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BOB PROPERTY
Nazko Area, Cariboo Mining Division, B.C.

The Bob property consists of four contiguous 20 unit MGS claims and is owned by Lac Minerals Ltd. It is located about 100 road km west of Quesnel and about 2 to 6 km west and southwest of the village of Nazko. Access is excellent with the road paved to Nazko. The Michelle Creek forestry access road leads west from Nazko and crosses the north central part of the property. A 4 X 4 access road leads south along the east side of the property and a spur leads westerly to the main showings area (a total distance of about 4 km).

The property is a rectangular, north-south block covering parts of the easterly facing slopes of the valley containing the Nazko River. Elevations vary from 3000 to 3800 feet in moderately rolling topography. The terrain is completely forested except for scattered recently logged blocks. The main area of interest occupies the crest and upper slopes of a hill in the south-central part of the claims.

The Bob claims were staked by Lac Minerals in 1983 after follow-up of anomalous arsenic and mercury stream sediment values from a government sponsored regional geochemical survey. Reconnaissance soil sampling returned anomalous gold and arsenic values and a detailed programme of geochemistry and geophysics was completed. Road building, trenching and sampling was carried out in 1984 and 1174.9 metres of percussion drilling in 19 holes was completed in early 1985. In 1986, a further drilling programme of 20 holes totalling 3114.9 metres was carried out. This amount consisted of 13 reverse circulation holes, 4 diamond-bit core holes and 3 combination core-R.C. holes. In 1987, an extensive drilling programme consisting of 1685 metres of core drilling and 2983 metres of reverse circulation drilling was completed. This work was accompanied by an induced polarization survey and a detailed drill hole survey. In 1988, a further 559.6 metres of reverse circulation drilling was completed in 10 holes.

The property is underlain primarily by clastic sediments of the Lower Cretaceous Skeena Group. These rocks are overlain unconformably by acid to basic flows and fragmental volcanics of Oligocene and Miocene age along the eastern and southwestern edges of the claim block. A small area of Jurassic Hazelton volcanics, which unconformably underlie the Skeena Group sediments have been exposed by recent trenching in the main area of interest (see Figure 455-1F).

The Skeena Group consists of a northeast striking, shallowly (15°) southeasterly dipping sequence of chert-pebble conglomerates with interbedded sandstone and lesser amounts of argillite and siltstone. The Hazelton group rocks consist primarily of felsic pyroclastics, volcanoclastic tuffs and minor associated sediments.

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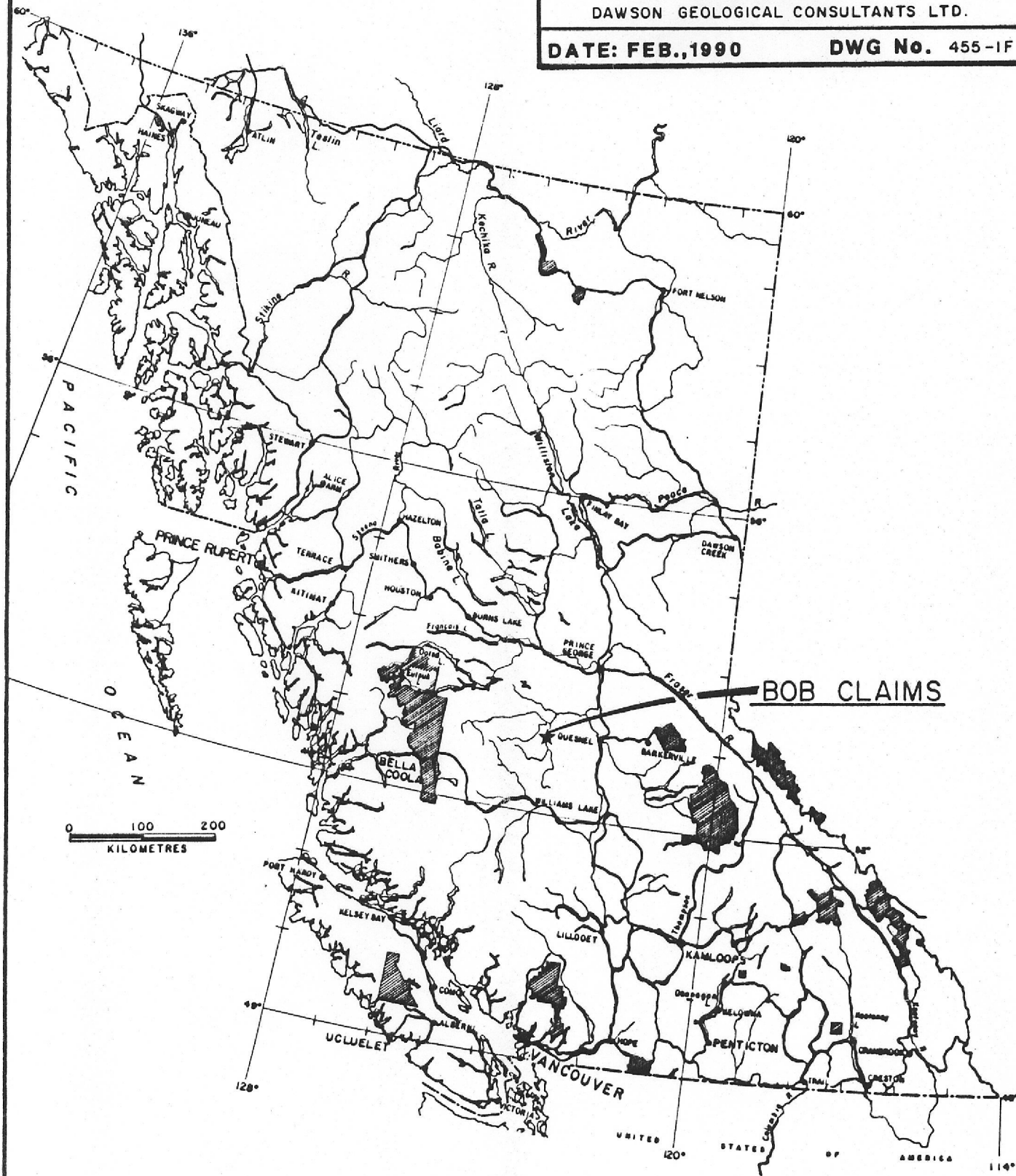
LOCATION MAP

