

July 6, 1990

Mr. Thomas W. Sieh
Shoreham Resources Ltd.
333 Clay St., Suite 4550
Houston, TX 77002

Dear Mr. Sieh,

In response to your enquiry regarding the LIZARD and OZZ properties on Vancouver Island we contacted Major General Resources to provide summary technical reports. Unfortunately no concise summary of data is available.

I have reviewed 3 reports on the OZZ property and am forwarding the most appropriate one together with a summary geochemical map. They flew an aerial magnetometer VLF-EM resistivity survey but the data is voluminous and would require detailed analysis together with an examination of the property.

On the LIZARD property I reviewed 11 technical reports and am forwarding one which best covers the overall picture. With it I have included some maps from certain other reports. If the property proves of further interest to you, detailed examination of all data could be arranged together with a property examination.

If I may express an opinion I feel that the LIZARD is the better package with greater potential in a more active exploration area.

These reports have been borrowed from the Major General files under some duress. We would appreciate their return if you do not proceed with examination of the properties.

Yours very truly,
Geonational Resources Inc.

J.C. Stephen

JCS/hjp

cc: John Ladd
Geonational Resources Inc.
1515 Arapahoe St., 1100
Denver, CO 80202

SUMMARY COMMENTS ON LIZARD PROPERTY

COMPANY: Major General Resources Ltd.
PROPERTY: Lizard, Vancouver Island NTS map 92F/2
COMMODITY: Gold (Au Cu Zn)

Reports Available: (Listed in chronological order)

- 1) "Assessment Report on Geochemical Soil Sampling for Gold Copper Zinc on Lizard Claim Group" by A. Pauwels, B.Sc., dated Dec. 5, 1980.

This report follows on more limited sampling done in previous years. The accompanying map of gold values includes data from 1978 and 1979. "The results indicate largely coincidental high values of copper and gold in a roughly triangular area, east of Lizard Lake." "...gold values cover a much larger area than anomalous copper values."

Note: These results should be compared with results of subsequent geochemical surveys to compare the extent of significant anomalies. Data from this report is not included in this current Geonational summary.

- 2) "Assessment Report on Trenching and Rock Sampling on the Lizard Claim Group" by A. Pauwels, B.Sc., dated Jan.5, 1981.

Four trenches were dug by backhoe for a total length of 305 metres. Sampling disclosed copper, silver and gold values over 8 metres assaying up to 0.013% Cu, 0.70 oz Ag 0.13 oz Au over 2 metres.

Note: No copies of this data are included in this Geonational summary.

- 3) "Assessment Report on Rock Geochemistry, Mapping and Resistivity on Lizard Claim Group" by F. Felder dated May 6, 1982.

Used Geonics EM-16R (VLF) unit for resistivity survey. Only 5 lines were surveyed.

"The area of main interest is underlain by a tuffaceous chert unit belonging to the Sicker Formation that runs close to and parallel to the base line. Within this rock unit we find significant gold values in rock associated with disseminated pyrite."

Highest gold value was 2.2 ppm.

- 4) "Assessment Report on Soil and Rock Geochemistry on Lizard Claim Group" by Ian Nadeau, B.Sc., dated Oct. 8, 1982.

Sampling was conducted on lines 200 metres apart and shows extensive geochemically anomalous gold. The report is brief but was the best geological data to that date.

- 5) "Report on Geology and Geochemistry on the Lizard Group" by R. Wilson, dated July 15, 1984 (2 sets).

This report summarizes previous work and forms part of this Geonational summary package.

- 6) "Report of Work Geophysical Surveys on the Lizard Property" by L. Bradish. Dated July 15, 1984.

IP and magnetometer surveys were carried out during 1983 and 1984. IP profiles are provided plus a contour map of the magnetometer results.

Note: See later compilation map of these results.

- 7) "Report on Drilling on the Lizard Group" by R. Wilson, dated Nov. 30, 1984.

Shows section and location of DDH LIZ 84-1 south of Lizard Lake on line 101+00 N.

The hole was 104.5m in depth and all core was sampled. Gold values in this report are complete. The highest value listed was 30 ppb Au in the geochemical values and 9.24 gm/t in the assay section.

- 8) "Lizard Project" by R. Wilson, dated Feb.28, 1985.

This report contains summary data on the property and drill data on holes DDH LIZ 84-2,3,4,5 as new information. Drill logs and sections are included.

DDH 84-2 returned a high of 4.53 gm/T Au over 0.3 metres.
DDH 84-3 returned a high of 1.51 gm/T Au over 0.5 metres.

DDH 84-4 returned a high of 230 ppb Au over 2.0 metres.
DDH 84-5 returned a number of anomalous sections. Four of these ranged from 1.13 to 2.23 gm/T over 2.2 to 4.4 metre widths. Copy figures 3,4,5 and 6-10 for this summary.

- 9) " Lizard Project 1985 Programme and Results" by R. Wilson, L. Bradish and J. Helsen, dated Feb.28, 1986.

Figure 10 HLEM survey map missing. Figures 12,13 not included as such. Unnumbered section showing DDH 6,7,8 carries information. Figures 3,4,5 are included with this GRI summary.

- 10) "Report Geology and Geochemistry on the Lizard Group" by R. Wilson and D.R. Bull, dated Jan.10, 1988.

Grids cover areas other than that east of Lizard Lake where previous work was centred. Copies of Figures 3, 4-2, 4-5 are included with this Geonational summary.

This report should be compared with earlier data during a detailed appraisal.

- 11) "Report on Geology, Geochemistry and Geophysics on the Lizard Group 1988" by R. MacIntosh, L. Bradish and R. Wilson, dated Dec., 1988.

This report includes 2 folding files of maps and figures in the section on recommendations it states:

"No further surface work is needed on the property. If further exploration work is carried out it should be in the form of drilling".

Certain structures and anomalies are listed as targets.