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52B14SW0010 63.4532 HUTCHINSON

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The 1984 Field Program Summary

on the

Sapawe Lake Property, Atikokan Project

for

Kenergy Resource Corporation

Thunder Bay Mining Division

52 B/14

48° 47' N 91° 19.5' W

August 1984

Michael W. Leahy



52B14SW0010 63.4532 HUTCHINSON

010C

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Summary and Recommendations

Field programs of linecutting, geology mapping, soil geochemistry, rock assaying, magnetometer, induced polarization and resistivity surveys were undertaken on the 22 claims on the Kenergy Resource option, Sapawe Lake gold property.

Since the preliminary geology survey was completed prior to the results of the geochemistry and geophysics, a second phase of detailed geology, prospecting and sampling on the geochemical and geophysical anomalies, cleaning out of the old trenches and additional trenching is recommended.

Based on the positive results of phase two a systematic diamond drill program would subsequently be warranted.

1. INTRODUCTION

The aims of the 1984 field season programs on the Kenergy option (Figure 1) were to establish the presence of gold in the traditional gold veins systems and to establish the potential for a stratabound gold environment on the property by systematic exploration using geology, geochemistry and geophysics.

Both these objectives were initially met. This report outlines the survey methods and their results.

To summarize, nine percent of the sixty-five grab samples returned 0.1 oz/st gold or higher values, five IP chargeability anomalies with one zone south of the old Walsh shaft and the previous drilling is underlain by favourable geology and three soil anomalies above 41 ppb gold were located.

Previous exploration on the property has been concentrated on Zone 1, the J. J. Walsh shaft. Shaft sinking was begun in 1901 and extended to 28m in 1928. A total of 368 tons of ore was mined and 50 ozs of gold recovered (0.14 oz/ton Au). No underground plans are available for the limited amount of development work. A detailed history of exploration is available in Cavey's report.

2. CLAIM DATA AND ACCESS

The Sapawe Lake property (Figure 2) consists of 22 mineral claims optioned by Kenergy Resource Corporation from Anjamin Mines Ltd. The claims were brought to lease in 1977 and are in good standing until 1998. Kenergy has the right to earn a 51% interest in the property. The mineral claims are in Hutchinson Township (G-571), (Figure 3), Thunder Bay Mining Division. The individual claims are as follows:

KENERGY Resource Corporation

2

Atikokan Project

Index Map

Sapawe Lake

Property

52B74

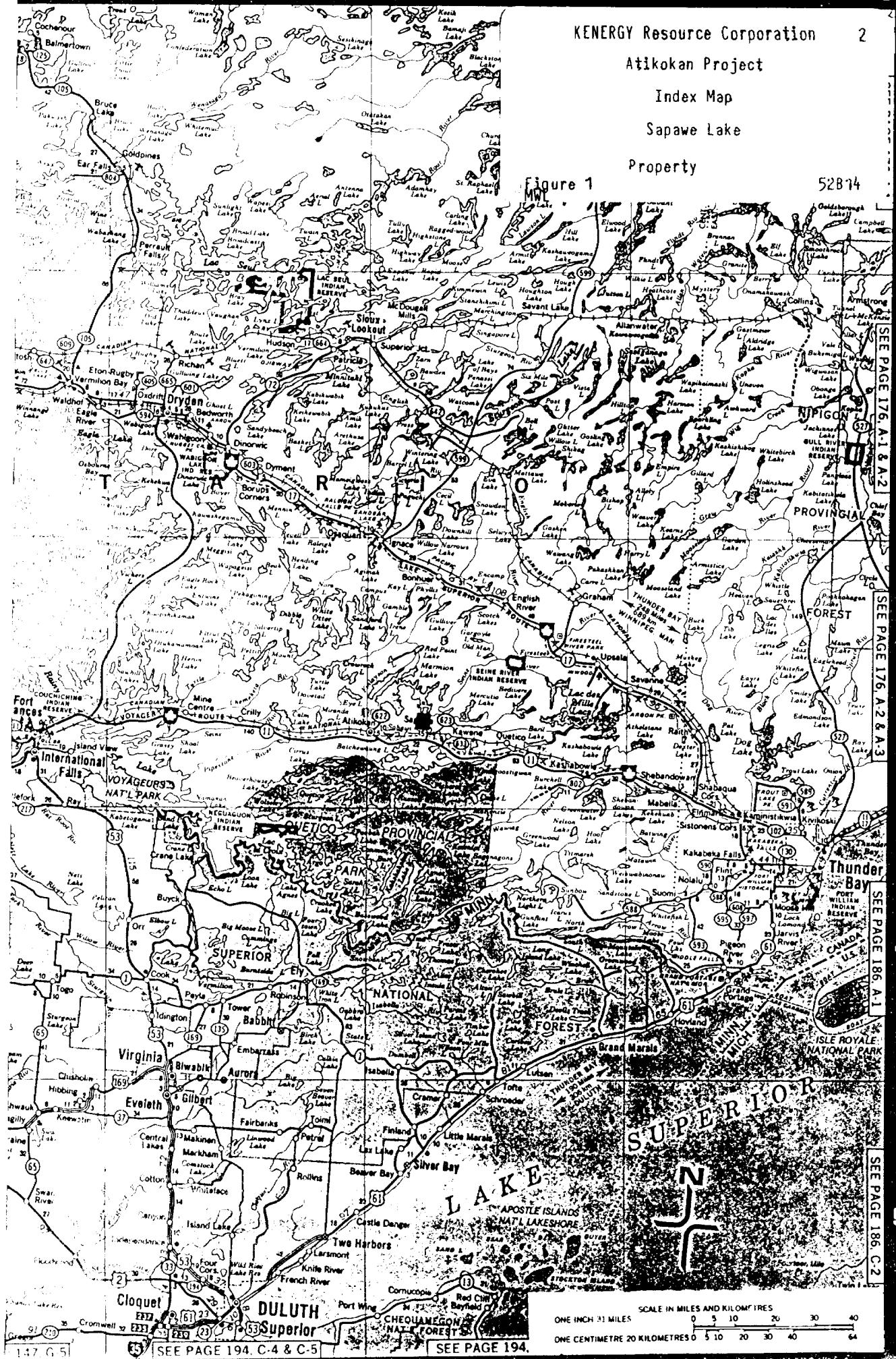
SEE PAGE 176, A.1 & A.2

SEE PAGE 176, A.2 & A.3

SEE PAGE 186, A.1

SEE PAGE 186, C.2

Figure 1



SEE PAGE 194.

SCALE IN MILES AND KILOMETERS
ONE INCH = 1 MILES 0 5 10 20 30 40

ONE CENTIMETRE = 20 KILOMETERS 0 5 10 20 30 40

147 G 51

SEE PAGE 194, C.4 & C.5

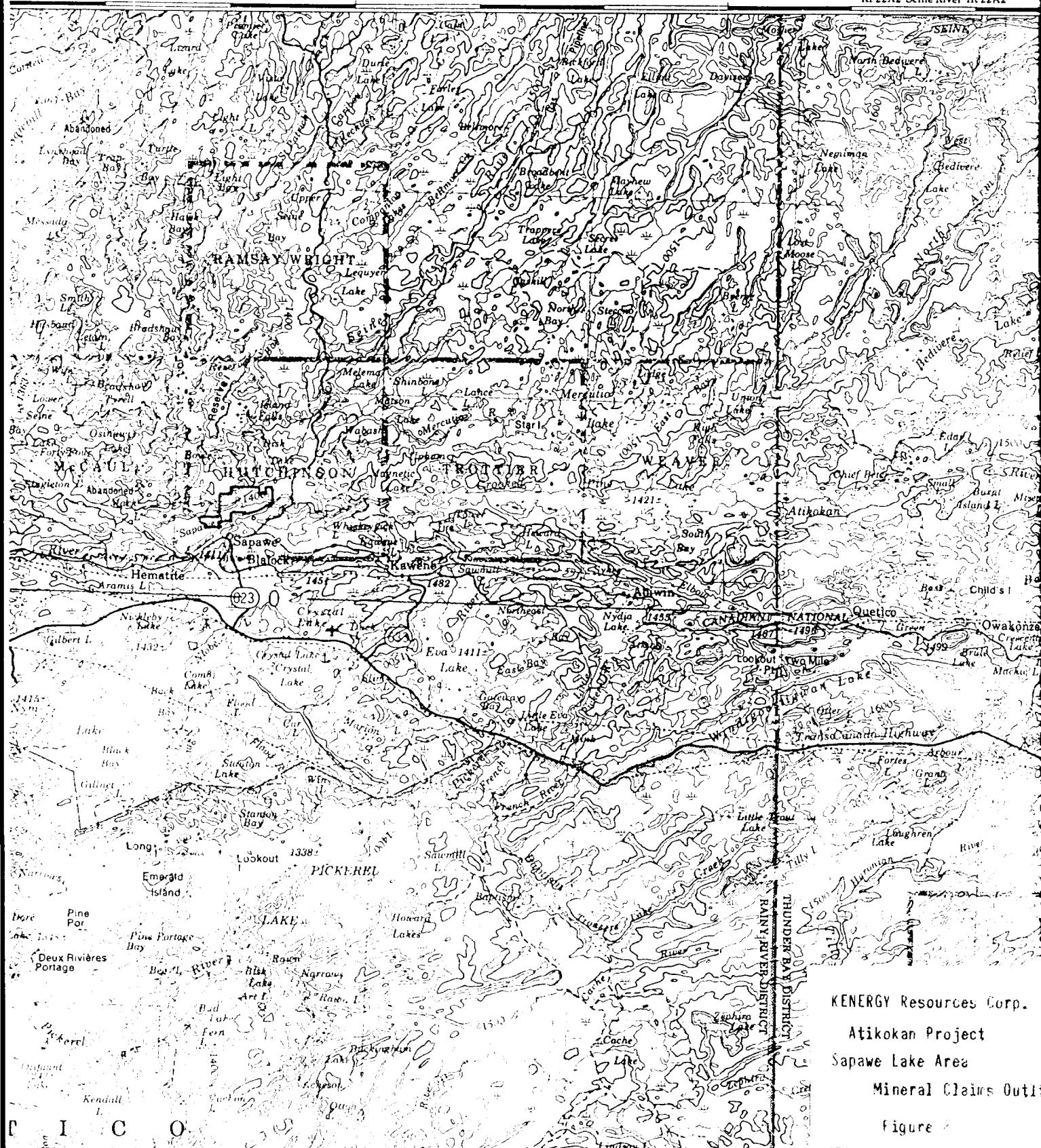
Canada

3

15'

91°00'

RI 22A2 Seine River IR 22A2



KENERGY Resources Corp.

Atikokan Project

Sapape Lake Area

Mineral Claims Outline

Figure

MWL

SCR 24

Scale 1:250 000 Échelle

5 10 15 20 Miles

Miles 5

0 5 Kilometres

10 Kilometres

<u>Claim Number(s)</u>	<u>Number of Claims</u>	<u>Expiry Date</u>
FF 511	1	1998
FF 15090-15092	3	1998
FF 15096-15104	9	1998
FF 15294-15299	6	1998
FF 15324-15326	3	1998
	<u>22 Total</u>	

The property is located 188 kilometers west of Thunder Bay and 21 kilometers east of Atikokan, Ontario. Route 623 leaves the Trans Canada Highway at Carlson's Corner, the distance between the corner and the Sapawe mill site is 6 kilometers. By boat across Sapawe Lake to the main part of the claim group is 600 meters.

Alternatively, the property can be reached by the gas pipeline trail, however, there are currently three large beaver ponds that make this route impassible except on foot.

Finally, a circumferential route by bush road past Disk Lake eventually joins the gas pipeline near the western boundary of the property.

3. LINECUTTING

A picket line grid with a line spacing of 50 or 100 meters and a station separation of 25 meters totalling 25.6 kilometers was cut in May. The work was contracted to Donald MacEachern of Fort Frances. BL 5000N, TL 4500N and L 5600E were run by transit, control lines azimuths were 060° with crosslines at 150°. All crosslines were turned off by transit and are good picket lines.

On the NW corner of the property (L 4300 - L4600E) the grid did not reach the claim boundary because of swamp and open water conditions.

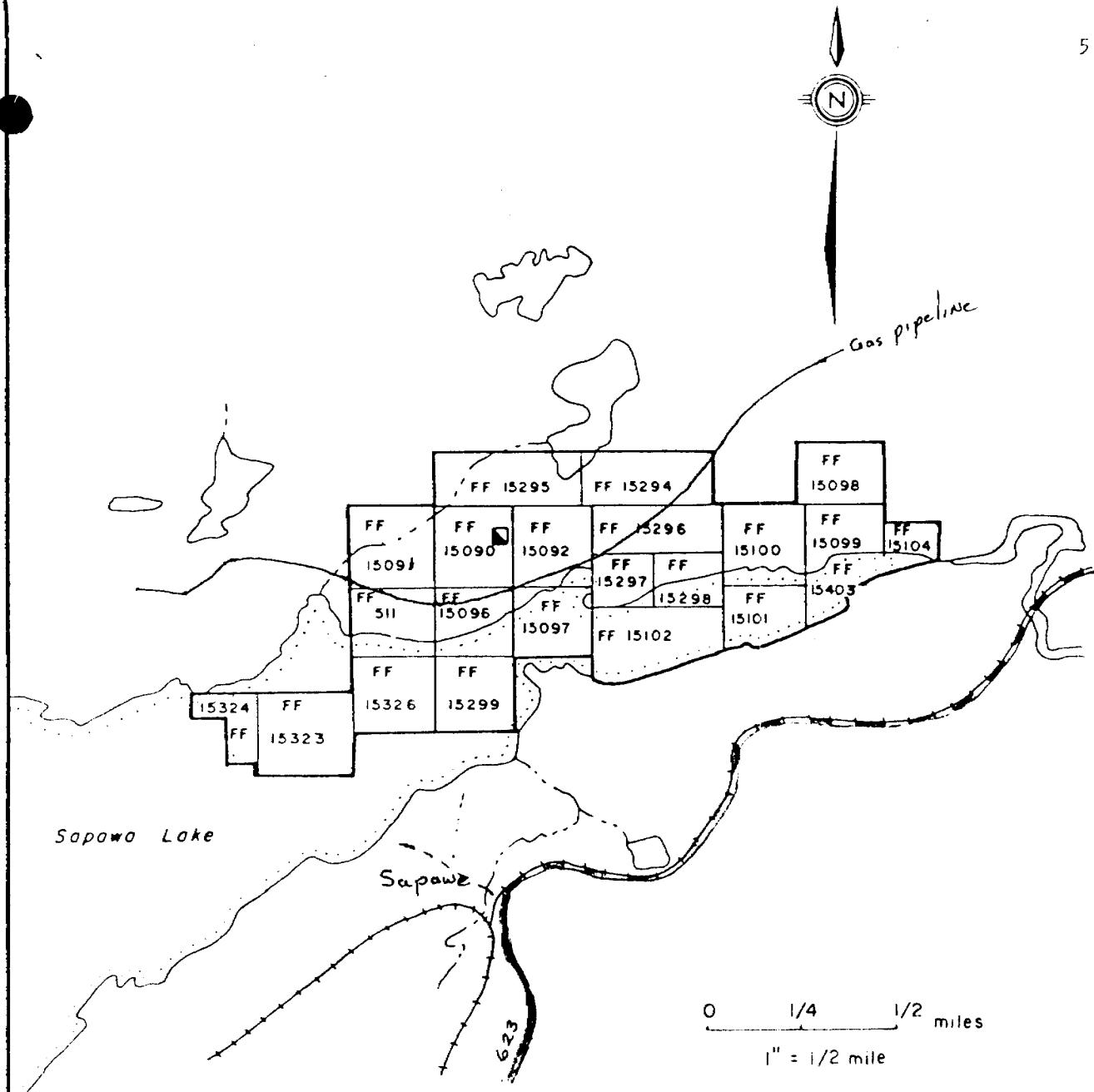
4. REGIONAL GEOLOGY

The Sapawe Lake area has been included in various reports and regional geology maps (Hawley, 1929; Tanton, 1937; and McLlwaine, 1981). It is part of the Wabigoon belt that stretches from Long Lac to the Lake of the Woods on the Ontario-Manitoba border.

In the immediate area of the property the supracrustal rock of the Wabigoon subprovince forms a narrow band of metavolcanics of early Precambrian age which are intruded by the Marion Lake Batholith, a complex granitoid intrusion.

To the south of Sapawe Lake is the Quetico subprovince that is made up of Early Precambrian metasediments and granitic rock.

The boundary between the two subprovinces is the Quetico fault zone, which runs through Sapawe Lake and can be readily traced by airborne magnetism and EM.



KENERGY Resource Corporation

Sapawe Lake Claim Sketch

Thunder Bay Mining Division

Hutchinson Township

G-571

Figure 3

52B14

It is this major east-west fault zone and attendant splay faults that have provided the avenues for the movement of hydrothermal gold bearing solutions.

Gold occurrences reported from the Wabigoon consist of three types:

- (1) Batholith vein type
- (2) Intrusive-metavolcanic contact zone
- (3) Metavolcanic strataboune type.

Type 3 is similar to the Cameron Lake deposit(s) of Nuinsco Resource Ltd. and is the most likely type of gold mineralization to be found on the Sapawe Lake property.

5. PROPERTY GEOLOGY

The writer mapped the property (Figure 4) between May 15-31, 1984, and spent one day during the latter part of June on site. During the preliminary geology survey the geochemistry sampling was completed. The geophysical surveys started near the end of the author's stay on the property.

Five major rock types were outlined on the property.

Unit 1, the oldest are mafic volcanics approximating andesite to basalt in composition. They vary from extremely fine grained to medium grained. Shearing and upper greenschist metamorphism has eliminated all primary features. For the most part they are thick flows.

Unit 2 consists of intermediate volcanics dacite, rhyodacite and rhyolite. The rocks are fine grained flow and porphyries. The porphyries contain round quartz eyes varying from 5 - 10mm, these rock were probably crystal tufts.

Unit 3 was called trondhjemite (previous authors referred to it as albite rock or quartz prophyry). It is a buff coloured rock primarily composed of sodic plagioclase quartz, sparse biotite and little or no orthoclase.

Unit 4 is a diorite and occurs only at two locations, on the peninsula west of L 5500E and at the north end of L 4400E. It is a medium to coarse grained hornblende bearing unit, which may be the an intrusive phase of the mafic volcanics.

Unit 5 consists of one outcrop of coarse grained gabbro on L 5400E at 5150N. Similar small magnetic highs may be related to other gabbro occurrences.

Schistosity on the property varies from 060° to 090° and dips between 65°S and 70°N. Lineations at two sites plunge 28° in 100° and 120° directions.

Two fault zones are indicated on Figure 4, using observed data. Where the stratigraphy changes from a mixed intermediate and mafic package to a predominantly mafic sequence with faulting and trondhjemite intrusion channels and traps for gold mineralization should be improved.

6. MINERALIZATION AND ALTERATION

The most abundant sulphides on the is pyrite, however, it is probably less than .5%. Other metallic minerals include specularite, magnetite, pyrrhotite, arsenopyrite and chalcopyrite in trace amounts. Tourmaline was noted in quartz veins and Cr-mica was seen in the drill core dump.

Alteration on the property consists of carbonate, iron carbonate, and sericite associated with shearing throughout all the rock units. These same alteration products with pyrite would be the prime local for gold mineralization of the stratabound type.

Sericite alteration is common throughout the southern intermediate volcanic zone and in the area surrounding the Walsh shaft.

7. GEOCHEMISTRY

A total of 570 soil samples were collected from the Sapawe Lake property (Figures 5 and 6). Soil samples were collected at intervals of 25m along the cut lines, 125 sites could not be sampled because of the extensive cedar and alder swamps on the property. As well, sixty-five rock samples were collected for gold assay.

7.1 Soil Geochemistry

The soil development on the property is immature consisting at the majority of sites as C Horizon. Local B development was seen and is so noted on the lab sheets in Appendix B. Infrequently was the A horizon leach cap seen. The anomalies thus detected are probably quite near to source. Twenty-two percent of the property is covered by swamp.

Samples were collected by grub hoe and placed in kraft paper bags, air dried in the field, then forwarded to Vangochem Lab Ltd. in North Vancouver.

All samples were run for gold, silver, molybdenum, arsenic, lead, zinc and copper to outline precious metal anomalies and to determine if there were any pathfinder or indicator elements with the gold.

Statistics determined on approximately half the samples by Vangochem are as follows:

	Mean m	Standard Deviation d	Threshold (m + 2d)	Anaomalous (m + 3d)
Au	5.1	11.9	28.9	40.8
Ag	0.3	2.7	5.7	8.4
Mo	0	3.5	7.0	10.5
As	11.5	39.0	89.5	128.5
Cu	.5	3.8	8.1	11.0
Pb	15.6	16.6	48.8	65.4
Zn	33.1	23.7	80.5	104.2

Three anomalous gold areas are considered significant:
(Figure 5)

TL 4500N	6050E-6100E	max value	130 ppb
TL 5000N	5950E	spot high	110 ppb
TL 5000N	5050E	spot high	240 ppb (contamination mill tailing site)
L4300E	stn 5275-5400N	max value	80 ppb
L4400E	stn 5300N	value	30 ppb

Low magnitude gold values of 10 ppb or greater have been outlined
(Figure 5, 9) to see if trend value can be tied to geology
observations or geophysical inferences.

Copper anomalies have been contoured on Figure 6. All other
values for the remaining elements are in the background range.

7.2 Rock Assay

Sixty-four rock samples were collected from the property and
assayed by Vangeochem Lab using conventional fire assay methods.
A listing of the assays and rock descriptions is included in
Appendix A. Locations for the grab samples are plotted on
Figure 9.

Values of interest ranged from 0.03 to 0.782 oz/st Au and came
from overgrown trenches 29/5, 15, 16 and the north end of L 4300E.
No visible gold was seen on the property, the encouraging assay
results seem to correlate with disseminated pyrite and the altered
contacts of intermediate volcanics with mafic and trondhjemite
rocks.

8. GEOPHYSICAL SURVEYS

A ground magnetic survey of 19 km of line and an IP (time domain) and
resistivity survey of nearly the total grid was undertaken. Those
surveys were under the supervision of Roger Watson, a consultant with

Paterson, Grant and Watson Ltd. of Toronto. A separate report on the magnetics and induced polarization effects is in preparation.

8.1 Magnetometer Survey

A ground magnetic survey of the grid lines was undertaken using a staff mounted porton precision magetometer. Total field readings were regularly taken at 25m intervals and at 12.5m when a large magnetic change occurred.

8.2 Discussion of Results

The results of the survey are plotted and contoured on Figure 7. On Figure 9 the writer has outlined the major magnetic units. The long, broad magnetic highs east of L 5400E delineate the contact zones between the intermediate volcanics and the mafic volcanics quite well.

On L 5400E station 5150N a circular mag positive within the broader feature is related to an underlying gabbro.

West of L 5400E the broad magnetic zones break up into smaller discrete feature. Associated with the Walsh shaft and drilled area are three magnetic highs on strike. No direct correlation for the remainder of the anomalies can be determined because of limited outcrop exposure.

8.3 Induced Polarization Survey

An induced polarization and resistivity survey was completed on the property. Trouble with transient and eddy currents associated with a 60 cycle current in the gas pipeline resulted in change from a battery powered IP system to a gasoline powered generator unit part way through the survey.

8.4 Discussion

The results and contours of chargeability (filtered), milliseconds are plotted on Figure 8. Five individual anomalies were outlined with the start of a six on L 5300E 5300N. These chargeability anomalies were transferred to Figure 9. The main anomaly, IP-1, runs from L 4700E to L 5050E south of TL 5000N. It is underlain by intermediate volcanics, sheared mafic volcanics and trondjemite. Discrete mag features flank the anomaly. The Anjamin drill hole, S-12 (position assumed), is not considered a definitive test.

IP-2 L 5500E to L 5800E starts in some old trenches along an intermediate mafic volcanic contact and has an associated mag high.

IP-3 L 5500E to L 5600E sheared mafic volcanics intermediate volcanics across an inferred fault zone.

IP5 L 5150E to L 5300E is underlain by mafic volcanics and trondhjemite and has close magnetic associated.

9. REFERENCES

Aeromagnetic Series: (1961) Sapawe, Rainy River District, Ontario, Geological Survey of Canada, Geophysics Paper 1123, 1 inch to 1 mile.

Anjamin Mines Ltd.: (1965-67) Various unpublished maps and data.

Cavey, George, and Barnes, Brett: (1984) Report on the property of Kenergy Resource Corporation, Atikokan Area, Fort Frances Mining Division, Ontario, 11 p.

Geophysical/Geochemical Series: (1980) Atikokan Mine Centre Area (Eastern Part) Airborne Electromagnetic Survey, Total Intensity Magnetic Survey, District of Rainy River, Ontario Geological Survey, Map 80519, 1:20000.

Hawley, J. E.: (1929) Sapawe Lake Area, District of Rainy River, Ontario, Ontario Department of Mines Annual Report, Vol. 38 Part 6, Map 38e, 1 inch to 3/4 mile.

McIlwaine, W. H. and Larsen, C. R.: (1981) Sapawe Lake Area, East Part, Rainy River District, Geological Survey, Preliminary Map P2388 (Revised) Geological Series, 1 inch to 1/4 mile.

Tanton, T. L.: (1938) Quetico (West Half) Rainy River District, Ontario, Canada Department of Mines and Resources, Map 534A, 1 inch to 4 miles.

Thunder Bay Data Series: (1981) Sabawi Lake Area, Preliminary Map P2160, 1 inch to 1/4 mile.

10. STATEMENT OF QUALIFICATIONS

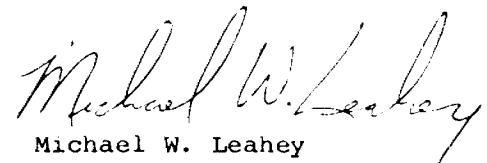
I, Michael W. Leahy, of Thunder Bay, Ontario, do hereby state:

10.1 I am a graduate of St. Francis Xavier University in Antigonish, N.S. with a Bachelor of Science in Geology (1973).

10.2 I have been practicing my profession continually for the last eleven years.

10.3 During the time of the geology survey, I was a private consultant hired by Kenergy Resource Corporation.

- 10.4 I do not have any direct or indirect interest in the property described nor in the securities of Kenergy Resource Corporation.
- 10.5 This report may be used by Kenergy Resource Corporation for all corporate purposes.



Michael W. Leahey

Michael W. Leahey

Dated at Thunder Bay, Ontario
August 17, 1984.

Appendix A

Rock Assays

APPENDIX A

VANGEOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 04-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-002 JOR NUMBER: 84115

PAGE 1 OF 1

SAMPLE #	Field or Trench Number	Au oz/st	Rock Description
11401D	Trench - 13	.052	chloritized mafic rock chips
11402D	Trench - 13-1	.006	quartz vein material
11403D	Trench - 13-2	.006	Dacite porphyry
11404D	Trench - 13-3	.008	Dacite
11405D	EGK Trench - 13	.014	Bulk sample rock chips from trench bottom
11406D	H - trench - 1	.006	Rusty chips mafic volcanic
11407D	H - trench - 2	<.005	Rusty chips mafic volcanic
11408D	L23-34 Lakeshore showing	<.005	Carbonate schist zone
11409D	L23-35 Lakeshore showing	<.005	South quartz vein 10 cm
11410D	L23-36 Lakeshore showing	<.005	Footwall schist of main vein
11411D	L23-37 Lakeshore showing	<.005	Chips across main quartz vein
11412D	L23-38 Lakeshore showing	<.005	Stock work vein system
11413D	L23-39 Lakeshore showing	<.005	Fe carb shist hanging wall
11414D	L23-40 Lakeshore showing	<.005	North quartz vein fold
11415D	L23-41	<.005	Sericite rust zone north
11416D	Drillcore dump	<.005	Fe carb parallel to foliation in mafic volcanic
11417D	Drillcore dump	<.005	Quartz vein material disseminated, apy & tourmaline

DETECTION LIMIT
 1 Troy oz/short ton = 34.28 ppm

1 ppm = 0.0001% ppm = parts per million

Signed:

APPENDIX A

VANGEOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-008 JOB NUMBER: 84131

PAGE 1 OF 3

SAMPLE #	Field or Trench Number	Cu %	Au oz/st	Rock Description
11418D	Trench - 17-90	--	<.005	Quartz vein material with arsenopyrite
11419D	Trench - 17-91	--	<.005	North quartz vein by blasthole
11420D	Trench - 17-92	--	<.005	Fe carb in trondjemite
11421D	Trench - 15-93	--	.702 *	Hanging wall above quartz vein disseminated py
11425D	Trench - 15-94	--	.112	Quartz vein disseminated pyrite
11423D	Trench - 15-95	--	<.005	Fe stain, disseminated py in trondjemite
11424D	Trench - 13E-99	--	<.005	Sheared trondjemite narrow qtz stringers
11425D	Trench - 13E-100	--	<.005	Quartz vein disseminated pyrite
11426D	Trench - 13E-101	--	<.005	Footwall cherty mafic volcanics
11427D	Trench - 13E-102	--	<.005	Quartz vein east end of trench
11428D	L - 30-103	--	<.005	Sheared quartz 10 metres east of square pit
11429D	Trench - 1929/5-104	--	.142	Intermediate to mafic volcanics abundant sylphide
11430D	Trench - 1929/5-105	--	.730 *	*Footwall pyritized schist, quartz fragments
11431D	Trench - 1929/5-106	--	.008	Quartz stringers 21 metres south of baseline
11432D	Sample Not Assayed	--	15	
11433D	Trench - 16-108	--	.106	Sericitized trondjemite, pyrite & quartz
11434D	Trench - 16-109	--	.008	Massive quartz
11435D	Trench - 16-110	--	.006	Fe Carb schist (mafic volcanic)
11436D	L - 30-111	--	<.005	Square pit Fe Carb & Quartz
11437D	Trench - 1929/5-112	--	<.005	Schist near quartz vein

DETECTION LIMIT

1 troy oz/short ton = 34.28 ozm

1 ppm = 0.0001% 0.1

.005

ppm = parts per million

Signed:

* All assays were made in October 1984

APPENDIX A

VANGEOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 386-5211 Telex: 04-352578

PREPARED FOR: KEMERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-008 JOB NUMBER: 84131

PAGE 2 OF 3

SAMPLE #	Field or Trench Number	Cu %	Au oz/st	Rock Description
11438D	L - 29-81 south shore Sapawe	--	<.005	Fe Formation oxide & sulphide facies
11439D	L - 29-82	--	<.005	rhyodacite porphyry
11440D	L - 29-83	--	<.005	sericite schist
11441D	L - 29-84	--	<.005	mafic volcanics
11442D	L - 29-85	--	<.005	dacite porphyry east of sericite alteration
11443D	L - 29-86	--	<.005	dacite porphyry south of sericite alteration
11444D	L - 29-87	--	<.005	mafic volcanics north of sericite alteration
11445D	L - 27-94 Lakeshore	--	<.005	Fe Carb chips from mafic volcanic
11446D	L - 29-78	--	<.005	mafic volcanic dissems pyrite & arsenopyrite
11447D	L - 29-77	--	<.005	cherty fragmental dissems py & po trench L55E
11448D	L - 29-76	--	<.005	Fe carb schist trench L55E
11449D	L - 29-73	--	<.005	Rusty mafic volcanic dissems sulphide
11450D	L - 29-75	--	<.005	Quartz vein trench L55E
11451D	L - 27-67	--	<.005	1M wide quartz vein
11452D	L - 27-66	--	<.005	Fe carb sericite schist
11453D	L - 27-65	--	<.005	Fe carb
11454D	L - 27-64	--	<.005	3m massive quartz vein
11455D	L - 27-63	--	<.005	Crack seal quartz vein
11456D	L - 27-62	--	<.005	quartz vein
11457D	L - 27-61	--	.006	sericite,serpentine schist

DETECTION LIMIT

1 Troy oz/short ton = 34.28 ppm

1 ppm = .01 .0001% ppm = parts per million

Signed:

APPENDIX A

VANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

REPORT NUMBER: 84-49-008 JOB NUMBER: 84131

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

PAGE 3 OF 3

SAMPLE #	Field or Trench Number	Cu %	Au oz/st	Rock Description
11458D	L - 26-51	--	.005	Intermediate volcanic porphyry
11459D	L - 24-45	.01	.005	MAFIC volcanic disseminated & specturalite
11460D	L - 18-17	.05	.005	Disseminated in intermediate volcanic
11461D	L - 22-27	--	.005	Trondhjemite sericitized
11462D	L - 22-28	--	.030	Trondhjemite schist
11463D	L - 22-30	--	.005	Quartz vein
11464D	L - 22-31	--	.005	Sericite schist
11465D	near by property	--	.005	
11466D	near by property	--	.006	
11467D	near by property	--	.006	
11468D	nearby property	--	.006	

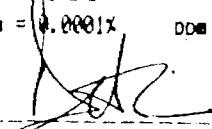
DETECTION LIMIT

1 Troy oz/short ton = 34.28 oz

1 ppm = .0001%

.01 .005
ppm = parts per million

Signed:



APPENDIX A

VANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCE CORP.
 NOTES: nd = none detected
 : — = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-001 JOB NUMBER: 84185

PAGE 1 OF 1

SAMPLE #	Mo %	Au oz/st	
M 1	<.01	.006	
M 2	<.01	.006	
M 3 Near by	<.01	.006	
M 4 property	<.01	.006	
M 5	<.01	.005	
WS 1 Walsh Shaft millsite	<.01	.782	Pyrite concentrate in remains of wooden box

COPY

DETECTION LIMIT

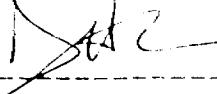
1 Troy oz/short ton = 34.28 ppm

.01 .005

1 ppm = 0.0001%

ppm = parts per million

Signed:



Appendix B

Soil Results

APPENDIX B

VANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: : nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-48-006

JOB NUMBER: 84107

PAGE 1 OF 6

SAMPLE #	Mo	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
4700E 4750N	2	45	25	72	.2	10	20
4700E 4775N	2	25	16	56	.2	10	20
4700E 4800N	2	8	15	62	.3	nd	2
4700E 4825N	1	9	15	35	nd	5	2
4700E 4850N	2	10	16	33	.2	5	4
4700E 4875N	1	19	15	24	.3	5	10
4700E 4900N	1	12	14	28	.2	5	2
4700E 4925N	1	15	15	35	nd	5	2
4700E 4950N	3	68	24	85	.3	nd	20
4700E 4975N	1	13	12	28	nd	5	2
4700E 5025NC	2	10	15	19	nd	5	2
4700E 5050N	2	14	16	43	.1	5	4
4700E 5075N	1	12	15	52	.2	nd	2
4700E 5100N	1	10	13	20	nd	5	2
4700E 5125N	2	13	15	33	.2	5	2
4700E 5150N	1	11	11	14	nd	5	2
4700E 5175N	2	12	14	16	nd	nd	4
4750E 4800NC	1	13	17	60	nd	nd	2
4750E 4825NC	1	16	15	43	.1	nd	10
4750E 4850NC	1	15	10	19	nd	nd	25
4750E 4975NC	1	17	16	38	.2	10	4
4750E 5025NB	1	13	17	24	.2	5	4
4750E 5050NC	1	8	16	23	nd	5	2
4750E 5075NB	2	9	15	45	nd	nd	2
4750E 5100NB	2	6	16	34	.3	nd	2
4750E 5125NC	1	10	15	30	.1	5	2
4750E 5150NC	1	14	14	18	.1	5	2
4800E 4725N	1	21	15	34	.2	nd	2
4800E 4750N	1	6	14	48	.1	5	2
4800E 4775N	2	15	16	46	nd	5	2
4800E 4800N	1	8	14	14	.3	10	4
4800E 4825N	1	10	15	34	nd	5	15
4800E 4850N	2	5	16	27	.2	nd	2
4800E 4975N	2	11	14	21	nd	5	4
4800E 5025N	1	9	15	22	.2	10	2
4800E 5050N	1	16	21	25	.1	15	25
4800E 5075N	1	10	14	20	nd	5	2
4800E 5100N	1	11	16	17	.3	5	4
4800E 5125N	nd	10	16	21	.2	nd	4
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 04-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected

: -- = not analysed

: is = insufficient sample

REPORT NUMBER: BA-4B-006

JOB NUMBER: BA107

PAGE 2 OF 6

SAMPLE #	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
485RE 4820NC	1	26	15	34	.8	5	30
485RE 5025NB	nd	9	14	26	.2	5	2
485RE 5050NB	1	10	15	47	.4	5	4
485RE 5075NB	1	11	17	36	.4	5	4
485RE 5100NB	2	11	19	35	nd	nd	4
485RE 5125NC	2	18	16	37	.4	5	4
485RE 5150NC	2	25	21	47	.4	nd	4
490RE 4725N	2	11	15	20	.1	5	10
490RE 4750N	1	195	21	81	.5	nd	4
490RE 4775N	2	18	15	56	.6	nd	2
490RE 4800N	2	10	16	24	.1	5	4
490RE 4825N	3	10	16	10	.2	5	30
490RE 5025N	2	20	20	34	.8	10	25
490RE 5050N	2	32	18	30	.2	10	50
490RE 5075N	2	21	20	72	.3	nd	30
490RE 5100N	2	13	17	66	.3	5	2
490RE 5125N	2	9	15	31	.2	5	4
490RE 5150N	1	11	19	26	.2	5	15
490RE 5175N	1	16	15	18	.2	5	25
490RE 5194N	1	10	11	15	.3	5	60
495RE 4800N	2	25	16	22	.4	5	50
495RE 4950NC	2	11	15	25	.3	5	2
495RE 4975NC	2	12	21	34	.2	5	4
495RE 5025NB	1	10	15	35	.4	5	2
495RE 5050NC	2	10	18	44	.6	10	50
495RE 5075NC	1	17	14	20	.3	10	4
495RE 5100NC	2	6	15	27	.3	15	2
495RE 5175NB	2	45	27	72	.2	5	10
495RE 5225NC	1	16	19	32	.5	10	4
495RE 5250NC	2	12	15	34	.3	5	10
495RE 5275NC	2	6	12	20	nd	nd	4
495RE 5300NC	1	9	15	15	.2	nd	2
500RE 4725N	2	25	6	40	.3	nd	20
500RE 4750N	3	15	14	43	.4	nd	10
500RE 4775N	2	15	15	27	.4	nd	10
500RE 4800N	3	14	15	20	.2	10	10
500RE 4900N	1	10	12	20	.1	5	10
500RE 4925N	2	21	14	25	.3	10	4
500RE 4950N	2	9	13	27	.2	10	2
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: RENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-48-006

