

823781

REPORT
on the
SHUSWAP PROJECT

Kamloops Mining Division, B. C.

WORK DONE MARCH 1, 1987 TO DECEMBER 31, 1987

FOR

NATIONAL RESOURCE EXPLORATIONS LTD.
Suite 550 - 1040 West Georgia Street
Vancouver, B.C. V6E 4H1

Prepared by

DISCOVERY CONSULTANTS
205-2900 30th Avenue
P.O. Box 933
Vernon, BC V1T 6M8

Frederick L. Wynne, P. Eng.

March 18, 1988

DISCOVERY

REPORT
on the
SHUSWAP PROJECT
Kamloops Mining Division, B. C.
WORK DONE MARCH 1, 1987 TO DECEMBER 31, 1987
FOR

NATIONAL RESOURCE EXPLORATIONS LTD.
Suite 550 - 1040 West Georgia Street
Vancouver, B.C. V6E 4H1

Prepared by

DISCOVERY CONSULTANTS
205-2900 30th Avenue
P.O. Box 933
Vernon, BC V1T 6M8

Frederick L. Wynne, P. Eng.

March 18, 1988

TABLE OF CONTENTS

INTRODUCTION		Page	1
SUMMARY AND CONCLUSIONS		Page	2
1987 EXPLORATION SUMMARIZED BY PROJECT		Page	6
SHUSWAP (GENERAL)	PROJECT 252	Page	6
BLU PROPERTY	PROJECT 253	Page	10
LITH PROPERTY	PROJECT 254	Page	10
SHRUB PROPERTY	PROJECT 255	Page	11
BUSH PROPERTY	PROJECT 256	Page	11
CICERO PROPERTY	PROJECT 257	Page	11
STEEP PROPERTY	PROJECT 258	Page	12
BRUHN PROPERTY	PROJECT 259	Page	15
ADAM PROPERTY	PROJECT 260	Page	15
PERRIS PROPERTY	PROJECT 261	Page	16
BIERE PROPERTY	PROJECT 262	Page	16
JOHN PROPERTY	PROJECT 263	Page	20
EAGLE PROPERTY	PROJECT 264	Page	21
COP PROPERTY	PROJECT 265	Page	21
WHITE ROCK OPTION	PROJECT 266	Page	22

LIST OF ILLUSTRATIONS

FIGURE 1	Shuswap Project Location Map	Following page 1
FIGURE 2	Shuswap Project Summary Map, 1:100,000	In pocket
FIGURE 3	Heavy Mineral Results, micrograms gold, 1:100,000	In pocket
FIGURE 4	Shrub Property Summary Map, 1:5,000	In pocket
FIGURE 5	Steep Property Summary Map, 1:5,000 with geochemistry highlighted	In pocket
FIGURE 6	Steep Property Summary Map, 1:5,000 with geology highlighted	In pocket
FIGURE 7	Steep Property Section 3W	Following page 12
FIGURE 8	Steep Property Section 9W	Following page 12
FIGURE 9	Perris Property Summary Map, 1:5,000	In pocket
FIGURE 10	Biere Property Summary Map, 1:5,000	In pocket
FIGURE 11	John Property Summary Map, 1:5,000	In pocket
FIGURE 12	White Rock Property Summary Map, 1:5,000	In pocket

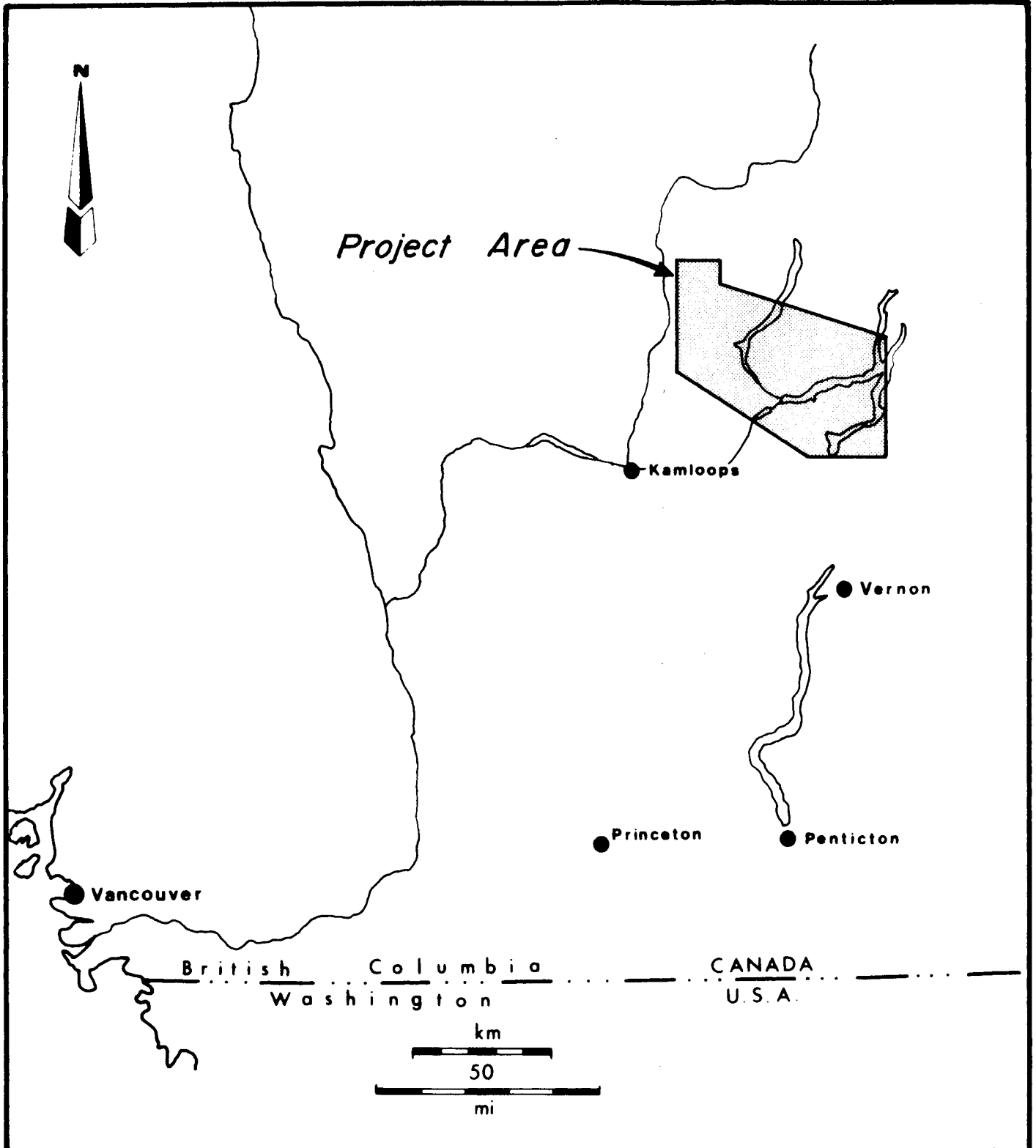
INTRODUCTION

The Shuswap Project of National Resource Explorations Ltd. is a regional and property exploration project covering an area of interest in the Shuswap and Adams Lakes region, just north and east of Kamloops in southern B. C. (figure 1), and done under a 1986 agreement with the "Vernon Group". This report summarizes the work done under the project in the time period from March 1, 1987 to December 31, 1987.

At the beginning of the period the project had 234 claim units in 9 properties. Staking during the period added 61 units to the existing Steep and Shrub properties and 279 units in four new properties (Biere, John, Eagle and Cop). A further 10 units were acquired by optioning the White Rock property, for a project total at the end of the period of 584 units in 14 properties.

Three of the new properties, Biere, John and White Rock are located northwest of the Rea Gold and (Minnova-Rea Gold) Samatosum gold and silver deposits and straddle the stratigraphic horizon at which these deposits occur, while the other two, Cop and Eagle, are located about 40 km southeast of Samatosum on the same horizon. Most of the other 9 properties lie along or near a parallel, also mineralized, contact 8-10 km southwest of the Rea Gold contact. This second contact is the southwestern edge of the volcanic-sedimentary sequence that occurs at Rea Gold, and given the nappe-style folding that is recognized in the area, it is possible that it represents the same stratigraphic horizon.

The Samatosum deposit has published reserves of 600,000 metric tons grading 1100g/t silver, 1.8g/t gold, 1.2% copper, 3.5% zinc and 1.7% lead, at least half of which is accessible by open pit. A feasibility study is in progress along with geotechnical and environmental work, and Minnova has indicated mine construction could start as early as the fall of 1988. This development should assure a continued high level of exploration interest in the area.



DISCOVERY Consultants		<i>National</i> Resource Explorations Ltd.		
SHUSWAP PROJECT		PROJECT AREA		
DATE: March 1988	PROJECT: 252	SCALE: as shown	N.T.S.: 82 L/14	M.D. Kamloops
		FIGURE: 1		

SUMMARY AND CONCLUSIONS

The Shuswap project is a regional and property exploration project covering an area of interest in the Shuswap and Adams Lakes region, north and east of Kamloops in southern B. C. The project controls 584 claim units in 14 properties in rocks of the Eagle Bay Formation favourable for precious metal deposits of the Rea Gold, Minnova-Rea Gold Samatosum and Homestake types. A production decision on the Samatosum deposit is expected sometime in 1988, assuring a continued high level of exploration interest in the area.

National Resource Explorations's 1987 program in the area was conducted under one regional budget called Shuswap (project 252) and 14 property budgets (projects 253-266).

The regional program covered property acquisition, a heavy mineral stream sediment survey and regional geology. Four new properties for 279 units were staked, 61 units added to existing properties by staking and one 10 unit property was acquired by option. The heavy mineral survey proved quite useful in identifying anomalies similar to the Rea Gold deposits. Many of the better anomalies are on ground we already own, some are immediately adjacent and a few have become targets for possible future acquisition. The regional geology work has helped us understand the complex structure of the area, and has raised the possibility that most of our properties could be in the same, or at least a very similar stratigraphic situation to the Rea Gold deposits.

In property work, no field work was done in 1987 on the BLU(253), LITH(254), BUSH(256), BRUHN(259) and COP(265) properties. Of these, the heavy mineral survey has indicated anomalies either on or very near the BLU and LITH, and some work should be done on them in 1988, while there are no immediate plans to work on the other three.

Small programs were conducted in 1987 on the SHRUB(255), CICERO(257), ADAM(260), PERRIS(261) AND EAGLE(264).

Of these properties, we have mild encouragement on the SHRUB property in the form of low silver and zinc soil geochem values over a good sized area, coincident with 4 Genie EM conductors in an area of mainly graphitic phyllite. Because of the topography this ought to be the source of the sulfide boulder found on the property in 1986, and which has low silver and gold geochem values. The property warrants further work but is low priority relative to our other properties.

The CICERO property is still of interest in that its north boundary is very close to the point where the STEEP trend crosses on to the Silver 1 claim owned by Jack Ashton and under option to Esso. Some work in this area is warranted, possibly in cooperation with Esso.

There has been no change from 1986 on the ADAM property. The tuffaceous zone intersected in the drilling, and which has best values of 140ppb Au/1.7m and 8.2ppm Ag/3m, is still interesting but we have no clear idea as to whether or not it can be traced along strike into something better. For the time being it is low priority.

The PERRIS property is at an early stage of development but should warrant further work depending on the results of the analysis of 348 soil samples taken late in 1987 and not yet analyzed. It is located on a very interesting part of the volcanic-sedimentary contact, has Cu and Zn soil highs from old work, a good outcrop of pyritic paper schist of the Homestake type and it produced one of the better highs in the heavy mineral program.

The EAGLE property is at an even earlier stage of development than Perris, in that we only got clear title to it just at year end. It is also at a very interesting part of the contact and has some indications of mineralization. It warrants a program of soil geochemistry and mapping.

Large programs were conducted on the STEEP(258), BIERE(262), JOHN(263) and WHITE ROCK(266) properties.

The main contact zone on the STEEP property was soil sampled on a grid, covered with a Max Min EM survey and critical areas were mapped. The results show a skarn zone at least 7 km long, 350 metres thick and with a dip extent at least 1250 metres, situated at a volcanic-sedimentary contact, and with a strong copper, lead, arsenic and gold soil geochem anomaly nearly continuous along its length. Three DDH drilled in an earlier program had shown interesting trace metal values in one part of this zone, and a further 6 DDH totalling about 1450 metres were drilled in the 1987 program. The results of this work are shown in the table below.

