PROPERTY FILE # 103P 005 104A/103P Del Norte Claims
DL

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED FOR SALE BY THIS PROSPECTUS AND ANY REPRESENTA IS AN OFFENCE.

019059

NEW ISSUE **PROSPECTUS**

Max Claim 104B/7E
→ 104B 009, 222, 013

GOODGOLD RESOURCES LIMITED

(the "Issuer")
(Incorporated in British Columbia)

1,500,000 UNITS

Each Unit Consisting of One (1) Common Share Without Par Value and Two (2) Series "A" Share Purchase Warrants

The Offering may be increased by up to 225,000 Units (15% of the Offering) to meet over subscriptions. See "Plan of Distribution".

	Price to Public (1)	Commission	Net Proceeds to the Issuer (2)(3)
Per Unit	$0.75	$0.075	$0.675
Total (1,500,000 Units)	$1,125,000	$112,500	$1,012,500

(1) The price to the public was established pursuant to negotiations between the Issuer and the Agents.
(2) Before deduction of the balance of costs of this Prospectus estimated at $40,000.
(3) The Issuer has granted to the Agents a Greenshoe Option as described in the section captioned "Plan of Distribution".

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.

THERE IS NO MARKET THROUGH WHICH THE SECURITIES OF THE ISSUER MAY BE SOLD AND A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. REFERENCE IS MADE TO THE SECTIONS CAPTIONED "RISK FACTORS" AND "DILUTION".

THE PRO FORMA DILUTION OF THE SECURITIES OFFERED HEREBY BASED ON NET TANGIBLE ASSETS AS AT MAY 31, 1990 IS 55% OR 41¢ PER SHARE (WITHOUT GIVING EFFECT TO THE GREENSHOE OPTION).

THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER NATURAL RESOURCE COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTERESTS WHEN SERVING IN SUCH CAPACITIES. REFERENCE IS MADE TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS".

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 40.0% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 32.3% THAT WILL THEN BE OWNED BY THE PROMOTER, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER (WITHOUT GIVING EFFECT TO THE GREENSHOE OPTION). REFERENCE IS MADE TO THE SECTION CAPTIONED "PRINCIPAL SHAREHOLDERS" FOR PARTICULARS OF SHARES ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS. PARTICULARS OF THE SHARES PURCHASED BY UNDERWRITERS ARE DISCLOSED IN THE SECTION CAPTIONED "PRIOR SALES".

THE AGENTS HAVE AGREED TO PURCHASE (THE "GUARANTEE") ANY OF THE UNITS OFFERED HEREBY WHICH HAVE NOT BEEN SOLD AT THE CONCLUSION OF THE OFFERING, AND AS CONSIDERATION FOR THE GUARANTEE HAVE BEEN GRANTED THE AGENTS' WARRANTS. SEE "PLAN OF DISTRIBUTION — AGENTS' GUARANTEE AND ADDITIONAL OFFERINGS".

THE AGENTS' WARRANTS HAVE BEEN DISTRIBUTED TO THE AGENTS UNDER THIS PROSPECTUS. ANY UNITS ACQUIRED BY THE AGENTS UNDER THE GUARANTEE AND THE GREENSHOE OPTION WILL ALSO BE DISTRIBUTED UNDER THIS PROSPECTUS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF SALE.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SHARES OFFERED BY THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE FEBRUARY 13, 1991, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

WE, AS AGENTS, 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 IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

THIS PROSPECTUS IS DATED THE 10TH DAY OF AUGUST, 1990.

L.O.M. WESTERN SECURITIES LTD.
2200, 609 Granville Street,
Vancouver, B.C.
V7Y 1H2

Aug-30/90

McDERMID ST. LAWRENCE LIMITED
901, 601 West Hastings Street,
Vancouver, B.C.
V6B 5E2

(156)

EFFECTIVE DATE: August 17th, 1990

PROSPECTUS SUMMARY

The Offering

Issuer:	**GOODGOLD RESOURCES LIMITED**
Securities Offered:	1,500,000 Units. Each Unit is comprised of One Share and Two Series "A" Share Purchase Warrants, two such Warrants entitling the holder thereof who exercises such Warrants to purchase one additional common share of the Issuer at a price of $0.75, at any time up to the close of business within one year following the Offering Day.
Gross Proceeds:	$1,125,000
Net Proceeds:	$1,012,500
Price:	$0.75 per Unit
Commission:	$0.075 per Unit The Agents have been granted Agents' Warrants entitling them to acquire up to 375,000 shares of the Issuer at a price of $0.75 per share. In addition, the Agents have been granted a "Greenshoe Option" to require the issuance of an additional 225,000 Units of the Issuer at $0.75 per Unit, to net the Issuer $.675 per Unit, to facilitate over subscriptions. Reference is made to the section captioned "Plan of Distribution".
Use of Proceeds:	The net proceeds from this Offering will be used to conduct Phase II exploration programs on the Del Norte and Max Properties. In addition, approximately $176,000 will be used to repay Prime Equities Inc. relative to the purchase of certain investments (see "Acquisitions"). The balance will be added to the working capital of the Issuer.

The Issuer

The Issuer is in the business of acquiring, and exploring natural resource properties. Reference is made to the section captioned "Business and Property of the Issuer".

Risk Factors

Investment in the Issuer's securities must be considered speculative due to the nature of the Issuer's business and the present stage of its development. There is no market for the securities and there can be no assurance that one will develop.

DEL NORTE PROJECT

Claims and Status

The Del Norte Project comprises 11 mineral claims (the "Del Norte Claims"), totalling 185 units situated within the Skeena Mining Division, British Columbia. Pertinent information about the Del Norte claims is summarized below, wherein the expiry date reflects Phase I exploration work filed recently for assessment credit.

Claim Name	No. of Units	Record No.	Date of Record	Expiry Date
Croesus 1	15	6129	May 4, 1987	May 4, 1992
Croesus 2	18	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

Location and Access

The Del Norte Claims are located approximately 30 km east of Stewart, British Columbia, and shown on British Columbia Location maps M104A/4E, 104A/3W, 103P/13E, and 103P/14W. Access to the property is by helicopter from Stewart. The closest road is the Stewart-Cassiar Highway, about 13 km to the north where food, fuel and accommodation services are available.

Physiography and Vegetation

Elevations on the Del Norte Claims range from 800 metres in the valleys on the east side of the property up to 2,500 metres on the peaks to the west. Slopes range from moderate to very precipitous. Low lying regions are vegetated by mature mountain hemlock and balsam changing to subalpine and alpine vegetation consisting of stunted shrubs and grasses.

The property is situated on the edge of the Cambria Icefield, and about 20% of the area is covered by permanent snow fields and glaciers, with two of the claims, the Bond 5 and 6, completely covered by ice fields.

Regional Exploration History

The Stewart area has been mined actively since the early 1900s and is one of the most prolific mining districts in British Columbia. Most prominent among the numerous mining

properties are the Silbak-Premier, Big Missouri and Granduc deposits, located 1 km north, 20 km north and 39 km northwest of Stewart respectively. General details with regard to the production obtained from these deposits is contained in the Report commencing on page 4.

In the immediate vicinity of the Del Norte Project, Bond International Gold Inc. recently announced the initial drill results from their Red Mountain project. One discovery, referred to as the Marc Zone, produced a 66 metre drill intersection grading 9.88 grams per ton gold and 49.29 grams per ton silver. Another area, the Willoughby Gossan Zone, produced a 20.5 metre intersection grading 24.98 grams per ton gold and 184.21 grams per ton silver. The exact location of these discoveries is not yet known but they are believed to be approximately 9 and 2.5 km west-southwest respectively of the southern part of the Del Norte Claims.

The area was originally staked as the "Bullion" claim sometime prior to 1913, probably following small-scale placer mining on Nelson, Del Norte and Willoughby Creeks. Between this initial staking and 1922, when the property was restaked s the Del Norte Group, a small adit was driven. This tested a zone of quartz veining along the contact between what was described as Bowser sediments and Hazelton volcaniclastics. In 1939 a series of fifteen open cuts was completed. Sample results indicated erratic low grade gold mineralization associated with copper and lesser zinc values.

In the 1960's, helicopter supported programs explored for porphyry copper-type targets. Subsequently in the late 1970's and early 1980's exploration with a focus on precious metals was carried out over the area. While massive sulphide boulders containing pyrite-pyrrhotite-sphalerite and occasional galena were found in Del Norte Creek, no source was located for the boulders.

The earliest work recorded on the property involved a Dighem airborne survey. Results show seeral NNW to NNE trending electromagnetic conductors of 5-9 mhos magnitude, as well as discrete spot highs of the same magnitude. The most northerly of these (see Report - Figure 4a) corresponds broadly to an area of gossanous, pyritized, bleached and silicified zones within sediments and fine volcanics, and may relate to formational contacts. On the south sheet (see Report - Figure 4b), a well defined anomaly of the same magnitude follows the NW trending trace of a creek. The orthophoto suggests a splay of subparallel faults within this general area.

Recent Exploration

In 1987 Teuton Resources Corp. acquired the Croesus claims and carried out a program of rock and silt sampling. Best rock chip results of 19,300 ppb gold and 9.3 ppm silver were

obtained in a grab sample from a 1.5 metre quartz-sulphide pod (roughly 30 metres long) lying in a prominent gossan; locally very high copper (to 13,134 ppm) and zinc (to 24,224 ppm) values were also obtained. A north-south to northwest-southeast trending creek pparently draining pyritic tuffs hosting the Bullion showing provided moderate to highly anomalous gold, silver, copper, lead and zinc (see Report - Figure 4c).

These results warranted detailed follow-up; a program of geological mapping, soil and rock chip sampling, and prospecting was completed, and the Bond Claims were subsequently staked. In 1988 chip sampling of a pyritized tuff on the north side of Dl Norte Creek returned 8.1% copper over a 14.8 ft width. One of the samples also assayed 0.60 oz/ton gold over a 4.9 ft width. In addition, two new zones of base and precious metals mineralization were discovered south of Del Norte Creek. The Lead-Zinc Zone consists of pervasive mineralization in a pyritic tuff exposed over an area of 70 ft by 170 ft. One grab sample of the mineralization returned assays of up to 13.2% lead, 27.54% zinc, 4.03 oz/ton silver and 0.050 oz/ton gold; a second sample assayed 1.9% lead, >10% zinc, 1.58 oz/ton silver and 0.052 oz/ton gold. The Copper/Gold Zone lies approximately 330 ft to the east. Chip sampling across a 26.6 ft width of the zone averaged 8.7% copper. One of the samples also ran 0.658 oz/ton gold across 8.9 ft. This zone has a true width of about 16 ft and has been traced approximately 70 ft along strike. Rock chip sample results are summarized in Figure 4b and 4c of the Report. Limited soil sampling returned values up to 1085 ppm copper, 1026 ppm lead, 1210 ppm zinc and up to 330 ppb gold.

In early 1989 the Issuer commissioned Aerodat Limited to carry out an airborne geophysical survey over the Del Norte Claims, as part of a survey including other properties in the area. 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.

Most of the VLF-EM anomalis in the Del Norte area are of low amplitude, directed toward the VLF transmitter. Little correlation is pparent between the present VLF-EM data and other geophysical parameters. There are very vague indications of a general northwest-southeast oriented trend, more or less coincident with the orientation of the central magnetic zone. However, complete evaluation of the VLF-EM features requires detailed analysis.

Although there are certain limitations on the electromagnetic data received, the authors of the Report state that some anomolies along the southeast border of the Croesus 2 claim warrant follow-up. The anomolies are of variable definition and quality and define bedrock and possible bedrock conductors associated with a conductive horizon which extends across

topography and generally lies immediately outside the central magnetic zone.

The Report also states that a second group of conductors straddling the Croesus 1 and Croesus 2 claim boundary is also worthy of follow-up. These generally poorly defined conductors of mostly possible bedrock origin have produced an attractive low resistivity zone which coincides with a gully. The main conductor of the group parallels a second magnetic horizon associated with, or located near, a proposed contact of the broad central magnetic zone.

A more detailed discussion of the Phase I work conducted by the Issuer in 1989 is contained in pages 12 to 17 of the Report.

Conclusions

The Porter Showing occurs within sheared and fractured lapilli tuff on the north side of the Del Norte Creek. Pyrite is the most common sulphide but has galena, specularite, hematite and chalcopyrite-malachite associated with it. Chip sampling produced gold values up to 0.157 oz/ton over 1.8 m, 0.03 oz/ton over 1.5 m and, 80 m southeast of these samples, 0.74 oz/ton over 1.5 m. Silver and copper values are low, however some samples produced lead and zinc values up to 3100 ppm and 1500 ppm respectively.

Previous sampling of the Copper-Gold Showing, some 800 m south on the south side of Del Norte Creek, produced values as high as 8.7% copper over 8.1 m and 0.658 oz/ton gold over 2.7 m. The showing is a concentration of chalcopyrite-malachite fracture fillings within a gossanous band hosted by southeast-trending bedded sediments and tuffs. Sampling of potential strike extensions, 30 m southeast of the showing, produced gold values up to 590 ppb over 1.4 m, 210 ppb over 1.2 m and 110 ppb over 1.3 m. Silver, copper and lead values are low. Sampling of the zone itself and of adjacent outcrop was curtailed by snow cover. The Lead-Zinc Showing, reported to occur approximately 100 m west of the Copper-Gold Showing, was not located.

Ground VLF-EM profiles indicate weak conductor trends generally corresponding to observed shearing and faulting in the Porter Showing area, however coverage in the Copper-Gold area is not extensive enough to be conclusive.

Recommendations

The authors of the Report recommend continued exploration as Phase II in the Porter Showing area by extending gridwork eastward to include an airborne electromagnetic anomaly trend defined by the compilation work to be some 200 m to the east, and northward to potentially include the Bullion Showing. Work to the north would also explore possible extensions of the

mineralized lapilli tuff. The Copper-Gold Showing should be sampled in detail, an effort should be made to define the Lead-Zinc Showing and the grid in this area expanded to further define gossans and structure. Compilation of previous work indicates groupings of airborne electromagnetic anomalies warranting follow up, one over the Porter Showing area (including the trend mentioned above) as well as another near the southeast boundary of the Croesus 2 claim.

This review of airborne geophysical data also indicates that enhanced geophysical interpretation of magnetic data may be useful in improving structural analysis, leading to additional exploration targets. Prospecting of all accessible areas in the claim block is recommended. A budget of $200,000 is proposed for the above work, with subsequent Phase III and IV programs, contingent on favourable results, budgeted at $300,000 and $400,000 respectively. Particulars of the recommended Phase III and IV programs are contained in the Report.

MAX PROJECT

Claim and Status

The Max project comprises a single mineral claim, totalling 20 units lying within the Skeena Mining Division, British Columbia (the "Max Claim"). The status of the Claim is as follows:

Claim Name	No. of Units	Record No.	Date of Record	Expiry Date
Maxwell Smart	20	5268	April 1, 1986	April 1, 1993

Location and Access

The Max Claim is located about 65 km northwest of Stewart, British Columbia, and shown on British Columbia Location map 104B/7E. Access to the property is via helicopter. There are airstrips located at the Johnny Mountain Mine and on Bronson Creek at the Snip deposit 40 km to the northwest which are serviced regularly with scheduled and charter flights.

Physiography and Vegetation

The Max Claim is situate on the southeast side of the Unuk River on the flank of McQuillan Ridge and covers much of Cebuck Creek, also known as Barklay Creek. Elevations range from 200 m along the Unuk River to over 1200 m on the upper reaches of the Claim on McQuillan Ridge, and much of the terrain is rugged. Most of the Max Claim is below tree line so vegetation consists of dense undergrowth of willows, slide alder and devils club with mature conifers.

Regional Exploration History

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 Report, small satellite plugs from larger batholiths can be important for localizing mineralization in the area of the Claim.

The Report contains a geological, geophysical and geochemical compilation of information available on the Max Claim (See Report - Figure 5). 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 1968 a more regional airborne survey was carried out by Granduc which included mapping the distribution of subsurface conductors in the area of the Max Claim. Results of this survey were inconclusive.

A program of mapping, linecutting and detailed ground magnetometer work in 1975 confirmed results of earlier work and expanded previous coverage. In 1977, magnetometer surveys were extended to cover the western and northern portions of the property and more detailed mapping was completed. A small hand trenching program in an area of iron-staining and disseminated pyrite just north of the present Max Claim boundary provided values of 0.042 oz/ton gold and 0.30 oz/ton silver.

In 1987, two silt samples were collected from the Claim during the BCMEMPR/GSC regional stream sediment sampling program. The more northerly sample yielded 90th percentile anomalous values of 50 ppb gold (19 ppb on re-analysis), 29 ppm arsenic, 88 ppm copper, 960 ppm manganese, 21 ppm colbalt and 90 ppm vanadium, from a stream draining into Barclay Creek.

Recent Exploration

In early 1989 the Issuer carried out a Phase I 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.

