823353

REPORT ON

THE ATHELSTAN - JACKPOT PROPERTY

N.T.S. 82 E/2

Lat. 49 04'N ; Long. 118 34'W

Greenwood M.D.

FOR

TOSCANO RESOURCES LTD.
907 - 510 Burrard Street
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BY

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November 1989

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SUMMARY AND CONCLUSIONS

The Athelstan-Jackpot Property is located 9 km east-southeast of Greenwood, 4 km southeast of Phoenix and 12 road km northwest of Grand Forks, B.C. Production from the property was intermittent from 1901 to 1940. In recent years several companies carried out exploration programs on the property. Arrowhead Resources did extensive work during 1978, 1979, and 1981. The program comprised surface and some underground work, and included 28 short vertical percussion holes and three short vertical diamond drill holes. The serpentinite host rock is erratic but locally good gold values over an area of 240 m by 960 m. The drilling failed to delineate a large low grade gold ore deposit in the area of old mine workings, but results of percussion drilling appear to be unreliable in this instance, especially evident when compared to assay results on diamond drill core and surface samples.

Serpentinized ultramafic rocks are widely distributed throughout the property. Much of the shearing (and stratigraphy ?) is gently dipping, and in general is subparallel to the southeast facing slope. Several stopes, judging by the available data, were controlled by and parallel to this shearing. However, some smaller steeply dipping mineralized zones also were mined, and may have been vein-like in contrast to the gently-dipping and larger tabular lodes.

The British Columbia Department of Energy, Mines and Petroleum Resources Minfile records a total production to date as follows:

Ore:	16,739	(metric)tonnes	(18,542	tons)
Gold:	157,195	grams	(5,054	ounces)
	9.39	grams per tonne	(0.274	ounces/ton)
Silver:	186,681	grams	(6,002	ounces)
	11.2	grams per tonne	(0.325	ounces/ton)
Copper:	50,796	kg.	(111,984	pounds)
	0.30	%	(0.30	%)

W.E. McArthur Sr. operated the mines during the last production period and reported 2,051 tons shipped grading 0.582 ounces per ton gold, 0.72 ounces per ton silver, 0.15% copper, 0.04% nickel and 12.47% arsenic.

In 1986 Max Minerals Inc. completed detailed geochemical and geophysical programs, and re-opened and re-sampled some old trenches and shallow tunnels. The results, provided in detail, confirm the existence near surface of good grade gold mineralization (to 1.86 oz.), but thickness and extent remain to be established. The program was reported to have cost $62,500.00. In 1987 Max Minerals carried out a drilling program that consisted of 13 holes totalling 1469'. The program was reported to have cost $51,000.00.

RECOMMENDATION

Pre 1986 drilling appears to have been laid out to test the possibility of the existence of a large blanket-like deposit. More than a gram per tonne (i.e. more than 1 ppm) was discovered in about half of the drill holes. However, the drilling did not test the possibility that zones of higher grade with as yet unknown trends may exist within the gently dipping favorable shear zones (or strata ?). Drilling in 1987 confirmed that several such zones were indicated- i.e. Hole # 8, which intersected 7.0 feet of 0.474 ØZ/t gold. Further drilling, beginning near to and leading away mainly southwesterly from the old stopes and mineralized outcrops still presents an attractive venture in view of the grade of previous production and recent 'character' sampling. Several geophysical and gold-arsenic geochemical targets (Figures 7,8,9) removed from worked areas are present but require further investigation, such as trenching, before drill testing. These are located on/or between grid lines 500 and 800 N, and 250-500 W plotting mostly on the M.P. Fraction claim. One significant gold anomaly at 650 N, 500 W is supported by a good arsenic soil anomaly. Few, if any, of the E.M.- Conductors indicated on Figure 7 have been investigated, but should be - particularly where related to gold-in-soil anomalies.

A two stage program with cost estimates is presented, the first of which will explore new zones suggested, while the second will better define them. It is highly recommended that a competent Geologist stay with the drill and properly document overburden and casing cuttings, and sludge, particularly where flat, near surface mineralization can be passed-through without recognition. More informative drill logs are also required.

INTRODUCTION

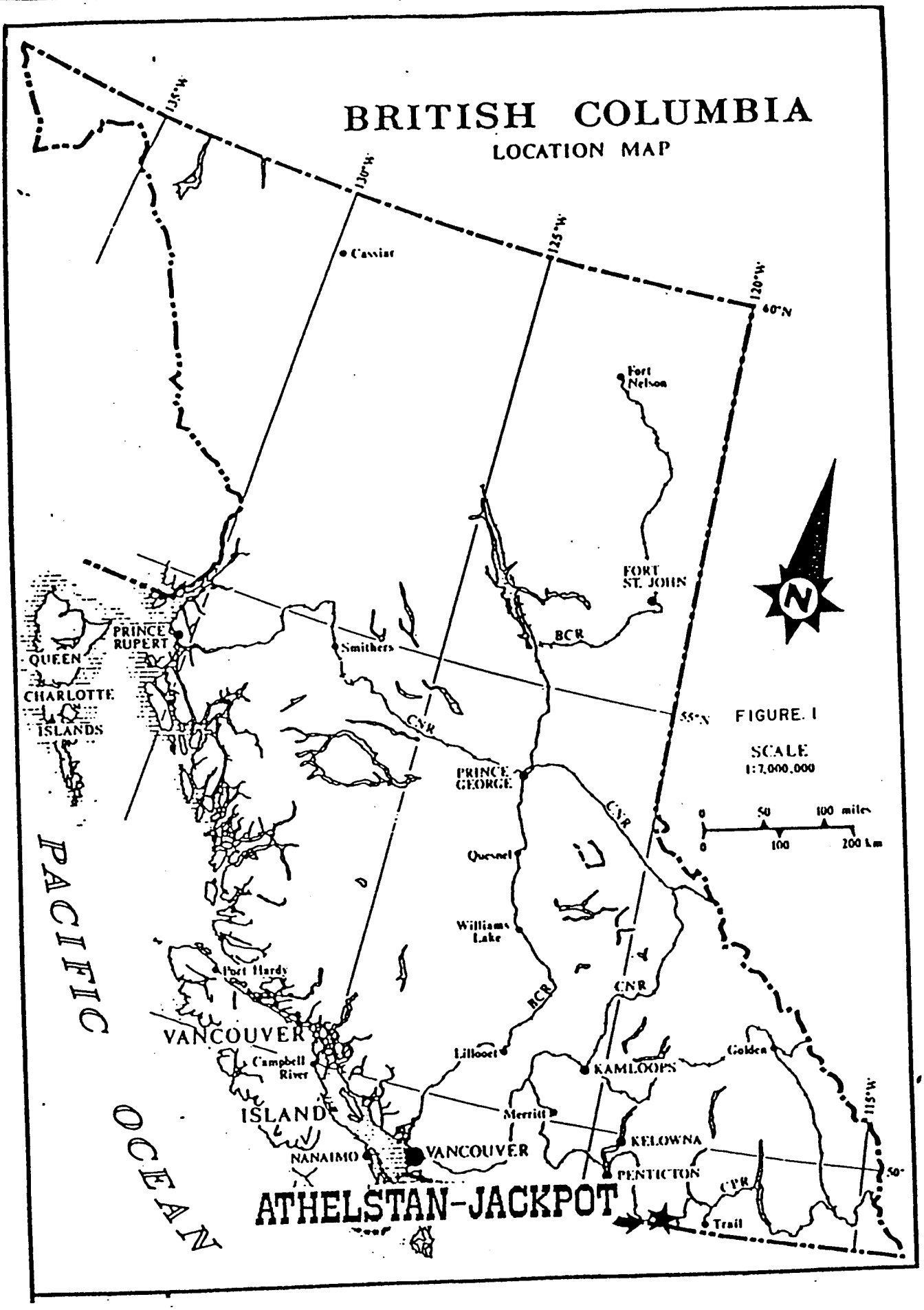
This report was prepared at the request of Mr. J. Minni, of Toscano Resources Ltd., and is largely an update of a comprehensive report for Max Minerals prepared 3 years ago.

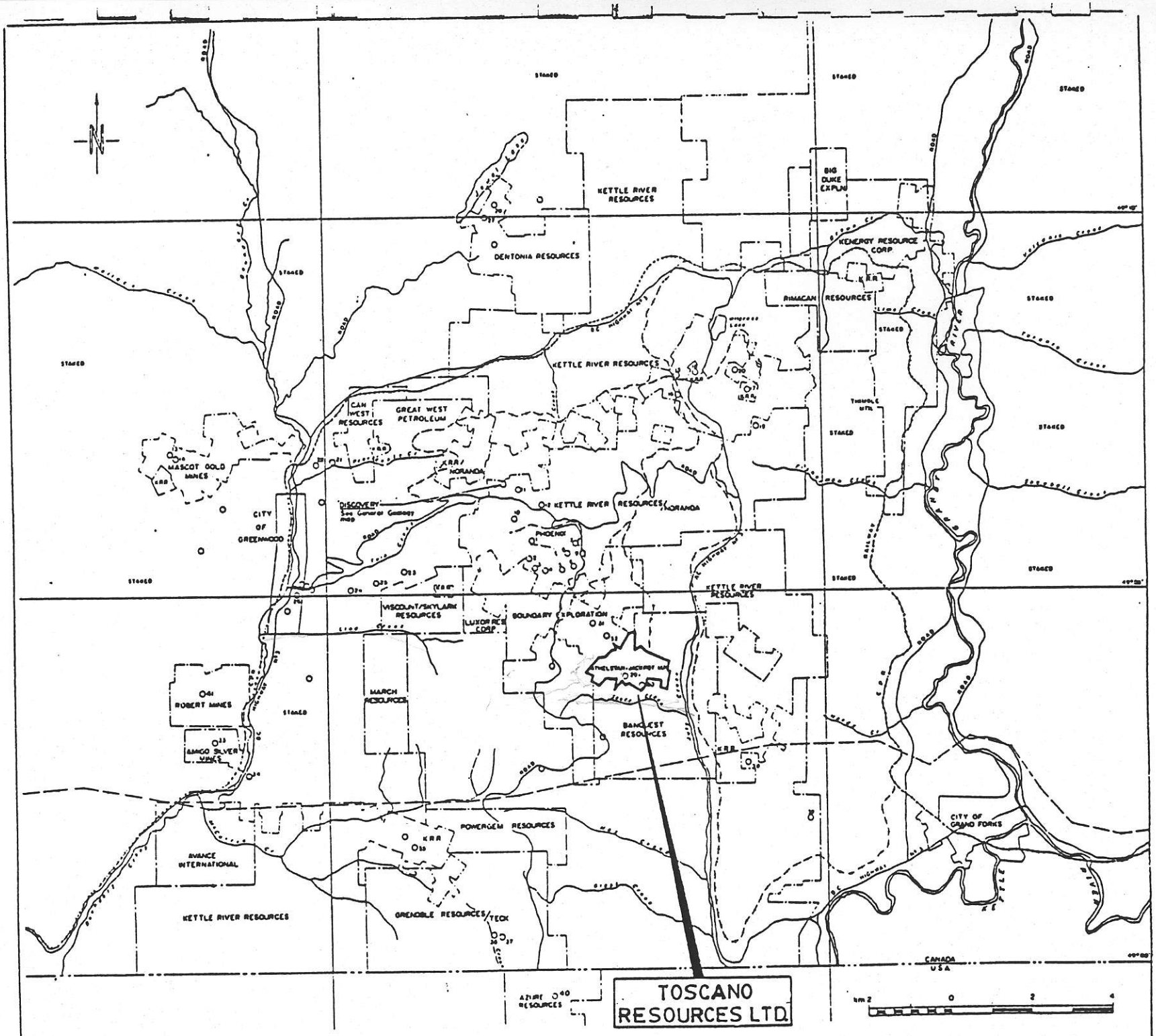
The property has been known to the writer for many years, and was examined more closely on October 18, 1984 and October 11 and 24, 1986, as were portions of the property in 1987,88, and 89. The 1986 geochemical, geophysical, and geological surveys, together with the cleaning out and deepening of old trenches, added to the information available in the old records listed in the bibliography.

