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REPORT

on the

PHANTOM GOLD PROPERTY

CLOWHOM RIVER AREA
VANCOUVER MINING DIVISION, B.C.

LATITUDE 49 DEGREES 51.5 MINUTES NORTH
LONGITUDE 123 DEGREES 29.5 MINUTES WEST
MAP REFERENCE - N.T.S. 92G/14W

on behalf of

PARK RESOURCES LTD.

Fr Geonational

by

Vendors interviewed by Don Allen May 18/90
Recommends no further time be spent

JAMES W. McLEOD, B.SC.

Preprocessed samples sent to Lakefield!
John Hilton
+ Prospector from Mission.

March 13, 1989
Vancouver, British Columbia

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PARK RESOURCES LTD.

LOCATION PLAN
VANCOUVER MINING DIVISION
CLOWHOM RIVER AREA, B.C.
Phantom Claims

0 200 400
kilometres

FIGURE:	NTS:	DRAWN by:	DATE:
1	92G/14W	J.W.M.	03/89

INTRODUCTION

The writer has worked a number of times since 1969 in the general area of the Phantom property and is familiar with the geological setting of the claim area. Considerable work has been performed on the claims, but a comprehensive exploration program has not been undertaken to date. Such a program is warranted and should include detailed reconnaissance geological mapping.

Numerous base and/or precious metal prospects occur in the general area, in a similar setting to the Phantom Group. Mineralization is known to occur on the claims and a detailed surface study of the area needs to be undertaken to determine its' mineral potential. This work should be completed prior to undertaking any further drilling. For these reasons a two phase program has been designed, one of essentially reconnaissance surface work and the other of detailed surface work and diamond core drilling with initiation of the second program contingent on the results of the first.

This report is being prepared at the request of the Board of Directors of Park Resources Ltd. of Vancouver, British Columbia.

LOCATION AND ACCESS

The Phantom Group of mineral claims is located 30 kilometres (18.5 airmiles) northwest of the Town of Squamish, British Columbia at Phantom Lake in the Vancouver Mining Division. The property is 68 air kilometres northwest of Vancouver, B.C. The claim area may be located on NTS map 92G/14W at latitude 49 degrees 51.5 minutes N. and 123 degrees 29.5 minutes W.

Access to the property is gained by fixed-wing float plane to Phantom Lake or helicopter to other parts of the property. Either service is available from Squamish or Vancouver, B.C. If a camp were to be established on the property, a short flight from the road along the Ashlu River 9 km. to the northeast could be made with a helicopter to sling-in the necessary camp and supplies. Also, logging road access along Clowhom Creek is just 4 kilometers from the south boundary of the claims.

PROPERTY AND OWNERSHIP

The property consists of two located lode mineral claims comprising a total of 9 contiguous units in a 3x3 configuration. The area of the claims is 225 hectares (556 acres).

The claim information is listed as follows:

Claim Name	No. of Units	Record Number	Anniversary Date
Phantom 1	6	1220	July 21
Phantom 2	3	1221	July 21
Total	9		

The claims are in good standing until July 21, 1991.

The mineral claims are owned by Clowhom Mining and Exploration Ltd. and are held under an Option to Purchase Agreement by Park Resources Ltd. of 548 Beatty Street, Vancouver, B.C., V6B 2L3.

