

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SE HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

018079

Initial Public Offering

103I 080, \*081, \*082, \*112, \*136, ~~140~~ \*125

FIRCREST RESOURCES LTD.

146

PROPERTY FILE

D.L.

(the "Issuer")

201 - 888 Burrard Street  
Vancouver, British Columbia, V6Z 1X9

350,000 COMMON SHARES

Croesus 103I/9W  
PROPERTY FILE

Shares	Price to Public <sup>(1)</sup>	Commission <sup>(2)</sup>	Net Proceeds to be received by Issuer <sup>(3)</sup>
Per Share .....	\$0.45	\$0.0675	\$0.3825
Total .....	\$157,500	\$23,625	\$133,875

(1) The price of the securities offering hereby was determined by negotiations between the Issuer and the Agent.

(2) The Agents will also be granted Broker's Warrants described under the heading "Plan of Distribution".

(3) Before deduction of the costs of the Offering estimated to be \$25,000.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY OF THE ISSUER'S PROPERTIES HAS BEEN MADE, AND THEREFORE, IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE 13 HEREIN.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE OCTOBER 18, 1988, INCLUDING PRECIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE 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 BY THE ISSUER.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 23.33% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 65.56% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 11 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, AND SENIOR OFFICERS OF THE ISSUER.

THIS PROSPECTUS ALSO QUALIFIES THE ISSUANCE OF THE BROKER'S WARRANTS. THE AGENT MAY SELL ANY SHARES ACQUIRED ON THE EXERCISE OF THE BROKER'S WARRANTS AT THE MARKET PRICE AT THE TIME OF SALE PURSUANT TO THE PROVISION OF THE SECURITIES ACT AND REGULATIONS WITHOUT ANY FURTHER QUALIFICATION. REFERENCE SHOULD BE MADE TO THE SECTION CAPTIONED "ADDITIONAL OFFERING" ON PAGE 2 HEREIN.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER COMPANIES. REFERENCE SHOULD BE MADE TO THE SECTION CAPTIONED "POTENTIAL CONFLICTS OF INTEREST" ON PAGE 12 HEREIN FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THE ISSUE PRICE TO THE PUBLIC PER COMMON SHARE EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE AT AUGUST 31, 1987 BY \$0.2891, REPRESENTING A DILUTION OF 64.24% AFTER GIVING EFFECT TO THIS OFFERING. REFERENCE IS MADE TO THE HEADING "RISK FACTORS AND DILUTION" ON PAGE 13 HEREIN.

WE, AS AGENT, CONDITIONALLY OFFER 350,000 COMMON 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 THE SECTION CAPTIONED "PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS, SUBJECT TO OFFERING AND TO APPROVAL OF ALL LEGAL MATTERS ON BEHALF OF THE ISSUER BY HOLMES GREENSLADE, BARRISTERS & SOLICITORS, VANCOUVER, BRITISH COLUMBIA.

AGENT:

CANARIM INVESTMENT CORPORATION LTD.

2200 - 609 Granville Street  
Vancouver, British Columbia V7Y 1H2

EFFECTIVE DATE: APRIL 21, 1988

## PROSPECTUS SUMMARY

Amount: \$157,500

Offering: 350,000 Common Shares

Price: \$0.45 per Common Share

Use of Proceeds: The net proceeds from this issue will be used to enable the Issuer to carry out exploration and development work on the Croesus 1 and 2 mineral claims owned by the Issuer. See the section captioned "Use of Proceeds".

Broker's Warrants: This Prospectus also qualifies the issuance of the Broker's Warrants. The Agent may sell any shares acquired on the exercise of the Broker's Warrants at the market price at the time of the sale without further qualification. See the sections captioned "Description of Broker's Warrants" and "Additional Offering".

## THE ISSUER

The Issuer is a British Columbia corporation engaged in the business of the acquisition, exploration and development of natural resource properties of merit. Upon completion of the Offering herein described under the section captioned "Plan of Distribution", it is the intention of the Issuer to use the proceeds of the Offering to carry out Phase I of an exploration program recommended on the Croesus 1 and Croesus 2 mineral claims, consisting of 35 units (Record #'s 8410 and 8411), situate in the Omenica Mining Division, British Columbia, in accordance with the recommendations received from the Issuer's consulting engineers.

The Issuer also intends on exploring and developing other natural resource properties as funds become available for such purposes. See "Description of Business of the Issuer".

## RISK FACTORS

Investment in the common shares of the Issuer may be considered speculative due to the nature of the Issuer's business, the present stage of its development, and the fact that none of the Issuer's properties contains a known body of commercial ore. See the section captioned "Risk Factors".

Investors are cautioned that the foregoing is a summary only, and before an investment decision is made, this entire Prospectus should be read in detail.

FIRCREST RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

August 31, 1987

(Information at January 31, 1988 and for the five months ended January 31, 1988 is unaudited)

4. CAPITAL STOCK

(a) Allotted and to be issued:		
400,000 Shares at \$0.25		\$ 100,000
750,000 Shares at \$0.01		7,500
1 Share at \$1.00		<u>1</u>
		<u>\$ 107,501</u>

- (b) As at January 31, 1988, the executive officers have, in total, stock options on 125,000 shares and a director has a stock option on 25,000 shares. All are at an exercise price of \$0.45 per share.

These stock options expire two years from the date a receipt is issued for the initial prospectus.

- (c) As at January 31, 1988, 750,000 shares are to be held in escrow subject to the direction of the Superintendent of Brokers.
- (d) Pursuant to the agency agreement described in Note 5, the broker may be allotted and issued broker's warrants entitling the agent to purchase up to 87,500 shares at an exercise price of \$0.50 per share. The broker's warrants are exercisable at any time up to one year following the date of listing of the shares on the Vancouver Stock Exchange.

5. SHARE ISSUE AGREEMENT

The company has entered into an agreement covering the sale to the public of 350,000 shares at \$0.45 per share to net the company \$133,875.

6. RELATED PARTY TRANSACTIONS

The company is paying a management fee of \$1,500 per month to a company owned by an officer of the company commencing August 1, 1987.

REPORT ON THE CROESUS GOLD PROPERTY  
OMENICA MINING DIVISION, BRITISH COLUMBIA

FOR

FIRCREST RESOURCES LTD.

NTS 103 I 9W

54° 32.6' NORTH LATITUDE

128° 26.2' WEST LONGITUDE

BY

JOHN A. McCLINTOCK, P.Eng.  
32841 Ashley Way  
Abbotsford, B.C. V2S 5W3

July 15, 1987  
Revised Feb. 26, 1988

Vancouver, B.C.



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A) SUMMARY AND CONCLUSIONS

The Croesus claims are situated in west central British Columbia, approximately ten kilometers east of the City of Terrace. The Terrace area has a long mining history dating back to 1884 when placer gold was discovered in creeks to the north and east of the Croesus Property. Since the initial discovery of placer gold, numerous precious metal and base metal deposits have been discovered within a 30 kilometer radius of the property, some of which have achieved limited production. The Croesus claims were staked to acquire several of these known gold mineralized occurrences.

Past exploration of the Croesus claims, combined with the results of the recent widely spaced grid soil sampling indicate the claims to have potential for both high-grade, gold-silver veins and disseminated porphyry-type copper-gold deposits in altered granitic and volcanic rocks.

Of the three known auriferous veins on the claims, the priority exploration target is the Croesus vein. A bulk sample of the vein weighing 1,400 pounds is reported by the B.C. Department of Mines to have averaged 1.29 oz per ton gold and 1.56 oz per ton silver. The Croesus vein, which is up to 1 m wide, remains open on strike and to depth.

Disseminated copper-gold mineralization exists in two areas of the claims. Selective samples from these zones returned gold assays to 0.104 oz per ton. Soil sampling detected significant gold anomalies adjacent to both zones. These gold anomalies may indicate extensions to the showings that have higher gold grades.

The soil survey revealed 17 separate anomalies, most of which occur in areas without known mineralization. The unexplained gold and silver anomalies may be caused by additional vein systems concealed beneath overburden.

To further evaluate the showings and soil anomalies, a two-phase exploration program is recommended. An initial phase of detailed soil sampling, VLF-electromagnetic, and magnetometer surveys is proposed. Concurrently with

the geochemical and geophysical surveys, geological mapping, detailed prospecting and limited trenching is also recommended. The overall objective of Phase I is to define the extent and surface grade of mineralized occurrences on the Croesus property. Cost of Phase I is estimated to be \$65,500.00.

Phase II, contingent on the success of Phase I, involves testing with diamond drilling zones defined by the Phase I program. Estimated cost of Phase II is \$66,000.00.

## B) INTRODUCTION

At the request of J. Paul Stevenson of J. Paul Stevenson and Associates, the writer compiled this report on the Croesus 1 and 2 mineral claims situated in the Terrace area of British Columbia.

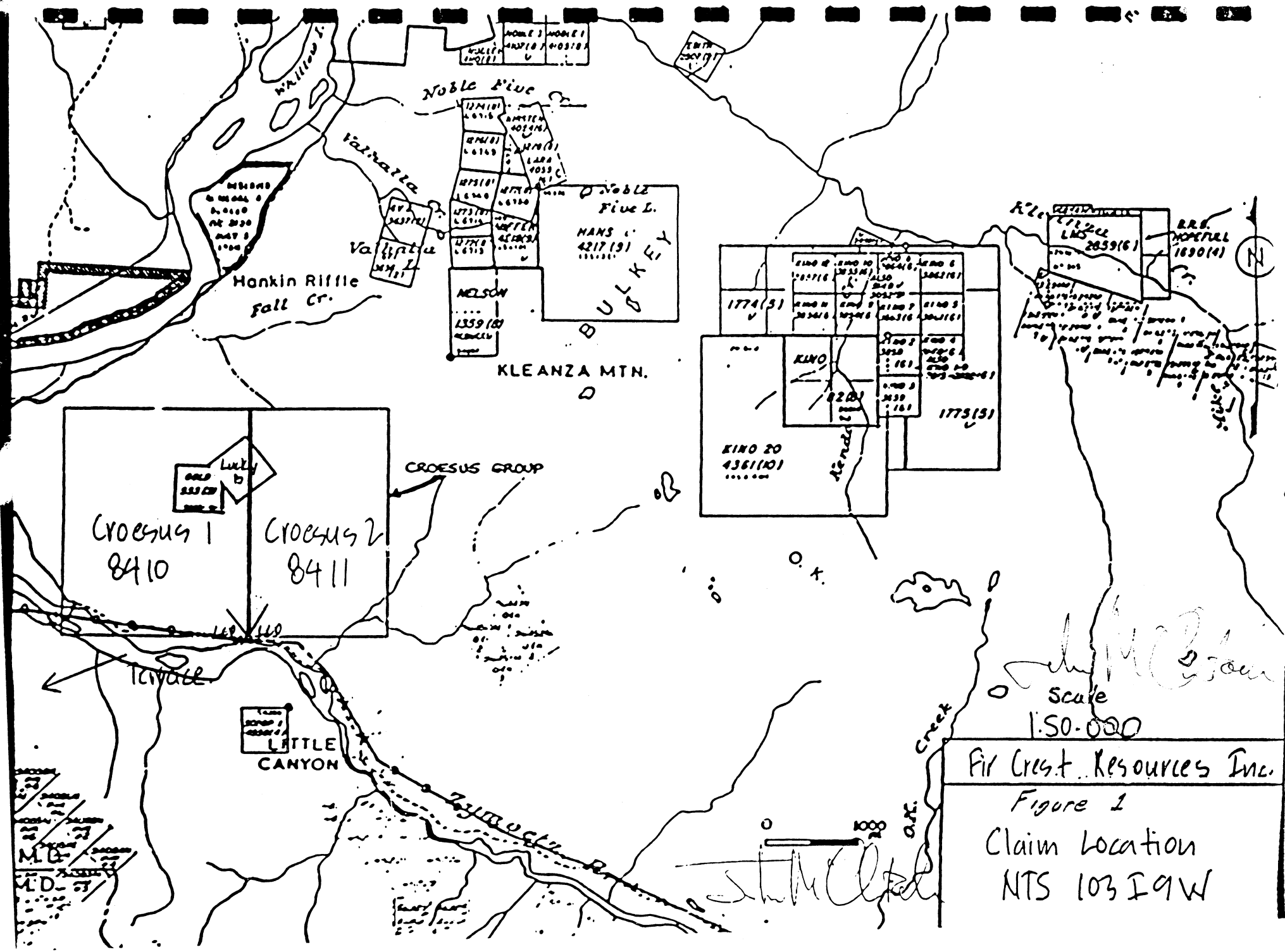
The writer examined the Croesus 1 and 2 claims on July 12, 1987 and this report is based on this examination and a review of geochemical data collected by Renegade Minerals Ltd. during May and June 1987, and a review of all available government maps and assessment reports describing the Croesus claims.

### 1. Location

The Croesus property is situated in the Omenica Mining Division, British Columbia, ten km east of Terrace, B.C. More precisely, it lies at 54° 32.6' north latitude and 128° 26.2' west longitude. (National Topographic Systems Maps 103 I 9W).

### 2. Access and Physiography

The property is readily accessible from Terrace via Highway 16 to the Zymeotz (Copper) River Road, then by the Copper River Road to kilometer 2, where a network of secondary logging roads extends northward across the property.



Fir Crest Resources Inc.  
 Figure 1  
 Claim Location  
 NTS 103 I 9 W

The claims cover the south facing slope of Kleanza Mountain overlooking the Zymoetz River. Elevations vary from 30 m at the river to 900 m at the northern claim boundary.

Over half of the claim area has been clearcut logged within the last 10 years. In these areas, vegetation consists of alder and replanted hemlock. The remainder of the property is covered by mature stands of cedar, hemlock and douglas fir.

### 3. Ownership

The Croesus property consists of two claims that were located under the British Columbia Modified Grid System (Figure 2). The current status of these claims is summarized as:

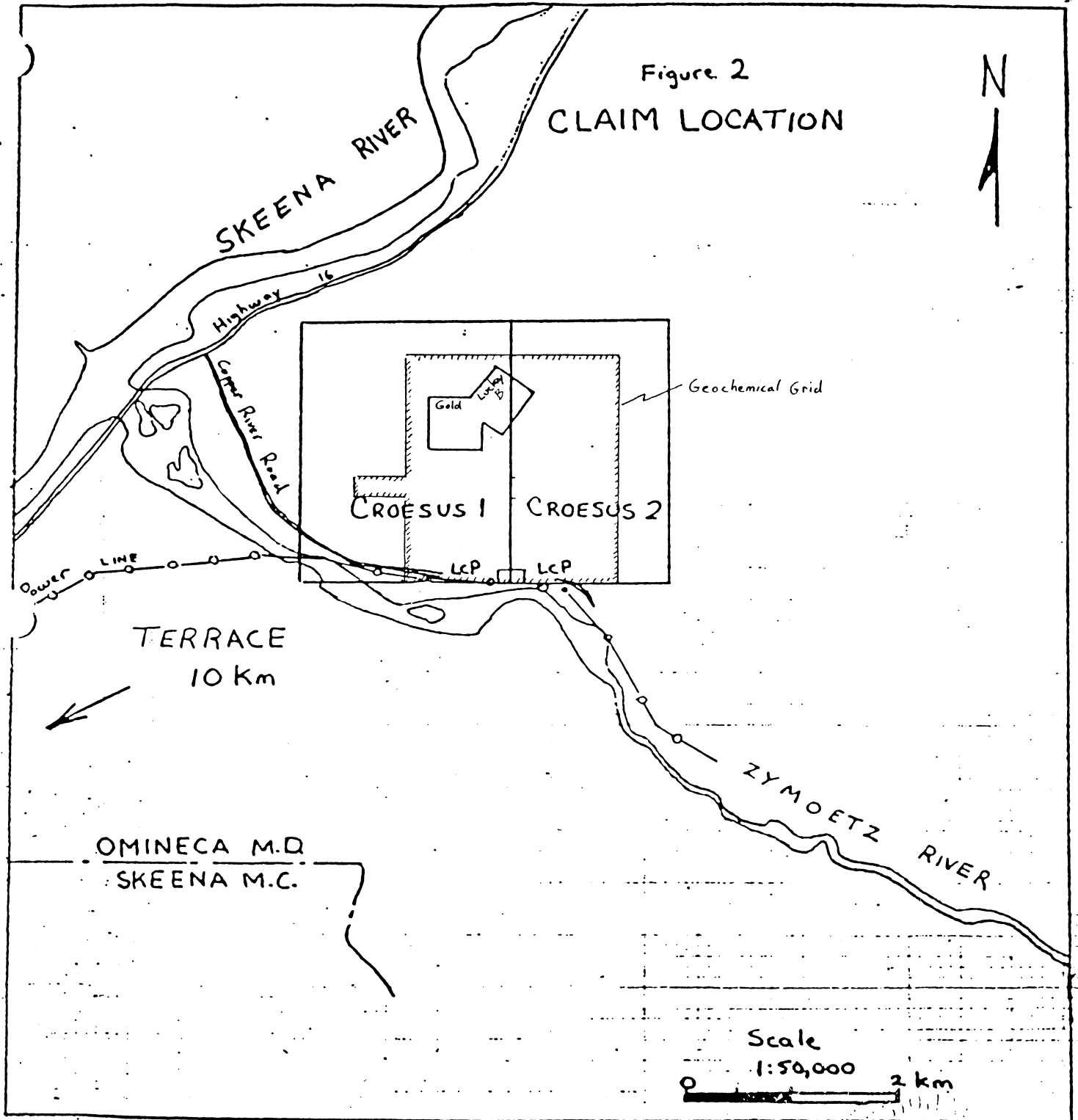
<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Croesus 1	20	8410	May 29, 1988
Croesus 2	15	8411	May 29, 1988

All interests in the above described mineral claims are held by Fircrest Resources Inc.

