REPORT ON THE LILL CLAIM GROUP LILLOOET MINING DIVISION, BRITISH COLUMBIA

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on behalf of
LAWRENCE MINING CORP.
VANCOUVER, B.C.

by
J.H. Montgomery, Ph.D., P.Eng.
September 1, 1985

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1.0 SUMMARY AND CONCLUSIONS

Lawrence Mining Corp. of Vancouver, B.C. holds title to the LILL group of claims under option agreement with Mr. G.H. Rayner owner of the claims. The group which consists of three metric unit claims comprising 22 units, is located in Lillooet Mining Division of British Columbia about 12 kilometers east of Pemberton, B.C.

Access to the property is by boat across Lillooet Lake from Duffy Lake Road, a distance of 3 kilometers.

Previous work consists of limited underground work and trenching on four showings: Eagle group, Lake group, Boulder group and Apex group. Later work consisted of geological mapping and geochemical sampling by Dr. A.C. Skerl, P.Eng. in 1959 which showed the presence of pyritic, siliceous tuff and copper geochemical anomalies.

Following this, work was also done by several companies in 1969 and 1980-1983. The work included geological mapping, geophysical surveys and geochemical sampling but was either concentrated on the old showings are too widely spaced. Although most of this previous work showed geophysical and geochemical targets, no follow-up work has been done on the most promising target, the broad copper-zinc anomalous zone related to the pyritic, silicified tuffs near the southend of the property and trending to the northwest.

The LILL claims are located at the southend of a large pendant of Cadwallader group sedimentary and volcanic rocks intruded by quartz diorite of Coast Crystalline Belt and oher dykes. Mineralization consists of two types: magnetitie-pyrite-chalcopyrite-pyrrhotite associated with epidote skarns and pyrite-chalcopyrite-sphalerite in silicified, banded tuffaceous rocks. This latter has a strong resemblance to a volcanogenic deposit.

A program of exploration is recommended for the LILL property to consist of additional geochemical soil sampling, geological mapping, magnetometer and electromagnetic surveys and test drilling.

The program is estimated to cost about $70,000.00 and to take about two months to complete.

2.0 INTRODUCTION

Lawrence Mining Corp. of #812-475 Howe street, Vancouver, B.C. holds title under option agreement to the LILL GROUP of claims which are located on the southwest shore of Lillooet Lake in Lillooet Mining Division, British Columbia.

At the request of Lawrence Mining Corp., I made an examination of the property on July 19-21, 1985 in the company of G.H. Rayner, owner of the property. This report is based on that visit to the claims and also on a study of all available reports concerning previous work and relevant government publications.

A program of further exploration has been recommended to consist of geophysical surveys and test drilling.

A cost estimate has also been prepared.

3.0 LOCATION AND ACCESS

The property is located on the southwest shore of Lillooet Lake about 120 km. north of Vancouver, B.C. and 12 km. east of Pemberton, B.C. See Figure 3-1. N.T.S. Map Reference: 92J/7E

Latitude: 50o 14'N

Longitude: 122o 36'W

The property is not accessible by road but a gravel road (Duffy Lake Road) passes along the northeast shore of Lillooet Lake and claims may then be reached by boat. The distance across the lake is about 3 km.

The claims lie at elevations between 650 feet and 2500 feet. The northwest-facing slope, on which the property lies, is well-timbered with hemlock, balsam and cedar with light underbrush. Water is available from Lillooet Lake and Ure Creek (formerly Boulder Creek).

