

OVERVIEW REPORT

TAS MINERAL PROPERTY
(TAS, HA & ZANA BLOCKS)

GOLDCAP, Inc.

A Porphyry Gold-Copper Prospect
in the Mt. Milligan Area

Omenica M.D., British Columbia

N.T.S. 93K/16

by

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Vancouver, B.C. April 1991

TAS GOLD-COPPER PORPHYRY PROPERTY

Introduction:

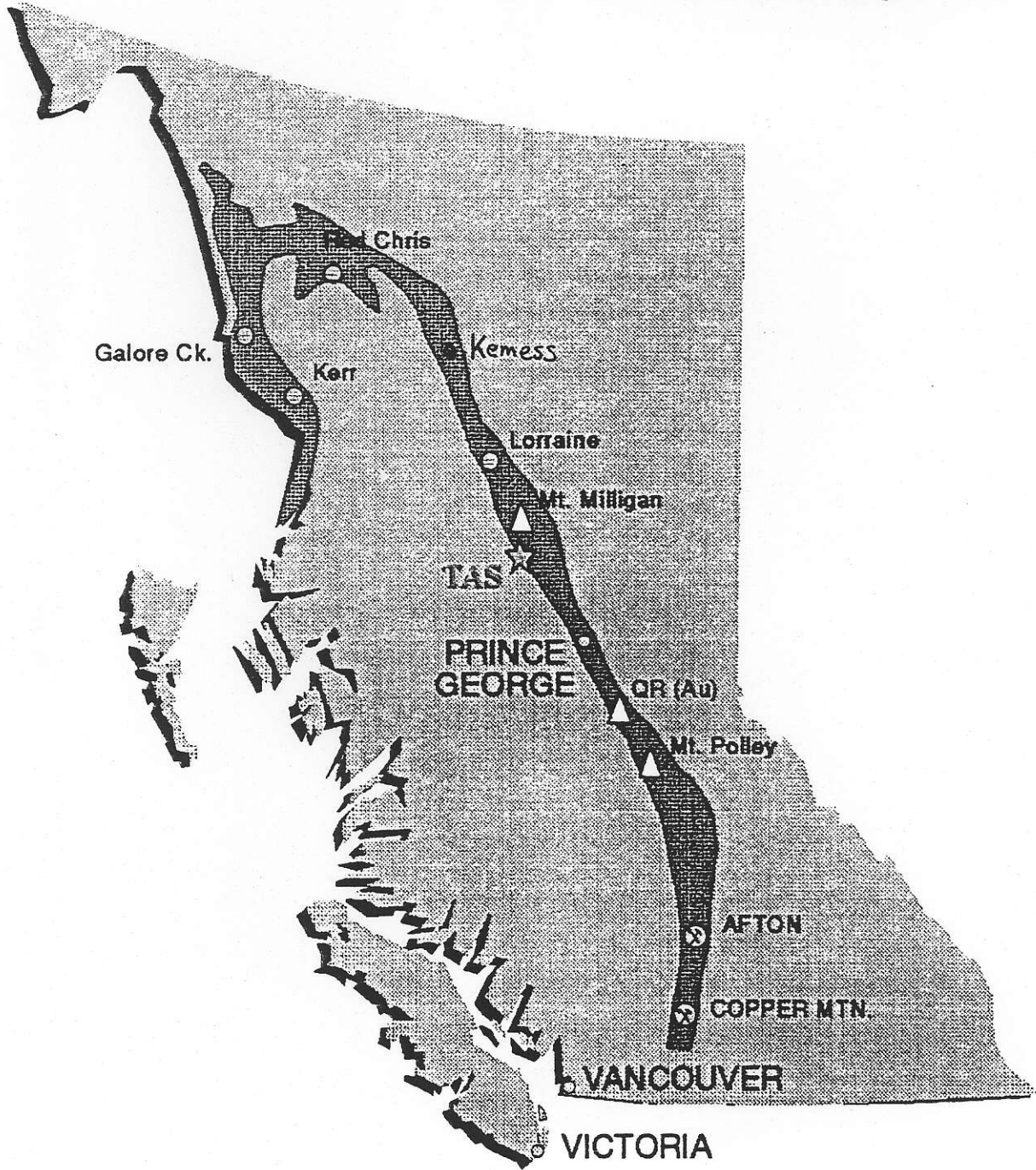
The TAS property, in the Mt. Milligan area of north-central British Columbia, consists of three separate claim blocks which cover ground prospective for gold-copper porphyry deposits typical of those being explored, developed and mined within the 'Quesnel Trough' or Quesnel Terrane, and the Stikine Terrane to the north and west. These geological provinces, stretching most of the length of B.C., contain middle Mesozoic volcanic and sedimentary units which host many important gold-copper porphyry deposits. These include Copper Mountain, Afton - Ajax, Mt. Polley (Cariboo Bell), Mt. Milligan, Duckling Creek, Red-Chris, Gnat Lake, Galore Creek (Stikine Copper), Kerr, and numerous other deposits and occurrences at an earlier stage of development.

At present, the TAS property is held 100%* by Goldcap Inc. subject to a 2% net smelter return royalty payable to the original vendors, to a 15% net profits interest held by Noranda Exploration Company Limited NPL (Norex), and to a right of Norex to "back in" for a 10% participating interest at any time up to completion of a feasibility study, in return for a cash payment of \$1,600,000 to Goldcap. Black Swan Gold Mines Ltd. holds almost 55% of the shares of Goldcap. Goldcap is the operator, and is seeking to finance an aggressive ongoing exploration programme on the property.