The cost of the 1986 survey and trenching program was reported to be $62,500.00. An underground exploration adit was collared as per agreement, near the northeasterly, but non-located boundary with and by Boundary Gold Corporation (formerly Consolidated Boundary). Good gold values where reported in subsequent work.

Some of the text herein, rather than being re-written, is copied directly from reports listed in the bibliography.

The writer acknowledges the assistance of C. Dyakowski regarding soil sampling, S. Presunka regarding geophysics, Dave Javorsky regarding sampling, and R. Seraphim regarding geology.


BRITISH COLUMBIA
LOCATION MAP
135°W
130°W
125°W
120°W
60°N
Cassiar
Fort Nelson
FORT ST. JOHN
BCR
PRINCE RUPERT
QUEEN CHARLOTTE ISLANDS
Smithers
CNR
55°N
PRINCE GEORGE
Quesnel
Williams Lake
Port Hardy
VANCOUVER
Campbell River
ISLAND
Lillooet
KAMLOOPS
Golden
Merritt
KELOWNA
NANAIMO
VANCOUVER
PENTICTON
CPR
Trail
115°W
50°
PACIFIC OCEAN
ATHELSTAN-JACKPOT
N
FIGURE. I
SCALE
1:7,000,000
0 50 100 miles
0 100 200 km



PROPERTY LOCATION

FIGURE. 2

PROPERTY
(Figure No. 1)

Location and Access

The property is located at Latitude 49° 04'N.; Longitude 118° 34'W, N.T.S. map 82 E/2 Greenwood M.D. about 9.0 km southeast of Greenwood and 4.0 km south of Phoenix, Southern B.C. It is accessible via several gravel roads used for logging and mining. Property elevations range from 900 to 1,400 meters. The area is covered with light timber which has been selectively and/or clear-cut logged. Overburden is light to moderate and about 5% bedrock is exposed naturally. Precipitation is light, ±20 inches, and up to 2 feet of snow may be present between late November and late March. Water for drilling is present locally.

Claims

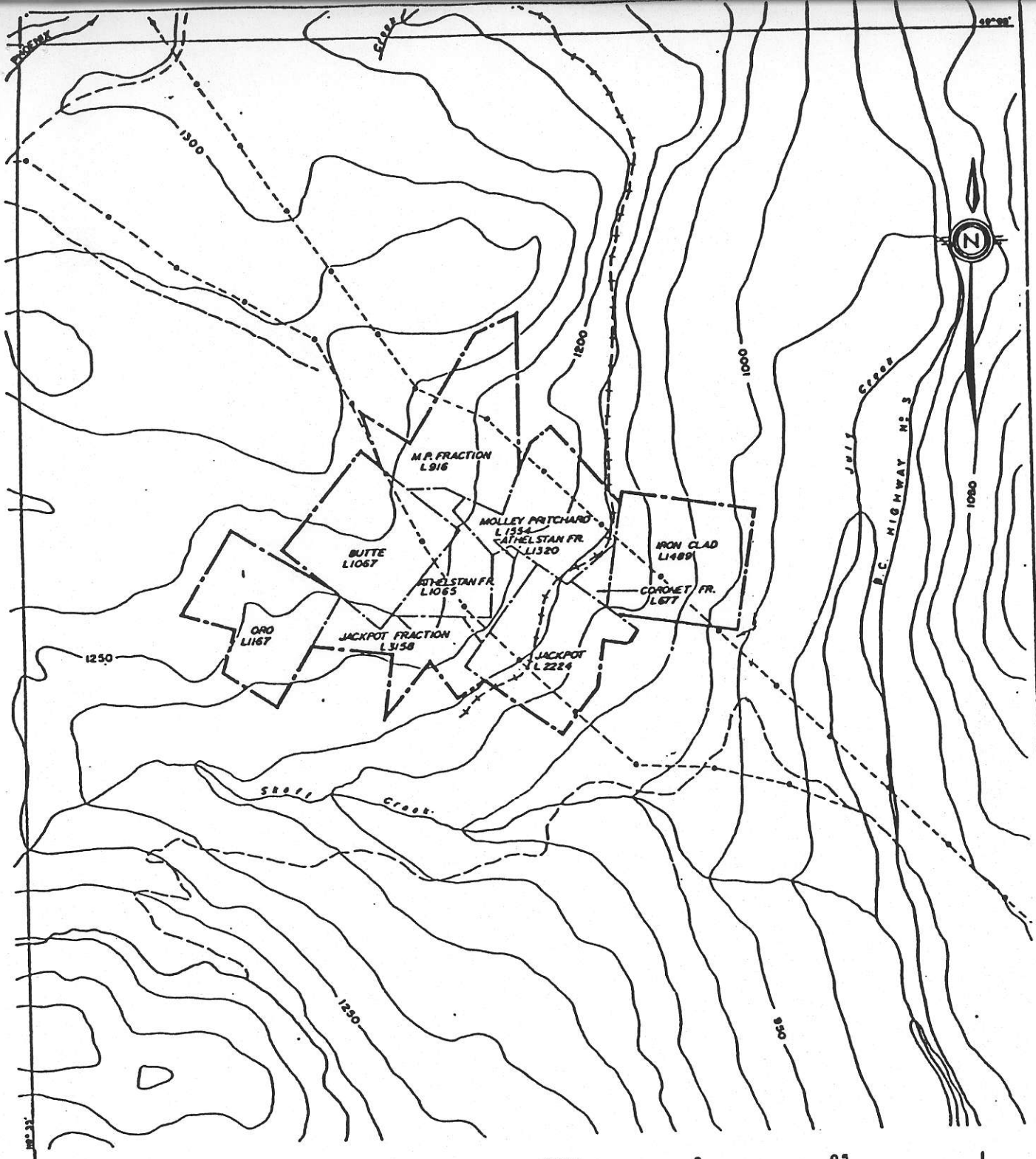
The Athelstan-Jackpot Property consists of nine Crown Granted claims, and one staked fractional claim. The property covers 124.53 hectares (307.7 acres)(Figures 2,3).

Crown Grants:

Name	Lot Number	Registered Owner	Hectares
Coronet Fr.	677	W.G. Haullauer	1.78
Athelstan Fr.	1065	"	7.63
Butte	1067	"	20.81
Oro	1167	"	18.01
Athelstan Fr.	1320	"	2.76
Iron Clad	1489	"	20.79
Molley Pritchard	1554	"	16.19
Jackpot	2224	"	18.01
Jackpot Fr.	3158	"	9.79
Staked Claim Record Number:			
MP. Fraction	916	W.G. Haullauer	8.76 (Nov. 1990)
		Total	124.53 (307.7 acres)

FACILITIES AND SERVICES

The cities of Greenwood and Grand Forks are small communities with excellent location for exploration crews are available. Local hydro power lines cross the property and a major new hydro line passes six kilometers north of the property. The district has a stable labour reserve which contributed substantially to the efficiency of former mining operations in the area. Timber, water, sand and gravel are available on the property. Heavy and light duty equipment (such as backhoes) is available in Grand Forks some 10 km to the southeast.



LEGEND

- PROPERTY BOUNDARY LINES
- BUSH ROADS
- RAILWAY GRADE (ABANDONED)
- POWER TRANSMISSION LINE

ATHELSTAN-JACKPOT PROPERTY

CLAIM MAP

DATE	1986	N.T.S. 82 E/2	Fig. No. 3
Scale	-		
DWN			

MINING HISTORY OF THE GREENWOOD-PHOENIX AREA

1880-1919

Important mineral discoveries in the area date from the 1880's and by 1900 several mines, the most important of which was the large Phoenix operation of the Granby Mining Company Limited, had been put into production. Smelters were established in Grand Forks and Greenwood to handle the low-grade, direct smelting copper ore which contained significant gold and silver values. A town of 5,000 to 6,000 people developed at the Phoenix mine site; today no vestige of this once bustling community remains. The Phoenix operations continued until 1919 when dwindling ore supplies and shortages of coking coal induced a closure of the mines.

1931-1940

A number of deposits were worked sporadically during the 1930's and 1940's, chiefly for the gold recovered.

1955-1978

In 1955 the Granby Mining Company Limited regained control of several of the original properties which had, in the interim, been relinquished. A small (700 tpd) copper flotation mill was erected and several deposits were put into production in 1959 as salvage open pits, re-mining the former underground mine areas. The operation proved viable and eventually the mill was expanded to 2,000 tons per day and a modern, electrified open pit established on the Old Ironsides ore body. Production continued to 1978; interestingly, the duration of the operations was the same as in the earlier operation: 19 years.

Several attempts were made during the 1960's to revive the mines in the Motherlode/Deadwood areas west of Greenwood in a manner similar to that at Phoenix. In fact, a mill capable of processing 2,000 tons of ore per day was actually built; unfortunately insufficient ore was found to support more than a few months of operation and the salvage operation failed.

While by far the largest production in the area was from Granby's Phoenix operation and the Motherlode deposit, production is recorded from 15 other deposits in the area. Several were disseminated copper deposits with gold and silver, similar to Phoenix; others were gold and silver-bearing quartz veins.

1980-1986

Noranda Mines Limited purchased the Zapata Granby Company in 1980, thereby acquiring the Phoenix mine property. Kettle River Resources Limited optioned the ground from Noranda in 1981, staked additional adjacent property and carried out an exploration program which resulted in the discovery, in 1982, of a significant new gold zone.

HISTORY OF THE ATHELSTAN-JACKPOT PROPERTY

1900-1940

Most of the claims within the present property were staked by separate owners prior to 1900. Production of gold-silver-copper is recorded from the Athelstan and Jackpot mines during the following periods: 1901 to 1904, 1908, 1911, 1912, 1934, and 1936 to 1940.

This production is reported above under 'Summary and Conclusions'.

1960-1970

Limited exploration programs were carried out on the property in the late 1960's and early 1970's by Sabina Mines, Colby Resources, and Scurry Rainbow Oil and Gas. Unfortunately, no written records of this work could be located. Mr. Dan Turcotte, who was involved with the property at the time, verbally reports as follows:

> "Scurry Rainbow carried out surface sampling which returned good gold values."
>
> "Colby Resources drilled 12 percussion drill holes of which 8 encountered open stopes; no significant results were reported."

1978, 1980 & 1981

During 1978, 1980, and 1981 an exploration program was carried out on the property by Arrowhead Resources Ltd., supervised by the late Dr Alan Robert Grant, a Consulting Geologist of Langley, Washington. The program comprised surface and some underground work and included 28 short vertical percussion holes and 3 short vertical diamond drill holes.

Some of the records relating to the above were located and results are summarized later in this report.

1982-1986

Both Consolidated Boundary Exploration Ltd. (now Boundary Gold Corporation) and the Noranda-Kettle River Joint Venture group conducted 1986 drilling programs on the property adjoining the Athelstan-Jackpot Property to the immediate northwest, of significance since the same geological features appear to continue onto this property. Both have announced interesting intersections. Boundary's program has been ongoing for years.

1986

During 1986 and 1987 an exploration program was carried out on the property by Max Minerals Inc. The program included the following:

1. Geological mapping of surface outcrops and workings.
2. Sampling of dumps and mineralized workings on surface.
3. Rehabilitation of existing trenches and extending trenches.
4. Sampling of trenches.
5. Soil sampling over the grid area.
6. A magnetometer survey.
7. A VLF electromagnetic survey.