DRILL INTERSECTIONS - EAST ZONE

HOLE	FROM	TO	LENGTH (metres)	GOLD (oz/ton)
DDH87-4	251.3	254.3	3.0	0.172
DDH87-5	151.0	154.0	3.0	0.014
DDH87-7	250.0	256.0	6.0	0.022
	283.3	292.0	8.7	0.047

DRILL INTERSECTIONS - WEST ZONE

HOLE	FROM	TO	LENGTH (metres)	GOLD (oz/ton)
DDH87-8	69.0	72.0	3.0	0.019
DDH87-9	62.5	65.5	3.0	0.013

These intersections generally have associated arsenic, bismuth and antimony. They occur near the edge of the main skarn or in immediately adjacent limy phyllite and seem to fit the geological models that have recently been evolved for gold-bearing skarns. Our conclusion is that the mineralization and skarn formation on the property are related to volcanogenic processes rather than to any igneous contact, and the size potential is therefore large. The indicated course of action is to continue a search for better grade gold within the system, and at the moment the only way we can think of to do that is by drilling.

A 1988 drill program of four holes to try to trace the intersection of 0.172 oz/ton Au in hole 87-4 is underway as this report is being written, and the next step on the property will depend heavily on the results of this work. Even if these results are poor, further work will be warranted on the property, although in this situation it may not be the kind of project NRE wishes to pursue.

The BIERE property was covered with a large program of soil sampling and EM on four grids, building on the work of Noranda, who held the property in 1984. The work confirmed that we are on the Rea Gold trend geology, and developed a great many EM conductors, often with coincident soil geochem highs. The 1987 budget only permitted the drilling of one conductor, and this hole returned interesting geology but no metals. The overall situation and the individual targets are still very interesting and no further pre-drilling work is required. We have selected targets with coincident conductors and geochem highs for about 14 holes totalling 2300 metres for 1988.

The 1987 soil sampling program on the JOHN property returned very little encouragement. There are two areas of modest lead soil geochem highs that should be field checked, but other than that, the Rea Gold trend on the property seems to lie in an area of deep overburden, and would require deep penetration EM or perhaps even relatively wildcat drilling to test it. Our best action on this property would likely be to farm it out.

The WHITE ROCK property was covered with a soil sample grid, EM survey and mapped, and this work showed an exiting, large area of lead and silver geochem anomaly with modest EM support. The old White Rock lead-silver showings lie within the soil anomaly near its western edge, and there are a number of galena and tetrahedrite-bearing quartz veinlet stockworks scattered throughout the geochem anomaly, but also concentrated near its western edge. Because the area is very steep, we attempted to test the zone of geochemistry and stockworks with long holes from the accessible eastern edge of the anomaly, and these holes got only altered but unmineralised carbonates. Two shorter holes drilled in a stockwork also at the eastern edge of the anomaly intersected low grade lead, antimony and silver, with grades somewhat lower than the better soil samples in the area.

We learned from this work that there is a major fold in the hillside which creates a completely unexpected westerly dip in rocks underlying the anomaly, and that the stockworks are clearly crosscutting the stratigraphy. This creates a geological setting that looks very much like the stockwork feeder zone to a volcanogenic massive sulfide deposit, and because we believe that stratigraphy in the area is overturned, the deposit should lie at depth below the feeders.

Because of the amount of low grade mineralization in the area and the strength of the soil anomaly we feel this concept warrants a test, and a program of IP, geology and drilling is recommended.

1987 EXPLORATION SUMMARIZED BY PROJECT

SHUSWAP (GENERAL) PROJECT 252

Exploration covered under this project is for the most part work of a broader nature that covers the area of interest in general and is attributable to more than one property. The objective of this part of the overall project is to keep abreast of the development of geological knowledge and mineral discoveries in the area, thereby enabling us to acquire favourable ground by staking. The main proposed work for 1987 under this budget covered a further evaluation of our regional geophysical data base, and a heavy mineral stream sediment survey in the area, both of which were aimed at identifying possible future property targets.

AREA OF INTEREST

The project area of interest is defined by points of latitude and longitude in the agreement and is shown on Figure 1. as modified by the extension covered in this section.

An extension of the area of interest defined in the Shuswap Project agreement was proposed in a letter from F. L. Wynne to A. J. MacDonald dated July 13, 1987, to take effect June 1, 1987. The purpose of this extension is to include in the area of interest the northern part of the Biere and White Rock claim groups, which extend a bit north of the northern limit of the area of interest as originally defined.

The proposal is to move that portion of the northern boundary now lying along latitude 51°15' northward to 51°19'. The added area is a rectangle about 7.5X18 km with the following coordinates as its corners, clockwise from southeast:

51°15'N. latitude	119°50'W. longitude
51°15'N. latitude	120°05'W. longitude
51°19'N. latitude	120°05'W. longitude
51°19'N. latitude	119°50'W. longitude

While the required amendment to the agreement has not yet been made, it is assumed that all parties to the original agreement accept the above proposal.

MINERAL CLAIM HOLDINGS

The total claim holdings under the project at report date are 584 claim units in 14 properties as shown in the table below. The claim expiry dates shown are current, but only work done prior to September 1987 has been filed. The 1987 drilling on the STEEP/SHRUB, BIERE and WHITE ROCK is sufficient to bring expiry dates for these properties into the late 1990's when filed

<u>CLAIM NAME</u>	<u>RECORD #</u>	<u>UNITS</u>	<u>EXPIRY</u>	<u>OWNER</u>	<u>PROJECT#</u>
BLU 1	6776	16	09/17/91	NRE	253
LITH 1	6789	20	09/17/89	NRE	254
LITH 2	6790	8	09/17/89	NRE	254
SHRUB 1	6778	16	09/17/93	NRE	255
SHRUB 2	7098	15	06/08/88	NRE	255
SHRUB 3	7099	18	06/08/88	NRE	255
BUSH 1	6779	20	09/17/91	NRE	256
BUSH 2	6806	10	10/09/90	NRE	256
CICERO 1	6777	20	09/17/90	NRE	257
STEEP 1	6780	6	09/17/97	NRE	258
STEEP 3	6914	16	02/11/98	NRE	258
STEEP 4	7100	20	06/08/94	NRE	258
STEEP 5	7101	12	06/08/95	NRE	258
BRUHN 1	6787	16	09/17/91	NRE	259
BRUHN 2	6788	16	09/17/91	NRE	259
ADAM 1	6785	20	09/17/92	NRE	260
ADAM 2	6786	12	09/17/91	NRE	260
PERRIS 1	6782	6	09/17/89	NRE	261
PERRIS 2	6783	8	09/17/88	NRE	261
PERRIS 3	6784	20	09/17/88	NRE	261
BIERE I	7090	20	06/08/88	NRE	262
BIERE II	7091	20	06/08/88	NRE	262
BIERE III	7092	20	06/08/88	NRE	262
BIERE IV	7093	20	06/08/88	NRE	262
BIERE V	7094	20	06/08/88	NRE	262
BIERE VI	7095	8	06/08/88	NRE	262
BIERE 7	7135	12	06/30/88	NRE	262
B.C. 1	7225	1	08/10/88	NRE	262
B.C. 2	7226	1	08/10/88	NRE	262
B.C. 3	7227	1	08/10/88	NRE	262
B.C. 4 FRACTION	7228	1	08/10/88	NRE	262
BIERE X FRACTION	7224	1	08/10/88	NRE	262
JOHN	7096	15	06/08/88	NRE	263

<u>CLAIM NAME</u>	<u>RECORD #</u>	<u>UNITS</u>	<u>EXPIRY</u>	<u>OWNER</u>	<u>PROJECT#</u>
EAGLE 1	7120	20	06/24/88	NRE	264
EAGLE 2	7121	20	06/24/88	NRE	264
EAGLE 3	7122	15	06/24/88	NRE	264
EAGLE 4	7123	12	06/24/88	NRE	264
EAGLE 5	7124	20	06/24/88	NRE	264
EAGLE 6	7125	20	06/24/88	NRE	264
EAGLE 7	7126	20	06/24/88	NRE	264
COP 1	7131	12	06/25/88	NRE	265
WHITE ROCK #1	34118	1	08/08/89	T THOMPSON	266
WHITE ROCK #2	34119	1	08/08/89	T THOMPSON	266
WHITE ROCK #3	34120	1	08/08/89	T THOMPSON	266
WHITE ROCK #4	34121	1	08/08/89	T THOMPSON	266
WHITE ROCK #5	34122	1	08/08/89	T THOMPSON	266
WHITE ROCK #6	34123	1	08/08/89	T THOMPSON	266
WHITE ROCK #7	34124	1	08/08/89	T THOMPSON	266
WHITE ROCK #8	34125	1	08/08/88	T THOMPSON	266
WHITE ROCK NO9FR	34127	1	08/08/88	T THOMPSON	266
WHITE ROCK L4023		1	CROWN GRANT		
<u>TOTAL</u>		<u>584 CLAIM UNITS</u>		<u>14 PROPERTIES</u>	

GEOPHYSICS

The announcement in May, 1987 of the Samatosum discovery caused us to accelerate our staking plans without re-evaluation of the airborne geophysics, and because of the pressure of property work no further work on the geophysics was done during the year.

HEAVY MINERAL SURVEY

The heavy mineral stream sediment survey was conducted as planned with a total of 114 samples collected mainly from the part of the area of interest that lies west of Adams Lake. A summary of this survey with anomaly numbers and gold results in micrograms can be found on Figure 3, Heavy Mineral Survey.

The results of this work show interesting gold highs arising in the Rea Gold-Samatosum (anomaly 1) and Homestake (anomaly 2) mineralized zones, and similar highs from the Biere/White Rock claims (anomaly 3). Three streams draining the Rea Gold property returned 12, 15 and 30 micrograms gold in the sample. Samples draining the Biere property returned 20 and 25 micrograms gold. Along with a sample (21 micrograms, anomaly 4), located just east of Louis Creek near the boundary of the Chevron/Minnova Bar claims, these constitute the highest values in the survey. Only a few other precious metal highs were located, anomaly 5 on the edge of the BLU property, anomaly 6 just east of the LITH on Zone Petroleum claims, anomaly 7 northeast of the JOHN claim and anomaly 8 just north of Skwaam Bay.

Among other elements, Cu, Pb, Zn, Ag, As, Hg and Ba all showed highs draining the known deposits. The results for these elements in streams draining our properties is summarised in the table below.

PROPERTY	ELEMENTS HIGH IN HEAVY MINERALS						
	copper	lead	zinc	silver	arsenic	mercury	barium
BLU							
SHRUB			Zn				
BUSH							
CICERO	Cu	Pb	Zn		As		
STEEP	Cu	Pb	Zn		As		
BRUHN	Cu	Pb	Zn		As		
ADAM	Cu	Pb				Hg	
PERRIS	Cu	Pb	Zn		As	Hg	Ba
BIERE	Cu	Pb		Ag	As		
JOHN							
EAGLE	Cu	Pb			As		
COP							
WHITE ROCK	Cu	Pb	Zn	Ag			

The results of the heavy mineral survey have added substantially to our understanding of the distribution of minerals in the project area, and have helped evaluate our own properties. Gold anomalies 5 and 6 will lead to further staking and work on the BLU and LITH properties and we will be doing further investigation with an eye to future ground acquisition on anomalies 4, 7 and 8.

In a more general sense, the highs from the known deposits coupled with the broad distribution of background results serve to confirm that the method is detecting significant mineralization, and that the highs should be evaluated carefully.

REGIONAL GEOLOGY

Mr. Don Norris, a structural geology expert recently retired from the GSC was contracted for about 2 weeks to map the overall structure of the Eagle Bay rocks in the area between the STEEP property and the Samatosum deposit. The objective of this work was to determine the relationship between the stratigraphic horizons at which the mineralization occurs. His mapping indicates that the overall structural style of the area involves repeated nappes, or large overturned folds, with extensive thrust faulting in the lower limbs. Although the structure is complex and would require a considerably larger program than we conducted to unravel it in detail, the style that he sees in the area does provide a mechanism by which the three main mineralized horizons, that is, Samatosum, Homestake and STEEP, could all be at the same stratigraphic level.

BLU PROPERTY PROJECT 253

The results of 1986 work on this project were not particularly encouraging, and accordingly our 1987 work was directed to more immediately interesting properties, and no field work was done on the BLU in 1987. An assessment report on the 1986 work was written and filed, and the area was covered by the heavy mineral survey. Heavy mineral results show interesting highs (anomaly 5, Figure 2) both immediately south and immediately east of the property. The area south of the property is on open ground and warrants further investigation.

LITH PROPERTY PROJECT 254

This property was also relegated to low priority for 1987 because of the limited encouragement provided by the results of 1986 work. The only work on the project in 1987 was the preparation and filing of an assessment report. As with the BLU property, the heavy mineral survey provided some interesting results near the LITH, in this case one stream just east of the property on the Maggie claims staked by Ab Ablett returned an anomalous value of 13 micrograms gold (anomaly 6, Figure 3). This anomaly is right on the trend of the Max Min high on the LITH, and definitely warrants some further investigation.

SHRUB PROPERTY PROJECT 255

Our initial evaluation of the Genie SE-88 EM Survey done on the north half of the Shrub grid in February, 1987 was very favourable. We felt that one of the 4 strong conductors located would probably represent the source of the massive sulfide-skarn boulder found at trench 2 in 1986, and that this target would warrant drilling.