JOB NUMBER: 8A187

PAGE 3 OF 6

SAMPLE #	No	Cu	Pb	Zn	Ag	Au	As
	00#	00#	00#	00#	00#	00#	00#
SRRE 4975N	1	7	16	25	.3	5	2
SRRE 5832N	1	5	14	38	.2	nd	2
SRRE 5850N	1	5	15	41	.1	nd	20
SRRE 5875N	1	6	11	17	nd	nd	25
SRRE 5100N	2	12	15	33	.1	nd	2
SRRE 5200N	2	36	16	62	nd	5	25
SRRE 5225N	2	31	28	41	nd	5	10
SRRE 5250N	1	7	14	16	.1	5	4
SRRE 5275N	2	14	251	76	1.8	5	4
SRRE 4800NC	1	16	48	38	.3	5	20
SRRE 4900NC	1	26	29	112	.2	5	150
SRRE 4925NB	2	18	18	38	nd	15	2
SRRE 4950NB	3	35	17	48	.6	10	100
SRRE 4975NC	2	16	281	183	2.5	nd	4
SRRE 5025NC	2	17	23	51	.4	5	4
SRRE 5050NB	1	25	17	39	.6	15	4
SRRE 5075NB	1	9	15	24	.1	nd	2
SRRE 5100NB	1	5	14	19	nd	5	2
SRRE 5175NB	1	7	13	15	.1	nd	2
SRRE 5200NB	1	8	10	18	.2	nd	2
SRRE 5225NC	1	14	16	25	.2	5	20
SRRE 5250NC	1	18	18	14	nd	5	4
SRRE 4900NC	2	70	135	130	1.6	5	20
SRRE 4925NB	2	18	16	29	.1	nd	2
SRRE 4950NC	1	18	19	34	.3	nd	10
SRRE 4975NC	2	9	19	29	.3	5	2
SRRE 5025NC	2	14	15	26	.3	5	4
SRRE 5050NB	3	8	17	27	nd	5	4
SRRE 5075NB	2	17	14	28	nd	5	4
SRRE 5100NB	1	25	15	26	nd	5	25
SRRE 5125NB	1	6	14	26	nd	5	2
SRRE 5150NB	2	18	29	49	.2	nd	80
SRRE 4850NC	2	48	28	38	.4	nd	30
SRRE 4900NC	3	126	38	118	2.0	10	600
SRRE 4950NC	3	25	19	61	nd	5	30
SRRE 4975NC	1	9	15	25	.4	5	2
SRRE 5025NB	1	18	18	48	.4	10	4
SRRE 5050NC	2	11	15	25	nd	5	4
SRRE 5075NC	1	18	14	28	.1	5	2
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANGEODEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-48-W86 JOB NUMBER: 84107

PAGE 4 OF 6

SAMPLE #	Mg ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
5150E 5100NB	2	23	16	21	nd	nd	nd
5150E 5125NC	2	10	20	35	.2	10	4
5150E 5200NB	1	8	16	22	nd	nd	2
5150E 5275NB	1	10	16	21	nd	5	2
5150E 5300NC	2	7	19	22	.1	nd	2
5200E 4725NB	1	9	20	59	.4	nd	10
5200E 4750NB	2	14	22	33	.3	nd	4
5200E 4775NC	2	24	21	59	.3	5	10
5200E 4850N	1	12	16	19	.1	5	4
5200E 4900NB	1	15	14	17	nd	nd	25
5200E 4925NC	1	11	15	48	nd	nd	4
5200E 5025NC	1	6	17	48	.1	nd	nd
5200E 5050NB	2	10	16	38	nd	nd	2
5200E 5075NC	1	6	20	37	nd	nd	2
5200E 5100NC	2	7	19	44	.2	5	2
5200E 5125N	2	17	33	58	.7	nd	38
5200E 5150NC	2	12	15	29	.2	5	2
5200E 5175NC	1	10	13	22	.2	nd	nd
5200E 5200NC	1	10	10	28	.1	10	2
5200E 5300NC	2	8	11	29	.1	nd	nd
5200E 5325NC	2	17	15	69	.2	nd	2
5200E 5350NB	2	25	34	76	.2	nd	2
5200E 5375NC	2	75	31	72	.7	nd	10
5250E 4850NC	nd	28	12	23	nd	10	4
5250E 4875NC	1	27	65	48	.5	10	20
5250E 4900NC	2	11	15	26	.2	nd	15
5250E 4925NB	2	10	14	23	nd	10	4
5250E 4950NC	1	16	13	26	nd	5	2
5250E 5025NC	1	12	15	26	nd	5	10
5250E 5075NC	1	25	13	76	.6	nd	40
5250E 5100NC	2	21	18	51	nd	5	35
5250E 5150NB	2	6	15	25	.2	5	nd
5250E 5175NB	2	6	16	31	.1	5	2
5250E 5200NC	2	51	23	58	.1	nd	2
5250E 5225NC	2	26	32	64	.4	nd	4
5250E 5250NC	2	16	16	62	.2	5	nd
5250E 5275NB	2	18	14	32	.1	nd	2
5250E 5300NB	1	18	12	35	.1	10	nd
5300E 5050NC	1	11	10	14	nd	nd	4
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANCEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-48-026

JOB NUMBER: 84107

PAGE 5 OF 6

SAMPLE #	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
5300E 5075NC	1	23	16	38	nd	5	25
5300E 5100NC	1	15	15	39	nd	10	15
5300E 5125NC	1	25	15	33	nd	5	28
5300E 5150NB	2	5	14	30	nd	nd	2
5300E 5175NC	2	7	14	49	.1	10	2
5300E 5200NC	2	10	16	68	.3	5	2
5300E 5225NB	2	5	18	36	.1	5	2
5300E 5250NC	1	8	16	29	.2	nd	nd
5300E 5275NC	2	12	11	19	.2	nd	2
5300E 5300NB	2	10	18	22	.1	10	4
5300E 5325NB	1	15	16	45	.2	5	4
5300E 5350NC	2	9	15	38	nd	10	nd
5300E 5375NB	1	26	14	29	nd	10	4
5300E 5400NB	1	4	15	34	1.0	5	2
5300E 5416NC	1	11	19	31	.1	nd	2
5300E 4800NC	2	23	15	41	nd	nd	15
5300E 4825NC	1	6	28	25	.4	5	2
5300E 4850NC	1	27	19	32	.2	5	15
5300E 4925NB	1	13	18	51	.3	5	4
5300E 4950NC	nd	8	14	29	.4	5	4
5000N 4400EB	1	15	36	75	.2	5	4
5000N 4425EB	1	8	19	100	nd	nd	nd
5000N 4450EB	1	5	16	65	.2	5	2
5000N 4500EC	2	22	46	258	.5	10	4
5000N 4525EB	1	5	13	29	nd	10	nd
5000N 4550EB	2	6	41	75	.4	5	nd
5000N 4600EC	1	15	14	26	.2	10	10
5000N 4625EC	2	15	16	38	.2	5	4
5000N 4650EB	1	5	13	28	nd	nd	nd
5000N 4675EC	2	15	19	26	.3	5	nd
5000N 4700EC	2	10	16	35	.5	5	4
5000N 4725EB	1	5	13	23	.4	5	10
5000N 4750EC	1	14	28	40	.2	10	10
5000N 4775EC	2	18	28	34	.4	10	4
5000N 4800EC	1	14	24	52	.5	nd	2
5000N 4825EB	2	28	19	101	.2	5	15
5000N 4850EC	1	22	28	49	.3	5	10
5000N 4875EC	2	21	16	39	.5	10	20
5000N 4900EC	1	15	15	19	.1	5	4
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

YANCOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected

: -- = not analysed

: is = insufficient sample

REPORT NUMBER: 84-48-026

JOB NUMBER: 84107

PAGE 6 OF 6

SAMPLE #	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppm	As ppm
5000N 4925EC	2	21	29	44	.4	10	30
5000N 4950EB	2	3	14	13	.5	15	2
5000N 4975EC	nd	10	14	30	.4	70	60
5000N 5000EC	1	32	10	34	.4	5	100
5000N 5025EC	1	20	15	60	.4	240	150
5000N 5050EC	1	10	12	34	.3	5	4
5000N 5075EB	2	5	14	17	nd	5	2
5000N 5100EB	nd	7	15	21	.3	5	2
5000N 5125EB	nd	6	15	9	.2	nd	2
5000N 5150E	2	10	16	30	.1	5	4
5000N 5175EC	1	15	14	60	.4	nd	20
5000N 5200EB	2	3	7	14	.2	5	2
5000N 5225EC	1	14	13	40	.3	5	4
5000N 5275EB	2	30	35	54	.5	nd	15
5000N 5300EC	2	20	12	39	.4	5	20
5000N 5500E	1	9	9	19	.3	5	2
5000N 5525EB	1	7	16	20	.2	10	2
5000N 5600EB	1	10	15	15	nd	5	2
5000N 5625EB	2	11	9	26	.2	5	20
5000N 5650EB	2	16	14	24	.2	nd	20
5000N 5675EC	1	10	16	31	.3	5	2
5000N 5700EC	1	30	21	45	.3	5	10
5000N 5725EC	1	31	10	28	.3	10	10
5000N 5750EB	2	45	10	40	.4	10	60
5000N 5825EB	2	15	9	36	.3	10	1
5000N 5850EB	1	11	10	15	nd	5	2
5000N 5875EC	1	18	7	23	.2	nd	10
5000N 5900EC	2	20	12	20	nd	30	15
5000N 5925EC	2	3	11	12	.1	5	60
5000N 5950EC	2	5	10	14	.1	110	20
5000N 5975EB	1	11	14	20	.2	5	30
5000N 6000EB	nd	14	12	19	.1	10	80
5000N 6025EB	2	8	13	18	.1	nd	30
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANGEOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : --- = not analysed
 : is = insufficient sample

REPORT NUMBER: B4-49-004 JOB NUMBER: B4106 PAGE 1 OF 9

SAMPLE #	No	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
4300E 5075N	2	51	11	29	nd	nd	30
4300E 5100N	1	18	15	40	.3	nd	15
4300E 5125N	1	8	9	28	.3	nd	4
4300E 5150N	2	10	10	25	.1	nd	2
4300E 5175N	1	9	7	27	nd	nd	2
4300E 5200N	2	12	11	46	nd	nd	4
4300E 5225N	1	14	16	25	nd	nd	4
4300E 5250N	2	19	8	19	.1	nd	2
4300E 5275N	2	10	9	31	nd	40	4
4300E 5300N	2	10	11	19	nd	5	2
4300E 5350N	1	13	6	32	.1	38	80
4300E 5375N	1	5	9	30	.2	nd	4
4300E 5400N	2	18	12	38	.2	80	4
4400E 4850NC	1	11	18	36	.3	10	10
4400E 4900NB	1	19	12	35	.3	nd	4
4400E 4925NC	2	10	12	55	.2	5	4
4400E 4950NC	2	7	40	26	nd	10	2
4400E 4975NC	1	6	10	69	.4	nd	2
4400E 5025NC	1	9	6	69	.1	5	2
4400E 5050NC	1	6	11	104	.2	nd	2
4400E 5075NC	2	52	15	120	.4	5	40
4400E 5100NB	1	13	11	34	.2	nd	2
4400E 5125NB	3	14	10	23	nd	nd	2
4400E 5150NC	1	8	8	34	nd	nd	2
4400E 5175NB	2	6	10	66	nd	nd	2
4400E 5200NC	1	17	9	30	.1	nd	4
4400E 5225NC	1	15	10	40	.1	5	10
4400E 5250NB	1	9	6	24	nd	5	2
4400E 5300NC	1	61	16	81	.2	38	40
4500E 4825NC	2	25	8	35	nd	5	4
4500E 4875NB	1	15	11	49	.2	5	2
4500E 4900NB	1	6	17	48	nd	nd	2
4500E 4925NB	1	14	15	45	.2	nd	4
4500E 4950NB	2	9	8	22	.1	nd	4
4500E 4975NC	1	25	11	74	.2	nd	4
4500E 5025NC	1	56	16	145	.1	5	20
4500E 5050NB	1	19	10	53	.1	nd	10
4500E 5075NC	1	10	9	39	nd	nd	2
4500E 5100NC	1	12	7	29	.1	nd	2
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANCEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004

JOB NUMBER: 84106

PAGE 2 OF 9

SAMPLE #	No ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
4500E 512SNB	2	6	12	39	.1	nd	2
4500E 515SNB	2	8	10	44	.3	nd	2
4500E 520SNB	1	6	11	30	.2	10	4
4500E 522SNB	2	7	14	31	.3	nd	2
4500E 525SNC	2	8	10	26	.1	5	4
4600E 480SNC	1	15	10	35	.2	5	4
4600E 482SNB	2	14	10	44	nd	5	20
4600E 485SNC	2	56	15	95	.2	nd	10
4600E 487SNC	1	6	16	53	.2	nd	2
4600E 490SNB	1	5	14	221	.2	nd	2
4600E 492SNB	2	8	9	74	nd	nd	2
4600E 495SNB	2	8	11	25	.4	nd	2
4600E 497SN	2	14	12	31	.2	nd	2
4600E 507SNB	2	23	8	38	.1	10	20
4600E 510SNC	2	49	9	32	.1	10	600
4600E 512SNB	1	9	11	45	.2	nd	4
4600E 515SNB	2	18	7	29	.2	15	2
4600E 517SNB	1	9	10	36	.3	nd	2
4600E 520SNB	1	9	6	27	nd	nd	2
4600E 522SNC	2	18	9	20	.1	nd	2
4600E 525SNB	2	6	8	19	.3	10	25
4600E 527SNC	1	6	7	19	.2	5	2
4600E 532SNC	2	7	8	24	nd	nd	2
4600E 535SNC	2	5	9	21	.2	nd	2
4600E 537SNB	1	5	9	23	.2	5	2
4600E 540SNB	2	8	9	16	.2	nd	2
4600E 542SNC	2	11	10	38	.1	10	4
4600E 545SNB	1	5	4	18	nd	nd	2
4600E 547SNB	1	4	13	86	nd	nd	4
4600E 550SNB	2	16	11	88	.2	5	150
4600E 552SNB	1	5	8	26	.2	nd	4
4600E 555SNB	1	5	10	29	.2	nd	2
5400E 510SNC	1	21	12	74	nd	10	15
5400E 512SNB	1	5	9	28	nd	nd	10
5400E 515SNB	1	34	9	27	.3	nd	150
5400E 517SNC	nd	8	5	16	nd	nd	4
5400E 520SNC	nd	19	5	23	.2	nd	25
5400E 522SNC	1	9	8	29	.2	5	4
5400E 525SNC	1	6	12	30	.1	nd	2

DETECTION LIMIT

1 1 2 1 0.1 5 2

APPENDIX B

WANGEDCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004

JOB NUMBER: 84106

PAGE 3 OF 9

SAMPLE #	Mo	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
5400E 5275NB	1	2	11	20	.2	10	2
5400E 5300NC	1	5	9	16	nd	nd	4
5400E 5325NB	1	4	6	15	nd	nd	2
5400E 5350NC	1	10	8	13	.4	10	2
5500E 4450NB	2	28	19	151	.2	nd	10
5500E 4475NB	2	21	12	44	nd	10	4
5500E 4500NB	2	22	10	48	nd	5	4
5500E 4525NC	2	34	9	26	.1	nd	20
5500E 4550NC	1	16	13	35	nd	10	2
5500E 4575NC	2	48	20	77	.1	nd	4
5500E 4700NB	1	14	6	16	.1	nd	15
5500E 4725NB	1	14	15	48	.1	5	2
5500E 4750NB	2	11	13	50	.2	10	2
5500E 4775NB	nd	5	10	39	.2	5	4
5500E 4800NB	2	6	9	20	.2	5	10
5500E 4825NC	1	14	10	29	nd	15	4
5500E 4975NB	2	21	10	24	nd	10	10
5500E 5025NB	2	32	10	30	.2	nd	15
5500E 5050NC	2	33	11	41	.1	5	20
5500E 5075NC	2	10	10	25	nd	nd	4
5500E 5100NB	1	13	10	35	.1	nd	10
5500E 5125NB	2	24	10	46	.4	nd	4
5500E 5150NC	1	9	9	34	.3	nd	4
5500E 5175NC	1	15	13	29	nd	nd	35
5500E 5200NC	2	11	12	20	.1	15	10
5500E 5225NC	2	17	12	28	nd	5	15
5500E 5250NC	1	13	13	19	nd	nd	15
5600E 4500N	2	101	15	47	nd	nd	20
5600E 4525N	2	123	21	121	.1	nd	4
5600E 4550N	1	9	10	36	nd	nd	4
5600E 4575N	2	14	9	51	nd	nd	2
5600E 4600N	2	15	13	39	nd	5	10
5600E 4625N	1	10	10	36	nd	nd	4
5600E 4650N	1	14	11	22	.2	5	2
5600E 4675N	1	14	14	34	nd	20	20
5600E 4700N	1	39	13	66	.4	nd	10
5600E 4725N	1	10	11	40	.2	nd	4
5600E 4750N	1	6	6	29	nd	nd	4
5600E 4775N	1	8	10	25	nd	15	20

DETECTION LIMIT

1 1 2 1 0.1 5 2

APPENDIX B

VANCOUVER LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
 NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004

JOB NUMBER: 84106

PAGE 4 OF 9

SAMPLE #	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
5600E 4800N	2	8	13	15	.6	nd	25
5600E 4925N	nd	4	10	10	nd	5	2
5600E 4950N	1	10	15	18	nd	nd	4
5600E 4975N	nd	5	10	9	.1	nd	2
5600E 5025NB	1	31	16	25	.2	nd	20
5600E 5075NC	1	9	13	53	.1	5	4
5600E 5100NB	1	11	19	20	nd	nd	15
5600E 5125NC	1	12	20	21	.1	nd	10
5600E 5150NB	1	7	14	10	.2	nd	2
5700E 4475NC	2	10	16	24	nd	5	4
5700E 4525NC	1	14	16	15	.1	nd	4
5700E 4550NC	1	6	11	13	nd	nd	2
5700E 4575NC	1	10	15	42	.8	nd	15
5700E 4600NC	2	14	12	23	.1	nd	4
5700E 4625NB	2	8	19	25	.3	nd	4
5700E 4650NC	2	10	15	30	.1	nd	10
5700E 4675NC	2	26	14	30	.3	nd	10
5700E 4700NC	2	7	15	31	.3	nd	10
5700E 4750NC	1	5	11	30	.1	10	35
5700E 4950NC	1	13	6	20	nd	nd	30
5700E 4975NC	1	6	10	14	nd	5	4
5700E 5025NC	nd	15	16	55	nd	10	10
5700E 5050NB	1	4	13	29	nd	10	2
5700E 5075NC	2	5	17	40	nd	10	2
5700E 5100NC	1	9	16	45	nd	5	2
5700E 5125NC	1	44	13	40	.2	5	30
5700E 5150NC	1	14	13	34	.2	5	30
5700E 5175NC	3	9	15	20	.1	nd	4
5800E 4475NB	3	6	15	15	nd	5	2
5800E 4525NB	2	8	14	23	.1	10	30
5800E 4555NB	1	10	15	28	.2	10	30
5800E 4575NB	1	9	13	24	nd	10	2
5800E 4600NB	2	34	11	20	.1	nd	10
5800E 4625NC	1	6	12	20	.3	5	2
5800E 4650NC	2	5	14	42	nd	nd	2
5800E 4675NB	2	6	15	31	nd	nd	2
5800E 4700NB	1	9	10	16	.2	nd	2
5800E 4725NC	1	15	21	68	.9	nd	4
5800E 4775NC	3	5	12	20	nd	5	4

DETECTION LIMIT

1 1 2 1 0.1 5 2

APPENDIX B

WANDEOCHM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 04-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004 JOB NUMBER: 84106 PAGE 5 OF 9

SAMPLE #	No	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
5800E 4800NC	2	13	18	19	.1	10	2
5800E 4825NC	1	10	15	16	nd	nd	2
5800E 4850NC	1	10	13	14	.1	nd	2
5800E 4875NB	1	13	13	25	.1	10	4
5800E 5025NB	1	9	9	10	nd	10	2
5800E 5050NB	1	14	18	11	nd	10	4
5800E 5075NB	1	25	11	25	.1	nd	2
5800E 5100NC	2	9	14	17	.1	nd	4
5800E 5125NC	1	12	14	18	nd	nd	2
5900E 4400NB	2	6	10	5	nd	nd	15
5900E 4450NB	1	19	14	15	.3	10	4
5900E 4475NB	nd	14	11	15	nd	10	20
5900E 4525NB	nd	10	11	10	nd	nd	4
5900E 4550NB	1	10	12	15	.1	5	4
5900E 4575NB	2	12	15	20	nd	nd	2
5900E 4600NB	2	18	16	31	nd	10	2
5900E 4625N	2	21	15	38	.6	nd	2
5900E 4650N	2	13	16	16	.1	5	10
5900E 4675N	2	10	14	26	.1	nd	2
5900E 4700NB	1	8	16	14	nd	nd	4
5900E 4725N	3	10	13	22	.1	nd	4
5900E 4750N	2	14	15	32	nd	nd	4
5900E 4775NC	2	10	12	38	nd	nd	25
5900E 4800NB	nd	8	13	35	nd	nd	10
5900E 4825NB	2	9	14	20	nd	5	4
5900E 4850NB	1	19	10	26	nd	nd	2
5900E 4875NC	2	11	16	16	nd	5	2
5900E 4925NC	1	11	14	37	nd	5	4
5900E 4950NB	1	10	11	16	.1	5	4
5900E 4975NB	1	8	13	15	nd	5	2
5900E 5025NB	2	13	13	15	.1	5	4
5900E 5050NB	nd	9	12	28	nd	nd	2
5900E 5075NB	1	6	14	37	nd	nd	4
6000E 4375NB	1	84	15	38	.2	nd	2
6000E 4400NB	1	9	10	12	nd	10	2
6000E 4425N	3	26	17	16	nd	nd	10
6000E 4475NC	2	10	19	38	nd	nd	2
6000E 4525NB	2	13	15	15	nd	nd	4
6000E 4550NB	1	10	19	10	.2	nd	15
DETECTION LIMIT	1	1	2	1	0.1	5	2

APPENDIX B

VANBEDOCHM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : -- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004

JOB NUMBER: 84106

PAGE 6 OF 9

SAMPLE #	Mo	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
6000E 4575NC	nd	11	16	35	nd	nd	38
1000E 4600NB	1	10	12	15	nd	10	18
6000E 4625NB	nd	6	14	15	nd	10	2
6000E 4675NB	2	5	13	27	.2	nd	10
6000E 4700NB	nd	11	14	11	nd	nd	2
6000E 4725NC	1	14	17	35	nd	nd	10
6000E 4750NB	1	5	14	10	nd	10	2
6000E 4775NB	1	4	15	10	nd	nd	2
6000E 4900NC	nd	10	14	17	nd	5	15
6000E 4925NB	1	4	11	11	.2	10	4
6000E 4950NB	2	5	12	15	nd	nd	4
6000E 4975NC	2	3	9	12	.2	nd	10
6100E 4325NC	1	5	9	15	nd	nd	4
6100E 4375N	2	7	8	13	nd	nd	2
6100E 4400NB	nd	14	10	18	nd	nd	2
6100E 4425NC	2	25	20	62	.3	nd	15
6100E 4450NB	3	4	11	16	nd	nd	2
6100E 4475NB	1	5	12	20	nd	5	2
6100E 4525NC	2	13	16	11	nd	nd	10
6100E 4550NC	nd	26	9	10	nd	nd	4
6100E 4620NC	1	5	12	19	nd	nd	2
6100E 4625NB	nd	6	9	10	.1	nd	2
6100E 4650N	2	10	13	25	.2	5	4
6100E 4675NC	2	8	10	20	nd	5	4
6100E 4693NB	2	5	13	34	.3	5	2
6200E 4250NC	2	59	24	48	.4	nd	10
6200E 4275NC	1	24	11	14	nd	5	4
6200E 4380NC	nd	25	14	41	nd	nd	2
6200E 4325NB	nd	5	9	12	nd	nd	4
6200E 4350NC	1	6	7	9	nd	nd	2
6200E 4375NC	1	4	10	14	nd	nd	4
6200E 4425NC	1	36	16	55	nd	nd	25
6200E 4450NB	1	15	12	15	nd	5	10
6200E 4475NB	1	7	14	54	nd	nd	4
6200E 4525NB	2	5	11	13	nd	5	4
6200E 4550NB	nd	4	14	34	nd	nd	2
6200E 4575NC	1	24	15	48	.3	nd	10
6200E 4600NB	2	6	12	20	nd	5	4
6300E 4175NC	1	13	10	11	nd	nd	2

APPENDIX B

VANGEOCHEM LAB LIMITED
1521 Pemberton Avenue
North Vancouver B.C. V7P 2S3
(604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.
NOTES: nd = none detected
: -- = not analysed
: is = insufficient sample

PAGE 7 OF 9

REPORT NUMBER: 84-49-204

JOB NUMBER: B4106

SAMPLE #	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
6380E 4280NB	1	9	14	17	nd	5	4
6380E 4225NC	nd	12	17	18	.2	nd	4
6380E 4250NB	1	15	18	48	.3	nd	2
6380E 4275NB	1	6	19	42	nd	5	2
6380E 4300NB	2	5	15	35	.2		
6380E 4325NB	2	11	15	19	.1	5	4
6380E 4350NC	1	2	11	18	nd	10	2
6380E 4375NC	1	62	19	68	.2	5	2
6380E 4425NC	nd	18	13	15	nd	5	2
6380E 4450NB	1	5	11	18	.2	5	10
6380E 4475NC	1	23	16	26	nd	5	4
6380E 4525NB	2	4	18	13	nd	10	20
6380E 4550NB	2	15	14	26	nd	10	2
6380E 4575NB	1	12	15	25	nd	5	
6400E 4175NB	1	5	54	15	nd		
6400E 4200NB	1	11	13	22	nd	5	2
6400E 4225NB	1	4	18	16	.2	5	2
6400E 4250NC	1	14	16	38	.1	5	2
6400E 4275NC	nd	18	18	16	nd	5	
6400E 4375NC	1	1	6	4	nd		
6400E 4450NC	nd	23	11	15	.2	5	10
6400E 4475NC	1	17	15	37	.1	5	4
6400E 4525NC	1	24	13	24	nd	5	4
6400E 4550NC	nd	3	12	38	nd	10	
6500E 4175NB	nd	5	10	10	nd		
6500E 4200NC	2	11	16	21	nd	20	2
6500E 4225NB	2	13	15	55	.1	5	4
6500E 4250NC	2	26	14	25	nd	10	2
6500E 4300NB	1	13	11	7	nd	nd	
6500E 4325N	1	5	10	nd	nd	nd	
6500E 4525NC	2	7	15	49	nd	5	2
6500E 4575NB	2	12	14	24	nd	10	4
6500E 4600NC	2	10	15	28	nd	5	2
6500E 4625NB	2	4	14	14	nd		
6500E 4150NC	1	15	12	20	.1		
6600E 4175NC	2	6	13	27	.2	5	2
6600E 4200NB	1	5	10	21	nd	nd	10
6600E 4225NC	nd	19	9	22	nd	nd	2
6600E 4250NB	nd	4	8	10	nd	nd	
	1	1	2	1	8.1	5	

DETECTION LIMIT

APPENDIX B

WANGEOCHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

REPORT NUMBER: B4-49-004

JOB NUMBER: 84106

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected

: -- = not analysed

: is = insufficient sample

SAMPLE #

PAGE 8 OF 9

	No opn	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	As ppm
6600E 4275NC	1	19	15	38	nd	10	2
6600E 4600NC	1	20	15	34	nd	nd	2
6600E 4725NB	2	9	16	47	nd	10	4
6700E 4000NC	1	41	19	51	nd	nd	15
6700E 4025NC	1	10	10	75	nd	nd	2
6700E 4050NC	nd	5	8	23	.1	nd	2
6700E 4075NC	2	14	14	35	nd	25	4
6700E 4100NC	2	9	8	31	nd	nd	2
6700E 4125NB	2	8	11	24	.1	10	2
6700E 4150NB	1	20	14	39	nd	5	2
6700E 4175NC	1	16	15	75	nd	5	4
6700E 4200NC	nd	11	14	34	nd	5	2
6700E 4225NC	nd	8	9	11	nd	5	2
6700E 4250NC	1	12	20	16	nd	nd	4
6700E 4275NB	2	17	16	28	nd	nd	2
6700E 4300NB	2	10	15	25	nd	5	2
6700E 4325NC	3	10	13	24	nd	nd	4
6700E 4350NC	2	14	14	28	.1	5	4
6700E 5025NB	2	5	9	16	nd	nd	2
6700E 5050NB	3	29	12	45	.3	nd	4
6800E 4200N	1	17	14	15	.1	nd	60
6800E 4225NC	1	39	20	45	nd	nd	10
6800E 4250NB	1	5	13	10	nd	nd	20
6800E 4275NB	2	5	15	15	nd	nd	2
6800E 4300NB	2	9	13	18	nd	nd	2
6800E 4325NB	2	10	13	28	nd	nd	4
6800E 4350NC	2	6	11	20	.2	nd	2
6800E 4525NC	1	12	12	33	nd	5	4
6800E 4575NC	3	14	14	60	nd	5	2
6800E 4625NC	2	16	10	14	nd	nd	20
4500N 5675EC	1	5	11	10	nd	nd	2
4500N 5700EB	1	8	14	15	nd	nd	2
4500N 5725EC	1	9	15	36	nd	nd	4
4500N 5750EB	2	10	18	40	nd	nd	10
4500N 5775EC	1	16	14	24	nd	nd	15
4500N 5800EC	nd	10	11	19	nd	nd	10
4500N 5825EB	nd	5	10	17	nd	nd	4
4500N 5850EC	1	11	11	15	nd	nd	2
4500N 5875EB	1	7	10	18	nd	nd	2

APPENDIX B

VANGEDICHEM LAB LIMITED
 1521 Pemberton Avenue
 North Vancouver B.C. V7P 2S3
 (604) 986-5211 Telex: 84-352578

PREPARED FOR: KENERGY RESOURCES CORP.

NOTES: nd = none detected
 : --- = not analysed
 : is = insufficient sample

REPORT NUMBER: 84-49-004

JOB NUMBER: B4106

PAGE 9 OF 9

SAMPLE #	Mo	Cu	Pb	Zn	Ag	Au	As
	ppm	ppm	ppm	ppm	ppm	ppb	ppm
4500N 5900EB	2	5	15	10	.2	10	2
4500N 5925EB	1	4	11	8	nd	5	2
4500N 5950EB	2	7	13	14	nd	nd	4
4500N 5975EB	1	5	12	12	nd	5	2
4500N 6000EB	3	8	16	20	nd	5	4
4500N 6025EB	2	38	13	14	nd	5	10
4500N 6050EB	1	6	18	12	nd	10	2
4500N 6075EC	2	20	23	38	nd	58	10
4500N 6100EC	3	19	16	22	nd	130	50
4500N 6175EC	2	5	11	28	nd	10	2
4500N 6200EB	1	5	14	10	nd	nd	2
4500N 6225EB	1	4	14	12	.2	nd	4
4500N 6250EC	1	10	15	26	nd	5	4
4500N 6300EB	2	16	18	20	nd	nd	4
4500N 6325EC	1	9	13	22	.1	10	4
4500N 6350EB	nd	5	9	9	.1	5	2
4500N 6375EC	nd	8	10	17	nd	nd	4
4500N 6400EB	1	7	10	15	.2	nd	2
4500N 6425EC	nd	19	19	36	.3	5	4
4500N 6450EB	2	56	24	100	nd	nd	10
4500N 6475EB	3	8	9	7	nd	nd	2
4500N 6500EB	2	4	5	5	.1	5	2
4500N 6525EC	nd	5	11	10	.1	5	2
4500N 6550E	nd	6	13	17	.1	5	4
4500N 6575EC	1	8	12	16	nd	5	10
4500N 6600EC	nd	19	16	35	nd	5	40
4500N 6625EB	1	27	15	26	nd	nd	4
4500N 6650EC	nd	10	12	22	.3	nd	2
4500N 6800EC	1	106	32	26	.1	10	15
4500N 6825EC	1	27	8	10	.2	5	4

DETECTION LIMIT

1 1 2 1 0.1 5 2

Appendix C

Follow-up Program to 1984 Field season

APPENDIX C

In order to determine the significance of geophysical and geochemical anomalies in areas of good geology, the following phase 2 program is immediately recommended:

Detail geology and prospecting	4500
Rock chip and channel sampling	8000
Assaying	4000
Cleanout of the older trenches	3000
Mechanical trenching and cleaning of IP 1, 2, 3, 4, 5	15000
Camp Cost	<u>3500</u>
	38000
10% Overhead	<u>3800</u>
	<u><u>41800</u></u>

Based on continued encouragement from the foregoing, a phase 3 program of diamond drilling is warranted:

Diamond Drilling (BQ) 2000M x 80M	160000
Assays	4000
Geologist and Core Splitter	9000
Camp Cost	<u>3000</u>
	176000
10% Overhead	<u>17600</u>
	<u><u>193600</u></u>



S2B14SW0010 63.4532 HUTCHINSON

020

REPORT ON
GEOPHYSICAL SURVEYS
ATIKOKAN PROPERTY, HUTCHINSON TOWNSHIP
THUNDER BAY MINING DIVISION, ONTARIO

for

KENERGY RESOURCE CORPORATION

by

PATERSON, GRANT AND WATSON LIMITED

Toronto, Canada

August 1984

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52B14SW0010 63.4532 HUTCHINSON

020C

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Pseudo Sections and Profiles

List of Maps

Induced Polarization Survey - Contours of Chargeability

Induced Polarization Survey - Contours of Apparent Resistivity

Geology Map

Geochemical Survey - Contours of Gold Values

Geochemical Survey - Contours of Copper Values

Magnetometer Survey

1. INTRODUCTION

This report describes the results of an induced polarization survey and a magnetic survey on a group of 22 contiguous mineral claims located on the north side of Lake Sapawe, Hutchinson Township, some 20 km east of Atikokan, Ontario (Fig. 1). The surveys were carried out during the period May 27 to June 30, 1984 by personnel from Kenergy Resource Corporation under the supervision of R. K. Watson of Paterson, Grant and Watson Limited.

The purpose of the surveys is to prospect for conductive and magnetic minerals which may be associated with gold. The induced polarization (IP) method is sensitive to concentrations as low as 1% of pyrite and other conductive minerals. The magnetic survey is used to detect iron formation, a mineral assemblage often associated with gold, as well as to assist in mapping rock types having different amounts of magnetite.

2. SURVEY SPECIFICATIONS

2.1 Instruments

2.1.1 Induced Polarization Survey

Manufacturer - Huntac (70) Ltd., Scarborough, Ontario

Model - Mark 3 Receiver, Mark 4 Lopo Transmitter and
2½ KW Transmitter.

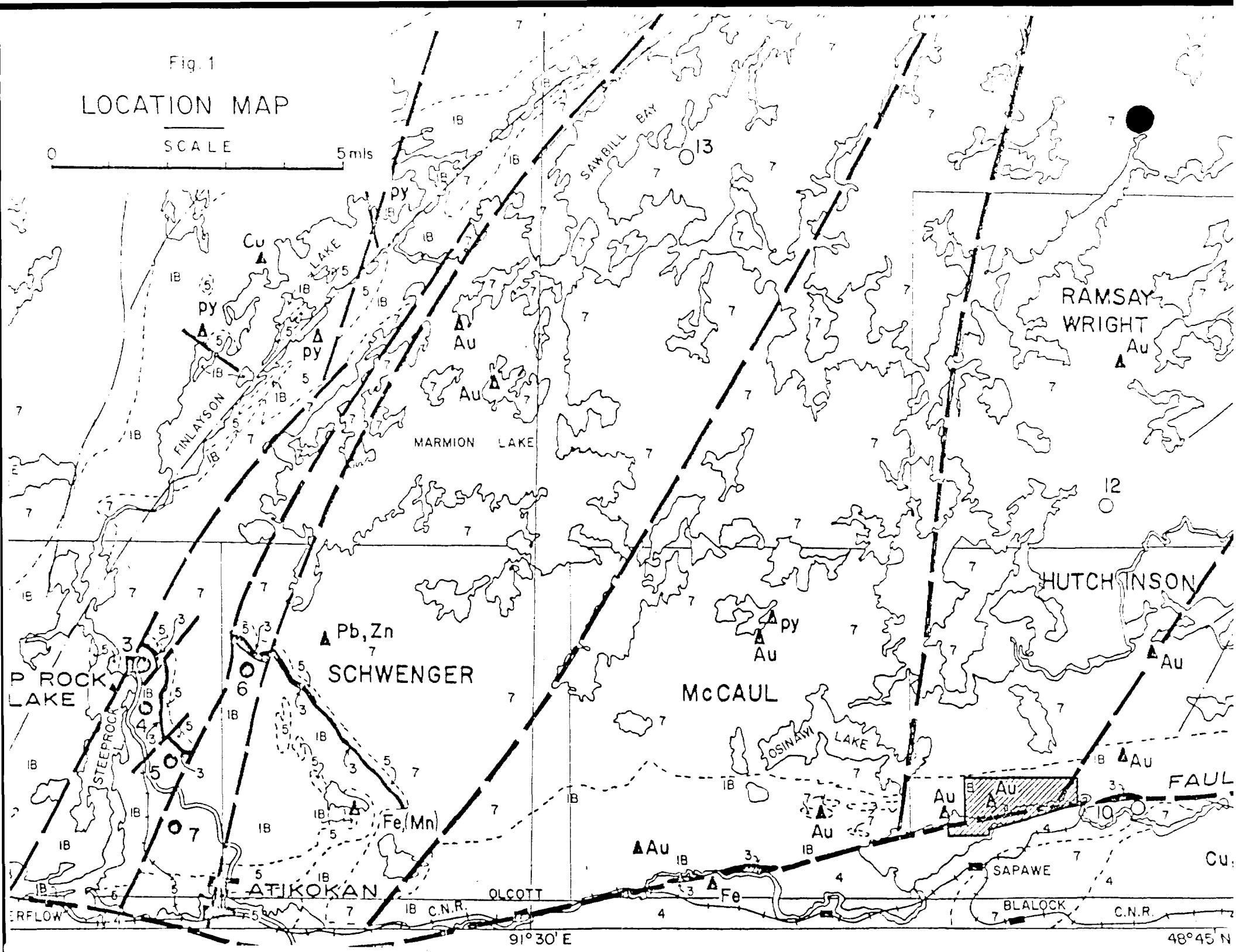
Timing - Period 8 seconds, 2 seconds on, 2 seconds off,
alternate pulses reverse polarity.

