Within the claim block, sulfide mineralization and intense hydrothermal alteration are pervasive. The dominant alteration within both the intrusive and volcanic rocks is propylitic. Within the propylitized section, pyrite dominates. Inwards, however, quartz-sericite alteration becomes more common although still erratic in its distribution. Weak to moderate structurally controlled K-silicate alteration appears relatively deep in the intrusive sections. It's full extent is not known.

Based on available data, the priority economic targets appear to be a series of quartz-sericite-tourmaline breccia pipes. In the general area, pipes of this type are known to contain high-grade copper intercepts with significant credit values in molybdenum and tungsten. Within the Penny block, they occur on the Penny #4, 6,10 and 12 claims. Vertical zoning within the pipes is probably an important factor in the planning for future drilling. In all probability, provided high grade sulfide cores do exist within the Penny pipes, minimum 1500' holes should be planned.

Of secondary economic importance on the claims is the presence of disseminated chalcopyrite in altered intrusive rocks. This porphyry copper type occurrence is particularly evident on the Penny #9 and 11 claims. Although outcrop is very sparse in this area, enough control data are available to spot initial drill targets.

The combination of high grade breccia pipe potential with a lower-grade porphyry copper system presents a favorable economic environment for continued exploration. Details obtained as a result of this present work provide the necessary background for subsurface exploration of the Penny claim potential.

Declared at Langley, Washington August 28, 1978

Alan Robert Grant

Alan Robert Grant

Subscribed and sealed to me this 28th day of August, 1978

Notary Public