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Geological Evaluation Report

on the

RAMBLER and Pt. Fr PROPERTIES

for

MERIT RESOURCES LTD.

Similkameen M.D.

N.T.S. 92H/10W

April 29, 1986
Vancouver, B.C.

L. Sookochoff, P.Eng.
Consulting Geologist

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Geological Evaluation Report
on the
Rambler and Pt. Fr Properties
for
Merit Resources Ltd.

SUMMARY

MERIT RESOURCES LTD. holds two properties in the Tulameen area of south central British Columbia one of which has a history of limited production of gold bearing quartz and of gold and platinum from placer deposits.

The Rambler property of Merit Resources consists of three claims and is within an area of previous exploration and limited development. The Laws' Mining Camp to the northwest of the Rambler property was explored for gold and base metal mineralization by shafts and adits. Gold values are reported as .06 oz Au/ton and .14 oz Au/ton associated with contact metamorphic limestone zones and schists of the Nicola Group.

On the Rabbitt Property, adjacent and north of the Rambler workings explore mineral deposits occurring in volcanic rocks of the Nicola Group. Quartz veins or lodes up to "six feet" wide contain sulphides and free gold. From recent exploration on the Rabbitt gold values are reported up to 1.22 oz Au/ton in trenches and "1.3 feet of 1.72 oz Au/ton" from drill hole intersections. The workings are approximately 1.5 km north of the Rambler workings.

The Rambler workings consist of two drifts - one of which is caved - which explore a quartz vein up to 2.44 meters wide. The vein is associated with rhyolite and argillite of the Nicola rocks. The vein is northerly striking and has reportedly been traced for "over 1200 feet horizontally and a vertical height of 850 feet".

The vein was sampled at irregular intervals from an exposed length of 22 meters within the upper drift. The samples returned from 2 to 620 ppb Au. The argillite adjacent to the vein returned up to 120 ppb Au.

On the Pt. Fr property of Merit Resources previous exploration disclosed that the claim is underlain by a highly serpentized zone with a peripheral peridotite zone. It is reported that altered to highly serpentized peridotite zones contain proven native platinum values. The Canadian Dept. of Mines reports that localized values of almost 2 oz Pt/ton may be achieved. Two geochem samples from the Pt. Fr. property returned 685 ppb Pt.

It is concluded that both properties are underlain by favorable geology for the location of economic mineralization. The potential of the Rambler property for the location of gold mineralization is in association with volcanic-sedimentary zone where gold mineralization in addition to occurring irregularly with quartz veins may occur in more consistent degrees within the rhyolitic to dacitic greenstones. Shear zones commonly occur along the sedimentary-volcanic contact zones and therefore geophysical surveys should detect the shear zones and potential mineralization in areas of overburden. Detailed mapping would also be required to locate favorable zones to gold mineralization.

On the Pt. Fr Property the potential for possible economic platinum mineral zones would be in the highly serpentized areas known to occur on the property.

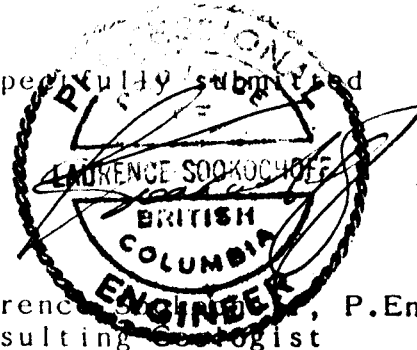
The platinum association would occur with chromite which is also known to occur in the immediate area.

RECOMMENDATIONS

It is recommended that a two stage exploration program estimated to cost \$125,000 be carried out on the Rambler and Pt. Fr properties of Merit Resources Ltd.

It is also recommended that Merit Resources Ltd. allocate \$40,000 to the execution of the first stage program comprised of geological mapping, sampling, VLF-EM and magnetometer surveys, trenching and sampling.

Respectfully submitted



Laurence Sookchoff, P.Eng.
Consulting Geologist

April 29, 1986
Vancouver, B.C.

Geological Evaluation Report
on the
Rambler and Pt. Fr Properties
for
Merit Resources Ltd.

INTRODUCTION

At the request of W. McKee of MERIT RESOURCES LTD. the writer prepared the following report on the geological potential of the Rambler and Pt. Fr properties for the containment of economic mineral zones.

The information for the report was obtained from sources as cited under references and from a personal property examination carried out on the Rambler property on April 15, 1986. The Pt. Fr property was not examined due to snow cover.

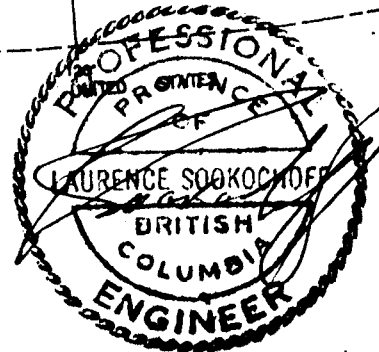
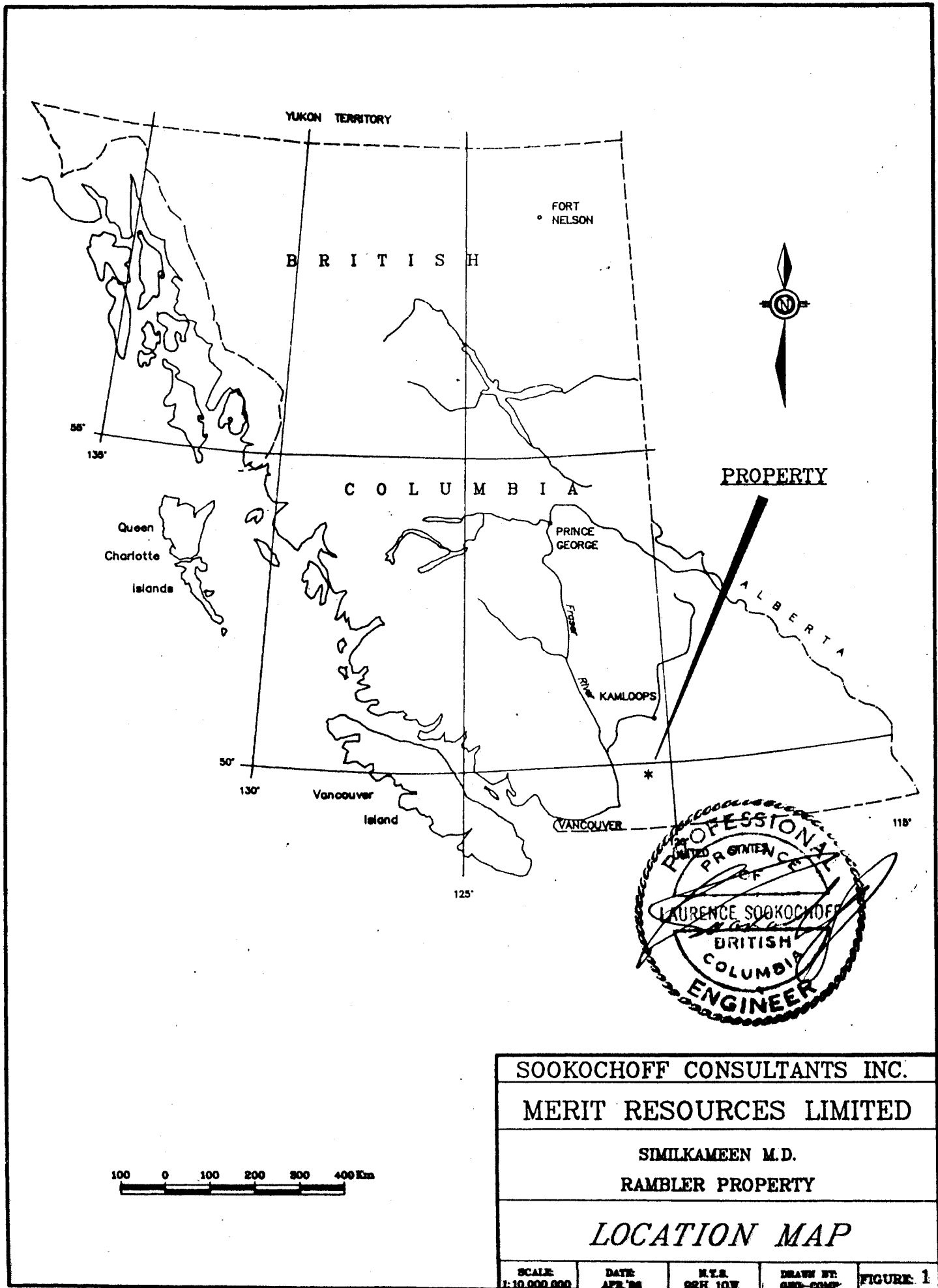
PROPERTY

