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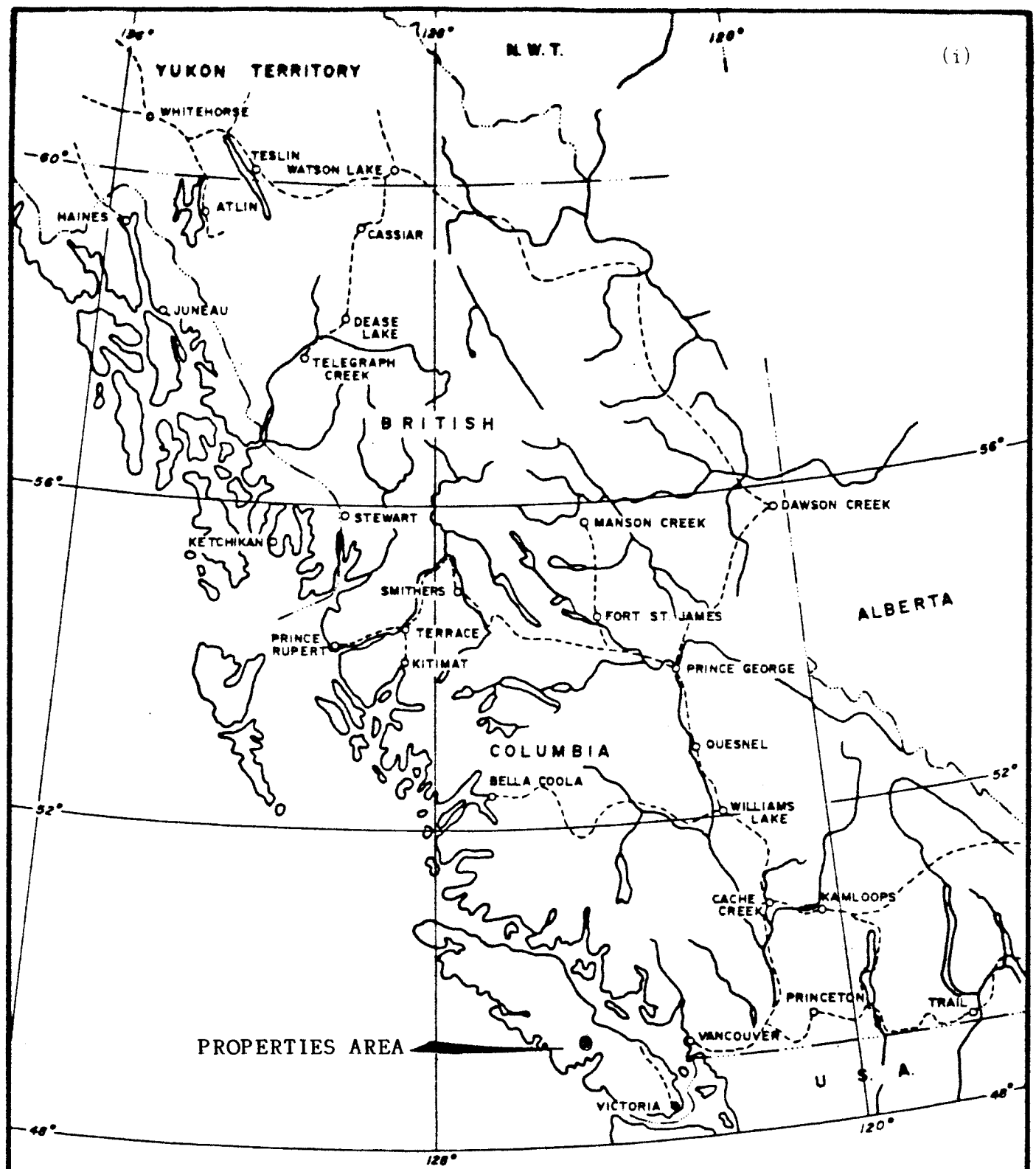
SAWYER CONSULTANTS INC.

SUMMARY OF
PROPERTY EXPLORATION PROGRAMS
ON VANCOUVER ISLAND PROPERTIES
OF
JAN RESOURCES LTD.

April 14th, 1983

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JAN RESOURCES LTD.

GENERAL LOCATION MAP

Vancouver Island Projects

British Columbia

Scale: 1" = 125 miles

FIGURE 1



SAWYER CONSULTANTS INC.

