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SUMMARY REPORT ON PRELIMINARY AND PHASES I TO III GEOLOGY, LITHOGEOCHEMISTRY, SOIL GEOCHEMISTRY, GEOPHYSICAL SURVEYS AND DIAMOND DRILL PROGRAM

CONTACT 1-3 AU GROUP
FLORES ISLAND, B.C.
(Contact 1, Contact 2, Contact 3, Au Claims)

Alberni Mining Division
NTS 92E/8E 49°17.6'N Lat., 126°04.4'W Long.

for
PARALLAX DEVELOPMENT CORPORATION

October 7, 1988

T.G. Hawkins, P.Geol.

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SUMMARY

Phase III exploration on Parallax Development Corporation's 100% owned Contact 1, 2 and 3 claims and 90% owned adjacent Au claim on Flores Island has been completed. Three main areas containing precious and base metal concentrations including gold have been outlined, based on preliminary, Phase I, II and III work conducted by MPH Consulting Limited as well as exploration by previous operators.

The property is underlain by metasediments and metavolcanics of the Westcoast Complex which have been at least partly derived from Upper Paleozoic Sicker Group rocks as well as Vancouver Group volcanics. Westcoast diorite is widespread on both the main portion of Flores Island as well as McNeil Peninsula. Block faulting appears to be the dominant structural feature on the island, oriented in a predominantly northwesterly direction.

The **Main Grid skarn zone** occurs over an approximate 0.25 sq km area over the central portion of the Main Grid. Surface exposures of skarn mineralization have been traced at depth by drill intersections of up to 14 m wide(?) skarn zones. The zone has been interpreted as an undulating, relatively continuous, horizon which may be associated with mineralization encountered as far northwest as the Ormond showing, increasing the area to approximately 1 sq km. Rock samples on surface contain up to 23.7 g/t (0.692 oz/ton) Au, 713 g/t (20.8 oz/ton) Ag, 26.2% Cu, 4.16% Zn and 60,939 ppm As. To date the best drill intersections are 1.19 g/t (0.035 oz/ton) Au, 6.7 ppm Ag, 1279 ppm Cu, 37 ppm Pb, and 437 ppm Zn over 1.93 m (DDH-88-6); and 0.78 g/t (0.023 oz/ton) Au, 15.0 ppm Ag, and 3258 ppm Cu over 1.83 m (DDH-88-7). The skarn comprises semi-massive magnetite, pyrite, sphalerite, chalcopyrite, in addition to diopside, epidote and quartz alteration.

An east-west striking lineation/fault occurs north of this skarn zone. The lack of soil anomalies and anomalous chargeability and resistivity responses to the north of this break suggests that this fault(?) may truncate the mineralized zone.

Additional drilling has been recommended to test the western extent of the skarn horizon as well as the possible continuity beneath the volcanics. Recommended westerly extensions to the existing grid will be covered by soil geochemistry and magnetometer surveys, to examine the possibility of the continuity of the skarn zone.

The second area of interest is skarn mineralization which may be part of a continuous zone trending northwesterly from L2+00N to L9+00N over an approximate 200 m width in the western portion of the McNeil Peninsula Grid. The **McNeil Peninsula skarn zone** bears many similarities to the Main Grid skarn zone, however it appears to have an irregular contact with the calcareous volcanics and the dioritic intrusion, resulting in several layers of skarnification. Surface exposures of mineralization are well reflected by IP anomalies and multi-element soil geochemistry anomalies. Rock samples from surface skarn mineralization contain up to 7.13 g/t (0.208 oz/ton) Au, 702 g/t (20.5 oz/ton)

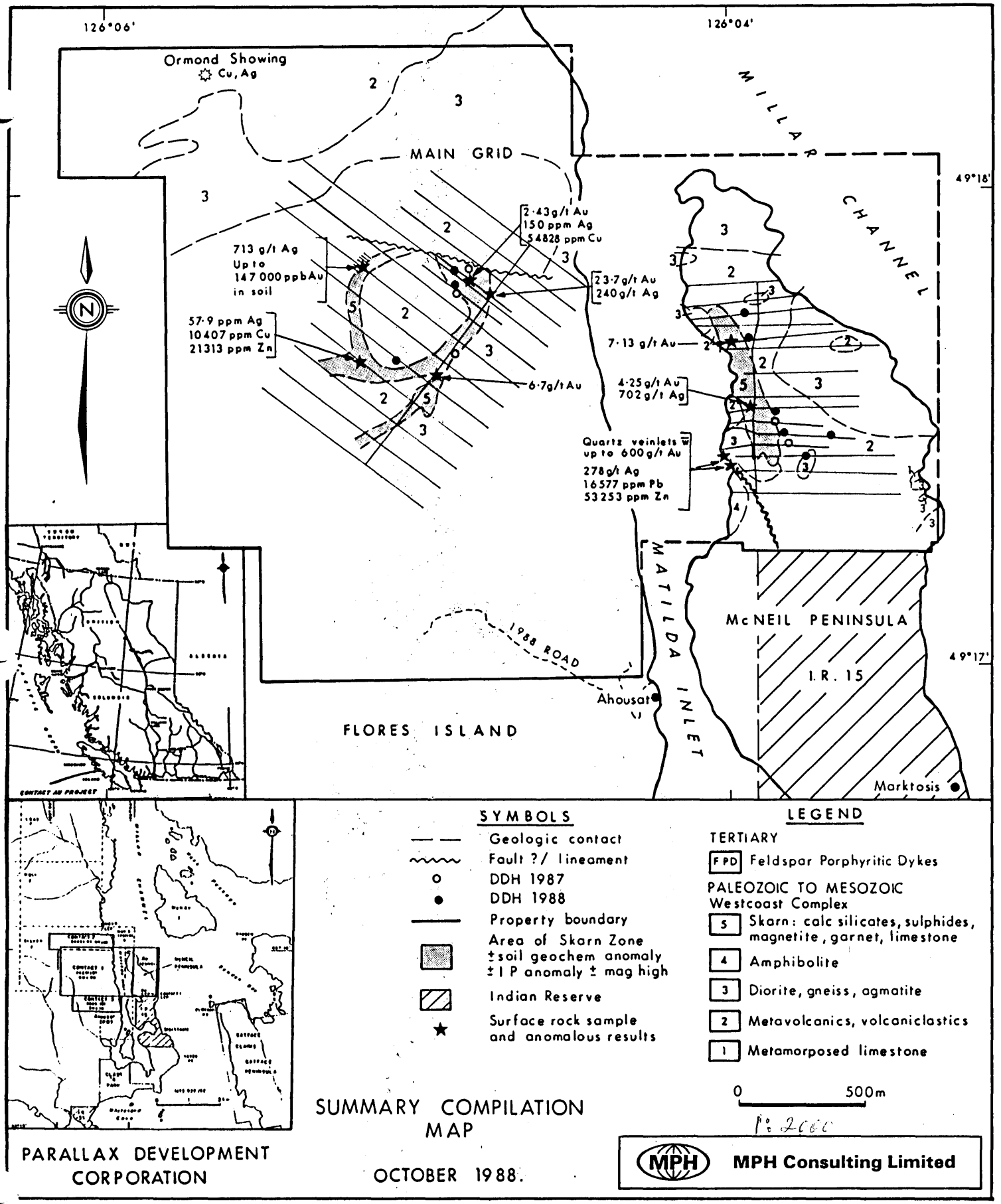
Ag over 2 m in addition to anomalous base metal elements. Phase III drilling (1309 m) in 13 holes and 6 sites, on McNeil Peninsula, has intersected skarn zones up to 25 m thick. Weighted averages were calculated for the following holes:

Drillhole	Interval (m)	Width (m)	Au g/t	Au (oz/ton)	Other (ppm)	
CA88-6	54.15-54.82	0.68	0.96	(0.028)		
CA88-7	44.06-44.57	0.51	3.48	(0.102)		
CA88-8	29.38-32.98	3.60	0.62	(0.018)	4.3 Ag	986 Zn
incl.	31.36-31.55	0.19	3.57	(0.104)		
CA88-9	31.73-35.51	3.78	2.30	(0.067)		
incl.	34.32-35.35	1.03	7.66	(0.223)	6.6 Ag	974 Cu
						86000 As
CA88-10	16.41-19.37	2.96	1.75	(0.051)		950 Co
incl.	17.19-17.72	0.53	3.70	(0.108)		2164 Co
	25.15-25.91	0.76	1.76	(0.051)		
incl.	25.25-25.41	0.16	5.79	(0.169)	7.6 Ag	2522 Cu
	53.95-54.67	0.72	1.22	(0.035)	26.1 Ag	7014 Cu
	72.92-73.55	0.63	0.99	(0.029)		
CA88-12	21.25-21.94	0.69	0.87	(0.026)		

The McNeil Peninsula skarn zone will be the objective of further drilling which will test areas along the surface projection of the horizon. This will be accomplished with the aid of a skidder trail to be constructed prior to the drill program.

