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JOUTEL RESOURCES LIMITED SUMMARY REPORT ON THE REDCLIFF - MONTROSE PROPERTY STEWART AREA, BRITISH COLUMBIA

September 24, 1991

Charles E. Page Joutel Resources Limited

SUMMARY

Joutel Resources Limited holds a 100% interest in eight contiguous Crown Granted claims, plus two claim blocks located in the Stewart area of British Columbia. The property referred to as the Redcliff-Montrose is accessible by road and is underlain by lithologies of the middle Jurassic and upper Triassic Hazelton Group. These rocks host significant precious and base metal deposits in the Stewart Camp including the Premier Silbak, Red Mountain and Eskay Creek deposits.

Seven zones of gold mineralization occur on the property which appear to align in a north-south direction. Highlights of each of the gold zones include:

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Redcliff Zone:
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- contains 2,300 m of underground development
- limited Cu-Au production reported 1910-12 and 1973
- lens of massive sulphides on 700 level reports a 54 foot length, averaging 6.5% Cu, .15 opt Au across a width of 5.6 feet
- recent drill intercepts:
 - .06 opt Au / 5.2 ft - 4.00% Cu,
 - .03 opt Au / 31.5 ft .58% Cu,
 - 1.10% Cu, 1.77 opt Au / 1.3 ft

- Waterpump Zone: surface discovery 1989 -.33 opt Au / 31.1 ft
 - recent drill intercepts:
 - .09 opt Au / 42.9 ft
 - including (.41 opt Au, .22% Cu /3.3 ft)
 - (.63 opt Au, 4.6% Zn /2.3 ft)
 - -.32 opt Au, .51 % Zn / 2.6 ft

Montrose Zone:

- 1939-41 65 tons mined averaging:
 - 2.45 opt Au, 2.95 opt Ag, .91% Cu
 - 3.5 % Pb and 4.41 % Zn
- 1979 surface sampling: .56 opt Au / 8 ft
- 1987 surface sampling: .23 opt Au / 12.5 ft
- recent drill intercepts:
 - .05 opt Au / 47.4 ft
 - including (.27 opt Au / 5.6 ft)
 - .034 opt Au / 55.4 ft
 - including (.14 opt Au / 7.5 ft)

Chimney Zone: - 20 m wide zone of mineralization between Waterpump and Redcliff zones, values up to: 750 ppb Au, .45% Cu, 1.95 opt Ag

- 4 areas of mineralization Waterloo Zone:

> - best assays reported from each area include: .096 opt Au, 2.88 opt Ag, .17% Cu, .47% Zn ii) .056 opt Au, 7.00 opt Ag

iii) 450 ppb Au, 1.4 ppm Ag iv) .20 opt Au

Ridley Road Zone:

400 m length of quartz-sericite alteration with pyrite mineralization, best Au assay 240 ppb

Meadow Zone: - 500 m length of quartz-sericite alteration containing pyrite mineralization, low Au

A 16 hole, 3,200 m diamond drill program is recommended to 1), further evaluate each of the gold zones and 2), test for continuity between the zones.

TABLE OF CONTENTS

		Page		
SUMMARY				
1.0	INTRODUCTION	1		
2.0	LOCATION AND ACCESS	1		
3.0	CLAIM INFORMATION	4		
4.0	PROPERTY HISTORY	4		
5.0	DISTRICT GEOLOGY			
6.0	PROPERTY GEOLOGY	8		
7.0	MINERALIZATION	9		
	7.1 Redcliff Zone 7.2 Waterpump Zone 7.3 Montrose Zone 7.4 Chimney Zone 7.5 Waterloo Zone 7.6 Ridley Road Zone 7.7 Meadow Zone	9 11 12 13 13 14 15		
8.0	CONCLUSIONS AND RECOMMENDATIONS	15		
REFE	16			
CERTIFICATE OF QUALIFICATIONS				
LIST OF FIGURES				
Figur	te 1 Location Map	2		
Figur	ce 2 Stewart Gold Camp	3		
Figur	ce 3 District Geology	7		
Figur	ce 4 Property Compilation	Back Pocket		

1.0 INTRODUCTION

This compilation report summarizes exploration carried out on the property holdings of Joutel Resources Limited located in the Stewart area of northern British Columbia.

