

671751

GEOLOGICAL REPORT  
ON THE  
ROCK AND ROLL MINERAL CLAIMS

Located in the Iskut River Area  
Liard Mining Division  
NTS 104B/11E  
56°43' North Latitude  
132°14' West Longitude

- Prepared for -

THIOS RESOURCES INC.

- Prepared by -

A. MONTGOMERY, Geologist  
C.K. IKONA, P.Eng.

February, 1989

## 1.0 INTRODUCTION

The Rock and Roll claims were staked in October 1988 to cover favourable ground located in the Iskut River gold camp in northwestern British Columbia. The claims are located 10 km northwest of Cominco/Delaware's Snip deposit and 15 km northwest of neighbouring Skyline's Stonehouse Gold deposit. Skyline reports reserves of 686,000 tons grading 0.570 oz/ton Au while recently reported reserves on the Snip deposit in all categories total 2,446,000 tons grading 0.648 oz/ton Au.

Late in 1988 a gold/silver/copper/lead vein was discovered 2 km southeast of the Thios property on Crest Resources/Magenta Developments ground. This significant discovery is hosted within volcanic and sedimentary rocks similar to those hosting the Skyline and Cominco/Delaware deposits and several other prospects in the Iskut River area. These units also underlie the Rock and Roll claims.

To date six man days of sampling on the Thios property has located rock chip and soil anomalies.

The following report is intended to summarize information available and work carried out on the property and recommends a follow-up work program for the 1989 season.

## 2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims are owned by Prime Capital Corporation. Separate documents indicate that the claims are under option to Thios Resources Inc.

<u>Claim Name</u>	<u>Record Number</u>	<u>No. of Units</u>	<u>Record Date</u>	<u>Expiry Date</u>
Rock	5439	20	November 8, 1988	November 8, 1989
Roll	5440	20	November 8, 1988	November 8, 1989

