822764

OVERVIEW

The Alpine Project

Cove Energy Corporation
Vancouver, British Columbia

September, 1987

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2) Chart of assay sampling procedure on dumps.

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7) Historic reports and assay data.

1.0 INTRODUCTION

In early June, 1987, Mr. Richard McRae of Cove Energy Corporation commissioned MineQuest Exploration Associates Ltd. to assess the exploration potential of the past producing Alpine Mine north of Nelson, B.C., which Cove was in the process of acquiring under option, and to write a report suitable for use in raising (if warranted) financing whereby Cove could fund further work on the property.

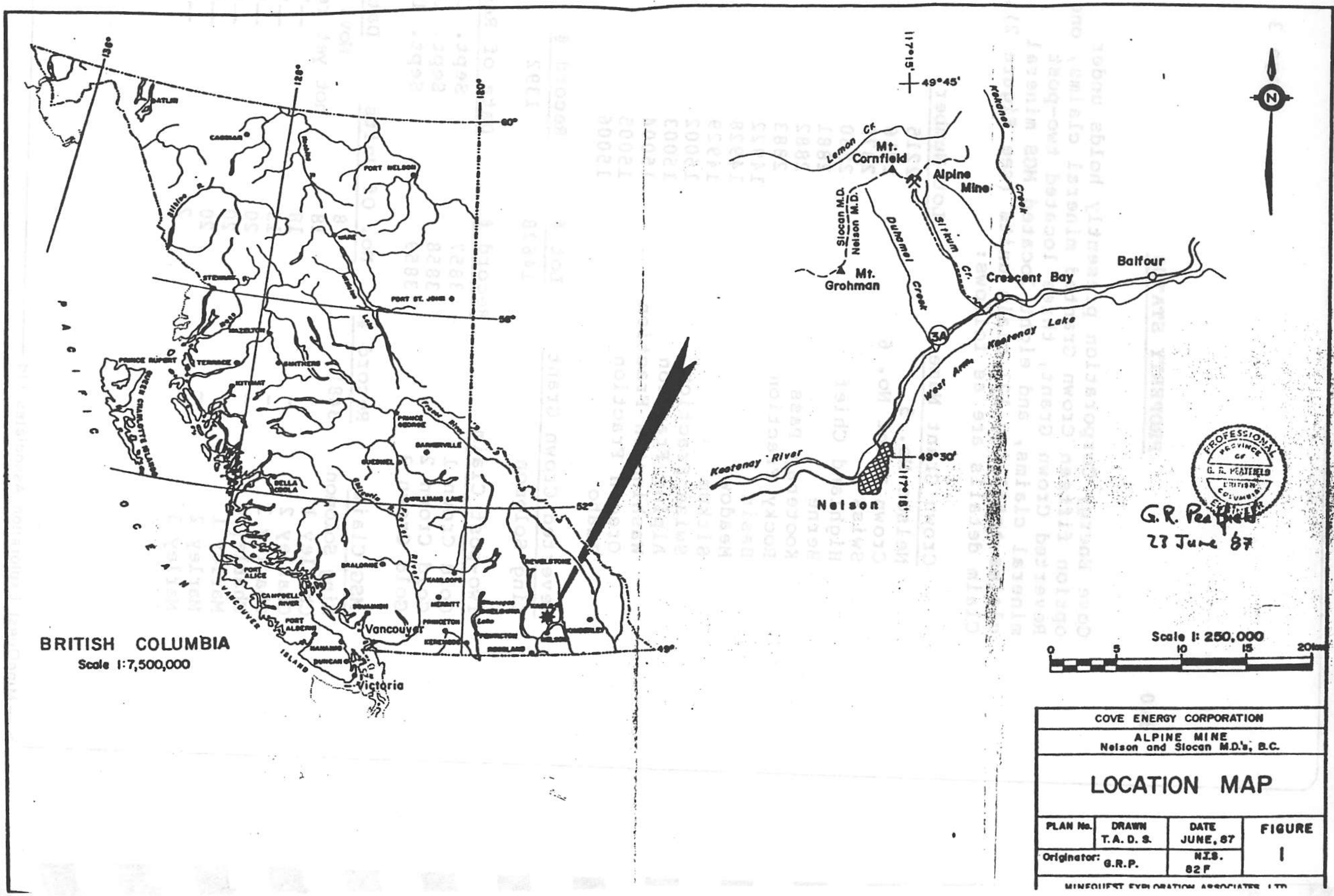
Accordingly, G.R. Peatfield, P.Eng. visited the property on June 14, 1987 with Mr. Al Matovich and Messrs. Barry Ehrl, Errol Hemmingson and Brent Ehrl of Cove, viewed surface exposures and accessible underground workings, took several samples of vein material on surface and underground, examined reports and publications pertaining to the property, and prepared this report.

The Alpine Mine consists of extensive workings, on several levels, on one or more strong, persistent, shallowly dipping quartz veins in granitic rocks. A modest tonnage of good grade gold ore was produced in the past, and potential exists to find a significant amount of similar material in and adjacent to the area of the workings.

2.0 LOCATION, ACCESS AND TERRAIN

The Alpine Mine property is situated at the head of Sitkum Creek, some 20 kilometres north of Nelson, B.C., at Latitude 49°41'N, Longitude 117°15'W, on N.T.S. map sheets 82F/11 E & W (see Figure 1). The property is presently accessible only by helicopter, but a road which could be repaired reasonably easily follows Sitkum Creek up from the Nelson to Balfour highway.

The terrain on the property is steep but not for the most part precipitous. The old workings lie near timberline, at elevations ranging from about 2,100 to 2,250 metres. Relief in the general area of the workings is about 250 metres; for the property as a whole perhaps as much as 900 metres. A large basin just south of the old mine provides ample room for mine buildings and surface plant. There is sufficient water for milling purposes should this be required.



BRITISH COLUMBIA
Scale 1:7,500,000
PACIFIC OCEAN
VANCOUVER ISLAND
Vancouver
Victoria
ATLIN
CASSIAR
FORT NELSON
FORT ST. JOHN
STEWART
HAZELTON
PRINCE RUPERT
TERRACE
KITIMAT
SMITHERS
PRINCE GEORGE
BARKERVILLE
QUESNEL
BELLA COOLA
WILLIAMS LAKE
BRALORNE
KAMLOOPS
REVELSTOKE
MERRITT
PRINCETON
PENTICTON
ROSSLAND
NELSON
PORT ALICE
CAMPBELL RIVER
PORT ALBERNI
NANAIMO
DUNCAN
60°
56°
52°
49°
136°
128°
120°
Mt. Cornfield
Alpine Mine
Lemon Cr.
Kokanee Creek
Slocan M.D.
Nelson M.D.
Duhamel Creek
Sitkum Cr.
Mt. Grohman
Crescent Bay
Balfour
West Arm Kootenay Lake
Kootenay River
Nelson
3A
117°15'
49°45'
49°30'
117°18'
N
Scale 1: 250,000
0 5 10 15 20km
PROFESSIONAL PROVINCE OF G. R. PEATFIELD BRITISH COLUMBIA ENGINEER
G.R. Peatfield
23 June 87
COVE ENERGY CORPORATION
ALPINE MINE
Nelson and Slocan M.D.'s, B.C.
LOCATION MAP
PLAN No.
DRAWN T.A.D.S.
DATE JUNE, 87
FIGURE 1
Originator: G.R.P.
N.T.S. 82 F
MINEQUEST EXPLORATION ASSOCIATES LTD

3.0 PROPERTY STATUS

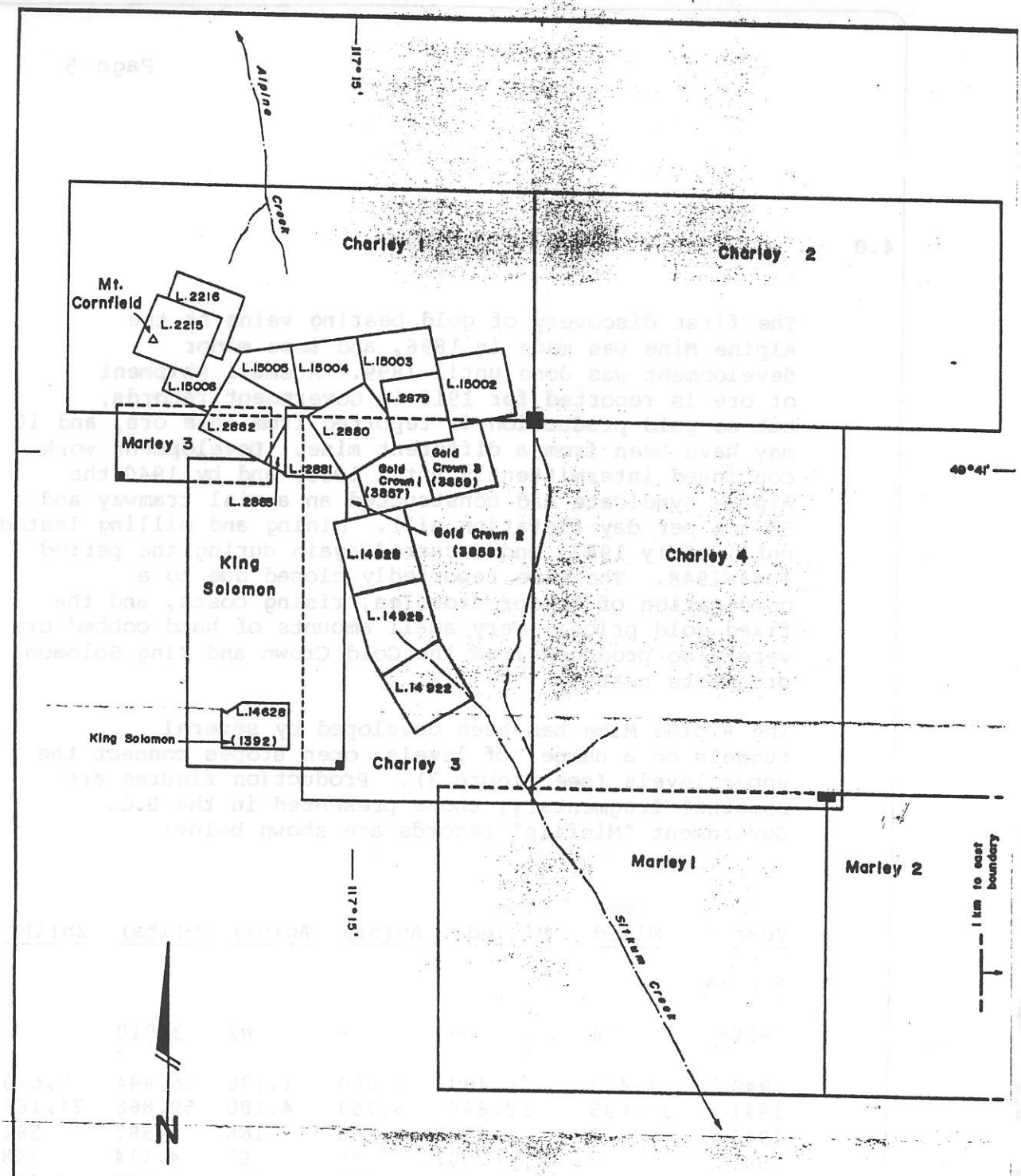
Cove Energy Corporation presently holds under option fifteen Crown Granted mineral claims, one Reverted Crown Grant, three located two-post mineral claims, and eight located MGS mineral claims totalling 121 claim units (see Figure 2). Claim details are as follows:

