File LARA

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A
Summary Review
of the
LARA PROJECT
MT. SICKER AREA
VANCOUVER ISLAND, B.C.

For:

LARAMIDE RESOURCES LTD.

By:

I. M. WATSON, P.Eng.

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15 April 1987

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INTRODUCTION

The Lara property, situated near Duncan in southeastern Vancouver Island, B.C., was staked by Laramide Resources in 1981. In 1982, the claims were optioned to Aberford Resources Ltd. (now Abermin Corporation).

Exploration by Laramide in 1981, and by Aberford during 1982-1983, revealed several sulphide showings, which were tested by drilling in 1984. The 1984 programme resulted in the discovery of a volcanogenic Zn-Pb-Cu-Ag-Au massive sulphide deposit (Coronation Zone), similar to the Lenora and Tyee zones on nearby Mt. Sicker, and to the Westmin Resources ore bodies at Buttle Lake, in the central part of the island.

During 1985 and 1986, Abermin continued intensive exploration of the property, mainly in the form of drill programmes testing the Coronation Zone, and other sulphide zones and geophysical/geochemical anomalies.

This report, prepared at the request of Mr. A. F. Reeve, president of Laramide Resources Ltd., reviews the results of work on the property to date and includes recommendations for ongoing work. The report is based on a study of Laramide and Abermin company files and includes data obtained from a previous review of the project made by the writer in March 1986. Additional information was obtained during visits to the project in August and November 1985, and to the Westmin Buttle Lake property, also in August 1985.

SUMMARY

Laramide Resources Ltd. owns 35% of the Lara gold-silver base deposit near Duncan on southeastern Vancouver Island.

The Lara property is underlain by felsic volcanics of the Sicker Group similar to those which host the Lenora and Tyee polymetallic deposits on adjacent Mt. Sicker, and the Westmin Resources ore bodies at Buttle Lake.

LOCATION MAP

LARA PROJECT - LARAMIDE RESOURCES LTD.

Figure 1

Initial work by Laramide and Abermin Corporation led to the discovery of several sulphide showings. The Coronation Zone was found when these showings were drilled late in 1984. Further drilling revealed the Coronation Extension Zone 300 metres to the southeast within the same sequence of pyritised felsic volcanics. The zones trend west northwest and dip 60° to the north.

Since 1982 Laramide and Abermin have spent $2.4 million on drilling and surface exploration. To date, 148 holes totalling 20,820 metres have been drilled, mainly on the Coronation and Coronation extension zones. Thirty-two holes have intersected sulphides producing economically significant assays averaging: 0.81% Cu; 1.32% Pb; 5.79% Zu; 3.25 opt Ag; and 0.13 opt Au over 3.87 metres (true width).

Neither zone has been fully defined. The Coronation Zone has been traced for 400 metres along strike and to a depth of 150 metres. The Extension Zone measures 200 metres along strike and has been intersected at a depth of 140 metres, but step-out drilling has revealed 'economic class' grades up to 500 metres to the east. Further drilling is required to fully test both zones along strike and at depth.

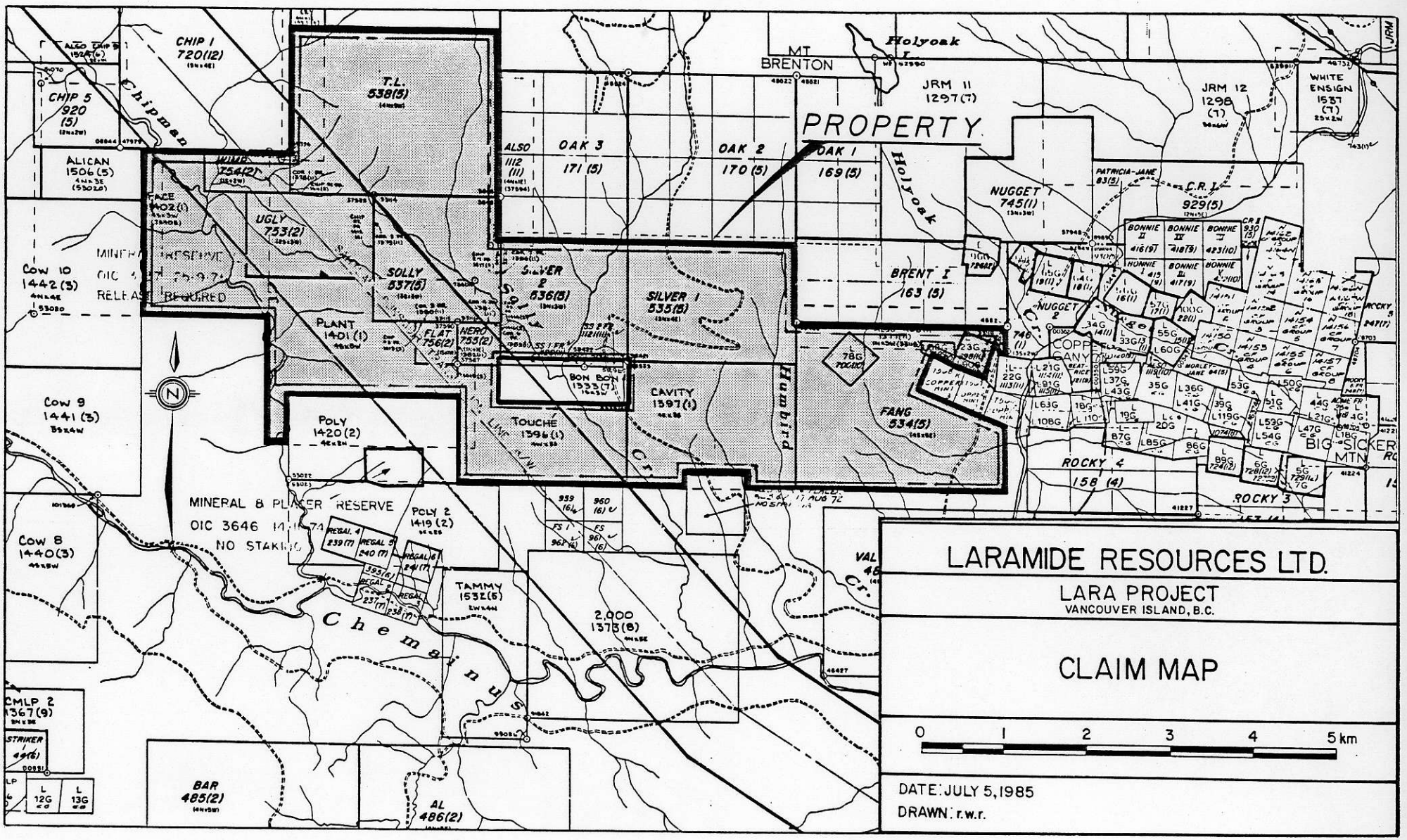
The 1986 drill programme also identified another polymetallic sulphide bearing felsic unit 1,700 metres north of the Coronation Zone. A 3,000-metre strike length of potential host rock remains to be thoroughly explored.

Metallurgical test work has been undertaken and preliminary results indicate that preparation of commercial flotation concentrates should present no major problems.

The primary objective of the 1987 programme the should be the establishment of sufficient 'ore grade' reserves in the Coronation/Extension Zones to justify proceeding with underground development and testing of the zones.

LOCATION, ACCESS

The Lara property is situated in southeastern Vancouver Island, 15 kilometres northwest of Duncan (Fig. 1). The claims lie within the Victoria Mining Division, NTS Map reference 93B/13. The approximate centre of the property is at latitude 48°52'30"N and longitude 123°52'W (Fig. 1).



LARAMIDE RESOURCES LTD.

LARA PROJECT

VANCOUVER ISLAND, B.C.

CLAIM MAP

DATE: JULY 5, 1985

DRAWN: r.w.r.

Figure 2

The claims are 12 kilometres from Highway #1 at Chemainus, by way of the Chemainus River Logging Truck Road. Access is provided by a network of logging roads and by service roads to and along the B.C. Hydro high voltage power line which crosses the western part of the property.

The property occupies the southern slopes of Coronation Mountain and Mounts Hall and Brenton. Elevations range from 160 metres a.s.l. along the Chemainus River at the eastern property boundary, to a maximum 960 metres a.s.l.

Most of the property has been logged and is now covered by second growth bush.

CLAIMS

The Lara property comprises three reverted Crown Grants, seven fractional mineral claims, and 14 Modified Grid claims containing a total of 139 units (Fig. 2). The original five claims were staked by Laramide Resources Ltd. in 1981 and were optioned to Aberford Resources Ltd. in 1982. Additional claims were staked between 1982 and 1983 as indicated below. Positions of claims on the ground have not been verified by the writer, and no opinion can be passed as to the manner of staking. Information regarding the claims is as obtained from company and government records. The essential data are as follows:

Claim Name	Record #	Units	Staking Date	Expiry Date
Fang	534	20	May 8, 1981	1996
Silver 1	535	12	May 8, 1981	1996
Silver 2	536	9	May 8, 1981	1996
Solly	537	9	May 8, 1981	1996
T.L.	538	20	May 8, 1981	1996
Susan	698	1	October 26, 1982	1996
Klondyke	699	1	October 26, 1982	1996
Tinto View	700	1	October 26, 1982	1996
Jennie	1112	4	November 18, 1983	1996
Ugly	753	6	February 8, 1983	1996
Wimp	754	2	February 8, 1983	1996
Nero	755	1	February 8, 1983	1996
Touche	1396	12	January 21, 1985	1997
Cavity	1397	12	January 21, 1985	1997
Plant	1401	15	January 23, 1985	1997

Claim Name	Record #	Units	Staking Date	Expiry Date
(cont'd.)				
Face	1402	12	January 23, 1985	1997
Tooth	1377	5	November 7, 1985	1996
Cor 1 Fraction	1378	1	November 7, 1984	1996
Cor 2 Fraction	1379	1	November 7, 1984	1996
Cor 3 Fraction	1380	1	November 7, 1984	1996
Cor 4 Fraction	1381	1	November 7, 1984	1996
Cor 5 Fraction	1382	1	November 7, 1984	1996
Cor 6 Fraction	1383	1	November 7, 1984	1996
Cor 7 Fraction	1384	1	November 7, 1984	1996

The Lara claims surround a small 3 unit claim held by competitors.