The third area of interest is located on the western extent of L2+00N on the McNeil Peninsula, where up to six auriferous, sulphide bearing, northwesterly striking quartz veins up to 15 cm thick, cut altered volcaniclastic rocks near their intrusive contact. These veins contain highly anomalous precious and base metal concentrations: up to 600 g/t (17.5 oz/ton) Au, and 332.6 g/t (9.70 oz/ton) Ag, 2274 ppm Cu, 6.28% Pb and 4.28% Zn and 8.02% As. The wallrock is cut by numerous sulphide bearing quartz stringers also anomalous in gold. A northwest-southeast trending lineament occurs in the vicinity of these veins. This lineament and the high grade veins will be the target of detailed geologic mapping, prospecting and drill targets as recommended for the Phase IV exploration program estimated to cost $500,000.

TABLE OF CONTENTS



SYMBOLS

- Geologic contact
- Fault ?/ lineament
- DDH 1987
- DDH 1988
- Property boundary
- Area of Skarn Zone ± soil geochem anomaly ± I P anomaly ± mag high
- Indian Reserve
- Surface rock sample and anomalous results

LEGEND

TERTIARY

- FPD Feldspar Porphyritic Dykes

PALEOZOIC TO MESOZOIC
Westcoast Complex

- 5 Skarn: calc silicates, sulphides, magnetite, garnet, limestone
- 4 Amphibolite
- 3 Diorite, gneiss, agmatite
- 2 Metavolcanics, volcaniclastics
- 1 Metamorposed limestone

0 500m

SUMMARY COMPILATION MAP

PARALLAX DEVELOPMENT CORPORATION

OCTOBER 1988.

MPH Consulting Limited

1.0 INTRODUCTION

This summary report is based on information obtained from preliminary and Phase I through Phase III exploration on the Contact and Contact-Au group of claims during 1986, 1987 and 1988, at the request of R. Tsuida of Parallax Development Corporation. The results and conclusions of these exploration programs are documented in reports by Hawkins (1987), Ryback-Hardy (1988), and Naas (1988).

SUMMARY TABLE OF WORK COMPLETED BY MPH CONSULTING LIMITED

Time Period (Claims)	Work Completed	Details	Analyzed for Samples (at Laboratory)
November 5 to November 16, 1986 (Preliminary Exploration & Assessment on Contact 1,2,3 claims)	Geologic Mapping 1:5000 Prospecting	Main Grid area, around old workings; west shoreline McNeil in conjunction with mapping	
	Rock Samples	130 (grab)	Au (Rossbacher) 30-element ICP (Chemex)
	Silt Samples	5	
	Soil Samples	129 samples 3.025 line km flagged grid (25 m)	Au (Rossbacher) 30-element ICP (Chemex)
	Magnetometer Survey	McPhar 700 vertical field fluxgate over flagged soil grid	
September 1 to February 15, 1988 Phases I and II & Assessment on Contact 1,2,3 and Au claims	Geologic Mapping	Approximately 1 km^2 at 1:2000 scale Main Grid area; McNeil Peninsula west shoreline between L0+00N to L13+00N	
	Rock Sampling (surface)	89 samples	Au (Rossbacher) 30-element ICP (Chemex)
	Soil Sampling	353 samples extended grid of 1986 25 m intervals 8.43 line-km Main Grid 54 samples along 3 old grid lines 1.275 line-km of McNeil Peninsula	Au (Rossbacher) 30-element ICP (Acme)
	IP Survey	7.8 cut line-km Main Grid; 2.75 line-km McNeil Peninsula Grid lines - 8N, 4N, 3N	
	Diamond Drilling	209 core samples 894 m in 10 holes (5 set ups) BQ sized core	Au (Rossbacher) 30-element ICP (Acme)
May 10 to July 21, 1988 Exploration Phase III Contact-Au Group	Geologic Mapping Prospecting	McNeil Peninsula coastlines and McNeil Grid; Main Grid known showings, old workings 1:2500 in conjunction with mapping	
	Rock Sampling	76 samples Mainly in McNeil Peninsula area quartz veins and trenches and Main Grid skarn zones	Au, 31-element ICP (Acme Labs)
	Soil Sampling	287 samples (A and B horizon) McNeil Grid - 7.25 line-km, 25 m, filled in previous 3 line grid	Au, 31-element ICP (Acme Labs)
		44 B-horizon samples Main Grid (Detail) - 0.25 line-km, 10 m line spacing at 10 m intervals, grid established about L2+00N, 4+75W of Main Grid from which 90,000, 147,000 ppb Au in soil	Au, 31-element (ICP (Acme Labs)
	IP Survey	Same instruments and parameters as Phase II, McNeil Peninsula, 4.2 line km, (same grid as soil survey)	
	Road Building	1.1 km of 2.3 km proposed road from Ahousat to southern Main Grid area	
	Trenching	PT-1) McNeil PT-4) Peninsula total of 20 m length	
	Diamond Drill Program	847 samples 1644 m NQ, 18 holes, 9 set-ups	Au, 31-element ICP (Acme Labs)

2.0 LOCATION, ACCESS, TITLE

The Contact 1-3 Au Group of claims is located approximately 20 km northwest of Tofino, on southeast Flores Island, in the Alberni Mining Division of B.C. The claims are centred at approximately 49°17.6'N latitude, 126°04.4'W longitude on NTS mapsheet 92E/8E.

Access to Flores Island from Tofino is by boat, float plane or helicopter. The Native Indian village of Marktosis is located approximately 2 km southeast of the property. Indian Reserve 15 adjoins the Au claim to the south. The Contact 3 legal corner post is 50 m west of the village of Ahousat. A small boat is necessary to gain access to the eastern portion of the property (Au claim) as the Matilda Inlet separates the McNeil Peninsula from the rest of the claims on Flores Island.

Elevations on Flores Island range from sea level to 850 m on Mt. Flores. The terrain is generally rugged with forests and dense undergrowth although McNeil Peninsula appears to be more favourable. A network of overgrown trails leads to various old workings however there are no driveable roads on the property.

Claims information is as follows:

Claim	Record No.	Units	Owners	Anniversary Date	Year Recorded
Contact 1	2428(10)	18	Parallax Development Corporation	Oct. 17, 1998	1984
Contact 2	3005 (9)	4	"	Sept. 12, 1998	1986
Contact 3	3006 (9)	3	"	Sept. 12, 1998	1986
Au	1250(6)	6	Au Resources	June 16, 1998	1981
	Total	31			

Parallax Development Corporation owns and operates the Contact 1, 2 and 3 claims. An agreement between Parallax and Au Resources Ltd. (September 14, 1987) allows Parallax to obtain a 90% interest in the adjoining Au claim with an option to acquire the remaining 10%.

The 'Contact 1-3 Au Group' was grouped on November 27, 1987.

3.0 PREVIOUS WORK

Government geological work in the area includes mapping by Hayrock and Webster of the Geological Survey of Canada beginning in 1902. Later work includes surveying in 1920 by Dolmage, and geological reconnaissance by M.F. Bancroft (1937). Jeletzky (1950, 1954) carried out detailed examinations of Mesozoic and Tertiary sediments to establish the stratigraphy of the area. Annual reports from the British Columbia Department of Mines indicate investigations of

mineral deposits in the region. The Ormond Showing (Cu, Ag, Au) was examined in 1928 and 1930, and followed up during the 1930's by trenching across the strike of the mineralized zone and driving an inclined shaft to intersect this zone at depth. A report on the geology and mineral deposits of the Nootka Sound map area by Muller, Cameron, and Northcote, for the Geological Survey of Canada, was published in 1981.