Fig. 1

LOCATION MAP

SCALE

5 mls



91°30' E

48°45' N

Electrode configuration = dipole-dipole, and pole-dipole.

Individual lines marked on the
chargeability map as to which type.

Spacings: $a = 25$ meters, $n = 1, 2$ and 3

Quantities Measured:

Chargeability (M_a)

The Huntec MK3 receiver integrated the secondary voltage for a period of 900 milliseconds starting at 480 milliseconds after the transmitter is turned off. The value is normalized to the voltage present when current is on to provide a secondary voltage in terms of percent of primary voltage. The value is converted to chargeability during the processing stage by taking the integration time into account. The final value is reported in millivolt seconds per volt, or milliseconds.

Resistivity (ρ_a)

Apparent resistivity is computed from:

$$a = \frac{V}{I} G \text{ where}$$

I

V = voltage present during transmitter current on.

I = transmitter current in ampex

G = $a n (n+1)(n+2)$ for dipole-dipole array

G = $2 a n (n+1)$ for pole dipole array

Metal Factor (M.F.)

$$MF = \frac{M_a}{\rho_a} \times 1000$$

2.1.2 Magnetic Survey

GSM-8 proton magnetometer manufactured by GEM Instruments, Toronto.

Accuracy = 1 nanotesla (gamma).

Station interval = nominal 25 meters with fill-ins over anomalies.

2.2 Procedures

2.2.1 Induced Polarization Survey

The survey was started using a light weight battery operated transmitter and the dipole-dipole configuration. After 10 of the 32 lines were completed it was decided to change to a more powerful transmitter to overcome strong electrical noise which was present in the vicinity of the natural gas pipeline. This made it necessary to switch to the pole-dipole array and the remaining lines were surveyed this way. In each case the electrode separation was 25 meters and the n values were 1, 2 and 3.

2.3 Data Presentation

The IP data is presented for each line as a combined profile and pseudo section of chargeability, resistivity and metal factor.

The profiles for each section are filtered values applied to the pseudo sections according to a filter proposed by Fraser, 1981.

(1) The coefficients of the filter operator are as shown in the diagram below:

$$\begin{array}{ccc} .1/3 & & \\ .1/6 & .1/6 & \\ .1/6 & & .1/6 \end{array}$$

Anomalies were interpreted from both the pseudo sections and the profiles, and are graded A, B or C according to their amplitude, shape and the relationship between chargeability and resistivity.

Chargeability and resistivity are also presented as contours of the filtered values in plan form. Anomalies were transferred to the chargeability map from the sections and connected from line to line where applicable.

- (1) Fraser, D. G.; Contour Map Presentation of Dipole-Dipole Induced Polarization Data; Geophysical Prospecting, August 1981.

3. EVALUATION OF SURVEY RESULTS

3.1 Induced Polarization Survey

Inspection of the chargeability profiles shows the chargeability in areas of exposed bedrock to be about 8 to 10 milliseconds, which is regarded as the "background" value. Any values which project significantly above this background are considered anomalous and are then examined for characteristics which can be associated with anomalies caused by conductive minerals.

A number of anomalies were selected on this basis and marked on the profile/pseudo sections. They were then graded A, B or C according to their amplitude, shape and the relationship between chargeability and resistivity.

On Lines 4300 E to 6000 E the gas pipeline has produced a chargeability anomaly that dominates all other anomalies. However, the location of the pipeline is known and its effect can be taken into account and separated from adjacent anomalies.

After the anomalies were picked on the profile they were transferred to the chargeability contour map. Using the geology, magnetic and resistivity data as a guide, the anomalies on each line were joined across the lines to form zones. Four main zones were outlined and two other grade A anomalies are marked that remain open to the east or west.

Anomaly Zone 1

This anomaly occurs as a distortion of the broad pipeline anomaly and so its quality and actual location is somewhat uncertain. It is strongest on Lines 4850E and 5000E where the anomalies have been graded A. The chargeability anomalies are about $1\frac{1}{2}$ to twice background on these two lines but are considerably less on the other lines. The zone does conform with the general strike of the country rock and, in spite of the interference of the nearby pipe line, has been selected with reasonable confidence.

A possible cause of this zone is low grade disseminated pyrite and further investigation either by drilling or trenching is recommended on Lines 4850E and 5000E. It is noted that earlier drill holes S-12 and S-13 appear to have intersected the zone and re-examination of the core, if available, would be an obvious first step.

Anomaly Zone 2

This zone is approximately 600 meters in length. Again it is of relatively low amplitude and if the source is pyrite it would be of low grade and finely disseminated.

Several outcrops of iron formation are mapped within the zone (Lines 5200E, 5300E and 5500E). It is quite possible that the magnetite could be the source of this anomaly on these lines.

Follow-up is recommended by drilling on Line 5500E.

Anomaly Zone 3

This zone shows a good chargeability response on Line 5700E, with an associated weak resistivity low. On this line the anomaly is located on iron formation and has an associated magnetic anomaly. This zone is underlain by iron formation in other areas and covers an area of trenching near Line 5500E.

Disseminated pyrite and/or magnetite is a probable cause and a drill hole is recommended on Line 5700E.

Anomalies Zones 4 and 5

These anomalies lie on iron formation and are similar in character to No. 3. Anomaly No. 5 could well continue under a small lake to the west and should probably be completed in winter before being further inspected. Anomaly 4 is recommended for further drilling on Line 5800E.

At the last station on the south end of Line 5500E a set of strong chargeability readings was obtained but could not be completed because of the lake. It is recommended that additional I.P. work be done in this vicinity, including 50 meter lines at 5450E and 5550E, on the lake in the winter.

3.2 Magnetic Survey

The magnetic pattern shows a large number of anomalies of moderately strong intensity (500-2000 gammas) but small in area. Much iron formation has been mapped in the area and it can be

readily assumed that these anomalies represent small pockets of iron formation with the volcanics.

4. SUMMARY

Approximately 16 km of induced polarization and 11 km of magnetic survey were completed over the Atikokan claim group held by Kenergy Resource Corp. The I.P. survey detected four anomalous zones which could be caused by finely disseminated conductive minerals such as pyrite or other sulphides, or in some cases by magnetite. Since it has been found that gold can be associated with these minerals in this geological environment it is recommended they be investigated further by drilling and possibly by trenching and channel sampling where the overburden is not too thick. Specific target areas for this follow-up work are given in the description of each anomalous zone.

Two anomalies were left incompletely covered owing to lakes and it is recommended these be completed during the winter on the ice.

Respectfully submitted,

PATERSON, GRANT AND WATSON LIMITED

Roger K. Watson, Ph.D., P.Eng.

Consulting Geophysicist

PSEUDO - SECTIONS AND PROFILES

Legend

CHARGEABILITY ANOMALIES

||||||| Grade A

..... Grade B

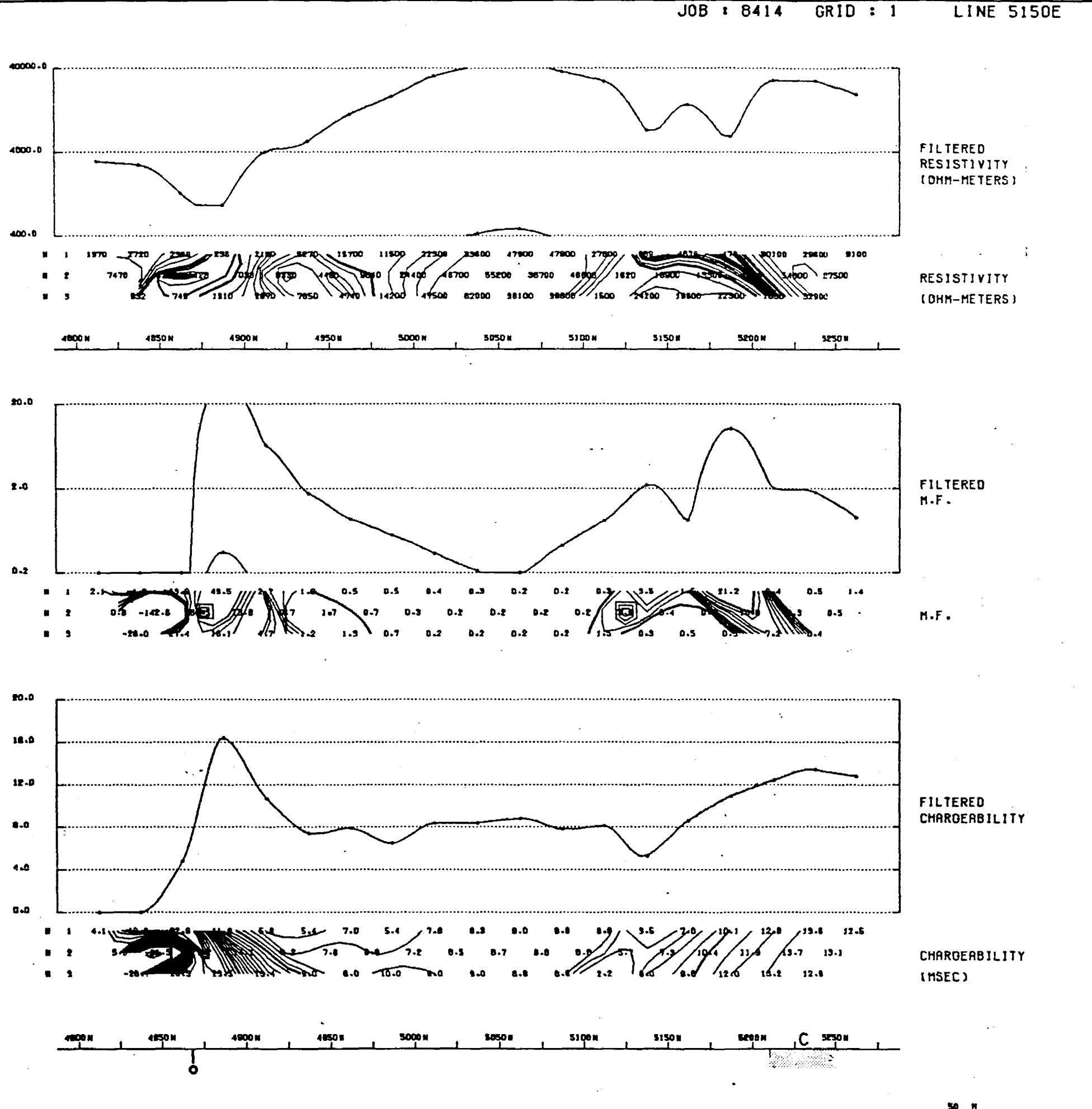
..... Grade C

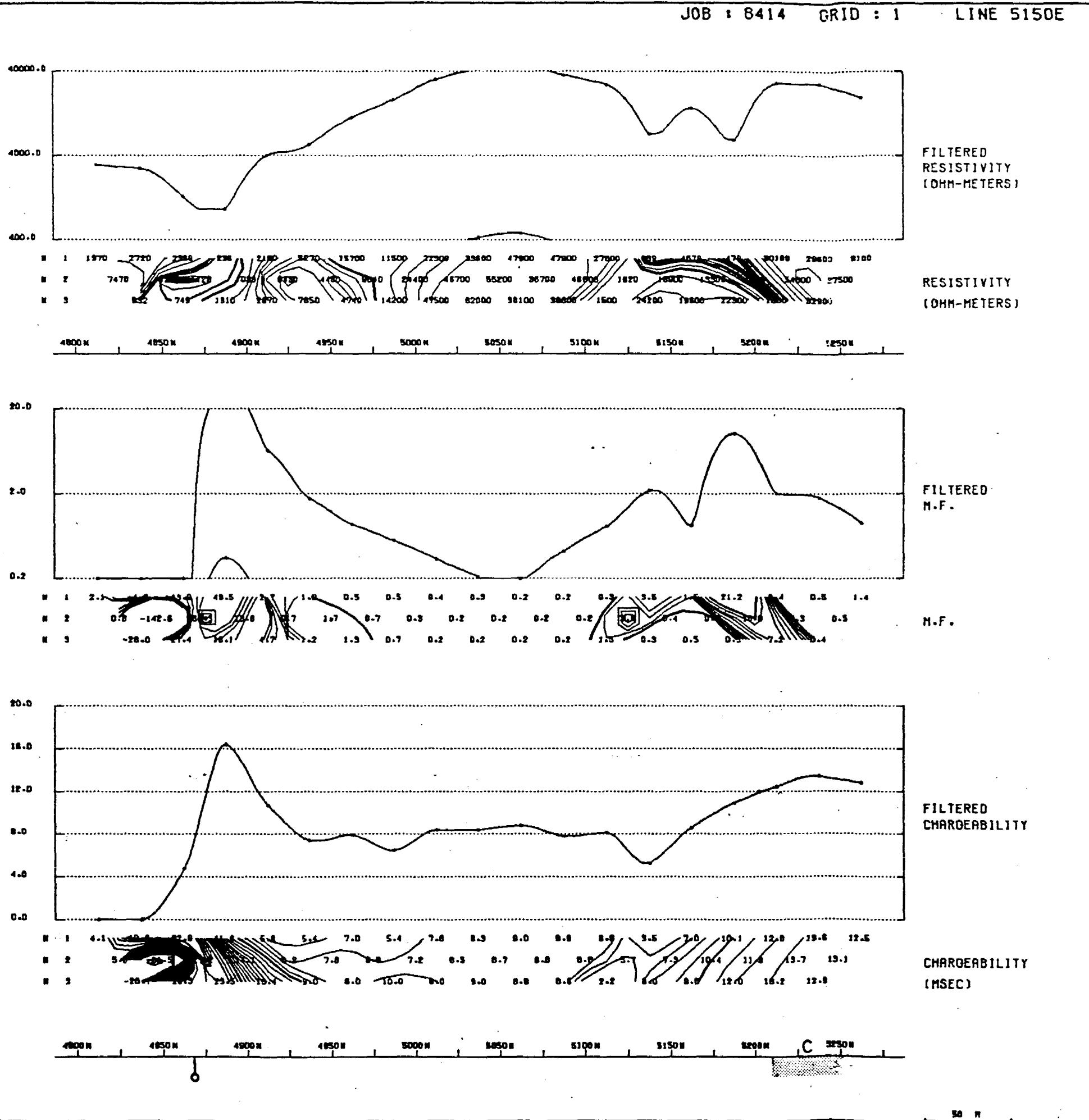
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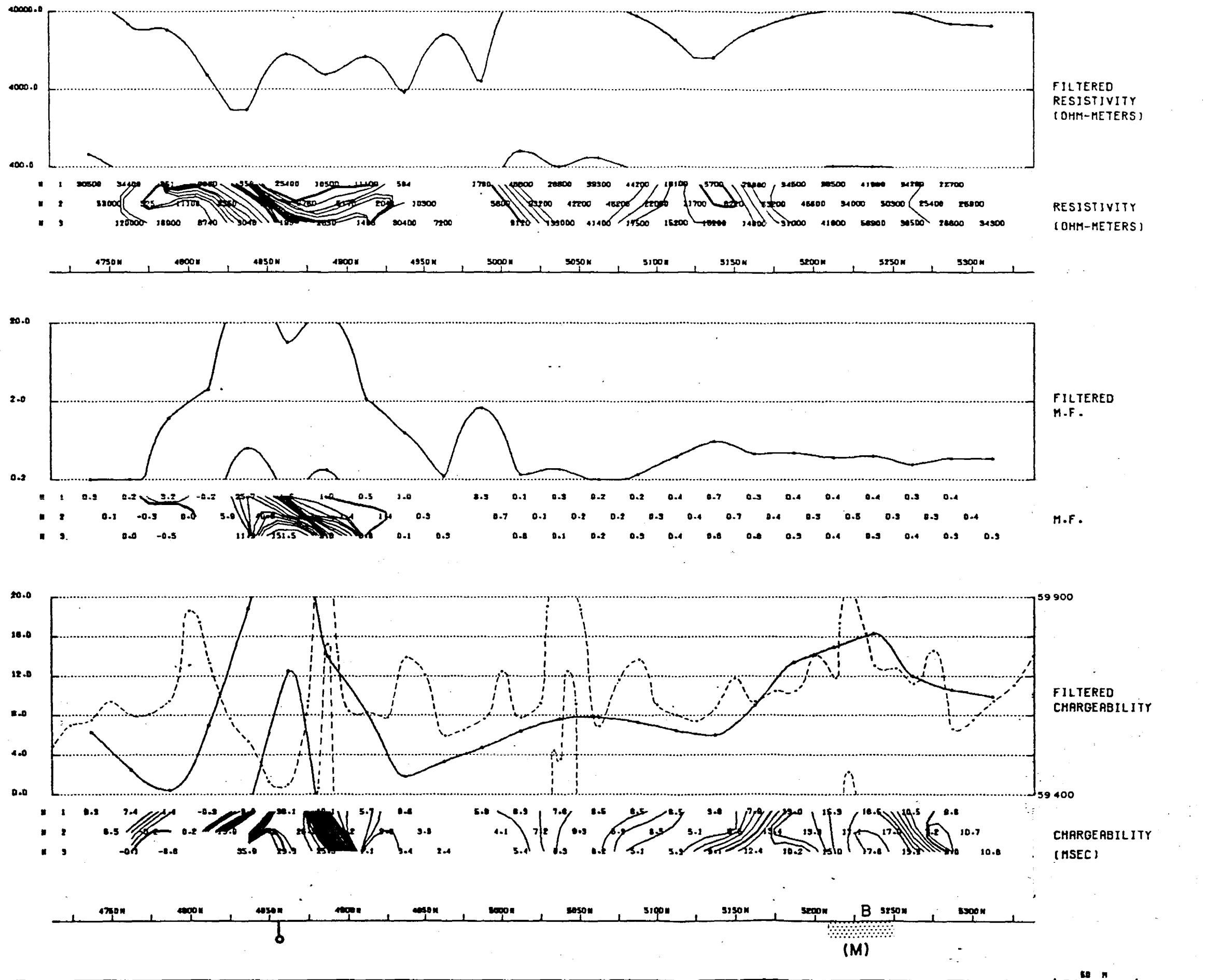
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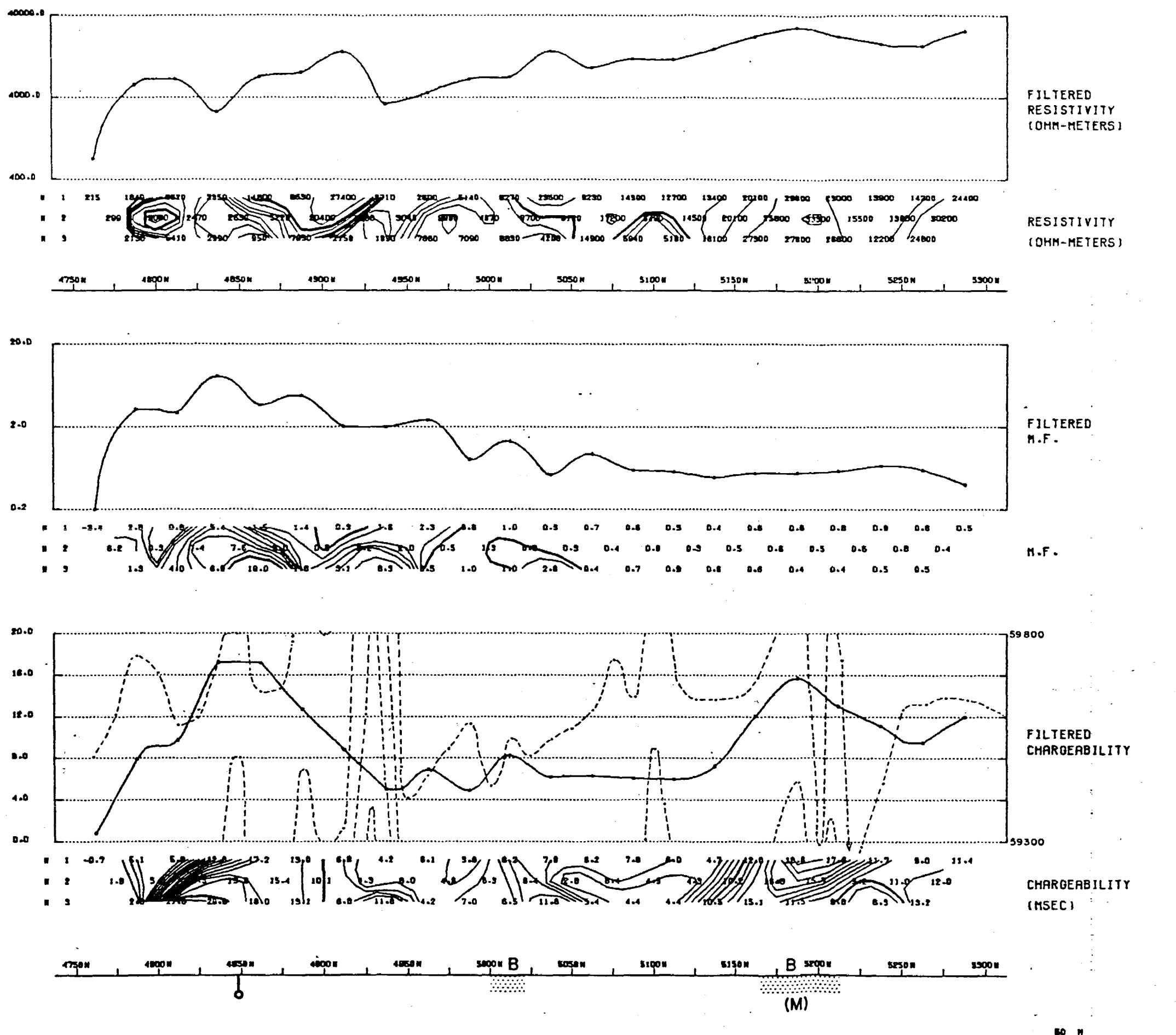
..... Magnetic profile

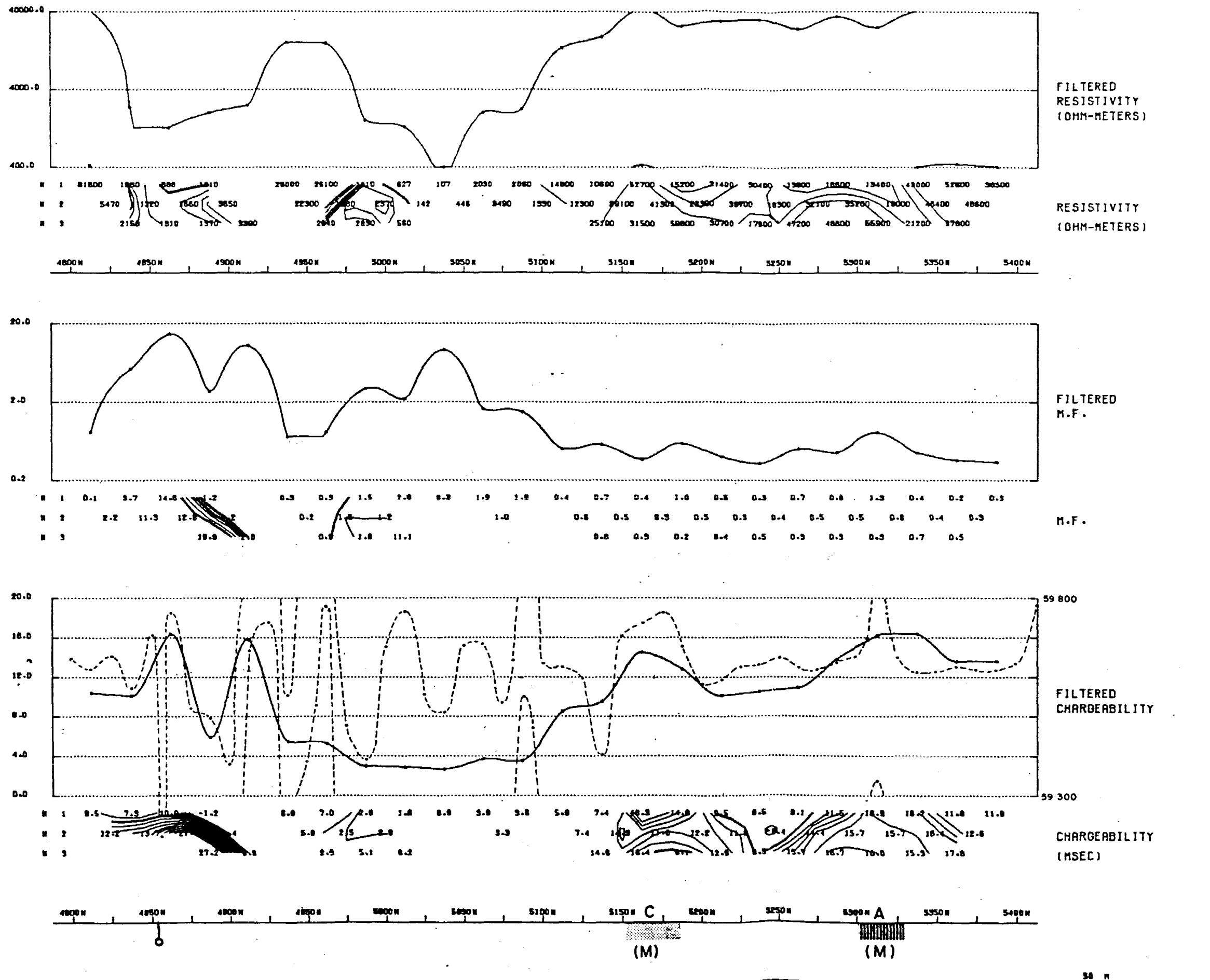
Scale shown on right hand side in gammas

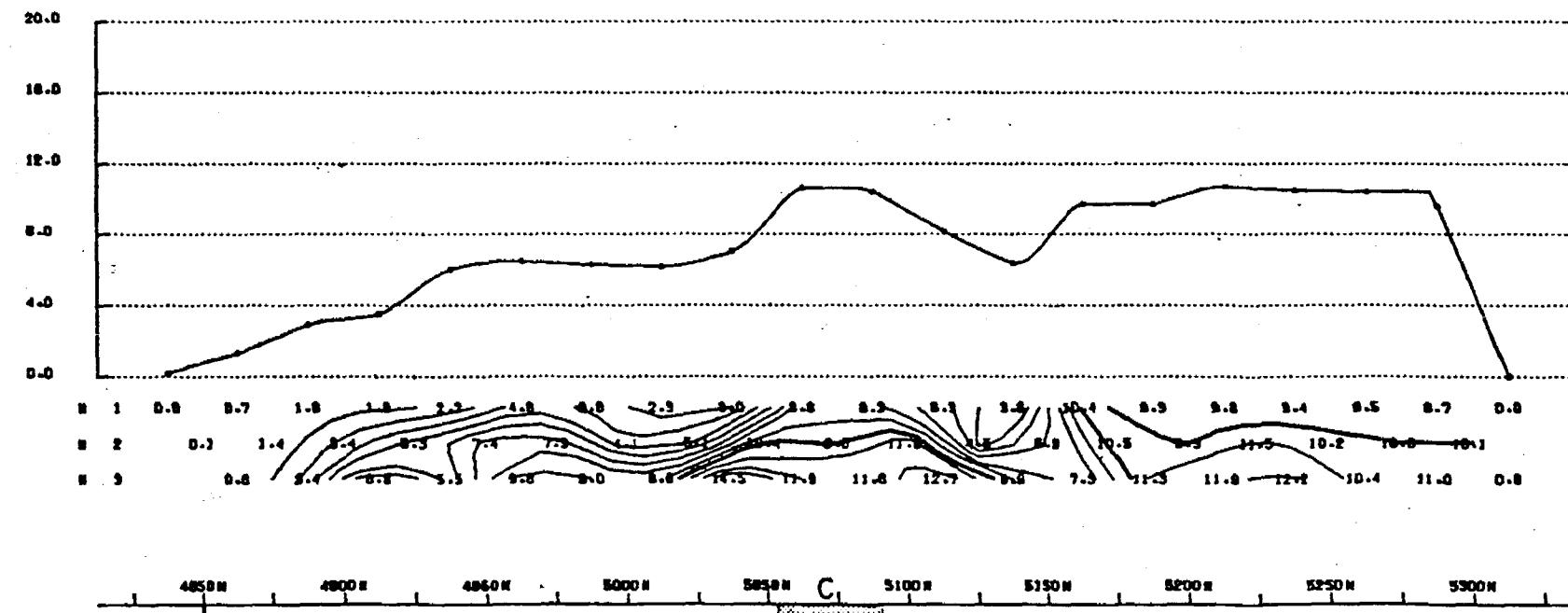
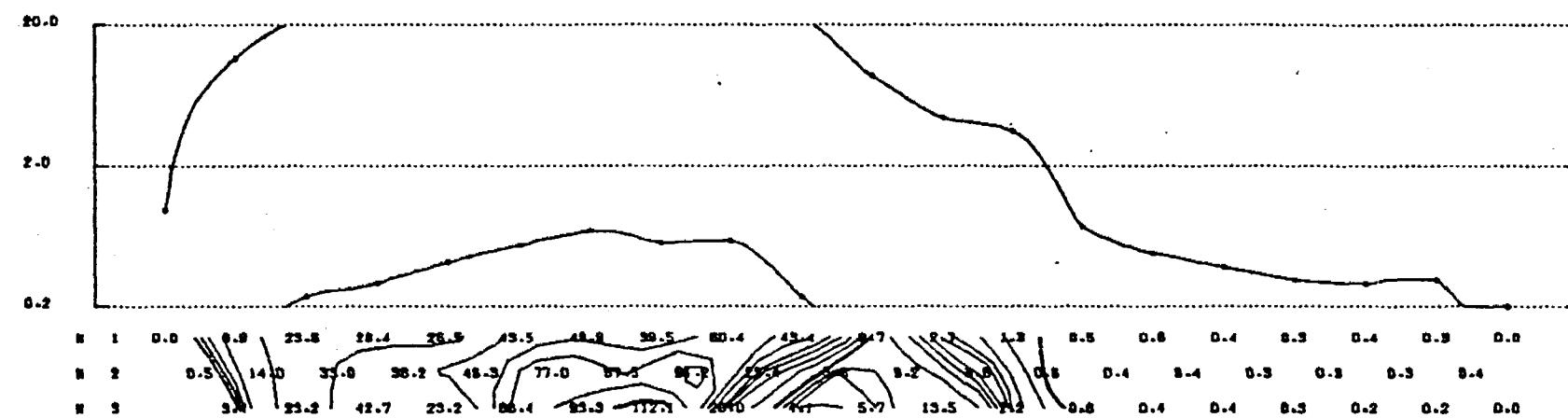
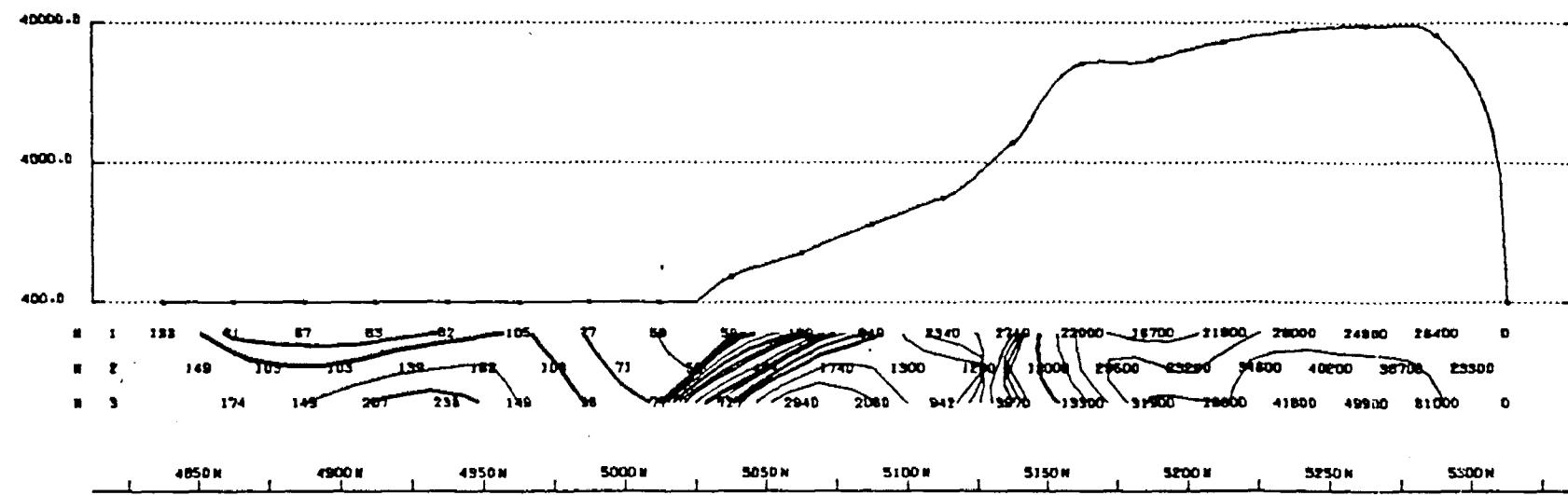




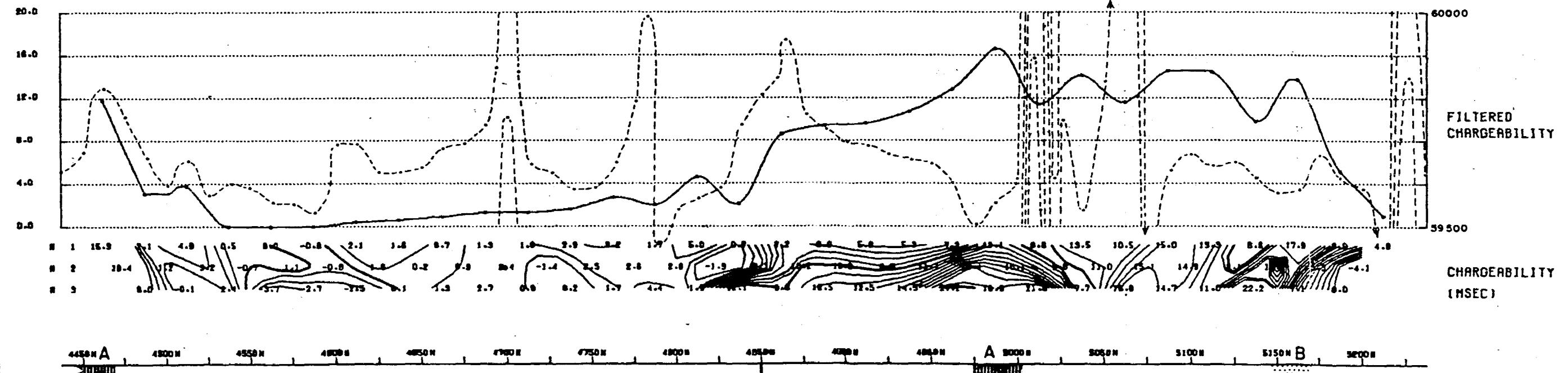
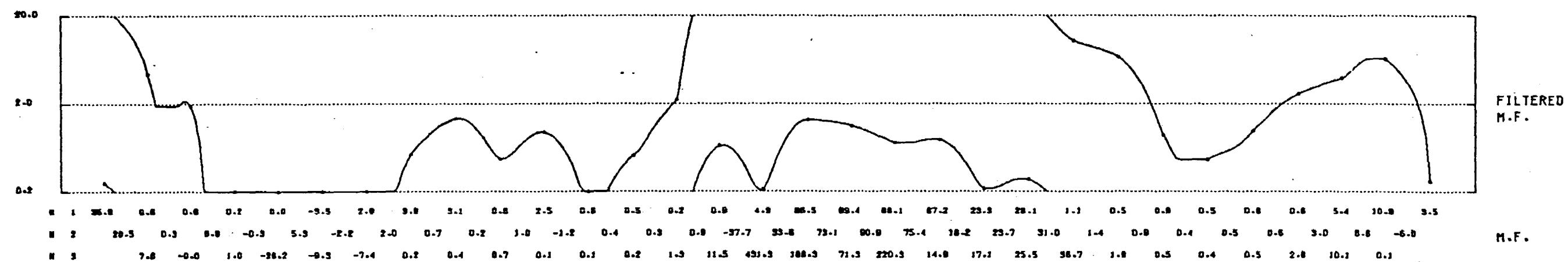
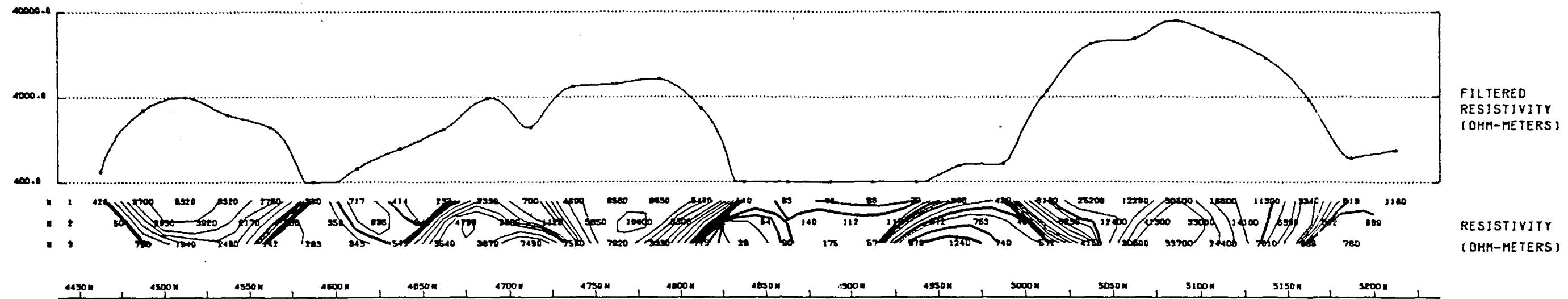


