

Paul Wilton
200-756 Fort St
Vict. V8W-3A3

006704

PROPERTY FILE

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GEOLOGICAL REPORT

ON THE

LUCKY PROPERTY

Alberni Mining Division
Vancouver Island
British Columbia

FOR

FREMONT GOLD CORPORATION
ALCOVE GOLD CORPORATION
CANORA MINING CORPORATION

BY

N.C. CARTER, PH.D. P.ENG.
May 23, 1989

N.C. CARTER, Ph.D., P.Eng.
CONSULTING GEOLOGIST

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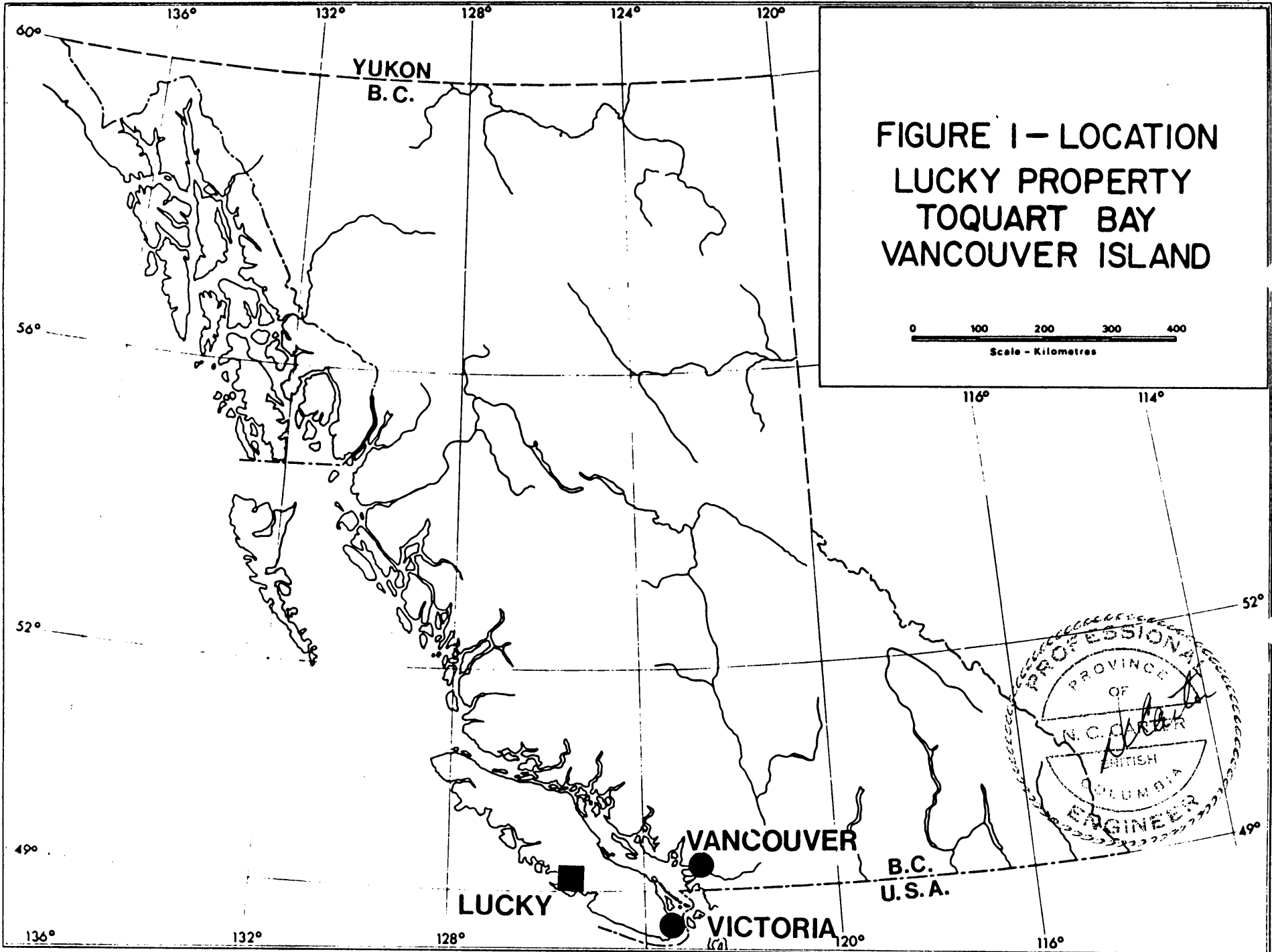
SUMMARY

Freemont Gold Corporation, Alcove Gold Corporation and Canora Mining Corporation have an agreement by which they can earn an interest in the Lucky gold property which consists of 4 2-post claims, 2 fractional claims and 25 Modified Grid mineral claims and is situated south of Kennedy Lake on the southwest coast of Vancouver Island.

Work to date includes detailed diamond drilling of the southern part of the Lucky gold-bearing quartz vein. Where exposed in underground workings and intersected in drill core, the vein is narrow (0.30 metre width) but locally it contains gold values in the several oz/ton range. 1988 drilling has demonstrated the persistence of the vein to depth and has indicated locally good gold values in wallrocks marginal to the vein, thus increasing overall widths of the gold-bearing zone. Additional drilling is warranted.

Numerous other zones with anomalous geochemical gold values are known within the large property area. Several of these merit additional investigation by way of prospecting and detailed geochemical sampling.

The recommended program for additional exploratory work on the Lucky property is estimated to cost \$222,500.00.



**FIGURE I - LOCATION
LUCKY PROPERTY
TOQUART BAY
VANCOUVER ISLAND**

0 100 200 300 400
Scale - Kilometres

PROFESSIONAL
ENGINEER
OF
BRITISH
COLUMBIA

INTRODUCTION

Freemont Gold Corporation, Alcove Gold Corporation and Canora Mining Corporation hold an agreement to earn an interest in the Lucky gold property on the west coast of Vancouver Island, British Columbia.

This report, prepared at the request of the aforementioned three companies, is based on personal examinations of parts of the Lucky property May 16 and July 7, 1984, December 12, 1987 and a recent examination May 11, 1989.

The writer prepared two previous geological reports on the property for Freemont Gold Corporation dated May 27, 1987 and for Alcove Gold Corporation dated June 15, 1988. Reports of work carried out by the project operator, Freemont Gold Corporation, between late 1988 and early 1989 have been reviewed and results are incorporated in this report.

LOCATION AND ACCESS

The Lucky property is situated on the southwest coast of Vancouver Island (Figure 1) at latitude $49^{\circ}05'$ North and longitude $125^{\circ}17'$ West in NTS map-area 92F/3.

The mineral claims, 22 km northeast of Ucluelet, are accessible via Highway 4 from Port Alberni and logging roads between Kennedy Lake and Toquart Bay (Figure 2).

