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RICHARDSON GEOLOGICAL CONSULTING LTD.

4161 CROWN CRESCENT, VANCOUVER, B.C. V6R 2A8
TELEPHONE: (604) 224-1282

REPORT

ON THE

KWUN LAKE PROPERTY

CARIBOO MINING DIVISION
BRITISH COLUMBIA

for

ORBEX MINERALS LIMITED

by

P.W. Richardson, Ph.D., P.Eng.

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APPENDIX I - BILL OF SALE

LIST OF ILLUSTRATIONS

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| Figure 1 - LOCATION MAP | | (Following page 2) |
| Figure 2 - CLAIM MAP | 1:50,000 | (Following page 3) |
| Figure 3 - COMPILATION MAP | 1:10,000 | (Following page 4) |
| Figure 4 - DIAMOND DRILL SECTION | 1" = 100' | (Following page 5) |

SUMMARY

Orbex Minerals Limited has optioned a property 8 km NNE of Horsefly, B.C. The property covers an alkalic stock in which low grade gold and copper mineralization has been discovered. The near surface potential of the property has been explored by prospecting, by geological, geophysical and geochemical surveying, by two programs of percussion drilling and by two diamond drill holes. One vertical diamond drill hole intersected altered monzonite containing 81 feet of 0.035 oz/ton Au from 420 to 501 feet. A program of four 500 foot vertical diamond drill holes is proposed to assess the importance of this intersection. The drilling program will cost \$55,000.