Work to date has demonstrated the presence of 'alkaline' intrusive rocks, a large hornfels zone with some propylitic and local potassic alteration, and two types of gold-copper mineralization. Based on this, on the distinctive airborne magnetic anomalies on the claims, and on extensive I.P. anomalies, the TAS property is considered to be one of the better early-stage exploration plays in the Mt. Milligan area, with a good chance of hosting a major gold-copper porphyry deposit.

* This is Goldcap's interpretation, and may be challenged by Norex, who may try to assert that they hold a participating position of about 37%. The legal agreements are somewhat complex, but it seems clear that Norex cannot under any circumstances unilaterally gain control of the project. The dilution of Norex to a 15% net profits interest was, in the view of Goldcap, triggered by Norex declining to participate in two successive programmes subsequently carried out by Goldcap.

**QUESNEL and STIKINE
TERRANE**
Porphyry Cu-Au Deposits



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TAS PROPERTY

Target:

The target on the TAS property is a gold-copper porphyry deposit, hosted in Mesozoic volcanic and sedimentary rocks probably in close association with an 'alkaline' intrusive body or bodies. Such deposits are well known throughout British Columbia; several of the mines and more important prospects are described briefly below:

Copper Mountain - Princeton - production since 1917 exceeding 150 million tons with a recovered grade of 0.47% copper, 0.004 oz/ton gold, and 0.05 oz/ton silver, with several years production left from the various orebodies on the Copper Mountain side of the Similkameen River.

Afton (&Ajax) - Kamloops - production since 1977 exceeding 28 million tons with a recovered grade of 0.75% copper, 0.014 oz/ton gold, and 0.09 oz/ton silver, with perhaps as much as eight years production left from the AJAX pit, where reserves are quoted as 25.8 million tons grading 0.46% copper and 0.011 oz/ton gold.

Mount Polley (Cariboo Bell) - Quesnel Lake - presently in the feasibility study stage. Recently quoted 'mineable' reserves are 53.5 million tons grading 0.44% copper and 0.017 oz/ton gold, with a geological resource of 128 million tons grading 0.31% copper and 0.012 oz/ton gold.

Mount Milligan - Fort St. James - presently the object of a feasibility study by Placer Dome Inc. This deposit is large, in excess of 350 million tons, with an overall grade of the order of 0.2% copper and 0.015 oz/ton gold, and with better grade copper and gold zones.

Lorraine (Duckling Creek) - Omenica River - drilled in the 1960's and presently dormant. This porphyry system has presently known reserves of 10 million tons grading 0.67% copper and 0.006 oz/ton gold. There is some potential to expand these reserves.

Kemess - Toadoggone Region - presently under active study. This porphyry system has a presently stated inventory, in two zones, exceeding 100 million tons grading of the order of 0.19% copper and 0.013 ounce/ton gold. Both zones are open for expansion and contain higher grade areas.

Red-Chris - Stikine Region - presently dormant. This deposit contains about 44 million tons (pittable) with an overall grade of 0.56% copper and 0.01 oz/ton gold, with potential for expansion of the tonnage.

Stikine Copper (Galore Creek) - Stikine Region - presently under review. This large alkaline porphyry copper-gold deposit consists of several zones aggregating about 125 million tons grading 1.06% copper and 0.014 oz/ton gold. Galore Creek has severe engineering problems, which explains why it is not further along toward production.

Kerr - Unuk River Area (Stikine Terrane) - presently undergoing extensive exploration. This large porphyry system has a recently announced geological resource in excess of 135 million tons grading 0.61% copper and 0.008 oz/ton gold, with a core of some 65 million tons grading 0.90% copper and 0.01 oz/ton gold.

This listing includes only copper-gold porphyry deposits for which significant mineral inventories have been defined, and does not include the numerous prospects and deposits which are in an earlier stage of exploration. It is intended to demonstrate the range of sizes and grades which can be expected from the so-called 'alkaline porphyries' in the Quesnel and Stikine Terranes.

Location:

The TAS property is located 50 kilometres north of Fort St. James and 150 kilometres northwest of Prince George. The claims lie about 5 to 10 kilometres west of the main access road from Fort St. James to Germanson Landing, and are for the most part accessible by logging roads. The terrain is relatively subdued, and offers no impediment to exploration, other than the fact that much of the ground is covered by glacial overburden of varying depth.

Property:

The TAS property consists of nineteen MGS mineral claims totalling 277 units, covering some 6,800 hectares. The property is made up of three separate sections; the HA, ZANA, and TAS blocks. The mineral claims are as follows:

	<u>Claim</u>	<u>Record #</u>	<u>Units</u>	<u>Expiry Date</u>
<u>HA Block</u>	HA 1	7705	18	30 June 1993
<u>ZANA Block</u>	ZANA 3	8100	20	04 Dec. 1991
<u>TAS Block</u>	TAS 1	10563	9	20 May 1994
	TAS 2	10564	12	20 May 1994
	TAS 3	10565	9	20 May 1994
	TAS 4	10566	12	20 May 1994
	TAS 5	10567	8	20 May 1994
	TAS 6	7700	15	24 June 1994
	TAS 7	7701	20	24 June 1994
	TAS 8	7702	20	24 June 1994
	TAS 9	7703	20	24 June 1994
	TAS 10	7704	15	24 June 1994
	TAS 11	7959	20	17 Sep. 1994
	TAS 12	10010	2	05 Nov. 1992
	TAS 13	11301	12	06 Nov. 1992
	TAS 14	11302	20	12 Nov. 1992

Ownership:

As described above, Goldcap's interpretation of the various legal agreements is that it holds a 100% interest in the property, subject only to the original vendors' 2% net smelter return royalty, to Norex's 15% net profits interest, and to Norex's right to buy back a 10% participating interest in the project for \$1,600,000. There are a number of relatively large cash payments still due to the vendors.

