82ESE45 #328 R.P.2.

EFFECTIVE DATE: SEPTEMBER 17, 1986

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NEW ISSUE PROSPECTUS

EMPIRE GOLD RESOURCES LTD.
(the "Issuer")
807 - 626 West Pender Street
Vancouver, British Columbia
Telephone #(604) 682-8477

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	No. of Shares	Price to Public	Commission	Net Proceeds to be received by Issuer (1)
Per Share	1	$ 0.45	$ 0.06	$ 0.39
Total	400,000	180,000	24,000	156,000

(1) Before deduction of costs of this offering estimated at $15,000.

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#328

GEOLOGICAL REPORT
WITH
RECOMMENDED PROGRAM
AND
ASSOCIATED COST ESTIMATES
ON THE
ROBERT MINES LTD. PROPERTY
GREENWOOD, B.C.
FOR
EMPIRE GOLD RESOURCES LTD.

BY
PETRALITH SERVICES LIMITED
JAMES PAXTON, P. ENG.
Jan. 7, 1986

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MAPS

S U M M A R Y

The Robert Mines Property lies 4 km southwest of Greenwood, British Columbia, on Highway No. 3, close to the Canada - U.S.A. border. The mine was visited and the workings examined by the author and Mr. Hun Kim, P. Geol. during Dec. 13th and 15th, 1985.

The mine workings are in two quartz veins trending 130° to 140° and dipping 40° to 60° north. The veins are mineralized with galena, sphalerite, argentite, chalcopyrite, native silver and gold. Ore grade material occurs as shoots within the vein.

The veins have been explored by seven adits, three on the lower vein and four on the upper vein. Most of the production to date has come from the upper three adits on the upper vein.

There is a good possibility that new qre can be found on the downward extension of two of these shoots by drilling short diamond drill holes from cross-cuts in the hangwall of the vein. The economics of the situation is greatly enhanced by the presence on the property of a complete mining plant and mill(concentrator) able to process up to 100 tons of ore per day and having all government permits and plant approvals obtained and in force.

A cross-cut already exists, ready to test the most promising zone which lies below the 6th.Level. It is recommended that another cross-cut be driven above the second most promising zone and that a total of 2090 feet in sixteen holes be drilled from these cross-cuts.

On the 7th Level the vein appears to be faulted off 300 feet from the portal. To date efforts to locate its westward extension have been unsuccessful. A total of 1,250 feet of diamond drilling in four holes is recommended to explore the areas to the north and south of the present vein where an offset segment or an undiscovered parallel vein might occur.

As well, a program of surface trenching on the lower vein is proposed, plus extension and detailing of the 1977 soil survey.

A total cost for the program is estimated at $145,992.

James Paxton

JAMES PAXTON, P.Eng.
President,
Petralith Services Ltd.

INTRODUCTION

The author was engaged by Empire Gold Resources Limited of Vancouver, B.C. to visit the Robert Mines property near Greenwood, B.C. describe the mine geology, evaluate the exploration potential, and propose a program for further development.

The examination, mapping and sampling of the underground workings was done on December 13th to 15th by the author, with the help of Mr. Hun Kim, P. Geol.

Underground workings that had been previously mapped were checked and the unmapped areas that were accessible were mapped with tape and compass. Eight chip samples across the vein were taken in a number of locations and assayed for gold and silver. A suite a rock type specimens was also collected to aid in preparing the geological map.

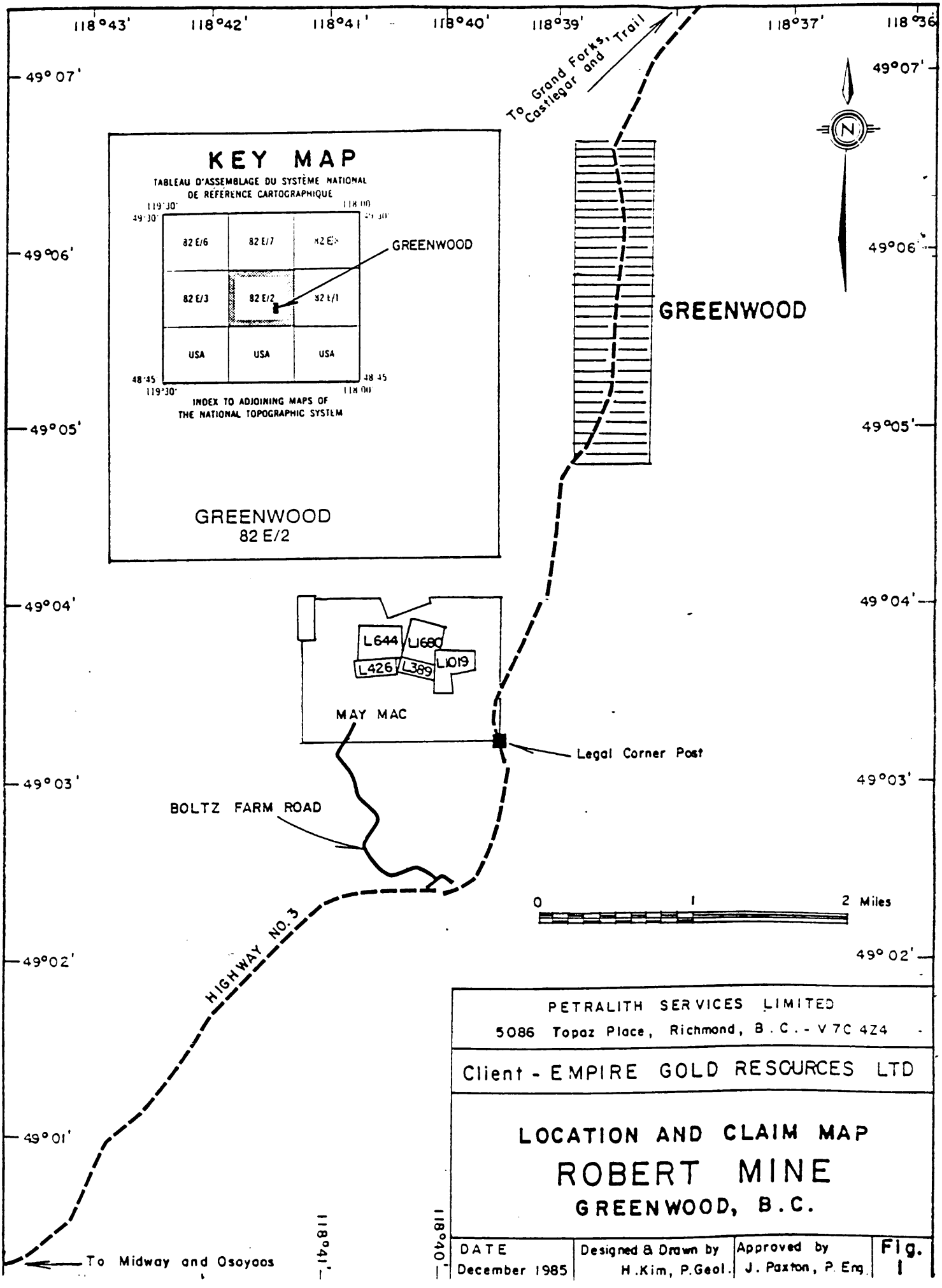
Data on ore shipments and previous underground mapping and surveying were supplied by Mr. Karl Schindler, President of Robert Mines Ltd.

LOCATION, ACCESS, WATER AND POWER

The Robert Mines Limited property, also referred to as the Skomac Mine, or the Last Chance property, is located 4 km southwest of Greenwood, B.C. Greenwood is a small town lying 90 km east of Osooyoos on highway No. 3 near the southern boundary of the province.

The property is reached by travelling south from Greenwood on highway No. 3 for 4 km. At a point where the highway makes a sweeping turn to the west, a small gravel road is to be seen branching off the highway to the northwest. This is known as the Boltz Farm Road. Following it north for about 3 km brings one to the mine buildings.

A sufficient supply of water for development drilling, mine and mill operation is available from an old shaft on the property. Drinking water must be brought up from Greenwood. Electric power is available via a branch line from the West Kootenay Power Grid in Greenwood.



PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 4Z4

Client - EMPIRE GOLD RESOURCES LTD

LOCATION AND CLAIM MAP
ROBERT MINE
GREENWOOD, B.C.

DATE	Designed & Drawn by	Approved by	Fig.
December 1985	H.Kim, P.Geol.	J. Paxton, P. Eng.	1

PROPERTY AND TITLE

The property consists of five former crown grant claims, in two mineral leases, lying within a twelve unit modified grid claim.

Claim Name	Lot No.	Record No.	Anniversary Date
Maymac (12 units)		1276	August 17
Nonsuch	L 389)		
Republic	L 426)	Mineral	
Hidden Treasure	L 1019)	Lease 423	August 8
Cosmopolitan	L 1680)		
Last Chance	L 644	Mineral Lease 430	November 15

The above description of the property is based on information supplied to the writer by Robert Mines Limited. A complete legal description is beyond the scope of this report.

TOPOGRAPHY AND CLIMATE

The mine is situated just south of the base of a vertical diorite cliff face, on a steeply sloping hillside, overlooking the Boundary Creek Valley and the town of Greenwood. Immediately above and to the west of the mine, a broad, undulating upland plateau occurs, which slopes gently southward to Highway No. 3. Total topographic relief is in the order of 700 metres.

The climate is dry and semi-arid with most of the precipitation coming in the early winter as snowfall. Winter temperatures range downward to -20°C in winter and up to +35°C in summer. Supplies of surface water for drilling are generally available from small streams until mid-July, after which they usually dry up.

HISTORY

In common with the rest of Western Canada, the Greenwood area was first explored by fur traders in the early 19th century. These were followed in mid-century by gold prospectors who discovered a small amount of placer gold on Boundary Creek and May Creek. Near the end of the century large deposits of self-fluxing, low grade copper ore were discovered. Copper smelting plants were constructed at Boundary Falls, Greenwood and Grand Forks. These smelters were usually willing to treat, on a custom basis, any ore that had an appreciable gold, silver, or copper content. This enabled a swarm of small mining operations to exist in addition to the main copper mines at Phoenix and Motherlode. It was during this time that the original claims forming what is now Robert Mines were staked.

The original development work was done between 1894 and 1896. By 1904 the three lower adits, the No. 1 and No. 2 shaft and the No. 4 adit on the upper vein had been driven.

In 1903 - 1904 Republic Gold Mines shipped 41 tons of ore with a grade of 9.3 oz/ton Au.

In 1904 - 1937 there was intermittent production totalling 890 tons, with an average grade of 100 oz/ton Ag.

In 1962 - 1964 Skomac Mines Ltd. shipped 670 tons of ore with an average grade of 0.04 oz/ton Au and 5.41 oz/ton Ag. At this time the No. 5 level adit was driven and the 5-1 cross-cut drilling done. Some very high grade "Bonanza" type ore was intersected.

In 1964 - 1969 there was a small production by leasers of 68 tons to make a total production to 1969 of 1,669 tons.

In 1974 Robert Mines Limited started the No. 6 level adit approximately 100 feet below the old Skomac No. 5 level.

In 1975 stoping above the 6th level in the A and AA zones produced 478 tons of ore with an average grade of 0.14 oz/ton Au and 20.3 oz/ton Ag.

In 1976 stoping in the B and C zones produced 604 tons with an average grade of 0.07 oz/ton Au and 11.8 oz/ton Ag. Also the 7th level adit was started 200 feet below the 6th level.

In 1977 no ore was produced. Diamond drill holes No. 1, 2 and 3 were drilled to test for parallel vein structures. Two barren veins were intersected striking approximately 100°. A crusher and concentrator were purchased at this time. A grid was laid out in the area south of the mine with 50 foot by 100 foot spacing and 200 soil samples collected. They were analyzed for lead and silver and revealed several anomalies at the extreme west side of the grid.

In 1978 a pulse E.M. survey was conducted over the grid by Glen White, consulting geophysicist. A long northerly trending conductor, which could be caused by graphite, but might possibly be associated with economic sulphide mineralization, was delineated. This anomaly was partially tested by several diamond drill and percussion drill holes with inconclusive results. This same year, 6-1 and 6-2 cross-cuts were driven and three diamond drill holes, 78-6-1, 78-6-2 and 78-6-3 were drilled to test the downward extension of the AA zone. The vein where intersected assayed 6.0 oz Ag/Ton over two feet.

In 1980 a raise was driven from the 7th level to the 6th level below the AA zone and a sublevel driven along the vein. Also, a concentrator building was built and the mill and crusher which had been purchased in 1977 were set up.

In 1982 the mill was tested on old dump material.

In 1983 1901 tons of new ore was mined, mainly from the AA zone. This produced 110 tons of concentrate containing 45 oz of gold and 6405 oz of silver plus lead and zinc and had a gross value of $114,000. The economic advantage of milling and concentrating over direct shipping of the ore were more than offset by declining gold and silver prices and by the low grade of the ore below the AA zone. There was no money to explore for and develop new ore to sustain the operation, and so mining had to cease. The mill continued to run on custom ore from the Bayonne Mine near Salmo, B.C. owned by Goldrich Resources Inc. in 1984.

In the summer of 1985 custom milling was also done on ore from the Dentonia Mine near Jewel Lake owned by Dentonia Resources Ltd.

In 1985 an agreement was made with Empire Gold Resources Ltd. of Vancouver to explore for new ore in the mine in return for a 42 percent net profit interest in the mine and mill. The author was retained by Empire Gold Resources Ltd. to report on the property and recommend a work program.

Since mining started in 1903, the records quoted above, give a total production of 5,734 tons having a value at present prices of about $860,000 or $150 per ton.

