

WAYLAND S. READ, B.SC., P.ENG.
CONSULTING GEOLOGIST

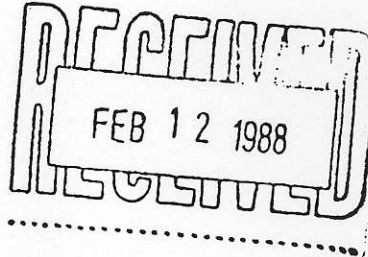
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AREA CODE 604-TELEPHONE 743-2279

881 CHERRY POINT ROAD, COBBLE HILL, B.C. V0R 1L0 CANADA

1 February 1988

Mr. George Vooro,
President,
Hillsborough Resources Ltd.,
120 Railroad Street,
Brampton, Ontario
L6X 1G8



Dear Mr. Vooro:

Progress Report No.2 Calumario Gold Mine Project 103 I/9W

During the period 16-31 January (1) roadwork continued towards Adit 3; (2) mine rehabilitation work was completed on Adits 5 and 6, the raise from Adit 5 up to Adit 6 and the raise from Adit 5 down to Adit 3, and part way down to Adit 4. A door was installed at Adit 5 portal.

(3) Due to the water shortage as noted in previous report, a sump was created in a drift heading in Adit 5 to hold about 4,000 gal. water, and an electric pressure pump installed. The road contractor trucks water from Noble Five Creek.

(4) Geological mapping and sampling was started on accessible road cuts as snow cover permitted, to follow up on reports of "auriferous syenite". Areas of porphyry type altered, silicified and pyritized rock were mapped and sampled. The assay results are awaited from Chemex Labs.

(5) Underground washing, geological mapping and preliminary sampling were started as access became available. A total of 82 samples from underground and surface had been shipped to the assay lab. up to 28 January.

(6) Surface survey had established (a) mine grid, (b) tied in key Crown Grant survey points to the Legal Claim Post, (c) located Adits 1,4,5 and 7 in relation to the claims, and (d) detailed Adits 5 and 6 as safe access became possible. A survey plan, scale 1:1500 covering the key claims area and new mine access road has been prepared.

The mine access road is within about 3 full equipment working days of being completed. Adit 3 has basically been reached, but the road grade needs to be benched down about 25 feet to the elevation of the floor of Adit 3. The road grade had been deliberately elevated to minimize the excessive height of face in this cliff area. The tank drill broke down 29 January and remained so at month end.

(Continued...)

This drilling and a short section on the road below the branch to Adits 1 and 7 that had been bypassed on the way in should complete the essential road work at this time. Some additional road work may be required on ditching and surfacing after reclamation of timber felled during construction.

Road equipment costs to 31 January totaled \$110,553.76, explosives \$16,462.35, for a combined total of \$127,016.11. Other contractor equipment cost for access and mining purposes total \$5,386.20.

Surface rock exposures were geologically examined as snow cover permitted along the new road and part of the old road. Andesitic lavas are intruded by two major facies of the Coast Intrusions and at least two minor ones, as dykes.

The two facies of the Coast Intrusions are (1) a (probably earlier) medium to coarse-grained massive greenish diorite with 15 - 20% mafic minerals with fine-grained border phase of similar composition, followed by: (2) a medium-grained grey granodiorite with up to 10% mafic minerals.

The late dykes are both mafic, (probably lamprophyre) and acid (aplite).

Underground geology is preliminary as washing of walls is just underway. Observations at the three rehabilitated raises (5 to 6, 5 to 4, and 5 to 3) where the walls are somewhat cleaner, show that the quartz veins are tension faulted with small displacements (up to 2 metres) occasionally change dip over short distances, and are displaced by the two dyke generations, with similar displacements as the faults.

Underground mineralization: The quartz veins that were developed and partly mined in the 1930's post-dated the diorite intrusive. Native gold has not been definitely observed, but the veins are well-mineralized with up to 15% pyrite and sometimes chalcopyrite. The gold is, thus, tied up with the sulphides.

The quartz veins are up to 1.5 metres wide, average less than 1.0m, and the sulfides are disseminated, usually lined up in patches ranging in size from small crystals a mm long, up to 5-6 cm long. Quartz stringers with only minor pyrite also occur on either side of the main vein only a few cm away. The host rock between has only minor disseminated pyrite.

Porphyry type (gold?) mineralization on surface: Several exposures of mineralized medium-grained intrusive rock (originally probably a granodiorite) were observed and sampled, both along the new and old roads. This is believed to be the rock mentioned as "auriferous syenite" in the report by R. Wolfe (1987).

(Continued...)

Progress Report No.2

(3)

1 February 1988

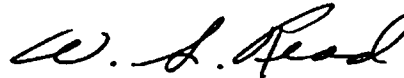
The mineralized rock is intensely altered, basically silicified, and probably contains fine sericite. Mineralization of up to 10% pyrite, both disseminated and in stringers, with or without quartz, is of the porphyry type.

The intensely altered rock is greenish and reddish brown on weathered surfaces. Overburden cover is also deep reddish brown. The intensely altered intrusive is flanked on both sides by moderately altered rock with lesser amounts of pyrite mineralization.

