GRANBY PENINSULA PROPERTIES

SUMMARY

Anyox B.C., 103 P/5W

For:
ALTA SIERRA SYNDICATE INC.

Report by:
J. H. HAJEK

ZELON — MINERAL EXPLORATION GROUP (1973)

CANADA & U.S.A.

GRANBY PENINSULA PROPERTIES

SUMMARY

Anyox B.C. 103 P/5W

For
ALTA SIERRA SYNDICATE INC.
250-1075 West Georgia St.
Vancouver, B.C.

Report By:
J.H. HAJEK
Mining & Chemical Consultant

November 22, 1996

ZELON ENTERPRISES LTD
Ph. 604.926.0593, Fax 604.926.1401
VANCOUVER.B.C.

Table of Content

List of Figures

LIST OF APPENDICES

APPENDIX A :

Petrographic and Assays Results

1. Vancouver Petrographic:
   four thin sections descriptions, 1988.

2. Sample description:
   Granby Point properties

3. Assay & geochemical results :
   - Granby Peninsula
   - Groundhog
   - Granby Pt.
   - Reserve Mine
   - May & others

APPENDIX B :

Geological Exploration Figures

Figure B- 01	Granby & Bucking Peninsula, sampling & grid location, Skeena 103 P/5
Figure B- 02	Granby Point Mine, underground workings
Figure B- 03	Granby Peninsula, geological mapping
Figure B- 04	Goldleaf geological sampling & mapping
Figure B- 05	May pit north, geological mapping
Figure B- 06	Granby Peninsula, Goldleaf-Groundhog-May pit, geological mapping Goldleaf & Groundhog exploration targets

LOCATION MAP

100 0 100 200 300 kilometres

Scale 1:7,603,200

G.S.C. Map 900A

Figure 01

I INTRODUCTION

The Granby Point properties cover the Granby and Bocking Peninsula. They are located at the head of Observatory Inlet, latitude 55° 20' North to 55° 25' North, longitude 129° 48' West in NTS area 103P/5W, fig. 01.

The properties are on or near the tide water access, located 120 kilometers north of Prince Rupert, B.C. and lay one kilometer east of the abandoned mine and smelter town of Anyox. The nearest road ends at Alice Arm 22 kilometers to the east, and leads to the provincial highway system through Terrace. A B.C. hydropower substation is located at the Kitsault mine, on the outskirts of Alice Arm. Access is by boat, plane or helicopter.

The topography of the Granby Peninsula properties consists of rolling hills (elevation 0 to 200 feet) with the occasional 500 feet high plateau and is bounded to the S-W by steep cliffs (with elevation 1500' to 2,000') on the Moly May. The properties are characterized by over 50% rock outcrops due to glaciers having scarred the landscape, while hillsides and swamps are covered by new tree growth and shrubs.

The properties have potential for:

- **Vein-type gold deposits**
- **Massive sulphides**
- **Porphyry and Pegmatite molybdenum mineralization**

Six small mines, the Granby Point, Reserve, Goldleaf, Groundhog, Goldkeish, Beatrice and May quartz mines, are known to have produced (1910 to 1938) silica flux with gold and silver values.

The Moly May property potential is in vein and replacement type Molybdenum with potential for gold-bismuth enrichment and massive to disseminated Molybdenite mineralization within sections of the intrusive. Molybdenite mineralization has been found mainly in association with phyllic and potassic alteration in three broad zones.

This report details the various showings outlined from past explorations efforts and proposes an exploration program that will lead to a compilation of ore reserves. It is based on visits to the properties by the author at various times from 1988 to 1992.

II PROPERTY AND OWNERSHIP

The Granby Point properties are geographically separated into the Peninsula, South Block, and the Moly May property. It is comprised of mineral reverted Crown Grant and metric claims (fig. 02).

Name	Record No.	Lot No.	Tag
Peninsula			
Quartz #1	4745	1535	251195
Quartz #1 Fr.	4745	3587	
Quartz #2	4746	1536	251196
Quartz #4	4747	1679	251197
Quartz #5	4748	1680	251198
Quartz #6	5069	2 units	251276
Quartz #7	5070	2 units	251277
Goldie	5110	20 units	251288
MC #3	6458	5 units	251997
MC #5	6460	2 units	251998

Gold Leaf	5686	4 units	251600
Wire Gold	5687	6 units	251601

South Block

Beatrice	2937	1 unit	250474
Gold Keish 1	840	1 unit	250595
Gold Keish 2	1674	1 unit	250765
Gold Keish 3	3633	1 unit	25078
Gold Keish 4	3632	1 unit	311835
MC	6457	2 unit	251996

Molly May Property

Molly May	2936	8 units	250973
Molly Fr.1	2938	4 units	250975
Molly May 2	3135	8 units	250993
Molly May 3	3136	20 units	250994

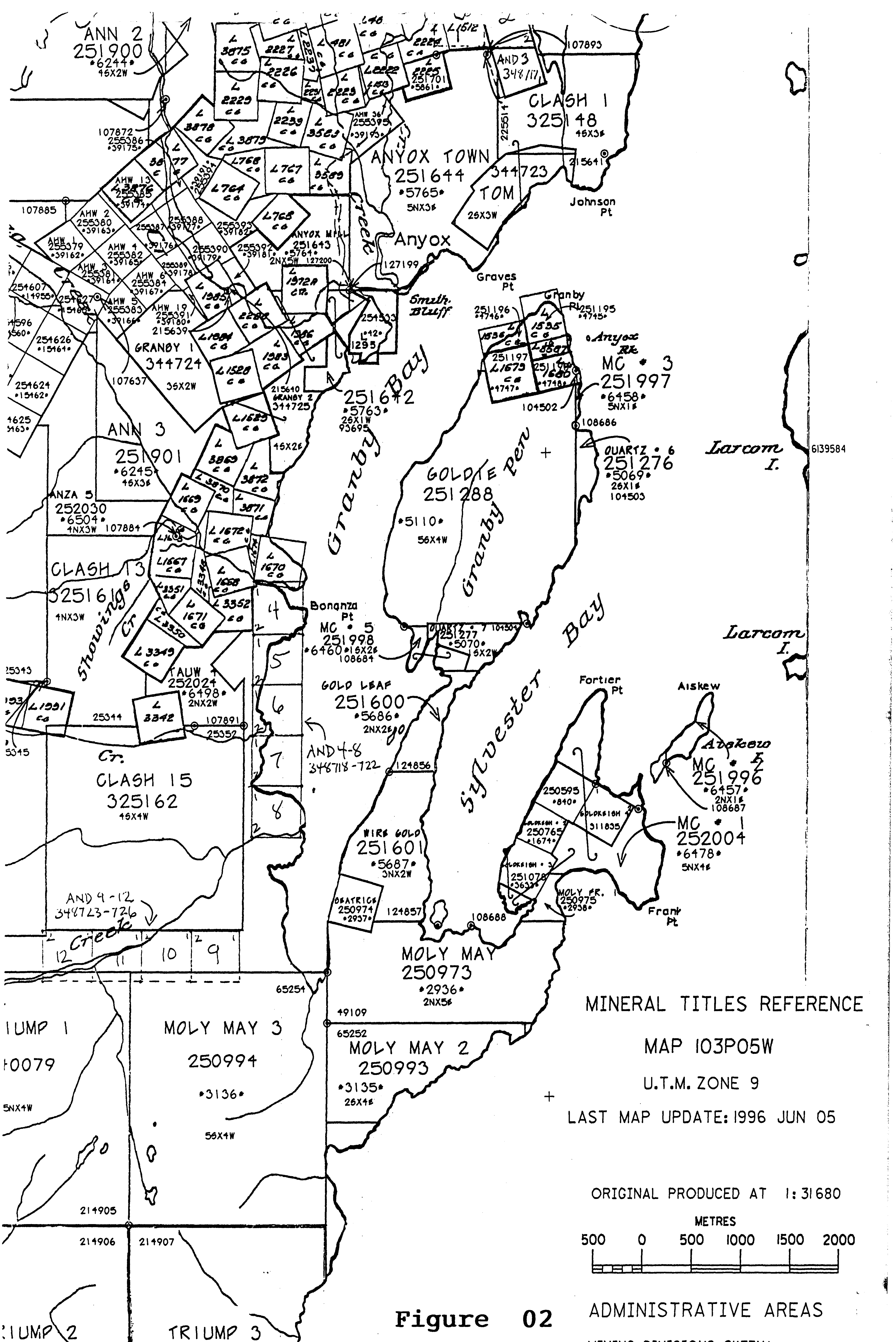

MINERAL TITLES REFERENCE
MAP 103P05W
U.T.M. ZONE 9
LAST MAP UPDATE: 1996 JUN 05
ORIGINAL PRODUCED AT 1: 31680
METRES
500 0 500 1000 1500 2000
ADMINISTRATIVE AREAS
MINING DIVISIONS: SKEENA
ANN 2
251900
ANN 3
251901
ANYOX TOWN
251644
Anyox
CLASH 1
325148
CLASH 13
325161
CLASH 15
325162
TOM
344723
GRANBY 1
344724
ANZA 5
252030
TAUW 1
252024
GOLDIE
251288
Granby Bay
Granby Pen
Sylvester Bay
Larcom I.
Smith Bluff
Graves Pt
Johnson Pt
Bonanza Pt
Fortier Pt
Frank Pt
Aiskew
MC 1
252004
MC 3
251997
MC 5
251998
MC 251996
QUARTZ 6
251276
GOLD LEAF
251600
WIRE GOLD
251601
BEATRICE
250974
MOLY MAY
250973
MOLY MAY 2
250993
MOLY MAY 3
250994
TRIUMP 2
TRIUMP 3
Showings Cr
Creek
AND 4-8
348718-722
AND 9-12
348723-726

Figure 02

III HISTORY OF MINING & PRODUCTION

In 1898, the Bonanza and Hidden Creek deposits were discovered. The mining operation was started by the Granby Consolidated Mining Company in 1910. The smelting followed in 1914 until 1936 and produced 35 million pounds of copper per year (largely from the six Hidden Creek orebodies). During this 25 year production, silica (quartz) flux was needed for the copper smelter (It was supplied mainly by the Granby Peninsula mines). Six small mines are known on the peninsula to have produced silica flux with significant gold-silver by production. This report summarizes the past field work and present property status.

In a Report dated June 1st 1982, Mr. A. D. Drummond, P. Eng. listed the production history for the Peninsula (Table 1, fig. 03).

Table 1: Production From Granby Peninsula

Mine	Period	Tons	Gold (oz./T)	Silver (oz./T)	Silica
RESERVE	1915-17	16,070	0.136	5.6	87.8
GRANBY	1915-17	55,532	0.021	0.9	92.4
POINT MINE	1917-38	62,048	0.092	3.1	-
GOLDKEISH	1919-29	31,400	0.084	0.5	-
GOLDLEAF	1939	4	9.72	3.3	-

This table reflects the gold-silver values, indicating dilution with the primary commodity --being silver flux.

No significant exploration was done to test "the old producers" at depths, or the vein's lateral extension either during production or thereafter.

Prospectors Airways Co. Ltd. conducted a drill program on the Reserve and Granby Point mines in 1988. Extensions of the horizontal sulphide-bearing quartz veins found in the two mines were encountered in most of the holes drilled.

The following gold-silver intersections were reported (Roy Wares, 1988):

Table 2: Granby Point Mine 1988 Drilling

Drill Hole	Au (oz./ton)	Ag (oz./ton)	Width (m)
1	0.07	5.8	3.0
3	0.04	0.07	1.5
4	0.03	-	1.6
5	0.19	1.0	2.6
7	0.12	0.5	1.5
9	0.05	-	0.3
12	0.10	0.2	0.6
13	0.04	0.09	0.6
17	0.05	0.5	1.5
19	0.03	0.9	1.5

During 1988, J.S. Fox (director of the Mineral Exploration Research Institute of Montreal) conducted a work program on the Granby peninsula properties on behalf of Prospectors Airways Co. Ltd. It consisted of lithological and structural mapping of all gold occurrences and systematic sampling of all occurrences with poly-metallic results correlation.

IV GEOLOGY AND STRUCTURE

The oldest rocks in the area are of the Lower Jurassic age, Hazelton Group and are mainly composed of submarine and basaltic flows. These rocks are overlaid by middle Jurassic, Hazelton Group sediments consisting of siltstone, greywacke and sandstone, fig. 03.

All the rock units above have been intruded by granodiorites of the Coast Plutonic Complex and cut by Tertiary quartz monzonites of the Alice Arm type intrusives. Furthermore, every rock type is cut by dykes of several varieties ranging from basalt to quartz monzonites.

The peninsula itself is characterized for the most part, by folded and faulted argillite and greywacke and the Moly May quartz monzonite stocks.

1. SEDIMENTARY UNITS

Sedimentary rock units are mostly located in the northern 2/3 of the Granby Peninsula and host most of the auriferous quartz veins. The rock units are turbidites forming fining upward cycles, with thickness ranging from ten to hundreds of meters. They include arenaceous cycles composed of coarse to fine sandstone with minor argillite and fine cycles of siltstone, argillite and sandstone.

The sedimentary structures includes massive and graded bedding in the arenaceous cycles, graded bedding parallel and/or oblique to lamination and convolute bedding in the finer grained cycles. Megascopic examination suggests granitic or pre-existing sediment sources for the rocks of these cycles.

N

REGIONAL GEOLOGY

Sedimentary & Volcanic rocks

Quaternary; recent
#20: unconsolidated deposits
Jurassic; Hazelton Group
#16:Siltstone,Greywacke,Sandstone, Conglomerate,minor Limestone
#14:a) pillow lava,pillow breccia
b) Andesitic & Basaltic flows
#12:a) Volcanic breccia,Conglomerate,
b) tuff
#11:a) Pillow lava
b) Volcanic flows

Plutonic Rock Units

Eocene & older;
#8: Quartz Diorite,Granodiorite,Monzon
#7:a) Coast Plutonic Complex
b) Quartz Diorite
c) Quartz Monzonite,Granite

Metamorphic units

Tertiary;
#3: Hornfels,Phyllite,Schist
Jurassic;
#2: Hornfels,Phyllite,Schist,Gneiss

Figure 03

Scale 1:100,000

metres 2000 0 2000 metres
feet 0 feet

A number of compositionally distinct sedimentary units, termed "black sandstone" and "porphyroblastic argillite" were recognized. These differ from the turbiditic argillites mentioned above in that they contain a significantly higher proportion of fine grained biotite, are moderately rich in syngenetic sulphides, often show chaotic debris flow texture, and develop sericite-biotite-quartz porphyroblasts possibly after andalusite. The abundance of sulphides and the elevated aluminum content of these rocks suggests an origin which may be partly hydrothermal. Most of the auriferous veins on the property are confined to deformed argillaceous sediments belonging to these units.

2. MOLY MAY STOCK

The Moly May stock (48 M.Y.) is one of several monzonite granite variety of the Alice Arm intrusions. The stock covers an area of 1.5km x 3.5km.

It is composed of Alaskite Granite that is hydrothermaly altered in several areas. These areas contain quartz stockwork development with coincident molybdenite along fractures, pegmatitic pads and disseminated within faults and shear zones.

The stock is found in sharp intrusive contact with turbiditic sediments to the north and in fault contact with the older Coast Range granitic complex to the south, fig. 04.

