

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

NEW ISSUEINITIAL PUBLIC OFFERING

Effective Date: October 14, 1988

MOONGOLD RESOURCES INC.

1407 - 750 West Pender Street,
Vancouver, British Columbia
V6C 2T7

(the "Issuer")

OFFERING OF 600,000 COMMON SHARES

PRICE: \$0.35 per SHARE

	Price to Public (1)	Agent's Commission	Net Proceeds to be Received by the Issuer (2)
Per Share	\$0.35	\$0.05	\$0.30
Total:	\$210,000	\$30,000	\$180,000

- (1) The price to the public was established pursuant to negotiations between the Issuer and the Agent.
- (2) In addition, the Agent will be granted Agent's Warrants as described in the section captioned "Plan of Distribution" herein.
- (3) Before deducting offering expenses estimated to be \$20,000, which will be paid by the Issuer.

PROPERTY FILE
D.L.

Hawk Property
104 61 005

A copy of the Option and Joint Venture Agreement will be available for inspection during the Offering Period at the offices of Devlin Jensen Harvey, Barristers & Solicitors, 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours.

The Issuer entered into a Finder's Fee Agreement, dated September 11, 1987, whereby the Issuer paid the sum of \$8,000 to Gregory Explorations Inc., a non-reporting British Columbia company, 100% owned by Greg Sinitzin, and the sum of \$9,000 directly to Greg Sinitzin, in consideration for Gregory Exploration Inc.'s assistance in acting as a middleman in the Issuer acquiring its interest in the Option and Joint Venture Agreement.

By an agreement (the "Joint Venture Agreement"), dated August 29, 1979, entered into between Northair Mines Ltd. (Northair) and Newhawk, Northair and Newhawk agreed to enter into a Joint Venture Agreement for the exploration and development of the Claims. It was agreed that each party was entitled to a 50% interest in the profits from the Claims, for which Northair paid Newhawk \$25,000.

Northair is a British Columbia reporting corporation with a business office located at 600 - 890 West Pender Street, Vancouver, British Columbia. There are no greater than 10% shareholders of Northair.

Description of the Hawk Claims

Location and Access

The Claims are situated about 80 kilometers south-southwest of Dease Lake, British Columbia, and about 35 kilometers west-southwest of Iskut Village on the Cassiar Highway, west of Nuttlude Lake.

Access to the Claims is best by helicopter from Dease Lake or Iskut Village, or by float plane to Nuttlude Lake. Although an old airstrip exists near the lakeshore, it is currently overgrown. A bulldozed road built in 1979 exists from the old strip to the adit portal; it is usable by all-terrain vehicles, but would require some reconditioning for use by 4-wheel drive vehicles. Commercial flights in small aircraft are available by arrangement from Terrace to Dease Lake, and to the Iskut landing strip, by Trans-Provincial Airlines.

Exploration History

The following historical information is extracted from an engineering report dated December 21, 1987 (the "Report"), prepared for the Issuer by Frank Di Spirito, B.A. Sc.,

P.Eng., Peter Kaczkowski, B.Sc., M.Sc., Martin St. Pierre, B. Sc. and David Coffin, all of Shangri-La Minerals Limited, of Vancouver, British Columbia, a copy of which Report is attached hereto and forms part of this Prospectus:

"In early 1957 Torbrit Silver Mines staked several claims over silver-gold vein occurrences along Hawk Creek, which flows into Nuttlude Lake from the west. They conducted geological mapping and surface sampling surveys and retained the claims for about ten years. In 1967 Shawnigan Mining and Smelting Co. staked the Claims and performed a small amount of diamond drilling on the original discovery.

In February 1978, Highhawk Gold Mines staked the Hawk claims, and that year employed G.A. Noel and Associates to perform geological mapping and soil sampling. Several gold bearing quartz veins were located on the surface in the north-western portion of the Hawk 1 Claim, the most prominent containing high gold values over an aggregate length of 200 m (0.85 oz/ton Au; 2.04 oz/ton Ag weighted average across 34 cm). Soil and silt sampling indicated potential for other gold bearing veins on the Hawk 1 Claim to the east and south of known showings.

In 1979 and 1980, Newhawk Gold Mines (formerly Highhawk Gold Mines) conducted an underground exploration program concentrating exclusively on the evaluation of the main vein. A total of 358 metres of drifting and crosscutting was performed, from an elevation of 1280 metres, and was accompanied by 430 metres (9 holes) of diamond drilling. This work indicated that the vein changed from a strong, well mineralized structure at the surface to a weak, highly faulted and poorly mineralized structure at depth. The best underground intersections with the vein averaged 0.195 oz/ton gold across 1 metre, along a drift length of 12 metres. G.A. Noel postulated that the ore may rake to the northwest, and recommended testing the hypothesis by diamond drilling.

A mineral estimate based on the 1980 drilling results concluded that 12,700 tons grading 0.352 oz/ton gold over an average width of 43.4 cm is available between the adit and the surface. This estimate neglects any reserves below the adit, and was made without consideration of mining practicalities.

In 1981 G.A. Noel and Associates performed widespread geological mapping of the Newhawk holdings. The surface vein showings were re-located and the results of the previous work were compiled and presented in a report by B. Taylor in 1982. It was recommended that further surface exploration be undertaken on the Hawk 1 Claim to locate and

define additional gold bearing veins. The recommended program included surface mapping, trenching and sampling and geological mapping over an extended portion of the Claim, including the area South of Hawk Creek.

In 1984, under an option agreement with Newhawk Gold Mines, Cominco Ltd. performed a widespread soil and rock geochemical survey over the Hawk Claims (and over the adjoining Northcal holdings, the Red Dog Claims), as well as additional geological mapping and examination of existing core from the Red Dog showing. They were also the first to perform geophysical measurements in this area and ran ground magnetometer and VLF-EM over the geochemical grid. Most of the work on the Hawk Claims was done south of Hawk Creek, except for two short lines at the western edge of the Hawk 1 Claim over a zone of known high copper geochemical values.

The results of the geochemical survey indicated the presence of anomalous high gold values throughout the Hawk Property, as well as in the adjoining Red Dog Claims. Peak gold values often corresponded with peak arsenic and copper values.

(...)

The geophysics was moderately helpful in mapping zones of economic interest. The magnetic high anomalies were related to intrusive activity, and some magnetic effects may map skarn zones....Testing of the gold source areas has been restricted to a fairly small region (300 x 400 m)."

Underground Exploration/Reserve Estimate

The underground exploration program, conducted during 1979 and 1980, consisted of 358 metres of 3x3 metre trackless drifting and crosscutting and 430 metres of diamond drilling. The portal to the underground drillings is caved.

A 1982 summary report on the Hawk Claims prepared by B. Taylor, P.Eng., included a reserve estimate based on information obtained during the underground exploration.

The reserve estimate, based on the intersections with the vein and without any consideration of mining practicalities, calculated that a total of 12,700 short tons grading 0.352 oz/ton gold, across an average width of 43.4 cm, is available between the adit and the surface. The gross total of 4,474 ounces of gold makes no allowance for material either below the adit or within an extension of the vein beyond the adit.

There are no known reserves of commercial ore located on the Claims, and the Issuer is conducting an exploratory search for ore only.

There are no known material underground or surface workings, plant or equipment located on the Claims, except as disclosed herein.

Current Exploration

From September 8, 1987 to October 8, 1987 Shangri-La Minerals Limited conducted a program of linecutting and grid establishment, rock and soil sampling and ground magnetometer, electromagnetic and induced polarization surveys, with the object of confirming and expanding on some of the results obtained by others in previous surveys, and to test the effectiveness of several geophysical methods in exploring for gold bearing mineralization. The program was undertaken on behalf of the Issuer at a cost of \$84,915.51.

The program conducted for the Issuer was designed to test the effectiveness of various geophysical techniques in locating buried vein systems, and to test several geochemical responses from previous surveys. Several induced polarization and resistivity responses, east of the main showings areas, coincide with high gold and arsenic values in soil samples, indicating the likely presence of buried gold-bearing veins at those locations. It is concluded that combined soil chemistry and IP testing is an effective tool for the location of buried veins on the Claims.

The Report concludes, at page 22, as follows:

"The complexity of the geology and the high degree of sulphide dissemination mask the geophysical responses of vein type gold deposits on the Hawk 1 Claim. Confidence in the interpretation of anomalies is greatly enhanced by an integrated data set, combining several different techniques. In the case of the Hawk 1 property the combined use of soil geochemistry, ground magnetometer and Induced Polarization at a station spacing of 12.5 metres is a suitable combination of exploration tools. Many areas of interest have been outlined and are recommended for further work.

The results obtained on the east side of the 1987 grid (Hawk 1 Claim, north of Hawk Creek) indicated the presence of gold bearing rocks. The recommended program for the Hawk 1 claim includes detailed geological and geochemical mapping of known anomalous zones by blast trenching and sampling. In addition, exploration should be extended further east because there is no indication that the anomalous zone surveyed this year terminates at the east end of the grid; indeed there are two single point geochemical anomalies discovered by Cominco along the road."

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL PROGRAM REPORT
HAWK PROPERTY

FOR
MOONGOLD RESOURCES INC.

HAWK PROPERTY, NUTTLUDE LAKE AREA
LIARD MINING DIVISION
BRITISH COLUMBIA

NIS 104G/9W, 10E
NORTH LATITUDE: $57^{\circ} 42'$
WEST LONGITUDE: $130^{\circ} 30'$

BY
FRANK DI SPIRITO, B.A.Sc., P.Eng.
PETER KACZKOWSKI, B.Sc., M.Sc.
MARTIN ST.-PIERRE, B.Sc.
DAVID COFFIN
21 DECEMBER, 1987



TABLE OF CONTENTS

	PAGE
SUMMARY.....	i
PART A INTRODUCTION	
1. Survey Objective.....	1
2. Property Status.....	1
3. Location, Access and Physiography.....	2
4. Exploration History.....	3
PART B 1987 SURVEY SPECIFICATIONS	
1. Grid.....	6
2. Geochemical Survey.....	6
3. Magnetometer Survey.....	6
4. Crone Shootback EM Survey.....	7
5. Induced Polarization Survey.....	7
PART C GEOLOGY	
1. Nuttlude Lake Region.....	9
2. Hawk Claims.....	9
3. Mineralization	
Surface Showings.....	11
Underground Mineralization/Reserve	
Estimate.....	12
PART D DISCUSSION OF GEOCHEMISTRY RESULTS	
1. Previous Work.....	14
2. 1987 Results.....	14
PART E DISCUSSION OF GEOPHYSICAL RESULTS	
1. Survey Objective.....	16
2. Electromagnetic Method: Crone Shootback	
EM Survey.....	16



3.	Magnetic Survey.....	17
4.	Induced Polarization Survey.....	18
PART F CONCLUSIONS AND RECOMMENDATIONS.....		22
PART G ESTIMATED COST OF PROPOSED EXPLORATION PROGRAM.....		23

REFERENCES

APPENDICES

- APPENDIX A Certificates
- APPENDIX B Rock Sample Descriptions
- APPENDIX C Analytical Results

LIST OF FIGURES

Figure 1	Property Location Map.....	following page 3
Figure 3	Rock Sample Map.....	In pocket
Figure 4	Geochemical Summary - Cominco Data.....	In pocket
Figure 5	Gold Geochemistry.....	In pocket
Figure 6	Silver Geochemistry.....	In pocket
Figure 7	Arsenic Geochemistry.....	In pocket
Figure 8	Copper Geochemistry.....	In pocket
Figure 9	Crone Shootback EM Profiles	
9a	Vertical Loop.....	In pocket
9b	Horizontal.....	In pocket
Figure 10	Magnetic Profiles on Grid.....	In pocket
Figure 12	Induced Polarization - line 25N	
12a	25 m separation.....	In pocket
12b	12.5 m separation.....	In pocket
Figure 13	Induced Polarization - line 1+12N.....	In pocket

N.B. No Figure 2 or Figure 11



SUMMARY

At the request of Moongold Resources Inc., an exploration program has been completed on the Hawk mineral property by Shangri-La Minerals Limited. The program included magnetometer, electromagnetic, induced polarization, and soil and rock sampling surveys designed to expand on work conducted by previous operators. Moongold has obtained an option on the property from Newhawk Gold Mines Ltd.

The property is located west of Nuttlude Lake, approximately 80 km south of Dease Lake and 35 km west of Iskut village, in north-western British Columbia. Access is via float plane to Nuttlude Lake, or directly by helicopter from Dease Lake.

Geology of the property is composed of intermediate to felsic volcanics and intercalated sediments of Triassic age, which have been intruded by granodiorite and monzonite of Jurassic or Cretaceous age. Contained within these units are areas of porphyry copper deposition, and of small polymetallic quartz veins which may contain high concentrations of gold and silver. Overlying this sequence are Tertiary and younger, Mount Edziza basalt flows.

