

PROPERTY FILE

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Gabe Creek 104G

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE  
(Development Company)

000343

STATEMENT OF MATERIAL FACTS #22/89  
EFFECTIVE DATE: June 21, 1989.

CONSOLIDATED GOLDWEST RESOURCES LTD.  
11th Floor, 808 West Hasting Street, Vancouver, B.C., V6C 2X6. Telephone: (604) 687-7463  
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Suite 100, 200 Granville Street, Vancouver, B.C., V6C 1S4  
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

NATIONAL TRUST COMPANY, 9th Floor, 666 Burrard Street, Vancouver, B.C., V6C 2Z9  
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**OFFERING : 1,000,000 UNITS**

Each Unit consists of One Common Share and Two Series "B" Warrants, two such Warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at any time up to the close of business within one year following the Offering Day at a price to be determined in accordance with the rules of the Vancouver Stock Exchange.

	Offering Price (estimated)*	Commission	Estimated Net Pro- ceeds to be Received by the Issuer
Per Unit	\$1.00	\$0.075	\$0.925
Total	\$1,000,000	\$75,000	\$925,000

\* To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

**ADDITIONAL OFFERING**

The Agents have agreed to purchase (the "Guarantee") any of the Units offered hereby which have not been sold at the conclusion of the Offering (see "Consideration to Agents"). Any Units acquired by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

**AGENTS**

Canarim Investment Corporation Ltd.  
Suite 2200, 609 Granville Street  
Vancouver, British Columbia  
V7Y 1H2

Continental Securities  
10th Floor, 1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1L4

McDermid St. Lawrence Limited  
Suite 1000, 601 West Hastings Street  
Vancouver, British Columbia  
V6B 5E2

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference May 31, 1989 (the "Agency Agreement"), Consolidated Goldwest Resources Ltd. (the "Issuer") appointed the following as its agents (the "Agents") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,000,000 Units of the Issuer at a fixed price in the amounts set opposite their respective names (the "Offering"):

<u>Agents</u>	<u>No. of Units</u>
Canarim Investment Corporation Ltd.	700,000
Continental Securities	200,000
McDermid St. Lawrence Limited	100,000

The Offering will take place on the "Offering Day" which will be not more than one hundred eighty (180) calendar days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

The offering price of the Units will be determined in accordance with the rules of the Exchange, at a premium over the average trading price of the Issuer's shares as determined by the Exchange, (the "Offering Price") and agreed to by the Issuer and the Agents. The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from the Offering.

The obligations of the Agents under the Agency Agreement may be terminated prior to opening of the market on the Offering Day at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

Except as set out in this Statement of Material Facts, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or other person or

company in connection with the Offering. The directors, officers and other insiders of the Issuer may purchase Units from the Offering. The Agents do not own nor have any shares of the Issuer under their control.

**B. THE UNIT**

Each Unit shall consist of one common share and two Series "B" Share Purchase Warrants (the "Series "B" Warrants"). The Series "B" Warrants will be transferable and in bearer form and two such Warrants will entitle the holder thereof to purchase one common share of the Issuer at the Offering Price at any time up to the close of business one year from the Offering Day.

The Series "B" Warrants shall be posted for trading on the Exchange subject to evidence of satisfactory distribution of such Warrants as specified by the rules of the Exchange. The Series "B" Warrants will contain provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer, the payment of stock dividends or the amalgamation of the Issuer.

**C. CONSIDERATION TO AGENTS**

The Agents will receive a commission at the time the Units are sold of 7.5% of the gross proceeds from the sale of the Units.

The Agents have agreed to purchase (the "Guarantee") any Units unsubscribed for at the conclusion of the Offering at the Offering Price in consideration of which the Issuer has agreed to issue to the Agents non-transferable share purchase warrants (the "Agents' Warrants") entitling the Agents to purchase up to 500,000 common shares of the Issuer in proportion to their participation in the Offering. Any Units acquired by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Exchange at the market price at the time of sale.

The Agents may exercise the Agents' Warrants or any portion thereof at the Offering Price at any time up to the close of business within one year from the Offering Day. The Agents' Warrants will have the same provisions as the Series "B" Warrants except that they will be non-transferable and one Agents' Warrant will entitle the holder to purchase one additional common share of the Issuer. The Agents may sell any shares acquired on the exercise of the Agents' Warrants without further qualification. The proceeds from any sale of such shares will accrue to the Agents.

**2. HOW THE NET PROCEEDS OF THE ISSUER ARE TO BE SPENT**

Although it is not possible to determine the actual net proceeds from the Offering, in the event that all of the 1,000,000 Units are sold at an estimated price of \$1.00 per Unit, the proceeds would be \$1,000,000, less commissions of \$75,000 to net the Issuer \$925,000 which, when added to the Issuer's working capital as at May 31, 1989 of approximately \$120,000 would make \$1,045,000 available to the Issuer on completion of the Offering.

The principal purposes for which the total available funds are to be allocated, in order of priority, are as follows:

(a)	To pay the estimated costs of this Issue.....	\$ 30,000
(b)	To pay the estimated costs of Phase I of the exploration program recommended by Sorbara Geological Consulting Ltd. in their report dated January 24, 1989 on the Galore Creek Property.....	\$ 500,000
(c)	To pay the estimated costs of the exploration program recommended by Henry J. Awmack in his report dated February, 1989 on the Scud River Property.....	\$ 80,000
(d)	Working capital.....	\$ <u>435,000</u>
	TOTAL:	\$ <u>1,045,000</u>

All proceeds derived from the exercise of the Series "B" Warrants and Agents' Warrants will be added to working capital.

**3. MATERIAL NATURAL RESOURCE PROPERTIES**

Summary of Material Mining Properties

- Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.
- Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date (in \$)	Shares Issued to Date	Planned Expenditures from Funds Available upon Completion of the Offering
I.			N/A	
II.	Galore Creek Property, B.C.	Acquisition: \$25,000 Exploration: Nil	50,000	\$500,000
	Scud River Property, B.C.	Acquisition: \$20,000 Exploration: \$11,815	50,000	\$80,000
III.	Havilah Group Property, B.C.	Acquisition: \$49,700 Exploration: \$76,442	Nil	Nil

**GROUP II**

**Galore Creek Property,  
Liard Mining Division, B.C.**

Pursuant to an option and joint venture agreement dated January 3, 1989 (the "Pass Lake Agreement") between the Issuer and Pass Lake Resources Ltd. ("Pass Lake") of #1105, 1020 Howe Street, Vancouver, British Columbia, the Issuer has acquired the option to acquire an undivided 51% interest in 28 mineral claims located in the Liard Mining Division, Province of British Columbia and more particularly known as the J.D. I-VI, Bell 1 & 2, PL-1 to PL-6, B.W. 1 & 2, Wisser I-VI, Cutty I and Glenlivet 1-5 claims (the "Galore Creek Property").

In order to exercise the option to acquire its interest in the Galore Creek Property, the Issuer must:

- (a) pay to Pass Lake an aggregate \$50,000 cash as follows:
  1. \$25,000 within 5 business days of the receipt of regulatory approval of the Pass Lake Agreement (the "Approval Date"), which sum has been paid; and

2. An additional \$25,000 on the commencement of a Phase II work program on the Galore Creek Property following acceptance for filing by the Exchange of a favourable report prepared by a duly qualified mining engineer or geologist on Phase I of the work program and recommending that Phase II thereof be undertaken (the "Phase II Commencement Date");
- (b) issue to Pass Lake an aggregate 200,000 of its common shares as follows:
1. 50,000 of its common shares on the Approval Date, which shares have been issued;
  2. An additional 50,000 of its common shares on the Phase II Commencement Date;
  3. An additional 50,000 of its common shares on the commencement of a Phase III work program on the Galore Creek Property following acceptance for filing by the Exchange of a favourable report prepared by a duly qualified mining engineer or geologist on Phase II of the work program and recommending that Phase III thereof be undertaken; and
  4. An additional 50,000 of its common shares on the conclusion of the Phase III work program following acceptance for filing by the Exchange of a favourable report prepared by a duly qualified mining engineer or geologist on Phase III of the work program and recommending that further exploration or development work be undertaken; and
- (c) incur minimum expenditures on exploration of the Galore Creek Property in the amount of \$2,500,000 in the aggregate as follows:
1. Not less than \$500,000 by December 31, 1989;
  2. Not less than an aggregate \$1,250,000 by December 31, 1990; and
  3. Not less than an aggregate \$2,500,000 by December 31, 1991.

Upon the Issuer acquiring an undivided 51% interest in the Galore Creek Property, the Issuer and Pass Lake have agreed to associate themselves as a single purpose joint venture and have agreed to enter into an agreement (the "Joint Venture Agreement") for the purpose of proceeding with the continued exploration and, if

warranted, development of the Property on a joint venture basis. The Joint Venture Agreement will provide for the dilution of a party's interest if that party fails to pay its share of costs and expenses. If either party's interest is diluted to 15% or less, that interest will be converted to a 15% Net Profits Interest.

Sorbara Geological Consulting Ltd. has prepared a "Report on the Galore Creek Claims, Liard Mining Division, British Columbia for Consolidated Goldwest Resources Ltd." (the "Sorbara Report") dated January 24, 1989, a copy of which is included in this Statement of Material Facts. The Sorbara Report reports on the location and history of the Galore Creek Property and recommends an exploration program thereon at an estimated cost of \$500,000. The recommended program is to consist of reconnaissance and follow-up ground work and airborne geophysical survey. Ground work is recommended over the entire group of claims and is to consist of reconnaissance style geological mapping and prospecting, in conjunction with stream sediment and soil geochemical sampling in order to provide more detailed lithological and stratigraphical control on the types and characteristics of alteration and mineralization present on the claims. Since the most encouraging results to date have come from preliminary work on the JD I claim, follow-up geological mapping and geochemical sampling are recommended over that claim. The Sorbara Report recommends follow-up ground geophysical surveying, magnetics and VLF-EM on any targets generated by the airborne geophysical survey. Linecutting may have to be utilized to facilitate examination of the area.

The Issuer has contracted with Prime Explorations Ltd. ("PEL") of 10th Floor, 808 West Hastings Street, Vancouver, B.C., to carry out the recommended program on its behalf for a 15% fee. PEL is a wholly-owned subsidiary of Prime Capital Corporation ("Prime Capital"), a subsidiary of Prime Resources Corporation ("Prime Resources"), a British Columbia company whose shares are listed for trading on the Vancouver Stock Exchange. Murray Pezim, John Ivany, Arthur Clemis and Lawrence Page, directors and officers of the Issuer, are directors and officers of Prime Capital and Prime Resources.

With the exception of commissioning the Sorbara Report at a cost of approximately \$2,000, inclusive of report costs and PEL's fees, the Issuer has not undertaken any exploration work on the Galore Creek Property. The Galore Creek Property is without known commercial ore reserves.

**Scud River Property,  
Liard Mining Division, B.C.**

Pursuant to an option agreement dated July 20, 1988 (the "Caulfield Agreement") between the Issuer and David A. Caulfield ("Caulfield") of Suite 406, 675 West Hastings Street, Vancouver, British Columbia, the Issuer has acquired the option to acquire an undivided 100% interest, subject to a 1.5% Net Smelter Return Royalty reserved to Caulfield (the "NSR"), in and to six mineral claims located in the Liard Mining Division, British Columbia and more particularly known as the Op 1 & 2 and the Pup 1-4 claims (the "Scud River Property").

In order to exercise the option to acquire its interest in the Scud River Property, the Issuer must:

- (a) pay to Caulfield \$20,000 upon the execution of the Caulfield Agreement, which sum has been paid;
- (b) issue to Caulfield an aggregate 200,000 of its common shares as follows:
  1. 50,000 of its common shares upon the execution of the Caulfield Agreement, which shares have been issued;
  2. An additional 50,000 of its common shares by July 20, 1989;
  3. An additional 50,000 of its common shares by July 20, 1990; and
  4. An additional 50,000 of its common shares by July 20, 1991,

each such share issuance being subject to acceptance by the regulatory authorities of favourable progress reports recommending further exploration work be carried out on the Scud River Property;

- (c) pay to Caulfield advance royalty payments as follows:
  1. \$25,000 on or before July 20, 1992;
  2. \$50,000 on or before July 20, 1993;
  3. \$50,000 on each successive anniversary date, up to the earlier of the Date of Commencement of Commercial Production, as defined in the Caulfield Agreement, and the date of purchase of the NSR by the Issuer, as set out below; and



(d) incur minimum expenditures on exploration of the Scud River Property in the aggregate amount of \$1,000,000 as follows:

1. A minimum of \$80,000 by July 20, 1990;
2. An additional \$120,000 by July 20, 1991;
3. An additional \$200,000 by July 20, 1992; and
4. An additional \$600,000 by July 20, 1993.

The Caulfield Agreement further provides for inclusion in the definition of Claims thereunder, upon payment to the acquiring party of the cost of the acquisition following notice thereof, any right to or interest in any mining claim, licence, lease, grant, concession, permit, patent, or other mineral property staked or otherwise acquired during the currency of the Agreement by the Issuer or Caulfield wholly or partly within an area of common interest, being 5 kilometres from the outer boundary of the Scud River Property. Certain of the mineral claims comprising the Galore Creek Property more particularly described in Item 3 II. herein are located within the area of common interest and notice of the Issuer's acquisition of an interest therein has been given to Caulfield who has elected not to pay the cost of acquisition and has acknowledged the exclusion of the Galore Creek Property from the Caulfield Agreement.

Upon receipt by Caulfield of the \$20,000 cash payment, an additional aggregate amount of \$75,000 cash (being a portion of the advance royalty payments) and 200,000 common shares in the capital stock of the Issuer and the Issuer expending an aggregate \$1,000,000 on exploration of the Scud River Property, the Issuer shall have acquired its 100% undivided interest in and to the Scud River Property. The NSR may, at any time during the currency of the Caulfield Agreement, be purchased by the Issuer for the cash price of \$1,500,000, adjusted for the cost of living, less all advance royalty payments made thereunder.

Henry J. Awmack, P.Eng. has prepared a "Geochemical Report on the Op 1-2 and Pup 1-4 Claims" (the "Awmack Report") dated February, 1989, a copy of which is included in this Statement of Material Facts. The Awmack Report reports on the location and history of the Scud River Property and recommends an exploration program thereon. The Awmack Report states that preliminary exploration, consisting of geological mapping, prospecting and geochemical sampling was carried out over the Pup property during September of 1988. The recommended program consists of a reconnaissance style exploration program consisting of airborne geophysics, stream sediment and soil geochemistry, prospecting and geological mapping in order to delineate areas of interest for further, more intensive exploration. The Awmack Report recommends paying

special attention to gossanous areas and those drainages shown to be anomalous by stream sediment geochemistry. The Issuer has contracted with PEL to carry out the recommended program on its behalf for a 15% fee.

With the exception of commissioning the Awmack Report and carrying out limited prospecting and geochemistry at an aggregate cost of approximately \$11,815, inclusive of report costs and PEL's fees, the Issuer has not undertaken any exploration work on the Scud River Property. The Scud River Property is without known commercial ore reserves.

### GROUP III

#### Havilah Group Property, Alberni Mining Division, B.C.

The Issuer holds eleven mineral claims located in the Alberni Mining Division, Province of British Columbia and more particularly known as the B&M 1-8, the Rita 1 & 2 and the MVM 1 claims (the "Goldwest Claims").

Subsequent to the acquisition of the Goldwest Claims, the Issuer entered into a joint venture agreement dated October 5, 1987 (the "Labyrinth Joint Venture Agreement") with Labyrinth Resource Corp. of 3566 King George Highway, Surrey, British Columbia ("Labyrinth"). Pursuant to the Labyrinth Joint Venture Agreement, the Issuer transferred to the joint venture fifty percent (50%) of its interest in the Goldwest Claims and Labyrinth transferred to the joint venture fifty percent (50%) of its interest in two mineral claims located in the Alberni Mining Division, Province of British Columbia and more particularly known as the Sol A & B claims (the "Sol Claims"), located adjacent to the Goldwest Claims.

The Labyrinth Joint Venture Agreement obligates the Issuer to spend \$50,000 and Labyrinth to spend \$80,000 on exploration of the Goldwest Claims and the Sol Claims (the "Havilah Property") prior to November 30, 1989. As of the date of this Statement of Material Facts, Labyrinth and the Issuer have each expended in excess of their respective commitments on exploration of the Havilah Property.

By letter agreement dated May 4, 1988 between Labyrinth and the Issuer, the parties agreed to negotiate a more formal joint venture agreement pursuant to the terms of the Labyrinth Joint Venture Agreement and the subsequent letter agreement. If either party fails to pay its share of a work program, its interests shall be diluted in favour of the participating party at a rate of one percent (1%) for each \$10,000 spent on a work program on the Havilah Property by the participating party. If a party's working interest is reduced to ten percent (10%) or less, such

interest will be automatically deemed to be a 10% Net Profits Interest, as defined in that letter agreement.

No work is currently in progress on the Havilah Property and no further work is planned by the Issuer at this time. The Havilah Property is without known commercial ore reserves.

### RISK FACTORS

The securities offered hereby must be considered speculative due to the nature of the Issuer's business. In particular:

1. To the knowledge of the Issuer, the properties described above (the "Properties") are without a known body of ore and any program conducted on the Properties with the proceeds from the Offering would be an exploratory search for ore.
2. If the Issuer's exploration programs are successful in establishing ore of commercial tonnage and grade, additional funds will be required for the development of the ore body and to place it in commercial production. One source of future funds presently available to the Issuer is through the sale of equity capital. Another alternative for the financing of further exploration would be the offering by the Issuer of an interest in the Property to be earned by another party or parties carrying out further exploration or development thereof.
3. Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures to be made by the Issuer in acquiring the interests described herein will result in discoveries of commercial quantities of ore.
4. The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a ready market will exist for the sale of same.
5. While the Issuer follows usual industry practice in obtaining title opinions with respect to properties in which it has an interest, the existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to the Properties.
6. The Properties have not been surveyed and the precise location and extent thereof may be in doubt.

**4. PARTICULARS OF NON-RESOURCE ASSETS**

The Issuer is not presently engaged in, nor does it have any present intention to engage, in whole or in part, in a business other than the exploration and, if warranted, development of natural resources properties.

**5. CORPORATE INFORMATION**

The Issuer was incorporated on August 25, 1980 under the name "Westgold Resources Ltd." by registration of Memorandum and Articles pursuant to the laws of the Province of British Columbia. On December 19, 1980, the Issuer changed its name to "Totem Resources Ltd." and then on February 10, 1981 to "Goldwest Resources Ltd.". On March 3, 1988, the Issuer's capital was consolidated on a 2.5 old for 1 new share basis and the Issuer changed its name to "Consolidated Goldwest Resources Ltd.".

The Issuer is authorized to issue 100,000,000 common shares without par value, of which 2,616,989 shares are issued and outstanding as of May 31, 1989. All shares of the Issuer rank equally as to dividends, voting rights and participation in assets.

Since February 28, 1989, the date of the latest financial statements of the Issuer included in this Statement of Material Facts, 493,650 common shares of the Issuer have been issued.

**6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED VOTING SHARES**

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of the Issuer beneficially owned as at May 31, 1989</u>
MURRAY PEZIM 11th Floor, 808 West Hastings Street Vancouver, B.C. V6C 2X6	Financier; Director or Officer of 52 reporting companies including Corona Corporation and Prime Resources Corporation.	637,300
Director and Chairman of the Board.		

JOHN WILLIAM IVANY 3575 Westmount Court West Vancouver, B.C. V7V 3H2  Director, President and Chief Executive Officer.	Businessman; President and Chief Executive Officer of Prime Resources Corporation; Vice- President and General Counsel of Noranda Inc. from 1982 to November 1987; President and Chief Executive Officer of Hemlo Gold Mines Inc. from February 1987 to November 1987; Director or Officer of 40 reporting companies including Prime Resources Corporation.	Nil
LAWRENCE PAGE, Q.C. 4191 Rockridge Road West Vancouver, B.C. V7W 1A3  Director, Secretary and Audit Committee Member.	Partner, Worrall Scott and Page, Barristers and Solicitors; Director and Senior Vice-President and Secretary of Prime Resources Corporation; Director or Officer of 36 reporting companies including Prime Resources Corporation.	Nil
ARTHUR CLEMISS 11th Floor, 808 West Hastings Street Vancouver, B.C. V6C 2X6  Director and Audit Committee Member.	Financier; Executive Vice-President of Prime Capital Corp.; Director or Officer of 35 reporting companies including Prime Resources Corporation.	152,200
R. DALE JANOWSKY, Q.C. #700, 275 Lansdowne Street Kamloops, B.C. V2C 6H6  Director and Audit Committee Member.	Barrister and Solicitor; Director of 2 other reporting companies.	Nil

A list of the names of the reporting issuers of which each of the above persons is a director, officer or promoter, will be available for inspection at the Issuer's registered and records' office during normal business hours during the period of distribution of the securities offered hereunder and for a period of thirty (30) days thereafter.

With the exception of Prime Capital Corporation which beneficially owns directly, approximately 23.29% of the voting shares of the Issuer comprised of 609,375 escrow shares, there are no other persons or companies who, to the knowledge of the Issuer, own beneficially, directly or indirectly, more than 10% of the voting shares of the Issuer. Prime Capital Corporation, of 11th Floor, 808 West Hastings Street, Vancouver, British Columbia, is a subsidiary of Prime Resources Corporation, a British Columbia company whose shares are listed for trading on the Exchange, the directors and officers of both of which include Murray Pezim, John Ivany, Arthur Clemmiss and Lawrence Page, directors and officers of the Issuer.

Murray Pezim was appointed a director of Jet Star Energy Inc. (formerly Radian Petroleum Corp.) ("Jet Star") on 7th June 1983 and Arthur Clemmiss was appointed a Director of Jet Star on 1st October 1983. A Cease Trading Order was issued against Jet Star on 2nd August 1983 for failure to file financial statements, Annual General Meeting material and failure to maintain Insider Reports. The Order has not been rescinded and the shares of Jet Star have been delisted from the Vancouver Stock Exchange for failure to maintain listing requirements.

Murray Pezim and Arthur Clemmiss were directors of Wildfire Resources Ltd. ("Wildfire") when, on 12th January 1987, a Cease Trading Order was issued against Wildfire for failure to file financial statements and quarterly reports. The Order was rescinded on December 16, 1987.

Arthur Clemmiss was appointed a director of Majorteck Industries Inc. ("Majorteck") on 17th March 1987 at which time there was an outstanding Cease Trading Order against Majorteck for failure to file financial statements and quarterly reports. The Order has not been rescinded.

During the 12 months ended March 31, 1989, the Issuer has paid or owes an aggregate \$17,500 to Prime Management Ltd. ("PML"), a wholly owned subsidiary of Prime Capital Corporation, for the provision of general administrative and bookkeeping services and office facilities to the Issuer pursuant to an Administrative Services Contract dated November 24, 1988 for the maximum monthly fee permitted by the Exchange plus reimbursement of PML's expenses incurred on behalf of the Issuer. Subject to regulatory approval, the fee currently being charged for these services is \$5,000 per month. The Issuer has also paid or owes an aggregate \$18,000 during the past year to Verden Consulting Services Inc., in which Verna Wilson is the controlling shareholder, and to Andy Sovio. Both Mr. Sovio and Ms. Wilson are former directors of the Issuer.

Mr. Lawrence Page, a partner of the firm of Worrall Scott and Page, solicitors for the Issuer, is a director of the Issuer and a director, officer and shareholder of Prime Resources Corporation. During the past year, Worrall Scott and Page has billed the Issuer approximately \$38,800 for legal fees and disbursements incurred on its behalf.

During the past year, the Issuer paid an aggregate \$2,000 in Directors' fees.

#### **7. OPTIONS TO PURCHASE SECURITIES OF THE ISSUER**

The Issuer has granted options to the following directors entitling them to purchase the number of shares of the Issuer set opposite their respective names:

<u>Optionee</u>	<u>Number of Shares</u>	<u>Exercise Price &amp; Term</u>
Murray Pezim	40,000	) Exercisable at a price of
John Ivany	40,000	) \$1.17 per share if
Lawrence Page	40,000	) exercised on or before
Arthur Clemis	40,000	) January 3, 1994.
R. Dale Janowsky	40,000	)

Except as set out in this Statement of Material Facts, the Issuer has no knowledge of any options, share purchase warrants or rights granted to an insider or promoter of the Issuer by the Issuer or by a present security holder.

#### **8. SECURITIES OF THE ISSUER HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS**

There are 609,375 shares of the Issuer held in escrow, pursuant to two separate escrow agreements each dated as of November 22, 1988, with National Trust Company of 9th Floor, 666 Burrard Street, Vancouver, B.C. which cannot be dealt with without the written consent of the Exchange.