The Moly May intrusion consists of biotite-muscovite leucogranite and contains inclusions of coarse grained biotite rich monzonite rocks with some metasedimentary inclusions. The leucogranite grades locally into aplite coarse grained rock units.

Miarolitic cavities and vugs are abundant suggesting (along with the pegmatites) local magmatic water saturation within the roof of the stock.

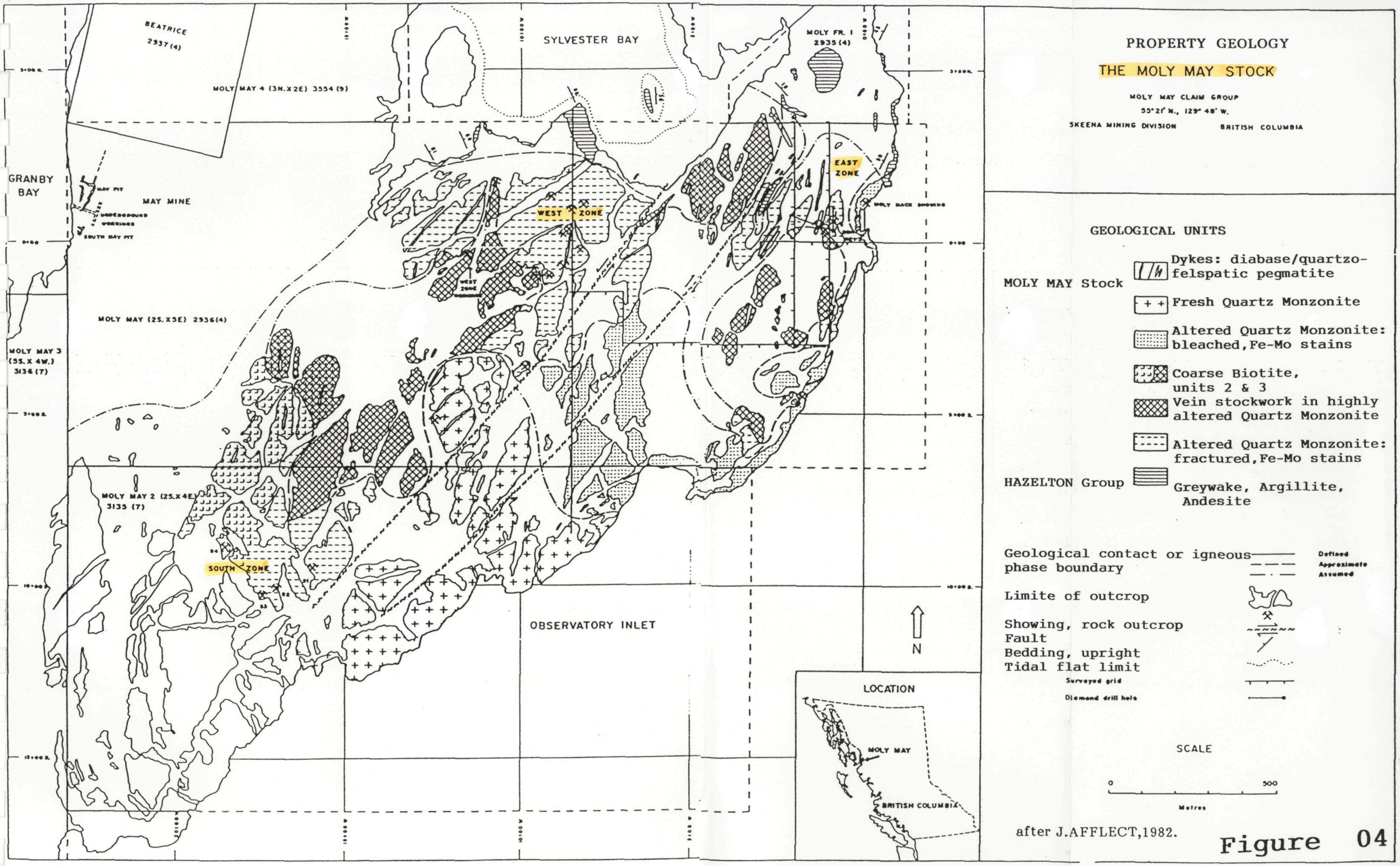
3. STRUCTURAL EVALUATION

The sedimentary rocks of Granby Peninsula are characterized by tight to open asymmetric folds trending N-E with amplitudes in the order of tens of meters. In the south, these are overturned and verge towards the S-E.

A related axial plane of schistosity is well developed in argillites and sandstones; sedimentary clasts and porphyroblasts are frequently stretched and flattened in foliation plane.

A second phase of open WN-W trending folds have been superimposed on the Fl folds. Evidence for this second fold phase is found in the dome and basin structures and doubly plunging first phase fold axes which are observed throughout the peninsula.

Faulting post dates both fold sets and is manifested by both major photo-linears and minor offsets evident only in outcrops. N-E & S-E trending fault orientations predominate (in both cases, the dips are steep). Fault surfaces are marked by slickensides with horizontal or vertical striations, and by graphite enrichment. Most faults show a component of normal displacement.


PROPERTY GEOLOGY
THE MOLY MAY STOCK
MOLY MAY CLAIM GROUP
SKEENA MINING DIVISION
BRITISH COLUMBIA
GEOLOGICAL UNITS
MOLY MAY Stock
Dykes: diabase/quartzo-felspatic pegmatite
Fresh Quartz Monzonite
Altered Quartz Monzonite: bleached, Fe-Mo stains
Coarse Biotite, units 2 & 3
Vein stockwork in highly altered Quartz Monzonite
Altered Quartz Monzonite: fractured, Fe-Mo stains
HAZELTON Group
Greywake, Argillite, Andesite
Geological contact or igneous phase boundary
Defined
Approximate
Assumed
Limite of outcrop
Showing, rock outcrop
Fault
Bedding, upright
Tidal flat limit
Surveyed grid
Diamond drill hole
SCALE
0
500
Metres
after J.AFFLECT,1982.
SYLVESTER BAY
OBSERVATORY INLET
GRANBY BAY
MAY MINE
WEST ZONE
EAST ZONE
SOUTH ZONE
BEATRICE
MOLY MAY
MOLY MAY 2
MOLY MAY 3
MOLY MAY 4
MOLY FR. 1
LOCATION
BRITISH COLUMBIA
N
Figure 04

It is suggested that the formation of sub-concordant sediment (hosted quartz veins and of the large amplitude first phase asymmetric folds) is related to the earliest phase of deformation, which was a progressive event.

The veins are early kinematics, since they can often be found to be folded by F_1. Both veins and asymmetric folds reflect a sub-horizontal compressional event.

The asymmetric overturned character of the F_1 folds and the shallow dip of the related axial plane foliation suggests that the area is marked by imbricated thrusts and related major folds that propagate towards the southeast.

The superimposed F_2 folds are correlated with the intrusion of the Moly May stock. Subsequent faulting appears to relate to a tensional regime which resulted in the remobilization of the sub-horizontal quartz veins and in the formation of loci for diabase dykes emplacement.

V GRANBY PENINSULA MINERALIZATION

Mineralization on the peninsula is reflected by the data from the Granby Point and Reserve mines (located at the northern tip of the Granby Peninsula and 400 meters apart), fig.05. It is classified as vein hosted gold-silver mineralization.

Quartz veining is hosted by argillite with much of the vein mineralization being sub-horizontal, and is therefore amenable to inexpensive "room and pillar" mining methods. Steeply inclined veins are noted to the south of the Granby Point Mine and elsewhere on the peninsula. This reflect either the regional structural complexity or the presence of secondary oblique vein systems.

The known veins consist of a central core of white, and apparently gold poor quartz. Scattered concentrations of pyrrhotite, pyrite, sphalerite, galena, chalcopyrite and arsenopyrite occur near the hanging and footwalls and near argillitic inclusions. A close correlation between sulphide mineralization and precious metal values seem to be consistent.

Silica flux was mined at various locations on the Granby Peninsula until the closure of the Anyox mine and smelter in 1934. Gold was an important by-product of these silica mining operations; detailed sampling by the B.C. Ministry of Mines in the Granby Point mine in 1933 revealed gold values in the pillars ranging from 0.25 oz/ton to more than 1 oz/ton.

Mining was confined to a distance of about 800 feet from the shoreline. This distance is a reflection of the manual mining and ore transport methods used in the four mines and was thought to be cost effective.

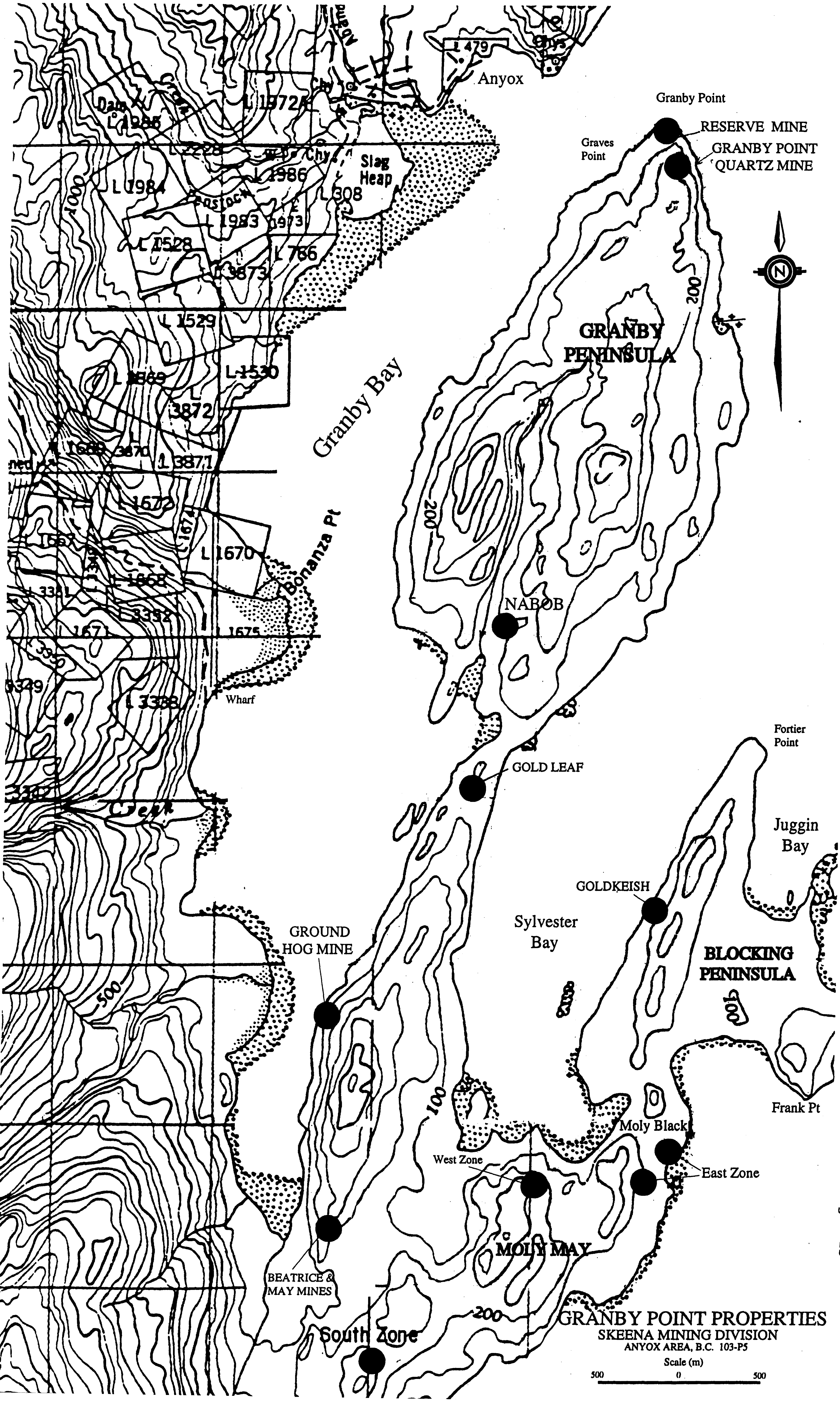

Anyox
Granby Point
RESERVE MINE
Graves Point
GRANBY POINT QUARTZ MINE
Slag Heap
Granby Bay
GRANBY PENINSULA
NABOB
Wharf
Bonanza Pt
GOLD LEAF
Fortier Point
Juggin Bay
GOLDKEISH
Sylvester Bay
BLOCKING PENINSULA
GROUND HOG MINE
Frank Pt
Moly Black
West Zone
East Zone
MOLY MAY
BEATRICE & MAY MINES
South Zone
GRANBY POINT PROPERTIES
SKEENA MINING DIVISION
ANYOX AREA, B.C. 103-P5
Scale (m)
500
0
500

Figure 05

The mineralized Moly May intrusives are composed of a multi-staged zoned quartz monzonite. Significant potential exists for both vein-type molybdenum with some gold and large tonnage porphyry-type molybdenum mineralization.

The Moly May mineralization seems to be similar in character and age to the Kitsault deposit 25 km to the east and to the Quartz Hill deposit, 50 km to the west.

At Kitsault, vein and porphyry-type molybdenum mineralization are cut by the late stage Cu-Zn-Pb sulphosalt veins (steininger, 1985). If the Moly May deposits are paragenetically similar, gold may be restricted to late stage veins, and there may be a link between these and the argillite-hosted auriferous veins

1. VEIN TYPE CLASSIFICATION

Most quartz veins found on Granby Peninsula are parallel to bedding but also oblique to it. Most of the known auriferous structures are either thick veins, in place parallel to bedding, with significant lateral extent, or veins remobilized sub-parallel to steeply dipping late normal faults.

Concordant veins host gold and silver mineralization at the Reserve, Granby Point and Goldkeish mines. They are characterized by a crude lamination "ribbon texture" which reflects thin irregular streaks and wisps of argillite and/or fine sulphides. Footwall and hanging wall vein contacting their enclosing argillite and siltstone are striated, and may be locally brecciated.

Discordant veining is present at the Groundhog, May Pit and Goldleaf occurrences, reflecting the remobilization of earlier concordant veins by later steeply dipping normal faults. In contrast with the concordant veins, these bedding oblique veins are composed of gray crystalline quartz.

2. SULPHIDE MINERALIZATION

Sulphides in most veins occur in a variety of combinations: moderately abundant pyrite, pyrrhotite, sphalerite and galena are observed over a width of 1 to 10 cm along the brecciated margins of many concordant veins. Fine grained pyrite, sphalerite, galena, chalcopyrite and arsenopyrite occur in association with the argillaceous ribbon texture. Heavily disseminated coarse sphalerite and galena are locally in zones of up to 30 cm thick where concordant veins pinch. Finally, concentrations of pyrite, chalcopyrite, and pyrrhotite occur in association with late fractures perpendicular to the vein walls.

Both quartz and sulphides seem to have been remobilized in association with discordant quartz vein formation. The interior of some of these veins contain dissemination and small pods of pyrite. Thin layers of semi-massive pyrrhotite and rare sphalerite may occur near their margins.

As indicated, a close relationship appears to exist between the abundance of sulphides, particularly pyrite, sphalerite and galena, and the precious metal content of quartz veins. Sulphide argillite ribbon texture (characterizes the Reserve and Goldkeish mines as well as the northern part of the Granby Point mine) appears to be a particularly good indicator of gold and silver grades.

