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October 12,1987

Mr. Y.S. Nikhanj
Faraway Gold Mines Ltd.
1700 Aquitaine Tower
540 Fifth Avenue SW
Calgary, Alberta
T2P 0M2

Dear Mr. Nikhanj:

Re: SAM Mineral Claim
Omineca Mining Division
British Columbia

Pursuant to your request, I offer the following comments regarding past exploration efforts and results obtained from the SAM mineral claim plus suggestions for the 1987 program.

Previous Work

The previous management of Faraway Gold Mines Ltd. entered into an option agreement with Lorne Warren of Smithers,B.C. in 1984 and that year drilled 15 percussion holes. An additional 25 holes, bringing total drilled to 4200 metres, were drilled in 1985 following which the writer was retained to prepare a qualifying report for an initial prospectus.

This report recommended a $150,000 program to include 4 diamond drill holes and additional percussion drilling as warranted to test a partially defined alteration zone with strongly anomalous zinc, silver and copper values.

Following a public underwriting in early 1986, some 37 additional percussion holes, totalling 2500 metres, were drilled by the then president of the Company. Locations of most of these holes are imprecisely known, but it is significant that one of these, PDH 43, succeeded in intersecting 6.1 metres grading 3.92 oz/ton silver in what is now known as the East Zone.

Paul Chun, contract geologist, was retained by the Company at the urging of the writer and diamond drilling began in July of 1986. The first two holes were drilled to test the original (West) zone partially defined by original percussion drilling. Subsequent holes were directed to the new (East) zone. At this point, Paul Chun left the project, because of apparent non-payment, taking with him results of a chain and compass survey of all 1986 percussion and diamond drill holes.

Brian Brown, a geologist from Smithers, was retained to log subsequent drill holes. Samples from the last two holes drilled were analyzed only recently.

Current Status

Equity Silver Mines has recently established a survey station on the SAM claim which is tied into the mine grid. Marked drill collars in the East zone are being surveyed at present.

Analytical results from 1986 percussion and diamond drill holes are in hand and copies have been provided to both Faraway and Equity.

Efforts are underway to locate Paul Chun to obtain locations for 1986 percussion holes.

All 1986 diamond drill core is at Equity mine and re-logging of same is underway.

Percussion Drilling Results

1984 and 1985 percussion drilling identified a quartz-sericite alteration zone in the central part of the SAM claim which trends northeast and is at least 200 metres wide and 350 metres long. Sulfide contents (mainly pyrite) within the zone range from a minimum 2-3% to as much as 30% over lengths of up to 30 metres. Zones of higher sulfide content have strongly anomalous zinc, silver and lesser copper values. Highest values obtained were 3 metre sections of 50 ppm silver and 15000 ppm zinc.

As previously noted, one 1986 percussion hole - PDH 43 - intersected 135.1 ppm silver (3.92 oz/ton) over a 6.1 metre length between 24.38 and 30.48 metres. This result was obtained from the East zone, approximately 1 km southeast of West zone.

Other percussion holes indicated several zones with anomalous (+5 ppm) silver values including:

Percussion Drill Hole No.	Ag (ppm)	Sample Interval (ft)
41	16.1	140-150
	65.3	220-230
	24.1	230-240
	5.6	280-290
44	10.2	240-250
46	10.4	120-130
49	8.2	70-80
50	5.3	150-160
	8.9	170-180
	8.2	220-230

59	5.5	120-130
	6.8	210-220
	9.7	220-230
	7.8	230-240
	6.3	240-250
69	6.3	50-60
73	13.7	60-70
	5.1	180-190
	16.5	190-200
	7.4	200-210
	6.5	210-220
	6.0	230-240
74	5.4	160-170
	5.5	170-180

Location for PDH 41 is approximately known (see sketch). Locations for the remaining holes may be found during the present survey and/or by securing data from Paul Chun.

