DRILLING ASSESSMENT REPORT ON CLAIM JA2 FOR DRILL HOLE No. 963, FORTYNINE CREEK AREA

Latitude 49° 20' Longitude 117° 30'

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March 26, 1998
Owned by principals of McMahon Resources Ltd.
1517 Vancouver Street, Nelson, British Columbia V1L 1E5

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

B.S.E. Mapani , MSc., Ph.D.

25,472

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ASSESSMENT REPORT OF CLAIM JA2 (322430), FORTYNINE CREEK AREA.

1.0 Introduction

McMahon Resources Ltd owns the Property, and drilling has been done in the area, commencing in October 1996 and subsequently in July and November, 1997. The core of the operations and claims are centered on the Forty-nine Creek that is tributary to the Kootenay River. The terrain on which the property lies is mountainous with moderate relief ranging from 525 m to 1,784 m on the mountains.

This report is submitted in accordance with the requirements of the Mineral Tenure Act, for the recording of assessment work.

2.0 Location and Access

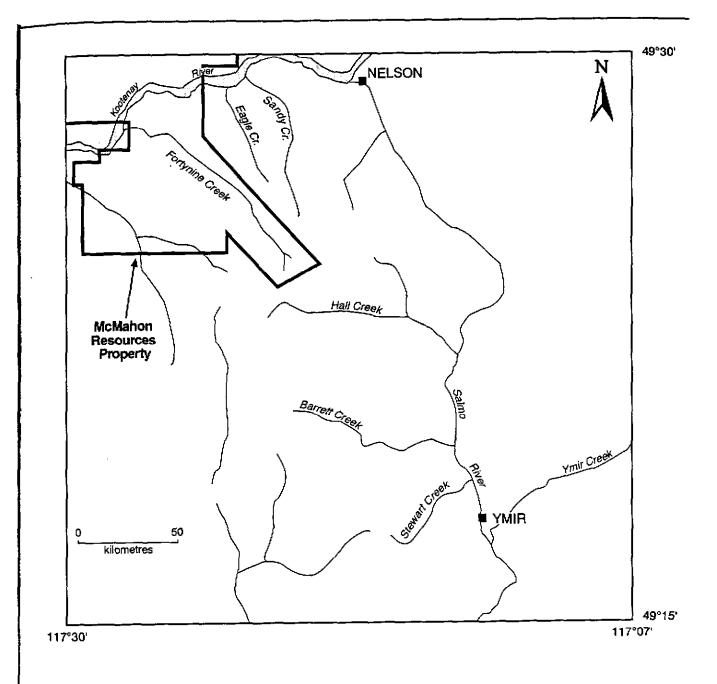
The JA2 (322430) claim lies about 11 km west of Nelson, British Columbia, situated between Forty-nine Creek and Bird Creek, south of the Kootenay River. The area is accessible by logging roads off the Blewett Road (Fig. 1).

3.0 Geology of the Area

Hoy and Andrew (1989) and Hoy and Dunne (1997) have discussed the geology of the area. The property lies within a broad belt of Lower Jurassic volcanic and sedimentary rocks of the Rossland Group (Hoy and Andrew, 1988) (Fig. 2). The structure in the area is dominated by tight northerly trending folds, associated with shear zone that contort and disrupt the Rossland Group in the Nelson area (Hoy and Andrew, 1989). The immediate structure in the Nelson area consists of tight south plunging fold called the Hall Creek syncline, which is cored by volcanics and sediments of the Rossland Group, and immediately to the east by older sedimentary rocks of the Ymir Group. The area covered by Claim JA2 (322430) is underlain by Rossland volcanics of Lower Jurassic Age (Hoy and Andrew, 1989, Hoy and Dunne, 1997). The area is underlain by a basal succession of mafic flows overlain by mafic to intermediate pyroclastic rocks. A diorite intrusive body lies within the Silver King deformation zone and is correlated with middle Jurassic Nelson intrusions (Hoy and Andrew, 1989). The Silver King shear zone is associated with small gold and copper mineralization, whereas Forty-nine creek itself has been historically been associated with placer and bedrock gold mining.