In preparation for this work, in early 1987 we extended the grid by 2 line km and collected 338 soil samples on 6.5 line km at 20 m stations. The results of this work were mildly encouraging, showing a zone 1 km long and 200m wide coincident with the EM conductors, within which are discontinuous silver and zinc highs ranging from 1 to 7.7 ppm Ag and 230 to 964 ppm Zn. A detailed prospecting and geological examination of the EM and the geochemical anomalies turned up no obvious sulfide source for anomalies and we elected to postpone further work on the property for the year. An assessment report on the property was filed. The property warrants further work as the priority of work on our other properties permits. 1987 work on the SHRUB is summarized on Figure 4.

BUSH PROPERTY PROJECT 256

No field work was done on the BUSH property in 1987. An assessment report based on 1986 work was prepared and filed. No work is planned for 1988 at this time.

CICERO PROPERTY PROJECT 257

Detailed field checking of the northern part of the CICERO property early in the season revealed that the area of lead soil highs located by Craigmont, and lying on the trend of the STEEP skarn zone, lies just off the northern edge of the property on the Silver 1 claim owned by Jack Ashton. Because of this, work on the property was not pursued beyond prospecting, and although it is still quite interesting, the property is rated as low priority relative to our other holdings. An assessment report was prepared and filed. The northern part of the claim should be further investigated in 1988, possibly in cooperation with Esso Minerals, who have optioned the Silver 1 claim from Jack Ashton.

STEEP PROPERTY PROJECT 258

The STEEP property was our largest property exploration project in 1987 and involved the following work.

GRID

Beginning in June, we established a 2500 metre baseline on bearing 295° with a 0 point at km 9 on the main Adams Lake West logging road. Crosslines were cut at 100m intervals from 0 to 25W and extending generally 200m south and 500m north of the baseline, for a total of 24.3 km of grid.

GEOPHYSICS

The entire grid was covered with horizontal loop EM (Max Min) for a total of 18.2 line km. This work proved difficult both to do and to interpret because of the steepness of the terrain. It served to confirm the continuity of sulfides along strike, but was not useful in picking out any detail within the sulfide zone.

GEOCHEMISTRY

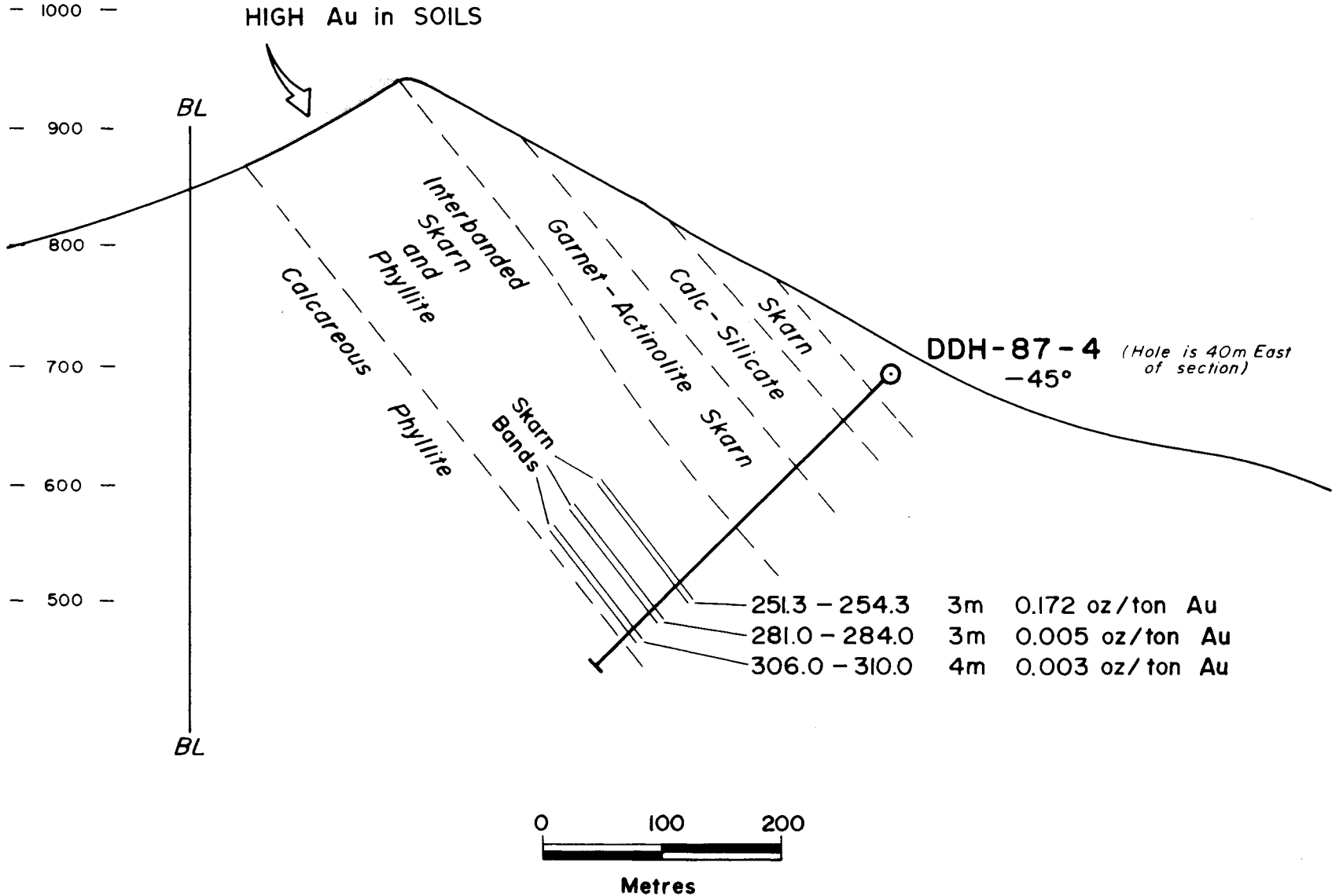
The entire grid, along with some extended lines to the north and 3 contour lines to the south was soil sampled at 20m intervals for a total of 995 soil samples. The results of this work were very interesting, outlining a strong soil geochem anomaly in copper, lead, arsenic and gold which occurs at two large areas along the baseline (Figure 5). The east zone of high geochem values is about 900m along strike by 250m wide, while the west zone is about 600m along strike by 100m wide. A smaller zone about 300m long by 200m wide occurs just north of the west zone. Within these zones soil values range from 200-2336ppm Cu, 50-1440ppm Pb, 100-1546ppm As and 20-1500ppb Au.

GEOLOGY

Geological mapping(1:5000 scale) of the zones of geochemical anomaly showed that for the most part they lie along the contact between the pyrrhotite bearing skarn to the north and dark, calcareous sediments to the south, in what appeared to be a very attractive volcanic-sedimentary contact setting. An attempt to correlate geochemistry with fracture density through fracture mapping yielded no useful result. The geology is set out on Figure 6.

SECTION LOOKING NW (295°)

Elevation
in
Metres



National Resource Explorations Ltd.

DISCOVERY

Consultants

STEEP PROPERTY

SECTION 3W

Date: September 23, 1987

Project: 258

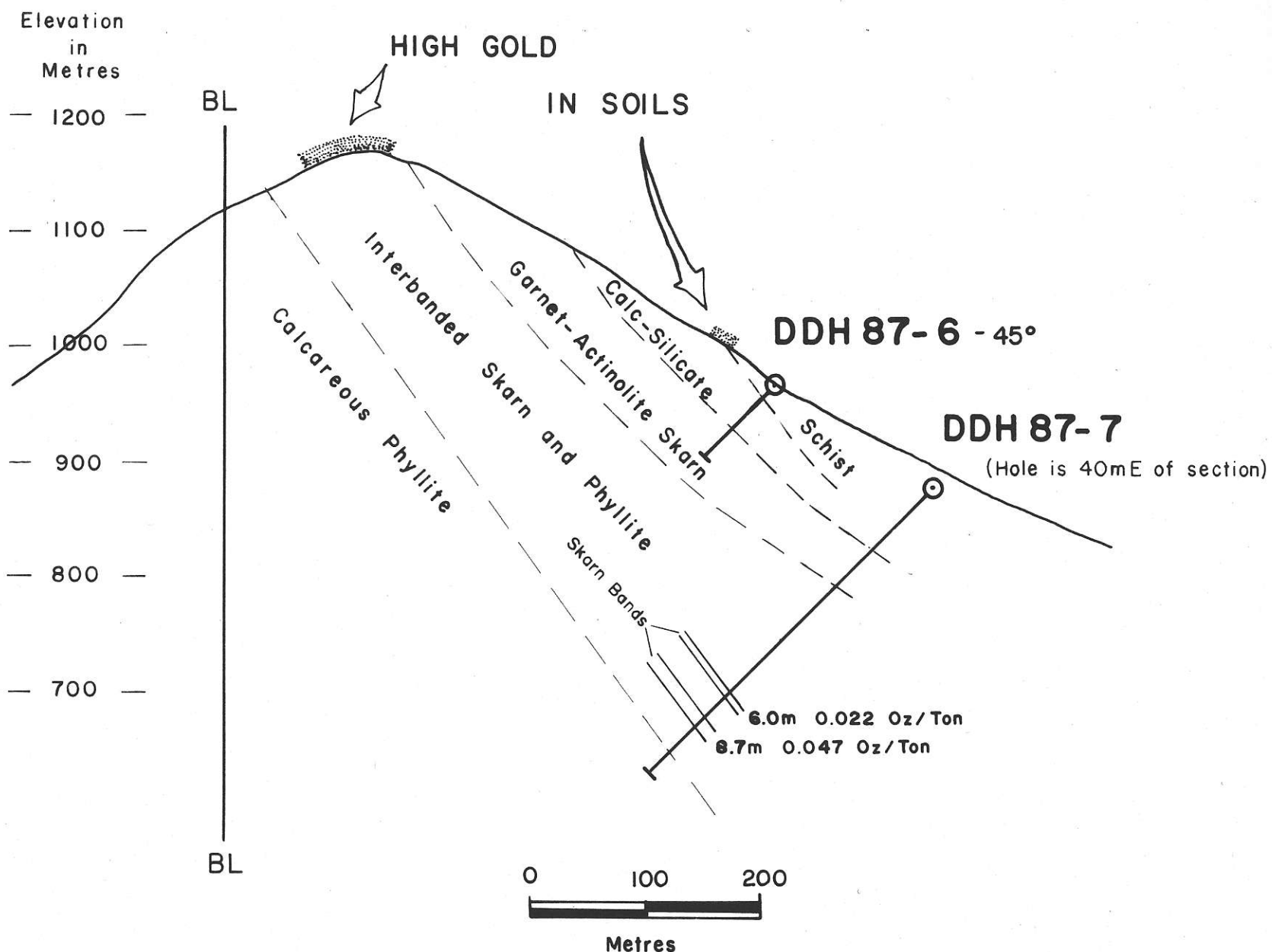
Figure: 7

Scale: 1:5,000

N.T.S.: 82 M/4

Mining Division: Kamloops

SECTION LOOKING NW (295°)



National Resource Explorations Ltd.

STEEP PROPERTY
SECTION 9W

DISCOVERY

Consultants

Date: October 13, 1987	Scale: 1 : 5,000
Project: 258	N.T.S.: 82 M/4
Figure: 8	Mining Division: Kamloops

DIAMOND DRILLING

Six diamond drill holes (DDH 87-4 to 9) totalling about 1450 metres were drilled on the anomalies between August 20 and October 25. This required about 1.4 km of rather difficult road construction for access to the sites. All these holes tested the general contact zone between the skarn and underlying calcareous phyllites, along which the most attractive targets lie. Holes 87-4 and 5 tested high gold in soils on lines 3W to 5W, holes 87-6 and 7 tested high gold in soils on line 9W and holes 87-8 and 9 tested a similar anomaly on lines 23W and 24W, toward the western end of the property.

All the holes penetrated a thick section of pyrrhotite-rich skarn that varies from a pale green, fine-grained calc-silicate rock to a dark green garnet-actinolite skarn. The garnet skarn may prove useful as a marker horizon. Below the skarn section the holes penetrated a transition zone of interlayered skarn and dark grey, generally calcareous phyllites, and then bottomed in the phyllites with no skarn 'alteration'. The transition zone has about 5% total sulfides with the skarn sections locally running up to 30%. Pyrrhotite is the dominant sulfide in skarn, while pyrite is dominant in phyllite. Below the transition zone, in the phyllites, the sulfide content is 2-5% all as pyrite and decreasing away from the skarn. It appears that some of the pyrrhotite in the skarn developed from the original pyrite in the phyllites through metamorphism, but there has also been substantial addition of sulfide to the skarn.