An IP survey conducted by Van West Minerals in 1962 resulted in the delineation of a 'good conductor' associated with pyrrhotite mineralization, located in the most southeast portion of the Silver claim (presently Contact 1 claim).

Soil and silt sample surveys were carried out by Falconbridge Nickel Mines Ltd. in the central and western portions of the Moly and Gold claims just to the north and northwest of the property resulting in local anomalous copper concentrations.

A soil geochemical survey conducted by Western Mines Ltd. in 1972, just west of the property, did not uncover significant base metal anomalies.

In 1974, Wesfrob Mines Ltd. mapped a small portion of the Moly claim (just north of Contact 2) to assess its potential for copper mineralization, however only minor amounts of chalcopyrite were discovered.

Northwest of the property, Clear Mines Ltd. conducted airborne magnetometer, VLF-EM and radiometric surveys (Mark, 1980).

Grab samples from the Ormond Showing returned concentrations up to 6.07% copper and up to 140 g/t (4.08 oz/ton) silver. A gold concentration of 1300 ppb from a soil sample confirmed the presence of anomalous gold in the area.

During the summer of 1985, Parallax Development Corporation collected rock samples from a trench on the central Contact 1 claim, two of which contained 205 g/t (5.98 oz/ton) Au, and 3.29 g/t (0.096 oz/ton) Au. Another sample taken from this trench contained 54.5 g/t (1.59 oz/ton) Au, 181 g/t (5.27 oz/ton) Ag, and 4.80% Cu. The most significant results, however are from a showing on McNeil Peninsula, from which concentrations of 334.3 g/t (9.75 oz/ton) Au, 397.4 g/t (11.59 oz/ton) Ag, 5.17% Pb, and 2.92% Zn were returned, from a sample of a sulphide bearing quartz vein.

The earliest recorded work in the Au claim area of McNeil Peninsula was conducted by VanWest Minerals Ltd. (Sutherland and Bell, 1962). This included rock sampling, soil sampling, two diamond drill holes and an IP survey. The presence of adits and pits at the time suggested that previous exploration had been conducted. In 1981, Au Resources Ltd. staked the Au claim. Work conducted on behalf of Au Resources Ltd. includes rock and soil sampling and magnetometer and VLF-EM surveys (Phendler, 1981, 1984, 1985; Lisle, 1986).

In 1986, MPH Consulting Limited conducted a prelimianry phase of exploration on behalf of Parallax Development Corporation. The work included geologic mapping (1:5000), prospecting and rock sampling (130), soil sampling (129), and a

magnetometer survey on the Contact 1, 2 and 3 claims. Silt samples (5) were collected from streams draining the property. A soil survey (129) was conducted in the central Contact 1 claim area.

Results of this program suggested that gold occurs locally with massive sulphides in skarn zones (up to 23.7 g/t (0.69 oz/ton) Au, 241 g/t (7.02 oz/ton) Ag, 8.48% Cu, 12.9% Zn). On the west coast of McNeil Peninsula a grab sample of a 15 cm quartz vein contained 600 g/t (17.500 oz/ton Au, 332 g/t (9.70 oz/ton) Ag, 6.3% Pb, 4.8% Zn, and 6.9% As (sample 14569).

Soil sampling in the central Contact 1 claim area, oulined several multi-element anomalies including gold in the central grid area. The magnetometer survey outlined highs and lows possibly resulting from a magnetite and/or pyrrhotite bearing skarn zone.

Phase I and II exploration followed in September 1987 under the direction of MPH Consulting Limited on behalf of Parallax Development Corporation. This program included line cutting, soil sampling (460), geologic mapping and rock sampling, an IP survey (9.05 line km), trenching (7). Phase II diamond drilling followed (894 m in 10 holes).

	Drillhole No.	Interval	Width of Zone	Au Concentration
Main Grid	DDH 88-6	5.12 - 7.05 m	1.93 m	0.035 oz/ton 1.19 g/t
	DDH 88-7	19.20 - 21.03 m	1.83 m	0.023 oz/ton 0.79 g/t
McNeil Peninsula	DDH 88-8	28.88 - 29.61 m	0.73 m	0.034 oz/ton 1.17 g/t
Grid	DDH 88-9	25.46 - 25.60 m	0.14 m	0.170 oz/ton 5.83 g/t

The soil survey extended the previously discovered gold and arsenic in soil anomaly. The IP survey outlined three chargeability highs on the Main Grid and one on the McNeil Peninsula, coincident with known magnetite skarn zones.

4.0 REGIONAL GEOLOGY AND ECONOMIC SETTING

The west coast of Vancouver Island in the vicinity of Flores Island is underlain primarily by plutonic, metavolcanic and lesser metasedimentary rocks of the Westcoast Complex (derived mainly from Paleozoic Sicker Group sediments and volcanics and Bonanza Group rocks) and a variety of volcanics of the Jurassic Bonanza Group. These rocks are intruded by Tertiary Catface Intrusions in the Flores Island area as well as other parts of Vancouver Island.

Contact metasomatic (skarn) deposits, veins and shear zones, and porphyry deposits constitute the major metalliferous deposits in the vicinity of Flores Island. High to moderate mineral potential (Muller, et al., 1981) approximately coincides with areas where Quatsino Formation, Bonanza Group and Sicker

Group rocks are cut by Island Intrusions. Moderate potential for mineralization corresponds to areas underlain by Bonanza Volcanics and Catface Intrusions.

Iron and copper skarns are promising targets where Island Intrusions intrude Vancouver Group rocks or in the roof pendants of Sicker Group metasediments surrounded by Island Intrusions and Westcoast Complex rocks. Two nearby properties have reported limited production. The Glengarry, located at the head of Head Bay, milled 56,700 tonnes of ore which produced 22,680 tonnes of magnetite concentrate. The Indian Chief on Stewartson Inlet shipped 73,600 tonnes yielding 1,102,360 kg Cu, 22.5 kg Au, and 1,707 kg Ag.

Tertiary pluton-associated copper and molybdenum occurrences on Flores Island contain low copper and molybdenum concentrations, however, do have many similarities to the Catface porphyry copper-molybdenum deposit a few kilometres to the east. Reserves are estimated at 181,440,000 tonnes of 0.5% Cu and minor silver, molybdenum and gold. A thorough description of mineral occurrences in the vicinity of Flores Island is provided in Hawkins (1987).

5.0 PHASE III PROGRAM

Phase III exploration was carried out on the Contact Au property between May 10, 1988 and July 21, 1988. Included were geologic mapping (1:2500) and rock sampling (76 surface samples) over the McNeil Peninsula and Main Grid areas of the property. Approximately 1 km of the proposed road was constructed from Ahousat to the central Contact 3 claim. Two outcrops of skarn zones were trenched (20 m total) and sampled on the McNeil Peninsula. A soil geochemical survey was conducted on the McNeil Peninsula (287 samples) and in the Main Grid area (44 samples) for a total of 7.5 line km. An IP survey (4 line km) conducted over the McNeil Peninsula Grid was followed by 1641 m of diamond drilling (NQ size).

Surface rock samples, drill core samples and soil samples were all analyzed for gold by AA and for 31 elements by ICP, at Acme Labs in Vancouver, B.C.

5.1 Property Geology

The Contact-Au property is underlain by the Paleozoic to Mesozoic Westcoast Complex which has been subdivided in accordance with Isachsen (1987). The general geology has been outlined in Figure 1.

Metasediments (Unit 1) mainly limestone and metavolcanics (Unit 2) of mainly andesitic composition include volcaniclastic units also. Fine- to medium-grained, moderately foliated diorite (Unit 3) underlies most of the property. Dark grey to green fine-grained amphibolitic rocks (Unit 4) previously mapped as argillite occur in the southwest Au claim area. Skarn zones (Unit 5) occur on the McNeil Peninsula and in the Main Grid area of the property. The skarn comprises mainly calc-silicates including 'massive' diopside and fine-grained garnet, maroon limestone, local massive magnetite and sulphides.

