalous as well.



Soil Sample Number
Lead (ppm), Zinc (ppm)

Rock Sample Number
Lead (ppm), Zinc (ppm)

Stream Sediment Sample Number
Lead (ppm), Zinc (ppm)

Kennecott Canada Exploration Inc.	
HENNY CLAIMS	
SAMPLE LOCATIONS	
Scale: 1:10,000	NTS 082F/8 & 082G/5
Date: June 1997	Fig. No. 4

[redacted]

Zinc and lead values were obtained from the B horizon which was fractioned using 150-200 mesh.

A range of 12 ppm for zinc in the slightly anomalous (60-91 ppm)category was obtained from three samples, the uppermost proximal to the stream sediment sample.

The highest lead value was anomalous at **42 ppm** obtained near the stream sample. The remainder are mid-range slightly anomalous.

[redacted]

One fragmental sample was collected returning a slightly anomalous value of **123** ppm for zinc. No anomalous values for lead were obtained.

DISCUSSION OF RESULTS

Field mapping resulted in repositioning of the Lower/Middle (LMC) Aldridge contact southward. This has resulted in a significant thickness decrease of the Lower Aldridge at this locale. This interpretation does not affect the calculated net displacement (Hoy, 1984) of Aldridge strata in juxtaposition with the Kitchener Formation as facilitated by the Moyie Fault and is in keeping with observed Lower Aldridge thickness in this low-angle reverse thrust zone. The addition of four Moyie Sills, three within the Middle Aldridge and one near the LMC contact in Lower Aldridge lends encouragement for exploration prospects. The presence of sills is suggestive of proximity to significant structural conduits of Middle Proterozoic age. The Moyie Sills age date for both the Lower and Middle Aldridge at approximately 1467 Ma (Anderson, Davis, Schandl) and sedimentary structures show they intruded into unconsolidated sediments and are considered as synsedimentary. Sullivan ore fluids emanated from a rift structure of which the Moyie Sills likely ascended. Similarly, the presence of fragmentals document tectonism expressed through growth faults, a relationship consistently viewed within the Belt basin and often associated with Moyie Sills. It is not surprising therefore to see fragmentals proximal to a fault such as occurs in the Henny 8 claim block. A slightly anomalous zinc value of 123 ppm occurs at this locale as well. Anomalous to slightly anomalous lead and zinc values elsewhere and obtained from the Middle Aldridge may represent a distal expression of fluid emanation along the sill contact which occurs near the LMC.

The mapping and sampling program results provide evidence of intrusive and tectonic activity in concert with elevated base metals. This data supports further base metals exploration.

APPENDIX I

ITEMIZED COST STATEMENT

ITEMIZED COST STATEMENT

Wages:	
Russ Franklin (geologist), 1.0 day @ $250.00	$250.00
Chris Hemstad (geologist), 2.0 days @ $175.00	$350.00
Truck rental, 2 days @ $50.00	$100.00
Field supplies	$30.00
Analytical:	
Soil samples, 3 @ $9.25	$27.75
Stream sediment samples, 1 @ $9.25	$9.25
Rock samples, 1 @ $9.25	$9.25
Report	$500.00
TOTAL	**$1,276.25**

APPENDIX II

STATEMENT OF QUALIFICATIONS

Statement of Qualifications

I, James Kendall Ryley, resident of British Columbia, Canada, with principal residence at 343 East 35th Avenue, Vancouver, British Columbia, Canada, certify that:

1. I obtained a Bachelor of Arts, Professional Emphasis, in Geology from the University of Montana in 1989.
2. I obtained an Associate Degree in Petroleum Geology from the Southern Alberta Institute of Technology in 1981.
3. I have practiced my profession as a geological technologist and geologist in the areas of petroleum, industrial, base and precious metals exploration for over a period of ten years.
4. This report was written in collaboration with Steven F. Coombes, P.Geol from data obtained by Kennecott Canada Exploration Inc. geologists during the 1996 summer field season.

James K. Ryley

James K. Ryley, BA Geol.

Dated : July 04, 1997

Statement of Qualifications - Steven Coombes

I, Steven Coombes, of the Village of Invermere, Province of British Columbia, DO HEREBY CERTIFY THAT:

1) I am a project geologist employed by Kennecott Canada Exploration Inc. with a business office at 354-200 Granville Street, Vancouver, British Columbia, Canada, V6C 1S4.

2) I am a graduate in Geology with a Bachelor of Science degree from the University of British Columbia in 1983.

3) I am a registered member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (No. 19713).

4) I am a Fellow of the Geological Association of Canada (No. F5457).

5) I have practiced my profession as a geologist for the past fourteen years.

   Four years pre-graduate experience in geology, geochemistry and geophysics with Noranda Exploration Co. Ltd. (seasonal, 1979 to 1982).

   Two years as exploration geologist with Rhyolite Resources Inc. (1983 to 1985).

   Five years as Exploration Geologist with Searchlight Consultants Inc. (1985 to 1990).

   Seven years as Consulting Geologist and proprietor of Summit Geological (1990 to 1997).

   Four years as Exploration Geologist/Project Geologist with Kennecott Canada Exploration Inc. (seasonal 1994, full time 1995 to 1997).

6) I am the project geologist supervising exploration programmes conducted by Kennecott Canada Exploration Inc. ("Kennecott") in southeastern British Columbia. The Kennecott supplied data contained in this report was collected by qualified geologists employed by Kennecott Exploration Inc. (Spokane office) during the 1996 field season. I have no direct or indirect interest in the Henny claims.

Dated:
July 04, 1997

Steven Coombes, P.Geo.
Project Geologist

PROFESSIONAL
PROVINCE OF
S. F. COOMBES
BRITISH COLUMBIA
GEOSCIENTIST

APPENDIX III

BIBLIOGRAPHY

Bibliography

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Lydon, John, W: The Sullivan Deposit and its Geological Environment: The Sullivan Project, pp 15-17, Geological Survey of Canada, July, 1995.