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92E/14

Report on the
Amai Inlet Project 1986
Zeballos Area
Alberni Mining Division
50⁰⁰ North Latitude & 127⁰⁵ West Longitude
for
Thomson Gold Co. Ltd.
by
John R. Poloni, B.Sc., P.Eng.
September 30, 1986

NTS: 92E/14

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THOMSON GOLD CO. LTD.

Notes to Financial Statements

For the year ended November 30, 1987

Note 7 Related Party Transactions

- (a) During the year, the company incurred costs of \$33,055 for management services, office rent and other services provided by Cortez Explorations Inc. (1986: \$22,867). The amount due at November 30, 1987 of \$74,064 is without interest and payment has been postponed to one year from the offering day of the company's initial public offering.
- (b) During the year, the company incurred fees of \$32,500 for accounting and other services from a firm (1986: \$15,500), a partner of which is a director of the company. At November 30, 1987 none of these amounts had been paid.
- (c) During the year, the company incurred fees of \$62,363 for legal services from a firm (1986: \$27,976), a partner of which is an officer of the company. At November 30, 1987, none of these amounts had been paid.

See also Note 3.

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1.0 SUMMARY AND CONCLUSIONS

Thomson Gold Co. Ltd. has undertaken reconnaissance exploratory surveys consisting of geology, geophysics, soil, rock and silt geochemistry and overburden trenching on the Amai Inlet Project, complimented with a drill program in the Main Adit area.

Reconnaissance surveys covered the upstream Adams Creek area, Eclipse showing, Amai Creek drainage and the Machta Creek area.

Positive soil and pan concentrates sample results were obtained in selective locations in all areas. Follow up examinations were undertaken where the most encouraging results were obtained.

Diamond drilling was successful in depicting the character of the gold bearing quartz vein and related felsic and mafic dikes, with one excellent intersection being obtained and three others of definite encouragement. Assay data and a description of the drill hole intercepts is presented in Section 8.3, in diamond drill logs included in Appendix D, and on Plans and Sections Plans 5-10 included in Appendix E.

The property warrants a continued program of evaluation as described, with the estimated cost being \$742,500.00.

2.0 INTRODUCTION

The Amai Inlet Project of Thomson Gold Co. Ltd. is situated on the south side of Amai Inlet covering the 56 unit Murphy Option, and the contiguous Thomson Option consisting of twenty-two post claims and 64 units.

The Murphy Option package is a recent location of the abandoned Patmore Gold Mine which was originally located as the FilMil group of twelve claims staked by J.J. Pugh and Associates in 1938. The initial claims of the Thomson package were located as the D.L. Group in 1974 with additional claims being staked in 1978, 1985 and 1986 (Nobs relocation).

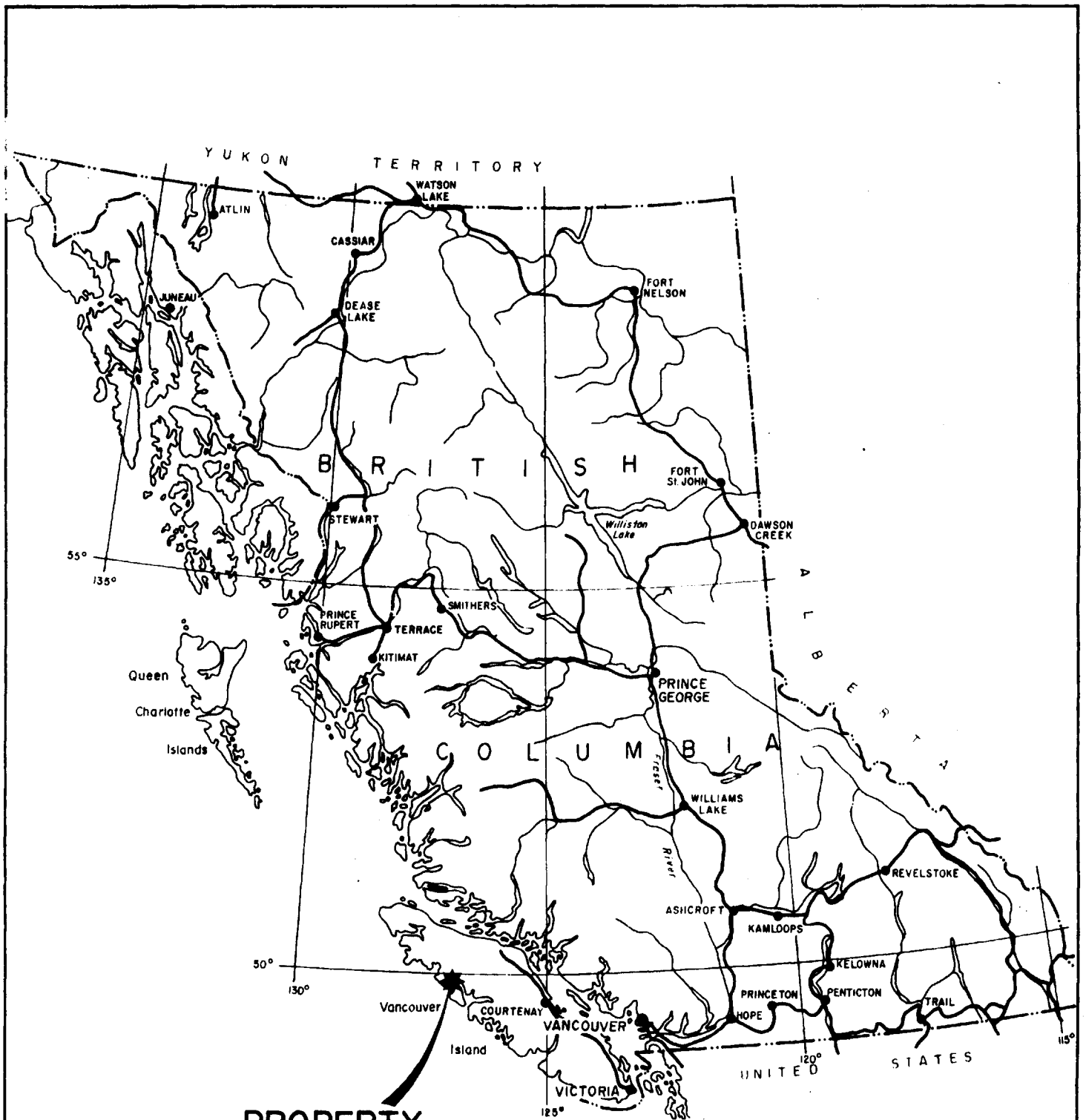
During 1986, reconnaissance stream, soil, and rock geochemistry, and geology were undertaken on parts of the Thomson group not covered by 1985 surveys. Detailed geology, soil geochemistry, geophysics, trenching and diamond drilling were also completed on the Murphy package so as to assess the economic potential of the abandoned Patmore Mine workings.