GEOLOGY

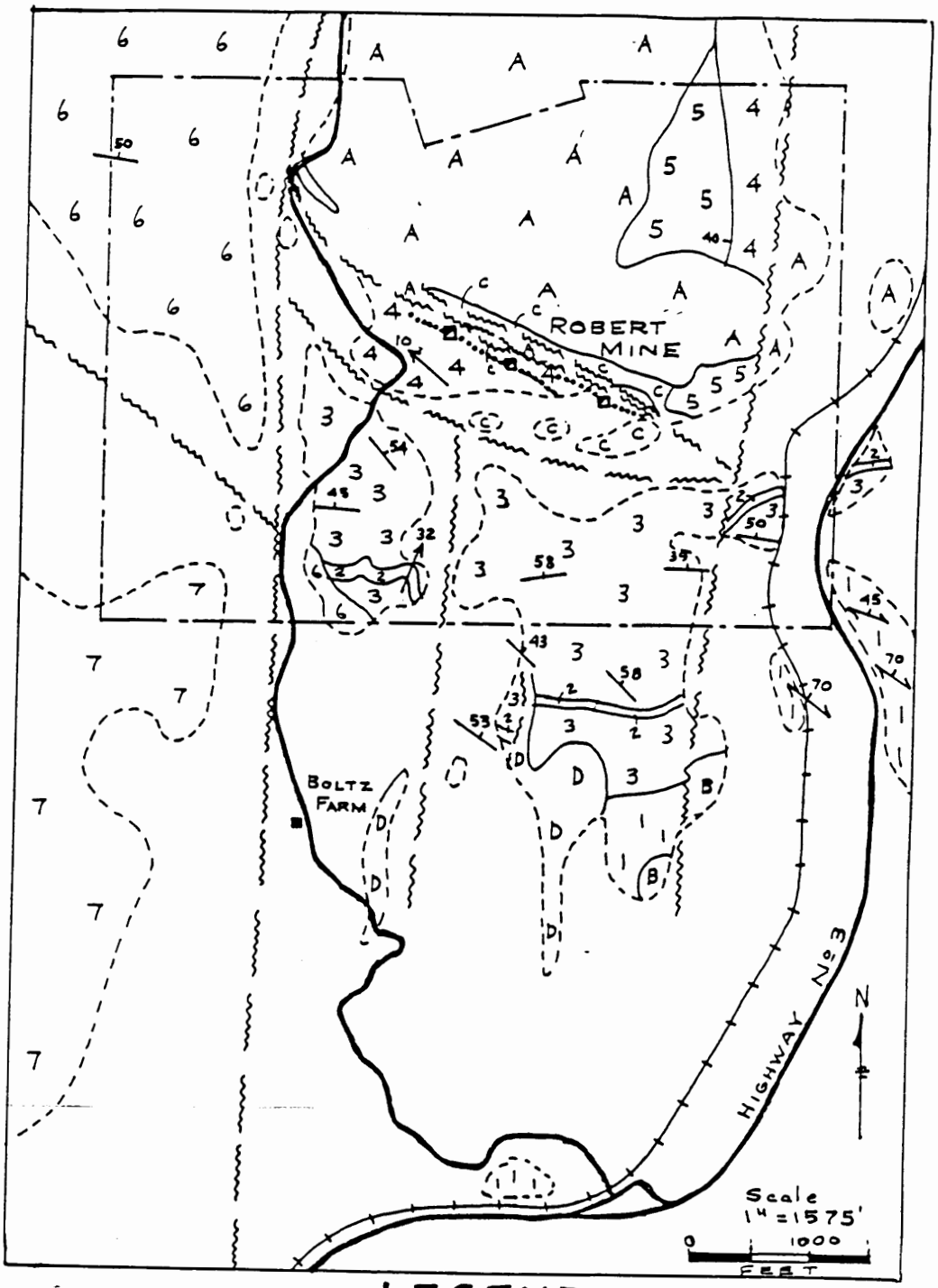
General Geology

The area is underlain by a variety of metamorphosed sedimentary, pyroclastic and intrusive rocks, ranging in age from Carboniferous to Tetiary.

The ore veins lie in a fault bounded block of carbonaceous argillite, greenstone and serpentinized peridotite. The name Skomac Formation has been proposed by B. E. Church for the argillite. To the north and the south of the Skomac argillite, lenses and dykes of serpentinized peridotite are found. Beyond the boundary faults to the south and east marble and bedded chert of the Permian (?) Knobhill Formation occur. To the

west lie Triassic, Brooklyn Formation quartzites and Tertiary andesite and trachyte lava flows. Immediately to the north there is a large, upstanding rock mass described by Church as the "Old Diorite Complex". Again according to Church, "The age of the diorite is either Late Paleozoic or Early Mesozoic, the intrusion being bracketed by the Permo-Carboniferous Skomac Formation which it cuts and the Middle Triassic Brooklyn Formation which contains diorite clasts."

Bedding in both the Knobhill and Skomac sediments strikes 80° to 130° and dips north at 40° to 60°. The ore veins have approximately the same dip and strike. In the area there are also a few small Cretaceous granitic intrusions, serpentine bodies and Tertiary microdiorite dykes. One of these dykes cuts across the mine workings and separates the A and B ore zones. Church's report concludes as follows: "Origin of the vein structure is thought to be the result of regional shearing stress deflected into and taken up by the incompetent formations along the diorite contact. The ore shoots are aligned plunging approximately 40° at 015°, almost at right angles to the principal slip direction. They are probably channel ways developed consequent to shearing, much in the manner postulated by the emplacement of Dentonia vein at nearby Jewel Lake (GEM, 1974, pp 39-51)."



LEGEND

- 7 MARRON FORMATION - ANDESITE
- 6 BROOKLYN FORMATION - QUARTZITE
- 5 EPICLASTIC ROCKS
- 4 SKOMAK FORMATION - ARGILLITE
- 3 KNOBHILL FORMATION - CHERT
- 2 KNOBHILL FORMATION - MARBLE
- 1 BASEMENT COMPLEX

- D DIORITE
- C SERPENTINITE
- B GRANITE
- A OLD DIORITE COMPLEX

..... QUARTZ VEINS

- Road
- Railway
- Claim Boundary
- Mine Workings
- 60 Bedding
- 20 Fold Plunge
- 30 Foliation
- Fault
- Outcrop

FIGURE N° 8

REGIONAL GEOLOGY

Modified from map by B.N. Church G.E.M. 1977.

Mine Geology

There are two principal quartz veins in the mine area. The lower vein, on which adits No. 1, No. 2 and No. 3 are driven, has never been developed. All stoping has been confined to the upper vein, and it is the major consideration in this report.

This vein is up to 20 feet in width. It strikes on average 140° and dips -55° N.E. Interruption of the vein is caused by pinching, small fault offsets and one major cross-cutting dyke. The wall rock is generally thinly bedded carbonaceous argillite of the Skomac Formation. The argillite is locally dragfolded and the vein contacts are generally slickensided. Also there are commonly slip planes within the vein and parallel to the walls. Tension fractures are common in the walls at high angles to the vein and at times appear to be the locus for the development of large irregular masses of barren white quartz. The silver mineralization comprises argentiferous galena, argentite and native silver. The silver minerals appear to be associated with the oldest generation of quartz and occur as intergrowths with coarse subhedral quartz crystals. Later generations of quartz are finer grained and are apt to contain crystals or irregular masses of pyrite and little or no galena. The youngest generation of quartz appears to be completely barren of sulphides. In the high-grade zones sphalerite and chalcopyrite commonly occur with the galena and argentite.

Exposure of the argentite to the air causes it to turn a dark blue color. After a bit of practice the grade of the ore can be estimated fairly accurately, mainly by the galena content. No sampling has been done on a regular basis during mining, and grade control has been of the "eyeball" variety.

During the examination eight samples were taken by chipping across the vein where it was easily accessible. Four of them were in what appeared to be barren quartz and they had low assay returns. The other four samples were low to medium ore grade as expected since all the spectacular high grade has been mined out. The gold silver ratio for these four was quite consistent at 0.005 oz Au per oz Ag. This means that as a rule of thumb silver assays can be multiplied by 1.3 to account for the probable included gold content.

From this sampling it would appear that:

1. The grade can be estimated by eye;
2. The gold and silver run together in a fairly consistent ratio;
3. Quartz that looks barren is barren, and generally does not carry "invisible" gold.

These factors should facilitate grade control and selective mining, and make it possible to adjust the grade of the ore sent to the mill up or down as need be.

SAMPLING RECORD

Sample No.	Level	Zone	Width (feet)	Au oz/ton	Ag oz/ton	Au/Ag ratio	Remarks
208	6	C	2.2	.002	0.30	-	Barren
209	6	C	4.2	.002	0.20	-	Barren
210	6	B	2.2	.027	8.25	.00327	
211	6	A	2.0	.062	12.40	.00500	ore pillar
212	6	A	3.75	.021	4.25	.00494	ore pillar
213	6	A	2.9	.008	0.80	-	Barren
214	6	A	1.7	.018	3.10	.00580	
215	7	Drift	1.0	.033	0.60	-	Barren

The location of these samples is shown on the map in the back pocket.

The ore occurs as relatively small zones or "shoots" within the vein. Four shoots have been mined to date as follows:

Zone	Year Mined	Tons	Grade oz/T Au	oz/T Ag	% Pb	%Zn
AA	1975	283.5	0.124	15.51	2.11	1.69
A	1975	194.3	0.165	27.10	4.32	2.32
B	1976	284.0	0.072	14.79	3.32	1.97
C	1976	318.0	0.060	8.97	2.59	1.36

The above figures are based on the Cominco assay of the shipped ore.

The vein has been traced for over 1,500 feet on surface, about 800 feet on the 6th Level, and for about 300 feet on the 7th Level.

A microdiorite dyke cuts the vein between the A and B zones at 060° dipping 40° -45° northwest. The dyke is barren of silver mineralization, is about 35 feet wide, and has wide, altered margins and indistinct contacts. It is later than the ore but the heat from its intrusion may have caused some redistribution of the ore minerals in the vein.

EXPLORATION POTENTIAL

In Robert Mines Ltd., the situation exists where an old mine has been reactivated by an ambitious group of developers, who instead of putting their resources into developing an ore reserve, have erected a mill. Whithout an adequate ore reserve and with declining silver prices since 1980, they have had to cease mining. The Company survives by custom milling ore from other properties. Dentonia Mine ore was milled last summer and ore from the Skylark Mine is planned for the coming season

According to Mr. Karl Schindler,President of Robert Mines Ltd., the mill is operational on short notice at up to 100 tons per day. All required government operating and pollution control permits are in good standing.

With this infrastructure available, it is apparent that, should even relatively small and low grade bodies of new ore be discovered, they could be turned into cash flow in short order. Should a major discovery be made, the profit would be considerable.

There are two avenues for the discovery of new ore. First, because of the way the mine was developed in the past there is a very good chance of small bodies of ore lying below the lowest stoping level as the extensions of known ore shoots.

Secondly, the geological setting is favourable, and there are still areas of favourable host rock that have never been prospected by modern methods.

The previously mined ore occurred in two strong quartz veins lying within a belt of sheared, metamorphosed carbonaceous shale known as the Skomac Formation. The veins, although traceable for 2,000 feet on surface, appear to dwindle rapidly at depth. The Skomac Formation, however, does not die out but

continues onward. Carbonaceous sediments such as the Skomac are a very favourable environment for gold mineralization. In several mines in Eastern Canada (Agnico Eagle, McIntyre, Coniaurum) gold is associated with carbon in the host rock. (The Geology of Gold In Ontario 1983. O.G.S. Paper 110, page 248). Also, paralleling the Skomac Formation several serpentinite bodies occur. In the district, in several of of the old mines such as the Ironclad, No. 7 and Winnipeg, silver mineralization is associated with serpentine contacts. Therefore in the opinion of the writer, one of the most favourable areas to prospect for new veins would be along the north contact of the Skomac Formation where it is in fault contact with a band of serpentine. On surface much of this area is covered by talus and glacial till, and so has been hidden from previous prospectors. Underground, it lies three to four hundred feet north of the west end of the 7th Level drift. At least one flat diamond drill hole from this point would be justified.

Where talus is absent, geochemical soil sampling should reveal any gold or silver mineralization that approaches the surface. In 1977 a preliminary soil survey was done for lead and silver over part of the property. Several anomalous values for silver were obtained from samples from the western portion. No follow up has been done since. Geochemical soil testing techniques for gold and silver have improved considerably in recent years. A modern geochemical soil survey over the property including retesting and detailing of the 1977 anomalies could reveal some unexpected ore. There is also the possibility,

particularly in the carbonaceous Skomac Formation that gold could occur without being associated with prominent quartz or sulphide mineralization as is usually the case. This would immediately be revealed by soil geochemistry. Sampling should be done on a fairly tight spacing and at a minimum, tested for gold, silver, arsenic and lead.

Within the known veins, the mineralization occurred as small high grade shoots or pockets. Some of the samples from these shoots produced spectacular assays. According to Mr. Schindler, in 1963 when the 5th Level cross-cut intersected the C zone, a six foot chip sample across the vein assayed 1.70 oz Au/Ton and 767.3 oz Ag/Ton.

Since mining started approximately eight shoots have been been mined above the 6th Level. Four of these were mined after 1974 by Robert Mines Ltd. and shipped as raw ore to the Cominco smelter in Trail, before the mill was in operation. As shown on page 13 we have accurate records of the grade and tonnage of these shipments. Considering the trend and width of these old stopes as sketched on longitudinal sections, (See Figure 7) it appears highly probable that the A zone and the C zone extend below the 6th Level. Certainly the vein does, and was observed by the writer in the floor of the drift at several locations. Note that the individual shoots are less than 300 tons. Assuming a width of 5 feet this much material would fit into a square 27 feet by 27 feet. As can be seen, there is room enough for several squares of this size to be hiding below the 6th Level, and geologically there is a good probability of them being there.

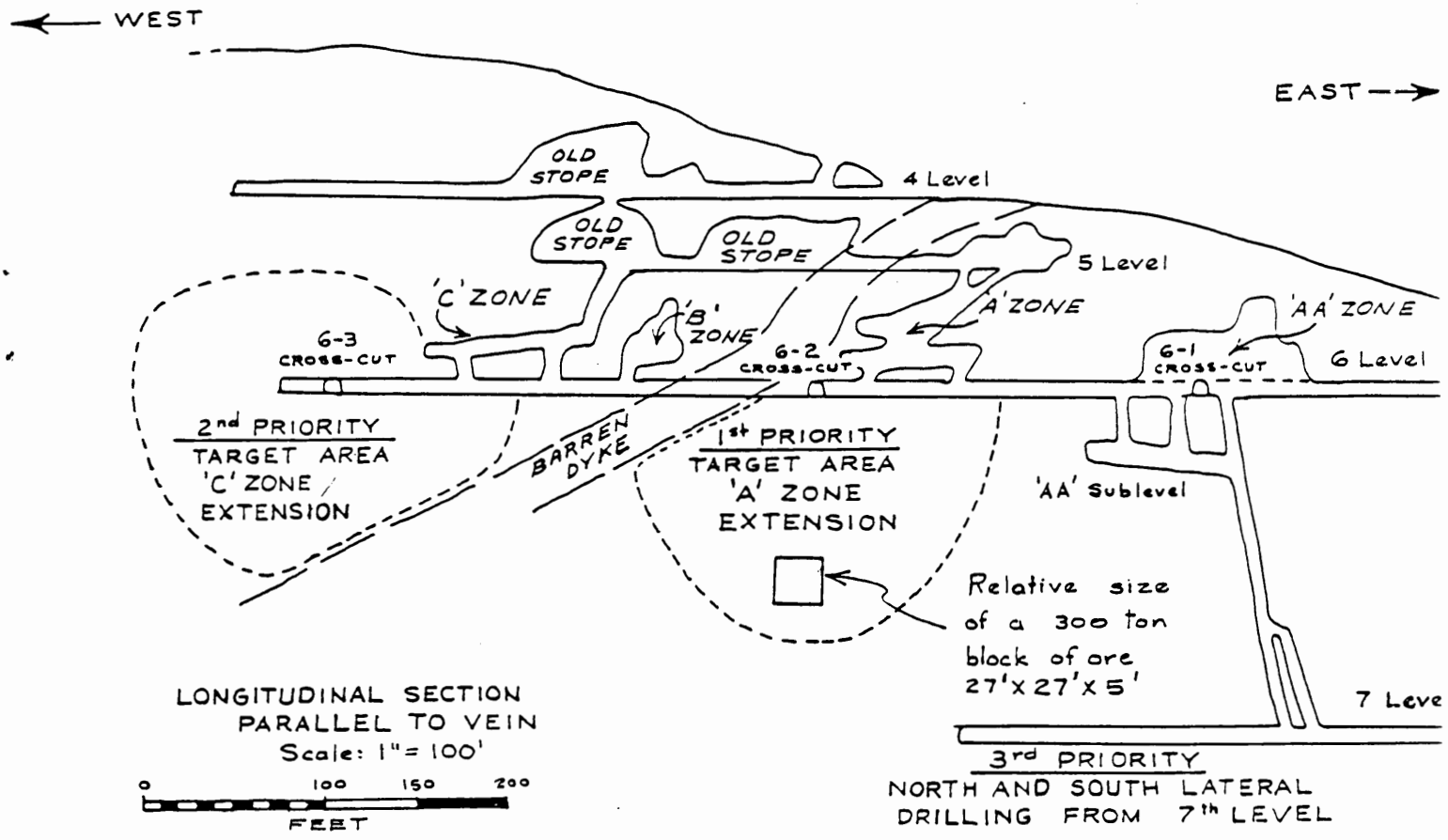
According to Mr. Karl Schindler, President of Robert Mines Ltd., using local labour, direct operating costs for mining and milling Robert Mines ore would be less than $65 per ton. If we assume an additional $35 per ton for other expenses we have a direct operating cost of $100 per ton. At a Canadian price of gold = 476/oz, silver 7.88/oz, lead $0.26/lb and zinc $0.60/lb we can estimate the present net value of the four previously mines ore shoots above the 6th Level.