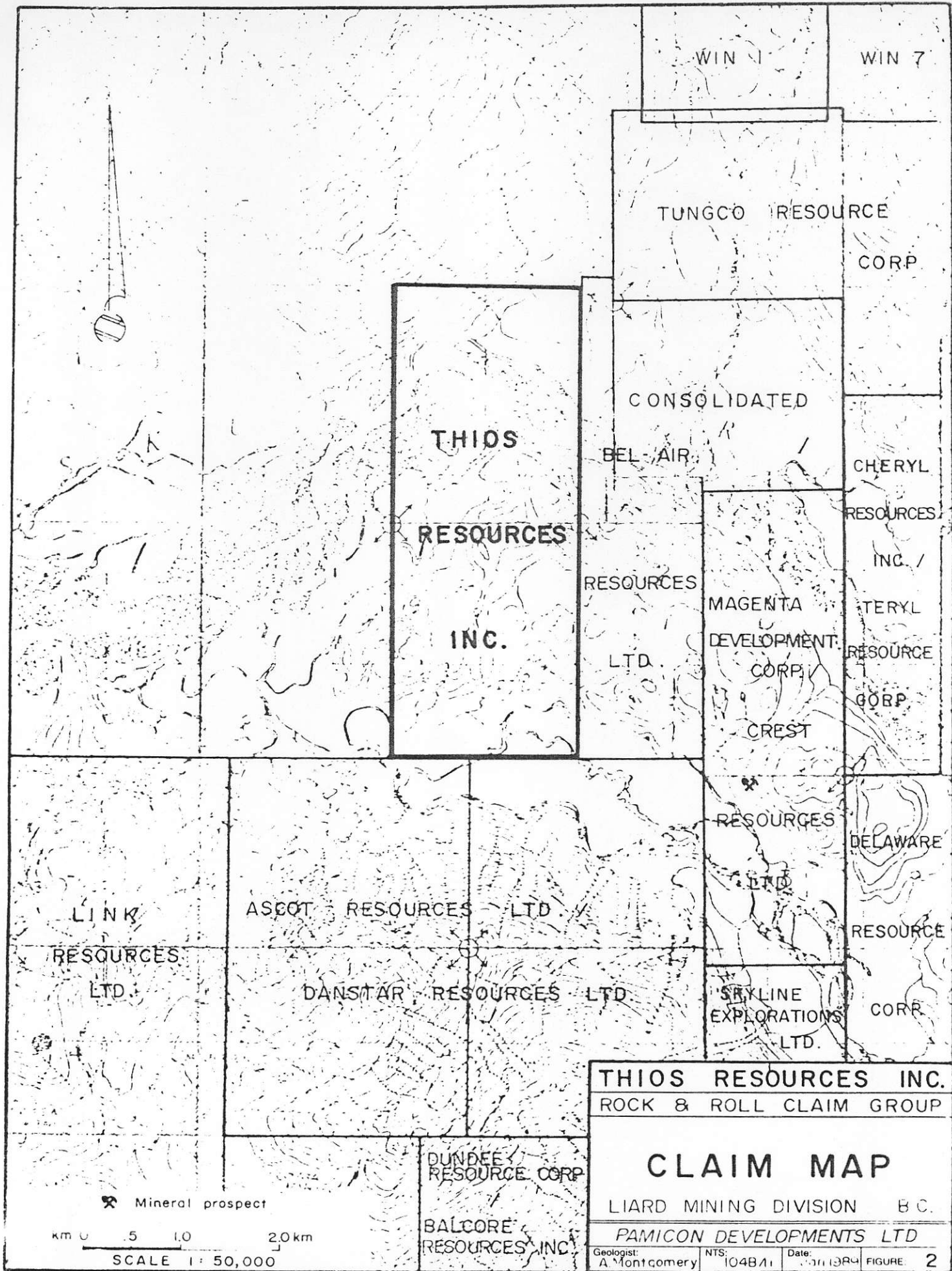
### 3.0 LOCATION, ACCESS AND GEOGRAPHY

The Rock and Roll claims are located along the Iskut River in northwestern British Columbia (Figures 1 and 2), forming part of a developing region of mineral occurrences centred along the Iskut. The claims are situated about 65 kilometres northeast of Wrangell, Alaska and 125 kilometres northwest of Stewart, British Columbia centered at 56°43' north latitude and 132°14' west longitude falling under the jurisdiction of the Liard Mining Division. Bob Quinn Lake on the Stewart-Cassiar Highway is situated 65 kilometres to the northeast while Bronson Creek gravel airstrip (servicing Cominco/Delaware's Snip deposit and Skyline Exploration's Stonehouse Gold deposit) is located 8 kilometres to the east-southeast.

Access to the property is via helicopter from the Bronson Creek gravel airstrip, Bob Quinn Lake or the Forrest Kerr airstrip located 36 kilometres to the northeast at the headwaters of the Forrest Kerr River. Daily scheduled flights to the Bronson Creek strip from Smithers, B.C., Terrace, B.C. and Wrangell, Alaska have been available during the field season using a variety of fixed wing aircraft (Bronson strip was recently upgraded to handle Hercules aircraft).

The construction of a road 65 kilometres long has been proposed by C.K. Ikona of Pamicon Developments Ltd. on behalf of Skyline Explorations Ltd. The road would be situated on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with the Cominco/Delaware-Skyline gold mines at Bronson Creek.

Geographically, the property lies within the Iskut River valley covering an area of gentle topography. Maximum elevations of 450 metres asl occur at the base of Hoodoo Mountain in the northwest corner of the claim area with elevations dipping to about 60 metres along the Iskut River which flows east-west across the claims as a series of river channels and gravel bars. Lost Lake along the southeast claim boundary drains into tributaries of the Craig River along the property's south boundary. Vegetation includes a well



WIN 1

WIN 7

TUNGCO RESOURCE  
CORP.

THIOS  
RESOURCES  
INC.

CONSOLIDATED  
BEL-AIR  
RESOURCES  
CHERYL  
RESOURCES  
INC.

RESOURCES  
MAGENTA  
DEVELOPMENT  
CORP.  
LTD.  
CREST  
RESOURCE  
CORP.

RESOURCES  
DELAWARE  
LTD.  
RESOURCE

LINK  
RESOURCES  
LTD.

ASCOT RESOURCES LTD.

DANSTAR RESOURCES LTD.

SKYLINE  
EXPLORATIONS  
LTD.  
CORP.

DUNDEE  
RESOURCE CORP.

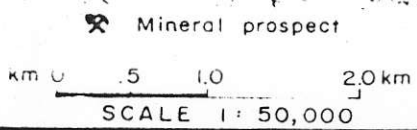
BALCORE  
RESOURCES INC.

