MINNOVA

MEMORANDUM

DATE:

October 2, 1991

A TO: I. Pirie

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DE FROM: A. Hill

SUJET SUBJECT:

FOGHORN PROPERTY EXAMINATION - 82M/12W

Summary

The Foghorn property was visited on Sept. 6, 1991 by A. Hill accompanied by the property owner, Randy. Hogg. Three separate and distinct showing types exist on the property: 1. Eagle Bay felsic volcanic-hosted massive sulphides (Lydia), 2. Lower Fennell sediment-hosted massive sulphides (West Zone), and 3. Eagle Bay hosted Ag-Pb-Zn-Cu fissure veins (Foghorn, Fennell, Gopher, Chingren showings).

Worked almost continuously since the early 1900's, the property can be considered a "mature" mining property with all of the groundwork completed, and often duplicated by previous workers. The most notable campaigns were by Craigmont (1979-81), and Esso (1983-84), who completed geochemical and geophysical surveys over most of the property, and followed-up with limited drilling of the best targets. They both walked away from the property, convinced that they had sufficiently tested its economic potential.

During the property visit, the important core and still open trenches were examined, along with new exposures from recent logging activities. The previous workers' descriptions of the stratabound nature of the type 1 & 2 showings was examined along with the bulk tonnage potential of the type 3 vein deposits. There were no significant surprises and the descriptions from the available literature, for the most part, withstood close scrutiny.

RECOMMENDATIONS

There appears to be very little room to expand upon the work already done. The stratabound, yet sub-economic, Lydia and West Zone mineralization has been closed-off in all directions except locally at depth, but there is no geophysical or geological evidence to suggest any improvement in widths or grades downdip. The property is given a low rating based on these factors, and due also to its proximity to Rexspar, no work is recommended at this time.

PROPERTY INFORMATION

Claims: Foghorn 1-5,7, Lydia

Location: 11 km SW of Vavenby; 50% of property lies within a 5 km radius of the Rexspar uranium-flourite deposit.

Access: good logging roads and 4WD trails

Elevation: 400 - 2005 metres a.s.l., showings at 1675m

Ownership: 100% Goldspring Resources Ltd., Randy Hogg (president)

HISTORY

1913-18: George Fennell, prospector, discovered the Ag-Zn veins near the summit of Foghorn mountain ("Fennell" and "Foghorn" showings). Work performed consisted of:

- trenching

- 40 ft. shaft, 200 ft. adit, 40 ft. drift

- 73 tons shipped grading 1210g/t Ag,7.8% Pb

- 1913-18: concurrently the "Lydia" showing was explored with 900 ft. of drifting on two levels (Anaconda).
- 1924: "Chingren" and "Gopher" vein showings discovered 0.6 km north and explored by deep trenching. Found to be very limited in size.
- 1958: Rexspar Uranium and Metals Co. performed geophysics and bulldozer trenching in area of Foghorn showings.
- 1968-69: Royal Canadian Ventures Ltd. conducted geological, MAG, EM, soil geochem and 700 ft. of bulldozer trenching on the Lydia.
- 1970: Imperial Oil performed 1002 ft. of surface and 1560 ft. of underground diamond drilling on the Lydia.
- 1972: Noranda Exploration Company ltd. did magnetic and soil surveys over parts of the property, and drilled 5 holes totalling 2294 ft. (best intersection at Lydia was 30 ft. grading 0.30% Cu).
- 1979: Craigmont and Barrier Reef Resources flew Dighem II airborne EM, and did ground resitivity and MAG surveys. Craigmont followed-up with 4 AQ holes (361 m) and discovered the West Zone.
- 1980-81: Craigmont drilled a further 16 holes (1250 m) to test airborne and/or soil anomalies property wide, including areas between the showings. All anomalies were explained.
- 1982: Esso Resources Canada Limited consolidated the claims within a larger property that stretched from the Birch

claims to the east to the Joeseph claims to the west.

1983: Esso completed extensive road building, grid construction, took 1305 soil samples, 76.6 km of HLEM (Genie), and 68.9 km of MAG. They then drilled 3 BQ holes (401.5 m) on the Lydia.

1984: Esso drilled 2 NQ holes (173.7 m) on the West Zone.