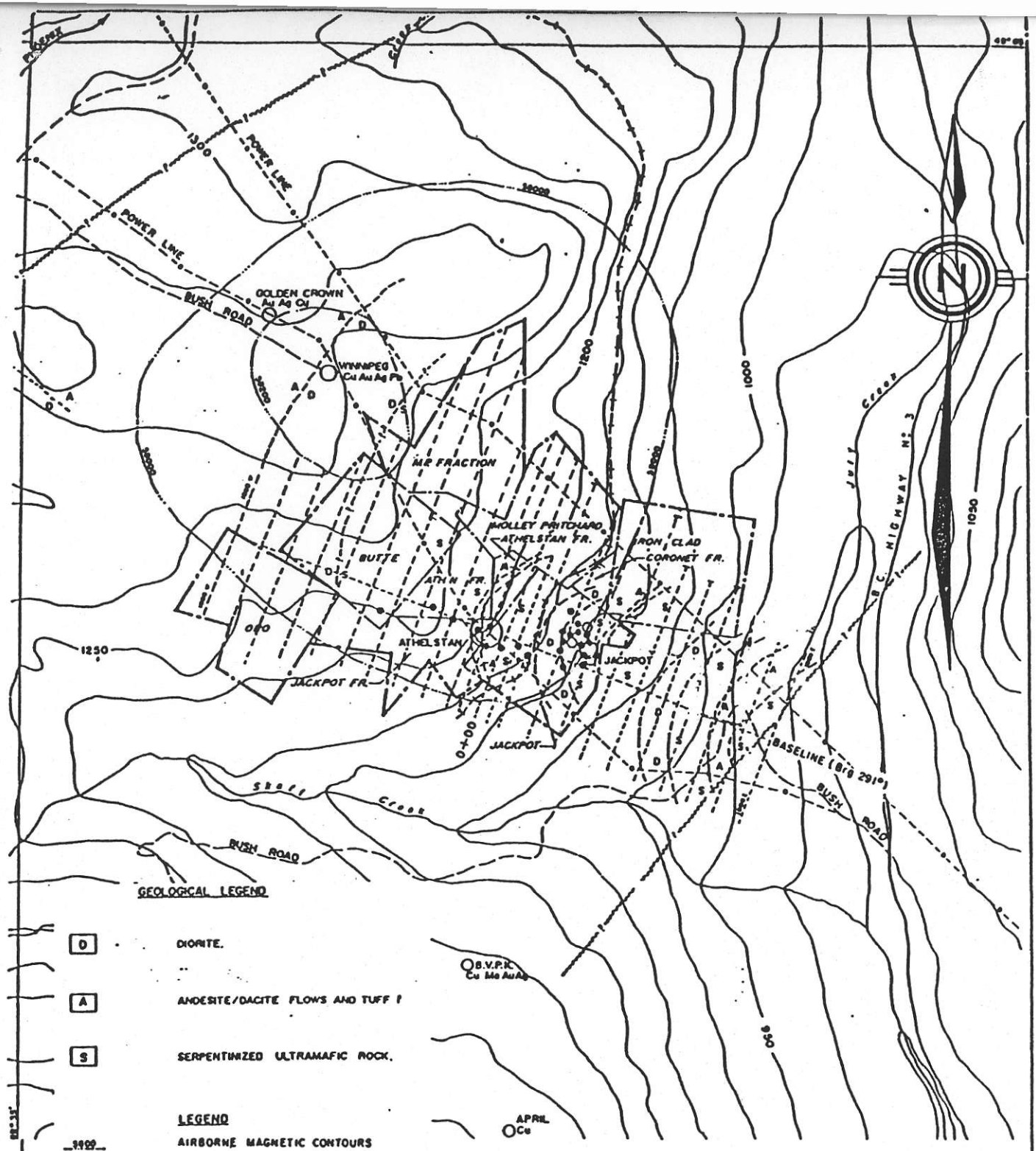
August 1987

Drilling of 13 vertical diamond drill holes averaging 35 meters in depth. Bit size was NQ and the drill was a Track mounted Super 38.

GEOLOGY
(Grant, A.R. 1979, 1980 and 1981; Figure No.4)

(a) General Geology

The most recent geological map of the general area was published by Church, 1984(paper 1985-1) to which the reader is referred for a regional background.



GEOLOGICAL LEGEND

D — DIORITE.

A — ANDESITE/DACITE FLOWS AND TUFF I

S — SERPENTINIZED ULTRAMAFIC ROCK.

LEGEND

9999 — AIRBORNE MAGNETIC CONTOURS

PROPERTY BOUNDARY LINES.

EXISTING GRID LINES. (as of 1986)
INTERMEDIATE LINES NOT SHOWN

PERCUSSION DRILL HOLES.

DIAMOND DRILL HOLES.

IMPORTANT MINE WORKINGS AND MINERAL SHOWINGS.

0.5 km 0 0.5

Contour Interval 50 m – elevations in metres a.s.l.

ATHELSTAN-JACKPOT PROPERTY

PROPERTY GEOLOGY
AFTER GRANT, 1981

DATE	Modified Dec., 1986	N.T.S. 82 E/2	Fig. No. 4
Scale			
DWN			

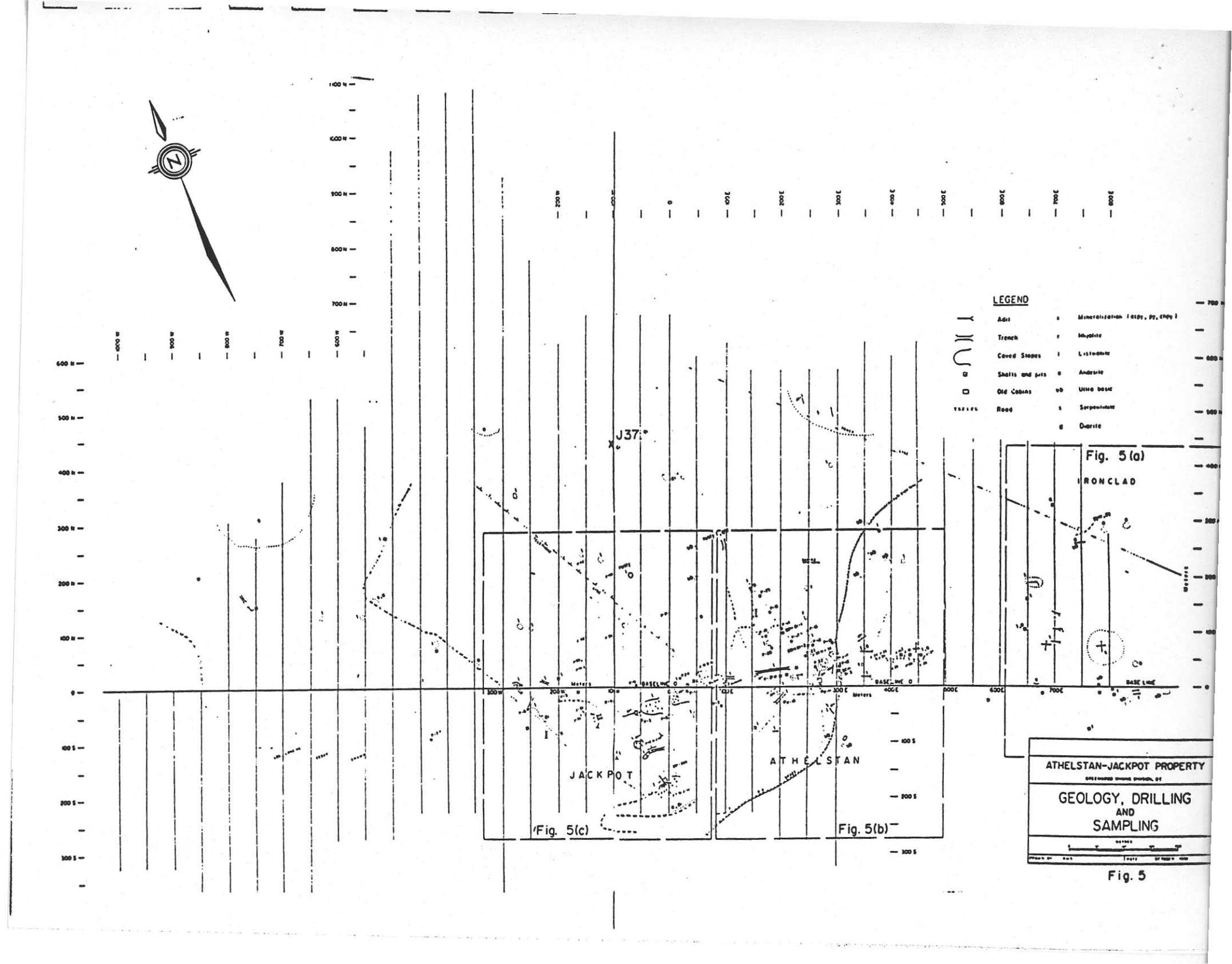

LEGEND
Adit
Trench
Caved Stopes
Shafts and pits
Old Cabins
Road
Mineralization (Copy, Py, Chpy)
Rhyolite
Latsodacite
Andesite
Ultra basic
Serpentinite
Diorite
J37
Fig. 5(a)
IRONCLAD
JACKPOT
ATHELSTAN
Fig. 5(c)
Fig. 5(b)
BASE LINE
ATHELSTAN-JACKPOT PROPERTY
GEOLOGY, DRILLING AND SAMPLING

