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GEOLOGICAL REPORT

ON THE

RAINBOW 5, 6, 7 and 8 MINERAL CLAIMS,

TULAMEEN AREA

SIMILKAMEEN MINING DIVISION

LAT. 49° 34'. LONG. 120° 48' 30"

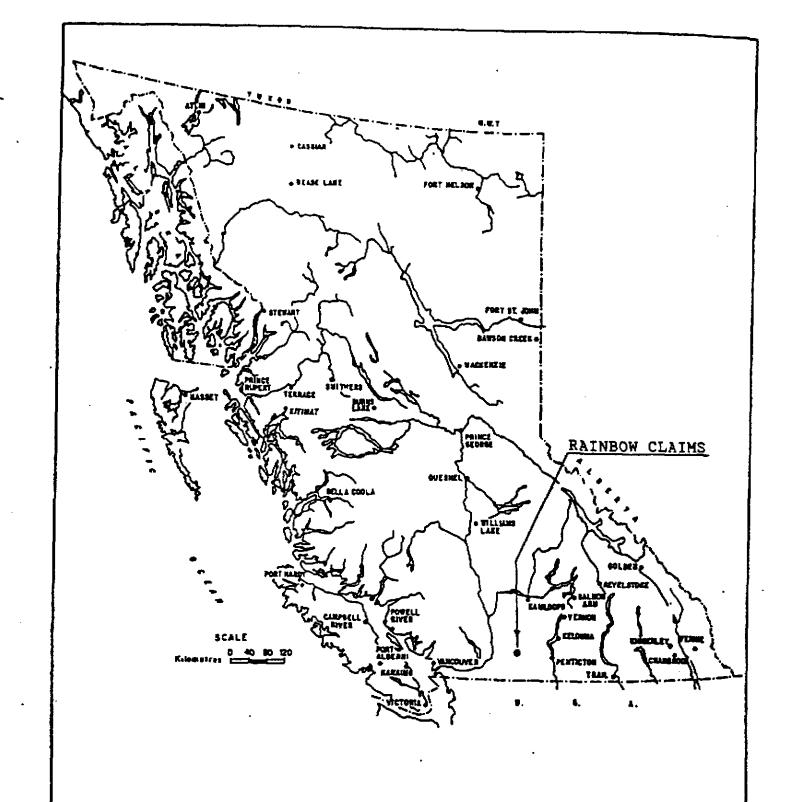
BY

T.E. LISLE, P.ENG.

October 30, 2000

GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORT





LOCATION MAP, RAINBOW CLAIMS TULAMEEN AREA SIMILKAMEEN MINING DIVISION BRITISH COLUMBIA

Fig 1

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SUMMARY AND CONCLUSIONS

During the fall of 1999 and 2000, a program of reconnaissance geological mapping was undertaken on the Rainbow 5, 6, 7 and 8 mineral claims located a few kilometres northwest of Tulameen in south-central British Columbia. This work was concentrated in the area hosting a number of polymetallic mineral occurrences including the Redbird and Cousin Jack Prospects that contain anomalous concentrations of copper, silver, gold, lead and zinc.

The mapping is incomplete, however the emerging evidence from the work completed to date suggests a spatial relationship of the mineralized prospects to a black to dark grey mafic unit that is commonly magnetic. In at least one instance, a late mineralizing event post dates the mafic unit. The relationship of this unit to known formations in the district is uncertain. Magnetic data indicates a strong positive anomaly over the mapped unit that while smaller, is similar to the magnetic response over the Tulameen ultramafic complex.

Previous work in this area suggested the possible presence of VMS mineralization, perhaps related to a common felsic horizon. The current mapping has shown the presence of small conglomerate bed ? or vent breccia at both the Redbird and Cousin Jack prospects. At the Redbird, one of these occurrences is discordant and appears to be a breccia. The extent and architecture of these horizons requires further definition

We conclude that the potential of both the Redbird and Cousin Jack Prospects would be enhanced by further detailed geological mapping at a scale of 1:2,500, with particular attention being directed to the mafic unit described above. Correlation of the resulting data with geochemical and geophysical data in the provincial database would provide a much needed perspective on which to plan future work.

Looking ahead, additional sampling and fill-in geophysical and geochemical surveys, augmented by petrographic work will need to be undertaken if viable targets are to be found. While relatively inexpensive, the costs of these surveys are burdensome for individuals, and in the currently poor exploration climate in the province, investors are difficult to find. For this reason, progress will likely remain slow.

INTRODUCTION.

During August and September, 1999, the writer and colleague E. Ostensoc, P. Geo. initiated a program of geological mapping on the Redbird Prospect located on the east flank of Rabbitt Mountain 4.50 kilometres northwest of Tulameen in south-central British Columbia. This prospect is covered with the Rainbow 5 and 6 mineral claims. The results of this work were filed as assessment work on March 30, 2000. The Rainbow 5 and 6 mineral claims are contiguous with and lie to the east of the Rainbow 2, 3 and 4 mineral claims. The old 'Cousin Jack' prospect located about 4.0 kilometres north northeast of the Redbird prospect was staked and covered with the Rainbow 7 and 8 mineral claims in November, 1999.