Crown Grant Name	Lot Number
Nelson No. 5	2215
Crown Point No. 6	2216
Swiss	2879
Highland Chief	2880
Berne	2881
Kootenay Pass	2882
Rocky Fraction	2883
Basin	14922
Meadow	14928
Sitkum	14929
Swiss Fraction	15002
Alpine Fraction	15003
Washington Fraction	15004
Oregon Fraction	15005
Idaho	15006

Reverted Crown Grant	Lot #	Record #
King Solomon	14628	1392

Two-post Claim	Record #	Date of Record
Gold Crown 1	3857	Sept. 1984
Gold Crown 2	3858	Sept. 1984
Gold Crown 3	3859	Sept. 1984

MSG Claim	Record #	No. Of Units	Date of Record
King Solomon	3481	8	Nov. 1983
Charley 1	-	18	not yet recorded
Charley 2	-	18	--"--
Charley 3	-	15	--"--
Charley 4	-	20	--"--
Marley 1	-	20	--"--
Marley 2	-	20	--"--
Marley 3	-	2	--"--



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
G. R. PEATFIELD

G.R. Peatfield
23 June 87

COVE ENERGY CORPORATION			
ALPINE MINE Nelson and Slocan M.D.'s, B.C.			
CLAIM MAP			
PLAN No.	DRAWN BY: T.A.D.S	DATE: JUNE, 87	FIGURE 2
Originator. G.R.P.		N.T.S. 82F/11E&W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

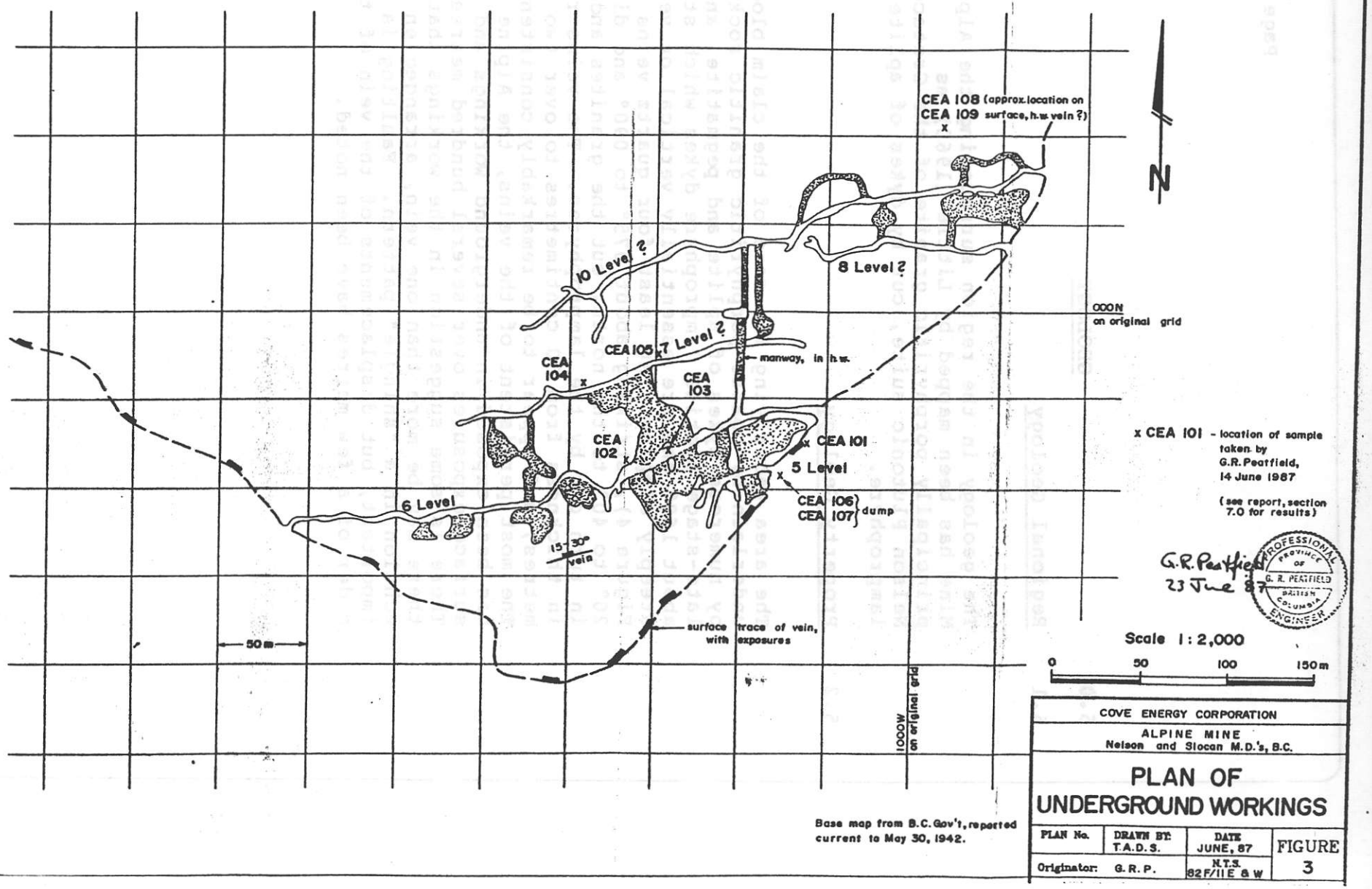
4.0 HISTORY

The first discovery of gold bearing veins at the Alpine Mine was made in 1896, and some minor development was done until 1899. A small shipment of ore is reported for 1915 in Government records, but no gold production is reported from this ore, and it may have been from a different mine. Development work continued intermittently until 1939, and by 1940 the Alpine Syndicate had constructed an aerial tramway and a 50 ton per day flotation mill. Mining and milling lasted until early 1942, and occurred again during the period 1946-1948. The mine reportedly closed due to a combination of labour troubles, rising costs, and the fixed gold price. Very small amounts of hand cobbed ore were also produced from the Gold Crown and King Solomon prospects nearby.

The Alpine Mine has been developed by several tunnels on a number of levels; open stopes connect the upper levels (see Figure 3). Production figures are somewhat fragmentary; those presented in the B.C. Government "Minfile" records are shown below:

Year	Tons Mined	Tons Milled	Au(oz)	Ag(oz)	Pb(lbs)	Zn(lbs)
Alpine						
1915*	4	-	-	62	3,810	-
1940	4,400	4,400	1,860	1,136	16,444	5,670
1941	12,695	12,695	6,763	4,180	59,868	21,169
1946	?	655?	355	186	1,587	582
1947	?	200?	86	60	4,114	348
1948	?	?	543	366	6,673	2,385

*probably not from this property; perhaps from the Alpine mine, Ainsworth Camp.



Base map from B.C. Gov't, reported current to May 30, 1942.

COVE ENERGY CORPORATION

ALPINE MINE
Nelson and Slocan M.D.'s, B.C.

PLAN OF UNDERGROUND WORKINGS

PLAN No.	DRAWN BY: T.A.D.S.	DATE: JUNE, 87	FIGURE 3
Originator: G.R.P.		N.T.S. 82F/11E & W	

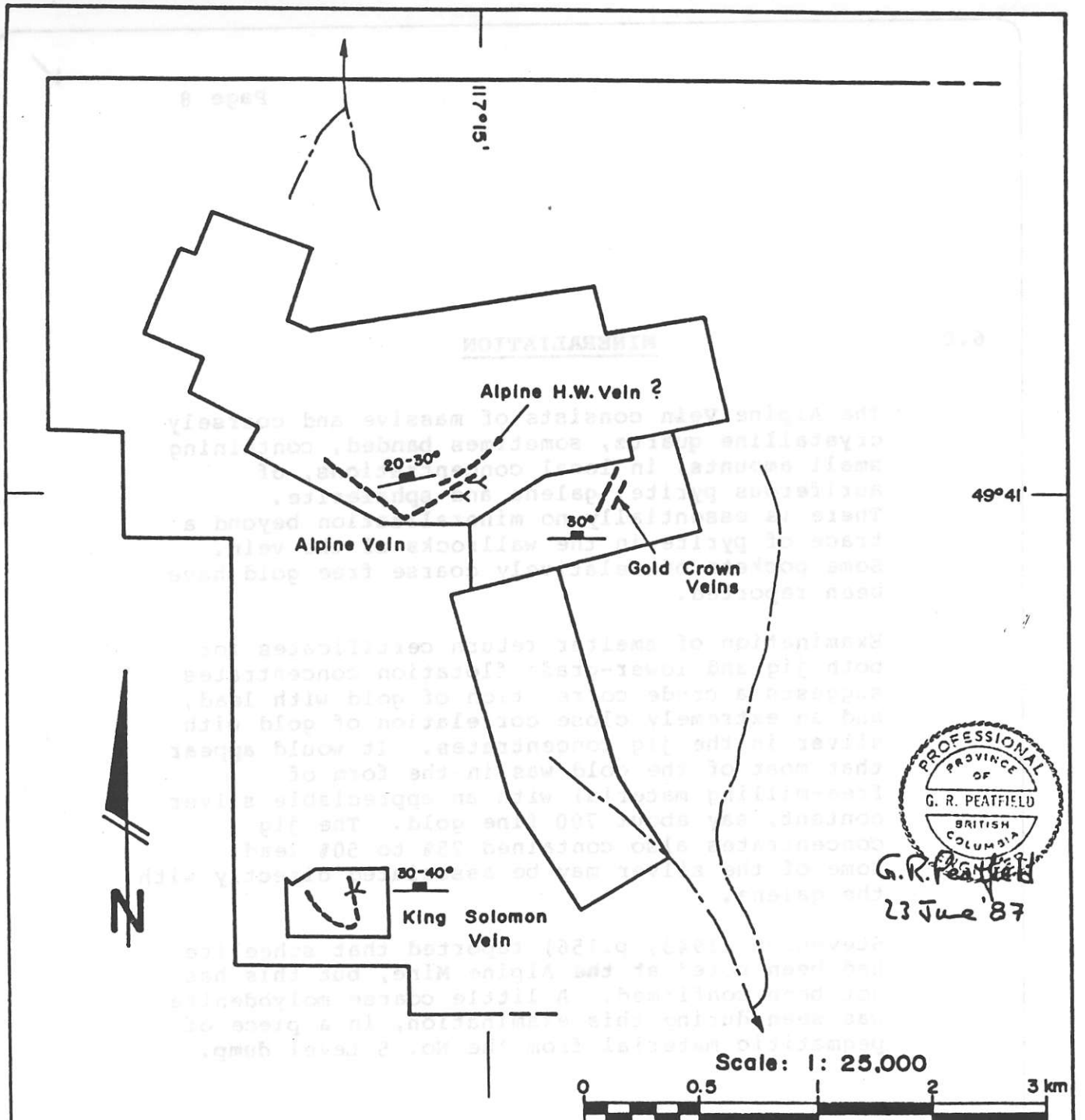
5.0 GEOLOGY

5.1 Regional Geology

The geology in the region surrounding the Alpine Mine has been mapped by Little (1960) as principally porphyritic granite of the Cretaceous Nelson Plutonic suite, cut by dykes of aplite and lamprophyre.

