D.L.

019357 write up on Tenajon Silver Butte property

PROPERTY FILE

10438/1E

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
STATEMENT OF MATERIAL FACTS (# 91/87)
EFFECTIVE DATE: July 3, 1987

TENAJON SILVER CORP.
860-625 Howe Street, Vancouver, British Columbia V6C 2T6 (604) 687-7545
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Suite 1620, 701 West Georgia Street, Vancouver, British Columbia V7Y 1H1
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

The Guaranty Trust Company of Canada, 800 West Pender Street, Vancouver, British Columbia V6C 2V7
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

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

OFFERING: 400,000 common shares (the "Shares")

	Estimated* Price to Public	**Estimated Broker's Commission**	**Estimated Net Proceeds to Issuer**
Per Share:	$0.75	$0.05625	$0.69375
Total:	$300,000	$22,500	$277,500

FLOW-THROUGH OFFERING: 400,000 flow-through common shares (the "Flow-through Shares")

	Estimated Price to Public	**Estimated Broker's Commission**	**Estimated Net Proceeds to Issuer**
Per Share:	$0.95	$0.07125	$0.87875
Total:	$380,000	$28,500	$351,500

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

ADDITIONAL OFFERING: The Agents have agreed to purchase any of the Shares and Flow Through Shares which remain unsubscribed for at the conclusion of the Offering and the Flow Through Offering and, in consideration therefor, the Issuer has agreed to allot and issue to the Agents, immediately following the Offering Day, a non-transferable share purchase warrant (the "Agents' Warrants") entitling the Agents to purchase a total of 400,000 common shares of the Issuer in proportion to their participation in the Offering and Flow Through Offering. This Statement of Material Facts also qualifies for sale up to 400,000 shares which may be acquired by the Agents pursuant to any exercise of the Agents' Warrants.

AGENTS:

CANARIM INVESTMENT CORPORATION LTD.
2200 - 609 Granville Street
Vancouver, British Columbia V7H 1H1

BRINK HUDSON & LEFEVER LTD.
1500 Park Place, 666 Burrard Street
Vancouver, British Columbia V6C 3C4

The Issuer is, under the rules of the Exchange, a Development Company. Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. PLAN OF DISTRIBUTION

Offering and Flow-through Offering

Tenajon Silver Corp. (the "Issuer") hereby offers to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 400,000 common shares (the "Offering") and 400,000 flow-through common shares (the "Flow-through Offering). The Offering and the Flow-through Offering will take place on a day (the "Offering Day") not more than 30 business days after this Statement of Material Facts is accepted for filing with the Exchange (the "Effective Date").

The offering price of the Shares and the Flow-through Shares will be determined in accordance with the rules and policies of the Exchange, subject to the agreement of the Issuer and the Agent. The purchasers of any shares under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

Appointment of Agents

The Issuer, by agreement dated the 11th day of May, 1987, (the "Agency Agreement") appointed Canarim Investment Corporation Ltd. and Brink Hudson & Lefever Ltd. as its agents (the "Agents") to offer the Shares and the Flow-through Shares to the public, as follows:

Name of Agent	Participation
Canarim Investment Corporation Ltd.	320,000 shares 320,000 flow-through shares
Brink Hudson & Lefever Ltd.	80,000 shares 80,000 flow-through shares

The Issuer will pay the agents a commission of 7-1/2% of the selling price of the Shares and the Flow-through Shares.

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

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

Same as Ass RPT 15752

SUMMARY REPORT

ON

1986 DIAMOND DRILL PROGRAM

SILVER BUTTE PROPERTY

SKEENA MINING DIVISION

56° 06'N 130° 02'W

NTS 104B/IE

FOR

TENAJON SILVER CORP.

by

A.W. Dean, P. Eng.

November 25, 1986

TABLE OF CONTENTS

SUMMARY

Tenajon Silver Corp. has an option to earn a 50 percent interest in the Silver Butte property, located 17 km northwest of Stewart B.C.

During the period September 15 to October 8, 1986, Tenajon completed four angled diamond drill holes totalling 996.27 meters on two sections spaced 100 meters apart. The program was undertaken to test a zone projected south of an intersection in drill hole SB 83-35 assaying 0.79 oz Au/ton and 2.64 oz Ag/ton over an estimated true width of 4.5 meters.

The drilling on wide spaced sections failed to confirm the continuity of the high grade target zone, however, did extend the known strike length of a quartz-carbonate veined stockworks to 350 meters. The stockworks contains varing amounts of pyrite, galena and sphalerite mineralization with pervasive silicification in places. Eleven core sections with widths greater than 0.9 meters with gold values ranging from 0.11 oz/ton to 0.55 oz/ton were intersected in 1986.

Fill-in diamond drilling on sections 50 meters apart is warranted to determine the structure and grade continuity of (1) the better grade 1986 gold/silver intersections, (2) the high grade intersection in hole SB 83-35, and (3) the quartz-carbonate veined structure open to the south.

It is recommended a diamond drill program totalling 3,000 meters for an estimated cost of $330,000 be undertaken during the summer 1987.

INTRODUCTION

The Silver Butte property, located 17 km northwest of Stewart B.C., is held under option by Tenajon Silver Corp. from Esso Resources Canada Limited.

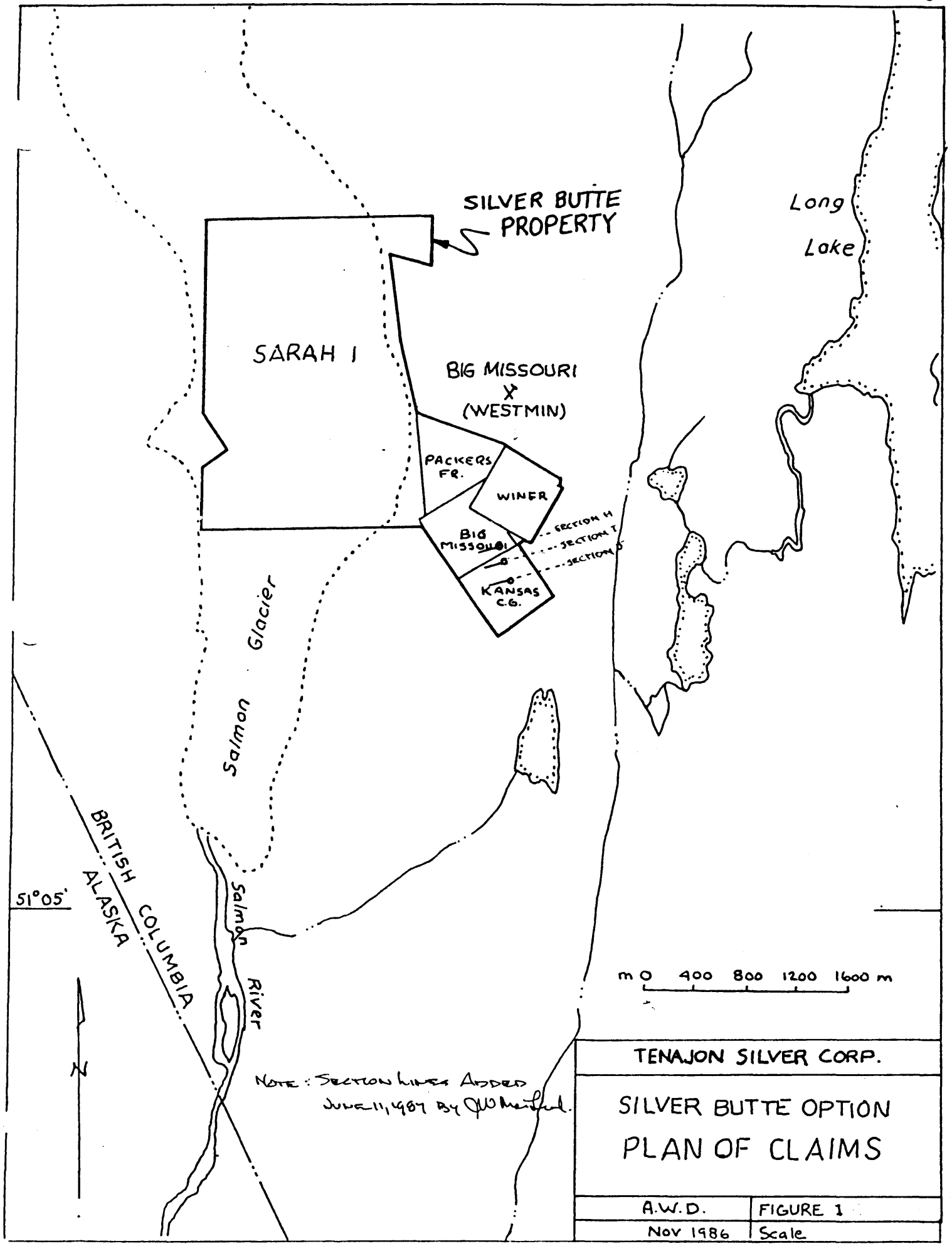
During the period September 15 to October 8, 1986, Tenajon completed four diamond drill holes on the property totalling 996.27 meters. The program was undertaken to test a zone projected south of an intersection in drill hole SB 83-35 assaying 0.79 oz Au/ton and 2.64 oz Ag/ton over an estimated true width of 4.5 meters.

The following report contains the results of the program with conclusions and recommendations. Documents and maps used for reference are listed in Appendix I.

PROPERTY (Figure 1)

The property consists of the following staked claims, reverted crown grants and crown grants:

Claim	Units	Record No.	Expiry Date
Sarah I	12	785	October 2, 1993
Winer Fraction	1	2642	November 12, 1992
Packers Fraction	1	14	October 4, 1992
Winer	1	437	October 4, 1992
Big Missouri	1	438	October 4, 1992
Kansas C.G.	1	L3218	Crown Grant


SILVER BUTTE PROPERTY
Long Lake
SARAH 1
BIG MISSOURI
(WESTMIN)
PACKERS FR.
WINER
BIG MISSOURI
KANSAS C.G.
SECTION H
SECTION I
SECTION G
Salmon Glacier
BRITISH COLUMBIA
ALASKA
51°05'
Salmon River
N
m 0 400 800 1200 1600 m
NOTE: SECTION LINES ADDED JUNE 11, 1987 BY JW Mainford.
TENAJON SILVER CORP.
SILVER BUTTE OPTION
PLAN OF CLAIMS
A.W.D.
FIGURE 1
Nov 1986
Scale

All claim titles are registered in the name of Esso Resources Canada Limited. Flowing from an 1980 option agreement, Esso is obligated to pay Silver Butte Mines Ltd. $15,000 annually (prior to August 31st) and 10 percent of net profits of mineral production from the Sarah I, Winer Fraction, Packer Fraction, Winer and Big Missouri claims. Esso is the sole owner of the Kansas crown grant.

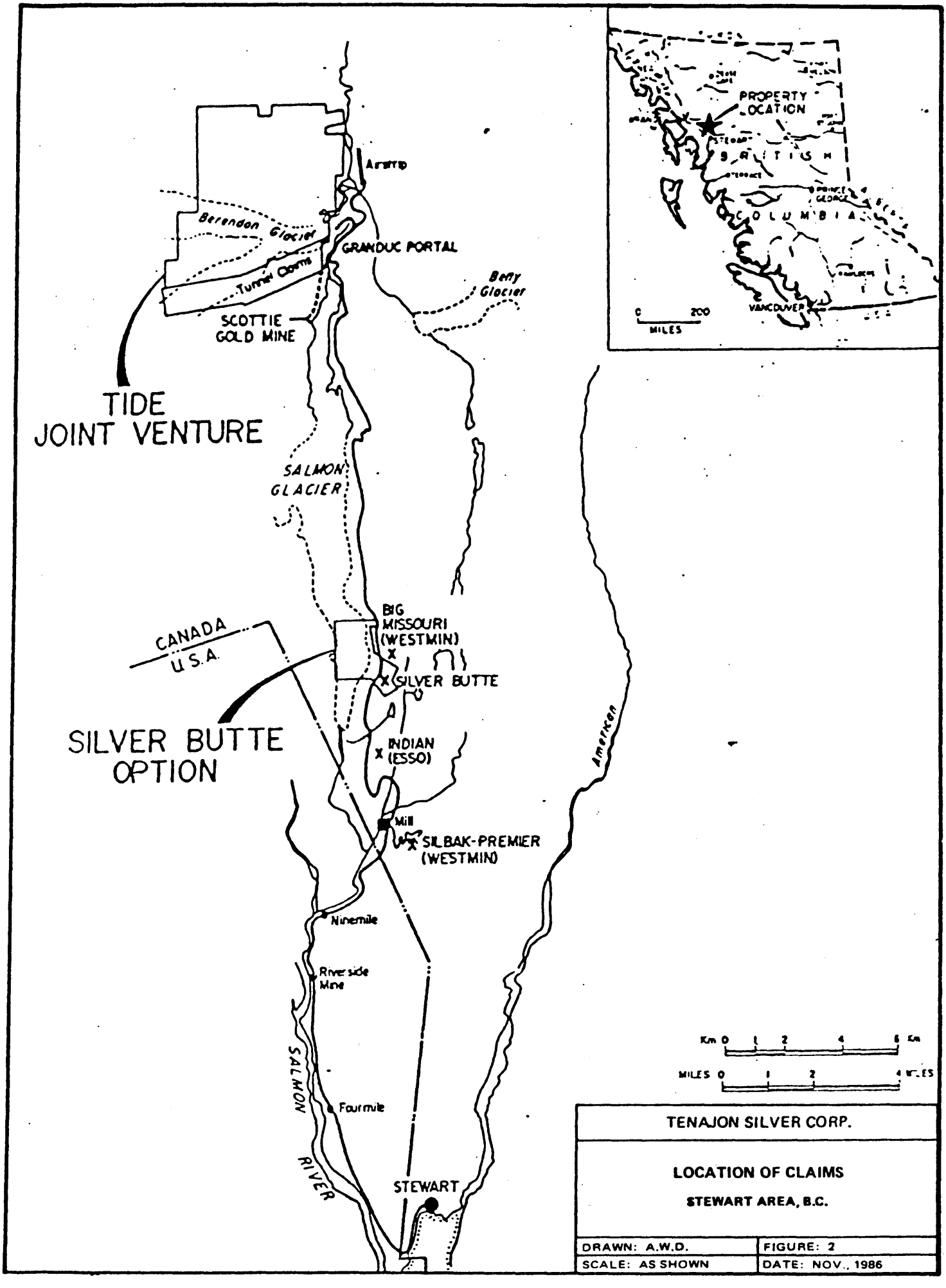
Tenajon Silver Corp. as per a 1985 option agreement has the right to earn 50 percent of Esso's interest by spending a total of $1,200,000 at a minimum rate of $300,000 annually including Esso's payment to Silver Butte. The option is currently in good standing.

LOCATION AND ACCESS (Figure 2)

The property is located in the Salmon River Valley some 17 km northwest of Stewart B.C.

Access is via the Granduc Mine gravel road which crosses the property 25 km from Stewart B.C. Vehicle access on the property is limited to Westmin's 4X4 road that traverses a portion of the Winer claim. Diamond Drill mobilization and moves for the most part requires the use of a helicopter.

The Silbak Premier Mine is located 6 km to the south and the Big Missouri property adjoins to the north and east. Both these properties are under active exploration by Westmin Resources.



TENAJON SILVER CORP.

LOCATION OF CLAIMS

STEWART AREA, B.C.

DRAWN: A.W.D.	FIGURE: 2
SCALE: AS SHOWN	DATE: NOV., 1986

TOPOGRAPHY AND CLIMATE

The Sarah I claim is mostly underlain by the Salmon Glacier. The other claims lie on the west side of the Big Missouri Ridge with steep slopes 30° to 40° extending from 500 m to 1000 m elevation. The slopes are mostly covered with talus and land slide rubble.

Snowfall up to 30 m has been experienced at the higher elevations which can remain in the gulleys until July.

WORK HISTORY

The following summary highlights exploration work undertaken to date:

1936 to 1939	-	Buena Vista Mining Co.: surface sampling and two short adits.
1971	-	El Paso Mining: soil geochem survey.
1979	-	Consolidated Silver Butte: I.P. survey.
1981 to 1983	-	Esso Resources Canada: surface geological mapping, soil geochem survey, test I.P. survey, 26 rock cut trenches, 36 drill holes totalling 3,055 meters.
1985 & 1986	-	Tenajon Silver Corp.: adit timbered 20 meters in talus, 4 drill holes totalling 996 meters.