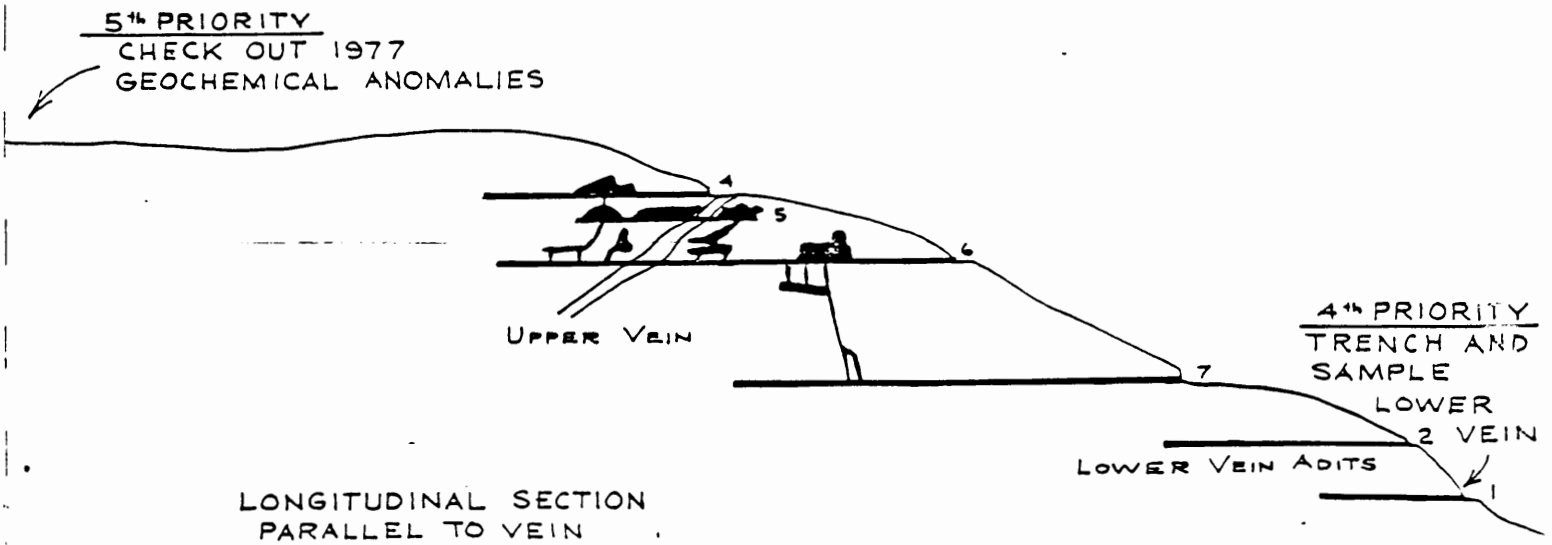
ESTIMATED PRESENT NET VALUE OF PREVIOUSLY MINED ORE SHOOTS

Ore Shoot	Tons	Gross Value	Costs	Net Value
AA	283.5	$60,241	$28,350	$31,891
A	194.3	66,256	19,430	46,826
B	284	54,446	28,400	26,046
C	318	41,031	31,800	9,231
				$113,994

Thus, if four similar shoots could be found below the 6th Level it would pay for the proposed exploration program.

Finally, the three adits on the lower vein are presently inaccessible. Sampling done by Robert Mines Ltd. in past years reportedly gave assays of over 1 oz/Ton Au over the first thirty feet of the adit. The first shipment of ore in 1904 was probably from here and is recorded in the old 1904 Report to the Minister of Mines as having had a grade of 9.3 oz Au/Ton. A few days of systematic backhoe trenching, mapping and sampling here, might locate at least a small body of high grade gold ore that could be mined from a surface pit at very little expense.





PETRALITH SERVICES LTD.

CLIENT - EMPIRE GOLD RESOURCES LTD.

FIGURE Nº 7

SKETCHES SHOWING PROPOSED 1986 EXPLORATION AT THE ROBERT MINES LTD. MINE GREENWOOD B.C.

DRAWN BY:	DATE:
J. Paxton	March 10 1986

RECOMMENDATIONS

1. Drill the downward extension of the A zone from the present cross-cut 6-2. The end of this cross-cut will have to be enlarged slightly to accommodate drilling angle holes. The following holes are proposed:

Hole No.	Az	Dip	Length (feet)
86-1	180°	-47°	120
86-2	231°	-35°	90
86-3	231°	-58°	110
86-4	280°	-24°	100
86-5	280°	-60°	110
86-6	280°	-83°	130
86-7	298°	-32°	150
86-8	305°	-50°	150
86-9	333°	-69°	220
86-10	180°	-70°	130
		Total	1,310

2. Drive a 75 foot cross-cut into the hangwall near the end of the 6th Level drift. This will provide a drilling station above the projected extensions of the B and C zones. The following holes are proposed:

Hole No.	Az.	Dip	Length (feet)
86-11	179°	-18°	140
86-12	213°	-65°	120
86-13	213°	-26°	110
86-14	275°	-58°	130
86-15	275°	-22°	130
86-16	275°	+9°	150
			780

3. To test the area to the north and south of the present vein and to test the serpentine contact to the north, the following flat holes are proposed to be drilled from the 7th Level:

Hole No.	Az	Dip	Length (feet)
86-17	249°	0°	400
86-18	90°	0°	150
86-19	68°	0°	200
86-20	51°	0°	500
		Total	1,250

4. Open up, examine, and sample the adits on the lower vein. Expose the vein below the No. 1 adit by trenching. Map all vein exposures.

5. Re-sample the geochemical anomalies located in 1977. Extend the grid to the limits of the property and take geochemical samples. Also, make a complete geological map of the surface.

BUDGET

Estimated costs and times to complete recommendations.

1. Reactivate mine. Check out equipment, purchase supplies. Allow 10 days - - - - - - - - - - - - Cost $10,000

2. Drive 75 feet of slusher heading for proposed 6-3 cross-cut. Allow 14 days. - - - - - - - - - Cost $18,000

3. Drill a total of 2,090 feet of diamond drilling from cross-cuts 6-2 and 6-3. Cost to include sampling, assaying, core logging, core storage, and supervision. Allow 40 days - - - - - Cost $52,250

4. Drill a total of 1,250 feet of diamond drilling from the 7th Level. Cost to include sampling assaying, core logging, core storage and supervision. Allow 18 days. - - - - - - - - - - Cost $31,250

5. Open up the three lower adits. Map and sample vein exposure. Trench below No. 1 adit.
   10 hours cat time at $100/hr. = $1,000
   20 hours backhoe time $135/hr.= 2,700
   Mapping, sampling, and supervision
   Allow 5 days at $250/day = 1,250
   Assaying, allow 50 samples at $10 = 500
   5,450
   Allow 10 days. - - - - - - - - - - - - - - - - -Cost $5,450

6. Geochemical soil survey and surface geological mapping. Collecting and testing of an estimated 500 samples. Preparation of maps and data. Allow 15 days -- - - - - - - - - - - - - Cost $10,000

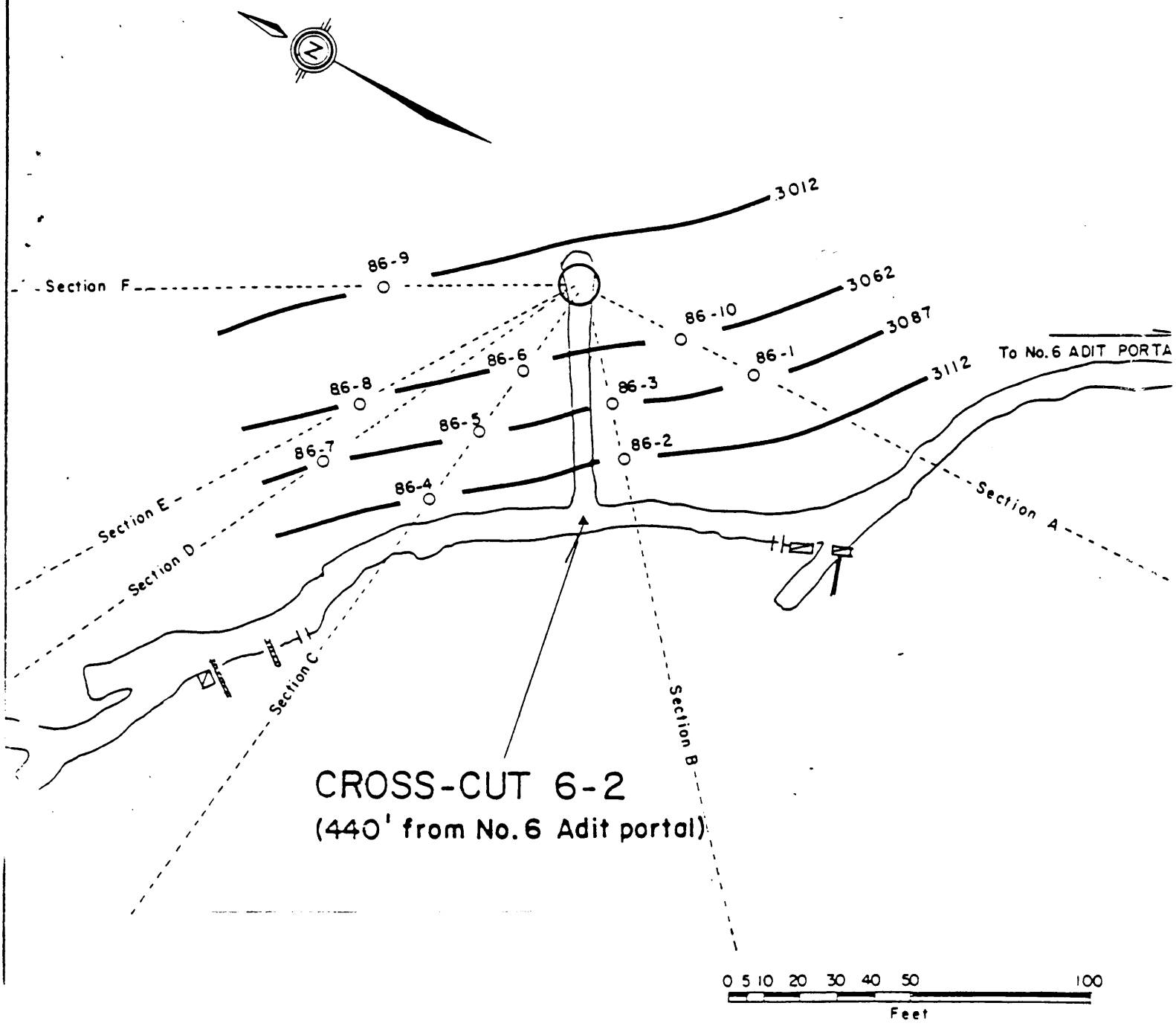
$126,950

Contingencies at 15% $19,042

Total cost for program $145,992

Signed James Paxton

James Paxton P.Eng.
Petralith Services Ltd.



SYMBOL

- PROPOSED DRILL SITE
- STRUCTURAL CONTOUR OF TARGETED VEIN
- 86-4 TARGETED VEIN INTERSECTION

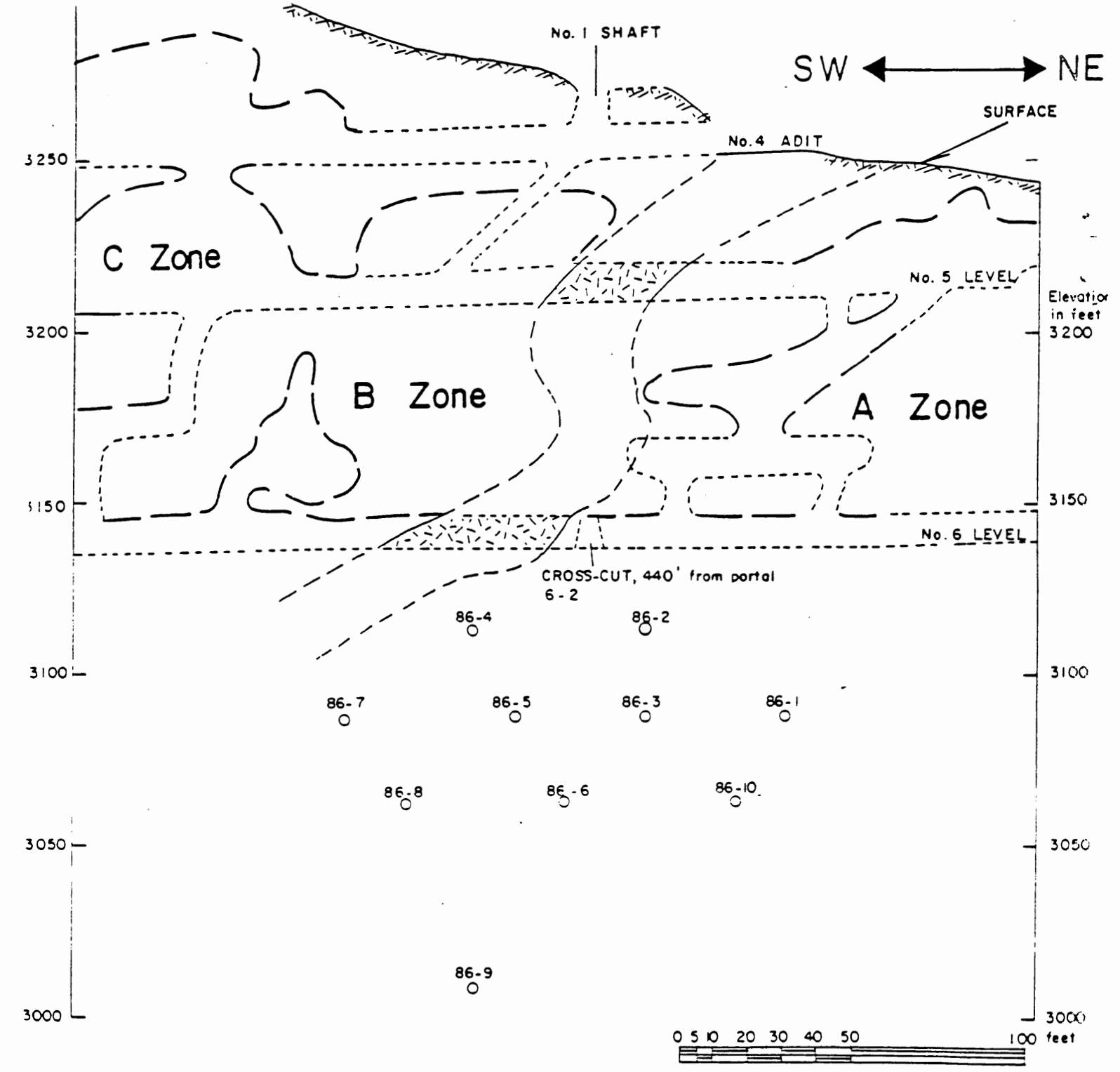
PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 4Z4

Client - EMPIRE GOLD RESOURCES LTD

PROPOSED DIAMOND DRILL PLAN
ROBERT MINE
Greenwood, B.C.