North-northwesterly trending quartz-sulfide-gold veins found on the Hawk 1 claim have been periodically explored since 1957. In 1980, Newhawk Gold Mines completed underground and diamond drill testing of the main vein and concluded that it contained, in the portion tested, 12,700 tons of material grading 0.325 oz/ton gold across an average width of .43 meters. Widespread soil testing by Cominco Ltd. in 1984 indicated a number of anomalously high values for both gold and copper.

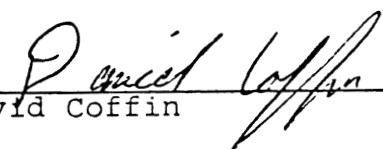
The program conducted for Moongold Resources Inc. was designed to test the amenability of various geophysical techniques in locating buried vein systems, and to test several geochemical responses from previous surveys. Several induced polarization and resistivity responses, east of the main showings area, coincide with high gold and arsenic values in soil samples, indicating the likely presence of buried gold-bearing veins at those locations. It is concluded that combined soil geochemistry and IP testing is an effective tool for the location of buried veins on the Hawk property.

It is recommended that blast trenching of the coincident anomalies be carried out in order to discover their source. Areas of the property which have returned anomalous soil values in the past should undergo an IP survey, and detailed soil sampling should be carried out as response dictates. The eastern portion of Hawk 1 should undergo both detailed soil geochemistry and induced polarization.

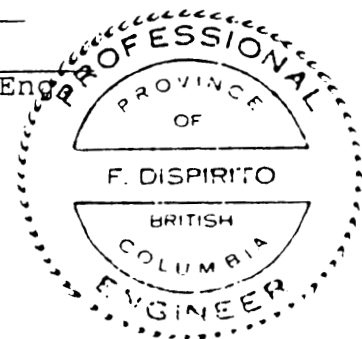
A sum of \$115,000 should be allocated in order to complete the proposed next phase of work. Contingent upon favourable response from the proposed work, a follow-up phase of work would include equipment trenching of accessible areas, and might require preliminary diamond drilling of exposed veins.

Signed at Vancouver, B.C.


per Peter Kaczkowski, M.Sc.


David Coffin


Frank Di Spirito, B.A.Sc., P.Eng.
21 December, 1987



PART A INTRODUCTION

1. Survey Objective

An initial exploration program was conducted on the HAWK 1 claim by Shangri-La Minerals Limited, from September 8, 1987 to October 8, 1987 for Moongold Resources Ltd. The program consisted of linecutting and grid emplacement, rock and soil sampling, ground magnetometer, electromagnetic and induced polarization surveys. The purpose of the program was to confirm and expand on some of the results obtained by others in previous surveys, and to test the effectiveness of several geophysical methods in exploring for gold bearing mineralization.

This report compiles information from previous work and presents results from this year's program. The report concludes with a current evaluation of the property and recommendations for further work.

2. Property Status

The HAWK 1 claim is comprised of 18 units, the Hawk 2 of 20 units, located in the Liard Mining Division of British Columbia. The HAWK 1 and HAWK 2 claims were staked in February, 1978 for Highhawk Gold Mines, which has subsequently reorganized to as Newhawk Gold Mines. Moongold Resources Inc. has an option agreement with Newhawk for the HAWK 1 and 2 claims.

The claim record data is as follows:

NAME	RECORD NO.	ANNIVERSARY	UNITS
HAWK 1	532	21 Feb., 1991	18
HAWK 2	533	21 Feb., 1991	20

3. Location, Access and Physiography

The property is located west of Nuttlude Lake, about 80 km south-southwest of Dease Lake, B.C. and about 35 kilometers west-southwest of Iskut Village on the Cassiar Highway. The property location map is presented in Figure 1, and the HAWK claims are located in Figure 2. The claims are entirely within the Mount Edziza Recreational Area, at the boundary of the Mount Edziza Provincial Park. Any exploration work in the Recreational Area requires approval from the Ministry of Parks and Recreation, which is contingent on filing a Resource Use Permit. This approval process takes at least 30 days and may require the posting of a damage bond.

Access to the property directly is by helicopter from Dease Lake or, Iskut Village, or by float plane to Nuttlude Lake. Although an old airstrip exists near the lakeshore, it is currently overgrown. A bulldozer road built in 1979 exists from the old strip to the adit portal; it is usable by all-terrain vehicle, but would require some reconditioning for use by 4-wheel drive vehicles. The supply point for the 1987 survey was Dease Lake. Commercial flights in small aircraft are available by arrangement from Terrace to Dease Lake, and to the Iskut landing strip, by Trans-Provincial Airlines.

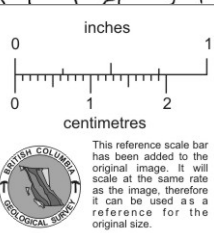
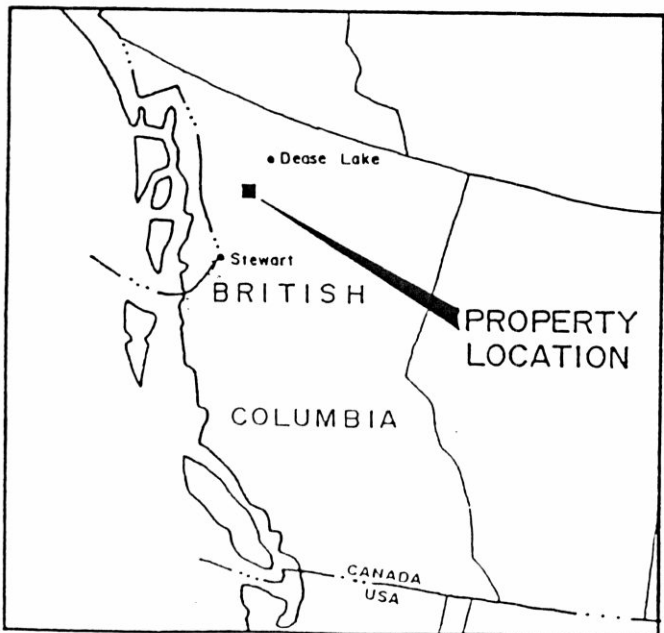
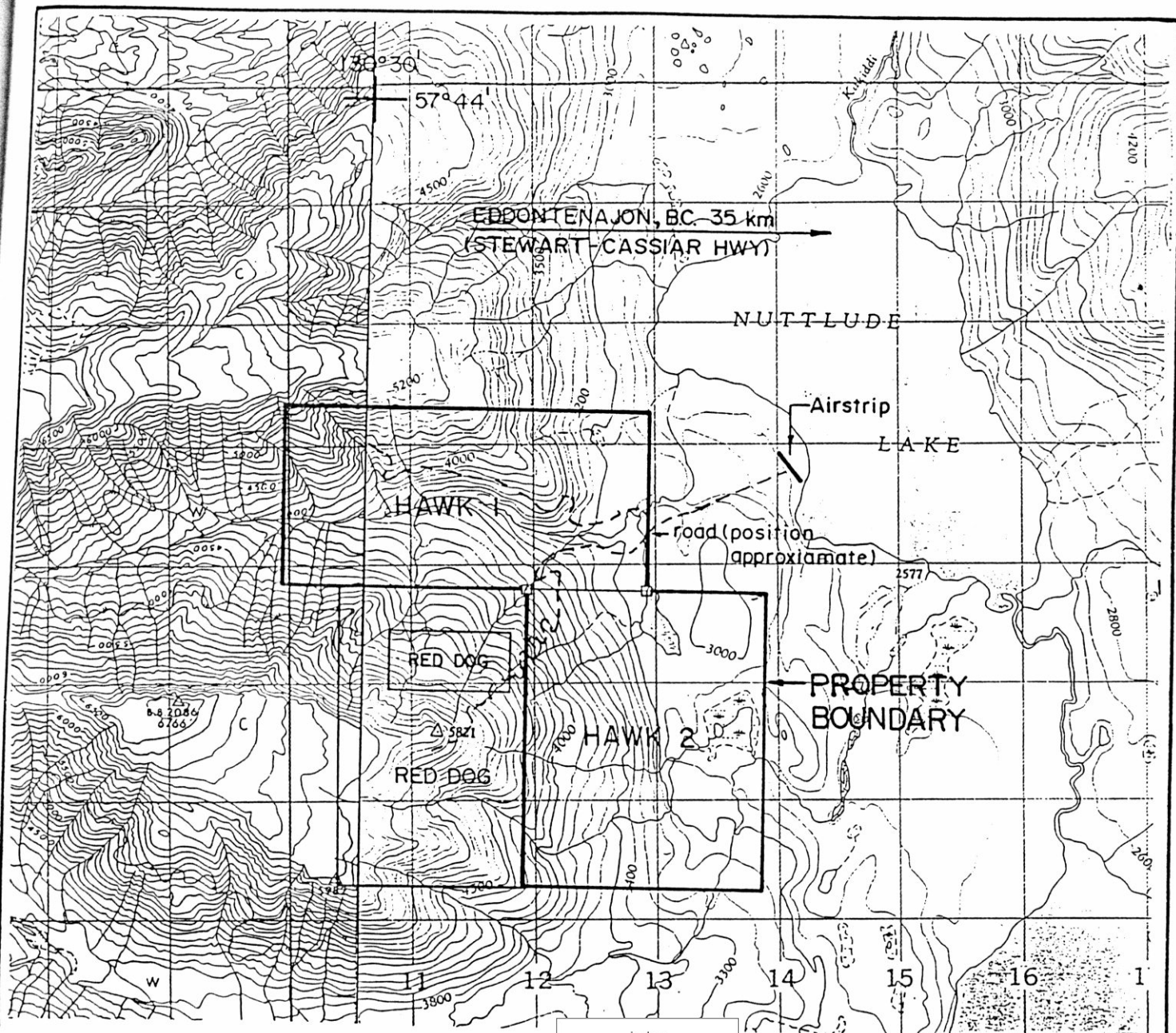
The property physiography ranges from moderately steep, heavily wooded areas to near vertical cliffs and talus slopes. The HAWK 1 claim straddles a glacial valley trending east away from the Mount Edziza volcano. A number of small creeks have eroded deep canyons in the northern flank of the valley, exposing mineralized veins of interest. Tree line is at approximately 1,300 m of elevation, and snow can be expected to fall between September and May.

4. Exploration History

In early 1957 Torbrit Silver Mines staked several claims over silver-gold vein occurrences along Hawk Creek, which flows into Nuttlude Lake from the west. They conducted geological mapping and surface sampling surveys and retained the claims for about ten years. In 1967 Shawnigan Mining and Smelting Co. staked the claims and performed a small amount of diamond drilling on the original discovery.

In February 1978, Highhawk Gold Mines staked the HAWK claims, and that year employed G.A. Noel and Associates (ref.1) to perform geological mapping and soil sampling. Several gold bearing quartz veins were located on the surface in the north-western portion of the HAWK 1 claim, the most prominent containing high gold values over an aggregate length of 200 m (0.85 oz/ton Au; 2.04 oz/ton Ag weighted average across 34 cm). Soil and silt sampling indicated potential for other gold bearing veins on the Hawk 1 claim to the east and south of known showings.

In 1979 and 1980, Newhawk Gold Mines (formerly Highhawk Gold Mines) conducted an underground exploration program concentrating exclusively on the evaluation of the main vein (ref. 2, ref. 3, ref. 4). A total of 358 metres of drifting and crosscutting was performed, from an elevation of 1280 metres, and was accompanied by 430 metres (9 holes) of diamond drilling. This work indicated that the vein changed from a strong, well mineralized structure at the surface to a weak, highly faulted and poorly mineralized structure at depth. The best underground intersections with the vein averaged 0.195 oz/ton gold across 1 metre, along a drift length of 12 metres. G.A. Noel postulated that the ore may rake to the northwest, and recommended testing the hypothesis by diamond drilling.



SCALE 1:50000
0 2000 4000m

report by F. DiSpirito, B.A.Sc., P. Eng.

HAWK PROJECT	
FOR: MOONGOLD RESOURCES INC.	
BY : SHANGRI-LA MINERALS LIMITED	
LOCATION MAP	
LIARD M.D., B.C.	
NTS 104 G / 9W, 10E	DATE: NOVEMBER 1987
DRAWN BY: MJM	FIGURE N° 1

A mineral estimate based on the 1980 drilling results concluded that 12,700 tons grading 0.352 oz/ton gold over an average width of 43.4 cm is available between the adit and the surface (Noel, 1981). This estimate neglects any reserves below the adit, and was made without consideration of mining practicalities.

In 1981 G.A. Noel and Associates performed wide spread geological mapping of the Newhawk holdings. The surface vein showings were re-located and re-sampled, and the results of previous work were compiled and presented in a report by B. Taylor in 1982 (ref. 5). It was recommended that further surface exploration be undertaken on the HAWK 1 claim to locate and define additional gold bearing veins. The recommended program included surface mapping, trenching and sampling of the known veins, as well as geochemical soil sampling and geological mapping over an extended portion of the claim, including the area south of Hawk Creek.

