Ashcroft Resources Ltd.

PLACER GOLD PROJECT

Buxton Creek, Cariboo M.D.

November 21, 1977
Vancouver, B.C.

L. Sookochoff, P.Eng.
Consulting Geologist

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INTRODUCTION

At the request of Mr. Al Chunick of Ashcroft Resources Ltd., the writer carried out a property examination of the Buxton Creek gold placer deposit located near Likely in the Cariboo Mining Divison.

The purpose of the examination was to carry out a general assessment of the property for placer gold values and to determine the potential of establishing an economic gold recovery operation.

Information for this report was obtained from a property examination on November 10, 1977 in addition to public and government publications on the pertinent area.

PROPERTY

The property is comprised of three contiguous placer mining leases. Particulars are as follows:

Lease No.	Record date
PL 438	November 19, 1977
PL 432	November 19, 1977
PL 433	November 19, 1977

The writer checked the initial posts of all three placer claims.

The property hereafter is to be referred to as the Buxton Creek property.

LOCATION AND ACCESS

Buxton Creek is a northerly flowing creek draining into Quesnel River. The Buxton Creek property covers Buxton Creek to approximately four miles south of the confluence with Quesnel River.

Access is eastward along the Likely road from 150 Mile House for 64 kilometers to Moorehead Lake. At Moorehead Lake, access is via a secondary road northward paralleling Buxton Creek for 15 kilometers to PL 433.

Barkerville is 48 km. north and Likely is 16 km. SE.

TOPOGRAPHY AND VEGETATION

The Likely area is in an environment of generally warm summers and winters where snow covers the ground from December to April.

Vegetation is primarily a moderate to heavy stand of lodge pole pine, spruce and fir with local stands of poplar.

The topography is of moderate sloping hills, local deeply incised creek valleys with an abundance of small lakes.

The placer gold sluicing season is most favorable from mid April to December, however other placer related exploration can be conducted beyond this period.

HISTORY OF THE AREA

The Barkerville area is historically prominent for the amount of placer gold taken from creeks in the area - namely Lightning and Williams Creek. The Bullion Mine, one of the largest producers of the area is more significant to the Buxton Creek area. The Bullion Mine is located east of Buxton Creek and is situated on an ancient stream channel paralleling the South Fork of Quesnel River northward from Likely.

A placer mine known as the China pit, originally at the Bullion Mine location was purchased by a syndicate and operated from 1894 to 1905 during which time a total of $1,233,936.51 in gold was recovered. The property was worked thereafter on a small scale by lessees. The gold bearing channel, exposed in the pit which is half a mile in length, is 400 feet deep and 200-300 feet wide at the bottom and varying from 1,000 to 1,500 feet wide at the top.

The gravels averaged 10 cents a yard (1894-1905 Au prices) with the above mentioned recovery derived from 12,000,000 yards of gravel. The gold in these gravels was reportedly generally fine,well worn and flattened.

To the north of Buxton Creek and across the Quesnel River, Birrell Creek was worked for placer gold but only in localized areas. Due to a limited water supply and lower than expected grades of gold, the work on Birrell Creek was short lived.

Indications of former work on the three placer leases of Buxton Creek are present in an old log cabin and old wooden sluice boxes. No records of work or values obtained are available.

DESCRIPTION OF BUXTON CREEK PLACER

The placer gold deposits of the Buxton Creek valley may be the result of the incised channel cutting a pre-glacial gold bearing channel such as the extended Moorehead Creek - Little Lake Creek pre-glacial gold bearing channel. This channel extends 12 km. from the Quesnel River to the South Fork of the Quesnel River. From this location the Bullion Mine is situated within one km. northward on an intersecting pre-glacial channel.

The Buxton Creek placers are comprised of gravels with rounded to sub-angular boulders of predominantly intrusive rocks. Occasional to frequent fragments of quartz are found of which vuggy specimens also occur. Localized discontinuous zones of limonitic cemented sands and gravels are evident.

The gravels along the creek bed are overlain by up to one meter of overburden which is generally of soil and finer grained material including roots and decayed vegetation. The depth of the gravels has not been determined however, on placer claims in the immediate area, pits up to six meters deep have been excavated without encountering bedrock.

At the northern end of the property and P.L. 438 the valley narrows and bedrock comprised of altered pelitic rocks outcrop. The argillites are locally well fractured with included quartz-carbonate stringers.

Along the 1,200 meter length of the property, flats of up to 50 meters occur. Moderate tree covered slopes confine the valley.

Gold in the gravels occurs mainly as nuggets of which panned specimens ranged up to one centimeter long. In preliminary tests of the gravels during the property examination the frequency of finding gold nuggets from a pan-full of gravel was unusually common. From one pan of gravel panned by the writer, three nuggets were obtained.

A minimum of fine gold is found in these gravels. In one instance nuggets comprised 192 of 198.05 mg. of the contained gold.