5.2 Property Geology

The area underlying the core of the claim block is underlain by coarse porphyritic granitic rocks cut by numerous dykes of aplite and pegmatite, and by late-stage biotite lamprophyre dykes which strike about 160° and are essentially vertical or very steeply dipping. At least four quartz veins (see Figure 4), striking about 075° to 090° and dipping 20° to 40° to the north, cut the granites and are in turn cut by the lamprophyres. The veins range in thickness from 30 centimetres to over two metres, and appear to be remarkably consistent. The most persistent of the veins, the Alpine Vein, has been exposed in underground workings and in surface exposures over several hundred metres. There is some suggestion in the workings that there may be more than one vein, arranged en echelon in a "shingle" pattern. Faulting is not important, but displacements of the vein of the order of a few metres have been noted.



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
G. R. PEATFIELD

G.R. Peatfield
23 June '87

KEY

- surface trace of vein
- 30° vein attitude
- adit on vein

note: refer to Figure 2 for claim details

COVE ENERGY CORPORATION			
ALPINE MINE Nelson and Slocan M.D.'s, B.C.			
LOCATION OF VEIN OUTCROPS			
PLAN No.	DRAWN T. A. D. S.	DATE JUNE, 87	FIGURE 4
Originator: G.R.P.		N.T.S. 82F/11E & W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

6.0 MINERALIATION

The Alpine Vein consists of massive and coarsely crystalline quartz, sometimes banded, containing small amounts, in local concentrations, of auriferous pyrite, galena and sphalerite. There is essentially no mineralization beyond a trace of pyrite in the wallrocks of the vein. Some pockets of relatively coarse free gold have been reported.

Examination of smelter return certificates for both jig and lower-grade flotation concentrates suggests a crude correlation of gold with lead, and an extremely close correlation of gold with silver in the jig concentrates. It would appear that most of the gold was in the form of free-milling material with an appreciable silver content, say about 700 fine gold. The jig concentrates also contained 25% to 50% lead. Some of the silver may be associated directly with the galena.

Stevenson (1943, p.156) reported that scheelite had been noted at the Alpine Mine, but this has not been confirmed. A little coarse molybdenite was seen during this examination, in a piece of pegmatitic material from the No. 5 Level dump.

8.0 CONCLUSIONS

1) The Alpine Mine and surrounding area constitute an attractive target for discovery of a relatively small, high-grade underground gold mine. The property has strong persistent quartz veins, which historical records suggest held shoots of good grade mineralization with simple metallurgy. There is ample room to develop additional tonnages of vein material. The property is well located, in a reasonable topographic setting, and is large enough to preclude boundary problems. More specific conclusions follow.

2) The property needs surface mapping, for which a grid will be necessary in the area of the old workings. A topographic base map with an orthophotograph would be the best way to provide mapping control for the entire property.

3) The underground workings on the Alpine Vein appear for the most part to be in very good condition except for minor caves in the areas of faults and dykes. Some retimbering, especially at the portals, would be necessary. The ladders in the manway are unsafe, and must be replaced.

4) There is at present no accurate plan available of the underground workings. Such a map would be necessary to plan future work and locate samples, and if old plans cannot be found, new ones must be constructed.

5) The present road route appears, on the basis of a quick aerial reconnaissance, to be a good one. Some road rebuilding will be necessary, including placing several culverts and one small bridge.

6) No sampling records are available for either surface or underground workings. If these cannot be found and verified, all vein exposures will have to be re-sampled.

7) The downdip extensions of the various veins could be tested by diamond drilling from surface. Since the gold mineralization tends to be somewhat pockety, large diameter core should be recovered.

8) There may be more than one vein in the Alpine Mine, arranged in a "shingle" pattern. Underground diamond drilling would be useful to test this hypothesis.

9) The Alpine Vein material where seen and sampled is clean quartz with a low sulphide content, which might well make a good smelter flux. This possibility should be explored.

10) Although White (1951 - see Appendix II) lists proven (?) reserves of 62,500 tons at about 0.33 oz.ton gold, and possible reserves of 37,500 tons at 0.60 oz/ton gold, these figures require confirmation. There is geologic "room" for this tonnage and more, but much detailed sampling would be necessary to prove reserves. A reasonable threshold target might be 200,000 tons at 0.40 oz/ton gold, for a contained 80,000 ounces.

10.0 COST ESTIMATE

The above listed recommendations can be divided, for the purposes of budgetting, into a three phase program, as follows:

PHASE I - PREPARATORY WORK

1)	Grid establishment, topographic map and orthophoto, survey control	$ 15,000
2)	Camp establishment	20,000
3)	Geological mapping	15,000
4)	Cleanup and rehabilitation of workings (first phase)	30,000
5)	Survey control in underground workings	10,000
6)	Road rehabilitation (first phase)	25,000
7)	Sampling of underground and surface vein exposures	15,000
8)	Supervision, engineering and reporting	25,000
	Total	$155,000
	Allow	$180,000

Contingent on the results of Phase I work, proceed to Phase II.

PHASE II - INITIAL DRILLING

1)	Continued rehabilitation of underground workings	$ 60,000
2)	Surface diamond drilling - 3,000 m at $110/m	330,000
3)	Underground diamond drilling 1,000 m at $65/m	65,000
4)	Metallurgical test work	15,000
5)	Supervision, engineering and reporting	50,000
	Total	$520,000
	Allow	600,000

Contingent on the results of Phase II work, proceed to Phase III.

PHASE III - DETAILED EXPLORATION

1)	Up-grading of road to hauling standards	$ 70,000
2)	Initial environmental studies	25,000
3)	Surface diamond drilling 3,000 m at $110/m	330,000
4)	Underground diamond drilling 3,000 m at $65/m	195,000
5)	Underground exploration; drifting, cross-cutting and raising	200,000
6)	Detailed sampling of new workings	15,000
7)	Test mining	100,000
8)	Shipment of bulk test samples to Trail for flux trial	50,000
9)	Supervision, engineering and reporting	75,000
	Total	$1,060,000
	Allow	$1,220,000

Total Phases I to III $1,735,000

Allow Phases I to III $2,000,000

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA G. R. PEATFIELD

G.R. Peatfield, June 23 '87

G.R. Peatfield, Ph.D., P.Eng.

STATEMENT OF QUALIFICATIONS

I, Giles R. Peatfield, hereby certify that:

1. I am a consulting geologist with a business office at 500-164 Water Street, Vancouver, British Columbia, V6B 1B5.

2. I am a principal of MineQuest Exploration Associates Ltd., a company performing geological consulting and contract exploration services for the mineral exploration industry.

3. I am a graduate of the University of British Columbia (B.A.Sc., Geological Engineering, 1966) and of Queen's University at Kingston (Ph.D., 1978).

4. I am a fellow of the Geological Association of Canada, a Member of the Canadian Institute of Mining and Metallurgy, of the Mineralogical Association of Canada, of the Association of Exploration Geochemists, and of the Association of Professional Engineers of British Columbia.

5. I have practiced my profession as a geologist for more than 20 years.

6. Nature of Investigation: I visited the Alpine Mine property on June 14, 1987 in company with Mr. Al Matovich and Messrs. Barry Ehrl, Errol Hemmingson and Brent Ehrl of Cove Energy Corporation. This report is based on that examination and on various published and unpublished reports on the property.

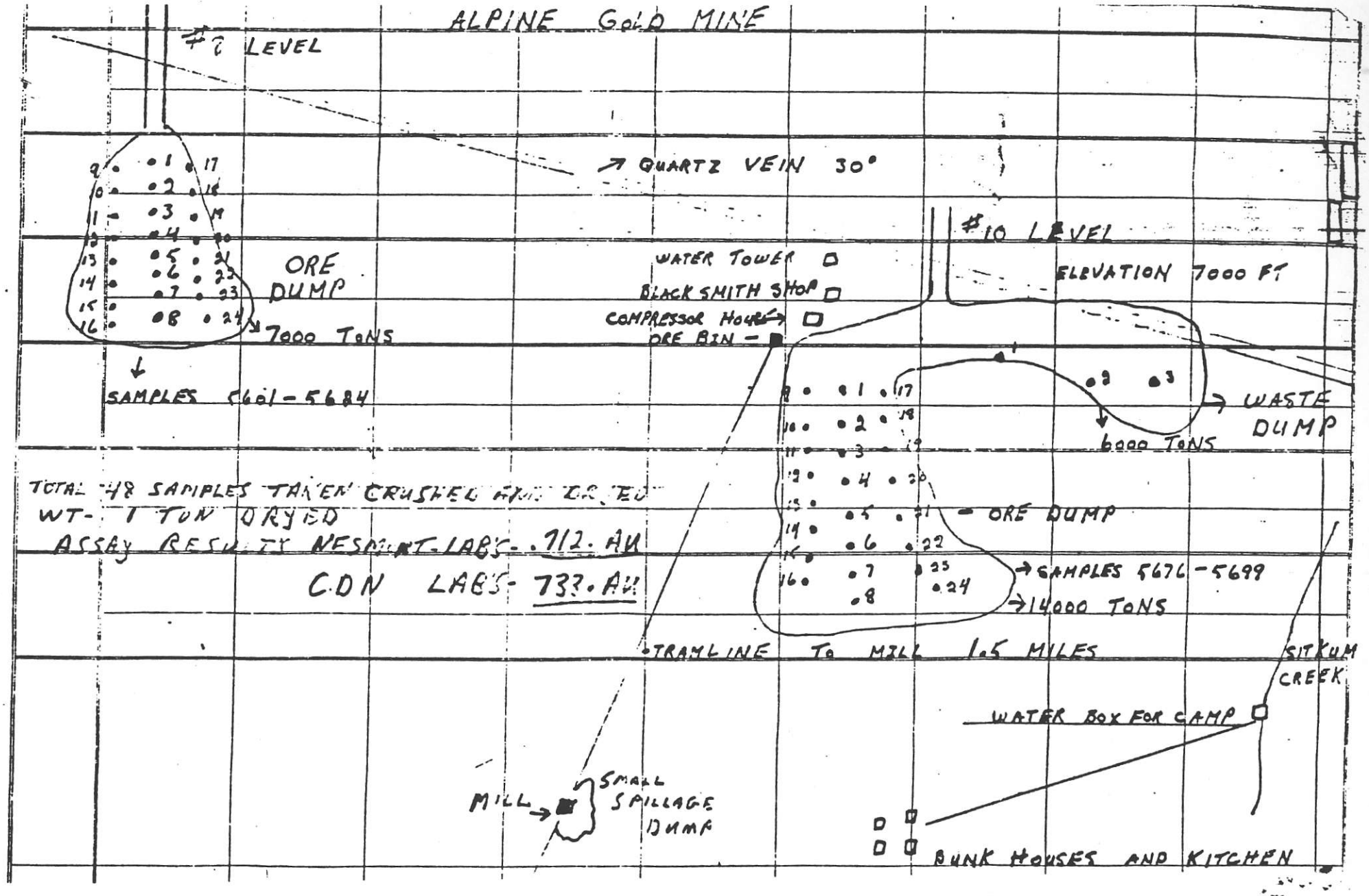
7. I have no interest, direct or indirect, nor do I expect to receive any interest in the property which is the subject of this report or in the securities of Cove Energy Corporation.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
G. R. PEATFIELD