PROPERTY GEOLOGY

The property is underlain by lower Jurassic Hazelton Group rocks intruded by Texas Creek granodiorite.

Black argillites and tuffaceous siltstones are overlain by andesitic flows, flow breccia and lapilli tuffs. The rocks occur in three main fault blocks seperated by northwest striking faults. The central fault block, in which most of the known mineral showings occur, lies between the Anomally Creek fault to the north and east and Gully fault to the south and west. Both faults dip moderately to the west. The fault block consists mainly of andesite volcanic rocks, underlain by Texas Creek granodiorite associated with the footwall Anomaly Creek fault. The andesitic volcanics are generally massive, feldspar and/or hornblende porphyritic in places and often stockwork veined with occasional moderate to highly silicified zones.

MINERALIZATION

Euhedral disseminated pyrite (3 to 10%) occurs throughout the andesitic rocks. Pyrite stingers, generally minor galena and sphalerite together with gold and silver values are closely associated with quartz-carbonate stockwork veinlets and pervasive silicification. High grade gold values occur in heavy to massive sulphides as cored in drill holes, SB-83-15, 16 and 35.

Stockwork zones with quartz-carbonate veins occur within the more compentent andesitic rocks. The zones with more than 15 percent quartz-carbonate veins and breccia have an apparent flat dip with a general north-south trend.

Silicified zones within the stockworks are poorly defined, however have been interpreted to dip generally steeply east.

The mineralization appears similar to that described at the old Big Missouri deposit 1,200 meters to the north.

1986 DRILL PROGRAM (Figure 3)

Four angled drill holes totalling 996.27 meters were drilled on two sections spaced 100 meters apart. The holes were located to test the projected strike south of the mineralization encountered in hole SB 83-35. (0.79 oz Au/ton and 2.64 oz Ag/ton over an estimated true width of 4.5 meters). Esso interpreted the mineralized zone to strike S 20°E and dip steeply east.

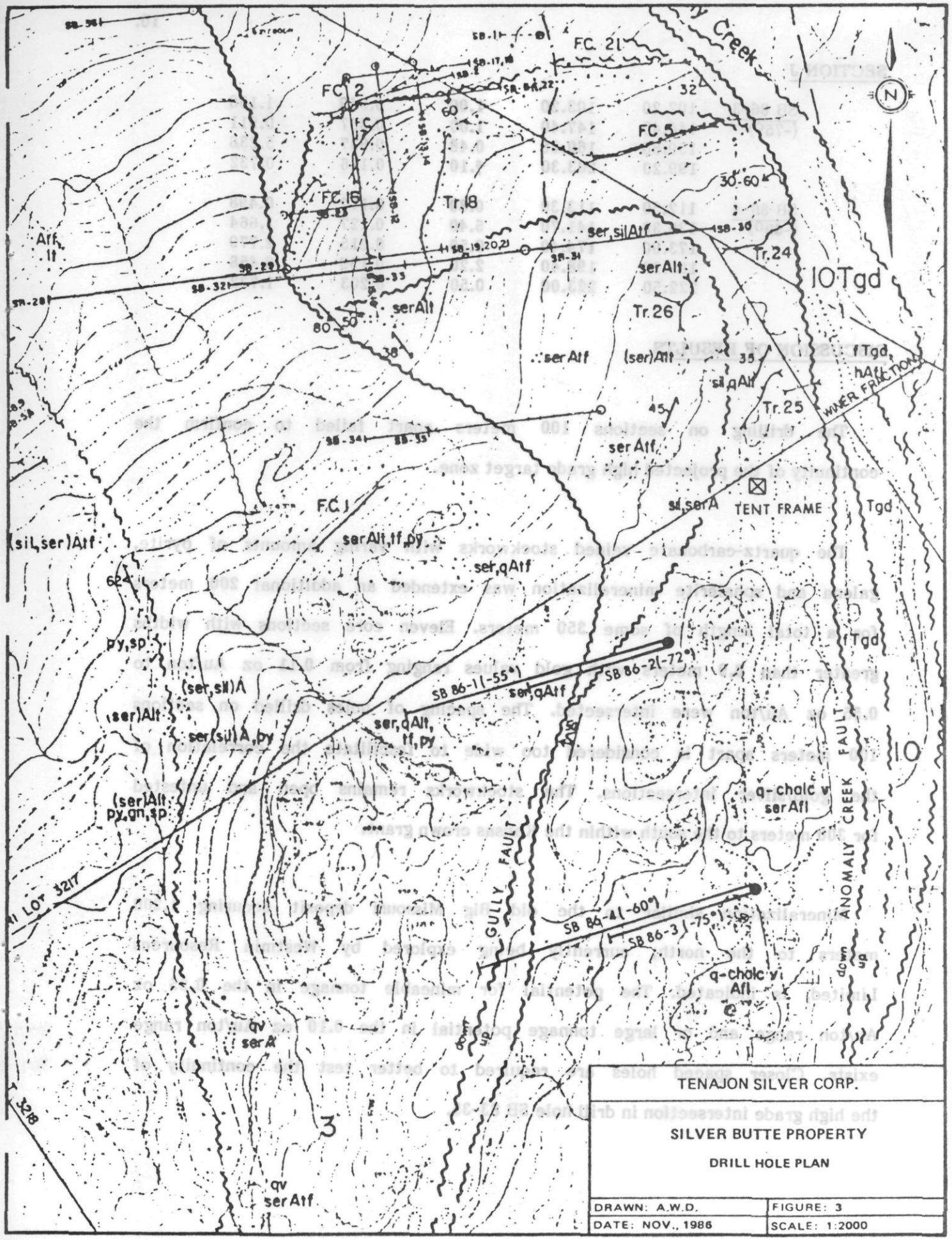
Holes SB 86-1 and SB 86-2 were drilled S74°W on Section I, 100 meters south of hole SB 83-35 on Section H. Holes SB 86-3 and SB 86-4 were drilled S74°W on Section J, 100 meters south of Section I. The drill holes are shown in sections presented in Figures 4,5, and 6. The core logs for the 1986 drill holes are contained in the pocket of this report.

Some 25 percent of the core was split and assayed for gold and silver only, at the Newcana Joint Venture Laboratory in Stewart B.C.

A summary of the better grade intersections is provided below:

SECTION I

DDH	FROM m.	TO m.	WIDTH m.	GOLD oz/ton	SILVER oz/ton
SB 86-1 (-55°)	54.98	56.10	1.12	0.113	0.583
	120.73	121.65	0.92	0.280	0.852
SB 86-2 (-72°)	78.96	82.62	3.66	0.271	0.845
	90.24	94.21	3.97	0.238	1.593
	78.96	94.21	15.25	0.135	0.752
	112.19	112.80	0.61	0.126	1.616
	144.21	144.51	0.30	0.145	1.500
	147.87	149.39	1.52	0.090	1.678
	202.74	203.96	1.22	0.127	0.893



TENAJON SILVER CORP.	
SILVER BUTTE PROPERTY DRILL HOLE PLAN	
DRAWN: A.W.D.	FIGURE: 3
DATE: NOV., 1986	SCALE: 1:2000

SECTION J

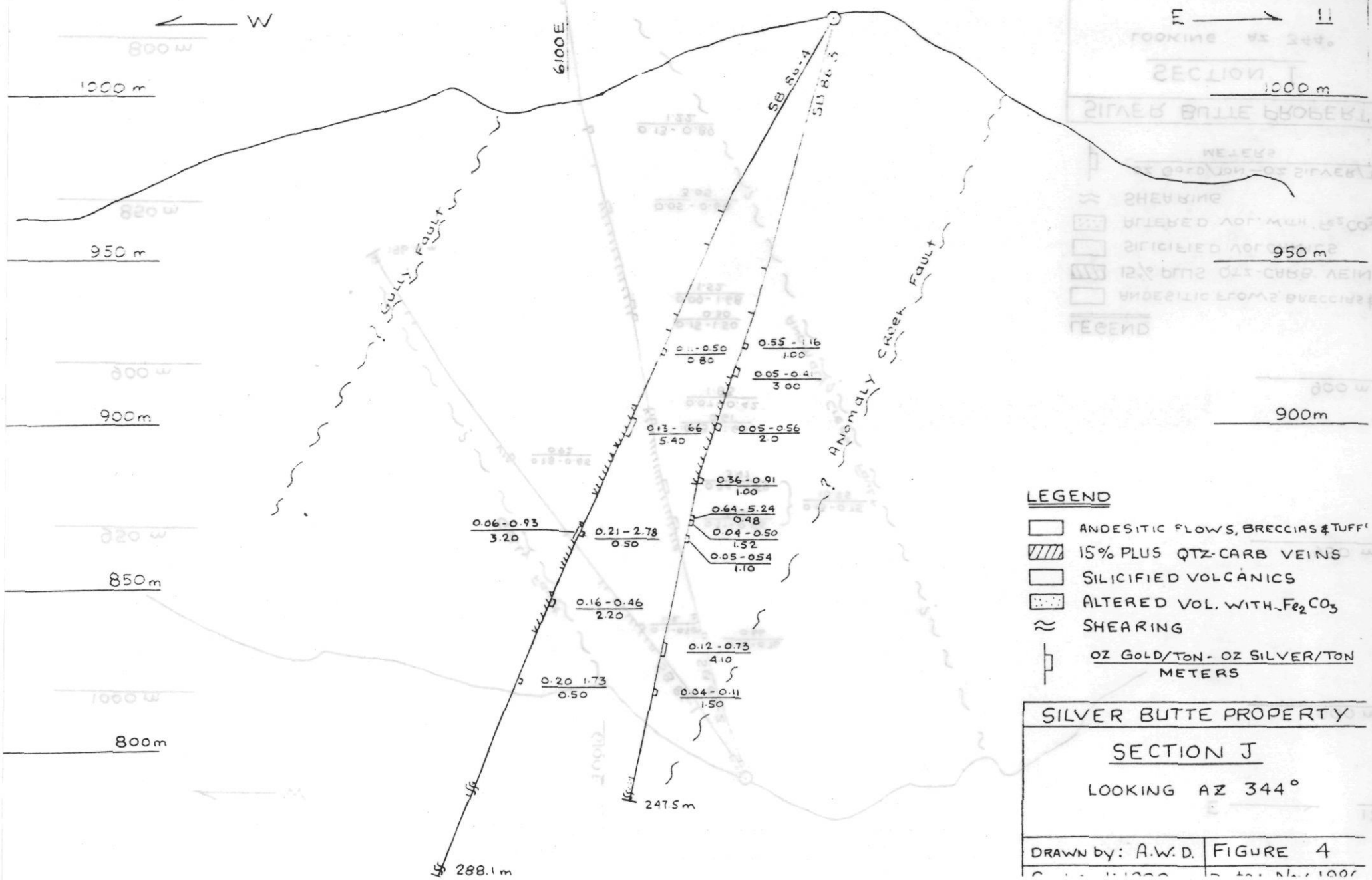
SB 86-3 (-75°)	102.20	103.20	1.00	0.549	1.158
	146.40	147.40	1.00	0.357	0.911
	159.80	160.28	0.48	0.637	5.236
	199.20	203.30	4.10	0.116	0.732
SB 86-4 (-60°)	112.50	113.30	0.80	0.112	0.498
	136.30	141.70	5.40	0.127	1.664
	173.90	174.40	0.50	0.215	2.779
	196.20	198.40	2.20	0.159	0.458
	222.50	223.00	0.50	0.203	1.732

DISCUSSION OF RESULTS

The drilling on sections 100 meters apart failed to confirm the continuity of the projected high grade target zone.

The quartz-carbonate veined stockworks with varing amounts of pyrite, galena and sphalerite mineralization was extended an additional 200 meters for a total length of some 350 meters. Eleven core sections with widths greater than 0.9 meters with gold values ranging from 0.11 oz Au/ton to 0.55 oz Au/ton were intersected. The spacing of holes drilled on sections 100 meters apart is considered too wide to fascilitate the correlation of the gold/silver intersections. The stockworks remains open and untested for 300 meters to the south within the Kansas crown grant.

Mineralization similar to the old Big Missouri deposit occuring 1,200 meters to the north, currently being explored by Westmin Resources Limited, is indicated. The potential for mineable tonnage in the 0.25 oz Au/ton range and or large tonnage potential in the 0.10 oz Au/ton range exists. Closer spaced holes are required to better test the continuity of the high grade intersection in drill hole SB 83-35.



LEGEND

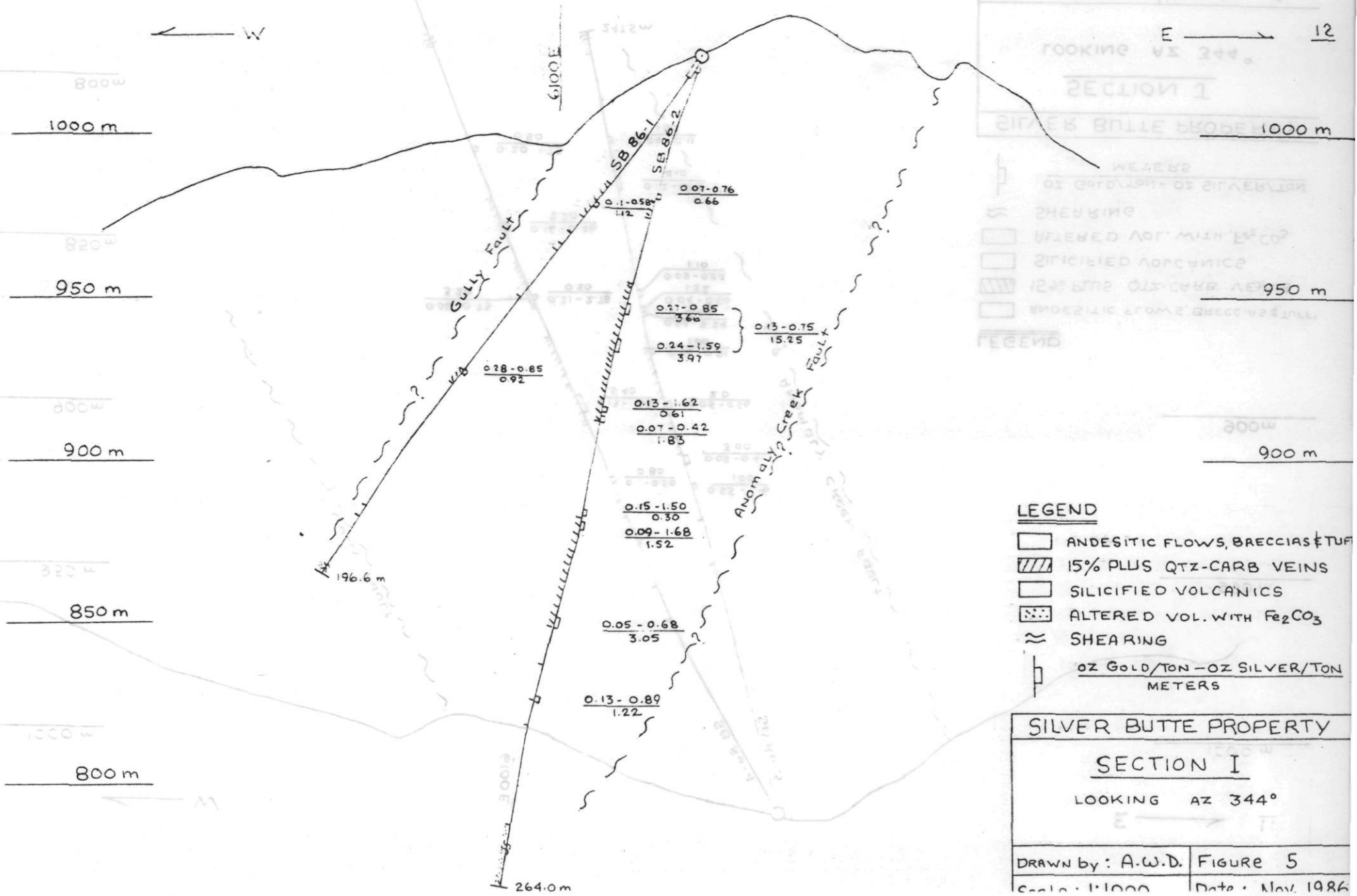
- ANDESITIC FLOWS, BRECCIAS & TUFF
- 15% PLUS QTZ-CARB VEINS
- SILICIFIED VOLCANICS
- ALTERED VOL. WITH Fe_2CO_3
- ≈ SHEARING
- OZ GOLD/TON - OZ SILVER/TON
  METERS