Designed by J. Paxton, P.Eng.

DATE	SCALE	DRAWN BY	Figure
December 1985	1" = 40'	H. Kim, P.Geol.	2



LEGEND

MICRODIORITE TO ANDESITE DYKES AND SILLS

GEOLOGICAL CONTACT DEFINED AND ASSUMED

AREA OF VEIN EXPOSURE AND STOPING, UNSURVEYED

86-9

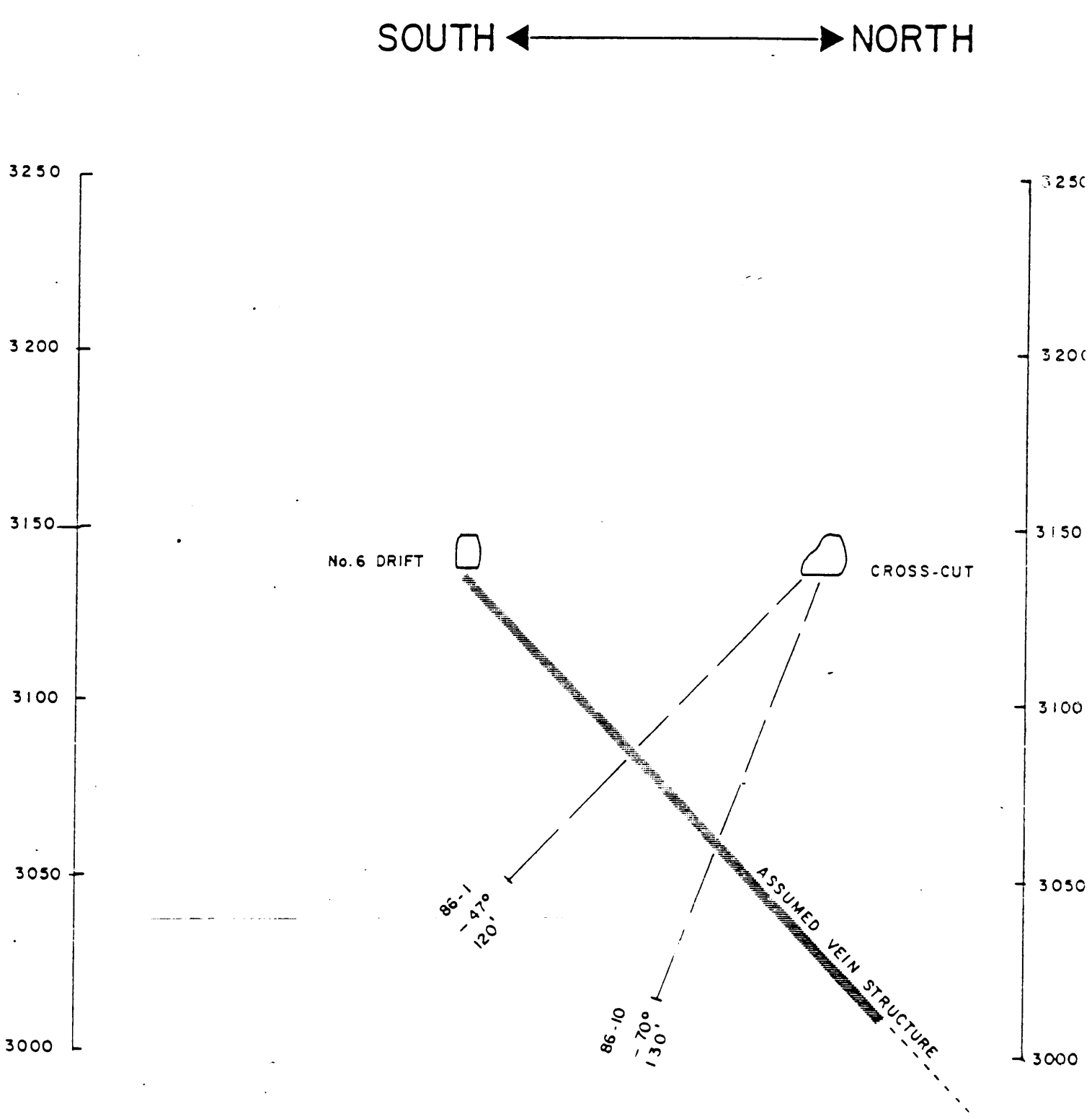
TARGETED VEIN INTERSECTION

PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 4Z4

Client - EMPIRE GOLD RESOURCES LTD

LONGITUDINAL PROJECTION PROPOSED DRILLING, CROSS-CUT 6-2 ROBERT MINE GREENWOOD, B.C.

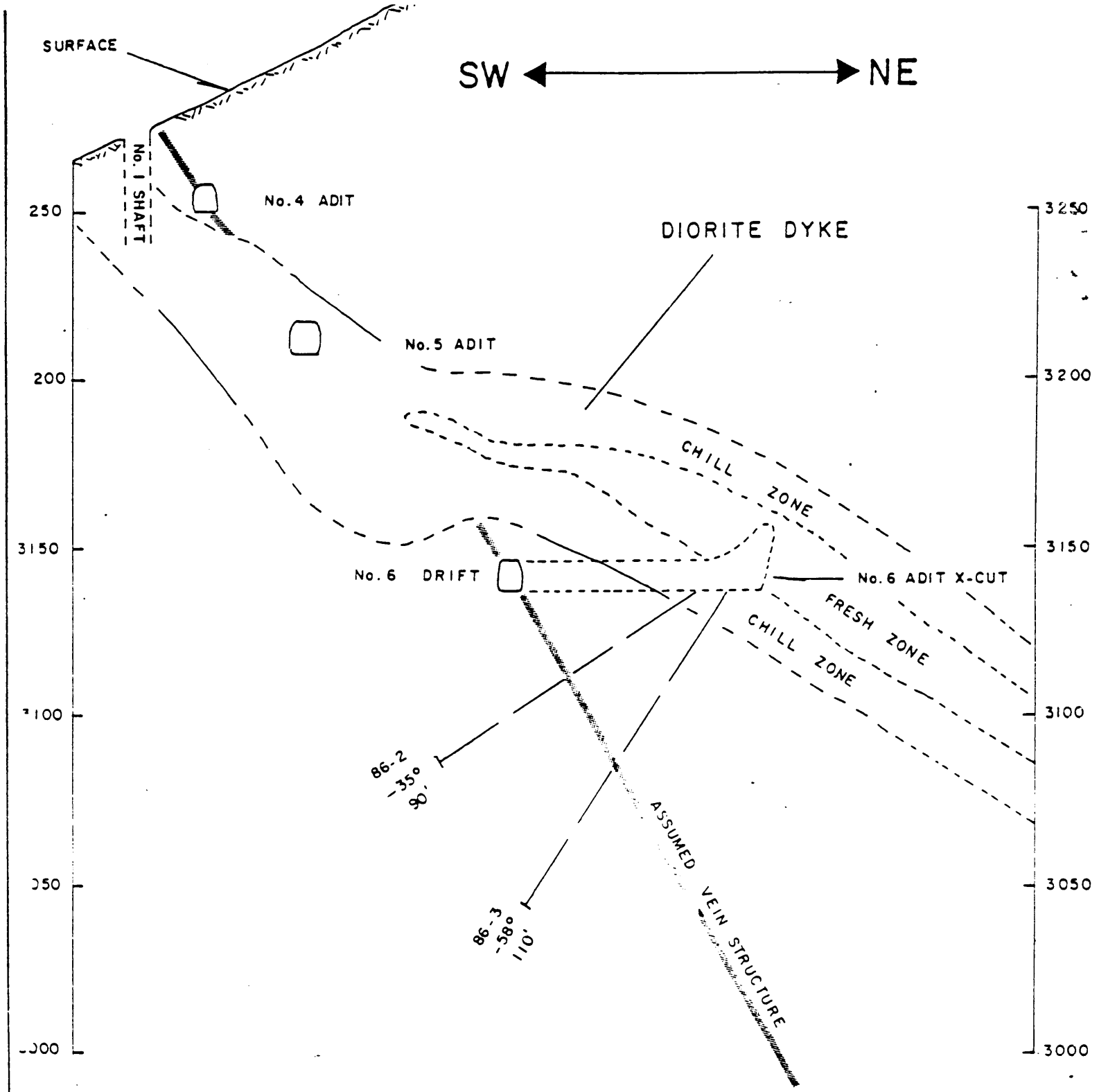
DATE	SCALE	Drawn	Designed by	Figure
Dec. 1985	1" = 40'	H.K	J. Paxton, P. Eng.	3



AZIMUTH = 180°

OBLIQUE SECTION A
ROBERT MINE

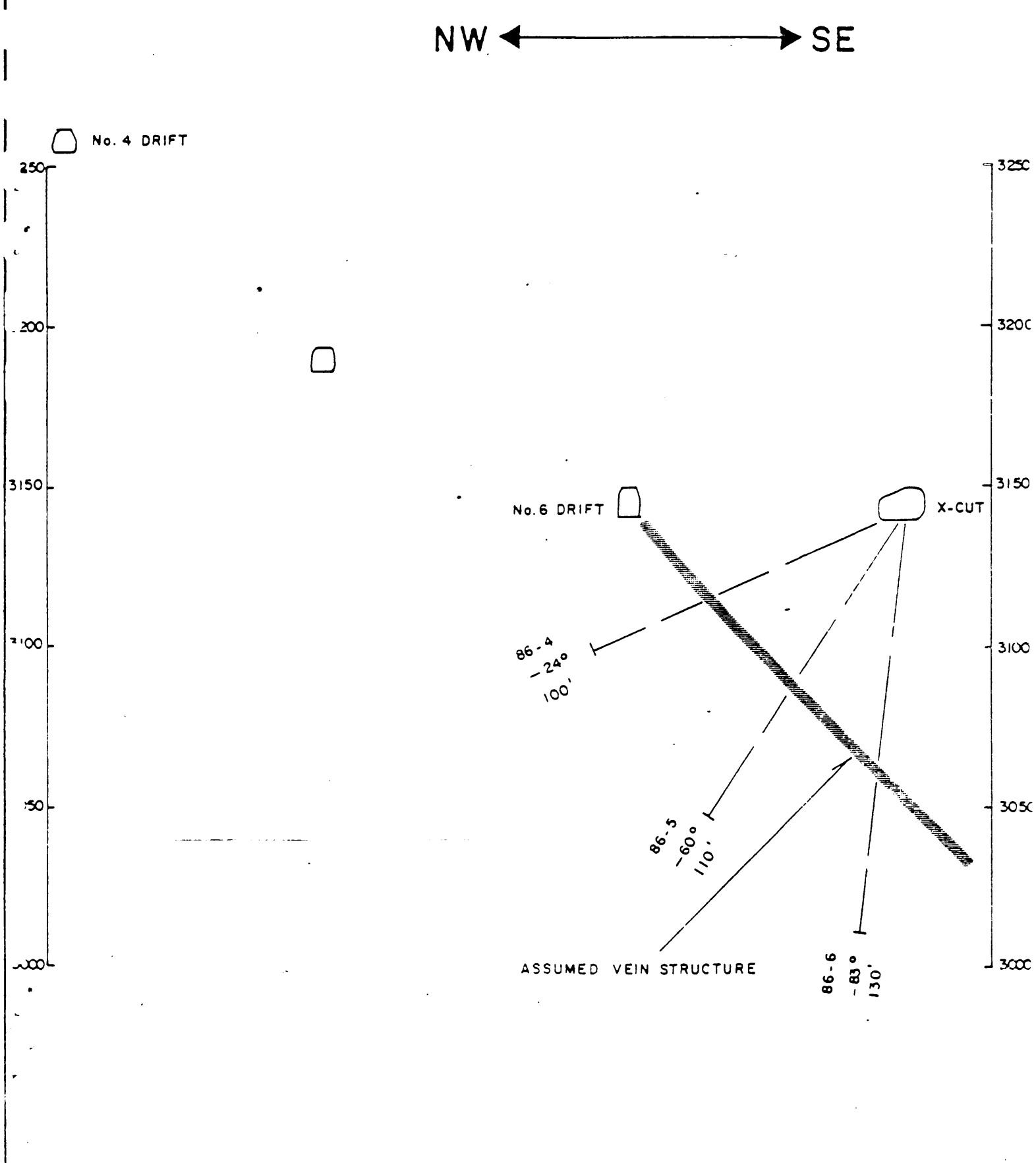
December 1985 | 1" = 40' | J. Paxton, P.E.