Distribution of ownership is split 35% to Laramide Resources Ltd., and 65% to Abermin Corporation.

PREVIOUS WORK

Although there is scant record of previous work on the Lara claims, the adjacent Mt. Sicker property has a long history of activity and production, dating from the first discovery of massive sulphides there in 1897. The main period of production at Mt. Sicker was between 1898 and 1909. Twin J Mines rehabilitated the workings and mined during the war years (1943-44) and subsequent operators mined briefly in 1947, 1951-52, and 1964. The mine production is summarised as follows:

Period	Tons	Au ozs.	Ag ozs.	Cu lbs.	Zn lbs.
1898 - 1907	252,678	36,600	738,019	19,078,049	(no recovery)
1943 - 1944	34,893	2,617	71,531	921,175	4,270,903
1947	8,295	507	15,878	173,952	536,995
1951 - 1952	9,754	316	15,554	86,773	713,954
1964	167	12	294	5,814	?
Total	**305,787**	**40,052**	**841,276**	**20,265,763**	**N/A**

or 305,787 tons grading 0.13 oz/ton Au; 2.75 oz/ton Ag; 3.3% Cu; ? Zn.
(Sharp, 1972; Stevenson, 1945)

Prior to the staking of the Lara property, Cominco (1965-66) and Umex (1978-1979) were active on ground now covered by the Silver 1 claim (Cominco I.P. survey) and by the TL and Solly claims (Umex soil sampling survey).

SUMMARY OF WORK BY LARAMIDE/ABERMIN

1981-1984 The Lara claims were staked in 1981 by Laramide Resources Ltd. Following initial geochemical, geophysical, and geological work by Laramide, the property was optioned to Abermin Corporation in 1982. Abermin's exploration programme consisted of preliminary geological mapping, geochemical sampling, and geophysical surveys (magnetometer, VLF, EM, and I.P.) followed by trenching of geochemical and geophysical anomalies. Several zones of polymetallic sulphides were found (Fig. 5), and these were tested by a 12-hole 1346 metre diamond drill programme late in 1984. DDH 84-12, the last hole of that series, intersected 8.2 metres of sulphides containing a zone assaying 1.21% Cu; 0.69% Pb; 5.18% Zn; 2.66 oz/t Ag; and 0.135 oz/t Au over 3.3 metres.

1985 The zone cut by hole 84-12, designated the **Coronation Zone,** was tested by a further 30 hole 3,194 metre programme during the early summer of 1985. Results indicated geological continuity of the zone over a strike distance of nearly 400 metres to a depth of 105 metres. Hole 85-40 of this programme was drilled to test ground 500 metres east of the main zone, and intersected 3.1 metres of strong polymetallic sulphide mineralisation assaying 1.16% Cu; 2.53% Pb; 9.22% Zn; 8.49 oz/t Ag; and 0.213 oz/t Au **(Coronation Extension).**

The final phase of the 1985 drilling, consisting of 31 holes totalling 4,945 metres, was completed in early December 1985. Twenty-eight holes were drilled in the area between the Coronation and Coronation Extension zones. Several holes intersected polymetallic sulphides which, although not economically significant, indicated persistence of the mineralised zone(s).

The final three holes of the 1985 programme were drilled in the southeastern part of the property where earlier geological and geophysical work had revealed sulphide zones (Zones I and II). No mineralisation of economic significance was intersected.

1986

The three phase 1986 exploration programme consisted of geological mapping and prospecting, backhoe trenching, and diamond drilling; 75 holes totalling 11,340 metres were drilled.

Phase I of the drilling consisted of 25 holes totalling 5,436 metres; 22 of these holes (5,277 metres) tested for extensions of the Coronation Zones for up to 500 metres west of the Coronation Zone and 700 metres east of the Extension Zone. The drill hole fences were widely spaced (200-300 metres) and cover a total strike length of approximately 2,100 metres. Seven holes intersected polymetallic sulphide mineralisation; three of these are of economic significance. (Hole 94 to the west, and holes 80 and 85 to the east (see Table 1 and Fig. 7). Most of the other holes intersected pyritic bands which appear to be the stratigraphic equivalents of the Coronation/Extension Zones.

Three holes were drilled to test a VLF-EM/geochemical anomaly south of the Coronation and Extension Zones. All three holes intersected sediments of the Nanaimo Group, and it is possible that the anomaly is a response to the major fault contact between the Nanaimo and Sicker Group rocks.

Phase II of the 1986 programme consisted of geological mapping of the property and backhoe trenching. The purpose of the trenching was to expose a high grade portion of the Coronation Zone for geological examination and metallurgical sampling.

The **Phase III** drilling programme was carried out during October and November 1986. Fifty holes totalling 5,903 metres were completed. Thirty-six holes (3,775 metres) were drilled in the main body of the

1986 cont'd. Coronation Zone and in the eastern part of the Extension Zone; the remaining 24 holes (2,128 metres) tested geological/geophysical/ geochemical targets in the eastern and northern parts of the property.

The Coronation Zone drilling was designed to test the area immediately east and west of high grade mineralisation cut by holes 36 and 12, and exposed by trench 86-43. Ten of the holes drilled in this area confirmed the presence and continuity of a shallow, high grade, massive sulphide zone. In addition to this fill-in drilling, four short HQ holes were drilled 'down the dip' of the zone to obtain samples for metallurgical testing (Fig. 7).

Drilling of the eastern part of the Extension Zone was intended as a follow up to the 'high grade' intersections obtained in holes 80 and 85 of Phase I of the 1986 programme. Thirteen holes totalling 2,519 metres tested the down dip continuity of these zones (Fig. 7). Ten holes intersected polymetallic sulphides or pyritic zones which can be correlated to the Extension Zone. Economically significant sulphides were cut by hole 86-114 (Table 1).

Reconnaissance drilling of geological and geophysical/geochemical anomaly targets was undertaken in three areas:

1. At the eastern end of the property, a two-hole fence (R108, 110) was drilled across a pyritic sequence of felsic volcanics exposed in Holyoak Creek (Fig. 12); hole 110 intersected a 7.4 metre barite rich interval containing up to 23% barite.

2. Four holes in two fences (R100 and 102; R105 and 106) tested sulphide showings found in 1983 and 1985 in the east-central part of the property, 550 metres north of Zone I (Fig. 12). Both drill hole sections contained narrow zones of chalcopyrite and tetrahedrite in pyritic felsic tuffs.

1986 cont'd. 3. The third area of reconnaissance drilling lies about 1,700 metres north of the Coronation Zone in the northern part of the claim block (Fig. 11). The 1986 mapping/prospecting programme revealed poorly exposed polymetallic sulphides in felsic volcanics. The zone (**Randy Zone**) was traced over 520 metres and has a maximum width of four metres. A sample of the discovery showing assayed 15,000 ppm Zn; 2,870 ppm Pb; 1,060 ppm Cu; 20 ppm Ag; and 440 ppb Au over 1.5 metres. Four holes tested the zone; two holes (116, 118) situated 40 metres to the east of the discovery showing intersected weak sulphide mineralisation. The other holes were collared 470 metres west (119) and 270 metres east (121) of the showing.

The Randy Zone North lies approximately 350 metres northeast of the Randy Zone (Fig. 11). Strongly pyritic schistose felsic volcanics are associated with geochemical (Cu, Zn) and IP anomalies. Four holes were drilled across the target along a strike distance of 150 metres.