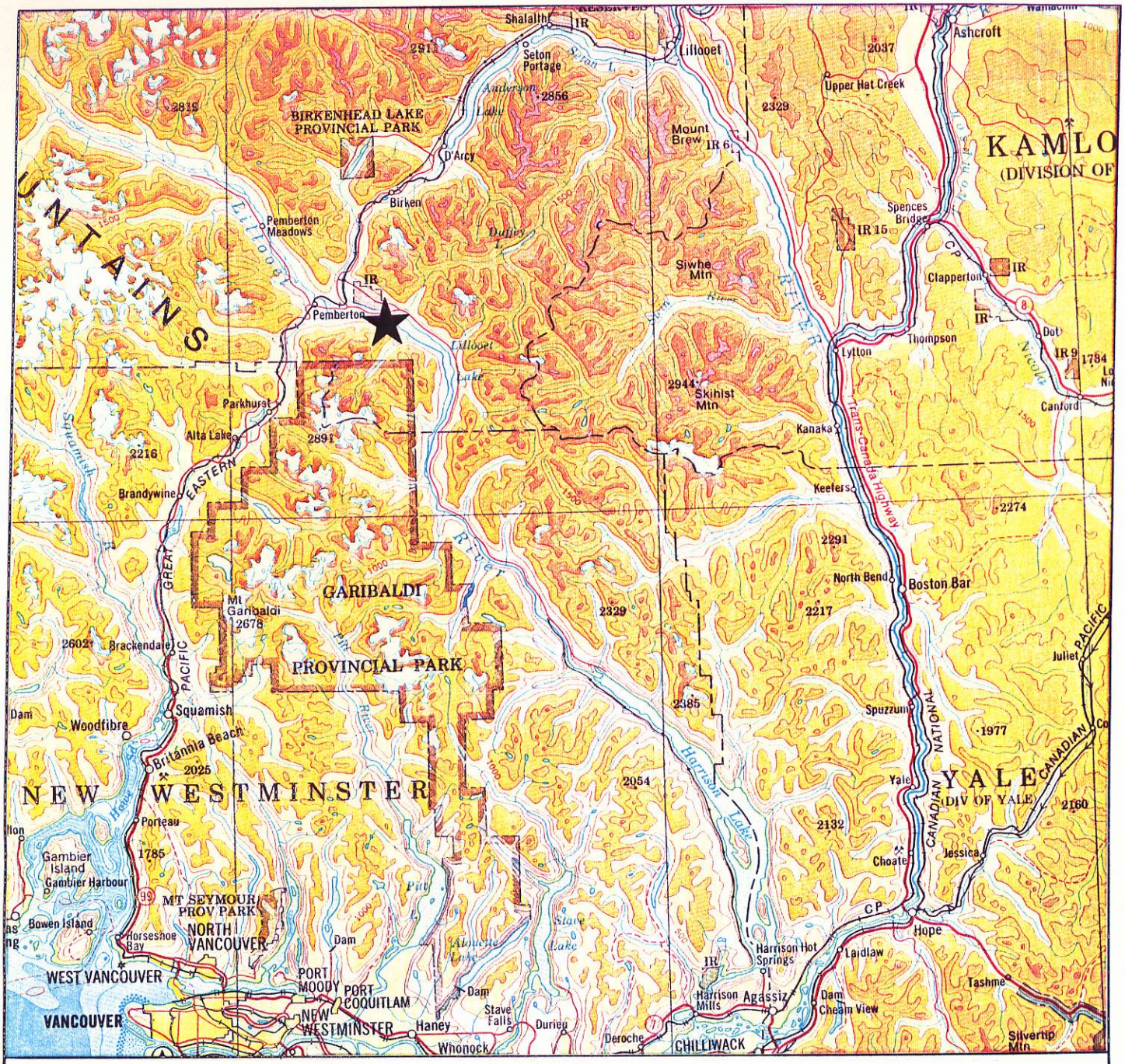

FIGURE 3-1

LAWRENCE MINING CORP.

LILL CLAIM GROUP

PROJECT # 85GR1

LOCATION MAP

SCALE 1:1000000.

0 20. 40. 60. 80. KM.

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4.0 CLAIM INFORMATION

The LILL GROUP of claims consists of three metric unit claims, LILL 1 (10 units), LILL 2 (2 units) and LILL 4 (10 units). They are located in Lillooet Mining Division. Approximate locations are shown in Figure 4-1.

Claim information was obtained from Mr. Rayner and from the Mining Recorder's office in Vancouver. Pertinent claim data is listed in the following table:

CLAIM (units)	RECORD NO.	EXPIRY DATE
LILL I (10)	574 (11)	November 1, 1986
LILL II (2)	575 (11)	November 1, 1987
LILL IV (10)	3234	May 3, 1987

Some of the posts were observed in the field and the claims appear to have been staked in accordance with British Columbia regulations.

The Crown Grant claim (L.3139) shown on Figure 5-1 is not validated but is shown on some topographic maps.