3.1 Geology of Hole No. DDH 96-3

The position of DDH 96-3 is shown in figure 3. Hole DDH 96-3 was a total length of 265.18 m (870 feet) and it intersected dioritic flows, mafic flows and tuffs. This hole was logged L.G. Hobbs. The mafic flows were epidotised in places suggesting alteration. Both a mafic and a porphyritic dyke were intersected. About 2% pyrite was intersected in mafic flows over a distance of 61 m. In the

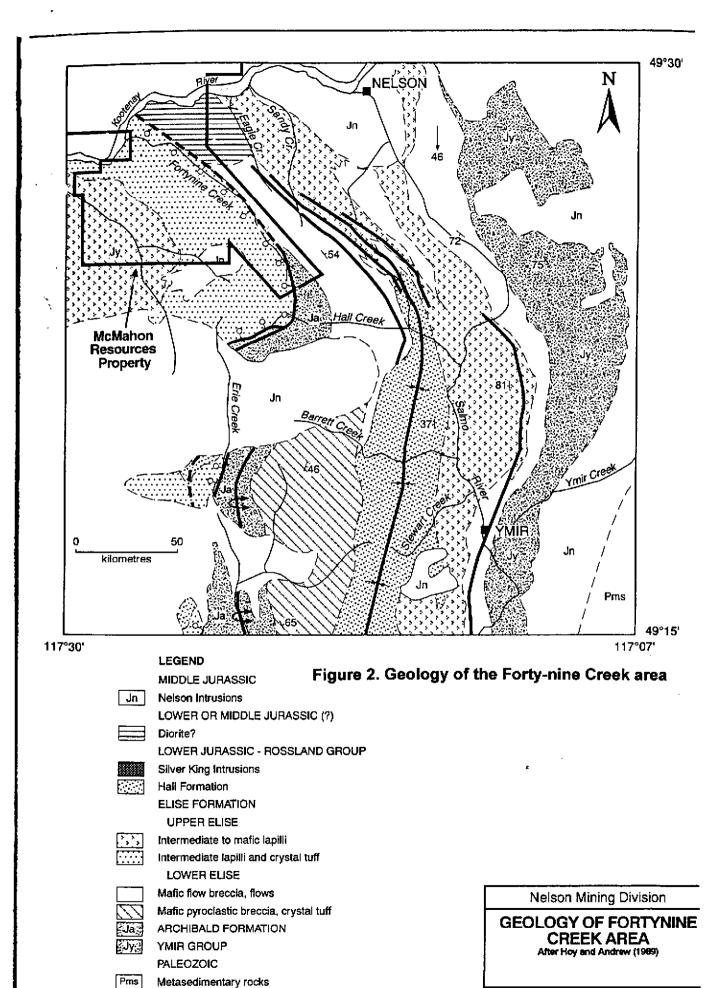


Nelson Mining Division

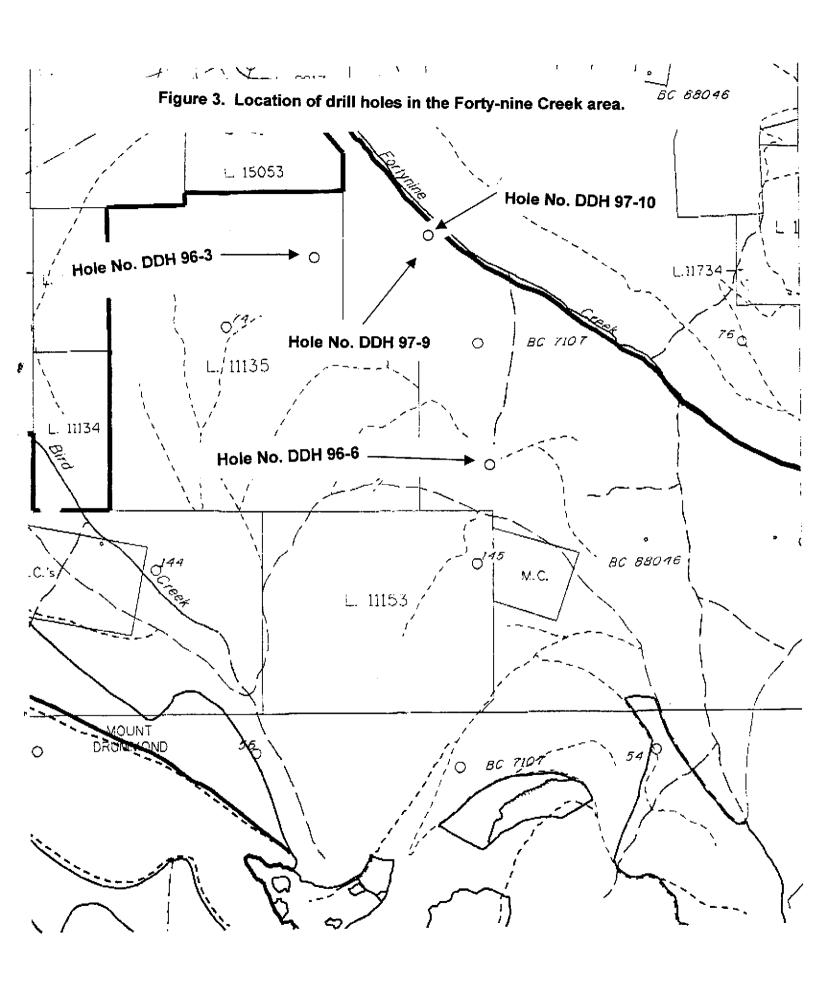
LOCATION MAP

FIGURE 1

SCALE AS SHOWN 17 JUNE 199:



SCALE AS SHOWN | 17 JUNE 1997



volcanics, the minerals pyrite and chalcopyrite occur sporadically associated with quartz veins.

Mafic Flows

These flows are variably dark green to dark grey, generally medium- to fine-grained in texture. Some sections appear like selvedges of pillows with a subtle schistosity. Sulphides occur in these sections up to about 2% mainly pyrite and chalcopyrite. Tuffs within these flows show an increase in the sulphide quantity. Small quartz veins occur in locally sheared horizons and carry sulphide mineralization.

Dioritic Flow

Dark and chloritised with shades of dark green and is cut by numerous veinlets of calcite and minor quartz. Pyrite locally developed up to 2 % and associated quartz veins.

Mafic Dyke

Nearly black in colour and porphyritic in texture.

Tuffs

These are well banded with streaks of pyrite parallel to the flows.

3.2 Interpretation and assessment

The geology of the hole is in a favourable area, which has in the past produced gold and copper minerals in economic quantities. The hole therefore intersects lithologies that are amenable to host a gold prospect. Further drilling in the area is likely to cast a better picture of the economic potential of the Forty-nine-creek area.

