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Del Norte Property

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE  
(Venture Company)

104A/4E,3W

103P/13E,14W

103P 005

STATEMENT OF MATERIAL FACTS #27/91  
EFFECTIVE DATE: MARCH 27, 1991

GOODGOLD RESOURCES LIMITED  
11th Floor, 808 West Hastings Street, Vancouver, B.C., V6C 2X4 Telephone: 687-7463  
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100 - 200 Granville Street, Vancouver, B.C., V6C 1S4  
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company, 800 West Pender Street, Vancouver, B.C., V6C 2V7  
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**OFFERING : 1,000,000 UNITS**

The Offering may be increased by up to 150,000 Units (15% of Offering) to meet over-subscriptions. See "Plan of Distribution".

Each Unit consists of One Common Share and Two Series "B" Warrants, two such Warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at the offering price, at any time up to the close of business within one year following the Offering Day.

	Offering Price (estimated)*	Commission (estimated)	Estimated Net Pro- ceeds to be Received by the Issuer
Per Unit	\$0.60	\$0.045	\$0.555
Total (1,500,000 Units)	\$600,000	\$45,000	\$555,000

\* To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

**ADDITIONAL OFFERING**

The Agents have agreed to purchase (the "Guarantee") any of the Units offered hereby which are unsubscribed for on the Offering Day and, as consideration for the Guarantee, have been granted Agents' Warrants (see "Consideration to Agents"). Any Units acquired by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

**AGENTS**

L.O.M. Western Securities Ltd.  
#2200, 609 Granville Street  
Vancouver, B.C., V7Y 1H2

McDermid St. Lawrence Ltd.  
#1000, 601 West Hastings St.  
Vancouver, B.C., V6B 5E2

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

May 16/91

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference March 6, 1991 (the "Agency Agreement"), Goodgold Resources Limited (the "Issuer") appointed the following as its agents (the "Agents") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,000,000 Units of the Issuer at a fixed price in the amounts set opposite their respective names (the "Offering"):

<u>Agents</u>	<u>No. of Units</u>
L.O.M. Western Securities Ltd.	800,000
McDermid St. Lawrence Ltd.	200,000

The Offering will take place on the "Offering Day", determined by the Issuer and the Agents with the consent of the Exchange, which will be not more than one hundred eighty (180) calendar days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

The offering price of the Units (the "Offering Price") will be determined in accordance with the rules of the Exchange, at a premium over the average trading price of the Issuer's shares as determined by the Exchange, subject to the agreement of the Issuer and the Agents.

The Agents may over allot Units of the Issuer to cover oversubscriptions up to an amount equal to the lesser of the number oversubscribed or 15% of the Offering and, in such case, has an option for 60 days from the Offering Day to acquire Units from the Issuer at the Offering Price less commission to cover such over allotment (the "Greenshoe Option"). Alternatively, the Agent may cover such over allotment by making purchases of Shares and Warrants in the market through the facilities of the Exchange. The number of Units subject to the Greenshoe Option will be determined on the Offering Day. The Issuer has the right to terminate the Greenshoe Option at any time prior to 12:00 noon on the day prior to the Offering Day.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from the Offering.

The obligations of the Agents under the Agency Agreement may be terminated prior to opening of the market on the Offering Day at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

Except as set out in this Statement of Material Facts, there are no payments in cash, securities or other consideration being made, or to be made, to a

GROUP II

Del Norte Project and Max Project

By agreement dated April 1, 1989, as amended April 24, 1990, July 30, 1990 and February 22, 1991 (the "Option Agreement"), Teuton Resources Corp. ("Teuton") granted an option to the Issuer to acquire a 50% interest in the Del Norte Project and the Max Project (collectively the "Properties"). The Issuer may exercise the option by:

- (a) Paying to Teuton \$210,000, of which \$35,000 has been paid and the remainder is payable as follows:
  - (i) \$40,000 on or before August 24, 1991;
  - (ii) \$60,000 on or before August 24, 1992; and
  - (iii) \$75,000 on or before August 24, 1993;
- (b) Issuing to Teuton 200,000 common shares of the Issuer, of which 100,000 have been issued and the remainder are issuable as follows:
  - (i) 50,000 common shares on or before August 24, 1992;
  - (ii) 50,000 common shares if and when the next phase of an exploration program on the Properties has been completed and a duly qualified engineer shall have recommended to the Issuer that further exploration of the Properties be undertaken or that a study to determine the feasibility of Commercial Production of any mineral deposit in, on or under the Properties be undertaken, but in any event on or before August 24, 1993; and
- (c) incurring expenditures on the Properties of \$2,500,000, in the aggregate, of which \$618,516 has been incurred to date and the remainder must be incurred as follows:
  - (i) an aggregate \$1,100,000 on or before December 31, 1991; and
  - (ii) an aggregate \$2,500,000 on or before December 31, 1992.

The Issuer paid a finder's fee of \$10,000 and issued 29,000 shares of the Issuer to Bob Badyk in connection with his introduction of the Issuer to Teuton and his assistance to the Issuer in negotiating and concluding the Option Agreement.

Upon the Issuer acquiring a vested interest in the Properties, the Issuer and Teuton have agreed to associate themselves as a single purpose joint venture and have agreed to enter into an agreement for the purpose of proceeding with the continued exploration and, if warranted, development of the Properties, with the Issuer as the initial operator thereof. The agreement will provide for each party's contribution to costs in accordance with its interest and that a party's interest may be diluted if that party fails to pay its share of costs and expenses. If either party's interest is diluted to 15% or less, that interest will be converted to a 15% net profits royalty. The Option

Agreement provides that any expenditures in excess of \$2,500,000 incurred by the Issuer shall be deemed to be a contribution by the Issuer to the joint venture.

The Properties consist of the Del Norte Project and the Max Project, both located within the Skeena Mining Division, British Columbia.

#### DEL NORTE PROJECT

The Del Norte Project is the subject of a geological report prepared by Leonard Gal, M.Sc., and Chris Sampson, P.Eng., dated February 1991 (the "Del Norte Report"). The following information is derived from the Del Norte Report. Reference should always be made to the Del Norte Report, a copy of which is attached hereto and forms a part of this Statement of Material Facts, for further details of the matters discussed below.

The Del Norte Project comprises 11 mineral claims (the "Del Norte Claims"), totalling 185 units, which are in good standing until not earlier than May 4, 1992. The Del Norte Claims are located approximately 30 km east of Stewart, British Columbia. Access to the property is by helicopter.

A field program on the property in 1990 concentrated on the Hardpan Creek area where two showings had been previously discovered. The program consisted of mapping, sampling, trenching, geophysics and diamond drilling.

The Del Norte Claims contain many copper + gold and zinc + lead dominated showings. Mineralization occurs within veins and replacement zones and is associated with propylitic and/or phyllicargillic altered host rocks, particularly in the altered belt of the Hardpan Creek area. This belt is adjacent to the monzonitic to dioritic intrusions in the Hardpan Creek area and has a strong parallel foliation, which may indicate that some deformation may have occurred coincident with the intrusions. Alternatively, intrusions could have been emplaced along an active fault-shear zone which became strongly altered. The intrusive rocks acted as a heat source to drive fluids through faulted and fractured rocks and resulted in the observed alteration. Hence, a genetic relationship between mineralization, faulting and intrusives is proposed.

There are no indications of an epithermal vein system, but there is a strong possibility of base and precious metal zonation within vein systems in a mesozonal regime. Although locally high grade, mineralization is limited in extent and discontinuous, with one possible exception. However, the mineralization, alteration and geological setting suggests the potential for porphyry type deposits or a vein-hosted deposit.

The eastern contact of the Betty Creek Formation and overlying Salmon River Formation parallel a trend of mineralization, from the Hardpan Creek area to the Bullion area to the LG vein, that extends for 4 kilometres. The authors of the Del Norte Report conclude that the gold deposit at Eskay Creek is in a similar stratigraphic position, and recommends that this contact zone should be investigated further with a Phase I program of mapping, sampling, trenching, geophysics and diamond drilling at an estimated cost of \$500,000, to be paid from the proceeds of this Offering.

Contingent on favourable results from Phase I, the authors of the Del Norte Report recommend a Phase II program of diamond drilling be carried out at an estimated cost of \$700,000.

### MAX PROJECT

The Max Project is the subject of a geological report prepared by B. Dewonck, F.G.A.C. and J. Hardy, F.G.A.C., dated November 23, 1989 (the "Max Report"), a copy of which will be available for inspection at the Issuer's registered office during normal business hours during the period of distribution of the securities offered hereunder and for a period of thirty days thereafter. The Max Report is also attached to the Issuer's prospectus dated August 10, 1990 (the "Prospectus"). The following information is derived from the Max Report. Reference should always be made to the Max Report itself for further details of the matters discussed below.