The Rambler property is comprised of three claims consisting of one reverted crown grant and two located claims. Particulars are as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Rambler (Reverted Crown Grant)	2528	Jan. 10, 1987
E	2516	Jan. 10, 1987
R	2517	Jan. 10, 1987

The Pt. Fr property is comprised of one fractional claim. Particulars are as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Pr. Fr	2518	Dec. 27, 1986



SOOKOCHOFF CONSULTANTS INC.			
MERIT RESOURCES LIMITED			
SIMLKAMEEN M.D.			
RAMBLER PROPERTY			
<i>LOCATION MAP</i>			
SCALE 1:10,000,000	DATE APR '86	R.T.S. GSH 107	DRAWN BY: GSH-COM* FIGURE: 1

LOCATION Rambler 120°52'W 49°33'N
Pt. Fr 120°53'W 49°32'N

The two properties are located eight and eleven kilometers west of Tulameen. The Rambler which is located on the southern slopes of Grasshopper Mountain covers and extends northward from the Tulameen River valley. Tulameen is located 21 km north of Princeton. Princeton is situated on the Southern Trans Provincial Highway some 300 km east of Vancouver. The Pt. Fr is on the north slopes of Olivine Mountain to the south of Tulameen River near the junction with Britton Creek.

ACCESS

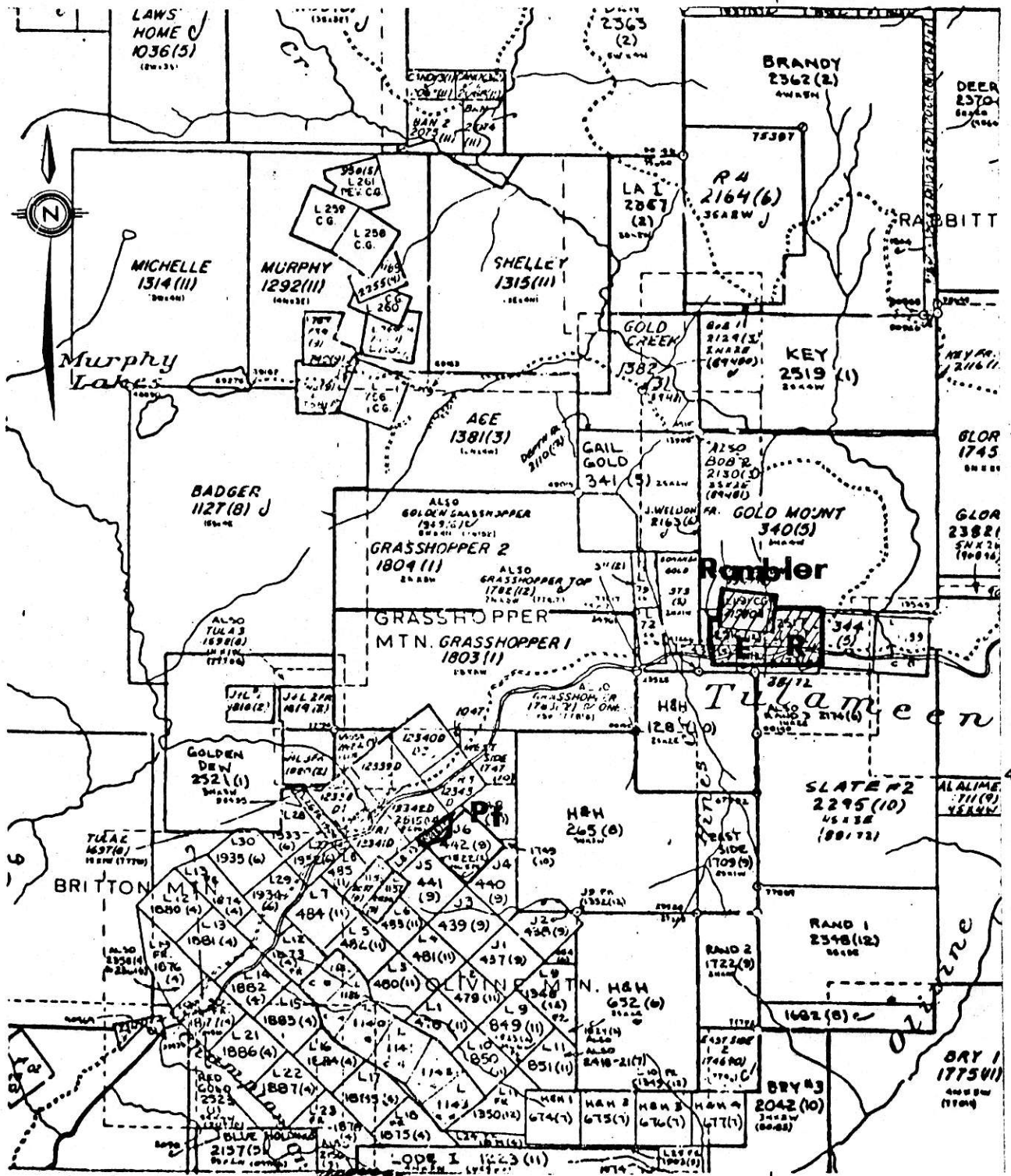
Excellent access is provided by all weather gravel surfaced road from Tulameen which parallels Tulameen River. The Tulameen road passes through the Rambler property and is within one km of the Pt. Fr property.

TOPOGRAPHY

Moderate to steep brush covered and forested slopes cover both properties.

WATER AND POWER

Sufficient water for all phases of the exploration and development program should be available from the Tulameen River and from its minor tributaries extending onto the properties.



SOOKOCHOFF CONSULTANTS INC.			
MERIT RESOURCES LIMITED			
RAMBLER PROPERTY			
SIMILKAMEEN M.D.			
<i>CLAIM MAP</i>			
SCALE 1:60,000	DATE APR '86	N.T.S. 92H 10W	DRAWN BY: GEO-COMP
			FIGURE: 2

HISTORY

The first interest in the general Tulameen area was about 1860 when gold and platinum was discovered on the Similkameen and Tulameen Rivers and their tributaries.

