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PROPERTY REPORT

for

TANDEM RESOURCES LTD.,

B2.F

SUMMARY

Tandum Resources Ltd., hold six crown grants and one twenty unit claim known as RS in the Slocan Mining Division of British Columbia.

The crown grant claims were worked since 1896. The main workings were the Republic No. 2 and the Bell No. 2 crown grant claims. Shipments of 242 tons were reported mined from 1902 to 1952 which yielded 13,299 ounces silver, 107 ounces gold, 268 pounds lead and 171 pounds of zinc.

The mineralization was mined mainly along the northeasterly-striking Republic fault shear zone. There are many more mineral workings on the property besides the Republic zone workings.

The property area is underlain by the Nelson suite of rocks. Besides the north-easterly Republic zone, there are two other indicated structural zones indicated by Scorpion and Climax creek. The exposed mineralization and workings, coupled with the structural zones and Nelson plutonics formation would indicate a favourable area to explore a disseminated porphyry-type mineralized zone.

It is recommended that the property be explored by an induced polarization and pulse E-M survey to explore for disseminated and/or lenticular mineralized structures.

The initial phase should be the surveys which would require some \$32,000.00.

The second phase could be a diamond drill programme.

PROPERTY

The property consists of six crown grants and one claim, as follows:

<u>Claim Name</u>	<u>No. of Units</u>
RS	20
<u>Crown Grants</u>	
L 1530	Erin
L 5236	Erin Fraction
L 5319	Sunlight Fraction
L 5498	Republic No. 2
L 5499	American Eagle
L 5500	Bell No. 2

The six Crown Grants and Claim RS are located in the Slocan Mining Division of British Columbia as per Claim Sheet No. M82F/14W.

LOCATION

The claims are located some three kilometers to the north-east of the town of Slocan, east of the southern end of Slocan Lake some 72 kilometers north-westerly by road from Nelson, British Columbia at N latitude 49° 48', and W longitude, 117° 26'. The property is at an elevation of ± 4500 feet a.s.l.

ACCESS

Access is northeasterly on Highway 3 from Castlegar some 18 kilometers to South Slocan and highway 6, then some 45 kilometers north to Slocan or southwesterly from Nelson some 25 km on Highway 3A to South Slocan, then some 45 kilometers on Highway 6 north westerly to Slocan. Access from Slocan is easterly up Springer Creek to either or north on Climax Creek or Scorpion Creek. Climax Creek goes through the Crown Grant Claims.

PROPERTY HISTORY AND MINERALIZATION

The property area previously known as Republic and Bell No. 2 is discussed in G.S.C. Memoir 308 on pages 151-152 as follows:

Republic No. 2 (138)

References: Minister of Mines, B.C., Ann. Repts.: 1896, p. 73; 1898, p. 1077; 1904, p. 170; 1951, p. 77; 1952, p. 181. Cairnes, 1935, p. 184.

The Republic No. 2 property, previously known successively as the Republic, and Bell No. 2, is owned by C. B. Tipping of Slocan City. It is about 3 miles north and a little east of Slocan City, from where it is accessible by road, and lies west of the headwaters of Climax Creek a tributary of Springer Creek. The property in 1950 included the Erin, Erin fraction, and Republic No. 2 Crown-granted claims; the American Eagle and Bell No. 2 claims reverted to the Crown.

The claims were located in 1895 and developed between 1896 and 1904; shipments of ore were made each year in that period. The property lay idle until 1918, and from then to 1920 further mining was carried out. The present owner made shipments in 1935, 1939, 1941, 1951, and 1952; in 1940 separate shipments were made from the Republic No. 2 and Bell No. 2 claims by lessees. Complete records of early shipments of ore are not available but from 1902 to 1952 inclusive 242 tons of ore were mined. This yielded 13,299 ounces silver, 107 ounces gold, 268 pounds lead, and 171 pounds zinc. The property was examined in August 1950 by A. B. Irwin of the Geological Survey.