The Max Project comprises a single mineral claim totalling 20 units (the "Max Claim"), which is in good standing until April 1, 1993. The Max Claim is located about 65 kilometres northwest of Stewart, British Columbia. Access to the property is by helicopter.

The Max Claim also lies within the Stewart Complex and thus the regional exploration history is similar to that of the Del Norte Claims. The area contains a wide variety of intrusive phases, including granodiorite, quartz monzonite, and diorite. According to the authors of the Max Report, small satellite plugs from larger batholiths can be important for localizing mineralization in the area of the Max Claim.

Initial work was carried out in the area in 1960 by Granduc Mines Ltd. and consisted of preliminary magnetometer surveys, geological mapping and prospecting over portions of the property as follow-up and anomalies obtained by airborne magnetometer work. The ground program led to discovery of the Max deposit consisting of massive magnetite, chalcopyrite, pyrrhotite and pyrite mineralization in a skarn. The prospect was explored by geological and geophysical surveys and 17,904 ft. of drilling was completed which indicated approximately 10.8 million tons of material grading 45% iron and 0.7% copper.

In early 1989 the Issuer carried out an airborne geophysical survey over the Max Claim. The objective of the survey was to define areas of possible precious metal anomalies reflected by magnetic, electromagnetic, and VLF/EM surveys. The results were to provide a data base for a surface exploration program to be carried out at a later date.

Compilation of airborne data suggests that an area of low resistivity with associated poorly defined EM anomalies in the vicinity of the Max Claim warrants examination, as does the southwest corner of the claim, a region immediately east of a similar resistivity low. The authors of the Max Report recommend an initial ground reconnaissance program, directed at evaluating the potential for gold mineralization in and proximal to the Max iron-copper deposit. It is suggested that the work should include stream sediment sampling, prospecting and property scale mapping to provide a base study for more detailed follow up. A budget of \$50,000 for the initial ground work has been recommended, which was reserved out of the proceeds of the Issuer's initial public offering

made pursuant to the Prospectus and, therefore, shall be paid for out of the funds available to the Issuer on the completion of the Offering.

THERE IS NO SURFACE OR UNDERGROUND PLANT OR EQUIPMENT ON THE PROPERTIES. THERE HAS BEEN NO UNDERGROUND EXPLORATION OR DEVELOPMENT WORK DONE ON THE PROPERTIES BY THE ISSUER.

### RISK FACTORS

The securities offered hereby must be considered speculative due to the nature of the Issuer's business. In particular:

1. To the knowledge of the Issuer, the properties described above (the "Properties") are without a known body of ore and any program conducted on the Properties with the proceeds from the Offering would be an exploratory search for ore.

2. If the Issuer's exploration programs are successful in establishing ore of commercial tonnage and grade, additional funds will be required for the development of the ore body and to place it in commercial production. One source of future funds presently available to the Issuer is through the sale of equity capital. Another alternative for the financing of further exploration would be the offering by the Issuer of an interest in the Property to be earned by another party or parties carrying out further exploration or development thereof.

3. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

4. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the issuer's financial position.

5. While the Issuer has obtained the usual industry standard title report with respect to properties in which it has an interest, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.

6. The Properties have not been surveyed and the precise location and extent thereof may be in doubt.

## Summary

The 185 unit Del Norte property is located 33 km east of Stewart, B.C. in the Skeena Mining Division. The property is underlain by Jurassic sediments and volcanics of the Hazelton Group. Sills, dykes and plugs of middle Jurassic to Tertiary age intrude the sequence. The 1990 exploration program consisted of detailed work in the Hardpan Creek area (Croesus 2 claim) and reconnaissance mapping, prospecting and stream sediment sampling. A grid was established in the Hardpan Creek area for soil geochemical and geophysical surveys.

Major mineral showings were blasted and trenched, and twelve diamond drill holes were drilled. Mineralization is primarily fissure vein or replacement type copper-gold dominated or zinc-lead dominated showings. Sphalerite, galena and chalcopyrite occur with pyrite and specular hematite as disseminations, fracture fillings, and in quartz veins and stockworks. The absence of significant Hg, As and Sb indicates a mesozonal (mid-level) environment for mineralization rather than shallow level epithermal mineralization. The mineralization, alteration and geologic setting of the Hardpan Creek area showings suggest the possibility for large scale vein or gold-copper porphyry mineralization.

Lead-zinc showings generally occur in intermediate volcanics with strong propylitic alteration. Grab samples from veins assayed up to 27.54% Zn, 13.2% Pb 4.03 oz/ton Ag and .050 oz/ton Au. The Grizzly zone has the most consistent mineralization of the lead-zinc showings, with 2.4% Zn, 1.06% Pb and .012 oz/ton Au over an 11m (36') trench across strike, including 4m (13.1') of 4.35% Zn, 3.74% Pb and .012 oz/ton Au. Gold-copper dominated showings tend to occur in felsic to intermediate volcanics with strong phyllic-argillic alteration. The most promising of these is the O-zone. This replacement/alteration horizon has been traced for an open ended strike length of 164m (538') and dip length of at least 35m (115'). Widths of the zone vary from 6 to 15m (20-49') and average .015 to .040 oz/ton Au and 0.10-0.38% Cu, with common higher grade intervals 2 to 3m (6.6-9.8') wide up to 0.40 oz/ton Au and 0.50 % Cu.

The Bullion area north of Del Norte Creek occurs in an altered belt of volcanics that is an extension of these altered volcanics in the Hardpan Creek area. Soil and stream sediment geochemistry revealed moderate to highly anomalous base and precious metal values. Mineralization was discontinuous, although a grab sample from a quartz - sulphide pod did assay 0.56 oz/ton Au. Reconnaissance mapping and prospecting throughout the balance of the property delineated several smaller mineral occurrences, of which the LG vein is most notable (.885 oz/ton over 1m chip sample).

The best mineralization found to date is the mesozonal stringers, veins and replacement zones that are proximal to a strongly altered northwest trending belt of volcanic rocks adjacent to monzonitic to dioritic intrusions. East-northeast trending faults that occur in these areas localize the mineralization in some instances. A genetic relationship between intrusions, alteration and mineralization is likely.



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## Introduction

Teuton Resources Inc. acquired the Croesus claims in 1987 and added the Bond claims in 1988 to form the Del Norte property. Goodgold Resources Ltd. is presently earning a fifty percent interest in the property. In 1990, International Kodiak Resources was contracted to conduct an exploration program on the property. This program involved mapping, silt and soil sampling, blast trenching, ground geophysics and twelve diamond drill holes.

## Location and Access

The Del Norte property is located 30 km east of Stewart, B.C., centered at 56°00' North latitude and 129°31' West longitude (Figure 1). Access to the property is by helicopter from Stewart or the Elsworth logging camp 20 km east of the property. The Stewart - Cassiar Highway passes 12 km to the north.

## Claim Status

The Del Norte property consists of 11 contiguous claim blocks totalling 185 units, in the Skeena Mining Division (Figure 1). Claim information is summarized below.