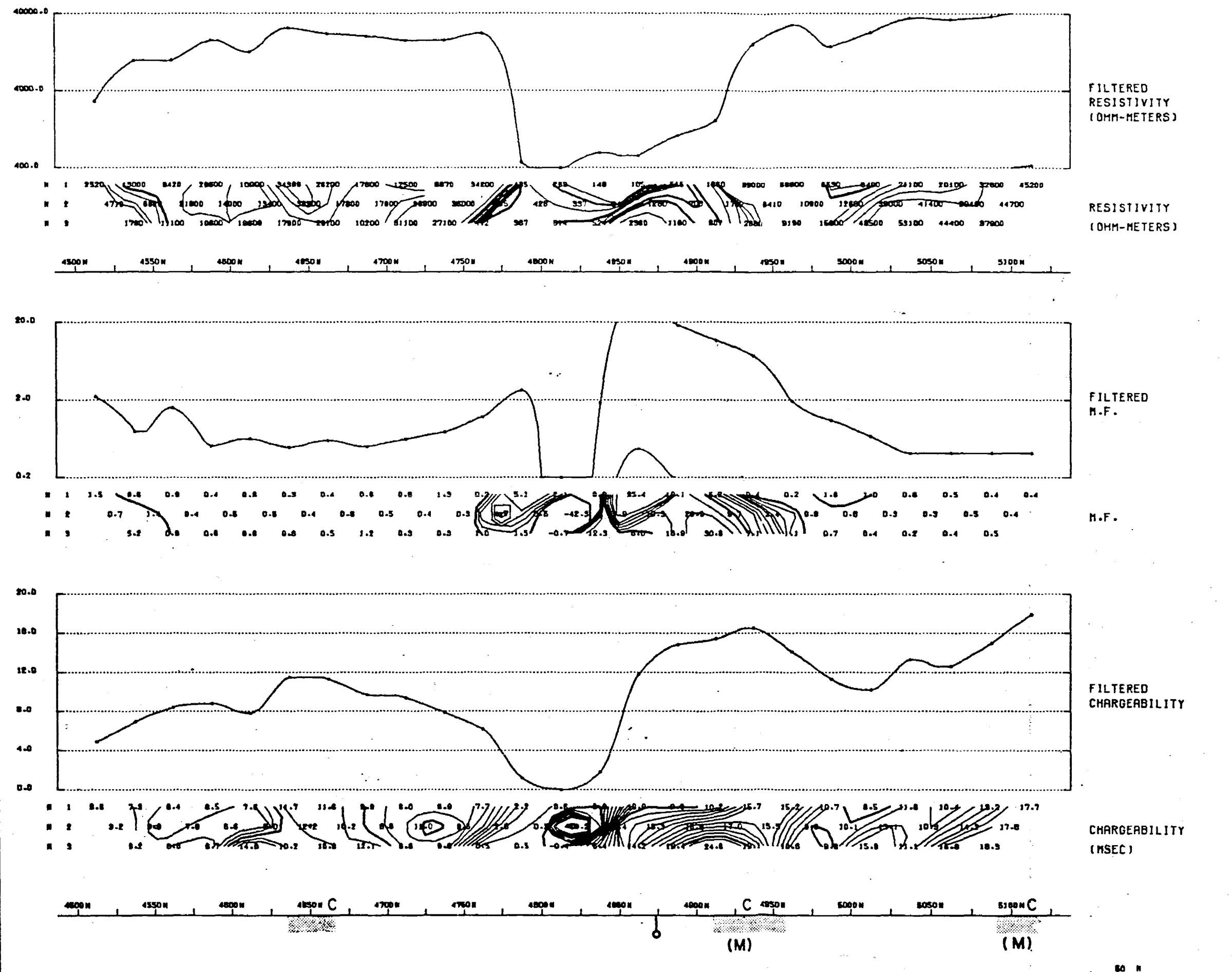


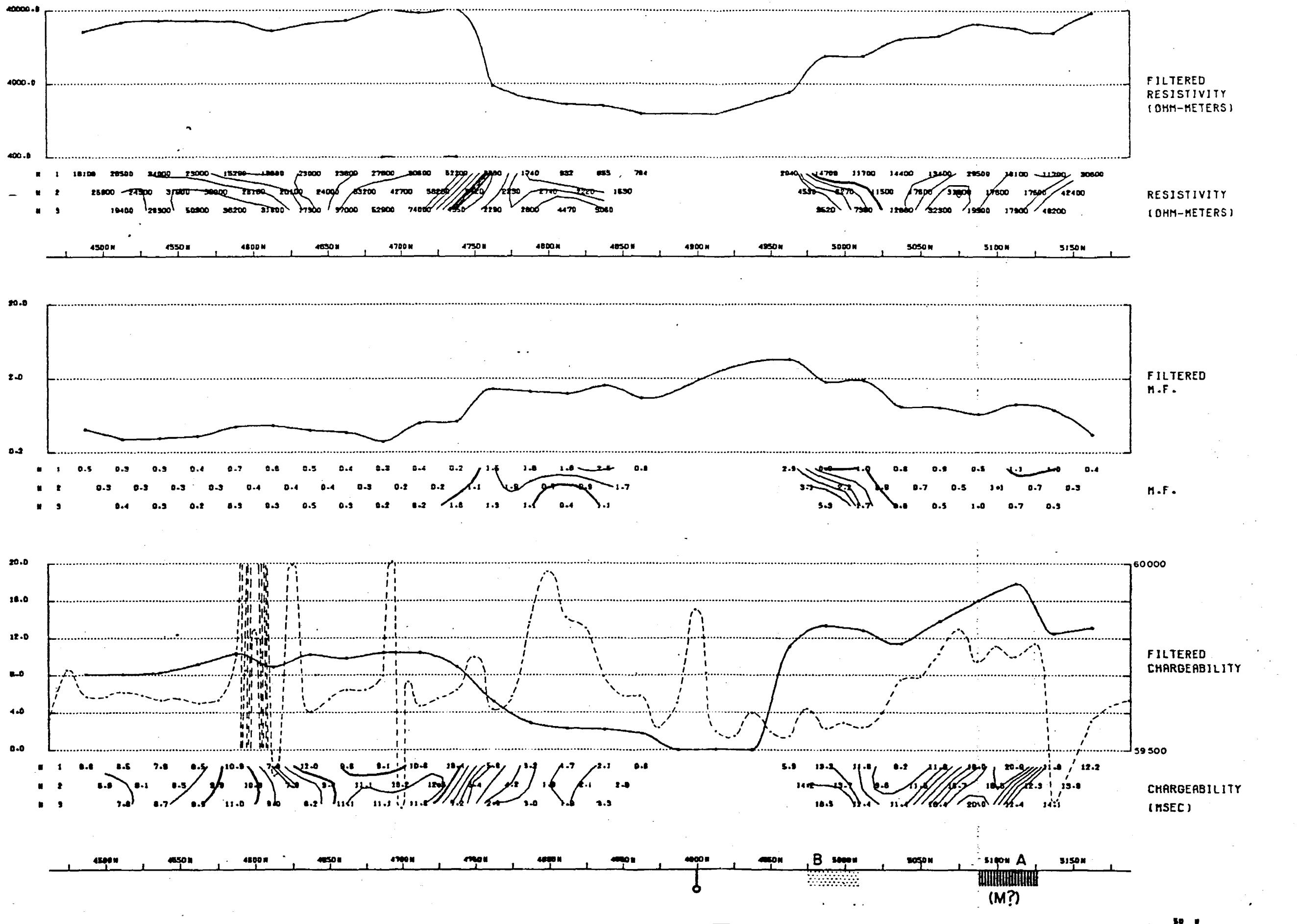


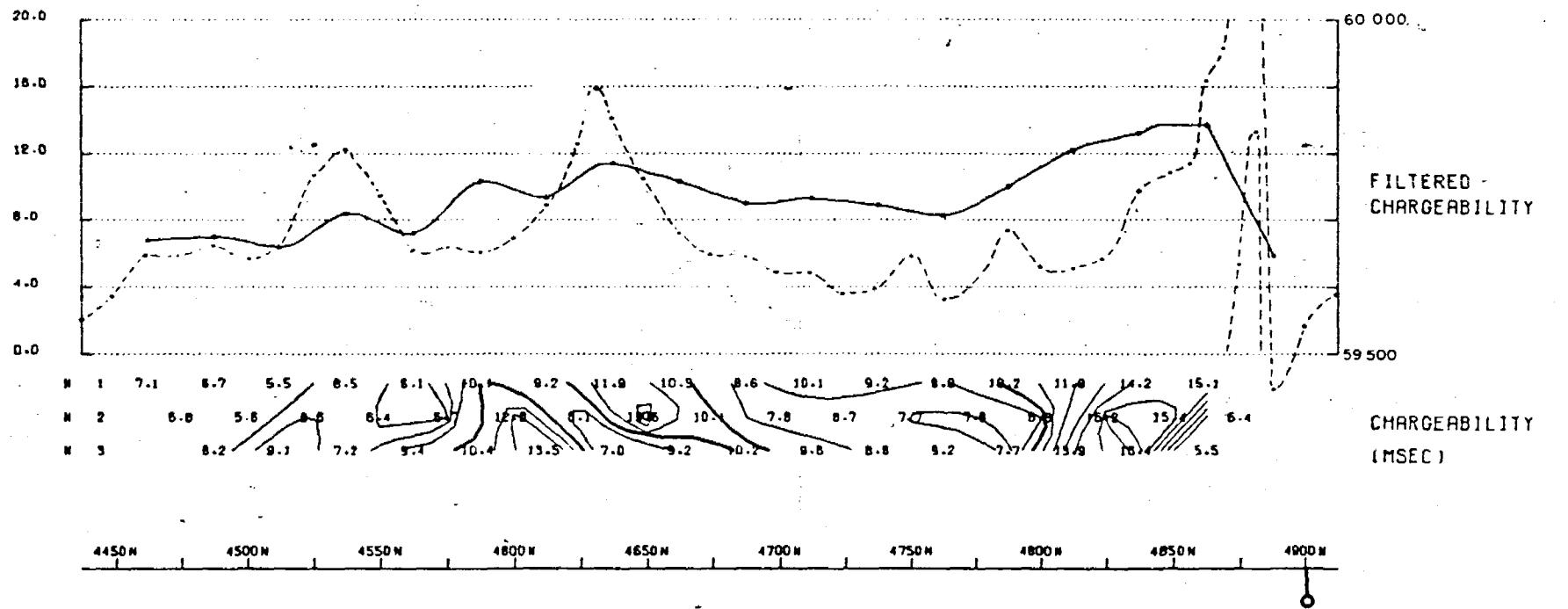
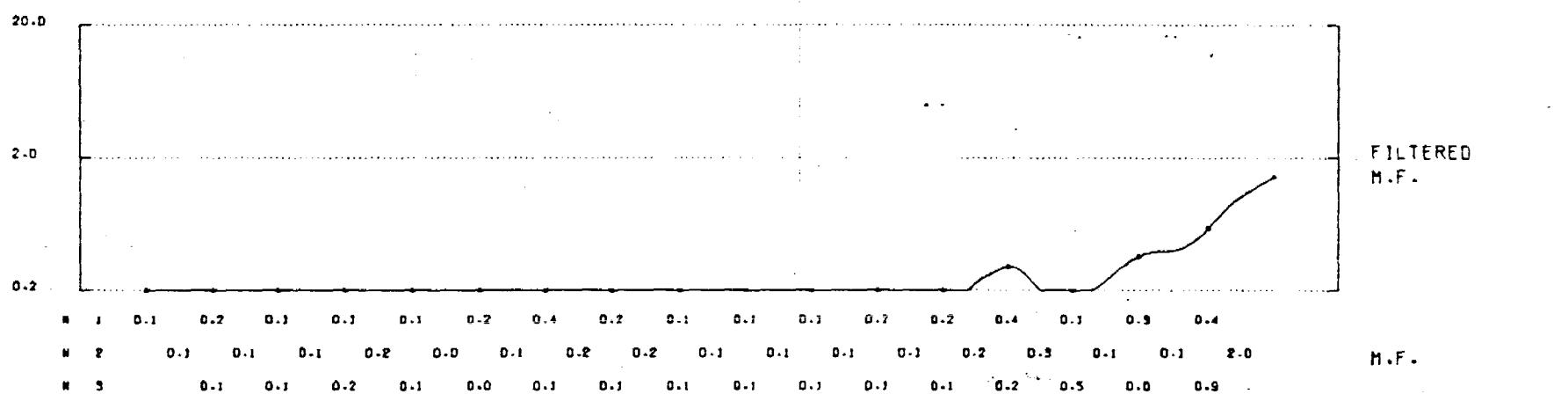
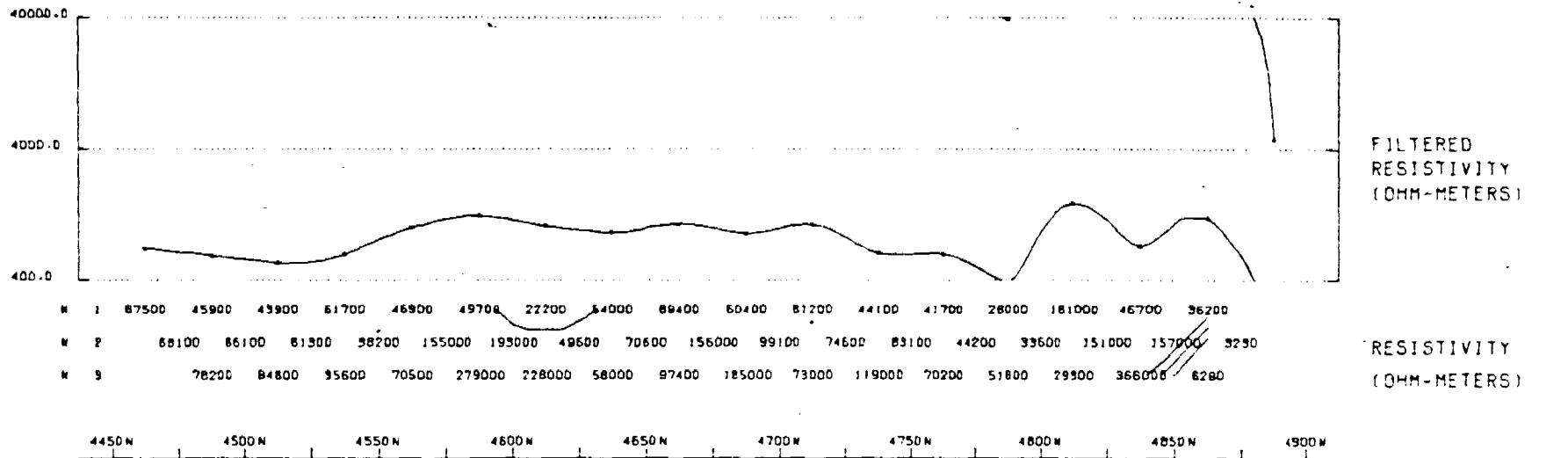


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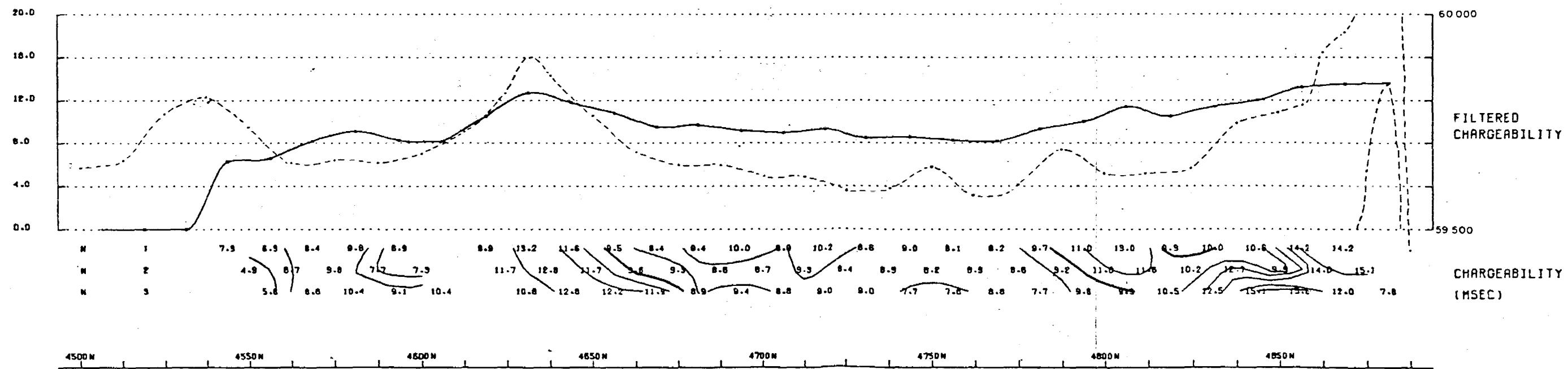
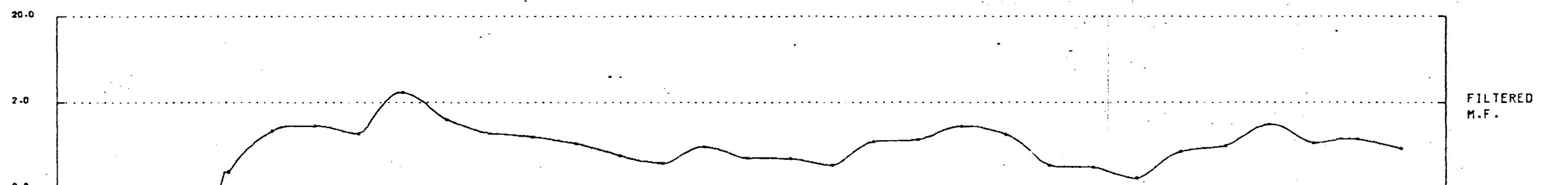
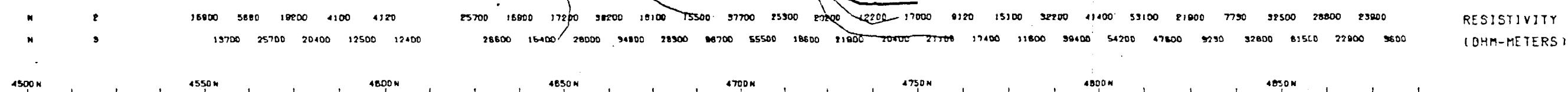
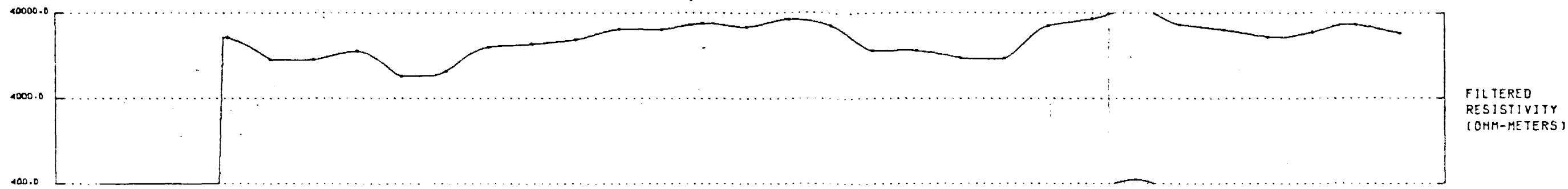






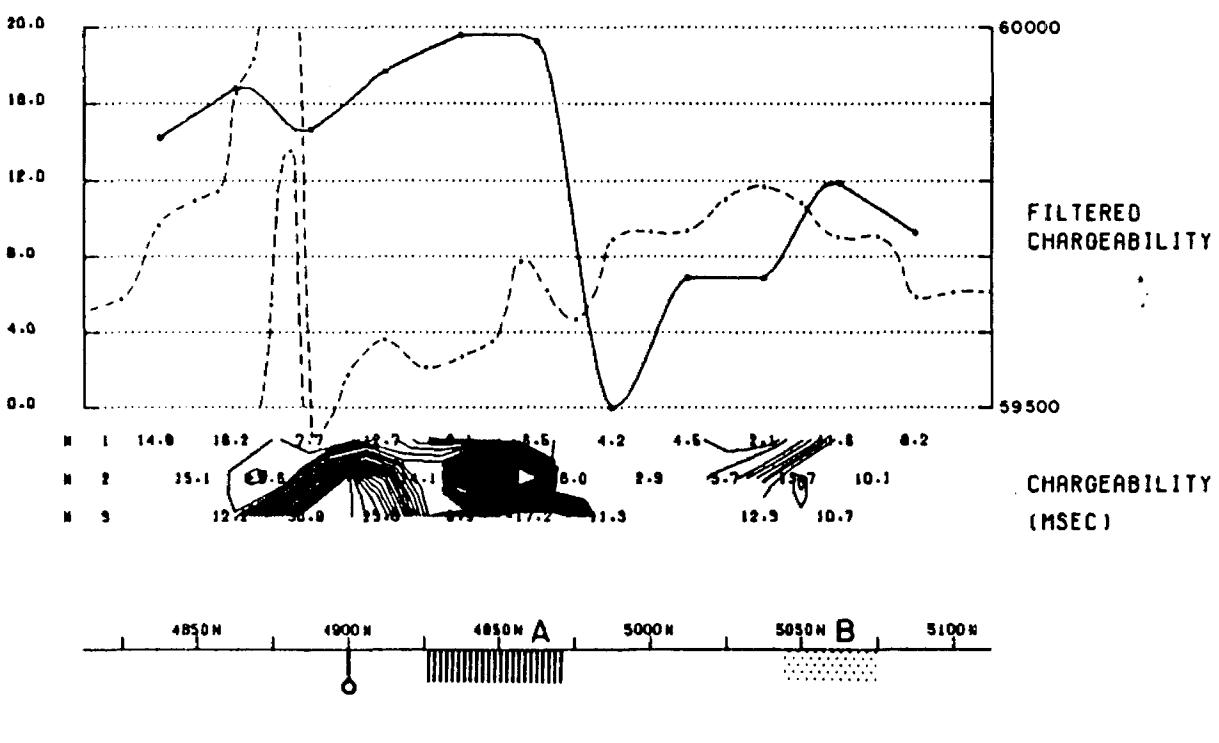
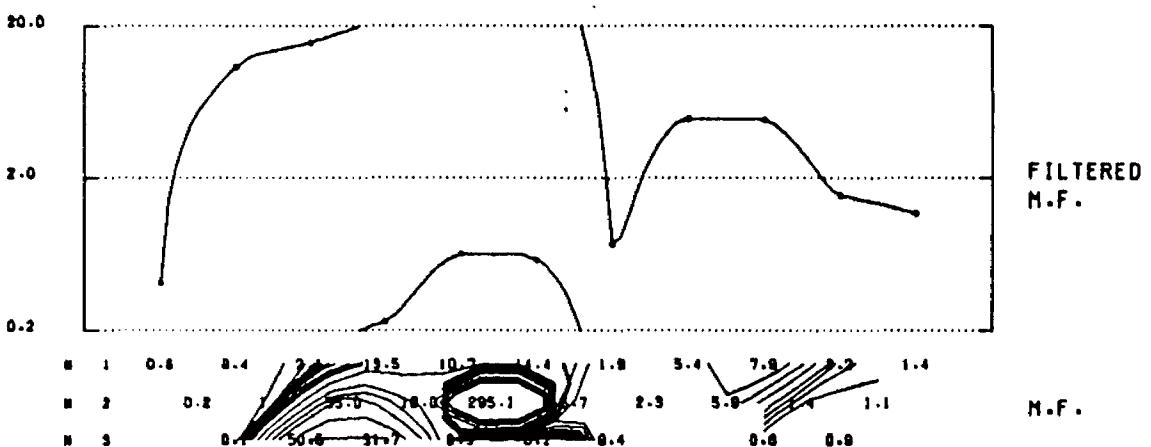
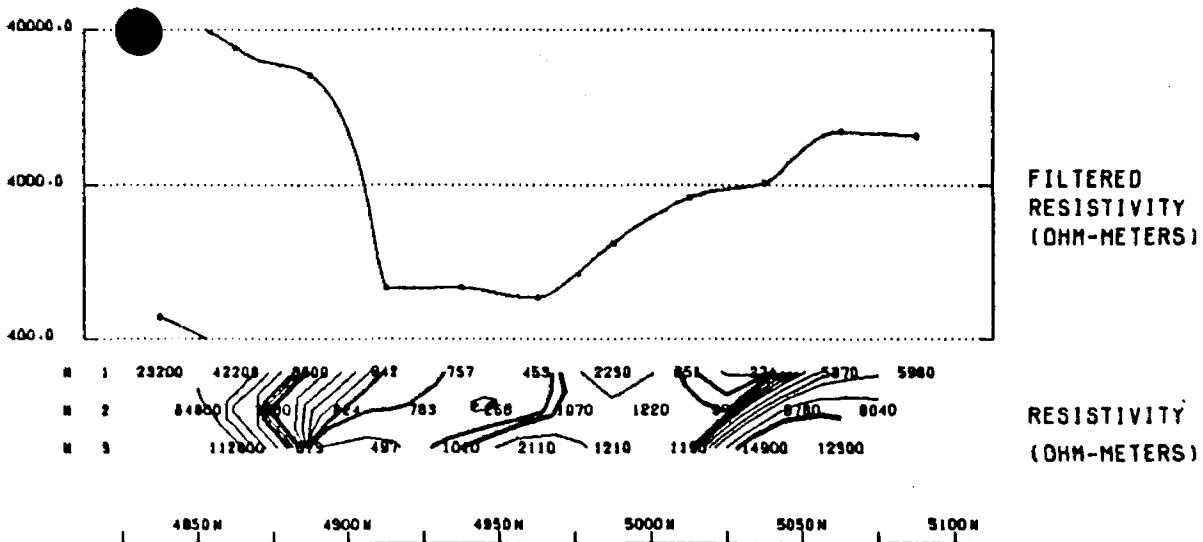


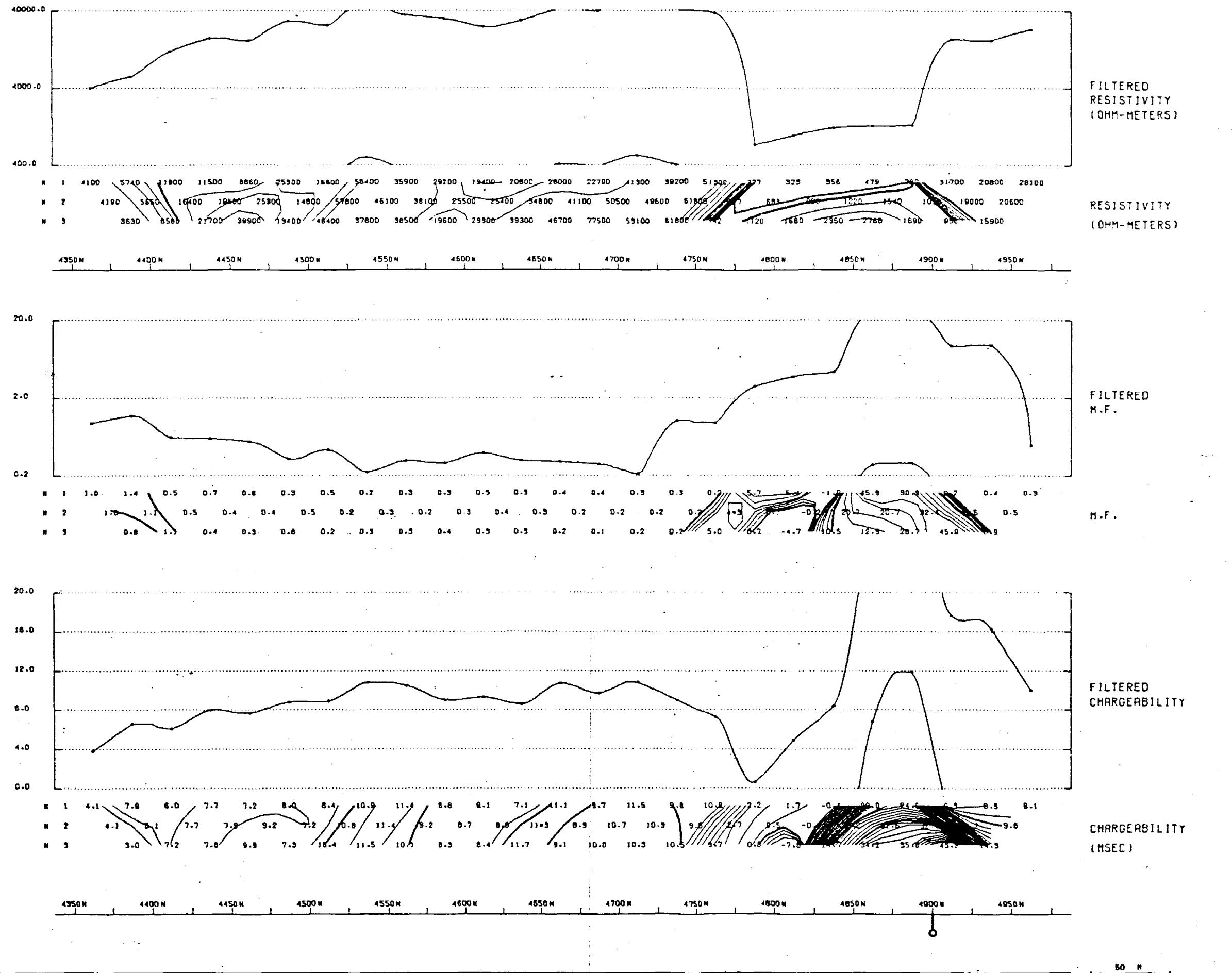
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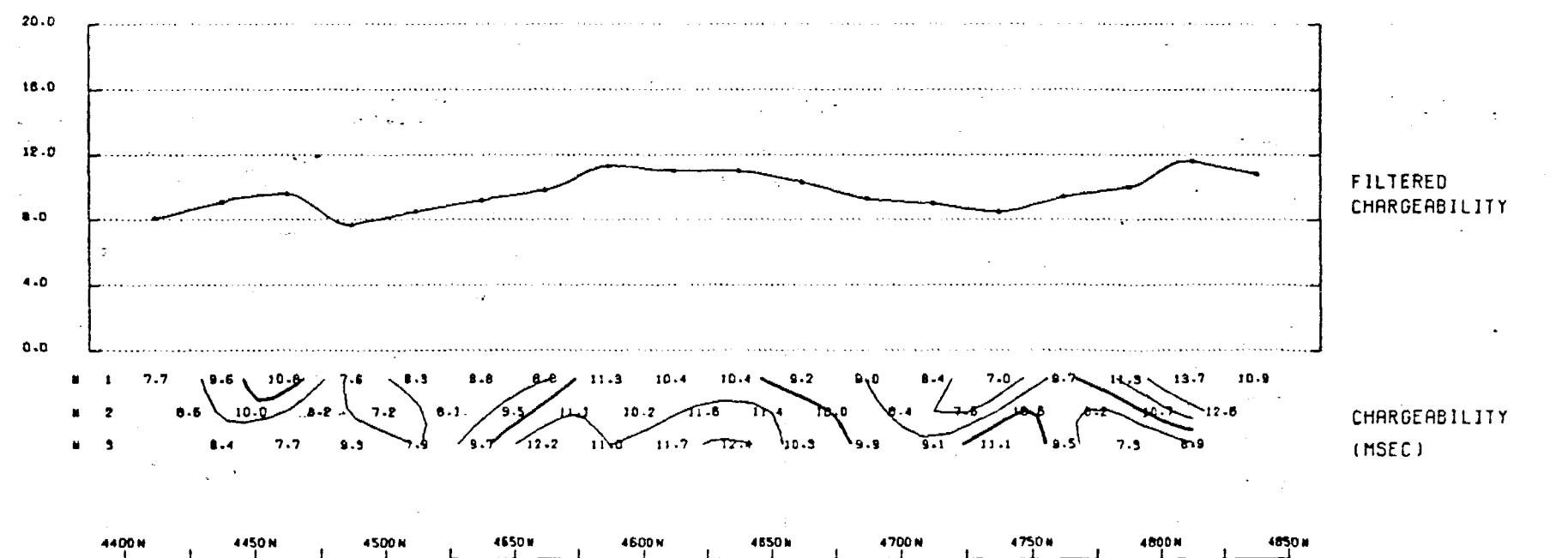
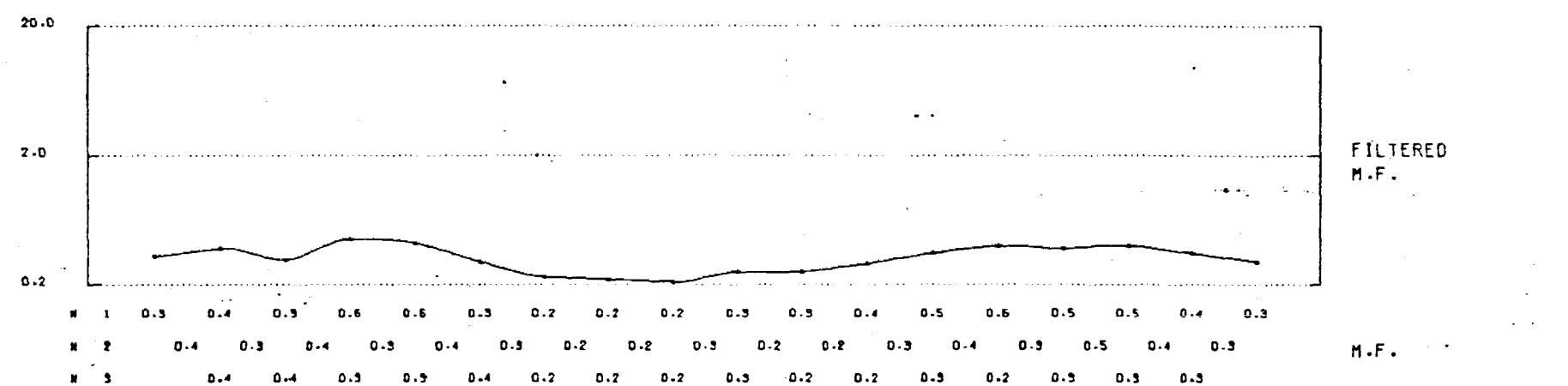
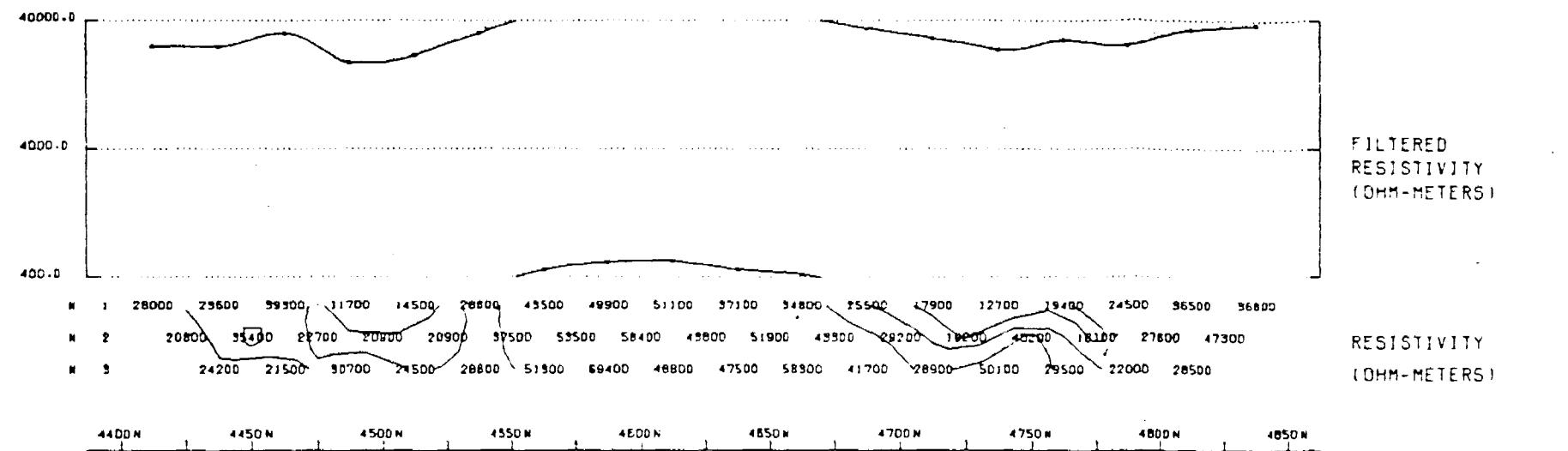