Pursuant to the escrow agreement (property shares) under which 300,000 of the Escrow Shares are deposited in escrow, if the Issuer loses or alienates its Tam 1-8 and Pictou claims located in the Greenwood Mining Division, British Columbia the Issuer or any shareholder thereof has agreed to declare such event to the Exchange and, upon receipt of such advice, the Exchange may order the cancellation of all or any of these escrow shares. On February 19, 1989, the Exchange waived cancellation of these escrow shares upon the lapsing of the Tam 1-8 claims. In addition, if the Issuer ceases to hold any substantial property or asset whatsoever, any shareholder or group of shareholders,

holding in the aggregate not less than 5% of the issued and outstanding shares of the Issuer may request that the Exchange order the cancellation of some or all of those escrow shares.

Pursuant to the escrow agreement (principals' shares) under which the remaining 309,375 of the Escrow Shares are deposited in escrow, any of these escrow shares that are not released from escrow before the expiration of five years from the date the Exchange accepts that agreement for filing shall be cancelled forthwith.

**9. PARTICULARS OF ANY OTHER MATERIAL FACTS**

**A. Rambler Group Mineral Prospect,  
Similkameen Mining Division**

Pursuant to an option agreement dated February 25, 1983, as amended, (the "Tarbo Agreement") between the Issuer and Tarbo Resources Ltd. ("Tarbo") of Vancouver, British Columbia, the Issuer holds an option to acquire an undivided 100% interest in and to seven mineral claims located in the Similkameen Mining Division, British Columbia, more particularly known as the Michelle, Shelley, Murphy, Grand Trunk, Stonie Creek, Morning Sun and Rambler claims (the "Tarbo Claims").

In order to exercise the option to acquire its interest in the Tarbo Claims, the Issuer must:

- (a) pay to Tarbo an aggregate \$32,500 cash, which sum has been paid; and
- (b) issue to Tarbo an aggregate 200,000 of its common shares as follows:
  - (i) 50,000 of its common shares on or before November 1, 1987, which shares have been issued;
  - (ii) an additional 50,000 of its common shares on or before November 1, 1988; and
  - (iii) an additional 100,000 of its common shares on or before November 1, 1989,

each such share issuance being subject to the Issuer filing with the Vancouver Stock Exchange an acceptable engineering report showing completion of a phase of exploration work and recommending further work be undertaken on the Tarbo Claims.

Under the terms of the Tarbo Agreement, should the Tarbo Claims be placed into commercial production the Issuer must also make a lump sum payment of \$100,000 to Tarbo.



**REPORT ON THE**  
**GALORE CREEK CLAIMS**  
**LIARD MINING DIVISION, BRITISH COLUMBIA**

for

**CONSOLIDATED GOLDWEST RESOURCES LTD.**  
1100-808 West Hastings St.  
Vancouver, B.C.  
V6C 2X4

NTS 104-G 3/W, 4/E, 5/E  
Latitude 57° 10'N  
Longitude 131° 30'W

BY

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SUMMARY

The subject properties are located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains. The Consolidated Goldwest Resources Ltd. properties occupy four different areas of the Galore Creek district. These are the Scud River area, the Anuk River area, the Sphaler Creek area and the Copper Canyon area. They are approximately 180 air kilometers northwest of Stewart, B.C., 80 kilometers south of Telegraph Creek and 60 air kilometers north of the Iskut River gold camp. The claims lie within NTS 104-G 3/W, 4/E, 5/E map areas approximately centered at latitude 57°10'N and longitude 131°30'W. The Stikine River-Iskut River region has been the focus of intense mining exploration activity in recent years which has resulted in several new discoveries.

The property consists of twenty-eight (28) claims in seven (7) claim groups, totalling 517 units, within the Liard Mining Division. The claims are held in the name of Pass Lake Resources Ltd. and are under option to Consolidated Goldwest Resources Ltd.

Reconnaissance style exploration programs were conducted on the JD I and Wiser I claims during the 1988 field season by Pass Lake Resources Ltd. These programs consisted of geological mapping, prospecting, stream sediment sampling and contour soil sampling.

Three of the stream sediment samples taken on the JD I claim yielded anomalous gold values. The anomalous gold assay values recorded were sample JD-BY1, 1850 ppb; sample JD-HS/TB2, 3720 ppb; sample JD-HS/TB3, 700 ppb. Rock samples 358154 and 358155 (30 cm chip samples) were taken ten meters apart from a 30 centimeter wide shear zone with quartz/carbonate alteration

on the JD I claim. These samples yielded gold values of 3.57 g/t (0.104 oz/t) and 8.15 g/t (0.238 oz/t), respectively.

On the Wiser I claim, stream sediment sample W-HS/DH#1, taken from East Creek near the southern boundary of the claim, was anomalous in gold, containing 530 ppb. All the remaining samples returned values of <5 ppb.

The subject mineral claims are at a preliminary stage of exploration and only limited reconnaissance style exploration has been conducted on two small portions of the claims. No prospecting, mapping or geochemical sampling has been conducted over the vast majority of the claim groups and consequently the potential for mineralization remains largely untested.

The geological setting of the claims, underlain in part by a correlative Upper Triassic volcano-sedimentary sequence and granodioritic to syenitic complex provide sufficient encouragement to conduct exploration programs on the claims. In addition, recent mineral discoveries from preliminary exploration work on portions of the subject claims and on nearby properties demonstrate that the potential for the existence of significant mineralization is a distinct possibility and should be tested.

The writer concludes that the subject properties have the potential to host significant precious and/or base metal mineralization and an exploration program designed to further test this potential is warranted and recommended.

## INTRODUCTION

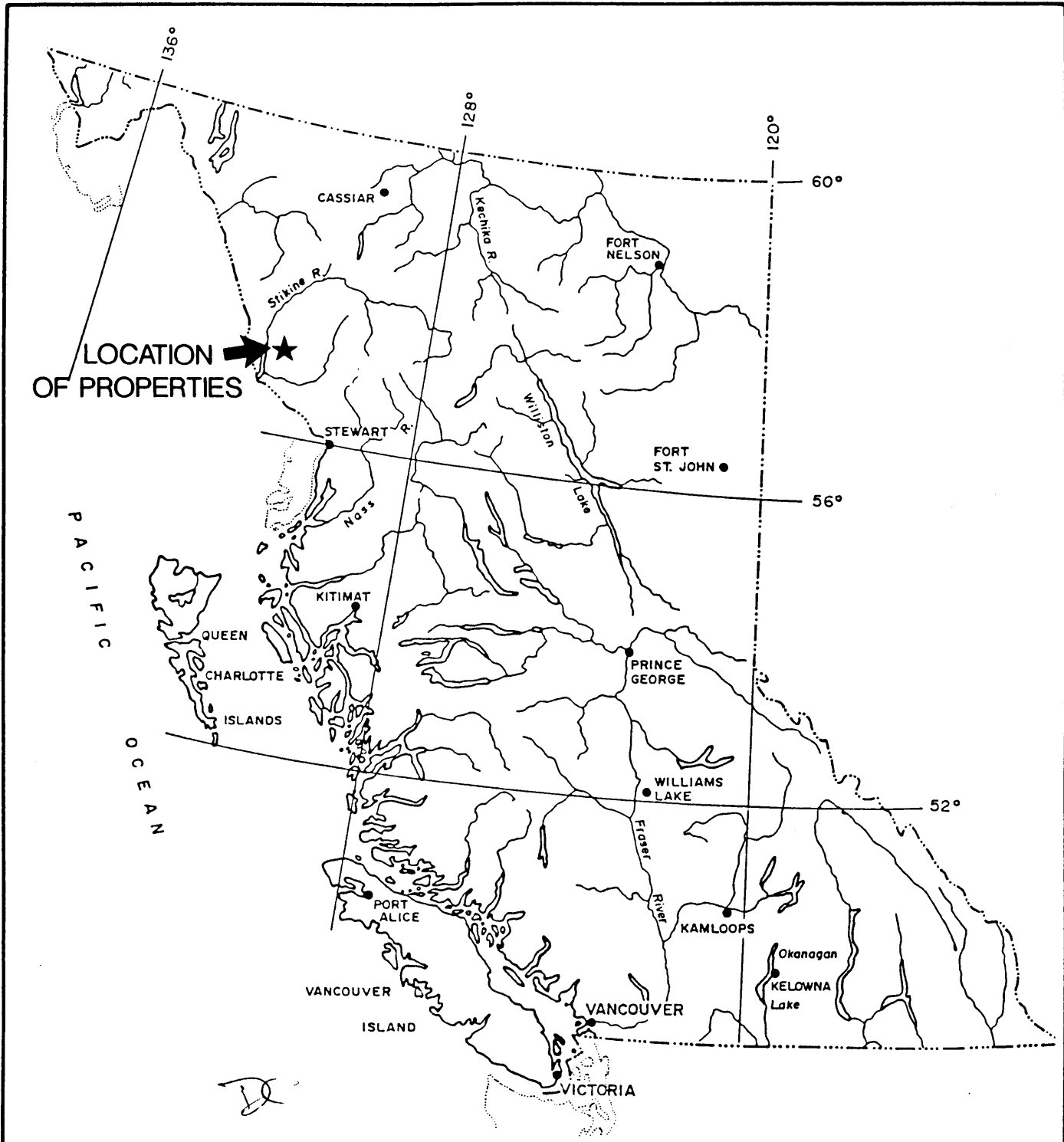
This summary and evaluation of the Galore Creek group of mineral claims is done at the request of the Directors of Consolidated Goldwest Resources Ltd. of Vancouver, British Columbia. The purpose of this report is to evaluate the precious metal potential of the claim group and to propose an exploration program designed to further test this potential.

This report is based on a review of public and private reports pertaining to the area, recent exploration activities on and adjacent to the properties, government geological and topographical maps and claim data from the mining recorder's office. The author has extensive knowledge of the area, and has examined the geology of properties in the Iskut River region and inspected known anomalous showings in the Iskut River area during the 1987 and 1988 field seasons.

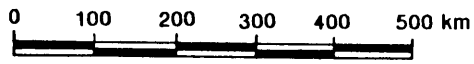
This report was commissioned in January 1989 and an examination of the subject properties could not be conducted at the time of writing due to heavy snow cover.

## LOCATION AND ACCESS

The subject properties are located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains (Figure 1). The Consolidated Goldwest Resources Ltd. properties occupy four different areas of the Galore Creek district. These are the Scud River area, the Anuk River area, the Sphaler Creek area and the Copper Canyon area (Figure 2). They are approximately 180 air kilometers northwest of Stewart, B.C., 80 kilometers south of Telegraph Creek and 60 air kilometers



*DC*



CONSOLIDATED GOLDWEST RESOURCES LTD		
GALORE CREEK PROPERTIES		
GENERAL LOCATION MAP		
SCALE: As shown	DATE: Jan./1989	NTS: 104G
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No: 1

north of the Iskut River gold camp. The claims lie within NTS 104-G 3/W, 4/E, 5/E map areas approximately centered at latitude 57°10'N and longitude 131°30'W.

The area is accessible by air from Smithers, Wrangell, Stewart, Dease Lake or Telegraph Creek to gravel air strips at Scud River, Bronson Creek or Johnny Mountain. The most practical means of daily travel to the claim group is via helicopter from the Scud River airstrip. During the 1960's, an access road was constructed for a distance of 35 kilometers from the Scud River airstrip to the Galore Creek copper deposit, via the Scud River and Galore Creek valleys.

#### PHYSIOGRAPHY

The claims are situated in a mountainous, heavily glaciated terrain and lie on the east side of the Stikine River. The claim groups occur between the Scud River to the north and the Porcupine River to the south. Relief ranges from approximately 700 meters to 2,000 meters above sea level.

Tree line is at approximately 1200 meters above sea level in this region. Dense vegetation below this consists predominantly of spruce, fir, and hemlock with an undergrowth of devil's club.

Snow cover is a limiting factor on the exploration field season. The period of least snow cover occurs between July and mid-September.

#### PROPERTY AND OWNERSHIP

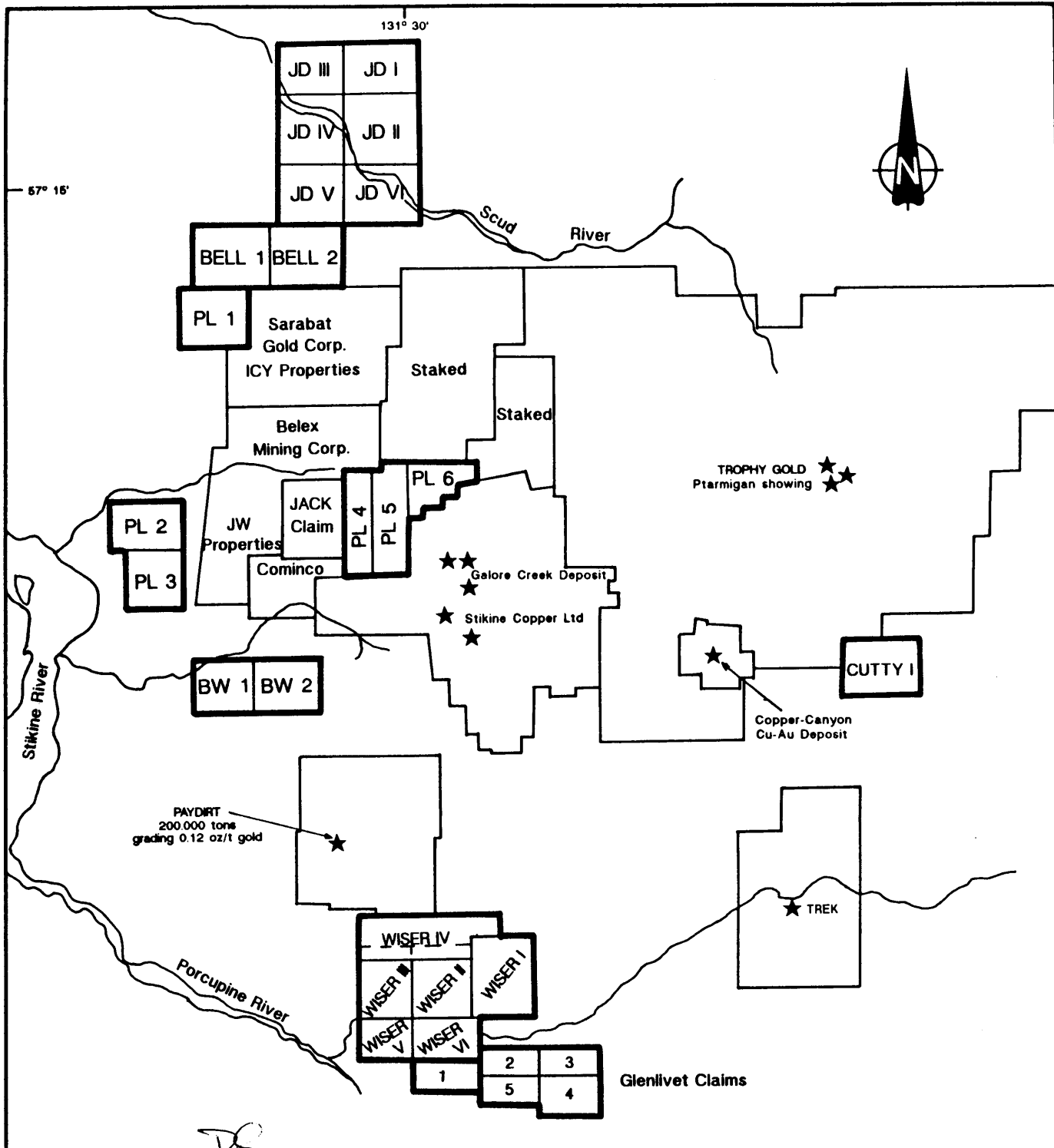
The property consists of twenty-eight (28) claims in seven (7) claim groups, totalling 517 units, held in the

name of Pass Lake Resources Ltd. (Figure 2). The claims are under option to Consolidated Goldwest Resources Ltd.

All of the claims are within the Liard Mining Division of British Columbia. The Cutty I, Wiser I, II, JD I and II claims were staked by Ian Clarke on June 3, 1988. All of the remaining claims were staked by Tom Bell during the period October 7 to 11, 1988. Both stakers were acting as agents for Pass Lake Resources Ltd. The properties are recorded at the British Columbia Ministry of Energy, Mines and Petroleum Resources as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.*</u>	<u>Record Date</u>	<u>Expiry Date</u>
JD I	20	4641	6/13/88	6/13/89
JD II	20	4642	6/13/88	6/13/89
JD III	20	5552	12/19/88	12/09/89
JD IV	20	5553	12/19/88	12/09/89
JD V	20	5554	12/19/88	12/09/89
JD VI	20	5555	12/19/88	12/09/89
Sub-total: 120 units				
CUTTY I	20	4636	6/13/88	6/13/89
Sub-total: 20 units				
WISER I	20	4643	6/13/88	6/13/89
WISER II	20	4644	6/13/88	6/13/89
WISER III	20	-	12/19/88	12/07/89
WISER IV	16	-	12/19/88	12/07/89
WISER V	16	-	12/19/88	12/07/89
WISER VI	20	-	12/19/88	12/07/89
Sub-total: 112 units				
PL-1	20	5370	10/20/88	10/11/89
PL-2	15	5371	10/20/88	10/11/89
PL-3	16	5372	10/20/88	10/11/89
PL-4	14	5373	10/20/88	10/11/89
PL-5	14	5374	10/20/88	10/11/89
PL-6	16	5375	10/20/88	10/11/89
Sub-total: 95 units				
BW 1	20	-	12/19/88	12/07/89
BW 2	20	-	12/19/88	12/07/89
Sub-total: 40 units				





57° 00'



CONSOLIDATED GOLDWEST RESOURCES LTD		
GALORE CREEK PROPERTIES		
<b>CLAIM MAP</b>		
SCALE: As shown	DATE: Jan./1989	N.T.S. 104G
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No. 2

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.*</u>	<u>Record Date</u>	<u>Expiry Date</u>
BELL 1	20	-	12/19/88	12/09/89
BELL 2	20	-	12/19/88	12/09/89
Sub-total: 40 units				
GLENLIVET 1	20	-	12/19/88	12/07/89
GLENLIVET 2	20	-	12/19/88	12/07/89
GLENLIVET 3	20	-	12/19/88	12/07/89
GLENLIVET 4	20	-	12/19/88	12/07/89
GLENLIVET 5	10	-	12/19/88	12/07/89
Sub-total: 90 units				

Total: 517 Units

\* A dash (-) indicates that the Record No. has not been received from the Liard Mining Recorder's office.

#### HISTORY AND PREVIOUS WORK

Although the Stikine River served as the access route to the placer deposits of the Telegraph Creek-Cassiar area which were discovered in the period 1861 to 1873, there is no record of any prospecting activity in the Iskut River area until 1907. During the 1920's, 1930's and 1940's the exploration for lode deposits was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

Little work was done in the area until 1954, 1955 when Hudson's Bay Mining and Smelting located the large tonnage copper-gold porphyry deposit at Galore Creek (137 MT grading 1.02% Cu, 0.014 oz/ton Au). In 1957, they also discovered the Copper Canyon copper-gold porphyry deposit (28 MT grading 0.64% Cu, 0.02 oz/ton Au) approximately eight kilometers east of the Galore Creek Central Zone (Grant, 1964).

Hudson's Bay Mining and Smelting also located the Pickaxe showing, and found high grade gold-silver-lead-zinc float on the upper slopes of Johnny Mountain. After performing exploration work on the latter showing in the mid-1950's, Hudson's Bay Mining and Smelting allowed these claims to lapse. These showings are now part of Skyline Exploration's Reg property.

Following the discovery of the Galore Creek Cu-Au deposit, (2 million ounces of contained gold), exploration was increased in the Stikine River area. During the late 1950's and early 1960's, several major mining companies conducted airborne geophysical surveys in the region, on a reconnaissance basis, for potential porphyry copper-molybdenum deposits. Several new claims were staked in the Stikine River area, on Johnny Mountain and along Sulphurets Creek in that period, while Kennco and Noranda investigated the original showings on Johnny Mountain. The BIK Syndicate (Silver Standard Mines, McIntyre Porcupine and Kerr Addison) also conducted exploration in the region in the late 1950's and early 1960's. After performing limited exploration work in the mid-1960's, and the failure to discover another large copper ore body, many of the claims in the area were allowed to lapse.

In 1969, Skyline Explorations Ltd. restaked the Inel property, after having discovered massive sulfide float originating from the head of Bronson Glacier. In 1974, Texas Gulf Inc. investigated the porphyry copper potential of Johnny Mountain.

The Reg property was restaked by Skyline in 1980 and following a series of joint venture exploration programs the property reverted back to Skyline Explorations Ltd. in the latter part of the 1980's. During 1987, Skyline completed 13,665 meters of diamond drilling, 226m of underground raise

development and 551.4m of drifting on the Reg Deposit. This work confirmed the presence of high grade gold mineralization in addition to silver and copper with good lateral and depth continuity over mineable widths. The proven reserves to date are 1,087,875 tons grading 0.7 oz/t Au, 1+ oz/t Ag, and 1% Cu. The geologically possible reserves are estimated to be 4,000,000 tons at a similar grade (Grove, 1988).

During August, 1988 Skyline commenced production at the Reg Deposit. The success of Skyline's program has provided the impetus for an extremely active mining exploration scene in the Iskut River area over the past few years. In 1987, companies such as Western Canadian Mining Corporation, Gulf International Minerals Ltd., Tungco Resources, and Newhawk Gold Mines among others, carried out extensive drilling programs in the area.

Delaware Resources Corporation, in joint venture with Cominco Exploration Ltd., have conducted extensive exploration programs on the Snip Property near Bronson Creek. The geologically possible reserves for this deposit are 1.1 M metric tonnes @ 24.0 g/t gold or 1.2 M short tons @ 0.7 oz Au/t (Wolfe and Nichols, 1988). A decision to place the Snip deposit into production is currently under consideration.

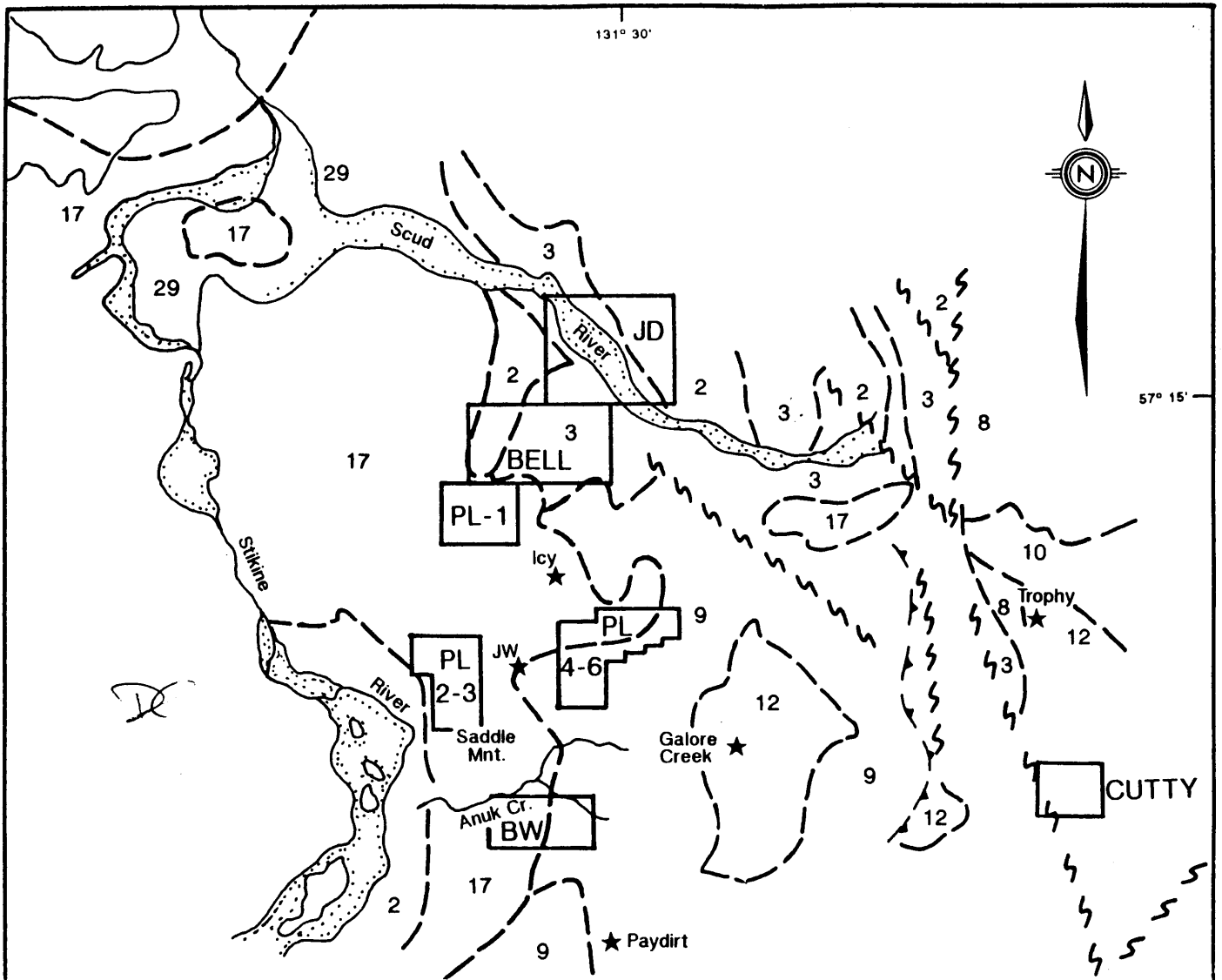
Teck Corp. conducted a regional reconnaissance stream sediment geochemical survey in the Galore Creek-Stikine River area. They also defined reserves of 185,000 tonnes, grading 4.11 g/t gold, for the Paydirt deposit (Holthby, 1985). Longreach Resources Ltd. commenced underground development and exploration on the Paydirt deposit during 1987. Additional work is planned for this deposit during 1989. This deposit is located approximately four kilometers northwest of the Wiser claims.