The rock underlying the claims is mainly coarse-grained porphyritic Nelson granite that is strongly sheared locally. Felsic and mafic dyke-like bodies intrude the granite.

The workings comprise two inclined shafts of which the lower and more westerly is flooded, three adits, and one open-cut. Several veins occur on the property, but only two are important. The Republic vein is explored by No. 2 shaft, the more easterly of the two. This shaft is collared at an elevation of about 4,375 feet and has been sunk on the vein for about 60 feet. The vein there is

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Nelson Map-Area, West Half, British Columbia

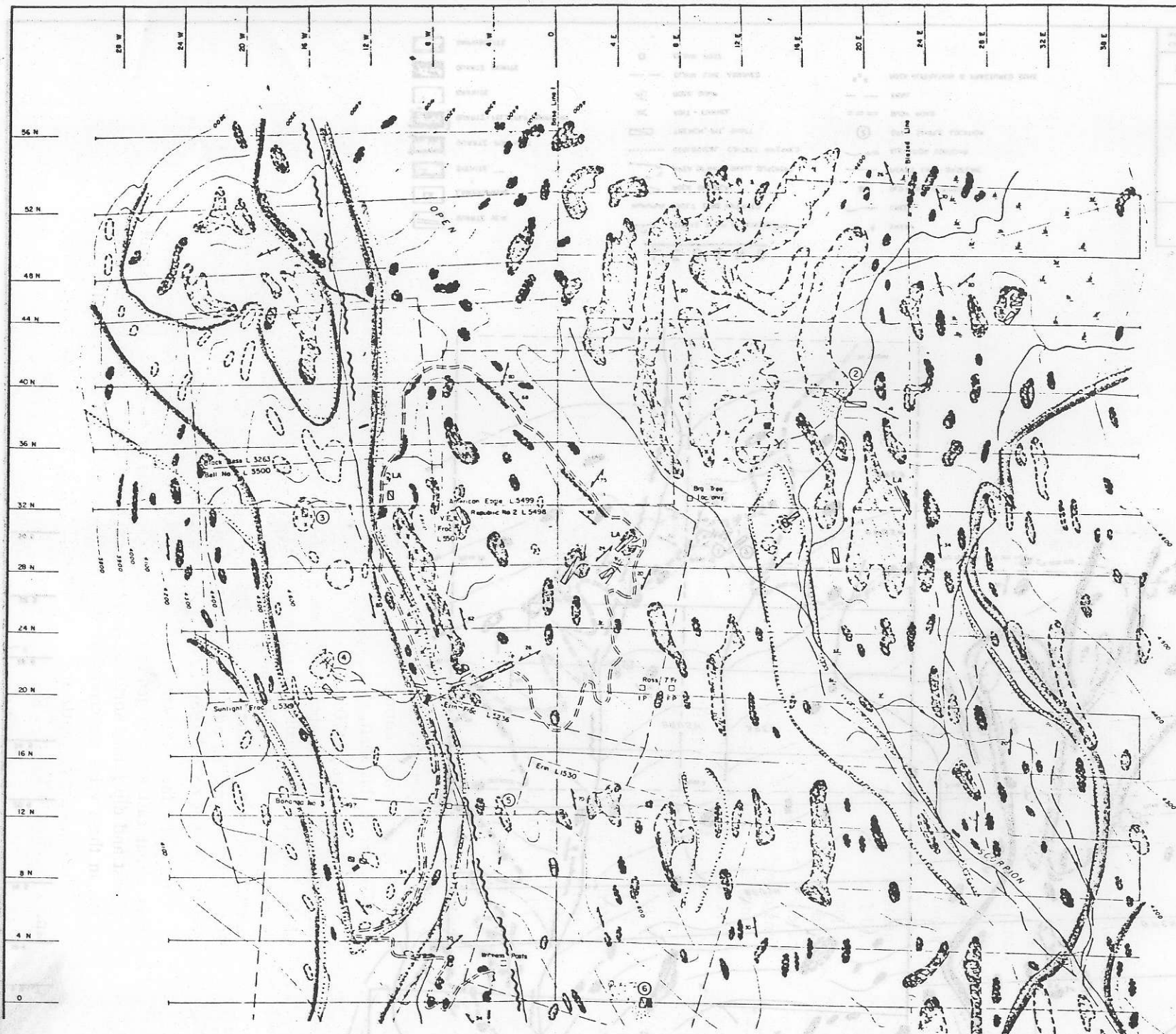
2 to 3 feet wide, strikes east and dips 15° to 20°N. It is offset up to 2 feet by each of several small normal faults that strike N25° to 45°E and dip 65° to 85°NW. From this shaft, short, irregular drifts and stopes have been driven.