Relative high grade mineralization is also associated with the sulphidic fractures found subvertical to the contacts of concordant veins. In the Granby Point mine, these sulphidic fractures bound many of the remaining pillars; their presence at certain pillar faces may explain the erratic gold values obtained during previous underground grab sampling.

3. PAST MINING OPERATIONS

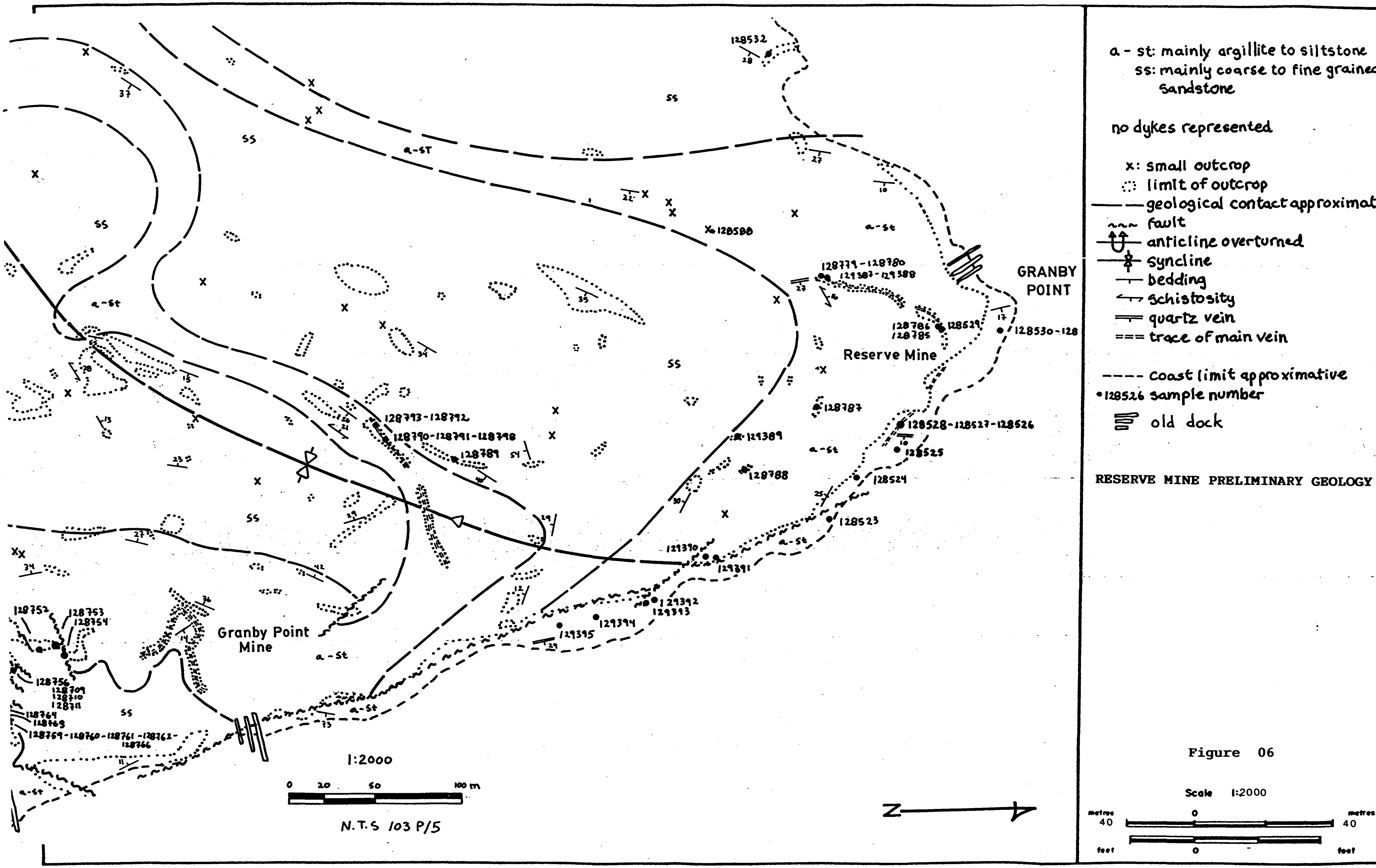
(a) Reserve Mine, fig. 06

The sub-horizontal Reserve vein is hosted by black argillite and siltstone. The mine portal is located 10 meters above sea level at the northern tip of Granby Peninsula. It is estimated that 20-25 of the vein system remains largely in the form of pillars. Old level plans suggest that parts of the mine were characterized by high but variable precious metal assays. The mine vein was found to vary from 25cm to 150cm from south to north.

Table 3: 1988 selective sampling at the Reserve Mine

Sample	Au (oz./ton)	Ag (oz./ton)	Width (meter)
T3-1	0.14	20.4	0.7
T3-2	0.67	14.3	0.3
GP-1	0.04	6.3	grab
GP-3	0.66	6.9	"
GP-5	0.16	8.6	"
GP-6	1.52	35.9	dump
GP-7	0.09	4.1	grab
128524	0.21	4.9	"
128525	0.08	-	"
128528	0.94	0.1	"
128529	0.06	-	"

Mapping by MERI has resulted in the location of the probable extension of the Reserve mine vein ("Jean's vein") 200 meters south of the mine portal.



RESERVE MINE PRELIMINARY GEOLOGY

Figure 06

(b). Granby Point Mine, fig. 07

The Granby Point mine is located 400m south of the Reserve mine, approximately 30 m above sea level, in argillites and siltstones which are at a moderately higher stratigraphic level than those hosting the Reserve mine. Approximately 15% of the area mined remains in the form of pillars. A small mass of moderately sulphide rich, potentially high grade vein material remains unexplored in the southwestern part of the mine area.

The sub-horizontal Granby Point vein locally attains a thickness of 3 m, and is accompanied by extensive hanging wall silicification and veining. The hanging wall contact of the vein is marked by faulting and brecciation. N-S trending normal faults locally displaces the vein up to two meters; related subvertical fractures concentrate precious metal rich disseminated sulphides.

The vein is texturally variable, and this textural change can be correlated with the variations in average gold grades of the ore blocks mined in the 1920's and 1930's. It is divided in three sections:

- In the northern half of the mine, the vein shows ribbon texture and contains ore blocks.
- The south central portion is more homogeneous, with banding only near the base and top of the vein.
- The S-W part of the mine is characterized by moderately abundant coarse sphalerite and galena at the vein contacts, and is above average in terms of overall gold content.

GRANBY POINT MINE Geological sampling

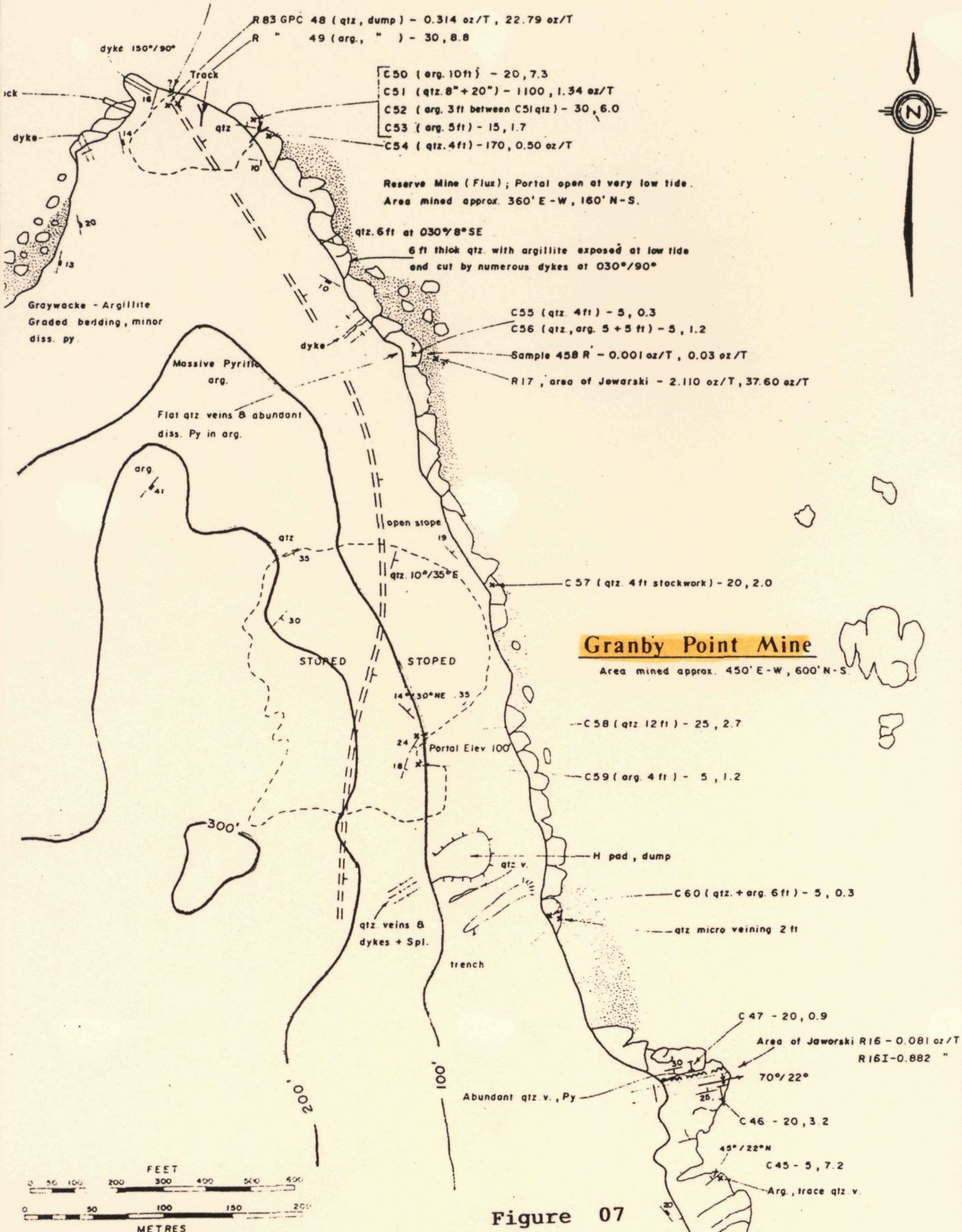


Figure 07

A large number of samples have been taken from a variety of locations in the mine by Prospectors Airways and MERI personnel. The Granby Point mine has been resampled by Prospectors Airways Co. Ltd. in 1987 & 88. Grab sample values were obtained from the pillars which remain in the mine:

Sample	12055:	1.7 Ag oz. and 0.02 Au oz./ton
	12054:	1.0 Ag oz. and 0.07 Au oz./ton
	12057:	4.0 Ag oz. and 0.05 Au oz./ton
	129181:	0.2 Ag oz. and 0.10 Au oz./ton
	129182:	2.3 Ag oz. and 0.05 Au oz./ton
	129357:	5.3 Ag oz. and 0.06 Au oz./ton
	129358:	6.4 Ag oz. and 0.13 Au oz./ton
	129374:	1.8 Ag oz. and 0.23 Au oz./ton

One continuous chip sample over 3 feet (012053) yielded 6 oz./ton gold and 55 oz./ton silver.

The probable southern extension of the Granby Point mine vein exists in the form of the "Quarry" vein system, 50 to 150 m south of the mine portal, and possibly in the form of the "Line 23" and other veins further south.

(c) Groundhog Mine, fig. 08

The Groundhog mine consists of a semi-continuous series of large trenches which follow the north-south trending Groundhog vein system for 150 meters. A small, flooded shaft is located in the middle of the trenches.

Groundhog MINE Geological sampling

&

The May Pit 103P/5

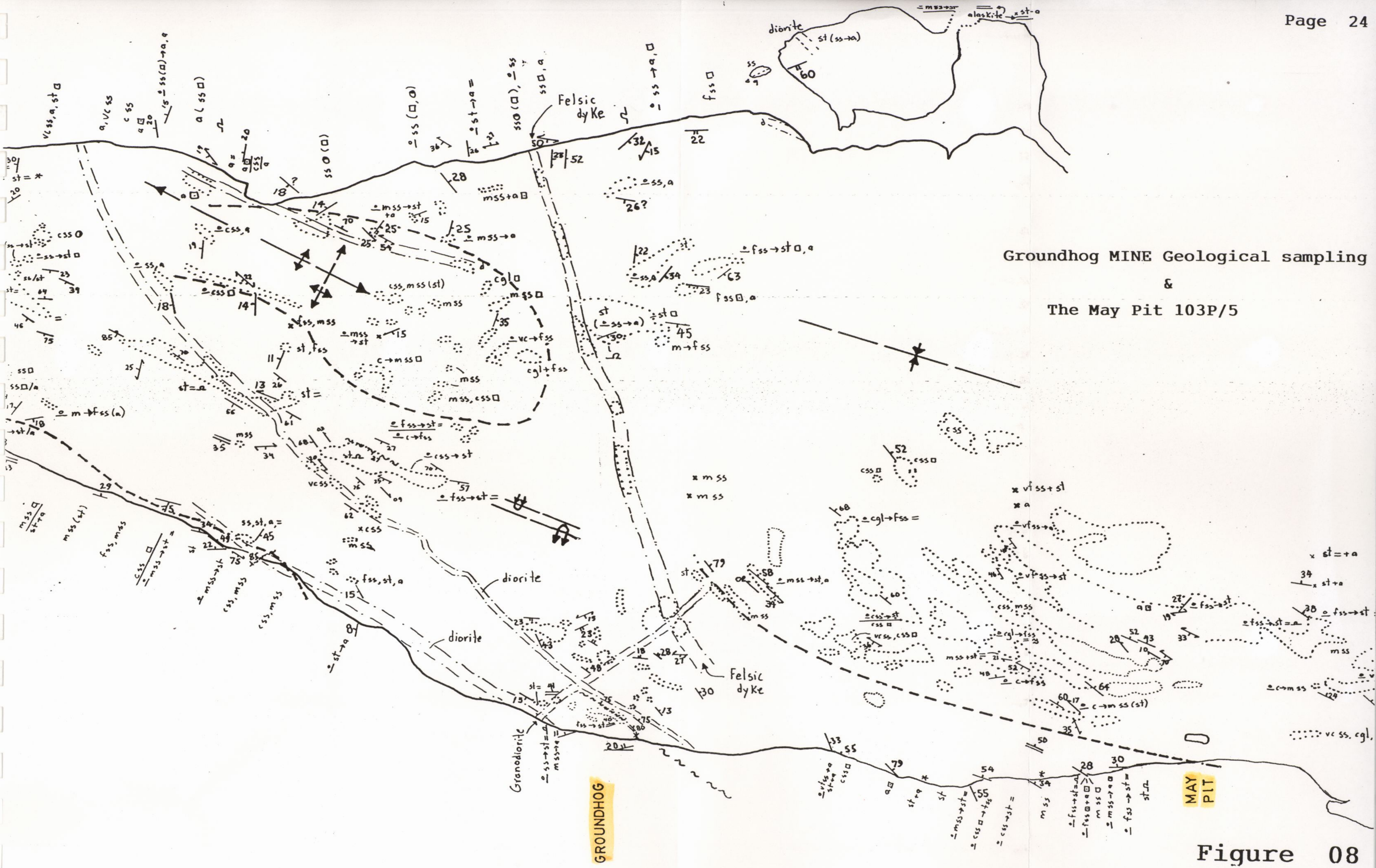


Figure 08

The Groundhog showing is characterized by an assemblage of parallel, conformable (0.2 to 2 meters wide) near vertical quartz veins contained in fine grained sediments. The veins and their sedimentary host rocks have been transposed into their current orientation by a 7 to 10 meter wide normal strike slip fault zone.