The placer gold exploration led to the discovery, exploration and limited production of predominantly gold with related silver and copper minerals from the Rabbit Mountain, Grasshopper Mountain and Lawless Creek area. The original area explored for lode deposits was probably in the Lawless Creek area five km north of the Tulameen River junction. This area was subsequently referred to as the Law's Mining Camp where claims were staked in 1900 with production in 1916 of 30 tons returning 30 oz gold, 466 oz silver and 869 pounds copper.

To the east of Lawless Creek on Rabbit Mountain claims were staked prior to 1913 on predominantly copper showings with low gold and silver values.

On Grasshopper Mountain which lies in the angle between Lawless Creek and Tulameen River has also yielded limited production. The production was derived principally from the Rabbitt property which was located in 1938. Shipments from 1939 to 1941 totalled 1482 tons returning 1,057 oz gold and 584 oz silver.

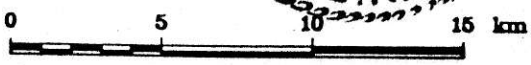
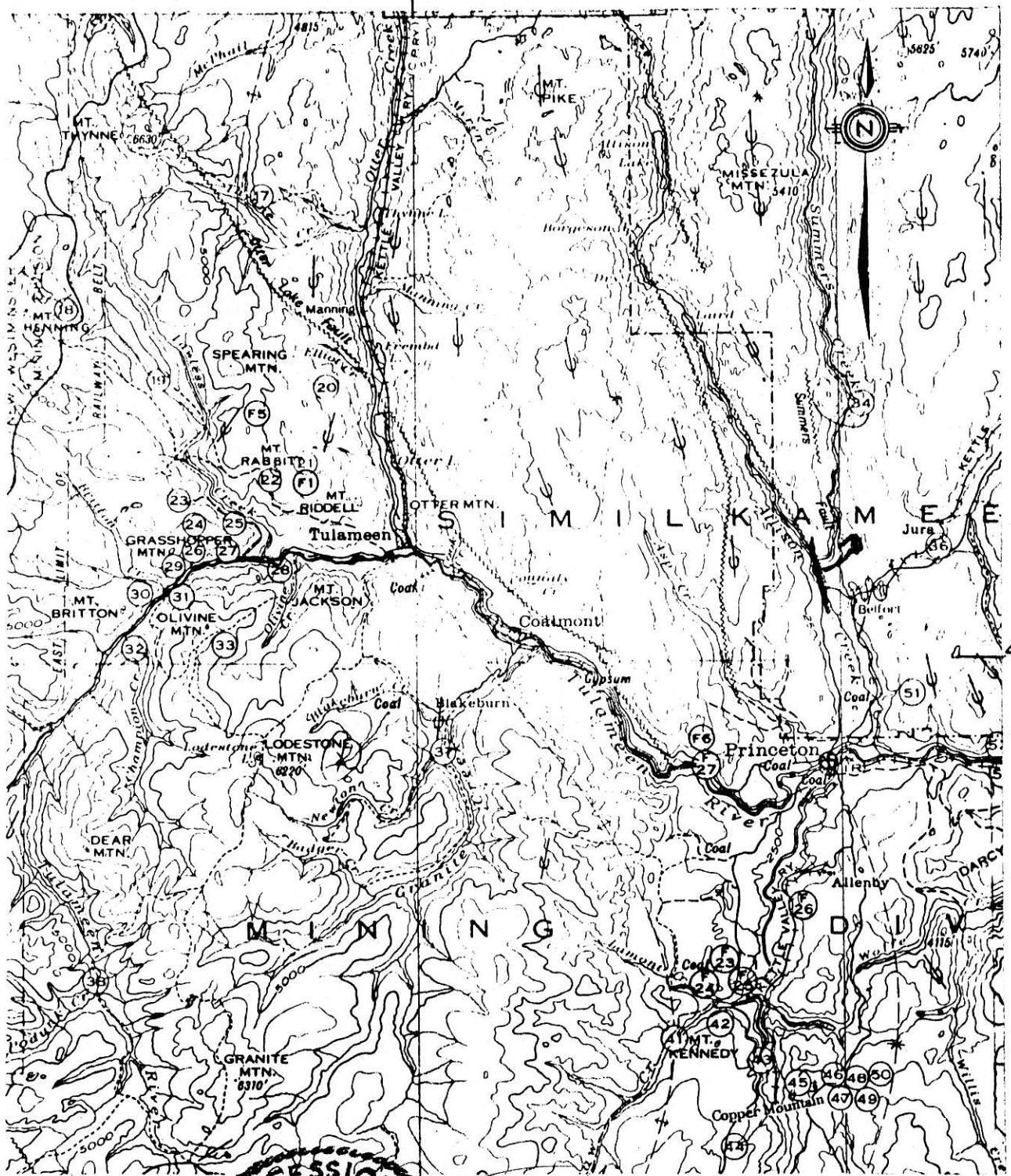
Work on the El Alamein property near the Lawless Creek-Tulameen River junction was centered on the former Wildcat crown grant which western boundary of the claim is "500 feet above the mouth of Lawless Creek." The crown grant was staked in 1904 with little interest in the property shown until 1937.

In 1949 a 10 ton pilot mill was built and after processing a few tons of ore the mill was closed due to excessive gold losses. Recorded production in 1949 was 40 ounces of gold. Production in 1950 and 1951 was also recorded as 65 and 96 ounces of gold respectively.

On the Wildcat claim of the El Alamein property the principal showings are described in the 1949 M of M report and are herein summarized. The showings consist of a shear zone containing narrow stringers of calcite and quartz erratically mineralized with free gold. The shear zone approximately follows the contact between northwesterly trending rhyolite porphyry and similarly trending argillites. Near the workings it intersects a northwesterly trending diorite dyke about 20 feet wide. The argillites are black, somewhat schistose rocks and in places contain greywacke in beds 6 inches to 2 feet thick. A green sericite-carbonate schist or greenstone schist is conformable with the argillite.

The green rhyolite porphyry is apparently conformable with and stratigraphically above the argillite and greenstone schist. The phenocrysts in the porphyry are widely spaced and therefore are not conspicuous in a hand specimen. The phenocrysts are crystals of albite-oligoclase feldspar and elliptical shaped grains of quartz within a groundmass of recrystallized quartz and albite.

The gold, associated with widely scattered grains of pyrite, occurs as crenulated layers and as disconnected wisps that are roughly aligned with the more continuous crenulated layers. The gold may be found well within the white calcite-quartz vein matter; or along partings of wallrock, altered largely to sericite schists, that are enclosed by the vein matter; or along the walls of the calcite quartz



SOOKOCHOFF CONSULTANTS INC.			
MERIT RESOURCES LIMITED			
RAMBLER PROPERTY			
SIMILKAMEEN M.D.			
<i>MINERAL PROPERTIES IN AREA</i>			
SCALE 1:253,440	DATE APR '86	N.T.S. 92H 10W	DRAWN BY: GEO-COMP
			FIGURE 3

