SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

93L 2 015394
#376

STATEMENT OF MATERIAL FACTS (# 55/86)

EFFECTIVE DATE October 29th, 1986

The Issuer is, under the Rules of the Exchange, a "Non-Development Company")

HOUSTON METALS CORPORATION - 910 - 800 West Pender Street, Vancouver, British Columbia V6C 2V6 (604) 684-5126
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

1230 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6
ADDRESS OF REGISTERED AND RECORDS OFFICE OF THE ISSUER

GUARANTY TRUST COMPANY OF CANADA - 800 West Pender Street, Vancouver, British Columbia V6C 2V7
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 600,000 Common Shares without nominal or par value underwritten by the Underwriters and 300,000 Common Shares without nominal or par value which may be purchased by the Underwriters pursuant to the exercise of their option for a period of 180 days from the Effective Date.

	Estimated Price to the Public	Estimated Underwriters' Discount	Minimum Proceeds to the Issuer
Per Share	$ 0.90	$ 0.15	$ 0.75
Total	540,000.00	90,000.00	450,000.00

The shares purchased by the Underwriters will be offered for sale through the facilities of the Vancouver Stock Exchange at the prevailing market price.

UNDERWRITERS:

BRINK, HUDSON & LEFEVER LTD.
666 Burrard Street
Vancouver, B.C.

CANARIM INVESTMENT CORORATION LTD.
P.O. Box 10337
2200 - 609 Granville Street
Vancouver, B.C. V7Y 1H2

CONTINENTAL CARLISLE DOUGLAS
10th Floor - Four Bentall
Vancouver, B.C. V7Y 1G1

MERIT INVESTMENT CORPORATION
1500 - 625 Howe Street
Vancouver, B.C.

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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.

REPORT ON THE

O W E N L A K E P R O P E R T Y

OMINECA MINING DIVISION, BRITISH COLUMBIA

- FOR -

BULKLEY SILVER RESOURCES INC.

1230-800 WEST PENDER STREET

VANCOUVER, B.C. V6C 2V6

by W.W. Cummings

June 24, 1986

WPS BS 1.13

SCHEDULE 1

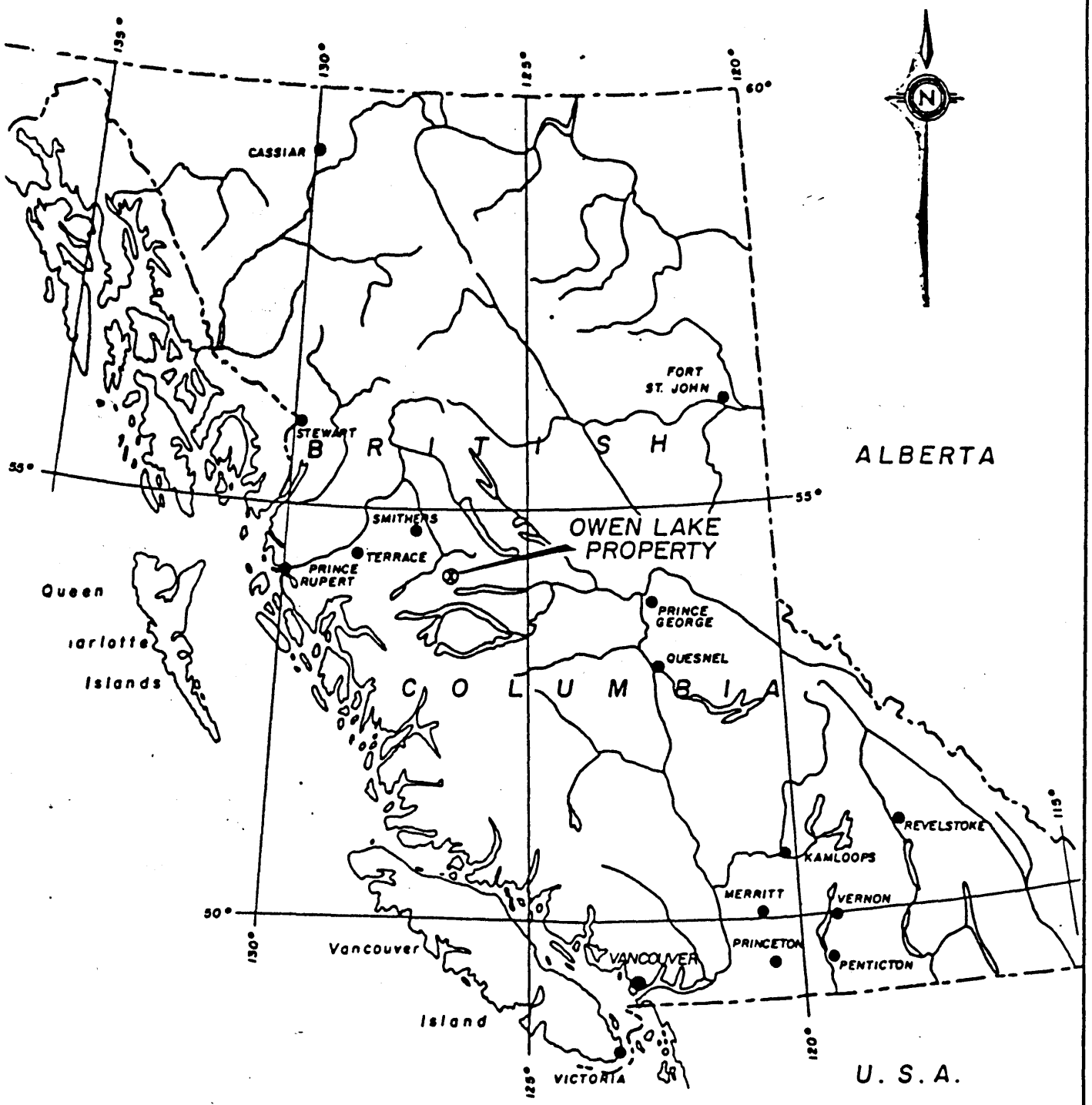
BULKLEY SILVER RESOURCES INC.

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENDITURES

FOR THE YEAR ENDED 30 JUNE

	1986	1985
Exploration		
Omineca Mining Division		
Surveying and exploration	$ 51,326	$ 51,905
Consulting fees	12,050	22,220
Equipment rental	6,166	2,591
Field supplies and office	11,256	3,269
Sundry	1,700	862
Insurance		70
	82,498	80,917
Balance deferred, beginning of year	371,991	291,074
Balance deferred, end of year	454,489	371,991
Greenwood Mining Division		
Consulting fees and miscellaneous		170
Option payment	5,000	
Balance deferred, beginning of year	2,448	2,278
Balance deferred, end of year	7,448	2,448
Balance deferred, end of year	$461,937	$374,439
Administration		
Legal	$ 3,500	$ 140
Management fees (note 4)	24,000	24,000
Accounting and audit	10,674	(5,160)
Miscellaneous	5,240	4,220
	43,414	23,200
Balance deferred, beginning of year	130,313	107,113
Balance deferred, end of year	$173,727	$130,313
Total deferred expenditures	$635,664	$504,752

(See accompanying notes)



BULKLEY SILVER RESOURCES LTD.	
LOCATION MAP	
OWEN LAKE PROPERTY	
OMINECA MINING DIVISION BRITISH COLUMBIA	
Technical Work by : Dawson Geol. Cons. Ltd.	Date : July, 1985.
Scale : 1cm. = 87 km.	Dwg No. 368-1

inches
0 1
0 1 2
centimetres

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.

To accompany a report by W. W. Cummings - June/86

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INTRODUCTION

Gallium and Germanium were found in samples from the Owen Lake property of Bulkley Silver Resources Inc. and New Nadina Exploration Ltd. in the winter of 1985-86. Following this, a sampling program was planned to determine the distribution of these new elements, and their relation to known mineralization. A mineralogical study was also done. The writer was asked by Mr. George Stewart to take charge of the program and write a summary report.

The Owen Lake property includes the Silver Queen Mine, which produced as the Bradina Joint Venture in 1972-1973, numerous undeveloped veins found before and since and the Cole Lake system which has only recently been included in the combined property. With the discovery of Gallium-Germanium and the increased interest in the precious metal content of the known ore bodies, it seemed likely that a major program was warranted. The sampling program report was therefore expanded to produce recommendations on an exploration-development program which could lead to a production decision.

SUMMARY AND CONCLUSIONS

After discovery of Gallium and Germanium in samples from the Owen Lake property, Bulkley Silver Resources Inc. decided on a sampling program to check the value and distribution of these new metals. Due to the added potential, the writer was asked to supervise the sampling program, and recommend a major program to follow up.

The property includes the Silver Queen mine of New Nadina Exploration Ltd., the Cole Lake property with similar veins, and many known but undeveloped ore occurrences. The Silver Queen mine produced as Bradina Joint Venture in 1972-1973, but only from one long vein - No. 3 Vein, and most of the ore remains. The precious metal potential has increased, both in value and in exploration at depth. The metallurgy problems which were part of the reason for the failure of the Bradina operation are now capable of solution. Accordingly, it seems likely that with a further exploration program aimed at the potential for precious metals and Gallium-Germanium, enough probable ore can be outlined to justify a feasibility study.

Programs for individual areas, veins or ore zones have been proposed and assigned priorities. An initial program has been recommended, followed by appraisal and further stages if warranted by results of the first stage.

LOCATION AND ACCESS

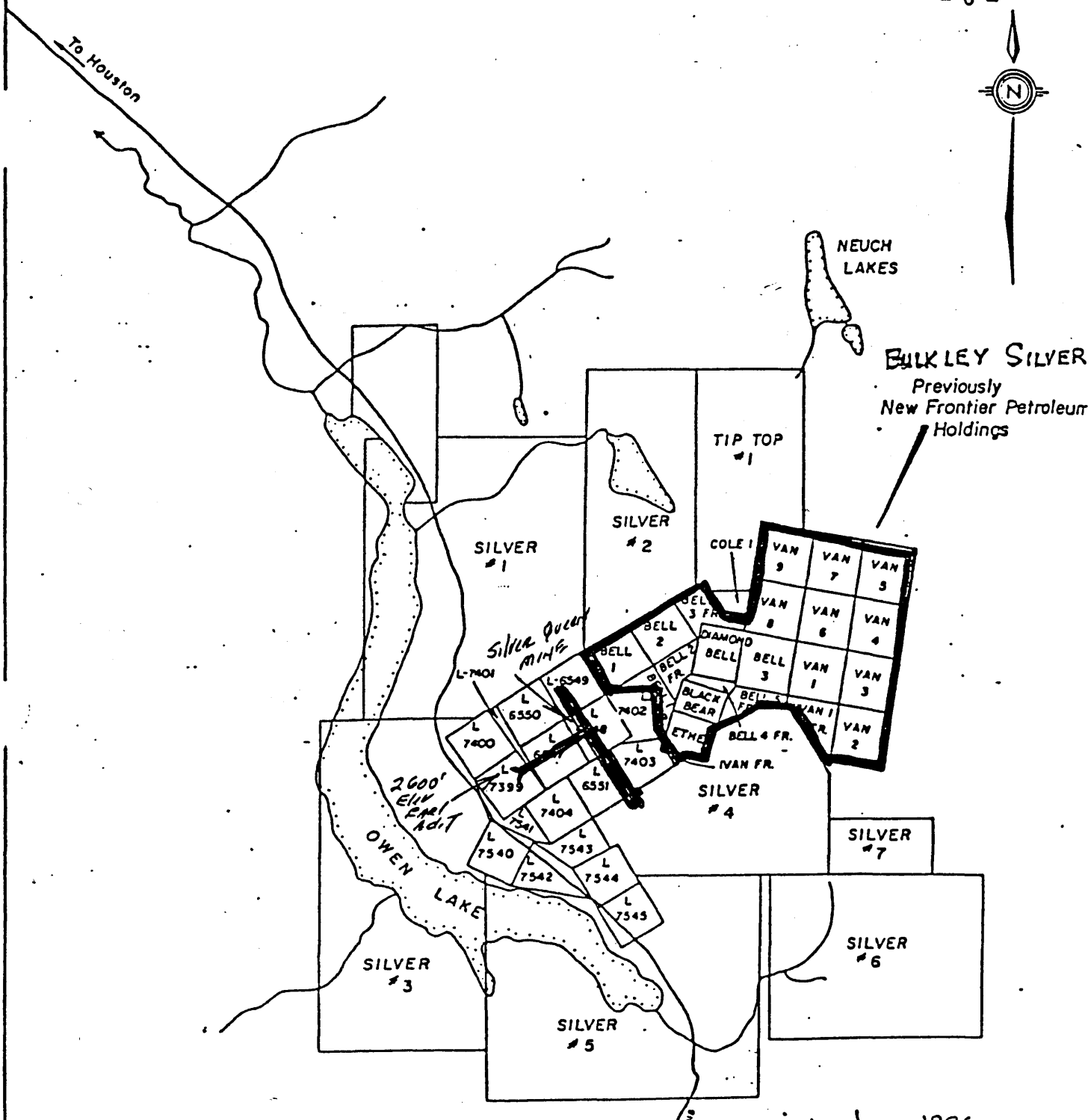
The property is located about 46 kilometers southwest of Houston, B.C., and about 18 kilometers west of the Equity Mine. It is reached by driving west on Highway 16 from Houston, about 3 kilometers to the Morice River road. At Km 27, the Morice River road branches with the west branch following the Morice River and the east branch following Owen Creek to Owen Lake and on to Francois Lake. The Owen Lake property - including the Silver Queen Mine of New Nadina Exploration Ltd., and the Cole Lake property of Bulkley Silver Resources Inc., is at Km 43.

From Highway 16, the road is a good gravel road, travelled mainly by logging trucks, ranchers, and fishermen.

