BRITISH COLUMBIA

PROSPECTORS ASSISTANCE PROGRAM

MINISTRY OF ENERGY AND MINES

GEOLOGICAL SURVEY BRANCH

PROGRAM YEAR:	1995/1996
REPORT #:	PAP 95-35
NAME:	FRANK O'GRADY

BRITISH COLUMBIA
PROSPECTORS ASSISTANCE PROGRAM
PROSPECTING REPORT FORM (continued)

B. TECHNICAL REPORT

- One technical report to be completed for each project area.
- **Refer to Program Requirements/Regulations, section 15, 16 and 17.**
- If work was performed on claims a copy of the applicable assessment report may be submitted in lieu of the supporting data (*see* section 16) required with this TECHNICAL REPORT.

Name Frank O'Grady Reference Number 95-96-P075

LOCATION/COMMODITIES

Project Area (as listed in Part A) Skookumchuck 95A MINFILE No. if applicable —

Location of Project Area NTS 82G/13 Lat 49°55' Long 115°55'

Description of Location and Access Located on East side of Skookumchuck Canyon. Access by Skookumchuck Mountain road and foot.

Main Commodities Searched For Cu

Known Mineral Occurrences in Project Area none

WORK PERFORMED

1. Conventional Prospecting (area) 3 km²
2. Geological Mapping (hectares/scale)
3. Geochemical (type and no. of samples) 2 soil samples
4. Geophysical (type and line km)
5. Physical Work (type and amount)
6,. Drilling (no,. holes, size, depth in m, total m)
7. Other (specify)

SIGNIFICANT RESULTS

Commodities N/A Claim Name N/A

Location (show on map) Lat 49°55' Long 115°55' Elevation 1100-1400 meters

Best assay/sample type soil sample Cu 22, Co 5, Ag<0.2, Pb 17, Zn 63 values in ppm

Description of mineralization, host rocks, anomalies The rocks of this area consist of thin to medium bedded shales of the Creston and Kitchener Formations.

Supporting data must be submitted with this TECHNICAL REPORT

BRITISH COLUMBIA
PROSPECTORS ASSISTANCE PROGRAM
PROSPECTING REPORT FORM (continued)

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Name Frank O'Grady Reference Number 95-96-P075

LOCATION/COMMODITIES

Project Area (as listed in Part A) McNeil Creek 95B MINFILE No. if applicable _____

Location of Project Area NTS 82F/8E + 82G/5W Lat 49° 21' 15" Long 115° 59' 30"

Description of Location and Access East side of McNeil Creek access by Moyie River road, Semlin Creek road, McNeil Creek road and foot

Main Commodities Searched For Pb, Zn

Known Mineral Occurrences in Project Area Shear zone containing Pb and Zn on MAR 3 claim

WORK PERFORMED

1. Conventional Prospecting (area) 3 km^2
2. Geological Mapping (hectares/scale) 1 hectare
3. Geochemical (type and no. of samples) 66 soil samples, 6 sediment samples
4. Geophysical (type and line km) 6.55 km VLF, 6.55 km mag
5. Physical Work (type and amount) _____
6. Drilling (no,. holes, size, depth in m, total m) _____
7. Other (specify) _____

SIGNIFICANT RESULTS

Commodities Pb, Zn Claim Name MAR 3

Location (show on map) Lat 49° 21' 15" Long 115° 59' 30" Elevation 1600-1930 meters

Best assay/sample type ICP Ag 129, Cu 1495, Pb > 50,000, Zn 1870, As 100 values in PPM

Description of mineralization, host rocks, anomalies MAR 3 shear zone anomalous in Ag, Cu, Pb, Zn and As. Host rocks Aldridge sediments. Five Separate VLF anomalies encountered on MAR 3. Above background values in Pb, Zn and As in northeast corner of PHANTOM 1. Epidote and Sericite alteration encountered on CUBBY group.

Supporting data must be submitted with this TECHNICAL REPORT

BRITISH COLUMBIA
PROSPECTORS ASSISTANCE PROGRAM
PROSPECTING REPORT FORM (continued)

B. TECHNICAL REPORT

- One technical report to be completed for each project area.
- **Refer to Program Requirements/Regulations, section 15, 16 and 17.**
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Name Frank O'Grady Reference Number 95-96-P075

LOCATION/COMMODITIES

Project Area (as listed in Part A) Urmston Creek 95C MINFILE No. if applicable _____

Location of Project Area NTS 82F/2 Lat 49° 3' Long 116° 36'

Description of Location and Access Situated West and South of Creston near U.S.A. border. Access by Dodge Creek logging road and foot.

Main Commodities Searched For Pb, Zn

Known Mineral Occurrences in Project Area SULLIVAN II

WORK PERFORMED

1. Conventional Prospecting (area) 2.5 km^2
2. Geological Mapping (hectares/scale) _____
3. Geochemical (type and no. of samples) 7 soil samples, 12 sediment samples
4. Geophysical (type and line km) _____
5. Physical Work (type and amount) _____
6. Drilling (no,. holes, size, depth in m, total m) _____
7. Other (specify) _____

SIGNIFICANT RESULTS

Commodities As anomaly Claim Name N/A

Location (show on map) Lat 49° 3' Long 116° 36' Elevation 700-1600 meters

Best assay/sample type Soil sample Pb 165, Zn 130, Ag 8, As 42 values in ppm

Description of mineralization, host rocks, anomalies Host rock is Middle Aldridge sediments. Urmston Creek was found to be anomalous in As indicating possible Sullivan-type activity.

Supporting data must be submitted with this TECHNICAL REPORT

BRITISH COLUMBIA
PROSPECTORS ASSISTANCE PROGRAM
PROSPECTING REPORT FORM (continued)

B. TECHNICAL REPORT

- One technical report to be completed for each project area.
- **Refer to Program Requirements/Regulations, section 15, 16 and 17.**
- If work was performed on claims a copy of the applicable assessment report may be submitted in lieu of the supporting data (*see* section 16) required with this TECHNICAL REPORT.

Name Frank O'Grady Reference Number 95-96-P075

LOCATION/COMMODITIES

Project Area (as listed in Part A) Perry Creek Placer MINFILE No. if applicable _____

Location of Project Area NTS 82F/8E Lat 49° 21' Long 116° 08'

Description of Location and Access to kilometer 25 on Perry Creek main logging road and 250 metess on tote road.

Main Commodities Searched For Au

Known Mineral Occurrences in Project Area Au

WORK PERFORMED

1. Conventional Prospecting (area) _____
2. Geological Mapping (hectares/scale) _____
3. Geochemical (type and no. of samples) _____
4. Geophysical (type and line km) _____
5. Physical Work (type and amount) clearing stumps - 1 day
6. Drilling (no,. holes, size, depth in m, total m) _____
7. Other (specify) surveying + laying out trenches, settling ponds, storage pad, etc.

SIGNIFICANT RESULTS

Commodities Au Claim Name _____

Location (show on map) Lat 49° 21' Long 116° 08' Elevation 1400 metess

Best assay/sample type —— N/A

Description of mineralization, host rocks, anomalies Job suspended until more favourable weather conditions.

Supporting data must be submitted with this TECHNICAL REPORT

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MAP 95/96 P075-4	Urmston Creek Prospecting
MAP 95/96 P075-5	McNeil Ck, O/C & Geochem
MAP 95/96 P075-6	Reccy Geochem Cubby
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PROJECT 95A SKOKUMCHUCK

INTRODUCTION

A total of 5 days were spent prospecting the Skookumchuck Canyon area.

The authour previously accessed this area by following the Skookumchuck River upstream for several kilometers. This route took nearly a full day to get to the prospecting area. Therefore, the decision was made to find a faster more efficient way to access the area.

Access by helicopter was investigated. The cost was estimated to be in excess of $1000 with no guarantee of a suitable place to land. It was therefore decided to search for an alternate foot access route from the Skookumchuck Mountain road to the East side of Skookumchuck canyon.

One day of combined prospecting and reconnaissance of the area between the Skookumchuck canyon and the Skookumchuck Mountain road was conducted with the aid of air photos. It was decided to compass and sparsely flag a line from a point 500 meters North of the last switch back on the Skookumchuck Mountain road due West to the edge of the Skookumchuck canyon.

This new route requires approximately 1½ hours to walk from the Skookumchuck Mountain road to the East edge of the Skookumchuck canyon. Where this route intersects the topographic break of the Skookumchuck canyon a good North to South game trail is in place. This game trail will provide good access to starting points for further traverses in this area.

PROSPECTING OBJECTIVE

There were two objectives of the 1995 prospecting program in this area:

1. Visit the chalcopyrite, malachite float area encountered by the authour several years ago.

2. Search for a Spar Lake type deposit in the sediments of this area.

The chalcopyrite - malachite area was not visited and sampled. By the time the authour became reoriented in the area a snowfall precluded a visit to the float area. The sides of the canyon are very steep and become treacherous when there is a few centimeters of snow present. It was decided to postpone further visits to this area until 1996 for safety reasons.

No new sulphides were encountered in the area, however, the authour plans to spend several days prospecting the area in 1996.

PROSPECTING

Two traverses were made from the East side of the canyon to the Skookumchuck River (MAP 95/96 P075-1)

Several outcrops and large amounts of float were examined on the two traverses.

The rocks consisted of a thinly bedded shale striking slightly East of North and dipping approximately 35° to the East.

On the North traverse the shale is a light green colour on the upper portion of the canyon and a gray green colour on the lower 25% of the traverse approaching the Skookumchuck River.

On the South traverse the rocks consisted entirely of the gray green shale and the bedding was thinner than that to the North.

A large outcrop, approximately 100 meters by 100 meters, was encountered on the East end of the South traverse. On the South side of this outcrop contortions and minor folding are present. This is interpreted as a result of faulting immediately South of this outcrop. A steep sided prominent gully leads from the East side of the canyon in a southwest direction from a point just South of this outcrop. This gully is probably the surface expression of a fault. Where this fault approaches the Skookumchuck River is believed to be the location of the chalcopyrite - malachite float encountered by the authour several years ago.

SOIL SAMPLE RESULTS

Two soil samples were taken, SK-5-95-1 and SK-5-95-2. On the access route two, gully like, abrupt linear topographic lows were encountered (map 95/96 P075-2). These are possibly the surface expression of minor faulting. The soil in the bottoms of these gullies was sampled to determine if anomalous amounts of metal ions are present.

The soil samples were analysed for Cu, Co, Ag, Pb, and Zn. The Cu values may be considered slightly above background. The values of the other metals are not significant. The certificate of analysis is contained in appendix 4. The results are plotted on MAP 95/96 P075-2.

CONCLUSION

No sulphides were encountered during the 1995 prospecting program. However, a good access route has been established and the authour is well oriented in the area. This should result in an effective prospecting program during 1996.

PROJECT 95B McNEIL CREEK

INTRODUCTION

Two days were spent examining the Helge Fors showing and rocks in the area of this showing near Munroe Lake. This was to familiarize the authour with rock types and mineralization in this part of the Aldridge Formation. Craig Kennedy, prospector, accompanied the authour and provided guidance.

Work was conducted on 3 contiguous claim groups in the McNeil Creek area (Map 95/96 PO75 - 7):

1. The Mar 3 Group,
2. The Phantom 1 Group, and
3. The Cubby Group.

All three claim groups are underlain by the Aldridge Formation. The lower middle contact (LMC) of the Aldridge Formation is present at depth.

The Sullivan orebody is situated 35 kilometers to the North and is hosted by the Aldridge Formation at the LMC. In addition there are exposed geological features similar to the Vine deposit which is situated 12 kilometers northeast of the claim groups.

MAR 3 GROUP

A total of 6 days were spent on the MAR 3 goup conducting geophysical surveys.

A geophysical survey including VLF - EM (very low frequency electromagnetic) and magnetometer were conducted on the MAR 3 claim group.

The results of the survey are presented in the MAR 3 assessment report submitted September 20, 1995 and form appendix 1 of this report.

Also a mineralized sample from a showing situated in a shear zone was analyzed for 30 elements. In addition to significant values of Pb (greater than 50,000 ppm) Zn (1495 ppm) and Cu (1870 ppm) the As value was 100 ppm. This anomalous amount of arsenic is indicative of Sullivan type activity.

Certificate of Analysis A9530703 forms part of Appendix 3 of this report. The location of the shear zone is on Map 95/96 P075 - 9.

CUBBY GROUP

INTRODUCTION

The Cubby Group was acquired to cover a zone of intense chlorite alteration. The alteration is exposed in a canyon on the lower part of McNeil Creek for a few hundred meters above where McNeil Creek enters the Moyie River.

This zone of alteration is considered by the authour to indicate significant hydrothermal activity.

This zone of alteration was brought to the attention of the authour by Ed Frost, prospector, of Fort Steele, British Columbia.

PROSPECTING

For ease of reference, prospecting on the Cubby group can be divided into three areas:

1. Cubby 7-10 area,
2. The large plantation, and
3. The small plantation.

CUBBY 7-10 AREA
The Cubby 7-10 area lies between the McNeil Creek road and McNeil Creek on claims Cubby 7 to Cubby 10 inclusive. The location line for the claims, in conjunction with an air photo, were used for orientation.

This area is mostly covered with small diameter lodge pole pine that has been severely damaged by an ice storm several years ago.

It was possible to examine boulders in several locations from pebble size to glacial erratics. The boulders consist mostly of Aldridge Formation quartzites and wackes with occasional boulders of diorite. The boulders are angular and sub angular to rounded. This area has a constant slope to the West, however, in places there are low moraine-like ridges as well as an undulating surface indicating a substantial thickness of overburden.

No sulphide mineralization was encountered in this area.

RECONNAISSANCE GEOCHEM
A total of 27 reconnaissance soil samples and one sediment sample were taken along the location line of claims Cubby 7 to Cubby 10. They are plotted on MAP 95/96 P075 - 6.

No significant anomalous values are present in these samples.

LARGE PLANTATION
The large plantation area is contained within Cubby 3, Cubby 4, and Cubby 5 (MAP 95/96 P075-5 and MAP 95/96 P075-8).

Boulders are prolific in this area as a result of logging activity. Boulders include quartzite, wackes and diorite boulders of Moyie Intrusive origin.

In addition, several outcrops were encountered in the easterly portion of the large plantation at higher elevations where the overburden cover appears to become much thinner.

The most significant outcrop encountered in the easterly portion of the large plantation is O/C M-95-2 (MAP 95/96 P075-5). This outcrop exhibits a set of minor fractures healed with epidote and sericite. This type of alteration is an indication of hydrothermal activity.

RECONNAISSANCE GEOCHEM
Nine soil samples were taken proximal to and slightly down slope from outcrop M-95-2. No anomalous values were present in the samples. The results are plotted on MAP 95/96 P075-5.

SMALL PLANTATION
The small plantation is West of the large plantation on the immediate West side of the McNeil creek road (MAP 95/96 P075-8).

PROJECT 95C URMSTON CREEK

INTRODUCTION

Four days were spent prospecting and sediment/soil sampling in the Urmston Creek drainage. Fresh staking was encountered on the fourth day. It was determined that the entire Urmston Creek drainage had been staked by Consolidated Ramrod, therefore the project was suspended.

PROSPECTING OBJECTIVE

The object of the program was to search for the sulphide mineralization described in the B.C.M.M. report for 1929 p. 360 as follows:

prospecting by Angus and Currie and assocites, who staked four claims at the head of Long Crek , following the discovery of a large quantity of float after a forest fire which burned over this area last fall. These claims are about 3 miles West of the Kootenay flats, Long Creek being a small stream between Corn and Boundary creeks. The float is a milling ore consisting of galena in a quartz gangue and the formation is probably Aldridge.

This creek is now believed to be named Urmston Creek.

PROSPECTING

The first two days were spent prospecting and sampling the lower portion (easterly) of Urmston Creek. It was discovered that above the point where the map shows several tributaries converging on Urmston Creek that there is no water course. The "tributaries" are steep sided gullies and do not contain the usual assortment of boulders found in a watercourse that is so useful when propsecting.

Approximately 800 meters upstream from the point where Urmston Creek empties into a side channel of the Kootenay River a cliff like outcrop was encountered on the South side of the creek. This outcrop is composed of a grayish, slightly metamorphosed quartzite exhibiting fine to medium bedding. It strikes 135° and dips 50° to the northeast. This outcrop exhibits a turbidity flow like feature and is possibly an Aldridge marker horizon.

Quartz was present as pebbles and small to medium sized boulders along the entire watercourse. On the lower portion of the creek quartz was rare becoming gradualllly more prolific upstream. Also, the size of the quartz material increased upstream from pebble size to small and medium size boulders.

Portions of the upper five "tributaries" of Urmston Creek were prospected. As previously mentioned a watercourse is not present in the upper tributaries. The gully bottoms are covered by a dense growth of Alders, making prospecting of this area challenging. The bottoms of the gullies are covered with till. The main rock type encountered is a grayish, slightly metamorphosed, thin to medium bedded quartzite. Approximately 2% of the boulders encountered in the gullies were quartz.

A traverse was made along what is believed to be the extent of the edge of the 1927 fire (Map 95/96 P075-3). This area was found to be 100% till covered. The boulders encountered on this traverse consisted mostly of a greyish, slighltly metamorphosed, thin to medium bedded quartzite. Minor quartz was also encountered.

SOIL SAMPLE RESULTS

In the Aldridge Formation, Kootenay Exploration (COMINCO) considers the following minimum soil/sediment values to be anomalous:

Pb	45ppm
Zn	240ppm
As	18ppm

Using the above values as a guideline the upper tributaries of Urmston Creek contain anomalous lead values. The tributaries are labelled tributary 1 and tributary 2 on Map 95/96 P075 - 3. In addition, a soil sample (U95D - 06) taken near tributary 1 also contains anomalous lead. Also, the three anomalous lead values are accompanied by above background zinc values. These results probably indicate the presence of lead and zinc near or above the sample sites.

The main branch of Urmston Creek, below all the tributaries except one (South Tributary), contains anomalous values of Arsenic. This phenomenom could indicate a Sullivan type of footwall alteration in this drainage.

CONCLUSIONS

There appears to be anomalous values of lead and zinc in the Urmston Crek drainage. This has in fact has been documented by previous work in the area. No scource of lead and zinc was discovered.

The program was suspended early as the entire drainage has been staked by another group.

The presence of Arsenic in the main branch of Urmston Creek should be documented. This will eliminate the possibility of future exploration or mining activity in the area being considered the scource of the increased levels of this element.

PROJECT PLACER PERRY CREEK (1995)

INTRODUCTION

A total of 5 days were spent on Placer Claim 49. On November 24, 1995 excavation of a 2000 cubic meter sample was attempted. The project had to be posptponed. The area was subject to heavy rainfall and abnormally high temperatures. These conditions resulted in water forming small creeks and running across the sample area and into Perry Creek in several locations.

After a few buckets of surface material were excavated it became obvious that further excavating would result in sediment laden water entering Perry Creek. Therefore, it was decided to postpone the project.