The discovery of the Snip and Reg deposits in the Iskut River district has provided renewed interest in the Galore Creek area, which is within a similar geological setting. Several new mineral showings have been discovered in the area surrounding the Paydirt and Galore Creek deposits during the period 1986 to 1988. Continental Gold Corp. have reported several precious metal showings from their Trophy Gold project (Figure 3). During a 1988 trenching program, Continental reported trench samples averaging 2.4 g/t (0.07 oz/t) gold and 164.5 g/t (4.8 oz/t) silver across 56.4 meters from their Ptarmigan A zone (CGC, 1988a). Subsequent drilling of this zone produced intersections of up to 11.1 meters grading 5.48 g/t gold and 30.2 g/t silver (CGC, 1988b).

Other significant precious metals occurrences were discovered on each of the TREK, ICY and Jack Wilson (JW) properties (Figure 3) during the 1988 field season (Awmack, 1989a). The latter author states that each of these properties had previously been explored for copper during the 1960's with little attention paid to their gold potential.

#### REGIONAL GEOLOGY AND MINERALIZATION

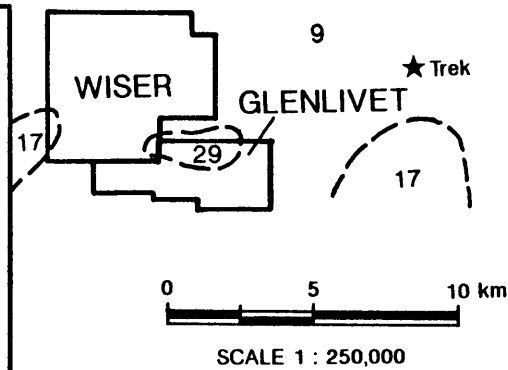
The subject properties lie within the western most part of the Intermontane Tectonic Belt, within the Stikine Arch, close to its boundary with the Coastal Crystalline Tectonic Belt. As a result of the proximity of this area to a regional tectonic boundary, geologic relationships tend to be quite complex. The geology of this area (Figure 3) has been studied by Kerr (1930, 1948), Souther (1971) and by Grove (1986, 1988), and is represented in Geological Survey of Canada Maps 9-1957, 1418A-1979.



**LEGEND**

- 29 Quaternary
- 17 Jurassic Granodiorite
- 12 Triassic/Jurassic Syenite
- 10 Hickman Batholith
- Triassic
- 9 Undifferentiated Volc./Sed. Rocks
- 8 Volcanoclastic Rocks
- Permian & Older
- 3 Limestone
- 2 Phyllite/argillaceous quartzite

- - - Geological contact
- / - Fault
- / - Thrust fault



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GALORE CREEK PROPERTIES

**REGIONAL GEOLOGY MAP  
and MINERAL SHOWINGS**

SCALE: As shown      DATE: Jan./1989      N.T.S.: 104G

SORBARA GEOLOGICAL CONSULTING LTD      FIGURE No: 3

The oldest rocks in the Stikine River - Iskut River area are complexly folded, metamorphosed schists and gneisses of probable mid-Paleozoic age. The metamorphism occurs within and adjacent to a plutonic system. The metamorphic rock is commonly overlain by a white to grey crystalline bioclastic limestone which is believed to belong to a Late Paleozoic sedimentary sequence that includes some minor greenstone units. This oceanic assemblage is part of the Stewart Complex, a tectonic unit which has been correlated with the Cache Creek Group.

The principal component of the Intermontane Tectonic Belt in the Iskut River area is an unconformable Mesozoic volcanic and sedimentary sequence. This volcano-sedimentary assemblage hosts the Stonehouse, Snip and Inel deposits. This was originally regarded as a Late Triassic sequence, relative with the time equivalent Stuhini Volcanics; a theory which is supported by the presence of *Monotis* fossils on the north slope of Snippaker Peak and to the west of Newmont Lake. Grove (1986), however, correlates this unit with the Middle Jurassic Unuk River Formation of the Stewart Complex.

In the Galore Creek area, Souther (1971) mapped the Upper Triassic Hazelton Group as an undifferentiated sequence of island arc volcanics and sediments. The Paydirt gold deposit, adjacent to the Wiser claims, is hosted within silicified, sericitized and pyritized Upper Triassic volcanics (Holtby, 1985) and is correlated with the sequence which hosts the Snip and Stonehouse gold deposits at Bronson Creek. The Paydirt gold deposit hosts drill indicated reserves of 185,000 tonnes grading 4.11 grams of gold per tonne. Porphyritic felsites of volcanic origin have been mapped by Souther (1971) in the Stikine River area.

On the north slopes of Johnny Mountain and Snippaker Peak, Paleozoic metasedimentary rocks are found to overlie the Mesozoic sequence. These apparently represent the upper plate of a regional, east-west trending thrust fault, which pushed up and over to the south in a manner similar to that of the King Salmon Thrust Fault.

In the Coast Crystalline Tectonic Belt, and in the Galore Creek area, Paleozoic and Mesozoic sequences are intruded by Upper Triassic to Lower Jurassic syenitic stocks and also by Jurassic to Lower Cretaceous plutonic rocks of quartz monzonite to quartz diorite composition. The Galore Creek copper-gold porphyry deposit is hosted by Upper Triassic volcanics intruded by syenitic stocks. The Central Zone of this deposit reportedly contains reserves of 125 million tonnes grading 1.06% copper and 400 ppb gold (Allen et al., 1976). On a regional basis, the most significant polymetallic (including precious metals) deposits including the Sulphurets and Iskut River camps, are commonly associated with the presence of orthoclase porphyry or syenitic stocks.

Quaternary flows and ash deposits of olivine basalt are the youngest rocks in the area. Hoodoo Mountain, to the south of the subject properties, is underlain by these units, which also occur in parts of the valleys of the Iskut River and Snippaker Creek.

Souther (1971) recognized numerous phases of faulting and shearing in the Stikine River area. Major northerly trending faults and associated subsidiary minor faults occur throughout the area. Normal faulting, initiated during the early Jurassic, is most commonly developed with only minor reverse faulting having been identified (Souther, 1971).



Numerous quartz-sulfide veins and skarn deposits have been reported from various locations along the Stikine and Iskut Rivers. Low gold values, and good grades of silver, copper, lead and zinc have been reported from these. Mineralized float has been observed below several glaciers in the area.

The first mineral showing to be discovered in the western Iskut River area was located on Bronson Creek, two miles upstream from its confluence with the Iskut River. This is in the vicinity of the Snip property currently being explored by the Delaware Resources-Cominco joint venture. The original showing was marked by a prominent zone of gossan and extensive alteration peripheral to an orthoclase porphyry intrusion.

The two most significant mineral deposits subject to current investigation in the Iskut River area are the Skyline Explorations Ltd. Reg property on the north slope of Johnny Mountain and the Delaware Resources-Cominco Ltd. joint venture Snip property near Bronson Creek. These properties are only five kilometers apart and appear to be similar in nature.

In addition to gold, copper and silver also occur in significant quantities, on the Reg deposit. Grove (1988) estimates the known reserves to be 1,087,875 tons grading 0.70 oz Au/ton, 1+ oz Ag/ton and 1% Cu. Probable reserves are 4,000,000 tons at similar grades. This deposit was placed into production during 1988.

On the Delaware-Cominco joint venture Snip property, native gold occurs in a 1-10m thick discordant banded shear zone cutting a massively bedded feldspathic greywacke-siltstone sequence.

Gulf International Minerals Ltd. discovered a zone on their McLymont property which comprises a number of sub-parallel northwest-southeast trending quartz veins hosted almost entirely within an areally extensive quartz syenite intrusive. The main vein which has been traced by surface trenching was drilled in two areas and yielded assay values of up to 0.528 oz/t gold over a length of 23.3 feet (GIM, 1988). The veins occur within an extensive swarm and several of the veins remain to be explored. The mineralization in the veins comprises quartz, pyrite, chalcopyrite, minor sphalerite and galena with scattered free gold (GIM, 1988).

During the 1970's, the Stikine River area was investigated for large Cu-Au porphyry deposits. Exploration programs conducted in the area during the 1980's have predominantly focused on vein systems hosted by Mesozoic volcanic and sediments peripheral to porphyry-style mineralization.

#### LOCAL GEOLOGY, GEOCHEMISTRY AND MINERALIZATION

The Consolidated Goldwest Resources Ltd. properties occupy four different areas of the Galore Creek district. These are the Scud River area, the Anuk River area, the Sphaler Creek area and the Copper Canyon area (Figure 2).

Reconnaissance style exploration programs were conducted on the JD I and Wiser I claims during the 1988 field season by Pass Lake Resources Ltd. These programs consisted of geological mapping, prospecting, stream sediment sampling and contour soil sampling. Priority was

given to gold-rich mesothermal base metal veins similar to those occurring elsewhere in the Galore Creek district (Awmack, 1989a, b).

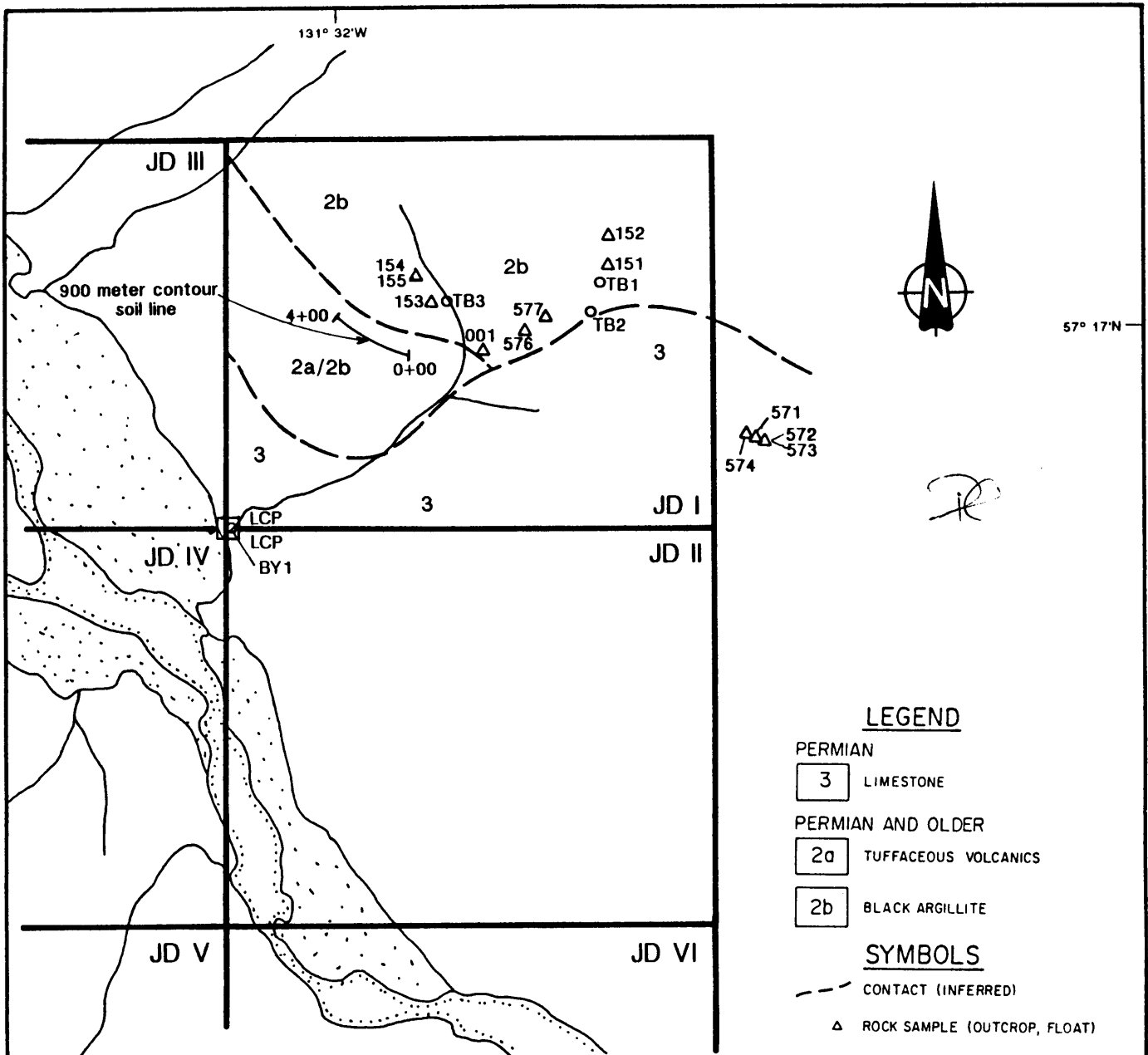
**SCUD RIVER AREA:**

In the Scud River area, prospecting, sampling and reconnaissance geological mapping were confined to the JD I claim during the 1988 exploration program. According to Awmack (1989) massive buff limestone occurs at lower elevations and south of the main drainage on the property. North of the drainage, interbedded fine tuffaceous volcanics and black argillite occur northeast of the limestone (Figure 4).

Sampling on the JD claim group by geologist Brian Yamamura and prospector Tom Bell included four screened (-40 mesh) stream sediment samples taken on the JD I claim (Figure 4). Three of these yielded anomalous gold values and all samples contained low base metal values. The anomalous gold assay values recorded were sample JD-BY1, 1850 ppb; sample JD-HS/TB2, 3720 ppb; sample JD-HS/TB3, 700 ppb.

Fifteen soil samples were collected along a 900 meter soil line (Figure 4). Only sample 175 yielded a detectable gold value of 40 ppb.

Seven float samples and five grab rock samples were collected during the 1988 exploration program. Three of the grab samples and one float sample were collected approximately 200 to 300 meters outside the eastern boundary of the JD I claim (Figure 4). These all yielded relatively low assay values. Samples 358154 and 358155 (30 cm chip samples) were taken ten meters apart from a 30 centimeter wide shear zone with quartz/carbonate alteration on the JD I



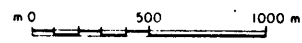
57° 17'N

**LEGEND**

- PERMIAN
- 3 LIMESTONE
- PERMIAN AND OLDER
- 2a TUFFACEOUS VOLCANICS
  - 2b BLACK ARGILLITE

**SYMBOLS**

- CONTACT (INFERRED)
- △ ROCK SAMPLE (OUTCROP, FLOAT)
- STREAM SEDIMENT SAMPLE



**STREAM SEDIMENT SAMPLES**

SAMPLE No.	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
BY1	1850	1.4	28	6	44
TB1	40	1.0	11	<2	21
TB2	3720	1.2	14	6	25
TB3	700	0.8	16	6	31

**ROCK GEOCHEMICAL SAMPLES**

571	25	< 0.2	14	2	14
572	20	< 0.2	26	6	100
573	5	< 0.2	1	8	25
574	< 5	< 0.2	1	2	6
576	9620	>200.0	>10,000	40	>10,000
577	450	3.6	1095	<2	152
151	135	11.0	9330	<2	281
152	905	10.8	4710	<2	105
153	3400	12.6	3000	<2	1315
154	3720	5.0	98	66	67
155	7680	4.4	121	3160	6660
001	6500	11.8	2410	<2	105

**ROCK ASSAYS**

SAMPLE No.	Au oz/t	Ag oz/t	Cu %	Pb %	Zn %
576	0.270	6.25	2.00	-	1.39
153	0.102	0.26	0.29	-	0.14
154	0.104	0.12	-	-	-
155	0.238	0.56	-	0.37	0.68
001	0.172	0.37	0.25	-	-

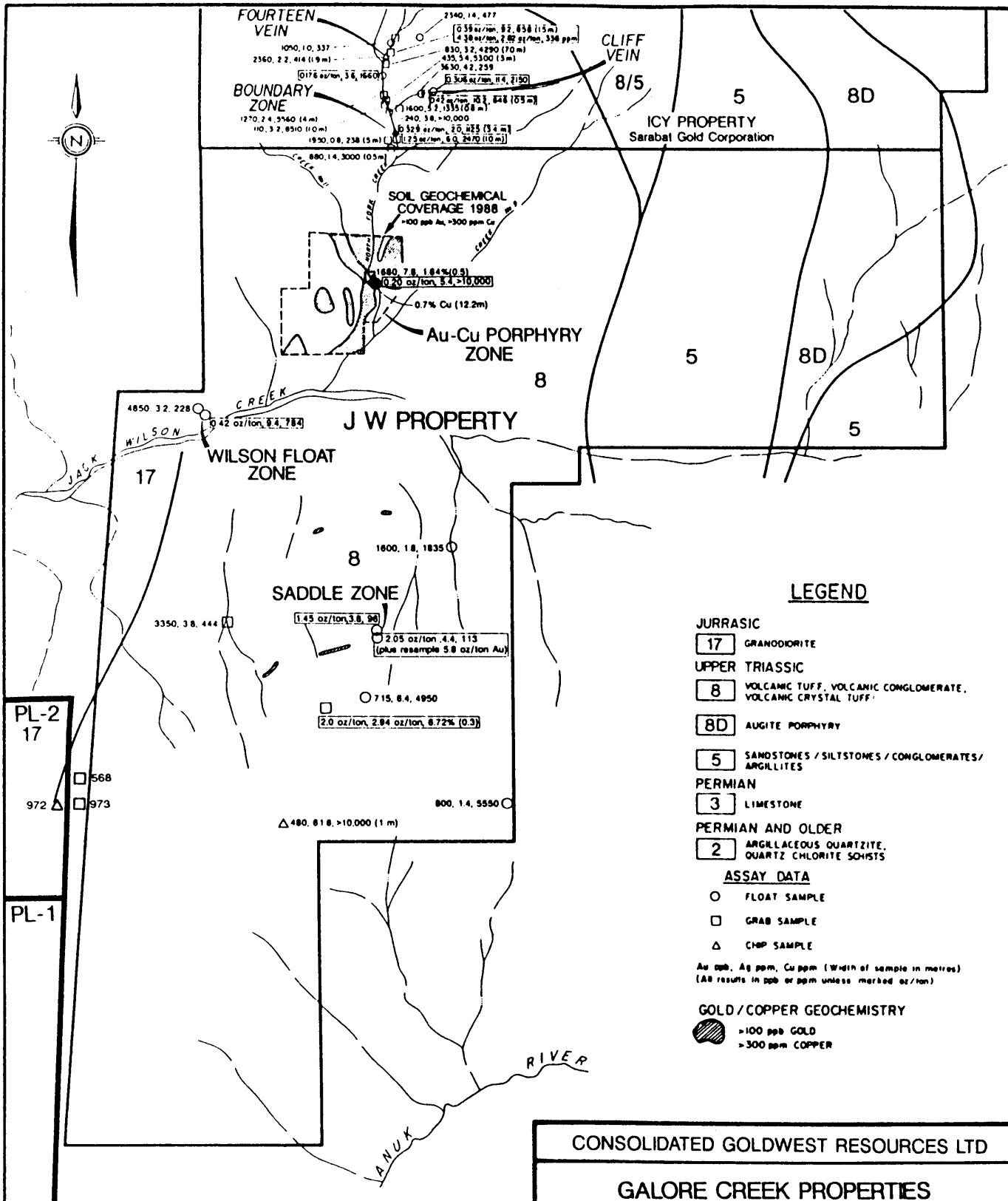
CONSOLIDATED GOLDWEST RESOURCES LTD		
GALORE CREEK PROPERTIES		
JD CLAIM GROUP		
GEOLOGY and GEOCHEMISTRY		
SCALE: As shown	DATE: Jan./1989	N.T.S. 104G
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No. 4

claim. These samples yielded gold values of 3.57 g/t (0.104 oz/t) and 8.15 g/t (0.238 oz/t), respectively.

The highest precious metal values were recorded from a float sample (# 245576) of silicified volcanics. This yielded values of 9620 ppb (0.27 oz/t) gold and 214.3 g/t (6.25 oz/t) silver. Anomalous base metal values of 2% Cu, 1.39% Zn and 746 ppm bismuth were also recorded. Float sample 358001 was taken from a "cluster of 6 boulders of massive pyrite - pyrrhotite - chalcopyrite mineralization, ...apparently close to their source" (Awmack, 1989a). This sample yielded values of 6500 ppb gold and 2410 ppm copper. Float sample 358153, from an ankeritic altered pyritized rock yielded values of 3400 ppb gold and 3000 ppm copper. All available sample data is given in Appendices III and IV.

The Bell 1, 2 and the PL-1 claims are contiguous to the southwest with the JD claims (Figure 2). There is no record of recent work having been conducted over these claims. Sarabat Gold Corporation has conducted preliminary work, during 1988, on their ICY property which is contiguous to the south and east with the Bell 1, 2 and PL-1 claims (Figure 2). This work consisted of geological mapping, prospecting, stream sediment and soil geochemistry. During the course of the program, 8 stream sediment samples, 125 soil samples and 179 rock samples were collected (Awmack and Yamamura, 1988a). A compilation map showing selected sample locations with values and preliminary geological mapping, to define the sample lithology, is provided by Figure 5.

Awmack and Yamamura (1988a) located significant mineralization in the volcano-sedimentary suite of rocks at the headwaters of North Fork Creek (Figure 5). As demonstrated by their limited geological mapping, this assemblage of lithologies trends towards the Bell 1, 2 and PL-1 claims. Rock grab samples from quartz-chlorite-pyrite-



NOTE: JW PROPERTY (NOT PART OF SUBJECT PROPERTY) IS SHOWN TO PROVIDE REGIONAL DATA.



CONSOLIDATED GOLDWEST RESOURCES LTD		
GALORE CREEK PROPERTIES		
J.W. PROPERTY GEOLOGY and GEOCHEMISTRY MAP		
SCALE: As shown	DATE: Jan./1989	N.T.S. 104G
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No. 5

After Shearing & Schellenberg, 1988.

magnetite-chalcopyrite veins with widths up to two meters, in the Fourteen Vein zone, have yielded values of up to 4.38 oz/t gold. In their Boundary Zone, a 3.4 meter wide chip sample of a silicified shear zone yielded an assay value of 0.329 oz/t gold.