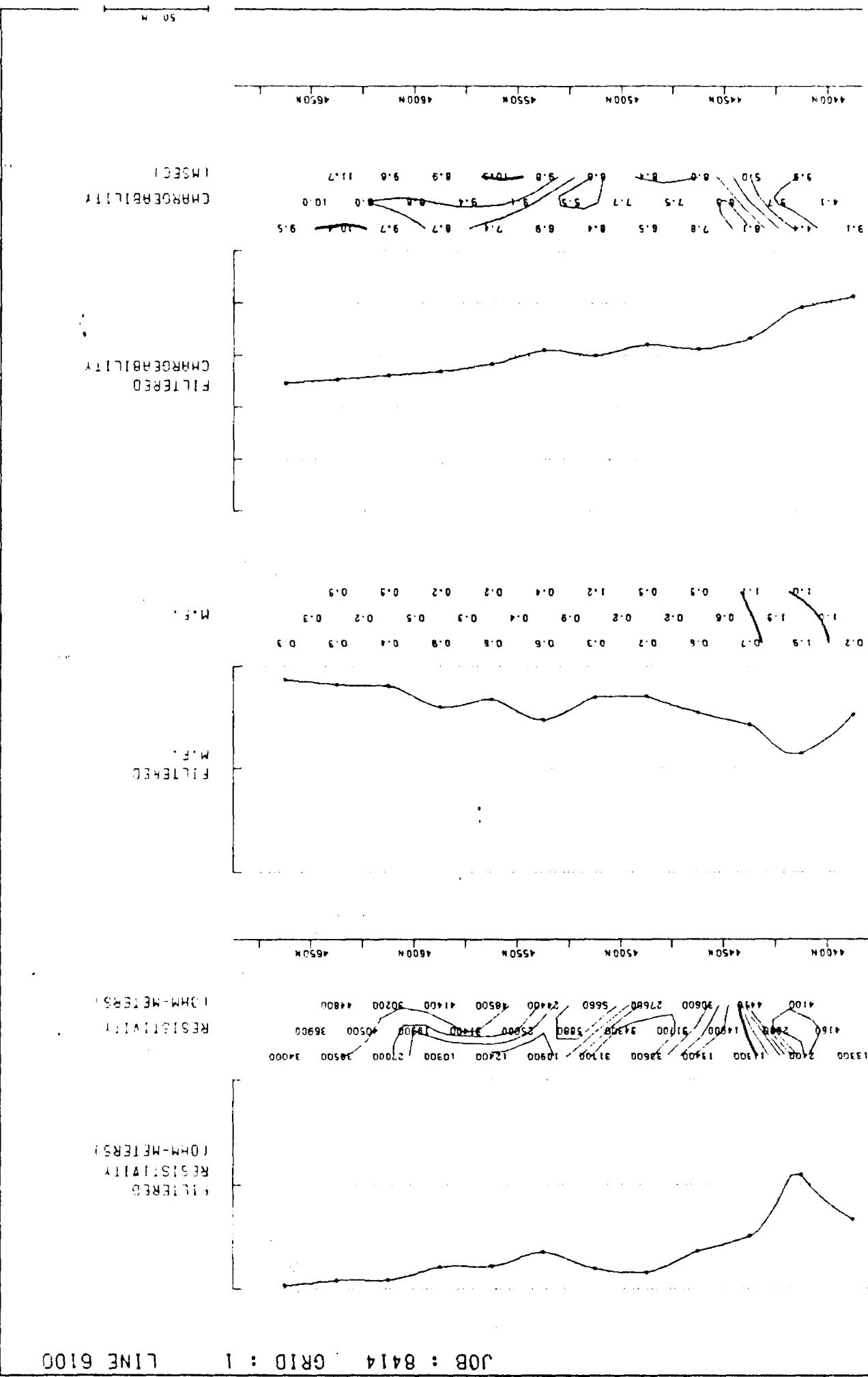
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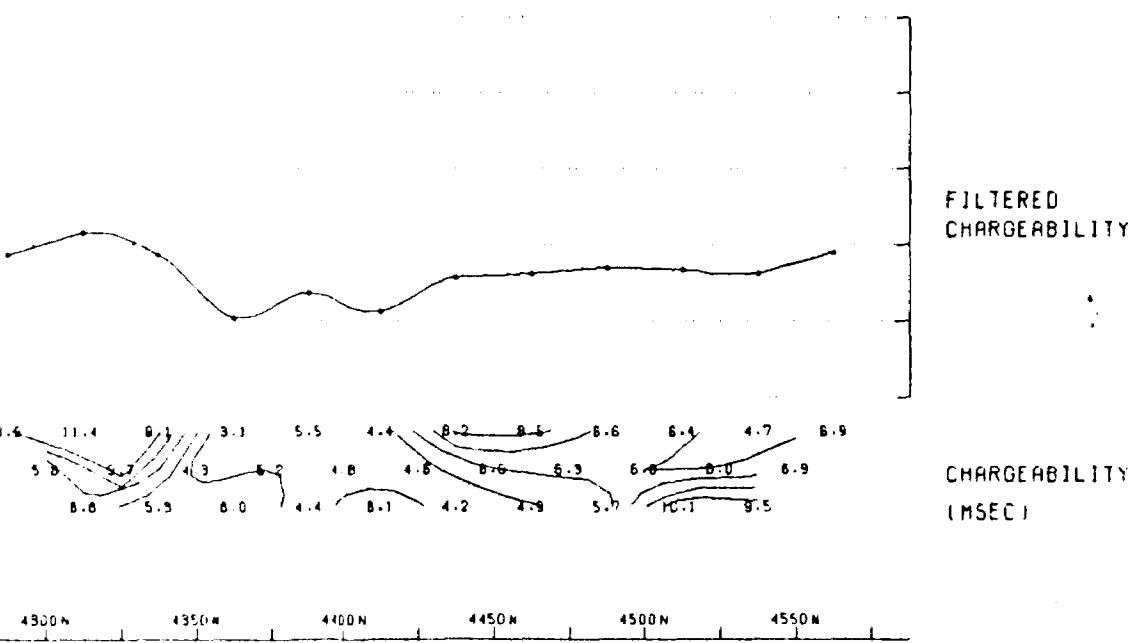
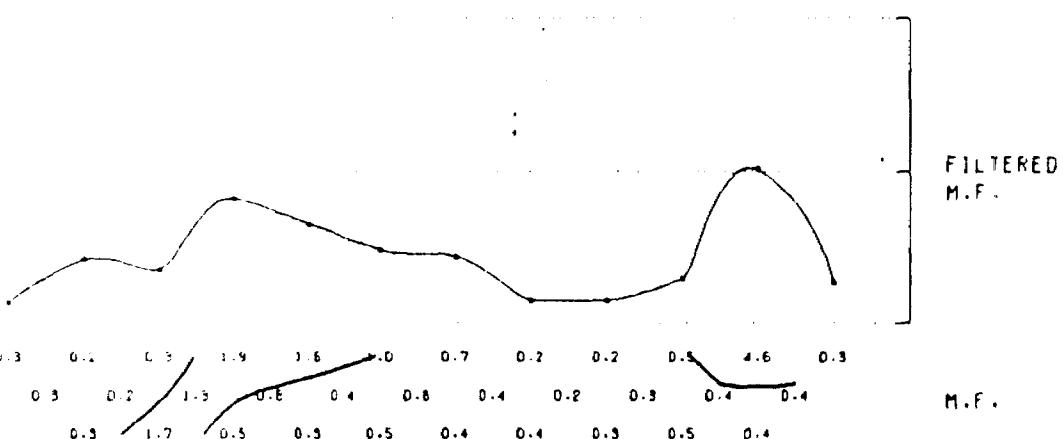
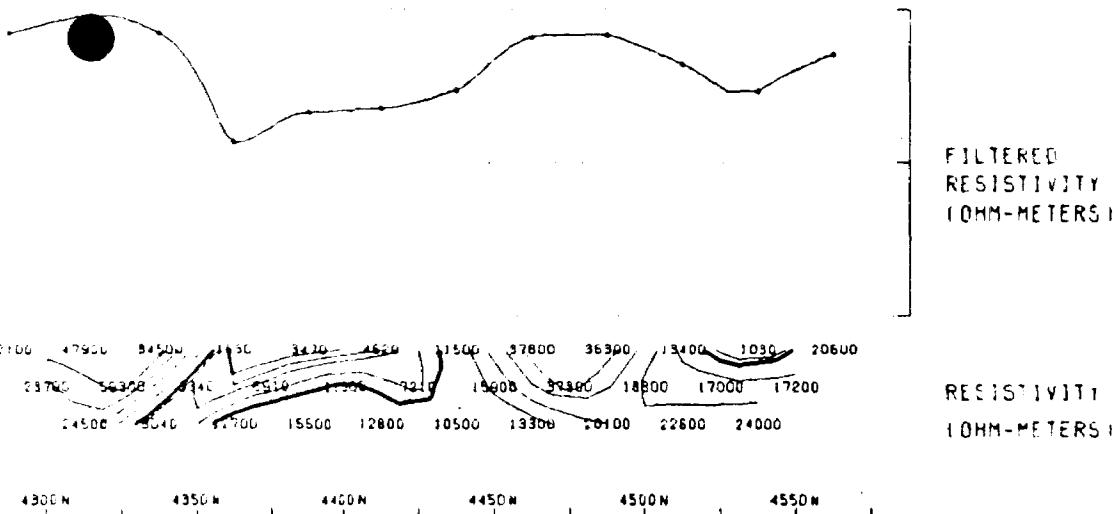




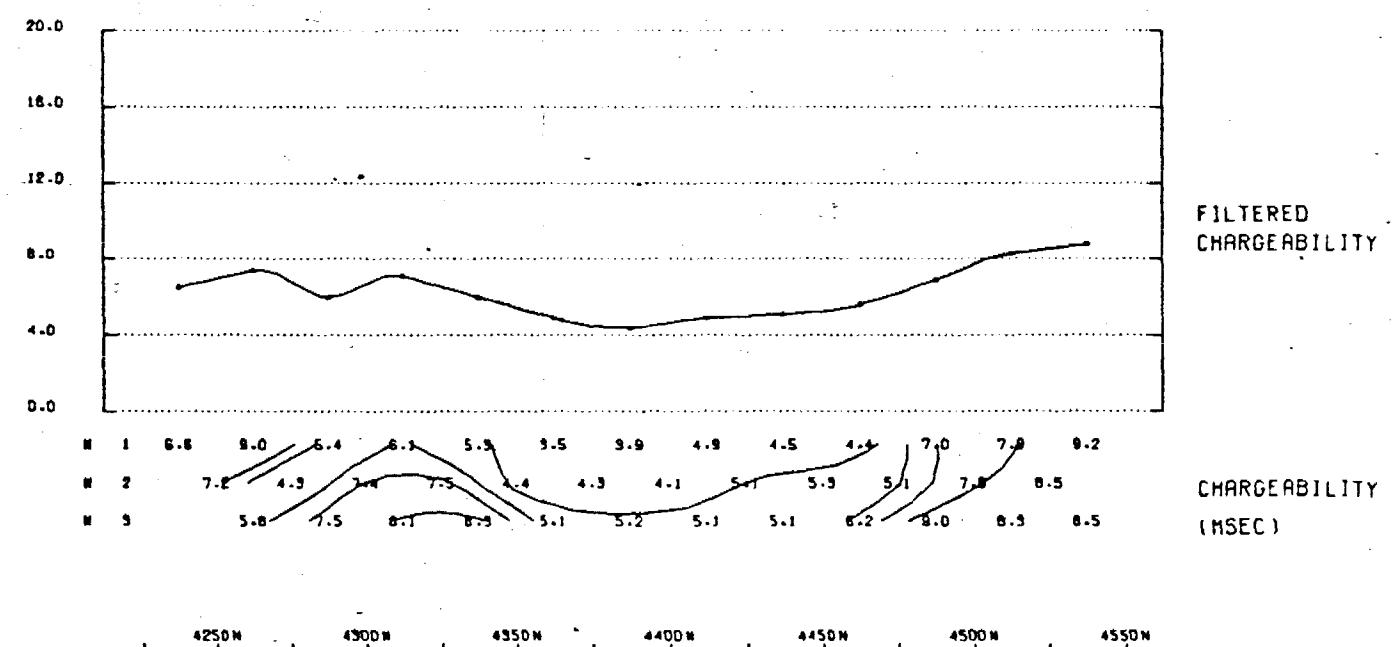
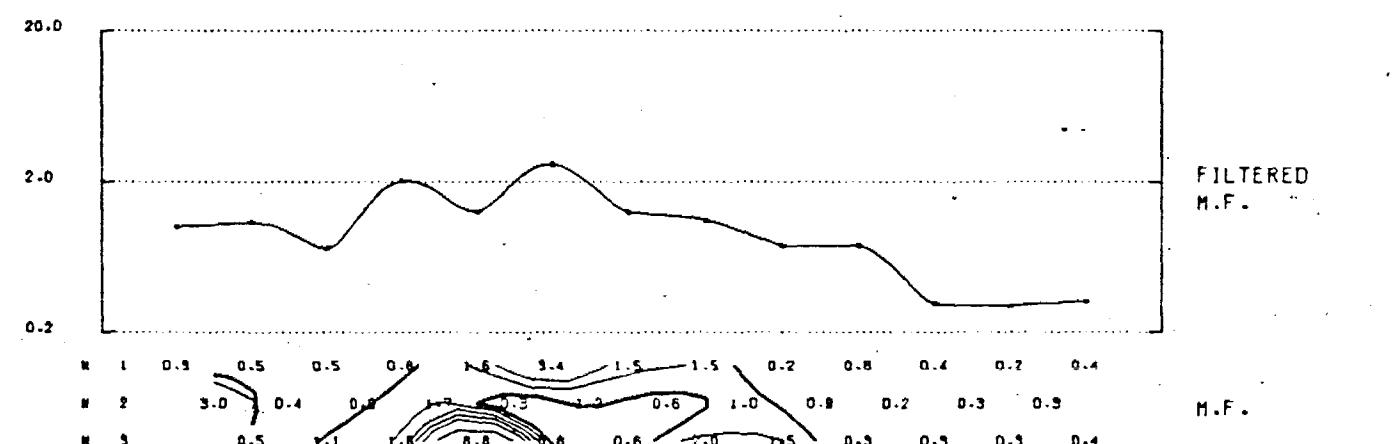
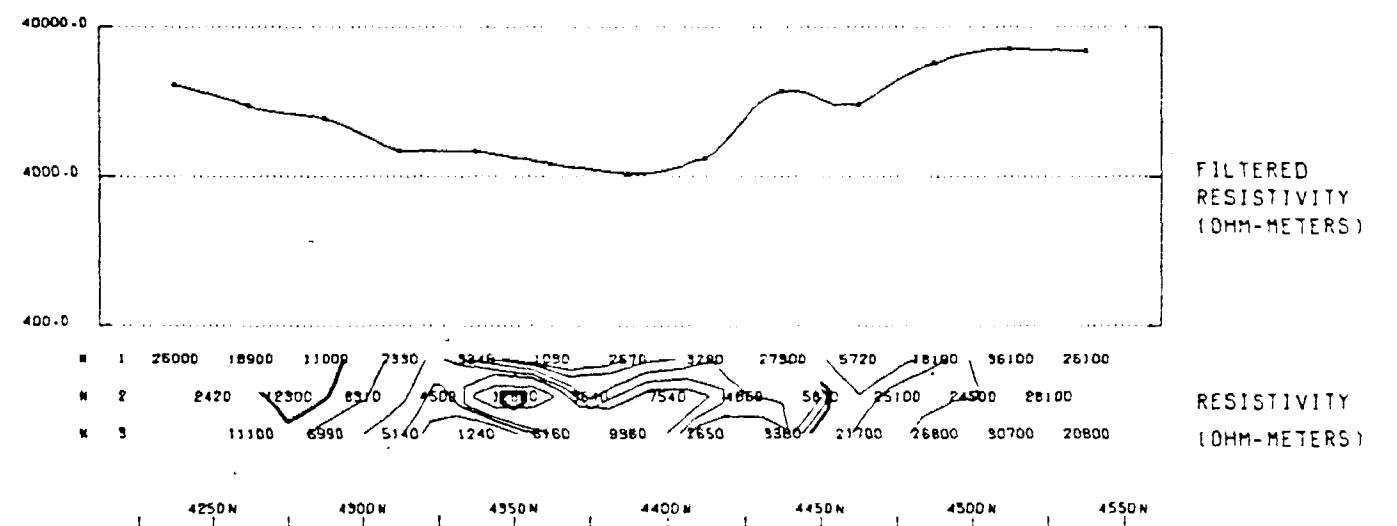




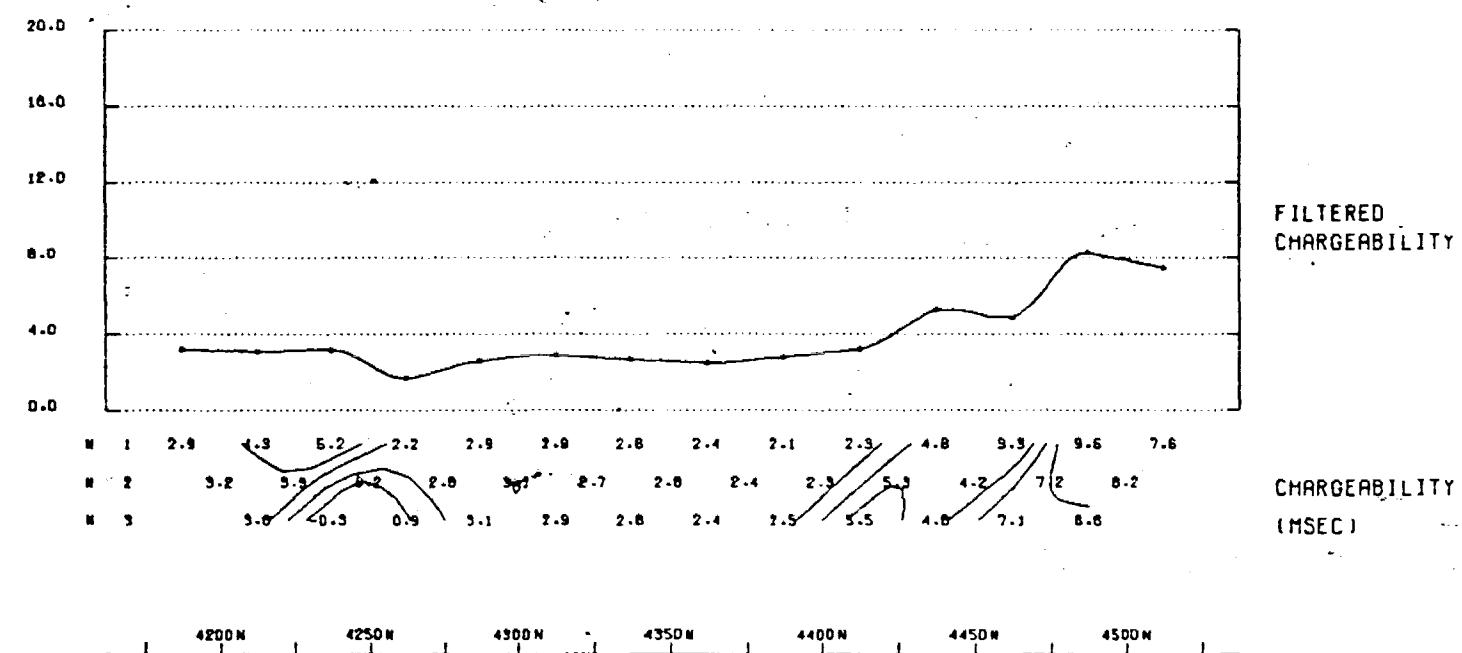
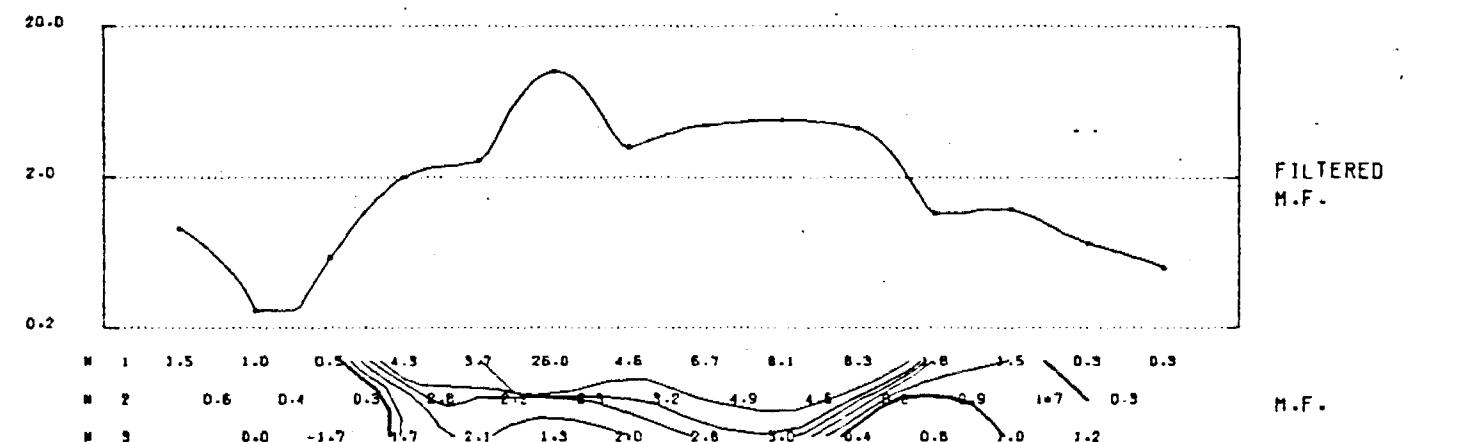
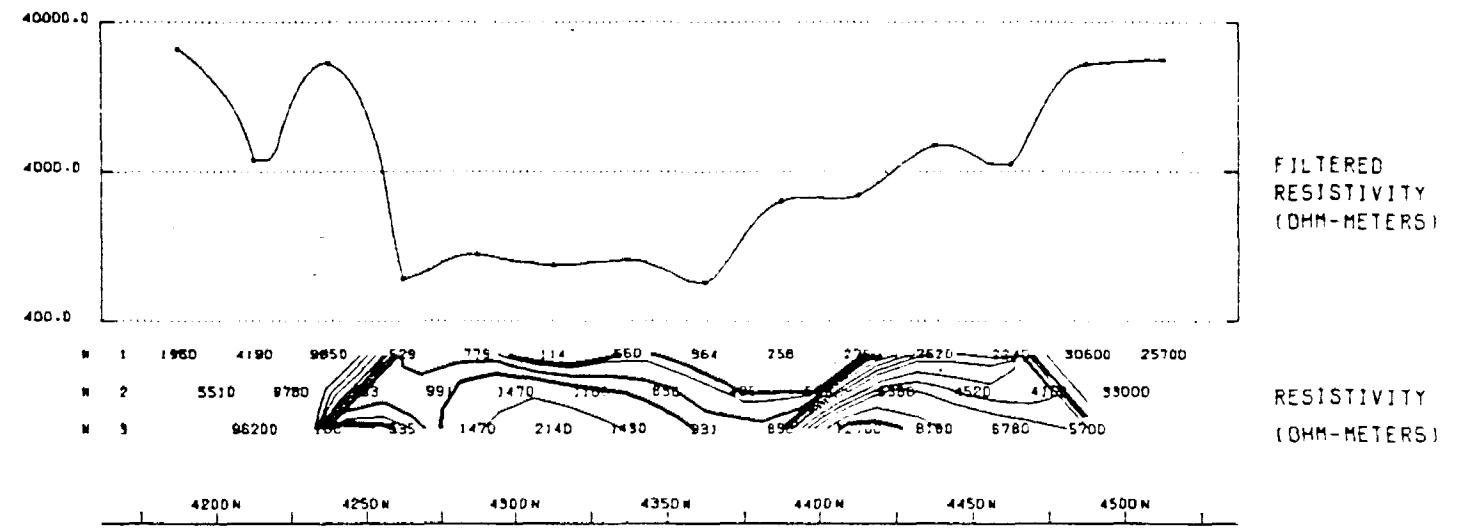
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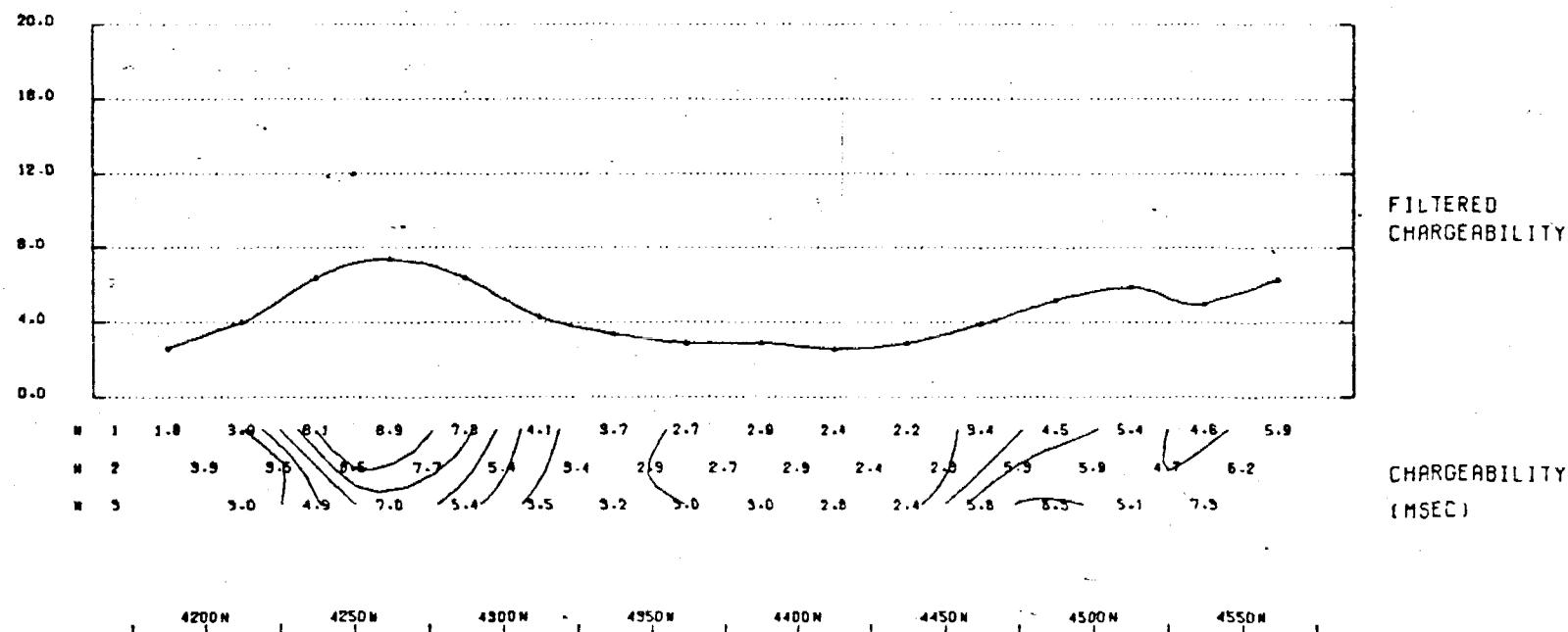
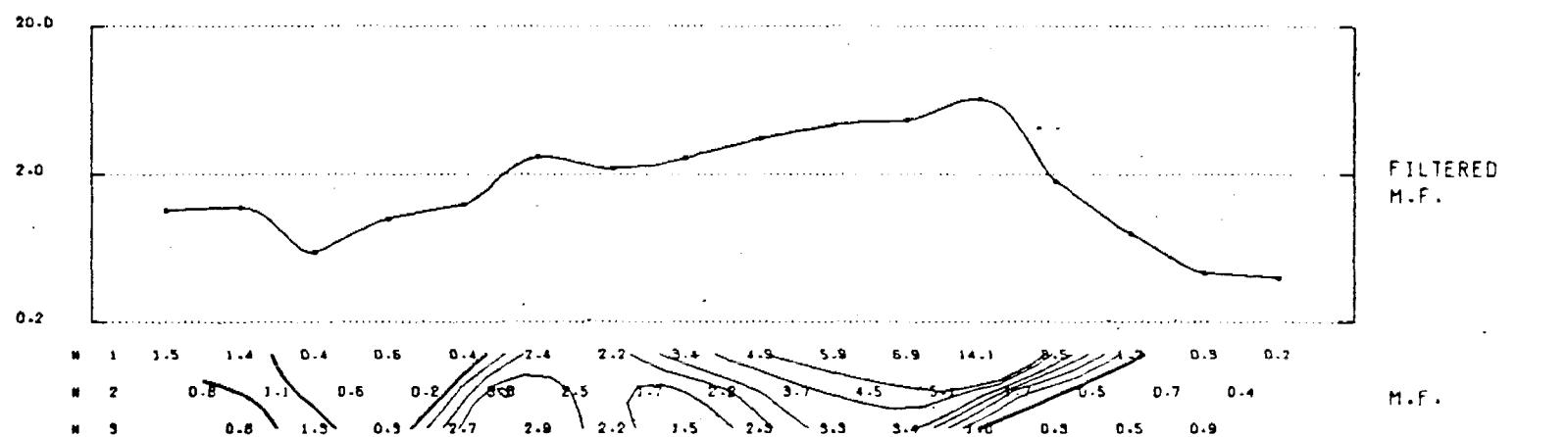
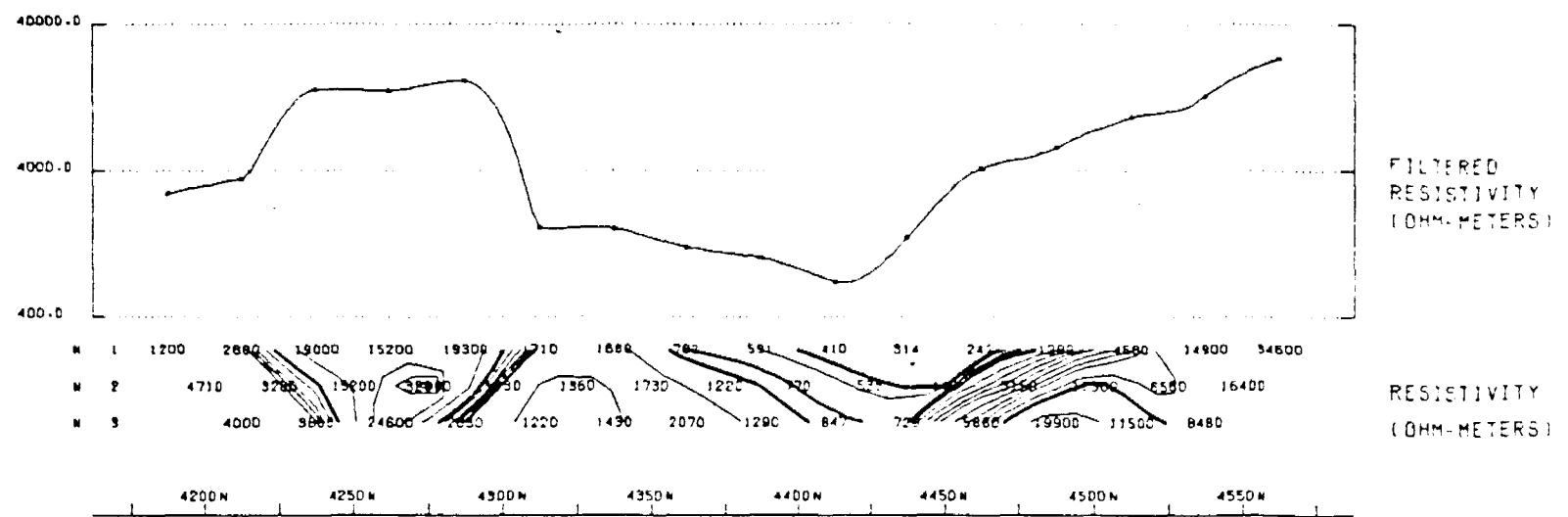


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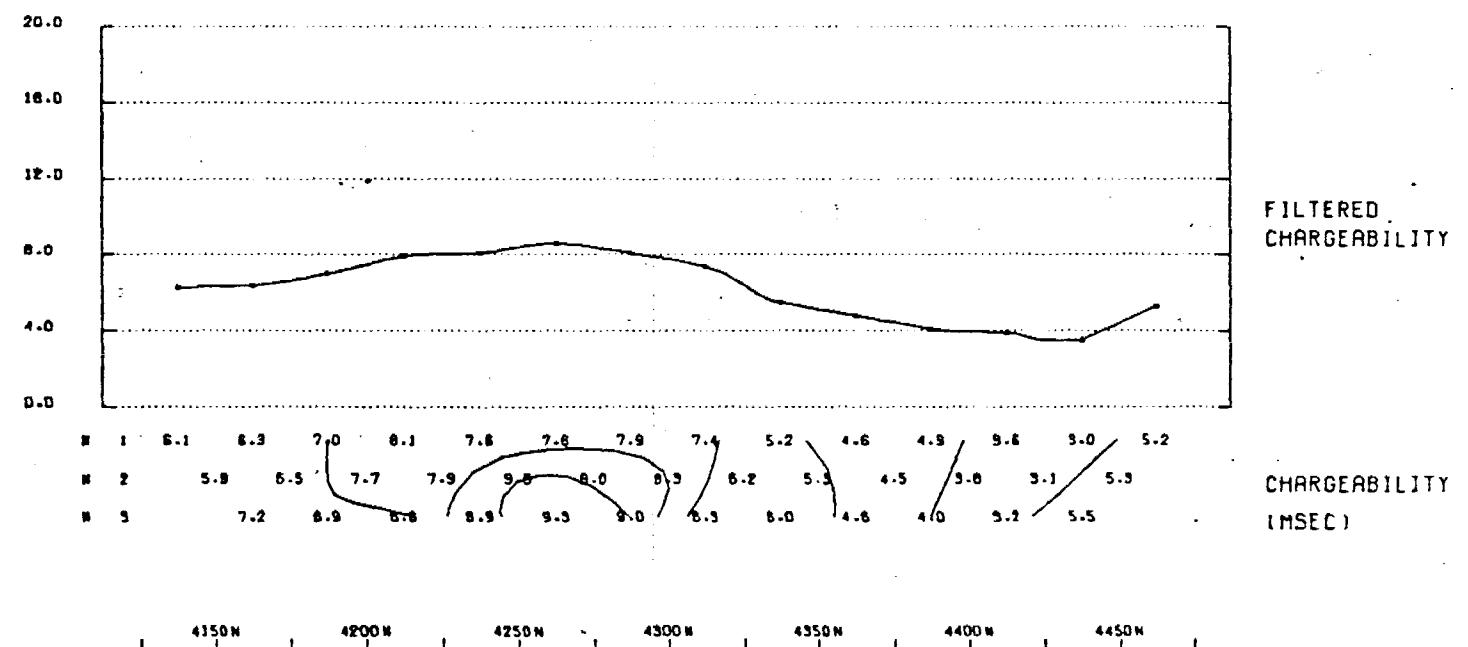
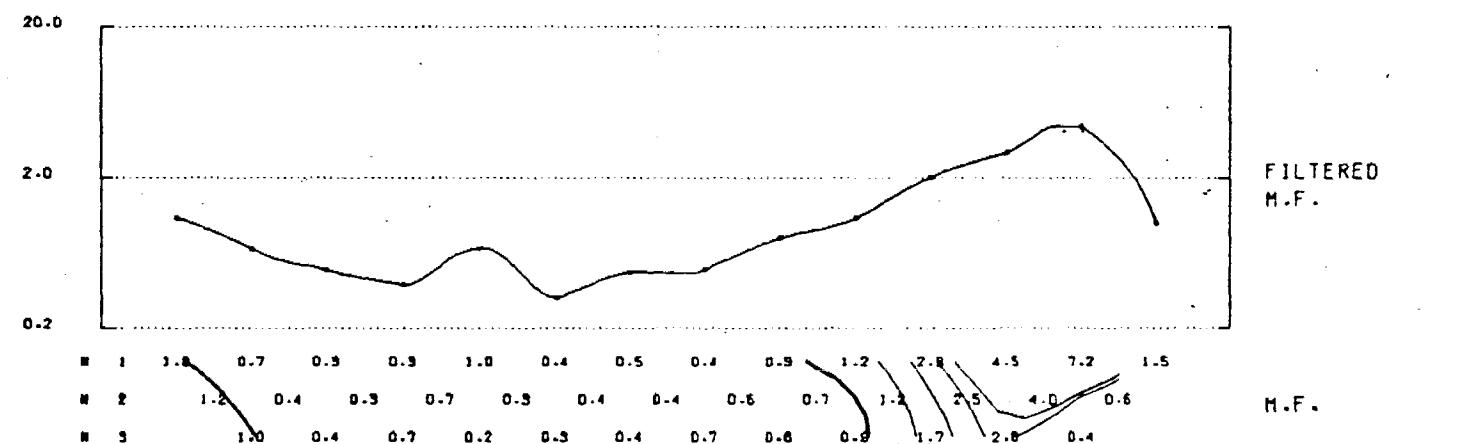
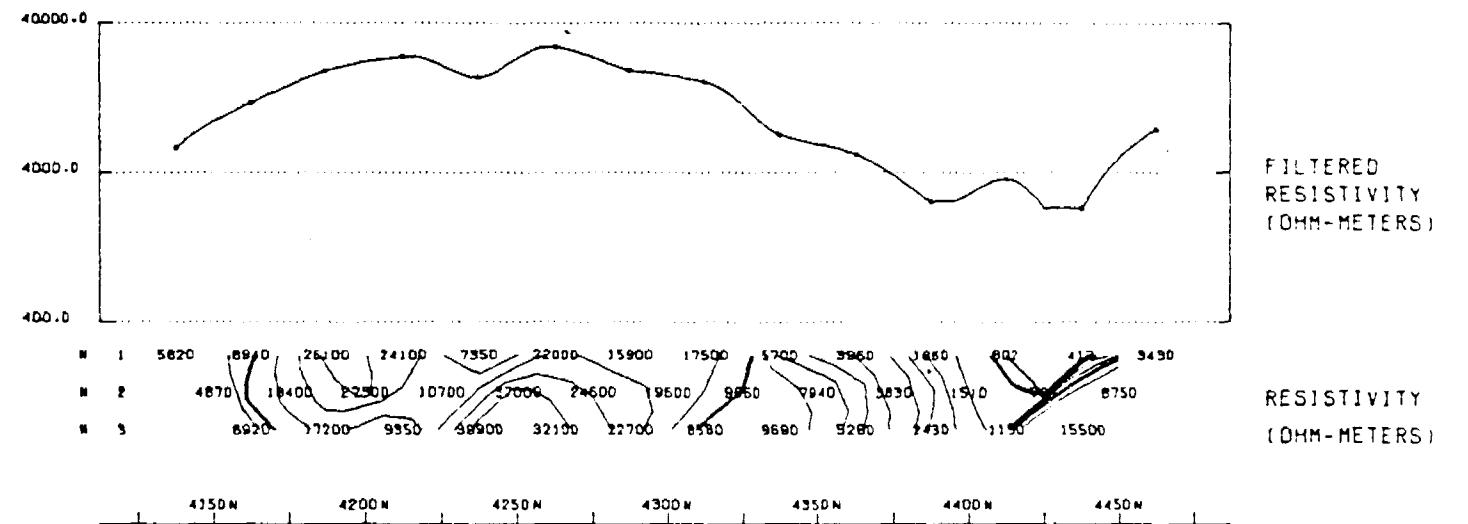


