

N.T.S. 82F/8E, 9E
MAP INDEX: ✓① 82F5E/#87 (8E)
✓② 82F NE/#154 (9E)
✓③ 82FNE/#117 (9E)
✓④ 82F/NE/#57

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82F/8E, 9E.

REPORT ON
PERRY CREEK GOLD PROSPECTS,
FORT STEELE MINING DIVISION,
KIMBERLY, BRITISH COLUMBIA

on behalf of

GALLANT GOLD MINES, LIMITED

by

J.H. Montgomery, Ph.D., P.Eng.

Montgomery Consultants Limited

August 15, 1980


24.10


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1.0 INTRODUCTION

This report has been written on behalf of Gallant Gold Mines Limited, of #706-675 West Hastings Street, Vancouver, B.C. on the Perry Creek Gold Prospects, near Cranbrook, B.C. The report is based on field work carried out from October 2, 1979 to October 30, 1979, on the Janet, Janet 1, Birdie Load, Golden Wolfe, Gold, Azlin, Tanis, Peter Rock, Lone Eagle, Quartz Creek, Luke, Mark, John, Eclipse, Anna, Standard, Agnes, Pioneer, Oyster, Evening Star, Petra, Carol and Linda mineral claims and reverted crown grants situated in the Fort Steele Mining Division.

The report describes geochemical, geophysical and prospecting work carried out in the claim areas, and recommends additional work in anomalous areas.

2.0 SUMMARY AND CONCLUSIONS

Gallant Gold Mines Limited of #706-675 West Hastings Street holds title to or has under option a total of 23 claims (90 units or equivalent) in the Perry Creek area near Cranbrook, B.C. The property is about 18.0 kilometers west of Cranbrook in the Moyie Range of the Purcell Mountains.

The area is underlain mainly by quartzites of the Creston formation which are cut by Moyie intrusions, major faults and numerous large quartz veins. The quartz veins and adjacent fault gouge and wall rock are, in places, mineralized with gold associated with pyrite, chalcopyrite, galena and sphalerite. Tungsten has also been found in several localities.

During the period of October 2, 1979 to October 30, 1979, approximately 32 rock samples and 505 soil samples were taken on the property and analysed for gold (333 soil samples were analysed for silver; the rock samples were also analysed for silver and some rock samples were analysed for tungsten). Prospecting was carried out on parts of the property. VLF-EM surveys were carried out on four grid areas on the property.

The result of combining the 1979 data with previous data on the property was the detection of several anomalous areas which should be further investigated by trenching and additional sampling.

The proposed program is estimated to cost \$65,000.00 and to take about two months to complete.

3.0 LOCATION AND ACCESS

The Perry Creek gold prospects are located about 18.0 kilometers south of Kimberly, B.C. and about 18.0 kilometers west of Cranbrook, B.C. (see Figure 1). The claims are situated in the Moyie Range of the Purcell Mountains.

Elevations range from 1,220 meters to 1,980 meters. The country is well-timbered but rises steeply to peaks of about 2,440 meters on either side of Perry Creek.

NTS: 82F/8E, 9E

Latitude: $49^{\circ}30'N$

Longitude: $116^{\circ}05'W$

Access to the claim area is generally good. A gravel road leaves the highway about 15.0 kilometers northwest of Cranbrook, B.C., and runs westerly along Perry Creek. A number of logging roads and old pack trails provide access to many of the areas of interest along Perry Creek.

