

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

018364

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

PROSPECTUS

DATED: November 27, 1987

# CAMBRIA RESOURCES LIMITED

(the "Issuer")  
2204 - 2075 Comox Street  
Vancouver, B.C.  
V6G 1S2

## PUBLIC OFFERING

Maximum 1,000,000 Common Shares

Minimum 500,000 Common Shares

Price to Public	Commission	Net Proceeds to be Received by the Issuer
\$0.40	\$0.05	\$0.35
\$400,000	\$50,000	\$350,000
\$200,000	\$25,000	\$175,000

MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND THE PRICE PAID TO THE ISSUER IS NOT TO BE DETERMINED OR CHANGED ARBITRARILY BY THE ISSUER.

If less than 500,000 shares have been sold then the Agent has agreed to purchase that number of shares required to bring the total number of shares sold on the offering day to 500,000 shares. In consideration of the Agent guaranteeing the sale of 500,000 shares on the offering day, the Agent has been granted a non-transferable warrant. See "PLAN OF DISTRIBUTION".

A purchase of the securities offered by this Prospectus must be considered as speculative. 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 property of the Issuer 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. See also the heading "RISK FACTORS" 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 Vancouver Stock Exchange on or before June 6, 1988, including prescribed 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 46.51% of the shares then outstanding as compared to 41.76% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and associates of the Agent. Refer to the heading "PRINCIPAL HOLDERS OF SECURITIES" herein for details of shares held by directors, senior officers, promoters and controlling persons and associates of the Agent.

One or more of the directors of the Issuer has an interest direct or indirect, in other natural resource companies. Reference should be made to "DIRECTORS AND OFFICERS" for further particulars.

This prospectus also qualifies for sale to the public at the market price for the shares at the time of sale any shares of the Issuer which the Agent may acquire pursuant to the Agent's warrants. Reference should be made to "PLAN OF DISTRIBUTION" herein.

We, as Agent, conditionally offer these securities subject to prior sale, if, as and when issued by the Issuer and accepted by us in accordance with the conditions contained in the Agency agreement referred to under "PLAN OF DISTRIBUTION" in this Prospectus.

### AGENT:

YORKTON SECURITIES INC.  
14th Floor - 609 Granville Street  
Vancouver, British Columbia

EFFECTIVE DATE: December 8, 1987

D.L.  
PROPERTY FILE  
FOX 103 P 093  
Cambria 103P/12-DE

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized to Issue	Amount Outstanding at September 30, 1987	Outstanding as of the date of this Prospectus	Amount to be Outstanding if all Securities Sold
Common Shares	25,000,000	1,150,000	1,150,000	2,150,000

Notes:

1. As at September 30, 1987 the amount of contributed surplus and retained earnings of the issuer is nil.
2. If only the minimum number of 500,000 shares are sold on the Offering Day then the number of shares to be outstanding on completion of the offering will be 1,650,000.
3. The Agent holds warrants entitling it to purchase 125,000 shares in the issuer, see "Plan of Distribution". Certain directors and an employee of the issuer hold options to purchase 165,000 shares, see "Options to Purchase Securities".

NAME AND INCORPORATION

The full name of the issuer is Cambria Resources Limited. The issuer was incorporated by filing of Memorandum and Articles under the British Columbia Company Act on May 23, 1986. The head office of the issuer is situated at 2204 - 2075 Comox Street, Vancouver, British Columbia, V6G 1S2.

DESCRIPTION OF BUSINESS

The principal business of the issuer is the acquisition, exploration and development of natural resource properties with potential merit.

The issuer is continually examining additional projects for acquisition, exploration and development.

The Cambria Property

By an agreement dated as of September 25, 1986, as amended October 2, 1987 (the "Option Agreement") between the issuer and Steven F. Coombes of 218 -744 West Hastings Street, Vancouver, British Columbia, V6C 1A5 and David M. Nelles of #4 - 8540 Blundell Road, Richmond, British Columbia, V6Y 1K1, (collectively

(c)	to carry out Phase I of the exploration program on the Cambria 1-3 Claims as recommended by Steven F. Coombes, B.Sc. and F. Marshall Smith in their report dated December 12, 1986	100,000	100,000
(d)	to carry out Phase II of the exploration program on the Cambria 1-3 Claims contingent on success of Phase I	150,000	-
(e)	to provide reserve for working capital and general administrative expenses	67,373	42,373
TOTAL:		\$350,000	\$175,000

Any proceeds received by the Issuer from the exercise of the Agent's Warrants will be added to working capital.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Issuer propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval of the shareholders must first be obtained, and prior disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities.

The Issuer may, pursuant to the recommendations of a qualified engineer, abandon in whole or in part any of its properties or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Issuer after filing an engineering report acceptable to the Superintendent of Brokers. If this occurs during the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed. If this should occur after the primary distribution, then the shareholders shall be notified.

If the first stage of the exploration program is unsuccessful and the Issuer elects not to proceed with the subsequent stages of the program, the funds will be used to provide additional working capital.

called the "Sellers"), the Issuer was granted an option (the "Option") to acquire a 100% undivided interest in the Cambria Claims numbers 1 to 3, inclusive, record numbers 5357(5), and 5358(5), and 5359(5) respectively, which Claims expire on May 5, 1996 (the "Property"), in consideration of reimbursing the Sellers \$2,500 (Paid) for staking costs in connection with the Property and the payment of \$75,000 to the Sellers and by incurring exploration expenditures on the Property as follows:

- (a) the sum of \$5,000 to be paid to the Sellers within fifteen days following the execution and delivery of the Option Agreement (the "Effective Date") (this amount has been paid);
- (b) exploration expenditures of not less than \$150,000 to be incurred on or before December 31, 1988;
- (c) the sum of \$10,000 to be paid to the Sellers on or before twelve months following the Effective Date (this amount has been paid);
- (d) cumulative exploration expenditures of not less than \$250,000 to be incurred on or before December 31, 1989;
- (e) the sum of \$15,000 to be paid to the Sellers on or before 24 months following the Effective Date;
- (f) cumulative exploration expenditures of not less than \$400,000 to be incurred on or before December 31, 1990;
- (g) the sum of \$20,000 to be paid to the Sellers on or before 36 months following the Effective Date;
- (h) cumulative exploration expenditures of not less than \$550,000 to be incurred on or before December 31, 1991; and
- (i) the sum of \$25,000 to be paid to the Sellers on or before 48 months following the Effective Date.

The Issuer shall have exercised the Option and have acquired a 100% interest in and to the Property by making the cumulative cash payments to Coombes and Nelles of \$75,000 and by having incurred cumulative exploration expenditures of \$550,000.

For the purpose of the Option Agreement "exploration expenditures" means all costs and expenses incurred by the Issuer on or in connection with the exploration and development of the Property and shall include all monies required to maintain the Property in good standing in accordance with the laws of the jurisdiction in which the Property is situated.

Upon exercise of the Option, the Sellers will be entitled to receive 10% of the net profits. The net profits shall be computed as of the end of each calendar quarter by calculating the excess, as of the date of computation, of cumulative receipts over cumulative disbursements.

The Option Agreement may be terminated by the Issuer by giving ten days written notice to the Sellers of the termination of its interest in the agreement or if Regulatory Approval has not been obtained prior to December 31, 1987. If the Issuer fails to perform any covenant required to be performed by it which materially interferes with the implementation of the Option Agreement, the Sellers may terminate the Option Agreement by giving the Issuer a notice of default, outlining the particulars, the Issuer having 60 days following delivery of such notice of default to rectify the default. Upon termination of the Option Agreement the Issuer shall forfeit any and all interest in the Property hereunder and shall cease to be liable to the Sellers.

The Property is the subject of a geological report prepared by Messrs. Steven F. Coombes, B.Sc. and F. Marshall Smith, P.Eng. dated December 12, 1986, which report is attached hereto and forms a part of this Prospectus (the "Cambria Report"). The information set out below is taken from the Cambria Report which report should be referred to for more detailed information.

F. Marshall Smith, P.Eng. advises that the discovery of gold on the Property and the majority of work performed on the Property has been by Newmont Exploration of Canada Ltd., ("Newmont") dating from 1980. The work carried out by the Issuer was completed by Steven F. Coombes under the direction of F. Marshall Smith, P.Eng. In the opinion of F. Marshall Smith, P.Eng. the work performed by the Issuer on the Property has not materially changed or enhanced the merits of the Property. The values reported from the new trenches are similar to those reported by Newmont in their work in 1980.

Steven F. Coombes holds a 50% interest in the Cambria Property in that he owns the Cambria 1 and Cambria 3 minerals claims and has entered into the Option Agreement with the Issuer under which he will receive 50% of all option payments.

#### Location, Access and Size

The Property, consisting of 37 units, is located at the head of Kitsault River approximately 35 kilometers Southeast of Stewart, British Columbia. The nearest community, Alice Arm, is located 30 kilometers to the south. The claims which comprise the Property straddle "Homestake Ridge" a broad, relatively gentle ridge between West Kitsault and Kitsault Rivers just south of the Cambria Icefield. A road extends north from Alice Arm to the old Dolly Varden Mill site, eight (8) kilometers to the southeast of the Property. This road is currently passable by four-wheel drive vehicle for 14 kilometers.

At present, access is best gained by helicopter from Stewart, the closest support centre, 35 kilometers to the northwest across the Cambria Icefield. The road north from Alice Arm can be upgraded and extended as far as the Property should road access be required. Overgrown trails from the end of this road presently give access to the Property by foot although crossing the Kitsault River is likely to be difficult.

#### Physiography

The Property lies on Homestake Ridge, a southwesterly trending broad-backed spur that rises abruptly from the valley floor of the Kitsault River at an elevation of 500 meters. Elevations on the Property range from 600 meters to 1,630 meters above sea-level. Treeline lies at approximately 1,100 meters. The ridge itself is surrounded on both sides by receding glaciers and steep valley walls and varies from 500 to 800 meters in width. It is relatively flat in many places and is transected by a number of small creeks which drain into numerous lakes and ponds, thus ensuring an ample water supply through the field season. Outcrop exposure is excellent on the ridge itself although often covered by vegetation and talus on the steeper flanks.

Precipitation in the area is heavy, in excess of 500 centimeters per year. The Property appears to accumulate in excess of 5 meters of snow during the winter, much of which remains on the Property well into July with the exception of the valley bottoms and higher windswept ridges. Year round snow patches are common at elevations greater than 1250 meters.

