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GEOLOGICAL REPORT

ON THE

MOBILE PROPERTY

GLACIER CREEK AREA
STEWART DISTRICT
SKEENA MINING DIVISION
NORTHWESTERN BRITISH COLUMBIA

FOR

KOMODY RESOURCES LTD.

BY

W.D. GROVES, P.ENG., PH.D.
ARCHAEAN RESOURCES CORP.
200 - 675 W. HASTINGS ST.
VANCOUVER, B.C.

JUNE 20, 1986

WDG.

1983 Sampling Program

[Ed Kruchowski, geologist, and Merl Cloutier, blaster, stand in front of the uppermost adit on Zone "A". Note barrels of high-grade in background.]

Zone "A" Vein

[1983 5-ton bulk sample taken from working face exposed on left.]

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SUMMARY

The Mobile property is located in the Glacier Creek area about five kilometers northeast of Stewart, British Columbia. Access is either directly by helicopter from Stewart or via a three kilometer long trail from the Bear River highway.

Major exploration of the property took place from 1919 to 1932, during which time it was known by several different names: Gibson Group (pre 1921), Mobile Group (1921-1927), Kenneth (1927-1930) and Argentine Syndicate (1930-1932). This initial work concentrated on exploration of the "A" quartz-sulphide vein (hosted in siltstones) which was probed by 200 meters of drifting in three separate adits. High-grade silver mineraliza-ltion was located in lenticular shoots in the vein snd some small shipments undertaken: 1923 - 15 tons grading 260 ounces silver per ton; 1930 -- 5 tons grading 324 ounces silver per ton.

Two other showings, the "B" quartz-sulphide vein, and the "C" replacement zone, were also worked on but not to the same extent. The "B" vein was probed by a short cross-cut tunnel disclosing a strong structure from 2 to 5 meters wide carrying good zinc values with minor silver content. Samples from the "C" replacement zone, which shows a width of 2 to 3 meters and outcrops intermittently over a distance of 750 meters, carried gold values to 0.4 oz/ton.

In 1949, operators shipped a further 8 tons grading 192 ounces silver per ton from the "A" vein. Anglo United Development Corporation examined the Mobile in 1965 and did the following work: surveying and mapping adits, sampling and mapping surface exposures of "A" and "B" veins, and soil geochemical sampling. The soil sampling program outlined a prominent lead-zinc (the only elements tested) geochemical anomaly south of the "B" vein. The cause of this anomaly is not yet ascertained.

Since Komody Resources Ltd. acquired the Mobile in 1980, most of the work on the property has consisted of further bulk sampling ("high-grading") of the "A" vein. The property has now produced approximately 7,700 ounces of silver from 38 tons averaging 203 ounces silver per ton.

After reviewing all of the data on the Mobile, the author is of the opinion that further work on the property is warranted. This work should focus on discovering high-grade occurrences similar to the one developed in the "A" vein system, elucidation of the cause of the geochemical anomaly south of Zone "B", and sampling and trenching of the Zone "C" mineralization. Cost of such a Phase I program is estimated at $70,000. Contingent upon its success, a further Phase II program, consisting primarily of diamond drill of targets defined in Phase I, is budgeted at $75,000.

INTRODUCTION - SOURCES FOR REPORT

The author was requested to prepare a geological report on the Mobile property by the directors of Komody Resources Ltd., a Vancouver based exploration company.

The information and recommendations contained in this report are largely derived from the field observations of several geologists and professional engineers. In particular, the geological reports written by E. Cruz, P.Eng. (Ref. 1), and E.W. Grove, P.Eng. (Ref. 4), both based on property examinations, were relied on to substantiate the recommended program.

Although the author has not personally visited the property (such a visit under present snow cover would not add anything to the large body of information presently available), he is quite familiar with the local geological setting having examined and reported on proximate mineral properties within the Stewart area (Refs. 9 & 10). As well, the author's consulting company, Archaean Resources Corp., supervised the 1983 assessment program on the Mobile which was carried out by field geologist, Ed Kruchkowski (Ref. 7). The author has also had the opportunity to view high-grade mineralization taken from the "A" vein which was stored in the yard of Stewart prospector, Nick Benkovich. Other sources of information include lengthy excerpts from the B.C. Minister of Mines Annual Reports (Ref. 12) and a geophysical report by R. Sheldrake, B.Sc. (Ref. 6).

LOCATION, ACCESS, PHYSIOGRAPHY

The Mobile and Mobile Annex claims are located in the Glacier Creek area about five kilometers northeast of Stewart, British Columbia. Access at present is by helicopter from the base at Stewart to the campsite on the "Mobile" showings. A well defined trail also leads from the highway near the old Dunwell millsite to the camp -- a two and a half hour walk uphill and approximately one and a half hours down.

The "Mobile" showings lie between 1,100 and 1,300 meter elevation (just below treeline) along the western flank of a ridge separating Albany and Glacier Creeks. In the area of the showings, scrub forest cover alternates with large, open grassy patches. At lower elevations, the forest thickens into a heavy stand of timber on steep, bluffy slopes.

Climate is typical of the Stewart area: frequent precipitation throughout the year with heavy snowfalls in winter. In a normal season the property is open to exploration from mid-June to early October.

STATUS OF PROPERTY

The property consists of two modified grid claims recently staked by H. Foerster, director of Komody Resources Ltd. Mr. Foerster holds the claims on trust for Komody. Previous to this, from 1980, the claims were held directly by Komody Resources Ltd. (they came open in March, 1986 due to failure to file assessment work). Relevant claim information is as follows: Mobile - Record No. 5318(4), 18 units; Mobile Annex - Record No. 5319(4), 18 units. Both have an expiry date of April 22, 1987.

HISTORY

The Mobile property has a lengthy history of exploration, beginning around 1919. A summary of activity is presented below:

1919-20 Known as the Gibson Group. Principal showings discovered. Open-cutting and sampling.

1920-26 Known as the Mobile Group. Work concentrated on development of what was later known as the "A" vein, a quartz-sulphide vein in a shear zone in argillites. Two short tunnels were driven in to expose high-grade silver shoots from which 15 tons grading 260 oz/ton were taken. A lower tunnel, driven 520 feet, failed to disclose similar mineralization.

1927 Known as the Kenneth. Further work on two other showings, the "B" vein and "C" replacement zone (as they were later known). Open-cutting and sampling.

1930-32 Known as the Argentine Syndicate. Cross-cut tunnel driven 112 feet to test the "B" vein. Five tons of high-grade from the "A" vein assaying 323 oz/ton in silver were shipped. Gold values obtained from trenching in "C" replacement zone. Mineralized shear zones proximate to "B" vein tested by open-cutting.

1965-66 Explored by Anglo United Development Corporation. Survey of tunnels on property, geological mapping and sampling. Geochemical soil sampling program disclosed large Pb-Zn anomaly uphill from "B" vein exposure.