Apparent resistivities within the Max Claim area are generally very high except for two areas of low resistivity coincident with the conductive zones labelled I and II in the Report. Area I measures about 250 m x 400 m in extent and is interpreted as being caused by a conductive rock unit; it is immediately adjacent to an irregularly shaped broad based magnetic high believed to reflect the presence of a lobe of the Max intrusive.

Area II, of similar character, occurs immediately west of the southwest corner of the Max Claim. It is associated with a weak magnetic gradient anomaly and confined between two northeast-southwesterly oriented faults.

Conclusions

Almost all anomalies within the Max Claim area are weak, except for two higher amplitude anomalies associated with Area I. No obvious, well defined breaks of VLF/EM patterns are apparent which would suggest the presence of structural features (such as faults or contacts). However, many poorly defined breaks, interruptions, and offsets of these patterns correlate closely with similar breaks inferred from the magnetics. The authors of the Report believe this can be considered to confirm interpretation of the magnetic and resistivity features as structures.

Most of the electromagnetic anomalies are confined to the two resistivity zones described previously. Group I correlates with the central conductive zone which is adjacent to an irregularly shaped magnetic anomaly possibly reflecting an intrusive. Although the EM anomalies are not well defined, they are believed to reflect bedrock conductors. They constitute an attractive target which should be investigated by ground follow-up.

While Group II conductors lie outside the claim block, they are better defined than Group I conductors. They lie within an attractive low resistivity zone which occurs on the flank of a weak magnetic anomaly. Ground follow up is warranted especially to the east of the area within the Max claim block. While the conductors are weak, and poorly defined they are interpreted as being of bedrock origin. Such weak conductors have in some instances been masked by conductive overburden.

Recommendations

The authors of the 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. Compilation of airborne data suggests that an area of low resistivity with

associated poorly defined EM anomalies in the vicinity of the Max deposit warrants examination, as does the southwest corner of the claim, a region immediately east of a similar resistivity low. A budget of $50,000 for the initial ground work has been recommended. Properties are without a known body of commercial ore and the proposed work programs are exploratory in nature.

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. Reference should be made to the complete text of the Report.

The Issuer has entered into a Program Engagement Agreement with Prime Equities Inc., to manage and supervise the Issuer's interests relative to the exploration program on the Property. The Issuer has agreed that Teuton shall carry out the required field exploration work.

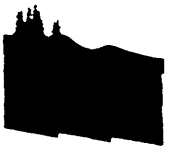
SUMMARY REPORT ON THE GOODGOLD RESOURCES LTD. DEL NORTE PROJECT AND MAX PROJECT

ISKUT-STEWART AREA
SKEENA MINING DIVISION
BRITISH COLUMBIA

B. Dewonck, F.G.A.C.
J. Hardy, F.G.A.C.

November 23, 1989

OREQUEST



OREQUEST CONSULTANTS LTD. 306-595 Howe Street, Vancouver, B.C., Canada, V6C 2T5 Telephone: (604) 688-6788 Fax: (604) 688-9727

SUMMARY

Goodgold Resources Ltd. has an option on two mineral properties in the Iskut-Stewart region of northwestern British Columbia, both within the Skeena Mining Division. The Del Norte Project is situated 30 km east of Stewart, accessible by helicopter only, but only 13 km south of the Stewart-Cassiar Highway. The Max Project lies 65 km northwest of Stewart, also accessible by helicopter only.

Work on the Del Norte Project in 1989 included a compilation of previous ground exploration as well as airborne geophysical surveys in the project area, and a grid controlled mapping and rock sampling program in the area of the Porter and Copper-Gold Showings. A similar compilation was prepared for the Max project however no field work was carried out.

The Porter Showing occurs within sheared and fractured lapilli tuff on the north side of the Del Norte Creek. Pyrite is the most common sulphide but has galena, specularite, hematite and chalcopyrite-malachite associated with it. Chip sampling produced gold values up to 0.157 oz/ton over 1.8 m, 0.03 oz/ton over 1.5 m and, 80 m southeast of these samples, 0.074 oz/ton over 1.5 m. Silver and copper values are low, however some samples produced lead and zinc values up to 3100 ppm and 1500 ppm respectively. Efforts to locate another showing previously described as the Bullion Showing were unsuccessful.

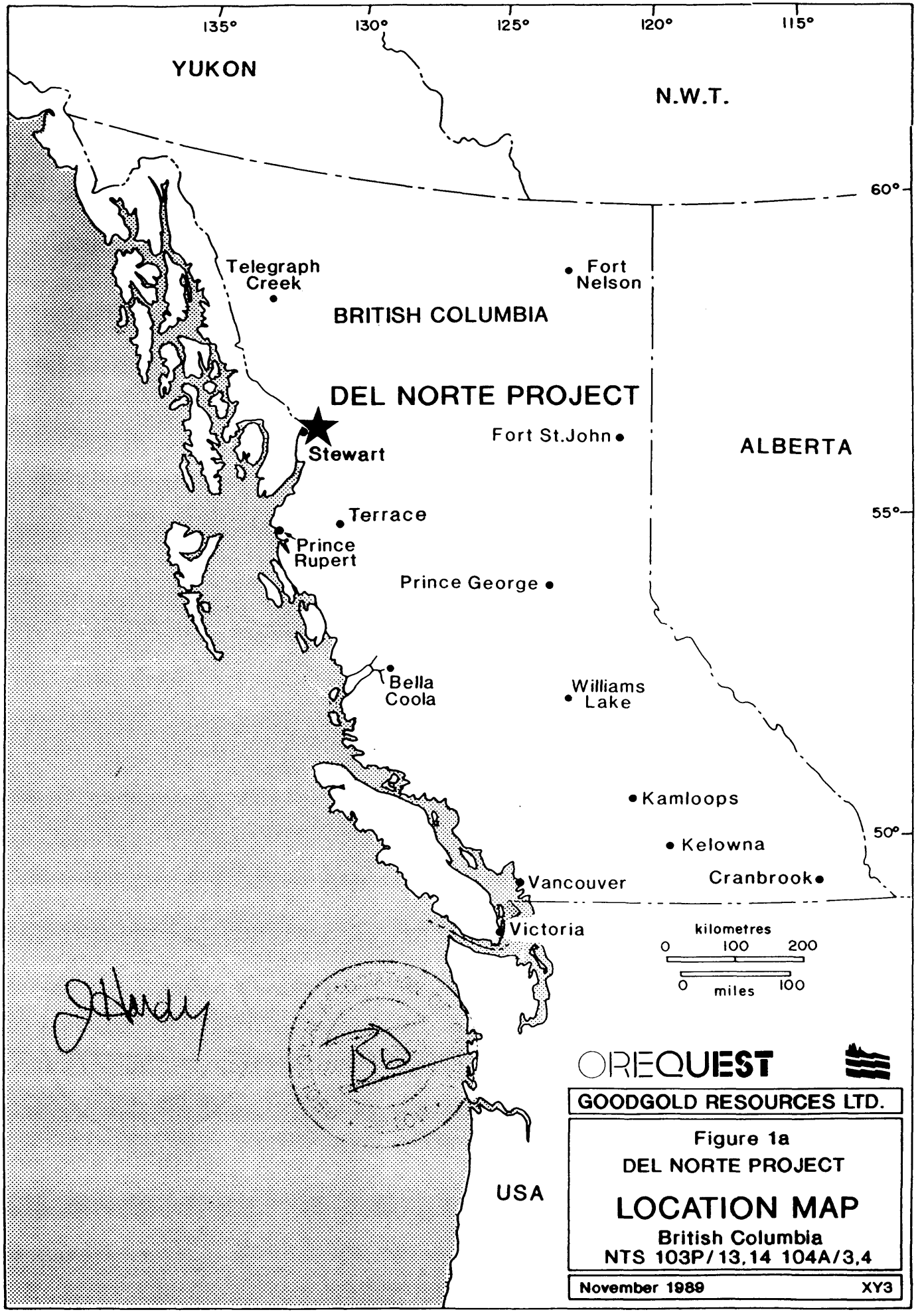
Previous sampling of the Copper-Gold Showing, some 800 m south on the south side of Del Norte Creek, produced values as high as 8.7% copper over 8.1 m and 0.658 oz/ton gold over 2.7 m. The showing is a concentration of chalcopyrite-malachite fracture fillings within a gossanous band hosted by southeast-trending bedded sediments and tuffs. Sampling of potential strike extensions, 30 m southeast of

the showing, produced gold values up to 590 ppb over 1.4 m, 210 ppb over 1.2 m and 110 ppb over 1.3 m. Silver, copper and lead values are low. Sampling of the zone itself and of adjacent outcrop was curtailed by snow cover. The Lead-Zinc Showing, reported to occur approximately 100 m west of the Copper-Gold Showing, was not located.

Ground VLF-EM profiles indicate weak conductor trends generally corresponding to observed shearing and faulting in the Porter Showing area, however coverage in the Copper-Gold area is not extensive enough to be conclusive.

Continued exploration as Phase II is recommended in the Porter Showing area by extending gridwork eastward to include an airborne electromagnetic anomaly trend defined by the compilation work to be some 200 m to the east, and northward to potentially include the Bullion Showing. Work to the north would also explore possible extensions of the mineralized lapilli tuff. The Copper-Gold Showing should be sampled in detail, an effort should be made to define the Lead-Zinc Showing and the grid in this area expanded to further define gossans and structure. Compilation of previous work indicates groupings of airborne electromagnetic anomalies warranting follow up - one over the Porter Showing area (including the trend mentioned above) as well as another near the southeast boundary of the Croesus 2 claim. This review of airborne geophysical data also indicates that enhanced geophysical interpretation of magnetic data may be useful in improving structural analysis, leading to additional exploration targets. Prospecting of all accessible areas in the claim block is recommended. A budget of $200,000 is proposed for the above work, with subsequent Phase III and IV programs contingent on favourable results budgeted at $300,000 and $400,000 respectively.

Compilation of data on the Max Project suggests follow up of two areas, one a resistivity low with associated poorly defined electromagnetic anomalies in the vicinity of the drill indicated 10.8 million ton Max iron (45%) - copper (.75%) deposit and the other the southwest corner of the claim block immediately west of which lies a similar resistivity low / electromagnetic anomaly. Stream sediment sampling and property scale mapping and prospecting for gold mineralization would also constitute this initial ground reconnaissance program, for which a budget of $50,000 is proposed.


135°
130°
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Fort Nelson
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ALBERTA
Stewart
Terrace
55°
Prince Rupert
Prince George
Bella Coola
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Kamloops
50°
Kelowna
Vancouver
Cranbrook
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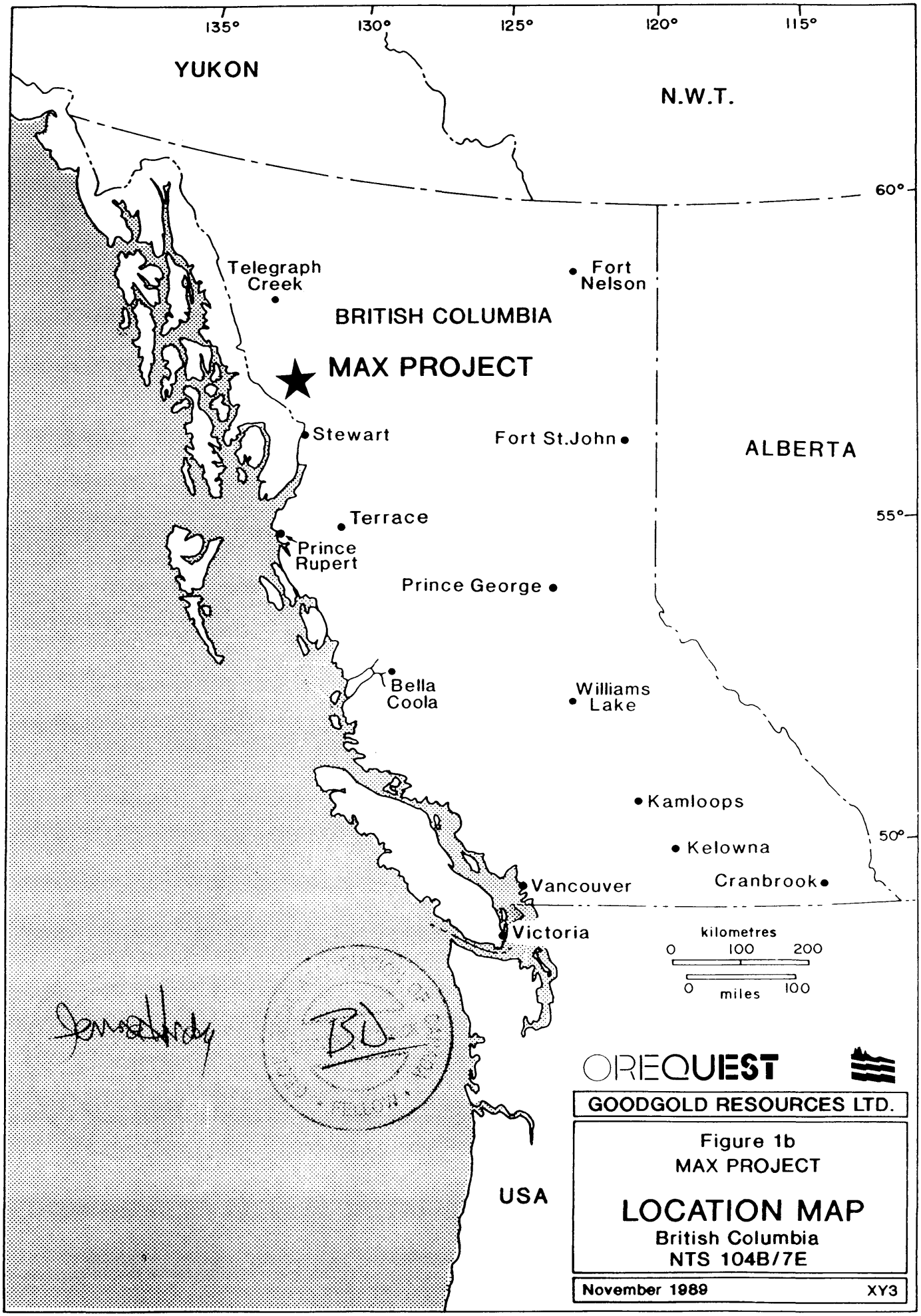
USA
OREQUEST
GOODGOLD RESOURCES LTD.
Figure 1a
DEL NORTE PROJECT
LOCATION MAP
British Columbia
NTS 103P/13,14 104A/3,4
November 1989
XY3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Terrace
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Prince Rupert
Prince George
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Williams Lake
Kamloops
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Cranbrook
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USA
OREQUEST
GOODGOLD RESOURCES LTD.
Figure 1b
MAX PROJECT
LOCATION MAP
British Columbia
NTS 104B/7E
November 1989
XY3

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INTRODUCTION

In September of 1989, a field program was initiated on Goodgold Resources Ltd.'s Del Norte Project, 40 km east of Stewart, B.C. The program was intended to more accurately define several gold-basemetal rock and soil anomalies recorded in previous years. Field work consisted of establishing a control grid over areas norht and south of Del Norte Creek in the vicinity of the Porter Showing, and chip sampling combined with geological mapping of all areas sampled. A limited VLF-EM geophysical survey covers portions of the established grids.

No field work was performed on the Max Project in 1989.

In addition to the 1989 field program results of the Del Norte Project this report includes compilations, for both projects, of previous ground exploration and airborne geophysical surveys.

LOCATION AND ACCESS

Del Norte Project

The Del Norte Property is located about 30 km east of Stewart, British Columbia, on maps M104A/4E, 104A/3W, 103P/13E and 103P/14W, at about 56°00'N latitude and 129°31'W longitude (Figure 1a).

Access to the property is by helicopter from Stewart, where helicopters are permanently based. The closest road is the Stewart-Cassiar Highway, about 13 km to the north, where food, fuel and accommodation services are available at Meziadin Junction.

Max Property

The Max Property is located about 65 km northwest of Stewart, British Columbia, on map 104B/7E, at approximately 56°25'N latitude and 130°40'W longitude (Figure 1b).

Access to the Max Property is via helicopter. There are airstrips located at the Johnny Mountain Mine and on Bronson Creek at the Snip deposit 40 km to the northwest. The unmaintained Snippaker Creek airstrip is located approximately 20 km to the northwest.

Frequent scheduled and charter flights from Smithers, 330 km to the southeast, to the Bronson Creek airstrip service the exploration and mining activity in the area. The Johnny Mountain airstrip is serviced regularly from Terrace. Both airstrips are also serviced from Wrangell, Alaska. Helicopters are based at Bronson Creek for much of the year.

PHYSIOGRAPHY AND VEGETATION

Del Norte Project

Elevations on the property range from 800 m in the valleys at the east side of the property up to 2500 m on the peaks to the west. Slopes range from moderate to very precipitous.

Low lying regions are vegetated by mature mountain hemlock and balsam. This changes to subalpine and alpine vegetation consisting of stunted shrubs and grasses.

