

REPORT OF GEOLOGICAL EVALUATION

This report is prepared as an attachment to the Proof of Labor affidavit for the below listed claims for the assessment year ending August 31, 1978.

Mining Claims: Penny, Penny #1 - #17

Location: Situate in the NW $\frac{1}{4}$, NE $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 34, T4N, R5E (WM) and the NW $\frac{1}{4}$, NE $\frac{1}{4}$, Section 3, T3N, R5E (WM) Skamania County, Washington

Location of Work: Within the confines of the above listed claims

Personnel and Qualifications: A.R. Grant, Consulting Geologist -
Received PhD in Geology, University of Washington, 1966.
Involved in base metal exploration and research in Cascade economic geology over the past 19 years

Geologic evaluation within the Penny claim block has resulted in the delineation of two types of base metal targets. These target delineations are, in part, a result of past drilling within the claim block by Brameda Resources Ltd., (1969) and Amoco Minerals (1976). Further refinement of the drilling results through detailed surface mapping and petrographic analysis of drill core samples has resulted in the definition of the sulfide environments and future drill targets.

The sulfide mineralization on the Penny claims occurs both within composite intrusive rocks of the Silver Star Stock and the pre-intrusive Oligocene volcanic section. It is believed that the hydrothermal alteration and sulfide deposition is directly related to late stage intrusive events. The Silver Star rocks are very complex ranging from diorites to quartz monzonites. The intrusion is of the high-level type and perhaps even vented to surface. A wide variety of hypabyssal intrusive rocks cut the main-phase quartz diorites and granodiorites. These hypabyssal rocks represent later stages of intrusion after the solidification of the magma periphery. As a consequence, channels were present for the introduction of late stage volatiles to high levels via the hypabyssal conduits.