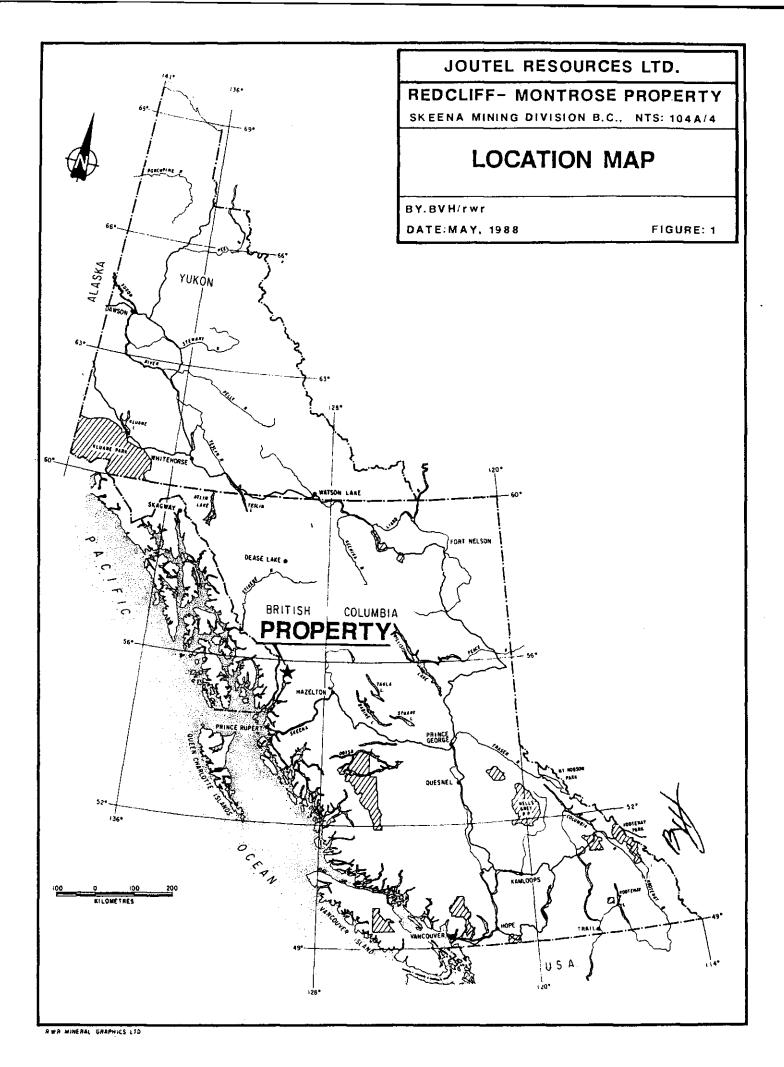
Joutel acquired the property in 1985 and since then has completed three programs of exploration consisting of road construction, prospecting, griding, geological mapping, sampling and 2,535 m of diamond drilling. Total expenditures to date incurred by Joutel on the property amount to approximately \$860,000.

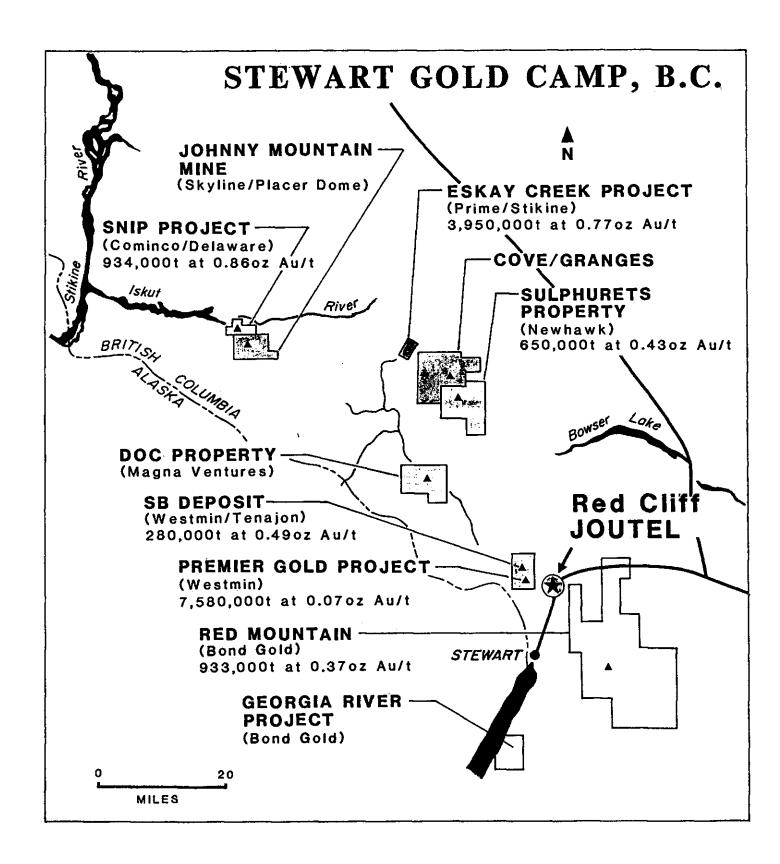
2.0 LOCATION AND ACCESS

The property is located 20 km due north of the town of Stewart, British Columbia. Stewart is located at the north end of the Portland Canal, approximately 800 km north of Vancouver (fig. 1).