The property is situated on the edge of the Cambria Icefield. In general, about 20% of the area is covered by permanent snow fields and glaciers, however the Bond 5 and 6 claims are completely covered by icefields.

Max Project

The property is situated on the southeast side of the Unuk River on the flank of McQuillan Ridge and covers much of Cebuck Creek, also known as Barklay Creek.

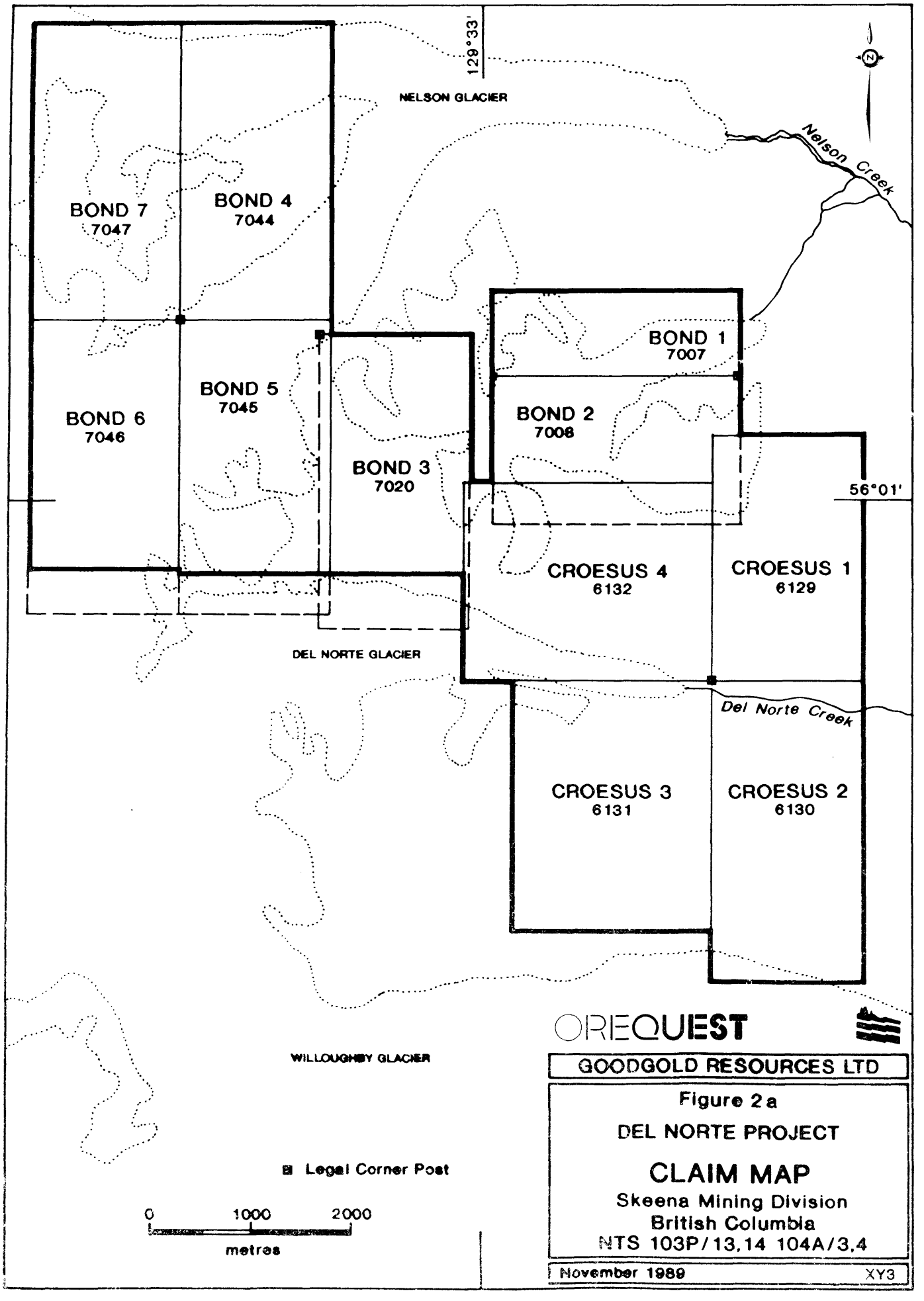
Elevations range from 200 m along the Unuk River to over 1200 m on the upper reaches of the property on McQuillan Ridge and much of the terrain is rugged. Most of the property is below tree line so vegetation consists of dense undergrowth of willows, slide alder and devils club with mature conifers.

CLAIM STATUS

The Del Norte Project comprises 11 mineral claims, totalling 185 units situated within the Skeena Mining Division (Figure 2a). Pertinent claim information is summarized in Table I, wherein the expiry date reflects work filed recently for assessment credit.

TABLE I - CLAIM STATUS - DEL NORTE PROJECT

Claim Name	No. of Units	Record No.	Date of Record	Anniversary Date
Croesus 1	15	6129	May 4, 1987	May 4, 1992
Croesus 2	18	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



OREQUEST

GOODGOLD RESOURCES LTD

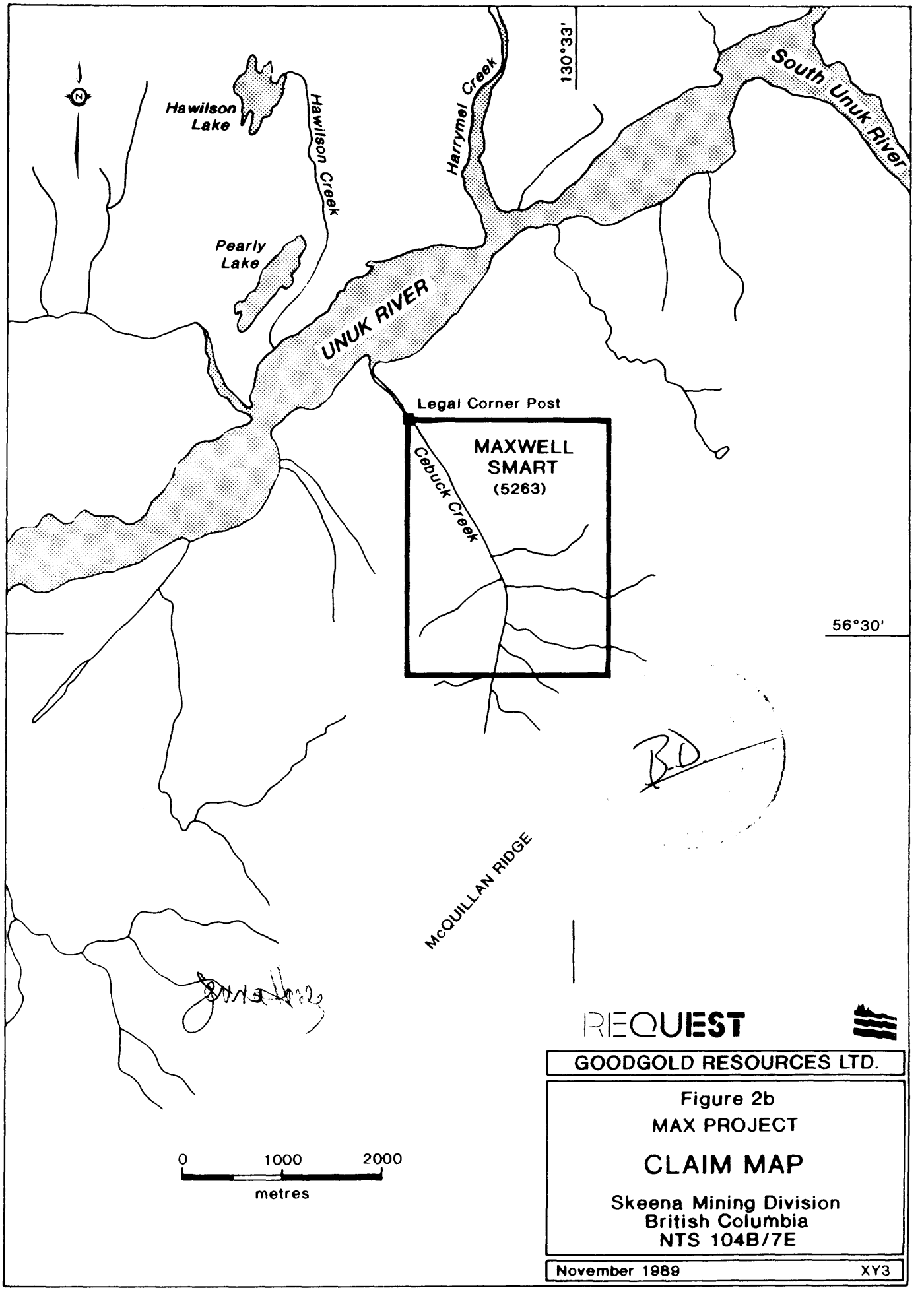
Figure 2a

DEL NORTE PROJECT

CLAIM MAP

Skeena Mining Division
British Columbia
NTS 103P/13,14 104A/3,4

November 1989 XY3



REQUEST

GOODGOLD RESOURCES LTD.

Figure 2b

MAX PROJECT

CLAIM MAP

Skeena Mining Division
British Columbia
NTS 104B/7E

November 1989 XY3

Claim Name	No. of Units	Record No.	Date of Record	Anniversary Date
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

The Max Project consists of a single mineral claim of 20 units within the Skeena Mining Division (Figure 2b). Pertinent claim information is summarized in Table 2, wherein the expiry date reflects work filed recently for assessment credit.

TABLE II - CLAIM STATUS - MAX PROJECT

Claim Name	No. of Units	Record No.	Date of Record	Anniversary Date
Maxwell Smart	20	5268	April 1, 1986	April 1, 1993

REGIONAL EXPLORATION HISTORY

The Stewart area has been mined actively since the early 1900s and is one of the most prolific mining districts in British Columbia (Grove, 1971). Most prominent among the numerous mining properties are the Silbak - Premier, Big Missouri and Granduc deposits, located 13 km north, 20 km north and 39 km northwest of Stewart respectively.

The Premier vein system, first staked in 1910, produced in excess of 1.8 million ounces of gold and 41 million ounces of silver from 4.7 million tons (to 1968). The nearby Big Missouri deposit, first staked in 1904, did not produce until 1938 and then only until 1942. During this time 847,615 tons were mined, producing 58,384 ounces of gold and 52,677 ounces of silver. Both these deposits, however, have recently been re-evaluated by Westmin Resources Ltd. who is placing them both

into production with announced reserves of 6.1 million tons grading 0.064 oz/ton gold, 2.39 oz/ton silver and 1.86 million tons grading 0.09 oz/ton gold and 0.67 oz/ton silver respectively (Canadian Mines Handbook, 1989-90).

The Granduc deposit, a massive sulphide copper orebody, was discovered in 1951 and put into production in 1971 with reserves of 39.32 million tons grading 1.73% copper with minor gold and silver values. Production ceased in 1978 but the mine was reactivated in 1980 until early 1984. Production to 1978 totalled 13,423,340 tonnes grading 1.32% copper and later production (1981-82) was 1,114,271 tonnes grading 1.17% copper.

Scottie Gold Mines commenced production on a vein deposit at the north end of Summit Lake in 1981 with reserves of 186,680 tons grading 0.76 oz/ton gold. It closed in 1985, having experienced financial difficulties brought on by depressed metal prices and loss of infrastructure as a result of the closure of the nearby Granduc facilities.

In the immediate vicinity of the Del Norte Project, Bond International Gold Inc. recently announced the initial drill results from their Red Mountain Project (News Release, September 29, 1989). One discovery, referred to as the Marc Zone, produced a 66 m drill intersection grading 9.88 g/ton gold and 49.29 g/ton silver. Another area, the Willoughby Gossan Zone, produced a 20.5 m intersection grading 24.98 g/ton gold and 184.21 g/ton silver. The exact location of these discoveries is not yet known but they are believed to be approximately 9 and 2.5 km west-southwest respectively of the southern part of the Del Norte property.

The Max Project lies on the southern fringe of the Iskut-Sulphurets area which has seen extensive exploration in the last three years. The Iskut area originally attracted interest at the turn of the century when prospectors, returning south from the Yukon goldfields searched for placer gold and staked bedrock gossans. In the 1970s the porphyry copper boom drew exploration into the area. The new era of gold exploration began with the 1979 option of the Sulphurets claim block by Esso Minerals Canada and the 1980 acquisition of the Mount Johnny claims by Skyline Explorations Ltd. Skyline commissioned its mill in July, 1988. Cominco Ltd. and Prime Resources Corp. are projected to announce a feasibility decision on the adjacent Snip deposit in early 1990. There has been limited production from Catear Resources Ltd.'s Goldwedge Zone where the mill was commissioned in June, 1988.

Beyond these projects, and except for limited early placer gold recovery from some creeks, the area has had no mineral production history. Since 1979, more than 70 new mineral prospects have been identified, though ground acquisition was relatively slow until the fall of 1987 when the promising results of summer exploration programs became known and the provincial government announced the upcoming release of analytical results from a regional stream sediment survey. By April 1988, all open ground had been staked. More than 60 companies hold ground in the Iskut-Sulphurets belt but to date only small areas within this 40 x 80 km district have received extensive exploration.

In the Sulphurets Creek camp 27 km east of the Max property near Brucejack Lake, the West Zone of Newhawk Gold Mines Ltd. / Granduc Mines Ltd. / Corona Corporation is reported to contain 854,072 tons grading 0.354 oz/ton gold and 22.94

oz/ton silver while the Snowfield Gold Zone and Sulphurets Lake gold zone are bulk tonnage low grade deposits containing 7.7 million tons of 0.075 oz/ton gold and 20 million tons of 0.08 oz/ton gold respectively (GCNL Aug. 24, 1989). Catear Resources Ltd.'s Gold Wedge Zone is reported to contain 319,000 tons of 0.8 oz/ton gold in a similar setting.

The Doc deposit located 14 km southeast of the Max property hosts 470,000 tons grading 0.27 oz/ton gold and 1.31 oz/ton silver, within a series of high grade but narrow quartz veins.

On the Snip property situated 42 km to the northwest, the Twin Zone, a 3 to 25 ft thick discordant shear vein cuts a thickly bedded sequence of intensely carbonatized feldspathic wackes and siltstones. Twin Zone reserves in all categories have been reported as 1,032,000 tons of 0.875 oz/ton gold (Prime Resources, 1989). This does not include additional reserves which may be developed outside the Twin Zone when mining begins. Twin Zone mineralization occurs in a banded shear zone comprising alternating bands of massive calcite, heavily disseminated to massive pyrite, crackle quartz and thin bands of biotite-chlorite.

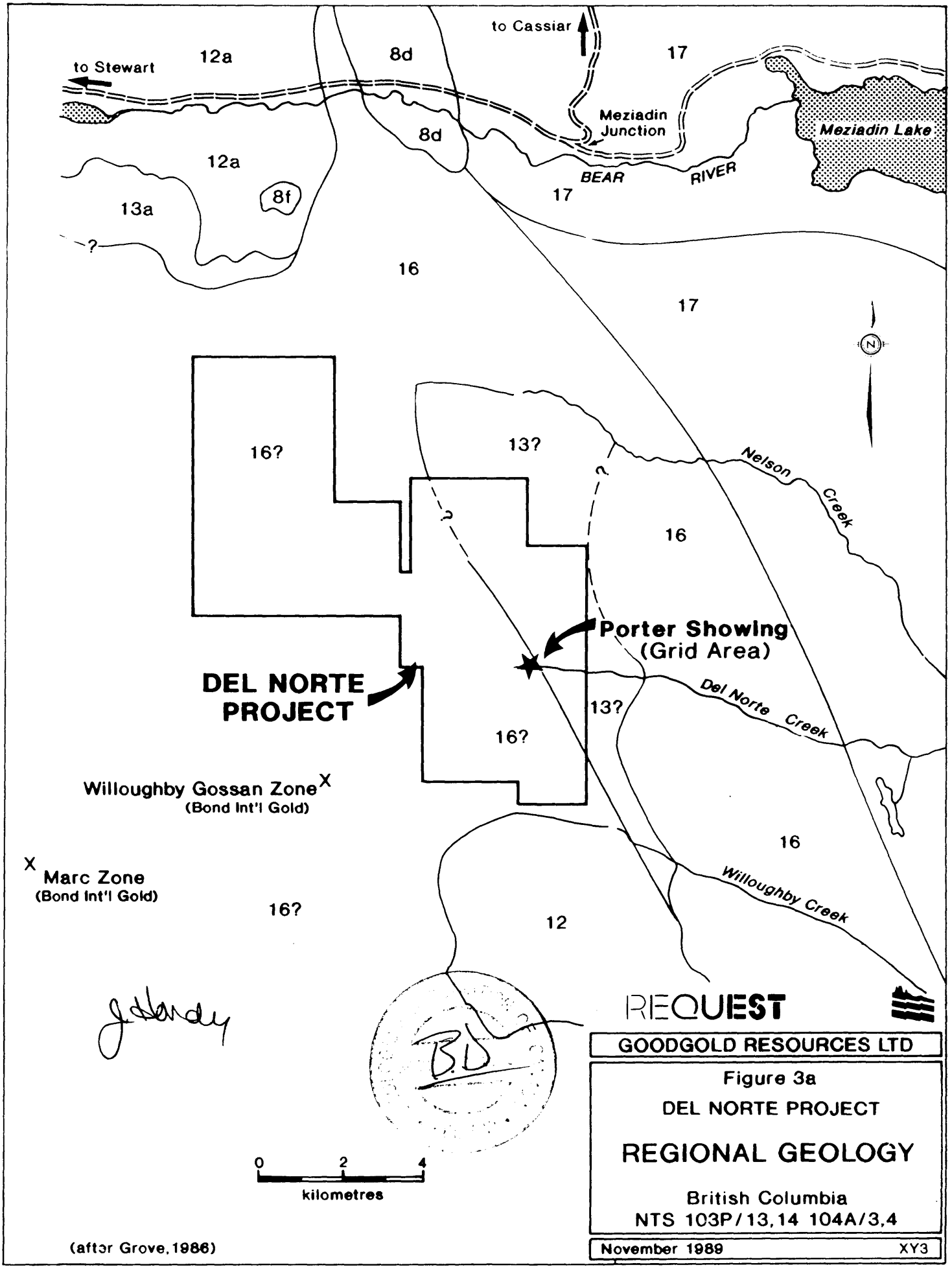
At Skyline's nearby Johnny Mountain deposit, reserves in all categories are estimated at 876,000 tons of 0.55 oz/ton gold and 1.00 oz/ton silver with copper, zinc, and lead (Northern Miner, Aug. 21, 1989). Five major areas of gold-bearing sulphide are known. The most important Stonehouse Zone consists of sulphide-potassium feldspar-quartz vein and stockwork systems which have been only partly explored.