SILVER BUTTE PROPERTY

SECTION J

LOOKING AZ 344°

DRAWN by: A.W.D.	FIGURE 4

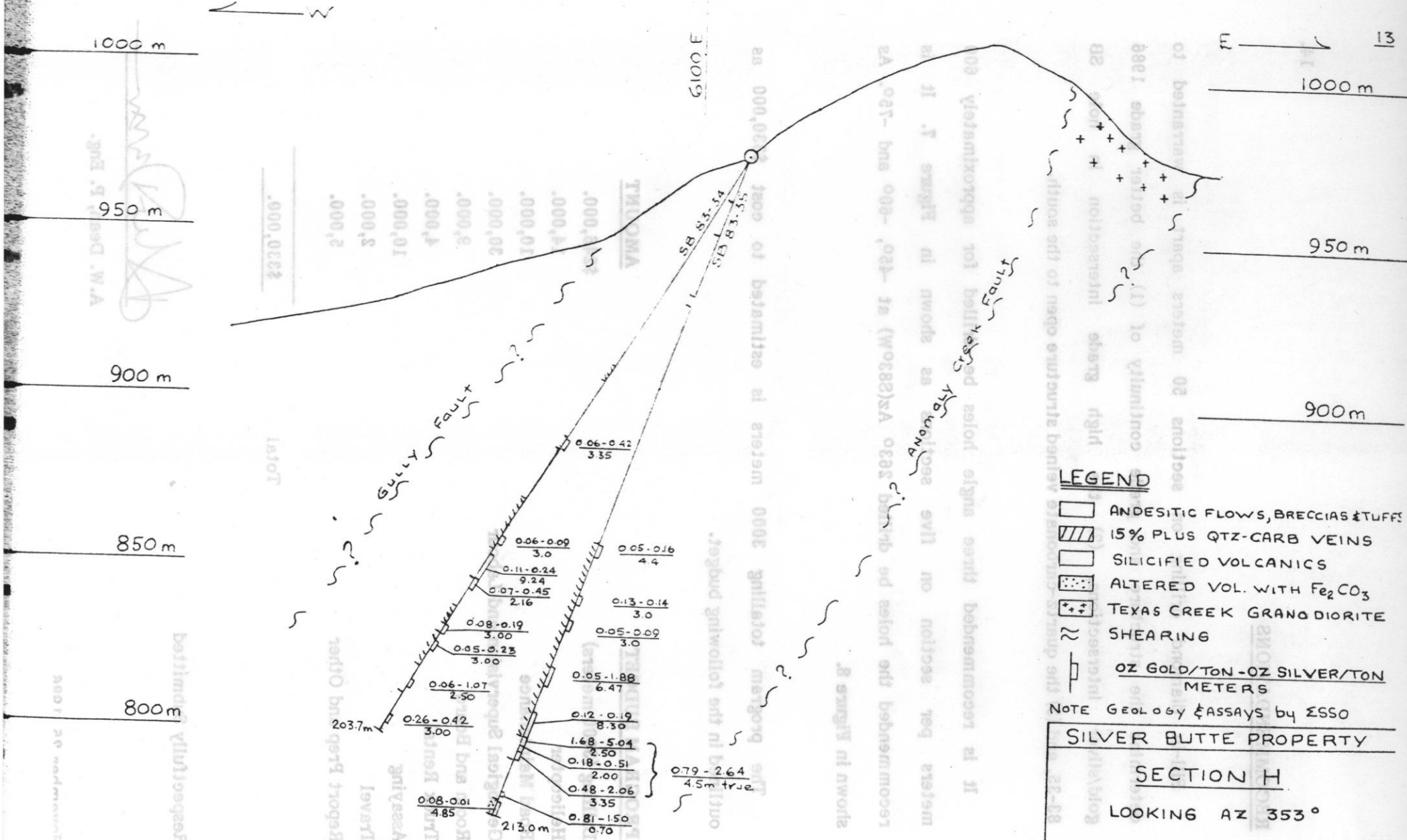


SILVER BUTTE PROPERTY

SECTION I

LOOKING AZ 344°

DRAWN by: A.W.D.	FIGURE 5
Scale: 1:1000	Date: Nov. 1986



LEGEND

- ANDESITIC FLOWS, BRECCIAS & TUFFS
- 15% PLUS QTZ-CARB VEINS
- SILICIFIED VOLCANICS
- ALTERED VOL. WITH Fe_2CO_3
- TEXAS CREEK GRANODIORITE
- ≈ SHEARING
- OZ GOLD/TON - OZ SILVER/TON METERS

NOTE GEOLOGY & ASSAYS by ESSO

SILVER BUTTE PROPERTY

SECTION H

LOOKING AZ 353°

DRAWN by: A.W.D.	FIGURE 6
Scale: 1:1000	Date: Nov 1986

RECOMMENDATIONS

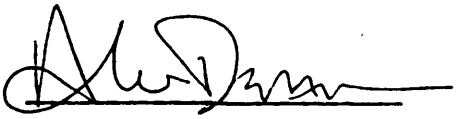
Fill-in diamond drilling on sections 50 meters apart is warranted to determine the structure and grade continuity of (1) the better grade 1986 gold/silver intersections, (2) the high grade intersection in hole SB 83-35, and (3) the quartz-carbonate veined structure open to the south.

It is recommended three angle holes be drilled for approximately 600 meters per section on five sections as shown in **Figure 7.** It is recommended the holes be drilled 263° Az(S83°W) at -45°, -60° and -75°. As shown in **Figure 8.**

The program totalling 3000 meters is estimated to cost $330,000 as outlined in the following budget.

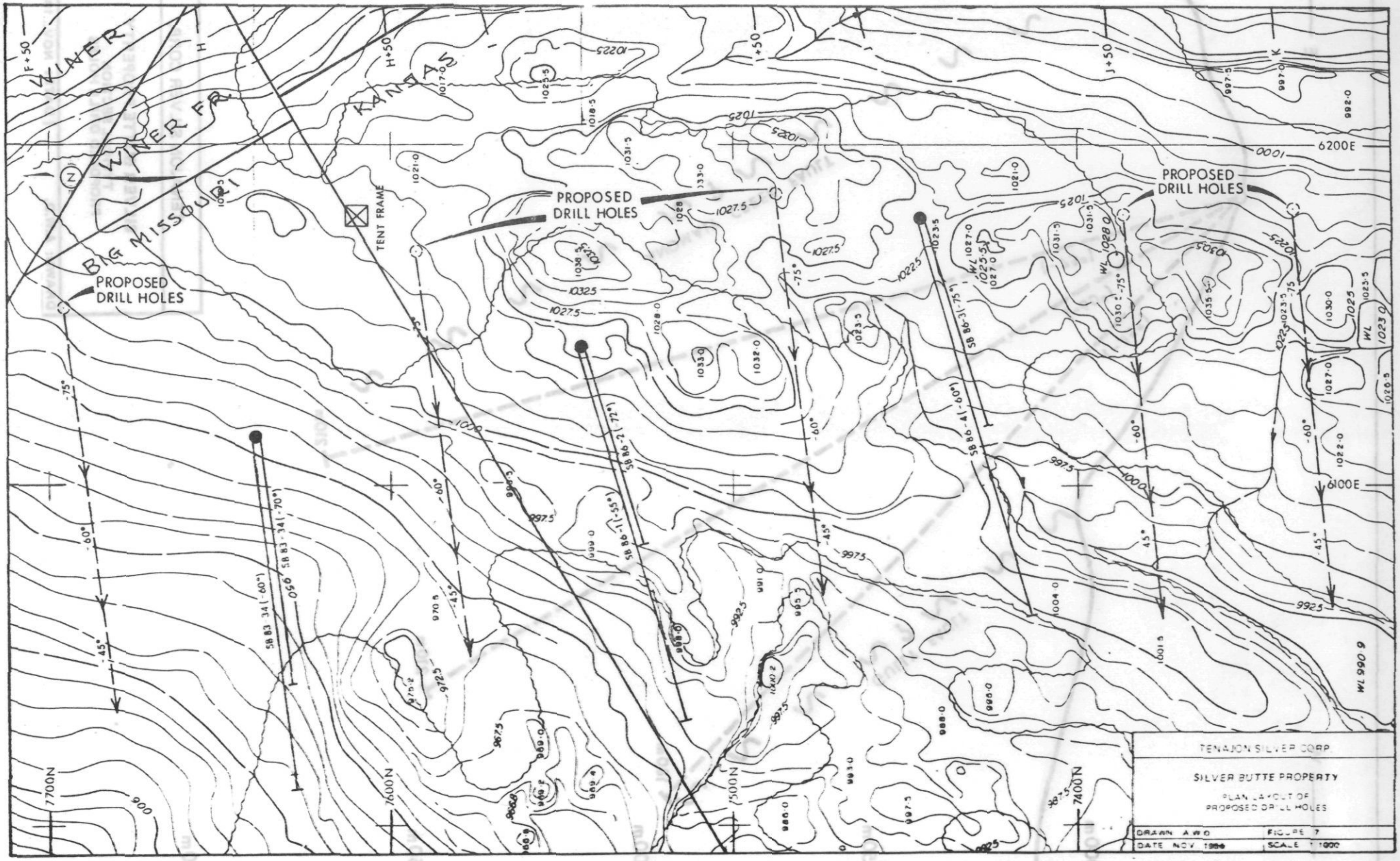
PROGRAM BUDGET	AMOUNT
Drilling (3000 meters)	$246,000.
Helicopter	14,000.
Road Maintenance	10,000.
Geological Supervision and Labour	30,000.
Room and Board	9,000.
Truck Rental	4,000.
Assaying	10,000.
Travel	2,000.
Report Prep and Other	5,000.
Total	$330,000.

Respectfully Submitted

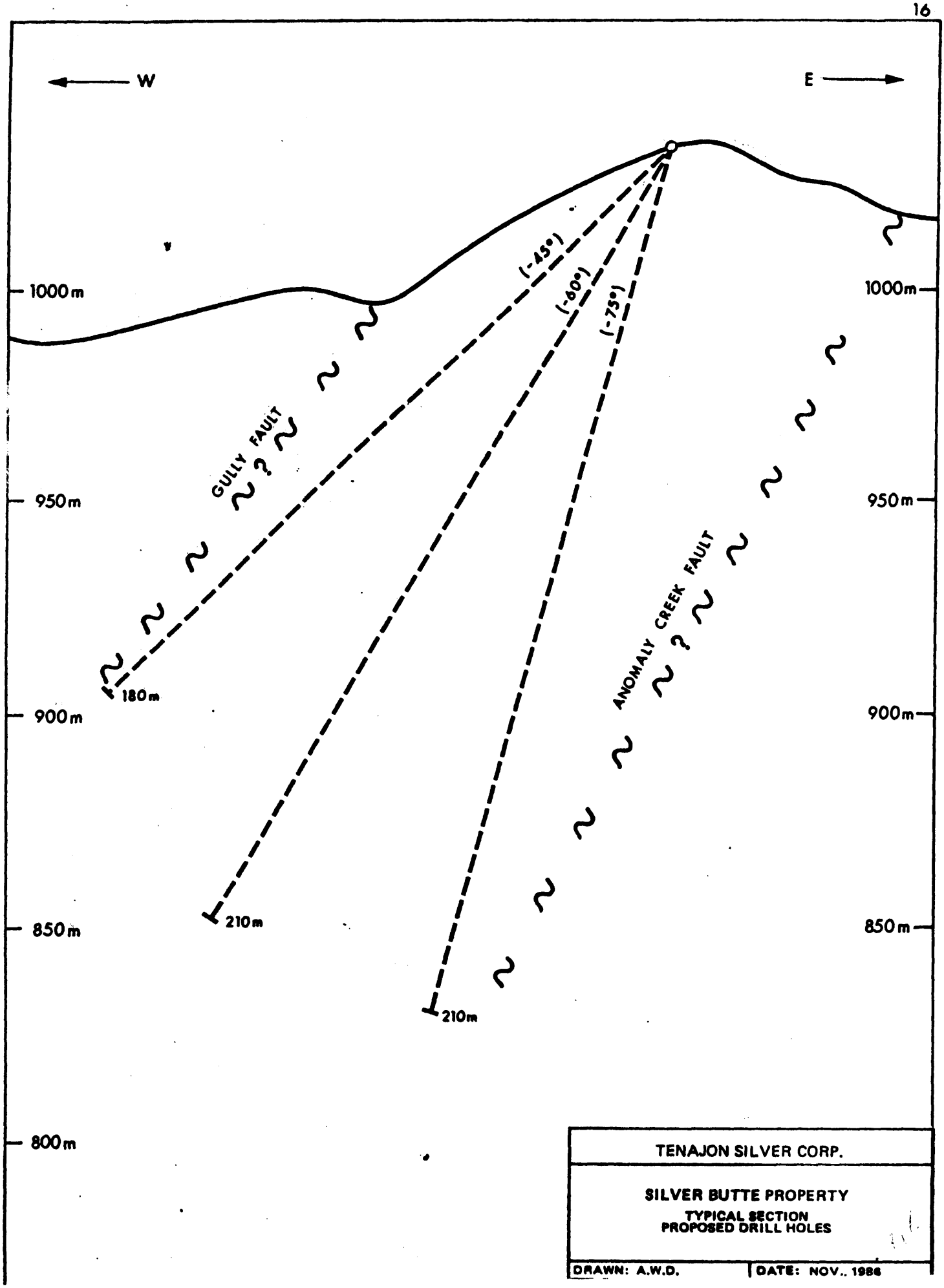


A.W. Dean, P. Eng.

November 25, 1986



NOTE: CHAIN LINES ADDED JULY 11, 1987 BY [illegible] P.Eng.



TENAJON SILVER CORP.

SILVER BUTTE PROPERTY

TYPICAL SECTION
PROPOSED DRILL HOLES

DRAWN: A.W.D. | DATE: NOV., 1986

CERTIFICATE

1. Alexander W. Dean of 1327 Lake Bonavista Drive S.E., Calgary, Alberta do hereby certify that:

1. I am a graduate of the Michigan Technological University holding a B.Sc. in Geological Engineering, 1958.

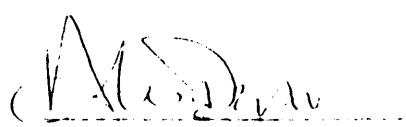
2. I am registered as a Professional Geologist of the Province of Alberta and registered as a Professional Engineer of the Province of British Columbia.

3. I have practiced my profession for 28 years mainly in Canada and the U.S.A.

4. The accompanying report is based on my personal analysis of unpublished company reports provided by Tenajon Silver Corp., together with reports and maps available from government sources and my direct geological supervision of a diamond drill program on the property in September/October 1986.

5. I have not, nor do I expect to receive any interest directly or indirectly in the property or in the securities of Tenajon Silver Corp.

Dated at Calgary Alberta, this 25th day of November A.D., 1986.



A.W. Dean, P. Eng.

APPENDIX I

REFERENCE LIST

1. - Alldrick, D.J. (1984): Geological Settings of the Precious Metal Deposits in the Stewart Area (104 B/1), B.C. Ministry of Energy, Mines Pet. Res., p.p. 149-163.

2. Grove, E.W. (1971): Geology and Mineral Deposits of the Stewart Area, B.C. Ministry of Energy, Mines Pet. Res., Bull. 58.

3. MacLeod, J.W. (1986): Report on Silver Butte Property (104B/1E), Tenajon Silver Corp.

4. McGuigan, P.J. and Davidson, G.L. (1982 and 1983): Silver Butte Project 1982 and Silver Butte Project 1983 (104B/1E), Esso Minerals Canada.