No. 1 shaft, about 700 feet west of No. 2, is probably also on the Republic vein. There the vein is about 2 feet wide, strikes N50°E and dips 35°NW. This shaft is flooded, but small normal faults that displace the vein perhaps a foot, can be seen near the collar. Two tunnels below and to the west of No. 1 shaft did not intersect the vein. To the west, 600 feet beyond the draw and probably on the Bell No. 2 ground, an adit follows for 60 feet a discontinuous vein that strikes N20°E and dips 45°SE. Beyond this point the ground is complexly faulted.

In general the veins vary in attitude; those on the east side of the property strike about east and dip gently north, whereas those on the west strike about northeast and dip gently northwest, except for the one described above. The ore shoots in these veins are erratically distributed and are elongated down the dip.

The veins are of quartz and contain pyrite, a little argentite and native silver, and according to Cairnes, possibly free gold.

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ГЕОЛОГИЧЕСКАЯ КАРТА

ГЕОЛОГИЧЕСКАЯ
КАРТА
ОБЛАСТИ
СЕНТИНОВЫХ ГОР

ИЗДАНИЕ 1950



MAGNETIC
NORTH





- QUARTZ VEIN
- LAMPROPHYRE
- SYENITE
- QUARTZ PORPHYRY
- QUARTZ-FELDSPAR PORPHYRY
- GRANITE
- QUARTZ DIORITE
- AMPHIBOLITE

LEGEND

- STRIKE & DIP OF SCHISTOSITY
- FAULT ZONE INFERRED
- ROCK OUTCROP
- AREA OF MANY SMALL OUTCROPS
- GEOLOGICAL CONTACT INFERRED
- TRENCH, PIT, SHAFT
- ADIT - TUNNEL
- ROCK DUMP
- CLAIM LINE ASSUMED
- CLAIM POST
- SWAMP
- CREEK
- OLD CABIN IN RUINS
- PICKET LINE - BASELINE
- ELEVATION CONTOUR
- GRAB SAMPLE LOCATION
- BUSH ROAD
- TRAIL
- ROCK ALTERATION & FRACTURED ZONE



Donald W. Tully

To accompany report by Donald W. Tully, P. Eng., dated July 30,

TANDEM RESOURCES LTD.

REPUBLIC PROPERTY
SLOCAN MINING DIVISION
SLOCAN, B.C.

GEOLOGICAL PLAN

SCALE 1" = 400' DATE JULY, 1961

Location of claim lines is drawn from information considered to be the actual positions are not guaranteed.

GENERAL GEOLOGY

The property area is underlain by Nelson Plutonic rocks of lower Cretaceous age. These are undifferentiated as shown on G.S.C. Geology of Nelson West Half, by H. W. Little, 1960.

PROPERTY GEOLOGY

There are available reports and geologic mapping of the property area by T. R. Tough and Associates in 1972 and by D. W. Tully, P.Eng. in 1973 and 1976.

The geology of the property area as discussed by Donald W. Tully, P.Eng., in his report of the "Republic Property" dated July 1973 and October 1976 states: "the rocks exposed are component parts of the Nelson Batholith and are: syenite porphyry, quartz porphyry, quartz feldspar porphyry, granites, quartz-diorite and pyroxene-amphibole-biotite rocks with quartz veins and lamprophyre dykes intrusives.

The rock units trend northerly. A north-northwesterly striking shear zone called the Republic fault traverses through the Crown grant claims. There is a second zone of fracturing inferred through the valley of Scorpion Creek.