The most recently discovered and perhaps the most exciting gold mineralization occurs on the Eskay Creek property of Calpine Resources Inc. / Stikine Resources Ltd., located 26 km north of the Max property. At the original 21 Zone discovery gold grading up to 0.73 oz/ton over 96.5 ft, occurs in several distinct lithologies in a 300 ft wide fault zone at a contact between Lower Jurassic Mt. Dilworth Formation volcanics and sediments (Northern Miner, 1988, p.20; Calpine Resources Incorporated News Release, January 6, 1989). More recent results have returned 0.875 oz/ton gold over 682.2 ft (CA89-109), 91.8 ft of 0.453 oz/ton gold and 16.91 oz/ton silver (CA89-93) and 55.8 ft of 0.867 oz/ton gold and 19.92 oz/ton silver (CA89-101 - Calpine News Release, August 21, 1989). The 21 Zone has now been traced over a minimum strike length of 1300 m and remains open at depth and to the northeast.

The E & L deposit is also situated in the area northwest of the Max property. This deposit was worked in the 1960s and early 1970s by trenching, drilling and 460 m of underground development, and has proven reserves of 3.2 million tons of 0.8% nickel and 0.6% copper (BCMEMPR Minfile). Mineralization consisting of disseminated pyrrhotite, chalcopyrite with minor pentlandite, pyrite and bornite occurs in a small stock of altered coarse grained gabbro.

REGIONAL GEOLOGY

The Del Norte Project lies near the eastern limit of regional mapping published in 1986 by the provincial government (Grove, 1986). Grove defined a sequence of late Paleozoic and Mesozoic volcanics and sediments as the Stewart Complex, bordered by the Coast Plutonic Complex to the west, the sedimentary Bowser Basin to the east, Alice Arm to the south and the Iskut River to the north. A portion of this map


to Cassiar
to Stewart
12a
8d
17
Meziadin Junction
Meziadin Lake
BEAR RIVER
8d
12a
8f
13a
17
16
17
16?
13?
Nelson Creek
16
Porter Showing
(Grid Area)
DEL NORTE PROJECT
Del Norte Creek
13?
16?
Willoughby Gossan Zone
(Bond Int'l Gold)
16
Marc Zone
(Bond Int'l Gold)
16?
12
Willoughby Creek
REQUEST
GOODGOLD RESOURCES LTD
Figure 3a
DEL NORTE PROJECT
REGIONAL GEOLOGY
British Columbia
NTS 103P/13,14 104A/3,4
November 1989
XY3
0
2
4
kilometres
(after Grove, 1986)

LEGEND for Figure 3a

SEDIMENTARY AND VOLCANIC ROCKS
(after Grove, 1986)

QUATERNARY

RECENT

CENOZOIC

20 — UNCONSOLIDATED DEPOSITS; RIVER FLOODPLAIN, ESTUARINE, RIVER CHANNEL AND TERRACES, ALLUVIAL FANS, DELTAS AND BEACHES, OUTWASH, GLACIAL LAKE SEDIMENTS, TILL, PEAT, LANDSLIDES, VOLCANIC ASH, HOTSPRING DEPOSITS

19 — BASALT FLOWS (a), CINDERS, ASH (b)

PLEISTOCENE AND RECENT

18 — BASALT FLOWS

JURASSIC

HAZELTON GROUP

UPPER JURASSIC

NASS FORMATION

17 — SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, ARGILLITE, CONGLOMERATE, MINOR LIMESTONE, MINOR COAL (INCLUDING EQUIVALENT SHALE, PHYLLITE, AND SCHIST)

MIDDLE JURASSIC

SALMON RIVER FORMATION

16 — SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, MINOR LIMESTONE, ARGILLITE, CONLOMERATE, LITTORAL DEPOSITS

15 — RHYOLITE, RHYOLITE BRECCIA, CRYSTAL AND LITHIC TUFF

BETTY CREEK FORMATION

MESOZOIC

14 — PILLOW LAVA, BROKEN PILLOW BRECCIA (a), ANDESITIC AND BASALTIC FLOWS (b)

13 — GREEN, RED, PURPLE, AND BLACK VOLCANIC BRECCIA, CONLOMGERATE, SANDSTONE, AND SILTSTONE (a); CRYSTAL AND LITHIC TUFF (b), SILTSTONE (c); MINOR CHERT AND LIMESTONE [INCLUDES SOME LAVA (+14)] (d)

LOWER JURASSIC

UNUK RIVER FORMATION

GREEN, RED, AND PURPLE VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE, AND SILTSTONE (a); CRYSTAL AND LITHIC TUFF (b); SANDSTONE (c); CONGLOMERATE (d); LIMESTONE (e); CHERT (f); MINOR COAL (g)

11 — PILLOW LAVA (a); VOLCANIC FLOWS (b)

TRIASSIC

UPPER TRIASSIC

TAKLA GROUP (?)

10 — SILTSTONE, SANDSTONE, CONGLOMERATE (a); VOLCANIC SILTSTONE, SANDSTONE, CONLOMGERATE (b); AND SOME BRECCIA (c); CRYSTAL AND LITHIC TUFF (d); LIMESTONE (e)

PLUTONIC ROCKS

OLIGOCENE AND YOUNGER

CENOZOIC

DYKES AND SILLS (SWARMS), DIORITE (a); QUARTZ DIORITE (b); GRANODIORITE (c); BASALT (d)

EOCENE (STOCKS, ETC.) AND OLDER

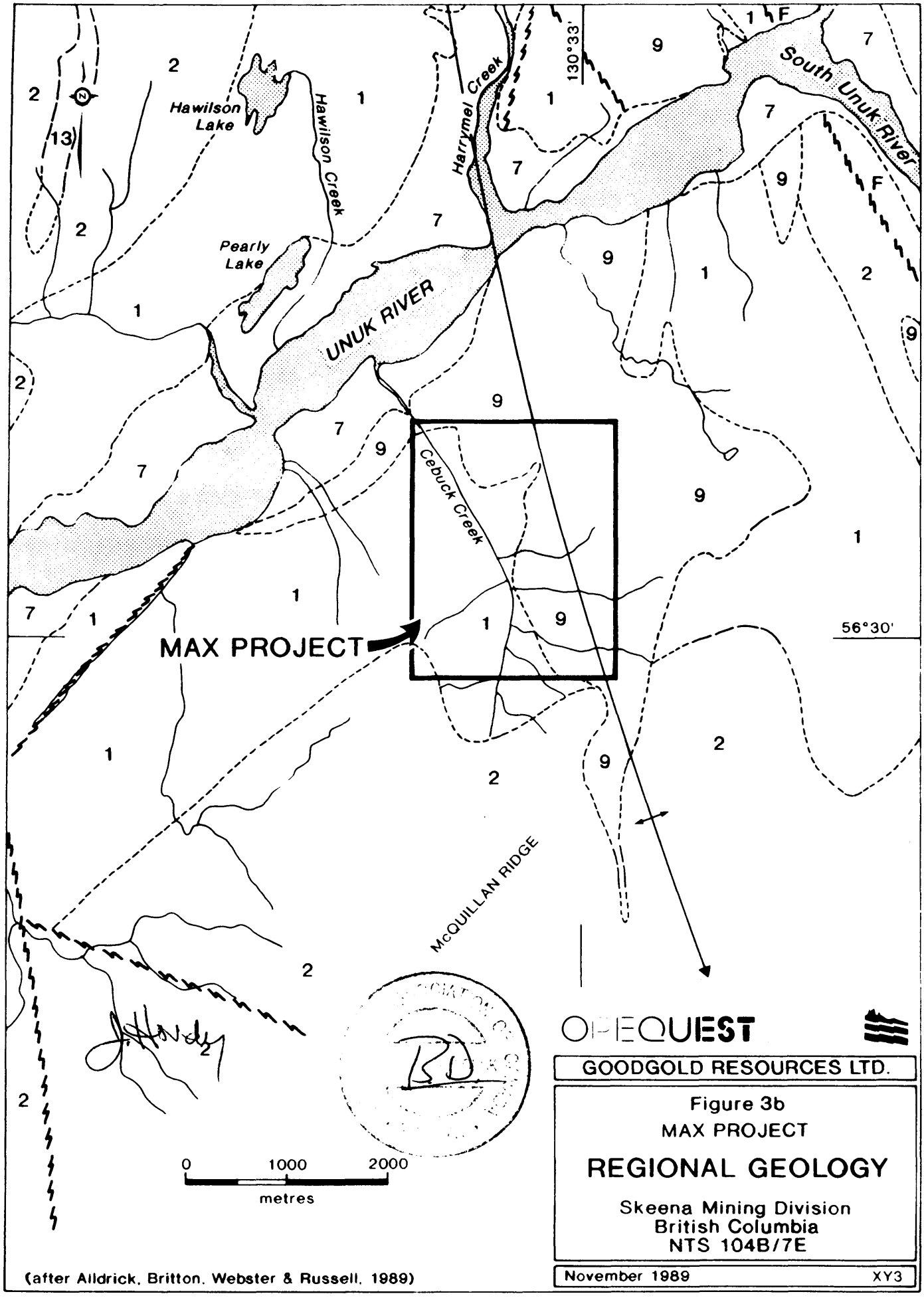
8 — QUARTZ DIORITE (a); GRANODIORITE (b); MONZONITE (c); QUARTZ MONZONITE (d); AUGITE DIORITE (e); FELDSPAR PORPHYRY (f)

7 — COAST PLUTONIC COMPLEX: GRANODIORITE (a); QUARTZ DIORITE (b); QUARTZ MONZONITE, SOME GRANITE (c); MIGMATITE – AGMATITE (d)

appears in Figure 3a, where the reader will note that the property appears to straddle a contact between Salmon River Formation sediments to the west and Betty Creek Formation volcanics to the east (both Middle Jurassic). Reference will be made later in this report to work specific to the property in the late 1970s, as well as more recent work, which suggests that the majority of the claim area is underlain by units dominated by volcanic members, ie: Unuk River (Lower Jurassic) and/or Betty Creek Formations.

The Max Project also lies within the Stewart Complex however the region from Stewart north, which encompasses the project area, has been remapped regionally in greater detail. A portion of this mapping (from Alldrick, Britton, Webster and Russell, 1989) appears as Figure 3b. One result of the recent work is a still evolving nomenclature of units and age categorization. Grove included rocks from Lower Jurassic to Upper Jurassic in the Hazelton Group (Unuk River, Betty Creek, Salmon River and Nass Formations) and referred to upper Triassic rocks as the Takla Group. Alldrick (1989) now refers to the upper Triassic rocks as Stuhini Group and limits the Hazelton Group to Unuk River, Betty Creek and the newly designated Mt. Dilworth Formations (all Lower Jurassic). The sedimentary Salmon River Formation is tentatively assigned to the Spatzizi Group (Lower to Middle Jurassic) and overlying sediments are designated Ashman Formation of the Bowser Group (Middle Jurassic). The term Nass Formation does not appear.

The Unuk River Formation consists predominantly of volcanic rocks and sediments which include lithic tuffs, pillow lavas and carbonate lenses, and some thin bedded siltstones. It forms an angular unconformity with the underlying Upper Triassic units. Betty Creek Formation rocks are characterized by bright red and green



(after Alldrick, Britton, Webster & Russell, 1989)

OPEQUEST

GOODGOLD RESOURCES LTD.

Figure 3b

MAX PROJECT

REGIONAL GEOLOGY

Skeena Mining Division
British Columbia
NTS 104B/7E

November 1989 XY3

LEGEND for Figure 3b

INTRUSIVE ROCKS

TERTIARY
13 HAWILSON MONZONITE (POST-TECTONIC DYKE)

JURASSIC
9 UNUK RIVER DIORITE SUITE (MAX DIORITE-HORNBLENDE DIORITE; QUARTZ DIORITE)

VOLCANIC AND SEDIMENTARY ROCKS

RECENT
7 UNCONSOLIDATED SEDIMENTS

UPPER TRIASSIC TO LOWER JURASSIC HAZELTON GROUP
2 ANDESITE SEQUENCE (UNUK RIVER FORMATION)

UPPER TRIASSIC STUHINI GROUP
1 LOWER VOLCANOSEDIMENTARY SEQUENCE

METAMORPHIC ROCKS

F METAMORPHIC EQUIVALENTS OF UNITS 1,2 AND 3

SYMBOLS

——---GEOLOGICAL CONTACT (APPROXIMATE, ASSUMED)

REGIONAL ANTICLINE

FAULT (ASSUMED)

volcaniclastic agglomerates, with sporadic intercalated andesitic flows, pillow lavas, chert, and some carbonate lenses. These unconformably overlie the Unuk River Formation. The Mt. Dilworth Formation consists of dioritic to rhyolitic lapilli to ash tuffs and flows with argillaceous sediments. The Salmon River Formation is a thick assemblage of intensely folded colour banded siltstones and lithic wackes that form a conformable to disconformable contact with the underlying Betty Creek or Mt. Dilworth Formation. Weakly deformed dark coloured argillites and wackes with lesser intraformational conglomerates of the Ashman Formation unconformably overly the Salmon River Formation.

These volcanic and sedimentary successions were intruded by the Coast Plutonic Complex during the Cretaceous and Tertiary periods. A wide variety of intrusive phases are present including granodiorite, quartz monzonite, and diorite. Small satellite plugs from the larger batholiths can be important for localizing mineralization.

Major structural features of the Stewart Complex include the western boundary contact with the Coast Plutonic Complex. The northern boundary is at the Iskut River where extensive deformation has thrust Palaeozoic strata south across Middle Jurassic and older units. Younger faulting has also occurred around the Iskut. A line of Quaternary volcanic flows marks the southern limit of the complex and the Meziadin Hinge defines the eastern border.

Grove (1986) classifies the mineralization in the Stewart-Iskut area into three categories: fissure veins and replacement veins, massive sulphide deposits and

porphyry deposits. Recent exploration and development activity has focused on the first type, in the northern part of the Stewart Complex - the Iskut-Sulphurets area.