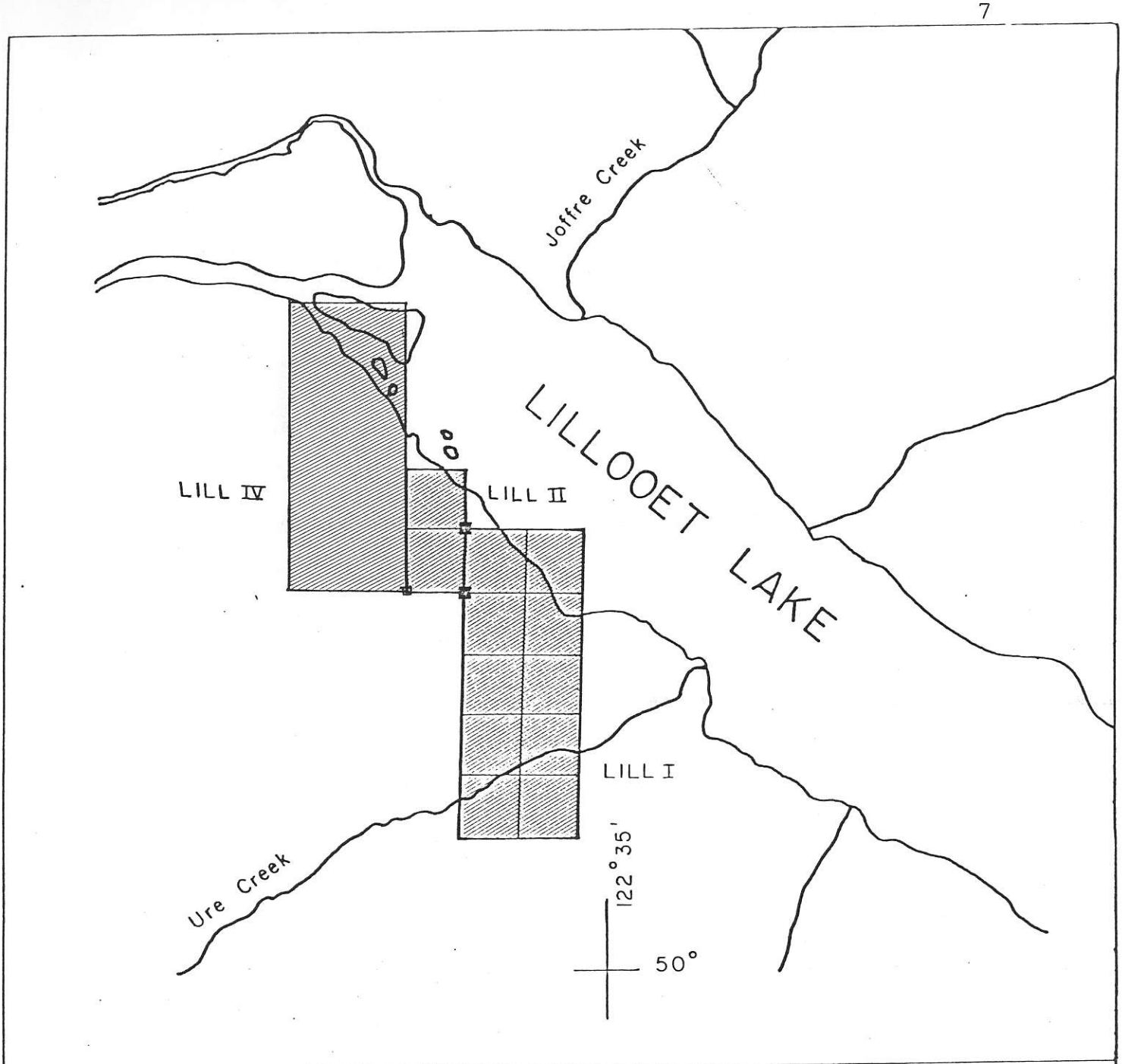

FIGURE 4-1

LAWRENCE MINING CORP.

LILL CLAIM GROUP

PROJECT # 85GR1

CLAIM MAP

SCALE 1: 50000.

Ø 1. 2. 3. 4. KM.

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5.0 HISTORY AND PREVIOUS WORK

The first mining exploration activity in the immediate area took place in 1915 with the discovery of the Boulder (Ure) Creek and Lake Adit showings. According to Cairnes (1924), there were four groups of claims: Eagle group, Lake group, Boulder group (including Copper King C.G.) and the Apex group.

On the Eagle group, there is a tunnel 100 feet long driven through volcanic and sedimentary rocks. It intersected a zone of mineralization about 5 feet wide which contains pyrite, magnetite, chalcopyrite, pyrrhotite and sphalerite.

On the Lake group, a tunnel intersects about 18 feet of similar mineralogy in greenstones.

On the Boulder group (also known as "Skerl's Showing"), a mineralized zone about 300 feet wide contains abundant pyrite. Rock types include slates, chert, limestone and greenstones. Other minerals present include those mentioned above.

On the Apex group, the zone is about 600 feet wide (Cairnes, 1924) and is mineralized with pyrrhotite.

Some diamond drilling is reported to have been done around 1929 near the Lake and Eagle groups by Howe Sound Company but no details of this work are available.