Both of these well known prospects were intermittently explored over much of the 20th century, however in spite of the extent of the various exploration programs, the setting and geology of the prospects is not well defined. For this reason, the owners extended the work started in 1999 on the Redbird, and completed a limited program of mapping on the Cousin Jack Prospect between September 30, 2000 and October 6, 2000.

The data resulting from these efforts has been compiled into a geological report along with maps showing the approximate location of surface features and geology. The costs associated with this work are tabulated in appendix 1 and are used for assessment purposes on the various Rainbow claims.

PROPERTY

The Rainbow Project comprises the Rainbow 2, 3, 4 5, 6, 7 and 8 mineral claims located and recorded in the Similkameen Mining Division. The claims are shown on figure 2a and 2b, a reproduction of mineral titles map # 92H056, #92H066 and #92H067. Details of the property are as follows:

<u>Claim</u>	Units	Туре	Record No.	Record Date.	Expiry date.
Rainbow 2	20	4 Post	309158	May 6, 1992	May 6, 2002
Rainbow 3	16	4 Post	309159	May 7, 1992	May 7, 2001
Rainbow 4	10	4 Post	323956	March 1, 1994	Mar. 1, 2001
Rainbow 5	12	4 Post	371269	Aug. 18, 1999	Aug. 18, 2002
Rainbow 6	1	2 Post	371270	Aug. 20, 1999	Aug. 20, 2002
Rainbow 7	1	2 Post	373070	Nov. 3, 1999	Nov. 3, 2000
Rainbow 8	1	2 Post	373071	Nov. 3, 1999	Nov. 3, 2000

LOCATION AND ACCESS.

The Rainbow 5, 6, 7 and 8 mineral claims are located in the Similkameen Mining Division. The Rainbow 5 and 6 claims are on and near the east flank of Mount Rabbitt some 5.0 kilometres northwest of the village of Tulameen in south central British Columbia. The Number 1 Post of the Rainbow 6 mineral claim, on the common claim line of the Rainbow 5 and 6 mineral claims, is located at about LAT 49° 34'05" and LONG. 120°48'30". The Rainbow 7 and 8 mineral claims are approximately 4.0 kilometres north northeast of the Rainbow 6 claim, and about 8.0 kilometres north northwest of the village of Tulameen.

Access to the Rainbow 5 and 6 claims is by the Lawless Creek Road, northwest from Tulameen to the 5.0 Kilometre mark; then northerly on the Rabbitt Mountain Road to the 5.0 kilometre mark, then westerly for about 3.0 kilometres to the Redbird showing area. Elevations in this area range from 1220 metres to 1500 metres above sea level. Sections of the claim area have been logged, and areas around the main showings appear to be scheduled for logging.

Access to the Rainbow 7 and 8 mineral claims is by the Elliot Creek Forest access road that leaves the Otter Valley Road about 2.0 kilometres north of Otter Lake. The road runs northwest and climbs from about 793 M (2600 feet) to 1280M (4200 feet) elevation. At the 7.50 kilometre mark, a branch road runs southerly for about 4.0 kilometres. Large sections of the timber resource in this area have been harvested but in the main prospect area the timber remains intact.

BACKGROUND.

The mining history of the Tulameen area is documented in numerous government publications, and in more than 120 technical reports filed for assessment purposes on mineral prospects immediately adjacent to the community of Tulameen. Early prospectors were attracted to the Tulameen area by discoveries of platinum in stream gravels draining the area of the Tulameen ultramafic complex, and by large gold nuggets from the gravels of the same area. Later work revealed that substantial reserves of low-grade iron(magnetite) is present in the same complex on Lodestone Mountain.

Interest in mineral occurrences in rocks surrounding the Tulamcen ultramafic complex, mainly the Nicola Group, has been directed to occurrences containing variable concentrations of copper, zinc, lead, silver and gold. These deposits take many forms, but of particular interest, are those that have been described in the literature as having stratiform or VMS potential in areas related to felsic volcanic units of the Nicola Group. These include the Redbird and Cousin Jack Prospects.

The first comprehensive geological map of the Tulameen area was included in GSC Memoir 26 authored by Charles Camsell in 1913. This map revealed the presence of several small granite stocks and masses intruding the Nicola rocks in the area of the Rainbow claims. Important background information is contained in the above noted references, but the reader is specifically directed to reports, in addition to those by Lisle and Ostensoe, the following Assessment reports: #944, #3397, #3398, #4588, #7159, #8411, #9902, #10,266, #10,657, #13,396, #14,098, #14,158, #15, 315, #15,993, #24,215, #24,961.

WORK PROGRAM

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The following geology work was completed.

Rainbow 5-6. (Redbird)	1999.	2000
Grid Lines.* Reconnaissance geology. Roads.	10.5 Line Km. 5.5 Line Km. 3.1 Line Km.	10.0 Line Km.
Rainbow 7-8 (Cousin Jack)		
Grid Lines* Roads.		3.40 Line Km. 0.75 Line Km.

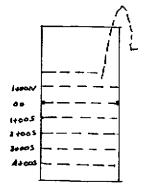
*Note: Lines flagged at 50 metre centres with 100 metre line spacing.