1980-85 Property staked by Komody Resources Ltd. Property visits and reports by E. Cruz, P.Eng. and E.W. Grove, P.Eng. Yearly assessment work programs to keep property in good standing, chiefly bulk sampling of high-grade lenses in "A" vein. Minor prospecting of other zones. Airborne and ground EM/Mag survey by Apex

Airborne.

1986 Claims come open. Re-staked by H. Foerster.

GEOLOGY

The following description of the regional geology is excerpted from the 1982 report (Ref. 4) by E. W. Grove, Ph.D., P.Eng., on the Glacier claims (previous name for Mobile and Mobile Annex claims). Dr. Grove is also the author of Bulletin 58 of the B.C. Department of Mines entitled "Geology and Mineral Deposits of the Stewart Area" (Ref. 2).

> "The basic geological outline of the Glacier Creek area is shown in [Fig. 3]. The oldest rocks in the immediate vicinity comprise an assemblage of bedded and flow-type volcanics of late Lower Jurassic age which form part of the Unuk River Formation (Grove, 1973). This sequence is unconformably overlain by early Lower Middle Jurassic marine sediments of the Salmon River Formation (Grove, 1973). This siltstone-sandstone-greywacke unit has been folded into a canoe-shaped trough that persists as a structural remnant perched on top of the older eroded volcanics and their dynamically metamorphosed equivalents. All of these units have been intruded by the Glacier Creek augite porphyry stock of probable Cretaceous age and by a quartz monzonite satellite stock representing a portion of the underlying very extensive Tertiary Hyder batholith (Grove, 1973). Various lamprophyre dykes dated at about 34 my (BP) cut across all the major country rock units.
>
> The [Mobile and Mobile Annex] claims and the Mobile prospect in particular lie along the deformed west limb of a large Middle Jurassic structural trough. Deformation of the siltstones, and sandstones along predominantly North-South directions west of Albany Creek has produced a melange of graphitic shears separating faulted blocks of various sizes.
>
> The many quartz and quartz-sulfide veins that cut the siltstone unit in the Glacier Creek area are judged to have formed along fractures, faults and shears. Most of these veins have been subjected to faulting and brecciation producing what are commonly known as breccia veins."

The outline of the Mobile claim and approximate locations for Zones "A","B" and "C" are shown on Fig. 3 -- Regional Geology, after Dr. Grove's geological mapping in Bulletin 58, B.C. Department of Mines, 1971 (Ref. 2).

MINERALIZATION

Three principal zones of mineralization have been isolated in previous work on the property. These are the "A" quartz sulfide vein, the "B" quartz sulfide vein, and, what the author has dubbed as, the "C" replacement zone. Unfortunately, designation of various drifts and tunnels on the property as "A", "B", "C", "D", etc. (in the old Minister of Mines Reports), has created some confusion as to which zone they explore. The zones are described below.

"A" Vein

This is the showing on which most of the work on the property has concentrated. The "A" quartz sulfide vein occurs in a north-south trending shear zone in siltstones and has been traced for over 200 meters on surface. Attitude is reported as 160/80W to vertical. Three tunnels have been driven into explore the vein over a vertical range of 125 meters. The lowest tunnel was driven over a 160 m but apparently did not intersect the same type of high-grade mineralization encountered in the upper two (which are considerably shorter).

Based on a property examination in 1982, E.W. Grove, P.Eng. (Ref. 4), described the vein as follows:

> "At the surface the "A" vein was seen to consist of massive, dense quartz, sulfides, country rock fragments and vuggy, cross cutting white quartz carbonate veinlets forming a quartz breccia vein typical of the general area. The vein has a width pf up to 25 cm in the footwall portion of the zone. Toward the hanging wall of the mineralized zone the massive breccia is succeeded by up to 60 cm of mineralized, altered siltstone with lenses of quartz sulfide, followed by pyritic quartz veins up to 15 cm wide and then by an oxidized hanging wall zone in which the thinly striped siltstones are bleached, indurated, and pyritized. The overall width of this quartz breccia - shear system in the No. 1 Trench is about 2 meters."

The weighted average of 6 samples taken across a 0.91 m section of the "A" vein as exposed in No. 1 Trench was: silver - 46.9 oz/ton; gold - 0.06 oz/ton; lead - 1.0%; and, zinc - 1.2%. Within this section a high-grade interval 0.15 m wide ran: silver - 182.48 oz/ton; gold - 0.075 oz/ton; lead - 0.52%; and, zinc - 6.4%.

This compares with an earlier sample by E. Cruz, P.Eng. (Ref. 1) across 2.1 m, also a weighted average, as follows: silver - 37.0 oz/ton; gold - 0.028 oz/ton; lead - 0.84%; and, zinc - 0.635%. A corresponding high-grade interval 0.15 m wide within this section ran: silver - 141.68 oz/ton; gold - 0.08

oz/ton; lead - 4.74%; and, zinc - 0.29%.

The No. 1 Trench area appears to be the only surface exposure of the "A" vein presently known to contain high-grade silver values. Sampling by Cruz, P.Eng., at five other trenches showed sub-economic silver values only.

Several small test shipments of ore have been made from the high-grade shoot exposed in No. 1 Trench and its downward projection in the upper two tunnels. The Minister of Mines Reports for 1923 states that 15 tons were taken out during development, assaying 260 oz/ton. Thereafter, in 1930, another five tons averaging 324 oz/ton in silver was reportedly shipped. In 1949, another eight tons was shipped averaging 192 oz/ton in silver.

In 1981, Mr. Nick Benkevich of Stewart took out 5 tons reported to grade around 50 oz/ton in silver. During the 1983 assessment program, another 5 tons were removed from the No. 1 Trench area - a composite sample taken by E. Kruchkowski, P. Geol., reportedly ran 82.9 oz/ton in silver. During the latter program a stringer zone containing spectacular ruby silver mineralization was discovered in the hanging wall of the "A" vein. This zone undoubtedly contributed to the high grades reported by previous workers. A sample from the stringer zone, containing no visible ruby silver, ran 429 oz/ton in silver (cf. Assay Certificate - Oct. 21, 1983). The author has observed native silver in hand specimens taken during the 1983 program. Dr. E.W. Grove, P.Eng. (Ref. 4) has described the mineralogy of the "A" vein as follows: "quartz, calcite, pyrite, sphalerite, galena, chalcopyrite, tetrahedrite, ruby-silver, and possible native silver are the most common minerals in decreasing order of abundance".

"B" Vein

The "B" vein is located approximately 160 m west of the "A" vein and has been explored by a large open cut and a cross-cut tunnel approximately 40 m long. Mineralogy and attitude of the "B" vein are similar to that of the "A" vein and it also occurs in a graphitic shear. Unlike the "A", however, no high-grade shipments of silver mineralization have been reported.