AZIMUTH = 231°

OBLIQUE SECTION B
ROBERT MINE

December 1985 | 1" = 40' | J. Paxton, P.Eng



AZIMUTH = 280°

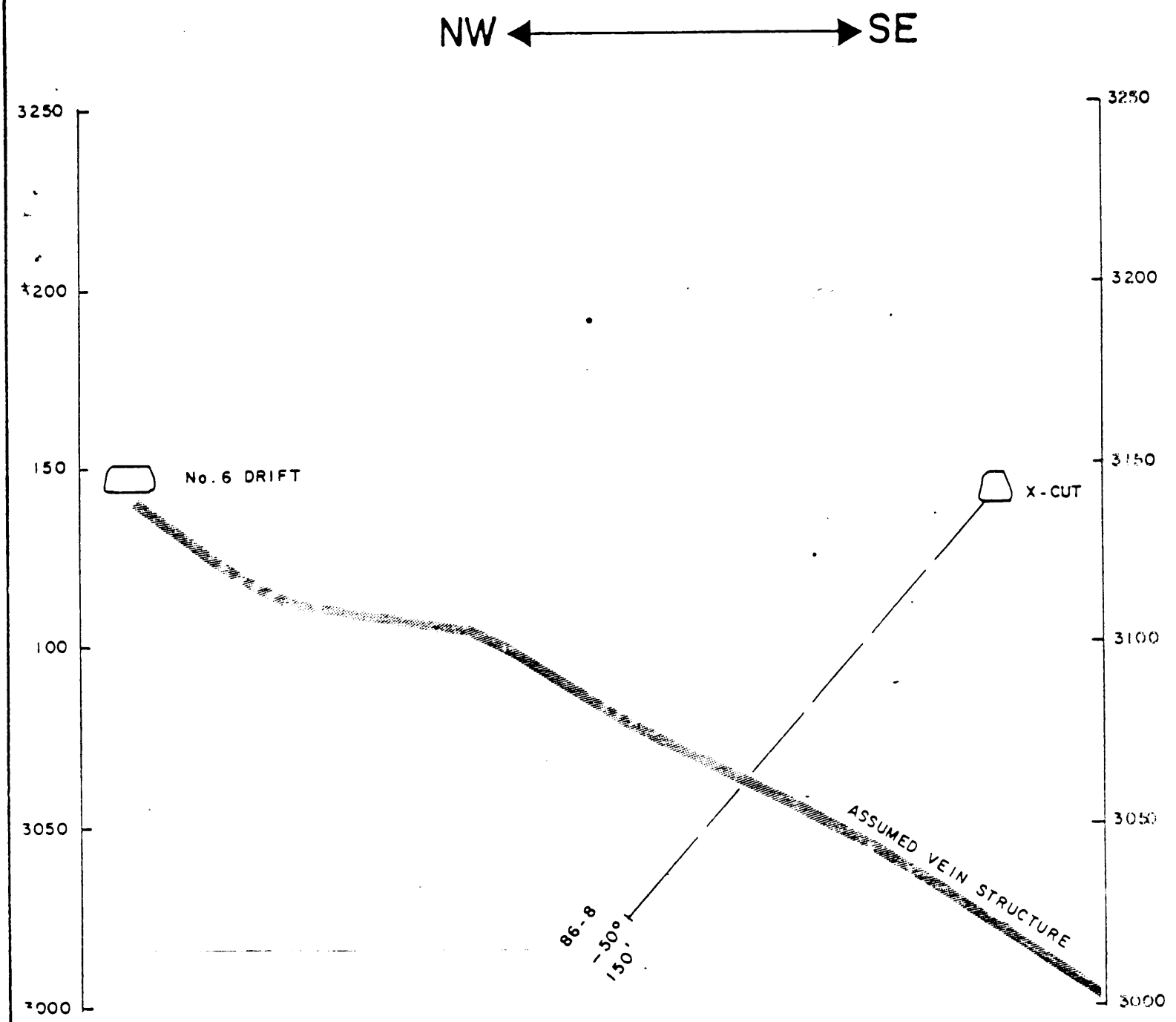
OBLIQUE SECTION C
ROBERT MINE

December 1985 | 1" = 40' | J. Paxton, P. Eng

AZIMUTH = 298°

OBLIQUE SECTION D
ROBERT MINE

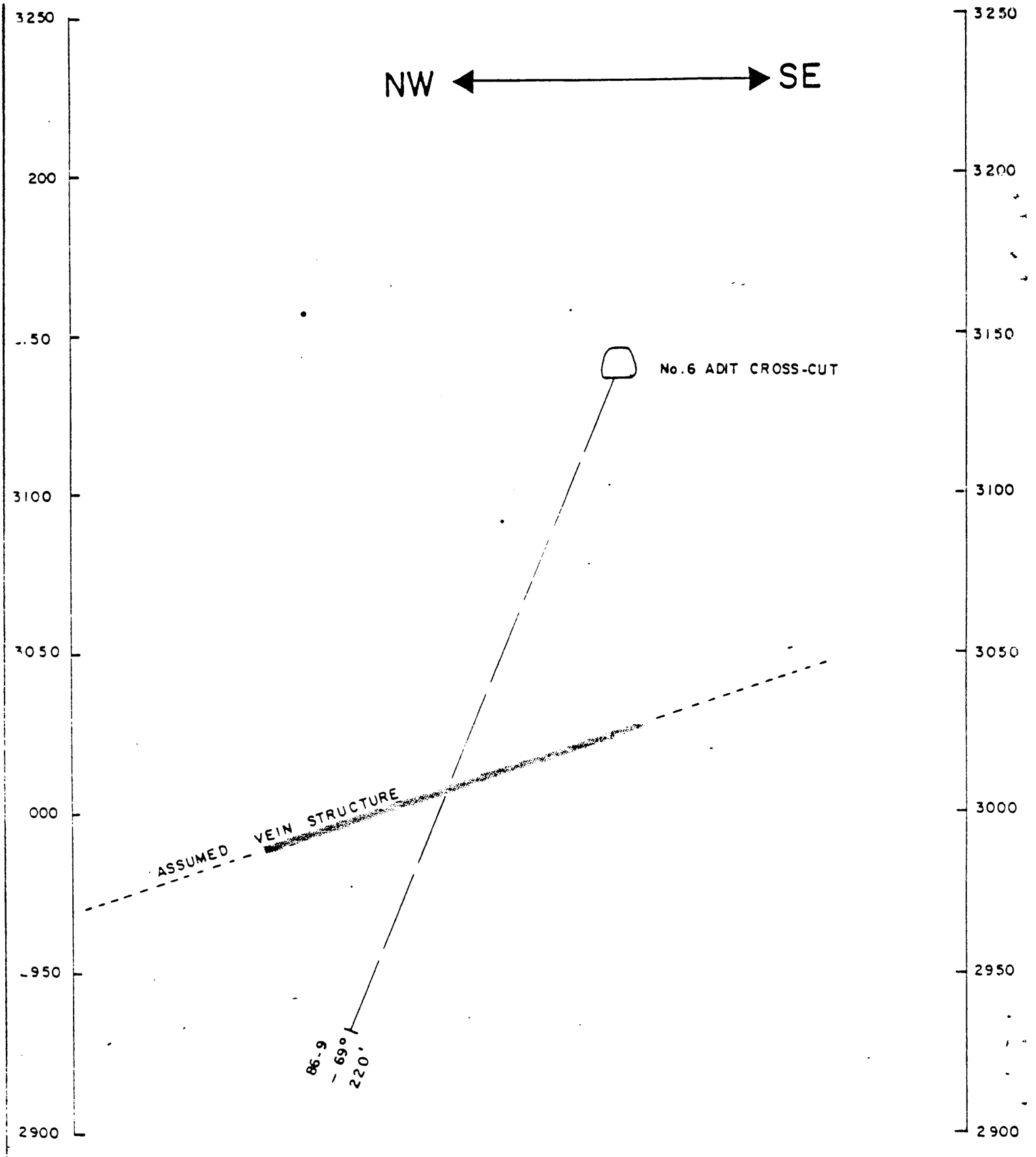
December 1985	1" = 40'	J. Paxton, P. Eng



AZIMUTH = 305°

OBLIQUE SECTION E
ROBERT MINE

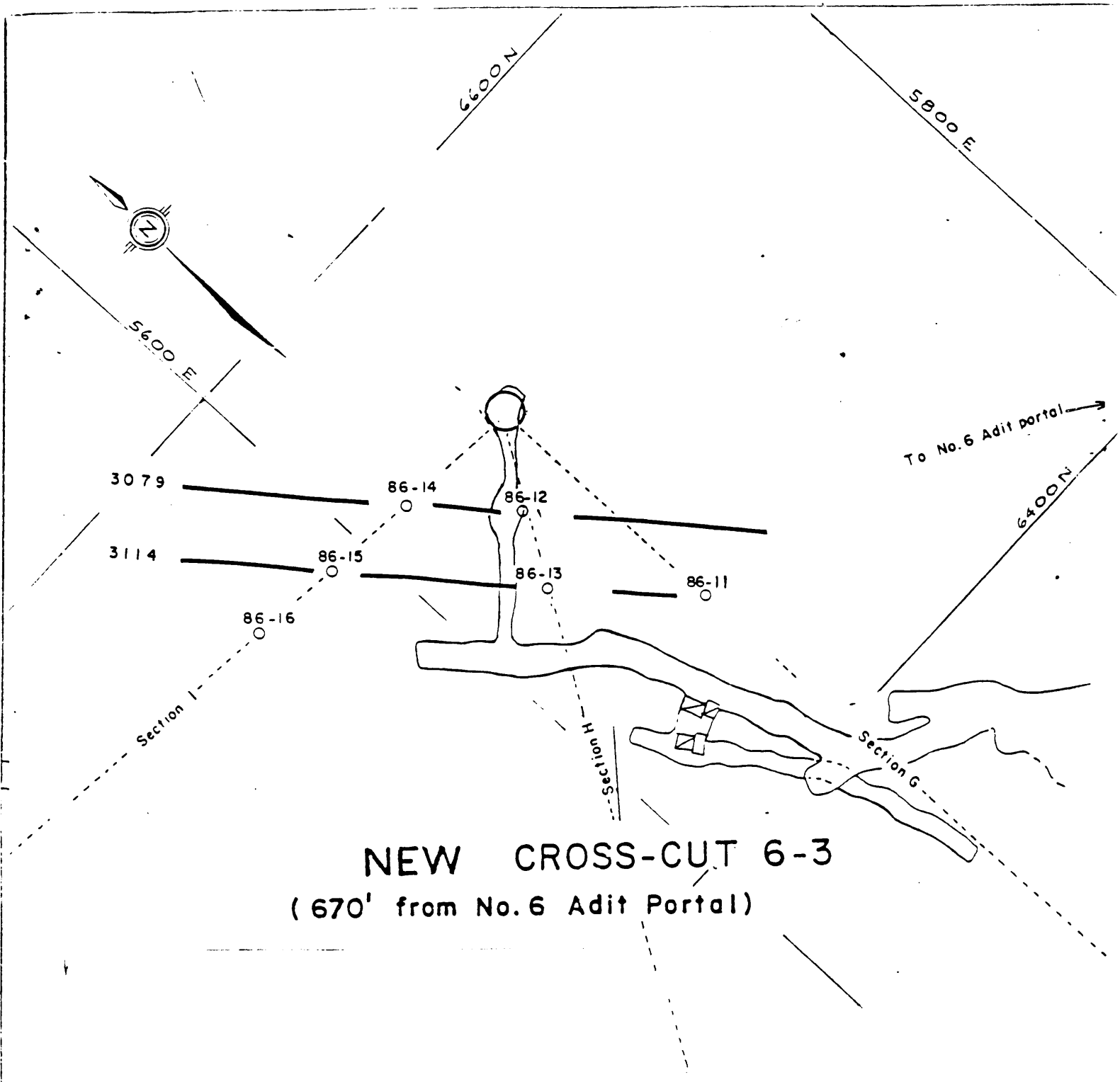
December 1985	1" = 40'	J. Paxton, P.Eng



AZIMUTH : 333°

OBLIQUE SECTION F
ROBERT MINE

December 1985	1" = 40'	J. Paxton, P. Eng.



NEW CROSS-CUT 6-3

(670' from No. 6 Adit Portal)

SYMBOL

- PROPOSED DRILL SITE
- STRUCTURAL CONTOUR OF TARGETED VEIN
- 86-4 — TARGETED VEIN INTERSECTION

PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 4Z4

Client - EMPIRE GOLD RESOURCES LTD

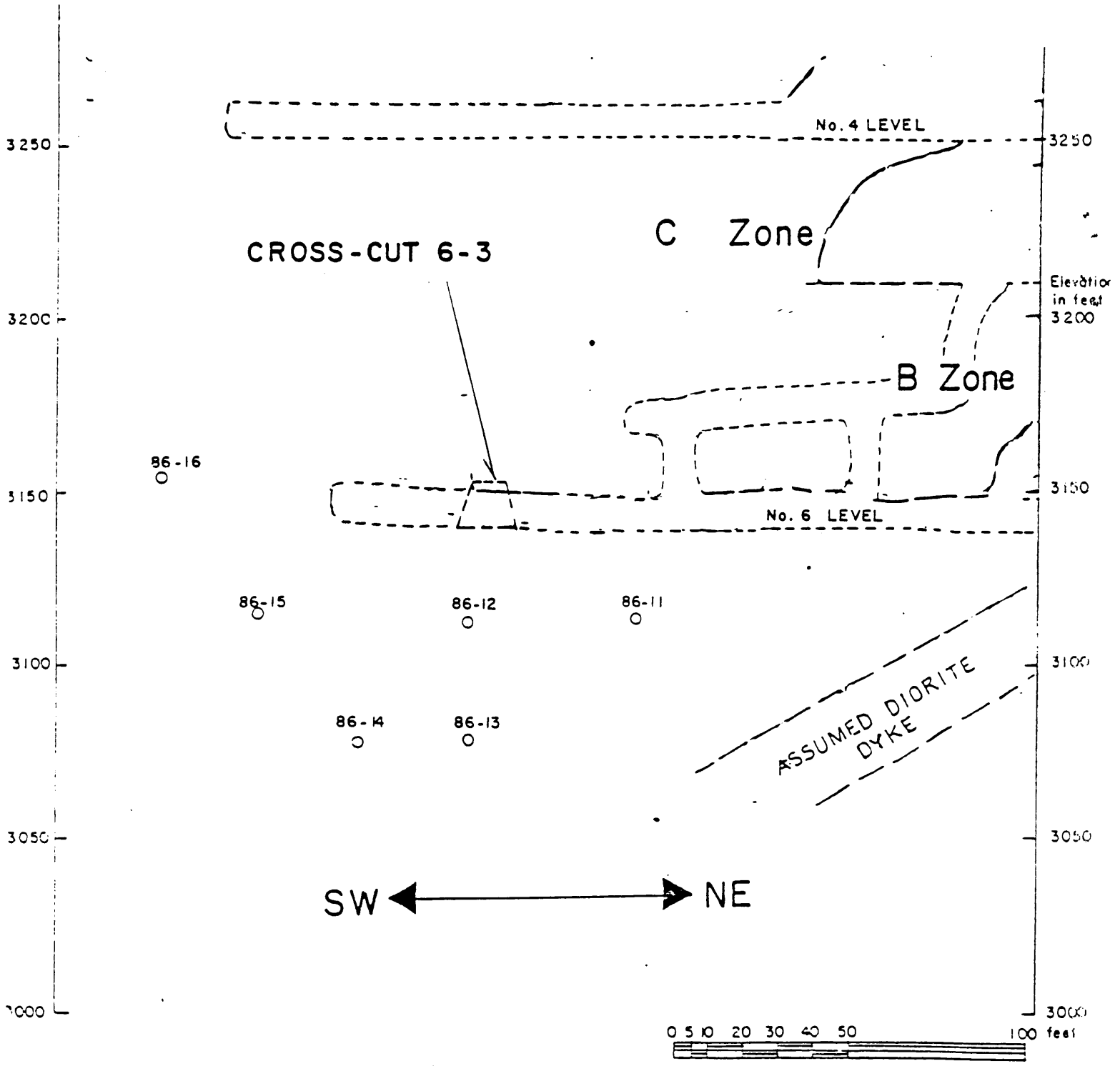
PROPOSED DIAMOND DRILL PLAN

ROBERT MINE

Greenwood, B.C.

Designed by J. Paxton, P.Eng.