Feldspar porphyritic dykes (FPD) may be correlative with Tertiary Catface Intrusions. Diabasic dykes (DD) may actually represent sills suggesting that the metasediments and metavolcaniclastic units are metamorphosed equivalents of the Sediment-Sill Unit of the Sicker Group.

The McNeil Peninsula skarn appears to be irregular and may consist of several layers, unlike the skarn horizon on the Main Grid which appears to be more extensive.

5.2 Mineralization

Gold occurs in both quartz veins and within skarn zones on the Contact-Au property. Higher gold grades are associated with the quartz veins, however the skarn zones are more widespread.

Auriferous quartz veins located along the western shoreline of McNeil Peninsula range from 1 cm to 5 cm in width, with a northwest strike and moderate to steep northwesterly dip. The blue-grey quartz vein, chip sampled across 10 cm, containing up to 390.6 g/t (11.39 oz/ton) Au, 278.1 g/t (8.1 oz/ton) Ag is hosted by metavolcanics. This vein also contains highly anomalous lead, zinc and arsenic and anomalous copper in the form of galena, sphalerite, arsenopyrite and chalcopyrite. Chip samples collected from outcrop of the footwall and hanging wall of the auriferous quartz vein contained 2.1 g/t (0.068 oz/ton) and 2.9 g/t (0.085 oz/ton) gold respectively in addition to anomalous concentrations of Ag, As, Pb and Zn.

The majority of the quartz veins sampled in outcrop contained anomalous gold with the exception of those lacking or low in sulphides or those samples of quartz which do not appear to occur in veins. The following table summarizes the concentrations of base and precious metal elements which are associated with these quartz veins sampled during Phase III only. The assay results have been rounded off to three significant figures for concentrations expressed in grams per tonne.

Sample	Type	Width (cm)	Sulphides	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)	Other (ppm)
9005	Grab	3	Sph, Asp, Py	2350	0.8	1.6%	26	870 Zn
9009	Chip	1-5	25% Py 5% Asp	50.3 g/t	44.6 g/t	7.2%	612	1.1% Pb 2.0% Zn
9011	Chip	7-10	10% Asp 2-3% Py	390 g/t	278 g/t	2.0%	1212	1.6% Pb 0.8% Zn
9012	Chip	15	3% Cp 1% Po	0.58 g/t	10.9 g/t	2625	2252	1108 Co
9024	Grab	3	10-20% fine grained Sph, Gl, Py, minor Cpy	10.5 g/t	5.7 g/t	2.0%	194	3381 Pb 1504 Zn
9025	Grab	3	5-7% Asp, 1-2% Cp 2-3% Gl and Sph	120 g/t	105 g/t	10%	1325	1.3% Pb 5.3% Zn

Contact metamorphism is evident on the main part of Flores Island as well as on the McNeil Peninsula. It occurs at the contact between limestone and calcareous volcanics and diorite intrusive. Minerals associated with the skarn include magnetite, calc-silicates (mainly diopside), epidote and garnet, as well as rare graphite. Quartz-carbonate veins occur in these zones also. Diopside occurs in massive layers up to several metres thick as well as in banded form. Sulphides appear to be concentrated in the massive diopside units in which gold is closely associated with arsenopryite. The recrystallized limestone does not appear to contain high percentages of sulphides.

The McNeil Peninsula skarn horizon contains anomalous concentrations of Au, Ag, Cu, Zn, Co and As. The main skarn horizon strikes northwest 700 m, parallel to the regional structural trend, and includes layers of sulphide mineralized horizons ranging from less than 1 m to 18 m thick. It is approximately 200 m across in an east-west direction.

Magnetite (massive) occurs as lenses and pods locally throughout the skarn. Sulphides associated(?) with the massive magnetite include pyrite, pyrrhotite, chalcopyrite, arsenopyrite and sphalerite. Gold occurs locally within the massive magnetite however it appears to be associated with the sulphides present in the magnetite. Both DDH CA88-10 and Trench MT-1 include samples of massive magnetite with anomalous gold. Anomalous cobalt occurs with skarn mineralization.

On the Main Grid on Flores Island, the skarn occurs over a 0.25 sq km area and may be as extensive as 1 km^2 and locally up to 50 m thick. Detailed mapping and additional drilling are necessary to determine the orientation and extent of the skarn horizon.

The mineral assemblage of the skarn, the presence of anomalous cobalt and the dioritic composition of the intrusive, resemble the 'calcic magnetite skarn' of Einaudi, et al. (1981).

The PT-1 and PT-4 trenches were blasted open with minor hand trenching at L4+50N, 0+15W and L7+50N, 0+80W on the McNeil Peninsula.

PT-1, contains a zone of massive magnetite with calcite veins exposed over 4 m. A 2 m wide section of chalcopyrite, arsenopyrite and pyrite occurs at the base of this trench. Arsenopyrite occurs in euhedral crystals up to 2 cm in diameter. Rock sampling includes grab samples and chip samples across widths of 2 m. Selected results of analyses are as follows:

Sample	Type/Width	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)	Co (ppm)
9070	massive sulphide (grab)	4.25 g/t	702 g/t	2705	89624	1034
9072	massive magnetite (chip 2 m)	3.98 g/t	473 g/t	3174	79696	1060
9073	massive sulphide (chip 2 m)	0.38 g/t	14.1 g/t	3741	3410	988

Trench PT-4 is located at L7+50N, 0+80W. Massive magnetite, with irregular calcite veining, occurs over 2 m, overlying an approximate 4 m wide calc-silicate unit. Underlying the calc-silicate unit is a 1 m section of pyrite, local chalcopyrite with widespread calcite veining. This zone includes up to 30-40% pyrite in greenish-grey volcanics, hosted by pale green calc-silicates.

Selected sample results are as follows:

Sample	Type/Width	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)
9061	altered volcanics (2 m chip)	7.13 g/t	3.8	1856	21
9063	calcite stringers (2 m chip)	1.71 g/t	0.8	652	29
9068	massive sulphide/ magnetite (grab)	2.50 g/t	1.7	1671	150
9069	calcite stringers (grab)	1.68 g/t	0.6	1647	60

Trenching was not carried out in the Main Grid area, however some of the existing trenches were resampled with the following selected results:

Trench	Sample	Type/Width	Au (ppb)	Ag (ppm)	Cu (ppm)	As (ppm)	Zn (ppm)	Co (ppm)
MT-1	9026	massive sulphides						
TR2		(grab)	2.43 g/t	149.9	54828	142	1474	77
	9027	altered volcanic (grab)	8	2.5	352	13	-	7
MT-4	9077	skarn (grab)	14	57.9	10407	155	21313	37
TR7	9078	tuff (grab)	4	0.6	581	75	-	22

5.3 Structure

Large and small scale faulting and shearing occurs on the Contact-Au property. Measurements along the McNeil Peninsula shoreline and the eastern shoreline of Flores Island for (i) quartz vein, (ii) fault, (iii) joint and (iv) dyke orientations have been plotted on separate equal area stereograms.

The highest density of poles to **quartz veins** corresponds with a strike and dip of 304°/54°NE and the second highest density with a 334°/44°NE. Since poles do occur between these contoured areas, an average would be around 320°/50°NE. The quartz veins which contain highly anomalous gold, silver, copper, lead, zinc and arsenic in the southwest McNeil Peninsula grid area strike northwest with a moderate northeasterly dip corresponding with the average strike. The highest density of poles to **faults** indicates a predominant strike of 260°/68°N. A second cluster of poles of the same density 35° from the first cluster, defines an orientation of 226°/79°NW. These may represent a conjugate set of faults,

however this would have to be confirmed by observing such a set in the field. Another area of high density corresponds with 059°/66°SE which would lie between the two mentioned above, in terms of strike, however, with a steep southeasterly dip. The average strike of the four main concentrations of poles is 243° dipping both steeply northwesterly and northeasterly. Poles to joint orientations measured on the McNeil Peninsula and the main part of Flores Island show the highest concentration corresponding with an orientation of 032°/70°SE. Of equal importance is a cluster of poles corresponding with a strike of 058°/68°SE (25° apart from the first cluster). The average for these two orientations is 045°/70°SE. The leucocratic dykes are clustered in one area which corresponds with a 263°/55°N orientation.