INDEX TO MINING PROPERTIES

- 1 Copper Star claim
- 2 Big Sioux group
- 2 Cincinnatti group
- 2 Copper Standard group
- 2 Golden Sovereign group
- 3 Big Dutchman group
- 4 Earncliff claim
- 5 Bunker Hill claim
- 5 Portland Mining Company, Limited
- 5 Tom Cat claim
- 6 Vancouver and Victoria claims
- 7 Daisy group
- 7 Shamrock group (Summers Creek)
- 7 King George group
- 10 El Paso group
- 11 Blue Stone Claim
- 11 Renfrew group
- 12 Claremont group (possibly Argentite)
- 12 Iron Duke and Fisher Maiden claims
- 13 Mabel claim
- 14 Copper King group
- 15 Kathleen Mountain property
- 15 Jessie claim
- 17 Totem Pole group
- 18 Independence group
- 19 O'Henry group
- 20 Cousin Jack group
- 21 Red Bird group
- 21 Spokane-Motherlode group
- 22 Lloyd George group
- 23 Law's Mining camp
- 24 Ace group
- 24 Marcotte claims
- 25 Old Glory group
- 25 Rabbitt property
- 26 Bonanza group
- 27 Sunrise group (Max Hanson's claims)
- 28 Britton claim
- 29 Grasshopper Mountain chromite deposits
- 30 Britton Mountain claims
- 31 Sootheran's claims
- 32 Nickel Plate Group, Champion Creek
- 33 Jensen's claims
- 34 Dry Creek group
- 35 Hematite claim
- 35 Lucky Strike group
- 37 Newton Creek property
- 38 Rio Grande group
- 39 Marion group
- 39 S. and M. and Copper Basin groups
- 40 Lucky Pair group
- 41 Virginia group
- 42 Kennedy Mountain prospects
- 43 Hamilton, Fraser and Fraser Fraction
- 43 Red Buck Mines, Limited
- 44 Friday Creek prospects
- 45 Copper Mountain mine
- 46 Number 18 claim and fraction
- 47 Olympia claim
- 47 R.S. claim
- 48 Automatic Fraction, Frisco, and Number 14 claims
- 49 Azurite and Copper Glance claims

- 50 Falun claim
- 51 Regal group
- 52 Shamrock group (Blue Ridge)
- 53 Princeton Mining and Development Company, Limited
- 54 Hedley Sterling Gold Mines, Limited
- 55 Snowstorm claim
- 56 Gold Mountain Mines, Limited
- 56 Hedley Gold Hill Mining Company, Limited
- 57 Hedley Amalgamated Gold Mines, Limited
- 57 Hedley Consolidated Gold Mines, Limited
- 58 Toronto and Galena Group
- 59 Duffy group
- 59 Florence group
- 60 Canty Gold Mines, Limited
- 60 Hedley Mascot Gold Mines, Limited
- 60 Nickel Plate mine
- 61 Kingston group
- 62 Horse Fly group
- 63 Good Hope group
- 64 Mission group
- 65 Oregon group
- 66 Victoria group
- 67 Speculator group
- 68 Lost Horse group
- 69 Big Ben group
- 70 Knobhill claim
- 71 Red Star group
- 72 Roche and Pasayten claims
- 73 Silver Moon group
- 74 Shamrock group
- 75 Prince claim
- 76 Forks claim

Mining Division boundary

Mining Recording Office

Mining Properties

Anticlinal Axis (in Triassic rocks)

Synclinal Axis (in Triassic rocks)

Anticlinal Axis (in Cretaceous rocks)

Synclinal Axis (in Cretaceous rocks)

Non-metallic occurrences

Fault

Glacial striae

Fossil locality

Information obtained by H. M. A. Rice, 1939, 1941, and 1944.
For Geology see Map BRBA, "Princeton."

Approximate magnetic declination, 23° 19' East



A reported sample contained up to 2.82 oz gold per ton across four feet. A sample assaying 0.8 oz gold/ton was of an actindite rock within the shear in the upper adit and included a three inch stringer of quartz.

Monica Resources Ltd. of Vancouver is currently exploring the Rabbitt Gold Mine Property (No.25-Figure 3) adjoining the Rambler claims to the north. The Rabbitt mine workings are some 1400 meters north north-westerly of the Rambler workings. Monica reports (February 1986) that 12 diamond drill holes have been completed on the vein to test a "300 foot strike length" vein system. Assays of eight drill hole intersections have been reported to return from five feet of .008 oz Au/ton to 1.3 feet of 1.72 oz Au/ton.

In 1936 James C. Rucknick carried out a geological survey over the Lodestone Mountain. Ultramafic Intrusive and reported to encompass the area of the Pt. Fr property of Merit Resources.

In 1970 Consteel Explorations Ltd. carried out a geological and magnetometer survey over a 33 claim area on the north slopes of Lodestone Mountain. The survey area covered the present area of the Pt. Fr Property.

In May and June of 1983 recce geological mapping and geochemical soil sampling was performed by D.K. Platinum Corporation on claims adjacent to the Pt. Fr Property. Six reported samples from the D.K. Platinum property returned from .07 to 3.79 gm/tonne Pt.

REGIONAL GEOLOGY AND MINERALIZATION

In the Grasshopper Mountain area, which lies in the angle between Lawless Creek and Tulameen River, sheared Nicola Rocks of Upper Triassic age occur as a broad zone that follows along the northeast side of the Eagle granodiorite body. The southwest half of the mountain is composed of rocks of the Olivine Mountain ultrabasic body.

In the lower Lawless Creek and the Rambler property area the Nicola Rocks are described in the 1960 Mines and Petroleum Resources Report which description is summarized as follows with reference to figure 5 accompanying this report.

Unit 1 is predominantly a massive green dacite with tiny feldspar phenocrysts detected in some places.

Unit 2 is a heterogeneous assemblage of varied andesitic volcanic rocks including about 10 per cent of interbedded sediments. The volcanic rocks include fine-grained, calcareous and fragmental greenstones and the sediments include tuffaceous rock, black argillite, greywacke and banded quartzite.

Unit 3 is an irregularly lens-shaped body of well-foliated porphyritic rhyolite and porphyritic rhyolite breccia. The rock varies from medium to dark brownish grey to lighter in colour passing to a siliceous breccia consisting of pale-buff fragments, as much as six inches long, in a light green matrix. The contact with the greenstone of unit 4 is gradational.

Unit 4 is predominantly greenstone and cannot be distinguished from unit 2 where rhyolite is absent.

Unit 5 consists primarily of dense pale green dacite like that constituting unit 1, but on Grasshopper Mountain it has interbedded calcereous greenstone and dark sediments.

Unit 6 consists of calcereous greenstone that locally grades impure limestone.














Unit 7 consists basically of a massive green or greenish grey rock that may be tuff.

In a 1956 report by John C. Rucknick the Olivine Mountain Intrusive or the Lodestone Mountain Ultramafic Intrusive as Rucknick's reference, the geology is described in some detail. In summary a core of diorite is rimmed by peridotite pyroxenite and gabbro. Chromite is confined to a very few small irregular veins and clots in the diorite. Magnetite is essentially confined to the pyroxenite.

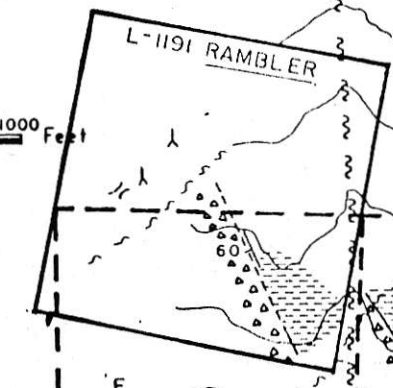
In the area of the Pt. Fr claim and three km to the west of the Rambler Property is a composite ultramafic gabbroic intrusion termed the Olivine Mountain ultrabasic body. The intrusive varies in composition from peridotite to gabbro. The most abundant type is a dark green, heavy coarse grained pyroxenite grading to a peridotite composed largely of olivine, much of which is altered to serpentine.