In 1959, the MAC Group of claims covered part of the original Boulder group and geological mapping and geochemical sampling were done on what later became known as Skerl's Showing. See Figure 5-1. The work was done by Dr. A.C. Skerl, P.Eng. The mapping showed the underlying rock (in part) to be pyritic, siliceous tuff with minor chalcopyrite. Three areas were found to be geochemically anomalous in copper.

In 1969 and 1970, Cerro Mining Company of Canada Limited staked the AX-ZIP claims over most of the showings, put in a grid and did geophysical surveys, geochemical soil sampling and geological mapping. The results of this work are summarized below and plotted on Figure 5-1.

Soil samples were taken over the claim-area by A.G.S. Cross (1970). He considered nine areas anomalous in copper and six areas anomalous in zinc.

Magnetometer and VLF-EM surveys were conducted over a part of the claims. Anomalous zones are partly coincident with geochemical anomalies and areas of known mineraliation. This work was done for Cerro by Eagle Geophysics Ltd.

The geology of the area was mapped by J.R. Woodcock (1969). A portion of this work is described under Section 7.0.

In 1980, the Lake Adit claim was staked over Lake Adit Showing and H. Kim (1980) performed geophysical and geochemical surveys. In his report, he recommended additional exploration of the property.

In 1983, the property was now covered by the LILL claims which were staked in 1977. At this time, Hightest Resources Inc. put in a new grid with 100 metre spacing covering most of the claims. See Figure 5-1. They concluded geochemical soil and VLF-EM surveys over the property. The soil survey detected the copper-zinc anomalies shown on Figure 5-1.