Most of the sulphide mineralization characterizing the subvertical mine veins is confined to fault planes and breccia, where up to 20% pyrite, pyrrhotite and minor sphalerite can be found.

The quartz veins in the vicinity of these planes are gray, fine grained and ribboned. White, moderately dipping conformable veins are observed away from the fault zone, but these rarely contain sulphides.

(d) The May Pit, fig 08

This showing is characterized by two 35 to 50 meter long trenches located 25 meters above sea level, with a caved in adit. A small dump is present below the adit on the shore of Granby Bay.

Conformable, variably dipping quartz veins at the showing are hosted by re-crystallized argillite and minor sandstone. The structure in the pits is complex with veins 5 to 150 meters thick which have been re-mobilized by the multiple intrusions of fine grained diorite. Unique to this showing is the development of tremolite-chlorite alteration.

(e) Goldleaf Showing, fig.09

This showing consists of a short " L" shaped adit near sea level with some trenching. These workings follow an apparently thin but spectacular gold occurrence, which was worked briefly in 1938.

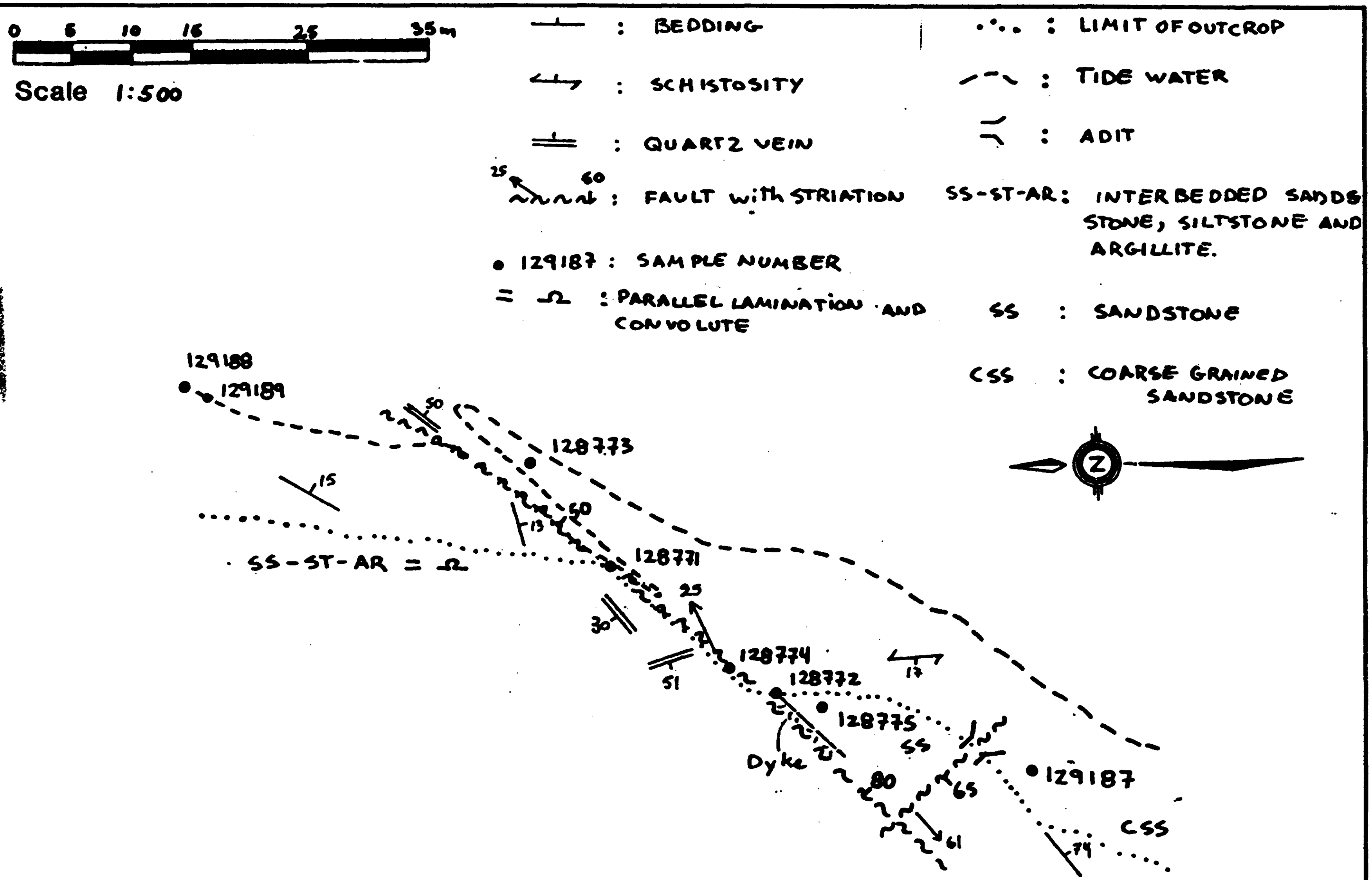
The Goldleaf vein is 15 to 30 cm thick and is found in a northeast trending fault zone which dips moderately to the east. The fault is sinistral, with an offset of about 25 meters. Gently dipping laminated siltstone and sandstone are juxtaposed with steeply dipping interbedded coarse grained sandstone and argillite across the fault.

(f) Goldkeish Mine, fig 10

The Goldkeish mine consists of an 82 meter long adit, which leads through barren argillite to a north south trending stope which is at least 190 meter long. Flooding of the stope and paucity of surface exposure limited our examination of the mine area.

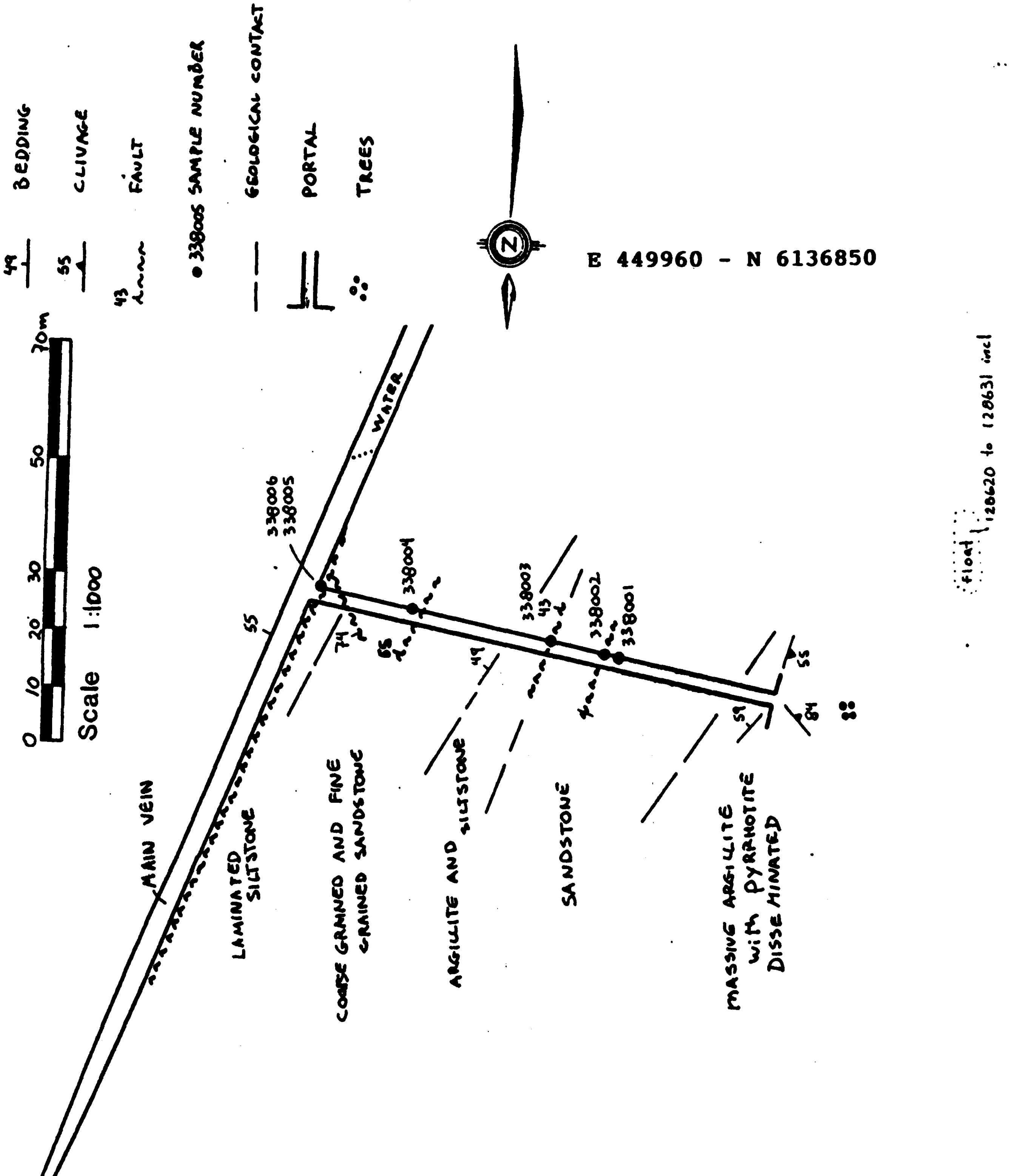
The quartz vein mined at Goldkeish is at least 2 meters thick, sub-parallel to bedding, and dips moderately to the east. It occurs in a monoclinal sequence of laminated siltstone and fine grained sandstone, and appears to be controlled by a major strike slip fault.

Sulphide mineralization occurs as fine grained pyrite along the graphitic slip planes, and as pyrite and sphalerite in oblique fractures in the vein. The quartz vein at Goldkeish exhibits ribbon texture.



[redacted] Geological sampling & mapping 103P/5

Figure 09



GOLDKEISH Mine underground sampling

&

mapping 103P/5

Figure 10

Limited vein sampling has returned the following values:

Sample 338205: 0.5 oz. Ag/ton and 0.22oz. Au/ton over 1.5m

Sample 128628: 0.8 oz. Ag/ton and 0.06 oz. Au/ton, dump

(g) Other Quartz Veins

A large number of previously unexplored veins were found. The "Danielle Vein" is a conformable vein hosted by laminated siltstone (20 to 50 cm thick) It is located on the western shore of the Peninsula 400 m S-W of the Reserve mine. It is the only arsenopyrite bearing vein found in the area; Au = 0.08 oz./ton and Ag =2.8 oz./ton.

The "Line 23" vein system is composed of a 75 cm thick vein, having a 3 m thick hanging wall foliation parallel to the vein system.

The vein on Line 8 south is a 75 cm thick with a conformable feature exhibiting ribbon texture. It has been traced for 30 meters, and is believed to extend further.

(h) Conclusion

The auriferous veins are either synmetamorphic Meguma/Carolina Slate Belt type or a distal hydrothermal systems related to the nearby intrusives, MERI 1988.

A systematic trenching followed by assaying and geological evaluation must be done on veins having potential for gold economical tonnage.

A drilling program to outline the ore grade materials should be started as soon as possible, followed by grid drilling to block ore reserves.

Estimated gold reserves are at 2 million oz. for all Granby Point properties, within the present data base.

VI GRANITE HOSTED MINERALIZATION

The mineralized Moly May intrusive occupies the southern part of the Granby Peninsula. The intrusive has been prospected intermittently over the years with various results and was known as the Moly Mack showing (N.Carter, B.C. Department of Mines 1965).

Enfield carried out geological and geochemical surveying with limited diamond drilling between 1981-82 with the following results:

Showing A, West Zone:	0.15% Mo over 10 meters 0.26%
Showing B, West Zone:	Mo over 7 meters
Showing E-l, East Zone:	0.25% Mo over 5 meters
Showing E-4, East Zone:	0.19% Mo over 6 meters

The intrusives have been divided in four major areas:

- Molly May South, & S-W zone
- Molly May East, E zone
- Molly May West, W zone
- Molly Mack & tide exposures

It is thought that the Moly May mineralization is similar in character and age to other deposits related to the Alice Arm granitoids, such as Climax Molybdenum's Kitsault deposit (25 kilometers to the east) and the Quartz Hill deposit (50 km to the west in Alaska).

At Kitsault, vein and porphyry type Mo mineralization is cut by late stage lead-zinc sulphosalts veins. Similar occurrences are found on the Moly May near the granite sediment contact, in roof pendant and in contact zones

The Moly May deposits seem para-genetically similar. Therefore, gold may be restricted to late stage veining and there may be a link between these and the argillite hosted auriferous veins occurring on the peninsula.

1. MOLY MAY EAST ZONE

Several showings comprise of the East Zone and includes the old Moly Mack prospect. A high grade molybdenite prospect disseminated in biotite-rich monzonite with minor pyrite.

Detailed observations have been made by several authors on the near shore gold bismuth telluride showings comprising the Moly Mack.

The main showing is at sea level, west of Frank point and south of the contact between the Coast Intrusion and the Granby peninsula sedimentary rocks.

South and west of the showing, leucogranitic quartz monzonite porphyries of the Coast Intrusives form low ridges and weather to a creamy white color. Phenocrysts are anhedral glassy quartz, euhedral feldspars make up most of the rock, with muscovite being the dominant mafic mineral.

Sedimentary rocks in the area have been metamorphosed to biotite quartz hornfels and are cut by numerous narrow sills of monzonitic composition. Molybdenite occurs in small areas of biotite rich granite within the quartz monzonitic porphyries. Coarse grained molybdenite is found along the biotite cleavage and near margins of quartz lenses.

2. MOLY MAY WEST ZONE, fig 11

Several high grade molybdenite rich zones (pods and veins) occur in this region of the property. Three small trenches containing late pyrite associated with quartz pyrite muscovite veinlets are found in the area. Some of the higher grade obtained from the west zone showings assayed as follows:

Sample 128654:	0.2% Mo over 0.8 meters
Sample 128655:	0.2% Mo over 1.0 m
Sample 128656:	1.0% Mo over 1.2 m
Sample 128927:	0.6% Mo over 0.6 m
Sample 128940:	0.3% Mo, 0.29 oz/ton Au over 0.8 m
Sample 129302:	0.3% Mo over 1.2 m
Sample 129303:	0.5% Mo over 1.0 m
Sample 129304:	1.0% Mo, grab sample

3. MOLY MAY SOUTH AND SOUTH WEST ZONE

Numerous Molybdenite showings have been found in the area along with several promising gossan zones of mineralization .

The area of gossan is characterized by disseminated molybdenite and pyrite in weakly sericitized leucogranite. The "R12" showing consists of three gossans, each roughly 0.5 by 3 m in size, hosted by muscovite garnet leucogranite. Very high grade molybdenite (+5% MoS_2) is common on most showings.

The newly discovered Southwest Zone is characterized by abundant gossans (up to 10 m wide), and contains molybdenite & pyrite both as dissemination and associated with quartz veinlets in the host monzonite.

Numerous gamma ray anomalies have been found by prospecting in covered areas, indicative of molybdenite mineralization. They should be investigated further by trenching and geological mapping.

