013244 R.M.V

PROPERTY FILE

920/2W

920 026

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS (#125/87)
EFFECTIVE DATE: SEPTEMBER 25TH, 1987

CINNABAR RESOURCES LTD. - 1013 - 837 West Hastings Street, Vancouver, British Columbia (604) 681-3558
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

101-744 West Hastings Street, Vancouver, British Columbia V6C 1A5
ADDRESS OF REGISTERED AND RECORDS OFFICE OF THE ISSUER

ROYAL TRUST COMPANY - Bentall 2, 555 Burrard Street, Vancouver, British Columbia V6B 3R7
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 750,000 Units (each Unit consisting of one common share and one Series "A" Share Purchase Warrant).

	Estimated Price to the Public	Estimated Agent's Commission	Minimum Proceeds to the Company
Per Unit	$0.50	$0.0375	$0.4625
Total	$375,000.00	$28,125.00	$346,875.00

ADDITIONAL OFFERING: This Statement of Material Facts also qualifies for sale to the public at the market price for the shares at the time of sale any shares of the Issuer which the Agents may acquire pursuant to the exercise of the Agents' Warrants. Reference should also be made to the sub-heading "Additional Offering" under Item 1 ("Plan of Distribution") herein.

The price to the public will be determined according to the Rules and Policies of the Vancouver Stock Exchange. The estimated cost of the issue is $20,000.

AGENTS:

CONTINENTAL CARLISLE DOUGLAS
1000 - 1055 Dunsmuir Street
Vancouver, B.C.

GEORGIA PACIFIC SECURITIES CORPORATION
1500 - 789 West Pender Street
Vancouver, B.C.

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. INFORMATION CONCERNING THE RISKS INVOLVED MAY BE OBTAINED BY REFERENCE TO THIS DOCUMENT. FURTHER CLARIFICATION, IF REQUIRED, MAY BE SOUGHT FROM A BROKER.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. PLAN OF DISTRIBUTION

Offering

The Issuer by its Agents hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 750,000 Units (the "Units"), each Unit consisting of one (1) common share and one (1) Series "A" share purchase warrant (the "Warrant"). The Offering will take place on a day (the "Offering Day") not more than thirty (30) business days after the date (the "Effective Date") this Statement of Material Facts is accepted for filing by the Exchange and the Office of Superintendent of Brokers for British Columbia (the "Superintendent").

The price of the Units (the "Offering Price") will be determined by the Exchange in accordance with its rules and policies, at a premium over the average trading price ("Average Trading Price") of the Issuer's common shares as traded on the Exchange and as determined by the Exchange.

The purchaser of any Units will be required to pay regular commission rates as specified in the rules and by-laws of the Exchange.

The number and percentage of the issued and outstanding securities of the Issuer beneficially owned, directly or indirectly, by the promoters, directors, senior officers and persons holding ten (10%) per cent or more of the issued shares of the Issuer, as a group, is 760,000 common shares representing 43.35% per cent of the issued capital of the Issuer.

The Directors, Officers and other Insiders of the Issuer may purchase units from this Offering.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

Appointment of Agent

The Issuer by an agreement (the "Agency Agreement") dated May 28th, 1987 as amended on August 18th, 1987, appointed the following as its agents ("Agents") to offer the Units to the public as follows:

Name of Agents	Participation
Continental Carlisle Douglas	600,000 Units
Georgia Pacific Securities Corporation	150,000 Units

920 026

DIAMOND DRILLING PROGRAM

BONANZA BASIN PROPERTY

LILLOOET MINING DIVISION

ELDORADO MOUNTAIN AREA, BRITISH COLUMBIA

Location:

N.T.S.: 92-O-2W
LATITUDE: 51° 01'00"N.
LONGITUDE: 122° 52'48"W.

CLAIMS

NEA FRACTION, OX, HI GRADE FRACTION, JG FRACTION, JG 1-7, K2, K4-K6, WG, WG FRACTION, ANN, ANN 1, A2-A8, TAX FRACTION, B 1-8, VISTA, TROLL (8 UNITS), TROLL 1-3 FRACTIONS, EVA 7 FRACTION

OWNER

MUTUAL RESOURCES LIMITED
904-1199 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA V6E 3V4

OPERATOR

CINNABAR RESOURCES LTD.
1013 - 837 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA V6C 1B6

Prepared By
Peter A. Christopher Ph.D., P.Eng.
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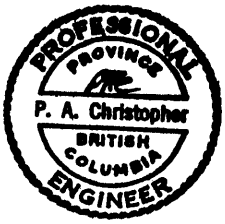
3707 WEST 34TH AVENUE
VANCOUVER, BRITISH COLUMBIA
V6N 2K9



SEPTEMBER 19, 1986
REVISED SEPTEMBER 2, 1987

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SUMMARY

The Bonanza Basin Property of Cinnabar Resources Ltd. is situated in the Bridge River area and Lillooet Mining Division. The property is about 8 miles (13 kilometers) northwest of Levon Resources Ltd. new discovery on the Congress Property and about 14 mile (23 kilometers) north of the the Bralorne-Pioneer Mine which produced about 4,000,000 ounces of gold. The geological, geochemical and structural setting of the Bonanza Basin Property is similar to the better known Bralorne-Pioneer and Congress Properties.

The property consists of 40 converted crown grants, metric claims and fractions which have a maximum possible area of 908.1 hectares. Four wheel drive access exists to the property from the old Silver Quick Mine site. Helicopter access from Pemberton Meadows requires about 20 minutes flying time and is cost effective for short examinations.

The property history dates from about 1910 but modern exploration started in the mid 1960's. Strong soil and talus geochemical response was trenched by Mutual Resources with values up to 1.54 ounces gold per ton over 5 meters reported from Trench 3. Previous production records indicate that 70 ounces of gold were produced from 34 tonnes in 1939 and 1940.

An initial five hole diamond drill program was conducted on the Bonanza Basin Property between June 25th and July 14th, 1986. The holes were drilled to test for possible extensions of the Robson Vein system. Holes one through three were drilled to test the high grade Robson trench area. Holes one and two remained in the footwall and hole three intersected the vein between 25 and 27.6 feet with an assay of 1.320 oz Au/ton and 13.68 oz Ag/ton. Drill holes four and five were drilled to test the down dip extension of the Robson vein both intersected vein material at shallow depth. The vein generally appears to strike N60E and has shallow dips of 20 to 35° with a steeper dip of 60 reported for the section explored by the Robson Adit. The best ten foot assay section was 0.104 oz Au/ton and 1.21 oz Ag/ton from 22 to 32 feet in drill hole CR86-3. The mineralized zones are weathered and broken which resulted in poor core recovery. Sludge samples collected from the mineralized zones assayed between <0.002 and 0.136 oz Au/ton for 10 foot sections.

Further drilling to extend the mineralized zone along strike and dip is required. Intersections of the Robson vein with another mineralized structure has good potential for yielding bonanza type ore shoots.

INTRODUCTION

The 40 claim Bonanza Basin Property of Cinnabar Resources Ltd. is situated on the northwesterly flank of Eldorado Mountain in the headwater areas of Nea and Hughes Creeks. Past exploration of the claims by Chevron Standard Limited and Mutual Resources has indicated large areas with anomalous gold in soils and talus fines. The property also contains arsenopyrite, stibnite, and chalcedonic quartz veins with high grade gold. A preliminary exploration program by Cinnabar Resources Ltd. (Christopher, 1985). Outlined several geochemical and geophysical targets for drill testing. The initial drill test of the Robson Adit area was supervised by the writer with the assistance of Mr. W.A. Howell and Mr. Murray McClaren. A 500 foot drill contract was completed between June 25th and July 14th, 1986.

This report summarizes the results of the drill program conducted on the Bonanza Basin Property and provides recommendations for further exploration of the property.