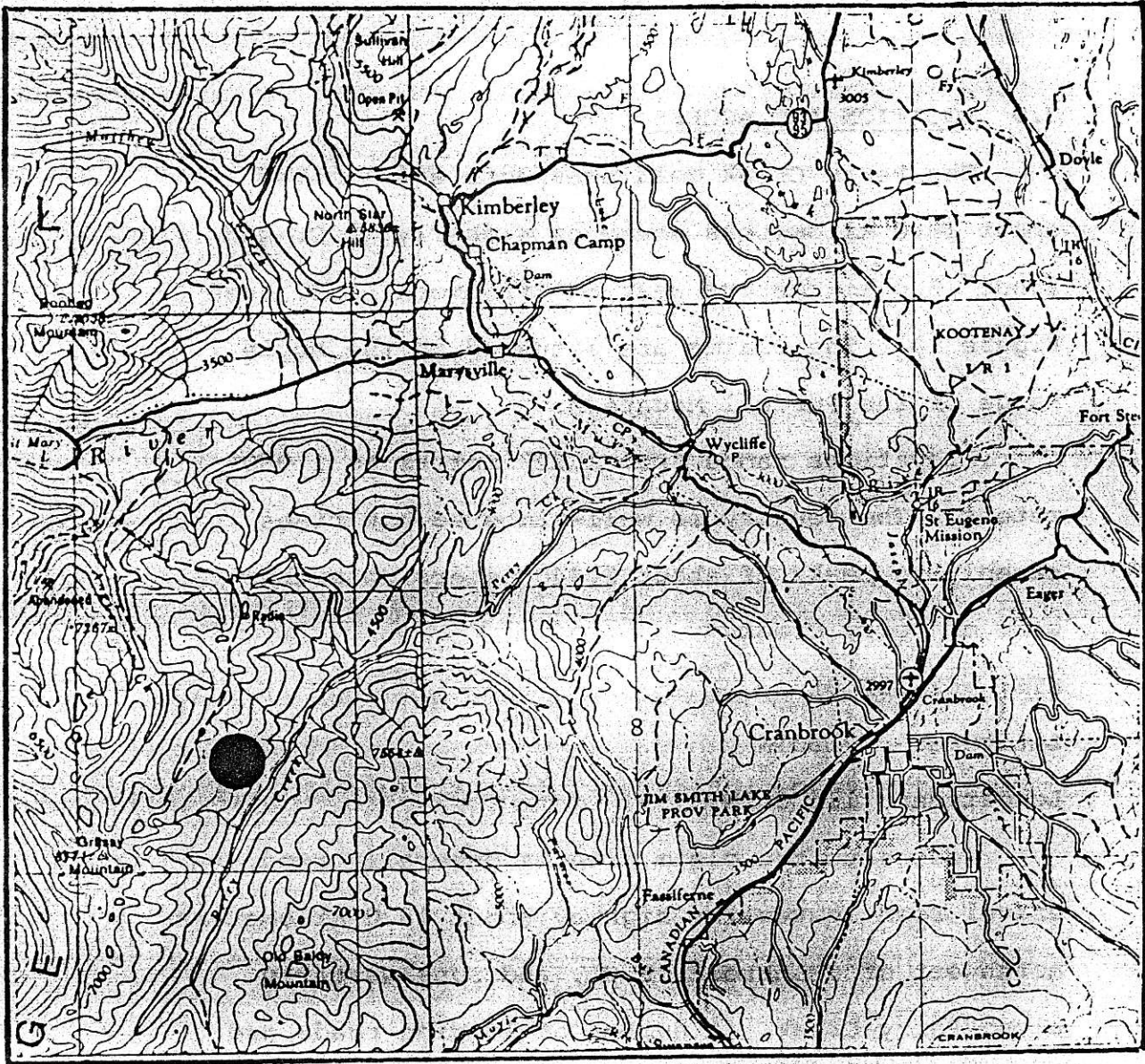
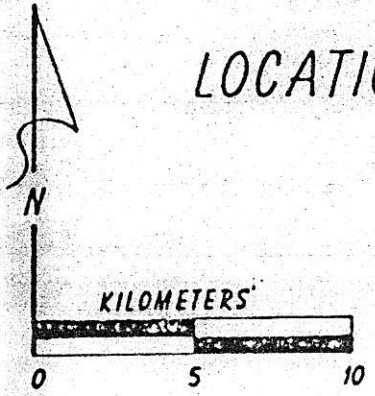


FIGURE 1

LOCATION MAP

PERRY CREEK (CRANBROOK) AREA PROJECT

GALLANT GOLD MINES LIMITED



4.0 CLAIM INFORMATION

Gallant Gold Mines Limited, of #706-675 West Hastings Street, Vancouver, B.C. holds title to or has under option 23 claims (90 units or equivalent) all located within the Fort Steele Mining Division of British Columbia. Claim information is listed in the following table:

CLAIM (units)	RECORD NO.	EXPIRY DATE
Azlin (6)	394 (11)	Nov. 16/80
Gold (10)	148 (2)	Feb. 4/81
Birdie Load (1)	395 (1)	Nov. 16/80
Janet (1)	86 (10)	Oct. 22/80
Janet 1 (4)	87 (10)	Oct. 22/80
Golden Wolfe (4)	396 (11)	Nov. 16/80
Tanis (4)	149 (2)	Feb. 4/81
Peter Rock (9)	397 (11)	Nov. 16/80
Lone Eagle (1)	97 (11)	Nov. 4/80
Quartz Creek (1)	98 (11)	Nov. 4/80
John (4)	138 (11)	Nov. 24/80
Mark (6)	136 (11)	Nov. 24/80
Luke (9)	137 (11)	Nov. 24/80
Eclipse (1)	343 (11)	Nov. 7/80
Anna (1)	344 (11)	Nov. 7/80
Standard (1)	345 (11)	Nov. 7/80
Agnes (1)	346 (11)	Nov. 7/80
Pioneer (1)	347 (11)	Nov. 7/80
Oyster (1)	348 (11)	Nov. 7/80
Evening Star (1)	349 (11)	Nov. 7/80
Petra 9-15 (7)	799(10)-805(10)	Oct. 19/80
Carol 1-8 (8)	817(11)-824(11)	Nov. 5/80
Linda 1-8 (8)	809(11)-816(11)	Nov. 5/80

