WORK REPORT: PHASE I EXPLORATION

DAVIS-KELLY Cu-Ni-Pd-Pt-Au PROPERTY

DAVIS & KELLY TOWNSHIPS, SUDBURY MINING DIVISION, ONTARIO

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Prepared For:

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SUMMARY

This report represents a summary of mineral exploration work completed on the **Davis-Kelly property** located in the Sudbury Mining Division of north-central Ontario, Canada. The property, a joint-venture between principal Pacific North West Capital Corporation (PFN) and partner Consolidated Venturex Holdings Ltd. (CVA), is an early-stage precious metal (platinum-palladium-gold) and base metal (copper-nickel) exploration project that occurs in the vicinity of several other highly prospective platinum-palladium properties.

The **Davis-Kelly property** is located about 76 road km (50 km direct) northeast of the City of Sudbury and straddles the township boundary between Davis and Kelly Townships. This prospect contains highly anomalous concentrations of platinum (Pt) and palladium (Pd), as well as anomalous concentrations of gold (Au), copper (Cu) and nickel (Ni). The metals are associated with disseminated sulphides that are hosted by Nipissing Diabase (gabbro).

The **Davis-Kelly property** is proximal to the highly prospective Janes and Kelly properties, which are currently being explored by Pacific North West Capital Corporation and their joint venture partner Anglo American Platinum Corporation Limited. PFN reported values up to **102.4 g/t Pt+Pd+Au over 0.4 m** (channel sample) and **4.45 Pt+Pd+Au over 8.68m** (drill intersection) on the Janes property, and up to **5.1 g/t Pt+Pd+Au** (grab sample) on the Kelly property.

The **Phase I** exploration program included: (1) 35 km exploration grid; (2) grid/reconnaissance prospecting, bedrock mapping and sampling; (3) orientation induced polarization and magnetometer surveys; and, (4) a five hole (312 m/1024 ft) diamond drilling program. The surface program outlined a minimum of two mineralized zones; the main showing or zone 1 and a newly discovered zone 2, occurring about 700 m northeast of zone 1. Grab samples assayed up to **6.34 g/t Pt+Pd+Au, 0.29% Cu and 0.15% Ni** from the main showing and up to **3.37 g/t Pt+Pd+Au, 0.32% Cu and 0.14% Ni** from zone 2. In addition, several other areas of anomalous Pt-Pd sulphide mineralization were outlined that occurred as far as 600 m northwest and 600 m southwest of the main showing. In addition to several anomalous precious and base metal sulphide intersections (**2.23 g/t Pt+Pd+Au over 3.33 m; 3.87 g/t Pt+Pd+Au over 4.4 m**), the drilling program contributed to our understanding of the area geology.

These results confirm that this area is fertile in terms of its potential to host economic Pt-Pd mineralization. Moreover, excellent accessibility, a large land position, and proximity to mining related infrastructure – within about 60 km of the milling and smelting facilities of Falconbridge Ltd. and Inco. Ltd. - make this project worthy of further exploration.

INTRODUCTION

The **Davis-Kelly property**, centred at approximately 46°43'N latitude and 80°26'W longitude or 540035mE-5170035mN (NTS 41I/NE), consists of two (2) unpatented mining claim blocs (28 claim units) covering 448 ha and straddling the boundary between Davis and Kelly Townships. The property is located in the Sudbury Mining Division, Ontario (Figure 1). The current exploration program is a joint venture between Pacific North West Capital Corp. (CDNX:PFN) and Consolidated Venturex Holdings Ltd. (CDNX:CVA), both of Vancouver, Canada.

The Davis-Kelly property lies within the Southern Geological Province of the Canadian Shield and has potential to host economic concentrations of Platinum-Group metals (PGM = Pt + Pd +Au), Cu and Ni in sulphides that are associated with gabbroic rocks of the Nipissing Diabase suite of intrusive rocks. Sporadic exploration work from the early 1950's to present has identified sulphide mineralization in the area that is of potential economic interest.

LOCATION & ACCESSIBILITY

The **Davis-Kelly property** straddles the boundary between Kelly and Davis Townships, is about 76 road km northeast of the City of Sudbury, and is road accessible (Figure 2). The property can be reached by travelling about 45 km east from Sudbury to Hagar along Highway 17. At Hagar, turn north (left) following secondary road 535 for about 22 km until reaching an abandoned railway bed. After crossing the railway bed, follow the left fork in the road for about 2 km then take a right fork and follow it for about 1.5 km to Pine Fall's Lodge, which is located at the southern inlet into Murray Lake. After crossing a small bridge/dam follow the main road for about 1.9 km then turn north (right) at the second main road. Follow this road for about 4 km at which point there is a clearing; this is close to the western claim line on unpatented mining claim bloc S-1230563 (Figure 2).

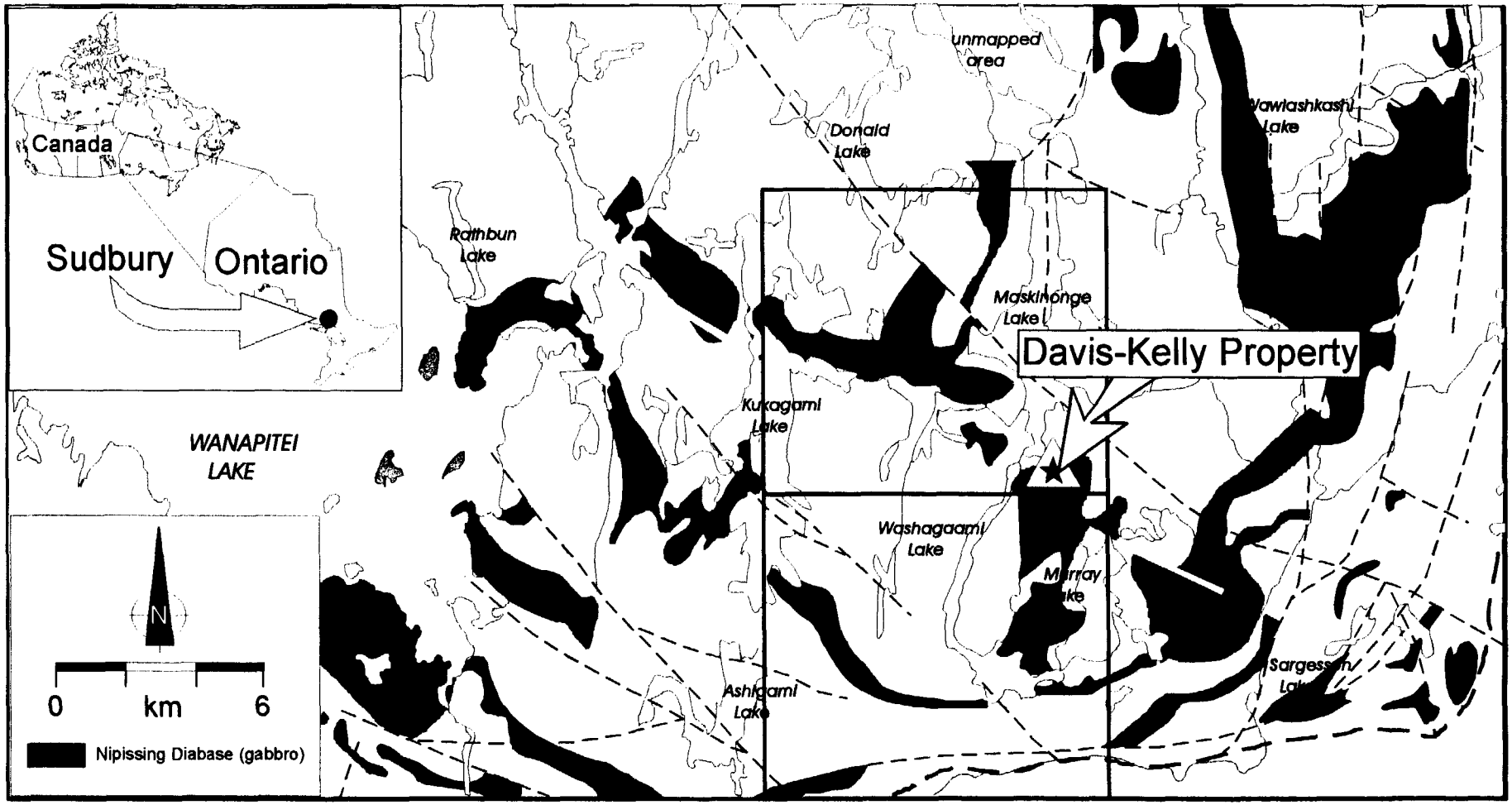

Figure 1. Location of the Davis-Kelly Pt-Pd-Cu-Ni property, Kelly & Davis Townships, Sudbury Mining Division, Ontario. The property is located about 76 road km northeast of the City of Sudbury (off the map).

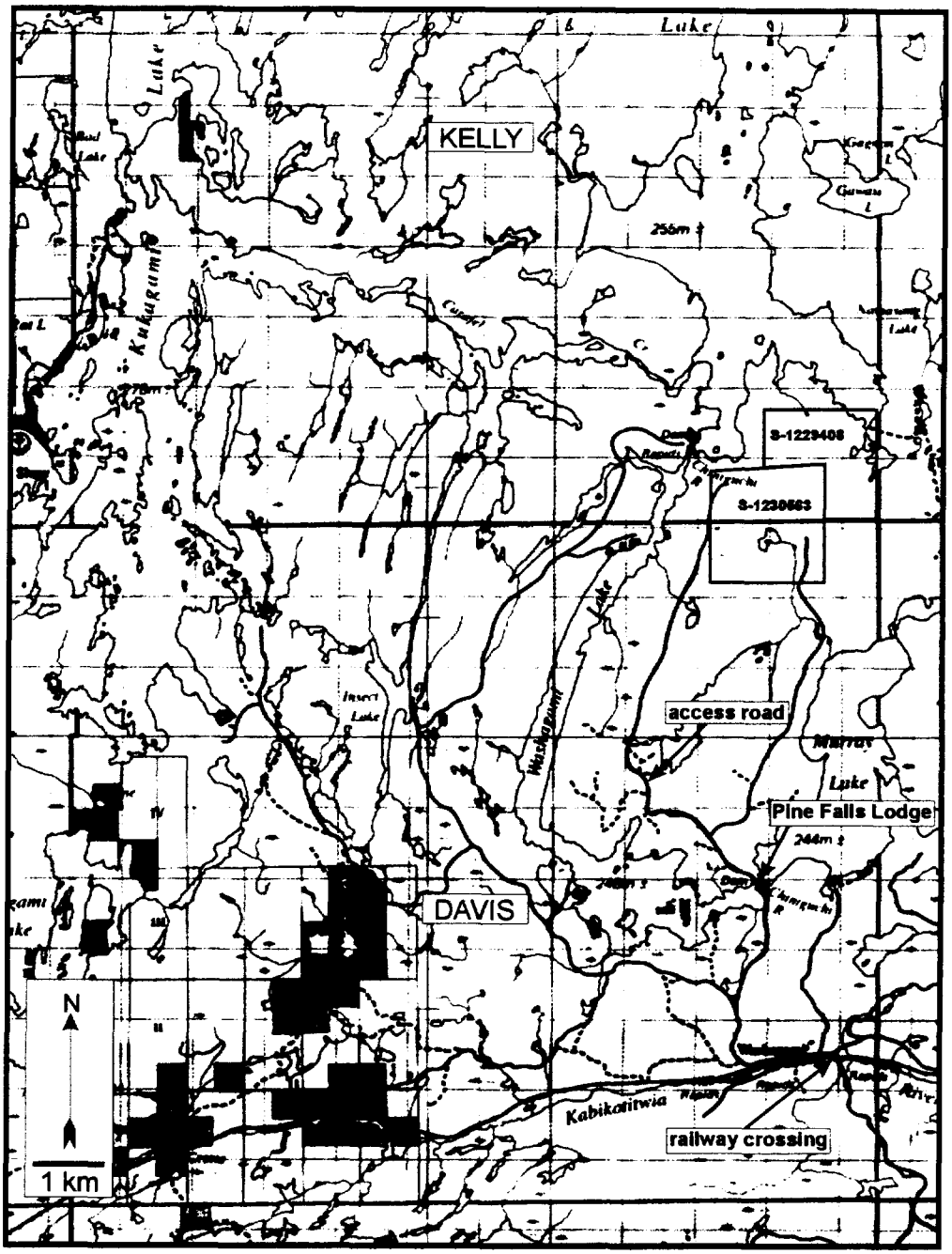

Figure 2. Accessibility to the Davis-Kelly property located about 76 road km northeast of the City of Sudbury. The property can be reached by travelling about 45 km east from Sudbury to Hagar along Highway 17. At Hagar, turn north (left) and follow secondary road 535 for about 22 km until reaching an abandoned railway bed (access road on map). After crossing the railway bed, follow the left fork in the road for about 2 km then take a right fork and follow it for about 1.5 km to Pine Fall's Lodge, which is located at the southern inlet into Murray Lake. After crossing a small bridge/dam follow the main road for about 1.9 km then turn north (right) at the second main road. Follow this road for about 4 km at which point there is a clearing.

CLAIM STATUS

The Davis-Kelly property consists of two (2) unpatented mining claim blocs (28 claim units) covering 448 ha (Figures 3 and 4; Table 1; Map DK99-01).

Table 1. Distribution of unpatented mining claims on the Davis-Kelly property.

Claim	Township	Units	Hectares
S-1230563	Davis-Kelly	16	256
S-1229408	Kelly	12	192
	TOTALS:	**28**	**448**

Claim S-1229408 is held 100% by PFN whereas claim S-1230563 is on option by PFN from F. Racicot.

TOPOGRAPHY AND VEGETATION

Topography on the Davis-Kelly property characterised by generally north-south to northeast-southwest trending ridges of gabbroic rocks with gradual slopes punctuated by metre- to 10's of metres scale cliffs. The primary vegetation on the ridges is mixed forest consisting of spruce, pine, birch, poplar and oak with alders, cedars and spruce dominating the intervening low and swampy ground.

Outcrop exposure is limited to about 30% with the remaining areas covered mostly by a thin (<1 m) veneer of humus, poorly developed soils and glacial till, and low areas of cedar and spruce swamp. Thicker areas of overburden consist primarily of 1-2 m of silty sand, clay and poorly developed glacial till that can locally be >10 m thick.

Maskinonge Lake is located about 800 m northwest of the approximate centre of the Davis-Kelly property and several seasonal swamps and ponds occur throughout the property.

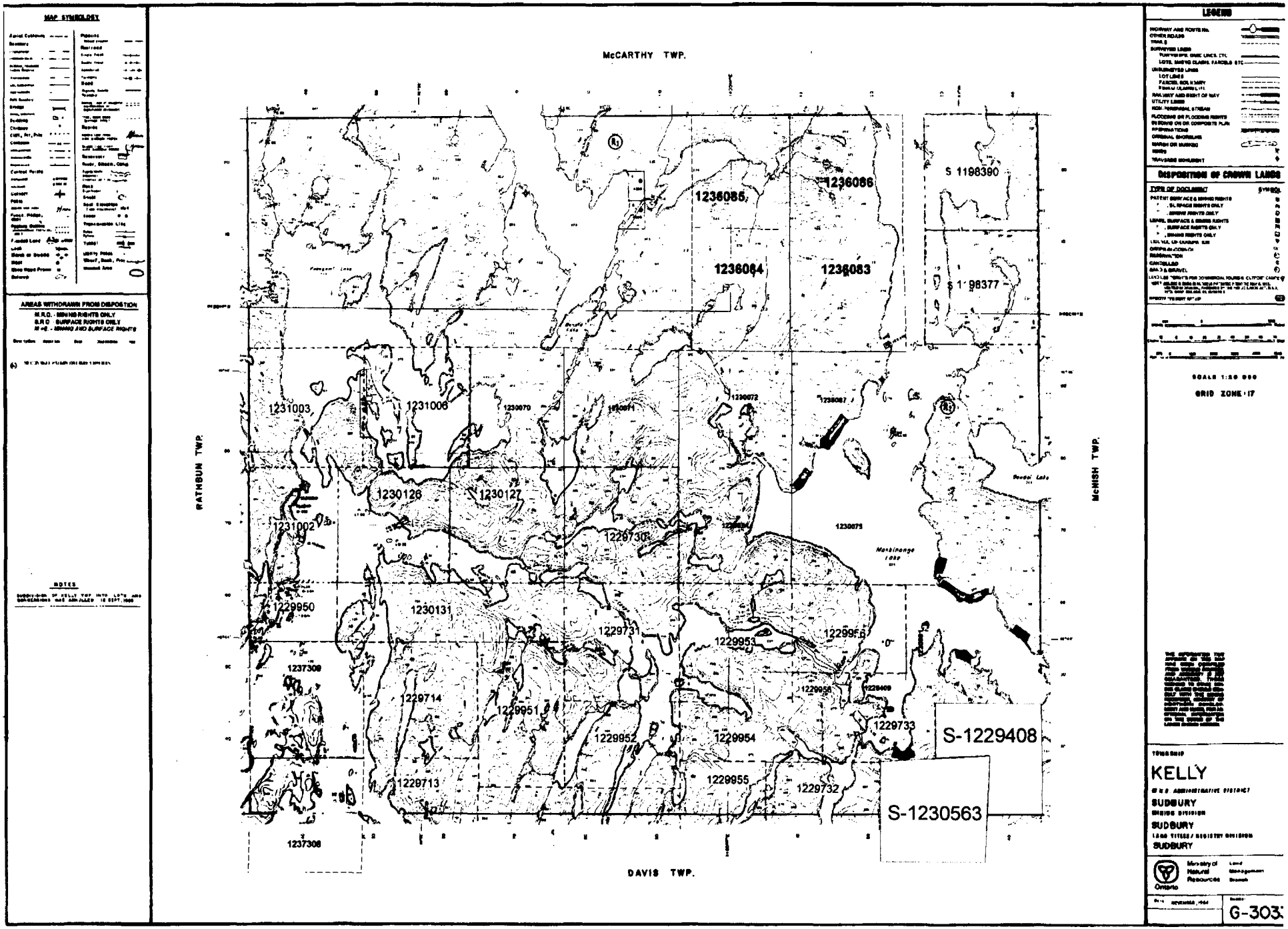

Figure 3. Location of the 2 mining claim blocs that comprise the Davis-Kelly property located in Kelly and Davis Townships, Sudbury Mining Division, Ontario (claim map G-3033 - Kelly Twp.).

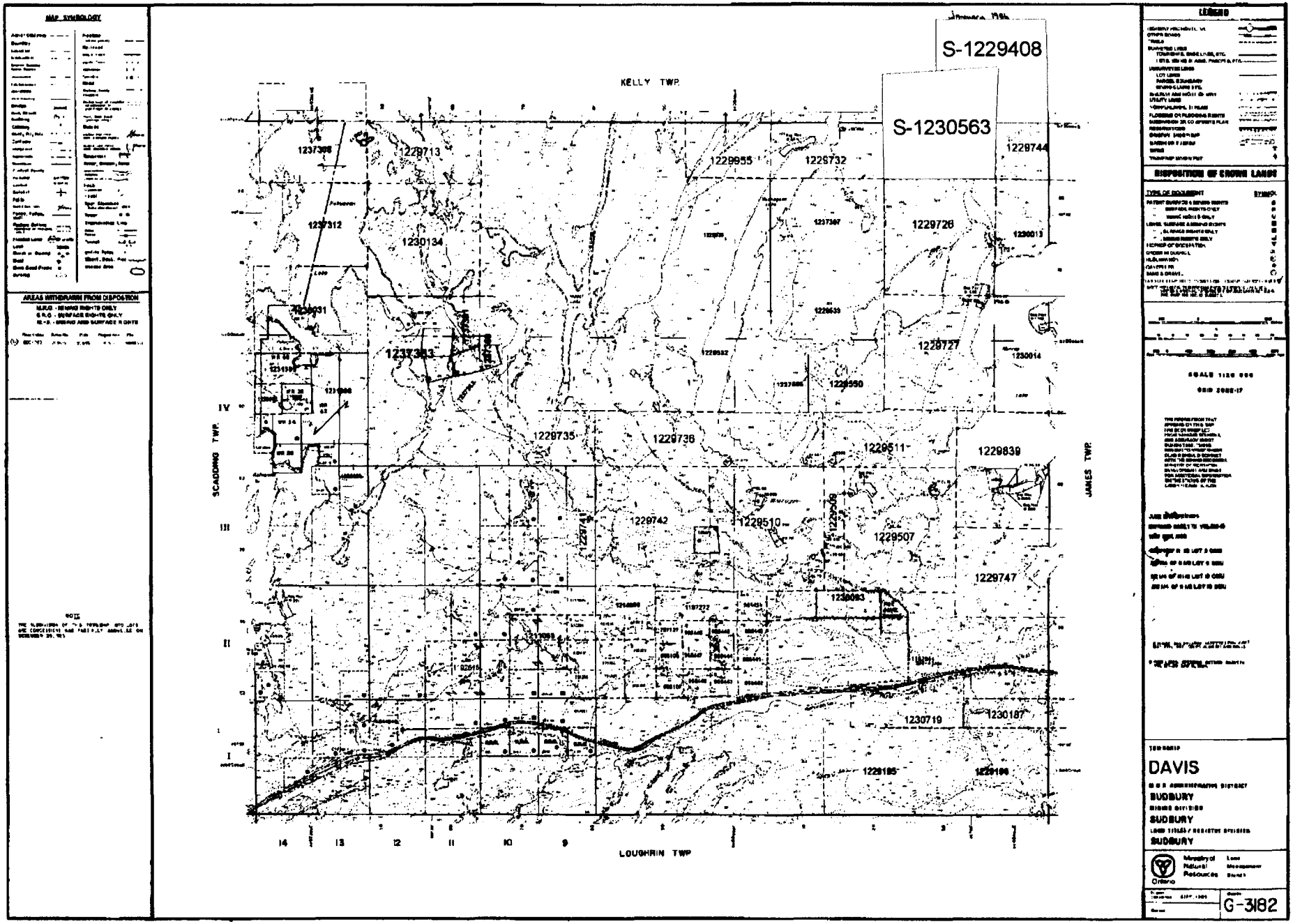

Figure 4. Location of the 2 mining claim blocs that comprise the Davis-Kelly property located in Kelly and Davis Townships, Sudbury Mining Division, Ontario (claim map G-3182 - Davis Twp.).

REGIONAL GEOLOGY

The **Huronian-Nipissing Magmatic Province** (HNMP) consists of intrusive bodies such as the East Bull Lake, Agnew Lake and River Valley Intrusions (*ca.* 2.4 Ga) and younger intrusions (*ca.* 2.2 Ga) of Nipissing Diabase (Gabbro) that intruded into Paleoproterozoic sedimentary rocks of the Huronian Supergroup (*ca.* 2.45 Ga). Northwest-trending olivine gabbro dykes (*ca.* 1.2 Ga) of the Sudbury Swarm crosscut all of the older rock types. To date there are no known economic Cu-Ni-PGM sulphide deposits associated with Nipissing Gabbro. Nonetheless, numerous showings (>50 known) with anomalous PGM values (1-10 g/t PGM) are recorded throughout the HNMP.

Nipissing Diabase (gabbro) comprises >25% of the outcrop area in the HNMP and consists of dominantly tholeiitic to calc-alkaline rocks. The majority of Nipissing gabbros occur as near-horizontal sheets or undulating sills, consisting of basins and arches, and dykes that are generally less than 1000 m thick. In this form, disseminated to massive sulphide mineralization is concentrated within the basin or limb portions with pods of dominantly massive pyrrhotite occurring within the arches. **Lopolithic forms** outcrop as irregular-shaped intrusions and may represent deeper feeder systems to the stratigraphically higher sill and cone-shaped intrusions. In this form disseminated to semi-massive sulphides are hosted by hypersthene gabbro within tens of metres of the footwall sedimentary rocks and within irregular regions at the footwall contact. This form is characterised by the gabbroic intrusion at PFN's Janes property. **Arcuate** and open ring outcroppings of Nipissing Gabbro and structural features of surrounding sedimentary rocks suggest inward-dipping, **cone-shaped intrusions** in which disseminated sulphides hosted by hypersthene gabbro are within a few hundred metres of the basal contact. This form is typified by the gabbroic intrusion at PFN's Kelly property and **CVA's Davis-Kelly property**.

PROPERTY GEOLOGY

The **Davis-Kelly property** is located on the eastern margin or limb of what appears to be a cone-shaped intrusive body with an arcuate shaped outcrop pattern that spans Davis and Kelly Townships. The gabbroic rocks on the eastern limb dip westward with the eastern igneous contact (footwall) subparallel to the west-dipping basal sedimentary

rocks and western contact (hangingwall) subparallel to the east-dipping sedimentary rocks. In addition, the rock sequences show an increase in felsic to mafic mineral ratios and an increase in the percentage of granophyric and vari-textured gabbro from east to west.

The property is primarily underlain by rocks of the Nipissing Diabase suite, which in this area include hypersthene (mafic) gabbro, gabbro, leucogabbro, vari-textured gabbro, and pegmatitic gabbro. Also outcropping on this property are sedimentary rocks (argillite, greywacke and subordinate quartzite) of the Gowganda Formation, and magnetite-bearing olivine diabase dyke(s) of the Sudbury Swarm.

Metamorphic grade in the area of the Davis-Kelly property is between lower greenschist facies (chlorite zone) and lower amphibolite facies as indicated by the presence of chlorite and metamorphic amphibole (often pseudomorphing orthopyroxene) in the gabbroic rocks.