DRILL INTERSECTIONS - EAST ZONE

On the lower (east) part of the property between lines 3W and 9W we have four "interesting" gold intercepts from this drilling, all of which are in the skarn bands within the skarn to phyllite transition zone. The best of these intersections is 0.172 oz/ton gold over 3.0 metres in hole 87-4.

HOLE	FROM	TO	LENGTH (metres)	GOLD (oz/ton)
DDH87-4	251.3	254.3	3.0	0.172
DDH87-5	151.0	154.0	3.0	0.014
DDH87-7	250.0	256.0	6.0	0.022
	283.3	292.0	8.7	0.047

The gold bearing sections carry bismuth up to 160ppm, with scattered arsenic values to 400ppm and antimony to 500ppm, while the gold occurs as free gold and electrum associated with bismuth tellurides. This metal assemblage is associated with gold bearing skarns according to L. D. Meinert in his overview of gold and silver in skarns presented to the NWMA meeting in Spokane in December, 1987.

These intercepts indicate the presence of gold over a 600 metre strike length. Their occurrence in the transition zone adds considerably to their significance, as the transition zone is interpreted to be an overturned contact between intermediate volcanics (Eagle Bay) and a stratigraphically overlying calcareous sedimentary package (Sicamous).

DRILL INTERSECTIONS - WEST ZONE

Both DDH drilled on the upper(west) part of the property on lines 23W and 24W made low grade gold intersections within broader zones of trace gold. These intersections can probably be correlated between the two holes, and they occur in bleached zones in the lower part of the calc-silicate section, just above the transition zone.

HOLE	FROM	TO	LENGTH (metres)	GOLD (oz/ton)
DDH87-8	69.0	72.0	3.0	0.019
DDH87-9	62.5	65.5	3.0	0.013

These intersections also have associated arsenic, bismuth and antimony, and they are 100m apart along strike, occurring very near the Eagle Bay-Sicamous contact. The horizontal distance from DDH-9 on line 24W to DDH-4, near line 3W is about 2100metres, the vertical distance about 900m.

INTERPRETATION

The occurrence of all six gold intersections at about the same stratigraphic level and near a volcanic-sedimentary contact allows room for optimism that the gold bearing skarn system is volcanogenic in origin and has good size potential. At the moment we lean toward the theory that the skarn developed in unconsolidated limy sediments in a rift environment on the sea floor, near the end of a volcanic cycle. In this situation the recently deposited and as yet unconsolidated sediments would be converted to skarn in situ by late emanations from volcanic vents located along the rift. The resulting skarn would be long along strike and appear stratabound as the STEEP skarn does, and would probably have a modest dip extent relative to strike. The STEEP skarn as we know it is at least 7 km long, 350m thick and has a dip extent of at least 1250m. Current knowledge of these systems suggests that the gold should occur toward the outer limits of the skarn as it appears to do at the STEEP. Our thinking on the origin of the skarn and the behavior of gold in it was strongly influenced by personal discussions with Mr. J. M. Franklin of the Geological Survey of Canada during the NWMA meeting in Spokane in December, 1987.

FURTHER WORK

A further drill program utilizing 1988 funding is underway on the property while this report is being written. The objective of this program is to aid in the search for better grade gold by testing the dip and strike extent and trend of the 0.172oz/ton Au/3m intersection in DDH87-4. Because of constraints imposed by the steep terrain, four holes are being drilled from the DDH87-4 site, angled to intersect the gold zone about 50m from hole 4 up dip, down dip, and to either side along strike.

The results of this latest drilling will be the major factor in determining the next step in exploration on the Steep property, but whatever the results, the work to date has demonstrated strongly anomalous amounts of gold in an apparently stratabound setting with large size potential, and the property will warrant further work.

BRUHN PROPERTY PROJECT 259

No field work was done on the BRUHN property in 1987. An assessment report on 1986 work was prepared and filed. The results of the heavy mineral survey on streams draining this property have to some extent revived our interest in it, and some stream and soil geochem follow up should be done on it.

ADAM PROPERTY PROJECT 260

No field work was done on the property in 1987, but an assessment report on 1986 work was done and filed.

This property is still interesting because of the low silver and trace gold values encountered in what are thought to be tuffaceous zones within Sicamous limy phyllites during the 1986 drill program. The best values from this work were 140ppb Au over 1.7 metres and 8.2ppm Ag over 3 metres, and would only be of interest if it could be demonstrated that they were indicating a stratigraphic horizon enriched in precious metals, which could possibly be followed to better grades elsewhere. At the moment this property is still low priority for further work.

PERRIS PROPERTY PROJECT 261

The PERRIS property remains interesting in spite of the lack of encouragement from the rather limited 1986 program of geophysics and trenching. It lies on a particularly attractive part of the Sicamous - Eagle Bay contact along which previous work has shown copper and zinc soil anomalies associated with EM conductors. An outcrop of "paper schist" of the type known at the Homestake deposit occurs on the property along the main Eagle Bay highway. This outcrop has sulfate deposits forming from water seeps at surface, indicating an unusual sulfide content in the rock, and the one stream draining the property returned high heavy mineral values in Cu, Pb, Zn, As, Hg and Ba.

The 1987 program on this property was intended to determine whether we could find any precious metals associated with the old soil geochem anomalies. This required a new soil survey because the old samples (INCO, 1970) were not analyzed for Au or Ag. An 1100 metre baseline was established along the favorable contact and over the known soil anomaly, and 12 crosslines each 700 metres long were sampled at 25m intervals for a total of 348 samples. This work was done late in the year, and analysis of the samples was deferred as a cost control measure. The samples are stored and analysis of them is planned early in the 1988 program. Depending on the results of this analysis further soil geochem, EM and possibly drilling may be indicated.

BIERE PROPERTY PROJECT 262

The BIERE property lies just west of East Barriere Lake and just west of the logging road to North Barriere Lake. It was staked at the time of the (Rea Gold) Samatosum discovery in early 1987 to acquire a section of the geological trend that hosts the Rea Gold deposit. BCMEMPR preliminary map # 56 shows the favorable contact passing through this area in a roughly north - south direction with about 7 km of favorable contact on the property. The WHITE ROCK OPTION, PROJECT 266, which is covered later in this report, is a block of 9 2-post claims and fractions and one Crown Grant enclosed within the BIERE PROPERTY near its northern end.

Quite extensive early stage exploration, but no drilling, had been done on the property by previous owners and we were able to get a complete geological map and partial EM and soil survey data from their work. Our grid work on the property in 1987 comprised HLEM and soil sampling to extend and fill in what had been done before. It was completed by late August and is summarized below.

GRID	BASELINE	GEOCHEMISTRY	GEOPHYSICS
1-A	107+50E	none (previous work was adequate for our needs)	none
1-B	100+00E	1.6 line km 68 samples at 25m	none
1-C	107+00E	26.75 line km 1019 samples at 25m	14 line km Max Min
6	85+00E	13.4 line km 547 samples at 25m	13.4 line km Max Min

Note: The grid numbering system is carried over from previous work on the property by Noranda as we were able to save time and money by using some of their grids. Soil samples were all analyzed for CuPbZnMoAgCoBiAsSbTl and Au.

The heavy mineral survey carried out under project 252 resulted in the general area of the Biere and White Rock properties showing up as one of only a few significant highs in both precious and base metals in the Shuswap Project area. Others included Rea Gold and Homestake.

The results of our work this season, combined with previous work, are summarized on Figure 10 and are as follows.

Grid 1-A

The grid area appears to lie on our projection of the main (Rea Gold) trend stratigraphy, in an area of extensive overburden cover near the main road to East Barriere Lake. There are two interesting EM (Genie) conductors, 1, along the baseline and 2, parallel and 150m east. The grid has been soil sampled and returned no significant results, probably because of the deep overburden cover, but a heavy mineral sample taken in Russel Creek just below the baseline conductor is anomalous in gold.

DDH B87-1 was drilled at -45° on azimuth 235° from 119+10E on line 100+11N, under the widest part of anomaly 1. It penetrated 25m of overburden and then continued in argillite to hole bottom at 156.67m. From 69m to bottom the argillite is silicified, carries fine grained pyrite and has coarse fragmental sections thought to be of volcanic origin. While there is sufficient pyrite and graphite in the hole to explain the EM conductor, the hole did not return any assays of interest, and did not explain the heavy mineral gold anomaly.

Because of the gold anomaly, it would seem prudent to drill at least one hole in anomaly 2 on this grid.

Grid 1-B

This grid lies on the western margin of the Rea Gold trend, near the East Barriere Lake road and just west of Grid 1-A. The lower (south) part of the grid is overburden covered but not as deeply as 1-A. Two EM (Genie) conductors parallel the baseline, 1, just to the east and 2, just west of it, and there are two shorter conductors, 3 and 4 elsewhere on the grid. Conductor 2 has coincident soil highs in Zn up to 800ppm, Pb to 36ppm and Au to 180ppb. Heavy mineral sample 53, from a creek draining the south part of the grid has 25 micrograms gold.

No drilling has been done on this grid to date, but it definitely warrants a drill test. As a first step, the coincidence of geochem high and conductor 2 should be drilled, starting with two holes at -45° azimuth 235° from line 106+00E at stations 100+00 and 101+50E.

Grid 1-C

This grid lies in the northern central part of the Biere claims immediately south of the White Rock Property Grid 2. It is a large grid covering the Rea Gold trend stratigraphy and the work on it constituted a major portion of our 1987 field program.

There are 6 EM conductors on the grid, detected by a combination of Max Min and Genie surveys. Two of these, conductors 2 and 3 on the map, are long conductors associated with a band of quartzite and argillite. Number 2 has only scattered geochem highs while 3 has a clear association with Zn soil highs with some As and Au. The best gold geochem association with 3 is on line 137N, and a drill site has been prepared to test this zone from station 109+50E. The most favorable zone according to the EM is on line 132N and a drill site has been built to test this zone from station 108+75E.

The other conductors are of shorter strike length. Conductors 1 and 5 are in greenstone and have gold (AsSb) associated soil geochem highs. They should be drilled, but 5, probably the better of the two, is quite difficult of access and will require about 1 km of road construction. Conductor 4 is near the south end of 3, in an area of more complex geology and numerous Zn, Pb, Ag and As soil geochem highs. This area warrants more work and probably drilling, but is again difficult of access. Conductor 6 is in a very interesting geological position, near the contact of greenstone with conglomerate. It has soil geochem support but this is mainly Zn highs with minor As and scattered Au highs up to 140ppb. It definitely warrants further work but may not be an attractive enough drill target to warrant a road to its rather difficult location at this time.

In summary, on Grid 1-C we have 2 drill targets established and with sites ready to drill as follows:

Conductor 3 line 137N 109+50E test coincident Au geochem high
132N 108+75E geophysical recommendation.

One drill target is established, no site built, easy access:

Conductor 1 line 136N 112+75E test coincident AuZn (CuAg) high

One drill target established, no site built, difficult access:

Conductor 5 line 131N 104+50E test coincident strong Au geochem high with some AsSbPb

Two conductors, 4 and 6 will probably develop into drill targets with further work.

Grid 6

This grid is located near the western edge of the Biere claim block, in the area immediately north of the East Barriere Lake road and immediately east of the North Barriere Lake road. The grid is very close to these two main roads and access is excellent much of the grid has been clearcut and logging skid trails are numerous. This is a newly established grid and had no prior work.

Our work this season established three Max Min anomalies 1, parallel to the baseline about 84E, 2, sub-parallel to the baseline between 87 and 88E and 3, from 115N 88E to 117N 89E.

Anomaly 1 appears to lie on the contact of greenstone to the east with argillite to the west, which is a favorable situation. The anomaly has only very low AuAg geochem support, but this is probably not too significant in view of the extensive, sandy overburden on this part of the grid.

Anomalies 2 and 3 appear to lie within the greenstone very near to a band of conglomerate, and some of the outcrops have barren pyrite-bearing quartz veins. The anomalies have associated broad areas of 10 to 70ppb gold in soils, with a few values up to 240ppb Au.

Four DDH are planned to test these anomalies, one in each of anomalies 1 and 3, and two in anomaly 2.

The following table summarizes the drilling planned for the Biere property at the present time.

Grid 1-A	1 DDH	150m
Grid 1-B	2 DDH	350m
Grid 1-C	6 DDH	1200m
Grid 6	4 DDH	<u>600m</u>
		2300m

JOHN PROPERTY PROJECT 263

The JOHN property is located at South Barriere Lake and was staked at the time of the (Rea Gold) Samatosum silver discovery in early 1987, because BCMEMPR geological mapping shows a fault offset bringing the geological trend that hosts this deposit right on to the JOHN property.