In 1984, under an option agreement with Newhawk Gold Mines, Cominco Ltd. performed a widespread soil and rock geochemical survey over the HAWK claims (and over the adjoining Northcal holdings, the Red Dog claims), as well as additional geological mapping and examination of existing core from the Red Dog showing (ref. 6). They were also the first to perform geophysical measurements in this area and ran ground magnetometer and VLF-EM over the geochemical grid. Most of the work on the HAWK claims was done south of Hawk Creek, except for two short lines at the western edge of the HAWK 1 claim over a zone of known high copper geochemical values.

The results of the geochemical survey indicated the presence of anomalous high gold values throughout the HAWK property, as well as in the adjoining Red Dog claims. Peak gold values often corresponded with peak arsenic and copper values.



Three different types of gold bearing mineralization were identified:

- 1) Quartz-carbonate veins containing massive arsenopyrite and variable amounts of galena, sphalerite, tetrahedrite, chalcopyrite and pyrite.
- 2) Zones of disseminated pyrite and arsenopyrite with anomalous values in gold, silver and copper.
- 3) Calc-silicate (skarn) zones characterized by the absence of arsenic and the presence of magnetite, epidote and actinolite, showing a high correlation between gold and copper content.

The geophysics was moderately helpful in mapping zones of economic interest. The magnetic high anomalies were related to intrusive activity, and some magnetic effects may map skarn zones. The VLF-EM survey was cut short by bad weather, but some of the anomalously conductive zones (those not caused by topographic effects) were related to gouge zones and disseminated mineralization. Testing of the gold source areas has been restricted to a fairly small region (300x400 m).

In 1987, Shangri-La Minerals Ltd. conducted exploration of the HAWK 1 claim by performing a geochemical and geophysical survey over a portion of the claim north of Hawk Creek but south and east of the known vein showings. The work expands on the recommendations made by Taylor in 1982, and complements the work by Cominco, which covered the area south of Hawk Creek. The results of the 1987 survey follow in the body of this report.

PART B 1987 Survey Specifications

1. Grid

Linecutting and grid emplacement on the HAWK 1 claim consisted of 400 metres of baseline, 2,425 metres of crossline, and 275 metres of tie-line for a total of 3,100 metres of cut lines. Pickets were placed at 25 metre intervals, and trees and brush were removed from a 1 metre swath. The baseline trend is 340°. Lines 112N, 200N and 300N are interrupted by steep canyon walls; these are either cliffs or loose talus slopes.

2. Geochemical Survey

The grid was soil sampled at 12.5 metre intervals for a total of 182 samples. Samples were collected from the "B" horizon using an iron mattock and placed in Kraft paper gusset bags. Samples contained at least 200 grams of soil. Analysis were performed on all soil samples by ACME Analytical Laboratories Ltd., which analyzed the samples by ICP for 30 elements, and also for gold by Atomic Absorption. The assay results and geochemical analysis certificate appear in Appendix D, and results for gold, silver, arsenic and copper are presented in Figures 5, 6, 7 and 8.

A total of 22 rock samples was also collected for analysis, and representative types rock from the same locations were also collected for descriptive purposes. The locations of these samples appear on Figure 3.

3. Magnetometer Survey

The survey was conducted using a Scintrex MP-2 proton precession magnetometer. This instrument measures the magnitude of the Earth's total magnetic field with a 1 gamma accuracy. Data was collected at 8 to 12.5 metre intervals over the grid and



along portions of the road and central canyon creek for a total of 3,470 metres. Diurnal variation was small (less than 15 gamma) thus corrections were not necessary. The measurements were made on September 30, and on October 5, 6, and 7. Weekly variations were corrected by tying all lines to the values measured on the baseline profile.

4. Crone Shootback EM Survey

The shootback method involves two identical coils, each capable of transmitting and receiving. While transmitting the coils are accurately held with the same angle of tilt and their axes roughly in the same plane. Both coils in turn transmit, then measure the dip angle at their respective positions. The two dip angles are added together and, if no conductors are present, the "resultant dip angle" equals "0". The reading is recorded at the mid point between the two operators.

Line 25N, 112N and 200 N were surveyed using a 50 metre coil separation, at stations spaced 12.5 metres apart, for a total of 2,125 metres.

5. Induced Polarization Survey

Induced polarization measurements were taken on lines 25N and line 112N, using a pole-dipole array of 25 metre separation. On one section of line 25N a test using 12.5 metre separation was performed to compare resolutions. A total of 1,750 metres was surveyed.

The I.P. survey was performed using a time domain Phoenix IPT-1, 2 kW transmitter and a BRGM IP-2 receiver. The pulse length was 2 seconds; four integration windows were used in the chargeability calculation. Four dipoles were used at each station; stainless steel rods were used for both current source

electrodes and receiver electrodes. The data is presented in pseudosection form for both the chargeability and resistivity.



PART C GEOLOGY

1. Nuttlude Lake Region

Work published by Souther in 1972 (ref. 7), and summarized by Taylor (ref. 5), state that the local rock belongs to a volcano-sedimentary package of Upper Triassic age. The section consists of volcanic agglomerate, greywacke, grit and chert breccia interbanded with tuffaceous siltstone. Minor amounts of limestone are also present. This relatively thick section (up to 900 metres in places) is overlain by at least 1,200 metres of volcanic consisting of green, grey and occasionally purple andesite and derived volcanoclastics. The volcanic rock is cut by andesite dykes and sills, and by irregular sub-volcanic intrusive bodies. The entire Triassic section is cut by a number of small diorite and granodiorite intrusive bodies of Jurassic or Cretaceous age.

The Upper Triassic rocks are warped into open folds with east-west trending axes, and are cut into blocks by north-south, east-west, northwest and northeast trending faults. Some north-south faults show post-Pleistocene movement. Northerly striking photo-linears are present on the east end of the HAWK 1 claim.

This Triassic unit is overlain in places by recent (late Tertiary to Pleistocene) flat lying basalt flows from the Mt. Edziza volcanic centre.

2. Hawk Claims

Taylor's 1982 report best describes the property geology: "A thick assemblage of Upper Triassic volcanic and pyroclastic rocks underlies most of the area below 1,600 metres in elevation, except for a large area on Hawk 2 which is covered by Edziza valley flow. These volcanic include tuffaceous chert and siltstone overlain by andesite and dacite tuffs. Banding is

infrequent but does occur often enough to give some structural detail. The pyroclastics are in turn overlain by a thick section of flows and intrusions, which are largely dacites and andesites. The intrusions occur as dykes, sills and irregular masses of andesite dacite porphyry. The volcanic are permeated with disseminated pyrite and occasionally pyrrhotite and show widespread iron oxide coatings on surface.

The Upper Triassic strata are intruded by northeast trending dykes of quartz monzonite, several of which are exposed in the west canyon on Hawk 1 [see Figure 3]. This quartz monzonite is of Jurassic to Cretaceous age and is considered to be part of the granodiorite mapped in Hawk Creek just to the west of Hawk 1. They probably are related, at a deeper level, with the granodiorite mapped on the Red Dog property and which hosts in part, the gold found there.

The Upper Triassic strata are cut by steeply dipping northeast and northwest trending faults. Movement along these faults is believed to be at least partially pre-mineral.

All of the older rocks are covered by late Tertiary basalt, andesite, latite and rhyolite flows from the Mount Edziza volcanic centre. These flows are exposed in the northwest corner of Hawk 1 claim. The Hawk 2 claim has been similarly covered by valley flows below 1,300 metres elevation. Most of the Edziza flows consist of columnar basalt interbedded with scoria and pumiceous ash."

3. Mineralization

Surface Showings

Noel and Associates mapped a number of gold bearing quartz veins on the HAWK 1 claim. The best exposures were found in the largest canyon, referred to as the central canyon, in which the adit is located.

These veins range from 10 cm to over 1 metre in width and generally trend north-northwest (310° to 330°). They contain sections well mineralized with pyrite, arsenopyrite, sphalerite, chalcopyrite and galena in a quartz-calcite gangue. Where mineralized with arsenopyrite the veins show considerable gold and silver values. However, occasional well mineralized veins with pockets of massive sulphides show little gold or silver content (rock samples HKK-2, HKK-7 and HKK-14). A description of the visual appearance of gold bearing veins appear in HKK-20 and 21.

There were no mineralized veins found in the west canyon, although there were significant geochemical copper concentrations. The east canyon has one exposed vein which was reported (Noel, 1982) to contain high gold and silver in surface samples.

Most of the veins are terminated in at least one direction by faults. Since the vein extensions or offsets were generally not located, some of the faults are thought to be pre-date mineralization. It is also possible that most if not all vein segments of economic interest in the centre canyon are faulted sections of the same vein.

Underground Mineralization/Reserve Estimate

The underground exploration program consisted of 358 metres of 3x3 metre trackless drifting and crosscutting, and of 430 metres of diamond drilling over a two year period. The program established a number of facts about the principal vein; in particular it provided a mineral estimate for the region between the adit and the surface.

Quoting Taylor:

"1. The vein generally strikes N55°W and dips 75° - 80° south-west but due largely to the influence of faulting it swings to N70°W and back to N30°W as it is followed to the north-west.

2. The vein widths vary widely and the vein is in some places very difficult to follow as it pinches down and swings into subsidiary faults.

3. The vein is cut by numerous faults and these faults tend to disorient the vein, though actual vein displacements are generally small. The cross-faults strike N40° to 70°W with variable steep dips both to northeast and to south-west.

4. The gold content of the vein varies considerably both along strike and down dip. The surface gold values are considerably higher and generally more consistent than those obtained in the drift.

5. The main cross-fault offsets the vein to some extent at drift level although it does not on surface. The decrease in gold values southeast of the fault is probably due to the vein pinching out as it merges with the creek fault."

The vein may also be part of an en-echelon series, and may rake



to the northwest.

The reserve estimate, based on the intersections with the vein and without any consideration of mining practicalities, calculated that a total of 12,700 short tons grading 0.352 oz/ton gold, across an average width of 43.4 cm, is available between the adit and the surface. The gross total of 4,474 ounces of gold make no allowance for material either below the adit or within an extension of the vein beyond the adit.

PART D DISCUSSION OF GEOCHEMISTRY RESULTS

1. Previous Work

Previous soil geochemical work by G.A. Noel (ref. 1) on the HAWK 1 claim indicated the presence of small north to northwest trending gold anomalies just north of Hawk Creek and east of the east canyon.

Cominco's results on the HAWK claims are presented in Figure 4. The findings on the HAWK 1 claim south of Hawk Creek are spotty, but trend north-south and warrant further investigation. A large anomalous area in the HAWK 2 claim, and also within the Red Dog group, is certainly worthy of further exploration.

2. 1987 Results

The 1987 program performed by Shangri-La Minerals Ltd. is described in the survey specifications. The soil results are presented in profile form on grid maps in Figures 5 through 8, for gold, silver, arsenic and copper, respectively. Overall, the east side of the grid shows many areas of anomalous gold content, some of which correlate approximately with Noel's findings. Simple statistical manipulation for selected elements produced the following results:

HAWK SOIL GEOCHEM STATISTICS (ALL IN PPM EXCEPT AU (PPB))

<u>ELEMENT</u>	<u>MIN</u>	<u>MAX</u>	<u>MEAN</u>	<u>STD DEV</u>	<u>MEDIAN</u>
Copper	27.0	1082.0	110.5	102.3	84.0
Zinc	38.0	655.0	184.7	102.4	157.0
Silver	0.1	1.5	0.4	0.3	0.4
Arsenic	4.0	644.0	57.4	70.6	38.0
Antimony	2.0	36.0	3.7	3.6	2.0
Gold	1.0	910.0	40.6	94.6	13.0

TOTAL NUMBER OF SAMPLES = 182



The small sample population limits the relevance of these calculations and they should therefore be used as a guide only. By plotting the results in profile coincident gold and arsenic peaks, which may represent buried veins, can be more closely related to geophysical responses. Gold and arsenic have been plotted with to IP pseudosections (Fig. 12a & 13) to better illustrate this.

Generally, the gold and arsenic values correlate very well, while silver and gold do not. One anomaly near 200E on line 112N shows good correlation between elements, and also high gold values. This region also exhibits anomalous geophysical characteristics and is worthy of further study.

PART E DISCUSSION OF GEOPHYSICAL RESULTS

1. Survey Objectives

Three different geophysical methods were used to assist in the exploration for gold-bearing mineralization. Cominco's experience with magnetic measurements and the VLF-EM method indicated that these techniques could help locate mineralized zones of interest. The VLF-EM method was able to locate faults and gouge zones in the Northcal claims which contain high gold concentrations (0.35 oz/ton over 6 m, 0.96 oz/ton over 5.8 m). In this survey the Shootback EM method was tested, which also detects conductive bodies.

