

680434  
920/2E

**COMPILATION REPORT**

and

**EXPLORATION PROPOSAL**

for the

**ELIZABETH PROPERTY**

Lilloet Mining Division  
British Columbia

for

**NEVADA GOLDRUN RESOURCES INC.**

Prepared by

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January 24, 1997

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## SUMMARY

*The Elizabeth gold property is located in southwestern British Columbia approximately 30 km northeast of the town of Goldbridge and the mining town of Bralorne. The property is comprised of four crown granted claims.*

*The property is situated along a tributary of the Yalakom River in steep, glaciated terrain between 2,100 and 2,500 metres in elevation. Summers are generally warm and dry. Snow typically covers the property from October to May.*

*Access is via a road that leaves the Yalakom River logging road. The 76 kilometres from Lillooet to the property can usually be driven in two hours. Property infrastructure is excellent with several roads accessing the old workings and the areas proposed for exploration. Situated very near the property is a well maintained camp that could provide accommodation for exploration crews.*

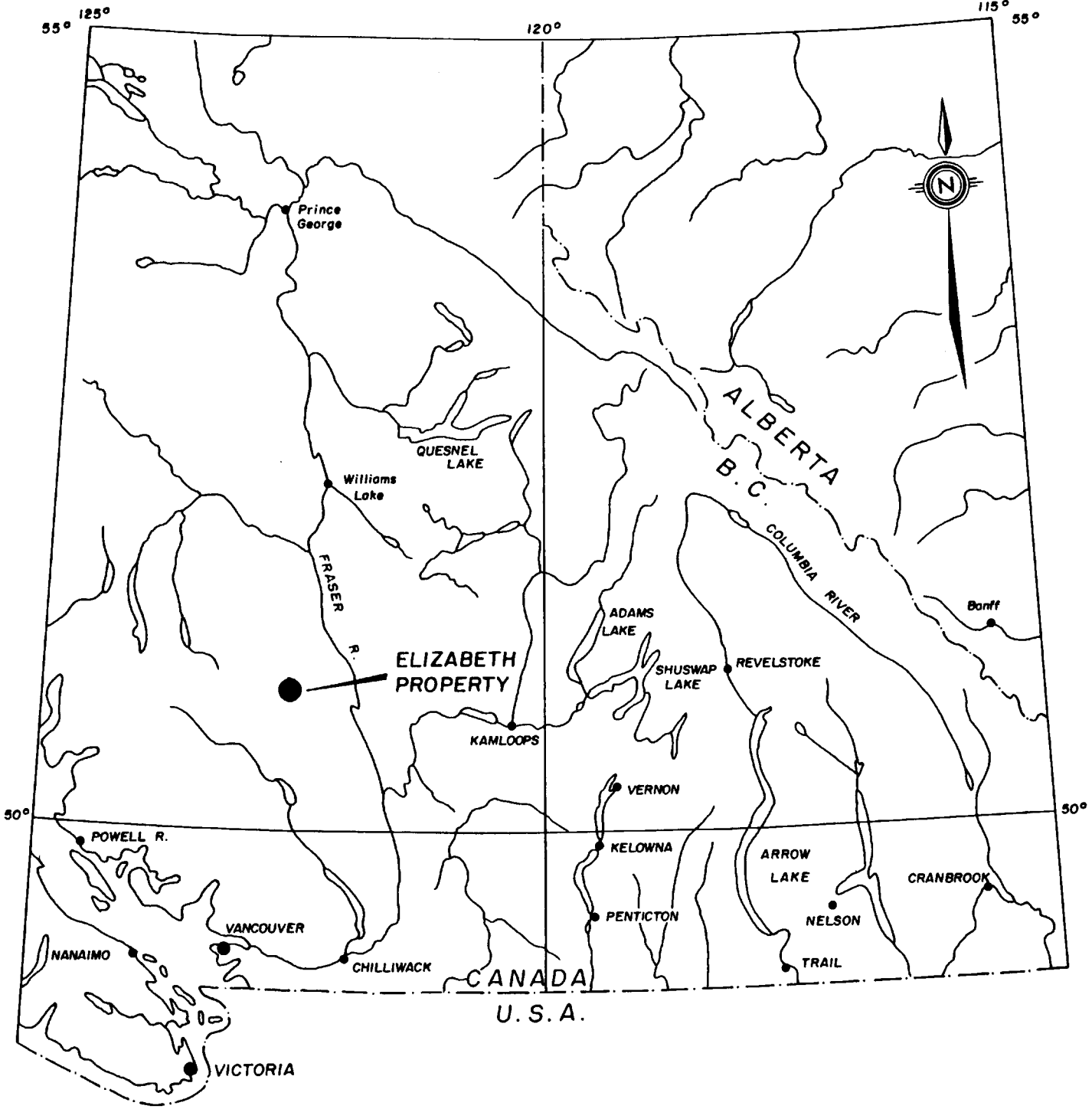
*The Bridge River region has seen mining activity since the late 1800's with the discovery of numerous deposits including the Bralorne-Pioneer deposits. Production from these two mines alone was 4.1 million ounces of gold making this the largest gold producing area in the province. International Avino and Bralorne Pioneer Mines Ltd. have identified additional reserves and are in the process of reinstalling a mill at the Bralorne site.*

*In 1939, gold was discovered in quartz veins on what is now the Elizabeth No. 1 claim. During 1940-1949, Bralorne Mines Ltd. explored the Elizabeth and adjacent Yalakom properties. Work on the Elizabeth property consisted of surface trenching, underground crosscutting, drifting, raising and diamond drilling. Several quartz veins were explored with two returning significant gold. In 1958-59, Bethlehem Copper Mines Ltd. explored the West (No. 1) Vein with a tunnel approximately 180 metres above the Bralorne tunnel. High gold grades zones were identified and a small bulk sample was shipped. During 1990, Blackdome Mining Corp. conducted trenching, portal rehabilitation and surveying along with detailed surface and underground sampling programs. Sampling identified two distinct high grade shoots in the West Vein on surface and 65 metres below in the upper adit drift (Bethlehem). High concentrations of visible gold were reported in a surface trench. Due to financial constraints Blackdome was unable to initiate a proposed drill program.*

*The Elizabeth property is situated within the Shulaps Ultramafic Complex adjacent to the Yalakom River fault. These rocks are intruded by small bodies of Tertiary age quartz diorite that host a series of mesothermal quartz veins. The veins appear to be structurally controlled and are occasionally crosscut by faults. Gold mineralization may have been localized by faulting and/or local changes in vein orientation. One vein, (West or No. 1) has been traced for upwards of 300 metres along strike and approximately 250 metres vertically. This vein is still considered open along strike and to depth. The geologic and structural setting, as well as the mesothermal nature of these veins, are similar to the veins in the Bralorne-Pioneer area.*

*Past operators have calculated ore reserves specifically on the West Vein between the upper adit drift and the surface. Bethlehem reported a reserve of 1,430 tonnes grading 95.3 g/tonne or 2.78 oz/ton. Prism Resources calculated an indicated ore reserve of 3,853 tonnes grading 41.1 g/tonne or 1.32 oz/ton Au. Drilling will be needed to classify any reserves as proven. These reserve figures represent only a fraction of the potential of the known veins.*

*The extent of the West and other mineralized veins, combined with the existing infrastructure, make the Elizabeth property an excellent exploration target that can be rapidly advanced. Therefore, a three phase exploration program is recommended at an estimated cost of \$600,000. Details of the program are outlined in Recommendations and Appendix B of this report.*



<b>NEVADA GOLDRUN RESOURCES INC.</b>		
<b>LOCATION MAP</b>		
<b>ELIZABETH PROPERTY</b>		
Technical Work By: GEOQUEST CONSULTING LTD		Scale: 1:2,500,000 (1cm=25km)
Date: JAN., 1997.	Drawn By: W.G.	Fig. No. 1

## INTRODUCTION

This report on the Elizabeth property near Goldbridge, B.C. has been prepared at the request of Nevada Goldrun Resources Inc. On September 30 to October 1, 1996 the writer was given a tour of the property by the owners, Mr. David White and Mr. Tom Illidge. The field inspection, review of literature available to the writer and personal communications with the property owners form the basis of this report.

