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014007

PROSPECTUS  
**ARMADA**  
**GOLD AND MINERALS LTD.**

*Incorporated under the laws of the Province of British Columbia*

604 - 700 West Pender Street  
Vancouver, B.C., V6C 1G8  
(herein called the "Issuer")

**NEW ISSUE**

\*\*\*\*\*

**500,000 shares at \$0.33 per share**

	Price to Public <sup>(1)</sup>	Commission	Proceeds to Issuer <sup>(2)</sup>
.....	\$0.33	\$0.03	\$0.30
.....	\$165,000.00	\$15,000.00	\$150,000.00

the Offering has been determined by the Issuer in negotiation with the Agent. The total amount of expenses of this Offering estimated not to exceed \$25,000.

**MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.**

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS ON THE VANCOUVER STOCK EXCHANGE ON OR BEFORE NOVEMBER 23, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS PROSPECTUS. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" ON PAGE 1.

THE ISSUE PRICE TO THE PUBLIC EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE CALCULATED AS AT MARCH 31, 1988, AFTER GIVING EFFECT TO THE OFFERING BY \$0.17 OR 51.52%.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE 7.

NO PERSON IS AUTHORIZED BY THE ISSUER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO THE HEADING "CONFLICT OF DUTY AND INTEREST" ON PAGE 10 HEREOF FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 30.12% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 48.19% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENTS. REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 12 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, OFFICERS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

WE, AS AGENT, CONDITIONALLY OFFER THESE SHARES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US, IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 1 HEREOF.

**YORKTON SECURITIES INC.**

14th Floor, 609 Granville Street  
P.O. Box 10350  
Vancouver, British Columbia, V7Y 1G5

**DATED: May 19, 1988**

**EFFECTIVE DATE: May 27, 1988**

93A CF2  
PROPERTY FILE

93A/7N.W

FORKS, T&P, AR

T.F.

## SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Offering. More detailed information is contained in the body of the Prospectus:

- The Offering: 500,000 common shares at price of \$0.33 through the facilities of the Vancouver Stock Exchange, pursuant to the Issuer's conditional listing on that Exchange. The Offering is subject to a minimum subscription of 500,000 shares being sold on the Offering Day. If the minimum subscription is not reached, all funds will be returned to the subscribers without deduction.
- Proceeds to the Issuer: \$150,000.00
- The Property: The Issuer is the holder of an option to earn an undivided 50% beneficial interest in and to nine mineral claims described as Forks 1 - 4, TEP #1 - #3, AR 1 - 2 situated in in the Cariboo Mining District, Province of British Columbia.
- Use of Proceeds: To complete Phase I of an exploration program estimated to cost \$100,000 in accordance with the recommendations received from the Issuer's consulting engineer.
- Dilution: The issue price to the public exceeds the net tangible book value per common share calculated as at March 31, 1988, after giving effect to the Offering by \$0.17 or 51.52%.
- Management:
- |                          |  |
|--------------------------|--|
| Augustine Fang Loo       | - Chief Executive Officer, President and Director; |
| Donald Rathborne         | - Chief Financial Officer, Secretary and Director; |
| Victor Frederic Erickson | - Director;  |
| Roger Kam-Po Ip          | - Director   |
- Risk Factors: The shares offered hereunder are speculative. There is no market for the Issuer's shares. A purchase of the shares is subject to a number of risk factors, particulars of which are set forth on page 7 under the heading "Risk Factors".
- The Issuer: The Issuer was incorporated on June 24, 1987 under the Company Act of British Columbia. The Issuer is engaged in the business of acquiring, exploring and developing natural resource properties.

**PRELIMINARY REPORT**

**ON THE**

**FORKS, TEP AND AR**

**CLAIM GROUP**

**Cariboo Mining Division  
MacKay River Area, British Columbia  
52° 23' North / 120° 44' West  
NTS 93A/7**

**For**

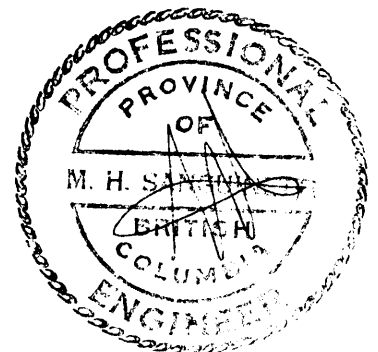
**ARMADA GOLD AND MINERALS LTD.  
604 - 700 West Pender Street  
Vancouver, B.C.  
V6C 1G8**

**By**

**M.H. SANGUINETTI, P.Eng.  
SANGUINETTI ENGINEERING LTD.  
422 - 470 Granville Street  
Vancouver, B.C.  
V6C 1V5**

**November 10, 1987**

**Revised March 25, 1988**



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## SUMMARY AND CONCLUSIONS

Armada Gold and Minerals Ltd. holds an option on the Forks, TEP and AR property of 171 claim units in the Cariboo Mining Division, British Columbia. The property is situated in the MacKay River - Horsefly Lake area and access is by numerous well maintained logging roads from either 100 Mile House or Williams Lake.

The property lies within the Quesnel Trough and is underlain by Permian metavolcanics, Triassic black phyllites (Quesnel River Group) and Triassic-Jurassic volcanics of the Takla Group. These rocks have been deformed into a regional northwest trending synformal structure known as the Eureka Peak Syncline. Stratabound gold mineralization has been found within a "knotted phyllite" facies (Unit 4) of the Triassic black phyllites. The gold occurs within both the phyllite and the associated quartz veins. Visible gold has been noted at numerous locations on the Frasergold property, however, the mineralized phyllites are usually indistinguishable from the unmineralized phyllites.

Exploration for gold in this area dates from 1901 when placer gold attracted prospectors to the headwaters and tributaries of the MacKay River. Very little attention was paid to the area until 1978 when claims on the upper MacKay River valley and Frasergold Creek were staked by C.E. Gunn. These were optioned to Keron Holdings Ltd. and subsequently transferred to Eureka Resources, Inc. Intensive exploration on this Frasergold property by Keron, Eureka and Amoco Canada Petroleum Co. Ltd. has included soil geochemistry, diamond and reverse circulation drilling, trenching, bulk sampling and metallurgical testing. This exploration has demonstrated the presence of stratabound gold mineralization in a black "knotted phyllite" of potentially economic widths over a strike length of 4 kilometers. This gold enriched horizon is believed to extend along a total strike length of 10 kilometers contained within the Frasergold property (G. Cross Newsletter, February 5, 1987). A news release in 1986 noted that ". . . underground work is expected to indicate 2,000,000 to 4,000,000 tons grading 0.20 to 0.30 oz/ton gold over a three to four meter width. Open pit reserve expectations have been revised to a potential of 15 to 20 million tons grading 0.07 to 0.08 oz/ton gold over 25 to 30 meter widths." (G. Cross, Newsletter, November 27, 1986).

The Armada claims cover the northward extension of the stratabound gold mineralization which occurs in the black, Triassic phyllite (Unit 4) on the adjoining Frasergold property of Eureka Resources Inc. Geological mapping and geochemical sampling in 1987 by Armada and the B.C. Department of Mines has demonstrated that the favorable stratigraphy continues through the Armada claims, from the Eureka property boundary to Horsefly Lake, a distance of approximately 11 kilometers.

Initial sample results from this Armada work show numerous scattered gold soil anomalies on the Forks 4 grid at the southeast end of the property. The central area of the property is unsampled. A rock grab sample of the Unit 4 phyllite collected in a freshly exposed outcrop near the northern end of the Armada claims returned an assay of 0.065 oz/t gold.

An excellent potential exists to locate economic stratabound gold mineralization on the Armada Gold and Minerals Ltd. property within the underlying favourable Tertiary phyllites. Further exploration is warranted to locate and develop a stratabound gold reserve similar to that on the adjoining property of Eureka Resources, Inc. A two-stage, success-contingent exploration program is recommended.

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## INTRODUCTION

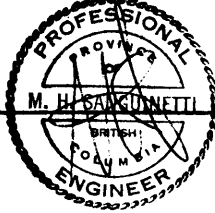
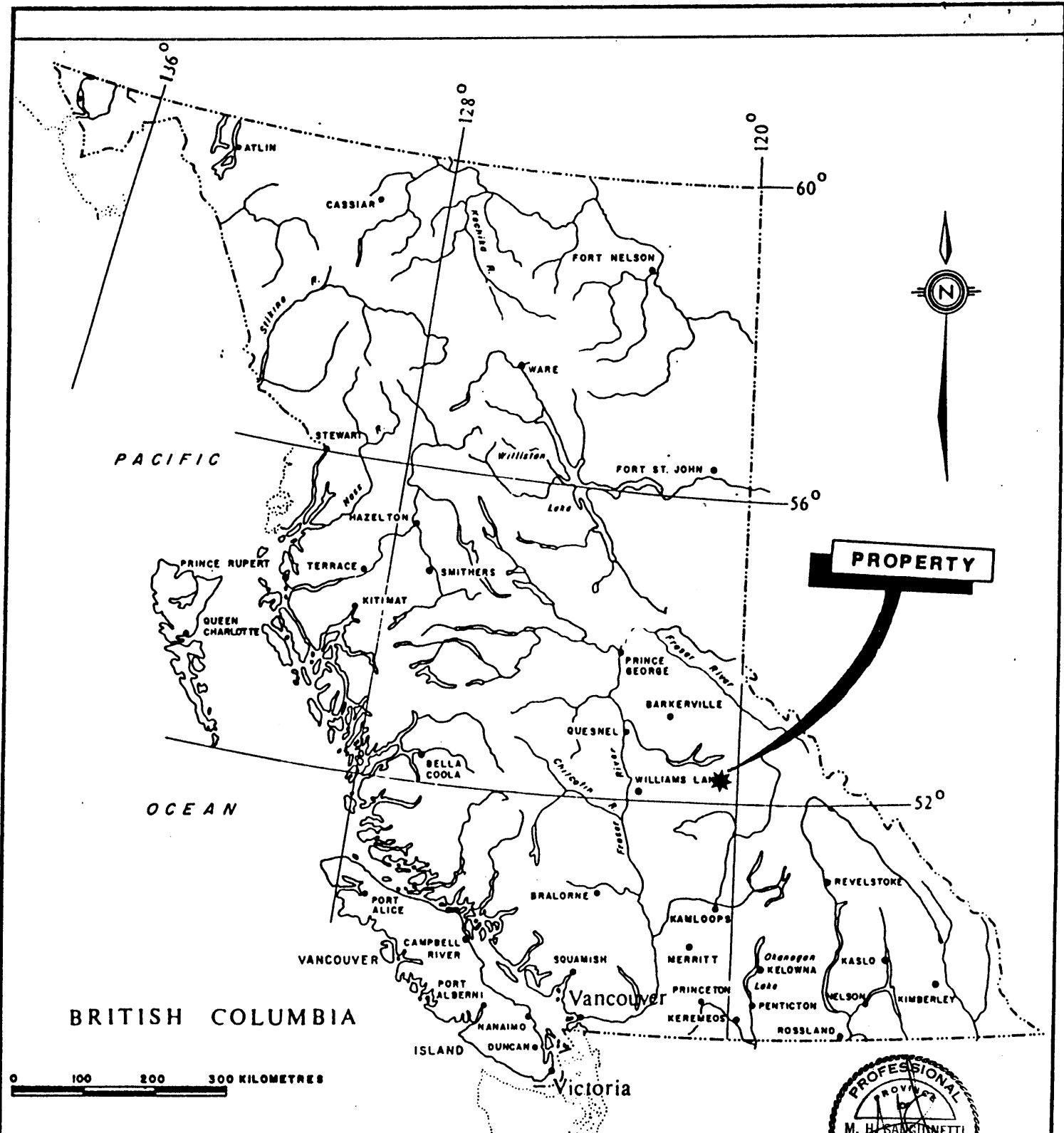
This report has been written at the request of the directors of Armada Gold and Minerals Ltd. and describes the geology and mineral potential of the Forks, AR and TEP claims in the MacKay River - Horsefly Lake area, central British Columbia. The property, consisting of 171 units, covers the northward extension of stratabound gold bearing mineralization in a black Triassic phyllite unit. On the adjoining Frasergold property of Eureka Resources, Inc. this stratabound gold mineralization occurs in a "knotted phyllite" facies within the phyllite and associated quartz veins. The results of intensive drilling and bulk sampling conducted along a strike length of 1.5 kilometers have identified the potential of "large tonnage open pit reserves of 20 million tons grading 0.06 ounces per ton. Also identified is the potential of higher grade underground reserves ranging (to) 1.2 million tons grading 0.40 ounces of gold per ton . . ." (Eureka Resources, News Release).

These "mineral reserves" illustrate both the economic potential of the Frasergold property and the extension of the mineralized stratigraphic unit which extends onto the Armada property.

A program of geological mapping, prospecting and geochemical sampling conducted on the Armada property in the summer of 1987 showed the continuity of the favourable stratigraphic unit and defined geochemically anomalous areas on Forks 4 claim. Continued exploration for stratabound gold mineralization on the Forks, TEP and AR claims is warranted. A phased, success-contingent exploration program is recommended for the 1988 field season for a total estimated expenditure of \$250,000.

The Forks, TEP and AR property was examined in October, 1987 in the company of Mr. D.A. Howard, P.Eng. The writer gratefully acknowledges the kind assistance of Mr. D.A. Howard, P.Eng. and Dr. A.D. Drummond, P.Eng in the examination of the property and the preparation of this report.

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ARMADA GOLD AND MINERALS LTD.

REGIONAL LOCATION MAP

FIGURE 1



### LOCATION ACCESS AND TOPOGRAPHY (Figures 1, 2, 3)

The property is situated between Horsefly Lake on the north and the MacKay River in the south at the confluence of the MacKay River and the north fork of the Horsefly River. This is approximately 110 kilometers east of Williams Lake in central British Columbia. Co-ordinates at the confluence of the two rivers are 52° 23' north and 120° 44' west (NTS 93A/7E,W).