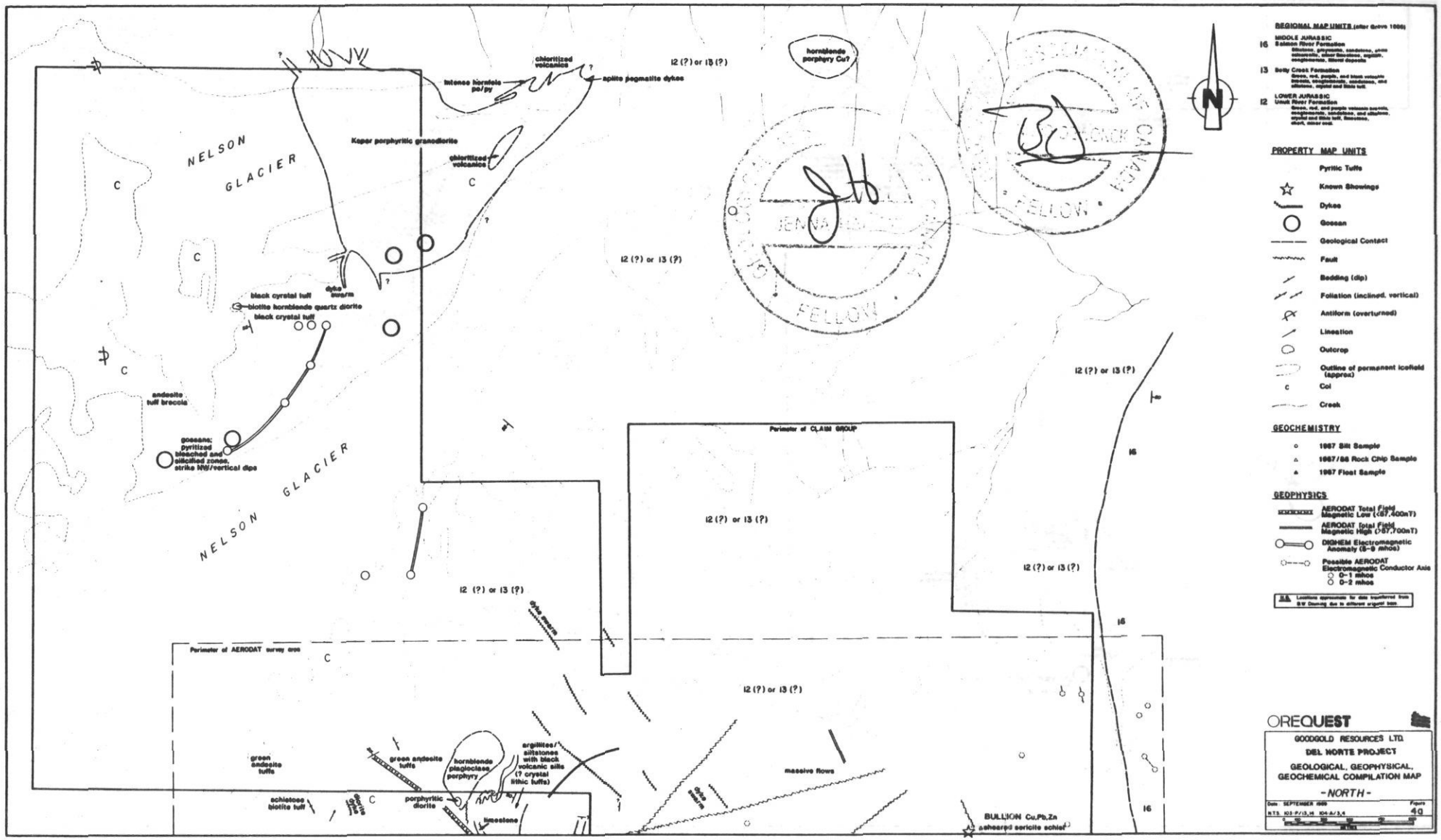
DEL NORTE PROJECT - EXPLORATION HISTORY AND SUMMARY OF RESULTS

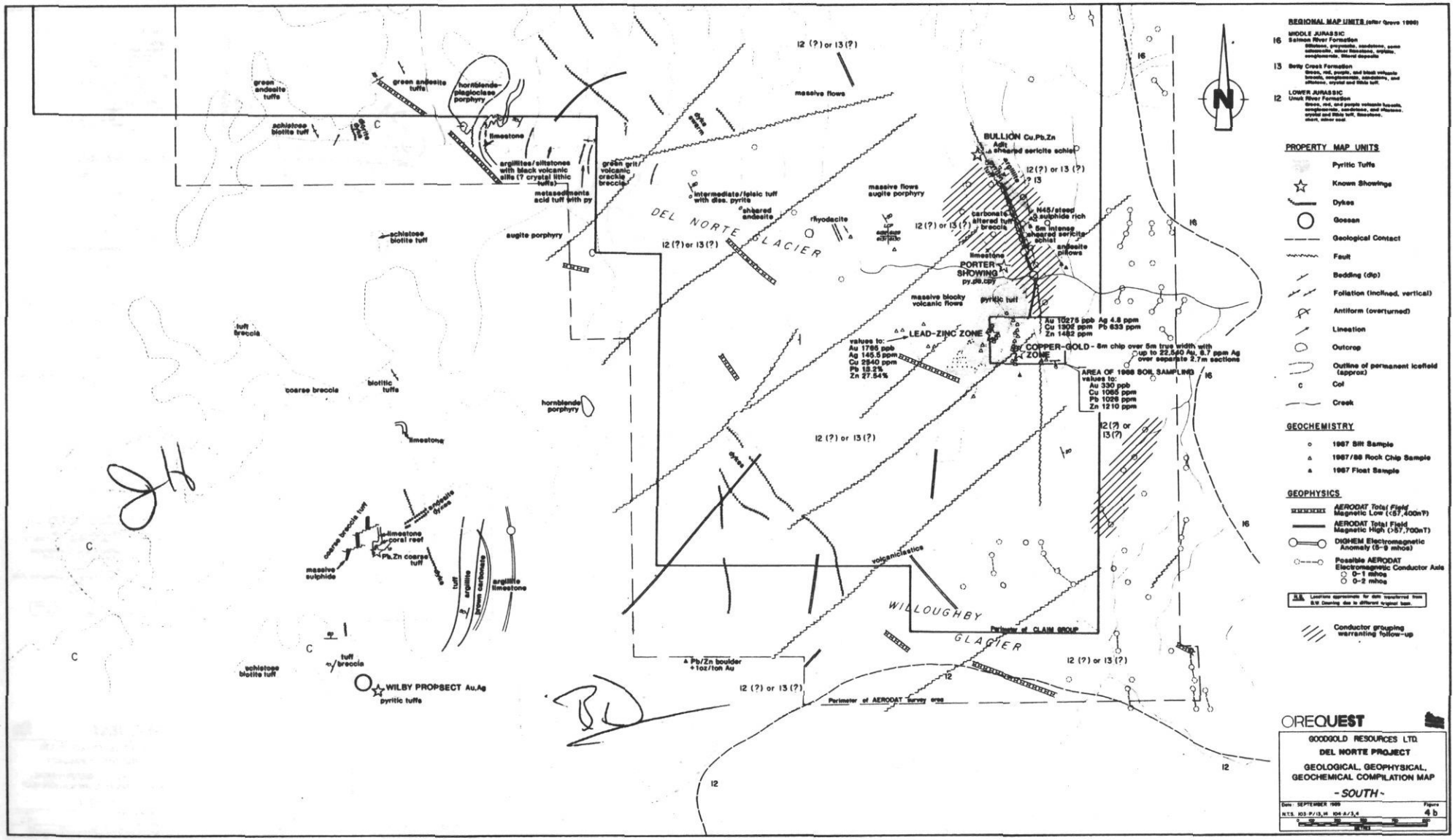
The area was originally staked as the "Bullion" claim sometime prior to 1913, probably following small-scale placer mining on Nelson, Del Norte and Willoughby Creeks. Between this initial staking and 1922, when the property was restaked as the Del Norte Group, a small adit was driven. This tested a zone of quartz veining along the contact between what was described as Bowser sediments and Hazelton volcaniclastics. In 1939 a series of fifteen open cuts was completed. Sample results indicated erratic low grade gold mineralization associated with copper and lesser zinc values.

In the 1960's, helicopter supported programs explored for porphyry copper-type targets. Subsequently in the late 1970's and early 1980's exploration with a focus on precious metals was carried out over the area. While massive sulphide boulders containing pyrite-pyrrhotite-sphalerite and occasional galena were found in Del Norte Creek, no source was located for the boulders (Downing, 1983).

Figures 4a and 4b provide a compilation of regional geologic data, previous ground exploration, and Aerodat airborne geophysical results; as the information is derived from several different base maps, positions are approximate and may be a compromise between slightly differing locations.

The earliest work recorded on the property involved a Dighem airborne survey (Downing, 1983). Results show several NNW to NNE trending electromagnetic


NELSON GLACIER
NELSON GLACIER
chloritized volcanics
intense hornfels pol/py
hornblende porphyry Cu?
12 (?) or 13 (?)
splite pegmatite dykes
Kaper porphyritic granodiorite
chloritized volcanics
dyke swarm
black crystal tuff
biotite hornblende quartz diorite
black crystal tuff
andesite tuff breccia
gossans; pyritized bleached and silicified zones, strike N60/vertical dips
Perimeter of CLAIM GROUP
Perimeter of AERODAT survey area
dyke swarm
green andesite tuffs
green andesite tuffs
hornblende plagioclase porphyry
argillites/ siltstones with black volcanic sills (? crystal lithic tuffs)
massive flows
schistose biotite tuff
porphyritic diorite
limestone
dyke swarm
BULLION Cu,Pb,Zn
sheared sericite schist
N
REGIONAL MAP UNITS (after Grove 1986)
16 MIDDLE JURASSIC Salmon River Formation
13 Betty Creek Formation
12 LOWER JURASSIC Unuk River Formation
PROPERTY MAP UNITS
Pyritic Tuffs
Known Showings
Dykes
Gossan
Geological Contact
Fault
Bedding (dip)
Foliation (inclined, vertical)
Antiform (overturned)
Lineation
Outcrop
Outline of permanent icefield (approx)
Col
Creek
GEOCHEMISTRY
1987 Silt Sample
1987/88 Rock Chip Sample
1987 Float Sample
GEOPHYSICS
AERODAT Total Field Magnetic Low (<57,400nT)
AERODAT Total Field Magnetic High (>57,700nT)
DIGHEM Electromagnetic Anomaly (8-9 mhos)
Possible AERODAT Electromagnetic Conductor Axis
0-1 mhos
0-2 mhos
OREQUEST
GOODGOLD RESOURCES LTD.
DEL NORTE PROJECT
GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL COMPILATION MAP
-NORTH-
Date SEPTEMBER 1989
Figure 4a
NTS 103-P/13,14 104-A/3,4


DEL NORTE GLACIER
WILLOUGHBY GLACIER
BULLION Cu,Pb,Zn Adit
PORTER SHOWING py,po,cpy
LEAD-ZINC ZONE
COPPER-GOLD ZONE
WILBY PROPSECT Au,Ag
Perimeter of CLAIM GROUP
Perimeter of AERODAT survey area
N
REGIONAL MAP UNITS (after Greve 1990)
MIDDLE JURASSIC
16 Salmon River Formation
LOWER JURASSIC
12 Unuk River Formation
PROPERTY MAP UNITS
Pyritic Tuffs
Known Showings
Dykes
Gossan
Geological Contact
Fault
Bedding (dip)
Foliation (inclined, vertical)
Antiform (overturned)
Lineation
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Outline of permanent icefield (approx)
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AERODAT Total Field Magnetic Low (<57,400nT)
AERODAT Total Field Magnetic High (>57,700nT)
DIGHEM Electromagnetic Anomaly (5-9 mhos)
Possible AERODAT Electromagnetic Conductor Axis
0-1 mhos
0-2 mhos
Conductor grouping warranting follow-up
OREQUEST
GOODGOLD RESOURCES LTD.
DEL NORTE PROJECT
GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL COMPILATION MAP
- SOUTH -
Date: SEPTEMBER 1989
Figure 4 b
N.T.S. 103-P/15,16 104-A/3,4

conductors of 5-9 mhos magnitude, as well as discrete spot highs of the same magnitude. The most northerly of these (Figure 4a) corresponds broadly to an area of gossanous, pyritized, bleached and silicified zones within sediments and fine volcanics, and may relate to formational contacts. On the south sheet (Figure 4b), a well defined anomaly of the same magnitude follows the NNW trending trace of a creek. The orthophoto suggests a splay of subparallel faults within this general area.

Regional work by Downing (1983) and property mapping by Royle (1988) suggest that this creek is an area of shearing hosted in pyritic tuff. The Bullion and Porter showings are localized within the area of the splay.

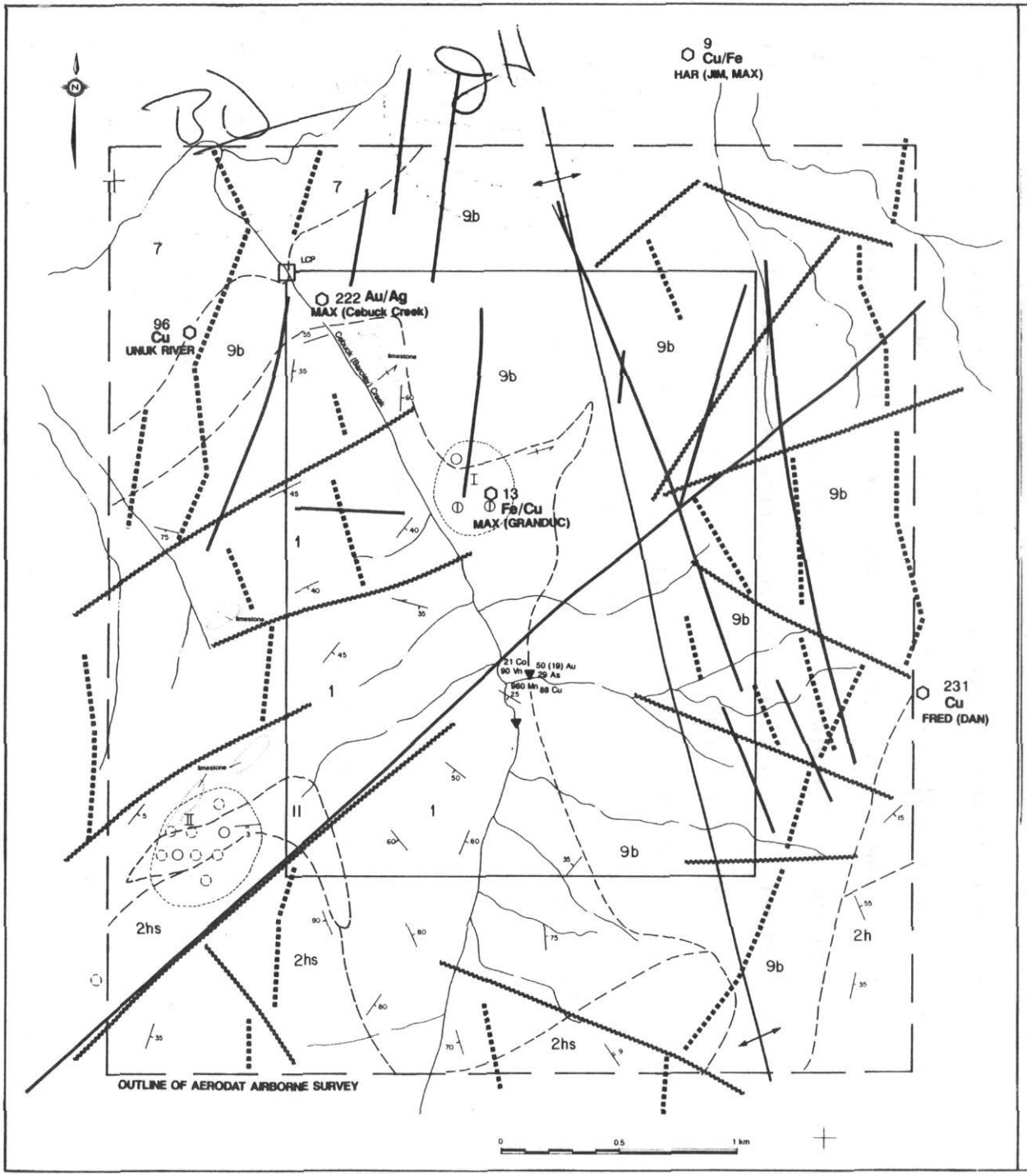
It is largely on the basis of Downing's regional work that Grove's mapping is questioned. The suggested reinterpretation is made only tentatively, however the large area mapped as Salmon River sediments (Figure 3a) is very broadly grouped into the Unuk River and/or Betty Creek Formations in Figures 4a and 4b. This was done to reflect the apparent dominantly volcanic component of rocks in the area in question.

In 1987 Teuton Resources Corp. acquired the Croesus claims and carried out a program of rock and silt sampling (Cremonese, 1988). Best rock chip results of 19,300 ppb gold and 9.3 ppm silver were obtained in a grab sample from a 1.5 m quartz-sulphide pod (roughly 30 m long) lying in a prominent gossan; locally very high copper (to 13,134 ppm) and zinc (to 24,224 ppm) values were also obtained. A north-south to northwest-southeast trending creek apparently draining pyritic

tuffs hosting the Bullion showing provided moderate to highly anomalous gold, silver, copper, lead and zinc (Figure 4c).

These results warranted detailed follow-up; a program of geological mapping, soil and rock chip sampling, and prospecting was completed, and the Bond Claims were subsequently staked. In 1988, as described in Royle (1988), chip sampling of a pyritized tuff on the north side of Del Norte Creek returned 8.1% copper over a 14.8 ft width. One of the samples also assayed 0.60 oz/ton gold over a 4.9 ft width. In addition, two new zones of base and precious metals mineralization were discovered south of Del Norte Creek. The Lead-Zinc Zone consists of pervasive mineralization in a pyritic tuff exposed over an area of 70 ft by 170 ft. One grab sample of the mineralization returned assays of up to 13.2% lead, 27.54% zinc, 4.03 oz/ton silver and 0.050 oz/ton gold; a second sample assayed 1.9% lead, >10% zinc, 1.58 oz/ton silver and 0.052 oz/ton gold. The Copper-Gold Zone lies approximately 330 ft to the east. Chip sampling across a 26.6 ft width of the zone averaged 8.7% copper. One of the samples also ran 0.658 oz/ton gold across 8.9 ft. This zone has a true width of about 16 ft and has been traced approximately 70 ft along strike. Rock chip sample results are summarized in Figure 4b and 4c. Limited soil sampling returned values up to 1085 ppm copper, 1026 ppm lead, 1210 ppm zinc and up to 330 ppb gold.