MINERALIZATION

The mineralization is discussed on pages 9 and 10 of Donald W. Tully's report of 1976. The workings and showings are shown on Donald W. Tully's geologic map and also on T.R. Tough and Associates geologic map of 1972. Reduced copies

are included.

The main inference of the reports indicate that the mineralization includes copper, lead, zinc, gold and silver as the minerals of interest. They indicate two main structural trends through the properties. These being the northeasterly trending shear zone, which seems to encompass the major portion of old workings and mineralization, and the topographic relief low area structure inferred by Scorpion valley. One of the high assay grab samples reported by the D.W. Tully, P.Eng report yielded an ~~assay of 28.84 ozs/ton Ag, and 0.176 oz/ton Au.~~ This is accepted as a grab sample values and only indicative of gold and silver mineralization being present.

The exposed mineralization of copper, lead, zinc and gold and silver being present on the property, coupled with the Republic-Scorpion Creek structural zones in the host Nelson Batholith suite of rocks would indicate favourable areas to explore for disseminated porphyry type mineralized zones and/or also for lenticular mineralized structures.

The aeromagnetics of the property area indicates a relatively flat high magnetic field with magnetic readings in the range of 58,200 gammas. This is probably a manifestation of the basement Nelson Plutonic. Ref: G.S.C. Geophysical Series (Aeromagnetic) Map 8482G, Slocan, 1970.

The property area and property was visited during the months of May, July, August and September 1978 by Emanuel Amendolagine, accompanied by Philip Muggeridge, Sabatino Amendolagine and Andy Elliot, Geologist, P.Eng.,

RECOMMENDATIONS

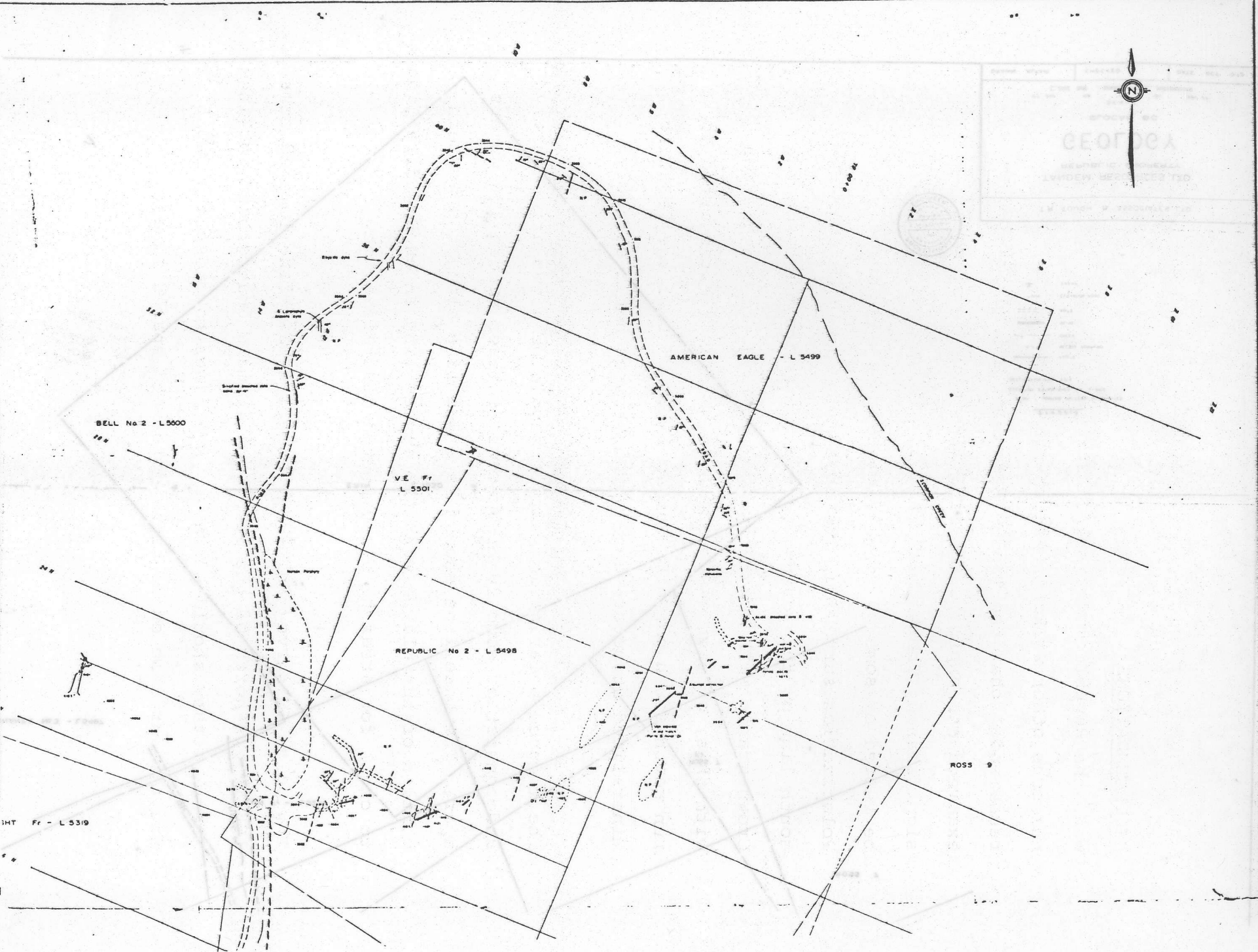
With the Republic mineralized structural trend and the numerous other workings present on the property, it is recommended that the Tandem Resources Ltd. property be examined and explored for mineralization of economic significance. The western portion of the property should be tested by some 20 line kilometers of an Induced Polarization surveying. The base line should be a north-south line on the western portion of the property on the Crown grants with east-west survey lines. In conjunction with this, an east west base line should be established to run north south pulse EM survey lines to test the Republic mineralized structure zone which strikes north-easterly.