This report is a summary of the 1986 surveys, including recommendations for additional follow-up work. The initial phase of the recent surveys commenced on May 15, 1986 with field crews undertaking the reconnaissance work on the Thomson claims prior to the commencement of diamond drilling at the main adit area of the Murphy claims. All field work was completed by September 13, 1986.

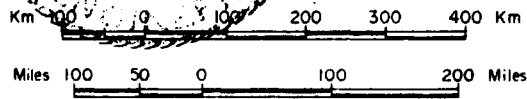
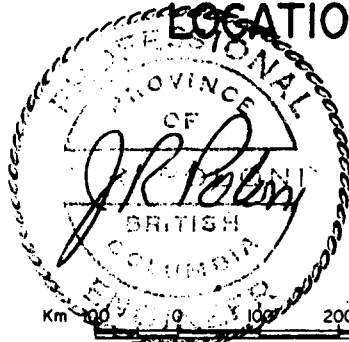
The author initially visited the property on September 17, 1980, and on numerous occasions during the 1986 surveys.

Property Location Map

Plan No. 1



**PROPERTY
LOCATION**



THOMSON GOLD CO. LTD.		
AMAI INLET PROJECT PROPERTY LOCATION MAP		
ALBERNI MINING DIVISION, B.C.		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn : J. R. P.	Checked : J. R. P.	Plan No.
Scale : As shown	Date : July 25, 1986	1

3.0 LOCATION AND ACCESSIBILITY

The property covers the whole south side of Amai Inlet and much of the drainage patterns of Adams, Amai, and Narrow Gut Creeks. Zeballos is situated about 24 kilometers to the east, and Kyuquot is at approximately 20 kilometers to the west. Amai Inlet is a branch of Kyuquot Sound.

Claim location is described as being at 50°00' North Latitude, 127°05' West Longitude, in the Alberni Mining Division, Vancouver Island, British Columbia.

Access from Vancouver to the property is possible by the new North Island Highway from Campbell River to Zeballos and Fair Harbour and then via boat to Amai Inlet. For 1986 work, helicopter support was utilized because of individual project locations.

A helicopter pad was established near the mine portals to service the drilling camp.

4.0 CLAIM INFORMATION

The following claims comprise the Murphy and Thomson packages:

Murphy Claims

<u>Name</u>	<u>Record Number</u>	<u>Record Date</u>	<u>Units</u>
Amai Gold	152 (11)	Nov. 23, 1977	6
Narrowgut Gold	194 (4)	April 27, 1978	4
Cachalot Gold	195 (4)	April 27, 1978	6
Phil Mill	196 (4)	April 27, 1978	1
Adam	442 (4)	April 18, 1979	1
Stone Nipples	443 (4)	April 18, 1979	10
Remarkable	445 (4)	April 18, 1979	4
Machta Gold	2614 (6)	June 20, 1985	20
Connoisseur	2615 (6)	June 20, 1985	4

Thomson Claims

<u>D.L. Group (2 post)</u>			<u>Expiry Year</u>
D.L. 1	20892	Nov. 1, 1974	1987
2	20893	Nov. 1, 1974	1987
3	20894	Nov. 1, 1974	1987
4	20895	" "	1987
5	280 (10)	Oct. 20, 1978	1987
6	281 (10)	" "	"
7	282 (10)	" "	"
8	283 (10)	" "	"
9	284 (10)	" "	"
10	285 (10)	" "	"
11	286 (10)	" "	"

4.0 CLAIM INFORMATION, cont'd.

<u>Name</u>	<u>Record Number</u>	<u>Record Date</u>	<u>Expiry Date</u>
D.L. 12	287 (10)	Oct. 20, 1978	1987
<u>Nobs Group (2 Post)</u>			
Nobs 1	2964	July 17, 1986	
2	2965	" "	
3	2966	" "	
4	2967	" "	
5	2968	" "	
6	2969	" "	
7	2970	" "	
8	2971	" "	
	<u>Record Number</u>	<u>Record Date</u>	<u>Units</u>
Eclipse #1	2688 (9)	Sept. 19, 1985	20
Eclipse #2	2689 (9)	Sept. 19, 1985	8
Eclipse #3	2690 (9)	Sept. 19, 1985	16
Eclipse #4	2691 (9)	Sept. 19, 1985	20

All claims are held under option by Thomson Gold Co. Ltd.