The Lucky vein, one of the principal showings on the property, is accessible by a recently constructed logging road, as is the southwest part of the property including the Ridge zone (Figure 3).

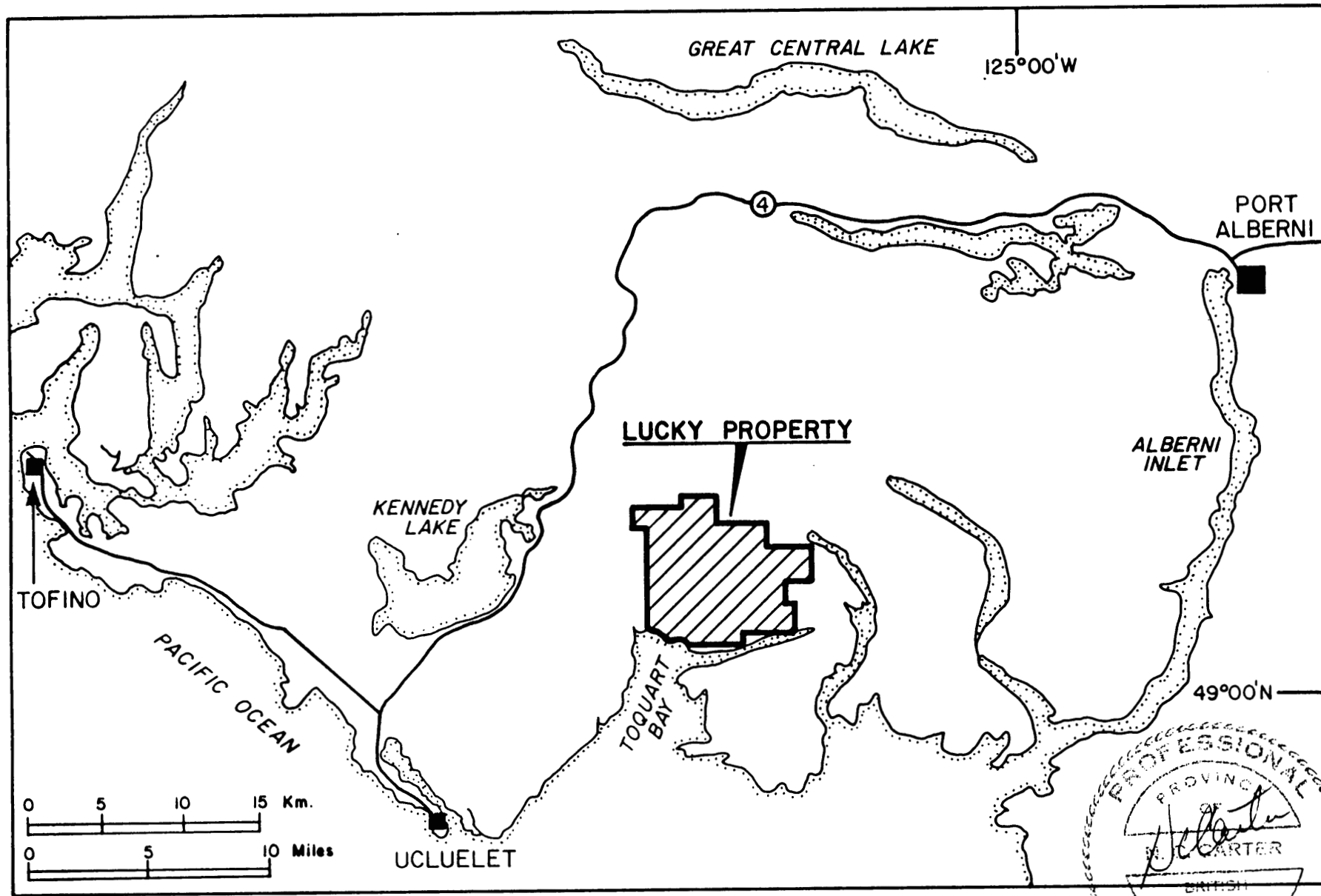


FIGURE 2 - LUCKY PROPERTY

The southern claims area can be reached by boat from Toquart Bay and Pipestem Inlet. Access to the northern and eastern claims is by helicopter.

MINERAL PROPERTY

Freemont, Alcove and Canora hold an agreement with Electrum Resource Corporation whereby the three companies can earn a significant interest in the Lucky property which consists of 4 2-post claims, 2 fractional claims and 25 Modified Grid mineral claims, totalling 361 mineral claim units in the Alberni Mining Division on Vancouver Island.

All mineral claims, with the exception of the Base 1 and 2 2-post claims, staked to cover a possible fraction along the mutual boundary of the KM and KT claims, are shown on Figure 3 and details are as follows:

| <u>Claim Name</u> | <u>Record Number</u> | <u>Units</u> | <u>Expiry Date</u> |
|-------------------|----------------------|--------------|--------------------|
| Lucky 81 | 1365 | 1 | October 7,1992 |
| Lucky 82 | 1366 | 1 | " " |
| Lucky Fr. | 1369 | 1 | February 15,1992 |
| Lucky 2 Fr. | 1370 | 1 | " " |
| KX | 1555 | 9 | November 24,1991 |
| KZ | 1557 | 12 | " " |
| KS | 1818 | 4 | August 2,1993 |
| KT | 1819 | 4 | " " |
| KU | 1820 | 6 | " " |
| KW | 1821 | 20 | " " |
| KM | 1866 | 20 | October 7,1989 |
| KN | 1867 | 20 | " " |
| KQ | 1869 | 18 | " " |
| TOQ 1 | 3090 | 10 | December 22,1989 |
| TOQ 2 | 3091 | 20 | " " |
| TOQ 3 | 3092 | 18 | " " |
| TOQ 4 | 3093 | 20 | " " |
| TURRET | 3094 | 20 | " " |

| <u>Claim Name</u> | <u>Record Number</u> | <u>Units</u> | <u>Expiry Date</u> |
|-------------------|----------------------|--------------|--------------------|
| OYSTER 2 | 3095 | 8 | December 22,1993 |
| PEAK | 3096 | 12 | December 22,1989 |
| KL | 3158 | 18 | March 16,1991 |
| OYSTER 1 | 3159 | 18 | " 1990 |
| KO | 3160 | 18 | " " |
| KP | 3161 | 18 | " " |
| KR | 3162 | 18 | " " |
| OYSTER 3 | 3163 | 6 | " " |
| KY | 3237 | 9 | May 29,1991 |
| WICK | 3238 | 12 | " 1993 |
| KV | 3242 | 20 | June 2,1991 |
| Base 1 | 3430 | 1 | January 14,1993 |
| Base 2 | 3431 | 1 | " " |

Expiry dates are as provided by Freemont Gold Corporation and reflect recently filed assessment work.

