

007017

REPORT ON THE YELLOW PROPERTY
ALBERNI MINING DIVISION
VANCOUVER ISLAND, BRITISH COLUMBIA

LOCATION

N.T.S.: 92F-2E
Latitude: $49^{\circ} 10.5' \text{N.}$
Longitude: $124^{\circ} 39.7' \text{W.}$

FOR

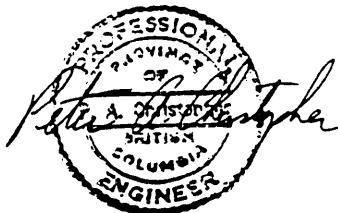
ANGLE RESOURCES LTD.
&
REWARD RESOURCES LTD.
3270-666 Burrard Street
Vancouver, B. C. V6C 2Z9

PROPERTY FILE

092F 079

PREPARED BY

PETER A. CHRISTOPHER, PH.D., P.ENG.
PETER CHRISTOPHER & ASSOCIATES INC.
3707 West 34th Avenue
Vancouver, B. C. V6N 2K9



June 3, 1987
Revised November 3, 1987
Revised December 4, 1987

SUMMARY

The Yellow Property, consisting of the six unit Yellow claim is situated in the Alberni Mining Division about 10 km southeast of Port Alberni, Vancouver Island, B.C. The property, owned by Silver Cloud Mines Ltd. and under option to Reward Resources Limited and Angle Resources Ltd., covers the old Vancouver Island Mine on Mineral Creek. The Vancouver Island Mine produced 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper between 1896 and 1939. The Yellow Property is surrounded by the Debbie Property which has been actively explored by Westmin Resources Ltd. since 1979 for precious metal enhanced, volcanogenic massive sulphide deposits. Angle Resources Ltd. (25%) and Nexus Resources Ltd. (25%) have earned a 50% working interest in the Debbie Property by funding the 1986-1987 work program. The 1986-1987 exploration program on the Debbie Property located significant epithermal gold mineralization in the Upper Mineral Creek, Linda and 900 zones which have strike and dip projections on the Yellow Property.

The Yellow Property has good road access via the China Creek Main logging road and a mining road up Mineral Creek to the west central part of the property with trails leading to showings and a number of old workings. Extension of the existing road system is required to complete surface exploration.

The property is mainly underlain by sedimentary and volcanic rocks of the Sicker Group with Nitinat and Myra Formation well exposed by a major north-northeast trending fault zone along Mineral Creek. The fault zone is well mineralized with geological, geochemical and geophysical evidence that it extends for 1500 meters from the north to south property boundaries and connects with the Upper and Lower Mineral Creek Zones on the adjoining Debbie Property. The 900 Zone and Linda Zone on the adjoining Debbie Property occur along the western and northern boundary of the Yellow Property, respectively. Diamond drilling of geochemical and/or geophysical anomalies on the Yellow Property resulted in 29 intersections containing more than 1.71 g/t (0.050 oz/T) Au (Naciuk and Hawkins, 1987). Surface assays up to 22.4 oz Au/ton were reported for trenches between the Mac and Dunsmuir workings on the Yellow Property. Drill hole locations are shown on Figure 6 with a number of the better intersections summarized below.

Summary of Drill Results (from Naciuk and Hawkins, 1987).

| <u>Hole #</u> | <u>Sample #</u> | <u>Interval(m)</u> | <u>Length(m)</u> | <u>Gold</u> | | <u>Silver</u> |
|---------------|-----------------|--------------------|------------------|---------------|--------------|---------------|
| | | | | <u>(Oz/T)</u> | <u>(g/t)</u> | <u>(ppm)</u> |
| Y1-86 | 14440-14442 | 153.60-158.19 | 4.59 | 0.551 | 18.89 | 1.6 |
| Y13-87 | 17225-17240 | 99.75-120.80 | 21.05 | 0.103 | 3.53 | 0.9 |
| Y16-87 | 17326-17328 | 73.60-76.80 | 3.20 | 0.116 | 3.98 | 2.1 |
| " | 17352 | 102.95-104.40 | 1.45 | 0.315 | 10.80 | 1.5 |
| Y18-87 | 16425-17391 | 58.65-63.10 | 4.45 | 0.101 | 3.46 | 0.7 |
| " | 17271-17273 | 87.85-93.17 | 5.32 | 0.131 | 4.49 | 6.8 |
| " | 17277 | 100.16-102.60 | 2.44 | 0.128 | 4.39 | 0.4 |
| " | 17280-17282 | 106.80-113.55 | 6.75 | 0.118 | 4.05 | 0.8 |
| " | 17294-16401 | 135.10-149.10 | 14.00 | 0.104 | 3.56 | 0.8 |

The following, priority exploration target areas (Figure 7) have been selected on the basis of favourable geology, chargeability and/or resistivity anomalies, previous drill intersections and coincident gold-arsenic soil anomalies:

Target 1. North Mineral Creek Zone: Definition drilling (5265 m. see Figure 8) between Mac Adit and Mineral Creek Zone on Debbie Property, check high grade trench results between Mac and Dunsmuir vein systems and test A and B chargeability anomalies. Recent drilling has intersected visible gold along a 045° structure (045 zone) extending from the Mac-Dunsmuir adit area to the Linda Zone.