Mineralization

Sulphide mineralization occurs within about 50-100 m of the lower gabbro-sedimentary contact and for the most part is hosted within medium-grained, hypersthene-bearing (5-10% orthopyroxene) gabbro. Subordinate sulphides also occur in vari-textured to coarse-grained gabbroic patches within hypersthene-bearing gabbro. Sulphide minerals include chalcopyrite, pyrrhotite and pentlandite and sulphide contents are typically 2-5%. There is no apparent correlation between percent sulphide and PGM values, although chalcopyrite appears to be an essential sulphide phase for anomalous PGM values. Sulphide textures and host gabbroic rocks are very similar to those observed at PFN's Kelly property to the northwest. **It is likely that the Davis-Kelly property represents the southeastern extension of PFN's Kelly property and that both of these prospects occur within a similar (if not the same) mineralized horizon within the same gabbroic body.**

PROPERTY HISTORY

The earliest recorded work on the **Davis-Kelly property** was in 1989 by BP Resources Limited. During their reconnaissance prospecting and sampling program numerous grab samples were collected and assayed for PGM and Cu-Ni. Assays

ranging from **2.0 to 3.9 g/t PGM** were reported but locations for many of the samples are uncertain (Table 2). In 1990 a control grid was established to cover the anomalous areas. Of the 18 grab samples collected, 15 returned values of over 1.0 g/t total PGE and the best assay was **7.2 g/t Pt+Pd+Au, 1.51% Cu and 0.57% Ni**. In 1994 F. Racicot completed limited sampling and prospecting as part of an Ontario Prospector Assistant Program grant. Several of the samples returned anomalous PGE values. No further follow-up exploration work was completed and there is no record of any of the work completed by BP Resources Ltd. ever being filed for assessment.

TABLE 2. Selected assays from BP Resources Ltd. (1989) – Davis-Kelly property.

Sample	Pt(ppb)	Pd(ppb)	Au(ppb)	*PGM(ppb)	Pd:Pt	Ni(%)	Cu(%)	Cu:Ni
9612	**1375**	**2830**	**978**	**5183**	**2.1**	**0.45**	**2.00**	**4.4**
9613	798	2160	926	3884	2.7	0.45	1.78	4.0
9615	645	1557	744	2946	2.4	0.39	1.43	3.7
9618	452	2720	222	3394	6.0	0.18	0.35	1.9
9619	**523**	**3470**	**370**	**4363**	**6.6**	**0.24**	**0.50**	**2.1**
9620	426	1548	317	2291	3.6	0.19	0.52	2.7
9621	231	1693	114	2038	7.3	0.06	0.16	2.7
9623	**1251**	**4860**	**1098**	**7209**	**3.9**	**0.57**	**1.51**	**2.6**
9624	497	1523	457	2477	3.1	0.18	0.60	3.3
9626	181	1349	92	1622	7.5	0.09	0.22	2.4
9628	563	1515	460	2538	2.7	0.27	0.61	2.3

*PGM=Pt+Pd+Au

In December 1998, a visit to the Davis-Kelly property by the author and Pacific North West Capital Corporation yielded results similar to those reported from earlier work (Table 3). All of the samples collected during the property visit were from the area around the main showing (zone 1 – Figure 6).

TABLE 3. Selected assay results from grab samples collected by PFN.

Sample	Rock Type	VS (%)	Pd (ppb)	Au (ppb)	Pt (ppb)	*PGM (ppb)	Pd:Pt	Cu (%)	Ni (%)	Cu:Ni
FR98-01	hypersthene gabbro	2	575	36	87	698	6.6	0.07	0.03	2.3
FR98-02	gabbro	1	58	5	26	89	2.2	0.01	0.01	1.0
FR98-03	vari-textured gabbro	2	576	269	290	1135	2.0	0.48	0.18	2.7
FR98-04	hypersthene gabbro	3	414	148	192	754	2.2	0.23	0.09	2.6
FR98-05	**hypersthene gabbro**	**2**	**2001**	**271**	**363**	**2635**	**5.5**	**0.24**	**0.11**	**2.2**
FR98-06	hypersthene gabbro	5	1443	136	278	1857	5.2	0.20	0.09	2.2
FR98-07	**vari-textured gabbro**	**2**	**5445**	**294**	**603**	**6342**	**9.0**	**0.29**	**0.15**	**1.9**
FR98-08	hypersthene gabbro	3	527	42	102	671	5.2	0.05	0.02	2.5
FR98-09	hypersthene gabbro	5	346	76	127	549	2.7	0.10	0.04	2.5

*PGM=Pt+Pd+Au; assays by Accurassay Laboratories, Thunder Bay, Ontario; VS = visible sulphides

EXPLORATION PROGRAM: PHASE I

The Phase I exploration began June 1st, 1999 and was completed by December 15th, 1999. During this time, the following work was completed:

(1) A 35 km exploration grid with a 2.3 km east-west base line and 35.7 km of north-south tie lines established at varying intervals, but generally every 50 m. The location of the current grid was as close as possible to the old exploration grid established in 1989 by BP Resources Limited (Figure 5; Map DK99-01).

(2) Reconnaissance & Grid Bedrock Mapping as part of the grid prospecting and sampling program (Figure 6; Map DK99-03).

(3) Prospecting and sampling on the exploration grid. A total of 72 grab samples were collected and assayed for PGM-Cu-Ni (Figure 7; Map DK99-02; Appendices I, II and III).

(3) A total of 3.5 km of orientation induced polarization survey and 7.7 km of orientation magnetometer survey (*summary below – see separate report*).

(4) A five hole (312 m/1024 ft) diamond drilling program aimed at testing the down-dip extension and local strike of sulphide mineralization at the main showing (*summary below – see separate report*).

Reconnaissance & Grid Bedrock Mapping

Geological bedrock mapping at a scale of 1:2500 was completed over most of the 35 km exploration grid. This mapping was combined with existing maps to produce a compilation map of the property (Figure 6; Map DK99-03).

Most of the property is underlain by gabbroic rocks of Nipissing Diabase that include chilled to very fine-grained gabbro, fine- to coarse grained gabbro, medium-grained hypersthene-bearing gabbro, medium- to coarse-grained vari-textured and/or granophyric gabbro and coarse-grained to pegmatitic gabbro. Chilled gabbro occurs

within 10-15 m of sedimentary contacts and generally contains <0.5% visible sulphide. *Normal* gabbro (30-60% felsic minerals) occurs throughout the property and can host up to 3% visible sulphide although in general it contains ≤1% visible sulphide. Medium-grained hypersthene-bearing gabbro also occurs throughout the property and appears to be one of the dominant lithologies. This rock type contains from 1-10% hypersthene (orthopyroxene) phenocrysts in medium-grained gabbro and tends to be dark in colour. In most cases the hypersthene alters to talc-serpentine or is pseudomorphed by amphibole. Hypersthene-bearing gabbro (sometimes referred to as gabbronorite) is the dominant host rock to sulphide mineralization and commonly contains 1-2% visible sulphide. Vari-textured and granophyric gabbro primarily occurs within more fractionated and coarser-grained gabbroic rocks (higher % of felsic minerals) which occurs at higher intervals in the igneous stratigraphy. However, it is also found dispersed within hypersthene-bearing gabbro units. In both cases the vari-textured and coarse-grained gabbroic units can contain up to 5% visible sulphide. pegmatitic units are not common on the property and tend to occur as isolated patches within the more felsic gabbroic rocks; rare mafic pegmatitic gabbro (amphibole-rich patches) does occur within hypersthene-bearing gabbro units. Visible sulphide in the pegmatitic rocks is generally <1% and occurs mainly as blebs.

Prospecting & Lithogeochemical Sampling

The entire 35 km exploration grid was prospected at varying levels of detail. A total of 72 grab samples were collected for assay through Accurassay Laboratories, Thunder Bay, Ontario; one sample was assayed at XRAL Labs in Don Mills, Ontario. Results from the assays are listed in Table 5. A complete listing of the sample data including descriptions and grid locations is provided in Appendix I. Assay certificates are provided in Appendix II. Statistics and graphical distribution of the PGM-Cu-Ni data are provided in Appendix III.

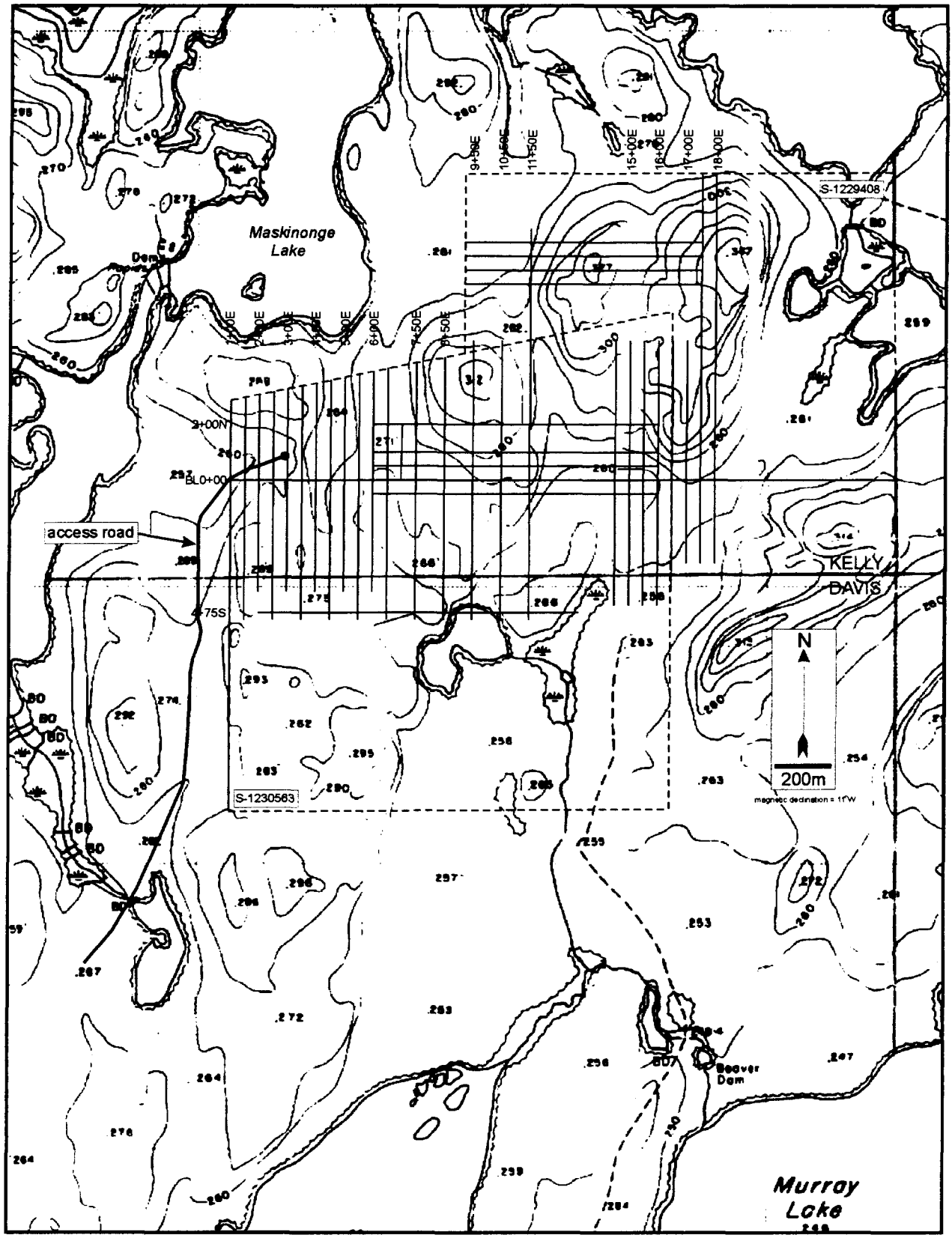

Figure 5. Location of the exploration grid and two principal claim blocs (S-1230563, 1229408) on the Davis-Kelly property, overlain on a topographic map.

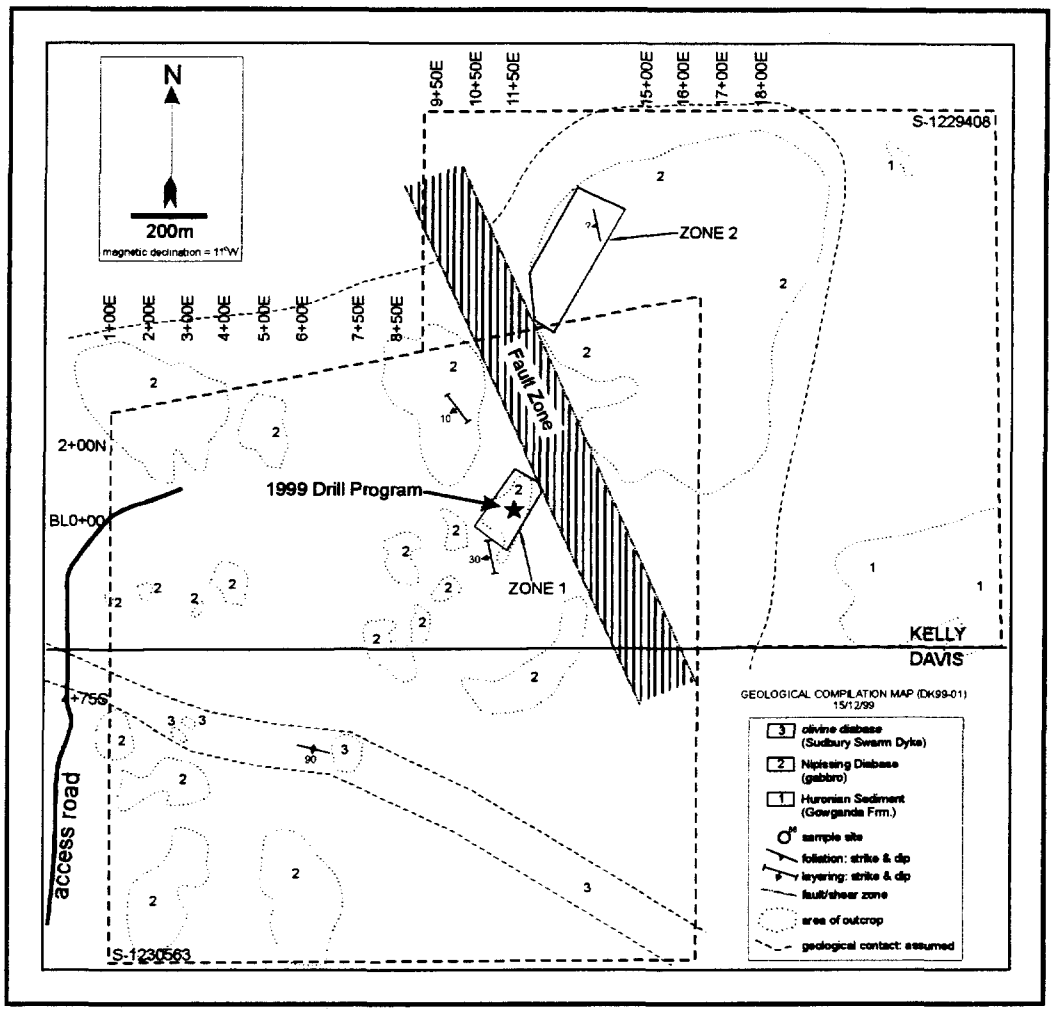

Figure 6. Bedrock geology map based on prospecting and grid mapping. The area of the 1999 diamond drilling program is indicated by the star. The two mineralized zones are indicated as zone 1 (main showing) and zone 2. Also shown are the locations of the two principal claim blocs (S-1230563, 1229408) on the Davis-Kelly property.

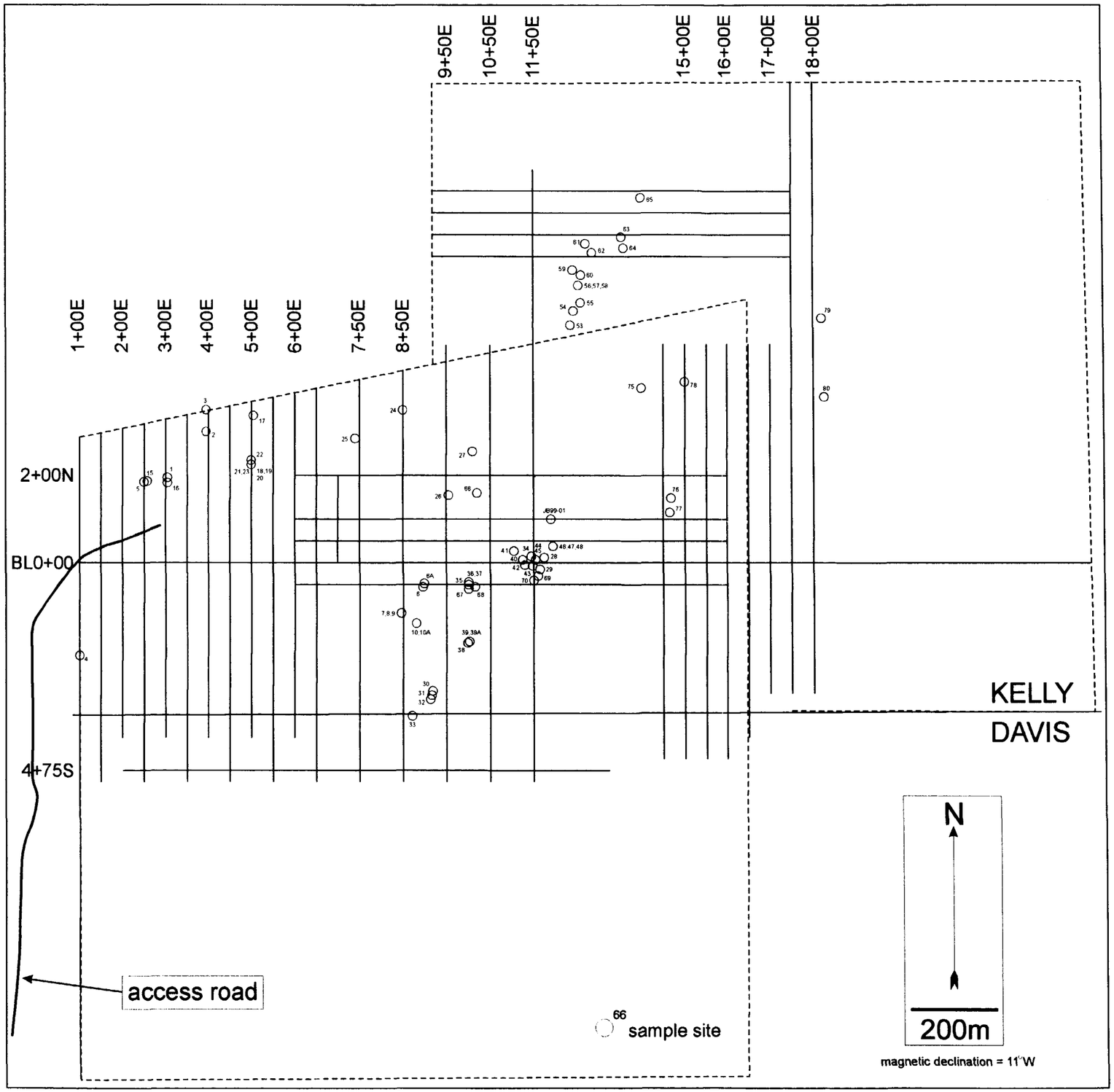

Figure 7. Sample locations on the Davis-Kelly property as they relate to the exploration grid and the two claim blocs (S-1230563, 1229408).

Analytical Techniques – Grab Samples

Assays for platinum, palladium and gold were completed by Accurassay Laboratories (Thunder Bay, Ontario) utilising 40.2 grams of pulverised sample, followed by fire assay fusion (lead collection) and analysis by Atomic Absorption (AA). Accurassay Laboratories performed re-check analysis on every 10th sample. Limits of detection for the analytical technique used are 15 ppb Pt, 10 ppb Pd, 5 ppb Au. Pulps were returned to the Sudbury field office and rejects stored on the premises of Accurassay Laboratories. Assays for copper and nickel were completed by Accurassay Laboratories using an aqua regia digest and analysed by Inductively Coupled Argon Plasma (ICAP). Details of all analytical techniques are available upon request.

Independent Assay Checks - Grab Samples

Pulps from samples that returned values ≥2.0 ppm combined Pt+Pd+Au were sent to XRAL Labs (Don Mills, Ontario) for an independent check using fire assay fusion and analysis by Inductively Coupled Plasma. A total of 3 grab samples were sent to XRAL Labs for re-assay and are summarised in Table 4.

Table 4. Summary of sample re-assays performed by XRAL Labs Ltd.

Sample	Accurassay Laboratories				XRAL Labs				Percentage from Original PGM
	Pd (ppb)	Au (ppb)	Pt (ppb)	PGM* (ppb)	Pd (ppb)	Au (ppb)	Pt (ppb)	PGM* (ppb)	
KD99-48	2209	763	359	3331	2400	247	407	3054	9.1
KD99-62	2706	186	397	3289	2460	146	339	2945	11.7
KD99-69	1958	153	282	2393	1560	102	209	1871	27.9

*PGM = Pt+Pd+Au

Re-check values range from 9.1-27.9% of the original values for Pt+Pd+Au which is an acceptable level of reproducibility. In general, the greatest variance is the result of mobilisation of gold which is more susceptible to re-distribution than Pt or Pd. However, in the case of sample KD99-69 the difference (28%) is the result of lower re-assay values for all three elements; the reason is not exactly known but it may be due to the *nugget effect.*

Background Values

Background values for Nipissing Diabase on the Davis-Kelly property were based on the background values determined on PFN's Janes Property. Using a weighted average from a total of 60 barren (<1% total visible sulphide) gabbroic rock samples, **background values are estimated at 17 ppb Pt, 33 ppb Pd, 5 ppb Au (55 ppb PGM), 163 ppm Cu and 89 ppm Ni**. On the basis of these samples background ratios are about 2:1 for both Pd:Pt and Cu:Ni.

Table 5. Assays from samples collected during 1999 exploration program.

Sample	Pd (ppb)	Au (ppb)	Pt (ppb)	*PGM (ppb)	Pd:Pt	Cu (ppm)	Ni (ppm)	Cu:Ni
KD99-01	–	10	–	10	–	991	253	3.9
KD99-02	161	122	105	388	1.5	2511	615	4.1
KD99-03	665	42	117	824	5.7	730	501	1.5
KD99-04	–	–	–	–	–	69	161	0.4
KD99-05	–	51	–	51	–	2672	521	5.1
KD99-06	20	25	20	65	1.0	1218	310	3.9
KD99-06A	–	8	–	8	–	225	70	3.2
KD99-07	18	33	–	51	–	1446	327	4.4
KD99-08	–	15	17	32	–	701	159	4.4
KD99-09†	19	30	8	57	2.3	917	229	4.0
KD99-10	53	36	42	131	1.3	564	177	3.2
KD99-10A	44	33	40	117	1.1	421	135	3.1
KD99-15	–	–	–	–	–	60	13	4.6
KD99-16	–	44	–	44	–	2483	303	8.2
KD99-17†	–	–	–	–	–	60	12	5.0
KD99-18	10	30	–	40	–	2998	800	3.7
KD99-19	–	16	–	16	–	1107	298	3.7
KD99-20	13	32	–	45	–	7917	1025	7.7
KD99-21	19	79	–	98	–	7025	1203	5.8
KD99-22	14	42	–	56	–	4480	662	6.8
KD99-23	–	38	–	38	–	6265	1044	6.0
KD99-24	61	23	59	143	1.0	285	108	2.6
KD99-25	120	43	44	207	2.7	763	262	2.9
KD99-26†	12	11	9	32	1.3	464	109	4.3
KD99-27	331	61	71	463	4.7	440	152	2.9
KD99-28	188	13	26	227	7.2	255	131	1.9
KD99-29	–	–	–	–	–	4707	716	6.6
KD99-30	51	10	22	83	2.3	150	87	1.7
KD99-31	206	29	43	278	4.8	903	429	2.1
KD99-32	68	5	18	91	3.8	264	170	1.6
KD99-33	399	40	65	504	6.1	825	363	2.3
KD99-34	301	31	65	397	4.6	280	118	2.4

*PGM=Pt+Pd+Au; "—" = below detection limits; † averaged from re-check and original value
:samples KD99-28, 29, 34, 69, 70, KD99-41 to 48 and JB-01 are from zone 1
:samples KD99-53 to 65 are from zone 2

Table 5 (cont). Assays from samples collected during 1999 exploration program.