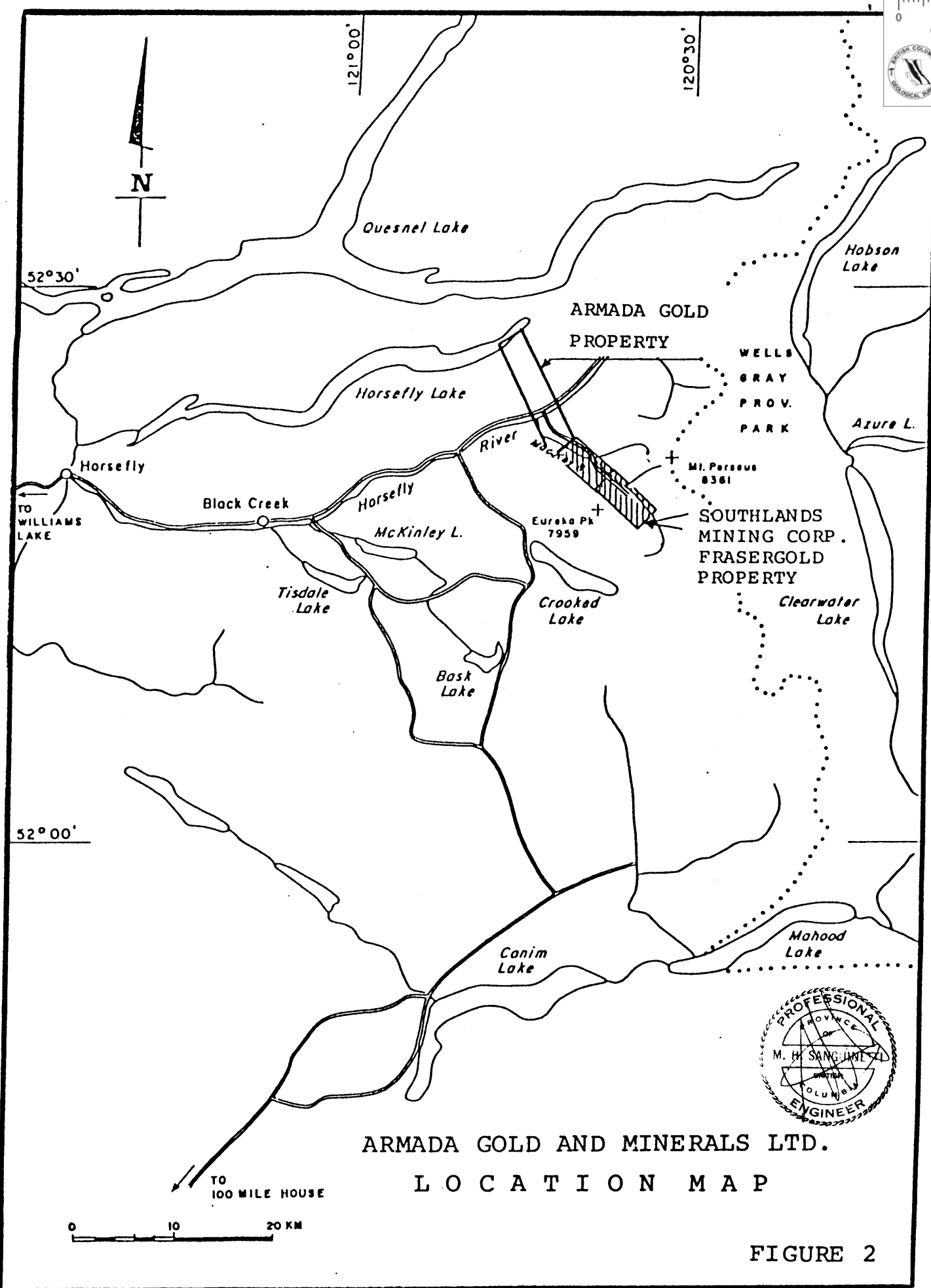
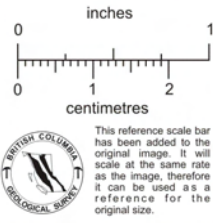
Access is via 54 kilometers of paved highway from 150 Mile House to Horsefly. From there an all-weather logging road extends along the Horsefly River to Horsefly Lake, a distance of approximately 60 kilometers. A system of well maintained gravel roads provides two wheel drive access to most parts of the property from this main road.

Supplies may be obtained from the village of Horsefly or the town of Williams Lake. Air and rail transportation are available at Williams Lake.

The property is within the Quesnel Highland area on the west side of the Cariboo Mountain Range. The claims lie along the MacKay Creek valley (elevation 1,030 meters) through Archie Pass (elevation 1,091 meters) to Horsefly Lake (elevation 784 meters). Topography is moderately steep, local relief may be abrupt. Pleistocene glaciation has resulted in rounded tops on most hills and localized deposits of thick glacial cover. Glacial direction is from the southeast to the northwest, parallel to the MacKay River valley (G.S.C. Map 1253A). Locally this direction is open to question.

Much of the claims area has been logged off. Good stands of balsam, spruce and fir with thick underbrush cover those areas not yet logged.

1011



ARMADA GOLD AND MINERALS LTD.  
 LOCATION MAP

FIGURE 2



### CLAIMS (Figure 4)

The property, consisting of nine claims totalling 171 units (Modified Grid System) is situated in the Cariboo Mining Division and covers approximately 4,275 hectares (10,550 acres). The claims were staked in early 1987. Assessment work has been completed on the property and recorded. Some legal corner posts and claim lines were observed in the field by the writer; the claims appear to be staked in accordance with Provincial regulations. Title records were examined at the Vancouver recording office. A summary of the claims data is as follows:

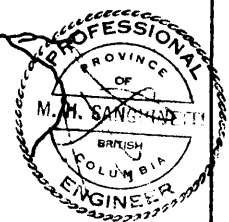
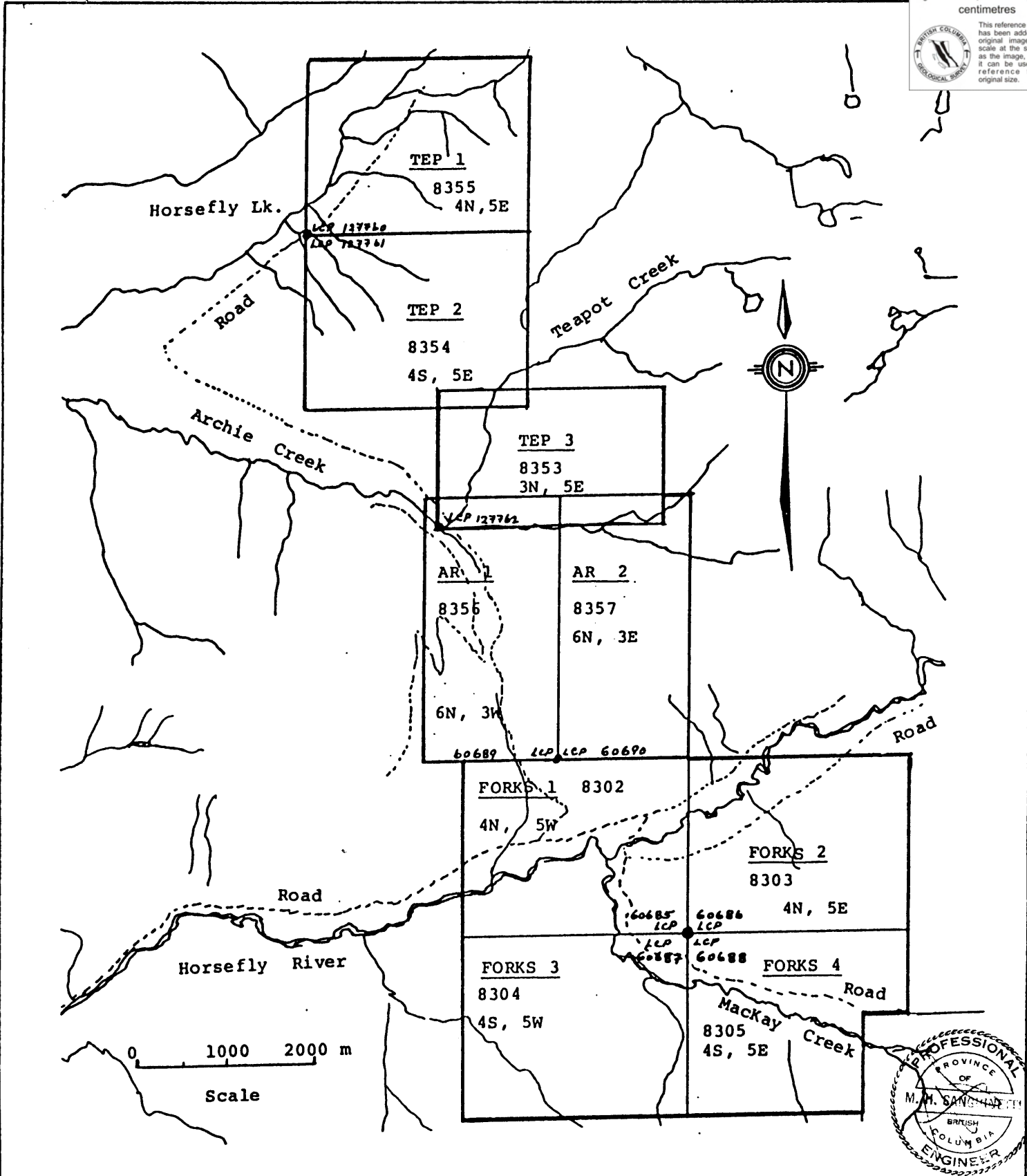
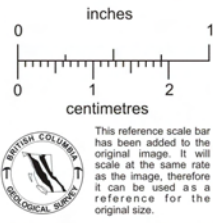
<u>Claim</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Date Recorded</u>	<u>Registered Owner</u>
FORKS 1	20	8302	March 19, 1987	D.A. Howard
FORKS 2	20	8303	March 19, 1987	D.A. Howard
FORKS 3	20	8304	March 19, 1987	D.A. Howard
FORKS 4	20	8305	March 19, 1987	D.A. Howard
AR 1	18	8356	April 16, 1987	D.A. Howard
AR 2	18	8357	April 16, 1987	D.A. Howard
TEP 1	20	8355	April 16, 1987	C.E. Gunn
TEP 2	20	8354	April 16, 1987	C.E. Gunn
TEP 3	<u>15</u>	8353	April 16, 1987	C.E. Gunn
TOTAL	171			

### HISTORY

Early work in the MacKay River Valley area dates from 1901 when prospectors panned the creeks for gold. Small operations evaluating the pyrite bearing quartz veins and the gravels on Fraser and Eureka Creek were started in 1902 but discontinued in 1903. Later work in the early 1930's reported placer gold at and below the Forks of the Horsefly River and in the MacKay River - Horsefly River area.

Exploration for copper mineralization in this vicinity was conducted from the mid-1960's to mid - 1970's by such companies as Amax, Union Miniere, Rio Tinto and Helicon Explorations.

*M*



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CLAIM MAP

FIGURE 4

The Alpha and Kay claims were staked by C.E. Gunn in 1978 and 1979 on the north side of upper MacKay River valley and on Frasergold Creek. In the fall of 1979 these claims were optioned to Keron Holdings Ltd. who acquired additional claims, conducted soil and rock chip sampling and geological surveys up to 1982 when the claims were transferred to Eureka Resources, Inc. Amoco Canada Petroleum Co. Ltd. optioned the property from Eureka in 1983. Work by Amoco consisted of 2,874.7 meters of NQ diamond drilling (9 holes), grid preparation, soil sampling, magnetometer and electromagnetic surveys. The results of this work to 1984 indicated potential for 3 types of economic deposit: 1) small high-grade types of deposit over widths of 1.5 meters grading 0.2 to 1.50 oz/t gold; 2) medium sized reserves over widths of 3-10 meters grading 0.07 to 0.20 oz/t gold; and 3) large volumes of reserves over widths of 6 - 20 meters grading 0.02 to 0.07 oz/t gold (Eureka Resources, Inc., Annual Report, 1984). Eureka indicated that 1.6 kilometers of strike length of the anomalous zone had been drill tested; the length of the zone is in excess of 4 kilometers. In April, 1985 Eureka Resources, Inc. negotiated an agreement with Amoco Canada to assume total equity interest in the Frasergold property (GCNL, April 10, 1985). On March 30, 1987 Southlands Mining Corporation of Vancouver entered into a joint venture agreement with Eureka Resources, Inc. to earn a 50% working interest in the property by funding a minimum of \$3 million in development of the property. Their news release (Stockwatch, March 30, 1987) noted that:

"Frasergold is an extensive gold project located 100 km east of Williams Lake in central British Columbia. Totalling 27 claims or approximately 8,000 acres, the property features an extensive favourable gold bearing strata, indicated by geochemistry over a strike length of 12 km, and identified in bedrock by drilling over a strike length of 4 km.


Intensive drilling completed in 1983, 1984 and 1986 over a strike length of 1.5 km has identified the potential of large tonnage open pit reserves of 20 million tons grading 0.06 ounces gold per ton. Also identified is the potential of higher grade underground reserves ranging 1.2 million tons grading 0.40 ounces of gold per ton. Approximately \$1.5 million has been spent on the project to date."

The Armada claims adjoin the property on the northward on-strike extension of this favourable gold bearing strata. Prior to acquisition by Armada, exploration on this ground was in part conducted by Ripple Resources Ltd. (on Forks 3, 4). Their work

AW

included soil sampling "...which showed several single-station low order anomalies ranging up to 85 ppb..." (Belik, 1983). One BQ drill hole was drilled on the north limb of the Eureka Syncline on an 85 ppb gold soil anomaly. It encountered pyrite, pyrrhotite and chalcopyrite in andesitic tuff. Further work was recommended to explore the black phyllite unit but was not carried out (Belik, 1983). In 1982, Dennison Mines Ltd. held the ground presently covered by the area of the L.C.P. of Forks 1, 2, 3 and 4. They conducted a small (89 sample) geochemical soil survey in an area where limonite and pyrrhotite occurred in volcanics. Their analyses were for copper lead, zinc and silver but not for gold since they were looking for a massive base metal sulphide deposit (Sketchley, 1982).