The current assessment therefore is that the area requires further drilling and actual assay results for gold and analyses for copper.

4.0 Expenses Hole 96-3 Expenses

Date	Payee	Description	Cost	
11/16/9 6	Canadian Tire	Broom	5.69	
11/30/9 6	Ruth Carter	Administration	209.07	
11/25/9 6	LegVen	Skidder and water truck	5,832.45	
11/15/9 6	Marrello Mike	Drilling labour @12 per hour(43.38hrs)	520.59	
11/15/9	Marrello Mike	Drilling truck gas	125.99	

6			
11/15/9 6	Marrello Mike	Drilling truck rental	529.42
11/15/9 6	Stockdreher, Gerhardt	Drilling labour @\$7 per hour(33.06hrs)	231.42
10/20/9 6	T &K Big Adventures	Dig sump	191.32
11/03/9 6	Target Drilling	Drilling	17,603.49
11/15/9 6	Walmart	Abrasive	3.38
10/21/9 6	Walmart	Bungee cords	11.82
03/27/9 8	Benjamin Mapani	Report writing and drill log analysis	125.60
		Total	25,390.24

REFERENCES

- Hoy, T and Dunne, P.E, 1997. Early Jurassic Rossland Group, Southern British Columbia. Part I: stratigraphy and Tectonics. Geological Survey, British Coulumbia Bulletin No. 102.
- 2. Hoy, T and Andrew, K, 1989. The Rossland Group, Nelson Map Area, Southeastern British Columbia (82F/06), British Columbia. Ministry of Energy, Mines and Petroleum Resources Geological Fieldwork, 1988, Paper 1989-1, pp33-43.
- 3. Hoy, T and Andrew, K, 1988. Preliminary Geology and Geochemistry of the Elise Formation, Rossland Group, between nelson and Ymir, Southeastern British Columbia. British Columbia Ministry of Energy, Mines and Petroleum Resources Geological Fieldwork 1987, Paper 1988-1, pp19-30.