## LOCATION AND ACCESS

The Elizabeth property is located in southwestern British Columbia approximately 30 kilometres northeast of Goldbridge and the mining town of Bralorne (Figure 1). Geographic co-ordinates for the property are 51°02' north latitude and 122° 32' west longitude on N.T.S. Map No. 92O/2E.

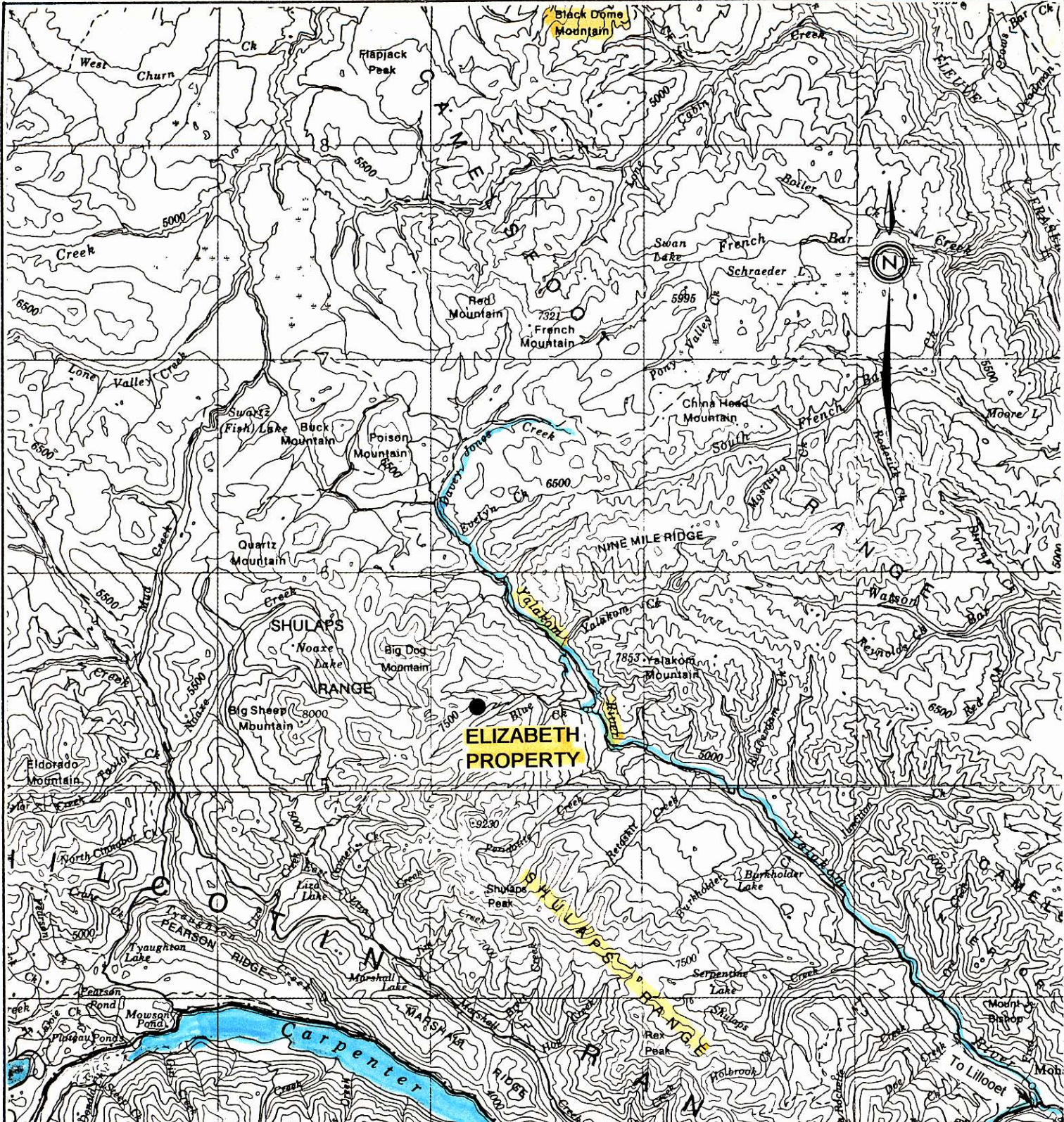
Access to the property is via the road that heads west from Lillooet to Goldbridge. At approximately 30 kilometres west of Lillooet, a major logging road heads northwesterly along the Yalakom River. Near the 66 kilometre marker of the Yalakom road, a branch road climbs for about 10 kilometres westerly along Blue Creek to the property. Average driving time from Lillooet to the property is two hours.

A network of good roads allow ready access to the tunnels on the property, as well as potential exploration sites. In addition, a well maintained camp near Blue Creek could provide accommodation for exploration crews.

## TERRAIN

The Elizabeth property is situated in the Shulaps Range along the eastern flank of the Coast Mountains (Figure 2). The property is transected by Blue Creek, a west trending, glacially incised valley on the south flank of the Yalakom River. The claims are situated on a ridge between two forks of Blue Creek. Slopes are generally steep to the southeast and northeast. The areas proposed for exploration are all situated on the southeast slopes. Property relief is in the order of 340 metres ranging from 2,100 metres to 2,440 metres. Potential exploration sites are in the 2,190 to 2,290 metres range. The property is generally accessible between May and October.

Owing to high elevation and poor soil development, the property is sparsely forested with small stands of pine and balsam. Local areas of low growing alpine vegetation are present. Much of the property is extensively covered by talus and glacial debris, which may be several tens of metres in thickness. A semi shaded slope above the upper adit is the site of a remnant snowfield that could be used as a water source for drilling programs.



<b>NEVADA GOLDRUN RESOURCES INC.</b>	
<b>INDEX MAP</b>	
<b>ELIZABETH PROPERTY</b>	
Lillooet Mining Division, B.C.	
Technical Work By: Geoquest Consulting Ltd.	Date: Jan 24, 1997
Scale: 1:250,000	Figure No.: 2

## CLAIMS

The Elizabeth property is comprised of four contiguous Crown Granted mineral claims. The claims are located on NTS Map No. 920/2E in the Lillooet Mining Division and are in good standing. Details of the claims are as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>
Elizabeth No. 1	L-7400	1
Elizabeth No. 2	L-7401	1
Elizabeth No. 3	L-7402	1
Elizabeth No. 4	L-7403	1

