



**VALENTINE GOLD  
CORPORATION**

Suite 2690, Park Place  
666 Burrard Street  
Vancouver, B.C.  
Canada V6C 2X8  
Telephone (604) 682-8585  
Fax (604) 682-4309

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P.W.  
**PROPERTY FILE** ✓

92B108-05

To: Prospective Investors in Shares  
of Valentine Gold Corporation

October 30, 1987

Prospectus Offering in Valentine Gold Corporation  
(the "Issuer")

Attached is a prospectus of Valentine Gold Corporation. Several changes in disclosure have been made since copies of the preliminary prospectus were circulated and, accordingly the Superintendent of Brokers has requested that the following matters be brought to the attention of prospective investors:

1. The Issuer has recently entered into an agreement with Point Resources Inc., respecting the acquisition by Point Resources Inc. on an oil and gas property. The Issuer advises that as of the date of the Prospectus, complete information respecting the assets of Point Resources Inc. is not yet available. (See prospectus, page 20-22)
2. A quotation from an engineering status report prepared for the Issuer which indicates that the nature of quartz/quartz carbonate veining on the property is not presently well established has been included (see page 15 of the prospectus).
3. All reference to ore reserves or ore classifications under the heading "Mineralization" (page 10 of the prospectus) has been deleted.
4. The consideration payable to Mr. Ursel Doran in consideration of his transferring his interest in the Property to the Issuer has been amended by removing the Issuer's obligation to issue 5,000,000 free trading shares to Mr. Doran and by granting in its place a net profits royalty of 15% payable to Mr. Doran in common shares of the Issuer at \$0.95 per share to a maximum of 5,000,000 shares. Mr. Doran was also issued 234,000 free trading shares at a deemed price of \$0.50 in lieu of salary not paid to Mr. Doran for the 13 month period from September 1986 through to September 1987 (see prospectus page 37).

Full details of these and other changes are set out in the attached prospectus.

Yours truly,

VALENTINE GOLD CORPORATION

Per:

"URSEL S. DORAN"

President

## PROSPECTUS SUMMARY

The following summary is qualified by the more detailed information contained in the Prospectus.

### THE ISSUER

By an Option Agreement dated November 15, 1986 with Beau Pre Explorations Ltd. ("Beau Pre") Valentine Gold Corporation (the "Issuer") obtained an option to acquire a 100% interest in 35 located mineral claims and 10 placer leases (the "Property") situated approximately 42 km. west of Victoria, British Columbia and 19 km north of the town of Sooke, British Columbia. The Property is readily accessible by road, is in close proximity to the City of Victoria, offers a long exploration season and easy access to supplies and services. Since acquiring this option, the Issuer and Beau Pre have acquired by staking or purchase a further 34 mineral claims adjacent or peripheral to those originally optioned. This represents an extensive land position exceeding 50 square miles. (see Exhibit #1).

The Issuer has assembled a team of well qualified geologists and engineers in order to carry out an extensive exploration program on the Property. To date, the Issuer has completed approximately 60% of Phase I of the recommended exploration program on the Property at a cost of approximately \$1,346,000.00. Following completion of the offering detailed in this Prospectus the Issuer will be well capitalized permitting it to carry out the aggressive exploration program outlined in more detail herein.

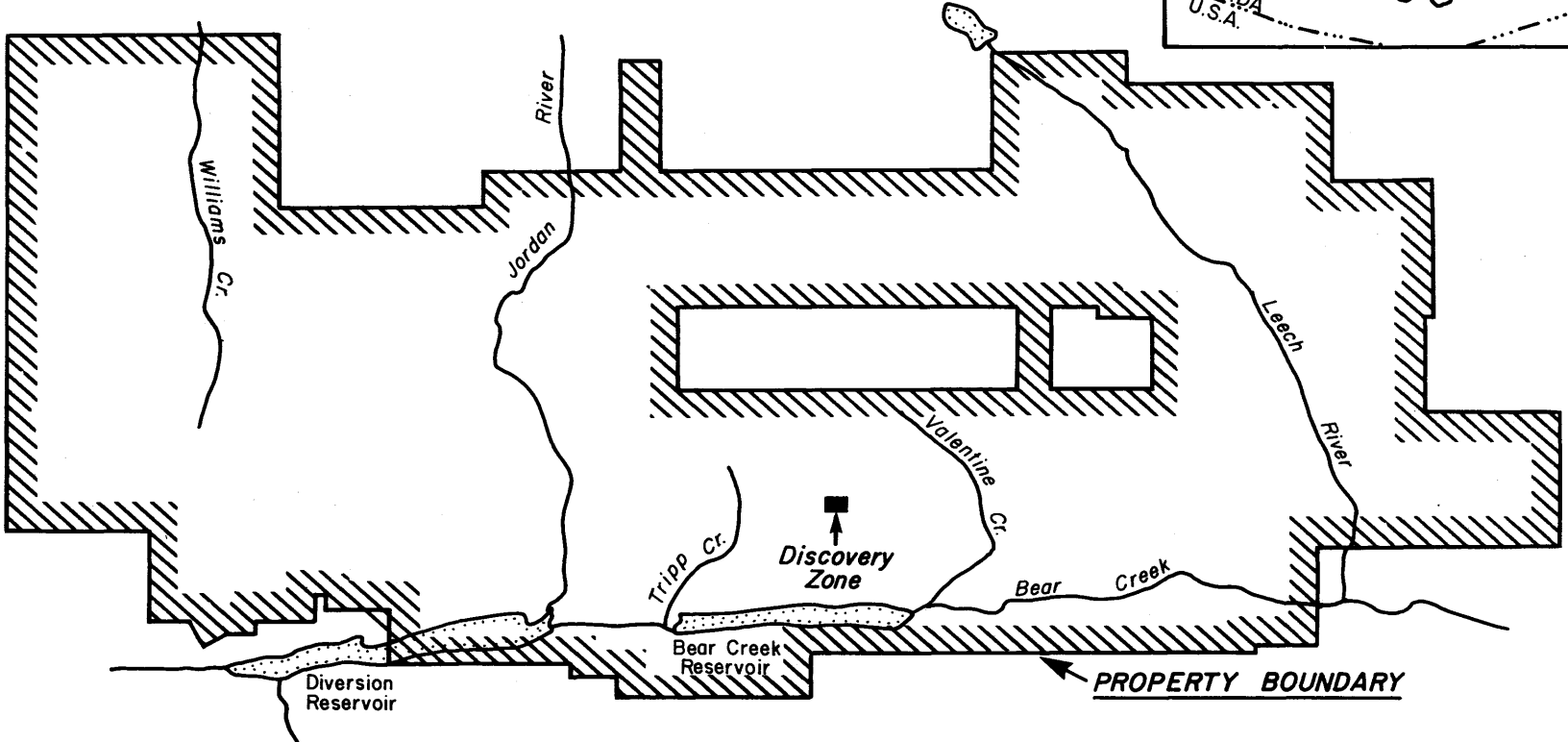
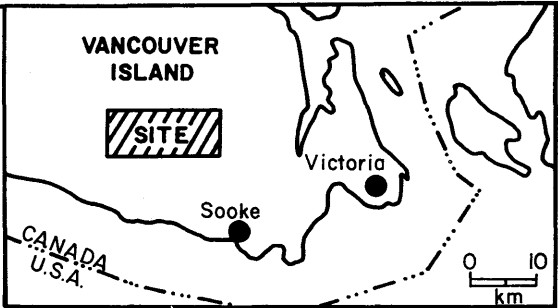
### THE OFFERING

#### Amount

\$2,945,000.00.

#### Offering

Guaranteed Agency offering of 3,100,000 Common Shares at \$0.95 per share (\$2,650,500.00 net to Issuer), together with issuance to the Agents of an aggregate of 775,000 warrants to purchase 775,000 Common Shares at \$1.10 per share.



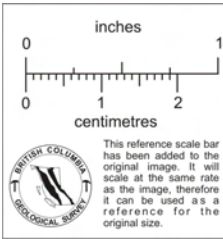
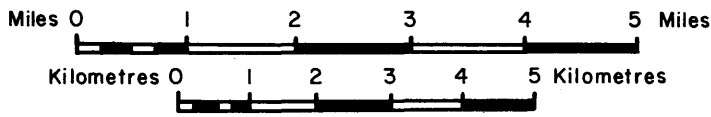
VALENTINE GOLD CORPORATION

**PROPERTY LOCATION MAP**

VALENTINE MOUNTAIN PROJECT

EXHIBIT # 1

OCT. 1987



ADDITIONAL OFFERINGS NOT QUALIFIED BY THIS PROSPECTUS

A. OFFERING IN UNITED KINGDOM AND WESTERN EUROPE

Amount

\$2,992,500.00 (net to Issuer).

Offering

3,500,000 Common Shares at prices per share to be established by underwriters, together with the granting to one of the European underwriters of a Compensation Option to purchase up to 875,000 shares of the Issuer at a price of \$1.10 per share.

B. FLOW THROUGH SHARE OFFERING

Amount

\$2,120,000.00 (\$2,000,000 net to Issuer).

Offering

530,000 Common Shares at \$4.00 per share.

USE OF PROCEEDS

The aggregate estimated net proceeds of \$7,643,000.00 to be received by the Issuer from the offerings described above, together with cash on hand as of October 23, 1987 of \$761,590.00 (estimated by management), will enable the Issuer to complete Phases I and II of an exploration program on the property recommended by its independent geological consultant, fulfill its obligations under the Option Agreement with Beau Pre, and provide the Issuer with adequate funds for future exploration or to acquire and explore additional properties of merit as well as provide for administrative expenses and working capital purposes, including covering costs of this issue and other estimated current liabilities as of October 23, 1987 of approximately \$1,222,360.00.

RISK FACTORS

An investment in the Shares involves a high degree of risk due to the speculative nature of the business of the Issuer and the present stage of its development. See "Risk Factors" on page 37 for a discussion of certain factors which could affect the business of the Issuer.

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## NAME AND INCORPORATION OF THE ISSUER

VALENTINE GOLD CORPORATION (hereinafter called the "Issuer") was incorporated on September 16, 1986 as a limited company under the laws of the Province of British Columbia under the name of "314747 B.C. Ltd.". The name of the Issuer was changed on November 18, 1986 to "Valentine Mtn. Gold Ltd." and to "Valentine Gold Corporation" on April 28, 1987.

The Issuer will become a reporting company in British Columbia on the date a receipt is issued for this Prospectus by the Superintendent of Brokers for British Columbia.

The head office of the Issuer is situated at 2690, 666 Burrard Street, Vancouver, British Columbia and its registered and records offices are situated at 800 - 885 West Georgia Street, Vancouver, British Columbia.

## DESCRIPTION OF BUSINESS

The principal business of the Issuer is the acquisition, exploration and development of natural resource properties of merit.

The Issuer is continually examining additional projects for acquisition, exploration and development.

### I. VALENTINE MOUNTAIN PROPERTY

#### Terms of Acquisition

Pursuant to an agreement between Ursel Doran, a director and promoter of the Issuer and Beau Pre Explorations Ltd. ("Beau Pre"), a company incorporated pursuant to the laws of British Columbia and listed on the Vancouver Stock Exchange (the "Doran Agreement"), Ursel Doran acquired an option to purchase an interest in certain mineral claims and placer leases (referred to herein as the "Property").

Pursuant to a novation agreement between Mr. Doran and the Issuer made as of November 15, 1986 and amended in writing pursuant to an Amending Agreement made as of November 15, 1986, Mr. Doran assigned all of his right, title and interest in and to the Doran Agreement, including all his right, title and interest in and to the Property, to the Issuer and consented to the execution of an Option Agreement dated November 15, 1986 (the "Agreement") which has been entered into by the Issuer and Beau Pre.

Pursuant to the Agreement, Beau Pre granted the Issuer the right to earn an undivided 100% interest in the following mineral claims and placer leases situate in the Victoria Mining Division, Province of British Columbia (the "Property"), subject to Beau Pre retaining a royalty amounting to the greater of 25% of Net Profits from the Property or 5% of Net Smelter Returns as those terms are defined in the Agreement:

(a) Mineral Claims:

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
BLAZE 1	1	47	June 20/89
BLAZE 2	2	53	July 11/89
BLAZE 3	12	124	Oct. 2/89
BLAZE 4	3	370	May 25/88
BO #1	1	188	Sept. 13/88
BO #2	1	189	Sept. 17/88
BO #3	1	190	Sept. 17/88
BO #4	1	191	Sept. 17/88
BO #6	1	278	Sept. 16/88
PEG 1	1	77	Feb. 22/88
PEG 2	1	90	May 23/88
PEG 3	1	91	May 23/88
PEG 4	1	92	May 23/88
PEG 5	1	144	March 19/88
PEG 6	1	145	March 19/88
BPEX 1	20	461	Feb. 5/88
BPEX 2	18	462	Feb. 5/88
BPEX 3	1	463	Feb. 5/88
BPEX 4	3	492	March 5/88
BPEX 5	1	493	March 5/88
BPEX 6	1	494	March 5/88
BPEX 7	8	591	Oct. 4/89
BPEX 8	15	670	Sept. 11/88
BPEX 9	16	665	Sept. 15/89
BPEX 10	18	495	March 5/88
BPEX 11	8	507	April 1/88
BPEX 12	14	508	April 1/88
PC 1	8	817	April 6/88
PC 4	18	820	April 6/88
LUSTRE 1	2	747	Jan. 30/88
LUSTRE 2	18	742	Jan. 18/88
JORDAN GOLD 1	10	731	Dec. 23/87
JORDAN GOLD 2	14	732	Dec. 23/87
JORDAN GOLD 3	14	733	Dec. 23/87
JORDAN GOLD 5	18	737	Jan. 10/88

(b) Placer Leases:

<u>Lease No.</u>	<u>Lease No.</u>
8149	8162
8150	8163
8151	8400
8152	10844
8161	10845

The Agreement contains an "area of interest" clause which provides that any additional mineral claims or other property rights which may be acquired by either the Issuer or Beau Pre within a distance of 10 km. from the Property boundary lines are deemed to be included in and form a part of the Property and are therefore subject to the terms of the Agreement. The Agreement further provides that both the Issuer and Beau Pre are entitled to make Area of Interest Acquisitions within the First Option Period, as that term is defined in the Agreement, provided that if Beau Pre makes the acquisition the Issuer is required to pay forthwith after written request of Beau Pre 50% of Beau Pre's direct costs paid for the acquisition ("Acquisition Costs") up to \$25,000.00. The Issuer is also entitled to make such Area of Interest Acquisitions during the First Option Period provided that the Issuer may not commit itself to Acquisition Costs in excess of the difference between \$50,000.00 and the amount payable to Beau Pre with respect to Area of Interest Acquisitions without the written consent of Beau Pre.

The Issuer or Beau Pre have made the following Area of Period Interest Acquisitions since execution of the Agreement:

Mineral Claims acquired by Beau Pre

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
FRS 9	18	1480	April 14/88
FRS 10	12	1470	March 18/88
FRS 11	14	1481	April 14/88
FRS 12	14	1482	April 14/88

Beau Pre acquired a 100% interest in the FRS 9 to 12 mineral claims from Forston Shandler pursuant to an agreement dated March 28, 1987, in consideration of the issuance to Mr. Shandler of 50,000 fully paid and non-assessable common shares of Beau Pre.

Pursuant to the Agreement, the Issuer will be required to pay forthwith after written request of Beau Pre an amount



equivalent to 50% of the cost to Beau Pre of such acquisition. Based upon the market price of Beau Pre's shares on or about March 28, 1987 the Issuer's obligation to Beau Pre is approximately \$15,500.00.

Mineral Claims acquired by the Issuer

A. BY STAKING

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
*HEART 4	12	1933	May 5/88
*HEART 5	15	1934	May 5/88
HEART 6	20	1925	May 5/88
HEART 7	20	1926	May 5/88
HEART 8	20	1927	May 5/88
HEART 9	20	1928	May 5/88
HEART 10	20	1929	May 5/88
HEART 11	20	1930	May 5/88
WOLF 1	16	1917	May 5/88
WOLF 2	18	1918	May 5/88
WOLF 3	20	1919	May 5/88
WOLF 4	20	1920	May 5/88
WOLF 5	9	1921	May 5/88
WOLF 6	15	1922	May 5/88
WOLF 7	20	1923	May 5/88
WOLF 8	16	1924	May 5/88
DORAN 1	2	1980	July 6/88
DORAN 2	Fractional	1981	July 8/88
DORAN 3	10	1990	July 26/88
DORAN 4	8	1992	Aug. 4/88

The Heart and Wolf claims were staked by the Issuer at an approximate cost of \$23,000 and the Doran claims were subsequently staked at an approximate further cost of \$4,000.

\* The Heart 4 and 5 claims overstaked the Walker 2 and Jordan 2 claims (record No's 1745 and 1746 respectively) recorded in the name of T. Smithson, which claims have since lapsed. The area covered by such claims is now open ground and the Issuer is in the process of restaking same under claim names Heart 4A and 5A respectively.

B. From Expedito Resource Group Ltd.

<u>Name</u>		<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
VG	1	15	841	April 10/88
VG	2	20	842	April 10/88
VG	3	1	843	April 10/88
VAL		6	857	April 10/88

By a letter agreement between the Issuer and Expedito Resource Group Ltd. ("Expedito") dated May 29, 1987, the Issuer acquired a 100% interest in the claims enumerated above in consideration of \$15,000.00 paid on execution and the Issuer's agreement to pay \$15,000.00 to Expedito annually thereafter until it abandons the claims. In addition, the Issuer has agreed to pay to Expedito 25% of all profits it earns from production from the claims, net of all of the Issuer's costs and expenses associated with such production.

C. From Elmo K. Johnson

<u>Name</u>		<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
LEECH	1	20	838	April 10/88
LEECH	2	16	839	April 10/88
LEECH	3	16	840	April 10/88
AU	2	1	1241	June 4/89
AU	3	1	1242	June 4/89
WEST	1	1	1238	June 4/89
WEST	2	1	1239	June 4/89
WEST	3	1	1240	June 4/89

The Issuer acquired the above claims from Elmo K. Johnson pursuant to an Agreement dated April 11, 1987 whereby the Issuer agreed to grant a 2% Smelter return to Mr. Johnson in consideration therefore. The Issuer is required to obtain the consent of Mr. Johnson prior to transfer of the claims to any other person.

Pursuant to the Agreement, the Issuer is permitted to acquire an interest in the Property through the exercise of three options as follows:

First Option - for a 50% Interest

1. On or before execution of the Agreement, the Issuer was required to purchase 66,700 units of Beau Pre at the price of \$0.75 per unit, each unit to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$1.00 on or before

expenditure on the Property by the one party as at a particular date bears to the total actual and deemed expenditures on the Property by both parties as at that particular date.

If the Issuer exercises the First Option, but not the Second Option both parties are deemed to have spent \$2,550,000.00 on the Property (and no actual expenditures) and to hold a 50% Proportionate Share. If the Issuer exercises the Second Option but not the Third Option, the Issuer is deemed to have expended \$4,550,000.00 on the Property (and no actual expenditures) for a 75% Proportionate Share and Beau Pre is deemed to have spent \$1,137,000.00 (and no actual expenditures) for a 25% Proportionate Share.

As mentioned above a party's Proportionate Share will be adjusted depending upon the actual additional amount expended by such party in relation to total deemed and actual amounts spent by both parties. If the Issuer chooses to contribute less than its Proportionate Share of any particular budget, Beau Pre may contribute up to the amount not contributed. If either party's Proportionate Share is reduced to less than 25%, that party's Proportionate Share is deemed to be transferred to the other party and its interest in the Property is limited to the greater of 25% of Net Profits or 5% of Net Smelter Returns (as those terms are defined in the Agreement).

Although the Issuer anticipates that the market value of Beau Pre's shares at the various times the Issuer is required to purchase units of Beau Pre will equal or exceed the prices at which the Issuer is required to purchase such units, there are no assurances that the prevailing market price of Beau Pre's shares will exceed the prices at which the Issuer is required to purchase Beau Pre units pursuant to the Agreement. In the event that the market price of Beau Pre's shares is lower than the price at which the Issuer is required to subscribe for units of Beau Pre, the difference between such prices will constitute an additional cost to the Issuer which may make further expenditures on the property uneconomical.

#### Description of Valentine Mountain Property

The Property is the subject of a report prepared by G.L. Garratt, P. Geol., F.G.A.C., of Garratt Geoservices Ltd., dated November 14, 1986 (the "Garratt Report"), which, together, with a work program dated May, 1987 prepared by Robert L. Akright, a copy of which report and work program is included in and forms a part of this Prospectus, forms the qualifying report on the Property, provides an extensive

review of data on the Property that was available at that time. The information contained in "A. Overview" below is primarily a reflection of material contained in the said report but has been updated to reflect certain subsequent events.

#### A. OVERVIEW

##### Location and Access

The Property is located approximately 42 kilometers west of the City of Victoria and 19 kilometers northwest of the town of Sooke, on Vancouver Island, British Columbia.

The Bear Creek and Diversion Reservoirs bound the property on the south, and Valentine Mountain lies on the central portion of the Property. Highway 1A and Sooke Road lead from Victoria to Sooke, from which an all-weather gravel road accesses the Property. Logging roads access most of the property though some require the use of a four-wheel drive vehicle. The main logging road access has weekday travel restrictions.

The surface rights to the Property are owned by CIP Inc. Pursuant to a Letter Agreement dated May 20, 1987, CIP Inc. granted the Issuer right of access to the Property for the purposes of mineral exploration, subject to closure for fire hazards and other specified events and subject to other access restrictions CIP Inc. may place on roads in the area from time to time. Management of the Issuer is of the view that the terms of access granted pursuant to this Agreement are sufficient for the present purposes of the Issuer.

Heavy conifer forest would typically cover the area but much of this has been clear-cut logged, leaving a predominant cover of second growth with some logging slash areas as yet unseeded or recently cut. The Property is amenable to year-round work, though a nine to ten month season is more reasonable due to moderate snowfall conditions.

##### General Geology

The Property is underlain by deformed and metamorphosed volcanic and sedimentary rocks of the Leech River complex, which comprises an allochthonous, fault-bound block that is unrelated to its surrounding terranes. The area has been intruded by granitic to dioritic sills and dykes which are believed to be synchronous with metamorphism and deformation; these events are interpreted to have concluded around 39 to 41 Ma. Subsequent shearing, related to the east-west trending Leech River fault, further affect the terrane.

### Prospecting History

A small gold rush followed the discovery, in 1864, of placer gold on a fork of the Sooke River, some ten kilometers east of the Property. Placer production has been estimated as being from \$100,000 to \$200,000 (in 1866 dollar terms) during the 1864 to 1866 rush.

In 1966 Fred Zorelli, involved in logging operations on the east slope of Valentine Mountain, discovered free gold in a rock turned up by a tractor. Mr. Zorelli mentioned this discovery to Robert Beaupre and Alec Low, who were prospecting the area. These latter individuals subsequently discovered, by prospecting, gold mineralization of the "A vein", in 1976. In the period 1976 to 1980, Beau Pre Explorations Ltd. ("Beau Pre") undertook prospecting, trenching and rock sampling, including bulk sampling. During 1977 and 1978, L.H. Fairchild undertook a mapping program leading toward his M.Sc. thesis at the University of Washington, and a portion of his thesis area is covered by the Property. In 1979 and 1980 limited grid-based soil sampling was carried out in the discovery area, as well as further trenching and sampling. Regional prospecting and silt sampling, followed by detailed prospecting and sampling were undertaken by Beau Pre in 1981. In 1982 further trenching and sampling were undertaken, again by Beau Pre, primarily in the discovery area. During 1983 the property was geologically mapped at a scale of 1:7200 and thirteen diamond drill holes were completed in the discovery area, totalling approximately 1,828 meters. An airborne magnetometer and VLF-EM survey, totalling 370 line kilometers were conducted in 1984 over the entire property. In 1985, Falconbridge Limited optioned the Property and carried out a program of trenching and sampling in the discovery area; this option was terminated following the acquisition by Falconbridge of Kidd Creek Mines Ltd., in early 1986, and the subsequent re-structuring of Falconbridge's exploration group.

### Mineralization

Quartz-vein systems, consisting of discrete veins and en-echelon masses are localized along fold and shear structures, and generally follow the east-west regional geologic trend. Gold occurs as fine particles to spectacular aggregate masses in quartz veins and, occasionally in wall rock to the veins. As indicated in the report prepared by Garratt Geoservices Ltd. ("Garratt") dated November 14, 1986, determining an average grade has proven problematic due to the free occurrence of the gold (i.e. the "nugget effect"). Garratt estimates that an area comprising approximately one fourth of the mineralized

structure on the original claims comprising the Property referred to as the "Discovery Zone" contains a tonnage potential of from 500,000 to 750,000 tons and that grades of 0.2 to 0.5 ounces of gold per ton with local zones of 2 to 4 ounces of gold per ton, across widths exceeding one meter, might be expected.

B. RECOMMENDED WORK PROGRAM

The Property is the subject of an Exploration Program Report prepared by Robert L. Akright, an independent geological consultant retained by the Issuer, dated May, 1987 (the "Work Program"). The Work Program, appended hereto and forming a part of this Prospectus, recommends an exploration program, consisting of two phases.

Phase I

Phase I consists of a three faceted exploration and development program as follows:

1. Geological mapping and sampling - \$502,600.00
2. Core drilling - \$592,300.00
3. Bulk sampling and pilot testing - \$871,700.00

and as more particularly set out in the attached report. The aggregate cost of Phase I is estimated at \$2,091,600.00, which also budgets for additional land acquisition (\$50,000.00) and general and administrative costs (\$75,000.00).

Phase II

Upon receipt of successful results from Phase I, the Phase II program consisting of extensive core drilling, trenching and geological work will commence. Preliminary mine feasibility studies would likely be initiated during Phase II.

Pursuant to an addendum to the Work Program, the following preliminary budget for the recommended Phase II program was recommended depending upon the success of the Phase I program.

Core Drilling	\$	750,000
Trenching and Sampling		100,000
Geological Work		550,000
Preliminary Feasibility Studies		
Mine		100,000
Mill		100,000
Land Acquisition		100,000
General & Administrative Costs		<u>250,000</u>
TOTAL	\$	1,950,000

### C. WORK ALREADY DONE BY ISSUER

As of October 30, 1987, approximately 60% of the work recommended of the Work Program had been completed. The nature and results of the work are summarized below.

#### Initial Geological Evaluations

In November 1986, Glen Garratt, P.Geol., of Garratt Geoservices Ltd., was engaged to, among other things, study and sample drill core from earlier drilling programs. Much of this core had not previously been assayed for gold content; Garratt largely completed the gold sampling and assaying work and also analyzed the samples for numerous other elements. The results of this work have added considerably to the understanding of the geological and geochemical setting of the gold mineralization on the Property.

At the beginning of 1987, stream sediment samples collected on the Property under the direction of Dr. Giles Peatfield, Ph.D., P.Eng. of MineQuest Exploration Associates Ltd., an independent consultant retained by Beau Pre, were processed and analyzed. In his report dated March, 1987, Dr. Peatfield stated that when heavy minerals are preconcentrated from stream sediment samples collected from the Property significant anomalous gold values are found in some samples. This established one method by which areas of gold mineralization can be located on the Property.