Fig. 5

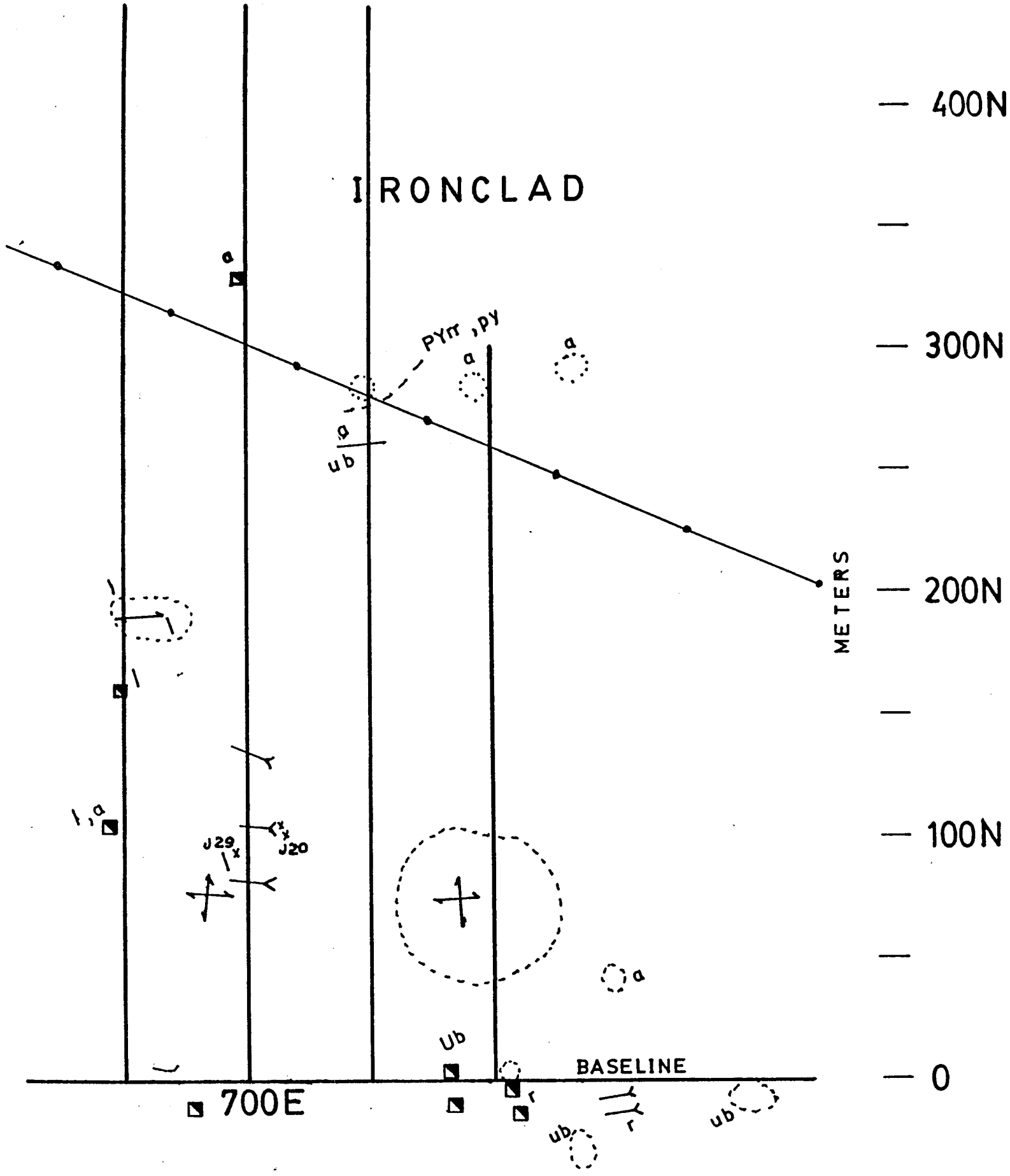
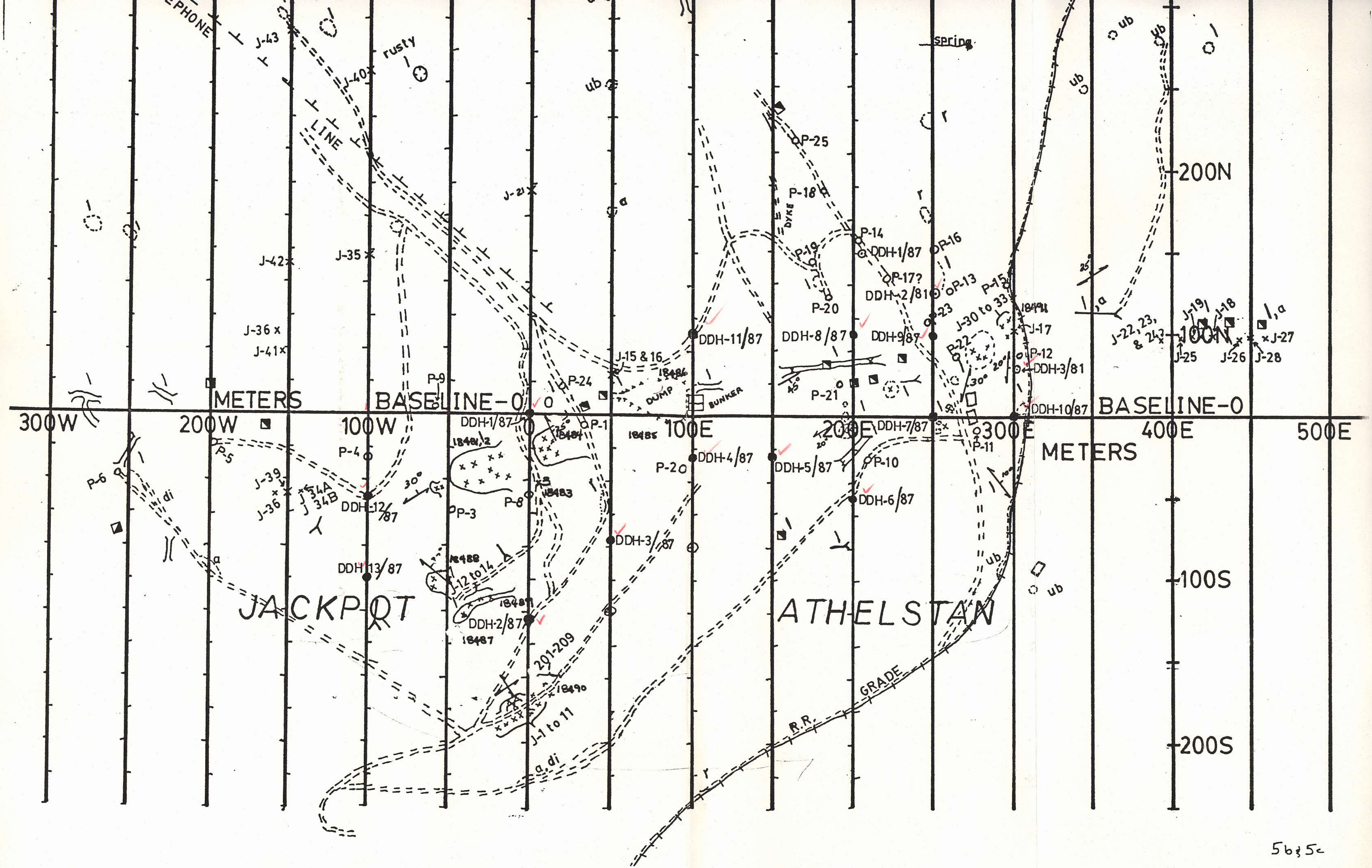

IRONCLAD
400N
300N
200N
100N
0
METERS
BASELINE
700E
PYrr ,py
J29
J20
Ub
ub

fig 5(a)



TELEPHONE LINE
METERS
BASELINE-0
300W
200W
100W
0
100E
200E
300E
400E
500E
200N
100N
100S
200S
JACKPOT
ATHELSTAN
R.R. GRADE
DYKE
DUMP
BUNKER
spring
rusty
ub
DDH-1/87
DDH-2/87
DDH-3/87
DDH-4/87
DDH-5/87
DDH-6/87
DDH-7/87
DDH-8/87
DDH-9/87
DDH-10/87
DDH-11/87
DDH-12/87
DDH 13/87
DDH-1/87
DDH-2/81
DDH-3/81
P-1
P-2
P-3
P-4
P-5
P-6
P-8
P-9
P-10
P-11
P-12
P-13
P-14
P-15
P-16
P-17?
P-18
P-19
P-20
P-21
P-22
P-23
P-24
P-25
J-1 to 11
J-12 to 14
J-15 & 16
J-17
J-18
J-19
J-21
J-22, 23, & 24
J-25
J-26
J-27
J-28
J-30 to 33
J-34A
J-34B
J-35
J-36
J-39
J-40
J-41
J-42
J-43
201-209
18481,2
18483
18484
18485
18486
18487
18488
18489
18490
18491

5b & 5c

SAMPLE DESCRIPTIONS AND RESULTS:

Sample Number	Description	Ag g/t	As ppm	Cu ppm	Zn ppm	Au g/t
BCS 18481	Mass py/apy	4.6	3182	74	347	13.5
BCS 18482	Qtz vn float	9.1	10,460	588	536	8.5
BCS 18483	alt'd serp	1.1	126	39	499	(40 ppb)
BCS 18484	2.5 m chip across fault	4.7	2,481	687	565	(290 ppb)
BCS 18485	massive py	31.0	30,468	1850	819	15
BCS 18486	qtz-cc bx	1.2	937	168	24	(220 ppb)
BCS 18487	QFP - silic'd, py	0.7	1,144	177	25	(52 ppb)
BCS 18488	2 m chip across fault	4.3	11,468	273	292	4.1
BCS 18489	alt'd serp	1.6	519	100	66	(70 ppb)
BCS 18490	v. rusty zone in shear	302	92,764	9282	1120	85
BCS 18491	Jackpot - white qtz vn.	10.3	92,664	356	162	6.5

(b) Local Geology

The most prevalent rock, at least on the surface of the property, is serpentinite believed to be derived from an ultramafic igneous rock (sill, flow or pyroclastic ?). Available information suggests it occurs in a tabular mass formed into an open fold plunging easterly at from 0 to 40°, averaging somewhat steeper than the slope of the ground.

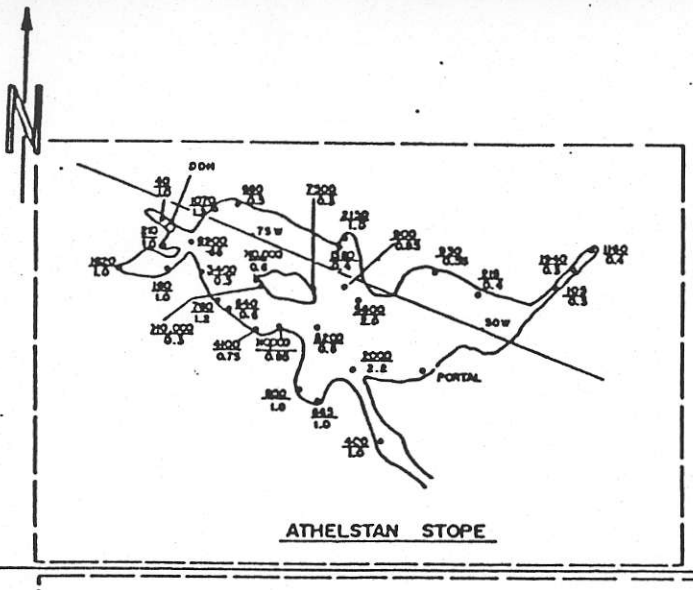
The total lateral extent of the serpentinite is not known but it is believed to be the predominant rock throughout most of the property and probably extends beyond. (Serpentinite layers intersected in diamond drill holes on the nearby Golden Crown property may correlate in part with the Athelstan-Jackpot serpentinite.) The rock is light to dark greenish grey on fresh surfaces and commonly weathers to a limonite brown color. Intense carbonation (calcite, magnesite, ankerite?) is common in the serpentinite, the outcrop color being due to brown-weathering, occasionally mariposite-rich, carbonate. This altered serpentinite is termed "listwanite". The derivation of this conspicuous rock with its diagnostic composition is poorly understood but it is believed by the writer, familiar with its gold-related association in the California Motherlode Belt as well as in Northern B.C., to represent an early (deuteric?) rather than late alteration process. It generally is present either as a sharp, well-defined foot or hanging-wall (or both) flanking alpine serpentinite whose volume may be considerably less than that of the listwanite. In such instances it almost certainly reflects deep seated regional structural (fault) control, but due to later structural overprinting can be present, along with serpentinite, in almost any setting - low or high angle strike - slip faults, etc. Thus, in the Boundary District, which includes the Athelstan-Jackpot Property, it is present as a flatish, discontinuous segment of a much larger regional belt. At least part of the serpentinite is thought by Seraphim to be "stratiform" in the Boundary District (i.e. flows, pyroclastic beds or sills injected into stratified rocks) for the following reasons:

a) The stratiform nature of similar rock at the "City of Paris" property seven kilometers to the south is well established; there the serpentinite is interlayered with dacitic pyroclastic.

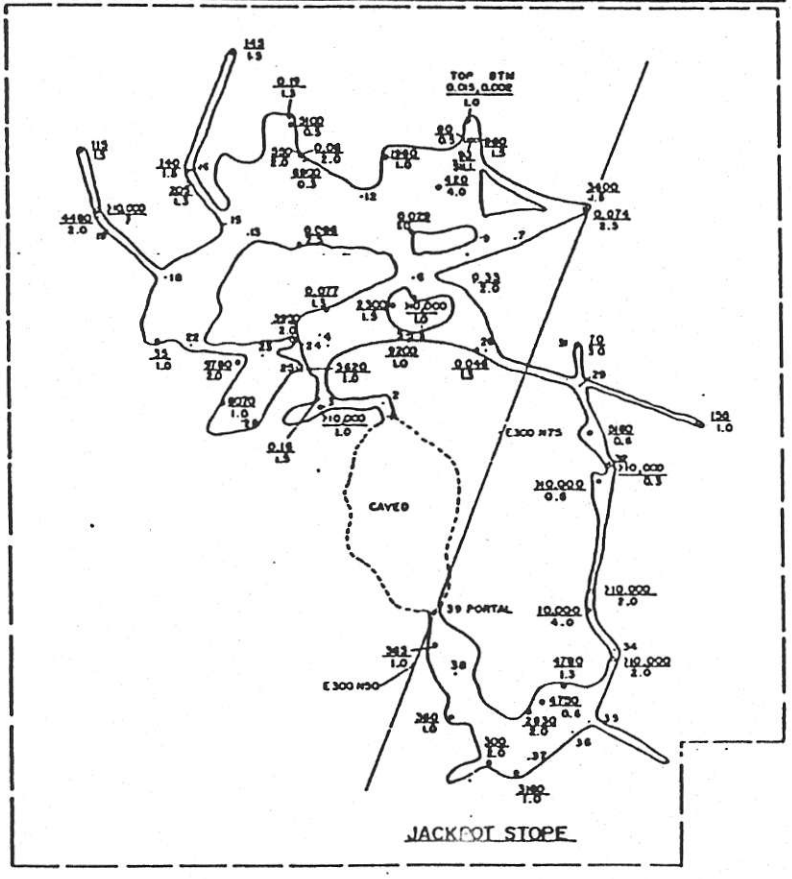
b) Intermediate volcanic flows and pyroclastics have been observed on the Athelstan-Jackpot Property.

c) Carbonate alteration, silicification and sulfide lenses within the ultramafic tend to be oriented in zones parallel to the contacts of the tabular mass.