Rainbow 5

	0	5+	00	10+00	15+00	20+00
25+00N						
20+00N						
15+00N				-		
10 +00N						

Rainbow 7 and 8 (Cousin Jack)

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REGIONAL SETTING

The Nicola Group in southern British Columbia is part of a linear northwesterly Cordilleran belt of volcanic and sedimentary rocks developed in an Upper Triassic island arc. The group is a westward younging assemblage in the Princeton-Merritt area and comprises :

a) An eastern belt of alkalic and calc-alkalic submarine volcanic rocks, lahar deposits, basaltic flows, and high-level syenite stocks.

b) A central belt of alkalic and calc-alkalic subaerial and submarine assemblages of andesite, basalt and co-magmatic intrusions of diorite and syenite, and breccia, conglomerate and lahar deposits.

c) A western belt of calc-alkalic flow and pyroclastic rocks ranging in composition from andesite to rhyolite, with minor inter bedded limestone, volcanic conglomerate, sandstone and argillite. This assemblage appears to underlie much of the Tulameen area.

The Nicola Group to the west of Tulameen is bounded on the west by the Eagle Granodiorite, a syntectonic intrusion of apparent upper Jurassic age. Both the Eagle Granodiorite, and amphibolitized Nicola Group rocks dip westerly along a regionally developed northwest foliation. Several small intrusions are present near Tulameen. They include the Late Triassic to Early Jurassic Boulder Granite; the upper Triassic Tulameen Ultramafic Complex, and Tertiary Otter granite stocks.

All of the older rock units are disrupted by faults that either strike northwest along the regional trend, or northeast along faults that mark the planes of significant right-lateral and vertical displacement in the Tertiary period. One of the northeast faults marks the north boundary of the Tulameen Ultramafic complex and apparently trends northeast through the Rainbow claims close to an Otter Granite Stock. It has been speculated that the Cousin Jack prospect occurs where the eastern end of this structure abuts the Boulder Granite intrusion. Figure 3 illustrates some of the features of the regional geology in the vicinity of Tulameen.

The Nicola assemblage and related intrusions in south-central British Columbia are host to a number of world-class mineral deposits including copper-gold porphyries at Princeton and Kamloops; copper-molybdenum porphyries at Highland Valley; and the large Craigmont copperiron skarn deposit at Merritt. In addition, the belt is host to a very large number of prospects, including those at Tulameen, that continue to be explored.

GEOLOGY OF THE RAINBOW CLAIMS.

During the 1980's, the Abermin Corporation and related companies carried out widespread geological, geochemical and geophysical surveys. The area covered by the surveys stretched from the Tulameen River on the south to Elliot Creek on the north, and included most of the known polymetallic mineral occurrences in Nicola rocks including the Redbird prospect on the Rainbow 5 and 6 mineral claims, and the Cousin Jack prospect covered by the Rainbow 7 and 8 mineral claims.

The previous geology suggested that the Nicola Group in this area may be divisible into a) a lower basaltic unit with minor argillite. b) a middle andesitic unit and c) remnants of an upper felsic unit dominated by dacite +- rhyolite. Known mineral occurrences appeared to be spatially related to the felsic units.

Work in the 1990's (Lisle and Ostensoe 1994-1998) mainly to the west of the Abermin survey area, identified felsic units and in two cases a) El Alemein), and b) A large gossan exposed at the 9.0 km. mark on the Lawless Creek road, confirmed the association of mineralization to those units. The structure of the area was found to be complex and consequently neither the distribution or origin of these units was fully determined. This work attempted to subdivide the Nicola rocks into discrete units to trace the structure and stratigraphy. Due to persistent and numerous variations in litbology over narrow widths, this effort met with limited success.

PROGRAM RESULTS.

REDBIRD

The legend shown on Figures 5 and 6 to this report is similar to that used in recent reports by Lisle and Ostensoe. The traverses on cross lines and roads revealed an assemblage of tuffaceous rocks and minor flows of the Nicola Group, minor granite intrusions of the Tertiary Otter Granite Suite, and a black to dark grey unit of uncertain affiliation. The assemblage commonly displays a strong structural and lithologic grain at +- 315°. Locally, surface exposures are marked by glacial striations trending southwest. Attention is drawn to the following:

Rocks marked as tuff breccia (7d) are widespread but of limited aerial extent in the Rainbow Project area. Previously, this unit was considered to be part of a debris flow (labar), perhaps down slope of a volcanic vent. Typically the rocks have a dark fine-grained green groundmass that bosts pale felsic clasts of highly variable size and shape; and locally mafic clasts. Finer grained lapilli tuffs, variations of this unit tend to be gradational with other tuffaceous members. A coarse dacite breccia is present in the Redbird adit area near the mineralized complex. The size and shape of this unit requires further definition.

Mapping on the Rainbow 3 claim to the west of the Redbird Prospect defined narrow black to dark gray mafic magnetic dykes thought to be related to the Tertiary assemblage in the area. The 1999 mapping around the Redbird prospect identified numerous outcrops of similar material (unit 1) that locally contains lapilli-sized felsic clasts ? Mapping in the current program has shown this unit to be widespread. In detail the unit varies from very fine-grained with minor scattered amygdules? crysts? in a fine black matrix, to a dark grey unit resembling fine grained diorite. Biotite is locally conspicuous. In some areas the unit displays a clastic texture.