Geological mapping, soil sampling and geophysics (EM and Magnetometer surveys) had been done on the property by previous owners and we were able to get this data. Most of the data was adequate for our needs, but the soil sampling was done on too wide a line spacing, and the samples were not analysed for Au, or any of the "tracer elements" that often accompany Au or Ag. The grid was 1984 vintage and not good enough to permit fill-in work, so we elected to conduct a new soil survey. Accordingly, a 2 km baseline was laid out on a NW bearing, and 18 km of crosslines sampled at 20 metre intervals gave us nearly complete coverage of the entire claim with 822 samples. All samples were analyzed for CuPbZnMoAgCoBiAsSbTl and Au.

The results of our soil sampling show only scattered high values for all elements except lead. Lead shows a cohesive anomaly with values from 21 to 321ppm over an area about 400 X 250 metres in the southwestern corner of the claim, and a smaller, weaker anomaly just south of the lake. The larger anomaly is in an area underlain by limestone and has no geophysical support.

No further field work was done either on the geology or geophysics, but evaluation of the existing data led to reinterpretation of the geological map to conform better to the BCMEMPR preliminary map 56, and to agree with our concept of this immediate area. With the new interpretation it appears that the faulted extension of the Rea Gold trend occurs only on the northwestern corner of the property, creating a geologically most favorable area of about two claim units immediately south and west of the lake. Unfortunately this area is overburden covered and swampy, and quite difficult to evaluate without some drilling for geological information.

The lead anomaly should be field checked, but other than that we are not recommending any further work on the property. This season's work supports the original idea that the Rea Gold trend passes through the property, but at this point we haven't been able to find much evidence of mineralization along it.

The results of this season and the previous work on the property are shown on Figure 11.

EAGLE PROPERTY PROJECT 264

This property is located on the south shore of Shuswap Lake east of Blind Bay and just east of the PERRIS property. It was staked in June, 1987 to cover a section of the same geological contact that hosts the Rea Gold deposit, although the EAGLE property is about 40 km southeast of Rea Gold.

The property has not seen any significant previous work since Craigmont held ground in the area in the late 1970's, and it was not worked on by us in the 1987 field season. We filed a section 50 complaint on the Golden Jack Mine mineral claim, which was improperly staked and covered the more favorable part of our property. This complaint was resolved in our favor, and on January 4, 1988 the Golden Jack Mine claim was cancelled "void ab initio" leaving our Eagle claims in control of the ground.

Our knowledge of the claim at this point comes mainly from compilation of previous work, but it looks quite interesting. The favorable contact traverses the property for about 8 km and along this contact there is a band of siliceous rock that has 6 airborne EM conductors either in or very near it. The PROJECT 252 heavy mineral survey in the area found only one stream draining the main area of interest, but this stream returned very interesting results, with a first order anomaly in Cu and second order anomalies in Pb and As. Gold and silver values were low in the heavy minerals. Craigmont drilled 4 short DDH on the property in 1978, two of which got traces of gold over short lengths. The best intersection was 200ppb over 1 metre in two separate sections in DDH PC-3, in a section described as a grey, siliceous tuff.

Overall, the property has some attractive features located along a known favorable contact, and has seen no real systematic exploration to date. At this point it warrants a soil sample grid and ground EM to firm up the airborne conductors and get an idea of their precious and base metal potential. The property is very accessible and easy to work, and it will require an expenditure of about \$15,000 by June 24, 1988 to apply assessment to hold it for another year.

COP PROPERTY PROJECT 265

The COP property is located on the north shore of Shuswap Lake west of Celista, and just across the lake from the PERRIS and EAGLE properties. It was staked in June, 1987 to cover a short section of the Rea Gold trend. No field work was done on the property in 1987, and about \$1,500 must be spent on it by June 25, 1988 if we are to cover assessment for another year.

The property is very well located and easy to work on, with the main problem for field work likely being the close proximity to lakeshore recreational lots and private land. It adjoins and is along strike from the Nexus Resources gold property in Hlina Creek, where low grade gold has been found in a hematitic iron formation where it is crossed by later quartz veins. The property should be prospected, and depending on the results of prospecting it may warrant a soil survey.

WHITE ROCK OPTION PROJECT 266

The WHITE ROCK property was acquired as an option early in 1987 because it was located within the northern part of the BIERE property, on the Rea Gold trend, and had some interesting lead and silver values in sheeted quartz veins and quartz veinlet stockworks.

Prior to option the property was examined in the field, and the examination concluded that the belt of favorable rocks on the Biere claims passed through the southwestern corner of the White Rock claims. Widespread, spotty galena and tetrahedrite mineralization was found, associated with sheeted quartz veins and quartz veinlet stockworks in predominately carbonate rocks, lying stratigraphically immediately below our projection of the Rea Gold horizon. The best grade sample collected during the examination was a selected sample of sulfide mineralisation which ran 18 OPT Ag, 1.9%Cu, 6.9%Pb and 14%Zn. Considering that the rock sequence in this area is thought to be overturned, and using the volcanogenic model for Rea Gold type mineralisation, it was concluded that this stockwork could well represent the footwall feeder zone to a Rea Gold type deposit located either on the western part of the White Rock claims or on the adjacent Biere claims.

The 1987 exploration program on the property was conducted between June and November and included:

Linecutting	baseline	1.2 km
	13 crosslines at 100m separation	19.7 km
Soil sampling		1302 samples
	(all crosslines were sampled at 20 or 25 m intervals)	
Geophysics	Max Min	27.0 km
Geological mapping	1 : 2500 scale	40.0 ha
Road construction	new road	1.1 km
	rehabilitation of old road	5.0 km
Diamond drilling	4 holes	749.2 m

The soil geochemistry on this property was completed in early September with all samples analyzed for Cu, Pb, Zn, Mo, Ag, Co, Bi, As, Sb, Tl and Au. The results of this work show one striking lead anomaly about 450m wide and 600m long. Within this anomaly lead values range from 220ppm to over 7000ppm, and there are four smaller zones of high silver in soils that range from 0.6 to 21.7ppm silver and coincide very well with lead values greater than 1200ppm. These zones are long along strike and the largest is about 50m by 400m. All the showings sampled during the property examination conducted earlier this year lie within the lead anomaly near its lower(western) edge.

A Max Min EM survey was run over the entire grid and completed in September. The survey proved difficult both to conduct and interpret because of the steepness of the terrain, which averages more than a 30° slope. Six conductors were located, all of which are weak. The most interesting are conductors 1 and 2, which form a discontinuous string of weak anomalies apparently related to a stratigraphic level passing through the lower part of the lead soil anomaly in the vicinity of the known showings.

Road access to the upper(east) edge of the lead soil anomaly was constructed in October and diamond drilling started late in the month. The first hole was a -70° hole drilled westerly along line 115N from station 118+50E, designed to test the stratigraphy beneath the main body of the lead anomaly. This hole cut 365m of strongly dolomitized and brecciated limestone with extensive fracture porosity, only minor quartz veining and only traces of galena and tetrahedrite. The hole was drilled without return circulation right from surface and finally had to be abandoned at 365m as the rods were sanding in. DDH87-2, a -45° hole from line 114N, station 119+00E was very similar and was lost in a cave at about 200m. We changed our approach to the property after hole 2, and drilled DDH87-3 and 4 at -45° and -60° respectively from one site at 113N, 118+35E. These holes were drilled directly under the quartz vein stockwork that gives rise to the 19.4ppm Ag soil anomaly on 113N at 118E. Both holes cut a nearly vertical zone of quartz veins with scattered, very coarse galena and tetrahedrite over a true width about 25 metres. Analyses on the core from 87-1 returned only very low lead values and no silver. The best lead zone in this hole had greater than 200ppm Pb over about 13 metres, and the highest Pb value was 768ppm. Hole 87-2 was appeared very similar to 87-1 and was not split. Intersections in W87-3 and 4 were better but still very low grade:

HOLE	FROM	TO	LENGTH (metres)	LEAD ppm	ANTIMONY ppm	SILVER ppm
W87-3	39.0	45.0	6.0	3187	95	9.3
	51.0	57.0	6.0	4641	33	6.4
W87-4	30.0	33.0	3.0	2940	171	14.8

Holes 87-3 and 4 confirm a bedrock, sulfide source of the lead geochem anomaly in soils and indicate that the anomaly arises in a number of discrete stockworks scattered over the hillside rather than a broad low grade zone. Holes 87-1 and 2 show that the stockworks are not continuous along strike, and are probably structurally controlled, possibly irregular in shape. Taking the attitude of the stockwork zones from holes 3 and 4, it seems likely that holes 1 and 2 stopped short of the downward extension of the coincident Max Min conductor and AgPb high associated with the known showings. It would also seem reasonable to conclude that none of the 4 holes intersected the main source of the AgPb anomaly. This source should be higher grade than anything we see in these holes, if only because a lot of the soil values are higher than the diamond drill intersections.

Our original interpretation that the main Rea Gold horizon lies below the showings still seems valid. The bedding was thought to be overturned and we have found some evidence for this in a conglomerate near the base of the hill with fragments of rocks which now structurally overlies it. The quartz veins clearly crosscut stratigraphy and could well be feeder zones to an orebody which, because of the overturning would lie at some depth below the showings. There is quite a similarity between the pattern formed by the stockwork zones at White Rock and the stockwork feeder zones at many volcanogenic massive sulfide deposits. The conclusion to be drawn from all this is that the source of the large geochem high is still a very attractive drill target.

Applying the knowledge gained from the 1987 program, we should modify our approach to this property, directing our attention more specifically to the stockworks and what lies below them. In order to do this one or two of the better stockworks should be tested, initially with a hole very close to it to confirm its attitude. The Max Min conductor coincident with the geochem high and the lower showings should be tested from sites just above it on the hillside, and we may need one or two holes drilled into the hill, parallel to the stockworks, to help understand the geological structure near the lower showings and its influence on mineralization. This work should lead us to ore at depth, which has the potential to be better than anything we are seeing at surface. A detailed IP survey in the vicinity of the showings might help refine drill target selection for this work and should be considered before further drilling.

To continue with this program we now have no choice but to build a road down to the showing area from the 1987 drill sites at the top of the ridge. Road access could be built from the bottom of the hill, but the route from above should be more economical. This will likely require about 3 weeks with a Cat 225 or similar excavator, and probably a bit of blasting and will cost in the order of \$25,000.