#### 1987 Exploration Program

The Issuer has taken a number of steps to implement Phase I of the recommendations set out in the Work Program. One of the first steps taken in the work for the 1987 season was compiling all geological and assay data from the gold bearing veins, shear zones and existing trenches of the Discovery Zone. These trenches had been excavated by Falconbridge Ltd., in an incomplete 1985/1986 exploration program. The Issuer located and assayed a number of previously unassayed samples and conducted a new supplementary program of sampling and assaying as well. The object of the Issuer's work was to define the gold bearing structures and thereby understand the nature and controls of this gold occurrence. This data will also be used for guiding the proposed Bulk Sampling program.

The Issuer's 1987 program consists of:

1. silt sampling;
2. soil sampling;
3. geophysical studies;

4. diamond drilling of 22 HQ holes (2.5 inch diameter) each approximately 110 metres in length;
5. mapping and rock sampling; and
6. bulk sampling.

The schedule for the program is found in Exhibit #2.

#### Silt Samples

In order to evaluate the vast project area for other gold occurrences, all major drainages have been sampled by collecting silts. The silts are screened and processed for heavy minerals concentration. The first phase of this sampling is complete with 474 samples having been taken. Background levels in unmineralized areas are considered to be in the 2 to 5 parts per billion ("ppb") range. Assay results are available for all of these samples and of these 151 are considered to be anomalous in the range of 10 ppb to 19,000 ppb (see Exhibit #3). Further investigation is occurring in these areas. Currently, a small number of silt samples are being taken at selected sites in an attempt to trace the source of the gold in the anomalous silt samples taken earlier in the season.

#### Soil Samples

Soil samples have been taken on traverses 100 meters apart, orientated north-south at 20 m. sample intervals. Each sample is sent to a commercial laboratory for drying, screening and gold analysis. To date, approximately 5,100 soil samples covering over 80 line kilometers have been taken. Results are available for 4,200 of these samples. Background values, over non-mineralized areas are generally 5 ppb or less. Three areas of specific interest indicated as Zone "A", "B" and "C" in Exhibit #4, which are apparent along strike extensions of the Discovery Zone, have emerged. Exhibits #5, 6 and 7 summarize the extent of these anomalies.

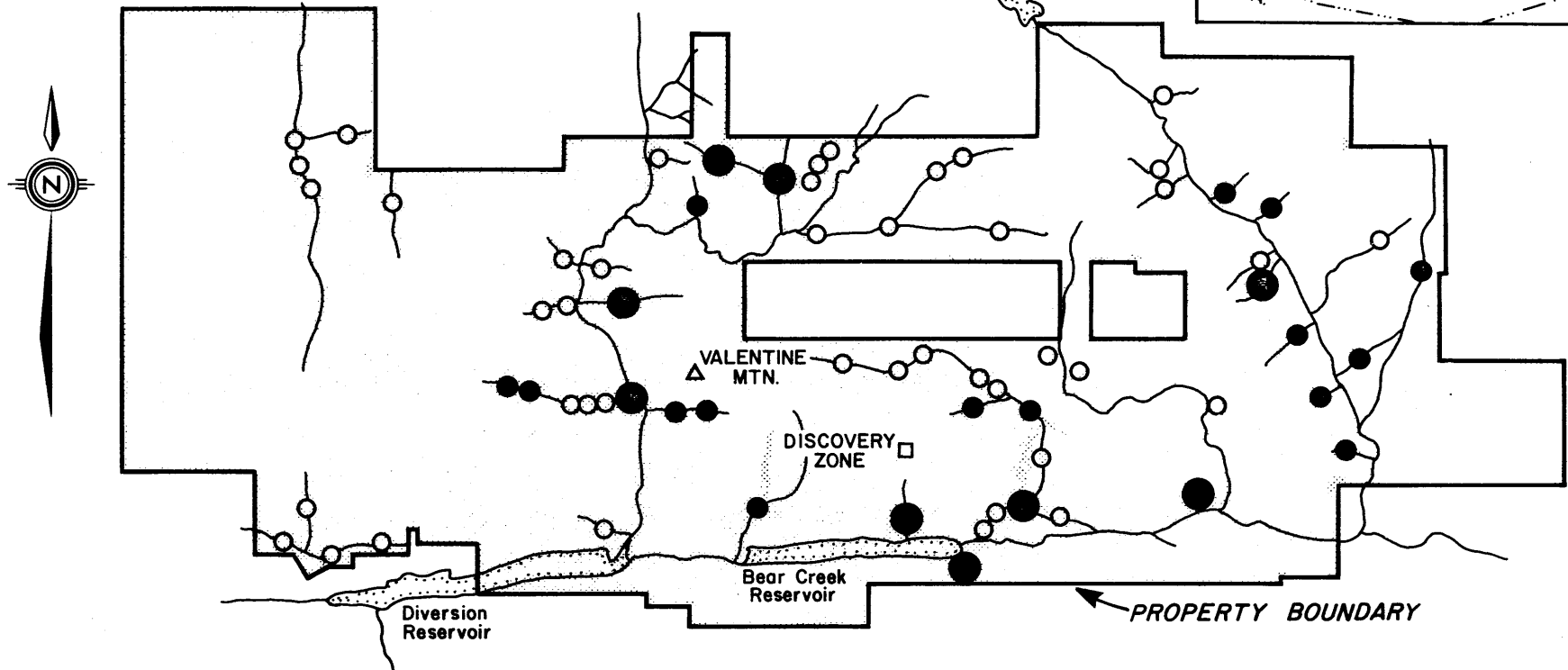
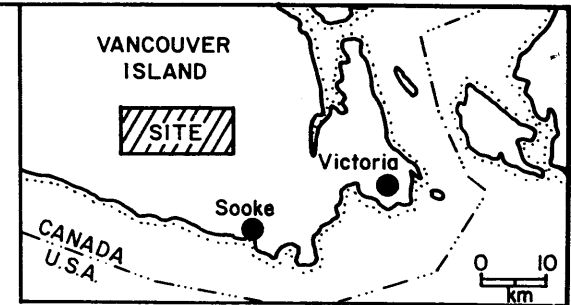
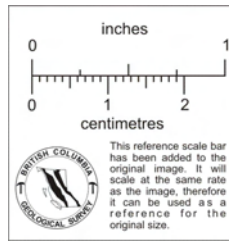
#### Zone "A"

This area is located between 500 m and 1300 m due east of the Discovery Zone. Zone "A" shows anomalous gold values of up to 550 ppb in the soil apparently forming an east west trending pattern. 142 additional soil samples have been taken over previously identified gold soil anomalies. The spacing of these samples have generally been at least on 10 m intervals along north-south traverses 50 m apart. The object of this additional sampling was to more closely define these areas prior to trenching.

Results of this detailed sampling show two strong areas of anomalous gold values and several less well defined







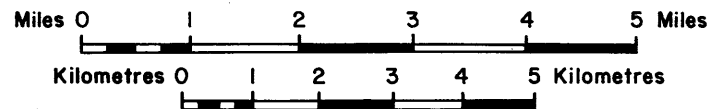
VALENTINE GOLD CORPORATION

SILT SAMPLE SUMMARY MAP

VALENTINE MOUNTAIN PROJECT

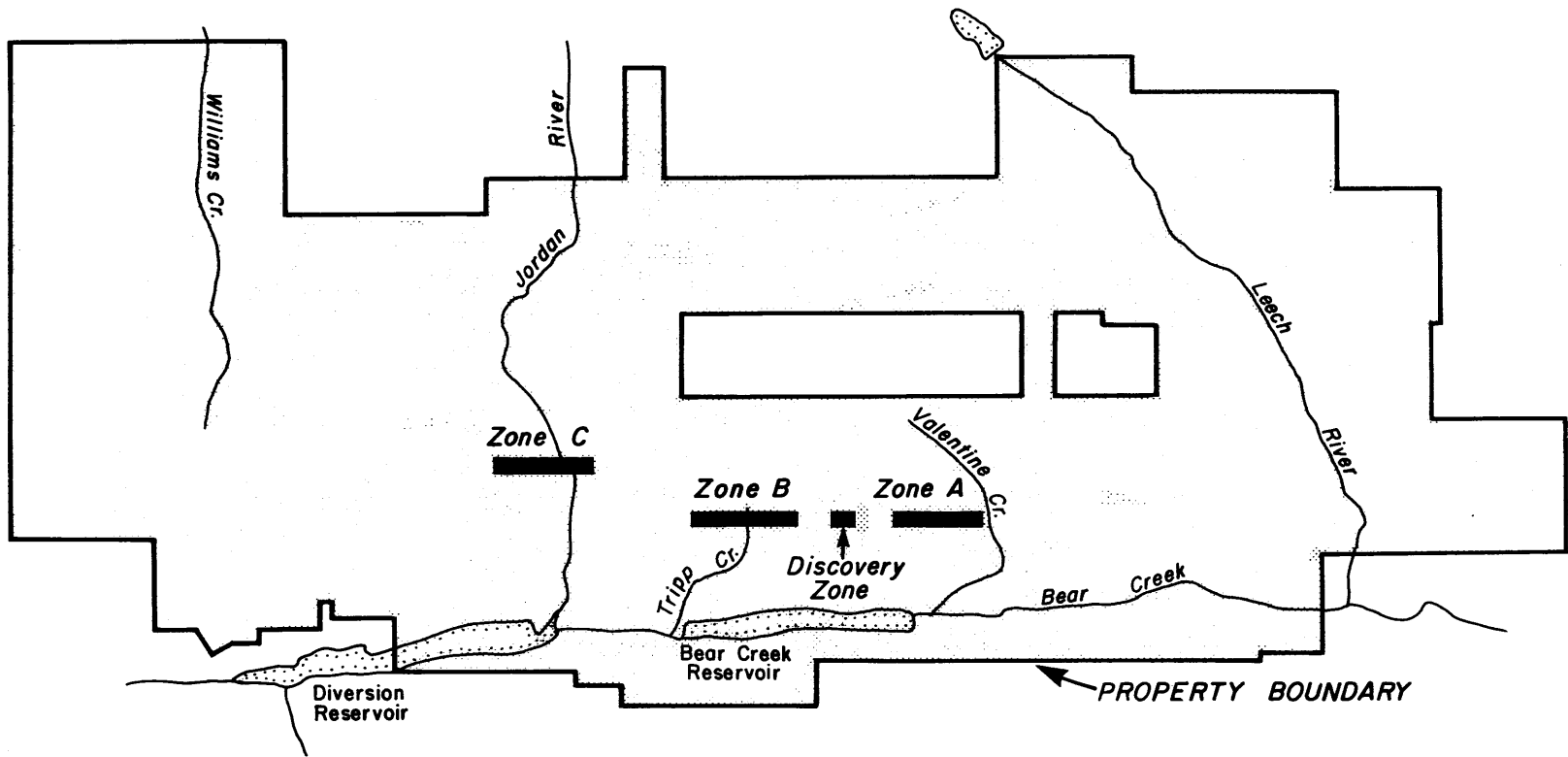
EXHIBIT # 3


OCT. 1987

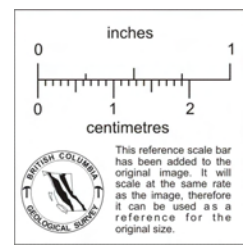
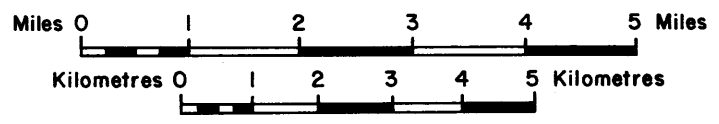


GOLD

- 10 ppb
- 100 ppb
- 1000 - 19,000 ppb



 <b>VALENTINE GOLD CORPORATION</b>	
<b>SOIL SAMPLE SUMMARY MAP</b>	
<b>VALENTINE MOUNTAIN PROJECT</b>	
<b>EXHIBIT # 4</b>	<b>OCT. 1987</b>



areas. The two stronger anomalies are each at least 200 meters long with values between 12 ppb and 550 ppb gold (see Exhibit #5).

#### Zone "B"

This area is located 600 m due west of the Discovery Zone. Approximately 167 closer spaced soil samples have been taken across previously identified gold soil anomalies (Exhibit #6). The results received to date show the presence of four east-west trending anomalies. Two of these appear to probably be continuous giving a total strike length of about 800 m but intervening marshy ground make the taking of meaningful soil samples impossible. The other two anomalies are at least of 100 and 200 meter strike length. Numerous elevated gold values up to 2250 ppb gold occur within the anomalous zones.

#### Zone "C"

This is a recently discovered area 4.5 km west of the Discovery Zone. About 2,000 soil samples have been taken to date with results available for about 1,400 of these.

The results show strongly anomalous gold values in soils in broad east-west aligned zones on both sides of the Jordan River; furthermore, these zones appear to be somewhat offset by faulting presumed to pass north-west through the Jordan River Valley (see Exhibit #7).

Both zones on the east and west of the river are wide, averaging at least 100 m and each appear to be at least 600 m long, although the eastern zone is still open to the east.

Soil geochemical techniques will not work adjacent to the Jordan River due to the presence of alluvium, however if these zones are continuous across the valley this would give a minimum strike length of 1,500 meters.

Gold values within the zones are strongly anomalous and there is a clear cut off at the margins to background levels of 5 - 10 ppb gold. The results to date show 130 values as being above background with 42 above 50 ppb gold and 20 samples being above 100 ppb gold.

#### Geophysics

The Issuer has used Very Low Frequency Electromagnetic "(VLF-EM)", a geophysical method for evaluating conductivity responses in the ground, to assist in understanding geological and structural characteristics of the area. Conductive zones associated with the Discovery Zone are

being traced east and west. To date, approximately 43 km of ground survey VLF-EM has been completed and a number of linear anomalies have been identified, some close to and apparently parallel to areas of elevated gold values in the soil. These linear conducive zones appear to extend considerable distances along strike lengths to the east of west of the Discovery Zone (see Exhibit 8).

### Drilling

The objective of the Issuer in conducting diamond drilling in the Discovery Zone as recommended in Phase I of the Work Program is to learn more about the geological setting of the gold mineralization, particularly with respect to structural features associated with the gold deposits, and to obtain lithological, alteration and geochemical information. As is common with the type of gold mineralization found on the Property, drilling is an unsuitable tool for estimating average gold grades due to the small unrepresentative size of the sample obtained from material in which gold is very erratically distributed. The assay results from these individual small samples tend to have low assay values with occasional very high values; this is known as the "nugget effect" and makes estimates of average grade very difficult.

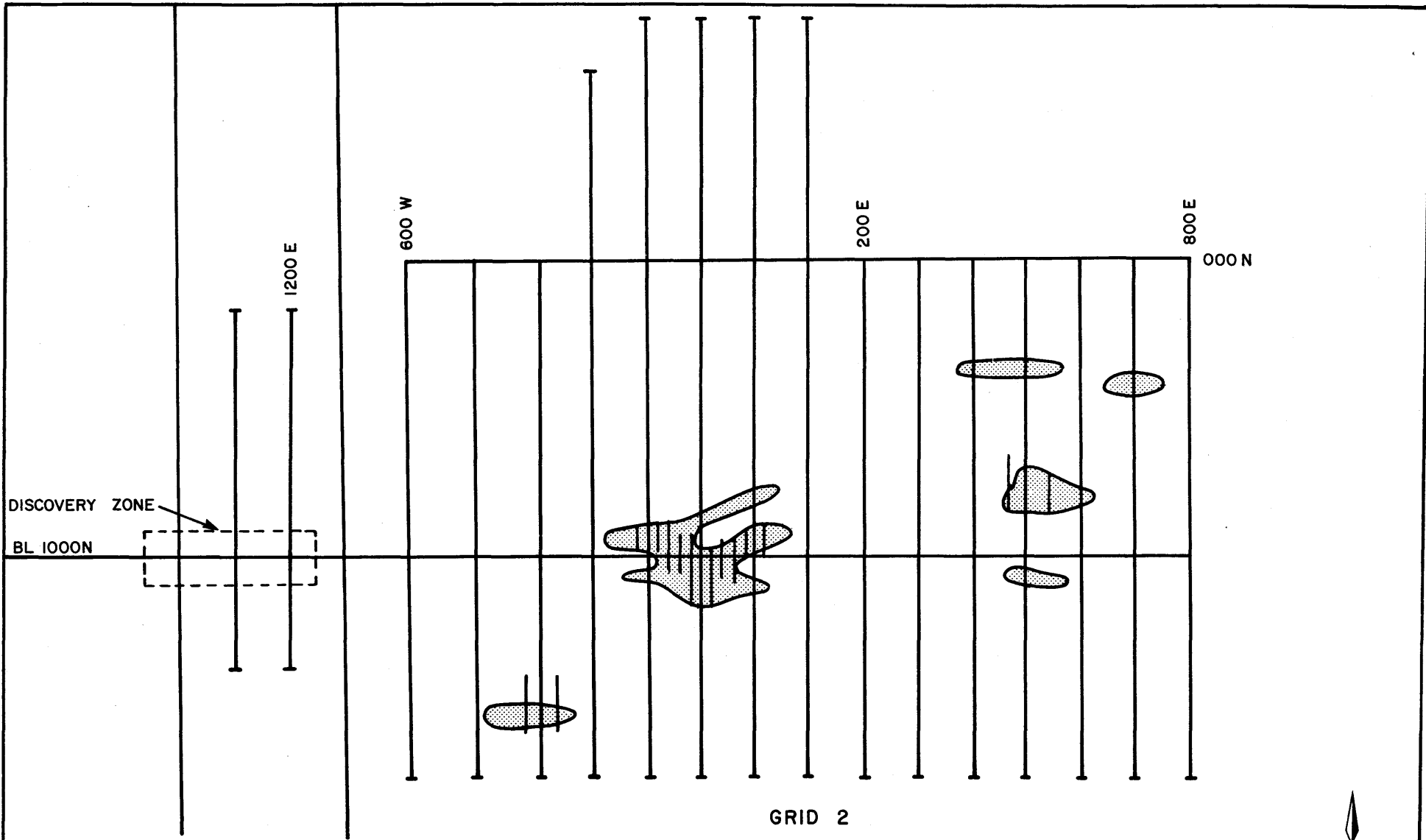
The pattern of drill holes (see Exhibit #9) is designed to give a clear three dimensional picture of the structural geology of the Discovery Zone over a 400 m strike length and across a width of about 300 m. All holes are drilled at a 45 degree angle to the north.

AS INDICATED BY DAVID PHILIP, P.ENG., IN HIS STATUS REPORT DATED OCTOBER, 1987 THE NATURE OF THE QUARTZ/QUARTZ CARBONATE VEINING IS NOT PRESENTLY WELL ESTABLISHED:

"THE QUARTZ/QUARTZ CARBONATE VEINING IN THE MAIN DISCOVERY ZONE COULD NOT BE TRACED FOR SIGNIFICANT DISTANCES. IN THE 36 TRENCH, SECTIONS OF A VEIN WERE APPARENT IN THE METAQUARTZITE. BETWEEN TRENCH 1 AND TRENCH 2 DISCONTINUOUS SCATTERED ZONES WERE SCATTERED THROUGH A SCHIST ZONE. THE DETAILED RELATIONSHIP OF GOLD MINERALIZATION AND THE VEINING IS NOT WELL IDENTIFIED. BETWEEN TRENCH 2 AND THE "A" TRENCH, VEGETATION AND OVERBURDEN HAD BEEN REMOVED BUT NO CLEAR VEIN SYSTEM WAS VISIBLE.

DOWN DIP CORRELATIONS OF SURFACE VEINING AND DRILL HOLE MINERALIZATION CANNOT BE ESTABLISHED."

The Issuer intends to use the analytical information obtained from the drill core to identify the low levels of gold mineralization, structural features, alteration patterns and rock types. The Issuer anticipates that this information can eventually be used to recognize and predict areas of economically significant gold mineralization on the



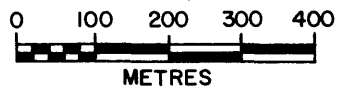
VALENTINE GOLD CORPORATION

**ZONE A SOIL SUMMARY MAP**

VALENTINE MOUNTAIN PROJECT

EXHIBIT #5

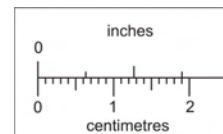
OCT. 1987



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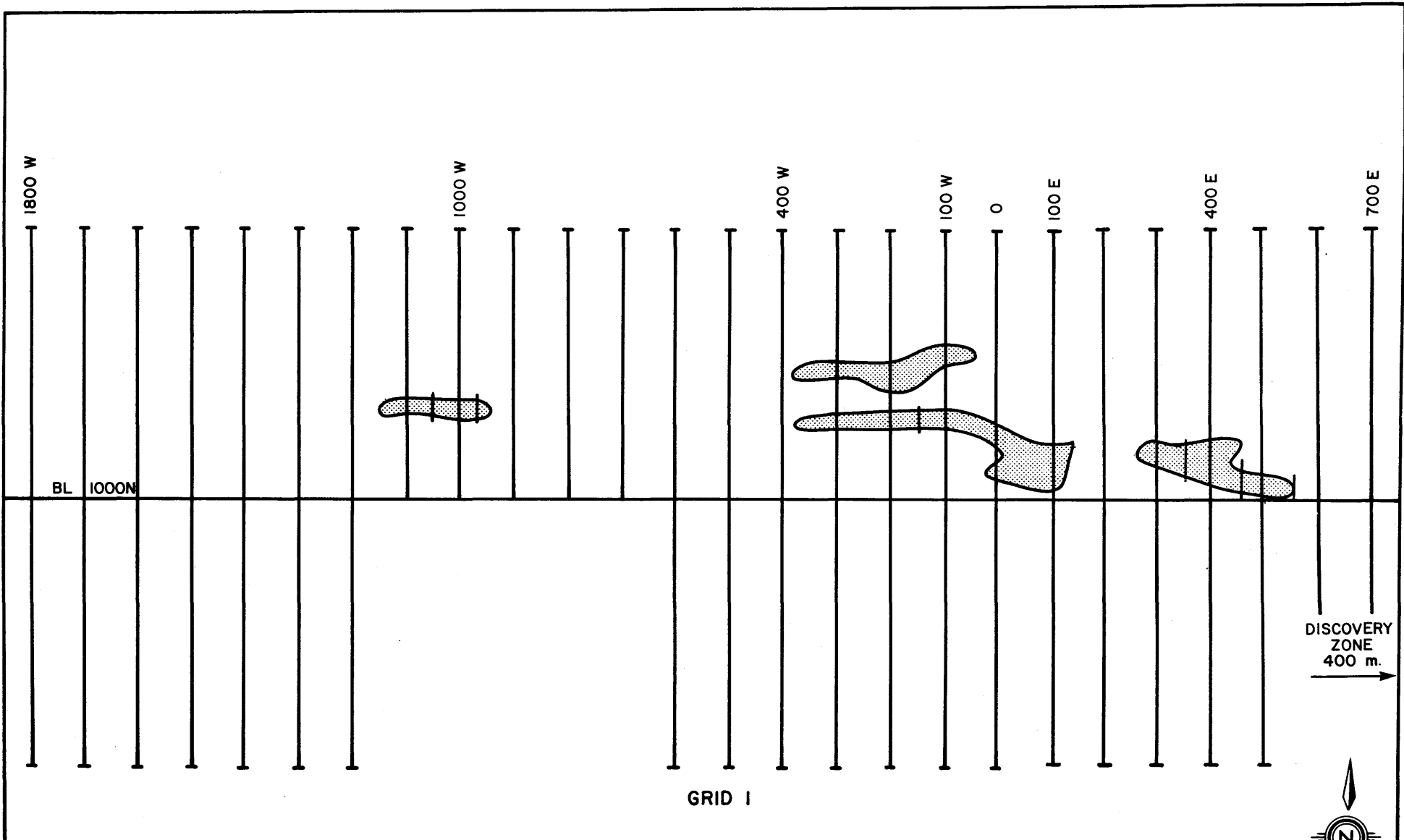


**SIGNIFICANT GOLD  
SOIL ANOMALIES**



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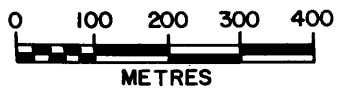
VALENTINE GOLD CORPORATION

**ZONE B SOIL SUMMARY MAP**

VALENTINE MOUNTAIN PROJECT

EXHIBIT #6

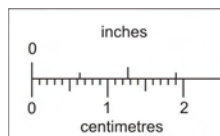
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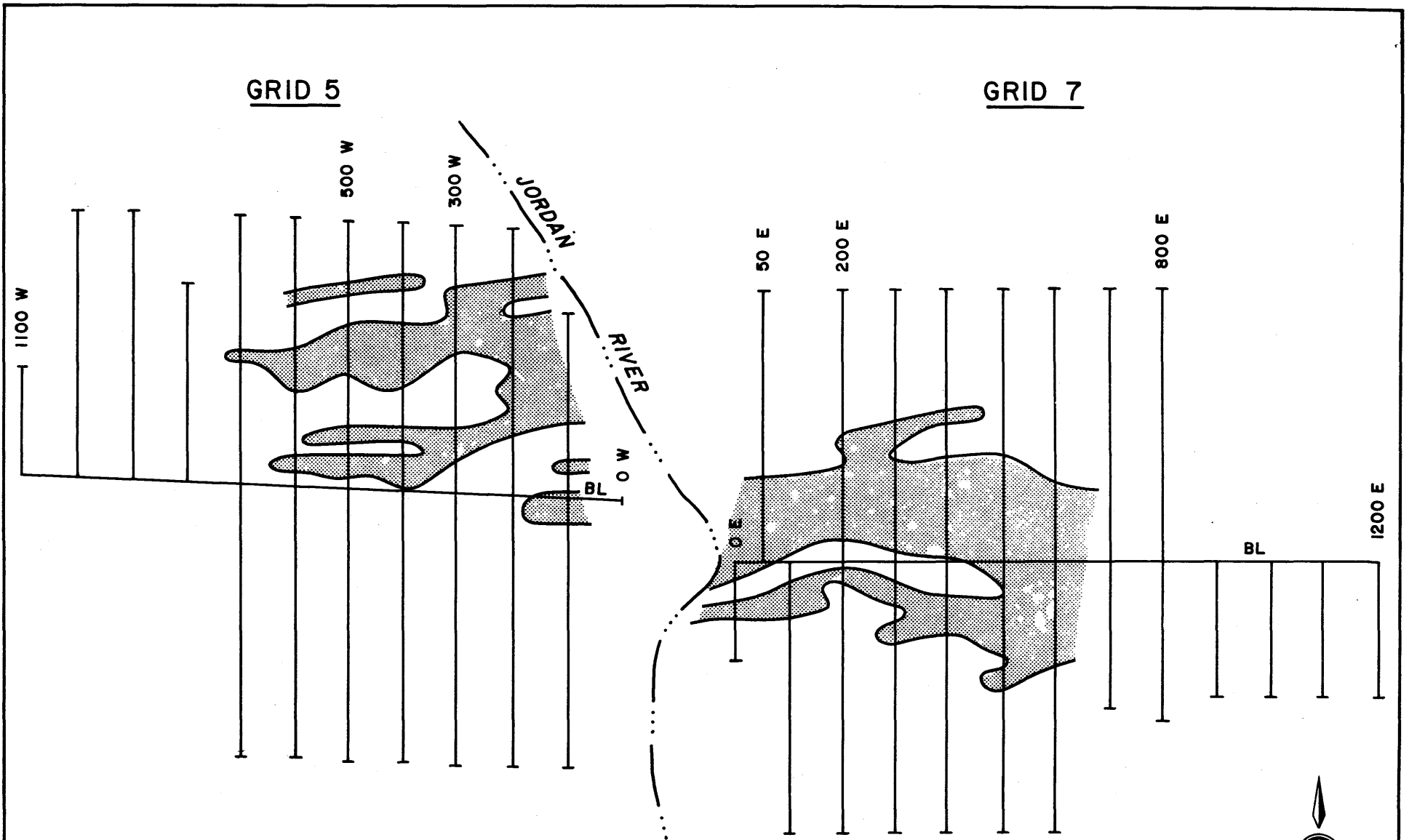
**SIGNIFICANT GOLD  
SOIL ANOMALIES**




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DISCOVERY  
ZONE  
400 m.