TOPOGRAPHICAL AND PHYSICAL ENVIRONMENT

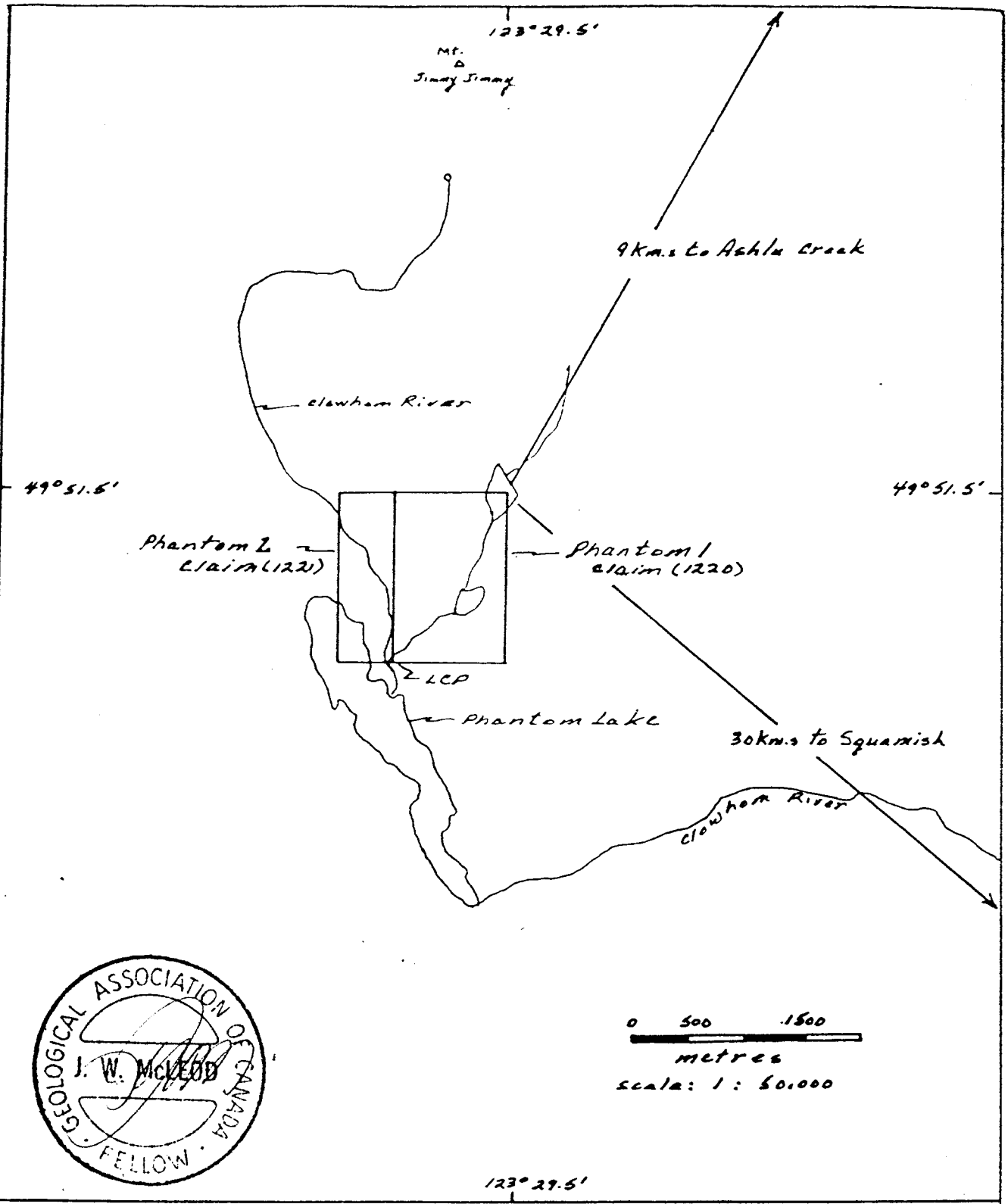
The property is situated in the southern Coast Mountains near the southwestern flank of the Tantalus Range. The property ranges in elevation from 975 metres (3200 feet) to 1585 metres (5200 feet) mean sea level in moderately steep to steep mountainous terrain. The claim area lies in the Coast Forest biotic zone. Below 1370 metres (4500 feet) the claim area is covered by conifers of mainly fir, hemlock and cedar. Above 1370 metres or timberline the area lies in the Alpine zone and is mainly covered by alpine fir and dwarf juniper. Glacial effects along the coast are extensive and the claim area evidently underwent considerable scouring. The south-end of Phantom Lake appears to be at the head of a hanging valley and Clowhom River via Phantom Lake was probably the path of late glacial flow to the sea.