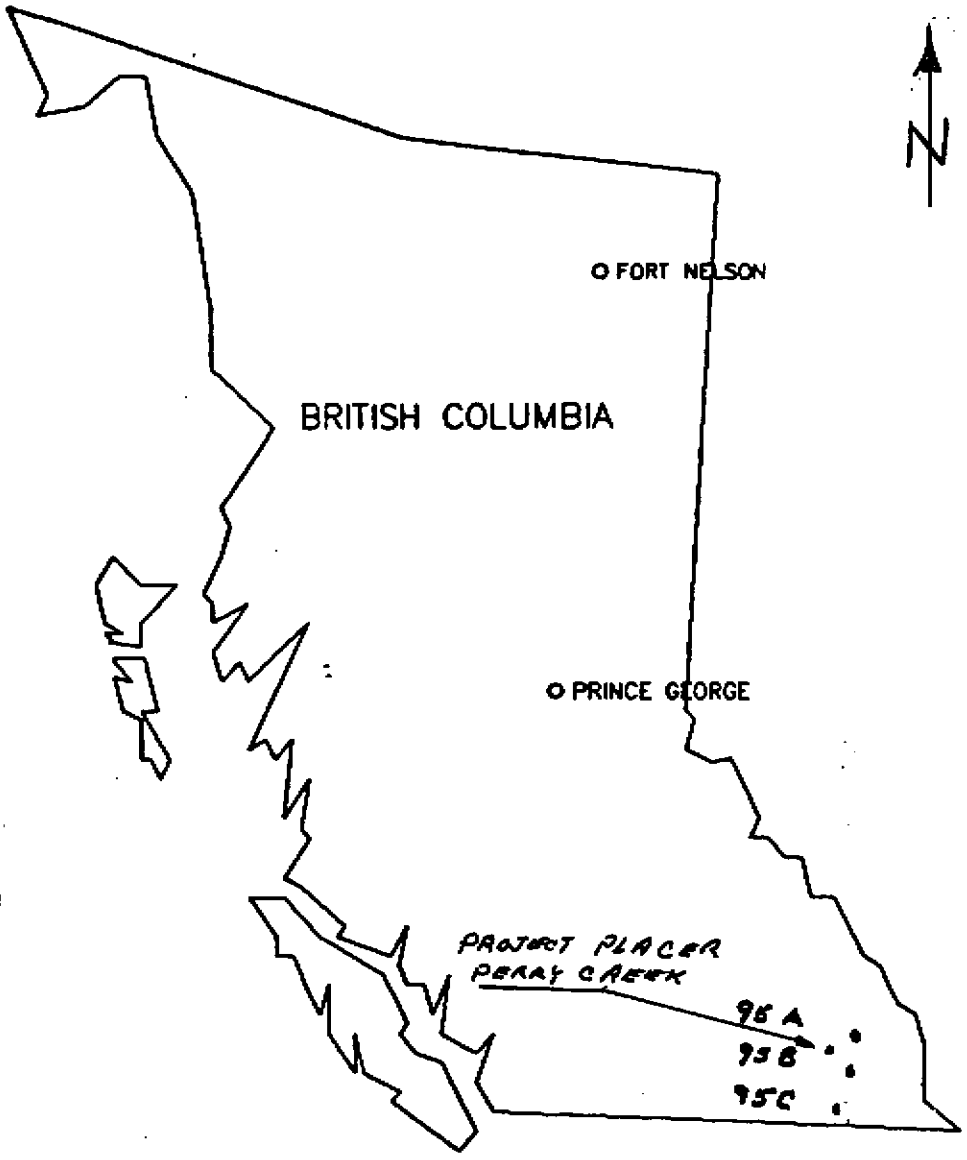
WORK PERFORMED

Preparation work for the project included laying out the settling ponds, laying out the stockpile area, and laying out the centre line for the trench excavation. Several tree stumps from the previous logging were removed from the excavation site and disposed of.

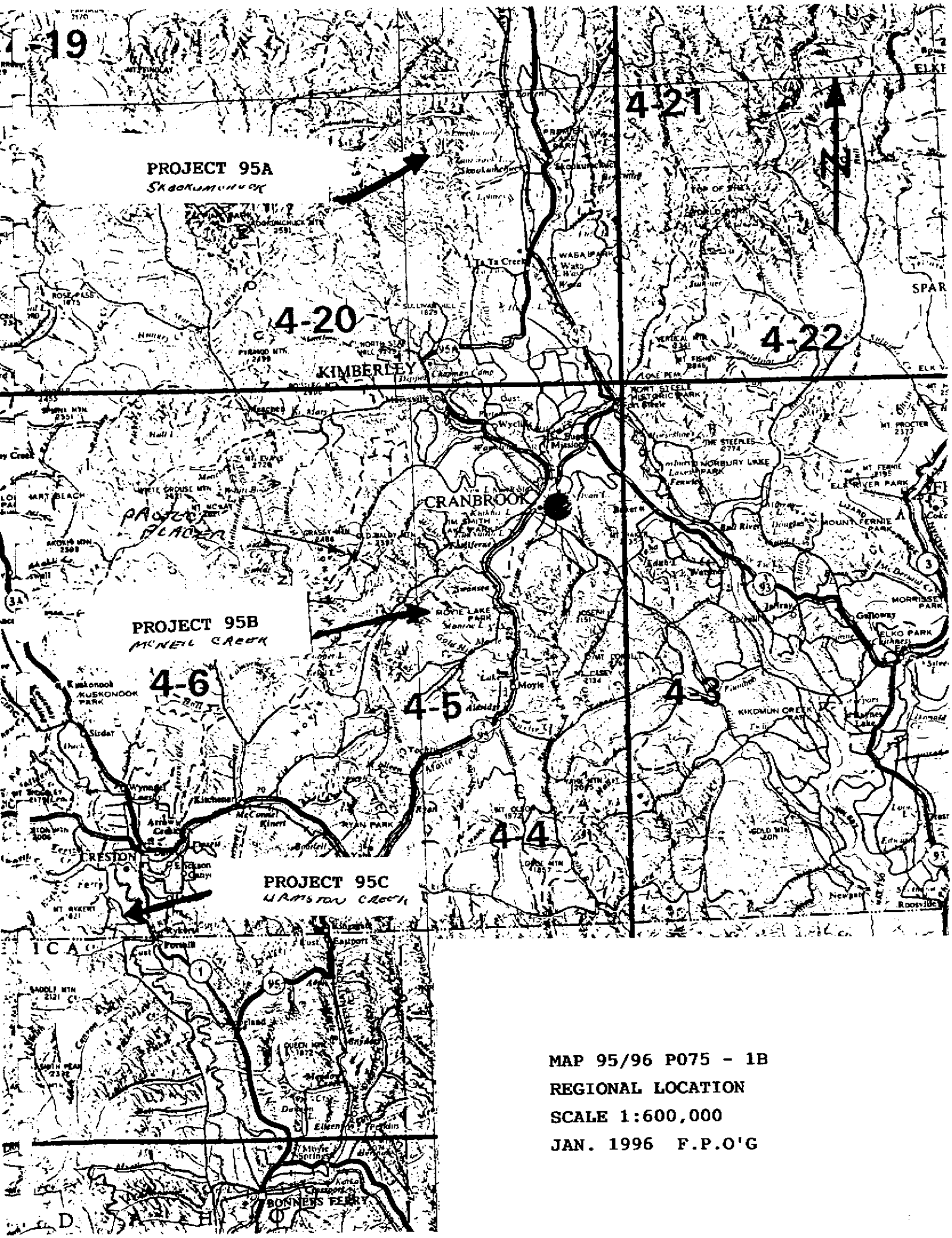
Also the project was reviewed on site with the contractor and operators to determine all equipment would be operated in accordance with Section 10 of the Mines Act.

A letter requesting a variance and accompanying technical information and drawings for the project form Appendix 3 of this report.

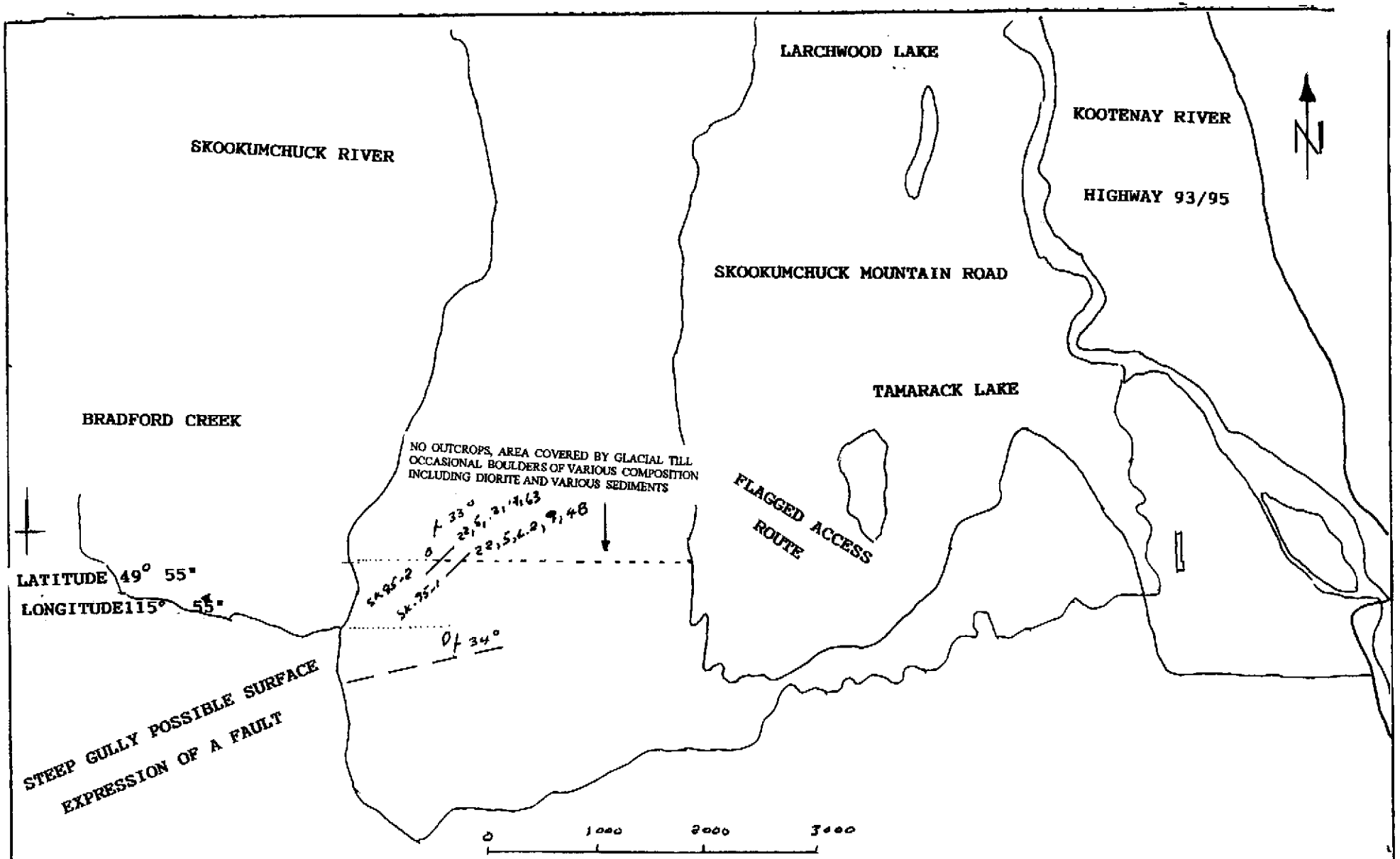
Discussions with Ministry staff Steve Wuschke, P.Eng. and Dennis Roach have been conducted and it has been mutually agreed that the project may be carried out during the last week of January 1996.



MAP 95/96 P075 - 1A
PROVINCIAL LOCATION
JAN. 1996 F.P.O'G

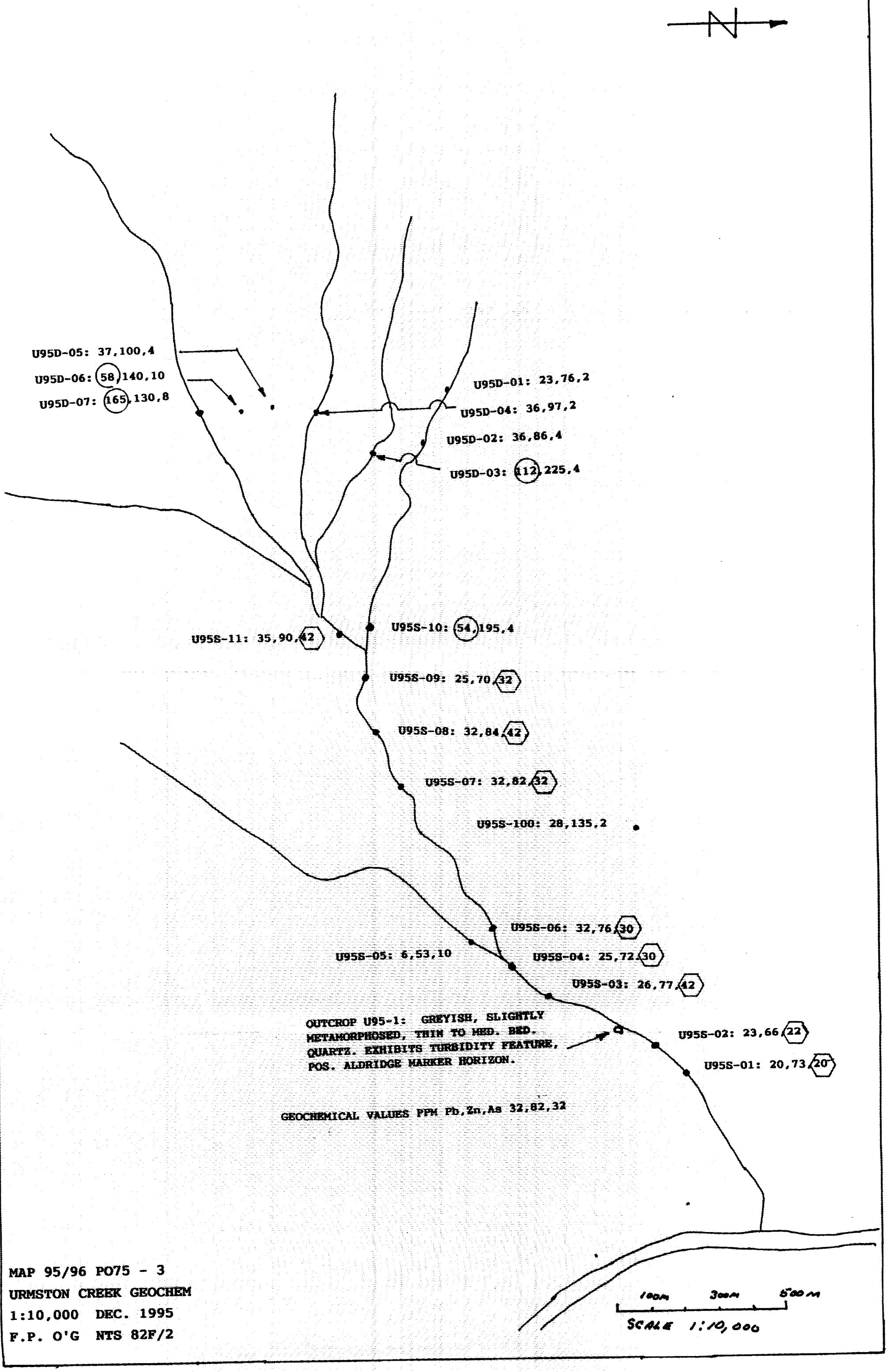


MAP 95/96 P075 - 1B
REGIONAL LOCATION
SCALE 1:600,000
JAN. 1996 F.P.O'G

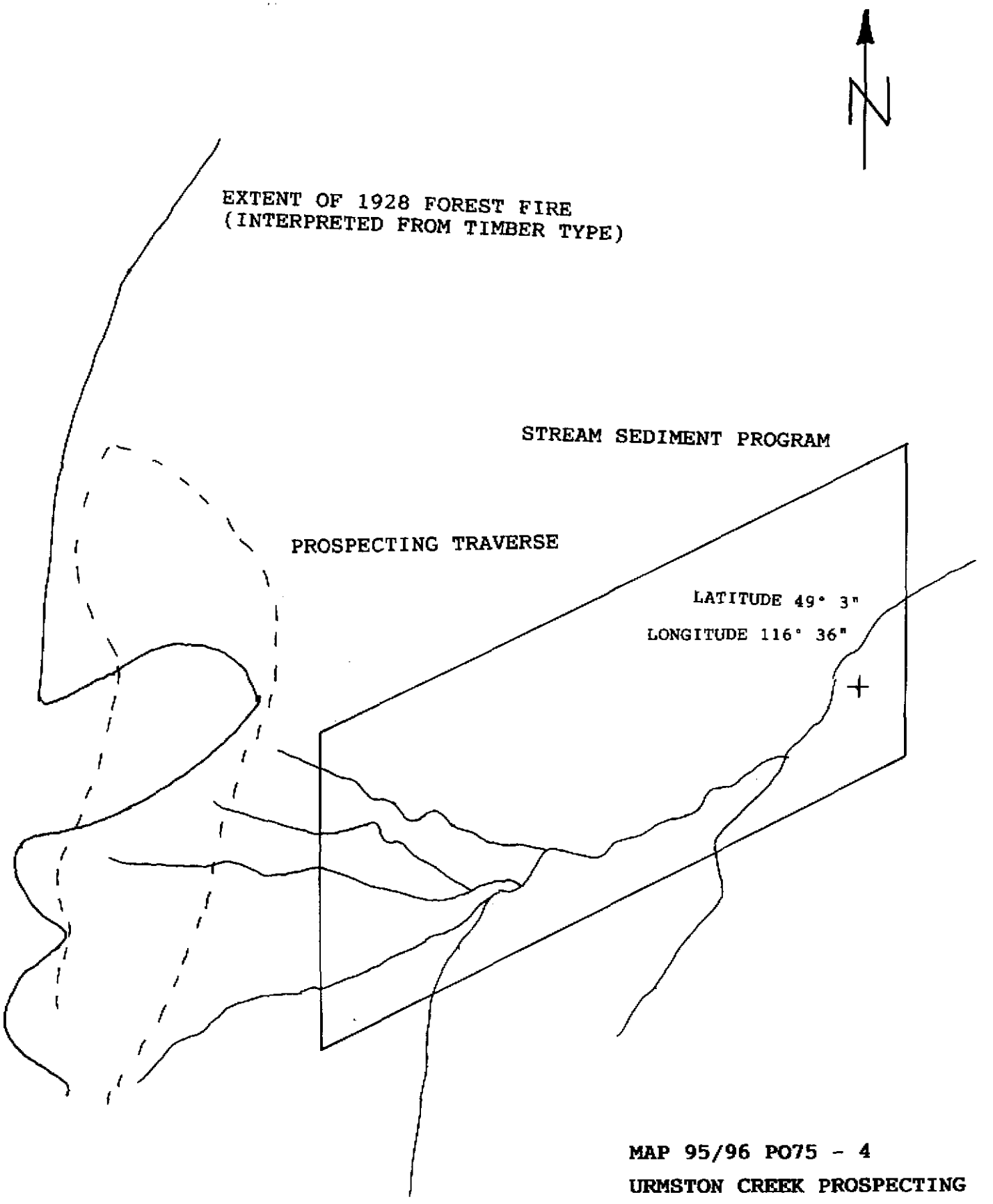


SCALE 1:50,000

MAP 96/96 PO75 - 2
SKOOKUMCHUCK PROSPECTING
1:50,000 DEC. 1995
F.P.O'G NTS 82G/13



MAP 95/96 PO75 - 3
URMSTON CREEK GEOCHEM
1:10,000 DEC. 1995
F.P. O'G NTS 82F/2



MAP 95/96 PO75 - 4

URMSTON CREEK PROSPECTING

1:20,000 JAN. 1996

F.P.O'G NTS 82F/2

CLEAR CUT

grey med grain qtz. No attid

med to coarse grain massive gabbro

green qtz. bloulders, thin bedded.