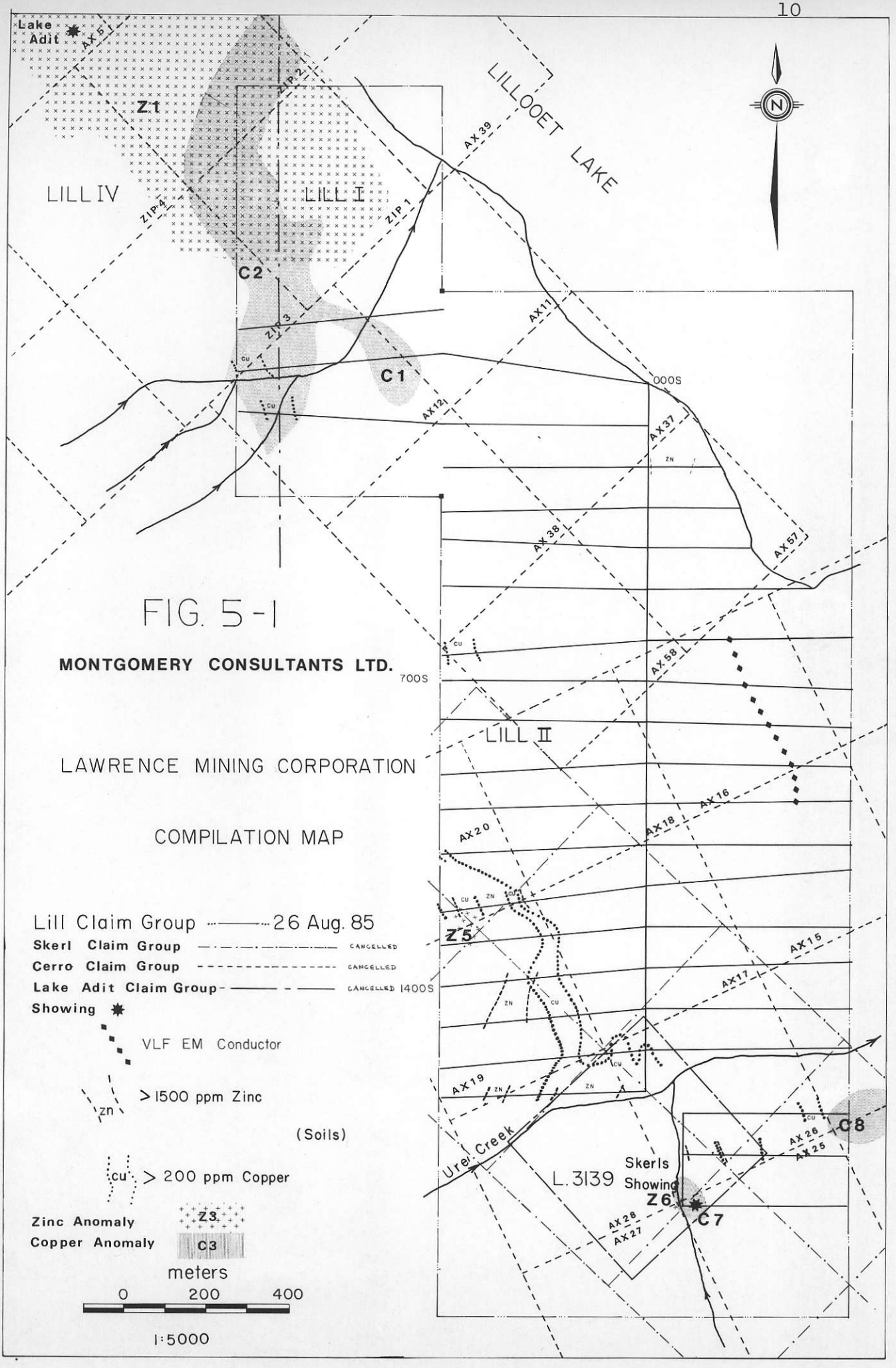

FIG. 5-1

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LAWRENCE MINING CORPORATION

COMPILATION MAP

6.0 REGIONAL GEOLOGY

The regional geology of the area has been mapped by Cairnes (1925, 1937, 1943), Roddick and Hutchison (1973) and others and compiled by Woodsworth (1977). The relevant portion of Woodsworth's compilation is reproduced in Figure 6-1.

The general area is underlain by the Spetch Creek pluton which is a northwesterly-trending crystalline belt composed of granodiorite of unknown age. The rock is medium-to coarse-grained with a foliation which also trends northwesterly.

On the southwestern flank of this crystalline belt lies a pendant which is about 110 kilometers long and about 10 kilometers wide. This structure is composed of Cadwallader Group (Unit 7) rocks of Upper Triassic age. The Cadwallader is an undivided group which includes Hurley (Unit 6), Pioneer (Unit 5) and Noel (Unit 4) formations and may also include older or younger rocks.

Hurley formation is composed of thin-bedded argillite, phyillite, limestone, tuff, conglomerate, andesite and minor chert.

Pioneer formation includes greenstone, andesitic to basaltic flows and pyroclastics.

Noel formation contains thin-bedded argillite, chert, conglomerate and greenstone.