Regional Setting:

According to published geological maps and limited on-property mapping, the TAS property is underlain by various volcanic and sedimentary strata of the Takla Group, the principal Mesozoic unit making up most of the Quesnel Terrane in north-central B.C. This elongate belt of rocks trends generally northwesterly, and here lies between the major Pinchi Fault system to the west and older rocks to the east. The strata are cut by numerous plugs, stocks and batholiths, generally coeval with the volcanic rocks and in most cases having an alkaline to sub-alkaline character. This is typical of the setting of most of the deposits described above. The major Mt. Milligan deposit lies about 30 kilometres northeast of the TAS property.

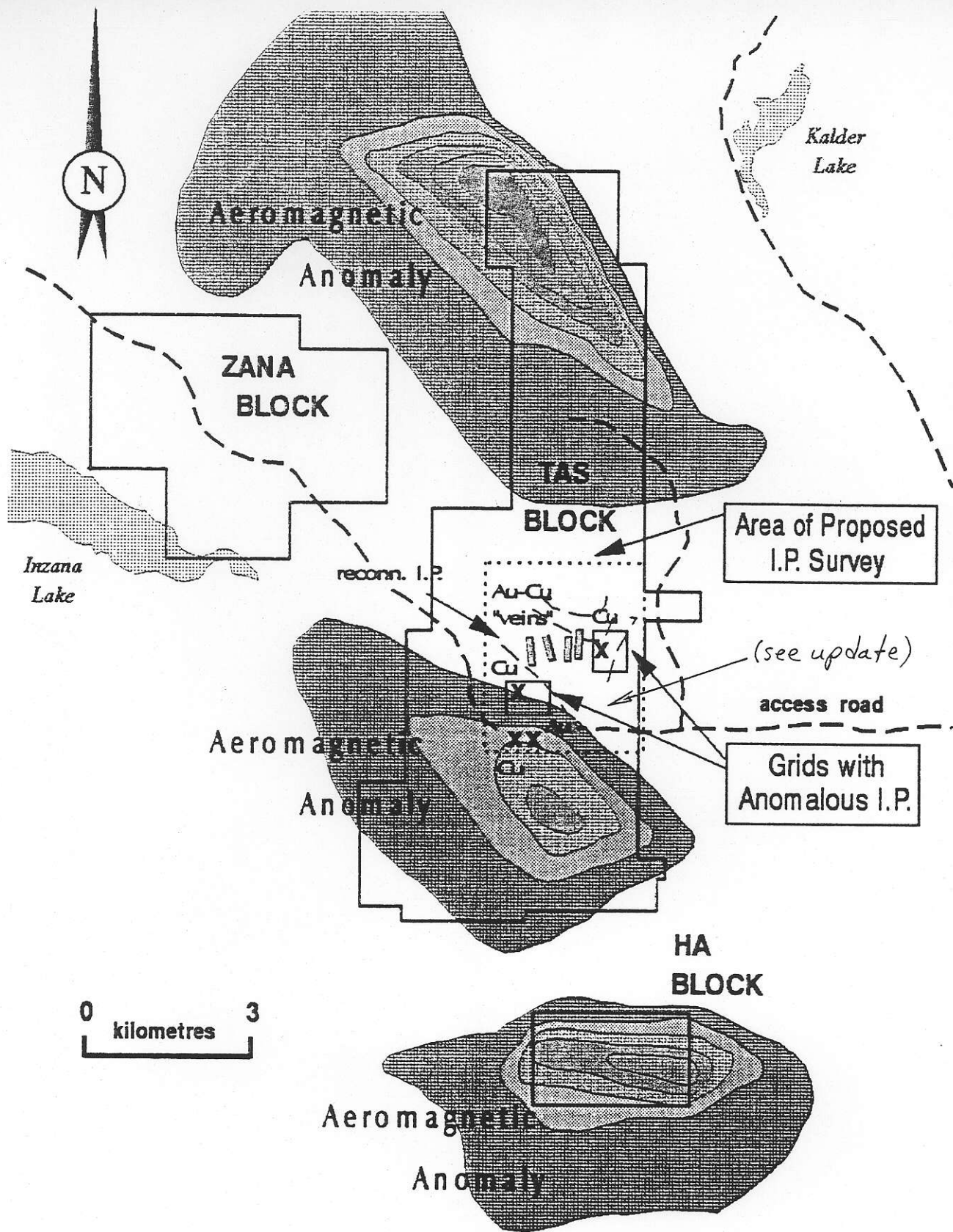
The porphyry copper-gold deposits presently being mined and explored in British Columbia tend to occur both within and adjacent to diorite to monzo-diorite intrusive bodies which have a generally sub-volcanic character. Such volcanic centres are very common throughout the Quesnel and Stikine Terranes; there is good evidence to suggest that one or more exist on the TAS property.

Airborne Geophysics:

One of the most striking features of the British Columbia porphyry copper-gold deposits, especially in the Quesnel Terrane, is the tendency for them to lie on or adjacent to pronounced aeromagnetic anomalies of substantial lateral extent, associated with the intrusive masses. In most cases, the deposits lie toward the edges of these anomalies, but in the case of Mt. Polley the mineralization is located centrally to the aeromagnetic anomaly.

