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SHERWOOD MINE EVALUATION
Alberni Mining Division, B.C.
Casamiro Resource Corporation

Introduction

The writers have assessed available data pertaining to previous exploration and development work on the Sherwood Mine property at the headwaters of Drinkwater Creek, 45 km northwest of Port Alberni.

The property was developed by more than 800 metres of drifting, crosscutting and raising on three main levels and two sub-levels between 1940 and 1945.

Detailed underground sampling was carried out by the British Columbia Department of Mines (Dr. H. Sargent) in 1940 and more recently by Casamiro Resource Corporation and one of the undersigned (RTH). There is good correlation between the various sample results and weighted averages of all results have been used in determining average gold and silver grades.

Geological Setting

The Sherwood property is underlain by a complex of Sicker Group volcanic and sedimentary rocks intruded by swarms of granitic and basic dykes.

An east-northeast striking, steeply north dipping shear zone cuts the complex and extends 365 metres along strike to the east from the uppermost underground working and to the west to Drinkwater Creek. The shear zone hosts the Sherwood Vein.

Other mineralized structures known on the claims include the No. 1 and 2 P.D.Q. veins, 1.5 km east of the Sherwood Vein. No.1 P.D.Q. vein strikes north-northeast and was traced in open cuts over a 700 metre strike length. The northernmost exposed 100 metres of strike length has reported better mineralization over 0.15 - 0.50 metre widths. Sampling by Sargent yielded values of 63 grams/tonne gold and 89 grams/tonne silver over 0.46 metre.

No.2 P.D.Q. vein, parallel to and 300 metres south of No.1 vein, is exposed in open cuts over 100 metres of strike length. Several samples collected by Sargent (1941) included one over 0.38 metres which assayed 32.8 grams/tonne gold and 144.0 grams/tonne silver.

Evaluation of Sherwood Vein

Extensive underground workings and previous sampling of the mineralized zone indicate a steeply southwest plunging shoot containing significant gold and silver values. Better average grades (29.5 - 71.0 g/t gold; 44.2 - 106.6 g/t silver) occur over average widths of 0.51 - 0.63 metre, a strike length of 55 metres and a vertical range of 184 metres near the exposed southwestern limits of the shear zone.

Average grades have been diluted over a 1.5 metre width, assuming nil gold and silver grades in wallrock.

A conservative estimate of geological reserves within the Sherwood Vein is:

42300 tonnes grading 14.0 g/t gold, 24.7 g/t silver

(Imperial units: 46,630 tons grading 0.409 oz/ton gold,)
(0.72 oz/ton silver)

Using February 24, 1989 gold and silver prices (\$US) and a 1.197 conversion rate to \$Canadian, the gross, in situ value of this reserve is:

\$9,152,697.00

Note that this figure includes only those reserves indicated by previous sampling within the Sherwood Vein structure. There is undoubtedly good potential for additional shoots of good grades of gold-silver mineralization within the shear zone which has been traced along strike on surface over several hundred metres and which has been subjected to only limited investigation.

There is also additional potential within the Nos. 1 and 2 P.D.Q. vein structures.

The geological reserves calculated for the Sherwood Vein are considered to be a much more realistic estimate than the 45000 tonnes grading 51 grams/tonne gold reported for the property by the Ministry of Energy Mines and Petroleum Resources on Preliminary Map 65, 1988.

Value of Previous Work

The cost of duplicating existing underground workings on the Sherwood property has been conservatively estimated by one of the undersigned (RTH) at \$909,000.

Casamiro Resource Corporation's expenditures on the Sherwood property since 1985 are reportedly in the order of \$1,300,000.00

Value of Sherwood Property

Geological Reserves	\$9,152,697.00
Underground Development	\$909,000.00
Casamiro Expenditures	\$1,300,000.00
Total	\$11,361,697.00

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