The induced polarization survey should be a two-array survey and consist of some 20 kilometers of lines spaced 150 meters apart. The base line should be a N-S line along the western portion of the claims with the survey line in an E-W direction to check for areas of disseminated mineralization.

The pulse EM survey should have an E-W base line located some 100 meters north of the old Republic main underground workings. The EM survey should be run on N-S lines to cross the Republic fault shear zone on 50 meter intervals spaced lines.



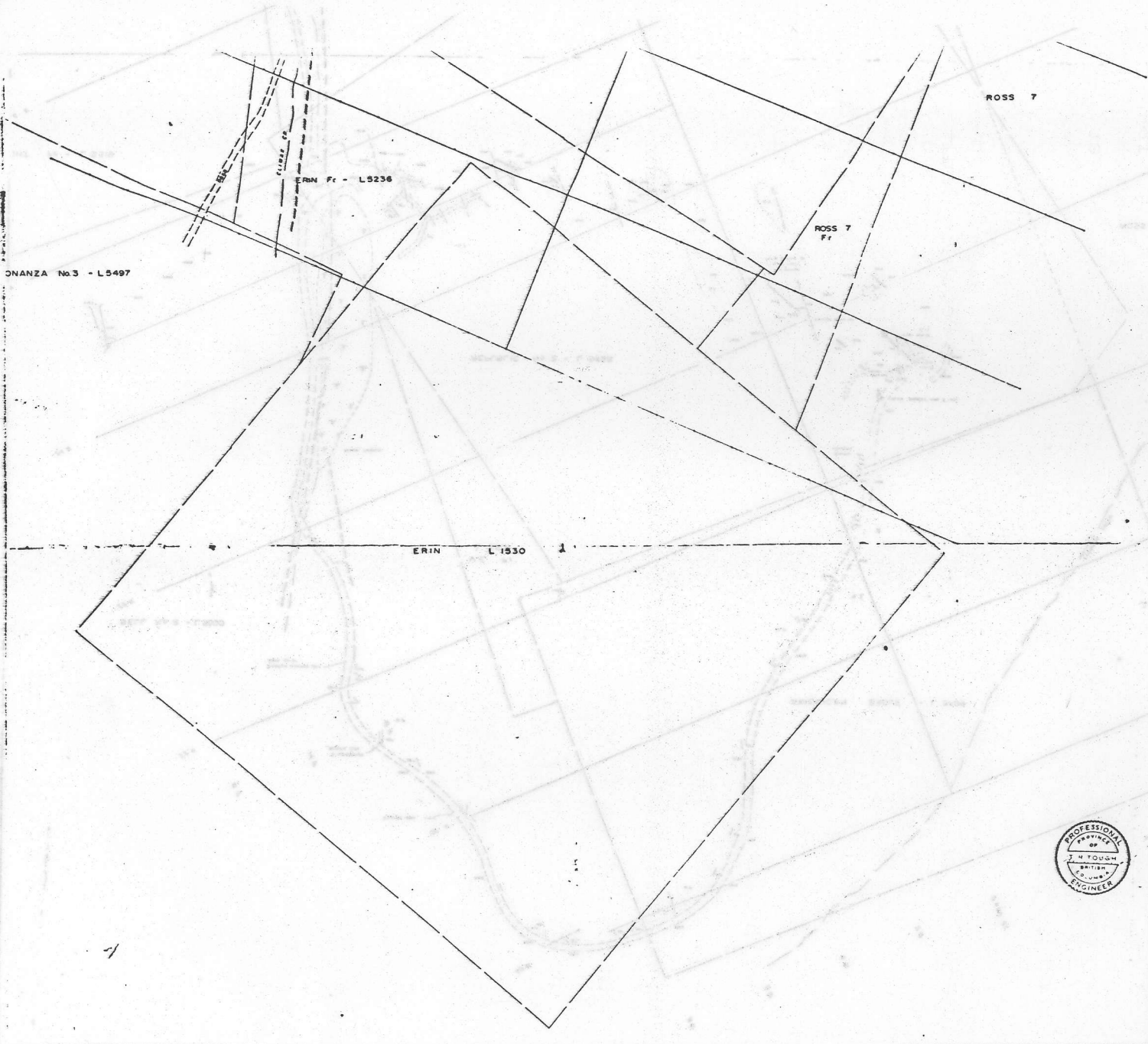
GEORGIA
DEPARTMENT OF REVENUE
LANDS WHICH BELONG TO THE STATE



CONTINUED ON REVERSE SIDE

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CONTINUATION FROM OTHER SIDE



- SYMBOLS**
- JOINTING PATTERN IN GRANITES
 - ELEVATION ESTABLISHED BY A BENCH MARK
 - DECLINATION USED FOR M.D.
 - FAULTS
 - NELSON PORPHYRY
 - CREEKS
 - VEINS
 - ADITS
 - ELEVATION POINT
 - SWAMPS



T R TOUGH & ASSOCIATES LTD		
TANDEM RESOURCES LTD REPUBLIC PROPERTY		
GEOLOGY		
SLOCAN BC		
SCALE 0 100 200 FT		
DRAWN ALTAR	CHECKED	DATE OCT 1972

CONCLUSIONS

The Tandem Resources Ltd property is underlain by the Nelson Plutonics. The history of the property area indicates that gold and silver mineralization was known being on this property since 1895 with some small production from 1896 to the present. The mineralization consists of gold, silver, lead, zinc and copper.

Some of the mineralization follows along the Republic fault zone which strikes northeasterly across the claims. This structural zone and the inferred structure manifested by the Scorpion valley are two structures of merit. The northeasterly striking mineralized Republic mineralized trend should be a priority area for investigation for an economical mineral deposit. Gold and silver mineralization is present along this strike. The geologic mapping indicated other workings on the property that should be investigated.

The information obtained from this survey can then be evaluated and correlated with the geologic maps to determine the next phase of surveys or diamond drilling that would be required to further test for an economical gold-silver mineralized zone. These surveys will also be used to assess other mineral possibilities.