Although Minister of Mines Reports shows assays as high as 111 oz/ton in silver from the "B" vein, representative samples taken by Cruz, Grove and Kruchkowski show silver values ranging from 0.01 to 3.78 oz/ton, only. A sample by Cruz, P.Eng., from a surface exposure over a 0.75 m width assayed: silver - 3.14 oz/ton; gold - 0.032 oz/ton; lead - 2.59%; and, zinc - 11.09%. A sample by Grove, P.Eng., over a 2.0 m width exposed in the cross-cut tunnel ran: silver - 0.79 oz/ton; gold - 0.002 oz/ton, lead - 0.10%; and, zinc - 3.60%.

"C" Replacement Zone

The 1932 B.C. Minister of Mines Reports describes "C" zone as follows:

> "Open-cutting has also been carried out on a replacement zone in dioritic rock lying 700 feet westerly of the southerly projection of "D" zone, which outcrops in places between elevation 4,100 feet and 4,300 feet along a distance of about 2,300 feet. An open-cut at elevation 4,100 feet on this replacement-zone shows a width of 10 feet mineralized with pyrrhotite in silicedous and semi-absorbed argillite. Another open-cut at 4,150 feet shows 8.5 feet mineralized with pyrrhotite, mispickel, stibnite, and zinc-blende.
>
> A sample representative of the pyrrhotite phase exposed in these cuts assayed: Gold, trace; silver, trace. A sample of the mispickel phase with some pyrrhotite in these cuts assayed: Gold, 0.4 oz. per ton; silver, 1 oz. per ton."

No accounts of further work on this zone are contained in subsequent Minister of Mines Reports despite the promising gold value reported and the strength of the structure (the next account of work on the Mobile is in 1949 -- like many other Stewart properties, exploration all but ceased during the Depression and following World War) However, D. Cremonese, P.Eng., a director of Komody Resources Ltd., reports that he observed the zone and numerous open cuts during a property inspection in the company of geologist, D. Wallster (1982, Ref. 8). A grab sample taken at that time of massive sulfide mineralization (predominantly pyrrhotite and arsenopyrite) was assayed and ran 0.068 oz/ton in gold and 0.2 oz/ton in silver (cf. Assay Certificate - Archaean #84-0697). This would seem to partially confirm the presence of gold values within the replacement zone.

GEOCHEMISTRY

A soil sampling program carried out by Anglo United Development Corporation in 1965 concentrated on the area around zones "A" and "B". Samples were analysed for lead and zinc content. A plot of values disclosed a broad geochemical anomaly centered about 150 m south (uphill) of the "B" vein exposure. Lead and zinc values within the anomalous area ranged from 65-1100 ppm and 95-1600 ppm, respectively. Significantly, the geochem survey did not outline a zone of mineralization coincident with "A" vein.

The anomaly, which can be characterized as fairly intense, is shown on Fig. 4.

GEOPHYSICS

During September, 1984, an airborne and ground geophysical program was carried out over a portion of what is now the Mobile claim. The airborne program consisted of seven kilometers of high sensitivity E.M. and Magnetic surveys run along nine east-west flight lines (see Fig. 6 - Magnetic Contour & E.M. Conductor Map). A small ground survey was also undertaken over a 250m by 350m grid in the vicinity of Zones "A" and "B" (see Fig. 5 - Ground Magnetometer and V.L.F. Survey).

The airborne E.M. survey detected 30 low order conductors attributed by the geophysicist to shear zones rather than silver vein mineralization. The limited ground E.M. survey in the vicinity of Zones "A" and "B" did not show any correlation between significant E.M. responses and known silver mineralization. However, Mr. Sheldrake, geophysicist, also remarked (Ref. 6):

> "There is insufficient coverage, both in detail and area, to judge the probability of directly detecting the Ag [silver] mineralization. The mineralization within the shear zones may be detectable with a very detailed and carefully executed survey, but typically these types of deposits (silver rich, quartz shear zones) are not distinguishable from the graphitic (but non-mineralized) shears."

The ground magnetic survey disclosed one anomalous area described by Sheldrake as follows:

> "A two station magnetic anomaly (2148 gammas) on L 150 N, may provide a target for metallic mineralization, however insufficient measurements have been taken to assess its significance. The response lies along strike from Zone "B" and about 100 meters west of the previously mentioned geochemistry anomaly. The anomaly is caused by a concentration of pyrrhotite or magnetite which may be related to mineralization, although there is a chance that glacially deposited magnetic boulders could account for the response."

AIR PHOTO INTERPRETATION

A useful adjunct of the 1984 geophysical program was the definition of air photo lineaments on the property. Analysis of the major lineaments (see Fig. 7 - Geophysical & Air Photo Interpretation Overlay) shows good correlation between the photo indicated fractures and known shear zones/quartz veins in the area of Zones "A" and "B". It also appears that Zone "B" lies along a major lineament over 500m in length.

Although the precise location of Zone "C" has not been recorded by any previous workers, it is likely to coincide or parallel the major, 1 km long, lineament running from L3 to L8 (the one intersected by the terminus of the Zone "B" lineament). This interpretation is supported both by the old Minister of Mines accounts and the observations of D. Cremonese, P.Eng. (Ref. 8).

DISCUSSION

A branching system of faults, northerly/north-northwesterly striking and with vertical to moderately steep westward dips crosscuts the contorted argillites in the vicinity of their contact with volcanics (volcanics to the west). Exposure is not good except in a few places where mineralized sections (Zones "A","B" & "C") have been tested by open-cutting and adits. The volcanics are transected to the west by a N20W cataclasticized zone (Fig. 3a) on the contact with an outlyer stock of the Hyder pluton.

Whether stock contacts are steep, or whether they are merely unroofed where exposed and lie at depth beneath the sediments cap is not really known at this point. Many of the N20W faults in the area show large strike slips (tear fault type with brecciated fragments dispersed through the vein fill).

Whether the different mineralizations -- gold-quartz-pyrrhotite-arsenopyrite (Zone "C"), silver-lead-zinc (Zone "B"), and ruby silver-lead-zinc (Zone "A") -- are characterisitic of different temperatured mineralization pulses up various faults, representative of a temperature gradation sequence in the fault system, is an important point to be determined.

RECOMMENDATIONS

Intermittent exploration over a period of 65 years has exposed three mineralized zones on the Mobile property. Most of this work has concentrated on developing the "A" zone vein system from which several shipments of high-grade silver mineralization have been taken.

After carefully reviewing all data available on the property, the author is of the opinion that further exploration work is warranted. This work should include geological mapping, geochemical soil sampling, geophysical E.M. and magnetometer surveys, blasting & trenching, rock sampling and metallurgical testing. Such a Phase I program is estimated to cost $70,000 (see following section: "Estimated Cost of Proposed Work Program").