Signed: G.R. Peatfield

G.R. Peatfield, P.Eng.

Dated at Vancouver, B.C. this
22nd day of June, 1987


ALPINE GOLD MINE
#7 LEVEL
QUARTZ VEIN 30°
#10 LEVEL
ELEVATION 7000 FT
WATER TOWER
BLACK SMITH SHOP
COMPRESSOR HOUSE
ORE BIN
ORE DUMP
7000 TONS
SAMPLES 5601-5684
WASTE DUMP
6000 TONS
ORE DUMP
SAMPLES 5676-5699
14000 TONS
TOTAL 48 SAMPLES TAKEN CRUSHED AND DRIED
WT- 1 TON DRYED
ASSAY RESULTS NESMONT LABS - .712. AU
C.D.N LABS - 737. AU
TRAMLINE TO MILL 1.5 MILES
MILL
SMALL SPILLAGE DUMP
SITKUM CREEK
WATER BOX FOR CAMP
BUNK HOUSES AND KITCHEN

TOTAL TONS FROM ALL SITES SURVEYED ARE

@ 12 CU FT/TON

UPPER DUMP	SHEET #1	± 6,380.
LOWER MAIN DUMP	SHEET #2	±10,856
NEAR LOW MAIN DUMPS AND MILL SITE	SHEET #3	± 7,484
		±24,720 TONS

CALC

H-G	$5.0 \times \frac{25.1}{2}$	$= 62.8\ ^3m$
G-F	$7.0 \times \frac{80.8}{2}$	$= 282.8\ ^3m$
F-E	$10 \times \frac{119.2}{2}$	$= 596.0\ ^3m$
E-D	$15 \times \frac{76.6}{2}$	$= 725.8\ ^3m$
D-C	$10 \times \frac{58.2}{2}$	$= 291.0\ ^3m$
C-B	$10 \times \frac{27.8}{2}$	$= 139.0\ ^3m$
B-A	$12.4 \times \frac{11.6}{2}$	$= 71.9\ ^3m$

TOTAL ±2167.3 ^3m

= 2834.7 cu yds
ASSUMED 12 CUF/TON
SUB TOTAL UPPER DUMP = ±6,380 TONS

SURVEYED JULY 24/87

ALPINE GOLD
VOLUME ESTIMATES
FOR
COLVE ENERGY

INTERMOUNTAIN ENGINEERING
AND SURVEYING
BOX 10 NELSON, B.C.

NESMONT
PRECIOUS METALS
CORPORATION

PLANT: 604-946-2266
#6-7950 Huston Road
Ladner, B.C. Canada V4G 1C2
SALES OFFICE: 604-683-8943

Report On Production Test-: Floation Concentration

File No. 10639

Report No. 3

Date

Reported to Cove Energy Corporation
Suite 1730 - 999 West Hastings St.
Vancouver, B.C. V6C 2W2
Attetnion: Mr. Barry Ehrl

We have completed floatation testing on your "Dumps" sample and report as follows:

Sample Identification:

The sample was labelled "Dumps" and assayed 0.375 oz/ton of gold and 1.09 oz/ton of silver.

Method of Testing:

One hundred pounds of sample was milled to approximately 100 mesh and used for Bulk Floatation testing.

Bulk Floatation:

The milled sample was taken for Bulk Floatation, using the following reagents and conditions.

	Reagents		LBS per ton
Xanthate	350		0.10
Xanthate	317		0.10
Aerofloat	15		0.05
Aerofloat	208		0.05
Condition	15 minutes	pH = 9 (soda ash)	
Dowfroth	250	- as required	
Pulp Density	- 20 - 25% Solids		

Results of Testing:

Assays & Weights

	Product Weight	Gold oz/ton	Silver oz/ton
Heads	100.00 lbs	0.375	1.09
Conc.	9.90 lbs	3.57	8.26
Tails	90.10 lbs	0.019	0.29

Concentration Ratio:

The concentration ratio here is 10.10 to 1.00 (i.e) 10.10 tons of original material (heads) would be required to produce one ton of "Concentrate".

Recoveries and Distribution:

"Gold"

	Grams Gold	% Dist	grams Gold
Heads: 100.00lbs @0.375 oz/ton contain			0.583
Conc.: 9.90lbs @ 3.57 oz/ton contain	0.550	95.32%	
Tails: 90.10lbs @ 0.019 oz/ton contain	0.027	4.68%	
	0.577	100.00%	0.577
Gold not accounted for			0.006

= 1.03% or 98.97% accounted for.

"Silver"

	Grams Silver	% Dist	grams Silver
Heads: 100.00lbs @ 1.09 oz/ton contain			1.70
Conc: 9.90 lbs @ 8.26 oz/ton contain	1.272	75.80%	
Tails: 90.10 lbs @ 0.29 oz/ton contain	0.406	24.20%	
	1.678	100.00%	1.678
Silver not accounted for			0.022

= 1.29% or 98.71% accounted for.

Remarks:

Lead and Zinc Assays with metallurgical balance to follow on report #3A.

Nesmont Precious Metals Corporation

F. C. Burgess

Fred C. Burgess
Plant Manager
Chief Assayer

NESMONT
PRECIOUS METALS
CORPORATION

To:
Cove Energy Corporation
Suite 1730 - 999 West Hasting St.
Vancouver B.C.
V6C 2W2
Attention: Mr. Barry Ehrl

Date: July 28, 1987

Control No. 10639

Certificate of Assay

Report #3

We Hereby Certify that the following are the results of assays made by us upon submitted Bulk Ore Test samples.

Sample Identification	GOLD Ounces Per Ton	SILVER Ounces Per Ton	GOLD Percent	SILVER Percent				
"Dumps"								
Heads	0.375	1.09						
Concentrate	3.57	8.26						
Tailings	0.019	0.29						

Note: Pulps retained one month.

Rejects retained two weeks.

NESMONT PRECIOUS METALS CORPORATION

A. R. Burgess

NESMONT
PRECIOUS METALS
CORPORATION

PLANT: 604-946-2266
#6-7950 Huston Road
Ladner, B.C. Canada V4G 1C2
SALES OFFICE: 604-683-8943

Report On Production Test File No. 10639

Report No 3A

Reported to Cove Energy Corporation Date July 31, 1987

Suite 1730 - 999 West Hasting St.

Vancouver B.C. V6C 2W2

Attn: Mr. Barry Ehrl

We have completed tests upon your ore sample submited and report as follows:

Sample Identification:

The sample was labelled "Alpine Dumps"

Method of Testing:

Due to an indication of unhomogenity, the bulk sample was mixed again and two cuts were taken for assay. These were labelled cut #4 and cut #5 (dumps).

Assay Results:

	Gold oz/ton	Silver oz/ton
Dumps Cut #4	0.403	0.66
Dumps Cut #5	0.412	0.49

These assays fall within the realm of sampling especially due to the fact that free milling gold was encountered in the bulk sample and the products.

The mean of these samples is-:

	Gold oz/ton	Silver oz/ton
Average	0.523	1.40

Results of Floatation Test:

Product	Weight	Lead percent Pb	Zinc percent Zn
Heads	100.00 lbs	0.088 %	0.062 %
Float Conc	9.90 lbs	0.79 %	0.52 %
Tails	90.10 lbs	0.01 %	0.01 %

Recovery and Distribution:

"Lead"

	lbs Lead	% Dist	lbs Lead
Heads-: 100.00 lbs @ 0.088 % contain			0.088
Conc-: 9.90 lbs @ 0.79 % contain	0.078	89.66	
Tails-: 90.10 lbs @ 0.01 % contain	0.009	10.34	
	0.087	100.00%	0.087
Lead not accounted for			0.001

= 1.14 % or 98.86 %lead accounted for.

"Zinc"

	lbs Zinc	% Dist	lbs Zinc
Heads-: 100.00 lbs @ 0.062 % contain			0.062
Conc-: 9.90 lbs @ 0.52 % contain	0.052	85.25	
Tails-: 90.10 lbs @ 0.01 % contain	0.009	14.75	
	0.061	100.00%	0.061
Zinc not accounted for			0.001

= 1.61 % or 98.39 % zinc accounted for.

Remarks:

Assay Certificates attached herewith for assays preformed.

Nesmont Precious Metals Corportion

for Fred Burgess

Fred C. Burgess
Plant Manager
Chief Assayer

NESMONT
PRECIOUS METALS
CORPORATION

To:
Cove Energy Corporation
Suite 1730 - 999 West Hasting St.
Vancouver B.C.
V6C 2W2
Attention: Mr. Barry Ehrl

Date: July 29, 1987

Certificate of Assay

Control No. 10639

Report #3A

We Hereby Certify that the following are the results of assays made by us upon submitted Bulk Ore Test samples.

