REPORT ON THE ALTA I-PIT-ZONE GROUP

CASSIAR, B.C.

Peter H. Sevensma Consultants Ltd.

March 29, 1982

P.H. Sevensma

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The writer has been requested by W.J. Storie of Cassiar to review the Alta-Pit-Zone Group. Drilling on this property was conducted in 1968-1969 by a member of Peter H. Sevensma Consultants Ltd. under the writer's supervision.

The property consists of the following eight units:

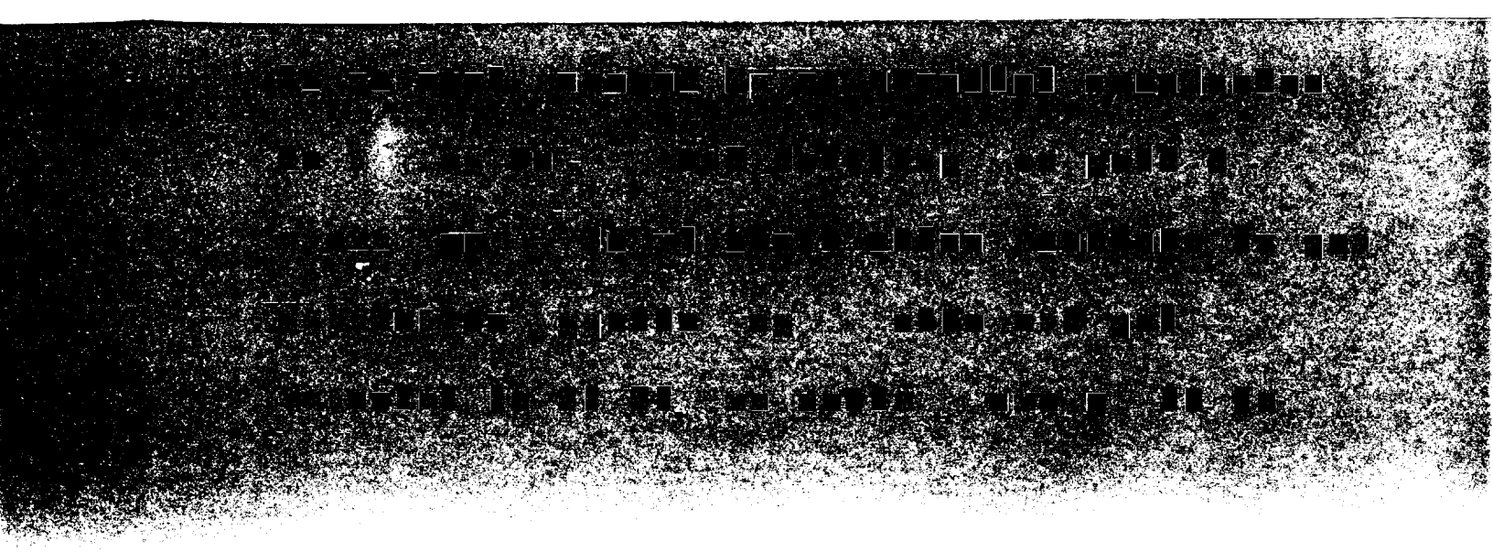
Pit 1 & 2	Record no. 69616 & 69617
Zone 1-4	Record no. 6
Alta 1 (2 units)	Record no. 802

In 1968 and 1969, this ground was covered by the Golden claims and the Northern Queen 1 & 2, under option to Coast Silver Mines Ltd.

The showings in the subject-claims are known as the Upper, Middle and Lower "D" zones, from West to East respectively.

Attention to the area was originally drawn by the discovery of high grade float in various locations, followed by soil-sampling, magnetic surveying, and an IP Survey.

Interesting results of this work led to diamond drilling. Although there are some outcrops in the area, it is in general covered by substantial overburden with vertical depths up to 50' and drilling was guided by magnetic and IP anomalies. The mineralization consists in general of pyrrhotite, pyrite, sphalerite and galena. Some of this material is highly magnetic, some of it is not.



		Sn
R-8	3m@	.86% Sn
R-3	.9m	.22% Sn
	1.2m	.33% Sn
R-10	.9m	@ 6.5% Sn

The mineralization appears to be mostly bedding-controlled but veining also occurs. In places, interesting values in gold have been encountered, especially in the Lower "D" zone.