Figure 4 of this report is a reproduction of a section of Map 8531G, the one mile magnetic coverage of the Tulameen area to which has been added the location of the Rainbow claims, and the ground magnetic data from Assessment report 15,315. The regional coverage not only outlines the ultramafic rocks of the Tulameen Ultramafic complex and related ultramafic units to the northwest, but also the mafic unit at the Redbird Prospect. Projecting the mafic unit along the Cordilleran trend to the northwest, the magnetic data indicates a similar but stronger response to the west of the Rainbow 7 and 8 (Cousin Jack). This area is shown on Map 41-1989 (Monger), as being partly underlain by a remnant of the Cretaceous Spences Bridge Group. Also shown on figure 4 are the positive magnetic anomalies on the Abermin ground survey from assessment report 15315. This data, contoured at 57,900 nT, confirms both the airborne regional data and the geological mapping completed at the Redbird. The magnetic data is a significant aid in the interpretation of geology in areas devoid of outcrop. In one area on line 19+00 N about 100 metres west of the main road, this unit is seen to be cut by a narrow, +-(2/3meter) alteration zone containing significant concentrations of pyrite.

With one exception, we have not experienced rocks of this nature in the Nicola Group to date. Near lines 8+00N to about 12+00N around 8+00 west on the Rainbow 2 mineral claim, we encountered a mafic dioritic unit that had been highly altered by metasomatic processes related to the Tertiary Otter Granite. The magnetic data in this area approached but was not as intense as that encountered at the Redbird. Both the Tertiary Princeton Group Volcanics and The Cretaceous Spences Group volcanics contain mafic components and it is possible that this mafic unit may relate to either of those assemblages. However, the similarity of the magnetic response to the response over the Tulameen ultramafic complex and satellite intrusions suggests a possible connection. If this proves correct, then platinum group elements become an important target.

A thin 2.0 to 5.0 metre northwest trending pyritized rhyolite? layer is evident on the west side of the coarse dacite fragmental unit at the switch back on the main road. A number of outcrops, provisionally mapped as dacite or dacite tuff, are also evident some 400 to 500 metres to the southwest and appear to be spatially related to a strong northwest trending silicified zone. This zone is up to a few 10's of metres wide and is marked by hematite, limonite and pyrolusite.

A Tertiary Otter granite dyke or sill, in places associated with an occurrence of feldspar porphyry, has been mapped in the eastern map area cutting the mafic unit and other Nicola rocks. It would appear from recent traverses, that a small mass or stock may be present near the northeast corner of the Rainbow 5 claim. Some sections of this unit contain fine magnetite.

Two additional features of the geology require mention. First, a medium grained tuff with a pinkish cast is exposed in outcrops on lines 16+00N and 17+00N at about 10+00E. It has also been noted on line 23+00N near 8+00E. In hand specimen this rock might be mapped as an intrusive, but on close examination the colour appears to be related to hematite. Numerous exposures along this trend contain minor concentrations of hematite,

Second, a conglomerate-breccia unit (7g) has been partly outlined near the north end of the common claim line of the Rainbow 5 and 6 claims. The small southern segment of this unit, about a metre in width, appears to be discordant. It is strongly limonitic and altered with well rounded to angular clasts and is overlain by a limonitic spongy quartz that is succeeded upwards by white quartz and locally very heavy sulphide layers. The more northerly zone is +- 10 metres wide with similar characteristics but is not well exposed. It does not appear to persist to the north and the south end towards the smaller exposure is obscured. This unit has the appearance of a conglomerate bed however the above characteristics also suggest the possibility of a vent.

With minor exceptions, most of the zones of economic interest at the Redbird prospect comprise a series of narrow mineralized intervals with a common north northwesterly trend that lie either to the south or near the southerly limits of the mafic unit(s) described above. Some of these zones are marked by relatively narrow bands of carbonate altered rocks, and silicification is common. Sulphide mineralization however is also locally present in the adjacent sheared Nicola rocks and in view of the relationship of the above conglomerate/breccia zones, additional detailed mapping of the mineralized complex should be undertaken.

RAINBOW 7 and 8. (Cousin Jack)

The Cousin Jack area on the Rainbow 7 and 8 mineral claims differs from the Redbird in that the mineralized complex is centered on a zone of intense hydrothermal alteration that appears to be developed near the trace of a regional northeast Tertiary fault and the northerly trace of the large Boulder Granite complex.

H. S. McFarlane, on behalf of Calais Resources in 1987, conducted a drilling program on the Cousin Jack Prospect that included 662 metres of drilling in 12 shallow holes (Assessment Report 15993). Of particular interest was the observation "A dark grey to black mafic unit is frequently present beneath the zone of alteration. This unit is described in the literature as a mafic dyke, but appears to be texturally identical to the propylitically altered unit. It is thought that the black mafic unit is the unaltered host rock. Propylitic alteration is particularly well developed in the footwall side of vein structures. A purple to red colour is characteristic of the type of alteration developed in the andesite host rock. Chlorite and epidote are also present".