Previously outlined magnetic anomalies were related to a variety of features. Most are related to variation in magnetite concentration due to intrusive activity or alteration of volcanic rock. One magnetic high response is on strike with a monzonite dyke that is an integral part of gold mineralization on Northcal ground just west of the Hawk 2 claim.

The Induced Polarization and Resistivity method was also used because of its suitability in locating zones of disseminated or massive sulphides as well as conductivity. Additional information provided by resistivity calculations would assist in mapping geological facies and in the interpretation of anomalies observed in chargeability.

2. Electromagnetic Method: Crone Shootback EM Survey

The data measured by the Shootback method is presented as profiles for the vertical and horizontal loop portions respectively, in Figure 9a and 9b. Overall, there are no strong responses visible, and only the vertical loop orientation shows any structure. These anomalies are of very small amplitude,



indeed they are just above the noise level for the instrument. The anomalies do not clearly correlate with resistivity information from the Induced Polarization survey, and we conclude that there are no conductors massive enough, or no resistivity contrasts great enough on this grid to provoke a response from this instrument. It was not possible to obtain a signature response over the largest vein on the property because of the steep topography.

3. Magnetic Survey

The results of the ground magnetometer survey are presented as profiles in Figure 10. Magnetic data was taken over grid lines, and also along sections of the road and part of the main canyon creek. These latter measurements were made in areas of visible outcrop in order to provide a tie between geological information and geophysical measurements.

The magnetic response in and near the creeks, including Hawk creek, exhibits sharply defined low values. This correlation suggests that magnetite was either removed or altered in the creek areas, or that diamagnetic rocks are present. Either possibility is consistent with the expectation that the creeks are associated with faults trending north-northwest.

The only other feature of interest is a 200-300 gamma high anomaly on line 112N near station 225E. The shape of this anomaly indicates the existence of a relatively shallow body (depth \leq 15 metres) dipping steeply to the west. The magnetic high was traced on the ground for 25 metres north and south of line 112 and the strength of the anomaly was found to diminish rapidly, implying that the body is small, or that it plunges steeply. The trend was determined, within a few degrees, to be north/south. An anomaly of this size could be caused by a moderate concentration of magnetite or a fairly strong

concentration of pyrrhotite. Since this magnetic anomaly coincides with a chargeability anomaly in the Induced Polarization data, the latter explanation is favored. No rock samples were taken from this area, but soil geochemistry indicates high gold values at the same location. This anomaly will be discussed in the next section.

Several station spacings were used in this survey, from 8 to 25 metres. The rather shallow nature of the exploration targets and of other geological features which also create anomalies suggest that a fine sampling be used in any subsequent work. Stations at 12.5 metre intervals seem adequate for reconnaissance; 5 metre measurements may be required in follow up work.

4. Induced Polarization Survey

The I.P. Survey data is presented in pseudo-section form in Figures 12 and 13. For each line the magnetic and gold geochemistry profiles have been plotted at the same level. This presentation greatly facilitates an integrated interpretation of the survey results.



Line 112N

- 475E: A moderate chargeability high, associated with a small magnetic low near the creek indicate the possible existence of a fault at this location. The chargeability high may be due to an increase in pyrite concentration, but this zone does not appear to be mineralized with gold.
- 325E: A slight chargeability high is associated with a gold anomaly. This zone is worthy of further investigation.
- 200E: A definite chargeability high correlates well with a magnetic high and gold, arsenic, silver and copper geochemical anomalies. The correlation between magnetic and chargeability responses indicate the likely presence of a body of pyrrhotite. Because of the associated geochemical anomalies, this area is of interest. Detailed geological work and trenching are recommended.
- 225E: The geochemical anomaly at 225E is in the canyon, and may be related to nearby sources such as the one at 200E, especially since there are no associated geophysical indicators. Nevertheless, its proximity to the magnetic body makes it an interesting anomaly to follow up.
- 100E to 125E: This area seems to be a contact between a zone of moderately high chargeability to the east with a zone of high chargeability to the

west. The band of high resistivity suggests there may also be a dyke at this contact. Detailed geology in this area is warranted because of the smaller geochemical anomalies in this region. There is an area of exposed rock in the nearby canyon and on the roadcut which would facilitate such study.

The remainder of the line to the west is characterized by high background chargeability, due to the pervasive dissemination of pyrite. The pyrite is often distributed in interconnected fracture planes which results in overall high chargeability and low resistivity.

Line 25N

425E: The geochemical anomaly here may be a result of its proximity to the creek, but the line shows no such response. The only geophysical response tied to this anomaly may be a small magnetic high at 400E.

375E: A moderately high chargeability zone is flanked by geochemical anomalies, but no relationship is clearly established.

250E: The resistivity low is not tied to a chargeability high, and therefore is probably not related to sulphide concentration. It is likely related to a fault, which also may have been responsible for the formation of the creek. This relationship is less evident on line 112N because of the proximity of the magnetic body.



175E: A geochemical anomaly is associated with a region of complicated but higher chargeability, and flanked by two small magnetic spikes. These may be manifestations of the body detected on line 112N at 200E. which was found to trend North/South.

120E The high resistivity region represents a contact between two regions of different chargeability and resistivity, and possibly includes a layer of high resistivity in between.

75E: This region is characterized by high (and complex) chargeability and lower resistivity. This may imply a greater concentration of sulphides.

The geochemical anomalies to the west are up slope from the creek, and warrant investigation.

The western part of line 25N is overall very chargeable, again indicating the presence of large amounts of disseminated sulphides. The lack of gold geochemical anomalies makes this part of the grid less interesting economically, but the complex nature of the I.P. data exemplifies the difficulties in using geophysics to prospect this area.

Figure 12b shows a small section of line 25N which was re-measured using a 12.5 metre separation pole-dipole array. It is clear that this density of measurements is appropriate for resolution of the rapidly changing geological features. The resistive zone at 125W is well defined, and the chargeability pseudo-section is smoother.

PART F CONCLUSIONS AND RECOMMENDATIONS

The complexity of the geology and the high degree of sulphide dissemination mask the geophysical responses of vein type gold deposits on the HAWK 1 claim. Confidence in the interpretation of anomalies is greatly enhanced by an integrated data set, combining several different techniques. In the case of the HAWK 1 property the combined use of soil geochemistry, ground magnetometer and Induced Polarization at a station spacing of 12.5 metres is a suitable combination of exploration tools. Many areas of interest have been outlined and are recommended for further work.

The results obtained on the east side of the 1987 grid (HAWK 1 claim, north of Hawk Creek) indicated the presence of gold bearing rocks. The recommended program for the HAWK 1 claim includes detailed geological and geochemical mapping of known anomalous zones by blast trenching and sampling. In addition, exploration should be extended further east because there is no indication that the anomalous zone surveyed this year terminates at the east end of the grid; indeed there are two single point geochemical anomalies discovered by Cominco along the road.

The area south of Hawk Creek should be surveyed with a more detailed grid than that used by Cominco, in order to better define the geochemical anomalies known to exist there, again using soil geochemistry, magnetometer and induced polarization.

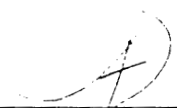


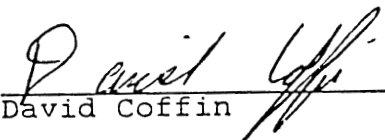
PART G ESTIMATED COST OF PROPOSED EXPLORATION PROGRAM

Line Cutting, 22km @ \$750/km	\$ 16,500
Induced Polarization, 20km @ \$1,500/km	30,000
allowance for detail	10,000
Magnetometer survey, 5km @ \$200/km	1,000
Soil sampling and analysis, 1,000 @ \$20/sample	20,000
Blasting and Trenching, 10 days @ \$1,000/day	10,000
Geological support, 21 days @ \$400/day	8,400
Rock sampling, allow	1,000
Report preparation and Engineering, allow	9,000
Contingencies, allow	<u>9,100</u>
Total	<u>\$115,000</u>

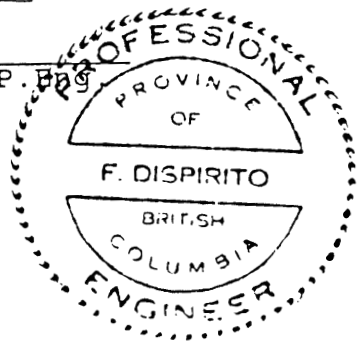
Contingent on encouraging results from the proposed exploration program, a third phase of exploration would include equipment trenching of anomalous zones, and possibly preliminary diamond drilling. Allocation for a third phase should be made after the proposed program.

Signed at Vancouver, B.C.


per Peter Kaczkowski, M.Sc.


David Coffin


Frank Di Spirito, B.A.Sc., P.Eng
21 December, 1987



REFERENCES

1. Report on the 1978 fieldwork, HAWK Property, Nuttlude Lake Area, Liard Mining Division, B.C. for Highhawk Mines Ltd. by G.A. Noel, P.Eng., Feb. 20, 1979.
2. Report on the 1979 fieldwork, HAWK Property, Kinaskan Lake Area, Liard Mining Division, B.C. for Newhawk Gold Mines Ltd. by G.A. Noel, P.Eng., Mar. 10, 1980.
3. Report on the 1980 fieldwork, HAWK 1 Claim, Liard Mining Division, B.C. for Newhawk Gold Mines Ltd. by G.A. Noel, P.Eng., Feb. 20, 1981.
4. Report on the 1980 fieldwork, HAWK Property, Nuttlude Lake Area, Liard Mining Division, B.C. for Newhawk Gold Mines Ltd. by R.D. Hogarth.
5. Summary report, HAWK Property, Nuttlude Lake Area, Liard Mining Division, B.C. for Newhawk Gold Mines Ltd. by B. Taylor, P.Eng., Feb. 8, 1982.
6. Owners report (Cominco Ltd.), SPECTRUM Property, Geological Mapping, Soil/Rock Geochemistry, Magnetism and VLF for Northcal Resources Ltd. and Newhawk Gold Mines Ltd. by A.M. Pauwells, Jan. 21, 1985.
7. Souther, J.G., Telegraph Creek, Map-Area, British Columbia GSC paper 71-44.



APPENDIX A
CERTIFICATES



CERTIFICATE

I, Frank Di Spirito, of the City of Vancouver in the Province of British Columbia, do hereby certify:

- I) I am a Consulting Engineer residing at 1319 Shorepine Walk, Vancouver, British Columbia, V6H 3T7 for the firm of Shangri-La Minerals Limited at #706-675 W. Hastings Street, Vancouver, British Columbia, V6B 1N2.
- II) I am a graduate of the University of British Columbia (1974) and hold a Bachelor of Applied Science in Geological Engineering.
- III) I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia.
- IV) Since graduation, I have been involved in numerous mineral exploration programs throughout Canada and the United States of America.
- V) This report is based upon data collected by a Shangri-La Minerals Limited crew from September 8 to October 8, 1987.
- VI) I hold no direct or indirect interest in the property described herein, or the securities of Moongold Resources Inc., nor do I expect to receive any.
- VII) This report may be utilized by Moongold Resources Inc. for inclusion in a Prospectus or a Statement of Material Facts.

Signed at Vancouver, B.C.



Frank Di Spirito
Frank Di Spirito, B.A.Sc., P.Eng.
22 December, 1987



CERTIFICATE

I, Peter Kaczkowski, of the City of Portland in the State of Oregon, in the United States of America, do hereby certify:

- I) I am a Canadian Citizen residing at 0301 S.W. Nebraska, Portland, Oregon 97201, U.S.A.
- II) I am a Consulting geophysicist with the firm of Shangri-La Minerals Limited at 706-675 West Hastings Street, Vancouver, B.C., V6B 1N2.
- III) I am a graduate of the University of Colorado in Boulder, Colorado, U.S.A., and hold a Bachelor of Science (1977) in Electrical Engineering degree from that institution.
- IV) I am a graduate of the Colorado School of Mines in Golden, Colorado, U.S.A., and hold a Master of Science (1986) in Geophysics degree from that institution.
- V) I am a member in good standing of the European Association of Exploration Geophysicists (EAEG).
- VI) I have worked as a geophysicist since 1982 on numerous mineral exploration projects in Canada, the United States, France, Spain and Portugal.
- VII) This report is based upon the field work carried out by this author and a Shangri-La Minerals Limited crew between September 25 and October 8, 1987, and upon the previously reported work of others which this author has compiled and appropriately referenced.
- VIII) I hold no direct nor indirect interest in this property, nor in any securities of Moongold Resources Inc., nor in any associated companies, nor do I expect to receive any.

Signed at Vancouver, B.C.



Peter Kaczkowski, B.Sc., M.Sc.
20 November, 1987

alk,
of
eet,

1974)
gical

the
ia.
neral
United

gri-La
1987.
roperty
sources

nc. fo
Facts.