Target 2. Waterfall Zone-Possible extension of Linda Zone on Debbie Property: Object is to test coincident chargeability anomaly D and a gold-arsenic geochemical anomaly.

Target 3. South Mineral Creek Zone: Further exploration of chargeability anomalies F and FF and coincident gold-arsenic geochemical anomaly.

Target 4. Southeast Zone: Anomaly along the southern projection of the Linda and Waterfall zones with chargeability anomaly G and associated gold-arsenic geochemical anomalies.

Target 5. South extension of chargeability anomaly A with coincident gold arsenic anomaly.

Target 6. LCP Zone: Possible north-south carbonate altered structure which requires initial trenching.

Testing of the selected target areas with a Phase IV, 1987/88 exploration program consisting of surface mapping, detailed geophysics, underground rehabilitation, mapping, and sampling, road construction and 7400 meters of diamond drilling is recommended at an estimated cost of \$ 2,000,000.

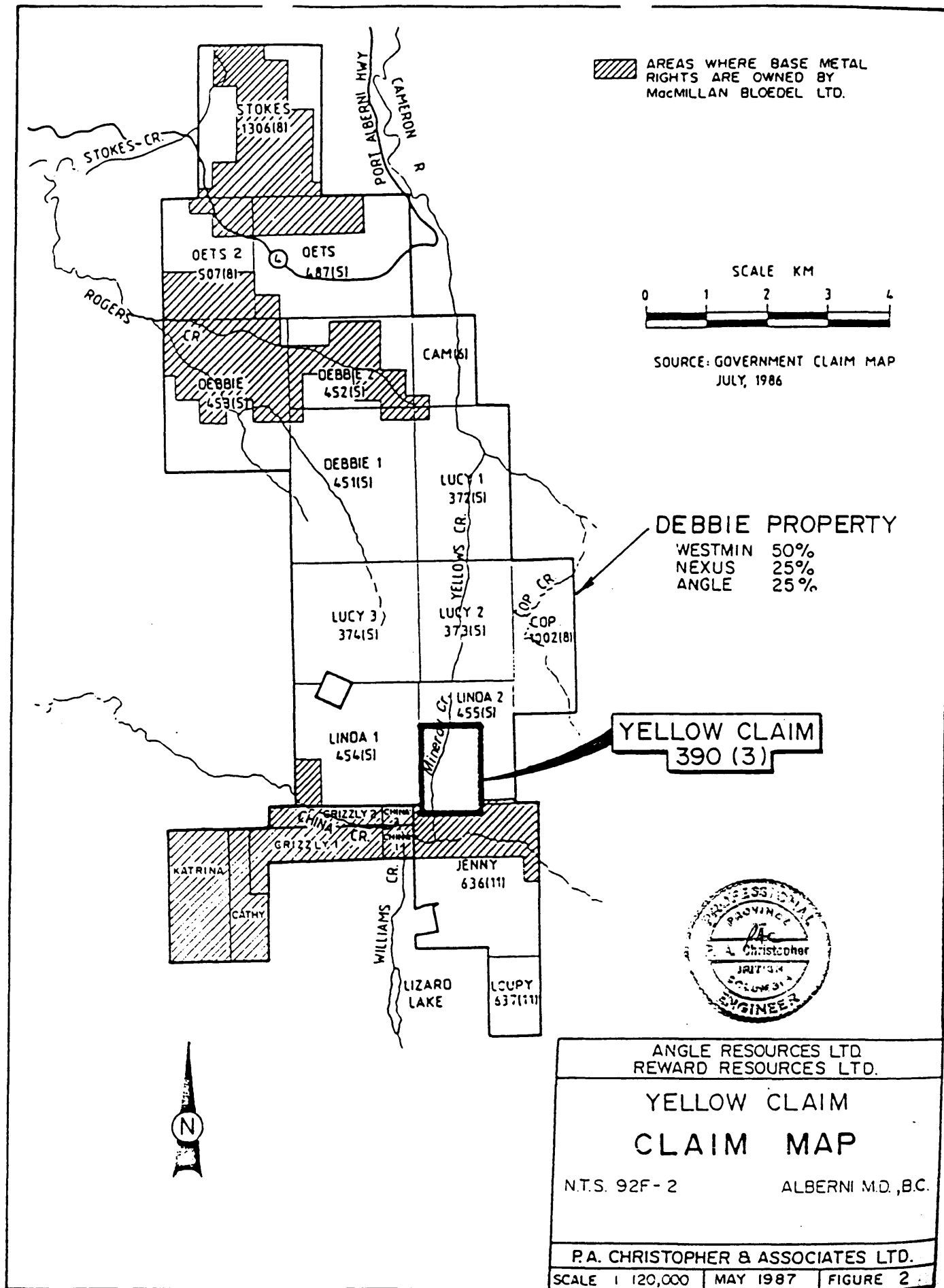
INTRODUCTION

The writer was retained by the management of Angle Resources Ltd. and Reward Resources Ltd. to examine the Yellow Property, summarize previous exploration programs and recommend a program for further development of the Yellow Property. The writer examined the Yellow Property on May 11, 1987. Exploration Phases I to III of the Yellow Property, conducted from November 20, 1986 to February 28, 1987 are documented in a comprehensive report by T.M. Naciuk and T.G. Hawkins (1987).