**Table 1: Claim Status**

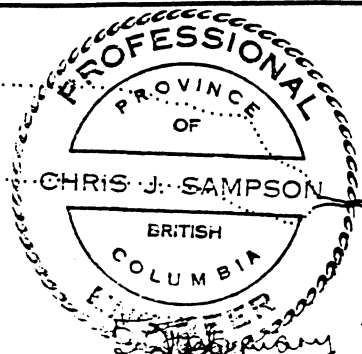
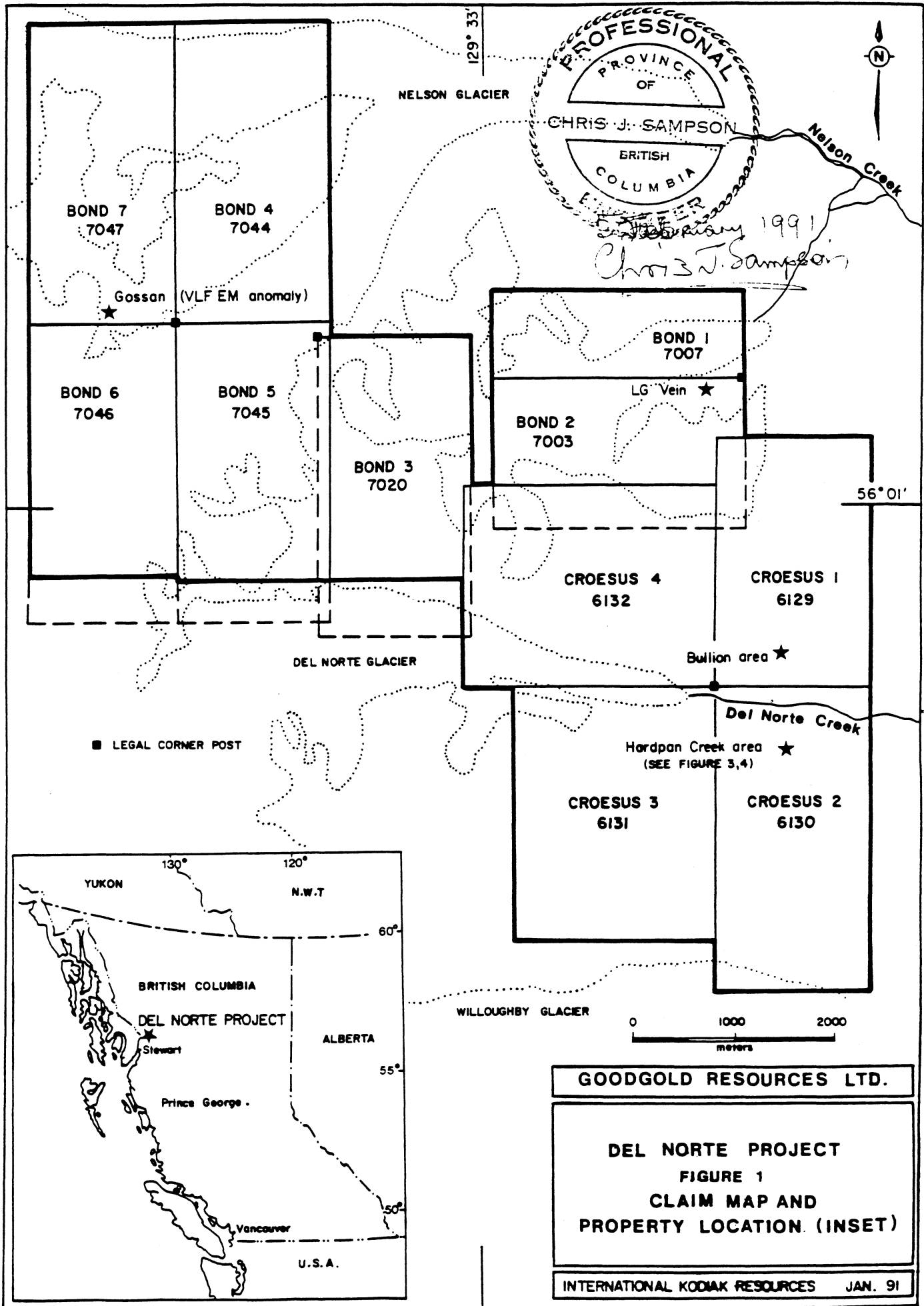
<u>Claim</u>	<u># Units</u>	<u>Record #</u>	<u>Date of Record</u>	<u>Expiry Date*</u>
Croesus 1	15	6129	May 4, 1987	May 4, 1992
Croesus 2	15	6130	May 4, 1987	May 4, 1992
Croesus 3	20	6131	May 4, 1987	May 4, 1992
Croesus 4	20	6132	May 4, 1987	May 4, 1992
Bond 1	10	7007	Nov.5, 1988	Nov.5, 1992
Bond 2	15	7008	Nov.5, 1988	Nov.5, 1992
Bond 3	18	7020	Dec.5, 1988	Dec.5, 1992
Bond 4	18	7044	Dec.5, 1988	Dec.5, 1992
Bond 5	18	7045	Dec.5, 1988	Dec.5, 1992
Bond 6	18	7046	Dec.5, 1988	Dec.5, 1992
Bond 7	18	7047	Dec.5, 1988	Dec.5, 1992

\* Before filing of 1990 work for assessment purposes.

## Exploration History

The area was originally staked as the Bullion claims prior to 1913. A small adit (the Porter adit) was driven to test quartz veining along a contact between "Bowser Sediments" and "Hazleton Volcaniclastics".

In 1939, the Premier Gold Mining Company Ltd. completed 15 open



■ LEGAL CORNER POST

**GOODGOLD RESOURCES LTD.**

**DEL NORTE PROJECT  
FIGURE 1  
CLAIM MAP AND  
PROPERTY LOCATION. (INSET)**

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cuts in the vicinity of the Porter and Bullion showings north of Del Norte Creek (the present Bullion Area). Erratic and low grade gold (+/- copper and zinc) values were associated with discontinuous quartz veins.

In 1982, Viscount Resources conducted exploration on Del Norte and Willoughby Creeks. An airborne geophysical survey was flown, and several northwest trending EM anomalies were detected.

Teuton Resources Corp. acquired the Croesus claims in 1987. Silt samples from the Bullion area returned moderately to highly anomalous precious and base metal values. A grab sample from a 1.5 m (4.9') quartz - sulphide pod assayed 0.56 oz/ton gold.

In 1988 Teuton followed up these results with exploration in the Hardpan Creek and Bullion areas. Chip sampling from a pyritized tuff north of Del Norte Creek returned 8.1% Cu over 4.5m (14.8'). Another sample assayed 0.60 oz/ton Au over 1.5m (4.9'). Two new zones were discovered south of Del Norte Creek. The Lead-Zinc zone (now called the Twilight zone) is comprised of quartz sulphide veinlets in volcanoclastics. The best grab sample yielded 13.2 % Pb, 27.54 % Zn, 4.03 oz/ton Ag and .052 oz/ton Au. A chip sample from the Copper - Gold zone in Hardpan Creek yielded 8.7 % Cu over 8.1m (26.6'), including 2.1m (8.9') with 0.658 oz/ton Au. The chip sample was taken from intensely sericitic and chloritic volcanics. Teuton staked the Bond claims after the 1988 season.

Teuton Resources optioned a 50% interest in the Del Norte property to Goodgold Resources in 1989. The exploration program undertaken included an Aerodat airborne geophysical survey, mapping, sampling and limited ground geophysics. Chip samples assaying up to .157 oz/ton Au over 1.8m (5.9') were taken from the near Porter adit in the Bullion area. Sampling of potential strike extensions of the Copper Gold zone did not yield encouraging results (up to 590 ppb over 1.4m (4.6')).

### **1990 Fieldwork**

International Kodiak Resources carried out an exploration program on the Del Norte property on behalf of Teuton Resources during the 1990 season. Most of the work was concentrated in the Hardpan Creek area, where two showings had been previously discovered. In the Hardpan Creek area a grid was established, with 12 kilometres of picketed and some cut line. Sixty-six grab samples were collected during mapping and prospecting in the area. Six hundred meters of trenches were established at various mineral showings in the Hardpan Creek area, and 523 chip samples were taken. Three hundred and forty-seven soil samples were collected on the grid at 25 m intervals, and VLF-EM, Magnetic and UTEM geophysical surveys were carried out. Twelve diamond drill holes (BQTW core) yielded 1118.3 m (3669') of core and 536 samples for geochemical analysis.

Throughout the remainder of the property, reconnaissance prospecting yielded 71 grab and chip samples. Ninety-eight stream sediment samples were taken. Sixty-four chip samples from some 300m (984') of trenches were taken, chiefly from the gossan north of the Nelson Glacier. Sixty-four soil samples were taken from the Bullion area north of Del Norte Creek.

### **Regional Geology**

The Del Norte property is located near the boundary between the Coast Plutonic Complex and the Intermontane Belt. The property lies in the Stikine Arch, a Late Paleozoic to Mesozoic assemblage of volcanic and sedimentary rocks, represented in this region by the Lower to Middle Jurassic Hazelton Group. Grove (1986) included rocks in the Del Norte property as a central belt of dominantly volcanic rocks (Betty Creek Formation) flanked by sedimentary rocks (Salmon River Formation), forming a northerly trending anticlinal structure. Middle Jurassic to early Tertiary plugs, sills and dykes, which are apparently important in localizing mineralization, intrude the volcanic and sedimentary rocks (Figure 2).

