

Debbie - 900 zone - Tom Schroeter - Dec. 1/87
 (-quote from Nov. 30 Stockwatch)

- qtz. stockwork in footwall(?) of ferruginous chert horizon

- drilled @ rt. angles to DNSc which had intersection of
 44.3' @ 1.137 oz. Au/ton [reported previously]
 (13.5 m @ 39.0 gms./tonne)

- new intersection:

47.1' @ 4.078 oz. Au/ton (14.4 m @ 139.8 gms./tonne)

which includes: 19' @ 9.782 oz/ton (5.8 m @ 335.4 gms./tonne)

which includes: 2.6' @ 30.49 oz./ton (0.79 m @ 1,045.3 gms./tonne)

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Four holes drilled to test the C-Zone which is located north of and parallel to the Horseshoe A-B zone failed to intersect significant gold values. A number of satellite zones between the A-B and C zones were intersected and values ranged up to 0.14 oz/ton over a core length of 4.9 feet.

One of three holes that tested the western contact of the granodiorite intrusive on Horseshoe Island returned 0.17 oz/ton over a core length of 9.1 feet.

Geophysical surveys on the Casummit East claim block located 8 miles northeast of Horseshoe Island have outlined drill targets associated with contorted iron formation. Geological surveys over the Swain Lake deformation zone southwest of Birch Lake have identified alteration zones prospective for gold mineralization.

An exploration and development joint venture will now be formed, with St. Joe as the initial operator.

The Birch Lake Property is located 65 miles east of the famous gold mining district of Red Lake, Ontario. Access to the area is restricted to aircraft at present and consequently this area has been overlooked by explorationists until more recently. However, all-weather timber access roads are planned to contact the Birch Lake Property to population centers within two to three years.

Ore reserves on the Birch Lake Property from previous and the Phase I and II drilling has outlined approximately 850,000 tons grading 0.13 oz/t gold over a true width of 13.8 feet.

Debbie Property ✕

The Debbie Property consists of the following located mineral claims, covering approximately 6,000 hectares, situated approximately 7 kilometres southeast of Port Alberni, in central Vancouver Island, British Columbia (49° 13' latitude 124° 41' longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Debbie 1	Alberni	20	451	May 2/88
Debbie 2	"	12	452	May 2/97
Debbie 3	"	20	453	May 2/88
Lucy 1	"	15	372	May 2/97
Lucy 2	"	12	373	May 2/97
Lucy 3	"	16	374	May 2/97
Linda 1	"	16	454	May 2/97
Linda 2	"	12	455	May 2/97
Jenny	"	20	636	Nov. 13/97
Cam	"	6	930	June 20/97
Oets	"	20	487	June 28/97

Oets 2	"	12	507	Aug. 3/88
Stokes	"	20	1306	Aug. 24/88
Cop	"	10	1002	Aug. 24/97
Loupy	"	6	637	Nov. 13/97
China	"	2	1234	May 14/97
Grizzly	"	8	1239	May 26/97
China 2	"	1	2923	May 28/97
Grizzly 2	"	3	2924	May 28/97
Katrina	"	8	1726	Apr. 21/88

The Issuer held an option from Westmin Resources Limited ("Westmin"), pursuant to an agreement dated for reference July 16, 1986 (the "Westmin Agreement"), to earn up to an undivided 50% interest in the claims set out above. In order to maintain and exercise its option, the Issuer was required to expend the following amounts on exploration of the Debbie Property:

- (i) \$461,000. on or before February 27, 1987;
- (ii) \$539,000. on or before February 27, 1988.

As at April 30, 1987, \$1,200,000. has been expended by the Issuer and Angle Resources Ltd. under the Westmin Agreement.

The Issuer earned an undivided 10% interest from Westmin upon the expenditure of the aforesaid \$461,000. and earned a further undivided 40% interest upon the expenditure of the aforesaid \$539,000.

Westmin carried out the Issuer's exploration program and received a management fee of 15%, as operator. The Issuer may become the operator of the Debbie Property if Westmin is diluted below an undivided 50% interest.

Pursuant to a letter agreement dated December 9, 1986, Angle Resources Ltd. ("Angle") funded the second year portion of the exploration program at a cost of \$539,000. In consideration therefor, the Issuer agreed to assign to Angle an undivided 50% interest in the Westmin Agreement.

James W. MacNeil, Leon E. Nowek and Thomas S. Hughes are common insiders of both Angle and the Issuer.