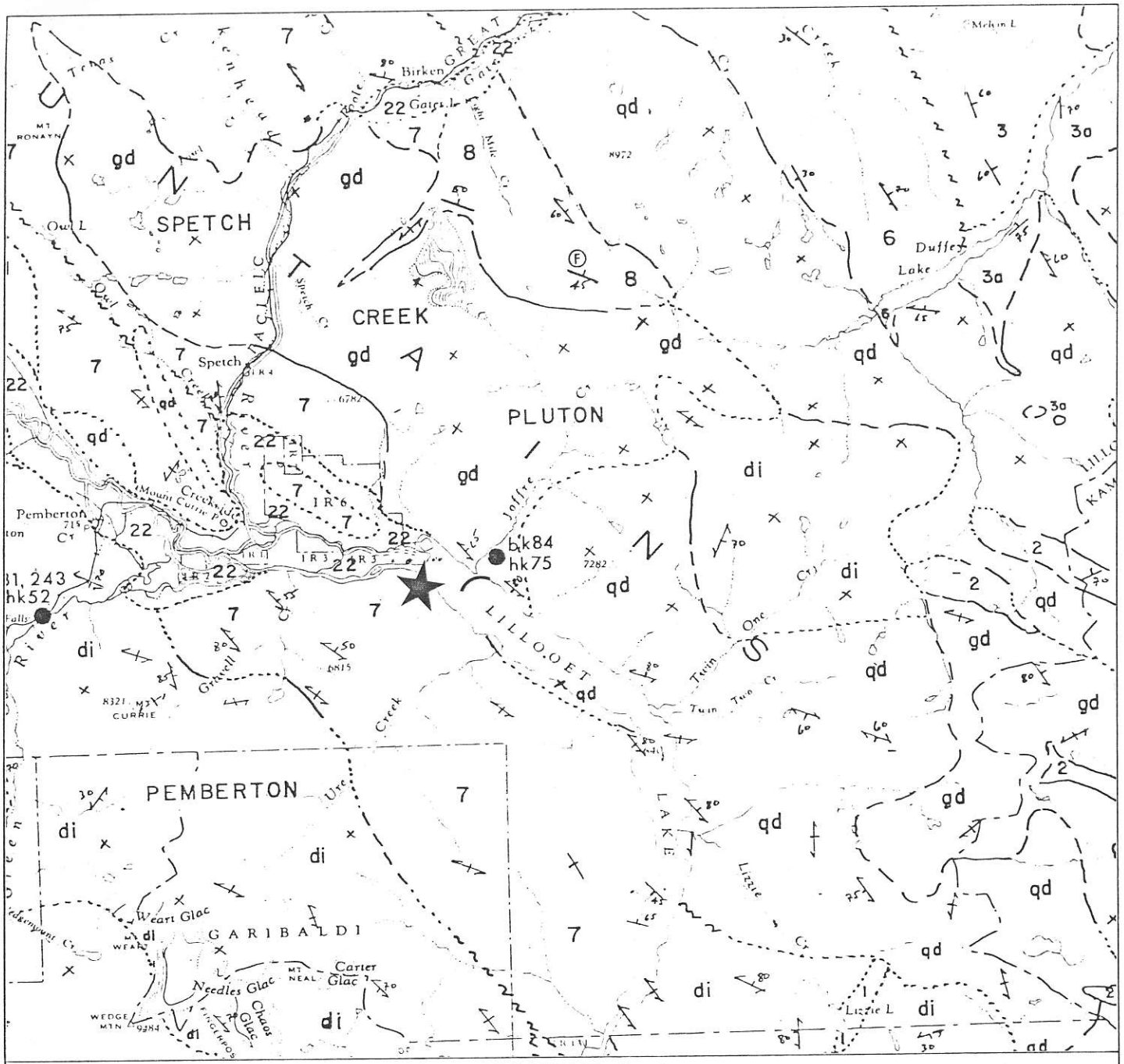

FIGURE 6-1

LAWRENCE MINING CORP.

LILL CLAIM GROUP

PROJECT # 85GR1

REGIONAL GEOLOGY

SCALE 1: 250000.

0 5. 10. 15. 20. KM.

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AUGUST 26, 1985

7.0 PROPERTY GEOLOGY

The geology of the general claim area and showings has been mapped by Kim (1980), Kierans (1970), Wells (1983), Cairnes (1924), Cross (1969) and Woodcock (1969). The following description is drawn from their reports and from personal observations during my visit to the property.

The LILL claims are located at the south end of the Cadwallader group pendant described in the previous section. It is intruded by quartz-diorite of Coast Crystalline Belt and by lamprophyre and other dykes. Kierans (1970) has described three types of mineralization but they appear to be closely related and part of the same event. The differences could be ascribed to later events such as shearing or the intrusion of various dykes.

The four different showings in the area appear to be related to a northwesterly-trending structure which is also the trend of the pendant. The type of mineralization present and the volcaniclastic host of some of the mineralization suggest a possible volcanogenic origin.

Descriptions of the various showings are given below:

(a) **Lake Adit**

The geology of Lake Adit has been mapped by Kim (1980) and a modified version of his map is shown on Figure 7-1.

The Lake Adit area is underlain mainly by andesite and marble which has been intruded by diorite and a lamprophyre dyke. Mineralization consists of magnetite, pyrite, chalcopyrite and pyrrhotite and occurs in a northwesterly-trending belt about 2 to 6 meters wide. The right-hand or northwest drift cuts through the mineralized zone, across an epidote skarn with disseminated mineralization and ends in carbonate. Copper values range from 0.11 to 1.6%, zinc from trace to 5.68%. Only traces of gold and silver were detected.