In view of this and results at the Redbird prospect, it was anticipated that the black mafic unit would be encountered while mapping at Cousin Jack, but this was not the case. This may be due to the limited extent of the recent mapping program, and also the relatively flat stratigraphy. The mineralized complex at the Rainbow 7 and 8 mineral claims trends north to northeast, is +200 metres wide and in excess of a kilometer in length. The zone consists of argillic-silicic-sericitic alteration selectively or differentially developed in areas of grey schistose rocks containing up to 10% disseminated pyrite.

The grey pyritized units differ markedly from the green schistose rocks in the nearby Nicola Group and may reflect altered versions of felsic units within the Nicola assemblage. The sulphide rich sections are marked by limonite and pyrolusite, however some areas are devoid of sulphide or contain only weak secondary minerals and appear as pale paper (quartz) sericite schists. A number of late quartz sulphide veins (ZnS, +- PbS. +- Cpy) with minor assays in gold and silver) are locally present. The widespread shallow drill testing program in 1987 determined that these zones were not of current economic interest.

Of particularly interest is the presence of a 5 to 10 meter zone of conglomerate or breccia in a trench on line 1+00 N. Within this zone, clasts range up to 1/3 meter in width, are well rounded to angular, and are generally well altered. Limonite is not as well developed as at the Redbird Prospect, however in spite of this there is a tendency to correlate the two units.

There is evidence to show that the alteration horizon at Cousin Jack is more extensive than shown on the mapping displayed on figure 5 to this report. It appears to follow a linear north northeast trend. It was speculated above that this trend may relate to a permeable horizon developed at the intersection of a Tertiary northeast fault with the northerly trending Boulder batholith. This may be the case, however a number of sulphide-rich vein prospects within this zone are clearly related to a later event and appear to have been focused on the zone of alteration, rather than a consequence of stratigraphy. This is at odds with the apparent stratabound nature of the sulphide mineralization in the grey "felsic" units, and again more detailed mapping needs to be undertaken to determine the broad perspective of this area.

RECOMMENDATIONS

- 1) Map the area hosting the Redbird and Cousin Jack prospects at a scale of 1:2,500.
- 2) Correlate the detailed geology with the existing geochemical and geophysical database.
- 3) Continue in-fill geophysical and geochemical surveys to more fully outline areas of economic interest.

T. E. Liste, P. Eng.

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October 30. 2000.

Appendix 1.

October 30, 2000

Statement of Expenses.

Wages:	E. Ostensoe. P. (Geo. Sept.30-Oct.6/2000		
		7 days at \$250.00	\$1,750.00	
	T. Lisle, P. Eng	g. As Above.	\$1,750.00	
Transportation	n:	7 days at \$50.00	350.00	
Food and Acco	mmodation.	\$60.00/day x7x2	840.00	
Gasoline:			150.75	
Misc. Field Su	pplics.		29,08	
Report and ma	ps.		750.00	
Total			\$5,619.83	
Assessment Allocation.				
Rainbow 7 and	8 (Cousin Jack)	5,619.83x2/7	1,605.67	
Rainbow 5 and	6 (Redbird)	5,619.83x5/7	4,014.16	

T. E. Lisle, P. Eng.

APPENDIX 2

Qualifications

The following persons carried out the field investigations described in this report.

1) Thomas E. Lisle, P. Eng. Geologist, (UBC, 1964).

-Extensive exploration in all phases of mineral exploration, principally in western and northern North America.

- Member 08528 of the Association of Professional Engineers and Geoscientists of British Columbia.

- Fellow, Geological Association of Canada.

-Member, Canadian Institute of Mining and Metallurgy.