All of the claim posts and claim lines that were observed during the course of the property examination conformed to the regulations of the British Columbia Mineral Act.

### 4. History and Previous Work

The Terrace area has a long history of gold mining dating back to 1884 when placer gold was discovered on the Kleanza River six kilometers north of the Croesus property. Since the discovery of placer gold, numerous gold, silver, lead, zinc, copper, molybdenum and tungsten prospects have been staked, with some achieving limited production from high-grade gold-silver veins (Table 1).



*John M. O'Neil*

TABLE I

TERRACE AREA MINING PRODUCTION

<u>Property</u>	<u>Tons</u>	<u>Gold (oz)</u>	<u>Silver (oz)</u>	<u>Copper (oz)</u>	<u>Lead (oz)</u>	<u>Zinc (oz)</u>
Black Bull	2	1	2			
Columanario	?	680	1,818			
Diamond	10			1,000	12,893	4,818
Fiddler	622	186	730			
Frisco	10		500	6,400		
Gold Bar	11	12	18			
Golden Nib	32	52	43	665		
Grotto	69	40	1,386	5,075		
Lucky Lake	28	20	354	12,788		

The most significant gold-silver deposits within the immediate vicinity of the Croesus claims are:

Croesus Mineralization

Gold-silver mineralization was discovered on the Croesus claims in 1925. By 1938, two veins had been explored by short adits and other veins had been stripped and trenched. From 1940 to 1966 there was little recorded work on any of the showings on the Croesus claims. From 1966 to 1973 the property was explored by Kleanza Mines Ltd. under the direction of W. Sharp, P.Eng. During this period, the property was briefly optioned from Kleanza Mines Ltd. by Nittetsu Mining Company who evaluated the property's potential for porphyry copper-molybdenum mineralization. Kleanza Mines Ltd. dropped the property in 1974. A summary of work from 1966 to 1973 is tabulated below:

1965 - Property staked by R.H. Bates.

1966 - Approximately 1200 m of trenching on Croesus porphyry and Excelsior zones, mapping, soil sampling (rubranic total heavy metals), prospecting, electromagnetic survey on Gem vein.

1968 - Magnetometer survey, six randomly spotted x-ray drill holes totalling 383 feet by Titan Mines Ltd., grid lines cut, trenching.



1969 - One 30 foot x-ray diamond drill hole near Gem vein, prospecting and mapping x-ray hole at Excelsior zone.

1970 - Optioned by Nittatsu Mining Ltd. Induced polarization survey.

1971 - Road repairs.

1973 - Road construction, surveying, trenching and sampling. Examination of construction aggregate potential. EM survey over Gem vein.

In 1982, the ground was staked by C.F. Resources Ltd. who carried out limited rock and soil sampling of the known showings before dropping their claims. The current owners of the claims acquired the ground by staking on April 30, 1987.

#### Columanario

Situated three kilometers north of the Croesus claims, the property hosts seven gold-silver veins in volcanic rocks adjacent to a granodiorite intrusive. In the period 1927 to 1934, Columanario Gold Mines Ltd. explored the vein systems with 11 adits and about 2,400 meters of underground development. In 1934 a 100 ton per day mill was constructed. Actual tonnage mined is not known, but production of precious metals recorded by the Department of Mines was 680 ounces of gold and 1,868 ounces of silver.

#### Fiddler

The Fiddler deposit lies 29 kilometers north of the Croesus property. A quartz-sulphide vein cutting sedimentary rocks was explored and developed in the period 1916 to 1923. In 1923 and 1926 shipments totaling 180 tons grading in excess of 1 oz per ton gold and 5 oz per ton silver were made. Total production reported by the B.C. Department of Mines is 622 tons with an average grade of 0.29 oz per ton gold and 1.17 oz per ton silver.

### Kelly Creek

Lying 15 kilometers east of the property, the Kelly Creek deposit was explored with surface drilling and underground workings by Imperial Metals Corporation from 1979 to 1981. The Imperial Metals work defined an indicated reserve of 1,180,000 tons grading 0.75 oz per ton silver and 1% copper in veins and replacement zones in volcanic rocks (B.C. Department of Mines, MINDEP file).

### 1031136 - Gem

The Gem vein occurs on a small claim owned by Mintek Resources which is enclosed with the Croesus 1 claim. Absolute position of the Gem vein with respect to the boundaries of the Mintek claim is uncertain since recent logging has removed the legal corner post.

The Gem vein was developed on two levels by Kendal Mining Ltd. under the supervision of W.M. Sharp, P.Eng. Reserves of at least 4,800 tons of material averaging 0.76 oz per ton gold across a width of 1.3 feet were calculated by Mr. Sharp (Price 1983).

## 5. Economic Considerations

The Croesus property is linked to the City of Terrace by 12 kilometers of paved and all-weather gravel road. The infrastructure at Terrace could easily support any development in the Croesus area. High voltage hydro-electric lines pass along the southern boundary of the property. A reliable supply of water is readily available from the Zynoetz River and there is adequate area on the property for mine waste and/or tailings.

## C) GEOCHEMISTRY

During May and June 1987, Renegade Minerals Ltd., using chain and compass techniques, established a grid of stations along 200 meter separated east-west oriented lines (Figure 3). Locally, in areas of known mineralization, line

spacing was reduced to 100 meters. With the exception of two lines, stations were placed at 50 meter intervals along the lines. On two lines, the spacing was reduced to 25 meters where the lines passed over known mineralization.

At each station, a sample of "B" horizon soil was collected. These soil samples were sent to Vangeochem Labs in North Vancouver where they were analysed for gold and silver by atomic absorption techniques. The total number of samples collected and analysed was 588.

Statistical manipulations were carried out on the logarithms of analytical results of the samples to determine the mean and anomalous levels (mean plus two standard deviations). A summary of the mean and anomalous levels for gold and silver are as follows:

<u>Element</u>	<u>Mean</u>	<u>Anomalous (Mean + 2 Standard Deviations)</u>
Gold	5	25
Silver	0.1	0.6

The analytical results for both gold and silver are plotted on Figure 3. A complete listing of all analytical results are provided in Appendix II of this report.

Contouring of the gold values highlighted 17 separate areas of the claims as anomalous. Of these anomalous areas, seven are multi-station anomalies and are labelled on Figure 4 as Anomalies 1 through VII. Anomaly I is centered at grid coordinates 7000N and 4500E. The anomaly trends northwesterly and is continuous over 500 meters and remains open to the northwest. The anomaly which is 100 m wide has gold values to 90 ppb. No known mineralization occurs in the vicinity of the anomaly. The southern portion of the anomaly may occur on ground owned by Mintek Resources Ltd.

Anomalies II and III are situated at grid coordinates 7000N and 5200E. Both are northerly trending and have dimensions of 300 meters by 50 meters. Anomaly II remains open to the north. No known mineralization occurs within these gold-soil anomalies.

Fircrest Resources Ltd.

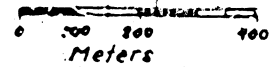
Compilation Map: Figure 4

Gold Geochemistry (Au > 25 ppb)

*John McEach*

○ Gold  
~ VLF-EM

Scale 1:1250



CROESUS PORPHYRY ZONE



40+00E

50+00E

500+00E

72+00N  
70+00N  
68+00N  
66+00N  
64+00N  
62+00N  
60+00N  
58+00N  
56+00N  
54+00N  
52+00N  
51+00N  
50+00N

ANOMALY I

ANOMALY II

ANOMALY III

ANOMALY IV

ANOMALY V

ANOMALY VI

ANOMALY VII

X old mine site

GEM VEIN

12-1

Old prospectors Cabin

12-2 DOLLAR VEIN

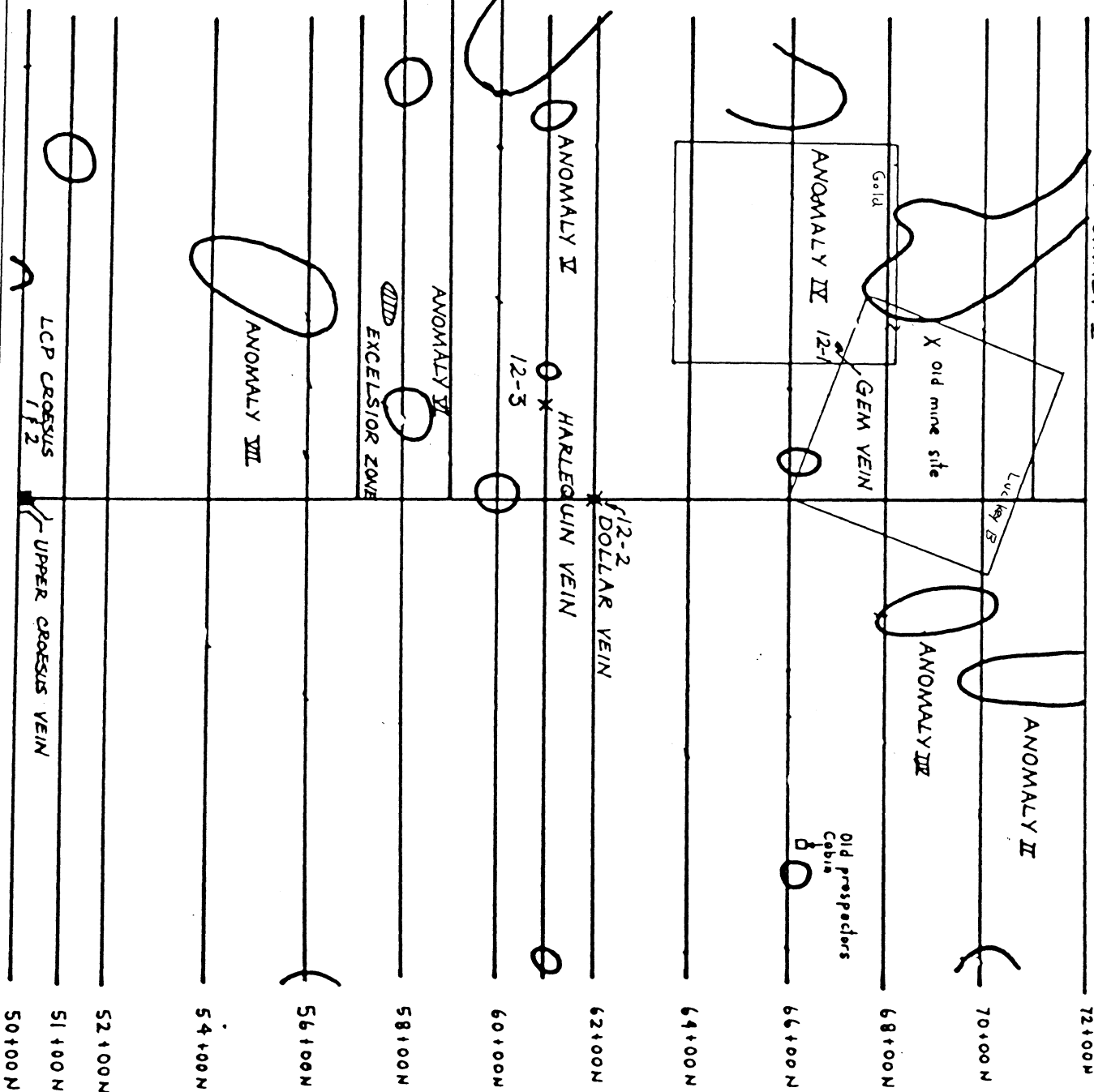
HARLEQUIN VEIN

12-3

EXCELSIOR ZONE

LCP CROESUS 12-2

UPPER CROESUS VEIN



Anomaly IV is centered at grid coordinate 6600N, 4200E. It measures 250 meters by 150 meters and is open to the south. Within the anomaly, the soil is strongly anomalous for gold with values to 4100 ppb. No known bedrock source for the anomaly is known.

Anomaly V is at grid coordinates 6100N and 4000E, trends northwesterly and measures 250 meters by 150 meters. The anomaly, which remains open to the northwest, has gold values to 60 ppb and lies 150 meters west of an occurrence of disseminated and fracture filling chalcopyrite and molybdenite in granitic rocks. Selected rock samples of the sulphide bearing granite have assayed up to 0.05 oz per gold (Price 1983). Anomaly V may indicate an easterly extension of this mineralization.

Anomaly VI is a two-station anomaly at grid coordinates 5800N, 4850E, having gold values of 100 and 25 ppb. The anomaly lies immediately north of the Excelsior Zone where gold values to 0.107 oz per ton have been obtained from select samples of sulphide mineralized sheared and quartz-carbonate veined andesite. This anomaly implies the zone may extend further north than previously thought.

The remaining ten single-sample anomalies have gold values ranging between 400 ppb and 25 ppb; however, because of the wide sample spacing, these anomalies may be of significantly greater extent. Closer spaced soil sampling is required to define their full extent.

### Silver

Contouring of silver values revealed numerous single and multiple station anomalies. With one prominent exception, most of the silver anomalies are generally coincident with the gold anomalies. The prominent exception is a 750 meter by up to 300 meter silver anomaly centered at 6600N and 5500E. Within this silver anomaly, only one sample site is coincidentally anomalous for gold. No known source for this large silver anomaly has been identified and follow-up soil sampling and prospecting of this anomaly is a priority. Elsewhere in the grid, several single and two-station

silver anomalies occur. The evaluation for these anomalies requires closer spaced soil sampling and concurrent prospecting to determine their significance.

The gold and silver anomalies will be discussed in more detail in conjunction with the geology later in the report.

## D) GEOLOGY

### 1) Regional Geology

Geologically, the Croesus property occurs at the boundary of the Coast Plutonic Complex and the Inter Mountain Belt. In the vicinity of the claims, Mesozoic-age rocks of the Hazelton Group are intruded by various intrusive phases of the Coast Plutonic Complex. The Hazelton Group rocks are a complex assemblage of volcanic flows, tuffs, and breccias interbedded with volcanoclastic sedimentary rocks. Intruding the Hazelton rocks are batholiths and related smaller stocks and dykes varying in composition from diorite to granite.

The margins of the larger intrusive bodies contain xenoliths of partially assimilated Hazelton Group rocks.

### 2) Property Geology

The geology of the property has not been mapped in detail. The following description of the geology and mineralization is based on rock outcropping noted during a one day examination of the known showings and a compilation of all geological reports on the Croesus area that have been filed for assessment credit with, or published by, the Ministry of Energy, Mines and Petroleum Resources.

The Croesus property straddles an easterly trending apophyses of the main mass of Coast Plutonic Complex. The intrusive rocks range in composition from gneissic diorite to quartz-feldspar pegmatite (Figure 5).