5.0 PHYSICAL FEATURES

Amai Inlet, part of Kyuquot Sound, is a typical example of the topography of the west coast of Vancouver Island. Heavily timbered, large fjords, frequently sheltered from the sea by numerous coastal islands, are characteristics.

The trees are mainly cedar with hemlock and balsam common at lower elevations. Underbrush is dense.

Precipitation is heavy with the annual amount of about 100 inches occurring mostly as rain. Snowfall at higher elevations is considerable, but only minimal at tidewater.

Water supply at the tunnels is meager during extended dry periods but can be torrential with frequent rainfall. Access is generally difficult with numerous steep scarps making drill site location and camp establishment an extreme task.

A tram line was cut in the 1940's, from sea level to the area of the tunnels. Presently, this has become overgrown with second growth timber.

6.0 HISTORY

The property was initially located in 1938 by Budd Pugh, prospector, with twelve claims being staked and open cut work being done principally in Fil Creek. In 1941, W.H. Patmore leased the claims, constructed camp buildings, built a dock, cleared a right-of-way for a tramway, and undertook about 210 meters of tunnelling at the 437, 497, and 531 meter levels. At this time a 15 TPD mill was installed at sea level.

During this period the tunnels were sampled by Mr. Patmore with rechecking being undertaken by C.M. Campbell in 1944. Copies of sample data were included in my report on the property dated June 7, 1982.

Prior to Dr. Patmore's work, Mr. Franc Jobin in 1938 and 1940 had examined the showings for Pioneer Gold Mines of B.C. Limited. Also in 1940, Con West had undertaken detailed sampling underground. During the period 1977 - 1979 D. Murphy located the claims, completing mapping and soil sampling on sections of the property. During 1980 - 1982, Mr. J. Clyne optioned the property from Mr. Murphy on behalf of Red Mountain Resources Ltd. completing road work, placer sampling, and adit clearing. In 1982 Cal Denver Resources Ltd. optioned the property from Mr. Murphy. Little work was undertaken between 1982 - 1985 because of litigation between Mr. Clyne and Cal Denver Resources Ltd.

During 1985 Mr. Murphy located the Machta Gold and Connoisseur Mineral Claims. At this time, J.P. Franzen completed geological mapping and sampling at a cost of \$54,196.00.

6.0 HISTORY, cont'd.

Reconnaissance geology and silt sampling were conducted on parts of the Thomson claims by Mr. J. Laird and K.E. Northcole during 1985. Recent surveys have been reported on by Mr. Franzen and Mr. Northcote, dated November 15, 1985, and March 15, 1986 respectively.

7.0 GEOLOGY

7.1 Regional Picture

The oldest unit exposed in the northwestern Vancouver Island is the Upper Triassic Karmutsen Formation consisting of a thick sequence (6,200 m) of tholeiitic volcanic rocks, with a standard section consisting of a lower member (2,600 m) pillow lava, a middle member (800 m) of pillow breccia and aquagene tuff and an upper member (2,900 m) of massive lava flows.

Bonanza Group volcanic rocks are present which represent an Island Arc sequence.

The Karmutsen-Bonanza rocks referred to as the Vancouver group have been intruded by Middle Jurassic Island intrusions of quartz diorite and quartz monzonite. These intrusions are generally elongated in a northwesterly direction. As described by Patmore W.H., 1945, in describing the Amai Inlet area,

"The ore bearing veins and their dikes lie in north-south fractures and shear zones which cut, at steep dips, an almost circular boss of pinkish grano-

7.0 GEOLOGY, cont'd.

7.1 General Geology, cont'd.

diorite about 6 miles in diameter embracing all of Deep Inlet. This intrusive, if it does not actually make a surface junction with the southwestern contact of the main Zeballos granodiorite (grey), must meet its flank at shallow depths. These granitic rocks are easily distinguished in the field by the almost totally light grey to blackish (dioritic phase) appearance of the Zeballos batholith and by abundant areas, small masses, and irregular dikelets of pink to red orthoclase feldspar, so common in the greenish Deep Inlet intrusive... A large portion of the older roof (or host) rocks of the area are massive black to green volcanic flows of andesitic and basaltic composition. Local intercalations of impure grey limestone are found in scant quantity. Volcanic breccias and purple tuffs are common in parts of the area but light-colored, fine-grained felsic tuffs are scarce. A few veins of relatively limited length have been located in the volcanic roof rocks but always close to the border of the granodiorite. These older rocks display very little obvious high grade metamorphism or metasomatism although dikelets of epidote, magnetite and orthoclase are often observed."