 VALENTINE GOLD CORPORATION

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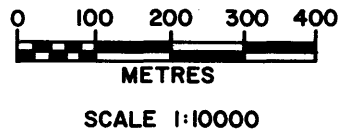
ZONE C SOIL SUMMARY MAP

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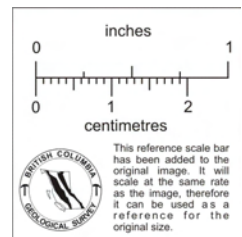
VALENTINE MOUNTAIN PROJECT

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EXHIBIT # 7      OCT. 1987



**SIGNIFICANT GOLD SOIL ANOMALIES**





Property.

Descriptive logs have been made of all drill core. It is then photographed and split in half for assaying. One half of all the core is sent to Chemex Laboratory in Vancouver for sample preparation and fire assay for gold.

An assay technique is being used with a low detection limit so that geochemically significant gold mineralization is detected.

As of October 30, 1987, all of the 22 planned drill holes (DDH 87-1 to DDH 87-22) have been completed by the Issuer in the Discovery Zone, for a total of 2,428 meters. Samples have generally been taken along 1 m. intervals of all the core and over shorter distances when features of particular interest are noted. The assay results for DDH 87-1 to DDH 87-22 are summarized in Exhibit #10. All values over 200 ppb (i.e. 40 times background) have been listed. Background gold values are typically less than 5 parts per billion (ppb). Check assays, taken on about 10% of all drill hole samples, show good correlation.

As can be seen, geochemically significant gold values are found in most drill holes especially directly under the main zone of known mineralization and north of this area.

#### Mapping and Rock Sampling

Geological staff of the Issuer are presently mapping and rock sampling in areas of interest outside of the Discovery Zone. Eventually, the Issuer intends to trench areas of interest and geologically map and sample the bedrock. In those areas which indicate highly anomalous values bulk samples may be taken and processed through the bulk sampling plant. Those areas which show encouraging results at this point in the program will be drilled.

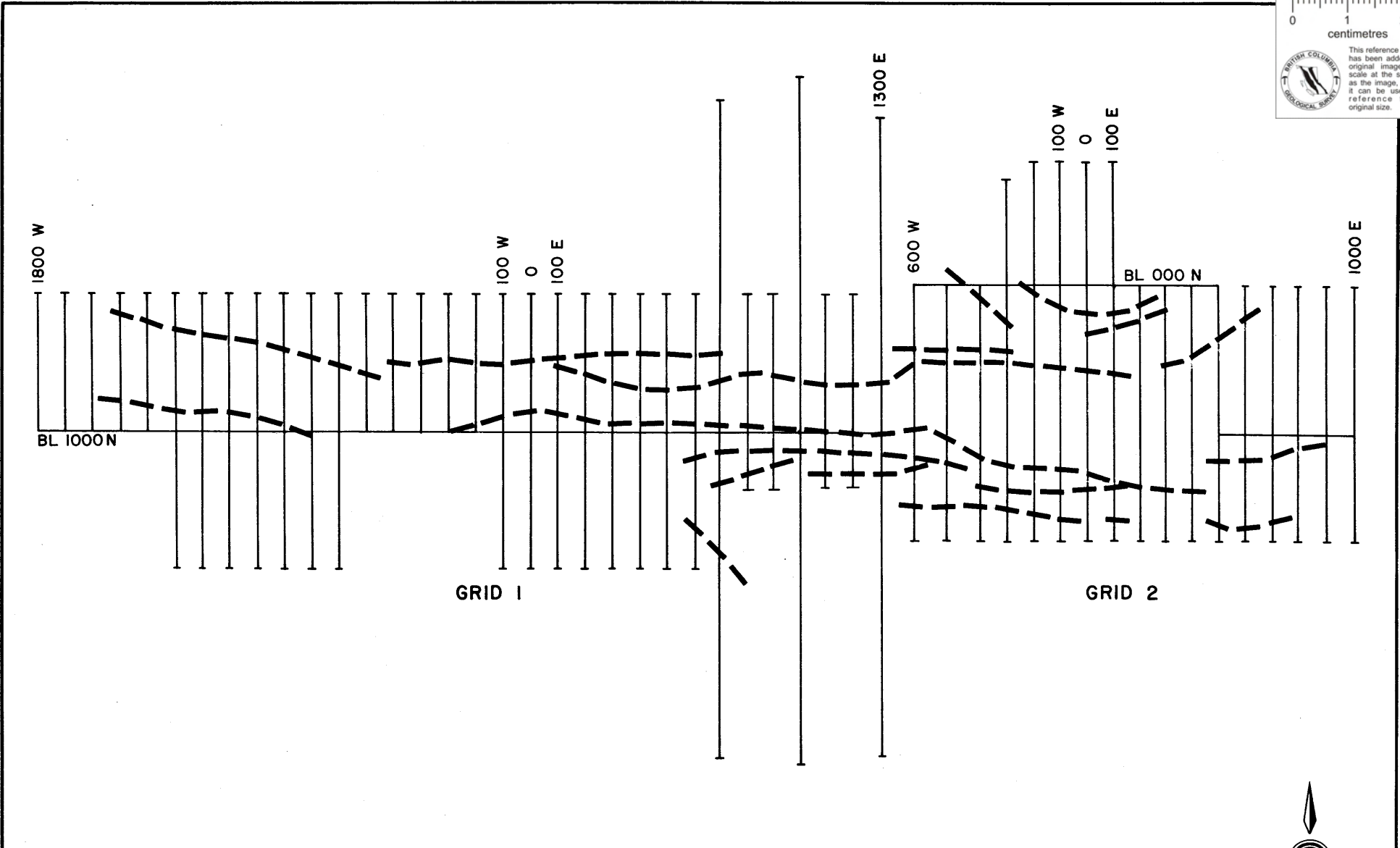
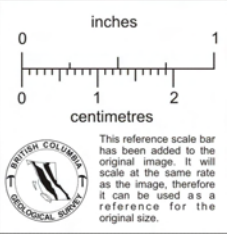
As of October 30, 1987, assay results from 676 rock chip samples are available. Many of these samples show elevated gold values, above the background of 5-10 ppb gold. Of particular interest are the following chip samples:


1) Zone "A"

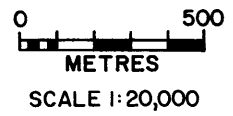
6,000 ppb gold (0.18 oz/t) taken over 1 meter width.

2) Zone "C"

Grab sample 18,000 ppb gold (0.53 oz/t).

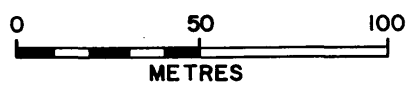
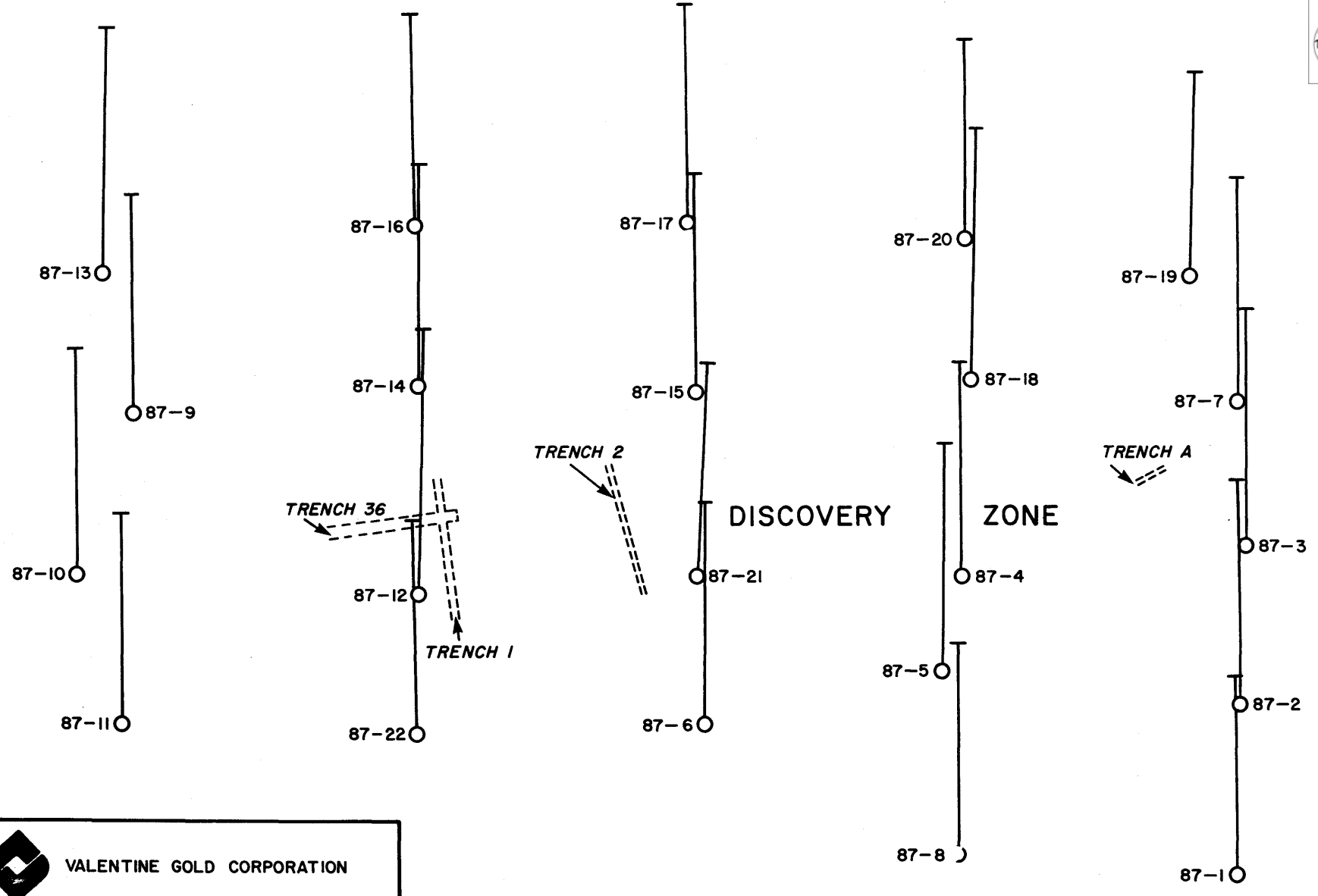
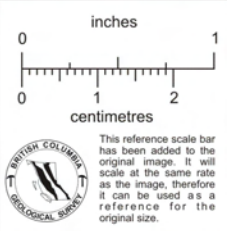



	VALENTINE GOLD CORPORATION
<b>VLF-EM SUMMARY MAP</b>	
VALENTINE MOUNTAIN PROJECT	
EXHIBIT # 8	OCT. 1987



----- APPARENT CENTER LINES OF CONDUCTIVE ZONES






**VALENTINE GOLD CORPORATION**  
**DRILL HOLE SUMMARY MAP**  
**VALENTINE MOUNTAIN PROJECT**  
**EXHIBIT # 9**      **OCT. 1987**

## EXHIBIT #10

## DRILL HOLE ASSAY SUMMARY TABLE

DRILL HOLE #	SIGNIFICANT INTERVALS			
	From to (Meters)	Length(Meters)	Pts per billion	Oz/ton
DDH 87-1	98.00-99.00	1.00	550	
DDH 87-3	28.54-29.07	0.53	1580	.046
DDH 87-3	34.00-35.00	1.00	200	
DDH 87-3	71.00-72.00	1.00	535	.016
DDH 87-3	110.00-111.00	1.00	555	.016
DDH 87-4	50.00-51.00	1.00	4680	.137
DDH 87-5	83.64-84.11	0.47	260	
DDH 87-5	84.11-85.00	0.89	1065	.031
DDH 87-5	86.00-87.00	1.00	260	
DDH 87-5	87.00-88.00	1.00	265	
DDH 87-6	40.00-41.00	1.00	345	
DDH 87-6	99.00-100.00	1.00	460	
DDH 87-6	100.00-101.00	1.00	2670	.078
DDH 87-7	67.00-68.00	1.00	215	
DDH 87-9	44.00-45.00	1.00	620	.018
DDH 87-9	49.00-50.00	1.00	320	
DDH 87-9	65.00-65.50	0.50	560	.016
DDH 87-9	79.00-80.00	1.00	935	.027
DDH 87-9	83.00-84.00	1.00	1665	.049
DDH 87-9	85.00-86.00	1.00	305	
DDH 87-10	31.00-32.00	1.00	800	
DDH 87-10	46.00-47.00	1.00	1265	.037
DDH 87-10	50.00-51.00	1.00	935	
DDH 87-10	51.00-52.00	1.00	245	
DDH 87-11	51.00-52.00	1.00	205	
DDH 87-11	57.98-58.24	0.26	> 10,000	5.856**
DDH 87-11	58.24-59.00	0.76	765	.022
DDH 87-11	95.00-96.00	1.00	3030	.088
DDH 87-11	99.00-100.00	1.00	340	
DDH 87-12	54.00-55.00	1.00	900	.026
DDH 87-13	62.00-63.00	1.00	1800	.052
DDH 87-14	47.00-48.00	1.00	6830	.199
DDH 87-14	48.00-49.16	1.16	220	.006
DDH 87-14	49.45-50.00	0.55	325	.009
DDH 87-14	60.00-61.00	1.00	315	.009
DDH 87-14	78.00-79.00	1.00	1115	.033
DDH 87-14	107.00-108.51	1.51	435	.013
DDH 87-16 (-50)	11.00-12.00	1.00	4180	.122
DDH 87-16	30.00-31.00	1.00	225	.007
DDH 87-17	10.00-11.00	1.00	375	.011
DDH 87-17	32.00-33.00	1.00	245	.007
DDH 87-17	33.00-34.00	1.00	360	.011
DDH 87-18	114.60-115.00	.040	265	.008
DDH 87-22	36.00-37.00	1.00	410	.012
DDH 87-22	26.00-27.00	1.00	3050	.089
DDH 87-22	94.00-95.00	1.00	275	.008
DDH 87-22	101.80-103.00	1.20	865	.025
DDH 87-22	103.00-104.00	1.00	370	.011

\*\* Average of 2 fire assays 6.286 and 5.426 oz/ton

3) "South Area"

Grab sample 14,000 ppb gold (0.41 oz/t) from a location 500 m south of the eastern end of Bear Creek Reservoir.

Further Work Planned

The Issuer plans follow-up silt sampling based upon results from initial phases of sampling. This will more closely define areas of interest.

The Issuer also plans to continue soil sampling to define areas of interest particularly west of the Discovery Zone. The objective is to obtain a continuous grid of soil samples taken along lines 100 m. apart and samples taken at 20 m. intervals between Zone "A" (east of the Discovery Zone) and the Jordan River drainage (west of the Discovery Zone). Also separate, outlying soil sample grids will be completed in other areas of interest. The present phase of soil sampling should be finalized when more detailed "fill in" soil sampling is completed in Zones "A", "B" and "C". This is anticipated to be completed by mid-November 1987.

The Issuer has completed the initial VLF-EM survey along possible strike extensions of the Discovery Zone. Currently, a VLF-EM and magnetometer survey is taking place over the Zone "C" soil anomalies; early results are inconclusive.

A test aerial VLF-EM magnetometer survey has been flown by a geophysical contractor. Results show that similar definition can be obtained from the air when compared to ground surveys.

The Issuer plans to continue mapping and sampling of potential target areas throughout most of the field season. After the results of the detailed soil sampling are available it is planned to dig trenches to bedrock across these zones containing anomalous gold values. The rock exposed in the trenches will be mapped, sampled and assayed. It is anticipated that if positive results are obtained, further bulk sampling and drilling will be conducted.

D. BULK SAMPLING FACILITY

Introduction

The purpose of the bulk sampling plant is to provide a facility for the bulk treatment of gold bearing rock from trenches to evaluate accurately the grade of material from various zones of the Property. The bulk treatment of these samples is designed to eliminate the so-called "nugget effect" referred to in the Work Program that may be present in the material.

Bench Test Work

In April 1987, the Issuer hired Bacon, Donaldson & Associates ("BDA") to carry out a metallurgical evaluation on three barrels of bulk sample material from the trenches on the Discovery Zone of the Property in order to provide parameters for the design of a 20 ton per day bulk sampling plant. The entire contents of each barrel weighing approximately 400 lbs. was processed to determine the grade of the material.

The contents from each barrel was crushed, screened, jigged and tabled to produce a jig concentrate and a table concentrate. The calculated head grades from each barrel are shown below:

Barrel	Calc. Head (oz Gold/ton)	Total Weight (lbs.)
A	0.391	372
FL1	0.382	365
FL2	0.144	404

In addition, a grab sample was taken from each barrel. The sample was crushed, ground, screened and jigged. The jig tails were treated by flotation. The use of flotation was shown to significantly improve gold recovery from the range of 44 - 74% to the range of 69 - 97%.

Based on the above testwork, the Issuer retained BDA to design and supervise the detailed engineering and construction of a 20 ton/day bulk sampling facility for the Property and also to supervise and manage the operation of the bulk sampling plant.

## Plant Design

The Bulk Sampling Facility is designed to treat 20 tons/day of material on a 24 hour per day basis. The plant is housed in a pre-engineered metal building.

The plant flowsheet includes a crushing and grinding circuit with ball mill product being jigged. The jig concentrate is tabled to upgrade the product with the table tails being returned to the grinding circuit. The jig tails are classified prior to going to flotation. The flotation concentrate is thickened and filtered while the tailings are pumped to a tailings disposal area.

The trench samples will be stored on a 200 ton storage pad. Material from the storage pad will be delivered to an 8 inch grizzly over the pilot plant coarse ore bin by front end loader. The crushing and grinding circuit consists of a jaw crusher for primary crushing and a roll crusher set at 1/4 inch for secondary crushing. The material discharged from the secondary crusher is fed to the fine ore bin.

Material from the fine ore bin is conveyed to the ball mill for wet grinding and then from the ball mill to the jig.

The jig concentrate is tabled to produce a table concentrate. The table tails are recycled to the ball mill for further regrinding. The jig tails are classified in a cyclone where the cyclone underflow is recycled to the ball mill and cyclone overflow goes to flotation.

The flotation concentrate is thickened, filtered and stores in lined drums. The flotation tails are piped to the tailings facility. The flotation of the jig tails is carried out at natural pH.

The table concentrate produced from each zone will be smelted and poured into dore bars on site. The flotation concentrate will be stored in lined barrels for further treatment off-site.

An extensive and continuous assaying schedule is planned for the facility to establish accurately the head grade of material processed from the various zones. Assaying will be performed off-site by an independent B.C. certified assayer.

The power for the pilot plant operation is supplied by a 200 kw diesel generator housed in a separate portable cargo container.

### Tailings Deposition

Tailings from the bulk sampling plant will be deposited into an area designed to contain the approximately 4160 cu. metres expected to be produced over the life of the bulk sampling program. This system will comply with all government regulations.

### Operation

The design of the facility was completed by June 1st, 1987. Construction commenced shortly afterwards and, except for completion of the tailings dam, is complete and operational. After a short commissioning period, the facility will commence operation, employing 8 mill operators. It is tentatively planned that the facility will treat 10,000 tons of material from the property over the life of the exploration program.

### Correlation of Bulk Sampling Data to Geological Data

It should be noted that only after large quantities of gold bearing rock have been processed through the bulk sampling plant will the average gold content of the various structures in the Discovery Zone be known. It will then be possible to relate this data to the geological and geochemical data currently being obtained from the diamond drilling program over the Discovery Zone. These relationships will then be used to evaluate the various targets emerging from the ongoing exploration program.

### E. SURFACE PLANT AND EQUIPMENT

In addition to the Bulk Sampling Facility on the Property, the Issuer has placed a work trailer on the Property for use as on-site operations offices. There is no underground plant or equipment on the Property and there are no underground exploration openings on the Property.

### II. AGREEMENT WITH POINT RESOURCES INC.

Pursuant to an agreement entered into on October 30, 1987, but effective from October 15, 1987, between the Issuer and Point Resources Inc. ("Point"), the Issuer, together with Point, executed a promissory note (the "Promissory Note") dated October 20, 1987 in favour of the Colorado National Bank of Denver (the "Colorado Bank") in the amount of \$600,000 (U.S.), payable in four monthly instalments of \$20,000 (U.S.) commencing May 1, 1988, plus interest at a rate the Colorado Bank charges its most credit worthy customers, plus 1.5% with the entire balance due on August 15, 1988. The Issuer also provided security for this



debt by way of an irrevocable standby documentary letter of credit (the "Letter of Credit") dated October 15, 1987 drawn on the Bank of British Columbia, a division of the Hong Kong Bank of Canada, Vancouver Main Branch, up to an aggregate amount of \$600,000 (U.S.). In consideration for entering into this agreement, Point granted an option to the Issuer, exercisable upon notice to Point given at any time after May 31, 1988 but prior to September 1, 1988, at the Issuer's option, to:

- (a) subscribe for and receive 75% of the issued and outstanding shares of Point for \$1.00 (U.S.); or
- (b) upon payment to Point of \$1.00 (U.S.), receive an annual payment equal to the lesser of \$75,000 (U.S.) or 75% of Point's net revenue after expenses but before taxes from all sources.

In the event that the Issuer does not exercise either of the foregoing options, it may upon demand made at any time after May 31, 1988, require Point to obtain an unconditional release of the Issuer's obligations to the Colorado Bank under the Promissory Note and to return and release the Letter of Credit, plus require payment to the Issuer of a standby financing fee of \$60,000 (U.S.). THERE IS NO ASSURANCE THAT AS AT MAY 31, 1988 POINT WILL BE ABLE TO OBTAIN A RELEASE OF THE ISSUER'S OBLIGATIONS TO THE COLORADO BANK OR TO MAKE THE REQUIRED \$60,000 PAYMENT TO THE ISSUER.

Point also agreed to grant to the Issuer a fixed and floating charge over all its assets within 30 days from the date of the agreement, and also agreed to indemnify and save harmless the Issuer from any loss, costs, charges or expenses which the Issuer may incur or suffer by reason of the Promissory Note on the Letter of Credit. Point has also agreed not to enter into any transactions other than in the normal course of business prior to January 15, 1988 without the prior written consent of the Issuer. Point is a Colorado corporation which is wholly owned by individuals at arms length to the Issuer and whose sole material asset is the Rocky Point oil field consisting of 13 oil and two gas wells located near Powder River Basin, Campbell County, Wyoming. Point was established for the express purpose of acquiring and operating the Rock Point field from its former owner, Amoco Petroleum Corp. and McCulloch Oil Corp., and as at October 29, 1987, this was its sole business interest.

The Rocky Point oil field is a proven production field of some 20 years duration and is presently producing oil, although a substantial number of the wells are shut in or not producing due to mechanical malfunction of pumps. In order to re-establish full production in the field (from 150 to 300 barrels of oil per day), Point will repair the malfunctioning pumps and bring back into

ROBERT L. AKRIGHT  
GEOLOGICAL CONSULTANT  
MINERALS EXPLORATION AND DEVELOPMENT

AN EXPLORATION PROGRAM  
FOR  
VALENTINE MOUNTAIN GOLD PROSPECT  
VANCOUVER ISLAND, B.C., CANADA  
PREPARED FOR  
VALENTINE GOLD CORPORATION  
MAY 1987

  
ROBERT L. AKRIGHT

VALENTINE GOLD CORPORATIONNOTES TO INTERIM FINANCIAL STATEMENTS

(Unaudited)

SEPTEMBER 30, 1987

## 13. Subsequent events (Cont'd)

In addition, the Amending Agreement alters the form of consideration to be received by the director upon assignment of the Valentine Mountain Property option agreement. The revised consideration consists of a royalty equal to 15% of the "net profits" payable by the issuance of common shares in the capital of the company at a deemed price of \$0.95 per share, to a maximum of 5,000,000 shares.

- c) Subsequent to the period end, the company entered into an agreement with Point Resources Inc. ("Point"), whereby the company and Point have jointly executed a promissory note in the amount of \$US 600,000. As security for this promissory note, the company has provided a standby documentary letter of credit in the amount of \$US 600,000. This represents an amount for which the company is contingently liable.

In consideration for entering into this guarantee, the company has been granted an option, exercisable after May 31, 1988, but prior to September 1, 1988, summarized as follows:

- i) to subscribe for and receive 75% of the issued and outstanding shares of Point for \$US 1.00; or
- ii) upon payment of \$US 1.00, to receive an annual payment equal to the lesser of \$US 75,000, or 75% of Point's net income before taxes.

In the event that the company does not exercise its option, it may demand at any time after May 31, 1988:

- i) that Point obtain an unconditional release of all the Company's obligations under the above mentioned promissory note and bank guarantee; and
- ii) payment of a financing fee of \$US 60,000.

Point has agreed to grant to the company a fixed and floating charge over all its assets within 30 days from the date of the agreement.