GEOLOGICAL LEGEND

- Coarse-grained, fresh, muscovite (biotite, garnet) leucogranite, occasionally spotted with Fe-Mo stain.
- Fine-grained, aplitic, muscovite leucogranite (moderately to highly altered).
- Medium to coarse-grained, partially altered (stained) leucogranite, with intensive vein stockwork development.
- Coarse-grained to pegmatitic biotite-rich monzonite and quartz-monzonite.
- Pegmatitic veins, pods or irregular bodies.
- Quartz vein (greater than 10 cm in thickness).
- Dyke, undifferentiated.
- Hazelton group, argellite and greywacke.
- Molybdenite high-grade showing.
- Pyrite-gold showing.
- Previously located molybdenite showing.
- Diamond drill hole (drilled in 1982)
- Major fault.
- Strike and dip of sedimentary bedding.
- Boundary of the Moly May igneous intrusion.(approximate).
- Geological contact between igneous phases.
- Limit of outcrop.

Figure 11

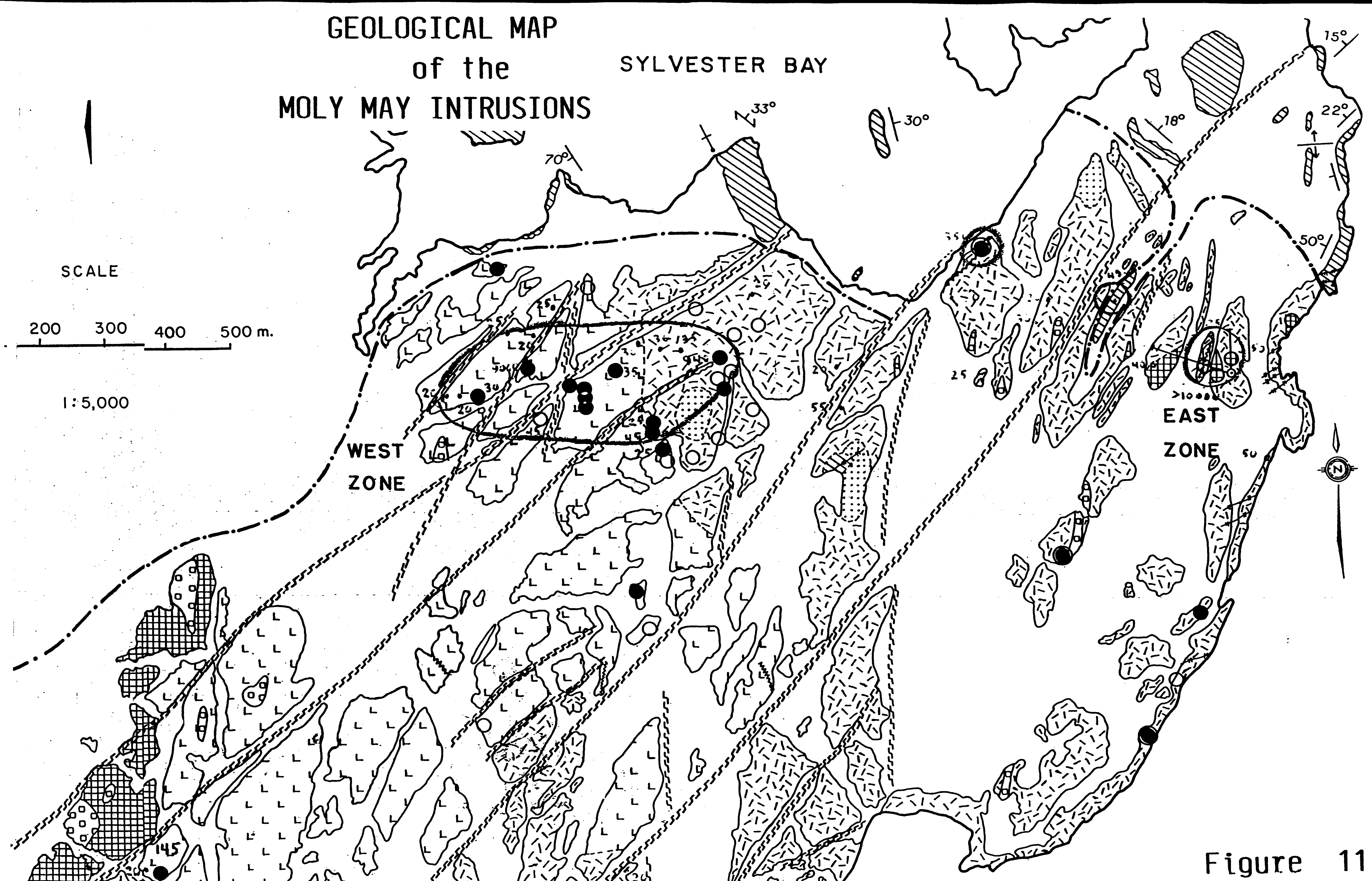

GEOLOGICAL MAP
of the
MOLY MAY INTRUSIONS
SYLVESTER BAY
SCALE
200 300 400 500 m.
1:5,000
WEST ZONE
EAST ZONE
N

Figure 11

VII Recommendations

The properties cover the Granby and Bocking Peninsula located at the head of Observatory Inlet. They are on tide water access, located 140 kilometers north of Prince Rupert, B.C. and lay east of the abandoned mine and smelter town of Anyox. Past exploration results are the basis for this preliminary exploration proposal and is outlined as follow:

2. Trenching , Sampling and Geological prospecting

An exploration program is proposed for the 1997 season consisting of mapping, structural analysis, metallogenic assemblages and prospecting. This will then be followed by systematic drilling in areas with potential for ore reserves.

1. East of Groundhog

Location 1: 825 PPB gold in a limonitic wacke with quartz stringer zone, nearby a small shear zone with graphite and sulphides.

Loc. 2: Quartz floats found near a shear zone with graphite and sulphides.

Loc. 3: Quartz floats found near metamorphosed sediments with veining.

Loc. 4: Goldleaf following quartz vein inland, L15N

2. May Pit, northern extension

Loc. 1: A 3 meters conformable quartz vein, line 28S

Loc. 2: N-W of Chanty bay, a 1meter quartz vein on L 23N

Loc. 3: Inland from Western shore, quartz vein exposed over 30 meters

Loc. 4: Groundhog, quartz sulphide breccia

3. Reserve Mine

Loc. 1: 400 meters south arsenopyrite in quartz vein

Loc. 2: Eastern shoreline, thick quartz vein 1-25 meters

Loc. 3: 100 meters South of Boiler bay, quartz breccia

Loc. 4: 1000 meters South of Reserve Mine, quartz breccia

Loc. 5: Eastern shoreline, quartz vein system

Loc. 6: Granby quarry southern part, quartz veins & dykes

4. Sylvester bay & Molly May

Loc. 1: Shoreline, in thick quartz vein with sulphides

Loc. 2: Intrusion contact, quartz vein 1 meter thick

Loc. 3: Molly May high-grade molybdenite

Loc. 4: Pyrite-rich showings, west zone

Loc. 5: Molly May south

2. Proposed Drilling Targets

Initial diamond drilling of 2,950 meters over 32 holes is recommended followed by another 5,000 to 10,000 meters pending on outcome of results.

1. **Goldkeish Mine**

Five holes by 100 meters each, to test the depth extension

2. **Groundhog Showings**

Two holes 100 meter deep, 100 m apart to intercept the NNE fault zone crosscutting the conformable vein system.

Five holes on L23N 50 meters deep with 100 m spacing, to test the extension along strike and dip of the conformable vein system and hanging wall veining.

3. **Molly May**

Five holes 100 meter deep on past results
10 holes 100 meter deep pending on trenching results

This represents a selection of present objectives based on a priority rating which could change as work progress.

Respectfully submitted,

John H. Hajek

Vancouver, November 22, 1996
Zelon Enterprises Ltd.

EXPLORATION PROPOSAL

GRANBY & BUCKING Peninsula

Skeena 103P/5

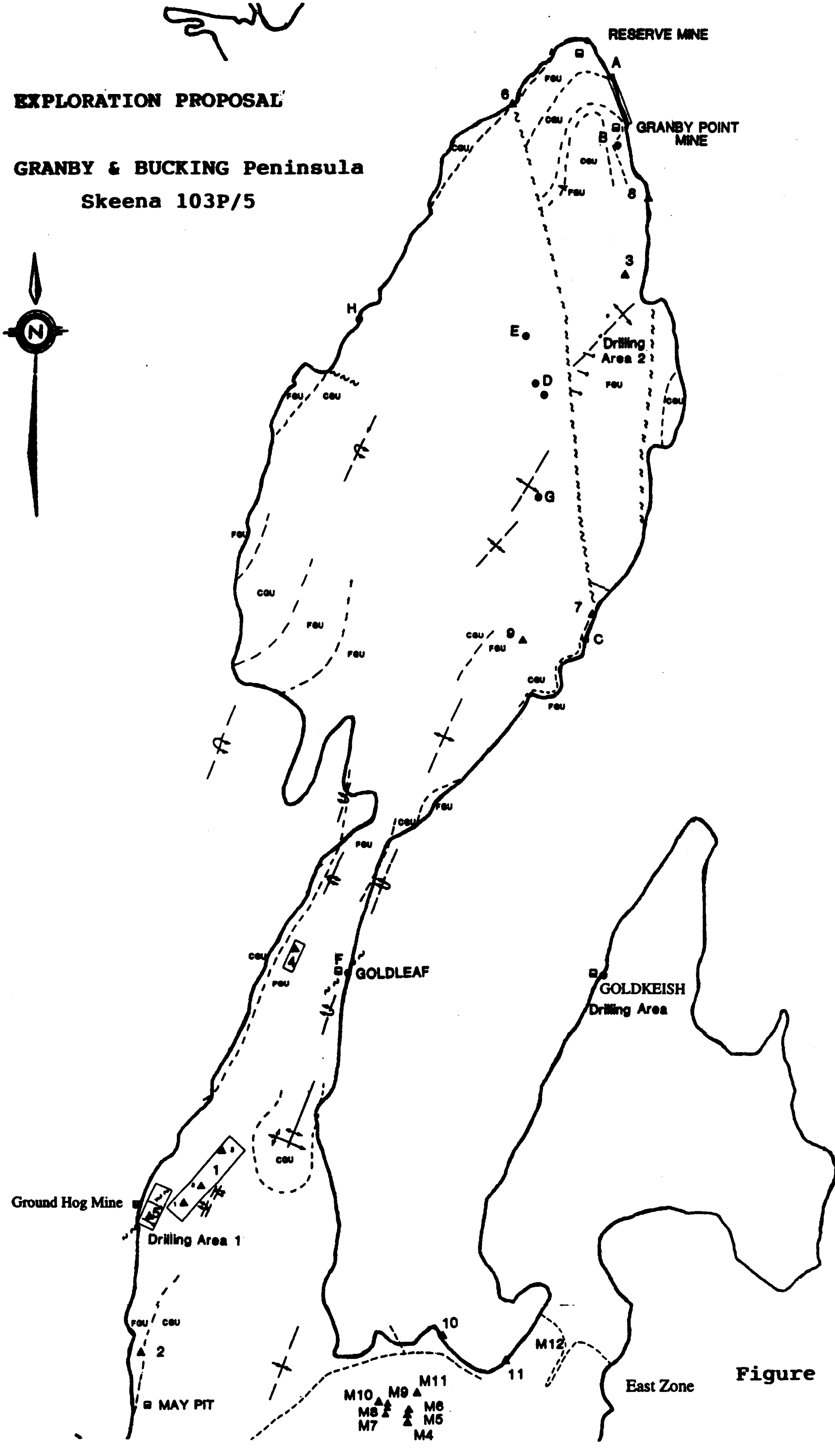


Figure 12

BIBLIOGRAPHY

Burton, A ., 1987. Report on the Granby Point properties, Anyox area, B.C.

Burton, A ., 1988. Addendum on the Granby Point properties, Anyox area, B.C.

B.C. Dept. of Mines, 1919-1929. Annual report of the B.C. Minister of Mines

B.C. Dept. of Mines, 1965. Annual report of the minister of Mines and Petroleum resources, Moly Mack.

Carter, N., and Grove, A., 1972. Geological compilation map of the Steward, Anyox, Alice Arm, and Terrace areas. B.C. Ministry of Mines and Pet. Res.

Enfield Resources Ltd., 1982. Shareholders reports dated Aug. 5 and 30, 1982.

Fox, J.S., and Burton, A., 1988. Preliminary geological evaluation and exploration proposal for the Granby Peninsula area, B.C. Internal report for Prospectors Airways Co. Ltd.

Hajek, J.H., 1988. Assessment report dated Jan. 13, 1989. Moly May property, Anyox, B.C. 103 P/5W, Skeena Mining district, Geochemical Prospecting.

Rahman, Abdel. A., 1988. The Moly May intrusion, Internal report IREM-MERI, Montreal. Prepared for Prospectors Airways Co. Ltd.

Selby, W.R., 1938. Supplementary report on the examination of the Golden Leaf claim, assessment report, B.C. Ministry of Mines, dated July 20,1939.

Steininger, R.C., 1985. Geology of the Kitsault molybdenum deposit, B.C. Econ. Geology, 80, pp 57-70.

Wares, Roy, 1988. Summary report to June 30, 1988, Granby Point project, report for Prospectors Airways Co. Ltd.

Woodcock, J.R., and Bradshaw, B.A., and Nay. C.S., 1976. Molybdenum deposits at Alice Arm, B.C.

STATEMENT OF QUALIFICATION

I, John Henry Hajek of 4440 Regency Place, West Vancouver, B.C. do hereby declare that I am a professional Geochemist and geologist practicing since 1969.

1. My experience includes services as an exploration Geochemist with Rio Tinto of Vancouver, B.C. (1968-72).
   Since 1973, I have conducted and directed properly examinations and programs on behalf of companies as a Geochemist and geologist in the employment of ZELON ENTERPRISES Ltd. and ZELON CHEMICALS Ltd. of which I am part owner.

2. I have been on the Anyox-Granby properties during the period of 1988 to 92.

3. This report is based on result of work carried out on the Granby Peninsula, Skeena Mining Division NTS 103 P/5, in 1988-89

4. The opinions, conclusions, and recommendations contained herein are based on field work carried out on the property.

December 2, 1996
VANCOUVER, B.C.

John H Hajek
Geochemist/Mining Consultant

JOHN. H. HAJEK

4440 Regency Place
West Vancouver, B.C. V7W IB9

Fax: (604)926 1401
Office: (604)926 0593

OBJECTIVE: Managing mining projects, from exploration to mine production.
Restore growth to existing operations; combining short and long term priorities along with cash flow objectives.
To organize and nurture mining expansion and diversification into U.S. and foreign markets.

QUALIFICATION: **25 years of mining & exploration** in North America:

- 15 years as a self employed Explorationist-Geochemist and Metallurgist.
- Owner and operator of Zelon & Valor group of companies.
- Applying new concepts to old mining camps.
- Discovered a **gold deposit** at **BLACK PINE, IDAHO** (now in production with PEGASUS Inc.)
- Discovered several gold & lead-zinc deposits in BC, Yukon and the US.