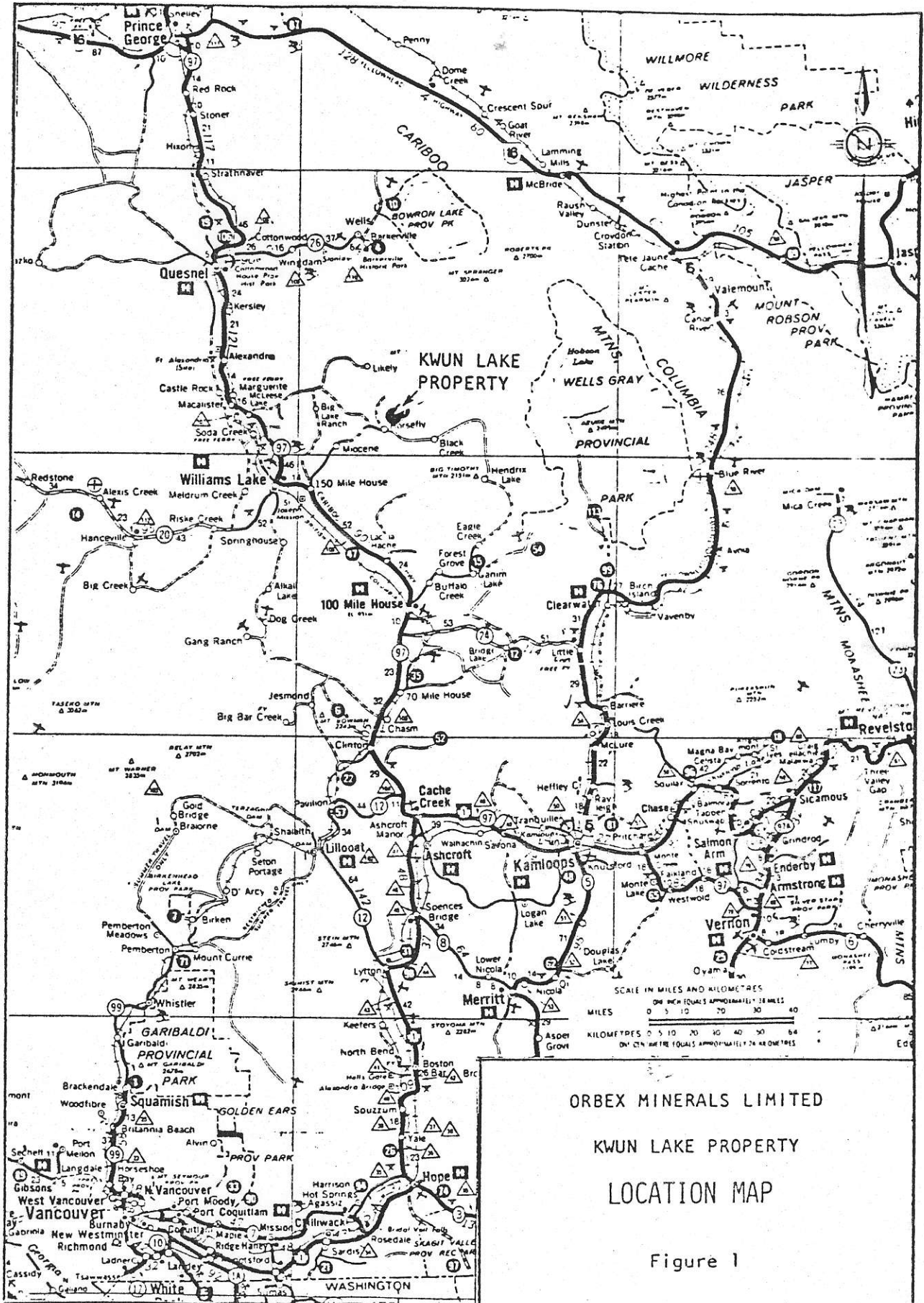
INTRODUCTION

In May, 1979, the writer was commissioned by directors of Orbex Minerals Limited to prepare a report on the Kwun Lake Property, which has been optioned from Dr. P.E. Fox, P.Eng. The writer has been familiar with the Property since it was staked by Dr. Fox in 1973, and has visited it on June 13 and 14, July 17 and October 24, 1974 and on June 15 and October 9, 1975. He examined the geology, the showings, the diamond drill core and the percussion drill cuttings. The writer was the Vancouver Manager of Newconex Canadian Exploration Limited, one of two companies financing Dr. Fox' exploration project, and followed closely Dr. Fox' progress reports on the early phases of the work on the Property. Mr. Mark C. Rebagliati, a Newconex staff geologist, supervised two percussion and one diamond drill programs which were designed to investigate the copper and gold mineralization.

The writer did not revisit the property prior to writing this report, but has based it on his personal knowledge and on the reports listed in the References.

LOCATION AND ACCESS

The Kwun Lake Property is in the Cariboo Mining Division at latitude 52°24'N, longitude 121°21'W on NTS Sheet 93A/6W (Figure 1). It lies near Kwun Lake, and is 8 km NNE of Horsefly, B.C. (Figure 2). Access to the Property is gained by travelling NE from Horsefly on the Horsefly Lake Road for 3.7 km, turning to the north to cross the Little Horsefly River, and proceeding 2.5 km to Lloyd Antipowich's ranch. From the ranch, a 4-wheel drive road extends 3 km NE to the centre of the claim group.



CLAIMS

The Kwun Lake Property consists of two groups totalling nine claims as follows:

West Group (7 claims)