OWEN LAKE, B.C.
CLAIMS LIST - JUNE 24, 1986

claim name	R. NBR.	units	TYPE	NEW EXPIRY	OWNER
ASTA FRACTION	Lot #7543	1	CG	Taxes Paid	PLACER DEVELOP
BELL #1	24929	1	L	06/15/88	BULKLEY SILVER
BELL #1 FR.	24932	1	L	06/15/88	BULKLEY SILVER
BELL #2	24930	1	L	06/15/88	BULKLEY SILVER
BELL #2 FR.	24933	1	L	06/15/88	BULKLEY SILVER
BELL #3	24931	1	L	06/15/88	BULKLEY SILVER
BELL #3 FR.	24934	1	L	06/15/88	BULKLEY SILVER
BELL #4 FR.	24935	1	L	06/15/88	BULKLEY SILVER
BELL #5 FR.	24936	1	L	06/15/88	BULKLEY SILVER
BLACK BEAR	1685	1	L	07/02/88	BULKLEY SILVER
COLE #1	636	2	L	07/08/89	NEW NADINA EXP
DIAMOND BELLE	1684	1	L	07/02/88	BULKLEY SILVER
EARL NO 1	Lot #7399	1	CG	Taxes Paid	CANEX
EARL NO 1 FR	Lot #7401	1	CG	Taxes Paid	CANEX
EARL NO. 2	Lot #7400	1	CG	Taxes Paid	PLACER DEVELOP
EARL NO. 3	Lot #7402	1	CG	Taxes Paid	PLACER DEVELOP
ETHEL	7363	1	L	07/04/88	BULKLEY SILVER
I X L	Lot #6551	1	CG	Taxes Paid	PLACER DEVELOP
I X L NO. 3	Lot #7403	1	CG	Taxes Paid	PLACER DEVELOP
IVAN FR	40867	1	L	06/20/88	BULKLEY SILVER
LILY FRACTION	Lot #7541	1	CG	Taxes Paid	PLACER DEVELOP
LUCY	Lot #7404	1	CG	Taxes Paid	PLACER DEVELOP
MAE	Lot #7545	1	CG	Taxes Paid	PLACER DEVELOP
MAE NO. 1	Lot #7544	1	CG	Taxes Paid	PLACER DEVELOP
MARY	Lot #7540	1	CG	Taxes Paid	PLACER DEVELOP
MARY FRACTION	Lot #7542	1	CG	Taxes Paid	PLACER DEVELOP
SILVER #2	637	10	L	07/08/89	NEW NADINA EXP
SILVER #3	106	18	L	08/25/90	NEW NADINA EXP
SILVER #4	107	12	L	08/26/89	NEW NADINA EXP
SILVER 1	104	20	L	08/25/90	NEW NADINA EXP
SILVER 5 M.C.	108	20	L	08/26/90	NEW NADINA EXP
SILVER 6	101	12	L	09/02/89	NEW NADINA EXP
SILVER 7	102	2	L	09/02/89	NEW NADINA EXP
SILVER KING	Lot #6547	1	CG	Taxes Paid	CANEX
SILVER QUEEN	Lot #6549	1	CG	Taxes Paid	PLACER DEVELOP
SILVER TIP	Lot #6550	1	CG	Taxes Paid	PLACER DEVELOP
TIP TOP #1	635	8	L	07/08/89	NEW NADINA EXP
TYEE	Lot #6548	1	CG	Taxes paid	CANEX
VAN #1 FR	35244	1	L	02/23/89	BULKLEY SILVER
VAN #1.	35245	1	L	02/23/89	BULKLEY SILVER
VAN #2	35246	1	L	02/23/89	BULKLEY SILVER
VAN #3	35247	1	L	02/23/89	BULKLEY SILVER
VAN #4	35248	1	L	02/23/89	BULKLEY SILVER
VAN #5	35249	1	L	02/23/89	BULKLEY SILVER
VAN #6	35250	1	L	02/23/89	BULKLEY SILVER
VAN #7	35251	1	L	02/23/89	BULKLEY SILVER
VAN #8	35252	1	L	02/23/89	BULKLEY SILVER
VAN #9	35253	1	L	02/23/89	BULKLEY SILVER
VAN 2 FR	37987	1	L	06/08/88	BULKLEY SILVER

GR Record count = 49



Remainder of property - New Nadina Exploration, including crown granted mineral claims held by agreement with Placer Development

Revised June 1986
To accompany a report by W. W. Cummings

Location of Silver Queen mine added - W.W.C. Sept. 24/86

BULKLEY SILVER RESOURCES LTD.

CLAIM MAP

OWEN LAKE PROPERTY

OMINECA MINING DIVISION, B.C.

Technical Work By: Dawson Geol. Cons. Ltd	Scale: 1:50,000
Drawn By. W G.	Date: July, 1985.
Approved By: J.M.D.	Fig No ~~360~~ 2

HISTORY

The history of the property was researched in detail by Dawson Geological Consultants Ltd. for a report for Bulkley Silver Resources Inc. in August 1985 and is quoted as follows:

"Mineralization was first discovered in Wrinch Creek canyon in 1912 and was staked as the Silver Queen group. Soon after, claims were staked over the Chisholm vein system and in 1915 a shipment of 38 tons of ore grading 31% lead and 6 oz. silver was made from two shallow shafts on these claims. The Cole vein system was also staked as the Diamond Belle group in 1915.

The Silver Queen group was optioned to Federal Mining and Smelting Co. in 1923. This company completed more than 500 feet of drifting from three adits in Wrinch Canyon before dropping their option in 1924.

In 1928 the Owen Lake Mining and Development Co. optioned the Silver Queen, Diamond Belle and Chisholm groups. This company carried out an extensive programme of exploration which included sinking the Cole shaft to a depth of 123 feet and driving a long cross-cut from the Earl Adit (see Figure 368-3) for approximately 3,000 feet. This drive cut the No. 2 and No. 3 veins at approximately 2,665 and 2,760 feet and was ultimately targeted to cut the Cole Vein at about 7,500 feet. About 1,020 feet of drifting was done on several new veins encountered during the driving of the long cross-cut, however the main drive was stopped at about 3,000 feet when development ceased in early 1930.

Canadian Exploration Ltd. acquired control of the crown granted claims covering the Wrinch and Chisholm Vein systems in 1941 and optioned the claims covering the Cole Vein system and nearby veins. The property was mapped and sampled and some underground rehabilitation performed. The ground covering the Cole veins was dropped in 1943. Canex worked on the crown grants in 1946 and 1947, rehabilitating all the old workings from the Earl Adit and carrying out extensive mapping and sampling.

In 1963 Nadina Explorations optioned the crown grants from Canex and in 1965 began retimbering the portals, as well as carrying out road construction and trenching.

In 1966 Nadina continued mine rehabilitation, drove 1,588 feet of drifts and raises and did extensive surface bulldozer trenching. In 1967 underground development was continued with 1,324 feet of drifting and 16 diamond drill holes totalling 1,559 feet.

Kennco Explorations Ltd. optioned the Nadina property in 1967 and carried out geological mapping, geochemical soil sampling and an induced polarization survey. They

HISTORY continued

completed 1,511 feet of diamond drilling in 5 holes and did extensive trenching and test pitting with the idea that a porphyry copper deposit might be present at depth. The option was dropped at the end of 1967.

The area east of the crown grants received very little attention until it was acquired by Frontier Exploration Ltd. around 1960. Minor trenching and diamond drilling was carried out on the Jack and Axel veins in the early 1960's. In 1967 Frontier did extensive trenching of the veins; stripped and sampled the Colé system and carried out some x-ray diamond drilling.

In 1968, Nadina Explorations continued working on the area of the crown grants. Geochemical soil sampling was extended; at least 30 trenches were cut and additional areas were stripped and sample cuts blasted. The underground workings were geologically mapped and 660 feet of diamond drilling was done in 22 holes.

In 1969 the B.C. Ministry of Energy, Mines and Petroleum Resources' geological staff mapped the entire property in detail as well as the area surrounding Owen Lake. Nadina Explorations completed airborne geophysical surveys on their property and drilled 31 surface core holes totalling 10,637 feet. In addition 20 underground diamond drill holes totalling 3,561 feet and 4,000 feet of drifting were completed.

In 1970, Northgate Explorations optioned both the Nadina and Frontier properties. This company completed 13,500 feet of surface core drilling in both shallow and deep drilling. Underground exploration included 1,500 feet of diamond drilling and approximately 4,200 feet of drifting and raising. Northgate dropped their option at the end of 1970.

In 1971 the Bradina Joint Venture was formed (Nadina Explorations, Bralorne Can-Fer Resources and Pacific Petroleum) for the purpose of taking the property (Nadina ground only) into production. A feasibility study was prepared by Dolmage Cambell and Associates, surface EM and IP surveys were carried out, 5,000 feet of surface diamond drilling was completed in five holes and approximately 800 feet of drifting and raising was completed. In addition eight areas were prepared for stoping and 15,000 tons of development muck was stockpiled.

In 1972, a 500 ton per day mill was completed and mining began on the No. 3 Vein and its extensions (see Figure 368-4). This operation was plagued with difficulties from its inception due to poor planning and bad management. Metallurgical problems resulted in poor metal recoveries and over design of the mill resulted in a 350-400 ton per day mine trying to feed a 600-700 ton per day mill. Operations ceased in September 1973 after milling 200,000 tons, of which 40% was low-grade, oxidized

HISTORY continued

development muck and waste. During 1972-73 the Joint Venture drilled 47 surface diamond drill holes totalling 12,323 feet and 68 underground holes totalling 8,110 feet.

Also during 1972, Frontier Explorations carried out a detailed programme of shoot-back EM on their property east of the Nadina crown grants (see Figure 368-2). Airtrack percussion drilling and about 1,500 feet of diamond drilling in five holes was completed on the George Lake Lineament Vein.

In 1974, the Bradina Joint Venture completed 528 feet of drifting to establish two footwall drill stations. Six underground diamond drill holes totalling 2,021 feet were drilled. Surface diamond drilling totalled 3,867 feet in 3 holes. The joint venture agreement was terminated late in 1974.

In 1977, the Nadina Explorations property was optioned by New Frontier Petroleum Ltd., the successor company to Frontier Explorations Ltd. A limited surface diamond drilling programme was completed. Four holes aggregating about 2,000 feet were wedged off previous deep drill holes. This option was dropped in 1978.

In 1980, Nadina was reorganized as New Nadina Explorations Ltd. and an extensive programme of backhoe trenching was performed. Two surface diamond drill holes totalling 1,014 feet were completed, some underground facilities were rehabilitated and new surface buildings constructed. New Frontier also carried out trenching on its property during 1980.

In 1981, New Nadina completed rehabilitation on the main level (2,600) in the Silver Queen Mine, did 472 feet of drifting to establish three underground drill stations, drilled 28 underground holes totalling 6,470 feet and 4 surface holes totalling 1,776 feet.

In 1982, New Frontier Petroleum Ltd. sold all of its mining interests, including the 22 located claims at Owen Lake (east of Nadina ground) to a new company, Bulkley Silver Resources Ltd. This company attempted to raise money to complete the Earl Adit drive easterly to cut the Cole Vein system at depth. Only 100 feet of this drive was completed when the programme was terminated for financial reasons.

In 1982, a detailed re-evaluation of the New Nadina property was completed by Campbell Resources Ltd. A Questor airborne EM survey was completed over a portion of the property immediately adjacent to Owen Lake and limited metallurgical testing was carried out.

In 1983-84, New Nadina carried out a surface diamond drilling programme totalling 5,997 feet in eleven holes. An additional four holes totalling about 1,500 feet were drilled in March 1984.

In 1985, Bulkley Silver optioned the New Nadina ground to put the entire camp under one management. A "max-min" EM Survey was conducted over the area of the Questor airborne anomaly (see Figure 368-3). Six diamond drill holes totalling 1,130 feet were drilled in this area in June, 1985."

In May 1986, a sampling program was carried out under the direction of W.W. Cummings. The purpose was to discover the distribution of Gallium-Germanium in the known mineralization on surface and underground and its relation to possible precious metal ore zones.

GEOLOGY AND MINERALIZATION

The property is underlain by a series of late Mesozoic to early Tertiary volcanic flows and pyroclastics, cut by a sill-like body of micro-diorite. Dykes cut the older rocks and are both pre and post-ore. The older volcanic rocks and the microdiorite sill are mainly exposed in the "Mine Hill" area north and south of Wrinch Creek and extending east to Cole Lake. Younger volcanics outcrop north and south of the mine area.

Mineralization is extensive over an area 2 1/2 miles long by 2 miles wide. Most of the explored occurrences are polymetallic veins in northwesterly fractures, sometimes combined with replacement in northerly striking shear zones. Alteration is intense in some areas, and as envelopes around veins, and some disseminated sulphide areas have been found by geophysical and geochemical surveys. Zoning is now known to occur: base metals increase toward the north-west and precious metals to the southeast (higher temperature). In addition, precious metals and zinc increase with depth.

Geology and mineralization are thoroughly covered in reports by Church (1969) and Dawson (1985).

THE BULKLEY SILVER SAMPLING PROGRAM-May 1986

The writer began studying background material in early May while the contractor, Vicore Mine Developments Ltd. opened the camp at the Owen Lake property. They then began opening the portal, which was iced up and clearing caved areas and old timber for access to the 2600 North Drift. On May 15th and 16th I arrived at Owen Lake and went over the property with Mr. Stewart. The objective details of the program were discussed and finalized and equipment needed was arranged.

On May 20th the underground sampling in the North Drift began. Samples were taken with a pneumatic chipper every 20 feet along the vein from the North face for 900 feet. Samples were also taken on a parallel section of the vein, covering another 400 feet. The vein exposed at the collar of the Bulkley Silver crosscut was also sampled. The underground sampling program was completed on May 22nd.

Excavation of old trenches in the Cole Lake area began May 23rd, after the proposed location for a small adit on the No. 5 Vein was dug out. Sampling in the trenches was done by drilling short holes with a gasoline plugger, blasting and taking a large sample from the cross-section. From the Cole Lake area, where the Cole, Barite, Bear and NGVF-6 Veins were sampled, the sampling crew moved to the No. 1, No. 2 and No. 3 Veins in the Wrinch Creek area and the Switchback (No. 6 or 7) Vein.

In addition to the foregoing locations, which were primarily Gallium-Germanium targets, the backhoe was used to trench in the NG3-71-5 area. Rock could not be reached in the area where the vein should be at surface.

The backhoe also cleaned up an existing trench south of DDH 84-15 in the Chisholm Vein area, where the drill hole intersection produced assays in the 8-9 oz. Ag range over good widths. New trenches were dug north and south of the existing trench without locating the mineralized zone. The zone was found (but not delineated) in the existing trench and new samples were taken with the plugger.

The samples were crushed to -1/2" on the property, split as necessary, and reduced to 20-25 pounds each. The samples were shipped to Min-En Laboratories Ltd. in North Vancouver on May 30th and the camp was closed down.

In all, 43 samples were taken. The locations are shown on the plans attached. The No. 5 Vein Adit was advanced to a full face of ore.

In the initial sample lot, samples from the No. 3 Vein underground were split and combined so that each sample represented 100 feet of vein. After the results were received, individual samples at 20 foot intervals from the southerly 500 feet of the drift were assayed to check the results.

RESULTS OF THE SAMPLING PROGRAM

Gallium and Germanium were first found in samples from the No. 2 Vein north of Wrinch Creek and from the Bear Vein in the Cole Lake System. The sampling program assays confirm the No. 2 Vein, but not the Bear Vein, as to above average Gallium-Germanium content. The assay results with locations are attached.