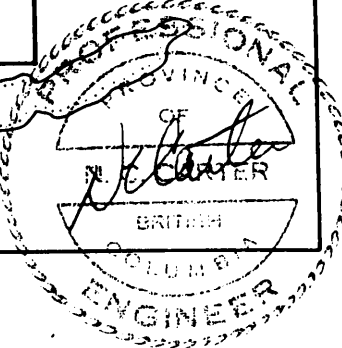
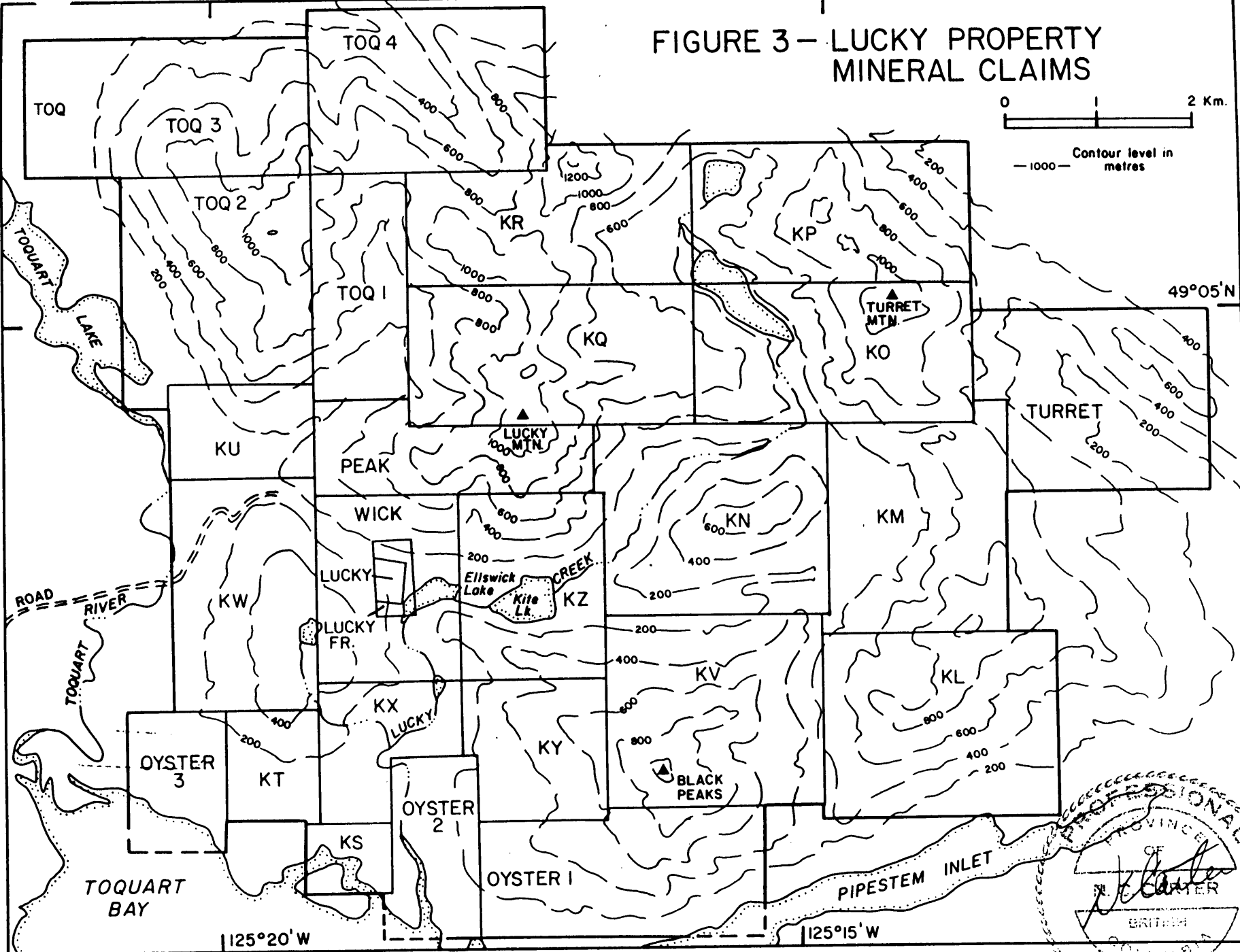
PHYSICAL SETTING

The Lucky property exhibits physical features typical of the west coast of Vancouver Island.

The entire claims area is heavily forested with abundant underbrush and deadfalls with the exception of recently logged areas. This coupled with locally rugged topography and limited number of helicopter landing sites makes access to parts of the claims area difficult.

Elevations range from sea level to more than 1100 metres in the northern part of the property. Much of the claims area is drained by Lucky Creek along which are three small lakes - Handsome, Kite and Ellswick (Figure 3).

FIGURE 3 - LUCKY PROPERTY
MINERAL CLAIMS



HISTORY

Gold-bearing quartz veins were discovered in the Kennedy River area prior to 1900. Limited production (400 tons) from the Rose Marie and Leora properties, on Kennedy River 10 km northwest of the Lucky property, took place between 1899 and 1915. Numerous other prospects were sporadically explored through the 1930's. Renewed activity has been underway in the area since 1980.

The Lucky gold-bearing vein was originally staked as the Red Rover property prior to 1905. Sporadic work through the 1930's included 100 metres of underground drifting in two adits.

The majority of the present claims were located on behalf of Electrum Resource Corporation in 1982 and optioned to Victoria Resource Corporation in 1983. Additional claims were located and silt, soil and rock sampling programs were undertaken through 1984.

Falconbridge Limited optioned the property from Victoria in 1985 and embarked on a program of follow-up geochemical sampling, airborne and surface geophysics and reconnaissance prospecting and geological mapping of selected areas. Underground workings on the Lucky vein were surveyed and sampled and 332 metres of diamond drilling in 7 holes was undertaken to further test the vein structure.

Falconbridge terminated the option agreement in late 1985 subsequent to which the claims were returned to Electrum by Victoria Resource Corporation.

Additional claims were located in 1987 and an option

agreement was negotiated by Freemont Gold Corporation in mid-year. Alcove Gold Corporation subsequently entered into an agreement with Freemont, who as operator undertook line cutting, VLF-EM and magnetometer surveys, soil and rock geochemistry, geological mapping and prospecting in late 1987 and early 1988. Canora Mining Corporation joined the other two companies in 1988 and work carried out between the fall of that year and March 1989 consisted of 2087 metres of diamond drilling including 20 holes on the Lucky vein and 6 to test the Ridge zone, VLF-EM and magnetometer surveys along 15.7 km of grid over three zones in the northern and eastern claims. Some rock geochemistry was also completed.