The altered or highly serpentinized peridotite zones reportedly (Covenoy 1970) contain proven native platinum with the best platinum values possibly occurring with chromite segregations within the serpentinized zone. Platinum values are erratic. Localized values of almost 2 oz Pt/ton may be achieved (Canadian Dept. of Mines Report).

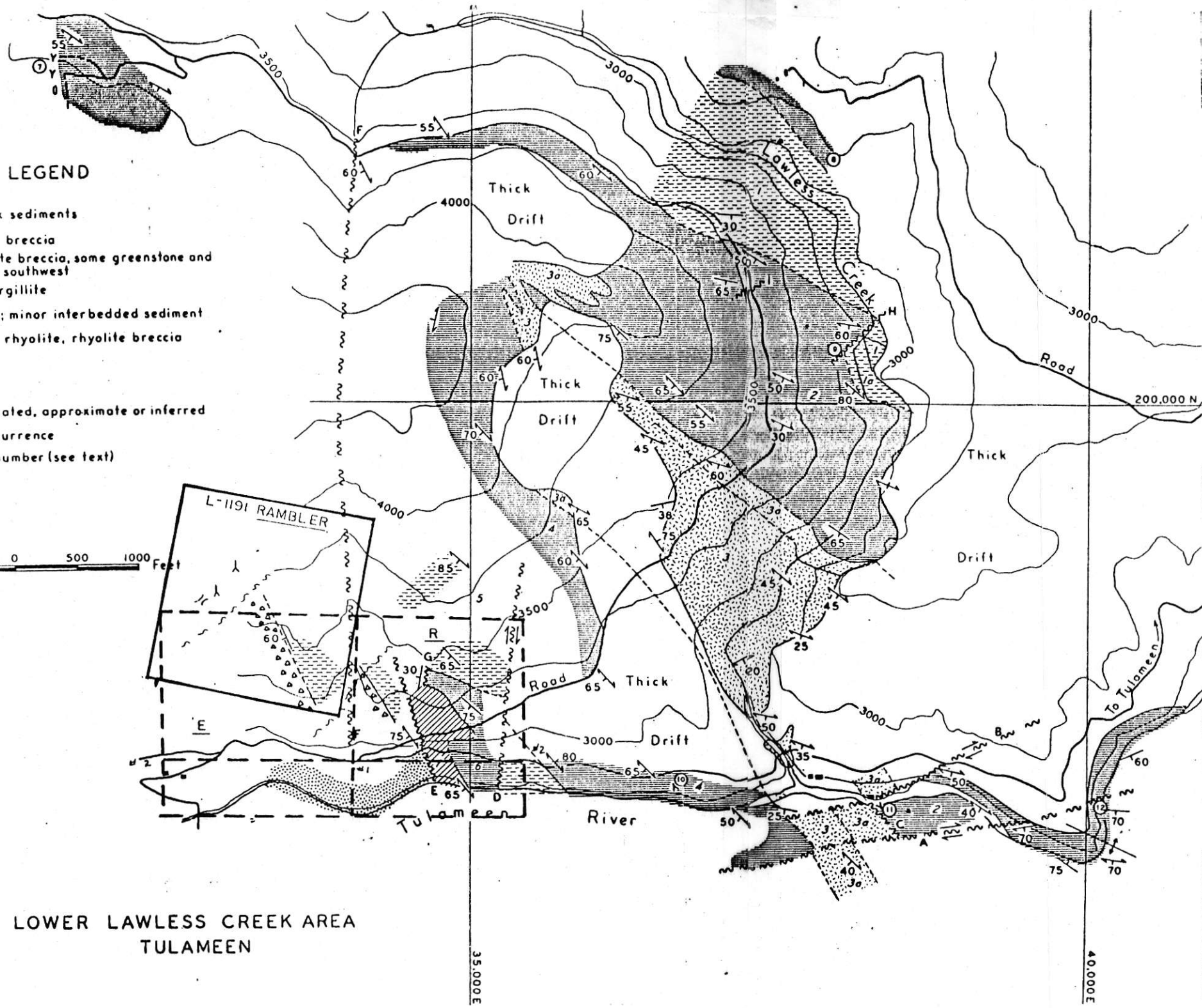
LEGEND

-  Mainly dark sediments
-  Greenstone breccia
-  Dacite, dacite breccia, some greenstone and sediment in southwest
-  Tuff and argillite
-  Greenstone; minor interbedded sediment
-  Porphyritic rhyolite, rhyolite breccia
-  Bedding
-  Foliation
-  Contact, located, approximate or inferred
-  Mineral occurrence
-  3a Rock unit number (see text)
-  Adit
-  Fault

Scale 500 0 500 1000 Feet



LOWER LAWLESS CREEK AREA
TULAMEEN



0 500 1000 mts

SOOKOCHOFF CONSULTANTS INC.				
MERIT RESOURCES LIMITED				
RAMBLER PROPERTY				
SIMILKAMEEN M.D.				
PROPERTY GEOLOGY				
SCALE: 1:1792	DATE: April '86	N.T.S. 92H 10W	DRAWN BY: GEO-COMP	FIGURE: 4

* Map from Mines and Petroleum Resources Report 1960

A report (Coveney et.al. 1970) on a geological survey and sampling program of an area of 33 claims on the northern slope of Olivine Mountain disclose that the claims overlie a portion of the ultrabasic intrusive which is described as a central, north-northwest trending zone of peridotite bordered to the east and west by pyroxenite.