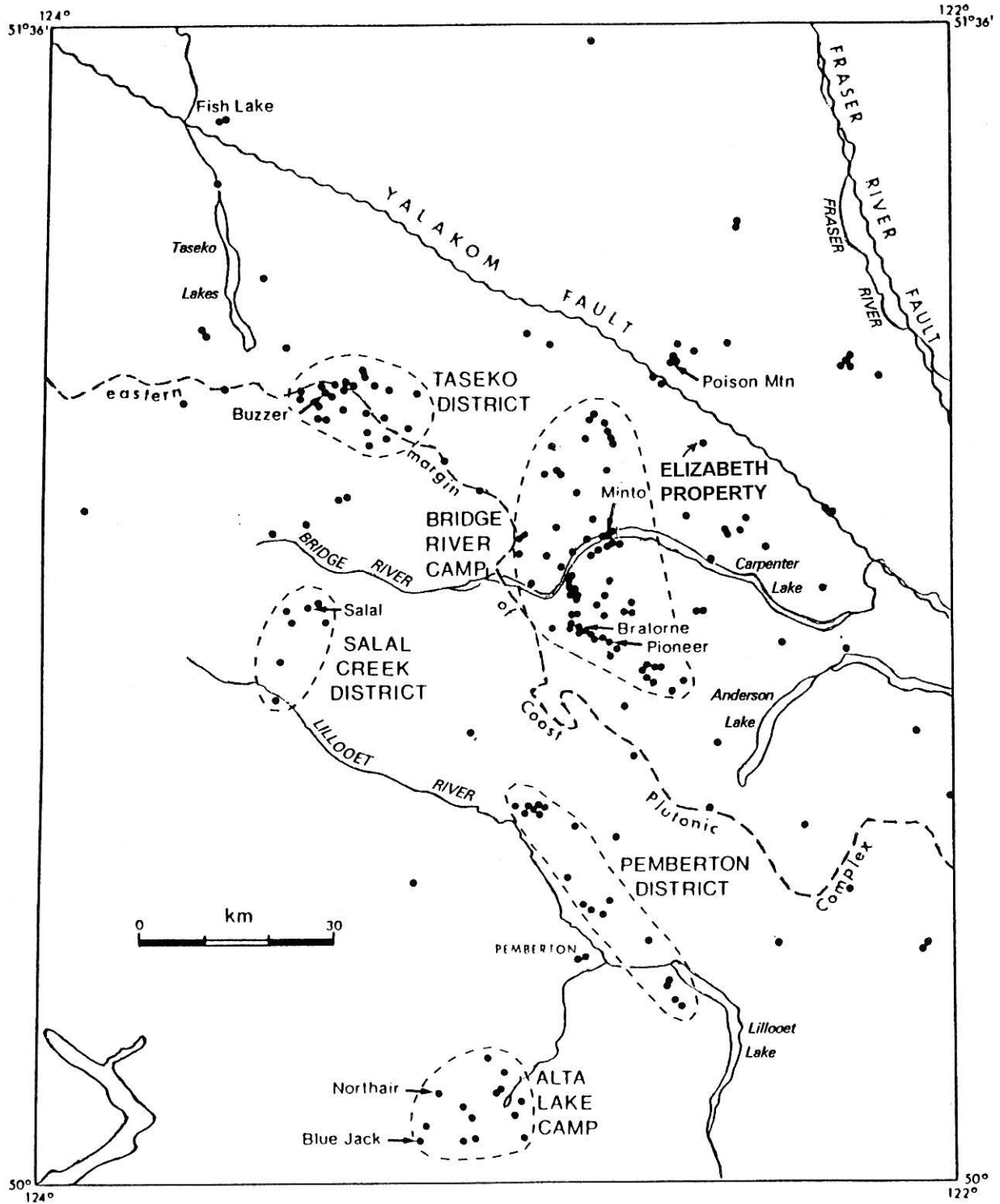
During the field examination, the writer observed the old survey pins along the ridge top at the centre of the claim block. The registered owners of the claims are Mr. David White and Mr. Tom Illidge

## HISTORY

The Bridge River area has a long period of mining activity dating back to the turn of the century. The majority of mining centred around gold deposits such as Bralorne, Pioneer, Minto, Coronation and Wayside (Figure 3). The Bralorne and Pioneer deposits, by far the largest, were in production for 70 years. Interestingly these deposits, even at depths of over 1,500 metres (5,000 feet), were not depleted. The price of gold (\$35 US/oz) and high costs associated with upgrading ventilation systems and other equipment eventually forced closure. Together, the Bralorne and Pioneer mined and milled eight million tons of ore and produced 4.1 million ounces of gold (0.53 oz/ton), making this the largest gold producing camp in the province.

Currently, Bralorne-Pioneer Gold Mines Ltd., along with International Avino Mines Ltd. are working to re-install a mill with a capacity of 450 tons per day. Published reserves above the 800 level (main haulage tunnel) are 476,835 tons grading 0.31oz/ton.

In 1939, gold bearing quartz veins were discovered along Blue Creek by Mr. William White and Mr. Tom Illidge. The Elizabeth No. 1 to No. 4 claims were subsequently staked to cover the discovery area. Based on literature available to the writer, a chronology of the known work on the property is outlined in Table 1.



### MINERAL DEPOSITS IN THE BRIDGE RIVER AREA

Figure 3



**Table 1. Chronology Of Work On The Elizabeth Property**

Year(s)	Work By	Scope of Work
1940-49	Bralorne Gold Mines Ltd.	<ul style="list-style-type: none"> <li>• Built access trails from Goldbridge to property via Liza Lake.</li> <li>• Constructed camp for 20+ men.</li> <li>• In 1947 completed construction of 25 km of access road from Yalakom River Valley.</li> <li>• Commenced portal at 2,024 m elevation on Churn No. 1 claim.</li> <li>• Drove crosscut westerly to intersect down dip extension of No. 1 Vein on Elizabeth No. 1 claim.</li> <li>• By 1949 crosscut extended to 670 metres and intersected three veins (A, B, C).</li> <li>• At 491 metres from portal, drifted northerly along B Vein for 44.5 m, southerly for 40 m and raised for 83 m above south drift.</li> <li>• At 641 m from portal, drifted north-northeasterly along C Vein (West Vein) for 166 metres, southerly for 140 metres and raised 23 m above north drift.</li> <li>• Between 1947 and 1949, 10 flat diamond drill holes totalling 790 metres were completed, 8 from surface and two from the end of the crosscut.</li> </ul>
1956-58	Bethlehem Copper	<ul style="list-style-type: none"> <li>• Constructed portal at 2,204± m elevation on Elizabeth No. 1 claim.</li> <li>• Drove crosscut west-northwest to intersect down dip projection of West Vein (No. 1).</li> <li>• At 140 metres from portal, drove northerly along West Vein for 95 metres.</li> <li>• Shipped 8 tonne (8.8 ton) bulk sample for processing</li> </ul>
1980	Prism Resources	<ul style="list-style-type: none"> <li>• Sampling/data compilation.</li> </ul>
1984	?	<ul style="list-style-type: none"> <li>• Sampling/reserve calculation.</li> </ul>
1990	Blackdome Mining Corp.	<ul style="list-style-type: none"> <li>• Upgraded road system and rehabilitated upper and lower portals.</li> <li>• Surface trenching, mapping and sampling of West, Main, Allison and Tommy Veins.</li> <li>• Detailed sampling of West Vein in upper adit drift.</li> <li>• Surface and underground surveying.</li> </ul>

No assay results for the drifting and raise work conducted by Bralorne were available to the writer. Surface sampling of the northern extension of the West Vein by Bralorne indicated two high grade zones with values up to 6.78 oz/ton across 0.55 m. Trenching and sampling by Blackdome also delineated two high grade zones on surface and in the West Vein drift. The following lists the significant results obtained by these companies:

	<b>Bralorne Gold Mines Ltd.</b>	<b>Blackdome Mining Corp.</b>
<b>West Vein (Surface)</b>	<ul style="list-style-type: none"> <li>• 10.7 m length averaging 3.31 oz/t across 0.56 m. (1.8')</li> <li>• 42.7 m length: low gold values.</li> <li>• 36.6 m length averaging 0.45 oz/t across 0.63 m.</li> </ul>	<ul style="list-style-type: none"> <li>• 10.0 m length averaging 4.15 oz/t across 0.50 m. (1.65')</li> <li>• 6.0 m length: low gold values.</li> <li>• 5.0 m length averaging 3.80 oz/t across 0.35 m. (1.5')</li> </ul>
<b>West Vein (Underground)</b>	N/A	<ul style="list-style-type: none"> <li>• 20.0 m length averaging 1.8 oz/t across 0.6 m. (2.0')</li> <li>• 7.0 m length: low gold values.</li> <li>• 7.5 m length averaging 3.7 oz/t across 1.0 m.</li> </ul>
<b>Main Vein (Surface)</b>	<ul style="list-style-type: none"> <li>• 1.02 oz/t across 3.66 m.</li> </ul>	<ul style="list-style-type: none"> <li>• 0.76 oz/t across 1.0 m.</li> </ul>
<b>Main Vein (Drill Holes)</b>	<ul style="list-style-type: none"> <li>• DDH 1 - 1.77 oz/t across 1.22 m.</li> <li>• DDH 2 - 0.49 oz/t across 0.76 m.</li> <li>• DDH 3 - Trace.</li> <li>• DDH 4 - 0.13 oz/t across 0.15 m</li> </ul>	

## GEOLOGY

### **Regional:**

The Elizabeth property is situated within a geologically diverse area of the Intermontane Belt of southern British Columbia. Highly metamorphosed sedimentary rocks of Palaeozoic age (Fergusson Group) are the oldest rocks exposed in the region. These "basement rocks" were intruded along major fractures by the dioritic Bralorne Intrusions of Permian age. During the Triassic period a diverse assemblage of volcanic and sedimentary rocks were deposited over the basement rocks. Dykes and large bodies of ultrabasic rocks of the Shulaps and President intrusions were emplaced during major Jurassic tectonic events. Continued uplift during the Cretaceous period resulted in the deposition of coarse sedimentary sequences such as the Taylor Creek Group. The end of the Mesozoic era was marked by the emplacement of major granitic plutons of the Coast Plutonic Complex found in the southwestern part of the region. The early Tertiary Rex Peak porphyry marks the last major intrusive event in the region. The youngest rocks in the region are small patches or "outliers" of bedded Tertiary basaltic flows.

The region has a varied and complex period of tectonic activity. Major breaks and faults have been active or reactivated over a broad geologic time frame. Some of these faults have

controlled the emplacement of intrusive bodies and have played an important role in the formation of mineral deposits such as the Bralorne/Pioneer.

The valley of the Yalakom River outlines a major northwesterly trending fault zone that branches off the Fraser fault to the east (Figure 3). The Yalakom fault may have controlled the emplacement of what is referred to as the Shulaps Ultramafic Complex.

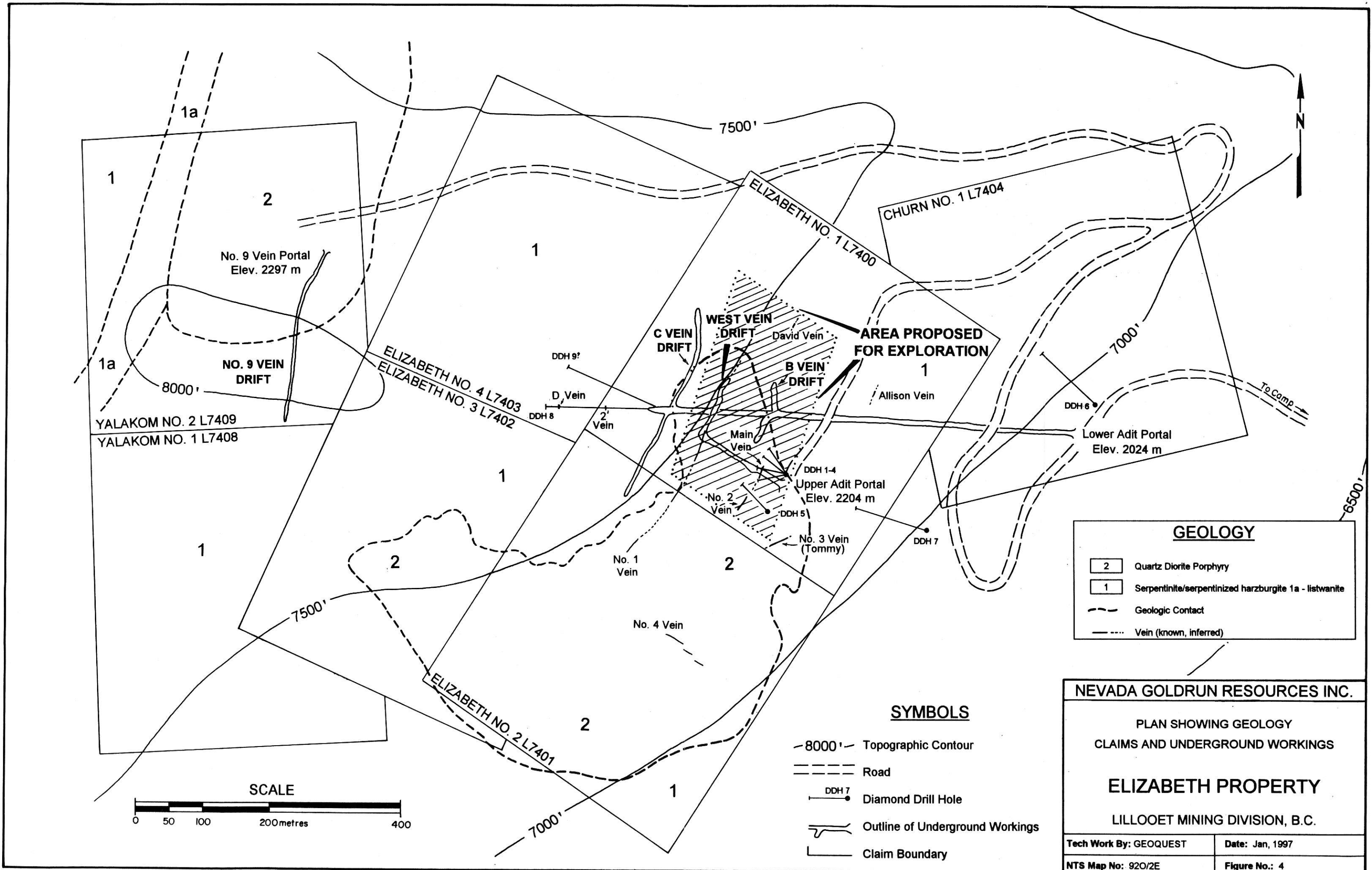
**Property:**

The Elizabeth property is underlain by two distinct rock types. The oldest and most extensive is represented by rocks of the mid Mesozoic Shulaps Ultramafic Complex (Figure 4). The most commonly observed is known as *harzburgite*. This rock is readily identified by the rusty to orange weathered and "warty" looking surface. Large boulders of this rock are scattered as glacial debris around and along the ridge above the upper adit. Few bedrock occurrences of this rock are seen on the property. These rocks have commonly undergone varying degrees of *serpentinization*. This results in rocks that are typically green to greenish-black and have a waxy lustre and a soapy feel. Polished and/or striated fracture planes known as slickensides are locally common and are indicative of faulting in these easily deformed rocks. Just to the west on the Yalakom property is a northerly trending band of *listwanite*. These carbonate rich alteration zones occur in serpentinized terrain and are often associated with gold mineralization.