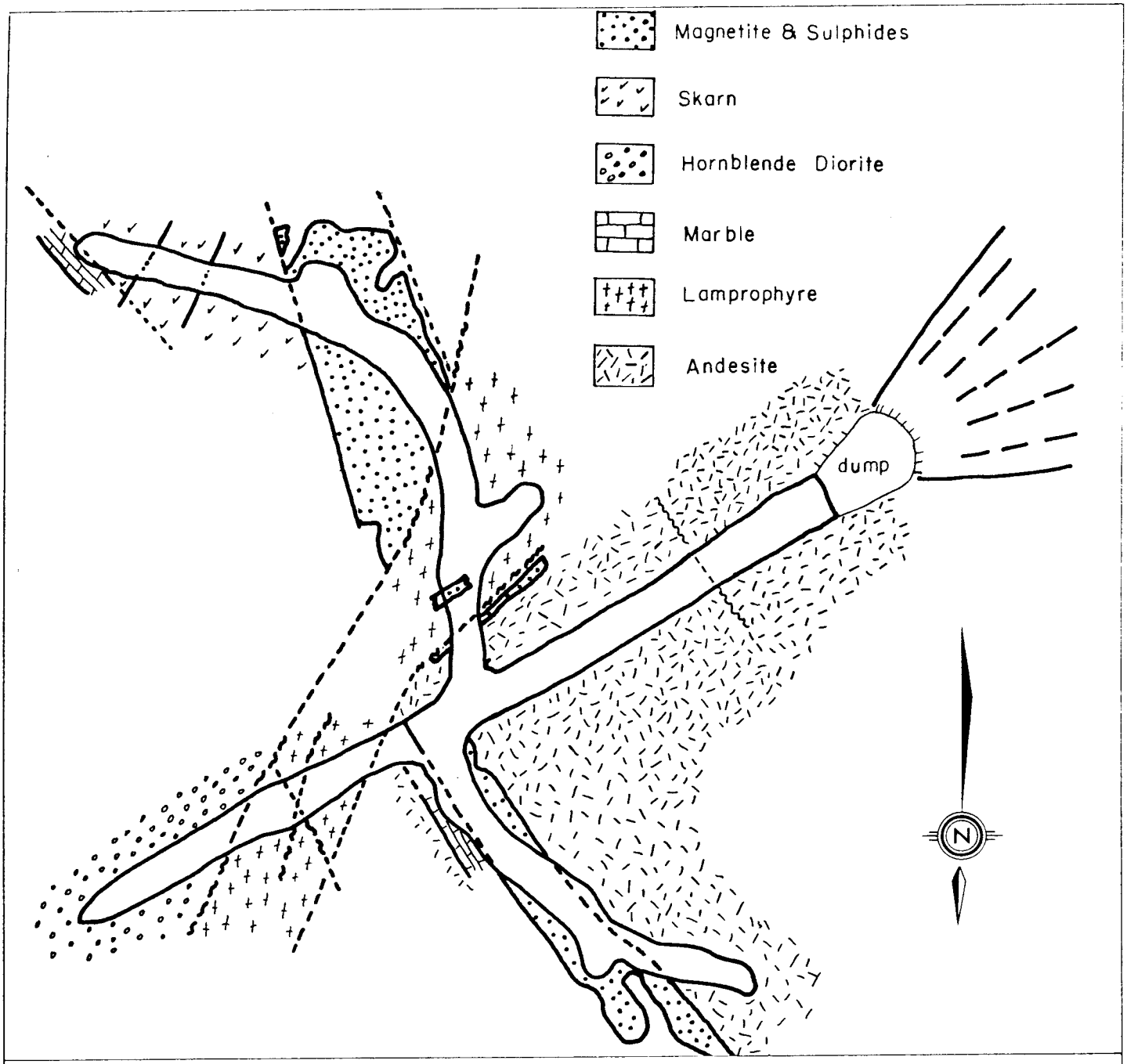

FIGURE 7-1

LAWRENCE MINING CORP.

LILL CLAIM GROUP PROJECT # 85GR1

MAIN ADIT GEOLOGY (KIM, 1980)

SCALE 1: 200.

0 4. 8. 12. 16. M.

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(b) **Eagle**

The Eagle showing is located just off the map-area about 800 feet west northwest of Lake Adit. It consists a massive magnetite-outcrop, massive pyrite and lesser amounts of arsenopyrite, chalcopyrite and sphalerite. Woodcock (1969) believes that mineralization is controlled by limy horizons within the volcanic rock. He suggests a similarity to the magnetite-copper deposits on Vancouver Island.

(c) **Havdale**

The Havdale showing is located off the map-sheet about 4800 feet northwest of the Lake Adit. It consists of epidote skarn with massive pyrite and minor mangetite and chalcopyrite.

(d) **Boulder (Skerl's Showing)**

Here, mineralization occurs in siliceous tuff and consists of pyrite, chalcopyrite and sphalerite. Skerl (19) states that the banded tuffs are overlain by volcaniclastic rocks and underlain by andesite and that the attitude is about 90o/20o-45oS.

Numerous andesite dykes intrude the volcanic rocks. Their general trend is northwesterly.

The banded silceous tuffs contain abundant pyrite both disseminated and in bands. Chalcopyrite is also present and with minor galena and sphalerite.

This mineralization, although on the same general trend (northwesterly) as the other showings described, is of a different type lacking the magnetite and skarnetized carbonate.

8.0 RECOMMENDATIONS

The copper-zinc mineralization on the Boulder Showing has a strong resemblance to a volcanogenic deposit. Pyrite occurs both disseminated and in subparallel bands in a siliceous tuff with copper, zinc and minor lead sulfides.

The soil geochemistry done in 1983 shows that this mineralization is part of west-north-west trend which has been only partly explored.