#### Regional Geology

The upper Kitsault Valley is underlain by a complex suite of marine sedimentary and volcanic rocks which lies on the extreme western margin of the Intermontane Belt, just east of the Coast Plutonic Complex. Both the lower sedimentary and volcanic units are correlative with the Lower to Middle Jurassic Hazelton Group and are intimately related. These units are intercalated and were likely deposited during a geologically complex period. The base of the oldest member, a sequence of deep water, thin bedded clastic rocks, is not exposed in the area, but is believed to be at least 1,200 meters thick. An upper sedimentary unit of probable Middle to Upper Jurassic age overlies this assemblage and is exposed at both ends of the Kitsault Valley. Scattered Eocene intrusions on Mt. McGuire and near Alice Arm represent the youngest rocks in the area.

The entire Hazelton sequence has undergone greenschist facies metamorphism and while generally easy to distinguish, some of the rocks in the area have been silicified and/or sericitized to a point where the units are undifferentiable. Intense pyritization usually accompanies this alteration.

The members of the Hazelton group have been folded into several major structures, all of which parallel each other and the north-south regional trend. Broad secondary folding perpendicular to this trend is also evident. The Kitsault River syncline, which approximates the Kitsault valley, is the prominent feature in the district. Many of the regions mineral deposits occur along this syncline, including all of the past producers.

Evidence of structural faulting, both major and minor, can be seen in many of the prominent valleys. The dominant trend of these faults tends to be north-northeast, with near vertical dips. A second set of conjugate faults appear to trend northwest. Many of these structures have been intruded by Tertiary microdiorite and lamprophyre dykes.

Four main types of mineral occurrences lie within the Upper Kitsault Valley: silver rich quartz-barite-jasper replacement deposits; quartz-carbonate veining; silicified zones containing chalcopyrite; and auriferous quartz-carbonate veining associated with hydrothermal systems. The first category includes the Torbrit, Dolly Varden and North Star orebodies and is typified by silver, galena and sphalerite mineralization. The quartz-carbonate vein deposits are stratabound and sparsely mineralized with pyrite and other minerals. The third type of mineralization occurs with the "Copper Belt", a 15 kilometer band of intense silicification, sericitization and pyritization on the west limb of the Kitsault River syncline within the intermediate volcanic unit. The fourth category includes mineralization occurring at the north end of the "Copper Belt".

#### Property Geology

The claims comprising the Property are underlain by a suite of sulphide-rich sedimentary and volcanic rocks which can be correlated with the Jurassic to Lower Cretaceous Hazelton Group. Detailed geological mapping has delineated a northwesterly trending, northeasterly dipping sequence of andesite, andesite agglomerate and andesite breccia extrusives with interbedded argillites. Part of this volcano-sedimentary sequence was later intensely hydrothermally altered, so as to render the original textures and mineralogy highly indistinct. Feldspar porphyry dykes and sills, often very large, cross the entire sequence, apparently intruded both before and after the hydrothermal alteration event. Minor isoclinal folding is present on the Property which has caused locally overturned beds.

Several northeasterly trending, near vertical fault zones have been mapped on the Property, there are also a number of steeply dipping, northwesterly trending fault zones present which are difficult to distinguish because they parallel the bedding.

Intense hydrothermal alteration is seen within, and next to, the feldspar porphyry in the central portion of the area. Alteration takes the form of sericitization, silicification and pyritization which has completely masked the textures and mineralogy of the original rocks over an area approximately 1,000 meters by 500 meters. The alteration appears to be spatially related to the feldspar porphyry as well as structurally controlled by several northwesterly and northeasterly trending, steeply dipping faults. The zone correlates favourably with the presence of anomalous precious metal values in the soil samples collected by Newmont Exploration of Canada Limited (see under sub-heading "General Exploration History" below) and to a lesser extent with the base metal values. The majority of the old workings are within the alteration zone.

Numerous quartz and quartz/carbonate veins were examined by Steven F. Coombes, a co-author of the Cambria Report during visits to the Property. These veins consist of variable amounts of quartz, calcite and barite containing base and precious metals. Petrographic work on five (5) samples of four (4) veins indicates that quartz was the primary vein mineral followed by secondary injections of calcite and lesser barite which have partially replaced the quartz. Two (2) of these samples contained visible electrum (gold/silver alloy).

Pyrite is found in varying quantities throughout the Property and is especially abundant within the hydrothermally altered rocks. Numerous narrow mineral occurrences of galena, sphalerite, and chalcopyrite have been noted. In general, mineralized zones can be classified into four (4) categories:

- (1) Stringer sulphide deposits consisting of veinlets of pyrite, scattered sphalerite, galena, chalcopyrite and arsenopyrite occur within the hydrothermal alteration zones and with silicified alteration haloes within the andesites. Within the alteration zones, the gangue minerals are more commonly calcite and barite versus quartz in the andesites. Chalcopyrite is generally more common in the veinlets within the altered rocks.
- (2) Several sulphide-rich breccia zones were mapped. These zones are narrow and discontinuous, consisting of andesite or hydrothermally altered breccia fragments with high concentrations of interstitial pyrite.

Both of the mineral occurrences mentioned above appear to be structurally controlled by northeasterly and northwesterly faults and fractures.



(3) Narrow zones of banded sulphide occur parallel to bedding within the argillite and are accompanied by narrow alteration haloes which have silicified the argillite to appear as chert. Mineralization in these bands has a somewhat stratiform appearance, although remobilization has occurred. Sulphide minerals occur as layers of fine grained massive pyrite, sphalerite, galena, scattered chalcopyrite, and finely disseminated needles of arsenopyrite. Significant gold and silver values are occasionally obtained from these deposits.

(4) A narrow carbonate zone of approximately 600 meters in length has been traced. The zone is contained within an argillite unit and is roughly parallel to bedding. Locally along strike, this carbonate zone is seen to be a calcite filled breccia vein, with variable amounts of barite, which transects the enveloping argillite. Small calcite and barite stringers often splay off the main vein and cross cut the argillites. The carbonate zone is sporadically mineralized with galena, sphalerite and chalcopyrite. In several places, a high concentration of sulphide mineralization occurs. Similar carbonate zones occur further to the south and southeast in other argillite units, however, they are invariably of limited extent, discontinuous and weakly mineralized (occasional blebs of sphalerite).

All of the four deposit types mentioned above appear to be hydrothermal in origin. The first two (2) are vein type deposits which have formed along shears and fault zones with varying amounts of brecciation. The third is a vein type deposit that has formed along bedding planes within the argillite and the fourth is a vein which has formed along a major break paralleling bedding, probably towards the upper part of the hydrothermal system. Mineralization appears to be controlled by bends or "rolls" in the structures, intersections of shear zones, and fissility of the surrounding rock, i.e. bedding planes in the argillites.

#### General Exploration History

Mineral exploration in the Kitsault Valley began in the early 1900's resulting from the discoveries at Anyox and in the Stewart region. The Dolly Varden, Homestake, North Star and Torbrit properties were mined between 1915 and 1959. Total production was 1,284,882 tonnes grading 485 grams silver per tonne, 0.38 per cent lead and 0.02 per cent zinc.

Renewed exploration in the area focussed on porphyry copper-molybdenum deposits from 1965 to 1970. The Ajax molybdenum

prospect was staked during this period. Drilling at Ajax outlined indicated reserves of 526,967,000 tonnes grading 0.09 per cent molybdenum.

The first recorded mineral exploration in the upper Kitsault River area took place in 1912 when the Dolly Varden mineral claim was staked on a quartz vein carrying gold, silver and copper values on the west side of Kitsault River south of Evindsen Creek. The next two (2) years saw considerable exploration activity and several copper showings with gold and silver values were staked and worked on north of the confluence of Evindsen Creek and Kitsault River.

In 1914, the first recorded activity in the immediate area of the Property took place resulting in the location of the Homestake claim. Several more claims were staked the following three (3) years, all of which now comprise the Homestake Group.

Except for a small amount of surface and underground work very little work was done on the Homestake Group from 1914 to 1925, at which time they were given crown grant status. In 1927 British Lion Mines Ltd. ("British Lion") optioned the Homestake Group and during the period 1937 to 1939, the British Lion drove the "Smith" and "Myberg" adits and carried out extensive trenching in the area of the "Myberg" adit.

Since 1939 only minor work has been carried out on the Homestake Group, and it has apparently lain dormant since 1952.

Several other properties adjoining the Homestake Group were active including the Monarch, Blue Ribbon, Matilda (Gold Reef), Fox, Lucky Strike and Vanguard. Most of the work undertaken consisted of minor surface and underground development. A number of mineralized shears and veins were discovered carrying values of silver, gold, copper, lead and zinc. These properties, with the exception of the Vanguard Group, were restaked beginning in 1964 by Dwight Collison, of Alice Arm as the Cascade Falls, Lucky Strike and Ted Claims.

The Vanguard Group, still in good standing, received extensive work including about 275 meters of underground work between the early 1900's and 1966. The Vanguard Group consists of the Nero, Mother Lode, Nimrod, Vanguard, Dreamland and Vanguard Extension claims. The Vanguard Group was originally explored for copper and by 1927 several open cuts and two (2) adits had been completed.

About 1925, gold was discovered on the Nero claim to the north of the main showings and surface work was done on this and nearby showings. In 1947 a crosscut adit was begun below the main gold showing and work continued on this until the early 1950's.

In 1966 Canex Aerial Exploration Ltd. acquired an option on the the Vanguard Group but after carrying out geological mapping, a geochemical and an electromagnetic survey, dropped the option.

The Cascade Falls, Lucky Strike, and Ted Claims were, until his death in April 1979, held by D. Collison (the "Collison Group"). During his tenure of ownership Collison carried out surface trenching, minor underground work and a very limited diamond drill program.

In 1979, Newmont Exploration of Canada Limited ("Newmont") acquired an option on the Collison Group. In 1979 Newmont conducted a reconnaissance geological and geochemical survey. In 1980 Newmont carried out an exploration program consisting of cutting and surveying 3,300 meters of base line; establishing a grid consisting of 25,750 meters of cut cross lines; completing 25.75 line-kilometers of "Max-Min" Electromagnetic and Magnetometer surveys; collecting 595 soil and 82 rock samples for geochemical analysis and assaying; mapping the surface geology and completing eight (8) hand trenches on selected mineral showings. After extensive work, Newmont failed to indicate a near surface massive sulphide deposit of economic dimensions and consequently in 1980 Newmont dropped their option on the Collison Group. However the work undertaken by Newmont did establish that the area has some potential for a massive sulphide deposit at depth as well as establishing the presence of considerable intense hydrothermal alteration associated with anomalous precious metal values in both rock and soil samples.

