INTRODUCTORY REPORT

ON

THE TREASURE MOUNTAIN PROPERTY

NORTHWESTERN B.C., CANADA

NTS 103 - I/8

54° 29' N.Lat., 128° 04' W.Long.

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SUMMARY

The Treasure Mountain Property, plays host to a significant (35 times background), mercury geochemical anomaly which warrants follow up exploration for an epithermal or volcanogenic massive sulphide ore deposit. Heavy sulphide mineralization has been observed by previous workers (Sadlier-Brown & MacNeill) within the Lower Jurassic dacitic and andesitic volcanics of the Hazelton Group which underlie the property .

The Treasure Mountain Property, located 35 km east of the city of Terrace, NW B.C. lies at the boundary between the Coast Plutonic Complex and the Intermontane Belt. The property is surrounded by several nearby gold and base metal deposits (see Fig.2), most notably:

(a) The Kelly Creek copper deposit of Imperial Metals Corp. which hosts **601,000 tonnes grading 2.23% copper and 45.94 grams per tonne silver (1.33 oz Ag/ton).**

(b) The Dardanelle gold deposit of Univex Mining Corp. Ltd. hosting **181,440 tonnes grading 7.5 grams per tonne gold (0.22 oz Au/ton) and 17.1 grams per tonne silver (0.50 oz Ag/ton).**

(c) The Northwest copper deposit hosting 45,000 tons **grading 2% copper.**

A five stage program comprising the following is recommended:

1) an orientation stream geochemical survey at a cost of $4400,

2) a stream geochemical survey a cost of $4950,

3) follow up stream and soil sampling

4) ground geophysics over anomalous areas

5) diamond drilling conditional upon previous results

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THE TREASURE MOUNTAIN PROPERTY - NTS 103I/8

INTRODUCTION

The Treasure Mountain Property comprises two contiguous four post mineral claims: TM-1 and TM-2 totalling 36 units (see Fig.2) recorded in the name of the author.

The property is located in the OK Range of the Hazelton Mountains, northwestern B.C., at the eastern margin of the Coast Plutonic Complex (see Figs.1 & 2). The property is hosted by Lower Jurassic volcanic rocks of the Hazelton Group.

The mercury geochemical anomaly (see Fig.2) comprising a stream sediment sample that graded 700 ppb mercury, has been compiled from the British Columbia Geological Survey (BCGS), Regional Stream Sediment and Water Geochemical Reconnaissance Database.

LOCATION AND ACCESS

The Treasure Mountain Property is located 35 km east of the city of Terrace, within the Omineca Mining Division in northwestern British Columbia, Canada (see Fig.1). Local relief is moderate with elevations ranging from 240 - 1220 metres (800 - 4000 feet) above sea level.

Access is available from Terrace by travelling 6 km east along Highway 16 to the Copper River Logging Road on the south shore of the Zymoetz River. At kilometre 30, an access road leads north to the old washed out bridge east of Salmon Run Creek. A boat or canoe is required to cross the Zymoetz River except during very dry periods in July.

The southern and central portions of the claim group have been logged and enjoy good access via logging roads as well as the access road to the Treasure Mountain Microwave Relay Tower.

The property has excellent infrastructure. The B.C. Hydro Power Line crosses the property at the southern end of claim TM-2, while the Pacific Northern Gas Pipeline passes less than 200m from the south boundary of claim TM-2.