1987: The ground was allowed to lapse and was subsequently staked by Randy Hogg (Goldspring Resources). They performed fillin soils, VLF-EM, and MAG.

1988: Goldspring financed a 15 hole, 1675 metre drill program on the West Zone, which was carried out by Fox Geological Consultants.

1989-present: No further work.

PROPERTY GEOLOGY

The Foghorn claims are centered on the N-S trending fault contact between the Eagle Bay and lower Fennell formations. The Cretateous Baldy Batholith forms much of the southern property boundary. Outcrop distribution is scarce, although overburden depths rarely exceed 10 ft., so trenching has been used widely across the property. Recent road building by logging companies has uncovered additional bedrock exposures of predominantly Fennell basalts.

Lydia Showing

Metavolcanic quartz-sericite, chlorite, and chlorite-sericite schists of the Eagle Bay Formation (EBF-Rea equivalent?) host a conformable semi-massive to disseminated layer of sulphides. Overall percentages of sulphides range from 15-90%, but average about 30%. Pyrite is by far the dominant sulphide comprising 95-100% of the total sulphide content.

Two adits were put in on the surface showings from 1913-18, with a total of 900 ft. of workings. One of these is reported to have "drifted on schist mineralized with iron and copper pyrites for 100 feet before encountering a fault zone". The best intersection reported was from a Noranda drillhole in 1972 which cut 30 feet (9.1 m) grading 0.30% Cu.

A total of 4856 feet (1480 m) has been drilled at the Lydia by three companies. Although hosted by felsic tuffs(?) the showing is considered a pyrite rich body with little potential as a base or precious metal carrier. Strike extensions have also been well explored with negative results.

On the Birch claims, 2 km to the east, a similiar pyrite body

up to 10 m thick occurs near the top of a 250 m thick felsic volcanic/arenaceous sedimentary sequence. This package of rocks is in turn a subordinate member of a very thick and dominantly andesitic to basaltic volcanic pile.

During the site visit the vicinity of the Lydia showing was found to be entirely reclaimed, with adits and trenches filled-in and contoured with dump rock. Two dump samples were collected and found to be only weakly anomalous in base metals.

Foghorn/Fennell Showing

Near the centre of the property a mineralized zone (150x400m) contains about 20 narrow, discontinous, steeply dipping quartz veinlets and silicified breccia zones. The veins are vuggy and contain disseminated to semi-massive, coarse grained pods of galena and sphalerite with lesser amounts of pyrite and chalcopyrite. During the visit; an impressive sample of vein material found on the dumps was collected (Fennel-1), and it assayed 176 g/t Ag, 0.7% Cu, 6.5% Pb, 15.1% Zn and 51 ppb Au.

The veins, (generally only 1 foot wide), are surrounded by a broad sericite-carbonate +/- pyrite alteration zone (300x700m), comprised of buff to orange tuff and metasediments. A sample of this material (Fennel-2) was collected immediately adjacent to a vein and contained only low base and precious metal values.

The showing area has been extensively stripped, trenched, and pitted. About 73 tons of the best hand sorted material was shipped in 1917 grading 1210 g/t Ag and 7.8% Pb. In 1983 Esso retested the showings with rock geochem, IP, and gravity surveys. They even drilled a 100 m hole on a co-incident IP/gravity anomaly beneath an existing 40 ft. shaft. The hole contained no mineralization.

The Fennell showings consist of narrow veins and discontinous lensoidal breccias that are the only base metal-silver carriers in the Foghorn alteration zone(300x700m). Drill results (Esso, Craigmont) indicate that the veins are of very limited dimensions, too limited for even a small scale lode type mining operation. As a source of Sam mill feed, the showing also falls short, as the majority of the mineralization is not high enough grade.

West Zone

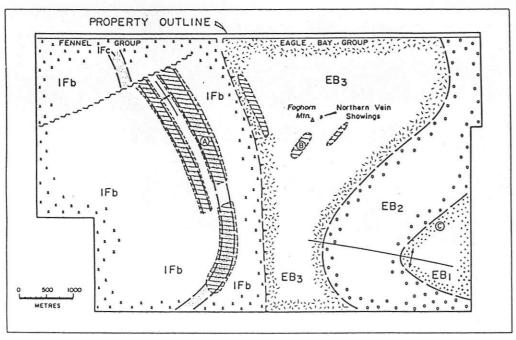
This area was discovered in 1979 during follow-up to an airborne Dighem II survey. Portions of a strong linear conductor (+5 km long) were found to have co-incident Pb-Zn-Cu-Ag soil anomalies. A total of 2200 m of drilling (19 holes) by Craigmont, Esso, and Goldspring has been directed at the showing.

