

PROPERTY EVALUATION REPORT

HANSON LAKE PROPERTY
54 o 14', 125 o 14'
NTS 93K/6

1. SUMMARY AND CONCLUSIONS. The Hanson Lake calc-alkaline porphyry prospect is situated in west-central B. C. 15 Km north of the Village of Endako and 24 km north of the Endako molybdenum mine. Extensive exploration data in the form of geological maps, geochemical and geophysical reports, and drill results from Placer and Cazador programs have been examined. This property offers high potential for classic Southwest North American style porphyry Cu deposits whose closest Canadian Cordillera equivalents are the calc-alkaline porphyries of west-central B. C. Some of the important porphyry Cu deposits of the region are Berg (400 MT-geological reserves-@ 0.4 % Cu and 0.05 % molybdenite), Granisle (81 MT (proven in 1976) @ 0.43 % Cu + unspecified gold and silver) and Bell (116 MT -geological reserves-@ 0.48 % Cu, 0.35 ppm Au and less than 0.005 % molybdenum). Refs.: pertinent papers in CIM Special Vol. 15, 1976. Ministry of Energy, Mines and Petroleum Resources D. F. 1989-22 gives these Au-Ag production figures, among other:
BELL COPPER: 46,284,497 tons yielded 233,074 oz. Au, 513,022 oz. Ag
GRANISLE: 57,500,000 " " 148,000 " ", 1,906,000 " "
ISLAND CU: 186,026,585 " " 640,452 " ", 4,498,559 " "

Given favorable characteristics such as high Cu-Mo grades, substantial supergene Cu component, substantial gold content, favorable metallurgy, large size, gentle terrain and ease of access and mineability, deposits that may occur in the Hanson Lake property may offer comparable to, or better, economic prospects than the currently popular alkaline porphyries of the Mt. Milligan type. In fact, the calc-alkaline Fish Lake deposit, which is the major B. C. deposit outside of the west-central B. C. copper belt having an U. S. Southwest porphyry mineral age of 77 m. y., contains strikingly similar reserves to the widely touted Mt. Milligan deposit as indicates below.: (Ref. G.C.N.L. # 90 May 9, 1991)

FISH LAKE AND MT. MILLIGAN GOLD/COPPER DEPOSITS
DRILL INDICATED AND INFERRED-MINEABLE/DILUTED RESERVES

CUTOFF GRADE		GRADE		COPPER	CONTAINED	S/R
% Cu EQUIV.	TONS	% Cu	GOLD/t	EQUIV.%	GOLD oz.	

FISH LAKE:-

0.2	526,429,000	0.20	0.011	0.50	5,694,000	0.7/1
0.3	449,232,000	0.21	0.012	0.54	5,253,000	1.0/1
0.4	361,770,000	0.28	0.013	0.60	4,653,000	1.5/1

MT. MILLIGAN:-

0.2	549,181,000	0.18	0.011	0.50	6,040,000	0.6/1
0.3	449,285,000	0.19	0.013	0.55	5,840,000	0.9/1
0.4	329,819,000	0.22	0.016	0.67	5,280,000	1.6/1

Grass-roots exploration in the Hanson Lake area involving silt surveys dates back to the early 1960's. Targets were defined by soil sampling, IP, and trenching. A total of about 80 drill holes-percussion, reverse circulation and dia mond-have tested several targets for: 1. porphyry Mo deposits of the Endako type, 2. calc-alkaline porphyry Cu-Mo deposits of the Gibraltar/Highland Valley/ Babine Lake-Berg types, and, 3. unclassified deposits, containing Pb, Zn and Cu with associated precious metals in porphyritic intrusives. Exploration expenditures to date total about \$ 1.2 million for Placer and Cazador programs.