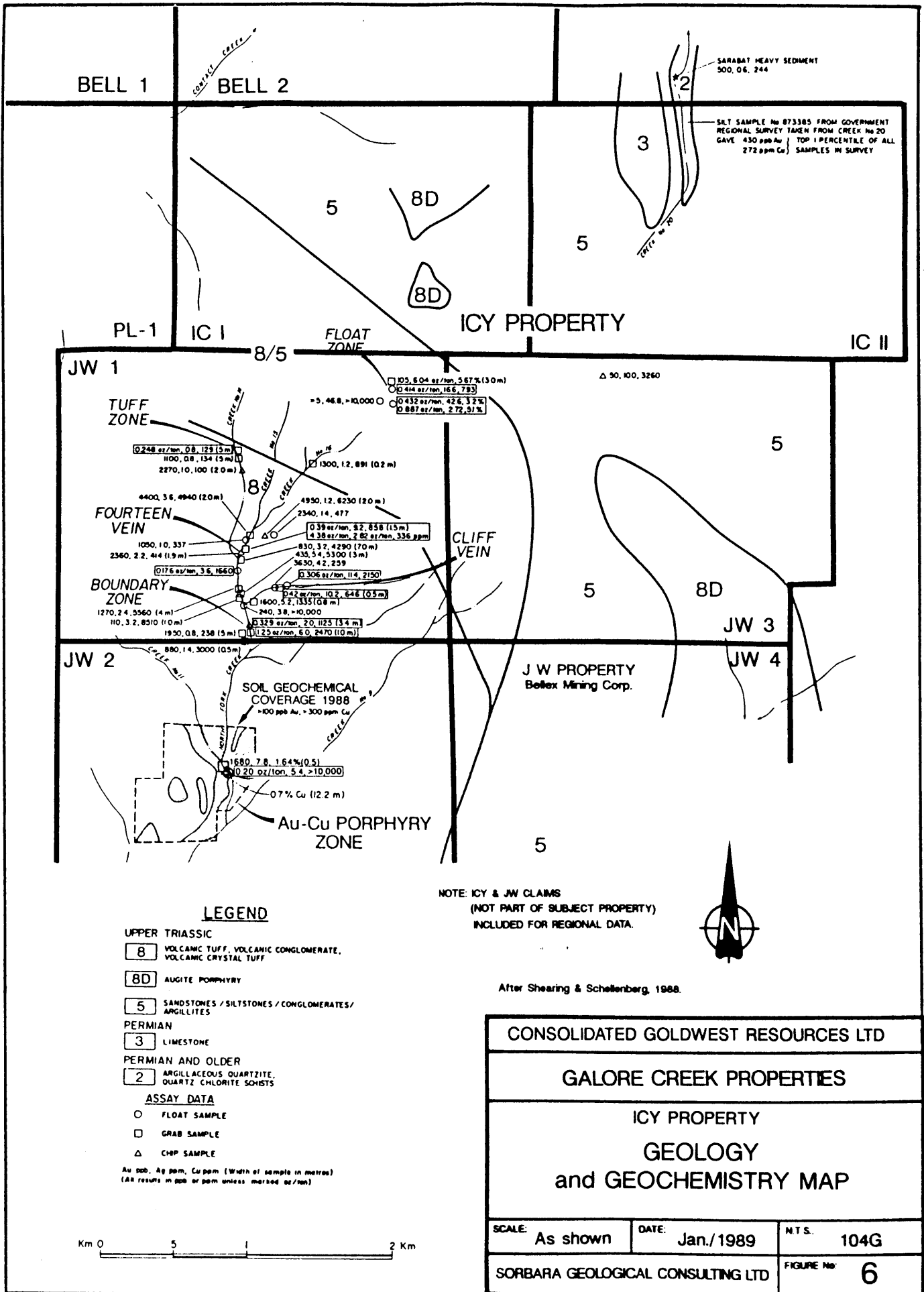
The results from the ICY property exploration demonstrates the potential for the existence of significant mineralization on the adjacent Bell 1, 2 and PL-1 claims.

#### ANUK CREEK AREA:

There is no record of work having been conducted on the PL-2, 3, 4, 5, 6 and the BW 1, 2 claims, in the Anuk Creek area (Figure 2), in recent years. Bellex Mining Corp. has conducted preliminary work, during 1988, on their JW property which is contiguous to the west with the PL-2, 3 and partly contiguous to the south with the PL-4, 5 claims (Figure 2). Consolidated Silver Standard Mines Limited also conducted preliminary reconnaissance work on their JACK claim which is contiguous to the west with the PL-4 claim (Figure 2). This work consisted of geological mapping, prospecting, stream sediment and soil geochemistry.

During the course of the program conducted on the Bellex Mining Corp. claims, 13 stream sediment samples, 338 soil samples and 180 rock samples were collected (Awmack and Yamamura, 1988b). A compilation map, of the Bellex Mining Corp. property, showing selected sample locations with values and preliminary geological mapping, to define the sample lithology, is provided by Figure 6.

Awmack and Yamamura (1988b) located significant mineralization in the volcano-sedimentary suite of rocks on the JW property. As demonstrated by their limited geological mapping, this assemblage of lithologies trends



BELL 1

BELL 2

PL-1

IC I

ICY PROPERTY

IC II

JW 1

JW 2

JW 3

JW 4

ICY PROPERTY

J W PROPERTY  
Bellef Mining Corp.

**LEGEND**

**UPPER TRIASSIC**

- 8** VOLCANIC TUFF, VOLCANIC CONGLOMERATE, VOLCANIC CRYSTAL TUFF
- 8D** AUGITE PORPHYRY
- 5** SANDSTONES / SILTSTONES / CONGLOMERATES / ARGILLITES

**PERMIAN**

- 3** LIMESTONE

**PERMIAN AND OLDER**

- 2** ARGILLACEOUS QUARTZITE, QUARTZ CHLORITE SCHISTS

**ASSAY DATA**

- FLOAT SAMPLE
- GRAB SAMPLE
- △ CHP SAMPLE

Au ppb, Ag ppm, Cu ppm (Width of sample in metres)  
(All results in ppb or ppm unless marked oz/ton)

**NOTE: ICY & JW CLAIMS (NOT PART OF SUBJECT PROPERTY) INCLUDED FOR REGIONAL DATA.**

After Shearing & Schellenberg, 1988.

**CONSOLIDATED GOLDWEST RESOURCES LTD**

**GALORE CREEK PROPERTIES**

**ICY PROPERTY**

**GEOLOGY and GEOCHEMISTRY MAP**

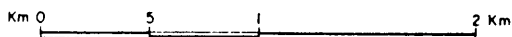
**SCALE: As shown**

**DATE: Jan./1989**

**NTS. 104G**

**SORBARA GEOLOGICAL CONSULTING LTD**

**FIGURE No: 6**



SARABAT HEAVY SEDIMENT  
500.06, 244

SILT SAMPLE No 873385 FROM GOVERNMENT  
REGIONAL SURVEY TAKEN FROM CREEK No 20  
GAVE 430 ppb Au } TOP 1 PERCENTILE OF ALL  
272 ppb Cu } SAMPLES IN SURVEY

TUFF ZONE

FOURTEEN VEIN

BOUNDARY ZONE

SOIL GEOCHEMICAL  
COVERAGE 1988  
= 100 ppb Au, > 300 ppm Cu

Au-Cu PORPHYRY  
ZONE

CLIFF VEIN

FLOAT ZONE

5

8D

8D

5

5

5

8D

5

105, 604 oz/ton, 5.67% (30 m)  
0.414 oz/ton, 166, 783  
0.432 oz/ton, 426, 325  
0.887 oz/ton, 272, 315

Δ 90, 100, 3260

= 5, 46.8, > 10,000

0.248 oz/ton, 0.8, 123 (5 m)  
1100, 0.8, 134 (1.9 m)  
2270, 10, 100 (2.0 m)

1300, 12, 891 (0.2 m)

4400, 3.8, 9940 (2.0 m)

4950, 12, 6230 (2.0 m)

2340, 14, 477

0.39 oz/ton, 3.2, 658 (1.5 m)  
4.38 oz/ton, 2.82 oz/ton, 336 ppm

1050, 10, 337

830, 3.2, 4290 (70 m)

2360, 2.2, 444 (1.9 m)

435, 5.4, 5300 (3 m)

0.176 oz/ton, 3.6, 1660

3630, 4.2, 259

1270, 2.4, 5560 (4 m)

0.306 oz/ton, 11.4, 2150

110, 3.2, 8310 (1.0 m)

0.42 oz/ton, 10.2, 646 (0.5 m)

1950, 0.8, 238 (5 m)

1600, 5.2, 1335 (0.8 m)

880, 14, 3000 (0.5 m)

240, 3.8, > 10,000

0.329 oz/ton, 20, 1125 (3.4 m)

1.25 oz/ton, 6.0, 2470 (1.0 m)

1680, 7.8, 1.64% (0.5)  
1020 oz/ton, 5.4, > 10,000

0.7% Cu (12.2 m)

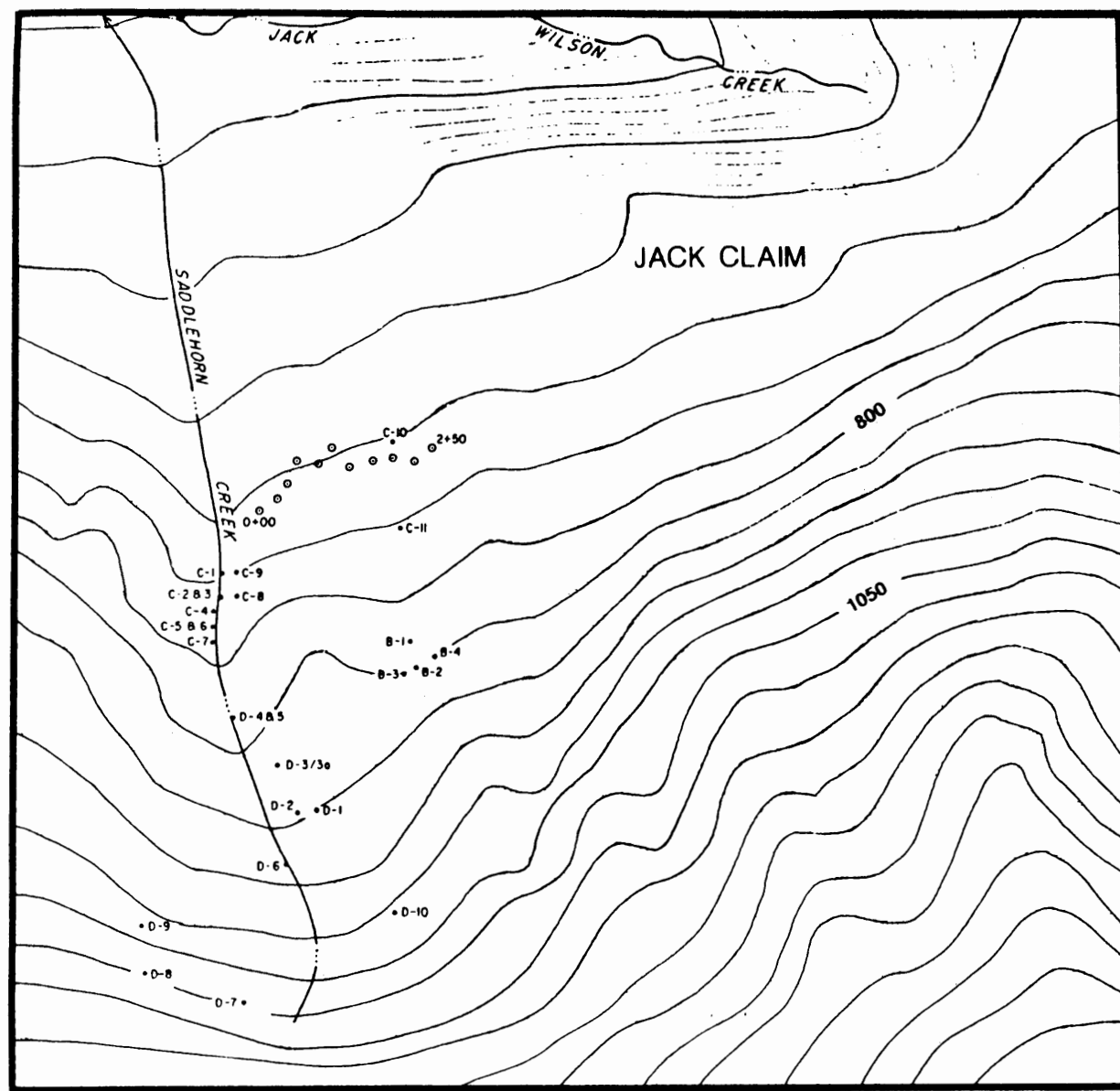


towards the PL-2 and 3 claims. Part of the PL-2 claim is shown as being underlain by a granodiorite stock. One rock grab sample from the JW property yielded 2.0 oz/t gold. During the exploration program conducted by Awmack and Yamamura (1988b), two rock samples were collected adjacent to the PL-2 claim. Rock grab sample 568 is described as tuff, and this yielded values of 35 ppb Au, 19.4 ppm Ag and 7010 ppm Cu. Sample 972 is described as a one meter wide chip sample from a quartz infilled fault. This yielded a value of 170 ppb gold with only minor base metal values (Figure 6). Sample 973 was taken near the boundary between of the JW 7 and PL-2 claims. This agglomerate rock grab sample gave assay values of 70 ppb Au and >10,000 ppm Cu.

Consolidated Silver Standard Mines Limited also conducted work on their JACK claim in the Anuk River area. This claim is contiguous to the west with the PL-4 claim of Consolidated Goldwest Resources Ltd. The work consisted of one days prospecting and sampling by a four man crew. Ten soil and twenty-seven rock samples were collected (Awmack, 1988). The work concentrated on the northwestern corner of the JACK claim.

One of the soil samples yielded a value of <5 ppb Au and the remaining samples returned values ranging from 10 to 60 ppb Au (Figure 7 and Appendix III). Sample 88DR-01 was taken from float of quartz-sulphide vein within a weakly chloritic andesite and yielded a value of 1.509 oz/t Au. Awmack (1988) also reports a value of 0.058 oz/t Au from a quartz-pyrite-arsenopyrite float sample (RM88-01), however, no sample location could be verified for this sample. Three other rock samples on the JACK property yielded values in excess of 200 ppb Au.

The BW 1 and 2 claims lie approximately 1.5 kilometers southeast of the PL-2 and 3 claims. There is no record of



**ROCK GEOCHEMICAL RESULTS**

(After Awmack, 1988)

Sample	Au(ppb)	Ag(ppm)	Cu(ppm)
BY88-01	10	0.4	45
BY88-02	40	0.4	146
BY88-03	280	1.6	781
BY88-04	5	0.4	733
RH88-01	0.058opt	0.09opt	0.09%
88C-01	50	4.4	88
88C-02	80	1.8	465
88C-03	135	0.4	59
88C-04	80	1.0	1110
88C-05	<5	0.8	199
88C-06	<5	1.0	101
88C-07	180	0.8	331
88C-08	25	0.6	6860
88C-09	30	0.4	>10000
88C-10	450	1.2	1340
88C-11	20	0.6	75
88DR-01	1.509opt	0.12opt	0.12%
88DR-02	130	1.2	3520
88DR-03	90	2.0	747
88DR-03A	90	0.8	1190
88DR-04	550	6.2	2350
88DR-05	<5	2.6	2190
88DR-06	<5	0.6	41
88DR-07	40	2.0	1170
88DR-08	<5	0.4	184
88DR-09	<5	0.8	220
88DR-10	<5	6.6	2050

\* ROCK SAMPLE      NOTE: JACK CLAIM  
 ○ SOIL SAMPLE      (NOT PART OF SUBJECT PROPERTY)  
    INCLUDED FOR REGIONAL DATA.

m 0    50    100    200    300 m



CONSOLIDATED GOLDWEST RESOURCES LTD		
GALORE CREEK PROPERTIES		
<b>JACK CLAIM GEOCHEMISTRY</b>		
SCALE: As shown	DATE: Jan./1989	N.T.S. 104G
SORBARA GEOLOGICAL CONSULTING LTD		FIGURE No. 7

previous work having been conducted on these claims in recent years. Regional mapping by the Geological Survey of Canada (1979) implies that these claims are underlain by the same favourable volcano-sedimentary lithological sequence as mapped on other properties in the Galore Creek district.

The results from the JW and JACK properties exploration programs demonstrates the potential for the existence of significant mineralization on the adjacent PL and nearby BW claims.

**SPHALER CREEK AREA:**

In the Sphaler Creek area, work during the 1988 exploration program was confined to the Wiser I claim. No detailed geological mapping was conducted on the Wiser I claim. According to Awmack (1989b) reconnaissance mapping showed the presence of andesitic volcanics around the East Creek area (Figure 8). Sampling was conducted by geologist Brian Yamamura, prospector Tom Bell and assistant Dave Hicks.

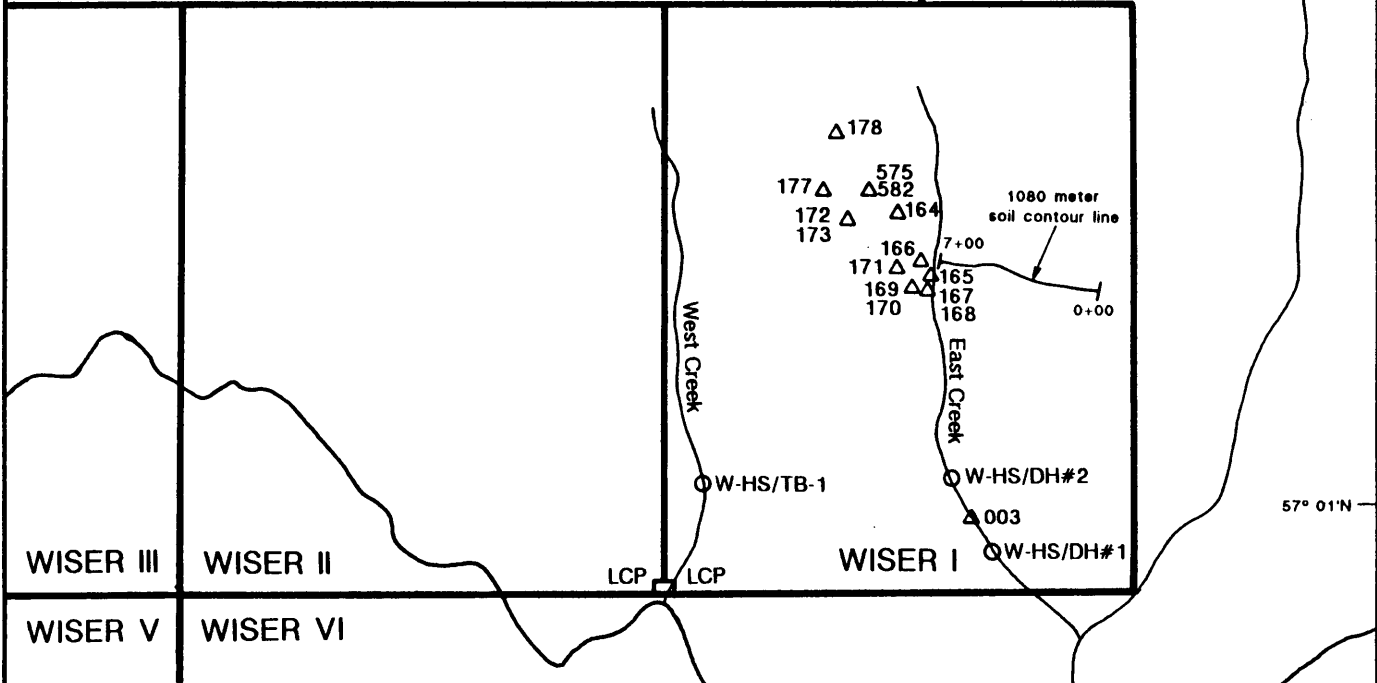
Three stream sediment samples were collected from the East and West Creeks, by Equity Engineering Ltd., during the 1988 exploration program. H.J. Awmack, P.Eng, (1989b) states "One of these, taken from East Creek near the southern boundary of the Wiser I claim [Sample W-HS/DH#1], was highly anomalous in gold, containing 530 parts per billion." All the remaining samples returned values of <5 ppb.

A contour soil line was run at the 1080 meter elevation on the Wiser I claim and twenty six samples were collected. Awmack (1989b) states "...sample #125 was highly anomalous in gold with 370 parts per billion. Three samples were

131° 30'W



WISER IV



STREAM SEDIMENT SAMPLES

SAMPLE No.	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
W-HS/TB-1	<5	0.2	48	2	63
W-HS/DH#1	530	0.2	63	8	64
W-HS/DH#2	20	0.2	67	<2	63

ROCK GEOCHEMICAL SAMPLES

575	35	0.6	120	20	24
562	30	<0.2	218	6	15
164	75	4.0	814	46	150
165	50	0.2	82	76	49
166	10	<0.2	95	2	1075
167	5	<0.2	50	12	104
168	35	<0.2	84	18	20
169	15	<0.2	64	6	17
170	45	0.4	113	<2	17
171	10	<0.2	64	8	74
172	15	<0.2	84	22	15
173	5	<0.2	15	<2	72
177	20	0.2	175	<2	44
178	5	0.2	119	22	26
003	60	<0.2	3390	<2	27

LEGEND

- STREAM SEDIMENT SAMPLE
- △ ROCK SAMPLE (OUTCROP)

0 500 1000 metres

CONSOLIDATED GOLDWEST RESOURCES LTD

GALORE CREEK PROPERTIES

**WISER CLAIM GROUP  
GEOCHEMISTRY**

SCALE: As shown

DATE: Jan./1989

N.T.S. 104G

SORBARA GEOLOGICAL CONSULTING LTD

FIGURE No. 8

moderately anomalous in copper with values above 100 parts per million."

Twelve rock chip samples and three grab samples were collected during the course of the 1988 program. These were taken from outcrops of propylitized agglomerate which contained abundant visible disseminated pyrite. The highest gold value recorded was 75 ppb from a two meter wide chip sample #164. This sample also returned a copper value of 814 ppm. Grab sample #003 was taken from a narrow quartz vein located near the bottom of East Creek and yielded values of 3390 ppm Cu and 60 ppb Au (Awmack, 1989b).

The Glenlivet 1 to 5 claims are partly contiguous, to the south, with the Wiser I to VI claim group (Figure 2). There is no record of previous work having been conducted on the Glenlivet claims in the recent past. Regional mapping by the Geological Survey of Canada (1979) shows that the Glenlivet claims are underlain by a volcano-sedimentary lithological sequence as mapped on other properties in the Galore Creek district.

#### **COPPER CANYON AREA:**

The Cutty I claim, in the Copper Canyon area, is contiguous to the south with the Trophy Gold Project claims of Continental Gold Corp. and lies approximately 3.5 kilometers east of the Copper Canyon Cu-Au deposit (Figure 2). Continental have reported several precious metal showings from their Trophy Gold project (Figure 2). During a 1988 trenching program, Continental reported trench samples averaging 2.4 g/t (0.07 oz/t) gold and 164.5 g/t (4.8 oz/t) silver across 56.4 meters from their Ptarmigan A zone (CGC, 1988a). Subsequent drilling of this zone produced intersections of up to 11.1 meters grading 5.48 g/t gold and 30.2 g/t silver (CGC, 1988b).

The mineralization in the Trophy Gold property is structurally controlled and is associated with northeast and north trending fracture systems and shear zones. These zones range from 50 to 100 meters in width and totaling 40 kilometers of strike length (Forster, 1988). The potential exists for similar types of structures having formed on the Cutty I claim and therefore, preliminary exploration work is warranted and recommended.

### CONCLUSIONS

The subject properties are located in the Galore Creek area of northwestern British Columbia, within the eastern boundary of the Coast Range Mountains. The properties occupy four different areas of the Galore Creek district, namely, the Scud River area, the Anuk River area, the Sphaler Creek area and the Copper Canyon area.

No previous detailed work has been done on many of the subject properties. Reconnaissance style exploration programs were conducted on the JD I and Wiser I claims during the 1988 field season by Pass Lake Resources Ltd. Priority was given to gold-rich mesothermal base metal veins similar to those occurring elsewhere in the Galore Creek district.

Three of the stream sediment samples taken on the JD I claim yielded anomalous gold values, however, all four samples contained low base metal values. The anomalous gold assay values recorded were sample JD-BY1, 1850 ppb; sample JD-HS/TB2, 3720 ppb; sample JD-HS/TB3, 700 ppb. Rock samples 358154 and 358155 were taken ten meters apart from a 30 centimeter wide shear zone with quartz/carbonate alteration on the JD I claim. These samples yielded gold

values of 3.57 g/t (0.104 oz/t) and 8.15 g/t (0.238 oz/t), respectively.

On the Wiser I claim, stream sediment sample W-HS/DH#1, taken from East Creek near the southern boundary of the claim, was highly anomalous in gold, containing 530 ppb. All the remaining samples returned values of <5 ppb.

Only limited reconnaissance style exploration has been conducted on two small portions of the Consolidated Goldwest Resources Ltd. properties in the Galore Creek area. No prospecting, mapping or geochemical sampling has been conducted over the vast majority of the claim groups and consequently the potential for mineralization remains largely untested.

The subject mineral claims are at a preliminary stage of exploration and very little geological and geochemical data has been compiled from many of the properties. The geological setting of the claims within an area of known mineral deposits and underlain, in part, by a correlative Upper Triassic volcano-sedimentary sequence and granodioritic to syenitic complex provide sufficient encouragement to conduct exploration programs on the claims. In addition, recent mineral discoveries from preliminary exploration work on portions of the subject claims and on nearby properties demonstrate that the potential for the existence of significant mineralization is a distinct possibility and should be tested.

The writer concludes that the subject properties have the potential to host significant precious and/or base metal mineralization and an exploration program designed to further test this potential is warranted and recommended.

RECOMMENDATIONS

An exploration program consisting of reconnaissance and follow-up ground work and airborne geophysical surveying is recommended. Ground work should be conducted over the entire group of claims and consist of reconnaissance-style geological mapping and prospecting, in conjunction with stream sediment and soil geochemical sampling. This should provide more detailed lithological and stratigraphical control on the types and characteristics of alteration and mineralization present on the claims.