BOB CLAIMS CARIBOO MINING DIVISION BRITISH COLUMBIA

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DATE: FEB., 1990

DWG No. 455-1F



Both these units are cut by dikes and lesser sills of quartz-feldspar (felsite) porphyry. These bodies have been dated as Paleocene or early Eocene, are usually altered and are frequently cut by high angle faults. These dikes vary from less than one metre to 20 metres in thickness and make up about 5% by volume of the bedrock.

The extensive trenching and drilling has indentified two sets of high angle normal faults: one set trends north to north-northeasterly and the other is oriented approximately east-west. Displacement on these structures is generally less than 75 metres.

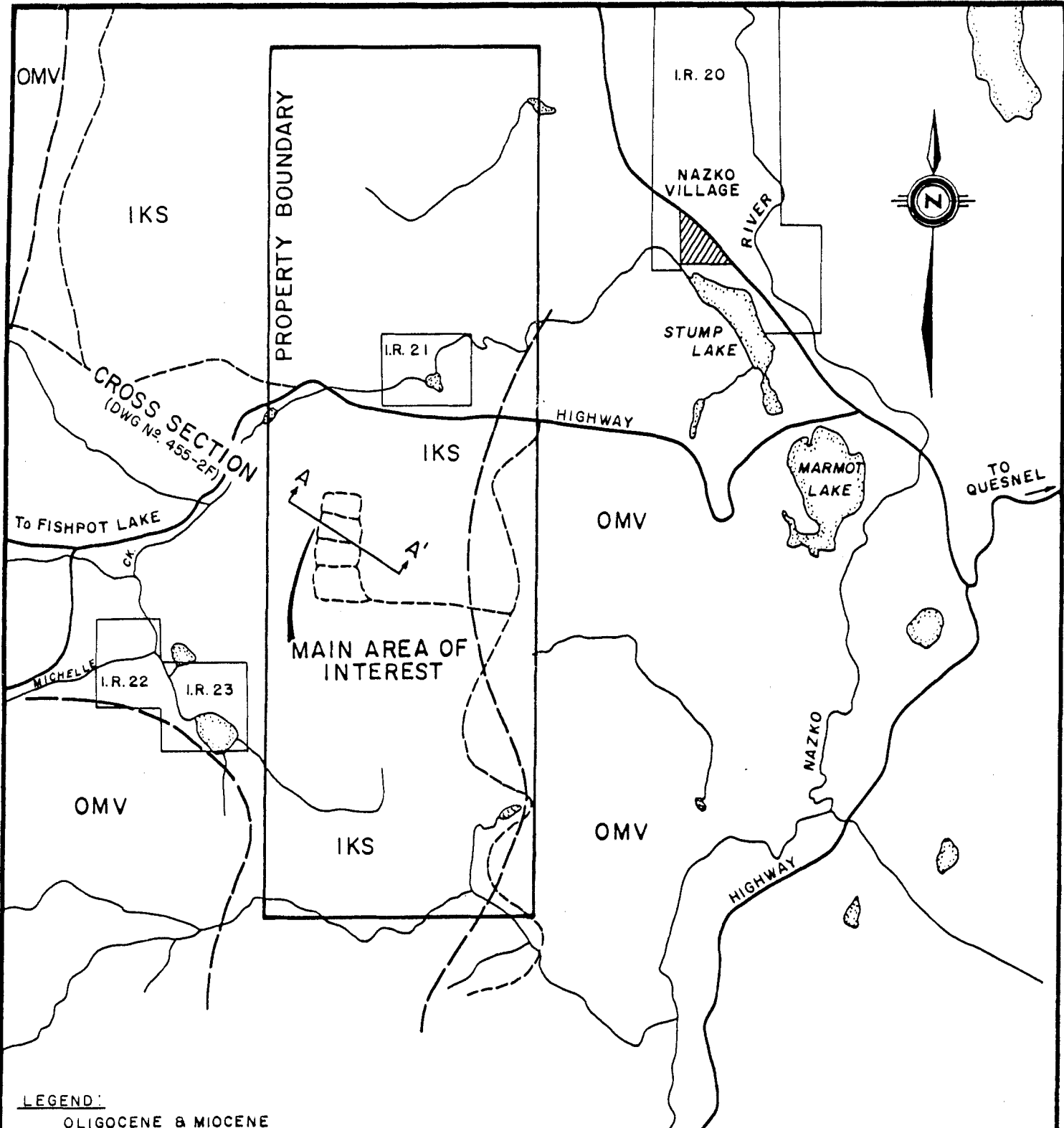
The main area of interest on the property is centered around an alteration zone roughly 1000 metres by 500 metres in area and up to 200 metres thick. It appears to be semi-tabular (conformable) and some of the faults are interpreted as the plumbing system for hydrothermal solutions. The age of the felsic dikes may be slightly older than the alteration-mineralization. They are probably related to the Ootsa Lake Volcanics and may be the heat source driving the hydrothermal system.

The alteration mentioned above consists of widespread argillic and clay-sericite alteration with local areas of feldspathization, carbonatization and minor silicification. It is mostly confined to the uppermost 30 metres of the Hazelton volcanics and for a further 100 to 150 metres stratigraphically above the unconformity (within the Skeena Group clastics). A zone of carbonate flooding has developed below the most intensely clay-altered material.