A four man crew, consisting of a geologist, blaster and two assistants, should be flown into the property during the period between mid-June and early October to carry out a 30 day work program. Emphasis should be placed on examining the property as a whole rather than limiting the work to the presently known zones. However, targets such as the Zone "C" mineralization, the large geochemical anomaly uphill from Zone "B" and the magnetic anomaly discovered during the 1984 program obviously deserve special attention. All air photo lineaments should be carefully mapped in the field and tested for possible mineral zones.

A 50m by 50m grid should be established over the Mobile claim to allow reconnaissance scale mapping. This should be accompanied by magnetic and VLF EM measurements as recommended by geophysicist, R. Sheldrake (Ref. 6). Although the geophysics may not be directly helpful in locating gold/silver mineralization, it will be indirectly of great use in ascertaining formational features, faults, shears and alteration zones. Grid spacing should be reduced in the vicinity of Zones "A", "B" and "C" to 25m by 25m. For the purposes of check geochemical sampling, the spacing inside and around the known geochemical anomaly uphill from Zone "B" should be reduced to 15m by 15m.

A generous allowance of 1,000 soil geochemical samples has been provided in order to redo the previous grid (which unfortunately was not tested for the economically most interesting elements gold and silver) and also for reconnaissance grids in other locations which merit follow-up (e.g., areas along strike of shears). The samples should be analysed for gold by ppb tolerance geochem and also for 30 other elements by I.C.P. (the latter is quite economical for the information provided at $5.50/sample).

The Phase I budget also includes a provision for a blaster for 30 days to provide adequate exposure of the Zone "C" mineralization, extensions of Zone "B" along strike, and any other mineralized zones discovered during the work program. Two hundred samples have been allocated for rock samples from trenches. A bulk sample of about 2,000 pounds should be blasted out of the Zone "A" high-grade silver showing in the Trench 1 area and shipped for metallurgical testing. [Recents tests of Stewart area sulphide mineralization supervised by the author show that fine-grinding in a Thompson mill may be a very practical and economical way of treating high-grade ores on site.]

Assuming favourable results from the Phase I program, the author has budgeted a further Phase II program which consists primarily of diamond drilling targets discovered in Phase I. This 1,500 foot program is budgeted at $ 75,000.

ESTIMATED COST OF PROPOSED WORK PROGRAM

PHASE I

Personnel - Geological mapping, supervision, geochem & geophysics, blasting & trenching

Geologist - 30 man-days @ $250/man-day	$ 7,500
Blaster - 30 man-days @ $250/man-day	7,500
Assistants (2) - 60 man-days @ $125/man-day	7,500
Geochem assays - 1,000 @ $9.00/sample	9,000
Rock assays - 200 @ $25/sample	5,000
Equipment rental, blasting and camp supplies	5,700
Food	4,500
Helicopter support - 8 hrs.	5,000
Stewart base costs (truck, accommodation, etc.)	1,200
Metallurgical test - bulk sample	2,000
Sample transport	1,500
Mobilization/demobilization - personnel	3,200
Engineering - report & map preparation, documentation	6,000
Sub-Total	$ 63,600
Plus contingency @ 10%	6,400
TOTAL PHASE I	**$ 70,000**

PHASE II (Contingent upon successful outcome of Phase I)

Diamond Drilling - Follow-up to targets defined in Phase I

Allocate 1,500 feet @ $32/ft (includes mob/demob, site prep, drill moves, fuel and camp support)	$ 48,000
Helicopter support - 10 hrs @ $670/hr.	6,700
Assays, core splitting, sample transport	7,500
Supervision, engineering and report	6,000
Sub-Total	$ 68,200
Plus contingency @ 10%	6,800
TOTAL PHASE II	**$ 75,000**

GRAND TOTAL -- ESTIMATED COSTS OF BOTH PHASE I AND PHASE II **$ 145,000**

Respectfully submitted,

William D. Groves.

W.D. Groves, Ph.D., P.Eng.

CERTIFICATE

I, William D. Groves, do hereby certify that:

1. I am a consulting engineer with an office at 200-675 W. Hastings Street, Vancouver, B.C. under the name of Archaean Resources Corp.

2. I am a graduate of the University of British Columbia with a B.A.Sc. in Geological Engineering (1960) and a Ph.D. in Chemical Engineering (1971). I am also a graduate of the University of Alberta with a B.Sc. in Chemical Engineering.

3. I am a registered Professional Engineer in the Province of British Columbia, #8082.

4. Although I did not have a chance to visit the Mobile and Mobile Annex claims, I did examine a number of claims in the immediate area. This report is based on very comprehensive engineering reports by E.W. Grove, P.Eng. and E. Cruz, P.Eng., a geophysical report by R. Sheldrake, B.Sc., results of a 1983 work program under the supervision of the author's company, Archaean Resources Corp., and an extensive review of other literature pertaining to the property.

5. I have not received directly or indirectly, nor do I intend to receive any interest, direct or indirect, in the Mobile property, nor do I beneficially own, directly or indirectly, any securities of Komody Resources Ltd., nor do I expect to receive any such interests.

6. I hereby consent to the use of this Report in a filing statement or prospectus to be filed with either the Vancouver Stock Exchange or Superintendent of Brokers for British Columbia.

Dated this 20th day of June, 1986 at Vancouver, British Columbia.

Respectfully submitted,

William D. Groves

W.D. Groves, Ph.D., P.Eng.

REFERENCES

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2. **GROVE, E.W., P.ENG. (1971):** Geology and Mineral Deposits of the Stewart Area, British Columbia, B.C. Dept. of Mines & Petroleum Resources, Bull. No. 58.

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5. **LORIMER, M.K. (1965):** Report on a Geochemical Survey of the Mobile Group, Skeena Mining Division, Assessment Report #745.

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7. **KRUCHKOWSKI, E, B.SC. (1983):** Verbal communication -- re results of 1983 field work program (bulk sampling) on "A" vein high-grade zone, Mobile property.

8. **CREMONESE, D.M., P.ENG. (1983):** Verbal communication -- re 1982 visit to Mobile property, grab sample of "C" Zone.

9. **GROVES, W.D., P.ENG. (1981):** Report on the Albany Creek Property of Komody Resources Ltd.

10. **GROVES, W.D., P.ENG. (1984):** Report on the Albany Creek Property of Virgold Resources Ltd.

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1923 - p. a71-72	1927 - p. c90
1929 - p. c95	1930 - p. a105-106
1931 - p. a42	1932 - p. a58

1949 - p. 41
1966 - p. 40

1965 - p. 51

6751 Barbara Drive
VICTORIA, B.C. V8Z 5T4

CERTIFICATE OF ASSAY

Samples submitted: November 20, 1981
Results completed: December 7, 1981

PROJECT: NONE GIVEN

I hereby certify that the following are the results of assays made by us upon the herein described rock samples.