Fine gr qtz. rust from phyr. diss & on laminations, poorly exposed

Grey, hard, med gr qtz. Slight rust on some frac. Set of fracs @ 030/90 healed with epidote & sericite.

030

50

F.P. CUBBY 5&6

F.P. CUBBY 3&4

F.P. CUBBY 1&2

I.P. CUBBY 5&6

I.P. CUBBY 3&4

CUBBY LOCATION LINE

3 K SIGN McNEIL CREEK ROAD

MOYIE RIVER

McNEIL CREEK

GEOCHEM RESULTS @ O/C M-95-2

VALUES IN PPM Pb,Zn,As	PL1-00N	PL1-25N	PL1-50N	PL1-75N	PL1-100N	PL1-125N	PL1-150N	PLI-175N	PL1-200N
	12,41,1	14,66,2	13,60,1	16,83,2	20,104,4	10,58,4	10,51,2	15,100,4	15,90,1

SCALE 1;2000

GEOCHEMICAL VALUES PPM Pb,Zn,As, 12,41,1

0 100 200 300 400 500

SCALE 1:5,000

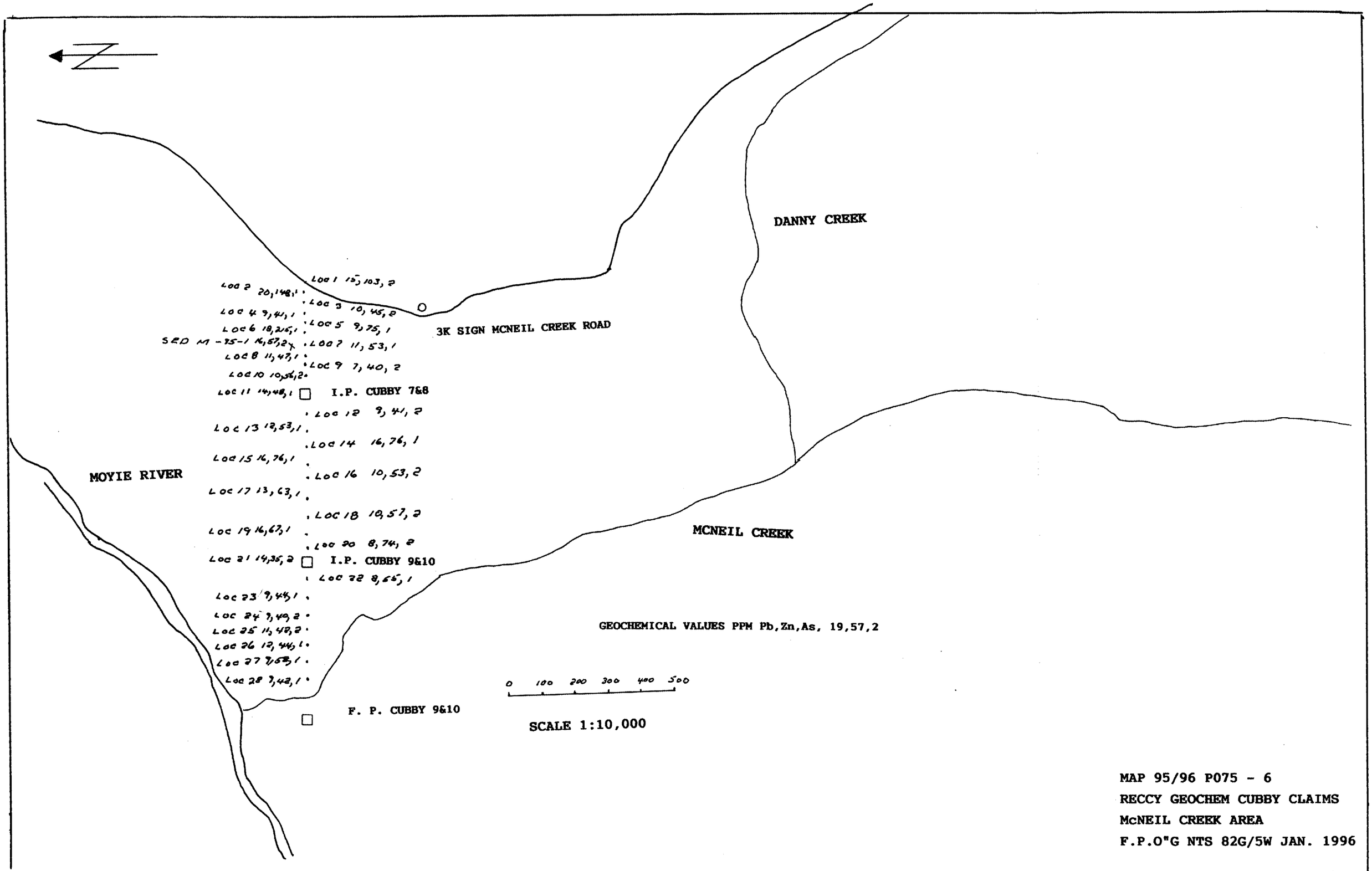
MAP 95/96 P075 - 5

McNEIL CREEK AREA

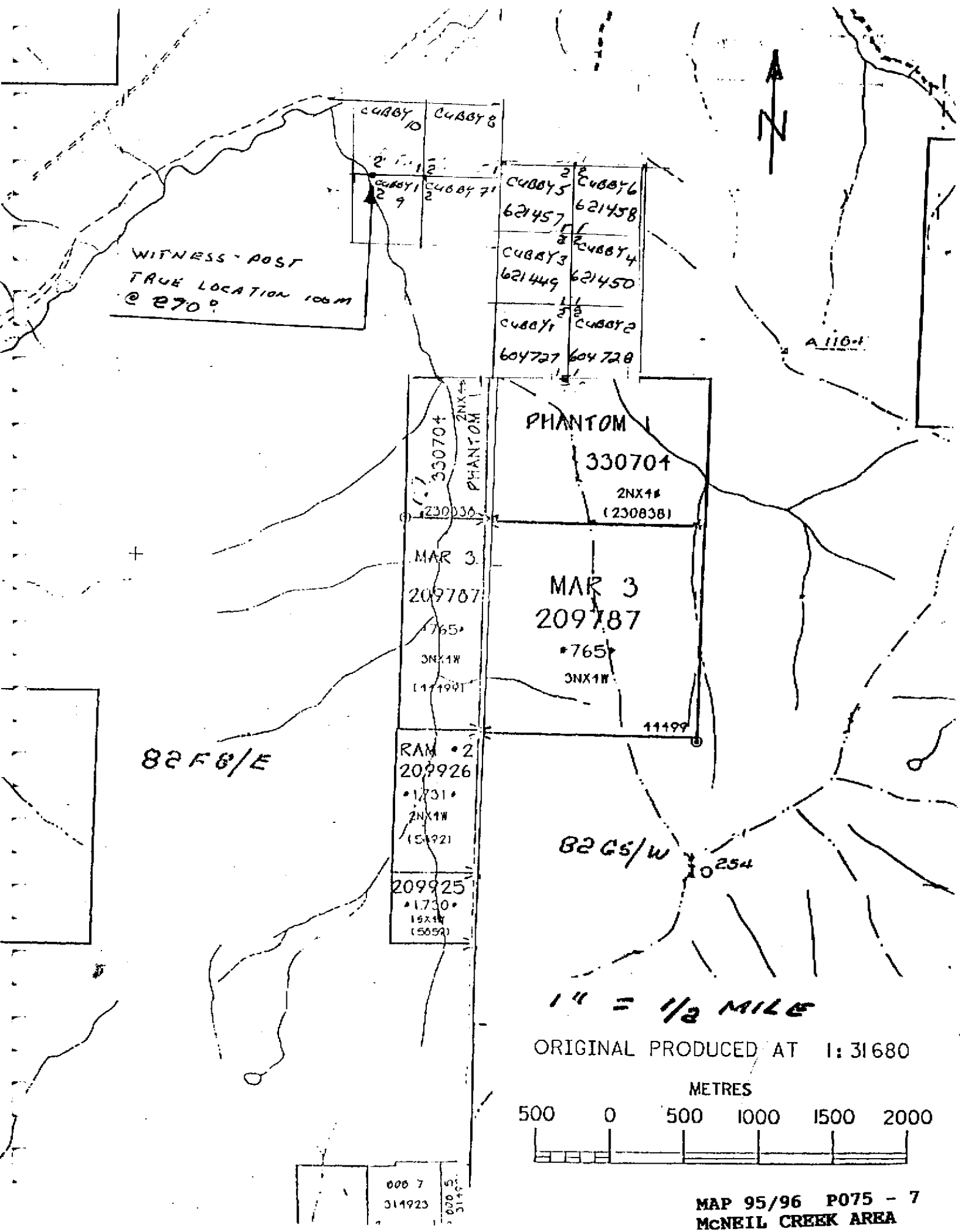
CUBBY CLAIMS NTS 82G/5W

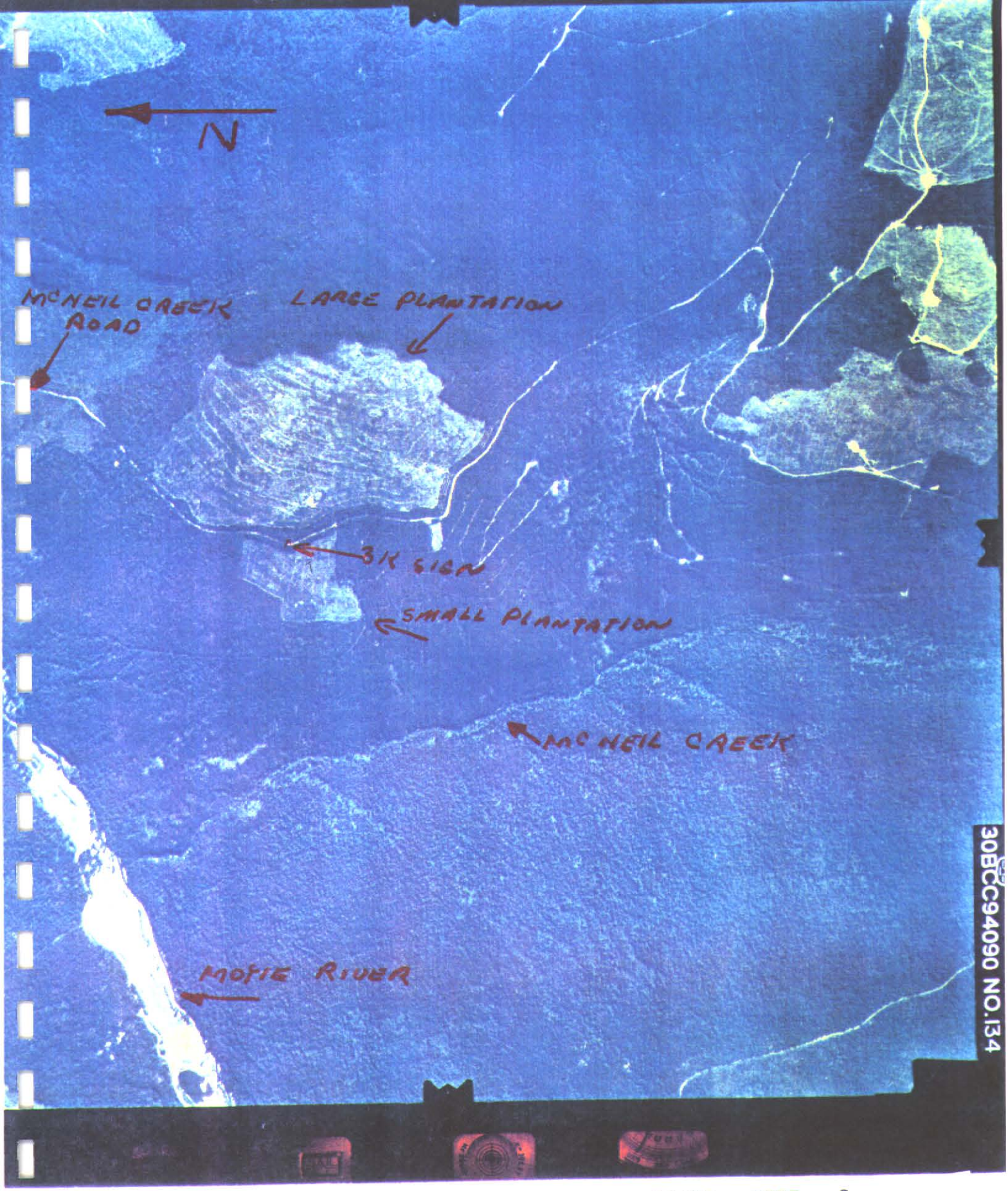
OUTCROP & GEOCHEM

JAN. 1996 F.P.O"G.



MAP 95/96 P075 - 6
RECCY GEOCHEM CUBBY CLAIMS
McNEIL CREEK AREA
F.P.O"G NTS 82G/5W JAN. 1996

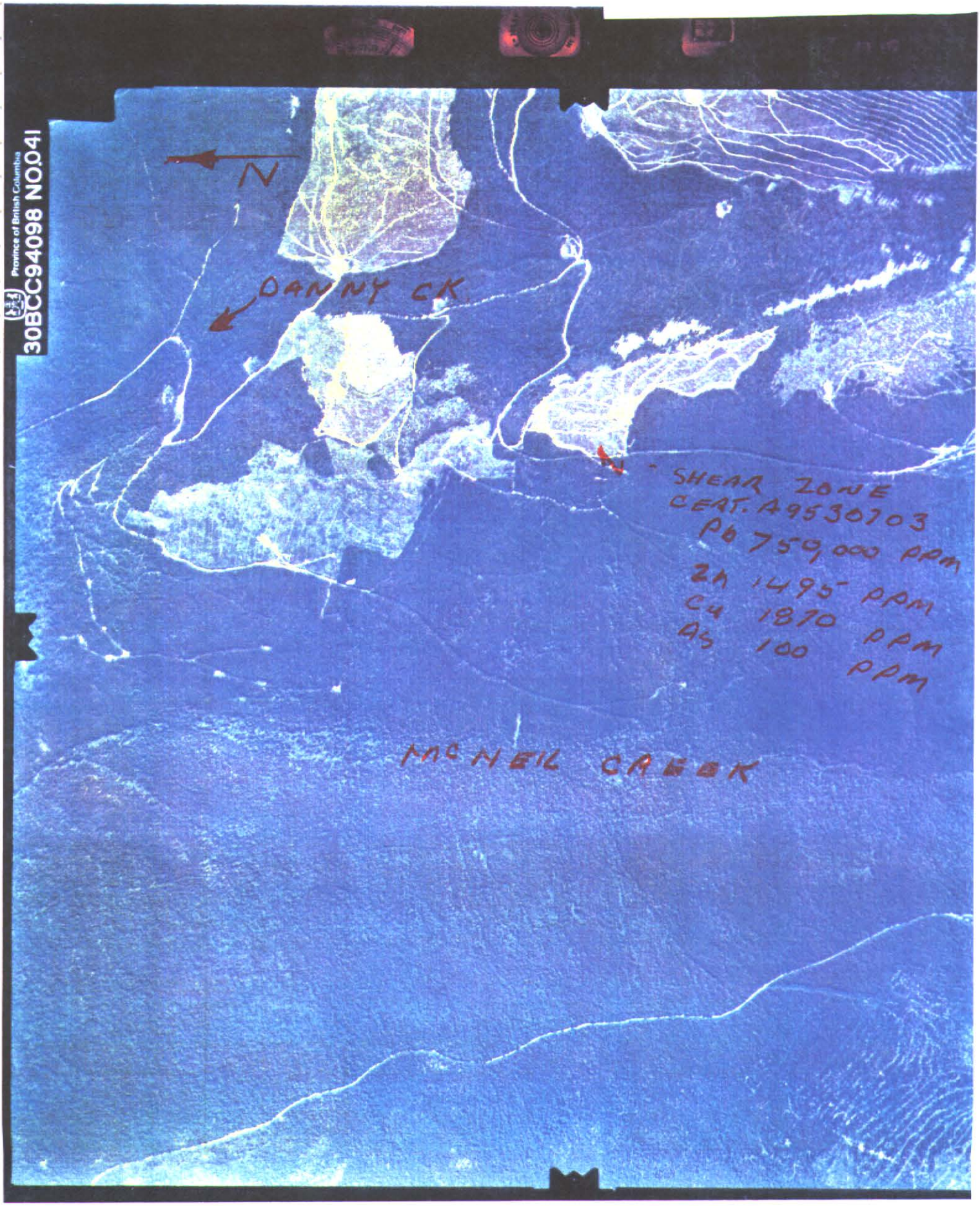

CUBBY 10
CUBBY 6
CUBBY 9
CUBBY 7
CUBBY 5
621457
CUBBY 6
621458
CUBBY 3
621449
CUBBY 4
621450
CUBBY 1
604727
CUBBY 2
604728
WITNESS - POST
TRUE LOCATION 100M
@ 270°
A 116-1
PHANTOM
330704
2NX1W
(230838)
PHANTOM 1
330704
2NX1W
230838
MAR 3
209787
765
3NX1W
(11199)
11199
82 F 6/E
RAM *2
209926
1731
2NX1W
(5492)
209925
1730
(5659)
82 G 5/W
0254
1" = 1/2 MILE
ORIGINAL PRODUCED AT 1:31680
METRES
500 0 500 1000 1500 2000
MAP 95/96 P075 - 7
McNEIL CREEK AREA
JAN. 1996



MAP 95/96 P075 - 8
McNEIL CREEK AREA
PROSPECTING
JAN. 1996 SCALE 1:15,000
NTS 82F/8E & 82G/5W

8

MAP 95/96 P075 - 9
McNEIL CREEK AREA
MINERALIZED SHEAR ZONE
JAN. 1996 SCALE 1:15,000
NTS 82F/8E & 82G/5W F.P.O'G



GEOPHYSICAL REPORT

on the

MAR 3 Mineral Claim

situated in the

FORT STEELE MINING DIVISION

NTS 82F/8E and 82G/5W

Latitude 49 21' 15" N
Longitude 115 59' 30" W

Owner / Operator: Frank O'Grady, P.Eng.
587 Wallinger Ave.
Kimberley, B.C. V1A 1Z8

Work performed during August 1995

Report by Frank O'Grady, P.Eng.