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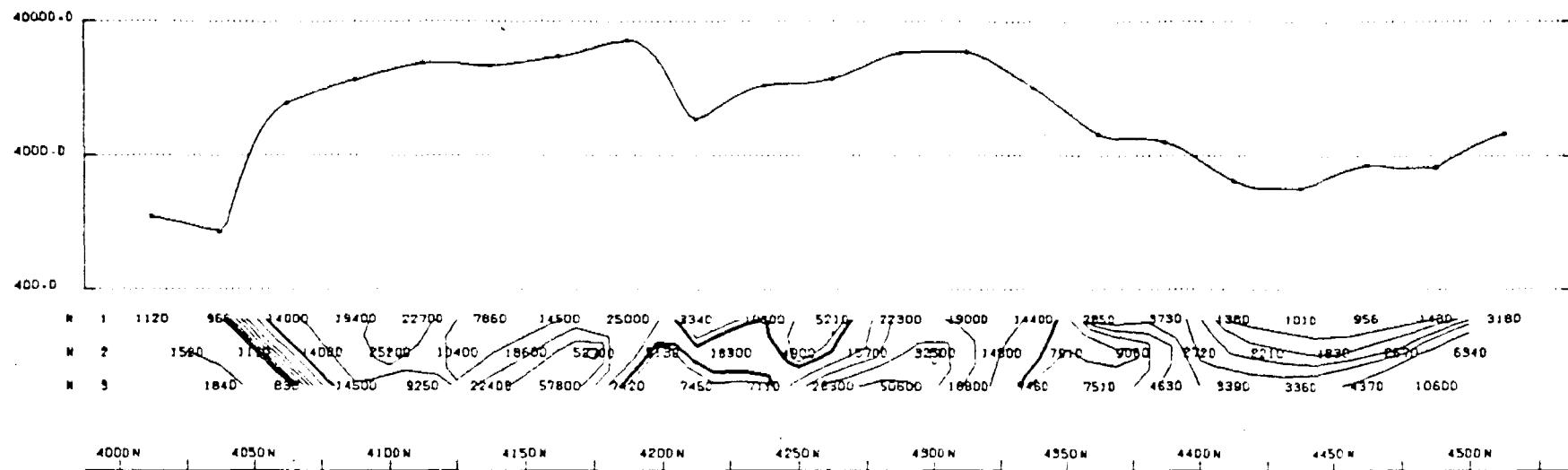
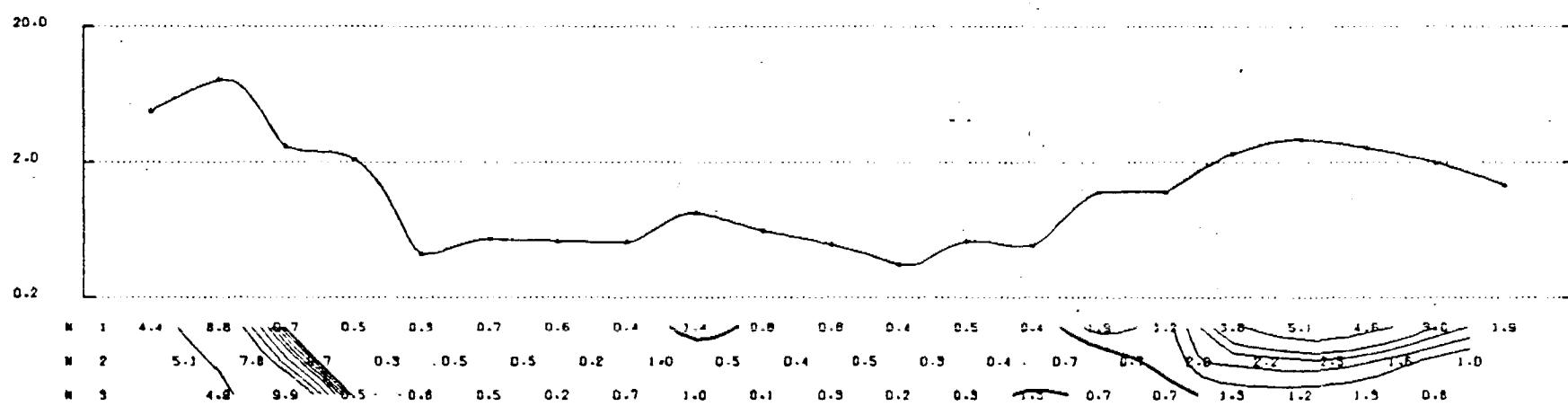




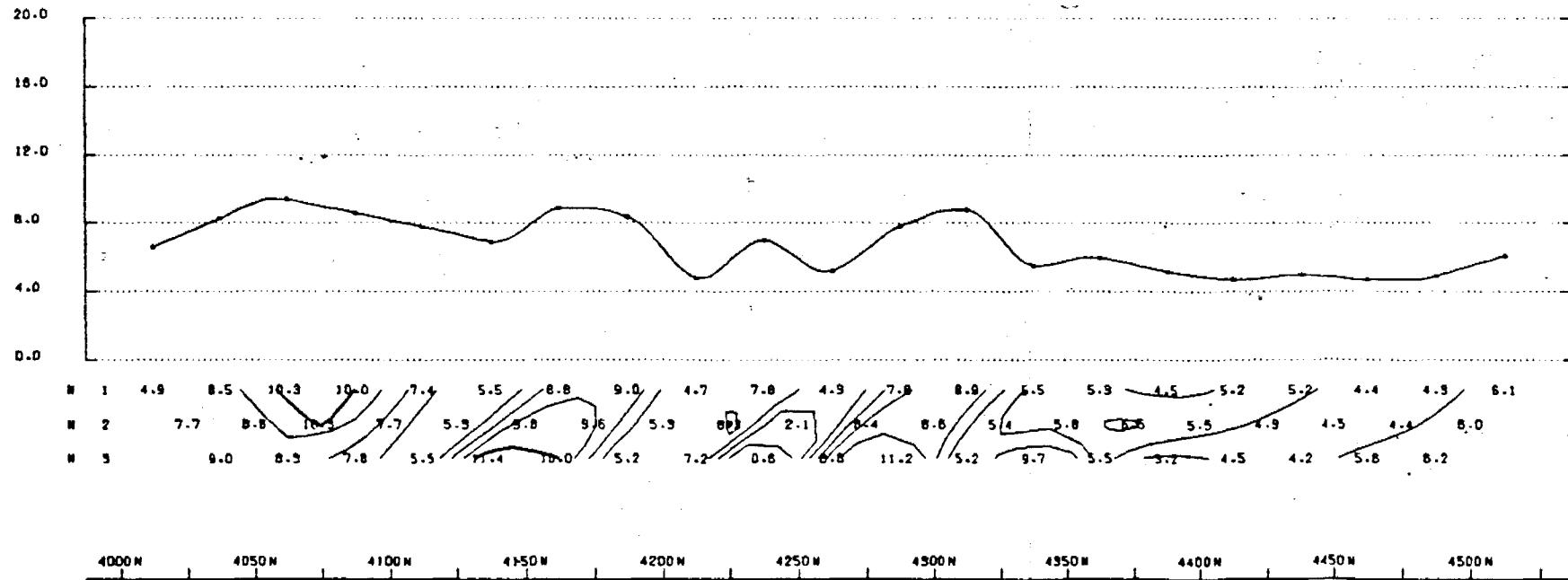
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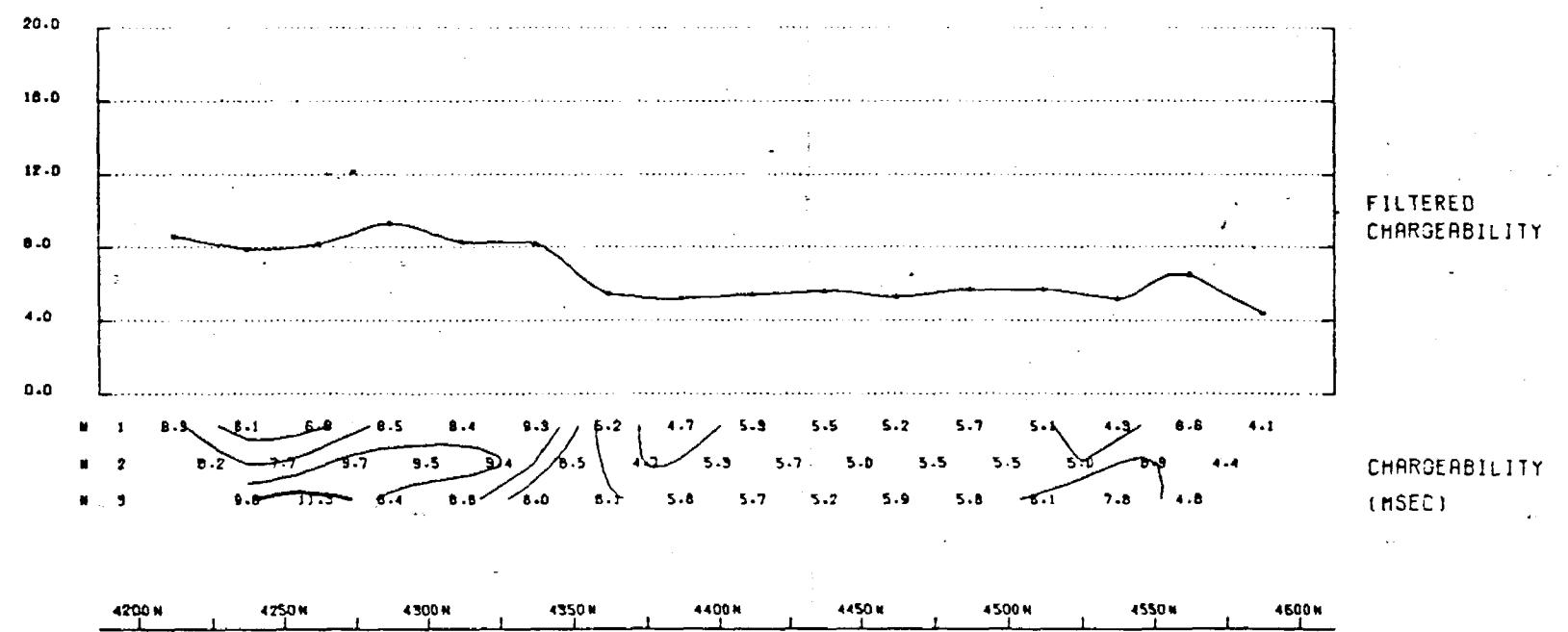
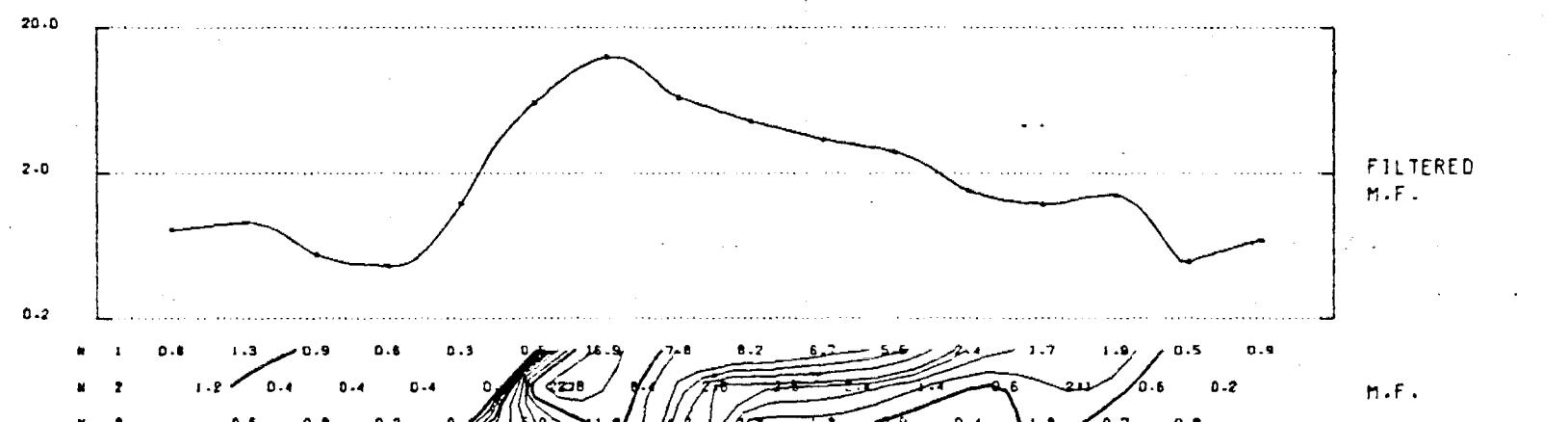
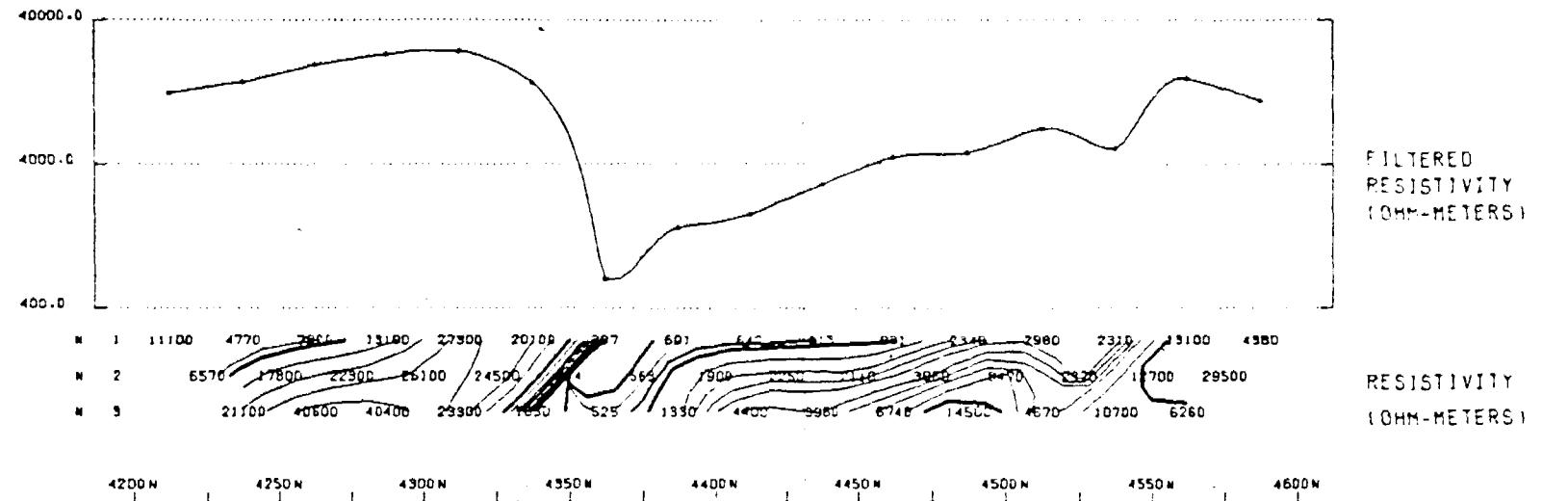
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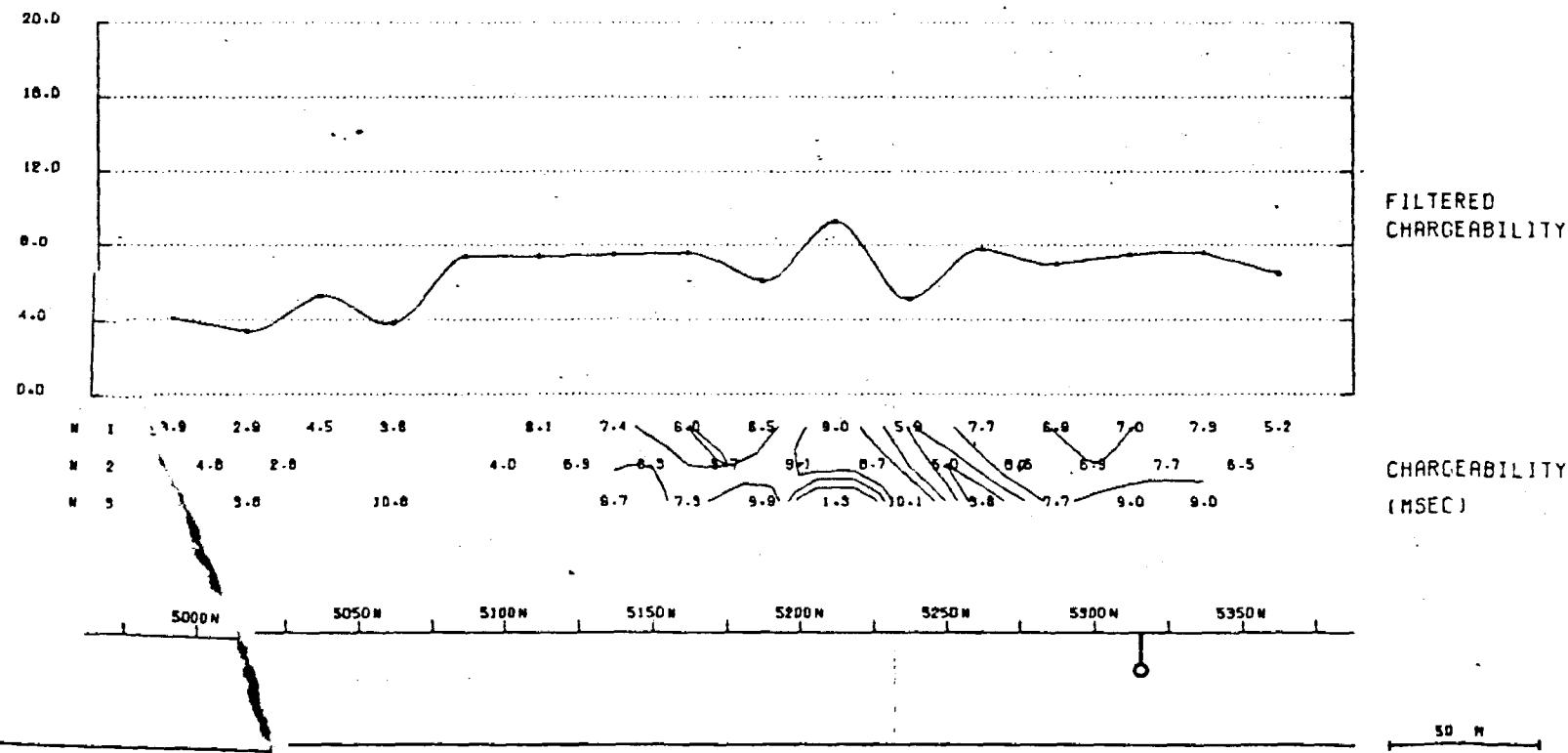
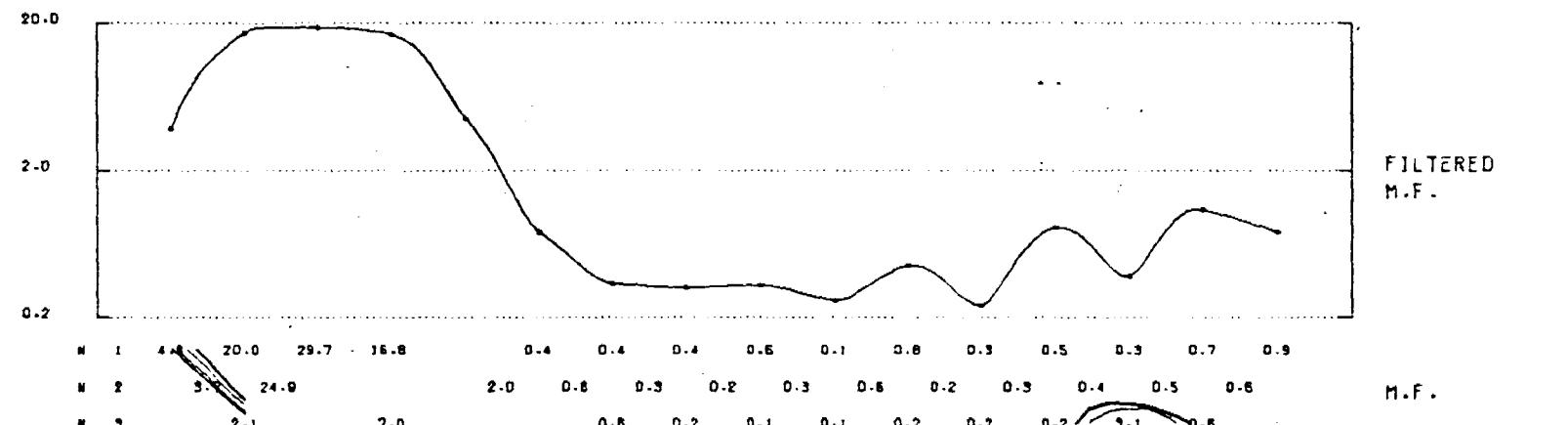
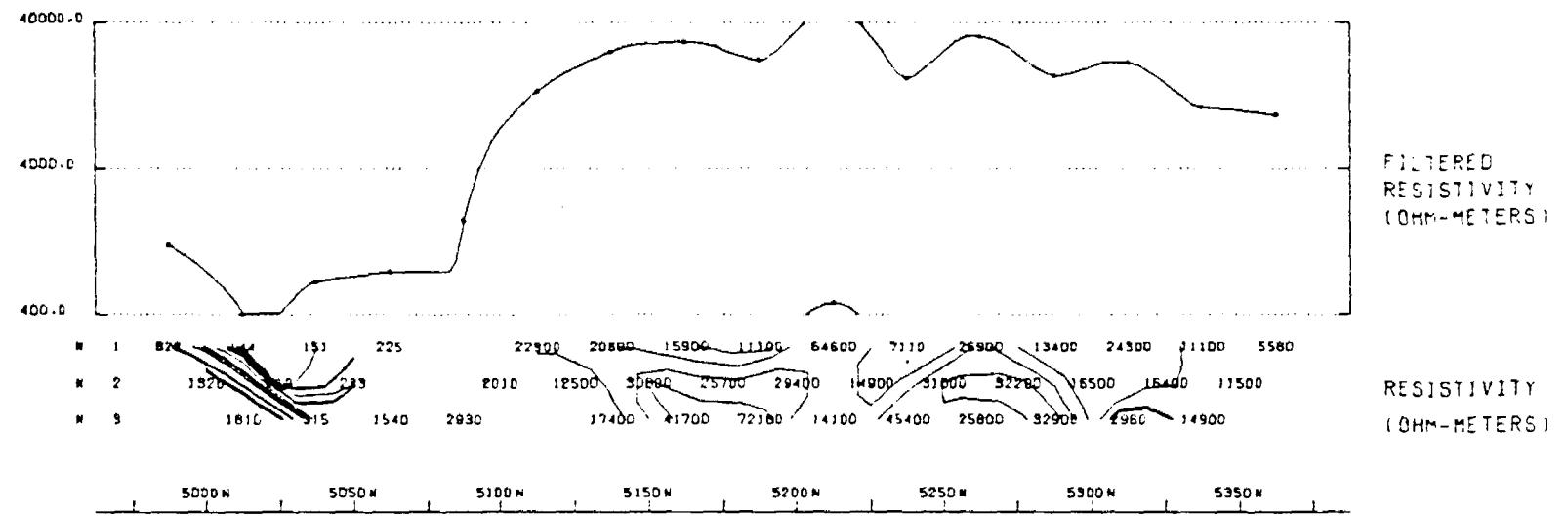
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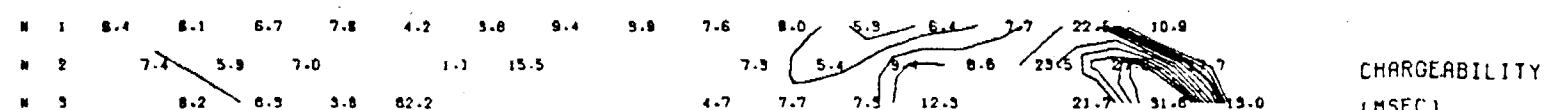
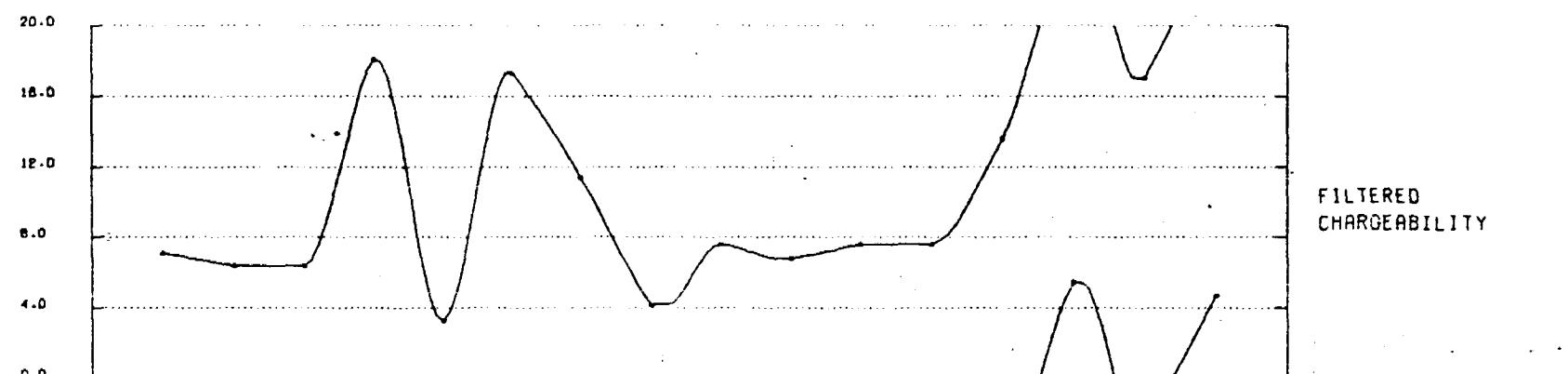
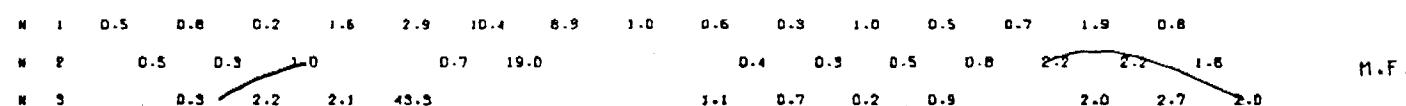
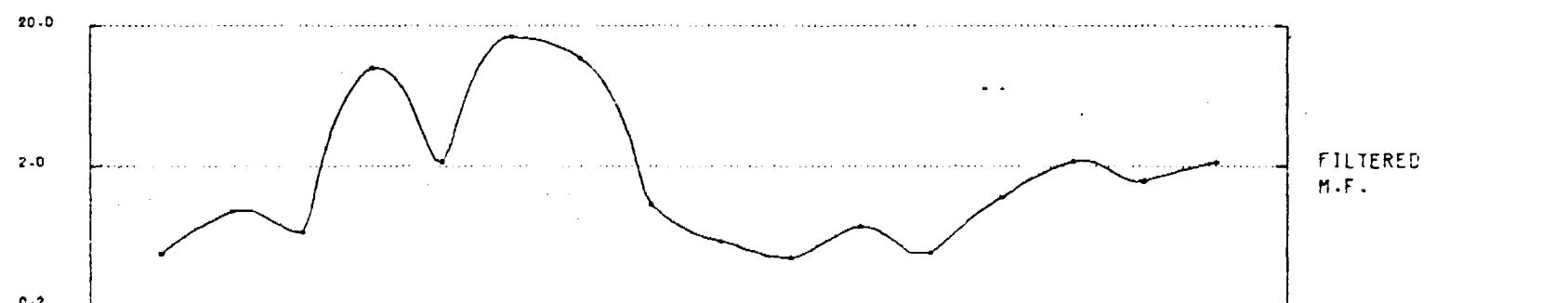
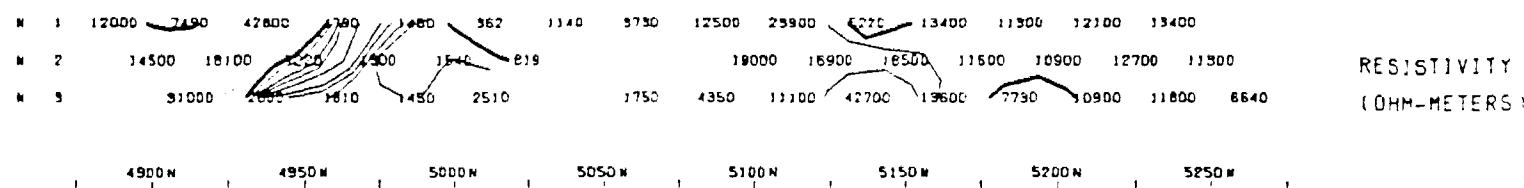
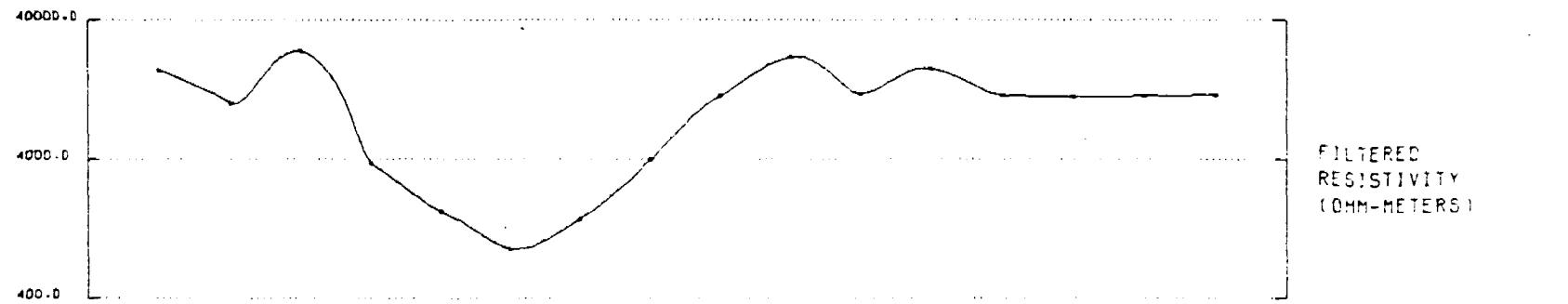


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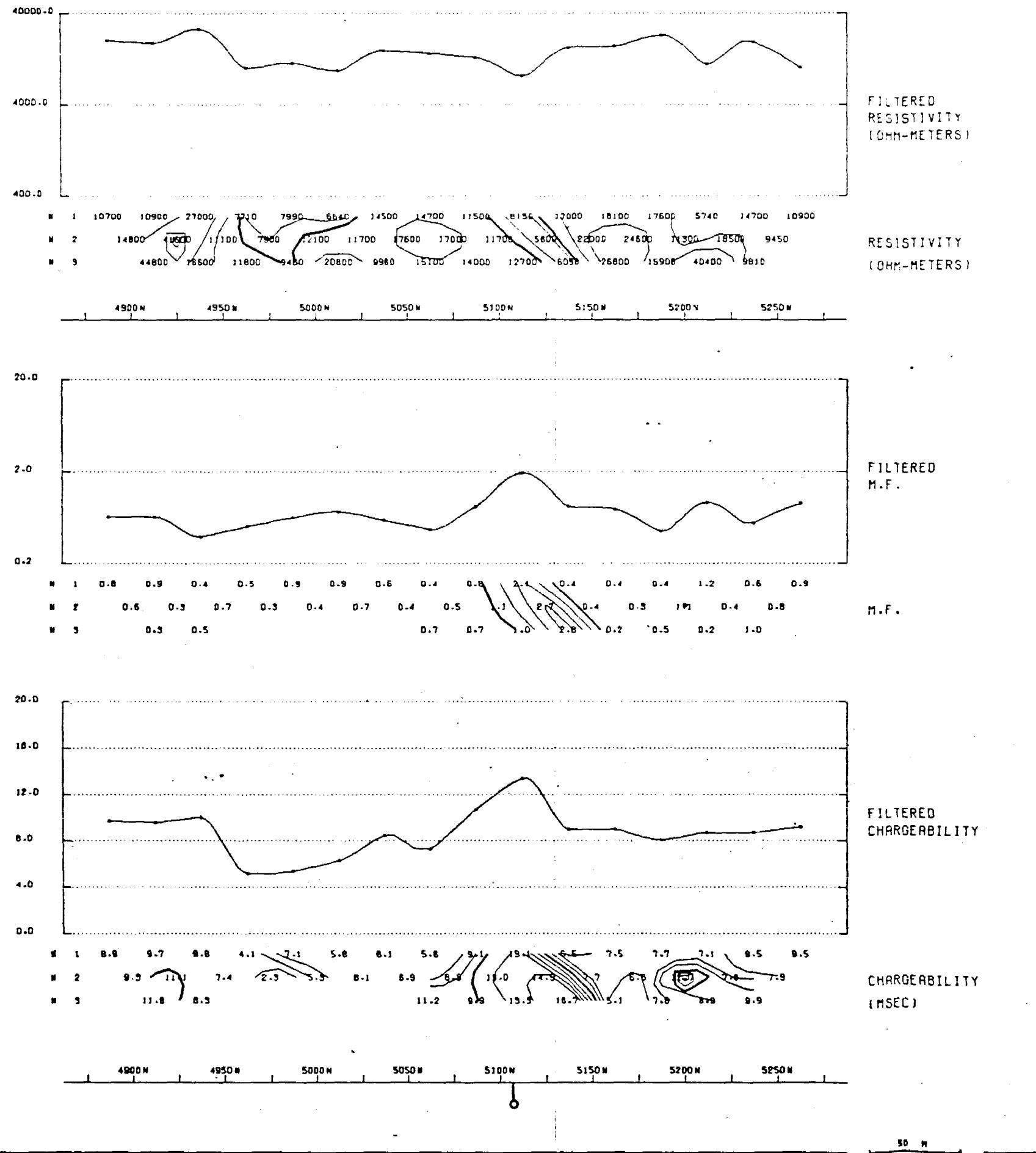