Jan Resources Ltd., through its own company and a number of associated companies, controls significant mineralized areas within a broad block of land extending from the Parson's Creek area ($49^{\circ}00'N$, $124^{\circ}45'W$) in the southwest essentially to the line of the Cameron River which cuts northwesterly across the northeast corner of map sheet 92F/2E. The area includes parts of both the Alberni Mining Division and the Victoria Mining Division, and the greater part of the properties owned by Jan are also within the area of the former E&N Land Grant. The boundary line between the Victoria Mining Division and the Nanaimo Mining Division lies towards the east and north of the map sheet. (See Figure 2.)

Over the past four or five field seasons Jan Resources Ltd. and associated companies have done a considerable amount of work on several of their property holdings but in addition have diligently, and on a very low key basis, carried out further prospecting and land acquisition so that not all of the properties presently held have been worked to any great extent or with any systematic program hitherto.

Much of the acquisition of additional ground is based on old data developed by Gunnex Limited in the late 1950's and 1960's of which company Mr. Schorn, now President of Jan Resources Ltd., was an employee. With the approval of Gunnex Mr. Schorn has been able to obtain a fairly complete set of their field geochemical maps as well as airborne magnetic data and geological maps, all of which are proving very useful in evaluating some of the prospects currently receiving attention.

Over the past two or three years the area has attracted renewed interest from several major companies including Noranda Mines Limited, Cominco Ltd., Westmin Resources Limited, etc., and has become one of the more active areas in Western Canada.

We will be preparing for Jan Resources Ltd. a comprehensive qualifying report covering all of the properties including those on which a considerable amount of work has been done to date, and those on which relatively new programs or entirely new programs are being proposed. The purpose of this summary simply is to set out some kind of broad organization which will enable those less familiar with the properties to recognize them in terms of local geography and style of mineralization.

For ease of description we might refer to the first group of properties as the Old Jan Resources Properties. These are located more or less centrally within map sheet 92F/2E and include the Mar, Jan, Tan, Remy, Nat, Raft 1 and Raft 2 grid claims as well as a number of old Crown Grants, largely contained within the Jan and

Mar grid claims, to which Jan Resources Ltd. also has title rights. The Tan claim is actually not directly owned by Jan Resources but is held by that Company under option from an affiliated company. The "High Grade" vein, is located on a Crown Grant, part of the McEwan option which lies within the boundaries of the Mar claim. The "Middle" vein, and the "Summit Lake" veins are actually located in the northeast corner of the Mar claim. The Black Panther and Black Lion showings lie to the west, the former being on Crown Grant 54G, and the latter on the Mar claim immediately east of Crown Grant 56G. Most of the work that has been done to date has been done on the High Grade vein, the Summit Lake area, and on the Black Panther, and there are complete reports available to provide details of all of this work. Further work remains to be done. On the High Grade vein significantly higher gold values have been obtained along strike lengths in excess of 1000 feet along the trace of the vein, and in our opinion a considerable amount of further exploration, including additional drilling, needs to be done fully to evaluate this prospect. In addition, there is an interesting airborne E.M. conductor more or less coincident with the trace of the vein, the source of which has not been determined.

Assay values from the Summit Lake veins were somewhat disappointing although should not perhaps be discarded completely. Of some interest in this connection is the fact that two of the five holes drilled intersected a highly altered rock carrying heavy sulphide mineralization which could well be part of the Myra Formation, the host Formation for the Buttle Lake orebodies. The Middle vein has simply been discovered and sampled on one occasion. It was discovered more or less by accident during the time when work was in progress on Summit Lake and High Grade vein. One set of grab samples from this showing returned very interesting assays ranging from 2.20 oz./ton gold, 2.09 oz./ton silver to a low of 0.58 oz./ton gold and 0.89 oz./ton silver in the vein, with 0.002 oz./ton gold and 0.02 oz./ton silver in the andesite wall rock.

The Black Panther and Black Lion mines were worked by the Pioneer Company until the mid 1940's, the most extensive work being done on the Black Panther. As noted above, there are detailed reports available on all of this work and all of those details will be incorporated in an updated qualifying report presently in preparation. Suffice it for now to say that re-sampling of the underground workings confirmed previously described assays and that drilling from a single set-up above the Black Panther Mine gave sufficient encouragement, in our opinion, to warrant recommendation of commencement of an underground program which would essentially rehabilitate and improve the main "A" adit and extend a drive and a raise from it into the area of the ore zone blocked out by drilling. The estimated cost of the program in 1981 was of the order of \$800,000.