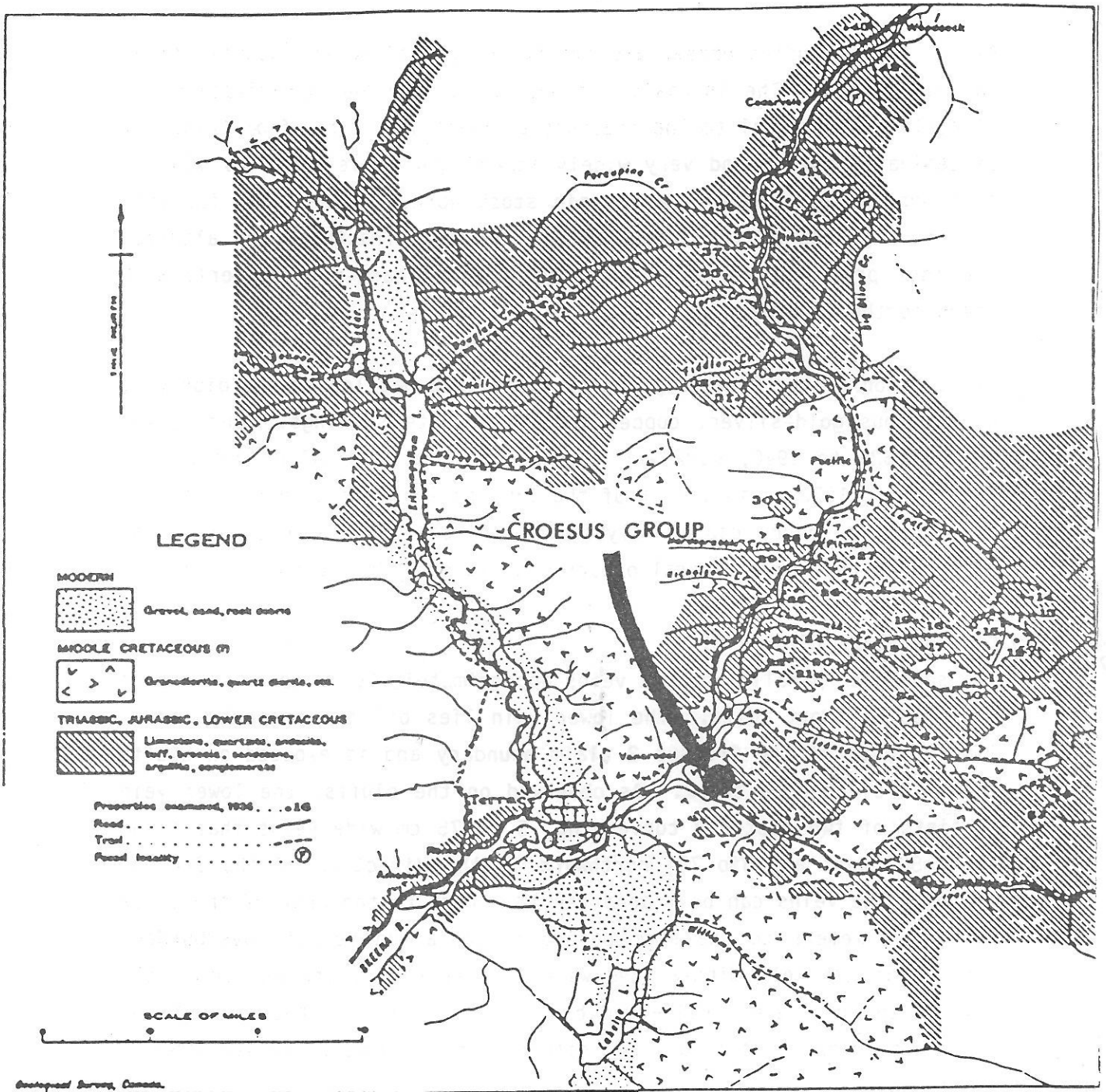


FIG. 5: REGIONAL GEOLOGY - TERRACE AREA, B.C.  
 (Source; G.S.C. Mem. 212)

*John McEwen*

All of the intrusive phases are fractured, pyritized and quartz veined to some extent. The intensity of quartz veining and pyritization are directly proportional to the fracture density and ranges from traces of disseminated pyrite and very widely spaced quartz veinlets to 10% pyrite and closely spaced quartz vein stock works. Generally, the more siliceous phases of the intrusion are the most fractured and altered. The most prominent direction of fracturing is east-northeasterly with steep northerly dips.

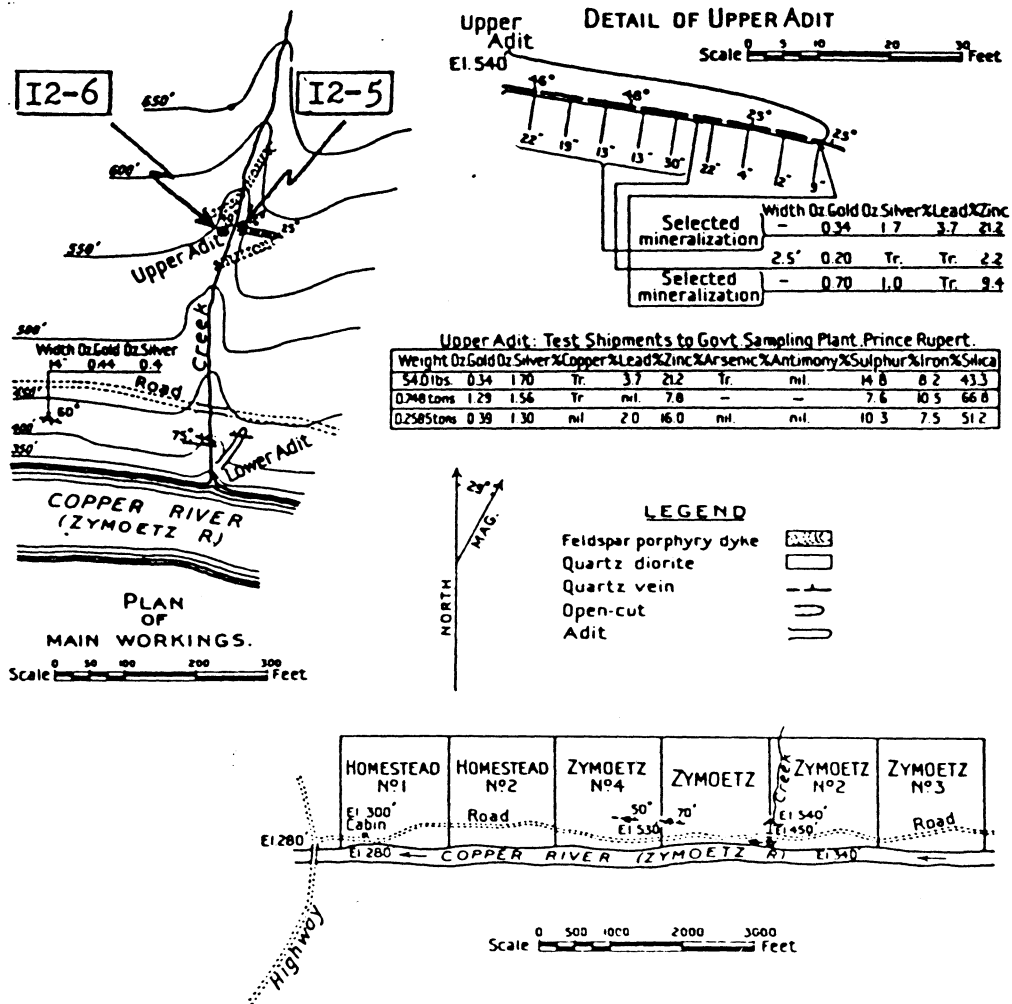
Exploration of the Croesus property since 1925 has led to the discovery of numerous gold-silver, copper and molybdenite showings. During the period 1825 to 1940, work was focussed on the gold-silver veins. In the 1966 to 1973 period, most of the exploration effort centered on the property's porphyry copper-molybdenium potential. A brief description of each of the known mineral occurrences is provided below.

103I-082 Croesus Veins (Figure 6)

Two separate, parallel quartz veins approximately 100 m apart have been explored by short adits. The lower vein lies off the property immediately south of the Croesus 2 claim boundary and is exposed on bluffs and both sides of a creek. As observed on the bluffs, the lower vein consists of two easterly converging, 5 to 75 cm wide veins that trend north 80° west and dip 75° northward in the direction of the Croesus claims. The veins can be traced for 10 meters to the west of the creek and for 5 meters to the east before disappearing beneath overburden. Both veins are well mineralized with sphalerite, pyrite and some galena. A channel sample collected by T.C. Scott, B.Sc., assayed 0.05 oz per ton gold and 0.14 oz per ton silver across one meter (Price 1983).

Approximately eight meters vertically below the creek showing, a cross-cut adit intersected a 30 to 75 cm wide quartz vein close to where the down dip extension of the vein projects. A 70 cm channel sample taken by E.D. Kindle of the Geological Survey of Canada and reported in Memoir 205, 1937, assayed 0.08 oz per ton gold and 0.15 oz per ton silver.





**FIGURE 6: Zymoetz Group gold-silver veins.**  
From B.C. M.M. Ann. Rept., 1938, p813

*John A. [Signature]*

Seventy-five meters west of the veins exposed in the creek, an open cut is reported to have exposed a 35 cm wide quartz vein (B.C. Ministry of Mines Annual Report 1938, p. B13). The vein exposed in the cut strikes north 80° west and dips 60° northward. A chip sample representative of the exposure in the cut across 35 cm, averaging 0.44 oz per ton gold and 0.4 oz per ton silver, was taken by E.D. Kindle of the Geological Survey of Canada. No modern exploration techniques such as VLF-electromagnetic or soil geochemical surveys have yet explored the possible strike extension of the vein.

The upper Croesus, or main vein, occurs within the Croesus 2 claim. Like the lower vein, the upper quartz vein is well exposed in the steep rock faces on either bank of a small creek. The vein is a single 10 to 100 cm wide vein cutting quartz diorite that strikes north 77° west and dips between 25° and 48° northward. The vein is traceable in outcrop for 15 meters to the west and 6 meters to the east beyond which the vein disappears beneath overburden. A 14.5 meter long adit was driven easterly along the vein from the creek.

Where exposed in outcrop and the adit, the vein consists of massive to sheared quartz variable mineralized with sphalerite, pyrite and minor galena and magnetite. Two channel samples taken across the quartz vein by the author assayed .26 oz per ton gold and .003 oz per ton gold across 75 cm and 30 cm respectively (Figure 6). Sampling of the vein reported in the 1938 B.C. Ministry of Mines Annual Report obtained the following results:

- a) selected mineralization exposed in an average width of 48 cm for a length of 7.9 meters from the portal assayed 0.7 oz per ton gold, 1.0 oz per ton silver and 9.4 percent zinc;
- b) chip sample across a width of 75 cm at 8.5 m from the portal assayed 0.2 oz per ton gold, trace silver and 2.2 percent zinc;
- c) selected grab sample of sheared vein and gouge containing massive nodules of sphalerite and some galena assayed 0.34 oz per ton gold, 1.7 oz per ton silver, 21.2 percent zinc and 3.7 percent lead.

The B.C. Minister of Mines Annual Report for 1938 also reports that the then owners of the Croesus property had made the following bulk shipments to the sampling plant at Prince Rupert:

<u>Weight</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>	<u>Copper %</u>	<u>Lead %</u>	<u>Zinc %</u>
54 lbs.	0.34	1.70	tr	3.7	21.2
0.70 ton	1.29	1.56	tr	nil	7.8
0.27 ton	0.39	1.30	nil	2.0	16.0

There is no record of systematic exploration of the upper Croesus vein since 1940 and the vein is untested on strike and to depth. The wide-spaced soil sampling carried out by Renegade Minerals did not detect any anomalous gold or silver values on strike with the known vein occurrences. The lack of anomalous values is not surprising considering the lines were run parallel to the strike of the vein and the sample sites were so widely separated. To geochemically detect the possible strike extensions will require closely spaced soil sampling along north-south oriented lines. The association of zinc and silver mineralization with gold makes these elements pathfinders, useful in defining the extent of the vein. Magnetite which is present in the veins may enable location of extensions by magnetometer surveys with closely spaced stations. Concurrently with geochemical sampling and magnetometer surveys, VLF-Electromagnetic surveys over the north-south grid and detailed rock sampling and trenching should be carried out.

1031-125 - Croesus Porphyry Zone (Figure 7)

This zone was the main focus of exploration from 1966 to 1971 during which time 1000 m of trenching and rock sampling of the zone were carried out. The zone lies approximately 1500 meters northwest of the upper Croesus vein. Here, pyrite, chalcopyrite and locally, bornite and molbdenite, occur as fracture fillings and disseminations. Stockworks of quartz veinlets with selvages of sulphides are also present within leucocratic to pegmatitic phases of the intrusive. Alteration accompanying the mineralization includes sericitization, kaolinization and chloritization.

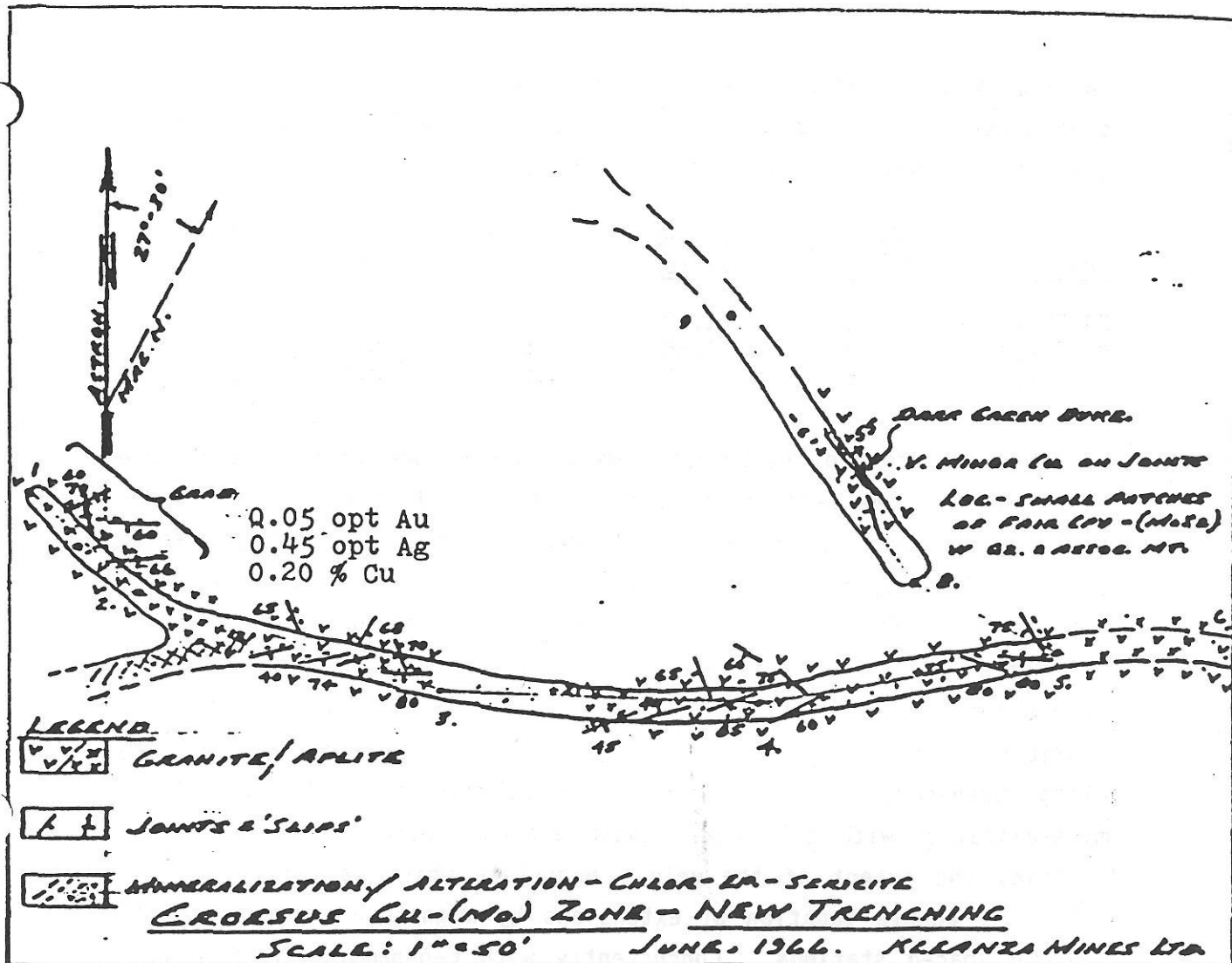


FIG 7: "Croesus" porphyry zone. From report by W. Sharp 1966.