Report submitted: September 20, 1995

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INTRODUCTION

The MAR 3 claim consists of 12 units, with record number 209787. It is situated in the Fort Steele Mining Division. The anniversary date for this claim is 20 September.

The registered owner and operator of the property is Frank O'Grady of 587 Wallinger Ave., Kimberley, B.C. V1A 1Z8

The MAR 3 claim is situated 22 kilometers southwest of Cranbrook, B.C., (map 1), and is centered at latitude 49°21'15", longitude 115°59'30" (map 2).

Access to the claim is by proceeding South of Cranbrook on Highway 3 a distance of 12 kilometers to the Lumberton Road, also known as the Moyie River Road. This road is followed West a distance of 13 kilometers to the junction with the Semlin Creek Road. The Semlin Creek Road is followed South to the 4 kilometer sign, during which the Moyie River is crossed. The McNeil Creek is then followed South. The northern boundary of MAR 3 mineral claim is crossed a few meters North of the 7 kilometer sign on the McNeil Creek Road, this point is 560 meters West of the northeast corner of MAR 3 (map 3).

The claim is on the West facing slope of McNeil Creek valley. The elevation ranges from 1600 meters to 1930 meters above sea level. Forest cover near the bottom of McNeil Creek valley is primarily Balsam and Spruce. Approximatley 40% of the claim has been clear cut logged and replanted. The remainder of the claim is covered with small diameter Lodgepole Pine growing close together.

The type of deposit being explored for on the claim is either a Sullivan type massive sulphide body or a Vine type shear zone with economically mineable reserves.

From May 1988 to March 1989 a program of linecutting, geophysical surveying, geological mapping and diamond drilling was conducted on a portion of the MAR 3 mineral claim. The owner of the property was South Kootenay Goldfields Inc. The exploration program was directed by Bapty Research Ltd. During 1987 a program of reconnaissance geochemistry and geology was conducted by owner Ed Frost. During 1979 a limited program of reconnaissance soil sampling and one chip sample was conducted by St. Eugene Mining Corporation on behalf of owner Ed Frost.

The exploration program conducted on behalf of South Kootenay Goldfields during 1988 and 1989 was focused on the contact between the Lower Aldridge and the Middle Aldridge (LMC) Formation which is present at depth on MAR 3. The focus of the 1995 exploration program was to search for mineralized shear zones similar to the VINE deposit which is situated 12 kilometers northeast of the claim.

The rocks underlying the claim are of the Aldridge Formation. Geological evidence indicates the rocks underlying the claim group belong to the Middle Aldridge Formation. The rock types are sediments, composed of quartzites and argillites, and intrusives of diorite composition belonging to the Moyie intrusives. The Middle Aldridge rocks are stratigraphically above the Sullivan orebody at Kimberley, B.C. 35 kilometers to the North.

A grid was installed over the area to be explored during 1994. During 1995 a program of geophysics, including a VLF-EM survey and a Magnetometer survey, was conducted. A total of 6.55 kilometers of VLF-EM survey and 6.55 kilometers of magnetometer survey were conducted.

GEOPHYSICAL SURVEY

VLF - EM SURVEY

A VLF-EM (very low frequency electromagnetic) survey was conducted by traversing the lines and taking a reading at 25 meter intervals.

The instrument utilized for the survey was an EM16 VLF-EM manufactured by GEONICS LTD. of Mississauga, Ontario, Canada. The specifications of the instrument form appendix 1 of this report. The VLF transmitting station utilized for the survey was NLK Seattle, Washington, U.S.A.

The readings were taken by orienting the reference coil along the magnetic lines. This was accomplished by swinging the instrument back and forth to locate the minimum sound. The sound was further minimized by adjusting the quadrature component. The reading on the inclinometer was then noted along with the quadrature.

The profiles were plotted on a horizontal scale of 1:5000 and a vertical scale of 1 centimeter equals 40% (map 4). A plan with the conductors and other interpretations by the authour was plotted at a scale of 1:5000 (map 5).

STATION SELECTION

No VLF transmitter is ideally situated to detect shear zones oriented similarly to the mapped shear zone present on the property. The Seattle station was selected for clarity of signal.

ANALYSIS OF VLF-EM RESULTS

Conductor One

This conductor is considered, by the author, to be the most important conductor encountered on the survey because of its proximity to the mapped shear zone situated approximately 100 meters West of the base line between line 6 North and 8 North.

On line 8 North, the electromagentic profile, while remaining positive, exhibits a sharp dip in the negative direction at station 1+00 West, with a substantial positive (+60%) shoulder adjacent to it on the East side. The readings on this section of line 8 North were repeated because of the fluctuation to determine if they were valid readings. The second set of readings were nearly identical. This is probably caused by the mapped shear zone. On line 10 North, station 1+00 West to station 2+50 West, the in phase component crosses the positive to negative reference line four times. This is probably an extension of the mapped shear zone, described on line 8 North. Widening of the zone would cause the wider, less well defined, electromagnetic

profile. The slight electromagnetic cross over at the base line on line 12 North probably indicates the phasing out to the northwest of the mapped shear zone.

As a result of comparing profiles of the quadrature with models of known electromagnetic conductors there appears to be more than one well defined conductor on line 8 North and line 10 North. This is compatible with a shear zone interpretation rather than a tabular, metallic conductor. On line 12 North the quadrature is not affected. This also indicates the phasing out of the mapped shear zone.

Conductor Two
The axis of this conductor is situated at station 6+50 West on line 10 North. Modeling of this conductor indicates a spherical conductor. This conductor is not present on line 12 to the North or line 6 to the South.

There are two interpretations for conductor two:

1. An isolated conductive clay or conductive boulder in the overburden.
2. An increase in sulphides locally concentrated in the Aldridge sediments or Moyie intrusive.

Conductor Three
The electromagnetic profile dips from positive to negative briefly at station 3+00 East on line 8 North. There is no model available to assist in interpretation of this profile. The most probable explanation of this phenomenon is that it is caused by the adjacent conductive overburden that appears to be present on line 8 North to the end of the line at 6+00 East.

Conductor Four
The electromagnetic profile is high positive at the following locations:

Line 8 North; station 3+00 East to station 6+00 East.

Line 10 North; station 2+00 East to station 6+00 East.

Line 12 North; station 2+00 East to 6+00 station East.

The electromagnetic profile appears to be a reflection of conductive clay overburden. A high clay content is exhibited in several of the road cuts on the claim and in the surrounding area.

Conductor Five
The western extremity of line 8 North and line 10 North exhibit a high positive electromagnetic profile. This phenomenon is also present to a lesser extent on line 6 North.

The most probable explanation is the influence of the well documented McNeil Creek fault situated to the West of the westerly extent the lines.

MAGNETOMETER SURVEY

Instrument Description
The survey was conducted with a Scintrex MP-2 Proton Precession Magnetometer (S.N.70238) rented from T. Hasek Associates Ltd. with offices at 704-850 West Hastings Street, Vancouver.

Survey Method
A base station was established on the North edge of the grid. Readings, representing total magnetic field in gammas, were then taken at 25 meter intervals along the grid lines and recorded in a note book. The instrument was looped back to the base station at approximately two hour intervals.

Data Treatment
A diurnal correction was made for each loop traverse. In addition, the total drift during the traverse was distributed evenly over the traverse. The finished data is on Map 6 MP-2 Proton Magnetometer Survey of this report.

Interpretation and Valuation
The showing on claim Mar 3 mineral claim is situated 100 meters West of the base line between line 6 North and line 8 North. There is no magnetic expression associated with the mineralized shear zone that represents the showing on this property.

Four weak magnetic highs are present on line 10 North and line 12 North (map 6). The most easterly magnetic high is centered approximately 100 meters East of the base line. The most westerly magnetic high is centered 725 meters West of the base line 12 North. A third weak magnetic high is situated slightly West of the base line on both line 10 North and line 12 North. The fourth weak magnetic high is centered 250 meters West of the base line and is present on line 10 North only.

A weak magnetic low is present on line 6 North approximately 300 meters East of the base line.

The four weak magnetic highs are possibly caused by the Moyie intrusives known to underlay portions of this general area. No significance is attributed to these weak anomalies in the search for mineralized shear zones on this claim.

The weak magnetic low may represent a transition from intrusive to sediment. Again, no significance is attributed to this weak low anomaly.

The absence of well defined magnetic highs and lows on mineral claim Mar 3 probably reflects the presence of underlying sediments.

The highly magnetic mineral, pyrrhotite, is associated with the Sullivan deposit. The Sullivan deposit is hosted by the Aldridge Formation; therefore, the magnetometer survey was conducted to expose the presence of pyrrhotite, if it were present. There does not appear to be any pyrrhotite present in the area underlying the area surveyed.

AUTHOUR'S QUALIFICATIONS

I, Frank O'Grady, address 587 Wallinger Ave., Kimberley, B.C. V1A 1Z8, 604-427-5670, hereby certify that:

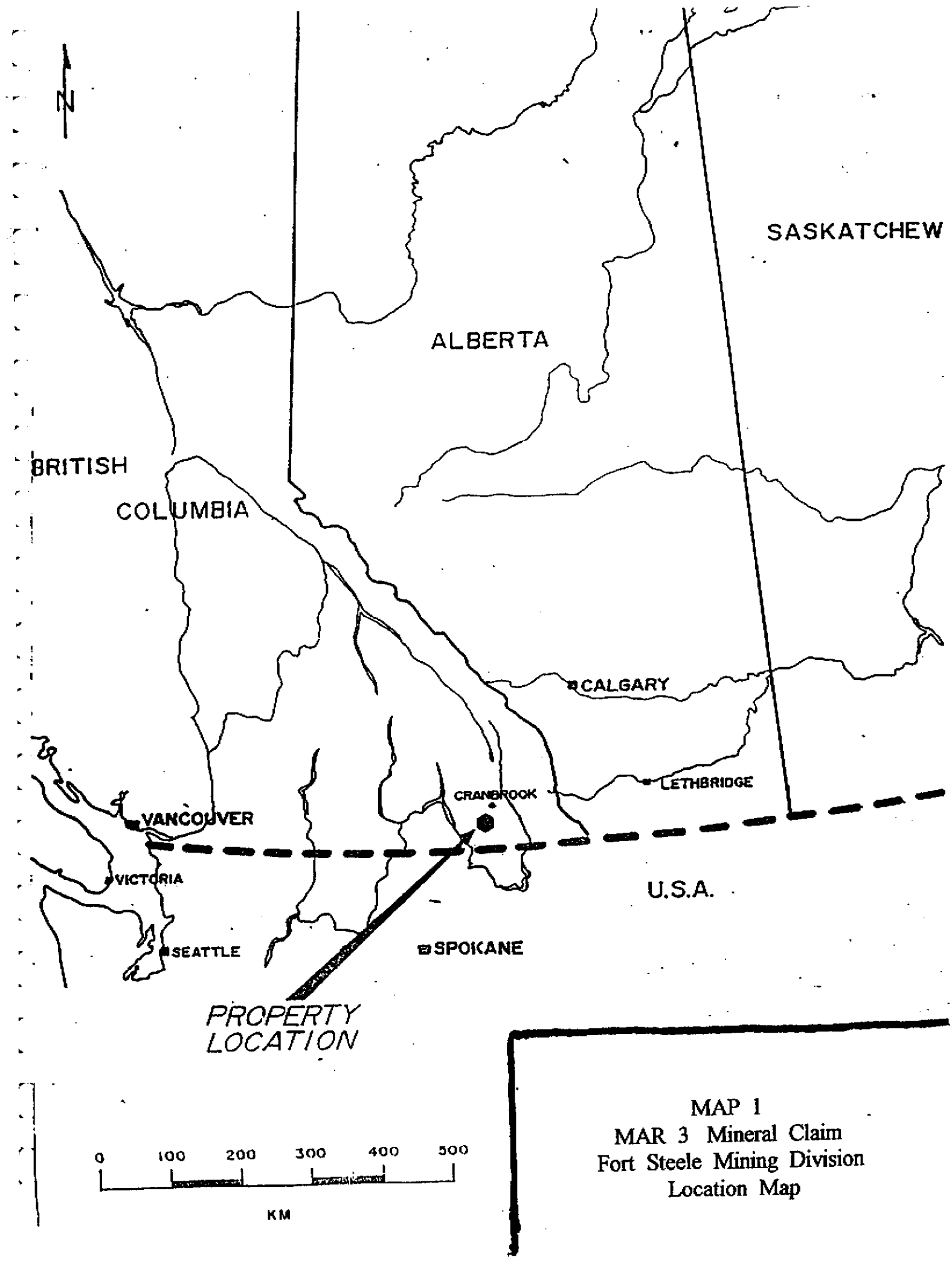
1) I am a graduate of the University of British Columbia, B.Sc. Geology 1969.

2) I am a graduate of the University of Missouri - Rolla (Missouri School of Mines), B.S. Mining Engineering 1977.

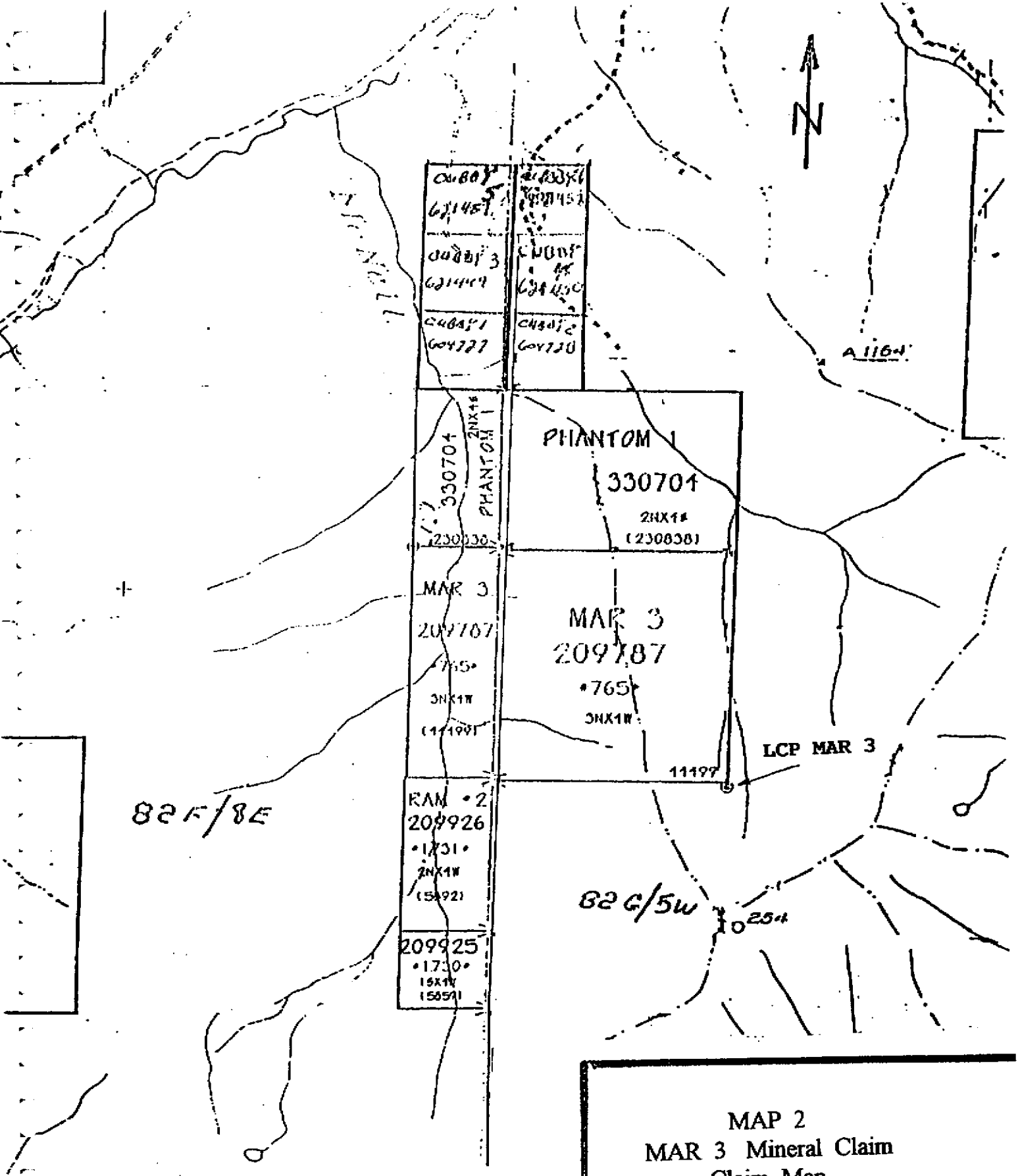
3) I am a registered Professional Engineer in the province of British Columbia since 1978.

4) I have practiced my profession as a Geologist since 1969 and as a Geologist - Mining Engineer since 1977.