Other high assays (above 20 ppm Ge and/or above 12 ppm Ga) are:

No. 1 Vein north of Wrinch Creek
No. 2 Vein south of Wrinch Creek
Switchback Vein
NGVF-6 Vein
No. 3 Vein - Underground - erratic
No. 5 Vein - portal area

Gallium highs do not necessarily match Germanium highs, which are more common. In general, the highs are in low-temperature banded veins, but there is no correlation with high Zinc assays. Due to the complex mineralization process in the Owen Lake deposits, it is quite probable that there is more than one stage of Zinc mineralization.

In the only pyritic breccia sampled in the south end of the property, Gallium-Germanium values were very low. It seems unlikely that the higher precious metal content in this mineralization will be accompanied by Gallium-Germanium.

In No. 3 Vein North, sampling covered the 900 foot section from Section 24900 to the face. The first 400 feet is the section mined by Bradina and this section has the best Zinc and Germanium values. Assaying of individual samples at 20 foot intervals confirmed the trend by averaging, but individual assays are erratic.

In terms of development of the Owen Lake property, the metallurgy of Gallium-Germanium must be studied, since the value of the metals can only be realized if they can be recovered. In exploration, more emphasis should be placed on determining the tonnage and grade in the No. 1 and No.2 Veins in the Wrinch Creek area, the Switchback and Swamp Veins, and the No. 5 Vein in the Portal System.

MIN-EN Laboratories Ltd.
Specialists in Mineral Environments
705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524 TELEX: 04-352928

CERTIFICATE OF ASSAY

COMPANY: BULKLEY SILVER
PROJECT:
ATTENTION: GEORGE STEWART

FILE: 6-294/P1
DATE: JUNE 10/86.
TYPE: ROCK ASSAY

He hereby certify that the following are assay results for samples submitted.

SAMPLE NUMBER	AG G/TONNE	AG OZ/TON	AU G/TONNE	AU OZ/TON	ZN %	GE PPM	GA PPM	VEIN & SAMPLE #	LOCATION	DESCRIPTION
28451	690.0	20.12	3.48	0.101	8.10	1	1	NO.3 - 2	SURFACE	N. OF WRINCH CREEK - PLUGGER
28452	110.0	3.21	.96	0.028	7.25	19	2	NO.3 - 3	SURFACE	N. OF WRINCH CREEK - PLUGGER
28453	81.0	2.36	.60	0.017	5.80	63	23	NO.2 - 1	SURFACE	N. OF WRINCH CREEK - PLUGGER
***28454 ***	55.8	1.63	.68	0.020	4.83	128	28	NO.2 - 2	SURFACE	N. OF WRINCH CREEK - PLUGGER
28455	103.0	3.00	1.04	0.030	2.12	71	42	NO.1 - 1	SURFACE	N. OF WRINCH CREEK - PLUGGER
28456	43.2	1.26	1.39	0.041	2.30	45	4	SWITCHBACK - 1	SURFACE	UPPER - PLUGGER
28457	141.0	4.11	4.74	0.138	3.16	22	2	SWITCHBACK - 2E	SURFACE	MIDDLE - PLUGGER
28458	8.2	0.24	.21	0.006	.15	125	2	SWITCHBACK - 2W	SURFACE	MIDDLE - PLUGGER
***28459 ***	87.5	2.55	1.70	0.050	14.50	68	24	SWITCHBACK - 3	SURFACE	LOWER - PLUGGER
28460	380.0	11.08	1.76	0.051	14.40	58	13	NO.2 - SOUTH	SURFACE	SOUTH OF WRINCH CREEK - PLUGGER
28461	205.0	5.98	3.07	0.090	3.42	9	1	BARITE - 2	SURFACE	COLE LK AREA/BAD SAMPLES-PLUGGER
28462	57.9	1.69	1.90	0.055	.64	7	2	BARITE - 3	SURFACE	COLE LK AREA/BAD SAMPLES-PLUGGER
28463	154.0	4.49	.84	0.024	9.10	2	1	BEAR - 1	SURFACE	COLE LK AREA/GOOD VEIN-PLUGGER
28464	350.0	10.21	1.11	0.032	8.00	20	2	BEAR - 2	SURFACE	COLE LK AREA/GOOD VEIN-PLUGGER
28465	92.3	2.69	.91	0.027	5.60	31	1	NGVF-6 - 1	SURFACE	COLE LK AREA/GOOD VEIN-PLUGGER
28466	119.0	3.47	.61	0.018	15.10	14	1	NGVF-6 - 2	SURFACE	COLE LK AREA/GOOD VEIN-PLUGGER
28467	132.0	3.85	1.01	0.029	7.20	11	2	COLE - 1	SURFACE	COLE LK AREA/N. END-PLUGGER
28468	85.0	2.48	2.12	0.062	5.34	23	2	COLE - 2	SURFACE	COLE LK AREA/N. OF SHAFT-PLUGGER
28469	47.6	1.39	.75	0.022	5.12	11	2	COLE - 3	SURFACE	COLE LK AREA/S. OF SHAFT-PLUGGER
28470	470.0	13.71	2.59	0.076	5.44	20	1	NO.3-N3 AREA - 1	UG	CHIPPER-STOPING AREA/N.SHIFTERS SHACK
28471	378.0	11.02	3.53	0.103	4.76	8	4	NO.3-N3 AREA - 2	UG	ON 2600 LEVEL
28472	399.0	11.64	.80	0.023	17.60	1	4	NO.3-N3 AREA - 3	UG	" "
28473	114.5	3.34	.82	0.024	6.70	19	2	NO.3-NORTH - 2600 LEVEL	UG	0-100'FROM STN. IN 529 ORE-150'CHIPPER
28474	237.0	6.91	.87	0.025	6.30	58	2	NO.3-NORTH - 2600 LEVEL	UG	100-200' " 529 ORE TO 150'CHIPPER
28475	87.0	2.54	.28	0.008	7.60	16	2	NO.3-NORTH - 2600 LEVEL	UG	200-300' " ORE 250 TO 670'CHIPPER
28476	134.0	3.91	.79	0.023	8.90	15	1	NO.3-NORTH - 2600 LEVEL	UG	300-400' " ORE 250 TO 670'CHIPPER
28477	164.5	4.80	.50	0.015	4.10	11	2	NO.3-NORTH - 2600 LEVEL	UG	400-500' " ORE 250 TO 670'CHIPPER
28478	81.0	2.36	1.65	0.048	3.75	7	2	NO.3-NORTH - 2600 LEVEL	UG	500-600' " ORE 250 TO 670'CHIPPER
28479	82.5	2.41	.41	0.012	3.34	11	1	NO.3-NORTH - 2600 LEVEL	UG	600-700' " ORE 250 TO 670'CHIPPER
28480	67.9	1.98	.83	0.024	3.06	9	1	NO.3-NORTH - 2600 LEVEL	UG	700-800 " WEAK VEIN TO 900'CHIPPER

*** # *** Please see Page 14a for Check Assay results from Hazen Research (International), Inc.

Certified by

MIN-EN LABORATORIES LTD.

CHECK ASSAYS

Hazen Research (International), Inc. of Golden, Colorado have had extensive experience with the metallurgy of Gallium and Germanium, including the Gallium-Germanium ore of Musto Explorations Ltd. in Utah. Hazen Research are conducting studies on the Owen Lake ore and their first assays are reported as follows:

MIN-EN SAMPLE #	ASSAYED BY	Zn %	Ag Oz./Ton	Ge(ppm)	Ga(ppm)
28454	Min-En	4.83	1.63	128	28
28454	Hazen	4.8	1.5	100	70
28459	Min-En	14.50	2.55	68	24
28459	Hazen	15.0	2.40	90	65

The first sample is No. 2 Vein north of Wrinch Creek. The second sample is from the Switchback Vein. The Hazen results confirm the high values in these veins, but report Gallium 2.5 times the Min-En results. This implies that all the Gallium results may be low, and should be checked.

Specialists in Mineral Environments
705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604)980-5814 OR (604)988-4524 TELEX: 04-352578

CERTIFICATE OF ASSAY

COMPANY: BULKLEY SILVER
PROJECT: OWEN LAKE
ATTENTION: GEORGE STEWART

FILE 16-357
DATE: JUNE 26/86
TYPE: ROCK ASSAY

We hereby certify the following results for sample submitted.

CHECK SAMPLES - NO. 3 VEIN NORTH - U.G.

Sample Number	ZN %	AG G/TONNE	AG OZ/TON	GA PPM	GE PPM	EQUIVALENT - INITIAL SAMPLES SAMPLE NO.	GA (PPM)	GE (PPM)	AVERAGE - CHECK SAMPLES GA (PPM)	GE (PPM)	NOTES
28401	4.80	29.7	0.87	2	1						
28402	4.92	22.0	0.64	6	139						3N7 STOPE AREA- NARROW, HIGH GRADE
28403	5.49	36.8	1.07	2	48	28473	4	19	2.5	47	
28404	5.54	297.0	8.66	1	26						
28405	9.65	130.0	3.79	1	21						
28406	10.40	820.0	23.92	1	8						3N9 STOPE- 2FT. VEIN
28407	4.02	62.0	1.81	1	9						
28408	9.80	42.3	1.23	4	43	28474	2	58	2.5	28	
28409	0.62	9.4	0.27	2	29						
28410	0.42	4.6	0.13	5	40						WEAK VEIN
28411	1.31	10.7	0.31	8	20						
28412	1.04	49.5	1.44	2	9						
28413	12.10	102.0	2.97	1	6	28475	2	16	3	16	
28414	11.25	128.5	3.75	2	29						
28415	14.50	151.0	4.40	2	6						3N11 STOPE- 2 FT. TO 3 FT. VEIN
28416	6.40	57.5	1.68	4	24						
28417	3.98	146.0	4.26	1	13						
28418	6.15	74.3	2.17	1	13	28476	1	15	2	14	
28419	7.58	159.0	4.64	2	18						
28420	1.98	35.2	1.03	1	1						N11 RAISE
28421	2.90	40.0	1.17	2	17						
28422	4.68	150.0	4.38	1	14						
28423	2.62	360.0	10.50	1	10	28477	2	11	1	12	3 FT. VEIN -NOT MINED
28424	8.80	136.0	3.97	1	20						

Certified by _____

MIN-EN LABORATORIES LTD.

MIN-EN Laboratories Ltd.
Specialists in Mineral Environments
705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524 TELEX: 04-352828

CERTIFICATE OF ASSAY

COMPANY: BULKLEY SILVER
PROJECT:
ATTENTION: GEORGE STEWAR

FILE: 6-294/P2
DATE: JUNE 10/86.
TYPE: ROCK ASSAY

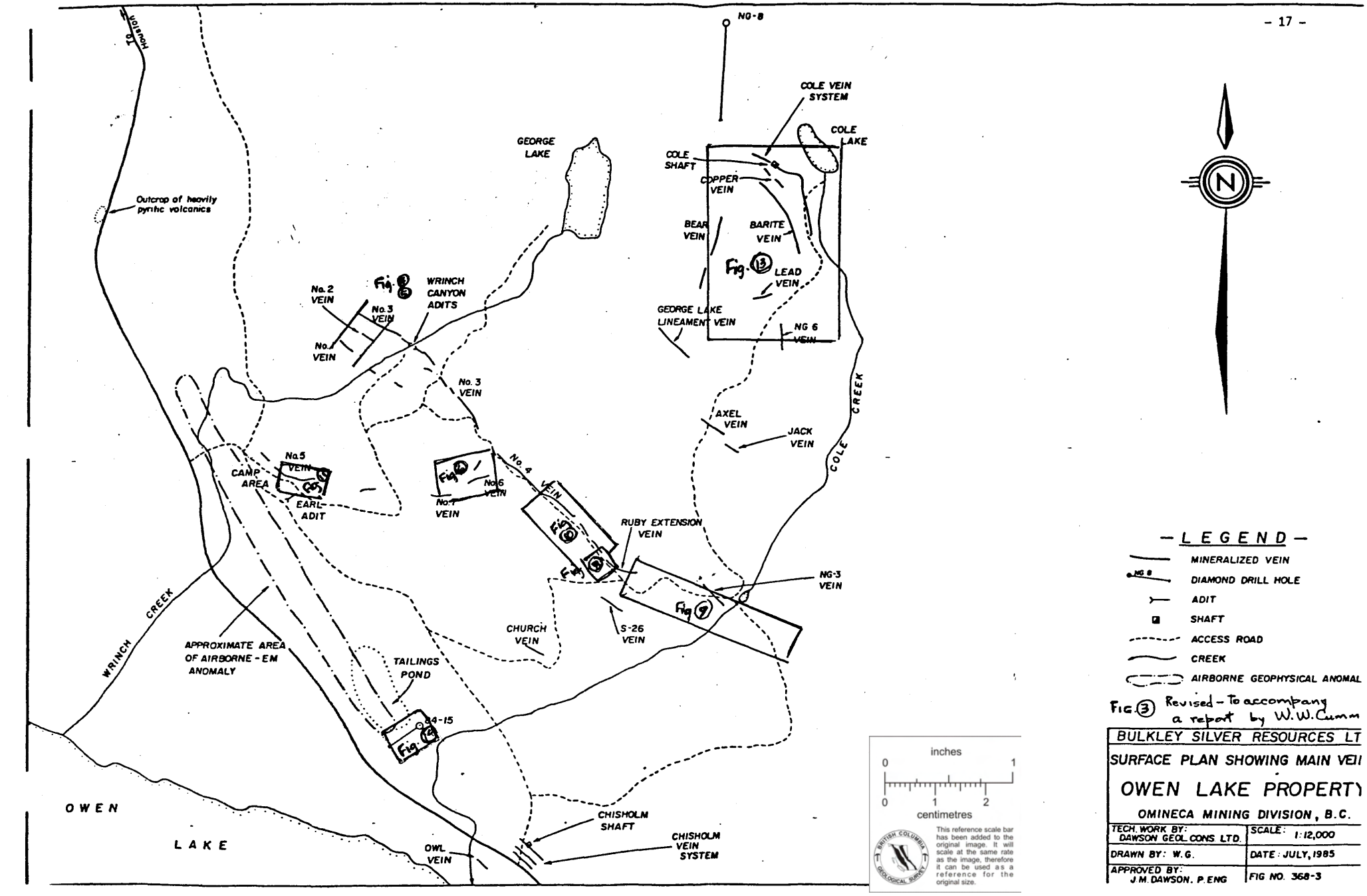
We hereby certify **that the following are assay results for samples submitted.**