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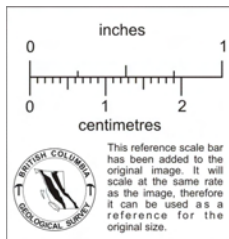
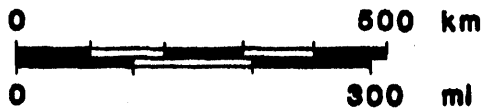
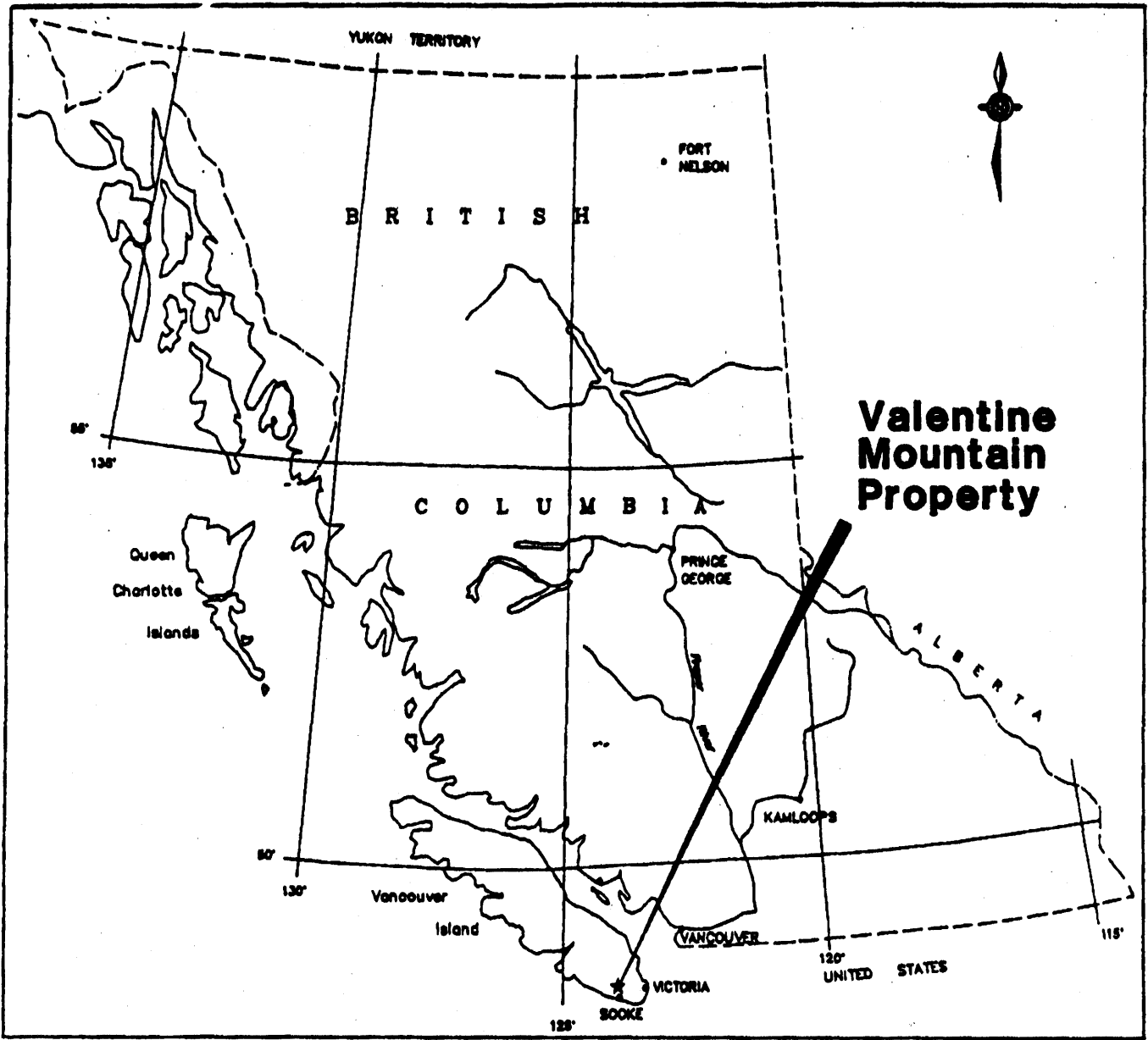
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## INTRODUCTION

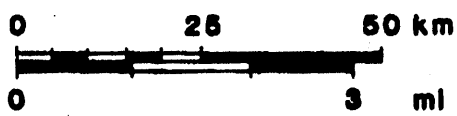
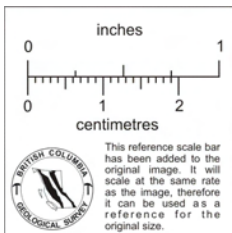
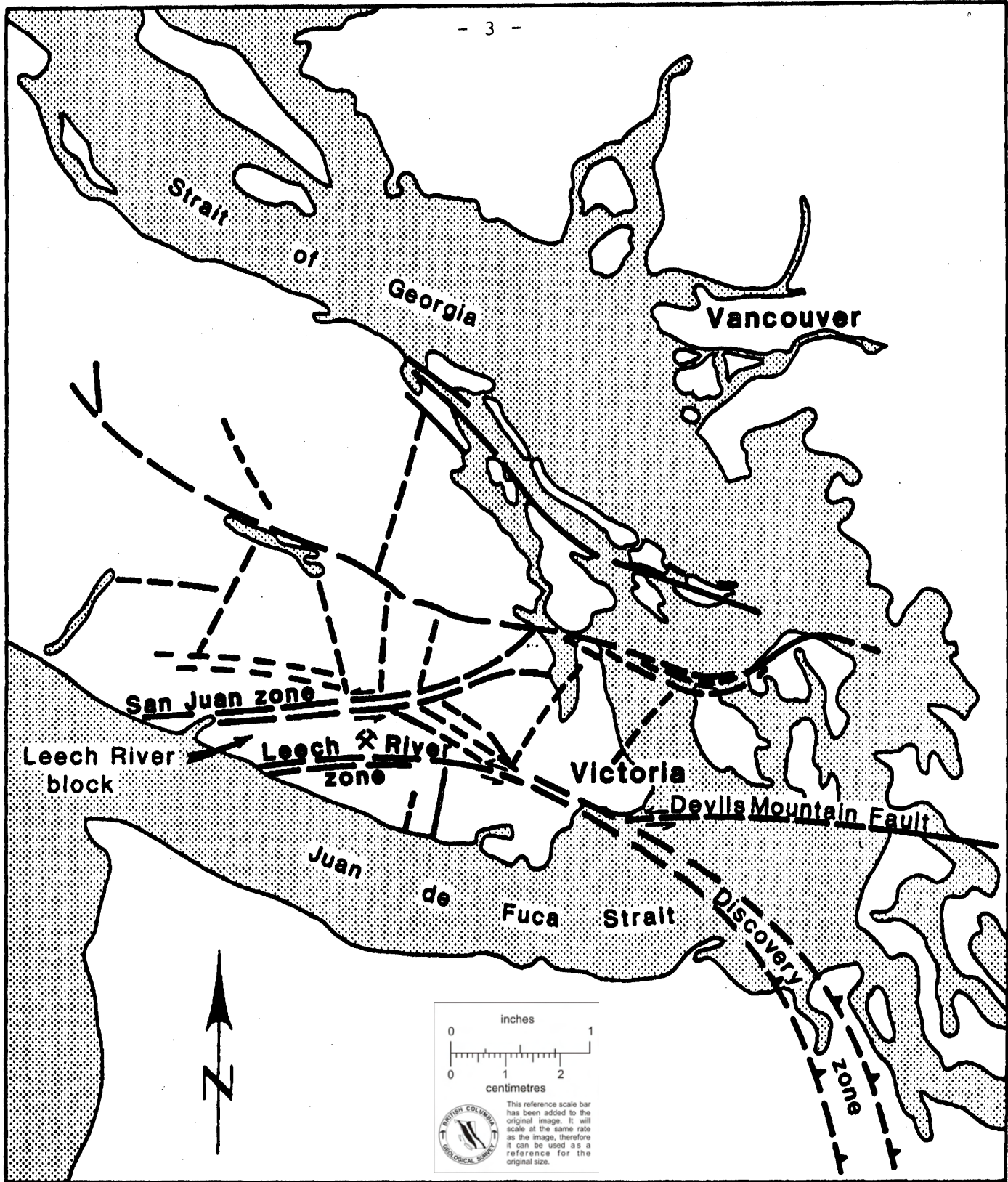
The project is located near the southern end of Vancouver Island approximately 42 kilometers west of the city of Victoria, at an elevation of 400 to 1000 meters (figure 1).

Gold mineralization on the project occurs in quartz veins and shear zones, roughly parallel to the Leech River fault zone and cutting metamorphosed volcanic and sedimentary rocks of the Leech River complex (figures 2 and 3). The geological setting of Valentine Mountain gold mineralization has been compared favourably to the Kolar gold deposit in India, a 23 million ounce gold producer, and a number of other world class gold mines.

The large land position of the project, in excess of 20,000 acres, is well situated to cover the Discovery Zone and other potential ore targets in the Leech River complex (figure 3).

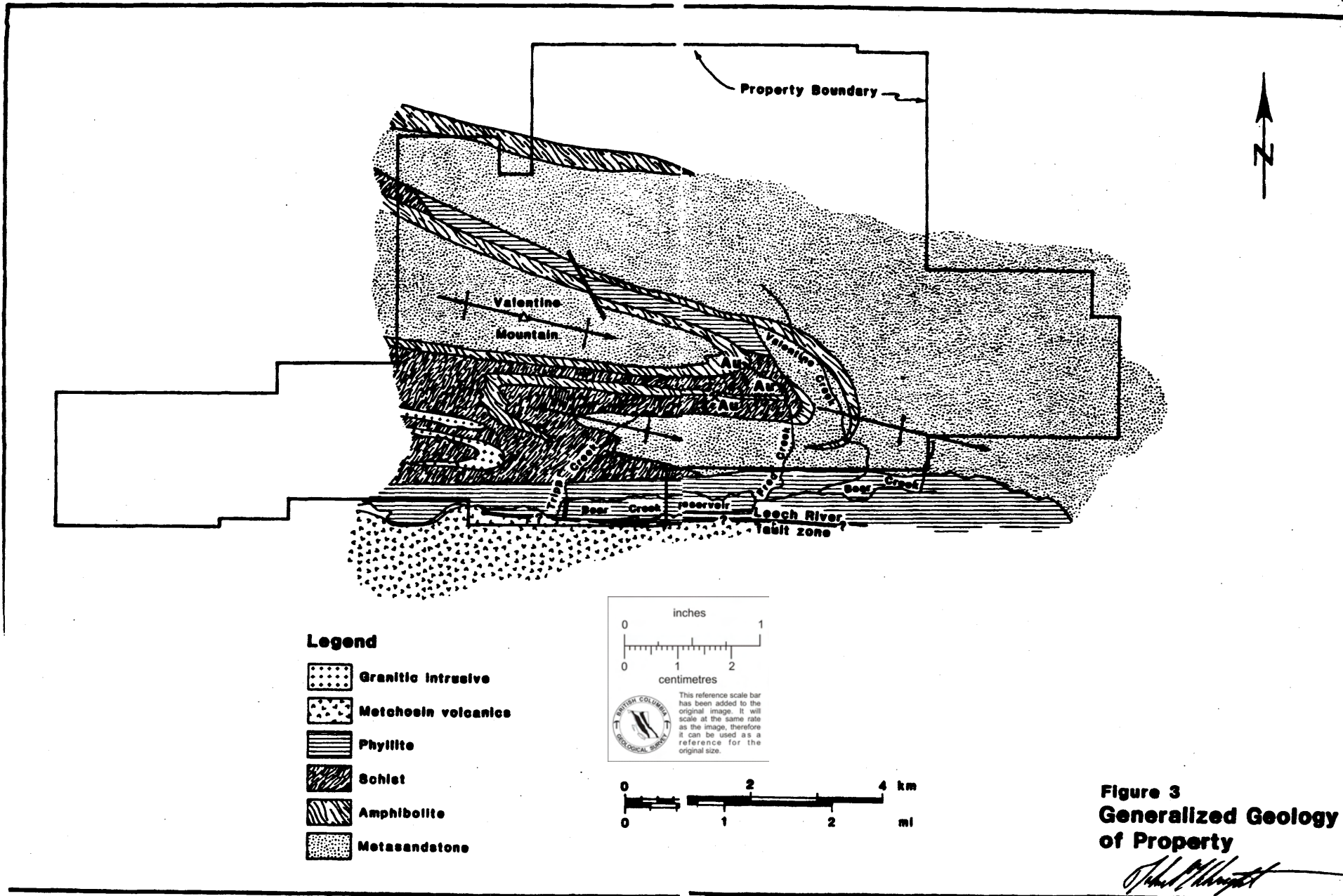


**Figure 1**  
**Location Map**



⊗ Valentine Mountain Project

**Figure 2**  
**Tectonic Framework**  
**South Vancouver Island**





## OVERVIEW

With numerous comprehensive geological, geochemical and geophysical studies already available on the Valentine Mountain area, (see Bibliography) it is not my intent to review again the geological setting of gold mineralization on Valentine Mountain. The focus of this report will be to recommend an exploration program to advance the project. The qualifying report by Garratt Geoservices Ltd. dated November 14, 1986, entitled, "An Evaluation of the Valentine Mountain Gold Property." provides an excellent summary of the project.

A major problem in evaluating the Valentine Mountain prospect is the nugget effect created by the localized masses of coarse crystalline gold. Although a number of laboratory procedures have been devised for assaying samples containing coarse gold and a number of papers have been written on statistical analysis of the coarse gold nugget effect, there are only two techniques which will advance the Valentine Mountain project:

- 1) Test Mining and Pilot Plant Testing
- 2) High Density Sampling of Outcrops and Drill Holes

I am therefore recommending a three faceted exploration and development program of (1) Test Mining and Pilot Plant testing, (2) geological mapping and sampling of outcrops and (3) additional core drilling of ore targets.

BULK SAMPLING AND PILOT TESTING

A pilot plant will be built on site to process bulk ore samples from the Discovery Zone and ore from other mineralized sites on the property. The flow sheet of the pilot plant, being designed and constructed by Bacon, Donaldson & Associates, consists of two stages of crushing, grinding and gold concentration by a combination of a jig, a concentrating table and flotation cells.

Four initial sites in the Discovery zone have been selected for bulk sampling. These are:

- 1) "36" Trench
- 2) "A" Trench
- 3) Falconbridge Trench 1
- 4) Falconbridge Trench 2

From each of these trenches, a minimum of 500 tons of ore will be mined and processed through the pilot plant. Careful dry weights and measurements will be kept on the ore removed from each bulk sample test pits.

In the pilot plant, regular daily samples will be collected from concentrate products and tails. At the end of processing ore from a bulk sample test pit, all daily results will be compiled to determine the following:

- 1) Total dry tons processed
- 2) Total ounces of gold recovered
- 3) Total ounces of gold remaining in tails

4) Average ounces of gold per ton of ore

An independent metallurgical review of each test will be done by a consultant metallurgist.

Each bulk sample test pit will be mapped and sampled to correlate field observations against pilot plant test results. While bulk samples are being processed from the initial four test pits, additional sites for bulk sample test pits will be selected based on geological studies sampling and exploration core drilling. Current plans call for processing approximately 5000 tons of ore in the pilot plant.

The Test Mining and Pilot Plant Testing budget can be found in Attachments I and II.

GEOLOGICAL MAPPING AND SAMPLING

Concurrent with the bulk sampling, I recommend an intense three month program of geological field work designed to develop additional gold ore targets. Work would be done along the total mineralized strike length on the property. The main focus of this work would be outcrop mapping and sampling and stream sediment sampling aided by aerial photographs, satellite imagery, and previous geological studies.

To facilitate this phase of work, I recommend the geological teams be based in the town of Sooke, working out of a leased building rather than constructing an on site camp.

The Geological Field work budget can be found in Attachment I,

the budget summary, with details in Attachment III.

CORE DRILLING

I am recommending 10,000 feet of core drilling, approximately half of which will be in the Discovery Zone with the balance on the new ore targets defined by the geological work.

I am further recommending all core be hauled to a core logging and splitting building in the village of Sooke rather than building an on site facility at this time.

The Core Drilling Budget can be found in Attachments I and IV.

PHASE II

Assuming success as a result of the above described program, I anticipate an expanded Phase II program during which considerable additional core drilling trenching and geological work would be done to define ore reserves. Preliminary feasibility studies on mine and mill design would probably be initiated during this next phase of work.

  
ROBERT L. AKRIGHT

PRELIMINARY BUDGET  
PHASE II - DEVELOPMENT PLAN

Core Drilling	750,000
Trenching and Sampling	100,000
Geological Work	550,000
Preliminary Feasibility Studies	
Mine	100,000
Mill	100,000
Land Aquisition	100,000
General & Administrative Costs	250,000
	<hr/>
TOTAL	1,950,000

**ATTACHMENT I****BUDGET SUMMARY**

Bulk Sampling and Pilot Testing	\$871,700.00
Geological Field Work	\$502,600.00
Core Drilling	\$592,300.00
Additional Land Acquisition	\$ 50,000.00
General and Administrative	<u>\$ 75,000.00</u>
TOTAL	\$2,091,600.00

ATTACHMENT II

TEST MINING AND PILOT PLANT

Dozer Work-Access Roads and Site Preparation	\$ 8,000.00
Metallurgy, Flowsheet and Plant Design	\$ 35,000.00
Tailings Impoundment Design and Construction	\$ 25,000.00
Pilot Plant Equipment	\$100,000.00
Fabrication of Pilot Plant Skids and Equipment Assembly	\$165,000.00
Pilot Plant Building	\$ 75,000.00
Power and Water Service	\$ 50,000.00
Mine and Delivery to Pilot Plant	
5000 Tons of Ore @ \$10.00/Ton	\$ 50,000.00
Process 5000 Tons in Pilot Plant @ \$30.00/Ton	\$150,000.00
Assays and Refining	\$ 10,000.00
Independent Metallurgical Review	\$ 30,000.00
Supervision, Evaluation and Security	<u>\$ 60,000.00</u>
	\$758,000.00
15% Contingency	<u>\$113,700.00</u>
TOTAL	\$871,700.00

ATTACHMENT III

GEOLOGICAL FIELD WORK

Geological Field Teams

Cost Per Month

Team Leader-Senior Geologist	\$ 5,500.00
Geological Assistant-Student	\$ 4,500.00
Sampler	\$ 3,000.00
Lodging, Travel & Expenses	
(\$50.00) per man/per day	\$ 3,300.00
4 x 4 vehicle (including insurance)	\$ 1,500.00
Fuel and Vehicle Service	\$ 1,000.00
Assay 750 Samples @ \$12.00	\$ 9,000.00
Drafting	\$ 1,000.00
Sample Bags and Field Supplies	<u>\$ 1,500.00</u>
	\$30,300.00
15% Contingency	\$ 4,500.00
Cost Per Field Team Per Month	\$34,800.00

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Four Teams for 3 Months	\$417,600.00
Reports, Maps, Petrographic Studies	\$ 20,000.00
Management and Supervision	<u>\$ 65,000.00</u>
TOTAL	\$502,600.00



ATTACHMENT IV

CORE DRILLING

A.) 20 Drill Holes

Average Depth 500 Feet = 10,000 Feet

Estimated Cost Per Foot \$45.00

(including logging and assaying)

20 x 500 x \$45.00. \$450,000.00

B.) Leased Core Processing Building,

Core Saws and Logging Facilities. \$ 25,000.00

C.) Access Roads and Drill Sites

Dozer @ \$80.00/Hour

50 Days x 10 Hours/Day x \$80.00/ Hour \$ 40,000.00

\$515,000.00

15% Contingency \$ 77,300.00

TOTAL DRILLING COSTS \$592,300.00

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WINGERT, G.A., 1984. Structure and metamorphism of the Valentine Mountain area, southwestern Vancouver Island, British Columbia. Unpublished B.Sc. (Hons) thesis, University of British Columbia, Vancouver, B.C. 43 pp. and Appendices.

CERTIFICATE

This is to certify:

I am a graduate of the University of Wisconsin with a B.Sc. degree in geology granted in 1951.

I have been engaged in mineral exploration, development and production since 1952 and have been a Geological Consultant since 1982.

I am a member of the Society of Economic Geologists, Geological Society of America, Society of Mining Engineers of AIME, Denver Regional Exploration Geologists Society and the Nevada Mining Association.

Of my 35 years experience as a geologist in the minerals industry, 17 of those years have been devoted to the exploration for and development of precious metals deposits.

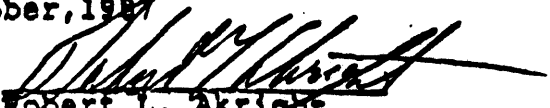
This report is based on the author's years of experience in the industry, field examinations of the project in February and May 1987, and a comprehensive study of all available geological reports, maps and drill hole logs on the project.

Sources for this study include reports by Garratt Geoservices Ltd., Falconbridge Limited, reports and a M.Sc. thesis by L.H. Fairchild, a B.Sc. thesis by G.A. Wingert, reports by Consulting Geologists E.W. Grove, T.E. Lisle, G.A. Noel, E.T. Pezzot, B.P. Read, a report by the Consulting Engineering firm of Pincock, Allen and Holt and the corporate work records, maps and reports of Beau Pre Explorations Ltd.

I have disclosed in this report all relevant material which, to the best of my knowledge, might have a bearing on the viability of the project.

I am independent of Valentine Gold Corporation (the "Issuer") and Beau Pre Explorations Ltd and I have not, directly nor indirectly, received nor expect to receive, any interest in the properties of the Issuer or any associate or affiliate of the Issuer. I have no direct or indirect, nor beneficially held interest in the securities of the Issuer..

Dated this 27th day of October, 1987

  
Robert L. Akright  
Geological Consultant  
Littleton, Colorado  
80123

An Evaluation of the Valentine Mountain Gold Property

for

Valentine Mountain Gold Ltd.

by

Garratt Geoservices Ltd.



Victoria Mining Division  
N.T.S. 92 B/12W, 92C/9E  
Latitude 48° 32'N  
Longitude 123° 54'W

G.L. Garratt, P.Geol., F.G.A.C.  
November 14, 1986

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9. Plan of Trench Area (approx. 1:1,538)

## 1. Introduction

The author was contracted by Valentine Mountain Gold Ltd. of Vancouver, B.C. to review an extensive data package on the Valentine Mountain Gold prospect, held by Beau Pre Explorations Ltd., of Victoria, B.C. The property, located near Sooke, B.C., was visited by the author on October 30, 1986. Extensive literature and exploration data pertaining to the property were carefully reviewed and evaluated and included a recent (May 1986) review (including a recommended exploration program) by Dr. G.R. Peatfield of Minequest Exploration Associates Ltd. Vancouver, B.C. This report summarizes these data sets and reviews the exploration potential of the property, concluding with a recommended work program.

The property is underlain by deformed and metamorphosed volcanic and sedimentary rocks of the Leech River complex, which comprises an allochthonous, fault-bound block that is unrelated to its surrounding terranes. The area has been intruded by granitic to dioritic sills and dykes which are believed to be synchronous with metamorphism and deformation; these events are interpreted to have concluded around 39 to 41 Ma. Subsequent shearing, related to the east-west trending Leech River fault, further affected the terrain.

Quartz-vein systems, consisting of discrete veins and en-echelon masses are localized along fold and shear structures, and generally follow the east-west regional geologic trend. Gold-bearing veins within these systems have been explored since their discovery in 1976, and this work has included extensive trenching, sampling and some 1800 meters of diamond drilling. Gold occurs as fine particles to spectacular aggregate masses in quartz veins and, occasionally in wall rock to the veins. Determining an average grade has proven problematic due to the free occurrence of the gold, but a review of sampling data would suggest that grades of 0.2 to 0.5 ounces per ton, with local zones of 2 to 4 ounces per ton, across widths exceeding one meter, might be expected. The tonnage potential for the discovery zone is estimated at 500,000 to 750,000 tons.



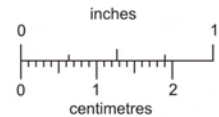
Reconnaissance exploration indicates that on strike systems occur and would enhance the tonnage potential dramatically; other anomalous areas have also been indicated and will require follow-up exploration. The mineralization appears to fit a quartz-vein shear zone classification that compares favourably with world class mines, though the limited amount of detailed work on the Valentine Mountain property precludes direct comparison to other deposits.

A two phase exploration program, designed to further test the discovery zone, its strike extensions and to advance reconnaissance exploration of this large property, is recommended. The Phase 1 program would require an expenditure of approximately \$321,450.00. Phase 2 would entail delineation drilling, more detailed property exploration and preliminary bulk sample testing, and would be implemented on the basis of successful results in Phase 1.

## 2. Location, Access and Physiography

The property is located approximately 42 kilometers west of the City of Victoria and 19 kilometers north of the town of Sooke, on Vancouver Island, British Columbia. The Bear Creek and Diversion Reservoirs bound the property on the south, and Valentine Mountain lies on the central portion of the property which is in N.T.S. map sheets 92 B/12W and 92 C/9E at latitude  $48^{\circ} 32' N$  and longitude  $123^{\circ} 54' W$ . B. C. Highway 1A and Sooke Road lead from Victoria to Sooke, from which an all-weather gravel road accesses the property. Logging roads access most of the property though some may require the use of four-wheel drive vehicle. The main logging road access has weekday travel restrictions and permission from the logging operator is required for access to certain gated areas.

The property lies along the Insular Mountain Range, with local elevations ranging from 400 to 980 meters. The principal drainages are Walker Creek, Tripp Creek, Valentine Creek, Jordan River and West Leech River. All but the West Leech River flow to the south where the Jordan River continues southwesterly; the West Leech River drains southeasterly into the Leech River system. These drainages are fast flowing and susceptible to dramatic rises during the rainy season.