These diagnostic anomalies are well defined on the government 1:50,000 aeromagnetic maps which cover most of the geologic belts in question. Although not all airborne magnetic anomalies have known porphyry deposits, all known deposits have distinctive anomalies.

The TAS property covers three aeromagnetic anomalies which resemble those associated with some of the important deposits within the Quesnel Terrane. Such anomalies show a wide variation in both aerial extent and absolute intensity; those at TAS are similar to that at Mt. Polley, to that portion of the Iron Mask anomaly near Afton, and to those observed over various copper-gold porphyries in Stikine Terrane rocks in northwestern British Columbia.



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TAS PROPERTY

Property Geology:

The geology of the TAS claim groups is not well defined, except in a few selected areas. This is a reflection of widespread overburden cover and of the tendency up to now to focus work on the areas of known mineralization.

What has been outlined to date suggests that the property is underlain by volcanic and sedimentary rocks of the Takla Group, cut by subvolcanic intrusive bodies of diorite and feldspar porphyry. The presence of these intrusive bodies is in large measure inferred from the presence of the aeromagnetic anomalies.

Alteration and Mineralization:

Two types of alteration and mineralization are known on the TAS property to date, both of which are consistent with the concept of alkaline (gold-copper) porphyry systems.

The first type, on which most of the effort to date has been centered, consists of veins and irregular tabular stockworks of pyrite-chalcopyrite-pyrrhotite mineralization with modest to locally high gold values. Alteration associated with the lodes, within shear zones hosting the veins, is both propylitic and potassic. These occurrences, of which at least five have been identified to date and several more are inferred from geophysics, have limited size but probably represent mineralization peripheral to or above a more extensive porphyry system. The best defined of these zones has been sampled in trenches, defining a zone with an average grade of 0.28 oz/ton gold across 3.0 metres for a length of 63.0 metres. Diamond drilling has shown this zone to extend for at least another 35 metres along strike. Some copper values have been encountered within these zones.

The second type of alteration and mineralization is apparently widespread, but is very imperfectly defined to date. It consists of a large zone or zones of propylite with more local areas of potassic alteration, with veinlets, fracture fillings and disseminations of chalcopyrite and pyrite. Limited work in areas with this type of mineralization has returned grab samples in the range of 0.3% to 0.5% copper, and one trench exposure of 0.12% copper over 16.5 metres.

Reports for the HA area mention an "intensely altered intermediate intrusive" rock exposed in a few outcrops.

Work to Date:

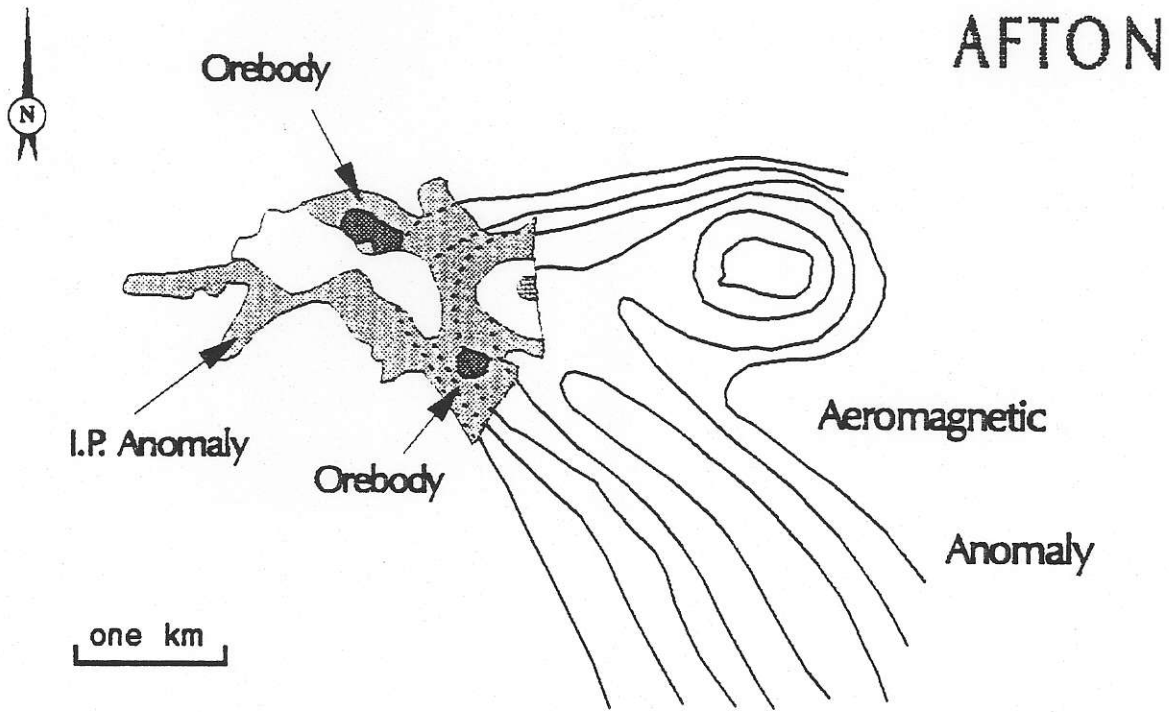
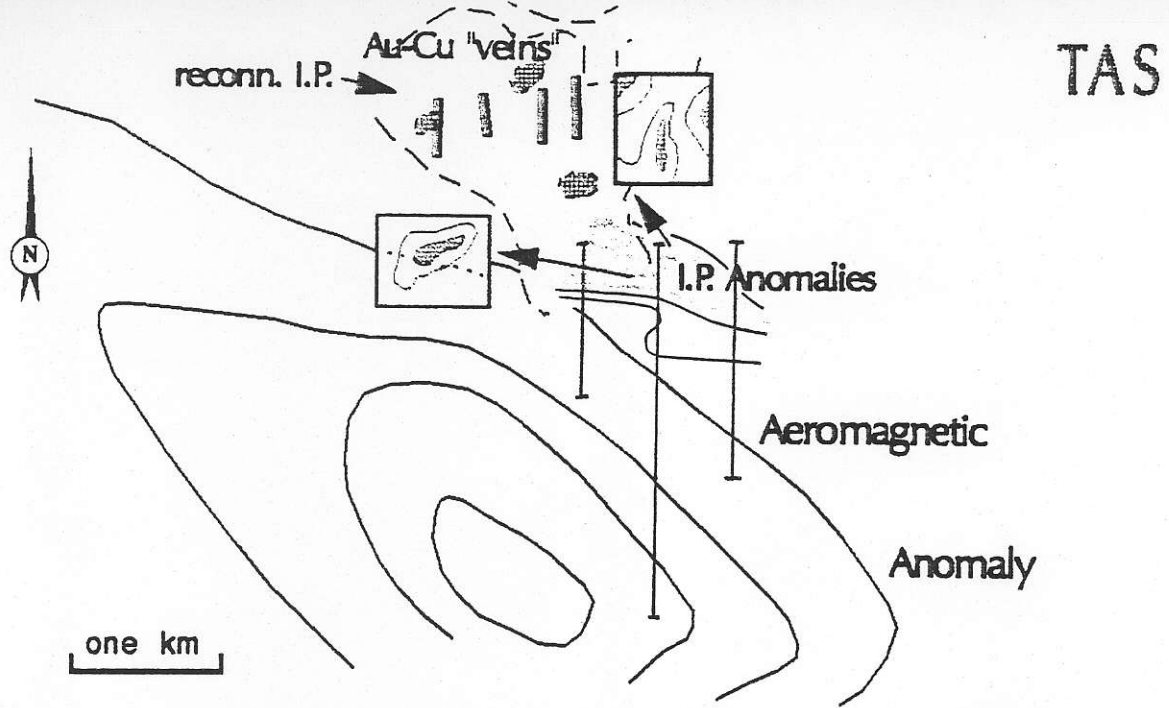
Work to date has been concentrated on the gold-bearing lode zones, with little emphasis on the porphyry potential.