THIOS RESOURCES INC.  
ROCK & ROLL CLAIM GROUP

**CLAIM MAP**

LIARD MINING DIVISION B.C.

PAMICON DEVELOPMENTS LTD.



Geologist: A. Montgomery NTS: 104B/1 Date: 30/1/84 FIGURE 2

developed mature forest cover of spruce, hemlock and fir with an undergrowth of devils club, alder and berries. Low elevations allow access to the property from April through December.

#### 4.0 AREA HISTORY

Figure 3 of this report presents a 1:500,000 scale area of northwestern B.C. from Stewart in the south to near Telegraph Creek in the north. This represents some 225 km. Within this area, which has been referred to as the Stikine Arch, mining activity goes back to the turn of the century. Due to the size of the region it historically has been referred to in more specific areas ranging from the Stewart area to Sulphurets, Iskut and Galore Creek. As can be noted in Figure 3, however, all of these individual camps appear to be related to the Stikine Arch as a whole. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area be considered as one large mineralized province with attendant subareas. As the Rock and Roll claims are located near the Iskut and Sulphurets-Tom MacKay areas a more detailed history of these areas is presented below.

The first recorded work done in the Iskut region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd.'s Stonehouse Gold deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Snippaker Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

In 1980 Dupont Canada Explorations Ltd. staked the Warrior claims south of Newmont Lake on the basis of a regional stream sediment survey. In 1983, Skyline Explorations Ltd. and Placer Developments Ltd. optioned the Warrior claims from Dupont. Efforts were directed at sampling and extending several narrow quartz-pyrite-chalcopyrite veins with values ranging from 0.1 to 3.0 oz/ton gold. Geophysics and coincident geochemical values indicated a significant strike length to the mineralized structure. The Warrior claims were allowed to lapse in 1986, at which time, Gulf International Minerals Ltd. acquired the McLymont claims covering much the same area.

Assays of interest from recent Gulf drilling are listed below (Gulf International Minerals Ltd., Annual Report, 1987 and news releases):

<u>Drill Hole</u>	<u>Interval</u> (feet)	<u>Length</u> (feet)	<u>Copper</u> (%)	<u>Silver</u> (oz/ton)	<u>Gold</u> (oz/ton)
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1.520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
	205.0-241.5	36.5	0.97	39.73	1.605
88-28	213.9-229.0	15.1			0.810
	260.5-276.6	16.1			0.645
	354.0-363.2	9.2			0.319

(average grade = 149.0 feet of 0.207 oz/ton gold)

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity. With production commencing in August, 1988 a total of 196,927 lbs. copper, 19,329 oz silver and 9,894 oz gold were produced up to the end of 1988. Remaining reserves reported to date in all categories are 686,000 tons grading 0.570 oz/ton gold.

On the Cominco/Delaware Snip claims immediately north of the Stonehouse Gold deposit, approximately 20,000 metres of diamond drilling has been carried out defining the Twin Zone gold deposit. Three thousand metres of underground development work has also been completed as the project readies for production. As of January, 1989, reserves on the Twin Zone were reported as:

	<u>Au</u> (oz)	<u>Tons</u>
Total Inferred	0.648	2,446,000

During 1987, Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone which hosts gold-bearing polymetallic massive sulphide mineralization. Underground drilling on the centre section of workings has returned in U88-3 a grade of 0.769 oz/ton gold for 4.1 metres (September, 1988). As of November, 1988, 730 metres of underground development has been completed in the area of the Discovery zone.

Western Canadian Mining Corp. in 1987 drilled tested to Khyber Pass massive sulphide showing on their Gossan claims in the Iskut area while in 1988 drilling was carried out on their Kerr project copper-gold porphyry deposit in the Sulphurets camp to the southeast.

Tungco Resources Corporation has drill tested four main gold/copper quartz vein targets; the Bluff, No. 7, Swamp and Gold Bug Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold. Drill testing was also carried out near the western edge of the claims on the Boot Zone lead/zinc/copper/silver/gold prospect.

During 1988 Pezgold Resource Corp./International Prism Exploration drill tested the old Newmont Ken Zone magnetite/chalcopyrite/gold skarn zone north of Gulf International Minerals' Northwest Gold Zone. High grade silver-lead-zinc was also found on the eastern side of the property.

