

SZFSLU/69 Hillside clam6p. 003242SRF/6E

SUMMARY OF PROSPECTUS

The information given below is intended to provide a summary only of the principal features of the Offering. Reference should be made to the more detailed information appearing elsewhere in this Prospectus.

The Offering: 550,000 Non-Flow-Through Units, each Non-Flow-Through Unit consisting of one common share and two Series A Share Purchase Warrants entitling the holder to purchase one additional common share; and

> 200,000 Flow-Through Units, each Flow-Through Unit consisting of one flow-through common share and two Series A Share Purchase Warrants entitling the investor to purchase one additional non-flow-through common share.

Price per \$0.40 Unit:

The Agents have agreed to purchase all Units Agents' Warrants: sold on the Offering Day, not and in consideration therefor, a warrant has been granted to the Agents, in proportion to their participation in the Offering, giving them the right to purchase a further total of 187,500 shares of the Issuer at a price of \$0.40 per share during the first year and at a price of \$0.46 per share during the second year from the date of listing of the Company's shares on the Exchange.

The Issuer is a natural resource company The Issuer: engaged in the acquisition, exploration and development of mineral properties. See DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER for details.

Issued and The Issuer is authorized to issue 100,000,000 Authorized common shares without par value, all of which Capital: rank equally as to voting rights and distribution of assets. The Issuer has 1,500,001 shares outstanding, all of which were issued for cash. A total of 750,000 shares of the Issuer were purchased at \$0.01 per share as Principals' Escrow Shares. See ESCROWED SHARES for details.

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| Property of the Issuer: | The Issuer has an option to acquire a 100% interest in the Hillside Claim Group located in the Nelson Mining Division of British Columbia, subject to an sub-option granted by the Issuer on a 33% interest therein. See DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER for details. |
|----------------------------|--|
| Risk Factors: | The Issuer is a mining exploration and development company. There is no known body of commercial ore on the Issuer's property, and no guarantee that the exploration work to be carried out from funds to be derived from this Offering will result in the Issuer's property being put into commercial production. In addition, metal prices are subject to fluctuation, and mining costs are constantly escalating. As a result, the monies raised by this Offering may not be sufficient to complete the proposed program of work. The purchase of the shares described herein should, therefore, be regarded as speculative. See RISK FACTORS for additional risk factors. |
| Use of Proceeds: | The monies from this Offering will be used to pay the costs of this Offering, to make final option payments on the Hillside claims to carry out a work program thereon, and to provide general working capital. See USE OF PROCEEDS for details. |
| Dilution Factor: | Purchasers of the securities offered under this Prospectus will experience an immediate and substantial dilution of \$0.24 per share (60%) in the net tangible book value of their investment. See DILUTION for details. |
| Key Personnel: | David Patterson is Chief Executive Officer and Erica Hughes is Chief Financial Officer of the Issuer. Mr. Patterson, Donald Moore and Nigel Hulme comprise the Issuer's Board of Directors. See DIRECTORS AND OFFICERS for details. |
| Payment of Dividends: | The Issuer has not paid any dividends since the date of its incorporation, and it is not anticipated that dividends will be declared in the near future. |

NAME AND INCORPORATION OF ISSUER

The Issuer was incorporated by Articles and Memorandum under the British Columbia Company Act on February 14, 1984 under the name Delgratia Developments Ltd.

The address of the Head Office of the Issuer is 304 - 701 West Georgia Street, Vancouver, British Columbia, V7Y 1G5.

The address of the Registered and Records Offices of the Issuer is c/o Maitland & Company, Barristers and Solicitors, 700 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

PLAN OF DISTRIBUTION

A. THE OFFERING

The Issuer by its agents hereby offers (the "Offering") to the public in the Province of British Columbia through the facilities of the Vancouver Stock Exchange (the "Exchange"), 550,000 non-flow-through units "Non-Flow-Through (the Units), each Non-Flow-Through Unit comprised of one common share and two Series A Share Purchase Warrants entitling the holder to purchase one additional non-flow-through common share, and 200,000 flow-through units (the "Flow-Through Units"), each Flow-Through Unit comprised of one flow-through common share and two Series A Share Purchase Warrants entitling the holder to purchase one additional non-flow-through common share.

The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agents and the Issuer, with the consent of the Exchange, within a period which is the earlier of 12 months from the date of the preliminary receipt for this Prospectus or 180 days from the Effective Date of this Prospectus. The Offering Price per Non-Flow-Through Unit and Flow-Through Unit (the "Units") will be \$0.40.

Purchasers of Units offered hereunder will be required to allocate the price paid for each Unit on a reasonable basis between the common share and the Series A Warrant that form the Unit, in order to determine their respective costs for purposes of the the Income Tax Act (Canada). The administrative practise of Revenue Canada, Taxation is that the allocation of such purchase price as made by the Issuer and an investor must be the same. The Issuer will allocate the subscription price of a Unit on the basis of 95% to the non-flow-through and the flow-through shares and 5% to the Such allocation is considered to be Series A Warrants.

reasonable by the Issuer, but will not be binding on Revenue Canada, Taxation.

Appointment of Agents

The Issuer, by an agreement dated for reference November 18, 1991 (the "Agency Agreement"), appointed YORKTON SECURITIES INC. ("Yorkton") and PACIFIC INTERNATIONAL SECURITIES INC. ("Pacific International") as its agents (the "Agents") to offer the Non-Flow-Through Units and Flow-Through Units through the facilities of the Exchange, in the amounts set opposite their respective names:

| Yorkton: | 500,000 Non-Flow-Through Units |
|------------------------|--------------------------------|
| | 200,000 Flow-Through Units |
| Pacific International: | 50,000 Non-Flow-Through Units |

The Agents will receive a commission of \$0.04 per Non-Flow-Through Unit sold. The Issuer will pay to Yorkton an additional fee of \$0.04 per Flow-Through Unit sold, out of working capital derived from the Offering in respect of the sale of the Non-Flow-Through Units.

Guarantee and Agents' Warrants

The Agents have agreed to purchase any Units for which subscriptions have not been received on or before the conclusion of the Offering and, as consideration therefor, they have been granted the Agents' Warrants (see "Additional Offering"). The Agents' Warrants entitle the Agents to purchase, in proportion to their participation in the Offering, up to a total of 187,500 shares of the Issuer at any time up to the close of business two (2) years from the listing of the Issuer's shares on the Exchange at a price of \$0.40 per share during the first year and \$0.46 per share during the second year.

The terms and conditions governing the Agents' Warrants shall be the same as those governing the Series A Warrants, except that they shall be non-transferable.

The issue of the Agents' Warrants will not restrict or prevent the Issuer from obtaining any other financing, nor from issuing additional securities or rights during the term of the Agents' Warrants.

The rights and obligations of the Agents under the Agency Agreement, and the entitlement to the commission, will be several, as distinguished from joint, rights and obligations for each Agent.

The obligations of the Agents under the Agency Agreement may be terminated before the day the shares of the Issuer are listed, posted and called for trading on the Exchange, at the Agents' discretion, on the basis of their assessment of the state of the financial markets, and may also be terminated at any time upon the occurrence of certain stated events.

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

The Issuer has granted the Agents a right of first refusal to provide future equity financing to the Issuer for a period of twelve (12) months from the Effective Date.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

The Directors, Officers and other Insiders of the Issuer may purchase Units from this Offering.

Additional Offering

The Agents have agreed to purchase all Units for which subscriptions have not been received at the conclusion of the Offering (the "Guarantee") and, as consideration for the Guarantee, have been granted the Agents' Warrants. The Agents' Warrants will be distributed to the Agents under this Prospectus. Any common shares acquired by the Agents under the Guarantee will also be distributed under this Prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of sale. See "PLAN OF DISTRIBUTION".

Conditional Listing on the Vancouver Stock Exchange

The Exchange has agreed to conditionally list the securities being offered pursuant to this Prospectus, subject to the Issuer fulfilling all of the listing requirements of the Vancouver Stock Exchange, including prescribed distribution and financial requirements.

B. THE UNITS

Non-Flow-Through Units

Each Non-Flow-Through Unit will consist of one non-flow-through common share and two Series A share purchase warrants (the "Series A Warrants").

Flow-Through Units

Each Flow-Through Unit will consist of one flow-through common share and two Series A Warrants. The Flow-Through Units being offered to the public hereunder on a first come first served basis are common shares of the Issuer which will be issued to Investors in the denominations and in the names provided by the Agents. Any additional common shares purchased pursuant to the exercise of the Series A Warrants comprising part of the Flow-Through Units will not be flow-through shares.

Pursuant to the Flow-Through Share Subscription Agreement included in this Prospectus the Issuer has agreed to:

- (a) incur a specified amount of Canadian Exploration Expenses ("CEE") as defined under the <u>Income Tax Act</u> (Canada) (the "Act") within a period of 24 months; and
- (b) within the said 24-month period (or up to 30 days thereafter) renounce the CEE to the Investors.

The persons whose names appear on the list of Investors provided to the Issuer by the Agents will be required to execute the Power of Attorney attached to this Prospectus as Schedule "B", which appoints a Director or Senior Officer of the Issuer as attorney for the purpose of executing the Flow-Through Share Participation Agreement on their behalf.

The common shares comprising a part of the Flow-Through Units will entitle the Investors to CEE as defined under the Act.

The proceeds from the sale of the Flow-Through Units (the "Exploration Funds") will constitute а fund (the "Exploration Fund"). Until expended, the Issuer will hold the Exploration Funds in trust for the Investors in an interest-bearing account with a Canadian chartered bank separate from the Issuer's other funds. David Patterson, а Director and Chief Executive Officer of the Issuer, and the Chief Financial Officer of the Issuer, Erica Hughes, will be responsible for monitoring and controlling the Exploration Fund, and for ensuring that the Exploration Fund spent in a manner which will qualify for the CEE is This will include onsite monitoring of deduction. the exploration program to be carried out on the Issuer's Any interest accruing to this account will be property. solely for the benefit of the Issuer and will be added to working capital. The Issuer will use its best efforts to expend the Exploration Funds to incur expenditures which will qualify as CEE.

Please refer to CANADIAN INCOME TAX CONSIDERATIONS for particulars of the income tax treatment of the Exploration Funds.

It is the Issuer's intention to expend the Exploration Funds by February 28, 1992. Investors will be advised by the Issuer of the amount of the Exploration Funds expended on their behalf by no later than March 31, 1992. At the same time the Issuer will advise Investors of the amount of CEE incurred on their behalf.

The Issuer has previously issued flow-through shares. See headings PRIOR SALES and OTHER MATERIAL FACTS for details.

Series A Warrants

The Series A Warrants will be transferable and in bearer form and two such warrants will entitle the holder thereof to purchase one common share of the Issuer at \$0.40 per share during the first year and at \$0.46 per share during the second year from the date of listing of the Company's shares on the Exchange.

The Series A Warrants shall be posted for trading on the Exchange subject to evidence of satisfactory distribution of such Series A Warrants as specified by the rules of the Exchange.

The Series A Warrants will contain provisions for the appropriate adjustment in the class, number and price of shares issuable upon the exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer, the payment of stock dividends or the amalgamation of the Issuer.

RISK FACTORS

The securities offered hereby are considered speculative due to the nature of the Issuer's business and the present stage of its development. A prospective investor should carefully consider the following factors:

1. There is no known body of ore on the Issuer's mineral properties. The purpose of the present Offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic orebody and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof.

- 2. There is no established market for the common shares and Series A Warrants comprising the Units and there is no assurance that one will develop.
- 3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer as described herein will result in discoveries of commercial quantities of ore.
- Resource exploration and development is a speculative 4. business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of them may result in the Issuer not receiving an adequate return on invested capital.
- 5. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.
- 6. While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.
- 7. The Issuer's property consists of recorded mineral claims which have not been surveyed and, therefore, the precise area and location of such claims may be in doubt.
- 8. After the issuance of the securities offered by this Prospectus, the Issuer will have a book value per common share of \$0.16. Accordingly, purchasers of the

securities offered under this Prospectus will experience an immediate and substantial dilution of \$0.24 per share (60%) in the net tangible book value of their investment.

- 9. Reference is made to the heading CONFLICT OF INTERESTS concerning possible conflicts of interest involving directors and officers of the Issuer.
- 10. The securities offered by this Prospectus will represent 33% of the outstanding shares of the Issuer on completion of the Offering, as compared to 35% issued to Promoters, Directors, Officers, substantial security holders (as defined in the British Columbia <u>Securities</u> <u>Act</u>) and underwriters for cash, property and services (assuming no further purchases by such persons under the Offering).
- 11. The Issuer has not paid any dividends since the date of its incorporation and it is not anticipated that dividends will be declared in the near future.
- 12. FLOW-THROUGH UNITS:

The purchase of the Flow-Through Units is generally most suitable for persons having a high taxable income. Consultation with tax counsel is advisable to determine the suitability of the Flow-Through Unit offering being made hereunder to an Investor's financial position. See CANADIAN INCOME TAX CONSIDERATIONS for details.

The Issuer has sought professional advice that the offering of the Flow-Through Units will qualify within the provisions of the <u>Income Tax Act</u> (Canada) to allow the subscriber to incur CEE. The Issuer has not, however, sought a ruling from Revenue Canada and the risk exists that such expenses may be contested.

USE OF PROCEEDS

The Issuer will receive net proceeds of \$278,000 from this Offering. These monies, less the Issuer's working capital deficiency as at December 18, 1991 of \$11,503, will be utilized as follows:

(a) to pay the costs of this issue: \$30,000

- (b) to make the final option payment due on the Issuer's property in the Nelson Mining Division of British Columbia (see DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER for details):
- (c) to carry out, from the proceeds derived from the Flow-Through Unit offering, a portion of Stage 1 of the work program recommended on the Hillside Claim Group by M. Magrum, P.Eng. and Carl von Einsiedel, B.Sc. in their report (the "Hillside Report") dated February 6, 1991 (see DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER for details):
- (d) to complete the Stage l program described in (c) above, from the proceeds derived from the Non-Flow-Through Unit Offering:
- (e) to pay the commission payable to Yorkton in connection with the sale of the Flow-Through Units (see PLAN OF DISTRIBUTION for details):
- (f) to provide reserve for working capital and general administrative purposes:

TOTAL:

The proceeds from the sale of Units offered by this Prospectus are intended to be used for the purposes set forth above and to carry out the above program of work. The Issuer will not discontinue or depart from the program of work unless advised in writing by its consulting engineer to do so. Should the Issuer contemplate any such change or departure while primary distribution of the securities offered hereunder is in progress, notice will be given to all shareholders and an amendment to this Prospectus will be filed.

None of the remaining proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may lawfully be sold. Should the Issuer intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the

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30,000

7,500

8,000

110,997

\$266,497

80,000

shareholders of the Issuer must first be obtained and notice of the intention filed with the regulatory bodies having jurisdiction over the sale of the securities offered hereby.

SALES OTHERWISE THAN FOR CASH

None of the securities being offered under this Prospectus are to be offered otherwise than for cash.

SHARE AND LOAN CAPITAL STRUCTURE

| Designation of Security and amount authorized | Amount out- standing as of date of finan- cial state- ments attached hereto | Amount out- standing at date of this Prospectus | Amount outstanding if all securities are sold |
|--|--|--|---|
| 100,000,000 Common | 1,500,001 | 1,500,001 | 2,250,001 |

If all Series A Warrants and Agents' Warrants are exercised then there will be 3,187,501 shares issued and outstanding.

The Issuer does not have any long term debt.

As at November 30, 1991, the Issuer had no contributed surplus and retained earnings. The Issuer had a deficit of \$68,168 as at that date.

DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER

Business

The Issuer is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Issuer is currently involved principally in mineral properties.

Acquisition of Property

By an option agreement dated the December 29, 1989, as amended February 1 and September 10, 1991 (the "Option Agreement") made between the Issuer and Richard Palmer, of Nelson, British Columbia (the "Optionor"), the Issuer was granted an option to acquire a 100% interest in 6 Crown Granted mineral claims, one Reverted Crown Granted mineral claim and 5 located claims, all situated in the Nelson Mining Division of British Columbia, known as the Hillside Claim Group (the "Property"), and more particularly described as follows:

| <u>Claim Name</u> | Record Number | Lot <u>Number</u> | No.of Units | Expiry Date |
|---------------------------|------------------------|----------------------|----------------|----------------------|
| Crown Grants | | | | |
| California | • | 1677 | 1 | |
| Union | | 8324 | 1 | Taxes on all of the |
| Cliff FR | | 15029 | 1 | Crown Grants paid |
| Deadwood | | 2232 | 1 | for 1991. Taxes for |
| Hillside | | 2238 | 1 | 1992 are due July 1. |
| Exchequer | | 391 | 1 | |
| Reverted Cro Cleopatra | <u>wn Grant</u> 970 | 387 | 1 | March 28, 1993 |
| Located Clai | MS | | | |
| Cal #3 | $\overline{2}789(9)$ | | 1 | September 28, 1993 |
| Cal #4 | 2790(9) | | 1 | September 28, 1993 |
| Cal #5 | 2791(9) | | 1 | September 28, 1993 |
| Cal #6 | 2792(9) | | 1 | September 28, 1993 |
| Cal #8 | 2846(10 |) | 1 | September 28, 1993 |

The Issuer is now, and was at the time of entering into the Option Agreement, at arm's length to the Optionor. The Optionor has no interest in the securities of the Issuer.

In consideration for the option the Issuer agreed to pay the sum of \$60,000, of which \$30,000 has been paid to the Optionor to date. The remaining \$30,000 due under the Option Agreement will be paid from the proceeds to be derived from this Offering, but in any event, no later than July 1, 1992.

By an agreement dated June 27, 1991 between the Issuer and Multiplex Resources Ltd. ("Multiplex") of 304 - 701 West Georgia Street, Vancouver, British Columbia, Multiplex was granted an option to acquire a 33% interest in the Property. In consideration therefor, Multiplex paid the Issuer the sum of \$15,000. In order to exercise the option, Multiplex is obligated to expend at least \$87,500 on the Property after completion of the work program to be carried out by the Issuer as described below.

If the results of the work programs to be carried out on the Property by the Issuer and Multiplex warrant further exploration of the Property, the Issuer and Multiplex will enter into a formal joint venture agreement to do the additional work recommended on the Property, in the same proportions as their respective interests in the Property. The Issuer will be the operator of the joint venture. Multiplex is a British Columbia company whose shares trade on the Exchange. David Patterson, a Director of the Issuer, is also a director of Multiplex.

The Property

The Property is located in the Bonnington Range of the Selkirk Mountains 4 km. south of Nelson in the West Kootenay District of southeastern British Columbia. The Property lies on the heavily timbered eastern slope of Toad Mountain between 3,300 and 4,000 feet elevation.

There is good access to the Property via a network of two and four-wheel drive roads from Nelson, which is serviced by regularly scheduled aircraft at Castlegar as well as chartered aircraft and helicopter service at Nelson. Good highways connect Nelson to Vancouver, Calgary and Spokane. All necessary infrastructure for a successful exploration and mining operation at the Property are readily at hand, including easily accessible power and labour supplies. One several existing mills within a 30-mile radius of is currently being reactivated and could potentially be available for custom milling operations.

A report dated February 6, 1991 was prepared on the Property by M. Magrum, P.Eng. and Carl von Einsiedel, B.Sc. (the "Report"). Neither of the authors of the Report has any interest in the Property or securities of the Issuer.

A copy of the Report is attached to and forms part of this Prospectus. The Report contains Terms of Reference and a Summary, which state, in part:

"TERMS OF REFERENCE

. . . Historically, this district is noted for small, high grade, vein type gold occurrences however recent exploration of adjoining properties by Pacific Sentinel Resources and South Pacific Gold Corp. suggests a previously unrecognized potential for bulk tonnage, low grade gold-copper deposits.

B.C. Ministry of Mines records describe several gold occurrences on the property including both vein-type prospects (known as the California Mine et al, which operated circa. 1897 to 1947) and wide, gold bearing alteration zones in fractured, pyritized volcanics of the locally important Elise Formation.

During 1987 and 1988 a previous operation (Magrum, 1987) sampled surface trenches and accessible parts of abandoned underground workings and, commenced rehabilitation of the lowermost level (No.3) of the 'California Mine'. Work included upgrading of the access road; fencing and closure of open portals and areas stoped to surface; construction of a new drift to bypass a large, caved-in stope; and, a preliminary geochemical survey of altered volcanic rocks exposed in the southeastern part of the claims.

During 1990 Delgratia continued rehabilitation of the No.3 Level including installation of air service; timbering and retracking; construction of new manways to provide access for drift sampling and geological mapping; and, underground surveying to provide control for the proposed underground drilling program. It is important to note however that the main stoped area on this level remains inaccessible and may only be investigated by underground drilling. . .

SUMMARY

. . Local vein-type, gold deposits are typically associated with shearing at or near volcanic/intrusive contacts and have potential to host reserves of up to several hundred thousand tons at historical production averages of between 0.25 and 0.75 oz/ton gold. The subject property covers several such occurrences (termed the California Vein, Cabin Vein, Exchequer Vein, Creek Showing, Union Vein) most of which are aligned along an east-west trend in the north central part of the claim Sampling of these zones in 1982 returned vein area. samples of up to: 1.09 oz/ton gold (guartz with sulfides from caved stope on No. 3 level, Jones, 1983); 2.205 oz/ton gold (trench sample across parallel 5 to 15 cm. wide veins, Cabin Vein, Magrum, 1987); and 0.875 oz/ton gold (composite sample of quartz and sulfides at portal of No.2 level, Magrum, 1987). Underground sampling of parts of the No.3 Level during 1990 returned grades ranging from trace to 0.111 oz/ton across drift widths of 1.5 and 2.0 meters.

The following excerpts from various technical reports are included to illustrate the potential for bulk tonnage, gold deposits in the area of the subject property.

P.A. Ronning, 1990 (p.27) describes results of extensive drilling carried out by Pacific Sentinel Resources as follows: 'Localized zones of gold mineralization occur in holes GWS-90-15, 16 and 19, but the most significant zone, and the only one with potential for bulk mining, is in GWS-90-18. There, 1.49 g.Au/tonne (0.044 oz/Au/ton) occur averaged over 26 meters.' Ronning (p.28) further notes that 'With only one drill hole in to the mineralized zone, the mineralization on the Toughnut target is open along strike and down dip.' It is important to note that this showing occurs within altered, fractured volcanics of the Elise Formation situated approx. 4 kilometers west-southwest of the Hillside Claims.

In a report by South Pacific Gold Corp. a similar mineralized zone (termed Cat/Shaft showing) is described as follows: 'The maximum width of mineralization within this interval ranges to 9.44 meters, although the average is closer to 4 or 5 meters. Grades range to 0.34 oz/ton Au and average about 0.18 oz/ton Au with appreciable copper values (ranging from 0.13 to 1.86%).' This prospect is situated approx. 1.5 km. southeast of the Hillside claims and may also be related to a broad, northwest striking shear zone (termed the Silver King Shear) which is thought to be an important control at the Toughnut showing. This shear is developed within Elise Formation volcanic rocks located roughly two km. south of the Hillside claims and parallels a northwest oriented intrusive body along its southern edge.

These new discoveries are of importance to the Hillside claims because several references have been made in literature to geologically similar zones of low grade gold mineralization (termed the Deadwood Zone) located within the claim area.

The Ministry of Mines Report for 1930 (p.268A) states as follows: 'The Deadwood Vein is being investigated as to its possibilities for a large tonnage of low grade gold This deposit, explored by an old 100 foot ore. drift-tunnel consists of a shear zone about 300 feet wide. Within these limits the rock, a calcareous member of the Rossland Volcanic Group, is highly impregnated with iron pyrites and contains numerous veins and stringers of guartz. Several engineers have sampled accessible areas of the zone with interesting results. The assay value of the material appears to vary considerably and information is not yet available as to what might be considered a fair average. The few samples taken by the writer average \$3.90 in gold but, as the showings sampled are in some cases widely separated, this figure cannot be taken to represent any definite block of ground. The results of this sampling and that done by other engineers would seem to justify careful investigation to determine if the values are confined to streaks in the zone or if there are sufficient values over large widths. Some more definite information could be obtained by crosscutting the full width of the deposit from the inner end of the old tunnel and trenching on the steep side hill above the tunnel followed by systematic sampling. As the deposit

could be very cheaply worked, a comparatively small average yield in gold would be sufficient to justify work on a large scale.'

In a report dated Dec.1982, H. Jones, P.Eng. states that 'the assays of \$3.90 in gold mentioned above would be equivalent to 0.188 oz/ton gold or about \$75 per ton at the recent price of US \$400 per ounce. Fairly extensive sampling in this vicinity carried out by the writer in this vicinity has not confirmed such results, the best assay being 4.46 oz/ton silver with negligible assays It is believed that this zone was tested by for **gold**. one or more diamond drill holes (1944?) located about 1/2 mile southeast of the California workings but the not known the writer.' results are to In his 'further Jones recommended conclusions that: prospecting and sampling be undertaken'.

To evaluate this zone the author collected several rock samples and supervised a preliminary geochemical survey (see Magrum, 1987). Rock samples returned gold values ranging from trace to 0.019 oz/ton and geochemical data showed several erratic high values in gold (up to 570 ppb/0.015 oz/ton), zinc (up to 789 ppm), copper (up to 510 ppm), lead (up to 228 ppm) and silver (up to 2.4 ppm). These results are similar to geochemical results obtained by Pacific Sentinel Resources during surface exploration of the Toughnut showing (located approx. 4 kilometers west-southwest of the Hillside Claims). To date no follow-up work has been carried out to further evaluate this target area.

In summary the Hillside Claims have potential for the discovery of both high grade vein-type gold mineralization and bulk mineable, low grade gold mineralization.