In May 1986 Steven F. Coombes, a co-author of the Cambria Report, and David M. Nelles, staked the claims comprising the Property which encompass all the Collison Group as well as much of the surrounding area. Mr. Nelles, a former Director of the Issuer, was appointed a Director of the Issuer on August 26, 1986 and resigned his position as a Director on April 24, 1987.

#### Exploration Work Undertaken by Issuer

The 1986 exploration programs was implemented in three phases; an initial Property examination and sampling program, an intermediate program of geological and alteration mapping, and a final program consisting of trenching and sampling of the most favourable targets. The total cost of this program to the Issuer was \$65,436.

Two (2) blast trenches were excavated on the Property during the 1986 program. Trench one (1) was located immediately above an old stumped hand trench on a vein approximately 35 centimeters wide. This vein is primarily quartz and pyrite with local pods of calcite and minor visible sulphides hosted in a very silicified and sericitized perphyritic andesite. The vein has been heavily oxidized down to several meters with extensive development of clay.

**F. Marshall Smith Consulting Inc.**

218-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5

Phone: (604)884-2361 or (604)271-8556

**REPORT**

on the

**CAMBRIA PROPERTY**

(CAMBRIA 1 - 3 CLAIMS)

**SKEENA MINING DIVISION**

**BRITISH COLUMBIA**

**NTS 103 P/12E & 13E**

**Latitude: 55° 44'N**

**Longitude: 129° 34'W**

**For:**

**Cambria Resources Limited**

**#2204-2075 Comox Street**

**Vancouver, B.C.**

**V6G 1S2**

**by:**

**Steven F. Coombes, B.Sc.**

**and**

**F. Marshall Smith, P.Eng.**

**December 12, 1986**

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## SUMMARY

The Cambria property is located at the head of Kitsault River, approximately 35 kilometers southeast of Stewart, British Columbia. The property consists of 37 units in three claims, the CAMBRIA 1, 2 and 3.

Mineral exploration in the Kitsault valley started in the early 1900's because of interest generated by discoveries at Anyox and in the Stewart region. The Dolly Varden, Homestake, North Star and Torbrit properties were mined between 1915 and 1959. Total production was 1,284,882 tonnes grading 485 grams silver per tonne, 0.38 per cent lead and 0.02 per cent zinc.

The only past gold producer, the Homestake, is located on crown grants within the Cambria claims. Production was 8.0 tonnes which returned 1120 grams of gold (140.3 grams/tonne or 4.09 oz/ton).

The 1986 exploration program was implemented in three phases; an initial property examination and sampling program, an intermediate program of geological and alteration mapping, and a final program consisting of trenching and sampling of the most favourable targets. The total cost of this program to Cambria Resources Limited was \$62,500.00.

This program revealed a large, complex hydrothermal system with significant grades of gold and silver mineralization within the claims. Excellent potential exists for the continuation of this mineralization at depth in a series of vertically stacked deposits.

Further exploration on the Cambria property is recommended using I.P./resistivity and diamond drilling to locate depth and lateral extensions of known and suspected vein deposits.

## INTRODUCTION

This report has been prepared at the request of Cambria Resources Limited.

Cambria Resources Limited retained F. Marshall Smith, P.Eng. to recommend and supervise an exploration program on the Cambria property. This program was implemented in three phases; an initial property examination and sampling program, an intermediate program of geological and alteration mapping, and a final program consisting of trenching and sampling of the most favourable targets. Fieldwork was managed by S. Coombes, B.Sc., a vendor of the property. The total cost of this program was \$62,500.00.

This report provides a summary of the work carried out on the property by previous operators as well as a description of the 1986 exploration program.

## LOCATION AND ACCESS

The Cambria property is located at 55° 44' 21" north latitude and 129° 35' 15" west longitude in the Skeena Mining Division of British Columbia (figure 1). The claims straddle "Homestake Ridge"; a broad, relatively gentle ridge between West Kitsault and Kitsault Rivers just south of the Cambria Icefield. The nearest community, Alice Arm, B.C., is located 30 kilometers to the south. A road extends north from Alice Arm to the old Dolly Varden Mill site, 8 kilometers to the southeast of the property. This road is currently passable by four wheel drive vehicle for 14 kilometers.

At present, access to the property is best gained by helicopter from Stewart, the closest support center, 35 kilometers to the northwest across the Cambria Icefield. The road north from Alice Arm can be upgraded and extended as far as the property should road access be required. Overgrown trails from the end of this road presently give access to the property by foot although crossing the Kitsault River is likely to be difficult.



SCALE  
Kilometres 0 40 80 120

FIGURE I

**CAMBRIA PROPERTY**

SKEENA MINING DIVISION

**LOCATION MAP**

F. MARSHALL SMITH CONSULTING INC.

SCALE: As Shown

DATE: SEPTEMBER, 1986.

*F. Marshall Smith*

inches 0 1

centimetres 0 1 2

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



## PHYSIOGRAPHY, VEGETATION AND CLIMATE

The property lies on Homestake ridge, a southwesterly trending broad-backed spur that rises abruptly from the valley floor of the Kitsault River at an elevation of 500 meters. Elevations within the claims vary from 600 meters (1970 ft.) in the south to over 1630 meters (5315 ft.) in the northwest. The ridge itself is surrounded on both sides by receding glaciers and steep valley walls and varies from 500 to 800 meters in width. It is relatively flat in many places and is transected by a number of small creeks which drain into numerous lakes and ponds, thus ensuring an ample water supply throughout the field season. Outcrop exposure is excellent on the ridge itself although often covered by vegetation and talus on the steeper flanks.

Treeline lies at approximately 1100 meters. Bio-geoclimatic zones range from coastal forest in the valley bottoms through sub-alpine and alpine at the higher elevations. On the lower parts of the ridge in the southern part of the property vegetation consists of mountain hemlock, Pacific silver fir, western hemlock and yellow cedar, often up to one meter in diameter. The steep east and west flanks of the ridge are predominantly covered with slide alder and vine maple interspersed with dense patches of berry bushes and devils club.

The broad top of the ridge is mainly alpine with mountain heather and patches of stunted mountain hemlock. Above treeline the slopes are covered with mountain heather, mountain grasses and wild flowers eventually grading to bare rocks and perennial snow on the highest reaches of the property.

Precipitation in the area is heavy, in excess of 500 centimeters per year. The property appears to accumulate in excess of 5 meters of snow during the winter, much of which remains on the property well into July with the exception of the valley bottoms and higher windswept ridges. Year round snow patches are common at elevations greater than 1250 meters.

## PROPERTY

The CAMBRIA GROUP consists of three claims, the CAMBRIA 1, 2 and 3 (figure 2). The CAMBRIA 1 and CAMBRIA 3 claims are recorded in the name of Steven F. Coombes, the CAMBRIA 2 claim is recorded in the name of David Massy Nelles. Cambria Resources Limited of Vancouver, B.C. has recently entered into an option agreement with the owners under which Cambria can acquire a 100 per cent interest in the property over five years (less 10 per cent net operating profit). The following table details information pertaining to these claims:

<u>Claim Name</u>	<u>Size</u>	<u>Record Number</u>	<u>Expiry Date</u>
CAMBRIA 1	10	5357	May 6, 1996
CAMBRIA 2	15	5358	May 6, 1996
CAMBRIA 3	12	5359	May 6, 1996

The common Legal Corner Post and several identification posts for the Cambria claims were examined by Neil Froc, B.A.Sc. during October 1986 and appear to be located according to current mining regulations.

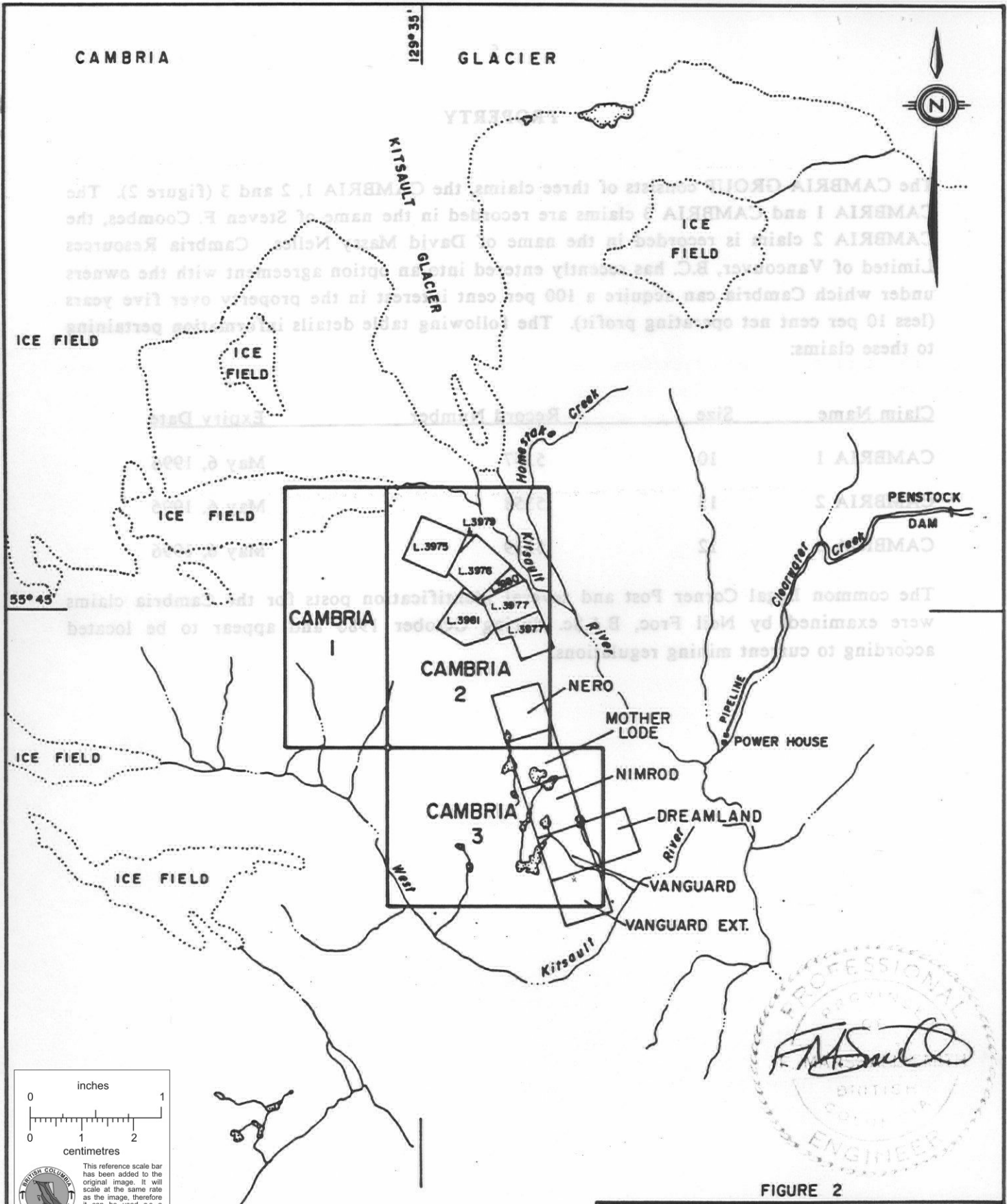


FIGURE 2

<b>CAMBRIA PROPERTY</b>	
SKEENA MINING DIVISION	
<b>CLAIM LOCATION</b>	
F. MARSHALL SMITH CONSULTING INC.	
SCALE: 1:50,000	DATE: SEPTEMBER, 1986

NOTE: Crown grants as plotted on Federal 1:50,000 - location approximate.