The most encouraging results to date on the subject claim groups have come from the preliminary work on the JD I claim. Follow-up geological mapping and geochemical sampling should be conducted over the JD I claim.

Follow-up ground geophysical surveying, magnetics and VLF-EM, should be conducted on any targets generated by the airborne geophysical survey. Line-cutting may have to be utilized to facilitate examination of the area.

An estimated cost breakdown of this exploration program is given in Appendix I.

Respectfully submitted,

SORBARA GEOLOGICAL CONSULTING LTD.



DENIS A. COLLINS, Ph.D., P.Geol., F.G.A.C.

January 24, 1989



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**APPENDIX I**  
**ESTIMATED COST OF PROPOSED PROGRAM**

ESTIMATED COST OF PROPOSED PROGRAM

Project Preparation		\$ 8,000.00
Mobilization/Demobilization		\$ 16,000.00
 Salaries		
Project Geologist	50 days @ \$375.00/day	\$ 18,750.00
Junior Geologist	50 days @ \$300.00/day	\$ 15,000.00
Senior Prospector	50 days @ \$275.00/day	\$ 13,750.00
5 Technicians	250 man days @ \$225.00/m/day	\$ 56,250.00
Cook	50 days @ \$185.00/day	\$ 9,250.00
Supervision	20 days @ \$400.00	\$ 8,000.00
 Flight Support and Fuel		
Fixed Wing		\$ 8,000.00
Helicopter	100 hours @ \$650.00	\$ 65,000.00
Line cutting	30 Km @ \$200.00/km	\$ 6,000.00
 Geochemistry:		
180 Silts/Streams samples	@ \$35.00/sample	\$ 6,300.00
2000 Soil samples	@ \$14.50/sample	\$ 29,000.00
1000 Rock samples	@ \$16.00/sample	\$ 16,000.00
 Airborne Geophysics		
275 line Kms	@ \$95.00/km	\$ 26,125.00
Ground Geophysics (includes Operator)		
Mag. Total Field & Vertical Gradient.		
30 kilometers	@ \$200.00/km	\$ 6,000.00
VLF-EM Survey (2 channels)		
30 kilometers	@ \$200.00/km	\$ 6,000.00
 Domicile		
Camp Rental (470 man days @ \$80.00/man day)		\$ 37,600.00
Food and Fuel (470 man days @ \$50.00/m/day)		\$ 23,500.00
Radio Rental	50 days @ \$35.00/day	\$ 1,750.00
Walkie talkie Rental	50 days @ \$140.00/day	\$ 7,000.00
Field Supplies & Equipment		
470 man days @ \$30.00/man day		\$ 14,100.00
Expediting		\$ 3,000.00
Accounting/Communication/freight		\$ 5,500.00
Report and Drafting		\$ 9,000.00
Project Management @ 15.00% (not on salaries)		\$ 44,081.25
Contingency @ 10.00%		\$ 41,487.50
Total		\$ 500,443.75
Say Total:		\$ 500,000.00

**APPENDIX II**  
**STATEMENT OF QUALIFICATIONS**

STATEMENT OF QUALIFICATIONS

I, DENIS A. COLLINS, of the City of Vancouver, Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 1541 Kilmer Road, North Vancouver, British Columbia, Canada, V7K 1R5.
2. THAT I obtained a Bachelor of Science degree in Geology from University College Cork, Ireland in 1980 and a Ph.D. in Structural Geology from the same university in 1985.
3. THAT I have been practising my profession as a geologist in Ireland, South Africa and Canada since 1980.
4. THAT I am a Fellow, in good standing, with the Geological Association of Canada.
5. THAT I am a registered Professional Geologist, in good standing, with a license to practice with the Associations of Professional Engineers, Geologists and Geophysicists of Alberta and the Northwest Territories.
6. THAT this report is based upon a thorough review of published and printed reports and maps on the subject property and the surrounding area. I have not visited the property personally but I have carried out exploration programs on properties in the Iskut River region during the 1987 and 1988 field seasons.
7. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
8. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

Dated in North Vancouver, British Columbia, this 24th day of January, 1989.



Denis A. Collins, Ph.D., P. Geol., F.G.A.C.



**APPENDIX III**  
**GEOCHEMICAL RESULTS**



# Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers  
212 BROOKSBANK AVE., NORTH VANCOUVER,  
BRITISH COLUMBIA, CANADA V7J-2C1  
PHONE (604) 984-0221

To: EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PL388-05

Comments: ATTN: HENRY AWMAK

Page No.: 1-A

Tot. Pages: 1

Date: 8-OCT-88

Invoice #: I-8824579

P.O. #: NONE

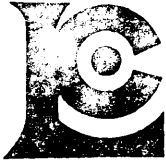
## CERTIFICATE OF ANALYSIS A8824579

SAMPLE DESCRIPTION	PREP CODE		Au ppb	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
			FA+AA	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	%	ppm
JD-BY1	235	238	1850	0.64	1.4	95	30	< 0.5	8	>15.00	0.5	7	47	28	1.79	< 10	< 1	0.06	< 10	0.57	258
JD-HS/TB1	235	238	40	0.50	1.0	< 5	20	< 0.5	4	>15.00	0.5	3	30	11	0.73	< 10	< 1	0.03	< 10	0.53	166
JD-HS/TB2	235	238	3720	0.58	1.2	10	20	< 0.5	4	>15.00	< 0.5	3	32	14	0.90	< 10	< 1	0.05	< 10	0.56	189
JD-HS/TB3	235	238	700	0.73	0.8	< 5	20	< 0.5	4	>15.00	0.5	4	31	16	1.26	< 10	< 1	0.05	< 10	0.56	212

CERTIFICATION :

*B. Coughlin*





# Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

111 BROOKSBANK AVE., NORTH VANCOUVER,  
BRITISH COLUMBIA, CANADA V7J-1C1

PHONE (604) 984-0221

To: EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PLJ88-05

Comments: ATTN: HENRY AWMAK

Page No: 1-D

Tot. Pages: 1

Date: 8-OCT-88

Invoice #: 1-8824579

P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824579

SAMPLE DESCRIPTION	PREP CODE		Mo	Na	Ni	P	Pb	Sb	Sc	Sr	Ti	Tl	U	V	W	Zn
			ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
JD-BY1	235	238	< 1	0.03	7	220	6	< 5	2	235	0.03	20	10	17	10	44
JD-HS/TB1	235	238	< 1	0.03	3	150	< 2	< 5	2	266	0.03	10	10	11	5	21
JD-HS/TB2	235	238	< 1	0.03	4	160	6	< 5	2	271	0.04	< 10	10	13	5	25
JD-HS/TB3	235	238	< 1	0.05	5	200	6	< 5	2	270	0.04	< 10	< 10	17	5	31

CERTIFICATION :

*B. Coughlin*



# Chemex Labs Ltd.

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 212 BROOKSBANK AVE., NORTH VANCOUVER,  
 BRITISH COLUMBIA, CANADA V7J-2C1  
 PHONE (604) 984-0221

To: EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
 VANCOUVER, BC  
 V6B 1N2

Project: PLJ88-05

Comments: ATTN: HENRY AWMAK

Page No.: 1-B  
 Tot. Pages: 1  
 Date: 8-OCT-88  
 Invoice #: I-8824577  
 P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824577

SAMPLE DESCRIPTION	PREP CODE		Mo	Na	Ni	P	Pb	Sb	Sc	Sr	Ti	Tl	U	V	W	Zn
			ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
245571	212	238	< 1	< 0.01	2	450	2	5	2	55	< 0.01	< 10	< 10	3	< 5	14
245572	212	238	< 1	0.49	23	380	6	< 5	3	273	0.24	10	< 10	36	5	100
245573	212	238	< 1	< 0.01	2	270	8	5	1	49	< 0.01	< 10	< 10	3	< 5	25
245574	212	238	< 1	< 0.01	6	210	2	< 5	1	15	< 0.01	< 10	< 10	2	< 5	6
245576	212	238	< 1	< 0.01	14	70	40	< 5	1	5	0.04	< 10	10	9	—	>10000
245577	212	238	< 1	0.01	9	< 10	< 2	< 5	2	4	0.03	< 10	< 10	2	< 5	152
358151	212	238	< 1	< 0.01	17	110	< 2	< 5	2	< 1	0.04	< 10	< 10	14	—	281
358152	212	238	2	< 0.01	8	180	< 2	< 5	1	46	0.02	10	< 10	6	20	105
358153	212	238	< 1	< 0.01	9	< 10	< 2	< 5	2	56	< 0.01	< 10	< 10	5	—	1315
358154	212	238	< 1	0.01	15	150	66	< 5	4	767	< 0.01	< 10	< 10	18	5	67
358155	212	238	< 1	0.01	18	220	3160	< 5	3	612	< 0.01	10	< 10	14	20	6660
358001	212	238	< 1	< 0.01	14	< 10	< 2	< 5	< 1	21	0.01	< 10	< 10	12	—	105

CERTIFICATION: B. Coughlin



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EQUIPMENT ENGINEERING

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PLE 88-05  
Comments: ATTN: HENRY AWMAK

Page No. 1  
Tot. Pages 1  
Date 20-OCT-88  
Invoice # I-8825440  
P.O. # NONE

## CERTIFICATE OF ANALYSIS A8825449

SAMPLE DESCRIPTION	PREP CODE	Au FA oz/T	Ag FA oz/T	Cu %	Pb %	Zn %					
245576	214 --	0.270	6.25	2.00	-----	1.39					
358153	214 --	0.102	0.26	0.29	-----	0.14					
358154	214 --	0.104	0.12	-----	-----	-----					
358155	214 --	0.238	0.56	-----	0.37	0.68					

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION : *W. Ben Amman*



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QUICK ENGII ING

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project : PLJ88-05  
Comments: ATTN: HENRY AMMACK

Form No. :  
Tot. Pages: 1  
Date : 24-NOV-88  
Invoice #: I-8827649  
P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8827649

SAMPLE DESCRIPTION	PREP CODE		Au FA	Ag FA	Cu							
			oz/T	oz/T	%							
358001	214	--	0.172	0.37	0.25							

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY B.C. CERTIFIED ASSAYERS

CERTIFICATION : *R. Swartz*



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212 BROOKSBANK AVE., NORTH VANCOUVER,  
BRITISH COLUMBIA, CANADA V7J-1C1

PHONE (604) 984-0221

TO: EQUIP. ENGINEERING

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PIJ88-05

Comments: ATTN: HENRY AWMAK

Form No.

Tot. Pages: 1

Date: 8-OCT-88

Invoice #: I-8824577

P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824577

SAMPLE DESCRIPTION	PREP CODE	Mb ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sc ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
245575	212 238	8	0.01	22	840	20	< 5	4	39	0.40	< 10	10	168	< 5	24
245581+245582	212 238	< 1	0.02	4	2640	6	< 5	6	15	0.31	< 10	< 10	97	< 5	15
358164	212 238	1	0.04	8	2110	46	< 5	8	68	0.50	10	< 10	160	< 5	150
358165	212 238	< 1	0.04	11	1720	76	< 5	11	81	0.47	< 10	< 10	213	< 5	49
358166	212 238	5	0.03	6	1270	2	< 5	10	71	0.38	< 10	< 10	146	< 5	1075
358167	212 238	< 1	0.03	14	1600	12	< 5	8	73	0.44	10	< 10	148	< 5	104
358168	212 238	5	0.04	16	1940	18	< 5	10	107	0.53	< 10	< 10	135	< 5	20
358169	212 238	11	0.03	14	1490	6	< 5	8	78	0.49	< 10	< 10	90	< 5	17
358170	212 238	17	0.01	40	3920	< 2	< 5	10	123	0.56	< 10	< 10	103	15	17
358171	212 238	< 1	0.04	13	2120	8	< 5	7	94	0.38	< 10	< 10	127	< 5	74
358172	212 238	< 1	0.02	12	2400	22	< 5	13	26	0.35	< 10	< 10	97	< 5	15
358173	212 238	< 1	0.01	6	2220	< 2	< 5	13	39	0.31	< 10	10	118		72
358177	212 238	< 1	0.01	13	1690	< 2	< 5	6	21	0.13	10	< 10	70	< 5	44
358178	212 238	4	0.02	10	2110	22	< 5	11	56	0.45	< 10	< 10	88	< 5	26
358003	212 238	< 1	< 0.01	11	180	< 2	< 5	3	1020	< 0.01	< 10	< 10	23	< 5	27

CERTIFICATION :

*B. Coughlin*



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T. QUINN L. GIN NG

406 - 675 W. HASTINGS ST.  
 VANCOUVER, BC  
 V6B 1N2

Project : PLJ88-05  
 Comments : ATTN: HENRY AWMAK

P. lo.  
 Tot. Pages: 1  
 Date : 8-OCT-88  
 Invoice #: I-8824577  
 P.O. # : NONE

## CERTIFICATE OF ANALYSIS A8824577

SAMPLE DESCRIPTION	PREP CODE	Au ppb PATAA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
245575	212 238	35	0.42	0.6	10	30	< 0.5	< 2	0.36	< 0.5	75	14	120	8.55	< 10	< 1	0.20	< 10	0.02	56
245581+245582	212 238	30	0.98	< 0.2	5	90	< 0.5	< 2	0.86	< 0.5	6	15	218	3.83	< 10	1	0.69	10	0.08	50
358164	212 238	75	1.47	4.0	5	90	< 0.5	< 2	0.87	0.5	11	22	814	6.52	< 10	< 1	0.40	10	1.38	461
358165	212 238	50	2.29	0.2	20	360	< 0.5	< 2	0.97	< 0.5	20	21	82	5.87	< 10	< 1	1.04	10	2.06	737
358166	212 238	10	2.54	< 0.2	< 5	170	< 0.5	< 2	0.71	10.0	21	21	95	7.20	< 10	< 1	0.65	10	1.86	759
358167	212 238	5	1.86	< 0.2	< 5	90	< 0.5	2	0.83	< 0.5	20	21	50	6.35	< 10	< 1	0.98	10	1.32	478
358168	212 238	35	0.92	< 0.2	< 5	140	< 0.5	< 2	0.79	< 0.5	13	21	84	5.72	< 10	< 1	0.43	10	0.27	129
358169	212 238	15	1.02	< 0.2	< 5	120	< 0.5	< 2	0.71	< 0.5	15	20	64	4.34	< 10	< 1	0.50	10	0.40	168
358170	212 238	45	1.35	0.4	< 5	140	< 0.5	4	1.53	< 0.5	33	20	113	6.30	< 10	1	0.64	10	0.26	114
358171	212 238	10	1.80	< 0.2	< 5	120	< 0.5	< 2	1.06	< 0.5	17	11	64	5.32	< 10	1	0.83	10	1.57	508
358172	212 238	15	2.19	< 0.2	< 5	320	< 0.5	2	0.72	< 0.5	28	4	84	3.78	< 10	1	1.32	10	0.16	33
358173	212 238	5	2.99	< 0.2	< 5	260	< 0.5	< 2	0.54	< 0.5	11	9	15	>15.00	< 10	2	0.49	10	1.92	358
358177	212 238	20	1.42	0.2	< 5	150	< 0.5	< 2	0.45	< 0.5	15	10	175	6.47	< 10	1	0.66	10	0.70	155
358178	212 238	5	1.19	0.2	< 5	170	< 0.5	< 2	0.53	< 0.5	14	10	119	5.24	< 10	< 1	0.56	10	0.22	83
358003	212 238	60	0.46	< 0.2	< 5	80	< 0.5	2	>15.00	0.5	6	16	3390	2.54	30	< 1	0.03	< 10	0.28	2080

CERTIFICATION : *p. Langlin*



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To: CITY INE1 3-L7

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PLJ88-05

Comments: ATTN: HENRY AWMAK

Page: 2  
Total pages: 2  
Date: 5-OCT-88  
Invoice #: I-8824578  
P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824578

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Ag ppm Aqua R	As ppm	Sb ppm		
1090M700	202 --	< 5	36	2	1	40	0.2	5	0.1		

CERTIFICATION :

*Harry Buchler*



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111 BROOKSBANK AVE. NORTH VANCOUVER,  
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PHONE (604) 984-0221

To: EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
VANCOUVER, BC  
V6B 1N2

Project: PLJ88-05

Comments: ATTN: HENRY AWMAK

Page No. ...  
Tot. Pages: 2  
Date: 5-OCT-88  
Invoice #: I-8824578  
P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824578

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Cu ppm	Mb ppm	Pb ppm	Zn ppm	Ag ppm Aqua R	As ppm	Sb ppm		
--------------------	-----------	-----------------	-----------	-----------	-----------	-----------	------------------	-----------	-----------	--	--

1080M00	202	---	<< 5	60	2	2	60	0.4	6	0.1	
1080M25	202	---	<< 5	6	1	3	22	0.3	4	0.1	
1080M50	202	---	<< 5	16	1	4	21	0.5	4	0.2	
1080M75	202	---	<< 5	4	1	2	21	0.1	3	0.1	
1080M100	202	---	< 5	100	1	2	87	0.1	9	0.2	
1080M125	202	---	< 370	54	3	5	71	0.9	9	0.6	
1080M150	202	---	< 5	19	1	5	33	0.3	3	0.2	
1080M175	202	---	< 5	26	1	3	38	0.2	3	0.1	
1080M200	202	---	< 5	21	1	1	41	0.2	3	0.1	
1080M225	202	---	< 5	54	1	1	65	0.2	4	0.2	
1080M250	202	---	< 5	27	2	1	44	0.3	3	0.1	
1080M275	202	---	<< 5	79	1	3	42	0.5	3	0.1	
1080M300	202	---	<< 5	40	1	3	41	0.5	3	0.1	
1080M325	202	---	<< 5	26	1	2	37	0.3	3	0.1	
1080M350	202	---	< 5	137	3	2	39	0.2	5	0.1	
1080M450	202	---	<< 5	48	1	1	67	0.2	3	0.1	
1080M475	202	---	<< 5	62	2	2	66	0.3	4	0.1	
1080M500	202	---	<< 5	36	1	1	55	0.2	3	0.1	
1080M525	202	---	<< 5	32	3	2	38	0.1	5	0.2	
1080M550	202	---	<< 5	34	2	1	43	0.2	5	0.1	
1080M575	202	---	<< 5	42	2	1	47	0.2	3	0.1	
1090M600	202	---	<< 5	73	1	1	68	0.2	4	0.1	
1090M625	202	---	<< 5	116	1	2	64	0.3	4	0.2	
1090M650	202	---	<< 5	94	3	2	69	0.6	7	0.1	
1090M675	202	---	<< 5	40	1	2	40	0.2	5	0.1	

CERTIFICATION: Harry Beckler





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406 - 675 W. HASTINGS ST.  
 VANCOUVER, BC  
 V6B 1N2

Project: PL188-05  
 Comments: ATTN: HENRY AWMAK

P. No. 10  
 Tot. Pages: 1  
 Date: 8-OCT-88  
 Invoice #: I-8824579  
 P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824579

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
W-HS/TB-1	235 238	< 5	1.99	0.2	15	180	< 0.5	< 2	1.71	< 0.5	13	50	48	3.92	< 10	< 1	0.38	10	1.10	740
W-HS/DH#1	235 238	530	2.41	0.2	10	170	< 0.5	4	1.98	< 0.5	18	71	63	7.45	< 10	< 1	0.43	10	1.37	709
W-HS/DH#2	235 238	20	1.99	0.2	5	120	< 0.5	6	1.42	< 0.5	17	50	67	5.86	< 10	< 1	0.37	10	1.33	682

CERTIFICATION :



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EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
 VANCOUVER, BC  
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Project : PLJ88-05  
 Comments: ATTN: HENRY AWMAK

No. 3  
 Tot. Pages: 1  
 Date : 8-OCT-88  
 Invoice # : I-8824579  
 P.O. # : NONE

## CERTIFICATE OF ANALYSIS A8824579

SAMPLE DESCRIPTION	PREP CODE		Mo	Na	Ni	P	Pb	Sb	Sc	Sr	Ti	Tl	U	V	W	Zn
			ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm
W-HS/TB-1	235	238	< 1	0.05	6	1210	2	5	10	176	0.37	< 10	< 10	146	10	63
W-HS/DH#1	235	238	< 1	0.07	7	1820	8	5	13	228	0.53	< 10	< 10	255	15	64
W-HS/DH#2	235	238	< 1	0.04	6	1700	< 2	< 5	10	147	0.44	< 10	< 10	199	5	63

CERTIFICATION : B. Coughlin



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To EQUITY ENGINEERING LTD

406 - 673 W. HOUSTING ST.  
 VANCOUVER, BC  
 V6B 1N2

Project: KEY 8804  
 Comments: ATTN: HENRY WMAACK

Page No 1  
 Total Pages 1  
 Date OCT-88  
 Invoice # I-8824549  
 P O # NONE

## CERTIFICATE OF ANALYSIS A8824549

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Cu ppm	Nb ppm	Pb ppm	Zn ppm	Ag ppm Aqua R	As ppm	Sb ppm
000 660M	202 ---	40	175	8	43	155	0.3	140	1.2
025E 660M	202 ---	40	230	4	57	172	0.7	240	1.8
050E 655M	202 ---	15	193	4	23	120	0.4	50	0.8
075E 645M	202 ---	10	46	2	17	90	0.9	27	0.4
100E 650M	202 ---	35	105	3	16	112	0.7	9	0.2
150E 660M	202 ---	60	258	3	37	272	1.4	110	4.2
175E 660M	202 ---	10	136	2	10	105	0.3	20	0.4
200E 660M	202 ---	10	30	5	7	45	0.3	7	0.2
225E 665M	202 ---	15	33	5	7	46	0.4	15	0.1
250E 665M	202 ---	5	52	4	8	70	0.3	17	0.2

CERTIFICATION

*Hart Bichler*



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212 BROOKSBANK AVE. NORTH VANCOUVER  
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PHONE (604) 244-0221

406 - 675 W HASTINGS ST  
VANCOUVER, BC  
V6B 1N2  
Project: KEY 8804  
Comments: ATTN: HENRY AMMACK

Total Pages: 1  
Date: 8-OCT-88  
Invoice #: 1-8824550  
P O #: NONE

## CERTIFICATE OF ANALYSIS A8824550

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
BY 8801	212 238	10	1.09	0.4	< 5	190	< 0.5	4	7.69	< 0.5	12	24	45	2.56	20	< 1	0.24	< 10	1.18	711
BY 8802	212 238	40	2.15	0.4	< 5	110	< 0.5	< 2	1.65	< 0.5	31	14	146	5.06	< 10	< 1	0.35	10	2.16	1495
BY 8803	212 238	280	1.91	1.6	< 5	100	< 0.5	< 2	1.16	< 0.5	20	11	781	4.75	< 10	1	0.68	10	1.66	1390
BY 8804	212 238	5	2.53	0.4	< 5	170	< 0.5	< 2	2.81	< 0.5	24	5	733	4.89	< 10	< 1	0.34	< 10	1.96	1945
RM 8801	212 238	2180	0.26	1.8	>10000	50	< 0.5	< 2	0.83	2.5	131	14	1125	10.40	< 10	< 1	0.08	10	0.19	457
88C-01	212 238	50	0.37	4.4	515	50	< 0.5	< 2	3.54	7.0	9	21	88	3.29	10	1	0.20	< 10	0.48	530
88C-02	212 238	80	2.37	1.8	25	30	< 0.5	< 2	1.55	< 0.5	31	14	465	9.45	< 10	2	0.17	20	2.56	1350
88C-03	212 238	135	3.15	0.4	40	30	< 0.5	< 2	2.50	< 0.5	35	11	59	4.89	< 10	< 1	0.05	10	2.85	1075
88C-04	212 238	80	2.53	1.0	< 5	190	0.5	< 2	1.60	< 0.5	22	13	1110	3.67	< 10	< 1	1.32	10	2.02	1250
88C-05	212 238	< 5	1.72	0.8	< 5	150	1.0	< 2	3.47	< 0.5	35	47	199	7.64	10	1	0.17	< 10	1.23	951
88C-06	212 238	< 5	0.64	1.0	190	70	0.5	< 2	0.03	< 0.5	33	153	101	3.68	20	< 1	0.36	< 10	4.40	563
88C-07	212 238	180	1.49	0.8	10	20	0.5	6	6.75	< 0.5	26	90	331	3.61	10	< 1	0.14	< 10	1.78	737
88C-08	212 238	25	3.34	0.6	5	210	0.5	< 2	2.66	< 0.5	35	4	6860	5.41	< 10	1	0.21	10	2.89	2600
88C-09	212 238	30	1.19	0.4	< 5	1010	1.0	< 2	2.86	2.0	51	41	>10000	3.97	< 10	< 1	0.59	10	1.36	687
88C-10	212 238	450	2.03	1.2	< 5	90	0.5	< 2	1.04	< 0.5	26	8	1340	5.73	< 10	< 1	0.30	10	1.66	1265
88C-11	212 238	20	0.60	0.6	110	130	< 0.5	< 2	5.07	< 0.5	8	19	75	2.79	10	< 1	0.31	< 10	1.00	606
88LR-01	212 238	>10000	2.25	3.8	< 5	120	< 0.5	2	1.32	< 0.5	33	19	1270	4.21	< 10	< 1	0.32	10	1.75	711
88LR-02	212 238	130	2.02	1.2	< 5	60	< 0.5	< 2	2.67	< 0.5	28	11	3520	3.90	< 10	< 1	0.12	< 10	1.53	895
88LR-03	212 238	90	1.84	2.0	< 5	290	< 0.5	6	2.79	0.5	31	19	747	5.00	< 10	< 1	0.49	10	1.50	790
88LR-03 A	212 238	80	2.22	0.8	< 5	250	< 0.5	2	1.77	0.5	23	15	1190	5.04	< 10	1	0.39	10	1.53	773
88LR-04	212 238	550	1.66	1.0	< 5	50	0.5	2	1.39	0.5	21	22	2350	4.94	10	1	1.24	10	1.66	306
88LR-05	212 238	< 5	0.15	2.6	< 5	30	< 0.5	< 2	0.81	1.0	9	20	2190	2.19	< 10	< 1	0.07	< 10	0.11	309
88LR-06	212 238	< 5	2.02	0.6	< 5	110	< 0.5	< 2	2.32	< 0.5	31	14	41	5.13	10	1	0.26	10	1.66	1005
88LR-07	212 238	40	0.42	2.0	< 5	40	< 0.5	2	0.39	< 0.5	19	22	1170	4.50	< 10	< 1	0.13	< 10	0.27	256
88LR-08	212 238	< 5	2.22	0.4	10	250	< 0.5	6	1.52	< 0.5	21	9	184	3.70	< 10	2	0.45	10	1.65	934
88LR-09	212 238	< 5	1.71	0.8	< 5	140	< 0.5	< 2	4.22	1.0	24	9	220	4.64	10	2	0.31	< 10	1.57	1595
88LR-10	212 238	< 5	0.84	6.6	< 5	30	< 0.5	20	9.21	1.0	10	12	2050	2.07	20	< 1	0.30	< 10	0.69	1195