The southern half of the TAS block, covering the central aeromagnetic anomaly, has seen most of the work on the property to date. In the period 1985 to 1987, Noranda completed several soil sampling surveys and some reconnaissance I.P. work in this area. A strong soil anomaly was outlined over what has subsequently come to be known as the "Ridge Zone". In 1989, Black Swan completed a small amount of geochemistry and geophysics (I.P., magnetics, VLF-EM and Mise-a-la-masse) on two small grids, one south and one east of the Ridge Zone.

The bulk of the work in 1989 involved trenching, sampling and diamond drilling on the narrow, shear-zone hosted lode gold-copper occurrences in the Ridge Zone. To date, 49 diamond drill holes have been put down on the various zones within the overall Ridge Zone. An additional 12 diamond drill holes have tested a few scattered porphyry style targets, with some local encouragement.

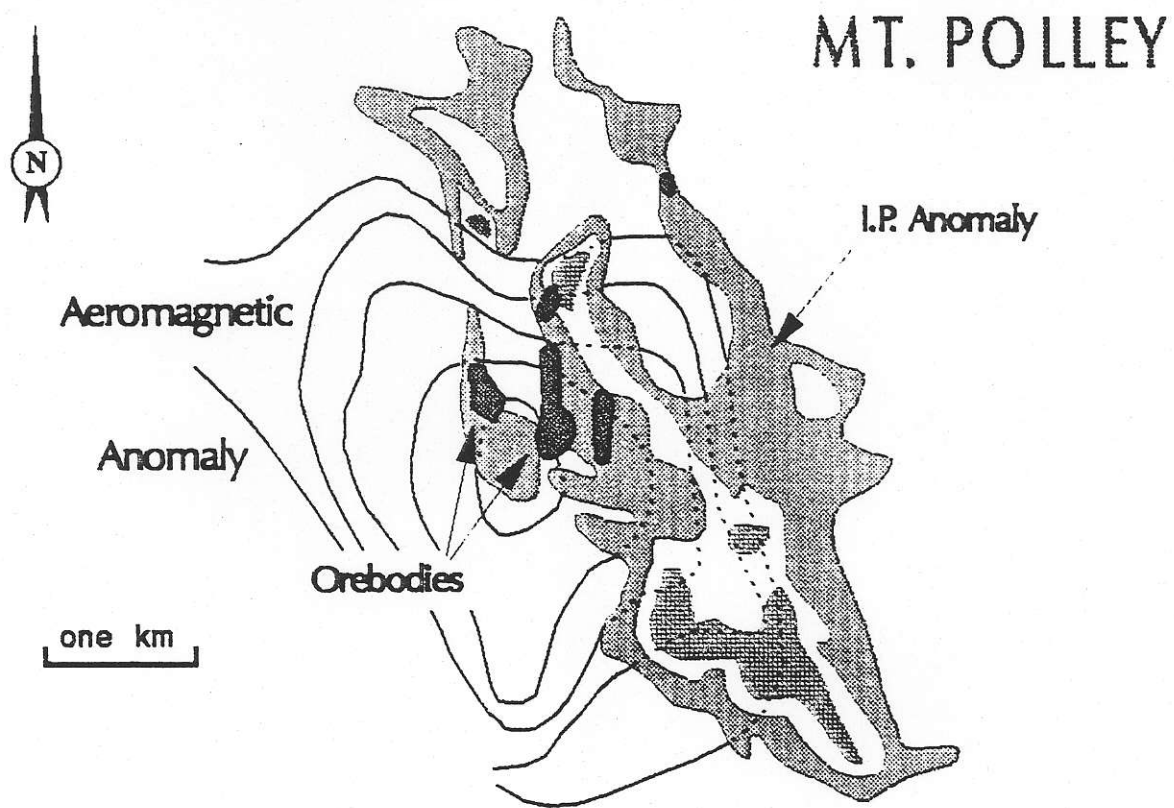
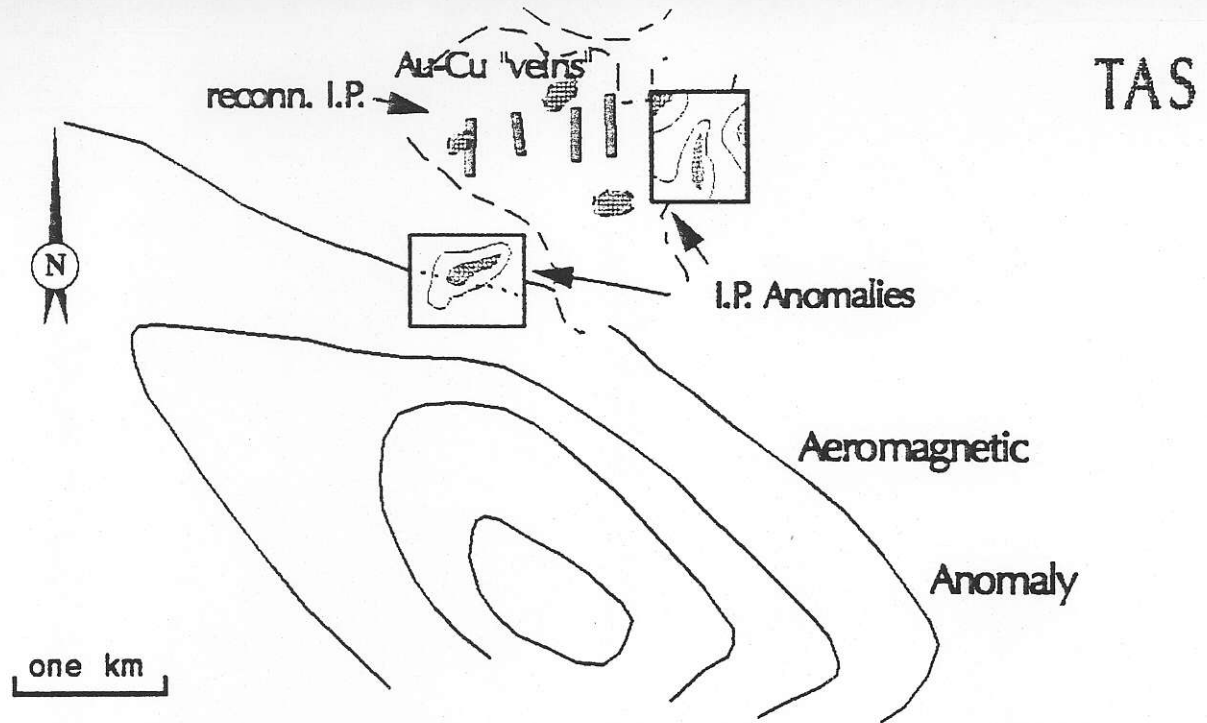
During the winter of 1990 - 1991, two small work programmes were completed, funded solely by Goldoap. The first was a relogging of selected drill core by Dr. D.A. Bailey, and a rudimentary terrain analysis by G.R. Peatfield. The work, which was primarily undertaken to fulfill assessment work requirements, confirmed the nature of the system and established an alteration gradient pointing to an area of interest to the south and east of the existing work area. The second programme involved three north-south I.P. lines (spaced 500 metres apart), using a pole-dipole array. This work indicated the presence of a large anomaly, which is at least 500 by 1,000 metres in extent and which is not closed off to the west or northwest. The anomaly lies on the north flank of a ground and airborne magnetic anomaly.

A small amount of soil sampling has been completed on the HA claim, with inconclusive results. There are a few weak, scattered anomalies for copper and for gold, but no large anomalous areas. Some of the gold anomalies are roughly coincident with outcrop areas. No detailed evaluation of the overburden has been undertaken, and the geochemistry is thus somewhat suspect. Copper showings have been reported in this area, but the most recent surveys did not mention these, and no sample results are available.