The next most prevalent rock on the property is given a field classification of diorite. Certainly many specimens appear intrusive and dikes of diorite composition do cut the serpentinite. (Church (1970) has termed somewhat similar rock to the north a "microdiorite".) Other specimens, however, are of questionable origin and could represent dacitic pyroclastics. Both dikes and flows of andesitic and rhyolitic composition were mapped also.



ATHELSTAN STOPE



JACKPOT STOPE

0km .10 .20 .30 .40 .50

LEGEND

GEOCHEM. ANALYSES ○ 5180 / 0.3 PPb Au / Sample width in m.

ASSAYS ● 0.046 / 1.3 Ounces/Ton / Sample width in m.

After A.R. Jones 1981

ATHELSTAN-JACKPOT PROPERTY

ATHELSTAN AND JACKPOT STOPES

DATE	1986	N.T.S. 82 E/2	Fig. No. 6
Scale			
DWN			

STRUCTURE

McNaughton (1945) reports that two of the main ore lenses in the Jackpot stope were crescentic in plan view and plunged 10 to 40° east. If these were in fact stratiform sulfide lenses, as implied above, they suggest a shallow, east- plunging syncline. Coincidentally or otherwise, an interpretation of the few outcrops of apparently stratified rocks on the property (andesite/dacite flows and tuffs) fit with such an interpretation. The shearing in the serpentinite and listwanite also has shallow dip in some places.

Church (1970) records two northeast trending faults off-setting serpentinite masses in the Lexington area. Seraphim (pers. comm.) observed faults of this attitude off-setting serpentinite and ore-in-dacite in the Lexington adit. McNaughton (1945) reports that "the ore deposits (at Athelstan-Jackpot) are displaced by a number of northeasterly striking normal faults that dip 40 to 50° northwest". On the basis of magnetic data and geological mapping by Church (1970), Kermeen (1983) interpreted the presence of two prominent members of this set, one lying immediately southeast of Athelstan-Jackpot and another lying about one kilometer northwest of the property.

GOLD MINERALIZATION

Known gold and silver mineralization on the property occurs associated with massive arsenopyrite and pyrite lenses within listwanite. Listwanite zones are crudely parallel to the contacts of the tabular mass of serpentinite, thus plunge gently easterly. McNaughton (1945) described these zones as "replacement deposits in talc-carbonate rocks"; Grant (1970) interprets them as "sulfide fillings and deposition along pre-existing low angle shears". Either may be correct; however, Seraphim (personal comm.) suspects that they may be syngenetic stratiform lenses and that further investigation of this possibility is imperative. At the Jackpot mine two lenses of ore, each ranging up to 7.6 meters in true thickness with horizontal dimensions of about 12 by 30 meters, were mined. At the Athelstan the main ore lens measured about 12 by 18 meters and had a true thickness of 0.9 and 2.4 meters. Other smaller lenses were mined at both locations. Ore grade mineralization is exposed in pits on the Butte Crown Grant. The mineralization also occurs in pits on the Iron Clad Crown Grant, 400 meters northeast of the Jackpot.

In addition to the above described ore zones, Grant (1979) reports that "within the (diorite) stock numerous massive sulfide lenses, predominantly pyrrhotite, are found. Some of these contain argentiferous galena and silver values which range from 0.58 to 4.16 (ounces)/ton". Gold values ranging up to 2 oz/ton are reported present in adjoining pyrrhotite-rich veins on the Boundary Gold Corporation. The most southerly vein present, recently discovered during a VLF Survey (pers. comm., S. Presunka) as observed by the writer, trends southeasterly toward the Athelstan-Jackpot Property on which continuity has not been tested for.

SAMPLING RESULTS

Stope sampling was carried out by Grant (1979) with results as summarized below:

Athelstan Stope: 29 samples taken in 1980 averaged 0.105 ounces per ton gold (3.6 grams per metric ton); those in sulfide shear zones ranged from 0.14 to 0.80 ounces per ton (4.8 to 30.5 grams per metric ton) over widths varying from 0.30 to 2.0 meters.

Jackpot Stope: 23 samples averaged 0.127 ounces per ton gold (4.35 grams per metric ton). Those in sulfide ore ranged from 0.06 to 0.84 ounces per ton (2.1 to 28.8 grams per metric ton) over widths varying from 1.0 to 2.2 meters.

Grant (1979) reports surface dump samples taken in 1978 as follows:

TABLE 1

		gm/mt	oz/ton	gm/mt	oz/ton
Athelstan stockpile	siliceous ore	12.2	0.356	15.1	0.44
Upper Jackpot Dump	oxidized massive pyrite	12.3	0.360	13.0	0.38
Lower Jackpot Dump	massive pyrite	23.3	0.680	94.6	2.76
Dump on RR Cut	pyrite breccia	34.1	0.996	180.3	5.26

Kermeen (1983) took seven surface samples from dumps and exposed workings which are summarized on Table 2.

Soil sampling by Grant (1980) for Arrowhead Resources indicated a number of zones anomalous in gold (+100 ppb) trending through and extending beyond the known mineralized workings. These correspond with the 1986 soil sampling results (Figure 8).

Prospector D. Javorski collected samples from a number of locations during the recent program which involved cleaning out old trenches (some of which had not reached bedrock) and establishing extensions, using a backhoe. The locations of these samples are depicted on the accompanying maps. Much of the material collected represented bulk "specimen" sampling of relatively massive sulfide whose grade is more representative of the type of ore shipped after upgrading. Grades of 36 of 52 samples ranged between 0.13 and 1.86 oz. gold and up to 5.41 oz. silver. However, the sampling does depict the widespread dispersion of gold on the property. Assays were done by Vangeochem Ltd. Check sample assays by General Testing Laboratories of Vancouver of randomly selected pulps confirmed Vangeochem results, as did several specimen samples splits taken by the writer and tested at the Atlanta Gold Camp facilities.

TABLE 2

Assays on Surface Samples from Jackpot-Athelstan Property

(taken by J.S. Kermeen, May 14, 1983)

Sample No.	Gold		Silver		Description
	oz/ton	g/tonne	oz/ton	g/tonne	
0582	0.270	9.26	0.83	31.9	Athelstan caved stope area; chip across 0.7 m on rusty shear zone in altered ultramafic.
0583	0.500	17.1	1.25	42.9	Grab sample from small dump at Butte workings; much arsenopyrite in altered ultramafic
0584	0.011	0.38	0.23	7.9	Jackpot caved stope area; chip sample across 0.6 m in rusty shear zone in "dacite" with sparse disseminated arsenopyrite.
0585	0.001	0.03	0.09	3.1	Jackpot: sample of split core on RR grade; "dacite" with disseminated sulphides.
0586	0.240	8.23	0.85	29.3	Jackpot: representative grab sample along 5 m of dump; rusty, altered rock.
0587	0.034	1.17	0.20	6.9	Athelstan: caved area around main stope; chip sample across 0.6 m of a rusty shear zone in "dolomitic quartzite"?, abundant green mica (mariposite or fuchsite).
0588	0.460	15.8	0.58	19.9	Athelstan: grab sample from small ore dump along road immediately east of main stope area; abundant pyrite and arsenopyrite.

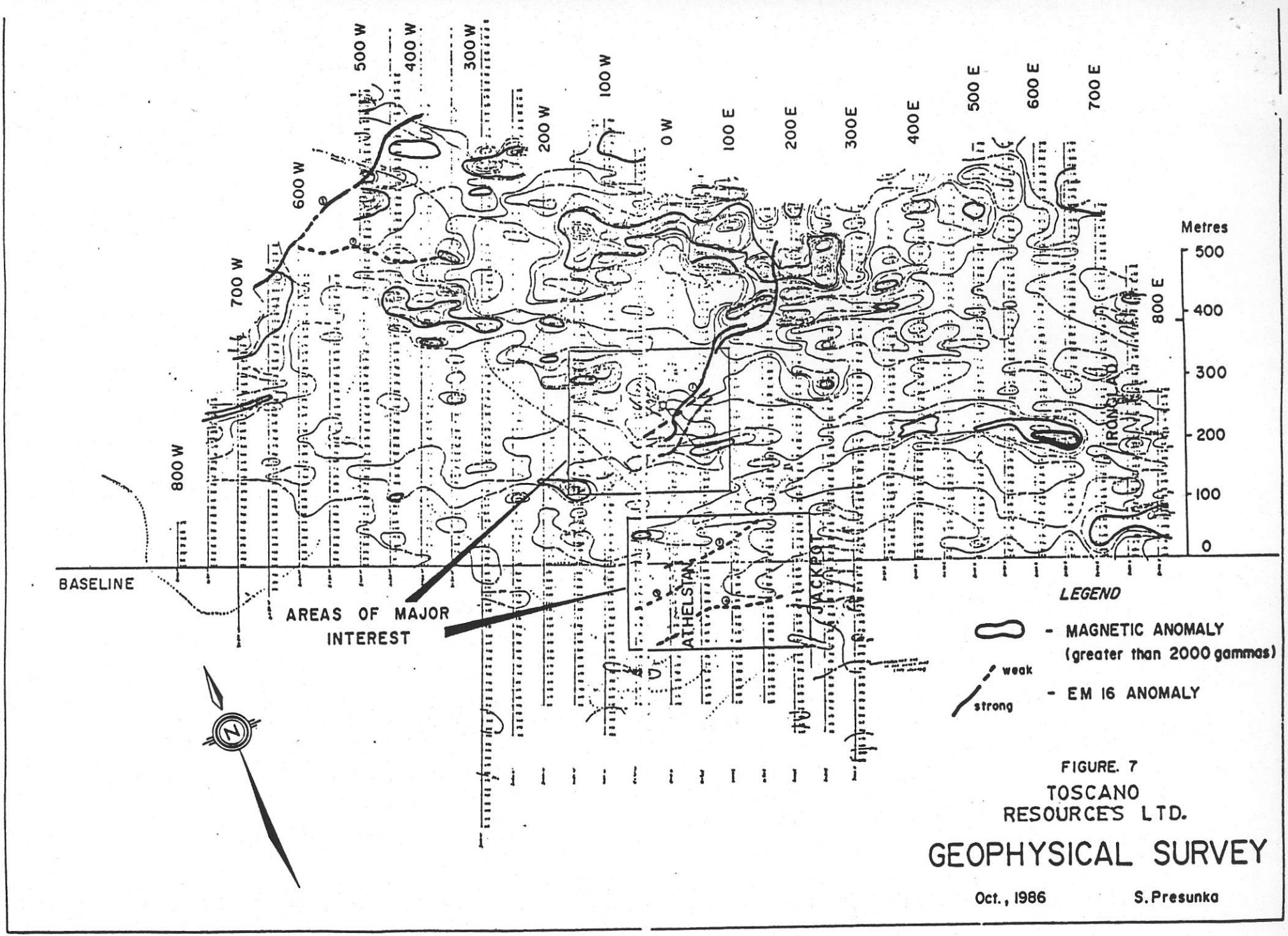


FIGURE. 7

TOSCANO RESOURCES LTD.