7.2 Local Geology

The local geology of the Amai Peninsula has been described in detail by L. Riccio and J. Franzen, November 15, 1985, pages 12-15. Recent geological mapping 1986 has been added to maps completed by Franzen for data continuity.

Mr. K.E. Northcote, March 15, 1986 describes the Eclipse prospect as being within a polyphase granodiorite of the Vancouver Island Intrusions with the intrusive being medium grained grading from mesocratic to leucocratic with the increasing content of potassium feldspar and silica. Contacts are generally gradational. Dikes ranging from basic to aplitic trend northerly.

7.0 GEOLOGY, cont'd.

7.2 LOCAL GEOLOGY, cont'd.

Occasionally narrow fracture zones are found which have been silicified, chloritized, and epidotized which contain thin seams of sulfides and at times native gold.

The main zone on the Eclipse is a thin seam 1 to 5 cm. wide, containing, infrequently, native gold, pyrite, biotite, chlorite and silica.

8.0 EXPLORATION 1986

8.1 Soil Geochemistry - Main Adit Area

As a continuation of the soil geochemistry initiated by Franzen, J. in 1985, survey grids were established upslope and to the south of previous work. The continuation of the adit grid covered an area approximately 390 meters x 250 meters with line spacing at 50 meters and sample interval of 25 meters. The Machta Creek grid covered an area 700 meters x 500 meters with line spacing at 100 meters and sample interval at 25 meters. A total of 293 samples collected of B horizon material and submitted to Bondar Clegg were assayed for gold PPb and silver Ppm using A-A methods.

Several anomalous responses were obtained on both grids with the most significant being:

8.0 EXPLORATION 1986, cont'd.

8.1 Soil Geochemistry - Main Adit Area, cont'd.

Adit Grid

Along base line at 3.0 S, 3.5 S; line 3.0 S - 50 W and line 4.0 S - 100 E where values of 660, 2200, 160, and 260 PPb respectively were obtained. These values coupled with previous data indicate an upslope southerly continuation of the gold mineralization explored in the tunnels.

Machta Grid

Several single and multiple station soil geochemical anomalies were obtained in the 1986 survey. These are L8S at 50 and 200 west - 300 PPb, 170 PPb; L10S at 150W - 200 PPb; Base line at 10.25 and 10.75 south - 180 PPb, 180 PPb; line 12 S at 25E - 480 PPb. Multiple station anomalies were obtained at L10S - L11S, at 400 - 450 meters west with values of 1950, 220, 620 and 110 PPb and at L12, L13 and L14 south at 325W, 325W and 275W with values of 120 PPb, 95 PPb and 140 PPb.

Trenching was completed on the multiple station anomaly located on L10S - L11S during the period September 10-13, 1986, with overburden being blasted to expose bedrock for sampling. Four samples taken of volcanics in the trenches returned only low gold-silver values:

	<u>Au PPb</u>	<u>Ag PPM</u>
#1	15	0.2
#2	10	0.4
#3	5	< 0.2
#N.N.	< 5	< 0.2

Data is shown on accompanying Plan No. 4 in Appendix E.

8.0 EXPLORATION 1986, cont'd.

8.2 Geology - Main Adit Area

Geological mapping was continued over the extended survey grids with additional data plotted on an extended map submitted in 1985 by J. Franzen. Mapping has shown that the Island Intrusive rocks cover most of the Adit Grid with the volcanic-intrusive contact being to the west, but being vaguely defined because of poor outcrop frequency on the flatter sections of the Machta Grid. Plan No. 3 appended shows recent mapping.

8.3 Diamond Drilling - Main Adit Area

During the period June 27 - July 14, 1986 HydraCore Drills Limited of Richmond, B.C. completed 549.84 meters of BDB diamond drilling in six holes, from one set up situated to the immediate east of No. 3 Adit. The holes were designed to explore gold mineralization previously exposed in tunnelling and sampled in the 1940's and most recently by J. Franzen, 1985. Drill hole information is described in drill logs included in Appendix D of the report and shown on Plans 5 - 10 appended. Data is as follows:

Drill Hole 86-1 bearing 227° with a dip of -45° intersected a quartz diorite medium texture intrusive sequence cut by mafic and felsic dikes at varying dips and strikes to a final depth of 83.21 meters. The main quartz vein was encountered between 77.60 - 78.03 meters housed in iron stained fractured intrusive

8.0 EXPLORATION 1986, cont'd.

8.3 Diamond Drilling - Main Adit Area, cont'd.

with mafic and felsic dikes in close relationship. Assay data is as follows:

<u>Location</u>	<u>Width</u> m	<u>Description</u>	<u>Assay</u>	
			Au oz/T	Ag oz/T
36.43 - 38.06	1.63	Felsic Dike Sulfide Specks	0.004	< 0.02
39.51 - 40.34	0.83	Mafic Dike Mud Seams	0.012	< 0.02
53.23 - 56.80	3.57	Felsic Dike		
53.23 - 53.89	0.66	" "	< 0.002	< 0.02
53.89 - 55.33	1.44	" "	0.004	0.02
55.33 - 56.80	1.47	" "	0.002	< 0.02
75.20 - 75.39	0.19	Fe Stained	< 0.002	< 0.02
75.55 - 75.60	0.05	Felsic Dike	0.057	0.02
75.60 - 77.60	2.00	Fe Stain Intrusive	0.012	< 0.02
77.60 - 78.03	0.43	Quartz Vein V.G.	11.936	3.29
78.03 - 78.37	0.34	Fe Stained Intrusive	0.468	0.22
78.37 - 79.13	0.76	Mafic Dike	0.016	0.02

End of Hole 83.21 m.