MARKED	GOLD		SILVER		Cu	Pb	Zn					
	Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
71476	0.082		83.95		0.10	0.86	1.70					
71477	0.040		32.56		0.02	1.25	0.17					
71478	0.050		17.85		0.03	0.52	0.19					
71479	0.23		3.50		<0.01	0.48	0.01					
71480	0.002		0.79		0.01	0.10	3.60					
71481	0.020		4.86		<0.01	0.26	0.12					
71482	0.002		0.91		0.01	0.02	0.03					
71483	0.002		0.53		<0.01	0.01	0.02					
71484	0.075		182.48		0.23	1.58	6.40					

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.

Registered Assayer, Province of British Columbia

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH:253-3158 TELEX:04-53124

DATE RECEIVED OCT 14 1983

DATE REPORTS MAILED Oct 21/83

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PRULVERIZED TO -100 MESH.

ASSAYER D. Toye DEAN TOYE, CERTIFIED B.C. ASSAYER

ARCHEAN RESOURCES CORP FILE # 83-2570B PAGE# 1

SAMPLE		PB %	ZN %	AG OZ/TON	AU OZ/TON	BA %	
M-1		1.35	15.08	1.86	.004	.08	
M-2		.04	.56	.35	.002	-	
M-3		.01	.16	.20	.001	-	
M-4		.21	2.64	1.14	.005	.05	"B" ZONE
M-5		.23	21.80	3.78	.002	.05	
M-6		.18	7.85	.76	.003	-	
M-7		.04	.43	.12	.001	.08	
M-8		.11	4.88	2.40	.027	-	
M-9		.08	.64	.34	.001	-	
M-10	RUBY SILVER ZONE -	19.10	7.88	429.00	.001	-	"A" ZONE
M-11	COMPOSITE FROM BARRELS, 1983 SAMPLING PROGRAM	1.77	4.26	82.90	.012	-	

ME ANALYTICAL LABORATORIES LTD.
2 E. HASTINGS, VANCOUVER B.C.
:(604)253-3158 COMPUTER LINE:251-1011

DATE RECEIVED MAY-04-84

DATE REPORTS MAILED May 7/84

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PULVERIZED TO -100 MESH.

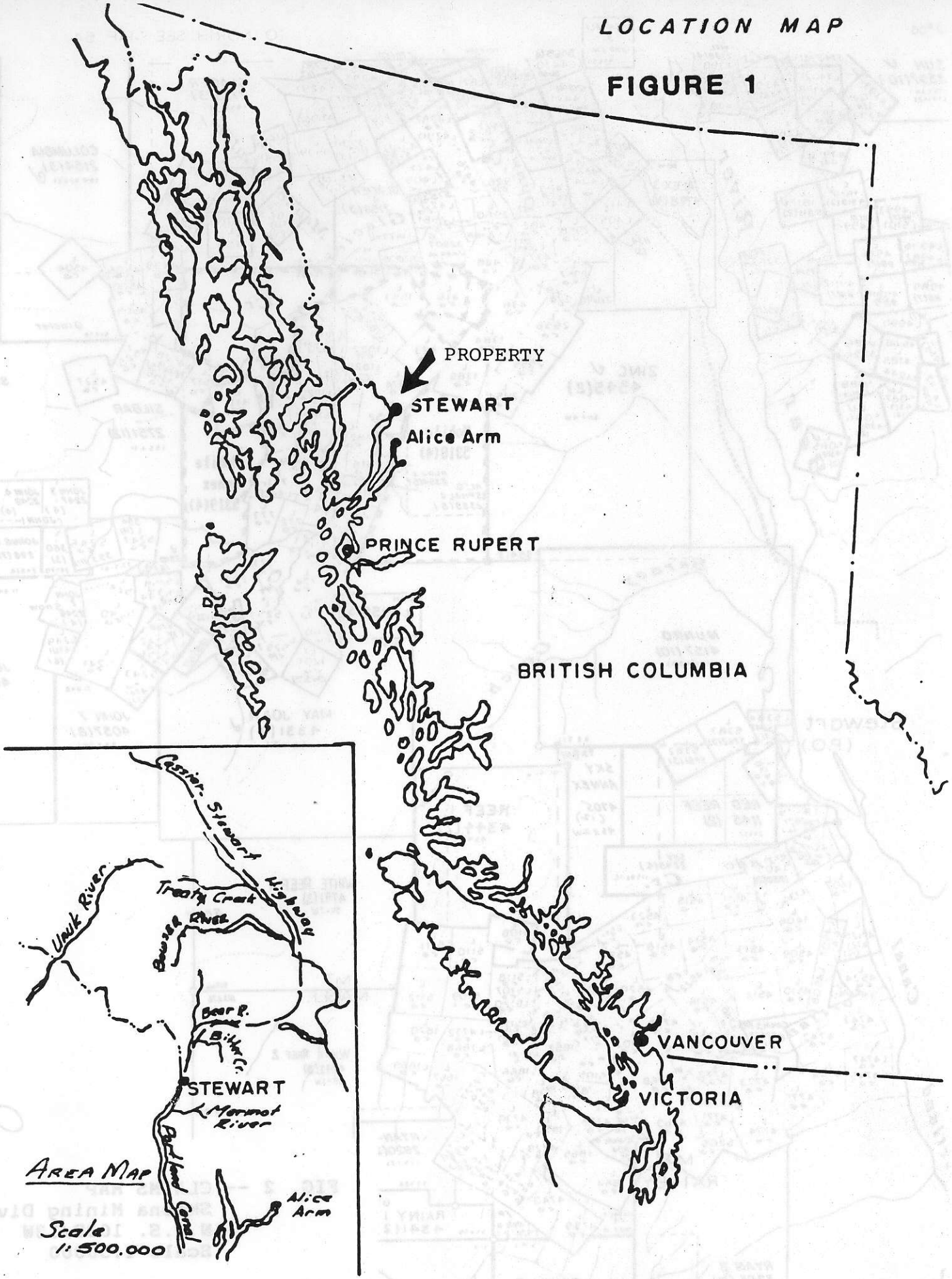
ASSAYER ___D. Toye___ DEAN TOYE, CERTIFIED B.C. ASSAYER