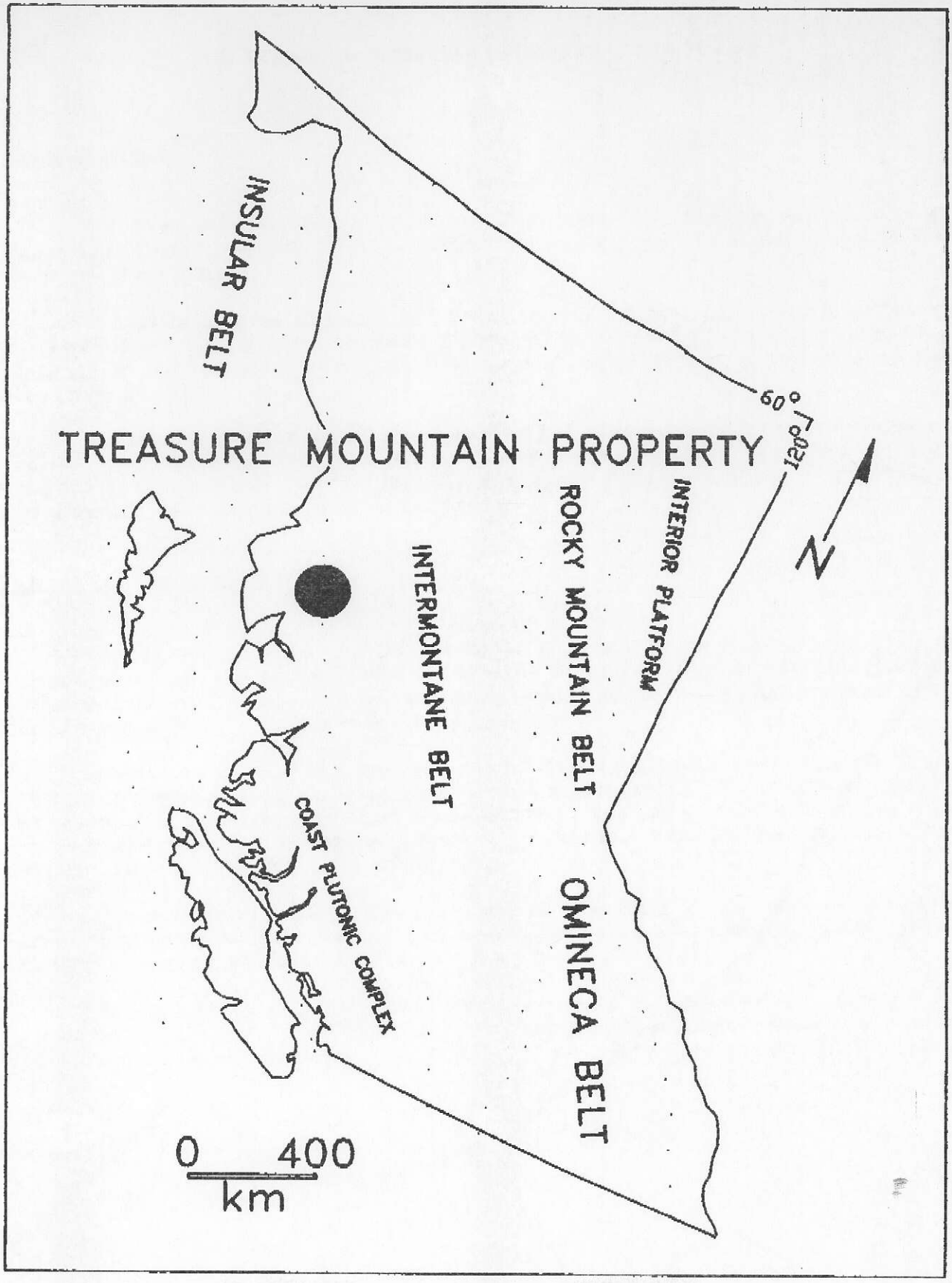
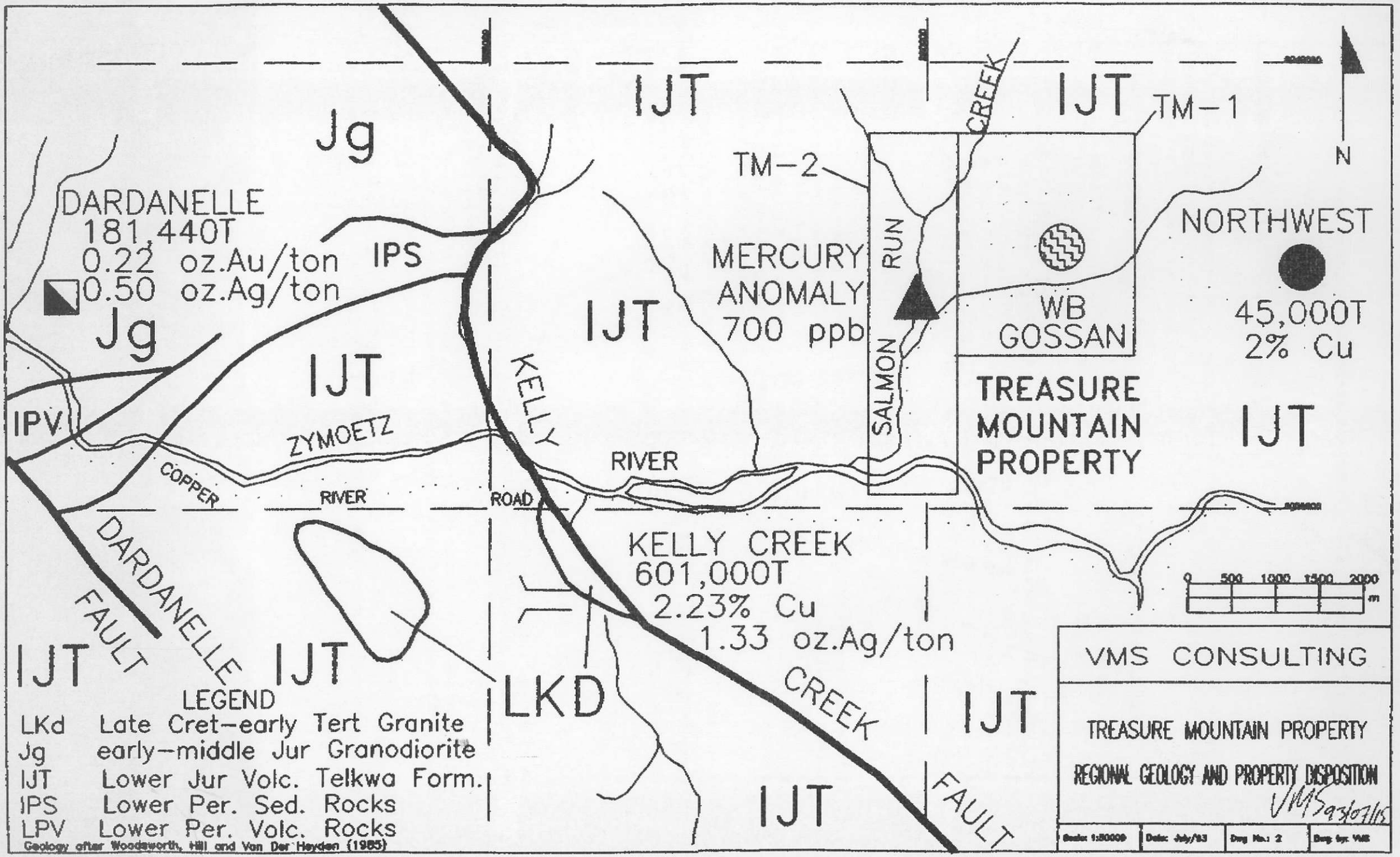