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

## HISTORY

Mineral exploration in the Kitsault valley started in the early 1900's because of interest generated by discoveries at Anyox and in the Stewart region. The Dolly Varden, Homestake, North Star and Torbrit properties were mined between 1915 and 1959. Total production was 1,284,882 tonnes grading 485 grams silver per tonne, 0.38 per cent lead and 0.02 per cent zinc (Dawson and Alldrick, 1986).

The area saw renewed exploration focussed on porphyry copper-molybdenum deposits from 1965 to 1970. The Ajax molybdenum prospect was staked during this period. Drilling at Ajax outlined indicated reserves of 526,967,000 tonnes grading 0.09 per cent molybdenum (Dawson and Alldrick, 1986).

The first recorded mineral exploration in the upper Kitsault River area took place in 1912 when the Dolly Varden mineral claim was staked on a quartz vein carrying gold, silver and copper values on the west side of Kitsault River south of Evindsen Creek. The next two years saw considerable exploration activity and several copper showings with gold and silver values were staked and worked on north of the confluence of Evindsen Creek and Kitsault River.

In the autumn of 1914, the Homestake mineral claim was located by A. Davidson of Alice Arm. This was the first recorded activity in the immediate area of the Cambria property. Several more claims were staked the following three years including the Homestake No. 1, Homestake No. 2, Homestake No. 3 and Tip Top mineral claims. These claims, along with the Homestake and Homestake No. 1 fractional mineral claims comprise the Homestake Group.

In 1918, the Homestake claims were bonded to the Mineral Claims Development Company which did practically no work on them. In 1921 this company was reorganized into the Consolidated Homestake Mining and Development Company, with registered office at Vancouver, B.C. This company, with English and Canadian finances, carried out a small amount of surface and underground work under the supervision of A. C. Gerhardi between the years 1921 and 1925 (Minister of Mines, 1938). In 1925 the claims were given crown grant status.

In 1926 the Homestake, with three other groups, was bonded to the C. Spencer interests of Vancouver, but no work was done by them and the option was abandoned in 1927. In 1934 the property was optioned by a Vancouver syndicate which later formed British Lion Mines Ltd. (Minister of Mines, 1938). The president of British Lion, A. F. Smith, was one of the original owners of the property.

During the period 1937 to 1939 this company drove the "Smith" and "Myberg" adits and carried out extensive trenching in the area of the "Myberg" adit. In 1939 8.0 tonnes (8.8 tons) of selected ore was shipped which returned 1120 grams (36 oz.) gold, 1617 grams (52 oz.) silver, 63.5 kg (140 lb.) lead, 303 kg (668 lb.) zinc and 599 kg (1,320 lb.) copper (Black, 1951). This gives a gold value of 140.3 grams per tonne (4.09 ounces per ton).

Since 1939 only minor work has been carried out on the Homestake property, and it has apparently lain dormant since 1952. There is still one habitable cabin located at 860 meters elevation on the Homestake No. 1 claim (L. 3976).

Several other properties adjoining the Homestake were active at the same time. These include the Monarch, Blue Ribbon, Matilda (Gold Reef), Fox, Lucky Strike and Vanguard. Most of these received minor surface and underground development and a number of mineralized shears and veins were discovered carrying values in silver, gold, copper, lead and zinc. These properties, with the exception of the Vanguard Group, were restaked beginning in 1964 by Dwight Collison of Alice Arm as the Cascade Falls, Lucky Strike and Ted claims.

The Vanguard Group, still in good standing, received extensive work including about 275 meters of underground work between the early 1900's and 1966. The Vanguard Group consists of the Nero, Mother Lode, Nimrod, Vanguard, Dreamland and Vanguard Extension claims. The property was originally explored for copper and by 1927 several open cuts and two adits had been completed.

About 1925, gold was discovered on the Nero claim to the north of the main showings and surface work was done on this and nearby showings. In 1947 a crosscut adit was begun below the main gold showing and work continued on this until the early 1950's.

In 1966 Canex Aerial Exploration Ltd. optioned the property from the owner, M. Peterson of Alice Arm. Canex carried out geological mapping, a geochemical survey and an electromagnetic survey. Canex later dropped the option. In 1968 an additional three meters of underground work was done. A cabin, in very bad condition, is still standing on the Vanguard claim.

The Cascade Falls, Lucky Strike and Ted claims were held by D. Collison until his death in April, 1979. During this time he carried out surface trenching, minor underground work and a very limited diamond drill program. A cabin was built by Collison at 1150 meters elevation on the property. This cabin is still in good condition although very small.

In June, 1979, Newmont Exploration of Canada Limited optioned the property from Ruby Collison, widow of Dwight Collison. Newmont was interested in the property for its potential for a large, near surface, massive sulphide deposit. In 1979 Newmont established a rough grid and a reconnaissance geological and soil geochemical survey was conducted.

In 1980 Newmont carried out the following program:

- cut and surveyed 3,300 meters of base line;
- established a grid consisting of 25,750 meters of cut cross lines;
- completed 25.75 line-kilometers of "Max-Min" Electromagnetic and Magnetometer surveys;
- collected 595 soil and 82 rock samples for geochemical analysis and assaying;
- mapped the surface geology at a scale of 1:2500 (3.04 km<sup>2</sup>);
- completed eight hand trenches on selected mineral showings.

The work carried out by Newmont failed to indicate a near surface massive sulphide deposit of economic dimensions but did establish that the area has some potential for a deposit of this type at depth. Newmont sampling and mapping also established that there is considerable intense hydrothermal alteration present on the property with associated anomalous precious metal values in both rock and soil samples. When the soil samples were plotted, a number of anomalous areas were outlined. At the end of 1980 Newmont dropped their option.

In 1984 Homeridge Resources Ltd. optioned the property from Ruby Collison. No work was carried out on the property other than a brief property visit and the claims were allowed to lapse the following year.

In May 1986 the present owners staked the Cambria 1, 2 and 3 claims which encompass all of the area held by Collison as well as much of the surrounding ground. The present owners then entered into an option agreement with Cambria Resources Limited who carried out the work program which is described in this report. This program was recommended and supervised by F. Marshall Smith and was performed at a total cost of \$62,500.00.

## REGIONAL GEOLOGY

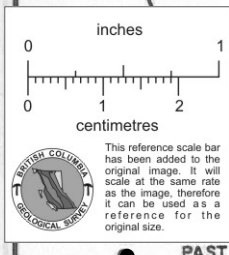
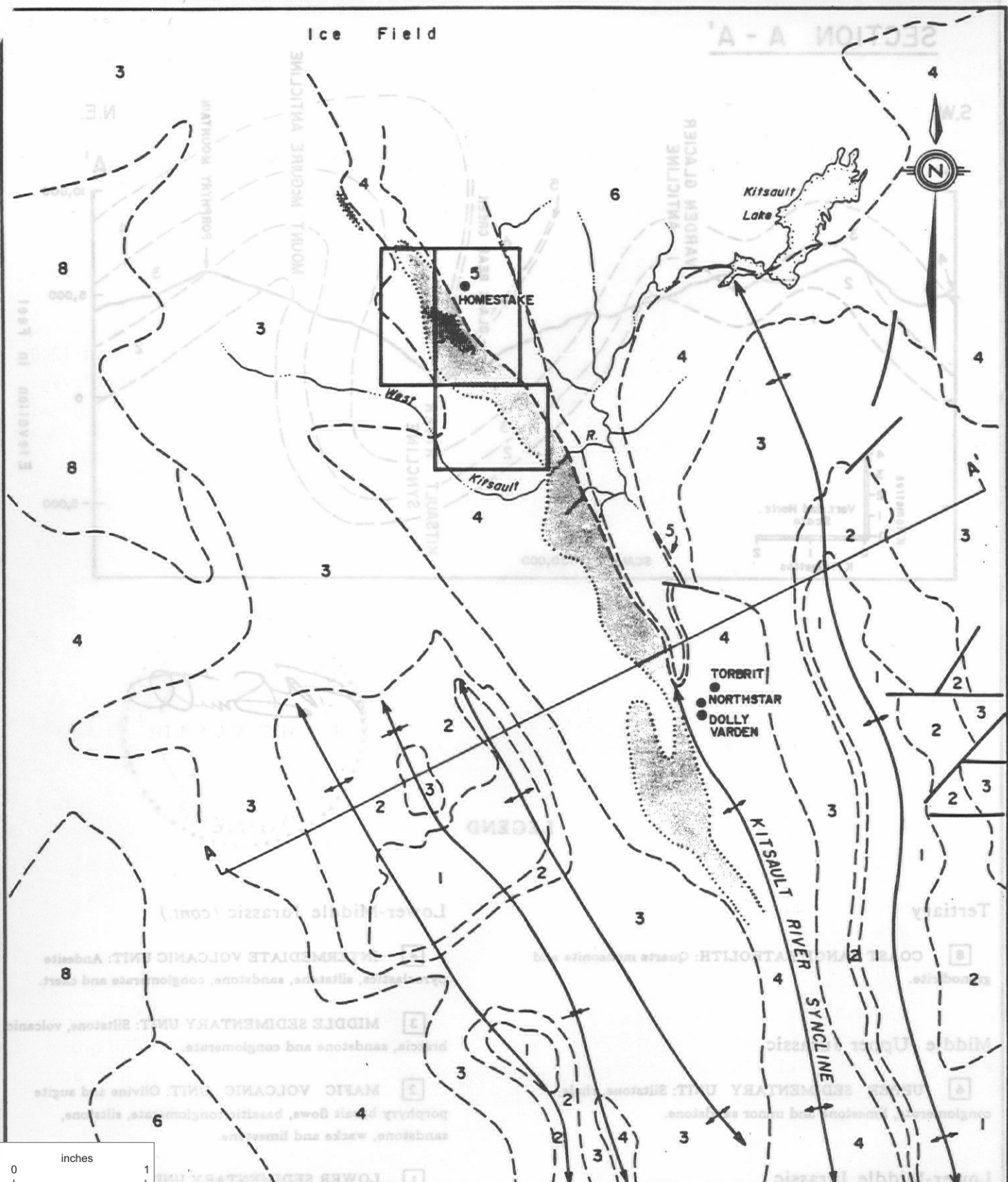
The upper Kitsault Valley area is underlain by a complex suite of marine sedimentary and volcanic rocks which lies on the extreme western margin of the Intermontane Belt, just east of the Coast Plutonic Complex (figure 3). Both the lower sedimentary and volcanic units are correlative with the Lower to Middle Jurassic Hazelton Group and are intimately related. These units are intercalated and were likely deposited during a geologically complex period. The base of the oldest member, a sequence of deep water, thin bedded clastic rocks, is not exposed in the area, but is believed to be at least 1200 meters thick. An upper sedimentary unit of probable Middle to Upper Jurassic age overlies this assemblage and is exposed at both ends of the Kitsault Valley. Scattered Eocene intrusions on Mt. McGuire and near Alice Arm represent the youngest rocks in the area.