Mineralization consists of widespread pyrite (hematite and limonite if oxidized) with very minor arsenopyrite, stibnite and galena as well as traces of other sulphides. Oxidation has proceeded to various degrees up to 100 metres deep, however it is most pervasive above 50 metres where hematite and limonite are ubiquitous.

Within the zone of alteration, elevated values in mercury, arsenic, antimony, silver and gold are widespread (e.g. zones of gold values from 30 to 150 PPB gold over 30 to 50 metre sections in drill holes are not uncommon. Higher grade gold values are more restricted and may be localized by physical (i.e. locally impervious cap rocks) or chemical (more heavily pyritic zones in dikes) factors. Some of the better values are 3.4 gm/T gold over 3.0 metres and 1.48 gm/T gold over 12.0 metres.

Although higher grade gold values are erratic, grid drilling in 1988 outlined a mineral inventory of 384,200 tonnes grading 0.75 gm/T Au in a relatively flat lying, blanket zone within the near-surface, oxidized area. This blanket varies from 3 to 25 metres



LEGEND:

OLIGOCENE & MIOCENE

OMV ACID TO BASALTIC FLOWS & TUFFS

LOWER CRETACEOUS

IKS SKEENA GROUP: CONGLOMERATE, SANDSTONE & ARGILLITE.

— GEOLOGICAL CONTACT

- - - UNIMPROVED GRAVEL ROAD

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GEOLOGY MAP

BOB CLAIMS

CARIBOO MINING DIVISION
BRITISH COLUMBIA

TECH WORK BY:
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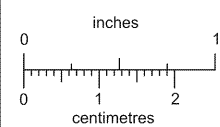
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DATE: FEB, 1990

APPROVED BY:
J.M.DAWSON, P.Eng.