Sample Identification	GOLD Ounces Per Ton	SILVER Ounces Per Ton	GOLD Percent	SILVER Percent				
"Alpine"								
Dumps - Cut #4	0.403	0.66						
Dumps - Cut #5	0.412	0.49						
Average	0.523	1.40						

Note: Pulps retained one month.

Rejects retained two weeks.

NESMONT PRECIOUS METALS CORPORATION

F.C. Burgess

Certified Provincial Assayer

NESMONT
PRECIOUS METALS
CORPORATION

To:
Cove Energy Corporation
Suite 1730 - 999 West Hasting St.
Vancouver B.C.
V6C 2W2
Attention: Mr. Barry Ehrl

Date: July 30, 1987

Control No. 10639

Certificate of Assay

Report #3A

We Hereby Certify that the following are the results of assays made by us upon submitted ..... samples.

Sample Identification	GOLD Ounces Per Ton	SILVER Ounces Per Ton	GOLD Percent	SILVER Percent	Lead Percent Pb	Zinc Percent Zn		
"alpine" Dumps								
Heads					0.088	0.062		
float concentrate					0.79	0.52		
tails					0.01	0.01		

Note: Pulps retained one month.

Rejects retained two weeks.

NESMONT PRECIOUS METALS CORPORATION

F. E. Burgess

Certified Provincial Assayer

CDN RESOURCE LABORATORIES LTD.
#8, 7550 RIVER ROAD, DELTA, B.C. V4G 1C8 / TEL. (604) 946-4448

** ASSAY REPORT **

To: Cove Energy Ltd.
1730 - 999 West Hastings
Vancouver, B.C.
V6C 2W2

Attn: Al Matovich

Number: 87191
Date: June 11, 1987
Proj.:

	Au oz/T	Ag oz/T
Alpine Ref. Tailings	0.032	0.34
Alpine Top Mill Fines Ore Chute	0.741	0.32
Alpine Upper Adit Spillage	0.117	0.67
Alpine Dump	0.108	0.12
Alpine Underground	3.764	1.97
Alpine near Cave-in	0.198	0.09
Alpine G Level	0.160	0.06
Alpine Ref. Bottom Dump	1.066	1.01
Alpine Lower Mill	0.743	0.41
Alpine Top Mill Samples Upper Adit Spillage	0.354	4.03
Alpine Top Mill Sample Spillage	0.840	1.14
Alpine #3	2.079	2.58
Alpine Tailing Mill	0.012	0.03
Alpine #1 Heavy Fe Underground	0.041	1.19
Tailing #1	0.009	
Tailing #2	0.006	
Tailing #3	0.012	

Duncan Sanderson
Licensed Assayer of British Columbia

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** ASSAY REPORT **

To: Cove Energy Ltd.
1730 - 999 West Hastings
Vancouver, B.C.
V6C 2W2

Attn: Al Matovich

Number: 87204
Date: June 17, 1987
Proj.:

	Au oz/T		Ag oz/T
Alpine 6th Level Dump	0.014		0.01
Alpine 6th Level Underground Grab	0.056		0.07
6th Level Underground Grab	0.082		0.20
8th Level	0.095		0.10
A1326	0.126		0.04
A1328	9.326	VG	5.31
A1329	0.148		0.19
A1331	0.134		0.35

Duncan Sandison
Licensed Assayer of British Columbia

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** ASSAY REPORT **

To: Cove Energy Ltd.
1730 - 999 West Hastings
Vancouver, B.C.
V6C 2W2

Attn: Al Matovich

Number: 87247
Date: July 9, 1987
Proj.:

	Au oz/T	Ag oz/T
R 1st Dump	4.177	3.88
R Main Dump	0.081	0.09
R Main Dump Dyke	<0.002	<0.01
R Sorted Ore Landing	2.481	1.63
R Tailings	0.178	0.20

Duncan Sanderson
Licensed Assayer of British Columbia

NESMONT
PRECIOUS METALS
CORPORATION

PLANT: 604-946-2266
#6-7950 Huston Road
Ladner, B.C. Canada V4G 1C2
SALES OFFICE: 604-683-8943

Report On Sampling of "Alpine" Bulk Samples File No. 10639

Report No

Reported to Cove Energy Corporation Date July 13 1987

c/o 36 Powell Street

Vancouver, B.C. V6A 1E9

Attention: Mr. Barry Ehrl

We have sampled and assayed four (4) samples submitted on your behalf by Mr. Al Matovich, on July 2nd, 1987 and report as follows:

Sample Identification:

1) "Dumps"	-	55 bags	net wt.	1237.5 lbs
2) "Mill Dump"	-	27 bags	net wt.	451.5 lbs
3) "Tails"	-	16 bags	net wt.	326.0 lbs
4) "Mill Tails" (bottom of dump)	-	1 bag	net wt.	3.9 lbs

Method of Sampling:

All samples were crushed to 3/8" (95%). No.4 "Mill Tails" sample was then split through a "Jones" splitter to approximately 200 grams. The larger samples were placed on a tarp after crushing, then mixed by shovel, and finally coned (piled by hand to a cone shaped pile by repeated additions of the sample to the centre of the mound) and quartered. (removal of 1/4 sample). This process continued until a reasonable size sample (2-5 lbs) was reached, then split through a "Jones" splitter to approximately 200 grams.

All samples were then pulverized and sieved through a 100 mesh screen. The plus 100 mesh portion being totally fire extracted and prorated (by weight), along with the minus 100 mesh assay, to the total weight of the sample pulverized.

Assay Certificate to follow with final report.

Nesmont Precious Metals Corporation

F. C. Burgess

Fred C. Burgess
Plant Manager
Chief Assayer

NESMONT
PRECIOUS METALS
CORPORATION

To:
Cove Energy Corporation
Suite 1730-999 West Hastings St.
Vancouver, B.C.
V6C 2W2
Attention: Mr. Barry Ehrl

Date: July 14, 1987

Control No. 10639

Certificate of Assay

We Hereby Certify that the following are the results of assays made by us upon submitted Bulk Ore samples.

Sample Identification	GOLD Ounces Per Ton	SILVER Ounces Per Ton	GOLD Percent	SILVER Percent				
"Alpine Samples"								
Dumps	0.712							
Mill Dump	0.238							
Tails	0.041							
Mill Tails (bottom of dump)	0.055							

Note: Pulps retained one month.

Rejects retained two weeks.

NESMONT PRECIOUS METALS CORPORATION

F.E. Burgess.

Certified Provincial Assayer

KING SOLOMON (Formerly Twilight) Sitcum Creek

Ministerof MinesReports.
1938 - page A36 - Twilight - A. D. Papazian and T.L.Paris shipped gold, silver, lead ore.

1939-page 39 - King Solomon - T. Pariset al and A.D.Papazian shipped gold andsilver ore.

1939 - page 81 - This property, abcut 1½ miles below the Alpine, is owned and operated by T. L. Paris and A. D. Papazian, of Nelson. This year a go-devil roadwas constructed from the main Alpine road to tho mine, a distance of about 3/4 of a mile. A maximum of four men were employed and hand steel only was used. Ore totalling 19 tons was mined and shipped to Trail. This yielded 13 ozs. of gold and 17 ozs. of silver.

Total production from the King Solomon 1938-39 -- 23 tons giving 20 ozs. gold, 23.ozs.silver and 108 lbs. pb.

KING SOLOMON - by Eric Denny -September1984

The old road to the Alpine Mine is now partly overgrown and washed out in places for the upper 5 miles so is no longer accessible to 4 wheel vehicles. It would cost about $3000. to open it with a John Deere. Access is by helicopter from Nelson about 12 miles or 20 km. in an air line from Nelson heliport.

Variousoutcrops, open cuts and 3 short adits (2 caved) prove the continuity of the vein for over700 feet. The strike of the outcrop is approximately east-west and the dip averages 30 degrees - 40 degrees to the north. Widths vary from 1 to 3 feet. There is at least 1 more vein paralleling the main vein which has been proven where it crosses the ridge several hundred feet to the north. The workings are on a fairly steep slope (about 25 degrees) but from the lowest showing a fairly well graded "go-devil" road connects to theold Alpine road just above the Alpine mill. There is an ore car and tracks in the upper adit which is 70 feet long.

In 1982 we made a good heliport on the ridge near the centre of the claim. We took 6 samples -- certificate enclosed. We could see no visible gold in any of the samples although over the years we have heard some pretty intriguing tales from fairly reliable people about rich samples of goldore that havecome from this claim.

This claim is only a mile from the well known Alpine Mine that operated from 1940 - 1948 and produced 17,095 tons that yielded 11,413 ozs. of gold; 7,027 ozs. of silver; 104,761 lbs. of lead and 37,667 lbs. of zinc. or .667 ozs. of gold perton; .41 ozs. of silver per ton; 6 lbs.of lead per ton (.3%); 2 lbs. ofzinc per ton (.1%). The Alpine mill was 3/4 mile east of the KingSolomon. The vein at the King Solomon is very similar to the Alpine vein as to dip andstrike only apparently notas wide.

NOTE: 1. An additional eight units were staked on November 22, 1983, and in September 1984 three more units were added to cover the former Gold Crown showings adjoining and south of the Alpine Mine crown grants. Enough assessment work has been done to cover requirements for another year. The go-devil road to the Alpine Mill was clearedout and some cutting done on the Alpine road.Some more stripping and sampling was done on the King Solomon vein on both sides of the divide. Another heliport was made and further prospecting done which resulted in staking the Gold Crown.