The exploration program should be carried out in a minimum of two phases with the first phase being the induced polarization survey and the pulse E.M. survey. The second phase should be sampling and or diamond drilling. The extent of the sampling-diamond drill program will depend upon the results of first phase. A minimum of 2,000 feet of drilling would be required to preliminary test the Republic zone.

ESTIMATE OF COSTS

FIRST PHASE

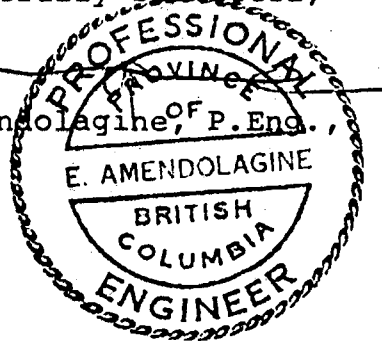
1. Induced Polarization Survey	\$16,000.00
2. Pulse E-M survey	12,000.00
3. Room and Board, Travel and Communication	5,000.00
4. Engineering and reports and consulting	6,000.00
5. Field supervision	2,000.00
6. Miscellaneous	1,000.00
	<hr/>
	\$32,000.00

SECOND PHASE

Diamond drilling minimum of 2,000 feet would cost
some \$40,000.00

Respectfully submitted,

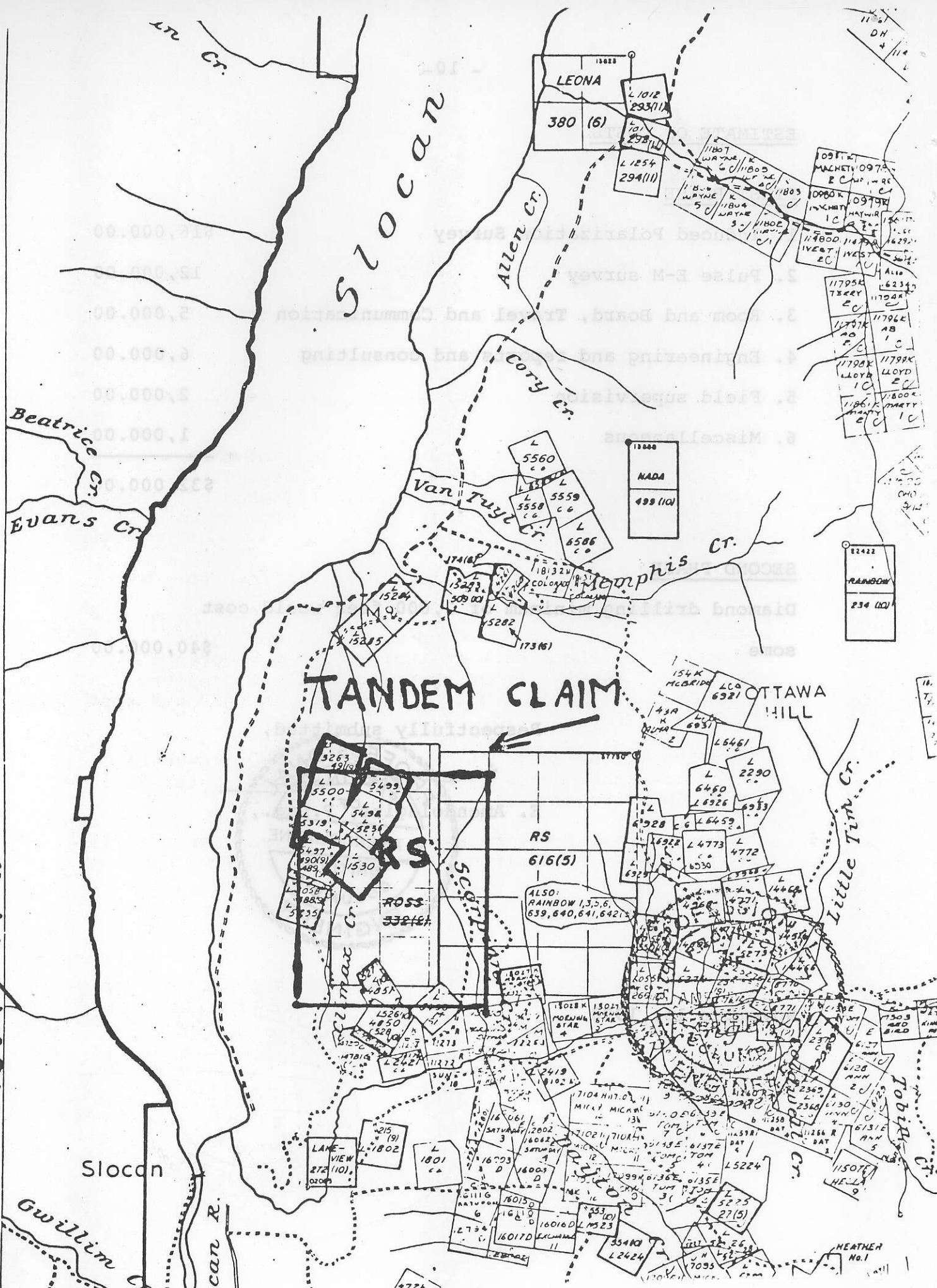
E. Amendolagine, P. Eng.,



November 15, 1978

TOWES1

M82F 14 W

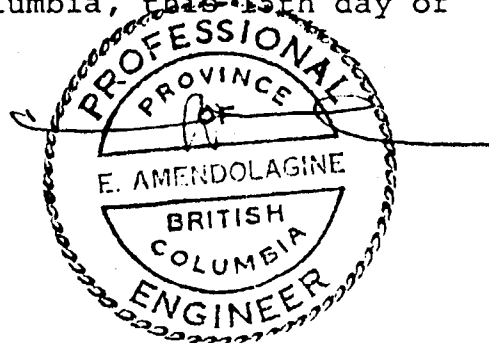


CERTIFICATE

I, EMANUEL AMENDOLAGINE, of the City of Vancouver,
in the Province of British Columbia, hereby certify:

1. That I am a geologist by profession and reside in Vancouver, British Columbia.