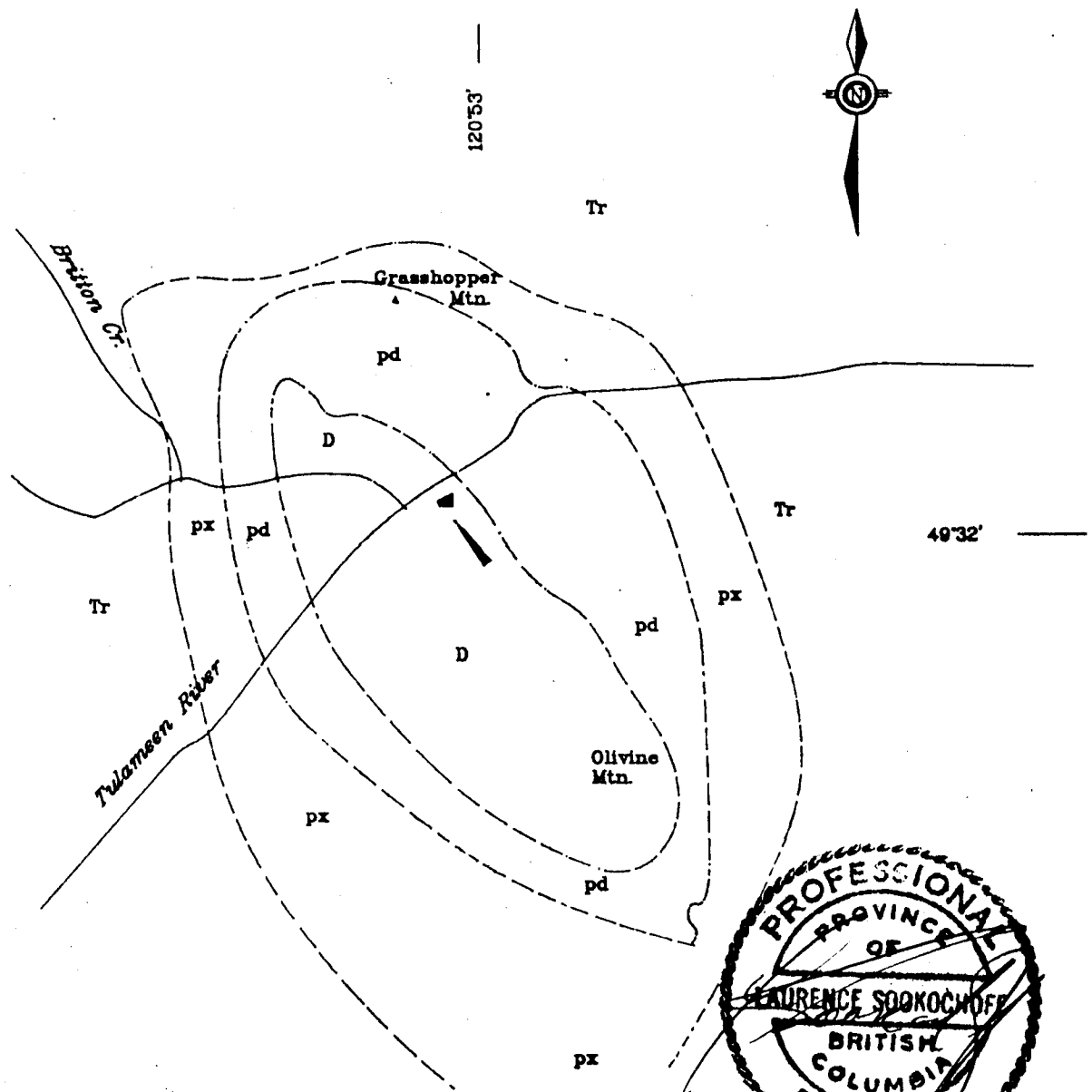
Chromite was reported present in accessory amounts over much of the property occurring in scattered small gash veins and local crystal segregations. Platinum assay results ranged up to 565 ppb within completely serpentinized dunite from 115 ppb within mildly altered (tremolized) dunite with disseminated coarse chromite crystals.

The geology of the Pt. Fr Property as mapped by Consteel Exploration Ltd. (1970) indicates that the claim is underlain predominantly by a zone of high serpentine alteration. Peripheral to the serpentine is a peridotite zone.

On the Rabbitt Property the geology and mineralization is described as follows:

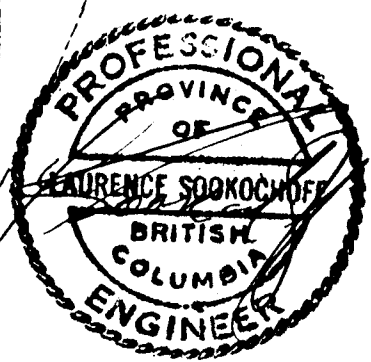
(Rice 1960)

"Geology: The mineral deposits occur in volcanic rocks of the Nicola group, which are traversed by a wide, intensely sheared zone that follows the east margin of the Eagle granodiorite. The situation is further complicated on the Rabbitt property by the intrusion of the Olivine Mountain ultrabasic body, the contact of which lies about a mile southwest of the workings. On the property are several quartz veins with a general northerly strike and a steep dip. The veins are composed of glassy quartz, and vary in width from a few inches to 6 feet, averaging 3 or 4 feet. They are not composed entirely of quartz, the wider sections becoming lodes rather than veins and consisting rather of highly brecciated wall-rock cemented with quartz, which constitutes around 75 per cent of the vein material."

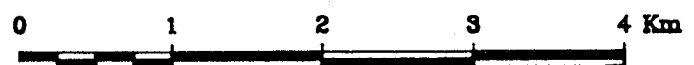


LEGEND

- D - Dunite
- pd - Peridotite
- px - Pyroxenite
- Tr - Tulameen Group



Scale 1:50,000



SOOKOCHOFF CONSULTANTS INC.				
MERIT RESOURCES LTD.				
Pt. Fr. M.C.				
Similkameen M.D.				
<i>GENERAL GEOLOGY*</i>				
SCALE 1:50,000	DATE Apr. '88	K.T.R. GSK/MSV	DRAWN BY: GEO-COMP	FIGURE 6

* After John C. Rucknuck, July 1958
Assessment Report 128

"The volcanic rock forming the fragments has been largely carbonatized, and a similar carbonatization extends into the walls of the veins for distances up to 10 feet. The quartz carries free gold, and undetermined teluride mineral, chalcopyrite, pyrite, galena, and sphalerite, but all in very small amounts, and much of the veins is quite barren.

Adits and a deep surface cutting have developed a section 85 feet long of the vein on which most work has been done. It was from this section that most of the ore had been shipped. at the northern end of this section the vein swings from north 45 degrees east to about north 25 degrees west for about 275 feet. It varies from 1 foot to 6 feet in width, but is reported to be low grade where it is widest. Several other veins have been exposed by open-cuts, but the average values in them are low."

In the Law's Mining Camp the geology is described as follows: (Rice 1960)

"Geology: The rocks underlying both groups of claims are limestones interbedded with mica, dolomite, and talc schists, all sheared members of the Nicola group. A short distance to the west lies the Eagle granodiorite body, and it and apophyses and dykes from it have cut and metamorphosed the Nicola rocks. The ore, consisting of pyrrhotite, pyrite, chalcopyrite, small amounts of galena and sphalerite, and, in places, magentite, replaces beds of limestone or their contact-metamorphosed parts consisting of garnet, epidote, and amphibole."

"In even those parts or the ore that consist of massive sulphides, however, the amount of chalcopyrite is not usually great, and the gold and silver values, although significant, are not high. The area is largely covered with drift, and exploratory work to date has not been sufficient to determine the size of the limestone bodies or the associated mineral deposits. It is, however, clear that the latter, though they may replace a limestone bed across its entire width, are more generally confined to a band along the hanging-wall side. Two samples were taken in 1929 by the Resident Engineer in a stub drift off the bottom of the shaft sunk on the Liverpool claim. One of these, across 6 feet, returned 0.06 ounce in gold and 0.50 ounce in silver a ton, and 1.26 per cent copper. The other, a general sample from the face of the drift, assayed: 0.14 ounce in gold and 0.60 ounce in silver a ton, and 1.31 per cent copper. This ore consists of massive pyrite containing streaks of chalcopyrite."

The Grasshopper Mountain Gold Deposits are described by Rice (Memoir 243 1960) as follows:

"Grasshopper Mountain, which lies in the angle between Lawless Creek and Tulameen River, is traversed by the broad zone of sheared Nicola rocks that follows along the northeast side of the Eagle granodiorite body. The southwest half of the mountain is, however, composed of rocks of the Olivien Mountain ultrabasic body. Mineral deposits occur within the sheared Nicola rocks as quartz veins or as breccia zones in which quartz veinlets constitute up to 75 per cent of the vein matter. The wall-rocks of most of these are carbonatized lavas, but in the Sunrise group they are argillite and limestones. The principal metallic mineral is pyrite, but chalcopyrite occurs in small amounts and, more rarely, galena, spahlerite, and hematite. Gold is present, but does not appear to be associated particularly with these minerals, and much of the vein is barren of precious metals. Much of the gold occurs in pockets in which native gold and a telluride mineral, probably petzite, can be seen. It seems probable that the gold-bearing solutions were introduced separately from those that deposited the quartz sulphides. On the Sunrise claim gold seems to be associated with banded, comb quartz, which is apparently younger than the high-temperature, glassy quartz forming most of the veins. It is, therefore, probable that the gold in all the deposits is of somewhat later origin than the veins themselves and the sulphides they carry."