Frank O'Grady, P.Eng.
20 September 1995



MAP 1
MAR 3 Mineral Claim
Fort Steele Mining Division
Location Map

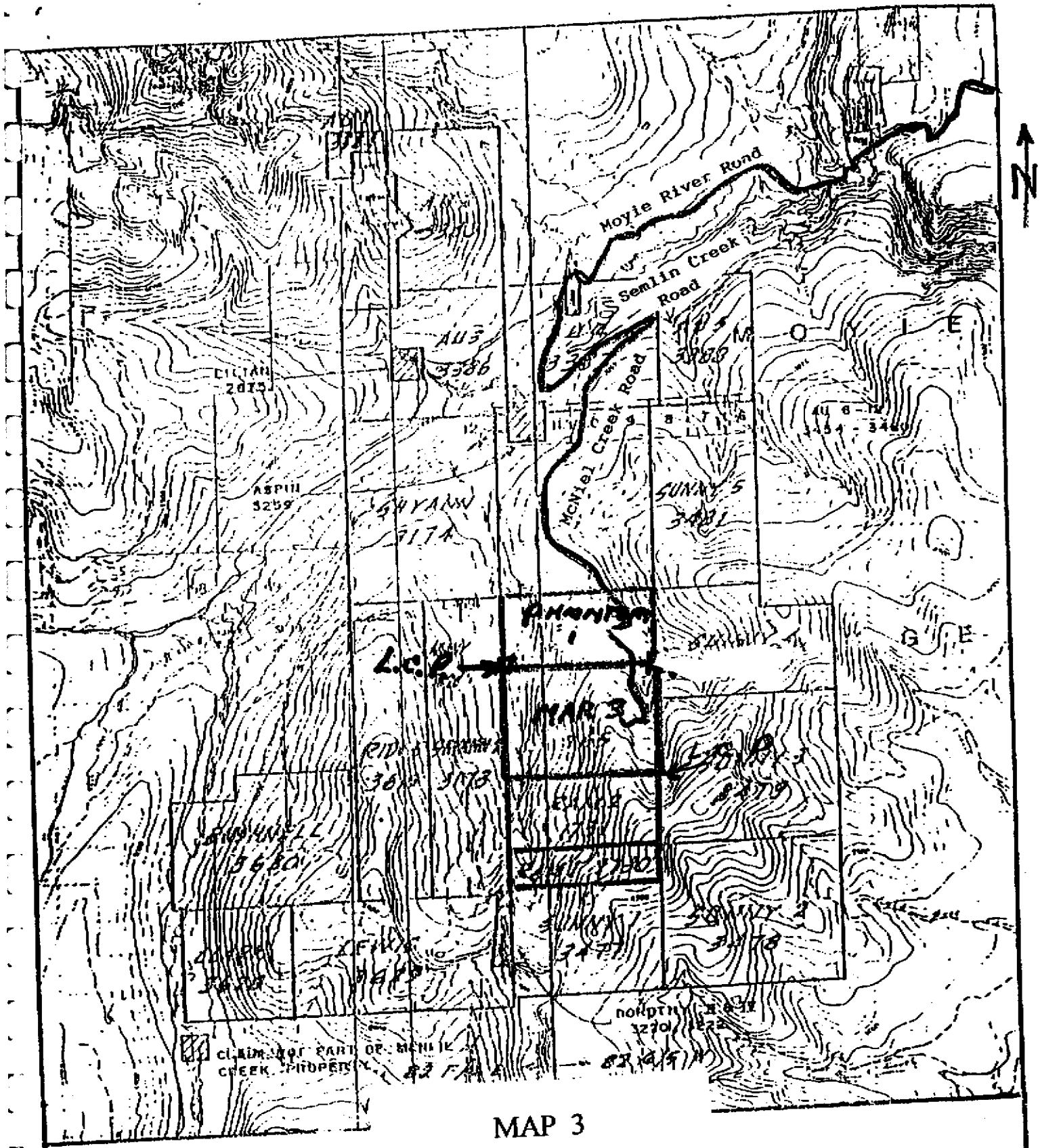


METRES

500 0 500 1000 1500 2000

MAP 2
MAR 3 Mineral Claim
Claim Map
NTS 82F/8E and 82G/5W

1" = 1/2 mile



MAP 3

MAR 3 ACCESS MAP

0 1000 2000 3000 4000

METRES

0 100 200 300
METERS

BASE LINE

McNeil Creek Road

McNEIL CREEK ROAD

+40%

Line 12 N

-40%

LINE 10

Line 8 N

Line 6 N

+40%

Line 4 N

-40%

Mapped shear zone with Pb, Zn, Ag

9 K sign 50 m south

LCP MAR 3

MAP 4

VLF-EM PROFILE
MAR 3 MINERAL CLAIM
HORIZONTAL SCALE 1:5000
VERTICAL SCALE 1CM.= 40%
SEPT. 1995 F. O"GRADY

0 100 200 300
METERS

BASE LINE

Line 12 N

Line 10 N

Line 8 N

Line 6 N

Line 4 N

CONDUCTOR FOUR

CONDUCTOR THREE

CONDUCTOR FOUR

CONDUCTOR ONE

CONDUCTOR ONE

CONDUCTOR TWO

MINERALIZED SHEAR ZONE

CONDUCTOR FIVE

McNEIL CREEK ROAD

9 K. SIGN 50 METERS SOUTH

LCP MAR 3

MAP 5

VLF-EM PLAN (INTERPRETATION)
MAR 3 MINERAL CLAIM
SCALE 1:5000
SEPT. 1995 F. O'GRADY

BASE LINE

McNEIL CREEK ROAD

N

Line 12 N

LINE 10 N

LINE 8 N

LINE 6 N

LINE 4 N

MINERALIZED SHEAR ZONE

0 100 200 300
METERS

9 K. SIGN 50 METERS SOUTH

LCP MAR 3

MAP 6

MAR 3 MINERAL CLAIM
MAGNETOMETER SURVEY
TOTAL FIELD - 5700
SCALE 1:5000
SEPT. 1995 F. O'GRADY

APPENDIX 1

EM16 SPECIFICATIONS

MEASURED QUANTITY	Inphase and quad-phase components of vertical magnetic field as a percentage of horizontal primary field. (i.e. tangent of the tilt angle and ellipticity).
SENSITIVITY	Inphase: ±150% Quad-phase: ± 40%
RESOLUTION	±1%
OUTPUT	Nulling by audio tone. Inphase indication from mechanical inclinometer and quad-phase from a graduated dial.
OPERATING FREQUENCY	15-25 kHz VLF Radio Band. Station selection done by means of plug-in units.
OPERATOR CONTROLS	ON/OFF switch, battery test push button, station selector switch, audio volume control, quadrature dial, inclinometer.
POWER SUPPLY	6 disposable 'AA' cells.
DIMENSIONS	42 x 14 x 9cm
WEIGHT	Instrument: 1.6 kg Shipping: 5.5 kg

PROSPECTING REPORT

on the

PHANTOM 1 Mineral Claim

situated in the

FORT STEELE MINING DIVISION

NTS 82F/8E and 82G/5W

Latitude 49° 23'
Longitude 115° 59'

Owner / Operator: Frank O'Grady, P.Eng.
587 Wallinger Ave.
Kimberley, B.C. V1A 1Z8

Work performed during September 1995

Report by Frank O'Grady, P.Eng.

Report submitted: September 13, 1995

TABLE OF CONTENTS

LIST OF MAPS

LIST OF APPENDICES

INTRODUCTION

The Phantom 1 claim consists of 8 units, the record number is 330704. It is situated in the Fort Stele Mining Division.

The registered owner and operator of the property is Frank O'Grady of 587 Wallinger Ave., Kimberley, B.C. V1A 1Z8.

The PHANTOM 1 claim is situated 20 kilometers southwest of *Cranbrook B.C., and is centered near Longitude* 115° 59', Latitude 49° 23' (map 1).

Access to the property is by proceeding south of Cranbrook on Highway 3 a distance of 12 kilometers to the Lumberton Road, also known as the Moyie River Road. This road is followed West a distance of 13 kilometers to the junction with the Semlin Creek Road. The Semlin Creek Road is followed South to the 4 KM. sign, during which the Moyie River is crossed. The McNiel Creek Road is then followed to the South. At the 4.4 kilometer point on the McNiel Creek road the North boundary of PHANTOM 1 is crossed 870 meters west of the northeast corner.

PHANTOM 1 claim straddles McNiel Creek. Approximately 20% of the claim lies on the West side of McNiel Creek and 80% on the East side of McNiel Creek.

The elevation ranges from 1400 meters above sea level at McNiel Creek to 1750 meters above sea level at the northeast corner of the claim.

The claim is, for the most part, on the fairly steep East slope of the McNiel Creek valley. Forest cover along McNiel Creek is Balsam and Spruce. The eastern slope is mostly covered with immature Lodgepole Pine of small diameter growing closely together. A portion of the central part of the claim as well as along the South boundary has been clear cut and replanted.

The PHANTOM 1 claim was originally part of the McNiel Creek claim group. The location of PHANTOM 1 closely corresponds to the location of the former MAR 4 claim that formed part of the McNiel Creek group.

From May 1988 to March 1989 a program of line cutting, geophysical surveying, geological mapping, soil sampling, and diamond drilling was conducted on the McNiel Creek property. The owner of the property was South Kootenay Goldfields Inc. The exploration program was directed by Bapty Research Ltd.

The exploration program conducted on behalf of South Kootenay Goldfields during 1988 and 1989 was conducted entirely on the West side of the McNiel Creek Road. The area East of the McNiel Creek Road which comprises approximately one third of the PHANTOM 1 claim group has had no exploration conducted on it.

The rocks underlying the claim group are of the Aldridge Formation. The only outcrop located on the area prospected is situated at the northeast corner of Phantom 1. This outcrop is a quartzite of the Aldridge Formation. Also, the sediment boulders examined during prospecting all appear to be from the Aldridge Formation. The intrusive boulders examined during prospecting are believed to be from the Moyie Sills also contained within the Aldridge Formation.

A program of prospecting and geochemical sampling was conducted by, and under the direction of, Frank O'Grady during 1995. This program covered the northeast third of the claim situated East of the McNiel Creek Road. This area has had no previous exploration conducted on it. Also, a tributary of McNiel Creek (Danny Creek) that flows in a northwest direction from the East side of McNiel was prospected. Four days were spent prospecting, 30 soil samples were taken and 3 sediment samples were taken. The samples were analysed for Pb, Zn and As.

PROSPECTING

Four days were spent prospecting the northeast portion of the claim. Approximately 70 hectares were covered by prospecting. No economic sulphides were encountered. In fact, the only sulphide mineralization encountered were minor amounts of finely disseminated pyrite in quartzite float. Map 4 exhibits the results of the prospecting program. A description of the prospecting traverses forms appendix 1.

GEOCHEMICAL SURVEY

A total of 30 soil samples and 3 sediment samples were taken.

The soil samples were taken by following selected contours crossing the northeast portion of the claim and taking a soil sample every 50 meters. The spacing of the samples was determined by hip chain. Each sample came from the B horizon at depths of 5 centimeters to 20 centimeters, but usually about 15 centimeters. The samples were taken with a grubhoe.

Two of the sediment samples, sed 95-2 and sed 95-3, were taken at springs that were encountered during the course of work on the claim. Sed Dansed-1 was taken immediately above the bridge across Danny Creek.

The samples were sent to Chemex Labs of North Vancouver, B.C. for soil preparation and Pb, Zn and As analysis. The -80 fraction was analysed by normal geochemical techniques. The certificates of analysis form appendix 2 and appendix 3 of this report.

In the Aldridge Formation, Kootenay Exploration (COMINCO), considers the following minimum soil/sediment values to be anomalous:

Pb	45 PPM
Zn	240 PPM
As	18 PPM

The maximum values from the soil/sediment samples of this survey are:

Pb	34 PPM
Zn	181 PPM
As	8 PPM

Therefore, no substantial geochemical anomaly exists on the area surveyed by geochemical methods.

There are, however, two Zinc values above background (166 PPM, 181 PPM) present in the northeast corner of the property. In addition, there are three Pb values above background (34 PPM, 35 PPM), two near the northeast corner of the claim and one (34 PPM) on the western line of samples. Also, there are three As samples above background: one (6 PPM) in the northeast corner of the property and two (8 PPM, 6 PPM) on the western line of samples. One As sample is coincident with the 34 PPM Pb and the other is 100 meters distant.

A possible interpretation of the geochemical results is that the gully mapped on the northeast corner of the property is the surface expression of a fault. In addition to the gully, the outcrop mapped adjacent to the gully in the northeast corner of the claim is silicified and has a conchoidal fracture as well as two sets of fractures. The western portion of the gully trends towards the above background values of the western line. The above background values could be a result of hydrothermal alteration related to a fault.

A future exploration program on this portion of the claim will include a VLF-EM survey to determine if a fault and related shear zone is present in the northeast portion of the claim and to trace it to the West.

Sediment DANSED-1 (Pb 26 PPM, Zn 90 PPM, As 1 PPM) is not considered significant.

Samples sed 95-2 and sed 95-3 were taken from springs seeping from the hillside. In some cases a spring indicates a shear or faulting with hydrothermal alteration. The results of these two samples are not considered significant.

AUTHOUR'S QUALIFICATIONS

I, Frank O'Grady, address 587 Wallinger Ave., Kimberley, B.C. V1A 1Z8, 604-427-5670, hereby certify that:

1) I am a graduate of the University of British Columbia, B.Sc. Geology 1969.

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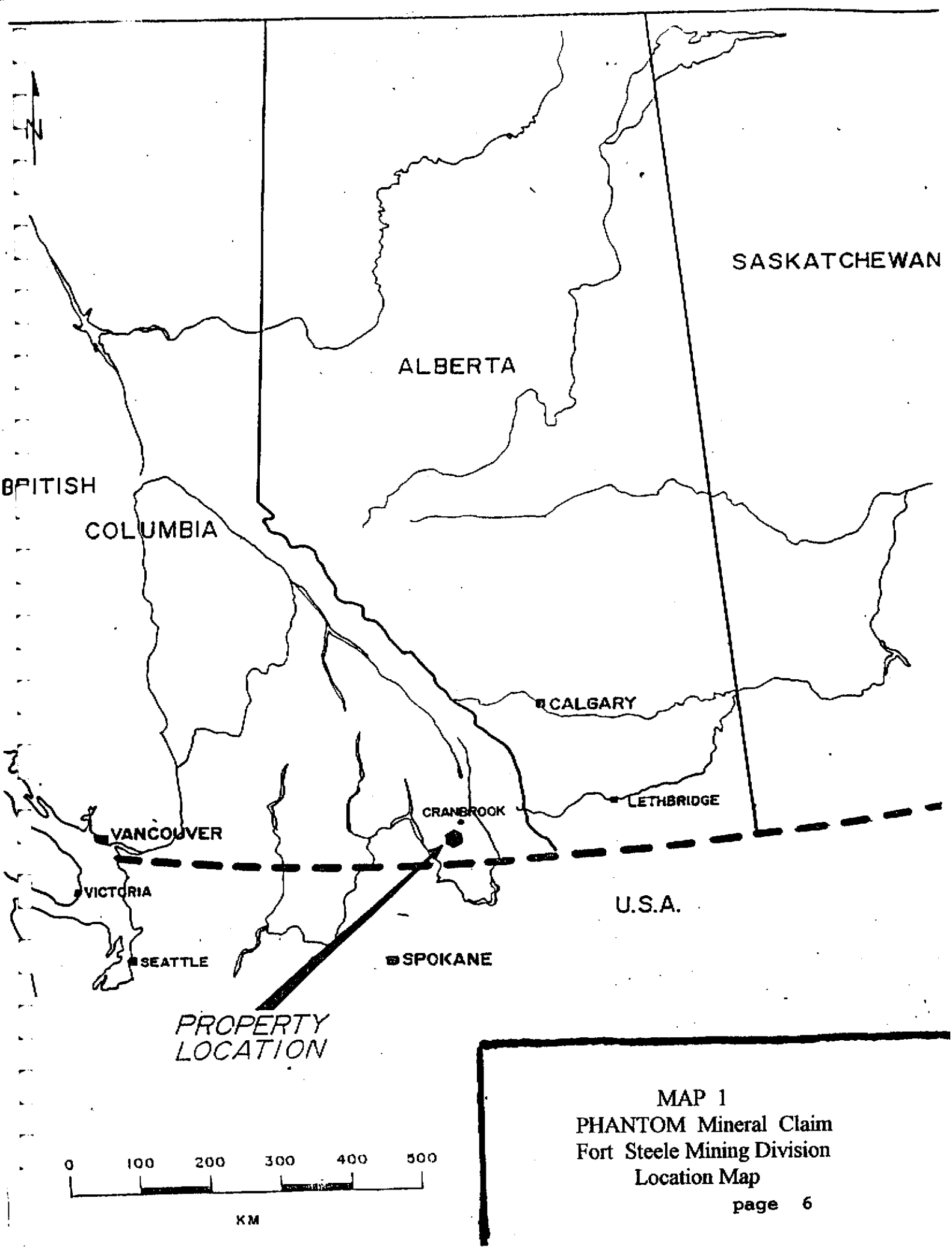
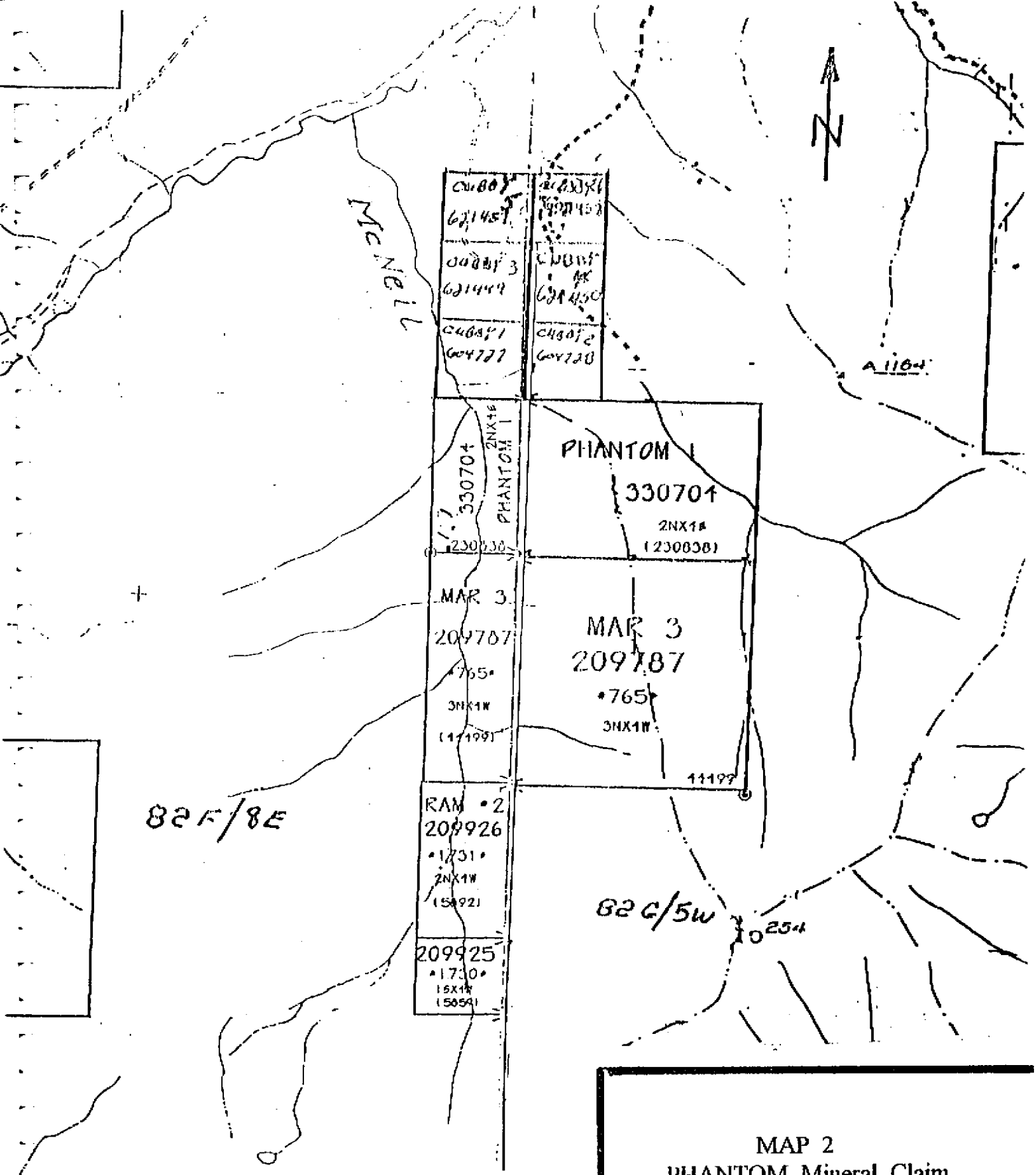
4) I have practiced my profession as a Geologist since 1969 and as a Geologist - Mining Engineer since 1977.