Figure 1. Property Location Map



LAND TENURE AND PREVIOUS WORK

The Treasure Mountain Property comprises two contiguous, four post mineral claims (TM-1, TM-2) totalling 36 units located within the Omineca Mining Division of B.C. The claims are recorded in the authors name.

Claim	Tag no.	# of Units	Anniversary Date
TM-1	118881	20	July 12,1994
TM-2	118882	16	July 12,1994

1972 Metron Explorations Ltd. performed geological mapping on the SW portion of claim TM-1. Heavy pyrite mineralization *"in several zones of alteration and silicification"* (Sadlier-Brown & MacNeill) were observed. Scarcity of outcrop, particularly in the areas of low relief in the south hampered their efforts.

GEOLOGY

The Treasure Mountain Property is located at the western margin of the Intermontane Belt (see Fig.1). The property is underlain by Lower Jurassic calc - alkaline basaltic and andesitic rocks of the Telkwa Formation. The volcanic rocks trend north - northeast, dip steeply east and appear to young (on a regional basis) to the east. Northeast - east trending topographic linears represent probable fault or joint sets (see Fig.2).

The scarcity of outcrop prevented previous workers from detailed mapping and prospecting. The heavily pyritized WB gossan showing, located in a road cut in the central portion of claim TM-1, consists of silicified, light grey to buff feldspar porphyry (dacite?) and greenish - grey andesite porphyry.

GEOCHEMISTRY

Mercury is well known as a pathfinder element for sulphide ores (Hawkes and Webb 1962), particularly for complex Pb-Zn-Au-Ag deposits such as the Eskay Creek Deposit.