2. That I am a graduate of Hunter College, of the City of New York, and Columbia University, with a B.A., and M.A. degree respectively, and that I have been practising my profession as a geologist for 25 years.
3. That I am a registered professional engineer in the Province of British Columbia.
4. That this report is based upon general geological knowledge of the area and studies of the reports of geological mapping property reports of the property area by T. R. Tough & Associates Ltd., in 1972 and also by T. W. Tully in 1976.
5. That the writer does not have, nor does he expect to receive, either directly or indirectly, any interest in Tandem Resources Ltd., or its properties.
6. That this report may be used for the purpose of a Prospectus if so desired.

DATED at Vancouver, British Columbia, this 15th day of
November, 1978.



20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

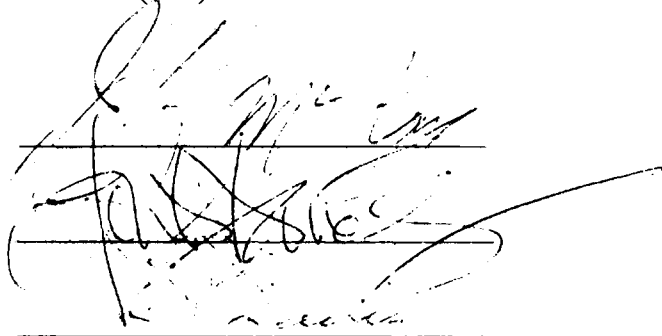
Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

December 20th, 1978

(Date)



Keith McKay, Director
& Promoter

John Davies
Director & Promoter

Dan T. Davis
Director

CERTIFICATE OF THE ~~UNDERWRITER(S)~~ AGENTS:

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

December 20th, 1978

(Date)

CONTINENTAL, CARLISLE, DOUGLAS LTD.

Per: 

CANARIM INVESTMENT CORPORATION LTD.

Per: 