CERTIFICATE

I, Martin St-Pierre, of the City of Vancouver in the Province of British Columbia, do hereby certify:

- I) I am a Consulting Geophysicist to the firm of Shangri-La Mineral Limited at 706-675 West Hastings Street, Vancouver, British Columbia, V6B 1N2.
- II) I graduated in 1984 from McGill University in Montreal with a B.Sc. in Geophysics.
- III) I have been involved in numerous mineral exploration programs since 1982.
- IV) The geophysical portion of this report is based upon fieldwork carried out by myself and a crew from Shangri-La Minerals Limited for Moongold Resources Inc. from September 25 to October 8, 1987.
- V) I have no direct or indirect interest in the property, nor in any securities of Moongold Resources Inc., or in any associated companies, nor do I expect to receive any.
- VI) This report may be utilized by Moongold Resources Inc. for inclusion in a Prospectus or Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.



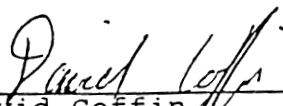
Martin St-Pierre, B.Sc.
22 December, 1987

CERTIFICATE

I, David Coffin, of the City of Vancouver in the Province of British Columbia, do hereby certify that:

- I) I am a consultant with the firm of Shangri-La Minerals Limited at 706-675 West Hastings St., Vancouver, B.C., V6B 1N2.
- II) I attended the Haileybury School of Mines, Ontario, in the department of Mining Technology, from 1975 to 1977.
- III) Since 1974 I have worked at a variety of jobs in the Canadian mineral exploration field, including regional and detailed prospecting, detailed geological mapping, core logging, property management and program development.
- IV) This report is based upon field work conducted by this author between September 25 and 28, 1987 and a Shangri-La Minerals Limited crew.
- V) I hold no direct or indirect interest in the property or in the securities of Moongold Resources Inc., nor do I expect to receive any.
- VI) This evaluation report may be used by Moongold Resources Inc. for inclusion in a Prospectus or a Statement of Material Facts.

Submitted at Vancouver, B.C.



David Coffin
22 December 1987

APPENDIX B
ROCK SAMPLE DESCRIPTIONS



ROCK SAMPLE DESCRIPTIONS

HAWK PROPERTY

- HKK-1 Fine grained intermediate volcanic, previously disseminated with sulphides < 1 mm; and irregular fractures < .3 m filled by quartz and sulphides (mostly pyrite). Heavily oxidized and rust stained.
- HKK-2 Quartz vein with gray pockets of fine-grained pyrite and copper sulphides. Some blebs of pyrite up to 5 mm.
- HKK-3 Same as HKK-2.
- HKK-4 Grey-green clay gouge with re-crystallized pyrite. Some staining colour from yellow to brown. Values in Au, As, Ag and Cr are above background.
- HKK-5 Quartz vein zone, quite heavily mineralized with sulphides, often interconnected. Resembled 2 and 3 but with few massive pockets. Significant quartz veining.
- HKK-6 Similar to 1, but more siliceous, and with larger pyrite crystals (up to 3 mm).
- HKK-7 Quartz vein with massive fine grained sulphides. Assay shows 17% iron, all other elements at background.
STR = 90° DIP = 40°S.
- HKK-8 Medium grained felsic flow with few disseminated sulphides. Competent, greyish-green rock.
- HKK-9 Like HKK-8 but finer grained and more heavily altered.
- HKK-10 Dacite tuff, competent, with disseminated pyrite.
- HKK-11 Same as HKK-10, with quartz pockets and sulphide stringers.
- HKK-12 Similar to HKK-10, but feldspar altering to clay in gouge zone. Some quartz vein as well.
- HKK-13 Similar to HKK-12.
- HKK-14 Vein with quartz and pockets of massive sulphides. May associated with felsic dyke.

- HKK-15 Rhyolite with small vein as in HKK-7.
- HKK-16 Dacite with banding - includes small vein as HKK-15.
- HKK-17 Coarser grained rhyolite.
- HKK-18 Rhyolite, with unweathered platy pyrite in fractures. Some calcite along fractures as well.

Fire Assay

- HKK-19 Gouge zone, contact between rhyolite and intermediate volcanic as in HKK-1.
- HKK-20 Vein 4 - Quartz vein showing limonitic staining with a yellow-green stain from arsenopyrite. Appears greenish-grey from a distance. Sulphide pockets with pyrite, and a mix of other sulphides (arsenopyrite, galena and some sphalerite) all having a dull grey fine grained appearance.
- HKK-21 Vein 3 - Quartz vein with sulphide pockets. Minerals may be slightly coarser than average.

Strikes of gold bearing veins are north-northwest. Similar looking veins striking north do not tend to contain significant gold (see Analytical Results APPENDIX D).

APPENDIX C
ANALYTICAL RESULTS



ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: NOV 16 1987
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE (604) 253-3158 FAX (604) 253-1716 DATE REPORT MAILED: *Nov. 24/87.*

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp *As by F.A.*

ASSAYER: *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

SHANGRI-LA MINERALS File # 87-5301 R

SAMPLE#	AS %	SB %	AU** OZ/T
HKK-19	.01	.01	.003
HKK-19TYPE	.01	.01	.001
HKK-20LOWER	6.18	.40	.452
HKK-20UPPER	5.79	.11	.326
HKK-21	1.17	.05	.112

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEC. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: P1-6 SOIL P7-ROCK AU1 ANALYSIS BY AA FROM 10 GRAM SAMPLE.

DATE RECEIVED: OCT 27 1987

DATE REPORT MAILED: *Nov 9/87*

ASSAYER: *D. J. ...* DEAN TOYE, CERTIFIED B.C. ASSAYER

SHANGRI-LA MINERALS File # 87-5301 Page 1

SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	W	AU1
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	I	PPM	PPM	I	PPM	I	I	I	I	PPM	PPM	
HWK 200N 400M	3	123	45	407	.5	30	42	2401	7.87	40	5	ND	6	71	5	2	2	221	1.38	.103	15	55	1.95	99	.37	6	3.65	.03	.49	1	14
HWK 200N 387M	4	91	23	161	.2	44	21	1297	5.89	37	5	ND	3	51	4	3	2	117	.61	.080	15	55	1.06	109	.25	6	2.68	.04	.17	1	70
HWK 200N 175E	6	33	16	77	.1	9	7	405	5.33	14	8	ND	5	18	3	2	2	66	.30	.075	11	26	.22	33	.50	2	3.23	.06	.07	2	1
HWK 200N 187.5E	6	55	14	160	.2	15	12	740	6.12	16	5	ND	4	28	4	2	2	91	.38	.081	13	37	.35	94	.50	3	2.92	.05	.09	1	3
HWK 200N 200E	5	141	65	247	.7	24	27	1591	7.91	45	8	ND	6	54	3	9	2	171	.77	.111	20	41	1.34	111	.35	2	3.56	.04	.26	1	26
HWK 200N 212.5E	4	174	21	164	.1	76	29	1197	7.42	68	5	ND	6	78	2	2	2	187	.93	.118	27	111	2.44	113	.36	4	3.46	.04	.37	2	86
HWK 200N 225E	6	139	47	345	.4	41	30	2031	6.95	104	5	ND	4	45	6	9	2	139	.80	.097	21	57	1.02	125	.24	2	2.82	.03	.18	1	83
HWK 200N 237.5E	6	280	24	153	.4	99	68	1994	9.82	392	5	ND	3	44	2	11	2	131	.59	.123	18	53	1.02	75	.20	3	2.99	.03	.15	2	159
HWK 200N 250E	6	178	21	144	.3	85	37	1404	8.16	247	5	ND	3	49	2	9	2	107	.65	.109	14	54	.99	72	.14	2	2.64	.02	.15	1	149
HWK 200N 262.5E	4	84	23	194	.3	37	20	913	6.95	63	5	ND	2	48	1	4	2	141	.50	.088	10	52	1.08	121	.30	2	3.09	.04	.12	1	37
HWK 200N 275E	4	80	14	151	.2	41	22	973	6.19	32	5	ND	2	34	2	3	2	125	.43	.077	11	54	1.00	62	.28	2	2.88	.03	.14	1	33
HWK 200N 287.5E	5	62	18	177	.3	38	20	992	6.70	38	9	ND	6	40	4	3	2	107	.46	.088	11	49	.77	78	.47	5	3.70	.06	.10	2	13
HWK 200N 300E	5	87	30	259	.1	47	21	916	7.35	70	6	ND	3	42	3	2	2	140	.54	.099	11	59	1.23	69	.41	2	3.50	.05	.16	2	26
HWK 200N 312E	4	98	27	211	.4	82	20	713	7.40	138	5	ND	5	36	2	5	2	129	.37	.081	14	82	1.45	62	.39	3	4.62	.04	.14	1	430
HWK 200N 325E	4	55	25	253	.2	39	17	859	6.64	47	5	ND	5	39	3	5	2	105	.59	.071	12	52	.74	49	.50	3	3.40	.06	.09	1	10
HWK 200N 337E	6	106	20	211	.7	54	15	723	7.35	139	5	ND	2	38	3	16	3	155	.39	.071	11	77	1.42	46	.30	2	3.35	.03	.17	1	70
HWK 200N 350E	5	63	20	293	.2	48	21	756	7.07	44	8	ND	6	38	4	2	2	124	.48	.085	11	66	1.12	48	.50	2	3.32	.05	.17	1	161
HWK 200N 362E	4	79	21	161	.2	31	31	1670	5.85	49	5	ND	2	63	3	2	2	96	.70	.129	11	44	.70	111	.25	3	2.46	.05	.13	1	32
HWK 200N 375E	5	116	16	224	.3	39	38	2451	5.68	30	5	ND	3	112	4	2	2	108	1.77	.138	14	47	.94	191	.15	7	2.14	.04	.27	1	8
HWK 200N 412E	3	73	77	614	.2	63	21	1224	6.61	57	6	ND	4	53	8	5	2	116	.72	.087	15	53	1.01	136	.35	2	3.60	.04	.20	1	12
HWK 200N 425E	4	55	43	489	.3	38	26	1904	6.45	20	8	ND	6	56	6	4	2	105	.86	.087	13	44	.95	171	.44	5	3.78	.05	.14	2	14
HWK 200N 437E	5	45	63	428	.1	40	18	785	6.54	13	5	ND	4	45	3	3	2	112	.69	.062	12	67	1.03	136	.48	2	3.38	.05	.12	1	6
HWK 200N 450E	4	50	21	348	.1	53	18	945	6.20	15	5	ND	3	37	3	2	2	105	.52	.082	11	82	1.30	73	.34	6	3.68	.04	.11	1	1
HWK 200N 462E	5	155	22	217	.2	77	37	1841	7.10	34	5	ND	6	51	3	8	2	168	.54	.117	19	91	2.35	261	.33	8	3.92	.03	.66	1	30
HWK 200N 475E	3	263	22	215	.4	136	55	2196	7.25	50	5	ND	4	75	3	5	2	159	1.58	.137	19	120	2.41	179	.25	3	3.46	.03	.73	1	10
HWK 112N 012E	6	82	12	165	.4	34	19	1079	6.40	47	7	ND	5	33	2	4	2	98	.47	.090	21	41	.68	109	.40	2	3.56	.04	.09	1	20
HWK 112N 025E	4	53	21	187	.2	35	17	581	6.01	42	5	ND	5	20	2	2	2	88	.26	.074	14	35	.65	72	.39	2	3.86	.04	.07	1	10
HWK 112N 037E	7	62	21	158	.3	22	13	1159	6.48	38	6	ND	4	18	2	3	2	106	.23	.071	17	35	.44	98	.40	5	2.63	.04	.07	1	11
HWK 112N 050E	4	102	15	145	.3	34	25	997	5.25	34	5	ND	3	37	3	3	2	89	.44	.088	25	36	.65	92	.21	2	2.73	.03	.08	2	21
HWK 112N 062E	4	131	15	151	.1	44	20	964	6.07	98	5	ND	5	44	1	4	2	119	.53	.102	24	49	1.13	135	.25	5	2.64	.03	.16	1	71
HWK 112N 075E	5	193	27	178	.3	42	29	1106	7.34	131	5	ND	5	46	3	10	2	132	.54	.106	21	42	1.12	102	.20	4	2.79	.03	.13	1	43
HWK 112N 100E	5	88	22	155	.1	48	23	1007	6.58	72	7	ND	6	29	2	5	2	108	.38	.081	17	44	.81	122	.33	3	3.40	.03	.10	1	29
HWK 112N 112E	5	49	14	116	.1	21	12	508	5.60	45	7	ND	5	15	2	4	2	85	.24	.062	9	33	.48	68	.37	2	3.65	.05	.10	1	22
HWK 112N 125E	6	56	20	204	.1	23	16	809	6.68	55	5	ND	4	22	3	4	2	116	.35	.088	9	39	.68	69	.39	2	2.86	.03	.11	2	11
HWK 112N 137E	7	107	14	198	.1	67	27	1172	8.83	122	5	ND	5	24	2	8	2	121	.26	.095	17	54	1.20	140	.28	2	3.55	.02	.10	1	111
HWK 112N 150E	6	51	11	148	.1	30	15	648	5.97	44	5	ND	5	20	3	4	2	88	.30	.073	15	38	.53	70	.41	2	3.28	.04	.08	1	11
STD C/AU-S	20	63	41	131	6.9	72	29	1063	4.22	40	17	8	40	53	19	18	20	61	.49	.090	40	64	.88	180	.09	33	1.93	.06	.14	12	49