The property is located at the junction of Lydden Creek, American Creek and the Bear River. The Stewart-Cassiar highway crosses the southeastern portion of the property providing road access to Stewart. A bush road connects to the highway providing further access to the central portion of the property.

The property is situated in the center of the Bear River Ridge along its eastern flank. Across the ice covered summit of this ridge, immediately to the west, are the Big Missouri and Premier Silbak Mines. The main topographical feature of the property is Lydden Creek. This creek cascades through the central portion of the property, occupying a steep-walled canyon. Although Lydden Creek can be traversed over most of its length, the vicinity of Montrose/Waterpump Zones it is impassable, due to a series of 10 m high waterfalls. South of Lydden Creek is the summit of Mount Bunting (1,450 m) and to the east is American Creek. Between American and Lydden Creek is a small knoll where the relief is not as extreme as else where on the property.





3.0 CLAIM INFORMATION

The property consists of eight contiguous Crown Granted Claims, plus two claim blocks staked under the metric grid system. The claim status is outlined below:

CLAIM NAME	RECORD NUMBER	NO. OF UNITS	EXPIRY DATE
Redcliff	L 75	. 1	
Montrose	L 76	1	
Mount Lyell	L 77	1	
Little Pat Fract	t. L 78	1	
Waterloo	L 79	1	
Mac Fraction	L 86	1	
Dot Fraction	L 87	1	
Last Chance	L 88	1	
Jou	6063	20	March 16/98
Tel	6062	18	March 16/98

4.0 PROPERTY HISTORY

The following represents in point form a summary of the exploration history of the property:

1898 - 1907: property staked and allowed to lapse several times.

1908: property staked by James Lydden et al., open cuts and tunnels evaluated what was termed as a "large body of copper ore", other gold zones were identified.

1908: property sold to the Red Cliff Mining Company of Vancouver.

1909-1912: underground development totalling 7,825 feet carried out on Redcliff Cu-Au zone on five levels. This work included four portals and a 1,410 foot long access tunnel driven below Lydden Creek. In 1910, 1.5 tons of ore shipped to Tyee Smelter reporting 8.25% Cu, 2.44 oz. per ton Ag and \$5 per ton Au. During the period a plant was erected and a railway was constructed to Stewart. In 1912, 1,249 tons of ore was shipped to the Tacoma smelter and an additional 2,239 tons were placed on a stockpile. The results of the first shipment did not warrant further shipments and the Mine closed in October of 1912.

- 1921: acquired by Woods, Wilson, Trites syndicate. Minor work completed on Montrose and Waterloo zones. By 1939 the property was controlled by Wilson through default of the partners.
- 1939: claims purchased from Wilson estate by H. D. Haywood (former Manager of Redcliff Mine). Up to 1941 Haywood partially developed the Montrose zone with an adit, shipping 39 tons of ore averaging 2.68 oz/ton Au, 2.79 oz/ton Ag, .69% Cu, 4.98% Pb and 4.53% Zn.
- 1941: Haywood extracted 11 tons of ore from the 100 level of the Redcliff Mine averaging .26 oz/ton Au, 2.20 oz/ton Ag, 9.23% Cu and 1.09% Zn. In addition 21.3 tons of material averaging 1.91 oz/ton Au, 1.44 oz/ton Ag, 1.50% Cu, 1.80% Pb and 5.3% Zn was high graded from the Montrose Zone.
- 1946: Yale Mining Company optioned the property and sampled the Montrose zone.
- 1950: Yale Lead and Zinc Mines Limited completed 2,000 ft of drilling.
- 1959: property optioned by Oro Fino Mines Limited, completed surface work.
- 1968: became owned by International Mogal Mines Limited through amalgamation with Yale Lead and Zinc Mines Ltd.
- 1972: Citex Mines Ltd. acquired option and with Adam Milling Ltd. processed some 4,154 tons of ore from the Redcliff zone at the nearby Bitter Creek mill.
- 1978 : property purchased from International Mogal Mines by B. L. Carlson.
- 1979 : property visit and sampling carried out by Harbinson Mining and Oil Group
- 1985 : property acquired by Joutel Resources Limited.
- 1986 1990 : exploration completed by Joutel identifying 7 gold zones on property.