CERTIFICATION

*B. Coughlin*



# Chemex Labs Ltd.

Analytical Chemists \* Geochemists \* Registered Assayers

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Project : KEY AREA

Comments: ATTN HENRY AWMAK

Page No  
Tot Pages 1  
Date 8-01-88  
Invoice # 1-8824550  
P.O. # NONE

## CERTIFICATE OF ANALYSIS A8824550

SAMPLE DESCRIPTION	PREP CODE	Mb ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sc ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
BY 8801	212 238	< 1	0.04	18	650	8	< 5	3	985	0.14	< 10	< 10	27	< 5	103
BY 8802	212 238	< 1	0.05	18	1560	8	< 5	4	77	0.24	< 10	< 10	104	< 5	196
BY 8803	212 238	3	0.02	5	2130	12	< 5	4	143	0.22	< 10	< 10	129	< 5	136
BY 8804	212 238	< 1	0.05	2	1470	6	< 5	6	137	0.27	< 10	< 10	103	< 5	173
RM 8801	212 238	< 1	0.03	9	210	70	15	1	56	< 0.01	< 10	< 10	4	< 5	851
88C-01	212 238	< 1	0.03	21	410	1680	< 5	1	328	< 0.01	< 10	< 10	7	< 5	600
88C-02	212 238	< 1	0.03	12	4750	4	< 5	4	166	0.19	< 10	< 10	209	< 5	153
88C-03	212 238	< 1	0.05	9	1390	6	< 5	6	175	0.25	< 10	< 10	120	< 5	110
88C-04	212 238	< 1	0.08	6	2030	2	< 5	4	292	0.24	< 10	< 10	117	< 5	166
88C-05	212 238	15	0.10	50	1430	32	< 5	8	280	0.04	< 10	< 10	181	< 5	70
88C-06	212 238	< 1	0.01	165	900	10	85	17	1195	< 0.01	< 10	< 10	24	< 5	36
88C-07	212 238	< 1	0.06	38	2250	2	< 5	7	377	0.21	< 10	< 10	123	10	42
88C-08	212 238	< 1	0.04	5	1500	6	< 5	5	208	0.24	< 10	< 10	97	< 5	207
88C-09	212 238	2	0.01	38	1390	2	< 5	11	135	0.01	< 10	< 10	25	< 5	178
88C-10	212 238	< 1	0.03	7	2270	< 2	5	8	90	0.24	< 10	< 10	159	< 5	147
88C-11	212 238	< 1	0.04	19	870	2	< 5	4	405	< 0.01	< 10	< 10	18	5	85
88DR-01	212 238	< 1	0.02	18	1070	8	< 5	6	53	0.12	< 10	< 10	62	< 5	63
88DR-02	212 238	2	0.04	11	1290	2	< 5	5	260	0.17	< 10	< 10	79	< 5	73
88DR-03	212 238	8	0.03	16	1900	38	< 5	5	112	0.07	< 10	< 10	55	< 5	132
88DR-03 A	212 238	5	0.03	11	1770	2	< 5	5	71	0.12	< 10	< 10	79	< 5	58
88DR-04	212 238	42	0.06	13	1660	1905	5	13	76	0.26	< 10	< 10	130	< 5	100
88DR-05	212 238	2	0.01	14	140	152	< 5	1	24	0.01	< 10	< 10	12	< 5	24
88DR-06	212 238	< 1	0.04	8	1300	< 2	< 5	6	129	0.24	< 10	< 10	89	< 5	77
88DR-07	212 238	< 1	0.01	25	500	6	< 5	1	20	0.06	< 10	< 10	17	< 5	26
88DR-08	212 238	< 1	0.07	6	1860	< 2	< 5	4	253	0.20	< 10	< 10	94	< 5	86
88DR-09	212 238	3	0.02	6	1470	18	< 5	4	401	< 0.01	< 10	< 10	39	< 5	87
88DR-10	212 238	2	0.02	8	950	1515	< 5	7	639	0.05	< 10	< 10	52	< 5	27

CERTIFICATION :

*B. Coughlin*



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Project: KEY ROAD  
Comments: ATTN: HENRY AWACK

Dr. ,  
Tot. Pages 1  
Date 20-OCT-88  
Invoice # 1-8825448  
P.O. # NONE

## CERTIFICATE OF ANALYSIS A8825448

SAMPLE DESCRIPTION	PREP CODE	Au FA	Ag FA	Cu
		oz/T	oz/T	%
RM 88-01 88 DR-01	214 --	0.058	0.04	0.09
	214 --	1.500	0.12	0.12

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION

*Henry Awack*

**APPENDIX IV**  
**ROCK SAMPLE DESCRIPTIONS**

## Rock Sample Descriptions

SAMPLE NO.	LOCATION	DESCRIPTION
245571	G JD I	Limestone, with Fe-Carb. alteration.
245572	F JD I	Limestone, silica alteration, pyrrhotite
245573	G JD I	Quartz, with Fe-carb. alteration.
245574	G JD I	Quartz/Limestone with Fe-carb. alteration
245576	F JD I	Volc.? silicified, chalcopy,pyrr,mag.
245577	F JD I	Volc.? chloritized chalcopy,pyrr.
358151	F JD I	Seds. cl. py, po, Bn.
358152	F JD I	Seds. Qtz/carb. Py, cpy.
358153	F JD I	Seds. Massive py.
358154	C JD I	Seds. Qtz/carb. Py. Sample width 50cm.
358155	C JD I	Seds. Qtz/carb. Py, Pb, zn. S. width 30cm
358001	F JD I	Pyrrhotite, Chalcopyrite.
358164	C Wiser I	Agglomerate, propylitized, Epidote, py. 2m sample width.
358165	C Wiser I	Agglomerate, propylitized, Epidote, py. 20cm sample width.
358166	C Wiser I	Agglomerate, propylitized, Epidote, py. 50cm sample width.
358167	C Wiser I	Agglomerate, propylitized, Epidote, py. 1m sample width.
358168	C Wiser I	Agglomerate, argillic, py. 1m sample width.
358169	C Wiser I	Agglomerate, propylitized, Epidote, py. 1m sample width.
358170	C Wiser I	Agglomerate, propylitized, Epidote, py. 50cm sample width.
358171	C Wiser I	Agglomerate, propylitized, clorite, py. 10m sample width.
358172	C Wiser I	Agglomerate, propylitized, clorite, py. 3m sample width.
358173	C Wiser I	Agglomerate, propylitized, clorite, py. 1m sample width.
358177	C Wiser I	Agglomerate, Arg, clorite, py. 5m sample width.
358178	C Wiser I	Agglomerate, Arg, clorite, py. 20m sample width.

F = Float sample

G = Grab sample

C = Chip sample



**EQUITY  
ENGINEERING LTD.**

**Chemical Data Sheet - ROCK SAMPLING**

NTS \_\_\_\_\_

Sampler B Yamamura, R Mayer

Project \_\_\_\_\_

Location Ref Jack Wilson Creek

Date August 29, 1988

Property Jack Claims

Air Photo No \_\_\_\_\_

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS					
				Rock Type	Alteration	Mineralization							
BY88-01	780m Elev	Grab	30cm / 3.5cm	Qtz veinlet, shale	qtz	Py	Most westerly fork of next gully to east of main one. small bulk Qtz vein in shale which is altered and contains disse. py.						
BY88-02	800m Elev	Grab	1m	Volc. ?	Sericite / Kaolin	Py	Same area as previous sample. Extremely fractured and gasconated volc. adjacent to shear zone.						
BY88-03	800m Elev	Grab	5cm	Volc. ?	Sericite / Kaolin	Py	~ 20-25m NW of previous sample. Extremely fractured and altered volc. adjacent to another major shear.						
BY88-04	800m Elev	Grab	30cm	Volc. ?	Chlorite	Malachite, Azurite, Py, Py	~ 20-25m NE of sample 88-02. Extremely chloritized volcanic? with good copper stringing.						
RH88-01		Floater		Qtz		Py, Asp.							

Sampler D. Ridley

Project \_\_\_\_\_

Location Ref \_\_\_\_\_

Date Aug 27/88

Property Jack Claims

Air Photo No \_\_\_\_\_

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS					
				Rock Type	Alteration	Mineralization							
88DR-1-J	E side of hill 2100'	rock float	-	quartz vein in andesite	chlorite	pyrite chalcopyrite pyrrhotite	2% sulphides						
88DR-2-J	N of 1-3 20m West	rock chip	3.0m +3.0m	altered volcanics	chlorite silica epidote	chalcopyrite 21%	malachite microcrystals, show zone 150°/60NE(?)						
88DR-3-J	E side of hill Walker 3200' N of DR-2 J	rock chip 2700'	5m 10m	shattered volcanics(?)	carbonate silica chlorite/epidote	pyrite chalcopyrite malachite/az	sulphides up to 35% in pockets mainly pyrite + fine chalcite rite malachite, azurite, etc.						
88DR-3a-J	cont. of DR 3 J	rock chip	5m 10m	"	"	"	minor carbonate concretions, while in very broken & shattered can't tell original rock						
88DR-4-J	E side of hill Walker 2350'	rock float	-	quartz vein in dk grey tuff	minor chlorite carbonate	pyrite chalcopyrite galena	3-10% sulphides, minor disom sulphate in wall rock, cobble-size vein 20cm wide						
88DR-5-J	N of DR 4 J	rock float	-	quartz vein(?)	-	pyrite chalcopyrite malachite(?)	50cm smaller dimension angular, local float						
88DR-6-J	E side of hill Walker 2100'	rock chip	3m 3m	altered andesite(?)	carbonate silica chlorite	pyrite chalcopyrite 3.5%	3.0cm lens & veins (5-10cm wide) in structure 2.3m wide just above E fork 020°/60W						
88DR-7-J	base of talus Walker 2440'	rock float	-	quartz	-	pyrite up to 20%	float size chunk; shattered & limonite coated.						
88DR-8-J	W side of hill Walker 2440'	rock chip	1.5m 1.5m	altered volcanic	chlorite silica	barite? very minor	specks of possible barite(?) 170°/65E						
88DR-9-J	100m N of DR-8 J, 3200'	rock float	1.5m ?	tuff?	chlorite	euhedral pyrite minor chalcite	quartz stringers						
88DR-10-J	talus under Walker 2000'	talus float	-	black tuff	chlorite carbonate	chalcopyrite galena	sulphides intergrown, quartz vein with carbonate lining, minor mineral of wall rock; 30cm wide						

Sampler C. J. Ridley  
 Date Aug/88

Project \_\_\_\_\_  
 Property JACK CLAIMS

NTS \_\_\_\_\_  
 Location Ref \_\_\_\_\_  
 Air Photo No \_\_\_\_\_

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS						
				Rock Type	Alteration	Mineralization								
88-C-1	saddlehorn Ck. ± 400m. W. of main waterfall	rock float		slate	quartz	pyrite	elev: 2260' 10-15% in quartz wall rock							
88-C-2	W. side: 25 m. S of C-1	rock float		agglomerate	epidote	20-25% pyrite	elev: 2280' dissem. crystals pyrite. several large boulders							
11-3	5m. S of C-2 elev: 2270'	rock outcrop		fine-grained green-blue andesite	-	dissem. pyrite	W. side of gully.							
11-4	20m. S of C-3 W. side gully	rock outcrop	2.5 m/10 m.	andesite	epidote	malachite	shar 25m ± 10m. wide zone of min. extends for 5m.							
-5	15m. S of C-4	rock float		light grey fine-grained siliceous rock	quartz	pyrite								
-6	5m. S of C-5	rock float		green-black fine-grained siliceous rock	malachite	chalcocite minor pyrite	rock outcrops above sample 1/2" quartz vein/mineral quartz wall rock							
-7	20m. S. of C-6	rock float		matrix andesite		minor dissem. pyrite	rock outcrops above sample location in W. fork of saddle horn Ck. E. side of Ck.							
-8	15m. due E of C-3	rock outcrop		fine-grained highly siliceous andesite	quartz - malachite veinlets	azurite	minor dissem. pyrite thru wall rock							
-9	30m. N. of C-8 E. side	rock float		siliceous agglomerate	malachite	chalcocite pyrite azurite	rock outcrops up the creek several 100m. from sample							
-10	200m. up first Ck to E. of saddle horn	rock float		shale	graphite	pyrite	rock outcrops up slope to the W. of sample							
-11	100m. S. of -10	rock float												

GEOCHEMICAL REPORT  
ON THE  
OP 1-2 AND PUP 1-4 CLAIMS

Located in the Galore Creek Area  
Liard Mining Division  
NTS 104G/3W, 4E  
57° 12' North Latitude  
131° 29' West Longitude

-prepared for-  
CONSOLIDATED GOLDWEST RESOURCES LTD.

-prepared by-  
Henry J. Awmack, P.Eng.

February, 1989

# GEOCHEMICAL REPORT ON THE OP 1-2 AND PUP 1-4 CLAIMS

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2.0	LIST OF CLAIMS	.1.
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8.0	RECOMMENDATIONS	
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## APPENDICES

Appendix A	Bibliography
Appendix B	Rock Descriptions
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## 1.0 INTRODUCTION

The Pup claim group, consisting of the OP 1-2 and Pup 1-4 claims, was staked in February and June 1988 to cover favorable lithology and copper geochemistry in the drainage of Galore Pup Creek in the Liard Mining Division, approximately 180 kilometers northwest of Stewart in northwestern British Columbia (Figure 1). The Pup property was first explored by Conwest Exploration for its copper potential following the discovery of the Galore Creek copper-gold porphyry deposit five kilometers to the south in 1955. The numerous exploration successes in a similar geological setting approximately seventy kilometers to the south in the Iskut River district and the discovery in 1987 and 1988 of several major precious metals occurrences throughout the Galore Creek district, have sparked renewed exploration interest throughout the area.

Preliminary exploration, consisting of geological mapping, prospecting and geochemical sampling, was carried out over the Pup property during September of 1988. Equity Engineering Ltd. conducted this program for Consolidated Goldwest Resources Ltd. and has been retained to report on the results of the fieldwork and set forth recommendations for future exploration. Consolidated Goldwest Resources Ltd. subsequently acquired the PL 4-6 claims, which adjoin the Pup property to the south, along with several other claim groups in the Galore Creek area.

## 2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims, grouped together as the Pup claim group (Figure 2), are owned by Consolidated Goldwest Resources Ltd.

**PROPERTY LOCATION**



<b>CONSOLIDATED GOLDWEST RESOURCES LTD.</b>			
<b>PUP CLAIM GROUP PROPERTY LOCATION MAP</b>			
<b>EQUITY ENGINEERING LTD.</b>			
Drawn.	N.T.S.	Date.	FIG. No.
J.W.	104G/3W, 4E	January, 1989	I.

Claim Name	Record Number	No. of Units	Record Date	Expiry Date*
OP 1	4485	20	Feb. 22, 1988	Feb. 22, 1990
OP 2	4486	20	Feb. 22, 1988	Feb. 22, 1990
Pup 1	4487	12	Feb. 22, 1988	Feb. 22, 1990
Pup 2	4488	20	Feb. 22, 1988	Feb. 22, 1990
Pup 3	4489	20	Feb. 22, 1988	Feb. 22, 1990
Pup 4	4637	<u>6</u>	June 13, 1988	June 13, 1990
		98		

\*Pending Approval of Assessment Report

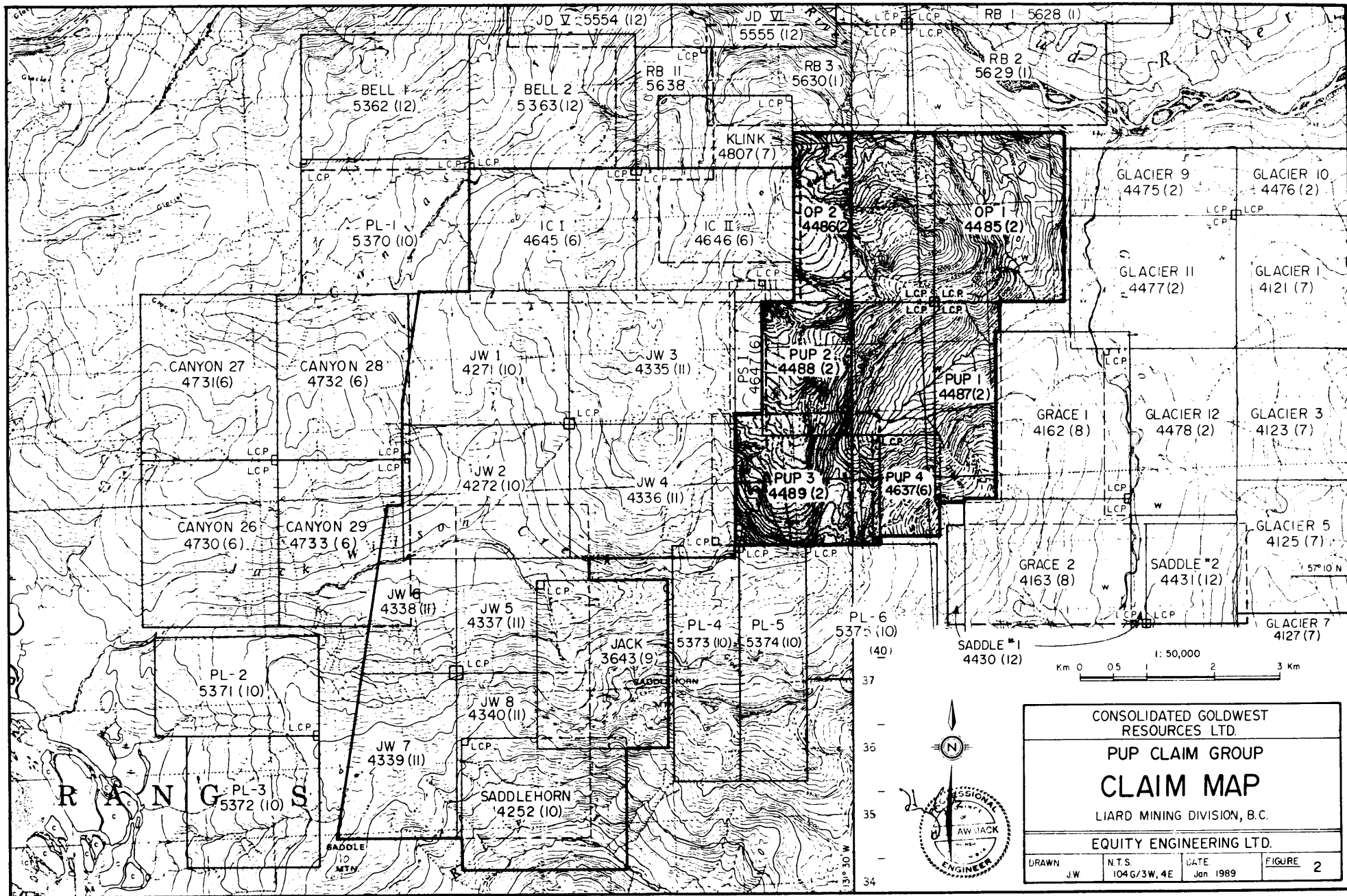
The locations of the legal corner posts for the OP 1-2 and Pup 1-3 claims have not been verified by the author. It appears that a small internal fraction may lie between the Pup 1, 2, 3 and 4 claims.

### 3.0 LOCATION, ACCESS AND GEOGRAPHY

The Pup claim group is located within the Coast Range Mountains approximately 180 kilometers northwest of Stewart and 80 kilometers south of Telegraph Creek in northwestern British Columbia (Figure 1). It lies within the Liard Mining Division, centered at 57° 12' north latitude and 131° 29' west longitude. The PL 1-6, JD I-VI and Bell 1-2 claims, situated to the north, south and west of the Pup property (Figure 2), are also currently under option to Consolidated Goldwest Resources Ltd.

Access to the Pup property is provided by helicopter from the Scud River airstrip which is located approximately 23 kilometers to the northwest, or from the Bronson Creek airstrip located approximately sixty kilometers to the southeast. Fixed-wing aircraft fly charters from Smithers, Dease Lake and Telegraph Creek to the Scud River airstrip and scheduled flights from Smithers to the Scud River airstrip via the Bronson Creek airstrip during the field season. On the Alaska side of the border, Wrangell lies approximately 90 kilometers to the





CONSOLIDATED GOLDWEST RESOURCES LTD.			
PUP CLAIM GROUP			
<b>CLAIM MAP</b>			
LIARD MINING DIVISION, B.C.			
EQUITY ENGINEERING LTD.			
DRAWN JW	N.T.S. 1046/3W, 4E	DATE Jan 1989	FIGURE 2

southwest, and provides a full range of services and supplies, including a major commercial airport. The Stikine River has been navigated by 100-ton barges upriver as far as Telegraph Creek, allowing economical transportation of heavy machinery and fuel to the Scud River airstrip. In the early 1960's, Kennco constructed a cat road down Galore Creek and the Scud River to the Stikine River at the Scud River airstrip. This cat road, which passes within a few hundred meters of the northeast corner of the Pup claim group, has not been maintained and would require some reconstruction. Throughout the 1988 field season, a helicopter was stationed in Continental Gold Corp.'s camp five kilometers northwest of the Pup property.

The OP and Pup claims cover most of the Galore Pup Creek drainage, extending south into the headwaters of Jack Wilson Creek and west into the drainage of an unnamed creek which drains north into the Scud River (Figure 2). Topography is rugged, typical of mountainous and glaciated terrain, with elevations ranging from 350 meters in the Scud River valley on the northeast corner of the OP 1 claim to 2150 meters on the unnamed peak situated on the western boundary of the Pup 2 claim. Northerly-facing slopes are covered with permanent snowfields at higher elevations, and one valley glacier descends to the 1150 meter elevation on the OP 1 claim.

Lower slopes are covered by a dense growth of hemlock, spruce and balsam fir with a dense undergrowth of devil's club, alder and huckleberry. Steeper open slopes are covered by dense slide alder growth. Above treeline, which occurs at approximately 1200 meters, more open alpine vegetation occurs. Both summer and winter temperatures are moderate although annual rainfall may exceed 200 centimeters and several meters of snow commonly fall at higher elevations.