Bedding is apparent only in the limestone unit on the east coast of McNeil Peninsula where a recessive weathering pattern suggests the limestone is folded about a gently plunging northwest trending axis.

An east-west trending fault is inferred from topography and abrupt truncation of an IP anomaly near DDH CA88-14, in the northwestern portion of the grid. Displacement along this fault was not observed, however an airphoto lineament indicates a sharp break in slope. Another such break in slope, occurs on the west coast of McNeil Peninsula, in the area of the high grade quartz veins, where a strong northwest trending lineament is indicated. Additional surface geological mapping is necessary to test the continuity of this structure and to determine whether any offset or associated mineralization occurs.

5.4 Whole Rock Lithogeochemical Analysis

Five drillcore samples were analyzed for their chemical composition. The Jensen Cation Ternary Diagram was used to aid in determining the original volcanic composition of the samples, after calculating dry weight percentages of the major element oxides.

The ternary diagram plot data is as follows:

	Al_2O_3	MgO	$Fe_2O_3+TiO_2+MnO$	Lithogeochemical Composition	
				From Jensen Cation Plot	Field Description
5901	54.2%	11.7%	34.0%	Andesite	Diorite
5902	36.6%	31.8%	31.6%	Basalt	Ash tuff
5903	63.6%	14.4%	21.9%	Andesite	Feldspar porphyry dyke
5904	40.5%	24.3%	35.2%	Basalt	Ash tuff
5905	36.5%	30.2%	33.3%	Basalt	Crystal lithic tuff

5.5 Soil Geostatistics and Geochemistry

Soil surveys were conducted along two separate flagged grids totalling 7.5 line km during the Phase III exploration program. The grids are located on McNeil Peninsula and on the Main Grid area of the main part of Flores Island. The

McNeil Peninsula Grid was established following favourable soil geochemical results from the Phase I reconnaissance soil survey conducted along L3+00N, L4+00N and L8+00N. Soil samples (287) were collected from the McNeil Peninsula Grid from B-horizon (average 20 cm depth) when possible and A-horizon when B-horizon not present.

The samples were collected at 25 m intervals from lines spaced 50 or 100 m apart for a total of 7.25 line km. The baseline of the grid trends north-south with east-west lines providing coverage of a good portion of the northern peninsula area. The grid was designed to crosscut the north to northwesterly trending structure and the skarn zone at approximate right angles. The **Main Grid Detail** (0.25 line km) was established in the central L2+00N area between L3+00N and L1+00N. Northwest trending lines (9) are parallel to the Main Grid. The grid is centred on an extremely anomalous gold concentration (90,000 ppb and 147,000 ppb) encountered during the previous soil survey at L2+00N, 4+75W. The sample and line spacings are 10 m for a total of 44 samples collected. The underlying geology is a possible extension of the skarn horizon inferred from a trench (MT-5) in the central Main Grid Detail area.

The soil geochemical data for Phases I and III geochemical surveys was processed by the Probplot (Stanley, 1987) geostatistical program, for the elements Ag, Cu, Pb, Zn, As and Co.

Probplot has been designed to allow systematic evaluation of frequency data for any variable. The program allows the data set to be manipulated to obtain the most meaningful data representation possible. Threshold and anomalous limits are as follows:

	Gold ppb	Arsenic ppm	Cobalt ppm	Copper ppm	Zinc ppm	Silver ppm	Pb ppm
Threshold	50	150	20	70	80	0.85	
Anomalous	90	270	35	120	130	1.40	
Mean	9.5	27.3	5	19.0	27.4	0.27	9.4
Standard Deviation	21.0	59.6	7.1	25.3	26.0	0.28	5.7
Population	324	751	756	752	751	763	756

Several spot soil anomalies occur which may be part of the same northwest trending structure extending from L2+00N to L9+00N on the **McNeil Peninsula Grid.**

The most significant gold in soil anomaly occurs at L8+50N at 1+00W and 1+25W with concentrations of 1120 ppb and 127 ppb. At L7+50, 1+00W and 1+25W, concentrations of 830 ppb and 76 ppb occur and 89 ppb and 47 ppb on L7+00N. Although the L8+00N (sampled during the Phase II program) does not contain anomalous gold, there is a strong possibility that this zone is continuous.

Anomalous arsenic occurs to the west of the L8+50N gold anomaly (up to 260 ppm) and coincident with the L7+50N and L7+00N anomalies (up to 476 ppm). Anomalous copper and zinc occur coincident with the second gold anomaly.

These two anomalies were the target of drillholes CA88-10, 11 and CA88-12, 13. They are coincident with chargeability Zone F and a corresponding resistivity low. These drillholes all intersected anomalous gold and arsenic within 'skarn' zones.

Anomalous gold (335 ppb) occurs at at L4+50, 25W, within a broad zone defined by anomalous arsenic and a coincident northwest trending cobalt anomaly. Trenches PT-1 and PT-2 occur in this area and may in part be responsible for the downhill dispersion of anomalous arsenic concentrations. Anomalous copper, zinc and silver is coincident with this area also. This soil anomaly, coincident with a strong chargeability high was the target of drillholes CA88-8, 9 and the previous phase drillholes DDH88 4 and 5 which intersected gold bearing zones.

Southeast of this soil anomaly, at L3+00N, 1+00E and L2+50N, 0+75E, a gold in soil anomaly extends over 75 m with concentrations of 270 ppb and 670 ppb respectively. This zone is coincident with anomalous arsenic and cobalt over a smaller area as well as an isolated copper-silver in soil anomaly. It appears from the map that these soil anomalies are representative of a single northwest striking Au, As, Co,Cu $\pm$ Zn, $\pm$ Ag anomaly.

A relatively broad gold anomaly defined by four anomalous gold concentrations (up to 113 ppb) occurs over the western portion of L2+00N and L2+50N. Coincident anomalous arsenic concentrations occur at L2+00N, 0+75W and 1+00W (164 ppm and 232 ppm As). This area contains the high grade quartz veins which when sampled this year yielded up to 11.39 oz/ton Au.

Anomalous gold concentrations occur within a zone which is approximately 30 m wide northeast-southwesterly and approximately 40 m wide northwest-southeasterly, narrowing toward the northwest extent of the **Main Grid Detail.** Within this zone are five anomalous gold concentrations ranging from 94 ppb to 147,000 ppb. Approximately coincident with this gold anomaly are anomalous copper concentrations, defining an open-ended anomaly to the grid south. Concentrations range from 88 ppm to 617 ppm Cu. Twelve samples are within the threshold to anomalous range, defining this copper in soil anomaly over at least a 30 m by 40 m area. Possibly associated with this copper anomaly are zinc and silver anomalies. The threshold to anomalous zinc concentrations occur within a narrow north-northeasterly trending zone at least 35 m long. Only two samples are considered anomalous (up to 208 ppm). Anomalous silver concentrations (more than 1.4 ppm) appear to increase towards the grid south extent, making this an open ended anomaly. Six samples anomalous in silver, define a zone generally coincident with the gold and copper anomalies.

The central to southwestern portion of this grid will be the target of prospecting, chip sampling, and possibly trenching followed by drill testing.

5.6 Induced Polarization Survey

An IP survey was conducted on the McNeil Peninsula by an MPH Consulting Limited geophysical crew of 4 men using a Huntec Mk IV receiver and a Phoenix IPT-1 3.0 Kw transmitter. The same time domain survey parameters utilized in Phase I, 'a' spacing equal to 25 metres and measuring 'n' values 1 to 4 were used. The IP survey totalled 4.2 line-km on 8 lines filling in information around the three lines of reconnaissance IP survey done in the Phase II program.

The Phase III program was designed to follow up IP anomalies located during the Phase I program covering lines 3+00N, 4+00N, and 8+00N of the McNeil Peninsula. The Phase III program was intended to define the strike extent of the strongest chargeability response and to locate additional IP anomalies to be tested by diamond drilling.

A total of six chargeability zones having varying correlation with resistivity lows and anomalous gold soil geochemistry were located during the Phase III program.