DATE	SCALE	DRAWN BY	Figure
December 1985	1" = 40'	H. Kim, P.Geol.	A



LEGEND

MICRODIORITE TO ANDESITE DYKES AND SILLS

GEOLOGICAL CONTACT DEFINED AND ASSUMED

AREA OF VEIN EXPOSURE AND STOPING, UNSURVEYED

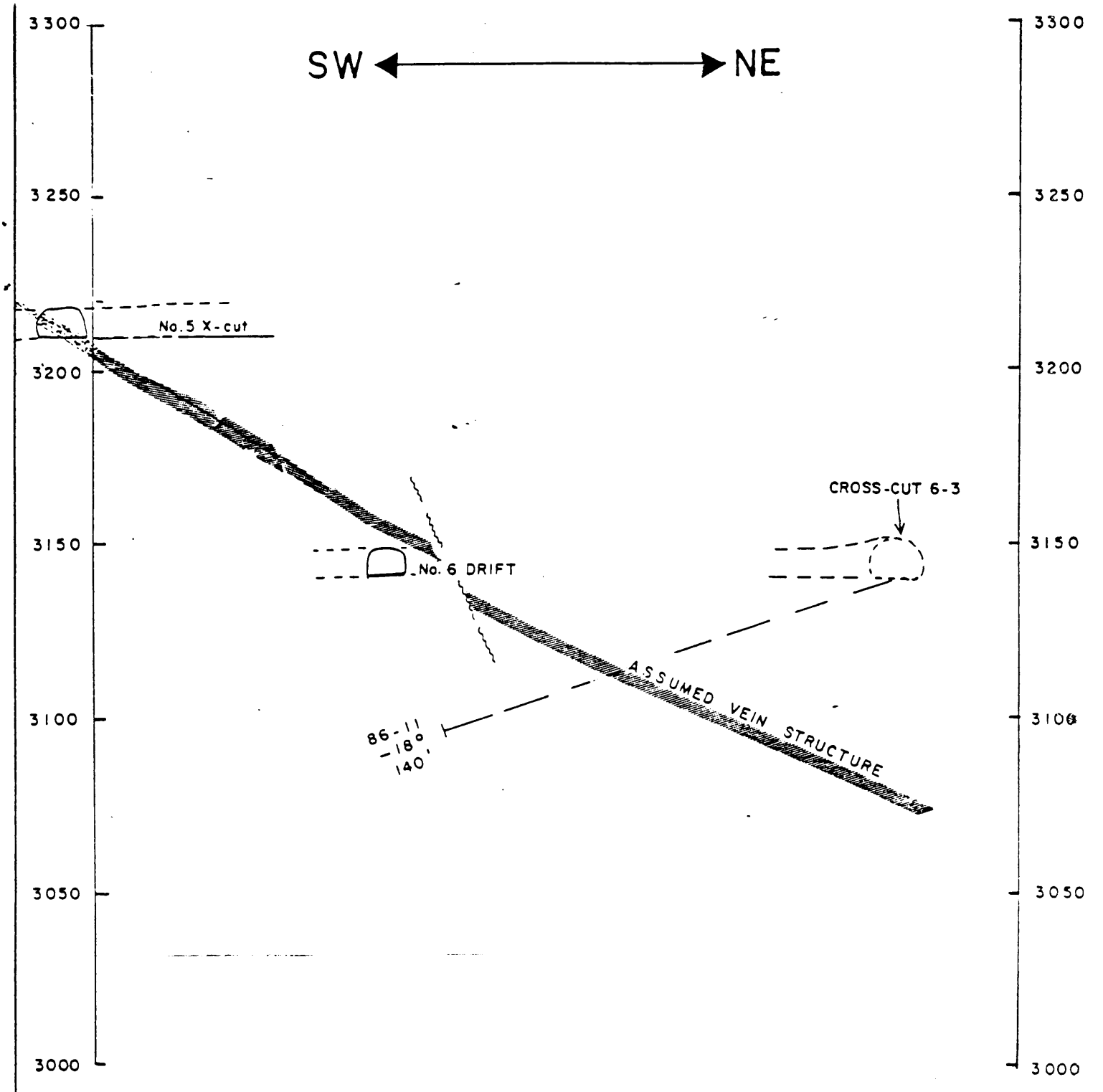
86-9 TARGETED VEIN INTERSECTION

PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 4Z4

Client - EMPIRE GOLD RESOURCES LTD

LONGITUDINAL PROJECTION PROPOSED CROSS-CUT 6-3 & DRILLING ROBERT MINE GREENWOOD, B.C.

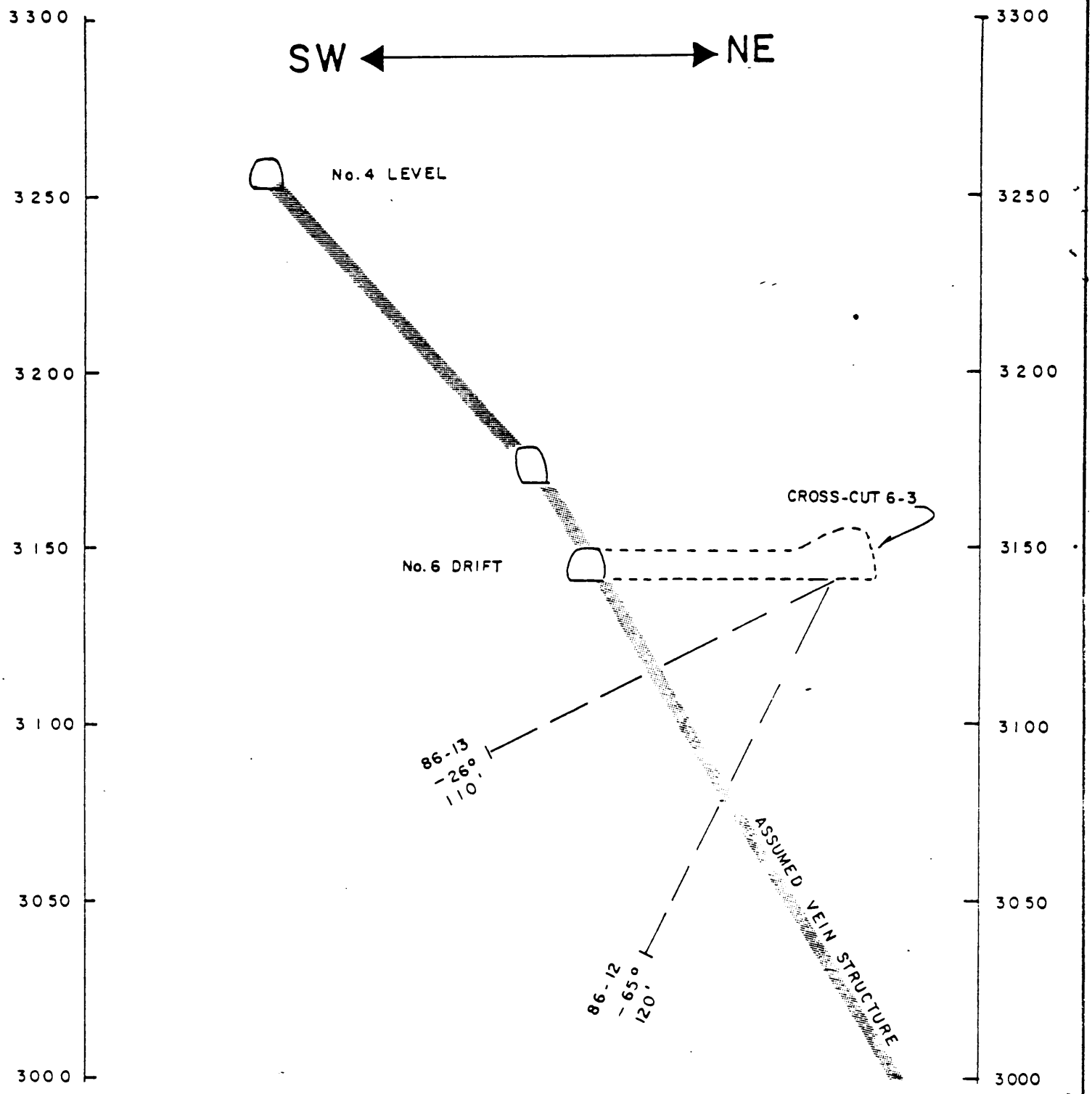
DATE	SCALE	Drawn	Designed by	Figure
Dec. 1985	1" = 40'	H.K	J. Paxton, P.Eng.	5



AZIMUTH = 179°

OBLIQUE SECTION G
ROBERT MINE

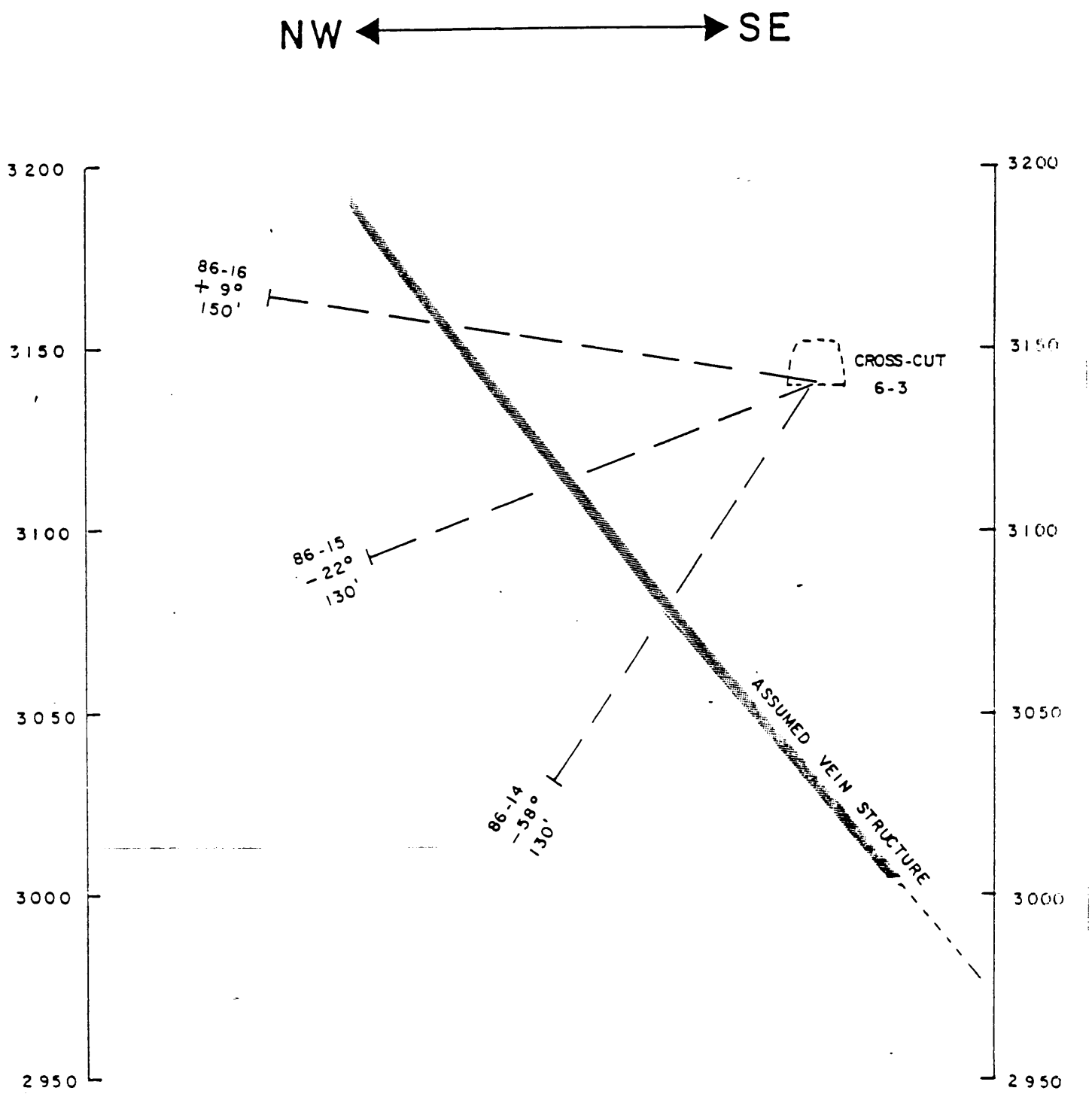
DATE	SCALE	Desig. & Drwn	Approved by
Dec. 1985	1" = 40'	H. Kim, P. Geol.	J. Paxton, P. Eng.



AZIMUTH = 213°

OBLIQUE SECTION H
ROBERT MINE

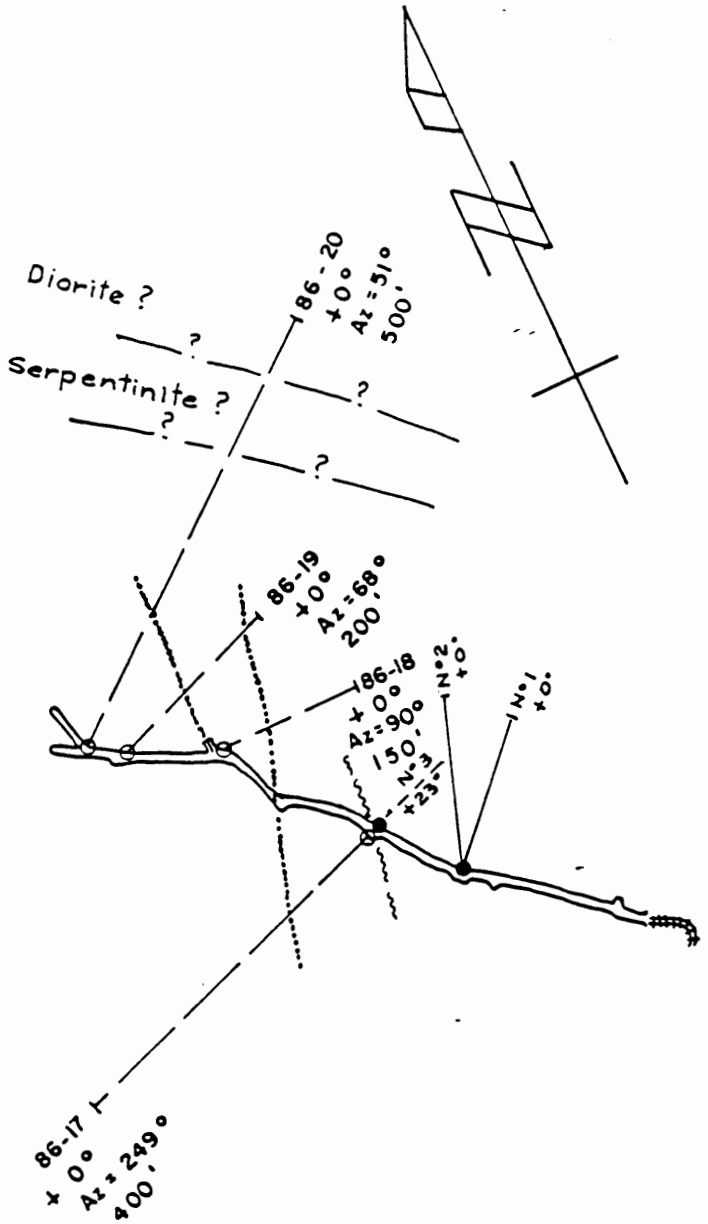
DATE	SCALE	Des. & drawn by	Approved by
Dec. 1985	1"=40'	H. Kim, P. Geol.	J. Paxton, P. Eng



AZIMUTH = 275°

OBLIQUE SECTION I
ROBERT MINE

DATE	SCALE	Drawn	Approved by
Dec. 1985	1" = 40'	H. Kim.	J. Paxton, P.Eng.



0 50 100 200 300 400 500

Feet

DRILL HOLES COMPLETED

DRILL HOLES PROPOSED

POSSIBLE QUARTZ VEIN EXTENSIONS

PETRALITH SERVICES LIMITED
5086 Topaz Place, Richmond, B.C. - V7C 474

Client - EMPIRE GOLD RESOURCES LTD

PROPOSED DRILLING - 7th LEVEL
ROBERT MINE
Greenwood, B. C.

DATE	SCALE	DESIGNED BY	Figure
December 1985	1"= 200'	J. Paxton, P. Eng.	6

PETRALITH

SERVICES LIMITED

ADDENDUM TO:

Geological Report with Recommended Program and Associated Cost Estimates on the Robert Mines Ltd. Property, Greenwood, British Columbia for Empire Gold Resources Ltd. by Petralith Services Limited, James Paxton, P. Eng. January 7, 1986.

Re: Page 11 Mine Geology

There are two principal quartz veins in the mine area. The lower vein, on which adits No. 1, No. 2, and No. 3 are driven, has never been developed. All stoping has been confined to the upper vein, and it is the major consideration in this report.