An eastern branch of the Nitinat River flows southwards through the Tan claim, the Nat claim, and the eastern part of the Raft 1 and Raft 2 claims. Stream sediment geochemical sampling carried out by Gunnex Limited in the 1960's indicated some highly

anomalous zones of heavy metals along the length of this tributary and some of its branches. Prospecting by Jan Resources Ltd. over the past few years has led to discovery of a showing of massive sulphides in an area associated with one of these anomalous stream geochemical highs. In addition, an airborne magnetic survey, also flown by Gunnex in 1965, indicates a small but quite definite positive anomaly overlying this zone. The target here is thus a coincident magnetic anomaly with anomalous geochemical values and a known massive sulphide showing. Further north along this same stream a series of three or four tributaries flowing easterly into the main creek show anomalous geochemical values and reference to the airborne magnetic map similarly shows a modest aeromagnetic high associated with the area. It seems not unreasonable to suggest that similar sulphide showings on these creeks might be the source of the anomalous metal values. In terms of regional geology this area is sufficiently far south to be at or near the edge of the main mass of Sicker volcanics and in an area underlain by a mixed assemblage of volcanics and sediments favourable for hosting massive sulphide type deposits.

Further to the west, two grid claims, the Port and Starboard claims, occupy and flank the peak of Mount Spencer. However, the peak of the mountain itself and known mineral showings thereon are covered by previously staked claims, Cup 1-6 inclusive, and thus at present do not form part of the Jan Resources holdings. We understand that Jan Resources Ltd. is attempting to acquire an option on these claims. Work by Gunnex and later by Cominco who optioned the property from the former Company, established at least three zones of copper bearing mineralization along a generally east-west or west-northwesterly trending zone of some 2000 feet strike length. Copper is the main commodity of economic interest but ore minerals recognized in association with the mineralization include pyrite, pyrrhotite, chalcopyrite, galena, molybdenite, and sphalerite. Some geophysical work, magnetometer and time domain I.P. surveys, had been completed by Gunnex and this was augmented by some ABEM type surveys by Cominco. Of interest, and in our opinion, worthy of follow up, is a comment by the Cominco geologist in his final report, as follows: "... However a significant volume of sulphides in Zone 1 was intersected on L64E, by one hole, that appears not to have produced an I.P. anomaly." Since much of the drilling was designed to test geophysical targets it would appear that there is room for a more detailed evaluation of the whole area, perhaps using an alternative (frequency domain) I.P. system.

Recent research into old files and correspondence from personnel who worked with Gunnex in the 1960's has turned up a number of interesting showings which appear to be concentrated in the northern half of the Port claim and northwestern corner of the Starboard claim, i.e. on the northern flank of Mount Spencer, and extend northwards onto adjoining claims. From the known information on the Mount Spencer showing itself it appears reasonable to us that several of these other many showings may be part of a larger sulphide system. The area of Mount Spencer on the aeromagnetic map is characterized by a fairly long southeast-northwest trending

magnetic high within which a zone of even higher magnetic intensity and several separate "bullseye" zones are apparent. The main Mount Spencer showing appears to cut across the trend of this magnetic high as also do several of the other showings but many lie in a zone of higher magnetic intensity which may roughly be defined by the 56,900 gamma contour. We suggest that the Mount Spencer area, including the Port and Starboard claims, presents a prime target area for further exploration.

There are other anomalous stream sediment values within the holdings of Jan Resources Ltd. which have either not been investigated in detail on the ground or with which there are no known mineral showings. As part of an overall regional program such anomalous values should be investigated.

The overall program which would be envisaged for the Jan Resources Vancouver Island properties would therefore involve several phases and could perhaps best be divided into two or three groups of properties or areas. The first group of properties would be those such as Black Panther and Black Lion on which there are known underground showings and on which Jan Resources Ltd. has already expended considerable funds and has in hand recommendations for more advanced exploration programs. The less advanced group of properties on which there has, to date, been no underground work but which have been the subject of fairly extensive surface exploration, would include such properties as the High Grade vein, Middle vein, and Summit Lake. A completely separate phase of the program would be essentially reconnaissance in nature the first objective of which would be to completely redo the regional stream sediment sampling geochemical program done by Gunnex in the 1960's. This would be followed up by more detailed stream sediment and soil sampling of anomalous zones and further by prospecting, trenching, sampling, etc. In conjunction with all of this work the area would be geologically mapped on a regional basis but with initial emphasis in mapping being placed on areas of known showings such as the Mount Spencer area and adjacent showings, the Nitinat River area, etc.

In addition to the properties referred to herein on Vancouver Island, Jan Resources Ltd. has interests in other properties and areas both on Vancouver Island, and in other parts of British Columbia and/or other Provinces. It has always been the Company's policy to maintain a very active, though low key program of seeking and reviewing new properties, sometimes involving a certain amount of preliminary evaluation field work. The Company plans to continue this policy and thus will require funding for this phase of its operations, as well as for general corporate and administrative purposes. Considering the size of the programs recommended on Vancouver Island, involving, in the case of the Black Panther, underground as well as surface work, which will require additional provisions for mine safety, and health Regulations, etc., the amount of the Corporate and General Purposes funding will be substantial.