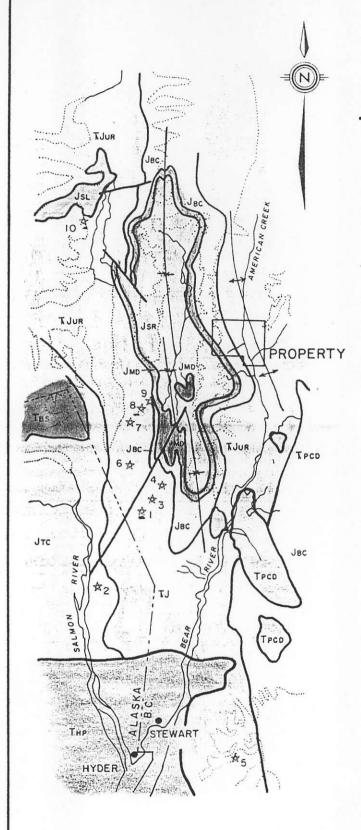
5.0 DISTRICT GEOLOGY

The Stewart District lies in the Stikinia Terrane of the Intermontane Belt. Immediately to the west, but in close proximity to the Coast Plutonic Complex. To the east is the Bowser Basin which overlaps the Stikinia and adjoining Cache Creek Terrane.

The Stikinia Terrane consists of a middle Paleozoic to lower Mesozoic package of eugeosynclinal rocks. In the Stewart District the stratigraphic succession is restricted to middle Jurassic and upper Triassic Hazelton Group rocks. Intruding rocks of the Hazelton Group are a series of Jurassic and Tertiary intrusive rocks (fig.3). In the Stewart area the Hazelton Group is most predominantly represented by the Unuk River Formation consisting of a sequence of thick bedded epiclastic volcanic rocks and lithic tuffs, with associated pillow lavas, carbonate lenses and thin bedded siltstones.

Due to the proximity to the Coast Plutonic Complex the Stewart District is crosscut by a variety of intrusive rocks which include large granodiorite stocks and peripheral dykes and sills. A series of felsic and mafic dyke swarms cut the Stewart District. The largest is the Portland Canal dyke swarm trending east-southeast and dipping steeply to the southeast.

Four periods of deformation has affected the Stewart District. The first phase is represented by a series of tight to isoclinal, westerly plunging recumbent folds. The second period of deformation produced a pronounced foliation associated to much larger, open folds plunging to the north. The third period of deformation is a series of northwesterly plunging structures. Possibly related to this phase of deformation is a major synclinorium which is the dominant structural feature of the District. Major folds related to this period of deformation include the Dillworth Syncline, Spider Anticline, Mitre Syncline, American Creek Anticline and the Mount Bunting Syncline. The fourth period of deformation resulted in the development of eastwest trending lineations and small scale folds or warps.



Adapted from Grove, E.W. 1982 and Alldrick, D.J. 1987

LEGEND:

BOUNDARY STOCK, granodiorite TBS THP HYDER PLUTON; granodiorite, quartz monzonite PORTLAND CANAL DYKE SWARM TPCB SALMON RIVER FORMATION; siltstone, JSR sandstone MOUNT DILLWORTH FORMATION; JMD felsic tuffs, breccias BETTY CREEK FORMATION; siltstones, intermediate tuff, breccia JBC SUMMIT LAKE STOCK; granodiorite JSL TEXAS CREEK BATHOLITH; granodiorite JTC UNUK RIVER FORMATION; intermediate tuff, **X**Jur

Anticline , Syncline



MAJOR MINERAL DEPOSIT

- I. PREMIER SELBAK
-
- 2. RIVERSIDE
- 3. B.C. SILVER
- 4. SEBAKWE
- 5. PORTER-IDAHO
- 6. INDIAN

breccia, flows

- 7. SIVER BUTTE
- 8. BIG MISSOURI
- 9. DAGO HILL
- 10. SCOTTIE GOLD





JOUTEL RESOURCES LTD.

REDCLIFF - MONTROSE PROPERTY
SKEENA MINING DIVISION B.C., NTS: 104A/4

DISTRICT GEOLOGY

BY: BVH/rwr

DATE: MAY, 1988

FIGURE: 3

A series of east - west trending mylonite zones or cataclastic zones cut the district and are believed by some to localize mineralization. In addition to these at least four major and minor, Tertiary faults complicate the area.