Recommendations 1, 2, and 3 refer to the upper vein. Recommendation 4 refers to the lower vein.

Likewise, budget items 1, 2, 3 and 4 refer to the upper vein and item 5 refers to the lower vein.

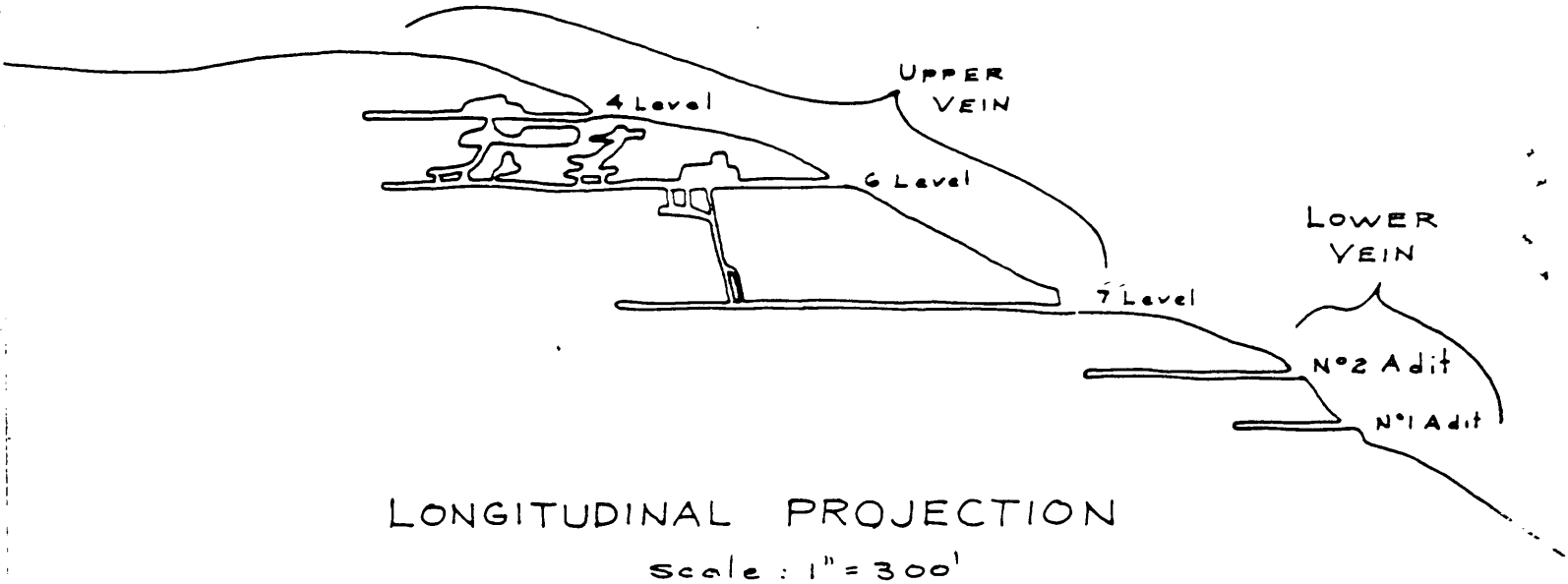
Unfortunately, the lower vein has not been mapped, therefore detailed maps of it were not included in the report. Only in the 1" = 300' scale Longitudinal Section on Fig. No. 7 following page 20 is the location of the lower vein shown. The following sketch plan and longitudinal projection is intended to show the relative positions of the upper and lower vein.

Dated: September 10, 1986

James Paxton

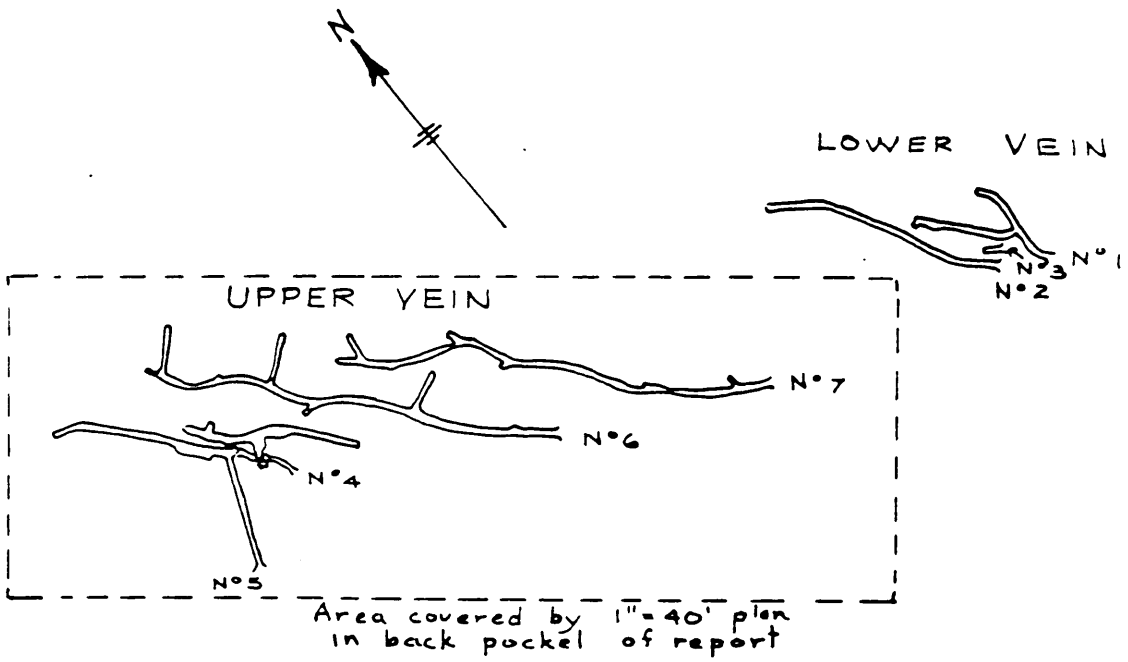
James Paxton, P. Eng.
President
Petralith Services Ltd.

JIM PAXTON, P.Eng., President
5086 Topaz Place — Richmond, B.C. — V7C 4Z4
Telephone — (604) 271-2195



LONGITUDINAL PROJECTION

Scale : 1" = 300'



Area covered by 1" = 40' plan in back pocket of report

PLAN

Scale : 1" = 300'

James Paxton

PETRALITH SERVICES LITMITED
5086 TOPAZ PLACE RICHMOND BC.

CLIENT:
EMPIRE GOLD RESOURCES LTD.

LOCATION OF UPPER AND LOWER VEINS
ROBERT MINE PROPERTY
Sept 10/86 J. Paxton

REFERENCES

CHURCH, B.N. - 1977 - Geology Of the Skomac Mine and boundary Falls Area B.C. Ministry of Energy, Mines, and Pet. Res.: GEM, 1977, pp 1-12

PAXTON, J. - 1980, The Mining Potential Of The Phoenix Area, Grand Forks, B.C. for Noranda Mines Ltd.

PAXTON, J. - 1984, Report to Silver Hoarde Resources Inc. on the Robert Mines Property, Greenwood, B.C.

SOOKOCHOFF, L. 1978 - Report On the Skomac Property for Robert Mines Ltd.

CERTIFICATE

I, James Paxton, of 5086 Topaz Place, in the municipality of Richmond, in the Province of British Columbia, do hereby certify that:

1. I am a graduate of the University of Saskatchewan (1953) holding a B.A. degree in geology.

2. I have practiced as a mining and exploration geologist in Canada for over twenty-five years and have been a consulting geologist on a regular basis for the past two years.

3. I am a registered member in good standing of the Association of Professional Engineers of B.C., a Fellow of the Geological Association of Canada, and a member of the Canadian Institute of Mining and Metallurgy.

4. I am president of Petralith Services Limited, a private geological consulting company registered in B.C.

5. This report is based on an underground examination made on the property on December 13th to 15th, 1985, plus a study of available reports and maps.

6. I have no interest, either direct or indirect, nor do I expect to receive any interest, in the property described herein or in the securities of Empire Gold Resources Ltd. or Robert Mines Ltd.

7. I hereby consent to the use of this report by the above company in connection with a prospectus or statement of material facts relating to the raising of funds.

Dated at Vancouver, British Columbia, Jan 7th 1986

James Paxton

James Paxton, P.Eng.
President, Petralith Services Ltd.

APPENDIX

Assay Certificates

1. Samples taken by J. Paxton, 1985.
2. Sampling of ore shipments by Cominco Ltd. 1977.

CDN RESOURCE LABORATORIES LTD.
#8, 7550 RIVER ROAD, DELTA, B.C. V4G 1C8 / TEL (604) 946-4448

ASSAY REPORT

TO: Petralith Services
5086 Topaz Place
Richmond B.C.
V7C 4Z4

FILE NO.: 85-228

DATE: December 24, 1985

ATTENTION: J. Paxton

PROJECT:

Sample Description	Au oz/ton	Ag oz/ton
208	0.002	0.30
209	0.002	0.20
210	0.027	8.25
211	0.062	12.4
212	0.021	4.25
213	0.008	0.80
214	0.018	3.10
216	0.033	0.60

Rejects retained one month,
pulps one year, unless
specific arrangements made.

Certified Assayer of British Columbia

Assay Certificate

Cominco

Date June 20, 1975

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone AA																	
Siliceous Ore 59 Tons																	
377240	1	1.5	.130	18.25	.22	2.2	1.2	4.5	78.5	4.0	4.5	.3	<.1	<.1	<.01		8166

Assay Certificate

Cominco

Date June 25, 1975

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone AA																	
Siliceous Ore 64.8 Tons																	
377140	2	1.1	.120	14.60	.20	2.1	3.5	6.5	71.9	4.4	5.5	.8	<.1	<.1	<.01		8203

Assay Certificate

Cominco

Date August 15 19 75

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone AA																	
Siliceous Ore 82.7 Tons																	
377164	3	1.4	.102	13.20	.16	1.7	.8	4.4	78.5	4.2	3.9	.4	<.1	<.1	<.01		8288

Assay Certificate

Cominco

Date September 15 19 75

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone A																	
Siliceous Ore 77.9 Tons																	
377014	4	2.4	.087	12.80	.28	3.3	1.3	6.9	71.9	4.9	6.3	.4	<.1	<.1	<.01		8317

Assay Certificate

Cominco

Date Oct. 14, 1975 19

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone A																	
Siliceous Ore 61.5 Tons																	
377076	5	2.2	.120	19.30	.43	5.1	2.6	8.9	66.2	3.7	7.4	.3	<.1	<.1	<.01		8328
Corrected for metallics			.120	19.30													

Assay Certificate

Cominco

Date November 14, 1975

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone A																	
Siliceous Ore 58.9 Tons																	
377120	6	3.5	.322	53.20	.50	4.8	3.3	7.1	70.2	4.2	5.6	.3	.1	<.1	<.01		8432

Assay Certificate

Cominco

Date Dec. 1, 1975

Cominco Ltd., Trail, B.C. V1R 4L8

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone AA																	
Siliceous Ore 77.0 Tons																	
377166	7	1.7	.155	16.75	.21	2.5	1.5	5.7	78.1	3.6	5.2	.2	<.1	<.1	<.01		8468
Corrected for metallics			.155	16.75													

Assay Certificate

Date June 25, 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone B																	
Siliceous Ore 73.0 Tons																	
377211	8	2.8	.057	6.45	.11	1.6	.8	3.5	81.7	3.4	4.1	.7	<.1	<.1	<.01		8913

Assay Certificate

Date July 22, 1976 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mines Zone B																	
Siliceous Ore 75.0 Tons																	
377152	9	1.7	.110	25.40	.29	4.3	2.7	6.7	72.5	3.1	5.8	.5	<.1	<.1	<.01		8961

Assay Certificate

Date August 5 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mine Siliceous Ore																	
377226	10	1.9	.057	12.20	.19	3.6	2.0	6.0	70.3	4.8	6.2	1.0	<.1	<.1	<.01		8981

Zone B 81.0 Tons

Assay Certificate

Date August 17, 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mine																	
Siliceous Ore																	
377234 Zone B	11	3.2	.087	15.30	.25	3.9	2.5	7.2	69.7	4.0	6.6	.8	<.1	<.1	<.01		9007
55.0 Tons																	

Assay Certificate

Date Sept. 17, 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. No.
Robert Mines Zone C																	
Siliceous Ore 83.0 Tons																	
377017	12	2.4	.050	10.25	.16	2.1	.9	4.8	77.8	3.5	5.2	.9	<.1	<.1	<.01		9041

Assay Certificate

Date September 22 1976 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		Cominco No.
Robert Mine Zone C																	
Siliceous ore 83.0 Tons																	
377126	13	2.3	.052	6.30	.20	2.5	1.4	9.6	70.1	3.0	9.0	.6	<.1	<.1	<.01		9049

Assay Certificate

Date October 7 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		COM. NO.
Robert Mine																	
Siliceous Ore																	
377247	14	1.9	.087	9.80	.21	2.6	1.5	7.6	73.1	2.7	7.1	.6	<.1	<.1	<.01		9070

Zone C 87.0 Tons

Assay Certificate

Date November 5 19 76 — Cominco Ltd., Trail, B.C.

Description	Lot	% H_2O	oz/ton Au	oz/ton Ag	% Cu	% Pb	% Zn	% S	% SiO_2	% Al_2O_3	% Fe	% CaO	% Sb	% As	% Bi		Cominco No.
obert Mine																	
iliceous Ore Zone C																	
77049 65.0 Tons	15	3.0	.065	9.75	.20	3.3	1.7	9.1	67.2	3.6	8.5	.8	<.1	<.1	<.01		9131

PROGRESS REPORT ON WORK DONE

ON

ROBERT MINES LTD. PROPERTY

BY

EMPIRE GOLD RESOURCES LIMITED

TO MARCH 10th. 1986

Petralith Services Limited
J. Paxton P.Eng.

Progress Report On Work Done

On January 7th., 1986 a report was submitted by the writer regarding the Robert Mines Ltd. property near Greenwood B.C., to Empire Gold Resources Ltd. In this report a program of exploration work was recommended, part of which consisted of driving a third hangwall cross-cut on the 6th Level.

During the period January 21st to February 23rd the 6th Level was reactivated, a portable 350 CFM air compressor put into service and the third cross-cut was driven into the hangwall as recommended.

During February 26 and 27th the writer accompanied by Mr. Jeff Ciachurski, President of Empire Gold Resources Ltd., inspected the work and made an accurate tape and transit survey of the new 6-3 cross-cut plus a survey of the 6-2 cross-cut and the west end of the 6thLevel main drift. The cost of this work to date, including the above surveying is reported as $ 31,034.50.

Plan and section plots are attached to this report. The remaining work to be done, following the recommendations in the January 7th report is shown in the revised budget on the following page.