Drill Hole 86-2 bearing 255° with a dip of -45° intersected Quartz diorite, mafic and felsic dikes. Assay data is as follows:

43.33 - 45.72	2.39	Felsic Dike	0.002	< 0.02
51.76 - 52.17	0.41	Mafic Dike	0.003	< 0.02
53.00 - 53.73	0.73	Mafic Dike	0.004	< 0.02
58.77 - 58.83	0.06	Quartz Vein V.G.? Massive Sulfides	0.505	0.04

8.0 EXPLORATION 1986, cont'd.

8.3 Diamond Drilling - Main Adit Area, cont'd.

<u>Location</u>	<u>Width</u> m	<u>Description</u>	<u>Assay</u>	
			<u>Au oz/T</u>	<u>Ag oz/T</u>
<u>End of Hole 67.97 m.</u>				
<u>Drill Hole 86-3</u> bearing 255 ⁰ @ a dip of -60 ⁰ intersected Quartz Diorite with felsic and Mafic Dikes. Assay data is as follows:				
48.95 - 50.31	1.36	Mafic Dike Mud Seams	0.002	< 0.02
52.11 - 55.07	2.96	Felsic Dike	0.002	< 0.02
66.05 - 66.70	0.65	Mafic Dike	0.002	< 0.02
79.27 - 80.21	0.94	Felsic Dike Fe Staining, Pyrite	0.013	< 0.02
80.21 - 80.53	0.32	Quartz Vein V.G.? Pyrite Mud Seams	0.498	0.55
80.53 - 81.20	0.67	Felsic Dike	0.040	< 0.02
<u>End of Hole 84.73 m.</u>				
<u>Drill Hole 86-4</u> bearing 285 ⁰ with a dip of -60 ⁰ intersected quartz diorite, mafic and felsic dikes. Assay data is as follows:				
49.28 - 52.08	2.80	Felsic Dike Minor Fe, Pyrite	0.003	< 0.02
66.07 - 66.50	0.43	Mafic Dike	0.002	< 0.02
76.16 - 78.56	2.40	Felsic Dike Fe Stain	0.009	< 0.02
78.56 - 79.60	1.04	Quartz Stringer Series, Pyrite	0.117	0.02
79.60 - 82.00	2.40	Felsic Dike	0.005	< 0.02

8.0 EXPLORATION 1986, cont'd.

8.3 Diamond Drilling - Main Adit Area, cont'd.

<u>Location</u>	<u>Width</u> m	<u>Description</u>	<u>Assay</u>	
			<u>Au oz/T</u>	<u>Ag oz/T</u>
82.00 - 84.30	2.30	Felsic Dike	0.002	< 0.02

End of Hole 89.30 m.

Drill Hole 86-5 bearing 320⁰ at a dip of -60⁰ intersected quartz diorite with felsic and mafic dikes and hit No. 2 adit at approximately 4 meters north of the face. Assay data is as follows:

24.53 - 24.91	0.38	Bleached Zone	0.002	< 0.02
43.70 - 45.76	2.06	Mafic Dike	0.002	< 0.02
57.77 - 61.30	3.53	Felsic Dike Barren	0.002	< 0.02
61.30 - 61.70	0.40	Quartz Diorite Fractured	0.002	< 0.02
61.70 - 62.70	1.00	Mafic Dike	0.002	< 0.02
64.10 - 64.92	0.82	Quartz Diorite	0.002	< 0.02

End of Hole 85.34 m.

Drill Hole 86-6 bearing 320⁰ with a dip of -70⁰ intersected quartz diorite with mafic and felsic dikes, and one thin sulfide seam which could represent the main mineralized structure. Assay data is as follows:

53.70 - 54.60	0.90	Quartz Diorite Fe Stain	0.002	< 0.02
61.60 - 63.94	2.34	Felsic Dike Fe Stain	0.002	< 0.02
74.68 - 76.59	1.91	Bleached Section Quartz Diorite	0.020	< 0.02

8.0 EXPLORATION 1986, cont'd.

8.3 Diamond Drilling - Main Adit Area, cont'd.

<u>Location</u>	<u>Width</u> m	<u>Description</u>	<u>Assay</u>	
			<u>Au oz/T</u>	<u>Ag oz/T</u>
92.32 - 93.88	1.56	Mafic Dike Mud Seam	0.002	< 0.02
114.32 - 114.35	0.03	Sulfide Seam	0.028	0.02
125.50 - 126.10	0.60	Fe Stained Quartz Diorite	0.002	< 0.02

End of Hole 139.29 m.

In summary, the best drill hole intercept was obtained in 86-1 where the quartz vein contained abundant free gold and assayed 11.936 oz/T gold - 3.29 oz/T silver for 0.43 meters. The weighted average from 75.55 - 79.13 was 1.488 Au oz/T - 0.42 Ag oz/T for 3.58 meters which is greatly enhanced by the high grade section.