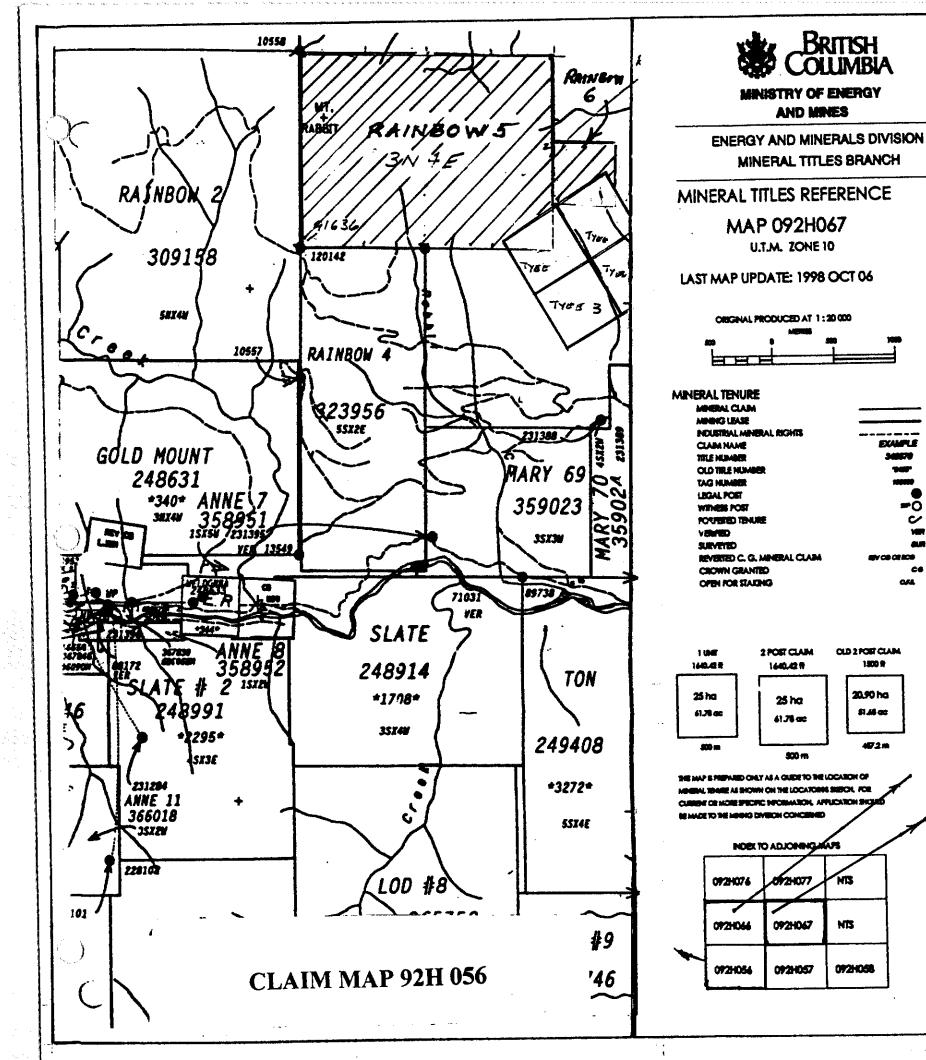
- Co-owner of Rainbow 2-6 mineral claims. Worked intermittently on Rainbow claims 1993 to 2000.

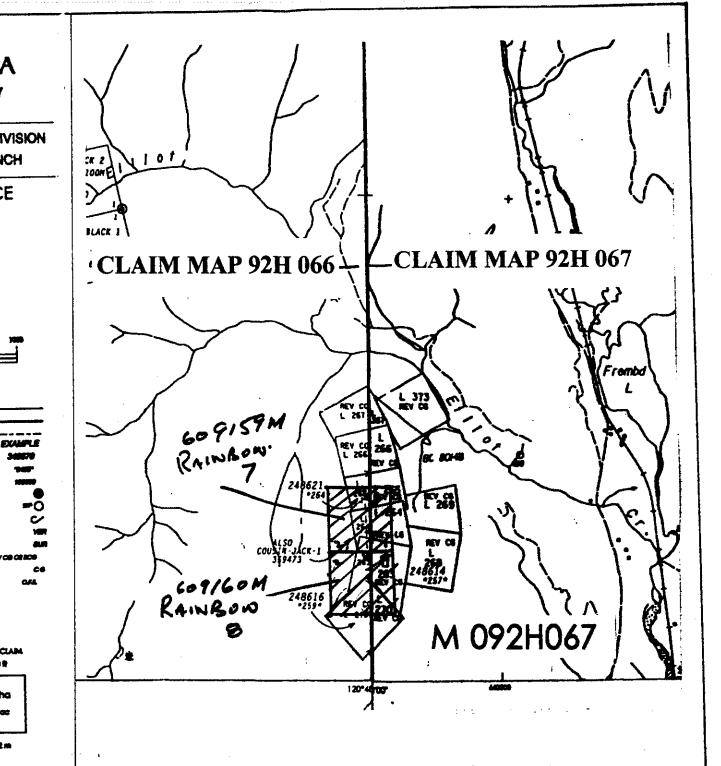
- Prepared this report for assessment purposes.

2) Erik A Ostensoe, P. Geo. Geologist, (UBC, 1960).

- More than 30 years experience in mineral exploration principally in western and northern North America.

- Member 18727 of the Association of Professional Engineers and Geoscientists of British Columbia. - Co owner of the Rainbow 2-6 mineral claims and worked intermittently on the claims from 1993 to 2000.