LOCATION AND ACCESS (Figures 1 & 2)

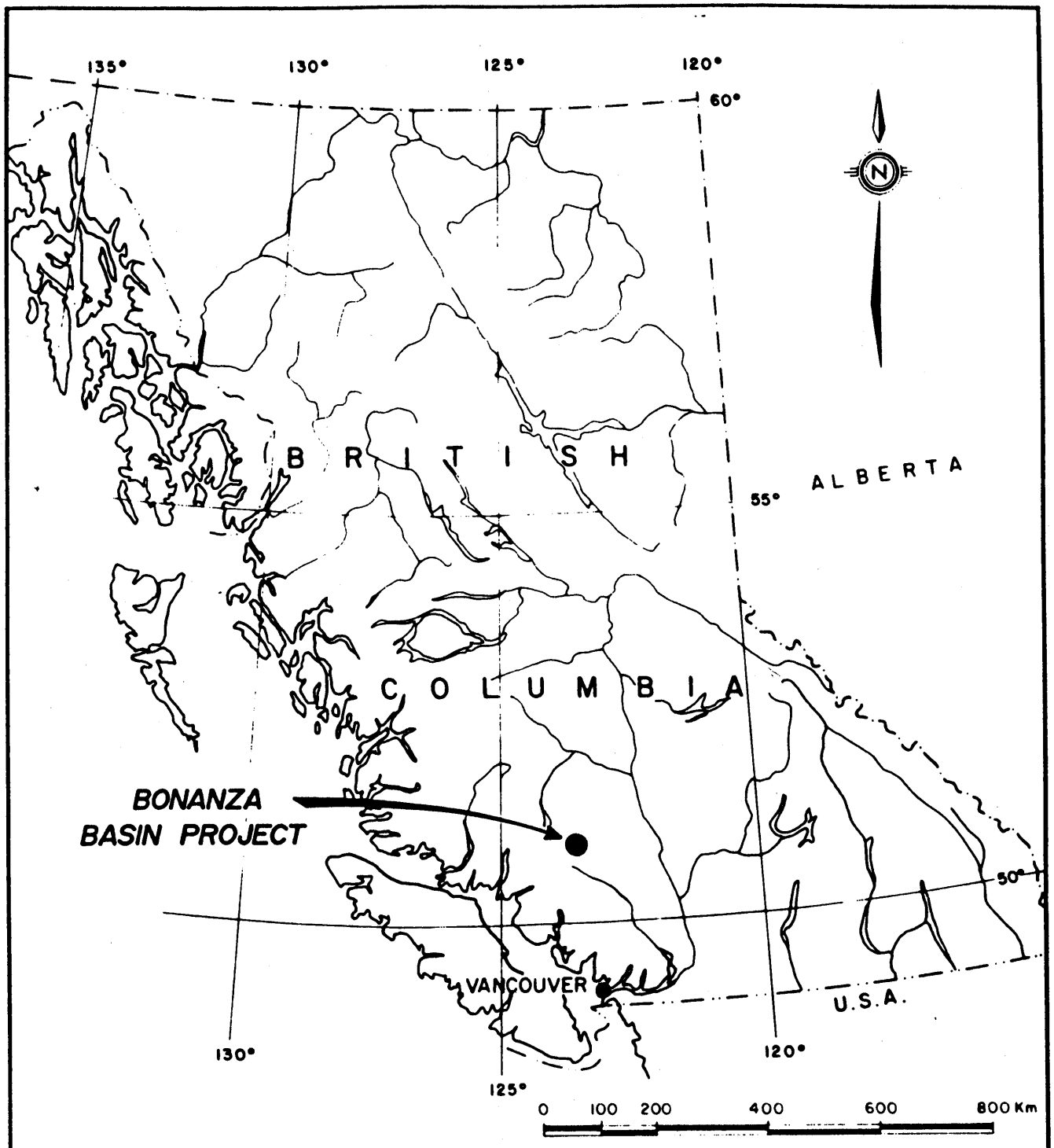
The Bonanza Basin Property is situated on the northwesterly slope of Eldorado Mountain in the Lillooet Mining Division, British Columbia. The property is 17.6 kilometers (11 miles) north-northeast of Gold Bridge and about 176 kilometers (110) miles north of Vancouver, British Columbia.

Access to the property is either by helicopter from Pemberton (Pemberton Helicopter Services Ltd. Ph. 894-6919) or via a four wheel drive extension of the former Silver Quick Mine Road. The old Silver Quick mill site is about a 9 kilometer drive from the Robson campsite. Local property access can be improved by clearing access roads that are presently on the property.

The writer cleared the access road of windfall and located the site for drill holes one and two on June 25, 1986. The drill crew noved to the site on July 1, 1986 with the drill helicopter lifted to the initial site on July 2, 1986. The drill was moved to the hole 3 and 4-5 sites and demobalized by hand.

PROPERTY DEFINITION

The Bonanza Basin Property consisting of 40 converted crown grants, metric claims and fractions has a maximum possible area of 908.1 hectares (2244 acres). The maximum possible area is reduced by overlap of adjacent claims and less than full possible size two post and fractional claims. The property has been in existence since 1975 and mineral rights appear to be securely held. A number of the survey markers for old crown granted claims were found during the present survey. Table 1 summarizes pertinent claim data and Figures 2 and 3 show claim locations.



CINNABAR RESOURCES LTD.

LOCATION MAP

PROJECT	BONANZA BASIN PROJECT
ENG	TRM ENGINEERING LTD.
DWG NUMBER	FIGURE:

inches
0 1
0 1 2
centimetres

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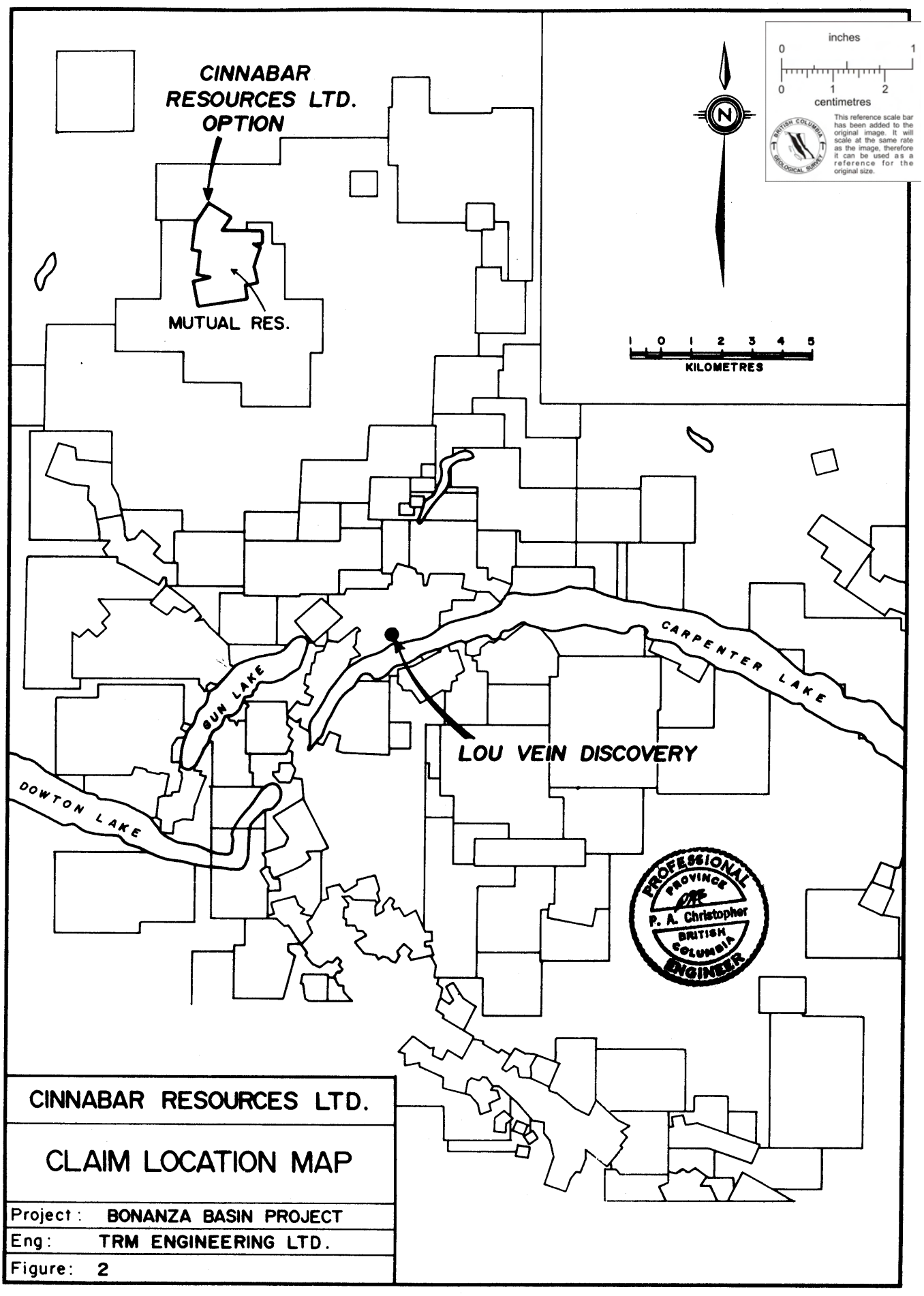
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher



CINNABAR RESOURCES LTD.