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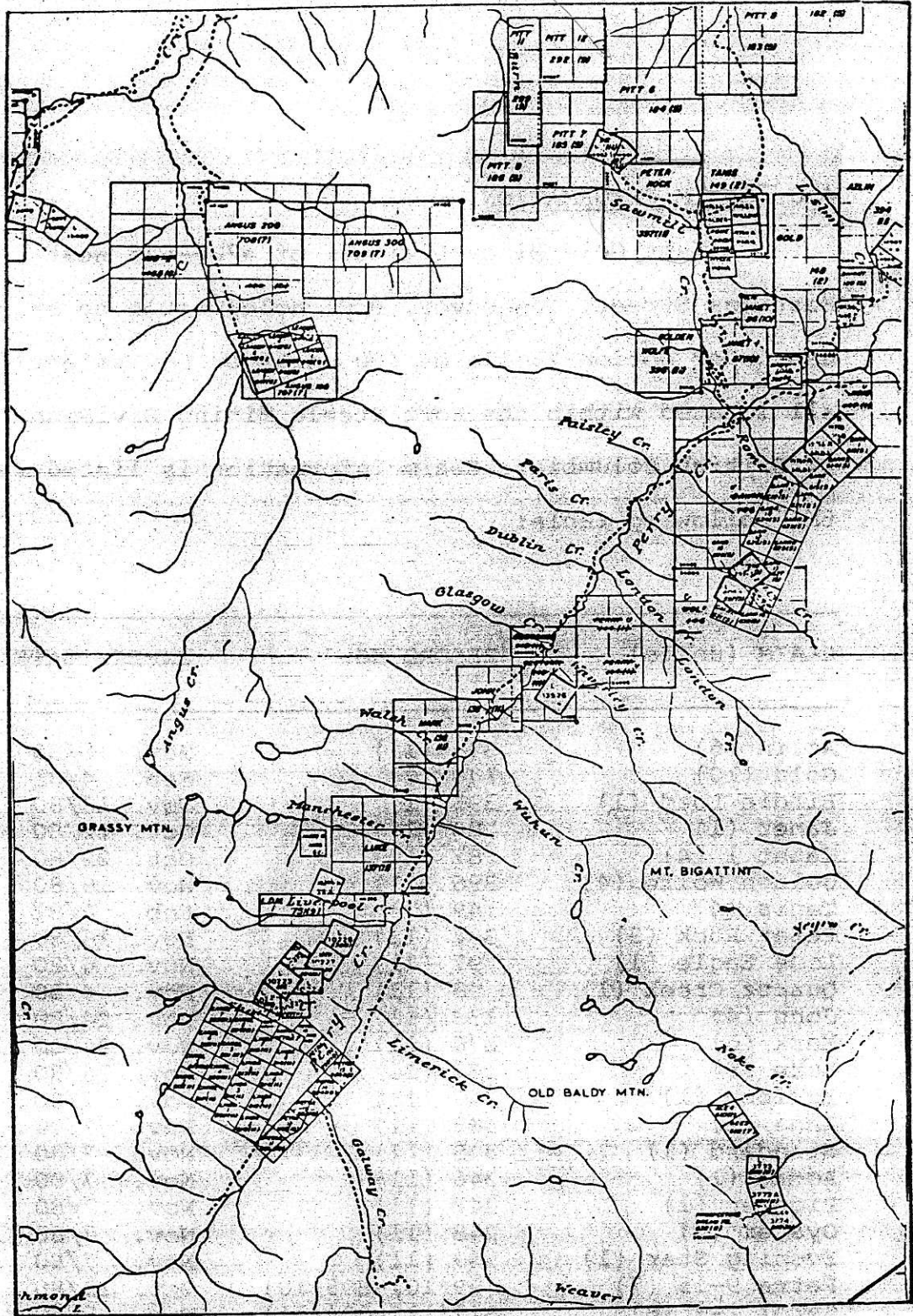


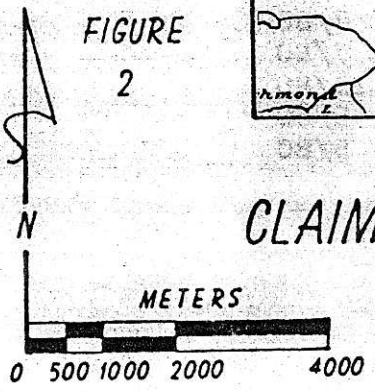
FIGURE
2

CLAIM MAP PERRY CREEK (GRANBROOK) AREA PROJECT

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AUGUST 15, 1980



5.0 GEOLOGY

5.10 REGIONAL GEOLOGY

The regional geology of part of the claim group has been mapped by G.B. Leech (1952). The relevant portion of this map is reproduced in Figure 3.