In late 1988, Calpine Resources Incorporated/Consolidated Stikine Silver announced several exciting drill holes on their Eskay Creek Project at Tom



McKay Lake. Drill hole CA88-6 reported values of 0.730 oz/ton gold across 96.5 feet.

South of Calpine's Eskay Creek Project and in the Sulphurets Gold Camp several properties are quickly moving into production phases as listed below:

<u>Project</u>	<u>Mineral Reserves</u>
Newhawk/Granduc/Lacana Mine	2,000,000 of 0.462 oz/ton Au, 21.78 oz/ton Ag
Catear Resources Ltd. Mine	291,916 of 0.835 oz/ton Au, 2.44 oz/ton Ag
Echo Bay Mines/Magna/ Silver Princess Project	470,000 of 0.270 oz/ton Au, 1.31 oz/ton Ag

Crest Resources Ltd./Magenta Development Corp. also discovered an exciting gold/silver/copper/lead quartz vein in 1988 on the Rob claims approximately 2.0 km south of Thios' Rock and Roll property with values in trenches up to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet.

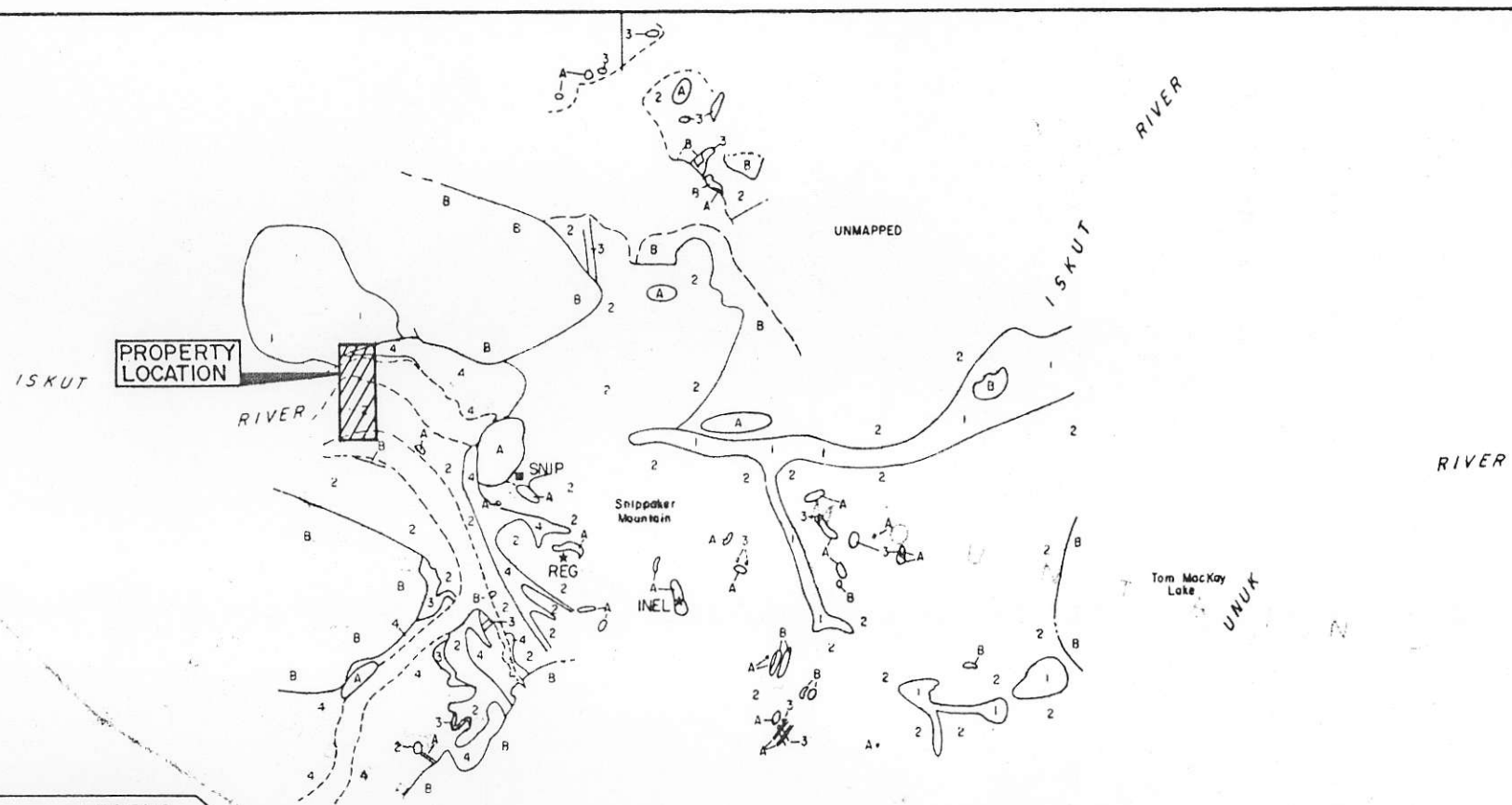
East of the Crest/Magenta property, an American Ore Ltd./Golden Band Resources/Delaware joint venture has discovered a gold zone near the north-western corner of the Meridor Resource Corp. Iskut 1 and 2 mineral claims which Meridor has also intersected.