STRUCTURE

A geological report (M. of M. 1960) states that three sets of faults are characteristic of the lower Lawless Creek area. These faults are (ref Fig.4)

- 1) East to northeast faults (A,B,H,I)
- 2) Northerly striking faults (D,F,G, etc) with near vertical dips some of which are marked by breccia zones.
- 3) Strike faults (C,E) one of which is host to mineralization and is exposed by El Alanein adits.

PREVIOUS EXPLORATION RESULTS ON THE Pt. Fr PROPERTY

The Consteel Explorations Ltd. magnetic survey over the present Pt. Fr claim disclosed minor magnetic anomalous zones.

Localized highs of over 10,500 gammas occur within a background of an estimated 90000 gammas within the property area.

A geological map of a geological survey carried out by J. C. Rucknick Explorations disclosed that the claim is underlain by dunite.

The Consteel geological map indicates that the claim is underlain by a zone of high serpentine alteration with a peripheral peridotite zone.

Former geochem sample results on the area now covered by the Pt. Fr property indicates that two values from the property assayed 685 ppb Pt with one adjacent sample assaying 400 ppb Pt.



Tulameen River

Pt. Fr. Claim

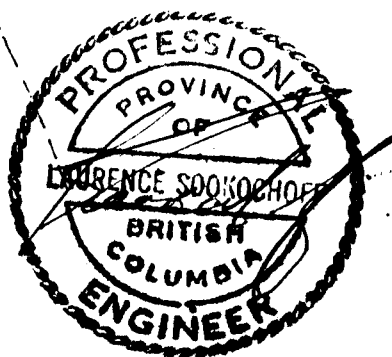
400 ppb Pt. x

x 685 ppb Pt.

x 685 ppb Pt.

Peridotite

Highly altered
serpentine



0 250 500 750 1000 metres

LEGEND

x 685 ppb Pt. - Platinum assay value

SOOKOCHOFF CONSULTANTS INC.			
MERIT RESOURCES LTD.			
Pt. Fr. M.C.			
Similkameen M.D.			
<i>PROPERTY GEOLOGY</i>			

SCALE 1: 20,000	DATE Apr. '86	N.T.S. SSE/10W	DRAWN BY: GSD-CMS	FIGURE 7
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DISCUSSION


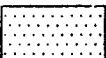
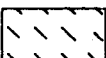
Portevin (GSC Summary Report 1923 HA) compares the Taquil, Ural Mountains Russian platinum placer deposits to the Tulameen platinum deposits and concludes that the primary platiniferous rocks of Tulameen are of the Uralian type. The comparison also concludes that the placer deposits of Tulameen are smaller and poorer (20,000 oz) than the Uralian placers (8,120,000 oz) but the primary dunite outcrop of the Tulameen was as rich in platinum as any of the Uralian dunite exposures of the same size.

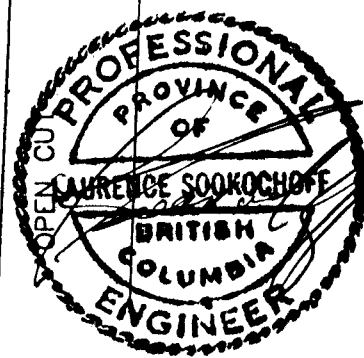
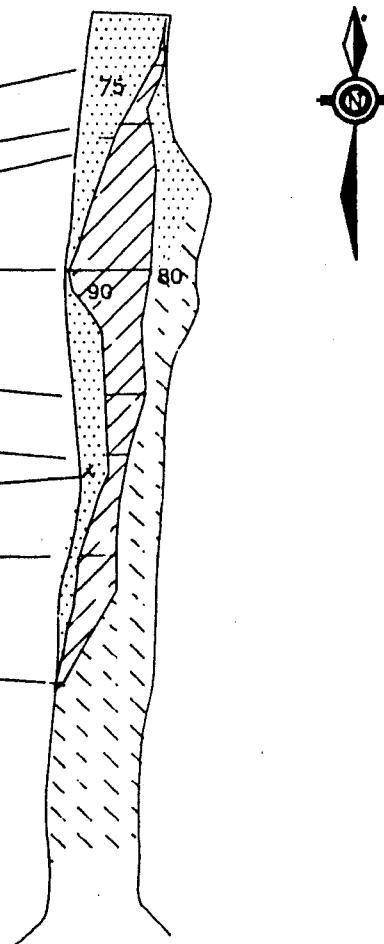
The Uralian platinum deposits were not disturbed by glaciation and contain primary mineralization whereas the Tulameen areas was glaciated probably resulting in the removal of preglacial dunitic debris from the gulches.

RAMBLER VEIN

The Rambler vein has been exposed by two drifts some 15 meters in vertical difference. The lower drift 122 meters above the Tulameen road is reportedly some 23 meters long. The portal is caved to an extent where access would be dangerous. The Rambler vein exposed at the portal face occurs within a sheared and faulted zone. The vein strikes northerly and dips 75° to the west. The foot wall and hanging wall rocks consist of a pyritic porphyritic greenish rhyolite to dacite.

Sample Number	Width (meters)	Assay (ppb)
2766	.15	430
2767	1.22	130
2768	.60	120
2769	2.44	490
2770	.76	510
2771	.45	620
2772	Grcb	4
2773	.91	140
2774	.45	2

-  Quartz Vein
-  Argillite
-  Rhyolite



SOOKCHOFF CONSULTANTS INC.				
MFRIT RESOURCES LIMITED				
RAMBLER PROPERTY				
SIMILKAMEEN M.D.				
<i>RAMBLER VEIN</i>				
<i>- Sample Results -</i>				
SCALE: 1"=500'	DATE: APR '88	N.T.S. GSH 10W	DRAWN BY: GEO-COMP	FIGURE: 5

The upper workings consist of a 15 meter open cut leading to a 30 meter drift on the Rambler Vein. The drift exposes a 22 meter vein from eight meters from the portal to the face of the drift.

The foot wall is predominantly a porphyritic greenish rhyolite to dacite and the hanging wall is of silicified argillite. Near the face the vein is enclosed within silicified argillites.

The vein trends northerly with the dip varying from vertical to 75° west. The vein pinches at either end and is up to 2.44 meters wide eight meters from the face.

Particulars of samples taken from the vein at the time of the writer's examination are as follows:

<u>Meters from drift face</u>	<u>Description</u>	<u>Width (meters)</u>	<u>Assay Au-ppb</u>
1.5	Quartz Vein	.15	430
3.5	Quartz Vein	1.22	130
4.0	Argillite - hanging wall	.60	120
8.2	Quartz Vein	2.44	490
12.0	Quartz Vein	.76	510
14.0	Quartz Vein	.45	620
15.2	Argillite - hanging wall	Grab	4
18.0	Quartz Vein	.91	140
22.0	Quartz Vein	.45	2

The vein discloses only minor malachite staining with occasional pyrite. Within a section along the hanging wall in the area of the 2.44 wide vein are massive sulphide stringers.

