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NEW ISSUE

PROSPECTUS

## SILVER LADY RESOURCES INC.

(the "Issuer")  
 302 - 856 Homer Street,  
 Vancouver, British Columbia  
 V6B 2W5  
 Telephone: (604) 669-2523

THE ISSUER BY THIS PROSPECTUS IS OFFERING TO THE PUBLIC THE RIGHT TO SUBSCRIBE FOR 300,000 COMMON SHARES (THE "COMMON SHARES") OF THE ISSUER AT A PRICE OF \$0.35 PER SHARE AND THE RIGHT TO SUBSCRIBE FOR 200,000 FLOW-THROUGH SHARES (THE "FLOW-THROUGH SHARES") AT A PRICE OF \$0.35 PER FLOW-THROUGH SHARE. EACH FLOW-THROUGH SHARE ENTITLES THE SUBSCRIBER TO RECEIVE A RENUNCIATION OF CANADIAN EXPLORATION EXPENSES UNDER THE INCOME TAX ACT (CANADA).

### OFFERING OF COMMON SHARES

	<u>Number</u>	<u>Gross Funds Received</u>	<u>Agent's Commission</u>	<u>Net Proceeds to be received by the Issuer</u>
Per Share	1	\$ 0.35(1)	\$ 0.0525	\$ 0.2975
Total	300,000	\$105,000	\$ 15,750	\$ 89,250(2)

### OFFERING OF FLOW-THROUGH SHARES

	<u>Number</u>	<u>Gross Funds Received</u>	<u>Agent's Commission</u>	<u>Net Proceeds to be received by the Issuer</u>
Per Flow-Through Share	1	\$ 0.35(1)	Nil	\$ 0.35
Total	200,000	\$ 70,000	Nil	\$ 70,000(3)

- (1) The price to the public has been established pursuant to negotiations between the Issuer and the Agent.
- (2) Before deduction of costs of the Offering estimated to be \$20,000.
- (3) The Issuer will pay the Agent a fee from working capital of \$10,500 for the sale of the Flow-Through Shares.

PROPERTY FILE

Winner 82656163

A.L.-05

**DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER**

**The Business**

The Issuer was incorporated on the 20th day of September, 1983 under the Company Act of the Province of British Columbia and was inactive until March of 1987.

The Issuer's principal business is the exploration and development of mineral properties. The Issuer owns or has interests in the properties described under "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

**The Property**

**The Winner Claim Group Property**

**Acquisition of the Winner Claim Group Property**

By an agreement dated October 28, 1986 (the "Winner Sale Agreement"), entered into between the Issuer and George Nakade and Dick Perkins (the "Vendors"), both having an address for service c/o P.O. Box 511, Grand Forks, British Columbia, the Issuer acquired 100% of the Vendors' right, title and interest in and to five (5) Reverted Crown Grant claims, all located in the Greenwood Mining Division of the Province of British Columbia and more fully described as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Lot No.</u>	<u>Units</u>	<u>Expiry Date</u>
Winner	305	1158	1	Dec.2/96
Ranger	2540	1060	1	Dec.2/96
Legal Tender	2538	1551	1	Dec.2/96
Wren	2537	1170	1	Dec.2/96
Buna Vista FR.	2538	1153	1	Dec.2/96

(the "Property")

The Winner Sale Agreement provides that, in consideration for the acquisition of the Property, the Issuer is required to make the following cash payments to the Vendors:

- (a) \$4,900 upon execution of the Winner Sale Agreement (which sum has been paid to the Vendors by the Issuer); and
- (b) \$5,000 within ten (10) business days of the Issuer's receipt of proceeds under this Prospectus.

As further consideration for the acquisition of the Property by the Issuer, the Issuer is also required to issue a total of 125,000 common shares from its capital stock to the Vendors (being 62,500 common shares to each), on the following basis:

- (a) 50,000 common shares upon the receipt by the Issuer of regulatory approval to this Prospectus; and
- (b) 25,000 common shares after the completion of each of the first three (3) exploration phases on the Property; provided that each such phase shall not be less than \$30,000, and provided further that an engineering report shall first have been accepted by the Vancouver Stock Exchange before the issuance of any such common shares.

The Winner Sale Agreement also provides for and contains the following material terms:

- (a) A default by the Issuer in the performance of its obligations under the Winner Sale Agreement will entitle the Vendors, at their option, to terminate the Winner Sale Agreement if the default is not remedied by the Issuer within thirty (30) days of receiving written notice of the default from the Vendors;
- (b) The Issuer may terminate the Winner Sale Agreement by giving the Vendors thirty (30) days' written notice of termination and by gifting the Property back to the Vendors; provided, however, that the obligation of the Issuer to maintain the Property in good standing for at least one (1) year after the return of the Property will continue; and
- (c) In the event of termination, the Issuer shall have a period of six (6) months to remove its property from the Property.

A copy of the Winner Sale Agreement is available for inspection at the registered office of the Issuer, 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities being offered under this Prospectus is in progress, and for a period of thirty (30) days thereafter.

The Issuer has expended a total of \$60,000 on exploration of the Property as at the date of this Prospectus.

#### Description of the Winner Claim Group Property

##### Location and Access

The property is located within the Phoenix-Boundary Mining Camp of south central British Columbia, about 500 kilometres by road

east of Vancouver. The Property is sandwiched between the Crown and the Winnipeg-Golden Crown properties on which on-going precious metal exploration is in progress by other mining and resource companies.

The Property is readily accessible from Highway No. 3 through an all weather black-topped road, the Phoenix Ski Hill dirt road, and through numerous other mining haulage and secondary roads.

The centre of the property is 6 km southeast, and 14 km northwest of the cities of Greenwood and Grand Forks respectively, and reachable within half an hour by normal transportation from the two towns. Grand Forks provides a major centre for food and industrial supplies.

#### History of the Property

The following history information is extracted from an engineering report dated February 12, 1987 (the "Winner Property Report"), prepared for the Issuer by H. Kim, P. Geol., F.G.A.C., Consulting Geologist, of Vancouver, British Columbia, a copy of which is attached hereto and forms part of this Prospectus:

#### "General Phoenix-Boundary Mining Camp:

The history of exploration in the Greenwood-Grand Forks area dates back to the early 19th century, when the first fur traders explored the region. Typical with the rest of Western Canada, these fur traders were followed by placer and lode gold prospectors.

In the 1890's, large copper ore deposits including Phoenix, Motherlode and Deadwood camps were discovered, followed by construction of copper smelting plants at Boundary Falls, Greenwood and Grand Forks. The major mine was Phoenix camp, 2 km north of the Winner property. The total production from Phoenix to date is about 30 million tons averaging 0.85% copper, 0.033 oz/ton gold and 0.20 oz/ton silver. Since 1977, the Phoenix open pit has been inactive and is under the management of Noranda Mines who took over the property from Granby Mining Corporation. Other deposits known in the area were Oro Denoro and the B.C. Mines in the Summit camp, 4 km northeast of Phoenix.

The Jewel mine south of Jewel Lake, 8 km northeast of Greenwood reportedly produced 66,500 tons of ore from a Tertiary quartz vein, grading 0.32 oz/ton and 2.0 oz/ton silver.

The inactive Providence mine, 2 km northeast of Greenwood was a high grade operation, which produced a total of 11,451 tons

averaging 0.51 oz/ton gold and 119 oz/ton silver to yield total 5,867 ounces of gold and 1,361,433 ounces of silver.

Winner Property and Adjacent Mines:

As stated earlier, three major copper smelting plants were built at Grand Forks, Greenwood and Boundary Falls in the 1890's.

These smelters accepted any gold-silver bearing ore from the surrounding areas for custom milling. Several small mining operations were developed in addition to the main copper mines at Phoenix and Motherlode and numerous lode gold prospecting in the area ensued.

Approximately 8,000' of shafts and drifts were completed on the Golden Crown and Winnipeg prior to 1905. Development and shipping of ores from both claims continued in 1901 to 1902 and 1910 to 1912. During the above periods reported production from these two claims are:

- Winnipeg: 58,722 tons, grading 0.2 oz Au/ton, 0.62 oz Ag/ton and 0.16% Cu.
- Golden Crown: 2,742 tons, grading 0.45 oz Au/ton, 0.82 oz Ag/ton and 1.53% Cu.

Several caved shafts and hand trenches seen on the Winner, Legal Tender and Ranger claims were probably done, concurrently with or subsequent to the active prospecting and mining development of the Golden Crown and Winnipeg claims.

A Report of the Minister of Mines, 1933 (page A 160) has the following notes on the subject property:

"This group, owned by George Walters and associates, of Greenwood, includes the Winner, Legal Tender, Wren and Good Luck Fraction and lies a short distance south-east of Phoenix and Hardford Junction close to the old road. Development during 1933 included sinking the new shaft through the fault to about 50 feet in depth. The vein is about 2 feet wide and in places shows free gold. The strike of the vein through the Winner and Legal Tender is persistent and the vein in places is 6 feet wide and warrants further exploration. Evidently the ore found in the shaft is the top of a shoot which probably rakes south."

Other than the above, no official document regarding the production history on the property is available. It was reported that the property was owned by Scotia Mines Ltd. prior to April 1984. The acquisition of the entire property including the Winner claim was completed by George Nakade of

Grand Forks, B.C. in late 1984, and was transferred by Bill of Sale to (the Issuer) in October 1986.

Although significant gold production was realized from the Golden Crown and Winnipeg workings prior to 1912, they have been dormant until 1965. Between 1965 and 1983, the Golden Crown and Winnipeg property was optioned intermittently by several major companies including Scurry Rainbow but the project was dropped after an extensive diamond drilling program of 80 holes totalling 9,000 m. Since 1983, the Golden Crown-Winnipeg has been continuously explored by the Consolidated Boundary Exploration-Grand Forks Mines Ltd. Venture. A total of 40,000 tons grading 0.3 oz/ton Au of drill indicated reserves were reported on the golden Crown (December 12, 1986).

In December 1986 consolidated boundary Exploration has put down 14 short diamond drill holes at and near the east limit of the Winner property (Ranger claim) to test an EM-16 anomaly. The results of the drilling were found to be encouraging with the core samples showing up to 1.260 oz/ton gold over 4 feet...

On the Keno-Ophir property adjacent to the South, a 35 foot inclined shaft was sunk prior to 1933. It is also reported that in 1936 Mr. L. Manzini, who presumably held a lease on the Keno-Ophir, shipped 89 tons averaging 0.88 oz/ton Au, 9.9 oz/ton Ag and 1.3% pb. The present owner of this property is Mr. Sam Bombini of Greenwood, B.C. The trenching by Mr. Bombini in 1973 disclosed the presence of new quartz veins with significant gold mineralization."

#### Current Exploration

From December, 1986 to February, 1987, H. Kim, P. Geol., F.G.A.C., Consulting Geologist, of Vancouver, British Columbia, conducted a preliminary exploration program on the Property consisting of baseline cutting, grid establishment, VLF-EM and magnetometer surveying, limited trenching and rock and soil geochemical surveying and sampling. The program was undertaken on behalf of the Issuer at a cost of approximately \$60,000, and the results of the program, coupled with a discussion of the available technical data, are the subject of the aforementioned Winner Property Report (hereinafter referred to as the "Report").

#### Geology and Mineralization:

The report reveals, at pages 11 to 13, as follows:

"Mineral deposits in the Greenwood - Grand Forks area vary, ranging from contact metasomatic skarn deposits with base metal occurrences to structurally controlled quartz veining and sulphide deposits carrying precious metal values.

...

The property is underlain by Permo-Carboniferous to Triassic aged metavolcanic rocks and intrusive rocks, which are fairly identical to and/or continuous with the country rock of the easterly adjoining Golden Crown - Winnipeg, one of the former largest gold producers in the area.

The metavolcanics in the area have been generally termed greenstone, which is known to be of andesitic to basaltic composition and in places has been metamorphosed and recrystallized into amphibolite and amphibolitic schist (green schist).

The Greenstone is predominant in the northeast side of the property, specifically, Ranger claim area, continuous with that of the Winnipeg and Golden Crown claims...

...

Major north-west block faults disrupt the entire property area and surrounding claims and possible syngenetic shearing (fissure) is expressed in predominantly parallel north-west shears. These may have provided conduits for mineralizing hydrothermal solutions, and diorite and ultramafic intrusions. In this respect, Church (1985) gives the following note related to mineralization of the subject ground: "It is conceivable that the intricate and extensive fissure system of the Mt. Attwood - Phoenix area as above shown in part on the accompanying map, provided the necessary channels leading metalliferous solutions to the ore deposits. In this model the igneous intrusions served principally as heat engines in the process of convection and dispersion of the solutions.

...

The mineral showings on the property are accompanied by one metre or more of alteration zone on either side of the mineralized structure. The massive pyrite and quartz in the vicinity of the Ranger shaft is accompanied by alteration in the greenstone. This is represented by epidotization, silicification, rustily weathered "buff brown" carbonation. In the vicinity of the Winner prospect workings, along the projected quartz vein location, the alteration product is compounded by bleaching (kaolinization) and argillization in the chlorite schist (or shistose diorite) in addition to the common alteration described above.

...

Precious metal mineralization on the property occurs mainly as fissure fillings and replacement veins along multiple parallel, northwest trending structures hosted by greenstone, diorite and

schist. Two types of mineralization are presented in the subject area to date: (1) quartz vein and (2) massive sulphide. The host rocks in the vicinity of the showings are in common bleached, argillized, silicified, carbonatized, pyritized, hemato-limonitized and possibly ankeritized..."

#### VLF-EM and Geochemical Anomalies:

The Report reveals, at pages 21 to 26, as follows:

"The Initial plan was to collect soil samples from every line-grid station and for the VLF-EM 16 survey. But, due to a limited field season for unfrozen soil sampling, only the geophysically anomalous areas were selected for sampling. In all 496 soil samples were picked, being divisible into three general areas; northern, central and southern sectors. In the selected areas...soil samples were taken at 15 m intervals on lines.

...

The following table summarizes the combined geophysical (VLF-EM 16) and geochemical anomalies, which are numbered in their order of reference. Also, the Winner Quartz Vein, which was not strongly responsive to both the geophysical and geochemical surveys is incorporated in the table.

#### Summary of VLF-EM and Geochemical Combined Anomalies

<u>Anomaly Nos.</u>	<u>Conductive Zone Strike Length</u>	<u>Gold Peak Value pbb</u>	<u>Remarks</u>
1	1,000 m	368	Within the northern sector. Reflects bedrock mineralization. Ranger shaft is about 20 m. below this anomaly. Possible northwest extension of the South Zone. Open-ended at the west edge of the claims. Coincides also with high silver anomaly (+8.0 ppm). *Merits detailed investigation.
1A	200 m	-	May reflect hidden sulphide mineralization, branching off the above Anomaly No. 1. No coincident geochemical value. *May merit detailed geochemical value.
2	700 m	748	Within the southern sector. Reflects unknown mineralization. High gold value is coincident with, and surrounded by moderate silver values. This structure parallels the southern known showings



*prospected by the Winner prospect shafts and trenches.  
\*Merits detailed investigation.*

3	600 m	140	<i>Within the southern sector. This strong EM conductive zone runs almost east-west, and transects the strike of the known quartz vein on the Winner workings. Coincides with high silver value (3.5 ppm). *Merits detailed investigation.</i>
4	200 m	180	<i>Within the northern sector. Reflects known mineralization at the Range shaft and its extension. Also correlated with moderate silver value. *Merits detailed investigation.</i>
5	250 m	526	<i>In the central sector. Reflect the northwest extension of the Ophir vein in the Ophir Claim southeast. Coincides with moderate silver value. *Merits detailed investigation.</i>
6	100 m	-	<i>On the southwest edge of the property. Reflects unknown mineralization branching of the afore-mentioned Anomaly No. 2. No coincident gold value. An anomalous point for silver is noted. *May merit trenching.</i>
7	100m	991	<i>At the northeast edge of the property. EM conductor is curved and short in strike length, but the highest gold value was resulted. Reflects unknown mineralization being possibly merged into Anomaly No. 8 described below. *Requires trenching to test the cause of the anomaly.</i>
7A	250 m	105	<i>At the northern edge. Possible northwest extension of Anomaly No. 8 described below. Correlated with moderate silver values.</i>
8	100 m	216	<i>In the northern sector. This fair anomaly with corresponding geochemical values continues off the line grid to the northwest. *Geochemical detailing and trenching should be done.</i>

9	200 m	-	Near the east border. This EM conductor runs exceptionally northeast. No geochemical survey was done in the area...
10	180 m	142	In the southern sector. Located with a silver anomalous zone. Reflects overburden-covered mineralization. *Worth further investigation.
Winner Vein	120 m	140	Devoid of VLF-EM conductive zone. A grab sample from Winner shaft dump return 1.19 oz/ton gold. Appears to be opened to northwest and southeast. A geochemical detailing at 5 m interval may disclose further extension of the vein."

### Conclusions and Recommendations

The Report concludes, at pages 3 and 4, as follows:

"The preliminary completed geophysical and geochemical surveys for this report present more than ten electromagnetic anomalies with coincident geochemical values. These are fairly similar to the initial electromagnetic anomalies with corresponding geochemical anomalies of the Crown showings and South Zone which were discovered in the summer of 1986..."

In view of the foregoing, the Winner claim group merits an additional exploration program to determine its economic feasibility..."

The Report then recommends that the following two-stage exploration program be conducted on the Property:

Stage I (To consist of):

- (a) Detail prospecting and mapping in the entire Property. In addition, showings, the alteration and the lithology of the adjacent claims should also be investigated for a better understanding of the subject ground;
- (b) Complete fill-in soil sampling at 15 metre intervals over the entire grid line;
- (c) Detailed EM and geochemical surveys at 5 metres on lines, and 10 metres apart to select locations for subsequent trenching of the currently revealed ten anomalous zones; and

- (d) Stripping, blasting and sampling of the anomalies and an extension of the Winner Quartz Vein and Ranger Shaft Vein, following the work in (c) above.

Stage II (Contingent on the results of Stage I):

Implement a short diamond drill program to test for the downward extensions of the Winner Quartz Vein, the Ranger Quartz Vein, the South Zone (Anomaly No. 1-1A), the Ophir Vein (Anomaly No. 5) and other zones which indicate potential for economic mineralization. 500 metres of drill length should be allowed for a total of eight or nine short holes.

The cost of the first stage of the program is estimated to be as follows:

"Stage I

Geochem 700 samples @\$18.00	\$ 12,600
Geophysical surveys (VLF-EM and S.P.) Allow	2,000
Soil Sampler	2,500
Trenching (D-10 Hydraulic backhoe)	
100 hours @ \$100/hour	10,000
Geological mapping, prospecting and sampling	2,000
Assaying	2,000
Associated Field Expenses	2,000
Engineering and Supervision	3,000
Accommodation 25 days x 2 men x \$60/day/man	3,000
Transportation 30 days x \$50/day	1,500
Contingencies plus 10%	<u>4,400</u>
	<u>\$ 45,000"</u>

The cost of a second, contingent stage, is estimated to be \$65,000.