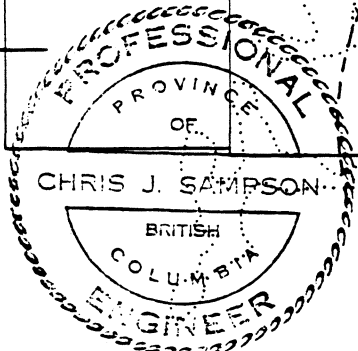
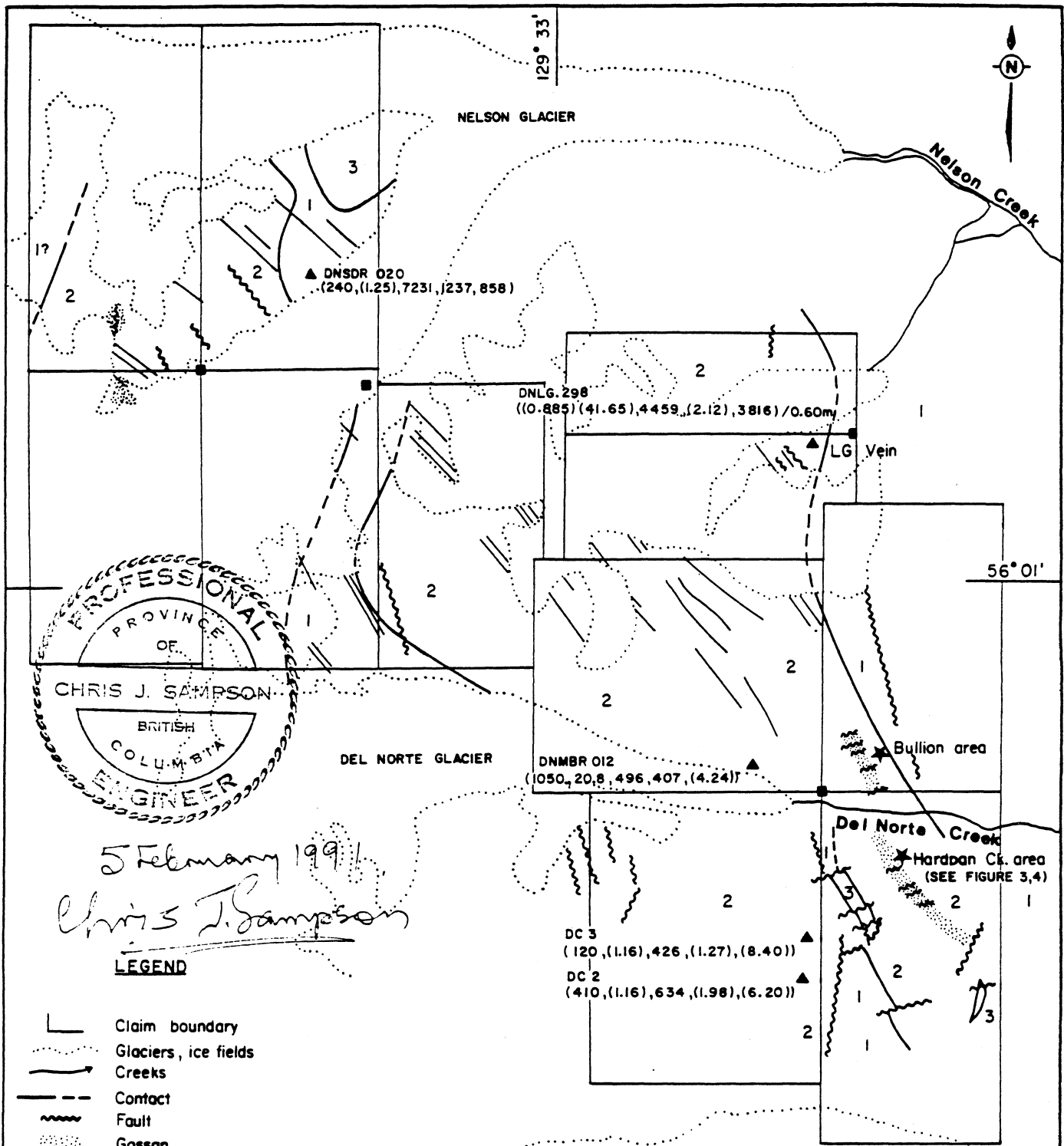
### **Del Norte property geology**

Volcanic rocks of the Betty Creek Formation include greenish and rarer maroon aphyric and plagioclase (+/- hornblende) porphyry andesites, and massive to well bedded intermediate volcanoclastics. Bedding in the volcanoclastics strikes northwest with a steep dip. Thin beds of argillite and pink sandstones are found within the volcanics.

Sediments of the Salmon River Formation outcrop east and west of the Betty Creek Formation volcanics. The lithologies are dominantly turbiditic siltstones interbedded with sandstones, calcareous mudstones, greywackes and chert-quartz pebble conglomerates. Rare limestones and boulder conglomerates also occur. Bedding strikes north to northwest, but is generally disrupted by small scale, open, moderately plunging folds. Foliation is well developed in all lithologies.

In the Hardpan Creek area potassium feldspar megacrystic monzonite sills up to 30m (98.4') thick occur. These sills dip moderately to the west and are mineralogically similar to the Texas Creek Pluton in the Silbak-Premier Mine area. Drill hole data indicates that the sills range from monzonitic to dioritic in composition and are important in localizing the alteration and mineralization.

Several large faults cut across the property and have associated foliation and/or shear fabrics and alteration which affect the



5 February 1991  
 Chris J. Sampson

**LEGEND**

- Claim boundary
- Glaciers, ice fields
- Creeks
- Contact
- Fault
- Gossan
- Andesitic dykes and sills
- Legal Corner Post
- 1** Salmon River Formation:  
sediments and unassigned sediments
- 2** Betty Creek Formation:  
volcanics
- 3** Pottasium feldspar megacryst sills, plugs

▲ DNSDR 020  
 (240, (1.25), 7231, 1237, 858)  
 Au Ag Cu Pb Zn  
 ppb ppm ppm  
 (opt) (%)

▲ Sample number

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**DEL NORTE PROJECT**  
**FIGURE 2**  
**PROPERTY GEOLOGY,**  
**SIGNIFICANT SAMPLES FROM**  
**REGIONAL RECONNAISSANCE**

INTERNATIONAL KODIAK RESOURCES JAN. 91

host rocks and may be important for mineralization. VLF-EM surveys have outlined a number of northwest trending anomalies that are likely faults. In the Bullion area, a north-northwest trending fault zone is marked by carbonate and quartz veining, ankeritic alteration and some sulphide mineralization in Salmon River sediments. Also in this area are east-northeast trending faults which offset a strongly altered band of volcanics (the altered belt). Similar faults also occur in the Hardpan Creek area, particularly apparent in the O-zone. Both sinistral and dextral offsets are apparent on these faults, and there is likely a strong dip slip component to any offsets.

Weak to moderate propylitic alteration is common throughout the property. This includes ubiquitous quartz and carbonate veins, chloritization and epidotization of volcanic rocks. Quartz and carbonate veins can be up to 75 cm (2.5') thick and locally host iron copper lead and zinc sulphides.

Strong to extreme alteration occurs in two major areas on the property. The first occurs near the head of the Nelson Glacier, and is adjacent to a strong northeast trending EM anomaly. In this area, gossanous volcanics are affected by strong sericitic and argillic alteration. In the Hardpan Creek and Bullion areas, a band of felsic to intermediate volcanics has been altered to a gossanous, pyritic quartz sericite schist. Silicification of the rocks is strong locally. Adjacent to the strongly argillic-phyllitic alteration is a zone of very strong propylitic alteration, in generally more intermediate volcanic rocks. This zone is characterized by chlorite and iron carbonate +/- calcite, quartz, epidote and sericite. The altered belt is 100-200 m (328.1-656.2') wide and extends from the East Cliffs of the Hardpan Creek area across Del Norte Creek into the Bullion area, and hosts several showings. Drill hole data indicates that this strong alteration is adjacent to the monzonite and related intrusions. Aeromagnetic anomalies located adjacent to the altered belt correspond to phases of the intrusions located in the subsurface and intersected in drill holes.

### **Mineralization**

Base and precious metal mineralization was discovered at five new showings in the Hardpan Creek area, and previously known showings in the Hardpan Creek and Bullion areas were reexamined. In addition, reconnaissance prospecting delineated several new mineral occurrences throughout the property (Figure 3). Table 2 summarizes the geology and best assays from these showings.