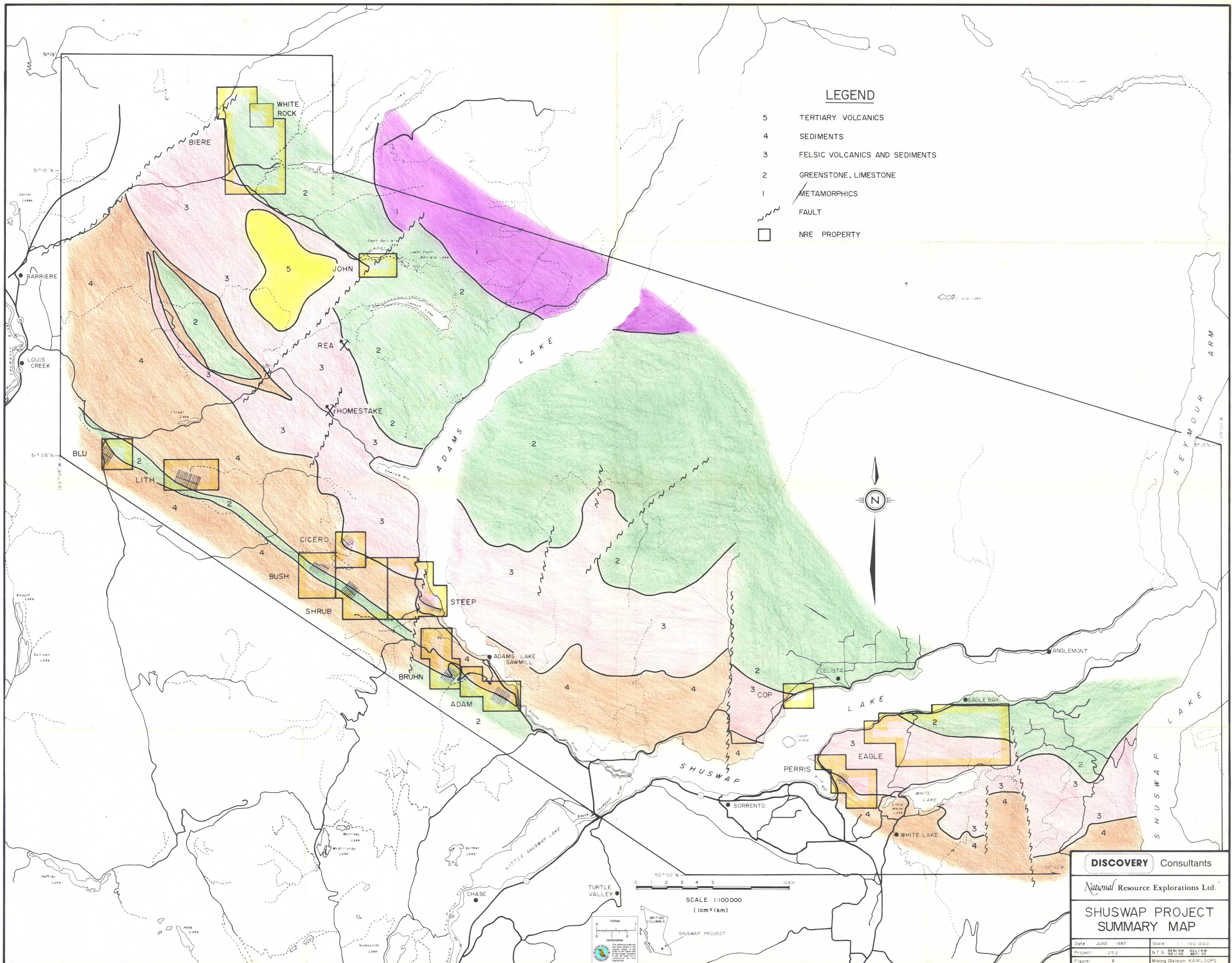
EXPENDITURES

NATIONAL RESOURCE EXPLORATIONS
FLOWTHROUGH MARCH 1987 TO DECEMBER 1987

DATE	252 SHUSWAP	253 BLU	254 LITH	255 SHRUB	256 BUSH	257 CICERO	258 STEEP	259 BRUHN	260 ADAM	261 PERRIS	262 BIERE	263 JOHN	264 EAGLE	265 COP	266 WHITEROCK
8703	336						1473		294						
8704	22						3858		2300						
8705	5852			1954			2139		272		5196				
8706	8613			1165		2327	2868		43		1740	300	7200	252	
8707	13184	11		3428		150	19880		88		16730	16840	321	-252	3333
8708	8979			4867			23840				23426	12258	491		8790
8709	15677	490	642	622	470	470	92797	905	1004	399	19852	472			2060
8710	4673	195	252	233	143	95	122791	152	337	34	35349	1929	55		21436
8711	2975	583	494	292	184	474	13202		861	4109	21940	470	2496		95021
8712	2431	356	364	1248	200	252	4250	196	830	364	1200		117		4125
TOTAL	62742	1634	1752	13808	997	3769	287099	1253	6028	4905	125433	32269	10681	0	134764
GRAND TOTAL		<u>\$687,134</u>													

Report by,

Frederick L. Wynne, P.Eng.



LEGEND

- 5 TERTIARY VOLCANICS
- 4 SEDIMENTS
- 3 FELSIC VOLCANICS AND SEDIMENTS
- 2 GREENSTONE, LIMESTONE
- 1 METAMORPHICS
- FAULT
- NRE PROPERTY

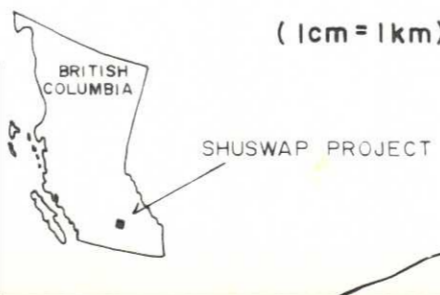
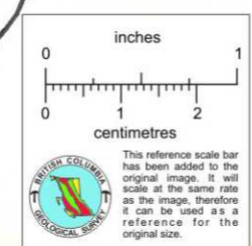
DISCOVERY Consultants

National Resource Explorations Ltd.

SHUSWAP PROJECT SUMMARY MAP

Date: JUNE 1987	Scale: 1 : 100 000
Project: 252	N.T.S. 85°W 85°W
Figure: 2	Mining Division: KAMLOOPS

SCALE 1:100 000
(1cm = 1km)



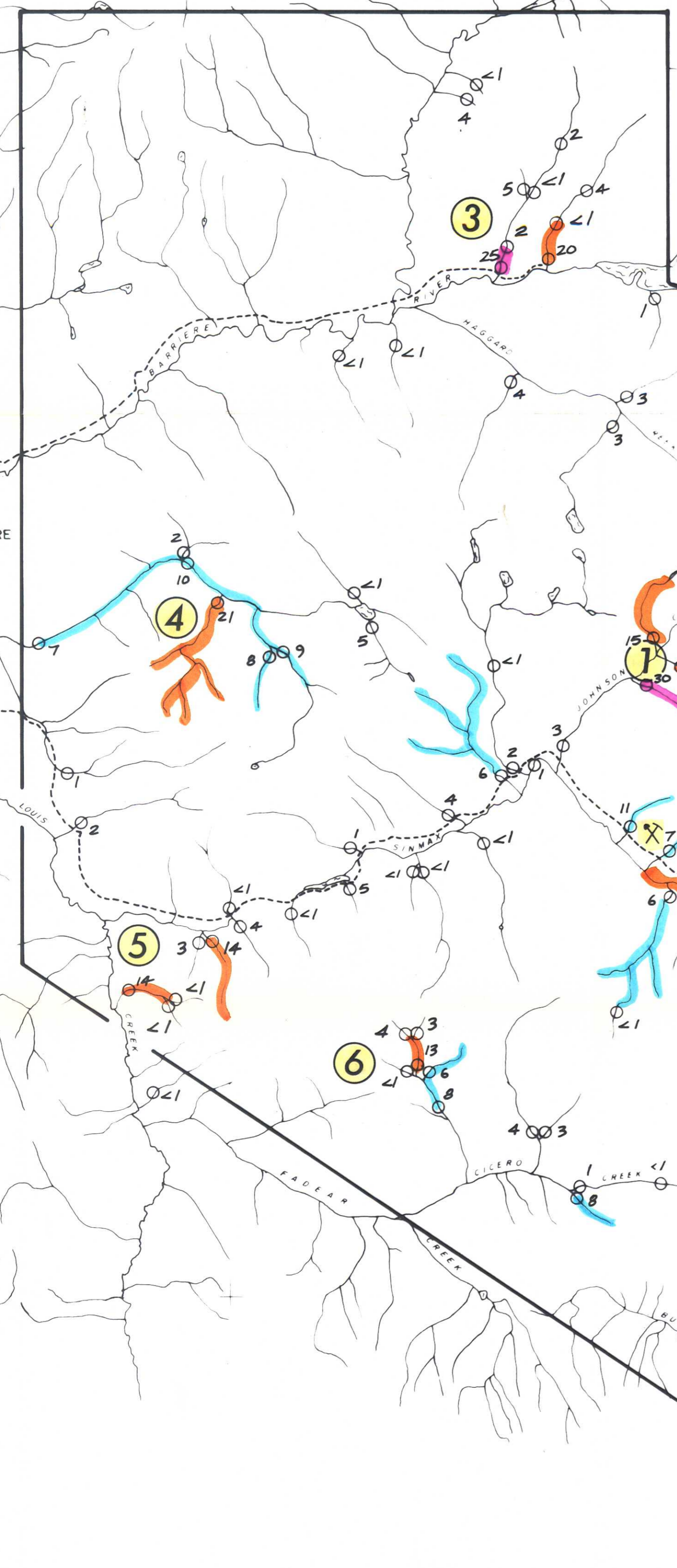


GOLD

CLASSIFICATION

μgm of Au in -150 HN from
10 Kg of -20 mesh

>45	
25 - 45	
12 - 24	
6 - 11	
<6	

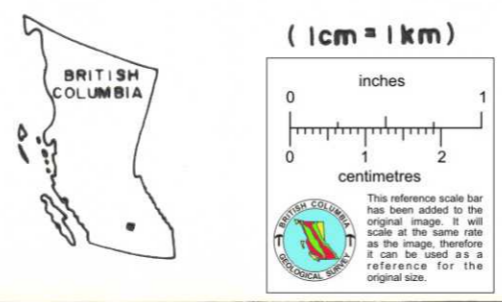


LEGEND

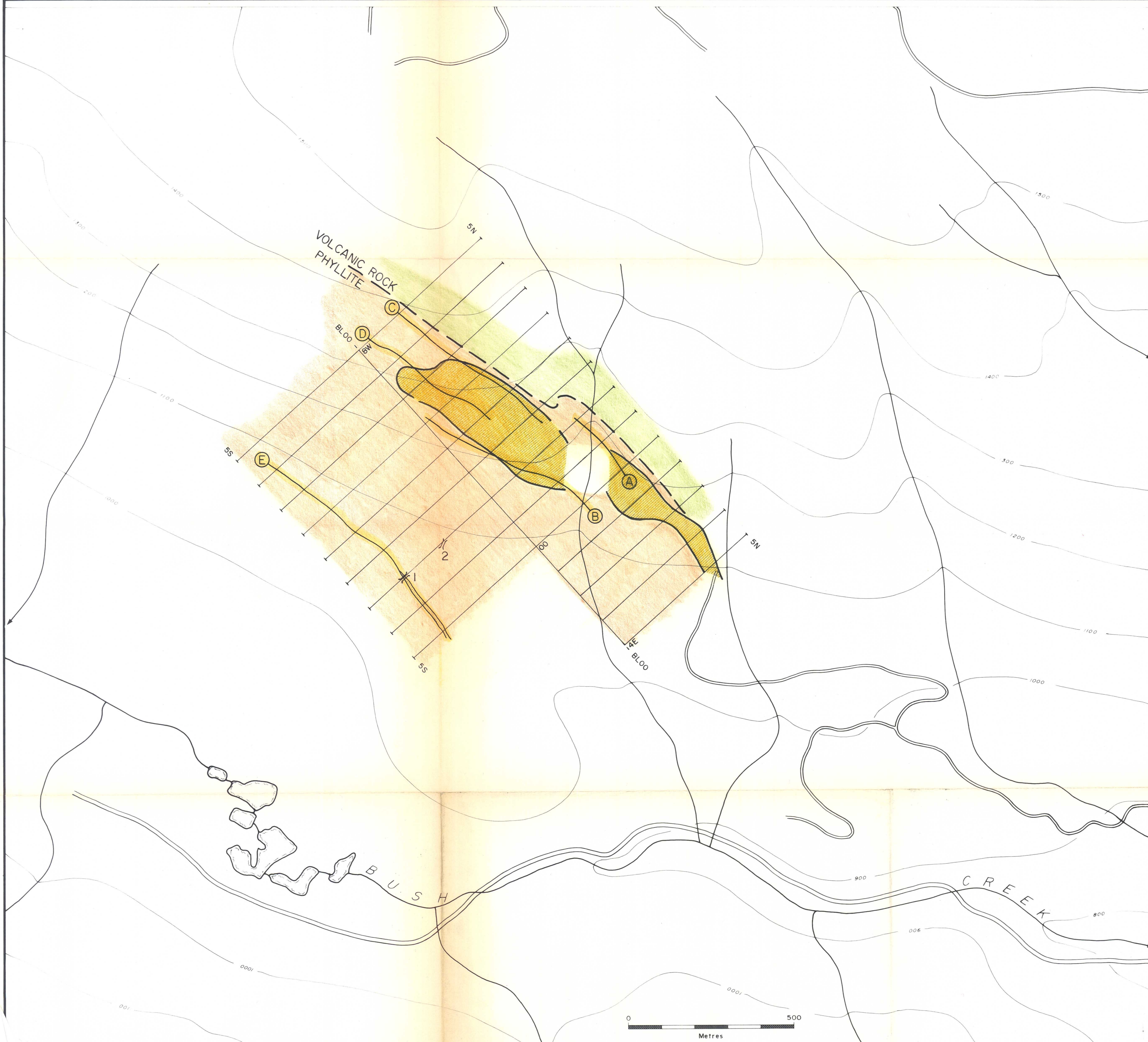
- 150 HN
- GOLD ANOMALY



SCALE 1:100000
(1cm = 1km)



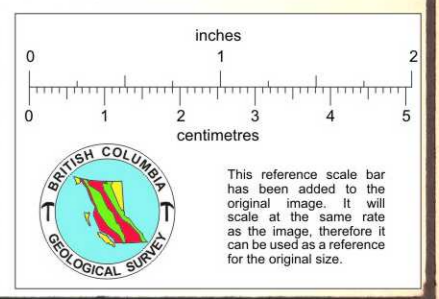
DISCOVERY Consultants	
National Resource Explorations Ltd.	
SHUSWAP PROJECT Au (μgm) HEAVY MINERAL SAMPLING	
Date: March, 1988	Scale: 1:100 000
Project: 252	N.T.S. RM/SW, 82L/NW 82L/NE, 82P/SE
Figure: 3	Mining Division: KAMLOOPS



LEGEND

- Geological Contact (Inferred)
- Geochem Anomaly (Ag,Zn-Generalized)
- EM Anomaly
- Trench