Several metres of channel chip samples have been taken across these zones and are presently at the assayers for analysis.

The projected work for the next period includes completing the road to Adit 3, rehabilitating Adits 1 and 3 and raises from 1 to 3, complete washing of Adit 5 for detailed geological mapping and sampling, surveying of adits and raises as they become accessible, and plotting of all data as it becomes available.

Respectfully submitted,



Wayland S. Read, P.Eng.

WSR:mer



COLUMBIA GOLD PROJECT

DAILY EQUIPMENT COSTS

ITEM	HOURS WORKED	COST / HOUR	COST / DAY	COST TO DATE
CAT - DBH	—	—	—	30,904.00
TANK DRILL	10	136.00	1360.00	44,381.25
EXCAVATOR	—	—	—	14,749.00
FALLER	—	—	—	3,900.00
DATE: JAN 16/88		TOTAL	1360.00	93,934.25
CAT - DBH	—	—	—	30,904.00
TANK DRILL	—	—	—	44,381.25
EXCAVATOR	—	—	—	14,749.00
FALLER	—	—	—	3,900.00
DATE: JAN 17/88		TOTAL	0.00	93,934.25
CAT - DBH	6	109.00	654.00	31,558.00
TANK DRILL	10	136.00	1360.00	45,741.25
EXCAVATOR	—	—	—	14,749.00
FALLER	—	—	—	3,900.00
DATE: JAN 18/88		TOTAL	2014.00	95,948.25
CAT - DBH	1	109.00	109.00	31,667.00
TANK DRILL	8	136.00	1088.00	46,829.25
EXCAVATOR	4	99.50	398.00	15,147.00
FALLER	—	—	—	3,900.00
DATE: JAN 19/88		TOTAL	1595.00	97,543.25
CAT - DBH	3	109.00	327.00	31,994.00
TANK DRILL	9	136.00	1224.00	48,053.25
EXCAVATOR	5	99.50	497.50	15,644.50
FALLER	—	—	—	3,900.00
DATE: JAN 20/88		TOTAL	2014.50	99,557.75

COLUMBA GOLD
DAILY EQUIPMENT

PROJECT COSTS

W. S. Read, P.Eng.
851 Cherry Point Rd.
R.R. #3, Cobble Hill, B.C.
VOR 1L0

ITEM	HOURS WORKED	COST / HOUR	COST / DAY	COST TO DATE
CAT - DBH	—	—	—	31,994.00
TANK DRILL	3	136.00	408.00	48,461.25
EXCAVATOR	8	99.50	796.00	16,440.50
FALLER	—	—	—	3,900.00
DATE: JAN. 21/88		TOTAL	1204.00	100,795.75
CAT - DBH	3.5	109.00	381.50	32,375.50
TANK DRILL	10	136.00	1360.00	49,821.25
EXCAVATOR	—	—	—	16,440.50
FALLER	—	—	—	3,900.00
DATE: JAN. 22/88		TOTAL	1741.50	102,537.25
CAT - DBH	2.5	109.00	272.50	32,648.00
TANK DRILL	9.0	136.00	1224.00	51,045.25
EXCAVATOR	4	99.50	398.00	16,838.50
FALLER	—	—	—	3,900.00
DATE: JAN. 23/88		TOTAL	1894.50	104,431.75
CAT - DBH	3.5	121.25 *	424.38	33,072.38
TANK DRILL	—	—	—	51,045.25
EXCAVATOR	3.5	111.75 *	391.13	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN. 24/88 * SUNDAY		TOTAL	815.51	105,247.26
CAT - DBH	2.5	109.00	272.50	33,344.88
TANK DRILL	5	136.00	680.00	51,725.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN. 25/88		TOTAL	952.50	106,199.76

COLUMBIA GOLD PROJECT
DAILY EQUIPMENT COSTS

ITEM	HOURS WORKED	COST / HOUR	COST / DAY	COST TO DATE
CAT - DBH	3	109.00	327.00	33,671.88
TANK DRILL	5	136.00	680.00	52,405.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN 26 / 88		TOTAL	1007.00	107,206.76
CAT - DBH	7	109.00	763.00	34,434.88
TANK DRILL	9	136.00	1224.00	53,629.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN. 27 / 88		TOTAL	1987.00	109,193.76
CAT - DBH	—	—	—	34,434.88
TANK DRILL	10	136.00	1360.00	54,989.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN. 28 / 88		TOTAL	1360.00	110,553.76
CAT - DBH	—	—	—	34,434.88
TANK DRILL	4	136.00	544.00	55,533.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN 29 / 88		TOTAL	544.00	111,097.76
CAT - DBH	—	—	—	34,434.88
TANK DRILL	—	—	—	55,533.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
DATE: JAN 30 / 88		TOTAL	0.0	111,097.76