## 5.0 REGIONAL GEOLOGY

Regional geology is represented in Figure 4.

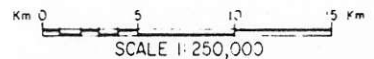
The following regional geological interpretation is taken from B.C. Geological Survey Branch publication, in press, Exploration in British Columbia 1987 by D.V. Lafebure and M.H. Gunning.

56°45'



**LEGEND**

- CENOZOIC
    - RECENT
      - 1 Recent Flows
  - MESOZOIC
    - TRIASSIC-JURASSIC
      - 2 Hazelton Group Volcanics, Sediments
    - PALEOZOIC
      - PERMIAN
        - 3 Mainly white crinoidal limestone, minor amounts of hard quartzite, argillite, slate and schist
      - PRE-PERMIAN
        - 4 Quartzite, schist, slate, argillite, amphibolite, tuff, highly altered intrusives, and/or intrusives, highly crystalline schist, gneiss
    - INTRUSIVE ROCKS
      - TRIASSIC TO CRETACEOUS
        - A Acid intrusives, syenite, syenodiortite, feldspar porphyry, felsite, plausite
        - B Quaternary Plutonic Complex, quartz monzonite, granodiorite, gabbro, granite
- Map compiled by Todoruk, S.L. (1987) from B.C. Assessment Reports, Kerr, F.A. (1929) and G.S.C. Map No 1418A Iskut River



**THIOS RESOURCES INC.**  
**ROCK and ROLL CLAIM GROUP**  
**REGIONAL GEOLOGY**  
 LIARD MINING DIVISION  
 BRITISH COLUMBIA  
 PAMICON DEVELOPMENTS LTD.  
 Drawn J.W. NTS 104B/11E Date Jan 1989 Fig 4



131°00'

A northwest-trending belt of Permian to Lower Jurassic volcanic and sedimentary rocks and their metamorphic equivalents trends northward from Alice Arm to Telegraph Creek and forms part of Stikinia. It is bounded to the west by the Coast Complex and is overlapped to the east by the clastic sediments of the Bowser Basin.

The dominant lithologies in the Bronson Creek area are clastic sediments and volcanics with minor carbonate lenses which are intruded by a diverse suite of intrusive rocks, most commonly granitic and syenitic. The sedimentary rocks are sandstones (typically greywackes), siltstones, shales, argillites, conglomerates and minor limestones. Volcanic rocks vary in composition from mafic to felsic and display a wide variety of igneous, pyroclastic and volcanoclastic textures.

Quaternary and Tertiary volcanics occur at Hoodoo Mountain, along the Iskut River near Forrest Kerr Creek, and in several localities along Snippaker Creek.

Kerr (1948) correlated most of the rocks along Bronson Creek with Triassic volcanics that he had seen farther to the north and northwest. These volcanics consist of intensely folded and sheared tuffs, agglomerates, lavas, rare pillow lavas and bedded sediments. He believed that the volcanics are overlain by Triassic argillites with lenses of limestone. The lower northern and western slopes of Johnny Mountain are underlain by pre-Permian metamorphosed shale, sandstone and limestone.