In 86-2 the quartz vein assayed 0.505 Au oz/T - 0.04 Ag oz/T for 0.06 meters. Hole 86-3 intersected a 0.32 meter quartz vein which assayed 0.498 Au oz/T - 0.55 Ag oz/T with a weighted average across 1.93 meters of 0.103 Au oz/T - 0.09 Ag oz/T. Only quartz stringers within a felsic dike environment, were cut in hole 86-4. This section assayed 0.117 Au oz/T - 0.02 Ag oz/T for 1.04 meters. Hole 86-5 unfortunately hit the No. 2 adit at approximately 4 meters from the face. This is in a section previously assayed by J. Franzen (1985) to show 171.8 g/T for 0.3 m., and prior by Patmore 10.7 Au oz/T for 10.1". Hole 86-6 did not intersect a quartz vein

8.0 EXPLORATION 1986, cont'd.

8.3 Diamond Drilling - Main Adit Area, cont'd.

section where down dip continuity of the vein was expected. A thin sulfide seam assayed 0.028 Au oz/T - 0.02 Ag oz/T for 0.03 meters.

8.4 Adams Creek Reconnaissance

The reconnaissance geology, soil and stream silt sampling in the Adams Creek headwaters and the Eclipse showing areas were undertaken during the period May 15 - May 30, 1986. Two - two man crews operating from individual camps completed detailed soil sampling, rock sampling, geology and stream pan concentrates sampling over two grid areas as shown on Plan No. 11 in Appendix E.

The Eclipse area was covered by randomly orientated grid lines with sample spacing at 25 meters. Ninety-three samples were collected and analysed at Bondar Clegg using A.A. methods for gold PPb, silver PPM, copper ppm, and zinc ppm. B-horizon material was collected where available and placed in kraft sample bags for transport to the laboratory. Five single station anomalies were indicated with highs of 140, 130, 160, 280 and 100 PPb Au. Copper and silver responses were low. Zinc showed low values with one sample containing 180 PPM.

During this work the author examined the Breccia zone material and collected a float sample which assayed 1.75% Cu,

8.0 EXPLORATION 1986, cont'd.

8.4 Adams Creek Reconnaissance, cont'd.

1.99% Zn, 0.003 Au oz/T, and 0.40 Ag oz/T.

Upper Adams Creek and the Breccia Zone was examined by rock and pan concentrates sampling as reported on to the company by Mr. J. Laird. Twenty-five pan concentrate samples were collected, at critical drainage points as shown on Plan No. 14 appended. Each sample consisted of the black sand and heavy media concentrated materials from two filled standard size gold pans, collected and delivered to Bondar Clegg Laboratories for analysis. The PS-86-S sequence of samples returned several which contained significant gold concentrations. These are S-12, S-13, S-14, S-15, S-17, S-18, S-19, S-21, S-23, S-24 and S-25. Assaying had been undertaken by fire assay A.A. Samples S-15 and S-21 were also analysed using a 20 element, multi acid total digestion D.C. Plasma Method. No appreciable concentrations of elements other than gold was noted.

Outcrop and float sampling was also undertaken during the same period. Thirty-six samples were collected as shown on accompanying Plan No. 13 appended, and analysed for gold (PPb) by A.A. methods. Sixteen samples were also analysed

8.0 EXPLORATION 1986, cont'd.

8.4 Adams Creek Reconnaissance, cont'd.

using multi acid total digestion D.C. Plasma Methods. Breccia zone float sample BR-1 and BR-2 returned excellent copper, zinc values with low gold.

The DL8-2 showing area containing 200 ppb Au was not analysed using the multi element method. Sample LR-4 which contained 620 PPb Au was a float sample which could indicate an area of upstream interest. Sample PGR-2 an outcrop sample returned 200 PPb Au from this area.

Eleven samples which indicated high concentration of gold, copper and zinc were analysed for gold by fire assay. The S sequence showed:

S-13 - 0.015; S-14 - 0.017; S-15 - 0.636; S-17 - 0.146; S-18 - 0.221; S-21 - 0.570; S-23 - 0.152; S-24 - 0.059; and S-25 - 0.029 Au oz/Ton.

Samples of the breccia zone float assayed:

BR-1 - 2.64% Cu, 2.85% Zn; BR-2 - 3.84% Cu, 2.90% Zn.

A further field examination was undertaken during August 14-19, 1986 to assess the areas of positive rock and pan concentrates results in the Adams Creeks drainage basin. Traverses in headwater areas failed to indicate any easily identifiable source for the anomalies.

Rock sample R#4 taken in a shear zone upstream from the anomalies returned 0.003 Au oz/T - <0.02 Ag oz/T.

8.0 EXPLORATION 1986, cont'd.

8.5 Amai Creek Reconnaissance

Between June 27 - 30, 1986 prospecting and pan concentrates sampling were completed on the main tributaries of Amai Creek which drain the Eclipse #4 Claim. Eight pan concentrates samples were collected by a two man field crew lead by J.J. Poloni. Two samples returned positive response. PS7 and PS8 assayed 0.165 and 0.011 Au oz/T respectively. Assay data and sample location are shown on Plan No. 11 appended. Field examinations in August failed to indicate the source of these high assays. Rock samples of dike materials upstream returned low values:

R#1 - 0.003 Au oz/T - <0.02 Ag oz/T;

R#2 - 0.002 Au oz/T - 0.03 Ag oz/T;

R#3 - 0.003 Au oz/T - <0.02 Ag oz/T.