CLAIM LOCATION MAP

Project:	BONANZA BASIN PROJECT
Eng:	TRM ENGINEERING LTD.
Figure:	2

TABLE I. PERTINENT CLAIM DATA

CLAIM NAME	RECORD NO.	ACREAGE	RECORD DATE	DUE DATE*
Nea Fraction	20	34.64	Feb 11/1975	Feb 11/91
Ox	24	37.93	"	"
Hi Grade Fr.	25	6.61	"	"
JG Fraction	26	2.22	"	"
K 4	27	46.17	"	"
K 5	28	47.43	"	"
W G Fraction	29	44.77	"	"
Ann 1	30	45.09	"	"
Ann	31	46.94	"	"
A 2	32	51.65	"	"
A 3	33	49.97	"	"
A 4	34	48.42	"	"
A 5	35	46.69	"	"
A 6	36	38.48	"	"
A 7	37	51.65	"	"
A 8	38	51.65	"	"
Tax Fraction	39	28.69	"	"
B 1	40	46.11	"	"
B 2	41	26.36	"	"
B 3	42	51.50	"	"
B 4	43	44.29	"	"
B 5	44	46.12	"	"
B 6	45	51.65	"	"
B 7	46	35.42	"	"
B 8	47	42.65	"	"
W G	48	51.58	"	"
Vista	49	49.99	"	"
K 2	50	49.13	"	"
JG 2	51	49.25	"	"
JG 3	52	51.29	"	"
JG 4	53	50.29	"	"
JG 5	54	28.19	"	"
JG 6	55	51.64	"	"
JG 7	56	47.75	"	"
K 6	57	50.48	"	"
Troll	123	8 units	Sept 24/1975	Sept 24/88
Troll 1 Fr	127	-	"	"
Troll 2 Fr	128	-	"	"
Troll 3 Fr	129	-	"	"
Eva 7	1463	-	July 16/80	July 16/91

* Before recording work program outlined in this report.
- Fractional mineral claims acreage undetermined.

HISTORY

The Bonanza Basin Property has been referred to as the Bonanza, Robson, Eldorado Mountain and Pearson in previous reports and includes B.C. Mineral Inventory Numbers 92-O-26 and 73. Early access to the property was by pack trails and allowed for only limited production and incomplete exploration. Exploration with modern geochemical methods started in about 1965 and has outline several targets that warrant subsurface testing.

Gold exploration in the Bonanza Basin area appears to have started in about 1910 with the first descriptions appearing in the 1912 Geological Survey of Canada Summary Report and the 1913 Report of the Minister of Mines. Small veins of mainly arsenopyrite (Pearson Prospect) with minor chalcopyrite and sphalerite were explored about 1912. About 1933, Mr. Cooper Drabble and associates acquired a large land position in the Bonanza Basin and located seams of gold bearing arsenopyrite in a feldspathic dyke. A sample across 10 inches is reported to have run 2.39 ounces of gold and 16.8 ounces of silver per ton (Cairnes, 1943). Ground sluicing was reported to have been conducted by Drabble in the southwestern part of the claims and on Hughes Creek a tributary of Nea Creek (Clothier, 1933).

By 1940 the Robson claim group owned by J.G. Mining Company and optioned by Bralorne Mines Limited covered the prospect. The principal showings at the 6,000 feet elevation on Hughes Creek were developed by two adits (200 feet and 40 feet long) and 700 feet of diamond drilling. The claims were surveyed and subsequently crown granted. Cairnes (1943) description of the main showing stated that "It was examined (1939) by Crickmay, who reported it to be a mineralized shear zone averaging about 18 inches in width, striking southwest, and dipping 36 degrees northwest.....A sample collected in 1939 by Crickmay across the shear zone and assayed by the Bureau of Mines, Ottawa, ran 0.99 ounces in gold a ton. At that time the main adit was only in about 20 feet and the owners were shipping out ore on horse back at a rate of about 2 tons a day. Much of this ore was said to run over 3 ounces in gold a ton and also high in silver." The British Columbia Mineral Inventory report shows that 34 tonnes produced 70 ounces of gold, 581 ounces of silver, 425 pounds of copper and 5,820 pounds of lead in 1939 and 1940. The next record of work on the property appears in the 1967 Minister of Mines report. The property had been acquired by Bridge River United Mines Ltd. which conducted geological mapping, geochemical sampling, electromagnetic surveys and trenching between 1967 and 1969.

The property was acquired by Standard Oil Company of British Columbia Ltd. (Chevron Standard Ltd. operator) in 1975. Chevron conducted geological mapping and grid soil geochemistry in 1975 and 1976. The property was acquired by Mutual Resources Ltd., the present owners in 1979 with road building, geological mapping and extensive trenching and rock sampling programs undertaken between 1979 and 1981. Values up to 1.54 ounces of gold per ton over 5 meters were reported by Scott (1980) from trench 3. Mutual Resources spent over $135,000 exploring the Bonanza Basin Property and recorded sufficient assessment work to maintain the claim into 1988. Lacana Mining Corp.

conducted a 1 week property examination in July 1984 and proposed a geophysical program and drilling but decided not to proceed with the program (Dunn, 1984). One grab sample of a 2-3 cm stibnite vein in Hughes Creek basin collected by Dunn (1984) from float ran 3.976 ounces of gold per ton.

The Bonanza Basin Property was optioned from Mutual Resources Ltd. by Cinnabar Resources Ltd. in August 1985. TRM Engineering was retained to conduct a detailed geophysical and geochemical evaluation of areas with previously reported anomalous gold, silver, arsenic and antimony values. A number of excellent geochemical and geophysical targets were outline by the 1985 program. This report summarizes the results of the initial 500 foot drill test of Robson adit and trench area.

1986 WORK PROGRAM

The 1986 work program was conducted between June 25th and July 14th, 1986. The writer cleared dead fall from the last 9 kilometers of the access road and located the site for drill holes 1 & 2 on June 25th and June 26th, 1986. Martinson Linecutting and Staking mobilized a Gopher all-hydraulic, lightweight core drill to the property on July 1st and a Pemberton Helicopter's Hughes 500D was employed to place the drill on July 2nd, 1986. Five holes totaling 500 feet were completed by July 13th, 1986. The drill was hand moves to drill sites 3, 4, 5 and for demobilization. Core logging, sampling and drill supervision was shared by W.A. Howell, Murray McClaren and the writer. Mr. Don Ingrham was sent to the remove box 1 of hole #3 and all the core from holes 4 and 5. Core from holes 1 through 3 is mainly stored at the hole sites and core from holes 4 and 5 is being stored by Mr. Ingrham in Lillooet.

Drill samples were analyzed by Chemex Labs Ltd. and Rossbacher Laboratory Ltd. in North Vancouver and Burnaby respectively. Certificates of analysis are presented in Appendix A and on drill logs in Appendix B. The cost estimates for further work and the 1986 work program costs are summarized at the end of this report.

TOPOGRAPHY AND VEGETATION

The claims are situated in the Coast Mountain physiographic province and have features typical of glaciated mountainous areas. The property has elevations that range from about 4800 feet (1463 meters) in Bonanza Creek to over 8000 feet (2440 meters) on a ridge west of Eldorado Mountain. Treeline on the property is at about 6500 feet (1980 meters). Outcrops occur mainly above treeline on ridges and in drainages. Most areas are covered by talus or felsenmeer.

REGIONAL GEOLOGY

The Bonanza Basin Property, which lies on the east flank of the Coast Plutonic Complex, is underlain by igneous and sedimentary rocks of Mesozoic and Cenozoic age. The igneous rocks range in composition from ultramafics and serpentine of the Shulaps Ultramafic Intrusions to rocks of granite or alaskite composition. The property is within a tectonic element of the Cordillera referred to as the Tyaughton Trough which contains mainly Middle Triassic Ferguson Group cherts, pelites, and basalts; Upper Triassic Hurley Formation argillites, conglomerates, and limestone; and Lower Cretaceous Taylor Creek Group chert pebble conglomerates (Pearson, 1974; Cairnes, 1943). The Yalakum Fault Zone, a major northwest splay of the Fraser River Fault Zone, dominates the tectonic fabric of the area. Fault structures that parallel the Yalakum system appear to control emplacement of serpentine bodies, granitic bodies and associated precious metal deposits.