The major part of the area is underlain by the Creston formation (Unit 5) and the Kitchener-Siyeh formation (Unit 6). Both formations are of Proterozoic age. The rock units shown in Figure 3 are described by Leech as follows:

UNIT 1 - Aldridge formation (lower division) - rusty-weathering grey quartzite, siltstone and argillite; grey-weathering massive quartzite; metamorphosed equivalents.

UNIT 5 - Creston formation - grey and grey-weathering green, grey and purplish argillaceous quartzite.

UNIT 6 - Kitchener-Siyeh formation - varicoloured argillite and dolomitic argillites, mostly buff and brown-weathering; buff and brown weathering dolomite, commonly sandy.

UNIT 8 - Moyie Intrusions - meta-diorite and meta-quartz diorite.

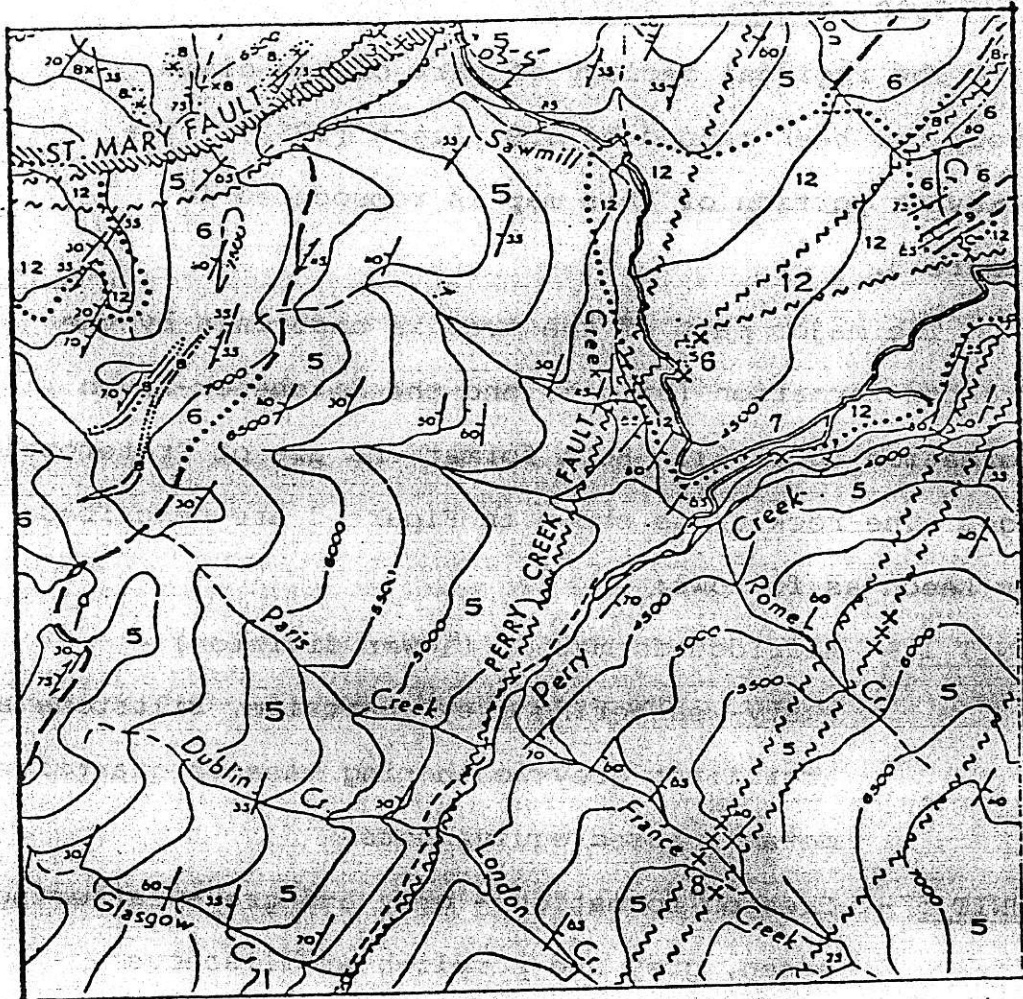


FIGURE 3
REGIONAL GEOLOGY
(AFTER LEECH - 1957)
PERRY CREEK AREA

METERS



5.20 LOCAL GEOLOGY

Claim areas mapped in 1978 are characterized by greenish phylonites, altered andesites and quartzites. The quartzites are typically light grey and may be banded or laminated.

The phylonites exhibit schistosity which is more or less concordant with the strike of the Perry Creek fault; the average schistosity being approximately 190/060 W.