In early 1989 Goodgold commissioned Aerodat Limited to carry out a Phase I airborne geophysical survey over the Del Norte claims, as part of a survey including other properties in the area. As summarized in the assessment report by Mallo and Dvorak (1989), the objective of the survey was to define areas of possible precious metal anomalies reflected by magnetic, electromagnetic and VLF-EM surveys. The



LEGEND

JURASSIC

11 — NICKEL MOUNTAIN GABBRO: melanocratic olivine pyroxene gabbro

RECENT

7 — Unconsolidated sediments

JURASSIC

9b — UNUK RIVER DIORITE: Max biotite hornblende diorite; quartz diorite

UPPER TRIASSIC to LOWER JURASSIC

2ah — UNUK RIVER FORMATION: grey and green, hornblende ± pyroxene feldspar porphyritic andesitic lapilli and ash tuff, grey, brown and green, thinly bedded, tuffaceous siltstone and fine-grained wacke

2hs — UNUK RIVER FORMATION: grey and green plagioclase ± hornblende ± pyroxene porphyritic andesite; massive to poorly bedded lapilli and ash tuff

UPPER TRIASSIC

1 — LOWER VOLCANOSEDIMENTARY SEQUENCE: brown, black and grey, mixed sediments interbedded with medium to dark green, mafic to intermediate volcanic and volcaniclastic rocks

1w — brown and grey, fine grained tuffaceous wacke; minor siltstone, conglomerate

Airborne Geophysics:

- proposed fault (geophysics)
- dyke like Mag high
- conductive zone
- EM anomaly conductivity thickness 0 1 mhos; 1 2 mhos; 2 4 mhos
- airphoto lineaments
- inferred contact
- outcrop
- anticline
- stream sediment sample
- Minfile Occurrence

(geology after Aldrick, Britton, Webster and Russell, 1989)

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Figure 5

MAX PROJECT

GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL COMPILATION MAP

Skeena Mining Division
British Columbia
NTS 103P/13,14 104A/3,4

November 1989

results were to provide a data base for a surface exploration program to be carried out at a later date. Nominal line spacing was 100 m and the flight direction was east-west.

The axes of total field magnetic highs and lows are shown in Figures 4a and 4b. High magnetic values occur within an approximately 4000 m wide zone of northwest orientation. The eastern boundary of the zone is relatively well established, but its western extent is unclear, partly because of poorer lateral coverage, or because the magnetic surface occurs at greater depth. The eastern extent of this zone is interpreted to define the extent of volcanic flows whereas the low magnetic field recorded in the northeast corner of the area may reflect non-magnetic sediments. Internally, the zone contains a number of relatively narrow north-south to northwest trending anomalies which appear to be arranged in a zig-zag manner, as if the emplacement of magnetite rich flows(?) was controlled by, or occurred contemporaneously with, lateral movement along generally northeast-southwest oriented trends. The significance of the northwest trending magnetic lows is not understood.

Numerous breaks, offsets, and terminations of the total field and vertical gradient contour patterns are interpreted to reflect "breaks" or faults. Their preferred orientation is in the northeast direction. These structures can be easily recognized within the central, magnetically active zone but cannot be extended beyond its eastern boundary; the importance of this observation is not clear at this time. More insight could be gained by further processing and anomaly enhancement, such as second vertical derivative, apparent susceptibility mapping, or shadow mapping by means of the RTI system (Real Time Imaging). Such detailed

structural analysis could improve the present structural knowledge and might be useful in defining potential exploration target areas.

Secondary magnetic anomalies occur over the Eskay Creek property of Calpine Resources Ltd. / Consolidated Stikine where they may be related to, or indirectly used as a guide to locating the gold mineralization, which appears to follow the eastern flank of a moderately strong magnetic trend. The best areas of mineralization appear to be confined to areas of intersection of the magnetic trend with several breaks or lineaments.

Flying in rugged terrain, such as the Del Norte Creek survey area, frequently results in severe changes in the flying altitude, which in turn, results in extreme variations of the electromagnetic responses affecting the resistivity calculation. Consequently, the apparent resistivity map may provide information which is incomplete or distorted in detail but generally correct.

Overall the geologic environment in the survey area is highly resistive. Lower resistivity values were obtained in the eastern part of the survey block, east of the central magnetic zone. Topographically, this part of the block is no different than other parts of the area which would suggest that lower resistivities reflect geology rather than being a consequence of, for example, conductive sediments in the valleys. The low and intermediate resistivity values mostly occur in the form of narrow or elongated zones paralleling the contact of the central magnetic zone. All conductive zones are associated with magnetic anomalies and are typically confined to the flanks of the magnetic activity. Also, practically all the electromagnetic anomalies detected in the survey area are confined to the same

zones. Comparison of the conductivity/resistivity contours with the structural features inferred from the magnetic data along the eastern boundary of the central magnetic zone provides general support for the magnetic interpretation.

Most of the VLF-EM anomalies in the Del Norte area are of low amplitude, directed toward the VLF transmitter. Little correlation is apparent between the present VLF-EM data and other geophysical parameters. There are very vague indications of a general (regional?) northwest-southeast oriented trend, more or less coincident with the orientation of the central magnetic zone. However, complete evaluation of the VLF-EM features requires detailed analysis.

Possible Aerodat electromagnetic conductor axes are shown in Figures 4a and 4b. Axes were assigned based on the similarity of EM response on adjacent lines and took into account the general magnetic trends. Severe changes in flying altitude also mean that the picture of electromagnetic response may be incomplete. For example in areas of excessive flying height, anomalous areas might be missed. Six conductor groups were identified (Mallo and Dvorak, 1989).

Despite the above-mentioned limitations, some anomalies along the southeast border of the Croesus 2 (shown shaded in Figure 4b) warrant follow-up. The anomalies of variable definition and quality define bedrock and possible bedrock conductors associated with a conductive horizon which extends across topography and generally lies immediately outside the central magnetic zone.

A second group of conductors straddling the Croesus 1 and Croesus 2 claim boundaries (see shaded area in Figure 4b), also is worthy of follow-up. These

generally poorly defined conductors of mostly possible bedrock origin have produced an attractive low resistivity zone which coincides with a gully. The main conductor of the group parallels a secondary magnetic horizon associated with, or located near, a proposed contact of the broad central magnetic zone.

MAX PROJECT - EXPLORATION HISTORY AND SUMMARY OF RESULTS

Figure 5 provides a geological, geophysical and geochemical compilation of information available on the Maxwell Smart Claim.

Initial work was carried out in the area in 1960 by Granduc Mines Ltd. (Norman, 1960 a, b), and consisted of preliminary magnetometer surveys, geological mapping and prospecting over portions of the property as follow-up on 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 0.75% copper.

In 1968 a more regional airborne survey was carried out by Granduc (Klein & Crosby, 1968) which included mapping the distribution of subsurface conductors in the area of the Max property. Results were inconclusive.

A program of mapping, linecutting and detailed ground (and more sophisticated) magnetometer work in 1975 confirmed results of earlier work and expanded previous coverage. The Max deposit was shown to occur at what is interpreted as the contact of Jurassic Unuk River Diorite (Max intrusion) with Upper Triassic to Lower Jurassic

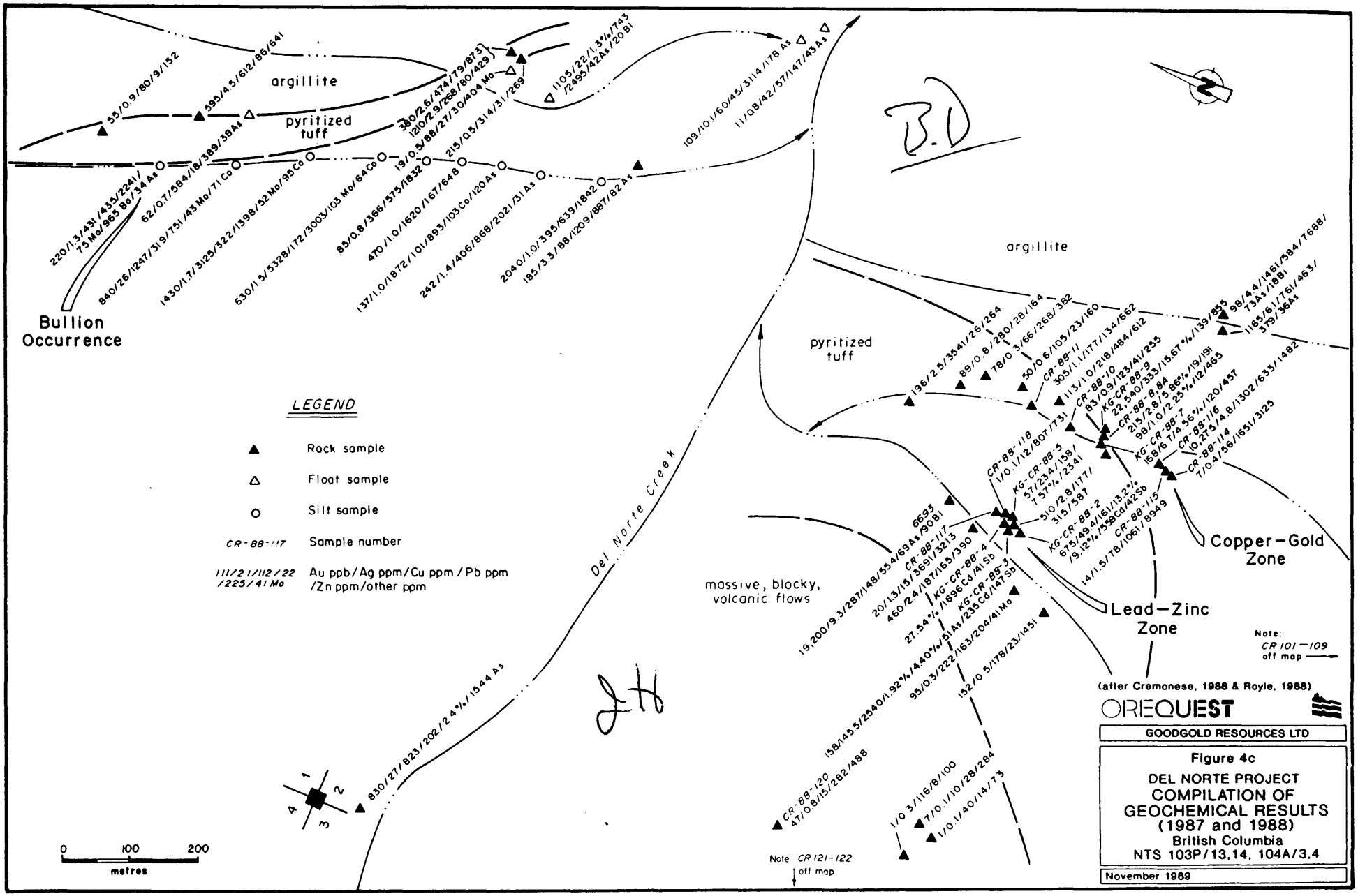
argillite
pyritized tuff
Bullion Occurrence
55/0.9/80/9/152
595/4.5/612/86/641
220/1.3/431/435/2241/75 Mo/965 Bi/34 As
840/26/1247/319/751/43 Mo/71 Co
62/0.7/584/18/389/38 As
1430/1.7/3125/322/1398/52 Mo/95 Co
630/1.5/5328/172/3003/103 Mo/64 Co
380/2.6/474/79/873
1210/2.9/268/80/429
85/0.8/366/575/1832
19/0.5/88/27/30/404 Mo
1105/22/1.3%/743
/2495/42 As/20 Bi
215/05/314/31/269
470/1.0/1620/167/648
137/1.0/1872/101/893/103 Co/120 As
109/10.1/60/45/3114/178 As
11/08/42/57/147/43 As
242/1.4/406/868/2021/31 As
204.0/10/395/639/1842
185/3.3/88/1209/887/82 As
LEGEND
Rock sample
Float sample
Silt sample
CR-88-117 Sample number
111/2.1/112/22/225/41 Mo Au ppb/Ag ppm/Cu ppm/Pb ppm/Zn ppm/other ppm
Del Norte Creek
massive, blocky, volcanic flows
argillite
pyritized tuff
196/2.5/3541/26/264
89/0.8/280/28/164
78/0 3/66/268/382
50/0.6/105/23/160
CR-88-11
305/1.1/177/134/662
11 3/1.0/218/484/612
CR-88-10
83/0.9/123/41/255
KG-CR-88-9
22.5/40/333/15.67%/139/855
CR-88-8.8A
215/2.8/5.86%/19/191
98/1.0/2.23%/12/463
KG-CR-88-7
168/6.7/4.56%/120/457
CR-88-116
10.2/75/4.8/1302/633/1482
CR-88-114
7/0.4/56/1651/3125
98/4.4/1461/584/7688/73 As/188i
1163/61/761/463/379/36 As
CR-88-118
1/0.1/12/807/731
KG-CR-88-5
57/23.4/158/7.57%/2341
510/2.8/1771/315/587
KG-CR-88-2
675/49.4/161/13.2%/42 Sb
/9.12%/558 Cd/42 Sb
CR-88-115
14/1.5/78/1081/8949
6693
19,200/9.3/287/148/554/69 As/9081
CR-88-117
20/1.3/15/359/1327/3213
460/24.4/187/165/390
KG-CR-88-4
27.54%/1696 Cd/41 Sb
KG-CR-88-3
158/145.5/2540/1.92%/440%/51 As/235 Cd/147 Sb
95/0.3/222/163/204/41 Mo
152/0 5/178/23/1451
Copper-Gold Zone
Lead-Zinc Zone
Note: CR 101-109 off map
830/27/823/202/2.4%/1544 As
CR-88-120
47/0.8/15/282/488
1/0.3/116/8/100
7/0.1/10/28/284
1/0.1/40/14/73
Note CR 121-122 off map
0 100 200
metres
(after Cremonese, 1988 & Royle, 1988)
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Figure 4c
DEL NORTE PROJECT
COMPILATION OF GEOCHEMICAL RESULTS (1987 and 1988)
British Columbia
NTS 103P/13,14, 104A/3.4
November 1989

Unuk River Formation and the Upper Triassic Lower Volcanosedimentary Sequence. Typical contact metamorphic alteration is present in the country rocks, consisting of actinolite, diopside, epidote and garnet (Ostensoe, 1975). No previously undetected mineralized outcrops were noted, but disseminated pyrite and/or pyrrhotite were described as common in the rocks adjacent to the Barclay Creek Fault.

In 1977, magnetometer surveys were extended to cover the western and northern portions of the property and more detailed mapping was completed (Ostensoe, 1978). A small hand trenching program in an area of iron-staining and disseminated pyrite just north of the present Max boundary provided values of 0.042 oz/ton gold and 0.30 oz/ton silver.

In 1987, two silt samples were collected from the property during the BCMEMPR/GSC regional stream sediment sampling program. The more northerly sample yielded 90th percentile anomalous values of: 50 ppb gold (19 ppb on re-analysis), 29 ppm arsenic, 88 ppm copper, 960 ppm manganese, 21 ppm cobalt and 90 ppm vanadium, from a stream draining into Barclay Creek.

In early 1989 Goodgold commissioned Aerodat Limited to carry out a Phase I airborne geophysical survey over the Max claim, as part of a survey including other properties in the Eskay Creek area. As summarized in the assessment report by Mallo (1989), 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. Nominal line spacing was 100 m and the flight direction was west-east.

Figure 5 shows numerous dyke-like magnetic highs oriented north-south to slightly NNE and NNW. Overall, magnetic contour patterns are complex, and appear to reflect more or less magnetic phases of the Max intrusive, and Unuk River volcanics. Analysis of the contour patterns shows numerous north-northeast to north-northwest trending offsets, terminations and breaks. The most visible air photo lineaments are also indicated, generally with north-northeast to north-northwest orientations.

Apparent resistivities within the Max property area are generally very high except for two areas of low resistivity coincident with the conductive zones labelled I and II. Area I measures about 250 m x 400 m in extent and is interpreted as being caused by a conductive rock unit; it is immediately adjacent to an irregularly shaped broad based magnetic high believed to reflect the presence of a lobe of the Max intrusive.

Area II, of similar character, occurs immediately west of the southwest corner of the Max claim. It is associated with a weak magnetic gradient anomaly and confined between two northeast-southwesterly oriented faults.

Almost all anomalies within the property area are weak, except for two higher amplitude anomalies associated with Area I. No obvious, well defined breaks of VLF-EM patterns are apparent which would suggest the presence of structural features (such as faults or contacts). However, many poorly defined breaks, interruptions,

and offsets of these patterns correlate closely with similar breaks inferred from the magnetics. This can be considered to confirm interpretation of the magnetic and resistivity features as structures.