This report basically provides a summary of the Naciuk-Hawkins report and outlines an exploration program designed to improve property access and to further define the extent and tenor of the auriferous zone on the Yellow Property.

PROPERTY LOCATION, ACCESS, AND TITLE (Figures 1 & 2)

The Yellow Property is located about 10 kilometers southeast of Port Alberni on the north side of China Creek, in the Alberni Mining



Division of British Columbia. The claim is centered at approximately 49° 10.5'N latitude and 124° 39.7'W longitude on 1:50,000 NTS mapsheet 92F/2 (Alberni Inlet).

Access to the property is via the MacMillan Bloedel Cameron Main and China Creek logging road from Port Alberni. At about 7 kilometers on the China Creek road, a 4WD road turns northerly onto the Yellow Property. The property road extends to the old Vancouver Mine site with foot trails to old working and helicopter access drill sites.

The Yellow Property consists of the Yellow claim comprising 6 units or about 150 hectares (1.5 square km). The claim owner is Silver Cloud Mines Ltd. with the present operators Angle Resources Ltd. and Reward Resources Ltd. Pertinent claim data is summarized in Table 1 and the claim location is shown on Figure 2. A legal survey of the Yellow claim was completed in February 1987 with drill holes, roads and workings located relative to the legal corner post. A number of reference survey points have been established on the property.

Table 1. Pertinent Claim Data Yellow Claim.

| <u>CLAIM</u> | <u>RECORD #</u> | <u>UNITS</u> | <u>RECORD DATE</u> | <u>WORK DUE</u> |
|--------------|-----------------|--------------|--------------------|-----------------|
| YELLOW | 390(3) | 6 | MARCH 26, 1979 | 1997 |

HISTORY

Exploration activity in the Yellow Property area dates from the early 1860's with small scale placer production from China Creek as early as 1862. Attention later shifted to gold-bearing quartz veins with several vein occurrences developed by adits and pits (Figure 5).

The Vancouver Island Gold Mine, one of five past gold producers in the area was first worked in 1895 when the original claims were staked. From 1896 to 1898 a relatively minor amount of tunneling was carried out yielding about 32 tons of ore, and a 10 ton per day, 8 stamp mill was constructed by the Consolidated Alberni Gold Mining Company. The property was active again between 1933 and 1936 when it was operated by Vancouver Island Gold Mines, Limited. A 35-ton pilot mill was constructed in 1936 but because of operating difficulties milled only a few tons of ore (Stevenson, 1945). The Vancouver Island Gold Mine produced 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper between 1896 and 1939 (Naciuk and Hawkins, 1987). Other gold producers in the area include the Thistle Mine, Black Panther Mine, 3-W Mine and Havilah Mine.

A regional aeromagnetic survey, flown by Hunting Survey Corp. Ltd. in 1962 covered the claim block. During the period 1963-1966, Gunnex Ltd. carried out a regional mapping program over a large portion of the E & N Land Grant, with some prospecting and silt sampling. Some sampling was carried out at the mine in 1964. Keywest Resources Ltd. carried out surface and underground mapping and sampling in 1973 and 1974. Western Mines Ltd. (now Westmin Resources Ltd.) carried out reconnaissance geological mapping and soil sampling in the area in 1976.

In 1979 Western Mines Ltd. started acquisition of the large Debbie Property (Figure 2) and testing for precious metal enhanced massive sulphide deposits. In 1986, Nexus Resource Corporation acquired an option to earn a 50% working interest in the Debbie Property by expending \$ 461,000 on or before February 27, 1987 to earn a 10% interest and \$ 539,000 on or before February 27, 1988 to earn an additional 40% interest. Nexus Resources Corporation expended the initial \$ 461,000 and pursuant to an agreement dated December 9, 1986, Angle Resources Ltd. funded the second year portion of the exploration program at a cost of \$ 539,000 to earn 50% of Nexus's interest in the Debbie Property.

The present Yellow Property was acquired by Silver Cloud Mines Ltd. in 1979 in order to test the auriferous zone at the Vancouver Island Gold Mine with modern geochemical, geophysical and drilling methods. The initial program included access road construction and prospecting. In 1981 and 1983, sampling of the accessible stopes and the mylonite zone was carried out by A & M Exploration Ltd. (Allen, 1985). Soil sampling over known showings outlined an area 425 meters by 300 meters with gold values greater than 100 ppb. Within this area a smaller zone, 120 meters by 300 meters with values over 1000 ppb is centered over the old works and extends uphill beyond the workings. Mapping down Mineral Creek and reconnaissance soil sampling was continued by A & M in May 1985.

Geological and geochemical exploration of the Yellow Property for Silver Cloud Mines Ltd. was continued in October 1985 by MPH Consulting Limited.

In 1986 the Yellow Property was optioned to Angle Resources Ltd. and Reward Resources Ltd. with line cutting, prospecting, geological mapping, soil sampling, induced polarization surveys, underground sampling, trenching, a B.C. Land Survey, road building and diamond drilling conducted from November 20, 1986 to February 28, 1987. A total of 4976.36 meters of wireline drilling was completed in 20 holes drilled from seven setup sites. Drill hole locations are shown on Figure 6. The program is reported to have cost \$847,964.68.