On the immediate southeast of Forks 4, the former LL No. 1 claim of Valhalla Minerals Inc. (now Mac 10 of Eureka Resources, Inc.) was the site of a 556 sample geochemical soil survey which showed spot gold highs adjacent to the project area (Dawson, 1984). This survey indicated "...two parallel, northwest-trending zones of weak to strongly anomalous gold values. The erratic and spotty nature of these anomalous zones is inferred to be the results of local concentrations of heavy overburden. Similar conditions were observed to give erratic anomalous results on the adjacent Eureka-Frasergold property". The strongly anomalous category used is 50 ppb gold, the same as is used on the Armada work and above that used by Ripple Resources. In discussing the exploration potential of the property, Mr. Dawson records that "one of the anomalous zones .... is on strike with a known mineralized zone on Eureka Resources' ground to the southeast. These anomalous gold values could represent significant gold mineralization in the underlying bedrock, however additional exploration work will be necessary to test this potential" (Dawson, J.M., 1984). From these results it can be shown that the geochemical expression of the Unit 4 black phyllite extends from the area of the main Frasergold workings (recent underground sampling) through to and across the Forks 4 claim of Armada Gold and Minerals Ltd.



## REGIONAL GEOLOGY (Figure 5, 6, 7)

Groupings of tectonic elements for the Canadian Cordillera have been proposed by Wheeler et. al. (1972). These elements are outlined in Figure 5. The Armada claim group lies within the Quesnel Trough adjacent to the more easterly Omineca Crystalline Belt (Omineca Geanticline).

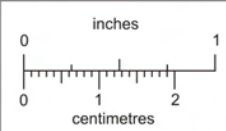
Geological compilation of the Quesnel Lake (93A) Map Sheet was done by Campbell (1978) and summarized in Figure 6. Highly deformed and amphibolite facies rocks of the Kaza Group (Unit 1 in Figure 6) lie to the east of the Pennsylvanian and/or Permian rocks of the Slide Mountain Group (Unit 3). These units form part of the Omineca Crystalline Belt in the claims area. To the west lies the Quesnel Trough which at its base has an Upper Triassic phyllitic unit (Unit 6) overlain by Upper Triassic greenstone, augite porphyry breccia, tuff breccia with possible dykes and sills (Unit 8). These latter units are considered to be part of the Takla Group. Intrusive activity has been dated from Upper Triassic (Unit 7) to Cretaceous (Unit 10) to Tertiary (Unit 11).

The gold-bearing occurrences hosted by rocks within the Quesnel Trough are outlined in Figure 7. This map also indicates the relative position of the claims with respect to the stratabound gold bearing unit. A brief description of the gold occurrences was reported by Saleken and Simpson, 1984 in their geological overview of the Cariboo - Quesnel Gold Belt and is reproduced below:

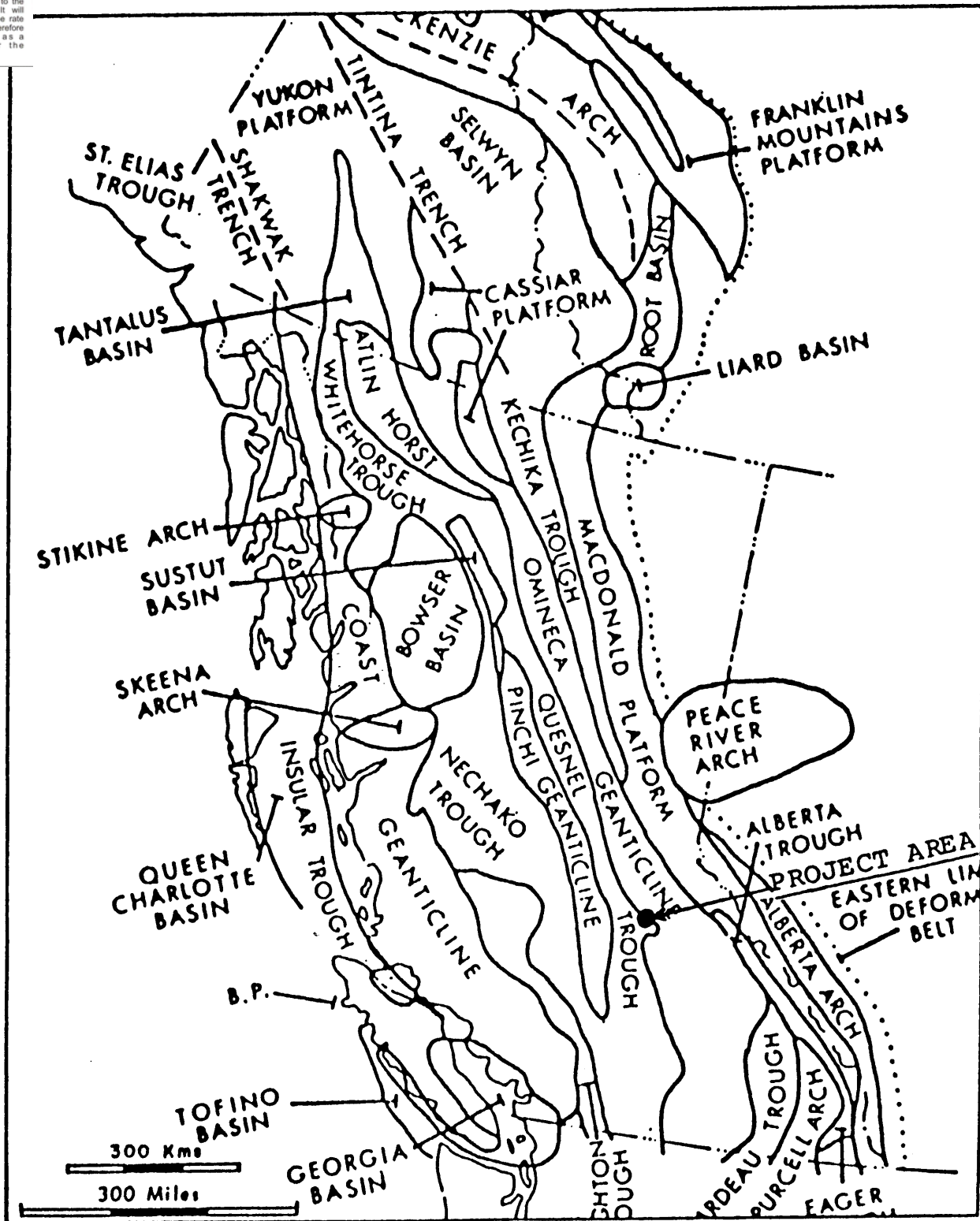
"In 1964, the Cariboo-Bell deposit was discovered 9 km southwest of Likely. Current drill-indicated mineable reserves are 117-million tons grading 0.31% Cu and 0.012 oz/ton Au (including a higher grade zone totalling 30-million tons grading 0.38% Cu and 0.018 oz/ton Au). Mineralization is mainly confined to high level, intrusive breccia zones within an alkalic laccolith of early Jurassic age emplaced at the site of an Upper Triassic eruptive center.

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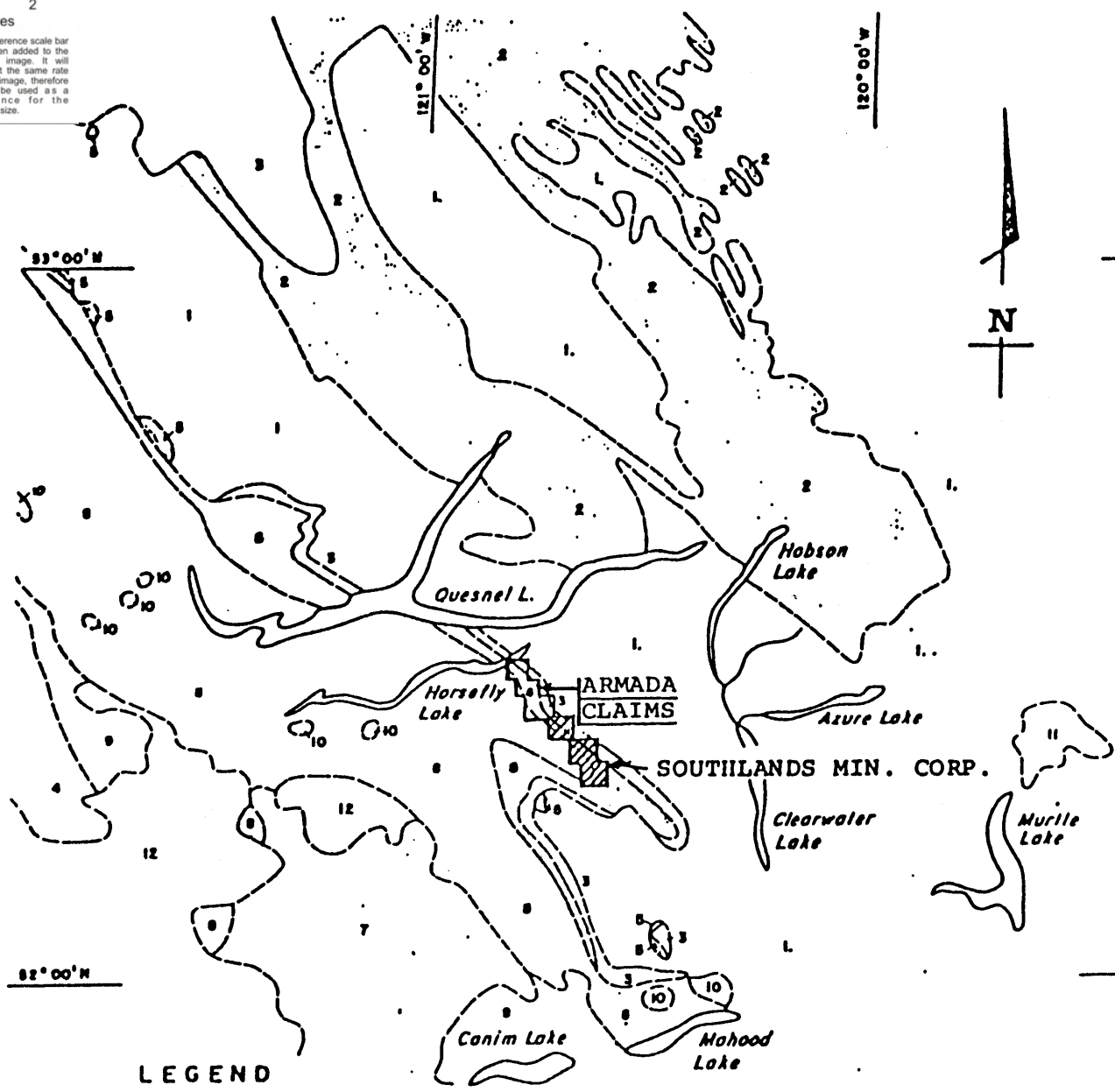
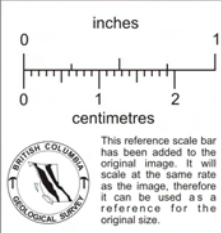


ARMADA GOLD AND MINERALS LTD  
TECTONIC ELEMENTS OF THE CORDILLERA  
(After Wheeler et al., 1972)



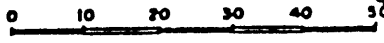
FIGURE 5

FIGURE 5



LEGEND

- |   |   |
|---|---|
| <b>RECENT TO TERTIARY</b>                               | <b>UPPER TRIASSIC</b>                           |
| 12 Recent volcanics - overburden                        | 6 BLACK PHYLLITES: Sediments - lesser volcanics |
| <b>CRETACEOUS TO TERTIARY</b>                           | <b>PERMIAN TO TRIASSIC</b>                      |
| 11 Granodiorite - quartz diorite                        | 8 Ultramafics                                   |
| <b>CRETACEOUS</b>                                       | <b>UPPER PALEOZOIC</b>                          |
| 10 Gneiss - quartz monzonite                            | 4 CACHE CREEK GP: Sediments - lesser volcanics  |
| <b>JURASSIC</b>   | 3 SLIDE MT. GP: Volcanics - sediments           |
| 9 Sediments   | <b>HADRYNIAN TO ORDOVICIAN</b>                  |
| <b>UPPER TRIASSIC TO LOWER JURASSIC</b>                 | 2 Sediments                                     |
| 8 TAKLA GP: Volcanics - sediments                       | <b>HADRYNIAN</b>                                |
| <b>UPPER TRIASSIC</b>                                   | 1 KAZA GP: Metasediments                        |
| 7 TAKOMKANE BATHOLITH: Granodiorite - quartz monzonite. |   |

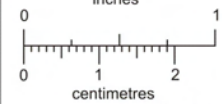


ARMADA GOLD AND MINERALS LTD.