There are no known reserves of commercial ore located on the Property, and the Issuer is conducting an exploratory search for ore only.

There are no known material surface or underground workings, plant or equipment located on the Property, except as disclosed herein and in the attached Report.

### RISK FACTORS

Mineral exploration and development is a speculative business. The marketability of any minerals acquired by the Issuer will be affected by numerous factors, which include production costs, market fluctuations, processing prices and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and

REPORT ON THE  
PRELIMINARY GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION  
OF THE  
WINNER CLAIM GROUP  
GREENWOOD MINING DIVISION

NTS: 82E/2E

LATTITUDE:  $49^{\circ} 03' 30''$  N

LONGITUDE:  $118^{\circ} 35' 30''$  N

FOR

SILVER LADY RESOURCES INC.  
#303-609 West Hastings Street  
Vancouver, B.C.

V6B 4W4

BY

H. KIM, P. GEOL., F.G.A.C.  
CONSULTING GEOLOGIST

FEBRUARY 12, 1987

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REPORT ON THE  
PRELIMINARY GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION  
FOR  
SILVER LADY RESOURCES INC.  
ON THE  
WINNER CLAIM GROUP  
GREENWOOD MINING DIVISION

PART A

OBSERVATIONS AND CONCLUSIONS

1. The Winner mineral claim group is located within the historically renowned Phoenix-Boundary Mining Camp of central southern British Columbia about 500 kms by road east of Vancouver. It is conveniently accessible from Highway No. 3, via an all weather mine haulage road, the Phoenix Ski Hill road and numerous secondary and logging roads.
2. The property is sandwiched between the Crown and the Winnipeg-Golden Crown properties on which on-going precious metal explorations are in progress by major mining and resources companies (Figure 2).
3. Noranda Mines' 1986 trenching and diamond drilling program on the Crown property adjoining the WINNER property on the northwest resulted in the new discovery of a gold bearing structure with high values (Figure 6). One of the trenches returned the most impressive values, including 0.22 oz/ton Au over a true width of 11 m (36 feet) and 1.22 oz/ton Au across 2 m.
4. The Winnipeg-Golden Crown Mine adjacent to the east procuded 61,514 tons of ore prior to 1912 with reported grades of:  
  
Gold : 0.20 - 0.45 oz/ton  
Silver : 0.62 - 0.82 oz/ton  
Copper : 0.16 - 1.53 %/ton

Recent exploration on the Winnipeg-Golden Crown included extensive geophysical and geochemical surveys followed by trenching and diamond drilling. The total drilling on the Winnipeg-Golden Crown property between 1965 and 1986 aggregates in excess of 6,000 m in 80 holes and resulting in the delineation of 40,000 tons of drill indicated reserves averaging 0.3 oz Au/ton.

5. To the south, the property is bordered by the Ophir claim containing the Ophir vein with local, erratic high gold value (2.3 oz/Au ton across 1.5 feet). It was traced for about 100 m of strike length (Phendler 1973). The northwest extension of the Ophir vein appears to be represented by Anomaly No. 5 on the property, (Figure 6).
6. The newly discovered South Zone of the Golden Crown Property with gold values, up to 1.26 oz/Au ton across 4 feet, is located immediately east of the property (Ranger claim) and was traced southeasterly in excess of 400 m, through fourteen diamond drill holes in December 1986. It may be disrupted by a fault within the Ranger claim, but reappears as "Anomaly No. 1 - 1A", 1,000 m long in strike length, on the northern sector of the property (Figure 6).
7. The results of the current and previous sampling of the mineral showings on the Winner property itself indicate commercial interest. The more significant samples are summarized below and detailed in Section 6 of this report:

<u>Sample Nos.</u>	<u>Location</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>
W 1	Winner Shaft Vein	1.19	0.57
46701	Ranger Shaft Vein	1.102	0.78

1972

8. The exposure of the Winner Quartz Vein in the southern sector of the property was traced over a strike length of 120 m and is open-ended to the northwest. Based on the aforementioned assay results and the reported presence of free gold in the Winner shaft (1983 report, Minister of Mines, page A 160), its economic significance remains to be investigated for further lateral extension on strike. The downward extensions should also be tested by drilling.
  
9. The Crown, Winner, Ophir/Keno, South Zone, and Winnipeg-Golden Crown showings are all commonly trending northwest. They are hosted by the same lithologic and tectonic conditions and appear to occur in the same metallogenic system (Figures 4 and 6).
  
10. The preliminarily completed geophysical and geochemical surveys for this report present more than ten electromagnetic anomalies with coincident geochemical values. These are fairly similar to the initial electromagnetic anomalies with corresponding geochemical anomalies of the Crown showings and South Zone which were discovered in the summer of 1986. These anomalies led to the follow-up extensive trenching and drilling programs in October-December 1986 with encouraging results (Figure 6).

RECOMMENDATIONS

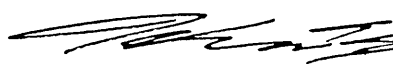
In view of the foregoing, the Winner claim group merits an additional exploration program to determine its economic feasibility. The exploration program should consist of two stages. The initial stage will be preceded by completion of fill-in soil sampling at 15 m interval in the entire line grid and followed by geochemical and geophysical prospecting to locate prime sites for trenching, mapping and sampling. A second stage consists of short diamond drilling to test downward extensions of the Winner Quartz Vein, the Ranger Shaft Vein, the South Zone (Anomaly No. 1-1A) the Ophir Vein (Anomaly No. 5) and other zones which will indicate potential economic mineralization.

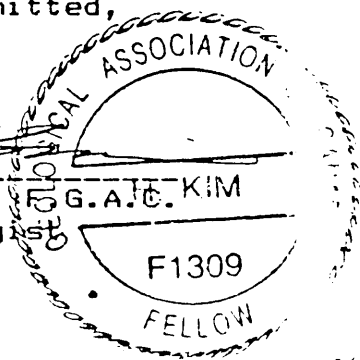
The estimated cost of the recommended program:

Stage I	\$ 45,000
II	<u>\$ 65,000</u>
	<u>\$ 110,000</u>

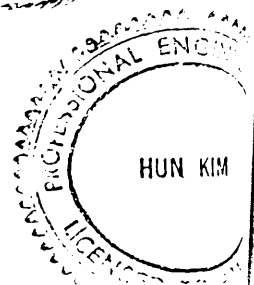
It is also recommended that Silver Lady Resources Inc. allocate the sum of \$45,000 to initiate and execute the first phase of the recommended exploration program.

Respectfully submitted,

  
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H. Kim, P. Geol., F.G.A.C. KIM  
Consulting Geologist



February 12, 1987  
Vancouver, B.C.



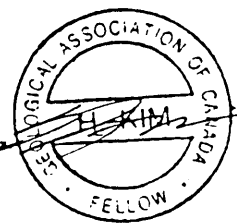
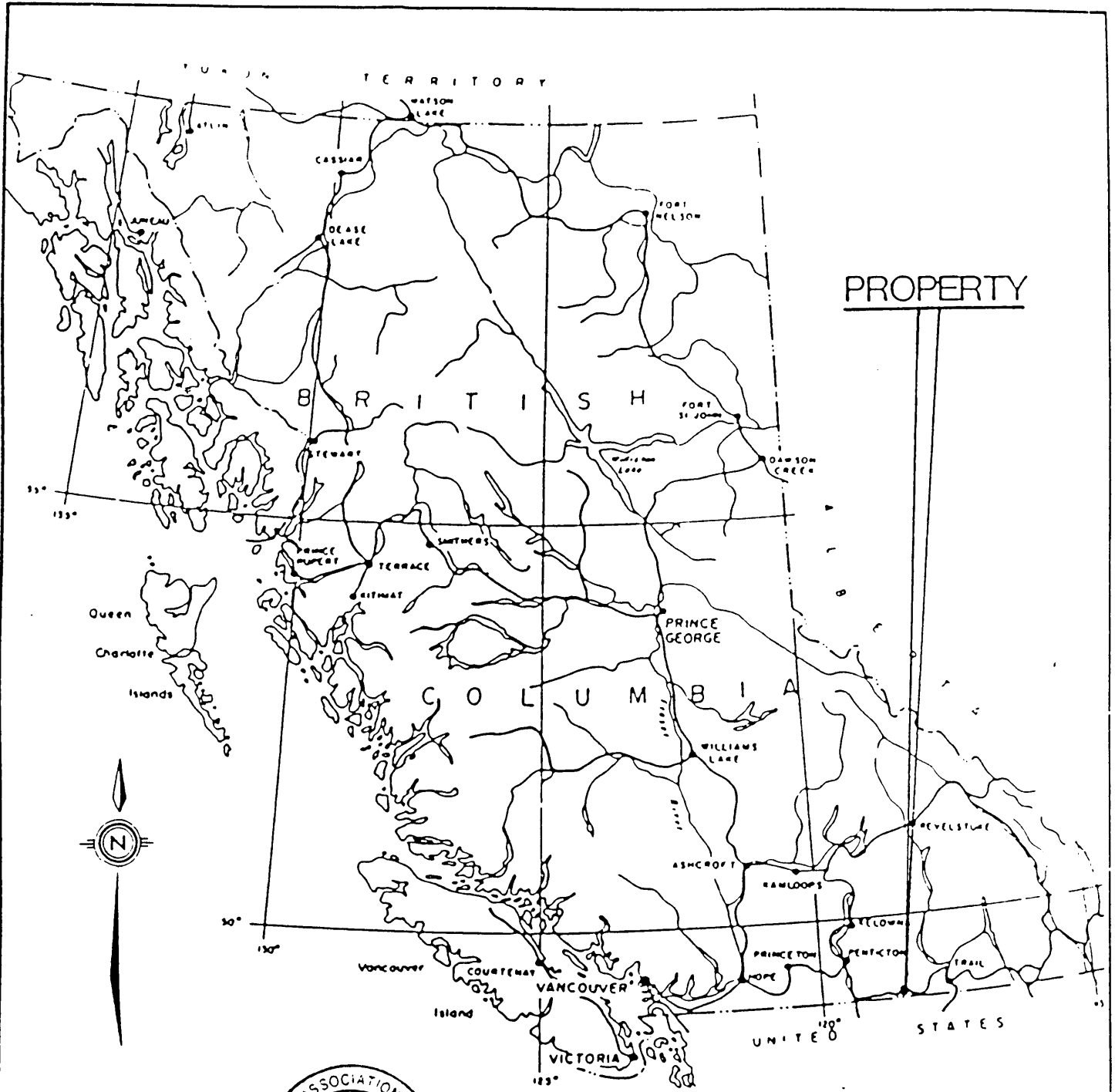
REPORT ON THE  
PRELIMINARY GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION  
FOR  
SILVER LADY RESOURCES INC.  
ON THE WINNER CLAIM GROUP  
GREENWOOD MINING DIVISION

PART B

1.0 INTRODUCTION

This report summarizes the results of preliminary geological, electromagnetic and geochemical surveys on the Winner claim group in the Greenwood Mining Division, about 500 kms by road east of Vancouver. The report is also a compilation of the present and future exploration concepts and recommendations relating to the gold-bearing quartz veins and sulphide deposits seen in the Winner property and utilizes all available existing data on the subject property and the adjoining claims.

The general Boundary Mining Camp area in central southern British Columbia has recently been under active exploration as a result of new discoveries of gold-bearing sulphide deposits on the Sylvester K and Skylark Resources properties, which are within two km from the subject property. The exploration activities in the area have been further stimulated by the encouraging findings in the Crown property, to the northwest by Noranda Mines (December 1986) and by the current promising results of diamond drilling in the South Zone.

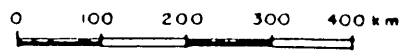


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Consulting Geologist

**Silver Lady Resources Inc.**

**WINNER Claim Group**  
**Greenwood Mining Division**

# Location Map



SCALE 1 : 6,300,000	DATE December 1986	NTS 62E/2E	DRAWN BY Jong Lee Drafting Service	<b>FIG. 1</b>

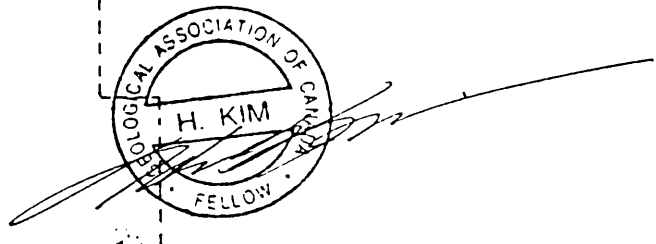
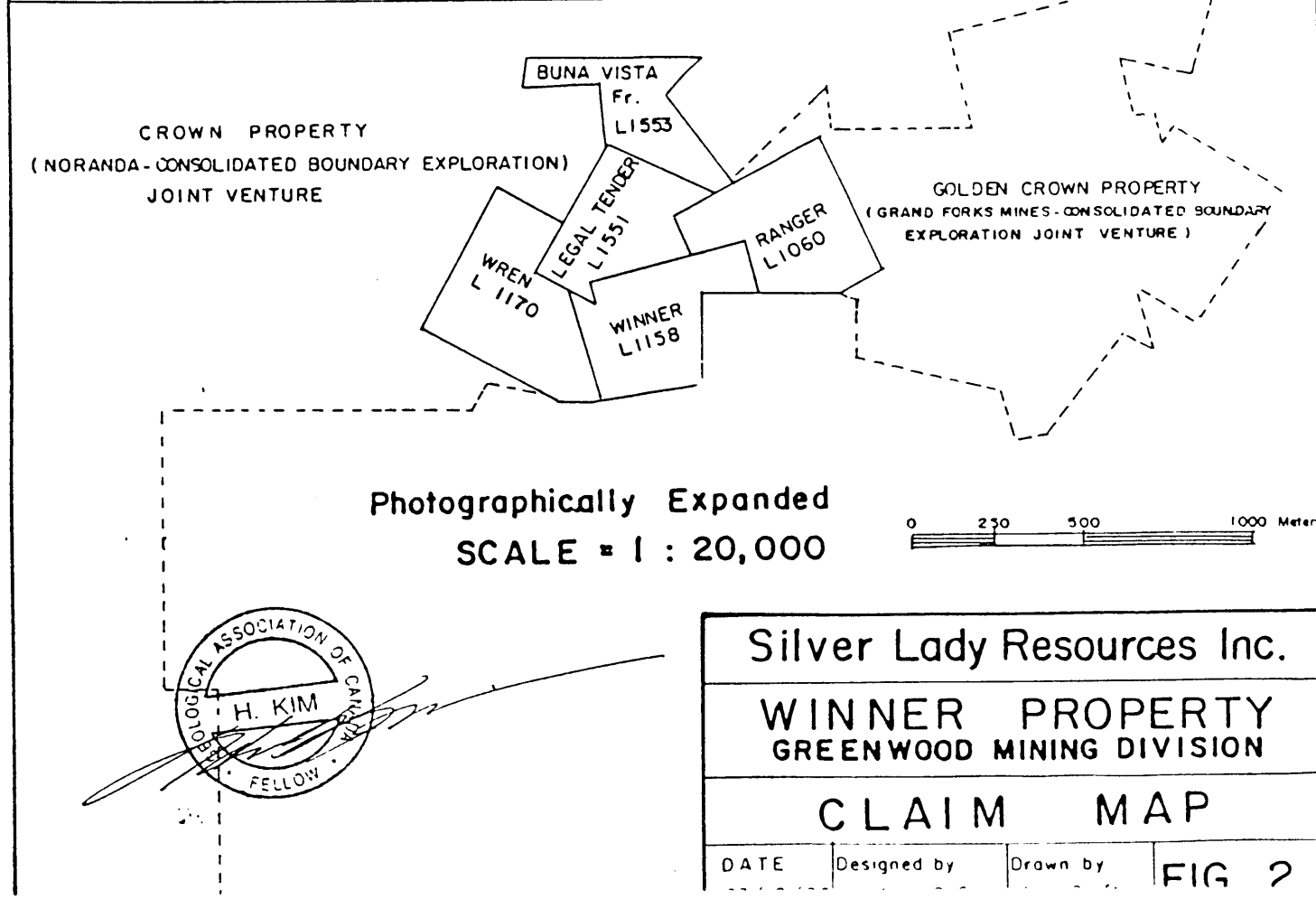
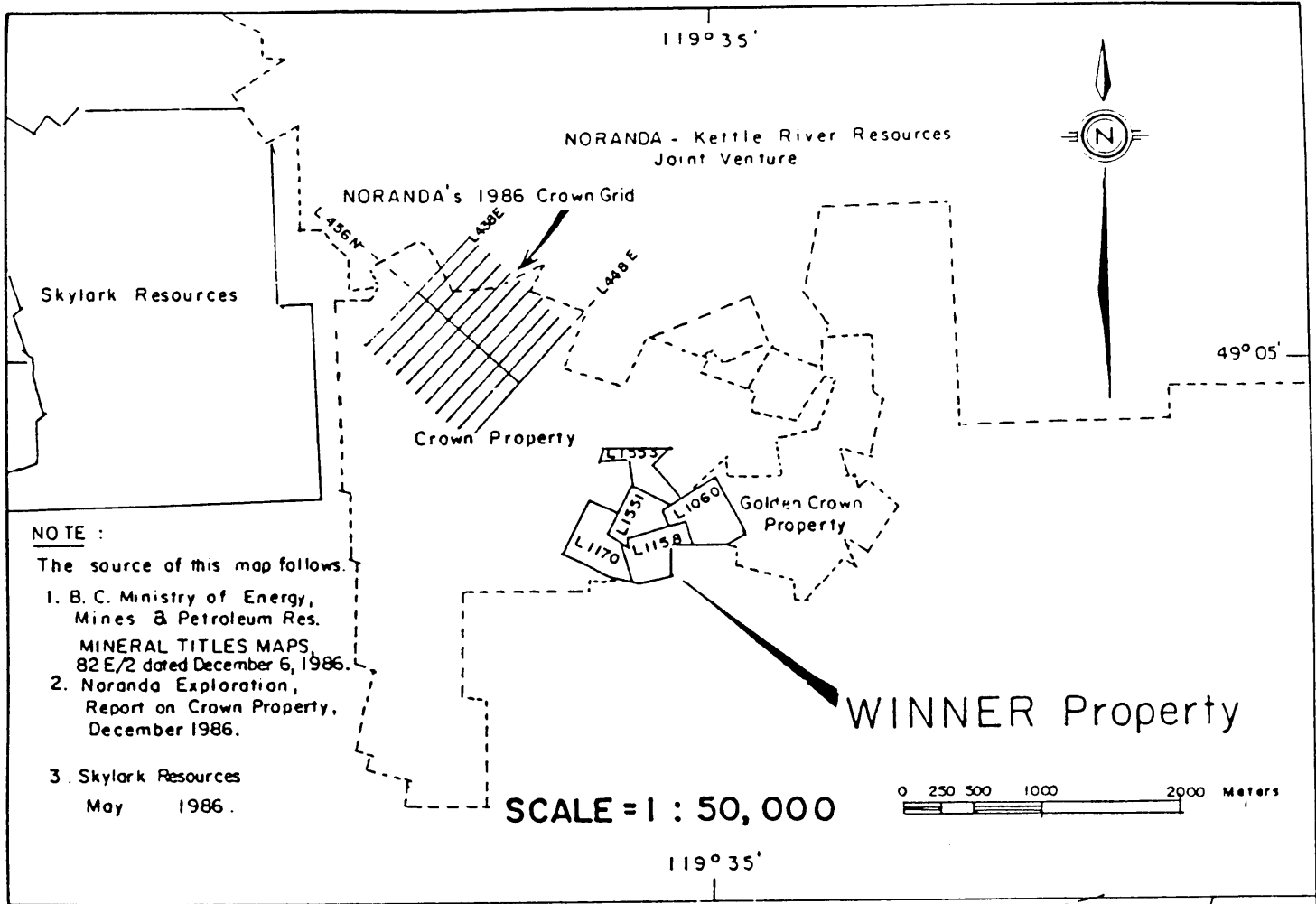
The line-grid flagging, soil sampling and VLF-EM 16 surveys were accomplished by Jack Luckie, Certified Geological Technologist and Ray Hughes of Grand Forks, B.C. under the author's general supervision. The VLF-EM 16 survey in particular was under the field supervision and instruction of Steve Presunka, Geophysicist, c/o Jim McDougal of Vancouver, B.C. A geophysical interpretation of the electromagnetic anomalies for this report was conducted by Steve Presunka. His geophysical note is appended in this report (Appendix II).