Sample	Pd (ppb)	Au (ppb)	Pt (ppb)	*PGM (ppb)	Pd:Pt	Cu (ppm)	Ni (ppm)	Cu:Ni
KD99-35†	92	158	94	343	1.0	2772	784	3.5
KD99-36	138	220	123	481	1.1	3854	1076	3.6
KD99-37	20	37	26	83	0.8	680	187	3.6
KD99-38	29	6	18	53	1.6	213	83	2.6
KD99-39	598	87	113	798	5.3	2382	543	4.4
KD99-39A	374	37	60	471	6.2	1076	470	2.3
KD99-40	39	37	40	116	1.0	613	165	3.7
KD99-41	408	50	78	536	5.2	602	253	2.4
KD99-42	51	54	42	147	1.2	841	285	3.0
KD99-43†	91	10	26	126	3.6	114	58	2.0
KD99-44	444	277	228	949	1.9	2861	1049	2.7
KD99-45	804	348	516	1668	1.6	4868	1205	4.0
KD99-46	1357	111	220	1688	6.2	1196	689	1.7
KD99-47	345	29	51	425	6.8	347	144	2.4
KD99-48	2209	763	359	3331	6.2	2615	1005	2.6
JB99-01†	179	11	30	219	6.1	207	210	1.0
KD99-53	136	12	27	175	5.0	338	133	2.5
KD99-54	92	12	25	129	3.7	139	52	2.7
KD99-55	216	21	44	281	4.9	220	88	2.5
KD99-56	727	71	113	911	6.4	1168	580	2.0
KD99-57	1335	101	208	1644	6.4	1728	508	3.4
KD99-58	422	32	66	520	6.4	579	313	1.8
KD99-59	316	49	79	444	4.0	400	156	2.6
KD99-60	599	45	102	746	5.9	672	298	2.3
KD99-61	622	50	142	814	4.4	658	364	1.8
KD99-62†	2753	180	397	3330	6.9	3223	1416	2.3
KD99-63	886	295	447	1628	2.0	2256	439	5.1
KD99-64	299	19	56	374	5.3	435	164	2.7
KD99-65	890	62	129	1081	6.9	395	214	1.8
KD99-66	58	39	45	142	1.3	223	69	3.2
KD99-67	--	--	--	--	--	103	33	3.1
KD99-68	--	8	--	--	--	176	52	3.4
KD99-69	1958	153	282	2393	6.9	1697	779	2.2
KD99-70	881	62	132	1075	6.7	490	268	1.8
KD99-75†	27	--	8	35	3.3	78	43	1.8
KD99-76	--	--	--	--	--	104	31	3.4
KD99-77	12	--	26	38	0.5	80	40	2.0
KD99-78	25	--	36	61	0.7	89	42	2.1
KD99-79	40	--	35	75	1.1	73	33	2.2
KD99-80	--	--	24	24	--	33	49	0.7

*PGM=Pt+Pd+Au; "—" = below detection limits; † averaged from re-check and original value
:samples KD99-28, 29, 34, 69, 70, KD99-41 to 48 and JB-01 are from zone 1
:samples KD99-53 to 65 are from zone 2

Platinum Group & Base Metal Data

Using all 72 samples collected from the main exploration grid, weighted averages are: **309 ppb Pd, 61 ppb Au, 72 ppb Pt (442 ppb PGM), 3.6 Pd:Pt ratio, 0.13% Cu, 0.04% Ni, and 3.2 Cu:Ni ratio**. Of the 72 samples, 18 returned PGM values ≥500 ppb (0.5 g/t) and of these 18 samples, 9 returned values ≥1000 ppb (1.0 g/t). The two highest recorded PGM values are **3.33 g/t PGM (KD99-62) and 2.24 g/t PGM (KD99-69)**. Sample KD99-62, an averaged value from a re-check, is from zone 2 and is described as a medium-grained gabbro with up to 7% disseminated and bleb sulphide. Sample KD99-69 is from L11+60E/0+30S, about 25 m south of zone 1, and is described as a medium-grained gabbro with up to 3% disseminated and bleb sulphide.

The two highest recorded assays of combined Cu-Ni are 0.89% (KD99-20) and 0.82% (KD99-21). Sample KD99-20 is from L5+00E/2+25N, about 700m northwest of zone 1, and is described as a medium-grained gabbro with up to 1% disseminated sulphide. Sample KD99-21 is also from L5+00E/2+25N and is described as a medium-grained gabbro with up to 5% bleb sulphide. Although these samples have the highest base metal values their respective PGM values are amongst the lowest at 45 ppb PGM (KD99-20) and 98 ppb PGM (KD99-21).

It is important to note that, although in general terms the PGM values are not economic, they are anomalous with the majority from 3 to 61 times background PGM for Nipissing Diabase. In addition, the Cu-Ni values are anomalous with the majority from 4 to 49 times background for Cu and 6 to 16 times background for Ni. Of the 72 samples, **58.3% (42 samples) assayed between 416 and 833 ppb PGM**, 16.7% (12 samples) assayed between 833 and 1249 ppb PGM and 5.6% (4 samples) assayed between 1249 and 1666 ppb PGM. These anomalously high values are undoubtedly indicative of a fertile PGM environment.

Statistical Analysis of Data

Table 6 lists the results of simple linear regression as applied to the PGM and base metal data. Plots of the data are provided in Appendix III.

Table 6. Results of simple linear regression as applied to the PGM-Cu-Ni data.

Plot	X element	Y element	*R^2	Comments
1	% Visible Sulphide	PGM	0.20	moderate correlation; highest PGM with >3% sulphide
2	Cu	PGM	0.04	poor correlation; highest Cu has some of lowest PGM; two populations: 1st PGM-rich and 2nd PGM-poor
3	**Ni**	**PGM**	**0.32**	**good correlation; strong overall positive trend**
4	Cu+Ni	PGM	0.07	poor correlation; probably influenced by high Cu:Ni ratio; two populations: 1st PGM-rich and 2nd PGM-poor
5	Cu	Pd	0.02	poor correlation; highest Cu has some of lowest PGM; two populations: 1st PGM-rich and 2nd PGM-poor
6	Cu	Pt	0.06	poor correlation; highest Cu has some of lowest PGM; two populations: 1st PGM-rich and 2nd PGM-poor
7	**Ni**	**Pd**	**0.25**	**moderate correlation; strong overall positive trend**
8	**Ni**	**Pt**	**0.31**	**good correlation; strong overall positive trend**
9	Pd:Pt	Cu:Ni	0.20	moderate correlation; negative slope reflects correlation between increasing Ni and increasing Pt

*refers to the coefficient of determination where 1=perfect correlation and 0=no correlation; refer to APPENDIX III for plots

Orientation Induced Polarization & Magnetometer Surveys

Geophysical surveys were completed by JVX Ltd. (Richmond Hill, Ontario) and supervised by JB Exploration & Development Inc. (Sudbury, Ontario); results are summarised below. Details of the surveys including a description of the equipment used and survey geometry are covered in a separate report.

A total of 3475 m (3.5 km) of induced polarization (IP) survey was completed over selected areas of the exploration grid (Table 7). The purpose of the survey was to: (1) determine if IP will be useful in detecting further disseminated sulphide mineralization targets; (2) determine the depth and strike of known disseminated sulphide mineralization at zones 1 and 2; and, (3) the possible correlation between the IP data and diamond drill core information at zone 1.

A 7.7 km (7738 m) orientation magnetometer survey was also completed (Table 8). This survey was designed to include the same area as the IP survey and to provide further information on a possible correlation between known sulphide mineralization and the IP survey results.

Table 7. Orientation **induced polarization survey**, Davis-Kelly property.

Line	From	To	Length (m)	Notes
BL0+00	6+00E	16+00E	1000	vicinity of zone 1
0+50N	8+00E	16+00E	800	vicinity of zone 1
7+00N	9+00E	17+25E	825	vicinity of zone 2
7+50N	9+00E	13+75E	425	vicinity of zone 2
8+00N	9+00E	13+25E	425	vicinity of zone 2
		Total:	3475 m	

Table 8. Orientation **magnetometer survey**, Davis-Kelly property.

Line	From	To	Length (m)	Notes
0+50S	6+00E	15+75E	975	vicinity of zone 1
BL0+00	6+00E	16+00E	1000	vicinity of zone 1
0+50N	6+00E	12+50E	650	vicinity of zone 1
1+00N	6+00E	12+50E	650	vicinity of zone 1
2+00N	6+00E	16+00E	1000	vicinity of zone 1
7+00N	7+50E	17+50E	1000	vicinity of zone 2
7+50N	9+00E	13+75E	475	vicinity of zone 2
8+00N	7+50E	17+25E	975	vicinity of zone 2
8+50N	7+50E	17+63E	1013	vicinity of zone 2
		Total:	7738 m	

Diamond Drilling Program – October 1999

Diamond drilling was provided by NDS Drilling (Timmins, Ontario) and supervised by JB Exploration & Development Inc. (Sudbury, Ontario); results of the program are summarised below. Details of the program including all plan and section maps are covered in a separate report.

The **Phase I drilling program**, completed between October 25th and October 28th, 1999, totalled 312 m (1024 ft) in 5 holes and was designed to test the down-dip extent of known surface sulphide mineralization (Tables 9 and 10).

Table 9. Summary of diamond drill hole parameters, Davis-Kelly property.

DDH	Casing (m)	Length (m)	Az	Dip	Grid N	Grid E
DK99-01	2.0	96	90	-50	20	1125
DK99-02	1.0	56	0	-90	20	1125
DK99-03	2.0	41	90	-45	-5	1117
DK99-04	2.0	40	90	-45	-31.5	1101
DK99-05	1.0	79	0	-90	-31.5	1101
	TOTAL:	**312 m**				

:note – elevations of all collars are approximately the same

Table 10. Summary of selected assay results, Davis-Kelly property.

DDH	From (m)	To (m)	Interval (m)	*PGM (g/t)	%Cu	%Ni	Cu+Ni (%)
DK99-01	20.00	29.50	9.50	0.55	0.04	0.03	0.07
	51.20	**54.53**	**3.33**	**2.66**	**0.31**	**0.19**	**0.50**
DK99-02	16.00	20.50	4.50	0.55	0.04	0.03	0.07
	26.25	**31.00**	**4.75**	**1.26**	**0.09**	**0.06**	**0.15**
including	**28.50**	**30.00**	**1.50**	**2.46**	**0.18**	**0.11**	**0.29**
	49.10	**53.50**	**4.40**	**3.93**	**0.44**	**0.30**	**0.74**
including	**49.10**	**52.70**	**3.60**	**4.38**	**0.49**	**0.33**	**0.82**
DK99-03	18.20	19.70	1.50	0.99	0.21	0.08	0.29
	31.85	**35.60**	**3.75**	**1.25**	**0.12**	**0.08**	**0.20**
DK99-05	28.00	37.30	9.30	0.16	0.03	0.03	0.06
	40.40	41.70	1.70	0.46	0.06	0.05	0.11

*PGM = Pt+Pd+Au

CONCLUSIONS

The Davis-Kelly property is proximal to the highly prospective Janes and Kelly properties, which are currently being explored by Pacific North West Capital Corporation and their joint-venture partners. PFN recently reported values up to **102.4 g/t Pt+Pd+Au over 0.4 m** in a channel sample from the Janes property and up to **5.1 g/t Pt+Pd+Au** in a surface grab sample from the Kelly property.

The **Phase I exploration program** was successful in confirming the presence of anomalous PGM-Cu-Ni values on the Davis-Kelly property. In addition to expanding our knowledge about surface and sub-surface (drilling program and geophysics) mineralization at the main showing (zone 1), geological mapping, prospecting and sampling resulted in the discovery of a new PGM-Cu-Ni zone (zone 2). Highlights and conclusions from the 1999 exploration program are as follows:

(1) The Davis-Kelly property is underlain by Nipissing Diabase gabbroic rocks that are fertile in PGM-Cu-Ni sulphides.

(2) The Davis-Kelly property is located along a north-south trending gabbroic body that dips approximately 20-35° to the west.

(3) The gabbro in this area is probably a southeast extension of the Kukagami Lake intrusion (Kelly Township) that is currently being examined for its PGM-Cu-Ni potential; the Davis-Kelly property lies on the eastern limb of an inward (west)-dipping cone sheet.

(4) PGM-enriched sulphide mineralization is mainly hosted by a medium-grained, hypersthene(orthopyroxene)-bearing gabbro (high MgO); this fertile unit occurs along the base of the intrusion.

(5) Results from the diamond-drilling program and geophysical survey suggest that the disseminated sulphide mineralization (1-3%) occurs in a sheet-like unit (gabbro) that dips westward.

(6) At least two zones of mineralization occur on the property; the main showing or zone 1 and a newly discovered second zone (zone 2), located about 700 m northeast of zone 1. These zones were likely originally connected but have been offset by a northwest-trending fault zone (marked by valley).

(7) Sulphides occur as bleb and disseminated chalcopyrite, pyrrhotite and pentlandite.

(8) Most anomalous PGM-Cu-Ni assays were from rocks collected in the eastern part of the exploration grid. This reflects greater exposure of stratigraphically lower gabbroic rocks in the east or up-dip part of the intrusion.

(9) Maximum concentrations of PGM-Cu-Ni from grab samples collected during this exploration program are **3.33 g/t PGM, 0.26% Cu and 0.10% Ni (main showing - zone 1)** and **3.37 g/t PGM, 0.32% Cu and 0.14% Ni (zone 2)**.

(10) There is moderate correlation between increased total percentage of visible sulphide mineralization and PGM-Cu-Ni concentration. However, a high proportion of visible sulphide does not necessarily mean that the PGM concentration will be highly anomalous. Moreover, areas with high concentrations of Cu-Ni were not necessarily enriched in PGM; some of the highest Cu values assayed background PGM.

(11) On the basis of the dip of the gabbroic body and on geological mapping, future prospecting should concentrate on the up-dip rock exposures along edges of high hills and outcrop areas. These areas offer the best exposure of the lower hypersthene-bearing gabbro unit and provide access to the mineralized unit that is proximal to the basal contact.

RECOMMENDATIONS

Results from the surface exploration program, coupled with encouraging diamond drilling results and several geophysical anomalies, require that further work be completed on the Davis-Kelly property. Moreover, similarities between the Davis-Kelly and Kelly properties, suggest that this area is highly prospective for Pt-Pd-Cu-Ni mineralization. Some recommendations **($110,000)** are as follows:

(1) Further prospecting in the eastern part of the exploration grid: ($7,500)
Follow-up prospecting and mapping is recommended for the immediate and surrounding areas at the main showing (zone 1) and zone 2.

(2) Ground-truthing of Geophysical Anomalies (IP and Mag.): ($2,500)
Several n=1 induced polarization anomalies were indicated from the survey. These should be examined and sampled (if possible) to determine a source for the anomalies.

(3) Extension of exploration grid and further geophysical survey: ($20,000)
Although subtle, the orientation IP survey did detect and outline areas of sub-surface disseminated mineralization that correspond to diamond drilling intersections. Further IP (and magnetometer) survey should be designed to test areas beyond known surface mineralization and survey the area between the two known zones of mineralization.

(4) Phase II diamond drilling in area of main showing (zone 1): ($40,000)
A 500 m drilling program aimed at testing the north-south strike, and down-dip extension of the 2 mineralized zone intersected in Phase I [*see Phase I diamond drilling report*].

(5) Diamond drilling in area of zone 2 showing: ($40,000)
A 500 m drilling program aimed at testing the sub-surface extent of known surface mineralization in this area [*see Phase I diamond drilling report*].

CERTIFICATE OF QUALIFICATION

I, Scott Jobin-Bevans of 225 Ferndale Avenue, Sudbury, Ontario, Canada, do hereby certify that:

1. I am a consulting geologist with the mineral exploration company JB Exploration & Development Inc. of Sudbury, Ontario.

2. I am a graduate of the University of Manitoba, Winnipeg, Manitoba with a B.Sc. (Hons.) Geology - 1995, and M.Sc. Geology - 1997.

3. I am a member of the Society of Economic Geologists and the Canadian Institute of Mining, Metallurgy and Petroleum.

4. I have been an exploration geologist and prospector for ten years.

5. I am a member of the Association of Geoscientists of Ontario.

6. I have an active prospector's license for the province of Ontario (# H14027).

7. I have not received any direct or indirect interest in Pacific North West Capital Corporation.

8. This report is intended to be an overview of the potential of the property or properties with recommendations and conclusions that are based solely on the available data.

Scott Jobin-Bevans (B.Sc., M.Sc. Geology)
December 1999

APPENDIX I

Sample Descriptions and Grid Locations

Sample	Grid East	Grid North	%Mafic	%Felsic	Texture	Max. %S*	%cpy	%po+pn	Notes
KD99-01	305	195	45	55	mg	2.00	30	70	
KD99-02	395	300	45	55	mg	3.00	45	55	
KD99-03	395	350	45	55	mg	0.50	40	60	
KD99-04	100	-212	50	50	mg	0.50	0	0	mainly pyrite; weakly magnetic
KD99-05	250	185	50	50	mg	2.00	55	45	
KD99-06	895	-55	55	45	mg	0.50	50	50	
KD99-06A	898	-47	60	40	mg	0.10	50	50	mafic veinlets
KD99-07	845	-115	50	50	mg	3.00	4	96	
KD99-08	845	-115	50	50	mg	1.00	30	70	
KD99-09	845	-115	50	50	mg	1.00	30	70	
KD99-10	880	-138	50	50	mg	1.00	40	60	
KD99-10A	880	-138	50	50	mg	1.00	35	65	
KD99-15	258	187	40	60	cg	0.00	0	0	slightly rusty
KD99-16	305	183	60	40	mg	0.75	98	2	
KD99-17	505	337	60	40	cg	0.10	0	100	strongly magnetic; 1 grain of po
KD99-18	500	225	60	40	mg	2.00	95	5	
KD99-19	500	225	50	50	mg	3.00	5	95	
KD99-20	500	225	50	50	mg	1.00	95	5	
KD99-21	500	225	60	40	mg	5.00	50	50	
KD99-22	500	235	60	40	mg	4.00	60	40	
KD99-23	500	225	65	35	mg	4.00	85	15	local boulder?
KD99-24	850	350	65	35	mg	0.10	50	50	
KD99-25	740	285	60	40	mg	0.10	98	2	
KD99-26	955	155	60	40	mg	0.10	50	50	
KD99-27	1010	255	45	55	mg	0.10	50	50	
KD99-28	1175	12	55	45	mg	0.10	50	50	
KD99-29	1165	-15	60	40	mg	1.00	70	30	very rusty
KD99-30	917	-293	45	55	mg	0.25	15	85	
KD99-31	915	-303	45	55	mg	0.50	25	75	10m SW of KD99-30
KD99-32	912	-312	45	55	mg	0.25	40	60	
KD99-33	870	-350	40	60	mg	0.50	75	25	
KD99-34	1145	15	50	50	mg	0.25	30	70	
KD99-35	1000	-50	65	35	mg	1.00	95	5	
KD99-36	1000	-44	70	30	mg	4.00	95	5	close to 2468
KD99-37	1000	-44	50	50	mg	0.50	40	60	between KD99-35 & 36; close to 2467
KD99-38	998	-183	45	55	mg	1.00	80	20	
KD99-39	1002	-180	45	55	mg	4.00	95	5	1m from KD99-39A

Sample	Grid East	Grid North	%Mafic	%Felsic	Texture	Max. %S*	%cpy	%po+pn	Notes
KD99-39A	1002	-180	45	55	mg	3.00	50	50	
KD99-40	1125	7	50	50	mg	0.50	98	2	slightly magnetic
KD99-41	1105	27	50	50	mg	0.10	75	25	
KD99-42	1130	-5	45	55	mg	0.50	50	50	close to 204320
KD99-43	1148	-7	40	60	mg	0.10	85	15	
KD99-44	1155	7	60	40	mg	1.50	95	5	
KD99-45	1155	7	55	45	mg	1.50	90	10	
KD99-46	1195	38	55	45	fg-mg	0.25	60	40	0.3m from KD99-48
KD99-47	1195	38	60	40	mg	0.10	50	50	
KD99-48	1195	38	55	45	fg-mg	3.00	80	20	
JB99-01	1190	100	55	45	mg	1.00	80	20	
KD99-53	1236	544	65	35	mg	0.10	35	65	one bleb grain 1-1.5cm diameter
KD99-54	1243	576	50	50	mg	0.20	40	60	bleb sulphide
KD99-55	1260	595	50	50	mg	0.20	45	55	bleb sulphide
KD99-56	1255	635	60	40	mg	1.00	40	60	bleb sulphide
KD99-57	1255	635	50	50	mg	0.50	70	30	very rusty
KD99-58	1255	635	50	50	mg	0.50	30	70	
KD99-59	1242	670	60	40	mg	0.25	40	60	bleb sulphide
KD99-60	1261	658	55	45	mg	0.50	60	40	
KD99-61	1271	730	60	40	mg	1.00	50	50	
KD99-62	1286	709	55	45	mg	7.00	75	25	10m east of KD99-61
KD99-63	1355	745	80	20	mg	6.00	90	10	bleb sulphide
KD99-64	1360	720	50	50	mg	0.50	60	40	
KD99-65	1400	835	50	50	mg	0.50	35	65	possible native copper grain?
KD99-66	1020	160	50	50	mg	0.50	80	20	about 60m NW of old sample 1204328
KD99-67	1000	-60	50	50	mg	0.10	80	20	
KD99-68	1015	-55	50	50	mg	0.10	80	20	
KD99-69	1160	-30	55	45	mg	3.00	60	40	about 25m south of BL and zone 1
KD99-70	1150	-40	60	40	mg	1.00	50	50	about 15m south of KD99-69
KD99-75	1400	400	50	50	mg	0.10	50	50	
KD99-76	1468	148	50	50	fg	0.50	0	0	mainly pyrite; local boulder?; very green
KD99-77	1465	115	50	50	mg	0.10	95	5	minor pyrite; local boulder?; slightly green
KD99-78	1500	414	50	50	mg	0.10	50	50	
KD99-79	1820	560	60	40	mg	1.00	95	5	sulphide related to mafic clots up to 1cm
KD99-80	1825	380	60	40	fg	0.00	0	0	minor pyrite; past line 1800E
*S=visible sulphide									

APPENDIX II

Assay Certificates
Accurassay Laboratories
Thunder Bay, Ontario
and
Re-checks by XRAL Labs
Don Mills, Ontario

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

J.B. Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

July 15, 1999

Job# 9940685

SAMPLE # Accurassay	Customer	Palladium ppb	Gold ppb	Platinum ppb
1	43516	<10	10	<15
2	43517	161	122	105
3	43518	665	42	117
4	43519	<10	<5	<15
5	43520	<10	51	<15
6	43521	20	25	20
7	43522	<10	8	<15
8	43523	18	33	<15
9	43524	<10	15	17
10	43525	16	26	<15
11 Check	43525	21	33	16
12	43526	53	36	42
13	43527	44	33	40
14	43528	22	5	17
15	43529	14	<5	<15
16	43530	16	7	16
17	43531	21	18	32
18	43532	<10	<5	<15
19	43533	<10	44	<15
20	43534	<10	<5	<15
21 Check	43534	<10	<5	<15
22	43535	10	30	<15
23	43536	<10	16	<15
24	43537	13	32	<15
25	43538	19	79	<15
26	43539	14	42	<15
27	43540	<10	38	<15
28	43541	61	23	59
29	43542	120	43	44

Certified By:

KD99-01 to KD99-05

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
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J.B. Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

July 15, 1999

Job# 9940685

SAMPLE # Accurassay	Customer	Palladium ppb	Gold ppb	Platinum ppb
30	43543	13	11	<15
31 Check	43543	11	10	18
32	43544	331	61	71
33	43545	188	13	26
34	43546	717	460	311
35	43547	51	10	22
36	43548	206	29	43
37	43549	68	5	18
38	43550	399	40	65
39	43636	301	31	65
40	43637	98	151	96
41 Check	43637	85	165	91
42	43638	138	220	123
43	43639	20	37	26
44	43640	29	6	18
45	43641	598	87	113
46	43642	374	37	60
47	43643	39	37	40
48	43644	408	50	78
49	43645	51	54	42
50	43646	90	11	28
51 Check	43646	92	8	23
52	43647	444	277	228
53	43648	804	348	516
54	43649	1357	111	220
55	43650	345	29	51
56	43651	2209	763	359

Certified By: 

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

J.B. Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

July 15, 1999

Job# 9940685

SAMPLE # Accurassay	Customer	Copper ppm	Nickel ppm
1	43516	991	253
2	43517	2511	615
3	43518	730	501
4	43519	69	161
5	43520	2672	521
6	43521	1218	310
7	43522	225	70
8	43523	1446	327
9	43524	701	159
10	43525	917	229
11	43526	564	177
12	43527	421	135
13	43528	100	46
14	43529	106	49
15	43530	716	159
16	43531	308	88
17	43532	60	13
18	43533	2483	303
19	43534	60	12
20	43535	2998	800
21	43536	1107	298
22	43537	7917	1025
23	43538	7025	1203
24	43539	4480	662
25	43540	6265	1044
26	43541	285	108
27	43542	763	262
28	43543	464	109
29	43544	440	152

Certified By:

ACCURASSAY LABORATORIES
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J.B. Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

July 15, 1999

Job# 9940685

SAMPLE # Accurassay	Customer	Copper ppm	Nickel ppm
30	43545	255	131
31	43546	4707	716
32	43547	150	87
33	43548	903	429
34	43549	264	170
35	43550	825	363
36	43636	280	118
37	43637	2772	784
38	43638	3854	1076
39	43639	680	187
40	43640	213	83
41	43641	2382	543
42	43642	1076	470
43	43643	613	165
44	43644	602	253
45	43645	841	285
46	43646	114	58
47	43647	2861	1049
48	43648	4868	1205
49	43649	1196	689
50	43650	347	144
51	43651	2615	1005

Certified By:

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.