Frank O'Grady, P.Eng.
12 September 1995



MAP 1
PHANTOM Mineral Claim
Fort Steele Mining Division
Location Map



METRES

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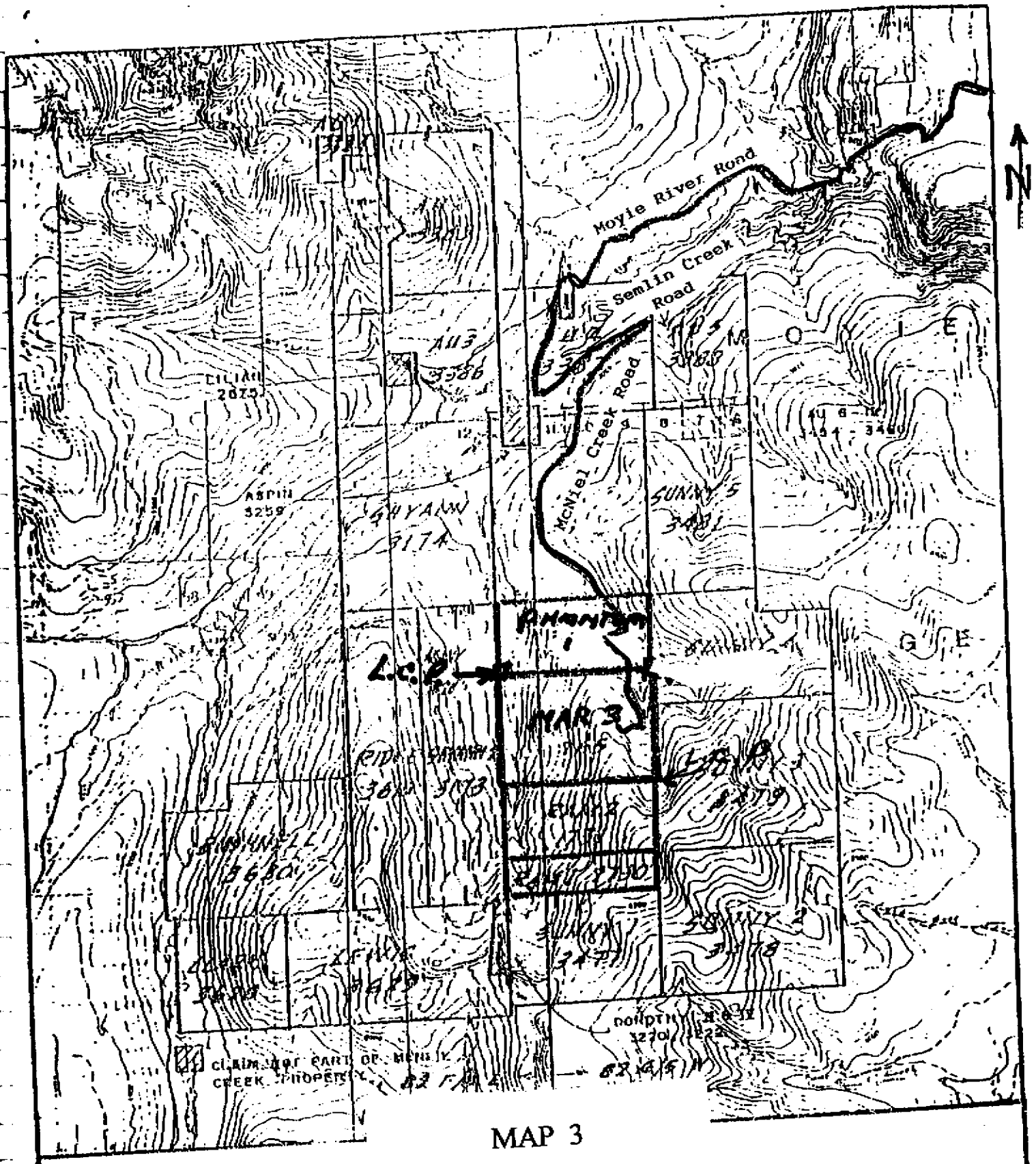
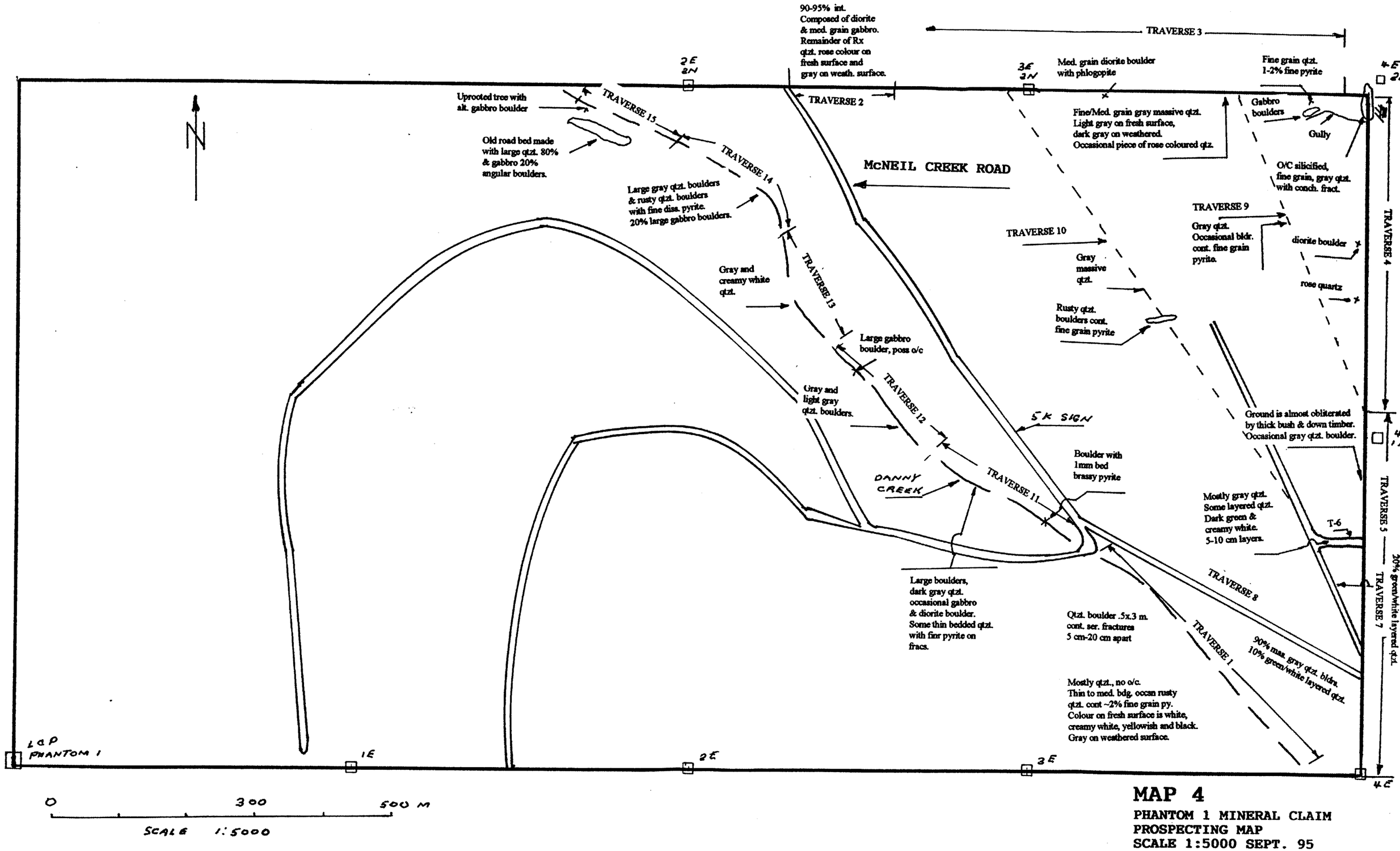
MAP 2
PHANTOM Mineral Claim
Claim Map
NTS 82F/8E and 82G/5W

1" = 1/2 mile



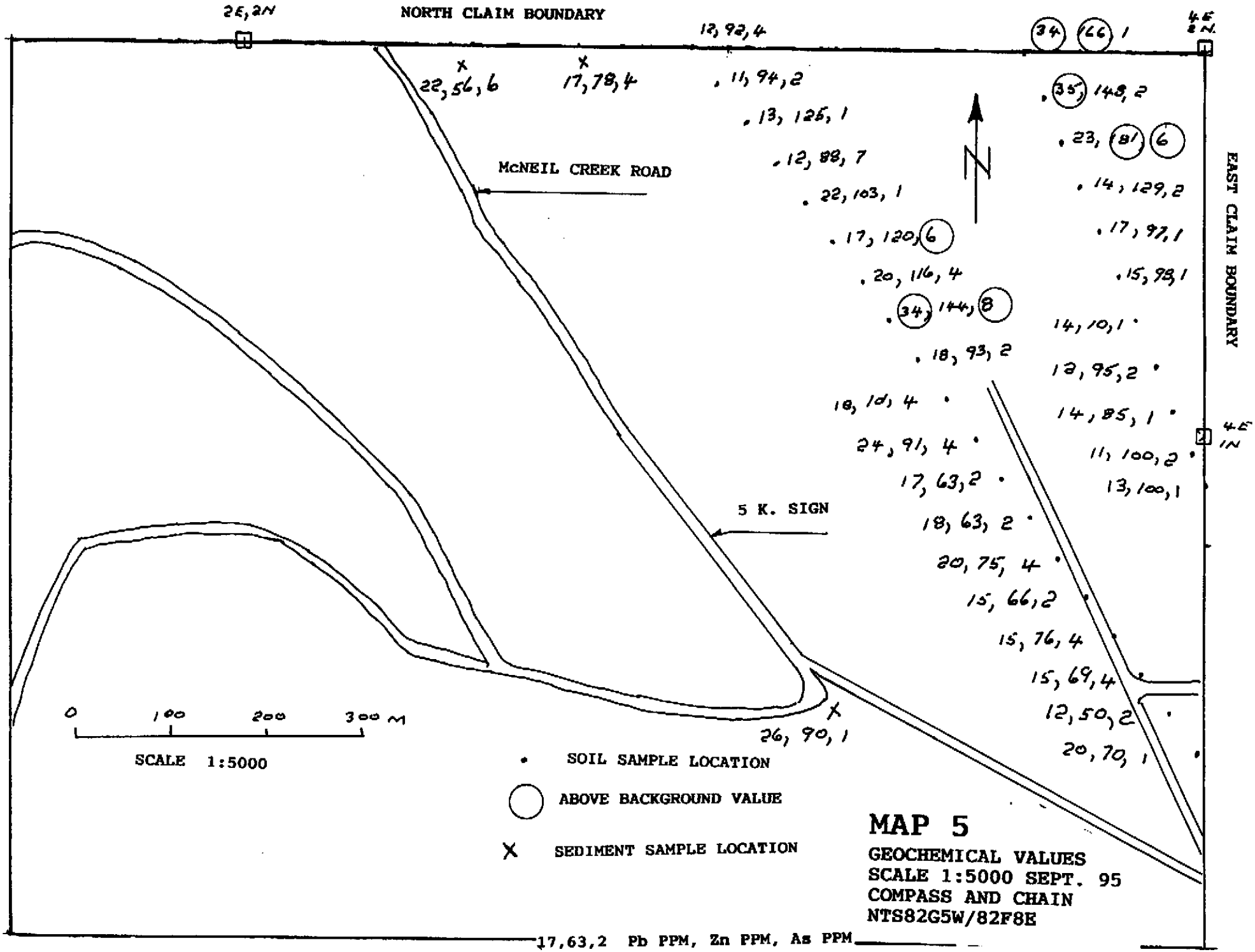
MAP 3

PHANTOM 1 ACCESS MAP



MAP 4

PHANTOM 1 MINERAL CLAIM
PROSPECTING MAP
SCALE 1:5000 SEPT. 95
COMPASS AND CHAIN
NTS 82G5W/82F8E


2E, 2N
NORTH CLAIM BOUNDARY
12, 92, 4
34
66
1
4E 2N
22, 56, 6
17, 78, 4
11, 94, 2
13, 125, 1
12, 88, 7
22, 103, 1
17, 120, 6
20, 116, 4
34, 144, 8
18, 93, 2
18, 101, 4
24, 91, 4
17, 63, 2
18, 63, 2
20, 75, 4
15, 66, 2
15, 76, 4
15, 69, 4
12, 50, 2
20, 70, 1
35, 148, 2
23, 81, 6
14, 129, 2
17, 97, 1
15, 98, 1
14, 10, 1
12, 95, 2
14, 85, 1
11, 100, 2
13, 100, 1
McNEIL CREEK ROAD
5 K. SIGN
EAST CLAIM BOUNDARY
4E 1N
2
26, 90, 1
0 100 200 300 M
SCALE 1:5000
SOIL SAMPLE LOCATION
ABOVE BACKGROUND VALUE
SEDIMENT SAMPLE LOCATION
MAP 5
GEOCHEMICAL VALUES
SCALE 1:5000 SEPT. 95
COMPASS AND CHAIN
NTS82G5W/82F8E
17,63,2 Pb PPM, Zn PPM, As PPM

APPENDIX 1

TRAVERSE ONE
This traverse was along a northwest flowing tributary of McNiel Creek, referred to as Danny Creek for ease of reference.

The creek was traversed for 450 meters from the bridge to the South boundary of the claim Phantom 1.

The creek has a steep gradient, therefore, there is almost no fine material in the creek suitable for sediment sampling. One stream sediment sample, DANSED 1, was taken immediately above the bridge. A few meters above this location a metal tag was encountered with the imprint: *GEOLOGICAL SURVEY BRANCH, REGIONAL GEOCHEMICAL SURVEY, SAMPLE 3901005.*

The exposed, boulder strewn, creek bed averages 1.5 meters wide. Most of the creek bed is covered with flowing water from a few centimeters to half a meter deep. Consequently, most of the boulders examined were removed from the creek and broken on the bank.

The creek banks are overhung with alder and snow bush.
In addition, there is a large amount of down timber lying across the creek.

The rock type in the creek is mostly quartzite. The size of the material ranges from pebble size to .3 to .4 meters in diameter. The colour of the quartzite on a freshly broken surface is white, creamy white, yellowish and dark gray to black.

The occasional (less than 1%) rusty quartzite boulder is present. This unit is black on a fresh surface and contains approximately 2% very fine pyrite.

One piece of intrusive rock was encountered, a fine grain diorite.

One quartzite boulder was encountered that contained several fractures 5 centimeters to 20 centimeters exhibiting sericite alteration 1 centimeter wide.

TRAVERSE TWO
This traverse is along and within the North boundary of Phantom 1. The point of commencement is at the intersection of the McNiel Creek logging road with the North boundary of Phantom 1. This point is 350 meters West of intermediate post 3E,2N. This point on the McNiel Creek logging road is at kilometer 4.4.

The traverse covers a distance of 150 meters.

The rock type on this traverse consists of 90 to 95% intrusive with the remainder a quartzite. The intrusive consists of a fine grain diorite and a medium grain gabbro which are almost certainly derived from the Moyie Sills. The quartzite is rose

coloured on a fresh surface. This rose colour could be the result of extreme heat from a forest fire as this colour quartzite has not been encountered elsewhere in the area. The quartzite is gray on the weathered surface.

TRAVERSE 3
This traverse covers a distance of 670 meters. It is along and within the North boundary of Phantom 1. It continues East from traverse 2 and terminates 35 meters West of the northeast corner of Phantom 1 (4E,2N).

The rock on this traverse in exclusively quartzite. The quartzite is medium grain, massive, and fairly pure. It is a light gray on a fresh surface and dark gray on a weathered surface. The occasional boulder of thin bedded quartzite is present on the last few meters of this traverse. There are a few small boulders of rose coloured quartzite present. However, there are no sulphides present.

One boulder of medium grain gabbro was encountered 180 meters East of intermediate post 3E,2N. Phlogopite was present in this boulder.

TRAVERSE 4
This traverse was South along and within the East boundary of Phantom 1. The point of commencement was the northeast (4E,2N) corner of Phantom 1. This traverse covers 460 meters.

Boulders are sparse in some areas where the topography is fairly level. Boulders are more prolific in areas of steeper topography. The primary rock type is the gray quartzite encountered in the previous traverse on the North side of Phantom 1. Approximately 2/3 of the distance from the northeast corner of Phantom 1 a diorite boulder was encountered and a small boulder of rose coloured quartz was encountered in the same general location.

Traverse 5
This traverse is along and within the East claim boundary from the South end of traverse 4 to the southeast corner of Phantom 1 (4E). The traverse covers a distance of 550 meters.

The bush is very thick in this area. The bush consists almost exclusively of small diameter Lodgepole Pine closely spaced. In addition, the ground is effectively covered with downed timber.

The occasional boulder that is visible is gray quartzite.

TRAVERSE 6
This traverse is approximately 60 meters long. It is along a cat trail. The dominant rock type is the previously described gray quartzite. However, there is a quartzite that is composed of alternating layers of dark green and creamy white. The layers vary from 5 cm. to 10 cm. thick. This rock type makes up about 20% of the rocks present. One boulder of rounded diorite, probably of glacial origin, was encountered.

TRAVERSE 7
This traverse was along a logging road that had grown over and been reopened to tote road status with a bulldozer. The point of commencement is the western terminus of the cat trail described in Traverse 6. The traverse is along 200 meters of the tote road in a southerly direction.

Boulders are abundant in the overburden. They are comprised of 80% massive gray quartzite and 20% thin bedded quartzite, the beds an alternating green and creamy white colour. The green creamy white quartzite is characteristic and has only been encountered on the southeast portion of the claim.

TRAVERSE 8
This traverse is approximately 400 meters long. It is in a northwesterly direction along an old logging road that has been re-opened with a bulldozer. The terminus of this traverse is where the road joins the McNiel Creek logging road at the bridge across Danny Creek.

The main rock types along this traverse are approximately 90% gray quartzite and the remainder the layered alternating green and creamy white quartzite present on the last two traverses. The boulders are of small diameter and fairly rounded indicating a glacial origin rather than proximal bedrock. Occasional well rounded gabbro boulders are also present.

TRAVERSE 9
The point of commencement for this traverse is 200 meters West of the northeast corner of Phantom 1. The azimuth of the traverse is 155 degrees. The traverse follows the contour of the hillside.

The vegetation along this traverse consists of small diameter Lodgepole Pine growing close together. The ground is nearly completely covered with down timber.

The most common rock type encountered is quartzite boulders 5 cm. to 10 cm. in diameter. They are a medium gray colour on a fresh surface and dark gray on a weathered surface. In the centre portion of the traverse an occasional quartzite boulder was encountered that contained 1% to 2% finely disseminated pyrite.

These rocks gave off a sulphide odour when broken. Along the final third of the traverse the gray quartzite boulders exhibited some bedding.

TRAVERSE 10
This traverse commences 25 meters West of intermediate claim post 3E,2N. The azimuth of this traverse is 145 degrees closely following the contour of the hill.

The vegetation on this traverse consists of small diameter Lodge pole Pine closely spaced. The ground is almost completely covered with down timber. The northern 150 meters of the traverse are in a more mature open Lodgepole Pine forest with the ground well exposed.