**Table 2: Main showings and significant assay results from chip samples in the Hardpan Creek area**

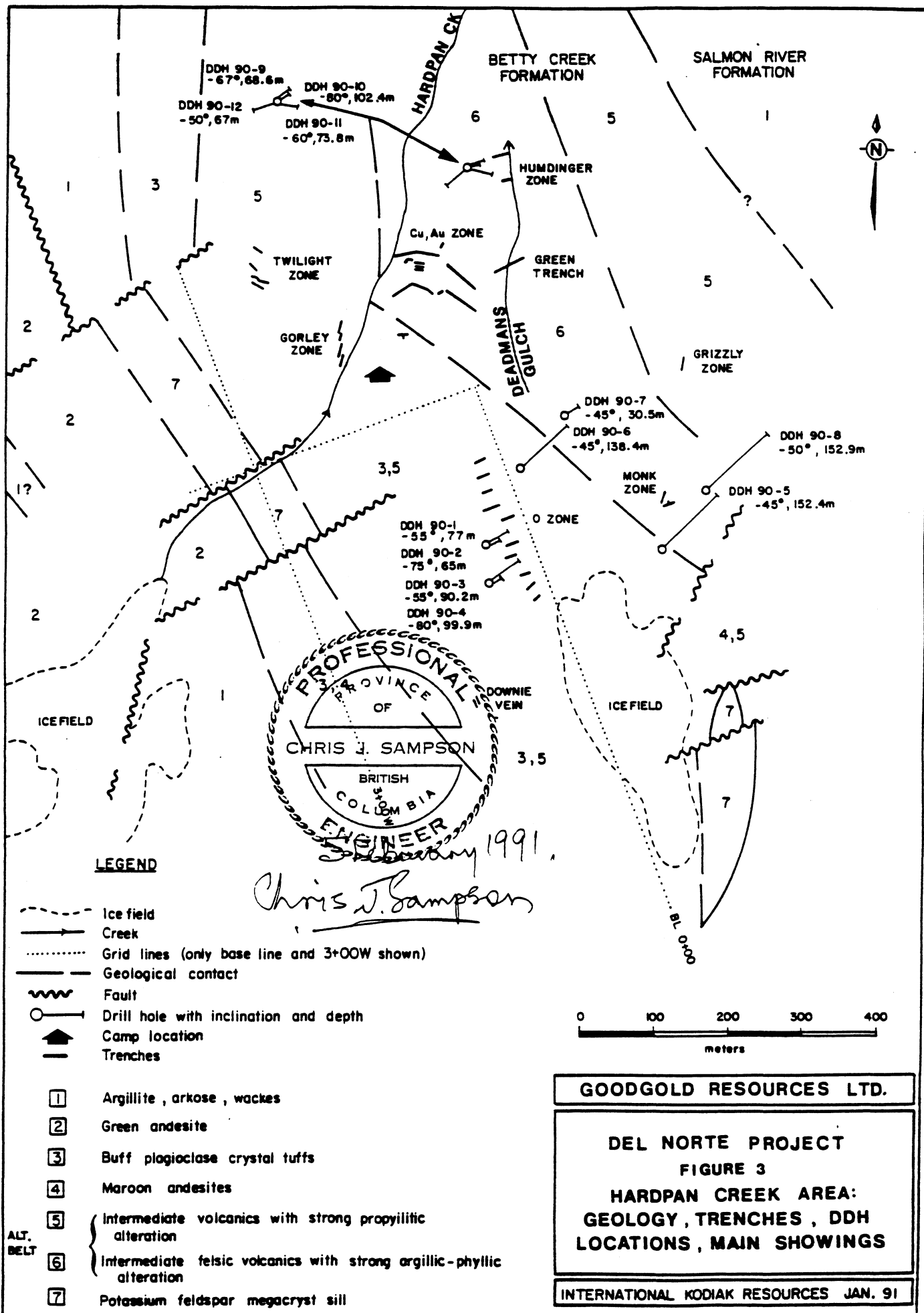
<u>Zone</u>	<u>Sample width</u>	<u>Significant assays</u>	<u>Au (oz/ton)</u>
Grizzly	15m trench	2.4% Zn 1.06% Pb	.012
	4m section of above	4.35% Zn 3.74% Pb	.012
Monk	11m trench	0.28% Cu	.020
Humdinger	2m trench	0.36 oz/ton Ag	.136
	6m trench	2.05 oz/ton Ag	.388
Downie	.2m chip sample	9.47 oz/ton Ag 7.2% Cu	.739
	1.35m chip sample	1.33 oz/ton Ag 0.79% Cu	.076
Cu - Au	1m chip sample		.074
	15 trench		.013
Gorley	75m trench	0.47% Zn 0.23% Pb	
Twilight	21m trench	0.15% Zn 0.17% Pb	
LG vein	1m chip sample		.885
O - Zone	see Table 3		

Mineralization generally occurs in copper-gold dominated and lead-zinc dominated showings. Among the lead-zinc showings are the Twilight (originally the Lead-Zinc), Gorley and Grizzly showings, and mineralization in the East Cliffs and just north of the Monk Showing (Figure 3).

The **Twilight zone**, originally discovered in 1988, consists of veins less than 50 cm thick within maroon and green intermediate crystal and lapilli tuffs with thin interbedded argillites. The host rocks exhibit mild propylitic alteration and some silicification. Ankerite-calcite alteration is found in envelopes, surrounding the veins. Sphalerite and galena occur with abundant specular hematite in veinlets up to 35 volume percent, with quartz gangue. Chalcopyrite and pyrite are rare. The veins strike north to northeast and are not traceable further than 5 m (16.4'). Results comparable to a high grade grab sample collected in 1988 (27.59% Zn, 9.2%Pb, 1.58 oz/ton Ag) were not reproduced in continuous chip samples over 68m (223') of trenches.

The **Gorley zone** on Hardpan Creek was originally discovered in 1988 when a grab sample assaying 0.30 oz/ton Au, 4.8 ppm Ag, 1302 ppm Cu, 1651 ppm Pb and 8949 ppm Zn was collected. Mineralization occurs as disseminations, stringers and rare 15-20 cm (.5-.7') veins or silicified bands. Sphalerite and galena occur in a gangue of hematite, quartz and pyrite. The mineralized zone strikes east-northeast, crosscutting the host maroon andesites and chloritic intermediate tuffs. A single silicified band (stringer system) was traced for 25m (82') along strike. A series of 3m (10') continuous chip samples were taken,





DDH 90-9  
-67°, 68.6m  
 DDH 90-10  
-80°, 102.4m  
 DDH 90-12  
-50°, 67m  
 DDH 90-11  
-60°, 73.8m

BETTY CREEK FORMATION

SALMON RIVER FORMATION

HARDPAN CK

HUMDINGER ZONE

TWILIGHT ZONE

Cu, Au ZONE

GREEN TRENCH

GORLEY ZONE

DEADMANS GULCH

GRIZZLY ZONE

DDH 90-7  
-45°, 30.5m

DDH 90-6  
-45°, 138.4m

DDH 90-8  
-50°, 152.9m

DDH 90-5  
-45°, 152.4m

DDH 90-1  
-55°, 77m  
 DDH 90-2  
-75°, 65m  
 DDH 90-3  
-55°, 90.2m  
 DDH 90-4  
-80°, 99.9m

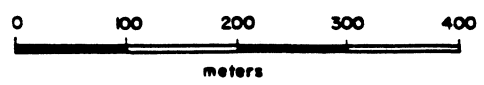
MONK ZONE

O ZONE

ICEFIELD

DOWNIE VEIN

ICEFIELD



several of which assayed over 1% Zn. Lead was fairly constant at 1000-3000 ppm throughout the length of the trenches. Precious metals were only weakly anomalous.

The **Grizzly zone** is hosted within rusty weathering (ankerite-carbonate alteration) intermediate volcanics. Mineralization occurs in numerous silicified bands with semi-massive to disseminated sphalerite. Galena is more common as stringers and veinlets in carbonate altered sections. Pyrite is ubiquitous as disseminations, but chalcopyrite is rare. The mineralized silicified bands trend east-west, similar in orientation to the mineralized bands in the Gorley zone and the galena-sphalerite showing just north of the Monk zone.

Grab samples from the **East Cliffs** consist of thin discontinuous quartz veins and silicified and pyritic sections of host green dacites and mottled maroon and green intermediate volcanics. Drill hole data indicates that the volcanics are closely underlain by monzonitic intrusives. A sample from a quartz pod with 30-35 volume % chalcopyrite + pyrite assayed 0.613 oz/ton Au, 0.62 oz/ton Ag, and 1.83 % Cu. Several other grab samples in the area assayed 0.10 oz/ton Au, or 1.0 % base metals.