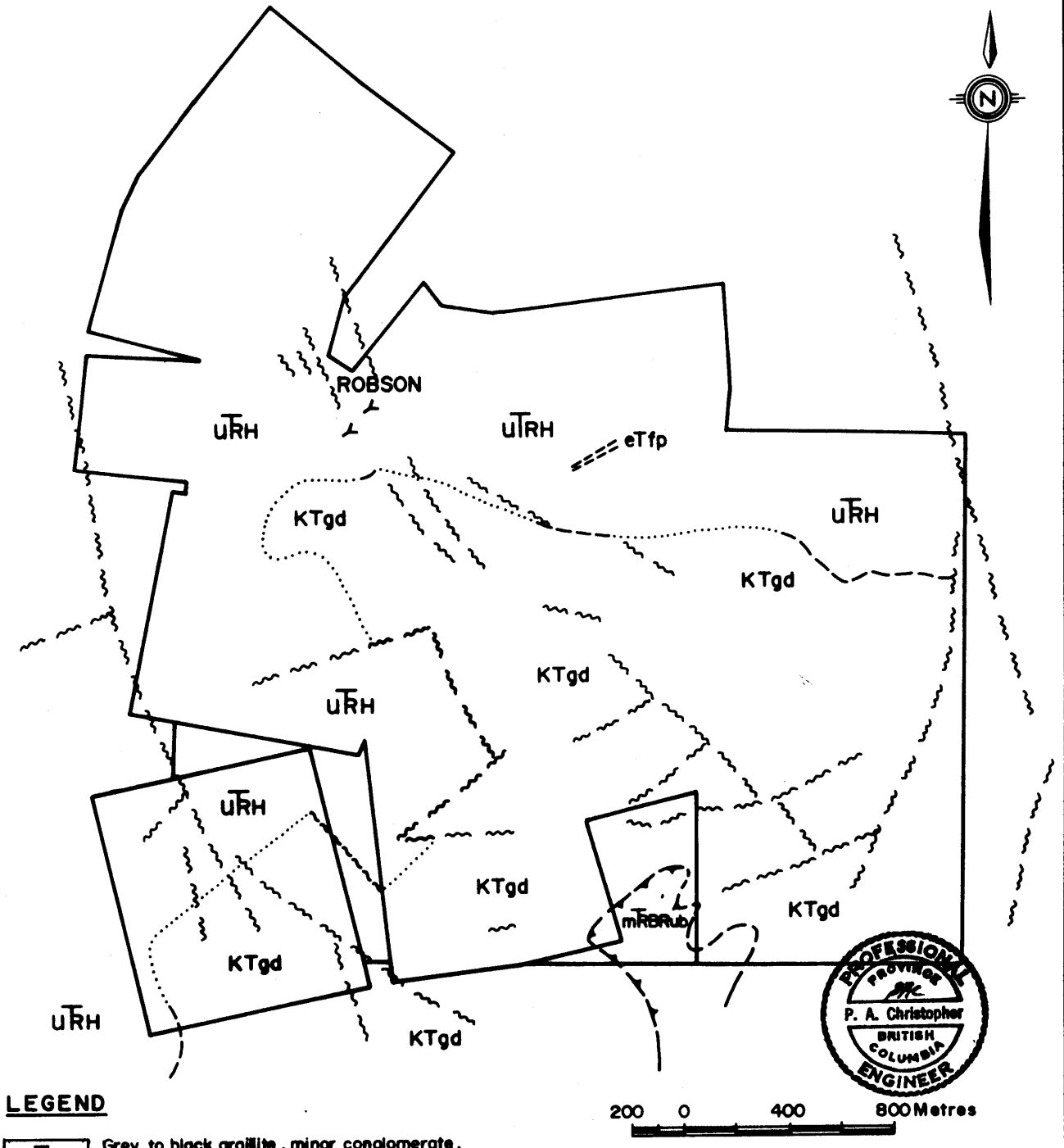
PROPERTY GEOLOGY (Figure 3)

Figure 3 shows the geology of the Bonanza Basin Property after mapping by Ng and Arscott (1975; 1976), Scott (1980) and Gibson (1980). The property is mainly underlain by Upper Triassic Hurley Formation and hornblende-biotite quartz-diorite and granodiorite of probable Late Cretaceous or Early Tertiary age. A small body of Middle Triassic Bridge River Group serpentinized ultramafics occur in the south central part of the property. Feldspar porphyry and biotite feldspar porphyry dykes cut the Hurley Formation and older dioritic rocks. Altered zones with the granitic body have been mapped as alaskite due to low mafic content or alteration of mafic minerals. Sheared areas within the granitic are strongly altered to ankeritic carbonate and contain stringers of chalcedony with variable amounts of arsenopyrite and pyrite.

Two main structural zones are shown on Figure 3. Major fault structures center around N 70° E and N 20° W with high grade veins occupying both structural trends. The intersection of the two mineralized trends in the Robson adit and trench area is considered to be an excellent exploration target.

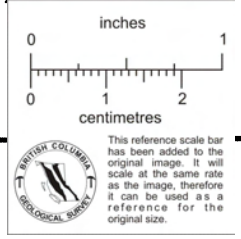
MINERALIZATION IN THE AREA

The Bralorne-Pioneer mine, the most productive gold mine in the Canadian Cordillera, has produced about 4 million ounces of gold from veins that are hosted by diorite, sediments and greenstone with the richest ore occurring near serpentine bodies. Renewed exploration activity in the Bridge River camp has led to the definition of new reserves in the old Bralorne-Pioneer mine and the exciting recent discovery of the Lou Vein (see Figure 2) on the Congress Property owned by Levon Resources Ltd. (Cooke, 1985). Recent discoveries in the area and general renewed interest in precious metal exploration has resulted in further exploration of a number of properties in the area.



LEGEND

uTRH	Grey to black argillite, minor conglomerate, limestone and volcanic rocks
mTRBRub	Periodite, dunite, serpentinized equivalents
eTfp	Felsite, feldspar porphyry, biotite feldspar porphyry
KTgd	Fine to medium grained hornblende-biotite quartz diorite and granodiorite, highly altered felsic phases
— — —	Geological contact; defined, inferred, assumed
~~	Fault; defined, infered, assumed
— — —	Thrust; defined, inferred, assumed
Y	Adit
———	Claim boundary



CINNABAR RESOURCES LTD.

GEOLOGY

PROJECT: BONANZA BASIN PROJECT

ENG.: TRM ENGINEERING LTD.

DWG. NUMBER: FIGURE: 3

Scott (1980) has defined three types of mineralization on the Bonanza Basin Property:

"a. Pyrite-quartz-arsenopyrite-stibnite veins in the vicinity of the Robson workings.

b. Complex quartz-chalcedony veins of a white to pale yellow colour found mostly within Unit 4 and best exposed on the ridge immediately southeast of Hughes Creek where several prospect pits have been dug. Sparse pyrite occurs in the veins examined, but auriferous arsenopyrite has been reported from them.

c. Disseminated pyrite and occasional disseminated chalcopyrite, arsenopyrite and molybdenite in the alaskite, and pyrite in the chalcedony veins."

Cairnes (1943) reported jamesonite, sphalerite and arsenopyrite with a trace of tin for "ore" from the Robson Adit. Harris (Appendix D) conducted a microscopic examination of sample F3 from the Robson Trench (Figure 5) and identified arsenopyrite, boulangerite, ruby silver, and chalcopyrite. Sample F3, a grab sample collected by Murray McClaren assayed 1.956 ounces of gold and 16.50 ounces of silver per ton and three one foot channel samples, collected by the writer, averaged 2.240 ounces of gold and 29.3 ounces of silver per ton (Figure 5). Vein material in the Robson Trench strikes N 70° E and appears to dip steeply. The Robson Vein (shear zone) is reported by Carines (Crickmay, 1939 examination) to strike southwest and dip 36° northwest and major fault structures, geophysical anomalies and geochemical trends strike west-northwest. The intersection of the mineralized trends should be drill tested in the Robson working area. A float sample of Robson type vein material collected by Dunn (1984) assayed 3.976 ounces of gold per ton. The source of the float has not been identified and trenching should be considered.

An ankeritic alteration zone with chalcedonic veining, disseminated and vein arsenopyrite and some stibnite occurrences is situated in the ridge area at the south end of the grid. Four adjacent soil samples on line 33SE averaged 2050ppb gold and 2.3 ppm silver. The mineralized shear zone that caused this anomaly appears to be over 50 feet wide and warrants drill testing.

A type b chalcedonic quartz veined area in Trench 3 is reported by Scott to run 1.54 ounces of gold per ton from 300 to 305 meters. If the vein area can be located and confirmed during road clearing, drill testing will be warranted.

DRILL PROGRAM

The 1986 drill program consisted of five holes totaling 500 feet with drill sites selected to test high grade vein material in the Robson Trench and down dip extensions of the vein exposed in the Robson adit. Figure 4 shows drill hole locations and Appendix A and Appendix B contain certificates of analyses and drill logs respectively.

The drill program was conducted with a Gopher all-hydraulic, lightweight core drill, using IAX standard drill equipment producing core with a diameter of 1 3/8". The drill is expected to produce between 100 to 150 feet per shift in average drilling. Broken ground resulted in difficult drilling condition and shift averages of about 40 feet. A larger diameter core and drill muds should be considered for future programs.