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM	NI PPM	CO PPM	MN PPM	FE I	AS PPM	U PPM	AU PPM	TH PPM	SR PPM	CD PPM	SB PPM	BI PPM	V PPM	CA I	P I	LA PPM	CR PPM	MG I	BA PPM	TI I	B PPM	AL I	NA I	K I	W PPM	AU PPB
HWK 112N 162E	2	73	21	170	.4	49	17	577	5.52	39	7	ND	8	28	1	2	2	77	.38	.090	22	31	.73	139	.28	3	3.70	.03	.09	1	75
HWK 112N 175E	2	89	12	110	.5	45	17	729	4.91	37	5	ND	6	27	1	2	2	71	.38	.088	24	30	.69	150	.22	3	3.78	.02	.11	1	43
HWK 112N 187E	5	50	19	156	.4	30	14	900	5.87	23	5	ND	4	28	1	2	2	96	.32	.092	12	38	.55	101	.41	2	2.73	.03	.10	1	1
HWK 112N 200E	5	54	18	237	.7	37	20	759	6.52	43	5	ND	5	29	1	2	2	97	.31	.117	14	38	.59	109	.42	4	3.63	.03	.10	1	17
HWK 112N 212E	2	118	18	128	.8	73	20	690	5.97	93	5	ND	3	53	1	2	5	126	.74	.108	13	103	2.13	78	.25	4	2.71	.05	.20	1	350
HWK 112N 225E	3	82	17	164	.4	55	18	776	5.42	60	5	ND	6	42	1	3	2	91	.45	.078	23	46	1.04	230	.28	2	3.24	.03	.15	1	20
HWK 112N 237E	5	196	33	196	.8	62	29	1003	7.72	278	5	ND	4	39	1	2	3	138	.41	.149	18	68	1.29	73	.20	3	2.61	.02	.16	1	114
HWK 112N 250E	6	200	43	252	1.5	79	32	1109	8.32	444	5	ND	3	37	1	3	5	141	.37	.118	18	74	1.36	70	.17	2	3.52	.02	.13	1	550
HWK 112N 262E	4	47	16	198	.7	25	15	1081	4.92	33	5	ND	1	35	1	2	2	95	.45	.104	9	32	.62	129	.22	3	1.95	.04	.14	1	74
HWK 112N 275E	3	59	17	154	.1	32	15	1054	4.30	32	5	ND	1	39	1	2	2	96	.55	.093	12	38	.82	130	.15	2	1.61	.02	.15	1	21
HWK 112N 287E	4	55	15	189	1.3	29	15	893	5.10	30	5	ND	2	37	2	2	2	99	.45	.066	10	39	.66	102	.26	2	2.28	.03	.08	1	8
HWK 112N 300E	4	68	26	209	.6	39	16	760	5.02	56	5	ND	3	40	1	2	2	103	.51	.059	11	39	.91	83	.22	5	2.64	.02	.15	1	40
HWK 112N 312E	4	76	32	326	.7	54	25	1418	6.11	104	5	ND	2	38	3	2	2	112	.36	.072	13	56	.90	76	.26	3	2.61	.02	.12	1	34
HWK 112N 325E	4	77	31	363	.6	68	25	854	6.36	125	5	ND	5	43	1	3	2	110	.40	.080	13	59	1.11	63	.42	2	3.99	.04	.11	1	25
HWK 112N 337E	5	126	46	633	.5	86	40	1893	8.11	286	5	ND	2	70	1	10	5	159	.64	.082	11	79	1.67	131	.23	2	3.25	.02	.19	1	910
HWK 112N 350E	5	59	62	655	.4	42	22	1205	6.12	48	5	ND	4	38	5	2	2	112	.44	.080	12	57	.99	68	.43	2	3.63	.05	.12	1	50
HWK 112N 362E	4	63	73	570	.6	45	18	921	6.32	36	5	ND	4	27	2	2	2	121	.36	.055	10	50	1.09	73	.35	5	3.72	.03	.13	1	1
HWK 112N 375E	4	53	31	298	.4	39	12	562	5.73	30	5	ND	4	25	2	2	2	118	.29	.059	10	51	.96	73	.37	3	2.86	.03	.11	1	1
HWK 112N 387E	3	64	55	312	.6	45	16	913	5.32	21	5	ND	4	35	1	2	2	96	.49	.070	17	46	.93	49	.33	2	3.61	.03	.15	1	11
HWK 112N 400E	4	47	26	279	.5	37	14	899	5.30	17	5	ND	4	22	1	2	2	87	.27	.068	11	47	.75	47	.38	2	3.37	.03	.08	1	3
HWK 112N 412E	4	51	35	286	.2	44	17	750	5.42	52	5	ND	5	65	1	2	2	98	.88	.073	10	46	.92	72	.39	2	3.37	.04	.13	1	23
HWK 112N 425E	4	38	17	135	.7	26	10	549	4.87	18	5	ND	3	32	1	2	2	75	.40	.074	14	38	.60	46	.37	2	3.78	.04	.09	1	1
HWK 112N 432E	4	65	19	252	.5	52	20	964	5.66	21	5	ND	3	46	2	2	2	105	.47	.072	8	69	1.23	64	.29	5	3.28	.03	.13	1	1
HWK 112N 450E	4	61	20	171	.5	43	19	802	5.27	19	5	ND	3	40	1	2	2	106	.57	.091	8	50	1.03	130	.24	7	3.51	.03	.17	1	1
HWK 112N 462E	5	225	40	353	.5	90	39	2189	7.67	47	5	ND	4	60	1	2	2	179	.85	.120	15	113	2.56	204	.15	5	4.15	.01	.33	1	18
HWK 112N 475E	4	58	17	71	.5	33	6	384	5.18	14	5	ND	3	20	2	2	2	73	.23	.108	14	47	.31	38	.31	2	3.52	.02	.08	1	1
HWK 112N 487E	4	100	42	265	.3	93	31	1463	5.77	54	5	ND	3	65	1	2	2	126	.94	.111	11	87	1.74	172	.18	4	2.91	.02	.33	1	12
HWK 112N 500E	4	110	19	217	.6	57	26	1898	4.93	19	5	ND	3	86	4	2	2	108	1.31	.108	9	56	1.01	250	.14	5	2.05	.01	.39	1	3
HWK 025N 162E	4	175	19	181	.2	137	32	1502	6.48	87	5	ND	6	92	2	2	2	115	.98	.106	27	105	1.80	89	.23	6	3.28	.03	.48	1	20
HWK 025N 275E	4	85	22	195	.5	49	17	940	5.23	40	5	ND	3	44	1	2	2	95	.64	.096	14	52	.91	95	.25	4	2.92	.03	.16	1	3
HWK 025N 287E	4	99	28	153	.2	47	18	794	4.91	75	5	ND	3	42	1	2	2	108	.53	.089	15	57	1.18	77	.21	4	2.22	.04	.21	1	43
HWK 025N 300E	4	81	30	192	.5	69	18	582	5.44	89	5	ND	5	39	1	2	2	123	.46	.055	13	72	1.50	77	.27	3	3.78	.04	.30	1	180
HWK 025N 312E	4	101	21	167	.4	43	23	954	5.39	50	5	ND	4	50	1	2	2	118	.64	.103	15	52	1.26	90	.20	2	2.38	.04	.21	1	87
HWK 025N 325E	5	101	18	139	.5	35	18	1038	4.54	30	5	ND	3	48	1	2	2	91	.71	.095	31	36	.76	155	.19	4	1.84	.03	.15	1	15
HWK 025N 337E	6	66	21	162	.4	32	10	627	5.47	39	5	ND	3	40	1	2	2	107	.60	.054	11	41	.74	110	.23	4	1.99	.03	.21	1	121
HWK 025N 350E	4	68	21	197	.2	39	17	1016	4.68	39	5	ND	3	34	1	2	2	97	.50	.074	12	36	.85	102	.17	2	1.92	.02	.20	1	21
STD C/AU-S	20	62	39	127	7.6	71	29	1053	3.98	39	18	7	40	53	18	18	23	62	.49	.090	40	61	.87	180	.09	38	1.89	.06	.13	13	49

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM	NI PPM	CO PPM	MN PPM	FE I	AS PPM	U PPM	AU PPM	TH PPM	SR PPM	CD PPM	SB PPM	BI PPM	V PPM	CA I	P I	LA PPM	CR PPM	H6 I	BA PPM	TI I	B PPM	AL I	NA I	K I	W PPM	AU1 PPB
HWK 025H 362E	3	46	10	104	.2	19	10	1103	4.45	17	5	ND	4	13	1	2	2	69	.15	.098	16	26	.37	58	.23	5	3.21	.03	.10	1	1
HWK 025H 375E	3	45	8	83	.4	16	9	962	4.63	20	5	ND	3	28	1	2	2	67	.28	.196	9	27	.31	40	.18	5	2.19	.02	.09	1	1
HWK 025H 387E	3	32	6	38	.1	14	5	362	4.45	4	5	ND	4	18	1	2	2	64	.21	.173	10	34	.23	38	.28	2	2.98	.02	.04	1	1
HWK 025H 400E	5	59	12	77	.3	26	8	1255	5.17	14	5	ND	3	36	1	2	2	83	.18	.096	10	41	.28	40	.35	2	1.93	.03	.05	1	6
HWK 025H 412E	3	76	19	161	.8	60	19	1307	5.24	38	5	ND	3	45	1	4	2	100	.46	.118	11	78	1.04	103	.17	4	2.88	.01	.14	1	46
HWK 025H 425E	3	96	19	123	.2	53	15	810	4.96	73	5	ND	3	22	1	2	2	96	.25	.419	12	68	.97	56	.15	5	2.45	.02	.15	1	180
HWK 025H 432E	5	66	12	83	.5	16	7	440	4.91	30	5	ND	3	11	1	3	2	86	.14	.403	9	32	.25	54	.19	3	1.51	.02	.10	2	7
HWK 025H 450E	2	114	13	62	1.1	22	5	170	5.17	16	5	ND	3	8	1	2	2	65	.09	.314	14	34	.07	49	.18	2	1.46	.01	.06	1	1
HWK 025H 462E	4	100	16	247	.3	47	14	1959	4.63	26	5	ND	2	64	1	2	2	94	1.07	.115	24	34	.71	203	.10	3	2.15	.02	.16	1	6
HWK 025H 475E	4	79	12	171	.6	40	14	1142	4.83	30	5	ND	3	17	1	4	2	88	.22	.161	21	38	.62	123	.13	4	1.89	.02	.17	2	1
HWK 025H 487E	4	78	17	188	.2	35	16	1122	4.79	31	5	ND	4	33	1	4	2	88	.48	.094	26	31	.64	145	.16	6	2.08	.03	.13	1	22
HWK 025H 500E	3	75	13	162	.5	35	15	1177	4.82	29	5	ND	3	28	1	6	2	88	.36	.099	24	35	.64	125	.16	7	2.33	.02	.14	1	29
H L2+00M 1+00W	4	104	52	218	.3	31	23	1014	5.92	124	5	ND	5	40	1	8	2	118	.53	.104	20	38	1.06	119	.20	3	2.19	.03	.16	1	220
H L2+00M 0+75W	10	77	17	170	.6	17	13	867	6.39	39	5	ND	4	16	1	3	2	87	.17	.094	18	30	.30	76	.37	4	3.57	.03	.06	1	13
H L2+00M 0+50W	7	61	7	105	.3	14	12	851	5.38	31	5	ND	3	26	1	2	2	73	.34	.104	13	25	.35	89	.32	2	3.45	.05	.07	1	5
H L2+00M 0+25W	5	47	6	141	.1	24	15	1024	5.67	15	5	ND	4	21	1	2	2	89	.30	.128	19	29	.39	96	.37	4	4.94	.05	.06	1	10
H L2+00M 0+00W	7	57	12	131	.3	23	12	588	6.48	21	5	ND	6	24	1	2	2	89	.30	.094	21	38	.36	63	.57	3	3.80	.05	.09	1	11
H L2+00M 0+25E	6	59	2	176	.1	36	23	1085	6.89	17	5	ND	9	18	1	5	2	84	.25	.161	28	35	.55	131	.51	2	6.79	.04	.06	1	9
H L2+00M 0+50E	6	50	11	124	.2	26	11	485	6.08	43	5	ND	5	18	1	2	2	80	.24	.078	15	35	.45	86	.44	2	4.41	.05	.06	1	12
H L1+12H 5+00W	8	123	12	129	.1	26	12	601	5.96	26	5	ND	5	25	1	3	2	81	.30	.106	18	31	.55	78	.41	2	4.30	.05	.07	1	4
H L1+12H 4+87W	5	78	7	92	.2	24	16	707	5.80	10	5	ND	10	14	1	2	2	82	.17	.092	39	34	.42	47	.56	2	4.28	.06	.05	1	4
H L1+12H 4+75W	4	45	2	80	.1	12	10	405	4.06	11	9	ND	5	13	1	2	2	48	.18	.051	11	14	.27	41	.36	2	3.91	.09	.08	1	1
H L1+12H 4+62W	6	116	6	129	.2	27	14	788	5.80	28	5	ND	5	25	1	3	2	92	.35	.123	15	35	.70	85	.36	2	3.29	.04	.08	1	43
H L1+12H 4+50W	5	90	2	137	.1	37	19	707	5.86	12	5	ND	7	25	1	3	2	75	.33	.107	28	31	.58	102	.43	4	5.68	.04	.04	1	3
H L1+12H 4+37W	3	49	5	142	.1	28	15	646	5.53	8	5	ND	7	15	1	2	2	64	.21	.090	15	27	.39	80	.47	2	4.91	.05	.05	1	4
H L1+12H 4+25W	6	55	4	125	.1	26	12	602	6.04	15	5	ND	8	28	1	2	2	82	.35	.120	21	33	.42	72	.56	3	4.42	.05	.05	2	1
H L1+12H 4+12W	7	134	10	141	.3	32	18	684	6.04	42	5	ND	5	24	1	5	2	87	.40	.098	22	34	.64	77	.41	2	4.47	.04	.06	1	1
H L1+12H 4+00W	5	92	5	94	.1	17	11	531	4.95	20	5	ND	5	16	1	2	2	64	.25	.080	19	25	.37	63	.40	2	3.84	.06	.07	1	5
H L1+12H 3+87W	5	58	4	102	.1	23	13	698	5.08	10	5	ND	5	13	1	2	2	66	.20	.086	18	27	.40	63	.42	2	4.41	.04	.04	1	1
H L1+12H 3+75W	10	254	5	162	.4	37	22	841	7.10	23	5	ND	6	26	1	4	3	114	.53	.153	17	38	1.08	84	.38	4	4.03	.03	.06	1	5
H L1+12H 3+62W	8	131	5	119	.2	20	15	847	6.08	18	5	ND	5	25	1	4	2	92	.31	.086	22	32	.52	63	.39	3	3.64	.05	.06	1	3
H L1+12H 3+50W	7	132	6	133	.2	23	13	591	5.72	16	5	ND	6	23	1	5	2	83	.30	.095	18	32	.52	80	.43	2	4.19	.06	.06	1	33
H L1+12H 3+37W	11	206	2	150	.2	33	23	766	6.82	21	6	ND	9	23	1	3	3	95	.33	.116	34	29	.76	128	.36	6	5.70	.04	.06	1	4
H L1+12H 3+25W	5	56	2	100	.1	16	11	531	4.46	8	5	ND	4	18	1	2	2	57	.24	.076	14	19	.29	66	.40	2	4.09	.07	.06	1	1
H L1+12H 3+12W	10	102	8	127	.2	18	13	883	6.03	16	5	ND	3	14	1	5	2	84	.18	.124	16	29	.29	71	.42	2	2.55	.04	.04	1	15
H L1+12H 3+00W	7	52	9	97	.4	16	7	461	4.92	7	5	ND	2	15	1	2	2	70	.18	.086	13	30	.26	82	.38	2	3.00	.05	.05	1	1
STD C/AU-5	20	62	35	132	7.6	71	29	1058	4.05	42	16	8	40	53	17	16	20	61	.50	.092	40	62	.89	181	.09	34	1.94	.06	.14	12	49