GEOPHYSICAL SURVEY

Oct., 1986 S. Presunka

The prospector's data is included herewith as Appendix 2. Many of the samples are from areas not yet mined, but true thickness are not yet apparent.

DRILLING

a) Pre 1987

Some early data is available regarding 3 diamond drill holes and 25 percussion holes. Hole location is shown on the accompanying maps, and the list of best assays is as follows:

TABLE 3 (A)
(after Kermeen, 1983)

Diamond Drilling

Hole	Depth (ft)	Best Gold Assay (ppm) F-AA Finish	Fire Assay Rerun (oz/ton)	Footage
81.1	200	0.325		150-160
81.2	100	4.3	0.158	73-78.5
81-3	100	0.135		23-37

Percussion Drilling

81-1	115	3.64 ppm		45-50
81-1B	200	2.1		45-50
81-2	200	1.0		160-165
81-3	170	0.48		40-45
81-4	200	0.26		115-120
81-5	200	1.16		75-80
81-6	200	0.33		50-55
81-7	200	0.03		25-30
81-8	190	0.43		70-75
81-9A	30	0.81		20-25
81-9B	60	0.06		45-50
81-9C	195	0.12		135-140
81-10	200	2.20		10-15
		0.42		15-20
		5.17		20-25
		0.89		25-30
81-11	200	0.38		15-20
81-12	200	6.45		30-35
81-13	200	1.12		55-60
		1.59		75-80
81-14	200	2.42		120-125
		4.45		160-165
81-15	220	0.45		45-50
		0.46		50-55

Percussion Drilling (cont'd)

Hole	Depth (ft)	Best Gold Assay (ppm) F-AA Finish	Fire Assay Rerun (oz/ton)	Footage
		0.45		60-65
81-16	180	0.78	0.02	30-35
81-17	140	9.20	0.345	130-135
		0.96		135-140
81-18	180	1.40	0.048	155-160
81-19	200	1.70	0.053	130-135
		0.70	0.022	145-150
81-20	20	0.975	0.03	15-20
81-21	200	0.14		20-25
81-22	50	0.42		35-40
81-23	190	1.10	0.04	80-85
		1.10	0.03	95-100
81-24	155			
81-25	200	0.55	0.02	130-135
		2.20	0.076	145-150

(b)-1987

During August of 1987, 13 diamond drill core holes averaging 35 meters in depth were drilled, full-filling most of the Stage I Recommendations outlined in the 1986 Report (McDougall, 1986) as located on Figures 5b & 5c. Due to surface exploratory trenching, etc., many of the proposed locations could not be reached by the large track mounted Longyear Super 38 drill. Core logging and sampling was carried out by Geologist P. Lutynski. Assaying (fire-geochem) was done by Vangeochem Lab Ltd. of North Vancouver.

Many of the holes drilled were collared where projected mineral zones were within 20 feet of surface. However, casing was driven at least 20 feet deep in many holes with apparently no attempted sludge recovery, thus it appears probable that intersections of importance were missed.

Significant gold results included better than 0.20 oz/ton intersections in Holes #2 and #8 with a high of 0.96 oz/ton as documented in Table 3(b) below.

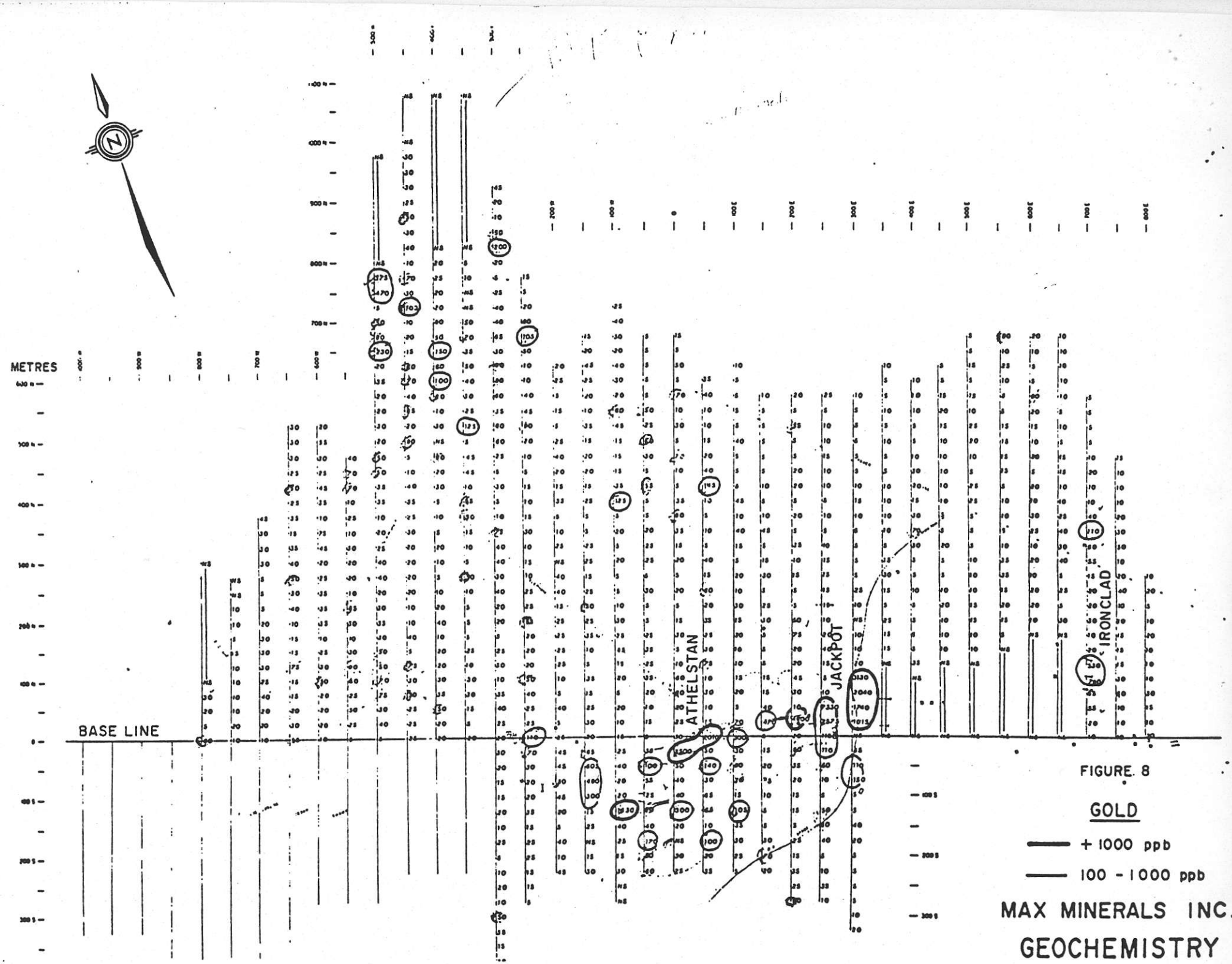


FIGURE. 8

GOLD

+ 1000 ppb

100 - 1000 ppb

MAX MINERALS INC.

GEOCHEMISTRY

OCT.. 1986

C.D

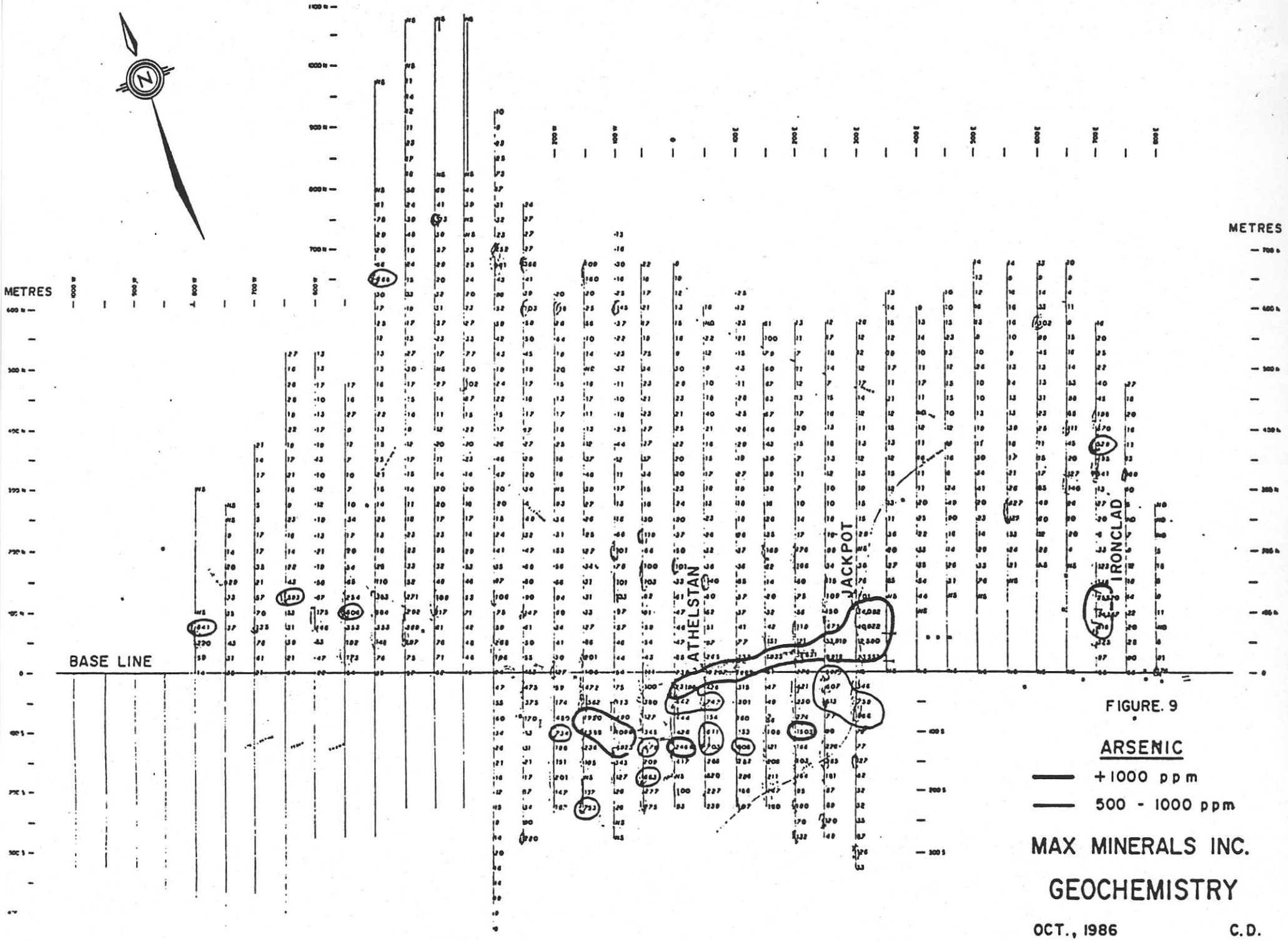

METRES
METRES
BASE LINE
ATHELSTAN
JACKPOT
IRONCLAD
ARSENIC
+1000 ppm
500 - 1000 ppm
MAX MINERALS INC.
GEOCHEMISTRY
OCT., 1986
C.D.