Much of the gold mineralization in the District occurs in the Hazelton Group Assemblage. In the Stewart area significant precious and base metal deposits include the Premier Silbak, Big Missouri, Scottie Gold, SB deposit, Porter-Idaho, and the Red Mountain deposit of Bond Gold. Further to the north the Eskay, Sulphurets, Kerr and Skyline deposits also occur in Hazelton Group lithologies.

6.0 PROPERTY GEOLOGY

Most of the property is underlain by the upper Triassic to lower Jurassic Unuk River Formation of the Hazelton Group. The most abundant rock types on the property are a series of dark green to grey-green mafic volcanic tuffs and hematitic mafic volcanic tuffs trending north-south and dipping west. Mafic flows represent a small portion of the stratigraphic package.

Intruding the volcanics are three phases of plutonic rocks. The oldest is an elongated, north-south trending feldspar porphyry body which appears related to mineralization of the Ridley Road Zone. The second phase are a series of quartz monzonite and diorite dykes assumed part of the Portland Canal Dyke Swarm. These west-northwest trending dykes are prevalent near the Montrose and Redcliff mineralization. The third phase is represented by small, northeast trending hornblende porphyry dykes.

Although up to four periods of folding and five episodes of faulting have been identified in the Stewart area, the overall structure of the property appears relatively simple. Faulting has played the major role with a series of north-south trending normal faults in and paralleling Lydden Creek. Perpendicular to these are a series of east-west trending faults in the vicinity and possibly separating the Montrose and Waterpump gold zones.

7.0 MINERALIZATION

Seven distinct zones of gold mineralization has been identified on the property to date (fig. 4). These zones appear related to areas of quartz-sericite alteration which align parallel to faulting making them partially conformable to stratigraphy.

The mineralized zones can be subdivided into three categories in terms of mineralogy and texture. The first is the mineralization of the Redcliff, Waterpump, and Chimney Zones which is composed of a coarse grained aggregate of pyrite and chalcopyrite. The second is the mineralization of the Montrose and portions of the Waterloo Zones, where sphalerite and galena are present with pyrite, quartz and sericite. The third is the Ridley Road and Meadow zones where pyrite is fine grained and the host rock is altered to quartz and sericite.

Descriptions and exploration results of each gold zone are discussed below. A compilation map (fig. 4) outlining the location and highlights of each zone is enclosed at the back of this report.

7.1 Redcliff Zone

The Redcliff Zone is the site of an old copper mine operation dating back to 1908. Located on a steep canyon wall, west and 30 m above Lydden Creek this zone has been developed by over 2,300 m of underground workings on five levels from 4 portals. Mapping in the area of this zone identified a large body of quartz monzonite intruded into units of chloritic mafic tuffs and cut by a series of southeasterly striking diorite dykes. The mineralization consists of irregular veins and pods of massive pyrite-chalcopyrite which are hosted in a matrix of quartz. Surrounding the mineralization is a poorly developed zone of sericite alteration. The mineralization is present along shears which are orientated in an east-west direction and steeply dipping. The bulk of the mineralization occurs in the chloritic mafic tuffs.

From 1910-12 production from the Redcliff Zone amounted to approximately 1,250 tons estimated to average 5% Cu. In 1972 some 4,154 tons of ore was sent to a local 125 ton/day mill on Bitter Creek. In 1973 the 700 foot level of the mine was rehabilitated, sampled and partially open stoped. Here 4 lenses of copper - gold mineralization were identified, the best lens measured 54 feet long, 5.6 feet wide and averaged 6.5% Cu and .15 ounces per ton gold. The only reserve estimate reported for the Redcliff Zone was by mining engineer J. L.Parker in 1912. He estimated 20,789 tons of sorted ore averaging 3.19% Cu and 0.083 ounces per ton gold.

Between 1988-90 Joutel completed four holes on the Redcliff Zone. Holes 88-R-1 and -2 tested the northwest, depth extension of the mineralization encountered on the 700 foot level. Hole 88-R-1 intersected two zones of intense sulphide-quartz veining. The first zone occurring between 96.2 to 103 m, measuring 6.8 m (22.3 ft.), contains up to 25-50% pyrite, 30-40% quartz and 3% chalcopyrite. The best assay interval from this zone returned .95 % Cu and 496 ppb gold over 2.1 m (6.9 ft.). The second zone between 152.6 to 157.4 m, measuring 4.6 m (15.1 ft.), contains up to 40% pyrite and 15% chalcopyrite. The best interval from this zone assayed 4.00 % Cu and 0.062 ounces/ton Au across 1.6 m (5.2 ft).