In the author's opinion the California Vein is the most important of the vein-type targets primarily because previous mining suggests both vertical continuity and a good grade of mineralization. In regards to the Deadwood Zone, (low grade, bulk tonnage target) additional surface work is obviously warranted in view of recent discoveries on adjoining properties."

A total of \$152,595 has been expended on the Property by the Issuer to date.

The Issuer intends to carry out Stage 1 of the recommended two-stage underground diamond drilling program, which will involve construction of two diamond drill stations and completion of a minimum of 500 meters of wide spaced diamond drilling, at an estimated cost of \$87,500. In the event that the initial underground drill results indicate a significant extension of the known vein system then a second stage of drilling would be required to determine extent and grade. The total estimated cost of Stage 2 is \$155,000 for a total cost of the two-Stage program of \$242,500. As noted above, after completion of the Stage 1 program by the Issuer, Multiplex has agreed to expend an additional \$87,500 on the Property toward completion of the Stage 2 program.

There is no surface or underground plant or equipment, nor is there a known body of commercial ore, on the Property.

DILUTION

The following table reflects the dilution which will result from the purchase of the Units from this Offering:

Dilution per Unit

(as at November 30, 1991)

| (40 40 1000 00, 2002) | |
|--|------------|
| Offering price | \$0.40 |
| Net tangible book value before the Offering | .\$126,832 |
| Increase of net tangible book value attributable | |
| to the Offering | .\$240,000 |
| Net tangible book value after the Offering | .\$366,832 |
| Net tangible book value per share after the | |
| Offering | . \$0.16 |
| Dilution to the subscribers | . \$0.24 |
| Percentage of dilution in relation to the | |
| Offering Price | . 60% |
| | |

PROMOTER

Nigel Hulme, a Director of the Issuer, is the Promoter of the Issuer. No direct remuneration has been paid to him.

LEGAL PROCEEDINGS

The Issuer is not a party to any legal proceedings nor are any such proceedings contemplated.

ISSUANCE OF SHARES

The share capital structure of the Issuer consists of one class of common shares only. All shares of the Issuer, both issued and unissued, rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights. The presently outstanding share capital is not subject to any call or assessment and the Units offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

DIRECTORS AND OFFICERS

The names and municipalities of residence of the Directors and Officers of the Issuer, and the principal business or occupation in which each of them has been engaged during the immediately preceding five years, are as follows:

DAVID MICHAEL PATTERSON West Vancouver, British Columbia Chief Executive Officer, President and Director

Mr. Patterson is president and director of Royal Crystal Resources Ltd., Multiplex Resources Ltd. and PPZ Platinum Products Inc., all of which trade on the Exchange. He is also president and director of Nucell Energy Canada Inc., which trades over-the-counter in Ontario. Mr. Patterson is president and Strategic the owner of Systems Inc. ("Strategic"), a private British Columbia company which has management contracts with six other companies (see OTHER MATERIAL FACTS for details respecting Strategic).

NIGEL JOHN HULME Vancouver, British Columbia Director

Mr. Hulme is a geologist. He has been employed since 1989 by Robertson Info-data Inc. of Vancouver, B. C., a mining information company with clients across North America. Prior thereto he was a self-employed geologist. Mr. Hulme also acts as a director of Nortran Resources Ltd. and Silver Drake Resources Ltd., both of which companies trade on the Exchange.

DONALD GRAHAM MOORE Vancouver, British Columbia Director

Mr. Moore has been an independent business consultant since 1986. He was consultant to Yorkton Securities, London, England from June 1987 to February 1989. He also acts as a director of National Micham Resources Inc., Silver Drake Resources Ltd., Wheaton River Minerals Ltd., Giant Pacific Petroleum Inc. and Farallon Resources Ltd., all of which companies trade on the Exchange. ERICA HAZEL HUGHES North Vancouver, British Columbia Chief Financial Officer and Secretary

Ms. Hughes has been employed since July 1988 as an administrative assistant by Silver Drake Resources Ltd., the shares of which trade on the Exchange. Prior thereto she was employed in the accounting department of Suntech Optics, a North Vancouver distributor of eyewear products.

Mr. Patterson, as President, and in his capacity as manager of the Issuer's day-to-day affairs through his management company, and Ms. Hughes, as Secretary, will devote as much of their time to the Issuer as may be necessary to carry on its business in an efficient manner.

None of the Directors of the Issuer will devote their full time to its affairs.

Audit Committee

The Audit Committee of the Issuer consists of the Directors.

CONFLICTS OF INTEREST

The Directors of the Issuer are aware of their fiduciary duties and will deal with any conflicts of interest which may arise in accordance with the provisions of the <u>Company</u> <u>Act</u> (British Columbia). In order to avoid any possible conflict of interest which may arise between the Directors' duties to the Issuer and their duties to other companies on whose boards they serve, the Directors of the Issuer will allocate business prospects between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of such companies.

EXECUTIVE COMPENSATION

The Issuer has two Executive Officers, namely David Patterson, its President, and Erica Hughes, its Secretary.

David Patterson purchased 40,001 shares in the capital stock of the Issuer at \$0.25 per share. Mr. Patterson and Ms. Hughes each acquired 375,000 principals' escrow shares of the Issuer at \$0.01 per share.

Strategic Systems Inc., a private British Columbia management company owned by Mr. Patterson, has been paid the sum of \$14,000 by the Issuer to date pursuant to a

management agreement in force with the Issuer, and is owed an additional total of \$10,932. See OTHER MATERIAL FACTS for complete details.

A total of \$600 has been paid by the Issuer to its Directors and Officers as fees in connection with attendance at meetings.

Other than as disclosed elsewhere herein, no cash compensation, which includes salary, fees, commissions and bonuses, among other things, has been paid by the Issuer to its Executive Officers during the period since incorporation.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No Director, Senior Officer, proposed nominee for election as a director of the Issuer or associate or affiliate of any such Director, Senior Officer or proposed nominee is or has been indebted to the Issuer since incorporation.

OPTIONS TO PURCHASE SECURITIES

Other than the Series A Warrants and Agents' Warrants issued in connection with this Offering (see PLAN OF DISTRIBUTION for details), there are no options outstanding to purchase securities of the Issuer.

ESCROWED SHARES

| Designation | Number of Shares | Percentage |
|-------------|------------------|------------|
| of Class | Held in Escrow | of Class |
| Common | 750,000 | 50% |

Pursuant to an agreement dated February 8, 1991, there are 750,000 shares of the Issuer held in escrow by Pacific Corporate Trust Company, subject to the direction and determination of the British Columbia Securities Commission (the "Superintendent"). If and when the Issuer's shares are listed for trading on the Exchange, the Exchange will assume jurisdiction of the escrowed shares.

The shares were purchased at \$0.01 per share by David M. Patterson and Erica Hughes, a Director and the Secretary of the Issuer, respectively, as to 375,000 shares each.

The escrow restrictions provide that the shares held in escrow may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or an escrowholder make any transfer or record any trading of shares without the consent of the Superintendent or the Exchange, as the case may be.

The escrow arrangements also provide, among other things:

- (a) the consent of the appropriate regulatory authority to effect a transfer of shares within escrow to succeeding principals of the Issuer;
- (b) upon the death or bankruptcy of an escrowholder, or upon his ceasing to be entitled to hold any escrow shares by virtue of his ceasing to be a principal of the Issuer, the escrow agent shall hold the escrowed shares for the person that becomes legally entitled to become the registered owner thereof; and
- (c) that any escrow shares not released at the end of ten (10) years from the date of issuance by the Superintendent of a receipt for a prospectus relating to the Issuer's first primary distribution to the public shall be cancelled.

There is no requirement for an escrowholder to surrender his escrowholdings to the Company for cancellation in the event he ceases to be a "principal" of the Company.

PRINCIPAL HOLDERS OF SECURITIES

The following table sets forth those parties who own, beneficially, directly or indirectly, more than 10% of the issued securities of the Issuer:

| Name and Address | Class | Type of Ownership | Number of Securities Owned | Percentage of Class |
|---|--------|----------------------|----------------------------------|------------------------|
| David Patterson 3024 Proctor Avenue West Vancouver, B.(| | Direct Beneficial | 415,001 | 28% |
| Erica Hughes 1956 Chesterfield Avenue North Vancouver, B | Common | Direct Beneficial | 375,000 | 25% |

The following table sets forth the percentage of voting securities of the Issuer held beneficially, directly or indirectly, by all directors and senior officers of the Issuer, as a group:

Designation of Class Common

Percentage of Class 53%

PRIOR SALES

(a) Shares Sold for Cash

Since incorporation, the Issuer has allotted and issued the following shares for cash:

| Number of | Price per | Commissions Paid | | |
|-------------------|-----------|------------------|----|-------------|
| Shares | Share | per Share Sold | Ca | sh Received |
| 1 | \$0.16 | Nil | \$ | .16 |
| 750 , 000* | \$0.01 | Nil | \$ | 7,500.00 |
| 750,000** | \$0.25 | Nil | \$ | 187,500.00 |

* Principal's Escrow Shares

** 420,000 of these shares were issued as CEE Flow-Through Shares. See OTHER MATERIAL FACTS for details of the benefits accruing to these shares by the Issuer and the holders thereof.

(b) Shares Issued for Other than Cash

There have been no shares issued other than for cash.

DIVIDEND RECORD

The Issuer has not paid any dividends on any of its shares. The Issuer has no present plans to pay dividends, but any future dividend policy will be determined by the Directors of the Issuer based on earnings, financial requirements and other relevant factors.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Prospectus (see OTHER MATERIAL FACTS) none of the Directors and/or Officers of the Issuer have any interest in material transactions.

SOLICITORS

The solicitors of the Issuer are Maitland & Company, Barristers and Solicitors, Suite 700, 625 Howe Street, Vancouver, British Columbia, V6C 2T6. Maitland & Company also act as the Registered Office for the Issuer. See OTHER MATERIAL FACTS for details respecting shares held by partners of Maitland & Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Auditor for the Issuer is Russell & Co., Chartered Accountants, 4102 Norwood Avenue, North Vancouver, British Columbia, V7N 3R3.

The Transfer Agent and Registrar for the Issuer's shares is Pacific Corporate Trust Company, 830 - 625 Howe Street, Vancouver, British Columbia, V6C 3B8.

ACQUISITIONS

No material acquisitions or dispositions have been made by the Issuer since its incorporation other than as disclosed elsewhere in this Prospectus.

CANADIAN INCOME TAX CONSIDERATIONS

In the opinion of Maitland & Company, Solicitors for the Issuer, the following is, as of the date of this Prospectus, a fair and adequate summary of the principal income tax consequences arising under the <u>Income Tax Act</u> (Canada) (the "Act") and the regulations thereunder (the "Regulations") to an investor (the "Investor") who is resident in Canada and who acquires Flow-Through Units as described in this Prospectus, pursuant to the Flow-Through Share Participation Agreement and a Power of Attorney.

The income tax consequences of participating in the Offering will according to each Investor's particular vary circumstances, including whether the Investor is an individual, trust or corporation and, if a corporation, the nature of its business, the jurisdiction in which the Investor resides, whether the Investor's Flow-Through Units are characterized as capital property and the amount that the Investor's tax liability would be put for participating in the Offering. Such consequences will also depend upon the manner in which the funds invested by the Investor are expended. The comments of this section do not address the tax consequences to Investors who are:

- (1) not resident in Canada;
- (2) corporations whose principal business is related to the exploration of natural resources (referred to in paragraph 66(15)(h) of the Act as a "principal-business corporation");
- (3) traders or dealers referred to in subsection 66(5) of the Act; or

(4) agents acting on behalf of the Issuer in completing the Offering.

The discussion which follows is of a general nature and is based upon the provisions of the Act and the Regulations enacted thereunder and the current administrative practices of Revenue Canada, Taxation as they relate to an investment in flow-through shares. The analysis is subject to any amendments to the Act or the Regulations made after the Effective Date of this Prospectus.

No application has been made for an advance income tax ruling on any aspects of the transactions proposed nor is it intended that such application be made.

THIS SUMMARY DOES NOT CONSTITUTE ADVICE TO ANY PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD, THEREFORE, SATISFY HIMSELF AS TO THE CONSEQUENCES OF HIS PARTICIPATION IN THE OFFERING BY OBTAINING ADVICE FROM HIS OWN TAX COUNSEL.

Canadian Exploration Expense ("CEE")

Where a person gives consideration to a principal-business corporation for issuance of a flow-through share other than a prescribed share (as defined in the Regulations) under an agreement in writing whereby the corporation agrees:

- (a) to incur during the period beginning when the agreement is made and ending 24 months after the end of the month in which the agreement is made (the "Expenditure Period") CEE in an amount not less than the consideration so given; and
- (b) to renounce, within the Expenditure Period or within thirty (30) days thereafter, in prescribed form to the person in respect of the share, an amount in respect of CEE incurred by it or exceeding the consideration received for the share;

the corporation may, within the Expenditure Period of thirty (30) days thereafter, renounce in favour of the Investor in respect of the share his pro rata portion of the amount by which the CEE incurred by the corporation during that period on or before the effective date of the renunciation exceeds the total of:

 (a) any assistance reasonably related to such CEE that the corporation receives, is or become entitled to receive or may reasonably be expected to receive at any time;

- (b) any expenses that are Canadian exploration and development overhead expenses; and
- (c) the total of other amounts renounced in respect of the particular CEE;

to a maximum of:

- (d) the consideration paid for the share less any CEE previously renounced in respect of that share; and
- (e) the amount by which the corporation's cumulative CEE on the effective date of the renunciation exceeds the total of amounts of those expenses previously renounced in respect of any other share.

The amount so renounced is then deemed to be CEE incurred by the Investor on the effective date of the renunciation, will be added in calculating the cumulative CEE amount of the Investor as of the end of that year, and will be deemed never to have been incurred by the Issuer.

CEE, for the purpose of this Prospectus, is defined in subparagraph 66.1(6)(a)(iii) of the Act and includes: "...any expense incurred for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada (other than a Canadian development expense or an expense that relates to a mine that has come into production in reasonably commercial quantities or to a potential or actual extension of such a mine)".

A principal-business corporation that issues a share to an Investor in circumstances described above pursuant to an agreement made with him in a calendar year for consideration paid by him in money in the year, that incurs CEE (other than in respect of a bituminous sands deposit, an oil sands deposit or an oil shale deposit) under the agreement within the year or a 60-day period thereafter, and that renounces such CEE to the Investor in respect of the share with effect on the last day of the year, will be deemed to have incurred the CEE on the effective date of the renunciation in the calendar year.

An Investor may deduct, in computing his income from all sources for a taxation year, such amount as he may claim not exceeding the balance of his cumulative CEE account at the end of the taxation year that reflects CEE incurred in that year. calendar A deduction so claimed reduces the Investor's cumulative CEE account. Cumulative CEE not deducted in any taxation year normally will be carried forward and be available for deduction in later years. If an Investor's cumulative CEE account would otherwise be a negative amount at the end of a taxation year, the negative amount will be included in computing his income for that year and his cumulative CEE account will then have a nil balance.

Disposition of Common Shares

purposes of computing Under the Act, for qains on disposition, share acquired by Investor in а an consideration for CEE renounced by the Issuer shall be deemed to have been acquired by that Investor at a cost to Where an Investor who acquires Flow-Through him of nil. Units also holds or acquires other identical shares, the rules in the Act for determining the averaged adjusted cost base of identical properties will apply.

Due to these provisions, in the case of shares purchased under this Prospectus, an Investor's averaged adjusted cost base per share for tax purposes will be calculated as follows:

| (Number of U | nits | (No. of Flow-Through |
|--------------|-----------------|----------------------|
| x \$0.40) | + | Units x \$0.00) |
| Divided by | total number of | Units plus Flow- |
| | Through Units p | ourchased |

The characterization of such shares as capital property or as inventory will be determined according to the normal rules applicable to the characterization of shares owned by an Investor. Generally, the disposition of a share held as a capital property will result in a capital gain equal to the difference between the proceeds of disposition and the adjusted cost base of the share. On the disposition by an Investor of a share which is inventory, the full gain will be included in the Investor's income.

If the gain realized is a capital gain to a particular Investor who is an individual, the capital gain may qualify for inclusion in that Investor's cumulative lifetime capital gains exemption of \$100,000.

Any balance in the cumulative CEE account of an Investor when he disposes of a Flow-Through Unit will continue to be available to him and will not be transferred to the persons acquiring the share.

Taxation of Capital Gains - Individual Investor

Under the provisions of the Act three-quarters of capital gains realized in 1991 by an individual are included in his income for the year.

If an Investor has used upon his cumulative lifetime capital gains exemption of \$100,000 he will pay tax on his taxable

income, after including the taxable portion of capital gains as stated above, at regular rates of tax.

If an Investor has not fully used up his cumulative lifetime capital gains exemption of \$100,000 then the Investor may reduce his income, which includes the taxable portion of capital gains, by the amount that is the least of:

- 1. three-quarters of the unutilized exemption (i.e. \$100,000 less the cumulative capital gains exemption used up to and including the preceding taxation year);
- 2. the taxable portion of capital gains included in the income of the current year, less allowable business investment losses and less allowable capital losses of other years, deducted in the current year by the Investor; and
- 3. the taxable portion of cumulative capital gains after 1984 in excess of:
 - (a) the cumulative net investment loss of the Investor after 1987; plus
 - (b) aggregate allowable capital losses claims after 1984; plus
 - (c) aggregate allowable business investment losses claims after 1984.

These comments do not take into account the special provisions under the Act related to the \$500,000 exemption for capital gains resulting from a disposition of qualified farm property or shares of small business corporations.

The cumulative net investment loss ("CNIL") of an Investor includes the following items arising after 1987:

- (a) rental losses and deductions for interest paid on borrowings for investments giving rise to interest, dividend, rent, royalties, etc.; plus
- (b) his share of losses from passive investments in joint ventures, co-ownerships or partnerships; plus
- (c) carrying charges, including interest, related to passive investments; plus
- (d) 50% of CEE deducted under the provisions related to flow-through shares obtained directly or via a partnership;

less:

- (e) interest, taxable dividends, rent, royalties or other income from property; plus
- (f) his share of income from passive investments.

In the case of an Investor subscribing for Flow-Through Units under this Prospectus his CNIL from other sources, if any, will be increased by \$0.175 for each Flow-Through Unit purchased.

Taxation of Capital Gains - Corporate Investor

Under the Act, three-quarters of capital gains realized by a corporation in a year are included in its income for the taxation year. Where the taxation year of the corporate Investor straddles December 31, 1989, the portion of capital gains that will be included in income will be pro rated according to the number of days in the taxation year before and after December 31, 1989.

A Canadian-controlled private corporation will include three-quarters of capital gains realized and, if it otherwise has taxable income, pay tax at regular rates. Generally, such corporate Investor will be considered to have paid a refundable tax of 20% of the lesser of the taxable capital gains and taxable income for the year. Such refundable tax will be refunded to the corporate Investor at the rate of \$1 for each \$4 of dividends paid by it in a taxation year.

For other corporations, three-quarters of capital gains realized after June 30, 1988 will be included in the income for the taxation year and will be taxed at the regular rates.

Alternative Minimum Tax

Under the alternative minimum tax ("AMT") rules contained in the Act, the tax otherwise payable by an individual Investor will be the greater of the regular tax otherwise determined and AMT.

In calculating taxable income for the purpose of determining AMT, certain deductions otherwise available are disallowed or restricted and certain amounts not otherwise included, such as the non-taxable portion of capital gains, are added. CEE is not allowed as a deduction in arriving at taxable income for AMT purposes.

Whether and to what extent the tax liability of a particular Investor will be increased by these rules will depend on the amount of his income, the sources and from which it is derived, and the nature and amounts of any deductions in the Investor claims. Any AMT in excess of the regular tax payable for a year is recoverable to the extent that the regular tax payable exceeds AMT for any of the seven succeeding years.

Dividends

Any dividend received by an Investor on the Flow-Through Units and other shares of the Company will be treated as a dividend from a taxable Canadian corporation. Accordingly, where the dividend is received by an individual resident in Canada, he will be entitled to claim a dividend tax credit equalling 16-2/3% of the amount of the dividend. Where the dividend is received by a private corporation resident in Canada, the dividend will normally be free of tax under Part I of the Act but may be subject to a refundable tax of 25% under Part IV of the Act.

Income Tax Withholding or Instalments

An Investor who has income tax withheld at source from employment income may apply to Revenue Canada, Taxation to have the amount withheld reduced in respect of the deductions he expects to derive from his investment in Flow-Through Units. An Investor required to pay income tax on an instalment basis may take these anticipated deductions into account in determining the instalment remittances for the remainder of the taxation year.

Interest Expense

Any reasonable interest paid or payable on borrowings where the borrowed funds were used to subscribe for the Flow-Through Units of the Issuer will be deductible in arriving at the taxable income as long as the Investor continues to own the shares of the Issuer. However, any such interest expense claimed will result in an increase in the CNIL of the Investor.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer since its incorporation are the following:

1. Agency Agreement referred to under PLAN OF DISTRIBUTION.

- 2. Option Agreement between the Issuer and Richard Palmer referred to under DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER.
- 3. Option Agreement between the Issuer and Multiplex Resources Ltd. referred to under DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER.
- 4. Escrow Agreement referred to under ESCROWED SHARES.
- 5. Canadian Exploration Expense Flow-Through Agreements referred to under OTHER MATERIAL FACTS.
- 6. Management Agreement referred to under OTHER MATERIAL FACTS.

Copies of the foregoing contracts may be inspected at the Registered Office of the Issuer, c/o Maitland & Company, 7th Floor, 625 Howe Street, Vancouver, British Columbia, during normal business hours while primary distribution of the securities offered hereunder is in progress and for the period of 30 days thereafter.

OTHER MATERIAL FACTS

Issuance of Shares on Canadian Exploration Expenditures

Pursuant to flow-through agreements (the "Agreements") made in 1989 and 1990 between the Issuer and various investors, the Issuer raised a total of \$105,000. These funds were spent on qualified exploration expenditures. In accordance with the terms of the Agreements, and the <u>Income Tax Act</u> (Canada), the tax benefits related to the Canadian Exploration Expenditures accrued to the benefit of the investors in the 1989 and 1990 taxation years.

Upon renunciation of the flow-through shares to the investors in 1989 and 1990, the right of the Issuer to claim the exploration monies raised by way of the flow-through agreements as an income tax resource deduction was forfeited.

Pursuant to the provisions of the Agreements, a total of 420,000 shares were allotted and issued in the capital stock of the Issuer at a price of \$0.25 per share.

Management Agreement

The Issuer has a management agreement dated January 1, 1991, renewed on July 1, 1991 (the "Agreement"), with Strategic Systems Inc. ("Strategic"), a private company of Vancouver, British Columbia, controlled as by David Patterson, the

President and a Director of the Issuer. Pursuant to the Agreement the Issuer pays Strategic the sum of \$1,000 per month for services rendered, which include providing executive management, office administration, secretarial, bookkeeping and computer services. In addition, the Issuer pays \$1,000 per month to Strategic for office space and limited office supplies and services. The sum of \$14,000 has been paid to Strategic by the Issuer to date under the A further sum of \$10,000 is owed to Strategic Agreement. under the Agreement, along with \$932 which has been advanced behalf of the Issuer by Strategic for on day-to-day expenses. The monies owed by the Issuer to Strategic will be paid from the funds to be derived from this Offering and are included in the working capital figure disclosed under USE OF PROCEEDS herein.

In addition, prior to entering into the Agreement, Strategic had paid legal and accounting fees on the Issuer's behalf since its incorporation in a total amount of \$5,779. This sum has been repaid to Strategic by the Issuer.

The Agreement is renewable for 6-month periods upon negotiation between the Issuer and Strategic.

Strategic has management agreements in force with six other companies, including Royal Crystal Resources Ltd., Silver Drake Resources Ltd., Luken Resources Ltd., Multiplex Resources Ltd. and PPZ Platinum Products Inc., all of which trade on the Vancouver Stock Exchange, and Nucell Energy Canada Inc., which trades over-the-counter in Ontario.

Strategic will devote as much of its time to the Issuer as may be necessary to ensure that the Issuer's day-to-day business affairs are conducted in an efficient manner.

Shares Held by Responsible Solicitor

The solicitor responsible for the preparation and filing of this Prospectus and one of his partners hold, in the aggregate, 180,000 shares of the Issuer, purchased by them at a price of \$0.25 per share. These shares represent 12% of the issued and outstanding shares of the Issuer, and upon completion of the Offering, they will represent 8% of the issued and outstanding shares of the Issuer.

Public Relations Services

The Issuer has not made, nor does it intend to make, any written or oral arrangement for promotional or public relations services.

There are no other material facts not elsewhere disclosed in this Prospectus.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

The <u>Securities Act</u> provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act, or consult a lawyer. THIS IS SCHEDULE "A" TO THE PROSPECTUS OF DELGRATIA DEVELOPMENTS LTD. DATED THE 18TH DAY OF DECEMBER, 1991.

THIS AGREEMENT IS TO BE EXECUTED ONLY BY INVESTORS WISHING TO PARTICIPATE IN THE FLOW-THROUGH OFFERING OF 200,000 FLOW-THROUGH UNITS PURSUANT TO THE PROSPECTUS OF DELGRATIA DEVELOPMENTS LTD. DATED DECEMBER 18, 1991.

FLOW-THROUGH SHARE PARTICIPATION AGREEMENT

THIS FLOW-THROUGH SHARE PARTICIPATION AGREEMENT MUST BE DULY EXECUTED AND RETURNED BY THE INVESTOR, OR HIS DULY APPOINTED ATTORNEY, TO THE ISSUER, THE AGENT OR A SELLING PARTICIPANT WITHIN 28 DAYS AFTER THE OFFERING DAY AS DEFINED IN THE PROSPECTUS, OR THE INVESTOR WILL NOT BE ENTITLED TO RECEIVE ANY "FLOW-THROUGH" TAX TREATMENT FOR HIS SUBSCRIPTION.