For the 1987-1988 program, Angle Resources Ltd. and Reward Resources Ltd. have retained Westmin Resources Ltd. as the contractor which will allow systematic, cost effective exploration of the Mineral Creek, 900 and Lynda (045) zones which are continuous onto the adjoining Debbie Property. Angle Resources Ltd. plans to participate with Westmin Resources Ltd. and Nexus Resource Corporation in a \$2,200,000 exploration program on the Debbie Property (Christopher, 1987). Westmin will be operator of the Debbie Property exploration and will fund its 50% share of the exploration costs on the Debbie Property.

REGIONAL GEOLOGY (Figures 3 & 4)

The Yellow Property is situated in the Insular Tectonic Belt of the Canadian Cordillera. The regional geology of the area has been mapped by C.H. Clapp (1912), J.E. Muller and D.J.T. Carlson (1969) and

J.E. Muller (1977 and 1980). The predominant rock units in the Port Alberni-Nitinat River area are the Upper Paleozoic Sicker Group, the Lower Mesozoic Vancouver Group, and lesser amounts of Jurassic Island intrusions, Westcost complex, and late Cretaceous Nanaimo Group (Figures 3 and 4).

The Sicker Group, the oldest rocks in the area, have been divided from oldest to youngest (Muller, 1980) into the Nitinat Formation, Myra Formation, Sediment-Sill Unit, and Buttle Lake Formation. The Nitinat Formation consists predominately of basic volcanic rocks which include flow breccias, massive flows and rare pillow basalts or agglomerates. The abundance of urilitized phenocrysts and pervasive shear foliation are characteristics of the Nitinat Formation. The Myra Formation unconformably overlies the Nitinat Formation and consists of mafic to rhyodacitic banded tuff, breccia, and flows with argillite, siltstone and chert. The Sediment-Sill Unit consists of argillite, siltstone and chert interlayered with tabular diabase bodies. The Buttle Lake Formation consists of limestone and chert.

The Vancouver Group, consisting of the Karmutsen Formation basalts overlain by limestone of the Quatsino Formation and calcareous siltstone, greywacke, silty-limestone and minor conglomerate is the thickest and most widespread group on Vancouver Island. Karmutsen Formation rocks are relatively undeformed and weakly metamorphosed compared to Sicker Group rocks.

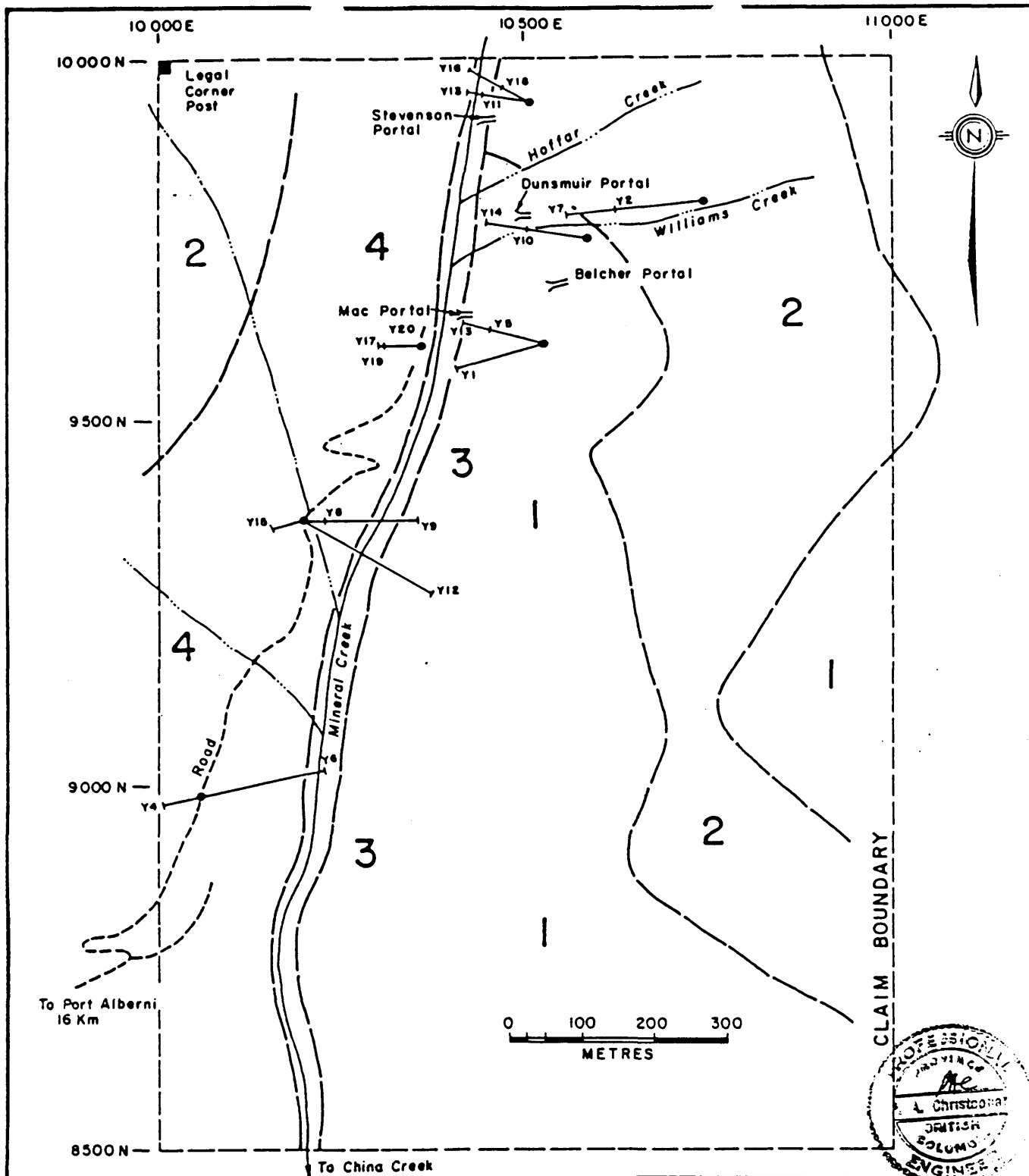
The Lower Jurassic Bonanza Group is made up of interbedded lava, breccia, and tuff ranging in composition from basalt to rhyolite with interbedded marine argillite and greywacke. The Upper Cretaceous Nanaimo Group, consisting of shale, siltstone, sandstone, conglomerate and coal has been separated into at least nine formations.

