SAGA RESOURCES LTD.

E.N. (Gene) Larabie, P.Eng.
President

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595 Howe Street
Vancouver, B.C. V6C 2T5
Tel: (604) 681-7787

DIAMOND DRILLING REPORT

ON THE

SNAPPER CLAIMS PROPERTY

VICTORIA MINING DIVISION, BRITISH COLUMBIA

NTS 92F/2E

FOR

SAGA RESOURCES LTD.
405-595 HOWE STREET
VANCOUVER, BRITISH COLUMBIA
V2C 2T5

by

Douglas H. Wood, B.Sc., FGAC

July 25, 1988

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1.0 SUMMARY AND CONCLUSIONS

A diamond drilling program was carried out on the Snapper claims between April 7 and May 18, 1988. The drilling program consisted of five diamond drill holes totalling 1776 feet and tested two of the target areas outlined by the 1987 mineral exploration program (figure 2).

The first target, centered at grid coordinates 0+00N-0+25W, was tested by two drill holes, one from the west and the other from the east (DDH-87-1 & 2) and confirmed that the narrow quartz vein seen at surface continues down dip at least 180 feet. Although the vein continues to depth, the narrow nature of the structure and low grades obtained indicates that the target could not be economically exploited.

The second target centered at grid location 4+00N-1+70E was tested by three diamond drill holes (DDH-88-3, 4 & 5). Two mineralized structures were encountered one of which returned assays of 0.215 oz/t gold over 7.75 feet (93"). This structure consisted of two quartz veins separated by 28 inches of sheared and carbonatized intermediate volcanics (DDH-88-4). The structure was also encountered in DDH-88-5, however the grade obtained was 0.010 oz/t gold over 3 feet and is not considered to have sufficient grade to be profitably exploited.

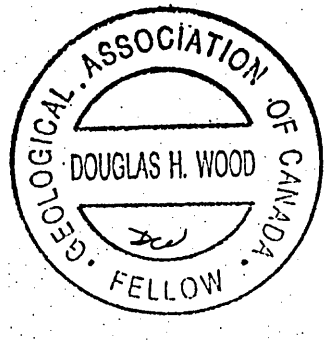
An important consideration to the economic viability of the mineralization on the Snapper property is accessibity to the property area. In April of this year Saga Resources was informed by Crown Forest Industries, which owns the surface rights to the area, that a bridge on the Nitnat River Road would be demolished. The effect of the bridge demolition is that access to the Snapper claims is now only possible via the Nanaimo Lake drainage area, across a mountain pass which is open only during the summer months. This writer examined the road from the Nitnat side early in May of this year and found that the east side of the pass was covered by in excess of 1 meter of snow and that the road bed will require a good deal of upgrading to allow access for all but sturdy four wheel drive vehicles.

While the property area is snow-free for most of the year, recent restrictions to access, and the high costs of upgrading and maintaining roads from the Nanaimo Lake drainage area would be prohibitive.

Respectfully submitted,

Douglas H. Wood

Douglas H. Wood, B.Sc., FGAC
Consulting Geologist



2.0 RECOMMENDATIONS

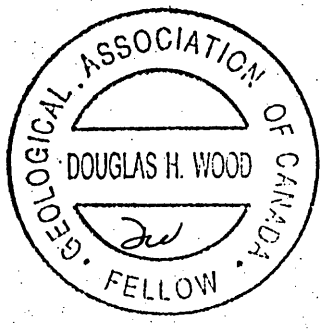
The results of the 1988 diamond drilling program on the Snapper claims, while moderately encouraging, are not promising enough to warrant the expected high costs of continued drilling and exploration work on the property.

Although the property area is snow-free for most of any given year, recent restrictions to access and the costs of upgrading and maintaining roads from the Nanaimo Lakes drainage area are prohibitive.

It is therefore recommended that no further exploration on the Snapper claims be conducted at this time by Saga Resources Ltd.

Respectfully submitted,

Douglas H. Wood, B.Sc., FGAC
Consulting Geologist



3.0 INTRODUCTION

Pursuant to a request from the directors of SAGA Resources Ltd., a diamond drilling program was conducted over portions of the Snapper Claims. Drilling was focused over two targets identified from geological, geochemical, and geophysical surveys conducted during 1987 (Wood, 1987). Drilling commenced on April 7, and was completed May 18, 1988 and consisted of five holes totaling 541 meters (1776 feet).

The purpose of this report is to present the results of the drilling program and to relate them to precious metals mineralization occurring at surface within the claims.

3.1 Location and Access

The Snapper claims are located 22 km southeast of Port Alberni, B.C., near the headwaters of the Nitnat River. During the course of this year's drilling program and last year's ground based exploration program, the property was accessible from Duncan, B.C. via Highway 18 to Lake Cowichan village and along the southshore road for approximately 40 km to the upper Nitnat turnoff and then north for another 20 km to the property.

This writer was informed during early May of this year by Crown Forest Industries, which controls the surface and road right in

the area, that, subsequent to drilling operations on the Snapper claims, a bridge would be demolished approximately one third of the way between the upper Nitnat turnoff and the property. The removal of this bridge restricts access to the property via logging roads originating within the Nanaimo Lakes drainage area. At present this road is in a poor state of repair and is blocked by snow for approximately 8 months per year.

3.2 Topography and Climate

The property lies within an area of steep relief with elevations ranging from 300 to 1,100 meters (1,000 to 3,600 feet). Slopes are generally between 30° and 60° and cliffs are common where slopes exceed 45°.

Vegetation consists of fir, hemlock and cedar. Approximately 2/3 of the property area was logged between 5 and 20 years ago with older logged areas thickly overgrown and difficult to traverse.