1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
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Pacific North West Capital Corporation
c/o DTE Exploration & Development
225 Ferndale Avenue
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

Oct 18, 1999

Job# 9941046

SAMPLE # Accurassay	Customer	Palladium ppb	Gold ppb	Platinum ppb
1	KD99-FR53	136	12	27
2	KD99-FR54	92	12	25
3	KD99-FR55	216	21	44
4	KD99-FR56	727	71	113
5	KD99-FR57	1335	101	208
6	KD99-FR58	422	32	66
7	KD99-FR59	316	49	79
8	KD99-FR60	599	45	102
9	KD99-FR61	622	50	142
10	KD99-FR62	2706	186	397
11 Check	KD99-FR62	2800	174	396
12	KD99-FR63	886	295	447
13	KD99-FR64	299	19	56
14	KD99-FR65	890	62	129
15	KD99-FR66	58	39	45
16	KD99-FR67	<10	<5	<15
17	KD99-FR68	<10	8	<15
18	KD99-FR69	1958	153	282
19	KD99-FR70	881	62	132
20	KD99-FR75	26	<5	16
21 Check	KD99-FR75	27	<5	<15
22	KD99-FR76	<10	<5	<15
23	KD99-FR77	12	<5	26
24	KD99-FR78	25	<5	36
25	KD99-FR79	40	<5	35
26	KD99-FR80	<10	<5	24

KD99-53 to K99-80

Certified By:

Pacific North West Capital Corporation
c/o DTE Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

Oct. 29, 1999

Job #9941046

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.
1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

SAMPLE #	Ag ppm	Al %	As ppm	B ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	La ppm	Mg %
KD99-FR53	<.3	5.11	9	7	42	0.3	<3	2.88	<.5	10	137	338	1.26	0.12	<1	0.48
KD99-FR54	<.3	4.73	<2	<5	36	0.3	<3	2.81	<.5	6	100	139	0.87	0.10	<1	0.27
KD99-FR55	0.4	4.50	3	<5	35	0.3	<3	2.70	<.5	5	94	220	0.77	0.10	<1	0.28
KD99-FR56	<.3	4.56	<2	<5	36	0.3	<3	2.63	<.5	17	112	1168	1.38	0.12	<1	0.46
KD99-FR57	0.5	4.74	10	5	38	0.3	<3	2.72	<.5	13	111	1728	1.35	0.11	<1	0.37
KD99-FR58	<.3	4.84	<2	5	38	0.3	<3	2.71	<.5	15	129	579	1.31	0.14	<1	0.61
KD99-FR59	0.5	3.38	<2	8	43	0.3	<3	2.16	<.5	10	144	400	1.52	0.15	<1	0.54
KD99-FR60	0.4	3.77	<2	<5	36	0.3	<3	2.47	<.5	11	151	672	1.41	0.12	<1	0.49
KD99-FR61	0.4	4.27	<2	5	46	0.3	<3	2.46	<.5	14	87	658	1.38	0.15	<1	0.55
KD99-FR62	0.8	4.31	3	<5	39	0.3	<3	2.52	0.6	31	80	3223	1.74	0.10	<1	0.33
KD99-FR63	<.3	0.99	<2	<5	25	0.2	<3	0.76	<.5	20	102	2256	1.49	0.04	<1	0.60
KD99-FR64	<.3	4.82	<2	<5	38	0.3	<3	2.98	<.5	8	97	435	0.90	0.11	<1	0.38
KD99-FR65	0.4	4.77	<2	7	45	0.3	<3	2.78	<.5	11	123	395	1.50	0.16	<1	0.62
KD99-FR66	<.3	4.96	<2	<5	36	0.3	<3	2.93	<.5	7	86	223	0.95	0.10	<1	0.27
KD99-FR67	<.3	5.34	<2	<5	50	0.3	<3	2.91	0.7	8	37	103	1.58	0.13	<1	0.48

	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Se ppm	Si %	Sn ppm	Sr ppm	Ti %	V ppm	W ppm	Zn ppm
KD99-FR53	179	<1	0.56	133	439	9	<2	<5	0.03	<5	62	0.05	35	<2	22
KD99-FR54	99	<1	0.51	52	278	7	<2	<5	0.03	<5	54	0.04	34	<2	12
KD99-FR55	93	<1	0.47	88	457	8	<2	<5	0.03	<5	50	0.03	20	<2	11
KD99-FR56	135	<1	0.49	580	365	9	<2	<5	0.03	<5	49	0.04	25	<2	21
KD99-FR57	104	<1	0.50	508	493	11	<2	<5	0.02	<5	50	0.04	24	<2	14
KD99-FR58	159	<1	0.49	313	383	7	<2	<5	0.04	<5	52	0.05	29	<2	18
KD99-FR59	188	<1	0.38	156	538	12	<2	<5	0.03	<5	38	0.07	54	<2	19
KD99-FR60	185	<1	0.39	298	244	11	<2	<5	0.03	<5	40	0.06	43	<2	22
KD99-FR61	169	<1	0.47	364	216	9	<2	<5	0.03	<5	49	0.05	41	<2	28
KD99-FR62	128	<1	0.44	1416	408	24	3	<5	0.04	<5	50	0.04	28	<2	30
KD99-FR63	189	<1	0.10	439	428	7	<2	<5	0.03	<5	6	0.07	32	<2	49
KD99-FR64	122	<1	0.51	164	384	6	<2	<5	0.03	<5	55	0.04	21	<2	16
KD99-FR65	173	<1	0.50	214	518	8	<2	<5	0.03	<5	57	0.05	54	<2	18
KD99-FR66	91	<1	0.55	69	552	8	<2	<5	0.03	<5	60	0.05	42	<2	12
KD99-FR67	152	1	0.60	33	689	9	3	<5	0.02	<5	64	0.06	64	<2	19

Certified By:

Pacific North West Capital Corporation
c/o DTE Exploration & Development
225 Ferndale Ave.
Sudbury, Ontario
P3B 3C2
Fax (705) 521-0653

Oct. 29, 1999

Job #9941046

ACCURASSAY LABORATORIES
A DIVISION OF ASSAY LABORATORY SERVICES INC.
1070 LITHIUM DRIVE, UNIT 2
THUNDER BAY, ONTARIO P7B 6G3
PHONE (807) 623-6448
FAX (807) 623-6820

SAMPLE #	Ag ppm	Al %	As ppm	B ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %	La ppm	Mg %
KD99-FR68	<.3	4.24	<2	5	39	0.3	<3	2.40	<.5	6	44	176	1.04	0.13	<1	0.37
KD99-FR69	0.8	4.24	<2	5	36	0.3	<3	2.46	<.5	18	108	1697	1.44	0.12	<1	0.52
KD99-FR70	0.5	4.43	<2	7	31	0.3	<3	2.65	<.5	14	108	490	1.14	0.08	<1	0.62
KD99-FR75	0.5	5.33	<2	<5	47	0.4	<3	3.24	<.5	9	73	78	1.31	0.14	<1	0.52
KD99-FR76	0.4	2.57	<2	6	12	0.4	5	1.07	0.7	25	37	104	5.60	0.01	<1	1.42
KD99-FR77	0.4	2.41	4	6	16	0.3	4	1.25	<.5	13	51	80	1.67	0.03	<1	0.98
KD99-FR78	0.6	4.99	11	<5	31	0.4	<3	3.28	<.5	7	66	89	0.89	0.09	<1	0.40
KD99-FR79	<.3	5.14	<2	<5	28	0.3	<3	3.27	<.5	4	47	73	0.48	0.07	<1	0.19
KD99-FR80	<.3	2.09	<2	<5	33	0.4	3	0.66	<.5	14	120	33	3.82	0.08	13	1.15

	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Se ppm	Si %	Sn ppm	Sr ppm	Ti %	V ppm	W ppm	Zn ppm
KD99-FR68	107	<1	0.49	52	334	7	<2	<5	0.02	<5	53	0.05	38	<2	14
KD99-FR69	124	<1	0.43	779	530	12	6	<5	0.02	<5	48	0.04	28	<2	19
KD99-FR70	160	<1	0.44	268	681	10	<2	<5	0.03	<5	54	0.04	21	<2	19
KD99-FR75	179	<1	0.56	43	714	12	<2	<5	0.03	<5	66	0.06	43	<2	22
KD99-FR76	855	<1	0.03	31	870	11	<2	<5	0.05	<5	10	0.43	111	<2	50
KD99-FR77	371	<1	0.20	40	497	9	6	<5	0.03	<5	26	0.12	36	<2	22
KD99-FR78	110	<1	0.49	42	570	13	<2	<5	0.03	<5	60	0.03	20	<2	10
KD99-FR79	59	<1	0.49	33	536	10	<2	<5	0.03	<5	56	0.02	5	<2	9
KD99-FR80	879	2	0.05	49	941	8	<2	<5	0.04	<5	45	0.18	43	<2	70

Certified By:

XRAL Laboratories
A Division of SGS Canada Inc.

1885 Leslie Street
Don Mills, Ontario
Canada M3B 3J4
Telephone (416) 445-5755
Fax (416) 445-4152

CERTIFICATE OF ANALYSIS

Work Order: 056693

To: **Pacific Northwest Capital**
Attn: **Scott Jobin-Bevans**

c/o 225 Ferndale Avenue
SUDBURY
ONTARIO, P3B 3C2

Date : 23/09/99

Copy 1 to :

Copy 2 to :

P.O. No. :
Project No. :
No. of Samples : 1 Rock
Date Submitted : 08/09/99
Report Comprises : Cover Sheet plus
Pages 1 to 1

Distribution of unused material:
Pulps: Discarded After 90 Days Unless Instructed!!!
Rejects: Discarded After 90 Days Unless Instructed!!!

Certified By :

Dr. Hugh de Souza, General Manager
XRAL Laboratories

ISO 9002 REGISTERED

Report Footer:

L.N.R.	= Listed not received	I.S.	= Insufficient Sample
n.a.	= Not applicable	--	= No result

*INF = Composition of this sample makes detection impossible by this method
M after a result denotes ppb to ppm conversion, % denotes ppm to % conversion

XRAL Laboratories
A Division of SGS Canada Inc.

Work Order: 056693 **Date:** 23/09/99 **FINAL**

Element.	Au	Pt	Pd	Cu	Ni
Method.	FA301	FA301	FA301	A50_1	A50_1
Det.Lim.	1	10	1	10	10
Units.	ppb	ppb	ppb	ppm	ppm
JB-01	10	32	180	207	210
*Dup JB-01	11	27	178	213	212

JB-01

Sample Ident	Au	Pt	Pd
Scheme Code	FA301	FA301	FA301
Analysis Unit	ppb	ppb	ppb
Detection Limit	1	10	1
KD99-FR48	247	407	2400
KD99-FR62	146	339	2460
KD99-FR69	102	209	1560
DUP-KD99-FR48	230	382	2440

sample re-checks from pulps

APPENDIX III

Data Listing Used in Graphs & Statistics

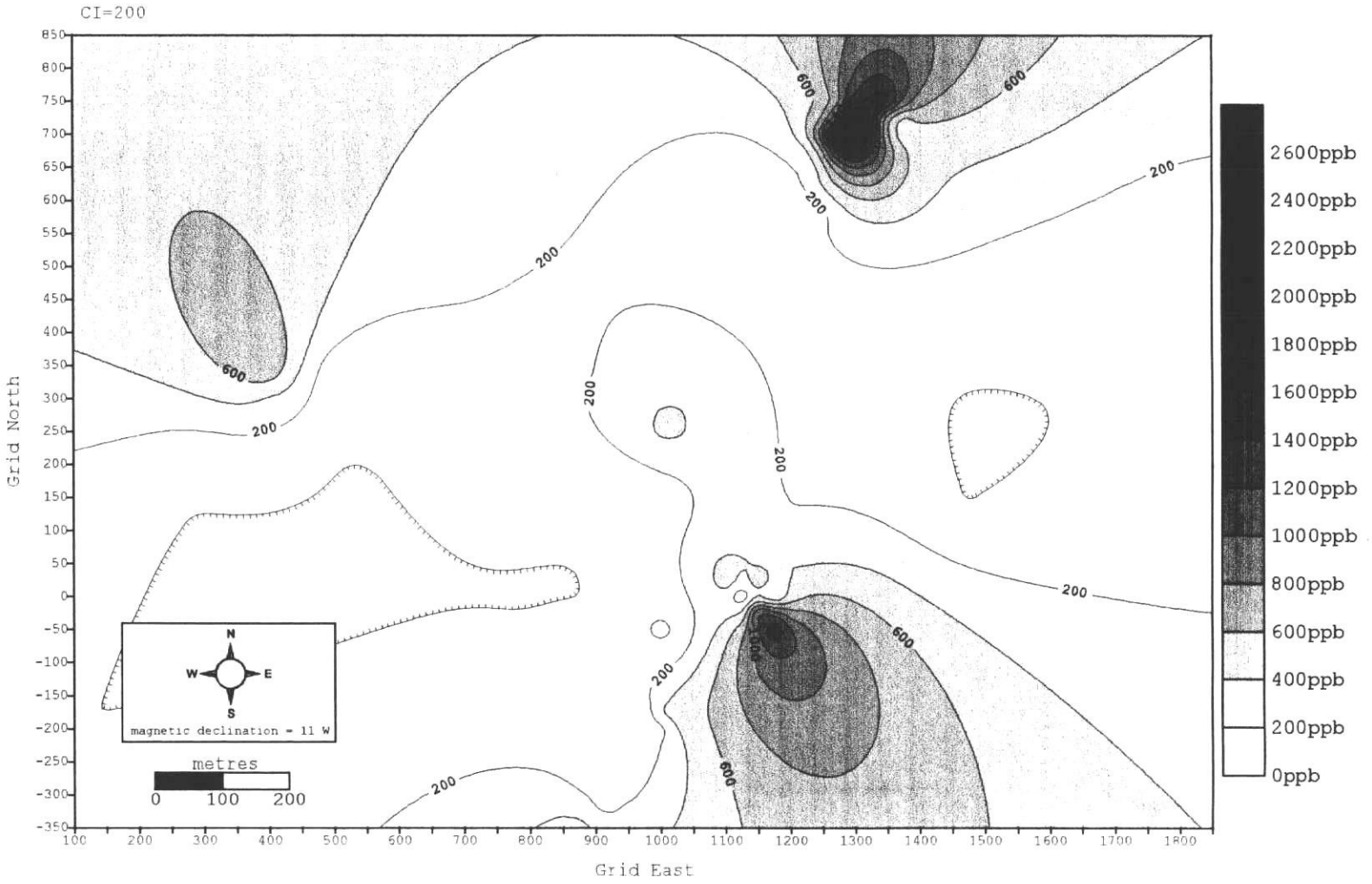
PGM-Cu-Ni Assay Data Plots

Sample	Pd (ppb)	Au (ppb)	Pt (ppb)	PGM (ppb)	Pt+Pd (ppb)	Pd:Pt	Cu (ppm)	Ni (ppm)	Cu:Ni	Cu+Ni (%)
KD99-01	0	10	0	10	0		991	253	3.9	0.12
KD99-02	161	122	105	388	266	1.5	2511	615	4.1	0.31
KD99-03	665	42	117	824	782	5.7	730	501	1.5	0.12
KD99-04	0	0	0	0	0		69	161	0.4	0.02
KD99-05	0	51	0	51	0		2672	521	5.1	0.32
KD99-06	20	25	20	65	40	1.0	1218	310	3.9	0.15
KD99-06A	0	8	0	8	0		225	70	3.2	0.03
KD99-07	18	33	0	51	18		1446	327	4.4	0.18
KD99-08	0	15	17	32	17	0.0	701	159	4.4	0.09
KD99-09*	19	30	8	56	27	2.3	917	229	4.0	0.11
KD99-10	53	36	42	131	95	1.3	564	177	3.2	0.07
KD99-10A	44	33	40	117	84	1.1	421	135	3.1	0.06
KD99-15	0	0	0	0	0		60	13	4.6	0.01
KD99-16	0	44	0	44	0		2483	303	8.2	0.28
KD99-17*	0	0	0	0	0		60	12	5.0	0.01
KD99-18	10	30	0	40	10		2998	800	3.7	0.38
KD99-19	0	16	0	16	0		1107	298	3.7	0.14
KD99-20	13	32	0	45	13		7917	1025	7.7	0.89
KD99-21	19	79	0	98	19		7025	1203	5.8	0.82
KD99-22	14	42	0	56	14		4480	662	6.8	0.51
KD99-23	0	38	0	38	0		6265	1044	6.0	0.73
KD99-24	61	23	59	143	120	1.0	285	108	2.6	0.04
KD99-25	120	43	44	207	164	2.7	763	262	2.9	0.10
KD99-26*	12	11	9	32	21	1.3	464	109	4.3	0.06
KD99-27	331	61	71	463	402	4.7	440	152	2.9	0.06
KD99-28	188	13	26	227	214	7.2	255	131	1.9	0.04
KD99-29	0	0	0	0	0		4707	716	6.6	0.54
KD99-30	51	10	22	83	73	2.3	150	87	1.7	0.02
KD99-31	206	29	43	278	249	4.8	903	429	2.1	0.13
KD99-32	68	5	18	91	86	3.8	264	170	1.6	0.04
KD99-33	399	40	65	504	464	6.1	825	363	2.3	0.12
KD99-34	301	31	65	397	366	4.6	280	118	2.4	0.04
KD99-35*	92	158	94	343	185	1.0	2772	784	3.5	0.36
KD99-36	138	220	123	481	261	1.1	3854	1076	3.6	0.49
KD99-37	20	37	26	83	46	0.8	680	187	3.6	0.09
KD99-38	29	6	18	53	47	1.6	213	83	2.6	0.03
KD99-39	598	87	113	798	711	5.3	2382	543	4.4	0.29
KD99-39A	374	37	60	471	434	6.2	1076	470	2.3	0.15
KD99-40	39	37	40	116	79	1.0	613	165	3.7	0.08
KD99-41	408	50	78	536	486	5.2	602	253	2.4	0.09
KD99-42	51	54	42	147	93	1.2	841	285	3.0	0.11
KD99-43*	91	10	26	126	117	3.6	114	58	2.0	0.02
KD99-44	444	277	228	949	672	1.9	2861	1049	2.7	0.39
KD99-45	804	348	516	1668	1320	1.6	4868	1205	4.0	0.61

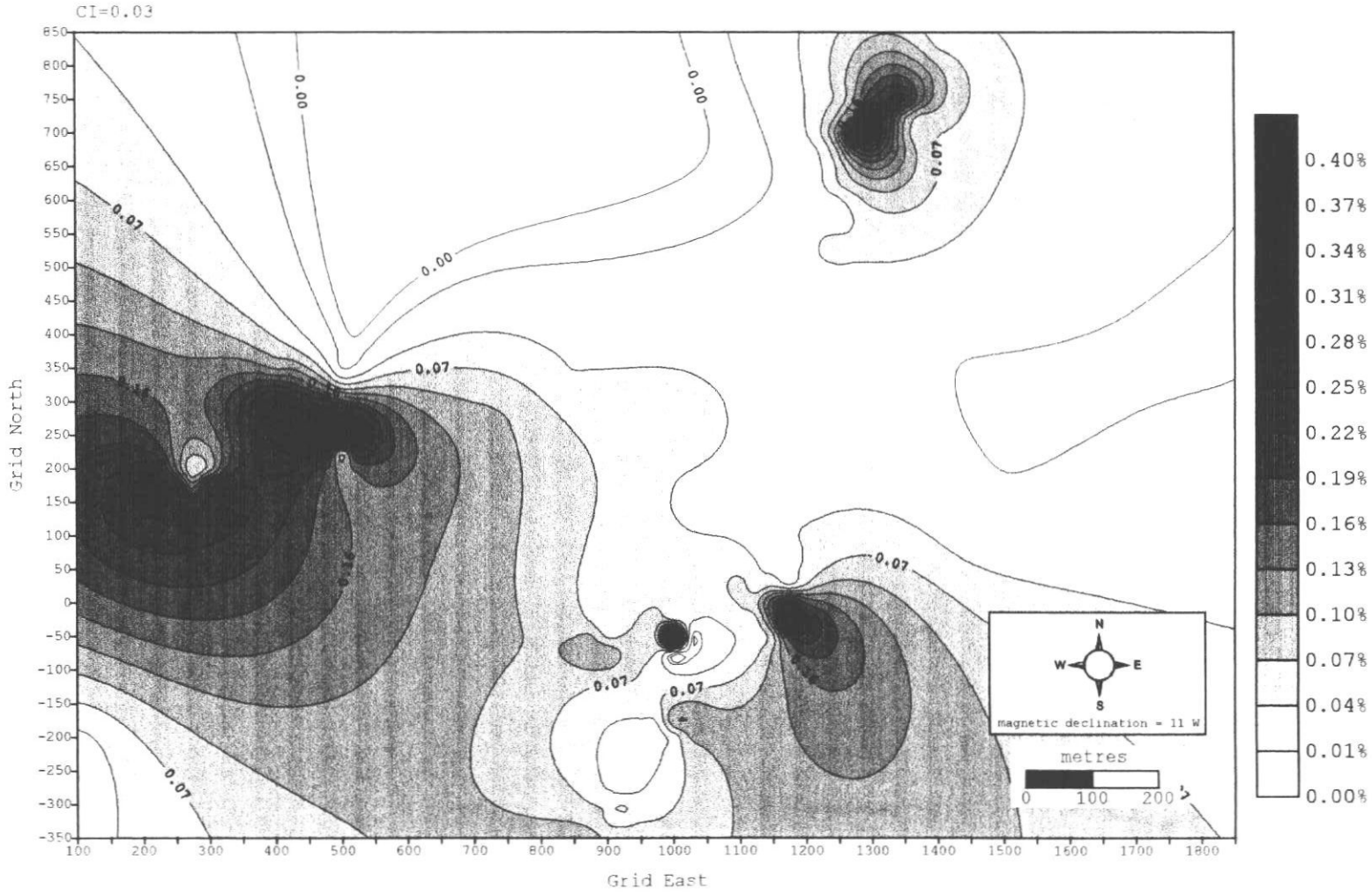
*averaged using original assay and re-check values

Sample	Pd (ppb)	Au (ppb)	Pt (ppb)	PGM (ppb)	Pt+Pd (ppb)	Pd:Pt	Cu (ppm)	Ni (ppm)	Cu:Ni	Cu+Ni (%)
KD99-46	1357	111	220	1688	1577	6.2	1196	689	1.7	0.19
KD99-47	345	29	51	425	396	6.8	347	144	2.4	0.05
KD99-48	2209	763	359	3331	2568	6.2	2615	1005	2.6	0.36
JB99-01*	179	11	30	219	209	6.1	210	211	1.0	0.04
KD99-53	136	12	27	175	163	5.0	338	133	2.5	0.05
KD99-54	92	12	25	129	117	3.7	139	52	2.7	0.02
KD99-55	216	21	44	281	260	4.9	220	88	2.5	0.03
KD99-56	727	71	113	911	840	6.4	1168	580	2.0	0.17
KD99-57	1335	101	208	1644	1543	6.4	1728	508	3.4	0.22
KD99-58	422	32	66	520	488	6.4	579	313	1.8	0.09
KD99-59	316	49	79	444	395	4.0	400	156	2.6	0.06
KD99-60	599	45	102	746	701	5.9	672	298	2.3	0.10
KD99-61	622	50	142	814	764	4.4	658	364	1.8	0.10
KD99-62*	2753	180	397	3330	3150	6.9	3223	1416	2.3	0.46
KD99-63	886	295	447	1628	1333	2.0	2256	439	5.1	0.27
KD99-64	299	19	56	374	355	5.3	435	164	2.7	0.06
KD99-65	890	62	129	1081	1019	6.9	395	214	1.8	0.06
KD99-66	58	39	45	142	103	1.3	223	69	3.2	0.03
KD99-67	0	0	0	0	0		103	33	3.1	0.01
KD99-68	0	8	0	8	0		176	52	3.4	0.02
KD99-69	1958	153	282	2393	2240	6.9	1697	779	2.2	0.25
KD99-70	881	62	132	1075	1013	6.7	490	268	1.8	0.08
KD99-75*	27	0	8	35	35	3.3	78	43	1.8	0.01
KD99-76	0	0	0	0	0		104	31	3.4	0.01
KD99-77	12	0	26	38	38	0.5	80	40	2.0	0.01
KD99-78	25	0	36	61	61	0.7	89	42	2.1	0.01
KD99-79	40	0	35	75	75	1.1	73	33	2.2	0.01
KD99-80	0	0	24	24	24	0.0	33	49	0.7	0.01
*averaged using original assay and re-check values										