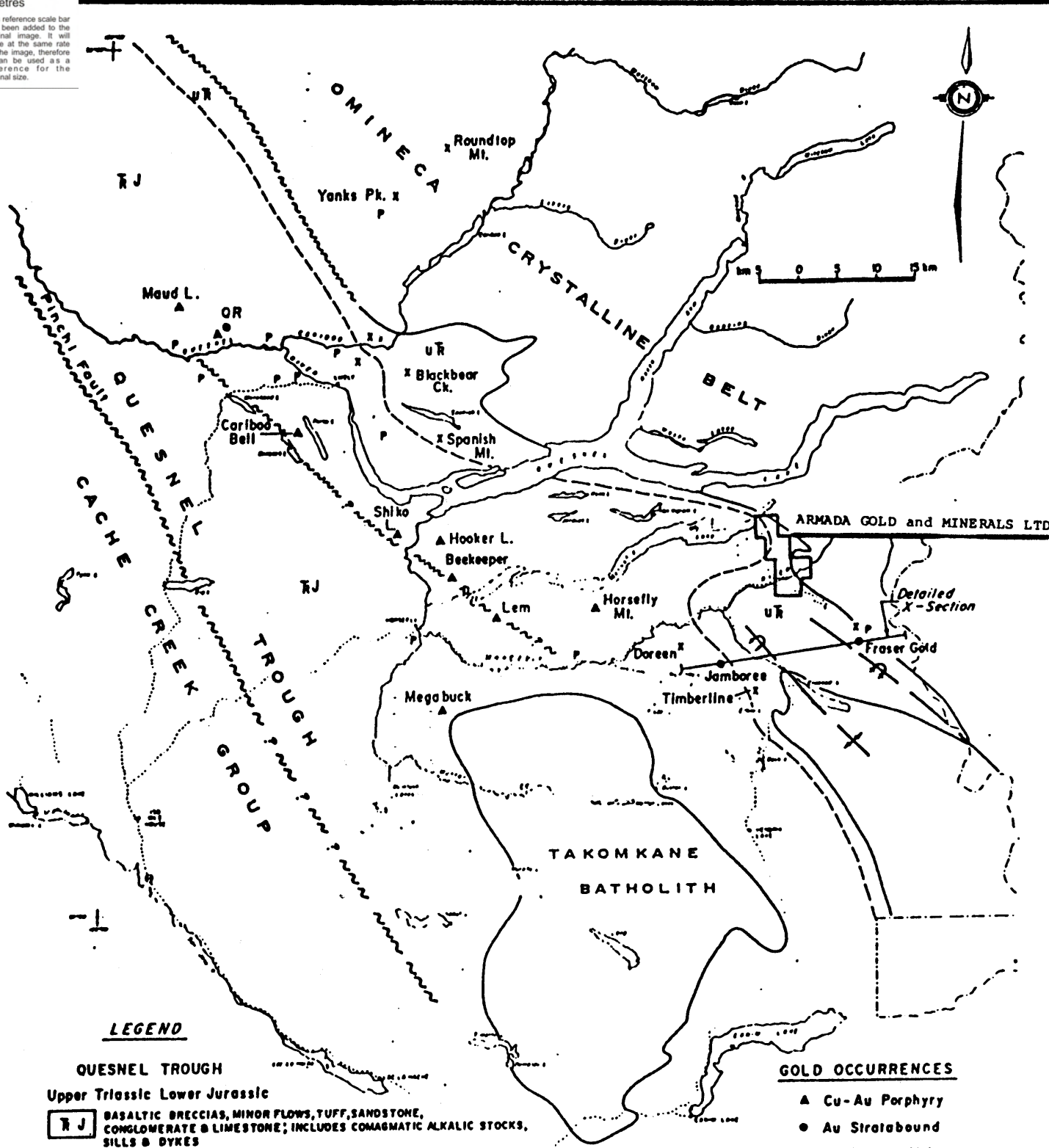
REGIONAL GEOLOGY

(After Campbell, 1978, O.F. Map 574)

FIGURE 6



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**LEGEND**

**QUESNEL TROUGH**

Upper Triassic Lower Jurassic

**RJ** BASALTIC BRECCIAS, MINOR FLOWS, TUFF, SANDSTONE, CONGLOMERATE & LIMESTONE; INCLUDES COMAGMATIC ALKALIC STOCKS, SILLS & DYKES

Upper Triassic

**UR** ARGILLITE, AUGITE-PORPHYRY BRECCIA, BASALTIC TO ANDESITIC TUFF POSSIBLE DYKES & SILLS

**GOLD OCCURRENCES**

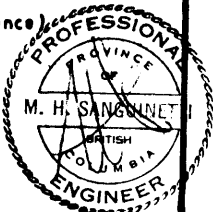
- ▲ Cu-Au Porphyry
- Au Stratabound
- x Au Bearing Veins
- P Placer Au (major occurrence)

**ARMADA GOLD AND MINERALS LTD.**

**GEOLOGY OF THE QUESNEL TROUGH SHOWING THE RELATIVE LOCATION OF GOLD OCCURRENCES**

(Modified after Saleken and Simpson, 1984)

FIGURE 7



During the early 1970's most of the known Jurassic alkalic plutons in the Likely-Horsefly area were staked and explored for similar copper-gold mineralization. Though most were found to contain some auriferous chalcopyrite mineralization in stockwork or disseminated deposits, none proved to be significant in size or grade. It was during the investigation of one of these comagmatic stocks that the QR deposit was discovered in the late 1970's. Gold mineralization was found associated with a pyrite-epidote zone in basaltic breccia flanking a zoned alkalic stock. The mineralized horizon occurs immediately below a sedimentary contact and above a strongly carbonatized zone (Fox 1983). Drill-indicated reserves have been reported as 950,000 tons grading 0.21 oz/ton Au (CMH 1982-83).

During the renewed exploration activity in the 1980s other, seemingly stratabound, gold occurrences have been discovered in the eastern Quesnel Trough. Near Frasergold Creek, Eureka Resources has reported drill indicated reserves of 11-million tons grading between 0.04 and 0.05 oz/ton Au (NAGMIN January 15, 1984). Here, gold-pyrite mineralization occurs along an iron-carbonate rich horizon within the Upper Triassic argillite sequence which has been highly deformed and metamorphosed to phyllite (Belik, 1982). The Jamboree property, northwest of Crooked Lake, hosts a stratabound, anomalous gold horizon in tuffaceous phyllite immediately above a contact with the augite porphyry breccia unit."

## **GEOLOGICAL CONCEPT FOR THE STRATABOUND SEDIMENT HOSTED GOLD MINERALIZATION**

(Figures 8a, 8b, 9, 10)

Saleken and Simpson (1984), in reviewing the gold occurrences of the Quesnel Trough, characterize the Eureka Resources / Southlands Mining Corporation Frasergold deposit as a stratabound gold deposit. Figure 8a illustrates the relative stratigraphic position while Figure 8b illustrates the relative position within the Eureka syncline of the stratabound gold horizon (Frasergold) on the western slope of the MacKay River valley (the cross-section line is indicated in Figure 7).

The orientation of the stratigraphic gold-bearing horizon as noted for the Frasergold deposit is illustrated in Figure 9. This figure, reproduced from the 1986 Annual Report of Eureka Resources, Inc., indicates that the strike length of the gold-bearing horizon between Frasergold Creek and Hawkley Creek is 9 kms (5.6 miles) and open to the northwest. The Mac 10 claim, which lies to the northwest corner of the Eureka Resources group, contains anomalous gold geochemistry which infers that this gold-bearing horizon continues to the Armada claim boundary.

10

ARMADA GOLD AND MINERALS LTD.

RELATIVE POSITION OF THE FRASERGOLD STRATABOUND GOLD DEPOSIT

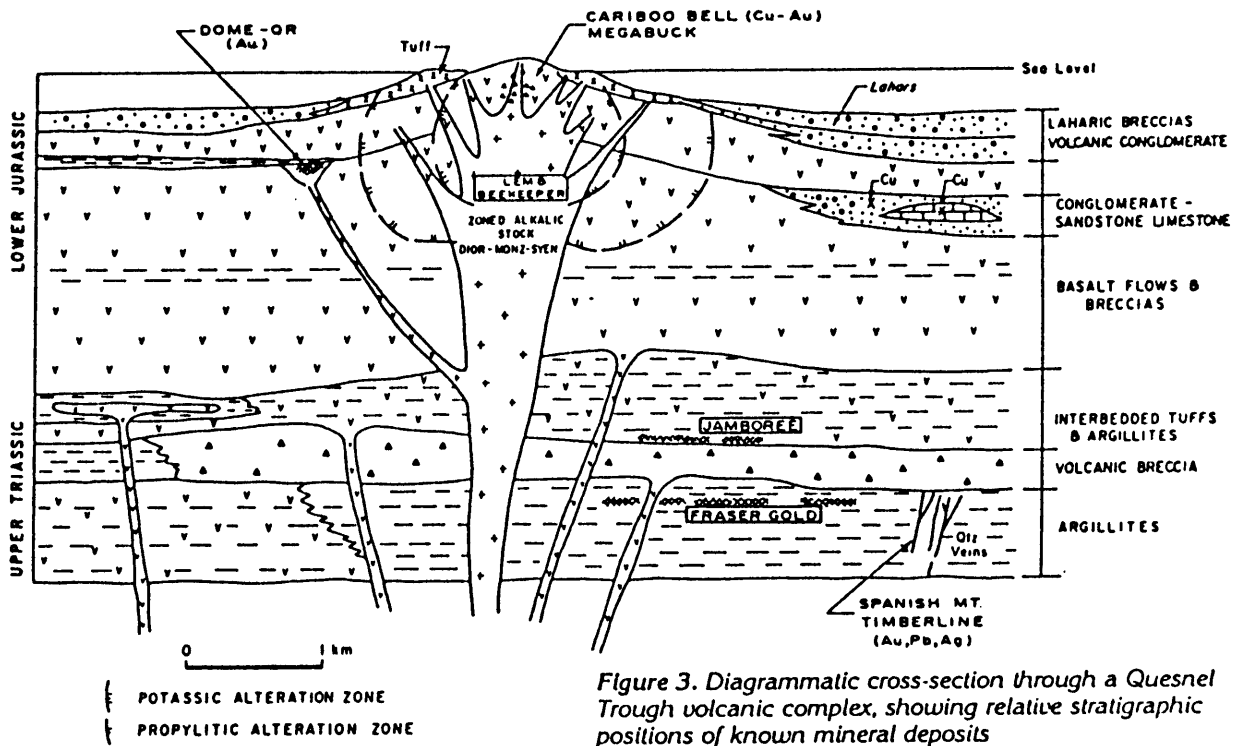


FIGURE 8a RELATIVE POSITION IN STRATIGRAPHIC COLUMN (After Saleken and Simpson, 1984, Figure 3)

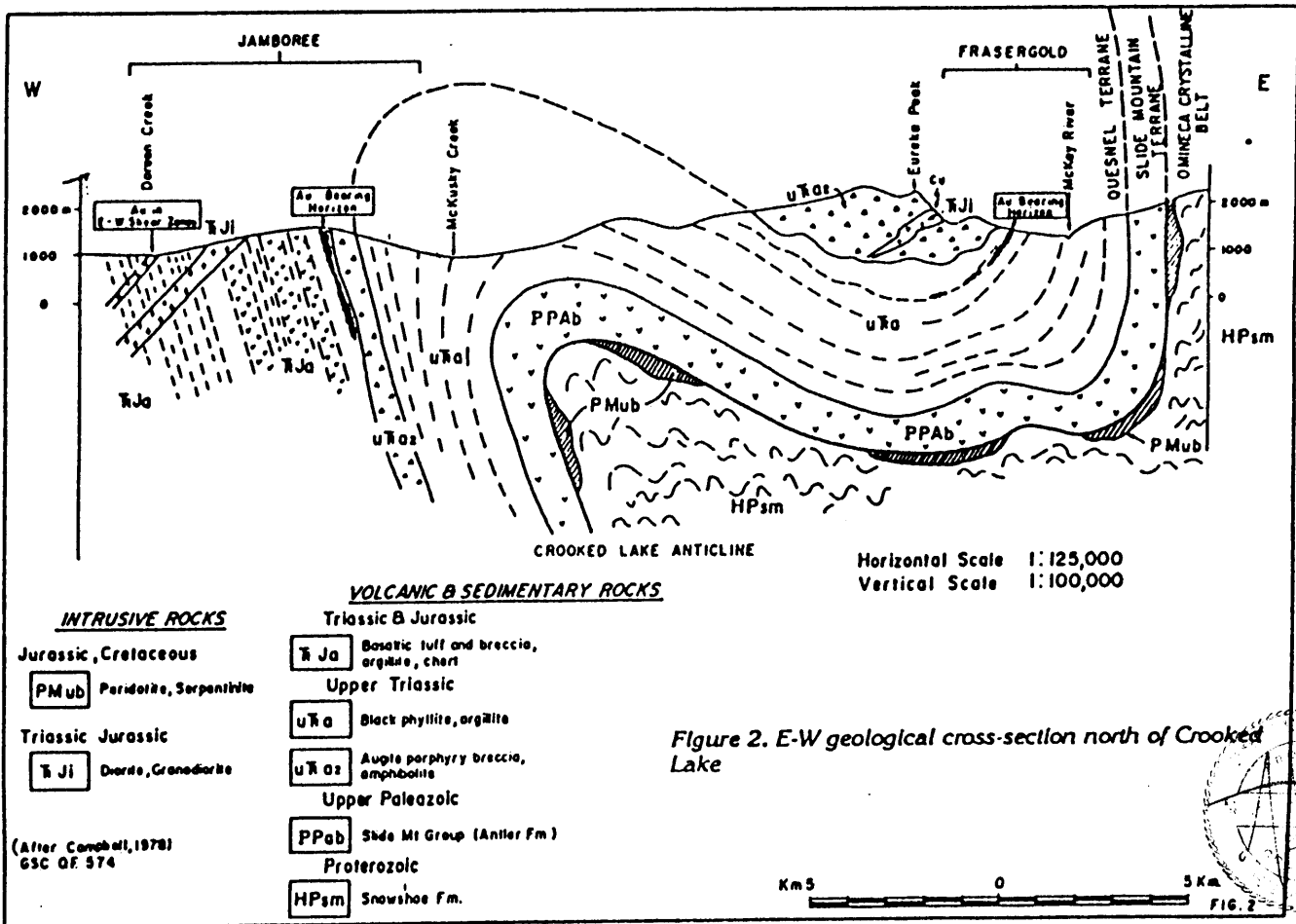
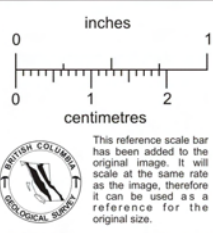
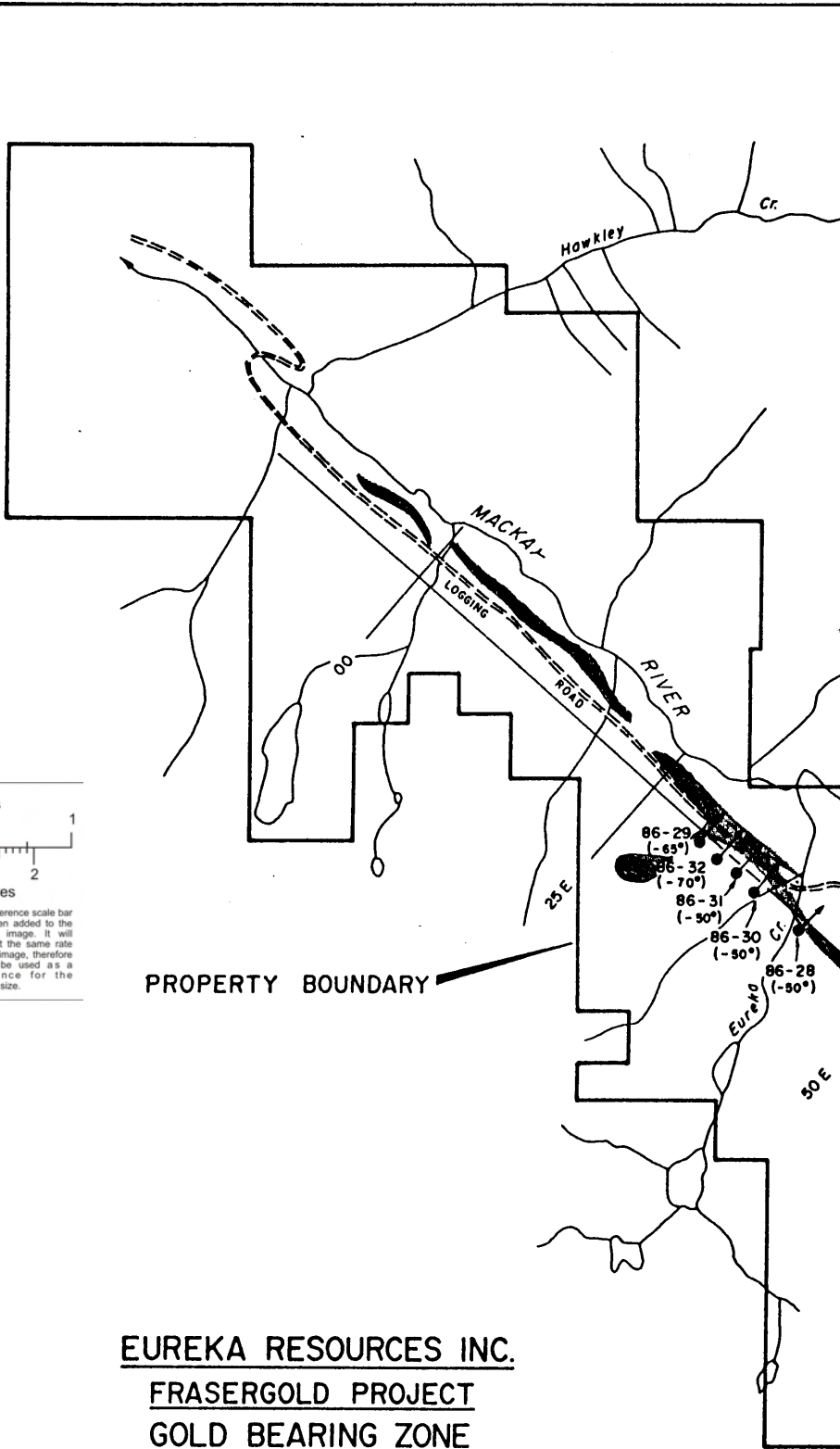
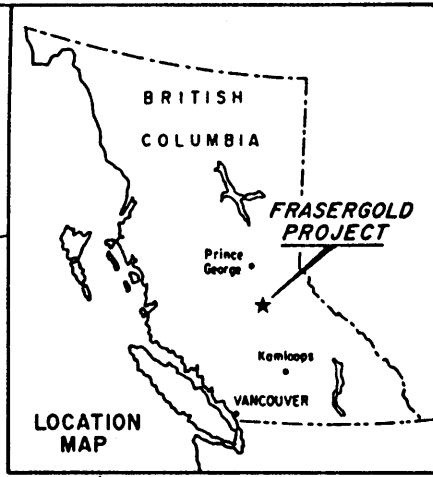