Considerable sign of mineralizing activity ("smoke") in the form of widespread mineralization and alteration is apparent in the data from this 474 unit, 25 claim-property. Examples include 300 ft. grading 0.15 % Cu and 0.012 % MoS₂ in PH 8 in the Kimura Zone as well as a major intersection of similar grade (0.11 % Cu) in PH 11, also in the Kimura Zone. The Bysouth Zone situated easterly of the Kimura Zone is an area of ongoing interest. There, a 76 m (approx.) long trench averaged 0.29% Cu and 0.37 gpt Au. A couple of diamond drill holes testing the downward extensions of this trench showing intersected some 0.1-grade Cu with apparently poor core recovery (95 % in one of the holes; recovery not reported for the second hole). Reverse circulation drilling in the CYR ZONE by Cazador indicates a strong coincident base and precious metal anomaly in a south facing hillside. The mineralization consists of disseminated pyrite, chalcopyrite, galena and sphalerite hosted by quartz porphyry and quartz feldspar porphyry of Upper Cretaceous to Oligocene age. These intrusives are coeval with Dotsa Lake volcanics. The favorable intrusives extend northward into the hill and are in turn capped by what appears to be a relatively thin section of Miocene, or later, Endako volcanics. The author infers this strongly coincident base and precious metal rock anomaly, which includes anomalous Mn, to be a segment of the halo in a classic calc-alkaline porphyry copper environment. Pb-Zn halos are reported in the case of the Berg and Bell deposits and the literature indicates these were recognized long before the local porphyry copper deposits were discovered. Many of the Southwest porphyry discoveries were made by exploring centrally to base and precious mineral veins. The existence of post-mineral Tertiary volcanics to the north of the CYR Zone is potentially important because it may preserve supergene Cu deposits in the event of complete unroofing of the inferred porphyry system. Supergene enrichment are features of both the Bell and Berg deposits. The exploration that would be required to develop drill targets in the present situation is reconnaissance IP in the northward and westward directions, geochemical sampling and geological mapping on the same lines and testing by fence-drilling. The geochem. is expected to be helpful in identifying any existing exhumed pre-Endako erosion surfaces in the northern extension of the base-precious metal rock anomaly. My gut feeling is that good potential exists for a large mineralizing

system east the CYR and between CYR and the BYSOUTH Zones. The existing exploration data points to the CYR zone area as the major "hot spot" in the property. The north and northwest directions from the CYR zone are important "vectors" for ongoing exploration based on the model herein proposed (Please refer to 1:50,000 plan and associated cross section).

Past exploration by Endako Mines Division was largely directed at another bulk tonnage Mo deposit. For that reason, Placer's testing was concentrated mainly in areas underlain by quartz monzonite such as the KIMURA zone and misc. targets south of Hanson Lake. The fact that they occasionally encountered rocks containing up to a few tens ppm Mo indicates a geochemically significant enrichment in Mo in the rocks tested. In normal granitic rock, the Mo contents are typically in the 1 to 2 ppm (Levinson, 1980) range and enhancements in the order of a ten fold, or greater, are regarded as anomalous and indicative of molybdenum potential in an area. The fact that they were getting low copper values is another indication that Placer was probably exploring the lithology having the best potential for Endako type deposit.

The Titley and Hicks Porphyry Volume of 1968 details idealized base and precious metal distributions relative to Cu porphyry deposits. In a recently conversation with a geologist from Gibraltar Mines I was told that they had located significant new copper reserves by drilling proximal to a Pb-Zn anomaly. I was also told that they have located significant mining reserves close to the old marginal drilling in the 0.15 % Cu range. They have been able to increase reserves in the order of several tens of millions of tons by testing in the vicinity such low-grade copper mineralization. The reverse circulation drilling of Cazedor has very much upgraded the data on the CYR zone. There are some suggestions in the reports that this area may have been targeted for epithermal gold mineralization. It is noted that the prospecting that resulted in the discovery of the Berg deposit was originally concentrated in the base metal peripheries of the deposit. The author suggests we could indeed be looking at another Pb-Zn enriched margin in the CYR.