Shaded Contour Map Showing PGM (ppb) Distribution: Davis-Kelly property

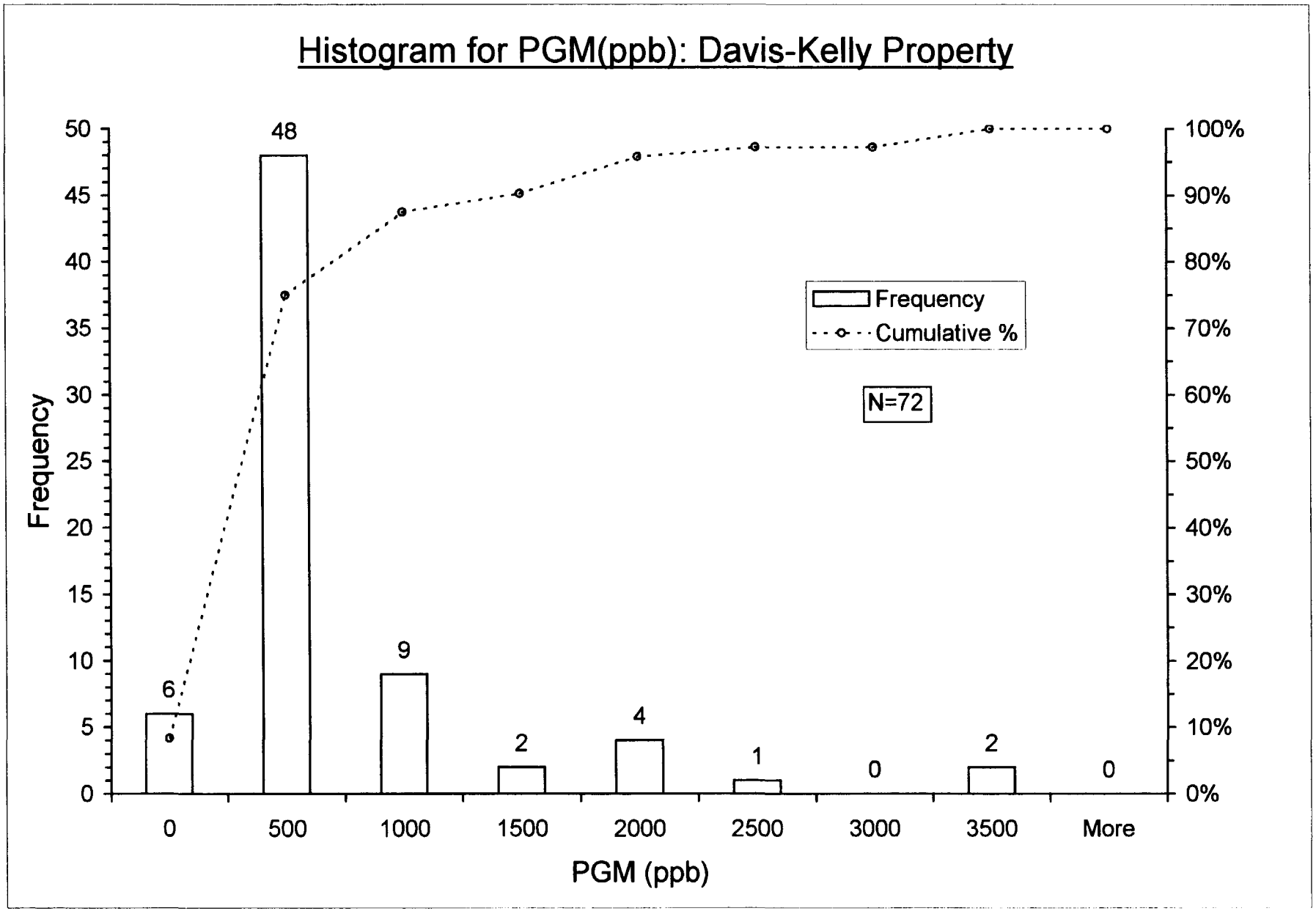


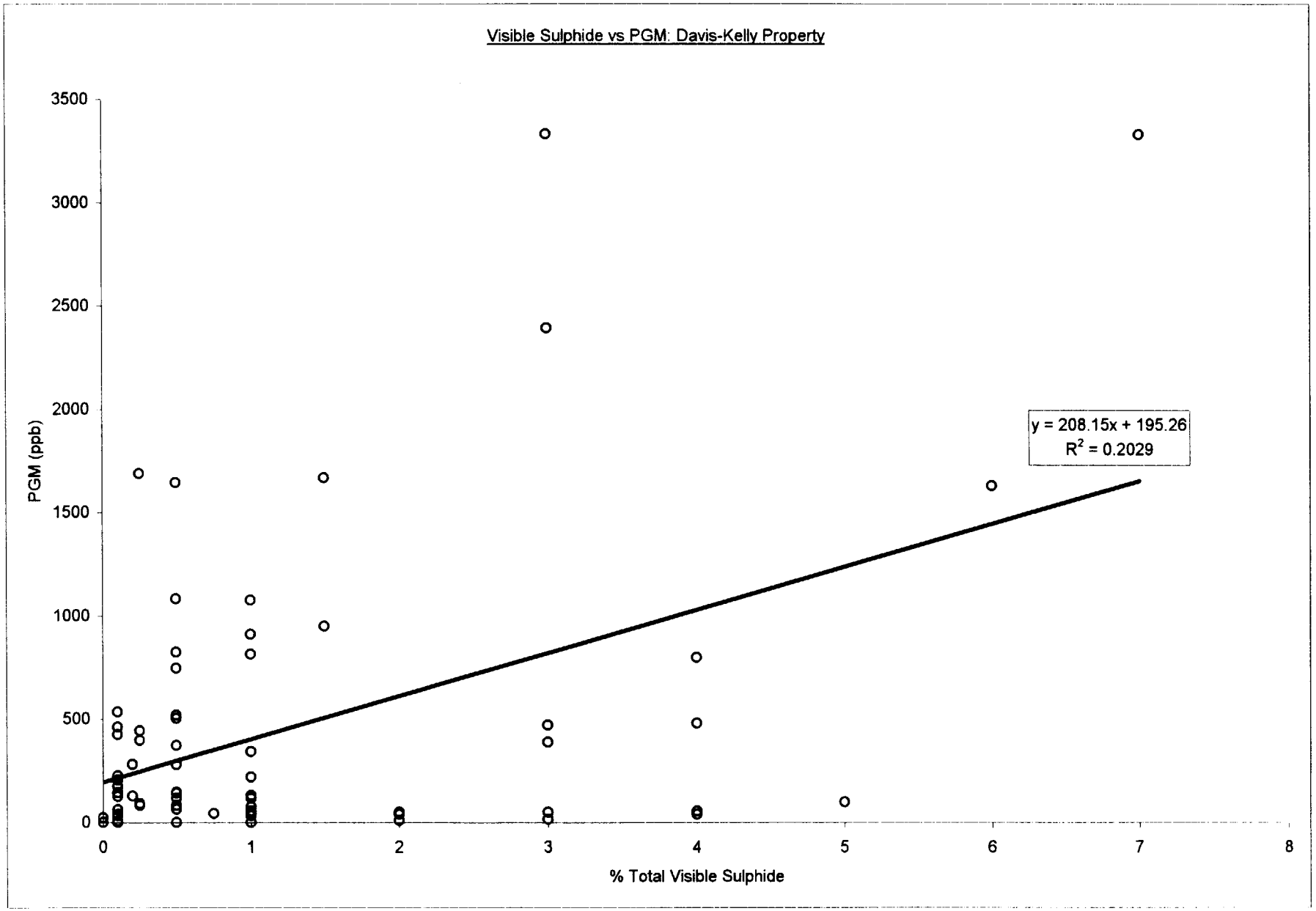
Shaded Contour Map Showing Cu+Ni(%) Distribution: Davis-Kelly property

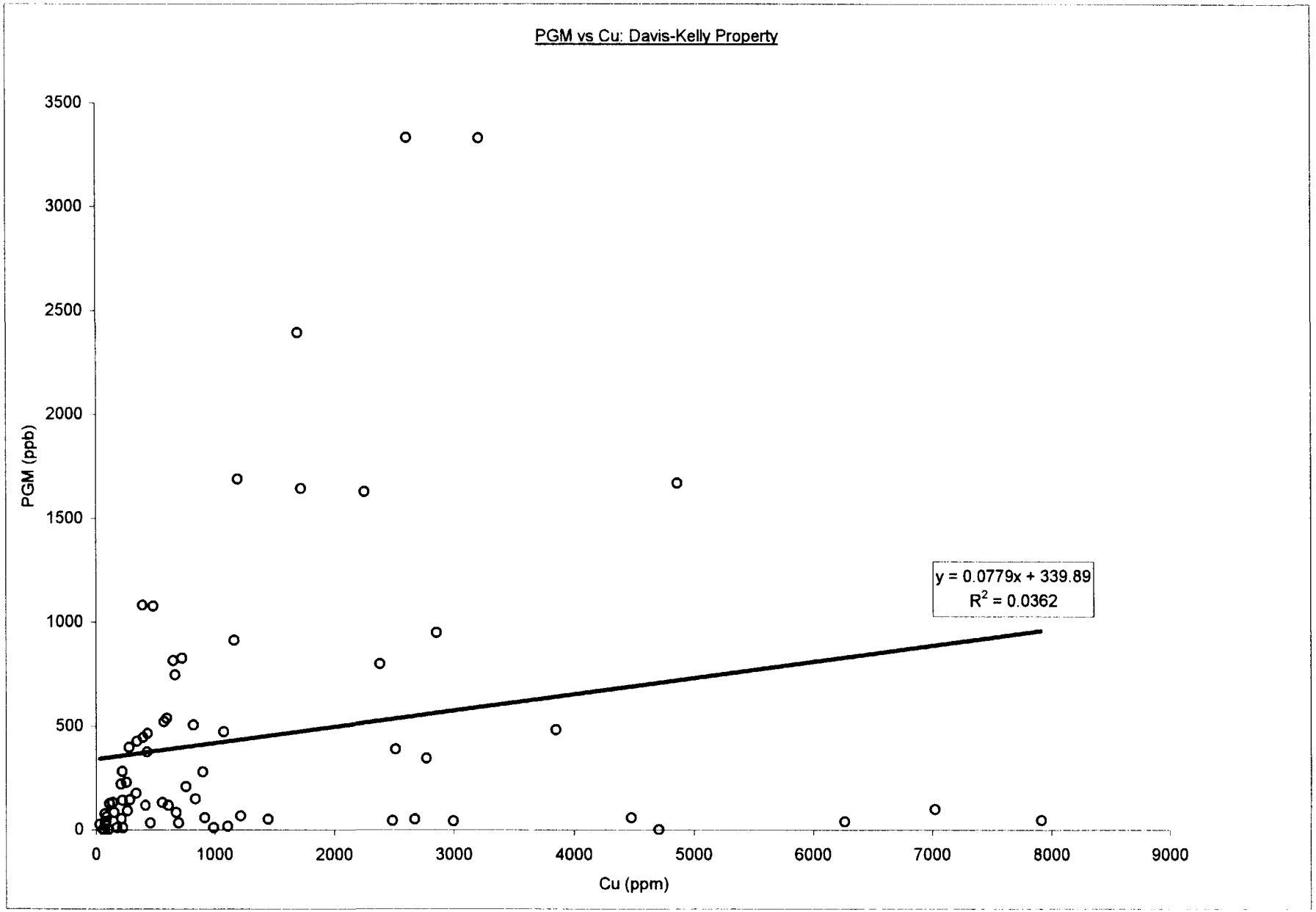


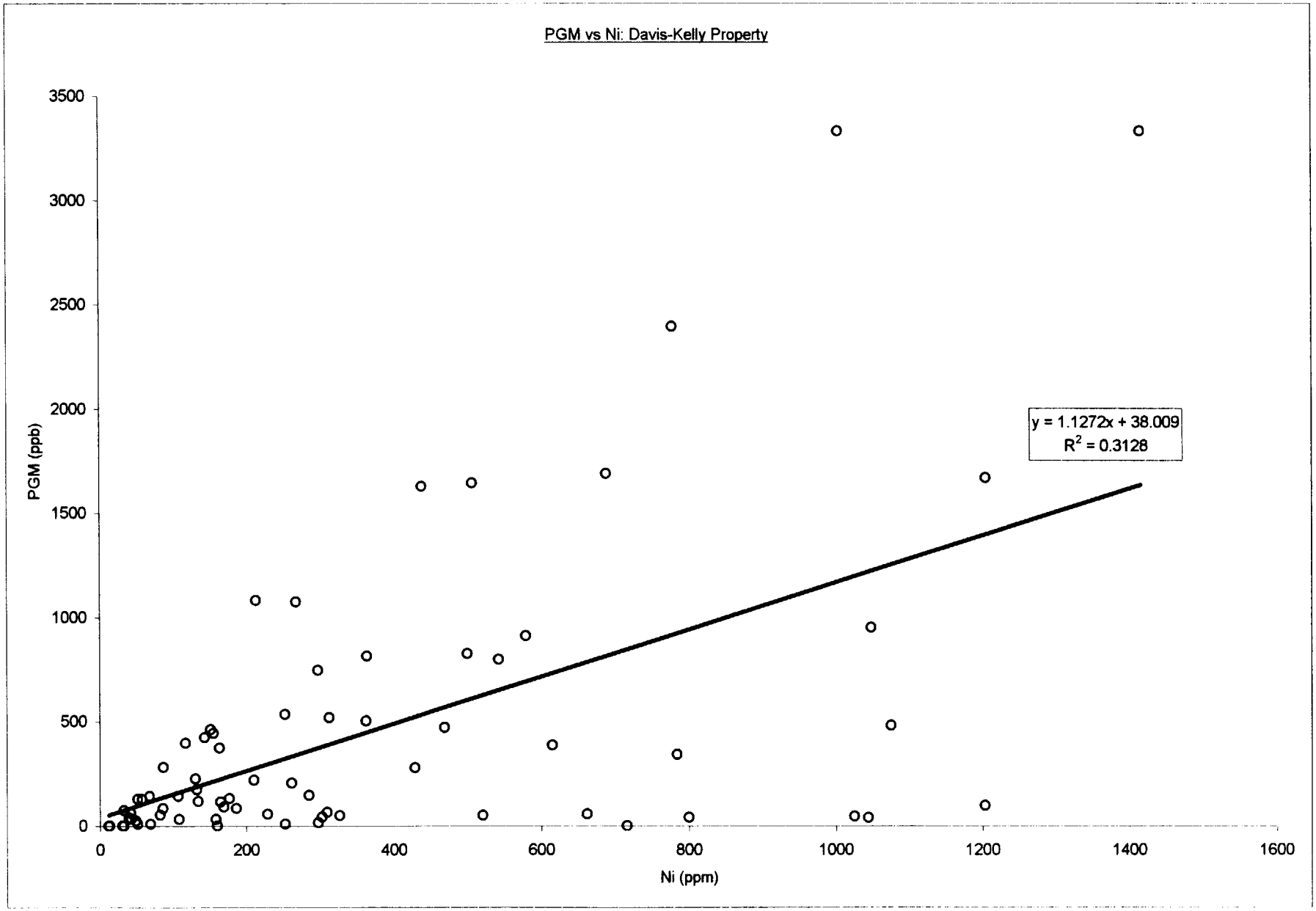
APPENDIX IV

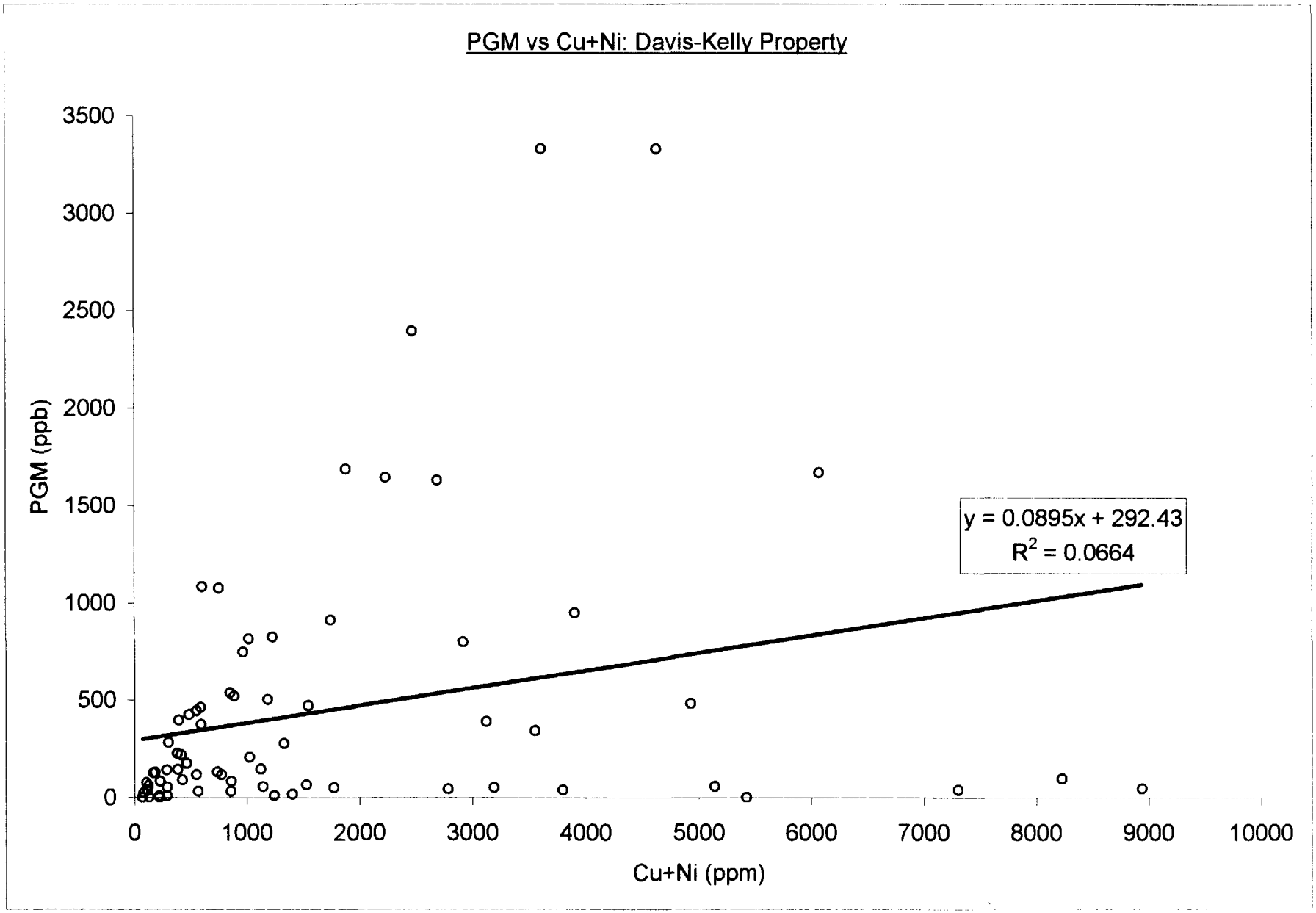
Statistical Analysis of PGM-Cu-Ni Data

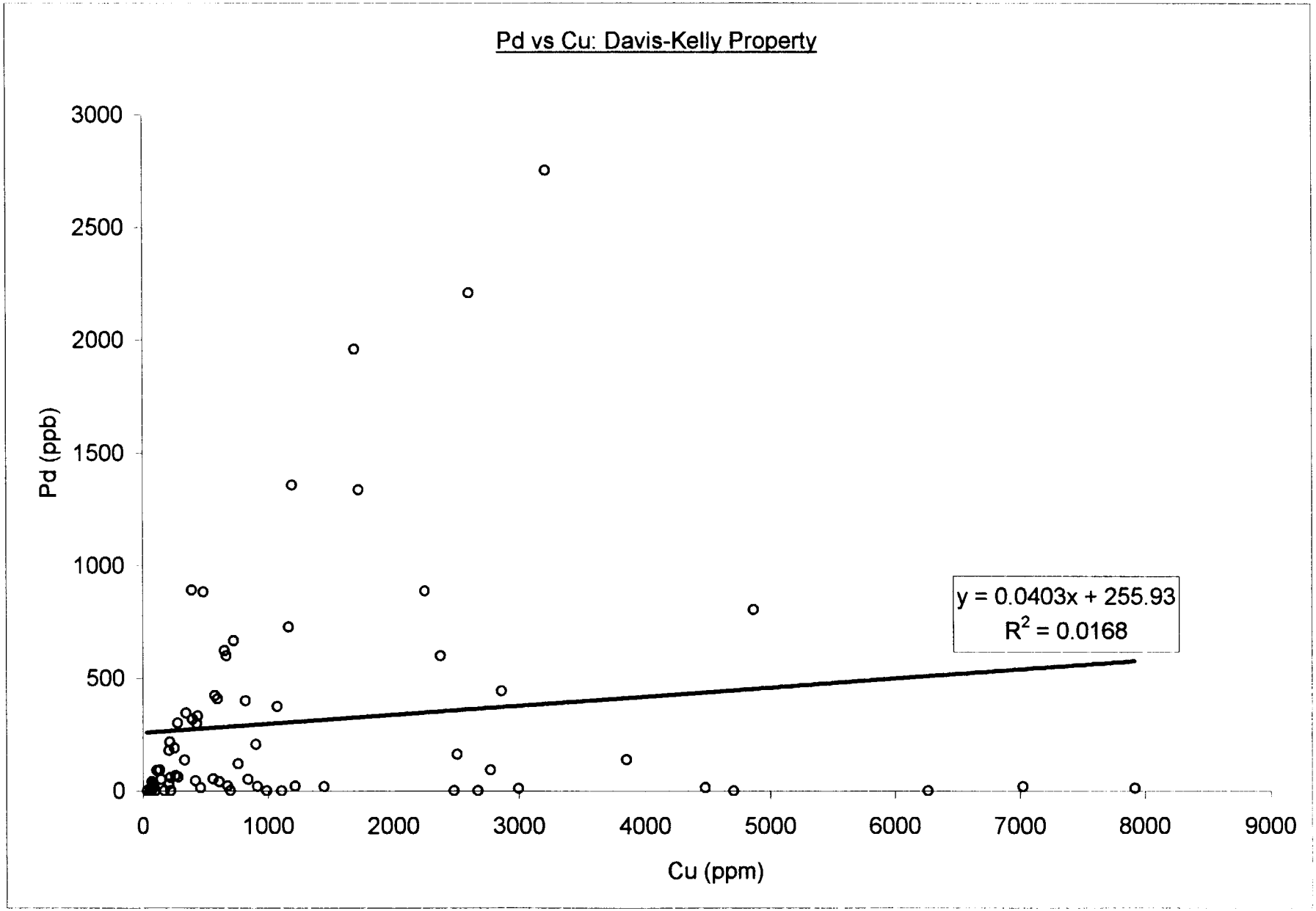

Histogram for PGM(ppb): Davis-Kelly Property
Frequency
PGM (ppb)
Frequency
Cumulative %
N=72
0
500
1000
1500
2000
2500
3000
3500
More
6
48
9
2
4
1
0
2
0
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

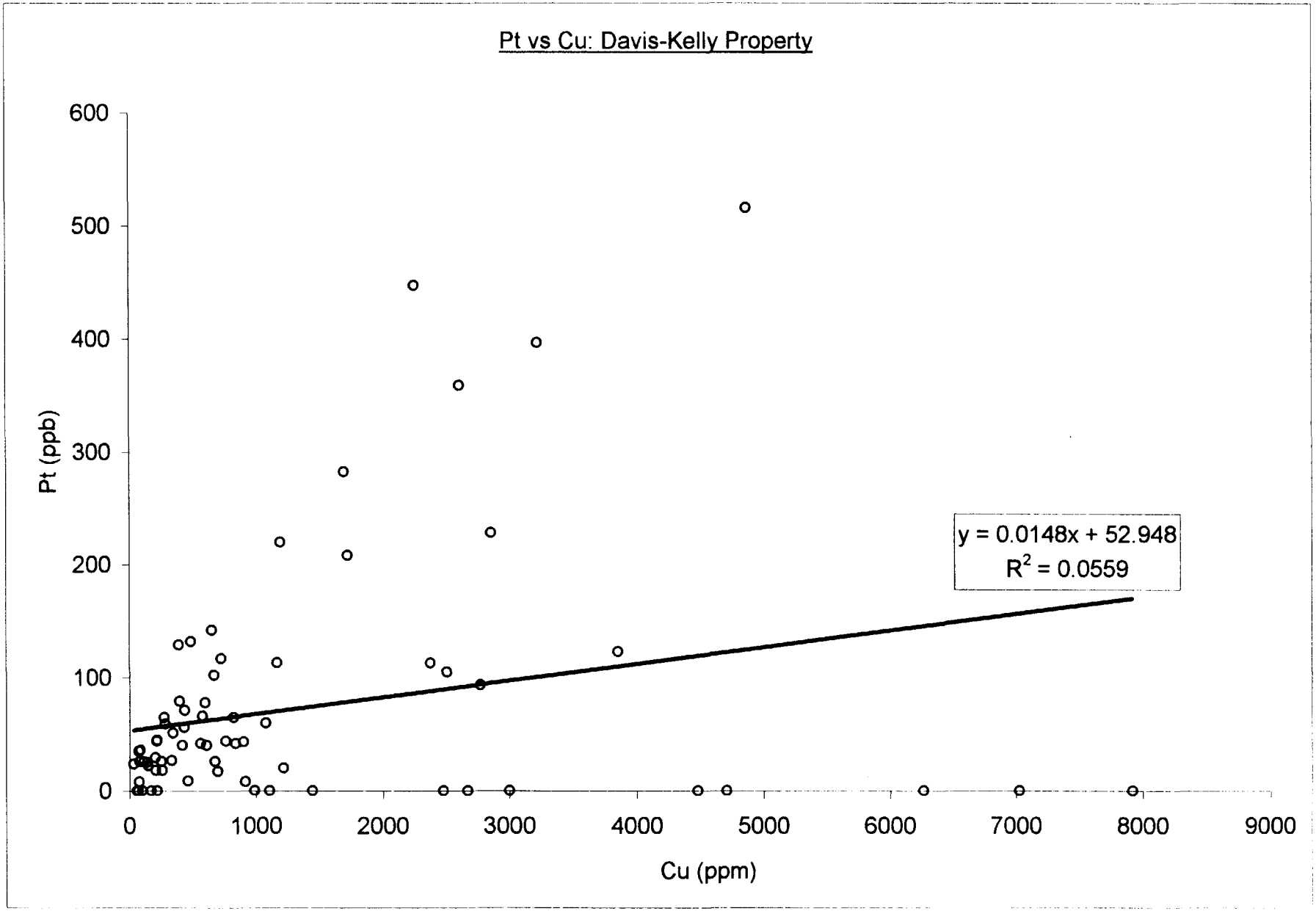

Visible Sulphide vs PGM: Davis-Kelly Property
PGM (ppb)
3500
3000
2500
2000
1500
1000
500
0
0
1
2
3
4
5
6
7
8
% Total Visible Sulphide
y = 208.15x + 195.26
R2 = 0.2029