Budget

In our full report a detailed breakdown of all of the estimated costs for the various phases of work on each of the prospects and properties will be given but for general information purposes the following gross breakdown is presented here.

a) High Grade Vein

- (i) Surface geology and surveying, sampling, diamond drilling, core logging and sampling. \$300,000.00

Note: The location of the High Grade Vein dictates access by helicopter for both personnel and drill equipment, etc. In this summary an amount for helicopter support is included.

- (ii) McEwan option payment (final cost of property purchase). 50,000.00

Sub total High Grade Vein Project \$350,000.00

b) Middle Vein

- (i) Surface geology, prospecting, sampling, etc. \$25,000.00

- (ii) Diamond drilling, core logging, sampling and assaying. 50,000.00

Sub total Middle Vein Project \$75,000.00

Note: The note above re necessary helicopter support on High Grade Vein also applies to the Middle Vein. Some economy in helicopter costs can be effected by coordinating the two programs.

c) Black Lion Vein

- (i) Access road construction*, stripping of vein showings. \$20,000.00

- (ii) Geological mapping, sampling, diamond drilling, core logging and sampling, assaying. 30,000.00

Sub total Black Lion Vein Project \$50,000.00

*Road construction and stripping on the Black Lion Project can probably be done at least partly in conjunction with similar work at Black Panther to effect some cost saving.

d) Black Panther Veins

- (i) Road construction, improvement of yard area at portal, provision of mine buildings, etc. required by Regulations. \$ 71,250.00
- (ii) Underground work, scaling and upgrading portal, driving of X-cuts, drift, and raise. 600,000.00

Note: Funding for the following two items will, possibly, not be available from the initial financing. Present planning is to apply funds derived from sale of warrants for these programs. This arrangement should match demands for funds with available funds allowing an orderly progression of different phases of the overall program, some of which are subject to constraints of season.

- ia) Surface drilling, and more detailed geology - B Vein.
- iib) Underground drilling, and more detailed geology - A&C Veins.

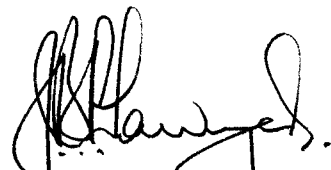
Sub total Black Panther Project \$671,250.00

- e) General Exploration - regional geochem and follow up, mapping, prospecting. (Mar, Jan, Remy, Nat, and Raft 1 & Raft 2) 150,000.00
- f) General Exploration, property submittals, etc. 250,000.00
- g) Corporate Requirements - administration, licenses, property fees, etc. 175,000.00

TOTAL PROPOSED BUDGET \$1,721,250.00

Respectfully submitted,

SAWYER CONSULTANTS INC.

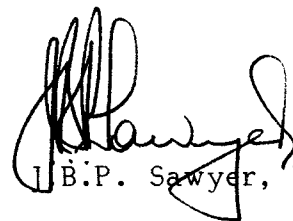

J.B.P. Sawyer, P.Eng.

Dated at Vancouver, British Columbia, this 14th day of April, 1983.

CERTIFICATE

I, J.B.P. Sawyer, DO HEREBY CERTIFY:

- (1) That I am a consulting geologist with business office at 1201 - 675 West Hastings Street, Vancouver, B.C., V6B 1N2, and President of Sawyer Consultants Inc.
- (2) That I am a graduate in geology of Manchester University (B.Sc. - 1953) and of the University of Western Ontario (M.Sc. - 1957).
- (3) That I am a Registered Professional Engineer (geological) in the Association of Professional Engineers of the Province of British Columbia, and a Registered Chartered Engineer with the Council of Engineering Professions, London.
- (4) That I am a Fellow of the Geological Association of Canada, a Member of the Canadian Institute of Mining & Metallurgy, a Fellow of the Geological Society of London, and Fellow of the Institution of Mining & Metallurgy, London.
- (5) That I have practised my profession as a geologist for the past twenty-eight years.
- (6) That the information, opinions, and recommendations in this report are based on personal knowledge of the Jan Resources Ltd. properties on Vancouver Island, and on work programs on them over the past four years.
- (7) That I have no interest in any of the subject properties of this report, nor in the shares or securities of Jan Resources Ltd., nor in any of its associated companies, nor do I expect to receive any such interest.


J.B.P. Sawyer, P.Eng.

Dated at Vancouver, British Columbia, this 14th day of April, 1983.

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