A notable feature of this property is the apparent existence of a vegetation-kill anomaly on the hill side north of Hanson Lake and this includes the CYR zone. Roy Lamble brought this feature to the author's attention. This kill-zone is assumed to be caused by high basemetals in the area-basemetals having high toxicity to vegetation. Please refer to the color photostat included in this report for a view of the kill-zone. The kill-zone also appears on satellite color photographs.

Calc-alkaline porphyries usually contain significant gold credits. Island Copper is the best example in B. C. This deposit produces in the order of 50,000 oz. of gold/year and was the largest modern gold producer in the province prior to reopening of Giant Mascot.

2. MINERAL CLAIMS

The property consists of a total of 25 claims containing 474 units. APPENDIX 1 lists the claims of the Hanson Lake property including due dates.

3. OWNERSHIP. Cazador Explorations Limited, 902-626 West Pender Street, Vancouver B. C. V6B 1V9 Tel. 682-4700, FAX 682-0606
President: John A. Chapman, B.Sc., P. Eng.

YARA and CLEA claims (total 40) units are under option from Metamin Enterprises Inc. of Vancouver. The balance are owned by Cazador by location. The attached PROPOSAL TO JV (p. 2) gives some details on the existing deal. Cash payments and a 2 % N. S. R. are involved as well as a 10 km perimeter clause relative to the YARA and CLEA claims. This perimeter clause effectively makes the entire property subject to the YARA-CLEA option agreement.

4. LOCATION, ACCESS. The property is located in west Central B. C. about 15 km north of the Village of Endako. Access is by car along the Augier Lake Forest Access Road which joins Highway 16 about 15 km west of Endako. The CN mainline is located close to Highway 16. The enclosed maps show the much improved access to the CYR ZONE as a result of road work by Cazador. The original road built by Placer runs along the hill side north of Hanson Lake and passes through the vegetation-kill zone noted above.

5. EXPLORATION HISTORY

1960-1970's: The Endako Mines Division carried out regional stream sediment reconnaissance for porphyries in West Central B. C., including the Hanson Lake area and detected anomalous metals in streams draining into Hanson Lake from N and S. A 2 km X 9 km Zn-Pb anomaly, locally with high Ag and Cu and outlying areas of high Cu and/Mo were defined by soil sampling. Targets indicated to have porphyry potential based on IP and magnetic surveying were tested by trenching, as well as percussion and diamond drilling. Sub-economic mineralization was indicated locally. Follow-up drilling was planned but not carried out in the political upheaval of the NDP era. Placer relocated parts of the original property in Mid. 1970's and carried out limited wide spaced drilling in 1977 and 1979; mainly in monzonite targets south of Hanson Lake. Interest diminished with the low Mo price in the early 1980's and the claims were in due course abandoned. Placer spent \$420,000 (1990 dollars) on their Hanson Lake claims and Cazador Exploration has spent in excess of \$800,000 on the relocated ground which is considerably larger than that held by Placer.

6. PRODUCTION None.

7. DEVELOPMENT. There has been no sinking, raising, drifting, or cross-cutting anywhere on this property to the author's knowledge. Extensive bulldozer trenching has been carried out and a total of about 80 holes drilled; variously by percussion, reverse circulation and diamond drills. The bulk of the percussion holes are in the WEST COPPER ANOMALY, also known as the KIMURA ZONE. The majority of reverse circulation drilling is in the EAST LEAD ZINC ANOMALY (CYR ZONE). Approximately 30 holes total were drilled in each of these zones.