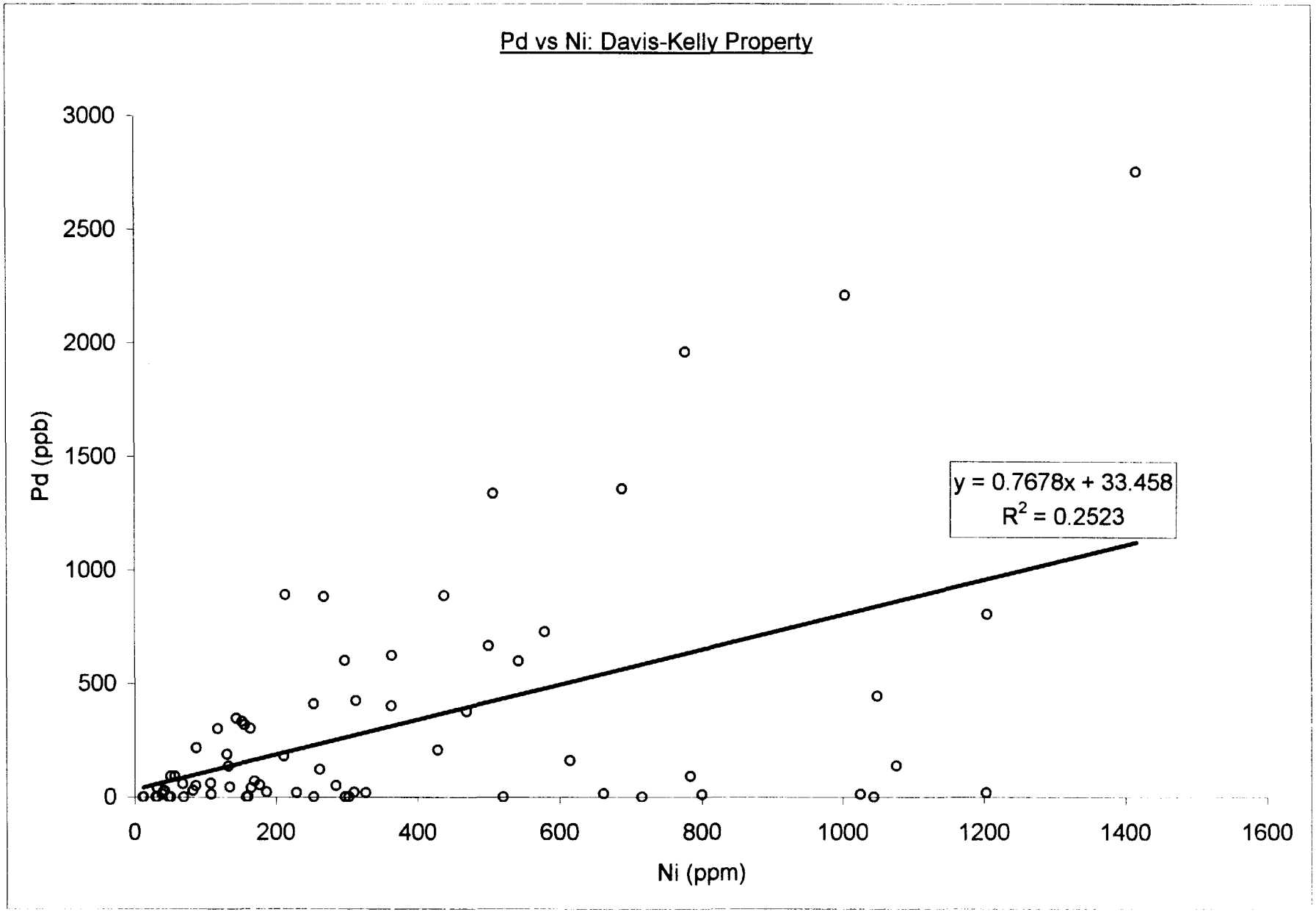

PGM vs Cu: Davis-Kelly Property
PGM (ppb)
Cu (ppm)
y = 0.0779x + 339.89
R2 = 0.0362
0
500
1000
1500
2000
2500
3000
3500
0
1000
2000
3000
4000
5000
6000
7000
8000
9000

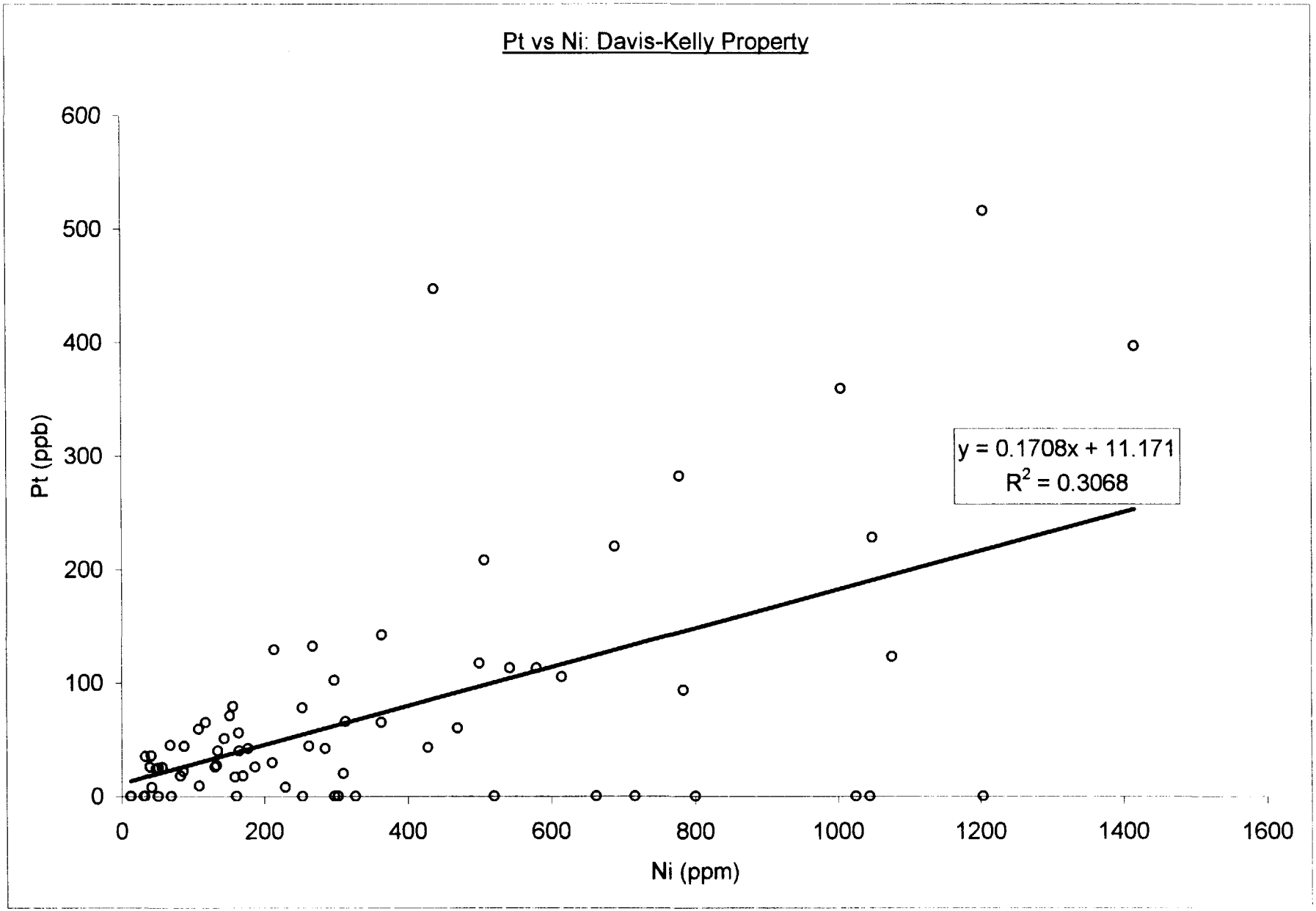

PGM vs Ni: Davis-Kelly Property
PGM (ppb)
Ni (ppm)
y = 1.1272x + 38.009
R2 = 0.3128
0
500
1000
1500
2000
2500
3000
3500
0
200
400
600
800
1000
1200
1400
1600

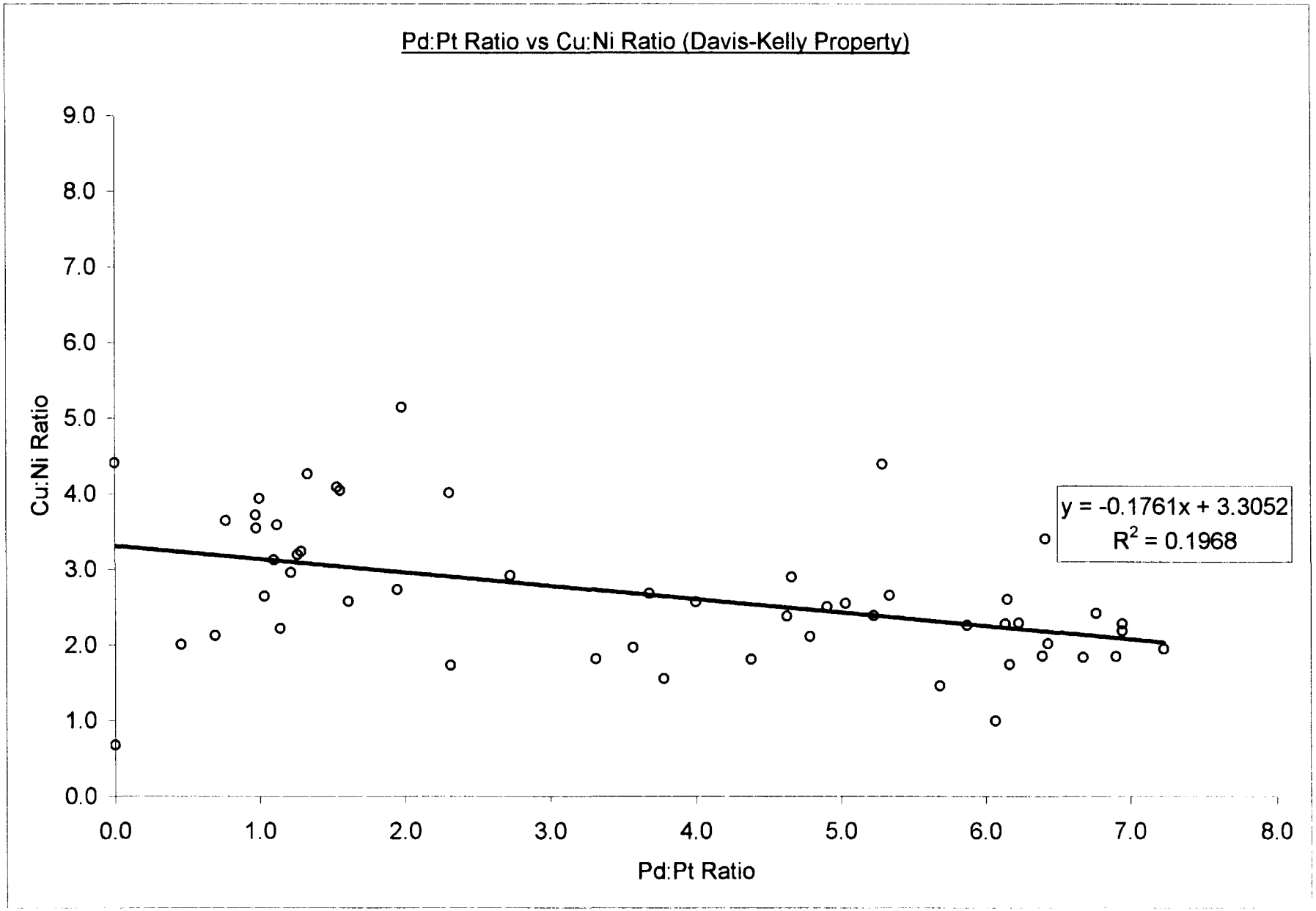

PGM vs Cu+Ni: Davis-Kelly Property
PGM (ppb)
3500
3000
2500
2000
1500
1000
500
0
0
1000
2000
3000
4000
5000
6000
7000
8000
9000
10000
Cu+Ni (ppm)
y = 0.0895x + 292.43
R2 = 0.0664


Pd vs Cu: Davis-Kelly Property
Pd (ppb)
3000
2500
2000
1500
1000
500
0
0
1000
2000
3000
4000
5000
6000
7000
8000
9000
Cu (ppm)
y = 0.0403x + 255.93
R2 = 0.0168


Pt vs Cu: Davis-Kelly Property
600
500
400
300
200
100
0
Pt (ppb)
0
1000
2000
3000
4000
5000
6000
7000
8000
9000
Cu (ppm)
y = 0.0148x + 52.948
R2 = 0.0559


Pd vs Ni: Davis-Kelly Property
Pd (ppb)
Ni (ppm)
y = 0.7678x + 33.458
R2 = 0.2523
0
500
1000
1500
2000
2500
3000
0
200
400
600
800
1000
1200
1400
1600


Pt vs Ni: Davis-Kelly Property
Pt (ppb)
Ni (ppm)
y = 0.1708x + 11.171
R2 = 0.3068
0
100
200
300
400
500
600
0
200
400
600
800
1000
1200
1400
1600


Pd:Pt Ratio vs Cu:Ni Ratio (Davis-Kelly Property)
Cu:Ni Ratio
Pd:Pt Ratio
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
0.0
1.0
2.0
3.0
4.0
5.0
6.0
7.0
8.0
y = -0.1761x + 3.3052
R2 = 0.1968

APPENDIX V

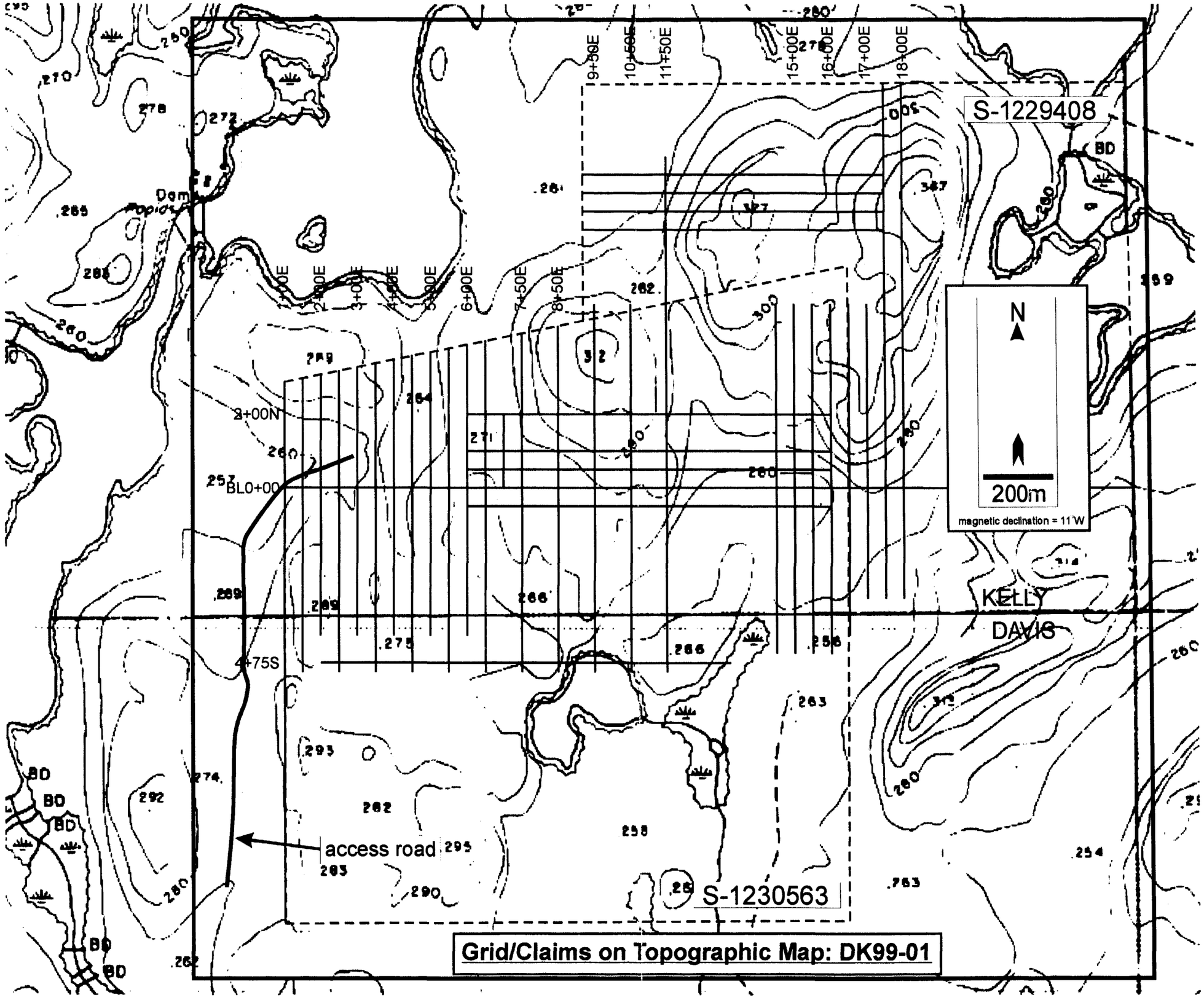
Property Maps

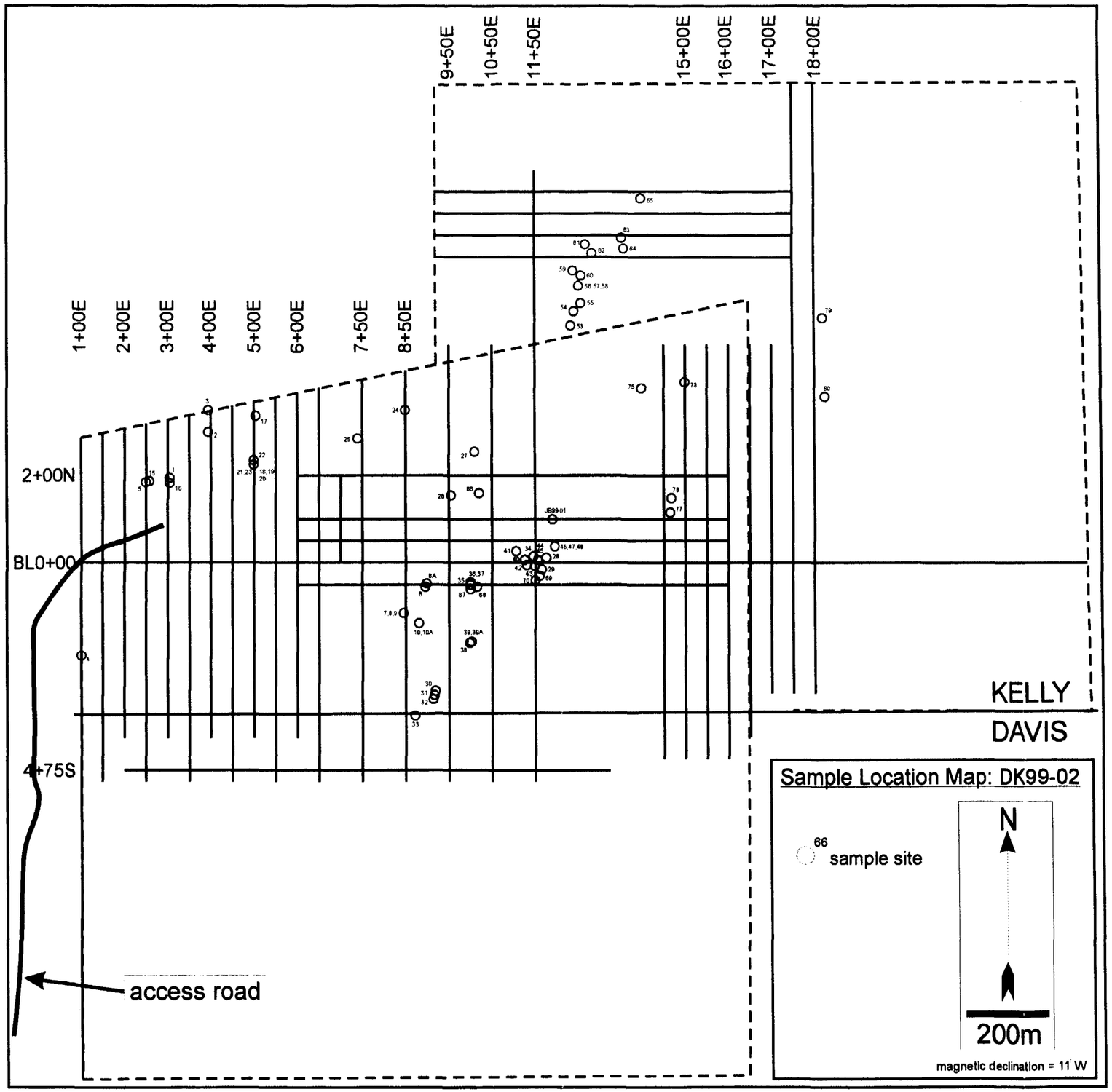
(11 x 17)

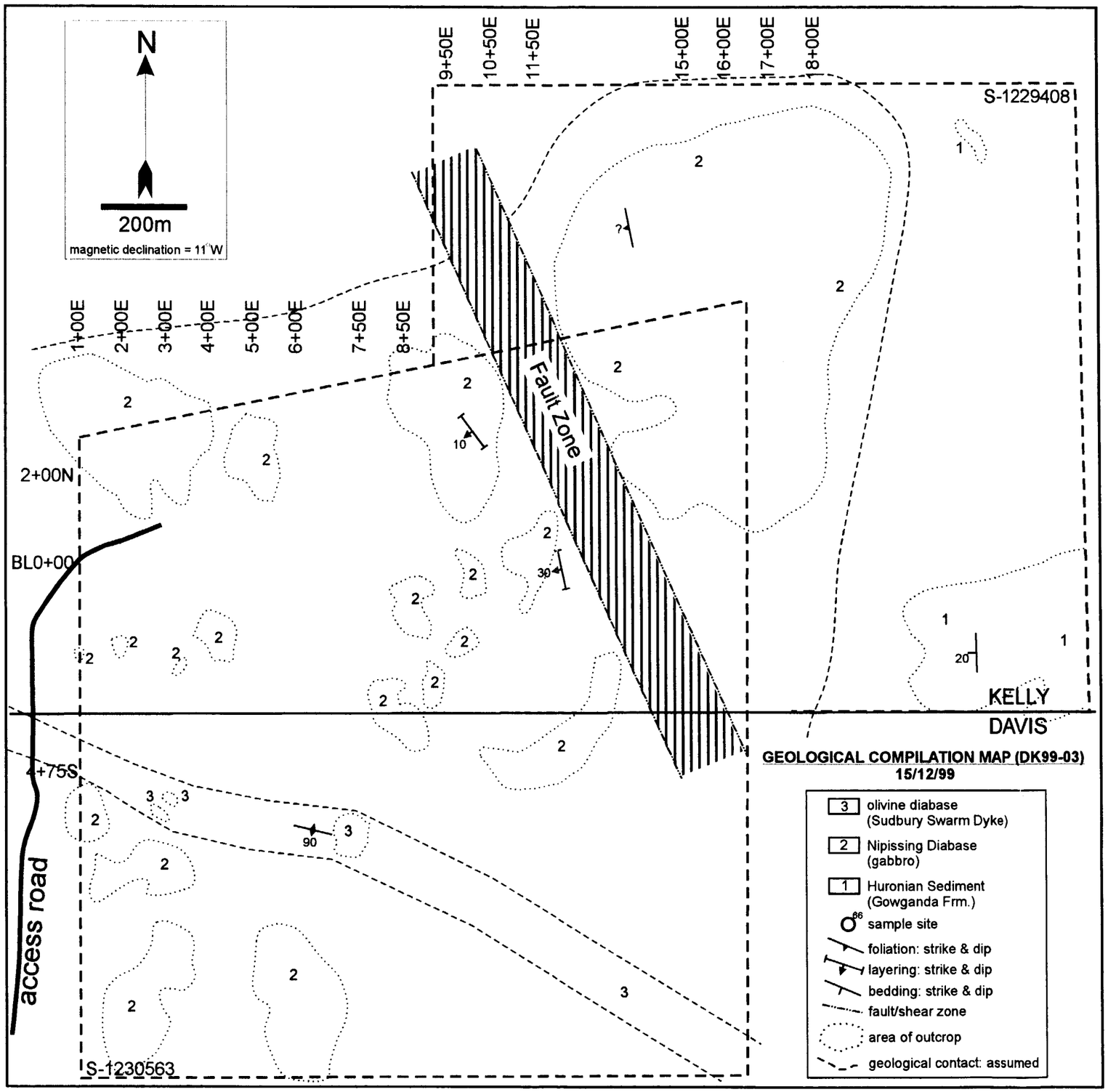
DK99-01 = Exploration Grid, Claims and Topography

DK99-02 = Exploration Grid with Grab Sample Locations

DK99-03 = Compilation Bedrock Geology Map


S-1229408
N
200m
magnetic declination = 11°W
KELLY
DAVIS
S-1230563
8+00N
BL0+00
4+75S
access road
Dam
BD
Grid/Claims on Topographic Map: DK99-01


9+50E
10+50E
11+50E
15+00E
16+00E
17+00E
18+00E
1+00E
2+00E
3+00E
4+00E
5+00E
6+00E
7+50E
8+50E
2+00N
BL0+00
4+75S
KELLY
DAVIS
access road
Sample Location Map: DK99-02
66
sample site
N
200m
magnetic declination = 11 W


N
200m
magnetic declination = 11° W
9+50E
10+50E
11+50E
15+00E
16+00E
17+00E
18+00E
S-1229408
1+00E
2+00E
3+00E
4+00E
5+00E
6+00E
7+50E
8+50E
Fault Zone
2+00N
BL0+00
4+75S
access road
S-1230563
KELLY
DAVIS
GEOLOGICAL COMPILATION MAP (DK99-03)
15/12/99
3 olivine diabase (Sudbury Swarm Dyke)
2 Nipissing Diabase (gabbro)
1 Huronian Sediment (Gowganda Frm.)
sample site
foliation: strike & dip
layering: strike & dip
bedding: strike & dip
fault/shear zone
area of outcrop
geological contact: assumed

ADDENDUM TO

WORK REPORT: PHASE I EXPLORATION

DAVIS-KELLY Cu-Ni-Pd-Pt-Au PROPERTY

DAVIS & KELLY TOWNSHIPS, SUDBURY MINING DIVISION, ONTARIO

Original Submission: December 2000

Re-Submitted March 30, 2001

Prepared For:

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SUMMARY

This report represents an addendum to accompany the original summary of mineral exploration work completed on the **Davis-Kelly property** located in the Sudbury Mining Division of north-central Ontario, Canada, filed in December 2000. This report is in compliance with the 45 Day Notice - transaction status W0070.00262. The property, a joint-venture between principal Pacific North West Capital Corporation (PFN) and partner Consolidated Venturex Holdings Ltd. (CVA), is an early-stage precious metal (platinum-palladium-gold) and base metal (copper-nickel) exploration project that occurs in the vicinity of several other highly prospective platinum-palladium properties.

The **Davis-Kelly property** is located about 76 road km (50 km direct) northeast of the City of Sudbury and straddles the township boundary between Davis and Kelly Townships. This prospect contains highly anomalous concentrations of platinum (Pt) and palladium (Pd), as well as anomalous concentrations of gold (Au), copper (Cu) and nickel (Ni). The metals are associated with disseminated sulphides that are hosted by Nipissing Diabase (gabbro).

The **Davis-Kelly property** is proximal to the highly prospective Janes and Kelly properties, which are currently being explored by Pacific North West Capital Corporation and their joint venture partner Anglo American Platinum Corporation Limited. PFN reported values up to **102.4 g/t Pt+Pd+Au over 0.4 m** (channel sample) and **4.45 Pt+Pd+Au over 8.68m** (drill intersection) on the Janes property, and up to **5.1 g/t Pt+Pd+Au** (grab sample) on the Kelly property.