The conductor was found to correspond with interflow argillite and chert of variable thickness, within a pile of monotonous basalt

belonging to the lower Fennell Formation. For about 500m of its strike length, the chert is highly brecciated, folded into a synform, and contains tr.- 10% fracture filling pyrite, galena, and sphalerite. This portion of the sedimentary package represents a facies change from predominantly argillite capped by 5-30m of chert to a thinner package of sediments with proportionately more chert.

The 7.5-20.5 metre wide chert breccia zone has been well tested by drilling. The best intersection returned 9.2% Pb, 1.56% Zn, 0.02% Cu, 2.74 oz/t Ag, and 5 ppb Au over 2.7 metres. The majority of intersections, however, contained <3% combined Pb-Zn and <1 oz/t Ag over similiar widths, and were very inconsistent. During the visit a sample (West-1) of well mineralized chert breccia float was collected and ran 11.2% Pb, 0.1% Zn, 0.02% Cu, 126 g/t Ag and 520 ppb Au.

Texturely, the sulphides are contained in quartz veinlets, or as fracture fillings within the chert breccia. The underlying argillite is commonly anomalous in Ba and Ag, and there is evidence of silicification in parts of the footwall mafics. The zone probably represents a weak exhalative deposit that has been folded, (wavelength of 400-500 m), with remobilization of sulphides and silica into the pore spaces created by brecciation in the brittle cherts. The zone has been closed-off by drilling to the north and south, but locally remains open at depth. The presence of a syncline has yet to be proven, since drilling has not been deep enough to penetrate the fold nose (+400m?). The low copper-gold levels in the system, and the lack of geological or geophysical indicators suggesting improvements in width or grade at depth, combine to make this an unattractive target.

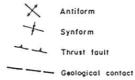


- A DIAMOND DRILL INTERSECTIONS STRATABOUND Lead - Zinc - Silver Nº 1 2.7 m - 10.8 % Pb+Zn , 2.74 opt Ag Nº 2 1.8 m - 3.34 % Pb - Zn , 0.76 opt Ag
- B FENNEL SHOWING Lead - Zinc - Silver Veins 0.4 m - 33.2 % Pb + Zn, 16.0 opt Ag
- © LYDIA SHOWING STRATABOUND Copper Diamond Drill Intersection 9.1 m - 0.30 % Cu

FENNEL GROUP

IFc Interbedded chert-barite-argillite

LIFb Matic/intermediate volcanic rocks



SOIL GEOCHEMICAL ANOMALIES

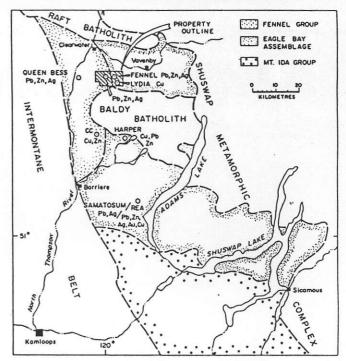


EAGLE BAY GROUP

EB3 Phyllite, siltstone, limestone, quartzite

EB2 Mafic schists and pyroclastic rocks

EB1: Intermediate to felsic schlsts and cherty quartitle.