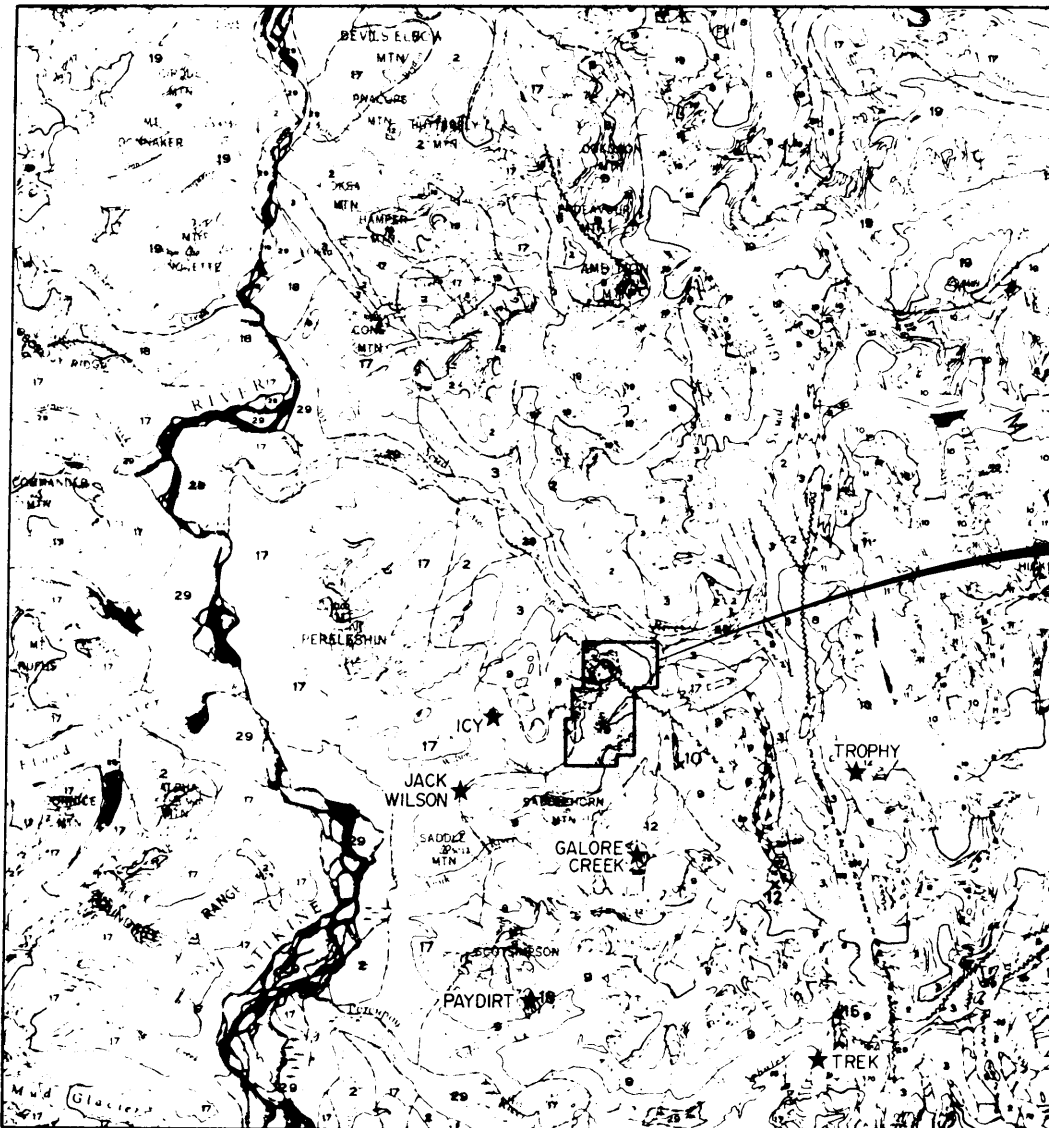
## 4.0 PROPERTY MINING HISTORY

### 4.1 Previous Work

The Galore Creek district (Figure 3) was extensively explored for its copper potential throughout the 1960's, following the discovery in 1955 of the Galore Creek copper-gold porphyry deposit. This deposit, whose Central Zone hosts reserves of 125 million tonnes grading 1.06% copper and 400 ppb gold (Allen et al, 1976), is located approximately five kilometers south of the Pup property. Several major mining companies conducted regional mapping and silt sampling programs over the entire Galore Creek area, and the Copper Canyon copper-gold porphyry, estimated by Grant (1964) at 28 million tonnes grading 0.64% copper, was discovered eight kilometers east of the Galore Creek Central Zone in 1957. Unfortunately, most of the regional data collected at that time was not filed for assessment credit and is not available.

Conwest Exploration staked the CW claim group in 1964 over a large area north and west of the Galore Creek deposit, including the Galore Pup drainage. They conducted regional mapping and sampling over their claims, taking fifteen rock samples and 91 silt samples in 1964, of which five rock samples and 23 silt samples were taken from the area now covered by the OP and Pup claims. Of the thirteen silt samples which returned values of 300 parts per million copper or higher, ten were taken from ground currently covered by the Pup claim group. No silt samples and only selected rock samples were analysed for gold (Grant, 1964).

In 1965, PCE Explorations and Canadian Superior Explorations staked the O. P. claims near the present location of the OP 1 and 2 claims, but allowed them to lapse after performing limited soil and stream geochemical sampling (Hindson, 1965).



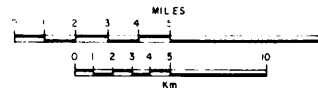
PUP CLAIM GROUP

### LEGEND

- QUATERNARY**  
**PLEISTOCENE AND RECENT**  
 29 Fluvial gravel, sand, silt, glacial outwash, till, slope moraine and colluvium
- CRETACEOUS AND TERTIARY**  
**UPPER CRETACEOUS AND LOWER TERTIARY**  
**SUTCLIFF GROUP**  
 19 Medium-to coarse-grained, pink biotite-hornblende quartz diorite
- JURASSIC AND OR CRETACEOUS**  
**POST-UPPER TRIASSIC PRE-TERTIARY**  
 17 Granodiorite, quartz diorite, minor diorite, mafic granite and magmatite
- TRASSIC**  
**LOWER TRIASSIC**  
 13 Conglomerate, polymictic conglomerate, granite-schist, conglomerate, gneiss, greenstone, siltstone, basaltic and andesitic volcanic rocks, tephrites, flow-breccia and derived volcanoclastic rocks
- TRIASSIC AND JURASSIC**  
**POST-UPPER TRIASSIC PRE-LOWER JURASSIC**  
 12 Gneiss, orthoclase porphyry, monzonite, porphyry  
**HICKMAN BATHOLITH**  
 10 Hornblende granodiorite, minor hornblende-quartz diorite 11 Hornblende-quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite
- TRASSIC**  
**UPPER TRIASSIC**  
 9 Differentiated volcanic and sedimentary rock units (see 19) inclusive  
 8 Andite-andesite flows, pyroclastic rocks, derived volcanoclastic rocks and related subvolcanic intrusions; minor greenstone, siltstone and polymictic conglomerate
- PERMIAN**  
**MIDDLE AND UPPER PERMIAN**  
 3 Limestone, thick-bedded mainly bioclastic limestone; minor siltstone, chert and tuff
- PERMIAN AND OLDER**  
 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone, minor chert, schistose tuff and limestone  
 6 Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic
- Geological boundary (defined and approximate, assumed) .....  
 Bedding (horizontal, inclined, vertical, overturned) .....  
 Anticline .....  
 Syncline .....  
 Fault (defined and approximate, assumed) .....  
 Thrust fault, teeth on hanging-wall side (defined and approximate, assumed) .....  
 Fossil locality .....  
 Mineral property ..... 15 x  
 Glacier .....



SCALE 1:250,000



CONSOLIDATED GOLDWEST RESOURCES LTD.			
PUP CLAIM GROUP			
REGIONAL GEOLOGY			
LIARD MINING DIVISION, B.C.			
EQUITY ENGINEERING LTD.			
DRAWN	NTS	DATE	FIGURE
J.W.	104G/3W, 4E	January, 1989	3

In the early 1980's, Teck Corp. conducted regional exploration for gold and base metals throughout the area, and delineated 185,000 tonnes of drill-indicated reserves grading 4.11 grams gold per tonne in the Paydirt deposit (Holtby, 1985), which is located approximately fifteen kilometers south of the Pup property. In 1987, several precious metal occurrences were discovered on the Trophy project, which adjoins the OP 1 claim to the east. Continental Gold, which acquired the Trophy project in 1988, reported trench samples averaging 2.40 grams per tonne (0.07 ounces/ton) gold and 164.5 grams per tonne (4.80 ounces/ton) silver across 56.4 meters from their Ptarmigan A zone (Continental, 1988a). During the 1988 field season, Continental drilled 2,834 meters in 16 holes, with the best intersection grading 5.48 grams gold and 30.2 grams silver per tonne over 11.1 meters (Continental, 1988b).

Elsewhere in the Galore Creek district, several significant precious metals occurrences were discovered on each of the JD, TREK, ICY and Jack Wilson properties during the 1988 field season. In each case, these properties had been explored for copper during the 1960's, but had never received due attention for their gold potential. In particular, eight zones of significant gold mineralization were discovered on the ICY and JW properties, which adjoin the OP and Pup claims to the west (Awmack and Yamamura, 1988). These zones returned grab samples up to 150.1 grams per tonne (4.38 ounces/ton) gold and chip samples up to 11.3 grams per tonne (0.329 ounces/ton) gold across 3.4 meters.

#### 4.2 1988 Work Program

During September of 1988, Consolidated Goldwest Resources Ltd. carried out one day of reconnaissance exploration on the Pup property, consisting of prospecting and stream sediment geochemistry. This exploration was targeted at quartz-sulphide

veins similar to those occurring elsewhere in the Galore Creek district and within a similar geological environment which stretches south to the Iskut River, Sulphurets and Stewart mining districts.

During the course of this program, eleven stream sediment samples and five rock samples were taken. Stream sediment samples were taken from the active parts of major drainages, screened underwater in the field to minus 40 mesh, then pulverised in the laboratory and analysed geochemically for gold and 32-element ICP (Figure 5).

Prospecting was conducted using a topographic orthophoto at a scale of 1:10,000 (Figure 5). Rock samples were taken from zones of alteration and mineralization in outcrop and float, and analysed geochemically for gold and 32-element ICP. Rock descriptions are attached in Appendix B, and analytical certificates form Appendix C.

## 5.0 REGIONAL GEOLOGY

The Galore Creek area lies on the western margin of the Intermontane Belt within the Stikine Arch near its contact with the Coast Plutonic Complex (Figure 3). A sequence of Paleozoic to middle Triassic oceanic sediments is unconformably overlain by Upper Triassic Hazelton Group island arc volcanics and sediments. These have been intruded by Upper Triassic to Lower Jurassic syenitic stocks and by Jurassic to Lower Cretaceous quartz diorite and granodiorite plutons of the Coast Plutonic Complex.

The oldest rock assemblage in the Galore Creek area consists of Permian bioclastic limestone (Unit 3) overlying metamorphosed sediments and volcanics (Unit 2) and crinoidal limestone (Unit 1).

Unconformably overlying the Permian limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments (Units 5 through 8). In the Galore Creek area, Souther (1971) grouped these volcanic and sedimentary members in Unit 9, noting however that it was composed predominantly of augite andesite breccia, conglomerate and volcanic sandstone. The Jack Wilson, ICY and TREK occurrences and the Paydirt gold deposit are all hosted within silicified, sericitized and pyritized Upper Triassic andesitic volcanics (Holtby, 1985). This Upper Triassic volcanosedimentary package is also correlative with that which hosts the SNIP and Stonehouse gold deposits of the Iskut River district approximately 65 kilometers to the south.

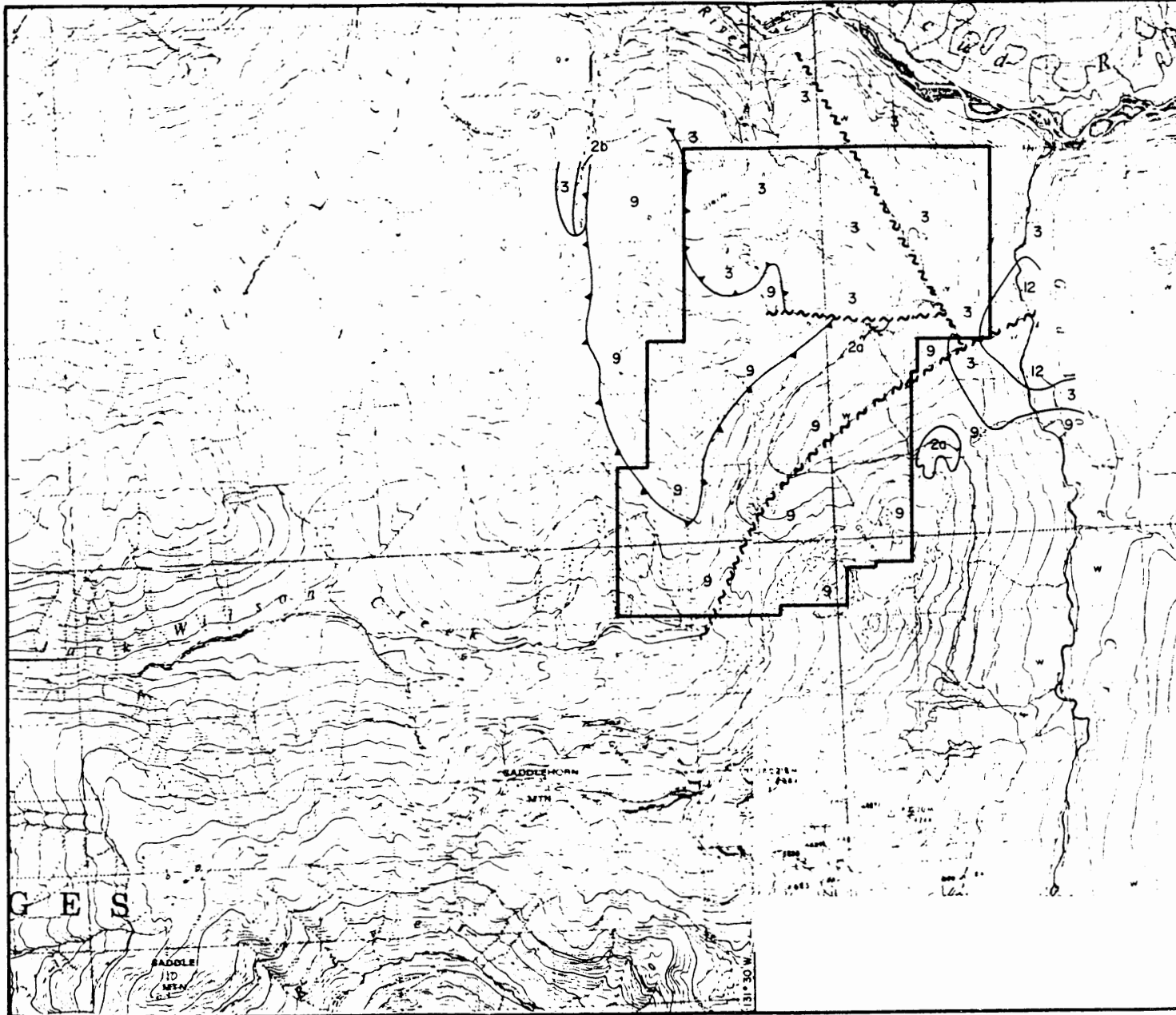
Subvolcanic syenite and orthoclase porphyry stocks (Unit 12), dated as Late Triassic to Early Jurassic by Souther (1971), intrude all older stratified rocks. The Galore Creek and Copper Canyon copper-gold porphyry deposits are hosted by Upper Triassic volcanics intruded by syenitic stocks. Orthoclase porphyry or syenite stocks are associated with most significant precious metals deposits in the Stewart, Sulphurets and Iskut River districts, including the Silbak Premier, Sulphurets, and SNIP deposits.

Jurassic and Cretaceous granodiorite to quartz diorite batholiths (Unit 17) of the Coast Plutonic Complex intrude all older lithologies.

## 6.0 PROPERTY GEOLOGY AND GEOCHEMISTRY

### 6.1 Geology

No geological mapping was conducted on the Pup property during 1988, so the descriptions below are based on Grant (1964) and work carried out during 1988 on the JW 3, JW 4, PS I and IC



### LEGEND

**TRIASSIC AND JURASSIC**

12 QUARTZ MONZONITE

**UPPER MONZONITE**

9 ANDESITE FLOWS, TUFFS AND AGGLOMERATES, MINOR ARGILLITES AND GREYWACKES

**PERMIAN**

3 LIMESTONE

**PERMIAN AND OLDER**

2a GRAPHITIC ARGILLITE

2b QUARTZ-FELDSPAR-CHLORITE SCHIST

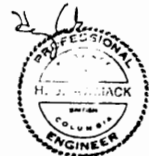
### SYMBOLS

--- CONTACT (INFERRED)