Copper-gold dominated showings in the Hardpan Creek area include the Monk zone, Cu-Au zone, Humdinger, Downie vein and O-zone. The **Monk zone** has stringers and pods of chalcopyrite with pyrite. Sulphides are also disseminated in silicified envelopes around the stringers. Stringers and veinlets strike northwesterly and dip moderately to steeply southeast. An eleven metre (36') trench averaged .020 oz/ton Au and .28% Cu. Drill holes (DDH90-5 and DDH90-8) in the Monk zone intersected volcanics at the top, followed by propylitic and iron carbonate altered intrusives. The volcanics had some disseminated sulphides.

The **Humdinger zone** was discovered at the base of Deadman's Gulch late in the 1990 season. Strongly chloritic and argillic altered felsic volcanics, are in contact with a monzonitic to dioritic intrusion. The intrusive is mildly propylitic altered and contains 1-10 % specular hematite with magnetite and/or pyrrhotite. Iron carbonate alteration occurs in the abundant fractures and faults. Mineralization occurs in veins and anastomosing and brecciated stringers near the contact between intrusives and volcanics. Stringers and veins contain abundant specular hematite with pyrite, chalcopyrite, and rare sphalerite and galena. The mineralized zone extends for at least 50 metres (164') to the southeast, and is covered by glacial deposits to the northwest. Surface trenching yielded up to 0.388 oz/ton Au over 6m. Diamond drill hole DDH90-9 in the Humdinger zone intersected 2 quartz veins with up to 25% pyrite and chalcopyrite in strongly altered volcanics. DDH90-10 intersected a brecciated quartz-pyrite stockwork with rare chalcopyrite

straddling the intrusive volcanic contact. Holes DDH90-11 and 12 cut mainly intrusive rocks, which had fairly uniform Zn values of .10%.

Two holes were drilled near the head of Deadman's Gulch to test geochemical and geophysical anomalies. The top of DDH90-6 cut tuffs with some disseminated sulphides at the contact with the underlying intrusives. Hole DDH90-7 also intersected intrusives, which lie just under the surface in Deadman's Gulch and give rise to the strong magnetic high in the area.

The **Downie 'vein'** is a strongly chloritic and silicified fine grained mafic dyke cutting mildly propylitic altered plagioclase crystal tuffs. The dyke strikes northeast, dips 60° to the southeast, and is traceable for 15m (49'). It pitches out to the northeast and widens to 1.35m (4.4') on the southwest end where it disappears under talus. A 20cm (0.7') chip sample from the thin end of the dyke assayed 0.739 oz/ton Au, 9.47 oz/ton Ag and 7.2% Cu. Grades were lower across wider sections of the dyke (Table 2). Mineralization consists of 10-15% disseminated and net textured chalcopyrite and pyrite.

The **Copper-Gold zone** in Hardpan Creek is hosted in the altered belt, a zone of strongly to extremely altered and oxidized felsic to intermediate volcanics. The orange to cream coloured felsic volcanics are altered to quartz-sericite schists, with a well developed northwest trending foliation that parallels the general trend of the altered belt. The mineralized zone consists of thin discontinuous quartz veins containing 10-30% chalcopyrite and pyrite. Pyrite is also disseminated throughout the host rocks. Local oxidation of the rocks has produced malachite. The main vein strikes northeast and dips vertically, and is 60cm (2') across at its widest, but can be traced for only 6m (20') along strike.

Approximately 140m (460') of trenches failed to reproduce the results from a 1989 chip sample that averaged 0.658 oz/ton Au over 2.71m (8.9'). The best trench result was .074 oz/ton over 1m (3.3'). Continuous chip samples down the steep gully walls on the east side of Hardpan Creek yielded .013 oz/ton Au over 15m (49').

The **O-zone** appears to be a replacement horizon that crosscuts mottled green and maroon intermediate volcanics and minor flows. Host rocks are distinctively altered by ankerite-carbonate, phyllic-argillic and local propylitic and minor potassic alteration. Quartz sericite schist is common. The alteration zone has generally sharp boundaries, and a well developed foliation parallels the zones strike length. Numerous faults cut and offset the zone by up to 20m (66'), and seem to have produced a later, overprinting east-northeast trending fabric. The O-zone

strikes northwest and dips 30 to 70° to the southwest, depending on rotation by faults. Mineralization consists of disseminated and fracture filling chalcopyrite and lesser pyrite, and 1-4cm (.03-.1') wide veins with pods of chalcopyrite, concentrated near the hanging wall of the zone. This zone has been traced for 164m (538') strike length and at least 35m (115') dip length, and is 6 to 15m (20-50') thick. Trenches were established across the O-zone at approximately 15m (50') intervals. Several of these returned positive results, and are summarized in Table 3. Drill hole in the O-zone intersected intermediate volcanoclastics with abundant sills and dykes, giving further evidence that mineralized zones are generally adjacent to the monzonitic to dioritic intrusions. Drill hole assay results were somewhat less encouraging than surface trenches, perhaps an indication of surface enrichment of gold (Table 3).

**Table 3: Summary of significant O-zone trench results**

<u>Grid Line</u>	<u>Width of O-zone (m)</u>	<u>Au (oz/ton)</u>	<u>Ag (oz/ton)</u>	<u>Cu (%)</u>
0 + 06 S	7 incl. 1m	.116 .487	.55 1.9ppm	.67 256ppm
0 + 36 S	7 incl. 1m	.041 .096	.28	.27
0 + 50 S	8	.031	.32	.55
0 + 65 S	3	.083	.40	.39
0 + 80 S	10 incl. 2m and incl. 2m	.088 .253	.16 .47	.73 .33
0 + 95 S	7	.186	.48	.46
1 + 17 S	5 incl. 1m	.044	.12	.31
1 + 33 S	5	.307	1.08	.23

In general the lead-zinc dominated showings appear to occur in the more intermediate, propylitically altered volcanics, rather than phyllic-argillic altered zones. The proximity of veins and fracture fillings to the monzonitic to dioritic intrusions, and the absence of elements indicative of epithermal regime (e.g., Hg, Sb and As) indicate a mesothermal environment of mineralization. The type of mineralization, alteration and

geologic setting suggest the potential for copper gold porphyry or economic sized veins. The best mineralization found to date on the property is proximal to the monzonitic to dioritic intrusions, the northwest trending altered belt that may be associated with a fault zone, and east-northeast trending faults

that occur in these areas. A genetic relationship between intrusions, faulting alteration and mineralization is suggested.

### **Soil Geochemistry**

Soil sampling in the Hardpan Creek area revealed three major anomalous zones. A Pb + Zn +/- Ag anomaly extends north from the Twilight zone for at least 150m (492.2'), and could indicate further subsurface mineralization. A belt of gold and base metal anomalies extend northwest from the Monk showing to the Humdinger Zone. These anomalies occur on the eastern flank of a magnetic high revealed by airborne surveys. They also parallel the altered belt of intermediate to felsic volcanics. Soil samples taken along Deadmans Gulch were moderately to strongly anomalous in base and precious metals (maximum values were 1740 ppb Au, 2068 ppm Cu, 4502 ppm Pb, 9334 Zn). These anomalies are likely due to discontinuous mineralization in the altered belt which is bisected by Deadman's Gulch, the Humdinger Zone at the base of the Gulch.

In the Bullion area north of Del Norte Creek, moderately to highly anomalous precious and base metal values from stream sediments were followed up with a contour soil sampling program. Soil samples from the Bullion area near the Porter showing yielded up to 1270 ppb Au.

### **Ground Geophysical Surveys**

Airborne surveys in 1988 and 1989 revealed several northwest trending conductors (VLF-EM) that likely correspond to faults. A strong conductor trending northeast corresponds to a large gossan north of Nelson Glacier. Magnetic highs were apparent in Deadman's Gulch and the Bullion area, on the flank of the altered belt. These likely correspond to intrusions in the shallow subsurface, as was delineated out by drilling in the Humdinger zone.

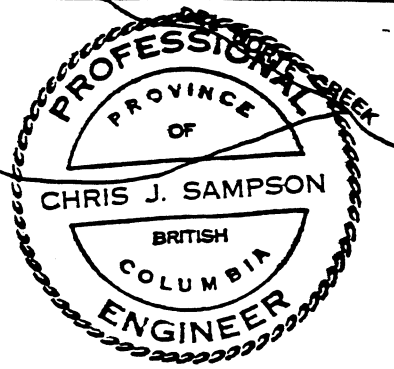
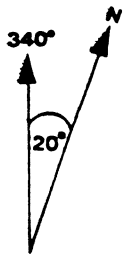
A ground geophysical survey was carried out on the grid in the Hardpan Creek area to test for conductors that could correspond to sulphide bodies, or other anomalies that could aid in understanding the structure and geology of the area. Magnetic anomalies (highs) correspond to monzonitic to dioritic intrusions (Figure 4). VLF-EM data reveals two major northwest trending conductors that may correspond to faults. One is parallel to the O-Zone and a second, lesser anomaly southeast of Deadmans Gulch. Fraser-filtered data were similar to the magnetics results. A limited UTEM survey was not successful and abandoned early.