5. The Northern Miner (86): Vol. 72 No. 35, p.p. 1-2.

APPENDIX II

Diamond Drill Core Logs

Holes	SB 86-1
	SB 86-2
	SB 86-3
	SB 86-4

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. S.B 86-1

SHEET NUMBER ONE OF FOUR SECTION FROM 0 TO 60.37 meters

LATITUDE 7544.0N ULTIMATE DEPTH 196.65m

DEPARTURE 6141.5E BEARING S74°W (254° Az) STARTED Sept 16, 1986

ELEVATION 1023 m DIP -55° COMPLETED Sept 20, 19[illegible]

DEPTH METERS	FORMATION		
0 - 12.20'	CASING:		
12.20 - 30.49	ANDESITE: grey green, massive, fine grained, weakly carbonatized with occas. ional band of Flow Breccia and qtz/carb veins - both @ 25° to core, 3% pyrite		
30.49 - 35.46	ANDESITE FELDSPAR PORPHYRY: grey green, feldspar medium grained, massive, 2% diss pyr		
35.46 - 37.04	FLOW BRECCIA: andesitic, grey green, fragments +/- 1cm, banding @ 30° to core, 2 to 5% pyrite stringers.		
37.04 - 42.99	BLACK TUFF: very fine grained, weak banding @ 30° to core, 2% diss. pyr.		
42.99 - 47.26	ANDESITE: grey green, fine grained, massive, occasional qtz/carb vein @ 30° to core, 4% pyr		
47.26 - 48.32	SILICIFIED ANDESITE: grey, aphanitic, 10% pyrite stringers		
48.32 - 60.37	ANDESITE; grey green, chloritized porphyry, massive. Contains several qtz/carb veins and qtz/carb breccia with 3 to 5% pyrite with minor blebs of sp/gn as noted in Assay SHEET I	hornblende and:	
	@ 49.7m - 3 cm qtz/carb @ 45° to core, 8% pyr, minor sp		

N.M.P., TORONTO—STOCK FORM NO. 501 REV. 12/81

DRILLED BY CONTACT DRILLING LTD. SIGNED [signature] P. Eng

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-1

SHEET NUMBER Two of Four SECTION FROM 48.32m TO 110.37

DEPTH	FORMATION		
48.32-60.37	ANDESITE: continued		
	@ 54.0m - 2cm qtz/carb vein, minor sp/gn		
	55.0m - 2cm qtz/carb v, 4% pyr, minor cp.		
	55.6m - 2cm qtz/carb v, 4% pyr, minor gn		
	55.7m - 8cm qtz/carb v, 6% pyr, 2% sp, 2% gn		
	55.9m - 2cm qtz/carb v, 4% pyr, 5% sp		
	56.0m - 1cm, qtz/carb v, 1% gn		
	59.5m - 30cm, qtz/carb breccia, minor sp		
60.37 - 67.94	ANDESITIC TUFF: dark green chloritized, up to 10% euhedral pyrite, occas. ional qtz/carb vein with minor sp/gn as per SHEET I		
	@ 66.5m - 2cm qtz/carb, 10% pyr, 1% sp		
67.94 - 71.65	SILICIFIED ANDESITE: pale green, very fine grained 30% qtz/carb stringers, 4% pyr, minor gn.		
71.65 - 73.17	ANDESITE FELDSPAR PORPHYRY: grey green, massive, occas. ional fine line qtz/carb		
73.17 - 92.07	SILICIFIED ANDESITE / FLOW BRECCIA: moderately silicified, fractured in places with fine line chlorite filling, 2 to 5% pyrite stringers, minor gn & sp as noted in SHEET I.		
92.07 - 110.37	ANDESITE: for most part fine grained chloritized minerals with occas. ional FLOW Breccia band. Contains qtz/carb veins @ 15° ∠ to core with 2 to 5% pyr, minor sp/gn as noted in SHEETS I & I		
	@ 102.1 m - 1cm. qtz/carb, minor blebs of sp & gn		
	105.0 m - 2cm qtz/carb. 10% euh pyr, minor sp/gn		

N.M.P., TORONTO—STOCK FORM No. 501 REV. 12/51

DRILLED BY .....

A. W. Dunn P. Eng.

SIGNED .....

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB 86-1

SHEET NUMBER THREE OF FOUR SECTION FROM 110.37m TO 192.07m

DEPTH METERS	FORMATION
110.37 - 122.56	ANDESITE: green, chloritized porphyritic hornblende andesite with occas. ional qtz/carb vein @ 15° to 20° to core, Silicified breccia in places, 3 to 5% pyr, minor sp ± gn as noted in SHEET II.
	@ 115.6m - 1cm qtz/carb, @ 15° to core, minor gn
	116.5m - 2cm qtz/carb, minor sp
122.56 - 141.60	ANDESITE; green, fine grained, chloritized, occas. ionn flow breccia band - qtz/carb veins occuring in places @ 40° to core with minor sp as noted in SHEET II.
	@ 129.0 to 130.5m - 3 - 30cm qtz/carb veins, 4% pyr
141.60 - 173.27	ANDESITE; chloritized with occas. ionnal qtz/carb vein, 2% pyr, minor sp/gn as per SHEET I
	@ 172.5m - 3cm qtz/carb, 5% pyr minor sp/gn
173.27 - 177.19	SILICIFIED FLOW BRECCIA: Aphanitic, chalcedony blebs & stringers, 5% pyr, 1 to 2% sp and minor gn ± cp as noted in SHEET II
177.19 - 192.07	ANDESITE: green, massive, chloritized, hornblende porphyry, occas. ionnal qtz/carb stringer 3% pyrite.

N.M.P., TORONTO—STOCK FORM NO. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB-86-1

SHEET NUMBER Four of Four SECTION FROM 192.07m TO 196.65m

DEPTH	FORMATION		
192.07 - 196.65	SHEARED ANDESITE: pale green, sheared & fractured with clay gouge in places, 10% $FeCO_3$ that weathers yellow brown on exposure. Slip fracture near to core from 196.0m to 196.65m.		
	END OF HOLE		
	ACID DIP TESTS	ETCH ANGLE	TRUE ANGLE
	60.98m	60°	52°
	121.95m	61°	52.5°
	182.93m	66°	58°
	CORE SAMPLE AND ASSAY DATA ATTACHED AS SHEETS I & II.		

N.M.P. TORONTO—STOCK FORM NO. 501 REV. 12/61

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CORE SAMPLE DATA

ASSAY SHEET NO I
HOLE NO: SB 86-1

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35201	20.05	20.86	0.81	Flow breccia, qtz/carb - 5% pyr	0.003	0.238
35202	29.73	30.49	0.76	Flow breccia, 50% qtz carb, 3% pyr	0.008	0.319
35203	47.26	48.32	1.06	Sil/carb, 10% pyr	0.025	0.460
35204	49.70	50.92	1.21	Mod, 3cm qtz/carb, minor sp, 8% pyr ^	0.023	0.353
35205	50.92	53.45	2.54	Mod, 4% pyr	0.009	0.223
35206	53.45	54.98	1.53	Breccia, qtz/carb, 4% pyr, minor sph	0.003	0.119
35207	54.98	56.10	1.12	5-qtz/carb veins, 4% pyr, qtz/sp < 1%	0.113	0.583
35208	56.10	57.62	1.52	Mod - occasional qtz/carb. vein	0.003	0.265
35209	57.62	59.15	1.53	10% qtz/carb, 4% pyr	0.034	0.157
35210	59.15	60.37	1.22	30cm qtz/carb, 4% pyr, minor sph	0.007	0.234
35211	60.37	63.41	3.04	Tuff, 10% euhedral pyr	0.014	0.171
35212	63.41	66.46	3.05	Tuff, 10% euhedral pyr	0.023	0.199
35213	66.46	67.94	1.46	2cm qtz/carb vein with 10% pyr, 1% sph	0.005	0.366
35222	67.94	69.46	1.52	Sil, 30% qtz/carb 4% pyr	0.006	0.255
35214	69.46	71.65	2.19	As above minor qtz.	0.009	0.523
35215	73.17	76.22	3.05	Sil Mod, fractured 2 to 3% pyr	0.005	0.295
35216	76.22	79.27	3.05	same	0.005	0.395
35217	79.27	82.32	3.05	same	0.007	0.287
35218	82.32	85.37	3.05	same	0.004	0.429
35230	85.37	86.89	1.52	Sil Bree, 5% pyr, minor qtz	0.004	0.320
35219	86.89	88.41	1.52	Silicified, fractured 2 to 3% pyr	0.004	0.667
70642	88.41	89.43	1.02	Sil Breccia, 5% pyrite, fractured	0.015	
35220	89.43	90.85	1.42	As above 10% pyrite	0.010	0.789
35221	90.85	92.07	1.22	as above, minor sp	0.009	0.469
35223	92.07	95.12	3.05	Andesite, 2 to 3% pyr	0.009	0.798
35224	101.98	103.51	1.53	1cm qtz/carb stringer, minor sp/gn	0.004	0.409
35225	103.51	105.18	1.67	3cm qtz/carb, 10% pyr, min sp/gn	0.006	0.313
35226	105.18	106.71	1.53	Andesite 5% pyrite.	0.011	0.411

CORE SAMPLE DATA

ASSAY SHEET NO:
HOLE NO: SB 86-1

SAMPLES				DESCRIPTION	ASSAYS	
NO.	METERS				AU	AG
	FROM	TO	WIDTH		oz/ton	oz/ton
35227	109.30	110.37	1.07	20% qtz/carb, 5% pyr, minor sp	0.005	0.276
35228	115.24	116.77	1.53	1 to 2 cm qtz/carb v minor sp	0.008	0.35
35229	116.77	118.29	1.52	qtz carb stringers, minor sp	0.012	0.417
35231	118.29	120.73	2.44	And/Breccia, 6% pyrite	0.023	0.385
35232	120.73	121.65	0.92	Sil Breccia, 3% pyr, minor sp/gn	0.280	0.85
35233	121.65	122.56	0.91	30% qtz/carb, pyr 3 to 4%	0.019	0.45
35237	122.56	124.08	1.52	20% qtz/carb 3% pyr, minor sp	0.012	0.32
35234	128.96	130.49	1.53	3 - 30 cm qtz/carb, 4% pyr	0.004	0.267
35235	139.33	139.94	0.61	qtz/carb breccia, 2% pyr	0.003	0.249
35236	149.08	149.54	0.46	50% qtz/carb, minor sp	0.003	0.232
35238	172.26	173.27	1.01	3cm qtz/carb with 5% pyr minor sp/gn	0.008	0.494
35239	173.27	174.08	0.81	Sil Brec, 5% pyr, 2% sp, min gn	0.021	0.616
35240	174.08	175.30	1.22	Sil Brec, 5% pyr 1% sp, min gn	0.016	0.392
35241	175.30	176.32	1.02	same	0.009	0.596
35242	176.32	177.19	0.87	60% qtz/carb, 5% pyr, minor cg sp/gn	0.022	0.305
35243	177.19	178.35	1.16	Andesite 2% pyr	0.014	0.420

CORE LOG BY: A.W. DEAN, P.ENG
ASSAYS BY: R. MACDONALD, ASSAYER
FOR NEWCANA JOINT VENTURE
STEWART B.C.

A.W. Dean

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB 86-2

SHEET NUMBER ONE OF FIVE SECTION FROM 0 TO 42.68 m

LATITUDE 7544.0 N ULTIMATE DEPTH 264.02 m

DEPARTURE 6141.5 E BEARING S74°W (254°Az) STARTED SEPT 20, 198

ELEVATION 1023 m DIP -72° COMPLETED Sept 25, 198

DEPTH METRES	FORMATION
0 — 5.18	CASING:
5.18 - 10.29	ANDESITE: grey to dark green, generally massive with weak banding & FLOW BRECCIA in places, occasional qtz/carb stringer, 3% pyr, minor sp/gn as noted in ASSAY SHEET NO I @ 9.8m - 46cm sil Breccia, 3% pyr, minor sp/gn
10.29 - 35.06	ANDESITE: grey green, massive, chloritized hornblende porphyry in places, occasional qtz/carb stringer, 2% pyr. @ 15.6m - 5cm qtz/carb vein, 2% black sp.
35.06 - 40.55	FLOW BRECCIA: dark green/green, banding at 40° to core, chloritized, occasional qtz/carb vein, 5 to 8% pyrite. @ 37.1m - 15cm qtz/carb vein, 5% pyr, 1% sp, minor gn 37.3m - 8% fine grained pyr. stringers.
40.55 - 42.68	ANDESITE FELDSPAR PORPHYRY: grey green massive, feldspar medium grained

N.M.P., TORONTO—STOCK FORM NO. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB-86-2

SHEET NUMBER Two of Five SECTION FROM 42.68m TO 65.55m

DEPTH METRES	FORMATION		
42.68-65.55	FLOW BRECCIA; grey green, moderately silicified with banding @ 40° to core. Occasional qtz/carb stringer, 4 to 6% pyr, minor sp & gn noted as in Assay Sheet		No I
	@ 43.9 to 60.1m — Wide 2nd stage qtz veins ranging from 2cm to 15cm @ 55° to core		
	@ 54.5m - 8cm qtz/carb v. 5% pyr, 5% sp, 2% gn		
65.55-73.17	ANDESITE FELDSPAR PORPHYRY: grey green, generally massive, occas. - qtz/carb stringer, 4 to 10% pyr, minor sp & gn as noted in Assay Sheets		No I & II
	@ 69.0m - 15cm qtz/carb v, 10% pyr, trace sp/g		
	71.0m - 30cm Sil Brec, 10% pyr, 1% sp, 1% gn		
73.17-94.21	ANDESITE; grey green, massive with feldspar porphyry in places, several qtz/carb brec and veins, 5% pyr, minor blebs of sp & gn as noted in Assay sheet		No II, and:
	79.0m to 80.5m - one 15cm, four 10cm qtz/carb veins		5% pyr, minor sp.
	81.9m - 15cm 40% pyr, 1% gn		
	90.2m - 122cm with 40% qtz/carb	Breccia	and veins
	10% pyr, sp < 1%		
	91.5m - 150cm with 50% qtz/carb veins, 10% pyr, 2% gn		1% sp
	93.0m - 122cm, 60% qtz/carb v, 12% pyr, 3% gn, 1% sp		

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** S.B. 86-2

SHEET NUMBER Three of Five SECTION FROM 94.21m TO 112.80m

DEPTH	FORMATION		
94.21 - 112.80	ANDESITE; grey green, weakly silicified & carbonatized in places with chalcedony. Several qtz/carb veins & breccia, 5% pyr minor sp & gn as noted in ASSAY SHEET II		
	@ 101.8m - 152 cm 40% qtz/carb, 5% pyr, 1% sp		
	111.3m - 91cm 30% qtz/carb, 10% pyr, 1% gn		
	112.2m - 61cm qtz/carb, 10% pyr, 3% gn, 2% sp		
112.80 - 125.00	ANDESITE FELDSPAR PORPHYRY; grey green, medium grained feldspar, occas. ionr qtz/carb stringer, 4 to 5% pyr, minor gn noted.		
125.00 - 146.65	FLOW BRECCIA: green, with fragments of feldspar porphyry up to 6cm, occas. ionr occurence of chalcedony, 2 to 3% pyr & minor gn as noted in SHEET III		
	@ 144.3m - 3cm of qtz/carb, minor gn		
146.65 - 181.40	ANDESITE FELDSPAR PORPHYRY: grey green, silicified breccia with chalcedony in places, several qtz/carb veins @ 50° to core, 4 to 5% pyr, minor gn/sp noted as per SHEET III.		
	@ 148.m - 24cm qtz/carb V, 10% pyr, 2% cpy sp, 2% gn		
	148.6m - 15cm qtz/carb V, 5% pyr, 2% cpy sp, 2% gn		
	149.0m - 30cm qtz/carb V, 10% pyr, 2% gn, 1% sp		
	149.4m - 4 - 8cm qtz carb V, 5% pyr, 1% gn		
	150.3m - five 5cm qtz carb V, 5% pyr, 2% sp, 1% gn		
	165.4m - 5cm qtz carb V, 5% pyr, 2% sp/gn		
	166.0m - 10cm qtz carb V, 5% pyr, 2% sp/gn		
	175.4m - four 1cm qtz/carb V, 10% pyr, 2% sp, 2% gn		
	177. m - 3cm mass. 80% pyr, 5% gn, 5% sp		
	177.6m - 3cm 80% pyr, 5% gn, 5% sp		

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-2

SHEET NUMBER Four of Five SECTION FROM 146.65m TO 242.38m

DEPTH METRES	FORMATION
146.65 - 181.40	CONTINUED:
	@ 178.8m - 5cm 80% PYR, 5% SP, 5% GN
181.40 - 185.67	FLOW BRECCIA: Moderately silicified with chalcedony in places, 5% PYR minor GN as noted in Assay Sheet 111
	@ 182.8m - 1cm GN/SP stringer
185.67 - 193.90	ANDESITE: grey green, feldspar porphyry in places, occasional qtz/carb breccia
	@ 192.1m two 15cm qtz/carb Bx, 5% PYR, minor GN
193.90 - 203.96	SILICIFIED FRACTURE ZONE: pale green & tan, fine line chlorite, weak shearing, 5% PYR
	@ 203.8m - 3cm qtz/carb 6% PYR 1% GN
203.96 - 208.84	ANDESITE FELDSPAR/HORNBLENDE PORPHYRY: grey green, massive, silicified in places with 8% PYR, minor GN.
208.84 - 213.33	ANDESITE: grey green, massive, fine grained
213.33 - 221.65	SILICIFIED FLOW BRECCIA: pale green, several 2nd phase barren qtz veins 2 to 5cm at 50° to core, chalcedony in places
221.65 - 242.38	SILICIFIED ANDESITE: tan/green, fractures with fine line chlorite, remnant flow Breccia in places.