Previous to my involvement in mining, I have been:

- An Industrial Technologist for 6 years, 1958-61 & 65.
- A Teaching Assistant in physics & chemistry, PARIS, 1961-64

EDUCATION:

Metallurgist, ART & METIERS, Paris	1959-64
Inorganic Chemist, S.F.U., Burnaby	1967-68
Geochemistry & Geologist	1967-86

PERSONAL: Born January 18, 1941 in Brno, Czechoslovakia.
Educated in French and English
Canadian Citizen, married with three children
Hobbies include mountaineering, micro & bio-geochemistry and skiing
Excellent Health

EMPLOYMENT

1974-96 **Owner and Operator for the Zelon group of companies**
Business consists of mining consulting services, including:

- VSE & ASE public companies, mining consultant *(1984-96).*
- Managing joint venture projects:
  - -Esso Mineral Division, Geochemical Consultant *(1974-85)*
  - -Mobil Energy, Calgary Alberta, Manitoba & NWT *(1979-82)*
  - -Texaco Canada, F. Cumer, Yukon Exploration *(1979-82)*
- Applied Research & development techniques on new mining tools with evaluation of final results, i.e.: effect on future cash flow *(1973-82).*

•Overseeing field crew training and supervision in the Dominican Republic and exploration on the ROSARIO S.A. open pit gold deposit belt *(1976).*
•Gold & Copper heap leaching applications to Nevada's deposits with Dr. Salisbury, University of Utah *(1973-76).*

1985-96 •Exploration on mining concessions in the **Caribbean gold deposits** through government contacts followed by land title negotiations.
•Business plan for new industrial projects with a 5 years cash flow projection *(1985-92).*
•Heap leaching application to copper & gold mining *(1985-94).*
•Oversee investors public relation. Gold future production sales & forward marketing *(1991-96).*
•Converting underground mining into low cost profitable open pit operations *(1991-95).*

1973 **SUMITOMO METAL MINING,** Sumac joint venture
Party chief and Geochemist-Geologist, Vancouver, B.C.

1969-72 **RIO TINTO,** Vancouver, B.C.
Exploration Geochemist, supervisor Dr. M.B. Mehrtens
•Design and supervision of laboratory construction.
•3 years of operation in geochemical research.
•Research & development of new field sampling techniques along with the implementation of new analytical methods.

1968-69 **PLACER-CANEX,** Vancouver, B.C
Mining Chemist, geochemical research & development.

1966-67 **PES0 SILVER,** Carmaks, Yukon.
MINOCA MINES, Yreka, B.C.
Assayer and Mine Geochemist

1965 **LASALE HYDRAULIC,** Vancouver, B.C.
Soil & Water Technologist, Peace River, B.C.

1961-64 **INSTITUTE POLES,** Paris, France.
Teaching Assistant (Physics, Chemistry, and Math)
60-120 Students/Class, 2000 students total (Grades 12-13)

1958-61 **CARBON LORRAINE,** Paris, France.
Metallurgical and Chemical Technologist, French Space/Nuclear Program. Worked on hydrogen and high temperature ovens used on rocket exhaust coating & graphite rods purification research

JOHN HENRY HAJEK
Mining Exploration Experience

From my background studies as a lecturer in the Bergson-Poles institute (Paris, France), I entered the mining industry as a geochemist to classify geological and geochemical patterns leading to the discoveries of mineral deposits.

I have been closely associated with Dr. H. V. Warren and Dr. R. Delavault of U.B.C., pioneering work on vegetation and other geochemical sampling techniques.

In the 1970's I have been privileged to exchange ideas with Drs. R. Erikson, F. N. Ward and H. W. Lakin from the U.S.G.S. center in Denver, Colorado. They introduced me, over the period of 5 years, to the nature of mineral exploration in the "Basin and Range Province". Their cumulative experience helped me to formulate new concepts about exploration and development.

My research efforts were oriented toward the practical gathering and interpretation of data through the use of innovative sampling techniques. This endeavor is based on a plurality of disciplines and was applied to the development of vegetation and organic sampling, bedrock tracing of Hydromorphic anomalies, metal distribution analysis, and in general field detection of gold & platinum group metals.

I have been employed in the following capacities:
Research Chemist & Geochemist, 1965-78
Joint Venture Manager, 1974-85
Mining & Metallurgical Consultant and Project Manager, 1986-96

Since 1973, I have applied various concepts to the Western Cordillera, the Caribbean basin, and the Canadian shield as a self employed explorationist and project Manager for Mobil Oil, Texaco Canada, and other mining clients.

Presently, I am specializing in the feasibility of putting small gold deposits into production. With a low capital investment, the use of recent technological advances allows the production of concentrates high in precious metals.

APPENDIX A :

Petrographic and Assays Results

1. Vancouver Petrographic:
   four thin section description, 1988.

2. Sample description :
   Granby Points properties

3. Assay & geochemical results :

   - Granby Peninsula

   - Groundhog

   - Granby Point

   - Reserve Mine

   - May & others

Vancouver Petrographics Ltd.

JAMES VINNELL, Manager
JOHN G. PAYNE, Ph. D. Geologist

P.O. BOX 39
8887 NASH STREET
FORT LANGLEY, B.C.
V0X 1J0

PHONE (604) 888-1323

Report for: Ted Chisholm,
Prospectors Airways Co. Ltd.,
256 - 409 Granville Street,
VANCOUVER, B.C., V6C 1T2

Invoice 7148
February 1988

Samples: 1A-ROUGH (1 section, 1 block), 1B-ROUGH (2 sections)

Summary:

In 1A-ROUGH, a carbonaceous quartz-plagioclase-biotite schist, pyrrhotite forms disseminated patches and lenses in a carbonaceous quartz-plagioclase-biotite schist. No gold-bearing phases were identified in the section. In the block, several patches of gold grains occur along borders of carbonaceous opaque/biotite and quartz.

In 1B-ROUGH, early formed quartz and pyrite are brecciated and healed by carbonate and locally chalcopyrite (in pyrite). Minor tellurbismuth and tetradymite occur in patches with galena and with native Pb.

1A-ROUGH (section) Carbonaceous Quartz-Plagioclase-Biotite Schist

pyrrhotite	1- 2%
chalcopyrite	minor
Ti-oxide	0.5

Pyrrhotite forms patches averaging 0.05-0.3 mm in size. Some are fresh and some are partly to strongly altered to secondary Fe-sulfides, and some to hematite. Several patches also contain moderately abundant Ti-oxide grains from 0.01-0.02 mm in size, suggesting that pyrrhotite was formed by replacement of or nucleation on Ti-oxide aggregates.

Chalcopyrite forms a few grains from 0.02-0.05 mm in size associated with pyrrhotite.

1A-ROUGH (block) (probably same rock type as section)

The sample is similar to that in the section except that it contains a few patches of native gold up to 0.03 mm in size. These are concentrated in a few areas of the section up to 1 mm across. Much of the gold forms irregular grains along the border of carbonaceous opaque/biotite and quartz. Pyrrhotite and chalcopyrite are somewhat less abundant than in the section.

1B-ROUGH (sample 1) Quartz-Carbonate-Sulfide-Chlorite Vein

The rock contains quartz grains and patches of pyrite which are brecciated, and fractures filled mainly by calcite and minor chalcopyrite (in pyrite). A few patches are dominated by chlorite and chalcopyrite. A few patches on the quartz-calcite contacts consist of intergrowths of tellurbismuth and tetradymite with galena or with native Pb.

pyrite	8-10%		
chalcopyrite	2- 3		
galena	0.2		
tellurbismuth	minor	native Pb	minor
tetradymite	minor		

At one side of the sample is a brecciated vein dominated by pyrite with interstitial quartz. Pyrite is extremely strongly brecciated along one side of the vein. Chalcopyrite and galena form interstitial patches up to 0.3 mm in size. A few pyrite grains contain seams of chalcopyrite up to 0.01 mm wide along a set of fine parallel fractures.

In the rest of the rock, pyrite forms subhedral to euhedral grains up to 0.2 mm in size, and others averaging 0.01-0.02 mm in size in calcite along fractures in quartz. Chalcopyrite forms anhedral grains of similar size.

Chalcopyrite forms patches up to 0.2 mm in size associated with calcite in interstitial patches between quartz grains and aggregates. Several patches of chalcopyrite up to 0.4 mm in size are intimately intergrown in a patch of very fine grained chlorite.

Galena forms a few patches up to 0.03 mm in size associated with calcite.

Two bismuth-tellurium minerals occur together with galena or native Pb in two main patches up to 0.3 mm in size, commonly along the borders of quartz and calcite. These minerals were identified using the S.E.M. Tellurbismuth (Bi_2Te_3) has the following properties:

white (against tetradymite (Bi_2Te_2S) high reflectivity (50+), slightly

anisotropic, soft. Tetradymite has the following properties: purplish grey color (slightly darker and lower reflectivity than tellurbismuth, soft, anisotropic). Native Pb has the following properties: white, high reflectivity, very soft, isotropic. In one patch abundant native Pb is intergrown with tellurbismuth. In the second patch, tellurbismuth, tetradymite, and galena are intergrown.

1B-ROUGH (sample 2) Quartz-Carbonate-Sulfide-Chlorite Vein

pyrite	3- 4%
chalcopyrite	0.3
galena(?)-tellurbismuth	minor

Pyrite is concentrated in a patch up to a few mm across. It is moderately to strongly brecciated, with seams and patches of chalcopyrite along fractures. Minor galena or tellurbismuth occurs in patches up to 0.1 mm as inclusions in pyrite, and as equant patches up to 0.07 mm across interstitial to pyrite.

John G. Payne

[illegible]

when shipped	Date	Location N	Location E	Location Co-ord.	Assay #	Sample #	#	Across	Description		Mineralization	#
SAMPLE DESCRIPTION					PROJECT Granby Peninsula			LOCATION			NTS	
done before June 27 / Shipped on June 27	June 22			GL -> GHE		129045G		3.5m	Meta-argillite - graphitic schistose 5-10% phenoblasts		2-5% pyrr.	
	"			"		129046G		grab	coarse limonitic qtz. vein 3 cm thick		5% py., 1% aspy?	
	"			"		129047G		channel 0.15m.	strongly deformed qtz.-bio.-musc-chl. vein			
	"			"		129048G		grab float	Silicified/biotitic, argillite from suboutcrop?		5% pyrite	
	"			"		129049G		0.2m	Qtz. vein. coarse limonitic.		3-5% py + sph.?	
	June 23			GHW		129050G		grab float	Coarse limonitic qtz. vn? boulder w. sprarse min		~1% pyrr + py?	
	"	GH tailings		GHW		129401G		grab float	Qtz. vn. boulder with rich pyrite min. (coarse)		15% pyrite	
	June 24			GHE		129402G		grab	silicified, hornfelsed? argillite		5% pyrr.	
	June 24			"		129403G		grab	Coarse qtz. vein, limonitic.		5% pyrr.	
	"			"		129404G		grab	Porphyry dyke with concentric rounded phenos.		1% pyrite	
	"			"		129405G		0.3m	H.W. of a shear: qtz./silica biotite		5% pyrite	
	"			"		129406G		3.3m	Gossanous zone up the HW of the above shear in arg.		3% pyrite	
	"			"		129407G		grab	"Meta-argillite with "megaporphyroblasts"			
	"			"		129408G		grab	From 1.5m qtz. stockwork zone (only!! qtz sampled)		2-3% pyrr. + py.	
	"			"		129409G		0.3m	Deformed coarse qtz. vein (bio.-qtz. mix.)		2% pyrr.	
	June 26			GHW		129410G		grab	Coarse + sugary qtz, weakly limonitic		<1% pyrr.	
	"			GHW		175 75W		soil C hor.	Blue greish clay, fine of high purity.			
Shipped July 1	June 29	Mine	Area	GHW shoreline		129411G		2.0m	limonitic silicified argillite (shoreline)		pyrr. 2%?	
	"	Mine	Area	GHW shoreline		129412G		grab	Altered granite dyke (limonite, clay, sil., pyrr.)		2-3% pyrr.	
	"	Mine	Area	GHW shoreline		129413G		0.4m.	Dark andesitic dyke altered? pyritic		5-7% py. + pyrr.	
	"	Mine	Area	GHW workings		129414G		grab	Pyritic argillite on E wall of GH vn. (s. sided)		3% pyrite	
	"	Mine	Area	GHW workings		129415G		high grade	70% pyrrhotite from N edge of GH vein		70% pyrr.	
	"	Mine	Area	GHW workings		129416G		grab	nearest wall rock arg. within inner stockwork zone		5% pyrr.	
	"	Mine	Area	GHW workings		129417G		grab	Pyritized qtz. in E wall of GH vein, brecciated + ss.		7% pyrite	
	"	tailings		GHW		129418G		grab	Coarse qtz. equally rich in pyrite and pyrrh.		6% py. + pyrr.	
	"	tailings		GHW		129419G		grab	Strongly limonitic and s. sided qtz.-argillite		2%? pyrite ± pyrr.?	

switched description

GL - Gold Leaf
GHE - Groundhog East

2

Chris Baldys

	SAMPLE DESCRIPTION:				PROJECT Granby Peninsula				LOCATION Groundhog		NTS
	Date	Location N	Location E	Location Co-ord	Assay #	Sample #	#	Across (m)	Description	Mineralization	#
Shipped June 16	June 12					129001G		0.3m	drusy qtz, micas, graph.	2% py., sph., aspy?	
	"					129002G		0.5m	coarse qtz + micas	2-5% pyrite	
	June 13					129003G		0.1m	qtz. + pyrrothite; h.w. GH	30% pyrrothite	
	"					129004G		2.3 m	coarse limonitic qtz. GH	<1% pyrite	
	"					129005G		2.0	coarse limonitic qtz. GH	1-2% pyrrothite	
Shipped June 23	June [illegible]					129006G		grab float	dark argillite, vuggy tex	2% ? sulph?	
	"					129007G		0.4m	argillite (hornfels?)	20%? pyrrothite	
	"					129008G		0.6m	argillite (hornfels?)	2% pyrr., 5% pyrite	
	"					129009G		1.5m	coarse qtz. vein GH		
	June 17					129010G		0.3 m	coarse hematitic qtz.vn.GH		
	"					129011G		1.2 m	sheared argillite, vuggy	5-10% sulph.	
	"					129012G		grab float	coarse qtz.		
	June 18					129013G		2.0m	hornfelsed? argillite	3-5% sulph. (Cu?)	
	"					129014G		1.0m	silicified? siltstone	3-5% pyrite	
28 June	"					129015G		0.8m	sheared, silicified argillite	2% py., + pyrr.	
	"					129016G		0.4m	coarse qtz.vn in dioryte		
Shipped June 23	"					129017G		grab float	coarse qtz. vn? float		
	"					129018G		grab	limonitic wacke w. qtz. stringers	1-2 % pyrr.	
	"					129019G		0.4m	shear? w. folded graph. qtz		
	June 19					129030G		1.0m	silicified argillite	7% pyrr. + py?	
	"					129031G		0.8m	shear/thrust? silicified		
	"					129032G		1.0m	meta. sandst. (biotite+qtz.)	1% pyrite	
	"					129033G		0.7m	hornfelsed? argillite	4% pyrr. + py?	
	"					129034G		0.8m	shear/thrust? (qtz.+ micas)	2% pyrr. + py.	
	June 20					129035G		grab	shear (qtz.+ biotite + hematite)	1% Cu sulphides ?+py.	
	"					129036G		0.6m	schistose sheared argillite		

h.w. - hanging wall / py - pyrite; pyrr - pyrrhot

Chris Baldys

SAMPLE DESCRIPTION: | PROJECT *Granby Peninsula* | LOCATION *Gold Leaf* | NTS

Shipped June 23

	Date	Location N	Location E	Location Co-ord	Assay #	Sample #	#	Across	Description		Mineralization	#
	June 20					129037G		0.8m	fractured limonitic metased.		2% pyrr.	
	"					129038G		1.0m	metaargillite (hornfels?)		7% pyrr.	
	"					129039G		grab	vuggy coarse qtz.		6% py, pyrr, sph.?, aspy	
	June 21					129040G		0.2m	qtz. rich shear in argillite		2-5% pyrr.	
	"					129041G		grab	h.w. sulphide rich zone (lens <u>0.3</u>-1.5?m thick)		30% sulp: pyrr. + Cu? sulphides (oxidized	
	"					129042G		0.1m	coarse, vuggy qtz.		2-5% pyrr. + aspy.	
	"					129043G		0.2m	sulph. rich hw. sheared argillite		15% pyrr. + py	
	"					129044G		grab	diorite/amphibolite dyke		1% py. cubes	
GHE	June 22					129045G		3.5m	metaargillite; graphitic		3% pyrrhotite	
GHE	"					129046G		3cm	coarse limonitic qtz. vn.		5% py., 1% aspy?	
GHE	"					129047G		0.15m	deformed qtz.-mica vn.			
GHE	"					129048G		grab float	silicified meta-argillite		5% pyrite	
GHE	"					129049G		0.2m	coarse qtz. vein		3-5% py. + sphalerite	