CONTOUR INTERVAL - 100m

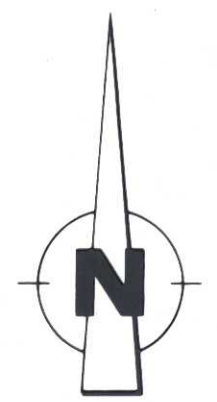
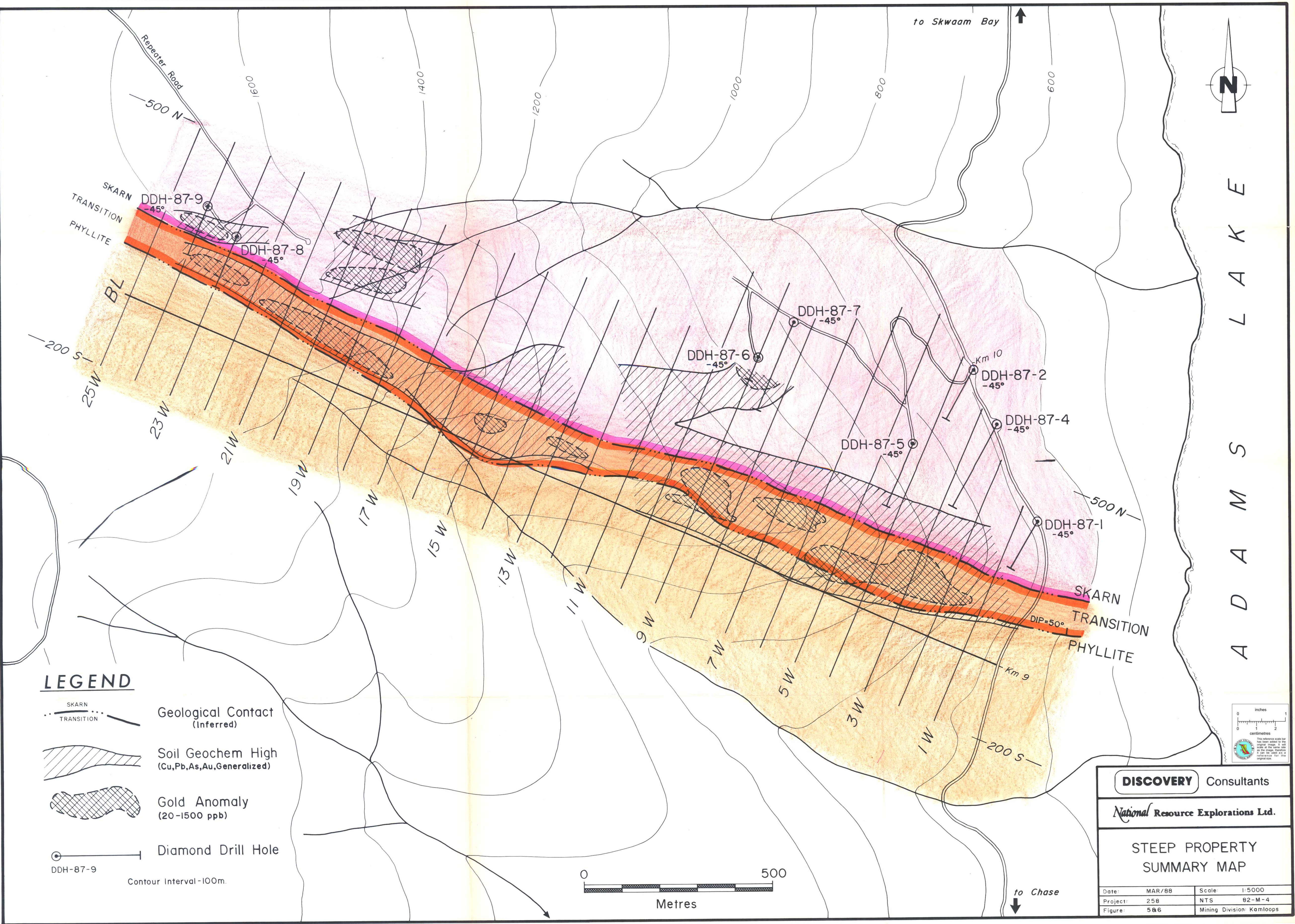


DISCOVERY Consultants

National Resource Explorations Ltd.

**SHRUB PROPERTY
SUMMARY MAP**

Date	December 5, 1987	Scale	1:5,000
Project	255	NTS	82M/4, 82L/13
Figure	4	Mining Division	Kamloops



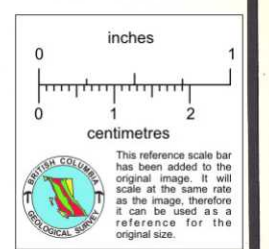
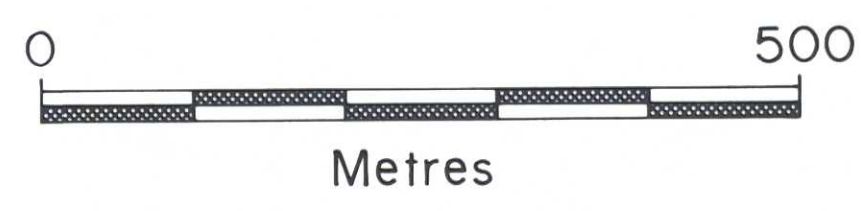
A D A M S L A K E

to Skwaam Bay ↑

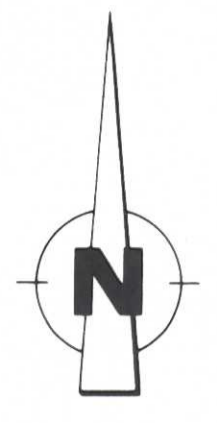
to Chase ↓

LEGEND

- SKARN TRANSITION
 Geological Contact (Inferred)
 - Soil Geochem High (Cu,Pb,As,Au,Generalized)
 - Gold Anomaly (20-1500 ppb)
 - Diamond Drill Hole
- DDH-87-9
- Contour Interval-100m.



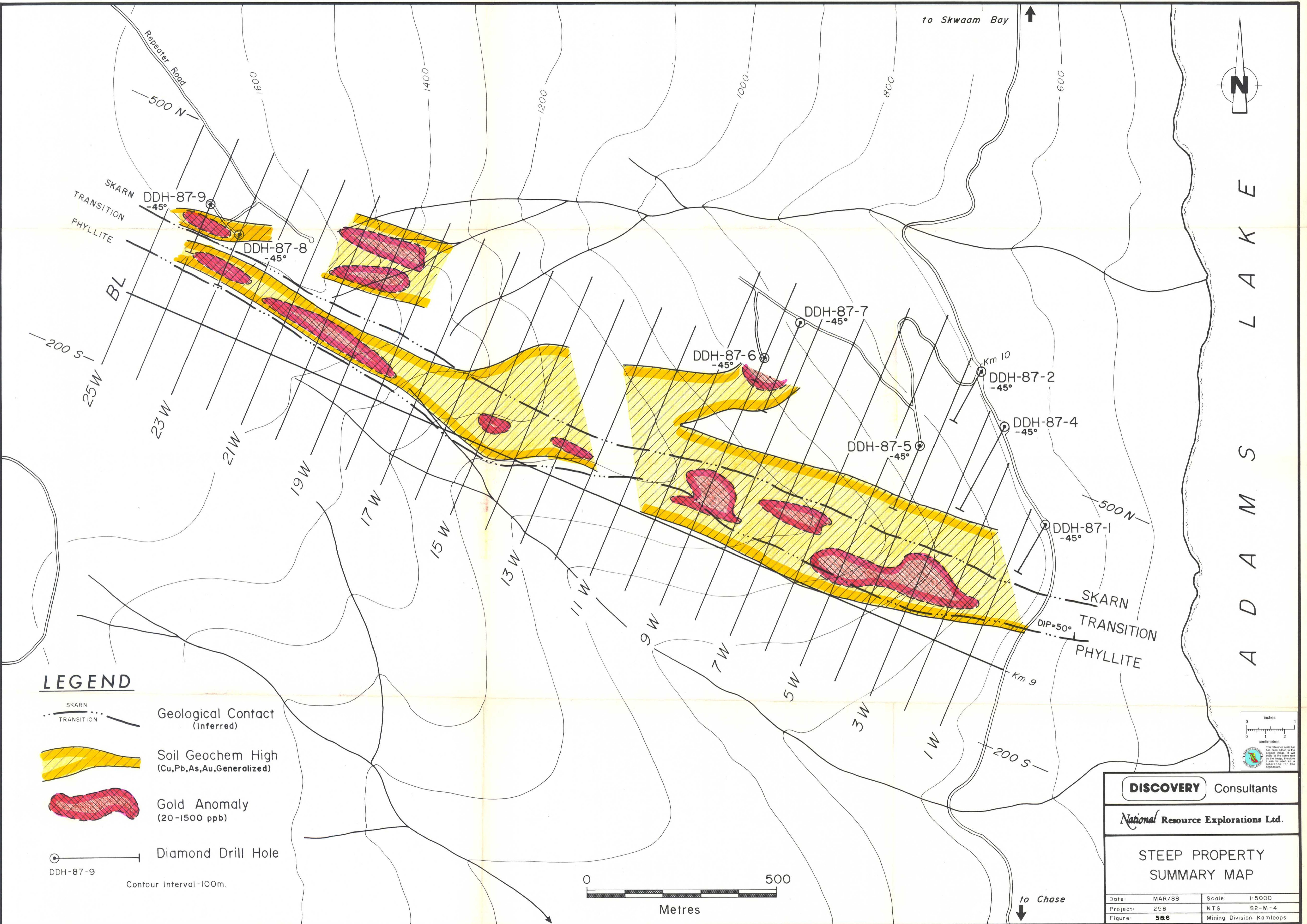
DISCOVERY Consultants	
<i>National Resource Explorations Ltd.</i>	
STEEP PROPERTY SUMMARY MAP	
Date: MAR/88	Scale: 1:5000
Project: 258	NTS 82-M-4
Figure: 5&6	Mining Division: Kamloops




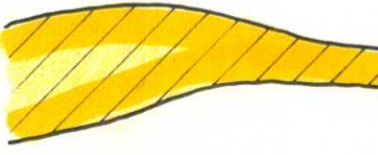

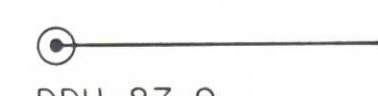
A D A M S L A K E

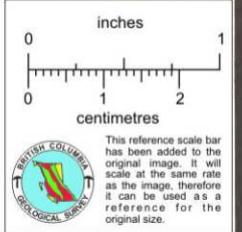
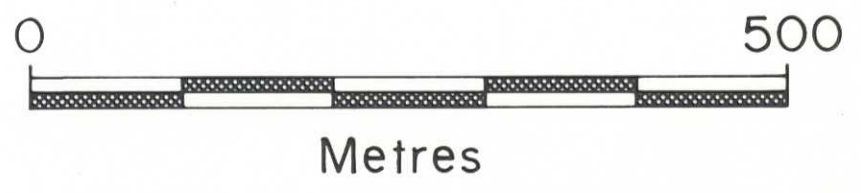
to Skwaam Bay ↑

to Chase ↓



LEGEND

-  SKARN TRANSITION
 -  Soil Geochem High (Cu,Pb,As,Au,Generalized)
 -  Gold Anomaly (20-1500 ppb)
 -  Diamond Drill Hole
- DDH-87-9
- Contour Interval-100m.