The Treasure Mountain mercury geochemical anomaly (TMMGA) is made up of a stream sediment sample (787755) collected in 1978 from Salmon Run Creek, that contained 700 ppb mercury (see Fig.2).

From a population of 874 samples, the median value for mercury in stream sediments in the eastern portion of NTS 103I, is 20 ppb with a threshold value

GEOCHEMISTRY (cont.)

of 100 ppb (see Fig.3). The data is derived from the British Columbia Geological Survey, Regional Stream Sediment and Water Geochemical Reconnaissance Database.

The TMMGA, with mercury levels that are 35 times background value and seven times the threshold value, is a very significant anomaly that warrants further geochemical exploration.

The Treasure Mountain mercury anomaly is very similar to those of the Pb - Zn deposits of the Fergansk Karatau district in Turkestan. Ozerova (1959) reported background mercury values of 10 ppb Hg with anomalies ranging from 50 - 500 ppb Hg at the Karaotek and Bezymyannoye deposits.

ECONOMIC GEOLOGY

The Treasure Mountain Property is surrounded by numerous deposits and occurrences of gold and copper. The most notable are: The Kelly Creek copper deposit, the Dardanelle gold deposit and the Northwest copper deposit (see Fig.2).

The Kelly Creek copper deposit of Imperial Metals Corp. hosts **601,000 tonnes grading 2.23% copper and 45.94 grams per tonne silver (1.33 oz Ag/ton)** in its Upper Showing which has been explored by diamond drilling and a 569 foot adit (EMPR Ass.Rpt. 2394).

The Dardanelle gold deposit of Univex Mining Corp. Ltd. contains **181,440 tonnes grading 7.5 grams per tonne gold (0.22 oz Au/ton) and 17.1 grams per tonne silver (0.50 oz Ag/ton)** and has been developed by numerous adits and a shaft (MINFILE# 103I 107).

The Northwest copper deposit hosting **45,000 tons grading 2% copper** has been developed by trenching and diamond drilling (Campbell).