2.0 PROPERTY

The Winner property consists of five reverted Crown Grants, which are held by Silver Lady Resources Inc. The five reverted Crown Grants were transferred by Bill of Sale from George Nakade of Grand Forks, B.C. to Silver Lady Resources Inc. on October 28, 1986. The claim particulars are listed below and shown on Figure 2.

TABLE 1 CLAIM PARTICULARS

<u>Name</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Expiry Date</u>
Winner	1158	305	December 2, 1996
Ranger	1060	2540	December 2, 1996
Legal Tender	1551	2538	December 2, 1996
Wren	1170	2537	December 2, 1996
Buna Vista Fr.	1553	2538	December 2, 1996

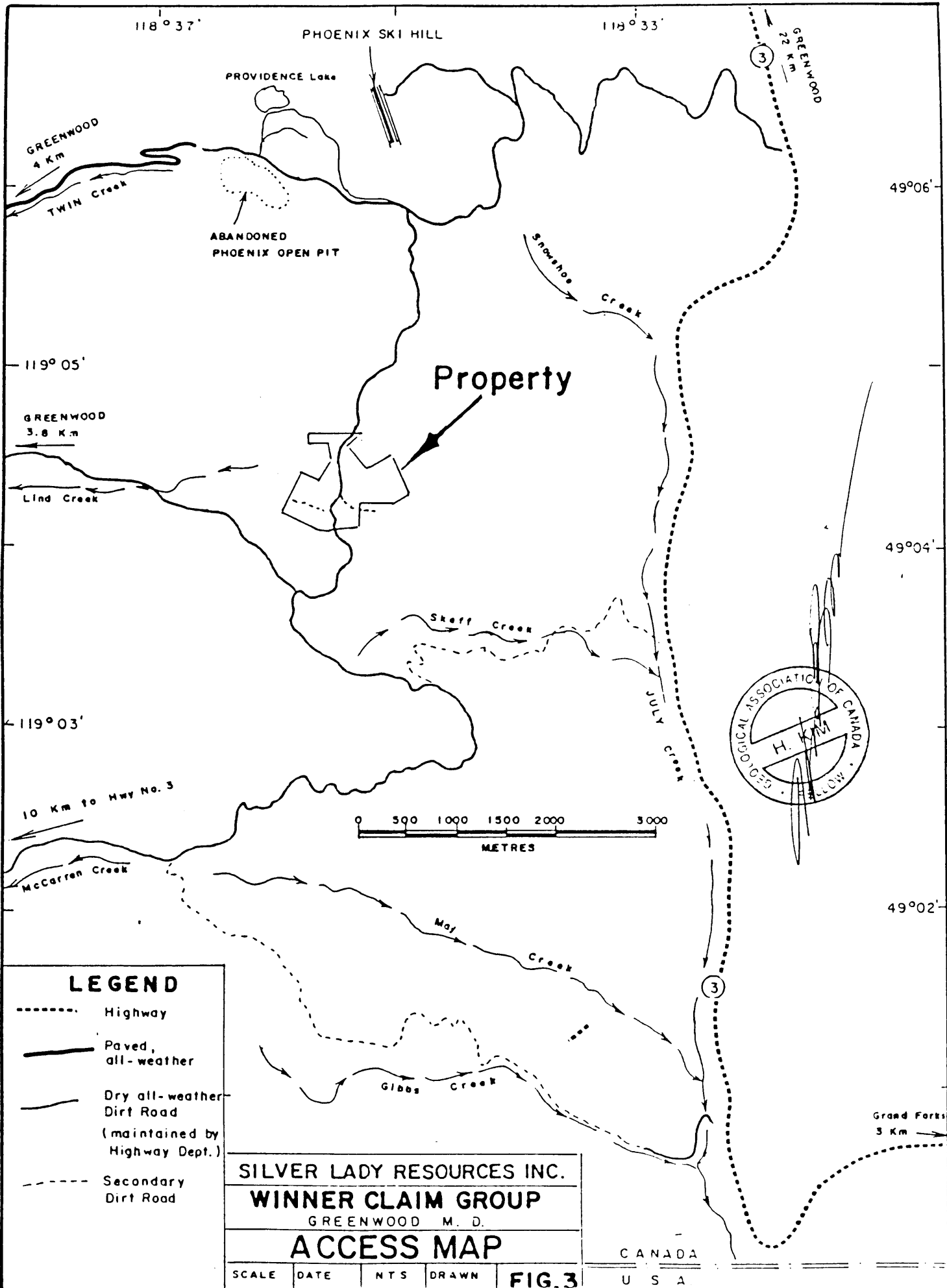




### 3.0 LOCATION AND ACCESS

The property lies in the historically renowned Phoenix-Boundary Mining Camp in the southern interior of British Columbia. It is readily accessible from Highway No. 3 through an all weather black-topped road, the Phoenix Ski Hill dirt road, and through numerous other mine haulage and secondary roads, (Figure 3).

The centre of the property is 6 km southeast, and 14 km northwest of Greenwood and Grand Forks respectively, and reachable within half an hour by normal transportation from the two towns. A major centre for food and industrial supplies is the city of Grand Forks located 1 km north of Danville, Washington State with 4,000 population.



118° 37'

PHOENIX SKI HILL

118° 33'

GREENWOOD  
22 km

PROVIDENCE Lake

GREENWOOD  
4 km

TWIN Creek

ABANDONED  
PHOENIX OPEN PIT

49°06'

Snowshoe  
Creek

Property

119° 05'

GREENWOOD  
3.8 km

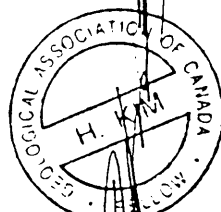
Lind Creek

49°04'

Skuff Creek

119° 03'

10 km to Hwy No. 3



49°02'

McCarran Creek

May  
Creek

**LEGEND**

- Highway
- Paved, all-weather
- Dry all-weather Dirt Road (maintained by Highway Dept.)
- - - - Secondary Dirt Road

SILVER LADY RESOURCES INC.  
**WINNER CLAIM GROUP**  
 GREENWOOD M. D.  
**ACCESS MAP**

CANADA

SCALE DATE NTS DRAWN **FIG. 3**

U S A

Grand Forks  
3 km

#### 4.0 HISTORY

##### 4.1 General Phoenix-Boundary Mining Camp

The history of exploration in the Greenwood-Grand Forks area dates back to the early 19th century, when the first fur traders explored the region. Typical with the rest of Western Canada, these fur traders were followed by placer and lode gold prospectors.

In the 1890's, large copper ore deposits including Phoenix, Motherlode and Deadwood camps were discovered, followed by construction of copper smelting plants at Boundary Falls, Greenwood and Grand Forks. The major mine was Phoenix camp, 2 km north of the Winner property. The total production from Phoenix to date is about 30 million tons averaging 0.85% copper, 0.033 oz/ton gold and 0.20 oz/ton silver. Since 1977, the Phoenix open pit has been inactive and is under the management of Noranda Mines who took over the property from Granby Mining Corporation. Other deposits known in the area were Oro Denoro and the B.C. Mines in the Summit camp, 4 km northeast of Phoenix.

The Jewel mine south of Jewel Lake, 8 km northeast of Greenwood reportedly produced 66,500 tons of ore from a Tertiary quartz vein, grading 0.32 oz/ton and 2.0 oz/ton silver.

The inactive Providence mine, 2 km northeast of Greenwood was a high grade operation, which produced a total of 11,451 tons averaging 0.51 oz/ton gold and 119 oz/ton silver to yield total 5,867 ounces of gold and 1,361,433 ounces of silver.

##### 4.2 Winner Property and Adjacent Mines

As stated earlier, three major copper smelting plants were built at Grand Forks, Greenwood and Boundary Falls in the 1890's.

These smelters accepted any gold-silver bearing ore from the surrounding areas for custom milling. Several small mining operations were developed in addition to the main copper mines at Phoenix and Motherlode and numerous lode gold prospecting in the area ensued.

Approximately 8,000' of shafts and drifts were completed on the Golden Crown and Winnipeg prior to 1905. Development and shipping of ores from both claims continued in 1901 to 1902 and 1910 to 1912. During the above periods reported production from these two claims are:

- Winnipeg: 58,722 tons, grading 0.2 oz Au/ton, 0.62 oz Ag/ton and 0.16% Cu.
- Golden Crown: 2,742 tons, grading 0.45 oz Au/ton, 0.82 oz Ag/ton and 1.53% Cu.

Several caved shafts and hand trenches seen on the Winner, Legal Tender and Ranger claims were probably done, concurrently with or subsequent to the active prospecting and mining development of the Golden Crown and Winnipeg claims.

A Report of the Minister of Mines, 1933 (page A 160) has the following notes on the subject property:

"This group, owned by George Walters and associates, of Greenwood, includes the Winner, Legal Tender, Wren and Good Luck Fraction and lies a short distance south-east of Phoenix and Hardford Junction close to the old road. Development during 1933 included sinking the new shaft through the fault to about 50 feet in depth. The vein is about 2 feet wide and in places shows free gold. The strike of the vein through the Winner and Legal Tender is persistent and the vein in places is 6 feet wide and warrants further exploration. Evidently the ore found in the shaft is the top of a shoot which probably rakes south."

Other than the above, no official document regarding the production history on the property is available. It was reported that the property was owned by Scotia Mines Ltd. prior to April 1984. The acquisition of the entire property including the Winner claim was completed by George Nakade of Grand Forks, B.C. in late 1984, and was transferred by Bill of Sale to Silver Lady Resources Inc. in October 1986.

Although significant gold production was realized from the Golden Crown and Winnipeg workings prior to 1912, they have been dormant until 1965. Between 1965 and 1983, the Golden Crown and Winnipeg property was optioned intermittently by several major companies including Scurry Rainbow but the project was dropped after an extensive diamond drilling program of 80 holes totalling 9,000 m. Since 1983, the Golden Crown-Winnipeg has been continuously explored by the the Consolidated Boundary Exploration-Grand Forks Mines Ltd. Venture. A total of 40,000 tons grading 0.3 oz/ton Au of drill indicated reserves were reported on the Golden Crown (December 12, 1986).

In December 1986, Consolidated Boundary Exploration has put down 14 short diamond drill holes at and near the east limit of the Winner property (Ranger claim) to test an EM-16 anomaly. The results of the drilling were found to be encouraging with the core samples showing up to 1.260 oz/ton gold over 4 feet. Details of the results are shown on Figure 6.

On the Keno-Ophir property adjacent to the South, a 35 foot inclined shaft was sunk prior to 1933. It is also reported that in 1936, Mr. L. Manzini, who presumably held a lease on the Keno-Ophir, shipped 89 tons averaging 0.88 oz/ton Au, 9.9 oz/ton Ag and 1.3% pb. The present owner of this property is Mr. Sam Bombini of Greenwood, B.C. The trenching by Mr. Bombini in 1973 disclosed the presence of new quartz veins with significant gold mineralization.

## 5.0 GEOLOGY

### 5.1 Regional Geology

B.N. Church (1985) updates the regional geologic informations and refers to the forty-three earlier publications in the Greenwood - Grand Forks map area. A 1975 geological report in the area by the author forms a part of the references for the report by B.N. Church (1985).

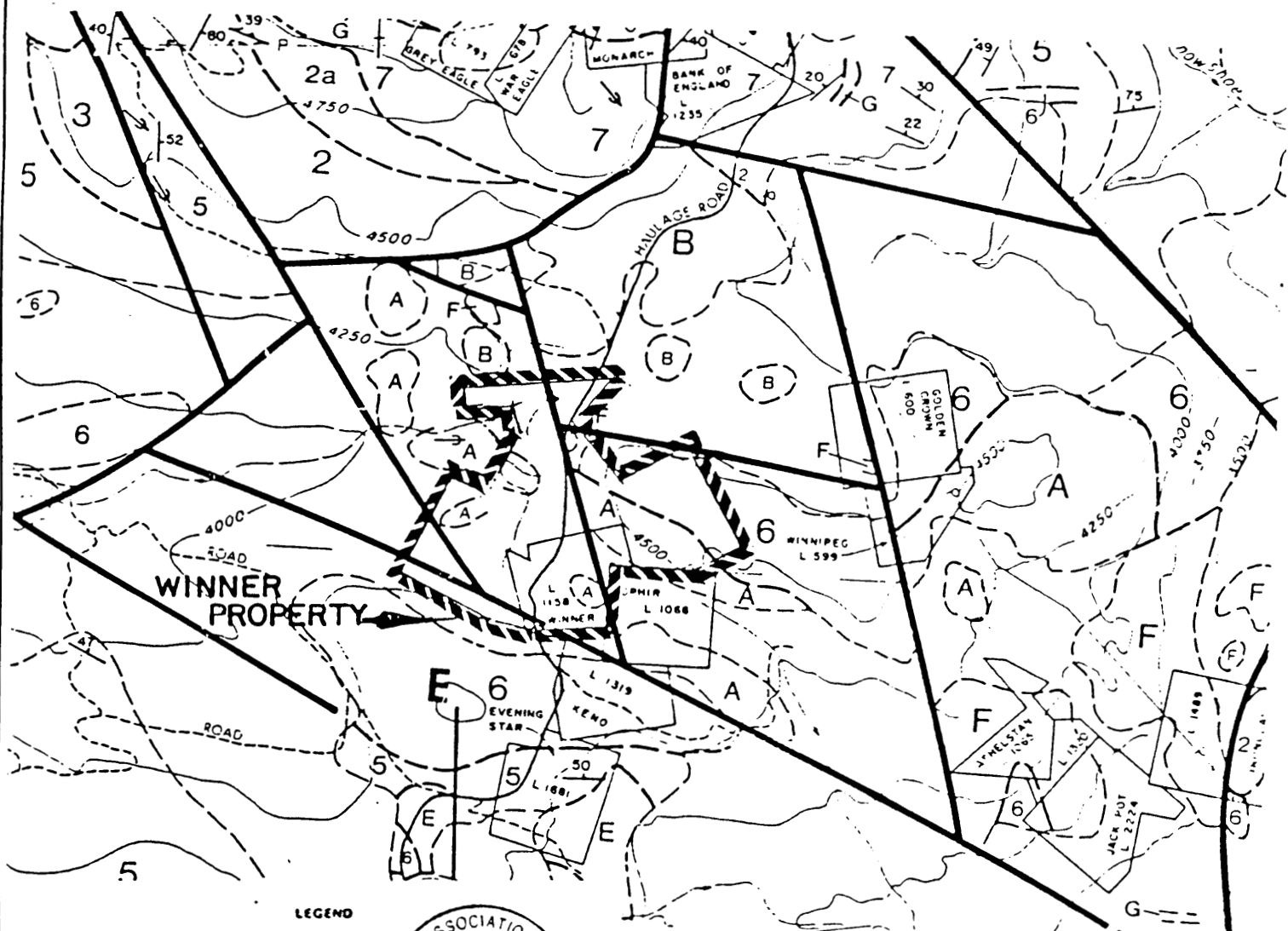
Church presented twenty-two geological units in the Mount Atwood - Greenwood Area. These include metamorphic, sedimentary, and intrusive and extrusive igneous rocks ranging in age from Permo - Carboniferous to Tertiary that "reflect multiple episodes of deformation and igneous intrusion". The Winner property occupies approximately a centre of this regional geological map. A portion of this map is presented in Fig. 4 of this report.

Mineral deposits in the Greenwood - Grand Forks area vary, ranging from contact metasomatic skarn deposits with base metal occurrences to structurally controlled quartz veining and sulphide deposits carrying precious metal values.

### 5.2 LOCAL GEOLOGY

The property is underlain by Permo-Carboniferous to Triassic aged metavolcanic rocks and intrusive rocks, which are fairly identical to and/or continuous with the country rock of the easterly adjoining Golden Crown - Winnipeg, one of the former largest gold producer in the area.

The metavolcanics in the area have been generally termed greenstone, which is known to be of andesitic to basaltic composition and in places has been metamorphosed and recrystallized into amphibolite and amphibolitic schist (green schist).



**LEGEND**

**BEDDED ROCKS**

**TERTIARY**

**PENTICTON GROUP**

- 13 **MARION FORMATION**  
PARK HILL MEMBER: BROWN MICROCRYSTALLINE ANDESITE, MICROCHLORITE
- 12 **WINNETT LAKE MEMBER**: TAN TRACHYTE, PULASKITE SILLS AND DYKES
- 11 **YELLOW LAKE MEMBER**: PURPLE MAFIC PHONOITE, MONZOOKORITE SILLS
- 10 **KETTLE RIVER FORMATION**: MOSTLY ARKOSIC SANDSTONE, SOME CONGLOMERATES, AND MINOR RHYOLITE TUFF. 110W SPRINGBROOK FORMATION

**TRIASSIC**

**BROOKLYN GROUP,**

- 9 **EMOLT FORMATION** MOSTLY MAROON AND GREEN VOLCANICLASTICS
- 8 **LIMESTONE AND INTERCALATED ARGILLITE**      0 **SKARN**
- 7 **SHARPSTONE CONGLOMERATE, INTERCALATED SANDSTONE, AND SHALE**

**PERMO-CARBONIFEROUS**

**ATTWOOD GROUP**

- 6 **METAVOLCANICS, MOSTLY GREENSTONES (METAMORPHOSED BASALTS AND ANDESITES)**
- 5/4 **BLACK SHALE, GREYWACKE/LIMESTONE**
- 3 **SHARPSTONE CONGLOMERATE, CHERT BRECCIA AND SANDSTONE**

**BASEMENT COMPLEX**

**KNOB HILL GROUP**

- 2/2a 12) METACHERT AND MICA SCHIST, 12b) AMPHIBOLITIC SCHIST AND GNEISS.
- 1 11) MARBLE

**IGNEOUS INTRUSIONS**

**TERTIARY**

- H **CORVELL FORMATION** SYENITE MONZONITE AND SHONKINITE
- G **DIORITE, MONZOOKORITE, PULASKITE**

**CRETACEOUS**

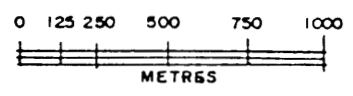
- F **ULTRAMAFICS, SERPENTINE, LISTWANITE**
- E **GRANODIORITE**
- D **GABBRO**
- C **QUARTZ FELDSPAR PORPHYRY**

**TRIASSIC**

- B **MICROCHLORITE**
- A **OLD DIORITE**

**FAULT**

1 Cm = 250 m



H. Kim, P. Geol., F. G. A. C. Consulting Geologist			
<b>SILVER LADY RESOURCES INC.</b>			
<b>WINNER Claim Group</b>			
GREENWOOD MINING DIVISION			
<b>GEOLOGY</b>			
After B. N. Church (1985)			
DATE December 1986	SCALE As shown	DRAWN J. L. Drafting Service	<b>FIG. 4</b>

The greenstone is predominant on the northeast side of the property, specifically, Ranger claim area, continuous with that of the Winnipeg and Golden Crown claims (See Fig. 4).