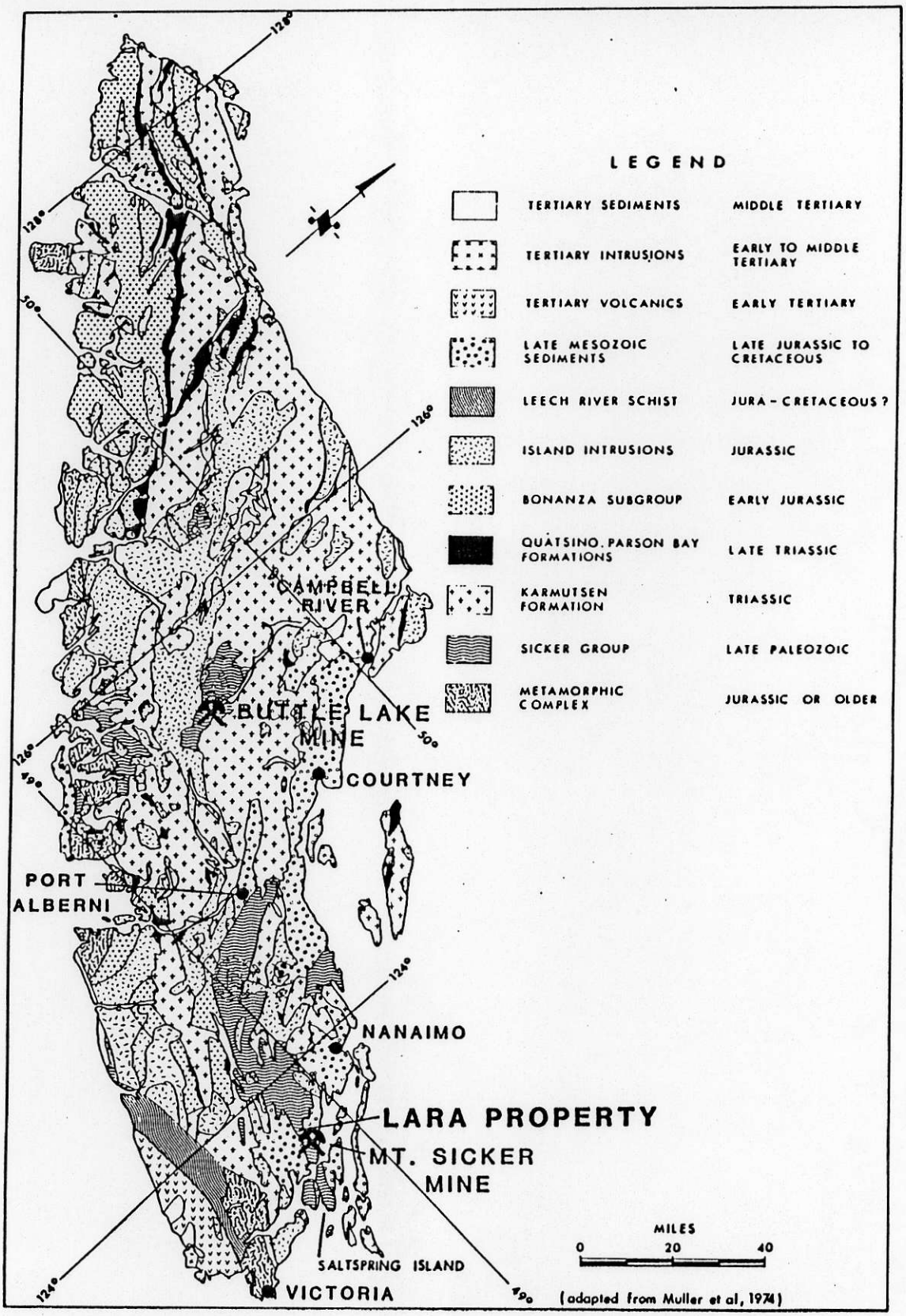
GEOLOGY

Regional Geology

The Lara property is underlain by Devonian and Carboniferous age **Sicker Group Volcanics** at the southern end of a 130-kilometre long, northwesterly trending belt extending from Saltspring Island in the south to Horne Lake in the north (Fig. 3).

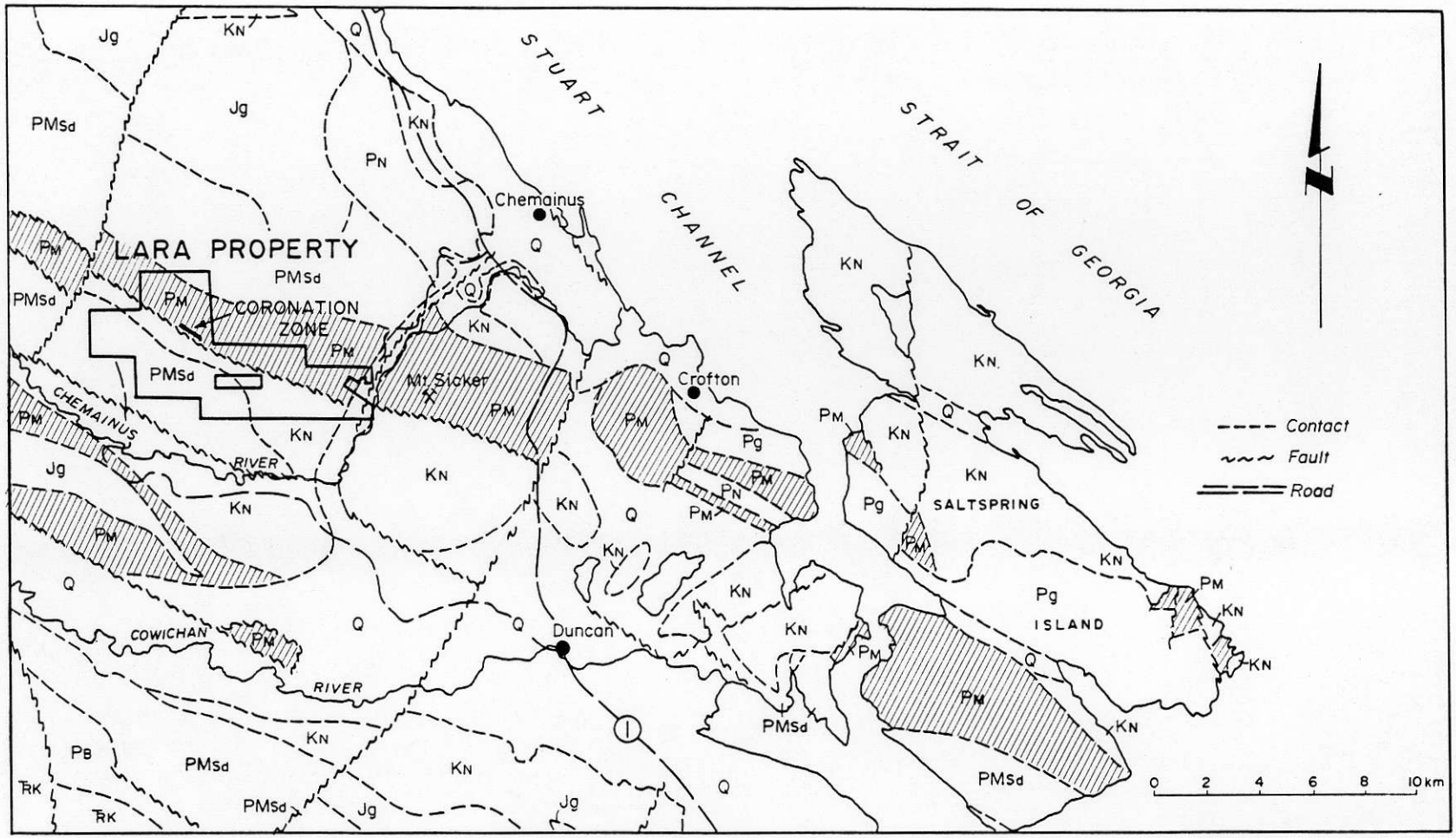
Sicker Volcanics also occur as an uplifted block in the area southwest of Buttle Lake where they host the bedded massive sulphide ore bodies currently being mined by Westmin Resources.

Muller (1980) has subdivided the **Sicker Group** into three formations, in ascending order, the **Nitinat, Myra** and **Buttle Lake Formations.** Muller has also proposed a transitional sequence between the Myra and Buttle Lake Formations, designated the **Sediment-Sill Unit.**



GEOLOGICAL SKETCH MAP OF VANCOUVER ISLAND

Figure 3



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QUATERNARY, RECENT

Q

UPPER CRETACEOUS

KN — *NANAIMO GROUP*

LOWER TO MIDDLE JURASSIC

Jg — *ISLAND INTRUSIONS*

JB — *BONANZA GROUP*

TRIASSIC

TRK — *KARMUTSEN FM.*

PERMIAN TO DEVONIAN

SICKER GROUP

PB — *BUTTLE LAKE FM.*

PMSd — *SEDIMENT-SILL UNIT*

PM — *MYRA FM.*

PN — *NITINAT FM.*

LOWER DEVONIAN

Pg — *SALTSPRING INTRUSION*

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LARA PROPERTY
REGIONAL GEOLOGY

from Aberford, 1984

Figure 4

The **Nitinat Formation** comprises pyroxene basalt flows and minor tuffs. The **Myra Formation** conformably overlies the Nitinat Formation and consists of basic to rhyolite volcanics, volcaniclastics and sediments. The upper portion of the Myra Formation, the **Sediment-Sill Unit,** is dominantly sedimentary but contains intercalated diabase sills. At Buttle Lake, Mt. Sicker and on the Lara property, the massive sulphide deposits are hosted by the dominantly felsic volcanic sequence within the Myra Formation.

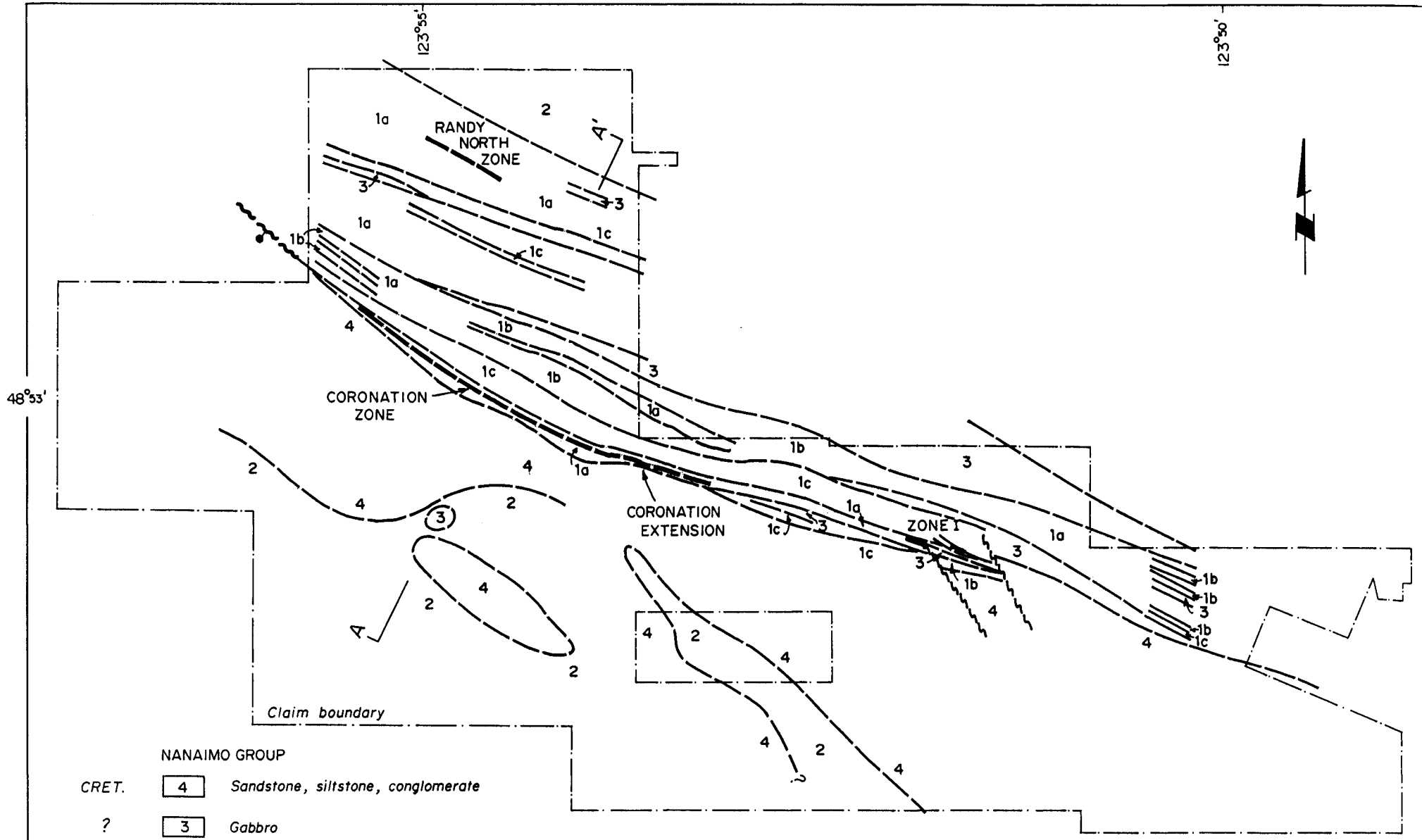
The upper unit of the Sicker Group, the **Buttle Lake Formation,** consists mainly of limestones with interbedded siltstones and cherts, and minor diabase sills.

All the Sicker Group rocks on Vancouver Island have been moderately to strongly deformed, and generally fall within the greenschist facies of regional metamorphism.

In the Lara-Mt. Sicker area, the Sicker Formation strikes west-northwesterly, and is cut by major breaks sub-parallel to strike and by northerly trending cross faults. The Lara property is underlain by an uplifted block of Sicker Volcanics, which is bounded by cross faults along the Chemainus River to the east, and Chipman Creek to the west (Muller 1980 and Fig. 4).

Lara Property

Early mapping by Laramide and Abermin has been augmented by a more extensive and detailed survey carried out during Phase II of the 1986 programme. The current geological interpretation is shown in diagrammatic form by Figs. 5 and 6. The central and northern parts of the claim group are underlain by west-northwesterly striking, northerly dipping, rocks of the Myra Formation. This dominantly felsic sequence is flanked to the south by sediments of both the Nanaimo Group (Cretaceous) and the Sicker Group Sediment-Sill Unit. Sediments, also thought to belong to the Sediment-Sill Unit, lie to the north of the Myra rocks. Contact relationships between the major units are not clear, although drill hole evidence suggests that a major fault separates the Myra Formation volcanics from the Nanaimo Group sediments to the south.



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LARA PROPERTY GEOLOGY

from Aberford Resources, 1987

Figure 5

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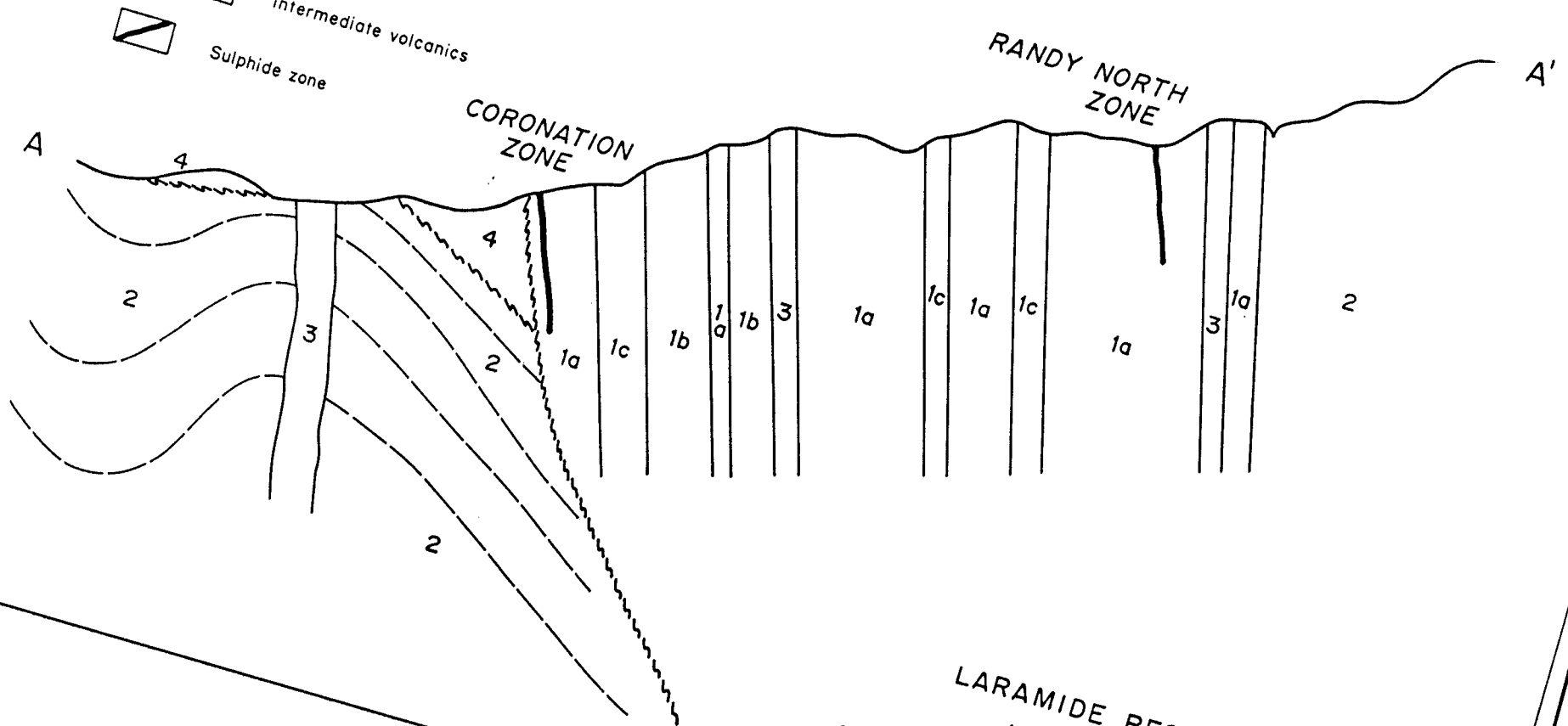
CRETACEOUS — NANAIMO GROUP
4 — Sandstone, siltstone, conglomerate
?
3 — Gabbro
SICKER GROUP
LR. DEVONIAN? — Sediment Sill Unit
2 — Sediments
Myra Formation
1
1a — Quartz-eye / feldspar rhyolite
1b — Felsic tuff
1c — Intermediate volcanics
Sulphide zone



LARAMIDE RESOURCES LTD.
LARA PROPERTY
DIAGRAMMATIC CROSS SECTION A-A'
from Abermin Corporation, 1987
Scale 1:15,000 (approx.)
Figure 6
I.M.Watson & Associates Ltd.

The greater part of the Myra Formation consists of felsic volcanics which have been designated the 'Rhyolite Sequence' by Abermin geologists. The dominant rock types within this unit are felsic tuffs and possible flows including varieties porphyritic in quartz and/or feldspar. These rocks are usually pervasively pyritised. Within the felsic volcanics, there are narrow beds of dark argillites and/or buff coloured volcanic mudstones. These are persistent enough to be of local use as markers in the Coronation and Extension Zones. In some places, there appears to be a spatial relationship between these sediments and the sulphide zones.

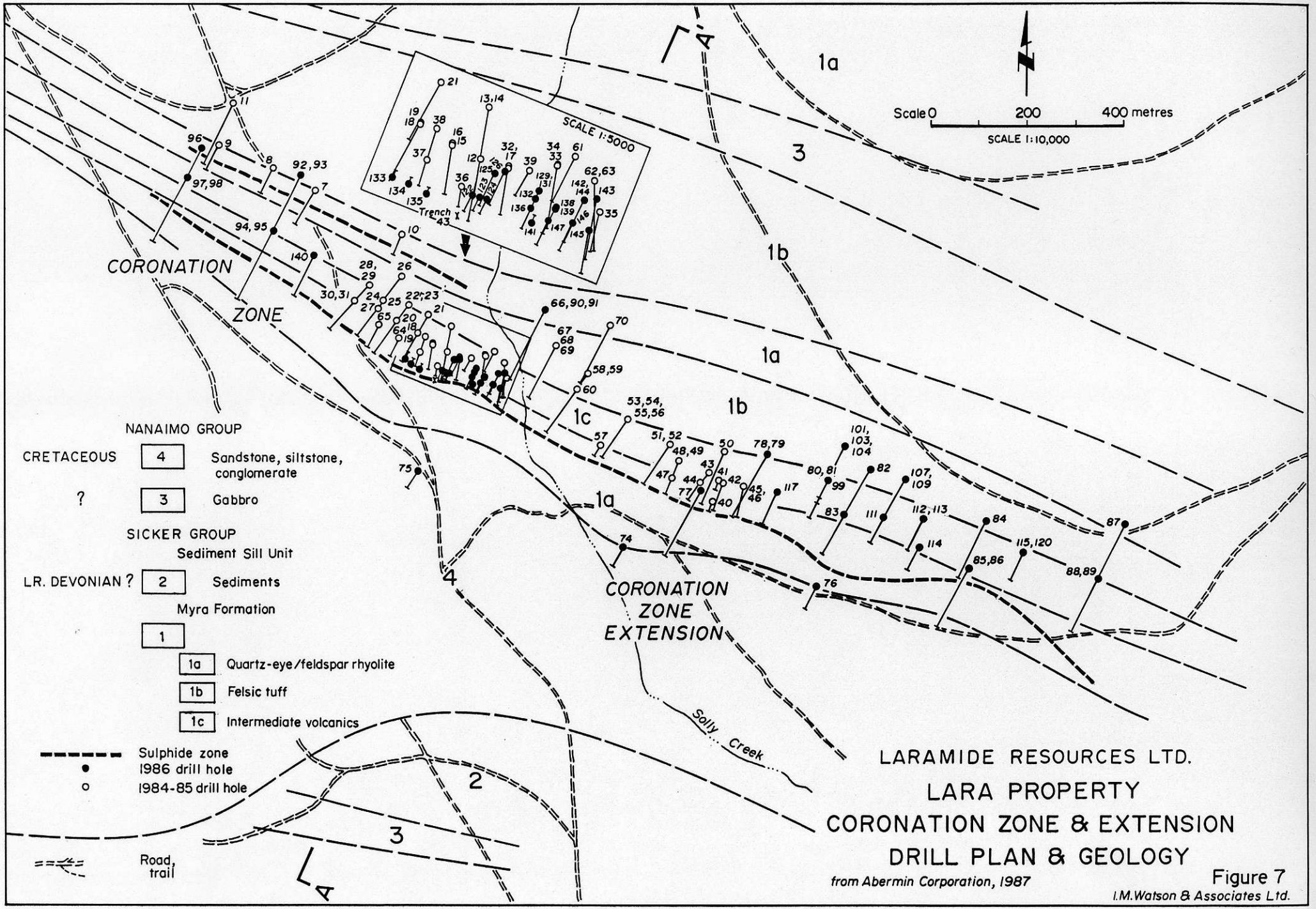
The felsic rocks are interlayered with narrower zones of andesitic tuffs and breccias. One such sequence overlies the felsic rocks hosting the Coronation Zone and Extension Zone sulphide deposits.

The Myra Formation and the Sediment-Sill Unit are intruded by dominantly gabbroic bodies of variable texture and size; drilling and mapping suggest that these intruding the Myra Formation are sills. Locally, the more foliated finer grained intrusions appear to be transitional with the andesitic rocks.

Complexity and variability of lithology and limited exposure hinder structural interpretation. Current belief is that the Myra volcanics lie along one limb of a major isoclinal fold (Fig. 6). There is a repetitious sequence of felsic and intermediate volcanics from south to north across the Myra Formation, but so far there is no evidence of fold closures or stratigraphic tops to suggest that this is the result of folding. Thrust faulting separates the Nanaimo sediments and Myra Formation volcanics, and the gabbroic intrusions probably entered along similar breaks. Cross faulting, recognised by Muller (1980) on a regional scale, is suspected to offset and tilt blocks within the Myra rocks.

ECONOMIC GEOLOGY

The main Lara Cu-Pb-Zn-Ag-Au stratiform sulphide deposits occur within pyritised felsic volcanics of the lower Myra Formation, near and approximately parallel to the southern faulted contact with the Nanaimo Group (Fig. 5). Polymetallic sulphides have been identified in at least two and possibly three distinct stratigraphic zones over

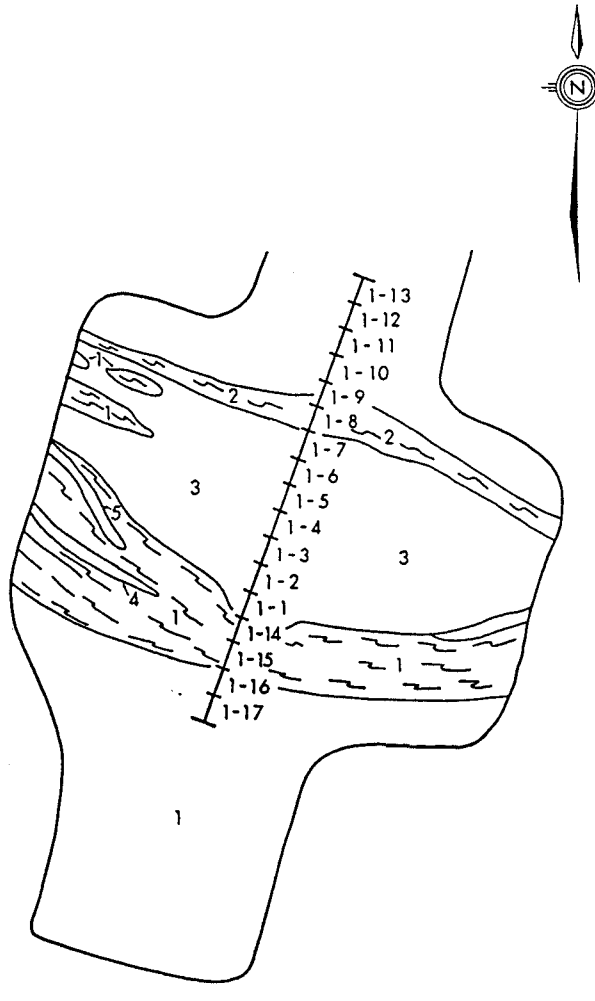

SCALE 1:5000
Trench X
Scale 0 200 400 metres
SCALE 1:10,000
CORONATION ZONE
CORONATION ZONE EXTENSION
Solly Creek
NANAIMO GROUP
CRETACEOUS
4 Sandstone, siltstone, conglomerate
?
3 Gabbro
SICKER GROUP
Sediment Sill Unit
LR. DEVONIAN ?
2 Sediments
Myra Formation
1
1a Quartz-eye/feldspar rhyolite
1b Felsic tuff
1c Intermediate volcanics
Sulphide zone
1986 drill hole
1984-85 drill hole
Road, trail
LARAMIDE RESOURCES LTD.
LARA PROPERTY
CORONATION ZONE & EXTENSION
DRILL PLAN & GEOLOGY
from Abermin Corporation, 1987
Figure 7
I.M.Watson & Associates Ltd.

ASSAYS

Sample No.	m	Cu %	Pb %	Zn %	Ag oz/T	Au oz/T
1-13	0·5	<0·01	0·01	0·07	0·02	0·004
1-12	0·5	<0·01	<0·01	0·03	0·02	0·004
1-11	0·5	0·02	0·03	0·28	0·11	0·002
1-10	0·5	<0·01	0·03	0·16	0·05	0·010
1-9	0·5	0·28	0·93	3·50	1·99	0·045
1-8	0·5	0·80	3·50	12·0	8·20	0·080
1-7	0·5	2·75	5·30	48·0	13·89	1·426
1-6	0·5	3·15	10·20	44·0	8·99	0·451
1-5	0·5	2·95	8·07	43·0	15·63	0·509
1-4	0·5	3·05	9·20	38·0	18·87	1·877
1-3	0·5	3·45	8·78	46·5	14·21	0·393
1-2	0·5	3·09	9·55	43·0	13·47	0·228
1-1	0·5	2·87	7·00	39·0	19·83	0·136
1-14	0·5	0·03	0·08	0·39	0·21	0·018
1-15	0·5	0·01	0·02	0·15	0·05	0·005
1-16	0·5	0·03	0·08	0·48	0·17	0·017
1-17	0·5	0·02	0·04	0·26	0·10	0·007

WEIGHTED AVERAGE GRADES

Interval	metres (feet)	Cu %	Pb %	Zn %	Ag oz/T	Au oz/T
1-9 to 1-1	4·5 (14·80)	2·91	6·95	35·22	12·187	0·572
1-7 to 1-1	3·5 (11·48)	3·04	8·30	43·07	14·98	0·717