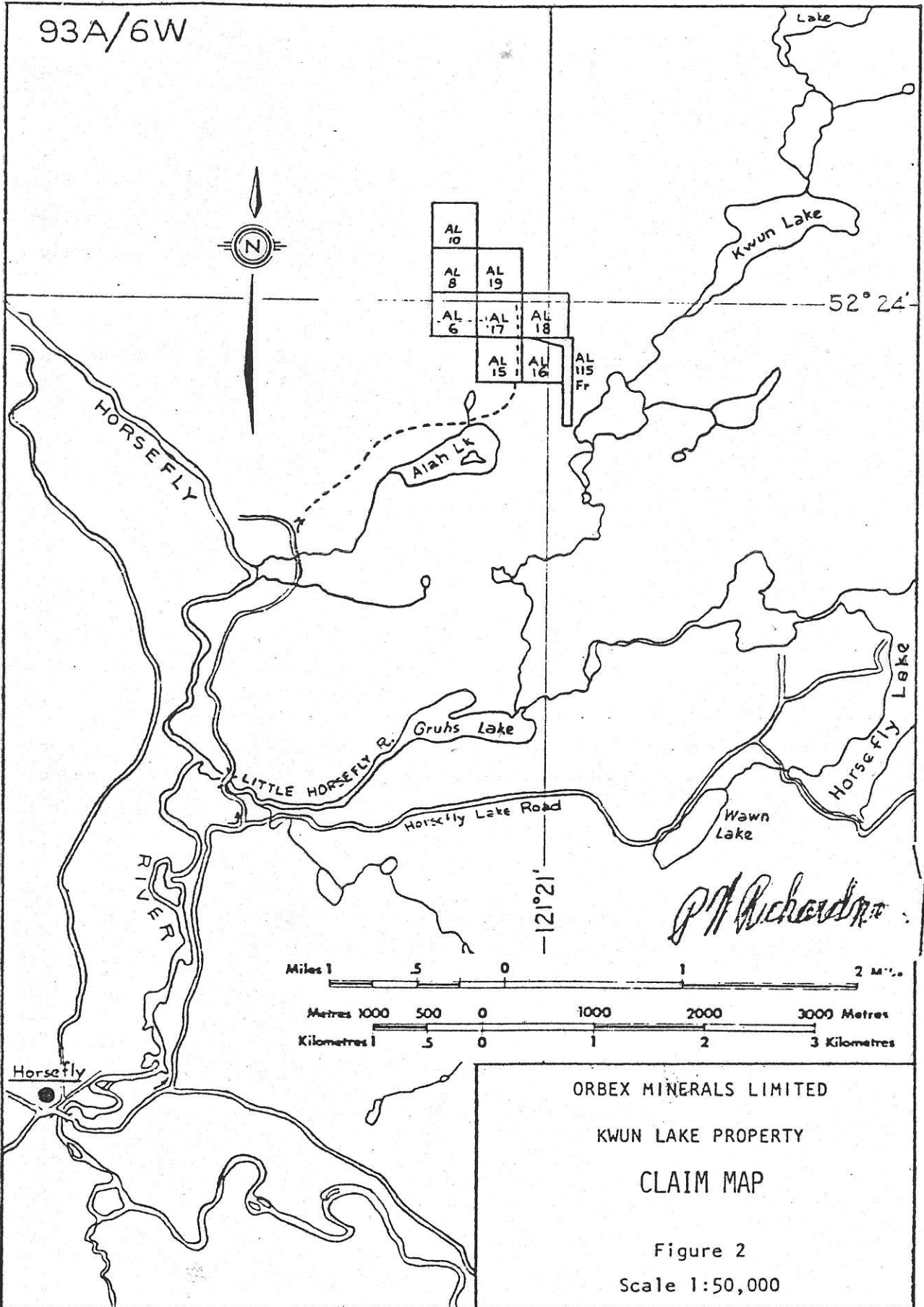
| <u>Name</u> | <u>Record No.</u> | <u>Expiry Date</u> |
|-------------|-------------------|--------------------|
| AL 6 | 69057 | July 20, 1981 |
| AL 8 | 69059 | July 20, 1981 |
| AL 15 | 69066 | July 20, 1982 |
| AL 16 | 69067 | July 20, 1982 |
| AL 17 | 69068 | July 20, 1982 |
| AL 18 | 69069 | July 20, 1982 |
| AL 115 Fr | 71671 | June 17, 1982 |

East Group (2 claims)

| <u>Name</u> | <u>Record No.</u> | <u>Expiry Date</u> |
|-------------|-------------------|--------------------|
| AL 10 | 69061 | July 20, 1981 |
| AL 19 | 69070 | July 20, 1982 |

The above list conforms with the records of the Claim Recorder in Vancouver. The records show the claims are owned by Gold Fields Exploration Canada Ltd. The claims were transferred to Dr. Fox on March 28, 1979 (Appendix 1). They are shown on Figure 2.