Exploration geologists have defined stratigraphic columns for specific properties (Birkeland and Gifford, 1972; Sevensma, 1981) and for the area as a whole (Parsons, 1965; Bending, 1983). Bending defined a stratigraphic column with black argillite conformably overlain by banded siltstone which underlies a green volcanic unit composed principally of intermediate to felsic rocks. The green volcanic unit has an irregular upper contact with the "Upper Tuffaceous Sedimentary Unit," a sequence of limestones, tuffaceous sandstones, argillites and siltstones with lenses of conglomerate near the upper contact.

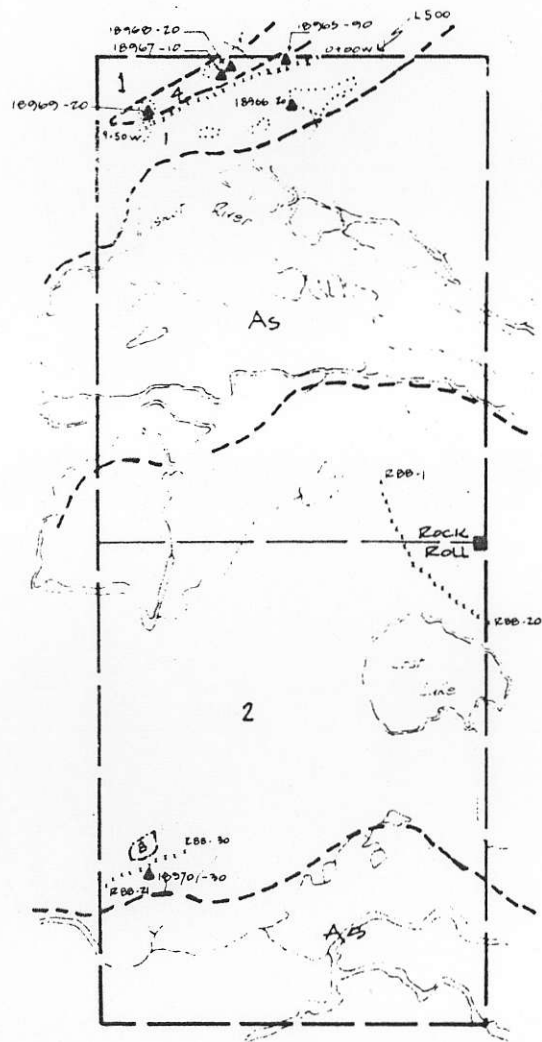
At the top of Bending's sequence is hornblende-biotite andesite tuff and subordinate breccia. Based on descriptions by Kerr (1930, 1948), Bending correlated the basal argillite and siltstone with the upper Paleozoic, the green volcanic unit with the Triassic and the upper tuffaceous sediments with the lower Jurassic. Fossils collected from 350 metres southwest of Snippaker Peak have been determined as Lower Jurassic, probably Toarcian age, by H.W. Tipper of the Geological Survey of Canada (Graf, 1985).

Grove (1986b) subdivided the sedimentary and volcanic rocks on the top of Mount Johnny into the Unuk River and Betty Creek formations of the Hazelton Group, based on correlations with his work to the east.

## 6.0 PROPERTY GEOLOGY

The Rock and Roll claims are underlain by Mesozoic volcanics and sediments, altered intrusives, pre-Permian metasediments and Recent basalt flows.

Regional mapping suggests that most of the property is underlain by Mesozoic Hazelton Group volcanics and sediments including volcanoclastics and pyroclastics, greywacke, siltstones, shales, argillites, conglomerates and minor limestone (Figure 5). Intrusive rocks outcrop in the southwest corner of the property. Weakly pyritic chlorite, sericite, epidote altered sheared diorite (?) of probable Mesozoic age appears to intrude Hazelton Group rocks near the west boundary of the claims. In the northwest corner of the property Recent Hoodoo basalt flows overlay pre-Permian argillite and quartzite. This area represents the perimeter of a circular basalt flow emitted from Hoodoo Mountain to the northwest. Lavas are coarsely porphyritic with subparallel aligned clear feldspar phenocrysts to 1 cm in length set in a very fine grained dark brown to black matrix. Kerr (1948) describes these lavas as pahoehoe type with large sanidine phenocrysts. Locally flows are reworked forming a poorly consolidated very porous earthy conglomerate. Underlying finely laminated dark grey silicious argillite and interbedded light grey