The igneous intrusion of Triassic age was presented as map unit "A" (old diorite) by Church (1985) in about the two-third part of the property west. It is also identical to, and continuous with the host rock of the Ophir vein to the southeast, which carried a significant gold value (Phendler 1973) as described in the following section.

The area immediately south of the property is underlain by massive, blocky greenstone and fragmental greenstone, conglomerate, greywacke and limestone and Permo-Carboniferous to Triassic age. These rocks are intruded by the Greenwood granodiorite related to the Nelson Intrusions (Little 1983), which are in turn associated with the Coast Plutonic Complex of Cretaceous time. Apparently derived from this intrusion, there is an extensive development of skarn in the area composed mainly of epidote - garnet calcite and tactite (Phendler 1973). A large plutonic body of granodiorite composition occurs on the east ridge of Mt. Summit, about 1.5 km south of the Winner property.

Serpentinized ultramafic rocks of Cretaceous age (Church, 1985) occur extensively in the area which the Athelstan - Jackpot mine is located, about 2 km southeast of the property. A small body of serpentine also occurs immediately east in the Golden Crown claim. Based on the results of diamond drilling for more than 80 holes, the serpentine lies as sill-like body below the greenstone in the entire Golden Crown and possibly the Winner property area.

Major north-west block faults disrupt the entire property area and surrounding claims and possible syngenetic shearing (fissure) is expressed in predominantly parallel north-west shears. These may have provided conduits for mineralizing hydrothermal solutions, and diorite and ultramafic intrusions. In this respect, Church (1985) gives the following note related to mineralization of the subject ground: "It is conceivable that the intricate and extensive fissure system of the Mt. Attwood - Phoenix area as above shown in part on the accompanying map, provided the necessary channels leading metalliferous solutions to the ore deposits. In this model the igneous intrusions served principally as heat engines in the process of convection and dispersion of the solutions."



### 5.3 Alteration

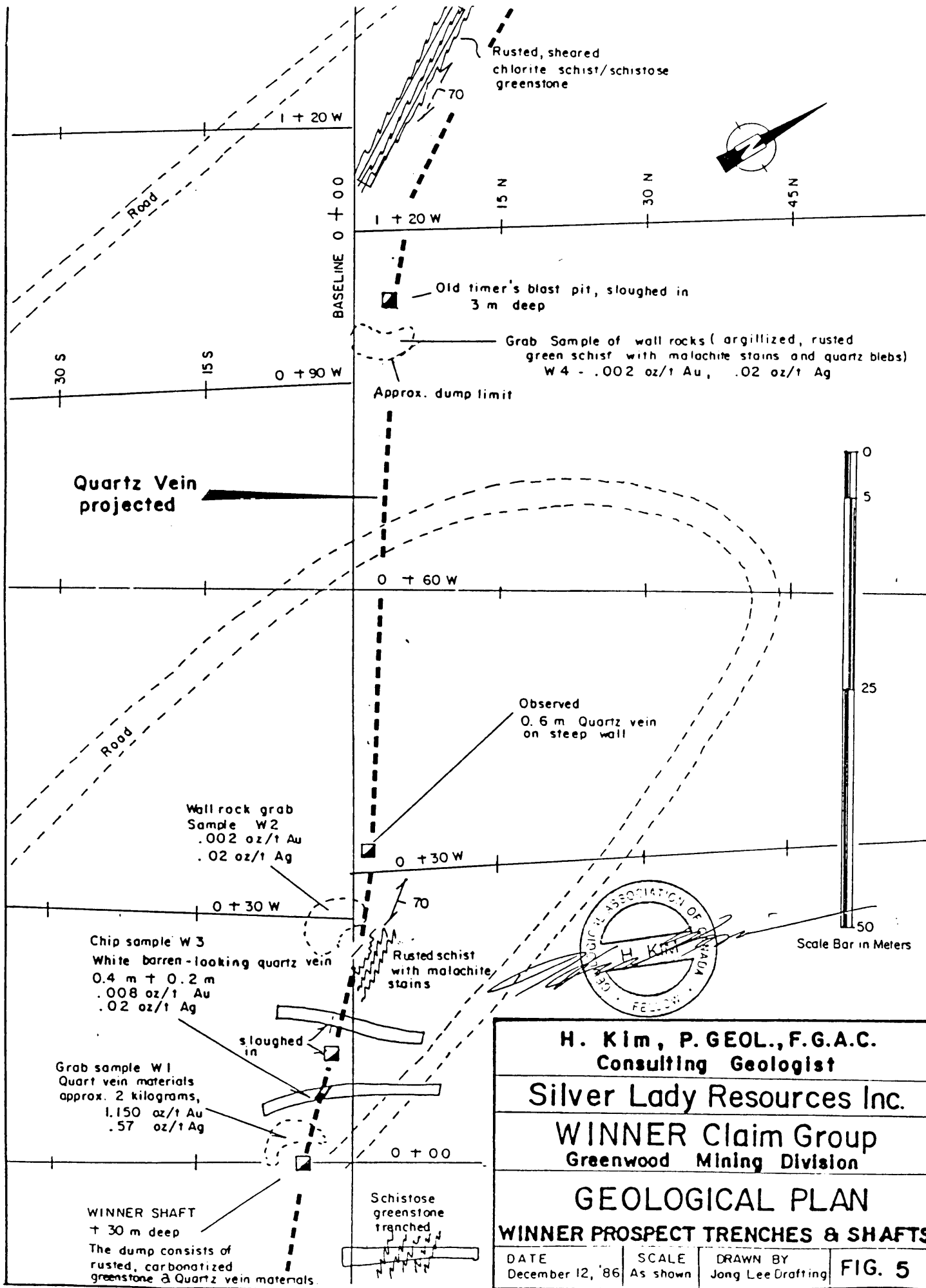
The mineral showings on the property are accompanied by one metre or more of alteration zone on either side of the mineralized structure. The massive pyrite and quartz in the vicinity of the Ranger shaft is accompanied by alteration in the greenstone. This is represented by epidotization, silicification, rustily weathered "buff brown" carbonation. In the vicinity of the Winner prospect workings, along the projected quartz vein location, the alteration product is compounded by bleaching (kaolinization) and argillization in the chlorite schist (or schistose diorite) in addition to the common alteration described above.

### 6.0 MINERAL OCCURENCES

Precious metal mineralization on the property occurs mainly as fissure fillings and replacement veins along multiple parallel, northwest trending structures hosted by greenstone, diorite and schist. Two types of mineralization are presented in the subject area to date: (1) quartz vein and (2) massive sulphide. The host rocks in the vicinity of the showings are in common bleached, argillized, silicified, carbonatized, pyritized, hematolimonitized and possibly ankeritized. A brief description follows.

#### 6.1 Winner Quartz Vein

Shown on Figure 5, this quartz vein is located in the southern sector, striking N 50 - 55 W, almost conforming to Baseline 0 + 00, and was traced for 120 m. It was prospected by four trenches and four shafts including two shallow blast pits, 2 - 3 m deep. Most of these physical workings were sloughed in or flooded during this investigation period. The two trenches at the northeast and southeast ends exposed only rusted, sheared green schist without quartz vein, but they appear to be spotted in wrong location, being missed or parallel the projected vein outcrop. Since Figure 5 itself is self-explanatory, geological description of the showings is not repeated, but the following factors may lead to an exploration concept of this quartz vein type in the area:



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**Consulting Geologist**

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**Silver Lady Resources Inc.**

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**WINNER Claim Group**  
**Greenwood Mining Division**

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**GEOLOGICAL PLAN**

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**WINNER PROSPECT TRENCHES & SHAFTS**

DATE December 12, '86	SCALE As shown	DRAWN BY Jong Lee Drafting
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FIG. 5

- a) Negligible amount of sulphide mineral.

In contrast to wall rock alteration including pyritization, quartz vein itself appears to carry lesser sulphide minerals or in places lacks sulphide mineral in hand specimens.

- b) Insignificant response to electromagnetic survey.

Because of insignificant sulphide mineralization in the quartz vein, it has not been detected by EM-16 survey. However, a grab sample of barren-looking silica quartz materials from the dump returned 1.150 oz/ton in gold. As described earlier, the Winner shaft was reported to carry free gold.

- c) Predominant northwest trending.

Conforming to the productive Golden Crown zone and the South Zone, the Winner quartz vein also trends northwest.

- d) Geochemical soil value at the Winner shaft area.

In contrast to the significant assay result and reported free gold, a soil sample in the Winner shaft area returned moderate values (140 ppb) but not conspicuously high. As described in the following, Anomalies 1 - 10 presented higher geochemical values ranging from 324 ppb to 991 ppb.

A total of five samples were picked from the Winner prospect trenches and shafts and returned the following assays:

TABLE 2 SAMPLING AT WINNER PROSPECT WORKINGS

Sample #	Location	Width (m)	Sample Description	Gold oz/ton	Silver oz/ton
Winner 1	Winner Main Shaft Dump	-	2 kilograms grab sample, white quartz vein materials no conspicuous sulphide is noted	1.19	0.57
Winner 2	Dump Baseline 0 + 00 0 + 30 W	-	Grab sample, silicified mottled, weakly pyritized wall rock materials	0.02	0.02

Sample #	Location	Width (m)	Sample Description	Gold oz/ton	Silver oz/ton
Winner 3	Trench Baseline 0 + 00 0 + 10 W	0.6	Chip sample, white barren looking quartz vein	0.08	0.02
No Mark (Winner 4)	Dump Baseline 0 + 00 0 + 90 W	-	Grab samples, argillized, rusted schist with malachite stains and quartz blebs	0.002	0.02

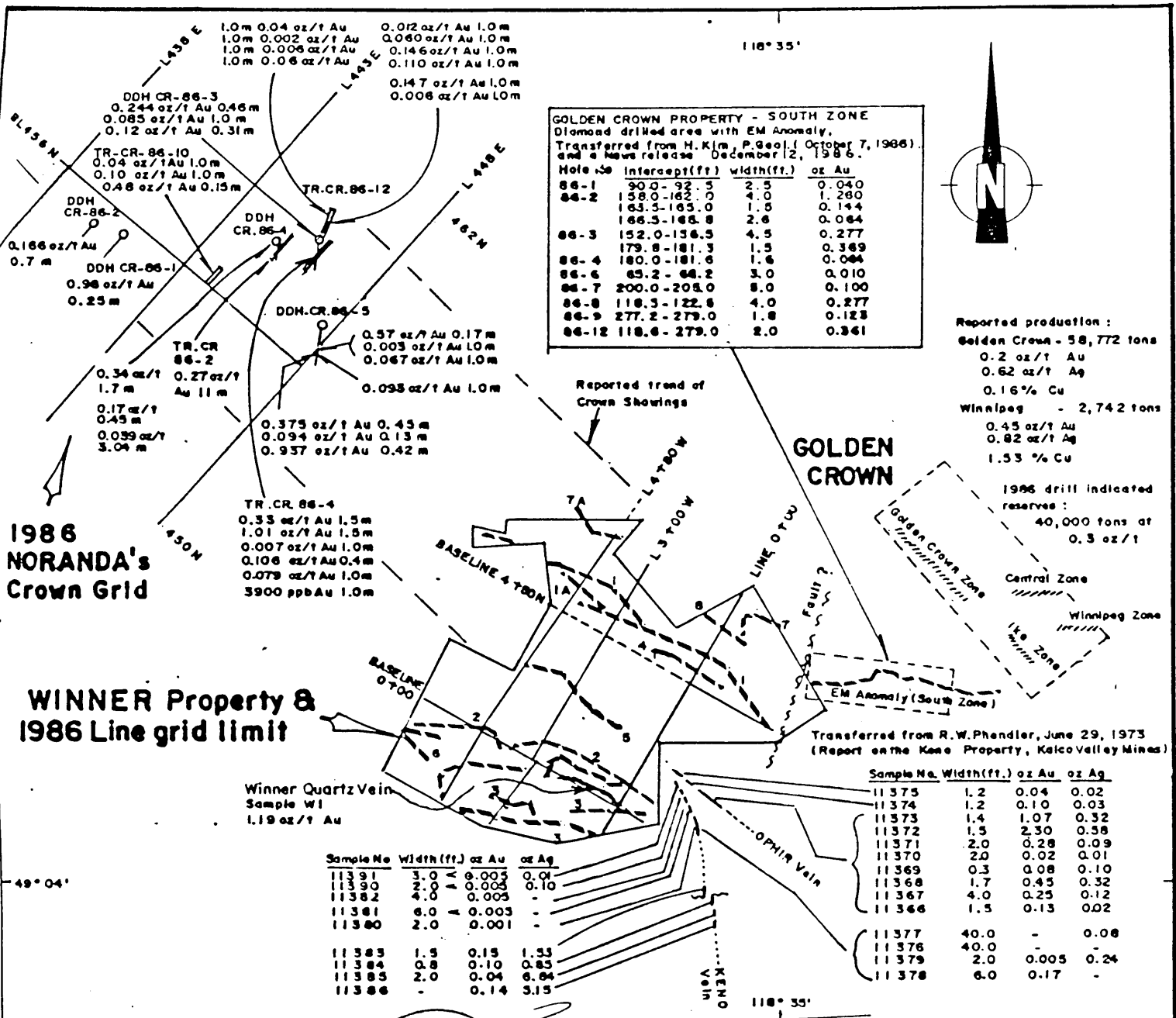
## 6.2 Ophir and Keno Veins

On the Ophir claim, southerly adjacent to the Winner claim, two quartz veins were prospected by several shafts and trenches prior to 1973. The Ophir vein which strikes N 50 W and was traced for 320 feet and the Keno vein which strikes almost N-S and was traced for 570 feet (Phendler, 1973). As seen on Figure 6, the two veins appear to merge into one and extend further northwesterly on the Winner property. Anomaly No. 5 would be the north extension of the Ophir vein.

The following assay table is transferred from a report by R.W. Phendler (1973), and approximate sample locations are shown on Figure 6.

TABLE 3 ASSAY RESULTS - OPHIR AND KENO VEINS (PHENDLER 1973)

Sample #	Width	Oz. Au.	Oz. Ag.	% Cu.	Location
11366	1.5'	.13	.02	-	SE end of Ophir vein.
11367	4.0'	.25	.12	.10	25' NW of 11366
11368	1.7'	.45	.32	.09	50' NW of 11366
11369	0.3'	.08	.10	.08	60' NW of 11366, split
11370	2.0'	.02	.01	-	78' NW of 11366
11371	2.0	.28	.09	-	100' NW of 11366
11372	1.5'	2.30	.58	-	127' NW of 11366
11373	1.4'	1.07	.32	-	160' NW of 11366
11374	1.2'	.10	.03	-	227' NW of 11366
11375	1.2'	.04	.02	-	318' NW of 11366
11376	40.0'	-	-	.02	0-40' in NE trench
11377	40.0'	-	.08	.12	40-80' in NE trench



**LEGEND**

- Geophysical & Geochemical Anomalies Combined with Anomaly Number
- Vein exposed

**NOTE:**  
 This map is derived from the following data believed to be reliable, but its accuracy is not guaranteed.

- 1984 & 1985 Ass. Reports (Sookchoff, P. Eng.)
- 1986 Complementary Report (Kim, P. Geol.)
- News release by Consol. Boundary Expl. Ltd. & Grand Forks Mines Ltd., December 12, 1986.
- Noranda Mines' progress report on Crown property, December, 1986.
- 1973 Geology Report (Phendler, P. Eng.)

**H. KIM, P. GEOL., F. G. A. C.**  
 Consulting Geologist

**SILVER LADY RESOURCES INC.**

**WINNER Claim Group**  
 GREENWOOD MINING DIVISION

**GEOPHYSICAL & GEOCHEMICAL ANOMALIES WITH CORRELATIVE MINERAL SHOWINGS ON THE WINNER PROPERTY & ADJACENT PROPERTIES**

SCALE	DATE	DRAWN BY:	NTS	FIG. 6
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<u>Sample_#</u>	<u>Width</u>	<u>Oz.Au.</u>	<u>Oz.Ag.</u>	<u>%Cu.</u>	<u>Location</u>
11378	8.0'	.17	-	.39	S. end N-S trench
11379	2.0'	.005	.24	.40	40' N of 11378
11380	2.0'	.01	-	.50	70' N of 11378
11381	6.0'	.005	-	.06	100' N of 11378
11382	4.0'	.005	-	.30	140' N of 11378
11390	2.0'	.005	.10	.01	179' N of 11378
11391	3.0'	.005	.01	.01	210' N of 11378
11383	1.5'	.015	1.53	-	N end Keno claim (vein)
11384	0.8'	.10	.85	-	S of Keno shaft
11385	2.0'	.04	68.4	-	70' S of Keno shaft
11386	-	.14	5.15	-	80' S of Keno shaft. dump.
11387	75.0'	.005	.54	.40	Keno extension claim-skarn.
11388	30.0'	-	.67	.65	Evening Star claim-skarn
11389	20.0'	-	-	.56	Evening Star claim-skarn

### 6.3 South\_Zone

The South Zone is a massive sulphide deposit comprised mainly of pyrrhotite and minor chalcopyrite, pyrite and quartz vein with significant gold value, trending northwest and eastwest. It is located at the east boundary of the Winner property (Ranger claim) and was traced southeasterly for in excess of 400 m, based on fourteen diamond drill holes completed in December 1986. Indicated on Figure 6, the South Zone may be disrupted by a fault within the Ranger claim area and reappear as "Anomaly No. 1 - 1A" on the subject ground. It should be noted that the South Zone was initially expressed as an EM-16 conductor zone, similar to the various anomalies found on the property (Presunka 1986 - personal communication). The results of the sulphide intersections from the 1986 diamond drilling on the South Zone are transferred from a NEWS RELEASE (December 12, 1986):

TABLE 4

ASSAY RESULTS FROM DIAMOND DRILLING  
THE SOUTH ZONE

<u>Hole No.</u>	<u>Intercept (ft.)</u>	<u>Width (ft.)</u>	<u>Assay Gold oz/ton</u>
86-1	90.0 - 92.5	2.5	.040
86-2	158.0 - 162.0	4.0	1.260
	163.5 - 165.0	1.5	.144
	166.5 - 168.8	2.6	.064
86-3	152.0 - 156.5	4.5	.227
	179.3 - 181.3	1.5	.369
86-4	180.0 - 181.6	1.6	.064
86-6	65.2 - 68.2	3.0	.010
86-7	200.0 - 205.0	5.0	.101
86-8	118.5 - 122.5	4.0	.277
86-9	277.2 - 279.0	1.8	.123
86-12	118.6 - 220.6	2.0	.361

The general location of the above diamond drilling is shown on Figure 6. A more detailed geology of the South Zone is described in other report (Kim, 1986).