Folding and faulting have been evident, but until now it has been impossible to correlate the various dolomitic and limey beds or the quartzites and argillites also encountered in the drilling. Quite massive limestones and dolomites predominate, probably of Cambrian age. Some of the faults are wide and may have caused important displacements.

UPPER "D" ZONE

5 core-holes were drilled with a total footage of 776 feet in a magnetic high in an area of high grade float and a large, strong soil anomaly.

Holes 1-3 intersected a major fault of unknown attitude as two holes intersected it in the same location. Holes 4 and 5 intersected:

Hole No.	From	To	Feet	Oz/T Gold	Oz/T Silver	% Lead	% Zinc
A-4	20'	46'	26'	.024	7.20	4.73	4.74
A-5	26'	63'	36'	.015	2.69	2.79	10.34

Further detailed work in the area is required to locate the possible zone more accurately, including magnetic work East and North of the A-4,5 area.

MIDDLE AND LOWER "D" ZONES

A total of 24 core-holes were drilled in these 2 zones, numbered from R-1 to R-24, as follows:

Lower "D" Zone:

R-1, 2, 4, 11, 12 and 24, for a total of 2,187'.

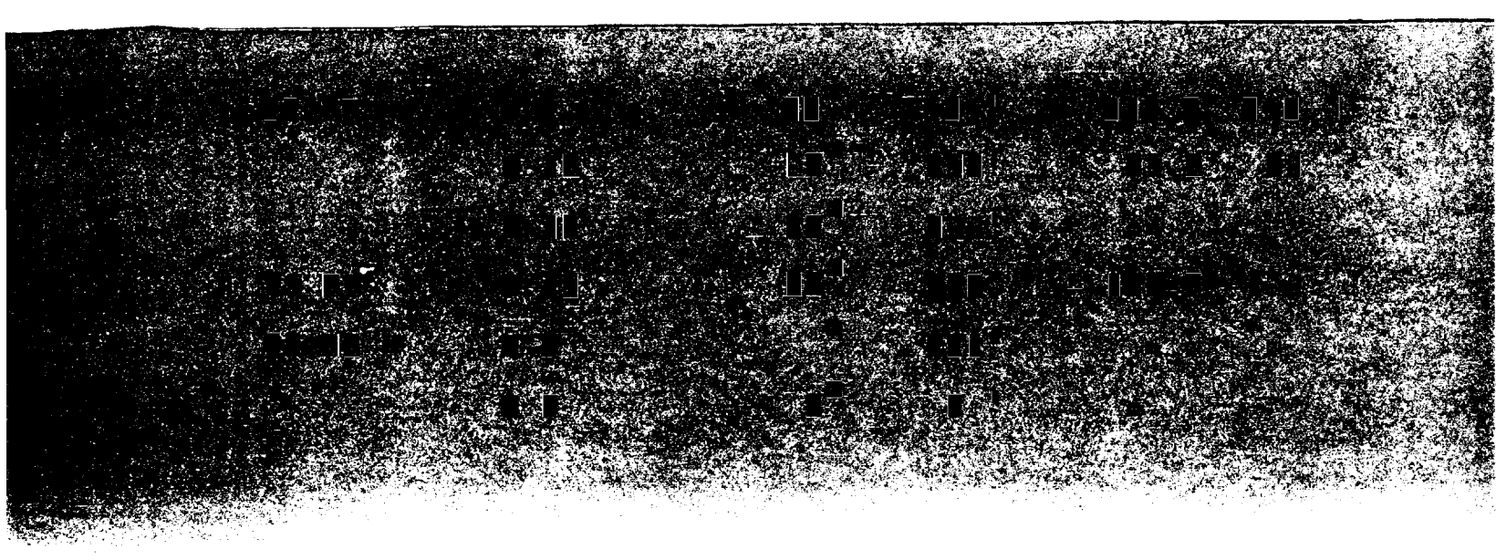
Middle "D": 18 holes for a total length of 6,417.5'

This includes four holes off the main structure.