8.6 Geophysics - Main Adit Area

During August a brief pulse electro-magnetometer survey was completed in the main adit area so as to detect the quartz filled shear zone and related mafic and felsic dikes as a conductive source and trace the target to the south. If successful, geophysical lines were also to be completed over the Machta Creek geochemical anomalies. As no conductive response was obtained the survey was called off.

9.0 RECOMMENDATIONS

9.1 Main Adit Area

Diamond drilling in the Main Adit area has returned one excellent gold bearing intersection in hole 86-1 which contains grade and width which could be mined successfully if volumes exist. To the north 30 meters, holes 86-2 and 86-3 cut quartz vein material of narrower widths and lesser grade although 86-3 averages 0.103 Au oz/T for 1.93 m. Hole 86-2 cut a narrower section of quartz than indicated in tunnel sampling. Further north 20 meters, hole 86-4 cut a sequence of quartz stringers within a felsic dike which assayed 0.117 Au oz/T for 1.04 meters. The presence of quartz stringers rather than a pronounced quartz vein may indicate a weakened section in the structure. Hole 86-6 failed to obtain a quartz vein intercept of importance which may indicate a weakening of the structure at 35 meters below the No. 2 Adit.

Geochemical soil sampling, 1985 and 1986 grids, in the Main Adit area demonstrates that the structure extends to the south upslope for at least 150 meters, from the location of the 86-1 drill hole intercept. Geological, this area appears to be within the granitic phase with the intrusive volcanic contact being further to the south.

Additional drilling is recommended as a follow-up with holes spaced to test the structure at approximately 30 meter intervals to the south. To explore the zone to include the

9.0 RECOMMENDATIONS, cont'd.

9.1 Main Adit Area, cont'd.

geochemical response, 750 meters will be required with two holes per section for a total of 150 meters for five sections.

Two drill holes are also recommended in the Adit #1 Area, if a suitable drill site location can be found. It may be necessary to complete the drilling from the creek bed with holes collared in the footwall side of the structure. It is estimated that 150 meters of drilling will be necessary.

Thus a total of 900 meters will be required as a continued preliminary drilling phase. Further success contingent drilling will be designed as fill in work, so as to establish drill indicated reserves.

Appendix A

Estimated Cost of the Recommended
Surveys

COST ESTIMATE

Phase 1

1.0	Establishment of camp, camp costs, telephone, helicopter	\$ 4,000.00
2.0	Diamond drilling - 900 meters BDB size	90,000.00
3.0	Helicopter support	20,000.00
4.0	Assaying	3,500.00
5.0	Field personnel	5,500.00
6.0	Engineering	10,000.00
7.0	Contingencies	13,000.00
	TOTAL PHASE 1	<u>146,000.00</u>

Phase 2

This is a success contingent phase which will include fill-in drilling so as to define the drill indicated reserve potential. Metallurgical testing is to be included.

1.0	Camp cost	6,000.00
2.0	Diamond drilling - 1,500 meters	150,000.00
3.0	Helicopter support	25,000.00
4.0	Assaying - Metallurgy	8,000.00
5.0	Field Personnel	7,500.00
6.0	Engineering	15,000.00
7.0	Contingencies	20,000.00
	TOTAL PHASE 2	<u>231,500.00</u>
	TOTAL PHASE 1 & 2	<u><u>\$377,500.00</u></u>

COST ESTIMATE, cont'd.

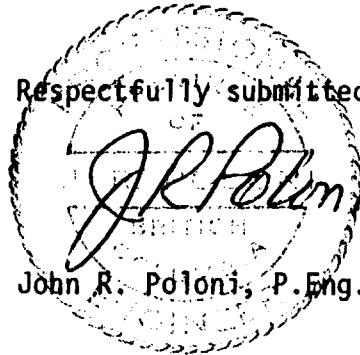
Phase 3

Further success contingent work will include a bulk test from underground obtained from new drifting and raising. Road access will be required to the area of the adits. This work is estimated to cost \$365,000.00 and a formal budget will be evolved on completion of Phases 1 and 2 of the recommendations.

Thus, Total Cost Of All Phases

\$742,500.00

Respectfully submitted,



John R. Poloni, P. Eng.

Appendix B

References

REFERENCES

1. Minister of Mines Report, B.C., 1947 and 1955.
2. Jobin, F., 1940. Fil Gold Property, Deep Inlet V.I.
3. Jobin, F., 1938. Notes on the Property for Pioneer Gold Mines of B.C. Ltd.
4. Patmore, W.H., Dr., 1945. Report on the Patmore Gold Mine, Kyoquot Sound, B.C.
5. Campbell, C.M., 1944. Report on Patmore Gold Mine.
6. Franzen, J.P., November 15, 1985. Geological Report on the Amai Inlet Property.
7. Northcote, K.G., March 15, 1986. Geological Mapping, Trenching, Sampling and Prospecting on the Eclipse Gold Prospect.
8. Poloni, J.R., June 7, 1982. Report on the Amai Inlet Project for Cal Denver Resources Ltd.