Hole 88-R-2 drilled beneath 88-R-1 encountered two zones of Cu - Au mineralization. The first zone from 72.7 to 75.3 m represents an increase in pyrite mineralization with chlorite alteration. This zone averaged .22% Cu and 200 ppb gold over 2.6 m (8.5 ft.). The second zone is a series of quartz, pyrite, chalcopyrite veins between 243.7 and 253.3 m. This zone averages .58% Cu and .03 ounces/ton Au over 9.6 m (31.5 ft.) and appears to correlate with the second zone in hole 88-R-1.

Hole 88-R-3 drilled to intersect a southeastern extension of the Redcliff Zone encountered no significant mineralization.

Hole 90-3 was drilled 30 m north of 88-R-1 and -2 to intersect the possible extension of the sulphide-quartz vein system encountered in hole 88-R-2. The mineralization was not intersected suggesting a plunge or strike change. This hole however, did intersect a new quartz-sulphide vein between 8.8 to 9.2 m assaying 1.77 ounces/ton Au, 1.1% Cu across .4 m (1.3 ft.).

7.2 <u>Waterpump Zone</u>

In 1987 rock sampling revealed the presence of the Waterpump Zone located approximately 1 km north of the Redcliff Zone, on the south canyon wall of Lydden Creek. Although gold assays to 5 ounces/ton had previously been reported in this area, detailed sampling was never carried out due to poor access. The Waterpump Zone is represented by pyrite mineralization hosted in an altered sericitic mafic volcanic adjacent to a 2 m wide diorite dyke. Detailed chip sampling of this zone returned assays of .202 ounces/ton Au across 3.3 m west of the dyke and .619 ounces/ton across 4.2 m east of the dyke. The weighted average of the zone including the unsampled dyke portion is .33 ounces/ton across 9.5 m (31.1 ft).

In 1988, one hole (88-R-4) was collared south of the Waterpump Zone to intersect the surface mineralization. This hole encountered a mineralized section between 122.6 and 155.5 m (32.9 m), containing finely disseminated pyrite and quartz-pyrite-chalcopyrite-sphalerite veinlets. The interval between 141.9 to 155.0 m shows a marked increase in the frequency of veining resulting in a weighted gold average of .09 ounces/ton across 13.1 m (42.9 ft.). Included in this interval are two samples of mineralized quartz veins which assayed .41 ounces/ton Au, .22% Cu across 1 m (3.3 ft) and .63 ounces/ton Au, .31% Cu and 4.6% Zn across .7 m (2.3 ft).

Due to the lack of survey control points and differences in the style of mineralization it is believed that hole 88-R-4 did not reach the intended target. Two holes in 1990 were drilled to further evaluate this zone. Hole 90-1 was collared approximately 50 m south of the surface sampling and intersected various zones of silicification. The best zone, 44.3 to 45.1 (.8 m), contains massive pyrite veins assaying .10 ounces/ton Au, .90 ounces/ton Ag and .13% Cu across 2.6 ft. Hole 90-2 collared approximately 100 m south of the surface sampling returned a best intersection of .32 ounces/ton Au and .51% Zn across 2.6 ft. This intersection, at 73.4 to 74.2 m (.8 m), contains a series of quartz veins mineralized with pyrite and sphalerite.

7.3 Montrose Zone

The Montrose Zone consists of two pyritic, gossan zones located on the north canyon wall of Lydden Creek, across from and 50 m west of the Waterpump Zone. Reference to this zone was first noted in 1909 during the early development of the Redcliff Zone. At that time limited sampling reported high gold and low copper values. Two short adits occur on this zone, the largest extending for 17 feet. Records indicate that between 1939-41 some 65 tons of material was extracted from the Montrose Zone averaging 2.45 ounces/ton Au, 2.95 ounces/ton Ag, .91% Cu, 3.5% Pb and 4.41% Zn.

The Montrose Zones cover an area on the canyon wall of 25 x 35 m. The two gossan zones, separated by an easterly dipping fault, are composed of disseminated to massive pyrite in an alteration zone of quartz, sericite and carbonate. Locally quartz filled fractures contain appreciable amounts of galena and sphalerite. Hosting the mineralization is altered mafic tuff cut by diorite dykes.