Chargeability Zone A (25 to 150 msec) is the most persistent and dominant zone to be tested by diamond drilling along its strike. Zone B (20 to 60 msec) is the second feature outlined by the IP survey which should be tested by diamond drilling. Zone F (20 to 70 msec) is the third feature located on L8+50N which warrants testing by diamond drilling. These zones are coincident with resistivity lows and have coincident or flanking anomalous gold geochemistry.

5.7 Diamond Drill Program

The Phase III diamond drill program was conducted between June 7 and July 8, 1988. A total of 1644.1 m (NQ) was drilled from 18 holes on 9 set-ups. Drill core samples total 847. These samples were analyzed by Acme Labs for gold by AA and for 31 element ICP. Assays were performed on samples containing gold in excess of 200 ppb.

Diamond drill data is summarized as follows:

DIAMOND DRILL DATA

Hole No.	Line	Station	Elevation	Hole Length (m)	Dip	Azimuth	Casing Depth (m)
CA88-1	P 3+50N	1+15E	57 m	69.19	-55°	270°	6.71
CA88-2	P 3+50N	1+15E	57 m	50.29	-85°	270°	3.05
CA88-3	P 2+45N	1+90E	68 m	81.38	-46°	093°	6.10
CA88-4	P 2+45N	1+90E	68 m	79.25	-45°	270°	1.83
CA88-5	P 2+45N	1+90E	68 m	78.64	-70°	270°	1.83
CA88-6	P 3+55N	2+90E	42 m	81.38	-45°	270°	3.05
CA88-7	P 3+55N	2+90E	42 m	73.00	-70°	270°	3.05
CA88-8	P 4+45N	0+75E	44 m	77.42	-70°	270°	0.61
CA88-9	P 4+45N	0+75E	44 m	71.63	-45°	278°	3.65

Hole No.	Line	Station	Elevation	Hole Length (m)	Dip	Azimuth	Casing Depth (m)
CA88-10	P 7+55N	0+25W	35 m	97.56	-45°	255°	4.57
CA88-11	P 7+55N	0+25W	35 m	94.49	-70°	255°	3.05
CA88-12	P 8+55N	0+65W	32 m	93.57	-45°	260°	1.52
CA88-13	P 8+55N	0+65W	32 m	91.14	-70°	260°	1.83
CA88-14	M 4+40N	1+80W	100 m	133.20	-45°	128°	4.88
CA88-15	M 3+90N	1+45W	110 m	99.67	-50°	055°	12.19
CA88-16	M 0+15S	1+30W	225 m	124.05	-50°	100°	1.52
CA88-17	M 0+15S	1+30W	225 m	133.20	-70°	100°	2.13
CA88-18	M 0+15S	1+30W	225 m	114.91	-90°	-	1.22

P = McNeil Peninsula Grid
M = Main Grid

Weighted Averages have been calculated as follows:

Drillhole	Interval (m)	Width (m)	Au g/t	Au (oz/ton)	Other	Other (ppm)
CA88-6	54.15-54.82	0.68	0.96	(0.028)		
CA88-7	44.06-44.57	0.51	3.48	(0.102)		
CA88-8	29.38-32.98	3.60	0.62	(0.018)	4.3 Ag	986 Zn
incl.	31.36-31.55	0.19	3.57	(0.104)		
CA88-9	31.73-35.51	3.78	2.30	(0.067)		
incl.	34.32-35.35	1.03	7.66	(0.223)	6.6 Ag	974 Cu, 86000 As
CA88-10	16.41-19.37	2.96	1.75	(0.051)		950 Co
incl.	17.19-17.72	0.53	3.70	(0.108)		2164 Co
	25.15-25.91	0.76	1.76	(0.051)		
incl.	25.25-25.41	0.16	5.79	(0.169)	7.6 Ag	2522 Cu
	53.95-54.67	0.72	1.22	(0.035)	26.1 Ag	7014 Cu
	72.92-73.55	0.63	0.99	(0.029)		
CA88-12	21.25-21.94	0.69	0.87	(0.026)		

6.0 PROPOSED WORK PROGRAM

6.1 Plan

The following is an outline of the recommended Phase IV exploration program. On the Main Grid, it will include 4.2 line km of soil sampling, 15.0 line km of magnetometer survey and 1.5 km of road building.

A total of 510 m is to be drilled on the Main Grid area in the following locations:

Station	Azimuth°	Dip°	Length
L2N 5+00	090	-50	80 m
L2N 5+00	090	-80	80 m
L1+50N 2+25W	057	-80	150 m
New Grid			200 m
Total Length			**510 m**

Drilling will test the extension of the skarn horizon which was intersected in DDH's CA88-16, 17 and 18. The DDH's located at L2N, 5+00W are to test the extent and source of coincident gold in soil anomaly, IP anomaly, and massive magnetite outcrop.

On the McNeil Peninsula a 6.0 km magnetometer survey is intended to cover the existing grid. A skid trail will be constructed northwest along the skarn horizon from L3+50N to L8+50N, to speed up the drill moves.

Drill targets on McNeil Peninsula are as follows:

Station	Azimuth°	Dip°	Length
L8+50N 1+15W	270	-50	80 m
"	-	-90	80 m
L8+00N 0+75W	270	-45	80 m
"	270	-70	80 m
L7+00N 0+00	270	-45	80 m
"	270	-70	80 m
L6+50N 0+00	270	-45	80 m
"	270	-70	80 m
L6+00N 0+25E	270	-45	80 m
"	270	-70	80 m
L5+50N 0+40E	270	-45	80 m
"	270	-70	80 m
L5+00N 0+50E	270	-45	80 m
"	270	-70	80 m
L2+50N 1+40E	270	-45	80 m
"	270	-70	80 m
L2+00N 0+75W	200	-45	100 m
"	200	-70	100 m
Total Length			**1480 m**

The objective of these DDH's is to define in detail the extent of the skarn horizon which contains gold values of up to 7.66 g/t Au over 1.03 m. The DDH's at L2+00, 0+75W are to test the strike, dip and width of the quartz veins which contained up to 600 g/t Au and 278.1 g/t Ag.

6.2 Budget

Mobilization/Demobilization	$ 15,000
Personnel	59,300
Support Costs	11,660
Transportation, Communication, Supplies	1,900
Equipment Rental	9,675
Drilling	200,000
Road Building	30,000
Analyses	25,870
Consulting	14,000
Report Preparation	31,160
Administration, 15%	40,000
Contingency, 15%	61,435
Total Cost, say	**$500,000**

6.3 Schedule

The Phase IV soil survey, magnetometer survey, road building and diamond drill program is estimated to require approximately 9 weeks to complete. Interpretation and documentation of results will require approximately 4 weeks.

7.0 CONCLUSIONS

1. The Contact-Au property is underlain by Upper Paleozoic Sicker Group volcanics and sediments, Vancouver Group volcanics, all intruded by Westcoast Diorite and metamorphosed during Mesozoic time to form the Westcoast Crystalline complex. Feldspar porphyritic dykes crosscutting the rocks of this complex are probably of Tertiary age.

2. Gold commonly occurs with arsenopyrite in both quartz veins and in skarn horizons. The quartz veins are located in the southwest shore of McNeil Peninsula. The skarn horizons are located on both the Main Grid and McNeil Peninsula.

3. The high grade quartz veins are narrow, discontinuous, sulphide bearing striking northwesterly with a moderate northeasterly dip. They contain up to 390.6 g/t Au, 278.1 g/t Ag, 20899 ppm As, 16577 ppm Pb, and 7978 ppm Zn in samples collected during Phase III.

4. Grab samples from the skarn horizon on McNeil Peninsula returned up to 4.25 g/t Au, 702.2 g/t Ag, 89624 ppm Cu, 970 ppm Pb and 2705 ppm As. From the Main Grid, grab samples returned up to 6.6 g/t Au, 149.9 g/t Ag, 54,828 ppm Cu, 21,313 ppm Zn, 13,089 ppm As, and 1147 ppm Co in samples collected during Phase III.

5. The soil survey on both the Main Grid Detail and the McNeil Peninsula Grid outlined multi-element anomalies including gold and arsenic. On McNeil Peninsula, the soil anomalies corresponded well with the chargeability

highs ± resistivity lows. These coincident anomalies occur along a northwest trend from L2+00N, 1+00E to L9+00N, 1+50W following the general surface projection of the skarn horizon.