8. REGIONAL GEOLOGY

The property occurs in the east central portion of the northwesterly trending Topley intrusives of late Jurassic age which extend from Babine Lake to Quesnel a distance of about 290 km. These intrusions were emplaced in Paleozoic, including Cache Creek Group, and early Mesozoic sedimentary and volcanic rocks (Kimura, 1976). They are units EJg and MJg on GSC Map 1505A, TECTONIC ASSEMBLAGE MAP OF THE CANADIAN CORDILLERA AND ADJACENT PARTS OF THE USA. The Endako deposit, one of the world's largest moly deposits in terms of magnitude of ore reserves, including production, is hosted by the older Endako Quartz Monzonite. The Casey Alaskite is now regarded as a potential source-rock for the Endako deposit. The Placer map of the Hanson Lake area identifies a sizeable area of Casey Alaskite intruding the Glenannan quartz monzonite (granite; see Kimura, 1976 Fig. 2). The Topley intrusives in the Hanson Lake property area are variously intruded by Late Cretaceous and Early Tertiary quartz porphyry and quartz-feldspar porphyry. These are believed to be coeval with the Upper Cretaceous-Oligocene Ootsa Lake rhyolite, dacite and associated breccias and tuffs (GSC Map 1505 A, and 1"=1000' map of Hanson Lake area by Placer dated Oct. 1973). Topley intrusions host low grade copper and molybdenum mineralization near Babine Lake and south of Morice Lake (Carter, 1976 p. 228 in CIM Special Vol. 15).

9. PROPERTY GEOLOGY. The property geology is shown on the attached maps; Hanson Lake area, 1"=1000' dated Oct. 73, and the geological, geochemical and geophysical compilation map of Cazador Explorations Limited. The Glenannan Quartz Monzonite of the Topley intrusives intrudes the quartz diorite complex which consists of foliated and gneissic quartz diorite and granodiorite of Lower Jurassic age. A sliver of Cache Creek amphibolite and biotite-hornblende schist occurs in the contact area of the Glenannan and the quartz diorite complex. The strike of the foliation and gneissosity in the Cache Creek rocks and the quartz diorite complex are subparallel to the Glenannan contact. Bysouth (pers. comm.) suggests the quartz diorite complex and the Cache Creek rocks form the unroofed portion of the local Topley intrusions. Quartz porphyry and quartz-feldspar porphyry of Upper Cretaceous-Oligocene age intrudes the Cache Creek and quartz diorite complex. The quartz diorite complex is locally capped by Miocene and later Endako Group basalts, andesite, dacite, and associated breccias.

Sulfide mineralization reported includes pyrite, chalcopyrite, molybdenite, sphalerite and galena. The principal area for copper mineralization is the Kimura Zone on the YARA M. C. The East Lead Zinc anomaly (CYR ZONE) in the principal area of Pb-Zn. Appreciable intersections of up to several thousand ppm Pb and Zn were intersected in reverse circulation holes testing unit QFP. This base metal mineralization is said to be disseminated in leucocratic intrusive. The mineralization is thought to be related to the Dotsa Lake magmatic activity which is said to have widely associated sulfide mineralization, principally pyrite but includes veins containing Pb and Zn (K. Dawson, G. S. C.). These geochemical levels of Pb-Zn, Ag and Mn are very anomalous for these rock types. This mineralization could be part of a very large mineralizing system on the scale of a large porphyry system and if so, is likely a segment of the basemetal margin.

9. ORE. No ore grade mineralization has been encountered to date.

10. DRILLING SUMMARY. A summary of all known drilling follows: First drill records are from 1972.

HOLE No. (DDH)	BEDROCK INTERCEPT dip (ft)	NOTES: Explanations: h= highest analysis ppm except as indicated; different samples except as noted, sample interval usually 10 ft; local sampling only. Au as ppb. The sampling is incomplete because of the practice of analyzing only the best mineraliza- tion.
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DRILLED IN 1972:

H-1 22-500 -45 No analyses; pyrite, magnetite, tr. mo noted

H-2 30-499 -90 h: 10 Mo, 325 Cu, 185 Zn, 47 Pb, 3.5 Ag, <20 Au

208-238 ft.=30 ft.

H-3 74-500 -90 h: 10 Mo, 994*Cu, 695Zn, 443Pb, 6.6Ag, approx.
20 Au

423-500 ft.=77 ft.