The rock type is mainly gray quartzite similar to the type encountered on traverse 9. A small opening was encountered at approximately the mid point of the traverse. The hillside in this opening was strewn with rusty quartzite boulders that contained minor finely disseminated pyrite.

TRAVERSE 11
The point of commencement for this traverse is the bridge across Danny Creek. The traverse is in a northwesterly direction following Danny Creek downstream for a distance of 260 meters.

Large to very large boulders of angular to sub angular gray quartzite are present in this portion of the creek. One large flat boulder was encountered approximately 50 meters below the bridge. This boulder contained a bed of brassy pyrite approximately 1 millimeter thick. In addition, the occasional boulder of well rounded gabbro was present. Also, one small piece of diorite was encountered.

Several pieces of thin bedded quartzite were encountered that contained pyrite on bedding planes and in fractures. However, this unit made up less than 1% of the total boulders encountered.

TRAVERSE 12
The point of commencement for this traverse is the point of termination for traverse 11. The traverse is in a northwesterly direction, following Danny Creek downstream.

The rocks consist mostly of quartzite. The boulders in this portion of the creek are considerably smaller than traverse 11, ranging from 10 cm. to 15 cm. in diameter. The quartzites are gray to light gray. The absence of pyritic boulders present on the previous traverse was noted.

A large piece of gabbro, 2 meters by 1 meter, was present in the creek. This piece of gabbro is possibly bedrock. It is

difficult to ascertain as the water level made it difficult to thoroughly examine it.

TRAVERSE 13
The point of commencement for this traverse is the point of termination for traverse 12. This traverse is approximately 200 meters long.

A gray to creamy white quartzite was the main rock type encountered. One piece of gabbro about 25 cm. diameter was encountered.

TRAVERSE 14
This traverse commences at the terminus of traverse 13. It goes for approximately 200 meters along the creek.

At approximately 30 meters past the point of commencement the large gabbro boulders give way to almost 100% quartzite boulders. This quartzite is rusty on the weathered surface and dark gray on the fresh surface. They contain a minor amount of finely disseminated pyrite.

TRAVERSE 15
This traverse commences at the terminus of traverse 14. The length of this traverse is approximately 150 meters.

The rock type in the creek is large angular boulders of gray quartzite, similar to traverse 14.

An old road bed is present on the West side of the creek. It is composed of 80% quartzite and 20% gabbro. The boulders range in size up to 1 meter in diameter; they are angular indicating a near bedrock source. Also, an altered gabbro boulder was encountered in the roots of an uprooted tree. The mafics were all well chloritized.

SUMMARY TRAVERSE 11 TO TRAVERSE 15
These traverses all adjoin. They are along Danny Creek from the bridge across Danny Creek down stream in a northwest direction. The creek is fairly steep, therefore not much fine stream sediment size sample material is present in the creek.

The banks of this portion of Danny Creek are overhung with dense brush consisting of Alder and Snowbush. The creek has a large amount of down timber lying across it. The depth of water ranges from a few centimeters to more than a meter. It is swift flowing and covers much of the rocks in the creek bed. However, the exposed boulders above the water line give a good representation of the boulders present in this creek.

Frank O'Grady, P.Eng.

Frank O'Grady

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Total Pages 1
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P.O. Number :
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page 16

CERTIFICATE OF ANALYSIS A9527722

APPENDIX 2
CERTIFICATE OF ANALYSIS A9527722
Preliminary Data Only

SAMPLE DESCRIPTION	PREP CODE		Pb ppm	Zn ppm	As ppm
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PHE-05	241	238	17	97	1
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PHE-09	241	238	14	85	1
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PHW-02	241	238	22	103	1
PHW-03	241	238	17	120	6
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PHW-05	241	238	34	144	8
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PHW-16	241	238	20	70	1
PHW-17	241	238	13	125	1
PHW-18	241	238	11	94	2
PHW-19	241	238	12	92	4
DANSED-01	241	238	26	90	1

CERTIFICATION:

Chemex Labs Ltd.

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Invoice No. :19521
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Account :E

CERTIFICATE OF ANALYSIS A9525690

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U95D-03	201	238	112	225	4							
U95D-04	201	238	36	97	2							
U95D-05	201	238	37	100	4							
U95D-06	201	238	58	140	10							
U95D-07	201	238	165	130	8							
U95#-01	201	238	20	73	20							
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U95#-08	201	238	32	84	42							
U95#-09	201	238	25	70	32							
U95#-10	201	238	54	195	4							
U95#-11	201	238	35	90	42							
U95#-100	201	238	28	135	2							

CERTIFICATION: Neil Pamphlett

APPENDIX 3
CERTIFICATE OF ANALYSIS A9525690

LIST OF FIGURES

APPENDIX

PART B
PROJECT PROPOSAL

a) Project Location
   i) Perry Creek
   ii) NTS 82F/8E: Forest Cover Map 82F.050
   iii) Situated on Perry Creek at the confluence of Shorty Creek; Figure 2.
   iv)Placer Titles Reference Map: Figure 3

b) ACCESS

Access to the property is by utilizing the Perry Creek Main logging road to kilometer 25 and then following a tote road for 250 meters to the proposed plant site.

c) PROSPECTING TARGET
   i) The commodity is gold
   ii) The deposit type is placer gold.
   iii) The area is underlain by sediments of the Creston Formation. Lode Gold deposits covered by Crown Grants (figure 3) are situated West and Southwest of Placer Claim 49. It is the author's opinion that the the placer gold on Placer Claim 49 and other locations on Perry Creek is derived, partially or entirely, from these Lode Gold deposits.

d) PROPOSED WORK PROGRAM

The proposed work program consists of excavating a trench to bedrock and processing the gravel in a portable wash plant (Reid RD40). As figure 6 demonstrates gold is present in several of the gravel units. The primary targets are, however, the "upper pay streak" and the "lower pay streak".

e) NUMBER OF DAYS IN THE FILED

The program is estimated to take 7 days:
1 day supervising and laying out installation of settling ponds.
4 days supervision, recording and directing excavation and sorting of various gravel layers.
1 day panning, examining and evaluating results in the field.
1 day directing reclamation, including filling in trench and other reclamation activities.

f) OWNERSHIP

The claim is 100% owned by Frank O'Grady.

SYNOPSIS

EXPLORATION THEORY

The author initially became interested in investigating the possibility of placer gold on the upper portion of Perry Creek during 1981. Examination of that area revealed a lesser stream gradient than the lower portion of Perry Creek. This resulted a a meandering water course and a valley bottom that is swampy in some places. This type of terrain would require exploration and mining by large equipment rather than by the historical methods of wheelbarrows and small backhoes.

The fact that there are several known lode gold deposits adjacent to Perry Creek and that these lode deposits are traversed by tributaries of Perry Creek made this portion of Perry Creek an attractive target for placer deposits in the author's opinion.

HISTORY

During August and September 1985 fourteen test pits were excavated in several locations on the upper portion of Perry Creek under the direction of the author.

Two test pits were in the immediate area of the 1995 proposed bulk sampling site. Gold was encountered in both test pits. It was concluded, however, that the amount of gravel tested was too small to be representative. Also, the gravel was extracted from under the water table and, therefore, a significant amount of gold may have been lost during excavation.

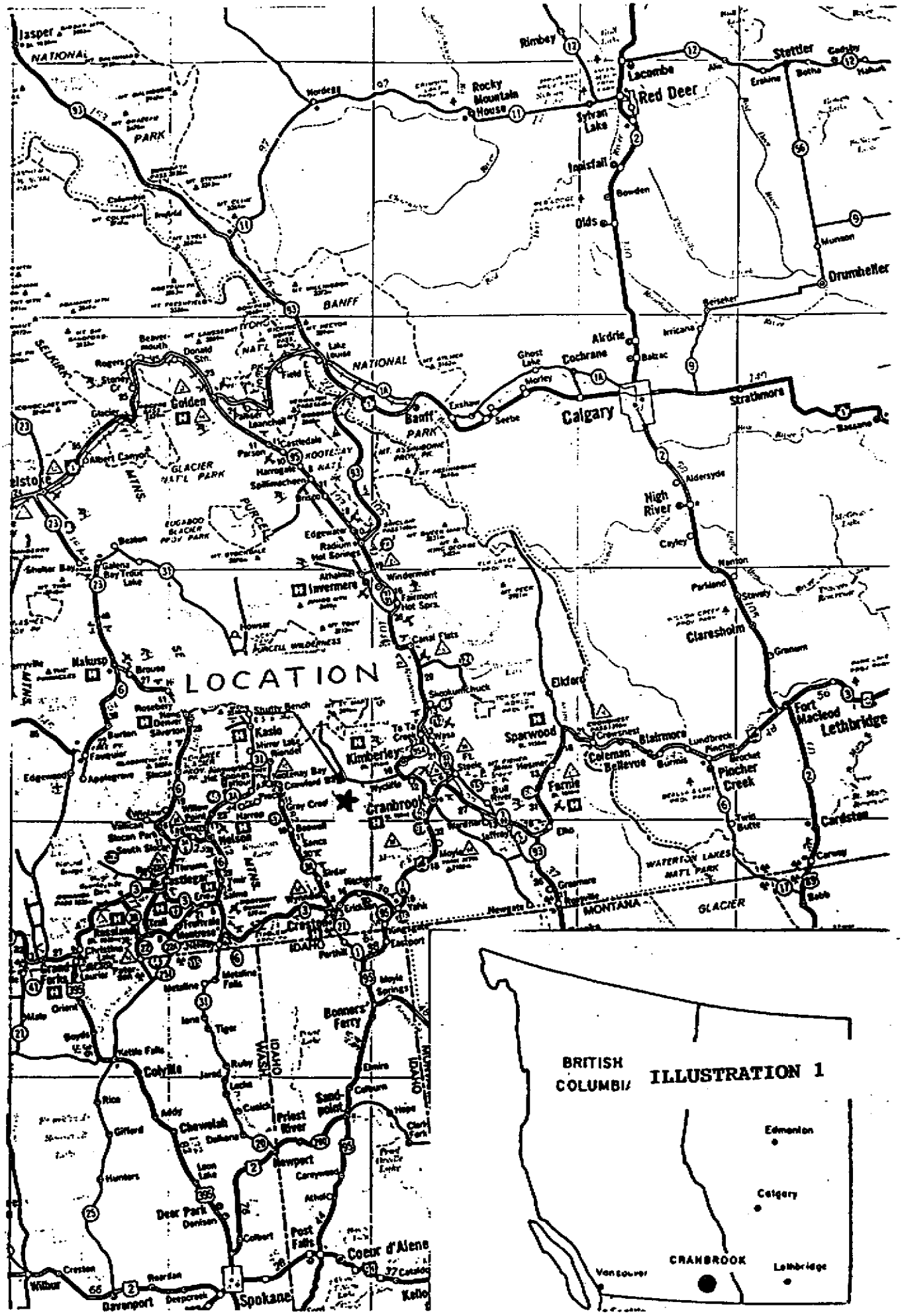
The property was subsequently optioned to Barkhor Resources and Kokanee Resources.

During 1989 and 1990 a total of 10 reverse circulation holes were drilled on Placer Claim 49.

The drilling indicated 2 paleochannels underlying the claim. In addition, gold was found throughout the gravels drilled. Gold was found in greater amounts in the gravel immediately overlying the clay layer (false bedrock) and immediately overlying the bedrock (illustration 6).

Barkhor Resources and Kokanee Resources planned to take a bulk sample to determine the feasibility of a mining operation. However, the two companies acquired interests in property elsewhere and elected to abandon this project.

The claim was subsequently returned to Frank O'Grady. During 1994 Mr. O'Grady obtained a permit to take the proposed 1995 bulk sample. This involved laying out the plant site and formulating a mining plan. In addition he secured a License to Cut and directed the logging and log disposal in preparation.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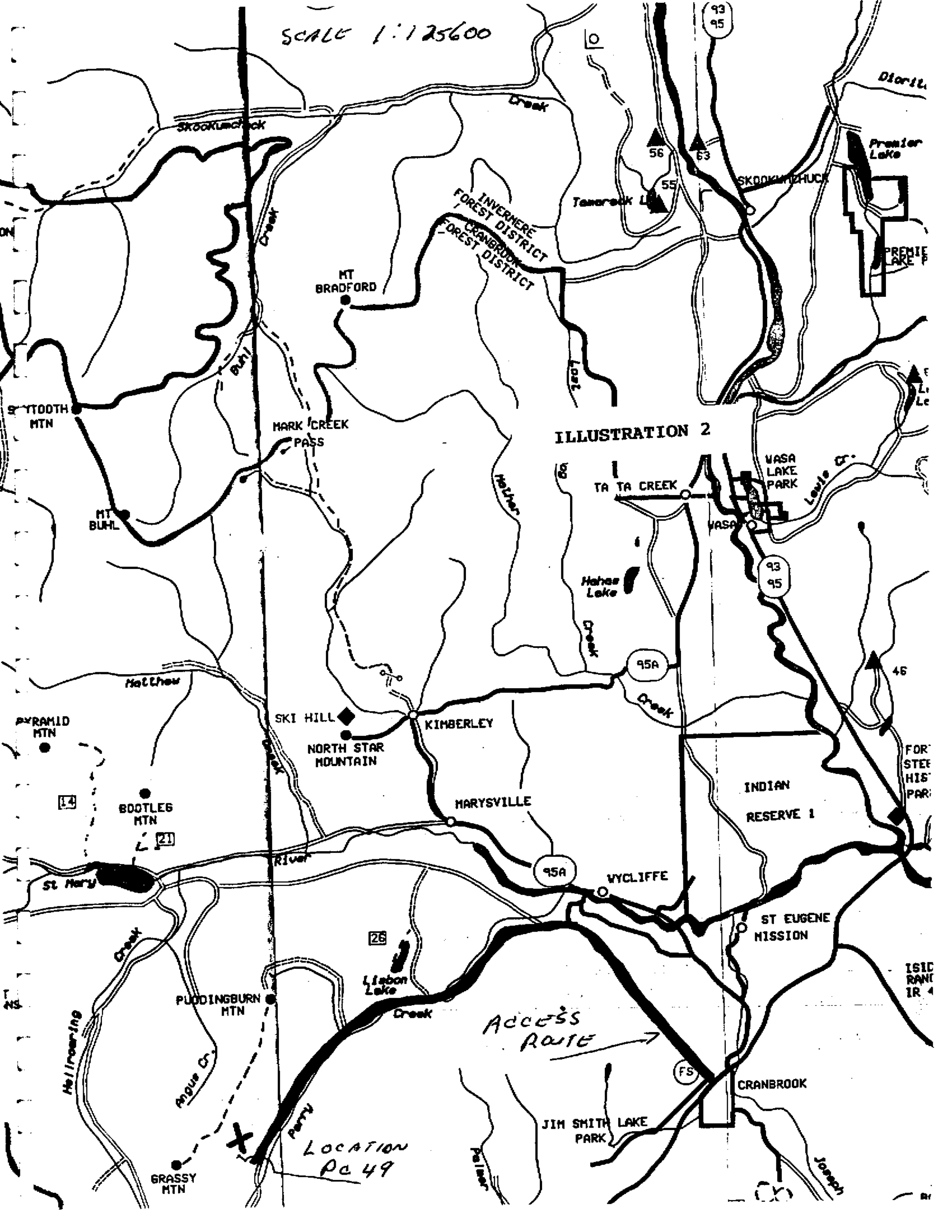
Jasper
NATIONAL PARK
Rimbey
Lacombe
Red Deer
Stettler
Rocky Mountain House
Sylvan Lake
Innisfail
Olds
Bowden
Drumheller
BANFF
NATIONAL
Golden
Banff
PARK
Calgary
Cochrane
Strathmore
Airdrie
Beiseker
Irricana
High River
Okotoks
Claresholm
Fort Macleod
Lethbridge
Pincher Creek
Crowsnest
Blairmore
Coleman
Bellevue
Sparwood
Elkford
Fernie
Kimberley
Cranbrook
Creston
Nakusp
Kaslo
Invermere
Golden
Revelstoke
Grand Forks
Castlegar
Trail
Rossland
Nelson
Salmo
Kootenay Bay
Crawford Bay
Yahk
Moyie Springs
Bonners Ferry
Sandpoint
Priest River
Newport
Colville
Kettle Falls
Chewelah
Deer Park
Post Falls
Coeur d'Alene
Spokane
Davenport
Wilbur
Waterton Lakes Nat'l Park
Glacier
MONTANA
IDAHO
WASH.
BRITISH COLUMBIA
ILLUSTRATION 1
Edmonton
Calgary
CRANBROOK
Vancouver
Lethbridge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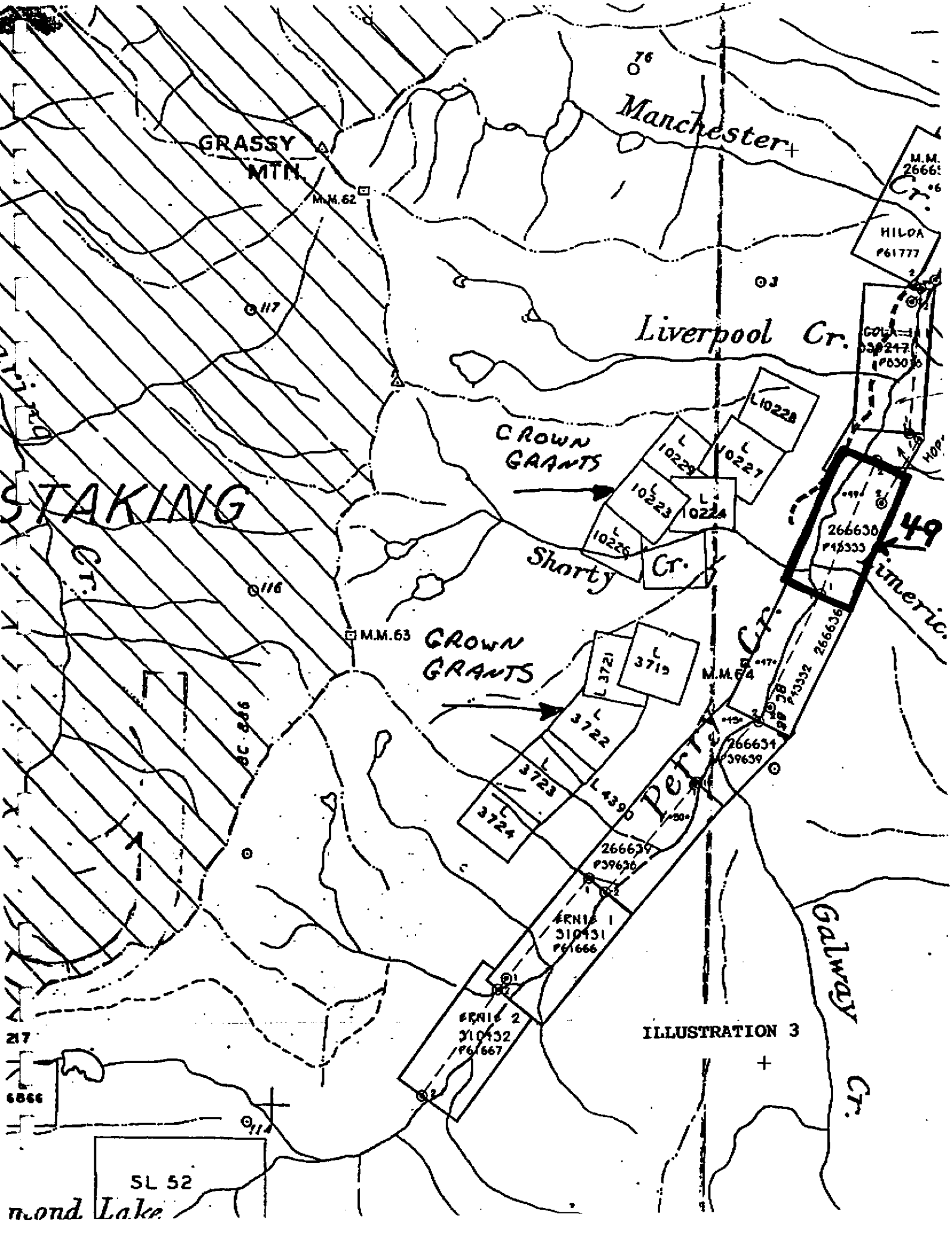
Skookumchuck
Creek
Premier Lake
Tamarack L
SKOOKUMCHUCK
INVERMERE FOREST DISTRICT
CRANBROOK FOREST DISTRICT
MT BRADFORD
PREMIER LAKE P
MARK CREEK PASS
MT BUHL
Buhl
Creek
VASA LAKE PARK
TA TA CREEK
WASA
Lewis Cr.
Mather
Hahas Lake
Creek
95A
93
95
46
KIMBERLEY
SKI HILL
NORTH STAR MOUNTAIN
Matthew
PYRAMID MTN
BOOTLEG MTN
MARYSVILLE
INDIAN RESERVE 1
St Mary
River
WYCLIFFE
ST EUGENE MISSION
PUDDINGBURN MTN
Lisbon Lake
Creek
Angus Cr.
Hellroaring
Access Route
CRANBROOK
FS
JIM SMITH LAKE PARK
Location Pc 49
Perry
Palmer
Joseph
GRASSY MTN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Manchester
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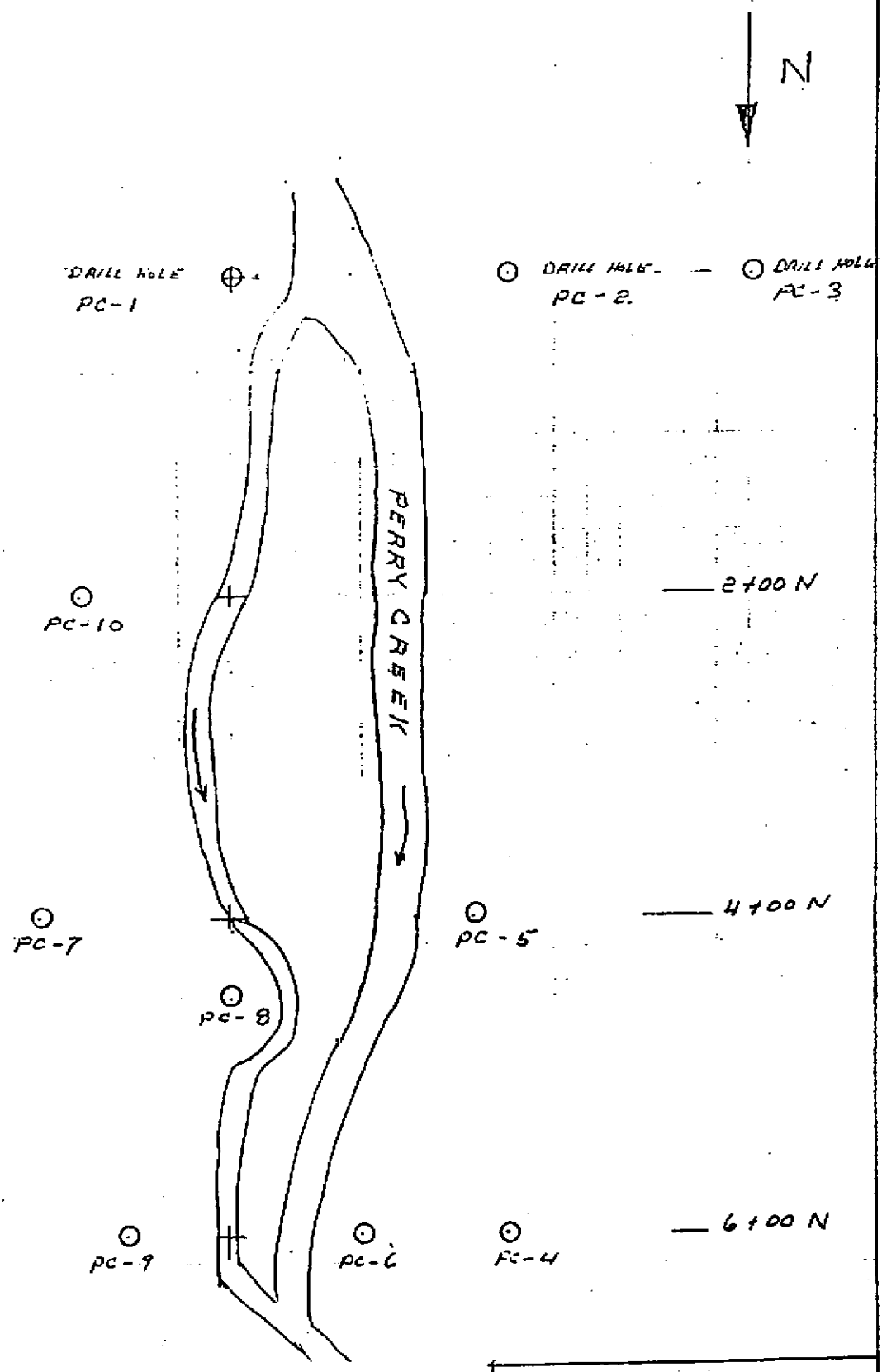
CROWN GRANTS
L 10228
L 10227
L 10229
L 10223
L 10224
L 10226
Shorty Cr.
266636
P15333
49
STAKING
Cr.
M.M.63
CROWN GRANTS
L 3721
L 3719
L 3722
L 3723
L 3724
L 4390
M.M.64
266636
P13332
266631
P39639
Perry Cr.
266634
P39630
ERNIE 1
310431
P61666
ERNIE 2
310432
P61667
Galway Cr.
ILLUSTRATION 3
SL 52
mond Lake