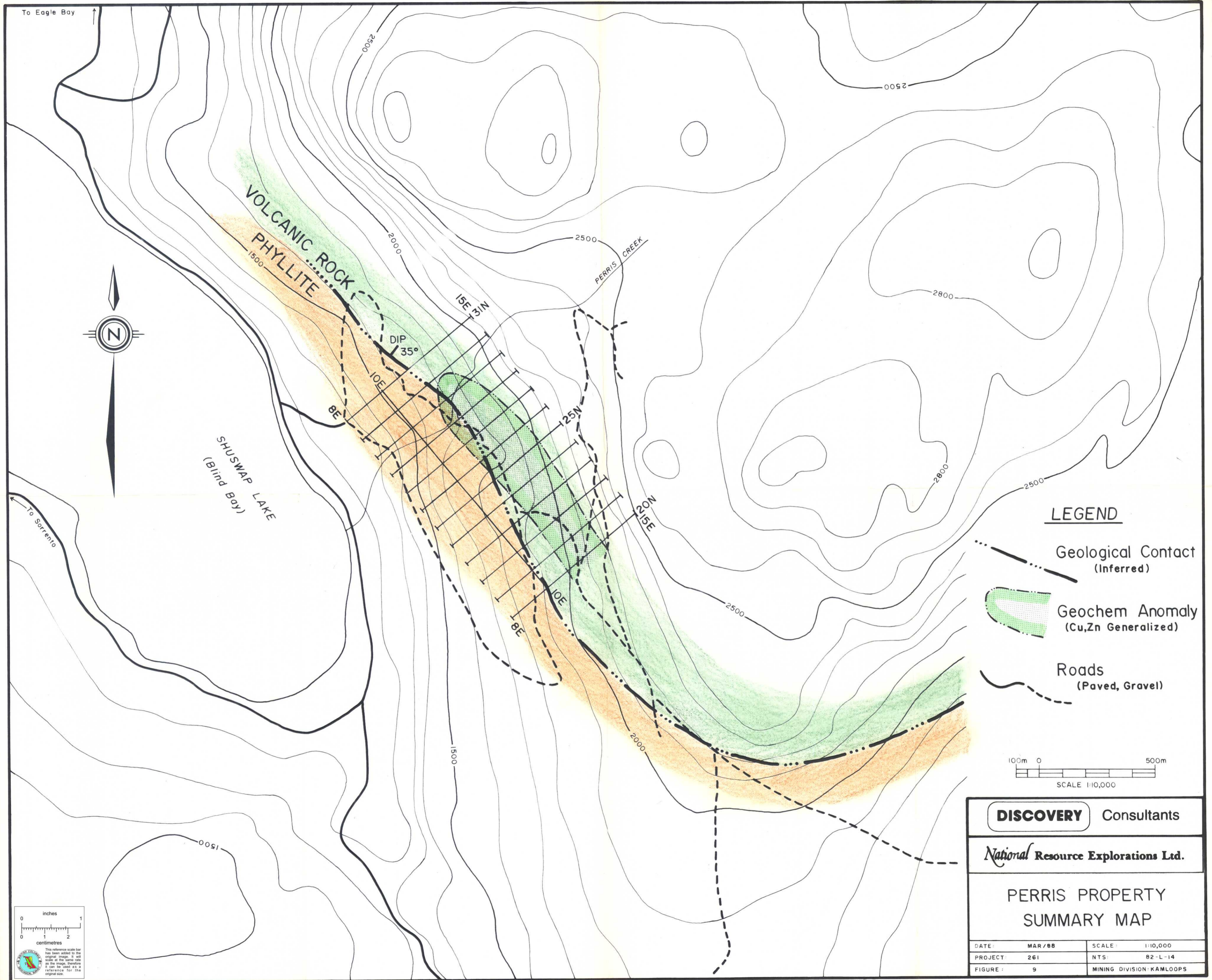


DISCOVERY Consultants




National Resource Explorations Ltd.

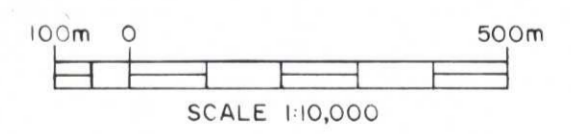
STEEP PROPERTY SUMMARY MAP

Date:	MAR/88	Scale:	1:5000
Project:	258	NTS:	82-M-4
Figure:	506	Mining Division:	Kamloops



LEGEND

-  Geological Contact (Inferred)
-  Geochem Anomaly (Cu,Zn Generalized)
-  Roads (Paved, Gravel)

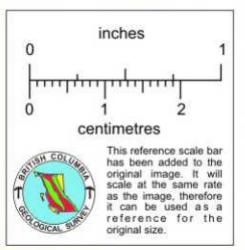


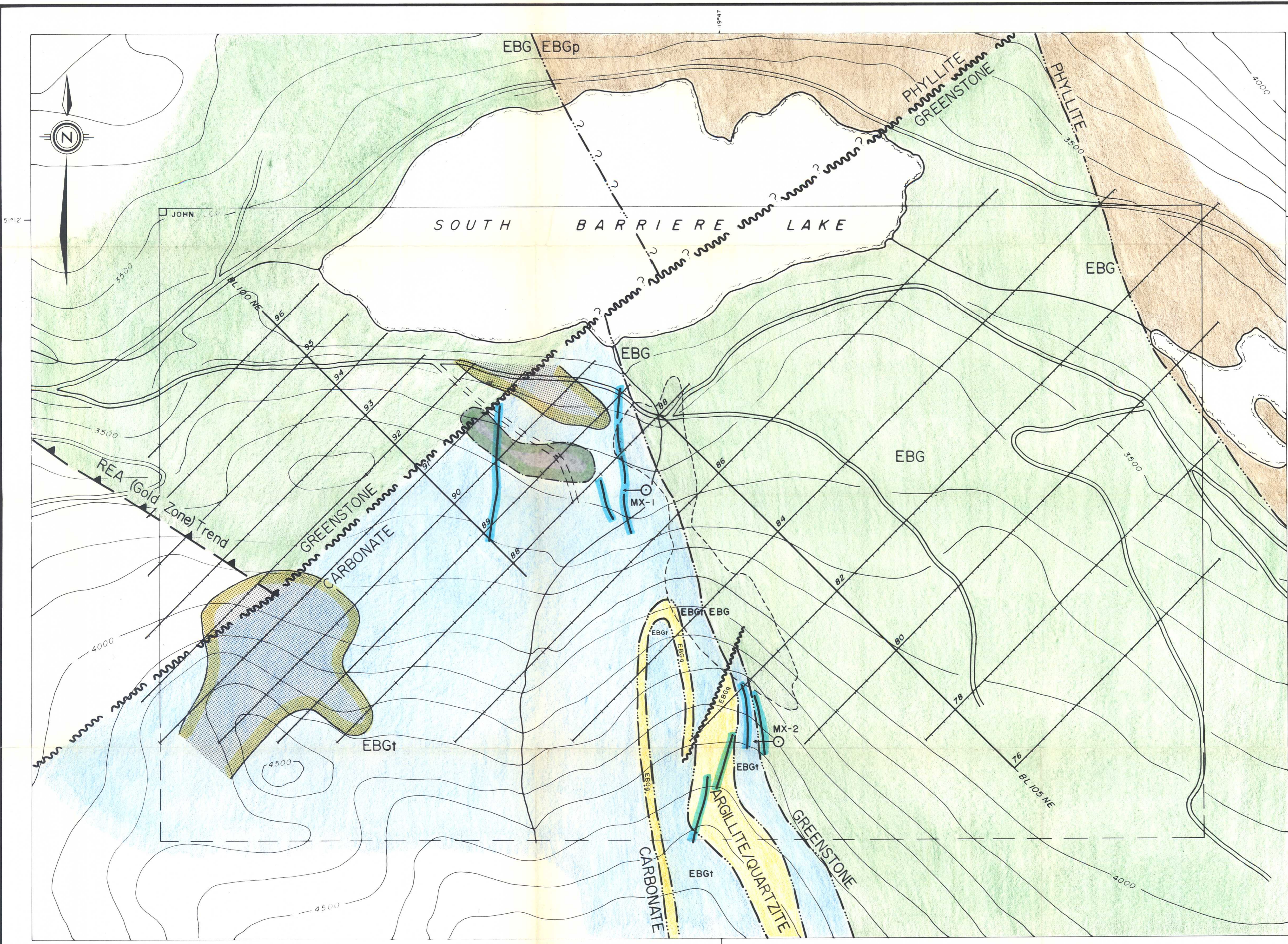
DISCOVERY Consultants

National Resource Explorations Ltd.

**PERRIS PROPERTY
SUMMARY MAP**

DATE:	MAR / 88	SCALE:	1:10,000
PROJECT:	261	NTS:	82-L-14
FIGURE:	9	MINING DIVISION:	KAMLOOPS





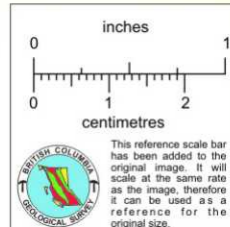
LEGEND

- Thrust Fault
- Fault
- Geological Contact
- EM Conductor (GENIE SE-88)
- Magnetic High (+1250 γ)
- Diamond Drill Hole (NORANDA-1984)
- Lead in Soils (+21 ppm)
- Copper in Soils (+50 ppm)

GEOLOGY

(EAGLE BAY FORMATION)

- EBG Greenstone
- EBGp Phyllite
- EBGq Argillite/Quartzite
- EBGt Carbonate



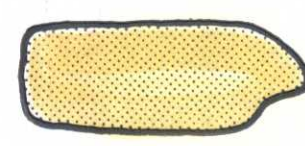
DISCOVERY Consultants

National Resource Explorations Ltd.

**JOHN PROPERTY
SUMMARY MAP**

Date	MAR/88	Scale	1:5,000
Project	263	N.T.S.	B2 M/4
Figure	11	Mining Division	Kamloops

LEGEND

 Lead in Soils
(220 - 8050 ppm)


 Silver in Soils
(0.6 - 21.7 ppm)

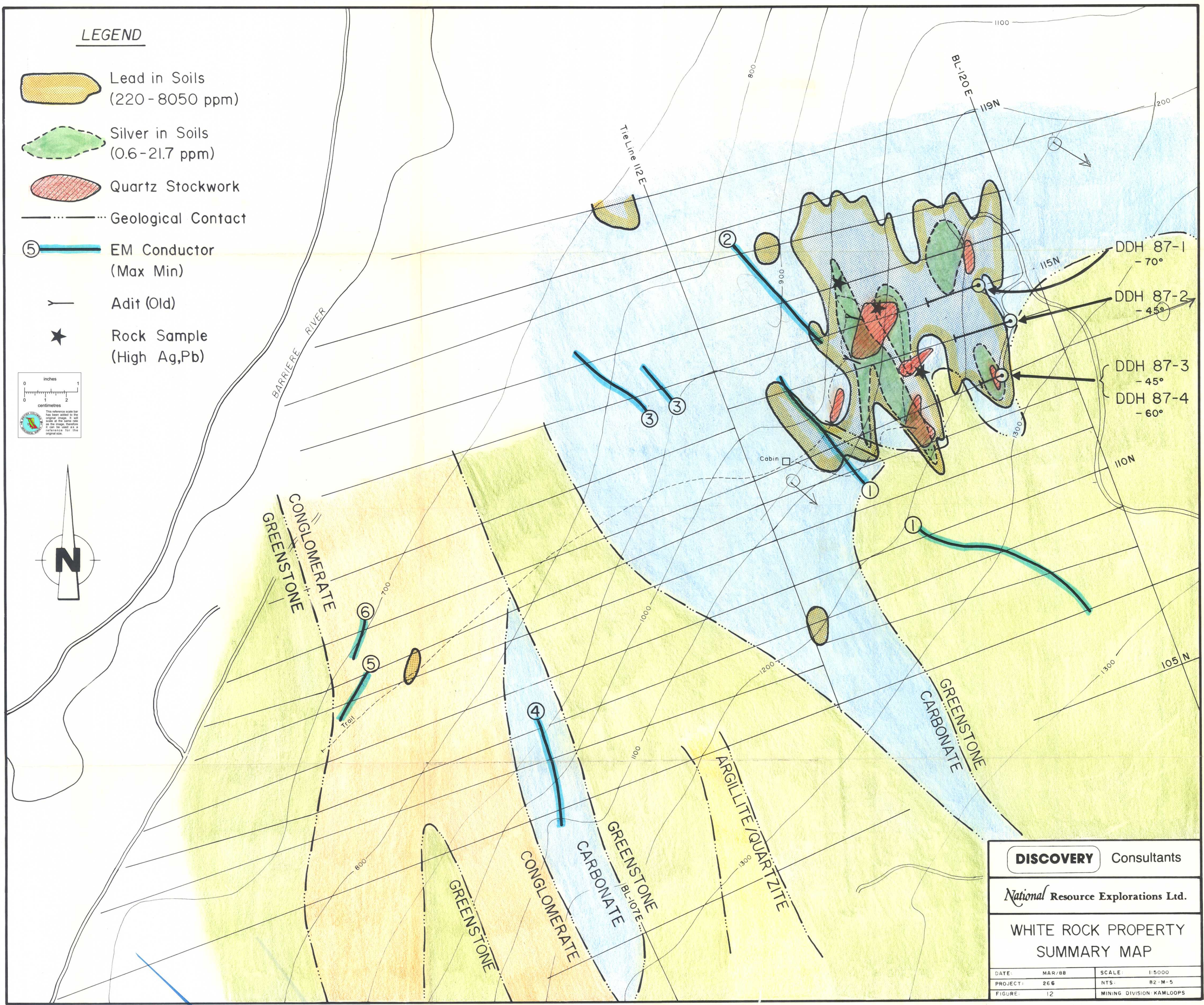
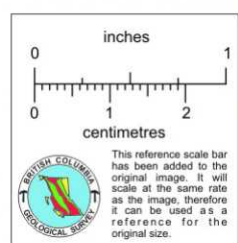
 Quartz Stockwork

 Geological Contact

 EM Conductor
(Max Min)

 Adit (Old)

 Rock Sample
(High Ag,Pb)



DISCOVERY Consultants

National Resource Explorations Ltd.

**WHITE ROCK PROPERTY
SUMMARY MAP**

DATE:	MAR/88	SCALE:	1:5000
PROJECT:	266	NTS:	82-M-5
FIGURE:	12	MINING DIVISION:	KAMLOOPS