The area experiences typical westcoast climate of this latitude ie. generally mild and wet, with winters of short duration and considerable snow fall for a short period of time.

HISTORY

The recorded exploration history of the immediate claim area dates from 1982, but interest in the general area ie. the Britannia Mine dates from the turn of the century. Britannia was in production in 1905.

In 1982 the Phantom claims underwent some prospecting and two short AX-size diamond core holes were subsequently drilled that fall. Anomalous gold values were encountered in both holes over an approximate intersection of 5 feet. In 1986 two NQ-size diamond core



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J. W. McLEOD
FELLOW

Park Resources Ltd.

Claim Plan
Phantom claims
Vancouver Mining Division
Clowhom River Area, B.C.

Figure: 2

March/89

holes were drilled. In 1987 two NQ-size diamond core holes were drilled (see Figure 3 for drill site locations). The core was logged, several samples underwent geochemical analyses, four thin sections underwent petrological analyses and one sample was analysed by the scanning electron microscope.

The drill holes completed to date are listed as follows:

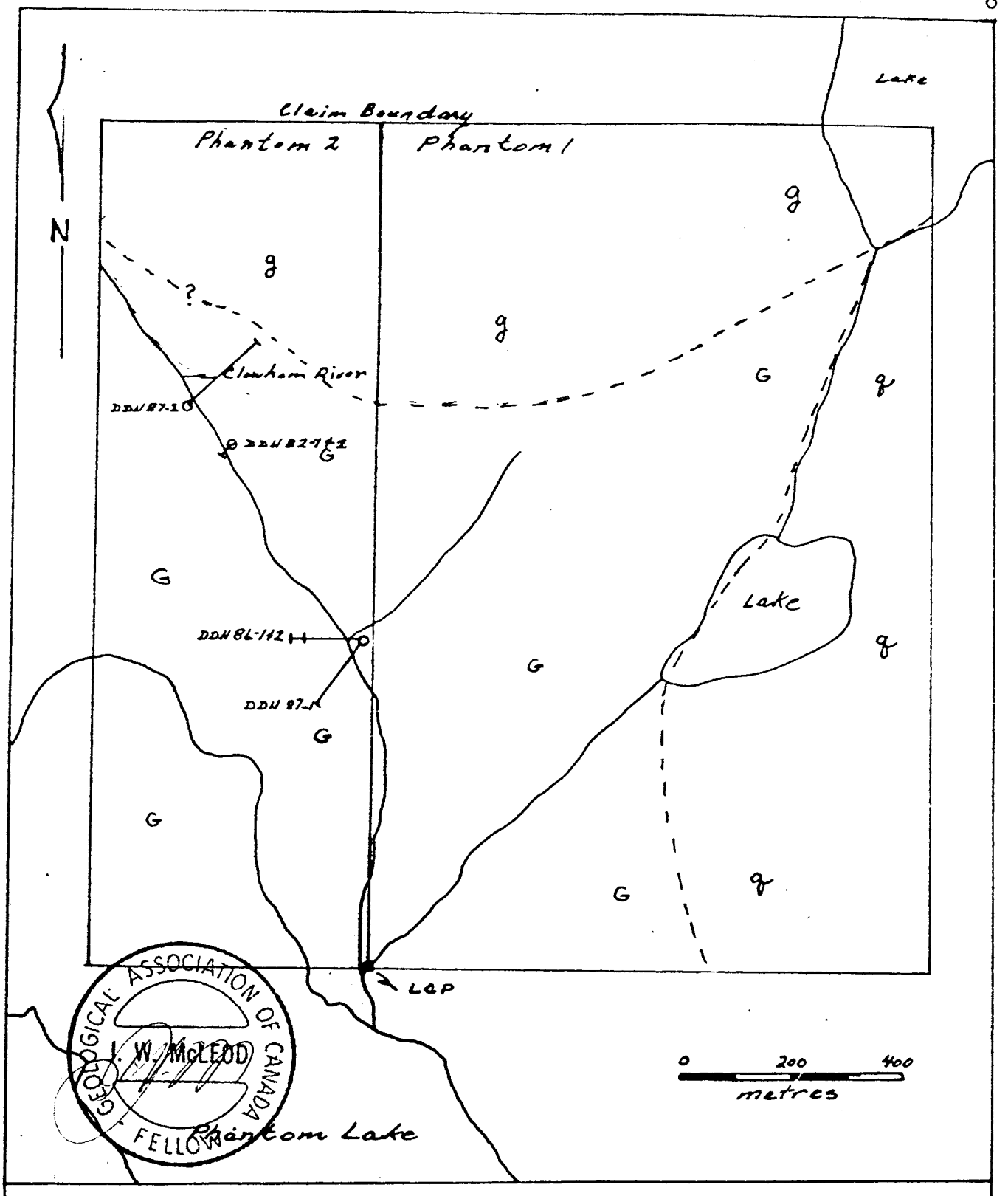
DDH Yr.-No.	Core Size	Azimtuh	Dip of Hole	Total Depth
DDH 82-1	AX	N214	-87.5	22.2 m. (73')
DDH 82-2	AX	same location	-90.0	22.5 m. (74')
DDH 86-1	NQ	N270	-60.0	126 m. (412')
DDH 86-2	NQ	N270 same location	-72.0	139 m. (457')
DDH 87-1	NQ	N216	-60.0	163 m. (535')
DDH 87-2	NQ	N048	-60.0	175 m. (575')