The second rock type found on the property is a porphyritic quartz diorite body that has been dated at 58.4 million years of age (Palaeocene). This intrusion, known as the "Blue Creek Porphyry" (Leech, 1953), covers an area of approximately 650 metres by 350 metres (Figure 4). A smaller body of this rock is found on the adjacent Yalakom claims. All of the known gold veins on these properties are hosted by this intrusion although in some areas (upper adit) the vein is observed in contact with sheared and serpentinized rocks. Veins range from several centimetres to over 1.5 metres in width and can have highly variable orientations. For the most part, veins dip steeply (i.e.  $>60^\circ$ ). Veins have been traced for several metres to several hundred metres in length.

Faulting was observed in the West Vein drift of the upper adit where a steeply dipping crosscutting fault intersected the vein in an area known to have high gold grades. Noticeable changes in strike direction are also evident along the West Vein in this area. These structural features may play an important role in the controls for high grade shoots. Evidence such as slickensided vein contacts suggests that the veins themselves may be structurally controlled.

A review of the available literature indicates there are a number of veins present, however it is apparent that some veins have more than one name. An attempt to correlate the various vein names along with pertinent details and past exploration work is given in Table 2. A cross section showing the location of several of these veins is shown on Figure 4a. The West and Main Veins are the primary focus of the recommended program of this report.

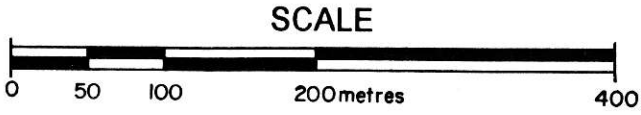


**GEOLOGY**

2	Quartz Diorite Porphyry
1	Serpentinite/serpentinized harzburgite 1a - listwanite
---	Geologic Contact
- - - -	Vein (known, inferred)

**SYMBOLS**

— 8000' —	Topographic Contour
---	Road
DDH 7	Diamond Drill Hole
⌋	Outline of Underground Workings
⌈	Claim Boundary



**NEVADA GOLDRUN RESOURCES INC.**

PLAN SHOWING GEOLOGY  
CLAIMS AND UNDERGROUND WORKINGS

**ELIZABETH PROPERTY**

LILLOOET MINING DIVISION, B.C.

Tech Work By: GEOQUEST	Date: Jan, 1997
NTS Map No: 920/2E	Figure No.: 4

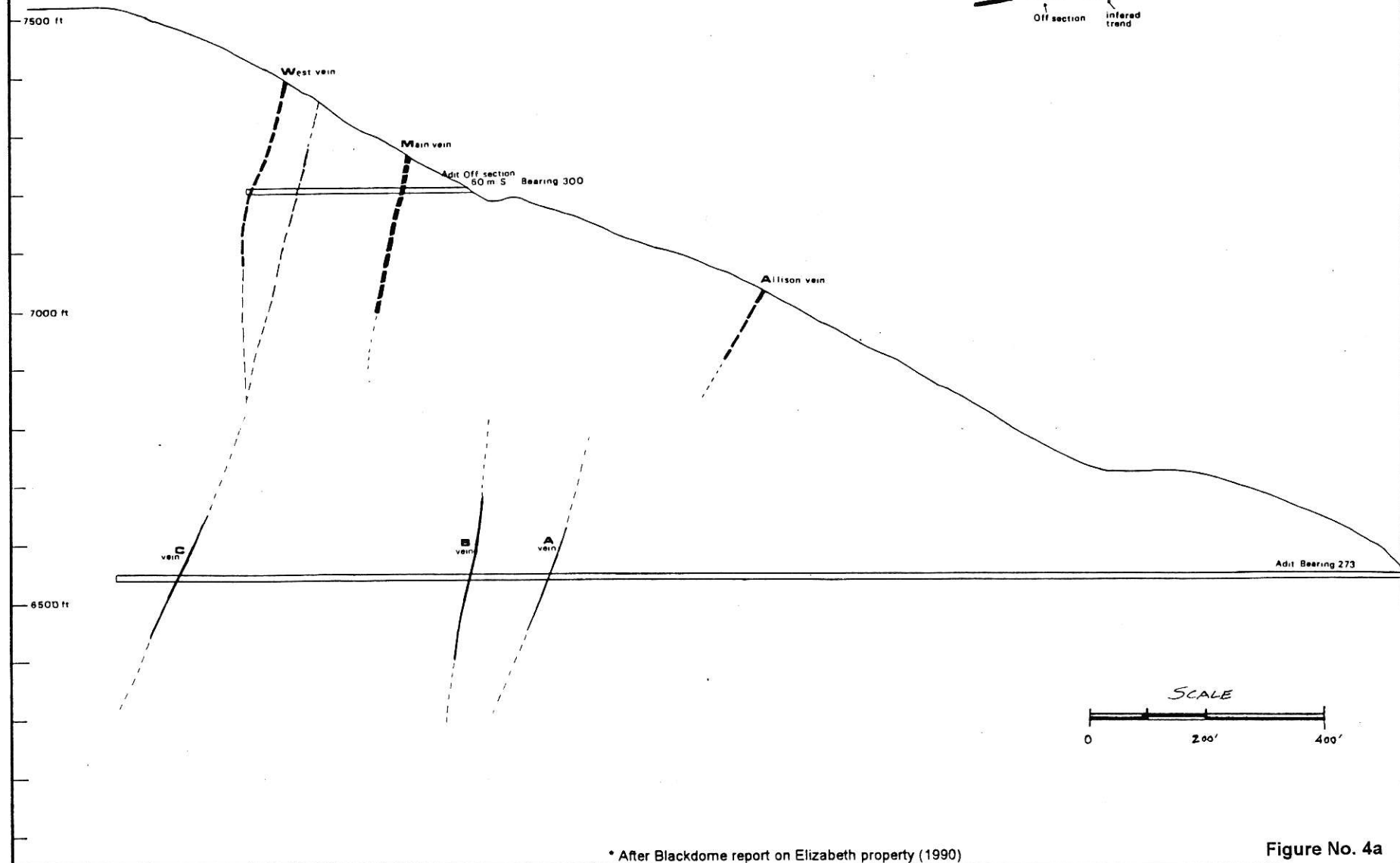
**Table 2. Veins Of The Elizabeth Property**