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM	NI PPM	CD PPM	MN PPM	FE I	AS PPM	U PPM	AU PPM	TH PPM	SR PPM	CO PPM	SB PPM	BI PPM	V PPM	CA I	P I	LA PPM	CR PPM	MG I	BA PPM	TI I	B PPM	AL I	NA I	K I	W PPM	AU1 PPB
H L1+12N 2+87W	10	88	6	136	.3	19	15	674	6.57	22	6	ND	7	16	1	2	2	97	.21	.101	16	31	.46	60	.54	2	4.13	.04	.05	1	2
H L1+12N 2+75W	11	175	7	116	.3	18	7	391	5.26	15	5	ND	4	26	1	4	2	81	.38	.092	16	28	.50	41	.34	2	3.94	.04	.05	1	1
H L1+12N 2+62W	8	111	8	109	.4	17	10	691	4.93	11	5	ND	4	18	1	2	2	71	.27	.077	17	27	.33	59	.37	3	3.53	.05	.05	1	1
H L1+12N 2+50W	19	420	7	186	.2	45	13	602	5.48	37	5	ND	5	56	1	4	2	94	1.44	.107	25	30	.98	45	.31	5	2.78	.04	.08	1	27
H L1+12N 2+37W	10	44	5	103	.3	15	8	583	5.47	15	5	ND	4	15	1	2	2	76	.24	.080	18	26	.29	50	.44	3	3.46	.04	.05	1	1
H L1+12N 2+25W	15	220	8	141	.2	25	15	737	6.91	56	5	ND	3	26	1	3	4	128	.49	.160	15	37	1.01	124	.28	2	3.56	.02	.07	2	36
H L1+12N 2+12W	8	93	8	129	.2	20	13	700	5.50	50	5	ND	4	19	1	2	2	83	.28	.074	19	29	.46	57	.39	2	3.60	.04	.06	1	2
H L1+12N 2+00W	18	87	14	153	.6	23	13	1688	4.94	23	5	ND	4	28	1	2	2	74	.64	.084	23	28	.44	66	.31	4	3.03	.03	.06	1	1
H L1+12N 1+87W	7	53	14	140	.3	21	8	425	5.51	35	5	ND	3	18	2	2	2	108	.25	.072	9	35	.58	75	.25	2	2.45	.02	.06	1	31
H L1+12N 1+75W	7	34	11	80	.4	13	6	366	4.97	15	5	ND	3	14	1	2	2	72	.20	.072	10	28	.31	62	.39	2	2.77	.04	.08	1	3
H L1+12N 1+62.5W	4	92	17	150	.2	34	19	937	5.30	39	5	ND	3	37	1	5	2	120	.53	.118	16	41	1.07	109	.24	2	2.24	.03	.16	1	8
H L1+12N 1+50W	15	319	19	185	.4	36	28	1063	7.60	134	5	ND	6	45	1	5	2	137	.69	.136	41	39	1.15	120	.27	2	2.47	.03	.13	1	61
H L1+12N 1+37W	13	371	18	135	.6	29	24	664	7.59	110	5	ND	5	65	1	9	2	146	.79	.148	23	43	1.24	157	.28	5	2.19	.04	.20	1	17
H L1+12N 1+25W	8	44	7	74	.4	12	7	288	5.57	33	5	ND	6	11	1	2	2	71	.14	.086	10	26	.28	39	.43	10	3.66	.06	.06	1	1
H L1+12N 1+12.5W	8	42	4	123	.2	11	8	690	5.79	31	5	ND	4	25	1	2	2	80	.34	.145	11	27	.24	76	.47	2	3.04	.04	.08	1	7
H L1+12N 1+00W	6	92	5	208	.4	40	15	807	5.64	53	5	ND	5	16	3	2	2	85	.21	.098	19	34	.58	192	.31	3	3.80	.04	.07	1	6
H L1+12N 0+87.5W	8	50	10	148	.3	22	12	845	6.33	34	5	ND	5	18	2	2	2	93	.22	.122	13	35	.43	110	.47	2	3.38	.04	.06	2	8
H L1+12N 0+75W	6	43	9	124	.3	19	10	690	5.10	24	5	ND	4	12	1	2	2	79	.19	.112	15	30	.53	74	.29	4	3.23	.05	.07	1	2
H L1+12N 0+62.5W	7	68	20	148	.4	23	16	1658	5.51	55	5	ND	3	16	1	2	2	112	.20	.085	16	33	.59	81	.23	2	2.25	.03	.08	1	12
H L1+12N 0+50W	5	27	8	71	.4	9	8	752	4.14	13	5	ND	4	14	1	2	2	45	.25	.075	11	17	.22	75	.34	2	3.59	.08	.07	1	4
H L1+12N 0+37.5W	7	61	12	153	.4	25	10	613	6.42	49	5	ND	5	18	1	2	2	115	.25	.086	20	40	.60	84	.40	2	3.16	.04	.10	1	16
H L1+12N 0+25W	7	49	8	198	.3	26	14	865	5.95	29	5	ND	5	20	1	2	2	86	.35	.073	20	32	.54	97	.43	2	4.09	.04	.12	1	9
H L1+12N 0+12.5W	6	51	3	148	.6	26	13	647	5.71	24	6	ND	6	17	1	2	2	84	.21	.082	20	34	.46	74	.46	4	3.82	.05	.08	1	7
H L1+12N 0+00W	5	71	6	199	.6	39	16	725	5.97	65	5	ND	7	26	2	2	2	92	.39	.095	30	36	.79	127	.33	2	4.68	.03	.07	1	16
H L0+25N 2+75W	20	1082	9	109	1.3	33	51	1206	15.77	6	5	ND	5	37	4	7	2	245	1.15	.165	19	28	3.78	20	.20	2	2.73	.01	.05	1	33
H L0+25N 2+62W	10	400	16	309	1.2	68	41	1942	15.21	47	5	ND	5	42	4	36	2	106	.93	.163	39	10	3.25	37	.05	6	2.39	.01	.18	1	38
H L0+25N 2+50W	13	305	9	113	.7	42	31	1194	10.26	33	5	ND	5	36	1	10	2	144	.65	.166	22	76	1.93	71	.29	2	2.16	.04	.17	1	31
H L0+25N 2+37W	7	114	10	132	.5	37	17	853	5.83	26	5	ND	6	33	1	2	2	83	.59	.101	23	34	.94	85	.36	2	2.45	.06	.11	1	35
H L0+25N 2+25W	7	107	8	128	.1	49	19	665	6.48	15	5	ND	7	33	1	2	2	89	.43	.098	21	40	.96	93	.48	3	2.78	.05	.05	1	6
H L0+25N 2+12W	6	87	11	130	.1	36	16	802	5.97	15	5	ND	4	23	1	2	2	87	.36	.120	15	37	.78	87	.38	2	2.88	.04	.05	1	2
H L0+25N 2+00W	6	108	7	153	.4	36	15	845	5.59	22	5	ND	8	55	1	2	2	78	.86	.105	34	33	.92	141	.35	2	1.94	.08	.14	1	6
H L0+25N 1+87W	8	105	8	141	.4	30	14	781	5.72	28	5	ND	6	34	1	2	2	86	.58	.099	21	34	.77	89	.36	3	2.85	.05	.09	1	7
H L0+25N 1+75W	15	133	5	161	.4	33	16	998	5.54	31	5	ND	5	59	1	2	2	96	1.14	.103	35	32	.78	101	.32	3	2.51	.05	.10	1	13
H L0+25N 1+62W	6	101	8	161	.2	36	17	731	5.80	19	5	ND	6	28	1	2	2	80	.40	.101	25	31	.81	142	.33	2	2.84	.04	.09	1	2
H L0+25N 1+50W	6	104	10	148	.2	35	16	863	5.54	21	5	ND	7	44	1	2	2	78	.61	.102	29	31	.85	127	.36	2	2.20	.05	.12	1	11
H L0+25N 1+37W	10	326	15	180	.6	62	34	1742	8.18	100	5	ND	7	46	1	14	2	147	.81	.109	40	48	1.51	86	.24	2	3.00	.03	.10	1	27
STD C/AU-5	20	61	38	131	7.7	71	29	1048	4.03	40	19	8	40	52	18	17	20	63	.50	.089	40	61	.88	180	.09	34	1.93	.06	.14	13	52

SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	W	AU1
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	I	PPM	PPM	I	PPM	I	PPM	I	I	I	PPM	PPB
H LO+25M 1+25W	16	329	23	182	.8	42	33	1076	8.49	82	5	ND	13	31	1	7	3	128	.56	.122	39	38	1.19	101	.33	6	3.16	.03	.11	1	29
H LO+25M 1+12W	13	87	15	111	.5	23	10	561	9.25	60	5	ND	9	21	1	3	6	110	.34	.263	13	45	.63	51	.45	2	4.06	.02	.05	2	1
H LO+25M 1+00W	7	35	12	55	.4	6	5	423	4.95	12	5	ND	3	12	1	2	2	69	.20	.080	10	27	.16	48	.47	3	2.62	.04	.05	1	8
H LO+25M 0+87W	8	128	13	240	.6	33	16	660	7.46	70	6	ND	7	20	1	4	2	114	.37	.147	15	40	.96	100	.35	4	4.30	.02	.06	2	14
H LO+25M 0+75W	9	48	19	125	.6	14	8	802	6.07	21	5	ND	3	22	1	2	3	106	.25	.078	11	37	.28	64	.52	5	2.14	.04	.05	1	11
H LO+25M 0+62W	7	34	15	100	.1	15	10	639	6.68	11	7	ND	6	11	1	2	2	93	.16	.082	11	39	.33	47	.70	3	3.43	.05	.06	1	1
H LO+25M 0+50W	5	59	17	153	.2	22	13	953	5.48	30	5	ND	4	37	1	2	2	82	.69	.089	23	28	.41	85	.40	4	3.13	.04	.05	1	13
H LO+25M 0+37W	8	95	11	165	.8	24	10	871	5.09	46	5	ND	4	44	1	5	2	74	.87	.103	41	28	.43	92	.29	5	3.06	.04	.06	1	4
H LO+25M 0+25W	5	103	15	133	.4	23	9	639	4.90	33	6	ND	4	38	1	2	2	61	.79	.088	32	25	.27	67	.32	2	3.41	.04	.04	1	8
H LO+25M 0+12W	6	115	10	185	.7	33	11	1419	5.44	59	5	ND	4	43	1	2	2	77	.95	.094	33	32	.38	80	.38	3	3.36	.04	.05	1	9
H LO+25M 0+00W	4	38	16	82	.3	18	9	556	4.89	38	14	ND	7	23	1	3	2	60	.42	.059	18	32	.36	40	.55	4	4.50	.06	.04	1	4
H LO+25M 0+12E	4	57	11	157	.4	26	14	814	5.66	44	5	ND	5	18	1	2	2	76	.25	.087	19	31	.44	88	.41	4	3.95	.05	.06	1	16
H LO+25M 0+25E	4	51	15	156	1.0	18	10	1064	5.34	84	5	ND	2	27	1	3	2	86	.45	.088	15	31	.39	90	.36	4	2.50	.05	.06	1	102
H LO+25M 0+37E	5	77	16	145	.3	27	14	983	5.66	42	5	ND	3	26	1	2	2	87	.42	.092	15	37	.60	91	.33	4	2.63	.04	.07	2	9
H LO+25M 0+50E	5	237	16	222	.4	70	30	1125	8.39	122	5	ND	6	32	1	12	3	115	.42	.110	27	45	1.06	74	.21	2	3.45	.02	.08	2	63
H LO+25M 0+62E	4	157	27	197	.6	44	24	1343	7.79	211	5	ND	3	47	1	14	5	138	.60	.122	13	48	1.19	91	.18	3	2.72	.03	.08	1	40
H LO+25M 0+75E	4	126	20	194	.9	40	16	697	7.12	140	5	ND	3	37	1	9	2	132	.50	.112	13	47	1.10	82	.20	2	3.05	.02	.07	1	31
H LO+25M 0+87E	4	68	17	112	.4	28	11	623	6.59	74	5	ND	4	23	1	3	2	95	.28	.066	14	40	.63	62	.33	4	3.39	.04	.07	1	30
H LO+25M 1+00E	4	192	29	187	.6	43	25	812	7.11	190	5	ND	7	37	1	3	5	117	.55	.114	22	41	1.09	113	.28	4	2.64	.04	.10	1	29
H LO+25M 1+12E	4	91	23	207	.6	32	19	767	6.48	64	5	ND	6	28	1	2	2	110	.42	.086	13	41	.80	91	.37	4	3.11	.03	.09	1	4
H LO+25M 1+25E	3	195	210	533	.8	63	29	1296	6.58	131	5	ND	7	50	2	9	2	117	.74	.121	26	54	1.31	110	.26	4	2.79	.04	.49	1	50
H LO+25M 1+37E	7	184	32	232	.8	33	38	1534	6.64	172	5	ND	6	41	1	4	2	101	.79	.112	42	40	.75	111	.33	7	2.73	.04	.11	2	16
H LO+25M 1+50E	6	258	39	399	.6	65	33	1908	7.47	151	5	ND	5	39	1	14	2	112	.85	.116	37	46	1.20	92	.27	4	2.99	.03	.13	1	48
H LO+25M 1+62E	7	297	48	479	1.1	51	33	6027	8.07	259	5	ND	6	56	3	10	2	112	1.35	.110	35	38	1.14	168	.21	6	2.77	.03	.17	3	148
H LO+25M 1+75E	3	167	24	230	.5	65	27	1318	6.20	130	5	ND	4	63	1	4	3	121	.91	.128	25	50	1.33	120	.22	2	2.18	.04	.23	1	305
H LO+25M 1+87E	4	90	12	147	.4	35	15	671	4.57	42	5	ND	4	56	1	3	2	80	.97	.110	40	37	.83	140	.14	5	2.51	.03	.11	1	46
H LO+25M 2+00E	2	120	27	194	.7	43	17	924	5.51	62	5	ND	3	57	1	2	3	128	.79	.102	13	60	1.45	111	.21	8	2.50	.03	.32	1	28
H LO+25M 2+12E	3	154	26	171	.5	28	18	1022	5.34	73	5	ND	5	41	1	5	3	101	.69	.116	21	35	.88	86	.24	4	2.10	.03	.15	1	57
H LO+25M 2+25E	4	169	24	221	.5	65	26	1326	6.34	105	5	ND	5	64	1	2	3	126	.88	.119	26	57	1.46	155	.23	3	2.62	.04	.22	1	51
H LO+25M 2+37E	2	141	26	192	.7	62	22	989	5.96	81	5	ND	4	66	1	2	2	128	1.00	.101	24	60	1.48	161	.24	5	2.64	.05	.21	1	46
H LO+25M 2+50E	2	112	16	118	.4	26	19	845	5.11	78	5	ND	5	29	1	2	3	119	.41	.061	22	37	.97	101	.21	3	2.46	.03	.07	1	53
325M 000	7	93	17	98	.5	18	19	1407	6.61	50	5	ND	2	52	1	2	2	81	.64	.090	13	24	.31	68	.31	2	2.52	.04	.08	1	12
300N 025W	7	61	8	129	.2	25	15	1056	5.56	21	5	ND	4	31	1	4	2	71	.46	.096	18	29	.44	77	.41	2	3.96	.05	.06	1	2
300N 000	7	60	14	114	.5	18	13	763	6.07	23	5	ND	4	18	2	2	2	79	.19	.078	18	27	.28	82	.42	2	2.89	.05	.07	1	9
300N 025E	7	79	12	143	.8	24	19	1344	6.46	31	5	ND	2	23	1	3	2	84	.29	.106	14	30	.35	83	.25	2	2.78	.03	.09	1	2
275M BL	4	81	18	146	.6	25	12	646	6.08	39	5	ND	2	31	1	2	2	99	.35	.069	10	32	.73	100	.11	2	2.37	.02	.14	1	82
STD C/AU-S	18	62	42	132	7.5	71	29	1054	4.05	41	18	8	40	52	18	16	20	61	.50	.091	40	61	.89	180	.09	34	1.93	.06	.13	12	51

SHANGRI-LA MINERALS

FILE # 87-5301

Page 6

SAMPLE#	NO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	W	AU#
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	I	I	PPM	PPM	I	PPM	I	PPM	I	I	I	PPM	PPM
250M BL	7	73	16	132	.5	29	14	753	8.23	30	5	ND	3	41	1	2	2	81	.46	.114	12	30	.48	121	.36	2	3.22	.03	.08	2	36
225M BL	6	70	13	150	.4	29	12	567	5.89	27	5	ND	3	22	1	3	2	78	.25	.084	12	28	.51	67	.31	3	4.01	.02	.06	2	31

SHANGRI-LA MINERALS FILE # 87-5301

SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	W	AU#	
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM
HKK-1	9	323	5	31	.4	11	14	469	5.28	11	5	ND	7	29	1	4	2	128	2.06	.196	19	17	1.01	29	.24	9	1.97	.04	.06	1	4	
HKK-2	12	753	5	43	.6	16	23	377	10.29	7	5	ND	4	62	1	4	2	212	1.01	.216	11	14	2.11	17	.39	5	2.65	.11	.65	2	15	
HKK-3	2	514	6	23	.9	16	114	158	18.61	6	5	ND	4	14	3	2	11	140	.41	.135	8	16	.54	7	.23	2	.72	.03	.30	1	36	
HKK-4	6	548	14	74	1.1	64	22	936	10.96	126	5	ND	4	61	2	24	2	167	2.39	.209	7	248	3.52	9	.37	4	3.15	.07	1.60	1	64	
HKK-5	29	243	2	13	.5	7	11	232	5.30	9	5	ND	4	35	1	6	2	142	1.00	.195	12	21	.66	47	.31	6	.96	.04	.18	2	10	
HKK-6	6	325	2	20	.3	6	9	299	5.13	3	5	ND	3	27	1	2	2	163	.89	.223	14	14	1.33	52	.30	2	1.31	.05	.39	1	6	
HKK-7	93	533	8	20	1.0	17	63	110	16.78	14	8	ND	7	14	3	2	7	54	.30	.067	14	10	.19	3	.15	2	.60	.02	.06	1	11	
HKK-8	3	107	2	20	.2	6	7	222	2.83	5	5	ND	11	36	1	2	2	59	.70	.111	33	5	.55	47	.17	2	.86	.05	.07	1	2	
HKK-9	7	310	7	31	.5	19	29	309	8.75	10	5	ND	5	44	2	2	2	121	.69	.162	13	39	1.15	22	.26	2	1.52	.08	.25	1	1	
HKK-10	2	191	3	26	.4	23	20	446	4.35	5	5	ND	4	78	1	2	2	105	1.29	.210	17	46	1.18	41	.25	9	1.51	.11	.18	1	4	
HKK-11	11	262	3	23	.5	30	31	324	9.37	8	5	ND	4	35	1	2	3	117	.76	.182	14	51	1.21	19	.26	2	1.28	.05	.11	1	4	
HKK-12	5	111	2	11	.2	22	30	187	7.11	9	5	ND	3	19	1	2	2	90	.48	.120	9	48	.73	32	.28	2	.76	.05	.06	1	3	
HKK-13	4	143	2	25	.4	16	15	269	7.30	3	5	ND	6	46	1	2	2	124	.66	.194	21	70	1.15	51	.30	4	1.27	.07	.24	1	6	
HKK-14	28	246	4	35	1.0	7	11	297	7.03	5	5	ND	4	41	1	2	2	102	1.15	.156	17	15	.65	26	.24	9	1.15	.06	.08	2	11	
HKK-15	11	301	9	59	.6	26	28	635	7.61	9	5	ND	7	75	1	7	2	123	1.80	.193	20	41	1.54	35	.28	12	2.00	.07	.20	1	4	
HKK-16	4	232	5	37	.3	15	17	479	5.87	5	5	ND	5	37	1	2	2	108	1.85	.187	18	24	1.09	19	.23	7	1.78	.05	.15	1	2	
HKK-17	3	184	5	66	.3	17	22	840	4.57	65	5	ND	6	39	1	2	2	107	1.35	.157	20	33	1.08	26	.23	6	1.57	.05	.24	1	13	
HKK-18	6	223	10	49	.4	18	19	675	6.13	11	5	ND	5	54	1	2	2	151	2.41	.212	18	18	1.39	28	.30	5	1.75	.05	.25	2	6	
HKK-19	6	326	2	92	.6	25	25	993	6.14	34	5	ND	6	70	1	2	2	78	2.59	.163	33	15	1.10	67	.08	13	1.86	.05	.37	1	116	
HKK-19 TYPE	6	233	7	118	.3	28	20	1109	5.76	19	5	ND	5	124	1	2	2	145	2.86	.238	34	30	2.46	99	.23	10	2.74	.13	.48	1	34	
HKK-20 LOWER	36	517	7422	6424	8.0	5	9	564	7.25	43044	5	11	3	7	56	2989	5	44	.16	.068	8	13	.72	14	.03	5	1.00	.01	.20	1	13220	
HKK-20 UPPER	43	986	2150	2110	69.1	2	3	53	8.40	42098	5	10	2	40	21	996	26	23	.06	.052	7	5	.11	19	.04	2	.27	.01	.21	1	11110	
HKK-21	3	271	378	3408	8.2	9	10	560	7.97	9024	5	2	3	137	28	337	2	18	1.20	.107	4	4	.12	10	.01	6	.36	.01	.22	1	3990	
STD C/AU-R	19	60	38	128	7.4	70	29	1078	4.15	41	22	8	39	49	18	18	22	61	.49	.091	39	61	.88	174	.09	35	1.91	.07	.14	13	510	

✓ ASSAY REQUIRED FOR CORRECT RESULT -