*W. Sharp*

Trenching has exposed porphyry-style mineralization over a 400 m by 200 m area. Generally, the tenor of the mineralization is low. A large grab sample taken by Kleanza Mines Ltd. (Price 1983) assayed 0.20% copper, 0.45 oz per ton silver and 0.05 oz per ton gold. Two select samples collected by B.J. Price assayed as follows:

<u>Type</u>	<u>Cu %</u>	<u>Ag (oz/ton)</u>	<u>Au (oz/ton)</u>
Select	0.11	0.22	0.006
Select	0.09	0.16	0.001

Soil sampling of the Croesus porphyry zone was not done; however, 200 meters east of the showing is gold soil Anomaly V. This anomaly measures 250 m by 150 m and is open to the northwest and overlies an area with no reported gold mineralization. This anomaly may indicate an extension of the Croesus porphyry zone.

The newly detected gold-soil anomaly warrants additional soil sampling to determine the full extent of the anomaly and detailed prospection, rock sampling and trenching to evaluate its source. Such a program will hopefully lead to the identification of porphyry-style mineralization with higher gold grades.

103I 081 - Excelsior Zone (Figure 8)

The Excelsior zone lies approximately one kilometer east of the Croesus Porphyry Zone (Figure 4). Several trenches have been blasted and bulldozed in chloritized and carbonate altered dark green andesite over a 60 by 20 meter area. Within this area, the andesite is mineralized by pyrite and quartz-carbonate-chlorite veins and minor chalcopyrite. Rock samples from the mineralized zone have been collected by W.M. Sharp, P.Eng. (1969), B.J. Price, M.Sc., F.G.A.C. (1983) and the writer. Analyses of these samples are as follows:

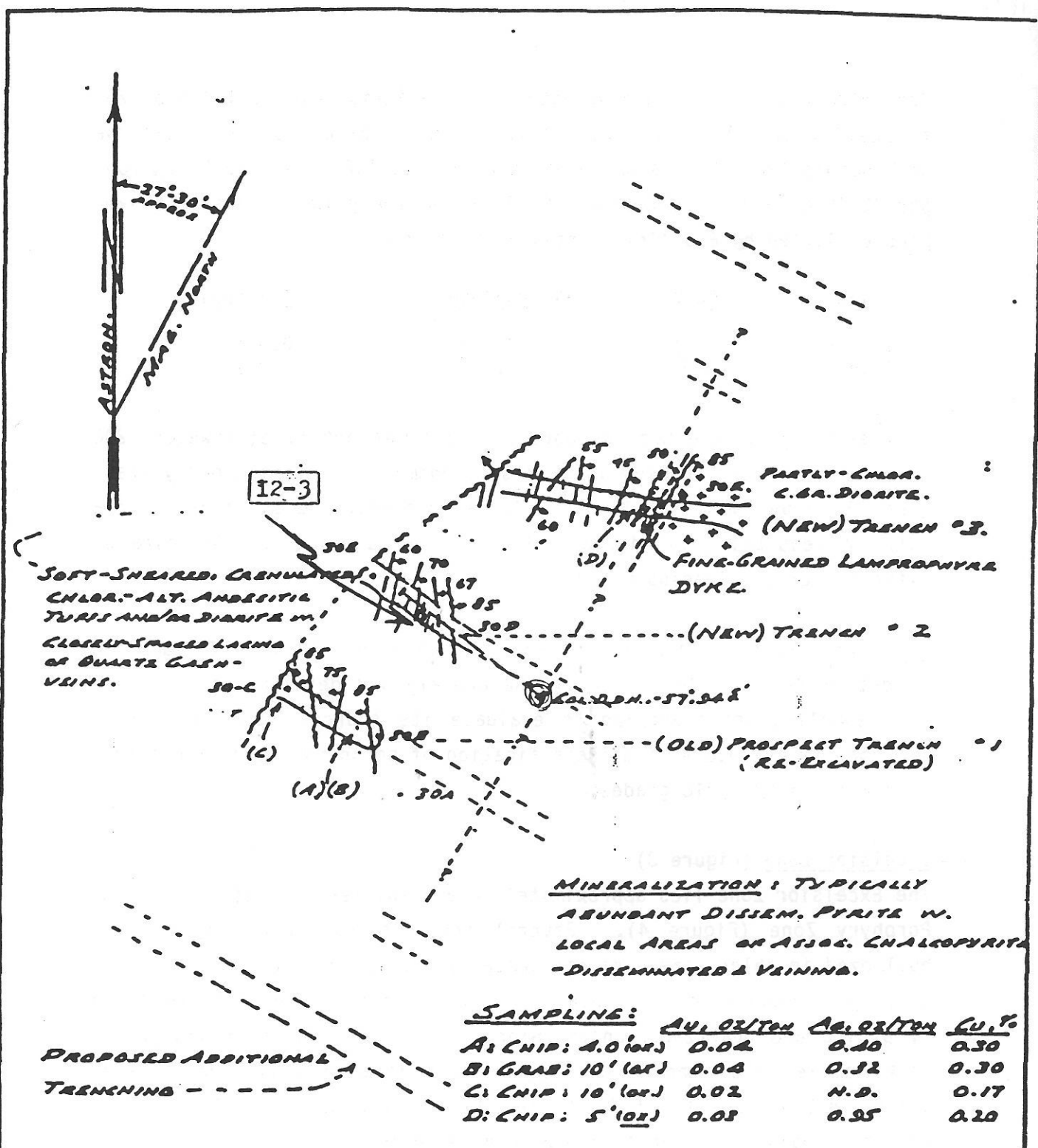


FIGURE 8

\*From report by W. Sharp dated March 1969.

**DETAILED GEOLOGY**  
**EXCELSION, CU-AU ZONE**  
**CROLENE GROUP, KLEANTANTW.**  
 SCALE: 1:50

*Handwritten signature*

<u>No.</u>	<u>Type</u>	<u>Cu %</u>	<u>Ag (oz/ton)</u>	<u>Au (oz/ton)</u>	<u>Sampler</u>
A	chip 1.2 m	0.30	0.40	0.04	W.M. Sharpe
B	grab 3.0 m	0.30	0.32	0.04	W.M. Sharpe
C	chip 3.0 m	0.17	nil	0.02	W.M. Sharpe
D	chip 1.5 m	0.20	0.05	0.03	W.M. Sharpe
040568	grab	0.01	0.23	0.012	B.J. Price
040569	grab	0.01	1.05	0.039	B.J. Price
040570	grab	0.03	0.19	0.006	B.J. Price
040571	grab	0.19	1.14	0.072	B.J. Price
040572	select	0.59	1.88	0.104	B.J. Price
12-4	chip 2.0 m			.007	J.A. McClintock

A single x-ray drill hole was drilled beneath the zone in 1969. The hole reportedly intersected weakly mineralized andesite but was not assayed (Price 1983).

Although sampling to date suggests the copper and precious metal values are sub-economic considering the extent of mineralization, the recent soil sampling program has outlined gold-in-soil anomalies immediately northeast and south of the showing. These anomalies, which measure 100 meters by 100 meters and 300 meters by 150 meters, may indicate the zone is more widespread than previously thought. The fact that the soil gold values are significantly higher in these peripheral anomalies than over the main Excelsior may indicate source mineralization which has a higher gold grade. Because the Excelsior showing occurs on a bench it is unlikely that either of these anomalies is the result of down-slope movement.

Further evaluation of both the Excelsior Zone and the gold-soil anomalies is warranted. Recommended work includes detailed rock sampling of the showing, additional soil sampling at closely spaced sites along northerly oriented lines spaced no more than 50 meters apart. Concurrently with the soil sampling, both soil anomalies should be systematically prospected and rock sampled to locate their sources.

### 103I 112 - Harlequin Vein

The Harlequin vein is exposed in a road cut approximately 350 meters north of the Excelsior Zone. In the road cut, the vein is one meter

thick and dips 45° northerly. To the west, the vein pinches out, while to the east it can be traced for ten m before becoming obscured by overburden. A representative chip sample by the writer across one m assayed .046 oz per ton gold. B.J. Price (1983) collected several samples from the vein with the following results:

<u>Description</u>	<u>Type</u>	<u>Gold (oz/ton)</u>	<u>Silver (oz/ton)</u>	<u>Zinc %</u>	<u>Pb %</u>
Vein	Chip 1 m	0.033	0.93		
Hanging Wall	Chip 15 cm	0.045	0.46		
Vein Float	Select	0.017	1.30		
Vein Float	Select	0.010	4.18	6.9	22.5

Results of grid soil sampling, with the exception of a single sample that contained 45 ppb gold, were low for both gold and silver. The probable reason for the poor geochemical response of the vein is a combination of the very wide soil sample spacing and the orientation of the soil sampling lines parallel to the strike of the vein. Both these factors, in combination with the narrow target size, make it very unlikely that the current sampling program would have detected the vein. In this context, the single anomalous value obtained from the vicinity of the vein is of greater significance. To properly assess the potential strike length of the Harlequin vein by soil sampling will require a grid of closely spaced sample stations along northerly oriented lines spaced no more than 50 meters apart.

103I112 - Dollar Vein

The Dollar vein is situated 100 m northeast of the Harlequin vein (Figure 4) and is exposed in a road cut. The vein is 4 to 15 cm wide and is sparsely mineralized with pyrite and traces of molybdenite. A select sample from the vein collected by the writer assayed .006 oz per ton gold. Soil sample results from over the Dollar vein were similarly low for all of the elements analysed. The very narrow widths and low gold values obtained from rock sampling make this vein a low priority target.



### Other Zones

Based on information found in B.C. Ministry of Mines Annual Reports from 1925 through 1938, several other mineralized zones are believed to be within the Croesus 1 and 2 claims. The exact location of these zones could not be verified on the ground by the writer. The mineral occurrences that are possibly within the claim include the Beanstalk, Bluebird, Adeline, Silver Shear, and Silver Bow. Little is known of these zones except for the Silver Bow which had the following production reported by the B.C. Department of Mines (M.M.A.R. 1937-C13).

<u>Shipment</u>	<u>Au</u> <u>(oz/ton)</u>	<u>Ag</u> <u>(oz/ton)</u>	<u>Cu %</u>	<u>Pb %</u>	<u>Zn %</u>
7.4 tons	0.173	41.61	1.1	11.2	13.0
7.2 tons	0.15	15.0	1.6	15.0	14.0

A priority of future exploration is to locate these showings to determine if they are within the Croesus claims. Some indications of the location of these mineralized zones may be provided by the unexplained gold anomalies I, II, III and IV situated in the north and northwestern area of the geochemical grid. It is possible that the source of the anomalous gold values is one or more of these showings.

### E) DISCUSSION

Exploration carried out to date has demonstrated potential for the Croesus property for both high-grade precious metal vein deposit and large, low-grade, copper-gold-silver deposit.

Several gold-silver veins discovered on the claims have not been explored by modern exploration techniques. Of these veins, the priority target is the Croesus vein which remains open on strike and to depth. The surface dimensions of the Croesus and other veins could be outlined by a closely spaced soil grid, VLF-Electromagnetic surveys, detailed magnetometer surveys followed by trenching and channel sampling. The possibility for discovery of additional veins on the property based on the results of the current reconnaissance

soil sampling program is good. Good soil anomalies I through IV and a large silver soil anomaly in the north of the claims may be the geochemical expression of veins concealed beneath overburden. Also, numerous single station gold anomalies are unexplained and further evaluation of these could lead to the discovery of additional gold-bearing veins. The exploration of the veins on the property should be set towards the goal of defining a gold reserve in excess of 50,000 ounces from one or more of the vein systems.

Much of the previous exploration effort had focussed on the porphyry copper-molybdenum target. Although sampling of the Croesus porphyry and Excelsior showings indicate low-gold values, the recent soil sampling program has highlighted prominent gold soil anomalies adjacent to the showings. These newly discovered soil anomalies suggest that higher-grade potentially high grade extensions of the known showings of separate untested auriferous zones may exist. Evaluation of the geochemical target will require further grid soil sampling, systematic prospecting and rock sampling and trenching. The goal of future exploration should be to define an open-pit mineable reserve in the order of one million tonnes grading 0.1 oz per ton gold.

#### F) RECOMMENDATIONS

A two-phase exploration program is recommended for the Croesus property. The initial program is designed to determine the surface extent and grade of the currently known mineralized occurrences and to locate the source of the various unexplained gold and silver anomalies. Phase II, which is contingent upon favourable results of Phase I, is designed to test the subsurface extent and grade of mineralization found by the Phase I program.

##### Phase I

In areas of existing workings and gold-silver soil anomalies, grid lines 50 meters apart with 25 m stations will be established. For the southern half of the claims, where the veins trend east-west, grid lines should be oriented north-south to crosscut the projected strike extension of

mineralization. Soil samples will be collected at 25 m intervals along all established grid lines and analysed for gold, silver, copper, zinc and lead.

In conjunction with soil sampling, detailed 1:5,000 scale geological mapping of the entire claims will be undertaken. Areas defined as anomalous by soil sampling will be prospected in detail and any mineralization will be chip or channel sampled. All existing workings and trenches will be resampled and geologically mapped at a scale of 1:200.

VLF-Electromagnetic surveys will be run over lines in the vicinity of the known showings and the geochemical anomalies. Additionally, a detailed magnetometer survey will be carried out over the projected strike extension of the Croesus vein.

After definition of the potential targets, those targets covered by shallow overburden should be evaluated by trenching either by hand-digging or with a backhoe. Trenches will be chip or channel sampled and mapped at scale of 1:200.

#### Proposed Budget

Grid Preparation	\$ 3,500.00
Geochemical Sample Collection and Analyses	25,000.00
Geophysical Surveys	2,000.00
Travel and Accommodation	7,000.00
Prospecting and Geological Mapping	6,000.00
Trenching	4,000.00
Rock Sample Analyses	3,500.00
Report Preparation & Drafting	4,500.00
Administration	5,000.00
Contingencies, at 10%	<u>6,000.00</u>
	<u>\$66,500.00</u>


#### Phase II

Contingent on favourable results from the Phase I program, and a clear definition of targets, further exploration on the Croesus property by way of diamond drilling will be warranted.

Proposed Budget

Diamond Drilling	\$60,000.00
NQ Wireline, 600 m @ \$100/m (all inclusive)	<u>6,000.00</u>
Total Phase II	<u>\$66,000.00</u>
TOTAL RECOMMENDED PROGRAM, PHASE I & II	<u>\$131,500.00</u>

Respectfully submitted,

  
John A. McClintock, P.Eng.

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Kindle, E.D., 1937, Mineral Resources, Usk to Cedarvale, Terrace Area, Coast District, British Columbia, G.S.C. Memoir 212, 63 pp.

Duffell, S. and Souther, J.G., 1964, Geology of Terrace Map Area, 103 I E 1/2, G.S.C. Memoir 329, 117 pp.

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Sharp, W.M. (1966-1973) Geological Reports and Maps Concerning the Croesus Property. Private Reports prepared for Kleanza Mines Ltd.

9. CERTIFICATE

I, John A. McClintock of 32841 Ashley Way, in the Municipality of Matsqui, in the Province of British Columbia, hereby certify as follows:

- 1) that I am a registered member of the Association of Professional Engineers of British Columbia - No. 12078 - 1980;
- 2) that I am a graduate from the University of British Columbia with a Bachelor of Science degree (honors) geology in 1973;
- 3) that I have practised my profession continuously since graduation;
- 4) that I have no interest directly or indirectly in the Croesus Property nor do I own directly or indirectly any shares of Fircrest Resources Ltd.
- 5) that the information continued in this report is based on a one-day examination of the claims on July 12, 1987 and a review of all available government maps and assessment reports.
- 6) that I consent to the use of this report by Fircrest Resources in a Prospectus or Statement of Material Facts or any such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.



John A. McClintock, P.Eng.