GOLD CROWN

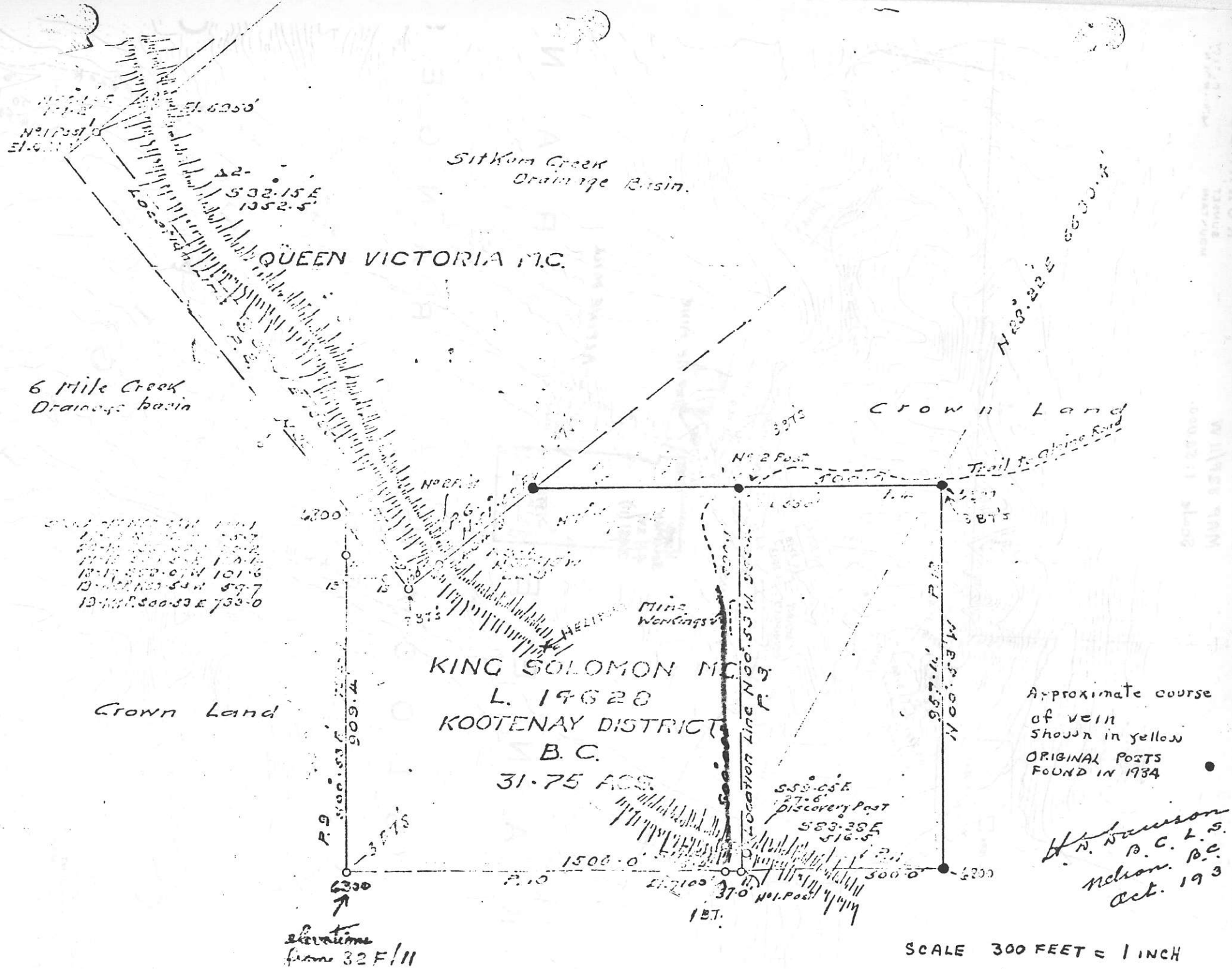
Minister of Mines Reports:

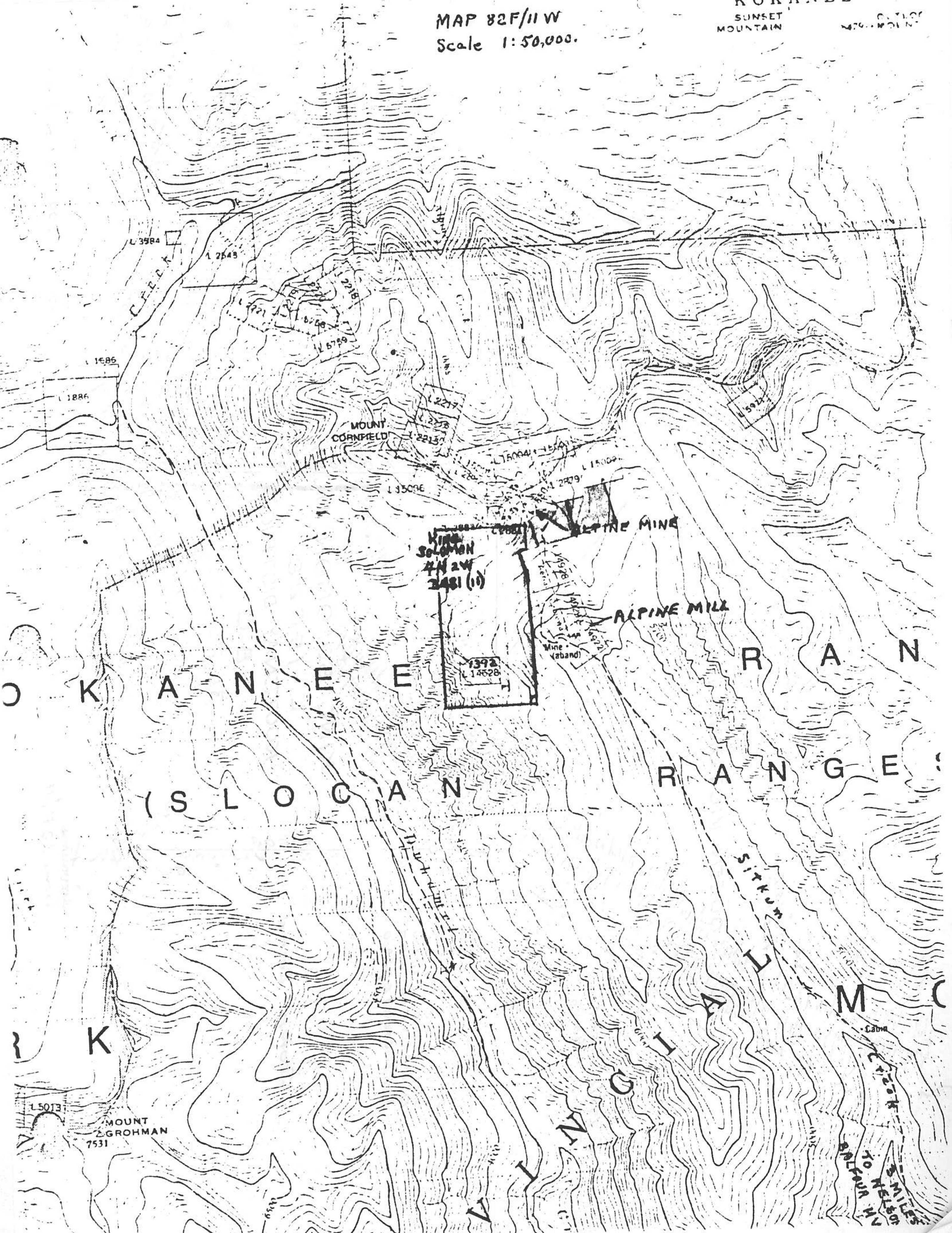
1938 - page E37 - Situated at the head of Sitcum Creek, adjoining the Alpine Group. Owned by Mrs. Anna Belle Radcliffe, of Nelson, and operated for a short time during the summer under lease by S.Reese, A. Mona, Rudolph Nelson and Russell Decaire. Hand-steel only was used and the ore mined was taken from surfaxe cuts and trenches. A total of 39 tons was mined and shipped to Trail This yielded 36 ozs. of gold and 28 ozs. of silver.

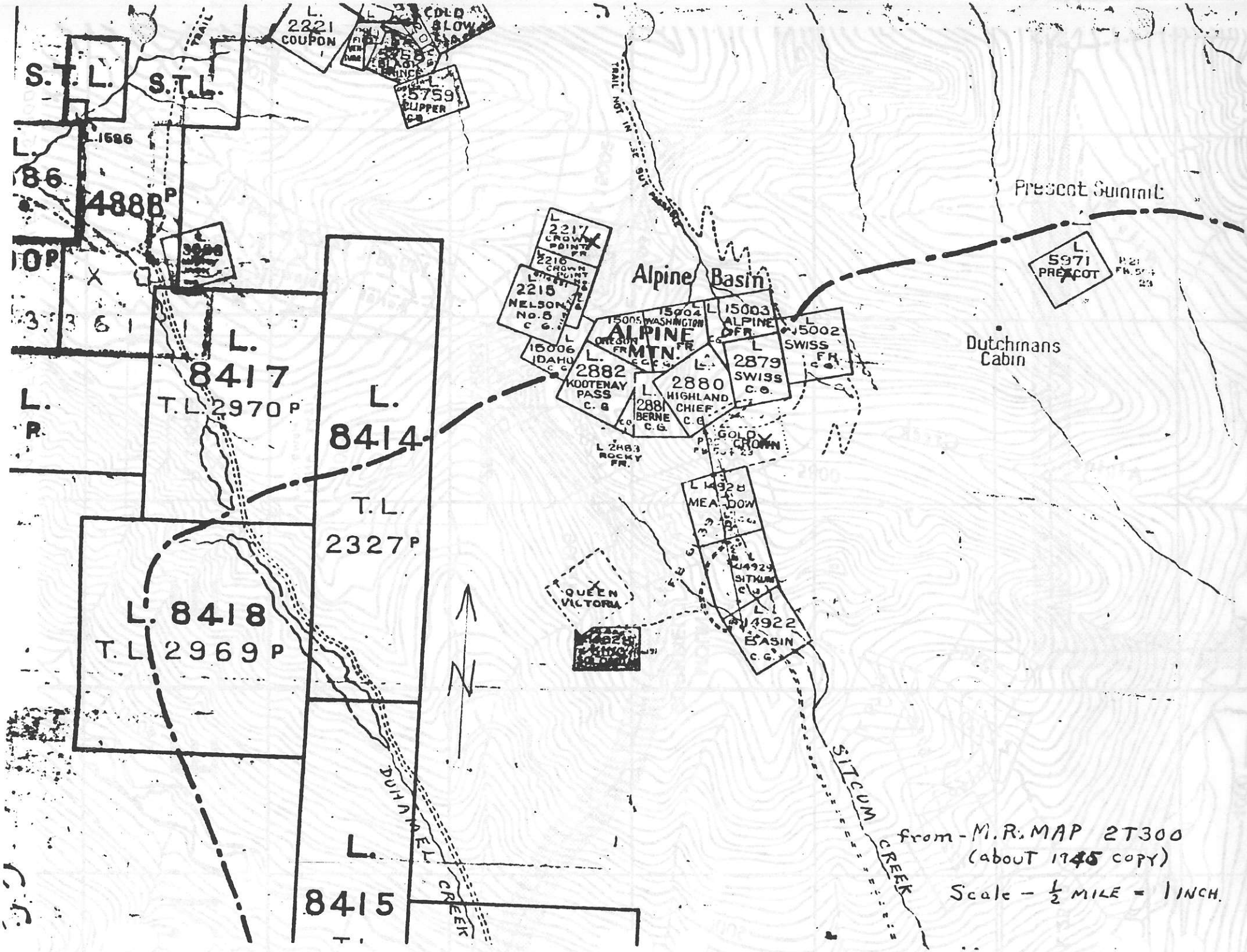
1939 - page 81 - This property, adjoining the Alpine, is owned by Mrs. Anna Belle Radcliffe, of Nelson, and wasoperated under lease by S.Reese, Malcolm Smith and E. Sheldrith. Hand steel only was used and most of the ore came from surface cuts and trenches. A total of 3 tons, shipped to Trail, yielded 2 ozs. of gold and 2 ozs. of silver.