THIS AGREEMENT is made and dated for reference the ____ day of ____, 1991

BETWEEN: DELGRATIA DEVELOPMENTS LTD., a company incorporated under the laws of the Province of British Columbia, and having a business office at 304 - 701 West Georgia Street, Vancouver, B.C. V7Y 1G5

(the "Issuer") OF THE FIRST PART

AND: EACH OF THE PERSONS WHO HAVE SUBSCRIBED FOR FLOW-THROUGH UNITS IN THE CAPITAL OF THE ISSUER PURSUANT TO THE PROSPECTUS OF THE ISSUER DATED DECEMBER 18, 1991 ALL OF WHOSE NAMES ARE SET OUT IN APPENDIX I HERETO

> (such persons being referred to individually as an "Investor" and collectively as the "Investors")

> > OF THE SECOND PART

WHEREAS:

(A) the Issuer has certain interests in mining resource properties situated in Canada (collectively, the "Property");

(B) the principal business of the Issuer is mining or exploring for minerals;

(C) the Issuer intends to carry out one or more exploration programs on the Property that may include geophysical surveying, seismic testing, underground and surface diamond drilling, metallurgical studies and underground drifting to determine the existence, location, extent and quality of the mineral resources located thereon (the "Exploration Program");

(D) the expenses incurred in performing the Exploration Program will constitute Canadian Exploration Expense ("CEE") within the meaning of subparagraph 66.1(6)(a)(iii) of the <u>Income Tax Act</u> of Canada (the "ITA"), other than expenses which constitute Canadian Exploration and Development Overhead Expense ("CEDOE") as prescribed for the purposes of paragraph 66.12(6)(b) of the ITA;

(E) pursuant to a Prospectus of the Issuer dated the 18th day of December, 1991 (the "Prospectus"), the Investors have agreed to subscribe for "flow-through" units (the "Flow-Through Units") of the Issuer, each Flow-Through Unit consisting of one "flow-through share" and two non-flow through Series "A" Warrants of the Issuer (the "Series A Warrant") and the "flow-through" shares of the Issuer will constitute, "flow-through" shares for the purposes of the ITA (the "Flow-Through Shares"), all as more particularly described in the Prospectus;

(F) the Issuer has agreed to apply the subscription funds allocable to the Flow-Through Shares to be provided by the Investors toward carrying out the Exploration Program and to renounce the expenditures associated therewith to the Investor in accordance with the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing and of the mutual covenants and agreements herein contained, the parties agree as follows:

Subscription

Each Investor hereby subscribes, at the Offering 1. Price as defined in the Prospectus, for that number of Flow-Through Units as is indicated beside his name in Appendix I hereto and concurrently with the execution of this Agreement agrees to pay to the Issuer the proceeds of subscription (individually, "Investor's such the Contribution" and collectively the "Investors' Contribution").

Deposit of Investors' Contribution and Issuance of Shares

- 2. The Issuer will:
 - (a) following receipt of the Investors' Contribution, deposit it into a separate bank account (the "Exploration Fund") established by the Issuer for the purpose of financing the Exploration Program; and
 - (b) upon receipt of all necessary securities regulatory approvals, issue the Flow-Through Shares to the Investor and deliver a share certificate representing the Flow-Through Shares to the Investor.

Additional Investors to Participate in Exploration Program

The Investor acknowledges that the Issuer has entered 3. into and will be entering into agreements similar to this Agreement with other persons. Such agreements shall be made and dated for reference the same date as this Agreement. The funds paid to the Issuer pursuant to the terms of such agreements shall also be deposited in the Exploration Fund. Should the Issuer intend, however, to issue additional "flow-through" common shares pursuant to a private placement or pursuant to a different public offering, any subscription funds received from such private placement or public offering shall be deposited into a bank account separate from the Exploration Fund and shall not be commingled with the funds comprising the Exploration Fund, it being the intention of the parties that a separate subscribers' exploration account be established for each such private placement or public offering. The Issuer shall expend each subscribers' exploration account in the order of:

- (a) the reference date of the flow-through share funding and renunciation agreements entered into for such private placements; and
- (b) the date of closing such public offering,

subscription funds from the oldest such that the "flow-through" financing shall always be spent first and renunciation made in respect of such expenditures before any renunciations are made in respect of any exploration financed expenditures that are from subsequent "flow-through" financings.

Application of Exploration Fund

4. Subject to the Issuer's right to revise the Exploration Program as provided for in this Agreement, the Issuer shall apply all funds deposited in the Exploration Fund exclusively for the purpose of performing the

Exploration Program and the Issuer will only apply such funds to incur expenditures ("Exploration Expenditures") which qualify as both CEE and Eligible Exploration Expenses.

Accrued Interest on Exploration Fund

5. The Investor acknowledges that any interest accruing on funds in the Exploration Fund shall accrue to the sole benefit of the Issuer and may be applied by the Issuer for general corporate purposes.

Schedule for Incurring Exploration Expenditures

6. The Issuer shall use its best efforts to expend the Exploration Fund between the date of this Agreement and:

- (a) the expiry of the 60th day after the end of the year in which this Agreement was made, if the Issuer and the Investor are dealing at "arm's length, as that term is used in the ITA; or
- (b) the end of the year in which this Agreement was made if the Issuer and the Investor are not dealing at "arm's length".

In the event that any balance remains in the Exploration Fund at that date, such balance will be expended by the Issuer to fund Exploration Expenditures as soon as is practical in the circumstances but, in any event, prior to the last day of the 24th month following the date of this Agreement.

Issuer to Renounce Exploration Expenditures in Favour of Investor

The Issuer shall, within the times set out below and 7. in accordance with the provisions of subsection 66(12.6) of the ITA, take all necessary steps to renounce in favour of the Investor, together with the other parties who have made contributions to the Exploration Fund, the amount of Exploration Expenditures, which excludes expenditures constituting CEDOE, incurred by it under the Exploration Program during the periods specified less the amount, if any, of the assistance, as that latter term is defined in paragraph 66(15)(a.1) of the ITA, that the Issuer received or may reasonably be expected to receive in respect of such Exploration Expenditures:

| No. | Date of Renunciation | Date of Renunciation | Period of Explora- tion Expenditures to be Renounced |
|-----|--|--|---|
| 1 | Within 90 days of the end of the year in which this Agreement was made | December 31st if the year in which this Agreement was was made | Any and all Explo- ration Expenditures incurred between the date of this Agreement and the expiry of the 60th day after the end of the year in which this Agree- ment was made. |
| 2. | Within 90 days of the end of the year following the year in which this Agreement was made | December 31st if the year following the year in which this Agreement was made | Any and all Explo- ration Expenditures incurred since the end of the previous renunciation period and the expiry of the 60th day after the end of the year following the year in which this Agreement was made. |
| 3. | Within 30 days following the second anniver- sary of the date this Agreement | The second anniversary of the date of this Agreement | Any and all Explo- ration Expenditures incurred since the end of the previous renunciation period and the second anniversary of the date of this Agreement. |

Should:

- (a) this Agreement be made in the first 60 days of the calendar year, then the Issuer shall only make renunciations 1 and 3 and the effective date of the 3rd renunciation will be December 31st of the year following the year in which this Agreement was made;
- (b) the Issuer expect to earn income for any fiscal period during the term of this Agreement, then the Issuer shall, in addition to the foregoing renunciations, renounce, effective on the day preceding the last day of such fiscal period, all Exploration Expenditures incurred by the Issuer since the end of the previous renunciation period up to the effective date of such renunciation; or

(c) the Issuer and the Investor not be dealing at "arm's length", as that term is used in the ITA, the term "30 days" will be substituted for the term "90 days" wherever it appears in the second column and the term "the expiry of the 60th day after will be deleted wherever it appears in the third column.

Issuer to File Prescribed Form in Respect of Renunciations

8. Issuer shall file, in The respect of each renunciation made pursuant to this Agreement, before the last day of the month following the date of making such renunciation, such information returns with the Minister of National Revenue as are prescribed by subsection 66(12.7) of A copy of such information the ITA. returns shall concurrently be sent to the Investor.

Issuer to File Copy of Agreement with Revenue Canada

9. The Issuer shall file, together with a copy of this Agreement, the prescribed form referred to in subsection 66(12.68) of the ITA with the Minister of National Revenue on or before the last day of the month following the earlier of:

- (a) the month in which this Agreement is made, as set out on the first page of this Agreement; or
- (b) the month in which any "selling instrument", as that term is defined in paragraph 66(19)(h.1) of the ITA, relating to this Agreement is first delivered to the Investor or other potential investor in the Issuer.

Exploration Benefits

10. The Investors will not acquire any rights in the properties of the Issuer, including property acquired out of the Exploration Fund. Any other benefits derived from such expenditures, including assessment work credits and governmental incentives will accrue exclusively to the Issuer.

Representations and Warranties of the Issuer

11. The Issuer represents and warrants to the Investor
that:

(a) it is a reporting company duly organized and validly existing under the laws of its jurisdiction and incorporation, amalgamation or continuance, that it is in good standing with the corporate governmental authorities of such jurisdiction with respect to the filing of annual returns and such other filings as are necessary to maintain its corporate existence and that it has full corporate power to conduct its business as such business is now being conducted;

- (b) other than as disclosed in the Prospectus, there are no claims, actions, suits, judgments, or proceedings pending against or affecting the Issuer which will or may have a material adverse effect upon the Issuer, nor does it know of any reasonable ground for any such claims, actions, suits, judgments or proceedings;
- (c) it has the full power and authority to enter into and perform this Agreement and to do all other acts which may be necessary to consummate the transactions contemplated hereby;
- (d) the issue of the Flow-Through Shares will, at the time of their issuance, have been approved by all requisite corporate action and the Flow-Through Shares will, upon issue and delivery, be validly issued as fully paid and non-assessable;
- (e) there is no consent, approval, authorization, order or agreement of any stock exchange, securities commission or similar authority in Canada, governmental agency or regulator, court or any other person which may be required for the issuance of the Flow-Through Shares and the delivery of certificates representing the Flow-Through Shares to the Investor, not obtained and not in effect on the date of delivery of such share certificates;
- (f) it is, and at all material times will remain, a "principal business corporation" within the meaning prescribed by paragraph 66(15)(h) of the ITA; and
- (g) the Flow-Through Shares will qualify as "flow-through shares" as described in paragraph 66(15)(d.1) of the ITA and in particular will not be prescribed shares as defined in section 6202 to the regulation to the ITA.

Allocation of Exploration Expenses

12. For the purposes of determining the extent to which the Investors' Contribution has been the subject of renunciation under the ITA, the total amount expended from the Exploration Fund on Exploration Expenditures shall be allocated among the Investor and those other persons who have contributed to the Exploration Fund on a basis pro rata to the relative amounts of their respective subscription contributions.

No Renunciation to Third Parties

13. The Issuer will not renounce any Exploration Expenditures in respect of its Exploration Program in favour of any person other than the Investor and the other parties who have contributed to the Exploration Fund.

Issuer Not to Claim a Deduction in Respect of the Exploration Expenditures

14. The Issuer acknowledges that it has no right to claim any deduction for CEE or depletion of any sort in respect of the Exploration Expenditures and covenants not to claim any such deduction when preparing its tax returns from time to time.

Issuer to Account to Investor

15. The Issuer will maintain proper accounting books and records relating to the Exploration Expenditures. On the completion of the Exploration Program, the Issuer shall account to the Investor in respect of the application of the Exploration Fund.

No Dissemination of Confidential Information

16. The Issuer shall be entitled to hold confidential all exploration information relating to any program on which any portion of the Investors' Contribution is expended pursuant to this Agreement and it shall not be obligated to make such information available to the Investor except in the manner and at such time as it makes any such information available to its shareholders or to the public pursuant to the rules and policies of any stock exchange or laws, regulations or policies of any province.

Investor not to Acquire any Interest in the Property

17. The Investor will not, as a result of the Company incurring any Exploration Expenditures associated with the Exploration Program or by reason of this Agreement, any interest in the Property.

Revision of Exploration Program

18. While it is the present intention of the Issuer to undertake the Exploration Program, it is the nature of mining exploration that data and information acquired during the conduct of an exploration program may alter the initial proposed program of exploration and the Issuer expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the Investors' Contribution, provided such programs entail the incurrence of CEE as defined in subparagraph 66.1(6)(a)(iii) of the ITA, should such change of program be deemed to be in the best interest of the Company by its Board of Directors.

Notice

19. Unless otherwise provided herein, any notice or other communication to a party under this Agreement may be made, given or served by registered mail, postage prepaid, by telecopy, by telex or by telegram addressed to the Issuer at its address set out in the first page of this Agreement, and to the Investors at their respective addresses set out in Appendix I to this Agreement.

Any notice or other communication so mailed is deemed to have been given or served on the fifth business day following its mailing. Notices sent by telegraph, telex or telecopy are deemed to have been received on the business day following the date of transmission. In the event of a postal strike or delay affecting mail delivery, the date of receipt of any notice by mail is deemed to be extended by the length of such strike or delay. Written notices may also be delivered personally to the parties at such addresses and are deemed to have been given on the day received. Each party may change its address for service at any time by providing notice in writing of such change to the other party.

Execution of Additional Documents

20. The parties hereto each covenant and agree to execute and deliver such further agreements, documents and writings and provide such further assurances as may be required by the parties to give effect to this Agreement and, without limiting the generality of the foregoing, to do all acts and things, execute and deliver all documents, agreements and and provide assurances, undertakings, writings such information, pooling agreements and investment letters as may be required from time to time by all regulatory or governmental bodies or stock exchanges having jurisdiction over the Issuer's affairs or as may be required from time to time under the ITA and the Regulations thereunder.

Force Majeure

Subject to paragraph 6, if the Issuer is prevented or 21. delayed from performing any of its obligations hereunder or from incurring Exploration Expenditures on behalf of the Investor or in carrying out any programs contemplated hereby by reason of any act of God, strike, labour dispute, lockout, threat of imminent strike, fire, flood, interruption or delay in transportation, war, insurrection or mob violence, requirements or regulations of government statute, unavoidable casualties, shortage of labour, or equipment or materials, plant breakdown or failure of

operating equipment or any disabling cause without regard to the foregoing enumeration, beyond its control or which cannot be overcome by the means normally employed in performance, then and in every such event, any such prevention or delay will not constitute a breach of this Agreement but, subject to the requirements of the ITA concerning the renunciation of CEE to the Investors of "flow through shares", performance of any of the said obligations or requirements to incur Exploration Expenditures or to perform any such program shall be suspended during such period of disability and the period of all such delays resulting from any such causes shall be excluded in computing the time within which anything required to be performed by the Issuer is to be done hereunder, it being understood that the time within which anything is to be done, or made pursuant hereto, shall be extended by the total period of all such delays.

Governing Law

22. This Agreement is deemed to have been made in British Columbia and will be governed by and construed exclusively in accordance with the laws of British Columbia.

Time of the Essence

23. Time is of the essence in this Agreement.

Interpretation

24. Whenever the singular and neuter are used throughout this Agreement, the same will be construed as meaning the plural or the feminine or masculine or a body corporate where the context of the parties so requires.

Entire Agreement

25. This Agreement supersedes all prior negotiations between the parties with respect to the matters herein referred to and contains the entire agreement between the parties hereto and may be modified only by an instrument in writing signed by the party against whom modification is asserted.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

THE COMMON SEAL of DELGRATIA DEVELOPMENTS LTD. was hereunto affixed in the presence of: SIGNED, SEALED AND DELIVERED by or

by _____, as Attorney for each of the Investors listed in Appendix I attached hereto in the presence of:

Signature

Address

Occupation

APPENDIX I

Name and Address of Investor

No. of Shares

THIS IS SCHEDULE "B" TO THE PROSPECTUS OF DELGRATIA DEVELOPMENTS LTD. DATED THE 18TH DAY OF DECEMBER, 1991.

THIS POWER OF ATTORNEY IS TO BE EXECUTED ONLY BY INVESTORS WISHING TO PARTICIPATE IN THE FLOW-THROUGH OFFERING OF 200,000 FLOW-THROUGH UNITS PURSUANT TO THE PROSPECTUS OF DELGRATIA DEVELOPMENTS LTD. DATED DECEMBER 18, 1991

POWER OF ATTORNEY

- To: DELGRATIA DEVELOPMENTS LTD. (the "Issuer") 304 - 701 West Georgia Street Vancouver, B. C. V7Y 1G5
- Re: Flow-Through Share Participation Agreement and Participation in the Flow-Through Offering pursuant to the Issuer's Prospectus dated the 18th day of December, 1991 (the "Prospectus")

The undersigned investor hereby irrevocably nominates, constitutes and appoints any director or senior officer of the Issuer (the "Attorney"), with full power of substitution, as his agent and true and lawful attorney to act on behalf of the undersigned with full power and authority in his name, place and stead to execute, acknowledge, date, deliver, file and record as and where the Attorney considers it appropriate, the Flow-Through Share Participation Agreement in the form which accompanies the Prospectus as Schedule "A" thereto, and any amendment, change or modification of that Agreement, subject to the terms of the Flow-Through Share Participation Agreement.

The undersigned agrees to be bound by any representation and action of the Attorney made or taken in conformity with this Power of Attorney. This Power of Attorney shall be irrevocable and shall bind the undersigned, his heirs, executors, administrators, successors and assigns, as the case may be, notwithstanding the death, incapacity or bankruptcy of the undersigned.

The Attorney shall have the power to execute the Flow-Through Share Participation Agreement in the name of the undersigned pursuant to this Power of Attorney by affixing his signature thereto with the indication that the Attorney is acting on behalf of the undersigned.

DATED this ____ day of ____, 1991.

THIS POWER OF ATTORNEY MUST BE DULY EXECUTED AND RETURNED BY THE UNDERSIGNED TO THE AGENT OR SELLING PARTICIPANT WITHIN 28 DAYS AFTER THE OFFERING DAY, OR THE UNDERSIGNED WILL NOT BE ENTITLED TO RECEIVE ANY "FLOW-THROUGH" TAX TREATMENT FOR HIS SUBSCRIPTION.

IF THE UNDERSIGNED IS AN INDIVIDUAL

| SIGNED, SEALED AND DELIVERED) by the Undersigned in the) presence of:) | |
|--|-----------------------------|
|) Cignatura | SIGNATURE |
| Signature)) Name of Witness (Print)) | Name of Undersigned (Print) |
| Address) | Residence Address |
|) | City Province |
| Occupation) | Postal Code |
| IF THE UNDERSIGN | NED IS A CORPORATION |
| THE COMMON SEAL OF THE UNDER- SIGNED WAS HEREUNTO AFFIXED | |
| IN THE PRESENCE OF: | c/s |

Authorized Signatory

Name of Signatory (Print)

Office

NAME OF CORPORATION

ADDRESS OF CORPORATION

CITY

PROVINCE

POSTAL CODE

FINANCIAL STATEMENTS

NOVEMBER 30, 1991

Russell & Co.

AUDITORS' REPORT

The Directors Delgratia Developments Ltd.

We have audited the balance sheet of Delgratia Developments Ltd. as at November 30, 1991 and June 30, 1991, the statements of loss and deficit, change in financial position and resource property expenditures for the period ended November 30, 1991, the year ended June 30, 1991 and the initial period ended June 30, 1990. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 1991 and June 30, 1991 and the results of its operations and the changes in its financial position for the period ended November 30, 1991, the year ended June 30, 1991 and initial period ended June 30, 1990, in accordance with generally accepted accounting principles. As required by the British Columbia Company's Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.

Vancouver, B.C. December 5, 1991

Chartered Accountants

(Incorporated under the Company Act of British Columbia) BALANCE SHEET AS AT NOVEMBER 30, 1991

| | | November 30 1991 | June 30 1991 |
|--|----------------------|---|---|
| | ASSETS | | |
| Current | | | |
| Cash Account receivable Advances Prepaid expenses | | \$ 1,590 1,328 4,500 <u>1,500</u> 8,918 | \$ 21,887 1,674 |
| Resource properties (Note 3) | | <u>138,335</u> <u>\$ 147,253</u> | <u>137,595</u> <u>\$ 162,656</u> |
| | LIABILITIES | | |
| Current | | | |
| Accounts payable and accrued liabilities | | <u>\$20,421</u> 20,421 | <u>\$2,985</u> 2,985 |
| | SHAREHOLDERS' EQUITY | | |
| Capital Stock (Note 4) | | 195,000 | 195,000 |
| Deficit | | (68,168) 126,832 \$ 147,253 | (<u>35,329)</u> 159,671 \$ 162,656 |
| Approved by the Directors | | | |
| "David M. Patterson" Director David M. Patterson | | | |

"Donald G. Moore" Director Donald G. Moore

i.

STATEMENT OF LOSS AND DEFICIT FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1991

| | Five months ended November 30 1991 | Year ended June 30 1991 | Initial period ended June 30 1990 |
|--|---|---|--|
| Expenses | | | |
| Accounting and audit Administration Bank charges Directors fees Filing fees Legal Office Rent Transfer agent | \$ 2,000 5,000 60 7,100 9,629 4,950 3,500 | \$ 4,700 6,000 327 600 148 11,493 2,407 4,200 400 | \$ 1,800 - - 50 3,017 187 - - |
| Net loss for the period | 32,839 | 30,275 | 5,054 |
| Deficit at beginning of period | 35,329 | 5,054 | <u> </u> |
| Deficit at end of the period | <u>\$ 68,168</u> | <u>\$_35,329</u> | <u>\$ 5,054</u> |
| Loss per share | <u>\$0.02</u> | <u>\$0.03</u> | <u>\$0.02</u> |

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1991

| | Five months ended November 30 1991 | Year ended June 30 1991 | Initial period ended June 30 1990 |
|---|--|---|--|
| Operating activities Net Loss for the period | \$ (32,839) | \$ (30,275) | \$ (5,054) |
| Net change in working capital items other that cash Increase (decrease) in accounts payable and accrued | | | |
| liabilities Decrease (increase) in accounts receivable | 17,436 346 | (27,547) (1,674) | 30,532 - |
| Increase in prepaid expenses Increase in advances | <u>(4,500)</u> (19,557) | (67,117) | 25,478 |
| Investing activities Resource property expenditures | <u>(740)</u> (740) | <u>(67,117)</u> (67,117) | <u>(85,478)</u> (85,478) |
| Financing activities Issue of shares for cash Option payment received | | 135,000 <u>15,000</u> 150,000 | 60,000 |
| Net change in cash during period | (20,297) | 21,887 | - |
| Cash at beginning of the year | 21,887 | <u> </u> | <u>-</u> |
| Cash at end of the year | <u>\$_1,590</u> _ | <u>\$ 21,887</u> | <u>\$</u> |
| Cash represented by: Cash Term deposit | \$ 590 <u> 1,000</u> <u>\$ 1,590</u> | \$ 20,887 <u>1,000</u> <u>\$ 21,887</u> | \$ <u>\$</u> |

STATEMENT OF RESOURCE PROPERTY EXPENDITURES FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1991

| | Five months ended November 30 1991 | Year ended June 30 1991 | Initial period ended June 30 1990 |
|--|---|---|---|
| Resource property (Note 3) | · | | |
| Hillside Project | | | |
| Administration Equipment rental Field crew wages Geological fees Property payments Report preparation Supplies | \$ 1,490 59,435 31,194 4,667 30,000 2,182 24,367 153,335 | \$ 750 59,435 31,194 4,667 30,000 2,182 <u>24,367</u> 152,595 | \$ 750 36,190 19,559 1,633 10,000 - - 17,346 85,478 |
| Less option payment received | <u>(15,000)</u> <u>\$ 138,335</u> | <u> </u> | <u> </u> |

DELGRATIA DEVELOPMENTS LTD. NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 1991

1. Incorporation and commencement of operations

The Company was incorporated under the laws of the Province of British Columbia on February 14, 1984 and commenced operations on December 5, 1989.

2. Summary of significant accounting policies

a. Resource property

Acquisition costs of mineral claims together with direct exploration and development expenditures therein are deferred in the accounts. When production is attained these costs are amortized using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual properties exceed the estimated net realizable value of undiscounted proven reserves, the properties are written down to their estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made.

3. Resource property

- a. The value of resource properties is dependent upon the future commercial success of the property or proceeds from its disposition.
- b. By letter agreement dated December 29, 1989 the Company acquired an option to purchase six Crown Granted mineral claims, one Reverted Crown Granted mineral claim and five located claims, located in the Nelson Mining Division in the Province of British Columbia. In consideration for the option the Company has agreed to pay the sum of \$60,000 as follows:
 - i) the sum of \$10,000 on January 1, 1990;
 - ii) the sum of \$10,000 on July 1, 1990;
 - iii) the sum of \$10,000 on January 1, 1991;
 - iv) the sum of \$10,000 on July 1, 1991;
 - v) the sum of \$10,000 on January 1, 1992; and
 - vi) the sum of \$10,000 on July 1, 1992.

As at November 30, 1991 the Company has paid \$30,000 pursuant to the agreement.

By an amended agreement, dated September 10, 1991, the Company has agreed to pay the remaining \$30,000 due under the agreement with 14 days of completion of a public offering or no later than July 1, 1992.

c. The Company granted to Multiplex Resources Ltd., ("Multiplex") an option to earn a 33% interest in the claims described above. To earn this interest, Multiplex paid \$15,000 and must incur exploration expenditures expected to total \$87,500.