Results

Diamond drill holes CR86-1 and CR86-2 were drilled in the footwall of the Robson Vein and had no significant gold or silver assays. Drill hole CR86-3 intersected the vein between 25 and 27.6 feet with poor recovery due to broken ground and weathering of vein material. The best drill intersection of 1.320 oz Au/ton and 13.68 oz Ag/ton was obtained from the 2.6 foot vein intersection in hole CR86-3. A ten foot section from 22 to 32 feet in hole CR 86-3 assayed 0.104 oz Au/ton and 1.21 oz Ag/ton. Holes CR86-4 and CR86-5 were drilled below the Robson Adit to test for down dip extensions of the vein with both holes intersecting vein material at shallow depths. The three vein intersections indicate that the vein is approximately parallel to the present slope.

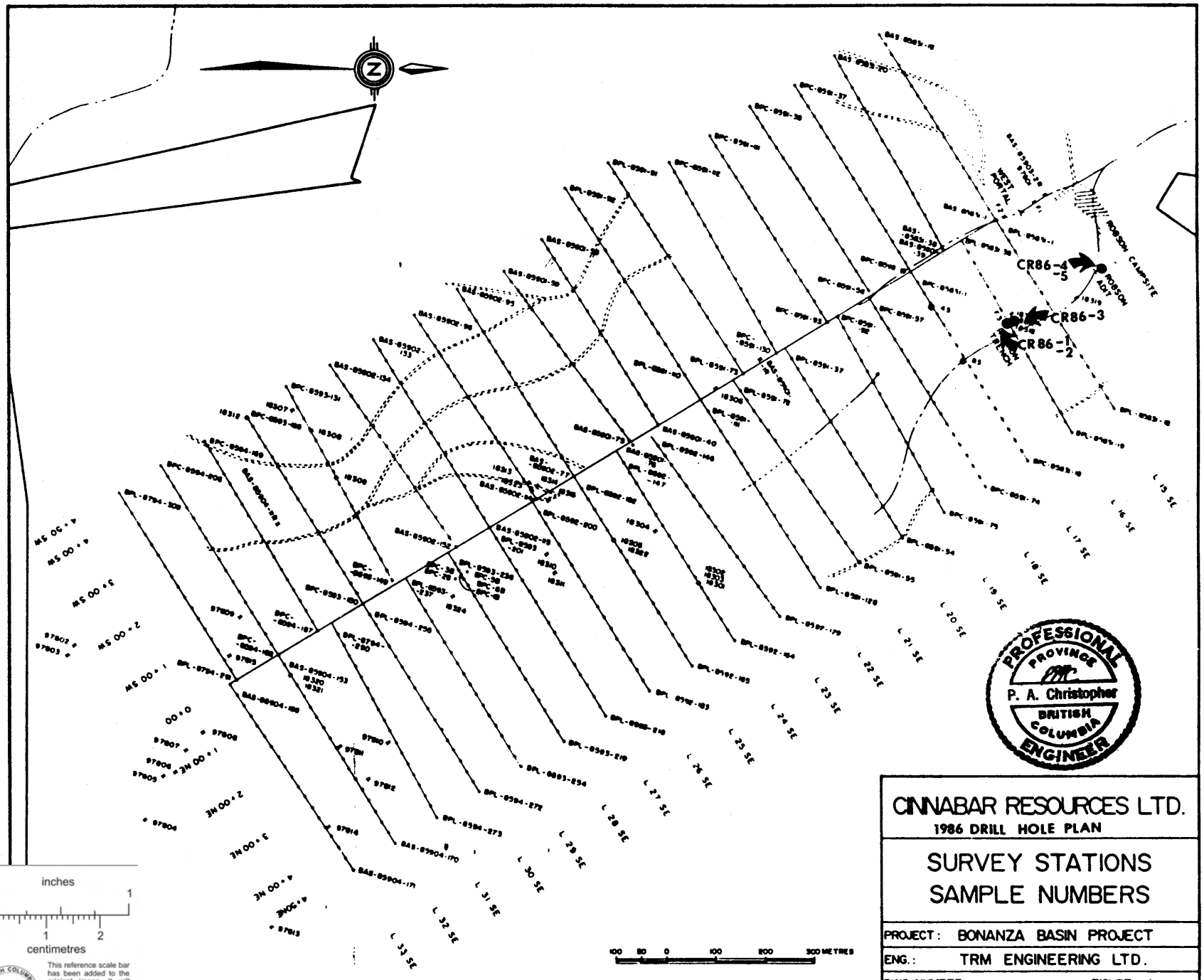
Drill core and sludge assays are present in Appendix B and core logs are presented in Appendix C. Drill hole locations are shown on Figure 4.

DISCUSSION OF BONANZA BASIN PROPERTY

Initial drilling has been successful in demonstrating that the vein material at the Robson vein and Robson adit are part of the same mineralized structure. The near surface location of the vein mineralization suggest the possibility of developing a tonnage suitable for open pit mining in the area of the Robson adits and campsite. Further drilling is required to test this possibility.

The broken nature of the mineralization and poor recovery with small core size (1 3/8") encourages the use of larger core and possibly mud for future programs.

Geochemcial anomalies detected in the central and southern part of the 1985 grid area still remain as excellent drill targets.



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

CINNABAR RESOURCES LTD.

1986 DRILL HOLE PLAN

SURVEY STATIONS
SAMPLE NUMBERS

PROJECT:	BONANZA BASIN PROJECT
ENG.:	TRM ENGINEERING LTD.
DWG. NUMBER:	FIGURE: 4

inches
0 1
0 1 2
centimetres

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BRITISH COLUMBIA GEOLOGICAL SURVEY

CONCLUSIONS AND RECOMMENDATION

At the request of the management of Cinnabar Resources Ltd. the writer previously reviewed the Stage I budget proposed in his October 1985 engineering report on the Bonanza Basin Property. The review was conducted to divide the Stage I program to allow for an initial Stage IA program of 500 feet of diamond drilling and Stage IB of 1000 feet of diamond drilling. The Stage IA program was successfully completed with diamond drill hole CR-86-3 intersecting 1.320 oz Au/ton and 13.68 oz Ag/ton between 25 and 27.6 feet. The Stage 1A program indicates that the mineralized zone dips at a shallow angle to the north with additional drilling warranted in that direction. The writer recommends that the Stage IB program of 1000 feet of diamond drilling be used to test the possible northerly extension of the mineralized zone.

Cost estimates for the Stage IB program follow:

Stage IB Diamond Drilling

Diamond Drilling 1000 feet at $30ea. all inclusive		$30,000
Geochemical Costs		1,400
Helicopter		2,000
Field Supervision 12 days at 500ea.		6,000
Assessment and Engineering Report		3,000
Management/Mobilization Costs		2,000
	Total	$44,400
	Contingency	5,600
	Stage IB	$50,000

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CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.

3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.

4) I have been practising my profession as a Geologist for over 15 years.

5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Cinnabar Resources Ltd.

6) I have based this report on a drill program conducted under my supervision between June 25th and July 14th, 1986, previous exploration experience on the property and a review of available geological data on the area, and a review of company exploration reports.

7) I consent to the use of this report by Cinnabar Resources Ltd. in any Filing Statement, Statement of Material Facts, Prospectus or for assessment work.

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA

Peter A. Christopher, Ph.D., P.Eng.
September 19, 1986
Revised September 2[illegible]987

APPENDIX A

COST STATEMENT

PERSONNEL (FIELD)		
MURRAY McCLAREN B.Sc.	loffice July 7,8/86	$ 1059.53
P.A. CHRISTOPHER P.Eng.	JUNE 25,26/JULY 1-6 @$350EA	2625.00
W.A. HOWELL B.SC.	July 10-14/86@ $250ea	1250.00
D. INGRHAM	August 20/86	157.20
ROOM & BOARD		256.24
TRANSPORTATION	12.5 DAYS @ $35EA. (4X4) + 1450KM @0.20ea	727.50
	HELICOPTER	655.00
EXPENDABLES		436.52
DRILLING	500 FEET	11788.00
GEOCHEMICAL COSTS		
Chemex		1029.50
Rossbacher		13.50
PHONE		10.00
DRAFTING, WORD PROCESSING, OFFICE SUPPORT, COPIES		400.00
REPORT PREPARATION		800.00
	Total Cost	$21,207.99

Peter A. Christopher

PETER A. CHRISTOPHER P.ENG., Ph.D.
SEPTEMBER 19,1986

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA

APPENDIX B

CERTIFICATES OF ANALYSES

Chemex Labs Ltd.