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HISTORY

In July, 1973, the Kwun Lake Property was staked by personnel of the Cariboo Project, which was managed by Dr. Fox. In 1974, programs of grid preparation, geological mapping, ground magnetometer and geochemical surveying and bulldozer trenching were carried out on the Property (Figure 3). Also in 1974, an induced polarization survey outlined responsive areas which were tested with a percussion drilling program with results as follows: "One of the widely spaced percussion holes, 74-7, intersected 50 feet averaging 0.064 oz/ton Au and 0.10% Cu from 150 to 200 feet, at which footage the hole was lost due to fractured ground." (Rebagliati, 1975, p. 3).

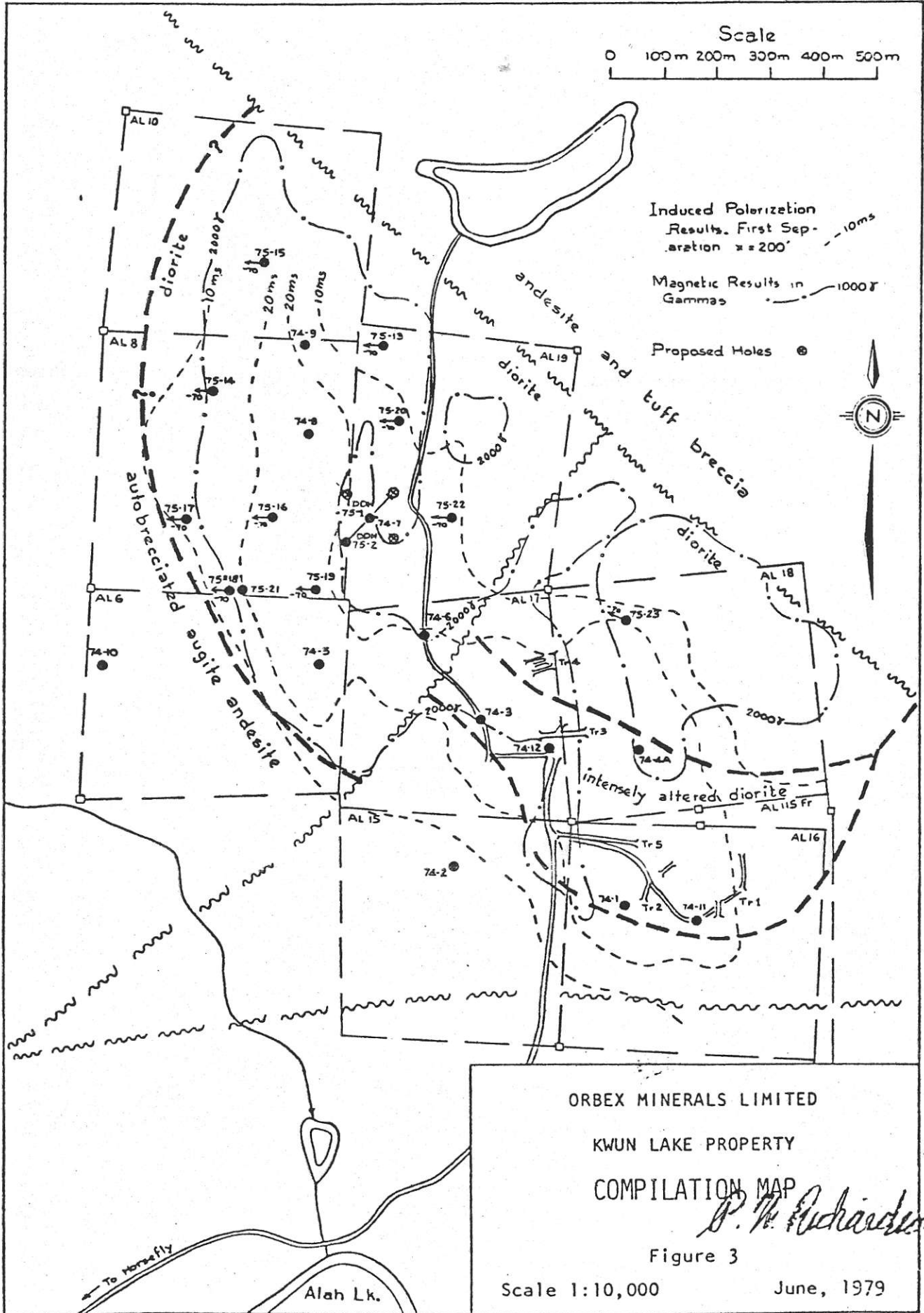
In 1975, two diamond drill holes were drilled to confirm the values intersected in percussion hole 74-7 and to determine the extent of the mineralization. Hole DDH 75-1 did not confirm the presence of gold from 150 to 200 feet, but did intersect low grade gold mineralization from 350 to 501 feet in altered monzonite containing numerous anhydrite and gypsum veinlets in a stockwork (Figure 4). In October, 1975, 11 percussion holes were drilled to explore the most likely areas where the mineralized monzonite was near the surface, but the program was unsuccessful. At this stage, the near-surface rocks were adequately explored, but the extent of the low grade gold mineralization intersected in DDH 75-1 remained untested. Assessment work was applied to hold part of the ground until at least 1981.