FIGURE. 9

TABLE 3 (B)
(1987 Drilling)

*Holes Showing Visible Mineralized Intersections Only; Holes all Vertical

Hole No	Hole Depth ft	Gold (oz/t)	Intersection(ft)
1	154	0.005	52.0-53.0
		0.005	117.6-119.6
		0.020	131.0-132.0
		0.032	135.0-137.0
			72.6-73
2	134	0.066	61.3-61.9
		0.028	79-81.1
		0.464	81.0-81.6
		0.005	108.1-111.2
3	74	<0.005	67.0-68.0
		<0.005	69.0-69.6
4	142	0.006	93.5-94.5
		<0.005	100.0-103.0
		<0.005	104.0-105.0
		<0.005	108.4-109.6
		<0.005	106.6-107.0
8		0.008	86.6-89.0
	144	0.320	114.0-116.0
		0.070	116.0-117.8
		0.962	117.8-119.3
		0.066	103.7-104.1
		0.216	119.3-120.0
		0.020	116.0-116.8
9	34	0.012	
10	97.1	0.032	97.0-97.1
11	133	0.030	25.6-26.0
		0.046	30.0-33.6
		0.014	37.0-37.6
12	65		
		0.012	
		0.102	
13	124	<0.005	67-67.4
		<0.005	72.6-73
		<0.005	73-82.8
		<0.005	82.8-85

GEOPHYSICS

Magnetic and EM-16 surveys were completed in 1986 by contractors for Max Minerals Inc. (Figure 7). The magnetic data shows a patchy distribution of high intensity readings over the northern third of the surveyed area. These high readings correlate in general with outcrops of serpentinite. A second zone of 'highs' is recorded in part about two hundred meters north of the trend of the known mineralized zones which occur along the baseline. Magnetic response over the mineralized zones, however, tends to be low, and this low intensity may be due in part to alteration, i.e. quartz veining or listwanite development.

Specific tests by EM-16 survey over an exposure of relatively thin (1 or 2 meters) of gently dipping mineralization did not provide an anomaly (i.e.) a "cross-over". The best EM-16 anomaly lies in an area of low magnetic intensity between the two zones of magnetic highs described above. The writer concurs with the geophysicists recommendation to drill the anomalous area. Two outcrops of rusty listwanite with anomalous gold geochemistry were mapped in the immediate vicinity. The other anomalies (see geophysicists report as Appendix 1) should be ground-checked prior to decisions regarding further exploration. Em-16 surveys over "microdiorite"(?) on an adjoining property appear to have been successful in locating auriferous pyrrhotite deposits, but possible extensions of these onto Athelstan-Jackpot ground has yet to be determined.

GEOCHEMISTRY

Maps accompanying this report show the results of soil geochemical surveys completed for gold and arsenic (Figure 8,9). Good correlation exists between arsenic and gold values. Data for silver, aluminum, barium, bismuth, calcium, cadmium, cobalt, chromium, copper, iron, potassium, magnesium, manganese, molybdenum, sodium, nickel, phosphorous, lead, palladium, platinum, antimony, tin, strontium, uranium, tungsten, and zinc were obtained also and are available.

The strongest gold and arsenic anomalies are in the general vicinity of the Jackpot and Athelstan workings, but minor anomalies are evident near the Ironclads, and also towards the northwest corner of the surveyed area where overburdened targets are present. The absence of a anomaly between the Jackpot and Ironclad prospects is probably due, at least in part, to deep overburden. No geochemical anomaly of importance was obtained coincidental with the northern area of major geophysical response, possibly again due in part to overburden depth.

COST ESTIMATES

Stage I

This stage should involve better definition, expansion, and correlation of some of the numerous unmined gold-bearing zones identified both within and beyond the "old workings" area including untested geochemically and geophysically anomalous targets. Only shallow mineralization will be tested such as could be mined from surface.

Diamond drilling	15 shallow (±100ft) holes at $25/ft. (contract), including those not drilled in the 1987 program	$ 37,500
Rock trenching and overburden trenching	mostly at the north extremity of the property	5,000
Surveying, geological and control		5,000
Assaying		2,000
Wages	30 man days at $150 per day	7,500
Lodging	at $60 per day/per man	2,000
Transportation		1,000
Supervision		1,000
Field Supplies		2,000
Overhead	(reports, office costs, etc.)	4,000
	Sub-total	66,000
	Contingency (15% approx.)	9,000
		$ 75,000

Stage II

This stage is dependent on positive Stage I results which should indicate meaningful continuity of additionally discovered mineralization or important extension to unmined but known deposits.

Definitive diamond drilling (Contract) Fill-in and deeper drilling 3,000 ft. at $30 per ft.	$ 90,000
Surveys (topo, geological and local geophysics contract)	5,000
Rock and surface trenching (backhoe and cobra drill)	5,000
Assaying and metallurgical testing	5,000
Wages 100 man days at $150 per day	15,000
Transportation	2,000
Lodging 100 man days at $50	5,000
Field Supplies	2,000
Supervision	5,000
Overhead (office, communication, environmental, etc.)	7,000
Sub-total	141,000
Contingency	15,000
Total	$156,000
TOTAL STAGES I and II	$231,000

With the completion of Stage II, a study will be required to determine the feasibility of surface or underground mining.

CERTIFICATE

I, James J.McDougall, Do Hereby Certify:

1) That I am a consulting geologist with a business office at 7720 Sunnydene Road, Richmond, B.C. V6Y-1H1 and President of J.J.McDougall & Associates Ltd., Consulting Geologists.

2) That I am a graduate of geology of University of British Columbia (M.Sc. 1954).

3) That I am a Registered Professional Engineer (Geological) in good standing with the Association of Professional Engineers of the Province of British Columbia.

4) That I have practised my profession as a geologist for the past 36 years.

5) That the information, opinions and recommendations in the attached report are based on studies on the available literature on the area occupied by the Toscano Resources Inc mineral claims, and on ground observations the most recent being May, 1989.

6) That I own no interest in the securities or property holdings of Toscano Resources Ltd., nor do I expect to obtain any such interest.

7) This report may be used for a Statement of Material Facts pertaining to the current exploration program of Toscano Resources Ltd.

Dated at Vancouver, B.C., this 15th day of November, 1989.

James J.McDougall, P.Eng.

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APPENDIX I

GEOPHYSICAL SURVEYS

A geophysical survey of the Athelstan-Jackpot Property was carried out in late October, and early November of 1986, under the supervision of Steve Presunka assisted by Chris Dyakowski of Vancouver and Jack Lucke of Grand Forks, B.C.

The geophysical work consisted of VLF EM-16 (two VLF stations) and flux gate M F-1 (Scintrex) magnetometer surveys. A grid covering most of the property was established with a near east-west 1,600 m baseline and cross-lines established at 50 m intervals. Cross-lines varied from 300m to 1,100 m in length.

Magnetometer survey base stations were set up along the baseline on each cross-line for diurnal control. Readings were taken at 12.5 meter intervals. These were corrected for diurnal deviation and plotted. The results are contoured at 500 gammas intervals (Figure 6 - Composite).

The composite geophysical plan shows EM-16 conductors and magnetic anomalies. The overall magnetic trend is generally east-west. The magnetic highs, usually in serpentinite areas, appear as a series of lenses elongate in an east-west direction also. A more consistent magnetic high located between line 2+00W and line 4+00E north of the baseline, extends for a distance of 600 meters. It appears to represent a serpentinite zone as observed from outcropping. South of, and along the baseline the magnetics approximate background with values of about 700 gammas. Most workings occur in this area where listwanite rather than serpentinite is dominant. Listwanite generally contains less magnetite than serpentinite, but generally more sulfides.

The No.1 conductor of VLF station 24.8 (Seattle) reflects a fair conductive zone between a series of splinter conductors on both ends. This conductive zone strikes in a Northeast-southeast direction and is located north of the baseline, extending from line 1+50W (1+50N) to line 1+50E at 5+25N, terminating in the high magnetic zone.

The area north of the baseline, from line 1+50W to 1+00E, contains a series of cross-fault conductors which could be mineralized, and appears to be a good diamond drill target. A proposed drill hole located at L-O at 250 meters north and drilled -50^{o} to the south to a depth of 300 feet would intercept these conductive zones.

A similar, but much weaker conductive zone to the south is within an area of extensive old workings. By comparing conductive strength, the north zone block appears a better drill target.

The No.2 conductor, (Figure 6) which coincides with the magnetic high, crosses line 6+50W at 4+25N; it strikes northeast of line 4+00W at 6+40N, and continues off the grid in both directions. It suggests a strong conductive zone.

The No.5 secondary conductor, which starts on line 6+00W at 4+75N, strikes in easterly direction to line 4+00W, crossing it at 4+50N. This conductor straddles the magnetic high. Geochem should decide any further work on the conductor.

The No.3 and 4 conductors lie in the area which has been mined and trenched.

Self-potential would be a useful tool in locating targets closest to surface.

Condensed after
Steve Presunka
Presunka Geophysics Ltd.
November 29/86

APPENDIX II

TABLE 4

Summary, Jaworksi Sampling, 1986

Sample No.	Au oz/t	Ag oz/t	Sample No.	Au oz/t	Ag oz/t
J-1A	0.351	0.35	J-28	0.006	0.27
J-1B	0.478	0.49	J-29	0.523	3.29
J-1C	0.480	0.35	J-30	0.045	0.27
J-2	0.495	0.08	J-31	0.348	1.51
J-3	0.421	0.27	J-32	0.017	0.11
J-4	0.638	0.61	J-33	0.133	0.15
J-5A	0.524	1.39	J-34(a)	0.017	0.01
J-5B	0.481	0.19	J-34(b)	0.767	1.83
J-6	0.215	0.54	J-35	0.005	0.03
J-7	0.024	0.01	J-36	0.617	1.30
J-8	0.394	0.44	J-37	0.005	0.05
J-9	0.235	0.23	J-38	0.005	0.05
J-10	0.154	0.45	J-39	0.563	1.53
J-11	0.346	0.75	J-40	0.009	0.01
J-12	0.452	0.30	J-41	0.005	0.02
J-13	0.343	0.29	J-42	0.005	0.04
J-14	0.459	0.20	J-43	0.005	0.03
J-15	0.547	0.58	J-44	0.005	0.08
J-16	0.364	0.50			
J-17	0.500	5.41	P-1	0.005	0.14
J-18	0.444	1.43			
J-19	0.605	1.84	61201	0.518	0.14
J-20	0.138	1.30	61202	0.190	0.46
J-21(a)	0.025	0.72	61203	1.862	4.98
J-21(b)	.005	0.08	61204	0.902	1.52
J-22	.005	0.08	61205	0.438	0.15
J-23	0.846	3.32	61206	.005	0.01
J-24	0.406	2.70	61207	.005	0.03
J-25	0.811	2.66			
J-26	0.005	0.03			
J-27	0.005	0.05			

TRENCH SAMPLE RESULTS

J-1A-86: Sample from line zero, station 150S, one of three bulk samples taken before trenching. Assays: .35 ounce silver per ton and .351 gold per ton.

J-1B-86: Sample from line zero, station 150S, one of three bulk samples taken before trenching. Assays: .49 ounce silver per ton and .478 gold per ton.

J-1C-86: Sample from line zero, station 150S, one of three bulk samples taken before trenching. Assays: .35 ounce silver per ton and .480 ounce gold per ton.

J-2-86: Rock sample across 1 meter vertically of sulfide zone. Flatlying, 1 meter west from post at adit entrance. Caved at 20W and 15N of the 000 Base line, station 175S. Assays: .08 ounce silver per ton and .495 ounce gold per ton.

J-3-86: Taken from trench of cleaned-out adit. Sulfides over 1 meter vertically from waist high down into floor of trench. Very weathered material with lenses of massive leached out sulfides. Rock is very crumbly. Location 19W-13N from station 175S. Assays: .27 ounce silver per ton and .421 ounce gold per ton.

J-4-86: 1 meter above J-3-86 at 19W-13N from L-000 station 175-S. Broken rock, leached-out sulfides. Assays: .61 ounce silver per ton and .638 ounce gold per ton.

J-5-86: Across a 4 meter lense of mineralized rock opened up in bottom of trench between 20W-10N and 16W-11N from Baseline 000 station 175S. At this point trench is 1½m deep. Mineralization is flatlying. Assays: J-5A-86: 1.39 ounce silver per ton and .524 ounce gold per ton. J-5B-86: .19 ounce silver per ton and .481 ounce gold per ton.