APPENDIX A

Statement of Qualifications.

I Benjamin S.E. Mapani, of 16-20 Summers Place, Saskatoon, Saskatchewan do hereby certify that:

- 1. I am a graduate of the University of Melbourne, Australia and the Ecole Superiure de Geologie, Nancy France, with a Doctor of Philosophy degree in Structural Geology and a Masters degree in Exploration Geochemistry.
- 2. I am a member of the Geological Society of America
- 3. I have practiced geology for 12 years in Australia, and elsewhere on the African continent.
- 4. This report is based on examination of drill core logs, published reports of the area and rock samples available to me.
- 5. I am acting as a consulting geologist for Ruth Carter, Director of McMahon Resources Ltd.
- 6. I do not hold any interest in McMahon Resources Ltd.

Dated March, 30th, 1998. Saskatoon, Saskatchewan. B.S.E. Mapani

APPENDIX B DRILL HOLE LOGS

	870 Targ	Creek Nelson Strukke B.C.
		ello's. Blewett Rd 200 June 12/97 Consider L.G. Hobbs
From (H.)	, is	
) (1)	17	Casing
17	35/5	Dioritic Flow Dark chloritized. Cut by numerous veinfets (mostly calcite) Pervasive shig at 60 deg. Py (up to 2% locally) throughout. Plag xls loally prominent. 34/4-35/5 Finely banded. shid? 35/5 1/2" g/c ven.
15/5	49/5	Mafic Dike Nearly black. Somewhat porphyritic (feids) Non-reag L.c. marked by carbin
10/6	42/4	Mafic Flow Mixed textures. Some vfg. Some still coarser and showing small felds phenos. Shig persists it ocally magnetic, chloritized.
12/4	42/8	Tuff? Well banded @ 60 deg. Minor py in streaks parallel to bands
12/8	43/5	Mafic Flow Dark flow as above
3/5	43/10	Tull? As above.
13/10	370	Maffic Flows Mainly dark flow, Locally magnetic. Locally numerous fine carb veinlets generally aligned but sometimes at random angles, locally epidotized. Locally py, generally in streaks @ 45 deg. Some may be conductive eg. 138'

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	147/3-148 bx/d, epidotized 253/6-281 diontic flow w lighter green ova. Frags up to 2° tong elongated II to weak schistosity 37/4/3 Light green selvage? 288-300 More bxa frags (porphyroblasts?) Light green.							
376/8	Grey Porp. Dike White felds phenos to 5/8" in 1g grey matrix, sharp contacts	95352	35	610/6	611/3	0/9	145	-
631/3	Mafic Flows As above. Calcite veniets st more numerous some schistosity @ 45 deg. which incr slightly down sec'n. 395-395/6 QV bulksh. 413/6-413/9 QV bulksh. 499' Start of more Qvs up to 1" thick. 515-530 More flow like. APL? 609 Start of more py (+/- Cp). 35352 st heavier py, cp? than usual. 35353 increased by	95353	35	621	622	1/0	10	
633/4	Pyroxenite Dake Light green wich onte als and magnetate filled seams, accompanied by Ovs carrying magnetate, colonie and locality							
870	heavy pv. Has been sampled previously. Maffic Flows? Dark, mass to sliperpic. 655 A felsic fragment witheavy py. Lapitli tuff! 695 Incripy, op dissem in streaks 713 Heavy chlorie shear wicalcite, py Several sections previously. 812 Dissem py starts. Py to 2%. Not much structure. 96354 Dissem py in tig flow.	95354	45	82019	821/9	1.60	240	