About 90% of the Debbie Property is underlain by Paleozoic Sicker Group rocks. The remaining 10% is underlain by younger rocks of the Mesozoic Vancouver and Nanaimo Groups and minor Tertiary intrusive rocks. The sequence has been metamorphosed to lower green schist facies, deformed into an anticlinal structure with a 320° axial trend, hydrothermally altered. The Myra Formation, which hosts the Myra-Lynx-HW Mines, Twin J. Mine, Thistle Mine and Vancouver Island Mine, is the main exploration target on the Debbie Property.

Mineralization consists of extensive, conformable, pyritic zones associated with felsic volcanics that are locally enriched in Au, Ag, Cu, Pb, and Zn. The presence of a showing of zinc-rich volcanogenic massive sulphide, associated with a pyritic, sericite schist containing a gypsum-bearing pyrite stringer zone, indicates a favourable setting for precious metal enhanced, massive sulphide deposits like the HW Mine in the same formation 80 km to the northwest.

The Debbie Property received only limited and cursory exploration attention until 1979 when the claims were staked by Westmin Exploration Ltd. Extensive systematic exploration has been conducted by Westmin which has identified several mineralized zones and drill targets.

The Debbie Property covers a favourable belt of Myra Formation volcanic rocks of the Sicker Group, the formation which hosts Westmin's mines at Buttle Lake 80 km to the northwest.

Five target areas, which warrant drilling, are being explored in the current program. The upper Mineral Creek zone is a strong soil geochemistry anomaly 200 x 250 m ranging from hundreds of ppb to 9,000 ppb gold. A coincident strong T.P. anomaly is associated with a pyritic quartz-carbonate alteration zone along a major fault and adjacent pyritic black chert form which a grab sample contains 1,500 ppb gold. This drill target is 150 m north of, and on strike with, the old Vancouver Island Gold Mine which recovered 0.08 oz Au/t from 483 tons.

The BIF zone located 1,300 m southwest has a 200 x 200 m strong soil anomaly ranging from hundreds of ppb to 1,010 ppb gold. A coincident I.P. anomaly is associated with outcrops of banded, jasper-magnetite bearing, cherty iron formation which assayed up to 0.076 oz Au/t in grab samples. Pyritic, ankeritic and quartz altered mafic volcanic rocks in the footwall assayed up to 0.053 oz Au/t in grab samples.

The China Creek anomaly located 1,900 m south of the upper Mineral Creek zone is an EM conductor coincident with the intersection of the Mineral Creek fault/mineralized zone, with an inferred structure along China Creek which produced placer gold in the mid-1800's. Rare outcrops indicate the presence of siliceous volcanic rock adjacent to the anomaly.

The Regina workings, 500 m south of the China Creek anomaly, comprise numerous old adits and trenches in an area of pyritization and alteration with some associated quartz veining in basalt beneath a large, dome-like body of brecciated felsic volcanic rocks. The mineralized zone has an associated strong I.P. anomaly and minor jasper beds. Grab samples from adit dumps include a sample of massive sulfide containing 0.019 oz Au/t, 1.05 oz Ag/t, 0.41% Cu, 6.13% Pb and 19.48% Zn and a sample of

quartz containing 0.008 oz Au/t, 0.75 oz Ag/t, 2.77% Cu, 0.28% Pb and 2.64% Zn. One sample of jasper contains 560 ppb Au.

The Yellow Creek zone located 1,600 m north of the upper Mineral Creek zone lies adjacent the Mineral Creek fault and includes felsic volcanic rock and a pyritic sericite-carbonate schist zone. Felsic volcanic rock containing arsenopyrite in float and bedrock samples assayed up to 0.142 oz Au/t. Geophysical and soil surveys are in progress.

During the extensively accelerated exploration that concluded on February 28, 1987, Westmin has reported that gold has been discovered in 3 zones on the property. The following is a summary of drill results received to date from the Mineral Creek Zone, the 900 Zone which is located 4,000 feet S.S.W. of the Mineral Creek Zone and the Linda Zone located approximately 800 feet east of the Mineral Creek Zone:

a) Mineral Creek Zone ∇

<u>Hole</u>	<u>Section</u>	<u>Dip(°)</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Length (ft)</u>	<u>Au (oz/t)</u>
DM3-86	19+45N	-64 W	329.4	366.6	37.2	.124
DM5-86	19+45N	-75 W	223.5 304.0	232.5 306.5	9.0 2.5	.311 .145
DN9-86	20+65N	-75 W	203.5 239.1 281.6 301.1 327.6 379.5 470.8	205.4 239.7 289.7 303.1 338.9 388.3 477.0	1.9 0.6 8.1 2.0 11.3 8.8 6.2	.303 .112 .147 .138 .175 .104 .091
DM12-86	20+65N	-50 W	172.9 223.0 255.8	181.1 235.7 262.1	8.2 12.7 6.3	.164 .146 .105
DM15-86	20+65N	-85 W	410.9 558.7	418.5 562.4	7.6 3.7	.556 .102
DM19-86	22+00N	-55 W	61.0 191.7 217.1 261.4 269.6	65.3 207.3 234.9 264.4 270.6	3.5 15.6 17.8 3.0 1.0	.098 .099 .081 .156 .153
DM20-86	22+00N	-75 W	64.3 305.0	71.3 306.4	7.0 1.4	.075 .099