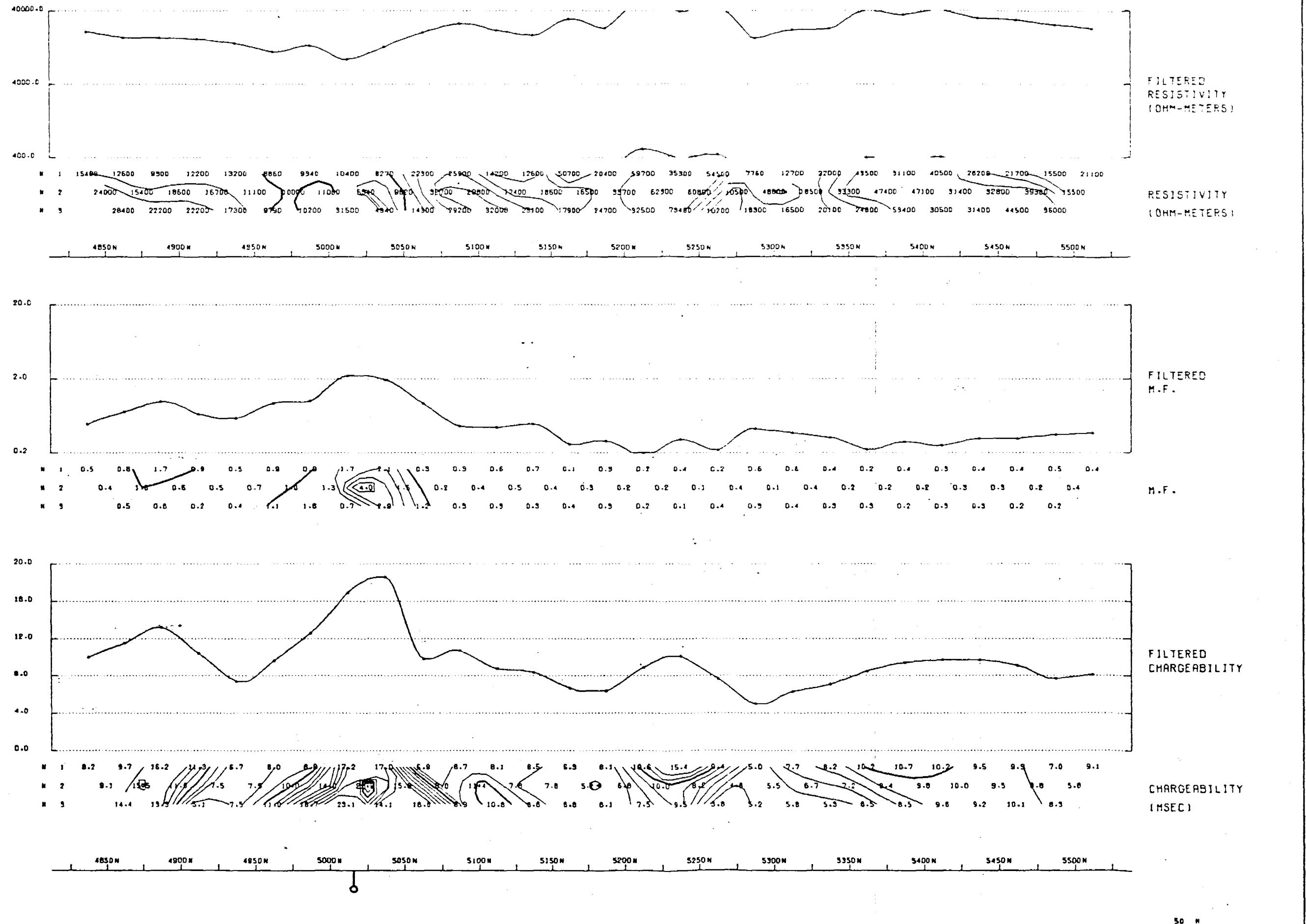
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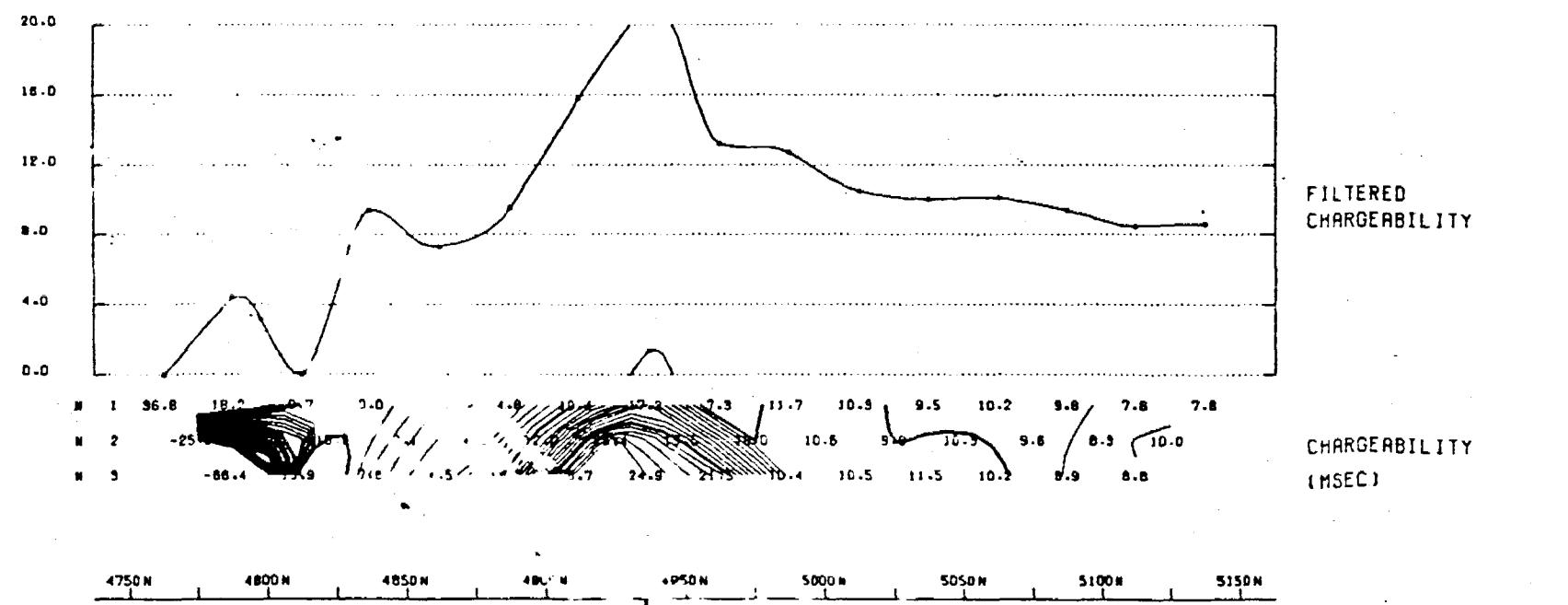
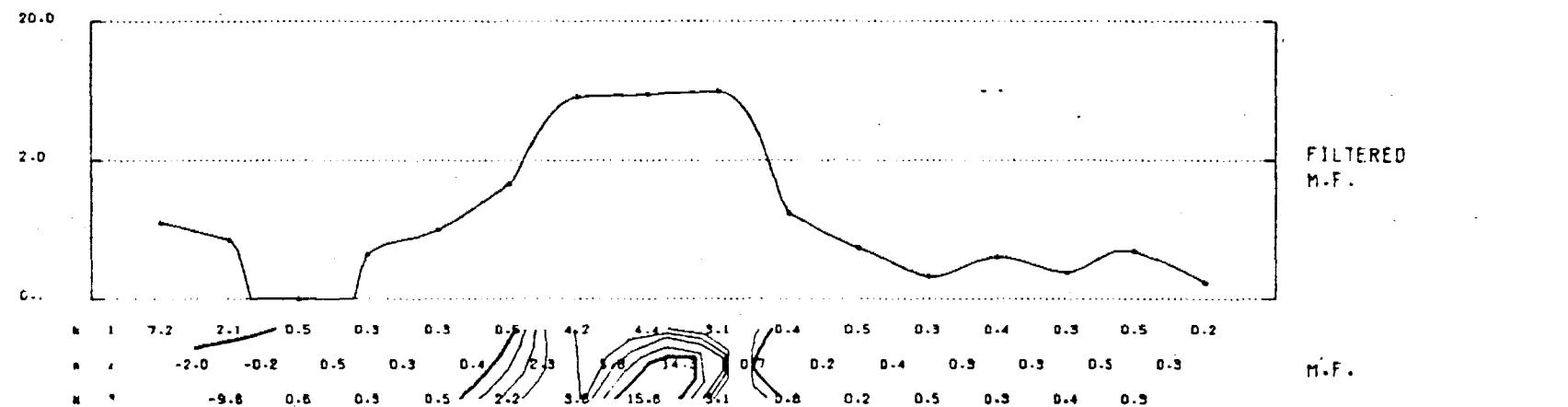
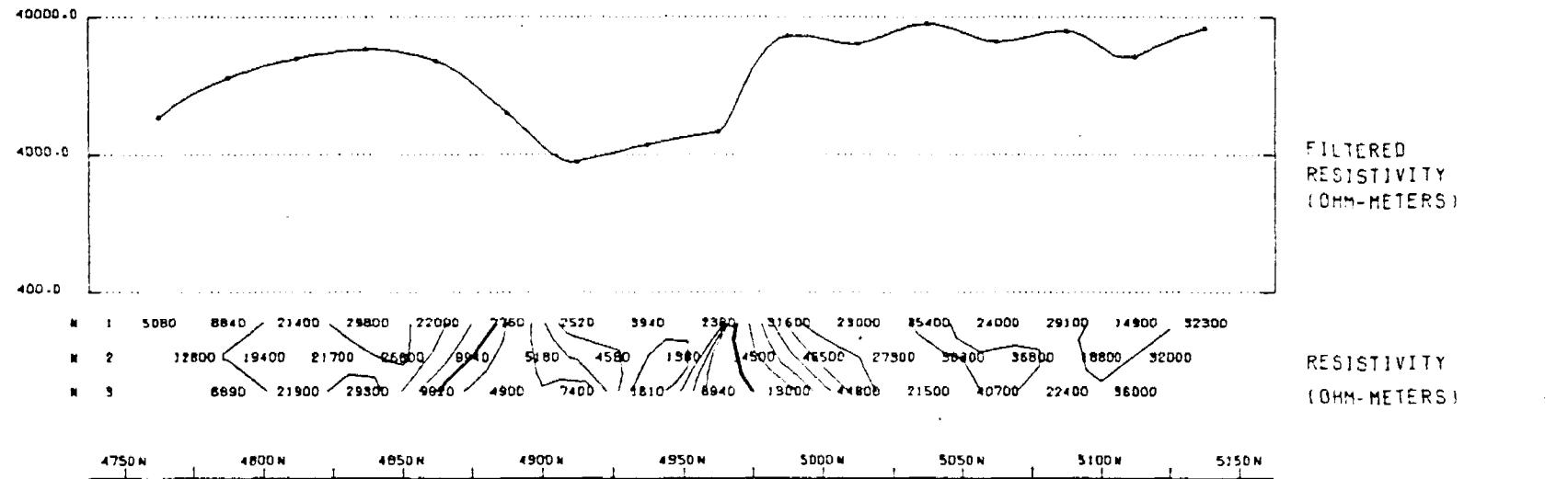
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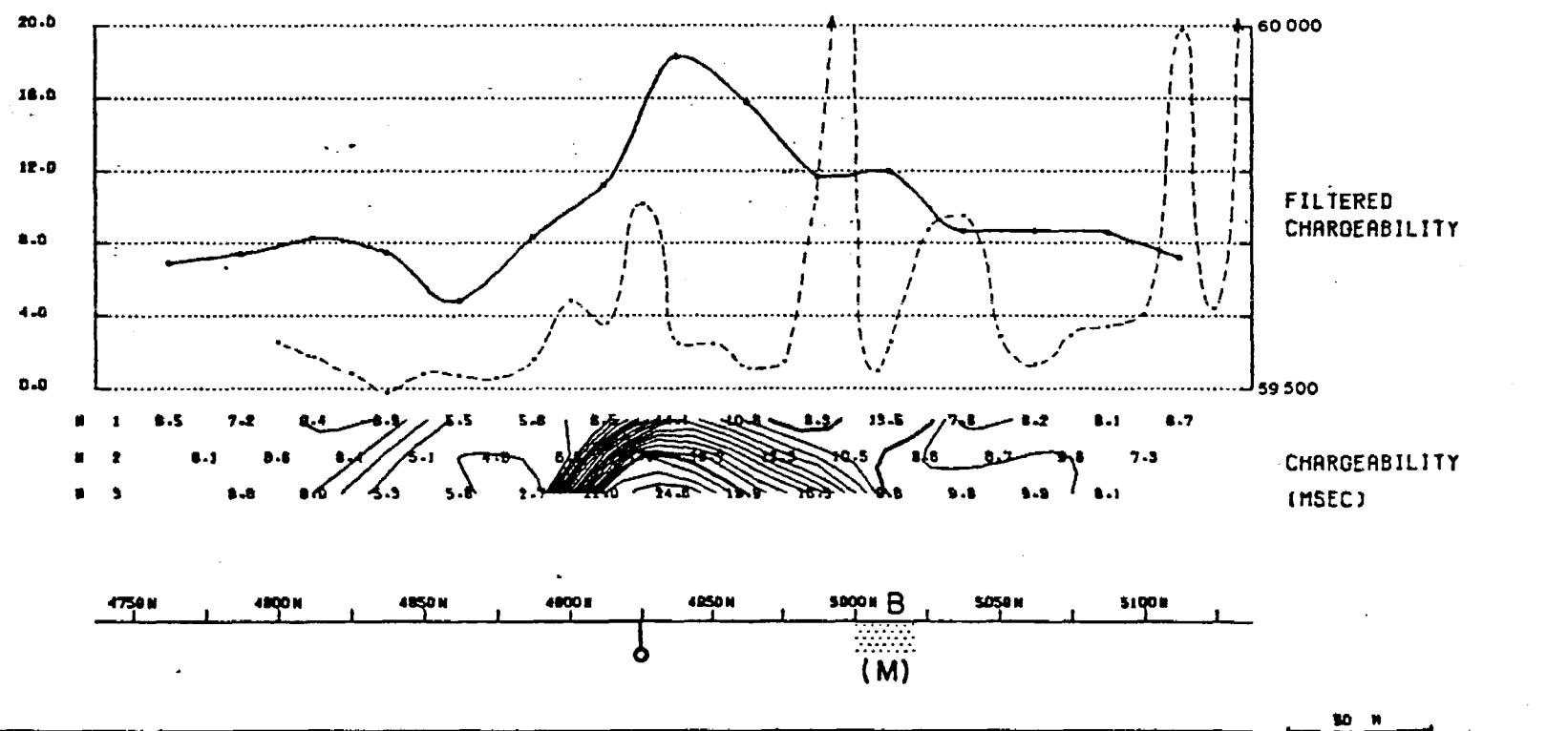
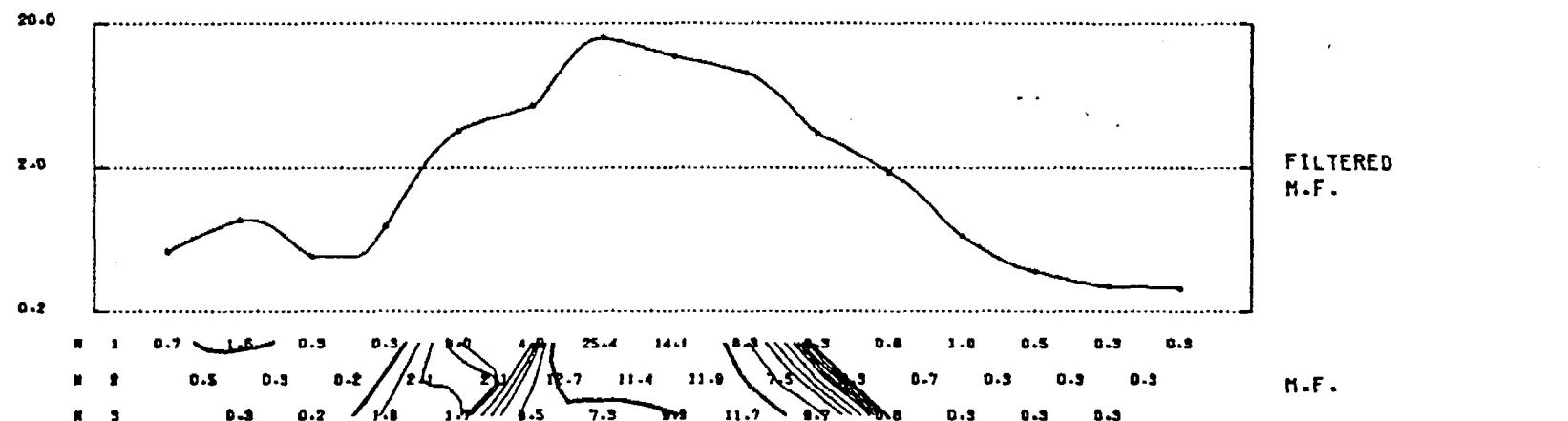
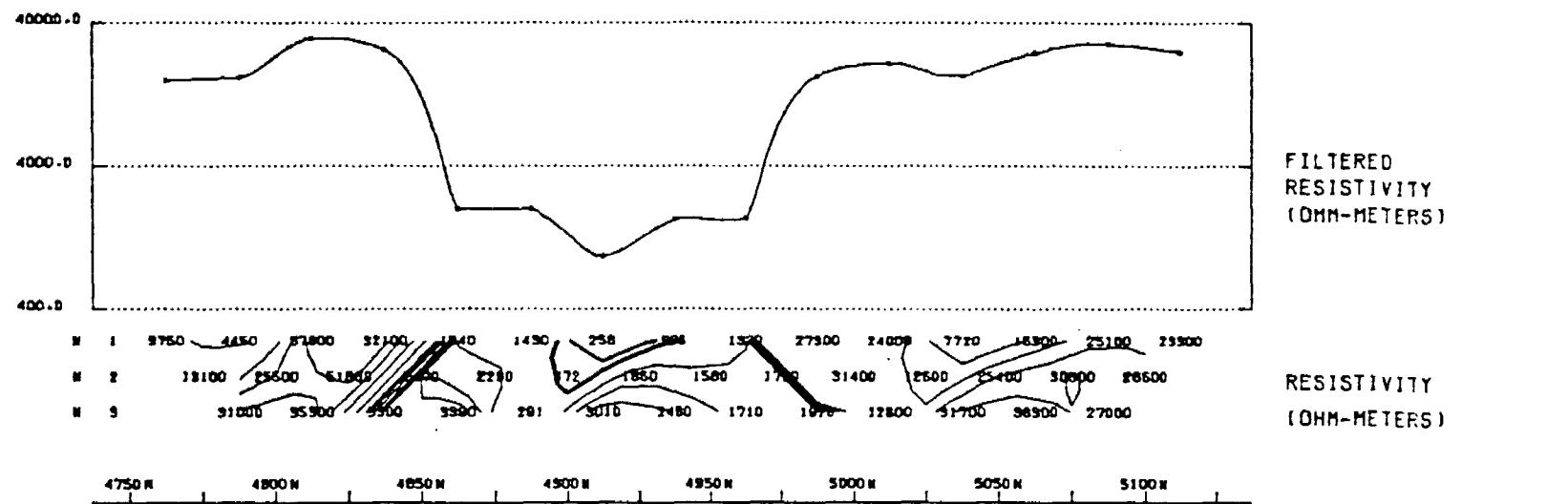


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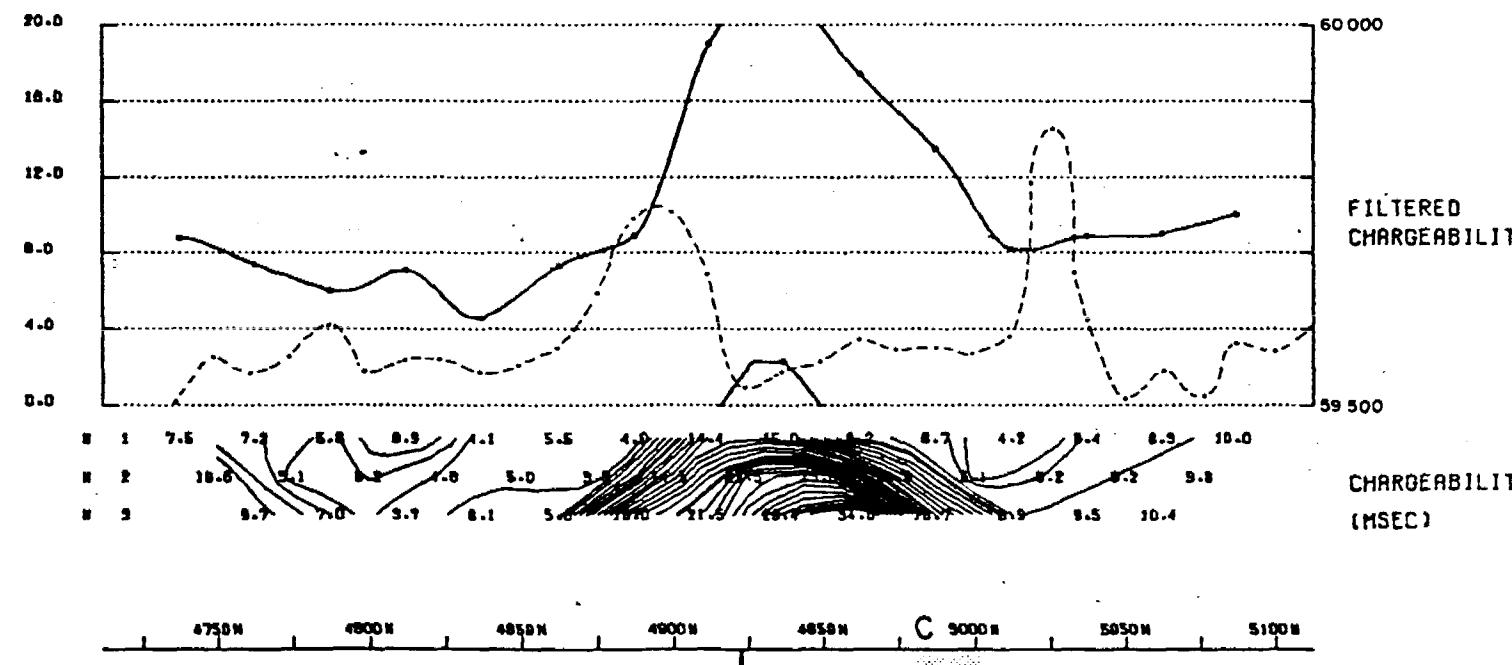
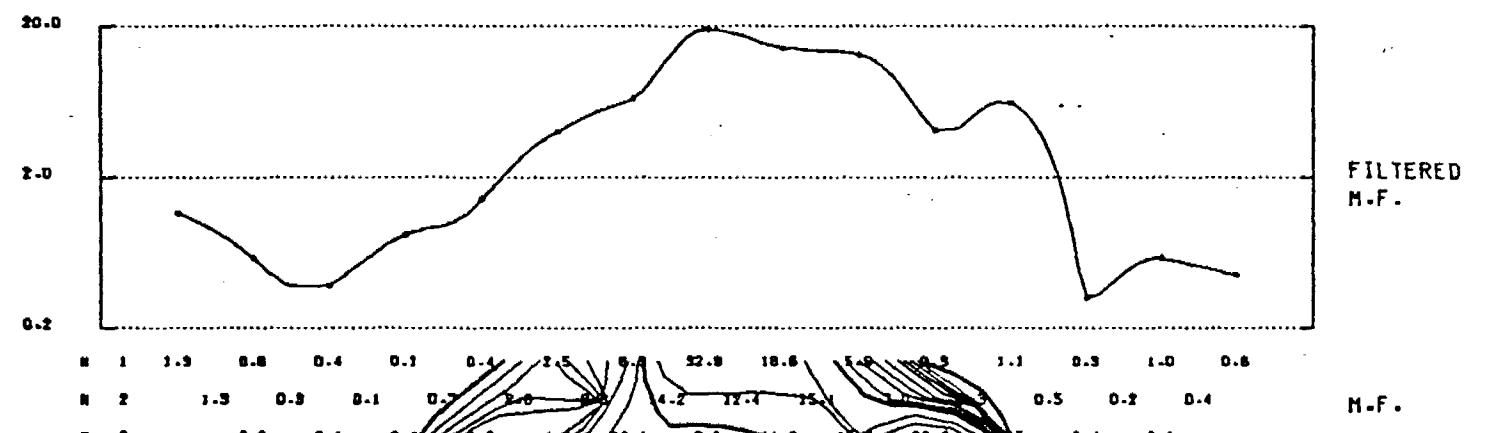
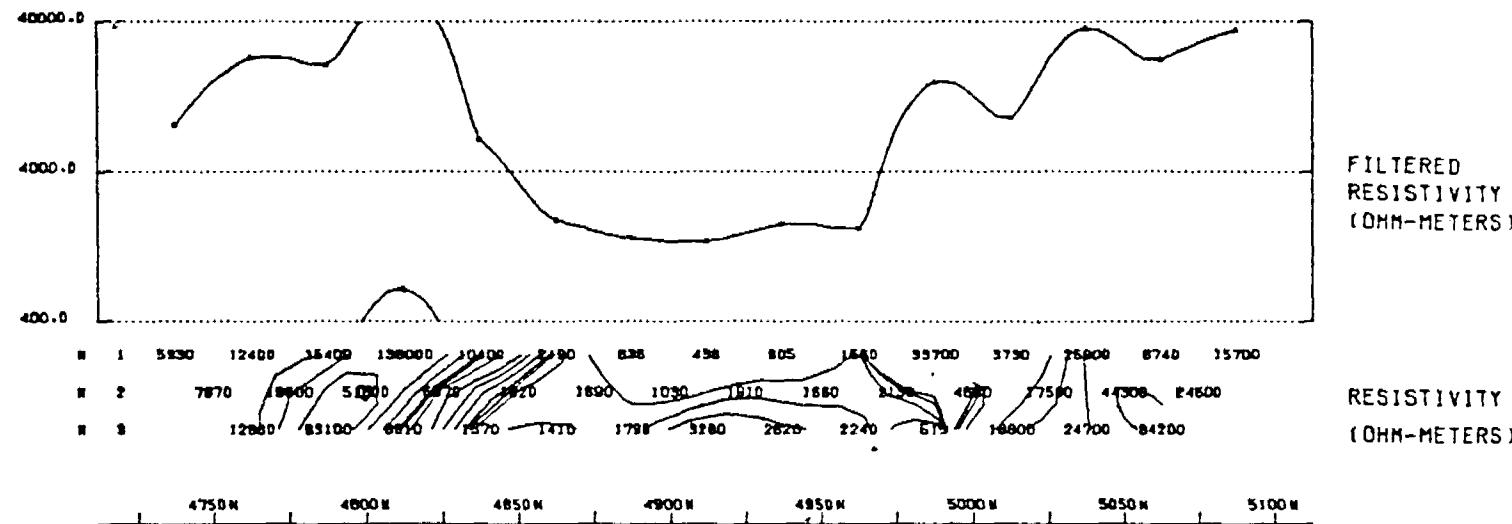


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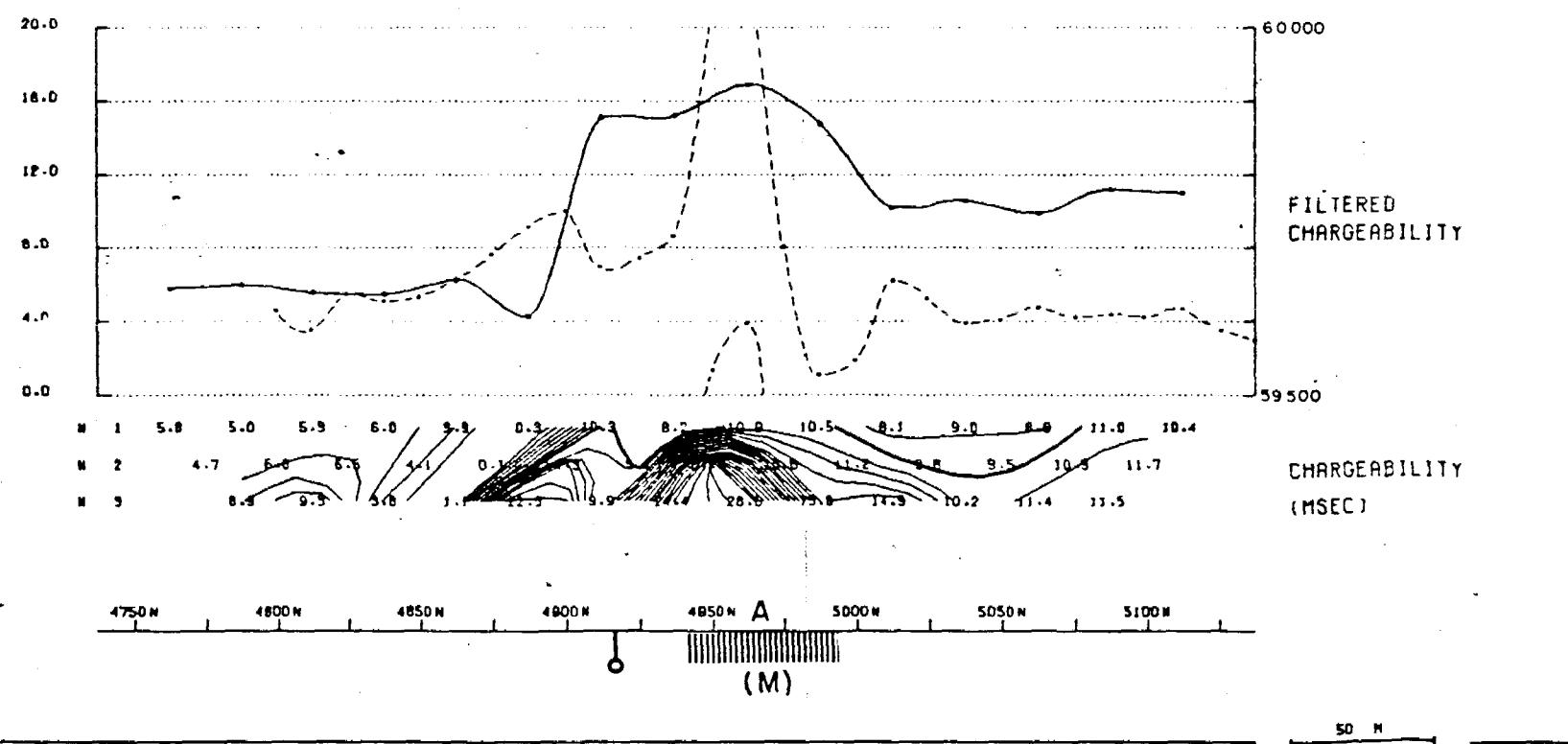
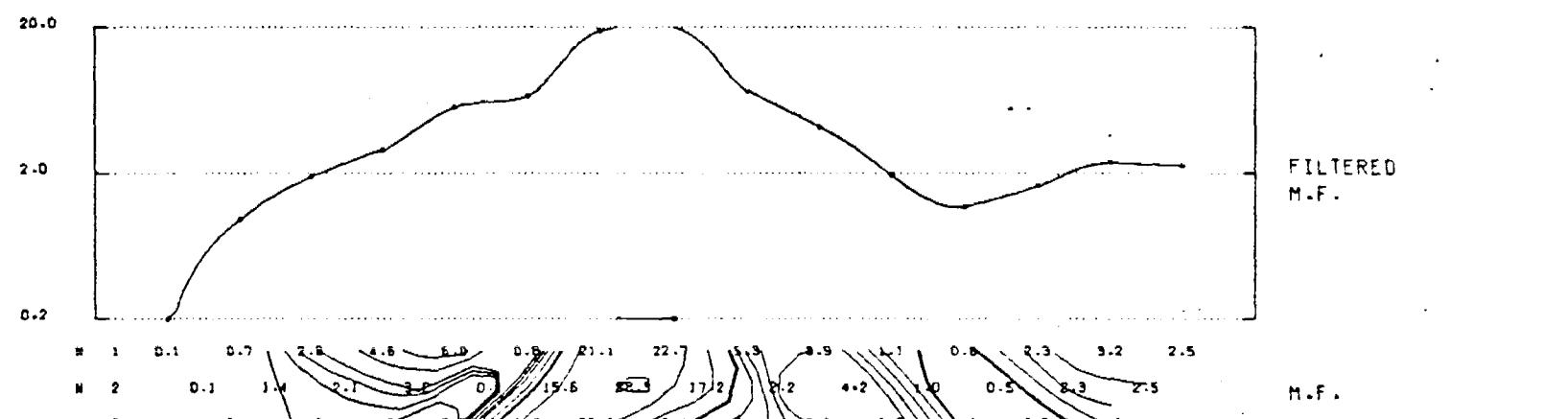
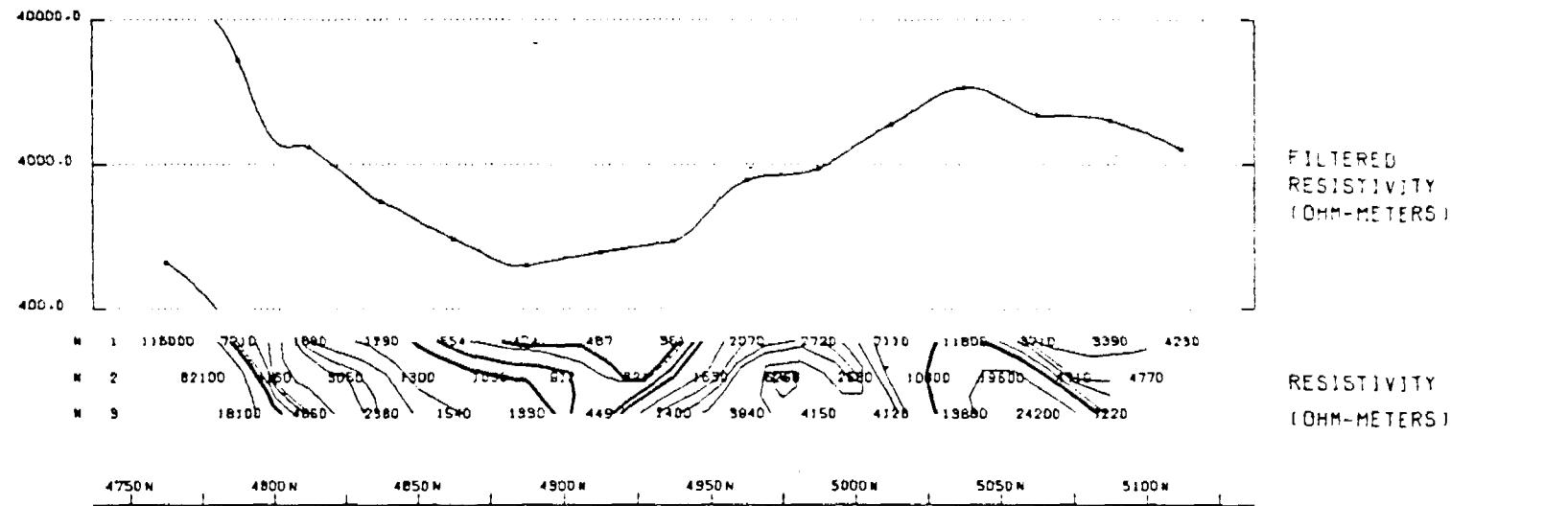
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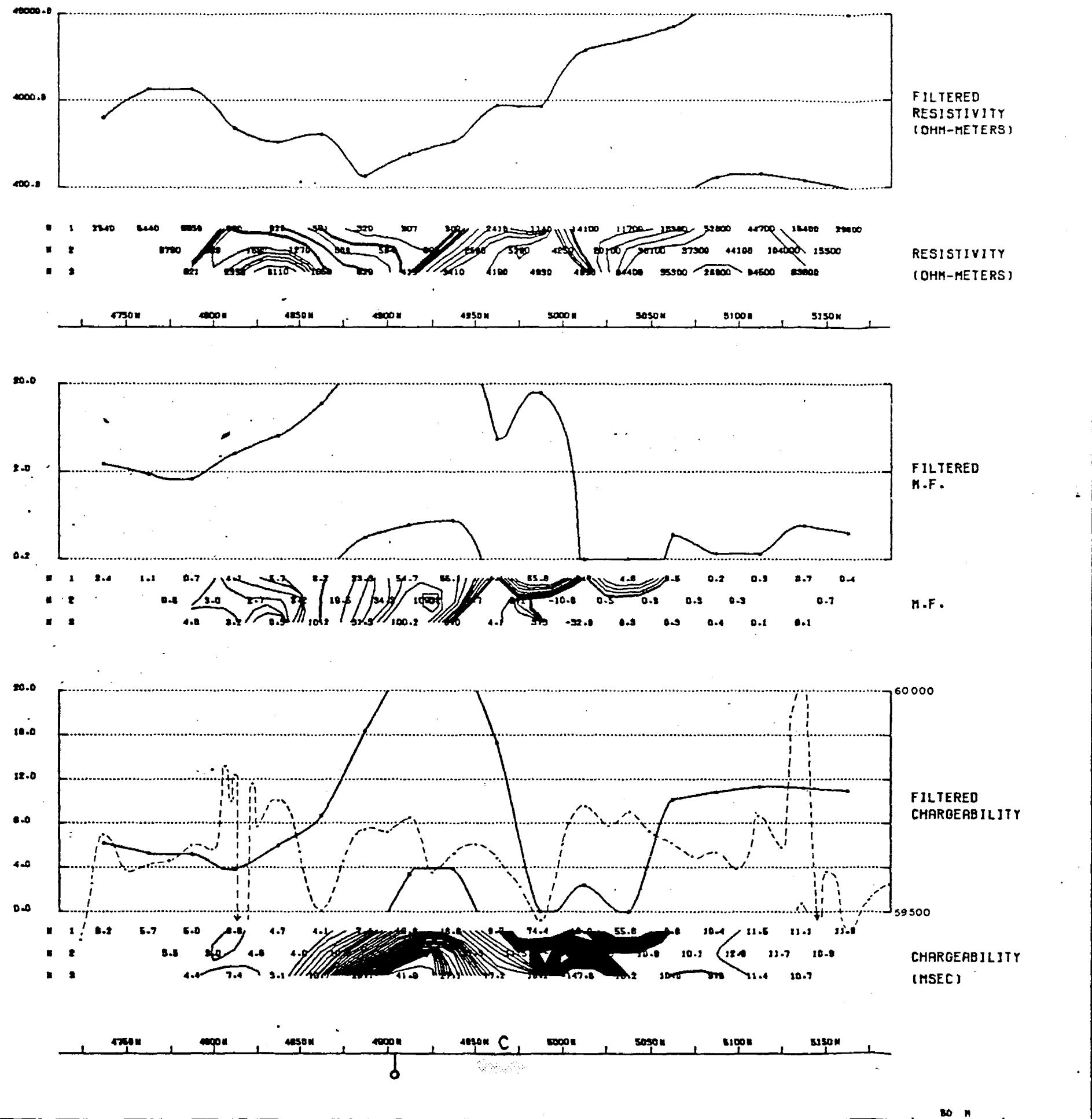
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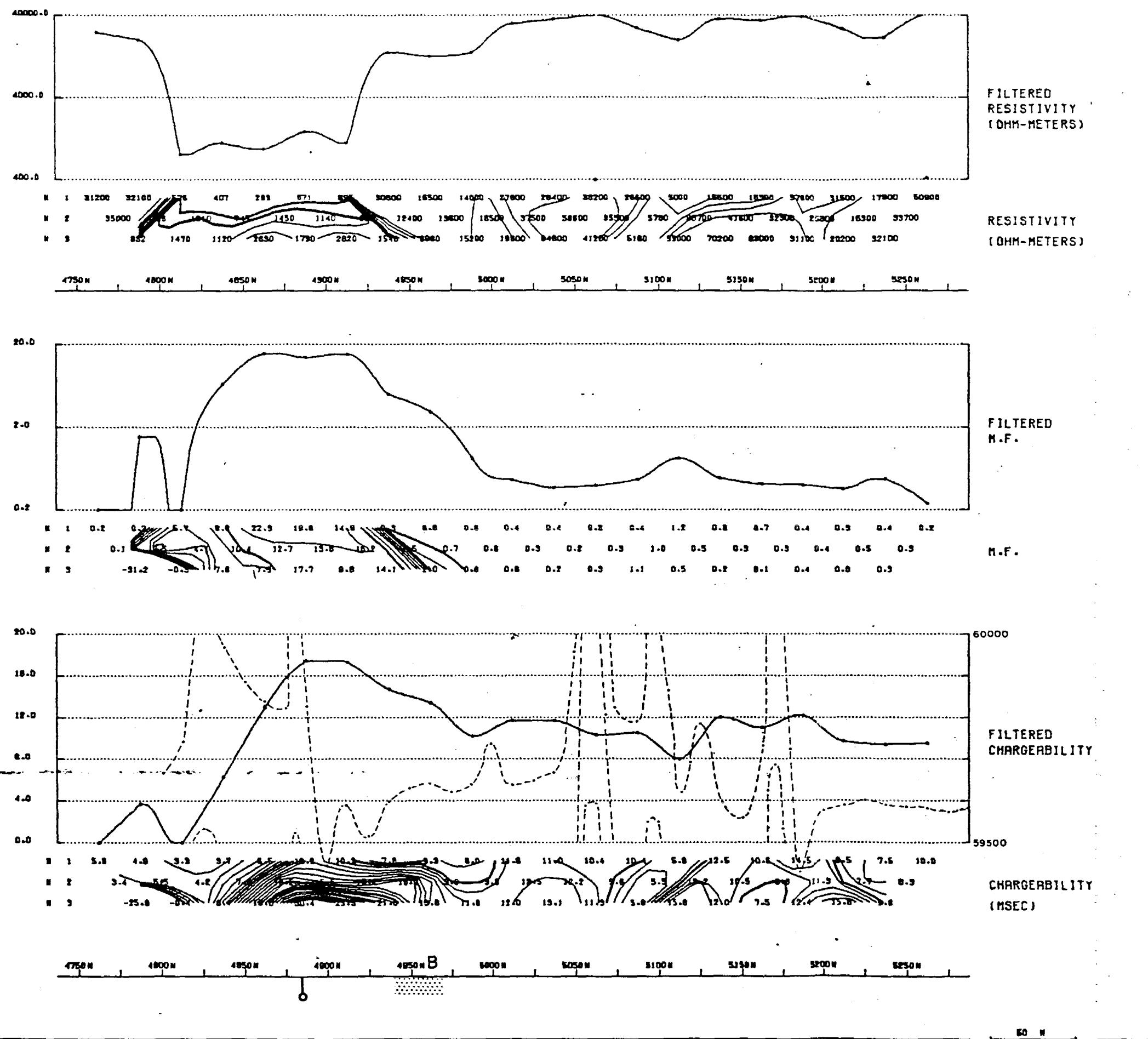