Most of the electromagnetic anomalies are confined to the two low resistivity zones described previously. Group I correlates with the central conductive zone which is adjacent to an irregularly shaped magnetic anomaly possibly reflecting an intrusive. Although the EM anomalies are not well defined, they are believed to reflect bedrock conductors. They constitute an attractive target which should be investigated by ground follow-up.

While Group II conductors lie outside the claim block, they are better defined than Group I conductors. They lie within an attractive low resistivity zone which occurs on the flank of a weak magnetic anomaly. Ground follow is warranted especially to the east of the area within the Max claim block. While the conductors are weak, and poorly defined they are interpreted as being of bedrock origin. Such weak conductors have in some instances been masked by conductive overburden (Mallo, 1989, p.6-2).

DEL NORTE PROJECT - FIELD PROGRAM

Introduction

The intention of this field program was to systematically sample and evaluate showings previously identified. Slope corrected grids were established, as terrain permitted, over the Porter Showing on the north side of Del Norte Creek where a small adit 1 m deep was discovered, and over the so-called Copper-Gold Zone on the

south side of the creek. The relative locations and orientations of these grids (North and South) appear on Figure 6.

The Porter Showing is located at approximately 900 m elevation, only 45 metres above the creek. Attempts were made to locate an adit known as the Bullion occurrence, reported to be some distance up slope from the Porter Showing, however neither the adit nor previous sample sites on the north side of Del Norte Creek were found. A few sample sites were found on the south side and tied into the grid, allowing identification of the Copper-Gold Zone area. None of the sample sites of the Lead-Zinc Zone were found and it was later learned that this "zone" is situated within a treed patch with dense undergrowth and limited exposure. Traverses in creek gorges in the immediate vicinity of the reported location failed to uncover extended traces of the zone.

The tying-in of previous sampling and of drainage features to the grid determined that to some extent distances north-south (up an down slope) on the south side were exaggerated. Two samples (CR88-8 and CR88-11) were shown previously to be 110 m apart but are actually 60 m apart. In addition a rough soil grid was indicated to cover 400 metres in a north-south direction however two of the lines appear to be 100 metres apart instead of 200 metres.

Chip sampling on the South Grid is concentrated on exposures not previously sampled. Attempts to resample outcrops central to the zone were curtailed by snow cover. A total of 100 rock chip and channel samples were collected. All were analyzed geochemically for gold and silver and selected samples were analyzed for copper and lead. Samples with >1000 ppb gold were fire assayed.

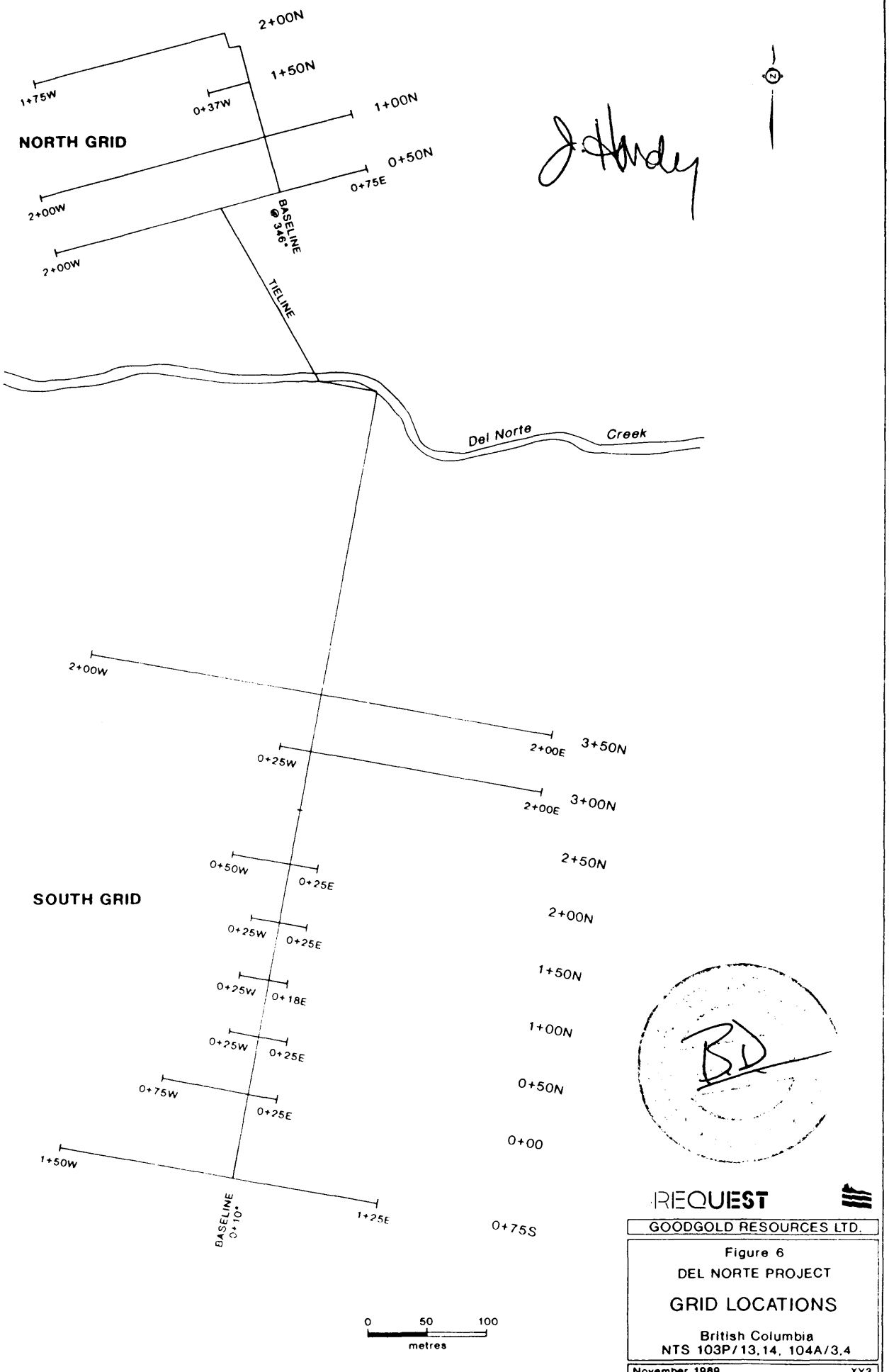

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Figure 6

DEL NORTE PROJECT

GRID LOCATIONS

British Columbia
NTS 103P/13,14, 104A/3,4

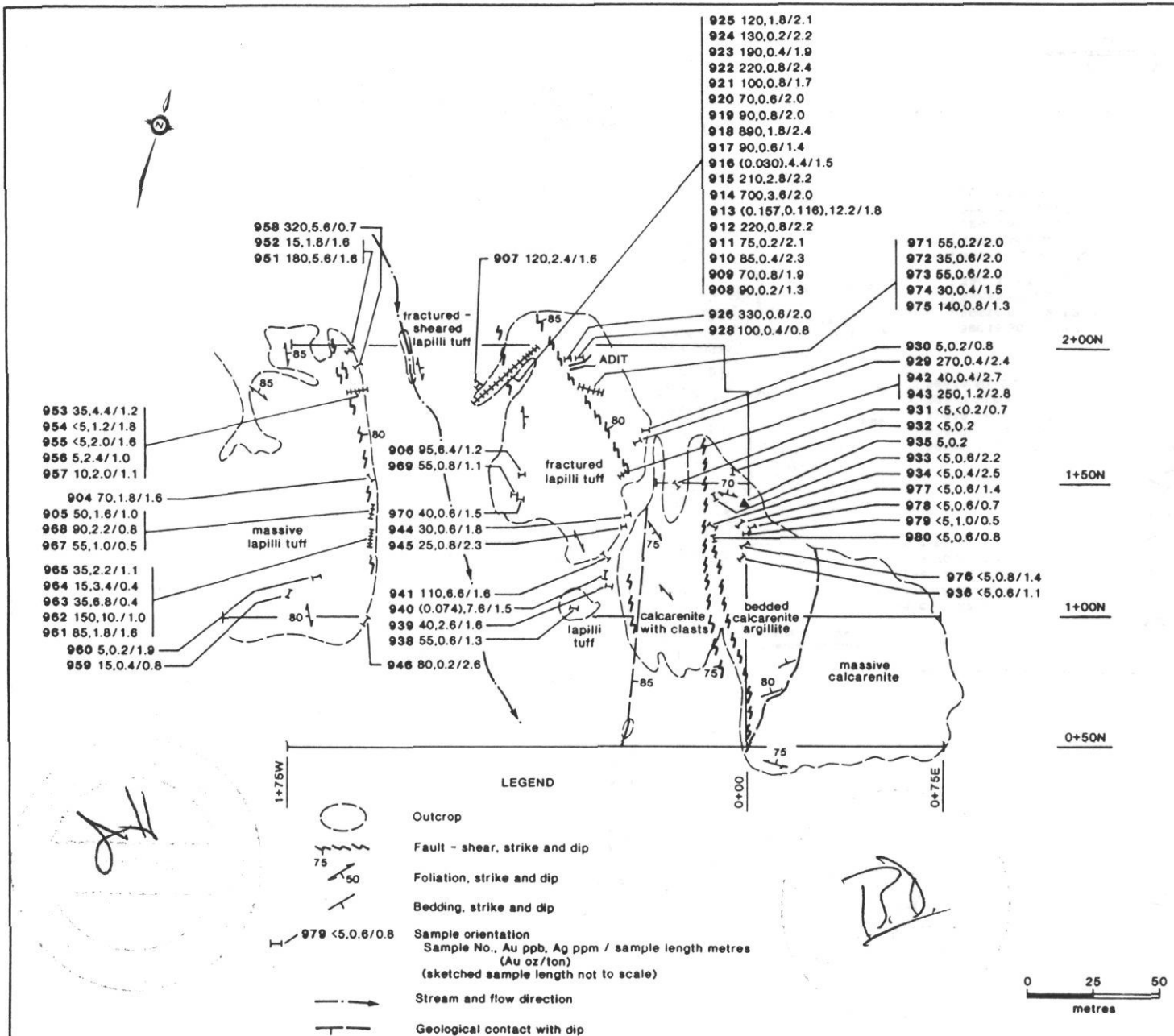
November 1989 XY3

Geology

Both the North and South Grid areas (Figures 6 and 7 respectively) comprise a northerly-trending geological contact between massive lapilli tuff on the west and more bedded argillites, calcarenites and tuffs to the east. The contact is fault controlled, with associated deformation and alteration surrounding the structures. More than one orientation of shearing was measured within the grid area, indicating a complex deformation history.

On the North Grid (Figure 7), both brittle conchoidal fractures and ductile shearing (adit area) were noted within the tuff horizon. East of the contact an argillite-calcarenite unit is intensely deformed along a shear zone at 30° to the foliation orientation within the volcanics. It is undetermined whether the differences in the angle of the shear foliation are indicative of separate structures or, irregular splays from the same event.

Alteration consists of sericite-jarosite and, more locally, quartz veining and silicification. The alteration and associated deformation tends to diminish away from schistose shear zones that host the adit. Jarosite (yellowish stain) occurs mainly within these sericite schists, while sericite development, although concentrated within the shear zones, was also observed on fracture planes throughout the sheared lapilli tuff horizon. Silicification/quartz veining within shear zones is a local feature, with associated increase in sulphide (pyrite) content. Veins within the shears tend to parallel the direction of foliation whereas veins outside shear areas are en-echelon type with irregular orientations.



(all Sample numbers prefixed by 39)

SAMPLE No.	Cu ppm	Pb ppm	Zn ppm
904	-	240	-
905	-	220	-
906	-	96	-
907	-	270	-
908	-	14	-
909	-	52	-
910	-	20	-
911	-	10	-
912	-	26	-
913	-	560	-
914	-	120	-
915	-	88	-
916	-	240	-
917	-	88	-
918	-	300	-
919	-	110	-
920	-	110	-
921	-	120	-
922	-	92	-
923	-	58	-
924	-	18	-
925	-	58	-
926	-	44	-
928	-	78	-
929	-	24	-
930	-	10	-
931	-	<2	-
932	-	<2	-
933	-	8	-
934	-	<2	-
935	-	8	-
936	-	2	-
938	-	30	-
939	-	38	-
940	-	130	-
941	-	130	360
942	-	18	19
943	-	38	180
944	-	110	1300
945	-	100	1400
946	150	92	1500
951	-	-	-
952	-	-	-
953	-	-	-
954	-	-	-
955	-	-	-
956	-	-	-
957	-	-	-
958	-	-	-
959	-	-	-
960	48	8	-
961	33	3100	-
962	110	980	-
963	92	780	-
964	130	750	-
965	43	430	-
967	18	110	-
968	30	220	-
969	300	100	-
970	440	130	-
971	-	18	-
972	-	24	-
973	-	14	-
974	-	16	-
975	-	38	-
976	-	8	-
977	-	<2	-
978	-	4	-
979	-	130	-
980	-	<2	-

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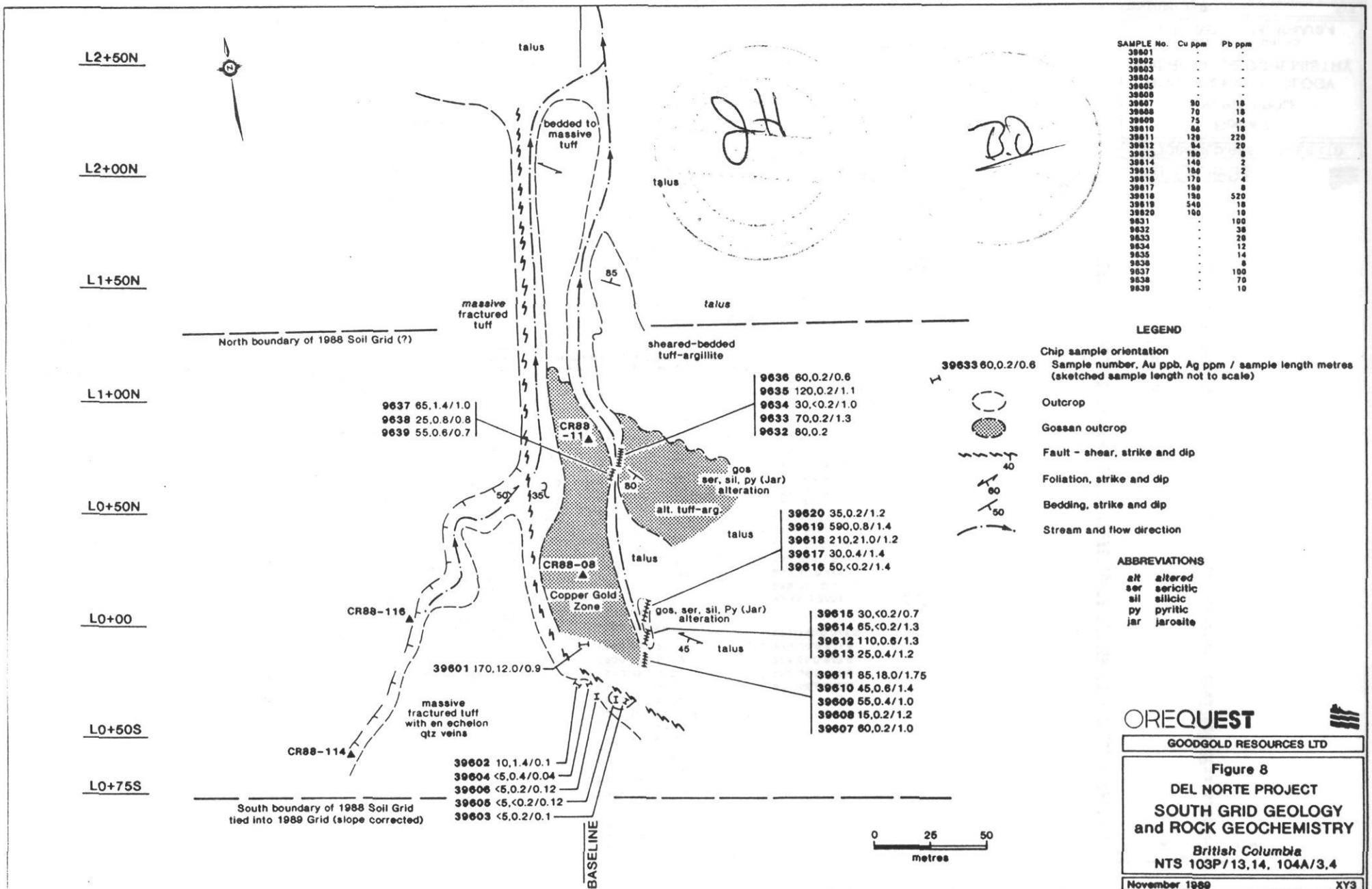
Figure 7

DEL NORTE PROJECT

NORTH GRID GEOLOGY and ROCK GEOCHEMISTRY

British Columbia
NTS 103P/13,14, 104A/3,4

November 1989 XY3



SAMPLE No.	Cu ppm	Pb ppm
39601	-	-
39602	-	-
39603	-	-
39604	-	-
39605	-	-
39606	-	-
39607	90	18
39608	70	18
39609	75	14
39610	86	18
39611	120	220
39612	94	20
39613	180	8
39614	140	2
39615	180	2
39616	170	4
39617	190	8
39618	190	520
39619	540	18
39620	100	10
9631	-	100
9632	-	38
9633	-	20
9634	-	12
9635	-	14
9636	-	8
9637	-	100
9638	-	70
9639	-	10

LEGEND

39633 60,0.2/0.6 — Chip sample orientation; Sample number, Au ppb, Ag ppm / sample length metres (sketched sample length not to scale)

- Outcrop
- Gossan outcrop
- Fault - shear, strike and dip (40)
- Foliation, strike and dip (60)
- Bedding, strike and dip (50)
- Stream and flow direction

ABBREVIATIONS

alt	*altered*
ser	sericitic
sil	silicic
py	pyritic
jar	jarosite

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Figure 8

DEL NORTE PROJECT

SOUTH GRID GEOLOGY and ROCK GEOCHEMISTRY

British Columbia

NTS 103P/13,14, 104A/3,4

November 1989 XY3

Mineralization

Pyrite is the most abundant mineral observed, up to 15% by volume in some chip samples. The high percentages occur in areas of strong shearing and silicification with pyrite forming blebs and pods within the structures. Galena, specularite, hematite and chalcopyrite-malachite were observed as fracture-foliation fillings within the sheared tuff. The polymetallic fracture-fillings were not found within areas of sericite schist but tend to be localized in moderately altered, fractured and sheared tuff.