Appendix C
Certificate

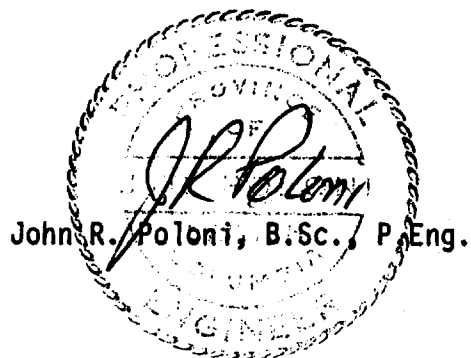
Certificate

I, John R. Poloni, of 5502 - 8B Avenue, in the Municipality of Delta,
in the Province of British Columbia,

DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist.
2. I am a graduate of McGill University of Montreal, Quebec, where I obtained a B.Sc. Degree in Geology in 1964.
3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession since 1964.
5. I am a Member of the Canadian Institute of Mining and Metallurgy.
6. I have personally visited the property during 1986 surveys.
7. I have not interest in the properties and securites of Thomson Gold Co. Ltd. nor do I expect to receive or acquire any.
8. I consent to the use of this report by Thomson Gold Co. Ltd. in a submission to the Vancouver Stock Exchange and/or the British Columbia Superintendent of Brokers, and to distribute all or parts of the report to the shareholders or other interested parties provided that the meaning is not altered by partial quotes.

Dated this 30th day of September, 1986.



JOHN R. POLONI P. Eng.
Consulting Geologist

1512B - 56th Street
Delta, B.C.
V4L 2A8

June 13, 1988

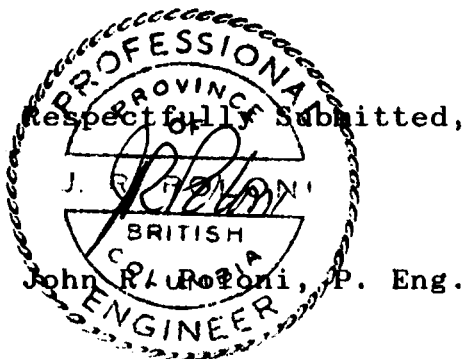
Thomson Gold Co. Ltd.
c/o Worrall Scott and Page
Suite 100 - 200 Granville Street
P.O. Box 25
Vancouver, B.C.
V6C 1S4

ATTENTION: Mr. E.A. Wallace, President

RE: Addendum to : Report on the Amai Inlet Project 1986,
Alberni M.D., September 30, 1986.

Dear Sir,

This is to confirm that the information presented in my report is still valid and accurate and has not changed since presentation of the report. Recommendations and cost estimates remain as stated.



JOHN R. POLONI P. Eng.
Consulting Geologist

CERTIFICATE

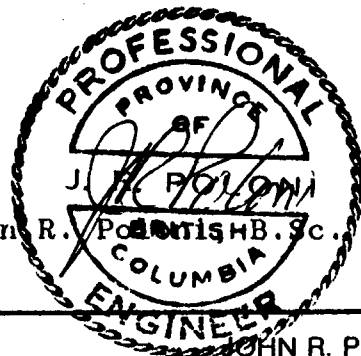
I, John R. Poloni, of 5502 - 8B Avenue, in the Municipality of Delta, in the Province of British Columbia,

DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist.
2. I am a graduate of McGill University of Montreal, Quebec, where I obtained a B.Sc. Degree in Geology in 1964.
3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession since 1964.
5. I am a Member of the Canadian Institute of Mining and Metallurgy
6. I have personally visited the property during 1986 surveys.
7. I have no interest in the properties and securities of Thomson Gold Co. Ltd., nor do I expect to receive or acquire any.
8. I consent to the use of this addendum by Thomson Gold Co. Ltd. in a submission to the Vancouver Stock Exchange and/or the British Columbia Superintendent of Brokers, and to distribute all or parts of the report to shareholders or other interested parties provided that the meaning is not altered by partial quotes.

Dated this 13 day of June 1988.

John R. Poloni B.Sc., P. Eng.



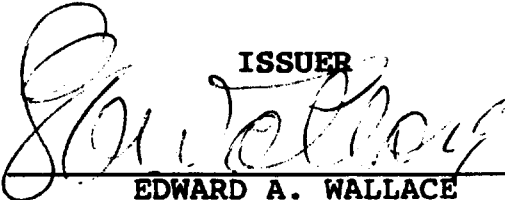
JOHN R. POLONI P. Eng.
Consulting Geologist

CERTIFICATES

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

June 10, 1988

ISSUER




EDWARD A. WALLACE
President, Director and Promoter

ON BEHALF OF THE BOARD OF DIRECTORS

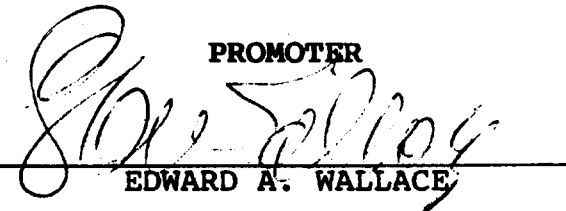


RODERICK IAN MACKAY
Director



ALAN F. WOLRIGE
Director

PROMOTER



EDWARD A. WALLACE

AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

June 10, 1988

CANARIM INVESTMENTS CORPORATION LTD.

By: 