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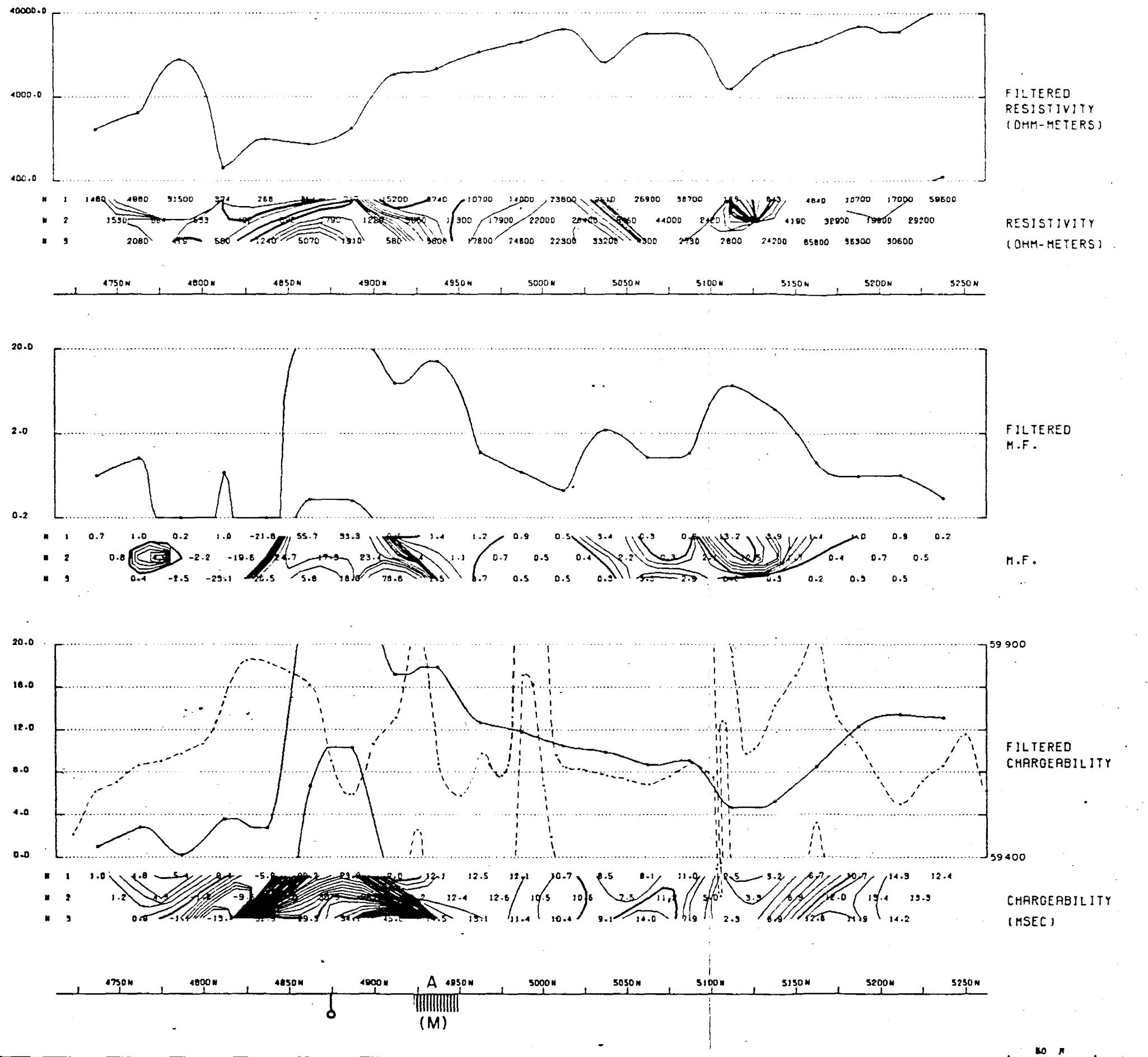


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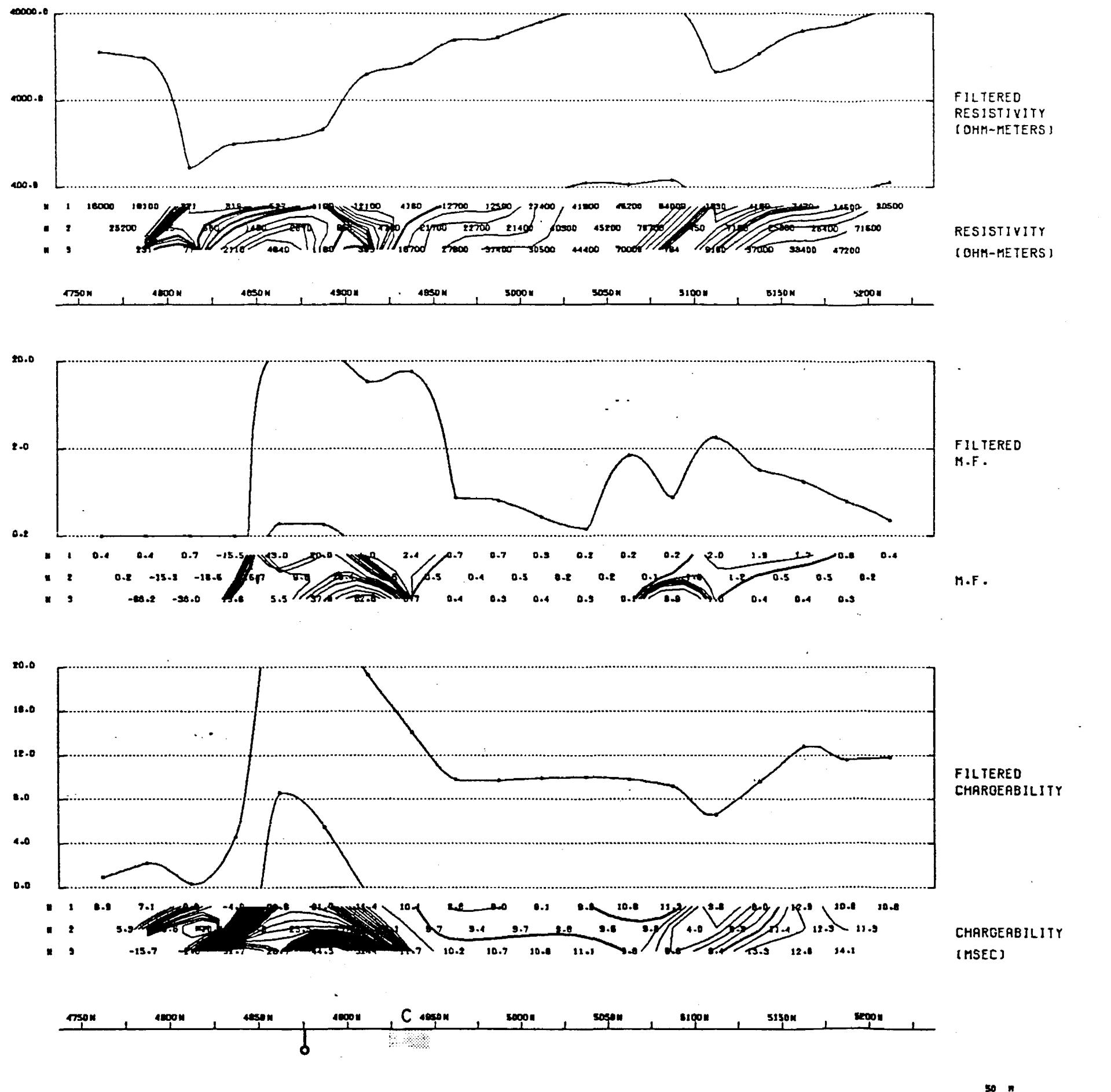




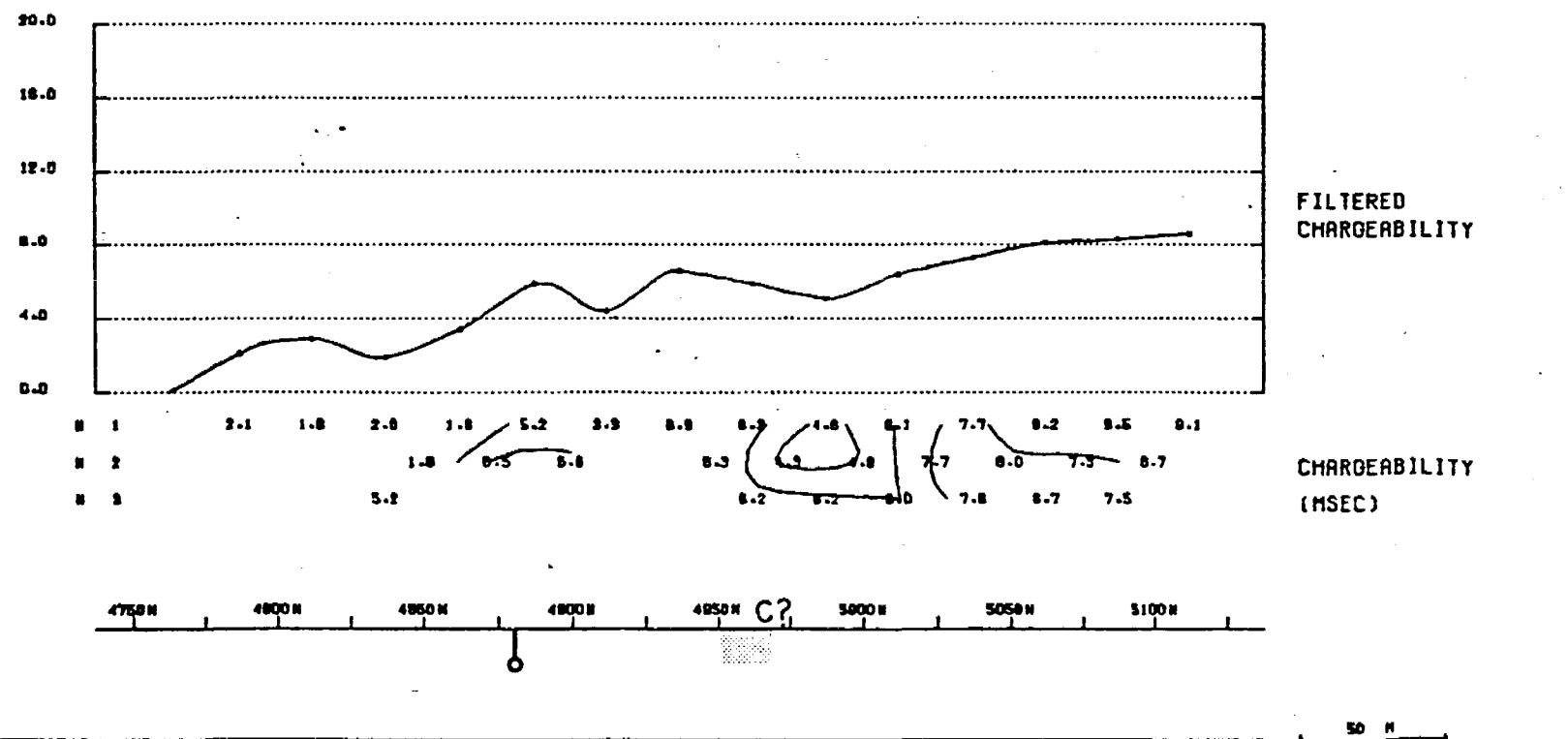
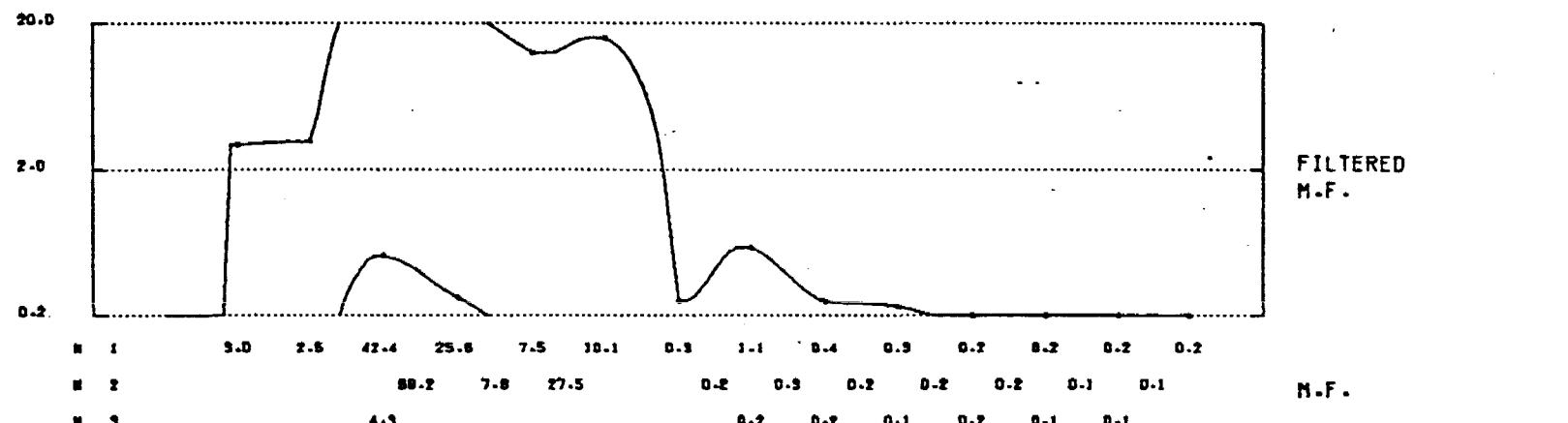
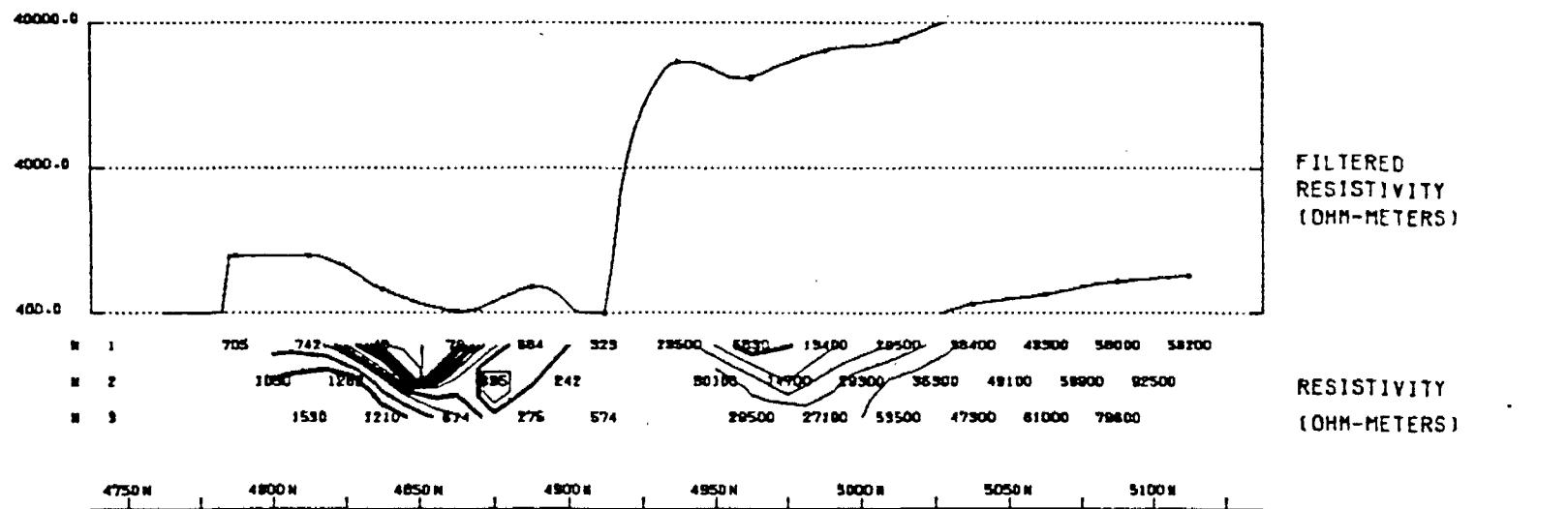
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JOB : 8414 GRID : 1 LINE 5050E



JOB : 8414 GRID : 1 LINE 5100E



H. FREEMAN MACOMBE

300 Bayview Avenue
Toronto, Ontario
Canada M5A 3R7
(416) 364-9384
Telex (065) 24570

1st May 1985

1985

Ministry of Natural Resources,
99 Wellesley Street West,
Room 4649,
Whitney Block,
Queen's Park,
Toronto,
Ontario.

ATT: R. Huggins Esq.

Dear Sirs,

International Kenergy Resource Corporation (formerly Kenergy Resource Corporation) - OMAP Grant re Atikokan property.

Please find enclosed the following documents which are being submitted on behalf of International Kenergy Resource Corporation (formerly Kenergy Resource Corporation) in connection with their application for OMAP grant:-

Report on Geophysical Surveys, by Paterson Grant & Watson Limited;
The 1984 Field Program Summary, by Michael W. Leahy;
Report on the Property by George Cavey, Brett Barnes and Orequest Consultants Ltd.;
Addendum to Report on Property, by George Cavey and Orequest Consultants Ltd.

I understand that you will be reviewing this matter as soon as these Reports are in hand. Please telephone Mr. E.G. Kennedy (phone # (604) 669-5118) as soon as you have been able to deal with the matter, or if you require any further information.

Thank you for your assistance.

Yours truly,

C.H. Freeman

P.S. Consequent on our discussion over the telephone, the two Reports by Mr Cavey/Orequest have been omitted.

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52814588010 63-4532 HUTCHINSON

900

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
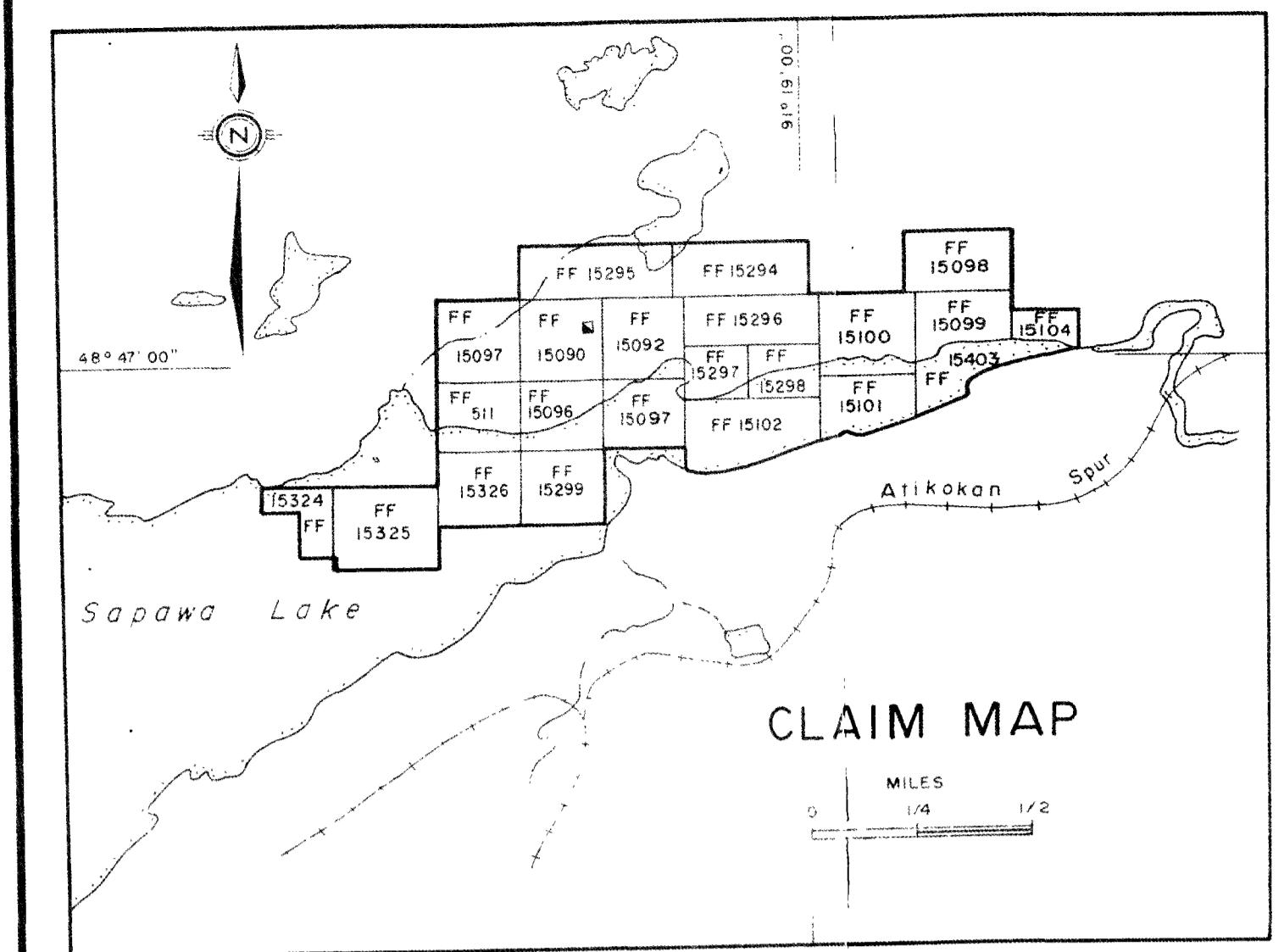
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
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
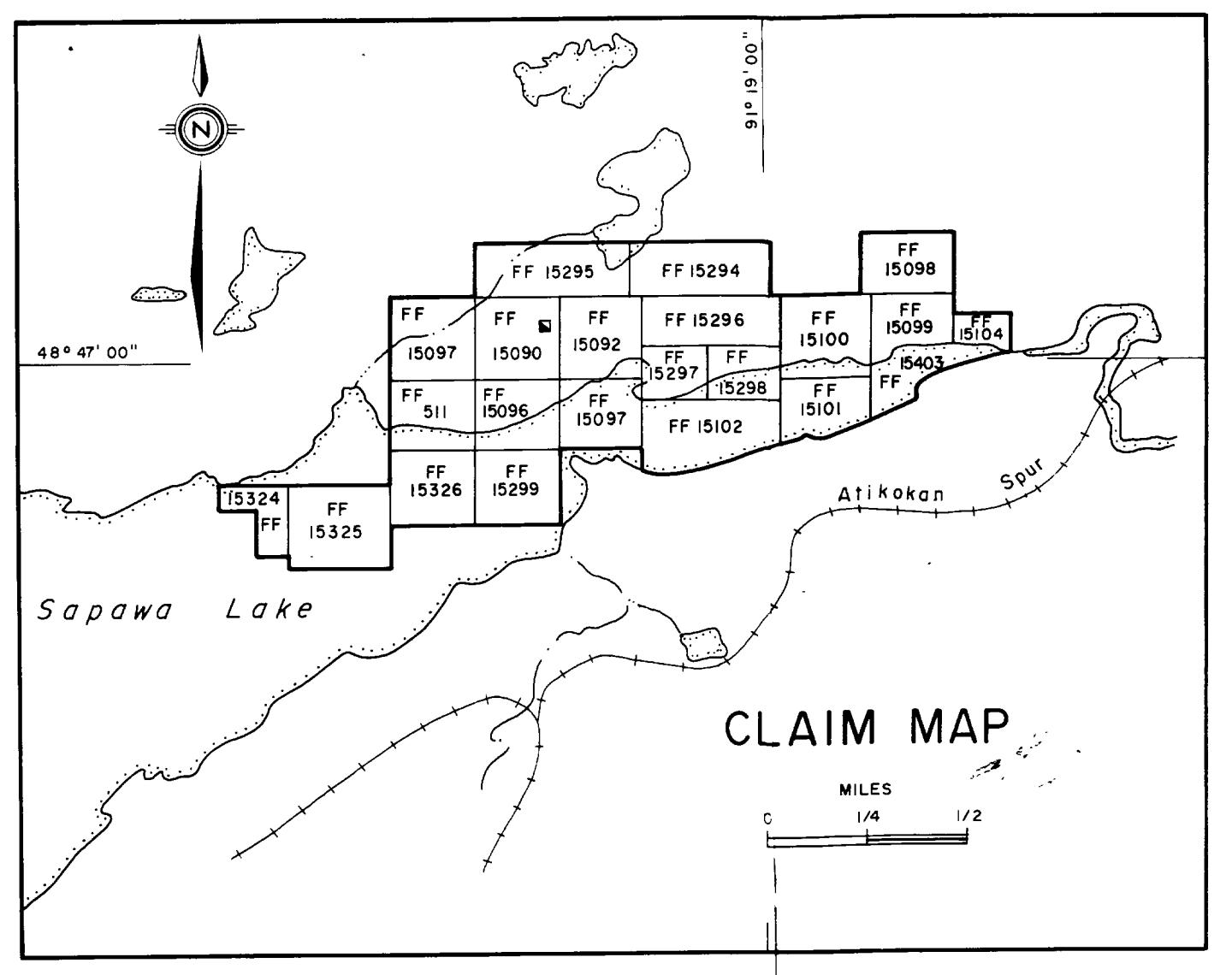

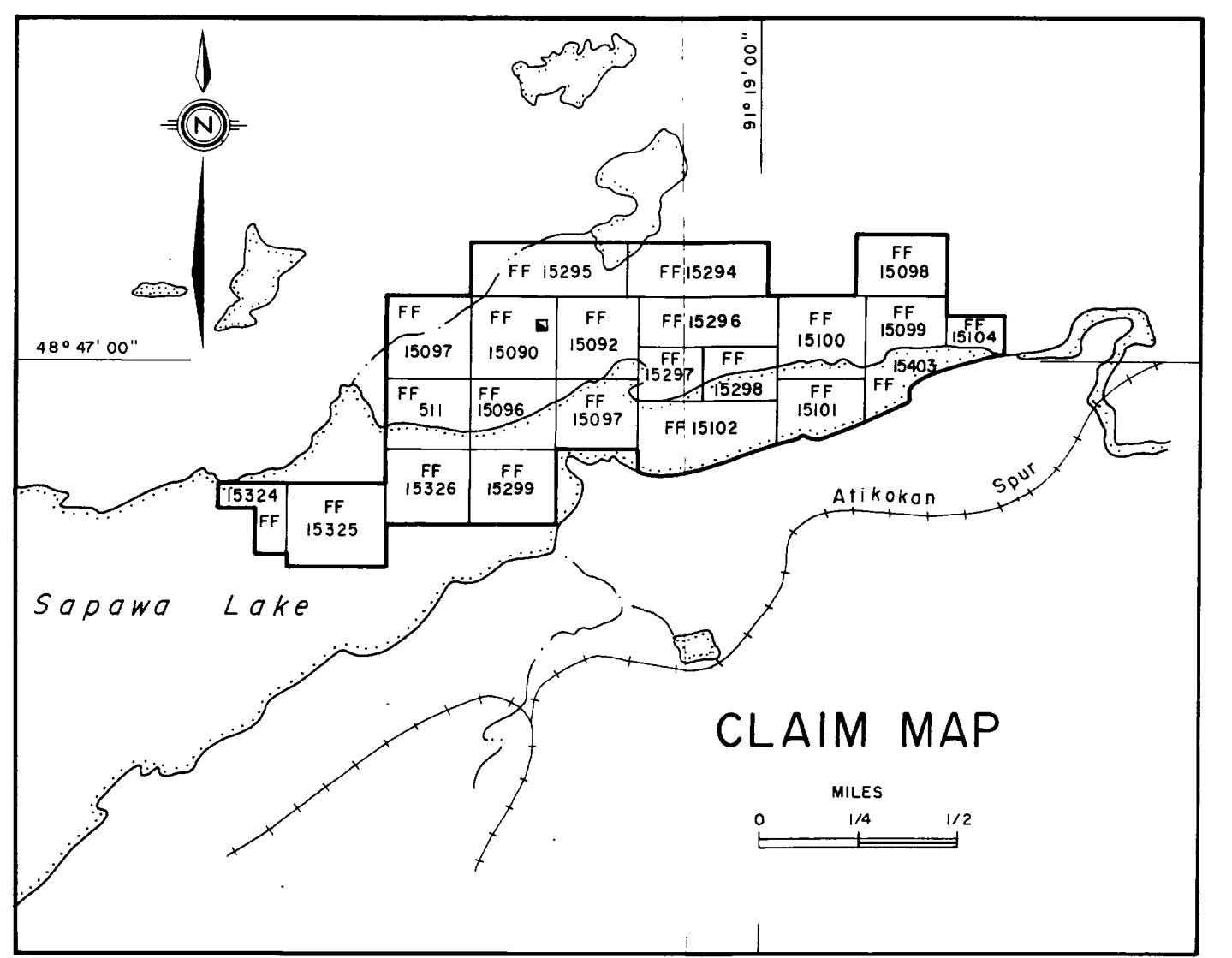

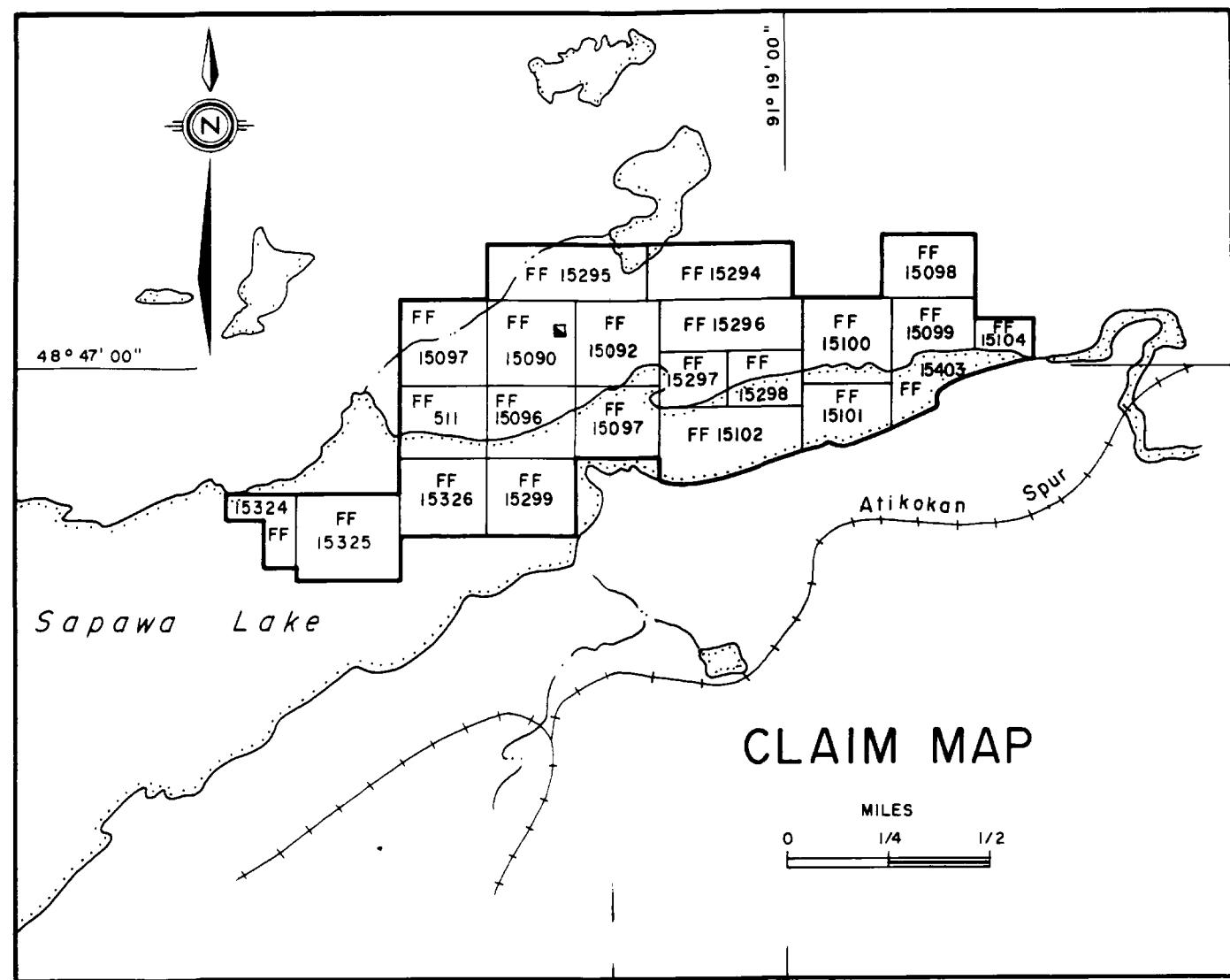


FIGURE
KENERGY RESOURCE CORPORATION
ATIKOKAN PROJECT
SAPAWA LAKE AREA
ONTARIO
GEOCHEMICAL SURVEY
CONTOURS OF COPPER VALUES
COPPER, GOLD, LEAD, ZINC

SCALE IN METRES
 0 50 100 200 300
 NTS 52B14
 JUNE 1984



SCALE IN METRES
0 50 100 200 300
N.T.S. 52 B 14 JUNE, 1984



KENERGY RESOURCE CORPORATION

ATIKOKAN PROJECT

SAPAWA LAKE AREA

ONTARIO

63.4532

© M84-65

INDUCED POLARIZATION SURVEY
CONTOURS OF CHARGEABILITY
(FILTERED), MILLISECONDS

SURVEY SPECIFICATIONS
HUNTEC MK 3 (TIME DOMAIN)
CYCLE TIME - 8 SECONDS
INTEGRATION TIME 900 msec
DELAY TIME 480 msec

FILTER

0 50 100 200 300
SCALE IN METRES

N.T.S. 52 B 14 JUNE, 1984




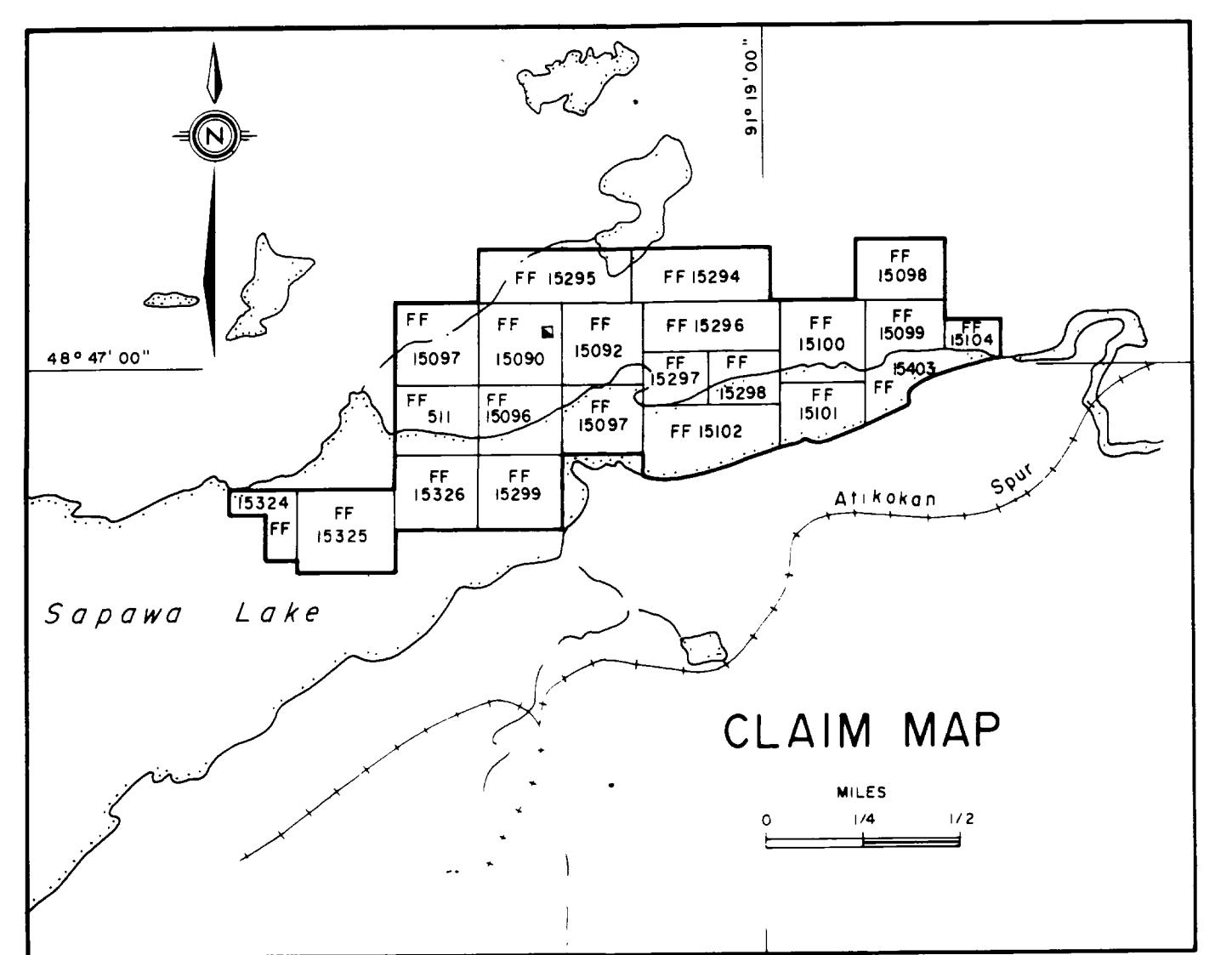


FIGURE
KENERGY RESOURCE CORPORATION
ATIKOKAN PROJECT

63.4532
OM84-65

SAPAWA LAKE AREA
ONTARIO
INDUCED POLARIZATION SURVEY
CONTOURS OF APPARENT RESISTIVITY
(FILTERED) OHM-METRES



SCALE IN METRES
0 50 100 200 300

NTS 52B14

JUNE, 1984

Pole-dipole array

Dipole-dipole array

FILTER