#### 6.4 Ranger Shaft

The Ranger Shaft located within Anomaly No. 4 was sunk about 20 m deep on vertical N 70 - 80 W trending vein of massive pyrite and quartz about 0.6 metre wide. The bottom of the shaft was flooded and the vein was inaccessible for sampling at the date of this investigation. The two collapsed hand trenches were reported in the vicinity of the Ranger Shaft (Taylor, 1984), but a moderate snow cover in the area hindered detailed inspection of the shaft and other physical workings. One grab sample from the dump of the shaft comprising of the altered wall rock (greenstone) with rich pyritization gave the assays of:

TABLE 5 WALL ROCK SAMPLING AT RANGER SHAFT (H. KIM 1986)

<u>Sample No.</u>	<u>Mineral Content</u>
Ranger # 1 (altered wall rock)	0.044 oz/ton gold 0.08 oz/ton silver

R.P. Taylor, P. Eng. (1894) picked five samples in the area around the shaft for Scotia Resources Ltd., and the results of this sampling are transferred from his report:

TABLE 6      ASSAY RESULTS - RANGER SHAFT (TAYLOR 1984)

<u>Sample No.</u>	<u>Cu</u> <u>%</u>	<u>Pb</u> <u>%</u>	<u>Zn</u> <u>%</u>	<u>Ag</u> <u>oz/ton</u>	<u>Au</u> <u>oz/ton</u>	<u>Te</u> <u>ppm</u>
46701 Wall rocks of shaft vein - high Cu	2.29	.01	.01	.78	1.102	
46702 Wall rocks of shaft vein	.26	.01	.01	.09	.006	
46703 Sloughed trench	.03	.01	.01	.01	.001	
46704 Shaft - massive sulphides	.39	.01	.01	.43	.093	3.2
46705 Shaft - high quality content	.28	.01	.01	.09	.016	

The presence of tellurium in sample 46704 is significant in that telluride gold is water soluble and the rocks assayed may be leached of gold content to some extent.

6.5      Crown Showings (Noranda Mines - Consolidated Boundary  
Exploration Ltd. Joint Venture)

The Crown Showings, 1 km northwest of the property, were initially expressed as geophysical and geochemical anomalies in the summer of 1986. They were disclosed by trenching and diamond drilling in October - December 1986. The general trend of this newly discovered mineralization was reported to strike to the northwest, conforming to those of the mineral showings and the anomalies revealed on the property. The significant assay results from Noranda's 1986 program are summarized on Figure 6. The most impressive one is from trenching at TR.CR.86-2:



TABLE 7

SAMPLING AT NORANDA'S 1986  
TRENCH CR-86-2

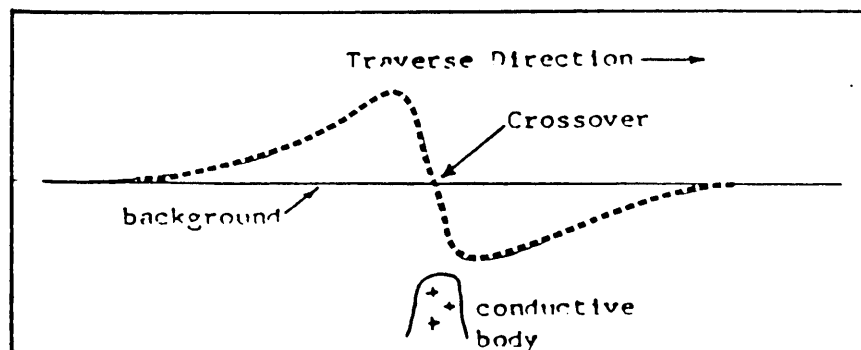
<u>Sample No.</u>	<u>Channel Cut (m)</u>	<u>Gold</u>	
		<u>g/ton</u>	<u>oz/ton</u>
6653	1.0	6.24	0.22
6654	1.0	0.07	0.002
6655	1.0	0.14	0.005
6656	1.0	4.46	0.16
6657	1.0	1.61	0.06
6658	1.0	1.06	0.04
6659	1.0	0.21	0.007
* 6660	1.0	45.26	1.597
6661	1.0	23.86	0.842
6662	1.0	1.06	0.037
6663	1.0	0.65	0.023
* combined	2.0	34.56	1.220

7.0 GEOPHYSICAL SURVEY7.1 General

The purpose of the present geophysical survey was to delineate the gold-bearing zones, possibly extended northwesterly, and southeasterly from the South Zone and Ophir Vein, and the Crown Showings respectively. Steve Presunka, Geophysicist provided field supervision and geophysical interpretation of the present survey. A Ronka EM-16 VLF electromagnetometer was used in this survey. As stated earlier, Steve Presunka performed the same survey on the Golden Crown in the Summer of 1986, leading to the discovery of the South Zone.

The EM-16 unit utilizes the primary electromagnetic fields generated by very low frequency marine communication stations, 15-25 kHz. The instrument measures the dip angle of the secondary field induced in a conductor.

By tilting the instrument, a "null" can be found; i.e., a position where the audible signal has its lowest intensity. The tilt angle will increase gradually in the positive direction as a conductive body is approached. This angle will drop sharply as the body is passed over until reaching its steepest negative (or least positive) tilt angle, thus producing a "crossover". The crossover generally occurs directly over the conductive body. As one gets further away from the body, the angle tends toward its original background value observed before encountering the effects of the secondary field as illustrated in the following diagram.

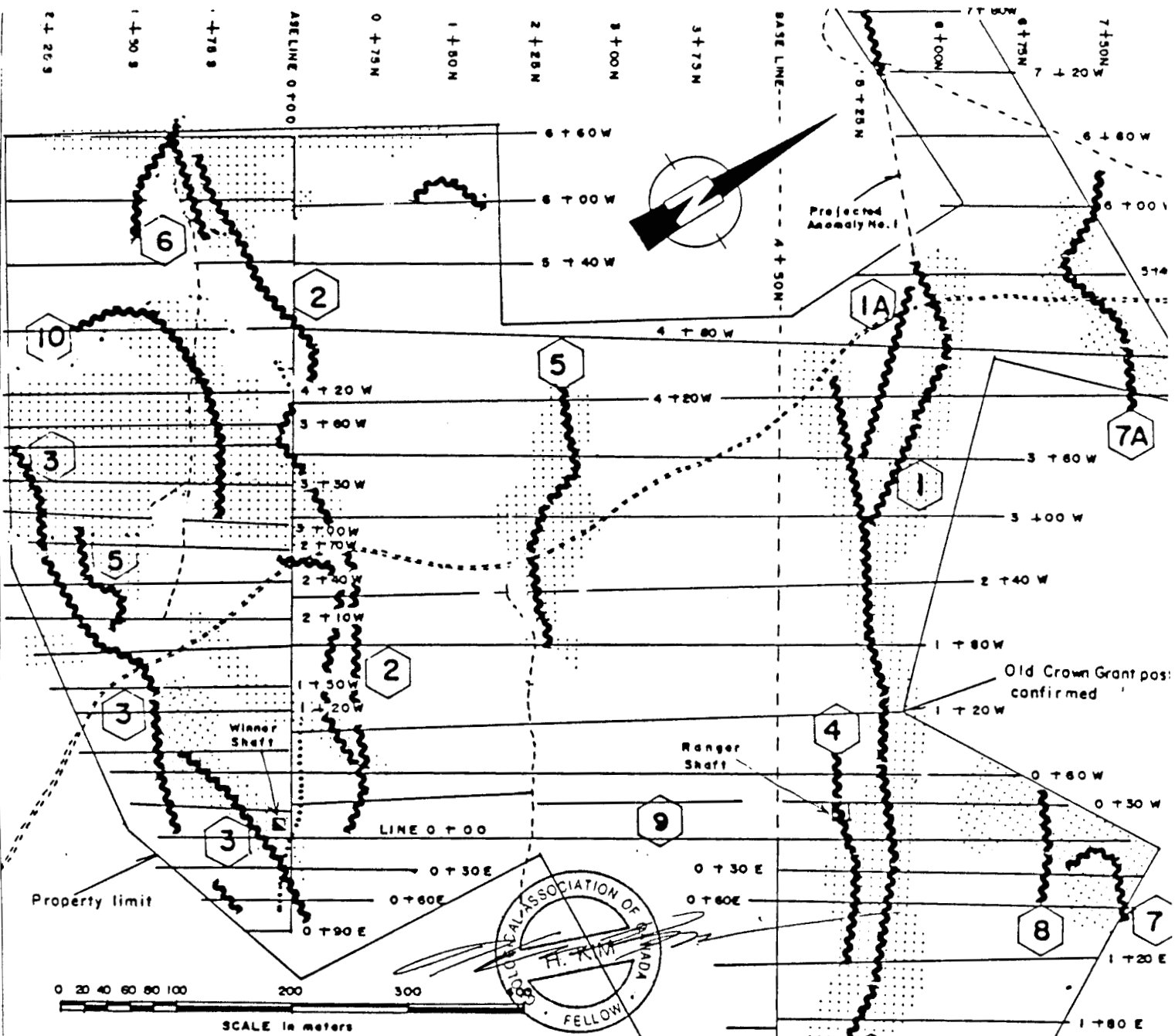


## 7.2 Line Grid Flagging



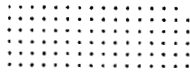

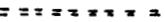

A line grid covering the property consisted of 22 northeast lines, 30 - 60 m apart and 450 - 1,000 m long. Two base lines were run, due to the fact that the property boundary lines are not straight, and disrupted by other Crown Grant and contiguous claims. The base lines were laid at 300 degrees azimuth. The VLF-EM reading spacing on the lines was 15 m.

## 7.3 Results

The results of this survey confirm virtually all the mineral showings described in the preceding chapters, except the Winner prospect quartz vein with 1.19 oz/ton Au (sample Winner #1). In addition, the survey disclosed more than ten conductors, all of which trend northwesterly, paralleling or subparalleling the base lines. As described in the following section, all these anomalies are supported by correlative geochemical values. The results of the survey are shown generalized on Figure 7. Figure 12 shows In-Phase profile (tilt angle-reading on the inclinometer), Quadrature dial reading profile and crossovers based on Steve Presunk's interpretation. The geochemically anomalous areas are simplified and incorporated on Figure 7 by shading for the reader's convenience. Presunk's proposed diamond drill locations on the map accompanying his geophysical note are not shown on Figure 12, but can be used for a reference on the next phase exploration program.



**LEGEND**

-   EM-16 Conductor(Crossovers)  
& Anomaly number
-  Geochemically Anomalous Area.  
For detailed information,  
consult Fig. 11 & Fig. 1b (in pocket)
-  Winner Vein
-  Two wheel drive all weather dirt road
-  Four wheel drive road

**NOTE :** For detailed results of VLF - EM 16 survey (In phase and Quadrature profiles, Crossovers, etc.), consult Fig. 12 (in pocket)

Old C.G. post  
NE of "OPHIR"  
confirmed in  
the field

H. Kim, P. GEOL., F.G.A.C. Consulting Geologist	
Silver Lady Resources Inc.	
WINNER CLAIM GROUP GREENWOOD MINING DIVISION	
GEOPHYSICAL SURVEY(EM-16) (Simplified)	
DATE December 1986	DRAWN BY Jang Lee Drafting Service

**FIG. 7**

## 8.0 GEOCHEMICAL SOIL SURVEYS

### 8.1 General

The initial plan was to collect soil samples from every line-grid stations as for the VLF-EM 16 survey. But, due to a limited field season for unfrozen soil sampling, only the geophysically anomalous areas were selected for sampling. In all 496 soil samples were picked, being divisible into three general areas; northern, central and southern sectors. In the selected areas as above, soil samples were taken at 15 m intervals on lines.

### 8.2 Physiography and General Review of Soils

Relief exceeds 200 m from about 1,245 m (4,085 ft.) elevation at the western edge of the claims to about 1,450 m (4,757 ft.) elevation on the ridgetop in the Ranger claim on the east. Topographic profile is not uniform. In general, the western half of the property forms relatively a gentle 20 degrees west-facing slope and broad gulley with sparse, scattered bedrock exposures. The eastern sector in the Ranger shaft area is dominated by bedrock exposures and steep slopes at a general angle of 40 degrees with several escarpments.

The vegetation to the west and south is commonly broad-leaved, mixed with coniferous forest associated with podzolic soils and/or local lithosols. The eastern rocky sector from which several erratically high geochemical values came is sparsely vegetated with coniferous trees and poorly drained. The soils here appears to be remained in a juvenile state of development with thin, indistinct horizons containing weathered bedrock itself or a high portion of partially weathered rock debris, generally categorized to "skeletal lithosols".

The surface drainage on the property is not conspicuous, but may be weakly developed by a broad gulley running northwest in the limited season of high precipitation.

### 8.3 Estimation of Background and Threshold Values

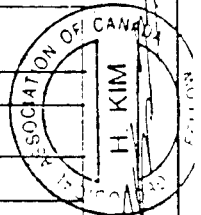
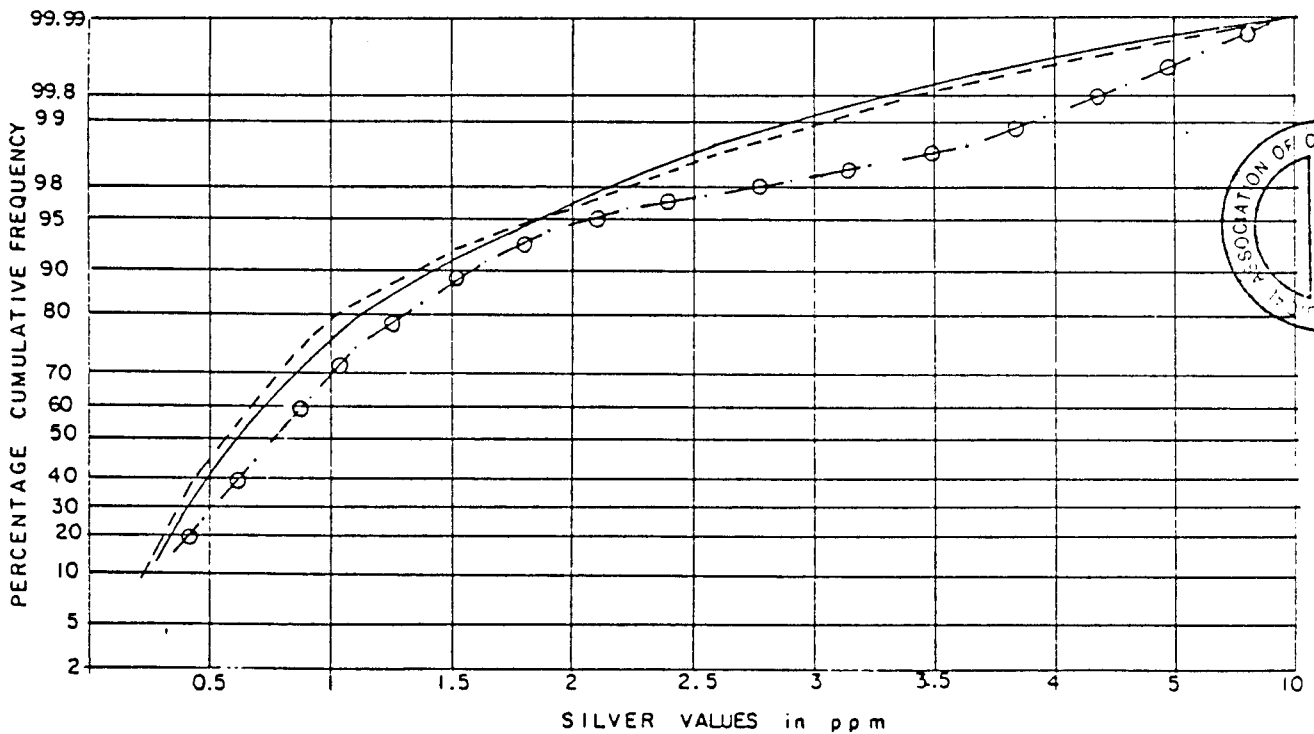
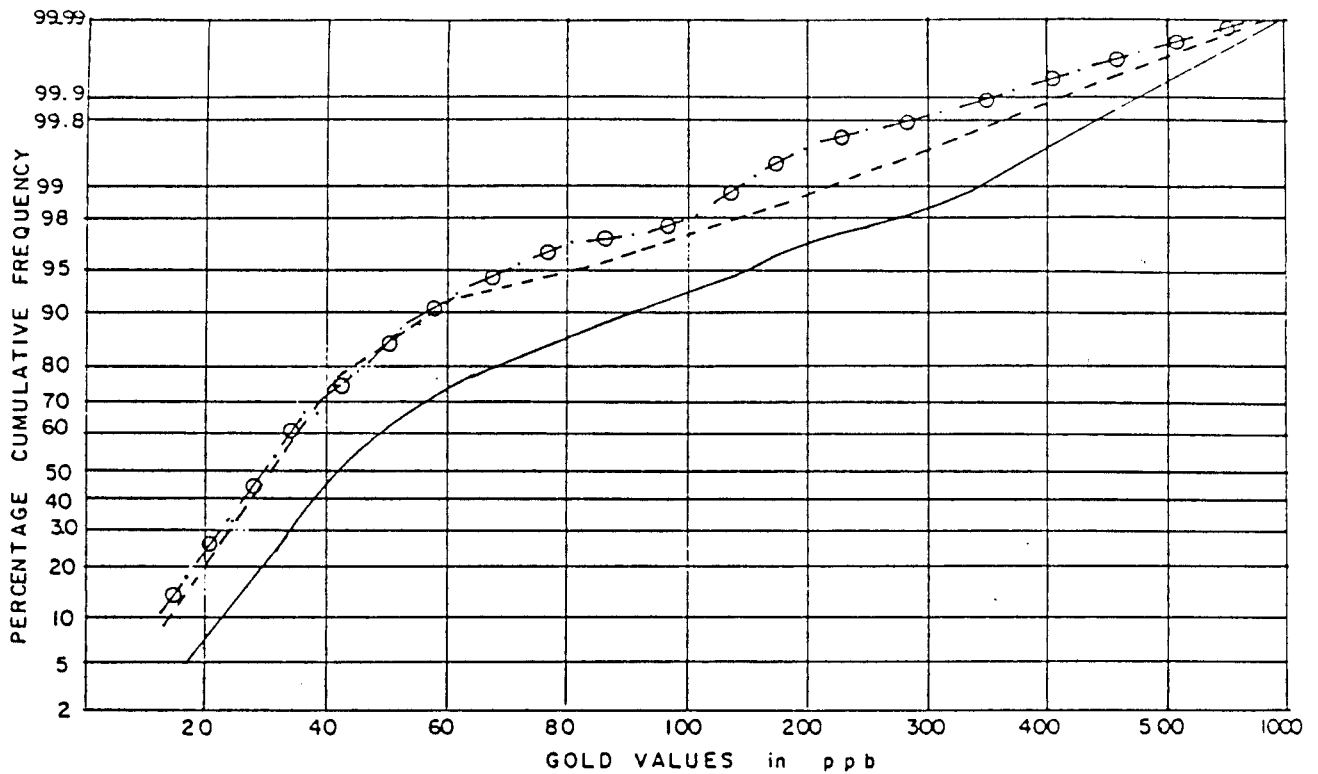
A total of 496 geochemical soil sample data are available on the three selected areas as described earlier. Before presenting the overall background and threshold values for gold and silver, the data from the northern, central and southern sectors were separately studied for frequency distributions. Cumulative frequency percentage for gold and silver in the three areas plotted on a normal probability paper shows generally coincident correlations (Figure 8). The statistical distribution and estimation of background, threshold and anomalous values for gold and silver in 496 samples are exhibited on Figures 9 - 10. The respective ppb (gold) and ppm (silver) ranges for mean (background), threshold and anomalous values were initially chosen by inspection of inflection points on the cumulative percentage frequency curves on normal graph paper. However, these values were modified later by provisional correlations between geochemical features, general geology, topography and the actual examination of the mineral showings.