DM25-87	19+45N	-60	W	288.6	297.2	8.6	.110
DM28-87	19+45N	-70	SW	475.1 547.7	496.9 551.0	21.8 3.3	.062 .105
DM29-87	20+00N	-71	W	78.7	165.6	86.9	.087
DM32	20+00N	-80	W	111.8 180.7 210.6	118.4 182.7 213.3	6.6 2.0 2.7	.166 .104 .121
DM35	20+00N	-87	W	201.4	240.4	39.0	.067
DM36	20+00N	-45	E	118.7 168.4	120.3 171.7	1.6 3.3	.845 .485
DM43	20+00N	-70	E	247.2	260.9	13.7	.246
DM51	21+50N	-60	W	396.6	398.0	1.4	.248
b) <u>900 Zone</u>							
DN6-86	8+63N	-55	E	207.3	210.6	3.3	.128
DN8-86	8+63N	-75	E	131.5 149.6	134.8 171.2	3.3 21.6	.101 .143
DN13-86	9+00N	-70	E	124.0	129.9	5.9	.223
DN50	8+38N 0+35W	-70	E	140.0 182.7 249.0	143.3 227.0 254.2	3.3 44.3 5.2	.164 1.137 .452
DN45	8+38N 0+35W	-48	E	79.0 98.7	85.0 108.5	5.9 9.8	.101 .051
DN52	8+38N	-62	E	122.0	148.2	26.2	.243
DN55	8+40N 0+72W	-56	E	278.4 311.3	285.0 314.6	6.6 3.3	.210 .564
DN58	8+10N 0+57W	-45	E	87.9 103.0	88.9 104.3	1.0 1.3	.135 1.924
DN59	8+10N 0+57W	-64	E	74.5 104.6 124.3	79.7 107.9 127.6	5.2 3.3 3.3	.959 .166 .101
c) <u>Linda Zone</u>							
DM57	19+50N	-55	W	127.1 420.4	127.8 427.2	0.7 6.8	4.895 .347

DM62	19+50N	-70 W	132.4	142.2	9.8	.578
			421.0	426.2	5.2	.312

Total expenditures on the property during this program totalled \$1.4 million. The Issuer's portion of these expenditures was \$971,000. The complete work program report has not yet been received from Westmin.

The 1987/88 budget is currently being formulated.

Logging roads operated by the Cameron Division of MacMillan Bloedel Limited, along China Creek, Rogers Creek and Cameron River provide road access to most of the Debbie Property.

The property has no known ore reserves.

Cathedral Property *

The Issuer owns an undivided 50% interest in the following located mineral claims, covering approximately 2,025 hectares, situated approximately 11 kms northeast of Port Alberni, British Columbia (49° 17'N. latitude 124° 41'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Mero 1-3	Nanaimo	36	2253-55	October/87
Horne 1-4	Nanaimo	45	2085-87	March/89

The Issuer acquired its option from Reward Resources Ltd. ("Reward") and Schreiber Resources Ltd. ("Schreiber"), pursuant to an agreement dated as of June 13, 1986 (the "Agreement"). In order to earn its interest, the Issuer was required to expend \$150,000. on exploration of the Cathedral Property (at least \$25,000. of which was required to be expended on the Horne 1-4 mineral claims) on or before December 31, 1987. As at April 30, 1987, \$337,000. has been expended by the Issuer.

The Mero 1-3 mineral claims were owned by Reward. The Horne 1-4 mineral claims were owned by Schreiber. Reward held an option to acquire an undivided 50% interest in the Horne 1-4 mineral claims, pursuant to an agreement dated as of February 6, 1986. The option was exercisable by Reward issuing 50,000 shares to Schreiber and expending \$25,000. on exploration of the Horne 1-4 mineral claims. In earning its interest, the Issuer has satisfied the \$25,000. work commitment. Reward is in the process of issuing the aforesaid 50,000 shares.

The Issuer has now earned its interest in the Cathedral Property, with Reward owning an undivided 50% interest in the Mero 1-3 mineral claims and each of Reward and Schreiber owning an undivided 25% interest in the Horne 1-4 mineral claims. The