Analytical Chemists · Geochemists · Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
Canada V7J 2C1
Phone: (604) 984-0221
Telex: 043-52597

CERTIFICATE OF ASSAY

: CINNABAR RESOURCES LTD. 3707 W. 34th Ave **
1013 - 837 W. HASTINGS ST. Vancouver, BC
VANCOUVER, BC V6N 2K9.
V6C 1B6

CC: PETER CHRISTOPHER ✓

CERT. # : A8614758-001-A
INVOICE # : 18614758
DATE : 21-JUL-86
P.O. # : NONE
BB-1

Sample description	Prep code	Ag FA oz/T	Au FA oz/T				
18101	207	0.02	<0.002	--	--	--	--
18102	207	0.02	<0.002	--	--	--	--
18103	207	0.01	<0.002	--	--	--	--
18104	207	0.04	<0.002	--	--	--	--
18105	207	0.04	<0.002	--	--	--	--
18107	207	0.01	<0.002	--	--	--	--
18108	207	0.02	<0.002	--	--	--	--
18351	207	0.01	<0.002	--	--	--	--
18352	207	0.01	<0.002	--	--	--	--
18353	207	0.02	<0.002	--	--	--	--
18354	207	0.02	<0.002	--	--	--	--
18355	207	<0.01	<0.002	--	--	--	--
18356	207	0.04	<0.002	--	--	--	--
18357	207	0.02	<0.002	--	--	--	--
18358	207	0.03	<0.002	--	--	--	--
18359	207	0.03	<0.002	--	--	--	--
18360	207	0.04	<0.002	--	--	--	--
18361	207	0.01	<0.002	--	--	--	--
18362	207	0.01	<0.002	--	--	--	--
18363	207	0.01	<0.002	--	--	--	--
18364	207	0.01	<0.002	--	--	--	--
18365	207	0.01	<0.002	--	--	--	--
18366	207	0.01	<0.002	--	--	--	--

VOI rev. 4/85

Registered Assayer, Province of British Columbia

Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
Canada V7J 2C1
Phone: (604) 984-0221
Telex: 043-52597

CERTIFICATE OF ASSAY

) : TRM ENGINEERING LTD.

701 - 744 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1A5

3907 W. 34th AVE
VANCOUVER, BC
V6N 2K9

CERT. # : A8615162-001-A
INVOICE # : I8615162
DATE : 28-JUL-86
P.O. # : NONE
BONANZA

✓CC: PETER CHRISTOPHER & ASSOC.

Sample description	Prep code	Ag FA oz/T	Au FA oz/T				
18109	207	0.04	<0.002	--	--	--	--
18110	207	0.03	<0.002	--	--	--	--
18111	207	0.03	0.002	--	--	--	--
18112	207	3.21	0.136	--	--	--	--
18113	207	0.35	0.030	--	--	--	--
18114	207	0.32	0.032	--	--	--	--
18115	207	0.45	0.056	--	--	--	--
18116	207	0.06	0.006	--	--	--	--
18117	207	0.01	0.002	--	--	--	--
18118	207	0.20	0.102	--	--	--	--
18119	207	0.05	0.010	--	--	--	--
18120	207	0.06	0.004	--	--	--	--
18122	207	0.07	0.004	--	--	--	--
18251	207	0.08	0.004	--	--	--	--
18367	207	0.05	<0.002	--	--	--	--
18368	207	0.04	<0.002	--	--	--	--
18369	207	0.04	<0.002	--	--	--	--
18370	207	0.06	<0.002	--	--	--	--
18371	207	0.04	<0.002	--	--	--	--
18372	207	0.05	0.002	--	--	--	--
18373	207	0.03	<0.002	--	--	--	--
18374	207	0.03	<0.002	--	--	--	--
18375	207	1.21	0.104	--	--	--	--
18376	207	0.05	0.002	--	--	--	--
18377	207	0.05	0.002	--	--	--	--
18378	207	0.03	<0.002	--	--	--	--
18379	207	0.03	<0.002	--	--	--	--
18380	207	0.45	0.098	--	--	--	--
18381	207	0.05	0.004	--	--	--	--
18382	207	0.03	<0.002	--	--	--	--
18383	207	0.03	<0.002	--	--	--	--
18384	207	0.04	<0.002	--	--	--	--
18385	207	0.04	<0.002	--	--	--	--
18386	207	0.04	<0.002	--	--	--	--
18387	207	0.04	<0.002	--	--	--	--
18388	207	0.07	<0.002	--	--	--	--
18389	207	0.04	<0.002	--	--	--	--
18390	207	0.03	<0.002	--	--	--	--
18391	207	0.03	<0.002	--	--	--	--
18392	207	0.05	0.016	--	--	--	--

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B. Stewart

Registered Assayer, Province of British Columbia

Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
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Phone: (604) 984-0221
Telex: 043-52597

CERTIFICATE OF ASSAY

) : TRM ENGINEERING LTD.

701 - 744 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1A5

CC: PETER CHRISTOPHER & ASSOC.

CERT. # : A8615162-002-A
INVOICE # : I8615162
DATE : 28-JUL-86
P.O. # : NONE
BONANZA

Sample description	Prep code	Ag FA oz/T	Au FA oz/T				
18393	207	0.04	<0.002	--	--	--	--
18394	207	0.06	<0.002	--	--	--	--
18395	207	0.04	<0.002	--	--	--	--
18396	207	0.16	0.042	--	--	--	--
18397	207	0.06	<0.002	--	--	--	--
18398	207	0.07	<0.002	--	--	--	--
18399	207	0.07	<0.002	--	--	--	--
18400	207	0.05	<0.002	--	--	--	--

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Registered Assayer, Province of British Columbia

ROSSBACHER LABORATORY LTD.

2225 S. SPRINGER AVENUE
BURNABY, B.C. V5B 3N1
TEL : (604) 299 - 6910

CERTIFICATE OF ANALYSIS

TO : PETER CHRISTOPHER
2507 W. 34TH AVE.
VANCOUVER, B.C.

PROJECT: NOT GIVEN
TYPE OF ANALYSIS: ASSAY

CERTIFICATE#: 864[illegible]
INVOICE#: [illegible]74
DATE ENTERED: 86-0[illegible]-13
FILE NAME: PCH8641A.A
PAGE # : 1

PREFIX	SAMPLE NAME	oz/t Au	oz/t Ag
A	7551	1.320	13.68

CERTIFIED BY : T. Rossbach

Rossbacher Laboratory
GEOCHEMICAL ANALYSTS & ASSAYERS

2225 S. SPRINGER AVE.,
BURNABY, B.C.
CANADA
TELEPHONE: 299-6910
AREA CODE: 604

Jan. 1985

(1)

GEOCHEMICAL ANALYTICAL METHODS CURRENTLY IN USE AT ROSSBACHER LABORATORY LTD.

A. SAMPLE PREPARATION

1. Geochem. Soil and Silt: Samples are dried, and sifted to minus 80 Mesh, through stainless steel, or nylon screens.

2. Geochem. Rock: Samples are dried, crushed to minus $\frac{1}{4}$ inch, split, and pulverized to minus 100 mesh.

B. METHODS OF ANALYSIS

1. Multi element: (Mo, Cu, Ni, Co, Mn, Fe, Ag, Zn, Pb, Cd):
0.5 Gram sample is digested for four hours with a 15:85 mixture of Nitric-Perchloric acid.
The resulting extract is analyzed by Atomic Absorption spectroscopy, using Background Correction where appropriate.

2. Antimony: 0.50 Gram sample is fused with Ammonium Iodide and dissolved.
The resulting solution is extracted into TOPO/MIBK and analyzed by Atomic Absorption spectroscopy.

3. Arsenic: 0.25 Gram sample is digested with Nitric-Perchloric acid.
Arsenic from the solution is converted to arsine, which in turn reacts with silver D.D.C. The resulting solution is analyzed by colorimetry.

4. Barium: 0.50 Gram sample is repeatedly digested with $HClO_4$-HNO_3 and HF.
The solution is analyzed by Atomic Absorption spectroscopy.

5. Biogeochemical: Samples are dried, and ashed at 550°C. and the resulting ash analyzed as in *1, multielement analysis.

6. Bismuth: 0.50 Gram sample is digested with Nitric acid. The solution is analyzed by Atomic Absorption spectroscopy.

7. Chromium: 0.25 Gram sample is fused with Sodium Peroxide. The solution is analyzed by Atomic Absorption spectroscopy.

APPENDIX C

DIAMOND DRILL LOGS

Abbreviations Used in Drill Logs.