### 8.4 Preparation of Geochemical Maps and Others

Anomalous soil distributions in the selected areas of geochemical survey are exhibited generalized on Figure 11 and in detail on Figure 13. Anomalous contouring may not be employed at this time, because the present line-grid may be inadequate to ensure validity of contours for the following reasons:

1. Soil sampling has not been completed in the entire line-grid area.
2. Anomalies are not homogeneous, changing rapidly from background to anomalous values at 15 m intervals.
3. Since the purpose of this soil survey was to verify the geophysical anomalies in the selected area, the distances between lines are not uniform, ranging from 30 m to 80 m. This incongruous line-grid does not justify a graduated series of contouring for such erratic high anomalies.

Soil samples were taken by J. Luckie and R. Hughes with shovels at an average depth of 40 cm and packed in standard soil sample paper bags. All samples were analyzed by General Testing Laboratory, Vancouver, B.C.



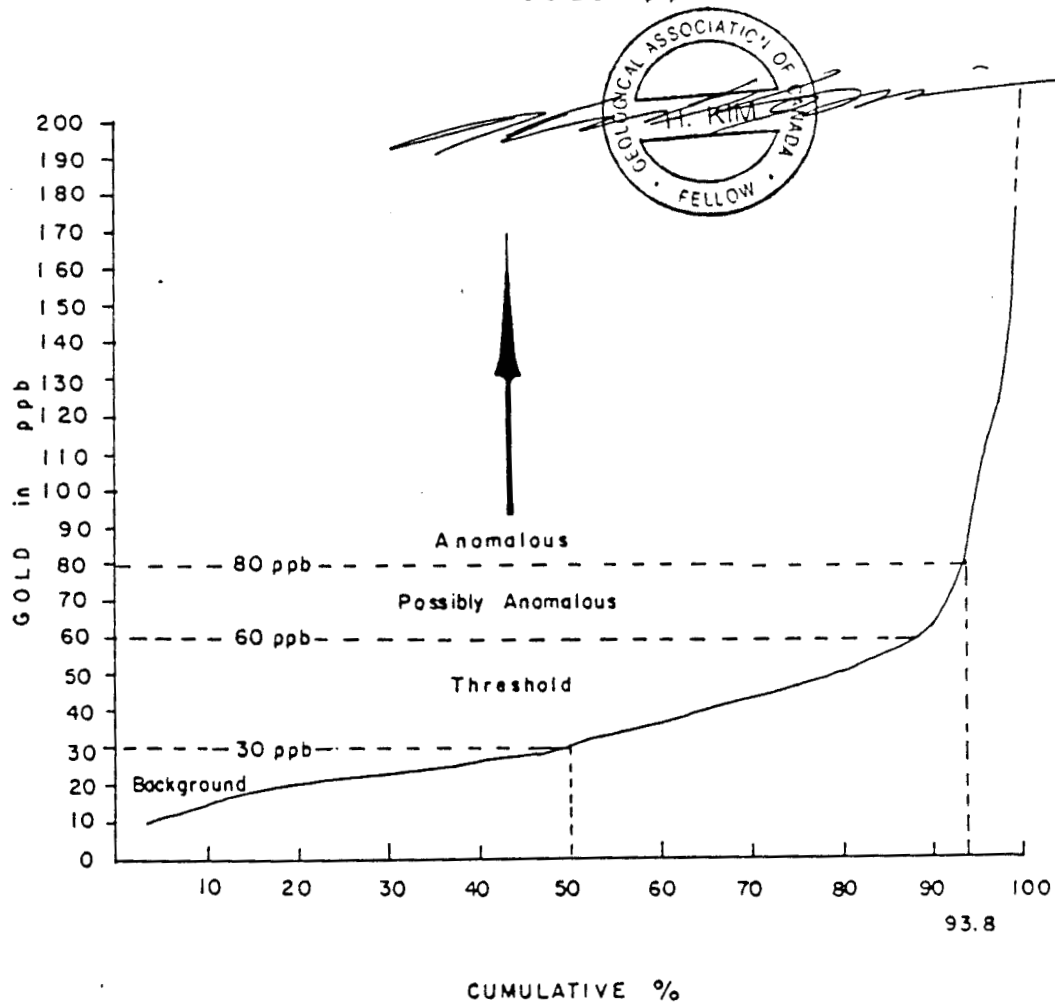
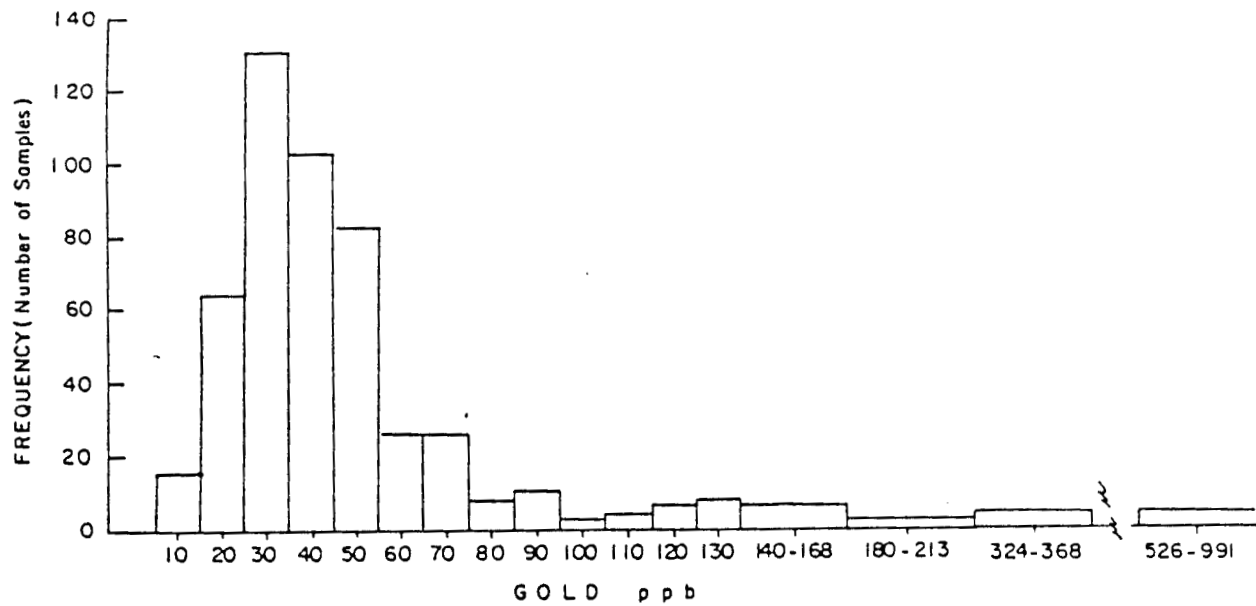
**FIG.8 COMPARISON OF GOLD & SILVER DISTRIBUTION IN SOILS  
Between NORTHERN, CENTRAL & SOUTHERN SECTORS  
Geochemically surveyed, using background and threshold values.  
( Cumulative Frequency is plotted on normal probability paper )  
WINNER CLAIM GROUP, GREENWOOD M.D.**

**KEY**

- NORTHERN Sector ( area to the north of Baseline 4+50N )
- CENTRAL Sector ( area between Baselines 0+00 & 4+50 )
- SOUTHERN Sector ( area south of Baseline 0+00 )

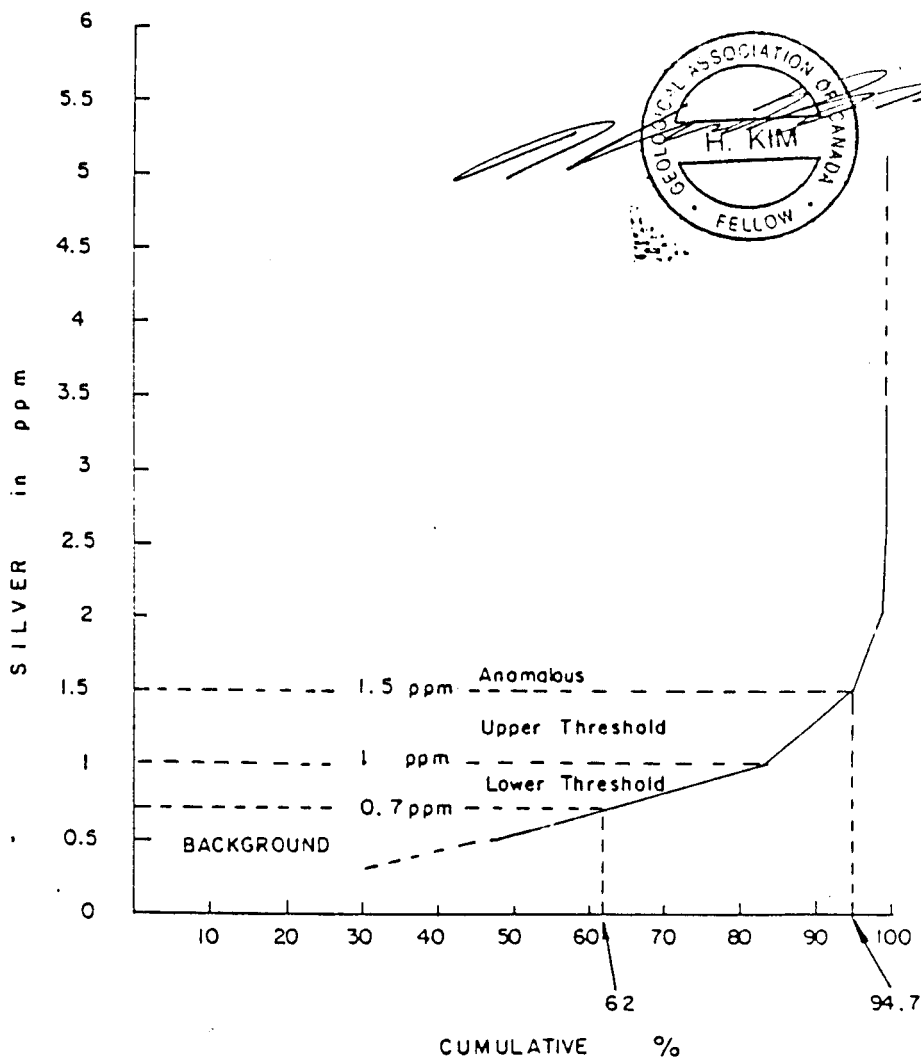
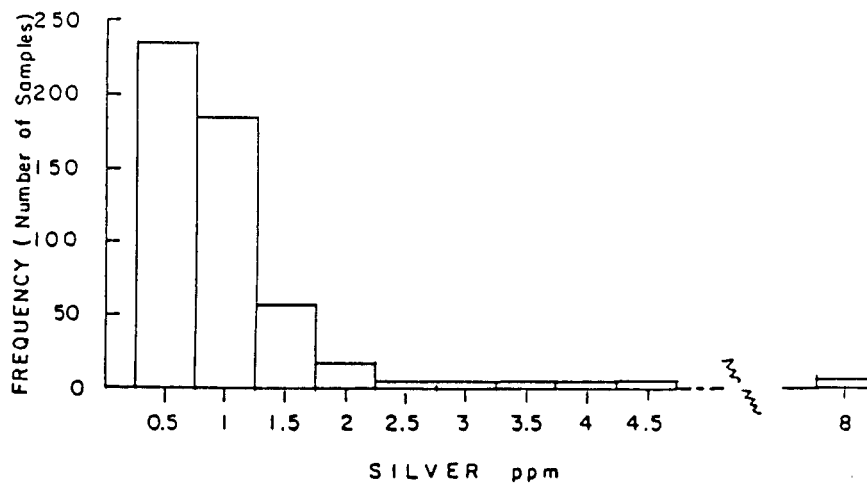
Prepared & Drawn by H. Kim, P. Geol., F.G.A.C.  
Consulting Geologist

December 14, 1986



**FIG. 9 Histogram & Corresponding Cumulative % Frequency  
For GOLD (496 values)  
WINNER CLAIM GROUP, GREENWOOD M.D.**

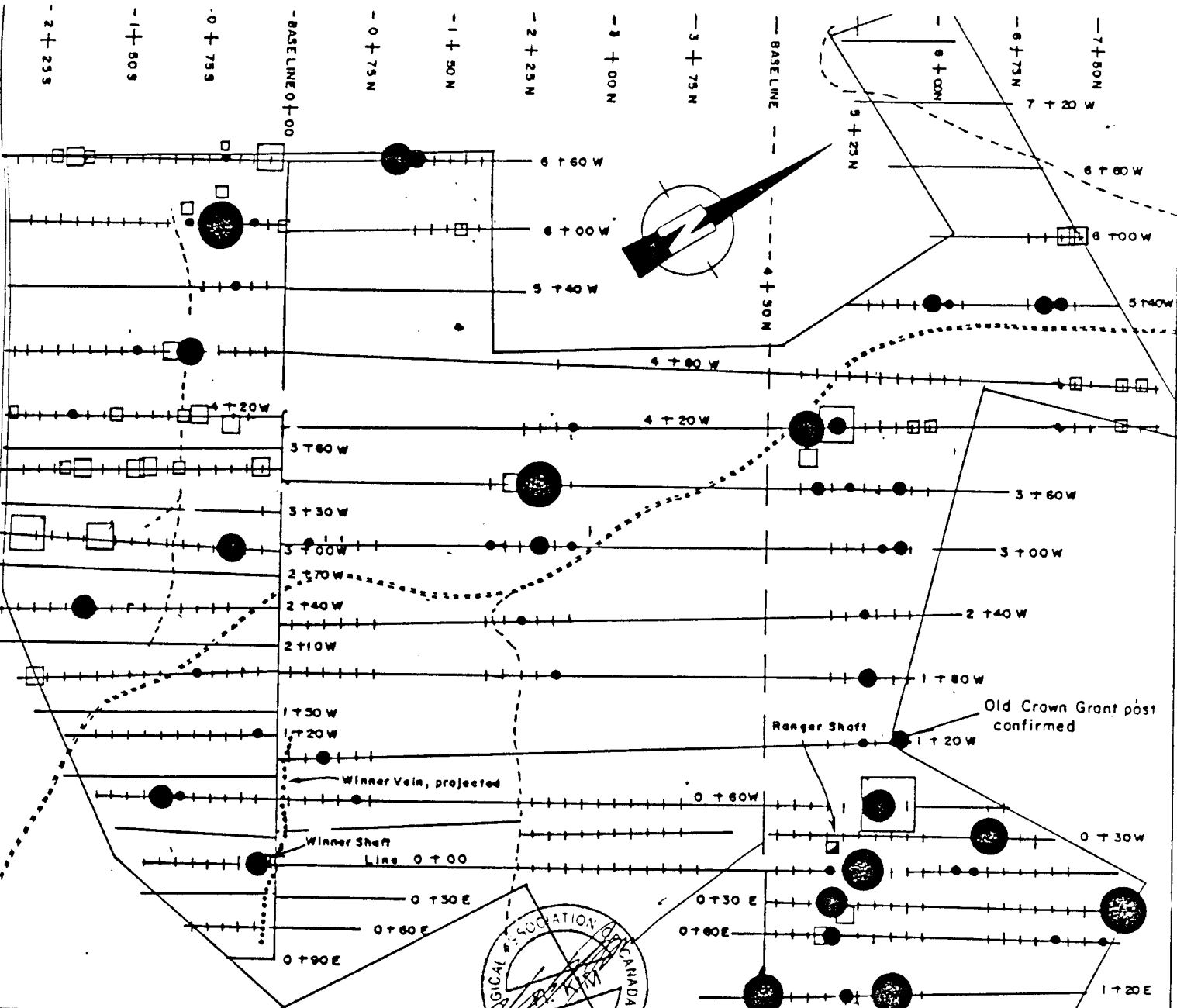
Prepared & Drawn by H. Kim, P. Geol.  
December 14, 1986



**FIG. 10 HISTOGRAM & CORRESPONDING CUMULATIVE % FREQUENCY  
For SILVER(496 values)  
WINNER CLAIM GROUP, GREENWOOD M. D.**

Prepared & Drawn by H. Kim, P.Geol., F.G.A.C.  
Consulting Geologist  
December 14, 1986





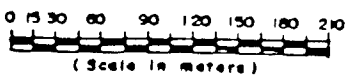
**LEGEND**

GOLD ppb	SILVER ppm
● 526 - 991	□ > 8.0
● 324 - 368	□ 4.5
● 181 - 213	□ 3.5
● 161 - 180	□ 3.0
● 141 - 160	□ 2.5
● 121 - 140	□ 1.5
● 101 - 120	
● 81 - 100	
● 60 - 80	

— Soil sample site  
 ===== Two wheel drive all weather dirt road  
 ----- Four wheel drive road



Old Crown Grant post  
 "NE of OPHIR"  
 confirmed in the field



NOTE: For detailed assays, consult  
 file 101/1000

H. Kim, P. GEOL., F.G.A.C.  
 Consulting Geologist

**Silver Lady Resources Inc.**

**WINNER CLAIM GROUP**  
 GREENWOOD MINING DIVISION

**SOIL GEOCHEMISTRY**  
 (Simplified)

9.0 DESCRIPTION OF ANOMALIES (See Figures 6 & 7)

The following table summarizes the combined geophysical (VLF-EM 16) and geochemical anomalies, which are numbered in their order of preference. Also, the Winner Quartz Vein, which was not strongly responsive to both the geophysical and geochemical surveys is incorporated in the table.