The Property was released to Dr. Fox in March, 1979.

GEOLOGY

The Property is in the Quesnel Trough, which, in this area, consists of Lower Jurassic autobrecciated submarine lavas, felsic breccias and related conglomerates (Fox, 1974). Small syenitic bodies occur within the felsic unit. On the Property, the above sequence is intruded by the comagmatic Kwun Lake Stock, which is made up of augite diorite, diorite, syenodiorite, syenite and monzonite. The stock is poorly exposed, but the

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ORBEX MINERALS LIMITED
 KWUN LAKE PROPERTY
 COMPILATION MAP

P. W. Richardson

Figure 3

Scale 1:10,000

June, 1979

GEOLOGY (Continued)

few outcrops, the drill holes and the magnetics indicate that the stock is made up of irregular masses of the above rocks and is cut by several faults (Figure 3). The stock is roughly oval, trends NW and is 1700 m by 800 m in size.

ECONOMIC GEOLOGY

In some places the intrusive rocks and the volcanic rocks adjacent to them are altered and pyritic. Chalcopyrite and locally bornite occur in small amounts within the areas of pyrite as fracture coatings and disseminated grains. These mineralized rocks are exposed in several trenches (Figure 3). The assays from the trenches were very low grade, and the best samples assayed 0.3% Cu and 0.047 oz/ton Au.