* mean includes a single very high @ 5300 ppm

H-4 10-497 -45 h: 10 Mo, 139 Cu, 1403 Zn, 105 Pb, 2.3 Ag, <20 Au

10-176 ft.= 166 (NO DATA DEEPER IN HOLE)

DRILLED IN LATE 1970's: HOLES PLOTTED ON 1"=1000' PLAN, where poss.

H-5	200 ft.	values range from trace to 0.03 % Mo; about half of the samples half of the samples are trace and the rest generally 0.01 %.
H-6	180 ft.	h= up to 0.04 % MoS ₂ , 5 samples are trace and the rest average 0.02 % Mo.
H-7	205 ft.	half of the samples are trace Mo and the rest range from 0.01 to 0.02 averaging 0.013
H-8	204 ft.	Trace to 0.04 % MoS ₂ . 13/20 th of the samples are trace and the rest average 0.019.
H-10	204 ft.	h= 0.05 MoS ₂ ; four samples are trace and the rest average 0.02.
H-11	124 ft.	h=0.04 %, four samples are trace and the rest average 0.02 %.
H-12	450 ft.	N/D for first 182 ft.; thereafter values range from trace to 0.02 % Mo. No data for a section of 120 ft. near hole-center.
H-13	506 ft.	Only three analyses—all 0.01 % MoS ₂ —reported.

NOTE: MOST OF THE PERCUSSION HOLES BELOW WERE DRILLED IN THE KIMURA ZONE. A FEW HOLES WERE DRILLED IN THE CYR ZONE. NO COMPILATION MAPS WERE AVAILABLE WHICH SHOWS ALL DRILLING AND AS THE RESULTS WERE SUBMARGINAL WE DID NOT MAKE A COMPILATION. A FEW OF THE PERCUSSION HOLES ARE PLOTTED ON PLACER'S 1"=1000 GEOLOGY MAP.

Vertical
Percussion
Holes

	LENGTH Ft.	NOTES: BEST RESULTS @ 10 ft. samples
P1	150	entirely in overburden
P2	150	"
P3	300	h= MoS ₂ to 0.002 %, Cu to 0.008 %
P4	"	h= MoS ₂ to 0.012 %, Cu to 0.012 %

8.

P5	"	h= MoS2 to 0.0010 %, Cu to 0.0192 %
P6	"	h= MoS2 to 0.0019 %, Cu to 0.0136 %
P7	"	h= MoS2 to 0.0007 %, Cu to 0.0740 %
P8	"	h= MoS2 to 0.0120 %, Cu to 0.1460 %
P9	"	h= MoS2 to 0.0012 %, Cu to 0.0099 %
P10	"	h= MoS2 to 0.0047 %, Cu to 0.0082 %
P11	"	h= MoS2 to 0.0035 %, Cu to 0.11 %
P12	"	h= MoS2 to 0.0010 %, Cu to 0.0164 %
P13	"	h= MoS2 to 0.0025 %, Cu to 0.054 %
P14	200	h= MoS3 to 0.0002 %, Cu to 0.0049 %
P15	300	h= MoS2 to 0.0012 %, Cu to 0.049 %
P16	"	h= MoS2 to 0.0034 %, Cu to 0.072 %
P17	"	h= MoS2 to 0.0003 %, Cu to 0.0112 %
P18	"	h= MoS2 to 0.0009 %, Cu to 0.035 %
P19	"	N/D
P20	"	h= MoS2 to 0.0004 %, Cu to 0.0144 %
P21	"	h= MoS2 to 0.0003 %, Cu to 0.0110 %
P22	"	h= MoS2 to 0.0001 %, Cu to 0.0044 %
P23	140	h= MoS2 to 0.003 %, Cu to 0.0096 %
P24	110	entirely in overburden
P25	275	h= MoS2 to 0.0006 %, Cu to 0.0027 %
P26	200	h= MoS2 to 0.0003 %, Cu to 0.0138 %
P27	200	h= MoS2 to 0.0003 %, Cu to 0.046 %
P28	200	h= MoS2 to 0.0002 %, Cu to 0.0052 %
P29	200	h= MoS2 to 0.0002 %, Cu to 0.0240 %
P30	200	h= MoS2 to 0.0003 %, Cu to 0.0058 %