PRELIMINARY SAMPLING AND RESULTS

Five sample locations along the creek were chosen for testing the gravels. The number of pans of gravels from any one location was recorded. The resulting assays were then converted to ounces Au per yard of gravel utilizing a factor of 200 pans per cubic yard. Locations and assay results are as follows:

Location	oz. Au/yd gravel	Value per yard @ $160/oz Au
P.L. 433		
30 m. north of IP	0.212	$33.96
200 m. north	0.022	3.47
400 m. north	0.073	11.75
P.L. 432		
200 m. north of IP	0.29	46.53
300 m. north	- few fine "colours" in pan	- not assayed-
P.L. 438		
150 m. north of IP	0.13	21.65
300 m. north	- few fine "colours" in pan	- not assayed-
Bedrock @ FP		.001 oz/ton

The test sample pits were dug a maximum of one meter below the surface.

Sampling of the banks was not done at this time however, reports of previous tests indicate the occurrence of "colours" in the pan from the bank gravels.

VOLUME AND GRADE OF INDICATED GOLD BEARING GRAVELS

The volume of indicated gold bearing gravels as established from the initial and preliminary testing program is estimated at 400,000 cubic yards.

Samples have indicated gold values for the length of the property (1,200 meters) with an estimated width of 50 meters which includes the flat areas common to the creek valley. An average depth of seven meters was estimated from depths of gravels reported to the south along Buxton Creek.

In calculating the average grade of the gravels, all assays were taken into consideration including the samples not assayed which, although usually contained visible flakes of gold, were taken at zero value. The resulting gross value was calculated to be .104 oz Au. or $16.76 per cubic yard.

The gross value of the gravels, utilizing the estimated volume and the calculated gross value per cubic yard, is 400,000 x $16.76 = $6,704,000.00.

EVALUATION PROGRAM

The evaluation and development of the Buxton Creek property should initially be directed to a thorough and systematic sampling program of the gravels along the creek bottom in addition to random testing of the gravels on the slopes.

The testing should be carried out by either a Becker drill or by cat trenching. Bulk samples from predetermined locations could be processed on the property utilizing a 20 yard per hour concentrator which is readily available.

Once the property has been sampled and the location of higher grade material established, production utilizing the 20 yard per hour concentrators would follow.

CONCLUSIONS AND RECOMMENDATIONS

Preliminary sampling of the Buxton Creek gravels as covered by the three placer leases, has indicated a gross value of $16.76 per cubic yard.

As only the near surface gravels were tested and only adjacent to Buxton Creek, it is difficult to estimate the total volume and actual grade of gravels that may contain this substantial amount of gold values. However, as the property does lie along the western edge of the Barkerville-Likely gold fields and significant amounts of gold have been taken from ancient channels along Moorehead Creek to the east and Buxton Creek is being worked to the south for its placer gold, 400,000 cubic yards to a depth of seven meters and a width of 50 meters should be a reasonable estimate.

The initial estimated grade of .104 oz per cubic yard or a gross value $16.76 may vary considerably upon the inclusion of a greater number of samples however, the preliminary results definitely warrant follow-up assessment of

the gravels.

It is recommended that a systematic sampling program be carried out on the Buxton Creek property to determine the average grade of the gravels and to delineate higher grade areas of gravel for initial processing.

ESTIMATE OF PRE-PRODUCTION COSTS

Approximate cost of sampling and establishing a placer mining operation on Buxton Creek is as follows:

Phase I

Sampling (including assays) allow.	$12,000.00
Access roads for sampling purposes	2,000.00
Equipment and labor for processing test samples	3,000.00
Phase I Total	$17,000.00

Subject to the results of Phase I, Phase II of the pre-production program would be initiated and would be comprised of:

Removal of timber and overburden - settling ponds etc. allow.	5,000.00
Field costs	2,000.00
Travel and accommodation	2,500.00
Engineering and supervision	3,500.00
Contingencies	5,000.00
Phase II Total	$18,000.00
Total pre-production costs	$35,000.00

It is estimated that Phase I of the recommended sampling program would take one month to complete.

Respectfully submitted

March 2, 1978
Vancouver, B.C.

Laurence Sookochoff, P.Eng.
Consulting Geologist

REFERENCES

COCKFIELD, W.E. et. al. - Geology and Placer Deposits of Quesnel Forks Area, Cariboo District, B.C.