TABLE 8 SUMMARY OF VLF-EM AND GEOCHEMICAL COMBINED ANOMALIES

<u>Anomaly Nos.</u>	<u>Conductive Zone Length</u>	<u>Strike</u>	<u>Gold Peak Value</u> <u>ppb</u>	<u>Remarks</u>
1	1,000 m		368	<p>Within the northern sector. Reflects bedrock mineralization. Ranger shaft is about 20 m below this anomaly. Possible northwest extension of the South Zone. Open-ended at the west edge of the claims. Coincides also with high silver anomaly (+ 8.0 ppm).</p> <p>*Merits detailed investigation.</p>
1A	200 m		-	<p>*May reflect hidden sulphide mineralization, branching off the above Anomaly No. 1. No coincident geochemical value.</p> <p>*May merit detailed geochemical survey.</p>

<u>Anomaly Nos.</u>	<u>Conductive Zone Length</u>	<u>Strike</u>	<u>Gold Peak Value</u> <u>ppb</u>	<u>Remarks</u>
2	700 m		748	<p>Within the southern sector. Reflects unknown mineralization. High gold value is coincident with, and surrounded by moderate silver values.</p> <p>This structure parallels the southern known showings prospected by the Winner prospect shafts and trenches.</p> <p>*Merits detailed investigation.</p>
3	600 m		140	<p>Within the southern sector. This strong EM conductive zone runs almost east - west, and transects the strike of the known quartz vein on the Winner workings. Coincides with high silver value (3.5 ppm).</p> <p>*Merits detailed investigation.</p>
4	200 m		180	<p>Within the northern sector. Reflects known mineralization at the Ranger shaft and its extension. Also correlated with moderate silver value.</p> <p>*Merits detailed investigation.</p>
5	250 m		526	<p>In the central sector. Reflect the northwest extension of the Ophir vein in the Ophir claim southeast. Coincides with moderate silver value.</p> <p>*Merits detailed investigation.</p>

<u>Anomaly Nos.</u>	<u>Conductive Zone Strike Length</u>	<u>Gold Peak Value ppb</u>	<u>Remarks</u>
6	100 m	-	<p>On the southwest edge of the property. Reflects unknown mineralization branching off the aforementioned Anomaly No. 2. No coincident gold value. An anomalous point for silver is noted.</p> <p>*May merit trenching.</p>
7	100 m	991	<p>At the northeast edge of the property. EM conductor is curved and short in strike length, but the highest gold value was resulted. Reflects unknown mineralization being possibly merged into Anomaly No. 8 described below.</p> <p>*Requires trenching to test the cause of the anomaly.</p>
7A	250 m	105	<p>At the northern edge. Possible northwest extension of Anomaly No. 8 described below. Correlated with moderate silver values.</p>
8	100 m	216	<p>In the northern sector. This fair anomaly with corresponding geochemical values continues off the line grid to the northwest. Anomaly 7A described above may be northwest extension of this anomaly (see Figure 7). The southeastern part and eastern part of the geochemically anomalous area has not been soil sampled.</p> <p>*Geochemical detailing and trenching should be done.</p>

<u>Anomaly Nos.</u>	<u>Conductive Zone Strike Length</u>	<u>Gold Peak Value ppb</u>	<u>Remarks</u>
9	200 m	-	<p>Near the east border. This EM conductor runs exceptionally northeast. No geochemical survey was done in the area.</p> <p>*This anomaly can be further substantiated by geochemical survey in the later stage.</p>
10	180 m	142	<p>In the southern sector. Located with a silver anomalous zone. Reflects overburden-covered mineralization.</p> <p>*Worth further investigation. Soil sampling should be filled in the unsampled area to the south.</p>
Winner Vein	120 m	140	<p>Located at: Baseline 0+00 N 0+60 E - 1+50 W</p> <p>Devoid of VLF-EM conductive zone. A grab sample from Winner shaft dump returned 1.19 oz/ton gold. Appears to be opened to northwest and southeast. A geochemical detailing at 5 m interval may disclose further extension of the vein.</p>

## 10.0 RESULTS OF LOCAL TRENCHING

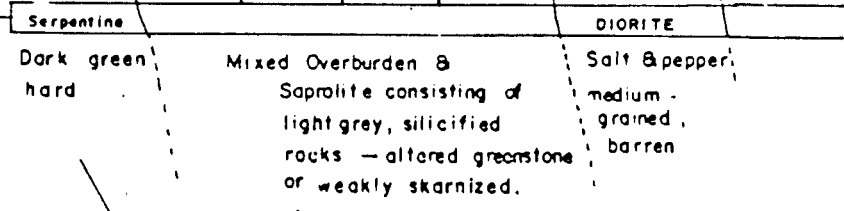
From January 25th to January 30th, 1987 a limited trenching program was carried out on the property. The purpose of the program was to test a gold anomalous area that was delineated in a preliminary geochemical survey described in the preceeding sections. Due to heavy snow conditions and projected excessive trenching costs, the program was limited to testing only three sites close to the main road. More significant geochemical gold values, above 300 ppb Au for the most part, are away from the main road. These areas are recommended to be tested in the summer season to minimize exploration costs. The current three trenches were geologized and sampled and the results are shown in Figures 12, 13 and 14.

5+85N  
 6+00N  
 6+15N

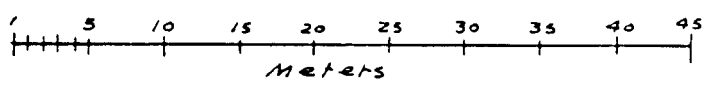
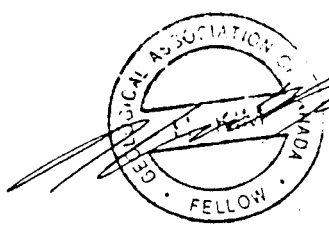
**PLAN**

Sample Nos.	701	702	703	704
Length (m)	6.5	6.5	6.7	7
Ag (ppm)	.1	.1	.1	.1
As (ppm)	23	12	6	9
Au (ppb)	6	2	3	1

5+40W



**PROFILE**



TRENCH  
 5+40W  
 5+85N - 6+15N  
 Scale 1:500  
 Date Feb. 10, 1987  
 To accompany a report by H. Kim, 2.6.87

FIG. 12

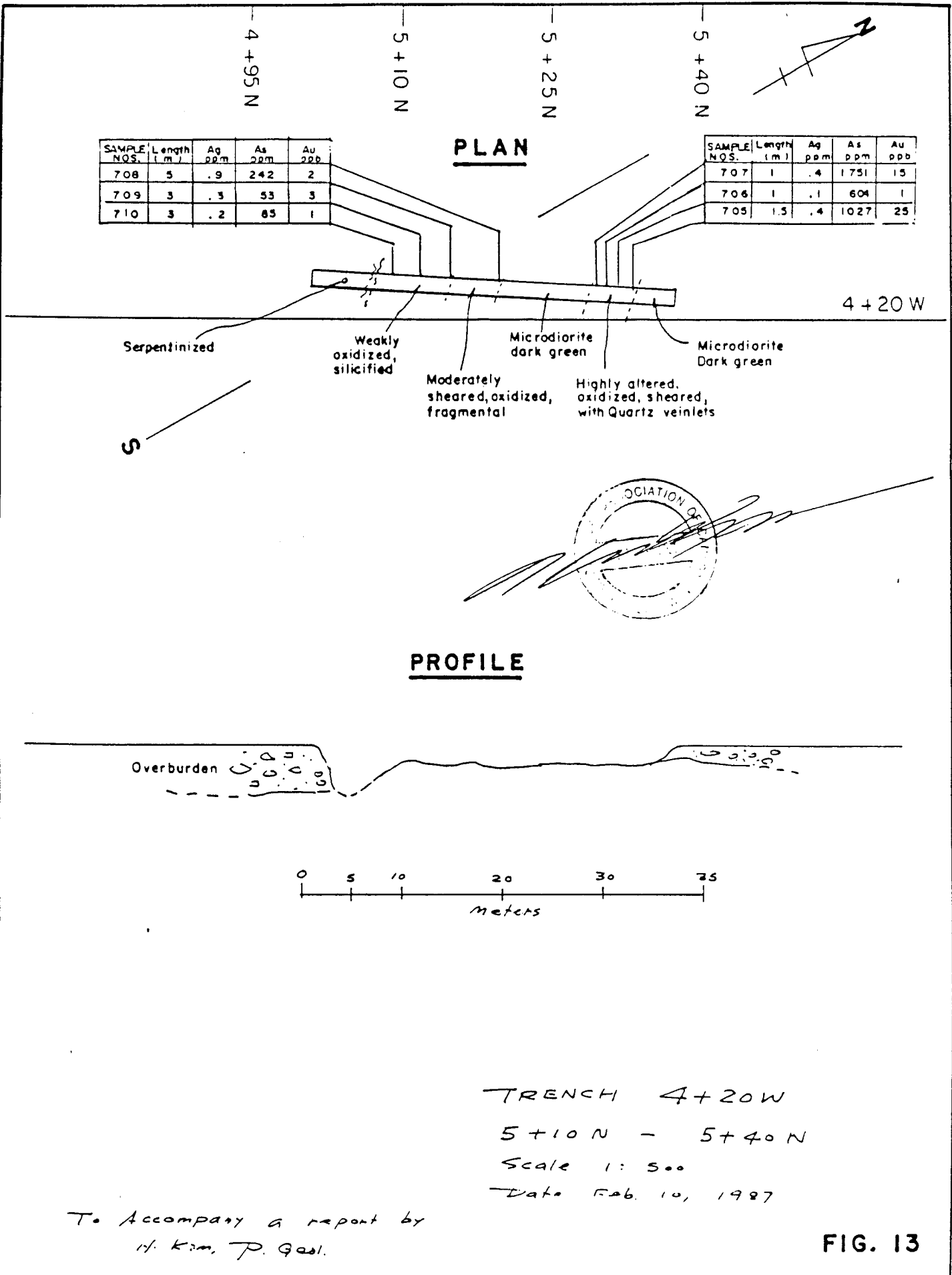


FIG. 13



120 S

105 S

90 S

75 S

PLAN

0 + 60 W

Sample 718  
 Length 5 m  
 Ag .2 ppm  
 As 23 ppm  
 Au 1 ppb  
 Granodiorite,  
 medium-  
 equigranular,  
 fresh light green

Sample 717  
 Length 3 m  
 Ag .5 ppm  
 As 63 ppm  
 Au 11 ppb  
 Weathered  
 Diorite,  
 micro-fine grained  
 pyrite dissem.

Sample 716  
 Length 3 m  
 Ag .1 ppm  
 As 31 ppm  
 Au 2 ppb  
 Batten,  
 Microdiorite

Sample 715  
 Length 2 m  
 Ag .3 ppm  
 As 31 ppm  
 Au 6 ppb  
 Microdiorite  
 Batten

-50?

Sample 711  
 Length 4 m  
 Ag 2.0 ppm, As 110 ppm, Au 27 ppb  
 Amphibolitic dark green  
 Diorite, micro-fine grained,  
 batten looking

Sample 712  
 Length 3 m  
 Ag 7.2 ppm, As 243 ppm, Au 45 ppb  
 Decomposed, altered, rusted  
 rock debris

Batten,  
Andesitic rock

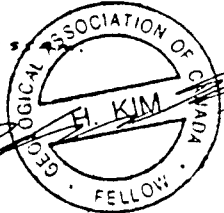
Sample 713  
 Highly rusted, sheared, altered  
 Friable,  
 Length 3 m  
 Ag 12.9 ppm, As 500 ppm, Au 91 ppb

Sample 714  
 Length 3 m  
 Ag 1.5 ppm  
 As 260 ppm  
 Au 58 ppb  
 Light green  
 Microdiorite,  
 Abundant pyrite dissem.

PROFILE



0 5 10 15 20 25 30  
 meters



TRENCH 0 + 60 W  
 9 + 00 S - 1 + 20 S

To Accompany a Report  
 by H. Kim, P. Geol.

Scale 1:500  
 Date Feb 10, 1987

FIG. 14

## 11.0 RECOMMENDED WORK PROGRAM

1. Detail prospecting and mapping in the entire property. The showings, alteration and lithology of the adjacent claims should be also investigated for better understanding of the subject ground.
2. Complete fill-in soil sampling at 15 m interval in the entire line grid.
3. Detailed EM and geochemical survey at 5 m intervals on lines, 10 m apart to select locations for subsequent trenching of the currently revealed ten anomalous zones.
4. Stripping, blasting and sampling the anomalies and extension of the Winner Quartz Vein and Ranger Shaft Vein, following the above No. 3 work.
5. Drilling:

Subsequent to the above No. 4 work, 500 m of core drilling in BQ for short, eight or nine holes, should be undertaken to test for economic feasibility in the Winner and Ranger prospects, plus the other showings revealed by the above No. 4.

12.0 ESTIMATED COSTS

Stage I

Geochem 700 samples @ \$18.00	\$ 12,600
Geophysical surveys (VLF-EM and S.P.) Allow	2,000
Soil Sampler	2,500
Trenching (D-10 Hydraulic backhoe, 100 hours @ \$100/hour	10,000
Geological mapping, prospecting, and sampling	2,000
Assaying	2,000
Associated Field Expenses	2,000
Engineering and Supervision	3,000
Accommodation 25 days x 2 men x \$60/day/man	3,000
Transportation 30 days x \$50/day	1,500
Contingencies plus 10%	<u>4,400</u>
	<u>\$ 45,000</u>

Stage II

Test diamond drilling 500 m @ \$100/m	\$ 50,000
Logging/Sampling Core	2,000
Associated Expenses	2,000
Accommodation	1,000
Transportation	1,000
Assays	1,000
Engineering & Supervision	3,000
Contingencies plus 10%	<u>6,000</u>
	<u>\$ 65,000</u>

Two Stage Total \$110,000

\*Stage II would only be initiated upon the completion and encouraging results of Stage I.

Respectfully submitted

Hun Kim, P. Geol.



13.0 SELECTED REFERENCES

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G.S.C.\* paper 45-20 \* Map Scale = 1 inch to 800 ft.

MINDEP FILES - Computer retrieval mineral inventory files on B.C. incl. entries 82E/SE 001 (Providence) and 82E/SW 020-028 (Phoenix). B.C. Ministry of Energy, Mines and Petroleum Resources.

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WARES, R. (1985) - Report on Golden Crown and Winnipeg property.

APPENDIX I

ASSAY CERTIFICATES

**CERTIFICATE OF ASSAY**

Date: October 24, 1986

File: 8610-2252



**SGS SUPERVISION SERVICES INC.**  
 General Testing Laboratories Division  
 1001 East Pender Street,  
 Vancouver, B.C., Canada V6A 1W2  
 Telephone: (604) 254-1647  
 Telex: 04-507514

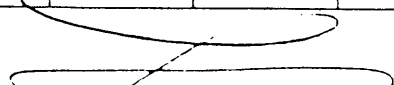
TO: BANYAN EXPLORATION CONSULTANT INC.  
 303 - 609 West Hastings St.  
 Vancouver, B.C.  
 V6B 4W4

We hereby certify that the following are the results of assays on: **Ore**

MARKED	GOLD	SILVER	XXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXX
	oz/st	oz/st						
Winner #1	1.190	0.57						
Winner #2	0.002	0.02						
Winner #3	0.008	0.02						
Ranger Shaft	0.044	0.08						
No Mark	0.002	0.02						

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR

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 L. Wong  
 PROVINCIAL ASSAYER

*Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers*

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association  
 REFEREE AND/OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists Society  
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board of Trade

**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



**SGS SUPERVISION SERVICES INC.**  
General Testing Laboratories Division

1001 East Pender Street,  
Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
Telex: 04-507514

TO: BANYAN EXPLORATION CONSULTANTS  
INC.  
303 - 609 West Hastings St.  
Vancouver, B.C.  
V6B 4W4

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD	SILVER	XXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
	Au(ppb)	Ag(ppm)						
0+00W 2+40 N	7	0.6						
2+25	11	0.3						
2+55	14	0.5						
2+70	9	1.8						
2+85	13	1.3						
3+00	22	0.7						
3+15	18	0.5						
3+30	22	0.1						
3+45	26	0.5						
3+60	25	0.3						
3+75	22	0.1						
3+90	15	0.4						
4+50	8	0.3						
4+65	33	0.3						
4+80	26	0.2						
4+95	50	0.3						
5+10	62	0.5						
5+25	47	0.5						
5+40	368	0.3						
5+55	29	0.8						
5+70	25	0.8						
5+85	36	1.3						
6+00	29	1.2						
6+60	32	0.4						
6+75	70	0.6						
6+90	65	0.2						
7+05	40	0.2						
7+20	33	0.5						
7+35	19	0.4						
7+50	37	0.3						
7+65	119	0.4						
7+80 N	74	0.9						
0+00 S	43	0.8						
0+15	140	0.3						
0+30	15	0.3						
0+45	33	0.3						
0+60 S	22	0.3						

/ continued on page 2 .....

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REFEREE AND OR OFFICIAL CHEMISTS FOR National Institute of Oilseed Products • The American Oil Chemists Society



**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



**SGS SUPERVISION SERVICES INC.**

General Testing Laboratories Division

1001 East Pender Street,  
Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
Telex: 04-507514

TO: BANYAN EXPLORATION CONSULTANTS LTD.

( page 2 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		SAMPLE MARKED:	GOLD		SILVER	
	Au (ppb)	Ag (ppm)				Au (ppb)	Ag (ppm)		
0+00W	0+75 S	26	0.4		0+60W				
	0+90	26	0.6		0+75 N	68		0.3	
	1+05	47	0.5		0+90 N	32		0.3	
	1+20 S	30	0.7						
0+30W	2+25 N	22	0.5		2+25 N	24		0.4	
	2+40	22	0.6		2+40	40		0.9	
	2+55	40	1.4		2+55	34		0.4	
	2+70	33	1.3		2+70	24		0.8	
	2+85	12	0.5		2+85	32		1.0	
	3+00	19	0.7		3+00	19		3.4	
	3+15	40	0.7		3+15	19		0.5	
	3+30	33	0.6		3+30	14		0.4	
	3+45	30	0.5		3+45	15		0.5	
	3+60	26	0.5		3+60	28		0.1	
	3+75	40	0.3		3+75	33		0.3	
	4+50	50	0.5		4+50	36		0.3	
	4+65	29	0.4		4+65	164		0.6	
	4+80	65	0.3		4+80	64		0.5	
	4+95	50	0.7		4+95	34		0.5	
	5+10	70	0.7		5+10	40		0.3	
	5+25	54	0.4		5+25	59		0.5	
	5+40	82	0.4		5+40	29		0.3	
	5+55	58	0.2		5+55	168		0.7	
	5+70	32	0.3		5+85	46		7.4	
	5+85	87	0.5		6+00	42		0.4	
	6+00	65	0.5		6+60	34		0.6	
	6+60	216	0.6		6+75	19		0.3	
	6+75	65	0.3		6+90 N	15		0.5	
	6+90	58	0.4						
	7+05	43	0.4		0+00 S	29		1.3	
	7+20 N	44	0.6		0+15	55		0.3	
					0+30	68		0.7	
0+60W	0+15 N	40	0.5		0+45	28		0.5	
	0+30	37	0.5		0+60 S	46		0.6	
	0+45	33	0.4						
	0+60 N	30	0.4						

/ continued on page 3 .....