FIGURE 8b POSITION RELATIVE TO THE EAST LIMB OF THE EUREKA SYNCLINE (After Saleken and Simpson, 1984, Figure 2)



**EUREKA RESOURCES INC.**  
**FRASERGOLD PROJECT**  
**GOLD BEARING ZONE**  
**(DEFINED BY GEOCHEMISTRY)**  
**AND 1986 DRILL HOLES**  
 CARIBOO MINING DIVISION, B.C.  
 KILOMETERS

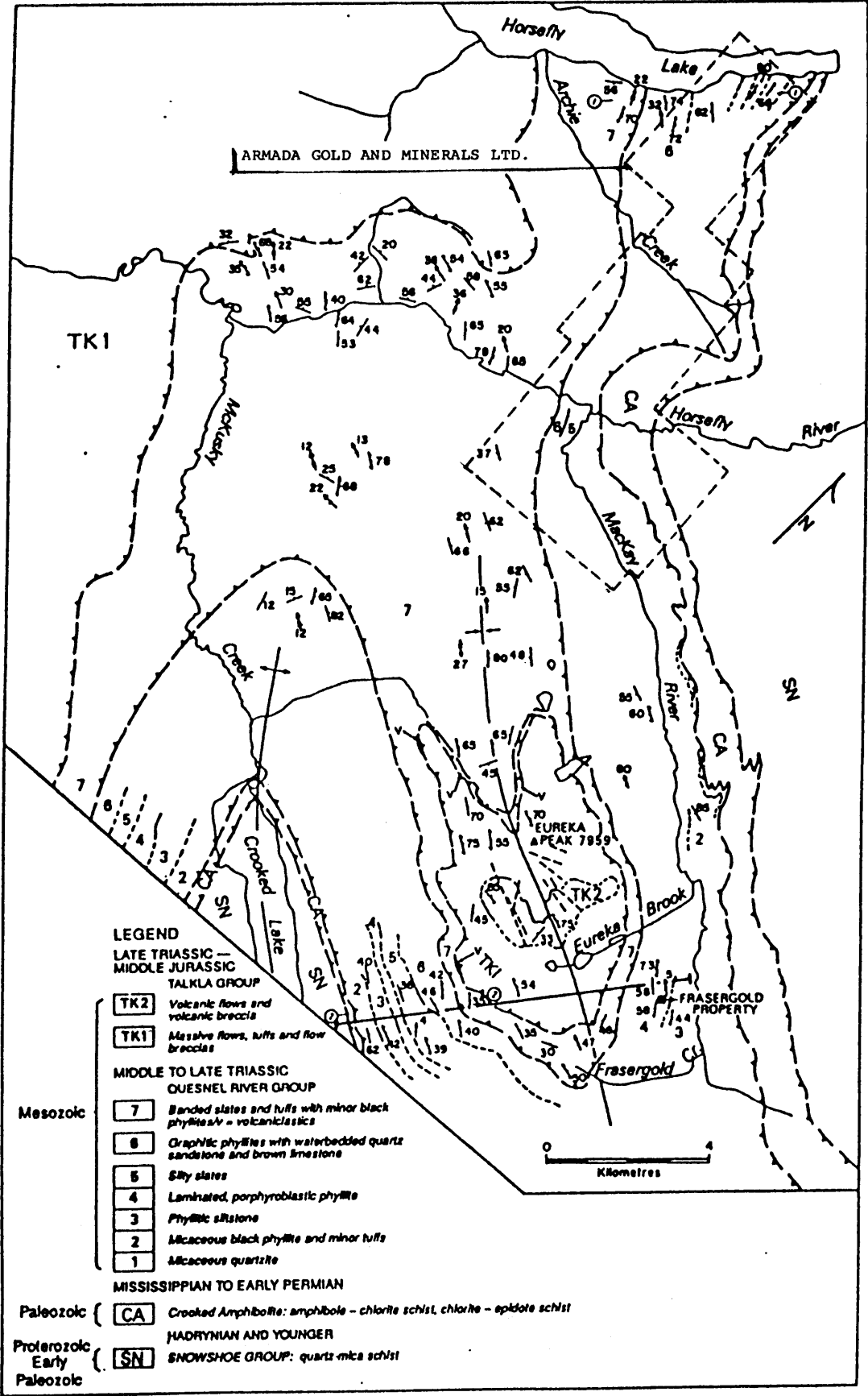
0 0.5 1 2 3

**LEGEND**  
 Gold Bearing Zone



**ARMADA GOLD AND MINERALS LTD.**

ORIENTATION OF FRASERGOLD STRATABOUND GOLD DEPOSIT (After Eureka Resources Inc., 1986, Annual Report) **FIGURE 9**



ARMADA GOLD AND MINERALS LTD.

GENERALIZED GEOLOGY OF EUREKA PEAK AREA SHOWING THE EAST LIMB CONTINUITY BETWEEN FRASERGOLD CREEK AND HORSEFLY LAKE.

(After Bloodgood, 1987, Figure 3-2-2, p. 136)

FIGURE 10

The geological continuity to the northwest along MacKay River to Horsefly Lake is confirmed by the mapping of Bloodgood (1987) who correlated the stratigraphy of the eastern limb of the Eureka syncline from Frasergold Creek to Horsefly Lake (Figure 10).

## LOCAL GEOLOGY

### A. Structure and Stratigraphy (Figure 11)

The Triassic black phyllites, which have been assigned to the Quesnel River Group, occur in a linear belt adjacent to the Omineca Belt - Intermontane Belt boundary and structurally overlie Mississippian to Permian metavolcanic rocks (Crooked Amphibolite) to the north. The phyllites are in turn structurally overlain by metabasalts, tuffs and volcanic breccias of the Takla Group (Late Triassic to Early Jurassic?). These rock units have all been deformed into a regional northwest trending synformal structure known as the Eureka Peak Syncline (Bloodgood, 1987, p.135-139). These rocks have been regionally metamorphosed to the lower greenschist facies.

The Armada claims cover a segment of the northeast limb of the Eureka Peak syncline. Bedding attitudes as mapped by Howard are variable along strike and range from  $30^{\circ}$  to vertical; strike direction is near  $130^{\circ}$  ( $\pm 10^{\circ}$ ). Most of the Horsefly Lake section dips steeply ( $75-80^{\circ}$ ) northeast suggesting a degree of overturning. The black phyllite units appear to exhibit intense isoclinal folding; the critical unit (Unit 4, knotted phyllite), however, is a good marker horizon.

Bloodgood (1987) outlined seven specific stratigraphic units of the unnamed black phyllite formation as shown on Figure 10 and on the stratigraphic columns on Figure 11. The location of these stratigraphic columns is indicated on the geological map (Figure 10); the Archie Creek section occurs on Tep 1 claim. The units from base to top are TR<sub>a1</sub> (Unit 1) micaceous quartzite, TR<sub>a2</sub> (Unit 2) micaceous black phyllite and tuffs, TR<sub>a3</sub> (Unit 3) phyllitic siltstone, TR<sub>a4</sub> (Unit 4) laminated phyllite and porphyroblastic phyllite, TR<sub>a5</sub> (Unit 5) silty slates and TR<sub>a6</sub> (Unit 6) graphitic black phyllites with interbedded quartz sandstone and limestone (Bloodgood, 1987).

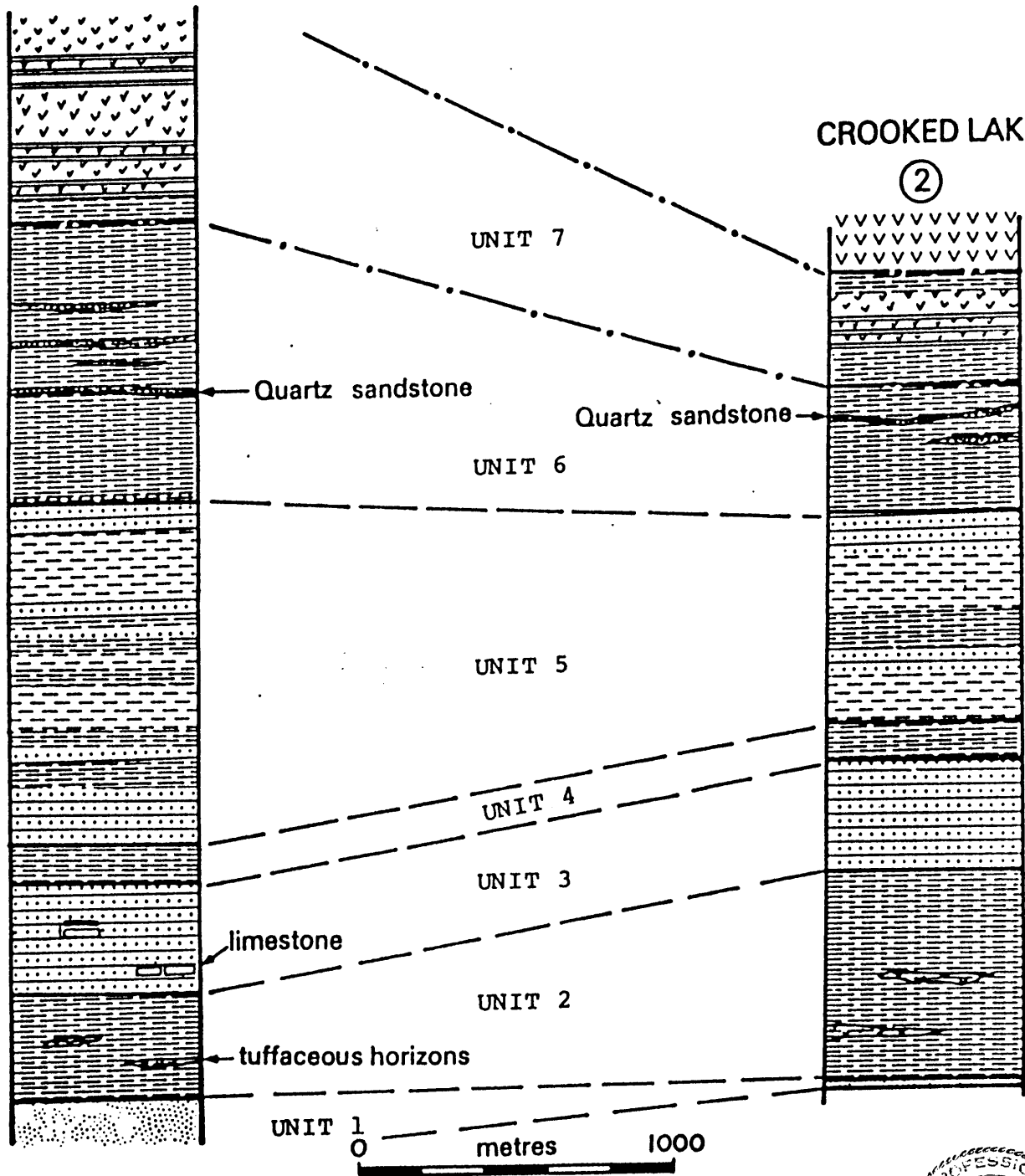


# ARCHIE CREEK

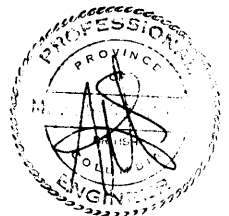
①

# CROOKED LAKE

②



ARMADA GOLD AND MINERALS LTD.