Sampling of the East Montrose Zone in 1979 reported the following intervals, .56 ounces/ton Au over 8 ft. on top of the zone, .94 ounces/ton Au over 8 feet above the portal of the main adit, and .30 ounces/ton Au over 22 feet along the length of the zone. Limited sampling along the top of the West Montrose Zone returned .17 ounces/ton Au across 14 feet. In 1987 sampling of the adit area of the East Montrose Zone produced a weighted average of .231 ounces/ton Au across 3.8 m (12.5 ft).

In 1987 three drill holes attempted to intersect and extend the Montrose mineralization some 50 m to the north. Due to the steep topography, the optimum drill locations to test the zone could not be utilized. All three holes intersected a mafic volcanic breccia unit cut by a series of pyrite-quartz veins and veinlets containing varying degrees of chalcopyrite and sphalerite.

The first hole 87-M-1, reported anomalous gold values averaging 150 ppb between 125.1 to 148.7 m. This 23.6 m (77.4 ft) section contained a best assay of .043 ounces/ton across .8 m (2.6 ft). Hole 87-M-2 intersected the mineralized unit between 175.6 to 190.0 m (14.4 m). This section averaged .05 ounces/ton Au across 14.4 m (47.2 ft) which included a 1.5 m of unsampled material. Within this section a best assay of .27 ounces/ton Au and .2 % Cu across 5.6 ft. was recorded from a quartz-chalcopyrite-sphalerite vein. Hole 87-M-3 cut the mineralized unit at 153.2 to 169.5 m, averaging .034 ounces/ton Au across 16.3 m (53.47 ft.). This section included a 4.9 m section of unsampled material. The best assay interval in this section averaged .14 ounces/ton Au across 2.4 m (7.5 ft), at 153.2 to 155.5 m in the hole.

7.4 Chimney Zone

The Chimney Zone is a pronounced gossan located on the west side of Lydden Creek between the Redcliff and Waterpump Zones. The mineralization here consists of pyrite veins in a 2-3 m wide diorite dyke. Vein and disseminated pyrite, chalcopyrite mineralization also occurs along the margins the dyke and into the mafic tuff country rock. Overall the width of the mineralized zone is 20 m. Assays from this zone report anomalous gold values in all sulphide bearing samples. The highest values recorded from 14 samples is 750 ppb Au, .45% Cu and 1.95 ounces/ton Ag.

7.5 Waterloo Zone

The Waterloo Zone located north of the Montrose Zone represents four areas of quartz-sericite alteration and pyrite mineralization over a strike length of approximately 400 m. The first area consists of a series of three gossan zones, measuring 30 x 60 m, located along a cliff face approximately 250 m northwest of the Montrose Zone. These gossans contain coarse grained disseminated pyrite with local silicification and sericitization. Previous sampling of these zones in 1979 returned anomalous gold values ranging from 50 ppb to .096 ounces/ton, silver values of .03 to 2.88 ounces/ton, .17% Cu and .47% Zn.

The second area of mineralization is located 100 m east and along trend. It represents an area measuring 20 x 40 m containing several quartz-pyrite veins and shear zones. Here gold values range between 56 to 540 ppb with a high of 1920 ppb. Associated with the higher gold values is copper ranging from 167 ppm to .62 % . Silver values up to 7 ounces/ton are also reported from this area.

The third area of mineralization is a large gossan outcrop located a further 150 m northwest. This gossan zone is cut by an easterly trending fault and contains a 1 m wide quartz-chlorite-pyrite zone. Limited sampling from this zone reports anomalous values of 450 ppb Au, 1.4 ppm Ag, 329 ppm Cu and 702 ppm Zn.

The fourth area of mineralization is located at the extreme northeast portion of the grid. Here a series of oxidized, .2 to .5 m wide shear zones contain pyrite. Sampling of these shears returned gold assays of .20 and .05 ounces/ton.

7.6 Ridley Road Zone

The Ridley Road Zone occupy the Lydden Creek valley floor in the southern portion of the property. During road construction to the Montrose area mineralization was encountered in a series of outcrops to the east of Lydden Creek. This mineralization referred to as the Ridley Road Zone has been traced over 400 m and appears spatially associated to a thick, north-south trending dike-like body of feldspar porphyry. The mineralization consists of 1-5% finely disseminated pyrite and veined pyrite hosted by a altered, sericitic mafic volcanic. Silicification and carbonatization has accompanied the sericitization resulting in stockworks of crosscutting quartz veins. Surface sampling of this material returned anomalous gold values to 290 ppb.

Three drill holes tested the central portion of this zone intersecting two areas of sericite-quartz/breccia-pyrite alteration measuring 12 to 24 m in width. This mineralization is separated and appears spatially related to a 7 m thick feldspar porphyry body (dyke). Sampling returned only anomalous gold values to 145 ppb.