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Certificate of ASSAY

Company: J.P. STEVENSON & ASSOC.  
Project:  
Attention: PAUL STEVENSON

File: 7-820/P1  
Date: JULY 18/87  
Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	AU G/TONNE	AU OZ/TON	
<del>11-1</del>	<del>.04</del>	<del>0.001</del>	
<del>11-2</del>	<del>1.22</del>	<del>0.036</del>	
12-1	.02	0.001	Grab Sample Dump Lower Adit
12-2	.21	0.006	Channel Sample across 6cm width, Dollar Vein
12-3	1.56	0.046	Harquin Vein, 100cm chip across Vein
12-4	.24	0.007	Excelsior Zone, 2m chip sample
12-5	.90	0.026	Croesus Main Vein, east side of creek, 75cm channel Sample
12-6	.10	0.003	Croesus Main Vein, west side of creek, 30cm channel Sample

Certified by

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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

PAGE 1 OF 16

SAMPLE #	Ag ppm	Au ppb
L50N 4100E	nd	15
L50N 4150E	nd	nd
L50N 4200E	nd	nd
L50N 4250E	.2	20
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L50N 4350E	nd	20
L50N 4400E	nd	20
L50N 4450E	.4	5
L50N 4500E	.5	5
L50N 4550E	nd	35
L50N 4600E	nd	15
L50N 4650E	nd	5
L50N 4700E	nd	5
L50N 4750E	nd	10
L50N 4800E	.2	10
L50N 4850E	nd	15
L50N 4900E	nd	5
L50N 4950E	nd	20
L50N 5000E A	nd	10
L50N 5000E B	.2	10
L50N 5050E	nd	10
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L50N 5550E	nd	15
L50N 5600E	.2	15
L50N 5650E	.3	10
L50N 5700E	nd	10
L50N 5750E	nd	10
L50N 5800E	nd	10
L50N 5850E	nd	10
L50N 5900E	nd	20
L50N 5950E	nd	nd
L50N 6000E	nd	15
L51N 4000E	.1	nd
L51N 4050E	nd	5
L51N 4100E	nd	5

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

is = insufficient sample





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PAGE 2 OF 16

SAMPLE #	Ag ppm	Au ppb
L51N 4150E	nd	nd
L51N 4200E	nd	nd
L51N 4250E	.1	nd
L51N 4300E	nd	nd
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L51N 5450E	nd	nd
L51N 5500E	nd	nd
L51N 5550E	nd	5
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L51N 5650E	nd	nd
L51N 5700E	nd	nd
L51N 5750E	nd	nd

DETECTION LIMIT

0.1 5

nd = none detected

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SAMPLE #	Ag ppm	Au ppb
L51N 5800E	.3	15
L51N 5850E	.4	nd
L51N 5900E	nd	nd
L51N 5950E	nd	nd
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L52N 4150E	nd	nd
L52N 4200E	nd	nd
L52N 4250E	nd	nd
L52N 4350E	nd	400
L52N 4400E	nd	nd
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L52N 5950E	nd	nd
L52N 6000E	nd	nd
L54N 4000E	nd	nd
L54N 4050E	nd	nd
L54N 4150E	nd	nd
L54N 4200E	nd	nd

DETECTION LIMIT

0.1 5

nd = none detected

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PAGE 4 OF 16

SAMPLE #	Ag ppm	Au ppb
L54N 4300E	nd	nd
L54N 4350E	nd	nd
L54N 4400E	nd	15
L54N 4450E	nd	nd
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L54N 4600E	nd	nd
L54N 4650E	.4	5
L54N 4900E	nd	15
L54N 4950E	nd	nd
L54N 5000E	nd	nd
L54N 5050E	nd	nd
L54N 5150E	nd	nd
L54N 5200E	nd	10
L54N 5250E	nd	5
L54N 5300E	nd	5
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L54N 6000E	nd	10
L56N 4000E	nd	5
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L56N 4300E	nd	10
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L56N 4400E	nd	10
L56N 4450E	.1	20
L56N 4500E	nd	15

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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RENEGADE MINERAL EXP. SER

PAGE 5 OF 16

SAMPLE #	Ag ppm	Au ppb
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L56N 4850E	nd	5
L56N 4900E	nd	5
L56N 4950E	.1	5
L56N 5050E	nd	nd
L56N 5100E	nd	10
L56N 5150E	nd	5
L56N 5200E	nd	10
L56N 5250E	nd	5
L56N 5300E	nd	5
L56N 5350E	nd	5
L56N 5400E	nd	5
L56N 5450E	nd	5
L56N 5500E	nd	5
L56N 5550E	nd	5
L56N 5600E	nd	5
L56N 5650E	nd	5
L56N 5700E	nd	5
L56N 5750E	nd	nd
L56N 5800E	nd	nd
L56N 5850E	nd	nd
L56N 5900E	nd	10
L56N 5950E	nd	10
L56N 6000E	nd	40
L57N 4000E	nd	nd
L57N 4050E	nd	10
L57N 4100E	.1	5
L57N 4150E	nd	10
L57N 4200E	nd	10
L57N 4250E	nd	nd
L57N 4300E	nd	10
L57N 4350E	nd	nd
L57N 4400E	nd	10
L57N 4450E	.1	20

DETECTION LIMIT            0.1       5  
nd = none detected       -- = not analysed

is = insufficient sample



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(604) 966-5211 TELEX: 04-352578

BRANCH OFFICE  
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VANCOUVER, B.C. V5L 1L8  
(604) 251-6666

REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

PAGE 6 OF 16

SAMPLE #	Ag ppm	Au ppb
L57N 4500E	nd	nd
L57N 4550E	.4	nd
L57N 4575E	nd	10
L57N 4600E	nd	10
L57N 4625E	nd	10
L57N 4650E	nd	10
L57N 4675E	nd	10
L57N 4700E	nd	10
L57N 4725E	nd	10
L57N 4750E	nd	10
L57N 4775E	nd	5
L57N 4800E	nd	nd
L57N 4825E	nd	5
L57N 4850E	nd	nd
L57N 4875E	nd	10
L57N 4900E	nd	nd
L57N 4925E	nd	nd
L57N 4950E	nd	nd
L57N 4975E	nd	nd
L57N 5000E	nd	5
L58N 3150E	.1	5
L58N 3200E	.2	nd
L58N 3250E	nd	nd
L58N 3300E	.1	nd
L58N 3350E	nd	nd
L58N 3400E	nd	5
L58N 3450E	nd	5
L58N 3500E	nd	nd
L58N 3550E	nd	5
L58N 3600E	nd	nd
L58N 3650E	nd	nd
L58N 3750E	.2	5
L58N 3850E	.3	5
L58N 3900E	.4	5
L58N 3950E	.1	5
L58N 4000E	.1	10
L58N 4050E	nd	15
L58N 4100E	nd	5
L58N 4150E	nd	25

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

PAGE 7 OF 16

SAMPLE #	Ag ppm	Au ppb
L58N 4200E	nd	5
L58N 4250E	nd	25
L58N 4300E	nd	5
L58N 4350E	nd	5
L58N 4450E	nd	nd
L58N 4500E	nd	nd
L58N 4550E	nd	5
L58N 4600E	nd	5
L58N 4650E	nd	10
L58N 4700E	nd	5
L58N 4800E	nd	100
L58N 4850E	.1	25
L58N 4900E	nd	5
L58N 4950E	nd	10
L58N 5000E	nd	nd
L58N 5050E	nd	10
L58N 5100E	nd	10
L58N 5150E	nd	5
L58N 5200E	nd	20
L58N 5250E	nd	5
L58N 5300E	nd	nd
L58N 5350E	nd	nd
L58N 5400E	nd	nd
L58N 5450E	nd	15
L58N 5500E	.2	5
L58N 5550E	.2	5
L58N 5600E	nd	5
L58N 5650E	.1	5
L58N 5700E	nd	5
L58N 5750E	nd	5
L58N 5800E	nd	5
L58N 5850E	nd	nd
L58N 5900E	nd	nd
L58N 5950E	nd	nd
L58N 6000E	nd	nd
L59N 3100E	.2	5
L59N 3200E	nd	10
L59N 3300E	.1	5
L59N 3350E	nd	5

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 6A

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L59N 3450E	.1	5
L59N 3500E	nd	10
L59N 3550E	nd	10
L59N 3600E	nd	10
L59N 3650E	.3	10
L59N 3700E	nd	5
L59N 3750E	.3	10
L59N 3800E	.5	10
L59N 4000E	.2	10
L59N 4050E	.4	10
L59N 4100E	nd	10
L59N 4150E	.4	10
L59N 4200E	.2	5
L59N 4350E	nd	5
L59N 4400E	.4	5
L59N 4450E	nd	5
L59N 4500E	nd	5
L59N 4550E	.1	5
L59N 4600E	nd	nd
L59N 4700E	nd	nd
L59N 4750E	.4	nd
L59N 4800E	.4	10
L59N 4850E	.1	nd
L59N 4900E	.1	10
L59N 4950E	nd	nd
L59N 5000E	.2	nd
L60N 3200E	nd	20
L60N 3350E	nd	10
L60N 3400E	nd	nd
L60N 3500E	nd	nd
L60N 3550E	nd	nd
L60N 3600E	nd	nd
L60N 3700E	nd	nd
L60N 3750E	nd	10
L60N 3800E	nd	10
L60N 3850E	.4	10
L60N 3900E	nd	5
L60N 3950E	nd	nd
L60N 4000E	1.7	60

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 6A

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L60N 4100E	.3	25
L60N 4150E	.4	10
L60N 4200E	nd	5
L60N 4250E	nd	nd
L60N 4300E	nd	nd
L60N 4350E	nd	5
L60N 4400E	nd	5
L60N 4450E	nd	5
L60N 4500E	nd	5
L60N 4550E	nd	5
L60N 4600E	nd	5
L60N 4650E	nd	nd
L60N 4700E	nd	10
L60N 4750E	.1	10
L60N 4800E	nd	10
L60N 4850E	nd	5
L60N 4900E	nd	10
L60N 4950E	nd	5
L60N 5000E A	nd	45
L60N 5000E B	nd	15
L60N 5050E	nd	5
L60N 5100E	nd	5
L60N 5150E	.2	nd
L60N 5200E	nd	5
L60N 5300E	nd	10
L60N 5350E	nd	5
L60N 5400E	nd	5
L60N 5450E	nd	5
L60N 5500E	nd	5
L60N 5550E	nd	5
L60N 5600E	nd	10
L60N 5650E	nd	5
L60N 5700E	nd	5
L60N 5800E	nd	5
L60N 5850E	.1	5
L60N 5900E	nd	10
L60N 5950E	nd	5
L60N 6000E	nd	5
L61N 4000E	.2	35

DETECTION LIMIT            0.1       5  
nd = none detected       -- = not analysed

is = insufficient sample





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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L61N 4050E	.2	40
L61N 4100E	nd	20
L61N 4200E	.2	30
L61N 4250E	.2	10
L61N 4300E	.5	10
L61N 4350E	nd	10
L61N 4400E	nd	10
L61N 4450E	.2	5
L61N 4500E	nd	5
L61N 4550E	nd	nd
L61N 4600E	nd	5
L61N 4650E	nd	30
L61N 4700E	nd	nd
L61N 4750E	nd	10
L61N 4800E	.3	5
L61N 4850E	nd	10
L61N 4900E	.4	10
L61N 4950E	nd	20
L61N 5000E A	.8	10
L61N 5000E B	.4	15
L61N 5150E	nd	5
L61N 5200E	nd	10
L61N 5250E	nd	5
L61N 5300E	nd	10
L61N 5350E	nd	5
L61N 5400E	.1	10
L61N 5450E	nd	nd
L61N 5500E	nd	nd
L61N 5550E	nd	15
L61N 5600E	nd	5
L61N 5650E	nd	nd
L61N 5700E	nd	5
L61N 5800E	nd	10
L61N 5850E	nd	15
L61N 5900E	.1	5
L61N 5950E	nd	35
L61N 6000E	.1	5
L62N 4050E	.5	20
L62N 4200E	nd	5

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

REMEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L62N 4250E	nd	nd
L62N 4300E	.6	20
L62N 4350E	.4	10
L62N 4400E	.6	20
L62N 4450E	.7	10
L62N 4500E	.4	10
L62N 4550E	.2	nd
L62N 4600E	.2	15
L62N 4650E	.3	5
L62N 4700E	.2	10
L62N 4750E	.7	10
L62N 4800E	.3	15
L62N 4850E	.2	15
L62N 4900E	.3	5
L62N 4950E	.4	20
L62N 5000E	nd	20
L62N 5050E	.2	10
L62N 5150E	nd	10
L62N 5200E	nd	15
L62N 5250E	.5	5
L62N 5350E	.4	nd
L62N 5450E	.1	nd
L62N 5550E	.2	10
L62N 5650E	nd	nd
L62N 5700E	nd	nd
L62N 5750E	nd	nd
L62N 5800E	nd	10
L62N 5850E	nd	5
L62N 5900E	.3	5
L62N 5950E	nd	10
L62N 6000E	nd	5
L64N 4000E	.3	5
L64N 4300E	.1	10
L64N 4350E	.3	5
L64N 4400E	.3	nd
L64N 4450E	.1	nd
L64N 4500E	nd	10
L64N 4650E	.2	5
L64N 4700E	nd	5

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L64N 4750E	.3	10
L64N 4800E	.3	20
L64N 4850E	.4	10
L64N 4900E	.4	20
L64N 5000E A	.4	10
L64N 5000E B	1.0	10
L64N 5050E	nd	10
L64N 5100E	.2	15
L64N 5150E	.6	10
L64N 5200E	.4	10
L64N 5250E	.4	10
L64N 5350E	1.2	20
L64N 5400E	1.1	10
L64N 5450E	.3	10
L64N 5500E	.4	5
L64N 5550E	.6	10
L64N 5600E	.3	10
L64N 5650E	.5	nd
L64N 5800E	.1	nd
L64N 5850E	.2	nd
L64N 5900E	nd	5
L64N 5950E	nd	5
L64N 6000E	nd	15
L66N 4000E	.1	10
L66N 4050E	.1	nd
L66N 4100E	.1	20
L66N 4150E	13.1	2300
L66N 4200E	11.6	4100
L66N 4250E	.1	40
L66N 4300E	nd	10
L66N 4350E	.3	10
L66N 4400E	.1	10
L66N 4500E	.3	10
L66N 4550E	.4	10
L66N 4600E	.4	10
L66N 4700E	nd	10
L66N 4750E	nd	5
L66N 4800E	nd	5
L66N 4850E	.1	10

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 GA

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L66N 4900E	.6	30
L66N 4950E	.7	5
L66N 5000E A	.1	5
L66N 5000E B	.3	5
L66N 5050E	.3	10
L66N 5100E	.8	20
L66N 5150E	.2	5
L66N 5200E	.6	5
L66N 5250E	.3	10
L66N 5300E	.6	10
L66N 5350E	.7	5
L66N 5400E	.9	5
L66N 5450E	.7	10
L66N 5500E	.6	10
L66N 5550E	.6	15
L66N 5600E	.3	10
L66N 5650E	.4	40
L66N 5700E	.4	20
L66N 5750E	.2	15
L66N 5800E	.2	5
L66N 5850E	nd	5
L66N 5900E	nd	5
L66N 5950E	.2	15
L66N 6000E	nd	nd
L68N 4000E	nd	5
L68N 4050E	nd	5
L68N 4100E	nd	15
L68N 4150E	.2	10
L68N 4200E	.3	5
L68N 4250E	.2	5
L68N 4300E	.4	15
L68N 4350E	nd	5
L68N 4400E	nd	10
L68N 4450E	.1	65
L68N 4500E	.3	5
L68N 4550E	.4	25
L68N 4600E	2.3	90
L68N 4700E	.1	5
L68N 4750E	.3	5

DETECTION LIMIT

nd = none detected

0.1

-- = not analysed

is = insufficient sample



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JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L68N 4850E	.9	5
L68N 4950E	.2	nd
L68N 5000E	.6	15
L68N 5050E	.3	15
L68N 5150E	.4	10
L68N 5200E	.4	40
L68N 5250E	.4	10
L68N 5300E	.5	5
L68N 5350E	1.2	10
L68N 5400E	.7	15
L68N 5450E	.4	10
L68N 5550E	.4	10
L68N 5600E	.1	5
L68N 5650E	.3	20
L68N 5700E	.3	10
L68N 5750E	.3	10
L68N 5900E	.3	10
L68N 5950E	.5	10
L68N 6000E	.2	10
L70N 4150E	.5	10
L70N 4200E	.5	5
L70N 4250E	.4	5
L70N 4300E	.3	10
L70N 4350E	.1	nd
L70N 4400E	.1	10
L70N 4450E	1.5	5
L70N 4500E	.4	25
L70N 4550E	1.1	30
L70N 4600E	1.1	15
L70N 4700E	.2	5
L70N 4750E	.5	10
L70N 4800E	.2	20
L70N 4850E	.3	nd
L70N 4900E	.1	10
L70N 4950E	.2	nd
L70N 5000E A	.5	10
L70N 5000E B	.2	10
L70N 5100E	.4	10
L70N 5150E	.4	30

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

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JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag ppm	Au ppb
L70N 5200E	nd	nd
L70N 5250E	.5	5
L70N 5300E	.1	5
L70N 5350E	1.1	35
L70N 5400E	.3	10
L70N 5450E	.3	5
L70N 5500E	.2	15
L70N 5550E	nd	10
L70N 5600E	.1	10
L70N 5650E	nd	5
L70N 5700E	.2	5
L70N 5750E	.8	5
L70N 5800E	nd	5
L70N 5850E	.1	nd
L70N 5900E	.1	nd
L70N 5950E	.4	nd
L70N 6000E	.3	10
L72N 4200E	.6	40
L72N 4250E	.4	20
L72N 4300E	.1	20
L72N 4350E	nd	10
L72N 4400E	nd	5
L72N 4450E	.1	5
L72N 4700E	nd	10
L72N 4750E	nd	nd
L72N 4800E	.2	nd
L72N 4850E	nd	nd
L72N 4900E	.2	5
L72N 5100E	.2	5
L72N 5250E	nd	nd
L72N 5300E	nd	20
L72N 5350E	.1	25
L72N 5400E	.6	5
L72N 5450E	.4	nd
L72N 5500E	nd	20
L72N 5550E	.1	10
L72N 5600E	.3	20
L72N 5650E	nd	5
L72N 5700E	.1	5

DETECTION LIMIT 0.1 5

nd = none detected

-- = not analysed

is = insufficient sample



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REPORT NUMBER: 870662 6A

JOB NUMBER: 870662

RENEGADE MINERAL EXP. SER

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SAMPLE #	Ag	Au
	ppm	ppb
L72N 5750E	nd	10
L72N 5800E	nd	15
L72N 5850E	.5	nd

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample

APPENDIX IV

John A. McClintock  
32841 Ashley Way  
Abbotsford, B.C.  
V2S 5W3

November 14, 1987

Fircrest Resources Ltd.  
#201-888 Burrard  
Vancouver, B.C.