### Diamond Drill Hole Summary

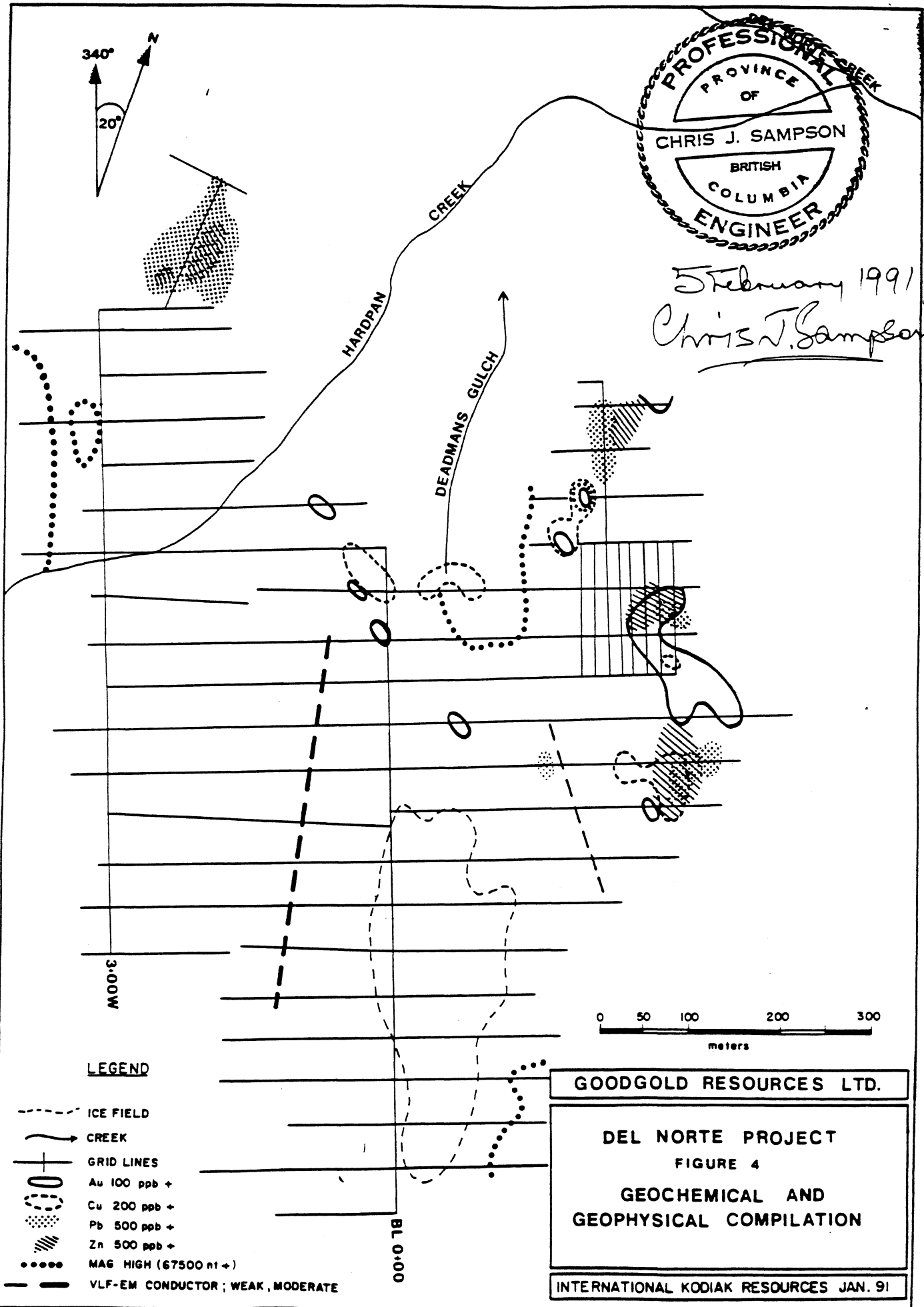
The 1990 drilling program consisted of 12 holes from seven set-ups (figure 3). The holes were positioned to test the sub-surface extensions of the O-zone (DDH90-1 to 4), the Humdinger Zone (DDH90-9 to 12) the Monk and East Cliff showings (DDH90-5 and 8). Two holes were also drilled on geophysical and geochemical anomalies near the head of Deadman's Gulch (DDH90-6 and 7). Table 4 summarizes the drill hole data and Table 5 presents the significant drill hole intersections. Recovery was good from most holes, with the exception of DDH90-6, 7 and 12, which intersected highly fractured intrusive rocks.

**Table 4: Diamond drill hole summary**

<u>HOLE NO</u>	<u>AZ.</u> <u>deg.</u>	<u>DIP</u> <u>deg.</u>	<u>DEPTH</u> <u>OF HOLE</u> <u>feet</u>	<u>TARGET</u>
DDH90-1	040	-55	253	O-Zone
DDH90-2	040	-75	215	O-Zone - dip
DDH90-3	040	-55	296	O-Zone
DDH90-4	040	-80	328	O-Zone - dip
DDH90-5	040	-45	500	Monk, East Cliffs, VLF and soil geochem anomalies
DDH90-6	040	-45	454	Mag, VLF and soil geochem anomalies
DDH90-7	040	-45	100	Mag, VLF and soil geochem anomalies, hole stopped due to baddrilling
DDH90-8	040	-50	500	East Cliffs, soil geochem anomalies
DDH90-9	055	-67	225	Humdinger
DDH90-10	055	-80	336	Humdinger - dip
DDH90-11	090	-60	242	Humdinger - trend
DDH90-12	235	-50	235	Mag anomaly



5 February 1991  
 Chris J. Sampson



**LEGEND**

- - - ICE FIELD
- ~ CREEK
- GRID LINES
- + Au 100 ppb +
- Cu 200 ppb +
- Pb 500 ppb +
- ▨ Zn 500 ppb +
- MAG HIGH (67500 nT +)
- - - VLF-EM CONDUCTOR ; WEAK, MODERATE



**GOODGOLD RESOURCES LTD.**

**DEL NORTE PROJECT**  
**FIGURE 4**  
**GEOCHEMICAL AND**  
**GEOPHYSICAL COMPILATION**

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Table 5: Diamond drill hole significant results.

<u>HOLE NO.</u>	<u>INTERVAL (feet)</u>	<u>WIDTH (feet)</u>	<u>GOLD (oz/ton)</u>	<u>COPPER (%)</u>	<u>COMMENTS</u>
DDH90-1	60 - 66	6	0.078	0.218	O-Zone
	66 - 71	5	0.202	0.442	O-Zone
	71 - 76	5	0.236	0.268	O-Zone
	76 - 81	5	0.101	0.290	1.04 opt Ag
	81 - 86	5	0.069	0.584	O-Zone
	86 - 91	5	0.036	0.477	O-Zone
	91 - 97.3	6.3	5 ppm	516 ppm	unaltered volc.
	97.3-100	2.7	0.045	0.437	O-Zone
	100 - 105	5	0.277	0.872	O-Zone
	105 - 110	5	0.036	0.644	O-Zone
avg.	60 - 110	50	0.107	0.410	0.39 opt Ag
	192 - 253	61	n.s.	873 ppm	altered volc.
DDH90-2	60 - 65	5	0.112	0.363	O-Zone
	65 - 70	5	0.062	0.514	O-Zone
	70 - 75	5	230 ppb	0.237	O-Zone
	75 - 80	5	295 ppb	0.319	O-Zone
	80 - 83.6	3.6	60 ppb	0.499	O-Zone
avg.	60 - 83.6	23.6	0.040	0.380	
DDH90-3	180 - 249	69	0.016	0.329	O-Zone + volcanics
incl.	210 - 215	5	0.129	0.144	O-Zone
	265 - 296	31	n.s.	0.155	altered volcanics
incl.	265 - 268	3	0.430	1.16	2.65 opt Ag
DDH90-4	159 - 163	4	0.062	0.563	O-Zone
	163 - 167.5	4.5	0.240	1.44	1.06 opt Ag
	avg.	159 - 167.5	8	0.156	1.03
	259.5-261.7	2.2	0.036	0.747	quartz vein
	151 - 298	147	n.s.	909 ppm	
DDH90-5	30 - 35	5	0.043	311 ppm	qtz/ank stringers
	300 - 305.5	5.5	760 ppb	587 ppm	80 % recovery
	305.5 - 308.5	3	0.167	2.78	qtz vein