<b>Vein Name (Current)</b>	<b>Other Name(s)</b>	<b>Location</b>	<b>Orientation</b>	<b>Dimensions</b>	<b>Exploration Data/Observations</b>
West Vein	No. 1 Vein(?)	Upper adit - West Vein Drift Lower adit - C Vein drift	Strike - NNE Dip - steep	Surface/UG≥300m Widths to 1.5 m+	Sampled on surface by Bralorne, Blackdome. Upper adit - drifted N on vein for ~90 m. Lower adit - see C Vein.
Main Vein	No.2 vein on surface	In upper adit - no projection to lower adit made Traced to 60m SW of Adit #2	Strike - NNE Dip - steep	Up to 2 m wide zone Traced for 80 m	Sampled UG and on surface by Blackdome. Intersected in DDH's and surface sampled by Bralorne. Local high values reported.
No. 1 Vein	West Vein in upper adit and on surface	Uppermost surface vein on ridge	Strike - NNE Dip - 90°±	Up to 1.17 m wide	Traced by Bralorne (1946) for 183 m. Covered by snow at N end. Trenching by Blackdome (T. Illidge) reported abundant <b>VISIBLE GOLD</b> .
No. 2 Vein	Main Vein?	60 m lower than No. 1 Vein	Strike - NNE Dip - 68-70° W		In 1946, thought to be fault offset of No. 1 vein.
No. 3 Vein	Tommy Vein Diagonal Vein	On bench ~80 m below No. 2 Vein	Strike - WSW Dip - 79°S	~1 m wide	In 1946, traced in open cuts for 30 m ±. Sampled by Blackdome - low gold values.
No. 4 Vein	None	275 m W of No. 3 Vein	Strike - NW Dig - 65°NE	0.1 to 0.6 m wide	Abundant cross faulting. Low gold values.
A Vein	Allison(?) on surface	Lower adit, Allison Vein 198 m NE of No. 2 Adit portal	Unknown	Unknown	Unknown.
B Vein	Main Vein(?) in upper adit	Lower adit	Strike - NNE	≤100 m 1.2 m at top of raise	Bralorne drifted 45 m N; 40 m S. Raised 83 m in drift south of crosscut. Values unknown.
C Vein	No. 1/West Vein	Lower adit	Strike - NNE	≥200 m	Bralorne drifted 166 m NNE; SSW for 140 m. Raised 23 m in drift north of crosscut. Values unknown.
D Vein		133 m W of end of lower adit crosscut	Unknown	Drill intercept - 2.13 m	Intersected by flat hole drilled in 1948 by Bralorne. No values reported.
Allison Vein	A Vein(?)	198 m NE of No. 2 adit portal	Strike - NW Dip - 35°SW	0.5 - 1.0 m wide, 10 m long	Sampled along 15 m in trench. Returned only low gold values.
David Vein	Possible West Vein extension	220 m N of Adit #2 portal	Strike - NNE Dip - 66°WNW	Exposed for 4 m ~0.30 m wide	No economic gold grades reported.
Tommy Vein	No. 3 vein(?)	90 m SSE of Adit #2 portal	Strike - ENE Dip - 90°	40 m	Exposed by Blackdome for 50 m. Returned only low gold values.

ELIZABETH CLAIMS, YALAKOM R., B. C.  
X-SECTION ALONG CROSSCUT ADITS

LEGEND

Gold bearing Quartz vein  
Off section      inferred trend



\* After Blackdome report on Elizabeth property (1990)

Figure No. 4a

## MINERALIZATION

### Regional:

As with the geology, the mineralization in the region is diverse. Gold is the dominant commodity, with the Bralorne deposits being the most significant (Figure 3). The Bralorne deposits are classed as *mesothermal* veins - that is veins that are formed at medium temperatures and pressures. The host lithologies are comprised of diorite, sodic granite and a narrow band of serpentinite. Collectively, these rocks form a lens that is five kilometres long and two kilometres wide and is interlaced by a complex and deep seated north trending fault system.

The main veins strike east-west, dip steeply and are persistent to depth having been mined to nearly two kilometres deep. The veins average 1.5 metres and range up to 6 metres in width. The best gold values came from "ribboned veins" where partings contain carbonaceous material and/or chlorite. Highly gold enriched zones were noted when veins neared the serpentinite, the suggestion being that the serpentinite acted as a dam to mineralized solutions. The principal sulphides are pyrite, arsenopyrite and sphalerite which along with native gold, galena, chalcopyrite, pyrrhotite and tetrahedrite occupy less than one percent of the veins.

### Property:

Observations by the writer indicate that mineralization on the Elizabeth property consists of several mesothermal type quartz veins of varying width and orientation. All reported veins are hosted by the Blue Creek porphyry that has intruded the ultramafic rocks. A drift in the upper adit along the "West Vein" (1957) provided the best look at the veining on the property. The vein ranges from 0.5 to over 1.5 metres in width, strikes northeasterly and dips steeply. Vein contacts are usually well defined with the host porphyry showing narrow altered zones and local slickensides.

Sampling by the writer (NGR-1, 2, 3) revealed  $\leq 1\%$  sulphides comprised of pyrite and trace arsenopyrite. ICP analysis of the West Vein drift samples revealed anomalous levels of arsenic, lead and silver (Appendix A). Gold values were generally low for the vein samples with the exception of NGR-2 (0.207 oz/ton) which was collected from an area of reported high grade. A "metallics assay" this sample returned a value of 0.065 oz/ton indicating that the gold is likely coarse and erratically distributed in the vein. This "nugget effect" is not uncommon in vein gold deposits.

Whole rock analysis of vein and wallrock samples (Appendix A) revealed high silica ( $\text{SiO}_2$ ) content. This was done to give an idea of what level of silica could be expected from bulk samples of the vein. Highly siliceous ores ( $> 75\% \text{SiO}_2$ ) delivered to Cominco (Trail) are given preferential treatment charges over non siliceous ores. Interestingly, the dioritic wall rock displayed a silica content (61.25%) that would not be seriously detrimental in the event of minor wallrock contamination during bulk sampling.

## ORE RESERVES

It is well known that high grade zones occur within the West Vein both on surface and in the upper adit drift. In 1958, Bethlehem Copper reported a reserve of *1,430 tonnes grading 95.3 g/tonne or 2.78 oz/ton*. The 8 tonne bulk sample shipped in 1957 yielded 156 gm gold (19.5 g/tonne or 0.57 oz/ton), along with minor silver, lead and zinc. It is not known if this sample was strictly vein material. Another ore reserve figure (Prism Resources) calculated an indicated ore reserve of *3,853 tonnes grading 41.1 g/tonne or 1.32 oz/ton*. Without drilling, any reserve estimate cannot be categorized as proven.