C. [illegible]

SAMPLE DESCRIPTION:				PROJECT			LOCATION Granby Pt.		NTS	
Date	Location N	Location E	Location Co-ord	Assay #	Sample #	*	Description		Mineralization	#
		Au ppb	55.	Grab	128501		Quartz vein, Brecciated, Sedimentary fragments 8cm		Graphite Py 2% Chlorite	
				↓	128502		Quartz vein conformable		Po: 1% Py. Tourm	
					128503		Fqvh.		py 1%	
18/06/88					128504		Faulted + folded qtz veins		py	D.H
"		Au ppb	55		128505		lg, arb incl., 3-10cm		py loc 25%	
18/06					128506		Pyritized siltstone (10-15cm)		py up to 20-30%	D.H
"					128507		chert ?		py 1%	D.H
"					128508		Qtz vein network, Δ, sandstone fragments	1.5m		D.H
"					128509		Sugary qtz vein ≥4m thick (Goldkeish)			D.H
				[illegible]	128510		Qtz vein 20cm, Conformable		Po 3% Biotite	
				[illegible]	128511		Wall Rock at contact with Qtz Vein, Brecciated		Py. Po 2% Chlorite	
19/06/88					128512		Centimetric qtz vein with py smear		py 2-3%	
19/06					128513		limonitic + schistose argillite folded py beds		py 1-5%	
19/06					128514		Fqvh			
19/06/88					128515		Folded qtz veins, argillite fragments chl bio			
19/06/88		Au ppb	215		128516		Folded qtz veinlets horizon (Fqvh)		py 2-3%	
19/06					128517		Fqvh, limonitic, argillite inclusion		py	
20/06/88					128519		Fqvh		py tr.	
"		Au ppb	220		128520		Fqvh			
"					128521		Fqvh			
"					128522		qtz matrix, seds Frag breccia, // to clyKr			
21/06/88		Au ppb	105		128523		Reserve vein			
"			4,750	Ag 154 ppm	128524		" "		black sph, py. tr	

Fqvh: Folded qtz vein horizon

5

D. Heon

SAMPLE DESCRIPTION:				PROJECT			LOCATION		NTS	
Date	Location N	Location E	Location Co-ord	Assay #	Sample #	*	Description		Mineralization	#
21/06/88			1,065 ppb Au	Grab	128525		Grey + white qtz vein, 5-35 cm.		po sph tr	
"			130 ppb Au	4.67 ppm Ag	128526		Reserve vein (?)			
"					128527		hanging wall of 128526			
"			+10,000 ppb Au	7,200 ppm Ag	128528		thinner vein on top of 128526.			
"			2,420 ppb Au	8.8 Ag	128529		Reserve vein, carb. incl.		sph, ga, po ?	
"			50 ppb Au		128530		Fqvh			
"			320 ppb Au		128531		Fqvh + mineralized argillite		py 5%	
"			350 ppb Au		128532		Fqvh.			
"			2,150 ppb Au	157 ppm Ag →	128533		Fqvh - limonitic			
					128534		Anyox side. qtz vein		Sph py.	
22/06/88					128535		limonitic qtz veinlets, carb. incl.		sulph. tr.	
"					128536		Fqvh			
"					128537		qtz veins ⊥ to bedding			
"					128538		qtz vein		sph., py, cp. tr.	
"					128539		qtz. biotite			
23/06/88					128540		Folded qtz veinlets in arg. brecciated			
"					128541		Fqvh		py tr.	
26/06/88					128542		qtz veinlets. cm			
"					128543		Fqvh			
"					128544		Folded qtz (nodules?) in argillite			
27/06/					128545		Vq		po tr.	
"					128546		Fqvh. veinules plissées d. a.			
"					128547		Vq			
"					128549		Limonitic sandstone		py <1%	
"					128549		Vq			
"					128550		Qtz vein horizon. brecciated		py loc 5/10%	

D. Hein

SAMPLE DESCRIPTION:	PROJECT	LOCATION	NTS

Date	Location N	Location E	Location Co-ord	Assay #	Sample #	Description	Mineralization
29/06/88				Grab	128551	Vg, black sphalerite	sph <1%, py tr
"				↓	128552	[illegible]	
30/06/88					128553	Folded qtz vein, ≈ 1 cm, tr. graphite	
"					128554	Qtz veins with highly silicified host.	pyrite.
"					128555	Qtz vein [illegible] cm	py tr, ga tr.
2/07/88			Groundhog		128556	Qtz vein	py tr.
"					128557	argillite slightly alt. with diss py veinlets	py up to 10-15%
"					128558	altered arg. w. qtz veinlets, diss py	py ≈ 5-7%
"					128559	altered qtz + carb, arg, rusty, py coarse + [illegible] (shear)	py 5-10%
"					128560	"qtz steps" coarse py-po (ribboned qtz).	py po 5%
"					128561	"qtz steps" (ribboned)	py po 1%
"					128562	min. + qtz inj. arg. near vein, coarse py-po, graphite.	py-po 5-10%
"					128563	sheared seds w qtz vein, diss py	py 1%
5/07/88			May Mine		128573	Qtz vein grey → bloc.	
"			"		128574	Qtz vein [illegible]	po <1%
"			"		128575	Qtz veins altered sandstone, chl, po	po ≤2%
6/07/88			May Mine		128576	Vg blanc à gris, loc. alt, trem, dis. g. alt.	
"			"		128577	Vg [illegible]	py
"			"		128578	Eponte de 128576, g alt, trem. po diss	po 2%
"			"		128579	Qtz blanc, biotite, chl?	
"			"		128580	Qtz [illegible] (60%) [illegible]	po ≤1%
7/07/88			Granby West		128581	Qtz vein breccia, seds. Fx in qtz matrix.	
"					128582	Qtz vein, Sed. incl., py tr.	py tr
"					128583	Breccia zone. Qtz matrix.	
"					128584	Qtz veinlets inj. in carb. seds.	py tr.
"					128585	Qtz vein w seds. Fx.	py ga sph tr

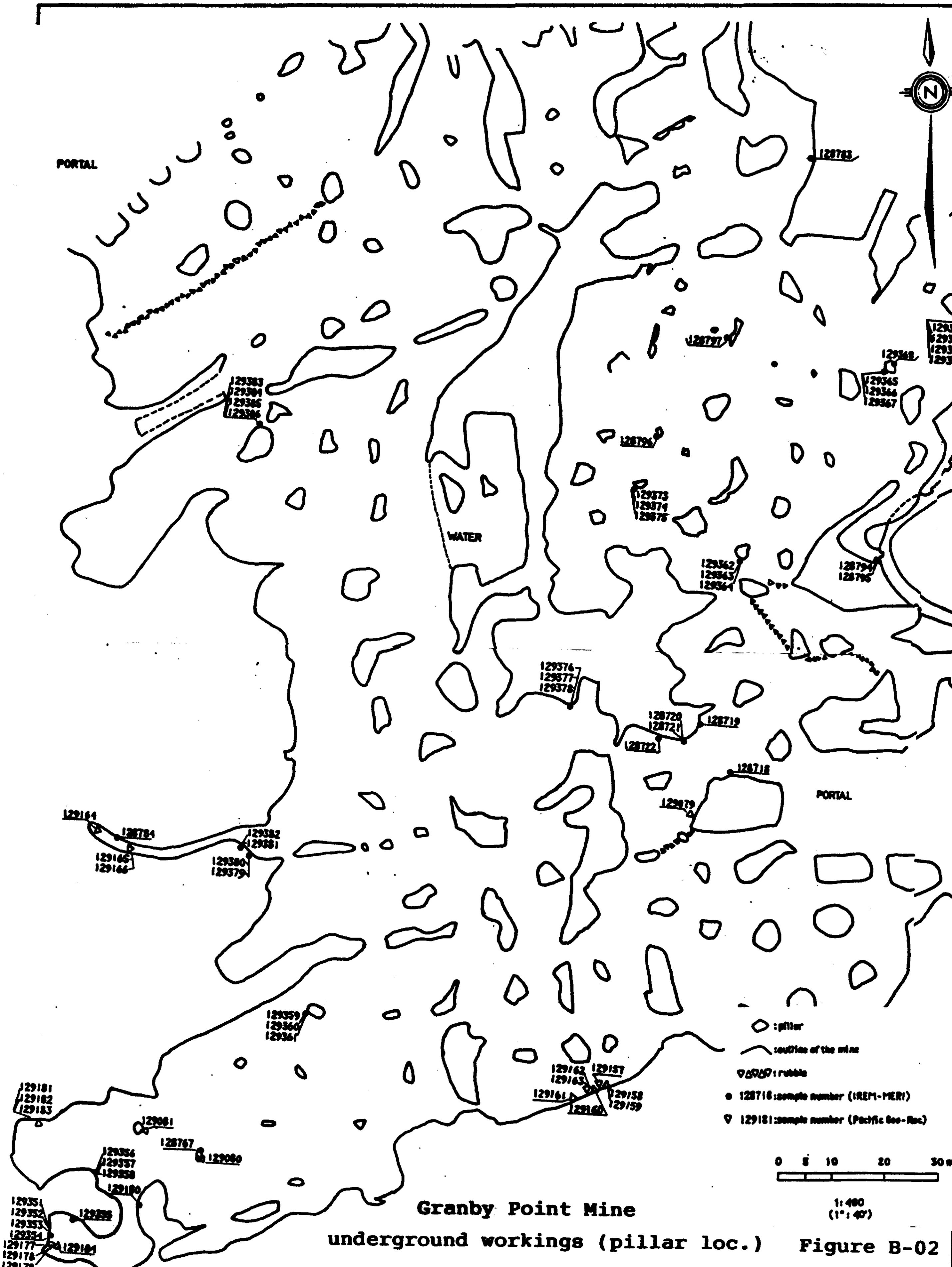
APPENDIX B :