SAMPLE NUMBER	AG G/TONNE	AG OZ/TON	AU G/TONNE	AU OZ/TON	ZN %	GE PPM	GA PPM
28481	18.3	0.53	.27	0.008	1.04	16	2
28482	50.2	1.46	2.09	0.061	2.10	14	1
28483	88.5	2.58	1.74	0.051	1.32	5	1
28484	69.6	2.03	1.22	0.036	2.85	38	2
28485	115.0	3.35	1.26	0.037	1.19	12	1
28486	3.7	0.11	.01	0.001	.10	20	1
28487	11.9	0.35	.05	0.001	.02	2	1
28488	1.6	0.05	.02	0.001	.03	1	2
28489	1.9	0.06	.01	0.001	.03	1	2
28490	695.0	20.27	2.90	0.085	12.20	63	2
28491	195.0	5.69	1.41	0.041	5.80	8	1
28492	36.4	1.06	.37	0.011	2.27	32	1
24893	14.5	0.42	.32	0.009	.56	13	1

VEIN & SAMPLE #	LOCATION	DESCRIPTION
NO.3-NORTH - 2600 LEVEL	UG	800-900 " WEAK VEIN TO 900'CHIPPER
NO.3-SOUTH - 2600 LEVEL	UG	AT COLLAR BULKLEY XC-S.WALL CHIPPER
NO.3-SOUTH - 2600 LEVEL	UG	AT COLLAR BULKLEY XC-N.WALL CHIPPER
NO.3-SOUTH - 2600 LEVEL	UG	AT COLLAR BULKLEY XC-N.WALL CHIPPER
NO.3-SOUTH - 2600 LEVEL	UG	AT COLLAR BULKLEY XC-N.WALL CHIPPER
#1 IN TRENCH-84-15 D.D.H. AREA	SURFACE	MINERALIZED ZONE - PLUGGER
#2 IN TRENCH-84-15 D.D.H. AREA	SURFACE	MINERALIZED ZONE - PLUGGER
#3 IN TRENCH-84-15 D.D.H. AREA	SURFACE	MINERALIZED ZONE - PLUGGER
#4 IN TRENCH-84-15 D.D.H. AREA	SURFACE	MINERALIZED ZONE - PLUGGER
NO.5 VEIN - ADIT	SURFACE	4' VEIN & DYKE - CHIPPER
NO.3 VEIN - N.11 RSE	UG	GRAB FROM TOP TO SUB. DR.
NO.3 VEIN - N.11 RSE	UG	GRAB FROM TOP OF RSE
NO.3 VEIN - N.11 RSE	UG	GRAB FROM SUB. DRIFT

Certified by

MIN-EN LABORATORIES LTD.



— LEGEND —

- MINERALIZED VEIN
- NG 8 — DIAMOND DRILL HOLE
- ADIT
- SHAFT
- ACCESS ROAD
- CREEK
- AIRBORNE GEOPHYSICAL ANOMAL

inches 0 1
0 1 2 centimetres

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.

BRITISH COLUMBIA GEOLOGICAL SURVEY

FIG. (3) Revised - To accompany a report by W.W. Cumm

BULKLEY SILVER RESOURCES LT

SURFACE PLAN SHOWING MAIN VEI

OWEN LAKE PROPERTY

OMINECA MINING DIVISION, B.C.

TECH. WORK BY: DAWSON GEOL. CONS. LTD.	SCALE: 1:12,000
DRAWN BY: W.G.	DATE: JULY, 1985
APPROVED BY: J.M. DAWSON, P. ENG	FIG NO. 368-3

NO. 1 - NO. 2 - NO. 3 VEINS NORTH OF WRINCH CREEK

Gallium-Germanium in No. 3 Vein were present in low values, but were higher in No. 2 and No. 1 Veins, averaging 87 ppm Ge and 31 ppm Ga. Limited drilling has been done on this vein system, with development and mining on No. 3 Vein only, where continuity has been established from 2600 Level to surface. In Section 24850, DDH 74-2 intersected No.3 Vein 150 feet below 2600 Level, where the vein ran 0.05 oz. Au per ton, 6.31 oz. Ag per ton, 1.00% Cu, 0.64% Pb and 9.70% Zn. Intersections below this were narrow and lower grade. This slope distance of 450 feet has been interrupted only by a major pulaskite dyke about 30 feet thick. On 2600 Level, DDH BU 107 intersected the No. 1 Vein near Section 24200, where a 5.5 foot section assayed 0.10 oz. Au per ton, 2.53 oz. Ag per ton, 1.23% Pb, 6.46% Zn.

Diamond drilling from the underground workings is recommended as follows:

Section 24200	from 2880 Level	2 holes total	700 feet
	from 2600 Level	1 hole	250 feet
Section 24700	from 2880 Level	2 holes	700 feet
	from 2600 Level	2 holes	850 feet
		TOTAL	2,500 feet

The purpose of this drilling is to establish the continuity of the veins for determining probable ore reserves and to determine the Gallium-Germanium content of the veins below the surface oxidation zone.

Rehabilitation of the 2880 Drift North would be required. Further drilling north of Section 24200 could be done from surface, since the face of 2600 Drift North is almost at the 24000 Section.

NOTE: Good Gallium-Germanium values with good Gold-Zinc were obtained in No. 2 Vein (?) south of Wrinch Creek. This is a very complex area on both 2880 and 2600 Levels (Section25200) and should be drilled.

See Figure #4 and Figure #5.

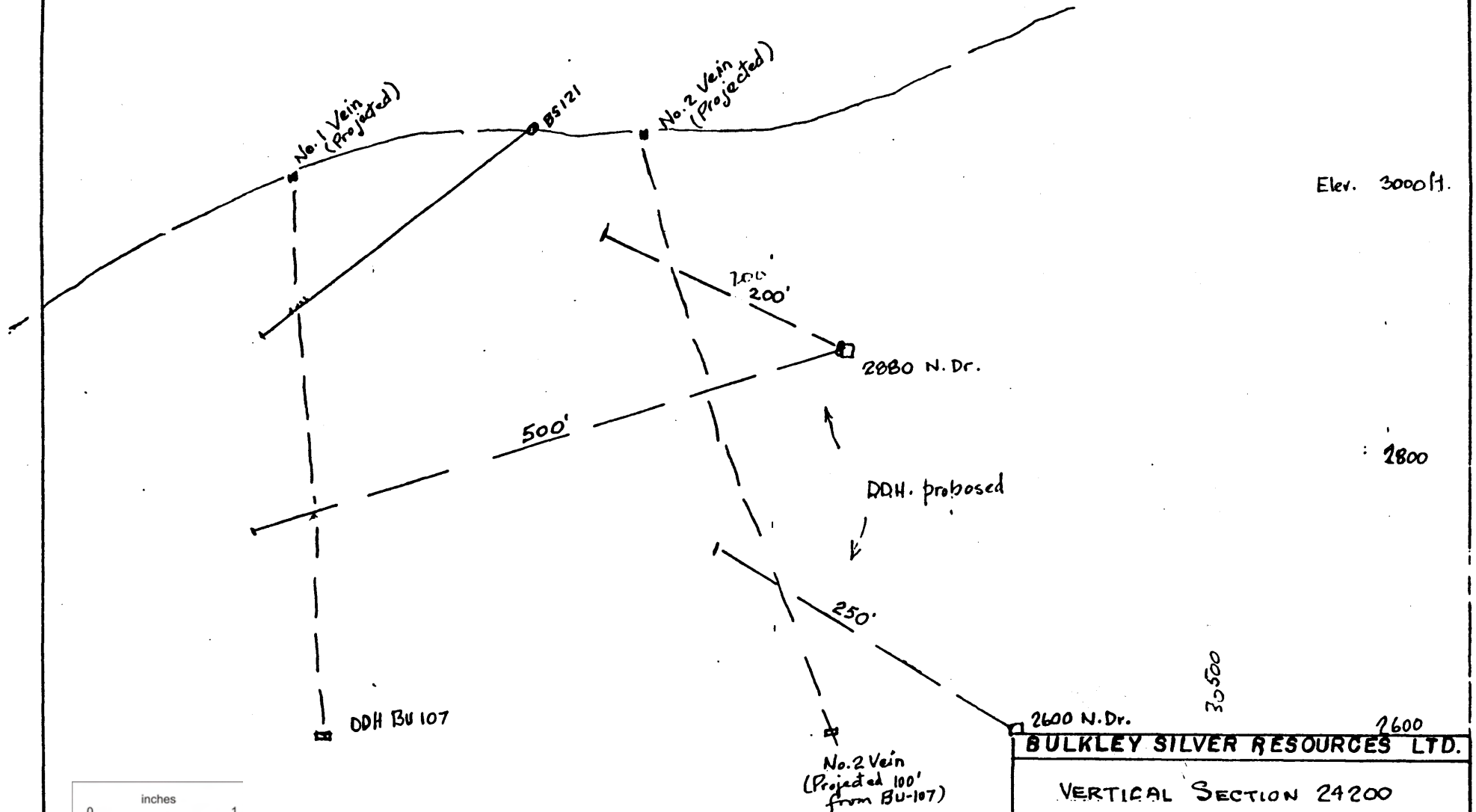


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Fig ④

BULKLEY SILVER RESOURCES LTD.

VERTICAL SECTION 24200

PROPOSED DRILLING – No.1–No.2 VEINS

OWEN LAKE PROPERTY

OMINECA MINING DIV., B.C.

Drawn by: W.W.C.	Date: June 1986
Scale: 1" = 100'	Fig. No: ④

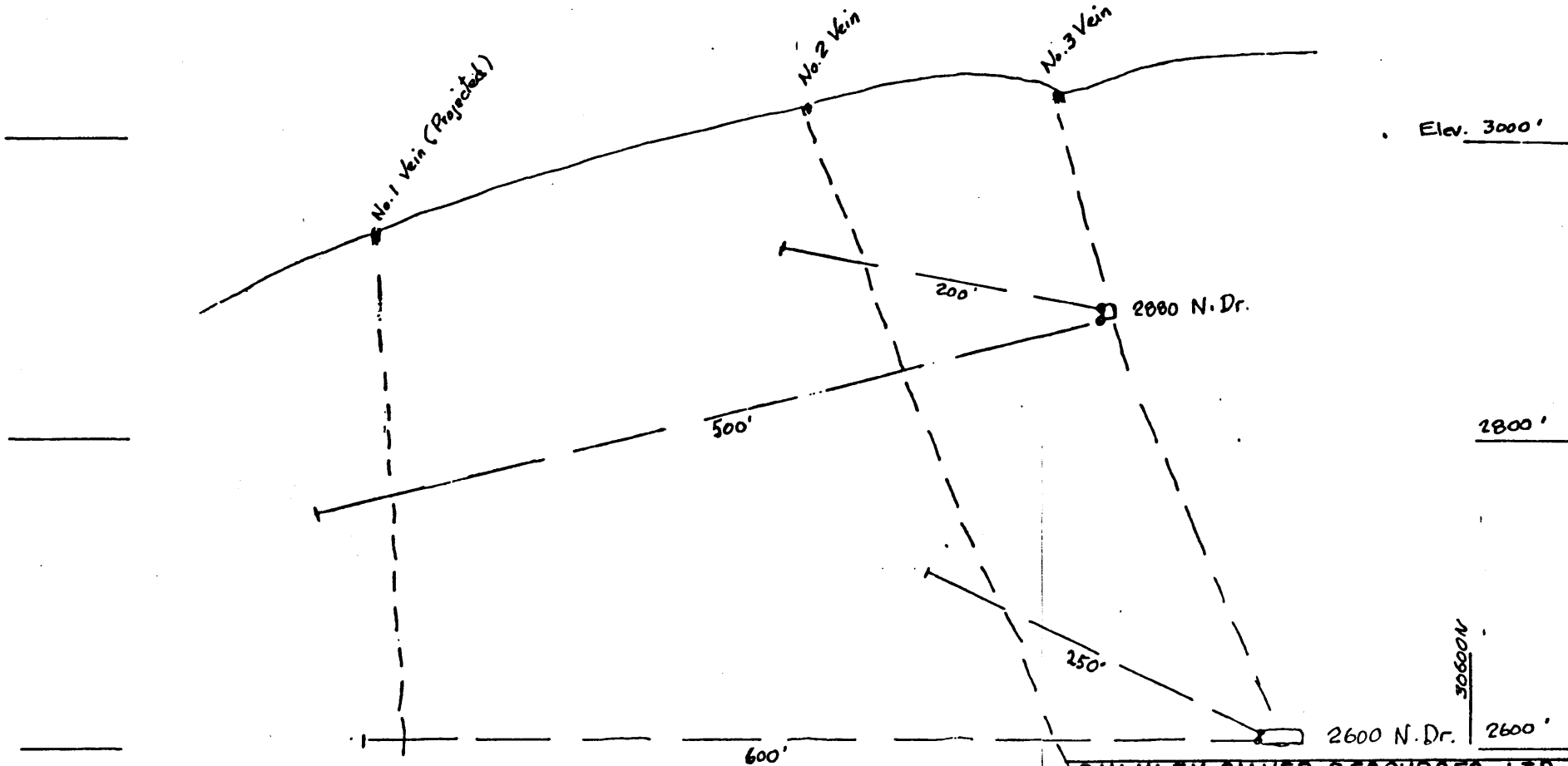

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Fig. (5)

BULKLEY SILVER RESOURCES LTD.

VERTICAL SECTION 24700

Proposed Drilling- No 1 - No. 2 Veins

OWEN LAKE PROPERTY

OMINECA MINING DIV., B.C.

Drawn by: W.W.C	Date: June 1986
Scale: 1" = 100'	Fig. No: (5)

SWITCHBACK VEIN - SWAMP VEIN AREA

This system is best known from surface trenching, with limited diamond drilling. Surface samples over four-foot widths average 0.10 oz. Au per ton, 3.5 oz. Ag per ton, 2% Pb, 8% Zn. DDH 69-1-5 from 2880 Level intersected 3 feet at 0.06 oz Au per ton, 9.90 oz Ag per ton, 0.96% Pb and 12.50% Zn. DDH S10 intersected 5.0 feet at 0.02 oz. Au per ton, 8.82 oz. Ag per ton, 2.8% Pb, 15.2% Zn. All samples in the Ga-Ge program showed Ge above average and the sample near S10 showed 68 ppm Ge, 24 ppm Ga with Gold, Silver and good Zinc assays.