The Island Intrusions are the most widespread intrusive unit on Vancouver Island. The unit varies in composition from granodiorite to granite and has caused a number of skarn deposits where it encounters limy units.

PROPERTY GEOLOGY (Figure 6)

The Yellow Property is underlain by andesitic to basaltic flows, pillow-basalt, tuff, agglomeratic to fine-grained, cherty tuff, and chert of the Nitinat and Myra Formations of the Paleozoic Sicker Group. A mineralized north-northeast striking fault zone trends along Mineral Creek and at least two subparallel faults occur to the east of Mineral Creek.

The geology of the Yellow Property has been mapped by Naciuk and Hawkins (1987) and is presented as Figure 6 of this report. They divide the rock types into four mappable units: intermediate to mafic volcanics, bedded volcanoclastics, fault zone (mylonite), and foliated volcanics. The rock units have a northerly trend which subparallels the Mineral Creek fault zone.



LEGEND:

- 1 Intermediate to Mafic Volcanics
- 2 Bedded Volcaniclastics
- 3 Fault Zone
- 4 Foliated Volcanics

— Geologic Boundary

Y4 Diamond drill hole & Number

Creek (flowing, intermittent)

AFTER MPH CONSULTING LTD

REWARD RESOURCES LTD.
ANGLE RESOURCES LTD.

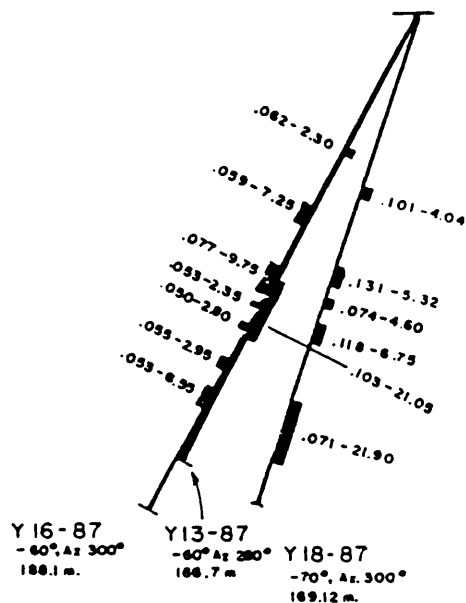
DDH LOCATIONS YELLOW CLAIM

ALBERNI MINING DIVISION

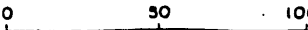
| | | | |
|-------------|---------|--------|-----------|
| Project No. | V 249 | By: | T. M. R. |
| Scale: | 1: 7500 | Drawn: | r. w. r. |
| Drawing No. | | Date: | FEB. 1967 |

P.A. CHRISTOPHER &
ASSOCIATES LTD.

FIG. 6



ASSAY = oz Au/ton-length in metres

| | | |
|---|-------------------|-----------|
| REWARD RESOURCES LTD. ANGLE RESOURCES LTD. | | |
| YELLOW CLAIM | | |
| DRILL SECTION-Y13,16, 18 | | |
| N.T.S. 92F-2 | ALBERNI M.D.,B.C. | |
|  | | |
| P.A. CHRISTOPHER & ASSOCIATES LTD. | | |
| SCALE 1:2500 | NOV. 1987 | FIGURE 6a |

Y 14-87
-65°, Az. 280°
331.62 m.

Y 7-87
-75°, Az. 265°
380.7 m

Y 2-87
-75°, Az. 265°
462.4 m

.052 - 1.36
.052 - .84

.051 - .75
.070 - .20



ASSAY = oz. Au/ton-length in metres

REWARD RESOURCES LTD.
ANGLE RESOURCES LTD.

YELLOW CLAIM
DRILL SECTION - Y 2, 7, 14

N.T.S. 92F-2

ALBERNI M.D., B.C.

0 50 100 METRES

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE 1:2500

NOV. 1987

FIGURE 6b

MINERALIZATION

The Sicker Group is the host for a number of precious metal enhanced volcanogenic massive sulphide deposits and structurally controlled vein deposits on Vancouver Island. Volcanogenic massive sulphide deposits include the Lynx, Myra and H-W deposits of Westmin Resources Limited at Buttle Lake, the Twin J Mine and Laura Property near Mt. Sicker in the Duncan area, and the Thistle Mine (Figures 3 & 5). The reserves of the H-W deposit are 15.23 million tons grading 5.3% zinc, 2.2% copper, 0.07 oz/ton Au, 1.1 oz/ton Ag and 0.3% lead (Walker, 1983). The Twin J Mine produced 306,000 tons yielding 7.5% zinc, 3.4% copper, 0.15 oz/ton Au and 3.1 oz/ton Ag with minor lead and cadmium. The Thistle Mine produced 6920 tons yielding 4.92% copper, 2760 ounce of gold and 2120 ounces of silver. On Laura Property, Abermin Corporation has delineated a large polymetallic massive sulphide zone with trench sample values up to 24.58 g/t Au, 513.6 g/t Ag, 43.01% zinc, 8.3% lead, and 3.04 % copper over 3.5 meters.

Figure 5 shows the location of sixteen gold deposits and occurrences in the area of the Yellow Property. The exciting new 900 zone, Linda zone and extension of the Mineral Creek zone on the Debbie Property, under exploration by Nexus Resource Corporation, Angle Resources Ltd and Westmin Resources Ltd. are shown on Figure 6. Hole DN50-87 in the 900 zone contained 44.3 feet assaying 1.137 oz/ton gold. Hole DM57 in the Linda zone contained 0.7 feet from 127.1 to 127.8 and 6.8 feet from 420.4 to 427.2 assaying 4.895 oz/ton gold and 0.347 oz/ton gold respectively. Hole DM62 in the Linda zone contained 9.8 feet from 132.4-142.2 and 5.2 feet from 421.0 to 426.2 assaying 0.578 oz/ton gold and 0.312 oz/ton gold respectively. The Vancouver Island Gold Mine, in the Mineral Creek Zone has reported production of 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper. Minor production has also been reported for the Black Panther Mine, 3-W and Havilah deposits. The occurrences are mainly structurally controlled quartz-carbonate alteration zones and in Sicker Group or overlying Vancouver Group rocks.

On the Yellow Property, massive and stockwork quartz veins occur in the Mineral Creek fault zone and in two structures to the east. Zones of pyritic ankerite-sericite-quartz alteration occur proximally to these structures. The auriferous zones are characterized by a rusty color, the presence of green fuchsitic clots and sulphide contents up to 15%. A total of 4976.36 meters of wire line drilling was completed in 20 holes on the Yellow Property with 29 intersections containing more than 1.71 g/t (0.05 oz/T) gold (Naciuk and Hawkins, 1987) summarized in Table 2. Drill hole locations are shown on Figure 6.

In a comprehensive, 14 volume report on the 1986-1987 Debbie Property, Watkins et al. (1987) indicated a combined ore potential for the Mineral Creek area of 1,180,000 tons with a grade of 0.17 oz Au/ton and stated that, "...both the Upper Mineral Creek and Linda zones on the Debbie property continue onto the Yellow claim and probably will include gold veins exploited by Vancouver Island Gold Mines. It is reasonable to expect that the potential on the Yellow claim will be the same as that on the Debbie Property."

Table 2. Summary of Drill Results (from Naciuk and Hawkins, 1987).

| Hole # | Sample # | Interval(m) | Length(m) | Gold | | Silver |
|--------|-------------|---------------|-----------|--------|-------|--------|
| | | | | (Oz/T) | (g/t) | (ppm) |
| Y1-86 | 14440-14442 | 153.60-158.19 | 4.59 | 0.551 | 18.89 | 1.6 |
| | 14440-14441 | 153.60-156.10 | 2.50 | 1.010 | 34.63 | 2.6 |
| | 14467 | 220.82-221.07 | 0.25 | 0.178 | 6.10 | 0.6 |
| | 14123-14126 | 245.87-250.85 | 4.97 | 0.067 | 2.30 | 1.0 |
| | 14477-14124 | 246.40-248.77 | 2.37 | 0.108 | 3.70 | 1.5 |
| Y2-87 | 15359-15360 | 40.60-41.35 | 0.75 | 0.051 | 1.75 | 1.8 |
| | 15360 | 40.90-41.35 | 0.45 | 0.072 | 2.47 | 1.5 |
| Y3-87 | 14489 | 23.95-25.00 | 1.05 | 0.091 | 3.12 | 0.5 |
| | 16918-16919 | 224.49-226.47 | 1.98 | 0.051 | 1.74 | 0.6 |
| | 16919 | 225.49-226.47 | 0.98 | 0.072 | 2.47 | 0.6 |
| Y7-87 | 16862 | 41.30-41.50 | 0.20 | 0.070 | 2.40 | 0.5 |
| Y11-87 | 16695 | 93.30-93.70 | 0.40 | 0.088 | 3.02 | 0.8 |
| Y13-87 | 17077-17080 | 49.65-51.95 | 2.30 | 0.062 | 2.11 | 0.8 |
| | 17079 | 50.90-51.45 | 0.55 | 0.196 | 6.72 | 1.8 |
| | 17206 | 81.55-82.25 | 0.70 | 0.069 | 2.37 | 0.9 |
| | 17210 | 84.80-85.90 | 1.10 | 0.062 | 2.13 | 1.0 |
| | 17213 | 88.00-88.65 | 0.65 | 0.050 | 1.71 | 0.4 |
| | 17219 | 93.96-94.50 | 0.54 | 0.059 | 2.02 | 0.9 |
| | 17225-17240 | 99.75-120.80 | 21.05 | 0.103 | 3.53 | 0.9 |
| | 17226-17228 | 100.70-104.40 | 3.70 | 0.278 | 9.53 | 1.7 |
| | 17233-17234 | 109.60-112.45 | 2.85 | 0.124 | 4.25 | 1.4 |
| | 17238 | 116.16-117.96 | 1.80 | 0.132 | 4.53 | 0.5 |
| | 17247-17248 | 127.35-128.90 | 1.55 | 0.052 | 1.77 | 0.7 |
| Y14-87 | 17112 | 110.73-112.09 | 1.36 | 0.052 | 1.78 | 0.4 |
| | 17127 | 142.09-142.73 | 0.64 | 0.052 | 1.78 | 0.4 |
| Y16-87 | 17314 | 60.25-60.55 | 0.30 | 0.121 | 4.15 | 0.8 |
| | 17325-17332 | 72.40-79.65 | 7.25 | 0.059 | 2.02 | 1.1 |
| | 17326-17328 | 73.60-76.80 | 3.20 | 0.116 | 3.98 | 2.1 |
| | 17326 | 73.60-74.20 | 0.60 | 0.518 | 17.76 | 1.0 |
| | 17344-17352 | 94.65-104.40 | 9.75 | 0.077 | 2.63 | 0.7 |
| | 17345 | 95.60-96.95 | 1.35 | 0.061 | 2.09 | 0.5 |
| | 17347 | 97.70-98.50 | 0.80 | 0.095 | 3.26 | 0.9 |
| | 17349 | 99.67-100.30 | 0.63 | 0.100 | 3.43 | 1.1 |
| | 17352 | 102.95-104.40 | 1.45 | 0.315 | 10.80 | 1.5 |
| | 17356-17357 | 108.00-110.35 | 2.35 | 0.053 | 1.83 | 0.8 |
| | 17362-17363 | 115.90-118.70 | 2.80 | 0.050 | 1.70 | 0.6 |
| | 17365 | 119.90-121.00 | 1.10 | 0.081 | 2.78 | 2.0 |
| | 17373-17374 | 129.60-132.55 | 2.95 | 0.055 | 1.89 | 1.4 |
| | 17379-17381 | 141.25-147.80 | 6.55 | 0.053 | 1.82 | 0.7 |

Table 2. cont.

| Hole # | Sample # | Interval(m) | Length(m) | Gold | | Silver |
|--------|-------------|---------------|-----------|--------|-------|--------|
| | | | | (Oz/T) | (g/t) | (ppm) |
| Y18-87 | 16425-17391 | 58.65-63.10 | 4.45 | 0.101 | 3.46 | 0.7 |
| | 17390 | 59.60-61.35 | 1.75 | 0.248 | 8.50 | 1.2 |
| | 17271-17273 | 87.85-93.17 | 5.32 | 0.131 | 4.49 | 6.8 |
| | 17272 | 89.20-91.80 | 2.60 | 0.266 | 9.12 | 13.4 |
| | 17276-17277 | 98.00-102.60 | 4.60 | 0.074 | 2.54 | 0.4 |
| | 17277 | 100.16-102.60 | 2.44 | 0.128 | 4.39 | 0.4 |
| | 17280-17282 | 106.80-113.55 | 6.75 | 0.118 | 4.05 | 0.8 |
| | 17281 | 109.35-111.55 | 2.20 | 0.352 | 12.07 | 1.4 |
| | 17293-16404 | 133.30-155.20 | 21.90 | 0.071 | 2.45 | 0.6 |
| | 17294-16401 | 135.10-149.10 | 14.00 | 0.104 | 3.56 | 0.8 |
| | 17300-16401 | 145.80-149.10 | 3.30 | 0.292 | 10.01 | 1.2 |

DISCUSSION

Exploration of Sicker Group rocks in the China Creek-Mineral Creek was started by Westmin Resources Ltd. in 1979 with acquisition of claims that are part of the Debbie Property of Westmin Resources Ltd. (50%), Angle Resources Ltd. (25%) and Nexus Resource Corporation (25%). Exploration on the Debbie Property by Westmin concentrated on the volcanogenic massive sulphide potential prior to involvement by Nexus and Angle in 1986. Accelerated exploration was encouraged by the availability of flow through exploration funds and resulted in the discovery of three gold zone (ie. 900 Zone, Linda Zone and Upper Mineral Creek Zone) that trend onto the Yellow Claim. A \$2,200,000 has been proposed by Westmin Resources Ltd. (Walker, 1987) for continued surface exploration of the Debbie Property.