P31	160	h= MoS2 to 0.0023 %, Cu to 0.0192 %
P32	200	h= MoS2 to 0.0023 %, Cu to 0.0670 %
P33	"	h= MoS2 to 0.0004 %, Cu to 0.0053 %
P34	"	h= MoS2 to 0.0002 %, Cu to 0.0056 %
P35	250	h= MoS2 to 0.0006 %, Cu to 0.0013 %

The above list excludes several percussion holes apparently abandoned in overburden.

SUMMARY OF REVERSE CIRCULATION DRILLING

MOST OF THIS DRILLING IS IN THE CYR ZONE WITH WORK CARRIED OUT IN JANUARY AND FEBRUARY 1989. DRILL LOCATIONS ARE GIVEN ON THE ACCOMPANYING MAP.

HOLE RC89-	SAMPLED LENGTH m	Au gpt	Ag gpt	As ppm	Cu ppm	Pb ppm	Sb ppm	Zn ppm
1	96	0.01	2.7	16	292	135	1	684
2	96	0.01	0.9	14	147	29	1	114
3	86	0.01	1.0	12	107	35	1	76
4	98	0.03	4.0	16	38	211	1	178
5	98	0.01	1.9	10	30	193	1	915
6	98	0.02	1.7	14	43	41	1	247
7	98	0.03	1.7	17	30	147	1	640
8	98	0.02	2.2	16	46	136	1	967
9	98	0.02	1.1	13	78	46	1	90
10	98	0.03	1.5	14	29	455	2	833
11	98	0.16	2.5	15	50	1137	2	3757
INCL.	22 (6-28)	0.19	3.6	8	45	2019	1	4911
"	14 (70-84)	0.22	4.0	13	163	1836	2	8576
12	98	0.10	4.1	12	139	877	1	2681

		Augpt	Ag ^{10.}	As	Cu	Pb	sb	Zn
INCL.	10(54-64)	0.34	14.6	23	677	4839	1	10691
13	98	0.05	1.6	12	17	464	1	2677
14	98	0.03	1.5	15	23	247	1	1826
15	98	0.02	5.1	31	90	468	3	813
16	98	0.10	5.1	9	72	121	2	951
17	118	0.10	5.4	18	370	119	2	425
18	118	0.06	4.5	14	341	164	2	596
19	118	0.05	3.6	12	92	119	1	268
20	122	0.05	4.3	15	233	282	1	826
21	122	0.13	7.2	21	62	154	2	261
INCL.	10 (2-12)	0.72	41.9	19	62	137	1	260
22	98	0.02	1.7	26	40	101	1	217
23	114	0.02	2.6	21	264	74	2	617
24	98	0.04	2.0	22	38	84	2	131
25	78	0.02	1.2	14	37	40	2	116
26	98	0.02	1.0	13	156	32	1	50

REVERSE CIRCULATION NOTE: THIS PROGRAM WAS CARRIED OUT UNDER WINTER CONDITIONS WHICH REPORTEDLY WERE VERY SEVERE AT TIMES. JOHN CHAPMAN REPORTS THAT SAMPLES OCCASIONALLY OVERFLOWED THE SAMPLE BAGS AND THE WATER RAN VERY BLACK-INFERENCE OF HEAVY SULFIDE LOSSES.

SUMMARY OF CAZIDOR'S 1990 DIAMOND DRILLING

DDH	SAMPLED LENGTH m	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
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NOTE: REPORT BY TWYMAN LACKS SAMPLING INTERVALS MAKING IT IMPOSSIBLE TO GROUP THE DATA. ACCORDINGLY RANGES IN VALUES ARE GIVEN FOR EACH HOLE. CORE RECOVERIES ARE GIVEN AS 95 % AND "+ 95%"; CLEARLY MAJOR POTENTIAL FOR SULPHIDE LOSSES.