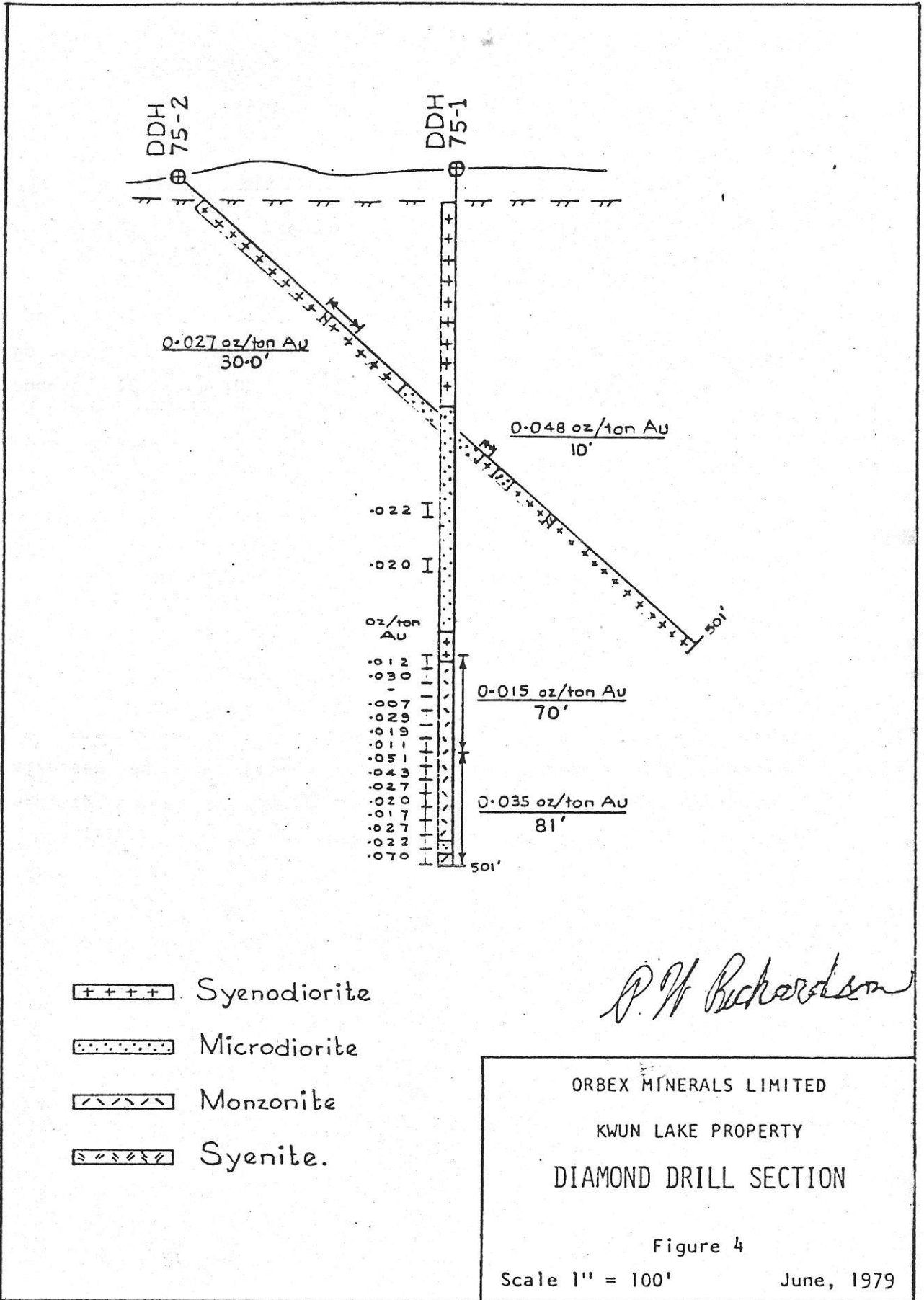
A geochemical anomaly coincides with the area of altered intrusive rocks (Figure 3). The anomalous zone is 850 m long and 300 m wide. The geochemical anomaly is coincident with part of the positive induced polarization and magnetic anomalies (Fox, 1974).

PERCUSSION AND DIAMOND DRILLING PROGRAMS

In October, 1974, twelve percussion holes were drilled to test a target 1500 m by 700 m outlined by the geological, geochemical and geophysical surveying. The holes were negative except hole ALP-74-7 which intersected 50 feet averaging 0.064 oz/ton Au and 0.1% Cu from 150 to 200 feet (Figure 3).

In May, 1975, two diamond drill holes were drilled to test the gold mineralization near ALP-74-7. DDH 75-1 did not confirm the results of ALP-74-7, but did intersect gold mineralization from 355 to 500 feet (Figure 4).

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PERCUSSION AND DIAMOND DRILLING PROGRAMS (Continued)

The grades of holes ALP-74-7 and ALD-75-1 over comparable widths are tabulated below (Rebagliati and Richardson, 1975):

| <u>Interval</u> (ft) | <u>Percussion Hole</u> ALP-74-7 Au(oz/Ton) Cu(%) | | <u>Interval</u> (ft) | <u>Diamond Drilling</u> DDH 75-1 Au(oz/Ton) Cu(%) | | <u>Rock Type</u> |
|-------------------------|--|-----|-------------------------|---|-----|-------------------------------|
| 24- 50 | .001 | .01 | 24- 50 | .001 | .02 | syenodiorite |
| 50-100 | .009 | .01 | 50-100 | .003 | .01 | syenodiorite |
| 100-150 | .010 | .01 | 100-150 | .001 | .01 | syenodiorite |
| 150-200 | .064 | .10 | 150-205 | .001 | .02 | syenodiorite- microdiorite |
| | | | 205-240 | .001 | .02 | microdiorite |
| | | | 240-310 | .007 | | microdiorite |
| | | | 310-350 | .004 | | microdiorite- syenodiorite |
| | | | 350-501 | .026 | | monzonite- microdiorite |