STRATIGRAPHIC COLUMNS OF BLACK PHYLLITE SHOWING LITHOUNIT CORRELATIONS AT TWO LOCATIONS. (After Bloodgood, 1987, Figure 3-2-4, p. 138)

FIGURE 11

The following description of the various units in the unnamed black phyllite package are from Howard's report and based on his observations unless otherwise shown.

#### "Unit 1 (TR<sub>a1</sub>)

The basal unit as defined by Bloodgood (1987) is, in Howard's opinion, not exposed on the claims. Howard's mapping has suggested that the outcrop along a logging road near the northeast end of Horsefly Lake (Figure 15) is part of the Snowshoe Group. This is based on the higher grade of metamorphism observed. Bloodgood (1987) described Unit 1 as "Buff to rust weathering, pale recrystallized quartz sandstone dominates the unit. Locally the sandstones are dark grey to green in colour. Compositional layering is outlined by alternating quartz rich and mica rich bands. Placer alignment of muscovite defines the schistosity strongly developed parallel to bedding."

#### Unit 2 (TR<sub>a2</sub>)

Unit 2 rocks are well exposed along the MacKay River where it passes through Forks 4 (Figure 14). At this location Unit 2 consists of dark grey to silver grey, very fine grained, very siliceous, tightly foliated, locally pyritic and/or graphitic, moderate to high sheen phyllite. Locally the phyllite is poorly laminated, but in general it is impossible to define bedding because of the well developed cleavage/foliation.

#### Unit 3 (TR<sub>a3</sub>)

Unit 3 is well exposed along the logging road above Horsefly Lake (TEP 1) and partially exposed in the lower part of No. 1 creek (Forks 4). The lower contact of Unit 3 is not exposed at either of the locations, but it is assumed that the stratigraphically lowest exposure on the Horsefly Lake section is fairly near the base of the unit. Unit 3 on the Horsefly Lake road consists mainly of medium dull gray, very fine grained, locally well laminated, moderately foliated carbonaceous calcareous phyllite containing narrow sections of very siliceous high sheen phyllite. The top of Unit 3 (Horsefly Lake section) is marked by a narrow (3-5 metres) black, very carbonaceous calcareous silty phyllite. In contrast to the Unit 3 in the Horsefly Lake section, Unit 3 at the No. 1 creek location is very siliceous (no carbonate) much more pyritic including bedded pyrite (1 mm beds of very fine grained pyrite) and contains several 1-3 metre beds of white quartzite (almost vein-like except they are conformable to bedding) containing thin bands of very fine grained sericite phyllite. The quartzite-sericite phyllite bands (beds) commonly contain 1-3 percent finely disseminated pyrite and traces of chalcopyrite. A gold assay run on the above material was negative.

The top of Unit 3 at the No. 1 creek location is marked by a thin unit (5-8 metres) of dark grey, very fine grained, silty, slightly carbonaceous, siliceous, well foliated, high sheen phyllite. Bedding is defined by hairline, highly contorted, white silty beds.

#### Unit 4 (TR<sub>a4</sub>)

Unit 4 consists of medium grey to silver grey, very fine grained, well laminated, well foliated, tightly folded, siliceous, locally pyritic porphyroblastic (knotted) phyllite. This unit locally contains narrow (1-2 metres) highly contorted, bedded, very fine grained grey limestone beds in the lower part of the unit. Highly deformed (boudinage) quartz veins and/or meta-quartzite beds are common throughout the knotted phyllite unit. The knotted characteristic of Unit 4 makes it one of the most easily identified rock unit in the area. Its appearance is the same at all Unit 4 exposures on the Armada property as well as on the adjoining Eureka Resources Inc./ Southlands Mining Corp. property, which has a published reserve of 20 million tons at a grade of 0.05 to 0.08 ounces gold per ton (George Cross Newsletter, No. 240, December 15, 1987). The Eureka/Southlands deposit is hosted in a quartz-rich horizon within Unit 4. The porphyroblasts appear to be composed of cordierite(?) locally weathered to iron oxides.

#### Unit 5 (TR<sub>a5</sub>)

Unit 5 appears to be a very thick unit consisting of medium to dark grey to blue black, very fine grained, siliceous, well foliated locally very graphitic and/or pyritic, locally very well laminated (alternating light coloured, narrow (1-2mm) silty beds and dark phyllite), moderately high sheen phyllite. The unit contains a number of sections of interbedded grey micaceous siltstone. Smear pyrite is locally common on foliation surfaces. Unit 5 commonly breaks out at the outcrop in elongate rod shaped fragments (pencil rock). This is caused by the intense, very tight folding of the foliation in a single direction.

#### Unit 6 (TR<sub>a6</sub>)

Unit 6 is very poorly exposed on the Horsefly Lake section therefore the following definition is questionable. Where exposed, Unit 6 consists of medium grey to black, very fine grained, siliceous, blocky, poorly foliated rusty weathering phyllite. The Horsefly Lake section contains mainly grey to pale grey, very fine grained siliceous tuffs which may be part of the overlying unit. No attempt was made to map the Unit 6 exposed on the Forks claims because it did not appear to host any mineralization. The contacts and attitudes of Unit 6 shown on the Forks claims section of Figure 14 are from mapping by Mary Ann Bloodgood, (1987).

Unit 7 (Bloodgood, 1987) ... was only mapped on the Horsefly Lake section. At the location (south of TEP 2) the unit consists of mainly grey to pale green, very fine grained siliceous tuffs interbedded with minor dull, dark grey, very fine grained siliceous, blocky meta-siltstones and/or slates. At this same location there are a number of variable width dykes or small stock-like intrusions of dark grey to greenish grey, fine grained, inequigranular, hornblende/augite locally porphyritic diorite. The diorite commonly contains medium grained disseminated, slightly magnetic pyrrhotite.

The possibility of more intrusive activity in the area is suggested from a strong magnetic deflection of the compass in the vicinity of the Legal Corner Post at TEP 1 and 2, although no igneous rock was observed in the immediate area."

M

Geological mapping by Armada (Howard, D.A., 1988) confirmed the existence of the Unit 4 black phyllite on claims Forks 4 and Tep 1 as shown of Figures 14 and 15. The intervening ground on Forks 1, AR 1-2 and Tep 2,3 is overburden-covered but both Howard and Bloodgood have projected the extension of Unit 4 through the property (D.A. Howard, 1988).

Two traverses were made across the stratigraphic section by the writer during the course of the examination. A complete section is exposed on TEP No. 1 claim in a fresh road cut along the south side of Horsefly Lake. At this location approximately 425 meters of Unit 4 is exposed. A second traverse was made on Forks 3 and 4 along the MacKay River, however, large portions of the section were obscured by overburden. Despite the limited exposure, two outcrops of Unit 4 were observed. The Frasergold showing of Eureka Resources was also visited at this time. From the results of geological mapping by Bloodgood (1987), the rocks in the Frasergold drill area have been correlated to Unit 4 of the black phyllites.

#### **B. Mineralization**

Exploration and sampling by Amoco, Eureka and others has shown that gold mineralization is found within a knotted phyllite facies (Unit 4) of the Upper Triassic Black Phyllite. The knots consist of limonitic, fine grained carbonate (ankerite or siderite). Gold occurs within both the phyllite and the associated quartz "sweats". On the Frasergold property the mineralized phyllites contain no visible sulphide and are indistinguishable from unmineralized phyllite within the same general area. The lenses, pods and irregular veins of quartz "sweats" within the phyllite which are mineralized with anomalous values of gold are also indistinguishable from the unmineralized quartz (G.D. Belik, 1982).

On the Frasergold property, initial drilling of the phyllites in 1983 gave assays up to 0.477 oz/t gold over 1.5 meters and an average of 0.18 oz/t gold over 4.5 meters. Visible gold was identified in several intervals in the core.

*M*

By July, 1985 the result of continued drilling and trenching of the phyllite was the calculation by Eureka of a preliminary gold mineral inventory (G. Cross, Newsletter, July 15, 1985). "Based on various cut-off levels of gold, to depths of 150 - 180 meters, Eureka has calculated:

<u>Volume</u>	<u>Grade Gold</u>	<u>Cut-off Grade Gold</u>	<u>Width in Section</u>
15,000,000 tons	0.045 oz/t	0.015 oz/t	25-30 m
4,000,000 tons	0.10 oz/t	0.05 oz/t	3.7 m
2,000,000 tons	0.15 oz/t	0.09 oz/t	3.5 m"

Later drilling with a reverse circulation drill returned gold values nearly double those from the diamond drill core. Further evaluation of the role of large diameter drilling was noted by Eureka in 1987, when it was reported that the larger volume samples from reverse circulation and HQ size core yielded significantly higher grades. "Grades up to 0.5 oz/t gold over 2 to 3 meters width can now be expected where previous drilling indicated grades in the order of 0.2 to 0.3 oz/ton gold. Alternatively, wider zones of 30 meter widths with grades in the range of 0.06 to 0.10 oz/ton gold may be outlined for open pit potential." (G. Cross, Newsletter, February 5, 1987). Work by Eureka and others has clearly indicated the presence of bedrock mineralization over a length of 4 kilometers. The gold enriched horizon is believed to extend along a strike length of 10 kilometers within the Frasersgold property (Figure 9). (G. Cross, Newsletter, February 5, 1987). Geochemical soil sampling has shown a continuous gold anomaly up to the border of the Armada property.

### C. Sampling (Figures 12, 13, 14, 15)

A program of grid preparation, reconnaissance geological mapping and geochemical sampling was conducted by Armada during the 1987 field season. 29.5 kilometers of line were cut on two grids and totals of 935 soils and 33 stream sediments and numerous rock samples were collected for analysis. Results of this work confirmed the northwestward extension of the favourable knotted phyllite (Unit 4) through the property and indicated numerous spotty areas of anomalous soil gold values on Forks 4 (Figure 13). Analytical results contained maximum values to 1,100 ppb Au in soils and 2,820 ppb Au in stream sediments. Compilation of this data is shown on Figures 13-15. The calculated statistical treatment of the soil results were of

ACR

little use in defining practical anomalous values when dealing with particulate gold. Calculated values (ppb) for soils (N=935) returned a mean of 14.079, a standard deviation of 63.336 and an anomalous value (mean plus 2 standard deviations) of 140.751. In examining the soil geochemical map (Figure 13) for the Forks 4 area it is obvious that the background value for the grid area is between 1 and 10 ppb and any value over 50 ppb gold is very anomalous. The level of 50 ppb gold for a "definitely anomalous" category is the same as that used by Valhalla Minerals Inc. (Dawson, 1984) The "definitely anomalous" category used by Ripple Resources Ltd. was 31 ppb gold (Belik, 1983).

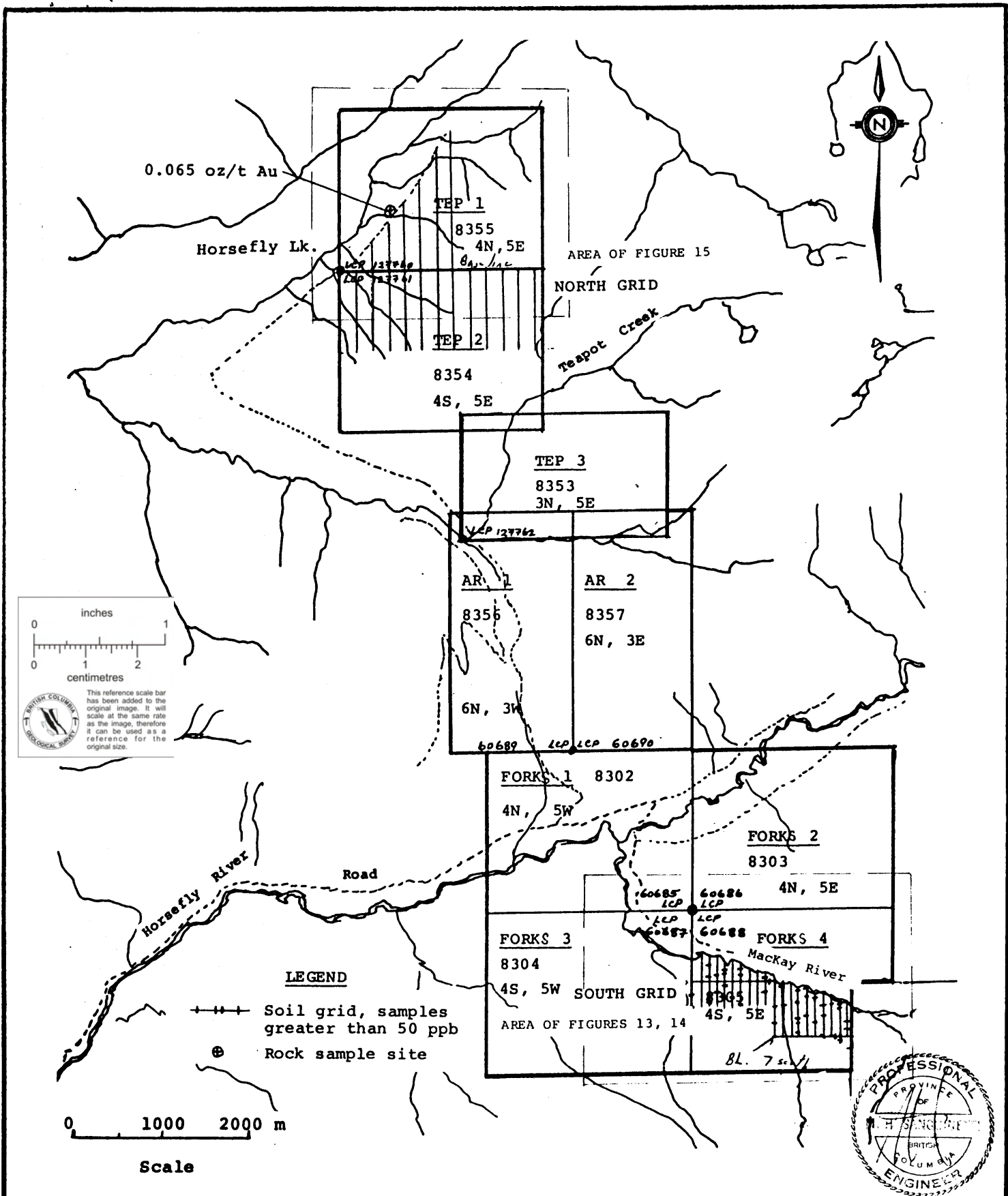
The first silt samples collected by Howard were sieved to -20 mesh and the resultant fraction pulverized prior to analysis. This method was adapted because of the presence of free gold coarser than -80 mesh, however, later check sampling using the -80 mesh fraction showed that this resulted in considerable dilution. Only samples 6, 7 and 8 (Figure 14) were check sampled as shown on the following table.

