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December 12, 1995

The Directors  
Consolidated Taywin Resources Ltd.  
Suite 203 - 960 Richards Street  
Vancouver, B.C. V6B 3C1

Dear Sirs:

**Re: MT. DIADEM PROPERTY**  
Vancouver Mining Division, British Columbia  
Latitude 50 00'N; Longitude 124 04'W  
NTS 92K/1E

### Introduction

This letter report on the Mt. Diadem property, prepared at your request, is based on information provided by A.O. Birkeland, P.Eng., and on the writer's background knowledge of the geology and mineral deposits of the Jervis Inlet area.

### Location and Access

The Mt. Diadem property is situated immediately west of Prince of Wales Reach on lower Jervis Inlet 35 km northeast of Powell River and 100 km northwest of Vancouver. Access to the principal mineral showings is by helicopter.

### Mineral Property

The Mt. Diadem property currently consists of one 4-post mineral claim located in the Vancouver Mining Division and recorded in the name of Fury Explorations Ltd. Details are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
DIADEM	258132	9	June 5, 1996

### Past Work

Initial work in the area of the present property dates back to the 1920's when some trenches and two short adits were excavated. Sporadic work until 1980 included some geophysical work and limited drilling. A major program in the early 1980's included detailed geological mapping, geochemical surveys and 900 metres of diamond drilling in 9 holes.

### Geological Setting

The Mt. Diadem property is within a linear, northwest-trending roof pendant of early Cretaceous volcanic and sedimentary rocks contained within granitic rocks of the

Coast Crystalline Complex.

Polymetallic massive sulphide mineralization is exposed in the vicinity of two adits which are 800 metres horizontally and 300 metres vertically apart. Where exposed, the massive sulphide lenses are 2 to 3 metres in width and are hosted by brecciated and altered argillaceous sedimentary rocks very close to contacts with chloritic volcanic flows. Recent sampling in the area of the upper adit returned values of between 0.7 and 1.2% copper, 0.2 and 1.2% lead, 1.8 and 1.9% zinc and 5 and 66 oz/ton silver.

Diamond drilling in 1984 disclosed the presence of three en-echelon, apparently stratabound, sulphide bearing zones within a 30 metre width and over a strike length of at least 120 metres. Best drill intersection was reported as containing 0.79% copper, 2.74% lead, 1.6% zinc and 3.9 oz/ton silver over a 12 metre length.

An electromagnetic survey identified a number of conductive zones subparallel to the favourable volcanic-sedimentary contact over a potential strike length of several km. Stream sediment geochemistry suggests strike extensions of the mineralized zones north of their known limits.

#### **Conclusions and Recommendations**

The Mt. Diadem property has demonstrated potential for polymetallic, volcanogenic massive sulphide mineralization in a geological setting well known for this style of mineralization. A nearby example is Britannia mine south of Squamish which produced 47.8 million tonnes grading 2.8% copper and 0.26% zinc plus gold and silver credits.

Work to date has only partially investigated the potential of the property and additional work is warranted. A \$400,000 program is recommended to include a preliminary phase of data compilation prior to detailed geological mapping, geochemical surveys and prospecting along the favourable volcanic-sedimentary contact. Diamond drilling would constitute the second phase of work.

Respectfully submitted,

N.C. Carter, Ph.D. P.Eng.