4. Capital stock

a. Authorized

100,000,000 common shares without par value.

b. Issued

For Five Month Period ended November 30, 1991

| | Number | Amount |
|--------------------------------|-----------|-------------------|
| Balance beginning of period | 1,500,001 | \$ 195,000 |
| Issue during period | | |
| | 1,500,001 | <u>\$ 195,000</u> |

- c. The release of the escrow shares are subject to the approval of the regulatory authorities. As at November 30, 1991, none of the shares have been released.
- d. On December 29, 1989, the Company entered into flow through share agreements whereby the participants provided \$60,000 for exploration work in Canada. The participants received one common share of the Company for each \$0.25 spent on the program. The Company has assigned the deductibility of the \$60,000 on the Hillside Property for tax purposes to the subscribers. The Company also assigned its entitlement to receive incentives under the Canadian Exploration Incentive Program Act to the subscriber. The Company issued 240,000 common shares designated as flow through shares at \$0.25 per share.
- e. On December 3, 1990, the Company entered into flow through share agreements whereby the participants provided \$45,000 for exploration work in Canada. The participants received one common share of the Company for each \$0.25 spent on the program. The Company has assigned the deductibility of the \$45,000 on the Hillside Property for tax purposes to the subscribers.
- f. The Company issued one share at \$0.16 on February 14, 1984.

5. Related party transaction

- a. During the period, the Company paid \$5,000 (1991-\$6,000) in administration, \$3,500 (1991-\$4,200) in rent and \$1,500 (1991-\$1,800) in supplies to a company owned by the president of the Company.
- b. During the period \$600 was paid to directors and officers of the Company.
- c. An amount of \$15,000 was received as an option payment (see Note 3c) from a company which has a common officer and director.

6. Income taxes

As at November 30, 1991, the Company has losses and exploration expenses for tax purposes which may be carried forward and applied against future taxable income. These are as follows:

Operating losses of \$68,168 which expire in 1997 and 1998: and

Canadian exploration and development expenses of \$138,335 (of which \$105,000 have been renounced to flow through share subscribers) which may be carried forward indefinitely.

The potential effect on future income taxes, which may result from the application of these losses and exploration and development costs, has not been reflected in these financial statements.

7. Subsequent events

a. The directors have announced their intention to file a prospectus with the Superintendent of Brokers and to take the Company public on the Vancouver Stock Exchange subject to the approval of regulatory authorities. The Company intends to offer to the public a total of 750,000 units, at \$0.40 per unit, comprised of 550,000 non-flow-through units consisting for one common share and two Series A warrants and 200,000 flow-through units consisting of one flow through common share and two Series A warrants. Two Series A warrants will entitle the holder to purchase one additional common share at \$0.40 per share during the first year and \$0.46 per share during the second year of a term expiring two years from the date of listing of the Company's shares on the Vancouver Stock Exchange. The initial offering will net the Company \$270,000. The Company also intends to grant warrants to the participating agents to purchase a total of 187,500 common shares of the Company at \$0.40 per share in the first year and \$0.46 per share in the second year.

SUMMARY REPORT AND PROPOSED EXPLORATION PROGRAM

HILLSIDE CLAIM GROUP

NELSON MINING DIVISION SOUTH EASTERN BRITISH COLUMBIA CANADA

> NTS: 82F/6E Longitude: 117 ° 18' west Latitude: 49 ° 27' north

| Project Operator: | Delgratia Developments Ltd. 304 - 701 West Georgia St. Vancouver, British Columbia | | |
|-------------------|--|--|--|
| Date Submitted: | February 6, 1991 | | |
| Report Authors: | M. Magrum, P.Eng. C. von Einsiedel, BSc. | | |

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TERMS OF REFERENCE

Pursuant to an agreement dated December 15, 1989 Delgratia Developments Ltd. acquired an option to purchase a gold property located near Nelson in southeastern British Columbia. Historically, this district is noted for small, high grade, vein type gold occurrences however recent exploration of adjoining properties by Pacific Sentinel Resources and South Pacific Gold Corp. suggests a previously unrecognized potential for bulk tonnage, low grade gold - copper deposits.

B.C. Ministry of Mines records describe several gold occurrences on the property including both vein-type prospects (known as the California Mine et al. which operated circa. 1897 to 1947) and wide, gold bearing alteration zones in fractured, pyritized volcanics of the locally important Elise Formation.

During 1987 and 1988 a previous operator (Magrum, 1987) sampled surface trenches and accessible parts of abandoned underground workings and, commenced rehabilitation of the lowermost level (No.3) of the "California mine". Work included upgrading of the access road; fencing and closure of open portals and areas stoped to surface; construction of a new drift to bypass a large, caved-in stope; and, a preliminary geochemical survey of altered volcanic rocks exposed in the southeastern part of the claims.

During 1990 Deigratia continued rehabilitation of the No.3 Level including installation of air service; timbering and retracking; construction of new manways to provide access for drift sampling and geological mapping; and, underground surveying to provide control for the proposed underground drilling program. It is important to note however that the main stoped area on this level remains inaccessible and may only be investigated by underground drilling.

This report summarizes available technical data regarding the property, describes the work done in 1990 and includes an estimate of the expected costs of completing an underground drilling program designed to evaluate the potential for gold mineralization below the existing levels of the California Mine.

SUMMARY

The Hillside Claim Group consists of six Crown Grants and seven mineral claims covering an area approx. 2.5 kilometers long and one kilometre wide, easily accessible from the south end of Nelson.

Local vein-type, gold deposits are typically associated with shearing at or near volcanic / intrusive contacts and have potential to host reserves of up to several hundred thousand tons at historical production averages of between 0.25 and 0.75 oz/ton gold. The subject property covers several such occurrences (termed the California Vein, Cabin Vein, Exchequer Vein, Creek Showing, Union Vein) most of which are alligned along an east-west trend in the north central part of the claim area. Sampling of these zones in 1982 returned vein samples of up to: 1.09 oz/ton gold (quartz with sulfides from caved stope on No.3 level, Jones, 1983); 2.205 oz/ton gold (trench sample across parallel 5 to 15 cm. wide veins, Cabin Vein, Magrum, 1987); and, 0.875 oz/ton gold (composite sample of quartz and sulfides at portal of No.2 level, Magrum, 1987). Underground sampling of parts of the No.3 Level during 1990 returned grades ranging from trace to 0.111 oz/ton gold across drift widths of between 1.5 and 2.0 meters.

To illustrate the potential for bulk tonnage, gold deposits in the area of the subject property the following excerpts from various technical reports on adjoining mining claims (refer to figure no.3) are included.

P.A.Ronning, 1990 (p.27) describes results of extensive drilling carried out by Pacific Sentinel Resources as follows: 'Localized zones of gold mineralization occur in holes GWS-90-15, 16 and 19, but the most significant zone, and the only one with potential for bulk mining, is in GSW-90-18. There, 1.49 g. Au/tonne (0.044 oz Au/ton) occur averaged over 26 meters.' Ronning (p.28) further notes that "With only one drill hole in to the mineralized zone, the mineralization on the Toughnut target is open along strike and down dip'. It is important to note that this showing occurs within altered, fractured volcanics of the Elise Formation situated approx. 4 kilometers west-southwest of the Hillside Claims.

In a report by South Pacific Gold Corp. a similar mineralized zone (termed Cat / Shaft showing) is described as follows: "The maximum width of mineralization within this interval ranges to 9.44 meters, although the average is closer to 4 or 5 meters. Grades range to 0.34 oz/ton Au and average about 0.18 oz/ton Au with appreciable copper values (ranging from 0.13 to 1.86%)". This prospect is situated approx. 1.5 km. southeast of the Hillside claims and may also be related to a broad, northwest striking shear zone (termed the Silver King Shear) which is thought to be an important control at the Toughnut showing. This shear is developed within Elise Formation volcanic rocks located roughly two km. south of the Hillside claims and parallels a northwest oriented intrusive body along its southern edge.

These new discoveries are of importance to the Hillside claims because several references have been made in literature to geologically similar zones of low grade gold mineralization (termed the Deadwood Zone) located within the claim area.

The Ministry of Mines Report for 1930 (p.268A) states as follows: "The Deadwood Vein is being investigated as to its possibilities for a large tonnage of low grade gold ore. This deposit, explored by an old 100 foot drift - tunnel consists of a shear zone about 300 feet wide. Within these limits the rock, a calcareous member of the Rossland Volcanic Group, is highly impregnated with iron pyrites and contains numerous veins and stringers of quartz. Several engineers have sampled accessible areas of the zone with interesting results. The assay value of the material appears to vary considerably and information is not yet available as to what might be considered a fair average. The few samples taken by the writer average \$3.90 in gold but, as the showings sampled are in some cases widely separated, this figure cannot be taken to represent any definite block of ground. The results of this sampling and that done by other engineers would seem to justify careful investigation to determine if the values are confined to streaks in the zone or if there are sufficient values over large widths. Some more definite information could be obtained by crosscutting the full width of the deposit from the inner end of the old tunnel and trenching on the steep side hill above the tunnel followed by systematic sampling. As the deposit could be very cheaply worked, a comparitively small average yield in gold would be sufficient to justify work on a large scale."

In a report dated Dec. 1982, H. Jones, P.Eng. states that "the assays of \$3.90 in gold mentioned above would be equivalent to 0.188 oz/ton gold or about \$75 per ton at the recent price of US \$400 per ounce. Fairly extensive sampling in this vicinity carried out by the writer in this vicinity has not confirmed such results, the best assay being 4.46 oz/ton silver with negligible assays for gold. It is believed that this zone was tested by one or more diamond drill holes (1944?) located about 1/2 mile southeast of the California workings but the results are not known to the writer." In his conclusions Jones recommended that: "further prospecting and sampling be undertaken".

To evaluate this zone the author collected several rock samples and supervised a preliminary geochemical survey (see Magrum, 1987). Rock samples returned gold values ranging from trace to 0.019 oz/ton and geochemical data showed several erratic high values in gold (up to 570 ppb / 0.015 oz/ton), zinc (up to 789 ppm), copper (up to 510 ppm), lead (up to 228 ppm) and silver (up to 2.4 ppm). These results are similar to geochemical results obtained by Pacific Sentinel Resources during surface exploration of the Toughnut showing (located approx. 4 kilometers west-southwest of the Hillside Claims). To date no follow-up work has been carried out to further evaluate this target area.

In summary the Hillside Claims have potential for the discovery of both high grade vein-type gold mineralization and bulk mineable, low grade gold mineralization.

In the authors opinion the California Vein is the most important of the vein-type targets primarily because previous mining suggests both vertical continuity and a good grade of mineralization. In regards to the Deadwood Zone, (low grade, bulk tonnage target) additional surface work is obviously warranted in view of recent discoveries on adjoining properties.

To evaluate the down dip potential of the California Vein System a two stage program of underground diamond drilling is recommended. The first stage will involve construction of 2 diamond drill stations and completion of a minimum of 500 meters of wide spaced diamond drilling at an estimated cost of \$87,500. If this program is carried out during summer months the supervising geologist should be able to conduct an assessment of the Deadwood Zone at nominal extra cost.

in the event that initial underground drill results indicate a significant extension of the known vein system then a second stage of drilling would be required to determine extent and grade. Provision should be made for approximately 1,000 meters of underground drilling at an estimated cost of \$130,000. In the event that additional work is justified on the Deadwood Zone an additional \$25,000 should be allowed for trenching and sampling. The estimated total cost of \$tage 2 is \$155,000.

Resp amitted. MAGRUM (AAA

C. von Einsiedel, B.Sc. Consulting Geologist

PROPOSED EXPLORATION PROGRAM

STAGE 1:

-California Mine (No.3 Level underground drilling program)

| Mobilization / demob. (Note: all underground equipment presently on site) Underground drill station(2) construction Underground diamond drilling - 500 meters @ \$95 Supervision and Engineering | \$2,500 20,000 47,500 10,000 |
|--|---------------------------------------|
| -Deadwood Zone (prospecting and sampling to be completed by supervising geologist) | - |
| Contingency | 7,500 |
| Total . | \$ 87,500 |
| STAGE 2: | |
| -California Mine (No.3 Level underground drilling program) | |
| Mobilization / demob. Underground diamond drilling - 1,000 meters @ \$95 Supervision and Engineering | \$ 7,500 95,000 15,000 |
| -Deadwood Zone | |
| Surface trenching and sampling | 25,000 |
| Contingency | 12,500 |
| Total | \$ 155,000 |

SECTION 1 - PROPERTY DESCRIPTION

1.0 Description of 1990 Fieldwork

On January 13, 1990 field crews commenced snow removal on the mine access road and the No.3 Level landing and began mobilization of all required equipment. This equipment included a 600 cfm. compressor, mine locomotive, mucking machine, double drum slusher, muck cars, timber car, air drills, air receiver tanks, ventilation fans, air drills, underground diamond drill, light plant, miners hand tools, steel air pipe and related couplings, hangers etc., steel rall, mine timbers and machine fuel and lubricants.

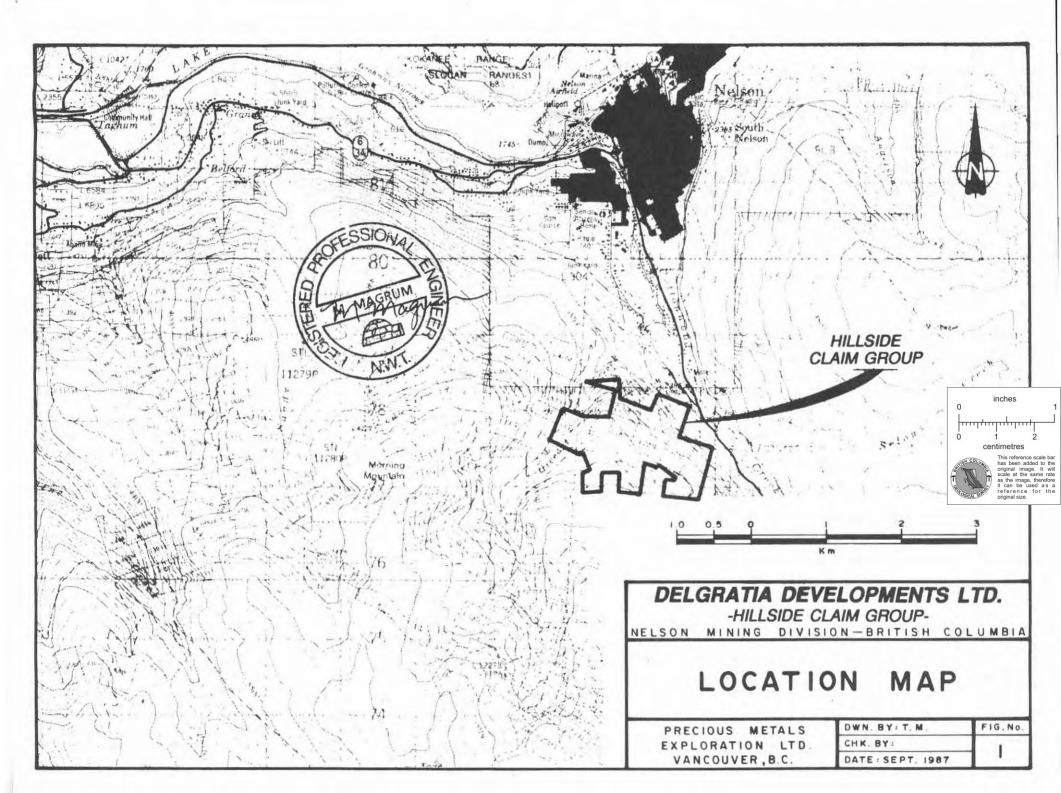
Snow removal was completed on January 21 and final equipment deliverles were completed by February 11. Underground work (installation of 6° victaulic air pipe) commenced on February 12 however as a result of the Federal Governments decision to suspend the CEE incentive Program Del Gratia advised the contractor that no additional funding would be available to complete the proposed rehabilitation at this time. Subsequent to this notice mining personnel secured the underground workings and prepared underground equipment for storage. Hand tools and small equipment were removed from the site. The compressor, mine locomotive, mucking machine, muck cars and unused air pipe, rall and timber were left on site.

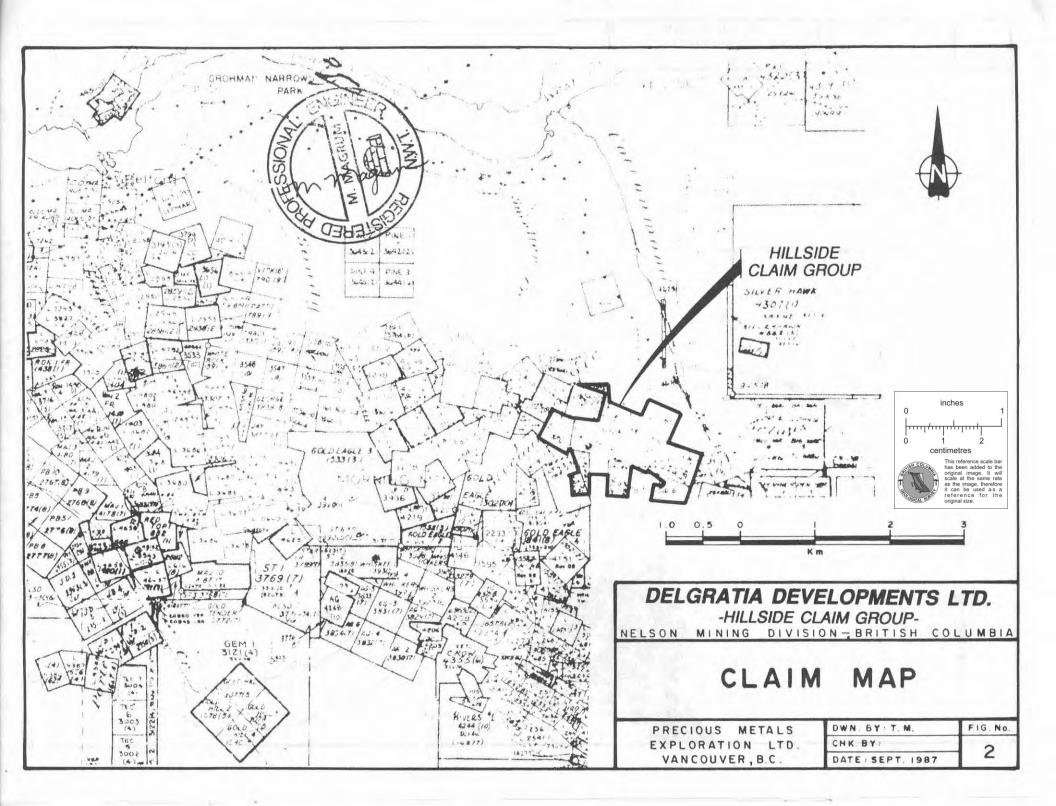
During December 1990 the Company resumed operations and carried out a program of timbering and manway construction to provide access for sampling and geological mapping and completed an underground survey to provide control for the proposed underground drilling program. As part of this program a diagrammatic, three dimensional drawing of the mine workings was prepared to illustrate the proposed target area (see figure no.6).

To evaluate exposed mineralization in accessible areas of the No.3 Level a total of 18 channel samples were collected. These samples were collected as channels or chips across the full drift width (1.5 to 2.0 meter wide) to provide information on gold distribution within fractured, wallrocks. As a result of the extremely hazardous condition of the main stoped area (Stope No.301) no attempt was made to sample the principal mineralized zone on this level. It is important to note that this stope has been bypassed by an alternate drift (Drift No.3A) and does not affect access to other areas on this level. Assay results of this work are included in Appendix 1 with sample locations shown in figure no.6.

As at December 30, 1990 a total of 1,030 feet of underground rehabilitation was completed including installation 680 feet of 6° victaulic pipe. The location of this work is shown in the accompanying figure no.5.

As part of the 1990 program a comprehensive review of recent work in the area by other operators was undertaken. This included a comparitive analysis of soil geochemical data from the Toughnut Showing area (Pacific Sentinel Resources) and the Deadwood Zone (Magrum, 1987).





1.1 Location. Access. Ownership

The California claim group is located in the Bonnington Range of the Selkirk Mountains 4 km. south of the city of Nelson in the West Kootenay District of southeastern, British Columbia. The claims ile on the heavily timbered eastern slope of Toad Mountain between 3300 - 4000 feet elevation. Access is good via a network of two and four-wheel drive roads from Nelson, which is serviced by regularly scheduled aircraft at Castlegar as well as charter aircraft and helicopter service at Nelson. Good highways connect Nelson to Vancouver, Calgary, and Spokane. All necessary infrastructure for a successful exploration and mining operation at the California are readily at hand, including easily accessible power and labour supplies. One of several existing mills within a 30 mile radius is currently being reactivated and could potentially be available for custom milling operations.

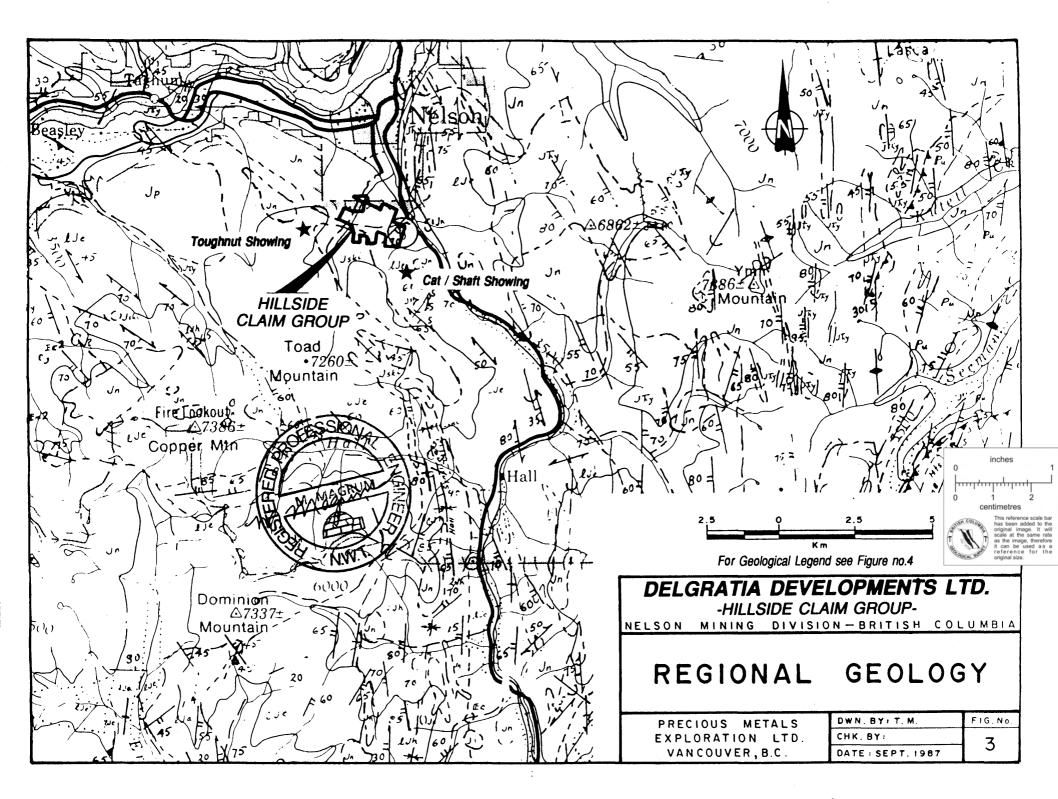
Claim title is recorded in the Nelson Mining Division on Mineral Title Reference Map No. 82F6E (see figure no.s 1 and 2) as follows:

| <u>Claim Name</u> | Lot No. | <u>Status / Ownership</u> | |
|---|---|---|---|
| California Union Cliff Fr. Deadwood Hillside Exchequer | 1677 8324 15029 2232 2238 391 | All crown grants and reverted crown grant owned by R. Palmer. Taxes paid 1988. | |
| Cleopatra | 387 | * reverted crown | n grant expires - Mar 28/92 |
| <u>Claim Name</u> Cal 3 Cal 4 Cal 5 Cal 6 Cal 8 | Record No. 2789 (9) 2790 (9) 2791 (9) 2792 (9) 2846 (10) | Expiry Sep 28/92 Sep 28/92 Sep 28/92 Sep 28/92 Sep 28/92 | <u>Ownership</u> R. Palmer R. Palmer R. Palmer R. Palmer R. Palmer |

1.2 <u>Property History</u>

Since 1897 the property has been variously held and worked under a number of lease and bond arrangements, however most operators have been unable or unwilling to undertake a systematic exploration programme of the property. The annual reports of the British Columbia Department of Mines between 1897 - 1947 describe the early operations on the property.

In 1934 Widdendon and Company left a record of underground sampling (refer to figure no. 5; Longitudinal Section of the California Mine Area) which indicates an ore block 91 meters long grading 0.85 ounces per ton gold over approximately 1 meter width remaining on the west end of No. 3 level. This ore block abuts a claim line (California/Exchequer) and local prospectors suggest it wasn't mined because of property and boundary disputes. Jones (1982) calculated a tonnage potential for this zone of roughly 40.000 tons above the No. 3 level. Recent work has provided access to this part of the California Mine and assay data suggests that sampling by Widdendon and Co. may have been somewhat "optimistic". Available data does however confirm that gold mineralization occurs along a strike length of over 100 meters on this level.



In 1941 the Provincial government conducted a gold mine leasing experiment on the California which involved shipping of 75 tons of hand-sorted ore from areas above No. 1 level. Published records indicate that this shipment averaged 2.10 oz./ton gold. The property was subsequently purchased by Sheep Creek Gold Mines in 1944 who leased the property to various parties, and eventually relinquished title.

In 1982 New Tyee Resources carried out a programme of surveying, mapping, and sampling on the property. Mr. H Jones recommended that the No.3 Level drift be rehabilitated to provide access for sampling and drilling.

in 1987, Christina Explorations optioned the property, sampled accessible parts of existing underground workings and commenced rehabilitation of the No.3 Level drift of the California Vein. Results are included in a report by M. Magrum dated November 20, 1987. During 1988 Christina constructed a new drift to bypass a badiy caved stoped section and provide access to the remaining part of the No.3 Level. On completion of this work the Company abandoned the property and no further work was carried out until 1990.