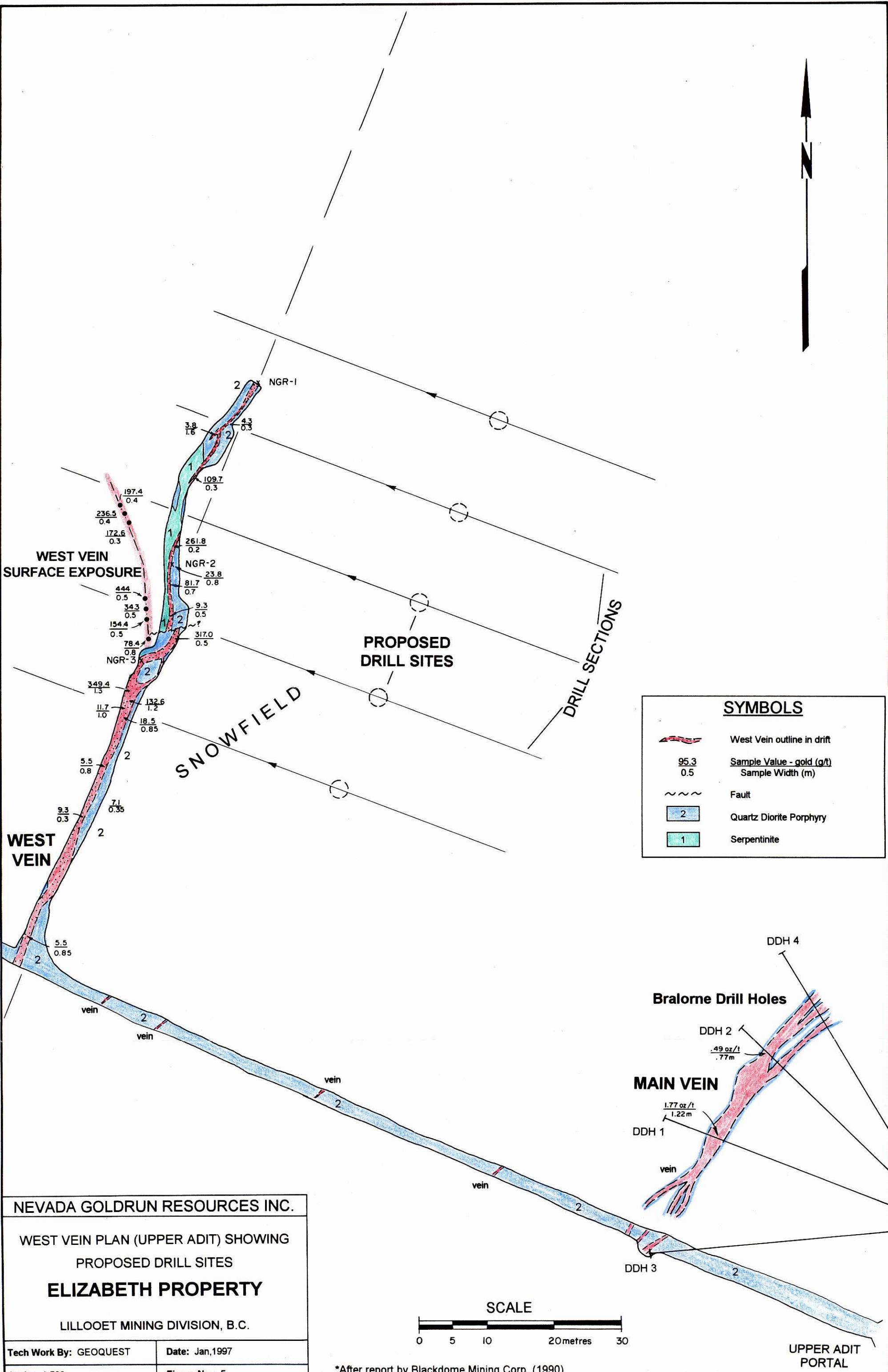
## EXPLORATION POTENTIAL

Past exploration has revealed that the West Vein (No. 1 or C) is of considerable extent. This vein spans a vertical range of at least 250 metres (820 feet) from the lower adit drift to the surface above the upper adit. In strike length, the West Vein has been traced on surface and underground for upwards of 300 metres. This vein is considered open along strike and to depth. The limited amount of drilling by Bralorne did little to assess the West Vein. It did however intersect significant gold grades in the Main Vein near the surface showing (Figure 4a, 5). Aside from this, the Main Vein remains untested at depth. In addition, the Braiorne drilling intersected two veins west of the lower adit crosscut, one 0.6 m and the other 2.13 m wide (D Vein). Little else is known of these veins, however their presence indicates that exploration potential exists elsewhere on the property.

## RECOMMENDATIONS

The combination of multiple vein targets with known high grade shoots, favourable geological setting (i.e. "Bralorne look alike") and ready infrastructure serve to make the Elizabeth property an excellent exploration target. It is therefore recommended that an aggressive three phase program be conducted on the property with the aim toward establishing "proven" ore reserves. Diamond drilling will be the primary exploration focus of the Phase I and II programs. Contingent on the results, Phase III should constitute an underground bulk sampling program. This phase of work will address issues such as ground stability and dilution as well as confirm the grade of the ore. During the course of bulk sampling it is not unusual for grades and/or reserve figures to increase over the drilled estimates. Metallurgical testing in Phase III will determine potential recoveries for precious metals. In addition, it will address any environmental concerns should a full scale mining operation become feasible. Direct shipping of a bulk sample to mills such as Blackdome or Bralorne, if operating, should be considered. Alternatively, production of a high silica ore would also allow shipment directly to Cominco's smelter at Trail. Details of these recommended programs are outlined in Appendix B.





NEVADA GOLDRUN RESOURCES INC.

WEST VEIN PLAN (UPPER ADIT) SHOWING  
PROPOSED DRILL SITES

**ELIZABETH PROPERTY**

LILLOOET MINING DIVISION, B.C.

Tech Work By: GEOQUEST	Date: Jan, 1997
Scale: 1:500	Figure No.: 5

\*After report by Blackdome Mining Corp. (1990)

**APPENDIX A**

**ASSAYS/WHOLE ROCK ANALYSES**



ASSAYING  
GEOCHEMISTRY  
ANALYTICAL CHEMISTRY  
ENVIRONMENTAL TESTING

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 6T4 Phone (250) 573-5700  
Fax (250) 573-4557

**CERTIFICATE OF ASSAY AK 96-1195**

GEOQUEST CONSULTING LTD.  
R.R.#3, SITE 11, COMP.180  
VERNON, B.C.  
V1T 6L6

7-Oct-96

ATTENTION: WARNER GRUENWALD

No. of samples: 8  
Sample type: ROCK  
PROJECT #: 58  
SHIPMENT #: 1  
Samples submitted by: WARNER GRUENWALD

ET #.	Tag #	Au (g/t)	Au (oz/t)	
1	NGR-1	0.59	0.017	- Chip sample across 1.05m @ drift face (Upper Adit)
2	NGR-2	7.11	0.207	- Chip sample across 1m - vein along serpentinite contact
3	NGR-3	1.53	0.045	- Chip sample across 2m in area of cross faulting & bend in vein.
4	NGR-4	<.03	<.001	- Composite of quartz on surface - area of backfilled W. Vein trench
5	NGR-5	<.03	<.001	- Chip sample across 0.30m of David Vein
6	NGR-6	<.03	<.001	- Qtz float in serpentinite talus north of upper adit portal
7	NGR-7	<.03	<.001	- Chip sample of diorite ~ 1m east of vein near start of drift
8	NGR-8	<.03	<.001	- Chip sample across 0.55m - E wall of vein adjacent to NGR-2.

**QC/DATA:**

**Resplit:**

1 NGR-1 0.54 0.016


**Repeat:**

1 NGR-1 0.57 0.017

**Standard:**

STD-M 1.36 0.040

XLS/96GEOQUEST  
fax@549-5192/w.gruenwald

  
**ECO-TECH LABORATORIES LTD.**  
Frank J. Pezzotti, A.Sc.T.  
B.C. Certified Assayer

9-Oct-96

ECO-TECH LABORATORIES LTD.  
10041 East Trans Canada Highway  
KAMLOOPS, B.C.  
V2C 6T4

ICP CERTIFICATE OF ANALYSIS AK 96-1195

GEOQUEST CONSULTING LTD.  
R.R.#3, SITE 11, COMP.180  
VERNON, B.C.  
V1T 6L6

Phone: 604-573-5700  
Fax : 604-573-4557

ATTENTION: WARNER GRUENWALD

No. of samples: 8  
Sample type: ROCK  
PROJECT #: 58  
SHIPMENT #: 1  
Samples submitted by: WARNER GRUENWALD