Dear Sirs:

At the request of Paul Stevenson, president of J.P. Stevenson and Associates Ltd., the writer reviewed very low frequency (VLF) electromagnetic (EM) data collected during a survey carried out on Fircrest Resources Ltds' Croesus property situated ten (10)kms east of Terrace, British Columbia. The VLF EM survey was carried out by two employees of J. Paul Stevenson and Associates Ltd. during the period of June to October, 1987. A total of thirty-six (36)kms of VLF EM surveying was completed. Unfortunately data from the southern portion of the grid was incorrectly taken and could not be used. This report is based on a review of the data provided by Paul Stevenson and a report by the writer on the Croesus property dated July 12, 1987.



### Survey Procedure

An electromagnetic survey, utilizing a standard Geonics VLF EM 16, was conducted over the Croesus claims along the same east-west oriented lines used for soil sampling. Readings were taken at twenty-five (25) meter intervals along the lines. Care was taken in regard to technique to attempt to compensate for locally steep terrain. All readings were taken facing perpendicular to the U,S, Navy submarine transmitter located in Seattle which transmits at 24.8 kHz.

### Compilation of Data

The readings were reduced by applying The Fraser Filter. Filtered data having a positive value of 7 or greater is plotted at a scale of 1:1250 on the accompanying map.

The Fraser Filter is essentially a 4 point difference operator which transforms zero crossings into peaks, and a low pass smoothing operator which reduces the inherent high frequency noise in the data. This transforms the noisy, non-conformable data into less noisy data. Another advantage of this filter is that a conductor that does not show up as a cross-over on the unfiltered data will quite often show up on the filtered data.

## Theory

In all electromagnetic exploration, a transmitter produces an alternating magnetic field (primary) with a strong alternating current usually through a wire coil. If a conductive mass such as a sulphide body is within this magnetic field, a secondary alternating current is induced which in turn induces a secondary magnetic field that distorts the primary magnetic field. It is this distortion that the VLF EM receiver measures. The VLF EM uses a frequency range from 16 to 24 kHz whereas most EM instruments use frequencies ranging from a few hundred to a few thousand Hz. Because of its relatively high frequency, the VLF EM can pick up bodies of low conductivity and is therefore more susceptible to clay beds, electrolyte-filling fault shear zones and porous horizons, graphite, carbonaceous sediments, lithological contacts, as well as sulphide bodies of too low a conductivity for the other EM methods to pick up. Also, since the signal derives from an infinite source, faults of great horizontal and vertical extent give particularly strong responses.

Consequently, the VLF EM has additional uses in mapping structures and in detecting sulphide bodies of too low a conductivity for conventional EM methods and too small for induced polarization. However, its susceptibility to lower conductive bodies results in a number of anomalies, many of them difficult to explain and thus VLF EM preferably should not be interpreted without good geological knowledge of the property and/or other geophysical and geochemical surveys.

### Discussion of Results

Plotting of the positive Fraser Filter data in excess of 7 highlighted numerous conductors within the surveyed area. Because of the wide line spacing (100 and 200 meters) contouring of the positive Fraser Filtered data was not done. The widely spaced lines makes determining orientation of the conductors difficult, since only conductors of lengths greater than several hundred meters would likely be detected on more than a single line particularly in areas where the line spacing is 200 meters. Even in areas where the line spacing is 100 meters, unless the conductors well in excess of 100 meters to be represented by single line anomalies.

Of the many conductors located by the survey only one coincides with a known gold bearing vein. This conductor, located at grid co-ordinates 68+00N and 46+25E occurs over the GEM vein which is believed to lie within a claim held by Mintek Resources. The remaining gold occurrences on the property were not detected by the VLF EM survey. Since nearly all of the known vein-hosted mineralization on the property strikes easterly and therefore parallels the line direction, unless the lines passed directly over the mineralization, the VLF EM would not detect these zones. Of the 6 known mineralized zones, only two occur on a survey line. Both of these veins the Harliquin and Dollar, are narrow and poorly mineralized and would not be expected to produce a strong EM response. The Croesus

veins, Excelsior zone and the Croesus Porphyry zones occur between survey lines. For those zones to be properly tested by VLF EM will require close spaced north-south oriented lines.

Three of the VLF EM conductors are in areas highlighted by anomalous gold levels in soil. Soil anomalies that have conductors are Anomalies III, V and VI. The conductor associated with Anomaly III occurs at the southern, down slope end of the anomaly. No source for either the gold soil anomaly or the the VLF EM conductor is known, but may be a gold-bearing vein concealed beneath overburden. The conductor associated with Anomaly V occurs at the eastern end of the anomaly, It is speculated that the source of the gold soil anomaly is an eastern extension of the Croesus Porphyry zone. The associated VLF EM conductors could therefore be related to mineralized structures in this postulated mineralized extension of the Croesus Porphyry zone. Anomaly VI occurs east-north-east of the Excelsior zone and may be caused by an easterly extension of this zone. The coincident VLF EM anomaly may be detecting a vein structure which is causing Anomaly VI.

The remaining conductors are not associated with either known mineralization or gold soil anomalies. These anomalies may be caused by non-mineralized, electrolyte filled fault shear zones, conductive overburden or perhaps mineralized veins that were for some reason not detected geochemically. Detailed prospecting of the vicinity of these conductors is required to evaluate their source.

To more precisely define the conductors identified by this preliminary VLF EM survey will require a more detailed VLF EM survey

along lines no more than 50 meters apart with readings taken at intervals no greater than 20 meters. Priority should be placed on detailing those conductors associated with known mineralized zones and those associated with gold soil anomalies. Since most of the known gold-bearing structures trend easterly, future VLF EM surveys should be conducted along northerly oriented lines. The results of the current VLF EM survey add further encouragement to carry out the work program outlined in the writers report on the Croesus Gold Property dated July 12, 1987.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John A. McClintock". The signature is written in a cursive style with a large, prominent "M" and "C".

John A. McClintock P.Eng.

Compilation Map: Figure 4

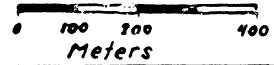
Gold Geochemistry (Au > 25 ppb)

VLF-EM Conductors (Frasier Filtered; > 7)

○ Gold

⚡ VLF-EM

Scale 1:1250



*John McArthur*



CROESUS PORPHYRY ZONE



40+00E

50+00E

50+00N

72+00N

70+00N

68+00N

66+00N

64+00N

62+00N

60+00N

58+00N

56+00N

54+00N

52+00N

51+00N

50+00N

ANOMALY I

ANOMALY IV

ANOMALY II

ANOMALY V

ANOMALY III

X old mine site

GEM VEIN

HARLEQUIN VEIN

DOLLAR VEIN

ANOMALY III

ANOMALY II

Old prospectors Cabin

12-1

12-3

12-2

EXCELSIOR ZONE

LCP CROESUS

UPPER CROESUS VEIN

A

# TOTAL ERICKSON

Total Erickson Resources Ltd.

September 3, 1987

Chief Gold Commissioner  
Ministry of Energy, Mines and Petroleum Resources  
Parliament Bldg  
Victoria, B.C. V1V 1X4

Dear Sir:

Our company is proposing to purchase two mineral claims located in the Terrace, B.C. area, Omineca Mining Division: the Luckey B. # 7143, and the Gold Claim #553. The two claim posts of the Luckey B. have been located in the field; however, the four corner posts for the Gold Claim have been removed by logging operations. We have reason to believe that the claims are in conflict, but without being able to locate the Gold Claim posts, we have no idea how serious the conflict is. Fortunately, the Gold Claim LCP was located by a government inspector and an LCP verification report is on file. Since the Gold Claim was relocated exactly over a previous canceled claim, there are two reports. They are:

Report # 2-76 for Record #29  
Report # 2-152 for Record # 553

Would it be possible for us to receive photocopies of the pertinent portions of these reports to aid us in locating the Gold Claim? I look forward to hearing from you at earliest opportunity.

Yours Very Truly,



Eric Dussell  
Geologist

/ed

telephoned Ms Carlson on Thurs, Sep 10, 2:30 PM



September 14, 1987

Mr. Eric Dussell  
Geologist  
Total Erickson Resources Ltd.  
500 - 171 West Esplanade Street  
North Vancouver, British Columbia  
V7M 1A1

Dear Mr. Dussell:

Re: Gold Mineral Claim  
Record No. 29  
Omineca Mining Division

Further to your letter of September 3, 1987, on the above title, please find enclosed a photocopy of Inspection Report #2-76 by Mr. D. Lieutard on an inspection of July 17, 1975.

Inspection Report #2-152 by Mr. R. Morgan deals with abandoned property on the area of the claim and refers to Mr. Lieutard's verification in the above report. Since Mr. Morgan concludes that the claim is as has been verified and shown on the map, I have not copied report #2-152.

Mr. Lieutard's description of the location of the claim and the LCP is very explicit, and I trust you will be able to relocate the positions from the details given. The Mineral Titles Branch is continually evaluating our services to the mining community, and I would therefore appreciate knowing whether you have been able to relocate and solve the overlapping problem using the data supplied.

Yours truly,

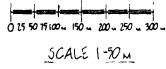
John Clancy  
Director  
Mineral Titles Branch  
Mineral Resources Division

JC/gg

Enclosure



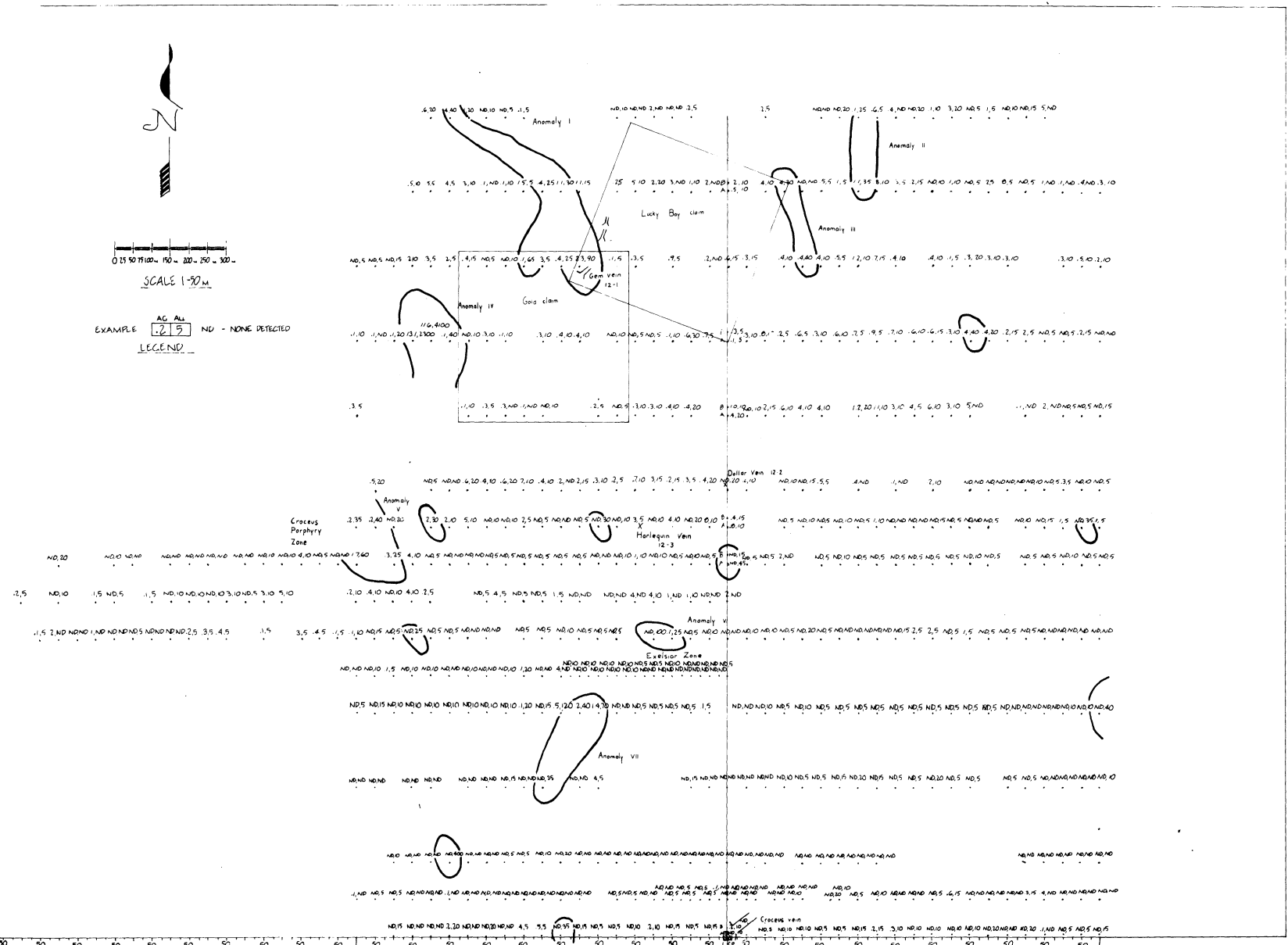
PROJECT NAME CROSEUS  
 GOLD & SILVER GEOCHEMISTRY



EXAMPLE 

AG	ALL
2	5

 ND - NONE DETECTED  
 LEGEND



L 3000 E L 3100 E L 3200 E L 3300 E L 3400 E L 3500 E L 3600 E L 3700 E L 3800 E L 3900 E L 4000 E L 4100 E L 4200 E L 4300 E L 4400 E L 4500 E L 4600 E L 4700 E L 4800 E L 4900 E L 5000 E L 5100 E L 5200 E L 5300 E L 5400 E L 5500 E L 5600 E L 5700 E L 5800 E L 5900 E L 6000 E

*John M. Chisholm*

APPENDIX III

---

JOHN A. McCLINTOCK, P.ENG.  
32841 Ashley Way  
Abbotsford, B.C.  
VS5 5W3

February 25, 1988

Fircrest Resources Ltd.  
#201 - 888 Burrard Street  
Vancouver, B.C.

Dear Sirs:

The location of the two mineral claims that occur within the Croesus 1 and 2 Mineral Claims have been accurately determined by proper surveying procedures.

Total Ericson Resources Ltd., who have acquired the two internal claims, contacted the Chief Gold Commissioner, Ministry of Energy, Mines and Petroleum Resources for an accurate location of the Gold Mineral Claim, Record Number 553. Mr. John Clancy, Director, Mineral Titles Branch, provided Total Ericson Resources Ltd. with Inspection Report #2-76 by Claims Inspector Mr. D. Lieutard (attached). This inspection report gives an explicit description of the Gold Mineral Claim. The location described by Mr. Lieutard has been plotted on the figures in the writer's report dated July 15, 1987.