ARCHAEAN FILE# 84-0697 PAGE# 1

SAMPLE	AG OZ/T	AU OZ/T	AS %	
MOB-1	.20	.068	.01	} ZONE "C" GRAB, Pyrrhotite

LOCATION MAP

FIGURE 1



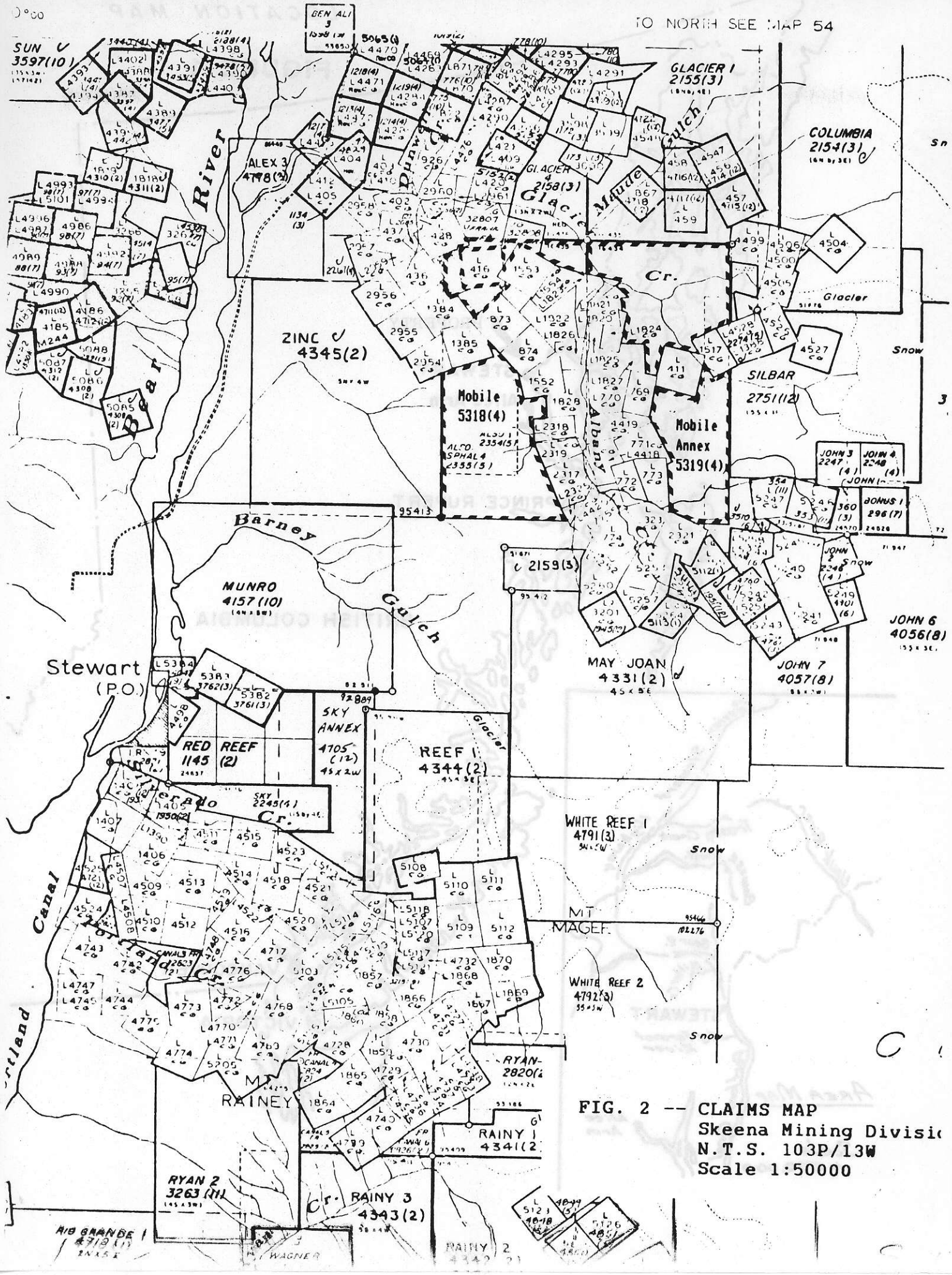


FIG. 2 -- CLAIMS MAP
Skeena Mining Divisi
N.T.S. 103P/13W
Scale 1:50000

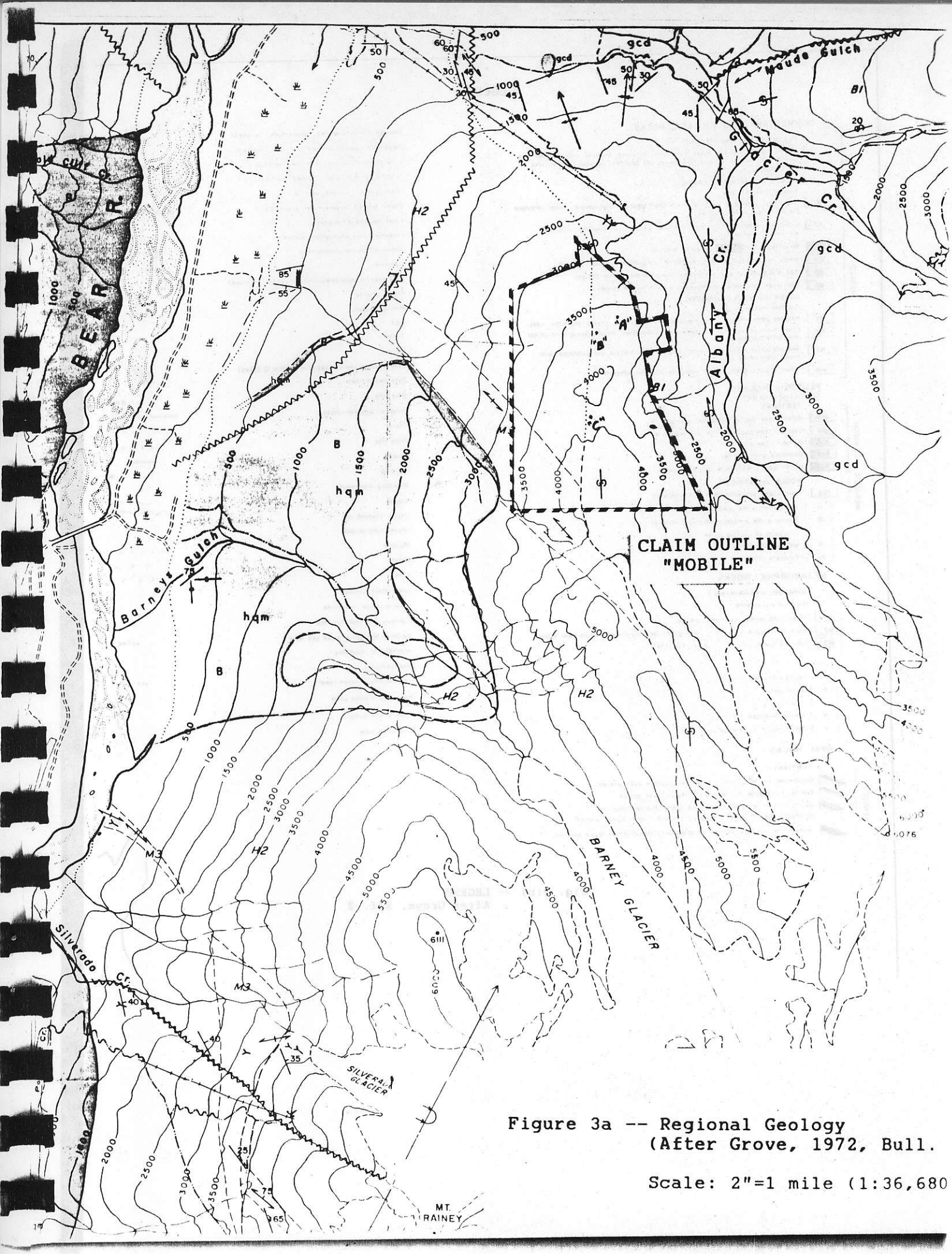


Figure 3a -- Regional Geology
(After Grove, 1972, Bull.