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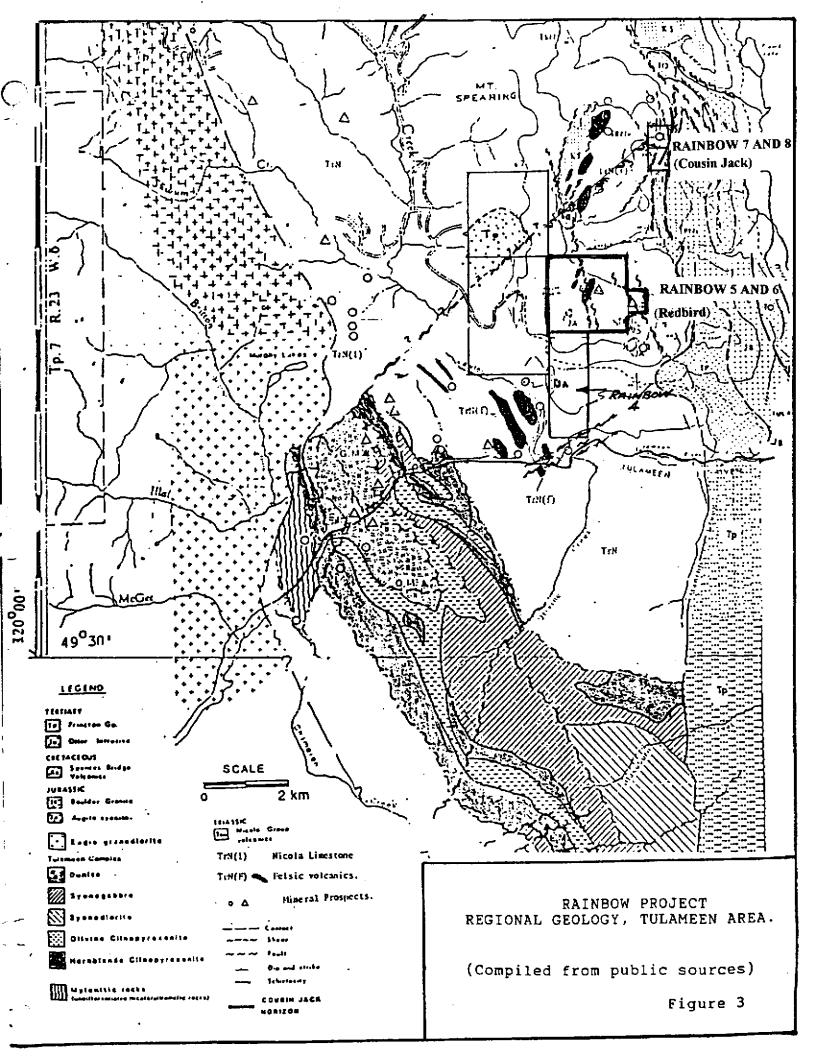
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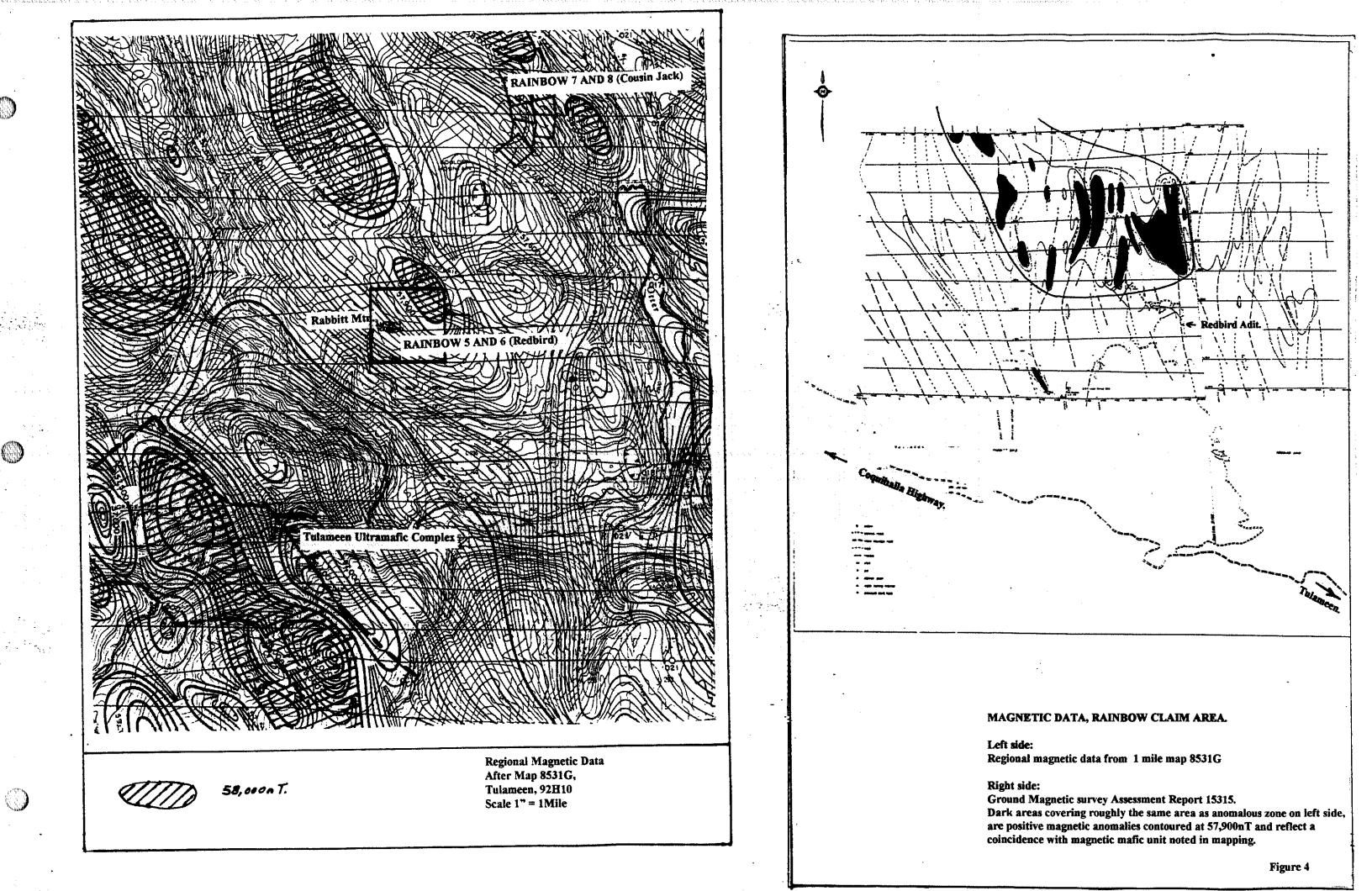
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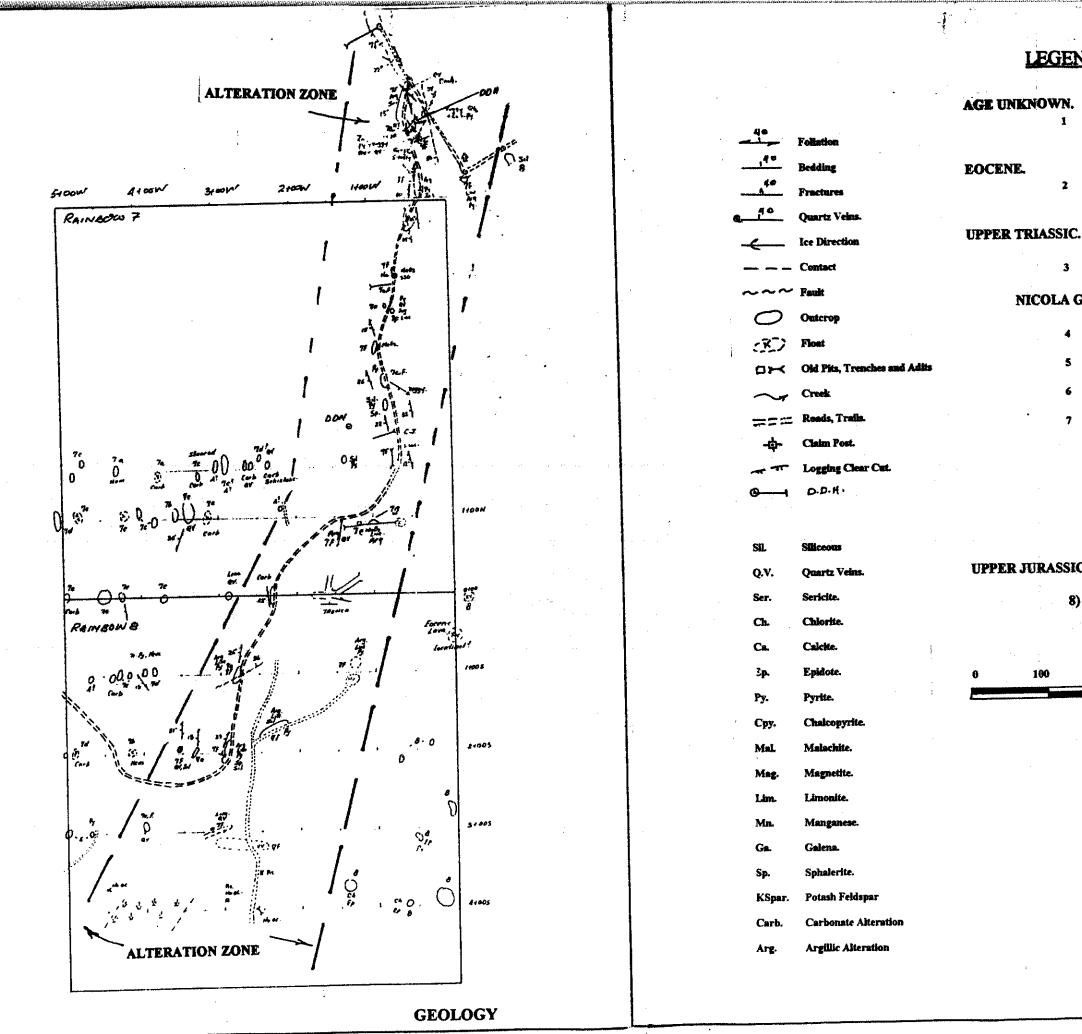
RAINBOW PROJECT SIMILKAMEEN MINING DIVISION, TULAMEEN, B. C. **CLAIM MAPS**

Left: Rainbow 5 and 6 **Right: Rainbow 7 and 8**

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LEGEND

- Mafic dykes and flows. 1
- Otter Granite, granodiorite and diorite. 2

Diorite. 3

NICOLA GROUP:

- Andesite. B) Andesite Porphyry. 4
- Dacite. 5
- Rhyolite, Feldspar Porphyry. 6
- Tuff. 7
- a) Fine Grained.
- b) Augite Crystal Tuff.
- Plagioclase Crystal Tuff. c)
- Tuff Breccia and Breccia. d)
- Undifferentiated e)
- Sericite Schist, Quartz Sericite Schist. Ð.
- Conglomerate/Breccia **g**)

UPPER JURASSIC-LOWER TRIASSIC

8) Boulder Granodiorite SCALE

100	200	300	400 metro

1:5,000

RAINBOW PROJECT

GEOLOGY RAINBOW 7 AND 8 MINERAL CLAIMS (COUSIN JACK)

Scale 1: 5,000

October, 2000

FIG. 5