Results in the Middle "D" zone may be summarized as follows:

				Mineralized			Average Grade		
Section	Hole No.	Dip	Length	From	To	Feet	Oz/T Ag	%Pb	%Zn
16+00 W	R-20	-45°	349'	None					
18+00 W	R-16	-65°	337'	100'	105'	5.0'	.78	1.04	2.25
				134.0'	138.0'	4.0'	2.69	5.81	10.74
19+00 W	R-6	-45°	305'	* 136.0'	149.0'	13.0'	2.76	2.79	3.13
	R-7	-65°	352'	* 195.0'	204.0'	9.0'	0.76	1.06	2.81
20+00 W	R-3	-45°	446'	* 159.0'	165.5'	6.5'	7.45	5.57	4.95
	R-15	-70°	397'	* 202.2'	211.5'	9.3'	4 16	3.44	6.58
				227'	229'	2.0'	2.60	2.25	.47
	R-17	-90°	644'	* 348.6'	362.0'	13.4'	4.00	4.14	7.91
21+00 W	R-8	-45°	379'	* 172.0'	177.0'	5.0'	2.05	2.03	2.94
	R-18	-90°	313.5'	Stuck in a major fault.					
21+50 W	R-19	-90°	459'	390'	392'	2.0'	.32	.02	2.76
22+00 W	R-9	-44°	323'	* 214.5'	232.6'	18.1'	4.62	5.01	14.90
	R-10	-65°	434'	* 253.0'	257.5'	4.5'	0.95	0.15	tr.
	R-14	-45°	277'	None., Fault?					
23+00 W	R-13	-45°	252'	* 159.0'	167.0'	8.0'	0.83	0.81	tr.
24+00 W	R-5	-45°	221'	Minor Pyrite only, drilled along the bedding.					
	R-21	-45°	427'	None					
* Average						9.6'	3.32	3.27	6.34

* Arithmetic average of mineralized sections used in calculation.



In addition, massive pyrrhotite-zones of low grade were intersected as follows:

Section	Hole No.	Dip	From	To	Feet	Oz/T Au	Oz/T Ag
19+00 W	R-6	-45°N	277'	284'	7'	.08	.18
	R-7	-65°N	281'	300'	19'	.045	.39
20+00 W	R-15	-70°N	316'	324'	8'	.025	.25
21+00 W	R-8	-45°N	244'	284.5'	40.5'	.048	1.76
			312'	323'	11'	.02	.73
			334'	339'	5'	.024	2.09

Interesting gold values are as follows in the pyrrhotite:

R-6	277' - 279'	2' @ 0.16 oz/T gold
R-8	244' - 248'	4' @ 0.20 oz/T gold
	256' - 258'	2' @ 0.10 Oz/T gold

In the Lower D-zone, no significant values or massive pyrrhotite were intersected; except as follows:

			Au	Ag	%Pb	%Zn
R-1	694.5'-695'	.5'	.02	2.1	.45	9.43
	in bedded pyrite with sphalerite.					
R-2	65' - 72'	7'	.37	.6	tr.	.13
	in laminated argillite near bedrock surface.					

In the same general area of R-2, the writer found in 1961 a block of pyrrhotite assaying 0.33 oz/T gold, 7.00 oz/T silver, 6.7% lead and 1.9% zinc.

A significant lead-soil anomaly extends in a Southeast direction from line 14 West to line 600 West and hence Northeast to

the base-line. A recently cut trench on line 8 West is said to have exposed a 15' wide mineralized zone. The soil anomaly shows values of from 100 - 400 ppm lead with a peak of 2900 ppm lead. Background is around 25 ppm.

This anomaly may broadly trace the extension of the drilled Middle D-zone to the East.

Assuming that the latter zone is continuous for 500' length and a 200' depth with an average width of 9.6', there are about 100,000 tons of drill-indicated mineralization with an arithmetical average grade of 3.3 oz/T silver, 3.3% lead and 6.3% zinc.

The mineralized zone has a good potential for extension to the East and at depth and the thick low-grade pyrrhotite bodies could well improve in grade down-dip. The total zone of interest is in excess of 150 feet wide (See Hole R-8).