The **Phase I** exploration program included: (1) 35 km exploration grid; (2) grid/reconnaissance prospecting, bedrock mapping and sampling; (3) orientation induced polarization and magnetometer surveys; and, (4) a five hole (312 m/1024 ft) diamond drilling program. The surface program outlined a minimum of two mineralized zones; the main showing or zone 1 and a newly discovered zone 2, occurring about 700 m northeast of zone 1. Grab samples assayed up to **6.34 g/t Pt+Pd+Au, 0.29% Cu and 0.15% Ni** from the main showing and up to **3.37 g/t Pt+Pd+Au, 0.32% Cu and 0.14% Ni** from zone 2. In addition, several other areas of anomalous Pt-Pd sulphide mineralization were outlined that occurred as far as 600 m northwest and 600 m southwest of the main showing. In addition to several anomalous precious and base metal sulphide intersections (**2.23 g/t Pt+Pd+Au over 3.33 m; 3.87 g/t Pt+Pd+Au over 4.4 m**), the drilling program contributed to our understanding of the area geology.

These results confirm that this area is fertile in terms of its potential to host economic Pt-Pd mineralization. Moreover, excellent accessibility, a large land position, and proximity to mining related infrastructure – within about 60 km of the milling and smelting facilities of Falconbridge Ltd. and Inco. Ltd. - make this project worthy of further exploration.

INTRODUCTION

The **Davis-Kelly property**, centred at approximately 46°43'N latitude and 80°26'W longitude or 540035mE-5170035mN (NTS 41I/NE), consists of two (2) unpatented mining claim blocs (28 claim units) covering 448 ha and straddling the boundary between Davis and Kelly Townships. The property is located in the Sudbury Mining Division, Ontario (Figure 1). The current exploration program is a joint venture between Pacific North West Capital Corp. (CDNX:PFN) and Consolidated Venturex Holdings Ltd. (CDNX:CVA), both of Vancouver, Canada.

The Davis-Kelly property lies within the Southern Geological Province of the Canadian Shield and has potential to host economic concentrations of Platinum-Group metals (PGM = Pt + Pd +Au), Cu and Ni in sulphides that are associated with gabbroic rocks of the Nipissing Diabase suite of intrusive rocks. Sporadic exploration work from the early 1950's to present has identified sulphide mineralization in the area that is of potential economic interest.

LOCATION & ACCESSIBILITY

The **Davis-Kelly property** straddles the boundary between Kelly and Davis Townships, is about 76 road km northeast of the City of Sudbury, and is road accessible (Figure 2). The property can be reached by travelling about 45 km east from Sudbury to Hagar along Highway 17. At Hagar, turn north (left) following secondary road 535 for about 22 km until reaching an abandoned railway bed. After crossing the railway bed, follow the left fork in the road for about 2 km then take a right fork and follow it for about 1.5 km to Pine Fall's Lodge, which is located at the southern inlet into Murray Lake. After crossing a small bridge/dam follow the main road for about 1.9 km then turn north (right) at the second main road. Follow this road for about 4 km at which point there is a clearing; this is close to the western claim line on unpatented mining claim bloc S-1230563 (Figure 2).

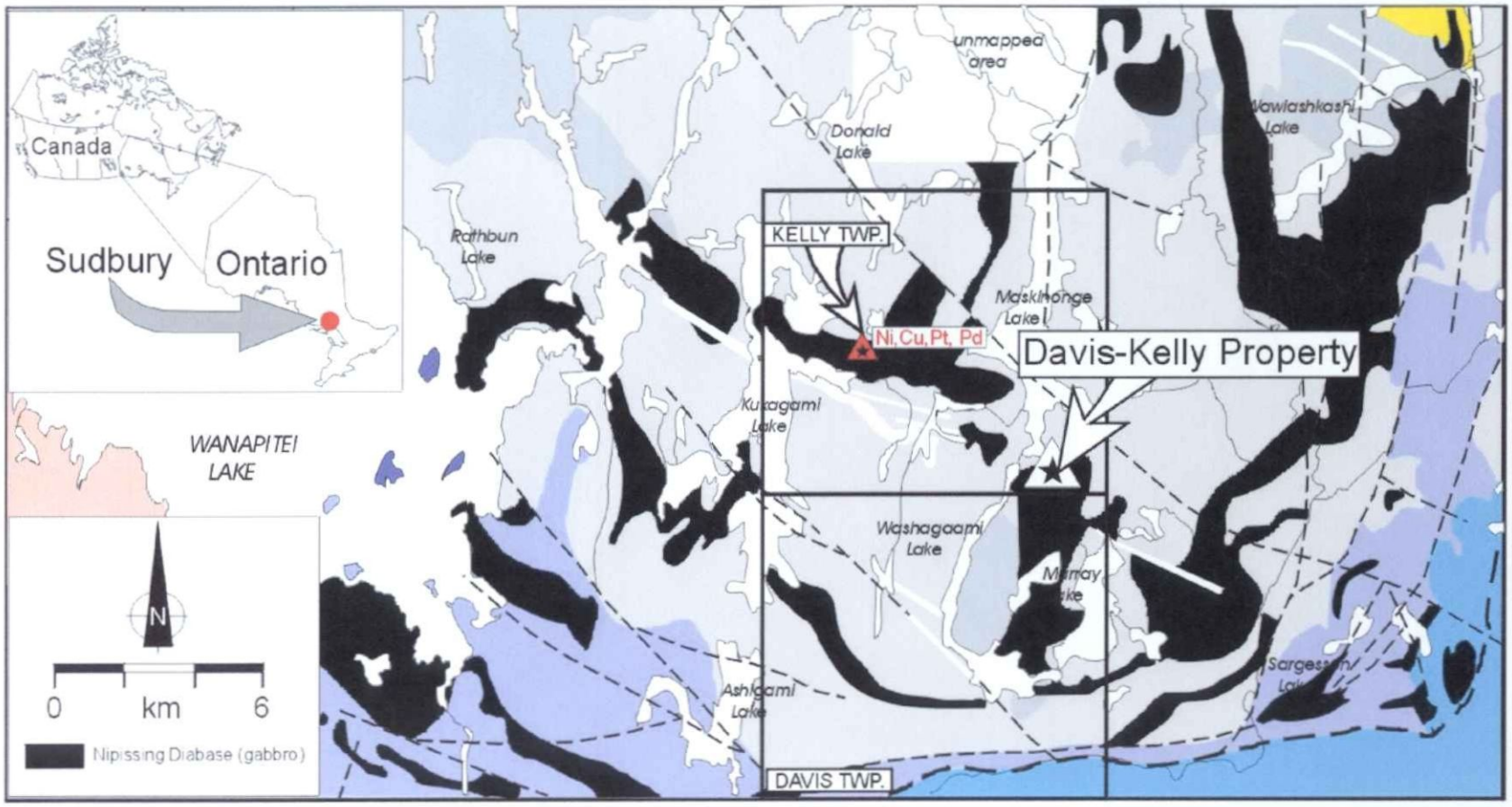


Figure 1. Location of the Davis-Kelly Pt-Pd-Cu-Ni property, Kelly & Davis Townships, Sudbury Mining Division, Ontario. The property is located about 76 road km northeast of the City of Sudbury (off the map).

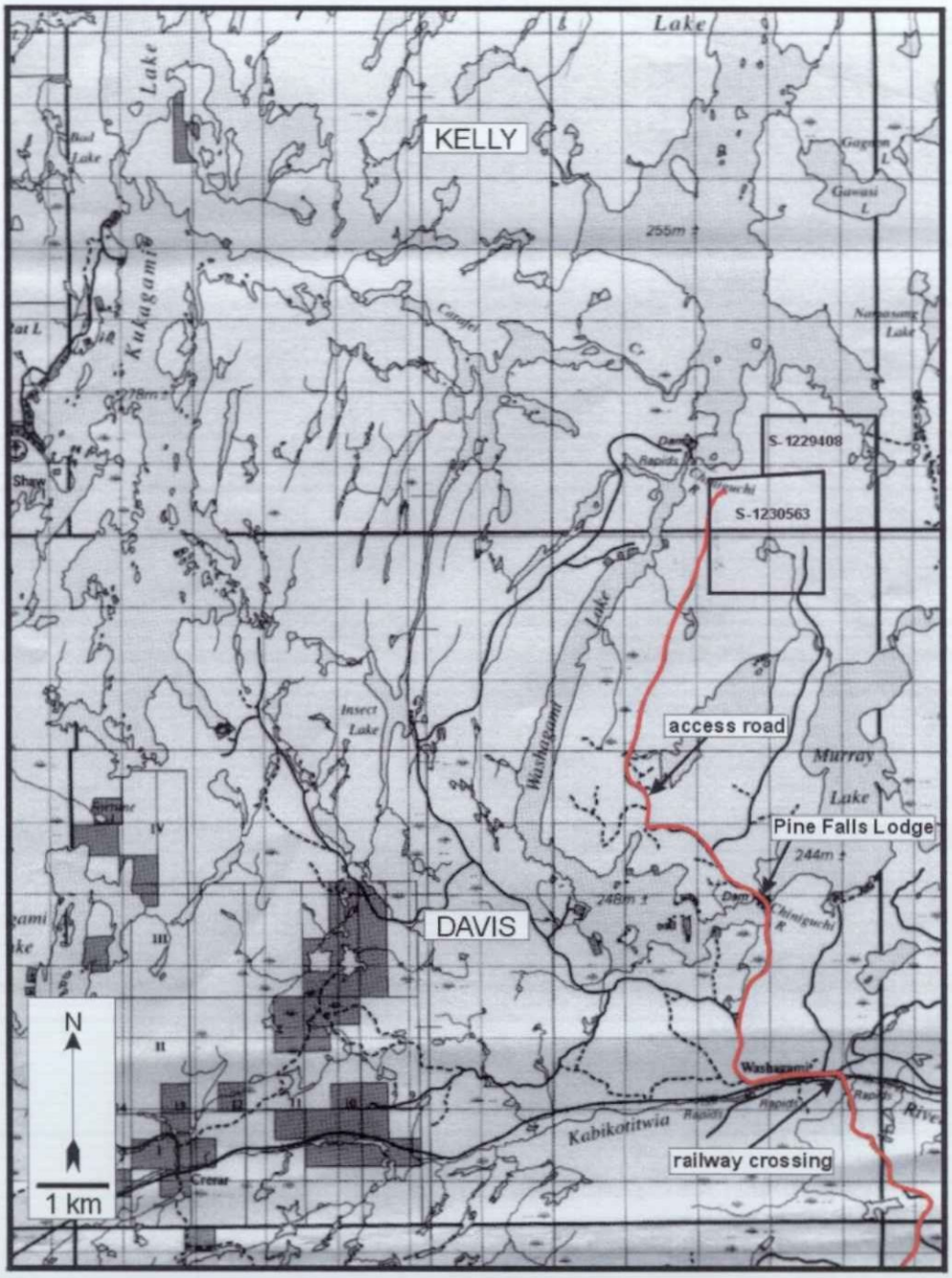


Figure 2. Accessibility to the Davis-Kelly property located about 76 road km northeast of the City of Sudbury. The property can be reached by travelling about 45 km east from Sudbury to Hagar along Highway 17. At Hagar, turn north (left) and follow secondary road 535 for about 22 km until reaching an abandoned railway bed (access road on map). After crossing the railway bed, follow the left fork in the road for about 2 km then take a right fork and follow it for about 1.5 km to Pine Fall's Lodge, which is located at the southern inlet into Murray Lake. After crossing a small bridge/dam follow the main road for about 1.9 km then turn north (right) at the second main road. Follow this road for about 4 km at which point there is a clearing.

5

CLAIM STATUS

The Davis-Kelly property consists of two (2) unpatented mining claim blocs (28 claim units) covering 448 ha (Figures 3 and 4; Table 1; Map DK99-01).

Table 1. Distribution of unpatented mining claims on the Davis-Kelly property.

Claim	Township	Units	Hectares
S-1230563	Davis-Kelly	16	256
S-1229408	Kelly	12	192
	TOTALS:	**28**	**448**

Claim S-1229408 is held 100% by PFN whereas claim S-1230563 is on option by PFN from F. Racicot.

TOPOGRAPHY AND VEGETATION

Topography on the Davis-Kelly property characterised by generally north-south to northeast-southwest trending ridges of gabbroic rocks with gradual slopes punctuated by metre- to 10's of metres scale cliffs. The primary vegetation on the ridges is mixed forest consisting of spruce, pine, birch, poplar and oak with alders, cedars and spruce dominating the intervening low and swampy ground.

Outcrop exposure is limited to about 30% with the remaining areas covered mostly by a thin (<1 m) veneer of humus, poorly developed soils and glacial till, and low areas of cedar and spruce swamp. Thicker areas of overburden consist primarily of 1-2 m of silty sand, clay and poorly developed glacial till that can locally be >10 m thick.

Maskinonge Lake is located about 800 m northwest of the approximate centre of the Davis-Kelly property and several seasonal swamps and ponds occur throughout the property.

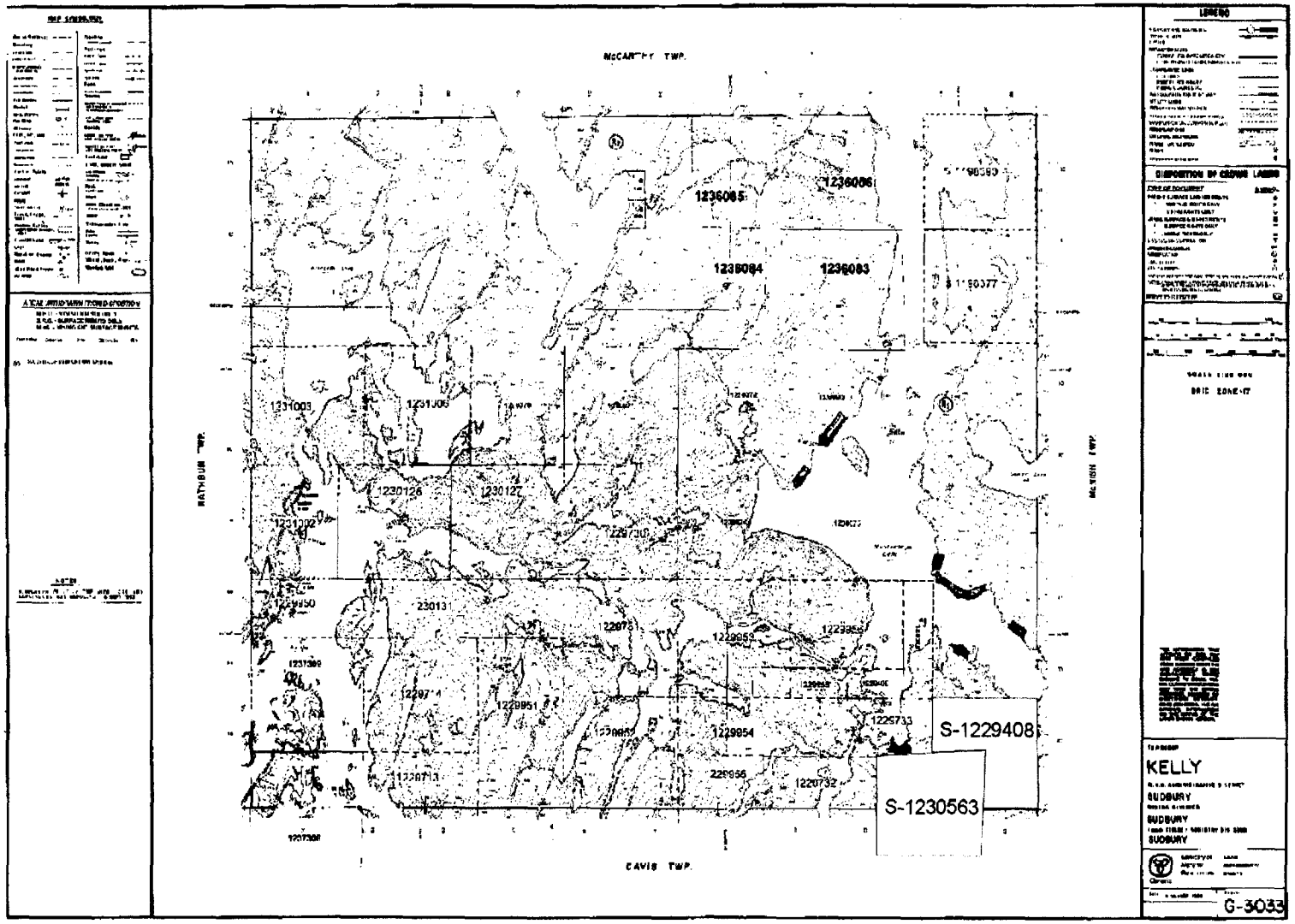


Figure 3. Location of the 2 mining claim blocs that comprise the Davis-Kelly property located in Kelly and Davis Townships, Sudbury Mining Division, Ontario (claim map G-3033 - Kelly Twp.).

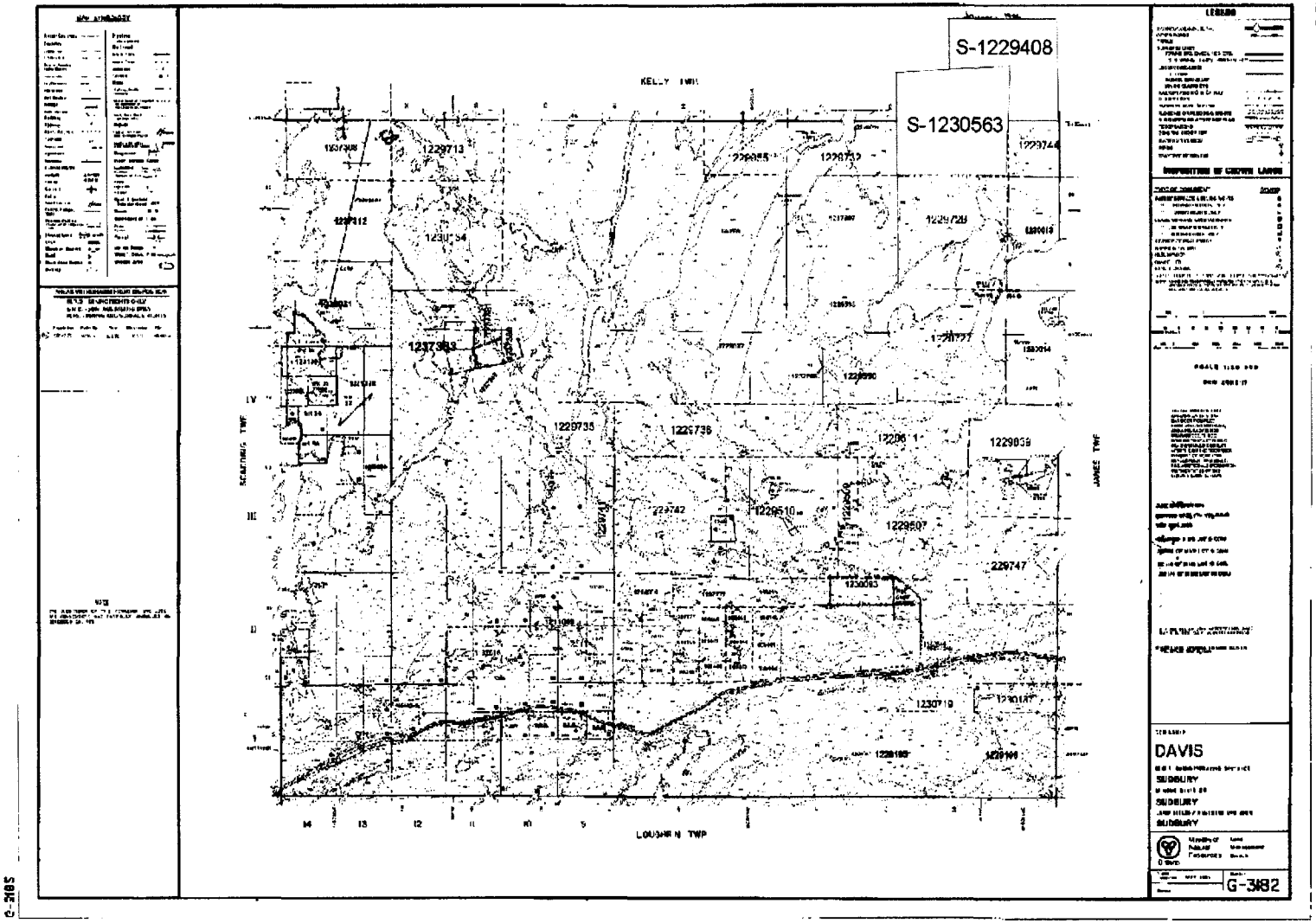


Figure 4. Location of the 2 mining claim blocs that comprise the Davis-Kelly property located in Kelly and Davis Townships, Sudbury Mining Division, Ontario (claim map G-3182 - Davis Twp.).

REGIONAL GEOLOGY

The **Huronian-Nipissing Magmatic Province** (HNMP) consists of intrusive bodies such as the East Bull Lake, Agnew Lake and River Valley Intrusions (*ca.* 2.4 Ga) and younger intrusions (*ca.* 2.2 Ga) of Nipissing Diabase (Gabbro) that intruded into Paleoproterozoic sedimentary rocks of the Huronian Supergroup (*ca.* 2.45 Ga). Northwest-trending olivine gabbro dykes (*ca.* 1.2 Ga) of the Sudbury Swarm crosscut all of the older rock types. To date there are no known economic Cu-Ni-PGM sulphide deposits associated with Nipissing Gabbro. Nonetheless, numerous showings (>50 known) with anomalous PGM values (1-10 g/t PGM) are recorded throughout the HNMP.

Nipissing Diabase (gabbro) comprises >25% of the outcrop area in the HNMP and consists of dominantly tholeiitic to calc-alkaline rocks. The majority of Nipissing gabbros occur as near-horizontal sheets or undulating sills, consisting of basins and arches, and dykes that are generally less than 1000 m thick. In this form, disseminated to massive sulphide mineralization is concentrated within the basin or limb portions with pods of dominantly massive pyrrhotite occurring within the arches. **Lopolithic forms** outcrop as irregular-shaped intrusions and may represent deeper feeder systems to the stratigraphically higher sill and cone-shaped intrusions. In this form disseminated to semi-massive sulphides are hosted by hypersthene gabbro within tens of metres of the footwall sedimentary rocks and within irregular regions at the footwall contact. This form is characterised by the gabbroic intrusion at PFN's Janes property. **Arcuate** and open ring outcroppings of Nipissing Gabbro and structural features of surrounding sedimentary rocks suggest inward-dipping, **cone-shaped intrusions** in which disseminated sulphides hosted by hypersthene gabbro are within a few hundred metres of the basal contact. This form is typified by the gabbroic intrusion at PFN's Kelly property and **CVA's Davis-Kelly property**.

PROPERTY GEOLOGY

The **Davis-Kelly property** is located on the eastern margin or limb of what appears to be a cone-shaped intrusive body with an arcuate shaped outcrop pattern that spans Davis and Kelly Townships. The gabbroic rocks on the eastern limb dip westward with the eastern igneous contact (footwall) subparallel to the west-dipping basal sedimentary rocks and western contact (hangingwall) subparallel to the east-dipping sedimentary rocks. In addition, the rock sequences

show an increase in felsic to mafic mineral ratios and an increase in the percentage of granophyric and vari-textured gabbro from east to west.

The property is primarily underlain by rocks of the Nipissing Diabase suite, which in this area include hypersthene (mafic) gabbro, gabbro, leucogabbro, vari-textured gabbro, and pegmatitic gabbro. Also outcropping on this property are sedimentary rocks (argillite, greywacke and subordinate quartzite) of the Gowganda Formation, and magnetite-bearing olivine diabase dyke(s) of the Sudbury Swarm.

Metamorphic grade in the area of the Davis-Kelly property is between lower greenschist facies (chlorite zone) and lower amphibolite facies as indicated by the presence of chlorite and metamorphic amphibole (often pseudomorphing orthopyroxene) in the gabbroic rocks.

Mineralization

Sulphide mineralization occurs within about 50-100 m of the lower gabbro-sedimentary contact and for the most part is hosted within medium-grained, hypersthene-bearing (5-10% orthopyroxene) gabbro. Subordinate sulphides also occur in vari-textured to coarse-grained gabbroic patches within hypersthene-bearing gabbro. Sulphide minerals include chalcopyrite, pyrrhotite and pentlandite and sulphide contents are typically 2-5%. There is no apparent correlation between percent sulphide and PGM values, although chalcopyrite appears to be an essential sulphide phase for anomalous PGM values. Sulphide textures and host gabbroic rocks are very similar to those observed at PFN's Kelly property to the northwest. **It is likely that the Davis-Kelly property represents the southeastern extension of PFN's Kelly property and that both of these prospects occur within a similar (if not the same) mineralized horizon within the same gabbroic body.**

EXPLORATION PROGRAM: PHASE I

The Phase I exploration began June 1st, 1999 and was completed by December 15th, 1999. During this time, the following work was completed:

(1) A 35 km exploration grid with a 2.3 km east-west base line and 35.7 km of north-south tie lines established at varying intervals, but generally every 50 m. The location of the current grid was as close as possible to the old exploration grid established in 1989 by BP Resources Limited.

(2) Reconnaissance & Grid Bedrock Mapping as part of the grid prospecting and sampling program.

(3) Prospecting and sampling on the exploration grid. A total of 72 grab samples were collected and assayed for PGM-Cu-Ni.

(3) A total of 3.5 km of orientation induced polarization survey and 7.7 km of orientation magnetometer survey.

(4) A five hole (312 m/1024 ft) diamond drilling program aimed at testing the down-dip extension and local strike of sulphide mineralization at the main showing.