Scale: 2"=1 mile (1:36,680

LEGEND

SEDIMENTARY AND VOLCANIC ROCKS

CENOZOIC

PLEISTOCENE AND RECENT

[ ] Unconsolidated deposits: River flood plain, estuarine deposits, river channel and stream cut terraces, glacial fans, deltas and beaches, outwash, glacial lake sediments.

MESOZOIC

MIDDLE TO UPPER JURASSIC

Hanser assemblage

[B1] Siltstones, greywacke, argillite, minor chert pebble conglomerate, minor limestone (including equivalent phyllites)

[B2] Lithic wacke, feldspathic wacke, siltstone, pebble conglomerate (including equivalent phyllites)

[R] Rhyolite, [RB] Rhyolite breccia

[B4] Green, red, and buff volcanic sandstone, conglomerate, minor breccia

[B5] Red and black volcanic sandstones, conglomerates, minor breccia

[B6] Red, green, and black volcanic breccia (with purple phases)

LOWER TO MIDDLE JURASSIC

Hazelton assemblage

[H1] Red and green volcanic conglomerates and sandstones, crystal and lithic tuffs

[H2] Green massive volcanic conglomerates, sandstones, minor breccia with minor intercalated siltstones

[H3] Red and purple massive volcanic conglomerate, breccia, and sandstone with minor intercalated siltstones

[H4] Green volcanic breccia with sandstone and conglomerate

PLUTONIC ROCKS

Coast Crystalline Belt

CENOZOIC

TERTIARY

[bcm] Bitter Creek quartz monzonite, granodiorite

[gcd] Glacier Creek augite diorite (and equivalent)

[sld] Summit Lake diorite

[bgd] Boundary granodiorite

[hqm] Hyder quartz monzonite (and equivalent)

MESOZOIC

MIDDLE JURASSIC ?

[tcg] Texas Creek granodiorite (and equivalent)

[H] Hornblende is the predominant mafic mineral

[B] Biotite is the predominant mafic mineral

[ ] Inclusions of country rocks

[h] Metasomatic hornblende

[po] Porphyry phase

METAMORPHIC ROCKS

JURASSIC-CRETACEOUS ?

Hazelton equivalents

[M1] Green calcilutites, argillites, schists

[M2] Black, purple, [illegible] and green lapilli, mylonite (predominant colour)

[M3] Buff and green [illegible] (rhyolite)

ALTERATION

[P] Pyritization

[S] Silicification

[K] Feldspathization

[h] Metasomatic hornblende [illegible]

DYKE ROCKS

CENOZOIC

TERTIARY

Hornblende [illegible] (porphyrite everywhere)

Diorite, hornblende [illegible] (Rear Pass area)

Quartz monzonite, granodiorite and quartz diorite commonly porphyritic (best [illegible] Portland Canal dyke swarm)

Granodiorite porphyry [illegible] (includes Premier dyke swarm)

Geologic contact (defined, approximate, assumed)

Bedding (horizontal, inclined, vertical, contorted)

Flow layers (anticlines (inclined, vertical))

Schistosity (horizontal, inclined, vertical)

Joint system (inclined, vertical)

Fault (defined, approximate, assumed)

Fault movement (apparent)

Lineament (air photograph feature)

Anticline (normal, overturned)

Syncline

Fold axes, mineral lineation (horizontal, inclined)

Fossil locality

Mining property

Adit

Tunnel

Quarry

Dyke swarms (one line represents 10 to 15 dykes)

Dyke swarm limit

Bore hole — BH

Road, all weather (other)

Trails

Tram line

Bridge

Building

Boundary monument

Glacier

Debris covered ice

Gravel, sand, or mud

Moraine

Marsh

Lake

Intermittent stream

Lake or stream indefinite

Contours (interval [illegible] feet)