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



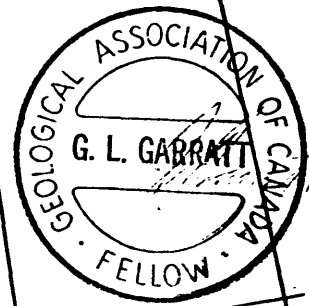
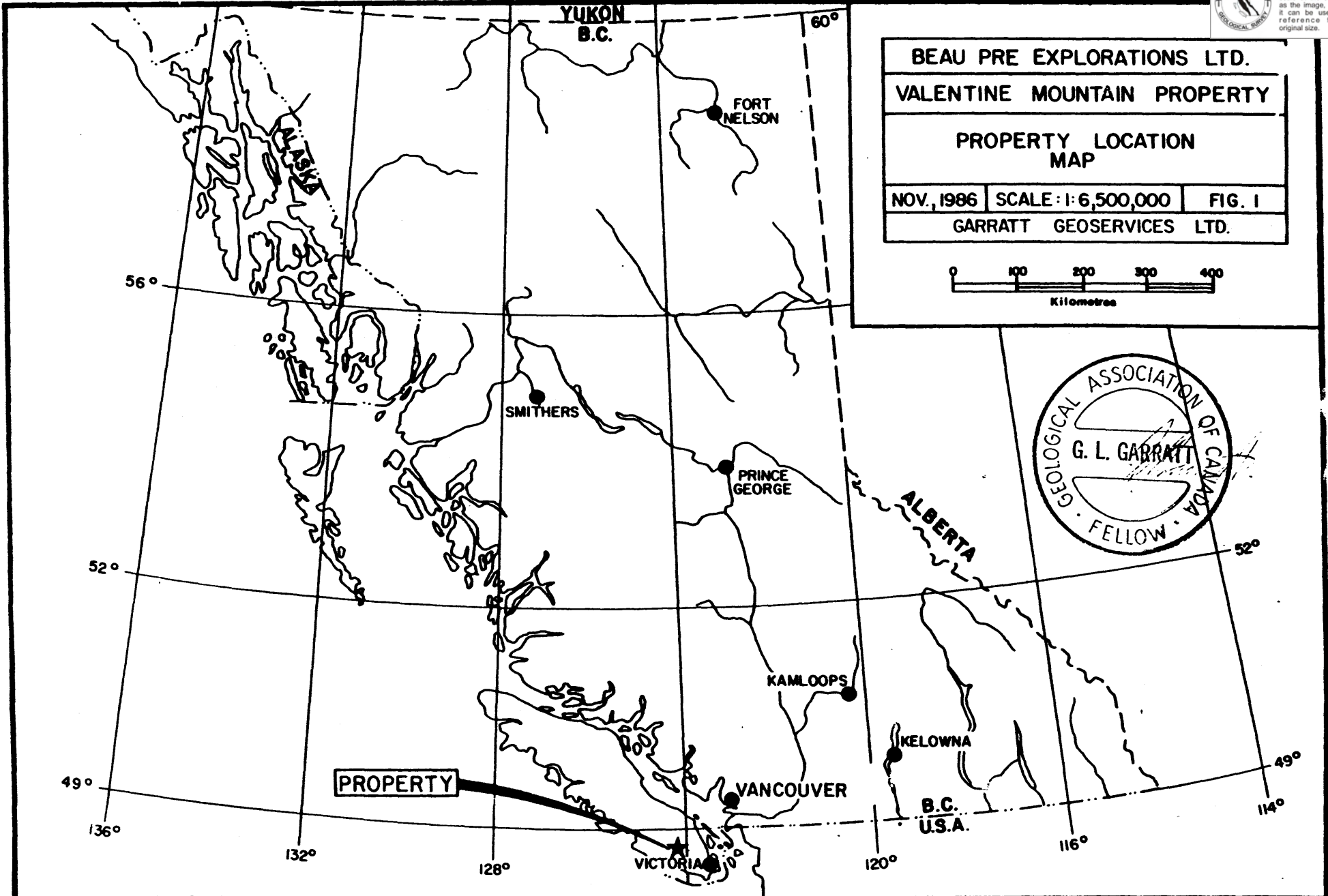
**BEAU PRE EXPLORATIONS LTD.**

**VALENTINE MOUNTAIN PROPERTY**

**PROPERTY LOCATION MAP**

NOV, 1986 | SCALE: 1:6,500,000 | FIG. 1

GARRATT GEOSERVICES LTD.



Heavy conifer forest would typically cover the area but much of this has been clear-cut logged, leaving a predominant cover of second growth with some logging slash areas as yet unseeded or recently cut. The property is ammenable to year-round work, though a nine to ten month season is more reasonable due to moderate snowfall conditions.

### 3. Ownership

The Valentine property comprises thirty-five claims totalling two hundred and fifty-four units; additionally, ten placer leases are held on the Jordan River, Bear Creek and Valentine Creek (see Figure 2). These claims are as follows:

<u>Claim Name</u>	<u>#</u>	<u>Units</u>	<u>Record Date</u>	<u>Group Name</u>	<u>Group Date</u>	<u>Expiry</u>
BLAZE #1	47	1	21 Jun'76	BLAZE	12 May'83	1988
BLAZE #2	53	2	12 Jul'76	BLAZE	12 May'83	1988
PEG #1	77	1	22 Feb'77	PEG	12 May'83	1988
PEG #2	90	1	24 May'77	PEG	12 May'83	1988
PEG #3	91	1	24 May'77	PEG	12 May'83	1988
PEG #4	92	1	24 May'77	PEG	12 May'83	1988
BLAZE #3	124	12	3 Oct'77	BLAZE	12 May'83	1988
PEG #5	144	1	20 Mar'78	PEG	12 May'83	1988
PEG #6	145	1	20 Mar'78	PEG	12 May'83	1988
BO #1	188	1	14 Sep'78	BO	22 Aug'79	1988
BO #2	189	1	18 Sep'78	BO	22 Aug'79	1988
BO #3	190	1	18 Sep'78	BO	22 Aug'79	1988
BO #4	191	1	18 Sep'78	BO	22 Aug'79	1988
BO #6	278	1	17 Sep'79	Ungrouped		1988
BLAZE #4	370	3	26 May'80	BLAZE	12 May'83	1988
BPEX #1	461	20	6 Feb'81	BLAZE	12 May'83	1988
BPEX #2	462	18	6 Feb'81	BLAZE	12 May'83	1988
BPEX #3	463	1	6 Feb'81	BLAZE	12 May'83	1988
BPEX #4	492	3	6 Mar'81	BLAZE	12 May'83	1988
BPEX #5	493	1	6 Mar'81	BLAZE	12 May'83	1988
BPEX #6	494	1	6 Mar'81	BLAZE	12 May'83	1988
BPEX #10	495	18	6 Mar'81	PEG	12 May'83	1988
BPEX #11	507	8	2 Apr'81	BLAZE	12 May'83	1988
BPEX #12	508	14	2 Apr'81	PEG	12 May'83	1988
BPEX #7	591	8	5 Oct'81	BLAZE	12 May'83	1988
BPEX #9	665	16	16 Sep'82	BLAZE	12 May'83	1988
BPEX #8	670	15	21 Sep'82	PEG	12 May'83	1988
JORDAN GOLD 1	731	10	24 Dec'82	JORDAN GOLD 1	16 Mar'84	1986
JORDAN GOLD 2	732	14	24 Dec'82	JORDAN GOLD 1	16 Mar'84	1986
JORDAN GOLD 3	733	14	24 Dec'82	JORDAN GOLD 1	16 Mar'84	1986

<u>Claim Name</u>	<u>#</u>	<u>Units</u>	<u>Record Date</u>	<u>Group Name</u>	<u>Group Date</u>	<u>Expiry</u>
JORDAN GOLD 5	737	18	11 Jan'83	JORDAN GOLD 5	16 Mar'84	1987
LUSTER #2	742	18	19 Jan'83	JORDAN GOLD 5	16 Mar'84	1987
LUSTER #1	747	2	31 Jan'83	Ungrouped		1987
P.C. #4	820	18	7 Apr'83	Ungrouped		1987
P.C. #1	817	8	7 Apr'83	Ungrouped		1987

Originally staked and held by Beau Pre Explorations Ltd. of 1027 Pandora Street, Victoria, B. C., the claims are held under option by Valentine Mountain Gold Ltd.

#### 4. Economic Considerations

The Valentine Mountain property lies close to a well developed infrastructure containing a large population base, an ample hydroelectric power supply and short distance to ocean shipping. The immediate area of the claims supports logging operations and is essentially non-populated, allowing a minimum impact on local land use. The Bear Creek and Diversion Reservoirs were originally constructed for power supply to the Victoria area but eventually this system was replaced and became a back-up utility; apparently maintenance of these reservoirs is not being undertaken due, in part, to cutback measures implemented by B. C. Hydro. While ample water supply exists on the property, it is likely that the reservoirs could be used as well.

While part of the objective of present exploration is to discover a bulk tonnage gold deposit which would allow low-cost, probably open pit, mining, it is likely that an underground mining situation would be envisaged, causing minimal surface area disturbance. More than adequate useable land area is contained within the property to allow any form of mining operation with a minimum of environmental impact.

Detailed exploration covers a small portion of the property, and this work has outlined a zone of quartz-vein systems carrying free gold that has been traced in detail along a 350 meter strike. Prospecting, pitting and diamond drilling indicates that this zone shows the potential to exceed

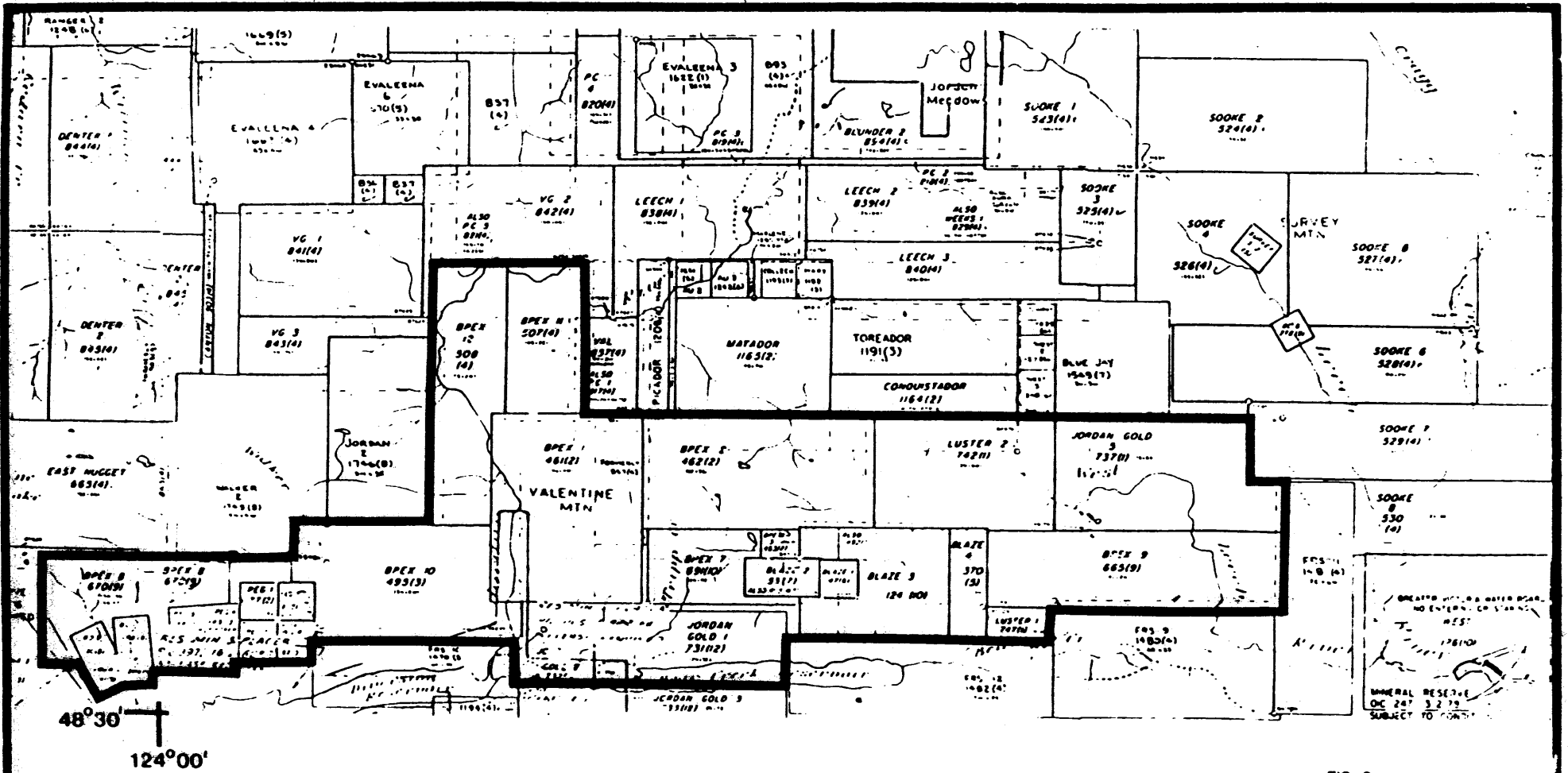


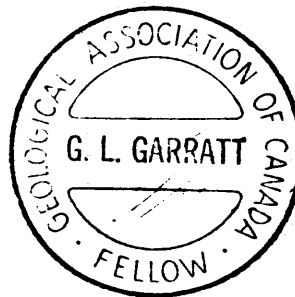
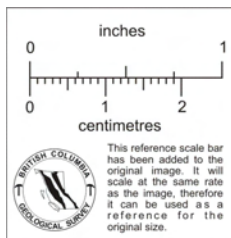
FIG. 2

BEAU PRE EXPLORATIONS LTD	
VALENTINE MOUNTAIN PROPERTY	
CLAIM LOCATION MAP	
NTS 92B/12W, 92C/9E	
NOV, 1986	VICTORIA MD
GARRATT GEOSERVICES LTD	

48°30'  
124°00'

Scale approx 1:67,923

0 500 1000 2000  
Metres



a strike length of 3,000 meters. Extensive sampling in the discovery zone indicates that grades of 0.1 to several ounces per ton can be encountered across widths of at least one meter. Vein systems are developed within zones of up to 70 meters width. Difficulties in analytically obtaining an 'average' grade have been encountered, and are believed due to the free and 'pockety' nature of the gold. Sampling would suggest, however, that values in the range of 0.2 to 0.5 ounces per ton might be expected across widths amenable to underground mining, and that zones of considerably higher grade could be expected.

The Valentine Mountain property might well be classified as a vein and shear zone gold deposit, showing characteristics similar to deposits reported to occur in the Meguma Group, Nova Scotia, the Yellowknife Supergroup, N.W.T. the Ballarat-Bendigo Districts, Australia (Thorpe, 1984), and to the Kolar deposit, India (Narayanaswami, et al, 1966). Direct comparisons between deposits or to deposit models is never without debate, and the Valentine Mountain occurrence is far from being well defined. General characteristics however, may be useful in comparing to mined deposits such that exploration opportunities will not be overlooked, and that an indication of the size and grade potential may be considered. The Canadian examples are apparently small (Goldenville - 550,000 tonnes at 12g (0.35 opt.)Au), but world class large deposits are reported in Australia (Ballarat-Bendigo) and India (Kolar-40 million tonnes; 23 million ounces produced). The geologic environment at the Kolar deposits appears to be very similar to the Valentine property with quartz-gold vein systems localizing in shears within and adjacent volcanic originated amphibolites, enclosed in a series of gneisses, quartzites and "autoclastic conglomerate", and intruded by syntectonic granitic plutons and post-tectonic quartz-veins, dolerite, gabbro and pegmatite dykes. Similarly, the Kolar exhibits a tremendous strike length and vertical dimension to the deposits (5 miles, 10,000 feet respectively) (Narayanaswami, et al, 1966).

Given the early stage of exploration at the Valentine Mountain property, the ore controls and geology indicate a large tonnage deposit poten-

tial. This potential, considering the occurrence of gold-quartz systems along a 3,000 meter strike, could reach several millions of tons. The discovery zone has received the only detailed exploration on the property and while the grade of the occurrence is poorly defined, it is evident that a strong and persistent quartz-vein system underlies the area. The dimensions of this system have been roughly defined over an area of 350 meters by 70 meters and to a depth of 165 meters. The veins and vein networks within this zone pinch and swell from a few centimeters to a few meters characterizing their shear and fold structure localization, comparable to the Kolar where ore shoots or lodes are reported to average 5 to 6 feet in width, and up to 50 feet across in folded areas (Narayanaswami, et al, 1966). It is evident that several lodes likely occur within the discovery zone, of which the 36 and A systems have been tested. Considering these dimensions, a minimum target tonnage for the discovery zone can be inferred to range from 500,000 to 750,000 short tons, assuming the presence of two shoots and the following dimension parameters:

Lode width - 6 feet (1.82 m) depth (minimum) - 500 feet (152.4 m)  
Strike length - 1000 feet (304.8 m) to 1500 feet (457.2 m)  
Tonnage factor - 12 cu. ft./ton

These figures represent an extrapolation from limited data, and are given to show the potential of the discovery zone. The potential for the discovery of similar zones at depth, below the levels of present testing, and along strike is good, as indicated by the local and regional persistence of the quartz-vein systems, and multiplies this target tonnage to define an exploration potential for several millions of tons. The Valentine Mountain property, therefore, exhibits a strong potential for the discovery of an economically viable deposit.

## 5. History

A small gold rush followed the discovery, in 1864, of placer gold on a fork of the Sooke River, some ten kilometers east of the property. Placer production has been estimated as being from \$100,000.00 to \$200,000.00 during the 1864 to 1866 rush.

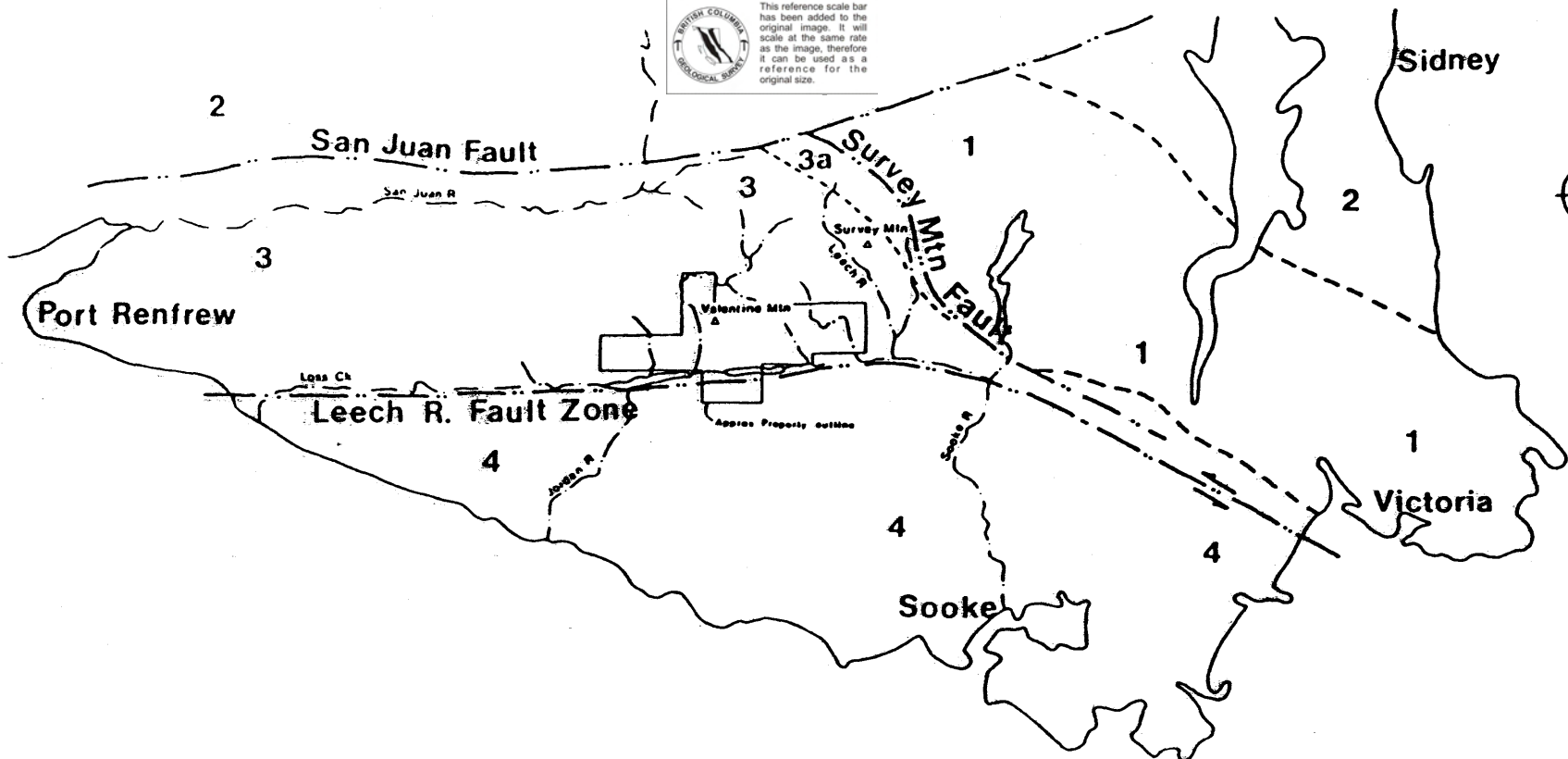
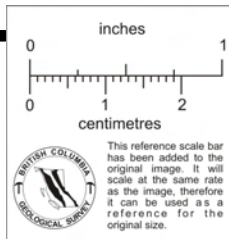
In 1966 a Mr. Fred Zorelli, involved in logging operations on the east slope of Valentine Mountain, discovered free gold in a rock turned up by a tractor. Mr. Zorelli mentioned this discovery to Robert Beaupre and Alec Low, who were prospecting the area. These latter individuals subsequently discovered, by prospecting, gold mineralization of the "A vein", in 1976. In the period 1976 to 1980, Beau Pre Explorations undertook prospecting, trenching and rock sampling, including bulk sampling. During 1977 and 1978, L. H. Fairchild undertook a mapping program leading toward his M.Sc. thesis at the University of Washington, and a portion of his thesis area is covered by the property. In 1979 and 1980 limited grid-based soil sampling was carried out in the discovery area, as well as further trenching and sampling. Regional prospecting and silt sampling, followed by detailed prospecting and sampling were undertaken by Beau Pre Explorations Ltd. in 1981. In 1982 further trenching and sampling were undertaken, again by Beau Pre, primarily in the discovery area. During 1983 the property was geologically mapped at a scale of 1:7200 and thirteen diamond drill holes were completed in the discovery area, totalling approximately 1,828 meters (1294 m NQ; 534 m NQ). An airborne magnetometer and VLF-EM survey, totalling 370 line kilometers was conducted in 1984 over the entire property. In 1985, Falconbridge Limited optioned the property and carried out a program of trenching and sampling in the discovery area; this option was terminated following the acquisition and re-structuring of Falconbridge by Kidd Creek Mines Ltd., in early 1986.

Beau Pre Explorations are presently undertaking trenching on the 36 and adjacent veins and contracted Minequest Exploration Associates Ltd. of Vancouver to undertake a heavy mineral stream sediment sampling program; the results of these programs are pending. Dr. G. R. Peatfield, of Minequest, visited the property in May, 1986, and subsequently undertook a review of the available property data, which resulted in a summary report that has aided the author in compiling this present study.

## 6. Regional Geology

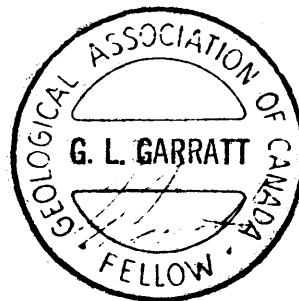
The Valentine Mountain property lies within the Leech River Complex, an east-west trading fault-bound block comprised of metamorphosed sedimentary and volcanic rocks (Fairchild and Cowan, 1982) (see Figure 3). The complex contrasts with rocks of adjacent terrains which consist of:



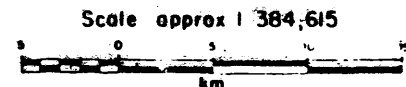


**LEGEND**

- 4 LOWER TO MIDDLE Eocene METCHOSIN VOLCANICS, BASALT FLOWS, BRECCIAS AND PYROCLASTICS; RELATED SOOKE GABBRO; AND OVERLYING SOOKE FM. CLASTIC SEDIMENTARY ROCKS.
- 3 LEECH RIVER COMPLEX - METAMORPHOSED PELITIC ROCKS, SANDSTONE AND MINOR VOLCANIC ROCKS, CHERT AND CONGLOMERATE; PROBABLY LATE TRIASSIC TO CRETACEOUS. 3A - VOLCANIC MEMBER.
- 2 PALEOZOIC TO JURASSIC STRATA (WRANGELLIA TERRANE?); INCLUDES PARTS OF CIOCKER, FARMUTSEN AND BONANZA GROUPS AND RELATED INTRUSIVE ROCKS.
- 1 PALEOZOIC AND MESOZOIC IGNEOUS AND SEDIMENTARY ROCKS, MOSTLY METAMORPHOSED; INCLUDES PALEOZOIC WARK DIORITE AND COLQUITZ GNEISS, METAVOLCANIC ROCKS, AND JURASSIC ISLAND INTRUSIONS.



(After G.P. Peatfield, 1986)



BEAU PRE EXPLORATIONS LTD.			
VALENTINE MOUNTAIN PROPERTY			
LOCATION MAP AND REGIONAL GEOLOGY			
Plan	Drawn GRP	May 86	FIG. 3
Date GRP	NTS 92B.C		
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Paleozoic to Jurassic volcanic and plutonic rocks separated at the northern boundary of the complex by the San Juan fault; eastward, the Paleozoic Colquitz gneiss and Wark diorite occur along the Survey Mountain fault and; to the south the Leech River fault separates the early Eocene Metchosin Formation of volcanics and related intrusions as well as the Sooke Gabbros. The Leech River fault is considered by Fairchild and Cowan to be comprised of two to four subparallel, linear and steeply dipping faults that are interpreted to be left-lateral strike-slip faults which were active after metamorphism and deformation of the Leech River complex, and were involved in the placement of the complex as an allochthonous block with respect to the surrounding terranes.

The Leech River complex comprises metamorphosed pelites, sandstones and volcanics that have been metamorphosed to low-pressure greenschist to amphibolite facies (andalusite-staurolite-biotite) during two deformational stages. Deformation and metamorphism were accompanied by composite foliated to non-foliated sills and dykes of granitic to dioritic composition and related later pegmatites and quartz-tourmaline veins; the conclusion of these events has been dated at 39-41 Ma. The two deformational events resulted in "macroscopic east-plunging folds and related coaxial, mesoscopic linear structures, parasitic folds, and axial plane cleavages". (Fairchild and Cowan, 1982).

Retrograde metamorphism has been documented by Grove (1984), Wingert (1984) and Read (1986) and is postulated to overprint earlier metamorphic events. Grove (1984) suggests a relationship between this retrograde event and the Leech River shear-fault event. Gold mineralization, with accessory pyrite or arsenopyrite and associated quartz and quartz-calcite veining, appears to belong to the superimposed, later and lower grade, metamorphic event (Read, 1986). Peatfield (1986) suggests a possible "pre-folding decollement, as suggested by the apparent repetition of the amphibolite units on the nose the anticline" (east of Valentine Mountain).