GEOLOGICAL SURVEY OF CANADA - Summary Report Part 1 A 1922

GEOLOGICAL SURVEY OF CANADA - Summary Report 1932 Part A 1 pp. 1 - 143

CERTIFICATE

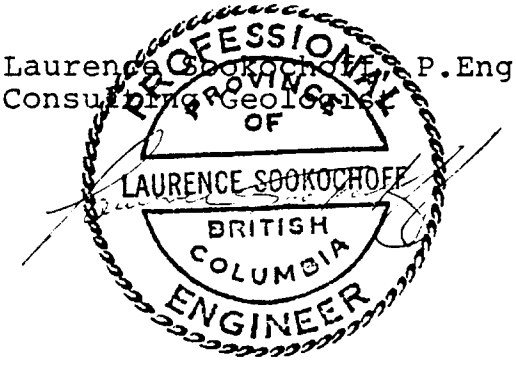
I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist with the firm of Pan-American Consultants Ltd. of 2602 - 1055 West Georgia Street, Vancouver, B.C.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.
2. I have been practising my profession for the past eleven years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information for the accompanying report is based on a personal examination of the property November 10, 1977 and from pertinent government, public and private publications.
5. Neither I or Pan-American has direct or indirect interest in the property described herein, or in the securities of Ashcroft Resources Ltd. (N.P.L.)

Laurence Sookochoff, P.Eng.
Consulting Geologist



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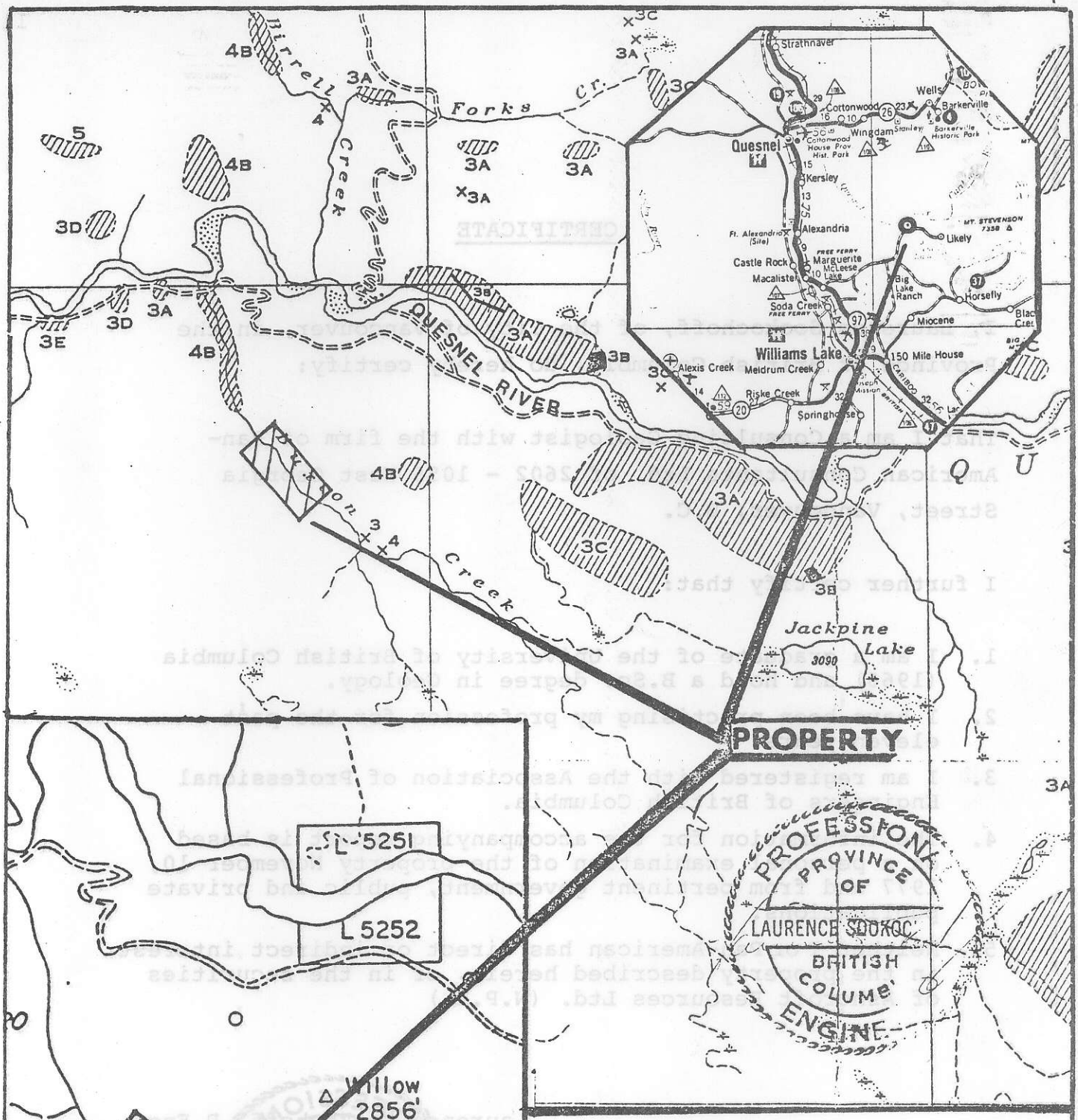

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
LAURENCE SOOKOCHOFF

ASHCROFT RESOURCES LTD.

BUXTON CREEK PLACER GOLD PROPERTY

LOCATION & LEASE MAP

NOVEMBER 1977