The entire Hazelton sequence has undergone greenschist facies metamorphism and while generally easy to distinguish, some of the rocks in the area have been silicified and /or sericitized to a point where the units are undifferentiable. Intense pyritization usually accompanies this alteration.

The members of the Hazelton group have been folded into several major structures, all of which parallel each other and the north-south regional trend. Broad secondary folding perpendicular to this trend is also evident. The Kitsault River syncline, which approximates the Kitsault valley, is the prominent feature in the district. Many of the regions mineral deposits occur along this syncline, including all of the past producers.

Evidence of structural faulting, both major and minor, can be seen in many of the prominent valleys. The dominant trend of these faults appears to be north-northeast, with near vertical dip. A second set of conjugate(?) faults appear to trend northwest. Many of these structures have been intruded by Tertiary microdiorite and lamprophyre dykes.

Mineralization in the Upper Kitsault Valley has been categorized into four main types: silver rich quartz-barite-jasper replacement deposits; quartz-carbonate veining; silicified zones containing chalcopyrite; and auriferous quartz-carbonate veining associated with hydrothermal systems. The first category includes the Torbrit, Dolly Varden and North Star orebodies and is typified by silver, galena and sphalerite mineralization. The quartz-carbonate vein deposits are stratabound and sparsely mineralized with pyrite and other minerals. The third type of mineralization occurs within the *Copper Belt*, a 15 kilometer band of intense silicification, sericitization and pyritization on the west limb of the Kitsault River syncline within the intermediate volcanic unit. The fourth category includes mineralization occurring at the north end of the *Copper Belt*, and will be discussed in detail under 'mineralization'.



**LEGEND**

1 - HIGH SILICIFICATION - PYRITIZATION - SERICITIZATION

2 - MODERATE SILICIFICATION - PYRITIZATION - SERICITIZATION

● - PAST PRODUCERS

ROCK DEFINITIONS ON FOLLOWING PAGE.

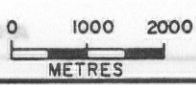


FIGURE 3

**CAMBRIA PROPERTY**  
SKEENA MINING DIVISION

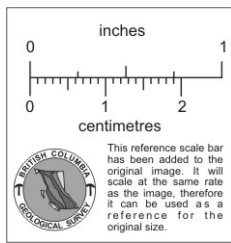
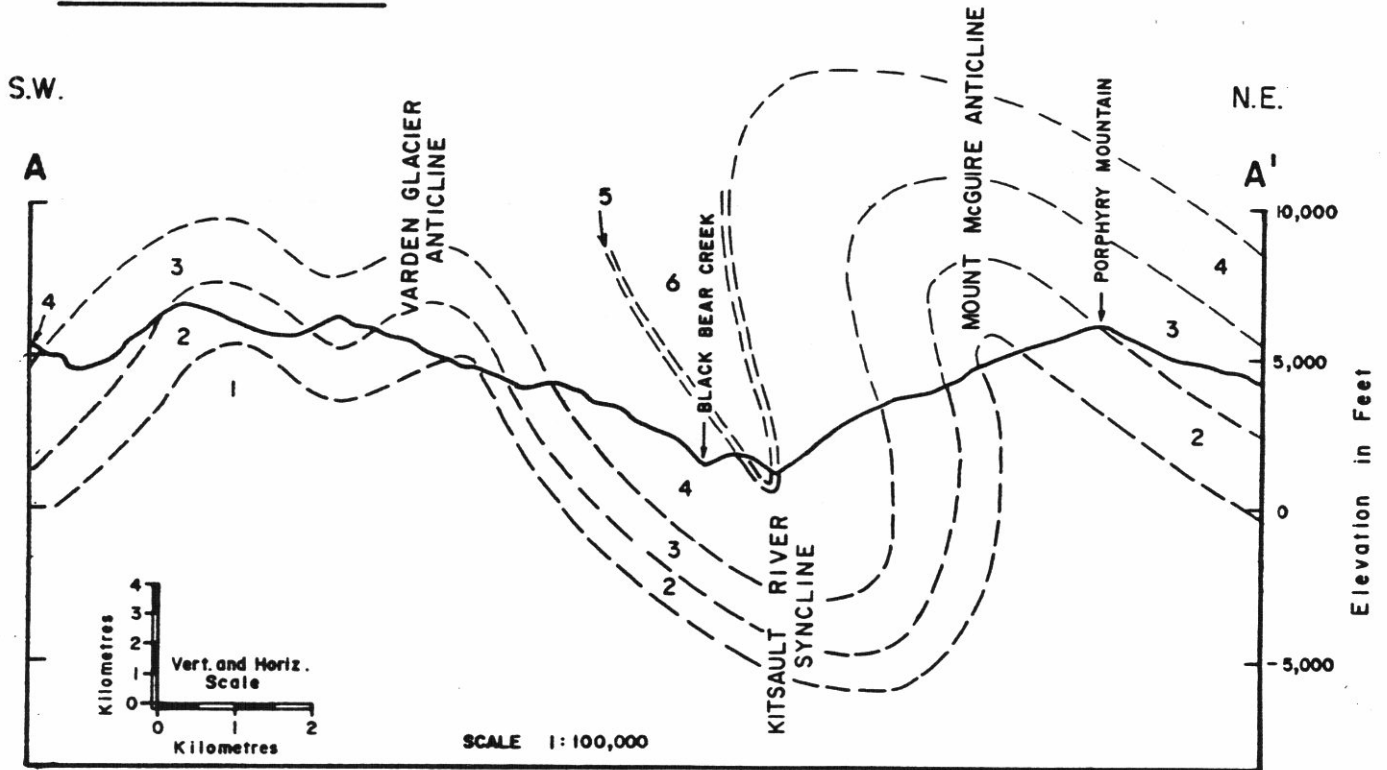
**REGIONAL GEOLOGY**

F. MARSHALL SMITH CONSULTING INC.

SCALE: 1:100,000      DATE: SEPTEMBER, 1986



# SECTION A - A'



## LEGEND

### Tertiary

**8** COAST RANGE BATHOLITH: Quarts monzonite and granodirite.

### Middle -Upper Jurassic

**6** UPPER SEDIMENTARY UNIT: Siltstone, shale, conglomerate, limestone and minor sandstone.

### Lower-Middle Jurassic

**5** EPICLASTIC AND FELSIC VOLCANIC UNIT: Volcanic conglomerate, breccia, dacite pyroclastics and feldspar porphyry flows.

### Lower-Middle Jurassic (cont.)

**4** INTERMEDIATE VOLCANIC UNIT: Andesite pyroclastics, siltstone, sandstone, conglomerate and chert.

**3** MIDDLE SEDIMENTARY UNIT: Siltstone, volcanic breccia, sandstone and conglomerate.

**2** MAFIC VOLCANIC UNIT: Olivine and augite porphyry basalt flows, basaltic conglomerate, siltstone, sandstone, wacke and limestone.