Results of Diamond Drilling

Seven diamond drill holes, totalling approximately 1100 metres, have been drilled on the SAM claim to date.

Two -45° holes, totalling 300 metres, were drilled to test the West zone as defined by earlier percussion drilling. Both holes intersected variable sulfide contents in grey to cream coloured tuff breccias cut by numerous porphyry and basic dykes. Silver values were low, although anomalous zinc was encountered in the vicinity of similar values cut by percussion holes (see sketch).

Rob Pease, Equity Silver (personal communication) advises that the style of alteration and mineralization seen in these two holes is similar to hangingwall alteration at Equity mine. Since both holes were drilled at 330° azimuth, it would be adviseable to further test this zone by additional inclined holes drilled in the opposite direction - ie- 150° azimuth.

The remaining 5 holes were drilled to test the East zone, principally as a follow-up to PDH 43. Precise locations of these holes are being surveyed; the attached sketch map shows general locations only. These are based on a chain and compass survey of holes 3-5 by the writer in September,1986, supplemented by information from B.H. Kahlert. The azimuth of hole 5 (100°) is based on information obtained by the writer from L.D. Spence and is at variance with Kahlert's sketch.

Some impressive results were obtained from these closely spaced holes. In most cases,where high geochemical values were

subsequently checked by fire assay, the latter values were higher. Results for significant sample intervals are as follows:

Diamond Drill Hole No.	Ag (ppm)	Ag (oz/ton)	Interval (m)	Length (m)
DDH 3	134.6	3.90	21.35-21.90	0.55
		4.64 (FA)		
DDH 4	438.9	12.73	22.70-23.70	1.0
		20.85 (FA)		
	235.0	6.80	46.00-47.70	1.70
DDH 5	38.5	1.16 (FA)	126.0 -127.7	1.70
		0.68 (FA)	214.3-216.2	1.90
	43.2	1.25 (FA)	225.4-225.5	0.10
	55.2	1.53 (FA)	228.9-EOH?	?
DDH 6	377.9	11.0	27.4-30.3	2.90
DDH 7	58.2	1.69	45.8-46.6	0.80
	233.3	6.77	72.4-75.6	3.20

Note that weighted average grades have been calculated for longer sample intervals. Copper values for these intervals range from 0.15-0.45%, similar to recovered grades at Equity. It is also important to note that higher silver grades are accompanied by significant values for arsenic, antimony, bismuth, lead and zinc. These data suggest similar mineralogy to the Equity deposit.

Limited data suggests an apparent east-west trend for the silver-bearing zone, or nearly normal to the trend of the Equity ore zones. This interpretation is subject to change based on results from the drill hole survey.

Most intersections (in the vicinity of PDH 43) are within 30 metres of surface. Deeper intersections, in holes 5 and 6 near the eastern end of the zone as drilled to date are over a vertical range of 200 metres and suggest a near vertical dip.

Conclusions and Recommendations

Significant values obtained recently for holes 6 and 7 should be checked by fire assay as soon as possible.

Results to date indicate that the East zone warrants immediate priority for additional diamond drilling. Pending interpretations based on the drill hole survey and re-logging of holes 3-7, it is recommended that an initial 6 holes be drilled at -50° and at an azimuth of 180° to test the hypothesis of a crudely east-west

trending silver-bearing zone. These holes should be drilled at 20 metre spacings and to depths of 100 metres. Previous drilling indicates overburden depths of 10 to 15 metres.

Should the initial holes intersect the zone as planned, an additional one or two holes at steeper inclinations could be drilled from each set-up prior to stepping out along strike.

The West zone warrants additional drilling on a reciprocal azimuth to previously drilled holes.

Other targets have been indicated by 1986 percussion drilling. Efforts should be continued to obtain the chain and compass survey for these holes. Failing this, it may be necessary to survey all marked percussion holes.