REGIONAL GEOLOGY

The claim area appears to be underlain by lower Cretaceous Gambier Group rocks which are composed of volcanic flow and pyroclastics and limey argillaceous sediments and their metamorphic equivalents. These rocks in turn are intruded by somewhat younger (89-98 m.y.) granodiorites and quartz diorites of the Coast Plutonic Complex. To the south, on Gambier Island the Gambier Group is apparently found to lie unconformably on plutonic rocks and in several places the unconformity is vertical. Much discussion has taken place about both the reasons for many of the roof pendants relative positions and the origin of some or all of the plutonic rocks in the general area. There is a number of occurrences of older upper Triassic to middle Jurassic sediments and volcanics found along the mainland coast to the west of the property. Upper Cretaceous and Tertiary sediments and volcanics (Burrard Formation) are found to occur in a number of locations along the present coastline. Very young Pliocene to Recent Garibaldi Group volcanics are found to occur to the northeast of the claims in the Garibaldi area.

LOCAL GEOLOGY

The bedrock geology of the claim area is somewhat speculative on the part of the writer, but it appears that a reasonable estimate can be made from the regional data that is available and from drill core



LEGEND

- g — Younger Cretaceous - Coast Plutonic Complex; granodiorite and quartz diorite.
- G — Lower Cretaceous - Gambier Group - Volcanics & sediments
- LCP — Legal Corner Post
- --- - Assumed geological contact
- o—| - DDH - Year # Hole no.

Park Resources Ltd.
General Geology & Drill plan

Phantom Claims
Clowhom River Area
Vancouver Mining Division

Figure : 3

03/89

descriptions of material from the property. It appears that the claim area proper is underlain by Gambier Group andesitic volcanics and possibly equivalent metasediments and/or metavolcanics as a roof pendant. Intruding into or unconformably underlying these units are the Coast Plutonic Complex rocks of granodiorite and quartz diorite composition. Sections of what are thought to be metamorphosed Gambier rocks occur as pyrrhotite-biotite hornfels, originally a volcanic wacke? (DDH 87-1) and a spotted andalusite-biotite hornfels, originally a sedimentary rock which bottoms in the hole as a hornfelsed amygdaloidal andesite, which may be originally a volcanic wacke (DDH 87-2). The origin of these rocks appears to be as intercalated sediments and volcanics which have achieved a metamorphic grade as high as amphibolite near the contact zone with subsequent retrogradation to the greenschist facies. Observed alteration minerals include andalusite, epidote, sericite (clay), chlorite, calcite, quartz, minor garnet, secondary? biotite and actinolite?