**1** LOWER SEDIMENTARY UNIT: Siltstone, argillite, shale, wacke, sandstone and limestone.

## PROPERTY GEOLOGY

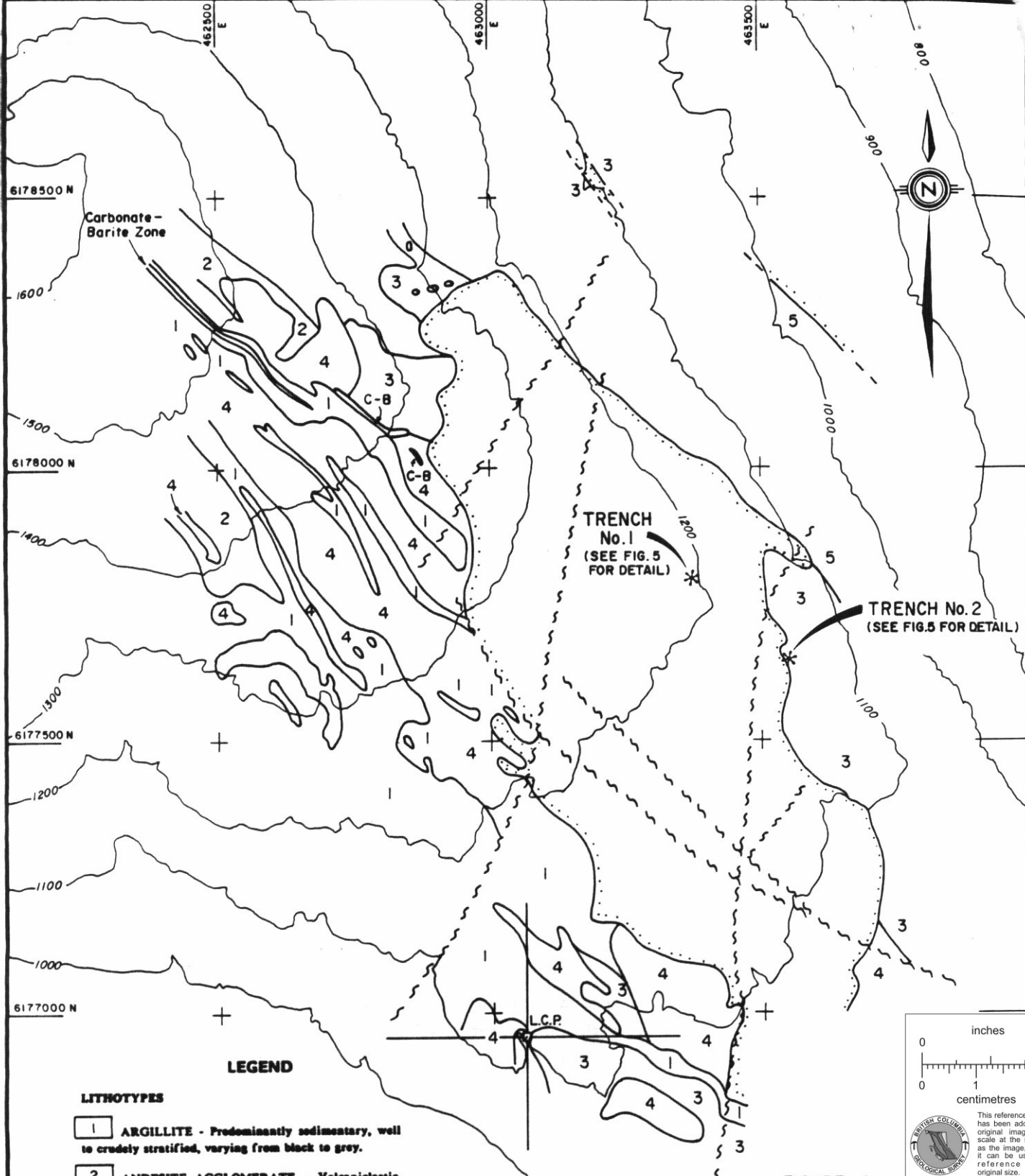
### LITHOLOGY AND STRUCTURE

The Cambria claims are underlain by a suite of sulphide-rich sedimentary and volcanic rocks which can be correlated with the Jurassic to Lower Cretaceous Hazelton Group (figure 4). Detailed geological mapping has delineated a northwesterly trending, northeasterly dipping sequence of andesite, andesite agglomerate and andesite breccia extrusives with interbedded argillites. Part of this volcano-sedimentary sequence was later intensely hydrothermally altered, so as to render the original textures and mineralogy highly indistinct. Feldspar porphyry dykes and sills, often very large, cross the entire sequence, apparently intruded both before and after the hydrothermal alteration event. Minor isoclinal folding is present on the property which has caused locally overturned beds.

Several northeasterly trending, near vertical fault zones have been mapped on the property, there are also a number of steeply dipping, northwesterly trending fault zones present which are difficult to distinguish because they parallel the bedding.

### MINERALIZATION

Intense hydrothermal alteration is seen within, and next to, the feldspar porphyry (unit 4) in the central portion of the map area. Alteration takes the form of sericitization, silicification and pyritization which has completely masked the textures and mineralogy of the original rocks over an area approximately 1000 meters by 500 meters. The alteration appears to be spatially related to the feldspar porphyry as well as structurally controlled by several northwesterly and northeasterly trending, steeply dipping faults. The zone correlates favourably with the presence of anomalous precious metal values in the soil samples collected by Newmont and to a lesser extent with the base metal values. The majority of the old workings are within the alteration zone.

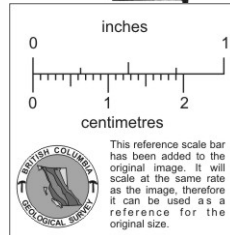


**LEGEND**

**LITHOTYPES**

- 1 ARGILLITE - Predominantly sedimentary, well to crudely stratified, varying from black to grey.
- 2 ANDESITE AGGLOMERATE - Volcaniclastic, polymictic fragments varying from 2 cm to 2 meters in diameter; angular to subrounded.
- 3 ANDESITE - Grey-green, fine grained andesite; contains minor tuffaceous units.
- 4 FELDSPAR PORPHYRY - intrusive; light grey to grey-green fine groundmass with 1 to 2 mm phenocrysts of plagioclase and well formed laths of hornblende.
- 5 ANDESITE PORPHYRY - Grey-green, fine grained matrix with phenocrysts of plagioclase and hornblende.

- Edge of hydrothermal alteration.



**FIGURE 4**

<b>CAMBRIA RESOURCES LIMITED</b>	
<b>CAMBRIA PROPERTY</b> SKEENA MINING DIVISION, B.C.	
<b>PROPERTY GEOLOGY</b>	
F. MARSHALL SMITH CONSULTING INC.	
SCALE: 1 : 10000	DATE: NOVEMBER, 1986

Numerous quartz and quartz/carbonate veins were examined during visits to the property. These veins consist of variable amounts of quartz, calcite and barite containing base and precious metals. Petrographic work on five samples of four veins indicates that quartz was the primary vein mineral followed by secondary injections of calcite and lesser barite which have partially replaced the quartz. Two of these samples contained visible electrum (gold/silver alloy) and were submitted for examination using an Energy Dispersive Spectrometer to determine the ratio of gold to silver in the electrum. It was anticipated that this ratio would help in determining what relative level of the hydrothermal system is exposed at surface.

Pyrite is found in varying quantities throughout the property and is especially abundant within the hydrothermally altered rocks. Numerous narrow mineral occurrences of galena, sphalerite, and chalcopyrite have been noted. In general, mineralized zones can be classified into four categories.

1 - Stringer sulphide deposits consisting of veinlets of pyrite, scattered sphalerite, galena, chalcopyrite and arsenopyrite occur within the hydrothermal alteration zones and with silicified alteration haloes within the andesites. Within the alteration zones, the gangue minerals are more commonly calcite and barite versus quartz in the andesites. Chalcopyrite is generally more common in the veinlets within the altered rocks. Many of these veins (generally less than a meter wide) were sampled and analyzed both by Newmont and by Searchlight for gold and silver. A great variation in values was observed but the better gold values tended to occur near the margins of the hydrothermal alteration zones.

One sample of this type (8978D), collected at 11+75N, 0+30W assayed 7241.14 gram/tonne (211.20 oz/ton) silver. This was by far the highest silver value obtained on the property. The sample was from a vein containing abundant sphalerite, galena, arsenopyrite and tetrahedrite (friebergite). The vein is exposed in an old slumped hand pit and is of unknown dimensions.

The best gold value obtained to date was collected by Newmont from a vein of this type near 1986 sample site 8954D. This sample assayed 80.0 gram/tonne (2.10 oz/ton) gold.

2 - Several sulphide rich breccia zones were mapped. These zones are narrow and discontinuous, consisting of andesite or hydrothermally altered breccia fragments with high concentrations of interstitial pyrite. The largest breccia zone was sampled by Newmont but returned very low metal values.

Both of the mineral occurrences mentioned above appear to be structurally controlled by northeasterly and northwesterly faults and fractures.

3 - Between lines 1+00S and 3+00S and between the grid base line and 1+00E, several banded sulphide zones were seen. These narrow zones occur parallel to bedding within the argillite and are accompanied by narrow alteration haloes which have silicified the argillite to appear as chert. Mineralization in these bands has a somewhat stratiform appearance, although remobilization has occurred. Sulphide minerals occur as layers of fine grained massive pyrite, sphalerite, galena, scattered chalcopyrite, and finely disseminated needles of arsenopyrite. Significant gold and silver values are occasionally obtained from these deposits.

4 - At the north end of the grid area, about 3+00E to 3+50E, a narrow carbonate horizon has been traced more or less continuously along a northwesterly trend for approximately 600 meters from about 13+50N to 19+50N. This zone is contained within an argillite unit and is roughly parallel to bedding. Locally along strike, this carbonate zone is seen to be a calcite filled breccia vein, with variable amounts of barite, which transects the enveloping argillite. Small calcite and barite stringers often splay off the main vein and cross cut the argillites. The carbonate zone is sporadically mineralized with galena, sphalerite and chalcopyrite. In several places, a high concentration of sulphide mineralization occurs. Similar carbonate zones occur further to the south and southeast in other argillite units, however, they are invariably of limited extent, discontinuous and weakly mineralized (occasional blebs of sphalerite).

All of the four deposit types mentioned above appear to be hydrothermal in origin. The first two are vein type deposits which have formed along shears and fault zones with varying amounts of brecciation. The third is a vein type deposit that has formed along bedding planes within the argillite and the fourth is a vein which has formed along a major break paralleling bedding, probably towards the upper part of the hydrothermal system. Mineralization appears to be controlled by bends or "rolls" in the structures, intersections of shear zones, and fissility of the surrounding rock, ie. bedding planes in the argillites.

Several of the mineralized zones were sampled and returned significant gold and silver values. The best gold values almost invariably came from northeasterly to easterly trending veins and shear zones within or near to the hydrothermal alteration zone. Some of the values obtained from surface sampling are shown in Table 1.

Table 1

Sample Number	Width	Gold (oz/ton)	Gold (gram/tonne)	Silver (oz/ton)	Silver (ppm)
8951D	grab	.070	2.40	3.32	113.82
8954D	1.30m	.050	1.71	0.10	3.43
8955D	0.45m	.764	26.19	0.42	14.40
8960D	1.80m	.030	1.03	0.16	5.49
8961D	grab	.030	1.03	0.27	9.26
8966D	grab	.094	3.22	0.17	5.83
8967D	0.50m	.292	10.01	0.15	5.14
8968D	1.50m	.062	2.13	0.06	2.06
D-001	grab	.078	2.67	0.51	17.49
D-002	grab	.030	1.03	0.20	6.86
D-003	grab	1.094	37.51	2.33	79.89
8970D	0.90m	.018	0.62		9.4
8971D	grab	.116	3.87		9.7
8972D	0.30m	.130	4.46		1.7
8974D	0.40m	.924	31.68		4.5
8975D	0.40m	.058	1.99		1.4
8978D	grab	.448	15.36	211.20	7241.14
17	grab	.008	0.27	3.50	120.00
32	grab	.012	0.41		63.0
38	grab	.010	0.34		14.4

Two blast trenches were excavated on the property during the 1986 program. Assay results from the samples collected during the Phase 3 trenching are shown in Table 2.

Trench 1 was located immediately above an old slumped hand trench on a vein approximately 35 centimeters wide with an attitude of 080/68<sup>0</sup>N. Sample 8967D was collected from this vein during Phase 2. This vein is primarily quartz and pyrite with local pods of calcite and minor visible sulphides hosted in a very silicified and sericitized porphyritic andesite. The vein has been heavily oxidized down to several meters with extensive development of clay.

Trench 2 was located along the vein from which samples 8954D and 8955D were collected during Phase 2. This vein has an attitude of 115/32<sup>0</sup>S and is approximately 30 centimeters wide. The vein has visible pyrite, chalcopyrite, galena and sphalerite in a quartz, calcite gangue with minor barite and is hosted in a relatively unaltered andesite porphyry. Two distinct phases of vein filling are apparent with chloritic banding parallel to the walls.