Total Production from the Gold Crown - 1938-1939 - 42 tons giving 38 ozs. of gold and 31 ozs. of silver.

NOTE: The former Gold Crown workings are just across the divide on the east fork of Sitcum Creek. A good trail connects them to the Alpine road. Several open cuts disclose a east-west striking vein that dip about 30 degrees to the north and are very similar to the Alpine and King Solomon veins. A short adit was started but there is virtually no development at depth. Like theKingSolomon -- there is a few tons of ore mined and piled beside the various open cuts.

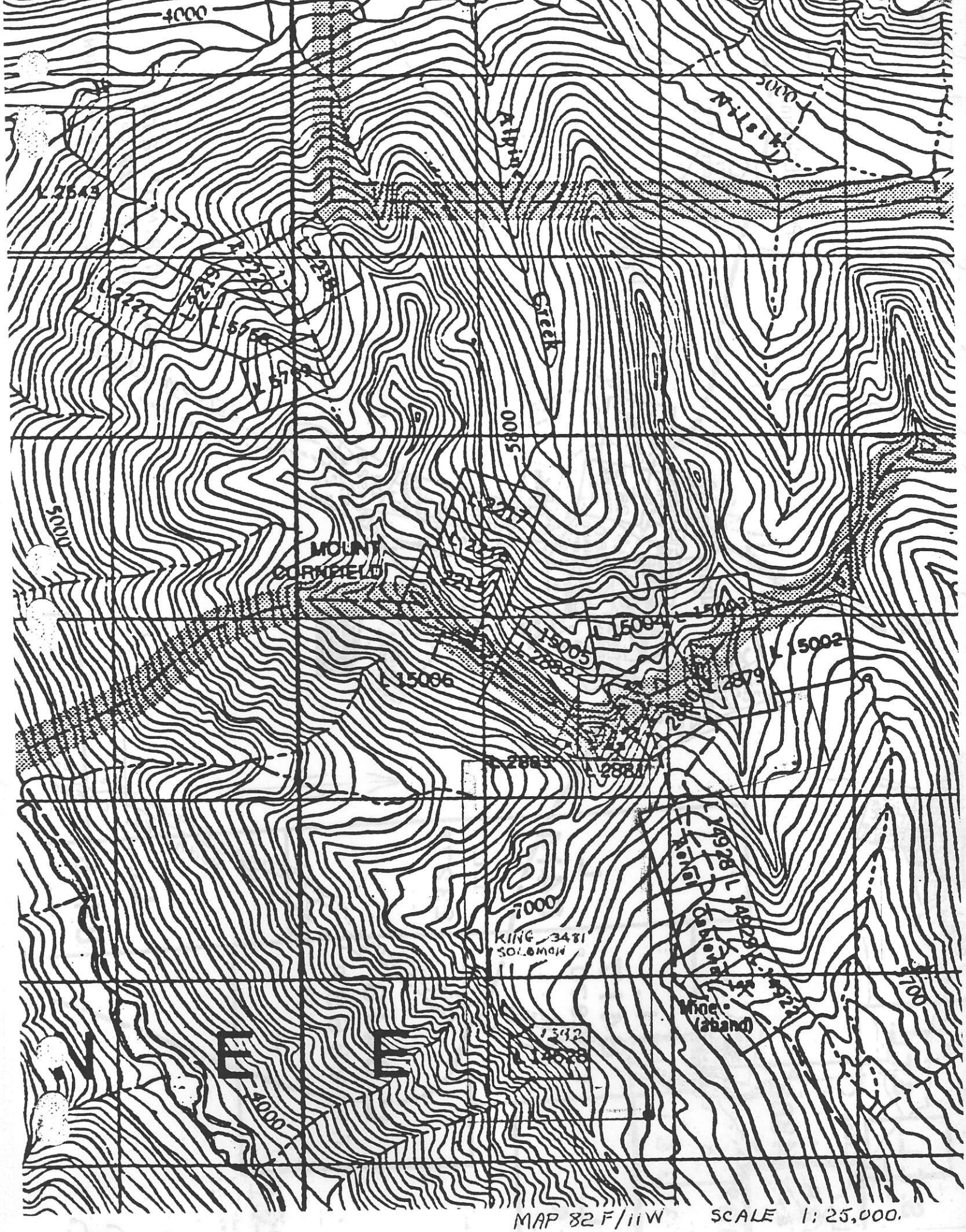

Sitkum Creek
Drainage Basin.
QUEEN VICTORIA M.C.
6 Mile Creek
Drainage basin
Crown Land
Trail to Slocan Road
No 2 Post
HELENA Mine Workings
KING SOLOMON M.C.
L. 19628
KOOTENAY DISTRICT
B.C.
31.75 ACS.
Location Line N 00° 53' W
Crown Land
No 1 Post
Discovery Post
1500-0
609.4
Approximate course of vein shown in yellow
ORIGINAL POSTS FOUND IN 1934
H. N. Hanson
B. C. L. S.
Nelson, B.C.
Oct. 193
Elevations from 32 F/11
SCALE 300 FEET = 1 INCH


MAP 82F/11 W
Scale 1:50,000.
SUNSET MOUNTAIN
CREEK
L 3584
L 2543
L 2218
L 2221
L 6759
L 1686
L 1886
L 2217
MOUNT CORNFIELD
L 15006
L 15009
L 5927
ALPINE MINE
King Solomon
4N 2W
2481 (11)
ALPINE MILL
Mine (aband)
1392
L 14828
O K A N E E
R A N
(S L O C A N
R A N G E S
V I N C I A L
M O
K
L 5013
MOUNT GROHMAN
7531
Duhamel
Sitkum
Creek
Cabin
TO NELSON
BALFOUR HY
5 MILES

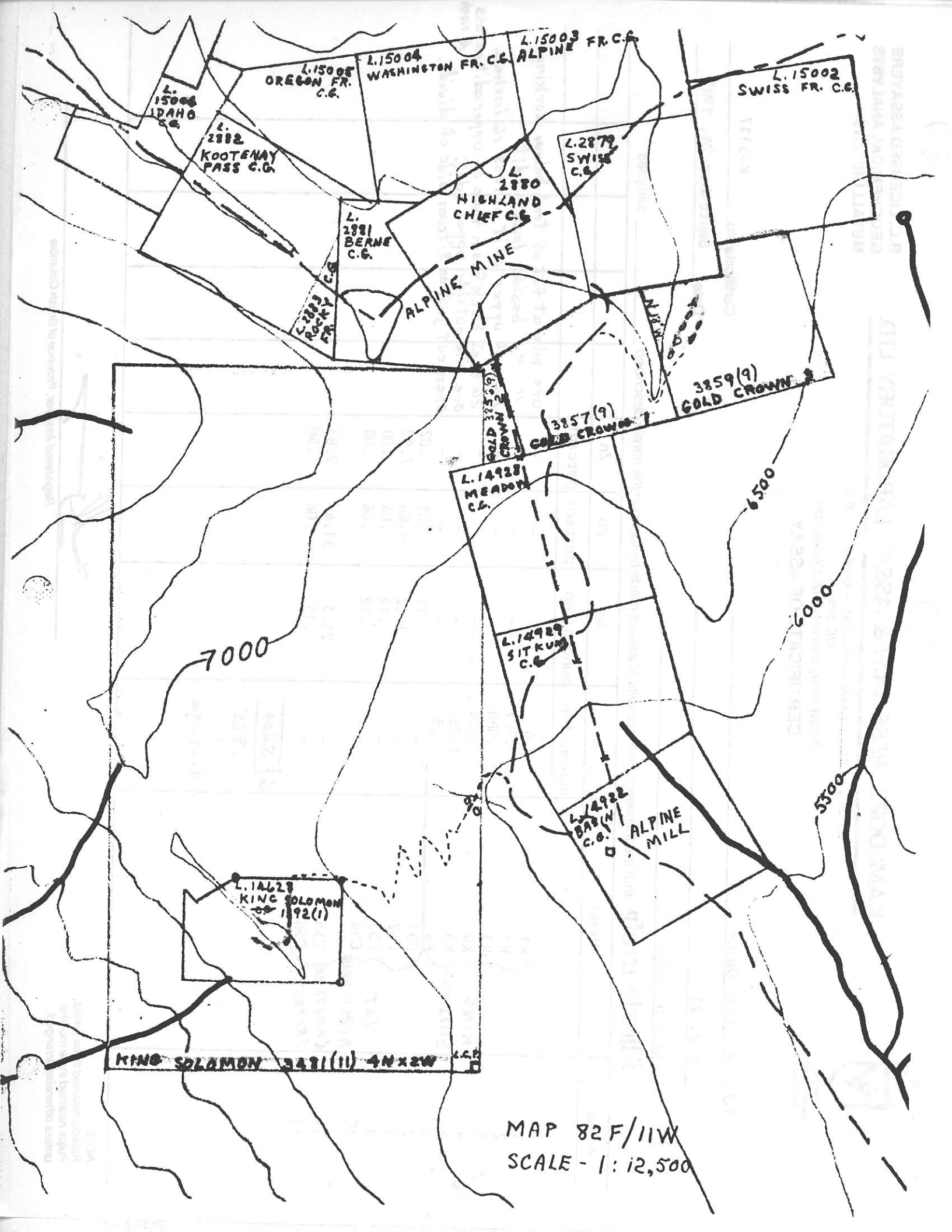


from - M.R. MAP 2T300
(about 1945 copy)

Scale - ½ MILE = 1 INCH.



MAP 82 F/11W SCALE 1: 25,000.


L. 15003 ALPINE FR. C.G.
L. 15004 WASHINGTON FR. C.G.
L. 15005 OREGON FR. C.G.
L. 15006 IDAHO C.G.
L. 2882 KOOTENAY PASS C.G.
L. 15002 SWISS FR. C.G.
L. 2879 SWISS C.G.
L. 2880 HIGHLAND CHIEF C.G.
L. 2881 BERNE C.G.
L. 2883 ROCKY FR.
ALPINE MINE
3859(9) GOLD CROWN
3857(9) GOLD CROWN
L. 14928 MEADOW C.G.
L. 14929 SITKUM C.G.
L. 14932 BASIN C.G.
ALPINE MILL
L. 14628 KING SOLOMON
KING SOLOMON 3481(11) 4N x 2W
6500
6000
5500
7000
MAP 82 F/11W
SCALE - 1 : 12,500

Member
Canadian Testing
Association

KAMLOOPS *RESEARCH & ASSAY* LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5
PHONE: (604) 372-2784 — TELEX: 048-8320

B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS

CERTIFICATE OF ASSAY

TO Mr. Eric Denny
R.R. #1
Nelson, B.C.