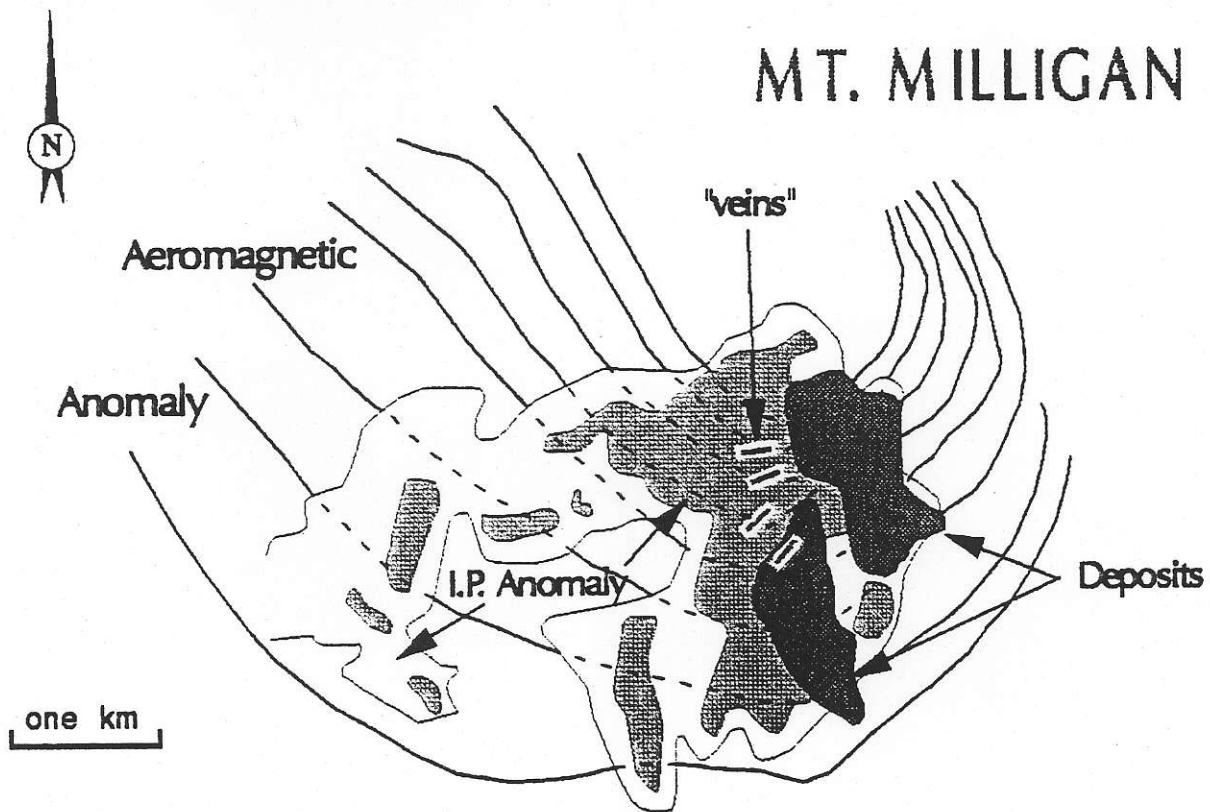
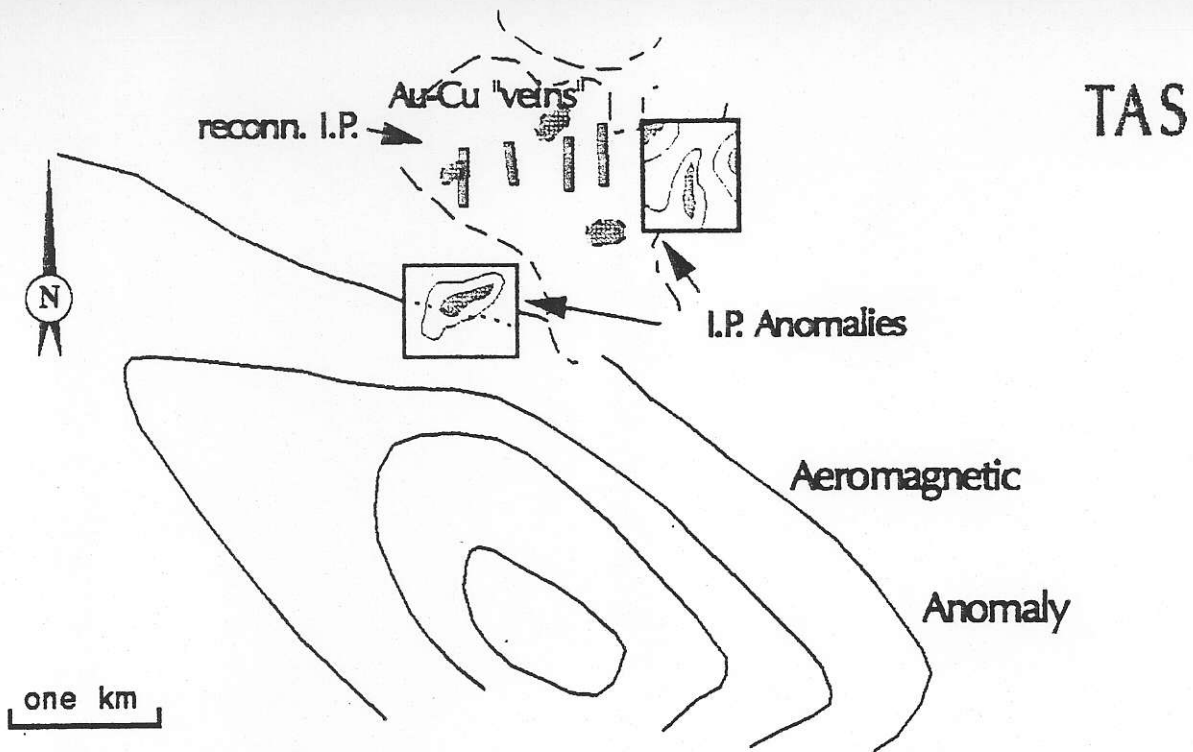
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Relationship of aeromagnetics, I.P.,
 and mineralization, comparing TAS
 with AFTON