**A Comparison Between Stream Silt Samples Analyzed  
for Gold Using -80 mesh and Pulverized -20 mesh Material**

<u>Sample No.</u>	<u>-20 mesh (pulverized)</u>	<u>-80 mesh (sieved only)</u>
6	23ppb	2470ppb
7	1	98
8	102	2820

Analytical results from the northern grid (Tep 1) showed no sediment or soil anomalies; this may be due in part to thick overburden cover in this area of the property (Figure 15). The result from a grab sample collected by Mr. D.A. Howard, P.Eng. of Unit 4 phyllite, where it is exposed along the road by Horsefly Lake on TEP No. 1, returned a value of 0.065 oz/t gold. This sample was taken over a 25 cm width from a partially exposed boudinaged quartz vein.

Sampling by the writer during the course of the examination consisted of 5 stream sediment samples, 4 rock samples and 9 soil samples. No anomalous rock results were obtained; 4 soil samples were over 20 ppb of which 1 was anomalous (over 50 ppb).



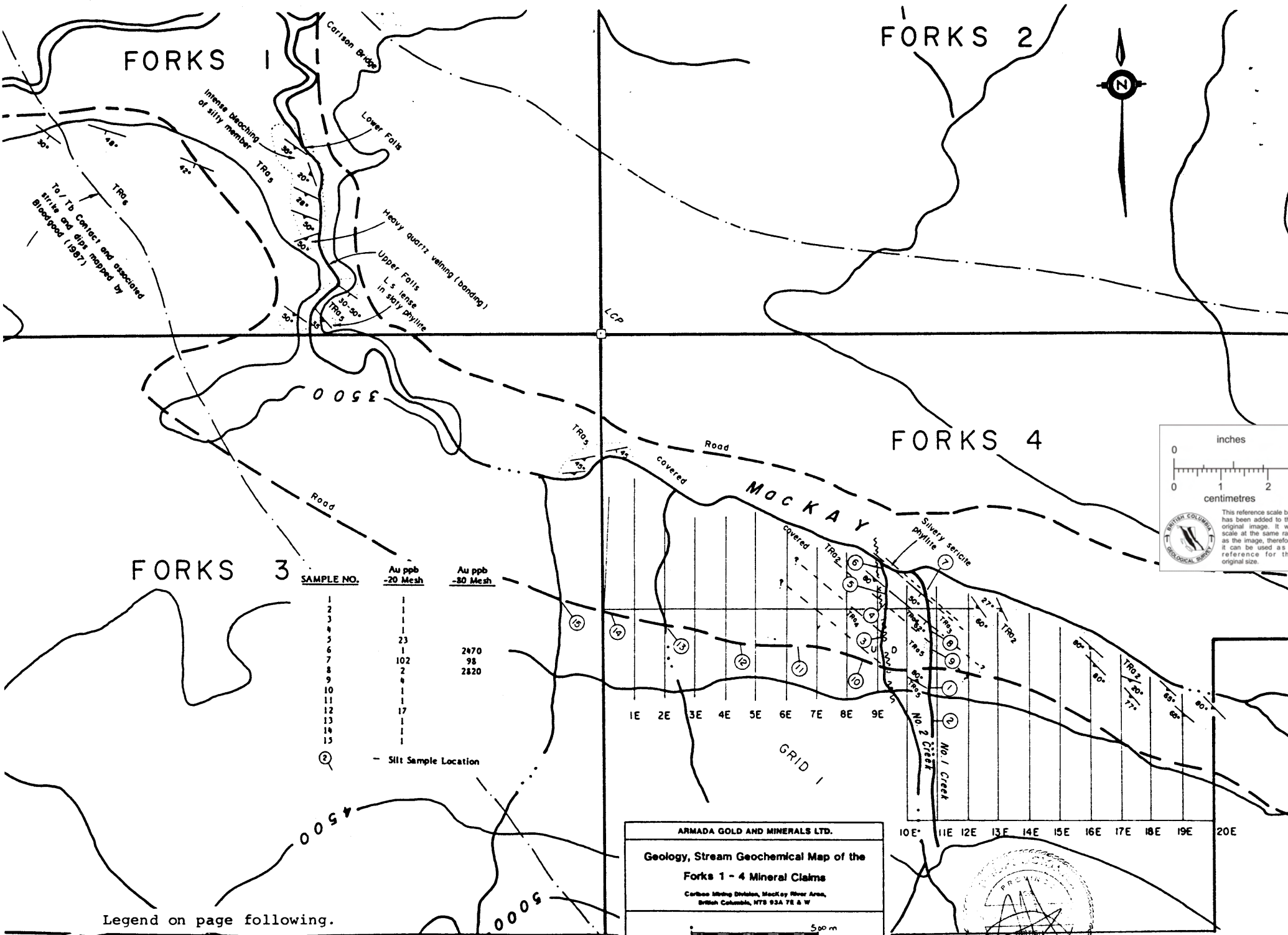
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GRID LOCATIONS and SAMPLE SITES - 1987

FIGURE 12







inches 1  
0 1 2

centimetres 0 1 2

BRITISH COLUMBIA  
GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

ARMADA GOLD AND MINERALS LTD.

**Geology, Stream Geochemical Map of the Forks 1 - 4 Mineral Claims**

Cariboo Mining Division, Mockay River Area,  
British Columbia, NTS 93A 7E & W

500 m

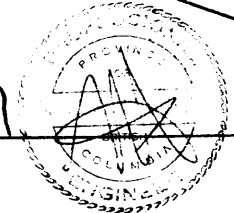
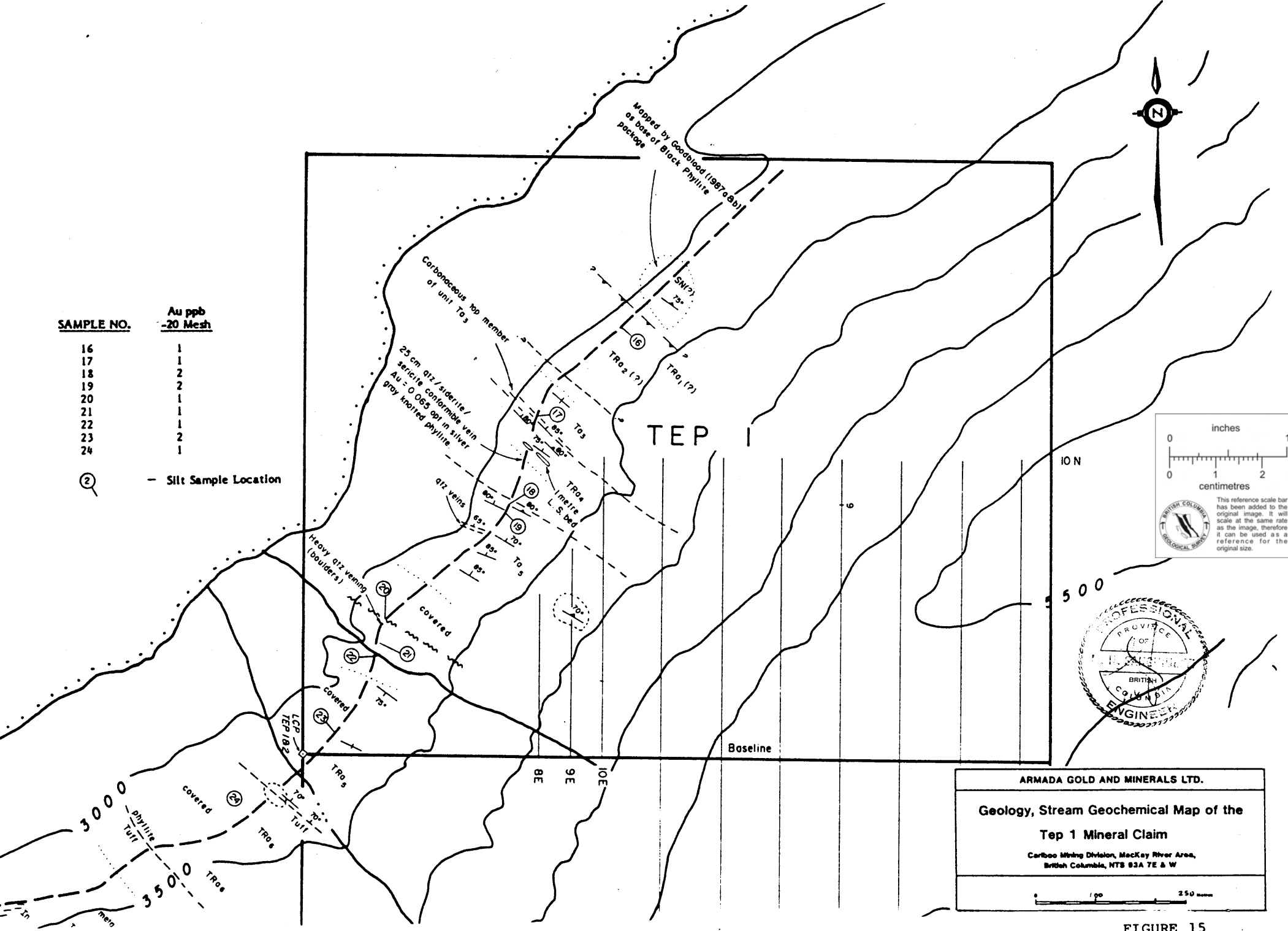


FIGURE 14

SAMPLE NO.	Au ppb -20 Mesh
16	1
17	1
18	2
19	2
20	1
21	1
22	1
23	2
24	1

② — Silt Sample Location



Legend on page following.

FIGURE 15

## In. (Intrusive rocks, age unknown)

Dark gray to greenish gray, fine grained, inequigranular hornblende/augite, locally porphyritic diorite. Commonly contains disseminated medium grained pyrrhotite.

## MIDDLE - LATE TRIASSIC

## Queemel River Group

## TRb (Tuff, Meta-siltstone, Slates)

Gray to pale green very fine grained siliceous tuffs interbedded with dull dark gray very fine grained siliceous blocky meta-siltstone and/or slates.

## TRa (Black Phyllites)

TRa<sub>6</sub> Medium gray to black, very fine grained, siliceous, blocky, poorly foliated, rusty weathering phyllite. Horsetly Lake section mainly gray to pale green very fine grained siliceous tuffs.

TRa<sub>5</sub> Medium to dark gray to blue black, siliceous, very fine grained, locally very graphitic and/or pyritic, locally very well laminated (alternating light narrow (1-2 mm) silty beds and dark phyllite), locally very tightly foliated phyllite with locally interbedded gray micaceous siltstone.

TRa<sub>4</sub> Medium gray to silver gray, high sheen, very fine grained, well laminated, tightly folded and foliated, locally pyritic, siliceous, porphyroblastic knotted phyllite. Abundant quartz veining (boudins) locally. Contains a few narrow (1 metre) well bedded, very fine grained, tightly folded, gray limestone beds near the base to middle part of the unit.

TRa<sub>3</sub> Medium gray, dull, very fine grained, locally laminated, moderately foliated, carbonaceous, calcareous phyllite. Locally siliceous and very micaceous in upper part of section. Top of unit defined by a black, very carbonaceous, calcareous low sheen phyllite. Bedding defined by alignment of pyrite blebs and/or thin silty layers. Top portion of unit locally very pyritic.

TRa<sub>2</sub> Dark gray to silver gray, moderate to high sheen, very fine grained, siliceous, locally pyritic, locally poorly laminated, well developed cleavage (foliation), locally graphitic phyllite. Bedding difficult to define.

TRa<sub>1</sub> Light tan to rust colour weathering, fine to medium grained, banded, locally folded muscovite - quartz schist or micaceous quartzite. Banding defined by varying muscovite content in the various bands.

## MISSISSIPPIAN - EARLY PERMIAN (?)

## Pca (Crooked Amphibolite)

Pale green to gray green, very fine to fine grained, banded, tightly folded biotite-chlorite-quartz schist. Banding consists of 2 mm to 10 mm quartzite or quartz/ carbonate bands alternating with variable width schist layers.

## HADRYNIAN AND YOUNGER

## SN (?) (Snowshoe Group)

Light gray to tan, fine to coarse grained, well foliated, quartz-muscovite (biotite) schist containing flattened garnets.