It is recommended that this system be tested as follows:

1) Surface drilling in 3 sections, with two holes totalling 800 feet in each section
   Total 2400 feet

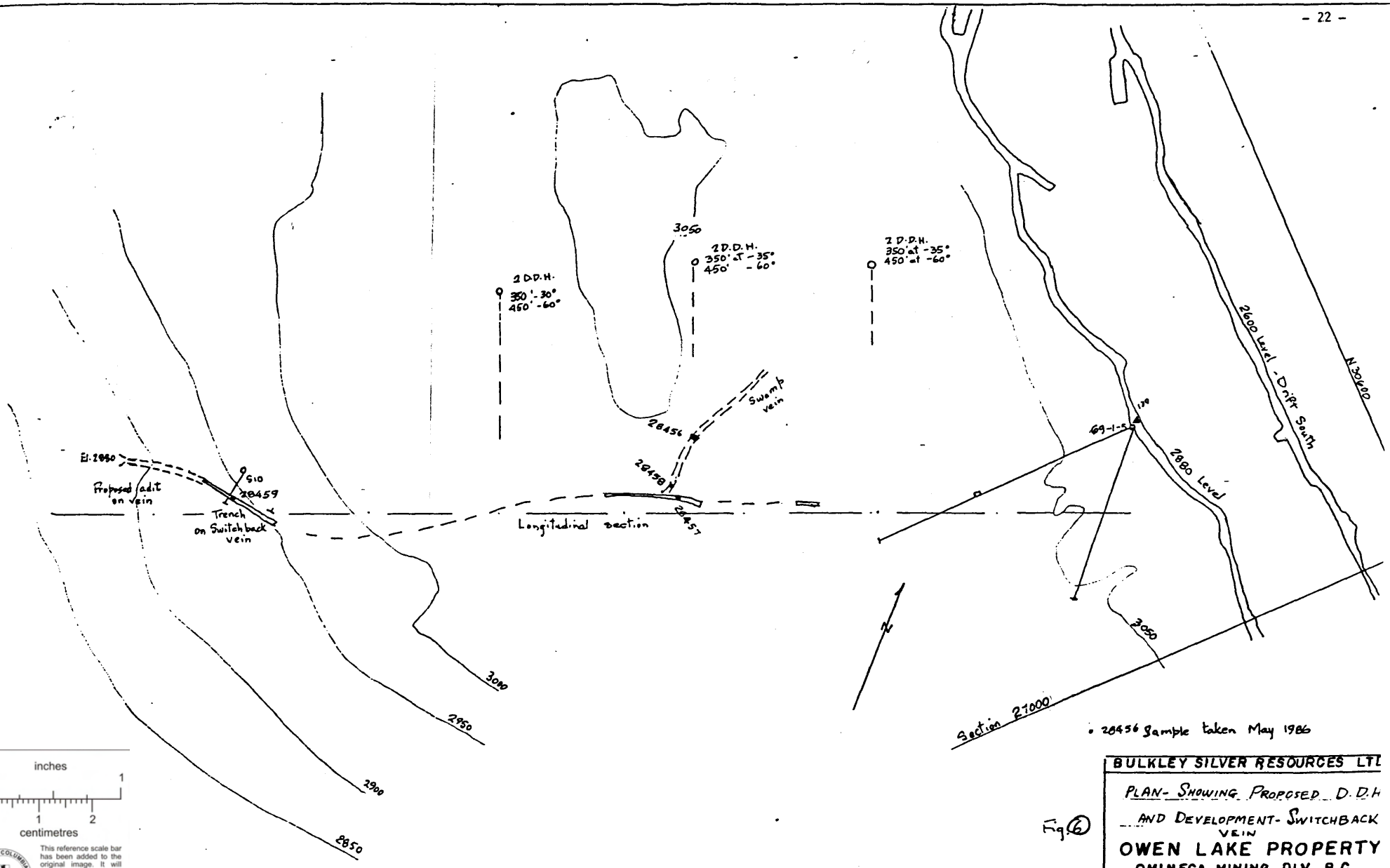
2) Adit driven on vein at 2880 Level elevation
   Minimum 200 feet

The objectives of this program would be:

1) Test a 1000 foot length of the Switchback-Swamp Vein system to the 2700 foot elevation, or 300 feet below surface.

2) Obtain a large sample of ore from the system.

Plan and long section attached, Figure #6 and #7.



• 28456 Sample taken May 1986

Fig 6

BULKLEY SILVER RESOURCES LTD	
PLAN- SHOWING PROPOSED D.D.H AND DEVELOPMENT- SWITCHBACK VEIN	
OWEN LAKE PROPERTY	
OMINECA MINING DIV., B.C.	
Drawn by: W.W.C.	Date: June 1986
Scale: 1" = 100'	Fig. No: (6)

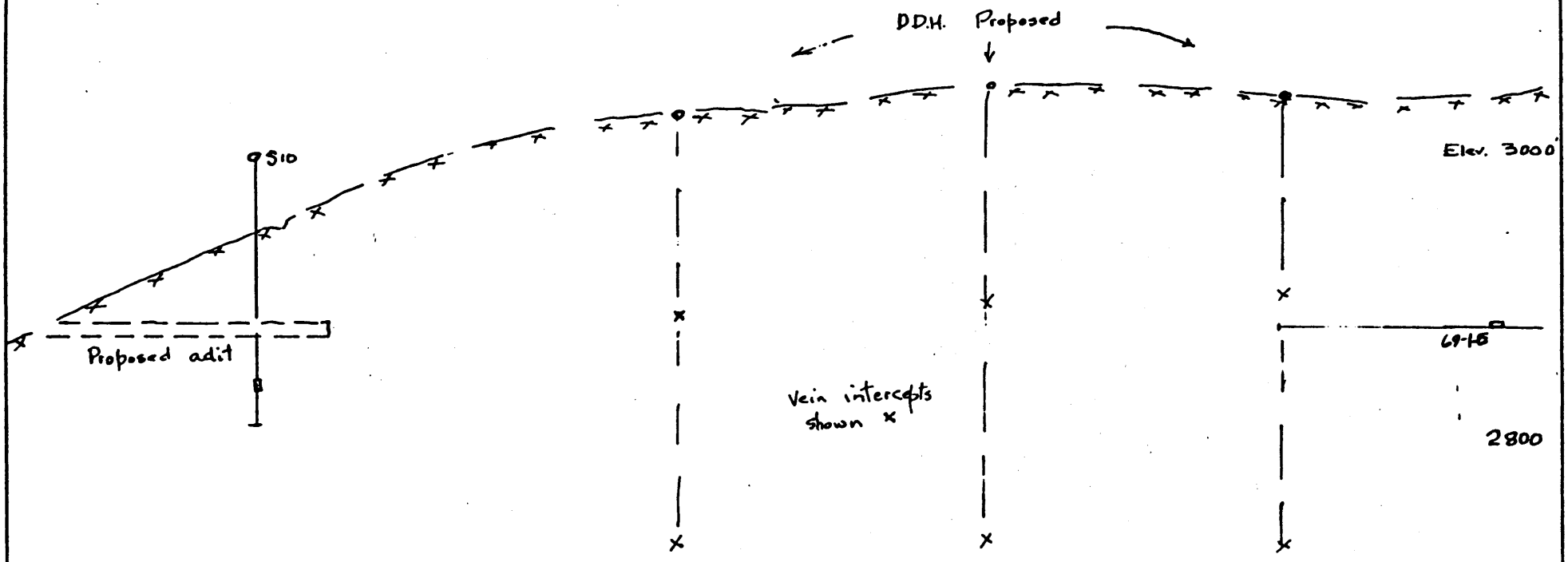


Fig. (7)

BULKLEY SILVER RESOURCES LTD.

LONGITUDINAL SECTION

SWITCH BACK – SWAMP VEINS

OWEN LAKE PROPERTY

OMINECA MINING DIV., B.C.

Drawn by: W.W.C.	Date: June 1986
Scale: 1" = 100'	Fig. No: (7)

(ALIMAK) 2750 SUB-LEVEL

In the south end of the No. 3 Vein as developed by the 2600 Level and surface trenching a substantial tonnage of ore remains above the areas mined by Bradina. Access to the ore by rehabilitating the stope raises would be very expensive, and it has been proposed that the sublevel (2750) in the Alimak raise be re-established instead.

The ore is indicated by the stopes themselves and by DD intersections in DDH BU 13 (5.6 feet at Au not assayed, 21.25 oz. Ag per ton, 1.83% Cu, 0.50% Pb, 5.43% Zn) and surface DDH 83-9 (1.5 feet at 0.18 oz. Au per ton, 33.8 oz.Ag per ton, 1.065% Cu, 1.54% Pb, 19.95% Zn). In addition, holes drilled by Bradina above the stopes indicate good ore for about 400 feet northerly. The sub-drift should also be advanced southerly, although drilling in this direction did not indicate good ore.

To drive the sub-drift, it will be necessary to rehabilitate the 2600 Level south from the junction at Section 25600 to Section 28600, a distance of about 3000 feet. The Alimak raise will have to be rehabilitated also to handle materials and muck. This part of the program would be necessary for other projects as well, such as exploring the branch or parallel veins now known to occur in the footwall side of No. 3 Vein, and exploring the vein south-east of the face of 2600 Level which may be the extension of the No. 3 Vein.

It is therefore recommended that this program:

1)	Rehabilitate the 2600 Level South 3000 feet at $10.00/foot	$30,000.00
2)	Rehabilitate the Alimak raise 325 feet at $50.00/foot	$16,250.00
3)	Sub-drift - 75 feet to ore, 250 feet minimum on ore 325 feet @ $300.00(?)/foot	$97,500.00
	TOTAL	$143,750.00

See Figure #8.

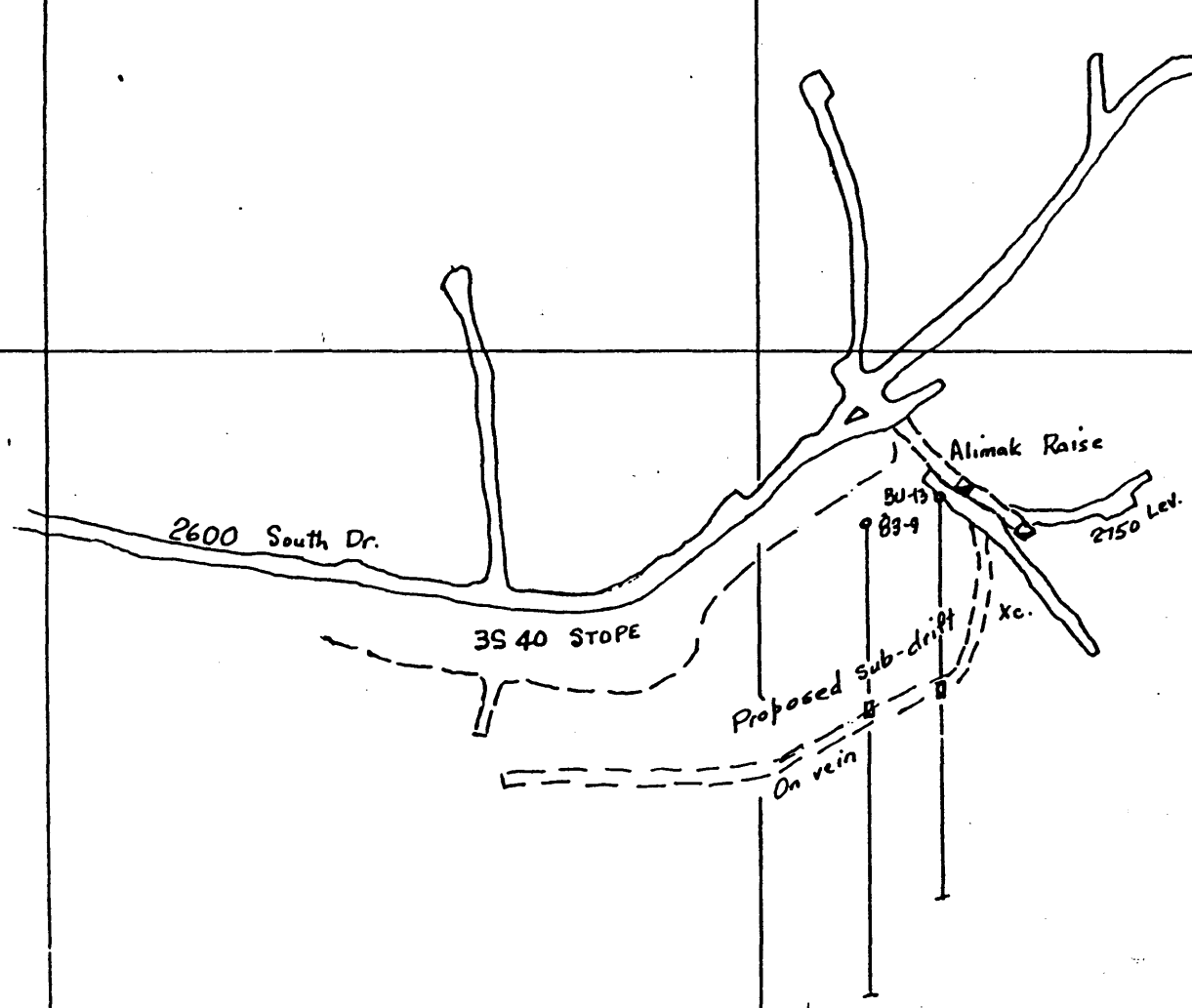


FIG. (8)

inches
0 1
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centimetres

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.

BULKLEY SILVER RESOURCES LTD.

PLAN - ALIMAK RAISE - 2750 LEV.
SHOWING PROPOSED SUB DRIFT.

OWEN LAKE PROPERTY
OMINECA MINING DIV., B.C.

Drawn by: W.W.C.	Date: June 1986
Scale: 1" = 100'	Fig. No: (8)

NG 3 VEIN - SOUTHEAST OF NO. 3 VEIN

Stope mining by Bradina Joint Venture in the Alimak Raise area showed pyrite increasing and base metals decreasing in the ore. Precious metals particularly silver increased, but seemed to be associated with pyrite and recovery was poor. The vein changed direction and became difficult to follow and a great deal of the diamond drilling during and since the Bradina period was an attempt to find the vein extension.

A deep hole -NG 3- drilled by Northgate in 1970, 2400 feet east of the Alimak raise area encountered a very good vein assaying 0.20 oz. Au per ton, 24.60 oz. Ag per ton, 0.08% Cu, 12.20% Pb and 27.20% Zn. The intersection is 1000 feet below the 2600 Level. Further drilling by Bradina and New Nadina traced the vein 1000 feet westerly at the 2600 level elevation, and the NG 3 vein may be the extension of the No. 3 vein. Narrow intersections in 1983 drilling may indicate the vein structure between the present face of 2600 Drive South and the west end of the NG 3 Vein.

Therefore it is recommended that the 2600 Level be advanced about 600 feet and that drill stations be established at 300 feet and 600 feet. Drilling from these stations would determine where the final drive to the NG 3 Vein should go.