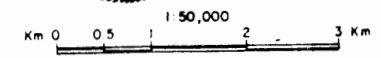
— THRUST FAULT (INFERRED)

~~~ NORMAL FAULT (INFERRED)

GEOLOGY AFTER GRANT (1964)



57°10' N



|                                      |                       |                   |             |
|--------------------------------------|-----------------------|-------------------|-------------|
| CONSOLIDATED GOLDWEST RESOURCES LTD. |                       |                   |             |
| PUP CLAIM GROUP                      |                       |                   |             |
| GEOLOGY                              |                       |                   |             |
| LIARD MINING DIVISION, B.C.          |                       |                   |             |
| EQUITY ENGINEERING LTD.              |                       |                   |             |
| DRAWN<br>J.W.                        | N.T.S.<br>1046/3W, 4E | DATE<br>Jan. 1989 | FIGURE<br>4 |



II claims, which adjoin the property to the west (Figure 4).

The oldest rock unit recognized on the Pup property (Figure 4) is a graphitic argillite (Unit 2A) exposed in a fault-bounded pocket near the legal corner post for the OP 1, OP 2, Pup 1 and Pup 2 claims. Grant (1964) describes it as black, aphanitic, thin-bedded and probably Pre-Permian in age. Another isolated patch, with obscure contact relations, is mapped to the southeast, on the Grace 1 claim. Approximately 1500 meters west of the OP 1 claim, a well-foliated chlorite-feldspar-quartz schist (Unit 2B) with finely disseminated pyrite and magnetite, is exposed in a creek valley on the IC II claim. These schists are metamorphic equivalents of Permian and older greywackes.

Buff-colored, crystalline Permian limestone (Unit 3), with a few cherty and argillaceous interbeds, underlies most of the OP 1 and 2 claims. The limestone generally strikes north with steep to vertical dips. West of the OP claims, the limestone exhibits minor folds which plunge to the northeast and probably reflect larger scale folding.

Upper Triassic andesitic to dacitic volcanics and sediments (Unit 9) trend northerly across the Pup 1 through 4 claims and dip moderately to the west. Grant (1964) recognized flows, tuffs and agglomerates with minor argillites and thin banded cherts. Mapping to the west of the Pup property revealed the presence of sandstones, greywackes and conglomerates in addition to these. There is evidence on the JW 3 and 4 claims that the Upper Triassic volcano-sedimentary sequence becomes stratigraphically younger to the west, with the easternmost units providing material for younger sediments further west.

Grant (1964) mapped a medium-grained quartz monzonite stock (Unit 12) at the intersection of Galore Pup and Galore Creeks, on the eastern boundary of the OP 1 claim. He estimated its

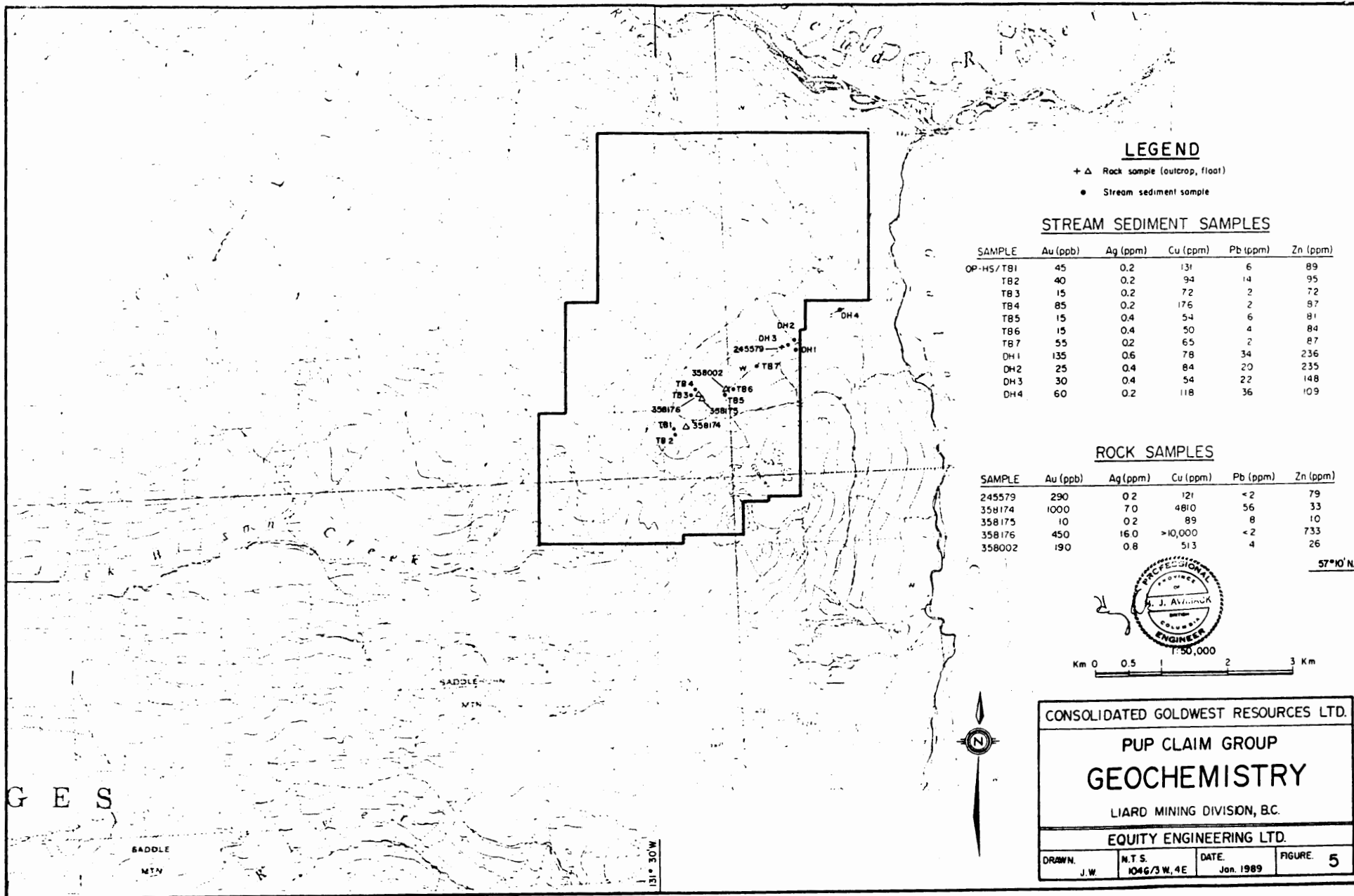
composition at 30% plagioclase, 15% perthite and antiperthite, 20% quartz, 20% actinolite, 10% chlorite and 1% biotite.

Four prominent fault structures are present on the Pup property. One of these is marked by a regional topographic lineament which extends northeast from the Jack Wilson Glacier and follows Galore Pup Creek. It is accompanied by prominent foliation on the Pup 3 claim and by reported fault breccia and gouge (Grant, 1964). A second major topographic lineament extends northwesterly from Galore Pup Creek through the OP 1 claim, forming part of the contact between the Permian limestone and the Upper Triassic volcanics. Another fault, mapped by Grant (1964), extends westerly from that fault, again separating limestone to the north from volcanics to the south.

A major thrust fault has left a plate of less-altered Upper Triassic volcanics overlying limestone and more altered volcanics on the western portion of the property. Grant (1964) notes that "this contact is essentially flat lying and the westerly dipping Triassic flows and tuffs [on the upper plate] are truncated by the contact".

## 6.2 Geochemistry

Eleven screened silt samples were taken in 1988 from tributaries of Galore Pup Creek (Figure 5). All of these contained appreciable gold and three samples are moderately anomalous with greater than 60 parts per billion gold. Copper values are relatively low, considering the anomalies reported by Grant (1964), but the four stream sediment samples taken near the eastern boundary of the Pup 1 claim all returned moderately anomalous lead and zinc values. Two silt samples were taken from the Pup property during the 1987 governmental silt sampling program, returning background values for base and precious metals.



**LEGEND**

- + Δ Rock sample (outcrop, float)
- Stream sediment sample

**STREAM SEDIMENT SAMPLES**

| SAMPLE    | Au (ppb) | Ag (ppm) | Cu (ppm) | Pb (ppm) | Zn (ppm) |
|-----------|----------|----------|----------|----------|----------|
| OP-HS/TB1 | 45       | 0.2      | 131      | 6        | 89       |
| TB2       | 40       | 0.2      | 94       | 14       | 95       |
| TB3       | 15       | 0.2      | 72       | 2        | 72       |
| TB4       | 85       | 0.2      | 176      | 2        | 87       |
| TB5       | 15       | 0.4      | 54       | 6        | 81       |
| TB6       | 15       | 0.4      | 50       | 4        | 84       |
| TB7       | 55       | 0.2      | 65       | 2        | 87       |
| DH1       | 135      | 0.6      | 78       | 34       | 236      |
| DH2       | 25       | 0.4      | 84       | 20       | 235      |
| DH3       | 30       | 0.4      | 54       | 22       | 148      |
| DH4       | 60       | 0.2      | 118      | 36       | 109      |

**ROCK SAMPLES**

| SAMPLE | Au (ppb) | Ag (ppm) | Cu (ppm) | Pb (ppm) | Zn (ppm) |
|--------|----------|----------|----------|----------|----------|
| 245579 | 290      | 0.2      | 121      | <2       | 79       |
| 358174 | 1000     | 7.0      | 4810     | 56       | 33       |
| 358175 | 10       | 0.2      | 89       | 8        | 10       |
| 358176 | 450      | 16.0     | >10,000  | <2       | 733      |
| 358002 | 190      | 0.8      | 513      | 4        | 26       |

57°10' N

1:50,000

Km 0 0.5 1 2 3 Km

**CONSOLIDATED GOLDWEST RESOURCES LTD.**

**PUP CLAIM GROUP**

**GEOCHEMISTRY**

LIARD MINING DIVISION, B.C.

---

**EQUITY ENGINEERING LTD.**

|               |                        |                   |                    |
|---------------|------------------------|-------------------|--------------------|
| DRAWN<br>J.W. | N.T.S.<br>1046/3 W, 4E | DATE<br>Jan. 1989 | FIGURE<br><b>5</b> |
|---------------|------------------------|-------------------|--------------------|

Five rock samples were taken from mineralized outcrop and float near Galore Pup Creek. Sample #358174, taken from quartz-carbonate float with abundant pyrite and lesser chalcopyrite, contained 1000 ppb gold with 0.48% copper. Another boulder of quartz-carbonate altered volcanics, located on a side drainage approximately 450 meters downstream, contained 450 ppb gold with greater than one percent copper in sample #358176.

## 7.0 DISCUSSION

The Iskut River, Sulphurets and Stewart gold camps, to the south of the Galore Creek district, host economic gold-bearing mesothermal veins which are intimately associated with syenitic stocks intruding an Upper Triassic volcano-sedimentary sequence. The Pup property, which lies along the same regional trend, exemplifies this geological environment, with a quartz monzonite body intruding older sediments near a correlative Upper Triassic volcano-sedimentary sequence.

The OP and Pup claims are at an early stage of exploration. No geological mapping and very little prospecting or geochemical sampling has yet been carried out over them but initial geochemical results are encouraging. The exploration successes achieved during the past few years elsewhere in the Galore Creek district and further south in the Iskut River, Sulphurets and Stewart districts provide abundant incentive to conduct further reconnaissance work on the Pup property.

## 9.0 RECOMMENDATIONS

### 9.1 Program

A reconnaissance-style exploration program consisting of airborne geophysics, stream sediment and soil geochemistry,

prospecting and geological mapping is recommended for the Pup property. This program is designed to delineate areas of interest for further, more intensive exploration.

Helicopter-borne magnetics, resistivity and VLF-EM surveys should be carried out over the entire property, allowing the delineation of gross lithological trends and test for the presence of significant magnetite-bearing skarn deposits such as have been discovered on the Trophy property to the east.

Stream sediment samples should be taken from all major drainages not yet sampled and analysed for gold, silver, copper, lead, zinc and arsenic. Soil geochemistry contour lines should cover the anomalous drainages wherever possible.

Geological mapping and prospecting should be done over the entire property, using the existing orthophoto contour map at a scale of 1:5000 for topographical control. Special attention should be paid to gossanous areas, those drainages shown to be anomalous by stream sediment geochemistry and airborne geophysical anomalies. Rock chip samples should be taken from zones of favorable alteration and mineralization.

## 9.2 Budget

### WAGES

|                     |    |              |
|---------------------|----|--------------|
| Project Geologist   |    |              |
| 20 days @ \$350/day | \$ | 7,000        |
| Prospector          |    |              |
| 20 days @ \$225/day |    | 4,500        |
| Samplers            |    |              |
| 20 days @ \$175/day |    | <u>3,500</u> |
|                     | \$ | 15,000       |


### RENTALS

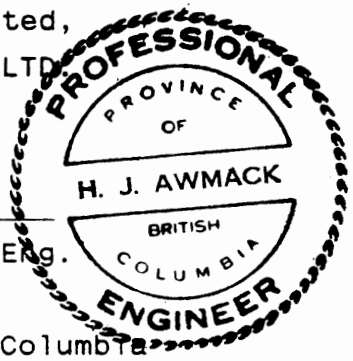
|                           |  |       |
|---------------------------|--|-------|
| Camp Rental               |  |       |
| 60 man-days @ \$20/manday |  | 1,200 |

|                              |              |              |
|------------------------------|--------------|--------------|
| AIRBORNE GEOPHYSICAL SURVEYS |              | 14,700       |
| 98 units @ \$150/unit        |              |              |
| CHEMICAL ANALYSES            |              |              |
| Stream Sediment              |              |              |
| 15 @ \$19.25                 | \$ 289       |              |
| Soil Geochemical             |              |              |
| 200 @ \$19.75                | 3,950        |              |
| Rock Geochemical             |              |              |
| 120 @ \$19.25                | 2,310        |              |
| Assays                       |              |              |
| 25 @ \$25.00                 | <u>625</u>   | \$ 7,174     |
| MATERIALS AND SUPPLIES       |              |              |
| Geochemical Supplies         | 100          |              |
| Expendables                  | <u>1,200</u> | 1,300        |
| SUPPORT                      |              |              |
| Mobilization/Demob.          | \$ 3,000     |              |
| Communications               | 300          |              |
| Camp Food and Supplies       |              |              |
| 60 mandays @ \$30/day        | 1,800        |              |
| Helicopter                   |              |              |
| 16 hours @ \$700/hr          | 11,200       |              |
| Fixed Wing Aircraft          | 2,000        |              |
| Freight                      | <u>500</u>   | 18,800       |
|                              |              | 5,000        |
| REPORT PREPARATION           |              |              |
| RECORDING FEES               |              |              |
| 5% on \$75,000               |              | <u>3,750</u> |
|                              |              | \$ 66,924    |
| CONTINGENCY @ 10%            |              |              |
|                              |              | <u>6,692</u> |
|                              |              | \$ 73,616    |
| MANAGEMENT FEES              |              |              |
| 15% on expenses              | \$ 5,404     |              |
| 7.5% on subcontracts         | <u>1,102</u> | \$ 6,506     |
|                              |              | \$ 80,122    |
|                              |              | =====        |

The recommended exploration program will cost approximately \$ 80,000 to implement.

Respectfully submitted,  
EQUITY ENGINEERING LTD.

  
\_\_\_\_\_  
Henry J. Awmack, P.Eng.



Vancouver, British Columbia  
February, 1989

APPENDIX A

BIBLIOGRAPHY



## BIBLIOGRAPHY

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APPENDIX B

ROCK DESCRIPTIONS



APPENDIX C

CERTIFICATES OF ANALYSIS



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Analytical Chemists \* Geochemists \* Registered Assayers  
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 BRITISH COLUMBIA, CANADA V7L 2C1  
 PHONE (604) 984-0221

To: EQUITY ENGINEERING LTD.

406 - 675 W. HASTINGS ST.  
 VANCOUVER, BC  
 V6B 1N2

Project: KGG88-02

Comments: ATLN: HENRY AWMAK

Page No: 1-A  
 Tot. Pages: 1  
 Date: 6-OCT-88  
 Invoice #: I-8824575  
 P.O. #: NONE

## CERTIFICATE OF ANALYSIS A8824575

| SAMPLE DESCRIPTION | PREP CODE |     | Au  | Al   | Ag  | As  | Ba  | Be    | Bi  | Ca   | Cd    | Co  | Cr  | Cu  | Fe   | Ga  | Hg  | K    | La   | Mg   | Mn  |
|--------------------|-----------|-----|-----|------|-----|-----|-----|-------|-----|------|-------|-----|-----|-----|------|-----|-----|------|------|------|-----|
|                    | FA+AA     | %   | ppm | %    | ppm | ppm | ppm | ppm   | ppm | %    | ppm   | ppm | ppm | ppm | %    | ppm | ppm | %    | ppm  | %    | ppm |
| OPHS/TB 1          | 235       | 238 | 45  | 2.44 | 0.2 | 15  | 80  | < 0.5 | 4   | 0.87 | < 0.5 | 18  | 179 | 131 | 4.08 | 20  | < 1 | 0.21 | 10   | 2.00 | 775 |
| OPHS/TB 2          | 235       | 238 | 40  | 1.91 | 0.2 | 15  | 50  | < 0.5 | 4   | 0.62 | < 0.5 | 18  | 85  | 94  | 4.64 | 10  | < 1 | 0.14 | 10   | 1.42 | 864 |
| OPHS/TB 3          | 235       | 238 | 15  | 2.49 | 0.2 | < 5 | 70  | < 0.5 | 2   | 1.11 | < 0.5 | 13  | 97  | 72  | 3.63 | 10  | < 1 | 0.16 | 10   | 1.63 | 790 |
| OPHS/TB 4          | 235       | 238 | 85  | 1.96 | 0.2 | 5   | 60  | < 0.5 | < 2 | 0.75 | < 0.5 | 15  | 85  | 176 | 3.77 | 10  | < 1 | 0.10 | 10   | 1.48 | 770 |
| OPHS/TB 5          | 235       | 238 | 15  | 2.32 | 0.4 | < 5 | 60  | < 0.5 | 2   | 1.11 | < 0.5 | 14  | 49  | 54  | 4.32 | 10  | < 1 | 0.15 | 10   | 1.61 | 827 |
| OPHS/TB 6          | 235       | 238 | 15  | 2.32 | 0.4 | 5   | 60  | < 0.5 | 4   | 1.14 | < 0.5 | 14  | 40  | 50  | 4.35 | 20  | < 1 | 0.15 | 10   | 1.58 | 856 |
| OPHS/TB 7          | 235       | 238 | 55  | 2.49 | 0.2 | 5   | 60  | < 0.5 | < 2 | 1.01 | < 0.5 | 15  | 69  | 65  | 4.40 | 10  | < 1 | 0.14 | 10   | 1.73 | 879 |
| OPLH 1             | 235       | 238 | 135 | 2.31 | 0.6 | 25  | 330 | < 0.5 | 4   | 1.11 | 1.5   | 15  | 114 | 78  | 4.87 | 20  | < 1 | 0.30 | 10   | 1.43 | 867 |
| OPLH 2             | 235       | 238 | 25  | 1.74 | 0.4 | 20  | 410 | < 0.5 | 6   | 5.12 | 2.0   | 22  | 86  | 84  | 5.01 | 20  | < 1 | 0.13 | < 10 | 1.28 | 710 |
| OPLH 3             | 235       | 238 | 30  | 2.28 | 0.4 | 20  | 130 | < 0.5 | < 2 | 1.00 | 1.0   | 13  | 90  | 54  | 4.62 | 10  | 1   | 0.14 | 10   | 1.63 | 757 |
| OPLH 4             | 235       | 238 | 60  | 2.26 | 0.2 | 15  | 250 | < 0.5 | < 2 | 1.99 | 0.5   | 21  | 127 | 118 | 5.22 | 10  | < 1 | 0.32 | 10   | 1.77 | 425 |

CERTIFICATION :

*B. Coughlin*



# Chemex Labs Ltd.

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Project KGG88-02

Comments ATTN: HENRY AWMAK

Page No 1-B

Tot. Pages 1

Date : 6-OCT-88

Invoice # : 1-8824575

P.O. # : NONE

## CERTIFICATE OF ANALYSIS A8824575

| SAMPLE DESCRIPTION | PREP CODE | Mo<br>ppm | Na<br>% | Ni<br>ppm | P<br>ppm | Pb<br>ppm | Sb<br>ppm | Sc<br>ppm | Sr<br>ppm | Ti<br>% | Tl<br>ppm | U<br>ppm | V<br>ppm | W<br>ppm | Zn<br>ppm |
|--------------------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|---------|-----------|----------|----------|----------|-----------|
| OPHS/TB 1          | 235 238   | 4         | 0.04    | 85        | 1000     | 6         | < 5       | 4         | 101       | 0.29    | 10        | < 10     | 80       | < 5      | 80        |
| OPHS/TB 2          | 235 238   | 3         | 0.02    | 27        | 860      | 14        | < 5       | 4         | 59        | 0.27    | 10        | < 10     | 81       | 5        | 95        |
| OPHS/TB 3          | 235 238   | 2         | 0.06    | 38        | 970      | 2         | < 5       | 5         | 100       | 0.31    | < 10      | < 10     | 72       | 5        | 72        |
| OPHS/TB 4          | 235 238   | 2         | 0.02    | 49        | 1120     | 2         | < 5       | 3         | 53        | 0.21    | < 10      | < 10     | 51       | 5        | 87        |
| OPHS/TB 5          | 235 238   | 1         | 0.03    | 15        | 1080     | 6         | < 5       | 6         | 46        | 0.24    | < 10      | < 10     | 106      | 5        | 81        |
| OPHS/TB 6          | 235 238   | 1         | 0.03    | 16        | 1120     | 4         | < 5       | 6         | 45        | 0.24    | < 10      | < 10     | 107      | 5        | 84        |
| OPHS/TB 7          | 235 238   | < 1       | 0.03    | 25        | 1100     | 2         | < 5       | 6         | 62        | 0.28    | < 10      | < 10     | 106      | < 5      | 87        |
| OPDH 1             | 235 238   | 9         | 0.03    | 56        | 2460     | 34        | < 5       | 6         | 65        | 0.18    | < 10      | < 10     | 132      | 5        | 236       |
| OPDH 2             | 235 238   | 14        | 0.01    | 57        | 1770     | 20        | < 5       | 5         | 107       | 0.16    | 10        | < 10     | 78       | 15       | 235       |
| OPDH 3             | 235 238   | 2         | 0.02    | 40        | 2420     | 22        | < 5       | 5         | 56        | 0.20    | 10        | < 10     | 108      | 10       | 148       |
| OPDH 4             | 235 238   | 3         | 0.04    | 63        | 1400     | 36        | < 5       | 7         | 92        | 0.31    | 10        | < 10     | 120      | 15       | 109       |

CERTIFICATION : B. Coughlin



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Project: KGG88-02

Comments: ATTN: HENRY AWMAK

Page No 1-A  
Tot Pages 1  
Date 8 OCT-88  
Invoice # I-8824576  
P O # NONE

## CERTIFICATE OF ANALYSIS A8824576

| SAMPLE DESCRIPTION | PREP CODE |     | Au ppb | Al % | Ag ppm | As ppm | Ba ppm | Be ppm | Bi ppm | Ca %  | Cd ppm | Co ppm | Cr ppm | Cu ppm | Fe %  | Ga ppm | Hg ppm | K %    | La ppm | Mg % | Mn ppm |
|--------------------|-----------|-----|--------|------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|------|--------|
|                    |           |     | FA+AA  | %    | ppm    | ppm    | ppm    | ppm    | ppm    | %     | ppm    | ppm    | ppm    | ppm    | %     | ppm    | ppm    | %      | ppm    | %    | ppm    |
| 245579             | 212       | 238 | 290    | 2.65 | 0.2    | < 5    | 40     | < 0.5  | < 2    | 1.28  | < 0.5  | 30     | 114    | 121    | 5.08  | < 10   | < 1    | 0.05   | 10     | 2.15 | 547    |
| 358174             | 212       | 238 | 1000   | 0.27 | 7.0    | 570    | 80     | < 0.5  | 6      | 15.00 | 0.5    | 48     | 7      | 4810   | 6.86  | 50     | < 1    | 0.07   | < 10   | 0.30 | 1895   |
| 358175             | 212       | 238 | 10     | 0.59 | 0.2    | 5      | 10     | < 0.5  | 2      | 0.92  | < 0.5  | 5      | 30     | 89     | 2.13  | < 10   | < 1    | 0.01   | < 10   | 0.32 | 236    |
| 358176             | 212       | 238 | 450    | 0.75 | 16.0   | < 5    | < 10   | < 0.5  | < 2    | 3.44  | 5.0    | 86     | 46     | >10000 | 13.25 | < 10   | < 1    | < 0.01 | 10     | 0.57 | 399    |
| 358002             | 212       | 238 | 190    | 0.58 | 0.8    | < 5    | 40     | < 0.5  | < 2    | 1.08  | < 0.5  | 10     | 28     | 513    | 3.81  | < 10   | < 1    | 0.13   | 10     | 0.14 | 169    |

CERTIFICATION :

*B. Coughlin*



# Chemex Labs Ltd

Analytical Chemists • Geochemists • Registered Assayers

212 BROOKSBANK AVE NORTH VANCOUVER  
BRITISH COLUMBIA, CANADA V7E 2G1

PHONE (604) 984-0221

To EQUITY ENGINEERING LTD

406 - 675 W. HASTINGS ST  
VANCOUVER, BC  
V6B 1N2

Project: KGGK8-02

Comments: ATTN: HENRY AWMAK

Page No. 1-B

Tot. Pages 1

Date 8-OCT 88

Invoice # I-8824576

P.O. # NONE

## CERTIFICATE OF ANALYSIS A8824576

| SAMPLE DESCRIPTION | PREP CODE |     | Mo  | Na     | Ni  | P    | Pb  | Sb  | Sc  | Si   | Ti   | Tl   | U    | V   | W   | Zn  |
|--------------------|-----------|-----|-----|--------|-----|------|-----|-----|-----|------|------|------|------|-----|-----|-----|
|                    |           |     | ppm | %      | ppm | ppm  | ppm | ppm | ppm | ppm  | %    | ppm  | ppm  | ppm | ppm | ppm |
| 245579             | 212       | 238 | 5   | 0.09   | 43  | 1190 | < 2 | < 5 | 5   | 54   | 0.25 | < 10 | < 10 | 119 | < 5 | 79  |
| 358174             | 212       | 238 | 4   | 0.01   | 20  | 190  | 56  | 20  | 3   | 1995 | 0.01 | 10   | < 10 | 22  | < 5 | 33  |
| 358175             | 212       | 238 | 1   | 0.02   | 12  | 390  | 8   | < 5 | < 1 | 94   | 0.05 | < 10 | < 10 | 21  | < 5 | 10  |
| 358176             | 212       | 238 | 19  | < 0.01 | 105 | 2160 | < 2 | < 5 | 2   | 67   | 0.03 | 20   | < 10 | 437 | < 5 | 733 |
| 358002             | 212       | 238 | 11  | 0.07   | 29  | 970  | 4   | < 5 | 1   | 50   | 0.15 | < 10 | < 10 | 28  | < 5 | 26  |

CERTIFICATION :

*P. Coughlin*



APPENDIX D

ENGINEER'S CERTIFICATE

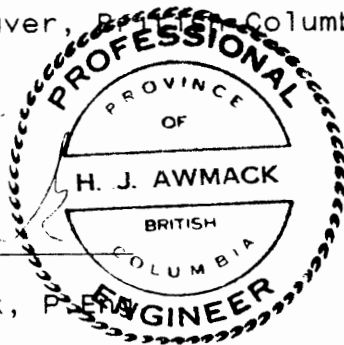
ENGINEER'S CERTIFICATE

I, HENRY J. AWMACK, of 308-1510 Nelson Street, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Geological Engineer with offices at Suite 406, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with an honors degree in Geological Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of British Columbia.
4. THAT this report is based on fieldwork conducted by Equity Engineering Ltd. on the Pup claim group during September 1988, government publications and reports filed with the Government of British Columbia.
5. THAT I indirectly own 25,000 shares of Consolidated Goldwest Resources Ltd. and one-half interest in the Pup claim group through Equity Engineering Ltd.
6. THAT I consent to the use by Consolidated Goldwest Resources Ltd. of this report in a Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, British Columbia, this 14<sup>th</sup> day of February, 1989.

  
Henry J. Awmack, P. Eng.



SORBARA GEOLOGICAL CONSULTING LTD.

---

6708111-10016011-1001  
DEPT. OF MINES  
6708111-10016011-1001  
(604) 670-8007

February 21, 1989

Board of Directors  
Consolidated Goldwest Resources Ltd.  
10th Floor, 808 West Hastings Street  
Vancouver, B.C. V6C 2X6

Dear Sirs:

Re: OP 1 and 2 and Pup 1 to 4 claims, Liard Mining Division

The writer has reviewed in detail the geochemical report by Henry J. Awmack, dated February 1989, on the OP 1 and 2 and Pup 1 to 4 claims located in the Galore Creek area of the Liard Mining Division. The 1988 exploration work on the subject claims was very limited in its scope, however, it did result in the identification of several stream sediment and rock samples that were anomalous (+50 ppb) in gold, one rock anomalous in silver (16.0 ppm) and two rocks anomalous in copper (+10,000 ppm and 4,810 ppm).

The stream sediment samples come from a fairly large drainage covering the southeastern part of the claim group. This drainage certainly warrants further exploration work as does the entire claim group given its regional geological setting and nearby exploration activities.

The writer agrees with Mr. Awmacks recommendations for further work starting with an airborne geophysical survey and with his cost estimate of \$80,000.00 for this Phase I program.

Respectfully submitted,



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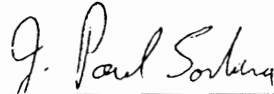
J. Paul Sorbara, M.Sc., F.G.A.C.  
President

STATEMENT OF QUALIFICATIONS

I, J. PAUL SORBARA, of 6703 Nicholson Road, in the Municipality of Delta, in the Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 6703 Nicholson Road, in the Municipality of Delta, in the Province of British Columbia.
2. THAT I graduated with a B.Sc., in geology from the University of Toronto, in the City of Toronto, in the Province of Ontario, in 1976, and with a M.Sc. in geology from the University of Toronto in 1979.
3. THAT I practiced geology professionally from 1979 to 1989, including 5 years as an Exploration Geologist with Cominco Ltd.
4. THAT I am a registered Fellow of the Geological Association of Canada.
5. THAT this report is based upon a thorough review of published and printed reports and maps on the subject property and the surrounding area. The writer has not visited the property personally.
6. THAT I have not received, nor do I expect to receive any direct or indirect interest in OP 1 and 2 and Pup 1 to 4, Liard Mining Division that is the subject of this report, or any other claims within a radius of 10 kilometers.
7. THAT I do not have, nor do I expect to receive any direct or indirect interest or securities in Consolidated Goldwest Resources Ltd. or Noranda Exploration Co. Ltd.
8. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of a private or public financing.

SIGNED:

  
\_\_\_\_\_  
J. PAUL SORBARA, M.Sc., F.G.A.C.

April 26, 1989

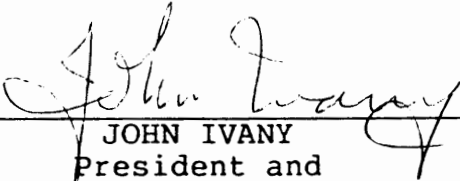
(Reference: letter dated February 21, 1989 Regarding the above noted claims)

**CERTIFICATES**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

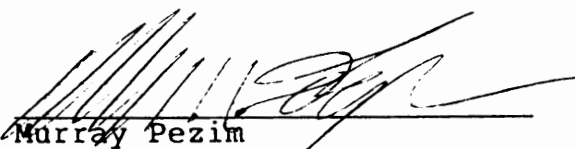
Dated: May 31, 1989.

**ISSUER**

  
\_\_\_\_\_  
JOHN IVANY  
President and  
Chief Executive Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

\_\_\_\_\_  
Lawrence Page  
Director

  
\_\_\_\_\_  
Murray Pezim  
Director

AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

Dated: May 31, 1989.

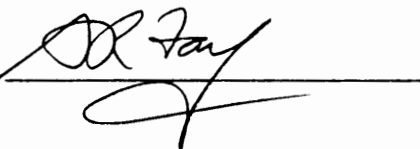
CANARIM INVESTMENT CORPORATION LTD.

CONTINENTAL SECURITIES

Per: \_\_\_\_\_



Per: \_\_\_\_\_



MCDERMID ST. LAWRENCE LIMITED

Per: \_\_\_\_\_