Mineralization recognized to date on the property is as pyrrhotite, pyrite, chalcopyrite and possibly sphalerite, as well as, ilmenite (iron titanium oxide) and the yttrium bearing phosphate, monazite. Anomalous gold values encountered to date appear to be associated with secondary quartz.

CONCLUSIONS

The Phantom mineral claims have revealed anomalous gold values in drill core samples which range from 0.002 - 0.018 oz/t. The claims cover roof pendant material of lower Cretaceous age assigned to the Gambier Group and intrusive rocks of the Coast Plutonic Complex. In the general area this setting is the host of numerous known mineral occurrences and former base and precious metal mines.

Although mineralization has been known for some time on the property, no systematic exploration program has yet been undertaken to establish its' potential. The writer feels that such a program is warranted.

RECOMMENDATIONS

A detailed reconnaissance surface exploration program on the Phantom mineral claims is recommended. The program should include a photogeophyical study of the claim area utilizing 1:50,000 high-level, high resolution aeromagnetic data and the government air photos at a finished scale of 1:5,000. The property should be geologically mapped at a scale of 1:5,000. Further, a geochemical survey of the drainage systems on the property should be undertaken using heavy mineral stream sediment sampling and subsequent analyses for gold, silver, copper, lead and zinc. Three ground geophysical surveys should be conducted over the claims on a grid controlled system; including VLF-EM for the detection of mineralized conductors and steeply dipping shears or contacts; a magnetometer survey for

detection of possible massive sulphide zones and to aid in geological mapping; a self potential (spontaneous polarization) survey to detect conductive zones in particular those containing pyrrhotite, pyrite and chalcopyrite to which it is well suited, keeping in mind that carbonaceous material (graphite) may be present in the Gambier Group rocks which could give a spurious anomaly.

Anomalous zones could possibly be hand trenched by digging, drilling and blasting to obtain bedrock samples prior to undertaking a core drilling program.

A tent camp should be established in a logistically favourable location on the property.

COST ESTIMATE

Phase I

Photogeophysical survey and 1:5,000 scale base map production	$	4,000.00
Geological mapping and supervision		7,500.00
Heavy mineral stream sediment survey		3,000.00
Installation of survey grids		4,000.00
VLF-EM survey		4,500.00
Magnetometer survey with base recorder		6,000.00
Self Potential survey		4,500.00
Detailed follow-up surveys an analyses		8,000.00
Hand trenching		3,500.00
Analyses of 300 samples @ $15/sa.		4,500.00
Camp and board for 150 mandays @ $35/manday		5,250.00
Transportation		3,500.00
Equipment and supplies		4,000.00

Report and maps	2,500.00
Licences, fees and filings	3,500.00
Contingency	6,750.00
Sub-total (Carried forward)	$ 75,000.00

Phase II

Geology and supervision	9,000.00
Field assistant	4,000.00
1200 metres of NQ-wireline core drilling @ $90/m., all inclusive	108,000.00
Analyses	4,500.00
Camp and board 90 mandays @ $35/day	3,150.00
Transportation	8,000.00
Equipment and supplies	2,500.00
Report, maps, logs, etc.	3,000.00
Contingency	7,850.00
Sub-Total (Carried forward)	$150,000.00
TOTAL	$225,000.00

Respectfully submitted,

GEOLOGICAL ASSOCIATION OF CANADA
J. W. McLEOD
FELLOW

James W. McLeod, Geologist

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