Respectfully submitted,

James Paxton

James paxton P.Eng.
Petralith Services Limited
March 10th., 1986

B U D G E T (Updated to Mar. 10, 1986)

Estimated costs and times to complete recommendations:

1. Drill a total of 2,090 feet of diamond drilling from cross-cuts 6-2 and 6-3. Cost to include sampling, assaying, core logging, core storage, and supervision.
   Allow 40 days (1 shift per day) $ 52,250

2. Drill a total of 1,250 feet of diamond drilling from 7th level. Cost to include sampling, assaying, core logging, core storage and supervision.
   Allow 18 days (1 shift per day) 31,250

3. Open up the three lower adits. Map and sample vein exposure. Trench below No. 1 adit.

10 hours cat time at $100/hr.=	$1,000	
20 hours backhoe time at $135/hr.=	2,700	
Mapping, sampling, and supervision; Allow 5 days at $250/day =	1,250	
Assaying costs allow $500 =	500	
Time 10 days Cost		5,450

4. Geochemical soil survey and surface geological mapping 500 samples, collecting and testing preparation of maps and data
   Allow 15 days 10,000

	$98,950
Contingencies at 15%	14,842
Total cost for program	$113,792

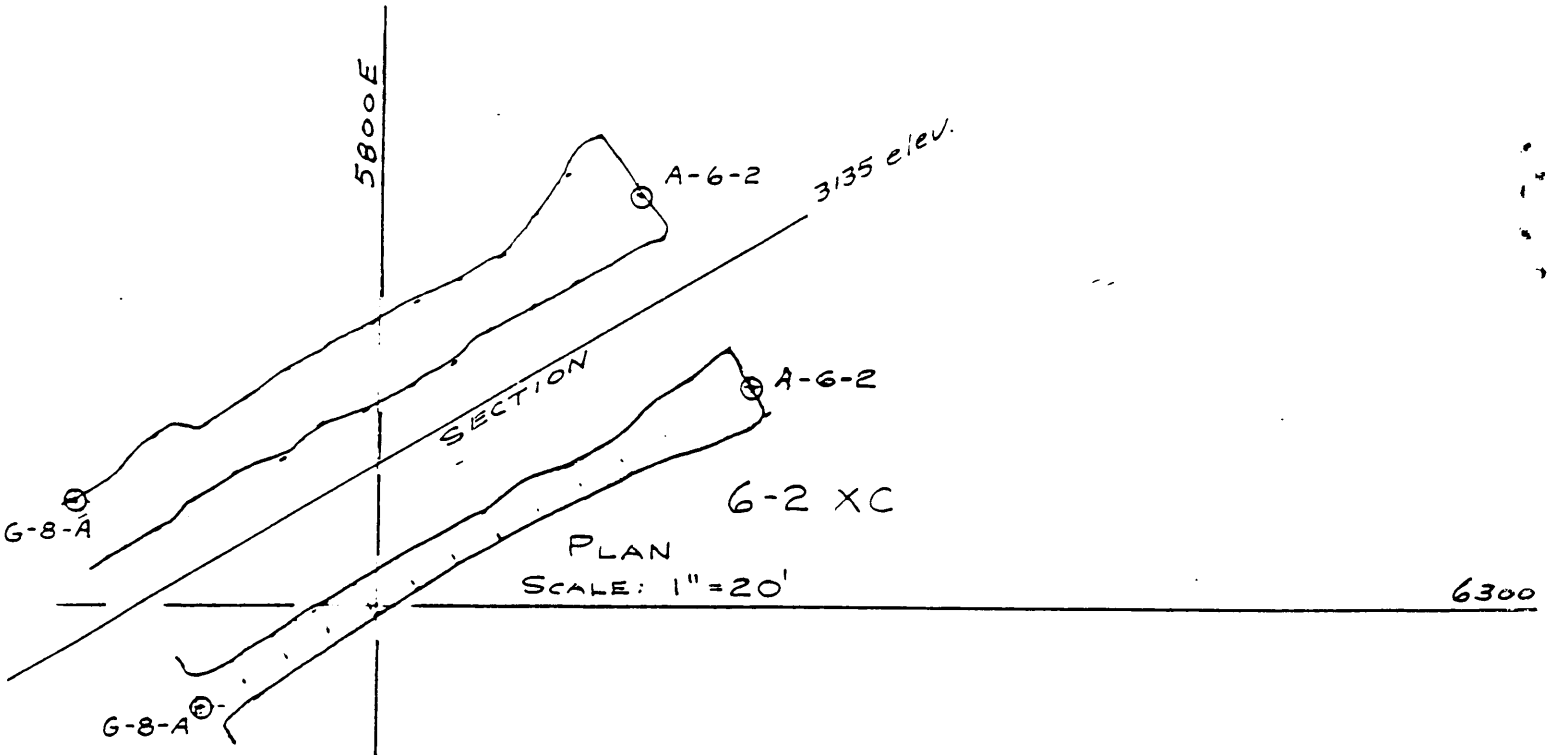
James Paxton

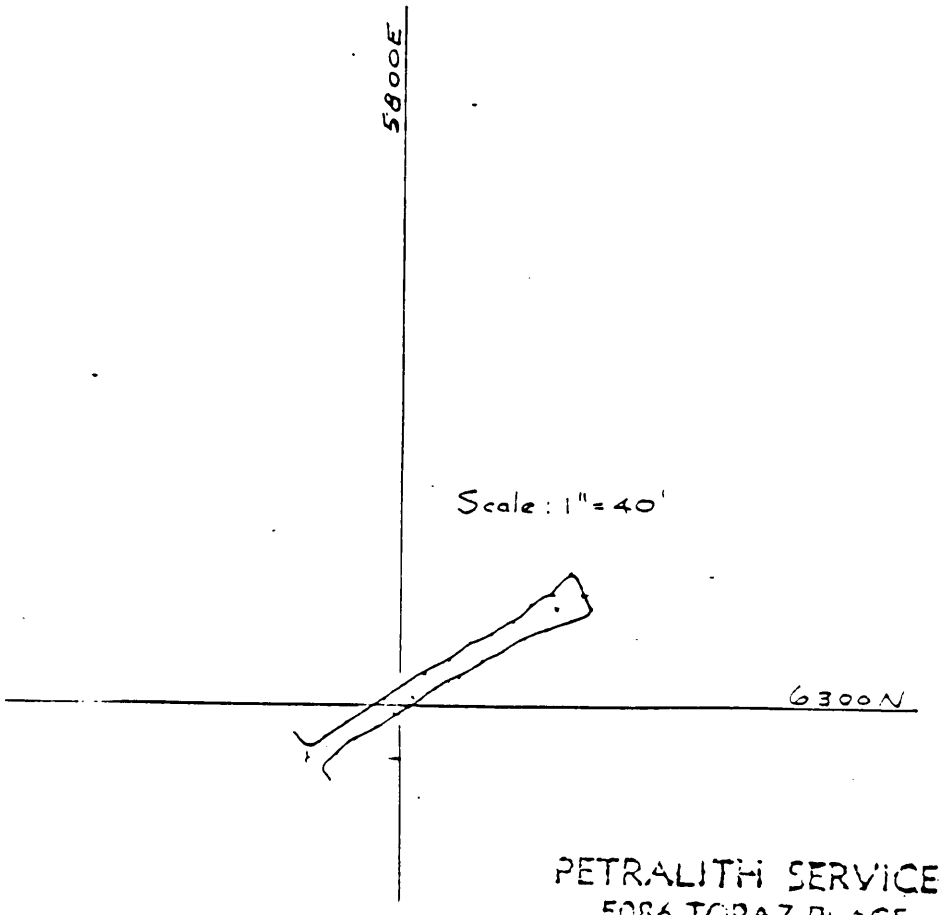
JAMES PAXTON, P.Eng.
President,
Petralith Services Ltd.

JP DATE 02/28/86 SUBJECT 6-2 X C SHEET NO OF

CHKD BY DATE JOB NO. ROBERT MINE

EMPIRE GOLD RES LTD.

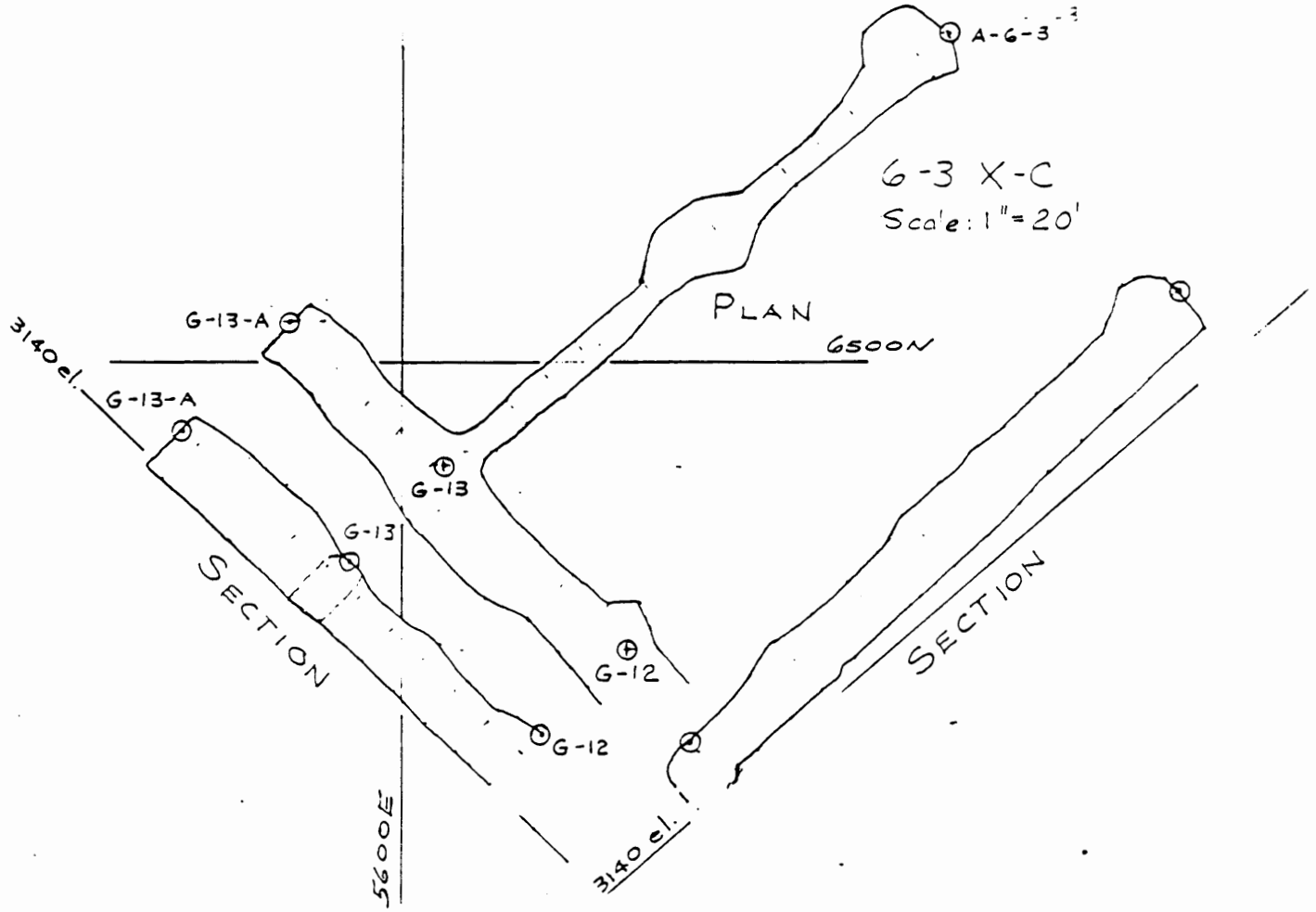


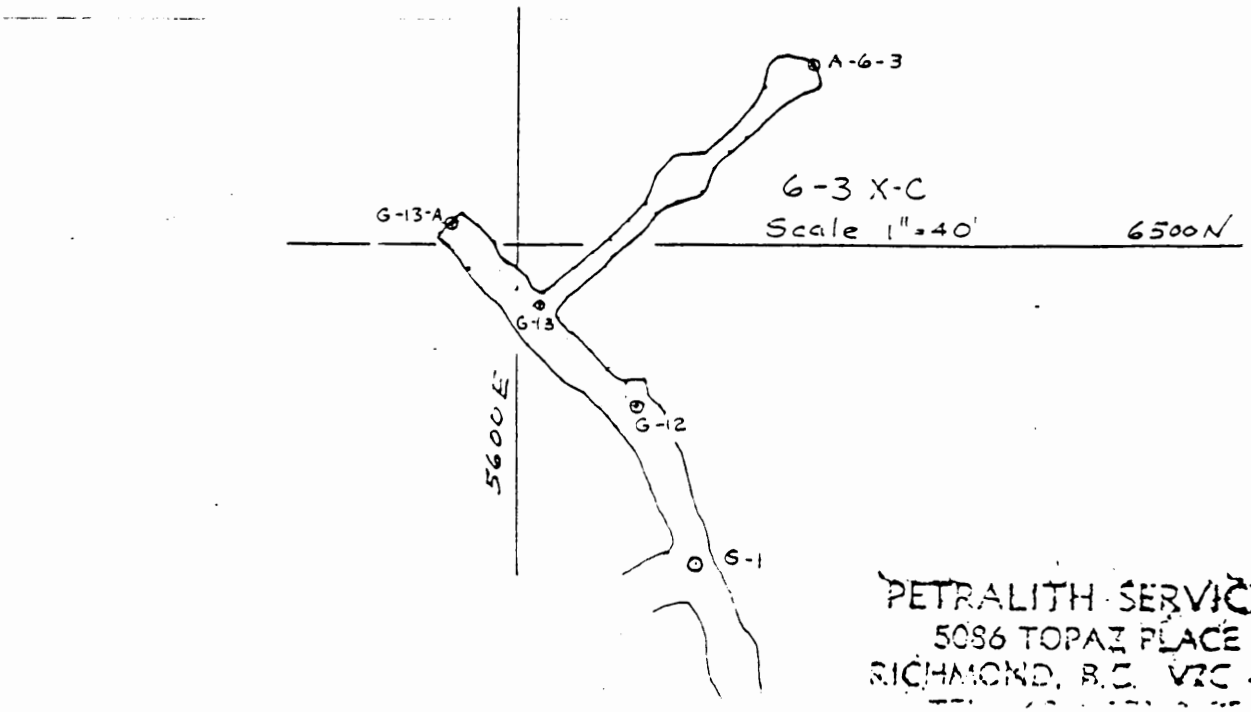


PETRALITH SERVICES
5086 TOPAZ PLACE
RICHMOND, B.C. V7C 4Z4

BY J.P. DATE 02/28/86 SUBJECT 6-3 XC SHEET NO. OF

CHKD. BY DATE JOB NO. ROBERT MINES
EMPIRE GOLD RES. LTD.





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CERTIFICATE

I, James Paxton, of 5086 Topaz Place, in the municipality of Richmond, in the Province of British Columbia, do hereby certify that:

1. I am a graduate of the University of Saskatchewan (1953) holding a B.A. degree in geology.

2. I have practiced as a mining and exploration geologist in Canada for over twenty-five years and have been a consulting geologist on a regular basis for the past two years.

3. I am a registered member in good standing of the Association of Professional Engineers of B.C., a Fellow of the Geological Association of Canada, and a member of the Canadian Institute of Mining and Metallurgy.

4. I am president of Petralith Services Limited, a private geological consulting company registered in B.C.

5. This report is based on underground examination and measurements made during a visit to the property February 26th and 27th., 1986.

6. I have no interest, either direct or indirect, nor do I expect to receive any interest, in the property described herein or in the securities of Empire Gold Resources Ltd. or Robert Mines Ltd.

7. I hereby consent to the use of this report by the above company in connection with a prospectus or statement of material facts relating to the raising of funds.

Dated at Vancouver, British Columbia, this 10th day of March, 1986.

James Paxton

James Paxton, P.Eng.
President, Petralith Services Ltd.