## LEGEND ~

### SYMBOLS

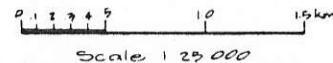
- ▲ - Contour line soil sample
- ▲ - Rock chip sample / ppb Au
- - Geological contact; approx, assumed
- - Outcrop
- ∠ - Bedding; dip

### TABLE of GEOLOGY

- QUATERNARY**  
**[As]** Alluvial river and creek gravels and mud
- CENOZOIC - RECENT**  
**[1]** - Lava flows, porphyritic basalt
- MESOZOIC - TRIASSIC - JURASSIC**  
**[2]** - Tazewell Group volcanics, Sediments
- PALEOZOIC - PRE-PERMIAN**  
**[4]** - Quartzite, schist, slate, argillite, limestone, schistose tuff, highly altered extrusives and of intrusives, highly crystalline schist, gneiss
- INTRUSIVES**  
**TRIASSIC TO CRETACEOUS**  
**[B]** - Diorite, sheared, chlorite, sericite altered

### SOIL SAMPLE RESULTS

Sample Number	Au (ppb)	Ag (ppm)	Cu (ppm)	Sample Number	Au (ppb)	Ag (ppm)	Cu (ppm)
FPB-1	10	11	117	FPB-27	10	4	18
2	5	1.1	52	28	25	5	192
3	10	3	18	29	ND	6	47
4	5	11	29	30	15	1.1	26
5	10	.4	19	31	5	5	29
6	10	3	12	L500 0100W	10	4	18
7	10	1	22	0150W	10	4	17
8	10	1.1	27	1100W	15	2	11
9	10	.6	18	1150W	5	5	5
10	20	12	30	1200W	15	1	11
11	15	11	22	1250W	15	1	5
12	10	11	21	1300W	5	1	6
13	10	6	29	1350W	15	6	15
14	10	5	17	1400W	10	1	10
15	15	11	26	1450W	5	5	21
16	10	5	22	1500W	10	5	21
17	5	11	23	1550W	ND	2	11
18	15	6	17	1600W	10	2	16
19	5	8	19	1650W	10	2	11
20	5	2	5	1700W	5	1	21
21	5	11	32	1750W	5	2	12
22	15	6	34	1800W	5	1	11
23	10	11	40	1850W	ND	2	19
24	10	6	255	1900W	ND	1	19
25	NS			1950W	10	4	16
26	5	6	80				



THIOS RESOURCES INC.			
ROCK and ROLL CLAIMS			
PROPERTY GEOLOGY			
ROCK CHIP and SOIL SAMPLE			
LOCATIONS and RESULTS			
LIARD MINING DIVISION BC			
PACIFIC DEVELOPMENTS LTD.			
Geologist	NTS	Date	FIGURE 5
A. MONTGOMERY	1048/11	22/1/89	

weakly limonite altered quartzite is exposed along cliffs where lava flows have been eroded.

A geological contact between pre-Permian metasediments to the north and Hazelton Group rocks to the south likely lies along the Iskut River, proposed by Grove (1986) to represent a regional east-west trending thrust pushing up and over to the south.

## 7.0 MINERALIZATION

The Rock and Roll property lies within close proximity to several significant gold prospects including Skyline's Stonehouse Gold deposit (now in production) and Cominco/Delaware's Snip deposit which is nearing production. Initial prospecting efforts on the Rock and Roll property have located anomalous copper and gold and favourable host rock.

Thios' Rock and Roll claims are situated approximately 10 km northwest of Cominco/Delaware's Snip deposit and 15 km northwest of Skyline's Stonehouse Gold mine. Both deposits are hosted within Jurassic Hazelton Group volcanics and sediments which apparently extend westward over much of the Thios property. Seven kilometres east of the Rock and Roll claims Meridor Resources Inc. and an American Ore/Golden Band/Delaware joint venture are drill testing a promising sulphide rich gold-bearing structure also thought to occur within Jurassic volcanics and sediments. Late in 1988 a gold/silver/copper/lead quartz vein was discovered 2 km southeast of the Rock and Roll claims on Crest Resources Ltd./Magenta Development Corp.'s joint venture property (Figure 3). Chip sampling across surface trenches recovered assays to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet. This vein is hosted within a package of cataclastically deformed volcanic and sedimentary rocks with associated quartz monzonite and diorite of probable Jurassic age. Deformation is assumed to have resulted from thrust faulting along the Iskut River.