In view of the above a program of exploration is recommended for the LILL property. The proposed program is composed of an initial phase to consist of geochemical soil sampling, geological mapping, magnetometer and electromagnetic surveys and test drilling. Details of the program are as follows:

1. **Grid** - extend the existing grid to the west and to the south of Boulder (Skerl's) Showing.
2. **Geochemical Survey** - take additional soil samples to cover the possible extensions of the Cu-Zn anomalous geochemical trend outlined by previous work. About 800 samples will be required. Analyze for copper and zinc.
3. **Geological Mapping** - map the area of interest using the grid for base control.
4. **Magnetometric Survey** - conduct a magnetometer survey over the relevant parts of the grid using sensitive instruments both in the field and with a base recorder to make duirnal and other corrections possible. About 10 kilometers of line is estimated.
5. **Electromagnetic Survey** - conduct a pulse EM survey over the relevant portions of the grid defined by the above work. About 10 kilometers of line is estimated.
6. **Test Drilling** - an allowance is made for 1000 feet of drilling to test anomalies.

The program is expected to take about two months to complete.

9.0 COST ESTIMATE

1.	**PERSONNEL**	
	(a) Geologist - 2 months @ $4000	8,000.00
	(b) Assistant(2) -2 mon. @ $3000	12,000.00
2.	**TRANSPORTATION**	
	(a) Truck Rental - 2 mo. @ $1000	2,000.00
	(b) Truck Maintenance -	500.00
	(c) Boat Rental -	400.00
3.	**ACCOMMODATION**	
	(a) Camp Rental	1,000.00
	(b) Camp Maint. - 180 man-days	3,600.00
4.	**GEOCHEMISTRY**	
	(a) Analyses - 800 @ 3.75	3,000.00
	(b) Supplies	200.00
	(c) Computer Analysis	1,000.00
5.	**GEOPHYSICS**	
	(a) Instrument Rental	
	i) Magnetometers (2)	2,000.00
	ii) Base Recorder	500.00
	iii) Electromagnetic Unit	2,000.00
	(b) Computer Analysis	1,000.00
6.	**DRILLING**	
	(a) Percussion - 1000 ft. @ 15	15,000.00
	(b) Assays - 200 @ 11.50	2,300.00
	Sub-Total	$54,500.00
7.	**ENGINEERING & SUPERVISION**-10%	5,450.00
	Sub-Total	$59,950.00
8.	**CONTINGENCIES**-(approx. 15%)	$10,050.00
	TOTAL:	$70,000.00

Respectfully submitted,

J.H. Montgomery

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA J. H. MONTGOMERY

J.H. Montgomery, Ph.D., P.Eng.
September 1, 1985
Vancouver, BC

10.0 BIBLIOGRAPHY

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2. **Skerl, A.C. (1959)** - "Geochemical Report Mac Nos. 1 & 3 Mining Claims." B.C. Assessment Report #264.

3. **Cairnes, C.E. (1924)** - "Pemberton Area, Lillooet District, B.C. " - G.S.C. Summary Report 1924, Pt. A. p.76-79.

4. **Woodcock, J.R. (1969)**- "Geology of Eagle Prospect - (Ax Claims), Lillooet Lake Area." -unpub. Engineer's report.

5. **Cross, P.G. (1970)** - Report on the AX-ZIP Claims." -unpub. geol. report prepared for Cerro Mining Co.

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7. **Kim, H. (1980)** - "Report on the Geological, Geophysical, and Geochemical Exploration of the Lake Adit Claim." - unpub. geol. report.

8. **Walcott, P.E. (1969)** - "A report on a ground magnetic and electromagnetic survey by Eagle Geophysics Ltd., Pemberton area B.C. for Cerro Mining Co. of Canada Ltd.

9. **Woodsworth, G.J. (1977)** - Compilation of Geology map Pemberton (92J), 1:250,000." Open File G.S.C. 482.

10. **Minister of Mines Reports** - 1928, 1932.

11. **Wells, R.A. (1983)** - "Assessment Report on the LILL Mineral Claims in the Lillooet Mining Mining Division" -

11.0 CERTIFICATE

I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D. in 1967.
3. I have practiced my profession since 1959.
4. I am a member of the Association of Professional Engineers of British Columbia and of Yukon Territory.
5. I have no interest, direct or indirect, in Lawrence Mining Corp. nor in the LILL group of claims, nor do I expect to receive any.
6. I have based this report on a personal visit to the LILL claims on July 19-21, 1985 and on a study of all available data pertaining to the property including previous reports and government publications.
7. This report may be used by Lawrence Mining Corp. or their agents for a Prospectus, Statement of Material Facts, Shareholders' Newsletter, etc., in whole or in part.

DATED at Vancouver, B.C. this 1st day of September, 1985.

J.H. Montgomery, Ph.D., P.Eng.
4153 West 11th Avenue
Vancouver, B.C.