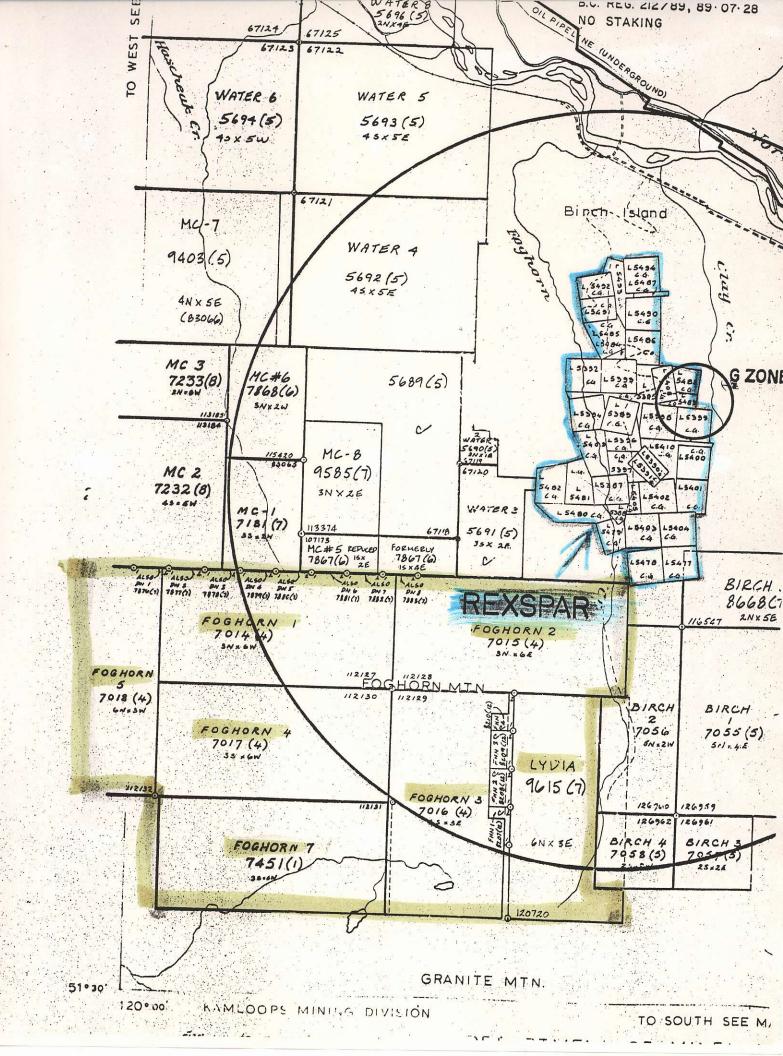
GENERALIZED GEOLOGIC SETTING OF THE ADAMS PLATEAU AREA



Goldspring Resources Ltd.

Foghorn Mountain Property Summary

266O-65O West Georgia Street Vancouver, B.C. V6B 4N8 Phone (6O4) 685-86OO/669-OO52 Fax (6O4) 685-8475



COMP: MINNOVA INC. PROJ: 50GHORN/608

ATTN: AL HILL

MIN-EN LABS — ICP REPORT

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2

(604)980-5814 OR (604)988-4524

FILE NO: 1V-1072-RJ1 DATE: 91/09/23

* ROCK * (ACT:F31) PAGE 1 OF 2

SAMPLE AL AS B BA BE BI CD CO FE K LI MG MN MO NA NI PB SB SR TH TI ZN GA SN W CR AG NUMBER PPM 71 11 200 .9 26 41420 1390 32 46970 LYDIA-1 .5 39770 3 3120 49 586 1 470 1 500 150 12 11 117 67.8 452 2 . 9 43180 49 12 152 .1 13 22150 .1 59 114 86820 8440 175.9 2380 1571 31 38 .1 18 3620 2813.4 62 6808 102730 540 12.4 6460 75 8 33 .8 6 56120 185.7 15 512 23860 2730 1.5 3470 27 6 87 .2 2 8980 24.6 30 156 47360 1900 .1 59 114 86820 8440 64 34830 551 1 1560 17 9820 78 6 93 410 21 90 28 610 65230 331 36 551 1 1560 17 9820 LYDIA-2 1 2552 98.6 329 3 29 FENNEL-1 3 1640 96 5.7 150635 1 16 39 103 9 13480 2351 4 1140 22 2260 FENNEL-2 5752 23 502 17 196 55.9 8275 3 94 3 2070 193 8 170 28 650 CMONT-1 (CORE) 556 3 94 13 140 10.8 8 197 1237 1 28.5 5 255 22670 260 1 330 36 37 60 12 790 111785 110 144 4 33 7.0 WEST-1 126.0 3140 59 8 67 .1 88 1620 995 2 3 8 206

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* ROCK * (ACT:F31) PAGE 2 OF 2

SAMPLE NUMBER	AU-FIRE PPB
LYDIA-1 LYDIA-2 FENNEL-1 FENNEL-2 CMONT-1 (CORE)	3 56 51 3 22
WEST-1	520
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