In January 1988, Total Ericson Resources Ltd. engaged High Surveyors of Terrace, B.C. to survey by transit the location of the Gold and Luckey B Mineral Claims, Record Number 7143. The surveyed location of the Luckey B Mineral Claim is plotted both on the accompanying map and on all relevant figures in the writer's report dated July 15, 1987 and in Appendix IV.

The writer concurs with Total Ericson Resources Ltd. on the location of the Luckey B and Gold Mineral Claims and that the locations of these mineral claims are accurately plotted on the figures in both the writer's July 15, 1987 report and Appendix IV.

Respectfully submitted,



John A. McClintock, P.Eng.

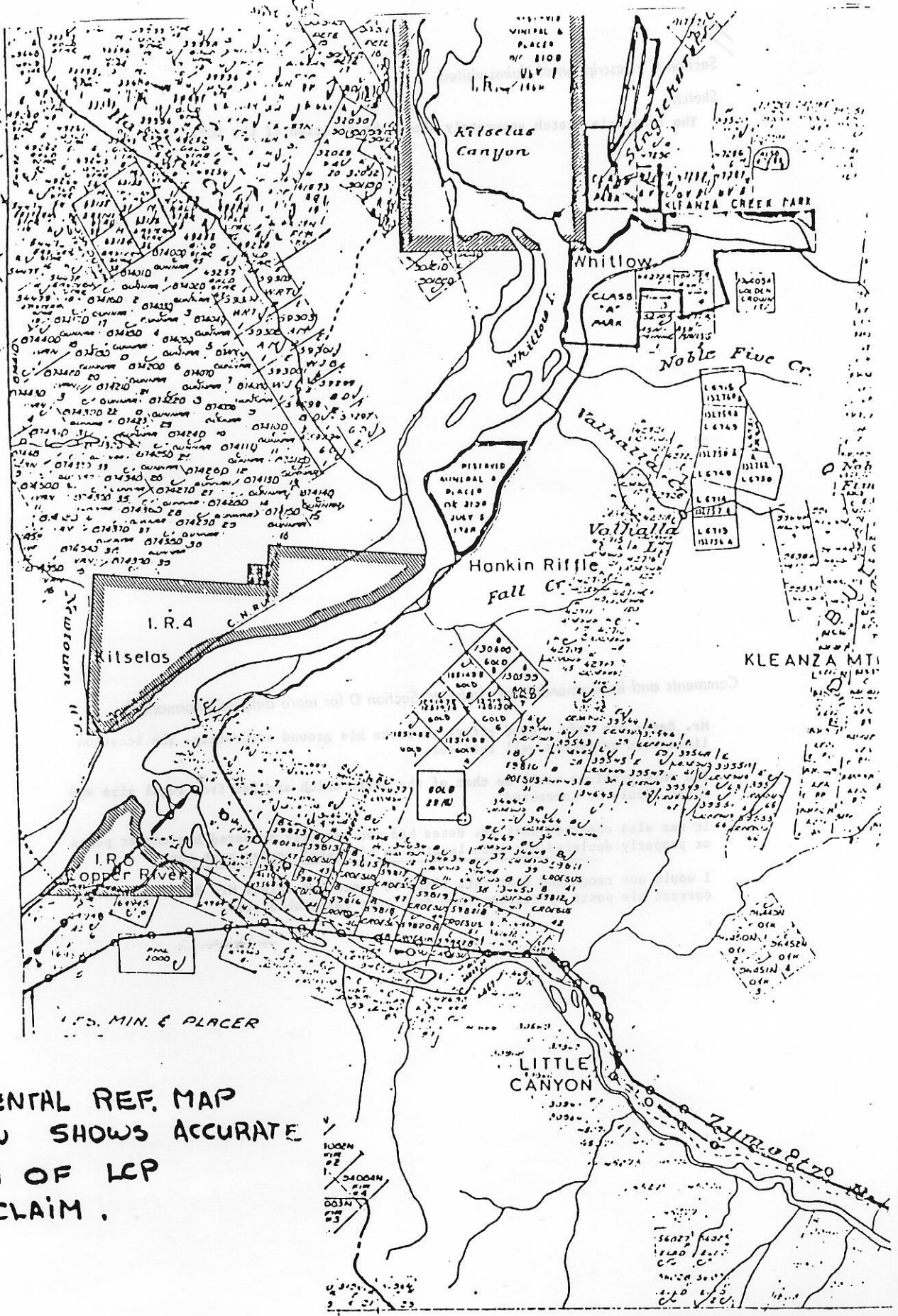
JAM/cc

3

2

TITLES  
RING

DEPARTMENTAL REF. MAP  
1031/9W SHOWS ACCURATE  
LOCATION OF LCP  
GOLD CLAIM.

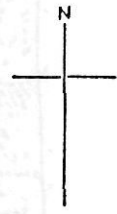


TO SOUTH SEE MAP 103

Section C - Description of claims visited

Sketch

The locator's sketch accurately shows the position of the LCP.



Comments and Recommendations - (refer to Section D for more detailed information)

Mr. Bates has made a good effort to stake his ground accurately. The location lines were extremely well laid out.

The only problems would be that of the posts which are far from legal size and these should be corrected.

It was also observed that Mr. Bates had not properly numbered his corner posts or properly declared his unit lengths on his legal corner post tag.

I would not recommend that this claim be cancelled unless Mr. Bates does not correct his posts by cutting them down to a reasonable size.

DEPARTMENTAL REF. MAP  
1082/PW SHOWS ACCURATE  
LOCATION OF LCP  
GOLD CLAIM.

Signature *D. DeWitt*

TO SOUTH SEE MAP 103  
DEPARTMENT OF MINES AND PETROLEUM



FILE NO. ....

MINERAL RESOURCES BRANCH  
DEPARTMENT OF MINES AND PETROLEUM RESOURCES  
VICTORIA

# INSPECTION REPORT

Report No.	2-76	Date of Report	18 July 1975
		Inspected	17 July 1975
Mining Division	Omineca	NTS Reference	103I/9d1
Inspected by	Denis Lieutard		103I/9W

## SECTION A - DESCRIPTION OF CLAIMS

Record Nos.	Claim Names	Name and address of recorded owner
29	Gold	Richard H. Bates, P.O. Box 580, Terrace, B.C.

### General location and type of access:

Claim is accessible 5 miles east of Terrace, 0.9 miles south-east along the Copper River road and exactly 1.0 mile along tote road carrying on up the southwest face of Kleanza Mtn. LCP is located 3000' at 54°T and at 1910 foot elevation.

## SECTION B - PARTICULARS RELATING TO INVESTIGATION

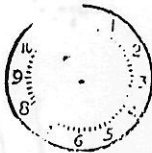
Date of inspection

Investigation made as a result of:

- general field inspection LCP Verification
- request by
- complaint by

Give details of request or complaint.

AUG 18 1975 AM



MINES  
RESOURCES

REFERRED	DATE	INITIAL
D.M.		
ADM (M)		
ADM (P)		
C.G.C.		
C.P.R.		
DCCC		✓
ACPR		
G.C.	18/7	
ACCTS.		
GEOL.		
INSP.		
M. G. V.		
S. & P.		
T.H. ✓ 18/7		
FILE NO.		
FILED CLERK		

Contact (if any) with owners or other parties.

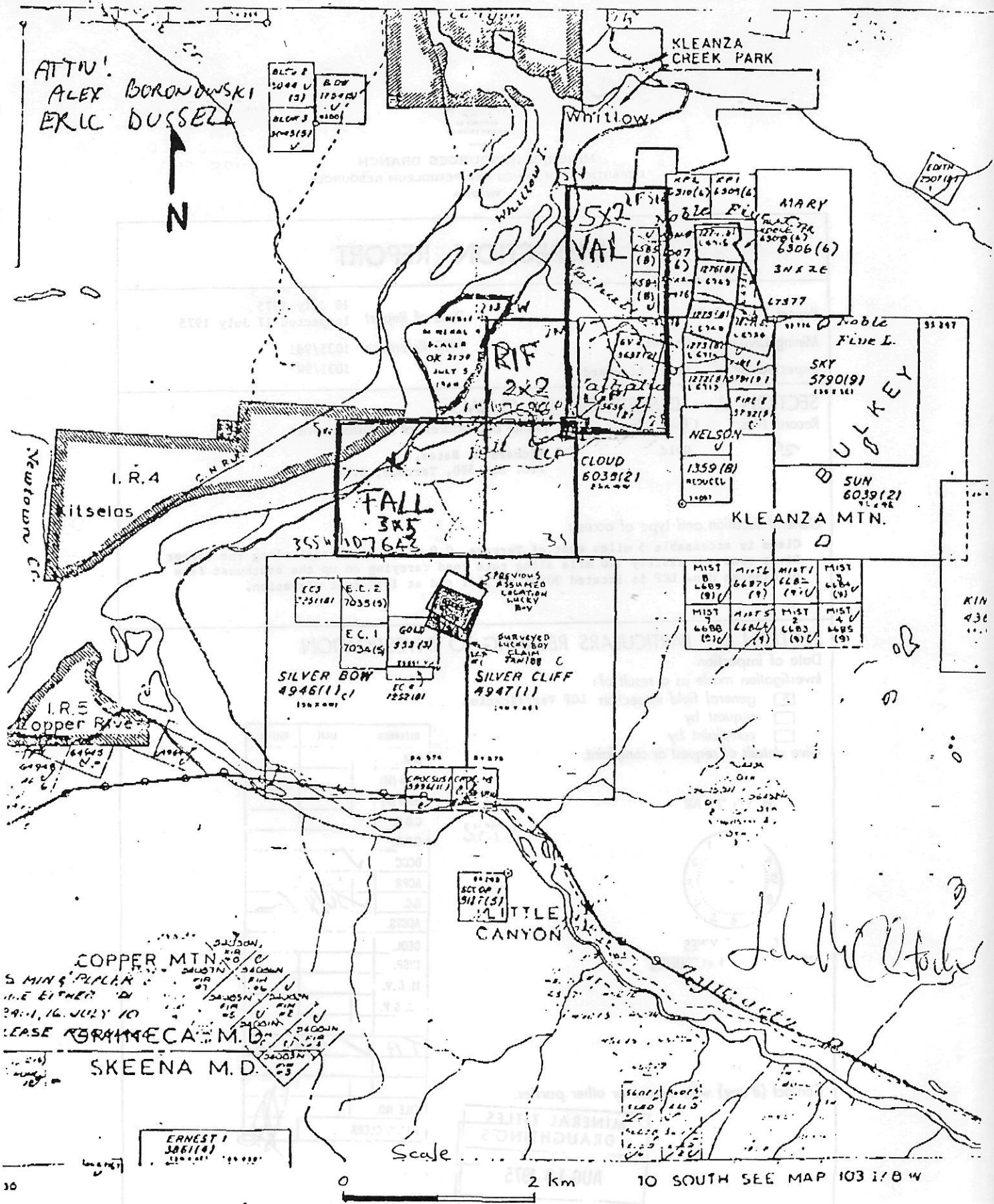
MINERAL TITLES  
DRAUGHTING'S

AUG 18 1975

VICTORIA, B.C.

VERIFIED





ALT-2  
3044 U  
(13)

B.D.P.  
1754(1)  
U  
(1300)

BLON 3  
3043(15)  
U

MARY  
6306(6)  
3NX 2E  
67577

SKY  
5790(19)  
1000(1)

SUN  
6039(21)  
1000(1)

E.C. 2  
7035(9)

E.C. 1  
7034(9)

GOLD  
333(21)

1181 U

MIST B 6689 (9) U	MIST 6687 (9)	MIST 6688 (9) U	MIST 6684 (9)
MIST 6688 (9) U	MIST 6684 (9)	MIST 6683 (9) U	MIST 6685 (9)

S MIN'S PLACER  
H.E. ELDER  
29-1, 16 JULY 10  
LEASE BRAMBECA M.D.

*John W. Clarke*

John A. McClintock  
32841 Ashley Way  
Abbotsford, B.C.  
V2S 5W3

November 14, 1987

Fircrest Resources Ltd.  
#201-888 Burrard  
Vancouver, B.C.

Dear Sirs:

At the request of Paul Stevenson, president of J.P. Stevenson and Associates Ltd., the writer reviewed very low frequency (VLF) electromagnetic (EM) data collected during a survey carried out on Fircrest Resources Ltds' Croesus property situated ten (10)kms east of Terrace, British Columbia. The VLF EM survey was carried out by two employees of J. Paul Stevenson and Associates Ltd. during the period of June to October, 1987. A total of thirty-six (36)kms of VLF EM surveying was completed. Unfortunately data from the southern portion of the grid was incorrectly taken and could not be used. This report is based on a review of the data provided by Paul Stevenson and a report by the writer on the Croesus property dated July 12, 1987.

## Survey Procedure

An electromagnetic survey, utilizing a standard Geonics VLF EM 16, was conducted over the Croesus claims along the same east-west oriented lines used for soil sampling. Readings were taken at twenty-five (25) meter intervals along the lines. Care was taken in regard to technique to attempt to compensate for locally steep terrain. All readings were taken facing perpendicular to the U,S, Navy submarine transmitter located in Seattle which transmits at 24.8 kHz.

## Compilation of Data

The readings were reduced by applying The Fraser Filter. Filtered data having a positive value of 7 or greater is plotted at a scale of 1:1250 on the accompanying map.

The Fraser Filter is essentially a 4 point difference operator which transforms zero crossings into peaks, and a low pass smoothing operator which reduces the inherent high frequency noise in the data. This transforms the noisy, non-conformable data into less noisy data. Another advantage of this filter is that a conductor that does not show up as a cross-over on the unfiltered data will quite often show up on the filtered data.



## Theory

In all electromagnetic exploration, a transmitter produces an alternating magnetic field (primary) with a strong alternating current usually through a wire coil. If a conductive mass such as a sulphide body is within this magnetic field, a secondary alternating current is induced which in turn induces a secondary magnetic field that distorts the primary magnetic field. It is this distortion that the VLF EM receiver measures. The VLF EM uses a frequency range from 16 to 24 kHz whereas most EM instruments use frequencies ranging from a few hundred to a few thousand Hz. Because of its relatively high frequency, the VLF EM can pick up bodies of low conductivity and is therefore more susceptible to clay beds, electrolyte-filling fault shear zones and porous horizons, graphite, carbonaceous sediments, lithological contacts, as well as sulphide bodies of too low a conductivity for the other EM methods to pick up. Also, since the signal derives from an infinite source, faults of great horizontal and vertical extent give particularly strong responses.

Consequently, the VLF EM has additional uses in mapping structures and in detecting sulphide bodies of too low a conductivity for conventional EM methods and too small for induced polarization. However, its susceptibility to lower conductive bodies results in a number of anomalies, many of them difficult to explain and thus VLF EM preferably should not be interpreted without good geological knowledge of the property and/or other geophysical and geochemical surveys.

## Discussion of Results

Plotting of the positive Fraser Filter data in excess of 7 highlighted numerous conductors within the surveyed area. Because of the wide line spacing (100 and 200 meters) contouring of the positive Fraser Filtered data was not done. The widely spaced lines makes determining orientation of the conductors difficult, since only conductors of lengths greater than several hundred meters would likely be detected on more than a single line particularly in areas where the line spacing is 200 meters. Even in areas where the line spacing is 100 meters, unless the conductors were perpendicular to the lines, it would be possible for conductors well in excess of 100 meters to be represented by single line anomalies.

Of the many conductors located by the survey only one coincides with a known gold bearing vein. This conductor, located at grid co-ordinates 68+00N and 46+25E occurs over the GEM vein which is believed to lie within a claim held by Mintek Resources. The remaining gold occurrences on the property were not detected by the VLF EM survey. Since nearly all of the known vein-hosted mineralization on the property strikes easterly and therefore parallels the line direction, unless the lines passed directly over the mineralization, the VLF EM would not detect these zones. Of the 6 known mineralized zones, only two occur on a survey line. Both of these veins, the Harliquin and Dollar, are narrow and poorly mineralized and would be expected to produce a strong EM response. The Croesus

veins, Excelsior zone and the Croesus Porphyry zones occur between survey lines. For those zones to be properly tested by VLF EM will require close spaced north-south oriented lines.