Quartz veining with minor pyrite in a green phylonite was observed on the crown grants in the south part of the claim area. Other minor quartz stringers and disseminated pyrite were present in many of the observed outcrops.

6.0 SOIL GEOCHEMISTRY

6.10 INTRODUCTION

A total of approximately 32 rock samples and 505 soil samples were taken on the property between October 2, 1979 and October 30, 1979. All of the rock samples and 178 of the soil samples were taken by Gallant Gold Mines Limited personnel. The remaining 327 soil samples were taken by personnel from Montgomery Consultants Limited.

The 327 soil samples taken by personnel from Montgomery Consultants Limited were taken on three grid areas. These grid lines were chained and flagged at 30 meter intervals. (see Figures 4, 5, & 6 for results). The soil samples were taken on lines which were chained and flagged every 100 feet, while the rock samples were taken from favourable-looking zones during the course of prospecting traverses.

Statistical calculations were carried out on individual grid areas and on the 178 soil samples taken on lines. To determine an anomalous threshold for gold and silver values, all of the soil sample results for 1979 were grouped with the sample results for 1978, which meant that statistics were calculated on 816 gold values and 333 silver values. The results of these calculations are shown below:

SILVER		GOLD
333	NUMBER OF SAMPLES (N)	816
0.62 ppm	MEAN (\bar{X})	9.3 ppb
0.19 ppm	STANDARD DEVIATION	9.8 ppb

Arithmetic histograms for gold and silver were plotted using appropriate bar intervals. Gold values followed a log-normal distribution with an anomalous threshold at about 35 ppb. Silver values followed a normal distribution, with an anomalous threshold at about 1.5 ppm.

6.20 SOIL GEOCHEMISTRY - LISBON GRID

A total of approximately 90 soil samples were taken on the Lisbon grid and analysed for gold and silver. Statistical results are shown below:

AREA: LISBON GRID

NUMBER OF SAMPLES (N) 90

	GOLD	SILVER
MEAN (\bar{X})	6.667 ppb	0.670 ppm
STANDARD DEVIATION	4.497 ppb	0.141 ppm

None of the gold or silver values in this area appeared to be anomalous (i.e. greater than 1.5 ppm silver or 35 ppb gold).

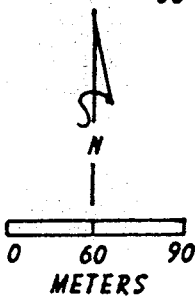
LISBON GRID

PERRY CREEK (CRANBROOK) AREA PROJECT

SOIL GEOCHEMISTRY: GOLD & SILVER

FIGURE 4
 0.6 SILVER IN SOIL (PPM)
 15 GOLD IN SOIL (PPB)

300 N											
270 N	0.5	0.6	0.6	0.7	0.6	0.4					
	35	5	15	10	10	5					
240 N	0.4	0.4	0.4	0.6	0.4	0.6	0.6	0.4	0.5	0.7	
	10	5	45	5	5	10	10	5	5	5	
210 N	0.5	0.8	0.6	1.0	0.6	0.6	0.7	0.6	0.8	0.6	0.5
	5	5	5	5	45	10	10	5	45	5	5
180 N	0.6	0.5	0.8	0.6	0.6	0.8	0.6		0.7	0.6	0.6
	5	5	5	5	10	5	10		5	5	5
150 N	0.6	0.7	0.8	0.9	0.6	0.6	0.7	0.6		0.8	0.6
	45	45	45	45	5	10	45	5		10	5
120 N	0.7	0.8	0.7	0.6	0.6	0.7	0.8	0.6	0.6		0.8
	45	5	45	45	45	15	10	5	5		5
90 N	0.6	0.8	0.6	0.8	0.6	1.0	0.8	0.6	0.8		
	45	10	5	10	5	45	5	5	10		
60 N	0.7	0.7	0.6	0.7	0.7	0.7	0.7				0.6
	10	15	5	15	10	5	10				5
30 N	0.9	0.9	0.8	0.9	0.6		1.1	0.8			0.9
	15	5	45	5	10		5	45			10
00	0.8	0.8	0.7	0.7	0.8	0.6	0.5				0.6
	5	10	5	45	5	5	5				10
	00	30E	60E	90E	120E	150E	180E	210E	240E	270E	300E



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6.30 SOIL GEOCHEMISTRY - SAWMILL GRID

A total of approximately 136 soil samples were taken and analysed for gold and silver (see Figure 5). Statistical results are shown below:

AREA: SAWMILL GRID

NUMBER OF SAMPLES (N) 136

	GOLD	SILVER
MEAN (\bar{X})	7.744 ppb	.536 ppm
STANDARD DEVIATION	6.692 ppb	.173 ppm

None of the silver values appeared to be anomalous (i.e. greater than 1.5 ppm). Four of the gold values were greater than 35 ppb. These values were 290, 40, 3450 and 520 ppb.