The Porter Adit on the North Grid occurs within a sericite-quartz, schistose shear zone which was traced for approximately 60 m along strike (Figure 7). Pyrite, 3-10% by volume, was the only sulphide mineral observed within the shear and the 1 x 2 m x 1 m adit.

Significant gold assays were received from two areas within the North Grid (Figure 7). Both anomalous sample locales are situated within sheared and fractured lapilli-tuff, on the west side of the sericite schist that hosts the adit. In the first area, chip sample #39913 assayed 0.157/0.116 oz/t gold over 1.8 m and, 4.2 m to the east, chip sample #39916 assayed 0.03 oz/t gold over 1.5 m. Both samples are part of continuous sampling of a sheared and fractured outcrop that returned anomalous gold in 12 chip samples, from 90 to 890 ppb, excluding those already listed.

Rock descriptions of #39913 and #39916 indicate the predominant sulphide is pyrite (1-7%) with secondary specular hematite (2-5%) and <1-2% galena. Anomalous

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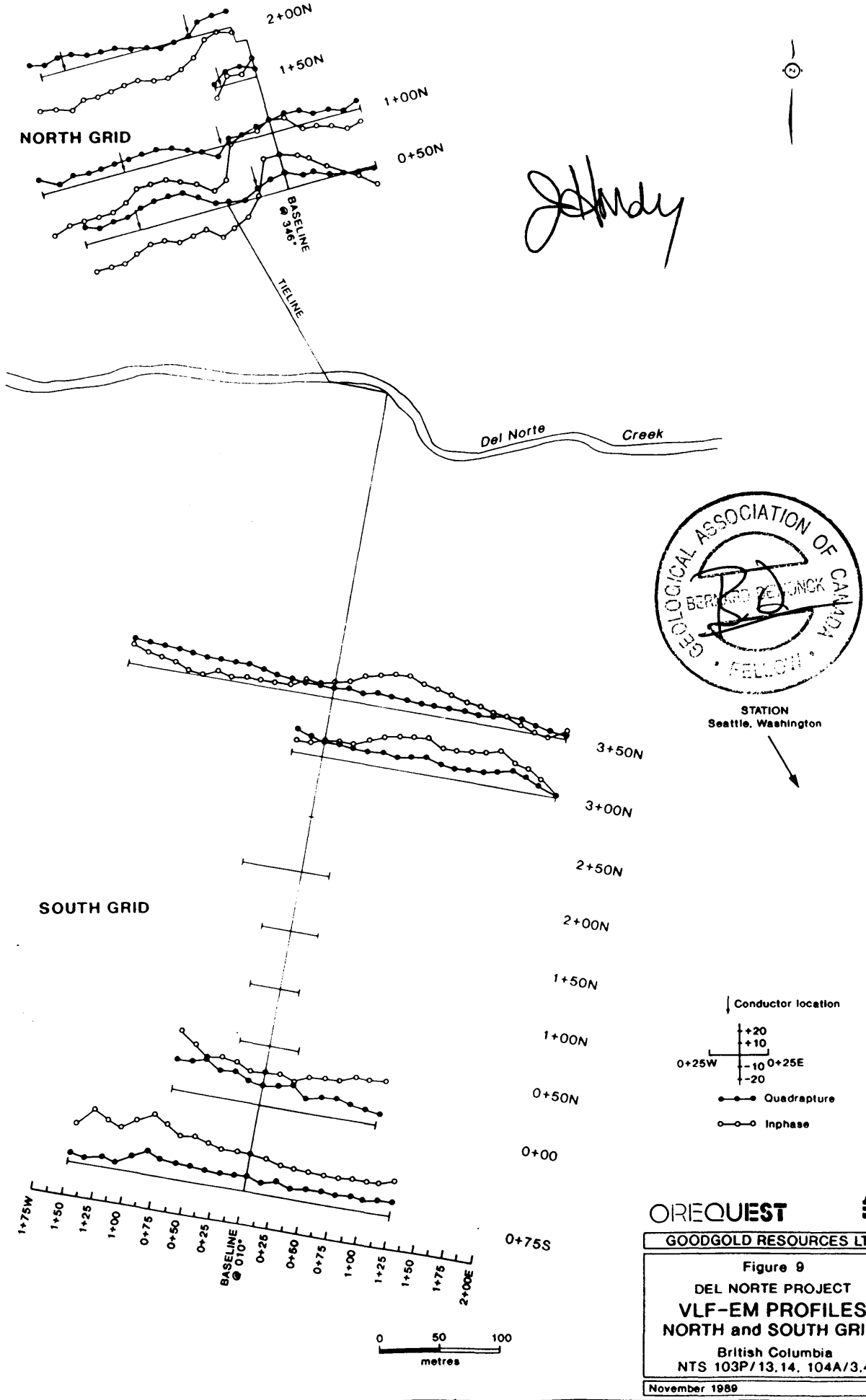


OREQUEST

GOODGOLD RESOURCES LTD.

Figure 9

DEL NORTE PROJECT

VLF-EM PROFILES

NORTH and SOUTH GRIDS

British Columbia

NTS 103P/13,14, 104A/3,4

November 1989 XY3

Geophysics

A VLF-EM survey, completed over sections of both grids, succeeded in locating conductors mainly on the North Grid. Weak conductive trends (Figure 9) on the west side of the baseline correspond with areas of observed shearing and faulting into which the adit was driven. North Grid conductors appear to trend northwest, roughly parallel to the shearing observed in the geological survey.

On the South Grid a single-line weak anomaly roughly corresponds with the beginning of a drainage that lies to the west of the grid.

The regional Aerodat and Dighem surveys have located airborne EM conductor trends (0-2 mhos) in the north-south creek bed approximately 200 metres east of the drainage covered by the North Grid. It is undetermined at this time whether the airborne anomalies exist as presently plotted or if they should be moved to the west to correspond with ground anomalies and mineralized structure indicated on the grid.

CONCLUSIONS AND RECOMMENDATIONS

Efforts in 1989 to further delineate gold, silver, lead and zinc anomalies on the Del Norte Project, identified by previous limited programs in 1987 and 1988, were successful but coverage should be extended to complete surface evaluation of mineralized structures in particular and of the area in general.

The geology of the North and South Grid areas can be summarized as featuring a northerly trending fault-controlled contact, with associated deformation and alteration, between massive to lapilli tuffs on the west and more bedded argillites, calcarenites and tuffs to the east. The Porter Showing (North Grid) occurs within

The Lead-Zinc Zone as identified by Teuton was not relocated. It was learned later than exposures are somewhat concealed in a treed patch with dense undergrowth. None of the previous sample sites in the area were identified and traverses down drainages in the immediate vicinity of the area did not reveal indications of the zone.

The limited ground VLF-EM survey indicates weak conductor trends generally corresponding to observed shearing and faulting on the North Grid. Coverage on the South Grid is not extensive enough to be conclusive.

It is recommended that a Phase II exploration program be conducted on the Del Norte Project, primarily to expand and continue the grid-controlled evaluation of mineralized structures and horizons in the Porter Showing area. Additional systematic rock sampling is required within the existing North Grid and the grid should be extended a) eastward to incorporate the area where an airborne EM anomaly trend is indicated to occur, and b) northward to follow the mineralized lapilli tuff horizon and associated structures. The grid should extend at least as far as the indicated location of the Bullion Showing. In addition to rock sampling, VLF-EM and soil sampling surveys should be carried out. Grid expansion should also take into consideration the airborne electromagnetic anomaly grouping over this area identified in the compilation.

Continued work on the South Grid should include detailed sampling of the Copper-Gold Showing itself, a concerted effort to identify the Lead-Zinc Showing and reorientation and expansion of the grid to the east and southeast. This will

sheared and fractured lapilli tuff. The Bullion Showing is reported to lie some distance up slope from (north of) the Porter Showing, hosted by pyritic tuffs, however it was not covered during the 1989 program. Field crews were unable to locate any previous sample sites on the north side of Del Norte Creek or an adit said to be on the Bullion Showing. The Copper-Gold Showing (South Grid) occurs within a prominent gossan in a southeasterly trending band of sediments / tuffs east of the fault contact.

Work on the north side of Del Norte Creek focussed on the Porter Showing area (North Grid) where a small adit was discovered. Sampling on the North Grid produced gold values of 0.157/0.116 oz/ton over 1.8 m, 0.03 oz/ton over 1.5 m and 0.074 oz/t over 1.5 m, the latter sample located 80 m southeast of the first two. Copper values are low, however lead and zinc values reach 3100 ppm and 1500 ppm respectively.

Sampling of the Copper-Gold Zone (South Grid) by Teuton Resources Corp. produced values of 8.7% copper across 26.6 ft (8.1 m) and 0.658 oz/ton gold across 8.9 ft (2.7 m). The zone was reported to be about 16 ft (4.9 m) wide and 70 ft (21.3 m) long. The recently completed work on the South Grid suggests that the most significantly mineralized area, consisting of chalcopyrite-malachite infillings of fractures, is approximately 3 m x 3 m, with the southeasterly trending host gossan being more extensive. Sampling focussed initially on possible strike extensions of the zone, producing highs of 590 ppb gold over 1.4 m, 210 ppb over 1.2 m and 110 ppb gold over 1.3 m approximately 30 m to the southeast. Silver, copper and gold values for these samples are low. Resampling of the zone itself and of adjacent outcrop was curtailed by snow cover.

warrants examination, as does the southwest corner of the claim, a region immediately east of a similar resistivity low.

A budget of $50,000 for this initial groundwork is recommended.

produce coverage of a largely talus covered area, however a VLF-EM survey may give an indication of extent of the gossanous band hosting the Copper-Gold Showing.

The Porter and Copper-Gold Showings lie some 800 m apart on a prominent altered structural zone which has not been fully evaluated in detail.

In addition to detailed work on the showings, prospecting should be done over the second airborne EM anomaly grouping outlined near the southeast boundary of the Croesus 2 claim as well as throughout all accessible areas of the claim block.

It is also recommended that this phase of work include enhanced geophysical interpretation of magnetic data in the effort to improve structural analysis. This work may provide additional exploration target areas. The recent discoveries by Bond International Gold in the vicinity of the Del Norte Project add impetus to the proposed work.

A budget of $200,000 is proposed for this work, with contingent Phase III and IV budgets of $300,000 and $400,000 respectively. These subsequent phases would involve trenching and diamond drilling of favourable targets.

An initial ground reconnaissance program is proposed for the Max Project, directed at evaluating the potential for gold mineralization in and proximal to the Max iron-copper deposit. This work should include stream sediment sampling, prospecting and property scale mapping to provide a base study for more detailed follow up. Compilation of airborne data suggests that an area of low resistivity with associated, poorly defined EM anomalies in the vicinity of the Max deposit

Max Project

Phase II

Mob/Demob		$ 3,700
Field Costs		
Geologist @ $400/day x 10 days	$ 4,000	
Prospector @ $300/day x 10 days	3,000	
Field Assistants (2) @ $250/day x 10 days	5,000	
Field Supplies	1,250	
	$13,250	$ 13,250
Support Costs (camp, food, cook, expediting):		
40 mandays @ $125/manday		$ 5,000
Transportation (helicopter)		7,000
Equipment Rental		1,200
Analyses		
250 soil samples @ $15/sample	$3,750	
25 silt samples @ $15/sample	375	
125 rock samples @ $20/sample	2,500	
	$6,625	$ 6,625
Report		2,500
Contingency (10%)		4,000
Subtotal		$ 43,525
Management Fee (15%)		6,500
Total		**$ 50,025**
Say		**$ 50,000**

BUDGET ESTIMATE

Del Norte Project

Phase II

Mob//Demob		$ 15,000
Field Costs:		
Senior Geologist @ $400/day x 21 days	$ 8,400	
Junior Geologist @ $350/day x 21 days	7,350	
Prospectors (2) @ $300/day x 21 days	12,600	
Field Assistants (4) @ $250/day x 21 days	21,000	
Field Supplies	3,650	
	$53,000	$ 53,000
Support Costs (camp, food, cook, expediting):		
168 mandays @ $125/day		21,000
Transportation (helicopter)		28,000
Equipment Rental		4,800
Analyses		
1000 soil samples @ $15/sample	$15,000	
100 silt samples @ $15/sample	1,500	
500 rock samples @ $20/sample	10,000	
	$26,500	$ 26,500
Report		9,800
Contingency (10%)		15,800
Subtotal		$173,900
Management Fee (15%)		26,100
Total		**$200,000**

Phase III

Trenching (all inclusive)	$ 51,000
Diamond Drilling (1400 m @ $150/m, all inclusive)	210,000
Subtotal	$261,000
Management Fee (15%)	39,000
Total	**$300,000**

Phase IV

Diamond Drilling (2320 m @ $150/m, all inclusive)	$348,000
Management Fee (15%)	52,000
Total	**$400,000**

CERTIFICATE OF QUALIFICATIONS

I, Jenna L. Hardy, of 535 East 10th Street, North Vancouver, British Columbia hereby certify:

1. I am a consulting geologist with address above, who graduated from the University of Toronto with a B.Sc. (Specialist in Geology) in 1974 and a M.Sc. in 1980.
2. I have practised my profession continuously since 1974 and have worked in the Cordillera since 1976.
3. I have been employed as a full-time project geologist by various companies in Vancouver since 1978.
4. I am a fellow of the Geological Association of Canada, with membership number F2640.
5. My knowldege of the Max and Del Norte Projects is based on references to sources listed in the bibliography used in preparation of the compilation maps in this report, as well as consultations with OreQuest personnel. I have not visited either property.
6. I have no direct or indirect legal or financial interest in the claims, or in Goodgold Resources Ltd.
7. I consent to, and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts, or other public document.

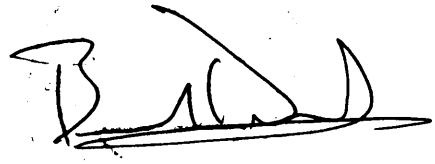
Jenna L. Hardy
M.Sc., F.G.A.C.

DATED at Vancouver, British Columbia, this 23rd day of November, 1989.

CERTIFICATE OF QUALIFICATIONS

I, Bernard Dewonck, of 11931 Dunford Road, Richmond, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1974) and hold a BSc. degree in geology.
2. I am an independent consulting geologist retained by OreQuest Consultants Ltd. of 306-595 Howe Street, Vancouver, British Columbia, for the purposes of supervising the field exploration program on the Del Norte Project described herein and preparing this report.
3. I have been employed in my profession by various mining companies since graduation.
4. I am a Fellow of the Geological Association of Canada.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. This report is based on exploration work conducted by OreQuest Consultants Ltd. and visits to the Max Project and Del Norte Project on June 13, 1989 and September 4, 1989, respectively.
7. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in the property or in the securities of Goodgold Resources Ltd.
8. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document.



Bernard Dewonck
Consulting Geologist

DATED at Vancouver, British Columbia, this 23rd day of November, 1989.

CERTIFICATES

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act and its regulations.

DATED: August 10, 1990

ISSUER

JOHN IVANY
President and Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Director

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 Prospectus as required by Part 7 of the Securities Act and its regulations.

DATED: August 10, 1990

L.O.M. WESTERN SECURITIES LTD.

Per:

McDERMID ST. LAWRENCE LIMITED

Per: