



SAWYER CONSULTANTS INC.

826984

SUMMARY REPORT
ON
PROPERTY EXPLORATION PROGRAMS
IN THE
MOUNT McQUILLAN - MOUNT SPENCER AREA
Victoria and Alberni Mining Divisions
Vancouver Island, B.C.

for

JAN RESOURCES LTD.

April 25th, 1983

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INTRODUCTION

Jan Resources Ltd., a Vancouver based junior resource company, has been actively engaged in prospecting and mineral exploration in the Port Alberni area of Vancouver Island, as well as several other areas of B.C., over the past four years or more. During this period the Company has acquired several claim blocks by staking as well as other properties, including several old Crown Grants or Reverted Crown Grants, by option and Joint Venture. Sawyer Consultants Inc. has been involved with much of the exploration work and property evaluation which has been carried out by Jan Resources Ltd. in this period and has in the past prepared a number of reports describing drilling programs and other work carried out on specific claim groups and properties, and has prepared recommendations for continuing work.

Jan Resources Ltd. is now in the process of arranging a major financing to provide funds to implement several of the programs previously recommended as well as to extend the area of some more primary exploration on more recently staked claim groups or adjacent areas. This Summary Report presents the main points of the results of previous work on some of these properties and includes recommendations for their further exploration, and for first stage exploration programs on other prospects which hitherto have received only limited preliminary prospecting. Recommendations are also included for a geochemical and geological reconnaissance program to evaluate geochemical anomalies and/or mineral showings within the Company's present claim holdings which are indicated from work carried out by another company in the mid 1960's. This Summary Report is intended to meet the requirements of the Office of the Superintendent of Brokers, British Columbia Department of Consumer and Corporate Affairs, and of the Ontario Securities Commission in connection with filing of a Prospectus or other documents. A more complete and comprehensive report has also been prepared by Sawyer Consultants Inc., copies of which are available at the offices of Jan Resources Ltd. and of the Superintendent of Brokers and Ontario Securities Commission. Readers are referred to this report for more complete data, including maps and plans.

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SUMMARY

Jan Resources Ltd. holds several claims and Reverted Crown Grants either directly or through option or joint venture agreements in the Mount McQuillan - Mount Spencer area of Vancouver Island. Within the property holdings five distinct prospects, High Grade Vein, Summit Lake, Middle Vein, Black Lion, and Black Panther, are recognized and on three of these, High Grade Vein, Summit Lake, and Black Panther, substantial work programs have been carried out in the period 1979 to 1982. In addition, regional geochemical and airborne geophysical work carried out by another company in the mid 1960's indicate anomalous metal concentrations some of which have been shown from subsequent reconnaissance prospecting to be associated with mineral showings.

The work programs carried out on the High Grade Vein, Summit Lake, and Black Panther prospects in the period 1979 to 1982 included geological and geochemical work, detailed channel sampling of vein mineralization, and diamond drilling. The results of these work programs were sufficiently encouraging to warrant recommendations for additional detailed exploration in the case of the High Grade Vein and Black Panther. Further, preliminary work in the areas of the two other prospects, Middle Vein and Black Lion, has led to recommendations for first stage geological, geophysical, and drilling programs on them.

The earlier recommendations were for more detailed drilling on the High Grade Vein, essentially to complete the program first recommended in 1980 and only partially carried out in 1980-1981, and for underground exploration and drilling on the Black Panther prospect. A compilation of data from the mining work and some drilling carried out in the mid-1940's and drill data from the 1980-81 surface drilling program indicated a significant block of probable ore grade material related to the same major mineralized structures (Contact Shear and Footwall Shear) on which the mining operations carried out in the 1940's were based. Consideration of this data and of factors of logistics and terrain dictated a preference for a program of underground exploration and drilling rather than continued surface exploration. A review of the earlier recommendations on the High Grade Vein and Black Panther prospects has been made and these recommendations are essentially repeated in this report. The costs of the recommended programs are as follows:

High Grade Vein

Stage I + Property Payment	\$167,650.00
Stage II (Contingent)	<u>165,787.50</u>
Total, High Grade Vein	<u>\$333,437.50</u>

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Black Panther Mine

Stage I	\$104,600.00
Stage II	420,000.00
Stage III	<u>119,400.00</u>
Total, Black Panther Mine	\$644,000.00

Middle Vein

Stage I	\$17,390.00
Stage II (Contingent)	<u>62,790.00</u>
Total, Middle Vein	\$80,180.00

Black Lion

Stage I	\$27,348.00
Stage II (Contingent)	<u>35,905.00</u>
Total, Black Lion	\$63,253.00

Review of regional geochemical and geophysical work developed by another company in the 1960's has shown that a number of anomalous concentrations of heavy metals and several reported mineral showings lie within some of the claim groups presently held by Jan Resources Ltd. A recommendation is also made in this report for a reconnaissance program to repeat and verify some of this earlier work and to carry out prospecting and preliminary geological mapping on target areas developed from this work. The estimated cost of this reconnaissance program is \$154,670.00.

The programs have been planned in such a way as to optimize logistic and cost efficiencies by coordinating various stages of the several programs which should be run concurrently.

A requirement for additional funding for general exploration and Corporate costs is also recognized. The level of this funding is estimated at \$250,000.00 for General Exploration and \$195,000.00 for Corporate requirements. The total of all of the recommended programs, listed above, plus the provision for General Exploration and Corporate Requirements is \$1,720,500.00 (rounded).

RECOMMENDATIONS - HIGH GRADE VEIN

In order fully to evaluate the High Grade Vein system a program of geological mapping, further trenching and sampling, as well as ground geophysical surveys to locate the source of the airborne geophysical anomalies is recommended. In addition, our earlier recommendations for diamond drill testing of the depth extensions of the High Grade Vein (Sawyer Consultants Inc., Sept. 1980) is re-affirmed.

Stage I Program

1. To provide control for geological and geophysical surveys, and for locating diamond drilling sections the control grid should be re-established. The base line can most conveniently be located west of the surface outcrop of the vein and generally parallel to it. Cross lines should be offset from the base line at 50 metre intervals with stations marked along the grid lines at 20 metre intervals. The extent of the grid lines will be dictated to some degree by the terrain.
2. The area should be geologically mapped using the grid for control, but mapping may be extended beyond the limits of the grid, as necessary, using aerial photographs for location and control.
3. A ground magnetometer survey using a sensitive instrument (± 5 gammas maximum) should be read over the grid and vein area to verify and refine the airborne magnetic feature.
4. A ground electromagnetic survey should be carried out over the vein and grid area. Because of the fairly rugged terrain it may prove beneficial to use a Crone JEM or similar "shoot back" system to minimize "topographic anomalies." Failing this an EM-16 or similar VLF system could be used.
5. The balance of the diamond drilling recommended in 1980 should be completed by drilling two holes on each of the four more northerly sections, 60N, 160N, 260N, and 360N. Cores should be logged in detail and carefully sampled. Fire assays should be run for gold and silver at a reliable laboratory. Approximately 457 metres (1500 feet) of NQ core will be required.

Stage II Program

6. Fill-in drilling on 50 metre stations between the previously established stations. Approximately 610 metres of NQ core will be required.
7. A 50 ton bulk sample should be taken for metallurgical testing.

The costs of these work programs are broken down in the Cost Estimates below.

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RECOMMENDATIONS - MIDDLE VEIN

The following work program is recommended on the Middle Vein showing.

Stage I

1. In order to provide some control for geological mapping and other more detailed work it will be desirable to establish a control grid over the showing area. A base line should be established parallel to the strike of the vein and grid lines should be offset at right angles from the base line at intervals of 60 metres. Stations should be established along the grid lines at 30 metre intervals. The base line should extend for at least 150 metres (500 feet) beyond each end of the known vein exposure or for 300 metres (1000 feet) whichever distance is the greater. Ideally the base line at least should be established with pickets at 60 metre intervals however the terrain will dictate the degree of refinement with which this grid can be established.
2. The area of the presently known vein showing and the immediately surrounding area should be geologically mapped in detail and prospected. Detailed channel sampling of the vein and enclosing wall rock should be carried out as well as sampling on extensions of the vein or other mineralized showings which may be located. All of the samples should be sent to a reliable laboratory for assay for gold and silver.

In order to provide adequate sampling data on this mineralized vein it will be necessary to test its depth and strike extensions by diamond drilling, however it may be convenient to treat the work program as two distinct stages the second being contingent upon favourable results from the initial surface work described above. If this is done the Stage II work would consist essentially of diamond drill testing and related assaying, as set out below.

Stage II

3. Once the vein has been adequately located and traced, and its attitude established, it should be tested by a preliminary program of diamond drilling. Initially this will be a relatively modest program with fairly short holes involving a total footage of perhaps 300-365 metres (1000-1200 feet). All cores drilled from the showing should be carefully logged and sampled and samples should be assayed at a reliable laboratory for gold and silver.

It should be noted that access to the Middle Vein showing will require helicopter support and transportation of drill and equipment, etc., to the site will similarly have to be by helicopter. The costs for this work relative to other areas which may be accessible by road or trail will be somewhat higher because of this.

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RECOMMENDATIONS - BLACK LION

As noted earlier there is a fairly strong shear zone with associated quartz and quartz carbonate veining and alteration recognized in the Black Lion prospect area. Although relatively little work has been carried out by Jan Resources Ltd. to date the strength of the structure and the broad similarities between it and the Black Panther structures suggest that more detailed investigation is warranted. As part of the 1983 program the following work is recommended.

Stage I

1. In order to establish adequate control for geological mapping and subsequent more detailed work it will be necessary to establish a control grid. The fairly extreme terrain in the vicinity of the Black Lion showing will present some difficulties but makes the establishment of proper control of even greater importance. A base line should be established along the strike of or parallel to the strike of the main veining and shear structure. This base line should extend, if possible, well beyond presently known limits of the structure and at least 450 metres (1500 feet) south of the old adit in order to cover the previously mentioned showing located some 400 metres (1300 feet) to the south. Grid lines should be offset at right angles from the base line at intervals of 60 metres and stations should be established along the grid lines at 30 metre intervals.
2. The relative lack of work on the Black Lion prospect to date has been at least partly due to the difficulties of access and in order that a proper evaluation of the showing be made it will be necessary to provide at least a trail or access road. MacMillan Bloedel logging roads extend along this same eastern bank of Rift Creek but end a few hundred metres (thousand feet) to the south of the Black Lion showings. It will be possible to push a bulldozer trail or road as an extension of one of these existing logging roads into the area thus the second recommendation is for construction of such an access route. Some bridging or culverting of creeks draining into Rift Creek will also be required.
3. It will be desirable also to open up some of the old trenches and strip additional areas of the structure. This can most efficiently be done while the tractor is available on site in connection with the access road construction.
4. Detailed geological mapping should be carried out in the adit area and immediately surrounding area including the trenches and along strike projections of the vein structure. In conjunction with this mapping any showings encountered should be properly sampled.

The above work could be considered as an initial stage work program if necessary. The diamond drill testing recommended below could then be considered as a separate contingent phase of the program.

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Stage II

5. Once the location and attitude of the vein and enclosing structures has been established with some certainty it should be investigated at depth and along strike by diamond drilling. A relatively modest initial drilling program involving fairly short holes will suffice and might involve approximately 365 metres (1200 feet) of BQ core testing. All of the core should be carefully logged and sampled, and all assay samples both from the drill core and from surface showings should be sent to a reliable laboratory and assayed for gold and silver.

The above work would constitute an initial program which, contingent upon favourable results, would logically be followed up by more detailed drilling and sampling.

RECOMMENDATIONS - BLACK PANTHER

After due consideration of alternative programs the work now recommended to continue exploration and evaluation of the Black Panther area adopts an underground exploration approach. This is favoured over continued surface drilling because the latter approach is hindered by difficulties of establishing suitable drilling stations due to the nature of the terrain, and the fact that underground exploration will afford better opportunities to obtain bulk sample material and would eventually become necessary in any event. The work has for convenience, and to provide some flexibility in funding, been broken down into three stages. The first stage consists of provision of road access to the mine portals to facilitate transport of mining equipment to the site and to ensure adequate access in case of emergency (mine safety), and preparation for the underground work, constructing dump facilities and preliminary rehabilitation of the "C" adit. The second stage is comprised of the underground work - cross-cutting to the veins, drifting on the veins and sampling, and preparation of the drill stations; and the third stage involves, essentially, the underground drilling program to delineate production targets.

Stage I - Provision of access, and facilities; site preparation.

1. Road access should be constructed to the Black Panther "B", "B1", "B2", "C" adit area to permit transport of equipment and materials to the site, etc.
2. The portal of the "C" adit should be cleaned out and rehabilitated, loose material within the "C" Adit should be barred down, and the portal and adit as well as yard area brought to acceptable standards for efficient operation and safety.
3. Dump facilities for the underground work should be constructed, as well as necessary mine buildings - dry, workshop, etc. The proximity of the "C" adit to the creek will require that extra precautions are taken to protect the quality of the creek, etc.

Stage II - Underground work and bulk sampling.

1. A crosscut should be driven through the "C" adit to the Contact Shear Zone, and a drift should be driven along this zone for approximately 200 feet. Drill stations should be cut for the underground drilling.
5. Bulk samples of vein material, and/or other zones should be taken and submitted to a reliable metallurgical and assay laboratory.

Stage III - Underground diamond drilling.

6. Diamond drilling from underground aimed at delineation of ore zones from which future production can be planned should be carried out. A minimum of 3000 feet of BQ-U core will be required.

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7. Drill cores should be carefully logged, and sampled. Samples should be assayed at a reliable laboratory for gold, silver, lead, and other elements as necessary.

The costs of these recommended programs is set out below.

COST ESTIMATES - HIGH GRADE VEINStage 1

Re-establish Control Grid -

establish 50 m. x 20 m. grid using 9 lines
of 240 m. length = say 2.5 km. @ \$50.00/km. \$ 1,250.00

Geological Mapping/Sampling 6,000.00

Geophysical Work -

a) Magnetometer survey
(10 m. station spacing)
estimate 5 days @ \$150.00/day \$ 750.00

b) EM-16 survey
(10 m. station spacing)
estimate 10 days @ \$300.00/day 3,000.00

\$3,750.00

Related support costs 1,250.00

\$5,000.00 5,000.00

Drilling Mob/Demob. 4,000.00

Diamond Drilling -

1500 ft. (457 m.) NQ core @ \$30.00/ft. (\$98.50/m.) 45,000.00

Supervision of Diamond Drilling, Core Logging,
Sampling, etc. 12,000.00

Assaying -

estimate 100 samples from diamond drilling
program @ \$13.50/sample (Au, Ag) \$1,350.00

estimate 50 samples from surface
@ \$13.50/sample (Au, Ag) 675.00

\$2,025.00 2,025.00

Support Costs -

Helicopter support costs
estimate 35 hours @ \$425.00/hr. 14,875.00

Camp/accommodation/supplies
estimate 40 man days @ \$50.00/day 2,000.00

Transportation/fuel 1,500.00

Engineering and Supervision, Reporting
(including Geophysical work) 5,000.00

Sub total (carried forward) \$98,650.00

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Sub total (brought forward)	\$ 98,650.00
Consulting	4,000.00
Contingency	<u>15,000.00</u>
Total Estimated Costs - Stage I	\$117,650.00
McEwan Option Final Payment	<u>50,000.00</u>
<u>Total Stage I Work and Property Payment</u>	<u>\$167,650.00</u>

If the results of the Stage I Work Program are sufficiently encouraging the logical follow-up work would involve additional diamond drilling, and bulk sample testing. Contingent upon favourable results from the Stage I Program we would recommend the following work as a Stage II Program.

Stage II

Fill-in Diamond Drilling at 50 m. stations (between previously established stations) - 2000 ft. (610 m.) of NQ core @ \$30.00/ft. (\$98.50 m.)	\$ 60,000.00
Supervision, Core Logging, and Sampling, etc.	15,000.00
Assaying - estimate 125 samples @ \$13.50/sample	1,687.50
Bulk Sampling - field costs	7,500.00
Metallurgical Testing	5,000.00
Support Costs -	
Helicopter support	
re drilling -	
estimate 20 hours @ \$425.00/hour	\$ 8,500.00
re bulk sampling -	
estimate 80 hours @ \$425.00/hour	<u>34,000.00</u>
	<u>\$42,500.00</u>
Camp/accommodation/supplies	42,500.00
estimate 60 man days @ \$50.00/day	3,000.00
Transportation/fuel	1,500.00
Engineering, Supervision, Reporting	4,000.00
Consulting	3,600.00
Contingency @ 15%	<u>22,000.00</u>
<u>Total Costs Stage II Work Program</u>	<u>\$165,787.50</u>
Total Stage I (Firm) plus Contingent Stage II Work Programs and Property Payment	<u>\$333,437.50</u>

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COST ESTIMATES - MIDDLE VEINStage I

Control grid estimate 2.5 km. @ \$155.00/km. = \$387.50, say	\$ 450.00
Geological Mapping and Sampling	3,000.00
Hand Trenching, Blasting, etc.	
Drill rental, supplies	\$ 650.00
Labour, estimate 10 man days @ \$125.00/day	1,250.00
	<u>\$1,900.00</u>
Assaying estimate 40 samples @ \$13.50/sample (Au, Ag)	540.00
Support Costs	
Helicopter - estimate 10 hours @ \$425.00/hour	4,250.00
Camp, accommodation, supplies estimate 35 man days @ \$50.00/day	1,750.00
Engineering, Supervision, Reporting	1,600.00
Transportation/Fuel	500.00
Consulting	1,200.00
Contingency @ 15%	<u>2,200.00</u>
<u>Total Estimated Cost, Stage I Program</u>	<u>\$17,390.00</u>

Stage II

Contingent upon positive results from the Stage I surface program,

Diamond drilling 365 m. (1200 ft.) @ \$98.50/m. (\$30.00/ft.)	\$36,000.00
Drill Supervision, Core Logging and Sampling	1,500.00
Assaying - estimate 40 samples @ \$13.50/sample (Au, Ag)	540.00
Helicopter - includes drill moves, hauling core out, etc. 30 hours @ \$425.00/hour	12,750.00
Support Costs	4,000.00
Contingency @ 15%	<u>8,000.00</u>
<u>Total Estimated Costs, Stage II Program</u>	<u>\$62,790.00</u>

**Total Estimated Cost of Stage I (Firm)
and Contingent Stage II Programs**

\$80,180.00

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COST ESTIMATES - BLACK LIONStage I Program

Provision of road access from existing logging roads

Tractor - estimate 80 hours @ \$65.00/hour	\$5,200.00	
Labour - re bridging/culverts, helper re cat work, estimate 30 man/days @ \$125.00/day	<u>3,750.00</u>	
	<u>\$8,950.00</u>	\$ 8,950.00

Trenching/Stripping

estimate 40 hours tractor @ \$65.00/hour	\$2,600.00	
Labour re cleaning out trenches/sampling estimate 16 man days @ \$125.00/day	<u>2,000.00</u>	
	<u>\$4,600.00</u>	4,600.00

Control Grid

estimate 3.3 km. of line @ \$155.00/km.		512.00
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Geological Mapping and Sampling 3,000.00

Assaying

estimate 36 samples @ \$13.50/sample (Au, Ag)		486.00
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Support Costs

Camp, Accommodation, Supplies estimate 55 man days @ \$50.00/day		2,750.00
Engineering, Supervision, Reporting		1,600.00
Transportation, Fuel		750.00
Consulting		1,200.00
Contingency @ 15%		<u>3,500.00</u>

Total Estimated Cost, Stage I Program \$27,348.00

Stage II Program

Contingent upon favourable results from the Stage I Program including establishment of ore grade mineralization within the Black Lion structure over a sufficient strike length to allow for development of mineable tonnages, a Stage II Program consisting essentially of drill testing of the structure is recommended. The estimated costs of such a program are set out below.

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Diamond drilling, 305 m. (1000 ft.) of BQ core @ \$88.00/m. (\$27.00 ft.)	\$27,000.00
Drill supervision, core logging and sampling	1,000.00
Assaying, estimate 30 samples @ \$13.50/sample (Au, Ag)	405.00
Support Costs	3,000.00
Contingency @ 15%	<u>4,500.00</u>
<u>Total Estimated Costs, Stage II Program</u>	<u>\$35,905.00</u>
Total Estimated Costs of Stage I Program (Firm) and Contingent Stage II Program	<u>\$63,253.00</u>

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COST ESTIMATES - BLACK PANTHER

For convenience in estimating costs and to provide greater flexibility in allocation of available funding the recommended work program on the Black Panther property is set out in three stages.

Stage I

Provision of road access, dump facilities, upgrading of portal, etc.

Construction	\$ 50,000.00
Materials	12,000.00
Labour	15,000.00

Support Costs

Camp, accommodation, supplies	5,000.00
Transportation/fuel	3,000.00
Engineering and Supervision	4,000.00
Consulting	2,000.00
Contingency @ 15%	<u>13,600.00</u>

Total Estimated Costs of Stage I Program \$104,600.00

Stage IIUnderground Work/Bulk Sampling

Prepare/Slash "C" Adit to "C" Vein	\$ 15,000.00
Bulk sampling	\$2,000.00
Metallurgical Testing	5,000.00
	<u>\$7,000.00</u>
Drive 700' 8'x8' clear crosscut (trackless) @ \$315.00/ft.	220,500.00
Crosscut 100' 8'x8' finished (trackless) @ \$385.00/ft.	38,500.00
Drive 200' 8'x8' clear drift on vein @ \$315.00/ft.	<u>63,000.00</u>
	\$344,000.00

Costs for the above recommended Stage II work programs would be inclusive of support costs for the mining crew on a contract basis.

Support Costs - Other

Engineering and Supervision	15,000.00
Consulting	6,000.00
Contingencies @ 15%	<u>55,000.00</u>

Total Estimated Costs of Stage II Program \$420,000.00

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Stage IIIUnderground drilling and related geological work

Mobilization/demob - drill equipment	\$ 4,000.00
3000 ft. of BQ-U @ \$27.00/ft.	81,000.00
Core logging and sampling	3,200.00
Assaying - estimate 200 samples @ \$19.00/sample	3,800.00

Support Costs

Camp, accommodation, supplies	1,000.00
Transportation/fuel	2,400.00
Engineering and Supervision	5,000.00
Consulting	4,000.00
Contingency @ 15%	<u>15,000.00</u>

<u>Total Estimated Costs of Stage III Program</u>	<u>\$119,400.00</u>
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<u>Total Estimated Costs of Total Black Panther Program</u>	
Stage I plus Stage II plus Stage III	<u>\$644,000.00</u>

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COST ESTIMATES - RECONNAISSANCE PROGRAMA. Stream Sediment Sampling ProgramSample Collection Costs

80 kms. of creeks @ 1 km./man day
requires 80 man days @ \$150.00/man day \$12,000.00

Geochemical Analyses

350 samples @ \$11.80/sample \$4,130.00
(Cu, Pb, Zn, Ag, Au)

Allow 50¢/sample delivery to lab 175.00

\$4,305.00 4,305.00

Support Costs

Crew Costs, room and board, 3 man crew
requires 30 days @ \$50.00/man day 1,500.00

Ground transport, truck
30 days @ \$65.00/day 1,950.00

Helicopter
30 days @ 4 hours per day, \$425.00/hour 51,000.00

Sub Total - Initial Stream Sediment Sampling Program \$70,755.00

B. Geological Mapping

Geologist - regional mapping and prospect
examination
20 days @ \$400.00/day 8,000.00