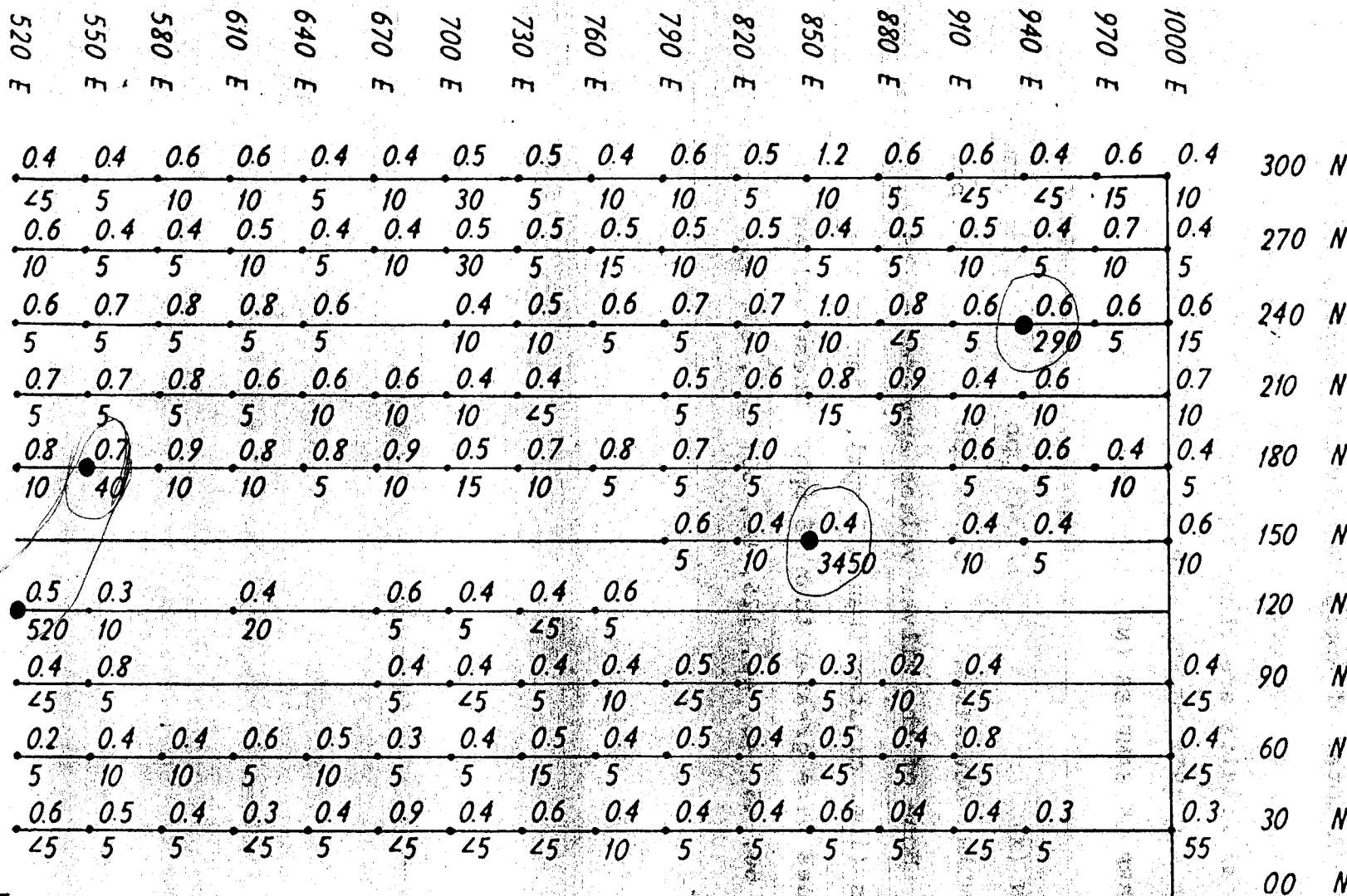
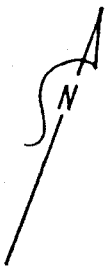


FIGURE 5



SOIL GEOCHEMISTRY: SILVER & GOLD

PERRY CREEK (CRANBROOK) AREA PROJECT

GALLANT GOLD MINES LIMITED

SAWMILL GRID

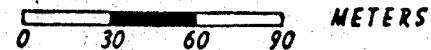
0.6 SILVER IN SOIL (PPM)

15 GOLD IN SOIL (PPB)

● ANOMALOUS GOLD IN SOIL (≥ 35 PPB)

MONTGOMERY CONSULTANTS LTD.