Certificate No. K-5117
Date September 24, 1982

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked		Au	Ag	Pb	Zn					
			ounces/ton	ounces/ton	percent	percent					
1	KING SOLOMON	K1	3.4	-	-	-	ore pile at foot of trail below workings.				
2		K2	.187	-	-	-	" " beside lower adit.				
3		K3	.088	-	-	-	Face of upper adit across 16 inches.				
4		K4	.004	-	-	-	26 feet back from face of upper adit across 16 inches.				
5		K5	1.08	-	-	-	ore pile outside upper adit.				
6		K6	.85	-	-	-	Open cut just on Silcum side of divide.				
7	NOT APPLICABLE (ANOTHER PROPERTY)	C51	-	.12	.01	.02					
8		C52	-	1.22	6.86	7.92					
9		C53	-	.12	.04	.08					
10		C54	-	.12	.06	.08					
11		C55	-	21.3	31.4	9.83					
12		C56	-	.15	.06	.50					
			6 5.609								
			.935								
			↑ Average								

NOTE:
Rejects retained three weeks.
Pulps retained three months unless otherwise arranged.

Registered Assayer, Province of British Columbia

Member
Canadian Testing
Association

KAMLOOPS *RESEARCH & ASSAY* LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5
PHONE: (604) 372-2784 — TELEX: 048-8320

B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS

CERTIFICATE OF ASSAY

TO Mr. Eric Denny
Annable Road, R.R. #1
Nelson, B.C. V1L 5P4

Certificate No. K-6658
Date October 1, 1984

REVISED

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked		Au	Ag							
			ounces/ton	ounces/ton							
1	6817		.075*	.76	KING SOLOMON VEIN ON SYXMILE SIDE OF DIVIDE.						
2	6818		.001	.01	" " NORTH VEIN.						
3	6819		.104	.15	GOLD CROWN UPPER VEIN.						
4	6820		.86	.29	GOLD CROWN LOWER VEIN.						
			Weight %	Au ozs/ton	Combined Au oz/t						
	6817	-100	99.98	.072	.075						
		+100	.02	12.41							

* Sample 6817 has been screened and found to contain coarse gold.

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged

F. C. Brown

Mineral Act — Province of British Columbia

Form A

MAP NO. 82F/11W

RECORD OF MINERAL CLAIM

MINING RECEIPT NO. 141467E

RECORD NO. 1392

RECORDED AT Nelson, B.C., THIS 4 DAY OF January 19 80

DO NOT WRITE IN SHADED AREAS FOR OFFICE USE ONLY

MINING RECORDER

Nelson
MINING DIVISION

APPLICATION FOR REVERTED CROWN-GRANTED MINERAL CLAIM

(Mineral Act)

I, ERIC DENNY (NAME) R.R.#1, NELSON, B.C. V1L 5T4 (ADDRESS)

AGENT FOR PEGGY DENNY (NAME) R.R.#1, NELSON, B.C. V1L 5T4 (ADDRESS)

VALID SUBSISTING F.M.C. No. 180230

VALID SUBSISTING F.M.C. No. 190231

make application for a record of a mineral claim of the following reverted Crown-granted mineral claim(s).

If more than one claim appears in this application, the applicant(s) hereby certifies (certify) that the claims all adjoin and do not collectively exceed 40 acres.

Name of Claim	Lot No.	Mining Division	Land District	Acreage
LONE SOLDIER	L.1462	NELSON	KOOTENAY	12
			Total	12

The prescribed fee, in the amount of $ 25.00, is submitted herewith.

Eric Denny
Signature

OFFICE USE ONLY

Time A.M. 11 11

P.M. ____

141467E

MR STAMP $25.00

Work No.'s	Recorded	M.R.	Year of Expiry	Transfers (Bills of Sale, Assignments, Conveyances)

OWNER

MINERAL ACT - PROVINCE OF BRITISH COLUMBIA

Record of Mineral Claim

FORM G

MAP NO. 82F/11W

RECORD NO. 3481

MINING RECEIPT NO. 201449Z RECORDED AT Nelson, B.C. THIS 24 DAY OF November, 1983

OFFICE USE

DO NOT WRITE IN SHADED AREAS

Gold Commissioner

Nelson MINING DIVISION

Affidavit for Mineral Claim

I, ERIC DENNY (NAME) AGENT FOR _____ (NAME)

R.R. #1, NELSON, B.C. V1L 5P4 (ADDRESS) _____ (ADDRESS)

VALID SUBSISTING F.M.C. NO. 238787 VALID SUBSISTING F.M.C. NO. _____

MAKE OATH AND SAY:- I COMMENCED LOCATING THE KING SOLOMON MINERAL CLAIM

1 ON THE 22 DAY OF NOVEMBER, 1983 AT 10:40 A.M. (TIME INDICATE A.M. OR P.M.) AND COMPLETED THE LOCATION

ON THE 22 DAY OF NOVEMBER, 1983 AT 1:50 P.M. (TIME INDICATE A.M. OR P.M.) CONSISTING OF

4 (NUMBER) UNIT LENGTHS NORTH (DIRECTION) AND 2 (NUMBER) UNIT LENGTHS WEST (DIRECTION) AND I HAVE IMPRESSED ALL THE REQUIRED INFORMATION

ON METAL TAGS NO. 82210, WHICH HAS BEEN SECURELY FASTENED TO THE POSTS AS REQUIRED UNDER THE REGULATIONS.

2 IDENTIFICATION POST(S) NOT PLACED WERE 1W, 2W, 1N2W, 2N2W, 3N2W, 4N2W, 4N1W, 4N, - DUE TO DEEP LOOSE SNOW.

3 CHECK "V" APPLICABLE SQUARE

☑ THE LEGAL CORNER POST

† ☐ THE WITNESS POST FOR THE LEGAL CORNER POST

IS SITUATED: 2.2 Km DUE EAST OF THE SOUTH END OF THE SECOND SIX MILE LAKE AND 100 METRES S.E. OF THE S.E. CORNER OF L.14628 RECORD NO. 1392(1). L.C.P. IS ALSO 110 METRES DUE EAST OF THE DIVIDE BETWEEN DUHAMEL CREEK AND SITKUM CREEK

(PRECISELY DESCRIBE POSITION OF POST RELATIVE TO KNOWN TOPOGRAPHICAL OR SURVEYED FEATURES THAT RELATE TO FEATURES ON A MAP)

† BEARING AND DISTANCE TO TRUE POSITION OF LEGAL CORNER POST FROM THE WITNESS POST _____° _____.

BEARING AND DISTANCE FROM IDENTIFICATION POST TO WITNESS POST _____° _____.

4 I HAVE COMPLIED WITH ALL THE TERMS OF THE MINERAL ACT AND REGULATIONS PERTAINING TO THE STAKING OF MINERAL CLAIMS AND HAVE ATTACHED A PLAN, ACCEPTABLE TO THE MINING RECORDER, OF THE LOCATION.

SWORN AND SUBSCRIBED TO AT _____

THIS _____ DAY OF _____ 19____ BEFORE ME

* _____

* THIS AFFIDAVIT MAY BE TAKEN BY A PERSON EMPOWERED TO TAKE AFFIDAVITS BY THE EVIDENCE ACT OF BRITISH COLUMBIA.

Eric Denny (SIGNATURE)

201449Z

40.00

MR OR SMR STAMP

OFFICE USE ONLY

NO. OF UNITS 3 WORK REQUIREMENT $_____ (PER YEAR) RENTAL REQUIREMENT - $10.00 PER $200.00 WORK, $20.00 PER $200.00 C/L.

WORK NUMBERS	C/L IN $	MINING RECEIPT AND DATE RECORDED	TYPE OF WORK	YEAR OF EXPIRY	CREDIT: WORK UNIT(S)	CREDIT: RENTAL IN $ S	TRANSFERS (B/S'S, ASSIGNMENTS, CONVEYANCES)

WORK SHEET

APPLICATION OF WORK ON MINERAL CLAIMS AND 2 POST CLAIMS

Mining Division ..... Nelson .....

Notice to Group No. ..... 2702 ..... Date Work Recorded ..... Nov. 6/84 .....

Date Notice to Group Recorded ..... Nov. 6/84 ..... Mining Receipt No. ..... 213819E .....

Work type code:
- P Physical
- D Drilling
- S Legal Survey (single claim)
- G Geological Survey
- PR Prospecting
- PS Legal Survey (Perimeter)

Standing of claim as a result of this recording

(1) Work No.(s)	(2) Type of Work	(3) C/L in $	(4) Name(s) of Claim(s)	(5) No. of Units	(6) Record No.(s)	(7) Month of Record	(8) Penalty Fee(s) $	Approved work being applied as per statement (includes work to be credited) (9) Value in $	(10) No. Yrs./ Claim	(11) Fee Paid	Credits immediately PRIOR to this recording: (12) WORK in $	(13) RENT in $	(14) Year of Expiry	Claim now has credits of: (15) WORK in $	(16) RENT in $
31329-31344	P		King Solomon	8	3481	Nov.		$1600	2	$80			1986		
31345-31346	P		Gold Crown 1	1	3857	Sept.		$200	2	$10			1987		
31347-31348	P		Gold Crown 2	1	3858	Sept.		$200	2	$10			1987		
31349-31350	P		Gold Crown 3	1	3859	Sept.		$200	2	$10			1987		

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources
MINERAL RESOURCES BRANCH - TITLES DIVISION

Mining Recorder's Office
NELSON, B.C.
RECEIVED FOR RECORD
NOV - 6 1984

Mining Receipt No. 213819E
FEE $ 20.00

MINERAL ACT

FORM I

NOTICE TO GROUP

Mining Division NELSON Location SITKUM CREEK

Name of group KING SOLOMON Map No. 82F/11W

We, the undersigned owners* of the following adjoining claims, desire to group them according to the provisions of the *Mineral Act*:–

NAME OF CLAIM	No. of Units	Record No.	Month of Record	SIGNATURE OF OWNER*	Free Miner Certificate No.
KING SOLOMON L14628	1	1392	JAN.	Peggy Denny	262155
KING SOLOMON	8	3481	NOV.	Eric Denny	262154
GOLD CROWN 1	1	3857	SEPT.	Jack Denny	262157
GOLD CROWN 2	1	3858	SEPT.	Jack Denny	262157
GOLD CROWN 3	1	3859	SEPT.	Jack Denny	262157

2702