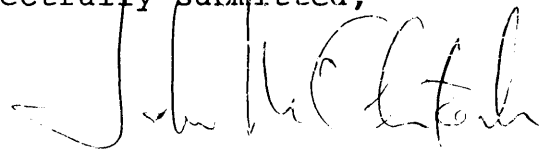
Three of the VLF EM conductors are in areas highlighted by anomalous gold levels in soil. Soil anomalies that have conductors are Anomalies III, V and VI. The conductor associated with Anomaly III occurs at the southern, down slope end of the anomaly. No source for either the gold soil anomaly or the the VLF EM conductor is known, but may be a gold-bearing vein concealed beneath overburden. The conductor associated with Anomaly V occurs at the eastern end of the anomaly, It is speculated that the source of the gold soil anomaly is an eastern extension of the Croesus Porphyry zone. The associated VLF EM conductors could therefore be related to mineralized structures in this postulated mineralized extension of the Croesus Porphyry zone. Anomaly VI occurs east-north-east of the Excelsior zone and may be caused by an easterly extension of this zone. The coincident VLF EM anomaly may be detecting a vein structure which is causing Anomaly VI.

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To more precisely define the conductors identified by this preliminary VLF EM survey will require a more detailed VLF EM survey

along lines no more than 50 meters apart with readings taken at intervals no greater than 20 meters. Priority should be placed on detailing those conductors associated with known mineralized zones and those associated with gold soil anomalies. Since most of the known gold-bearing structures trend easterly, future VLF EM surveys should be conducted along northerly oriented lines. The results of the current VLF EM survey add further encouragement to carry out the work program outlined in the writers report on the Croesus Gold Property dated July 12, 1987.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John A. McClintock". The signature is written in dark ink and is positioned below the typed name.

John A. McClintock P.Eng.

## DESCRIPTION OF BUSINESS OF THE ISSUER

The principal business of the Issuer is the acquisition, exploration and development of natural resource properties of merit, particularly the property described herein. The property described herein is in the exploration and development stage only and is without a known body of commercial ore. The Issuer intends to seek and acquire additional properties it considers worthy of exploration and development.

### The Property

Croesus 1 and Croesus 2 Mineral Claims,  
Omenica Mining Division, British Columbia  
(the "Croesus Claims")

The Croesus Claims are located approximately Ten (10) kilometers east of the city of Terrace, British Columbia. Access is via Highway 16 to the Zymoetz (Copper) River road, then by the Copper River road to kilometer 2, where a network of secondary logging roads extends northward across the Croesus Claims.

The Issuer has received an engineering report dated July 15, 1987 prepared by John A. McClintock, P.Eng., of Abbotsford, B.C. (the "McClintock Report") and a supplemental electromagnetic survey report dated November 14, 1987 (the "Supplemental Report"), copies of which are attached to and form a part of this Prospectus.

Two internal mineral claims owned by Total Ericson Resources Ltd. are located within the Croesus claims. The location of these internal claims has been determined by survey and they are accurately plotted on the figures and maps included in the McClintock Report. Small sections of the anomalies described in the McClintock Report extend onto the two internal mineral claims and accordingly, the Issuer has no proprietary interest in the area of extension.

According to the McClintock Report, gold-silver mineralization was discovered on the Croesus Claims in 1925. By 1938, two veins had been explored by short adits and other veins had been stripped and trenched. From 1940 to 1966 there was little recorded work on any of the showings on the Croesus Claims. During the period from 1966 to 1972, the Croesus Claims were explored by Kleanza Mines Ltd. under the direction of W. Sharp, P. Eng. During this period, the Croesus Claims were briefly optioned from Kleanza Mines Ltd. by Nittetsu Mining Company who evaluated the Croesus Claims' potential for porphyry copper - molybdenum mineralization. Kleanza Mines Ltd. dropped the Croesus Claims in 1974. In 1972 the Croesus Claims were staked by C. F. Resources Ltd. who carried out limited rock and soil sampling of the known showings before dropping the same. Brera Holdings Ltd. acquired the Croesus Claims by staking on April 30, 1987 and subsequently transferred its interest in the Croesus Claims to the Issuer, as more particularly described under the section captioned "Acquisitions".

## Recommendations

The McClintock Report summarizes the work carried out on the Croesus Claims and makes recommendations for future work as follows:

"Exploration carried out to date demonstrated potential for the Croesus property for both high-grade precious metal vein deposit and large, low-grade, copper-gold-silver deposit.

Several gold-silver veins discovered on the claims have not been explored by modern exploration techniques. Of these veins, the priority target is the Croesus vein which remains open on strike and to depth. The surface dimensions of the Croesus and other veins could be outlined by a closely spaced soil grid, VLF electromagnetic surveys, detailed magnetometer surveys followed by trenching and channel sampling. The possibility for discovery of additional veins on the property based on the results of the current reconnaissance soil sampling is good. Gold soil anomalies I through IV and a large silver soil anomaly in the north of the claims may be the geochemical expression of veins concealed beneath overburden. Also, numerous single station gold anomalies are unexplained and further evaluation of these could lead to the discovery of additional gold-bearing veins. The exploration of the veins on the property should be set towards the goal of defining a gold reserve in excess of 50,000 ounces from one or more of the vein systems.

Much of the previous exploration effort had focused on the porphyry copper-molybdenum target. Although sampling of the Croesus Porphyry and Excelsior showings indicate low-gold values, the recent soil sampling program has highlighted prominent gold soil anomalies adjacent to the showings. These newly discovered soil anomalies suggest that higher-grade potentially high grade extensions of the known showings of the geochemical target will require further grid soil trenching. The goal of future exploration should be to define an open-pit mineable reserve in the order of 1 million tons grading 0.1 oz per ton gold."

The McClintock Report recommends that the Issuer carry out a two (2) phase exploration program on the Croesus Claims. Phase I is designed to determine the surface extent and grade of the currently known mineralized occurrences and to locate the source of various unexplained gold and silver anomalies.

In accordance with the McClintock Report, the Phase I exploration program will consist of the following:

In areas of existing workings and gold-silver soil anomalies, grid lines 50 meters apart with 25 meter stations will be established. Soil samples will be collected at 25 meter intervals along all established grid lines and analysed for gold, silver, copper, zinc and lead. In conjunction with soil sampling, detailed 1:5,000 scale geological mapping of the entire claims will be undertaken. Areas defined as anomalous by soil sampling will be prospected in detail and any mineralization will be chip or channel sampled. All existing workings and trenches will be resampled and geologically mapped at a

scale of 1:200. VLF-Electromagnetic surveys will be run over lines in the vicinity of the known showings and the geochemical anomalies. Additionally, a detailed magnetometer survey will be carried out over the projected strike extension of the Croesus vein. After definition of the potential targets, those targets covered by shallow overburden will be elevated by trenching either by hand-digging or with a backhoe. Trenches will be chip or channel sampled and mapped at a scale of 1:200.

The Supplemental Report summarizes the 36 kilometers of electromagnetic surveying carried out on the Croesus Claims during the period of June to October, 1987. Of the conductors located by the survey, only one coincided with a known gold bearing vein. The Supplemental Report recommends a more detailed VLF EM survey along lines no more than 50 metres apart with readings taken at intervals no greater than 20 meters, along northerly oriented lines. The purpose of this survey will be to detail those conductors associated with known mineralized zones and those associated with gold soil anomalies.

The Issuer has accepted the recommendations contained in the McClintock Report and intends to reserve \$65,500 of the proceeds raised hereunder for the estimated cost of Phase I of the exploration program to be carried out on the Croesus Claims.

Phase II, which will be contingent on favourable results from the Phase I program, will consist of the definition of targets and further exploration by way of diamond drilling at an estimated cost of \$66,000.

As of the date of this Prospectus, the Issuer has expended \$74,000 on the Croesus Claims, \$60,000 of which represents exploration expenses and \$14,000 of which represents acquisition costs. There is no plant or equipment located on or under the Croesus Claims and they are without a known body of commercial ore. No Director, Officer, Insider or Promoter of the Issuer has any interest in any mineral properties located contiguously to the Croesus Claims.

#### PROMOTERS

Mr. Burton Ross King, of 9331 Romaniuk Drive, Richmond, British Columbia is the Promoter of the Issuer as defined in the Securities Act of British Columbia in that he took the initiative in the organization of the Issuer.

#### PENDING LEGAL PROCEEDINGS

There are no legal proceedings material to the Issuer to which the Issuer or any of its subsidiaries is a party or of which any of their property is the subject. No such legal proceedings are known to be contemplated.

## DIRECTORS AND OFFICERS

The names and addresses of all of the Directors and Officers of the Issuer as well as their respective principal occupations within the preceding five years are as follows:

<u>Name and Address and Office Held</u>	<u>Principal Occupation During Last Five Years</u>
<b>JOHN CLARE DONALDSON*</b> 4762 West 7th Avenue Vancouver, B.C. <b>President, Chief Executive Officer &amp; Director</b>	Self-employed Business Consultant from September, 1982 to date; Director of Ponderosa Ventures Inc. from 1985 to date; Director of Maxim Developments Ltd. 1986 to May, 1987., Director of Westlake Industries Ltd. 1985 to July, 1987.
<b>GEORGE ROBERT ERSKINE</b> 515 Shannon Way Delta, B.C. <b>Secretary, Chief Financial Officer &amp; Director</b>	Partner, G.B. Consultants, 1986 to date; Secretary-Treasurer, Sales Representative, Delta Realty and Insurance Ltd., 1979 to date.
<b>BURTON ROSS KING</b> 9659 Thomas Drive Richmond, B.C. <b>Director</b>	Self-employed Businessman and Vice-President of Selco International Properties Inc. to present; formerly founding President of Columbia Trust Company 1978 to 1986; General Manager/Senior Vice-President of First City Trust Company 1972 to 1978.
<b>ROBERT ALVAU PETERSON*</b> #201 - 625 Howe Street Vancouver, B.C. <b>Director</b>	Self-employed Businessman 1985 to date; Formerly President of Tonisson Construction Ltd. 1968 - 1985.
<b>BRIAN DAVID GAME*</b> 205 - 1334 West 73rd Avenue Vancouver, B.C. <b>Director</b>	Geological Consultant to J. Paul Stevenson & Associates 1984 to date; President Brahma Resources Ltd. 1985 to 1986; Formerly Geological Student, U.B.C. Faculty of Geology.
<b>ROZANDA LYN SKALBANIA</b> 1120 Duchess Avenue West Vancouver, B.C. <b>Vice-President</b>	Businesswoman; Previously Consultant and Executive Assistant to various organizations including The Beach House Restaurant, Malibu Grand Prix Corporation, various professional sports teams (Edmonton Oilers, Calgary Alouettes) and various real estate projects.



FIREREST RESOURCES LTD.

Compilation Map:

Gold Geochemistry (Au ≥ 25ppb)

VLF Conductors (Frasar Filtered ≥ 7)

Gold

VLF Conductors

Known Mineral Occurrences

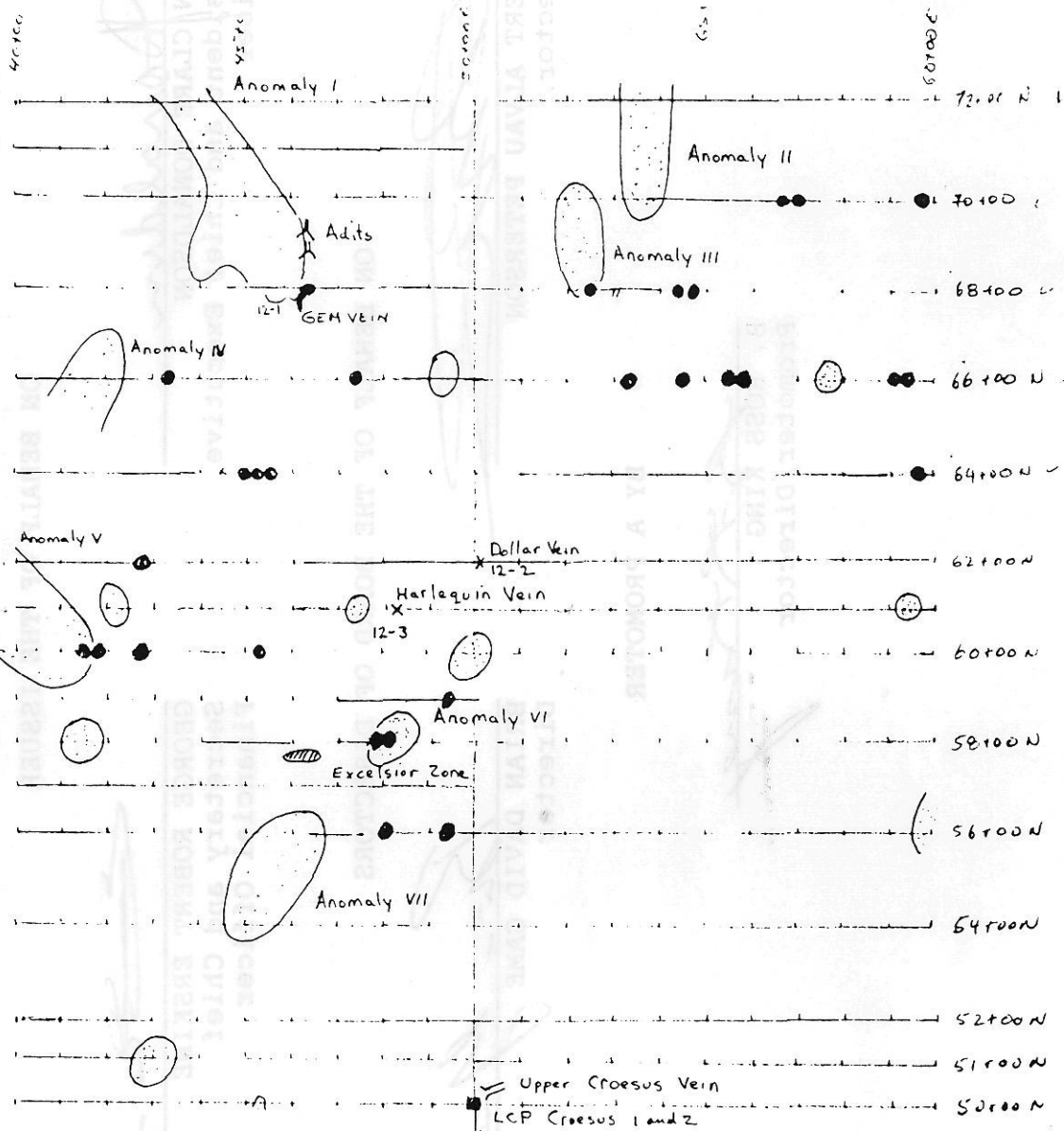
Dated  
The foregoing constitutes full disclosure of all material facts relating to the above information as amended, and its regulations.

Croesus Porphyry Zone



Scale  
1:1250

500 metres



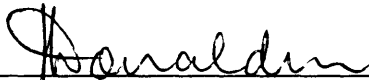
John O'Neil

CERTIFICATE OF THE ISSUER

Dated: April 20, 1988

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

ON BEHALF OF THE ISSUER

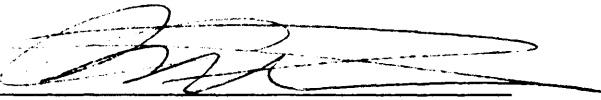


JOHN/CLARE DONALDSON  
President and Chief Executive  
Officer

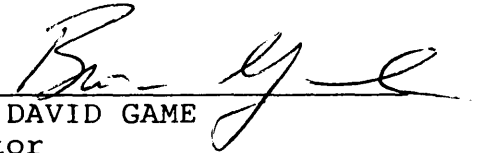


GEORGE ROBERT ERSKINE  
Secretary and Chief  
Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

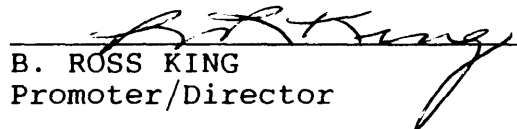


ROBERT ALVAU PETERSON  
Director



BRIAN DAVID GAME  
Director

BY A PROMOTER



B. ROSS KING  
Promoter/Director

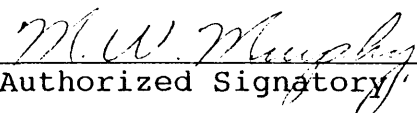
CERTIFICATE OF THE AGENT

Date: April 20, 1988

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 amended, as required by the Securities Act and its regulations.

CANARIM INVESTMENT CORPORATION LTD.

Per:

  
\_\_\_\_\_  
Authorized Signatory