In the upper drift dump are specimens of quartz with moderate to light degrees of pyrite and chalcopyrite. A selected grab sample from the dump containing sulphides within quartz returned 1050 ppb Au and 6206 ppm Cu.

The writer examined only the location of the Rambler vein system exposed by the two drifts. The vein reportedly (Steiner 1978) is exposed along a series of cuts and trenches for "over 1,200 feet horizontally and a vertical height of 850 feet". The vein is also reported (Steiner 1978) to have been displaced by east-west faults with one of the faults displacing the vein at the upper drift face.

RECOMMENDED EXPLORATION AND DEVELOPMENT

On the Rambler property an exploration program of detailed geological mapping and sampling in conjunction with a VLF-EM survey should be initially performed over the three claims.

The resulting information should provide sufficient information to localize areas for over which a geochemical survey would be performed followed by trenching and diamond drill testing of prime anomalous zones.

A similar exploration program would be performed over the Pt. Fr property. However a magnetometer survey would be substituted for the VLF-EM survey.

ESTIMATED COST OF RECOMMENDED EXPLORATION PROGRAM

(Rambler & Pt. Fr Properties)

STAGE I

Geological mapping & sampling	\$ 6,000
Magnetometer survey	4,000
VLF-EM survey	8,000
Geochemical survey	10,000
Trenching & sampling	8,000
Engineering & supervision	<u>4,000</u>
	\$40,000

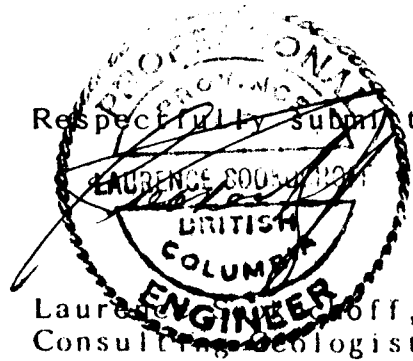
STAGE II

Test diamond drilling	\$70,000
Engineering & supervision	<u>15,000</u>
	\$85,000

Total two stage cost: \$125,000
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The second stage of the program would only be carried out on the successful completion of the first stage.

Respectfully submitted



Laurence Sookochoff, P.Eng.
Consulting Geologist

April 29, 1986
Vancouver, B.C.

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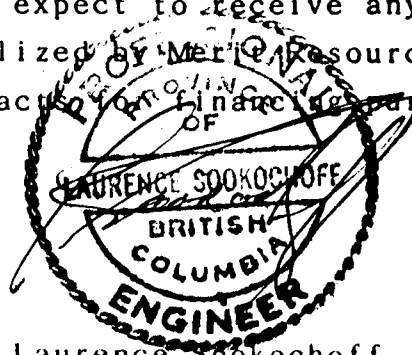
CERTIFICATE AND CONSENT

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist and principal of Sookochoff Consultants Inc. with offices at 311-409 Granville Street, Vancouver, B.C., V6C 1T2.

I further certify that:

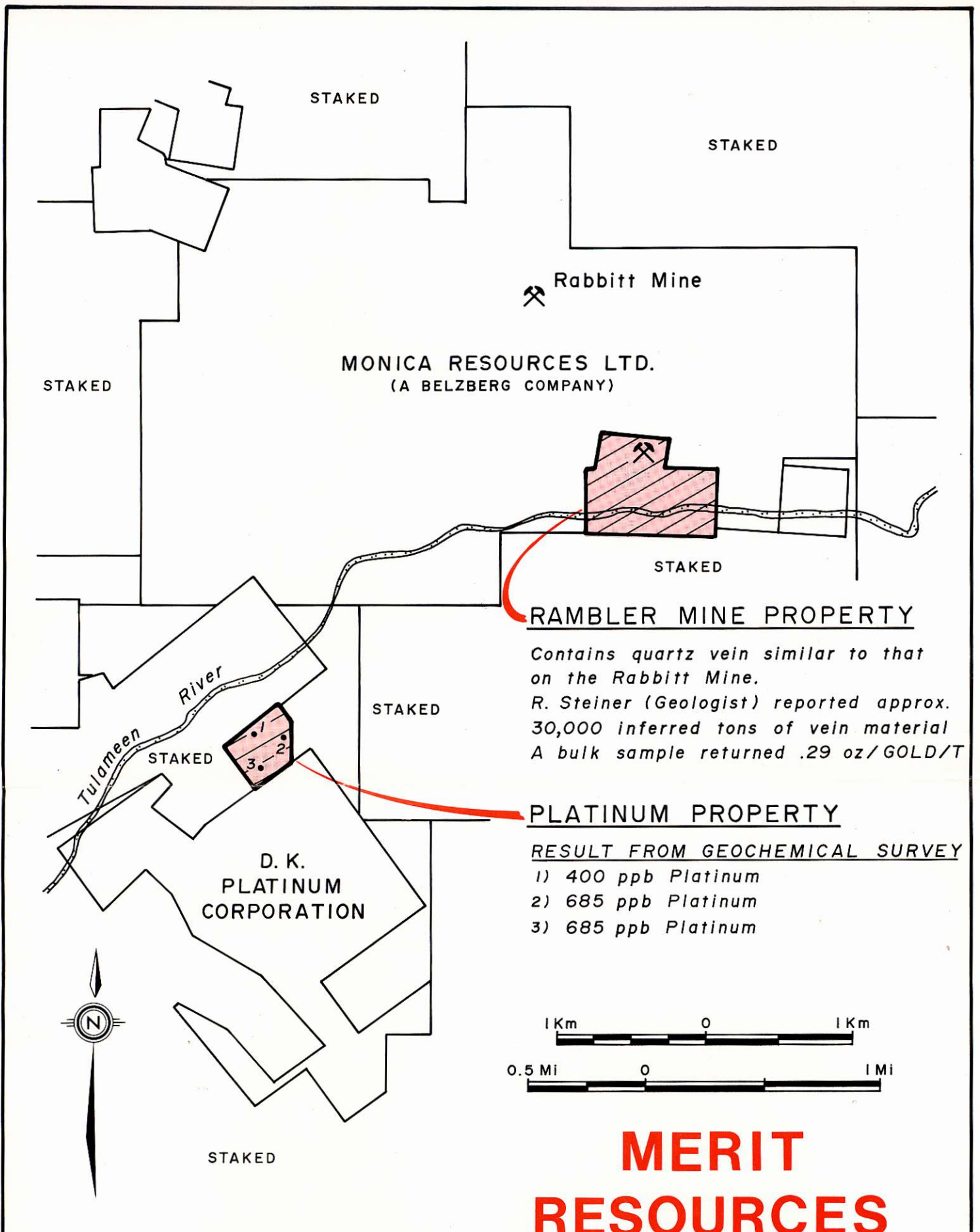
1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology
2. I have been practising my profession for the past nineteen years.
3. I am registered and in good standing with the Association of Professional Engineers of British Columbia.
4. The information for this report was obtained from sources as cited under Selecte References and from a personal property examination of the Rambler property carried out on April 15, 1986. The Pt. Fr property was not examined due to snow cover.
5. I have no direct, indirect or contingent interest in the property described herein or in the securities of Merit Resources Ltd. nor do I expect to receive any.
6. This report may be utilized by Merit Resources Ltd. in a Statement of Material facts for financial purposes.



Laurence Sookochoff, P.Eng.
Consulting Geologist.

April 29, 1986
Vancouver, B.C.

Sookochoff Consultants Inc.



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