LEGEND

1 RHYOLITE, WEAKLY PYRITIC

2 TRANSITIONAL ZONE, BANDED AND LAMINATED SULPHIDE, SHEARED

3 MASSIVE SULPHIDE

4 ARGILLITE

5 QUARTZ VEIN

SHEARING

1-8
1-7
1-6 CHANNEL SAMPLE

0 5 metres

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LARA PROPERTY

CORONATION ZONE TRENCH PLAN

TRENCH 43

from Abermin Corporation, 1987

Figure 8

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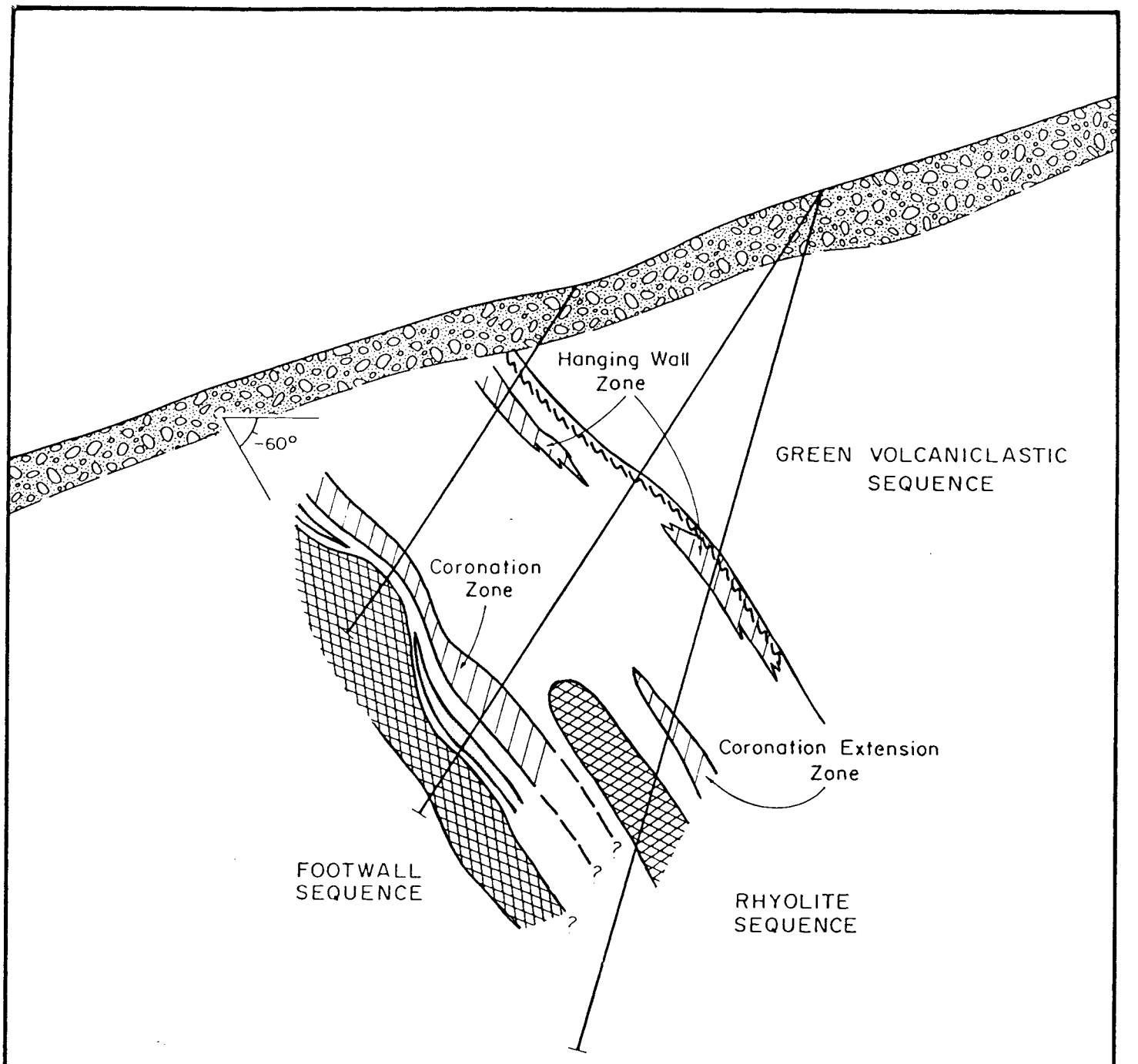

metres 0 10 20 30 40 50

from Abermin Corporation, 1987

I.M.Watson & Associates Ltd.

L E G E N D

Polymetallic Zone

Quartz eye Rhyolite

Argillite

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CORONATION & C. EXTENSION ZONES

SCHEMATIC GEOLOGICAL
CROSS SECTION

DATE	SCALE	NTS	
APRIL 1987	1 : 1,000	92B/13W	Figure 9

a total strike length of two kilometres and to a depth of 140 metres. The deposits strike west-northwesterly and dip northerly at an average of 60° (Fig. 9). Thicknesses range up to 14 metres and average about 6 metres.

Coronation Zone

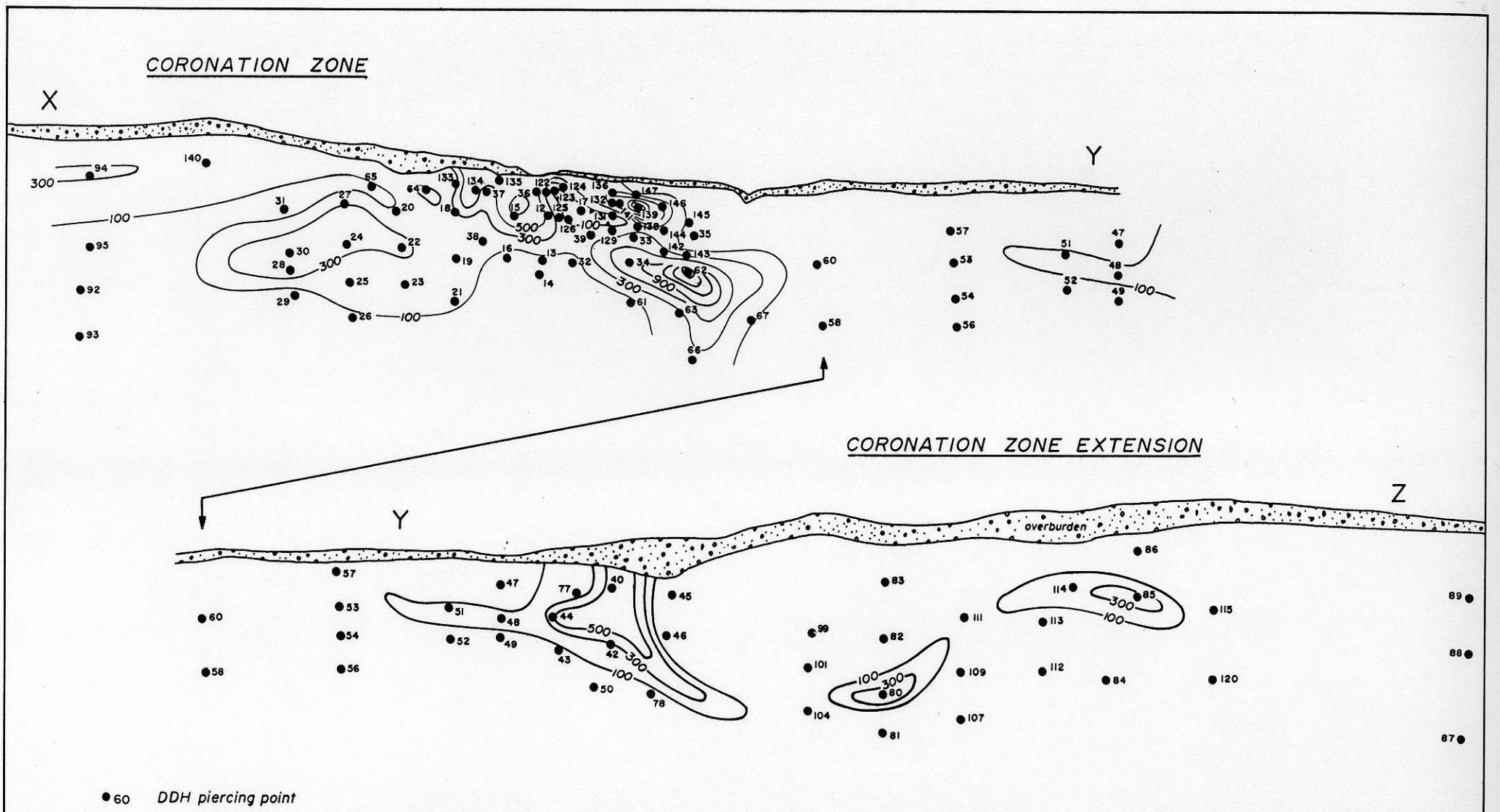
Drilling indicates that the Coronation Zone is so far the strongest and most persistent of the sulphide zones, extending for more than 400 metres along strike and to a depth of 150 metres (Figs. 7, 9 and 10). Sulphides, consisting mainly of pyrite, sphalerite, chalcopyrite and galena, occur in the rhyolitic host rocks as disseminations, laminae and massive bands. The 1986 programme of closely spaced fill-in drilling defined a high grade massive facies of the zone which has been traced for 180 metres. The massive sulphides are exposed in trench 43, where samples assayed 3.04% Cu; 8.30% Pb; 43.07% Zu; 14.98 opt Ag; and 0.717 opt Au over 3.51 metres (Fig. 8). The average of the seven drill hole intersections and the trench samples is 1.5% Cu; 3.1% Pb; 14.9% Zn; 6.7 opt Ag; and 0.24 opt Au over 3.35 metres.

A narrower, weaker, and less persistent zone of polymetallic sulphides (Hanging Wall Zone) lies about 50 metres above the main part of the Coronation Zone (Fig. 9). Step-out drilling to the west has intersected apparent extensions of the Coronation and Hanging Wall Zones; holes 140 and 94 cut two zones, and although the wider spacing of holes prevents definitive cerrelation, it appears that the upper Hanging Wall Zone is strengthening to the west. The intersection of this zone in hole 94 assays 0.15% Cu; 0.49% Pb; 1.07% Zn; 2.52 opt Ag; and 0.081 opt Au over 6 metres.

Further more closely spaced drilling is needed to define the Coronation Zone (and Hanging Wall Zone) along strike, and at depth.