Table 2

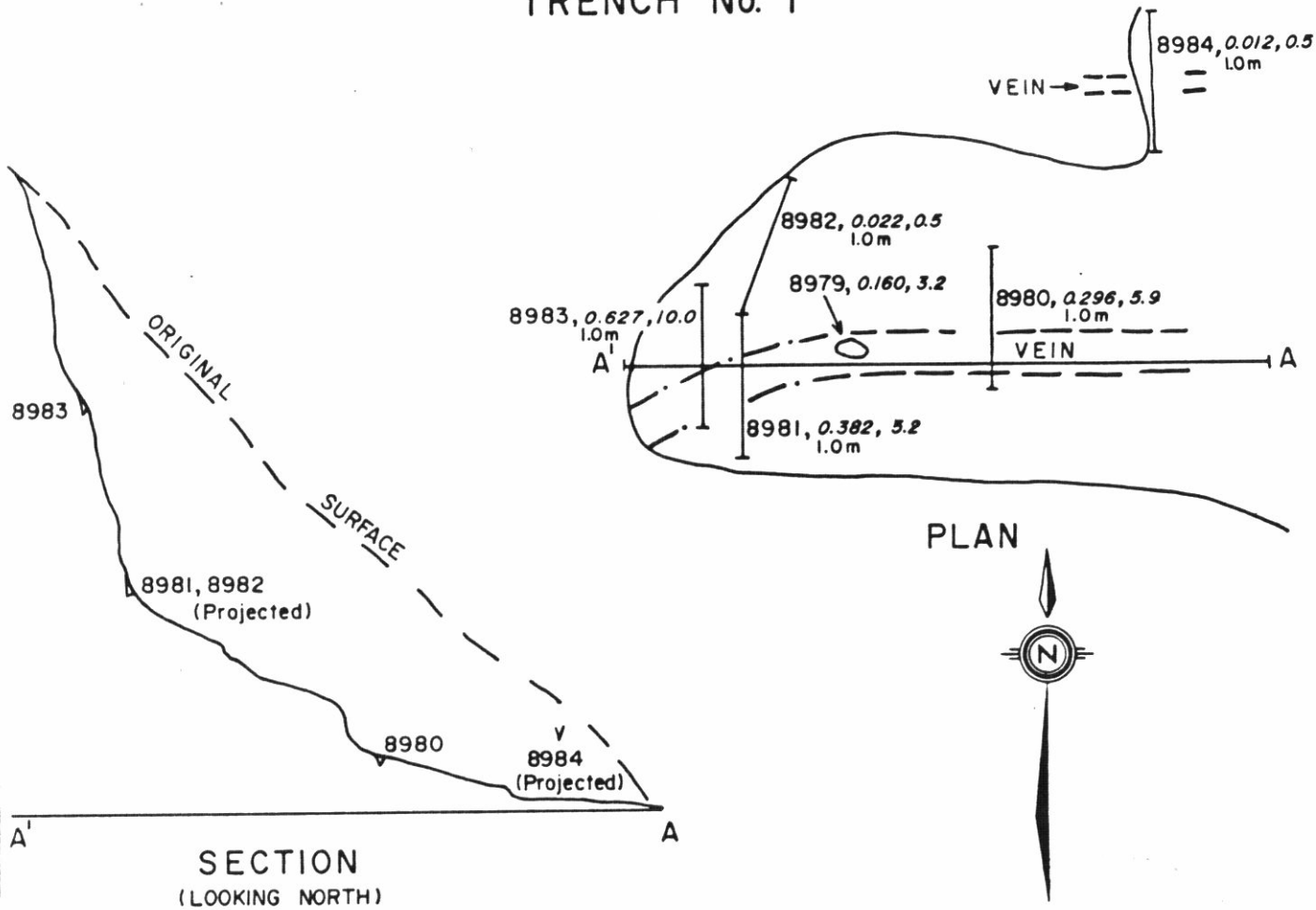
Sample Number	Width	Gold (oz/ton)	Gold (gram/tonne)	Silver (ppm)
<i>Trench 1</i>				
8979D	grab	.160	5.49	3.2
8980D	1.00m	.296	10.15	5.9
8981D	1.00m	.382	13.08	5.2
8982D	1.00m	.022	0.75	0.5
8983D	1.00m	.627	21.50	10.0
8984D	1.00m	.012	0.41	0.5
<i>Trench 2</i>				
8985D	1.50m	.068	2.33	1.8
8986D	1.50m	.032	1.10	1.1
8987D	1.00m	.034	1.17	1.2
8988D	grab	.282	9.67	15.0

From petrographic work it was determined that the veins exhibit multiple phases of filling. The first pulse consisted mainly of pyrite and sphalerite in a quartz gangue. The second pulse carried galena, arsenopyrite, friebertite (silver-rich tetrahedrite), stibnite and minor chalcopyrite in a calcite gangue. A possible third pulse was mainly barite. The gold is seen in varying ratios with silver as electrum associated with both the first and second pulses of mineralization.

From the mineralogy of the individual pulses it is possible to determine which zones of deposition within the hydrothermal system are now exposed at surface (Buchanan, 1981). The first vein fill represents the lowest part of a precious metal horizon. The second vein fill represents deposition in the top of a precious metal horizon with excellent potential for increased values at relatively shallow depths. The third vein fill represents a level some distance (50 to 200 meters?) above a third precious metal horizon.

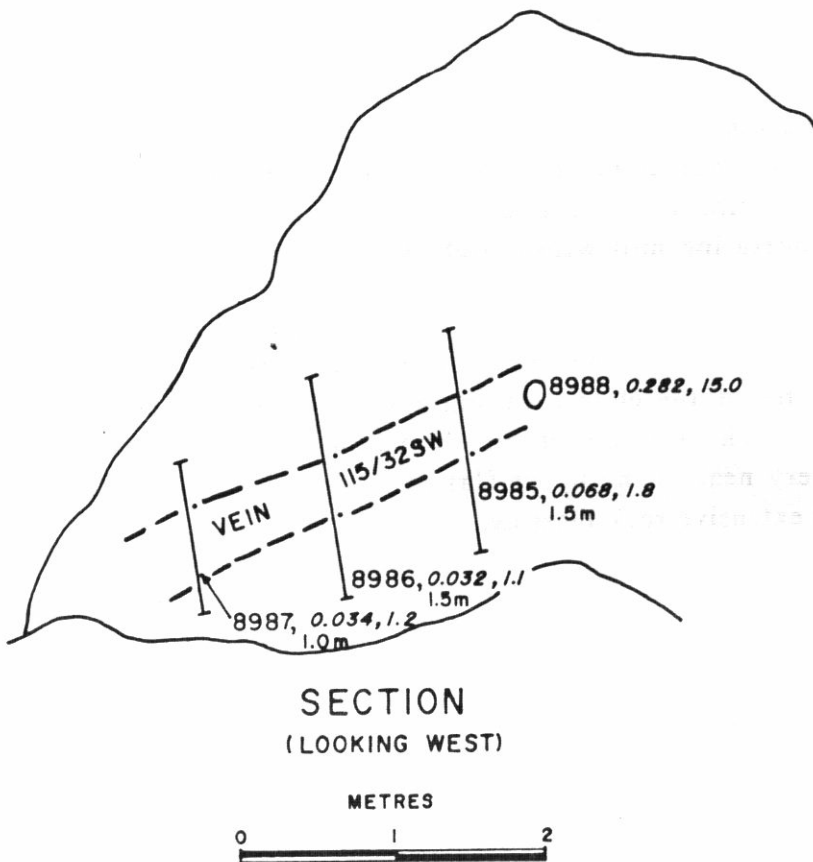
The extremely large alteration halo indicates that at least one degassing event took place. This event forced silica rich gasses throughout the surrounding wall rock, altered several of the original minerals to sericite and deposited silica and (remobilized?) pyrite upon cooling. The change in vein mineralogy between subsequent pulses indicates that the system was gradually cooling and the deposition horizons became progressively lower.

# TRENCH No. 1



*F. Marshall Smith*

# TRENCH No. 2



## LEGEND

- I Channel sample no., Au oz/T, Ag ppm  
width
- O Grab sample no., Au oz/T, Ag ppm

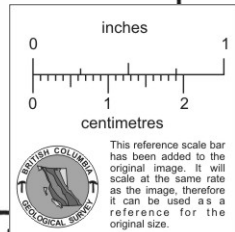


FIGURE 5

CAMBRIA RESOURCES LIMITED	
CAMBRIA PROPERTY	
SKEENA MINING DIVISION	
TRENCH SKETCHES (INCLUDING SAMPLE LOCATIONS AND RESULTS)	
F. MARSHALL SMITH CONSULTING INC.	
SCALE: 1: 50	DATE: OCTOBER, 1986



## CONCLUSIONS

The Cambria property encompasses a large hydrothermal system that has excellent potential for being developed into a gold/silver producer for several reasons.

1.0 The property is in a favourable geological environment. It is underlain by andesitic rocks which are highly fractured and thus form suitable pathways for hydrothermal solutions.

2.0 There is a large, 1000 meter by 500 meter, hydrothermal alteration zone on the property. This zone is directly related to anomalous precious metal values obtained by soil and rock sampling.

3.0 There are numerous veins of varying composition and precious metal content throughout the property. Values obtained are as high as 2.10 ounces per ton gold and 211.20 ounces per ton silver with the best values coming from northeasterly to easterly trending veins.

4.0 There is geological evidence for multiphase filling of the vein system. This gives a much greater vertical range of precious metal deposition.

5.0 The hydrothermal alteration zone had not been previously recognized. Consequently, the property was not formerly considered to have much potential as a hydrothermal gold/silver deposit and was not actively explored as one.

6.0 There is a former gold producing mine within the Cambria claims. This certainly indicates that the property is within an area with potential for more precious metal deposition.

7.0 There is a mill situated at the site of the Dolly Varden Mine in the Kitsault River valley. This property is currently undergoing extensive surface and underground exploration for gold with hopes of putting it into production within the next few years. This would mean that there is an operating mill within eight kilometers of the Cambria property.

8.0 Access to the property, while difficult, is not prohibitive. The remains of an old road grade come within one kilometer of the claims leaving a vertical rise of 2000 feet and the Kitsault River in between. The remains of an old bulldozer road have been reported on the Vanguard Group very near to the upper flat part of the ridge indicating that access will be possible without extensive rock blasting.

**RECOMMENDATIONS**

A continuing program of exploration is recommended on the Cambria property with emphasis on I.P./resistivity geophysics and diamond drilling. This program should be carried out in two phases, the second phase contingent on the results of the first phase, as detailed below.

*Phase 1*

A program of I.P./resistivity geophysics to locate the quartz/carbonate veins at depth. The survey lines should be carefully laid out so as to be perpendicular to the strike of the precious metal bearing veins.