COLUMBIAN LOGS PROJECT
DAILY EQUIPMENT COSTS

ITEM	HOURS WORKED	COST / HOUR	COST / DAY	COST TO DATE
CAT - DBH TANK DRILL EXCAVATOR FALLER		<u>No</u> <u>WORK</u>	<u>DRILL</u>	<u>DOWN</u>
DATE: JAN. 31 / 88 * SUNDAY		TOTAL	0.0	111,097.76
CAT - DBH TANK DRILL EXCAVATOR FALLER		<u>No</u> <u>WORK</u>	<u>DRILL</u>	<u>DOWN</u>
DATE: FEB 1 / 88		TOTAL	0.0	111,097.76
CAT - DBH TANK DRILL EXCAVATOR FALLER		<u>No</u> <u>WORK</u>	<u>DRILL</u>	<u>DOWN</u>
DATE: FEB 2 / 88		TOTAL	0.0	111,097.76
CAT - DBH	—	—	—	34,434.88
TANK DRILL	—	—	—	55,533.25
EXCAVATOR	—	—	—	17,229.63
FALLER	—	—	—	3,900.00
	<u>No</u> <u>WORK</u>	<u>DRILL</u>	<u>DOWN</u>	
DATE: FEB 3 / 88		TOTAL	0.0	111,097.76
CAT - DBH TANK DRILL EXCAVATOR FALLER				JL
DATE: FEB 4 / 88		TOTAL		

W. S. Read, P.Eng.
 851 Cherry Point Rd.
 R.R. #3, Cobble Hill, B.C.
 VQR 110

COLUMARIO GOLD MINE PROJECT
 ROAD EQUIPMENT USED FOR MINING PROGRAM.

<u>DATE</u>	<u>EQUIPMENT</u>	<u>HRS</u>	<u>COST HR.</u>	<u>PAY COST</u>	<u>COST TO DATE</u>
JAN 13/88	DBH	5½	109.	599.50	599.50
JAN. 14	DBH	5	109.	545.00	1,144.50
JAN. 15	DBH	4	109	436.00	1,580.50
JAN. 16	—	—	—	—	1580.50
JAN. 17	—	—	—	—	1580.50
JAN. 18	DBH	4	109. ⁰⁰	436.00	2016.50
JAN. 19	DBH	8½	109. ⁰⁰	926.50	2943.00
JAN. 20	DBH	1	109. ⁰⁰	109.00	3052.00
JAN. 21	—	—	—	—	3052.00
JAN. 22	DBH	1	109. ⁰⁰	109.00	3161.00
JAN. 23	—	—	—	—	3161.00
JAN. 24	—	—	—	—	3161.00
JAN. 25	DBH	7	109. ⁰⁰	763.00	3924.00
JAN. 26	DBH	3	109. ⁰⁰	327.00	4251.00
JAN. 27	DBH	3	109. ⁰⁰	327.00	4578.00
JAN. 28	DBH WATER TRUCK	5	109. ⁰⁰	545.00	5123.00
		4	65. ⁸⁰	263.20	5386.20
JAN 29	WATER TRUCK	5½	65. ⁸⁰	361.90	5748.10
JAN 30	—	—	—	—	5748.10
JAN 31	WATER TRUCK	5½	* 78. ⁰⁵	429.28	6177.38

* SUNDAY RATE

COLUMARIO GOLD PROJECT
 DAILY DRILL FOOTAGE AND EXPLOSIVES

DATE	ECONOMEX PER 25 Kg. BAG	LOGGERS SPECIAL PER 25 Kg. CASE		XT PRIMACORD METERS	3M NON-EL CAPS	E.B. CAP	DRILL FOOTAGE	Hours WORKED	
		1 1/2"	2"						
JAN. 4/88	—	—	—	—	—	—	140'	8	
JAN. 5	—	—	—	—	—	—	320'	10	LOAD -11'
JAN. 6	—	0.5	8	300	13	1	150'	10	AND LOADER UCC WATER AND TUB BROKE DUE TO
JAN. 7	—	1	—	150	8	1	195	10	
JAN. 8	4	1	4	150	14	1	160	9	
JAN. 9	—	—	4.5	200	6	1	140	9	HEATER STALL WATER
JAN. 10	—	1	0.5	100	11	1	160	8	
JAN. 11	0.5	0.5	—	100	7	1	180	10	
JAN. 12	10.5	0.5	—	100	12	1	320	10	
JAN. 13	—	—	—	—	—	—	310	10	
JAN. 14	10	0.5	—	150	16	1	280	9	
JAN. 15	—	—	—	—	—	—	—	—	
JAN. 16	—	—	—	—	—	—	360	10	
JAN. 17	12	1	1	150	25	3	230	10	
JAN. 18	—	—	—	—	—	—	—	—	
JAN. 19	—	—	—	—	—	—	210	8	
JAN. 20	—	2	—	100	12	1	190	9	
JAN. 21	—	1	—	50	4	1	80	3	
JAN. 22	—	—	—	—	—	—	330	10	
JAN. 23	3 (Amex 14)	1	—	250	16	1	160	9	
JAN. 24	—	—	—	—	—	—	—	—	
JAN. 25	—	1	—	50	1	1	30	5	
JAN. 26	(Amex 4)	1	—	150	—	2	—	5	
JAN. 27	—	1	—	150	—	1	160	9	