DWG No. 455-2F

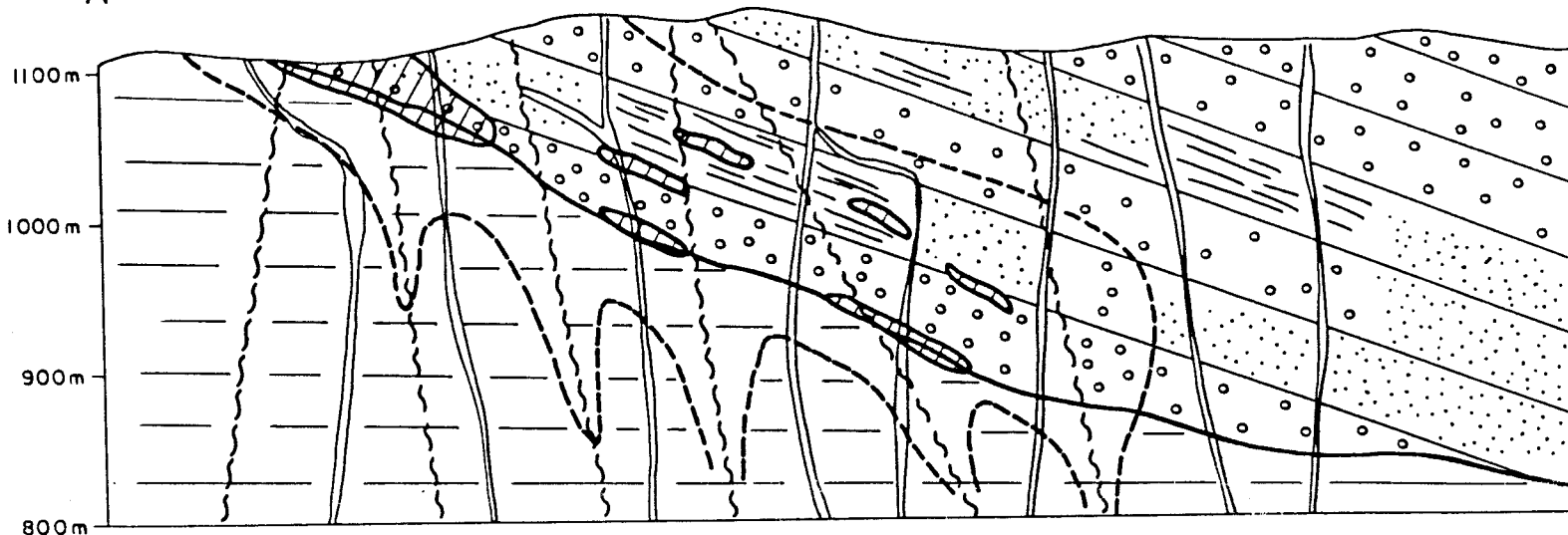


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1200 m -

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LEGEND:

PALEOCENE OR EOCENE

 QUARTZ-FELDSPAR PORPHYRY
DIKES & SILLS

LOWER CRETACEOUS - SKEENA GROUP

 ARGILLITE & SILTSTONE


 SANDSTONE

 CONGLOMERATE


MIDDLE JURASSIC - HAZELTON GROUP

 PRIMARILY FELSIC TUFFS & FLOWS

 UNCONFORMITY

 HIGH ANGLE NORMAL FAULT

 ZONE OF CLAY-SERICITE-CARBONATE-SILICA ALTERATION
WITH ELEVATED GOLD-SILVER-MERCURY-ARSENIC-ANTIMONY VALUES

 AREA OF ENHANCED GOLD VALUES (0.3-1.5 gm/t)

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IDEALIZED CROSS SECTION

MAIN ZONE OF ALTERATION-MINERALIZATION

BOB CLAIMS

CARIBOO MINING DIVISION
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SCALE: VERT.: 1cm=50m
HORIZ.: 1cm=100m

DRAWN BY: JMD/ rwr

DATE: FEB., 1990

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DWG No. 455- 3F

thick and was calculated using a minimum cut-off of 0.3 gm over 3.0 metres. It could be mined from a pit with a 4:1 stripping ratio.

There is no doubt that this property has most of the characteristics of a typical, sediment hosted, epithermal "Carlin-type" gold deposit commonly found in the Great Basin of the United States. While this occurrence has been fairly well defined and has little chance of being economic, I believe it has profound implications for further exploration within the Nechako Basin. Although volcanic hosted, epithermal, gold-silver deposits are widespread and well documented there, this is the first example of the sediment hosted type. Given the extensive areas of Skeena Group sediments, as well as other sedimentary units within the basin, this has added a totally new dimension to exploration for epithermal systems there.