Aspy	Arsenopyrite
Py	Pyrite
Cpy	Chalcopyrite
Chl	Chlorite
Sph	Sphalerite
C.A.	core axis
ll	parallel
St.	strong
Qtz	Quartz
OVB	overburden
HFLS	hornfelsed
Bi(Bio)	Biotite
Po	pyrrhotite
F.g.	fine grained
Carb	carbonate
v.	vein
Jam	Jamesonite
T.R.	trace
Bx	Breccia
En	Eneigite
Diss	disseminated
Stib	Stibnite
ALT	alteration
Serp	Serpentine
Sulp	sulphides
W	with
Pos.	possible
Fr	fracture
Sil	siliceous
Arg	argillite
Rx	Rock
Tuff.	tuffaceous

LOCATION: Hobson Tr. BEARING: 330° LATITUDE: PROPERTY: Eldorado Mnt. HOLE No.: CR-86-1

DATE COLLARED: July 2/86 LENGTH: 101' DEPARTURE: CORE SIZE: IAC SHEET No.: 1 of 2

DATE COMPLETED: July 4/86 DIP: -45° ELEVATION: SCALE OF LOG: LOGGED BY: P.A. Christopher

DATE: July 4,/86

ROCK TYPE AND TEXTURES	GRAPHIC LOG: Carb. (3), Carbonate %, Silica-Ind.(3), Contacts, Veins, Faults, Bedding, Cleavage, Rock Type Structure, Footage, Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	Pb	Zn	Ag	Au	Pb + Zn	Zn/Pb RATIO
0-3' No recovery 3-13 Hornfelsed Argillite rusty & broken to 21'		rusty weathered w minor visible Py 1%		casing to 15' ½ large % Mud Mud part gs	2' No	casing recovery 15%		#18351 3-13			0.01	<0.002		
13-21' sim. Rx type. Ry stringers rusty Fr		stringers Py w minor grey Sulp. rusty weat. to 21' (strong)		sludge sample start		30 15 15 20	*18101 11-21	#18352 13-16 #18353 16-21			0.01 *0.02 0.02	<0.002 <0.002 <0.002		
21-41' Frg. Bed. purple Arg		2 pieces 20% grey sulp 1mm Py vein ll to C 1% Py as veins & Dis.		core split. started purple Sed. pos.-HFLS		50	*18102 21-31	#18354 21-31			0.02 *0.02	<0.002 <0.002		
41-47 mafic Arg 47' sim 21-41' purple Arg		some Po w Py Fr cont 1% total sulp mainly Fr. cont.		31-34 broken not split 35-Fr @ 30°-c		75	*18103 31-41	#18355 31-41			0.01 *0.01	<0.002 <0.002		
41-47 mafic tuff Arg. 47-101' sim 21-41' purple Arg. (EOH)		5% Po stringers veinlets & Dis Fr Py Po		Gen Chl. Inc. Chl-Carb-Sulf veining 48-2cm Qtz v. hard Sil? zone @ Cont.		95	*18104 41-41	#18356 41-51			0.04 *0.04	<0.002 <0.002		
sim 21-41' purple bed. Arg bed 45° c.a.c		51-52' v.ll -c Py & Po 1 cm Po.v. @ 55° & 60°-c. Adj. sil zone		2-3% sulp. 5-8% sulp. 54.5-55.5'		95	No samp	#18357 51-61			0.02	<0.002		
		69 yellow Fr		61-66 broken		60		#18358 61-71			0.05	<0.002		

CR-86-1

ROCK TYPE AND TEXTURES	Carb. (3)	Carbonate %	Silica - Ind.(3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	ASSAY: Pb	ASSAY: Zn	ASSAY: Ag	ASSAY: Au	ASSAY: Pb + Zn	ASSAY: Zn/Pb RATIO
70 sim purple-grey Arg												minor Cpy in Po in 2mm Pod 1% total Sulp. Tr Cpy		Bed 45°-c Chl Fr. @ 10°c		65-70%		#18359 71-81			0.03	<0.002		
80																								
														Bed 25° -c Bed 10° -c		95		#18360 81-91			.04	<0.002		
90																								
					4							1 mm Po-carb-Chl-Qtz Py 5mm & Chl & Carb @ 45° Py & Po ll 1mm v Chl & Carb reduced ½% Sulp		v. @ 16°-c Carb & Chl Fr.		75-80		#18361 91-101			0.01	<0.002		
100																			END @ 101'					

LOCATION: Robson Tr. | BEARING: 330° | LATITUDE: | PROPERTY: Eldorado Mtn | HOLE No.: CR-86-2

DATE COLLARED: July 5/86 | LENGTH: 104' | DEPARTURE: | CORE SIZE: IAQ | SHEET No.: 1 of 2

DATE COMPLETED: July 7/86 | DIP: -80° | ELEVATION: | SCALE OF LOG: | LOGGED BY: P.A. Christopher & W.A. Fowell

DATE: July 5 & 11/86

ROCK TYPE AND TEXTURES	Carb (3)	Carbonate %	Silica-Ind.(3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type / Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	Pb	Zn	Ag	Au	Pb + Zn	Zn/Pb RATIO
0 casing to rusty Arg 0-18'												rusted out Py?				* 30% some cave	* #18105 1-11	#18362 1-11			0.01 * 0.04	0.002 0.002		
10																									
												fresh Py 1% Sulph. 1% w Po rust 3% dis Po		total Sulp. 1% Bio.Py some w Qtz Env		70	#18106	#18363 11-21			0.01	0.002		
20																									
purple biotite HFLS					—		II					1.5mm Bio-Py v w Qtz.Env Blebs Po Cpy 1mm Cal-Py v @ 80°-c		Bed Sub ll core total Sulp 1% Qtz Env		75	* #18107	#18364 21-31			0.01 * 0.01	0.002 <0.002		
30																									
					/							Chl-Carb @ 45° -c 3mm Py,Qtz, Chl v. 20°-c 10mX5cm Po blebs		Total sulp X 1% 3mm Qtz v @ 15° -c		95 rec		#18365 31-41			0.01	0.002		
40																									
					/		/					Po & Chl & Carb @ 45°-c 1mm				92	* #18108	#18366 41-51			0.01 * 0.02	0.002 <0.002		
50																									
interbedded grey & purple HFLS												Po w bed Po in clots & finely Diss 56' 3/4" wide Fr rounded massive PO/Aspy/Cpy/?st		Beds 30° to C.A.		95		#18367 51-61			0.05	<0.002		
60																									
												60°/C.A. Po weakly Diss & occ. clots along Fr minor Cpy w Po 1mm 80°-c 5% Po		25mm		85		#18368 61-71			0.04	<0.002		
70																									

CR-86-2

ROCK TYPE AND TEXTURES	GRAPHIC LOG: Carb. (3) / Carbonate % / Silica - Ind.(3) / Contacts / Veins / Faults / Bedding / Cleavage / Rock Type Structure / Footage / Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	Pb	Zn	Ag	Au	Pb + Zn	Zn/Pb RATIO
purple Bi-Qtz HFLS more Chl, less purple increased Qtz		Po Diss & on Fr T.S. 2-3%		rubble 76-77 rubble 78-79		85%		#18369 71-81			0.04	<0.002		
80														
		Po Diss & on Fr T.S. 2%		incr. silica & Chl less purple Fr. commonly Chl rubble 86-88		90	*#18109	#18370 81-88			* 0.04 0.06	<0.002 <0.002		
90														
		T.S. 3%		Fr. strongly Chl extensive rubble 94-104		50	*#18110	#18371 88-97			0.04 * 0.03	<0.002 <0.002		
100		T.S. 3-5%		incr. Chl										
END OF HOLE @ 104'				strong Chl ALT		18		#18372			0.05	0.002		
						E.O.H. @ 104'								

LOCATION: _____ BEARING: 150° LATITUDE: _____ PROPERTY: Eldorado Mtn. HOLE No.: CR-86-3

DATE COLLARED: _____ LENGTH: 54' DEPARTURE: _____ CORE SIZE: IAQ SHEET No.: 1 of 1

DATE COMPLETED: _____ DIP: -60° ELEVATION: _____ SCALE OF LOG: _____ LOGGED BY: W.A. Howell

DATE: July 12/86

ROCK TYPE AND TEXTURES	Carb. (3)	Carbonate %	Silica - Ind (3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade %	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES SLUDGE	SAMPLE No.	ASSAY: Ag	ASSAY: Au
rubble 0-7' OVB & broken rock 7'-54' purple & green HFLS core is very broken & rubbly																25%		#18373 0-12	0.03	<0.002
10																				
																50		#18374 12-22	0.03	<0.002
20																90	#18111		0.03	0.002
rubble with strong mineralization												strongly mineralized St.Aspy Py? rubble minor QTZ/ Aspy/Enargite 2@30'		clay gouge @ 26 rubble 26.8-27.3 core ground 25-27'		80		#18375 22-32	1.21	0.104
30																	#18112		3.21	0.136
more purple HFLS (Bi) less green HFLS (Chl)												32.5-33.5 Chl/ Qtz/Py 34-Qtz Py minor Po/Cpy		good local recovery Py has fine Botryoidal or lace texture				#18376 32-42	0.05	0.002
40																	#18113		0.35	0.030
												43-43.5-strong Qtz Chl ALT w Po as blebs or FRACT. & bedding.minor Cpy/Sph TS 15%		FRACTS remain rusty thru to bottom of hole				#18377 42-54		
50																				
very broken & rubbly														finer & rusty debris in box contains Aluminum chips from rods E.O.H. 54.0 feet						