Reconnaissance & Grid Bedrock Mapping

Geological bedrock mapping was completed over most of the 35 km exploration grid. This mapping was combined with existing maps to produce a compilation map of the property. Most of the property is underlain by gabbroic rocks of Nipissing Diabase that include chilled to very fine-grained gabbro, fine- to coarse grained gabbro, medium-grained hypersthene-bearing gabbro, medium- to coarse-grained vari-textured and/or granophyric gabbro and coarse-grained to pegmatitic gabbro. Chilled gabbro occurs within 10-15 m of sedimentary contacts and generally contains <0.5% visible sulphide. *Normal* gabbro (30-60% felsic minerals) occurs throughout the property and can host up to 3% visible sulphide although in general it contains ≤1% visible sulphide. Medium-grained hypersthene-bearing gabbro also occurs throughout the property and appears to be one of the dominant lithologies. This rock type contains from 1-10% hypersthene (orthopyroxene) phenocrysts in medium-grained gabbro and tends to be dark in colour. In most cases the hypersthene alters to talc-serpentine or is pseudomorphed by amphibole. Hypersthene-bearing gabbro (sometimes referred to as gabbronorite) is the dominant host rock to sulphide mineralization and commonly contains 1-2% visible sulphide. Vari-textured and granophyric gabbro primarily occurs within more fractionated and coarser-grained gabbroic rocks (higher % of felsic minerals) which occurs at higher intervals in the igneous stratigraphy. However, it is also found dispersed within hypersthene-bearing gabbro units. In both cases the vari-textured and coarse-grained gabbroic units can contain up to 5% visible sulphide. pegmatitic units are not common on the property and tend to occur as isolated patches within the more felsic gabbroic

rocks; rare mafic pegmatitic gabbro (amphibole-rich patches) does occur within hypersthene-bearing gabbro units. Visible sulphide in the pegmatitic rocks is generally <1% and occurs mainly as blebs.

WORK COMPLETED

The exploration program consisted of line cutting / brushing, geological mapping, prospecting and sampling. A 1:5000 compilation geological map of the property is included, along with 1:5000 regional and prospecting maps. The entire 35 km exploration grid was prospected at varying levels of detail. A total of 72 samples were collected during prospecting and geological mapping. All assays were completed at XRAL laboratories in Don Mills, Ontario.

Bedrock mapping and sampling (21 days) was completed across the exploration grid and a 1:5000 scale map was produced, which included outcrops, structural features, vegetation and the nature of the overburden. Areas of higher mineral potential were noted during mapping for later reconnaissance sampling during prospecting. A total of 7 days were spent prospecting as a follow up to the geological mapping, in the areas considered most prospective for sulphide mineralisation. All sample locations and prospecting traverses are shown on the attached 1:5000 scale map. A total of 14 days of geological consulting were spent during site evaluation, project planning, and management for the duration of the project.

CERTIFICATE OF QUALIFICATION

I, Scott Jobin-Bevans of 225 Ferndale Avenue, Sudbury, Ontario, Canada, do hereby certify that:

1. I am a consulting geologist with the mineral exploration company JB Exploration & Development Inc. of Sudbury, Ontario.

2. I am a graduate of the University of Manitoba, Winnipeg, Manitoba with a B.Sc. (Hons.) Geology - 1995, and M.Sc. Geology - 1997.

3. I am a member of the Society of Economic Geologists and the Canadian Institute of Mining, Metallurgy and Petroleum.

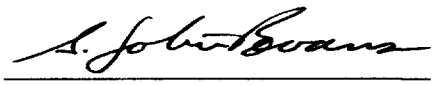
4. I have been an exploration geologist and prospector for ten years.

5. I am a member of the Association of Geoscientists of Ontario.

6. I have an active prospector's license for the province of Ontario (# H14027).

7. I have not received any direct or indirect interest in Pacific North West Capital Corporation.

8. This report is intended to be an overview of the potential of the property or properties with recommendations and conclusions that are based solely on the available data.



Scott Jobin-Bevans (B.Sc., M.Sc. Geology)
March 30, 2001

Appendix A

Table A. Rock types, lithologies and formations with their description to accompany geological map

Rock Code	Formation	Rock Type	Description
1	**Huronian Supergroup**	**sediments**	**unsubdivided**
1a	Lorrain	arenite	relatively well sorted sandstone
1b	Gowganda	conglomerate	sandstone to argilite with > 25% pebbles
1c	Gowganda	siltstone, argillite	highly indurated claystones
1d	Gowganda	wacke	poorly sorted sandstone >20% silt or clay matrix
2	**Nipissing Diabase**	**gabbro**	**unsubdivided**
2a		gabbro	fine to medium grained
2b		gabbro	medium to coarse grained
2c		gabbro	coarse to medium grained
2d		gabbro	vari-textured
2e		gabbro	hypersthene bearing
2f		gabbro	mineralized, > 1% visible sulphides
2g		gabbro	mineralized, > 10% visible sulphides
2h		gabbro	mineralized, > 35% visible sulphides
2i		gabbro	magnetite (oxide) bearing
2j		gabbro	altered (sericite, chlorite)
2k		gabbro	speckled
2l		gabbro	very fine-grained to fine-grained
2ch		gabbro	chilled
3	**Sudbury Diabase**	**gabbro**	**unsubdivided**
			oxide and olivine bearing

Ontario Ministry of Northern Development and Mines

Declaration of Assessment Work Performed on Mining Land

Mining Act, Subsection 65(2) and 66(3), R.S.O. 1990

Transaction Number (office use): W0070.00262

Assessment Files Research Imaging

41I09NW2023 2.20776 KELLY 900

in 65(2) and 66(3) of the Mining Act. Under section 8 of the Mining Act, this rk and correspond with the mining land holder. Questions about this collection d Mines, 3rd Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

ing a claim, use form 0240.

Revised. 2.20776

1. Recorded holder(s) (Attach a list if necessary)

Name: FRANK RACICOT	Client Number: 185390
Address: 1912 Springdale Cres	Telephone Number: (705) 525-5920
Sudbury, ON. P3A 5J1	Fax Number: (same)
Name: Pacific North West Capital Corp.	Client Number: 304294
Address: 2303 West 41st Ave	Telephone Number: 604-685-1870
Vancouver, BC V6M 2A3	Fax Number: 604-688-2582

2. Type of work performed: Check (✓) and report on only ONE of the following groups for this declaration.

☒ Geotechnical: prospecting, surveys, assays and work under section 18 (regs) ☐ Physical: drilling stripping, trenching and associated assays ☐ Rehabilitation

		Office Use
Work Type: Line Cutting, Prospecting, Bedrock Mapping Assays		Commodity
		Total $ Value of Work Claimed: 37,245
Dates Work Performed: From 01 06 1999 To 15 12 1999 (Day / Month / Year)		NTS Reference
Global Positioning System Data (if available)	Township/Area: Kelly + Davis Twp.	Mining Division: Sudbury
	Meridian & Plan Number: G-3033 + G-3182	Resident Geologist District: Sudbury

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Please remember to:
- obtain a work permit from the Ministry of Natural Resources as required;
- provide proper notice to surface rights holders before starting work;
- complete and attach a Statement of Costs, form 0212;
- provide a map showing contiguous mining lands that are linked for assigning work;
- include two copies of your technical report.

3. Person or companies who prepared the technical report (Attach a list if necessary)

Name: Laurence Scott Jobin-Bevans	Telephone Number: 705-524-8060
Address: 225 Ferndale Ave, Sudbury, P3B 3C2	Fax Number: 705-521-0653
Name:	Telephone Number:
Address:	Fax Number:
Name:	Telephone Number:
Address:	Fax Number:

4. Certification by Recorded Holder or Agent

I, Laurence Scott Jobin-Bevans (print Name) do hereby certify that I have personal knowledge of the facts set forth in this Declaration of Assessment Work having caused the work to be performed or witnessed the same during or after its completion and, to the best of my knowledge, the annexed report is true.

Signature of Recorded Holder or Agent: L. Jobin-Bevans		Date: Nov. 30/00
Agent's Address: 225 Ferndale Ave, Sudbury P3B3C2	Telephone Number: 705-524-8060	Fax Number: 705-521-0653

0241 (03/97)

#2919

(Print Name)
this Declaration of Assessment Work having caused the work to be performed or witnessed the same during or after its completion and, to the best of my knowledge, the annexed report is true.

Signature of Recorded Holder or Agent: L. Jobin-Bevans — Date: Nov. 30/00
Agent's Address: 225 Ferndale Ave, Sudbury P3B3C2 — Telephone Number: 705-524-8060 — Fax Number: 705-521-0653
0241 (03/97)

#2919

5. **Work to be recorded and distributed.** Work can only be assigned to claims that are contiguous (adjoining) to the mining land where work was performed, at the time work was performed. A map showing the contiguous link must accompany this form.

W0070.00262 2 2002 6

	Mining Claim Number. Or if work was done on other eligible mining land, show in this column the location number indicated on the claim map.	Number of Claim Units. For other mining land, list hectares.	Value of work performed on this claim or other mining land.	Value of work applied to this claim.	Value of work assigned to other mining claims.	Bank. Value of work to be distributed at a future date
eg	TB 7827	16 ha	$26,825	N/A	$24,000	$2,825
eg	1234567	12	0	$24,000	0	0
eg	1234568	2	$ 8,892	$ 4,000	0	$4,892
1	S-1230563	16	$27,934	$0	$0	$27,934
2	S-1229408	12	$9,311	$0	$0	$9,311
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
	Column Totals	28	$37,245	$0	$0	$37,245

I, Laurence Scott Jobin-Bevans (Print Full Name), do hereby certify that the above work credits are eligible under subsection 7 (1) of the Assessment Work Regulation 6/96 for assignment to contiguous claims or for application to the claim where the work was done.

Signature of Recorded Holder or Agent Authorized in Writing	Date
	NOV. 30/00

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DEC 04 2000
GEOSCIENCE ASSESSMENT OFFICE

6. **Instruction for cutting back credits that are not approved.**

Some of the credits claimed in this declaration may be cut back. Please check (✓) in the boxes below to show how you wish to prioritize the deletion of credits:

- ☐ 1. Credits are to be cut back from the Bank first, followed by option 2 or 3 or 4 as indicated.
- ☐ 2. Credits are to be cut back starting with the claims listed last, working backwards; or
- ☐ 3. Credits are to be cut back equally over all claims listed in this declaration; or
- ☐ 4. Credits are to be cut back as prioritized on the attached appendix or as follows (describe):

Note: If you have not indicated how your credits are to be deleted, credits will be cut back from the Bank first, followed by option number 2 if necessary.

For Office Use Only

Received Stamp	Deemed Approved Date	Date Notification Sent
	Date Approved	Total Value of Credit Approved
	Approved for Recording by Mining Recorder (Signature)	

0241 (03/97)

4291

Ontario Ministry of Northern Development and Mines

Statement of Costs for Assessment Credit

Transaction Number (office use)
W0070.00262

Personal information collected on this form is obtained under the authority of subsection 6 (1) of the Assessment Work Regulation 6/96. Under section 8 of the Mining Act, this information is a public record. This information will be used to review the assessment work and correspond with the mining land holder. Questions about this collection should be directed to a Provincial Mining Recorder, Ministry of Northern Development and Mines, 3rd Floor, 933 Ramsey Lake Road, Sudbury, Ontario, P3E 6B5.

Work Type	Units of work Depending on the type of work, list the number of hours/day worked, metres of drilling, kilometres of grid line, number of samples, etc.	Cost Per Unit of work	Total Cost
Line Cutting	35 km	$325	$11,375
Line Brushing	10 days	$200	$2,000
Consulting Geologist	14 days	$300	$4,200
Geological Assistant	28 days	$150	$4,200
Bedrock Mapping Geo.	21 days	$300	$6,300
Prospecting	7 days	$200	$1,400
Assays (PGM-Cu-Ni)	72 original / 3 checks	$20 / $10	$1,470
Associated Costs (e.g. supplies, mobilization and demobilization).			
Reports/Drafting (7 days)		$300	$2,100
Shipping, Operating Supplies		~~$8~~ —	$1,750
Fuel		-	$525
Transportation Costs			
Vehicle Rental (35 days)		~~$45~~ $55	$1,925
Food and Lodging Costs			
		Total Value of Assessment Work	$37,245

RECEIVED
DEC 04 2000
GEOSCIENCE ASSESSMENT OFFICE

Calculations of Filing Discounts:

1. Work filed within two years of performance is claimed at 100% of the above Total Value of Assessment Work.
2. If work is filed after two years and up to five years after performance, it can only be claimed at 50% of the Total Value of Assessment Work. If this situation applies to your claims, use the calculation below:

TOTAL VALUE OF ASSESSMENT WORK x 0.50 = Total $ value of worked claimed.

Note:
- Work older than 5 years is not eligible for credit.
- A recorded holder may be required to verify expenditures claimed in this statement of costs within 45 days of a request for verification and/or correction/clarification. If verification and/or correction/clarification is not made, the Minister may reject all or part of the assessment work submitted.

Certification verifying costs:

I, Laurence Scott Tobin-Bevans (please print full name) do hereby certify, that the amounts shown are as accurate as may reasonably be determined and the costs were incurred while conducting assessment work on the lands indicated on the accompanying Declaration of Work form as AGENT (recorded holder, agent, or state company position with signing authority) I am authorized to make this certification.

Signature	Date
	NOV. 30/00

0212 (03/97)

#2910

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

Ontario

Geoscience Assessment Office
933 Ramsey Lake Road
6th Floor
Sudbury, Ontario
P3E 6B5

Telephone: (888) 415-9845
Fax: (877) 670-1555

April 19, 2001

FRANK CHARLES RACICOT
1912 SPRINGDALE CRESCENT
SUDBURY, Ontario
P3Y-5J1

Dear Sir or Madam:

Submission Number: 2.20776

		Status
Subject: Transaction Number(s):	W0070.00262	Approval After Notice

We have reviewed your Assessment Work submission with the above noted Transaction Number(s). The attached summary page(s) indicate the results of the review. WE RECOMMEND YOU READ THIS SUMMARY FOR THE DETAILS PERTAINING TO YOUR ASSESSMENT WORK.

If the status for a transaction is a 45 Day Notice, the summary will outline the reasons for the notice, and any steps you can take to remedy deficiencies. The 90-day deemed approval provision, subsection 6(7) of the Assessment Work Regulation, will no longer be in effect for assessment work which has received a 45 Day Notice. Allowable changes to your credit distribution can be made by contacting the Geoscience Assessment Office within this 45 Day period, otherwise assessment credit will be cut back and distributed as outlined in Section #6 of the Declaration of Assessment work form.

Please note any revisions must be submitted in DUPLICATE to the Geoscience Assessment Office, by the response date on the summary.

If you have any questions regarding this correspondence, please contact JIM MCAULEY by e-mail at james.mcauley@ndm.gov.on.ca or by telephone at (705) 670-5858.

Yours sincerely,

Lucille Jerome

ORIGINAL SIGNED BY
Lucille Jerome
Acting Supervisor, Geoscience Assessment Office
Mining Lands Section

Correspondence ID: 15861
Copy for: Assessment Library

Work Report Assessment Results

Submission Number: 2.20776

Date Correspondence Sent: April 19, 2001 **Assessor:** JIM MCAULEY

Transaction Number	First Claim Number	Township(s) / Area(s)	Status	Approval Date
W0070.00262	1230563	KELLY, DAVIS	Approval After Notice	April 12, 2001

Section:
12 Geological GEOL
9 Prospecting PROSP

The revisions outlined in the Notice dated February 26, 2001 with regard to the prospecting and geological mapping have been corrected.

The expenditure verification provide expenditure details of a portion of the requested items. Only those expenditures that have been documented of the requested items have been allowed.

IN FUTURE, PLEASE PROVIDE AN ACCURATE BREAKDOWN OF EXPENDITURES IN THE STATEMENT OF COSTS. ALSO, CLARIFY AND DETAIL WORK OF A GEOLOGICAL NATURE (MAPPING) AND THAT RELATED TO PROSPECTING.

Assessment work credit has been approved as outlined on the attached Distribution of Assessment Work Credit sheet.

The assessment credit is being reduced by $2,210. The TOTAL VALUE of assessment credit that will be allowed, based on the information provided in this submission, is $35,035.

At the discretion of the Ministry, the assessment work performed on the mining lands noted in this work report may be subject to inspection and/or investigation at any time.

Correspondence to:

Resident Geologist
Sudbury, ON

Assessment Files Library
Sudbury, ON

Recorded Holder(s) and/or Agent(s):

Laurence Scott Jobin-Bevans
SUDBURY, ON, CAN

FRANK CHARLES RACICOT
SUDBURY, Ontario

PACIFIC NORTH WEST CAPITAL CORP.
VANCOUVER, BC

Distribution of Assessment Work Credit

The following credit distribution reflects the value of assessment work performed on the mining land(s).

Date: April 19, 2001

Submission Number: 2.20776

Transaction Number: W0070.00262

Claim Number	Value Of Work Performed
1230563	26,276.00
1229408	8,759.00
Total: $	35,035.00

Correspondence ID: 15861

MINISTRY OF NORTHERN DEVELOPMENT AND MINES

PROVINCIAL MINING RECORDER'S OFFICE

MINING LAND TENURE MAP

Date / Time of Issue: Apr 17 2001 16:17h Eastern

TOWNSHIP / AREA	PLAN
KELLY	G-3033

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division	Sudbury
Land Titles/Registry Division	SUDBURY
Ministry of Natural Resources District	SUDBURY

TOPOGRAPHIC

- Administrative Boundaries
- Township
- Concession, Lot
- Provincial Park
- Indian Reserve
- Cliff, Pit and Pile
- Contour
- Contour - Approx. Auxiliary Depression
- Shaft
- Mine Headframe
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Hydro Line
- Communication Line
- Wooded Area
- Monument - Cadastral, Historical, Horiz. Control

LAND TENURE

Freehold Patent
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only

Leasehold Patent
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only

Licence of Occupation
- Uses not Specified
- Surface And Mining Rights
- Surface Rights Only
- Mining Rights Only

- Land Use Permit
- Order In Council
- Water Power Lease Aggreement
- 1234567 Mining Claim

LAND TENURE WITHDRAWALS

1234 Areas Withdrawn from Disposition

Mining Act Withdrawal Types
- Wsm Surface and Mining Rights Withdrawn
- Ws Surface Rights Only Withdrawn
- Wm Mining Rights Only Withdrawn

Order In Council Withdrawal Types
- W*sm Surface and Mining Rights Withdrawn
- W*s Surface Rights Only Withdrawn
- W*m Mining Rights Only Withdrawn

NN IMPORTANT NOTICES

0 Km 2.0 Km

LAND TENURE WITHDRAWAL DESCRIPTIONS

Identifier	Type	Date	Description
W-LL-P173/99	Wsm	Jan 1 2001	SEC. 35 W-LL-P173/99 ONT. MAY 12/99 M+S
W-LL-P174/99	Wsm	Jan 1 2001	SEC 35 W-LL-P174/99 ONT MAY 13/99 M&S
W-LL-F181/00	Wsm	Jan 1 2001	Sec. 35 W-LL-F 181/00 ONT. OCT.04/00 M+S

IMPORTANT NOTICES

Areas under which special regulations, limitations or conditions exist that affect normal prospecting, staking and mineral development activities.

2.20776
PROSP., GEOL.

Those wishing to stake mining claims should consult with the Provincial Mining Recorders' Office of the Ministry of Northern Development and Mines for additional information on the status of the lands shown hereon. This map is not intended for navigational, survey, or land title determination purposes as the information shown on this map is compiled from various sources. Completeness and accuracy are not guaranteed. Additional information may also be obtained through the local Lands Titles or Registry Office, or the Ministry of Natural Resources.

The information shown is derived from digital data available in the Provincial Mining Recorders' Office at the time of downloading from the Ministry of Northern Development and Mines web site.

General Information and Limitations

Contact Information:
Provincial Mining Recorders' Office
Willet Green Miller Centre
933 Ramsey Lake Road
Sudbury, ON P3E 6B5
Home Page: www.gov.on.ca/MNDM/MINES/LANDS/mlsmapge.htm

Toll Free
Tel: 1 (888) 415-9845
Fax: 1 (877) 670-1444

Map Datum: NAD 83
Projection: UTM (6 degree)
Topographic Data Source: Land Information Ontario
Mining Land Tenure Source: Provincial Mining Recorders' Office

This map may not show unregistered land tenure and interests in land including certain patents, leases, easements, right of ways, flooding rights, licenses, or other forms of disposition of rights and interest from the Crown. Also certain land tenure and land uses that restrict or prohibit free entry to stake mining claims may not be illustrated.

41I09NW2023 2.20776 KELLY 200

N

200m

magnetic declination = 11 W

S-1229408

ZONE 2

Fault Zone

1999 Drill Program

ZONE 1

KELLY

DAVIS

access road

S-1230563

Poplar/Pine
< 2m cover

Spruce/Pine
< 1m cover

Poplar/Pine
< 2m cover

Spruce/Pine

Mixed forest
> 1m cover

Mixed forest
> 1m cover

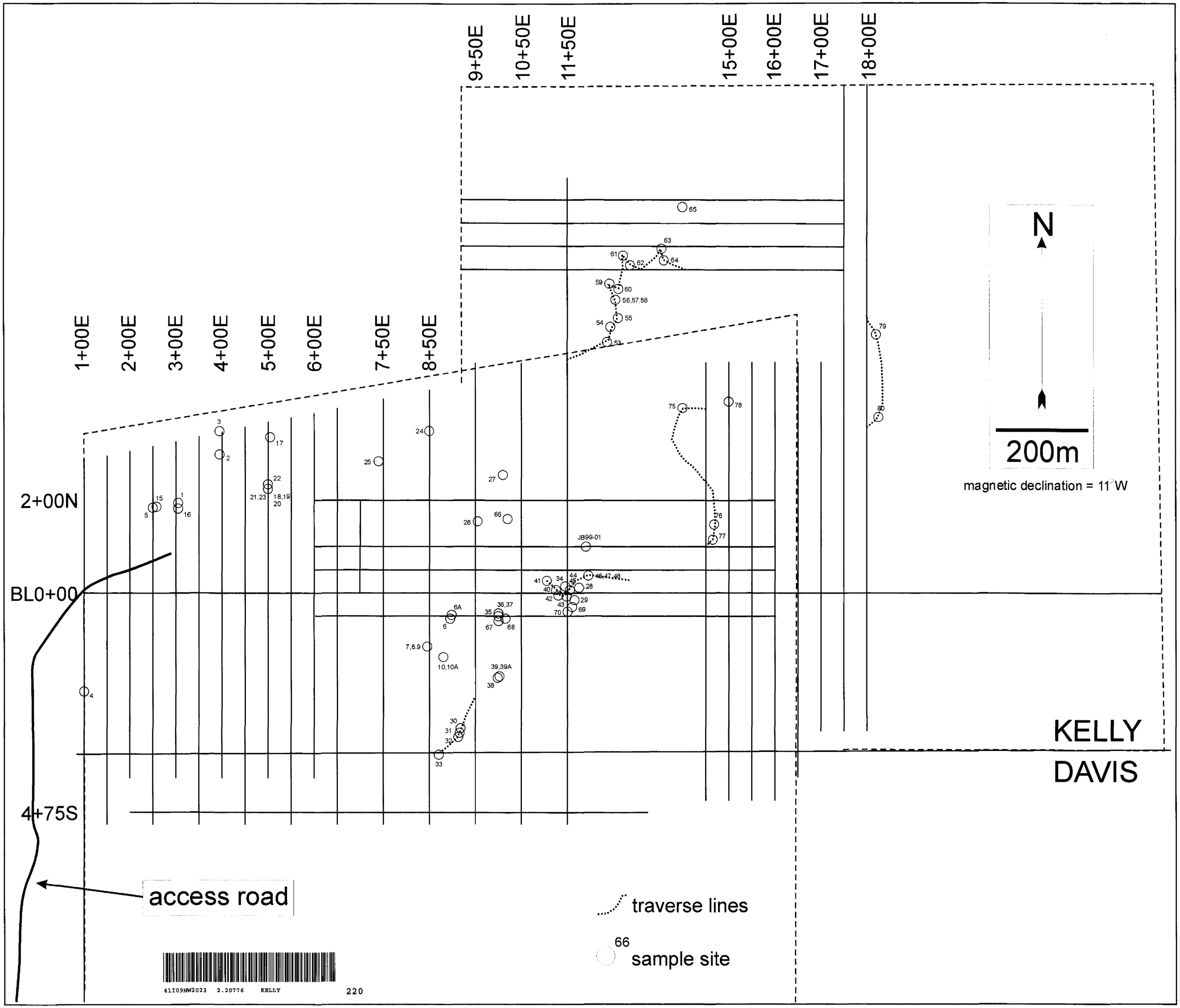
Cedars/Spruce
> 1m cover

Mixed forest
> 1m cover

Mixed forest
> 1m cover

GEOLOGICAL COMPILATION MAP (DK99-01)
15/12/99

- 3 olivine diabase (Sudbury Swarm Dyke)
- 2 Nipissing Diabase (gabbro)
- 1 Huronian Sediment (Gowganda Frm.)
- sample site
- foliation: strike & dip
- layering: strike & dip
- fault/shear zone
- area of outcrop
- geological contact: assumed


9+50E
10+50E
11+50E
15+00E
16+00E
17+00E
18+00E
1+00E
2+00E
3+00E
4+00E
5+00E
6+00E
7+50E
8+50E
2+00N
BL0+00
4+75S
N
200m
magnetic declination = 11°W
KELLY
DAVIS
JB99-01
access road
traverse lines
66
sample site
41I09NW2023 2.20776 KELLY
220

Maskinonge Lake

Dam

BL0+00

1+00E
2+00E
3+00E
4+00E
5+00E
6+00E
7+50E
8+50E
9+50E
10+50E
11+50E
15+00E
16+00E
17+00E
18+00E

2+00N

4+75S

S-1229408

S-1230563

access road

KELLY
DAVIS

N

200m

magnetic declination = 11 W

Beaver Dam

Murray Lake