At that time, the values near the bottom of DDH 75-1 were of little interest, but they occurred in well altered monzonite with a stockwork of gypsum veinlets. The best interpretation of the available data indicated that the upper boundary of the mineralized monzonite dipped easterly, and, based on this, a second percussion drilling program was designed to test for gold mineralization near the surface west of DDH 75-1 and 75-2. Eleven percussion holes, 75-13 to 75-23, were drilled without success (Figure 3).

CONCLUSIONS

The near surface potential of the Kwun Lake Property has been explored by surface prospecting, by geological, geochemical and geophysical surveying and by two percussion and one diamond drill programs. However, the gold-bearing monzonite intersected by DDH 75-1 from 350 to 501 feet remains unexplored, and there exists the potential for a deposit below a depth of 300 feet. Such a deposit would have to be of sufficient grade to support an underground mining operation.

RECOMMENDATIONS

It is recommended that the monzonite intersected at the bottom of hole DDH 75-1 be tested for extensions of the gold mineralization with four diamond drill holes 500 feet long and that they be sampled in 10 foot sections for their entire lengths. The holes should be drilled 60 m NE, SE, SW and NW from DDH 75-1. The proposed holes are shown on Figure 3, except the SW hole which is obscured by DDH 75-2.

ESTIMATED COSTS

| | |
|--|-------------|
| 1. Drilling: 2000' @ \$20 | \$ 40,000 |
| 2. Assaying: 180 samples @ \$7.75 | 1,395 |
| 3. Engineering | 3,600 |
| 4. Travel | 400 |
| 5. Telephone | 200 |
| 6. Truck: 3 weeks @ \$250 | 750 |
| 7. Road and Site Preparation: Bulldozer - 30 hours @ \$40 | 1,200 |
| 8. Room and Board: 30 man days @ \$21 | 610 |
| 9. Helper: Core Grabbing and Splitting - 12 days @ \$75 | 900 |
| 10. Core Shipment | 400 |
| 11. Supplies | 100 |
| | <hr/> |
| | \$ 49,555 |
| | |
| Contingencies @ 10% | 4,955 |
| | <hr/> |
| | \$ 54,510 |
| | <hr/> <hr/> |
| Say | \$ 55,000 |
| | <hr/> <hr/> |

P. H. Richardson.

REFERENCES

1. Fox, P.E. (1974) "Geochemical and Geophysical Report on the AL Claims", Assessment Report submitted to the Ministry of Energy, Mines and Petroleum Resources.
2. Fox, P.E. (1974) "Kwun Lake Drilling", Memorandum to Newconex.
3. Lloyd, J. (1974) "A Time Domain Induced Polarization Survey", Assessment Report re the AL Group submitted to the Ministry of Energy, Mines and Petroleum Resources.
4. Rebagliati, C.M. (1975) "Percussion Drilling Report on the Kwun Lake Copper-Gold Prospect", Report to Newconex.
5. Rebagliati, C.M. and Richardson, P.W. (1975) "Diamond Drilling Report on the Kwun Lake Copper-Gold Prospect", Report to Newconex.
6. Richardson, P.W. (1975) "Percussion and Diamond Drilling on the Kwun Lake Property", Assessment Report submitted to the Ministry of Energy, Mines and Petroleum Resources.