Table 5: continued

<u>HOLE NO.</u>	<u>INTERVAL (feet)</u>	<u>WIDTH (feet)</u>	<u>GOLD (oz/ton)</u>	<u>COPPER (%)</u>	<u>COMMENTS</u>
DDH90-6	215 - 220 355 - 360	5 5	0.028 810 ppb	n.s. n.s.	1.58% Zn
DDH90-7	50 - 60	10	0.037	488 ppm	
DDH90-8	no significant assays				
DDH90-9	111.3-122.3 172.9-185	11 12.1	0.013 0.010	0.29 0.15	quartz vein quartz vein
DDH90-10	45 - 50 109.8-111	5 1.2	285 ppb 208 ppb	0.29 0.39	quartz vein quartz vein
	76 - 202 235 - 236.5	26 1.5	306 ppb 570 ppb	633 ppm 0.28	stockwork 40 % quartz vein
DDH90-11	199.5-202	2.5	605 ppb	659 ppm	quartz vein
DDH90-12	no significant assays				

## Discussion and Conclusions

The Del Norte property contains many copper + gold and zinc + lead dominated showings. Mineralization occurs within veins and replacement zones and is associated with propylitic and/or phyllic-argillic altered host rocks, particularly in the altered belt of the Hardpan Creek area. This belt is adjacent to the monzonitic to dioritic intrusions in the Hardpan Creek area and has a strong parallel foliation, which may indicate that some deformation may have occurred coincident with the intrusions. Alternatively, intrusions could have been emplaced along an active fault-shear zone which became strongly altered. The intrusive rocks acted as a heat source to drive fluids through faulted and fractured rocks and resulted in the observed alteration. Hence, a genetic relationship between mineralization, faulting and intrusives is proposed.

There are no indications of an epithermal vein system, but there is a strong possibility of base and precious metal zonation within vein systems in a mesozonal regime. Although locally high grade, mineralization is limited in extent and discontinuous, with the possible exception of the O-zone. However, the mineralization, alteration and geological setting suggests the potential for porphyry type deposits or a vein-hosted deposit.

The eastern contact of the Betty Creek Formation and overlying Salmon River Formation parallel a trend of mineralization, from the Hardpan Creek area to the Bullion area to the LG vein, that extends for 4km (2.5 miles). The Gold deposit at Eskay Creek is in a similar stratigraphic position, and this contact zone should be investigated further. Follow up work is warranted for many showings, particularly the O-zone, Humdinger and Grizzly zones. A combination of mapping, sampling, trenching and geophysics is recommended. The existing Hardpan Creek grid should be extended to the east up to the claim boundary, and 25m (82 feet) spaced lines run across the altered belt to further delineate geochemical targets. The airborne geophysical survey should also be extended to the north to cover the entire property, particularly the LG vein area. In the Bullion area, a grid should be established for soil sampling and ground geophysics (Magnetics and VLF-EM). Geophysics with detailed mapping and sampling at the LG vein could help to locate similar veins or vein systems. Anomalous samples collected in 1990 should be followed up. Further diamond drilling of the O-zone and any other favourable targets is warranted. A proposed exploration budget is presented in Appendix I.

### Statement of Qualifications

I, Leonard Gal of 5561 Toronto Rd., Vancouver, B.C., do hereby certify that:

1) I am a contract geologist in the employ of International Kodiak Resources, Inc., with offices at #606 - 675 West Hastings St., Vancouver, B.C.

2) I am a graduate of the University of British Columbia (B.Sc Geology) and the University of Calgary (M.Sc. Geology), and have worked in my profession in British Columbia and the Northwest Territories since 1986.

3) I am the author of this summary report and my findings are based on work undertaken on the property between August 19 and September 13, 1990, and examination of published and unpublished reports.

4) I have no interest, direct or indirect, in Goodgold Resources or their properties or holdings, nor do I expect to receive any such interest.

5) This report may be used by Goodgold Resources for a Prospectus, Statement of Material Facts, or Qualifying Report for submittal to the Superintendent of Brokers or the Vancouver Stock Exchange.

Dated at Vancouver, B.C., this 5th day of February, 1991

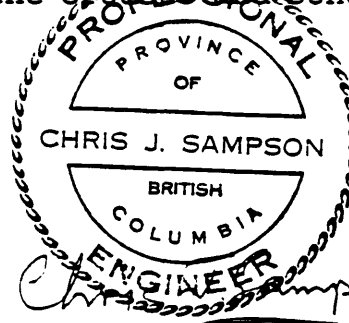
*Leonard Gal*

-----  
Leonard Gal, M.Sc.

### Certificate

I, Christopher J. Sampson of 2696 West 11th Avenue, Vancouver, B.C. V6K 1L6, hereby certify that:

1. I am a graduate (1966) of the Royal School of Mines, London University, England with a Bachelor of Science degree (Honours) in Economic Geology.
2. I have practised my profession in mining exploration for the past 24 years in Canada, Europe, United States and Central America. For the past 14 years I have been based in British Columbia.
3. I am a consulting geologist. I am a registered member in good standing of the Association of Professional Engineers of British Columbia.
4. I have not written other reports on the Croesus and Bond claims (Del Norte property), but have written reports on properties within 10 kms of the Croesus and Bond claims (Del Norte property).
5. The present report was not based on visits to the property, but on study of published and unpublished reports.
6. I have not received, nor do I expect to receive, any interest, direct or indirect, in the properties or securities of Goodgold Resources Ltd. or those of its associated companies.
7. Goodgold Resources Ltd. and its affiliates are hereby authorized to use this report in, or in conjunction with, any prospectus or statement of material facts.
8. I have no interest in any other property or company holding properties within 10 kilometres of the Croesus and Bond claims (Del Norte property).



Vancouver, B.C.  
February 5, 1991

Christopher J. Sampson, P.Eng  
Consulting Geologist

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**Appendix**  
**Proposed Exploration Budget**

PROPOSED EXPLORATION BUDGET 1991

PHASE ONE

1. Petrography (approximately 100 thin sections)		\$6,000
2. Airphoto and geophysics interpretation		\$2,000
3. Aerodat airborne geophysical survey (northern part of property, approximately 150 line kilometers)		\$20,500
4. Mob / demob		\$11,500
5. Personnel		
Senior geologist	42 days @ \$275	\$11,500
Field geologist	42 days @ \$240	\$10,080
Field geologist	42 days @ \$240	\$10,080
Geological assistant	42 days @ \$200	\$8,400
Geological assistant	42 days @ \$200	\$8,400
Geological assistant	42 days @ \$200	\$8,400
6. Helicopter	25 hours @ \$725	\$18,125
7. Field expenses		
Miscellaneous expendables	252 man days @\$20	\$5,040
Blasting		\$4,500
Communications		\$5,000
8. Camp costs	252 man days @ \$75	\$18,900
9. Assays	700 samples @ \$25	\$17,500
10. Geophysics (equipment rental)		\$5,000
11. Report / drafting		\$8,000
	subtotal	<u>\$178,925</u>
12. Diamond drilling (2500 feet approx. @ \$80 per foot all in )		\$200,000
	subtotal	<u>\$378,925</u>
Contingencies approx. 10%		\$37,710
Prime Equities Inc. Management fee 15%		\$56,840
Federal Goods and Services Tax 7%		\$26,525
	TOTAL	<u>\$500,000</u>



PROVISIONAL PHASE 2 EXPLORATION BUDGET

PHASE 2

1. Diamond drilling contingent on favourable PHASE 1 results.  
Approximately 6000 feet @ \$80 per foot all in.  
Total includes supervising geologist, core  
splitter, assaying costs, camp costs etc.


	subtotal	\$530,350
Contingencies approx. 10%		\$53,020
Prime Equities Inc. Management fee 15%		\$37,125
Federal Goods and Services Tax 7%		\$79,555
	<b>TOTAL</b>	<b><u>\$700,000</u></b>

**CERTIFICATES**

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

March 6, 1991.


**ISSUER**

  
CHET IDZISZEK  
President  
(Chief Executive Officer)

  
D. WILLIAM CAMPBELL  
Secretary


**ON BEHALF OF THE BOARD OF DIRECTORS**

  
NAREN MAJITHIA  
Director

  
MICHAEL LEVINSON  
Director

**PROMOTER**

PRIME EQUITIES INC.

Per: 

**AGENTS**

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

March 6, 1991.

L.O.M. Western Securities  
Ltd.

Per: 

McDermid St. Lawrence Ltd.

Per: 