Coronation Extension Zone

Continuity between the Extension and Coronation Zones is uncertain because of the wide spacing of drill fences over the 300 metres separating the zones. The 1986 drill programme focussed on the area east of the Extension Zone. Three of ten holes



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LARA PROPERTY

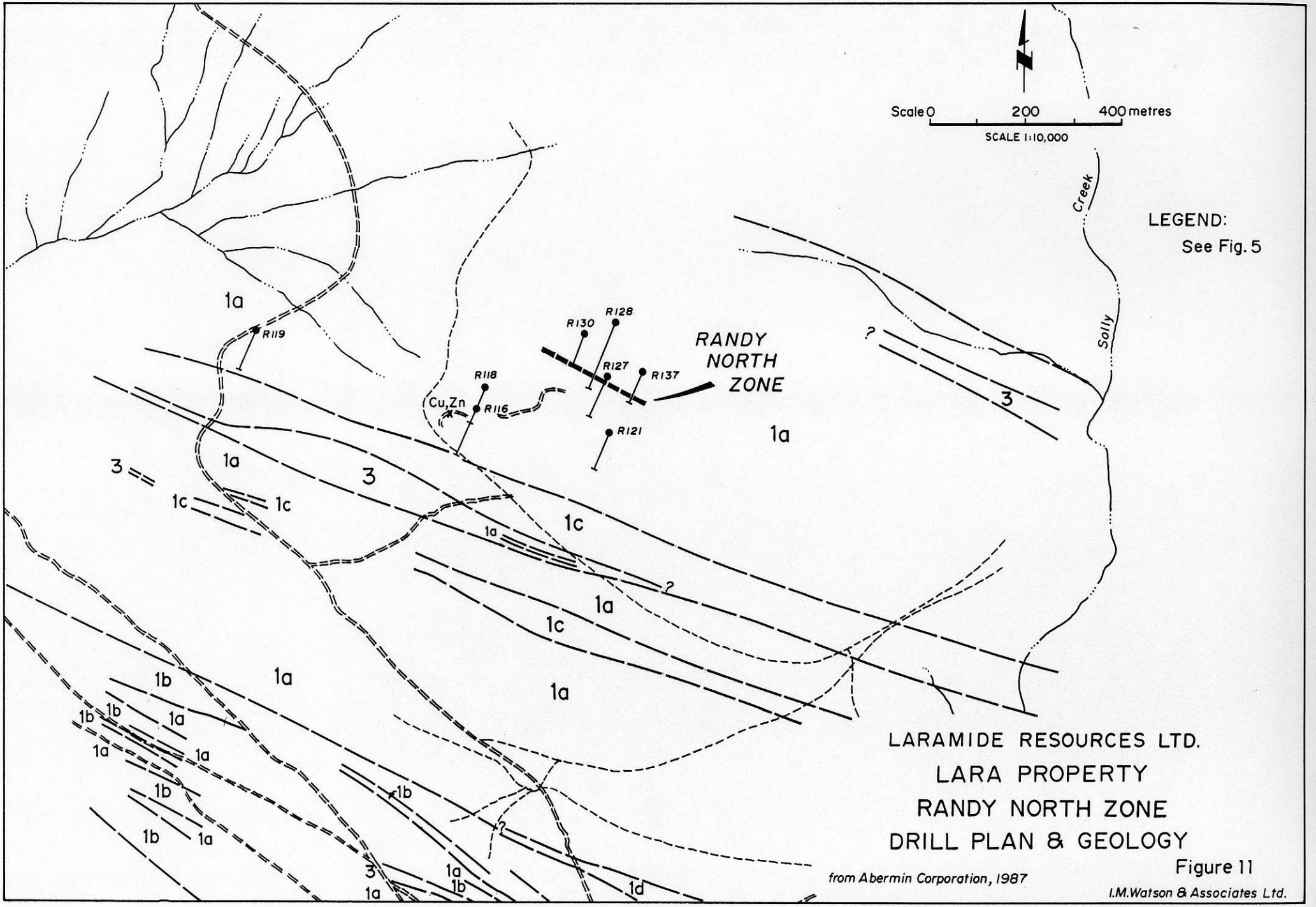
CORONATION ZONE & EXTENSION

INCLINED LONGITUDINAL SECTION

from Abermin Corporation, 1987

Figure 10

I.M.Watson & Associates Ltd.



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LARA PROPERTY

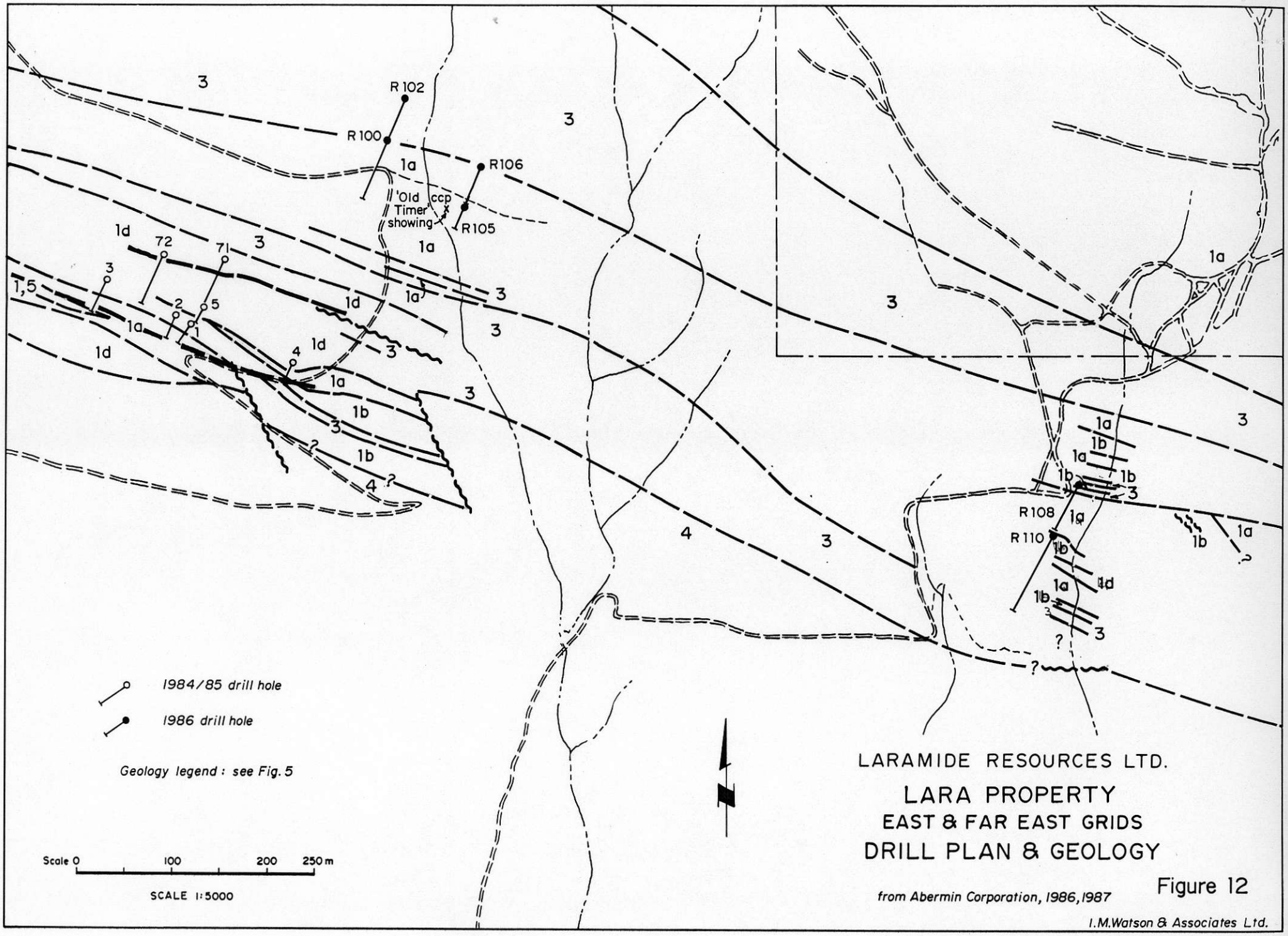
RANDY NORTH ZONE

DRILL PLAN & GEOLOGY

Figure 11

from Abermin Corporation, 1987

I.M.Watson & Associates Ltd.



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LARA PROPERTY
EAST & FAR EAST GRIDS
DRILL PLAN & GEOLOGY

Figure 12

from Abermin Corporation, 1986, 1987

I.M.Watson & Associates Ltd.

cutting polymetallic sulphides or pyrite produced 'ore class' intersections (Holes 80, 44 and 85) thus extending the potential strike of the zone by 500 metres (Fig. 7). However, more closely spaced drilling will be needed to establish the full extent and continuity of the sulphides to the east, west and at depth. (The significant Extension Zone intersections are shown in Table I).

Randy North Zone

This zone is hosted by pyritised, schistose felsic volcanics similar in composition to those containing the Coronation and Extension Zones 1,700 metres to the south (Figs. 5, 11). The geological target is enhanced by geochemical (Cu, Zn) and IP anomalies. The four holes testing the zone crossed several sulphide bands, from 0.1 to 2.5 metres wide, within a stratigraphic thickness of at least 150 metres. Principal sulphide constituents are spalerite and pyrite with minor chalcopyrite and tetrahedrite. The strongest zone cut, in hole R137, assayed 3,100 ppm Cu; 13 ppm Pb; 4.66% Zn; 11 ppm Ag and 80 ppb Au over 0.26 metres. The strike length tested is only 150 metres; several other geochemical and geophysical anomalies have been detected along the nearly 3,000 metres strike length of the host rocks within the property.

Reconnaissance Targets

Several other geological/geochemical/geophysical targets on the property warrant investigation or further work. **The Randy Zone,** 350 metres south of the Randy Zone North, contains disseminated sulphides along a 500+ metres strike length, and has been tested by only three widely spaced holes and one trench. IP surveys, currently being conducted over the northern property area, may provide more sharply defined targets over this and other favourable areas.