REGIONAL GEOLOGY AND MINERALIZATION

Vancouver Island makes up the southern part of the Insular belt, the westernmost tectonic subdivision of the Canadian Cordillera. The southern Insular Belt is dominated by Paleozoic and Mesozoic volcanic-plutonic complexes overlain on the east coast of Vancouver Island by clastic sedimentary rocks of Cretaceous age. Tertiary basic volcanic rocks are prevalent in the south Island area and granitic intrusions of equivalent age are widespread along the west coast.

Vancouver Island hosts a variety of mineral deposits, including volcanogenic massive sulfides at Buttle Lake and near Duncan, which are hosted by late Paleozoic Sicker Group volcanic rocks. Island Copper near Port Hardy is a porphyry copper-molybdenum deposit with significant by-product gold and which is related to

Mesozoic subvolcanic intrusions. Iron-copper skarns, hosted by late Triassic limestones marginal to granitic intrusions, are numerous in the central and northern Island areas.

The west coast of Vancouver Island is noted for gold-bearing vein deposits. Many of these are at least spatially related to Tertiary granitic intrusions, the most notable examples being the Zeballos camp and the Kennedy Lake and Mount Washington areas.

Oldest rocks in the Kennedy Lake - Long Beach area are Karmutsen mafic volcanic rocks of late Triassic age. A limestone - clastic sedimentary rock sequence lies between the Karmutsen Formation and Bonanza Group intermediate to felsic volcanics. Island granitic intrusions, comagmatic with Bonanza volcanics, underlie broad areas west and east of Kennedy Lake. These are in part gneissic rocks believed to have been derived from older Paleozoic formations. Tertiary granitic intrusions occur as elongate stocks north and south of Kennedy Lake.

Mineral deposits in the area include the Catface porphyry copper-molybdenum prospect north of Tofino which is related to a Tertiary granite and the formerly producing Brynnor iron skarn deposit several km south of Kennedy Lake. A number of gold-bearing quartz veins occur principally in Karmutsen and Bonanza volcanics and in granitic rocks in the Kennedy Lake area and north of Tofino.

Quartz veins near Kennedy Lake occupy east, northeast and north-trending shear zones believed to be tensional features

marginal to west-northwest regional faults which transect all rock types. Quartz veins within the shear zones dip north and west at moderate to steep angles. Vein widths are variable, ranging from 10 cm to 2 metres, and averaging 50 cm. Sulfide contents, mainly in the form of pyrite, pyrrhotite and some chalcopyrite and sphalerite, range from 2 to 20%. Gold values are associated with sulfide minerals.

Shear zones and quartz veins are developed mainly in Karmutsen intermediate to basic volcanics and to a lesser degree in Island intrusion granitic rocks. Wallrocks are altered and bleached 50 cm outward from vein contacts and principal alteration minerals include silica, chlorite, carbonate and sericite.

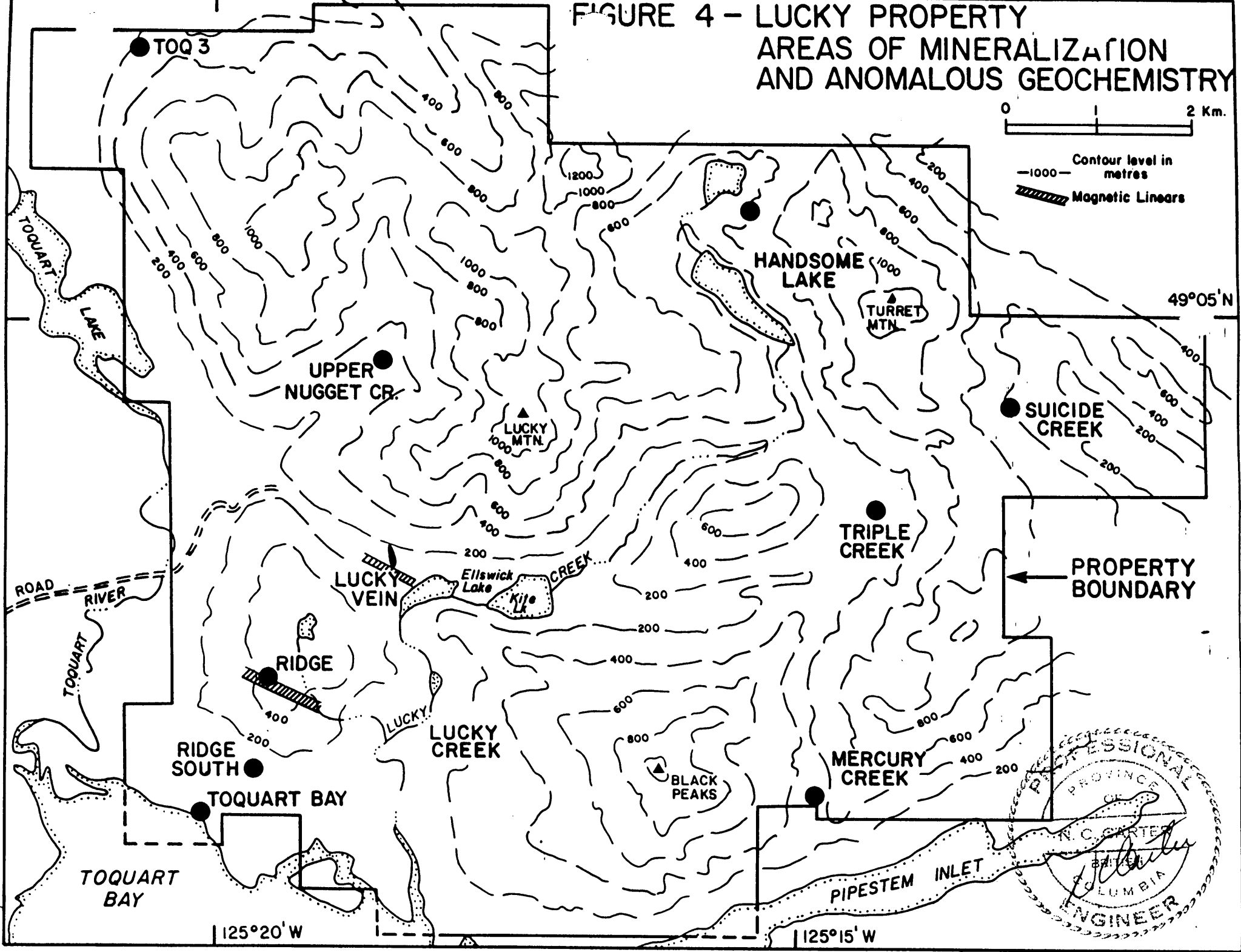
Three of the gold-bearing quartz veins in the Kennedy River area (Leora, Rose Marie, Tommy K) have yielded limited production totalling 396 tons grading 0.732 oz/ton gold and 0.40 oz/ton silver.