N.M.P. TORONTO — STOCK FORM No. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB. 86-2

SHEET NUMBER Five of Five SECTION FROM 242.38m TO 264.02m

DEPTH METERS	FORMATION
242.38 - 250.00	SILICIFIED FLOW BRECCIA: Tan coloured, sheared with ∠ @ 50° to core, contains qtz and $FeCO_3$ stringers.
250.00 - 251.83	SHEAR: clay gouge with $FeCO_3$ / qtz, shearing @ 50° ∠ to core.
251.83 - 256.10	SILICIFIED FLOW BRECCIA: tan to grey, Aphanitic, 2% pyrite
256.10 - 264.02	SILICIFIED ANDESITE: fractured & sheared in places with $FeCO_3$ stringers @ 50° ∠ to core
	END OF HOLE

ACID DIP TEST	ETCH ANGLE	TRUE ANGLE
60.98m	78°	74°
121.95	82°	79°
182.93	80°	76.5°
243.90	81°	78°

CORE SAMPLE ASSAY DATA ATTACHED

AS SHEETS NO I, II, III & IV

N.M.P., TORONTO – STOCK FORM No. 501 REV. 12/81

DRILLED BY .....

SIGNED A. W. Dunn P. Eng

CORE SAMPLE DATA

HOLE NO: SB 86+2

SAMPLES				DESCRIPTION	ASSAYS	
NO.	METERS				AU	AG
	FROM	TO	WIDTH		OZ/ton	OZ/ton
35244	8.31	9.83	1.52	Flow breccia wkly banded - 3% pyr	0.019	0.31
35245	9.83	10.29	0.46	Sil Flow Breccia, 3% pyr minor sp/gn	0.030	0.27
35246	10.29	11.81	1.52	Wall Rk. Flow breccia	0.028	0.44
35247	14.02	15.55	1.53	Wall Rk Andesite	0.009	0.27
35248	15.55	15.85	0.30	wtk 5cm qtz/carb 2% blk/Brown sp	0.003	0.26
35249	15.85	17.38	1.53	Wall Rk - qtz/carb stringers, 2% pyr	0.004	0.16
35250	36.99	37.30	0.31	15cm qtz/carb, 5% pyr, minor Brown sp, gn	0.034	0.41
35251	37.30	37.60	0.30	Breccia 8% pyr stringers	0.003	0.01
35252	37.60	39.12	1.52	Wall Rk Andesite, 5% pyr	0.003	0.25
35253	42.68	43.50	0.82	20% irreg qtz, minor gn.	0.005	0.25
35254	43.50	44.16	0.66	Sil Breccia, 5% pyr, minor gn	0.073	0.76
35255	44.16	46.65	2.49	Sil Brec., 15cm qtz vein, minor gn	0.012	0.25
35256	46.65	48.17	1.52	" " , 15cm , 3% pyr	0.003	0.13
35257	48.17	48.78	0.61	Sil Brec. 4% pyr	0.003	0.13
35258	48.78	49.39	0.61	30% qtz/carb 6% pyr, minor sp/gn	0.020	0.09
35259	49.39	50.30	0.91	Sil And. 4% pyr	0.006	0.03
35260	50.30	51.83	1.53	20% qtz/carb 5% pyr.	0.005	0.08
35261	51.83	53.35	1.52	30% qtz/carb 5% pyr, minor sp/gn	0.023	0.36
35262	53.35	54.45	1.10	wkly Sil 5% pyr, minor sp/gn	0.012	0.17
35263	54.45	54.76	0.31	8cm qtz/carb with 5% sp, 2% gn	0.007	0.57
35264	54.76	56.40	1.64	Sil And, 4% pyr.	0.010	0.28
35265	62.50	64.02	1.52	Sil Brec., 4% pyr	0.003	0.24
35266	64.02	65.55	1.53	Sil Brec., 5% pyr	0.009	0.38
35267	65.55	67.07	1.52	And 4% pyr	0.004	0.29
35268	67.07	68.60	1.53	And, qtz/carb stringers, min sp/gn	0.005	0.29
35269	68.60	70.12	1.52	15cm qtz/carb, 10% pyr, minor sp/gn	0.003	0.25
35270	70.12	71.04	0.92	30% qtz/carb, Brec. 8% pyr, min sp/gn	0.020	0.41

SHIFT: NO II

CORE SAMPLE DATA

HOLE NO: SB 86-2

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35271	71.04	71.34	0.30	Sil Brec. 10% pyr, 1% sp, 1% qv	0.036	0.669
35272	71.34	73.17	1.83	AND. 5% PYR	0.004	0.236
35273	73.17	74.70	1.53	30% qtz/carb minor sp/qv	0.010	0.409
35274	74.70	76.22	1.52	4-2-5cm qtz/carb, 5% pyr, minor sp/qv	0.036	0.491
35275	76.22	77.74	1.52	3-5cm qtz/carb v, 5% pyr, minor qv	0.021	0.579
35276	77.74	78.96	1.22	8cm qtz/carb v, 4% pyr, minor qv	0.003	0.275
35277	78.96	80.50	1.54	15cm+10cm qtz/carb, 5% pyr, minor sp	0.391	0.904
35278	80.50	81.71	1.21	10% qtz/carb 5% pyr, minor sp/qv	0.033	0.632
35279	81.71	82.62	0.91	50% qtz/carb, 15cm 40% pyr, 1% qv	0.384	1.027
35280	82.62	84.15	1.53	Sil with qtz/carb 2% pyr	0.030	0.239
35281	84.15	85.67	1.52	30% qtz/carb, 5% pyr minor sp	0.003	0.299
35282	85.67	88.72	3.05	10% qtz stwg, 3% dis pyr.	0.010	0.266
35283	88.72	90.24	1.52	20% qtz/carb, 4% Pyr	0.030	0.280
35284	90.24	91.46	1.22	40% qtz/carb, 10% pyr, sp 1%	0.376	1.140
35285	91.46	92.99	1.53	50% qtz/carb, 10% pyr, 2% qv, 1% sp	0.220	1.248
35286	92.99	94.21	1.22	60% qtz/carb, 12% pyr, 3% qv, 1% sp	0.121	2.478
35287	94.21	96.04	1.83	And, qtz/carb stwgs, minor qv	0.005	0.264
35301	96.04	97.87	1.83	30% qtz/carb, 5% pyr, minor sp/qv	0.003	0.298
35302	97.87	99.39	1.52	30% qtz/carb, 5% pyr, minor qv	0.023	0.222
35288	101.83	103.35	1.52	40% qtz/carb, 5% pyr 1% sp	0.017	0.348
35289	103.35	104.57	1.22	20% qtz/carb, 5% pyr	0.008	0.356
35290	104.57	105.49	0.92	40% qtz/carb 5% pyr, minor sp	0.035	0.290
35291	105.49	106.71	1.22	2cm+15cm qtz/carb, 5% pyr, minor qv	0.024	0.541
35292	106.71	108.23	1.52	10% qtz/carb, 5% pyr, minor qv	0.011	0.528
35293	108.23	109.76	1.53	Sil And, 4% pyr	0.010	0.243
35294	109.76	111.28	1.52	30cm qtz/carb, 5% pyr	0.006	0.271
35295	111.28	112.19	0.91	30% qtz/carb, 10% pyr 1% qv	0.018	0.426
35296	112.19	112.80	0.61	qtz/carb, 10% pyr 3% qv, 2% sp	0.126	1.616
35297	112.80	114.33	1.53	And. qtz/carb v, 5% pyr	0.015	0.301
35298	114.33	116.16	1.83	30% qtz/carb, 4% pyr, minor qv	0.074	0.415

CORE SAMPLE DATA

HOLE NO: SJ 86-2

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35299	125.00	125.91	0.91	Brec., 30% qtz/carb, 4% pyr, minor qn	0.021	0.16
35300	144.21	144.51	0.30	3cm of qtz/carb, minor qn	0.145	1.50
35303	146.65	147.87	1.22	30% qtz/carb veins, 5% pyr, minor sp	0.018	0.271
35304	147.87	148.78	0.91	24cm & 15cm qtz/carb 2% ore sp, 2% qn	0.121	2.362
35305	148.78	149.39	0.61	30cm qtz/carb, 10% pyr, 2% qn, 1% sp	0.038	0.657
35306	149.39	150.30	0.91	4-8cm qtz/carb V, 5% pyr 1% qn	0.015	0.81
35307	150.30	152.44	2.14	five 5cm qtz/carb V, 5% pyr, 2% sp, 1% qn	0.021	0.479
35308	152.44	154.27	1.83	55cm qtz/carb, 5% pyr, minor sp/qn	0.035	0.330
35309	154.27	155.79	1.52	Aud, qtz/carb stwg, 7% pyr, minor sp	0.022	0.337
35310	155.79	157.01	1.22	Aud, irreg qtz/carb, 5% pyr minor sp/qn	0.040	0.334
35311	157.01	158.54	1.53	Flow Breccia, 4% clio pyr.	0.004	0.356
35312	158.54	160.37	1.83	Sil Brec., 5-12cm qtz/carb, minor qn	0.018	0.341
35313	160.37	163.11	2.74	Irreg qtz/carb minor qn.	0.004	0.09
35314	165.24	166.16	0.92	5cm & 10cm qtz/carb, 5% pyr, 2% sp/qn	0.030	1.426
35315	175.30	176.83	1.53	4-1cm qtz/carb, 10% pyr, 2% sp, 2% qn	0.023	0.314
35316	176.83	178.35	1.52	two-3cm veins, 80% pyr, 5% sp 5% qn	0.054	0.711
35317	178.35	179.88	1.53	5cm mass sulphide, 90% pyr, 3% sp, 3% qn	0.055	0.645
35318	179.88	181.40	1.52	Aud-qtz/carb stwg 5% pyr, minor qn	0.025	0.449
35319	181.40	182.93	1.53	Breccia, 8% pyr, qn/sp stringers	0.032	0.479
35320	182.93	184.45	1.52	Sil Brec., 5% pyr	0.031	0.374
35321	184.45	185.67	1.22	Sil Brec, 5% pyr, trace qn	0.025	1.215
35322	192.07	193.60	1.53	2-15cm qtz/carb, 5% pyr minor qn	0.008	0.277
35326	201.22	202.74	1.52	Sil, fractured, 6% pyr, minor qn	0.009	0.245
35327	202.74	203.96	1.22	Same " 3cm of 1% qn.	0.127	0.893

CORE SAMPLE DATA

HOLE NO: SB 86+2

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35323	208.08	208.54	0.46	SIL AND. 15% qtz/carb, 8% pyr, minor py	0.011	0.409
35324	213.26	214.18	0.92	Sil Brec., 5% pyrite in stringers	0.006	0.177
35325	234.76	235.37	0.61	Sil Brec. 5% pyr. stringers.	0.008	0.292
35328	236.13	237.35	1.22	Breccia, 10% pyr in matrix	0.005	0.428
35329	238.72	239.33	0.61	Sil Brec, 10% pyrite	0.016	0.431
35426	251.83	253.35	1.52	Sil Brec.	0.004	0.263
35427	253.35	256.10	2.75	Sil grey Brec., little pyr	0.003	0.351
35330	256.10	259.15	3.05	Sil, fractured, 3% pyr	0.005	0.229
35331	259.15	260.98	1.83	as above	0.009	0.357

CORE LOGGED BY: A.W. DEAN, P.ENG

ASSAYS BY: R. MACDONALD, ASSAYER
FOR NEWCANA JOINT VENTURE

A.W. Dean

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB-86-3

SHEET NUMBER ONE OF FOUR SECTION FROM 0 TO

LATITUDE 7442.5 N ULTIMATE DEPTH 247.5m

DEPARTURE 6177.5 E BEARING S74°W (254°Az) STARTED Sept 27, 1986

ELEVATION 1023 m DIP -75° COMPLETED Oct 1, 1986

DEPTH METERS	FORMATION
0 - 1.22	CASING:
1.22 - 20.8	FLOW BRECCIA: grey green, includes FELDSPAR PORPHY fragments from 1 to 2cm, from 14.5m to 20.8m, moderately silicified with up to 8% PYRITE, minor blebs of sphalerite, galena & chalcopyrite as noted in ASSAY SHEET NO I. Weak banding @ 25° ∠ to core.
20.8 - 50.3	ANDESITE FELDSPAR PORPHYRY: grey green, massive occasional qtz/carb stringers @ 30° to core, @ 41.7m - 3.1 cm qtz/carb vein, 4% PYR, SPC 1%, MIN 42.8m - 3cm qtz/carb vein, 20% PYR, <3% CP
50.3 - 54.3	FLOW BRECCIA: grey green, fragments less than 2% pyrite ICI
54.3 - 62.7	ANDESITE: grey green, massive, fine grained, occasional qtz/carb vein with chalcedony @ 62.4 - 30cm qtz/carb/chalcedony vein, 15% pyrite
62.7 - 65.5	ANDESITE FELDSPAR PORPHYRY: grey green, massive
65.5 - 78.2	ANDESITE & FLOW BRECCIA: Alternating bands, moderately silicified in places with 4 to 8% pyrite & minor SP AS NOTED IN SHEET I.