Geological Exploration Figures

GRANBY & BUCKING Peninsula sampling grid location

Skeena 103P/5

Figure B-01



Granby Point Mine

underground workings (pillar loc.) **Figure B-02**

GRANBY PENINSULA

Preliminary geological mapping

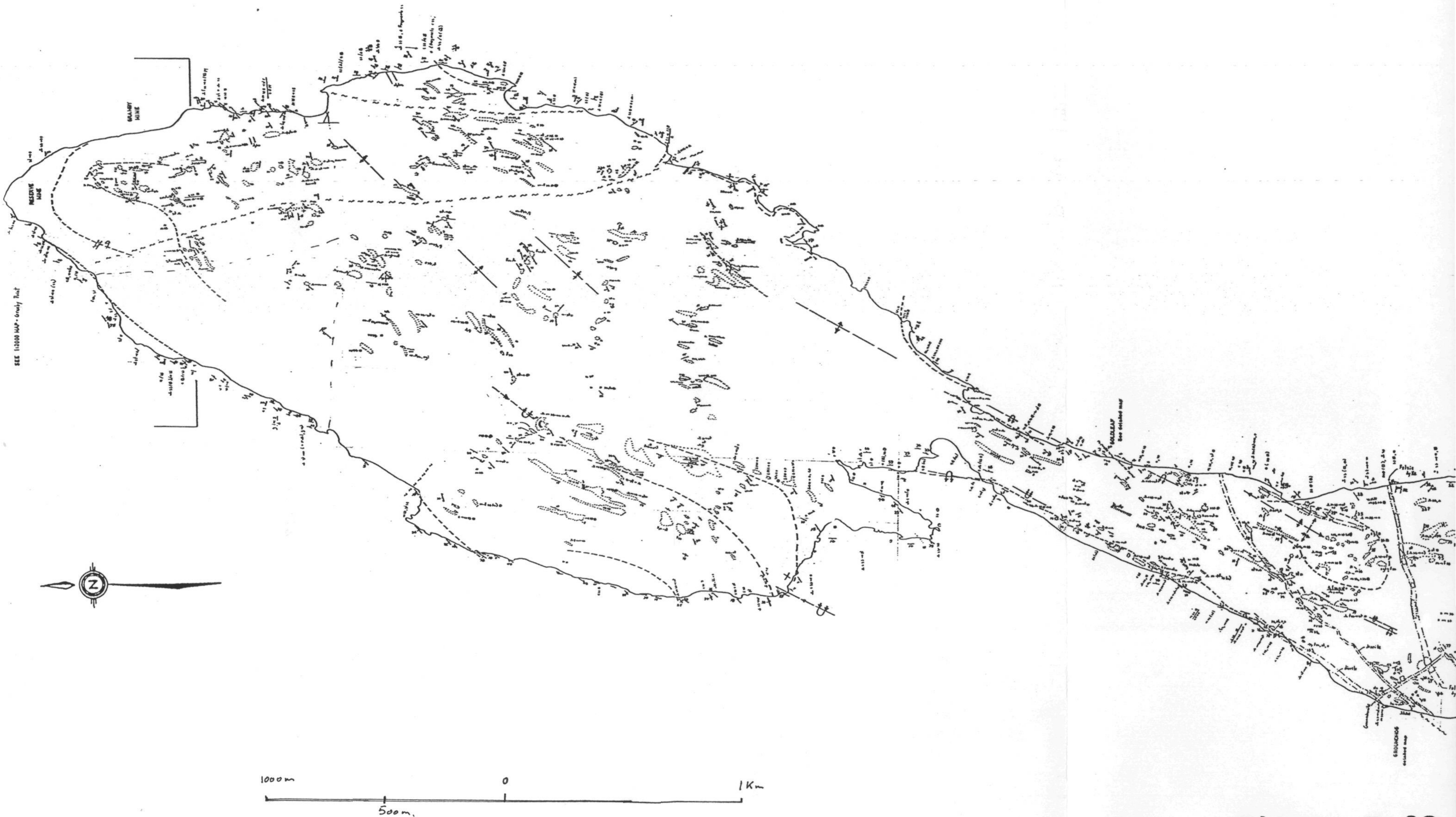


Figure B-03

Goldleaf Geological sampling

&

mapping 103P/5

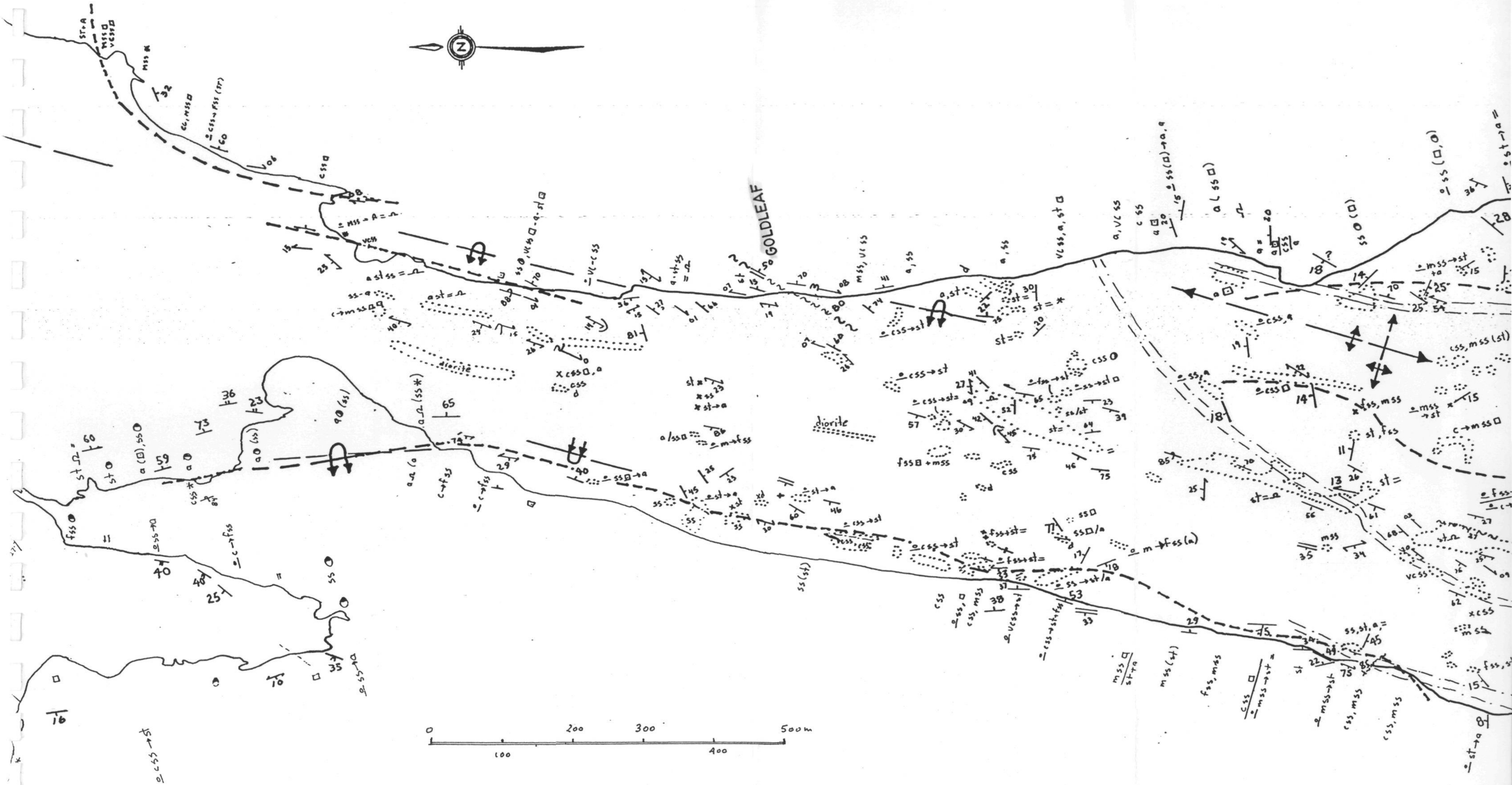
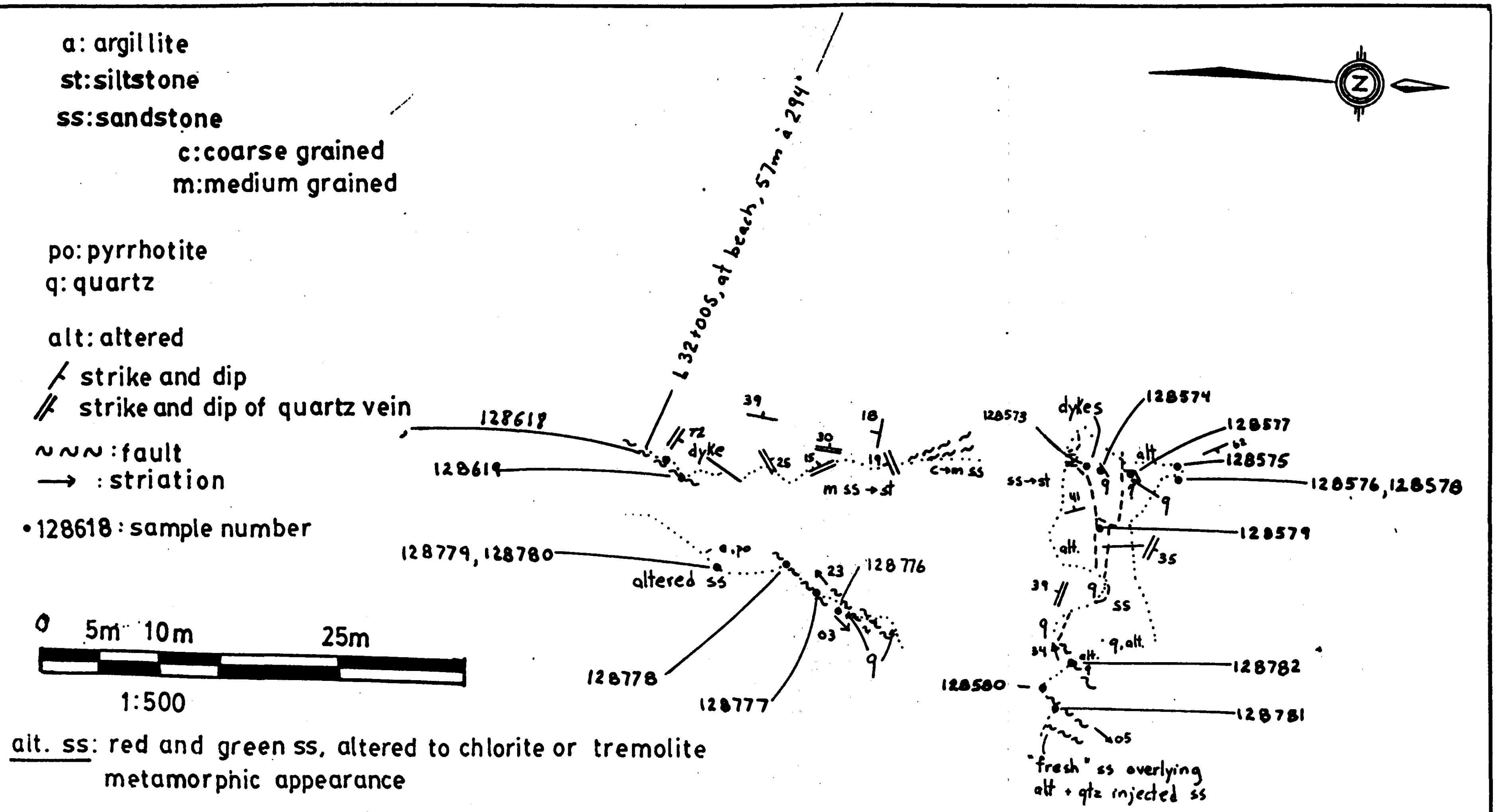


Figure B-04



MAY PIT- NORTH

Geological mapping

Figure B-05

GOLDLEAF & GROUNDHOG EXPLORATION TARGETS

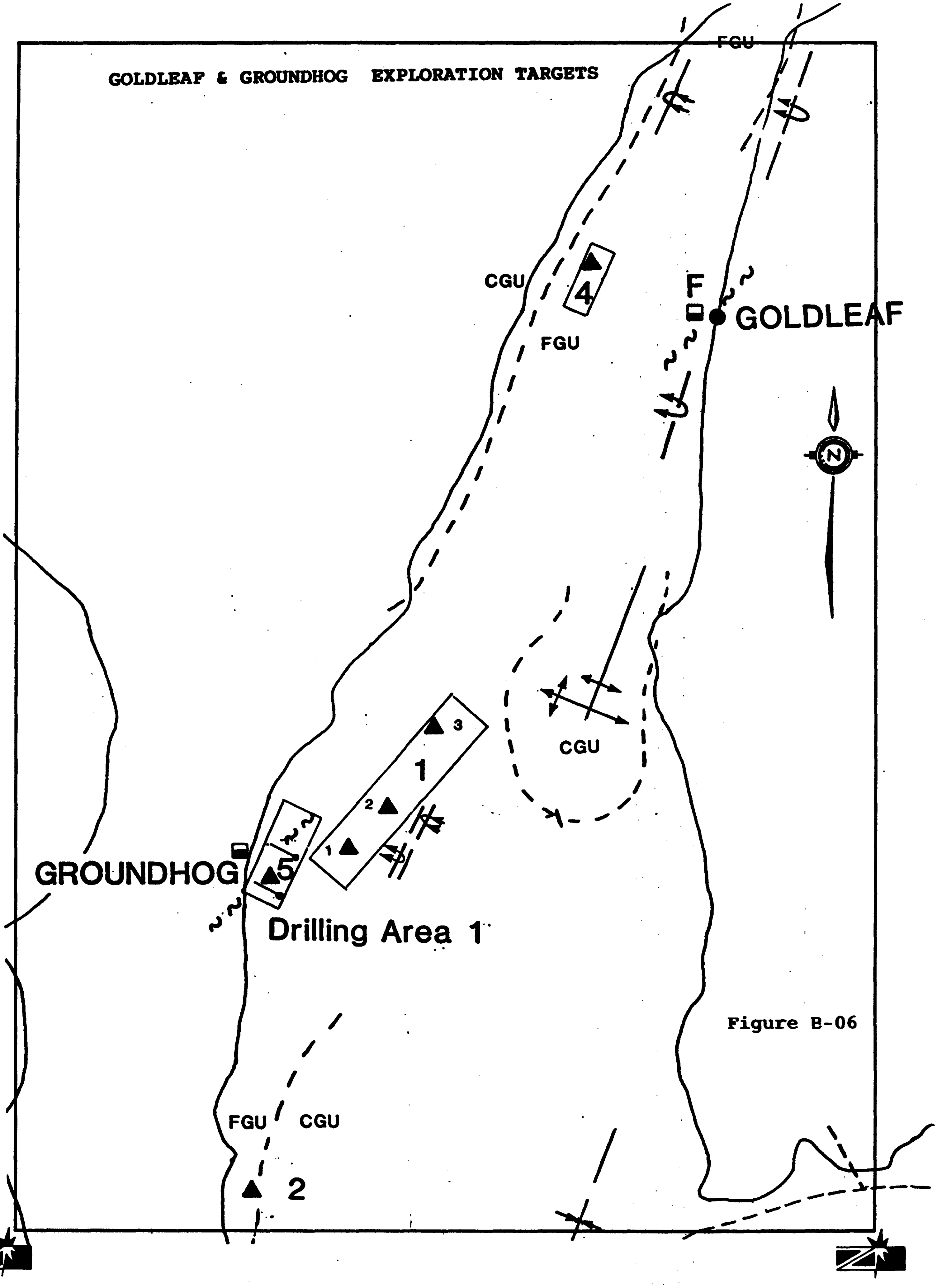


Figure B-06

GRANBY PENINSULA

GOLDLEAF - GROUNDHOG - MAY PIT

Preliminary geological mapping

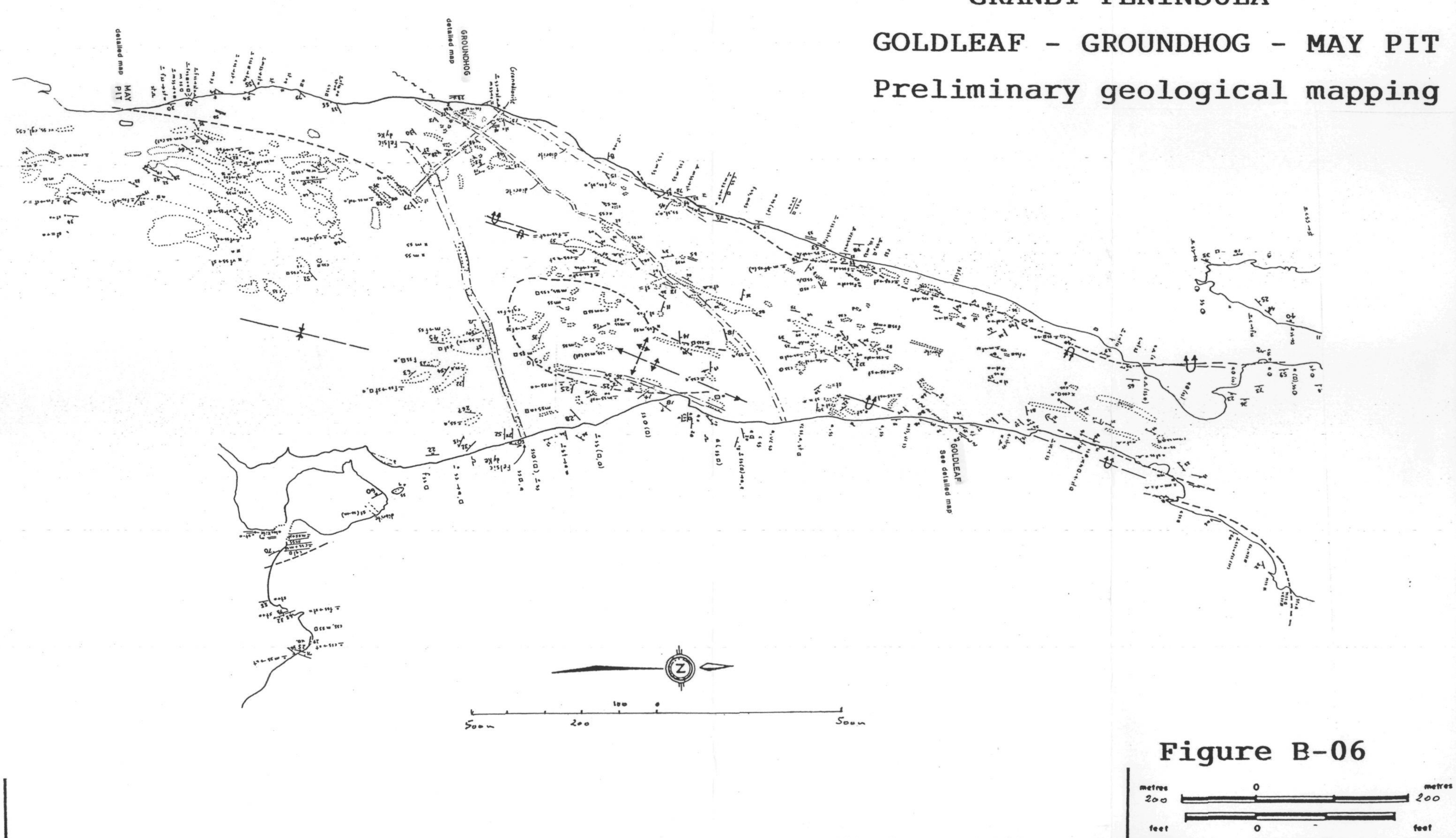


Figure B-06