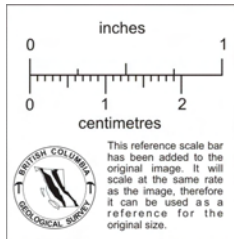
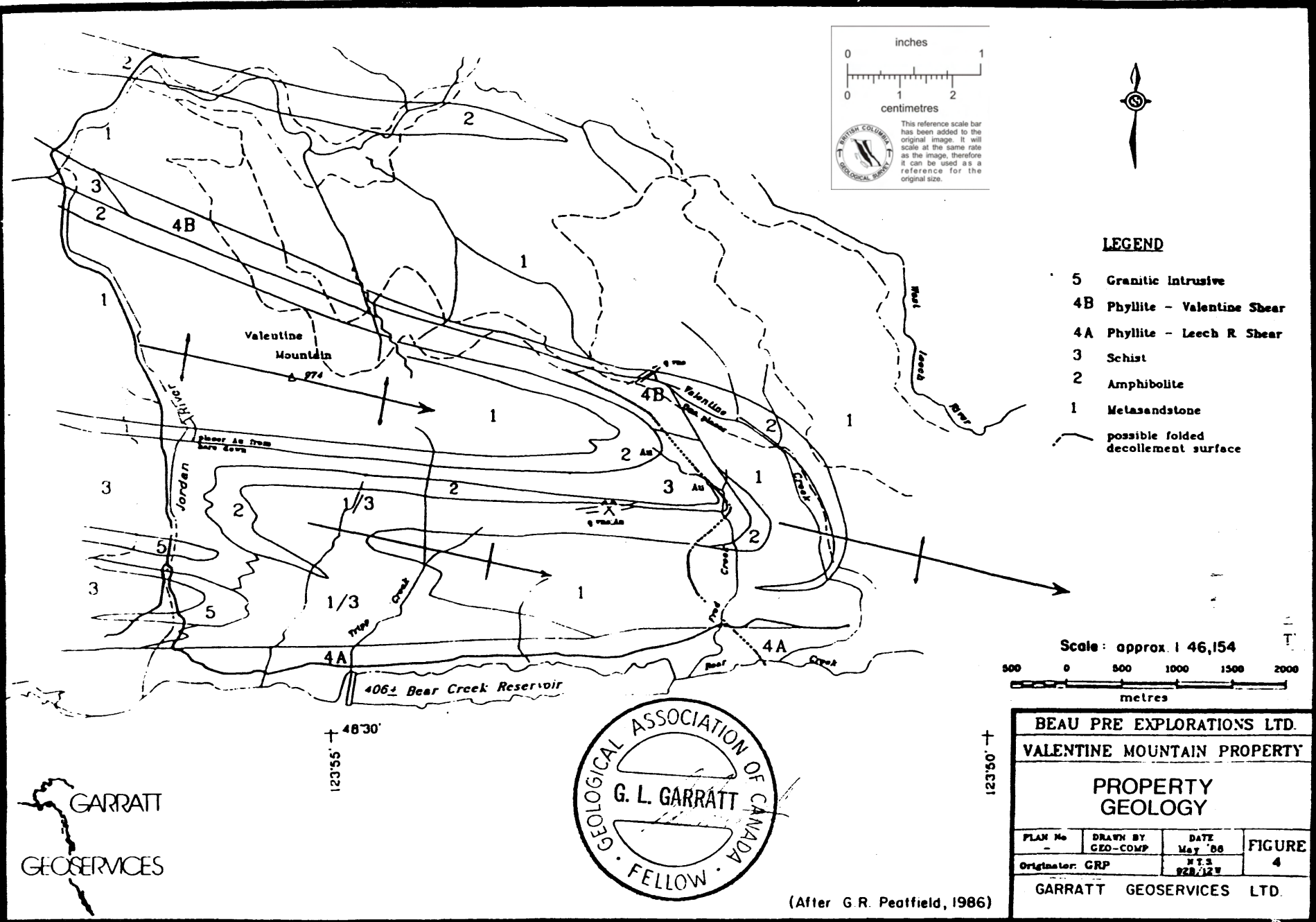
## 7. Property Geology

The geology described herein is a summary derived from the work and publications of: Fairchild (M.Sc. Thesis, 1979); Fairchild and Cowan (1982); Grove (1984) and; Wingert (B.Sc. Thesis 1984) (see Figure 4). It appears that while the property has been mapped well on a regional scale, detailed work is lacking. The property mapping was undertaken by Grove and Wingert at a scale of 1:7200, though an outcrop map has not been provided to determine the true resolution of this mapping. A review of field mapping notes indicates that the 1:7200 geology map has been summarized to some degree and while presenting a good overview of the underlying geology, does not incorporate sub-divisions of units, small dyke or shear zone locations, nor mineral occurrences. The dramatic local variations imposed by metamorphism was the probable reason for presenting the gross lithologic pattern, as opposed to a more confusing array of schist varieties. For the purpose of this report, however, the map and related reports provide a very good view of the geologic environment.

### 7.1 Lithologies

Mapping has divided the geologic section into three main lithologic types with a fourth member included as a structurally deformed and metamorphosed variety of other rock types (phyllites). These include: amphibolites, metasandstones, metapelites and phyllites.

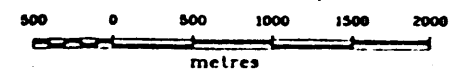
**7.1.1 Amphibolites:** The amphibolite units are believed to be representative of two rock types: porphyritic basalt and intercalated crystal tuff with occasional flattened volcanic bombs. These primary features are relict in areas of low metamorphic grade and disappear in the predominantly higher grade areas where the amphibolites are characterized as fine grained schistose rock with compositional layers. Wingert (1984) describes the mineralogic composition of the amphibolites as ranging from "actinolite-chlorite rich to hornblende-biotite rich containing quartz, feldspar and accessory calcite, epidote, sphene, apatite, tourmaline and opaques . . . Boudinaged quartz-plagioclase-epidote lenses are another characteristic feature . . .". Fairchild (1979) suggested that "the high proportion of quartz



**LEGEND**

- 5 Granitic Intrusive
- 4B Phyllite - Valentine Shear
- 4A Phyllite - Leech R. Shear
- 3 Schist
- 2 Amphibolite
- 1 Metasandstone
- possible folded decollement surface

Scale: approx. 1:46,154



BEAU PRE EXPLORATIONS LTD.			
VALENTINE MOUNTAIN PROPERTY			
<b>PROPERTY GEOLOGY</b>			
PLAN No	DRAWN BY	DATE	FIGURE
-	GEO-COMP	May '88	4
Originator: GRP		N.T.S.	
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GARRATT GEOSERVICES LTD.			



(After G. R. Peatfield, 1986)

in amphibolite facies rocks and the abundance of magnetite in greenschist rocks suggests that metavolcanic rocks were probably dacitic to andesitic rather than basaltic."

The amphibolites show a relatively high competency and lateral continuity, rendering them very useful as markers. These units may be locally tourmalinized and have been observed to be altered to a dark banded hornblende-rhodonite variety. Magnetite and pyrite disseminations are reported as common occurrences.

7.1.2 Metasandstones: These units generally comprise massive, poorly bedded rocks that are easily mappable. Grove (1984) describes the metasandstone as follows: "These rocks are typically buff weathering with a weak to strong foliation defined by fine grained biotite. The recrystallized matrix comprises a fine to very fine grained mosaic of quartz and feldspar with accessory apatite, sphene and occasional muscovite and pyrite. Hornblende, actinolite, garnet, epidote and K-feldspar are irregularly present as incipient to fine grained disseminations in most of the dominantly biotitic gneisses. An unusual texture imported to the gneisses by close spaced biotite rich layers has been termed 'wood grain' sandstone because of the distinctive appearance . . . The thickest metasandstone section, called the Valentine sandstone by Fairchild (1979), is exposed along Jordan River where it forms most of the steep slopes and high ridges on Valentine Mountain. Although massive, discrete layers and lenses of metapelites, and occasional sedimentary breccia mark primary bedding . . . In composition these biotite gneisses or metasandstones are typically quartz-rich (20 - 30%) with low to moderate amounts of biotite and hornblende."

7.1.3 Metapelites and Phyllites: This classification comprises the schists and phyllites which have received the greatest attention in relation to the study of regional metamorphic grade. The phyllites have been described by Wigert (1984) as two types: low grade metamorphic, in the northern and eastern regions of Valentine Mountain, and; retrograde metamorphic, on the south side of Valentine Mountain along the Leech River fault. "The mineralogic composition of the phyllites ranges from biotite-sericite-quartz to biotite-sericite-chlorite-quartz with accessory epidote, apatite and gra-

phite . . . In retrograde phyllites relict textures of amphibolite grade metamorphism are prominent." (Wingert, 1984). Grove (1984) argues that "much of the apparently lower grade chlorite-biotite-garnet schist is the result of progressive, and probably repeated, retrograde deformation.", and relates this development to ". . . extensive regional shearing related to the major east-west San Juan and Leech River shear zones and the conjugate southeasterly Floodwood Creek, Survey Mountain and Cragg Creek shears."

The schists are described by Wingert (1984) as ". . . characterized by graphite, range in colour from light to dark grey. They are thinly laminated and contain deformed ptigmatic quartz veinlets. The main foliation is outlined by quartz-biotite compositional layers and fine graphite streaks. Graphite also outlines an earlier foliation which is visible in helictic porphyroblasts of staurolite and biotite. The minerals of these schists include biotite, garnet, staurolite, andalusite and quartz with accessory apatite, chlorite, sphene, muscovite, tourmaline and opaques. Opaque minerals include graphite, pyrite, arsenopyrite and pyrrhotite."

Grove (1984) and Fairchild and Cowan (1982) mention the occurrence of coarse, recrystallized quartz lenses and veins that are notably conformable. Fairchild and Cowan believe these have an origin as cherts and Grove notes their presence as dominantly within andalusite-garnet schists in the Valentine Mountain area.

## 7.2 Intrusives

Foliated and unfoliated granitic to dioritic intrusives occur dominantly as sills, paralleling foliation or fold structures, some being apparently folded. Non-foliated intrusives are less common and Fairchild and Cowan report a trondhjemite of this type in the Jordan River Canyon. Wingert noted that cross-cutting dykes tend to be fine grained diorites. The intrusions appear to cluster from the Jordan River westward and conform to the region of highest metamorphic grade. Fairchild and Cowan (1982) describe the dominant sill types as biotite and muscovite orthogneisses; Wingerts' field notes describe small mafic and gabbroic dykes which are otherwise unreported. Some sills display enclosed blocks of schist.

"Small pegmatite dykes and sills, typically 1m or less wide, are apparently related to the large composite sills. They generally fall into two major compositional categories: quartz-feldspar-green muscovite pegmatite or quartz-feldspar-tourmaline-(green muscovite) pegmatite." (Fairchild and Cowan, 1982). Wingert (1984) adds minor amounts of garnet and gahnite to the mineralogy and notes their prominence in the Walker Creek area.

Three quartz vein varieties appear to have been identified, including two deformed sets and one undeformed. These latter sets are reported to be the host for the gold mineralization and range from 1 to 50 centimeters in thickness though Read (1986) indicated a gold bearing deformed quartz vein in sample DDH6/676B. Gold bearing veins constitute the discovery showings, now exposed in exposed in the A, 36, 1 and 2 trenches as discrete single veins to en-echelon swarms, and have been noted as far west as the Jordan River area. Minor amounts of disseminated pyrite, chalcopyrite, and arsenopyrite and local blebs to seams of spectacular coarse free gold have been observed in these veins and associated fractures. Gold smears and slicken sides have been noted on vein walls or fracture surfaces. Quartz veins are a common occurrence along dyke boundaries and silification has been reported along many sandstone-amphibolite contacts (Wingert-field notes, 1983). Quartz-tourmaline veins are not uncommon and are prevalent in the pegmatite area, noted above.

### 7.3 Metamorphism

Extensive regional studies have been undertaken, through field mapping and hand specimen and thin section reports, on regional metamorphism, and the following is a summary taken from those works (Fairchild, 1979; Fairchild and Cowan, 1982; Grove 1982 and 1984; Wingert, 1984; Read, 1986). The metavolcanics show two metamorphic grades: greenschist, characterized by chlorite-epidote with actinolite, albite and magnetite; amphibolite, characterized by hornblende-epidote-quartz-plagioclase. Two metamorphic events are indicated by the metamorphic assemblages in the pelitic rocks. Isograds have been located to define four metamorphic grades, transgressing greenschist to amphibolite facies, and these, with their mineralogic affiliations are as follows:

chlorite zone - muscovite-chlorite (northeast of the map area)  
biotite-chlorite zone: with muscovite-quartz  
garnet-biotite-chlorite zone: with muscovite-quartz  
andalusite-staurolite biotite: with sparse muscovite and moderate garnet

The andalusite-staurolite-biotite assemblage defines the highest grade of metamorphism and centres about the coincidence of the large volume of intrusive sills along the Leech River fault; metamorphic grade decreases north and northeasterly from this area. It has been concluded that the co-existence of staurolite and andalusite indicates a first phase andalusite-grade event followed by a second, retrograde, metamorphic event which produced staurolite and altered andalusite; these events aerially overlap and allow only one isograd to be defined. These two events are believed to be synchronous with two deformational events, and concluded prior to the end of the second deformation, as evidence by  $D_2$  crenulations on retrograded alteration of andalusite.

Read (1986) studied polished thin sections of rocks from the bottom of drill hole 6 and defined a propylitic alteration characterized by chlorite-sericite (muscovite)-calcite-quartz-albite associated with deformed, gold (-chalcopyrite, pyrite, arsenopyrite) bearing, quartz-calcite veins, which is superimposed on the originally amphibolite facies host schist.

#### 7.4 Structure

Fairchild and Cowan (1982) describe a two phase deformation, comprising isoclinal  $F_1$  refolded by  $F_2$  resulting in cylindrical folds which are generally asymmetric-open in the north and progressively symmetric-closed to the south. The axial trace is approximately east-west, plunging 25-30 degrees east and the dominant foliation is  $F_2$  axial planar, and steeply north dipping. Wingert (1984) describes megascopic fold structure as: the Valentine antiform with its hinge at the peak of Valentine Mountain; the Valentine synform, south of Valentine Mountain and; the Walker Creek antiform, to the southwest. In the area of the Valentine property  $F_1$  penetrative features are apparently rarely evident, having been transposed



to the  $F_2$  structures. Parasitic mesoscopic folds, boudins, crenulation cleavages and transposed fragmental ptymagtic quartz veins are features of the second deformation (Wingert, 1984).

Peatfield (1986) suggests a pre-folding decollement to explain the apparent repetition and loss of symmetry in the occurrence of amphibolites to the east of Valentine Mountain, in the nose of the plunging Valentine anti-form (see Figure 4). Post-folding fault systems are poorly documented in the property area and only major regional faults have been discussed by previous workers. Wingert (1984) depicts two minor faults trending north-easterly and northwesterly; the latter, northeast of Valentine Mountain, shows an apparent strike-slip movement in excess of 300 meters. The Leech River fault bounds the Leech River complex along the southern border of the property. Fairchild and Cowan (1982) describe this fault as ". . . a zone of two to four mappable, sub-parallel faults separating sizeable terranes of unsheared rocks belonging to the Leech River complex". These faults are said to parallel or sub-parallel the adjacent rock foliations and occur as discrete displacement surfaces, showing little effect on adjacent rocks. Wingert (1984) adds that small related shears have been observed on the property and locally produced mild mylonitization and granulation, resulting in more friable rocks. The Leech River fault is interpreted as post-dating regional metamorphism (Fairchild and Cowan, 1982).

#### 7.5 Mineralization

Reports of mineralization on the Valentine property almost exclusively deal with the occurrence of free gold and related minor sulphide occurrences. Most notably, the discovery area (crossed hammers - Figure 4) has been reviewed by several authors including: Lisle, 1980; Noel, 1980; Grove, 1982 and 1984; Falconbridge Ltd. - Chandler, 1985 and; Peatfield, 1986. Additionally, sampling reports by Beau Pre Explorations Ltd. and other interested exploration companies are available. The discovery area has been extensively trenched, exposed and sampled, primarily by Beau Pre Explorations Ltd. and Falconbridge Ltd. Beau Pre undertook diamond drilling in this region (13 holes, 1828 meters) in 1983, and limited soil sampling in 1979 and 1980 (99 samples).

Wingert (1984) and Grove (1984) suggested that undeformed quartz-veins following 60 and 80 degree fracture sets were the host to gold mineralization. Read (1986) has shown that quartz and quartz-calcite veins, associated with propylitic alteration, may be deformed and host gold.

The quartz-veins vary from massive-white to grey-glassy and combinations of these, and form thin 0.5 to 50 cm veins that may be continuous along tens of meters, to less continuous en-echelon stringer masses or discontinuous lenses. This character appears to apply to both the lateral and vertical axes. The veins are locally limonitic containing patches of abundant earthy iron oxide material or merely an amber coloured staining imparted by iron oxide. The veins may be vuggy but are generally massive in character. Calcite is reported by Read (1986) to occur surrounding anhedral weakly strained quartz grains, or as veinlets, and locally show deformation textures; calcite has been observed on fracture surfaces. The quartz-veins may parallel or cross foliation.

Sulphides form a minor accessory to the gold-bearing quartz-veins and include in descending order of reported abundance, pyrite, arsenopyrite, marcasite, chalcopyrite, sphalerite, galena and ilmenite. Grove (1984) reports that arsenopyrite has locally been fractured and cut by fine gold. Gold occurs within the veins as tiny specks to irregular 'hackly' masses, and occasionally in wire form. Gold smears have been noted along slicken-sided fracture surfaces and as small specks in the wall rock, a few centimeters from vein material. Although no silver minerals have been noted, sample results indicate their presence.

Grove (1984) noted an apparently gold-vein associated alteration in drill core that comprises "extensive quartz, calcite and gypsum veining, spotty to vein-like K feldspar zoning, tourmalinization, epidotization and biotitization of hornblende and the attendant development of fine to coarse grained magnetite." This conforms in part with Read's propylitic alteration described from thin sections of the drill core.

It is suggested by Grove (1984) that the gold-bearing veins of the discovery area are "localized in both the hanging wall and footwall of the highly altered, 100 meter wide amphibolite band mapped as extending from the Jordan River east to Fred Creek, a distance of about 5,000 meters". The discovery of a gold-bearing quartz vein east of the Jordan River (station 10-84 Howey) indicates that the strike of the quartz-vein system may exceed at least 3,000 meters. Diamond drilling has indicated that gold-quartz veins occur at depths of at least 165 meters below surface.

Wingerts' field notes (1983) account several occurrences outside the discovery area of quartz veins or country rock with associated pyrite, marcasite or arsenopyrite, and returned ten samples carrying gold values ranging from 0.004 to 0.024 o.p.t.; these have not been followed up.

## 8. Geophysics

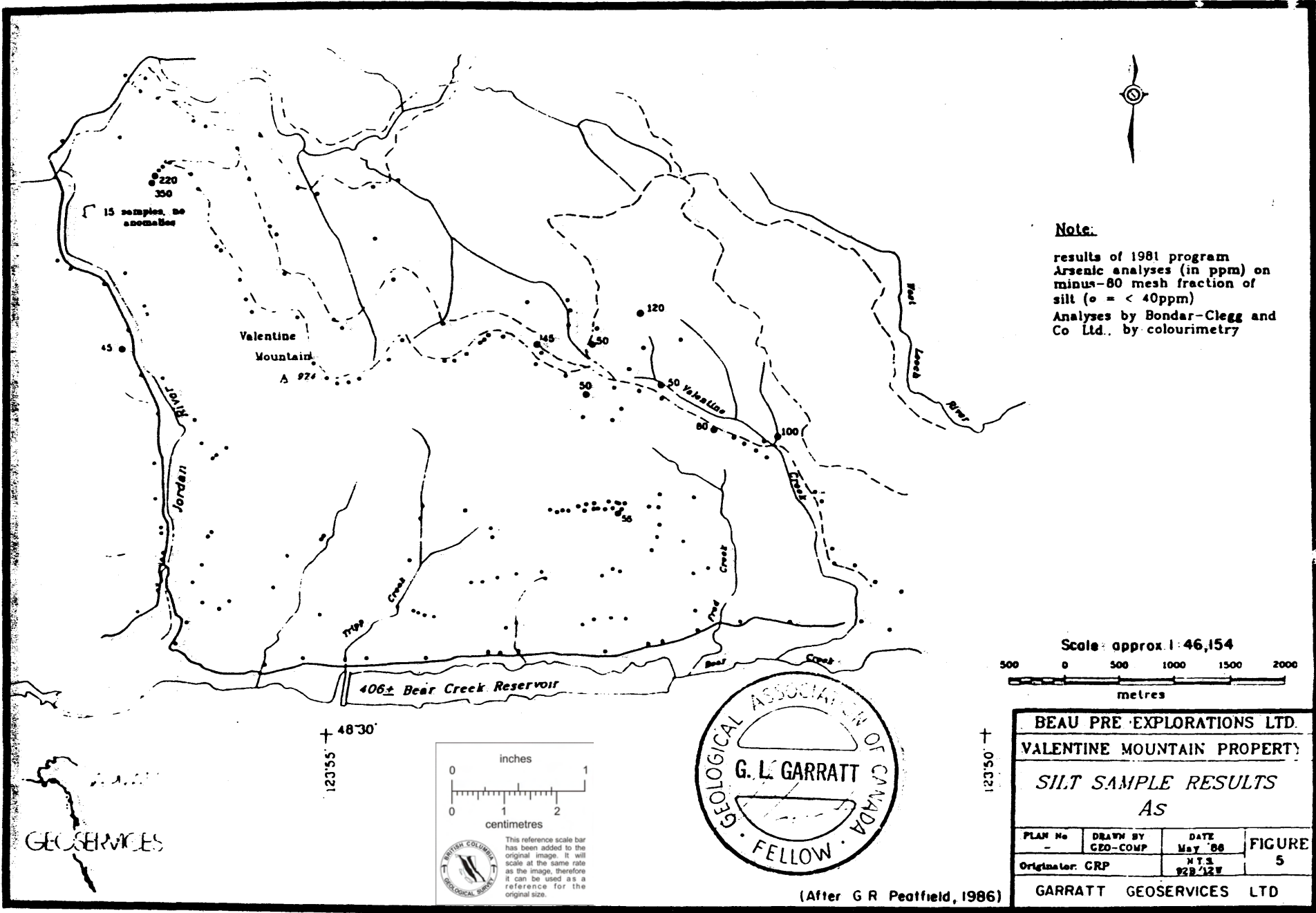
In 1984, Western Geophysical Aero Data Ltd. conducted a 2400 line-kilometer airborne magnetometer and VLF-EM survey over a large portion of the Leech River complex on behalf of several exploration clients. Approximately 370 line-kilometers were flown over the Valentine Mountain property and the results of this portion of the survey were submitted to Beau Pre Explorations Ltd. A magnetic low appears to outline the Leech River fault system and several small magnetic highs occur which are difficult to relate to the geological mapping, though some may reflect faulting. A series of small discontinuous magnetic highs and VLF-EM responses to the east and west of the Jordan River trend roughly parallel to underlying granitic dykes, though the anomalies extend beyond the mapped limits of these occurrences. A series of scattered, small northeast trending highs are tentatively interpreted by Pezzott and White (1984) as forming part of a subtly expressed regional fault system. There is no apparent indication of this from the geological map. Pezzott and White (1984) describe the VLF-EM as ". . . reflecting the suspected strike of the underlying geology, although some correlate with magnetically interpreted fault zones . . . Most of these responses are likely reflecting lithologic variations or contacts rather than discreet exploration targets."

## 9. Geochemistry

Beau Pre undertook a silt sampling program on the property in 1979 and 1980. The results of this sampling are displayed in Figures 5 and 6 which are summary maps produced by Peatfield (1986). Most of the anomalous As and Au sites are not coincident though one sample west of the Jordan River and two samples near the headwaters of Valentine Creek are. Au anomalies occurring along the south-facing slope between Fred Creek and to the west of the Jordan River, may reflect mineralization of the discovery zone, along strike. Anomalies at the headwaters of Valentine Creek indicate undiscovered mineralization, though a quartz-vein swarm has been reported in the vicinity (see Figure 4). Au and As anomalies scatter in a line northwesterly from the headwaters of Valentine Creek and indicate possible undiscovered mineralization on the north facing slopes northeast of Valentine Mountain. The occurrence of shear zones in phyllitic rocks and amphibolite units through this trend form a positive exploration feature.

Heavy mineral stream sediment sampling, recently undertaken by Minequest Exploration Associates Ltd. on major drainages on the property, will likely enhance the present silt sampling display and will undoubtedly require follow-up sampling and prospecting to segregate anomalous conditions within sub-basins. The heavy mineral sampling technique is a proven geochemical tool that results in a greater resolution of anomalous conditions than traditional silt sampling techniques. The results of the Minequest work are not yet available.

Soil sampling was undertaken over a limited area covering a portion of the discovery zone in 1979 and 1980. Little information exists on the soil character of the area though clay horizons locally occur and Lisle (May, 1980) states that "Soil horizons are not particularly well developed in the grid area". Gold values in soil generally range from less than 5 to 40 ppb with two samples yielding 295 and 170 ppb, the latter lying directly over the A vein. Arsenic in soils ranges in value from 1 to 24 ppm and shows no direct association with gold values, though some higher gold values do show higher arsenic values. Generally the soil values are low and form single point anomalies, though if a low threshold anomalous value were taken, two and three point anomalies with Au values of 15 to 30 ppb exist.



**Note:**  
 results of 1981 program  
 Arsenic analyses (in ppm) on  
 minus-80 mesh fraction of  
 silt ( $\sigma = < 40\text{ppm}$ )  
 Analyses by Bondar-Clegg and  
 Co Ltd. by colourimetry

Scale: approx 1:46,154  
 500 0 500 1000 1500 2000  
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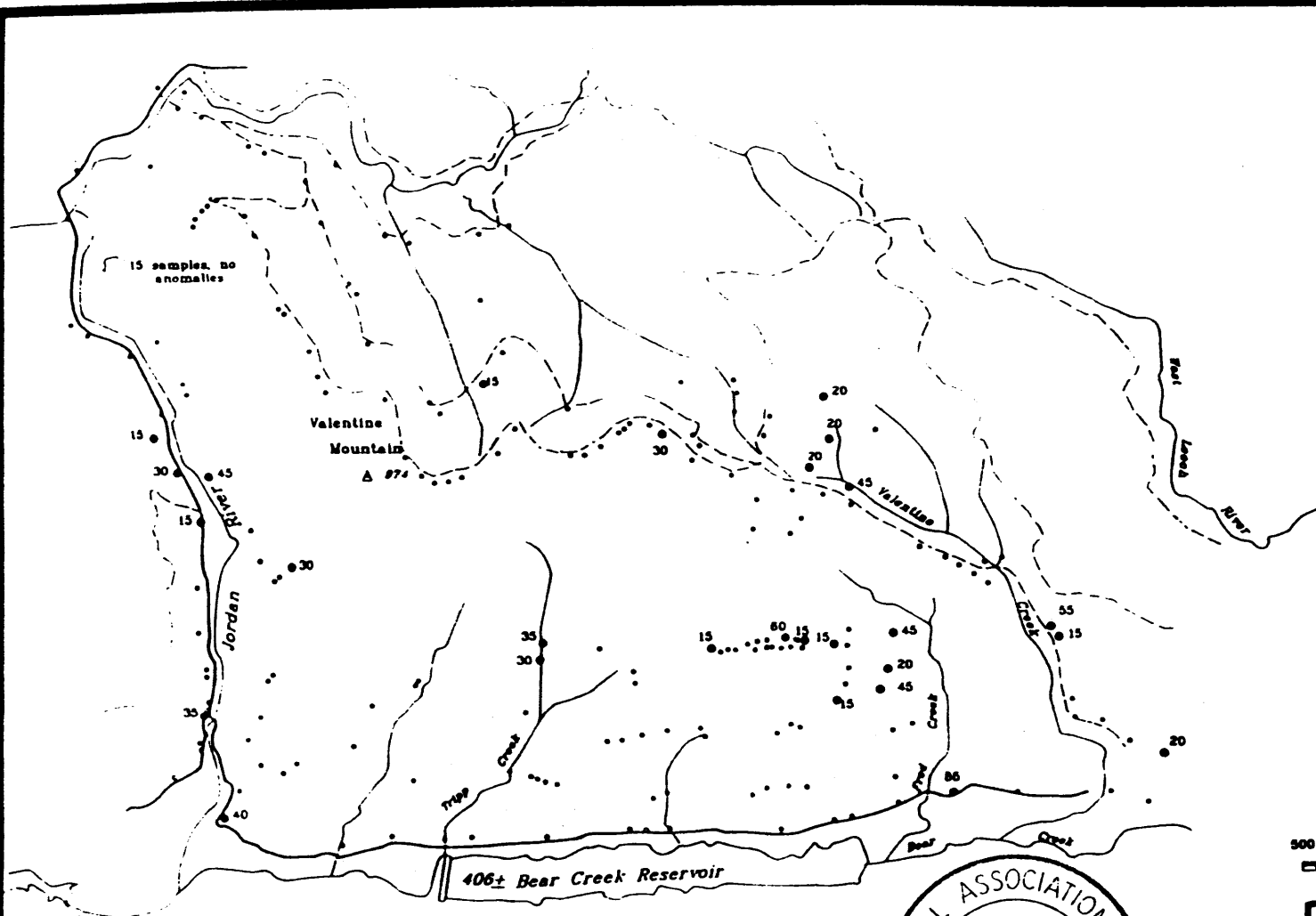
BEAU PRE EXPLORATIONS LTD.			
VALENTINE MOUNTAIN PROPERTY			
SILT SAMPLE RESULTS			
AS			
PLAN No	DRAWN BY	DATE	FIGURE
-	CGD-COMP	May '86	
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(After G R Peatfield, 1986)

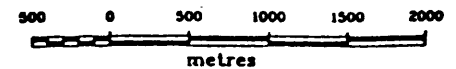


**Note:**

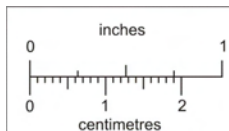
results of 1981 program  
Gold analyses (in ppb) on  
minus-80 mesh fraction of  
silt (o = < 15ppb)  
Analyses by Bondar-Clegg and  
Co. Ltd., by FA/AA



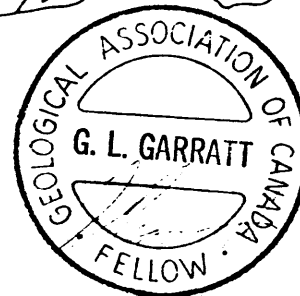
Scale: approx. 1:46,154



123°55' T 48°30'



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



123°50' +



(After G R. Peatfield, 1986)

BEAU PRE EXPLORATIONS LTD.			
VALENTINE MOUNTAIN PROPERTY			
SILT SAMPLE RESULTS			
Au			
PLAN No	DRAWN BY	DATE	FIGURE
-	GEO-COMP	May '86	
Originator: CRP		M.T.S. 02B/13V	6
GARRATT GEOSERVICES LTD			

These data are to be expected from the vein hosted "pockety" mineralization as gold dispersion from these veins would be expected to be a local phenomenon. All single point anomalies should, therefore, be followed up.