N.M.P., TORONTO—STOCK FORM No. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-3

SHEET NUMBER Two of Four SECTION FROM 78.2m TO 149.0m

DEPTH METERS	FORMATION
78.2 - 92.0	SILICIFIED FLOW BRECCIA: pale green, occas iron qtz/carb stringers WITH chalcedony, 8% pyrite in matrix in places, minor sp @ 86.4m From 85.3m to 89.8m minor 2ND STAGE barren qtz veins 2cm to 5cm @ 50° to 60° to core. @ 90.3 to 92.0, barren qtz vein.
92.0 - 102.2	ANDESITE: dark green, massive for most part, occasional qtz/carb stringer, 3% pyr @ 98.5m - 2cm qtz/carb @ 25° to core, 4% pyr minor sp
102.2 - 111.7	MODERATELY SILICIFIED ANDESITE: green to dark green, fine fracture lines with chlorite, aphan. 4% pyr. @ 102.5 m - 2cm qtz/carb v, minor gn 103.0 m - 2cm qtz/carb v, minor sp/gn
111.7 - 114.7	SILICIFIED FLOW BRECCIA: pale green to grey, black fine line fractures, occas qtz/carb stringer @ 35° to core, minor gn/sp @ 112.4m.
114.7 - 149.0	ANDESITE: green, massive, weakly carbonatized & chloritized, occas irreg to reg qtz/carb veins @ 50° to core, 3 to 5% pyr in stringers, minor sp/gn as noted in HOLES I & II, and @ 116.8m two 2cm qtz/carb v, 5% pyr, 2% sp, 1% gn 130.4 m - 2cm qtz/carb v @ 40°, 3% gn, minor sp 130.7m - 2cm qtz/carb v, 2% gn, minor sp

N.M.P., TORONTO—STOCK FORM NO. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-2

SHEET NUMBER THREE OF FOUR SECTION FROM 149.0m TO 198.5m

DEPTH METRES	FORMATION
149.0 - 151.6	SILICIFIED FLOW BRECCIA: grey, aphanitic, minor blebs of qtz & sp in 5 places, 5% pyr stringers.
151.6 - 158.7	FLOW BRECCIA: green, chloritized, fragments up to 2cm, 5% pyr, occasional qtz/carb stringers with minor qtz/sp
158.7 - 160.28	SILICIFIED FLOW BRECCIA: grey/green, 5% pyrite, qtz/carb with chalcedony in places.
	@ 159.8 - 48cm qtz/carb/chal vein, 30% pyr, 5% sp, 2% gn
160.28 - 169.7	ANDESITIC TUFFS: banded pale green/mauve/dark green, aphanitic, fine lines of euhedral pyrite 5%, occasional qtz/carb vein with minor sp/gn CONTINUED ON SHEET II
169.7 - 171.2	SILICIFIED FLOW BRECCIA: grey, chalcedony in places, 5% pyr, minor sp/gn
171.2 - 178.3	ANDESITIC TUFFS: Banded green/grey/black aphanitic @ 40° to core, 3% pyr euhedral // to banding
178.3 - 198.5	ANDESITE: grey green, generally fine grained, occasional band at 30cm feldspar porphyry

N.M.P. TORONTO—STOCK FORM No. 501 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-3

SHEET NUMBER Four of Four SECTION FROM 198.5m TO 247.5m

DEPTH METERS	FORMATION
198.5 - 206.1	ANDESITE: green green, moderately silicified, occasional qtz/carb vein & breccia @ 5 5% pyr and minor gn noted as per Assay Sheet II.
	@ 198.5m - 70cm 30% qtz/carb bx, 5% pyr, 2 to 3% g 199.7m - 200cm 25% qtz carb bx, 5% pyr, gn < 1%
206.1 - 225.0	ANDESITE: green, chloritized, fine grained occasional qtz/carb vein @ 30° to core, minor sp/gn as noted in Sheet III.
225.0 - 240.5	ANDESITIC TUFFS: banded green to dark green, chloritized, < 45° to core, occas. inc qtz/carb shingles, 5% pyr minor /gn
240.5 - 246.0	ALTERED TUFFS: pale green to tan, weak banding @ 30° < to core, $FeCO_3$ shingles
246.0 - 247.5	SHEAR: Tan coloured, shearing at 25° to core, with $FeCO_3$ shingles & some clay gouge
	END OF HOLE

ACID DIP TESTS	ETCH ANGLE	TRUE ANGLE
60.98m	78.5°	- 74°
121.95m	76.0°	- 72°
173.78m	81.0°	- 78°

NOTE: CORE SAMPLE, DATA & ASSAYS COMPILED IN SHEETS I, II & III

N.M.P. TORONTO—STOCK FORM NO. 501 REV. 12/51

DRILLED BY ..... SIGNED A. Wildman P. Eng.

CORE SAMPLE DATA

HOLE NO: SB 86-3

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35332	14.5	16.07	1.57	Sil Breccia, 8% Pyr.	0.004	0.011
35333	16.07	17.57	1.50	Sil/carb Breccia, 8% Pyr	0.003	0.147
35334	17.57	18.57	1.00	as above, minor Sp/Gn/Cp	0.011	0.269
35335	18.57	19.80	1.23	Breccia, 8% pyr	0.004	0.383
35336	19.80	20.80	1.00	Breccia, minor Sp, trace Cp	0.012	0.269
35337	41.68	41.99	0.31	Qtz/carb vein, 4% pyr, Sp 1%, minor Gn	0.021	0.776
35338	42.80	43.10	0.30	3cm Qtz vein with 20% pyrite	0.010	0.310
35339	62.40	62.70	0.30	Carb/Qtz/chalcedony - 15% pyr	0.009	0.403
35340	65.90	66.90	1.00	Breccia, 8% pyr, minor Sp	0.006	0.743
35341	66.90	69.40	2.50	Sil Breccia, 4% pyr	0.004	2.068
35342	69.40	70.90	1.50	Sil Breccia, 4% pyr, minor Sp	0.006	0.305
35343	78.20	79.70	1.50	Sil Breccia, Qtz/carb/clay, 8% pyr Matrix	0.015	0.237
35344	79.70	81.20	1.50	as above	0.003	0.237
35345	86.30	86.60	0.30	Flow Brec., 4% pyr trace Sp @ 86.4	0.009	0.245
35346	98.10	99.10	1.00	2cm Qtz/carb, 4% pyr minor Sp	0.021	0.20
35347	102.20	103.20	1.00	two 2cm Qtz/carb vs, minor Sp/Gn	0.549	1.158
35348	111.70	114.70	3.00	Sil Brec, 5% pyr min Gn/Sp	0.052	0.414
35349	116.80	117.10	0.30	2 - 2cm Qtz/carb vs, 5% Py, 2% Sp, 1% Gn	0.016	0.614
35350	120.50	121.60	1.10	30% Qtz/carb vs, 8% pyr, minor Sp/Gn	0.020	0.56

CORE SAMPLE DATA

HOLE NO: SB-86-3

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS AU oz/ton	AG oz/ton
35351	124.2	124.6	0.40	qtz/carb vein, 10% pyr stringers	0.014	0.41
35352	126.9	127.2	0.30	50% qtz/carb v, 10% pyr stringers	0.025	0.64
35353	128.90	129.90	1.00	50% qtz/carb, 5% pyr, minor sp/gn	0.031	0.35
35354	129.90	130.90	1.00	20% qtz/carb, 2cm qtz/carb with 3% sp	0.058	0.77
35355	130.90	133.90	3.00	15% qtz/carb, pyr stringers - 5%	0.011	0.46
35358	138.20	141.20	3.00	And, 3% pyr in string, trace sp/gn	0.022	1.479
35356	146.40	147.40	1.00	25% qtz/carb v, 5% pyr, strg, minor sp/gn	0.357	0.911
35357	149.00	151.60	2.60	Breccia, Sil/carb, 5% pyr, minor sp/	0.021	0.44
35359	156.70	157.00	0.30	80% qtz/carb, 5% pyr, minor gn	0.035	0.57
35360	158.70	159.80	1.10	Sil Breccia, 5% pyr, chal	0.009	0.26
35361	159.80	160.28	0.48	qtz/carb, chal, 30% pyr, 5% sp, 2% gn	0.637	5.23
35362	160.28	161.80	1.52	Carb/And - 5% pyr.	0.042	0.50
35363	165.50	166.60	1.10	30% qtz/carb, 5% pyr, minor sp/gn	0.046	0.541
35364	168.50	169.50	1.00	2 - 2cm qtz/carb v, 3% pyr, minor sp/gn	0.032	0.567
35366	169.50	169.70	0.20	Sil Brec, 5% pyr, trace gn	0.007	0.008
35365	169.70	171.20	1.50	Sil/carb, 5% pyr, minor sp/gn	0.021	0.479
35367	198.50	199.20	0.70	30% qtz/carb, 5% pyr, 2 to 3% gn	0.003	0.386
35368	199.20	199.70	0.50	Sil And, 10% qtz/carb, 3% pyr	0.150	0.83
35369	199.70	201.70	2.00	25% qtz/carb, 5% pyr, gn < 1%	0.127	0.73
35370	201.70	203.30	1.60	Sil And, 5% pyr.	0.091	0.69
35371	203.30	206.10	2.80	as above	0.011	0.121

CORE SAMPLE DATA

HOLE NO: SB 86-3

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35372	207.50	208.50	1.00	2-2cm qtz/carb v, 5% pyr, minor sp	0.010	0.420
35373	210.20	211.20	1.00	2 fine lined qtz/carb v, minor sp	0.031	0.296
35374	212.90	214.40	1.50	qtz/carb stringers, minor sp/gn	0.040	0.105
35375	214.40	215.00	0.60	qtz/carb vein 11, minor sp	0.003	0.010
35401	223.60	225.00	1.40	10% qtz/carb, 5% pyr, minor sp/gn	0.010	0.417
35402	234.00	235.00	1.00	40% qtz/carb, 5% pyr, minor gn	0.004	0.201
35403	240.00	240.50	0.50	7cm & 2cm qtz/carb v, 5% pyr minor gn	0.006	0.387

CORE LOGGED BY: A.W. DEAN P. Eng

ASSAYS BY: R. MACDONALD, ASSAYER
FOR NEWCANA J. VENTURE
STEWART B.C.

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB 86-4

SHEET NUMBER ONE OF THREE SECTION FROM 0 TO 106.2m

LATITUDE 7448.5 N ULTIMATE DEPTH 288.1 m

DEPARTURE 6177.5 E BEARING S74°W (254° Az) STARTED Oct 2, 1986

ELEVATION 1023 m DIP −60° COMPLETED Oct 7, 1986

DEPTH METERS	FORMATION
0 - 1.8m	CASING:
1.8 - 20.5	ANDESITE: grey green, fine grained, generally massive with qtz breccia in places, 8 to 10% pyr, contacts ∠ 25° to 30° to core.
20.5 - 44.3	FLOW BRECCIA: green, chloritized, weakly banded @ 30° ∠ to core, fragments up to 2cm, occasional qtz/carb stringer, 5% pyr, sp noted as in Assay Sheet I @ 35.1m felds porphyry frags up to 10cm.
44.3 - 51.5	ANDESITE FELDSPAR PORPHYRY: grey green, felds ma massive, occasional qtz/carb stringer, 5% pyr @ 45° ∠ to core @ 44.8m - 3cm qtz/carbv - minor brn sp. 45.2m - 3cm qtz/carbv - minor brn sp.
51.5 - 67.0	FLOW BRECCIA: green. felds porphyry fragments up to 10cm, occasional qtz/carb stringer @ 30° ∠ to core, 3% pyr
67.0 - 77.5	SILICIFIED FLOW BRECCIA: pale green, occasional qtz/carb vein @ 40° ∠ to core, 5% pyr. minor blebs of sp & gn as per Assay Sheet No I
77.5 - 106.2	FLOW BRECCIA: pale green, chloritized, felds porphyry fragments up to 10cm in places, occasional silicified section, 3% pyr. minor gn/sp as noted in Sheet I.

N.M.P. TORONTO—STOCK FORM NO. 301 REV. 12/81

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DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE **HOLE NO.** SB 86-4

SHEET NUMBER Two of Three SECTION FROM 106.2m TO 257.0m

DEPTH METERS	FORMATION		
106.2 - 161.5	ANDESITE: grey green, chloritized hornblende porphyry in places, moderately silicified in places with qtz/carb veins at 30° to core and breccia, 5 to 8% pyr, minor <P, gn & sp as noted in SHEETS I & II.		
	@ 112.5m - 80cm qtz/carb Bx, 8% pyr, 2% sp, min gn		
	136.3m - 160cm 20% qtz/carb veins, 8% pyr, 1% sp, minor cp		
	137.9m - 130cm 25% qtz/carb v with 5cm & 2cm mass sulp, 80% pyr, 5% gn, 5% sp		
161.5 - 172.3	FLOW BRECCIA: green, chloritized mafic minerals, feld porphyry fragments to 2cm		
172.3 - 186.9	SILICIFIED FLOW BRECCIA: pale green, aphanitic, several qtz/carb veins @ 45° to core, 8 to 10% pyr, minor sp/gn as per SHEET II and:		
	@ 173.2m - 70cm 50% qtz/carb v, 10% pyr, 1% sp		
	173.9m - 50cm sil/carb, 20% pyr, 8% sp, 2% gn		
	174.4m - 100cm 20% qtz/carb v, 8% pyr, 2% sp		
	175.4m - 100cm 20% qtz/carb v, 8% pyr, 1% sp		
186.9 - 257.0	ANDESITE: green, fine grained chloritized mafics occasional qtz/carb vein & tectonic breccia, 3 to 10% pyr, minor sp/gn noted as per ASSAY SHEET II		
	@ 191.2m - 100cm 80% qtz/carb Bx, 10% pyr, 3% sp 2% gn		
	197.2m - 120cm 70% qtz/carb Bx, 6% pyr minor sp/gn		
	215.1m - 2cm qtz/carb v @ 30°, 5% pyr, 5% sp, 5% gn		
	222.6m - 7cm, 90% pyr, 10% gn		

N.M.P., TORONTO—STOCK FORM No. 501 REV. 12/81

DRILLED BY ..... SIGNED Alw. Dean P. Soep

DIAMOND DRILL RECORD

PROPERTY SILVER BUTTE HOLE NO. SB 86-

SHEET NUMBER THREE OF THREE SECTION FROM 257.0 m TO 288.1 m

DEPTH METRES	FORMATION		
257.0 - 261.7	ALTERED ANDESITE: tan colored, Aphanitic, moderately sheared with 25% qtz & $FeCO_3$ stringers at 20° ∠ to core		
261.7 - 286.3	ANDESITE: pale green, Aphanitic, massive with occasional 2ND stage barren qtz veins @ 20° ∠ to core.		
286.3 - 288.1	ALTERED ANDESITE: tan coloured, contains 10% qtz & $FeCO_3$ with clay gouge in shearing @ 80° ∠ to core.		
	END OF HOLE		
	ACID DIP TESTS	ETCH ANGLE	TRUE ANGLE
	121.95m	72.5°	-66°
	243.90	74.5°	-68°
NOTE:	CORE SAMPLE AND ASSAY DATA CONTAINED IN SHEETS I, II & III		

N.M.P., TORONTO—STOCK FORM No. 501 REV. 12/51

DRILLED BY ..... SIGNED A. Wilson P. Eng.

SHEET NO 1

CORE SAMPLE DATA

HOLE NO: SB-86-4

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35405	13.90	15.60	1.70	Breccia, 70% qtz/carb 8% pyr	0.005	0.035
35406	19.50	20.50	1.00	Brec, 50% qtz/carb, 10% pyr	0.018	0.858
35404	41.50	42.50	1.00	Felds Porph, 1cm qtz/carb minor sp	0.005	1.409
35415	44.50	45.50	1.00	2-3cm qtz/carb v, minor blebs of sp	0.005	0.287
35407	67.00	68.50	1.50	Sil Brec, qtz/carb v & minor sp/gn	0.005	0.705
35408	68.50	71.50	3.00	Sil Breccia, 5% pyr	0.003	0.319
35409	71.50	74.50	3.00	Sil Brec, 5% pyr minor sp/gn	0.004	0.375
35410	74.50	77.50	3.00	Sil Brec, 5% pyr minor sp/gn	0.011	0.094
35411	84.00	85.50	1.50	Sil Breccia, 5% pyr minor gn	0.010	0.420
35412	92.50	93.00	0.50	Sil Breccia, 10% pyr	0.018	0.616
35413	101.70	103.70	2.00	Sil Breccia, 5% pyr minor gn/sp	0.014	0.071
35414	103.70	106.20	2.50	Sil Brec, 5% pyr, minor gn	0.004	0.010
35416	112.50	113.30	0.80	qtz/carb Brec, 8% pyr, 2% sp, minor gn	0.112	0.498
35417	119.60	120.60	1.00	2cm qtz/carb/pyrite ll to core, minor gn	0.023	0.673
35418	132.90	136.30	3.40	30% qtz/carb v, 8% clq pyrite	0.026	0.581
35419	136.30	137.90	1.60	20% qtz/carb v, 8% pyr, trace gn, minor sp	0.153	2.149
35420	137.90	139.20	1.30	25% qtz/carb v, 5cm & 2cm 80% py, 5% gn/sp	0.126	0.704
35421	139.20	141.70	2.50	Breccia, 5% pyr minor sp	0.110	1.852
35422	141.70	144.70	3.00	two 1cm qtz/carb, 5% pyr minor sp	0.005	0.316