PROPERTY GEOLOGY, MINERALIZATION, GEOCHEMISTRY AND GEOPHYSICS

The following comments are based on the writer's observations and on previous reports of work on the Lucky property by Rebic and Lehtinen(1985), Zastavnikovich(1988) and Wilson et al(1989).

Oldest rocks are massive Karmutsen mafic to intermediate volcanic flows which underlie the central property area. Overlying these in the Handsome Lake and Triple Creek areas (Figure 4) are light to dark grey thick bedded limestones and

**FIGURE 4 - LUCKY PROPERTY
AREAS OF MINERALIZATION
AND ANOMALOUS GEOCHEMISTRY**



thinly bedded clastic sediments. Bonanza felsic to intermediate pyroclastic rocks were noted overlying the sedimentary sequence southwest of Handsome Lake and east of Triple Creek.

Island quartz monzonite and quartz diorite of Jurassic age is widespread, occurring as irregular masses near the property east boundary, north and south of Kite Lake, southwest of Handsome Lake and along the north shore of Toquart Bay.

Porphyritic quartz monzonite on two islands in the northern part of Toquart Bay and quartz feldspar porphyry dykes in the vicinity of many of the mineral showings including the Lucky vein and Ridge zone are believed to be of Tertiary age.

Most layered rocks are massive with the exception of the sedimentary sequence which strikes east-west and dips moderately south. A west-northwest fault projected through Kite and Ellswick Lakes is reflected by the drainage into Ellswick Lake (Figure 4).

An airborne magnetometer survey (Podolsky, 1985) showed general northwest trends, and in particular a pronounced magnetic low paralleling the fault through Kite and Ellswick Lakes which was confirmed by surface VLF-EM and magnetometer surveys in 1987. Neither the airborne or surface geophysical surveys detected significant bedrock conductors.

Known mineralized zones and areas of anomalous geochemical values are shown on Figure 4. These are discussed separately and comments are based principally on reports of previous work including that completed in late 1988 and early 1989.

Lucky Vein

The Lucky quartz (carbonate) vein occupies a northerly striking, steeply east dipping shear zone and is exposed in surface trenches and two adits. The vein pinches and swells with widths ranging from a few cm to 0.40 metre.

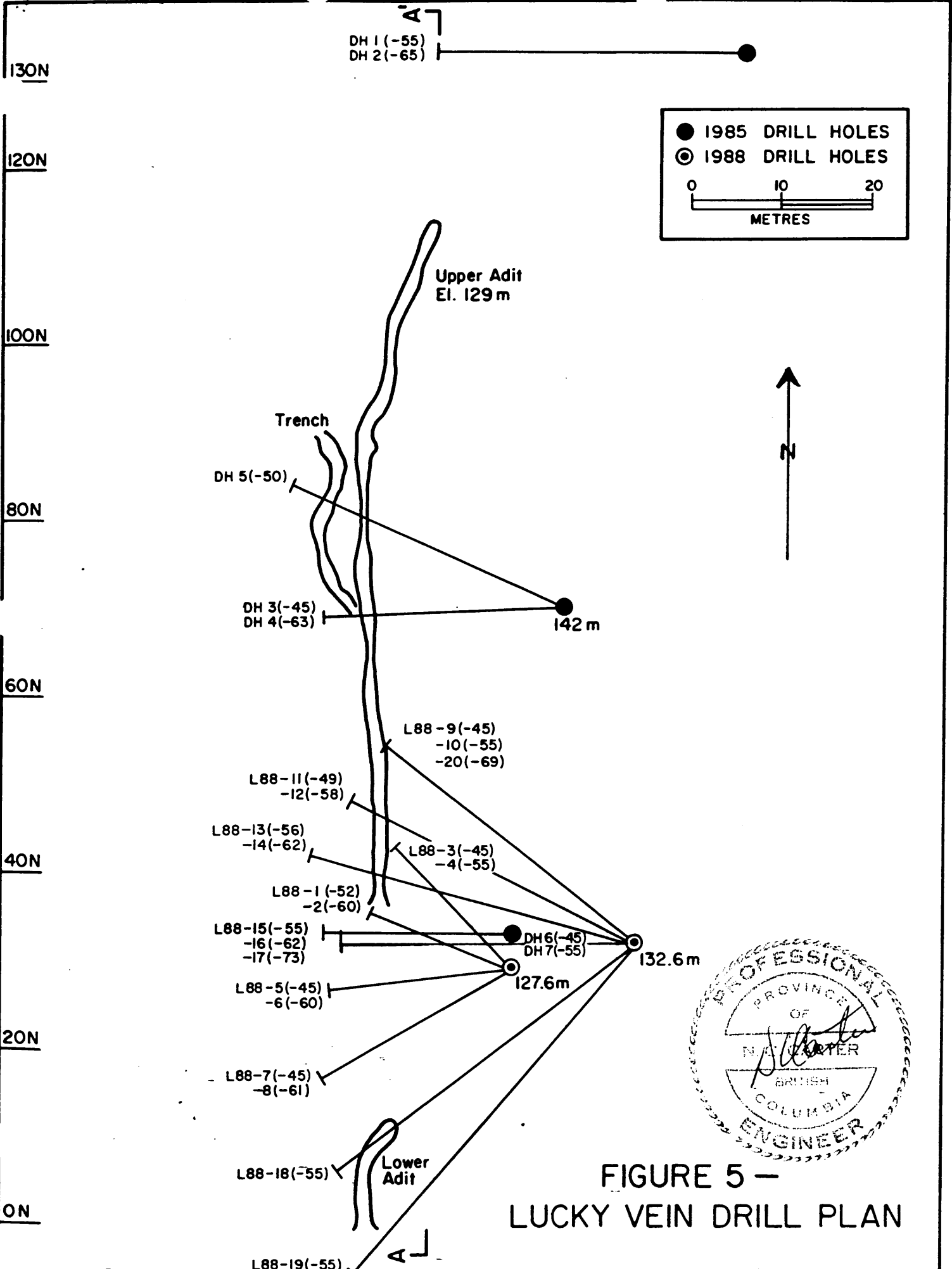
Detailed surface and underground sampling has been carried out in the past (Northcote 1983a). The lower adit extends for only 15 metres and the vein is best exposed in the first 47 metres of the 80 metre long upper adit at an elevation of 129 metres.

Wallrocks are grey Karmutsen volcanics, variably altered to clay minerals, sericite, chlorite and epidote and areas of silicification adjacent to the vein. Up to 2% finely disseminated pyrite occurs in both the vein and altered wallrocks and some visible gold has been noted in the quartz vein.