During the late 1980's Pacific Sentinel Resources and others carried out extensive surface exploration and drilling of various prospects in the area of the Hillside Claim Group. Of particular interest were soil geochemical results which identified several prospective areas within Elise Formation volcanics. One of the most significant of these areas is the Toughnut Showing. Geochemical data showed co-incident copper - gold geochemical anomalies (gold values of over 40 ppb and copper values greater than 100 ppm were considered anomalous). Later drilling of this anomaly resulted in the discovery of a mineralized zone 26 meters wide averaging 0.044 oz/ton gold.

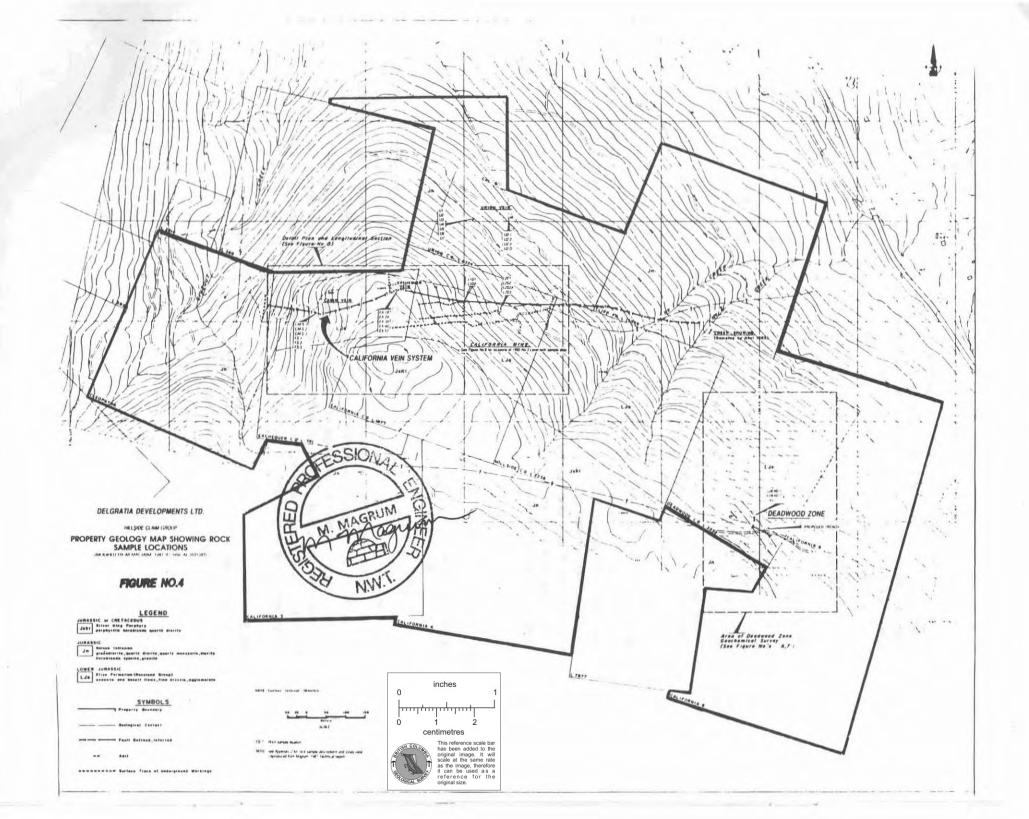
1.3 <u>Regional Geology</u>

(please refer to figure no. 3)

The California claim group is undertain by a west striking, south dipping roof pendant of Elise Formation rocks in the Nelson granitic batholith, intruded by a phase of the Silver King porphyry intrusion. (GSC map 1571 A, Bonnington map area). The Lower Jurassic Elise Formation represents all of the predominantly volcanic succession of the Rossland Group. "Rossland volcanics are a complex assemblage of basic volcanic rocks and pyroclastics. Bands of slate, tuff, and ilmestone occur. Augite andesite, augite porphyry, homblende andesite and augitefeldspar-porphyrite are the main rock types. In places these rocks are highly sheared and converted to chlorited schists." (Cockfield; G.S.C. Mem. 191)

The Silver King porphry, (homblende quartz diorite-syenite) is an irregular intrusion widest in the north, narrowest in its central region, and splitting towards the south into a relatively wide stock, and numerous porphyry tongues near the Silver King mine.

The California and Deadwood showings occur in a wide unit of strongly foliated pyrite sericite schist having small lenses and cross-fractures filled with quartz, limonite, sphalerite, galena, and chalcopyrite. (Minfile 082FSW169).



1.4 Property Geology

(please refer to figure no's. 4 and 5)

The volcanics on the property are andesites and basalts with some associated tuffs of Lower Jurassic Rossland Formation. They are light to dark green, occasionally schistose, porphyritic lavas and flows.

Maconachie, 1941 states that the California vein occurs in andesites near a granodiorite contact in a shear zone which strikes easterly and dips 45 - 50° south. The shear zone has a maximum width of 3.0 meters and hosts two quartz veins with graphitic fractured andesite between them. The hangingwall vein is wider (0.5 - 1.0 meters), and shows the best sulfide mineralization (average gold values of approximately 0.20 oz./ton). The footwall vein, although narrower, (rarely more than 0.3 metres wide), exhibits considerably higher gold values. This vein occurs either as one width, or as several stringers separated by sheared rock. The two veins may touch, or be separated by as much as 2.0 meters of highly altered, graphitic rock. Mineralization is pyrite with lesser sphalerite and galena.

The attached longitudinal section (published by Widdendon and Co., 1934) shows the location of stoped areas and mineralized zones. A visual examination of this drift shows less mineralization than is shown in this drawing however, there are several areas which have been stoped and have not been secured for sampling purposes.

Since 1987 various operators have incurred approximately \$250,000 to rehabilitate the lowest or No.3 Level of the mine. As a result of this work some of the mineralized areas shown in the longitudinal are accessible however these areas require additional rehabilitation prior to any systematic sampling.

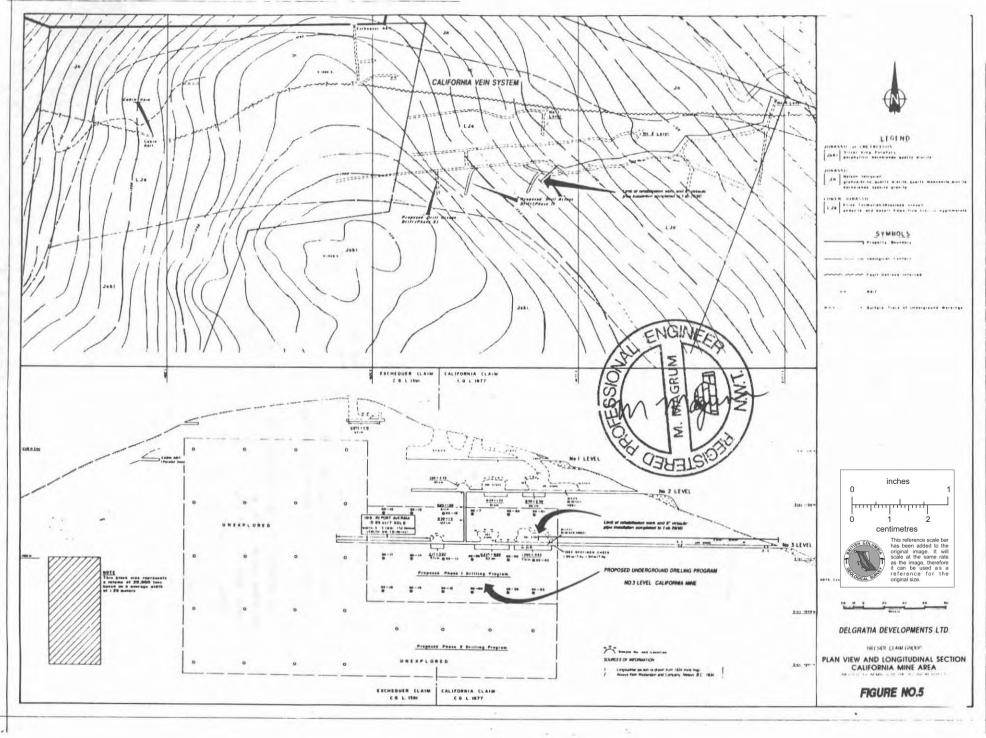
The No. 2 level was stoped through to No. 1 level for the most part leaving the hanging wall vein which has since caved. No rehabilitation is planned to provide access to either of these levels.

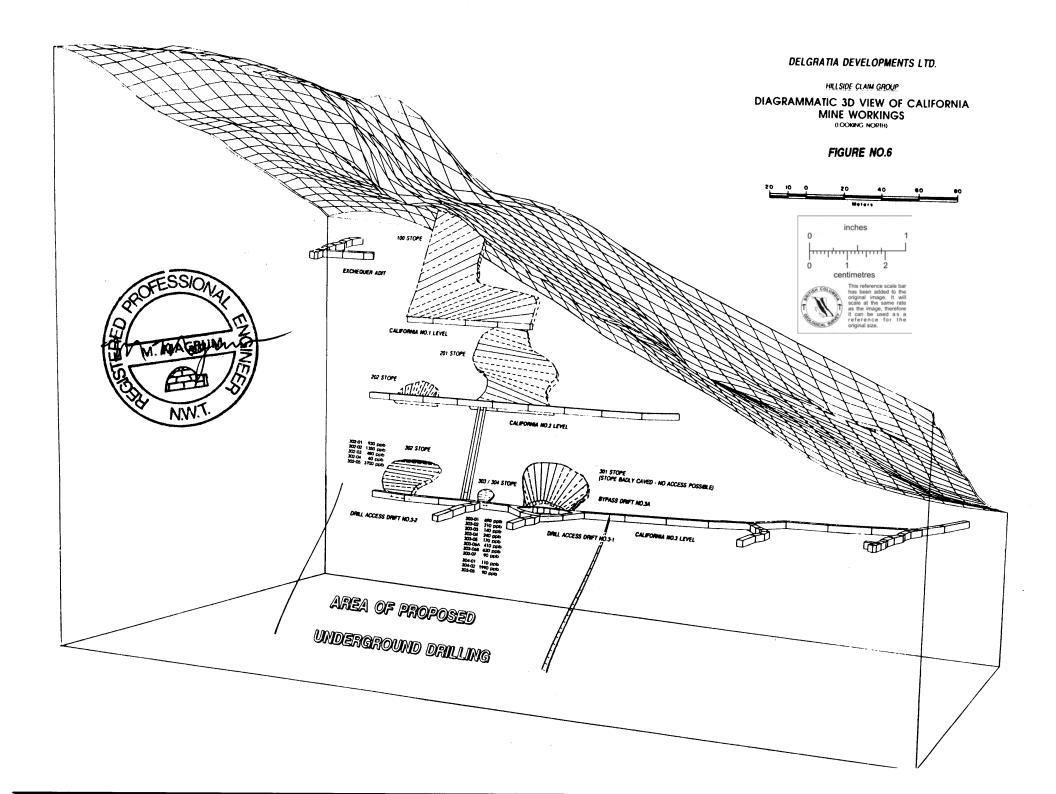
Some stoping was done on No. 3 level, but there is no evidence of any exploration below No. 3 level: it remains open at depth, and along strike to the west. Moreover, the opinion is expressed by several workers that the initial 1200 feet of drifting on No. 3 level was not on the California vein proper. The 1919 MMAR states "No. 3 Level followed a barren vein for 1200 feet when it intersected the California vein." The implication is that the more favorable footwall vein remains, and that the drift is actually on the hanging wall vein. No lateral drilling has ever been done to test this hypothesis.

Underground sampling during 1990 returned several interesting results. A series of 18 channel samples were collected from drift backs and various small stoped sections on the No.3 Level. These samples returned assays ranging from trace to 3700 ppb, gold (equivalent to 0.11 oz/ton) across widths of between 1.5 and 2.0 meters.

Local topography precludes surface diamond drill testing for the western, lateral and depth extensions of the California Vein. As a result any effective exploratory drilling to evaluate the California Vein must be completed from the No.3 Level.

-12-





As at December 30, 1990 the No.3 Level has been rehabilitated complete with air service to approximately 1000' from the access portal. Construction of 2 drill stations will be required to provide access to locations suitable for drill testing the California Vein.

The Union veln, which lies to the north of the California veln in granitic rocks of the Nelson Batholith, appears to be a tension feature with a gentle, (15°) dip toward the volcanic contact. The vein here is 0.30 to 0.80 meters wide with white quartz and erratic pyrite and sphalerite mineralization similar to that of the California vein. The Union stope area has returned assays up to 0.38 ounces of gold and 6.5 ounces of sliver per ton over a 0.30 meter width and is regarded as a good exploration target towards the volcanic contact (approx 170 meters distant) and towards its possible intersection with the California vein.

The Deadwood zone, which outcrops to the southeast of the California, is a wide zone of pyritized tuffaceous rocks reportedly containing erratic gold values. Mapping shows that the zone is approximately 75 metres wide and consists of carbonate altered volcanics highly impregnated with pyrite and numerous small veins and stringers of quartz. This style of mineralization has potential for large tonnage, low grade deposits and warrants additional geological study.

Data from the geochemical survey carried out in 1987 identified numerous sites which exhibit elevated gold and copper values (up to 570 ppb Au and 510 ppm Cu). These results are similar to results obtained by Pacific Sentinel in the area of the Toughnut Showing and are considered significant. To date no follow-up work has been carried out to assess these anomalies and it is recommended that additional prospecting and sampling be completed. For reference purposes gold and copper geochemical plans and assay data for the 1987 Deadwood Zone survey are included in Appendix 3.

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CERTIFICATE

I, Michael Magrum of the City of Yellowknife in the Northwest Territories, certify that:

- 1. My address is Box 2045, Yellowknife, NWT, Canada, X1A 2N3, and that my occupation is that of a Geological Engineer.
- 2. I am a graduate of the University of Alaska in Geological Engineering, 1976, with a degree of BSc.
- I have been a practicing engineer since 1976 and I am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories.
- 4. This report is based on results of several field examinations made during 1987, 1988 and 1990, an examination of previous operators technical data and on results of geological mapping and geochemical sampling carried out under my supervision.
- 5. I have no interest either directly or indirectly in the properties or securities of Delgratia Developments Ltd.
- 6. I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report for submittal to the Superintendent of Brokers or the Vancouver Stock Exchange.

Dated this 6th day of February 1991 at Yellowknife, N.W.T., Canada.



CERTIFICATE

I, Carl A. von Einsiedel, of the City of Vancouver in the Province of British Columbia, hereby certify that:

- 1. My address is P.O. Box 65, Trout Lake, British Columbia, Canada, VOG-1RO and that my occupation is that of a Consulting Geologist.
- 2. I am a graduate of Carleton University in Ontarlo in Geological Sciences with a degree of Bachelor of Science.
- 3. I have been employed in the mineral exploration industry continuously since 1980.
- 4. This report is based on a review of all previous operators technical data regarding the subject property, several personal examinations of the subject property and on results of geological mapping and sampling carried out under my supervision.
- 5. I have no interest direct or indirect in the property described in this report or in the shares of Delgratia Developments Ltd.
- 6. I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report for submittal to the Superintendent of Brokers of the Vancouver Stock Exchange.

Dated this 6th day of February, 1991 at Vancouver, British Columbia.

Carl A. von Einsiedel Consulting Geologist

APPENDIX 1 -

Rock sample descriptions and assay results (1990: No.3 Level)

MAIN OFFICE 1630 PANDORA STREET VANCOUVER, B.C. V5L 1L6 TEL (604) 251-5656 FAX (604) 254-5717

BRANCH OFFICES BATHURST, N.B. RENO, NEVADA, U.S.A.

| REPORT NUMBER: 910006 GA | JOB BUHBBR: 910006 | EAN EXPLORATION | PAGE 1 OF 1 |
|--------------------------|--------------------|-----------------|-------------|
| SAMPLE I | Åu | | |
| | ppb | | |
| GRAB Ø1 | 560 | | |
| GRAB 02 | 110 | | |
| 302 - 01 | 930 | | |
| 302 - 02 | 1350 | | |
| 302 - 03 | 489 | | |
| | | | |
| 302 - 04 | 60 | | |
| 302 - 05 | 3700 | | |
| 303 - 01 | 690 | | |
| 303 - 02 | 210 | | |
| 303 - 03 | 140 | | |
| 303 - 04 | 240 | | |
| 303 - 05 | 170 | | |
| | 410 | | |
| 303 - 061 303 - 061 | | | |
| 303 - 063 | 620 | | |
| 303 - 07 | 90 | | |
| 304 - 01 | 110 | | |
| 304 - 02 | 1990 | | |
| 304 - 03 | 90 | | |
| JV7 - VJ | | | |

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APPENDIX 2 - Rock sample descriptions and assay results (1987: Hillside claims)

CALIFORNIA PROJECT

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Rock Sample Descriptions

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| Sample I.D. | Gold oz./ton | Description |
|----------------|---|--|
| Location: | Exchequer A | A d 1 t |
| E x - 1 X | 0.005 | grab sample from 20cm wide, banded quartz vein in 1.5 - 2.0 meter wide sheared zone; minor / 3% sulfides. |
| E x - 2 x | tr | grab sample of fractured, stained wall rock in footwall of sample: Ex-1x location, quartz / siliceous material contains minor, fine grained, banded and disseminated sulfides. |
| E x - 3 x | tr | grab sample of smokey, barren quartz from stoped area above crosscut (Ex-1X); nil sulfide. |
| E x - 4 d | 1.563 | grab sample of well mineralized quartz vein material on dump at portal of crosscut; sulfides (galena, sphalerite, pyrite) occur as fine grained bands and as coarse patches in massive, coarsely crystalline, white quartz. |
| E x - 5 T | 0.176 | grab sample of mixed quartz and stained wall rock at top of stope; sulfides occur as in sample: Ex-4d. |
| location: | Cabin Adit | |
| C A F S - 1 | 2.205 | grab sample of well mineralized quartz from narrow, parallel veins (5 to 15cm wide); Note: minor visible gold in addition to banded, fine grained sulfides. |
| C A F S - 2 | -2 2.131 channel sample across parallel, well mineralized quartz veins (5 to 15cm wide); quartz is white, coarsely sulfides (pyrite, sphalerite, chalco pyrite, and possible tetrahedrite are fine to medium grained in name wide) bands and as patches or disseminated grains. | |
| C A F S - 3 | 7.669 | grab composite of quartz from dump at portal; quartz and sulfides occur as above. |

| Sample I.D. | Gold oz./ton | Description |
|----------------|-----------------|--|
| F S - 1 | 0.484 | channel sample across two veins in 0.75 meter wide fractured zone. |
| F S - 2 | 0.262 | channel sample; 2.5m from FS-1; width - 1.00 meter. |
| F S - 3 | 0.771 | channel sample; 2.5m from FS-2; width - 1.00 meter. |
| Location: | California | No. 1 Level |
| L 1 D 1 | 0.776 | grab from dump at portal; coarsely crystalline white quartz with banded and massive sulfides; Note: some bands up to several cm wide consist of coarse pyrite, chalcopyrite, shalerite disseminated throughout quartz gangue. |
| L 1 D 2 | 0.171 | grab sample same location as sample: L1D1. |
| Location: | California | No. 2 Level |
| L 2 D 1 | 0.875 | grab sample from dump at portal; mixed decomposed, stained wall rock (volcanic) and banded quartz containing minor sulfides; sulfide material heavily oxidized. |
| L 2 D 2 | 0.938 | grab sample from same location as sample: L2D1. |
| L 2 D 2 A | 0.026 | grab sample from loading bin; quartz with banded sulfides. |
| L 2 D 3 | 0.684 | grab sample from same location as sample: L2D1. |

Location: Union No. 1 Adit (This drift explores a 0.5 to 0.75 meter wide, flat lying quartz vein containing narrow bands and irregular patches of fine to coarse sulfides.)

U1 0.012 grab sample of mineralized quartz; contains approx 10% pyrite, galena and sphalerite.

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| Sample I.D. | Gold oz./ton | Description |
|---------------------|-----------------|--|
| U 2 | 0.112 | grab sample of mineralized quartz; same location as sample: U1. |
| U 3 | 0.012 | channel sample across 0.50 meter width of coarsely crystalline white quartz; approx 7-10% sulfides. |
| U 4 | 0.012 | channel sample across 0.50 meter width of coarsely crystalline white quartz; approx 7-10% sulfides. |
| U 5 | 0.008 | channel sample across 0.50 meters; location 2.5 meters from sample: U3. |
| U 6 | 0.088 | channel sample across 0.75 meters; location |
| U 7 | 0.005 | channel sample across 0.75 meters; location 2.0 meters from sample: U6. |
| | | 2 Adit a parallel vein to that developed in the Union No. 1 adit; up to 1.5 meters in width and contains abundant 5-15% |
| U 2 - 1 | 0.131 | channel sample across 0.55 meters at face; quartz and fractured, stained wall rock (granodiorite); quartz contains irregular bands and patches of pyrite, galena and sphalerite. |
| U 2 - 2 | 0.053 | channel sample across 0.45 meters; same location as sample: U2-1. |
| U 2 - 3 | tr | channel sample across 0.60 meters quartz and fractured wall rocks; located 2.5 meters from sample: U2-1. |
| U 2 - D | 0.012 | grab sample from dump at portal; consists of smokey, coarsely crystalline quartz containing disseminated and massive streaks of pyrite, arseno-pyrite, galena and trace sphalerite; abundant limonitic staining. |
| D D H (83-1/50m) | tr | split core - stored in Union No. 2 Level. (Assay tag 98-201-2 - see 1983 engineering report): 0.65 meter core length of quartz with bands of pyrite, galena (granodiorite host rock). |
| D D H (83-2/191 | tr lm) | split core; minor pyrite in 10cm wide quartz vein in granodiorite. |

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| Sample I.D. | Gold oz./ton | Description |
|--------------------------------|--------------------|--|
| Location: | California | - (trenching on west extension of No. 1 Level vein). |
| T R - C A 1 | 0.023 | grab sample of decomposed, vuggy quartz; minor banded sulfide; volcanic wall rock |
| Location: (Th are ubiqui | is prospect is a t | ccurrence (Adit) proad, north trending heavily stained, fracture zone in volcanics; quartz stringers, sericitic alteration and pyritizati |
| D E A D - 1 | 0.019 | channel sample across siliceous pyritic band 1.5 meters wide. |
| D E A D - 2 | tr | grab sample of vuggy, coarsely crystalline quartz; disseminated pyrite. |
| AV-1 | tr | grab sample of altered andesite with disseminated and banded sulfides (pyrite |

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JOB NUMBER: 871094

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PAGE 1 OF 2

| SAMFLE # | Au | | | |
|-----------|-------|---|---|--|
| | oz/st | | | |
| | | | | |
| CA-FS-1 | 2.205 | | , | |
| CA-FS-2 | 2.131 | | | |
| CA-FS-3 | 7.669 | | | |
| CAL-3 | .007 | | | |
| AV-1 | <.005 | | | |
| | | | | |
| DEAD-1 | .019 | | | |
| DEAD-2 | <.005 | | | |
| DEAD-DUMP | <.005 | • | | |
| DDA-83-1 | <.005 | | | |
| DDH-83-2 | <.005 | | | |
| | | | | |
| EX-DUMP | .079 | | | |
| EX-ST | .176 | • | | |
| EX-1X | .005 | | | |
| EX-2X | <.005 | | | |
| EX-3XS | <.005 | | | |
| | | | | |
| EX-4D | 1.563 | | | |
| FS-1 | . 484 | | | |
| FS-3 | .771 | | | |
| FS-S | .262 | | | |
| LID1 | .766 | | | |
| | | | | |



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|--------------------------|--------------------|------------------------|-------------|
| | | | |
| SAMFLE # | Au oz/st | | |
| | | | |
| | | | |
| LI-D2 | .171 | | |
| LI-D2A | .026 | | |
| L2-D1 | .875 | | |
| L2-D2 | .938 | | |
| L2-D3 | .684 | | |
| | | | |
| ·TR-CA-1 | .023 | | |
| TR-2 | . 174 | | |
| V1 | .012 | | |
| V 2 | .112 | | |
| V3-V4 | .012 | | |
| 1 | | | |
| V5 | .008 | | |
| V6 | .088 | | |
| ∨7 | .005 | | |
| V2-D | .012 | | |
| V2-1 | .131 | | |
| | | | |
| V2-2 | .053 | | |
| V2-3 | 0.005 | | |
| CA-TR-4 | .019 | | |
| CA-TR-5 | .044 | | |
| | | | |

APPENDIX 3 -

Deadwood Zone geochemistry plans for gold and copper (adapted from technical report by M. Magrum, 1987)

440N 460N 480N 500N 520N 540N 560N-280N 600N 620N 640N 660N **680N** 720N -740N 700N 760N 780N - N008 1 1 1 Т ı ÷ ı ÷ ı. 1 I. 1 4 Т 1 I. ı 9. - 500E ... Ф ф ф Ф ф ф - 520E \square 0 ſП đ ٠ - 540E 100 80 150+ ppm ť ő ſΠ - 560E <100 <150 ç Ф ഥ гħ đ ф רקס ppn-Cu ſП - 580E 2 🕈 ſП Second Population đ - 600E High Anomalous Values - 620E Values ◆ - 640E . ф 山 Ф ф - 660E - m đ ф ф ф Ф - 680E ф 曲 ф h 曲 Щ - 700E - 720E \circ - 740E metr HILLSIDE CLAIM GROUP Z +____ DEADWOOD ZONE - GEOCHEMICAL MAP - 760E Copper ppm (MODIFIED FROM MAGRUM, 1987 TECHNICAL REPORT) L CA - 780E