METALLURGICAL TESTING

Preliminary test work on drill core and trench samples obtained from the high grade massive sulphide portion of the Coronation Zone is being carried out by Coastech

Table 1

LARA PROJECT - SELECTED DRILL HOLE DATA

Hole	True Width (m.)	Cu%	Pb%	Zn%	Ag/opt	Au/opt
Coronation Zone						
DDH 84-12	8.27	0.68	0.45	3.01	1.97	0.105
DDH 85-15	5.21	0.62	0.73	4.71	3.21	0.153
DDH 85-24	1.41	0.15	0.39	2.64	5.08	0.071
DDH 85-27	3.39	2.01	0.58	3.34	2.11	0.050
DDH 85-33	2.14	0.57	2.66	7.23	1.84	0.053
DDH 85-34	2.75	1.00	0.52	9.14	1.47	0.041
DDH 85-36	4.32	0.86	0.50	3.47	2.41	0.289
DDH 85-37	6.28	1.21	0.35	2.04	1.61	0.051
DDH 85-39	2.41	0.36	1.05	3.30	1.87	0.098
DDH 85-62	4.40	0.91	0.80	8.01	5.61	0.281
DDH 85-63	4.50	0.46	0.10	4.20	1.01	0.048
DDH 85-65	1.50	0.10	0.20	0.57	0.71	0.166
DDH 85-68	3.95	1.20	1.61	5.86	4.03	0.048
DDH 86-122	2.07	0.36	0.53	2.93	2.87	0.255
DDH 86-129	3.61	0.23	0.41	2.57	1.24	0.054
DDH 86-132	8.06	0.71	1.40	6.80	2.65	0.059
DDH 86-134A	6.32	0.98	0.78	5.84	3.19	0.207
DDH 86-135	2.72	1.81	3.37	15.94	7.32	0.240
DDH 86-136	5.54	0.34	0.86	5.55	1.54	0.029
DDH 86-139	9.06	0.71	2.20	9.59	4.79	0.108
DDH 86-141	4.80	0.51	1.85	6.21	3.44	0.260
DDH 86-144	2.08	0.91	0.93	3.82	2.48	0.071
DDH 86-146	1.50	4.75	3.80	22.70	16.47	0.113
Weighted Average:	4.19	0.84	1.08	5.80	3.08	0.122
Coronation Zone - west step-out						
DDH 86-94	6.05	0.15	0.49	1.07	2.52	0.081
Extension Zone						
DDH 85-40	3.68	1.16	2.53	9.22	8.60	0.213
DDH 85-42	1.74	0.11	1.11	2.65	1.25	0.096
DDH 85-44	5.84	0.33	0.95	4.08	1.88	0.168
DDH 85-48	2.39	0.55	0.66	4.28	1.30	0.023
DDH 86-77	1.67	0.48	2.24	6.56	4.95	0.172
Weighted Average:	3.06	0.56	1.44	5.43	3.67	0.148
Extension Zone - east step-outs						
DDH 86-80	2.98	1.26	2.48	5.87	3.17	0.132
DDH 86-85	1.71	1.50	0.66	9.72	5.49	0.159
DDH 86-114	1.50	0.94	3.10	11.05	3.95	0.069
Weighted Average:	2.06	1.25	2.18	8.18	4.00	0.124

Research Inc., North Vancouver. Drill core samples from both the Coronation and Extension Zones were also submitted for mineralogical examination.

Further work will be necessary but results so far indicate that the mineralogy of the two zones is essentially identical, and that no major problems would be encountered in the preparation of commercial flotation concentrates from the Coronation Zone sulphides.

CONCLUSIONS

1. The main part of the Lara 1986 diamond drilling programme was devoted to exploration of the Coronation and Coronation Extension Zones. Step-out drilling to the west of the Coronation Zone and east of the Extension Zone encountered significant sulphide zones in both areas. The spacing of the drill fences is too wide to establish whether these are continuations of the Coronation and Extension Zones or are separate zones, but there is strong evidence to suggest a strengthening of the upper Hanging Wall Zone to the west (see Figs. 7, 9 and 10).

2. Infill drilling of the Coronation Zone has delineated, at least in part, a high grade massive sulphide 'facies' extending for 180 metres along strike, 3.35 metres in thickness and averaging 1.5% Cu; 3.1% Pb; 14.9% Zn; 6.7 opt Ag; and 0.24 opt Au. The presence of this rich massive trend greatly enhances the Coronation Zone, not only in terms of immediate gains in overall metal content, but also as an indication of potential in areas not as closely explored.

3. 'Reconnaissance' drilling of geological/geophysical/geochemical targets has resulted in the discovery of a new polymetallic sulphide bearing felsic sequence 1,700 metres north of the Coronation Zone (Randy North Zone). Only 150 metres of a potential 3,000 metre strike length of the favourable unit has been tested.

RECOMMENDATIONS

1. The main objective of the 1987 exploration programme should be to increase the economic reserves of the Coronation and Extension Zones.

2. The best potential for expanding those reserves lies in the areas along strike from the already defined sulphide zones; a series of fill-in holes is recommended for the areas of low density drilling between, and to the east and west of the zones. Holes should be sited so that drill fences are no more than 25 metres apart; wider spacings risk 'losing' or missing zones due to the abrupt changes in facies and/or structure which characterise both the Lara and Buttle Lake deposits.

3. Particular attention should be paid to the areas surrounding "ore class" intersections in holes 80, 114 and 85 to the east of the Extension Zone, and in hole 94 (possible Hanging Wall Zone) to the west of the Coronation Zone.

4. Further work in the form of geophysical (IP) surveys, prospecting and trenching, is recommended to test the 3,000 metre strike length of favourable felsic volcanics hosting the Randy North Zone. Drilling would be dependent on results achieved.

PROPOSED PROGRAMME AND BUDGET

A $1.07 million programme has been proposed by Abermin for 1987. Under the terms of the Abermin/Laramide option agreement, Laramide may contribute 35% of the programme costs. The Abermin proposal has been approved and accepted by Laramide. The writer has reviewed the proposed programme and budget and considers them to be fully appropriate.

The Abermin programme and budget is summarised below. Laramide's share of the expenditures is as indicated.

	Total Cost	Laramide Share (35%)
Phase I, January 1 - March 31, 1987		
1986 data compilation and evaluation metallurgical and environmental studies	$ 99,250	34,740
Phase II, April 1 - June 30, 1987		
Diamond drilling (6,000 metres) Geophysical surveys Environmental studies	541,275	189,450
Phase III, July 1 - August 31, 1987		
Data compilation & evaluation of Phase I Trenching Environmental studies	80,3000	28,100
Phase IV, September 1 - October 31, 1987		
Diamond drilling (3,000 metres) (dependent on results of Phase I and II) Environmental studies	256,700	89,845
Phase V, November 1 - December 31, 1987		
Data compilation Environmental studies	36,700	12,845
Sub-totals	1,014,225	354,980
Overhead (approx. 6% of overall costs)	60,123	21,042
TOTAL PHASES I - V	$1,074,348	$ 376,022

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I. M. Watson

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA I. M. WATSON

COST SUMMARY

PHASES I - V

	Phase I	Phase II	Phase III	Phase IV	Phase V	Total
1. Salaries and administration	$ 41,200	68,225	35,500	37,000	22,600	$ 204,525
2. Accommodation and travel	2,425	8,825	4,650	6,550	1,950	24,400
3. Communications, freight, postage	1,000	2,500	2,000	2,500	500	8,500
4. Vehicle expenses	-	9,000	6,000	6,000	-	21,000
5. Equipment, purchases and rentals	4,225	6,725	3,150	5,650	2,650	22,400
6. Geochemical analyses, assays	4,000	14,000	-	8,000	-	26,000
7. Reproduction, printing	3,000	10,000	1,000	1,000	1,000	16,000
8. Trenching	-	-	15,000	-	-	15,000
9. Diamond drilling	-	360,000**	5,000***	180,000 **	-	545,000
10. Contract (surveying)	-	50,000	-	2,000	-	52,000
11. Environmental costs	12,000	12,000	8,000	8,000	8,000	48,000
12. Mining and recording fees	6,400*	-	-	-	-	6,400
13. Metallurgical studies	25,000	-	-	-	-	25,000
Total Costs (excluding overhead)	$ 99,250	541,275	80,300	256,700	36,700	1,014,225
Overhead (approx. 6% of overall costs)						60,123
TOTAL COSTS - PHASES I-V						$1,074,348
Laramide's Costs (excluding overhead) (35%)	$ 34,740	189,450	28,100	89,845	12,845	354,980
Overhead (approx. 6% of overall costs)						21,042
LARAMIDE'S COSTS-PHASES I-V (35%)						$ 376,022

* Stumpage permits
** 6,000 m. @ $60.00/metre (all in cost)
*** Drill site reclamation

CERTIFICATE OF QUALIFICATIONS

I, **Ivor Moir Watson,** of 584 East Braemar Road, North Vancouver, hereby certify that:

1. I am a consulting geologist with offices at 816 - 675 West Hastings Street, Vancouver, B.C.

2. I am a graduate of the University of St. Andrews, Scotland (B.Sc., Geology, 1955).

3. I have practised my profession continuously since graduation.

4. I am a member in good standing of the Association of Professional Engineers of B.C., and a Fellow of the Geological Association of Canada.

5. This report is based on information obtained from visits to the Lara project on August 29 and November 21, 1985; from examination of drill core and all relevant property data; and from discussions with Laramide and Abermin personnel. Further background information was derived from vists to the Westmin Resources Ltd. Buttle Lake property in 1969 and August 1985, and from a one month geological survey of the adjoining Mt. Sicker area made by the writer in 1972.

6. I have no interest nor do I expect to receive any interest, direct or indirect, in the Lara Property or in the securities of Laramide Resources Ltd. or its subsidiary.

7. I consent to the inclusion of this report in a prospectus or Statement of Material Facts.

February, 1985
Vancouver, B.C.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
I. M. WATSON

Ivor M. Watson, B.Sc., P.Eng.

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