6. Drill testing of these coincident geophysical and soil geochemical anomalies was successful in most cases as sulphide bearing skarn horizons were intersected. Significant intersections from the Phase III drill program on McNeil Peninsula include:

Drillhole	Interval (m)	Width (m)	Au g/t	Au (oz/ton)		Other (ppm)	
CA88-6	54.15-54.82	0.68	0.96	(0.028)			
CA88-7	44.06-44.57	0.51	3.48	(0.102)			
CA88-8	29.38-32.98	3.60	0.62	(0.018)	4.3 Ag	986 Zn	
incl.	31.36-31.55	0.19	3.57	(0.104)			
CA88-9	31.73-35.51	3.78	2.30	(0.067)			
incl.	34.32-35.35	1.03	7.66	(0.223)	6.6 Ag	974 Cu,	86000 As
CA88-10	16.41-19.37	2.96	1.75	(0.051)		950 Co	
incl.	17.19-17.72	0.53	3.70	(0.108)		2164 Co	
	25.15-25.91	0.76	1.76	(0.051)			
incl.	25.25-25.41	0.16	5.79	(0.169)	7.6 Ag	2522 Cu	
	53.95-54.67	0.72	1.22	(0.035)	26.1 Ag	7014 Cu	
	72.92-73.55	0.63	0.99	(0.029)			
CA88-12	21.25-21.94	0.69	0.87	(0.026)			

Drillhole CA88-7 contained visible gold within a 3 cm zone of massive diopside.

7. Factors possibly controlling gold mineralization appear to be (i) large scale northwest structures such as the lineament which parallels the high grade quartz veins in the southwest McNeil Peninsula Grid area, as well as smaller scale structures such as the auriferous quartz veins, (ii) sulphide bearing skarn horizons especially within massive diopside, and (iii) Tertiary intrusives.

8. Massive magnetite occurs as lenses and pods within the skarn horizon. Locally, anomalous levels of gold occur in massive magnetite on both the Main Grid and McNeil Peninsula.

9. A structural analysis of orientations of quartz veins, faults, joints and intrusions indicate that the average strike of quartz veins $320^{\circ}/50^{\circ}$NE which is the general strike of the auriferous quartz veins on southwest McNeil Peninsula. The average strike of faults is approximately 243° with both northwest and southeast dips.

10. The geological environment where gold occurs on the Contact-Au property is similar to the Indian Chief deposit 20 km to the northwest where contact metamorphism is the result of Tertiary plutonism. It occurs in Sicker Group limestone and volcanics, intruded by granodiorite and by mafic dykes. Mineralization occurs at limestone/granodiorite contacts. Average assays are 1.5% Cu, 0.3 g/t Au, and 23.3 g/t Ag. Total recorded production before 1981 was 73,593 t, with 1,102,388 kg Cu, 22,456 g Au, and 1707 kg Ag.

8.0 RECOMMENDATIONS

The following recommendations are based on conclusions and favourable results from work done on the Contact-Au property during previous phases:

1. The Main Grid should be extended in a westerly direction to 12+00W along lines 1N, 0, 1S, 2S, 3S and 4S to provide additional coverage to the west side of the property which may host skarn mineralization continuous with the main zone.

2. The extended Main Grid be covered by geologic mapping, prospecting, soil and rock sampling and a magnetometer survey. A magnetomter survey is also recommended for the McNeil Peninsula Grid.

3. The 2.3 km road from Ahousat to the Main Grid area, now approximately half completed, must be completed in order to provide better property access.

4. The coincident Au, Ag, Cu, Zn, Co soil anomaly of the Main Grid Detail should be drill tested, in view of the presence of massive magnetite and a possible projection of the skarn horizon. The extent of the skarn zone beneath the volcanics between lines 1N and 2N should be tested.

5. A skid trail should be constructed on the McNeil Peninsula following surface projection of the skarn horizon in a northwest direction to provide better drill access.

6. Infill drilling on McNeil Peninsula between existing holes, especially on lines 5N, 6N and 7N, will test the extent of the mineralized horizons between CA88-8, 9, and CA88-10, 11, on the McNeil Peninsula. A drill should be set up 50 m west of CA88-12, 13, and a shallow hole drilled west to test the soil and IP anomalies and the magnetite bearing skarn horizon, targeted in CA88-12 and 13. Drilling should be undertaken to intersect the high grade quartz veins at depth.

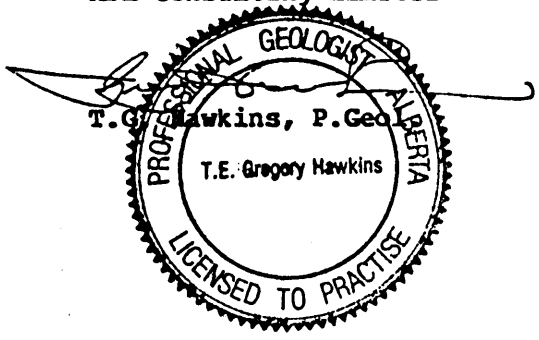
7. The northwesterly trending lineament should be traversed and closely examined for potential associated mineralization as it strikes parallel to the high grade quartz veins, and occurs in close proximity.

8. The Tertiary(?) leucocratic dykes should be closely examined in areas where they cut the skarn horizons as they may control gold mineralization.

9. The cost estimate for the proposed Phase IV program is $500,000.

Respectfully submitted

MPH Consulting Limited



T.G. Hawkins, P.Geol.

Vancouver, B.C.
October 7, 1988

CERTIFICATE

I, T.E. Gregory Hawkins, do hereby certify:

1. That I am a Consulting Geologist with business offices at 2406 - 555 West Hastings Street, Vancouver, B.C. V6B 4N5.

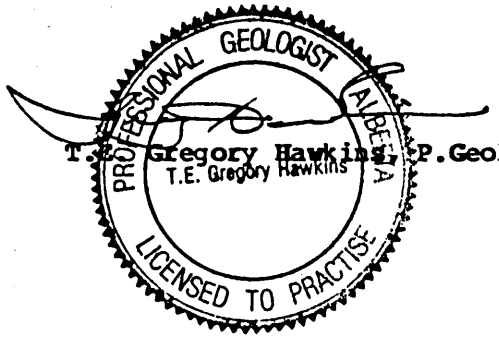
2. That I am a graduate in geology of The University of Alberta, Edmonton (B.Sc. 1973), and of McGill University, Montreal, (M.Sc. 1979).

3. That I have practised within the geological profession for the past seventeen years.

4. That I am a Fellow of the Geological Association of Canada and a Professional Geologist registered in the Province of Alberta.

5. That the opinions, conclusions and recommendations contained herein are based on field work carried out on the Contact and Contact Au group of claims by MPH Consulting Limited personnel under my supervision.

6. That I own no direct, indirect, or contingent interests in the area, the subject property, or shares or securities of Parallax Development Corporation or associated companies.