CORE SAMPLE DATA

HOLE NO: SB 86-4

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35423	149.40	152.40	3.00	20% qtz/carbv, minor sp/py	0.006	0.315
35424	152.40	155.50	3.10	As above	0.024	0.236
35425	155.50	158.50	3.00	25% irreg qtz/carb 5% pyr	0.024	0.06
35376	158.50	161.50	3.00	15% qtz/carb, 5% pyr	0.014	0.347
35377	170.80	172.30	1.50	Wall Rk. Flow Breccia	0.016	0.25
35378	172.30	173.20	0.90	Sil Brecc, 40% qtz/carb, 8% pyr	0.004	0.01
35379	173.20	173.90	0.70	50% qtz/carbv, 10% pyr, 1% sp	0.041	0.66
35380	173.90	174.40	0.50	Sil qtz/carb, 20% pyr, 8% sp, 2% py	0.215	2.779
35381	174.40	175.40	1.00	20% qtz/carbv, 8% pyr, 2% sp	0.007	0.476
35382	175.40	176.40	1.00	20% qtz carbv, 8% pyr, 1% sp.	0.041	0.64
35383	176.40	178.30	1.90	Sil Breccia 15% qtz/carb, minor sp	0.011	0.05
35384	178.30	181.10	2.80	30% qtz/carb, 5% pyr.	0.006	0.08
35385	181.10	184.20	3.10	Sil Breccia 8% pyr	0.005	0.10
35386	184.20	186.90	2.70	Sil Brec, 8% pyr, minor py	0.020	0.50
35387	189.50	190.00	0.50	40% qtz/carbv, tr minor sp	0.024	0.41
35388	190.00	192.20	2.20	Andesite, fine Lmt qtz/carb 3% py	0.006	0.03
35389	192.20	195.20	3.00	Andesite, occassional qtz/carb v	0.005	0.06
35390	195.20	196.20	1.00	15% qtz/carb, 5% pyr, minor sp/py	0.008	0.49
35391	196.20	197.20	1.00	80% qtz carb Brec, 10% pyr, 3% sp, 2% py	0.091	0.46
35392	197.20	198.40	1.20	70% qtz carb Brec, 6% pyr minor sp/py	0.216	0.45
35393	198.40	200.00	1.60	Mod Sil Brec. 5% pyr	0.015	0.23
35394	200.00	201.90	1.90	Six 1 to 2 cm qtz/carb v, minor sp/py	0.016	0.38
35395	201.90	204.70	2.80	Four 1cm qtz/carb v, trace sp	0.006	0.03
35396	204.70	206.00	1.30	50% Flow Brec, 5% pyr	0.008	0.03
35397	208.70	209.20	0.50	30 cm qtz/carb vein, 5% pyr	0.019	0.29
35398	211.90	212.40	0.50	And with five Lmt shrigus, minor sp.	0.018	0.19

SHEET 1 NO 111

CORE SAMPLE DATA HOLE NO: SB-86-4

SAMPLES NO.	METERS FROM	TO	WIDTH	DESCRIPTION	ASSAYS Au oz/ton	Ag oz/ton
35399	214.90	215.40	0.50	2cm qtz/carb v with 5% py 5% sp, 5% gn	0.004	0.189
35400	218.20	218.70	0.50	10% irreg qtz/carb v 5% py, minor sp	0.031	0.105
35434	219.80	220.30	0.50	irregular qtz/carb v, minor sp/gn	0.014	0.196
35428	222.50	223.00	0.50	7cm at 90° py/gn, 10% gn	0.203	1.732
35429	226.90	227.40	0.50	10% irreg qtz/carb, minor sp	0.003	0.409
35430	236.20	236.70	0.50	1cm qtz/carb v, minor sp	0.012	0.121
35431	238.80	239.30	0.50	two 2cm qtz/carb vs, minor sp/gn	0.011	0.255
35432	240.90	241.40	0.50	fine line qtz/carb, 5% py/gn, tr sp/gn	0.010	0.096
35433	245.40	245.90	0.50	fine line qtz/carb 5% py/gn, tr sp/gn	0.011	0.207

CORE LOGGED BY: A.W. DEAN, P. ENG

ASSAYS BY: R. MACDONALD, ASSAYER
NEW CANA JOINT VENTURE
STEWART, B.C.

REPORT ON

BALMER-TENAJON PROPERTY

BALMER AND RANGER TP.

DISTRICT OF KENORA

RED LAKE MINING DIVISION, ONTARIO

(NTS 52-N-4)

FOR

TENAJON SILVER CORP.

BY

A.W. DEAN, P.ENG., P.GEOL.

MARCH 22, 1987

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BALMER-TENAJON-PROPERTY

SUMMARY

The Balmer-Tenajon property, consisting of fifty-five contiguous unpatented mining claims, is located 9 km east of Balmertown where the producing Campbell Red Lake and Dickenson gold mines are situated in Northwestern Ontario.

The property is located within the Red Lake metavolcanic meta sedimentry belt forming part of the Uchi Subprovince of the Archean Superior Province.

Cominco Ltd. in 1985 outlined a strong Max Min II electro magnetic anomaly striking N20^{O}W for 2,600 meters on the east side of the property. Previous widely spaced drilling confirms the conductor is caused by iron formation units with associated pyrrhotite/pyrite sulphide sections. Hole K-3 drilled in 1946 is reported to have an assay in gold over 0.05 oz. per ton in the apparent hanging wall of the conductive unit.

It is recommended cross-sectional drilling totalling 850 meters be undertaken to test the iron formation and adjoining foliated metavolcanics over 600 meters to the west. The main objective is to explore for quartz-carbonate fissure gold veins parallel to the foliation in the metavolcanics.

Estimated program costs for recommended Stage I and Stage II programs are $110,000 and $365,000, respectively.

INTRODUCTION

The following report on the Balmer-Tenajon property has been prepared for Tenajon Silver Corp., 860 - 625 Howe Street, Vancouver, B.C., at the request of Mr. D.A. McLeod, President.

The report is based primarily on a review of available assessment reports on file with the O.D.M. covering exploratory work undertaken intermittently on the property from 1957 to 1985. Also reviewed were several other reports and maps available from government sources pertaining to the Red Lake area.

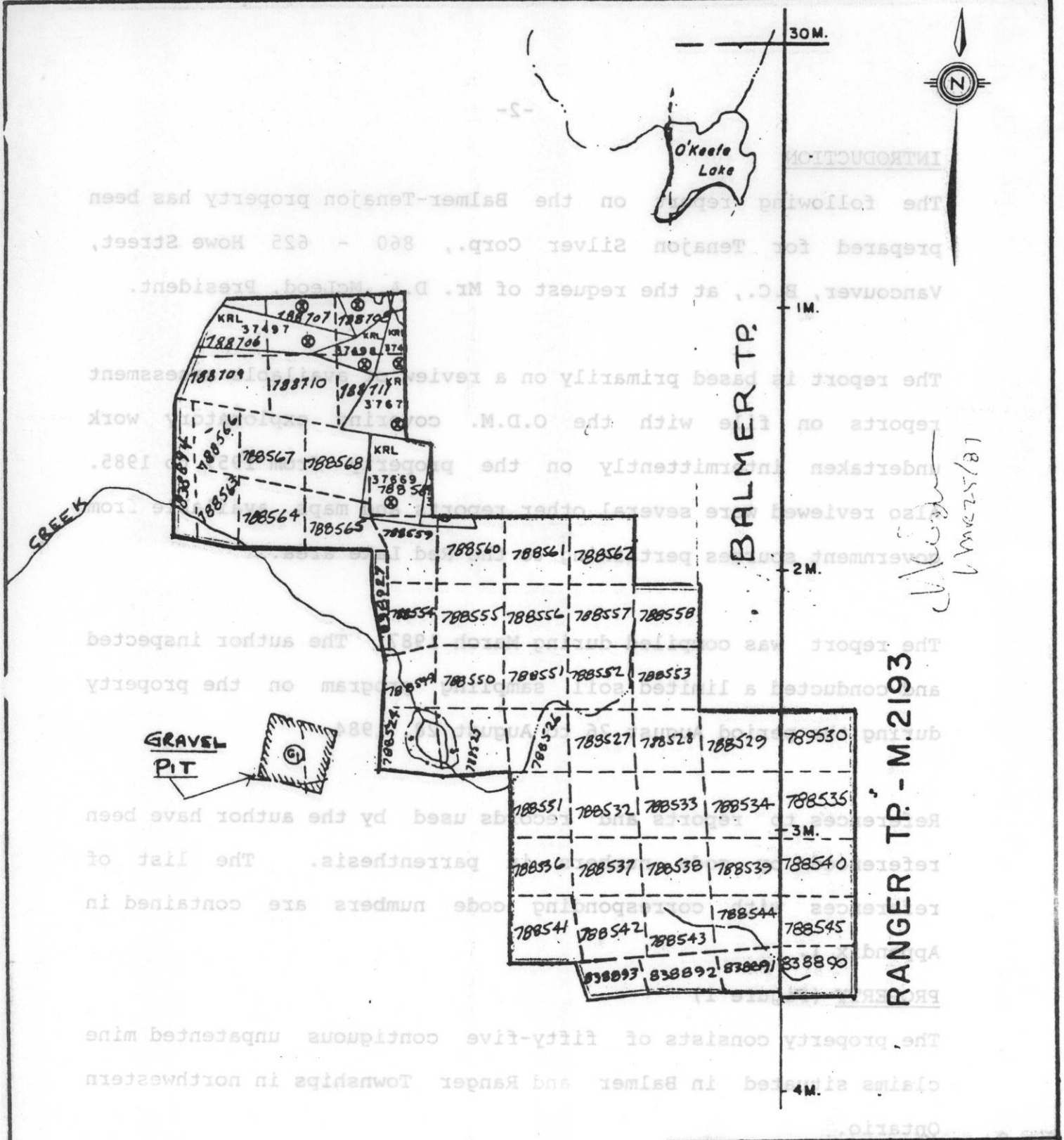
The report was compiled during March 1987. The author inspected and conducted a limited soil sampling program on the property during the period August 26 to August 28, 1984.

References to reports and records used by the author have been referenced by code numbers in parrenthesis. The list of references with corresponding code numbers are contained in Appendix I.

PROPERTY (Figure 1)

The property consists of fifty-five contiguous unpatented mine claims situated in Balmer and Ranger Townships in northwestern Ontario.

A list of claim numbers with their corresponding current "due dates" for work is provided below.



TENAJON SILVER CORP.

RED LAKE PROPERTY

PLAN MAP OF CLAIMS

FIG. 1

BY: A.W. DEAN	SCALE: 1" = ½ Mile
DATE: MARCH-1987	-

Claim Numbers	Work Due Date
KRL 788524-545 inclusive	June 18, 1987
KRL 788549-562 inclusive	June 18, 1987
KRL 788566-569 inclusive	June 18, 1987
KRL 788706-711 inclusive	June 26, 1987
KRL 788563-565 inclusive	June 18, 1988
KRL 838890-893 inclusive	August 29, 1988
KRL 838927	August 30, 1988
KRL 838894	March 19, 1989

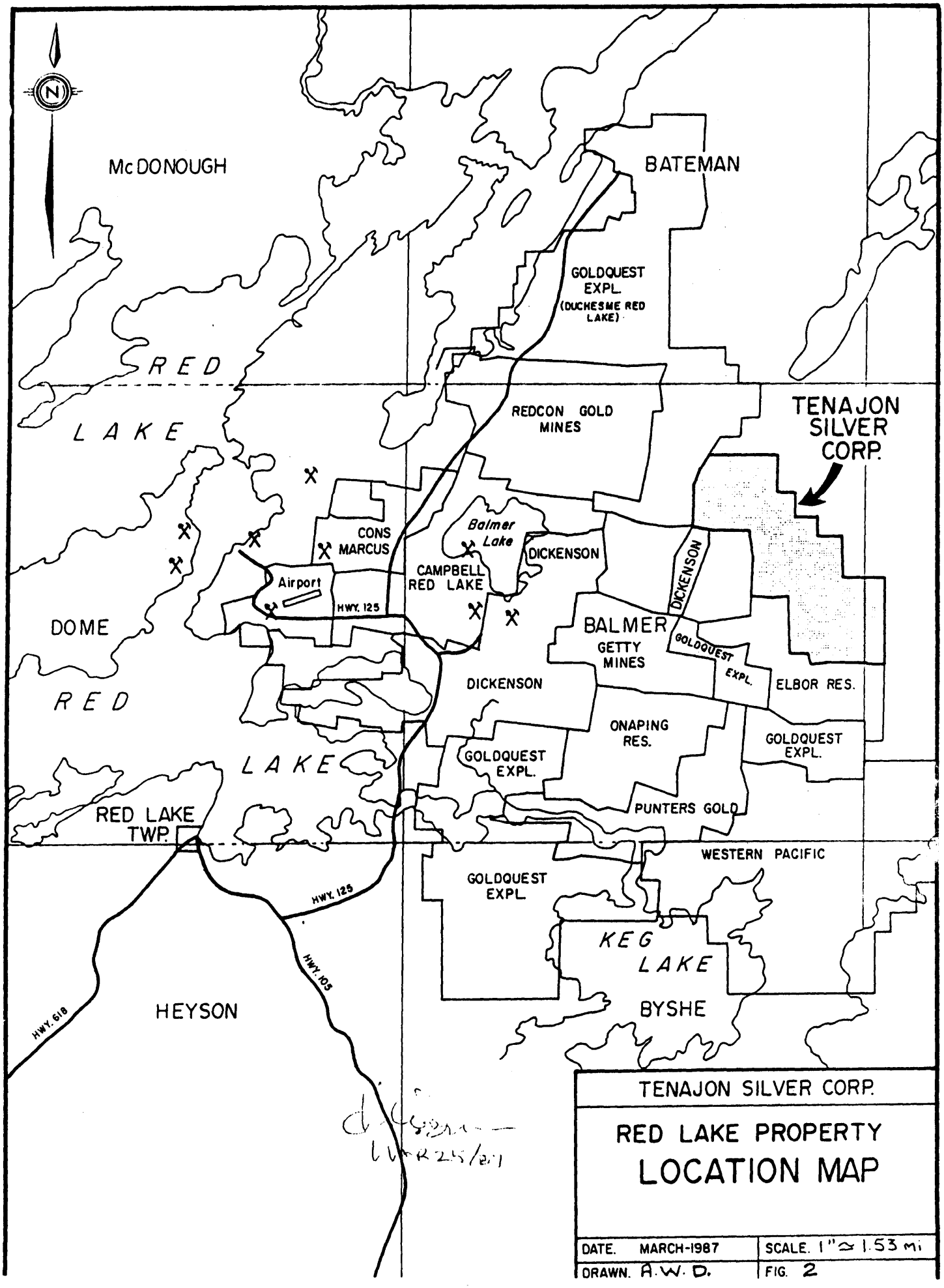
The mining claims are registered in the name of Tenajon Silver Corp. and by agreement are owned jointly by Carmac Resources Limited (50%) and Tenajon Silver Corp. (50%).

LOCATION AND ACCESS (Figure 2)

The property is 14 km. northwest of the town of Red Lake and 9 km east of Balmertown Ontario, where the producing Campbell Red Lake and Dickenson gold mines are situated.

The property for the most part is accessible by track vehicles on old winter roads commencing from a gravel pit on the west side of the property. The gravel pit is accessible by 8 km of dirt road that traverses the Dickenson Mine property in Balmertown, Ontario. Balmertown is accessible by paved highways 105/125 from Vermilion Bay 180 km south on the Trans-Canada highway. The area has scheduled air service connections with Winnipeg, Manitoba located 210 km southwest.

Hydro-electric power is accessible from Balmertown 9 km west of the property.



TENAJON SILVER CORP.

RED LAKE PROPERTY

LOCATION MAP

DATE. MARCH-1987	SCALE. 1" ≃ 1.53 mi
DRAWN. A.W.D.	FIG. 2

CLIMATE AND TOPOGRAPHY

The vicinity experiences sub-Arctic temperatures with lows of- 30° celius in winter and highs of +30° celius in summer.

The property terrain consists mostly of low swampy ground with a few rolling hills with elevations ranging from 390 to 400 meters. A thick coating of glacial clay, sand and boulders covers most of the property with less that one percent exposed bedrock. Depths of overburden up to 85 feet have been encountered on the property. The better spruce trees that existed on the property have been logged off in the past.

WORK HISTORY

The following highlights exploration work undertaken on portions of the property compiled from reports and maps available.