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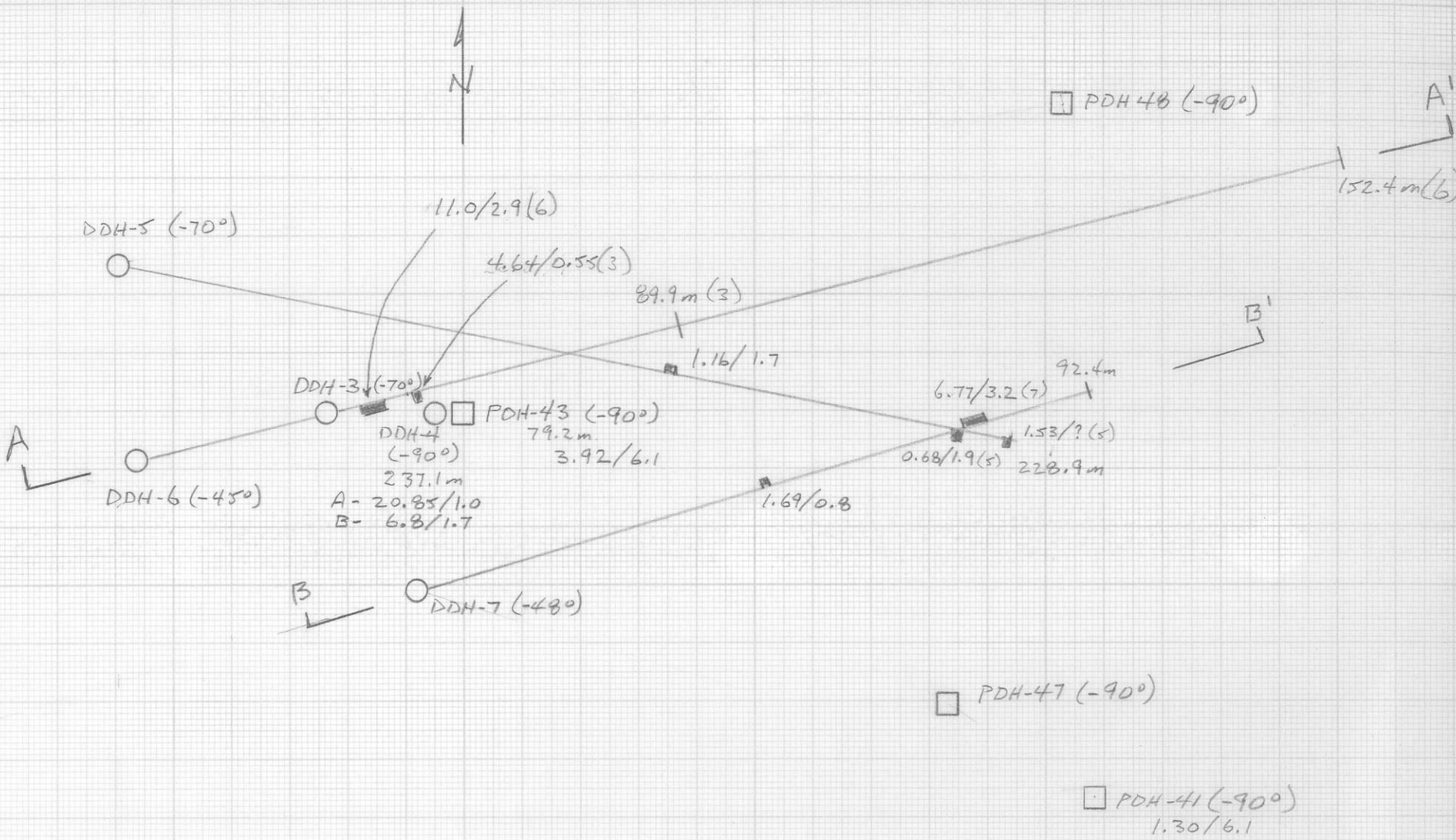
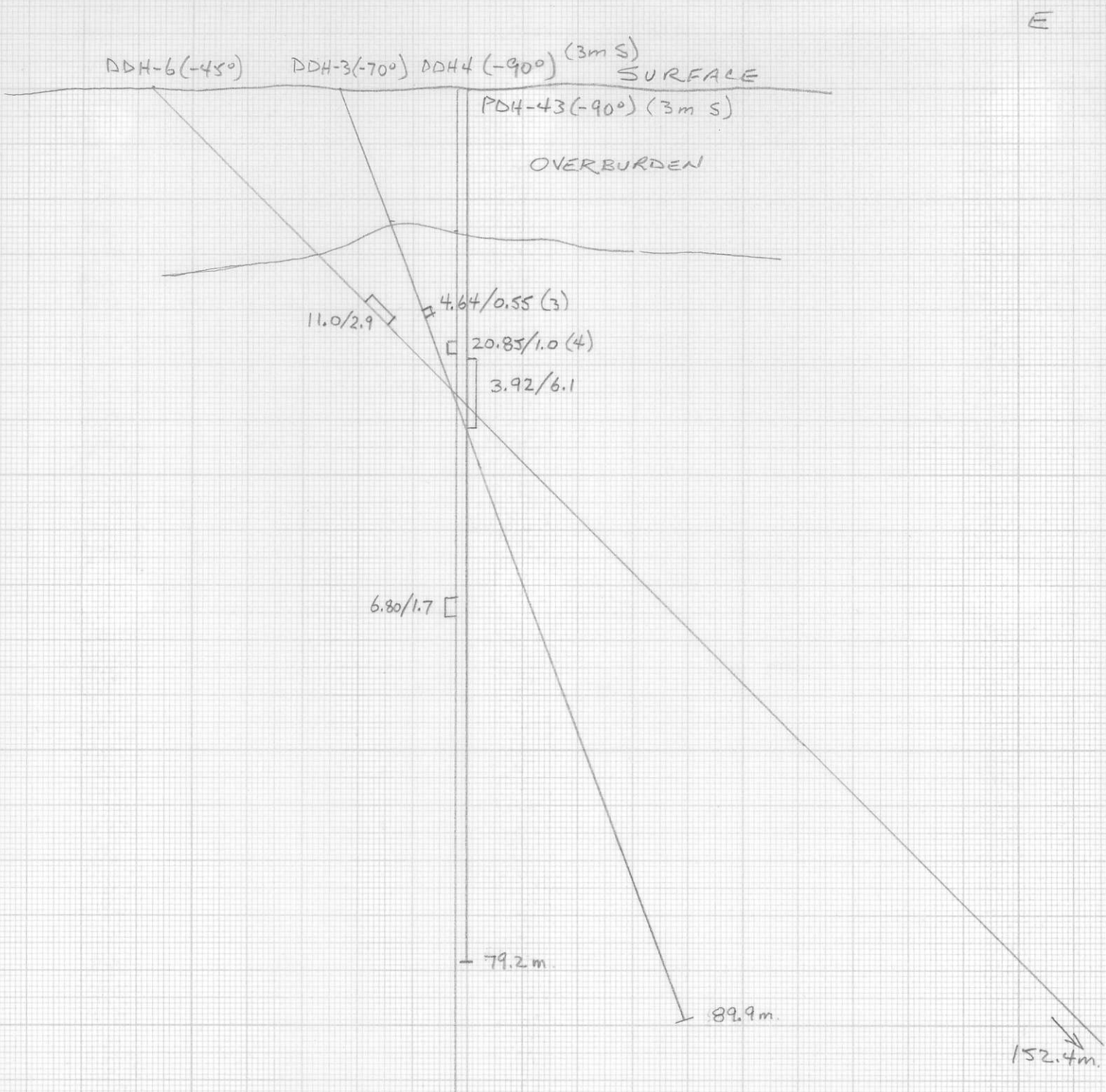