AUGUST 15, 1980



6.40 SOIL GEOCHEMISTRY - QUARTZ MOUNTAIN GRID

A total of approximately 107 samples were taken and analysed for gold and silver (Figure 6).

Statistical results are shown below:

AREA: QUARTZ MOUNTAIN GRID

NUMBER OF SAMPLES (N) 107

	GOLD	SILVER
MEAN (\bar{X})	12.548 ppb	.688 ppm
STANDARD DEVIATION	15.700 ppb	.201 ppm

None of the silver values appeared to be anomalous (i.e. greater than 1.5 ppm). Ten of the gold values were greater than 35 ppb. These values were 45, 60, 45, 40, 45, 125, 80, 80, 110, 60, 45, 1300 ppb.

QUARTZ MOUNTAIN GRID

PERRY CREEK (CRANBROOK) AREA PROJECT

SOIL GEOCHEMISTRY : SILVER & GOLD

0.6 SILVER IN SOIL (PPM)
 15 GOLD IN SOIL (PPB)

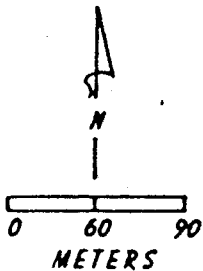
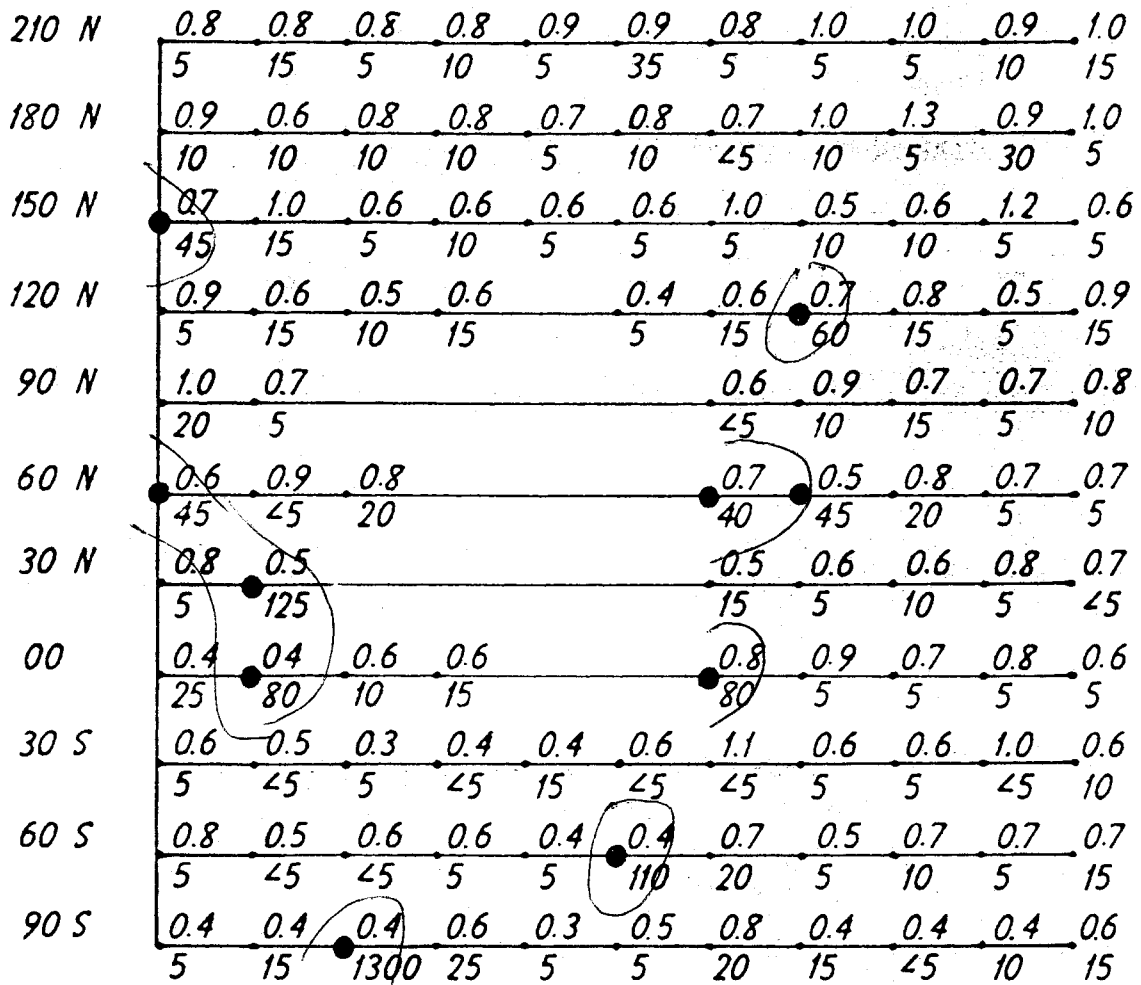


FIGURE 6

00 E 30 E 60 E 90 E 120 E 150 E 180 E 210 E 240 E 270 E 300 E.

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6.50 SOIL GEOCHEMISTRY - MARK, LUKE, & JOHN CLAIM AREAS

A total of approximately 178 soil samples were taken in these areas by personnel from Gallant Gold Mines Ltd. and analysed for gold only.