PHASE I	Drift 600 feet at $300.00/foot	$180,000.00
	Drill stations 2x20 feet Drive equivalent 40x$300.	$12,000.00
	Diamond drilling 1000 feet/station 2000 feet at $20.00/foot	$40,000.00
	TOTAL	$232,000.00
PHASE II	Drift to Vein -400 feet, drift on vein -1000 feet 1400 feet at $300.00/foot	$420,000.00

NO. 3 VEIN SOUTH - BELOW 2600 LEVEL

After shutting down the Bradina operation, Bralorne drilled a series of holes below the 2600 Level. In the south end of the mine these holes showed a trend in metal content toward higher Gold, Silver, and Zinc. In 1981, New Nadina filled in with 27 holes which confirmed the trend, and indicated approximately 150,000 tons of ore at an undiluted grade of 0.18 oz.Au per ton, 10.81 oz.Ag per ton, and 9.03%Zn. This ore is only accessable by shaft-sinking or decline. The ore section is shown on the plan attached.

It is recommended that a decline be driven as shown, using a rail-mounted skip loaded by a hoist-assisted track loader. Three conventional rail sublevels will be established for exploration and later these can be converted for production.

Recommended program:

1) Decline - 1025 feet at $675.00/foot (includes rail, timber, pipe installed) $702,125.00

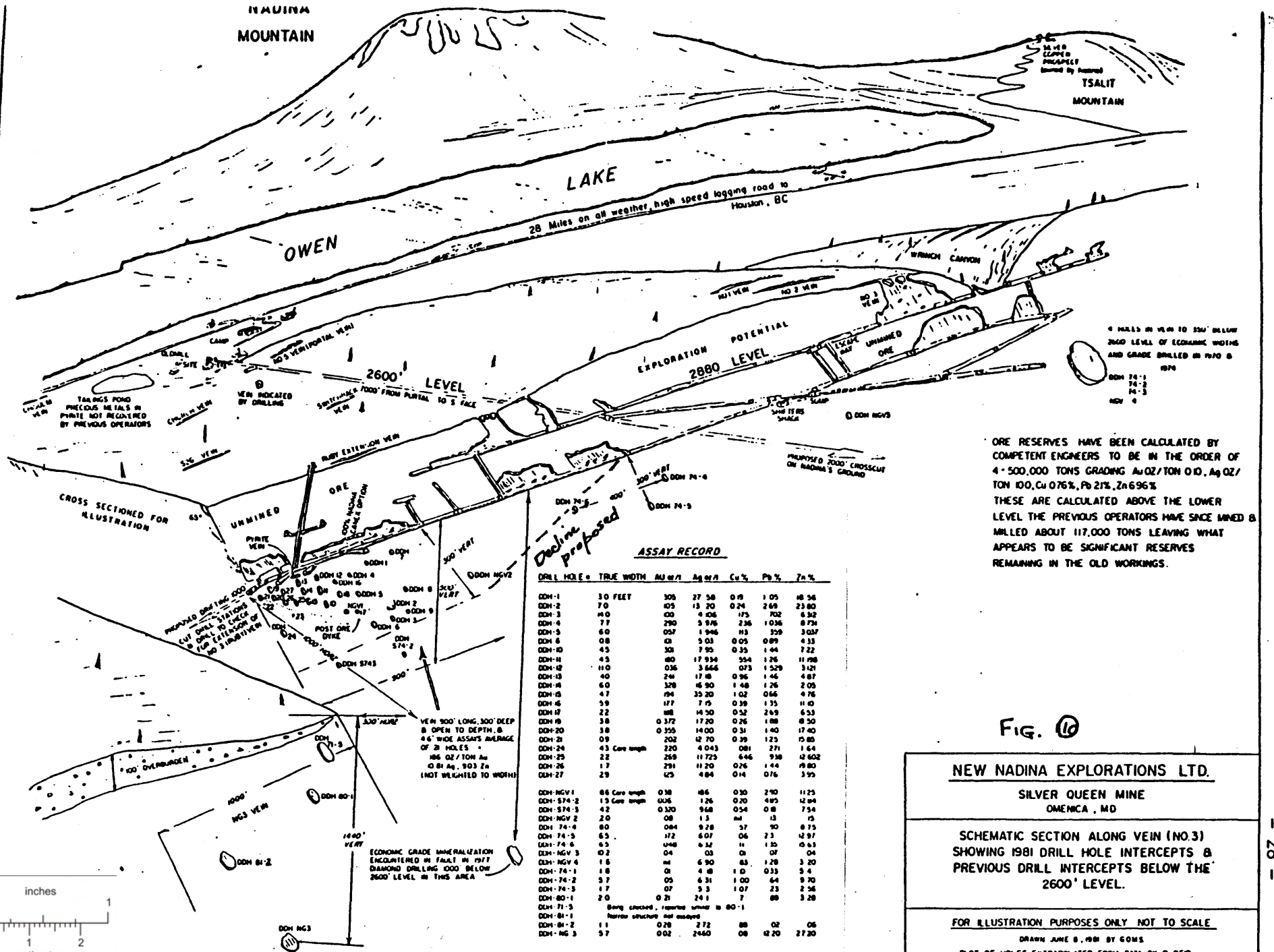
Hoist and muck handling system at 2600 Level-
Incline above 2600-
75 feet at $685.00/foot $51,375.00
Raises for ore and waste pockets -
75 feet at $300.00/foot $22,500.00
Chutes, timber, etc. $5,000.00

TOTAL $781,000.00

2) Sublevels - slashed for diamond drilling
25 feet x 2 x 3 levels =
150 ft.drift at $300.00/foot $45,000.00
Drilling - for No. 3 and footwall veins
3 x 1000 feet =
3000 feet at $20.00/foot $60,000.00

TOTAL $105,000.00

See Figure #10.



4 HOLES IN VEIN TO 350' BELOW 2600 LEVEL OF ECONOMIC WIDTHS AND GRADE DRILLED IN 1970 & 1974

DDH 74-1
74-2
74-3
NGV 4

ORE RESERVES HAVE BEEN CALCULATED BY COMPETENT ENGINEERS TO BE IN THE ORDER OF 4·500,000 TONS GRADING Au OZ/TON 0·10, Ag OZ/TON 100, Cu 0·76%, Pb 2·1%, Zn 6·96%
THESE ARE CALCULATED ABOVE THE LOWER LEVEL THE PREVIOUS OPERATORS HAVE SINCE MINED & MILLED ABOUT 117,000 TONS LEAVING WHAT APPEARS TO BE SIGNIFICANT RESERVES REMAINING IN THE OLD WORKINGS.

ASSAY RECORD

DRILL HOLE #	TRUE WIDTH	Au oz/t	Ag oz/t	Cu %	Pb %	Zn %
DDH-1	30 FEET	305	27 58	0 19	1 05	18 56
DDH-2	70	105	13 20	0 24	2 69	23 80
DDH-3	140	020	4 106	175	702	6 32
DDH-4	77	290	5 976	236	1036	8 736
DDH-5	60	057	1 946	113	359	3 037
DDH-6	08	01	5 03	0 05	0 09	0 33
DDH-10	45	301	7 95	0 35	1 44	7 22
DDH-11	45	680	17 934	554	1 26	11 198
DDH-12	110	036	3 666	073	1 529	3 121
DDH-13	40	241	17 18	0 96	1 46	4 87
DDH-14	60	328	16 90	1 48	1 26	2 05
DDH-15	47	194	35 20	1 02	066	4 76
DDH-16	59	177	7 15	0 39	1 35	11 10
DDH 17	22	188	14 50	0 52	2 69	6 53
DDH 19	38	0 372	17 20	0 26	1 88	8 50
DDH-20	38	0 355	14 00	0 31	1 40	17 40
DDH-21	09	202	12 70	0 39	1 25	15 85
DDH-24	43 Core length	220	4 043	081	271	1 64
DDH-25	22	269	11 725	646	938	12 602
DDH-26	17	291	11 20	0 26	1 44	19 80
DDH-27	29	125	4 84	0 14	0 76	3 95
DDH-NGV 1	86 Core length	038	186	030	290	11 25
DDH-S74-2	13 Core length	006	1 26	0 20	4 95	12 84
DDH-S74-3	42	0 320	9 68	0 54	0 18	7 54
DDH-NGV 2	20	08	1 3	nil	13	15
DDH 74-4	80	084	9 28	37	90	8 75
DDH 74-5	65	172	6 07	06	23	12 97
DDH-74-6	65	048	6 32	11	1 35	6 63
DDH-NGV 3	02	04	03	01	07	04
DDH-NGV 4	16	nil	6 90	83	1 28	3 20
DDH-74-1	18	01	4 18	1 0	0 33	5 4
DDH-74-2	57	05	6 31	1 00	64	9 70
DDH-74-3	17	07	5 3	1 07	23	2 56
DDH-80-1	20	0 21	24 1	7	88	3 28
DDH-71-5	Bore cracked, reported lower to 80-1					
DDH-81-1	Narrow structure not assayed					
DDH-81-2	11	029	2 72	88	02	06
DDH-NG 3	57	002	2460	08	12 20	27 30

FIG. 10

NEW NADINA EXPLORATIONS LTD.

SILVER QUEEN MINE
OMENICA, MD

SCHEMATIC SECTION ALONG VEIN (NO.3) SHOWING 1981 DRILL HOLE INTERCEPTS & PREVIOUS DRILL INTERCEPTS BELOW THE 2600' LEVEL.

FOR ILLUSTRATION PURPOSES ONLY NOT TO SCALE

DRAWN JUNE 8, 1981 BY GOMS

PLOT OF HOLES EXTRAPOLATED FROM DATA BY R REID

NO. 5 VEIN - PORTAL SYSTEM

This Vein has been exposed on the surface by trenching for 400 feet and is probably longer, if other trenches can be correlated with it. A series of drill holes mainly at the 2600 Level elevation have shown continuity although the best grade is at surface. An adit was collared about 30 feet above the 2600 Level elevation in May, 1986 and a chip sample from the face ran 0.085 oz. Au per ton, 20.27 oz. Ag per ton, and 12.20% Zn, with 63 ppm Germanium, over 4 feet. The vein could be developed quickly and easily as a source of high grade ore.

The extension of the vein easterly can be done from surface or underground. An initial program of short holes from the 2600 Level is recommended as shown on the plan and long section attached, Figure #11 and Figure #12.

1) Diamond Drill Underground - two sections:
   Total of 400 feet at $20.00/foot $8,000.00

2) Depending on the results of " 1)"
   Drill sections as available from surface or underground
   3 sections at 600 foot/section
   1800 feet at $20.00/foot $36,000.00

TOTAL $44,000.00

In the first 400 feet, proven and probable ore is estimated to be 25,000 tons at 0.11 oz. Au per ton, 27.8 oz. Ag per ton, 3.55% Cu, 5.64% Pb, 2.48% Zn. This could be increased to 70,000 tons if this drilling program is successfull.