Further exploration of this prospect should include surface electro-magnetic surveying. An underground crosscut would permit a good look at the structure, the geology and the mineralization and would permit the establishment of underground drill-stations. A crosscut should aim for the intersections on section 21 West, which is also the center of the substantial low-grade pyrrhotite bodies, as intersected by hole R-8. These bodies lie from 150' to 200' below the surface. Detailed geological mapping of any underground workings is essential.

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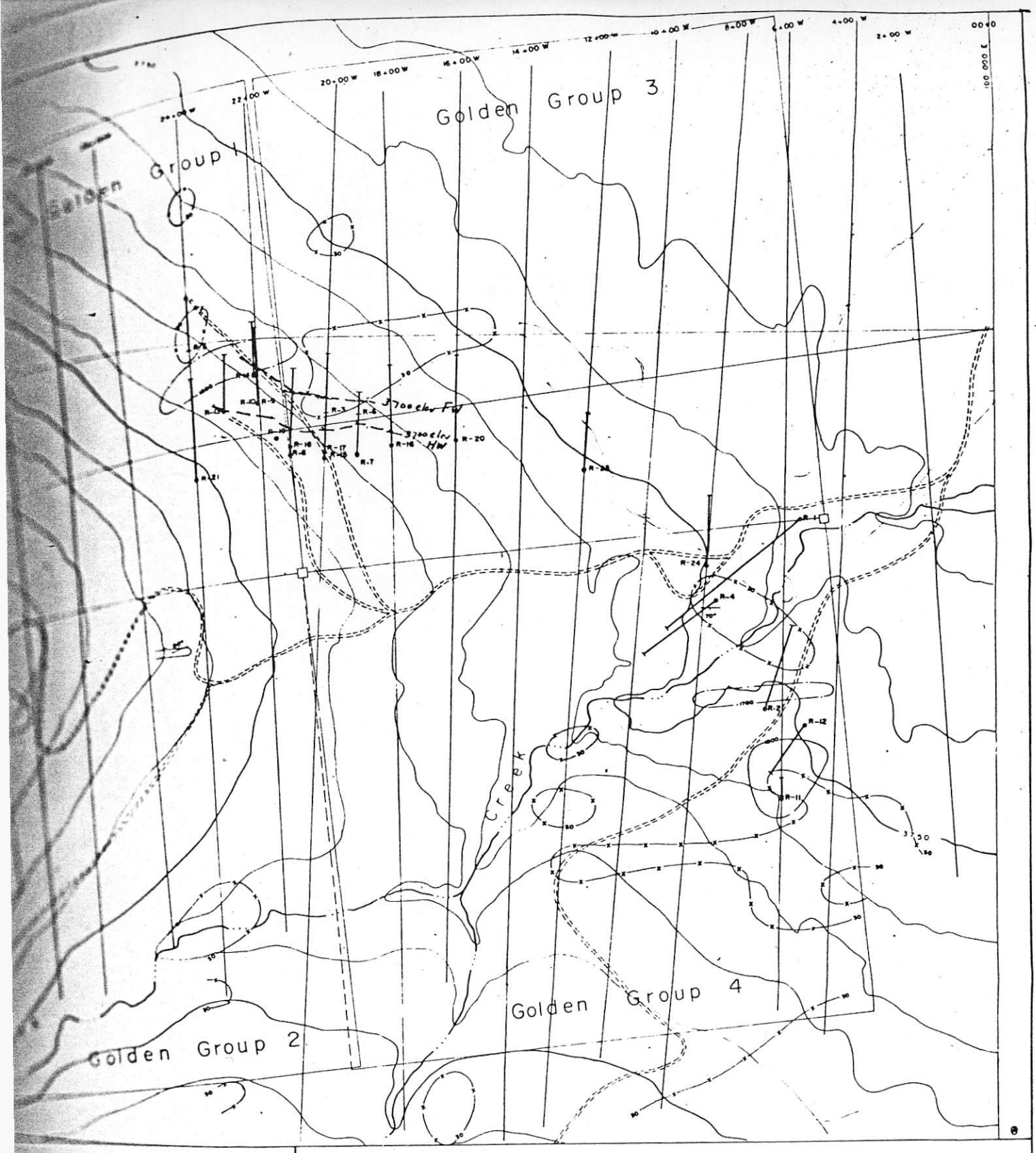