1946 Kenridge Red Lake Mines Limited: (1) surface trenching, geological mapping and five drill holes. X-ray drilling was done on a claim near the 2 1/2 mile post on the Balmer/Ranger Township Line and low gold values were reported.

1957-59 Cordoba Mines Ltd.: (2) Verticle Loop EM and magnetometer ground surveys, some 25 diamond drill holes totalling approximately 4,600 meters.

1984 Tenajon Silver Corp: Limited soil geochem survey on claims KRL788562, and KRL 794004 to KRL794006 inclusive.

1985 Cominco Ltd.: , (3) 37 miles of line cutting, magnetometer and Max Min II H.L.E.M. surveys covering 2/3 of the property. 12 overburden drill holes totalling 499 feet on west side of the property.

REGIONAL GEOLOGY

Balmer township is located for the most part within the Red Lake "greenstone" belt forming part of the Uchi Subprovince of the Archean Superior Province.(4)

The township is underlain mainly by rocks consisting of felsic, intermediate and mafic metavolcanics. Units of chemical and clastic metasediments associated with mafic metavolcanics form a W shaped wedge with northwest/southwest trending fold axis occurring in the centre of the township. In places the meta volcanic and metasedimentry rocks are intruded by felsic mafic and ultramafic rocks. The assemblage as a whole is bounded on the east by a large granitic batholith that outcrops in the northeast corner of the township. Regionally both fracture clevage and penetrative foliation is approximately parallel to volcanic stratigraphy trending for the most part ESE (120 degrees).(2,5)

The ore bodies of the producing Campbell Red Lake and Dickenson gold mines occur mainly in altered mafic volcanic rocks within structures striking ESE generally parallel to the developed foliation. The gold deposits consist of quartz-carbonate fissue veins and silicified replacement bodies. (2)

The most important minerals associated with the ore in order of

abundance are: pyrrhotite, pyrite and arsenopyrite. They constitute less than 5 percent of the ore. (1)

During 1985 Campbell Red Lake Mines produced 392,000 tons with an average recovery grade of 0.608 oz. gold per ton. Reserves as December 31, 1985 are reported to total 2,022,000 tons with an average grade of 0.616 oz. golf per ton. Dickenson Mines during the same period produced 140,000 tons with an average recovery grade at 0.33 oz. gold per ton. Proven reserves are reported to total 1,532,000 tons with an average grade of 0.35 oz. gold per ton. (6)

In places gold has been reported found in pyrrhotite and pyrite associated with sulphide facies of iron formation. (1,2)

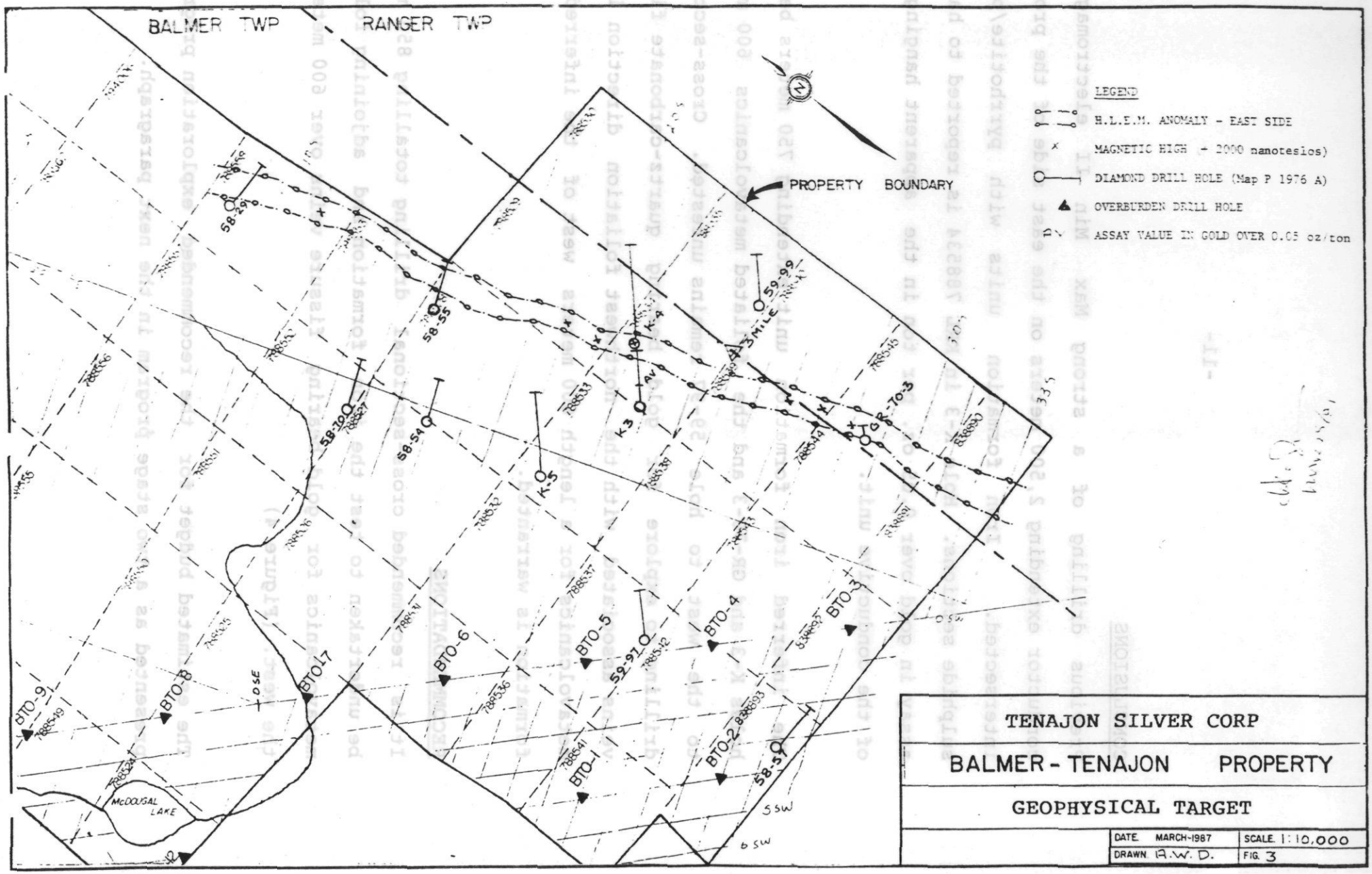
PROPERTY GEOLOGY

Outcrop exposure on the property is very poor. Diamond drilling undertaken since 1946 together with limited outcrop exposure has established the property is underlain for the most part by metavolcanics with associated chemical metasediments. These rocks are intruded in places by acidic intrusives. The chemical metasediments consist of chert with associated magnetite and or pyrrhotite/pyrite facies. These units give strong electromagnetic responses with corresponding magnetitic highs over units containing magnetite.(2) Although gold values have

been discovered in the sulphide facies of iron formation in the township no economic gold deposits have been outlined to date. Airborne and ground geophysical surveys and occasional outcrop exposures show rock foliation to strike northwest with dips 80 degrees to 45 degrees southwest.

Cominco Ltd. in 1985 outlined several Max Min II horizontal loop electromagnetic anomalies on the property. (3) One strong conductor outlined on the east side of the property extends 2,600 meters from KRL 788558 to KRL 838890 (Figure 3).

The E.M. anomaly strikes N20°W, is 30 to 50 meters wide, and has intermittent narrow magnetometer anomalies coincident with the E.M. conductor. Previously drilled core holes 58-29, 58-55, K-3, K-4 and GR-70-3 spaced approximately 700 meters apart have intersected the conductor. It shows the conductor to be caused by iron formation units with associated magnetite and or pyrrhotite/pyrite up to 25 percent in places. (7,8) Drill hole K-3 located in KRL 788534 is reported to have an assay in gold over 0.05 oz. per ton (1) in the apparent hanging wall of the conductor. Assay results in other drill hole intersections in the conductor are not available to the author. 750 meters of the iron formation conductor between drill holes K-3 and GR-70-3 remains untested.



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CONCLUSIONS

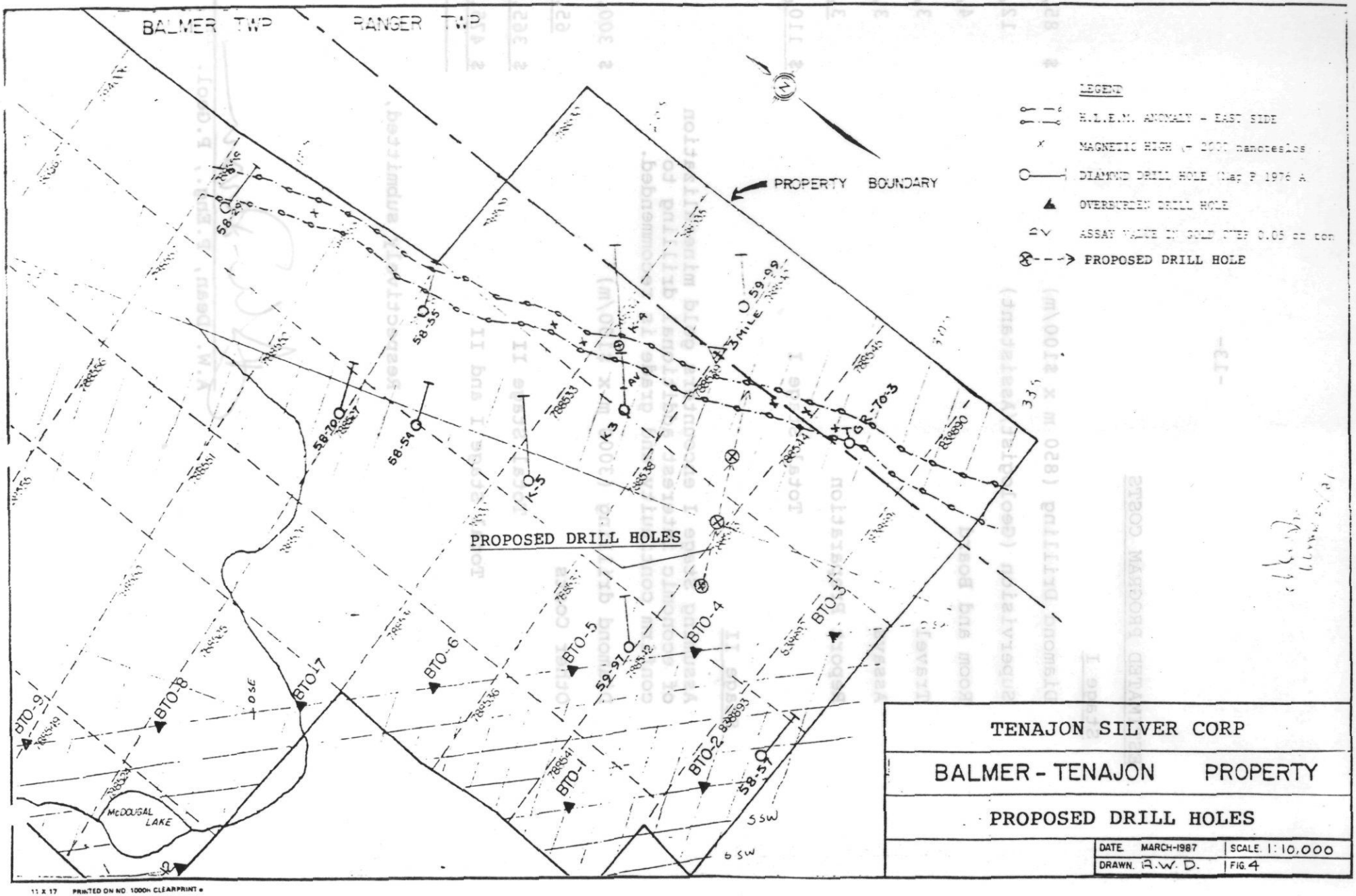
Previous drilling of a strong Max Min II electromagnetic conductor extending 2,500 meters on the east side of the property intersected. Iron formation units with pyrrhotite/pyrite sulphide sections. Hole K-3 in KRL 788534 is reported to have an assay in gold over 0.05 oz. per ton in the apparent hanging wall of the conductive unit.

The inferred iron formation unit extending 750 meters between holes K-3 and GR-70-3 and the foliated metavolcanics 600 meters to the west to hole 59-97 remains untested. Cross-sectional drilling to explore for gold bearing quartz-carbonate fissure veins associated with the northwest foliation direction in the metavolcanics for a length 600 meters west of the inferred iron formation is warranted.

RECOMMENDATIONS

It is recommended cross-sectional drilling totalling 850 meters be undertaken to test the iron formation and adjoining foliated metavolcanics for gold bearing fissure veins over 600 meters to the west. (Figure 4)

The estimated budget for the recommended exploration program is presented as a two stage program in the next paragraph.



TENAJON SILVER CORP

BALMER - TENAJON PROPERTY

PROPOSED DRILL HOLES

DATE MARCH-1987	SCALE 1:10,000
DRAWN R.W.D.	FIG. 4

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ESTIMATED PROGRAM COSTS

Stage I

Diamond Drilling (850 m x $100/m)	$ 85,000.
Supervision (Geologist/Assistant)	12,000.
Room and Board	4,000.
Travel	3,000.
Assays	3,000.
Report Preparation	3,000.
Total Stage I	$ 110,000.

Stage II

Assuming Stage I encounters gold mineralization of economic interest additional drilling to confirm continuity and grade is recommended.

Diamond drilling (3000 m x $100/m)	$ 300,000.
Other Costs	65,000.
Total Stage II	$ 365,000.
Total Stage I and II	$ 475,000.

Respectively submitted,

A.W. Dean, P.Eng., P.Geol.

CERTIFICATE

I, Alexander W. Dean of 1327 Lake Bonavista Drive S.E., Calgary, Alberta, do hereby certify that:

1. I am a graduate of the Michigan Technological University holding a B.Sc. in Geological Engineering, 1958.

2. I am registered as a Professional Geologist of the Province of Alberta, and registered as a Professional Engineer of the Province of British Columbia.

3. I have practiced my profession for 28 years mainly in Canada and the U.S.A.

4. The accompanying report is based on my personal analysis of unpublished data provided by Tenajon Silver Corp., reports and maps available from government sources and my direct geological supervision of a soil sampling program on the property during the period August 26 to August 28, 1984.

5. I have not, nor do I expect to receive any interest directly or indirectly in the property or in the securities of Tenajon Silver Corp.

6. I consent to the use of this report in, or in connection with, a Prospectus, or a Statement of Material Facts relating to the raising of funds for conducting the exploration program recommended in the report.

Dated at Calgary, Alberta, this 23 day of March A.D., 1987.

A.W. Dean, P.Eng., P.Geol.

APPENDIX I

REFERENCE LIST

REFERENCE NO

1. Chisholm, E.O.
   1954: The Geology of Balmer Township, Ontario: Ontario Department of Mines, Annual Report for 1951, Volume 60, Part 10, 62p.

2. Pirie, J., and Grant, A.
   1978: Balmer Township Area, District of Kenora (Patricia Portion): Ontario Geological Survey, Preliminary Map P.19 76A, scale 1:12 000.

3. Comico Ltd.
   1985: Assessment Report No.2.8652 Balmer Twp., Max Min II HLEM and EDA omini 4 proton magnetomer ground surveys and drill logs on 12 overburden drill holes.

4. Pirie, James
   1981: Regional Setting of Gold Deposits in the Red Lake Area, Northwestern Ontario: p.71-93 in Genesis of Archean Volcanic-Hosted Gold Deposits, Symposium held at the University of Waterloo, March 7, 1980, Ontario Geological Survey, Miscellaneous Paper 97, 175p.

5. Andrews, A.J. and Wallace H.
   1983: Alteration, Metamorphism, and Structural Patterns Associated with Archean Gold Deposits - Preliminary Observations in the Red Lake area; p.111-122 in The Geology of Gold in Ontario, edited by A.C. Colvine, Ontario Geological Survey, Miscellaneous Paper 110, 235 p.

6. Northern Miner Press Limited
   1986: Canadian Mines Handbook, 1986-87p. 76-77 and p. 127

7. Cordoba Mines Limited
   1958: Assessment Report No.14, Balmer Twp., Diamond Drill Core Logs Southwest Balmer Township.