The climate of the property area is temperate and wet with in excess of 250 cm of annual precipitation, the bulk of which occurs as rain during the period between October and July. At elevations above 600 meters, winter precipitation occurs as snow which can accumulate up to 10 meters.

3.3 Property Description

The Snapper property consists of two metric mineral claims totaling 22 units covering some 505 hectares and located within the Victoria Mining Division (NTS 92F/2E). The property is situated at approximately 49° 6.5' North latitude and 124° 32' West longitude.

The surface and road access rights in the property area are currently held by Crown Forest Industries Ltd. and all exploration activity on the Snapper claims require their consent.

Details of the claims are as follows:

Claim	Record #	Units	Record Date
Snapper-1	1834	10	18 February, 1987
Snapper-1	1835	12	18 February, 1987

The claims are in good standing and are registered to Ruza Resources Ltd. of North Vancouver, B.C. At the time of the diamond drilling program the property was held under option by SAGA Resources Ltd.

3.4 Mining History

The property area has been actively explored and mined since the early 1860's when Chinese miners set up placer operations in the China Creek drainage area, the headwaters of which are immediately west of the Snapper claims.

Lode mining in the area dates from the 1890's when gold bearing quartz veins had been located on Mineral Creek (a tributary of China Creek), in the King Solomon Basin at the head of McQuillan Creek and in the Golden Eagle Basin at the head of China Creek.

Low metal prices contributed to a hiatus in mining activity in the region between the 1900's and the 1930's. The area then remained active through to the late 1940's.

The main producers in the area were the Havilah mine (King Solomon) which produced 1040 tons of ore between 1936 and 1939. Total yield from the Havilah mine was 259 ounces of gold, 1,404 ounces of silver with copper and lead. The Regina mine on Mineral Creek, which was active in the 1890's and again during the 1930's produced 400 tons of ore yielding 303 ounces of gold and 53 ounces of silver. The Black Panther mine, located immediately south of the Havilah mine, produced and milled 1,800 tons of ore between 1947 and 1950 from which 509 ounces of gold

and 953 ounces of silver were recovered in addition to copper and lead.

The largest producer in the area was the Thistle mine located 6 km west of the Snapper claims. Production from the mine during the period between 1938 and 1942 was 6,920 tons with recovery of 2,760 ounces of gold, 2,120 ounces of silver, and 341 tons of copper.

The area held little interest from the early 1950's until the late 1970's, when the rise in precious metals prices spurred renewed exploration.

The property was explored during 1985 when stream and rock sampling was conducted over the then existing Matt Claims Group (Schorn, 1985).

Saga Resources Ltd. optioned to purchase the Snapper 1 and 2 mineral claims in 1987 and in the course of geological, geochemical and geophysical surveys over the claims area encountered north trending quartz carbonate veins with encouraging gold values (Wood, 1987).

4.0 SURVEY PROCEDURES

The 1988 exploration program on the Snapper claims was designed to determine the structure, extent and grade of precious metals mineralization encountered during the 1987 field season.

Field work was carried out between April 4 and May 21, 1988 and consisted road upgrading and construction and drill pad preparation followed by 5 diamond drill holes totaling 1776 feet (541 meters) using BQ core size and a Hydracore 28 drill.

Drill pad locations were surveyed and tied into the 1987 exploration grid using compass, hipchain and clinometer.

Drill core was logged in the field and in Vancouver and the logs are presented in this report as Appendix B. Core samples from mineralized intersections were subsequently sent to Chemex Laboratories Ltd. of North Vancouver, B.C. for assay. The assay results are presented as Appendix A.

5.0 GEOLOGY

5.1 Regional Geology

Regional geological mapping of the area surrounding the Snapper claims has been published at a scale of 1:250,000 by the Geological Survey of Canada as GSC Paper 68-50, Geology of the Alberni Map Area (92F) by J.E. Muller.

The area is underlain by rocks of the late Paleozoic aged Sicker Group which are locally intruded by Jurassic to Tertiary stocks, dikes and sills. Triassic aged Karmutsen volcanics unconformably overlie Sicker Group rocks to the North and West of the Snapper claims.

The Sicker Group is composed of two dominant lithologies in the property area; intermediate volcanics overlain by greywacke and argillite.

Jurassic diorite and quartz-diorite intrude Sicker rocks to the west and southeast of the property.

Small Tertiary feldspar-porphyry stocks, dikes and are common in the area surrounding Mt. McQuillan and have been noted on the Snapper claims.

The dominant structural features in the area are north and northwest trending high-angle faults. Small scale east-west striking extensional faults can be observed locally. The Snapper property straddles a large scale north trending fault which extends for some 15 km along the Nitnat River valley.

Two types of economic mineral deposits occur in the area. The most common are narrow gold-bearing quartz-carbonate veins with variable amounts of pyrite, chalcopyrite, galena and sphalerite. Gold grades generally increase with sulfide content with grades in excess of several ounces per ton reported. The Thistle deposit is a gold-bearing copper skarn concentrated along two parallel north striking shear zones some 80 meters apart. The Thistle ore consists of chalcopyrite and pyrite in a gangue of grey calcite and quartz.

The majority of gold deposits in the area occur within the Sicker Group volcanics.

5.2 Property Geology

Rock types underlying the Snapper claims were divided into four mappable units during the 1987 exploration program. The reader is referred to the report dated June 30, 1987 by this author for a detailed description of the property geology.

Lithologies present within the property area, from oldest to youngest, are as follows:

PALEOZOIC SICKER GROUP

Dark green andesite and basalt, often vesicular, with related flow breccia and tuff (map unit 1). The volcanics are overlain by grey-green, medium grained volcanogenic sediments composed mainly of greywacke and including siltstone and dark grey argillite (map unit 2).

TERTIARY ROCKS

Tertiary intrusives include light grey-green, southeast trending feldspar-porphyry dikes and sills (map unit 3). Bright orange weathering carbonatized Sicker Group volcanic and sedimentary rocks occur within and adjacent to faults present in the property area (map unit 4). Numerous narrow

quartz-carbonate veins and mariposite alteration occur within the carbonatized rocks.

Outcrop exposure is abundant within the property area except in the southeast portion of the property, where fluvial gravel obscures the geology.

The principal structural elements on the property are a northwest striking synform and two north trending high-angle faults characterized by carbonatized adjacent host rocks.

Mineralized quartz-carbonate veins occur within carbonatized Sicker Group volcanics and to a lesser extent sediments. Mineralization consists of pyrite and chalcopyrite with minor sphalerite and galena. Gold grades are greater when galena is present.

6.0 DIAMOND DRILLING PROGRAM

6.1 Introduction

The 1988 exploration program on the Snapper Claims consisted of five diamond drill holes totaling 1776 feet (541 meters). Drill logs are presented in this report as Appendix B.

Diamond drilling was performed to test the extent and grade of gold-bearing quartz-carbonate veins discovered at surface during a 1987 exploration program on the property.

Two drill holes (DDH-88-1 & DDH-88-2) were centered over a narrow vein encountered at exploration grid coordinates L0+00 - 0+25E where surface samples returned assays of 3.50 oz/t silver and 0.092 oz/t gold over narrow widths. DDH-88-1 was collared at grid location L0+00 - 0+13E and DDH-88-2 at L0+00 - 0+80E.

Drill holes DDH-88-3, 4 & 5 were placed to test a mineralized quartz vein encountered at grid coordinates L4+00N - 0+70E where assays of 0.67 oz/t silver and 0.340 oz/t gold were obtained. All three drill holes were collared at grid location L4+10N-2+35E.

6.2 Drilling Results

Both DDH-88-1 and DDH-88-2 intersected mineralization down dip of the mineralized surface vein. The vein remains narrow at depth (3" to 6") and grades for gold and silver decrease. DDH-88-1 intersected the vein at 123' for 3" and returned assays of trace gold and 1.56 oz/t silver. DDH-88-2 intersected the vein at 263' for 6" with assays of 0.002 oz/t gold and 0.07 oz/t silver. DDH-88-2 also intersected a 10" vein at 348' with assays of 0.002 oz/t gold and 0.16 oz/t silver.

DDH-88-3 encountered three 1' wide zones of sulfide mineralization at 85', 144' and 188'. All three returned trace gold and low silver upon assay.

In DDH-88-4 a 93" wide zone encompassing a 20" vein, 28" of altered volcanic and a 45" vein between 292'3" and 302'. Assays for the three parts of the zone are 0.659, 0.109 and 0.083 oz/t gold respectively. Averaged over the 93", the grade for the zone is 0.215 oz/t gold. The 20" vein contained about 2% sulfides including pyrite, galena and chalcopyrite. The 45" vein carried approximately 1% very fine grained pyrite. The altered volcanic between the two veins was carbonatized, mariposite-bearing and contained approximately 1% to 2% finely disseminated pyrite.

The same zone was encountered in DDH-88-5 between 346' and 352' with 12", 3" and 6" veins at 346', 350' and 352' respectively. The veins and altered volcanic between them all contained minor amounts of finely grained sulfides. The 36" between the 12" and 6" veins returned an assay of 0.010 oz/t gold (347' to 350') while the veins returned trace values.

6.2 Discussion

The mineralized vein encountered at surface at grid location L0+00 - 0+25E during the 1987 exploration program has been confirmed for 180' down dip. The low assay values for gold and silver as well as the continuing narrow widths indicates that this occurrence could not be economically exploited.

The surface showing at grid location L4+00N - 1+70E was not encountered in any of holes DDH-88-3, 4 or 5. A 93" wide mineralized zone encountered at 292'3" in DDH-88-4 returned an encouraging 0.215 oz/t gold but, although it was confirmed further down dip in DDH-88-5 at 346', the gold grade of 0.010 oz/t for 36" of altered volcanic between quartz veins is too low to warrant exploitation.

7.0 CERTIFICATE OF QUALIFICATION

I, Douglas Harold Wood, of the city of Vancouver, Province of British Columbia, hereby certify as follows:

1. I am a consulting geologist with offices at 808-1844 Barclay Street, Vancouver, B.C. V6G 1K9.

2. I am a graduate of the University of British Columbia, where I received the degree of Bachelor of Science in Geology in May 1981 and completed one year of post-graduate studies at the University of B.C. in May 1982.

3. I am a Fellow in good standing of the Geological Association of Canada (F 4594).

4. I have worked continually as a geologist from May 1982 to present on numerous mineral exploration projects throughout western North America.

5. This report, dated July 25, 1988, is based on personal supervision of the diamond drilling program outlined in this report and on research conducted on the property area.

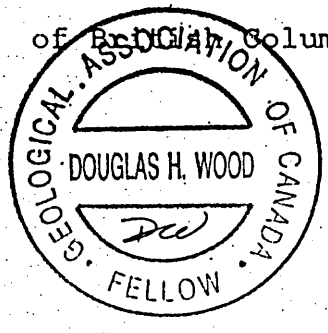
6. I own no interest, direct or otherwise, in the Snapper claims, nor in the securities of Saga Resources Ltd.

7. I consent to and authorize the use of the attached report and my name in the Company's Statement of Material Facts or other public documents.

Dated at Vancouver, Province of British Columbia, this 25th day of July, 1988.

Douglas H. Wood

Douglas H. Wood, B.Sc., FGAC
Consulting Geologist



8.0 REFERENCES

Publications and reports, both public and private, available to the writer and containing information pertinent to property area and subject of this report are as follows:

Muller, J.E. (1968)

Geology and Mineral Deposits of the Alberni Map Area (92F); Geological Survey of Canada, Paper 68-50.

Schorn, T.F. (August 16, 1985)

Prospecting and Geochemical Assessment Report on the Matt Claim Group, Mt. McQuillan Area, Victoria Mining Division, British Columbia (BCMMPR Assessment Report #14,338).

Wahl, H. (March 4, 1987)

Evaluation Report on the Snapper-1 and Snapper-2 Mineral Claims, Victoria Mining Division, Vancouver Island, British Columbia for Ruza Resources Ltd.

Wood, D.H. (June 30, 1987)

Geological, Geochemical and Geophysical Report on the Snapper Claims Property, Victoria Mining Division, British Columbia, NTS 92F/2E for Saga resources Ltd.

APPENDIX A

Certificates of Assay

Chemex Labs Ltd.
Analytical Chemists • Geochemists • Registered Assayers
212 BROOKSBANK AVE NORTH VANCOUVER.
BRITISH COLUMBIA. CANADA V7J-2C1
PHONE (604) 984-0221

To: SAGA RESOURCES LTD.

405 - 595 HOWE ST.
VANCOUVER, B.C.
V6C 2T5

A8814795

Comments: ATTN: D. WOOD

CERTIFICATE A8814795

SAGA RESOURCES LTD
PROJECT : SNAPPER
P O.# : NONE

Samples submitted to our lab in Vancouver. BC.
This report was printed on 6-MAY-88.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
207	7	Assay: Crush,split,pulv -140

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
198	7	Au oz/T: 1/2 assay ton	FA-AAS	0.002	20.00
385	7	Ag oz/T: Aqua regia digestion	AAS	0.01	20.0

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 BROOKSBANK AVE., NORTH VANCOUVER,
BRITISH COLUMBIA, CANADA V7J-2C1

PHONE (604) 984-0221

To: SAGA RESOURCES LTD.

405 - 595 HOWE ST.
VANCOUVER, B.C.
V6C 2T5

Project : SNAPPER
Comments: ATTN: D. WOOD

Page No. : 1
Tot. Pages: 1
Date : 6-MAY-88
Invoice # : I-8814795
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8814795

SAMPLE DESCRIPTION	PREP CODE		Au oz/T	Ag oz/T
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226231	207	--	0.002	0.04
226232	207	--	< 0.002	< 0.01
226233	207	--	0.002	0.07
226234	207	--	0.002	0.01

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION : _____

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 BROOKSBANK AVE. NORTH VANCOUVER,
BRITISH COLUMBIA. CANADA V7J-2C1
PHONE (604) 984-0221

To: LAROTH ENGINEERING LTD.
ATTN: E.N. LARABIE
405 - 595 HOWE ST.
VANCOUVER, BC
V6C 2T5

A8814145

Comments:

CERTIFICATE A8814145

LAROTH ENGINEERING LTD
PROJECT : SNAPPER
P O # : NONE

Samples submitted to our lab in Vancouver, BC.
This report was printed on 20-APR-88

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
207	5	Assay: Crush,split,pulv. -140

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
301	5	Cu %: HClO4-HNO3 digestion	AAS	0.01	100.0
312	5	Pb %: HClO4-HNO3 digestion	AAS	0.01	100.0
316	5	Zn %: HClO4-HNO3 digestion	AAS	0.01	100.0
385	5	Ag oz/T: Aqua regia digestion	AAS	0.01	20.0
396	5	Au oz/T: 1/2 assay ton	FA-AAS	0.002	20.00

Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 BROOKSBANK AVE. NORTH VANCOUVER,
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To: ROTH ENGINEERING LTD.
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VANCOUVER, BC
V6C 2T5

Project : SNAPPER
Comments:

**Page No. : 1
Tot. Pages: 1
Date : 20-APR-88
Invoice # : I-8814145
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8814145

SAMPLE DESCRIPTION	PREP CODE	Cu %	Pb %	Zn %	Ag oz/T	Au oz/T
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24876	207 ---	0.04	< 0.01	0.01	1.56	< 0.002
24877	207 ---	0.01	< 0.01	0.01	< 0.01	< 0.002
24878	207 ---	0.02	< 0.01	0.01	< 0.01	< 0.002
24879	207 ---	0.06	< 0.01	0.01	0.04	< 0.002

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION : _____

Chemex Labs Ltd.
Analytical Chemists * Geochemists * Registered Assayers
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405 - 595 HOWE ST.
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V6C 2T5

A8815098

Comments: ATTN: G LARABIE

CERTIFICATE A8815098

SAGA RESOURCES LTD
PROJECT : SNAPPER
P O # : NONE

Samples subinitted to our lab in Vancouver, BC.
This report was printed on 10-MAY-88.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
207	14	Assay: Crush,split,pulv -140

* NOTE 1:

The 32 element ICP package is suitable for trace metals in soil and rock samples. Elements for which the nitric-aqua regia digestion is possibly incomplete are. Al Ba. Be. Ca. Cr. Ga. K. La. Mg. Na. Sr. Ti. Tl. W.

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
198	14	Au oz/T: 1/2 assay ton	FA-AAS	0.002	20.00
385	14	Ag oz/T: Aqua regia digestion	AAS	0.01	20.0

Chemex Labs Ltd.
Analytical Chemists * Ge[illegible] * Registered Assayers
212 BROOKSBANK AVE. NORTH VANCOUVER
BRITISH COLUMBIA CANADA V7J 2C1
PHONE (604) 984-0221

TAGA RESOURCES LTD.
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V6C 2T5
Project : SNAPPER
Comments: ATTN: G LARABIE

Page No :
Tot Pages: 1
Date : 10-MAY-88
Invoice # : I-8815098
P.O # : NONE

CERTIFICATE OF ANALYSIS A8815098

SAMPLE DESCRIPTION	PREP CODE	Au oz/T	Ag oz/T
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2681	207 ---	< 0.002	0.02
2682	207 ---	0.002	0.04
2683	207 ---	0.006	0.13
2684	207 ---	0.002	0.04
2685	207 ---	0.002	0.16
2686	207 ---	< 0.002	0.03
2687	207 ---	< 0.002	0.02
2688	207 ---	< 0.002	0.01
2689	207 ---	< 0.002	0.01
2690	207 ---	< 0.002	0.02
2691	207 ---	< 0.002	0.02
2692	207 ---	0.083	0.02
2693	207 ---	0.659	0.22

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION :

Chemex Labs Ltd.
Analytical Chemists * Geochemists * Registered Assayers
212 BROOKSBANK AVE. NORTH VANCOUVER,
BRITISH COLUMBIA, CANADA V7J-2C1
PHONE (604) 984-0221

To: LAROTH ENGINEERING LTD.
ATTN: E.N. LARABIE
405 - 595 HOWE ST.
VANCOUVER, BC
V6C 2T5

A8815811

Comments:

CERTIFICATE A8815811

LAROTH ENGINEERING LTD.
PROJECT : SNAPPER
P.O.# : NONE

Samples submitted to our lab in Vancouver, BC.
This report was printed on 30-MAY-88.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
207	9	Assay: Crush.split.pulv -140

• NOTE 1:

The 32 element ICP package is suitable for trace metals in soil and rock samples. Elements for which the nitric-aqua regia digestion is possibly incomplete are: Al, Ba, Be, Ca, Cr, Ga, K, La, Mg, Na, Sr, Ti, Tl, W.

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
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385	9	Ag oz/T: Aqua regia digestion	AAS	0.01	20.0

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V6C 2T5
Project : SNAPPER
Comments:

**Page No. : 1
Tot. Pages: 1
Date : 30-MAY-88
Invoice # : I-8815811
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8815811

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55457	207	---	< 0.002	0.01
55458	207	---	< 0.002	0.07
55459	207	---	< 0.002	< 0.01

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY BC CERTIFIED ASSAYERS

CERTIFICATION : V. G. Ramanani

APPENDIX B

Diamond Drill Core Logs

Drill Log : DDH-88-1

Grid Location: L0+00N-0+13E
Bearing: 090° Az.
Collar Dip: -45°
Date Started: April 7, 1988
Date Finished: April 8, 1988

DEPTH	DESCRIPTION
0-11'	Casing
11-36½'	Green to dark green fine grained andesite. Minor quartz and carbonate veinlets. Disseminated fine grained pyrite ≤ 1%. Narrow quartz vein (2") approximately perpendicular to hole at 14 feet. ≤ 1% fine to medium grained pyrite. Foot and hanging walls silicified for approximately 3". Narrow quartz vein (½") at 34 feet. Vein 45° to hole. Foot and hanging walls silicified and containing carbonate and mariposite for approximately 4". Vein and surrounding host rock are limonite stained with ≤ 1% pyrite.
36½-79'	Green and light green andesite. Limonite stained with carbonate for 2" at 38'. Narrow shear zone sub-parallel to hole at 47'. Narrow quartz vein (¼") at 78'. Pyrite approx. 1% throughout interval and up to 2% within narrow quartz vein at 78'. Minor mariposite and pervasive carbonate throughout interval.
79-116½'	Grey-green andesite, often sheared in appearance, with broken core at 88' and between 93' and 96'. Mariposite and carbonate common especially in sheared rock and surrounding narrow veinlets. Another shear zone between 105' and 107'.

DEPTH	DESCRIPTION
116½-123'	Grey-green andesite becoming increasingly altered with carbonate and mariposite. Breccia-like texture common. Narrow quartz veins between 118' and 120'. Quartz-eye porphyry for 3" at 120½' and for 2" at 123' with approx. ≥2% pyrite. Core more competent after 120' due to silicification. Approximately 2% pyrite throughout interval. SAMPLE: 24875 6" from 122½' to 123' including 2" of quartz-eye porphyry. Approximately 2% pyrite. AU: <.002 oz/t, AG: <.01 oz/t, CU: .01% PB: <.01%, ZN: .01%.
123-127'	Thin quartz vein (3") at 123½' approx. 30° from perpendicular to hole. Pyrite + chalcopyrite ≥5% is concentrated at hanging at foot walls of vein. Sulfides are very fine grained at hanging and foot walls and coarse in center of vein. Un-mineralized 2" brecciated quartz vein at 127'. Mariposite common throughout interval especially surrounding vein at 123½'. SAMPLE: 24876 3" at 123½' from quartz vein with ≥5% pyrite and chalcopyrite. AU: <.002 oz/t, AG: 1.56 oz/ton, CU: .04% PB: <.01%, ZN: .01%.
127-133½'	Dark grey-green volcanic with pyroclastic texture. At 131½' is 6" silicified shear zone with mariposite and carbonate. Center of shear zone is chalky. Narrow quartz vein (¼") at 133½'. Approx. 1" of quartz-eye porphyry at foot and hanging walls. Pyrite + minor chalcopyrite approx. 1% in foot and hanging walls, but vein is un-mineralized.

DEPTH	DESCRIPTION
	SAMPLE: 24877 3" at 133' includes ¼" vein and foot and hanging wall quartz-eye porphyry. AU: <.002 oz/ton, AG: <.01 oz/t, CU: .01% PB: <.01%, ZN: .01%.
133½-143'	Green to dark green andesite becoming lighter green after 137'. Pyrite ≥3% for 8" at 135'. Mariposite common after 137'. Quartz blebs at 142' are likely resorbed quartz phenocrysts.
	SAMPLE: 24878 8" at 135' of silicified volcanic with ≥3% pyrite. AU: <.002 oz/ton, AG: <.01 oz/t, CU: .02% PB: <.01%, ZN: .01%.
143-148'	Green andesite. 1½" quartz vein at 143' with approx. 2% pyrite and chalcopyrite on hanging and foot walls for 6". Un-mineralized quartz vein at 145½'. Both veins approx. 30° from perpendicular.
	SAMPLE: 24879 6" at 143' includes 1½" quartz vein and approx. 2" from both hanging and foot walls. AU: <.002 oz/t, AG: .04 oz/t, CU: .04% PB: <.01%, ZN: .01%.

Drill Log : DDH-88-2

Grid Location: L0+00N-0+80E
Bearing: 270° Az.
Collar Dip: -70°
Date Started: April 13, 1988
Date Finished: April 17, 1988

DEPTH	DESCRIPTION
0-16'	Casing
16-116'	Green to dark green partially silicified intermediate volcanic, probably andesite. Shear zone between 34' and 43'. Zone of intense carbonatization between 42' and 43'. Narrow quartz veins (≤1") common but poorly mineralized. Pyrite ≤1% over most of the interval. Quartz veins at 67½' (3") and 68' (1½"). Separated by very silicious carbonatized light green volcanic. Pyrite in veins approx. 1%. Pyrite between veins in volcanics approx. 5%. SAMPLE: 2681 AU: <.002 oz/t, AG: .02 oz/t.
116-143'	Sheared green volcanic. 117-123' poorly mineralized or leached with clay alteration and minor mariposite. 123-126' similar to above except silicified with 1-3% pyrite and common quartz-eyes. 126-134' becoming less silicified with 1-2% pyrite and hematite. 134-143' poorly silicified with numerous quartz and calcite veinlets and pyrite varying between 1% and 7%. Narrow quartz vein (2") at 143' with 5" of quartz-eye porphyry at the hanging wall. Vein contains between 7% and 10% pyrite and sphalerite(?). Hanging wall has approx. 5% pyrite. SAMPLE: 2682 11" at 125' from silicified moderately pyritic light green volcanic with quartz-eyes common. AU: .002 oz/t, AG: .04 oz/t.

DEPTH	DESCRIPTION
116-143' (cont'd)	SAMPLE: 2683 7" sampled at 142½' includes 5" of hanging wall quartz-eye porphyry and 2" quartz vein at 143'. AU: .006 oz/t, AG: .13 oz/t.
143-166'	Green and dark green andesite with minor resorbed or secondary quartz as rounded phenocrysts. Pyrite ≤ 1%. Numerous barren quartz and calcite veinlets.
166-173'	Sheared volcanic with pyritic quartz veins at 166' (½"), 167' (½"), 168' (4") and at 172' (½" and barren). Mariposite common especially where shearing is most intense. Pyrite in veins approx. 1-2% except at 168' where pyrite ≥ 5%. SAMPLE: 2684 4" sample from quartz vein at 168'. AU: .002 oz/t, AG: .04 oz/t.
173-183'	Green, locally brecciated and silicified andesite with ≥ 2% carbonate and ≤ 1% pyrite.
183-184'	2 narrow quartz veins at 30° to 45° from perpendicular to hole, separated by light green, silicified, carbonatized volcanic. Veins at 183' (2") and at 184' (1½") contain pyrite and sphalerite(?) up to 7%. Between veins quartz veinlets contain approx. 1% to 3% pyrite and chalcopyrite. Mariposite common between veins. SAMPLE: 226228 12" sample includes quartz veins at 183' and 184' and silicified and pyritized volcanic between veins. AU: .002 oz/t AG: .02 oz/t.
184-213'	Green to dark green volcanic, locally brecciated and silicified. Pyrite ≤ 1%. Narrow quartz vein (½") at 207' associated with band of quartz-eye porphyry.

DEPTH	DESCRIPTION
213-216'	Shear zone gouge with carbonate and no visible sulfides. SAMPLE: 226229 3' sample of shear zone gouge. AU: <.002 oz/t, AG: <.01 oz/t.
216-249'	Green to dark green, locally brecciated and silicified volcanic. Hematite after 220' approx. 2-4% in veinlets. Zone of intense silicification for 8" at 229' with mariposite and ≥ 3% pyrite. Intense silicification between 234½' and 236' ends at a 1½" quartz vein at 236'. Vein 30° from perpendicular. Pyrite in vein approx. 7%. Quartz-eyes and mariposite common between 234½' and 236' with pyrite approx. 2%. SAMPLE: 226230 8" sample from silicified zone at 229'. AU: .002 oz/t, AG: <.01 oz/t. SAMPLE: 226231 15" sample from silicified and pyritized interval starting at 234½'. AU: .002 oz/t, AG: .04 oz/t.
249-276'	Lighter green more silicified volcanic with abundant mariposite and quartz-eyes. Pyrite approx. 1-3% associated with quartz-eye porphyry. Pyrite ≥ 3% for 10" at 263'. 6" quartz vein at 268' with 2% pyrite occurring in fractures. SAMPLE: 226232 10" sample from intensely silicified pyritic volcanics at 263' AU: <.002 oz/t, AG: <.01 oz/t. SAMPLE: 226233 6" sample from quartz vein at 276'. AU: .002 oz/t, AG: .07 oz/t.

DEPTH	DESCRIPTION
276-338½'	Dark green, locally brecciated, with minor pyrite and carbonate. Quartz veins at 304' (1½") and at 310' (1") at approx. 30° from perpendicular. At 313' is 6" of highly silicified and sheared volcanic with ≥1% pyrite. Quartz veinlets in random orientations common. SAMPLE: 226234 6" sample from silicified shear zone at 313'. AU: .002 oz/t, AG: .01 oz/t.
338½-427'	Green to dark green volcanic with local breccias and large altered feldspar phenocrysts. 10" quartz vein with approx. 3% pyrite at 348'. Pyrite greater in center 6" of vein. 3" quartz vein at 370' with 2-3% pyrite. Pyrite extends for approx. 1" into foot and hanging walls of vein. 1½" quartz vein at 380½' with ≤ 2% pyrite. Above veins and numerous veinlets generally about 30° from perpendicular. SAMPLE: 2685 10" sample from vein at 348'. AU: .002 oz/t, AG: .16 oz/t. SAMPLE: 2686 4" sample from vein and wall rock at 370'. AU: <.002 oz/t, AG: .03 oz/t.
427'	End of hole 88-2.

Drill Log : DDH-88-3

Grid Location: 4+10N-2+35E
Bearing: 270° Az.
Collar Dip: -60°
Date Started: April 19, 1988
Date Finished: April 28, 1988

DEPTH	DESCRIPTION
0-7'	Casing.
7-32'	Massive green fine to medium grained greywacke. Narrow rusty quartz vein (2") at 60° from perpendicular at 18'. Minor carbonate throughout interval. Un-mineralized narrow quartz stringer at 29'. Rocks sheared and chalky for 6" at 32'. No visible mineralization.
32-120'	Interbedded light green siltstone and argillite with minor chert. After 75' are interbedded sandstone layers. Narrow quartz vein (¼") at 63'. Minor pyrite and chalcopyrite(?). Narrow quartz veins (½") at 85.0' and 85.5' with associated pyrite and chalcopyrite approx. 3%-7%. Wall rocks between 85' and 86' show minor replacement associated with mineralization in veins. Veins at 30° from perpendicular. Pyrite as distinct cubes up to 1/8" common throughout interval at approx. 1%. SAMPLE: 2680 12" sample from 85' to 86' includes the two narrow quartz veins at 85.0' and 85.5'. AU: <.002 oz/t, AG: .02 oz/t.
120-143'	Paleosol composed of dark and light green brecciated sediments and volcanics. Pyrite generally ≤ 1% but locally up to 3%.
143-168'	Light grey-green sediments(?). Narrow shear zone with quartz stringer at 143' Minor sulfides (≤ 1%). Quartz veins and shear zone at 45° to hole at 144'. Two 2" veins with pyrite and chalcopyrite approx. 5%.

DEPTH	DESCRIPTION
143-168' (cont'd)	Interbedded siltstone and argillite after 148'. SAMPLE: 2687 12" sample including two 2" veins and host rock from 144'. AU: <.002 oz/t, AG: .02 oz/t.
168-199'	Alternating green and red volcanics locally carbonatized. 8" pyritic shear zone at 173' with approx. 2% sulfides. Light green carbonatized volcanics from 186½' to 194' with very fine grained pyrite approx. 2% and mariposite. SAMPLE: 2689 12" sample from light green volcanics at 188'. AU: <.002 oz/t, AG: .01 oz/t. SAMPLE: 2688 24" sample from pyritic light green carbonatized volcanic at 192'. AU: <.002 oz/t, AG: .01 oz/t.
199-228'	Dark green and red-brown volcanic with local brecciation and ≤ 1% sulfides and minor quartz and calcite veinlets.
228-313'	Dark green massive andesite with local breccia.
313-327'	Light green massive porphyritic andesite with large feldspar phenocrysts.
327'	End of DDH-88-3.

Drill Log : DDH-88-4

Grid Location: L4+10N-2+35E
Bearing: 260° Az.
Collar Dip: -70°
Date Started: April 29, 1988
Date Finished: May 12, 1988

DEPTH	DESCRIPTION
0-6'	Casing.
6-40'	Interbedded siltstone, argillite and sandstone with minor chert.
40-145'	Same as above with minor narrow quartz veins at 30° from perpendicular to hole. Pyrite approx. ≤ 3%.
145-155'	Pyroclastic volcanics, possibly tufaceous or a lahar deposit. Light green silicified volcanic with mariposite between 120' and 143'.
155-187'	Dark green brecciated sediments with between 1% and 5% pyrite. Pyrite increases after 185'.
187-201'	green to light green volcanics with up to 5% pyrite. Pyrite generally approx. 1% to 2%. Volcanics massive with feldspar phenocrysts. Pseudo-stratification of volcanics probably due to shearing or may be tufaceous. Minor chalcopyrite noted. Approximately 15' of pyrite rich (≥ 5%) section between 187' and 202'. SAMPLE: 2690 36" sampled from pyrite rich volcanics starting at 189'. AU: <.002 oz/t, AG: .02 oz/t. SAMPLE: 2691 36" sampled from pyrite rich volcanics starting at 192'. AU: <.002 oz/t, AG: .02 oz/t.