Limited contour soil sampling and rock chip sampling on the Rock and Roll claims has located anomalous copper in the southwest corner of the property and anomalous gold along the north boundary of the property (Figure 5). Soil samples collected from the southwest corner of the property assayed to 255 ppm Cu. An assay of 1,572 ppm Cu was recovered from rock chip sampling of light grey silicious sediments (?) containing up to 10% fine to medium grained pyrite. Along the north property boundary rock chip sampling of Hoodoo basalt assayed 90 ppb Au.

#### 8.0 DISCUSSION AND CONCLUSIONS

Thios' Rock and Roll claims are situated immediately to the northwest of Skyline's Stonehouse Gold mine and Cominco/Delaware's Snip deposit covering ground with a good potential for similar type mineralization. The Thios property is part of a large area of staking that has occurred in response to Skyline and Cominco/Delaware's impressive high grade gold discoveries. A promising gold-bearing quartz vein was recently discovered 2 km to the southeast of Thios' property hosted within this volcanic/sedimentary package on Crest/Magenta joint venture ground. This latest discovery holds promise for the nearby Rock and Roll claims.

Initial exploration efforts have located favourable lithologies and soil and rock chip anomalies. In the southwest claim area rock chip sampling recovered an assay of 1,572 ppm Cu from pyrite-bearing silicious sediments. Weakly pyritic, altered and sheared intrusives also outcrop in the area. Contour soil samples assayed to 255 ppm Cu. These initial finds provide some encouragement and a starting point for additional work on the Rock and Roll claims. To the north, along the north boundary of the claims an isolated rock chip assayed 90 ppb Au. This sample was collected from Hoodoo Mountain lava flows overlying pre-Permian metasediments. Further sampling should be carried out to determine the significance of this anomaly.

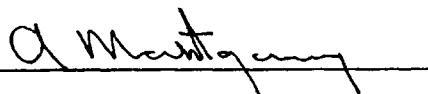
## 9.0 RECOMMENDATIONS

The Thios property warrants a thorough follow-up exploration program. It is recommended that a \$125,000 Phase I program include:

- establishment of a grid with cut lines (400 m line spacings)
- soil sampling (25 m spacing) over the established grid
- prospecting, rock chip sampling and reconnaissance geological mapping

Contingent upon the results of this work a Phase II program of trenching may be warranted. Contingent upon the results of this Phase II program possible Phase III and Phase IV programs of diamond drilling may be warranted. A breakdown of costs is enclosed in Appendix IV.

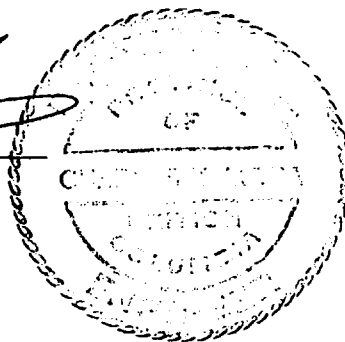
Respectfully submitted,



Allan T. Montgomery, Geologist



Charles K. Ikona, P.Eng.





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Western Canadian Mining Corp.: News release dated November 12, 1987.

RECOMMENDED BUDGETS

PHASE I BUDGET

Wages

Senior Geologist - 4 days @ \$400	\$ 1,600
Field Geologist - 10 days @ \$300	3,000
Prospector - 6 days @ \$265	1,590
Samplers - 2 x 10 days @ \$225	<u>4,500</u>

\$10,690

Project Supervision

6,015

\$ 16,705

Line Cutting - 18 line km @ \$1,200

21,600

Man Day Camp Cost

\* 180/man day?

14,375

Expenses

Fixed Wing	\$ 3,000
Freight	2,000
Communications	1,000
Travel and Accommodation	4,000
Equipment and Supplies	4,000

Assays

18 km x 40 - 720 soils @ \$17.50	\$12,600
75 rocks @ \$20	<u>1,500</u>

14,100

28,100

Helicopter - 30 hours @ \$600

18,000

98,780

Contingency - 10%

9,878

108,658

Management Fee - 15%

16,298

Total Estimated Budget - Phase I

\$124,956

PHASE II BUDGET - Trenching and Sampling

\$125,000

PHASE III BUDGET - Diamond Drilling

\$250,000

PHASE IV BUDGET - Diamond Drilling

\$500,000