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4161 CROWN CRESCENT, VANCOUVER, B.C. V6R 2A8

TELEPHONE: (604) 224-1282

CERTIFICATE

I, Paul W. Richardson, of the City of Vancouver in the Province of British Columbia, hereby certify the following:

1. I am a geological engineer residing and with an office at 4161 Crown Crescent, Vancouver, B.C.
2. I am a graduate of the University of British Columbia with B.A.Sc. (1949) and M.A.Sc. (1950) degrees in Geological Engineering. I have a Ph.D. (1955) degree from the Massachusetts Institute of Technology in Geology.
3. I have practised my profession since 1949.
4. I am a member of the Association of Professional Engineers of British Columbia.
5. I have no interest, direct or indirect, in the Kwun Lake Property or in Orbex Minerals Limited, nor do I expect to receive any such interest in the future.
6. This report is based upon personal examination of the property on June 13 and 14, July 17 and October 24, 1974 and on June 15 and October 9, 1975 and upon monthly and summary reports by Dr. P.E. Fox and Mr. C.J. Rebagliati.
7. I consent to the use of this report in a Prospectus or a Statement of Material Facts.

DATED at Vancouver, B.C. this 5th day of June, 1979.



P.W. Richardson, Ph.D., P.Eng.

COPY

NOT
Corrected
5/2/79

Form No. 47. Bill of Sale of Mineral Claim.

BILL OF SALE OF MINERAL CLAIM

KNOW ALL MEN BY THESE PRESENTS

that Gold Fields Exploration Canada Limited
 address P.O.Box 48,
 Toronto Dominion Bank Tower,
 Toronto, Ontario, M5K 1E6.
 holder of Free Miner's Certificate No. 168306, issued at Vancouver
 on December 12, 1978, for and in consideration of the sum
 of -----one----- Dollars (\$ 1.00) of lawful
 money of Canada, to me in hand paid, the receipt whereof is hereby acknowledged,

DO BY THESE PRESENTS bargain, sell, assign, and transfer

unto Peter Edward Fox
 address 3743 Roblin Place
 North Vancouver, B.C.

holder of Free Miner's Certificate No. 169043, issued at Vancouver
 on February 4, 1979,

| | ALL | interest in Mineral Claim | AL | 6 | Record No. | 69057 |
|--|-----|---------------------------|----|-------|------------|-------|
| | All | " " | AL | 8 | " | 69059 |
| | All | " " | AL | 10 | " | 69061 |
| | All | " " | AL | 15 | " | 69066 |
| | All | " " | AL | 16 | " | 69067 |
| | All | " " | AL | 17 | " | 69068 |
| | All | " " | AL | 18 | " | 69069 |
| | All | " " | AL | 19 | " | 69070 |
| | All | " " | AL | 115FR | " | 71671 |
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Situate at Horsefly, B.C.

in the Cariboo Mining Division,
 and hereby covenants that it has good title to the mineral claim(s) aforesaid and right
 to transfer same.

IN WITNESS WHEREOF it has hereunto set its hand and seal this 28th
 day of March, A.D. 1979, at

 Witness.

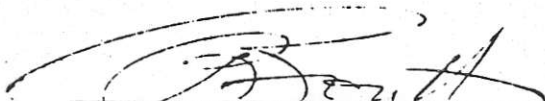
Gold Fields Exploration Canada Limited
 Assignor.
 By: *[Signature]*
 By: *[Signature]* Director

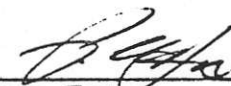
* Specify interest conveyed—"all," "one-half" interest in, etc., as the case may be.


C E R T I F I C A T E


The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act of British Columbia and the regulations thereunder.


DATED the 10th day of July, 1980,
at the City of Vancouver, in the Province of British Columbia.


Raymond George Boulton
Director and Promoter

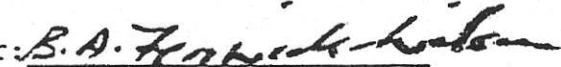

Peter Fox
Director and Promoter


Noel Porter
Director and Promoter

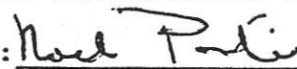

David Coote
Director and Promoter


Gerald Corlett
Director and Promoter

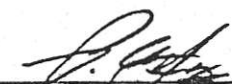
ORBEX RESOURCES LTD.

Per: 
Promoter

NO-AL ENTERPRISES LTD.

Per:  (Secretary)
Promoter

FOX GEOLOGICAL CONSULTANTS LTD.

Per:  (President)
Promoter