FARAWAY GOLD MINES LIMITED
SAM CLAIM
EAST ZONE DRILL PLAN

N. C. CARTER
OCTOBER 12, 1987

10.0/1.9 - oz/ton Ag/metres



FARAWAY GOLD MINES LIMITED
SAM CLAIM
EAST ZONE DRILL SECTION A-A'
Looking N15°W

N. C. CARTER
OCTOBER 12, 1987

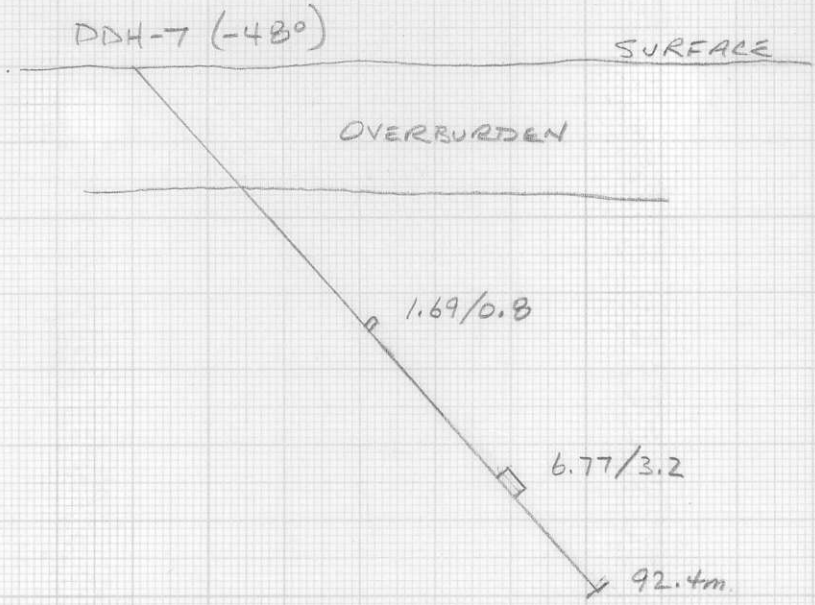
0 5 10 15 20 25 METRES
1:500

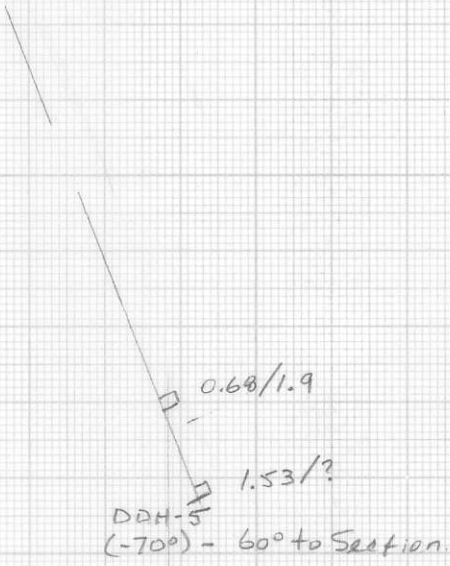
237.1m

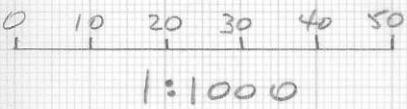
6.80/1.7 = oz/ton Ag / metres.