DEPTH	DESCRIPTION
202-279'	ALternating light green carbonatized volcanics and red-brown volcanics with between 1% and 3% pyrite. Pyrite and degree of shearing greater in light green sections.
202-279'	Mariposite present throughout section but concentrated in carbonatized light green volcanics. Narrow quartz vein (2") at 232' with approx. 2% pyrite.
279-302'	Light grey-green locally carbonatized volcanics with numerous randomly oriented un-mineralized quartz and calcite veinlets. 3" quartz vein at 282' at 30° from perpendicular with no visible sulfides. Increased shearing after 288'. 20" quartz vein at 293'. First 8" has very fine grained sulfides at approx. 2%. Last 12" contains approx. 2% galena + pyrite + chalcopyrite which is separated from the first 8" by a 2" shear zone composed of silicified volcanic with quartz veinlets. Vein approx. 30° from perpendicular. 45" quartz vein followed by quartz rich shear zone on footwall for 10" at 296'. Approximately 1% sulfides and two generation of quartz (milky and translucent) with pyrite very fine grained occurring in fractures. Vein approx. 30° from perpendicular. SAMPLE: 55452 27" sample from hanging wall of 20" quartz vein starting at 290'. AU:<.002 oz/t, AG:<.01 oz/t SAMPLE: 2693 20" sample from vein and 2" shear zone starting at 292'3". AU: .659 oz/t, AG: .22 Oz/t. SAMPLE: 55451 28" sample from altered, mariposite bearing volcanic from between 20" and 45" veins. AU: .109 oz/t, AG: .05 oz/t.

DEPTH	DESCRIPTION
279-302' (cont,d)	SAMPLE: 2692 45" sample from quartz vein starting at 296'3". AU: .083 oz/t, AG: .02 oz/t. SAMPLE: 55453 24" sample collected from sheared volcanic at footwall of 45" quartz vein starting at 300'. AU:<.002 oz/t, AG:<.01 oz/t.
302-338'	Green to dark green volcanic with minor to moderate silicification and shearing and approx. 1% pyrite.
338-343'	Light green sheared and carbonatized volcanic with mariposite and minor pyrite.
343-397	Green to dark green volcanic with large green and red-brown altered feldspar phenocrysts and what appears to be resorbed quartz phenocrysts. Minor breccia, appears to be pyroclastic in nature. Narrow shear zones at 365½', 373' and 380' are not associated with visible mineralization.
397-424'	Light grey massive felsite, possibly dacite with minor quartz and calcite veinlets.
424-426½'	Mariposite rich silicified and sheared volcanics. At least generation of quartz mineralization similar to that noted at 296'. SAMPLE: 55454 28" sample from mariposite rich section starting at 424'. AU:<.002 oz/t, AG:<.01 oz/t.
426½-483'	Green and dark green volcanic partially sheared and silicified, sheared for first 12'. 8" siliceous shear zone at 470'. 12" siliceous shear zone at 435½'. 1" quartz vein at 440½' with pyrite, chalcopyrite and galena(?). Silicification increases to 483'. Sulfides approx. 1% throughout interval including narrow vein at 440½'.
483'	End of DDH-88-4.

Drill Log : DDH-88-5

Grid Location: L4+10N-2+35E
Bearing: 260° Az.
Collar Dip: -75°
Date Started: May 13, 1988
Date Finished: May 18, 1988

DEPTH	DESCRIPTION
0-6'	Casing
2-27'	Green to dark green fine grained sandstone and siltstone with minor argillite and chert. Fractured core, possibly sheared after 48'.
27-93'	Black and grey argillite, becoming siliceous and brecciated after 89'.
93-104'	Chalky, carbonate rich breccia with 1% to 2% pyrite.
104-144'	Interbedded black and grey argillite and green fine grained sandstone and siltstone. Narrow, slightly pyritic quartz vein (2½") at 121'. Shear texture at 135'.
144-157¼'	Pyritic, mariposite bearing light green volcanic with approximately 2% sulfides over interval. Sample 55455 36" at 144' AU:<.002 oz/t, AG:<.01 oz/t. Sample 55456 36" at 147' AU:<.002 oz/t, AG:<.01 oz/t. Sample 55457 36" at 150, includes ¼" quartz vein at 30". AU:<.002 oz/t, AG: .01 oz/t. Sample 55458 15" at 153', includes ½" quartz vein at 153' and 2" quartz vein at 154' 2". 2" vein contains approximately 10% pyrite, chalcopyrite and sphalerite. AU:<.002 oz/t, AG: .07 oz/t.

DEPTH	DESCRIPTION
	Sample 55459 36" of mariposite rich light green altered volcanic to end of interval at 157'. AU:<.002 oz/t, AG:<.01 oz/t.
157¼-172'	Interbedded siltstone, sandstone and argillite with minor pyroclastic volcanics. Minor pyrite.
172-218'	Dark green volcanics with minor sediments. Volcanics exhibit pyroclastic textures. Minor sulfides.
218-228'	Light green volcanics similar to last interval. Mariposite present for 12" at 228'. Narrow quartz vein (1") at 225½' with approximately 5% pyrite.
228-274'	Interbedded reddish brown argillite and green pyroclastic volcanic with minor pyrite and mariposite, especially within the volcanic rocks. Also numerous quartz and calcite veinlets.
274-277'	Light green possibly sheared volcanic.
277-291'	Inter-layered reddish brown and green volcanics, possibly pyroclastic.
291-293½'	Light green, mariposite rich pyroclastic volcanic with quartz eyes within pumice lapilli. Minor pyrite.
293½-344'	Dark green and reddish brown volcanic with minor pyrite and mariposite.
344-354½'	Light green, mariposite bearing volcanic to 347' and dark green volcanic from 347' to 354½'. 12" quartz vein @ 60° to perpendicular at 346'. 3" quartz vein at 350'with two apparent generations of quartz. 6" quartz vein at 352' similar in appearance to the vein at 350'. Minor sulfides in all three veins.
	Sample 55460 24" sample at hangingwall of 12" vein starting at 344'. Silicified and mariposite bearing with minor pyrite. AU:<.003 oz/t, AG:<.01 oz/t.

DIAMOND DRILLING REPORT

ON THE

SNAPPER CLAIMS PROPERTY

VICTORIA MINING DIVISION, BRITISH COLUMBIA

NTS 92F/2E

FOR

SAGA RESOURCES LTD.
405-595 HOWE STREET
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by

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July 25, 1988