Both the Victoria (Eccles, 1984) and Falconbridge (Rebic and Lehtinen, 1985) sampling of the upper adit included samples of vein, footwall and hangingwall rocks. Six vein samples collected by Falconbridge over 28 metres of strike length had gold values ranging from 0.318/0.30 metre to 7.421/0.18 metre. Weighted average grade of this section is 1.936 oz/ton gold over an average width of 0.23 metre.

Footwall and hangingwall samples, across widths of 0.30 to 1 metre yielded low gold values of between 0.011 and 0.08 oz/ton with a slightly higher concentration noted in the hangingwall.

The Lucky vein was tested by 7 angle holes drilled from



DH 1 (-55)
DH 2 (-65)

● 1985 DRILL HOLES
⊙ 1988 DRILL HOLES

0 10 20
METRES

Upper Adit
El. 129 m

Trench

DH 5 (-50)

DH 3 (-45)
DH 4 (-63)

142 m

L88-9 (-45)
-10 (-55)
-20 (-69)

L88-11 (-49)
-12 (-58)

L88-13 (-56)
-14 (-62)

L88-3 (-45)
-4 (-55)

L88-1 (-52)
-2 (-60)

L88-15 (-55)
-16 (-62)
-17 (-73)

DH 6 (-45)
DH 7 (-55)

132.6 m

L88-5 (-45)
-6 (-60)

127.6 m

L88-7 (-45)
-8 (-61)

L88-18 (-55) Lower Adit

L88-19 (-55)

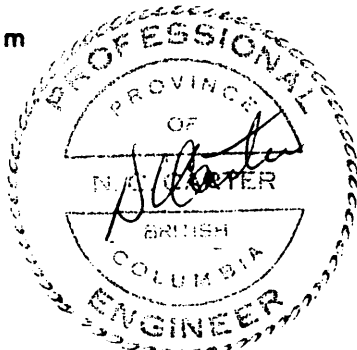


FIGURE 5 -
LUCKY VEIN DRILL PLAN

3 set-ups over a strike interval of 110 metres (Figure 5). The first two holes were drilled 20 metres north of the end of the upper adit. The deeper of these intersected 0.38 metres of quartz vein grading 0.068 oz/ton gold 13 metres vertically below the adit level. Three holes drilled below the central section of the adit intersected more than one quartz vein; values ranged from 0.005 to 0.832 oz/ton over 0.21 to 0.46 metre core lengths.

Best values were obtained from two holes (6 and 7 - Figure 5) drilled on a 270° azimuth 4 metres south of the upper adit portal. The upper hole (6) intersected two parallel quartz (carbonate) veins and altered wallrock over a core length of 1.2 metres with an average weighted grade of 0.127 oz/ton gold. The deeper hole on the same section (7), 16 metres vertically below the adit level, intersected 0.75 metre of quartz vein with visible gold assaying 1.680 oz/ton. Bleached mafic rocks marginal to the vein yielded 0.012 and 0.016 oz/ton gold over 0.83 and 1 metre core lengths with a total core length of 2.58 metres having a weighted average grade 0.498 oz/ton. Assuming a near vertical structure, approximate true width of this intercept would be 1.40 metres.

Silver values in vein samples were found to be low, generally not exceeding 0.15 oz/ton.

Quartz feldspar porphyry dykes and sills were noted adjacent to veins in both underground workings and drill core.

The possibility that the gold-bearing quartz vein structure was increasing in width at depth and along strike to the south,

as indicated by Falconbridge drill hole 7, was tested by the 1988 drilling program. The nature of the terrain resulted in twenty inclined holes being drilled from two set-ups as shown on Figure 5.

Most holes drilled intersected the the principal quartz vein over a strike length of approximately 50 metres and to a depth of 60 metres below the upper adit level (Figure 6). Gold values display a wide variation. Not shown on Figure 6 are holes L88-1 and -2 which contained grades of 0.104/0.18 metres and 0.508/0.64 metres respectively. These holes, the intercepts of which are very close to holes DH 6 and L88-4, also demonstrate the wide range of gold values within the vein structure.

Better grades are apparently contained within a steeply north plunging shoot. Sample intervals shown on Figure 6 are core lengths; true widths for holes drilled normal to the strike of the vein are 50-60% of the intervals reported and would be somewhat less again in holes drilled oblique to the structure.

1988 drilling did not indicate any appreciable increase in vein widths but some significant gold values in wallrocks were noted. Examples include hole L88-4 (1.337 oz/ton/2.13 m) which intersected a quartz vein with visible gold over a 0.71 m length assaying 6.339 Oz/ton, followed by 1.82 m of variably silicified and quartz veined wallrock having an average weighted grade of 0.465 oz/ton. True width of the entire interval is approximately 0.70 metre.