W

E







FARAWAY GOLD MINES LIMITED
SAM CLAIM
EAST ZONE - DRILL SECTION B-B'
Looking N 15° W

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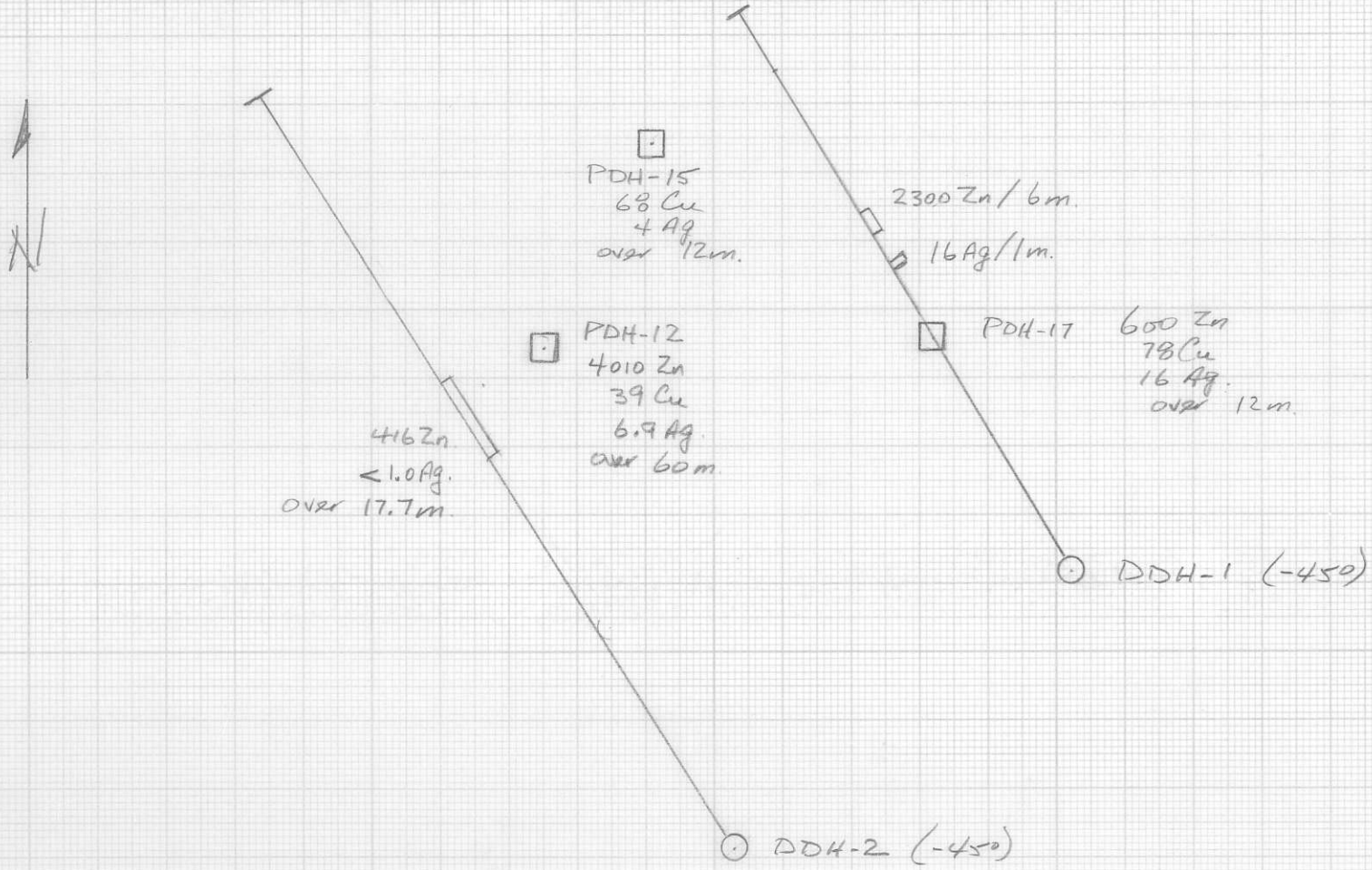
OCTOBER 12, 1987

6.77/3.2 = oz/ton Ag/metres



FARAWAY GOLD MINES LIMITED
SAM CLAIM
WEST ZONE DRILL PLAN

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OCTOBER 12, 1987.

Note: All Values in ppm.

0 10 20 30 40 50 Metres

1:1000