## SYMBOLS

- - Contact (Observed, Inferred)
- ~~~~~ - Fault
- |--- - Thrust Fault
- |--- - Bedding
- |--- - Foliation
- ⊙ - Silt Sample Location

Because of the extensive overburden cover and its variable thickness and composition, the results of geochemical soil sampling should be subjected to close scrutiny. The effectiveness of this method in areas of deep overburden is limited.

### EXPLORATION POTENTIAL

The property is located along the northwest on-strike extension of the Upper Triassic Unit 4 black phyllite which hosts stratabound gold mineralization on the adjoining Eureka Resources, Inc. claims. Exploration work by Eureka Resources has traced the gold bearing horizon to the limit of the Armada property. Geological mapping and sampling by Armada and mapping by the B.C. Department of Mines has confirmed that this same stratigraphy underlies the claims and outcrops on a road cut on the south side of Horsefly Lake on claim TEP No. 1. A grab sample of Unit 4 phyllite taken this year from a freshly exposed outcrop returned an assay of 0.065 oz/t gold. This sample, plus gold soil anomalies along the trace of Unit 4 on Forks 4, indicate the projected continuity of gold mineralization through the Armada property.

Exploration on the adjoining Eureka Resources, Inc. property between 1983 and 1987 has demonstrated the presence of bedrock gold mineralization of potentially economic widths over a strike length of 4 kilometers. In 1985 the results of their larger diameter drill program were reported. ". . . Underground work is expected to indicate 2,000,000 to 4,000,000 tons grading 0.20 to 0.30 oz/ton gold over a three to four meter width. Open pit reserve expectations have been revised to a potential of 15 to 20 million tons grading 0.07 to 0.08 oz/ton gold over 25 to 30 meter widths." (G. Cross, Newsletter, November 27, 1986).

An excellent potential exists to locate significant stratabound gold mineralization on the 171 claim unit property of Armada Gold and Minerals Ltd. within the underlying favourable stratigraphy. Further exploration is warranted to locate and develop a stratabound gold reserve similar to that presently being explored on the adjoining property of Eureka Resources, Inc.

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## RECOMMENDATIONS

A two stage, success-contingent program is recommended to explore the Armada Gold and Minerals Ltd. property for stratabound gold mineralization. This program should evaluate the extension of the favourable Unit 4 phyllite with a view to locating concentrations of gold mineralization similar to what is presently being explored on the adjoining Eureka Resources property.

The first phase of the program recommended is to consist of geological mapping, prospecting, geochemical orientation and sampling and backhoe trenching. Because of locally thick overburden cover, the use of soil geochemistry may be restricted; for this reason wide-spaced reconnaissance lines rather than close-spaced lines should be run over the area of the projected Unit 4 horizon. Consideration should be given to collecting soil profiles at site of known anomalies prior to conducting extensive soil sampling.

Localized follow-up sampling should be conducted in areas of the existing anomalies on the Forks 4 claim to more closely define trenching targets. Anomalous reconnaissance soil sites should be defined by closer-spaced soil sampling to be followed by backhoe trenching and rock sampling.

The second phase of the recommended program would be contingent upon the success in Phase I in locating a target which would warrant further exploration. This phase would consist of further backhoe trenching and reverse circulation or diamond drilling.

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## Phase I

- A. Orthophoto Base Map preparation at a scale of 1:5000 or better.
- B. Grid preparation: The existing grids should be extended to cover the entire property on a wide reconnaissance spacing. Allow 50 kilometers.
- C. Geochemical Surveys: The entire grid should be soil sampled and areas of excessive overburden depth noted. Anomalous sites should be defined prior to trenching by closer-spaced sampling. Sediment samples should be collected from all drainages. Chip samples should be collected from all outcrops, with emphasis on freshly exposed outcrops along road cuts.
- D. Geological Mapping: Reconnaissance mapping should be conducted using the orthophoto base and the grid lines for control.
- E. Prospecting: The entire property should be prospected with special attention paid to geochemically anomalous areas.
- F. Follow-up: Anomalies located on Forks 4 claim during the initial exploration stage should be further defined by closer-spaced sampling prior to backhoe trenching and rock sampling.
- G. Backhoe Trenching: Areas of geochemically anomalous sites should be trenched and the bedrock channel sampled.

## Phase II

Contingent upon the success of Phase I in locating areas of anomalous gold mineralization, a program of follow-up trenching, sampling and drilling is recommended.

Respectfully submitted,  
**Sanguinetti Engineering Ltd.**



A handwritten signature in cursive script, appearing to read "M.H. Sanguinetti".

March 25, 1988  
Vancouver, B.C.

Per: M.H. Sanguinetti, P. Eng.

**ESTIMATED COST OF RECOMMENDED EXPLORATION PROGRAM**

**Phase I**

**Program:** Orthophoto Map preparation  
Grid preparation (50 kilometers)  
Geochemical sampling (2,500 samples)  
Prospecting  
Geological mapping  
Backhoe trenching (Cat 225 or equivalent)

**Estimated Field Duration:** allow 2½ months

**Estimated Cost:**

Grid preparation, 50 km @ \$500/km	\$ 25,000
Orthophoto Map preparation	7,000
Geochemical sampling	4,000
Assays: 200 for Au, Ag @ \$15.00	3,000
Analyses: 2,500 for Au @ \$5.00	12,500
Professional services, consulting, supervision 25 days @ \$400/day	10,000
Geological mapping	6,000
Prospecting	5,000
Travel, food	5,000
Field supplies	2,000
Backhoe trenching, 100 hrs at \$150/hr	15,000
Data compilation and report	4,000
Miscellaneous expenses	<u>1,500</u>

**Total Phase I** \$ 100,000

**Phase II**

Contingent upon the success of Phase I in locating areas of anomalous gold mineralization, the following program is recommended:

**Program:** Backhoe trenching (Cat 225 or equivalent)  
Diamond drilling (allow 1,000 m NQ)

**Estimated Field Duration:** allow 2 months

**Estimated Costs:**

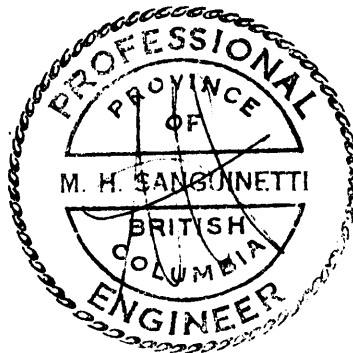
Assays: 500 @ \$15.00	\$ 7,500
Analyses: 1000 for Au @ \$5.00	5,000
Professional services, consulting, supervision 25 days @ \$400/day	10,000

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APPENDIX "A"ii

Backhoe trenching, 100 hrs at \$150/hr	\$ 15,000
Geological mapping, logging	7,000
Travel, food	5,000
Field supplies	3,500
Diamond drilling (allow 1,000 m NQ)	
1,000 m at \$90/m including mob and demob, camp and consumables	90,000
Data compilation and report	4,000
Miscellaneous expenses	<u>3,000</u>
<b>Total Phase II</b>	<b><u>\$ 150,000</u></b>

**TOTAL PHASES I AND II** \$ 250,000





**SANGUINETTI ENGINEERING LTD.**

422 - 470 GRANVILLE STREET  
VANCOUVER, B.C. V6C 1V5  
TELEPHONE: (604) 662-3161

WRITER'S CERTIFICATE

I, Michael H. Sanguinetti of Vancouver, British Columbia hereby certify that:

1. I am a geologist residing at 2208 West 35th Avenue, and employed by Sanguinetti Engineering Ltd. of #422 - 470 Granville Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia, B.Sc., in 1965, and have practiced my profession since that time.
3. I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. I am the author of this report which is based on a study of private and public reports and on a personal examination of the Forks, TEP and AR claim groups on October 13, and 14, 1987 in the company of Mr. D.A. Howard, P.Eng.
5. I own no direct or indirect interest in the above property, or in the shares or securities of Armada Gold and Minerals Ltd. nor do I expect to receive any such interest.
6. I hereby consent to the publication of this report in a Prospectus or a Statement of Material Facts.



March 25, 1988  
Vancouver, B.C.

SANGUINETTI ENGINEERING LTD.

A handwritten signature in black ink, appearing to read "Michael H. Sanguinetti".

Michael H. Sanguinetti, B.Sc., P. Eng.  
Geologist

APPENDIX "C"

ASSAYS AND ANALYICAL

*W*

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEC. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.  
 THIS LEACH IS PARTIAL FOR MN FE CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.  
 - SAMPLE TYPE: P1-SOIL/SS P2-ROCK AU ANALYSIS BY AA FROM 10 GRAM SAMPLE.

DATE RECEIVED: OCT 19 1987

DATE REPORT MAILED: *Nov 2/87*

ASSAYER: *D. Jeps.* DEAN TOYE, CERTIFIED B.C. ASSAYER

SANGUINETTI ENGINEERING PROJECT-ARMADA File # 87-5039 Page 1

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM	NI PPM	CO PPM	MN PPM	FE I	AS PPM	U PPM	AU PPM	TH PPM	SR PPM	CD PPM	SB PPM	BI PPM	V PPM	CA I	P I	LA PPM	CR PPM	MG I	BA PPM	TI I	B PPM	AL I	NA I	K I	W PPM	AU# PPB
FORK L5+00E 3+00N	4	62	6	76	.4	33	14	393	3.12	5	5	ND	4	29	1	2	2	34	.36	.051	10	44	.59	38	.06	6	.86	.01	.06	1	2
FORK L5+00E 2+75N	10	84	24	191	.7	63	19	813	5.70	2	5	ND	6	19	1	2	2	27	.23	.107	24	41	.51	46	.04	7	1.06	.01	.04	1	24
FORK L5+00E 2+50N	9	108	19	215	1.2	83	23	587	5.16	3	5	ND	9	23	2	2	2	27	.28	.087	45	43	.60	69	.04	7	1.57	.01	.04	1	11
FORK L5+00E 2+25N	5	42	15	97	.6	32	9	279	5.40	7	5	ND	3	20	1	2	2	39	.15	.127	16	43	.42	50	.04	7	1.14	.01	.05	1	4
FORK L5+00E 2+00N	8	65	24	191	1.2	51	16	644	8.12	9	5	ND	2	13	1	2	3	37	.10	.108	16	49	.38	51	.03	5	1.73	.01	.04	1	7
FORK L5+00E 1+75N	11	40	17	219	2.1	52	14	399	6.74	4	5	ND	5	17	1	3	2	42	.10	.155	16	59	.48	145	.10	7	2.36	.01	.05	1	2
FORK L12+00E 5+25S	4	65	16	142	.8	35	12	456	3.88	7	5	ND	3	42	1	2	2	44	.66	.068	11	60	.50	108	.06	6	1.66	.02	.08	1	23
FORK L12+00E 5+50S	5	72	9	151	1.2	80	21	748	4.78	7	5	ND	3	66	2	2	2	60	.89	.096	10	159	1.07	77	.07	2	1.91	.02	.08	1	32
FORK L12+00E 5+75S	6	134	21	296	3.5	110	25	1558	5.48	5	5	ND	3	82	4	2	2	61	1.00	.101	27	177	1.01	167	.05	7	2.64	.02	.16	1	57
FORK 6B P	4	30	4	82	.2	35	10	538	3.07	5	5	ND	4	24	1	2	2	36	.23	.035	10	43	.50	53	.04	9	.72	.02	.05	1	5
FORK 7B P	6	44	11	120	.4	46	12	589	3.10	5	5	ND	3	23	1	2	2	30	.26	.045	9	55	.52	66	.03	6	.73	.01	.06	1	3
FORK 8A P	7	48	10	134	.4	49	12	483	3.17	6	5	ND	4	22	1	2	2	30	.23	.045	9	46	.51	55	.03	5	.74	.01	.05	1	3
FORK 9A P	7	59	7	164	.6	57	14	665	3.37	4	5	ND	4	23	1	2	2	25	.25	.057	10	42	.53	65	.03	8	.80	.01	.06	1	1
FORK 10S-B P	6	48	8	132	.4	49	12	568	3.17	5	5	ND	4	27	1	2	2	28	.27	.052	10	55	.60	63	.04	4	.85	.01	.06	1	1
STD C/AU-S	18	59	42	133	7.2	69	28	1030	4.18	39	17	7	38	51	17	18	18	56	.47	.086	38	60	.88	182	.06	35	1.87	.06	.13	11	50

SANGUINETTI ENGINEERING PROJECT-ARMADA FILE # 87-5039

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM	NI PPM	CO PPM	MN PPM	FE I	AS PPM	U PPM	AU PPM	TH PPM	SR PPM	CD PPM	SB PPM	BI PPM	V PPM	CA I	P I	LA PPM	CR PPM	MG I	BA PPM	TI I	B PPM	AL I	NA I	K I	W PPM	AU# PPB
63221	1	33	6	70	.1	25	10	340	3.03	2	5	ND	12	24	1	2	2	8	.48	.049	33	17	.59	60	.01	6	1.22	.04	.10	1	1
63222	3	72	8	127	.5	45	9	430	3.08	2	5	ND	3	10	1	2	2	6	.10	.036	9	13	.40	110	.01	3	.60	.01	.12	1	3
63223	1	19	10	16	.3	10	1	430	.66	2	5	ND	1	15	1	2	2	1	.34	.007	2	2	.14	17	.01	2	.04	.01	.02	1	5
63224	22	185	22	244	.9	86	20	1051	5.94	105	5	ND	5	98	2	9	2	19	1.73	.105	3	21	.94	48	.01	4	.80	.01	.15	1	34

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- No. 66, August 28, 1984
- No. 179, September 17, 1984
- No. 219, November 14, 1984
- No. 69, April 10, 1985
- No. 135, July 15, 1985
- No. 165, August 27, 1986
- No. 25, February 5, 1987

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CERTIFICATE OF THE COMPANY


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

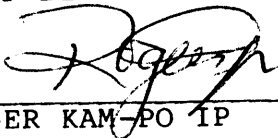
**ARMADA GOLD AND MINERALS LTD.**

  
AUGUSTINE FANG LOO  
Chief Executive Officer



  
DONALD RATHBORNE  
Chief Financial Officer



**ON BEHALF OF THE BOARD OF DIRECTORS**

  
VICTOR FREDERIC ERICKSON

  
ROGER KAM-PO IP

**ON BEHALF OF THE PROMOTERS**

  
AUGUSTINE FANG LOO  
  
VICTOR FREDERIC ERICKSON

  
DONALD RATHBORNE  
  
ROGER KAM-PO IP

DATED at Vancouver, British Columbia, the 19th day of May, 1988.

CERTIFICATE OF THE AGENT

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 Prospectus as required by the British Columbia Securities Act and its regulations.

**YORKTON SECURITIES INC.**

Per: 

DATED at Vancouver, British Columbia, the 19th day of May, 1988.