Support Costs

Room and board
40 days @ \$50.00/day 2,000.00
(includes time for supervision of concurrent
sampling and prospecting programs)

Transport, Truck - part share geochem sampler's
transport
estimate 20 days @ \$65.00/day 1,300.00

Helicopter, part share in use during geochem
sampling
estimate 5 days @ 4 hours/day @ \$425.00/hr. 8,500.00

Sub Total - Geological Mapping Program \$19,800.00

Page Sub Total - Stream Sediment Sampling Program
and Geological Mapping Program (carried forward) \$90,555.00

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Sub Total (brought forward) \$90,555.00

C. Prospecting, Trenching and Sampling

Two man prospecting crew

Prospecting
10 days @ \$350.00/day 3,500.00

Trenching
10 days @ \$350.00/day 3,500.00

Reconnaissance check-out and testing
10 days @ \$350.00/day 3,500.00

Support Costs

Room and board
2 men for 30 days @ \$50.00/per man day 3,000.00

Transport, Truck, part share in geochem samples
and geologists, but allow 10 days outside this,
say 10 days @ \$65.00/day 650.00

Helicopter, part share in use during geochem
sampling but allow extra for trenching and
prospecting,
say 5 days @ 4 hours/day @ \$425.00/hour 8,500.00

Supplies, for blasting, drill rental, fuel, etc.

Drill, 10 days @ \$240.00/day	\$2,400.00	
Drill supplies, 10 days @ \$25.00/day	250.00	
Powder, caps, fuel, 10 days @ \$75.00/day	<u>750.00</u>	
	<u>\$3,400.00</u>	3,400.00

Analyses

300 samples @ \$11.80/sample (Geochem - Cu, Pb, Zn, Ag, Au)	\$3,540.00	
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150 samples @ \$13.50/sample (Assay - Au, Ag)	2,025.00	
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Delivery costs	<u>500.00</u>	
	<u>\$6,065.00</u>	<u>6,065.00</u>

Sub Total Prospecting, Trenching and Sampling Program \$32,115.00

The following items apply to the whole program.

Consulting	\$ 5,000.00	
Contingency	15,000.00	
Engineering, Supervision and Reporting	<u>12,000.00</u>	
	<u>\$32,000.00</u>	\$32,000.00

Total Cost for Reconnaissance Program \$154,670.00

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DISCUSSION AND CONCLUDING REMARKS

A review of the several properties presently controlled by Jan Resources Ltd. in the Mount McQuillan - Mount Spencer area of Vancouver Island, British Columbia, and of the descriptions of work programs completed on them in the period 1979 to 1983, and the results of these programs, leads to two significant conclusions. The first is that these properties have been demonstrated to host significant mineralized structures, predominantly of vein type, which carry ore grade precious metal values, principally gold. The second conclusion is that the quiet policy of land acquisition and careful evaluation has provided Jan Resources Ltd. with an enviable land base in an area which, increasingly over the past year has become one of the more active exploration areas in Western Canada. The properties on which the most promising results have been obtained to date, are the Black Panther and High Grade properties in which the mineralization is of vein type however other properties, not currently reviewed in the present report, are also held which are considered favourable for the localization of volcanogenic massive sulphide deposits. Indeed the possibility for the occurrence of this type of deposit as well as of other base metal deposits such as those in the Mount Spencer area, are considered good in some of the claim areas here reviewed. Consideration of these possibilities has led to the decision of the Jan Resources Ltd. management to expand the area of exploration work in 1983 and to carry out more detailed investigation of previously indicated geochemically anomalous areas and/or areas in which small but possibly significant mineralized showings are known.