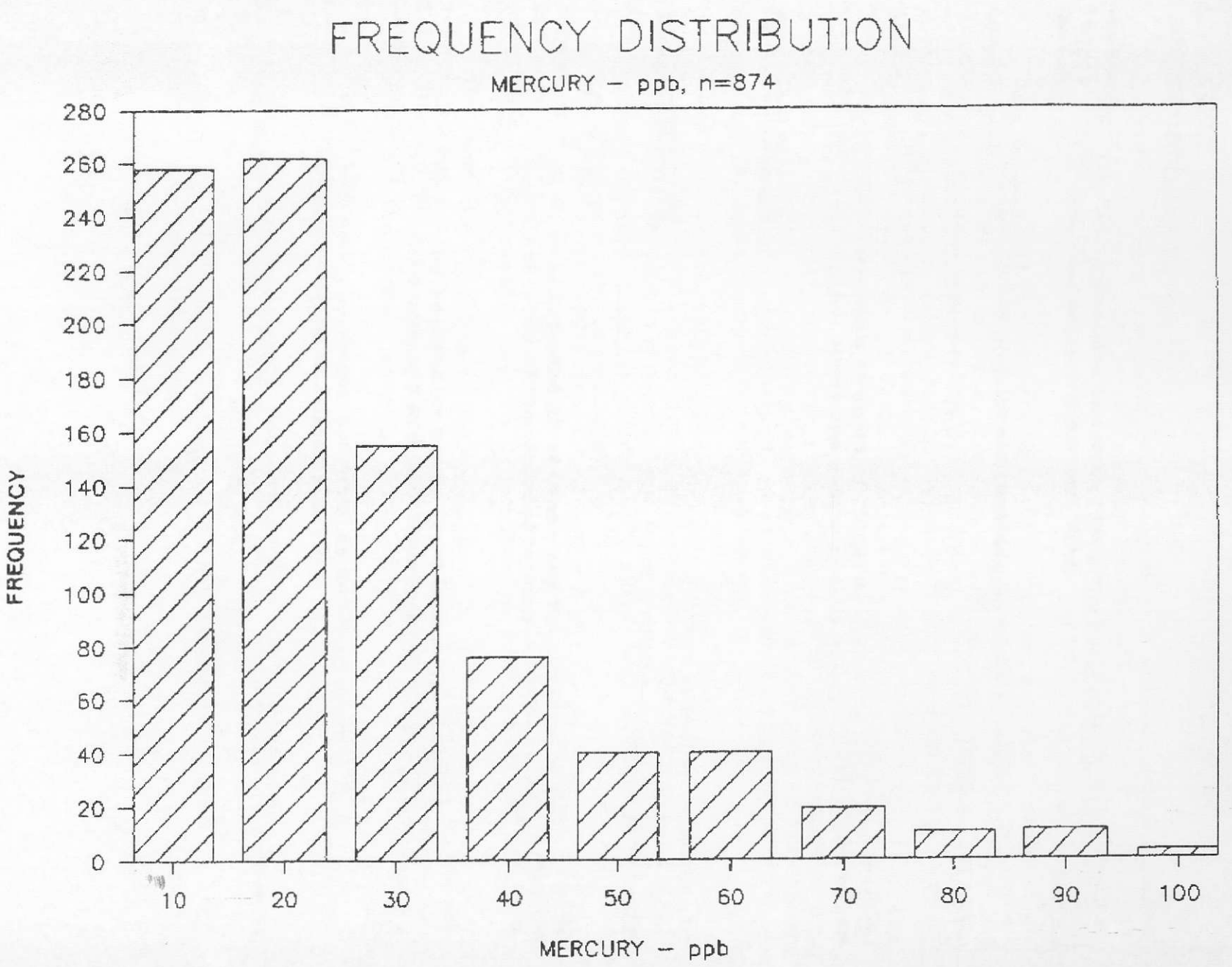


FIG. 3

CONCLUSIONS

A significant geochemical anomaly comprising a stream sediment sample with a mercury content that is 35 times the background value and 7 times the threshold value for the region has been discovered in an area with numerous gold and base metal deposits and occurrences.

The Treasure Mountain Property presents an excellent exploration target for epithermal and possibly volcanogenic massive sulphide deposits.

The scarcity of outcrop has hampered past prospecting efforts. A more modern and systematic exploration effort is justified in order to follow up on this attractive target.

The Treasure Mountain Property is located in an area which has already been developed by logging. Environmental concerns and permitting processes should fairly straightforward. The area enjoys superb infrastructure (hydro and natural gas), an abundant water supply, a large flat area in its south central portion for accommodating further development and a local level of government which welcomes resource development.

RECOMMENDATIONS

A five stage exploration program, with each stage conditional upon the results of the previous is recommended.

1) Perform an orientation stream sediment geochemical survey in the immediate area of the anomalous sample in order to confirm the BCGS results and to determine the best means of follow up sampling.

2) Using the results of Stage 1, perform a geochemical survey on Salmon Run Creek to determine the source of the mercury anomaly.

3) Follow up sediment and soil sampling on anomalous areas outlined in Stages 1 and 2.

4) Ground geophysics (Mag, VLF and I.P.) over anomalous areas defined by stages 1,2 and 3.

5) Diamond Drilling conditional upon the results of the previous four stages.

BUDGET PROPOSAL

STAGE 1: **Orientation stream geochemical survey.**

40 samples @ 50m intervals.	
Two men: 4 days @ $350/day	$1400
Analytical and shipping costs: 40 samples @ $20	$800
Transportation (incl. boat rental): 4 days @ $50/day	$200
Airphoto coverage	$300
Supplies	$600
Interpretation and report writing: 2 days @ $250/day	$500
Office expenses: materials, long distance calls	$200
Subtotal	$4000
Miscellaneous @ 10%	$400
Stage1 Total	$4400

STAGE 2: **Geochemical survey - Salmon Arm Creek**

60 samples @ 50m intervals	
Two men: 6 days @ $350/day	$2100
Analytical and shipping costs: 60 samples @ $20	$1200
Transportation (incl. boat rental): 6 days @ $50/day	$300
Supplies	$200
Interpretation and report writing: 2 days @ $250/day	$500
Office expenses: materials, long distance calls	$200
Subtotal	$4500
Miscellaneous @ 10%	$450
STAGE 2 Total	$4950

* Costs for Stages 3,4 and 5 are conditional on the results of Stages 1 and 2.

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Kindle, E.D., GSC Memoir 205, Mineral Resources of the Terrace Area

MINFILE, 103I 159, 103I 170

Sadlier-Brown, T.L. and MacNeill, R.J., Geological Report on the W.B. Claims

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