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**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



**SGS SUPERVISION SERVICES INC.**  
General Testing Laboratories Division

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Telephone: (604) 254-1647  
Telex: 04-507514

TO: BANYAN EXPLORATION CONSULTANTS LTD.

( page 3 )

We hereby certify that the following are the results of assays on: soil samples , WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		xxxxxxx	xxxxxxxxxxx	xxx	SAMPLE MARKED:	GOLD	SILVER
	Au (ppb)	Ag (ppm)		Au (ppb)				Ag (ppm)		
0+60W	0+75 S	50	0.7				1+80W			
	0+90	68	0.7				0+75 N	46	0.5	
	1+20	15	0.8				0+90	29	0.8	
	1+05	123	0.8				1+95	50	0.9	
	1+35	34	0.7				2+10	46	0.7	
	1+50	46	0.8				2+25	34	0.7	
0+60W	1+65 S	42	0.6				2+40	63	0.6	
1+20W	0+15 N	19	0.5				2+70	59	0.7	
	0+30	34	0.6				5+10	50	0.4	
	0+45	91	0.6				5+25	25	0.7	
	0+60	29	0.8				5+40	117	0.8	
	0+75	50	1.1				5+55	25	0.3	
	0+90	21	1.2				5+70 N	46	0.7	
	5+10	82	1.1				0+00 S	34	0.7	
	5+25	25	0.8				0+15	38	1.0	
	5+40	68	0.6				0+30	21	0.7	
	5+55	32	0.7				0+45	29	1.0	
	5+70	105	0.5				0+60	21	0.7	
	5+85 N	32	1.2				0+75	63	0.9	
	0+00 S	40	0.9				1+20	21	0.5	
	0+15	59	0.8				1+35	42	0.8	
	0+30	87	0.9				1+50	34	0.5	
	0+45	24	0.8				1+65	25	0.7	
	0+60	24	0.8				1+80	17	1.1	
	0+75	28	1.2				1+95	21	0.6	
	0+90	46	0.7				2+10	17	0.6	
	1+05	42	0.9				2+25	46	1.6	
	1+20	19	1.0				2+40 S	50	0.5	
	1+35	11	1.0				1+80N			
	1+50 S	19	1.0				5+85W	67	0.7	
	1+65 S	24	1.0							
1+80W	0+15 N	25	1.1							
	0+30	46	0.3							
	0+45	17	0.6							
	0+60 N	42	1.3							

/continued on page 4 .....

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CERTIFICATE OF ASSAY

Date: December 9, 1986



SGS SUPERVISION SERVICES INC.  
General Testing Laboratories Division

1001 East Pender Street,  
Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
Telex: 04-507514

File: 8611-2751

TO: BANYAN EXPLORATION CONSULTANTS LTD.  
( page 4 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		SAMPLE MARKED :	GOLD		SILVER	
	Au (ppb)	Ag (ppm)	Au (ppb)	Ag (ppm)		Au (ppb)	Ag (ppm)		
2+40W	0+00 N/S	59	0.7		3+00W				
	0+15 N	42	0.9		0+15 N	34	1.2		
	0+30	46	0.6		0+30	75	0.5		
	0+45	50	0.5		0+45	34	0.2		
	0+60	25	0.2		0+60	34	0.5		
	0+75	29	0.7		0+75	38	0.3		
	0+90	29	0.6		0+90	29	0.3		
	1+95	25	0.9		1+95	59	0.5		
	2+10	25	1.2		2+10	46	0.4		
	2+25	59	0.9		2+25	42	0.5		
	2+40	38	0.5		2+40	108	0.4		
	2+55	34	0.4		2+55	46	0.3		
	2+70	38	0.6		2+70	62	0.4		
	5+10	42	0.3		5+10	50	0.5		
	5+25	42	0.4		5+25	50	0.6		
	5+40	63	0.6		5+40	44	0.5		
	5+55	34	0.5		5+55	58	0.7		
	5+70	29	0.4		5+70	95	0.8		
	5+85 N	42	0.3		5+85 N	16	0.7		
	0+45 S	46	0.8		0+00 S	11	0.6		
	0+60	34	0.4		0+15	22	0.8		
	0+75	38	0.9		0+30	5	0.6		
	0+90	50	0.7		0+45	155	0.4		
	1+05	29	0.4		0+60	11	0.6		
	1+20	34	1.7		0+75	5	0.9		
	1+35	34	1.3		0+90	16	0.8		
	1+50	29	0.6		1+05	5	0.8		
	1+65	54	1.1		1+20	5	0.1		
	1+80	125	0.7		1+35	11	0.3		
	1+95	42	0.7		1+50	11	1.2		
	2+10	46	0.4		1+65	5	2.6		
	2+25	38	2.4		1+80	5	0.2		
	2+40	50	3.9		1+95 S	5	0.3		
	2+55	29	0.3						
	2+70 S	50	0.7						

/ continued on page 5 .....

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**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



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General Testing Laboratories Division

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Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
Telex: 04-507514

TO: BANYAN EXORATION CONSULTANTS LTD.

( page 5 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		SAMPLE MARKED :	GOLD		SILVER	
	Au(ppb)	Ag(ppm)	XXXXXXXXXX	XXXXXXXXXX		XXXXXX	Au (ppb)	Ag(ppm)	
3+00W	2+10 S	11	0.9		3+60W				
	2+25	21	0.3		2+10S	61	1.7		
	2+40	5	3.4		2+25	5	1.3		
	2+55	16	0.7		2+40	11	0.2		
	2+70 S	16	0.4		2+55	11	1.2		
					2+70	16	1.2		
3+60W	1+95 N	5	0.4		4+20 W				
	2+10	16	1.7		2+25 N	22	0.6		
	2+25	22	0.5		2+40	27	0.6		
	2+40	526	0.7		2+55	27	0.4		
	2+55	27	0.3		2+70	78	0.2		
	2+70	27	0.5		4+95	213	0.7		
	4+80	44	0.7		5+10	111	0.5		
	4+95	83	0.5		5+25	50	0.3		
	5+10	50	0.4		5+40	11	0.5		
	5+25	61	0.4		5+55	33	0.4		
	5+40	72	0.3		5+70	39	0.2		
	5+55	44	0.2		5+85	22	0.5		
	5+70	83	0.2		6+00	78	0.5		
	5+85	39	0.1		7+20	22	0.5		
	6+00 N	33	0.5		7+35	27	0.4		
	0+00 S	22	0.2		7+50	39	0.6		
	0+15	22	1.7		7+65	41	0.5		
	0+30	22	1.2		7+80	21	1.3		
	0+45	33	1.1		7+95 N	21	0.3		
	0+60	22	0.4		0+00 S	17	1.1		
	0+75	27	0.4		0+15	13	0.7		
	0+90	22	1.3		0+30	10	0.6		
	1+05	33	0.7		0+45	17	1.7		
	1+20	33	1.2		0+60	29	0.2		
	1+35	44	1.6		0+75	17	1.6		
	1+50	16	1.3		0+90 S	21	1.4		
	1+65	27	1.3						
	1+80	11	1.2						
	1+95 S	16	0.1						

continued on page 6 .....

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**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



**SGS SUPERVISION SERVICES INC.**  
General Testing Laboratories Division

1001 East Pender Street,  
Vancouver, B.C., Canada V6A 1W2  
Telephone: (604) 254-1647  
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TO: BANYAN EXPLORATION CONSULTANTS LTD.

( page 6 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		SAMPLE MARKED:	GOLD		SILVER	
	Au(ppb)	Ag (ppm)				Au (ppb)	Ag (ppm)		
4+20W	1+05 S	21	0.7		4+80 W				
	1+20	33	0.1						
	1+35	25	0.1		0+90 S	142	0.4		
	1+50	21	1.4		1+05	21	1.7		
	1+65	41	1.1		1+20	13	0.4		
	1+80	59	0.8		1+35	63	0.2		
	1+95	68	0.7		1+50	49	1.1		
	2+10	21	0.7		1+65	25	0.2		
	2+25	17	1.0		1+80	46	0.4		
	2+40	33	0.4		1+95	37	0.9		
	2+55	29	1.3		2+10	25	0.1		
	2+70 S	33	1.1		2+25	21	0.7		
					2+40	25	0.3		
4+80W	2+55N	21	0.3		2+55	29	0.9		
	4+80	54	0.9		2+70 S	21	0.3		
	4+95	81	0.6						
	5+25	50	1.9		5+40 W				
	5+40	17	2.8						
	5+55	33	2.0		5+40 N	81	0.4		
	5+70	54	1.3		5+55	29	0.8		
	5+85	50	0.8		5+70	21	2.2		
	6+00	37	0.8		5+85	33	0.4		
	6+15	29	1.5		6+00	119	0.2		
	6+30	17	1.4		6+15	63	0.4		
	7+20	33	0.9		6+30	54	0.2		
	7+35	46	1.3		6+90	33	1.1		
	7+50	29	1.0		7+05	105	0.4		
	7+65	41	1.9		7+20	86	0.2		
	7+80	29	1.0		7+35 N	37	0.9		
	7+95 N	21	0.8						
					0+00 S	25	0.4		
	0+00 S	17	0.8		0+15	46	0.5		
	0+15	29	1.1		0+30	37	0.7		
	0+30	29	0.9		0+45	60	0.2		
	0+45	25	0.3		0+60	45	1.1		
	0+60	25	0.3		0+75 S	20	0.1		
	0+75 S	33	0.7						

/ continued on page 7 ....

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Telephone: (604) 254-1647  
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TO: BANYAN EXPLORATION CONSULTANTS LTD.

( page 7 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		SAMPLE MARKED :	GOLD		SILVER	
	Au(ppb)	Ag (ppm)	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX		Au (ppb)	Ag (ppm)		
6+00W	1+20 N	35	0.7		6+60W				
	1+35	35	0.5						
	1+50	40	0.6		1+35 N	30	0.7		
	1+65	30	1.0		1+50	40	0.4		
	1+80	45	0.3		1+65	30	0.8		
	1+95	50	0.4		1+80	40	0.3		
	6+90	35	0.2		1+95	45	0.8		
	7+05	35	0.1		1+95 N	45	0.8		
	7+20	40	0.9		0+15 S	40	1.6		
	7+35	35	1.8		0+30	30	0.8		
	7+50 N	40	1.6		0+45	20	1.2		
	(A)0+00 S	45	1.2		0+60	60	0.7		
	(B)0+00 S	30	1.4		0+75	45	0.5		
	0+15	50	0.4		0+90	35	0.9		
	0+30	80	0.6		1+05	40	0.8		
	0+45	35	0.9		1+20	50	0.8		
	0+60	748	1.1		1+35	25	0.6		
	0+75	60	0.1		1+50	30	0.7		
	0+90	25	1.1		1+65	25	0.9		
	1+05	36	0.2		1+80	40	1.3		
	1+20	25	0.5		1+95	40	2.0		
	1+35	30	0.4		2+10	35	1.4		
	1+50	40	0.9		2+25	50	0.9		
	1+65	35	0.9		2+40	40	0.8		
	1+95	30	0.5		2+55	20	0.5		
	2+10	30	0.5		2+70 S	25	0.4		
	2+25	40	0.4		0+30E				
	2+40	50	0.4						
	2+55	30	0.1						
	2+70	15	0.2		4+50 N	15	0.5		
	1+80 S	15	0.2		4+65	10	0.5		
6+60W	1+05 N (A)	169	0.4		4+80	20	0.8		
	1+05 N (B)	25	0.5		4+95 N	45	1.2		
	1+20 N	115	0.6						

/ continued on page 8 .....

NOTE. REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR

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*L. Wong*  
PROVINCIAL ASSAYER

*Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers*

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association  
REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists Society

**CERTIFICATE OF ASSAY**

Date: Decemebr 9, 1986

File: 8611-2751



**SGS SUPERVISION SERVICES INC.**

General Testing Laboratories Division

1001 East Pender Street,  
Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
Telex: 04-507514

TO: BANYAN EXPLORATION CONSULTANTS LTD.

( page 8 )

We hereby certify that the following are the results of assays on: soil smaples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD		SILVER		xxxxxxx	xxxxxxxxxx	xxxxx	SAMPLE MARKED :	GOLD	SILVER
	Au (ppb)	Ag(ppm)						Au(ppb)	Ag(ppm)	
0+30E	5+10 N	180	1.7					0+60E		
	5+25	25	1.1					7+80 N	30	0.7
	5+40	40	0.5					0+00 S	45	0.4
	5+55	40	0.5					0+15	40	0.4
	5+70	35	0.6					0+30	25	0.5
	5+85	70	0.5					0+45	50	0.3
	6+00	35	0.5					0+60	20	0.5
	6+60	45	0.8					0+75 S	20	0.5
	6+75	30	0.9							
	6+90	45	0.6					1+20E		
	7+05	25	0.3					4+50 N	324	0.3
	7+20	20	0.4					4+65	35	0.9
	7+35	25	0.9					4+80	25	0.6
	7+50	40	0.5					4+95	35	0.1
	7+65	20	0.5					5+10	50	0.1
	7+80 N	991	0.4					5+25	65	0.5
0+60E	4+50 N	45	0.7					5+40	50	0.9
	4+65	20	0.9					5+55	20	0.5
	4+80	45	0.5					5+70	361	0.1
	4+95	30	0.7					5+85	20	0.1
	5+10	120	1.5					6+00 N	55	0.1
	5+25	30	0.6							
	5+40	50	0.1					1+80E		
	5+55	40	1.2					4+50 N	30	0.3
	5+70	60	1.0					4+65	5	0.2
	5+85	55	0.1					4+80	25	0.4
	6+00	45	0.8					4+95	60	0.4
	6+60	25	1.0					5+10	40	0.2
	6+75	30	0.6					5+25	60	0.9
	6+90 N	30	0.6					5+40	50	0.8
	7+05 N	25	0.3					5+55	90	0.7
	7+20	70	0.6					5+70 N	55	0.5
	7+35	40	0.5							
	7+50	30	0.8					/ continued on page 9 ....		
	7+65 N	60	0.9							

NOTE. REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR

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**CERTIFICATE OF ASSAY**

Date: December 9, 1986

File: 8611-2751



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General Testing Laboratories Division

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Vancouver, B.C., Canada. V6A 1W2  
Telephone: (604) 254-1647  
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TO: BANYAN EXPLORATION CONSULTANTS  
LTD.

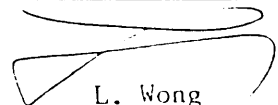
( page 9 )

We hereby certify that the following are the results of assays on: soil samples - WINNER CLAIMS, GRAND FORKS

MARKED	GOLD	SILVER	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
	Au (ppb)	Ag (ppm)						
2+40E 4+50 N	25	0.2						
4+65	35	0.5						
4+80	70	0.8						
4+95	40	0.8						
5+10 N	75	0.1						

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR

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ACME ANALYTICAL LABORATORIES LTD.  
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6  
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: FEB 3 1987

DATE REPORT MAILED: Feb 6/87

### GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.  
THIS LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SN.Y.NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.

- SAMPLE TYPE: ROCK CHIPS AU ANALYSIS BY AA FROM 10 GRAM SAMPLE.

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER.

BANYAN EXPLORATION

FILE # 87-0218

PAGE 1

SAMPLE#	Ag PPM	As PPM	Au* PPB
0701	.1	23	6
0702	.1	12	2
0703	.1	6	3
0704	.1	9	1
0705	.4	1027	25
0706	.1	604	1
0707	.4	1751	15
0708	.9	242	2
0709	.3	53	3
0710	.2	85	1
0711	2.0	110	27
0712	7.2	243	45
0713	12.9	500	91
0714	1.5	260	58
0715	.3	31	6
0716	.1	31	2
0717	.5	63	11
0718	.2	23	1
STD C/AU-R	7.1	40	505

APPENDIX II

A GEOPHYSICAL NOTE BY STEVE PRESUNKA

BANYAN EXPLORATION CONSULTANTS INC.  
SILVER LADY RESOURCES INC.  
#303-609 West Hastings Street  
Vancouver, B.C. V6B 4W4

#### WINNER GROUP

The V.L.F. - E.M. 16 survey was carried out in November of 1986. One V.L.F. station 24.3 (Seattle) was best suited for this area, with tilt direction being of 330. V.L.F. station 21.4 (Tile 010) was on and off intermittently, so we stuck with 24.8 (Seattle) mainly.

Two base lines were run due to property being cut by other claims. One base line, 0 extended from 0 + 90E meters to 6 + 50 meters west and the second base line was established at 4 + 80 North which extended from 0 to 3 + 60 E. The base lines were laid at 300 azimuth. The lines were run chain and compass and flagged every 15 meters.

The survey was under the supervision of Steve Presunka and assisted by Jack Luckie and Ray Hughes of Grand Forks, B.C.

The grid area was mostly responsive to V.L.F. E.M. - 16 survey. In total there are over 10 conductive zones indicated which are from fair to strong conductors. There are seven proposed drill holes shown on the map. These conductors are numbered in their order of preference. The soil assay results would be of help in determining which conductor should be drilled first.

The No. 1 conductor striking nearly parallel to the base line (300) located some 5 + 60 north of the base line extends across the entire grid and continues off the grid in both directions.

The No. 2 conductor, located on lines 2 + 70 west to 0 + 30 west some 45 meters north of base line 0 is a strong conductor which is a good drill target as indicated on the map.

The No. 3 conductor located south of the base line, extends from 3 + 60W through to line 0 + 90 E, to continue off the grid in easternly direction differs in direction from rest of the conductors, striking nearly east-west direction.

The proposed D.D.H. spotted at 0 + 15 east some 30 meters south of the base line and drilled to the north of -50 to a depth of 80 meters should intercept the conductor. This D.D.H. would cut under the shaft.

The No. 7 conductor, located on the extreme north end of the grid, on lines 0 to 0 +60 East (north of base line 4 +80 N) extends into Nabob fraction, which had been drilled this year. The drill results indicated a weakly mineralized zone of fair width.

The soil assay results would be of help in choosing future drill targets.

Self potential survey would be of help in locating areas to be trenched. Magnetometer survey should be carried out before undertaking extensive drill program.

Steve Fresunka  
Geophysist