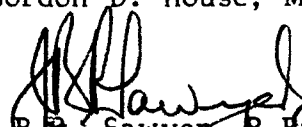
The vein deposits, at High Grade and Black Panther, have yielded some ore grade assay results and we consider that there is good possibility for development of these properties into small efficient producers. In this regard a junior company such as Jan Resources Ltd. has distinct advantages over some of the larger mining groups in implementing small scale operations. The programs which have been recommended for the 1983 season encompass varying stages of the exploration process which gives the Company's activities a commendable balance. The programs have been quite carefully planned and can probably be implemented with considerable efficiency both in costs and logistics if adequate funding is available to proceed on all of the recommended phases in one season. The expenditures involved are considerable and the work programs will require careful monitoring and management. In our opinion Jan Resources Ltd. has demonstrated an ability to provide such management in its activities in the Alberni area of Vancouver Island over the past four seasons.

Respectfully submitted,

SAWYER CONSULTANTS INC.



Gordon D. House, M.S.



J.B.P. Sawyer, P.Eng.

SAWYER CONSULTANTS INC.

CERTIFICATE OF QUALIFICATION

I, Gordon D. House, of North Vancouver, British Columbia,
DO HEREBY CERTIFY:

1. That I am a Consulting Geologist, a graduate of Trinity College, Dublin, in 1961 with a B.A. in Honors Natural Science - Geology. I received a M.S. degree in Geology from the University of Alaska, Fairbanks, in 1980.
2. That I am a Member of the Institution of Mining and Metallurgy, London, since 1964, and a Registered Chartered Engineer with the Council of Engineering Professions, London. I am a Fellow of the Geological Society, London; a Member of the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers; a Fellow of the Geological Association of Canada; and a Member of the Canadian Institute of Mining and Metallurgy.
3. That I have practised my profession as a Geologist since 1962 in Ireland and West Africa; since 1965 in British Columbia, Yukon, Northwest Territories, Saskatchewan, Manitoba, Ontario, Alaska, California, Nevada and Idaho. I have undertaken professional visits to Germany, Australia, New Zealand, Fiji and South Africa.
4. That the information, opinions and recommendations in this report are based on work previously carried out by Sawyer Consultants Inc. in 1979, 1980, 1981 and 1982.
5. That I have no direct or indirect interest in any of the subject properties of this report, nor in the shares or securities of Jan Resources Ltd., nor in any of its associated companies, nor do I expect to receive any such interest.



Gordon D. House, M.S.

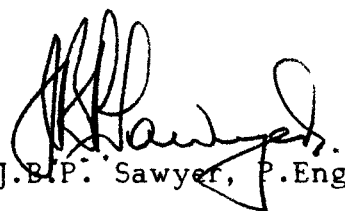
Dated at Vancouver, British Columbia, this 25th day of April, 1983.

SAWYER CONSULTANTS INC.

CERTIFICATE

I, J.B.P. Sawyer, DO HEREBY CERTIFY:

- (1) That I am a consulting geologist with business office at 1201 - 675 West Hastings Street, Vancouver, British Columbia, V6B 1N2, and President of Sawyer Consultants Inc.
- (2) That I am a graduate in geology of Manchester University (B.Sc. - 1953) and of the University of Western Ontario (M.Sc. - 1957).
- (3) That I am a Registered Professional Engineer (geological) in the Association of Professional Engineers of the Province of British Columbia, and a Registered Chartered Engineer with the Council of Engineering Professions, London.
- (4) That I am a Fellow of the Geological Association of Canada, a Member of the Canadian Institute of Mining & Metallurgy, a Fellow of the Geological Society of London, and Fellow of the Institution of Mining & Metallurgy, London.
- (5) That I have practised my profession as a geologist for the past twenty-eight years.
- (6) That the information, opinions, and recommendations in the attached reported are based on personal knowledge of the areas described and on work on and supervision of the several programs carried out by Jan Resources Ltd. in the period July 1979 to the present.
- (7) That I own no interest in the shares or securities of Jan Resources Ltd. nor of those of Nexus Resource Corporation or Tarbo Resources Ltd., nor any interest in any of the properties which are the subject of this report, nor do I expect to receive any such interests.



J.B.P. Sawyer, P.Eng.

Dated at Vancouver, British Columbia, this 25th day of April, 1983.

SAWYER CONSULTANTS INC.