Exploration by Angle Resources Ltd. and Reward Resources Ltd. has indicated extensions of the Linda and Mineral Creek zones onto the Yellow Property. Westmin Resources Ltd., the operator of the Debbie Property, has been contracted by Angle Resources Ltd. and Reward Resources Ltd. to conduct the 1987-1988 exploration program on the Yellow Property. Combined exploration of the Yellow and Debbie properties allows for systematic, cost effective exploration of mineralized zones which are continuous between adjacent properties. Topographic restraints dictate drilling of long exploratory holes from surface but underground exploration requires better understanding of the extent and continuity of the mineralized zones.

The following, priority exploration target areas (Figure 7) have been selected on the basis of favourable geology, chargeability and/or resistivity anomalies, previous drill intersections and coincident gold-arsenic soil anomalies (see Naciuk and Hawkins, 1987):

Target 1. North Mineral Creek Zone: Definition drilling between Mac Adit and Mineral Creek Zone on Debbie Property, check high grade trench results between Mac and Dunsmuir vein systems and test A and B chargeability anomalies. Figure 8 shows the locations of proposed drill holes with a total of 5465 meters of drilling proposed for the North Mineral Creek Zone. About 1200 meters of drilling is proposed to test a mineralized structure (045 Zone) that extends from the Mac and Dunsmuir portal area to the Linda Zone.

ELEVATION IN METRES
ABOVE SEA LEVEL

900 m.

800 m.

700 m.

600 m.

500 m.

400 m.

9500 N.

10000 N.

TOPOGRAPHIC PROFILE OF MINERAL CREEK

GRAB
22.400 oz./l. Au.

0.087 with 0.198
2.30 m. 0.88 m.

0.103 with 0.278 and 0.132
21.05 m. 3.70 m. 1.80 m.

Y16-87

Y13-87

0.104

104.62 m.

141.60 m.

160.20 m.

Y18-87

161.60 m.

169.12 m.

Y11-87

191.80 m.

213.60 m.

220 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

170 m.

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YELLOW LINDA
CLAIM CLAIM



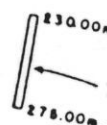
LEGEND

- D SETUP DESIGNATION
- ⊙ PROPOSED DRILL HOLE
- 225 m DEPTH IN METRES

PROPOSED TRENCH LOCATION

DRILL HOLE NUMBER

DRILL HOLE INTERSECTION



0.087 4.97m GOLD IN OZ./TONS
WIDTH OF SAMPLE IN METRES

PROPOSED

drilling: 5,265 metres
trenching: 11 totalling 33 metres

AFTER MPH CONSULTING LTD.



REWARD RESOURCES LTD.
ANGLE RESOURCES LTD.

DEFINITION DRILLING OF
UPPER MINERAL CREEK ZONE

YELLOW CLAIM
ALBERNI MINING DIVISION

| | | | |
|-------------|---------|--------|-----------|
| Project No. | V 249 | By: | T. M. N. |
| Scale: | 1: 3225 | Drawn: | d.w. |
| Drawing No. | | Date: | FEB. 1987 |

P.A. CHRISTOPHER &
ASSOCIATES LTD.

FIG. 8

Target 2. Waterfall Zone-Possible extension of Linda Zone on Debbie Property: Object is to test a coincident chargeability anomaly D and a gold-arsenic geochemical anomaly. Four or five blasted trenches across the vein with drilling of 600 meters in four holes contingent on trench results.

Target 3. South Mineral Creek Zone: Further exploration of chargeability anomalies F and FF, coincident gold-arsenic geochemical anomaly, and jasper-magnetite showing on road. Trenching and sampling of mineral showing with four diamond drill holes totaling 1000 meters contingent on trench results.

Target 4. Southeast Zone: Anomaly along the southern projection of the Linda and Waterfall zones with chargeability anomaly G and associated gold-arsenic geochemical anomalies. Initial trenching is required to expose the vein with three proposed diamond drill holes totaling 300 meters contingent on trench results.

Target 5. South extension of chargeability anomaly A with coincident gold arsenic anomaly. Four or five trenches to expose structure with six short diamond drill holes totaling 435 meters contingent on trench results.

Target 6. LCP Zone: Possible north-south carbonate altered structure which requires initial trenching with four or five trenches required to expose structure for sampling.

CONCLUSIONS AND RECOMMENDATION

Based on a property examination, a review of published information, and a review of company reports, the writer agrees with the recommended work program and budget in the Naciuk and Hawkins (1987) report. Six priority target zones have been selected for follow up exploration (Figure 7). The Mineral Creek zone has been demonstrated to be well mineralized over an impressive strike length on the Yellow Property and adjoining Debbie Property with an excellent possibility of developing a viable deposit on the Yellow Property or exploiting the mineral reserves in conjunction with mining on the adjoining property. The 900 and Linda zone are recent discoveries on the Debbie Property that may have extensions on the Yellow Property and the Mineral Creek fault zone may be mineralized over its entire 1500 meter extent on the Yellow claim (Figure 7).

Detailed mapping and geophysical surveys are recommended in order to select specific drill site and provide data for future development. Road construction is warranted to allow drive-in access to the northern part of the zone and for moving equipment for opening underground workings. A Phase IV, 1987/88 exploration program consisting of surface mapping at 1:2500 scale, detailed geophysical surveys, underground rehabilitation, underground mapping and sampling and road construction and 7400 meters of diamond drilling is estimated to cost \$2,000,000. Cost estimates for the Phase IV program follow:

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