-

440N -460N 500N - N025 540N -480N 560N - N085 600N 620N 640N 660N 680N 700N -740N 720N -760N -780N -800N 1 T ı. ī ı 1 ı. 1 1 Т ı. Q G - 500E 血 ф Ф 山 Ē - 520E 中 巾 - 540E 40+ SZ ſП ф ф m ť ddd φ ф T Ф - 560E Â) Å :: ф 山 ф Ф 血 - 580E r C i. m . ĭ Linus Values Œ - 600E ٩Ĝ Ш Ф Values 山 Ш - 620E m Ф m - 640E Π 曲 rt . ф - 660E ф Ф Ф ф - 680E Ф 山 - 700E - 720E HILLSIDE CLAIM GROUP - 0 DEADWOOD ZONE - GEOCHEMICAL MAP Gold ppb (MODIFIED FROM MAGRUM, 1987 TECHNICAL REPORT) ~ 740E metres $Z \leftarrow$ - 760E Lu - 780E



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SAMPLE #

Au ppb

| L 4+40N | 6+00.0E | 20 |
|-----------|---------|------|
| L 4+40N | 6+50.0E | 30 |
| L 4+40N | 6+60.0E | 15 |
| | | |
| L 4+40N | 6+70.0E | 90 |
| L 4+40N | 6+80.0E | 40 . |
| L 4+40N | 6+90.0E | 40 |
| L 4+40N | 7+00.0E | 45 |
| L 4+60N | 6+00.0E | 25 |
| | | |
| L 4+60N | 6+20.0E | 35 |
| L 4+60N | 6+30.0E | 30 |
| L 4+60N | 6+40.0E | -10 |
| L 4+60N | 6+50.0E | 10 |
| L 4+60N | 6+60.0E | 30 |
| | | |
| L 4+60N | 6+70.0E | 100 |
| L 4+60N | 6+80.0E | 35 |
| L 4+60N | 6+90.0E | 55 |
| L 4+60N | 7+00.0E | 50 |
| L 4+80N | 5+00.0E | 35 |
| | | |
| L 4+80N | 5+10.0E | 30 |
| L 4+80N | 5+20.0E | 50 |
| L 4+80N | 5+30.0E | 20 |
| L 4+80N | 5+40.0E | 35 |
| L 4+80N | 5+50.0E | 40 |
| | | |
| L 4+80N | 5+60.0E | 40 |
| L 4+80N | 5+80.0E | 25 |
| L 4+80N | 5+90.0E | 20 |
| L 4+80N | 6+00.0E | 25 |
| | | _ |
| DETECTION | LINIT | 5 |

nd = none detected

-

-- = not analysed



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|-----------|-----------------|----------------|-----------|-------------------|-----------|--|
| SAMPLE # | | Au | | | | |
| | | ррб | | | | |
| L 4+80N | 6+10.0E | nd | | | | |
| L 4+80N | 6+20.0E | 5 | | | | |
| L 4+80N | 6+30.0E | 20 | | | | |
| L 4+80N | 6+40.0E | 5 | | | | |
| L 4+80N | 6+50.0E | 10 | | | | |
| L 4+80N | 6+60.0E | 15 | | | | |
| L 4+80N | 6+70.0E | 25 | | | • | |
| L 4+80N | 6+80.0E | 5 | | | | |
| L 4+80N | 6+90.0E | 20 | | | | |
| L 4+BON | 7+00.0E | nd | | | | |
| L 5+00N | 5+00.0E | 10 | | | | |
| L 5+00N | 5+10.0E | 40 | | | | |
| L 5+00N | 5+20.0E | 5 | | | | |
| L 5+00N | 5+30.0E | 60 | | | | |
| L 5+00N | 5+40.0E | 80 | | | | |
| L 5+00N | 5+50.0E | 45 | | | | |
| L 5+00N | 5+60.0E | 20 | | | | |
| L 5+00N | 5+70.0E | 10 | | | | |
| L 5+00N | 5+80.0E | 5 | | | | |
| L 5+00N | 5+90.0E | 40 | | | | |
| L 5+00N | 6+00.0E | nđ | • | | | |
| L 5+00N | 6+10.0E | nd | | | | |
| L 5+00N | 6+20.0E | 35 | | | | |
| L 5+00N | 6+30.0E | 10 | | | | |
| L 5+00N | 6+40.0E | 20 | | | | |
| L 5+00N | 6+50.0E | 30 | | | | |
| L 5+00N | 6+60.0E | 15 | | | | |
| L 5+00N | 6+70.0E | 5 | | | | |
| L 5+00N | 6+80.0E | 5 | | | | |
| L 5+00N | 6+90.0E | 15 | | | | |
| L 5+20N | 5+00.0E | 25 | | | | |
| L 5+20N | 5+10.0E | 20 | | | | |
| L 5+20N | 5+20.0E | 5 | | | | |
| L 5+20N | 5+30.0E | 5 | | | | |
| L 5+20N | 5+40.0EA | 5 | | | | |
| L 5+20N | 5+40.0EB | 30 | | | | |
| L 5+20N | 5+50.0E | 5 | | | | |
| L 5+20N | 5+60.0E | 10 | | | | |
| L 5+20N | 5+70.0E | 5 | | | | |
| DETECTION | | 5 | | · · · · | | |
| | detected | - and analyzed | 10 - 1000 | fficient examle | | |

nd = none detected -- = not analysed

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is = insufficient sample

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|-----------|-----------------|----------------|-------|-------------------|---|------|---|----|
| SAMPLE # | | Au | | | | | | |
| | | ppb | | | | | | |
| L 5+20N | 5+80.0E | 5 | | | | | | |
| L 5+20N | 5+90.0E | 10 | | | | | | |
| L 5+20N | 6+00.0E | 25 | | | • | | | |
| L 5+20N | 5+10.0E | 10 | | | | | | |
| L 5+20N | 6+20.0E | 10 | | | | | | |
| L 5+20N | 6+30.0E | 30 | | | | | | |
| L 5+20N | 6+50.0E | 15 | | | | | | |
| L 5+20N | 6+60.0E | 10 | | | | | | |
| L 5+20N | 6+90.0E | 10 | | | | | | |
| L 5+20N | 7+00.0E | 20 | | | | | | |
| L 5+40N | 5+00.0E | 5 | | | | | | |
| L 5+40N | 5+10.0E | 10 | | | | | | |
| L 5+40N | 5+20.0E | 10 | | | | | | |
| L 5+40N | 5+30.0E | 20 | | | | | | |
| L 5+40N | 5+40.0E | 10 | | | | | | |
| L 5+40N | 5+50.0E | 5 | | | | | | |
| L 5+40N | 5+60.0E | 10 | | | | | | |
| L 5+40N | 5+70.0E | 15 | | | • | | | |
| L 5+40N | 5+80.0E | 570 | | | | | | |
| L 5+40N | 5+90.0E | 10 | | | | | | |
| L 5+40N | 6+00.0E | 15 | | | | | | |
| L 5+40N | 6+10.0E | 15 | | | | | | |
| L 5+40N | 6+20.0E | 10 | | | | | | |
| L 5+40N | 6+30.0E | 20 | | | | | | |
| L 5+40N | 6+50.0E | 55 | | | | | | |
| L 5+40N | 6+60.0E | 10 | | | | | | |
| L 5+40N | 6+70.0E | 5 | | | | | | |
| L 5+40N | 6+80.0E | 15 | | | | | | |
| L 5+40N | 6+90.0E | 10 | | | | | | |
| L 5+40N | 7+00.0E | 20 | | | | | | |
| L 5+60N | 5+00.0E | 5 | | | | | | |
| L 5+60N | 5+10.0E | 10 | | | | | | |
| L 5+60N | 5+20.0E | nd | | , | | | | |
| L 5+60N | 5+30.0E | 15 | | | | | | |
| L 5+60N | 5+40.0E | 20 | | | | | | |
| L 5+60N | 5+50.0E | 10 | | | | | | |
| L 5+60N | 5+60.0E | 5 | | | | | | |
| L 5+60N | 5+70.0E | 30 | | | | | | |
| L 5+60N | 5+80.0E | 70 | | | | | | |
| 2 0 000 | | | | | | | | |

DETECTION LIMIT nd = none detected

--- = not analysed is = insufficient sample



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SAMPLE # Au ppb L 5+60N 5+90.0E 10 L 5+60N 6+30.0E 20 6+40.0E 40 L 5+60N 25 L 5+60N 6+50.0E L 5+60N 6+60.0E 40 L 5+60N 6+70.0E 15 L 5+60N 6+80.0E 15 L 5+60N 6+90.0E 10 L 5+60N 7+00.0E 20 L 5+80N 5+00.0E 15 30 L 5+80N 5+10.0E L 5+80N 20 5+20.0E 20 L 5+80N 5+30.0E L 5+80N 5+70.0E 20 30 L 5+80N 5+80.0E L 5+80N 5+90.0E 85 L 5+80N 6+00.0E 45 L 5+80N 6+10.0E 90 L 5+80N 6+30.0E 60 L 5+80N 30 6+40.0E L 5+80N 6+50.0E 15 L 5+80N 6+60.0E 5 L 5+80N 6+70.0E 5 L 5+80N 6+80.0E 15 L 5+80N 7+00.0E 5 L 6+00N 5+10.0E 10 L 6+00N 5+20.0E 10 L 6+00N 5+30.0E 10 L 6+00N 10 5+40.0E L 6+00N 5+50.0E 10 L 6+00N 5+60.0E 5 L 6+00N 5+70.0E 10 L 6+00N 5+80.0E 15 L 6+00N 5+90.0E 35 L 6+00N 6+00.0E 15 L 6+00N 6+10.0E 20 L 6+00N 6+20.0E 10 L 6+00N 6+30.0E 20 L 5+00N 6+40.0E 15

DETECTION LIMIT 5 nd = none detected -- = not analysed ::

is = insufficient sample



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|--------------------------|--------------------|-------------------|-----------|
| SAMPLE # | Au | | |
| | ррЬ | | |
| L 6+00N 6+50.0E | 15 | | |
| L 6+00N 6+60.0E | - 10 | | |
| L 6+00N 6+70.0E | 5 | | |
| L 6+00N 6+80.0E | 10 | | |
| L 6+00N 6+90.0E | 15 | | |
| L 6+00N 7+00.0E | 5 | | |
| L 6+20N 5+00.0E | 20 | | |
| L 6+20N 5+10.0E | 10 | | |
| L 6+20N 5+20.0E | 40 | | |
| L 6+20N 5+40.0E | 20 | | |
| L 6+20N 5+50.0E | 15 | | |
| L 6+20N 5+60.0E | 25 | | |
| L 6+20N 5+80.0E | 5 | | |
| L 6+20N 6+00.0E | 15 | | |
| L 6+20N 7+00.0E | 5 | | |
| L 6+20N 7+10.0E | 20 | | |
| L 6+20N 7+20.0E | 15 | | |
| L 6+20N 7+30.0E | 25 | | |
| L 6+20N 7+40.0E | 5 | | |
| L 6+20N 7+50.0E | 10 | | |
| L 6+20N 7+60.0E | 5 | | |
| L 6+20N 7+70.0E | 10 | | |
| L 6+20N 7+80.0E | 10 | | |
| L 6+20N 7+90.0E | nd | | |
| L 6+40N 5+00.0E | 10 | | |
| L 6+40N 5+10.0E | 15 | | |
| L 6+40N 5+20.0E | 40 | | |
| L 6+40N 5+30.0E | 10 | | |
| L 6+40N 5+40.0E | 10 | | |
| L 6+40N 5+70.0E | 15 | | |
| L 6+40N 5+80.0E | 50 | | |
| L 6+40N 5+90.0E | 20 | | |
| L 6+40N 6+20.0EA | 5 | | |
| L 6+40N 6+20.0EB | 15 | | |
| L 6+40N 6+30.0EA | nd | | |
| L 6+40N 6+30.0EB | 5 | | |
| L 5+40N 5+40.0EA | 15 | | |
| L 6+40N 6+40.0EB | 5 | | |
| L 6+40N 6+50.0E | 5 | | |

DETECTION LIMIT nd = none detected 5

-- = not analysed is = insufficient sample



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| SAMPLE 1 | | Au | | |
|-----------|----------|---------------------|--------------------------|--|
| | | ppb | | |
| L 6+40N | 6+60.0E | 5 | | |
| L 6+40N | 6+70.0E | 5 | | |
| L 5+40N | 6+80.0E | nd | | |
| L 6+40N | 6+90.0E | 15 | | |
| L 6+40N | 7+00.0EA | 5 | | |
| L 6+40N | 7+00.0EB | nd | | |
| L 6+60N | 5+00.0E | 120 | | |
| L 6+60N | 5+40.0E | 10 | | |
| L 6+60N | 5+50.0E | 20 | | |
| L 6+60N | 5+60.0E | 50 | | |
| L 6+60N | 5+70.0E | 25 | | |
| L 6+60N | 5+80.0E | 15 | | |
| L 6+60N | 5+90.0E | 30 | | |
| L 6+60N | 6+00.0E | 80 | | |
| L 6+60N | 6+10.0E | 65 | | |
| L 5+60N | 6+20.0E | 45 | | |
| L 6+60N | 6+30.0E | 10 | | |
| L 6+60N | 6+40.0E | 5 | | |
| L 6+60N | 6+50.0E | 5 | | |
| L 6+60N | 6+60.0E | 10 | | |
| L 6+60N | 6+70.0E | 50 | х - | |
| L 6+60N | 6+80.0E | 35 | | |
| L 6+60N | 6+90.0E | 10 | | |
| L 6+80N | 5+00.0E | 20 | | |
| L 6+80N | 5+10.0E | 20 | | |
| L 6+80N | 5+20.0E | 10 | | |
| L 6+80N | 5+30.0E | nd | | |
| L 6+80N | 5+40.0E | 15 | | |
| L 6+80N | 5+50.0E | nd | | |
| L 6+80N | 5+60.0E | 15 | | |
| L 6+80N | 5+70.0E | 10 | | |
| L 6+80N | 5+80.0E | 15 | | |
| L 6+80N | 5+90.0E | 10 | | |
| L 6+80N | 6+00.0E | 5 | | |
| L 6+80N | 6+10.0E | nd | | |
| L 6+80N | 6+20.0E | 5 | | |
| L 6+80N | 6+30.0E | 5 | | |
| L 6+80N | 6+40.0E | 10 | | |
| L 6+80N | 6+50.0E | 45 | | |
| DETECTION | | 5 = not analysed | is = insufficient sample | |



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|---------|-------------------|----------------------|--------------------|--------------|
| SAMPLE | 1 | Au | | |
| | | рръ | | |
| L 6+80 | 6+60.0E | 35 | | |
| L 6+80N | 6+70.0E | - 40 | | |
| L 6+80 | 6+80.0E | 5 | | |
| L 6+80M | 6+90.0E | 5 | | |
| L 6+80 | 7+00.0E | nd | | |
| L 7+00N | 5+00.0EA | 40 | | |
| L 7+00 | 5+00.0EB | 30 | | |
| L 7+00 | 5+10.0E | 5 | | |
| L 7+00 | 5+20.0E | nd | | |
| L 7+00M | | 20 | | |
| L 7+00 | 5+40.0E | 10 | | |
| L 7+00M | 5+50.0E | nd | | |
| L 7+00M | | 5 | | |
| L 7+00 | | 10 | | |
| L 7+00 | 5+70.0E | nd | | |
| L 7+00N | 5+80.0E | 15 | | |
| L 7+00 | | 5 | • | |
| L 7+00 | | 5 | | |
| L 7+00 | | nd | | |
| L 7+00 | | 45 | | |
| L 7+00 | 6+30.0E | 20 | | |
| L 7+00N | | nd | | |
| L 7+00 | 6+50.0E | nd | | |
| L 7+00 | 6+70.0E | nd | | |
| L 7+00) | 6+80.0E | nd | | |
| L 7+00M | 6+90.0E | nd | | |
| L 7+00 | 7+00.0E | nd | | |
| L 7+20 | 5+00.0E | 80 | | |
| L 7+20 | 5+10.0E | 15 | | |
| L 7+20 | 5+20.0E | 15 | | |
| L 7+201 | 5+30.0E | 15 | | |
| L 7+20N | | 35 | | |
| L 7+20 | N 5+50.0E | 30 | | |
| L 7+20) | 5+60.0E | 70 | | |
| L 7+20 | 5+70.0E | 55 | | |
| L 7+20 | | 110 | | |
| L 7+20 | | 15 | | |
| L 7+20 | | 5 | | |
| L 7+20 | 6+10.0E | nd | | |
| | ION LINIT | 5 | | |
| nd = nc | an detected | = not analysed is = | ingulliningh seals | |

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



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VANGEOCHEM LAB LIMITED

MAIN OFFICE 1521 PEMBERTON AVE. NORTH VANCOUVER, B.C. V7P 2S3 (604) 986-5211 TELEX: 04-352578 BRANCH OFFICE 1630 PANDORA ST. VANCOUVER, B.C. V5L 1L6 (604) 251-5656

| REPORT NUMBER: | 871113 GA JOB N | UMBER: 871113 | P.H. EXPLORATIO | INS | PAGE | 8 OF | - 12 |
|------------------------------|-----------------|---------------|-----------------------|---------|------|------|------|
| SAMPLE # | Au | | | | | | |
| | ppb | | | | | | |
| L 7+20N 5+20 | | | | | | | |
| L 7+20N 6+30 | | | | | | | |
| L 7+20N 6+40 | | | | | | | |
| L 7+20N 6+50 | | | | | | | |
| L 7+20N 6+60 |).0E nd | | | | | | |
| L 7+20N 6+70 |). 0E 10 | | | | | | |
| L 7+20N 6+80 |).0E 10 | | | | | | |
| L 7+20N 6+90 |).OE nd | | | | | | |
| L 7+20N 7+00 | | | | | | | |
| |).0EA 10 | | | | | | |
| L 7+40N 5+00 |).0EB 10 | | | | | | |
| L 7+40N 5+10 | | | | | | | |
| L 7+40N 5+20 | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| L 7+40N 5+4(| J.UE 2J | | | | | | |
| L 7+40N 5+50 |).0E 35 | | | | | | |
| L 7+40N 5+60 |).OE 50 | | | | | | |
| L 7+40N 5+7(|).0E 15 | | | е. С | | | |
| L 7+40N 5+80 | | | | | | | |
| L 7+40N 5+90 |).0E 15 | | | | | | |
| L 7+40N 6+00 |).0E nd | | | | | | |
| L 7+40N 6+10 | | | | | | | |
| L 7+40N 6+20 | | | | | | | |
| L 7+40N 5+30 | | | | | | | |
| L 7+40N 6+40 | | | | | | | |
| | | | | | | | |
| L 7+40N 6+50 | | | | | | | |
| L 7+40N 6+6 | | | | | | | |
| L 7+40N 6+70 | | | | | | | |
| L 7+40N 6+80 L 7+40N 6+90 | | | | | | | |
| E / TVA DTA | //vt J | | | | | | |
| L 7+40N 7+00 | | | | | | | |
| L 7+60N 5+00 | .0EA nd | | | | | | |
| L 7+60N 5+00 |).0EB nd | | | | | | |
| L 7+60N 5+10 |).0E 5 | | | | | | |
| L 7+60N 5+20 |).0E 10 | | | | | | |
| L 7+60N 5+30 |).0E 25 | | | | | | |
| L 7+60N 5+40 | | | | | | | |
| L 7+60N 5+50 | | | | | | | |
| L 7+60N 5+60 | | | | | | | |
| | | | | | | | |
| DETECTION LIMIT | | -lund - | - innulliziant | | | | |
| nd = none detec | ted = not an | alysed is | = insufficient sample | | | | |



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VANGEOCHEM LAB LIMITED

MAIN OFFICE 1521 PEMBERTON AVE. NORTH VANCOUVER, B.C. V7P 2S3 (604) 986-5211 TELEX: 04-352578

BRANCH OFFICE 1630 PANDORA ST. VANCOUVER, B.C. V5L 1L6 (604) 251-5656

| SAMPLE L 7+60N L 8+00N L 8 | | | | |
|---|---------|------|--|--|
| L 7+60N L 8+00N L 8+00N | | Au | | |
| L 7+60N L 8+00N L 8+00 | | ppb | | |
| L 7+60N L 8+00N L 8+00 | 5+70.0E | 5 | | |
| L 7+60N L 8+00N L 8+00 | 5+80.0E | - 10 | | |
| L 7+60N L 8+00N L 8+00N | 5+90.0E | 20 | | |
| L 7+60N L 8+00N L 8+00 | 6+00.0E | nd | | |
| L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+10.0E | nd | | |
| L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+20.0E | nd | | |
| L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+30.0E | 5 | | |
| L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+40.0E | 5 | | |
| L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+50.0E | 5 | | |
| L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+60.0E | nd | | |
| L 7+60N L 7+60N L 7+60N L 8+00N L 8+00N | 6+70.0E | nd | | |
| L 7+60N L 7+60N L 8+00N L 8+00N | 6+80.0E | 5 | | |
| L 7+60N L 8+00N L 8+00N | 6+90.0E | 5 | | |
| L 8+00N L 8+00N | 7+00.0E | 5 | | |
| L 8+00N L 8+00N | 5+00.0E | 5 · | | |
| L 8+00N L 8+00N | 5+10.0E | nd | | |
| L 8+00N L 8+00N | 5+20.0E | nđ | | |
| L 8+00N L 8+00N | 5+30.0E | 15 | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+40.0E | nd | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+50.0E | 40 | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+60.0E | 15 | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+70.0E | nd | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+80.0E | 5 | | |
| L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N L 8+00N | 5+90.0E | 5 | | |
| L 8+00N L 8+00N L 8+00N | 6+00.0E | 5 | | |
| L 8+00N L 8+00N L 8+00N | 6+10.0E | 5 | | |
| L 8+00N L 8+00N | 6+20.0E | 5 | | |
| L 8+00N | 6+30.0E | 5 | | |
| | 6+40.0E | nd | | |
| | 6+50.0E | nd | | |
| L 8+00N | 6+60.0E | 5 | | |
| L 8+00N | 6+70.0E | 5 | | |
| L 8+00N | 6+80.0E | 10 | | |
| L 8+00N | 6+90.0E | nd | | |
| L 8+00N | 7+00.0E | nd | | |

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MAIN DFFICE: 1521 PEMBERTON AVE. N.VANCOUVER B.C. V7P 2S3 PH: (604)986-5211 TELEX:04-352578 BRANCH DFFICE: 1630 PANDORA ST. VANCOUVER B.C. V5L 1L6 PH: (604)251-5656