Height in feet above mean sea level — •6548

International boundary

War memorial

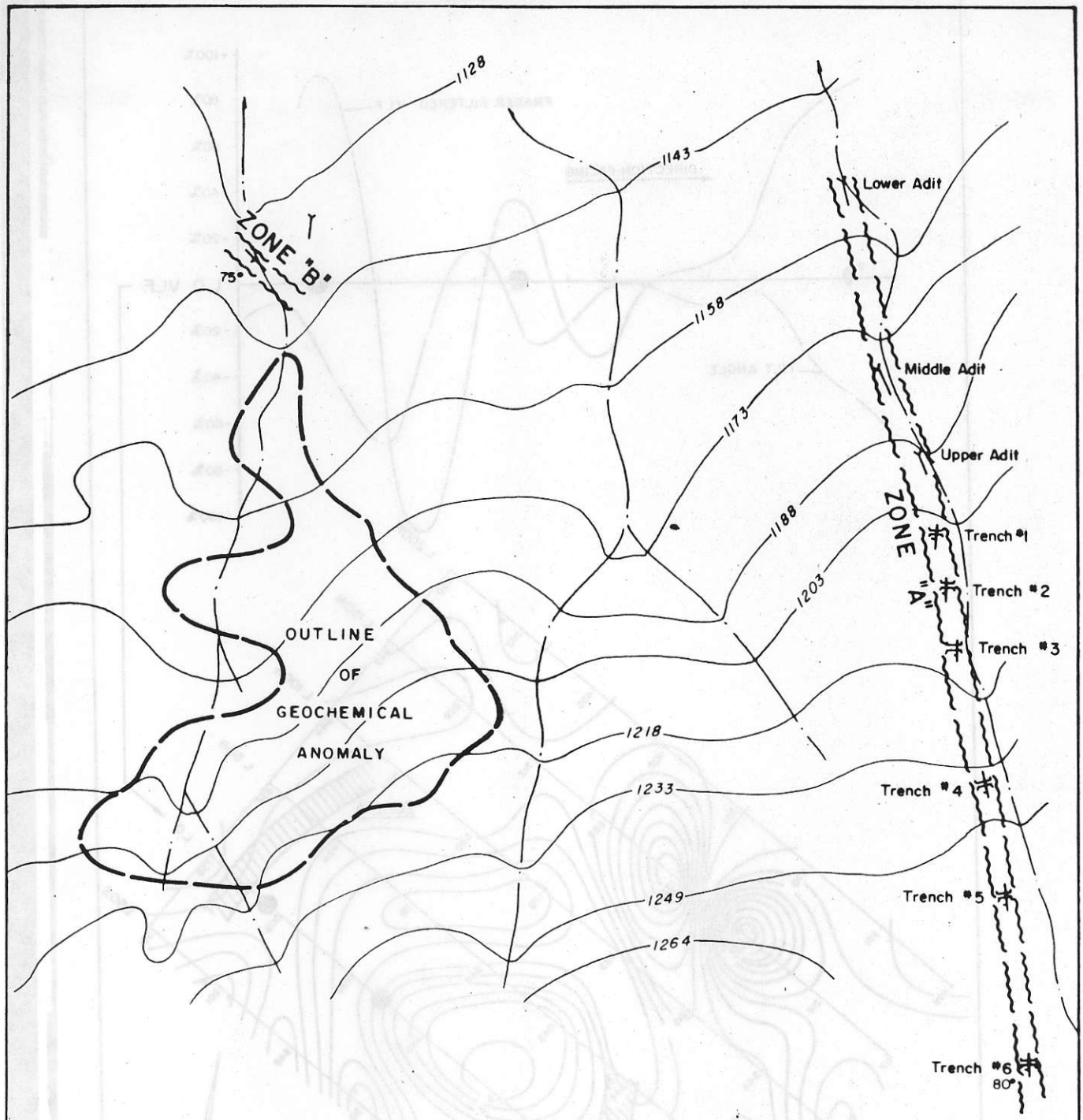
Ice boundary location (year) — 1957

Horizontal control point

Mine waste dump

Mine glory hole

Fig. 3(b) -- LEGEND
After Grove, Ref. 2



LEGEND

- MINERALIZED SHEAR ZONE
- STRIKE AND DIP OF VEIN / LENS
- TRENCH
- ADIT
- CREEK
- —1203— CONTOUR (elevation in metres)

N

KOMODY RESOURCES LTD.

MOBILE PROSPECT — MOBILE CLAIM

ZONES "A" & "B"

SKEENA M.D., B.C.

0 20 80 METRES

To accompany report by W.D. Groves, P.Eng., Ph.D.	DATE : JUNE 1986
	FIGURE Nº 4

CHONG

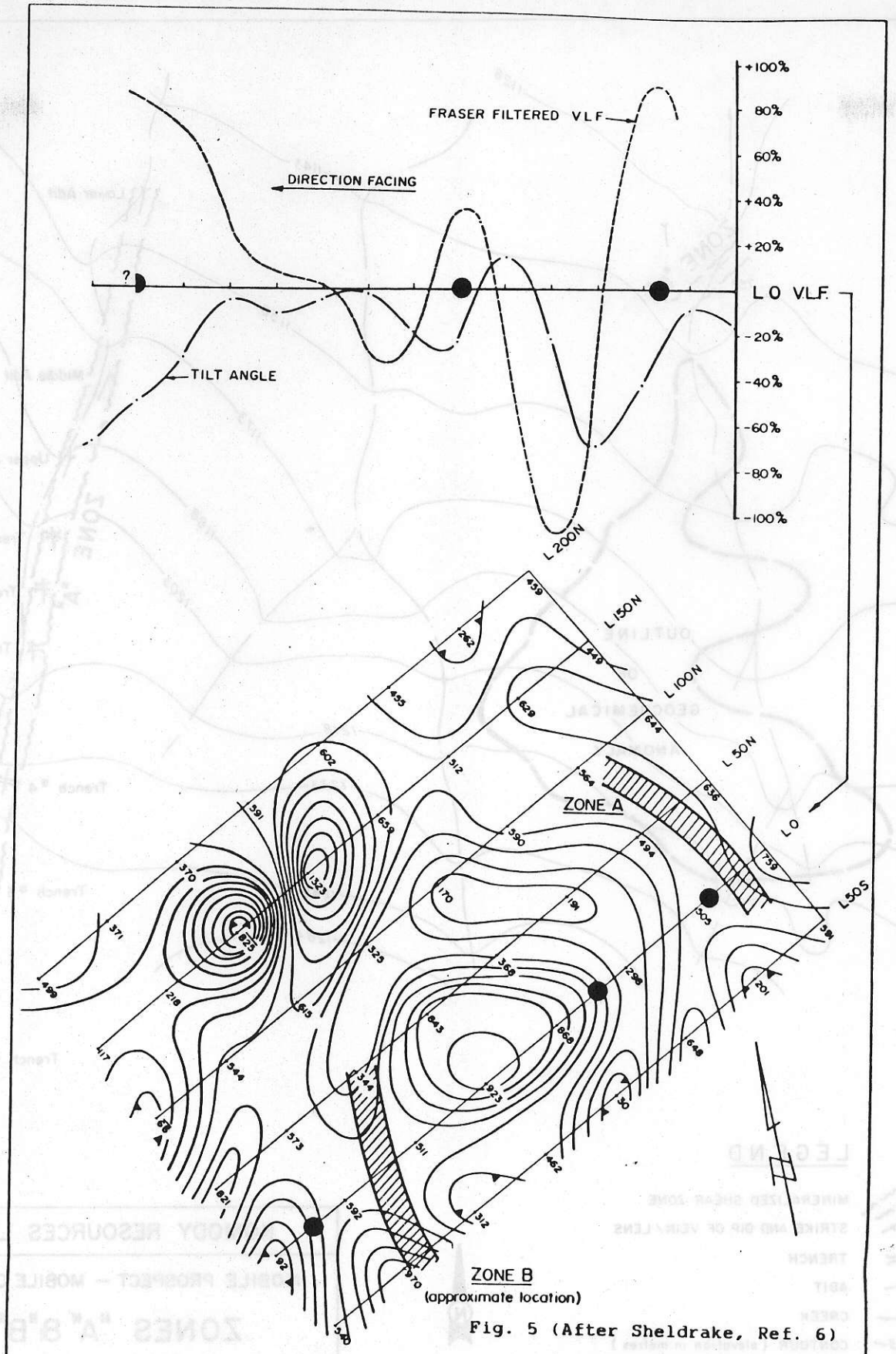


Fig. 5 (After Sheldrake, Ref. 6)

GLACIER CREEK AREA

GROUND MAGNETOMETER
AND
V.L.F. SURVEY

Mobile Claim

Notes: See PLATE 2 for grid location
VLF - Tx : Seattle
Add 57000 gammas to plotted MAGNETIC value for Total Field Value

Scale 0 50 100 150 metres

LEGEND

57600 / 57500 — Contour interval : 20 gammas

Magnetic low

Priority 1 Response

Priority 2 Response

Priority 3 Response

KOMODY RESOURCES LTD.

FIGURE 6

MAGNETIC CONTOUR & E.M. CONDUCTOR MAP

GLACIER CREEK AREA

Skeena Mining Division

SCALE	DATE	BY	NTS	FIG No
1:5000	FEB 5, 1985	dlp	104 B/8	PLATE 1

APEX AIRBORNE SURVEYS LTD. VANCOUVER, BC

FIGURE 7

GEOPHYSICAL & AIR PHOTO INTERPRETATION OVERLAY