Diamond drilling of the veins known to carry precious metal values and their extensions as delineated by the I.P./resistivity survey.

Total cost for Phase 1 of \$100,000.00.

*Phase 2*

Diamond drilling of all of the linear resistivity high zones which were located by the Phase 1 geophysics. Continued I.P./resistivity should also be considered.

Total cost for Phase 2 of \$150,000.00.



F. Marshall Smith, P.Eng.  
December 12, 1986.




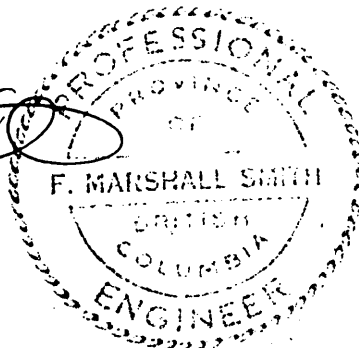
**BUDGET***Phase 1*

mob/demob	\$10,000.00
camp costs	\$15,000.00
I.P./resistivity survey 10 line kilometers @ \$1500/km	\$15,000.00
helicopter support approx. 40 hrs. @ \$650/hr	\$26,000.00
Diamond drilling (NQ core) 1000 feet @ \$25/ft.	\$25,000.00
supervision and overhead	\$9,000.00
<b>TOTAL PHASE 1</b>	<b>\$100,000.00</b>

*Phase 2*

mob/demob	\$10,000.00
camp costs	\$25,000.00
helicopter support approx. 70 hrs. @ \$650/hr	\$45,500.00
Diamond drilling (NQ core) 2200 feet @ \$25/ft.	\$55,000.00
supervision and overhead	\$14,500.00
<b>TOTAL PHASE 2</b>	<b>\$150,000.00</b>

  
 F. Marshall Smith, P.Eng.  
 December 12, 1986.



**BIBLIOGRAPHY**

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- Buchanan, L.J. (1981): *Precious Metal Deposits Associated with Volcanic Environments in the Southwest*; *Arizona Geological Society Digest*, vol.14.
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- Minister of Mines, B.C., Annual Report, 1938, pp. B7-B12.
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**CERTIFICATE OF QUALIFICATIONS**

I, Steven F. Coombes, do hereby certify that:

1. I am a geologist employed by Searchlight Resources Inc. with a business address of 218-744 West Hastings St., Vancouver, British Columbia, V6C 1A5.
2. I graduated from the University of British Columbia with a B.Sc. degree (Geology) in 1983.
3. I have practiced my profession in western Canada for the past three years.
4. I was directly involved with all of the exploration work carried out on the CAMBRIA claims from June 1986 to the present.
5. The program carried out on the Cambria property was recommended and supervised by F. Marshall Smith, a Professional Engineer with offices in Vancouver, British Columbia.
6. This report is based on information received from field surveys carried out during the time between July and October, 1986 as well as from reports by Professional Engineers and others working for the owners and operators of the property.
7. I hold a 50% interest in the CAMBRIA property in that I own the CAMBRIA 1 and CAMBRIA 3 mineral claims and have entered into an option agreement with Cambria Resources Limited under which I receive 50% of all option payments.



Steven F. Coombes, B.Sc.  
Geologist.

December 12, 1986

**CERTIFICATE**

I, F. Marshall Smith, do hereby certify that:

1. I am a consulting geologist and geochemist with offices at 218-744 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate at the University of Toronto with a degree of B.Sc., Honors Geology.
3. I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession continuously since 1967.
5. I proposed and supervised the 1986 work program which is described in this report.
6. This report is based on reports by Professional Engineers and others working for the previous owners and operators of the property and on the work program carried out on the CAMBRIA property in 1986. The writer has not visited the property but has supervised all work performed and has recommended work so as to verify previous discoveries and extend the size of the outcrops in the area of previous discoveries.
7. I have no interest in the properties or shares of Cambria Resources Limited or in any of the companies with contiguous property to the CAMBRIA claims.



F. Marshall Smith, P.Eng.  
December 12, 1986

**APPENDIX I**

**Assay sheets - Chemex Labs RE: Tables 1 and 2**



# Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brooksbank Ave.  
North Vancouver, B.C.  
Canada V7J 2C1

Phone: (604) 984-0221  
Telex: 043-52597

## CERTIFICATE OF ASSAY

TO : SEARCHLIGHT RESOURCES INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8618022-001-A  
INVOICE # : I8618022  
DATE : 24-SEP-86  
P.O. # : NONE  
CAMBRIA

Sample description	Prep code	Ag oz/T	Au oz/T				
8951D	207	3.32	0.070	--	--	--	--
8952D	207	0.05	0.002	--	--	--	--
8953D	207	0.11	0.028	--	--	--	--
8954D	207	0.10	0.050	--	--	--	--
8955D	207	0.42	0.764	--	--	--	--
8956D	207	0.02	0.004	--	--	--	--
8957D	207	0.14	0.008	--	--	--	--
8958D	207	0.07	0.014	--	--	--	--
8959D	207	0.04	0.002	--	--	--	--
8960D	207	0.16	0.030	--	--	--	--
8961D	207	0.27	0.030	--	--	--	--
8962D	207	0.05	0.002	--	--	--	--
8963D	207	0.05	<0.002	--	--	--	--
8964D	207	0.03	<0.002	--	--	--	--
8965D	207	0.07	0.020	--	--	--	--
8966D	207	0.17	0.094	--	--	--	--
8967D	207	0.15	0.292	--	--	--	--
8968D	207	0.06	0.062	--	--	--	--
D-001	207	0.51	0.078	--	--	--	--
D-002	207	0.20	0.030	--	--	--	--
D-003	207	2.33	1.094	--	--	--	--

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Canada V7J 2C1

Phone: (604) 984-0221  
Telex: 043-52597

## CERTIFICATE OF ANALYSIS

TO : SEARCHLIGHT RESOURCES, INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8618454-001-A  
INVOICE # : I8618454  
DATE : 6-GCT-86  
P.C. # : NONE  
CAMBRIA

Sample description	Prep code	Ag ppm Aqua R					
8969 D	207	0.6	--	--	--	--	--
8970 D	207	9.4	--	--	--	--	--
8971 D	207	9.7	--	--	--	--	--
8972 D	207	1.7	--	--	--	--	--
8973 D	207	0.4	--	--	--	--	--
8974 D	207	4.5	--	--	--	--	--
8975 D	207	1.4	--	--	--	--	--
8976 D	207	5.2	--	--	--	--	--
8977 D	207	2.7	--	--	--	--	--
8978 D	207	<del>100.0</del>	--	--	--	--	--
17	207	100.0	--	--	--	--	--
32	207	63.0	--	--	--	--	--
38	207	14.4	--	--	--	--	--

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Phone: (604) 984-0221  
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## CERTIFICATE OF ASSAY

TO : SEARCHLIGHT RESOURCES INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8618454-001-A  
INVOICE # : I8618454  
DATE : 6-GCT-86  
P.O. # : NONE  
CAMBRIA

Sample description	Prep code	Au oz/T					
8969 D	207	0.004	--	--	--	--	--
8970 D	207	0.018	--	--	--	--	--
8971 D	207	0.116 ←	--	--	--	--	--
8972 D	207	0.130 ←	--	--	--	--	--
8973 D	207	0.008	--	--	--	--	--
8974 D	207	0.924 ←	--	--	--	--	--
8975 D	207	0.058	--	--	--	--	--
8976 D	207	0.012	--	--	--	--	--
8977 D	207	0.004	--	--	--	--	--
8978 D	207	0.448 ←	--	--	--	--	--
17	207	0.008	--	--	--	--	--
32	207	0.012	--	--	--	--	--
38	207	0.010	--	--	--	--	--

..... *Chris Christie* .....  
Registered Assayer, Province of British Columbia

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Canada V7J 2C1

Phone: (604) 984-0221  
Telex: 043-52597

## CERTIFICATE OF ANALYSIS

TO : SEARCHLIGHT RESOURCES INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8619718-001-A  
INVOICE # : I8619718  
DATE : 30-OCT-86  
P.O. # : NONE  
CAMBRIA

Sample description	Prep code	Ag ppm Aqua R					
8979 D	207	3.2	--	--	--	--	--
8980 D	207	5.9	--	--	--	--	--
8981 D	207	5.2	--	--	--	--	--
8982 D	207	0.5	--	--	--	--	--
8983 D	207	10.0	--	--	--	--	--
8984 D	207	0.5	--	--	--	--	--
8985 D	207	1.8	--	--	--	--	--
8986 D	207	1.1	--	--	--	--	--
8987 D	207	1.2	--	--	--	--	--
8988 D	207	15.0	--	--	--	--	--

Certified by Hart Buchler



# Chemex Labs Ltd.

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

## CERTIFICATE OF ASSAY

TO : SEARCHLIGHT RESOURCES INC.

218 - 744 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6C 1A5

CERT. # : A8619718-001-A  
INVOICE # : I8619718  
DATE : 30-OCT-86  
P.O. # : NONE  
CAMBRIA

Sample description	Prep code	Au oz/T						
8979 D	207	0.160	--	--	--	--	--	--
8980 D	207	0.296	--	--	--	--	--	--
8981 D	207	0.382	--	--	--	--	--	--
8982 D	207	0.022	--	--	--	--	--	--
8983 D	207	0.627	--	--	--	--	--	--
8984 D	207	0.012	--	--	--	--	--	--
8985 D	207	0.068	--	--	--	--	--	--
8986 D	207	0.032	--	--	--	--	--	--
8987 D	207	0.034	--	--	--	--	--	--
8988 D	207	0.282	--	--	--	--	--	--

*W. Sant'Amorini*  
.....  
Registered Assayer, Province of British Columbia


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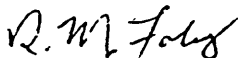
CERTIFICATES

DATED: November 27, 1987

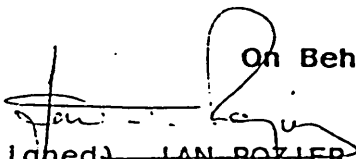
CAMBRIA RESOURCES LIMITED


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

  
(Signed) EDWARD NEALON  
Chief Executive  
Officer

  
(Signed) ROBERT MICHAEL FOLEY  
Chief Financial  
Officer

On Behalf of the Board of Directors:

  
(Signed) IAN ROZIER  
Director

  
(Signed) LYNN WILKINSON  
Director

Promoter:

  
(Signed) EDWARD NEALON  
Promoter

The Agent

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

YORKTON SECURITIES LTD.

By: (Signed) 