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ICAP GEOCHEMICAL ANALYSIS

A .5 GRAM SAMPLE IS DIGESTED WITH S ML OF 3:1:2 HCL TO HNO3 TO H2D AT 95 DEG. C FOR 90 MINUTES AND IS DILUTED TO 10 ML WITH WATER. This leach is partial for Sm, Mm,Fe,Ca,P,Cr,MG,BA,PD,AL,XA,K,W,PT AND SR. AU AND PD DETECTION IS 3 PPM. 154 Insufficient Sample, ND= NGT detected, -= NOT AMALYZED

|) | COMPANY: PR ATTENTION: PROJECT: CA | | | SNC | | | | REPOR JOB#: INVOI | 871 | 113 | | | | | | | CEIVE HPLE NT TO | | 37/08 87/0 | 9/18 9/18 | I | PAG | E : OF | | ANAL | YST_ | <u>w</u> , h | Pures |
|--------|--|--|--------------------------------------|--|---|---|--|----------------------------|----------------------------------|----------------------------------|-------------------------------------|--|--|---|---|--------------------------------|--|----------------------------------|--|--------------------------------------|--|--|-------------------------------|--|----------------------------------|--|--|--|
|) | 34**13 NA*S | Aù Ppy | L AS L PP | | BA PPM | 31 PPN | CA I | CD PPN | CO PPM | CR PPN | CU PPN | FE 1 | K · I | 16 2 | NN Ppn | nc PPN | NÅ Z | XI PPM | р Х | PB PPn | PD ??n | PT PPN | SB ?PM | SN PPN | SR PPN | u PPN | 9 29 M | la PP N |
|) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|) | | 1.12 4 | . 85 5 | ό λ. | 1.5 | ٨2 | .11 | .2 | 3 | ÷ | 31~ | 2.17 | . Û+ | .33 | 622 | ÷ | . 06 | :2 | .:7 | · 45./ | ND | GK | ND | ND | 13 | ND | ND. | :01 |
| | 14+40X-5+505 14+10X-6+500 14+40X-6+500 14+40X-6+505 14+40X-6+505 14+40X-7+005 | .6 3. 1.3 3. .8 4 .9 4 .1 3. | .85 1 .85 .77 .27 .30 | 9 Ni 9 Ni 4 Ni 3 Ni 7 Ni |) 78 E0) 70) 107) 127 | ND ND ND ND ND | .12 .11 .21 .23 .40 .23 | .3 .1 .5 .2 .1 | 14 14 13 32 52 25 | 15 14 15 19 34 24 | 48/ 60 66 118 143 57 | 3.7B 3.12 3.09 4.60 8.47 4.62 | .04 .05 .05 .05 .04 .06 | .49 .44 .49 .66 1.49 .65 | 1018 1213 790 1633 4422 2102 | 2 2 3 5 2 | .12 .10 .08 .12 .22 .11 | 14 13 19 26 26 25 | .19 .15 .16 .17 .21 .17 | 30 V 31 ' 23 13 24 11 | D G ND ND ND ND | ND ND ND ND ND ND | 5 3 אם אם 3 מא | CK DX ND 110 1 CX DX | 16 13 18 22 36 23 | GX ND ND ND ND ND | ND ND ND ND ND ND | 174 174 124 124 129 110 |
|) | L4+60N-6+002 L4+60N-6+002 L4+60N-6+002 L4+60N-6+602 L4+60N-6+602 L4+60N-6+602 | .4 0 .8 2. .0 2. .9 1. .5 2. | . 20 . 47 . 55 . 87 . 24 | 6 X | 206 206 2172 223 223 225 | ND 6 4 4 ND ND | .16 .63 .25 .22 .28 .24 | .6 .9 1.1 .1 | 10 28 19 23 28 30 | 13 56 25 30 27 27 | 22 40 28 59 170 83 | 4.57 2.59 3.92 4.70 5.10 | .04 .05 .05 .05 .05 | .39 1.32 .58 .69 .78 .57 | 1109 2690 2727 2019 873 932 | 1 N D 1 2 3 | .06 .12 .13 .11 .11 .12 | 11 64 23 18 30 31 | .16 .18 .19 .05 .08 .09 | 11 50 35 39 14 12 | ND ND ND ND ND ND | ND DM DM DM DM DM DM | 3 4 4 5 80 4 | ND 5 1 4 20 1 | 17 74 26 33 23 26 | ND ND ND ND ND ND | ND ND ND ND ND ND ND | 95 173 242 144 120 99 |
|) | L4+60% 0+002 L4+60% 0+705 L4+60% 6+305 L4+60% 6+305 L4+60% 7+005 L4+30% 5+005 | 2.2 0 .1 2 .4 4 | .97 .04 .30 .52 | 5 XI 6 XI 5 XI 5 XI 5 XI 5 XI | 73 109 94 68 | 4 5 3 30 30 | .19 .33 .20 .17 .10 | .1 .1 .1 .1 .3 | 08 25 45 28 11 | 30 44 39 20 9 | 139 180 178 118 41 | 6.89 7.24 7.59 4.52 2.69 | .04 .02 .03 .03 .04 | 1.01 2.58 1.28 .31 .32 | 974 1176 1044 661 1051 | 4 2 6 3 1 | .16 .20 .19 .07 | 27 23 30 21 11 | .17 .16 .19 .12 .12 | 9 7 7 11 15 | ND ND ND ND ND ND | פא פא פא כא פא | 4 3 ND 3 4 | ND ND ND N2 ND | 33 51 20 23 11 | 02 57 57 57 57 57 57 50 | ND ND ND ND ND | 80 31 121 125 114 |
|)) | L4+80N-5+102 L4+80N-5+202 L4+80N-5+202 L4+80N-5+302 L4+80N-5+402 L4+80N-5+502 | .1 2 .4 2 .5 3 | .01 : .54 .16 \ | 6 X 5 X 0 X 0 X 0 X | 2 141 122 113 | ND ND ND ND ND | . 11 . 32 . 20 . 12 . 12 | .2 1.3 .1 .1 | 13 28 11 10 3 | 12 13 11 11 11 | 48 52 24 21 26 | 2.88 5.19 2.64 2.58 2.54 | .03 .04 .04 .05 .06 | . 38 . 83 . 40 . 28 . 25 | 549 3645 1810 1781 1870 | 1 2 1 1 NJ | .07 .12 .07 .06 .06 | 10 10 10 10 | .11 .10 .03 .11 .15 | à 63 10 10 | ND ND ND ND | ND ND ND ND ND | ND S S S S S | CN CN CN | 46 12 13 | NB 300 300 4 | ND ND ND ND | 104 116 124 95 |
|) | · . · | .5 2 | | | یکی اور | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | . 14 . 22 . 13 . 20 | .1 .3 .1 .3 | 10 3 9 20 | 11 12 12 .) | 21 20 33 58 | 2.46 2.43 2.61 4.10 | .04 .05 .04 .03 | .35 .32 .38 1.01 | 1211 2565 - 626 933 | 1 | .06 .08 .06 .11 | 14 13 13 17 | .10 .19 .09 .07 | 11 12 8 9 | \) \) ND 0 X 2 Х 2 Х | ND ND ND ND | 0 4 4 6 2 | ND ND ND | :5 20 13 22 : | CX CX DN CX | ND ND ND ND | 36 147 85 3∂ |

| | CLIENT: P | PM EXPL | ORAT | IONS | JOB | : : | 87111 | 13 | PROJE | CT: | CALI | FORM | IA | REPO | RT: | 8711 | 13PA | DAI | TE: 8 | 37/09 | 9/18 | | | PAG | E 2 | OF 1 | 2 | | |
|-----|--|-----------------------------|--------------------------------------|----------------------------|----------------------------|-------------------------------|---------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|-------------------------|---------------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------|
|) | CAMPLE NAME | AG PPM | AL Z | AS PPN | - | 5A PPM | BI PPM | CA I | CD PPM | CO PPM | CR PPM | CU PPM | FE 1 | K Z | 75 1 | 6N 298 | :10 PP:1 | XA I | NI PPri | P I | PB PPM | PD PPM | PT PPM | SB PPM | SN PPN | SR PPM | U PP# | W PPM | în Ppr |
|) . | 14+30N-5+10E | .5 | 1 2.42 | 12 | ND | 72 | ND | .15 | .1 | 8 | 11 | : 24 | 2.02 | .04 | . 46 | 581 | ND | .05 | 11 | .09 | 12 | ND | ND | ND | ND | 15 | ND | ND | 9 0 |
|) | L4+80N-G+202 L4+80N-S+308 L4+80N-6+408 L4+80N-S+508 L4+80N-S+508 L4+30N-S+508 | .5 .5 .2 .6 | 3.06 4.03 3.90 3.42 3.11 | 10 15 9 10 13 | ND ND ND ND ND | 105 46 68 72 37 | GK Dr GK GK CX | .14 .25 .16 .16 .30 | .2 .4 .1 .1 | 15 24 23 19 31 | 16 42 31 35 43 | 29 75 56 55 116 | 3.10 5.03 4.65 3.37 6.83 | .03 .04 .03 .02 .01 | .52 1.15 .89 1.21 1.39 | 1814 1043 884 985 1367 | 2 2 3 4 | .13 .38 .21 .19 .20 | 1+ 23 24 19 24 | .13 .08 .11 .11 | 26 210 38 26 21 | ND ND ND ND | ND ND ND ND ND | 3 3 ND ND 4 | 1 ND ND ND | 21 25 17 19 36 | ND ND ND ND ND | ND ND ND ND ND | 227 789 349 233 179 |
|) | L4+80N-6+702 L4+80N-6+805 L4+80N-6+805 L4+80N-7+068 L4+80N-7+068 L5+00N-5+112 | | 2.79 3.54 1.26 1.71 1.55 | 20 12 9 3 :3 | | 111 110 92 106 88 | ND ND ND ND | .35 .23 .16 .16 .09 | .1 .1 .1 .1 | 33 30 35 28 11 | 49 40 32 26 9 | 227 108 134 54 25 | 8.28 6.31 5.34 4.82 2.73 | .02 .03 .03 .02 .04 | 1.65 1.17 1.25 .36 .26 | 1128 1085 823 1668 2168 | 7 4 3 1 1 | .21 .17 .15 .12 .07 | 25 26 24 13 5 | .25 .13 .24 .16 .10 | 9 7 ND 2 23 | XD XD ND ND XD | D ND ND ND ND | 3 3 ND ND 2 | ND ND ND ND ND | 46 36 27 23 9 | СИ Хо Хо Хо Хо | CM D ND CM D MD | 100 93 91 95 113 |
| | 15+00N 5+00E 10+00N-5+00E 10+00N 5+00E 10+00N 5+00E 10+00N 5+50E | .5 .7 :.6 1.0 | | 8 10 10 | ND ND ND ND | 95 88 62 56 103 | ND 3 30 30 30 30 | .13 .09 .09 .08 .13 | .7 .1 .: .: | 10 9 8 9 10 | 10 11 10 7 9 | 28 23 15 25 25 | 2.86 2.73 2.38 2.55 2.52 | .04 .02 .03 .03 .03 | .01 .34 .25 .23 .26 | 2326 904 743 525 1638 | 1 ND 1 1 | .09 .07 .06 .06 .06 | 3 10 6 2 3 | .18 .12 .10 .16 .13 | 22 14 21 1 6 | ND ND ND ND | ND ND ND ND ND | 3 ND ND ND ND | ND ND ND ND ND | 12 11 10 9 14 | ND ND ND ND | ND ND ND ND ND | 144 105 95 92 94 |
| , | LS+00N+S+808 LS+00N+S+708 LS+00N+S+708 LS+00N+S+008 LS+00N+S+008 | .4 .2 .1 1.7 .5 | 2.34 2.34 2.84 2.33 3.24 | 12 10 13 16 13 | ХC | 104 113 109 49 75 | ND 4 ND ND 3 | .12 .26 .18 .26 .16 | .1 .1 .1 .1 | 10 16 11 28 21 | 10 14 13 12 15 | 27 83 28 201 56 | 2.54 3.73 2.65 8.15 4.28 | .03 .01 .01 .01 | .23 .57 .41 1.58 .65 | 2723 4013 1774 1446 1129 | ND 1 ND 3 2 | .06 .11 .08 .24 .14 | 40 3 13 24 14 | .10 .11 .15 .19 .08 | 8 18 13 53 34 | СИ СХ Ди Ди СИ | ND DM DM DM ND | ND 3 3 ND ND | ND 2 1 ND ND | 12 29 18 24 15 | ND ND ND ND ND | ND ND ND ND ND | 88 133 121 195 132 |
|) | 15+00N-5+001 15+00N-5+001 15+00N-5+401 15+00N-5+401 15+00N-5+500 | | 2.56 2.14 2.00 2.59 2.64 | 11 29 16 11 15 | ND ND ND ND ND | 84 66 135 35 116 | ND ND 4 ND 3 | .18 .24 .17 .26 .18 | .1 1.8 .1 | 20 43 33 30 21 | 18 30 53 54 47 | 36 159 76 99 62 | 4.03 7.81 7.14 5.62 5.36 | .02 .01 .02 .02 .01 | .61 1.25 1.03 1.35 1.38 | 2013 3970 2316 1029 349 | 1 8 2 4 3 | .20 .40 .24 .19 .17 | 16 24 25 18 16 | .13 .14 .23 .19 .19 | 41 228 74 35 10 | CK CM DM DM DM | ND ND ND ND GA | ND ND 3 3 ND | ND ND ND ND | 17 27 25 38 31 | ND ND ND ND ND | ND ND ND ND | 416 757 310 200 135 |
|) | 15+00N-6+002 15+00N-6+702 15+00N-6+708 15+00N-6+908 15+00N-6+908 15+20N-5+002 | .1 .1 .1 .1 .1 | 0.05 0.25 2.91 0.35 0.57 | 12 8 10 3 16 | ND ND ND ND ND | 170 128 92 106 74 | ЯР 3 СХ 5 СХ | .22 .24 .16 .41 .11 | .1 .1 .1 .1 .2 | 20 20 27 30 11 | 46 33 27 25 9 | 121 79 63 . 115 30 | 8.02 5.71 4.62 5.28 2.68 | .01 .01 .02 .01 .01 | 2.19 1.34 .76 2.16 .27 | 960 697 1715 808 2451 | 12 5 3 2 | .21 .15 .12 .15 .07 | 18 23 19 18 8 | .21 .12 .19 .18 .14 | :5 10 2 ND 29 | ND ND ND ND ND | ND ND ND ND | 4 3 ND ND ND | 1 ND ND ND ND | 64 43 24 46 10 | ND ND ND ND ND | ND ND ND ND ND | 130 110 110 102 102 |
|) | LSF20N SF10E LSF20N SF20E LSF20N SF30E LSF20N SF40EA LSF20N SF40EB | .4 .1 .2 .3 | +.62 2.54 2.21 2.19 3.39 | 15 13 7 7 11 | ND ND ND ND ND | 75 69 77 81 113 | 3 ND 3 5 | .10 .11 .14 .14 .13 | .1 .1 .1 .1 | :5 :: 12 :3 | 12 10 11 13 +6 | 78 19 31 52 65 | 1.42 2.72 3.27 2.91 6.49 | .02 .01 .02 .02 .02 | .44 .29 .34 .38 1.38 | 1048 1984 679 945 643 | ND 4 | .08 .06 .03 .07 .15 | 13 6 10 11 19 | .14 .09 .10 .08 .15 | 4 23 2 11 2 | XD XD XD XD XD | ND ND ND ND | х2 3 3 ND ND | ND ND ND ND | 12 13 14 14 23 | ND ND ND ND | СК 2 2 2 Сх Сх | 102 82 109 105 91 |
|) | _5+20%-5+501 _5+20%-5+600 _5+20%-5+200 | .2 | 0.74 0.95 2.93 | B :C :: | ND ND ND | 38 77 101 | ND ND ND | .16 .15 .15 | .1 .1 .1 | 22 21 18 | :2 14 12 | 56 87 65 | 4.08 3.82 3.42 | .02 .01 .01 | . 48 . 56 . 45 | 1310 1261 2311 | 2 3 1 | .11 .10 .12 | 15 16 12 | .12 .15 .14 | 16 13 16 | ND ND ND | ND ND ND | ND ND 5 | ND ND ND | :5 19 :9 | ND DX DX | ND ND ND | 145 152 208 |
| 3 | | • .: | .0: | 3 | 2 | : | 3 | .0: | .: | : | : | : | .01 | .0: | .0: | ۱ | ı | .0: | : | .0: | 2 | ; | 3 | 2 | 2 | : | 5 | ; | |

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| | CLIENT: F | M EXPL | ORAT | IONS | JO | B#: | 8711 | 13 | PROJE | CT: | CALI | FOR | AIA | REPO | DRT: | 8711 | 13PA | DA. | TE: 8 | 3 7 /09 | 9/18 | | | PAG | EЭ | OF 1 | 2 | | |
|--------|--|-----------------------------|--------------|--------------------------------------|---------------------------------|--------------------------------|-----------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|------------------------|---------------------------------------|----------------------------|---------------------------------|----------------------------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------------|---------------------------------------|---------------------------------|
| | SAMPLE NAME | АЗ РРИ | AL Z | AS PPM | AU | SA PPM | BI PPM | CA Z | CD PPM | CJ 229.11 | CR PPM | CJ PPN | F2 X | K I | ng I | MK PPM | no PPM | KA Z | N I PPM | p I | PB PPM | PD PPM | PT PPH | JB P PN | SN PPH | SR PPH | u P PM | y Ppm | IN PPM |
| J | 15+20N-5+80E 15+20N-5+90E | .6 .5 | | 12 3 | ND ND | 80 86 | ND ND | .17 .15 | .3 .1 | 13 20 | 17 20 | 39 68 | 3.06 3.65 | .05 .05 | .57 .76 | 664 1322 | 2 2 | .13 .14 | 15 24 | .24 .15 | 19 16 | ND ND | ND ND | 3 ND | ND ND | 16 17 | ND ND | 3 ND | 214 203 |
|)) | L5+20N-5+00E L3+20N-6+10E L5+20N-6+20E L5+20N-6+20E L5+20N-6+50E L5+20N-6+50E | | | 7 3 4 8 3 | ND ND ND ND | 107 117 80 117 145 | ND ND ND ND | .18 .23 .18 .18 .18 | .1 .1 .1 | 20 31 30 19 14 | 30 41 39 41 41 | 48 46 57 77 55 | 4.85 4.91 4.77 6.47 5.77 | .04 .05 .05 .04 | 1.25 1.34 1.21 1.24 1.60 | 1663 2970 1399 821 870 | 3 2 2 6 7 | .17 .22 .18 .17 .15 | 22 24 23 16 17 | .14 .18 .15 .24 .13 | 8 13 20 15 13 | ND ND ND ND | ND ND ND ND | 4 ND ND 3 | ND ND ND ND | 30 25 23 32 47 | ND ND ND ND ND | ND ND ND ND ND | 191 303 231 121 79 |
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| Section Section J <thj< th=""> J J <t< th=""><th>• •</th><th>и РРМ</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th>CAMPLE NAME</th></t<></thj<> | • • | и РРМ | | | | | | | | | | | | | | | | | | | | | | | | | | | CAMPLE NAME |
| 1 | 90 GN | DN סא DR | ND | 27 | ND | 3 | ND | ND | 19 | .20 | 21 | .14 | 4 | 833 | 1.02 | .03 | 5.36 | 60 | 34 | 25 | .1 | . 17 | 3 | 33 | ND | 7 | 3.65 | .6 | 15+EON-6+30E |
| 11 1. | ND 95 ND 92 ND 81 | ND ND ND ND | ND ND ND | 01 23 38 | ND ND ND | ND ND 3 | ND ND ND | DR Dr Dr | 17 13 10 | .23 .19 .13 | 18 15 10 | .09 .08 .08 | 2 3 2 | 833 415 553 | .72 .67 .89 | .04 .04 .04 | 3.43 3.53 3.38 | 44 30 57 | 19 13 19 | 22 20 18 | .4 .: .3 | .22 .16 .24 | ND ND | 122 97 87 | DR Dr Dr | 4 4 XD | 3.62 5.22 2.92 | .7 .8 .5 | LS+60N+6+60E LS+60N-6+70E L5+30N-6+80E |
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| ,) | SAMPLE NAME | AG PPM | AL Z | AS 22M | AU PPM | BA PPN | BI PPM | CA 1 | CD PPN | CO PPM | CR PPM | CU PPN | ÷E X | X Z | ng X | nn PPM | NO PPM | NA Z | NI PPM | P X | pb Ppm | PD PPM | PT PPM | SB PPN | SN PPM | SR PPM | j PPM | PPH | ZX PPn |
|) | L6+00N+6+505 L5+00N+6+605 L5+00N+6+70E L5+00N+6+70E | .9 1.1 .7 1.0 | 3.74 2.80 3.13 2.50 | 5568 | 3 XD ND ND | 155 109 74 82 | 4 5 ND ND | .26 .14 .18 .19 | .2 .7 .3 .7 | 24 18 12 14 | 16 24 16 18 | 96 43 28 34 | 4.86 2.98 3.07 3.01 | .06 .05 .05 .06 | 1.76 .50 .59 .59 | 874 1455 361 728 | 1 1 1 | .13 .08 .07 .07 | 18 34 12 16 | .09 .08 .16 .07 | 5 12 9 15 | ND ND ND ND | ND ND ND ND | ND 4 3 3 | 2 ND ND ND | 51 23 21 23 | ND XD 4 3 | ND ND ND ND | 83 105 87 98 |
|) | 18-00N-6+90E 11-00N-7+00E 16-20N-5+00E 16-20N-5+00E 16-20N-5+00E | .7 .6 .2 .: | 2.80 2.78 4.06 4.20 3.41 | 7 :1 : : 7 | ND ND ND ND | 121 114 106 94 114 | nd Nd Nd Nd Nd | .15 .16 .96 .31 1.06 | .5 .9 .7 1.3 1.1 | 13 11 9 :1 9 | 13 12 13 14 12 | 24 18 58 50 34 | 2.43 2.16 2.34 3.14 2.34 | .05 .05 .07 .05 .06 | .47 .36 .50 .33 .+0 | 697 353 916 1064 1429 | 1 1 2 1 ND | .06 .05 .05 .08 .07 | 13 17 12 14 14 | .13 .15 .11 .30 .19 | 14 22 23 23 16 | ND XD XD XD XD ND | ND ND ND ND ND | ND 3 ND ND ND | ND ND ND 11 ND | 19 19 63 32 68 | 3 XD XD XD 3 ND | ND 4 ND ND ND | 38 :08 89 :34 :17 |
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|) | L6+40N-6+00EA L6+40N-6+00ED L6+40N-6+40EA L6+40N-6+40ED L6+40N-6+40ED L6+40N-6+50C | :.0 .7 :.c .5 | 4.91 2.25 2.13 4.42 2.53 | X0 3 14 5 3 | NO ND ND ND ND | 35 103 90 111 95 | 3 NG ND ND | .10 .24 .16 .15 .15 | .5 .1 .4 .3 .2 | 9 16 18 10 13 | 3 17 15 13 | 36 05 45 26 33 | 2.21 3.45 3.30 2.62 2.63 | .06 .04 .05 .94 .04 | .34 .76 .56 .40 .47 | 320 574 792 635 929 | 1 1 2 1 | .04 .08 .08 .08 .08 | 10 13 9 15 12 | .13 .13 .19 .20 .13 | 6 7 11 12 7 | ND ND ND ND ND | ND ND ND ND | ND ND ND ND ND | ND ND ND ND ND | :3 30 21 18 :7 | ND ND ND ND | 12 10 10 10 10 10 | 63 82 31 145 75 |
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BI CA CD 00 CR CU ŦΕ K 16 XX MO NA NI. Ρ PB PD 21 SB SR 11 ١. 28 SAMPLE NAME A6 AL AS Aü BA SN 224 201 201 PPH 028 229 PPM PPM PPM PPM PPM PPH 1 1 1 PP.1 201 ï 228 Z PPN 994 **DD** PPM PPH 268 z 1 2.77 .06 .53 485 .07 XÐ 23 ٨Ň ND 78 LS+40N-5+60E 1.0 2.40 5 ХD 80 ND. .18 .1 16 14 51 1 14 .11 10 ХD ХD ٧D .05 .37 473 .06 ND ND ND 17 NĎ ND 82 80 .15 15 43 12 ND 15+40N-6+70E 4.03 5 NC 3 .5 11 2.90 1 14 .15 1.1 . 37 1 .05 ND ND 71 _6+40N-6+80E 2.04 XD. ND 94 3 .19 12 11 32 2.35 .06 1401 9 .14 11 ND ND ND CK 21 3. .1 NC 16+40N-6+90E .9 2.91 3 ND 113 ND .19 .1 14 15 26 3.14 .06 .36 1106 1 .06 :3 .09 17 XD ND ND CN 21 3 3: 17 XD ND 55 ND ND 122 2.46 3 ND 128 ЖĎ .32 .1 28 20 110 4.32 .04 1.01 1475 1 .12 .20 15 ΧĎ хD LE+408-7+00EA .6 211 213 21 X0 44 ND ND 83 ND .51 52 17 5.68 .07 1.51 1963 .:5 .09 11 ND λĴ 20 16+40N-7+00EB .1 3.68 4 49 93 .57 124 2.90 .08 .44 1313 .05 38. ХÐ 56 LE-50N-5+00E .2 +.57 2 ۲D ХD .2 11 10 3 8 .18 13 ND QK, NЭ CV. ND LC-60X-5+40E 1.0 558 .06 22 ND ND 31 3.33 7 XD. 112 КD .16 .4 14 13 32 2.73 . 16 .40 2 12 .20 17 ND ND 70 NЭ 2. :5 .08 35 74 LC+SON-5+502 5 XD. 67 3 .28 31 19 54 3.32 . 55 . 80 811 3 18 .:0 7 ND ND ХD NÐ λD 1 .5 .1 70 5 ND 76 ND .24 37 22 33 4.33 .04 .33 756 3 .11 24 7 XD ND ND ND 33 ND ٨D 18-608-5+600 .€ J.02√ .2 .14 11-50x-5470E 10 60 43 3.80 .65 529 3 19 :7 ND ND ND ND. 30 ND. :0 7: .22 19 .05 .14 .4 2.57 5 4 .1 103 . 10 LEFERN SFBDE 0.19 3 :07 ΝD .4: 40 24 35 4.21 .88 3 .11 .20 9 ND ND ХÐ ND 51 50 ND. 90 .1 1...6 11 .1 6 .υć 88 32 ٤2 859 9 ND ND ND ND 42 ND 2 70 LOON FOR XD . 29 23 3.74 . 06 .84 2 . 03 16 .21 .7 2.56 £ ٢ΰ .3 ND ND ND 73 124625 24002 1.0 2.63 M2 10 120 ND. .27 .5 22 16 75 3. 13 .07 .57 3:0 3 .07 :2 .13 9 ND ND ND 36 .50 .08 .25 ND ND. 30 30 36 ND ND 75 12.1.8.241 ::4 3 .25 36 :1 11 3.40 .05 665 2 14 7 .5 2.42 ND. .1 :12 27 ND , 103 хD .25 :7 14 . 06 . . 3 . +68 . 37 .÷ .15 :8 ХЭ ND 50 80 ND · · · · · ...: 1.12 ٠Ĵ .6 Ĵ.: :2 · · · · :.63 ND 9£ ХD .:1 9 3 14 .04 .28 861 : . 03 8 .09 36 ND ND ND ND 20 ND ND ٤2 .4 10 :23 .15 .2 -11 12 2.54 .05 .13 675 1 .07 16 . : 9 12 ND ND ND ND :7 ND NÐ :04 .6 3.16 3 1.1.1.1.1.1.1 É .a ND ND 33 . 18 17 38 2.93 803 .08 .24 13 ND ND ND ND 17 .7 0.15 5 ١D 111 ND .3 11 .05 .41 1 9 ND ND 121 27 3.37 1327 2 .11 15 20 ßК ND ND ND. 24 .5 3.17 ND. 159 ND .2: .1 13 58 .05 . 66 . 16 CHEN SHEE ٤ 3.05 .05 543 20 .07 9 ΧD ND ٧D ND 22 ND - ND 35 1480X-6470E .7 0.37 3 10 116 ND .19 17 14 50 .51 1 .07 .1 35 ND ND NЭ ND 52 X0 ND -95 226 2341 : LEVEN OF E .: 3.21 20 25 :5: KD .39 .1 54 21 5.49 . 34 1.34 .16 28 . 08 33 NÐ ND 70 11-12-04-04905 1329 50 . 07 15 :02 ND ND ŊД \$2 .4 2.59 1 ND :26 ХD .29 .: 19 14 73 3.02 .06 .62 11 ND 76 хD 36 λĴ . 20 :3 17 .07 .45 510 .04 .:0 11 ND мD ND ND 24 λD 11-EDN-5+00E .5 3.54 ÷ .2 9 2.54 1 11 11-223 5-107 5 NC 166 ND .29 .7 11 15 52 2.12 . 37 .40 1279 . 06 14 . 19 13 ND ХD XD. ND 34 ::D ХD -33 27 ND 70 111 .23 22 .05 .28 677 .04 11 .13 13 ND ND ND ND 4 2.2 1.56 3 ND КÖ 8 11 2.36 LE+30X-5+20E .4 1 ND ND ND ND 28 ND. XD. 63 .4 2.04 ND 239 ND .22 11 7 32 2.14 . 05 . 26 1224 .04 7 .11 10 .S+00% 5+00E 10 .: 1 .04 :5 .08 10 ND ŇĎ MD ND 24 ND ND 58 16+80N-5+40E .7 2.52 XD .23 34 2.30 .04 .42 593 5 ND. 92 .1 15 14 1 .05 522 .06 -14 .23 8 ND ND ND ND 19 XD ND 73 10+20V 5+50E .5 2.52 5 ND 96 XD . 16 .2 14 35 25 2.59 . 48 1 55 22 NЭ NÐ ΝD ND 41 КD ND 64 .û5 . 58 . 37 .09 8 2 NC 124 ND .28 27 14 3.04 1879 2 16-00N 5-601 1.00 . : 55 23 YD. 13 .06 .12 NÐ хD ND. ND 52 10-00% 5+70E 1.0 1.02 5 XD. 31 ND .20 .: 21 28 2.74 .05 .46 701 12 ٤ 55 30 ND ND. 10-005-5+305 33 XD . 22 13 :5 29 2.23 . 6 . +8 425 2 . 35 10 .10 :: :.) 1.) hD NЭ .5 1.15 2 ND . 1 72 2.50 .08 ND ND ND ND 25 ЯÐ :.0 12-274-5+20E 2.02 2 XD. 83 ND .23 .1 :5 :5 35 .06 .58 468 2 .05 15 6 .6 :.0 70 5 33 33 ND λ2 .7 1 ND 73 ND .15 .3 8 3 3 2.02 . ¢6 . 30 353 ND .04 9 . . j 3 16 15-30X-6+00E 12 ND ND. 3 ND. 76 . 19 χ) 20 1.55 3 ٧D 70 XD. .3 7 7 1.86 .06 .29 537 Sil .03 7 .18 3 15+201-5+10E .5 R 30 .20 :5 . 39 :0 .06 50 25 NÐ 20 20 ND 2.39 70 64 ND 12 13 2.10 . .5 265 :2 16+00N 6+20E .5 .1 . vá ω. :2 .04 23 SP. NÐ ND ND. 15 ND. 4 100 ХÐ .:3 2.04 .26 623 . JS 8 .13 11-015-0+001 .7 2.00 3 ND. 94 .3 9 9 ND. NЭ ND 23 ND. 75 2.74 . 22 30 63 3.52 . 06 339 . 3 . 16 13 36 ND 32 142 .:0 . . . 15/30X/5/40E .7 5 6 • • 3 77 25 V) 10 2.25 .40 205 . 37 :0 . 09 20 :D XD 10 30 1-10N 1-50E .5 5 50 114 ND. .24 .5 19 8 43 3.01 . 05 3 S : .91 .01 .0: .01 2 3 3 3 1 1 1 2 . . . ÷ ÷ • •