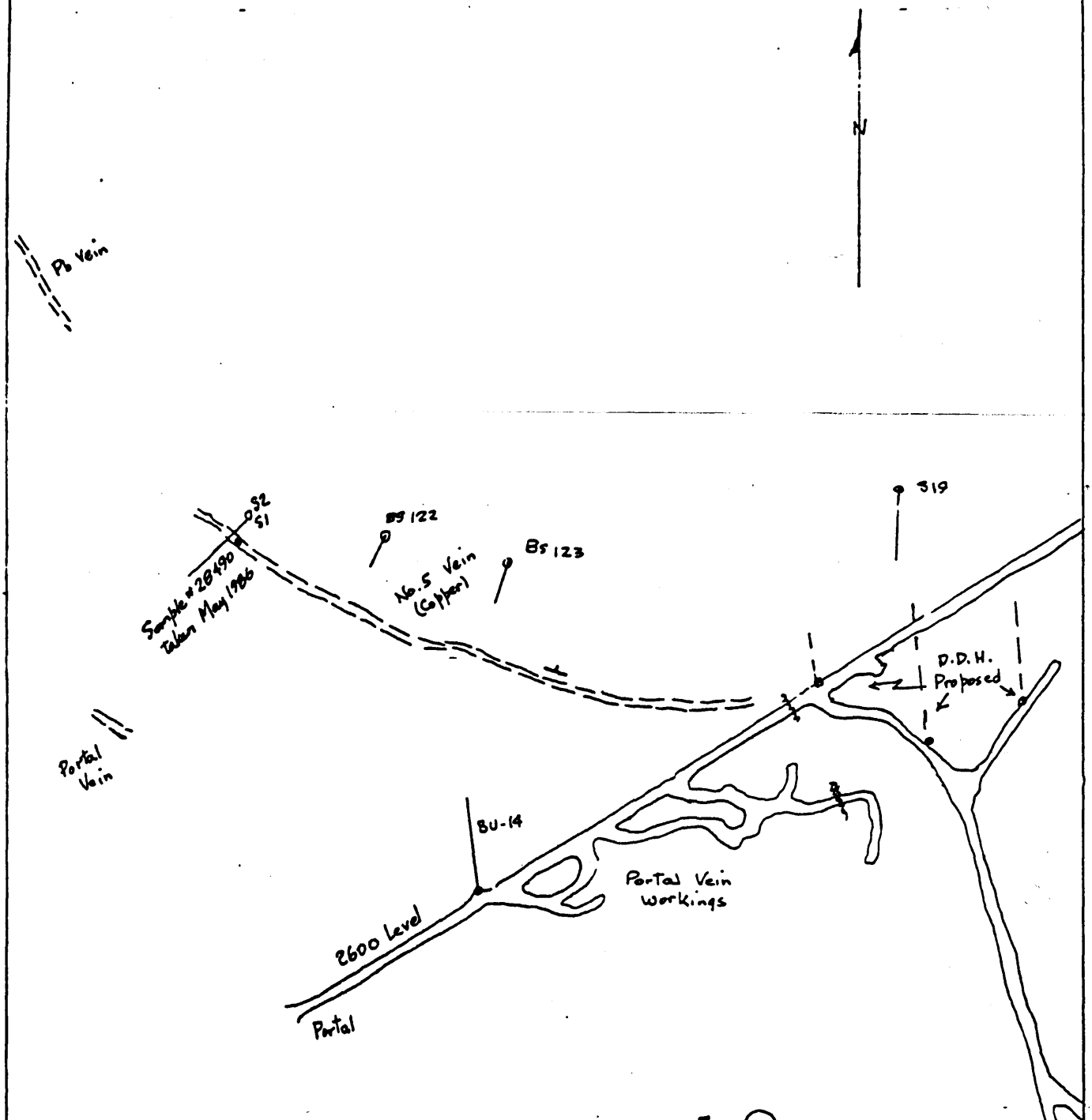


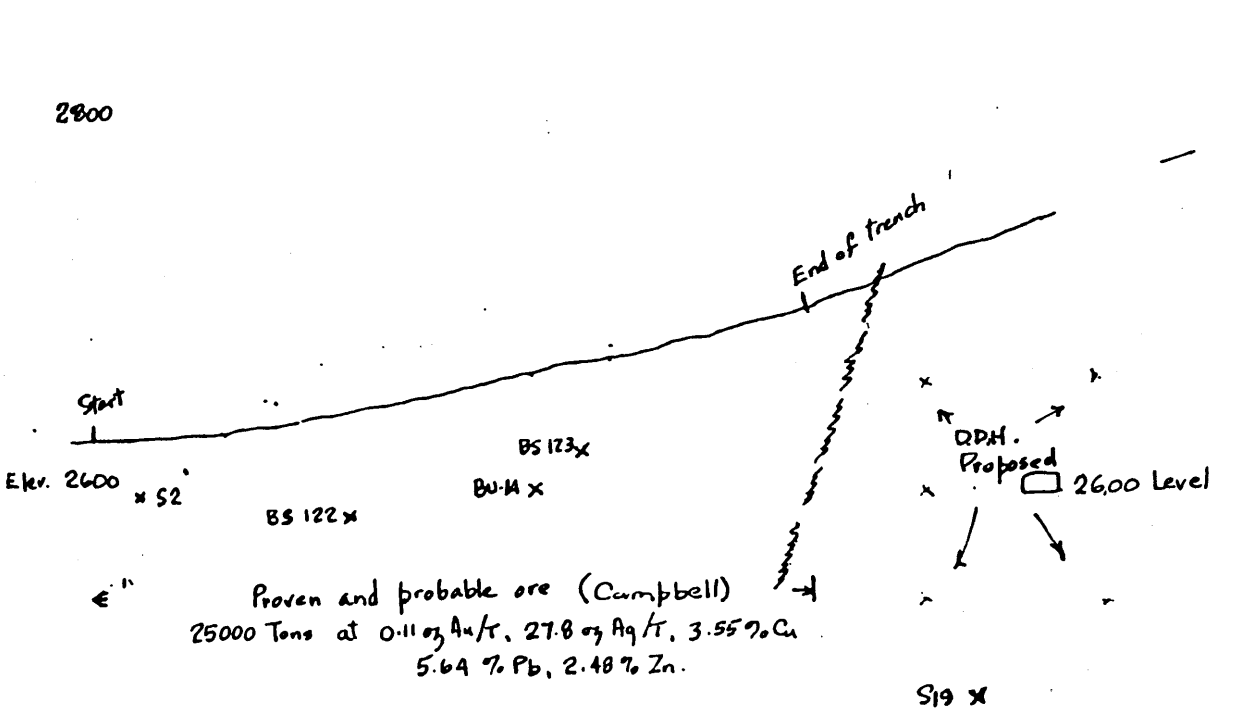
Fig (11)

BULKLEY SILVER RESOURCES LTD.

PLAN - No. 5 VEIN
PORTAL SYSTEM
OWEN LAKE PROPERTY
OMINECA MINING DIV., B.C.

Drawn by: W.W.C.	Date: June /86
Scale: 1" = 100'	Fig. No: (11)

D.D.H. No.	Assays Width (ft)	Au oz/T	Ag oz/T	% Cu	% Pb	% Zn
BU-14	3.0	0.38	1.14	0.50	0.30	3.65
S19	5.2	0.03	9.40	1.20	5.20	9.60
BS-122	1.0		10.26	3.42	0.33	1.32
		(+ low grade walls)				
BS123	1.2		5.64	1.00	0.07	0.13
S2	3.0	0.10	29.0	3.2	0.81	29.0



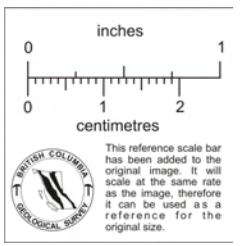


FIG. (12)

BULKLEY SILVER RESOURCES LTD.

LONGITUDINAL SECTION
No. 5 VEIN - PORTAL SYSTEM

OWEN LAKE PROPERTY
OMINECA MINING DIV., B.C.

Drawn by: W.W.C.	Date: June /86
Scale: 1"=100'	Fig. No: (12)

COLE LAKE AREA

The Cole Lake, or eastern part of the Owen Lake camp, was held by Frontier Exploration when the Nadina property was being explored and when the Silver Queen Mine was producing, later it was acquired by Bulkley Silver and is now included with the New Nadina property for exploration purposes, but it is relatively undeveloped.

The known veins are similar to the Wrinch Creek exposures of the No. 1, No. 2, and No. 3 Veins, but are generally narrower. Limited diamond drilling has shown that the veins extend to 500 feet below surface (at the 2600 foot level) and one intersection is at the 1600 foot level. There has been no attempt to calculate tonnage due to the lack of information, but it is obvious that the Cole Vein alone, mined to a 4 foot width, would produce about 200,000 tons to the 2600 foot level.

The veins which have been explored are:

1) Cole Vein - traced on surface for 400 feet into the Cole Shear which has been traced for 1000 feet. The Cole Vein Germanium samples averaged 15 ppm in the section where the average assay over 2.8 feet was 0.03 oz.Au per ton, 2.5 oz.Ag per ton, 3.2% Pb, 2.8% Zn. The Cole Shear section over 15 feet averaged 0.013 oz.Au per ton, 8.8 oz.Ag per ton, 0.45% Cu, 3.3% Pb, 3.4% Zn.

   Diamond drilling on the Cole Vein showed continuity to depth and improved silver content:
   North section - at elevation 2500 feet -
   11.0 oz. Ag per ton
   Shaft section - at elevation 2600 feet -
   0.06 oz.Au per ton, 46.8 oz.Ag per ton, 2.74% Cu, 4.9% Pb, 2.18% Zn, over 1.2 ft.
   500 feet north of trench -at elevation 1500 feet-
   0.02 oz.Au per ton, 11.4 oz.Ag per ton, 0.2% Cu, 3.0% Pb, 9.30% Zn.

2) Barite Vein - traced on surface for 900 feet - complicated by a breccia and dyke system. Germanium and Gallium were low in the samples. A typical sample runs 0.063 oz.Au per ton, 6.15 oz.Ag per ton, 0.21% Cu, 5.3% Pb and 13.2% Zn over 3.8 feet.

3) Bear Vein - exposed for 350 feet. One Germanium sample ran 20 ppm. The average Vein over 3.4 feet runs 0.02 oz.Au per ton,4.14 oz.Ag per ton, 0.27% Cu, 1.83% Pb and 10.5% Zn.

4) NG-6 Vein - exposed 170 feet. Average assay over 2.3 feet of 0.05 oz.Au per ton, 8.75 oz.Ag per ton, 0.55% Cu, 4.2% Pb, 14.0% Zn, 0.08% Cd. A drill hole intersection 80 feet below surface ran 0.04 oz.Au per ton, 13.05 oz.Ag per ton, 0.17% Cu, 12.8% Pb, and 10.2% Zn.

COLE LAKE AREA continued

5) George Lake Lineament - veins are known to exist in this strong structural feature, but it has not been successfully drilled.

Other veins are exposed in trenches as well but their extent is not known. Several veins were cut by the deep drill hole north of the Cole Vein trench, which can not be correlated with any known vein.

Previous reports by Scott (1971) and Rayner (1982) describe the property in detail. Scott recommended a deep drilling program of seven holes, total 5500 feet, Rayner recommends a crosscut from the Silver Queen 2600 level, a distance of 4300 feet at a cost of about $1,800,000. The diamond drilling program alone does not prove ore reserves, due to correlation and continuity problems, and the crosscut, although it is the only longterm solution to production and development problems, is difficult to justify without proven ore.

Therefore it is recommended that a decline be driven from the Cole Shear area as shown on the plan attached. The decline would cut the Cole Vein at elevation 2925 feet, about 300 feet above the proposed cross-cut and 250 feet below the surface. From the decline, diamond drilling could be done on the Cole, Barite, Bear and other veins in the area as well as development to prove continuity. The decline would also cut down the distance to surface when the crosscut reaches the Cole Vein.

Recommended:

PHASE I	Decline: 1500 feet at -15% at $350.00/foot	9'x9' minimum	$525,000.00
PHASE II	Diamond drilling - 10,000 feet at $20.00/foot		$200,000.00
PHASE III	Crosscut 4350 feet at $400.00/foot		$1,740,000.00
	Support services, etc.		$110,000.00
		TOTAL	$1,850,000.00

D.D.H. 84-15 AREA

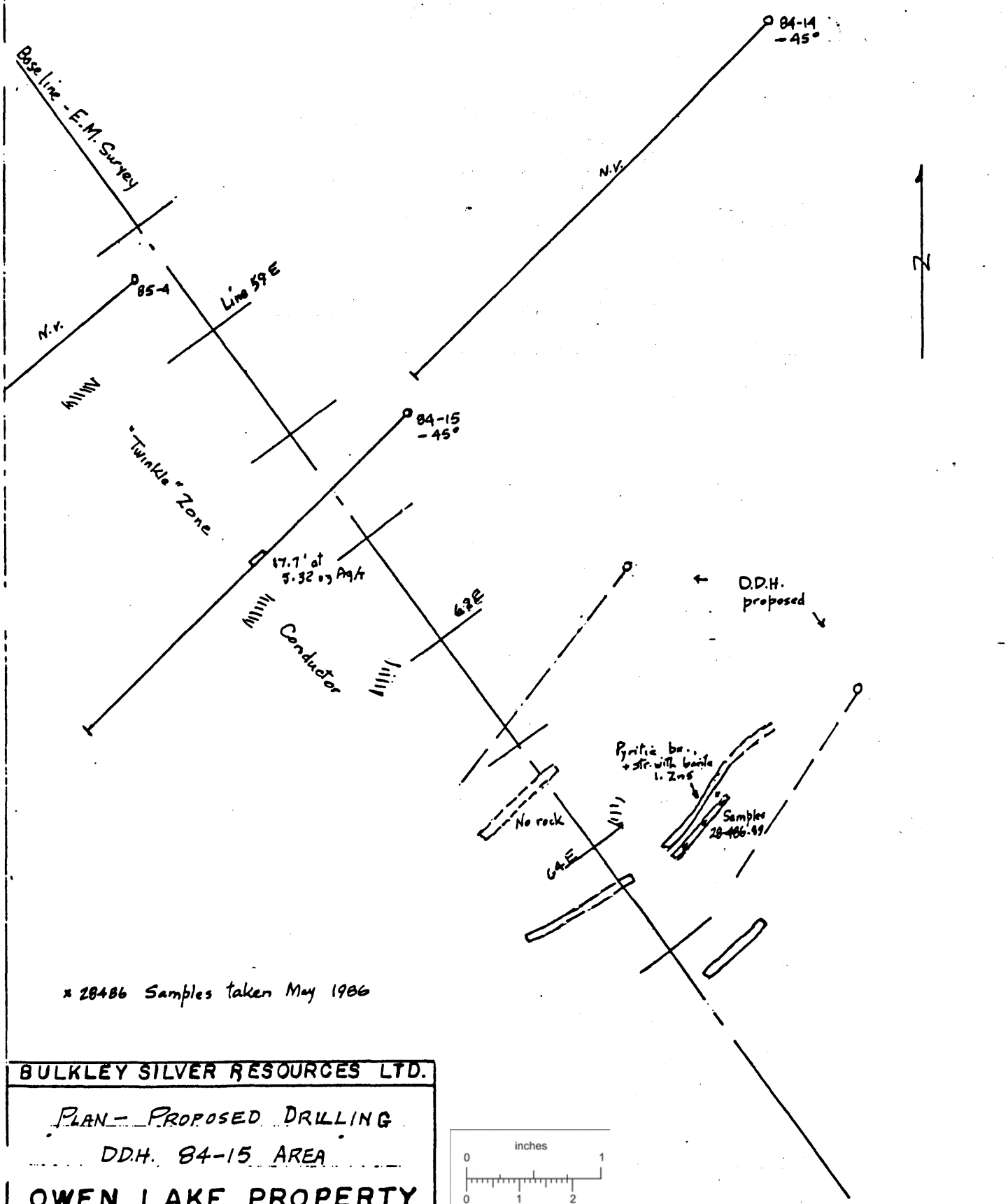
In this area, between the tailings pond and the Chisholm Shaft, DDH 84-15 cut a pyritized breccia zone containing a narrow vein. The vein ran 0.08 oz.Au per ton, 8.57 oz.Ag per ton, 0.410% Cu, 1.21% Pb, and 3.21% Zn. Averaged with the pyritic zone, the assay was 5.32 oz.Ag per ton over 17.7 feet. Trenching to the southeast cut some pyritized breccia, and a Hole (85-4) drilled 200 feet north got no values.

In the 1986 sampling program, trenches north and south of the existing trench failed to identify the mineralized zone. Samples were taken in the existing trench (as cleaned up) but Silver was less than 0.5 oz. per ton. One sample did show 20 ppm Germanium.

Since the conductor which was drilled by DDH 84-15 continues southerly, further exploration is warranted. Therefore, two diamond drill sections to extend the system 400 feet south are recommended, as shown on the plan attached, Figure #14.

Recommended:

2 DDH sections x 700 feet each = 1400 feet at $30.00/foot	$42,000.00



x 28486 Samples taken May 1986

BULKLEY SILVER RESOURCES LTD.	
PLAN - PROPOSED DRILLING DD.H. 84-15 AREA	
OWEN LAKE PROPERTY OMINECA MINING DIV., B.C.	
Drawn by: WWC	Date: June 1986
Scale: 1" = 100'	Fig. No: (14)

SUMMARY OF RECOMMENDED PROGRAMS

	PROJECT	WORK	COST	SUBTOTAL
1)	NO.1-NO.2 VEINS-NORTHEND			
		Rehab 2880 1000'@$10.00	$10,000.00	
		D.D. 2880 1400'		
		2600 1100'		
		2500 @$20.00	$50,000.00	
				$60,000.00
	POTENTIAL FOR PROBABLE ORE: 90,000 Tons			
2)	SWITCHBACK VEIN			
		D.D. 2400' @$30.00	$72,000.00	
		Adit 200' @$300.00	$60,000.00	
				$132,000.00
	POTENTIAL FOR PROBABLE ORE: 100,000 Tons			
3)	2750 SUBLEVEL			
		Rehab 2600 S 3000' @$10.00	$30,000.00	
		Rehab Alimak R.325' @$50.00	$16,250.00	
		Subdrive 325' @ $300.00	$97,500.00	
				$143,750.00
	POTENTIAL FOR PROBABLE ORE: Proving Ore			
4)	2600 S - TO NG 3 VEIN			
		I Drift 600' @$300.00	$180,000.00	
		D.D.Stations	$12,000.00	
		D.D. 2000' @$20.00	$40,000.00	
			$232,000.00	
		II Drive to & on Vein-		
		1400' @ $300.00	$420,000.00	
				$652,000.00
	POTENTIAL FOR PROBABLE ORE: +100,000 Tons			
5)	DECLINE - NO. 3 SOUTH			
		Preparation at 2600 Level	$73,875.00	
		Decline 1025' @ $685.00	$702,125.00	
			$781,000.00	
		Sublevels(3)150' @$300.00	$45,000.00	
		D.D. 3 x 1000=3000 @$20.00	$60,000.00	
			$105,000.00	
				$886,000.00
	POTENTIAL FOR PROBABLE ORE: Proving Ore			
6)	PORTAL VEIN			
		D.D. 2200' @ $20.00		$44,000.00
	POTENTIAL FOR PROBABLE ORE: 75,000 Tons			
7)	COLE LAKE AREA			
		Decline 1500' @ $350.00	$525,000.00	
		D.D. 10,000' @$20.00	$200,000.00	
				$725,000.00
		(Crosscut - 4350' $1,850,000.00)		
	POTENTIAL FOR PROBABLE ORE: +400,000 Tons			
8)	84-15 AREA			
		D.D. 1400' @ $30.00		$42,000.00
			TOTAL	$2,684,750.00

CONCLUSIONS AND RECOMMENDATIONS

Dawson (1985) has summed up the economic potential well, quoting reserves calculated by Ford (1982) on the No. 3 Vein as 577,590 tons at 0.108 oz.Au per ton, 7.51 oz.Ag per ton, 0.49% Cu, 1.49% Pb and 6.53% Zn. This includes tonnage below the 2600 Level not now accessable, and ore above the 2600 Level which would have to be re-developed. The tailings pond is estimated to contain 110,000 tons grading 0.06 oz. Au per ton and 2-3 oz.Ag per ton. No proven tonnage on other veins or zones is calculated.