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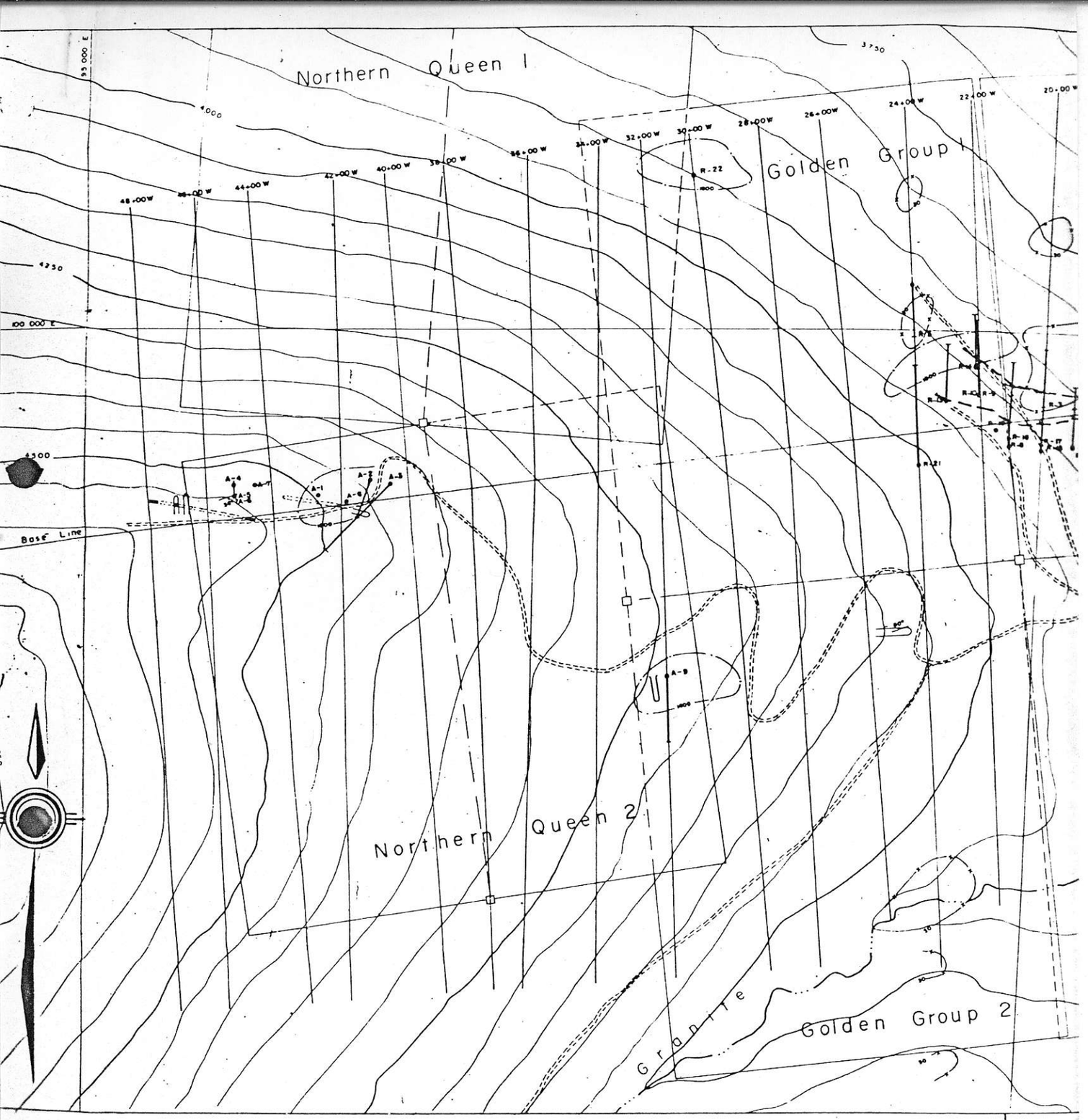
"D" Zone

DRILL SITE – LOCATION MAP



LEGEND

Dyke
Trench
Road
Drill hole — vertical
Drill hole — inclined
Ground magnetic anomaly