East of the Ridley Road Zone a 10 cm wide massive barite vein was traced for 30 m on surface. This barren vein has an oblique attitude to the Ridley Road Zone.

7.7 Meadow Zone

Discovered during road building and geological mapping the Meadow Zone has been traced for 500 m. This zone has a similar appearance and style of alteration/mineralization as the Ridley Road Zone. Trenching on the southern portion of this zone exposed a 20 m wide area of sericite alteration. In the center of the alteration is a 2 m wide mineralized zone containing 10 to 15% quartz veins plus 1 to 5% pyrite. Gold assays returned from trenching this zone were low, the best reported 34 ppb.

8.0 CONCLUSIONS AND RECOMMENDATIONS

The seven gold zones trend in a north-south direction and appear controlled by a series of faults and shear zones. East-west striking dykes also localize the mineralization. The spatial relationship between the Redcliff, Chimney, Waterpump, Montrose and Waterloo suggest that these zones align and could represent a continuous trend of mineralization. The offset of the Waterloo, Montrose and Waterpump Zones is a result of east-west faulting.

To further evaluate the individual zones and test for continuity between the zones a 16 hole, 3,200 m diamond drill program is recommended. This program proposes drilling a minimum of two holes on each of the Redcliff, Chimney, Waterpump, Montrose and Meadow zones and four holes on the Waterloo Zone. Single holes are also proposed for the areas between the Chimney and Redcliff Zones, and the Chimney and Waterpump Zones. As part of this drilling program the preparation and blasting of drill pads would be necessary on a number of the drill setups. The estimated cost for the total program is approximately \$ 600,000.

REFERENCES

- Hall, B. V., 1988: Report on Geological Mapping, Soil Geochemistry and Diamond Drilling on the Jou (6063) and Tel (6062) Claims, Skeena Division, B.C.
- Hall, B. V., 1989: Report on Work Completed in the 1988 Field Season, Redcliff-Montrose Property, Stewart British Columbia.
- Hall, B. V., 1991: Report on the 1990 Diamond Drill Program Redcliff-Montrose Property, Stewart, British Columbia.

CERTIFICATE OF QUALIFICATION

I, Charles E. Page, of 1454 Westbury Avenue, in the City of Burlington, in the Province of Ontario.

DO HEREBY CERTIFY:

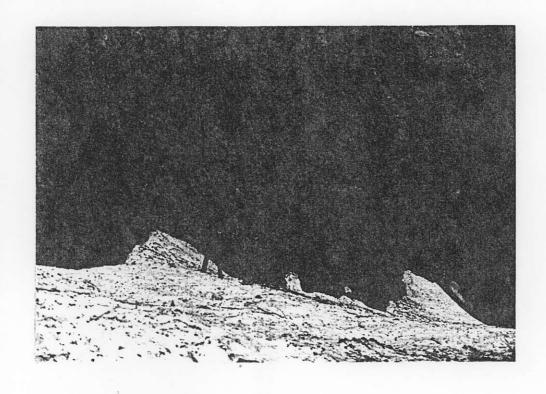
- 1. THAT I am a graduate of Brock University (1975) with the degree of Bachelor of Science (B. Sc.) with Honours in Geological Sciences, and of the University of Waterloo (1983) with the degree of Master of Sciences (M. Sc.) in Earth Sciences.
- 2. THAT I am a Fellow of the Geological Association of Canada.
- 3. THAT I have been practising my profession as Geologist and engaged in exploration since 1975.
- 4. THAT I have examined the property and supervised the work carried out in this report.

Charles E. Page, M. Sc., FGAC

President

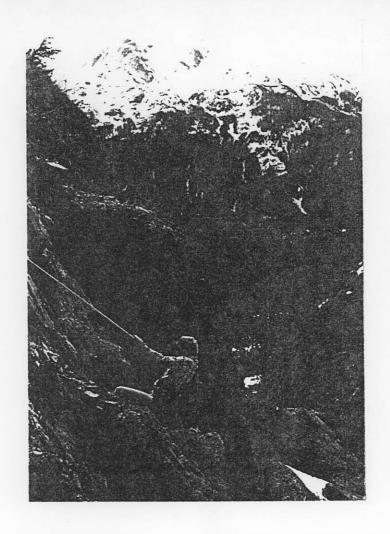
Joutel Resources Limited

September 24, 1991





MONTROSE GOLD ZONE





MONTROSE GOLD ZONE