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Vancouver, B.C.
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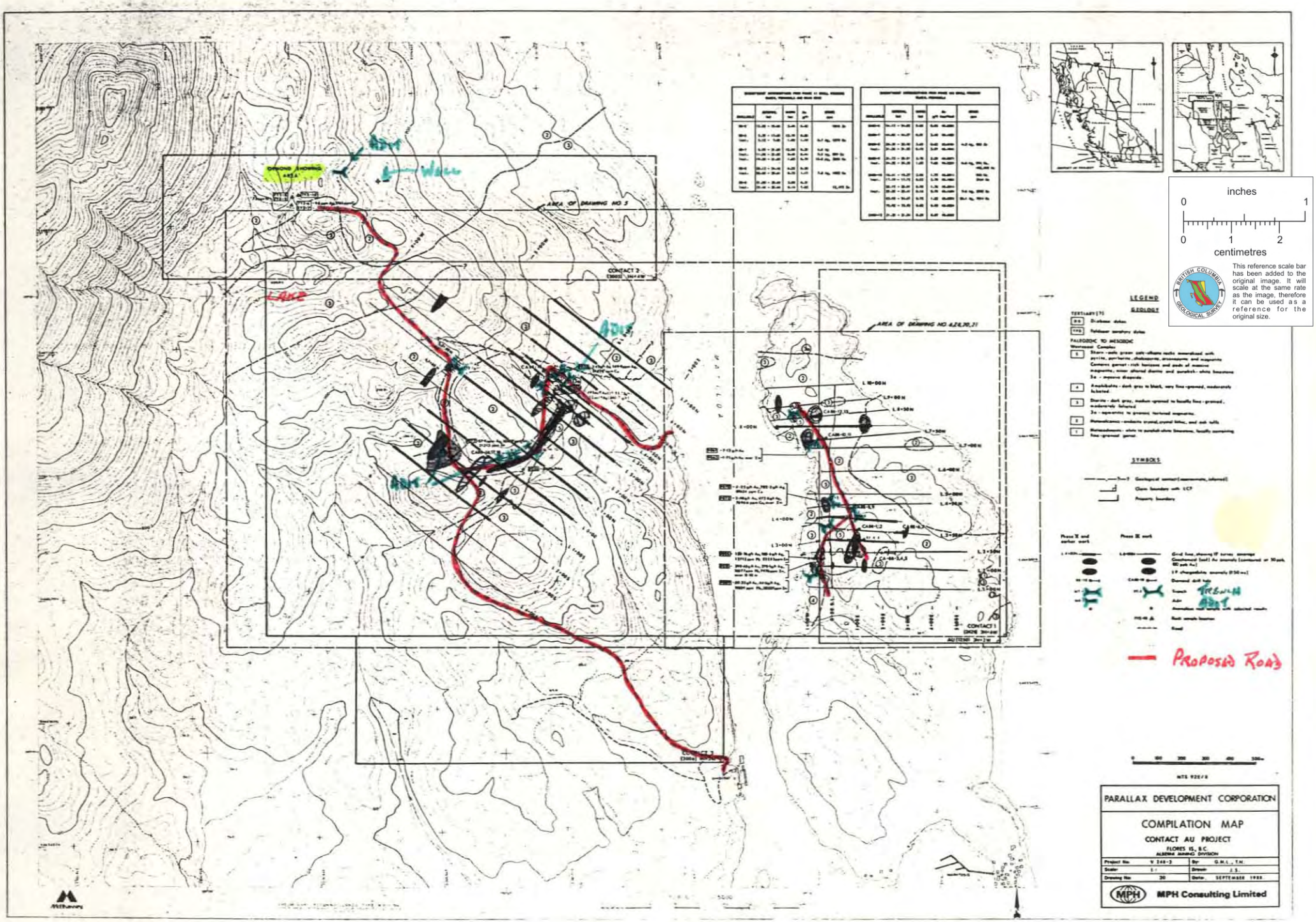
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2
centimetres
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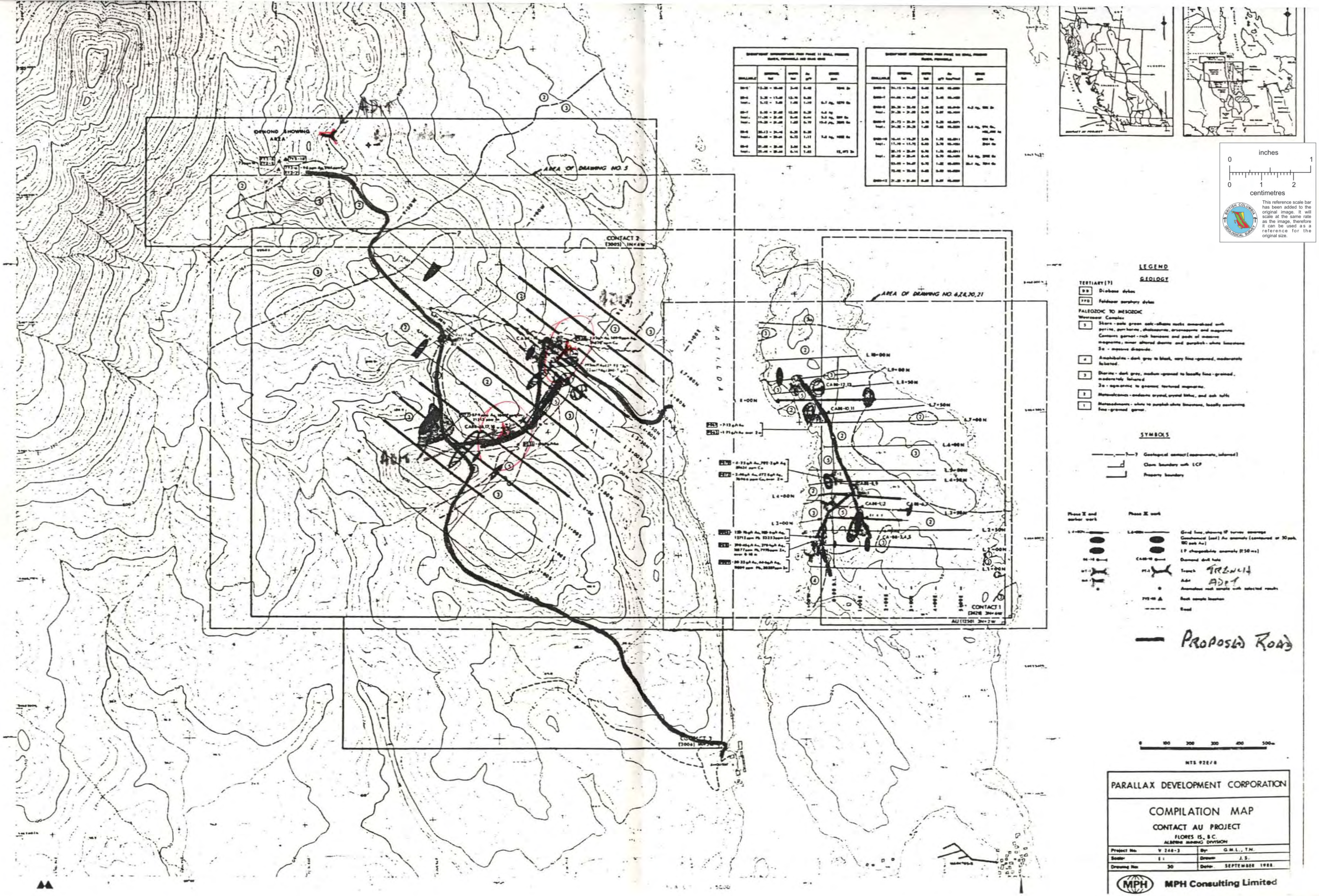
PARALLAX DEVELOPMENT CORPORATION
COMPILATION MAP
CONTACT AU PROJECT
FLORES IS., B.C.
ALBERNI MINING DIVISION
MPH Consulting Limited


DIAMOND SHOWING AREA
ADIT
AREA OF DRAWING NO. 5
CONTACT 2 (3005) 1N×4W
AREA OF DRAWING NO. 6,7,8,20,21
MATILDA
L 10+00N
L 9+00N
L 8+50N
L 7+50N
L 7+00N
L 6+00N
L 5+00N
L 4+50N
L 4+00N
L 3+00N
L 2+50N
L 2+00N
L 1+00N
CA88-17,12
CA88-10,11
CA88-1,2
CA-88-3,4,5
CONTACT 1 (2428) 3N×6W
AU (1250) 3N×2W
CONTACT 3 (3006)
LEGEND
GEOLOGY
TERTIARY (?)
DD Diabase dykes
FPD Feldspar porphyry dykes
PALEOZOIC TO MESOZOIC
SYMBOLS
Geological contact (approximate, inferred)
Claim boundary with LCP
Property boundary
Phase II and earlier work
Phase III work
Diamond drill hole
Trench
TRENCH
Adit
ADIT
Rock sample location
Road
PROPOSED ROAD
0 100 200 300 400 500m
NTS 92E/8
PARALLAX DEVELOPMENT CORPORATION
COMPILATION MAP
CONTACT AU PROJECT
FLORES IS., B.C.
ALBERNI MINING DIVISION
Project No. V 246-3
By G.M.L., T.N.
Drawn J.S.
Drawing No. 30
Date SEPTEMBER 1988
MPH Consulting Limited
inches
0 1
0 1 2
centimetres
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BRITISH COLUMBIA GEOLOGICAL SURVEY