J-6-86: Across 2 meters of rotten-weathered altered mixture of rock and rotten rock, weathered sulfides interbedded soils, rust decomposed rock, massive sulfides and decomposed sulfides. At 10N-10W of station 175S in north side of trench. Assays: .54 ounce silver per ton and .215 ounce gold per ton.

J-7-86: Crumbly black, rusty decomposed serpentenite. Very weathered. Box work appears to contain both black and silver metalics. Lies in a layer below and also intermixed with the pyrite zone. Check for chrome and PMG at 10W-10N across .3m bottom of J-6-86. Assays: .01 ounce silver per ton and .024 ounce gold per ton.

J-8-86: At 7W-13N of the baseline 0+00 and station 175S in the north side of the trench from tree roots down for 1.5 meters. Flatlying-blanket vein? Laminated mineralized bluish quartz-rich rock with weathered sulfides, red rust, yellow rust, pyrites, arsenopyrites. Assays: .44 ounce silver per ton and .394 ounce gold per ton.

J-9-86: Continuing below J-8-86 in the trench walls for 1.5 meters. Similar rock not quite as mineralized- 50% zones. Assays: .23 ounce silver per ton and .235 ounce gold per ton.

J-10-86: At 4W-14N of the base line 0 00 and station 175S in the north side of trench going into short adit. Across 1.5 blanket vein of lenses of sulfides, rotten, decomposed broken rock. Assays: .45 ounce silver per ton and .154 ounce gold per ton.

J-11-86: At 3W-14N, one foot up from floor, mineralized lenses of massive sulfides in blanket zone of fractured weathered rusty rock- .5 meters. Assays: .75 ounce silver per ton and .346 ounce gold per ton.

J-12-86: Mineralized sulfides in floor of trench at 18W of baseline 000 at station 100S. Sample taken across a flatlying structure-unknown depth for 1 meter.
Assays: .30 ounce silver per ton and .452 ounce gold per ton.

J-13-86: In wall and floor of trench across 1 meter at 20W of station 100S. Sulfides, massive pyrites in blue matrix only appears to be on north side of trench. South side of trench is crumbled rubble and rust. Assays: .29 ounce silver per ton and .343 ounce gold per ton.

J-14-86: At 27W of station 100S on basline E-W mineralized zone in floor of trench. Massive sulfide across .3m x 2m. Depth unknown. Assays: .20 ounce silver per ton and .459 ounce gold per ton.

J-15-86: Selected sulfide mineralization from 10m square area at 50E-25S. Visible 5 tons. Assays: .58 ounce silver per ton and .547 ounce gold per ton.

J-16-86: Selected sulfides from 20m west of 50E-25S: one pile 10ft x 3ft=300 cubic feet. 5½ cubic ft per ton=50+tons.
Can this be concentrated and shipped? Does it react to a metal detector? Hand sorting? Oredumps and wastedumps within 50 yards east- should be worked over with a metal detector set to show gold. There is lots of partly mineralized material in the dumps.
Assays: .50 ounce silver per ton and .364 ounce gold per ton.

J-17-86: Sample from area of old workings 50N-300E. Sulfide mineralization. Samples are representative of pyrite and arseno-pyrite. Assays: 5.41 ounce silver per ton and .500 ounce gold per ton.

J-18-86: Mineralization-425E-50N. Assays: 1.43 ounce silver per ton and .444 ounce gold per ton.

J-19-86: In trench at L 410E station 50N. Mineralization flat-lying zone. Bluish massive perhaps grey copper and pyrite and black sulfides all together. In the trench in a zone 6" to 1 foot,

flatlying, there is a layer of mineralization mixed into a decomposed bed of rusty soils. Assays: 1.84 ounce silver per ton and .605 ounce gold per ton.

J-20-86: Sample of mineralization taken from area of old adit at L 700E station 75N. 50% massive sulfides, 50% quartz, pyrites, arsenopyrites, grey-blue sulfides, probably 5 tons of this material in contact with serpentenite, galena. Assays: 1.30 ounce silver per ton and .138 ounce gold per ton.

J-21-86: In trench at L .00W and station 135N. Contact between two types of serpentenite and andesite. Minor mineralization. Two samples- one black, the other rusty-brown lispendite. Trench needs to be blasted into a clean face. Assays: J-21-A-86-brown- .72 ounce silver per ton and .025 ounce gold per ton. J-21-B-86-black- .08 ounce silver per ton and < .005 ounce gold per ton.

J-22-86: From trench 400E-75N at 34m east, from top of trench. Quartz-rich rock with minor sulfides. Assays: .08 ounce silver per ton and .005 ounce gold per ton.

J-23-86: This is part of the J-19-86 zone. It extends into the floor of the trench for five meters. This zone is full of yellowish-green decomposed sulfides, leached and weathered samples over 5m at 51E in sidewall 6" at floor at 50E. Assays: 3.32 ounce silver per ton and .846 ounce gold per ton.

J-24-86: Very weathered dark-brown volcanic breccia with matrix of rust at 75m E in trench. Very decomposed sample of massive sulfide clasps in this rusty breccia zone. Assays: 2.70 ounce silver per ton and .406 ounce gold per ton.

J-25-86: Very weathered lense within bedded blanket, rusty zone at 83E in trench. Pyritas, white sulfides, blue sulfides and decomposed yellow sulfur. Assays: 2.66 ounces silver per ton and .811 ounce gold per ton.

J-26-86: Very rusty quartz-rich, minor silver metallics, less than 1%. Brown weathered listwonite, serpentenite in both trenches. Assays: .03 ounce silver per ton and <.005 ounce gold per ton.

J-27-86: Very rusty listwonite, with inclusions of black rock, possibly chrome in a serpentenite-light soapy matrix. Yellow stain on rock. Assays: .05 ounce silver per ton and <.005 ounce gold per ton.

J-28-86: A red rusty zone six inches wide, developing in wall of trench. This is a zone of mineralization. Very poor mineralization, but it is the right zone. Usually there will be three of these blanket zones, one above the other, however, the trenching did not get down far enough to uncover the zones properly. Need to blast. Assays: .27 ounce silver per ton and .006 ounce gold per ton.

J-29-86: Very rusty red bed exposed in trench at 694E-92N. This zone contains nuggets or lenses of massive sulfides. Pyrites and bluish-black sulfides. A lot of rust and yellow sulfur, decomposed material. Assays: 3.29 ounces silver per ton and .523 ounce gold per ton.

J-30-86: Blobs of minor white mineralization-pyrites in a silica matrix. Possible decomposed quartz vein. Assays: .27 ounce silver per ton and .045 ounce gold per ton.

J-31-86: Samples of mariposite from Jackpot dump. Looking for chrome in the serpentenite matrix. Possible PQM. Assays: 1.51 ounce silver per ton and .348 ounce gold per ton.

J-32-86: Sample of malachite and boromite stain, on decomposed brown rock at Jackpot dump. Decomposed brown rust. Assays: .11 ounce silver per ton and .017 ounce gold per ton.

J-33-86: Breccia, rust- Jackpot dump. Assays: .15 ounce silver per ton and .133 ounce gold per ton.

J-34-86: Massive sulfides from L 140W station 050S. Assays: J-34-A-86-.01 ounce silver per ton and .017 ounce gold per ton. J-34-B-86-1.83 ounce silver per ton and .767 ounce gold per ton.

J-35-86: From 100W and 185N. cloritized veined-altered mineralized listwonite. Assays: .03 ounce silver per ton and .005 ounce gold per ton.

J-36-86: Location L 160W station 050S. Massive sulfides. Assays: 1.30 ounce silver per ton and .617 ounce gold per ton.

J-37-86: From 100W and 425N. Black rock, rusty, minor mineralization. Assays: .05 ounce silver per ton and <.005 ounce gold per ton.

J-38-86: Very basic dense rock, perhaps chrome. From L 165W station 040N. Assays: <.01 ounce silver per ton and <.005 ounce gold per ton.

J-39-86: Massive sulfides. From 150W-055S. Assays: 1.53 ounce silver per ton and .563 ounce gold per ton.

J-40-86: From L 100W-210N. Basic listwonite, minor mineralization. Assays: .01 ounce silver per ton and .009 ounce gold per ton.

J-41-86: Basic listwonite. Minor mineralization from 155W-035N. Assays: .02 ounce silver per ton and <.005 ounce gold per ton.

J-42-86: Greenish altered intrusive? Rusty mineralized from 150W-085N. Assays: .04 ounce silver per ton and <.005 ounce gold per ton.

J-43-86: Listwonite. Minor mineralized, breccia vein from 150W, 225N. Assays: .03 ounce silver per ton and <.005 ounce gold per ounce.

J-44-86: Rock chip for icp from L 090W and station 135S. Assays: .08 ounce silver per ton and <.005 ounce gold per ton.

P-1-86: Sample by S. Presunka at line, location L 450W, station 8+75N. Assays: .14 ounce silver per ton and .005 ounce gold per ton.

VANGEOCHEM LAB LIMITED

MAIN OFFICE
1521 PEMBERTON AVE.
NORTH VANCOUVER, B.C. V7P 2S3
(604) 986-5211 TELEX: 04-352578

BRANCH OFFICE
1630 PANDORA ST.
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 860682 AA JOB NUMBER: 860682 **MAX MINERALS LTD.**

SAMPLE #	Ag oz/st	Au oz/st
61201	.19	.518
61202	.46	.190
61203	4.98	1.862
61204	1.52	.902
61205	.15	.438
61206	.01	<.005
61207	.03	<.005

DETECTION LIMIT .01 .005

1 Troy oz/short ton = 34.28 ppm 1 ppm = 0.0001% ppm = parts per million < = less than

Signed:

VGC

VANGEOCHEM LAB LIMITED

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VANCOUVER, B.C. V5L 1L6
(604) 251-5656

ASSAY ANALYTICAL REPORT

CLIENT: MR. CHRISTOPHER DYAKOWSKI
ADDRESS: 201-625 Howe St.
: Vancouver, B.C.
: V6C 2T6

DATE: August 31 987
REPORT#: 871167 AA
JOB#: 871167

PROJECT#: Max Mineral
SAMPLES ARRIVED: August 27 1987
REPORT COMPLETED: August 31 987
ANALYSED FOR: Au

INVOICE#: 871167 NA
TOTAL SAMPLES: 34
REJECTS/PULPS: 90 DAYS/1 YR
SAMPLE TYPE: 34 Rock

SAMPLES FROM: MR. CHRISTOPHER DYAKOWSKI
COPY SENT TO: MR. CHRISTOPHER DYAKOWSKI

PREPARED FOR: MR. CHRISTOPHER DYAKOWSKI

ANALYSED BY: David Chiu

SIGNED: _____

Registered Provincial Assayer

GENERAL REMARK: None

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SAMPLE #	Au oz/st
BH-8/E-A	.066
BH-8/E-B	.215
BH-8/F	.020
BH-9/A	.012
BH-10/A	.032
BH-11/A	.030
BH-11/B	.046
BH-11/C	.014
BH-12/A	.012
BH-12/B	.102
BH-13/A	<.005
BH-13/B	<.005
BH-13/C	<.005
BH-13/D	.006

DETECTION LIMIT .005

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signed:

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VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 871167 AA JOB NUMBER: 871167 MR. CHRISTOPHER DYAKOWSKI

SAMPLE #	Au oz/st
BH-1/A	.005
BH-1/B	<.005
BH-1/C	.020
BH-1/D	<.005
BH-01/D	.032
BH-2/A	.066
BH-2/B	.028
BH-2/B-5	.464
BH-2/C	.005
BH-3/A	<.005
BH-3/B	<.005
BH-4/A	.006
BH-4/B	<.005
BH-4/C	<.005
BH-4/D	<.005
BH-4/E	.005
BH-8/A	.008
BH-8/B	.320
BH-8/C	.070
BH-8/D	.962

DETECTION LIMIT .005

1 Troy oz/short ton = 34.28 ppm 1 ppm = 0.0001% ppm = parts per million < = less than

signed.