Statistical results are shown below:

AREA: MARK, LUKE, & JOHN CLAIMS

NUMBER OF SAMPLES 178

GOLD

MEAN (\bar{X}) 7.697 ppb

STANDARD DEVIATION 6.725 ppb

Six of the gold values were greater than 35 ppb. These values were 300, 60, 120, 40, 40 and 180 ppb.

7.0 RECOMMENDATIONS

Several of the areas investigated to date have been found to have anomalous gold values in the soil. These areas should be explored further. In addition, several structural features, most notably the Perry Creek and related faults should be explored.

It is recommended that additional grids be established on the Upper Sawmill, New Sawmill, Quartz Mountain and Upper Perry areas of interest. Soil sampling should be completed on these areas and some magnetic and electromagnetic work should also be done to delineate faults and shear zones related to mineralization. Details of the proposed program are given below:

1. Survey Grid - extend the Upper Sawmill grid about 300 meters to the west, establish a grid about 1,000 meters square on lower Sawmill Creek, extend the Quartz Mountain grid about 300 meters west and put in a new grid on Upper Perry Creek. Line and station spacing should be 30 meters.
2. Geochemistry - soil samples should be taken at intervals of 30 meters along the established grid lines and analyzed for gold. About 1500 samples will be required.

3. Geophysics - use a magnetometer and EM-16 to define the major faults and shear zones. Approximately 60 kilometers of line will be required.

4. Trenching - a D8H or equivalent (with rippers) will be required to trench anomalous areas. About 80 hours will be required.

8.0 COST ESTIMATE1. Personnel

(a) Geologist (1) @ \$100.00/day	\$	6,000.00
(b) Field Crew (4) @ \$60.00/day	\$	14,400.00
(c) Cook (1) @ 1,500.00 / mo.	\$	3,000.00

2. Transportation

(a) Truck Rental	\$	1,200.00
(b) Truck Maintenance	\$	1,000.00
(c) Air Fares	\$	500.00

3. Accomodation

(a) Motels	\$	1,000.00
(b) Meals and Groceries	\$	7,000.00
(c) Camp Supplies and Equipment	\$	3,000.00

4. Geochemistry

(a) Analyses - 1500 @ 4.85	\$	7,300.00
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5. Geophysics

(a) Magnetometer Rental @ 250/mo.	\$	500.00
(b) EM-16 Rental @ \$300.00/mo.	\$	600.00

6. Trenching - D8H @ \$80.00/hr. \$ 8,000.00

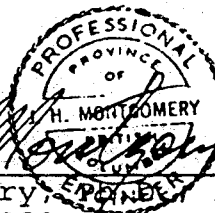
7. Engineering & Supervision \$ 6,000.00

Sub-Total \$ 59,500.00

8. Contingencies \$ 5,500.00

Total \$ 65,000.00

Respectfully submitted,



 J.H. Montgomery, P.Eng.,

 August 15, 1980

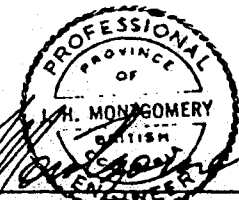
 Vancouver, B.C.

9.0 CERTIFICATE

I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D. in 1967.
3. I have practiced my profession since 1959.
4. I am a member of the Association of Professional Engineers of British Columbia.
5. I have no interest, direct or indirect, in any of the properties nor in Gallant Gold Mines Limited of Vancouver, B.C., nor do I expect to receive any such interest.
6. I have based this report on several visits to the property and supervision and a study of the results of the field work.

Dated at Vancouver, British Columbia this 15th day of August, 1980.


J.H. Montgomery, B.Sc., Ph.D., P. Eng.
4153 West 11th Ave.,
Vancouver, B.C.

20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

October 15 1980
(Date)

RICHARD HUGHES - Director & Promoter

R. Hughes

FRANK LANG - Director & Promoter

F. Lang

SHERRI DALE STINSON - Director

S.D. Stinson

ROBERT CLIVE BROWN
(Attorney-in-Fact)

Robert Clive Brown
"By the attorney in fact"
Richard Hughes

CERTIFICATE OF THE UNDERWRITER(S):

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

October 15 1980
(Date)

CANARIM INVESTMENT CORPORATION LTD.
per:

[Signature]

MCDERMID, MILLER & MCDERMID LTD.
per:

[Signature]