Beau Pre Explorations Ltd. recovered seven panned concentrates from bars on the Jordan River. Six of these were taken at fifty meter intervals northward from the bridge crossing the Jordan River at the 18.5 mile mark of the Jordan River Main road (near the granitic intrusives on Figure 4). These samples comprised concentrates of twelve pans each and returned assays ranging from 8.356 to 10.550 o.p.t. Au. The seventh sample (of six pans) was taken a further 0.5 miles up river and yielded 0.293 o.p.t. Au. This sampling confirms the presence of placer gold in the Jordan River and may confirm the importance of weak silt anomalies on tributaries to the Jordan.

Reconnaissance rock chip sampling of quartz-veins was undertaken by Wingert while mapping in 1983. Eleven samples returned gold values from 0.004 to 0.015 o.p.t. considering the nature of the gold mineralization on the property and analytical problems, any indication of the presence of gold implies an anomalous condition and deserves follow-up. These samples should be considered, for exploration purposes, as being geochemically anomalous. Similarly, an exposure of sheared, gossanous and siliceous amphibolite carrying pyrite, arsenopyrite and quartz veinlets was sampled by a student in 1984. This outcrop lies near a westerly flowing tributary of the Jordan River that joins the river where the amphibolite can be seen to transect a sharp curve in the river, on Figure 4; two samples chipped across one meter each, returned values of 0.007 and 0.013 o.p.t. Au. This appears to lie north of an anomalous stream silt which returned 30 ppb Au, and supports the anomalous condition of the area, though it is not known what the source of the silt anomaly may be.

#### 10. Diamond Drilling Results

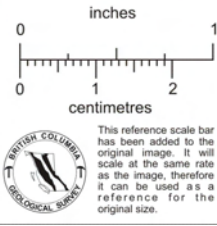
Thirteen diamond drill holes were completed in 1983, totalling approximately 1828 meters of NQ and BQ core. Eleven of these holes were placed

in the discovery zone, between Trench 36 and A Trench, a strike distance of approximately 350 meters (see Figures 7 and 9). Drill hole FC-1 is located approximately 950 meters east of A Trench, in an area where narrow visible gold-bearing quartz stringers yielded assays greater than one ounce per ton gold. Hole 21 is located approximately 290 meters westerly from the 36 Trench.

Figure 8 (Peatfield, 1986) is a cross-section showing the projection of drill holes in the 36 Trench area. These holes were drilled to test the continuity, at depth and along strike, of the 36 and associated veins. It is apparent that gold bearing veins persist at depth, at least to 82 meters, in the case of the 36 vein, and to 165 meters, as shown by the intercept of visible gold at the bottom of hole 6. Drill logs indicate that quartz-veins parallel and cross foliation, though data concerning vein attitudes is often lacking and the interpolation of veins relative to surface exposures is somewhat speculative. It is apparent however, that a vein system exists below the 36 Trench area, to some depth. An intercept of 0.49 meters of 7.55 o.p.t. gold near the top of hole 6 (at 35.96 to 36.45 meters) indicates that high grade gold of the tenor observed in surface exposures occurs at depth, and indicates the presence of a vein not exposed on surface. The grade given for this intercept is an average of several analysis and sampling techniques which resulted in assays of 4.74 to 9.1 o.p.t. Au; the average result for silver was 0.5 o.p.t. This zone is described by Grove (1984) as "metasandstone and schist with 40% grey quartz as lenses parallel to foliation ( $45^{\circ}$ ) with 5 flecks of visible Gold; marcasite and arsenopyrite."

A second significant intercept from the discovery zone drilling occurs at the bottom of hole 6 where 1.52 meters graded 0.094 o.p.t. Au and 0.04 o.p.t. Ag. This intercept at 204.83 to 206.35 meters was described by Grove as "altered amphibolite with extensive quartz-vein, quartz breccia and marcasite." Visible gold was noted in both the above intercepts and this was confirmed by Peatfield (1986). The intercept at the bottom of hole 6 was studied in polished thin-section, by Read (1986) and he described a propylitic alteration with irregular quartz and calcite lenses and veins that "obliterate the original amphibolite facies metamorphic assemblage". Hole 6 was not continued due to difficult drill conditions. This intercept indicates





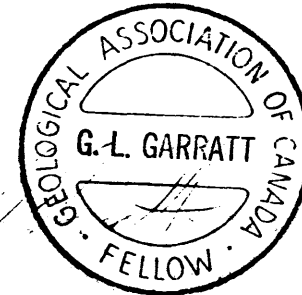
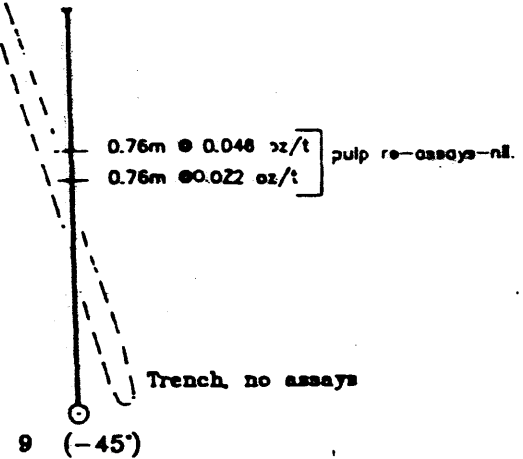
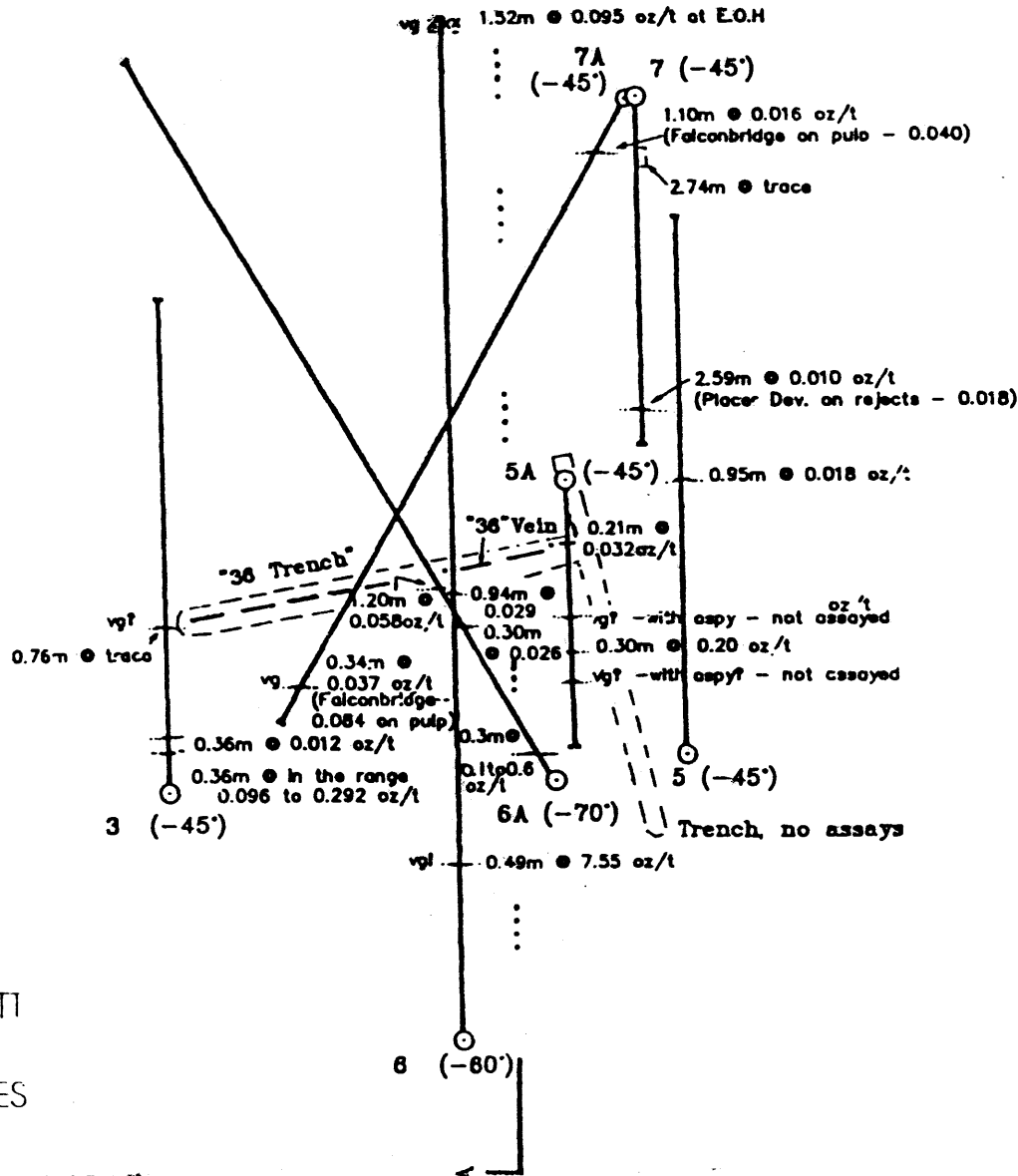
Scale 1:750



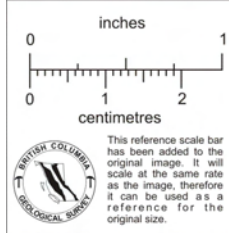
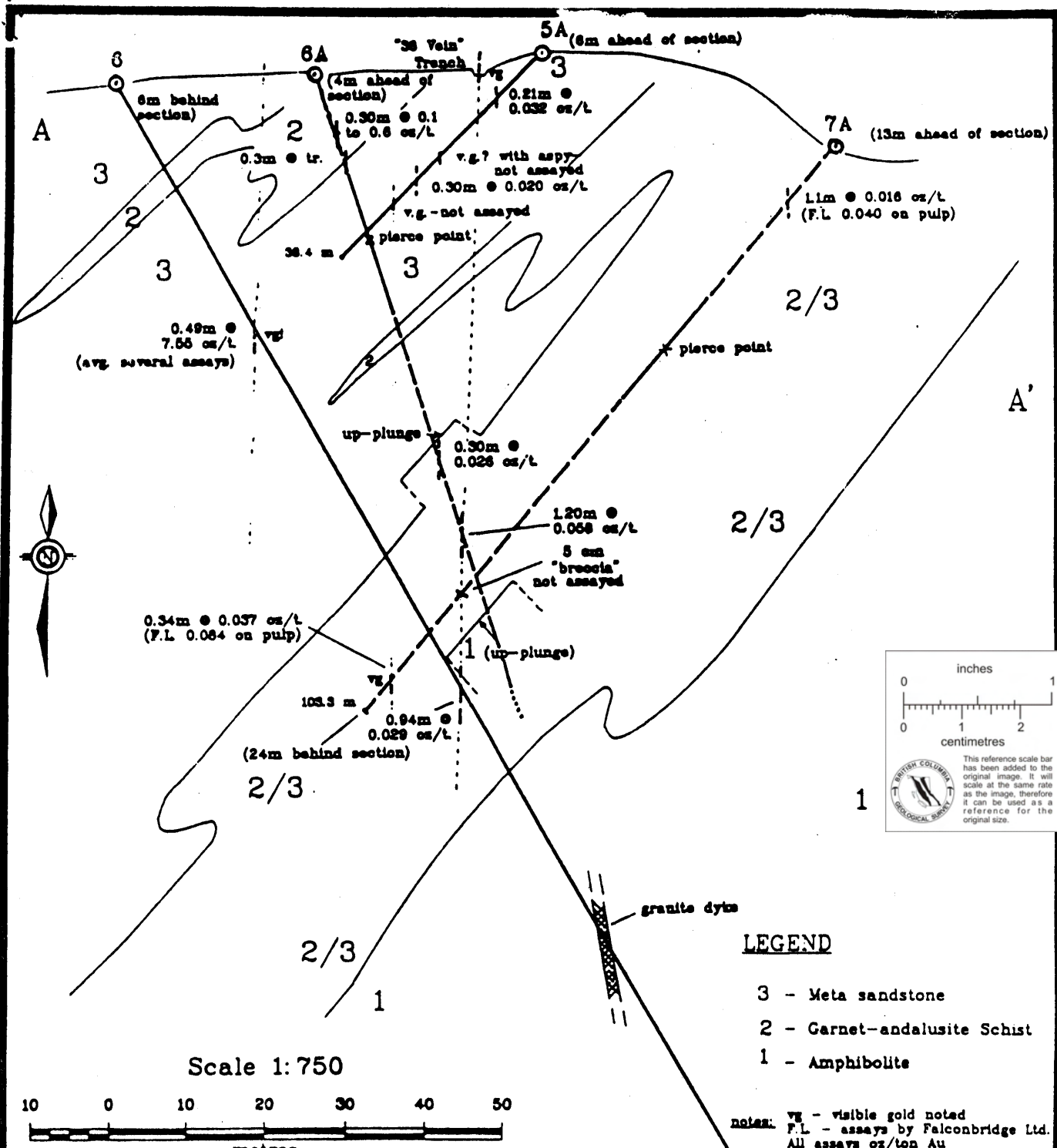
**BEAU PRE EXPLORATIONS LTD.**  
**VALENTINE MOUNTAIN PROPERTY**

*DRILL PLAN*  
*"36 TRENCH" AREA*

PLAN No. -	DRAWN BY: GEC-COMP	DATE May '86	FIGURE 7
Originator: GRP		N.T.S. 92B/12W	
GARRATT GEOSERVICES LTD			



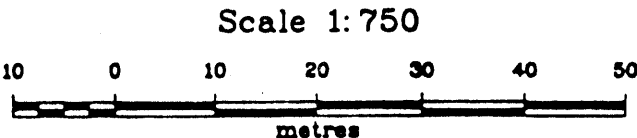
(After G R Peatfield 1986)



**LEGEND**

- 3 - Meta sandstone
- 2 - Garnet-andalusite Schist
- 1 - Amphibolite

notes: **vg** - visible gold noted  
**F.L.** - assays by Falconbridge Ltd.  
 All assays oz/ton Au



<b>BEAU PRE EXPLORATIONS LTD.</b>			
<b>VALENTINE MOUNTAIN PROPERTY</b>			
<i>DRILL SECTION</i>			
<i>"36 TRENCH" AREA</i>			
PLAN No.	DRAWN BY: GEO-COMP	DATE May '86	<b>FIGURE</b>  8
Originator: GRP		N.T.S. 92B/12W	
<b>GARRATT GEOSERVICES LTD.</b>			



(After G R Peatfield, 1986)

1.52m @ 0.005 oz/t at E.O.H.  
 propylitic alteration  
 208.3 m

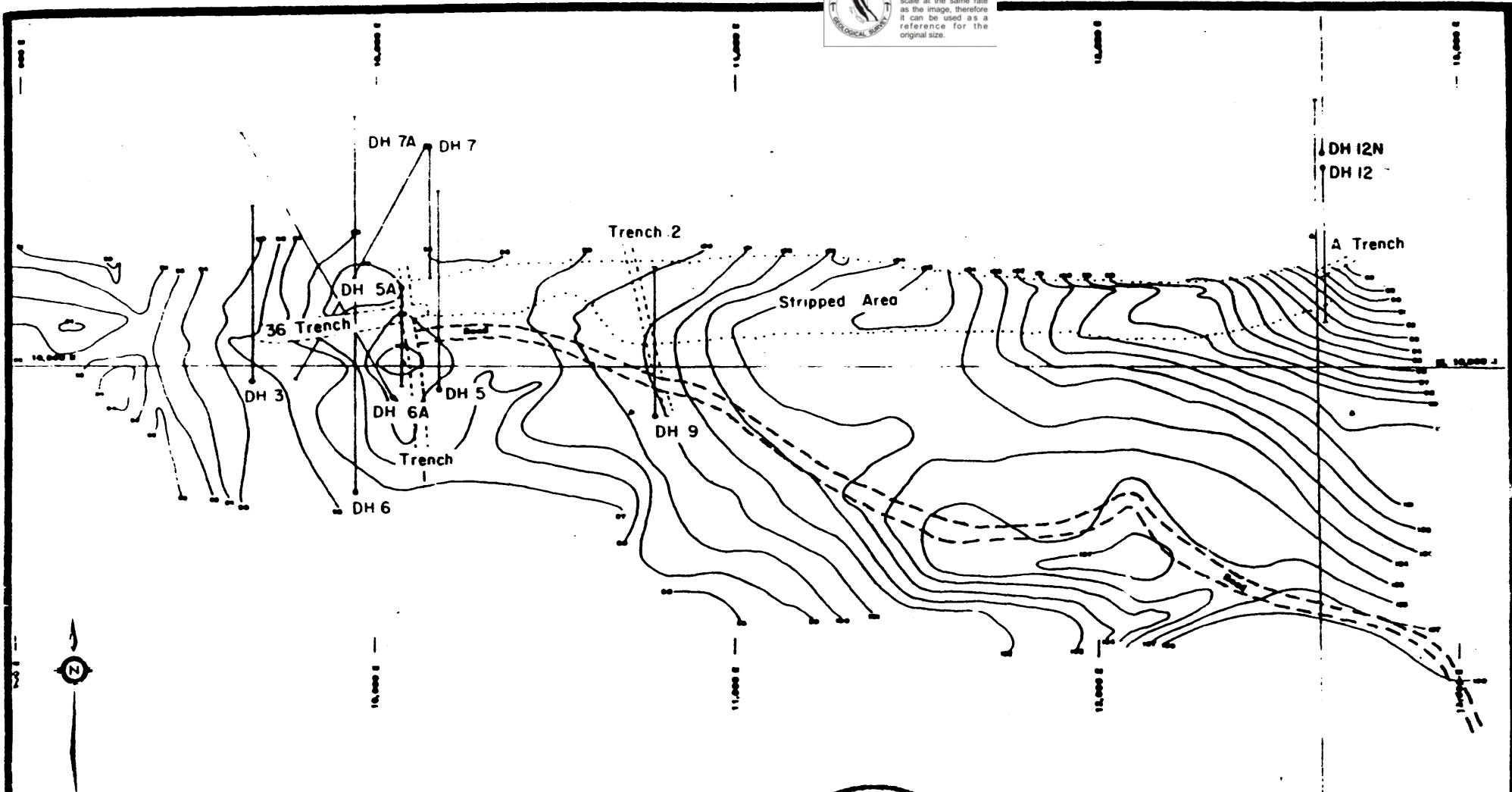
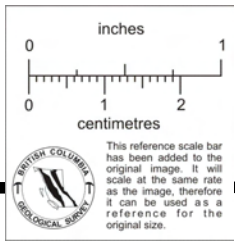
a significantly thick zone of mineralization that may be of different character than previously observed.

Peatfields cross-section (Figure 8) shows several other gold values of sub-economic grades (0.02-0.058 o.p.t.); two of these (holes 5A, 7A) carried visible gold and at least two visible gold occurrences appear not to have been sampled. These occurrences indicate the problem of obtaining reliable assay results where free gold occurs, as well as the problems that may be incurred by sampling too selectively. Further discussion of sampling and assaying difficulties including a review of selected results will be undertaken in section 12. The step-out holes, FC-1 and 21, encountered similar low-grade intercepts and visible gold occurrences, indicating the probable continuance of the discovery zone vein system along strike to the east and west, respectively.

## 11. Trenching Results

Beau Pre undertook the completion of two trenches, on the A and 36 veins, in the discovery area. Sampling by Beau Pre (including Low minerals) has been carried out sporadically between 1976 and 1986. A good portion of this sampling involved chip sampling along the strike of veins, to determine their grade and continuity, though some channel sampling and, significantly, bulk sampling have also been completed. Grove (1984) reports on sampling in the 36 Trench, these are assumed to represent continuous chip samples across the noted intervals:

<u>Trench Location</u> (from E end of Trench)	<u>Position</u>	<u>Sample</u> <u>Width</u>	<u>Ag oz/T</u>	<u>Au oz/T</u>
2 meters	Foot Wall	46 cm	0.07	0.410
	Vein	17 cm	3.85	34.950
	Hanging Wall	61 cm	0.16	0.852
10 meters	Foot Wall	36 cm	0.56	0.005
	Vein	3 cm	2.27	33.200
	Hanging Wall	37 cm	0.79	3.845
20 meters	Foot Wall	46 cm	0.10	0.142
	Vein	18 cm	0.03	0.003
	Hanging Wall	50 cm	0.02	0.090
30 meters	Foot Wall	48 cm	0.01	0.010
	Vein	13 cm	0.12	0.328
	Hanging Wall	37 cm	0.10	0.003



- 98 topographic contour - 1 metre intervals
- - - - - trench
- ..... stripped area
- - - - - road
- DH 90 — drill hole projection

(After Falconbridge Ltd., 1986)



Volume No	111
Sheet, BC	
PLAN OF TRENCH AREA	
GARRATT GEOSERVICES	
Date of issue	REV. NO.
Issue No.	9
Date	N.T.A.

Of interest here are the high variability of values within both the vein and host rocks. It is apparent that while gold may be erratically dispersed in the veins, dispersion into the wall rocks may also occur sporadically. By length averaging these samples, an average grade of approximately 2.24 o.p.t. Au and 0.355 o.p.t. Ag across an average width of 1.03 meters is indicated. Length averages for the four chip sample sites are:

<u>Trench Location</u>	<u>Width</u>	<u>o.p.t. Ag</u>	<u>o.p.t. Au</u>
2 meters	1.24 m	0.63	5.36
10 meters	0.76 m	0.739	3.18
20 meters	1.14 m	0.05	0.097
30 meters	<u>0.98 m</u>	<u>.058</u>	<u>0.049</u>
(Length) Averaged	1.03 m	0.355	2.24

It is also apparent that with higher gold values, higher silver values will likely be encountered. Highly variable sample results from specimens displaying visible gold make the quantitative use of these averages as reliable grade estimates problematic. This will be discussed further in the following section, though it is important to note that the inclusion of spectacular free gold can significantly enhance the average grade and if sampling or lab preparation resulted in the non-inclusion of a representative proportion of this gold, the results may not reflect average grade and could be significantly less.

A number of grab or chip samples of vein or wallrock have been taken by Beau Pre and a host of exploration companies in the discovery area. While this sampling does not represent a consistent controlled approach, the results tend to confirm the above listed variability in that values range from 0.003 to 1.5 o.p.t. Au in both veins and adjacent wallrock, including both the main 36 and A veins, as well as a number of smaller veins in the vicinity (e.g. 2,3650, south veins).

Four separate bulk sample tests have been completed in the discovery area, principally by Beau Pre Explorations Ltd. The data pertaining to these is as follows:

No.	(Mo/Yr) Date	Treatment Facility	Dry Weight lbs. (kg)	Cu(%)	Pb(%)	Zn(%)	As(%)	Silica (%)	Ag (o.p.t.)	Au (o.p.t.)
1.	7/79	Asarco, Tacoma	775 (335.54)	0.11	--	0.01	0.08	84.8	0.21	0.27
2a.	3/84	Cominco, Trail	223 (101.15)	0.01	0.10	0.10	0.01	66.9	0.60	4.821
2b.	3/84	Cominco, Trail	296 (134.26)	0.01	0.10	0.10	0.01	89.4	1.25	18.447
2c.	7/84	Cominco, Trail	4159 (1886.52)	0.01	0.17	0.10	0.01	73.7	2.25	0.210
2d.	7/84	Cominco, Trail	3287 (3758.98)	0.05	1.10	0.40	0.01	84.5	18.60	0.348

No.	Date (Ma/Yr)	Treatment Facility	Treatment Method	Dry Weight lbs. (kg.)	Recovery-Ag	Au-Ag	Ag (o.p.t.)	Result	Au (o.p.t.)
3.	11/85	Bondar-Clegg	Tabling	42.087 (19,091)	458.5 mg	8746.53 mg	0.70		13.362
4.	8/86	Sando Ind.	Gravitation	300 (136.08)		24.494 g		head tails	5.557 0.311

Sample 1, shipped to the smelter in Tacoma, was obtained from the A vein and the South vein (50 feet south of A vein); this sample was predominantly quartz-vein material. Sample 2a and 2b are from the 36 Trench: 2a comprised the fines resultant from sluicing an estimated 5 tons of material mucked from the trench; 2b comprised grab samples of vein and wallrock taken along the length of the trench after blasting but prior to excavation. Samples 2c and 2d are from a small 3 foot (0.91m) trench excavated from the last 15 feet (4.57m) at the east end of the 36 trench: 2c comprised fine material shovelled from the trench bottom and; 2d comprised the bulk of material excavated from this trench. Samples 3 and 4 were derived from a 300 lb. (136.08 kg) sample that was obtained by mucking out the A trench; subsequently, 42.087 lbs (19.09kg) of this sample were

sent to Bondar-Clegg for a tabling test and then the pulp, reject and gold-silver beads were re-combined with the original sample and shipped to Sando Industries in Victoria where they were run through a gravitational recovery process.