The potential has changed since the Bradina Joint Venture operation (where the writer was employed in 1973) in several ways:

1) The Cole Lake system has been added to the property since the owners have optioned the New Nadina (Silver Queen) property.

2) Much more information is available due to programs conducted by the present owners since 1973.

3) Precious metal prices have risen, and the presence of higher precious metal values in the south end of the property and at depth has been detected.

4) Metallurgical problems in 1972-1973 led to poor recovery of precious metals in pyrite, and production of high lead in the copper concentrate. Recent advances in leaching technology, and markets for "dirty" concentrate would reduce these problems.

5) The occurrence of Gallium and Germanium in the ore could increase the value dramatically if these "high-tech" metals are recoverable.

The property, therefore, has sufficient potential for production, and the next program should be aimed at a production decision. Individual projects have been described and summed up and the program objectives should be:

1) To bring as much possible ore into the proven or probable category as possible.

2) To emphasize the precious metal potential of the ore bodies.

3) To advance the metallurgical studies for the recovery of precious metals, Gallium and Germanium.

CONCLUSION AND RECOMMENDATIONS continued

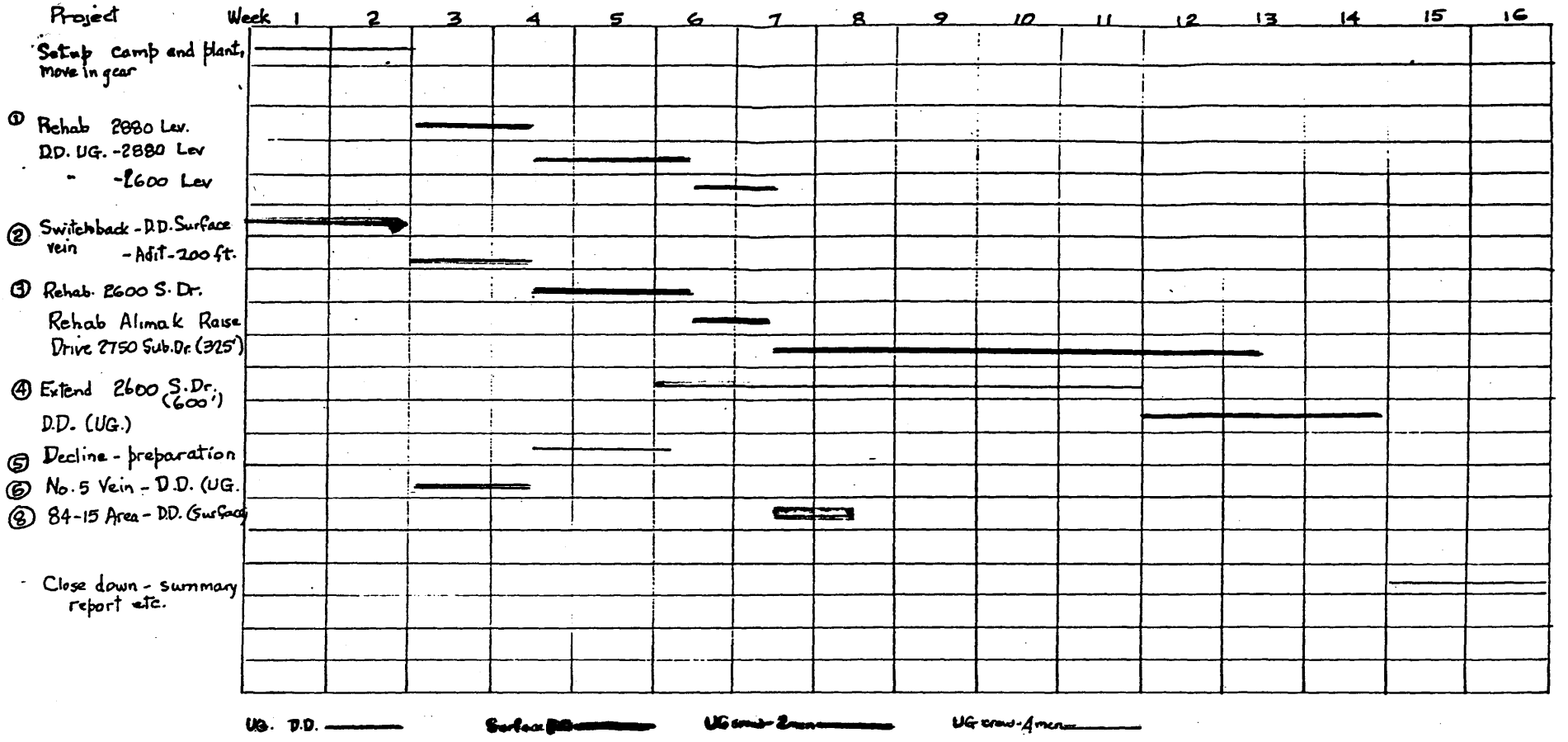
Accordingly, it is recommended that the programs be undertaken as follows; in order of priority and with assessment of results between stages:

STAGE ONE:

	Project	Direct Cost	
1)	Drilling No.1 and No.2 Veins North of Wrinch Creek	$60,000.00	
2)	Drilling Switchback Vein	$132,000.00	
3)	Develope 2750 Sublevel	$143,750.00	
4)	Part I drive 2600S and drill	$232,000.00	
5)	Preparation for decline	$73,875.00	
6)	Drill No. 5 Vein	$44,000.00	
8)	Drill 84-15 Area	$42,000.00	
	Total Direct Cost	$727,625.00	$727,625.00
	Add - Camp and plant upgrading	$25,000.00	
	Engineering and geology-4 months	$60,000.00	
	Administration, office -	$20,000.00	
	Metallurgical testing	$20,000.00	
	Consulting, (report)	$10,000.00	
	Fuel, repairs, rentals-4 months	$40,000.00	
			$175,000.00
		Subtotal	$902,625.00
		Add 10% for Contingency	$90,265.00
		TOTAL	$992,885.00

Estimated time for completion - 4 months.

BULKLEY SILVER RESOURCES INC. Stage One Schedule



CONCLUSION AND RECOMMENDATIONS continued

After appraisal of Stage One results.

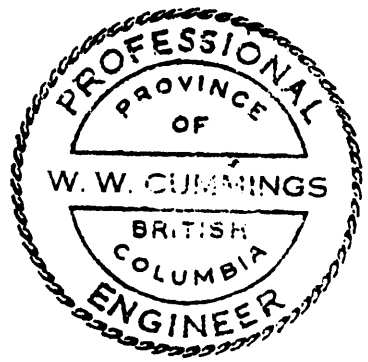
STAGE TWO:

	Project	Direct Cost
4)	Part II Drive to NG3 Vein and drift on Vein	$420,000.00
5)	Decline, sublevels and drill below 2600 Level	$812,125.00
7)	Cole Lake decline and drilling	$725,000.00
	TOTAL	$1,957,125.00

STAGE THREE:

Project	
Cole Lake Crosscut	$1,850,000.00

After Stage One, a feasibility study for production may be possible, and the priority for Stage Two may change.



W.W. Cummings P. Eng.

CERTIFICATE

I. W.W. CUMMINGS, of New Denver, in the Province of British Columbia, hereby certify that:

(1) I am a geological engineer with office and residence at New Denver, B.C., with mailing address of P.O. Box 57.

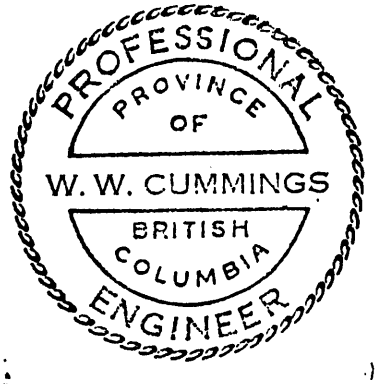
(2) I am a graduate of Queen's University, Kingston, Ontario with a B.Sc. in geology and mineralogy, 1949.

(3) I am a member of the Association of Professional Engineers, Province of British Columbia.

(4) This report is based on published and unpublished reports and personal knowledge from working on the properties involved.

(5) I have no direct or indirect interest in the property or securities of Bulkley Silver Resources Inc., New Nadina Explorations Ltd., or Houston Metals Corporation, nor do I expect to receive any interest.

(6) I hereby consent to the use of this report by Houston Metals Corporation in connection with the Prospectus or Statement of Material Facts relating to the raising of funds.



W.W. Cummings, P. Eng.

New Denver, B. C.

September 24, 1986.

APPENDIX -A-

REFERENCES

Reid, R.E. (1984): Surface Diamond Drilling 1983-84, Silver Queen Mine, Owen Lake, B.C.; Private report to New Nadina Explorations Ltd.

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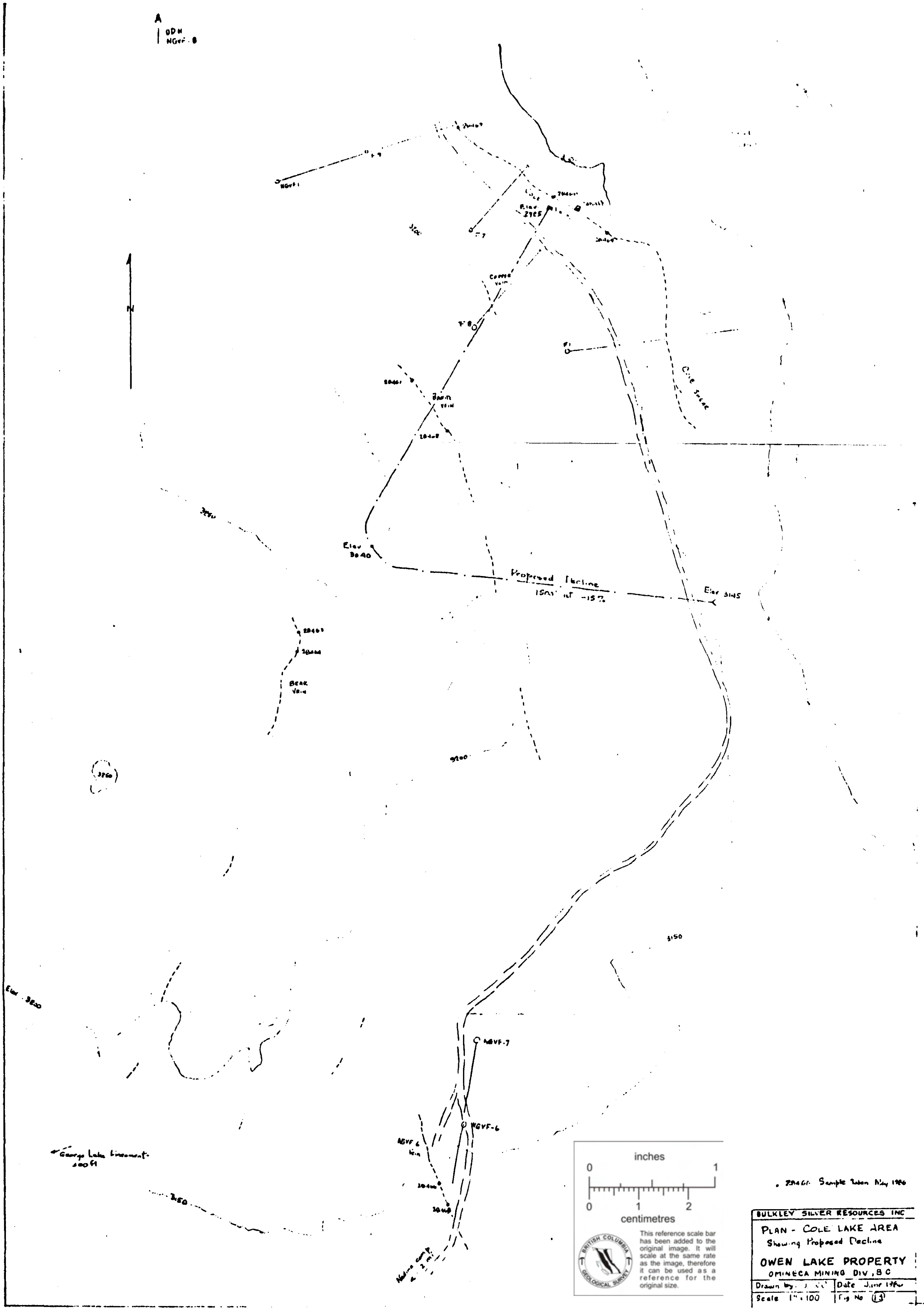
Stewart, G.O.M. (1985): Personal Communication.

Dawson, J.M. (1985): Report on the Owen Lake Property for Bulkley Silver Resources Inc.

Various files of Bulkley Silver Resources Inc.

APPENDIX -B-



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• 2846r. Sample Taken May 1986

BULKLEY SILVER RESOURCES INC

PLAN - COLE LAKE AREA
Showing Proposed Decline

OWEN LAKE PROPERTY
OMINECA MINING DIV, B C

Drawn by:	Date June 1986
Scale 1" = 100	Fig No 13

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relting to the securities offered by this Statement of Material Facts.

DATED: October 17, 1986

JOHN MICHAEL MACKEY - Director & Promoter

ADOLF AUGUST PETANCIC - Director & Promoter

ALAN MANNING MCALPINE - Director & Promoter

GEORGE OXLEY MACDONALD STEWART - Director and Promoter

HUGH GODDARD FARRIS - Director