Values in ppm unless otherwise reported

Et #.	Tag #	Ag	Al %	As	Ba	Bi	Ca %	Cd	Co	Cr	Cu	Fe %	La	Mg %	Mn	Mo	Na %	Ni	P	Pb	Sb	Sn	Sr	Ti %	U	V	W	Y	Zn
1	NGR-1	1.0	0.50	1515	30	<5	1.01	<1	8	235	85	1.25	<10	0.70	154	11	<0.01	81	290	132	5	<20	53	<0.01	<10	9	<10	<1	100
2	NGR-2	4.0	0.74	1440	35	10	1.70	<1	16	251	31	1.67	<10	1.74	344	46	<0.01	156	180	284	15	<20	127	0.01	<10	33	<10	<1	62
3	NGR-3	0.8	0.07	280	<5	<5	0.81	<1	2	288	17	0.53	<10	0.04	99	19	<0.01	10	10	36	<5	<20	32	<0.01	<10	2	<10	<1	11
4	NGR-4	0.2	0.07	<5	5	<5	0.03	1	2	247	82	0.42	<10	0.14	53	7	<0.01	14	60	144	<5	<20	1	<0.01	<10	4	<10	<1	35
5	NGR-5	0.4	0.38	265	65	<5	0.04	<1	13	139	48	1.19	<10	0.51	958	10	<0.01	63	130	4	<5	<20	2	<0.01	<10	9	<10	<1	28
6	NGR-6	<0.2	0.03	<5	15	<5	0.02	<1	2	183	4	0.37	<10	0.36	73	8	<0.01	31	<10	4	<5	<20	<1	<0.01	<10	2	<10	<1	<1
7	NGR-7	<0.2	1.89	55	50	<5	2.42	<1	15	68	124	3.83	<10	1.18	415	4	0.02	8	1170	18	<5	<20	63	0.15	<10	83	<10	<1	44
8	NGR-8	<0.2	1.60	165	50	<5	2.38	<1	14	51	81	4.06	<10	1.28	471	16	0.04	11	1110	12	<5	<20	84	<0.01	<10	91	<10	<1	55

QC/DATA:

Resplit:

R/S 1 NGR-1 1.0 0.54 1535 25 <5 1.04 <1 9 220 80 1.28 <10 0.77 160 12 <0.01 82 300 146 10 <20 57 <0.01 <10 9 <10 <1 101

Repeat:

1 NGR-1 1.0 0.54 1535 25 <5 1.04 <1 9 210 80 1.28 <10 0.77 160 12 <0.01 82 300 146 10 <20 57 <0.01 <10 9 <10 <1 101

Standard:

GEO'96 1.2 1.96 65 150 <5 1.93 <1 20 68 74 4.37 <10 1.06 756 <1 0.02 24 780 24 <5 <20 58 0.14 <10 86 <10 4 70

df/5397  
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ECO-TECH LABORATORIES LTD.  
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B.C. Certified Assayer



**ASSAYING  
GEOCHEMISTRY  
ANALYTICAL CHEMISTRY  
ENVIRONMENTAL TESTING**

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 6T4 Phone (250) 573-5700  
Fax (250) 573-4557

**WHOLE ROCK CERTIFICATE OF ANALYSIS AK96-1195**

**GEOQUEST CONSULTING LTD.**  
R.R.#3, SITE 11, COMP.180  
**VERNON, B.C.**  
V1T 6L6

15-Oct-96

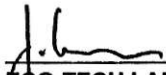
**ATTENTION: WARNER GRUENWALD**

No. of samples: 8  
Sample type: ROCK  
PROJECT #: 58  
SHIPMENT #: 1  
Samples submitted by: WARNER GRUENWALD

**Values expressed in percent**

ET #.	Tag #	BaO	P205	SiO2	MnO	Fe2O3	MgO	Al2O3	CaO	TiO2	Na2O	K2O	L.O.I.
<i>Vein</i> - 1	NGR-1	<0.01	0.08	{ 86.25 }	0.02	1.69	1.08	4.95	1.09	0.18	0.25	1.95	2.46
<i>Vein</i> - 3	NGR-3	<0.01	0.01	{ 95.69 }	0.01	0.74	<0.01	0.74	0.91	0.02	0.19	0.83	0.91
<i>iorite</i> 7	NGR-7	0.05	0.27	61.25	0.08	5.71	2.00	15.49	5.71	0.65	3.80	1.90	3.08
<i>.. allrock</i>													

XLS/96Geoquest  
df/wr1026A

*per*   
**ECO-TECH LABORATORIES LTD.**  
Frank J. Pezzotti, A.Sc.T.  
B.C. Certified Assayer

## APPENDIX B

### COST ESTIMATE FOR EXPLORATION PROGRAMS

#### PHASE I:

**Objective:** Drill test West Vein high grade zones above and immediately north of the drift.

• Preparation costs (permitting, base maps, survey data, etc.)	\$5,000
• Field camp/office	3,000
• Open road (late April/early May), road repairs	5,000
• Construct drill pads (6-8)	2,000
• Diamond drilling (3,500 ft NQ2 @ \$42/ft - all inclusive)	147,000
• Report	<u>3,000</u>
	TOTAL: 165,000
	Contingency (~15%): <u>25,000</u>
	<b>PHASE I TOTAL: \$190,000</b>

#### PHASE II (contingent on Phase I results):

**Objective:** Expand drilling along strike and test vein(s) between upper and lower adit. Allow for deeper drilling to test for other veins (i.e. Main, D Vein).

• Diamond drilling (5,000 ft NQ2 @ \$42/ft - all inclusive)	\$210,000
	Contingency (~15%): <u>30,000</u>
	<b>PHASE II TOTAL: \$240,000</b>

#### PHASE III (contingent on Phase II results):

**Objective:** Conduct metallurgical testing and bulk sample West Vein in upper adit.

• Adit rehabilitation (replace missing track, trestle, install air/water lines)	\$20,000
• Metallurgical study	10,000
• Mine 500 ton bulk sample (all inclusive)	60,000
• Trucking (assume shipment to Trail smelter)	25,000
• Crushing/sampling/processing	<u>35,000</u>
	TOTAL: 150,000
	Contingency (~15%): <u>20,000</u>
	<b>PHASE III TOTAL: \$170,000</b>

**GRAND TOTAL (PHASE I + II + III): \$600,000**

## APPENDIX C

### REFERENCES

- Stryhas, B and McCormack C.J. (1990) Blackdome Mining Corporation - Exploration Proposal, Blackdome and Elizabeth Properties
- Minister of Mines Annual Reports 1946 - 1953
- Church, B.N. (1987/88) Geological Reconnaissance in the Bridge River Mining Camp. Paper 1987-1 and 1988-1
- B.C. Minfile Reports Bralorne Camp Deposits, Elizabeth and Surrounding Deposits.
- Personal Communications David White, Tom Illidge
- Boyle, R.W. (1979) The Geochemistry of Gold - GSC Bulletin 280
- Canada Stockwatch (Feb 1/96) News Release - International Avino Mines Ltd.

**APPENDIX D**

**CERTIFICATE**

**I, WERNER GRUENWALD, OF THE CITY OF VERNON, BRITISH COLUMBIA  
HEREBY CERTIFY THAT:**

1. I am a graduate of the University of British Columbia with a B. Sc. degree in Geology (1972).
2. I am a fellow of the Geological Association of Canada (#F2958).
3. I am presently employed as a consulting geologist and president of Geoquest Consulting Ltd., Vernon, B.C.
4. I have practiced continuously as a geologist for the past 24 years in Canada and the US.
5. I personally conducted an examination of the Elizabeth Claims and am author of this report.
6. I consent to the use of this Compilation Report and Exploration Proposal for the Elizabeth Property by Nevada Goldrun Resources Inc. provided the context and interpretation are not altered to portray a meaning different from that presented herein.



W. Gruenwald, B. Sc., F.G.A.C.

Dated: January 24, 1997