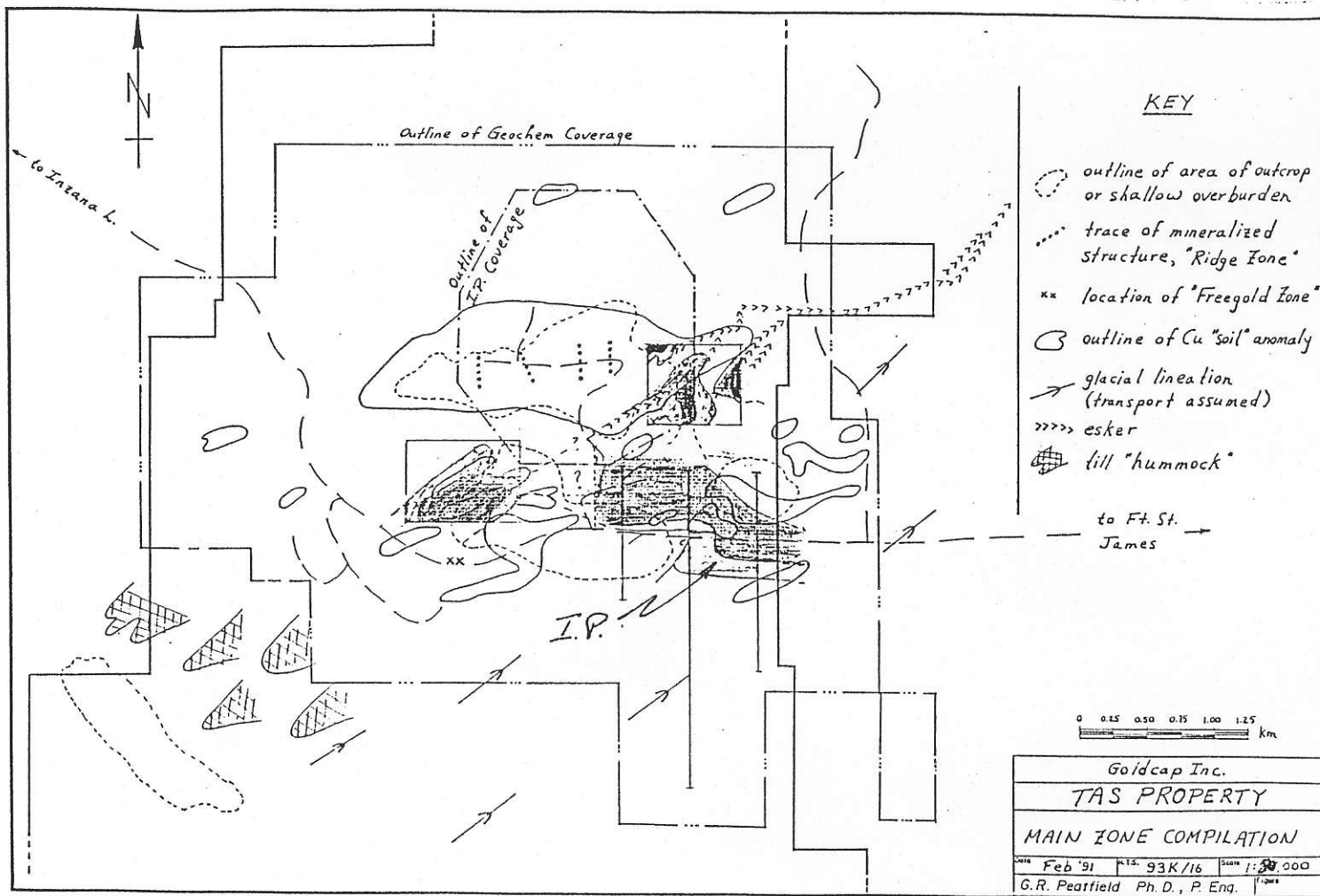
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Relationship of aeromagnetics, I.P.,
 and mineralization, comparing TAS
 with MT. POLLEY



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Relationship of aeromagnetics, I.P.,
 and mineralization, comparing TAS
 with MT. MILLIGAN



Work on the ZANA claims outlined areas of weak alteration and pyrite mineralization, and scattered geochemical anomalies; the remaining claim is of very low priority.

Total expenditures on the property to date are of the order of \$1.1 million; large areas of the property are essentially unexplored. Detailed reports are available for review.

Positive Features:

The TAS property has the following positive features:

1. A large property position in the Mt. Milligan area.
2. A regional geological setting similar to all significant gold-copper porphyry deposits in the intermontane belt of central British Columbia.
3. Coverage of all or part of three large aeromagnetic anomalies, of a size and intensity comparable to that at Mt. Polley (Cariboo Bell).
4. Alteration assemblages such as are commonly found in the zones peripheral to or above typical porphyry gold-copper deposits in this environment.
5. Known occurrences of gold, copper and gold-copper mineralization similar to those reported peripheral to several gold-copper porphyry systems in British Columbia.
6. I.P. anomalies on separate restricted grids covering a very small portion of the area of interest, which together with I.P. anomalies from the earlier and the recently completed wide-spaced reconnaissance surveys suggest but do not fully define a large sulphide system.
7. Large areas of the property which lie adjacent to well defined aeromagnetic anomalies and which have not been explored.
8. A convenient location with regard to access, terrain and infrastructure.

Recommended Programme:

The recommended programme for the TAS property in 1991 consists of three phases, as follows:

- | | |
|--|-----------|
| Phase I - complete compilation of all data, with some check field work, mapping, etc. | \$ 50,000 |
| Phase II - establishment of a large grid in the general area of the known mineralization, with geophysical (I.P., magnetic and VLF-EM) and some geochemical surveys on the grid. | \$200,000 |
| Phase III - initial drilling of targets established in the course of Phases I and II. | \$200,000 |

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