Another example is hole L88-10 with an average grade of

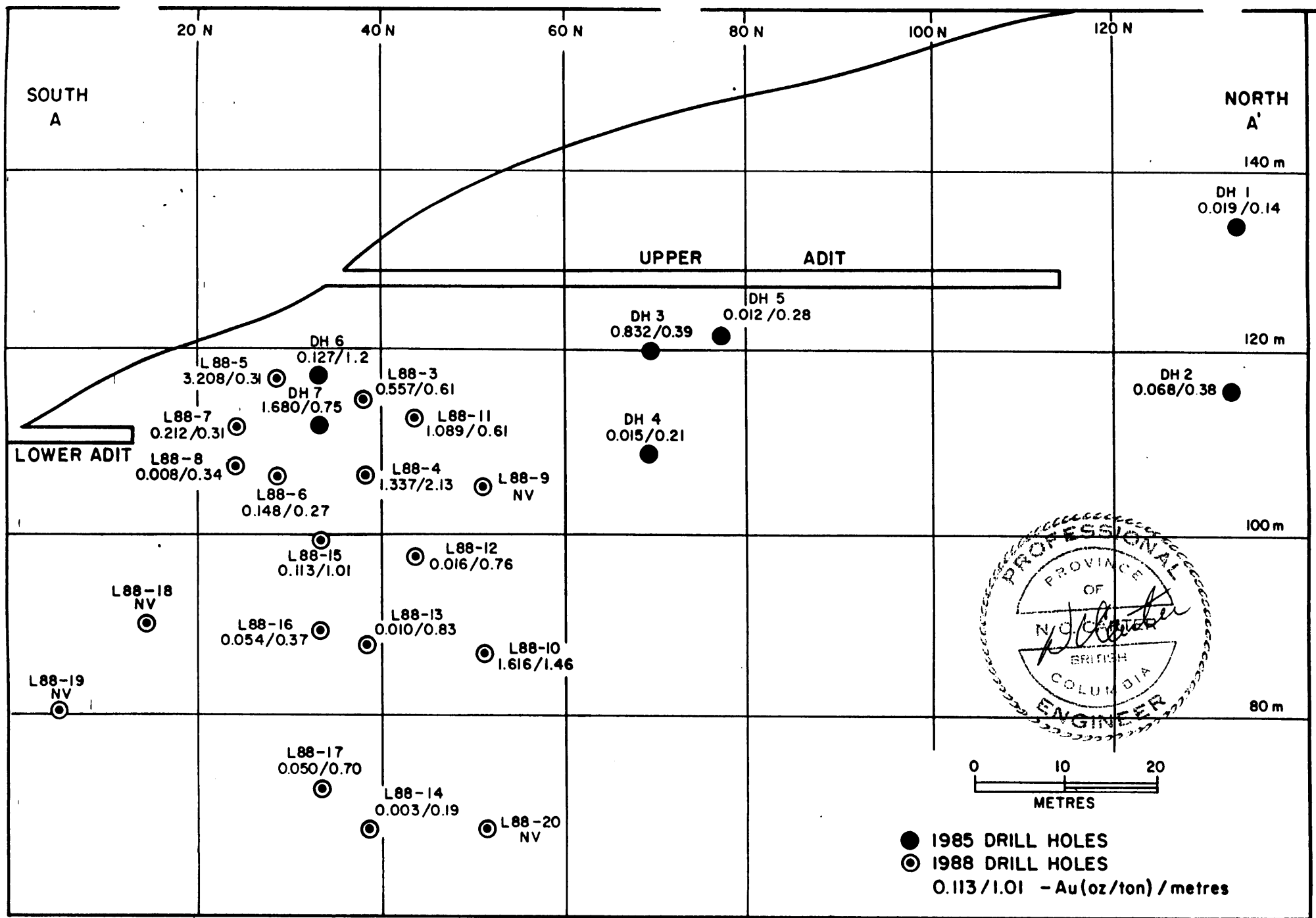


FIGURE 6 - LUCKY VEIN - LONGITUDINAL PROJECTION (LOOKING WEST)

1.616 oz/ton over 1.46 metres. The initial 0.85 metre of this interval is quartz vein with visible gold grading 2.247 oz/ton followed by pyritized wallrock with an average grade of 0.713 oz/ton gold. True width in this hole, which is oblique to the vein structure, is probably about 0.50 metre

As indicated on Figure 6, hole L88-10 is on the most northerly section drilled in 1988.

VLF-EM and magnetometer surveys in 1985 and 1987, over a grid including the Lucky Vein, confirmed the presence of a fault extending west-northwest from Ellswick Lake and immediately south of the Lucky adits.

Two several hundred ppb gold anomalies in stream sediment samples along this fault 600 metres northwest of Ellswick Lake were followed up by soil sampling over an expanded grid in 1987. A 510 ppb gold value, 150 metres north of the drainage and downslope from an extensive area of anomalous mercury values suggests the presence of another mineralized structure in this area.

Ridge Zone

This zone, exposed principally in recent logging road cuts in the southern part of the KW claim in the southwest property area (Figure 4), was discovered by prospecting in the fall of 1987.

Sheared and brecciated Karmutsen volcanic rocks are exposed along logging roads and in clear cut areas at the top of a ridge at about 500 metres elevation. The axis of the zone, which is up to 150 metres wide, is bracketed by quartz feldspar porphyry and

diorite dykes which are relatively massive and unaltered.

Overall structural trend is west-northwest, parallel to the fault zone south of the Lucky Vein 1.5 km northeast (Figure 4). This general trend is corroborated by VLF-EM and magnetometer data collected in late 1987. Previous airborne geophysics indicates a potential strike length for the zone of several km.

At the top of the ridge in the clear cut area, brecciated bleached and iron-stained Karmutsen volcanics contain up to 20% pyrite with numerous narrow quartz stringers and some jasper.

Soil samples collected from this area yielded low values for most elements while rock samples had low precious metals values but up to 4000 - 5000 ppb mercury and anomalous barium, strontium and copper values.

Rock samples of narrow quartz veins in road cuts over an 800 metre distance to the northwest and a vertical range of 400 metres yielded three gold values ranging from 690 to 1820 ppb. Anomalous silver values of up to 18.7 ppm and mercury to 17000 ppb are also present in rock sample from lower elevations and suggest a possible vertical zonation of element values.

This hypothesis was tested by 975 metres of diamond drilling in 6 widely spaced holes over a potential strike length of 700 metres and a vertical range of 200 metres.

Drilling intersected intermediate Karmutsen volcanics with occasional epidotized and silicified zones and local quartz and epidote veinlets. Weakly disseminated pyrite is ubiquitous, locally comprising 20% of the rock by volume. Hematite (jasper) veinlets

were noted and local gouge zones may partially explain some of the VLF-EM anomalies.

Two of the holes drilled at lower elevations bottomed in barren quartz diorite above which some silicification was noted.

208 core samples were analyzed for gold and for 30 elements by ICP methods. Mercury analyses were also carried out. Best gold values (200,95 ppb) were obtained from two consecutive samples from a hole drilled near the central part of the zone as exposed on surface.

Recent logging activity and road building south of the Ridge zone has exposed limonite-stained diorite and intermediate and acidic Karmutsen volcanic rocks. These occur in a crudely west-northwest trending zone (Figure 4) exposed over 500 metres in logging road cuts. Some quartz veining within this zone has been reported (J.R. Wilson, personal communication) and a sample from a 2.5 cm wide pyrite rich seam was found to contain 44 ppb gold and 1679 ppm copper (S. Zastavnikovich, personal communication). Heavy mineral fractions from 2 out of 5 samples collected from oxidized soils in the area yielded gold values of 215 and 887 ppb.

Several other mineralized zones are known on the property (Figure 4). Some of these were subjected to some investigation in 1987 and 1988/1989. A brief review is as follows:

Suicide Creek

A westerly striking, 0.3 metre wide quartz vein has been traced

intermittently along Suicide Creek in the eastern property area (Figure 4). Assay values from float and bedrock samples range up to 0.06 oz/ton gold and 0.54 oz/ton silver with significant lead and zinc values. Two float samples, collected in 1988 yielded gold values of up to 559 ppb gold plus anomalous arsenic and mercury. Source of this material is not known. VLF-EM and magnetometer surveys along one 1.5 km line in this area did not indicate significant trends, possibly due to topographic effects.

Handsome Lake

Siliceous volcanic rocks or possibly intrusive sills are associated with limestones northeast of Handsome Lake. Numerous small skarn zones are developed in limestone and these contain varying amounts of magnetite, chalcopyrite and pyrite with elevated gold and mercury geochemical values.

Soil samples were collected in 1987 in the vicinity of a previous stream sediment sample which yielded 54 ppb gold. Heavy mineral fractions showed strongly anomalous manganese, 18.2 ppm silver, 83 ppm arsenic, 2814 ppm barium plus elevated cadmium, cobalt and molybdenum values and up to 7610 ppb mercury.