HOLE No.: CR 86-4

LOCATION: _____ BEARING: _____ LATITUDE: _____ PROPERTY: Cinnabar Res. SHEET No.: 1 of ____

DATE COLLARED: _____ LENGTH: _____ DEPARTURE: _____ CORE SIZE: IAQ LOGGED BY: W.A. Howell

DATE COMPLETED: _____ DIP: _____ ELEVATION: _____ SCALE OF LOG: _____ DATE: July 12, 1986

ROCK TYPE AND TEXTURES	GRAPHIC LOG: Carb. (1), Carbonate %, Silica - Ind (3), Contacts, Veins, Faults, Bedding, Cleavage, Rock Type Structure, Footage, Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES SLUDGE	ASSAY: SAMPLE No.	Ag	Au
0 casing to 10' extensive rubble to 18' hard grey siliceous cherty mudstone or siltstone-rock has been hornfelsed-color is generally grey						40%		#18378 0-10	0.03	<0.002
10 but bandsof purple HFLS persist throughout								#18379 10-20	0.03	<0.002
clay gouge with rubble				fig. po. & py is widely Diss & on fractures		60%	* #1814		* 0.82	0.032
23'clay gouge w rubble 24'minl. 25'start reasonably solid core		2"massive St. Jam.,Py, diss py tr cin en,minor		Cpy is a minor mineral w Po. core is ground on either side of minl. carb veins w Py		90%	* #1815	#18380 20-30	0.45	0.098
core has periodic crackle zones w Py,Po,minor Cpy & selvages of Qtz/Bi		Aspy diss f.g. Aspy		carb v. Sph Py core is broken but pretty much all there core has fig. sericite thru out-Fr. have purple(Bi)selvages		96%	* #1816	#18381 30-40	0.05	0.004
		Po common on Fr. & as blebs & small pods along Fr. planes		rock becomes harder less breakage		97%		#18382 40-50	0.03	<0.002
		similar		fine pink selvages to occ. Fr. look slightly rhodon tic No other Mn obs		97%		#18383 50-60	0.03	<0.002

ROCK TYPE AND TEXTURES	Carb (3)	Carbonate %	Silica - Ind.(3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	ASSAY: Pb	ASSAY: Zn	ASSAY: Ag	ASSAY: Au	ASSAY: Pb + Zn	ASSAY: Zn/Pb RATIO
60 grey HFLS												Py on FR.minor Po occ. Cpy				95%		#18384 60-70			0.04	<0.002		
70																								
							30					similar		purple HFLS along fractures-reflects Bi ALT rocks harder		95		#18385 70-80			0.04	<0.002		
80							30																	
Dark grey HFLS.												fractures contain Po/Py/minor Cpy		HFLS. is darker grey & finer grained		96		#18386 80-90			0.04	<0.002		
90																								
																97		#18387 90-100			0.04	<0.002		
100																								
												102'-3cm diorite dyke 25" t.c.a		dike contains 5-7% Diss Py 109-pink chert Rhod. 109.5 & green 60° to C.A.		97		#18388 100-110			0.07	<0.002		
110																								
							45					Po/Py diss & as tensior gash filling & on FRACTS.		110.5-111 similar Rhod. 115'minor carb stringers Hard Rock		97		#18389 110-120			0.04	<0.002		
120																								
												locally incr. Py		125-127 local mod. Carb. in matrix & quartz stringers		97		#18390 120-130			0.03	<0.002		
130																								

ROCK TYPE AND TEXTURES	Carb. (3)	Carbonate %	Silica - Ind.(3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES	ASSAY: SAMPLE No.	ASSAY: Pb	ASSAY: Zn	ASSAY: Ag	ASSAY: Au	ASSAY: Pb + Zn	ASSAY: Zn/Pb RATIO
130 grey cherty HFLS occ. purple HFLS												matrix Po/Py		130.3-130.8 local 'crackle' Bx incr. silicafication & matrix Bi (purple) 132 local Carb.		95		#18391 130-140			0.03	<0.002		
140 Hard grey HFLS												diss Aspy 3cm v. of St. En. Aspy? Py stringers diss Aspy				90		#18392 140-150			0.05	0.016		
150																90		#18393 150-160.6 E.O.H.			0.04	<0.002		
160														Hole was ended at 160.6 because drillers couldn't reenter hole due to cave & lost circulation at 150' rods were vibrating excessively in dry hole. causing walls to cave.											
														Hole 5 was collared from same set up & brng at -60° for 80'										

HOLE No.: CR 86-5

LOCATION: _____ BEARING: 150° LATITUDE: _____ PROPERTY: Eldorado Mtn. SHEET No.: 1 of 2

DATE COLLARED: July 11/86 LENGTH: 80' DEPARTURE: _____ CORE SIZE: IAQ LOGGED BY: W.A. Howell

DATE COMPLETED: July 12/86 DIP: -60° ELEVATION: _____ SCALE OF LOG: _____ DATE: July 13/86

ROCK TYPE AND TEXTURES	Carb. (1)	Carbonate %	Silica - Ind (3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type Structure	Footage	Mineralization Type (6)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES SLUDGE	ASSAY: SAMPLE No.	Ag	Au
0 casing 0-10 extensive rusty rubble to 26'																30%		#18394 0-10	0.06	<0.002
10																				
grey hard HFLS																65		#18395 10-20	0.04	<0.002
20																*	18117		* 0.01	0.002
												22-25 common ground core & rubble of STIB				70		#18396 20-30	0.16	0.042
30												4cm Qtz CARB & brown garnet		occ. CARB stringers 29'		*	#18118		* 0.20	0.102
												& Aspy								
												Diss Py/Po		35-35.5 local crackle with Bi ALT along FRACTS.		80		#18397 30-40	0.06	<0.002
																*	#18119		* 0.05	0.010
												Diss Py/Po				80		#18398 40-50	0.07	<0.002
												local pods of Po w purple HFLS		48-local crackle & Bi ALT.		*	#18120		0.06	0.004
																95		#18399 50-60	0.07	<0.002
												pods of Po		occ. serp. FRACTS. (?Chl) purple HFLS.		*	#18122		* 0.07	0.004

ROCK TYPE AND TEXTURES	Carb. (3)	Carbonate %	Silica - Ind.(3)	Contacts	Veins	Faults	Bedding	Cleavage	GRAPHIC LOG: Rock Type / Structure	GRAPHIC LOG: Footage	GRAPHIC LOG: Mineralization Type (8)	SULPHIDE MINERALIZATION	Est. Grade	REMARKS	FOOTAGE BLOCKS	EST. CORE REC.	COMPOSITES SLUDGE	ASSAY: SAMPLE No.	ASSAY: Pb	ASSAY: Zn	ASSAY: Ag	ASSAY: Au	ASSAY: Pb + Zn	ASSAY: Zn/Pb RATIO
60 hard grey HFLS. commonly has purple (Bi ALT) along FRACTS. 70												minor Diss Py/Po FRACT commonly have Po coating				85%		#18400 60-70			0.05	<0.002		
80												occ narrow pod of Po		ground core is common		80		#18251 70-80			0.08	0.004		
														E.O.H. 80' end of contract footage N.B. last sample out of numeric sequence										

Peter Christopher & Associates Inc.
GEOLOGICAL & EXPLORATION SERVICES
3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

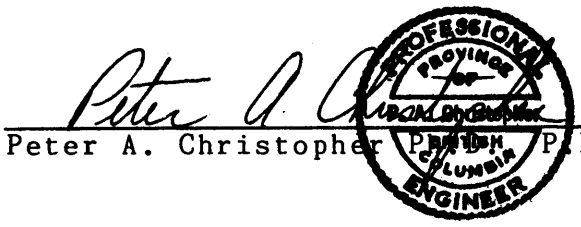
September 2, 1987

Cinnabar Resources Ltd.
c/o 1730-999 West Hastings Street
Vancouver, British Columbia V6C 2W2

Dear Sirs:

I Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated September 19, 1986 and revised September 2, 1987 on the Bonanza Basin Property, Lillooet Mining Division, British Columbia, for assessment work and in any Filing Statement, Statement of Material Facts or Prospectus to be issued by Cinnabar Resources Ltd.

DATED at Vancouver, British Columbia, this 2nd day of September 1987.



Peter A. Christopher, Ph.D., P.Eng.

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

DATED Septeb 22, 1987

Chief Executive Officer
- BALBIR JOHAL

Chief Financial Officer
- LARRY ROBERT JAMES

On behalf of the Board of Directors:

BALBIR JOHAL - Director & Promoter

GREGORY AMOR - Director

GURDEV SINGH JOHAL - Director

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

DATED: September 22, 1987

CONTINENTAL CARLISLE DOUGLAS

Per: _____

GEORGIA PACIFIC SECURITIES CORPORATION

Per: _____