1	119 (?)	1-6	0.3-1.9	50-149	3-1460	3-1630
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GEN. RANGES IN VALUES INCL. SPECIFIC ANALYTICAL INTERVALS:

2	120	1-272	0.1-1.2	4-3000(?)	3-59	20-95
	INCL. 36-54	100	0.9	1014	7	42
	" 99-114	109	0.6	1986	12	35
3	104	1-396	0.2-1.8	5-2550	10-50	20-71
	INCL. 7.6-30	115	1.0	1627	19	34
4	152.5	1-46	0.6-59.0	1-188	17-1200	28-1450
	INCL. 48-78	11	23.9	----	509	648
5	93	1-239	0.3-4.4	3-2450	11-1640	27-4750
	INCL. 27-60	6	8.3	----	635	2897

11. SYNTHESIS.

Most of the B. C. porphyry deposits which resemble the classic deposits of the Southwestern U. S. A., occur in west-central B. C. Our Southwest-like deposits include similarities in age, size, host-rock composition, character of mineralization and alteration.

The CENTRAL claim block of the Hanson Lake property offers significant untested potential in the area from the BYSDOUTH Zone eastward to the CYR Zone and northward to Helene Lake. The basemetal anomaly in rock in the CYR Zone is a striking geochemical feature warranting follow up. The first order model would place the CYR zone in the southern margin of a porphyry system partly underlying the ridge to the north. This extension is extensively drift covered and partly capped by Endako volcanics. The possibility that the central portion of the postulated mineralizing system may not have been unroofed has been considered. The latter could be an explanation for the decreasing IP effect northward, i.e. the survey could have lacked sufficient penetration in that direction. Insufficient penetration by IP was part of the author's interpretation of the Nittetsu IP survey at Fish Lake in the early 1970's. Quintana, a competitor apparently recognized the same possibility and their testing discovered this large Cu-Au porphyry deposit.

Systematic biogeochemical work using outer bark maybe an effective means of establishing the distribution of gold in the extension at hand and provide some preliminary indication of the base-metal distribution provided the overburden is not very deep and the area is not extensively capped by barren Tertiary rocks. Nevertheless, windows of target rocks could be indicated in such a survey.

Reconnaissance IP and resistivity carried out at 300 m line spacings should be carried out for the purposes of defining drill targets with detailed surveying as required. Lines should also be mapped and used for control in biogeochemical surveying. Targets should be fence drilled as required using a reverse circulation drill with the objective of locating potential economic Cu-Mo-Au mineralization. Given that the present target area is already well defined, this objective is technically achievable this field season.

12. DEAL

PROPOSAL TO JOINT VENTURE MINERAL EXPLORATION HANSON LAKE spring 1991 sets out the proposed term. It is proposed to divide the property into three joint venture areas. The CENTRAL AREA IS THE ONE WITH THE GREATEST MINERAL POTENTIAL.

In the CENTRAL area one would be able to earn a 50 % interest by spending \$ 1,200,000 on work in a two to three year period and paying \$95,000 in cash. The payment on signing would be \$35,000. The owners are believed to be interested in getting on with the exploration and are agreeable. The successful JV participant would be bound by the October 16, 1987 agreement between Cazador and Metamin. Some particulars of the latter appears on page two of the JV proposal.

Report by


Ragnar U. Bruaset

Ragnar U. Bruaset & Associates Ltd.

May 25, 1991

References:

Geology of the Porphyry Copper deposits SW North America
by Titley & Hicks

Introduction to Exploration Geochemistry A.A. Levinson

Porphyry deposits of the Canadian Cordillera, CIM SPECIAL VOL. 15
(Papers by Kimura, et al on Endako, p.444; Pantelayev, et al on
Berg, p.274; Carter p. 227; Farhrni, et al on Granisle, p. 239 and
Carson, et al on Bell, p. 245).

MICS.

Various reports from Placer and Cazador exploration programs
available in the Cazador office.