No significant results were obtained from VLF-EM and magnetometer surveys carried out over 3.6 km of grid in early 1989.

Triple Creek

Stream sediments in this area with coincident anomalous values in base metals, arsenic, cadmium and minor gold were found to be

due to skarn zones and areas of quartz veining and silicification. One occurrence includes a 4 metre wide gossanous zone with zinc values in the several percent range developed in mafic volcanic rocks immediately below a limestone sequence. Numerous porphyry dykes were noted in this area.

Analyses of heavy mineral fractions of stream sediments collected in 1987 above and below the zinc occurrence indicated locally anomalous gold values with arsenic. Re-sampling of heavy mineral fractions in and near the zinc occurrence showed anomalous silver concentrations in excess of 30 ppm.

Mercury Creek

Two panned stream sediment samples from Mercury Creek 1.5 km north of Pipestem Inlet returned values of up to 47500 ppb mercury. Follow-up work by Falconbridge in 1985 yielded only several hundred ppb mercury, still considered anomalous and possibly due to cinnabar in shear zones, a feature not uncommon in the area.

Interesting gold values were obtained in 1987 from heavy mineral fractions of stream sediment samples.

Lucky Creek

Stream sediments and rocks collected east and west of Lucky Creek below Ellswick Lake have returned anomalous base metals and gold and silver values. Rusty mafic volcanic rocks near the mouth of the creek contain low gold values.

Prospecting in 1987 west of Lucky Creek located a 2 cm wide

chalcopyrite vein.

TOQ 3

Two soil lines near the north boundary of the TOQ 3 claim indicated weak to strongly anomalous gold values of up to 500 ppb in -80 mesh fractions and up to 12700 ppb in heavy mineral fractions. While some enhancement of silver values was apparent, no other elements were found to be present in anomalous concentrations.

Recent road cuts expose Karmutsen volcanics with quartz and epidote stringers and cut by 5 metre wide quartz diorite dykes. Nine rock samples collected in 1988 yielded gold values of between 33 and 152 ppb along with anomalous values for silver, copper and lead. These are roughly coincident with a VLF-EM conductive zone as defined by 1988 surveys. A major northwest trending conductor is also indicated in the northwest part of the TOQ 3 claim.

Upper Nugget Creek

One stream sediment sample yielded 500 ppb gold and 1050 ppb mercury in the regular -80 mesh fraction.

Toquart Bay

Several rock samples of quartz-carbonate veinlets on the shore of Toquart Bay contain gold values in the 470 - 1380 ppb range.

CONCLUSIONS AND RECOMMENDATIONS

Exploration work to date on the Lucky property has indicated additional potential for the principal known zone of gold mineralization and has identified a number of areas with geochemically anomalous gold values within the large property area.

The principal gold-bearing zone, the Lucky Vein, contains gold values of up to several ounces per ton over widths of between 0.30 and 0.70 metre. Recent drilling suggests that better gold values are contained within a steeply plunging shoot near the known southern limits of the structure. Additional shoots may exist within the central and northern parts of the vein and additional drilling is warranted to test these areas.

It is recommended that 900 metres of drilling be carried out, ideally with inclined holes oriented normal to the vein structure, assuming the terrain will allow for the construction of several drill set-ups.

While no further work is recommended for the Ridge zone at this time, the newly exposed zone to the south should be further investigated by way of collection of closely spaced rock and soil samples along a grid adjacent to the existing road network.

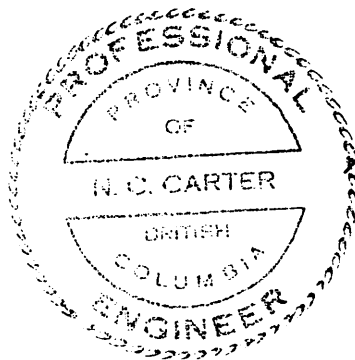
Both the Ridge zone and the new zone, which were exposed by logging roads, are illustrations of the potential of the property and the difficulty in carrying out exploration work in heavily forested, rugged terrain.

There are indications of anomalous gold and trace element values throughout the large property area and some of these include the TOQ 3 and Suicide - Triple Creek areas which warrant follow-up detailed geochemical sampling and prospecting. No further geophysical work is recommended at this time.

An area west of the Lucky Vein, which may host a parallel structure, is also recommended for additional investigation.

COST ESTIMATE

| | |
|---|--------------|
| Diamond Drilling - 900 metres @ \$115/metre | \$103,500.00 |
| Prospecting, Geochemical Sampling, Grid Constructio, sample analyses | \$60,000.00 |
| Support Costs, including helicopter, living and travel costs | \$20,000.00 |
| Engineering, supervision, reporting | \$10,000.00 |
| Contingencies | \$29,000.00 |
| | <hr/> |
| Total | \$222,500.00 |



N.Carter Ph.D. P.Eng.

N.C. Carter, Ph.D. P.Eng.

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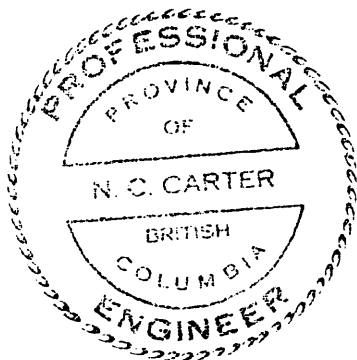
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CERTIFICATE

I, NICHOLAS C. CARTER, of Victoria, British Columbia, do hereby certify that:

1. I am a Consulting Geologist registered with the Association of Professional Engineers of British Columbia since 1966.
2. I am a graduate of the University of New Brunswick with B.Sc. (1960), Michigan Technological University with M.S. (1962) and the University of British Columbia with Ph.D. (1974).
3. I have practised my profession in eastern and western Canada and in parts of the United States for more than 25 years.
4. This report is based on public and private reports pertaining to previous work on the Lucky property and on visits to the property May 16 and July 7, 1984, December 12, 1987 and May 11, 1989.
5. I was a Director of Victoria Resource Corporation during the period that Company held an option on the Lucky property.
6. I have no interest, direct or indirect, in the Lucky property or in the securities of Freemont Gold Corporation, Alcove Gold Corporation or Canora Mining Corporation.
7. Permission is hereby granted to Freemont Gold Corporation, Alcove Gold Corporation and Canora Mining Corporation to use this report in support of a Prospectus, Statement of Material Facts or Filing Statement to be submitted to the British Columbia Securities Commission and the Vancouver Stock Exchange.



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Victoria, B.C.
May 23, 1989

N.C. CARTER, Ph.D., P.Eng.
CONSULTING GEOLOGIST