DRILL HOLE PLAN

ILLUSTRATION 5

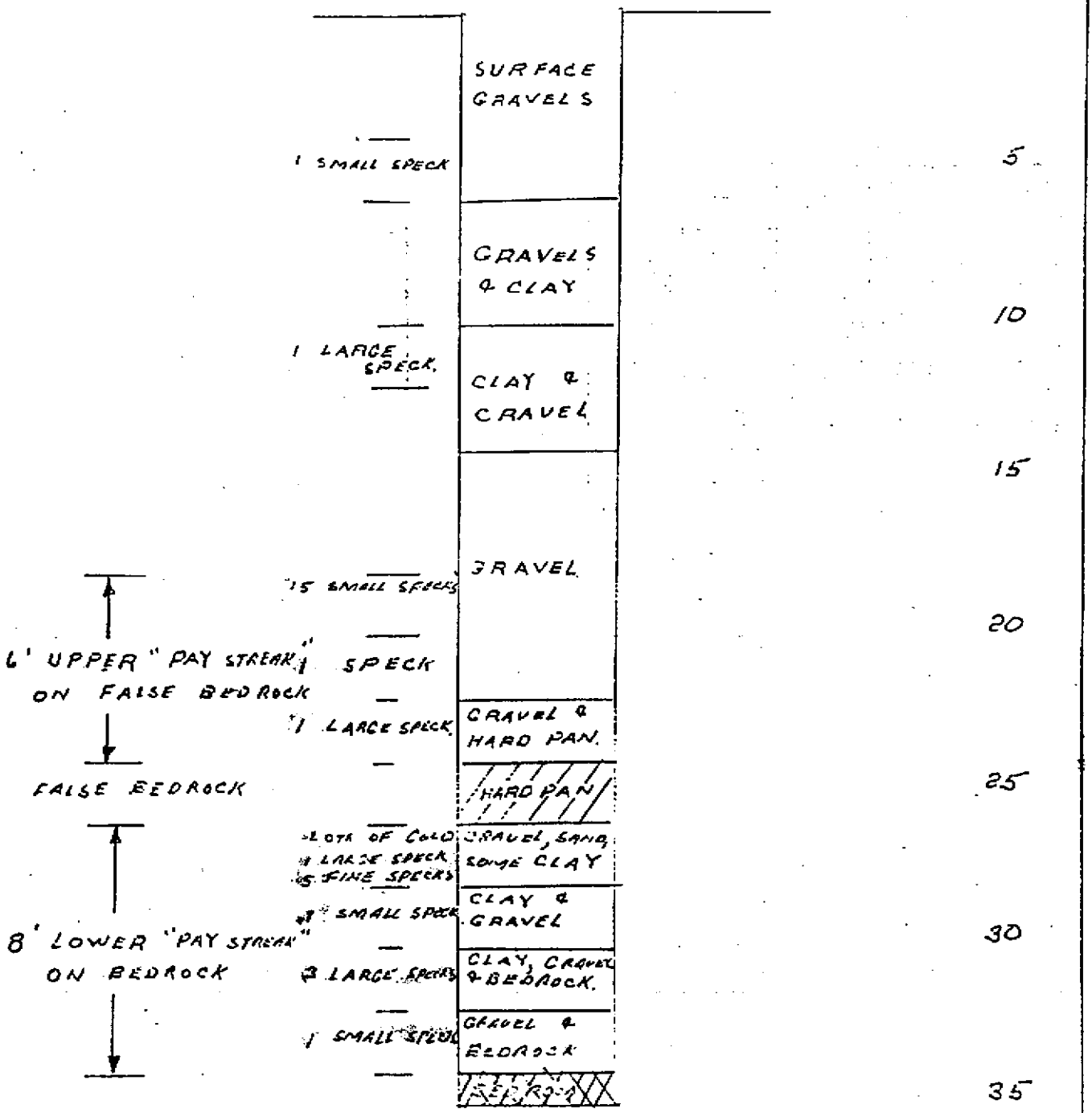


8 JULY 1992
F. P. O'G
1" = 100'

GRAPHIC LOG

ILLUSTRATION 6

COMPILED FROM DRILLING REPORT BY L. G. STEPHENSON
MAY 18, 1989 PAGE 5



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F.P.O'G

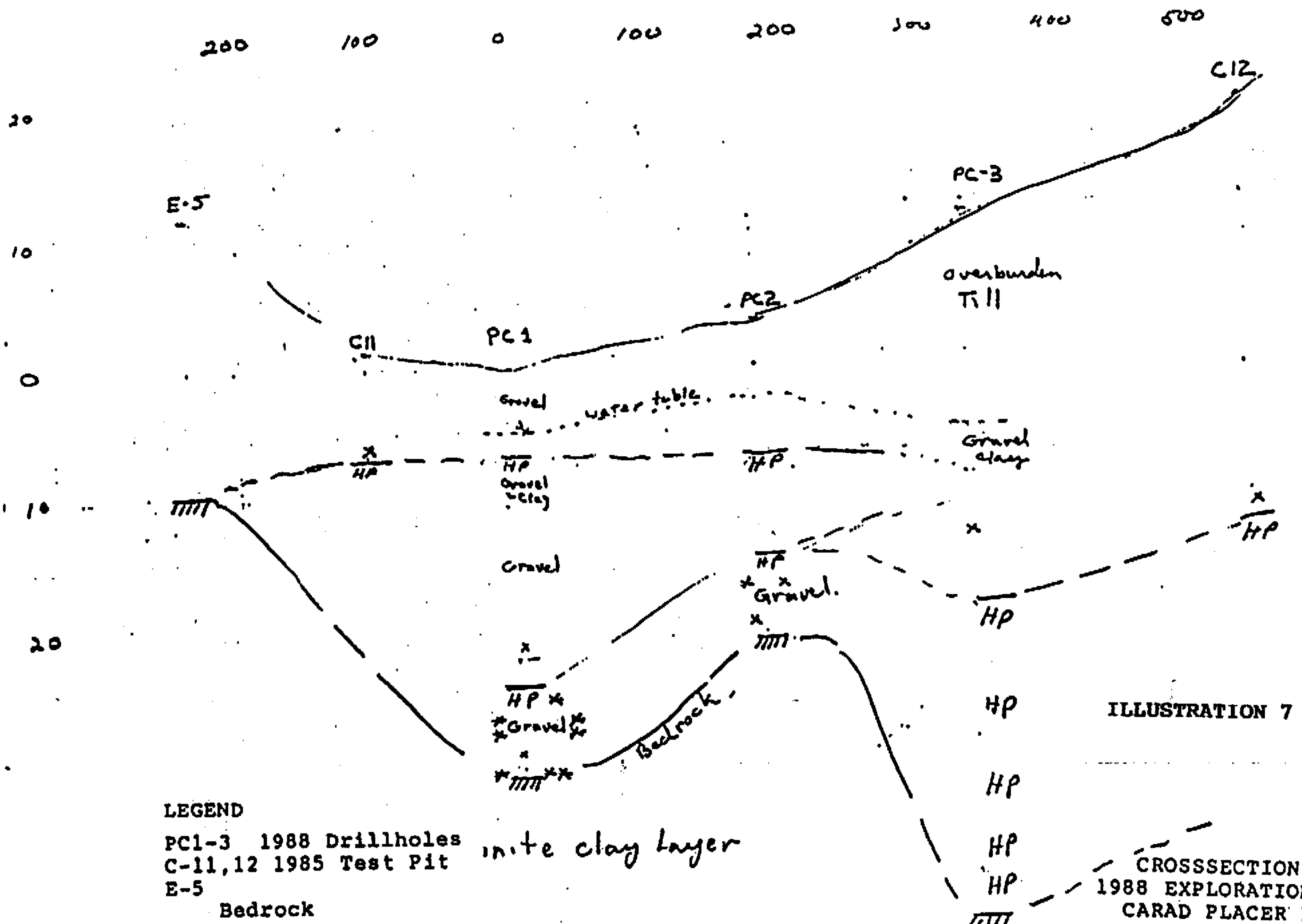

ILLUSTRATION 7

LEGEND

PC1-3 1988 Drillholes
C-11,12 1985 Test Pit
E-5
Bedrock
HP Hardpan
X Minor gold show
* Good gold show

CROSSSECTION 1
1988 EXPLORATION REPORT
CARAD PLACER LEASES
PERRY CREEK
FORT STEELE MINING DIVI:
BRITISH COLUMBIA

FEB 1989

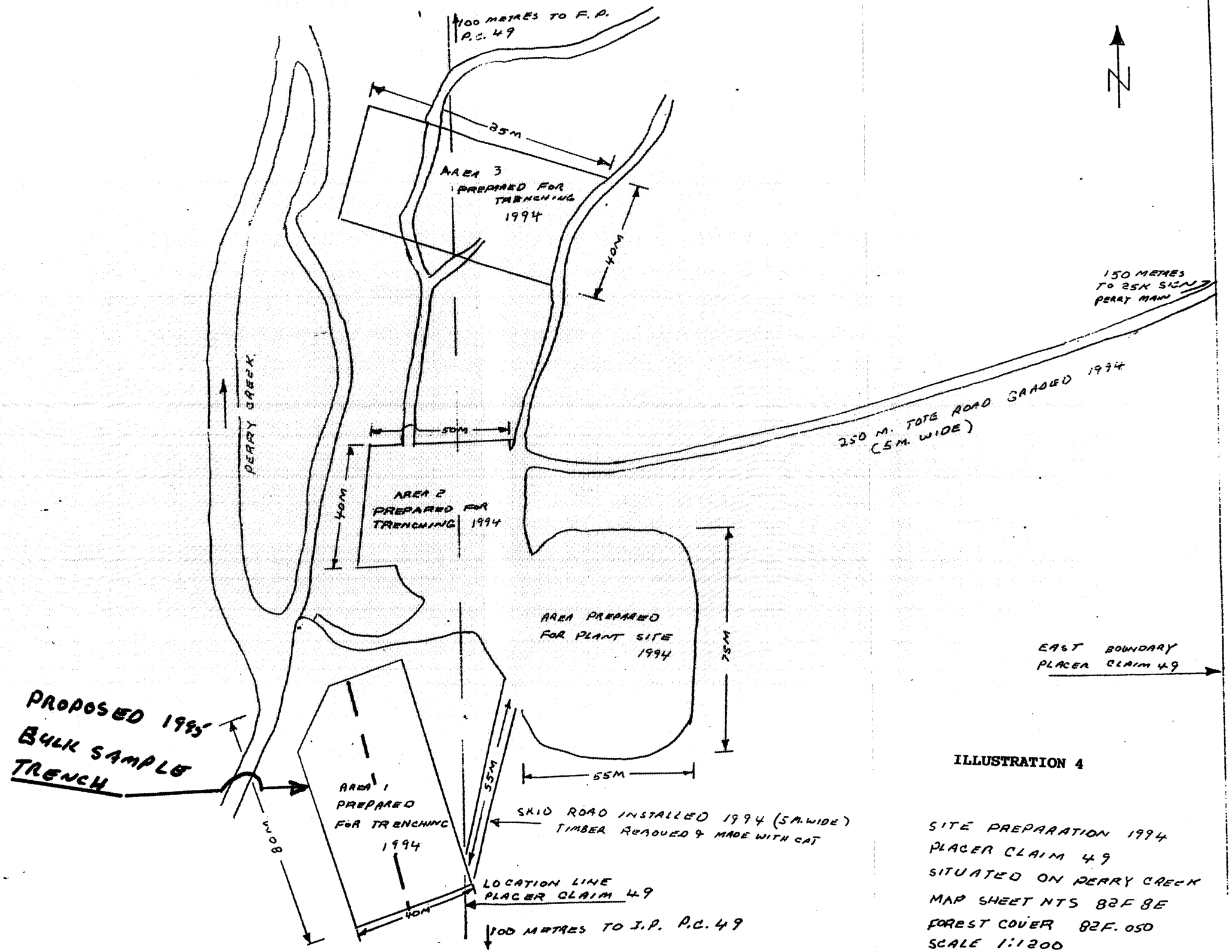

ILLUSTRATION 4

SITE PREPARATION 1994
PLACER CLAIM 49
SITUATED ON PERRY CREEK
MAP SHEET NTS 82F 8E
FOREST COVER 82F. 050
SCALE 1:1200

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Total Pages :1
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Invoice No. : I9522673
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Account : E

CERTIFICATE OF ANALYSIS A9522673

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CERTIFICATION: Hart Bichler

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SK-5-95-2	201 238	22	5	< 0.2	9	48

CERTIFICATION: David Bradley

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CERTIFICATION:_____

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