Samples 2c and 2d would appear to be the most representative type of sample taken for determining a grade estimation across a given width of vein and country rock. These samples are large and as such remove sampling bias from the result. Sample 2a, essentially a concentrated sample, indicates the need to include the finer material, created during trenching, in a sample, as it would appear that gold particles become liberated during the trenching process. Sample 2b may have been biased, considering the high value, toward vein material, but could be indicative of the expectation that individual bulk samples may contain gold pockets and return high grade values. Samples 3 and 4 may show a sampling bias in that spectacular free gold occurred in the A trench and may have concentrated in the trenchbed material that comprised this sample; again this indicates a need to include all material when bulk sampling freshly trenched zones. Sample 1 represents selective sampling and indicates that vein material is not homogeneously mineralized with spectacular free gold, but should still yield significant value.

The bulk sampling outlined above is limited in scale and could be considered as an orientation sampling that indicates the viability of a bulk sampling program if carried out in a thorough manner. The average grades indicated by this sampling are somewhat speculative, considering the small data set and sampling procedures, but show that economic gold values, in excess of 0.2 - 0.3 o.p.t. Au) can be obtained across widths of at least one meter, and that high grade ores, possibly containing 4 to 5 o.p.t. Au, might occur locally. This result, when compared to the trench chip-sampling listed earlier, indicates that average grades, resultant from a combination of high grade pockets and low grade vein and wallrock material, may be of economic tenor.

In 1985, Falconbridge Ltd. carried out a program that resulted in the completion of Trenches 1 and 2, overburden stripping between the 36 and

A Trenches, and a comprehensive chip-panel and vein sampling program in the trenches. This work was undertaken with the objective of outlining areas for bulk sampling (Chandler, 1985). The Trenching Program involved: mucking and cleaning out 45 meters of the 36 trench; cutting Trench 1, immediately east of Trench 36 and Trench 2, 60 meters east of Trench 1, to 2 meters deep and 50 meters long, across the strike of the veins; cleaning and mucking 11 meters of A Trench; stripping and washing to bedrock a 250 meter by 30 meter area between Trenches 1 and A. "In most cases sampling procedure consisted of individual vein channels with separate narrow wallrock channels on both sides of veins. Panel-type chip samples of lateral or intervening hostrock supplemented the vein sampling." (Chandler, 1985) It has been reported that visible gold was segregated from vein samples before assay and Peatfield (1986) suggests that this might explain at least one case where a 10 cm by 1m sample of wallrock assayed much higher than the adjacent 6 cm by 1m of vein (6.58 vs. 2.13 g 1 tonne respectively). Sample results for Trenches 1 and 2 are not available, while the Trench 36 and A sample results are complete.

The results of the Falconbridge sampling were somewhat discouraging. Averaging of the results, by using the area (length times width) of the sample panel or chip zone, by Falconbridge gave the following results:

	<u>Description</u>	Length (m)	Width (m)	Au (g/tn)	Au (o.p.t.)	
A Trench:	North vein	11.0	0.02	67.29	1.951	
	North vein & wallrocks	11.0	0.16	9.18	0.266	
	South vein	9.0	0.04	18.11	0.525	
	South vein & wallrocks	9.0	0.20	4.71	0.136	
	South vein & North splay	12.0	0.04	16.69	0.484	
	S. vein & N. splay & wallrocks	12.0	0.20	4.10	0.118	
	South vein & South splay	12.0	0.04	16.70	0.484	
	S. vein & S. splay & wallrocks	12.0	0.17	4.34	0.125	
	36 Trench:	West 36 vein	15.0	0.05	0.16	0.004
		Middle 36 vein	7.0	0.06	5.30	0.153
East 36 vein		12.7	0.08	0.30	0.008	
West 36 vein & wallrocks		15.0	0.15	0.27	0.007	
Middle 36 vein & wallrocks		7.0	0.16	2.72	0.078	
East 36 vein & wallrocks		12.7	0.17	0.26	0.007	



High samples in the A Trench veins attained a peak of 629.96 g/tonne (18.268 o.p.t.) where the north vein averaged 67.29 g/tonne (1.951 o.p.t.) along 11 meters. Vein samples in the 36 Trench peaked at 19.6 g/tonne (0.568 o.p.t.). Samples identified as carrying visible gold returned assay values of 0.05 (0.001 o.p.t.) to 0.45 g/tonne (0.013 o.p.t.) though these were all panel samples in which severe dilution with non-mineralized host rock would explain the low assay values. With the exception of only one sample in A Trench, all the panel samples returned less than 1 g/tonne, the anomalous panel returned an assay of 3.10 g/tonne (0.089 o.p.t.) with a re-assay of 6.90 g/tonne (0.200 o.p.t.), grading higher than adjacent vein and vein-wallrock. It would seem that the sampling method utilized may not have been adequate in recovering pockets of free gold, or, if spectacular gold samples were omitted from vein samples, then the results would seem appropriate. The A Trench vein and wallrocks could be estimated from this sampling to carry approximately 0.5 ounce/ton gold. The 36 Trench vein and wallrock sampling indicates that while visible gold was observed to occur, these occurrences were either not of sufficient size to affect the grade significantly, or were omitted from the sampling.

## 12. Sampling and Assaying

The above review of trench sampling displayed the variability of the occurrence of gold within quartz-veins and their adjacent wallrocks. It seems evident that bulk sampling may be the only method to adequately sample the mineralization for determining average grades. Re-assaying of pulps and rejects from drill core and trench chip samples, as well as various tests of preparation and analysis techniques have been undertaken in an effort to determine the reliability of assaying to adequately determine gold grades. Of particular interest is the coincidence, in many cases, of visible gold and low assay returns.

Fourteen samples were selected for review from re-assay data obtained primarily from Falconbridge drill core analyses. By assaying two to seven sub-samples it is evident that an average variation in results of approximately 1.8 can be expected (e.g. a range of 1g to 1.8g assays from one

original sample). Of these samples, three were found to have been extensively treated and the relevant data are listed below: (rej = reject; all values g/t (o.p.t.)).

Sample No.	DDA	From (m)	To (m)	Int (m)	Pulp 1	Pulp 2	Pulp 3	rej.1	rej.2	rej.3	high low (value)
51309	6A	55.47	55.78	0.31	0.82 (0.024)	0.86 (0.025)		1.43 (.042)	1.1 (.032)	1.34 (.039)	1.74
13651	6A	9.14	9.45	0.31	3.82 (.111)	5.4 (.157)	6.08 (.177)	14.95 (.436)	20.7 (.604)	20.49 (.597)	5.36
13653	6A	13.10	13.41	0.31	1.18 (.034)	1.42 (.041)		1.65 (.048)	1.58 (.046)	5.94 (.173)	5.03

The variation in results is obvious; as much as a five fold increase in grade may be achieved by taking additional sub-samples. In the cases given here the reject sub-samples consistently assay higher than the pulps of the original sample, and the cause of this phenomenon may well be in the nuggeting character of the gold.

Similarly, Beau Pre Explorations Ltd. submitted a sample carrying visible gold from the A vein and requested that five splits be analyzed to determine the possible variation in the resultant values. The results are as follows: A-1.681 o.p.t. Au, 0.20 o.p.t. Ag; B-1.999 o.p.t. Au, 0.22 o.p.t. Ag; C-2.100 o.p.t. Au; 0.23 o.p.t. Ag; D-1.607 o.p.t. Au; 0.18 o.p.t. Ag; E-1.670 o.p.t. Au, 0.19 o.p.t. Ag, giving a factor of 1.3 between the high and low values and a variation of 0.493 o.p.t. More dramatically, nineteen drill intercepts within which visible gold was reported returned assays of less than 0.002 o.p.t. to 7.55 o.p.t. Au. The latter number relates to an intercept in hole 6 where reassaying returned values ranging from 4.795 to 9.1 o.p.t. The following results were achieved by reassaying visible gold intercepts:

D.H.	From (m)	To (m)	Interval (m)	Original assay (opt)	Reassay(s) (opt)	High/Low
3	5.34	5.79	0.35	0.096	0.106, 0.292, 0.170	3.04
6	35.96	36.45	0.49	7.55=avg. of	4.795 to 9.1	1.89
	88.54	89.48	0.94	0.029	0.01, 0.026	2.90
	204.82	206.34	1.52	0.095	0.021, 0.071	4.52
12A	50.29	52.12	1.82	0.06	0.043, 0.038	1.57
15	150.27	151.18	0.91	0.003	0.042	14.0
	154.53	154.96	0.43	0.003	0.098	32.66
6A	9.14	9.45	0.31	0.174	0.111 to 0.604	5.36
	9.45	9.75	0.30	0.018	0.001 to 0.011	18.0
	13.10	13.41	0.31	0.011	0.034 to 0.173	15.72
	55.47	55.78	0.31	0.026	0.039	1.5

The results of the above assays outline the problem of obtaining a reliable assay from drill core and, likely, other sample types. While some values dropped with reassay, others were brought from undetectable levels to economically significant values. It can be clearly observed that attempting to determine average grades by assaying techniques is a risky business. Bulk sampling, where the gold is recovered from the entire sample would seem the most reliable approach. Considering the high cost of running relatively small bulk samples through the smelter at Trail, combined with the free character of the gold, the Sando gravitational milling process utilizing a fine crushing, might prove the most cost effective method of determining the average grade from surface exposure, though further testing would be required to verify this. In sub-surface tests, the use of reverse-circulation drilling might be utilized to obtain a large, homogenized sample interval; in this case at least two large sub-samples should be assayed or, a more comprehensive analytical method should be undertaken.

### 13. Discussion

The Valentine Mountain property is underlain by gold-bearing quartz-vein systems that appear to have localized along the flank of an upright antiform, adjacent and within an amphibolite unit. Geochemical and prospecting evidence, as well as diamond drilling (FC-1, 21) indicate that the discovery zone may continue along strike for a distance of 3,000 meters and up to 5,000 meters. Additional gold-bearing vein systems are similarly indicated to occur to the north, along the opposite limb of the Valentine

antiform. The structural control for the emplacement of the gold-bearing vein systems appears to be dominated by shear zones and fold structures that apparently coincide with a schist-amphibolite contact area, suggesting structural location influenced by folding and related host-rock competency as well as subsequent shearing. The definition of a later post-tectonic-metamorphic propylitic alteration associated with gold-quartz (calcite) veining and, probably, shearing, attest to a late hydrothermal-tectonic event that post-dates granitic intrusion and metamorphism as defined by Fairchild and Cowan (1982), and may be related to the Leech River fault-shear event. This would suggest that the duration of intrusive-hydrothermal activity continued beyond the time defined by Fairchild and Cowan (1982), or that a second generation of plutonic activity occurred and may have been synchronous with Leech River faulting. The occurrence of non-foliated sills adjacent foliated varieties as well as the presence of granitics to gabbroic or mafic dykes and sills might support two intrusive-hydrothermal events. This would suggest that the gold-quartz event exposed on the property may be seated in buried plutonic bodies lying under the Valentine Mountain area. A small granitic dyke in hole 6 indicates this possibility. This would enhance the exploration potential of the Valentine antiform, and in particular, to the shear-phyllite zone on the northern limb, along which the occurrence of geochemically anomalous silt samples are already supportive.

The discovery of quartz masses accumulated in the nose of the Valentine antiform (R. Beaupre, personal communication, 1986), and on a smaller scale in the discovery zone, indicate the potential for the discovery of gold-bearing zones of greater dimension than have been tested to date (Saddle-reef type occurrence). Similarly, the relationship of the quartz systems to shear and fold structures adheres to the pinching and swelling character of the vein systems observed in the discovery zone and it can be expected that similar, and perhaps larger, dilation features will exist downward as well as along strike, enhancing the deposit potential to host significantly large lodes.

A weak association of the gold-quartz system with sulphides, including pyrite, arsenopyrite, chalcopyrite and galena, has been noted. The Kolar

deposits (Narayanaswami, et al 1966) define both quartz and quartz-sulphide lodes in which the latter form an important ore-type containing approximately ten percent sulphides. This comparison to the Kolar deposits has already been given, and would seem to be of sufficient merit to offer this characteristic as another exploration possibility for the Valentine Mountain property. Several sulphide occurrences are known, and as exploration on the property develops, the use geophysical techniques might be considered for the exploration of these deposit types.

While the dimensional character of the quartz-vein systems has been reasonably established in the discovery zone, an attempt to determine average grades remains problematic. As discussed earlier, sampling indicates that grades of 0.2 to 0.5 ounces per ton could be expected, with zones carrying 2 to 4 ounces per ton occurring locally. These grades conform well with those in the Kolar deposits where the production of 23 million ounces from 40 million long tons of material indicates a grade of at least 0.5 o.p.t.; grades are reported as 0.35 to 0.5 o.p.t. (7-10 dwt) in quartz lodes and 0.25 to 0.3 o.p.t. (5-6 dwt) in sulphide lodes (Narayanaswami, et al, 1966). The author has concluded that careful bulk sampling may be the only method of accurately determining average gold values across mineable widths. For sub-surface exploration purposes this poses a problem that will be difficult to overcome, short of underground development. It is suggested that reverse circulation drilling, whereby an homogenized sample is obtained, may aid in sub-surface testing. This technique has been successfully and extensively utilized in testing large, low-grade deposits in the U.S. where the gold is somewhat erratically but finely dispersed throughout large rock volumes. Although the style of mineralization is different at Valentine Mountain, the concept of averaging the samples by this method should prove valid, though sample intervals should be kept short (0.5m suggested) and more than one sub-sample should be obtained and analyzed to improve the probability of determining average grade. Additionally, core-drilling should complement such a program in order to delineate and define the geometry and character of the vein systems, as well as for analytical comparisons.

The discovery zone offers an immediate exploration target showing significant gold values over short intervals. To delineate this zone and determine its grade, a program of core and reverse circulation drilling as well as bulk sampling should be undertaken. Drilling should be directed to testing the full width of the discovery zone system as well as to depth where, in hole 6, significant mineralization has been encountered. A series of two-hole fences should form an adequate first pass test of the zone, with hole angles of minus 45 degrees and approximate lengths of 100 meters per hole. These should be drilled from south to north to cut the stratigraphy and veins at a moderate angle and to avoid hole deflection that might occur by drilling closer to the angle of the foliation (i.e. if drilled north to south). Considering a 300 meter length of the discovery zone, a series of ten fences spaced at 30 meters would entail approximately 2000 meters of drilling and should be sufficient to gauge the tenor of the zone. An additional 1000 meters of drilling could be utilized to test extensions of the zone, at 100 meter intervals, 500 meters to the east and west, or could be diverted to other zones that may be discovered by a concurrent program of geologic mapping-prospecting and sampling.

Regional prospecting and sampling have indicated large areas of exploration potential. A program should be implemented to continue the delineation of these targets and should include geologic mapping-prospecting and further geochemical sampling (in part dependent upon the results of the Minequest heavy mineral stream sediment sampling). These areas include not only the strike extensions of the discovery zone, but also the north limb and nose regions of the Valentine antiform. A soil geochemical program along strike from the discovery zone appears warranted in that areas of overburden cover may be tested. This should be undertaken in stages, with a first stage designed to test the discovery zone strike on a reconnaissance level with line spacings of 100 meters and sample spacing of 10 meters, along 1 km lines; sample spacing and subsequent line spacing could be tightened as results are obtained, to form the second stage.

#### 14. Conclusions and Recommendations

A review of the extensive data package available for the Valentine Mountain property has led to the following conclusions:

1. The geologic environment and style of mineralization suggest a quartz-vein shear zone classification for the mineral occurrence.
2. The 'discovery zone' comprises an area of approximately 350 meters by 70 meters, within which quartz-vein systems are prolific, forming en-echelon masses and discreet veins 1 to 50 cm wide which locally network to form vein zones a few meters in width; drilling indicates that the vein systems persist to a depth of at least 165 meters from surface.
3. Free gold occurs as fine particles to spectacular 'hackly' masses within quartz (calcite) veins which may also carry minor amounts of arsenopyrite, pyrite, chalcopyrite and galena.
4. The quartz systems appear to have been controlled in their emplacement by fold and shear structures.
5. The discovery zone likely forms a portion of a much larger, structurally controlled, system extending for 3 to 5 kilometers along strike.
6. Other quartz-vein systems with exploration potential are indicated, including the north limb and nose areas of the Valentine antiform.
7. Sampling in the discovery zone indicates that grades of 0.2 to 0.5 o.p.t. Au may be encountered across widths in excess of 1 meter, and that local zones may contain grades of 2 to 4 o.p.t. or better.
8. The tonnage potential of this style of deposit is considerable and a target potential of several million tons is not unreasonable.

9. Drill testing of the discovery zone and strike extensions is warranted to further test the continuity, geometry and mineralization of the quartz-vein system.
10. Limited previous reconnaissance exploration warrants follow-up geological mapping, prospecting and sampling.

A work program separated into two phases, with the second phase being contingent upon the results of the first phase, is recommended. The first phase is designed to delineate the tenor of the discovery zone by core and reverse circulation drilling and subsequently to test by drilling at a reconnaissance level, probable extensions of the zone. This first phase drilling will split into a 2000 meter interval for the discovery zone and a further 1000 meter interval for step-out drilling, to be divided approximately into 35 per cent core and 65 per cent reverse circulation methods. Concurrent with the drilling, a program of geologic mapping, prospecting and reconnaissance level geochemical sampling is recommended to determine the nature of the strike extension of the discovery zone and other indicated target areas. Relogging and further sampling of pre-existing core is also included in Phase 1.

Phase 2 program will entail delineation drilling in the discovery zone and such other zones as may have been outlined by phase one work. This program would total approximately 6000 meters of drilling to be divided between core and reverse circulation methods should these methods prove viable in Phase 1. The Phase 2 program is also designed to include preliminary bulk sample testing and to continue geologic and geochemical work, as warranted from Phase 1.

The estimated costs breakdowns for these programs follows, and utilizes contracted personnel rates and all inclusive contracted drilling and geochemical sampling rates.



Phase 1:

Geologist/Manager - \$250.00/day x 60 days	\$ 15,000.00
Senior geologist: 2 men x \$250.00/day x 50 days	25,000.00
Geological assistant: \$120.00/day x 50 days	6,000.00
Samplers: 2 men x 25 days x \$90.00/man/day	4,500.00
Accommodation and Food: 260 man-days x \$40.00/man/day	10,400.00
Vehicles: two 4 x 4 trucks: 60 days x \$40.00/day x 2	4,800.00
Fuel, field equipment	5,000.00
Freight, shipping	1,000.00
Drilling: reverse-circulation - 2000 m x \$35.00/m	70,000.00
core drilling - 1000 m x \$70.00/m	70,000.00
Drillsite and read work	10,000.00
Assaying: 4000 samples x \$12.00/sample	48,000.00
Geochemical sampling: 50 km x 365.00/ km (all inclusive)	18,250.00
Geochemical analysis: 5000 samples x \$6.00/sample	30,000.00
Drafting, report preparation	3,500.00
	<u>\$321,450.00</u>

Phase 2:

Geologist/Manager - \$250.00/day x 60 days	\$ 15,000.00
Senior geologist: \$250.00/day x 60 days	15,000.00
Junior geologist: \$180.00/day x 60 days	10,800.00
Assistant sampler: \$120.00/day x 60 days	7,200.00
Accommodation and Food: 180 man-days x \$40.00/man/day	7,200.00
Vehicles: two 4 x 4 trucks x \$1,200.00/M/truck	4,800.00
Fuel, field equipment, freight, etc.	5,000.00
Drill site and road work	10,000.00
Drilling: reverse-circulation - 4000 m x \$35.00/m	140,000.00
core drilling - 2000 m x \$70.00/m	140,000.00
Analyses - 6000 samples x \$12.00/sample	72,000.00
Bulk sampling	50,000.00
Geochemical sampling	50,000.00
Drafting, data compilation and report preparation	10,000.00
	<u>\$547,000.00</u>

TOTALS	Phase 1	\$321,450.00
	Phase 2	<u>\$547,000.00</u>
TOTAL 1 & 2		<u>\$868,450.00</u>

APPENDIX 15.1

STATEMENT OF QUALIFICATION

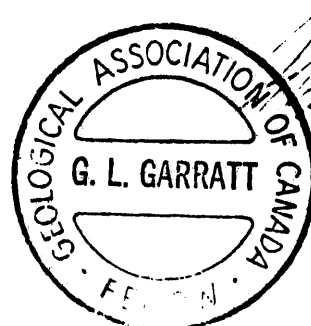
Statement of Qualification

I, Glen L. Garratt, residing at 2540 Skeena Drive, in the City of Kamloops, in the Province of British Columbia, do hereby state that:

1. I am a practicing geologist and have been since completing a B.Sc. in geology at the University of British Columbia, in 1972.
2. I am a Fellow of the Geological Association of Canada, and a member of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta.
3. This report is the result of a brief property visit and subsequent review of an extensive data package on the Valentine Mountain prospect supplied to the author by Beau Pre Explorations Ltd. The conclusions and recommendations embodied herein are my own and were derived from this data review.
4. I do not hold or expect to receive any interest in the Valentine Mountain property, nor in Beau Pre Explorations Ltd.
5. The author allows the use of this report in its whole and unedited form, by Valentine Mountain Gold Ltd., in a Prospectus or Statement of Material Facts or as otherwise required by governmental or stock exchange agencies; written approval of the author must be obtained before release of any quotation or summary from this report.

This report is deemed to have been signed November 14, 1986.

G.L. Garratt, P. Geol., F.G.A.C.



**APPENDIX 15.2**

**REFERENCES**

REFERENCES

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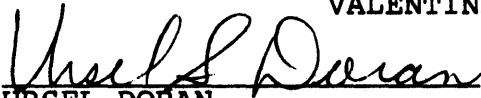
WINGERT, G.A., 1983. Field mapping notes, unpublished.

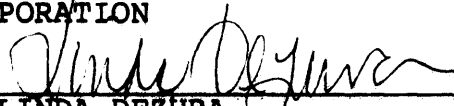
**CERTIFICATE OF THE  
DIRECTORS AND PROMOTERS OF THE ISSUER**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act of British Columbia and the regulations thereunder.

DATED: October 30, 1987

VALENTINE GOLD CORPORATION

  
URSEL DORAN  
Chief Executive Officer,  
Director, President and  
Promoter

  
LINDA DEZURA  
Chief Financial Officer  
and Director

ON BEHALF OF THE BOARD OF DIRECTORS

  
KENNETH G. SANDERS  
Director

  
WILFRED PETER STOKES  
Director

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 Part 7 of the Securities Act of the Province of British Columbia and the regulations thereunder.

DATED: "October 31, 1987"

PACIFIC INTERNATIONAL  
SECURITIES INC.

Per: "JOHN T. EYMANN"

CANARIM INVESTMENT  
CORPORATION LIMITED

Per: "CHARLES CHANNING BUCKLAND"

CONTINENTAL CARLISLE DOUGLAS

Per: "G. ROBERT FAY"

OSLER INC.

Per: "JIM BELL"

BRINK HUDSON & LEFEVER LTD.

Per: "BRIAN D. GRAVES"  
"JOHN L. MATHERS"



December 15, 1987;

2. On or before April 30, 1987, the Issuer was required to expend not less than \$50,000 on the Property;
3. On or before April 30, 1987, the Issuer was required to purchase an additional 50,000 units of Beau Pre at the price of \$1.00 per unit, each unit is to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$1.25 on or before April 29, 1988;
4. On or before November 1, 1987, the Issuer must expend an additional \$400,000 on the Property;
5. On or before November 8, 1987, the Issuer must purchase an additional 50,000 units of Beau Pre at the price of \$2.00 per unit. Each unit is to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$2.25 on or before October 31, 1988;
6. On or before May 1, 1988, the Issuer must expend an additional \$700,000 on the Property;
7. On or before May 1, 1988, the Issuer must purchase an additional 33,350 units of Beau Pre at the price of \$3.00 per unit. Each unit is to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$3.25 on or before April 30, 1989; and
8. On or before November 1, 1988, the Issuer must expend an additional \$1,400,000 on the Property.

The Issuer must satisfy these First Option conditions in the order listed. As of the date of this Prospectus, the Issuer has satisfied the first four of these conditions.

Second Option - for an additional 25% Interest

1. The Issuer must satisfy all of the First Option conditions;
2. On or before May 1, 1989, the Issuer must purchase an additional 125,000 units at the price of \$4.00 per unit. Each unit is to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$4.25 on or before April 30, 1990;
3. On or before May 1, 1990, the Issuer must expend an additional \$2,000,000 on the Property; and

4. On or before May 1, 1990, the Issuer must purchase an additional 100,000 units at the price of \$5.00 per unit. Each unit is to consist of 1 common share and 1 warrant to purchase an additional common share at the price of \$5.25 on or before April 30, 1991.

The Issuer must satisfy the Second Option conditions in the order listed.

Third Option - for an additional 25% Interest

1. The Issuer must satisfy all the Second Option conditions; and
2. The Issuer must place the Property into commercial production by May 1, 1992.

The Agreement provides that if the Issuer has not exercised the Second Option within the time stipulated, Beau Pre may purchase all or a portion of the Issuer's 50% interest in the Property at a price of \$51,000.00 for each 1% interest purchased. If the Issuer exercises the Second Option but fails to exercise the Third Option within the time stipulated, Beau Pre may purchase all or a portion of the Issuer's 75% interest at a price of \$80,000.00 for each 1% interest from the first 25% purchased and \$51,000.00 for each 1% interest purchased from the remaining 50% interest.

The Agreement further provides that either Beau Pre or the Issuer may extract up to 50,000 tonnes of Ore (as defined in the Agreement) from the Property for bulk sampling purposes. All proceeds from the disposition of such Ore after deduction of reasonable direct expenses is to be divided equally between Beau Pre and the Issuer.

If the Issuer fails to exercise the First Option it will earn no interest in the Property whatsoever. If the Issuer exercises the First Option, but not the Second Option, or exercises the First and Second Option, but not the Third Option, then the respective interests of Beau Pre and the Issuer in the Property will be governed by a Joint Venture Agreement dated November 15, 1986 entered into between Beau Pre and the Issuer (the "Joint Venture Agreement").

Pursuant to the Joint Venture Agreement, Beau Pre is the operator of the joint venture and may establish work programs and budgets on the Property. Beau Pre and the Issuer are required to contribute to these budgets in amounts corresponding to their proportionate percentage interest in the Property ("Proportionate Share") which is determined by the relationship the actual and deemed