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CLIENT: PM EXPLORATIONS JOB#: 871113 PROJECT: CALIFORNIA REPORT: 871113PA DATE: 87/09/18

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| CLIENT: | PM | EXPL | ORAT | ICNS | JOI | B #: 8 | B711: | 13 | PROJE | CT: | CALI | FORM | AIA | REPO | RT: | 8711 | 13PA | DA | TE: (| 37/09 | 9/18 | | | PAG | E 7 | OF 1 | 2 | | |
|---|----|----------------------------|--------------------------------------|--------------------------|----------------------------|--------------------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------------|---|---------------------------------|---------------------------------|-----------------------------------|-------------------------|--------------------------------------|----------------------------|---------------------------------|---------------------------|---------------------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|---------------------------------|--|
| SAMPLE NAME | | AG PP# | AL Z | AS PPM | AU PPM | BA PPM | BI PPM | CA Z | CD PPN | CO PPN | CR FPN | CU PPN | FE 2 | K Z | M3 X | NN P?N | X0 PPM | 5A Z | NI PPM | P Z | р в Ррн | PD PPM | PT PPM | 58 225 | SN 2211 | SR ?PN | U Ppn | u PPN | |
| 15+308-6+605 | | .3 | 2.48 | 8 | ND | 140 | ND | .21 | .1 | 22 | 12 | 98. | 3.27. | .03 | . 47 | 1022 | 3 | . 09 | 15 | . 06 | 115 | ND | ND | 4 | CK | 21 | ND | ND | |
| L6+80X+5+702 L6+90X+6+803 L5+80X+6+803 L6+80X+6+903 L6+80X+7+002 | | .3 .4 .1 .4 | 0.10 2.54 2.51 2.99 | 14 7 7 0 | ND CX CX CX | 131 143 138 157 | СК СК СК СК | .19 .24 .27 .26 | .1 .7 .9 | 19 19 17 15 | 21 15 17 34 | 85 64 70 1 6 | 3.26 2.73 3.01 2.32 | .04 .04 .03 .03 | .55 .45 .62 .68 | 486 948 569 362 | 2 2 2 | . 08 . 06 . 11 . 09 | 18 12 15 29 | .13 .10 .10 .11 | 24 10 21 9 | ND ND ND | ND ND ND ND | 3 3 5 ND | 1 NB ND ND | 23 27 31 27 | ND 3 ND ND | ND ND ND ND | |
| _7+00%+5×5%E4 | | •: | 2.00 | 3 | ND | 103 | XD N | .35 | .2 | 6 | :3 | 134 | 2.50 | .04 | .44 | 526 | 1 | .07 | :5 | .14 | 14 | XD | ND | ND | ND 1 D | 38 | ND | ×9 | |
| 27+00N-5+0022 27+00N-5+002 27+00N-5+202 27+00N-5+202 27+00N-5+302 27+00X-5+402 | | | 2.05 2.90 1.75 2.05 2.54 | 4 8 10 14 4 | ND ND ND ND ND | 75 130 156 116 110 | CX Qr Dr Cr Cr | .24 .26 .19 .23 .19 | .4 .3 .5 .6 | 9 11 3 19 16 | :2 17 3 14 14 | 123 55 - 19 42 44 | 2.+2 2.73 2.04 2.93 2.30 | .04 .02 .04 .03 .04 | .33 .53 .20 .55 .43 | 1036 553 1477 718 852 | 2 2 1 3 1 | .07 .07 .05 .08 .06 | 13 12 7 11 | .04 .17 .13 .16 .19 | 18 14 17 20 9 | ND ND ND ND ND | ND ND ND ND ND | ND NE 00 00 00 | ND ND ND ND | 27 29 26 25 27 | ND XD 4 ND 3 | 3 9 4 0 1 2 | |
| 17400N 5450E 17400N-5460EA 17400N-5460EA 17400N-5460EC 14400N-5470E | | .8 | 2.53 2.10 2.23 2.57 | V0 V0 V0 2 | ND ND ND ND ND | B9 80 118 142 106 | ND ND ND ND | .18 .18 .2: .24 .17 | .3 .3 .7 .4 !.0 | 1: 7 12 23 24 | 16 9 12 13 15 | 28 15 13 35 21 | 2.27 1.82 2.26 2.31 2.16 | .04 .03 .04 .04 .03 | .47 .38 .36 .32 .40 | 451 298 536 793 537 | ND 1 2 2 | .05 .04 .06 .07 .08 | 18 10 10 16 18 | .11 .08 .24 .35 .08 | 7 8 :: 8 11 | DX D D D D C X D | ND ND ND ND ND | ND 3 ND ND 3 | ND ND ND ND ND | 20 16 28 32 21 | XD 2 3 3 4 | UL Gr Cr Cr Dr | |
| 17+33N 5+12E 17+33N 5+12E 17+33N 5+335 17+53N 5+335 17+53N 5+335 17+00N 5+335 | | .2 .3 .! .! .2 | | ND 7 ND 6 2 | ND ND GK CK CK | 59 :25 :13 72 56 | ND ND ND ND ND | .16 .12 .14 .13 .12 | .5 .3 .5 .6 | 5 7 9 7 6 | 7 8 10 9 9 | 3 9 11 9 8 | 1.53 1.53 2.50 1.98 1.74 | .03 .02 .02 .02 .03 | .32 .24 .25 .26 .25 | 360 664 563 315 506 | ND 1 1 1 ND | . 03 . 05 . 08 . 05 . 04 | .6 B 11 9 15 | .03 .25 .43 .13 .23 | 7 11 18 7 11 | ND ND ND ND | ND ND ND ND | же 3 мр 7 2 | ND ND CX CX ND | 14 16 14 13 12 | 6 4 ND ND + | 3 4 ND ND 5 | |
| 2+009-6+402 2+009-6+502 2+009-6+502 2+009-6+802 17+009-6+802 | | | 1.00 1.15 1.15 1.41 2.55 | ND 5 0 3 ND | ND ND ND ND | 66 30 77 109 131 | פא סא סא סא | .22 .20 .17 .16 .26 | .7 .3 .4 .7 .2 | 0 22 9 3 | 13 11 12 12 | 17 59 27 15 27 | 2.36 2.33 2.12 2.21 2.35 | .00 .05 .05 .03 .02 | .41 .03 .08 .43 .50 | 464 264 337 513 -553 | 1 2 1 2 | .06 .06 .03 .06 .06 | 13 16 11 | .07 .13 .14 .19 .10 | 10 7 9 10 7 | ND ND ND ND ND | CX D D ND ND | ចំ ខេត ភូមិ ភូមិ | C: CV CV CV | 20 20 17 18 25 | ND ND ND ND ND | ND ND 3 ND | |
| 27+00N-7+00E 27+20N-5+00E 27+20N-5+10E 27+20N 5+20E 27+20N 5+20E | | | 2.63 2.15 1.35 1.94 3.12 | ND 10 8 NJ 7 | ND ND ND ND | 178 166 102 121 133 | ND ND ND ND ND | .26 .39 .25 .20 .27 | .1 1.0 .7 .8 .6 | :4 15 15 11 :2 | 16 14 25 16 13 | 76 72 39 . 29 38 | 2.36 3.77 3.39 2.60 2.70 | .01 .03 .02 .02 .02 | .76 .41 .34 .50 .72 | 446 2404 713 712 442 | 1 2 2 | .08 .13 .2 .09 .03 | 13 23 17 14 17 | .14 .14 .15 .25 .13 | 2 19 9 9 | ND ND ND ND ND | ND ND ND ND | ND ND ND ND | XD ND ND ND | 26 43 28 23 31 | ND ND ND ND ND | ВИ Ви 4 Си 4 | |
| 17:10x-5+40E 17:20x-5+505 17:20x-5+505 17:20x-5+505 17:20x-5+705 17:20x-5+905 | | | 3.24 2.78 2.29 2.44 3.54 | :2 5 8 7 5 | ND ND ND ND ND | :42 87 115 65 73 | ND ND ND ND | .30 .17 .23 .23 .31 | .5 .5 1.0 .3 | 23 19 25 13 22 | 20 13 19 11 17 | 73 63 51 30 35 |), 13 2, 93 2, 99 2, 68 3, 56 | .01 .02 .02 .03 .04 | .68 .62 .50 .22 .33 | 1086 770 917 547 308 | 2 2 2 3 | .10 .07 .07 .05 .08 | 18 .3 20 12 30 | .20 .10 .11 .04 .08 | 9 2 10 10 7 | ND X0 X0 X0 X0 VD | ND ND ND ND | Ю 50 50 51 51 51 51 51 51 51 51 51 51 51 51 51 | ND ND ND ND ND | 25 20 28 22 26 | ND ND ND ND ND | ND ND ND ND | |
| 17+20%-5+305 17+20% 6+005 17+20%-6+105 | | | 2.13 2.29 2.43 | 8 5 4 | ND ND ND | 65 85 74 | ND ND | .13 .13 .13 | .5 | 8 7 7 | 9 5 9 | :2 :1 :0 | 1.58 2.07 1.38 | .02 .02 | . 29 . 34 . 26 | 321 240 131 | 2 | .05 .36 .96 | 7 10 | .11 .20 .16 | 8 | ND ND ND | ND ND ND | 50 50 | X0 10 20 | 14 15 14 | XD XD XD | 3 3.2 4 | |
| 00700700%* | | | . 91 | 3 | 3 | ! | 3 | .0: | .: | : | : | : | .01 | .01 | .01 | : | : | .01 | : | .)! | 2 | 3 | 5 | 2 | : | : | 5 | 3 | |

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| | CLIENT: PM | EXPL | ORAT | IONS | JOI | 3 #: 8 | 37111 | 13 F | PROJE | CT: | CALI | FORI | AIA | REPO | RT: | 8711 | 13PA | DAT | TE: 8 | 87709 | 9/18 | | | PAG | EВ | OF 1 | 2 | | |
|----------|---|----------------|--------------------------------------|--|----------------------------------|---------------------------------|----------------------------------|--------------------------------------|----------------------------|---------------------------|----------------------------|------------------------------|--------------------------------------|---------------------------------|-----------------------------------|----------------------------------|------------------------|--------------------------------------|----------------------------|---------------------------------|----------------------------|--|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------------|----------------------------|--------------------------------|
|) | CAMPLE NAME | AG PPN | A_ I | AS PPM | AU PPH | BA PPM | BI PPH | CA Z | CD PPM | CG PPh | CR PPM | CU PPri | FE Z | K I | 26 X | MN PPN | 20 2011 | XA Z | NI PPM | Р 1 | PB PPN | Р) РРл | PT P?N | SB PPM | SN PPM | SR P pm | U 29# | и Рря | ZN PPM |
|) | 17+20N-5+20E 17+20N-6+30E | | 1.36 2.97 | 7 6 | ND ND | 59 75 | 3 ND | .:4 .:1 | .2 .1 | 6 7 | 6 9 | 7 32 | 1.62 1.84 | .04 .04 | .23 .27 | 298 233 | 2 1 | .03 .05 | 7 :: | .18 .17 | 15 17 | ND ND | ND ND | NÖ ND | XD ND | 14 12 | 5 3 | 4 מא | 51 94 |
|) | L7+20N-6+402 L7+20N-6+502 L7+20N-6+605 L7+20N-6+605 L7+20N-6+705 L7+20N-6+705 | .7 | 1.12 2.26 2.93 1.97 2.77 | 4 XD XD 3 XD | ND D D D D C N | 48 97 129 166 183 | 3 ND 3 ND 4 | .16 .15 .22 .29 .24 | .5 .1 .1 .: | 5 6 12 12 17 | 6 3 17 15 23 | 7 9 54 47 121 | 1.37 1.85 2.86 2.73 3.70 | .04 .04 .05 .05 | .35 .27 .82 .76 1.64 | 216 35: 315 578 430 | 1 1 1 2 | .02 .05 .07 .08 .10 | 8 9 15 14 20 | .04 .12 .07 .20 .05 | 12 10 11 15 2 | ND ND ND ND ND | ND CM ND ND CM | 3 ND ND ND | 2 ND ND ND ND | 15 15 21 26 25 | ND ND ND ND | C 4 ND ND ND | 44 73 90 92 53 |
|) | _7+20N-5+905 _7+20N-7+005 _7+40N-5+005A _7+40N-5+005B _7+40N-5+105 | .3 .5 .2 | 2.5: 2.57 2.41 1.71 2.20 | ND ND ND 9 3 | 3 VD VD VD | 157 149 97 91 64 | ND 3 ND ND 3 | .27 .25 .16 .12 .22 | .: .1 .7 .5 .2 | 23 19 14 10 | 25 19 16 12 23 | 127 81 23 17 47 | 4.09 3.04 2.35 2.24 2.40 | .05 .05 .05 .04 .04 | 1.40 .96 .45 .36 .53 | 644 455 405 408 321 | 2 | .10 .08 .08 .37 .67 | 17 22 13 3 16 | .03 .14 .24 .28 .06 | 16 7 10 11 10 | ND MD ND ND ND | ND ND ND ND | nd Nd Nd Nd | КО Мо Мо Мо Хо | 31 31 19 14 22 | ND ND 6 3 ND | ND ND ND ND ND | 56 77 136 104 103 |
|)) | 17440% 54005 17440% 54005 171440% 54405 1714 % 54405 1714 % 54605 | .: | .86 2.40 2.25 4.20 2.19 | 07 2 6 4 | 2X 07 02 10 10 10 | 63 34 62 160 118 | ND ND ND ND ND | 2.78 .37 .25 .6: .15 | 2.8 .5 .4 .4 | 5 14 13 14 13 | 5 25 34 21 | 10 157 57 429 57 | 1.09 3.73 4.33 4.13 2.55 | .04 .05 .04 .07 .01 | .26 .36 .53 .73 .66 | 1219 470 391 920 938 | | . 05 . 03 . 05 . 10 . 10 | :4 45 22 73 23 | .08 .26 .04 .04 .09 | 45 12 15 33 17 | ND ND ND ND ND | ND ND ND ND ND | ND NO ND ND | ND ND 1 ND ND | 131 45 25 48 26 | ND ND ND ND ND ND | 5 GN ND ND ND | 104 118 33 106 109 |
|) | 144 N 54708 1440N 54808 1440N 54808 17440N 54808 17440N-6408 17440N-6408 | .4 .i | 3.26 1.85 | КО ИД Хо 4 | ND ND ND ND ND | 31 77 124 84 72 | КD 50 3 ND 50 | .24 .19 .29 .16 .13 | .3 .6 .: .5 .3 | 12 11 22 9 9 | 15 17 43 10 | 32 25 222 12 | 2.26 2.26 4.70 1.83 2.29 | .05 .04 .06 .04 .04 | .43 .45 2.12 .27 .30 | 627 559 584 540 406 | 2 1 2 2 | .07 .06 .15 .06 .08 | 20 17 28 18 12 | .15 .11 .10 .18 .37 | 22 17 2 13 18 | ND ND ND ND ND | ND Gr Dr Gr Sc | ND JU JU NB ND | ND 2 ND ND ND | 21 19 27 17 15 | ND ND ND 4 3 | ND ND ND ND ND | 103 95 104 114 137 |
|) | 17 403-64000 17403-64000 17403 64400 17403 64400 17403-64600 17403-64600 | .4 | 1.89 2.80 2.51 2.64 1.79 | 3 2 ND 3 ND | VD VD VD ND ND | 78 111 75 74 79 | ND ND ND ND ND | .15 .10 .14 .17 .15 | 1.0 .3 .2 2 | 10 10 7 9 7 | 14 11 9 3 5 | 16 10 11 7 | 2.27 2.12 1.94 1.99 1.74 | .04 .03 .03 .04 .04 | .41 .25 .28 .27 .29 | 319 341 475 286 350 | 2 : 1 1 10 | .07 .07 .05 .05 .07 | :4 3 10 3 10 | .19 .25 .19 .21 .15 | 16 14 12 13 15 | CX CX CX CX XD | ND ND ND ND ND | ND ND 3 ND | ИВ ND ND ND ND | 16 12 15 17 15 | 4 כא פא פא | XD ND ND ND | 119 125 101 135 97 |
|)) | 27400054705 2740005005 2740005405 274007005 27400750054 | | 2.01 2.34 2.51 2.72 2.73 | 80 С2 С2 С2 К0 С7 С7 | 00 ND ND ND ND | 123 110 105 119 105 | ND ND ND ND ND | . 20 . 28 . 21 . 20 . 20 | .2 .: .3 .: | 11 17 29 18 | 19 24 31 15 | 46 124 143 59 22 | 2.25 2.25 2.25 2.23 2.47 | .05 .06 .05 .03 .04 | .57 1.24 1.52 .64 .53 | 220 388 527 280 538 | 1 | .04 .08 .14 .09 .68 | 16 16 27 20 13 | .05 .09 .07 .19 .13 | 47405 | 20 27 20 20 | ND ND ND ND | NP ND ND NP | ND ND ND ND ND | 21 28 21 19 20 | 3 ND ND ND ND | ND ND ND ND ND | 60 50 184 92 127 |
|) | 17-80% 5+0028 17+80%-5+108 17+80%-5+208 17+80%-5+208 17+80%-5+308 17+80% 5+408 | ••• | 1.77 2.27 2.97 2.81 2.27 | 4 ND 4 ND | 40 40 40 40 40 40 | 99 118 105 138 53 | CN DN DN DN DN DN | . 15 . 33 . 26 . 38 . 45 | | 11 21 10 13 | 15 27 20 23 10 | 20 139 74 143 87 | 4.03 | .04 .04 .04 .06 .05 | .35 33 .35 .73 .76 | 925 678 763 2347 503 | 1 2 1 2 1 | .06 .12 .10 .13 .09 | 13 24 13 47 23 | .12 .13 .17 .07 .08 | 5 21 32 11 | 0 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | ND ND ND ND | 19 19 19 19 19 | ND ND ND ND | 17 40 31 54 24 | R ND ND ND ND | ND ND ND ND ND | 98 117 126 212 120 |
|) | 17+50N+5+512 17+60N+5+602 | | :.33 1.32 | ND ND | NC ND | 34 :61 | 1.3 113 | .24 .57 | .+ .5 | | 23 | 25 530 J | 2.43 | .62 .05 | 1.01 1.01 | 572 850 | • | .03 .13 | . 3 33 | .:: | 17 12 | Ka | | ND NQ | 515 | 55 | 30 30 | 52 50 | :5: :30 |
|) | DECECTION LITE? | .: | .9: | 3 | 3 | : | 3 | .01 | .: | : | : | • | .51 | .01 | .). | • | • | | | . 61 | 2 | 3 | Ĵ | • | ÷ | • | 5 | J | |

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| SAMPLE NAME | AG PPM | AL Z | AS 225 | AU 225 | BA PPM | 81 ??# | CA I | CD ?Fn | 00 ??# | CR 196 | CU PP7 | FE X | K Z | NG Z | nn PPM | 20 275 | XA Z | ni Fpn | р 1 | PB PPH | PD PPN | PT PPM | SB 775 | SN PPM | 58 221 | 0 228 | 4 228 | 28 229 |
|---|-----------|--------------------------------------|---|--|------------------------------|--------------------------------------|---------------------------------|---------------------------------|--------------------------|----------------------------|---------------------------|--------------------------------------|--------------------------------------|---------------------------------|---------------------------------|-------------------------|---------------------------------|---------------------------|---------------------------------|--------------------------|---|--|----------------------------|----------------------------------|----------------------------|--|----------------------------------|--|
| 17+10x-5+70E 17+10x-5+90E 17+10x+5+90E | .6 | 2.40 2.23 3.36 | 11 11 12 | ND ND ND | 73 63 67 | CK DR CA | .47 .17 .23 | .4 .3 .5 | 13 7 23 | 27 10 26 | 17 | 2.88 1.87 3.73 | .04 .04 .03 | .91 .37 1.04 | 511 277 626 | 50.4 | .03 .05 .14 | 36 10 27 | .04 .13 .06 | 25 26 29 | ND ND ND | ND ND ND | 4 5 3 | 1 ND 1 | 35 15 21 | ND 3 ND | HD ND ND | 97 100 188 |
| 17 100-84008 17-800-8408 17-800-84208 17-800-84208 17-800-84208 17-800-84408 | .: | 2.71 | 5 - 5 - B | 07 07 08 07 07 | 72 73 137 85 145 | ND ND ND ND | .12 .13 .10 .10 .13 | . B . : . 6 . 4 | 9 5 6 8 | 11 3 8 3 10 | | 2.01 1.81 1.53 1.53 2.12 | . 02 . 3: . 01 . 3: . 01 | .34 .23 .27 .1) .32 | 816 359 550 346 530 | 32 | .07 .03 .10 .10 .12 | 11 7 6 .2 8 | .20 .15 .28 .10 | 30 9 16 10 | ND ND ND ND ND | 50 50 50 50 50 50 50 | 3 80 80 80 80 | 52 52 52 52 52 70 | 12 18 14 17 | 3 ND ND ND | ХО 140 ХО 12 | :0: :0: :2: :17 :7: |
| 1400 0450 1400 440 1400 444 440 1400 444 440 1400 444 440 1400 4440 | .: | 2.14 | : : : : : : : : : : : : : : : : : : : | NC ND ND ND ND | 67 71 86 82 62 | ND ND ND ND | .11 .09 .12 .12 .14 | | 3 4 5 3 3 | 6 6 7 9 | 767 | 1.72 1.76 1.98 1.42 1.61 | .01 .01 .01 .31 .01 | .23 .16 .26 .24 .31 | 422 331 377 473 296 | 2 1 1 ND ND | .07 .08 .03 .07 .08 | 2 3 4 5 | 2 .22 .28 5 .09 | 11 11 4 5 1 | ND Qr ND Qr Qr | CX CX ND ND ND | nd Nd Nd Nd Nd | נא פא פא גע אס | :3 :1 :3 :4 :5 | כא כא גס סא | 20 20 20 20 20 20 | 83 51 51 51 51 51 51 |
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CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the <u>Securities Act</u> and its regulations.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of December, 1991.

David M. Patterson Chief Executive Officer

Erica Ħ. Hughes

Chief Financial Officer

ON BEHALF OF THE BOARD

Nigel J[/]. Hulme Director

Donald G. Moore Director

PROMOTER

Hulme

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the <u>Securities Act</u> and its Regulations.

DATED at the City of Vancouver, in the Province of British Columbia this 18th day of December, 1991.

YORKTON SECURITIES INC Per: Donald Rish PACIFIC INTERNATIONAL SECURITIES INC. Peré John T. Eymann