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June 12.1986

Mr. Lorne H. Spence
President
Faraway Gold Mines Ltd.
1100 - 475 Howe Street
Vancouver, B.C.
V6C 2B3

Dear Lorne:

Re: Current Exploration Program - SAM Claim

I offer the following comments and recommendations for your consideration.

(1) Percussion Drilling Program

I recommend that no further percussion drilling be carried out pending receipt of assays from drilling to date and compilation of data. The positions of all 1985 and 1986 percussion holes should be transit surveyed or at least tied together by a relatively quick chain and compass survey prior to a proper job. Hole locations should be known and plotted as soon as possible, preferably before release of any 1986 percussion hole results. A geological log of all reject samples from holes drilled this year should be undertaken.

(2) Diamond Drilling Program

The first two holes should be drilled as per the attached sketch to test the partially defined 1985 zone. The other 2 or 3 holes could be drilled in the same area or to test the 1986 zone; hole locations to be based on results of percussion holes.

I would strongly recommend that a competent geologist, knowledgeable with the area, be retained prior to commencement of the diamond drilling program. Such person could perform all the jobs mentioned above and ensure that the drill holes are located and oriented properly, and log and sample the core. The best man for the job is Tony L'Orsa. A person of Tony's calibre does not come cheap, but I would refer you to my original cost estimate wherein I allocated \$15,000 for supervision and engineering. I know Tony has a stock position in Faraway but I do not believe this would preclude him from doing the job. I would be able to offer an independent assessment when necessary.

I believe the above recommendations, if adopted, would ensure a comprehensive and efficient assessment of the SAM property.

cc: B.D. Speton

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August 4, 1986

Mr. Lorne H. Spence
President
Faraway Gold Mines Ltd.
1100 - 475 Howe Street
Vancouver, B.C.
V6C 2B3

Dear Mr. Spence:

Re: Current Exploration Program - SAM Claim

The undersigned visited the SAM claim on July 8 and 29, 1986.

Diamond drill hole 1 (drilled on the location of proposed drill hole 2) had been completed to a depth of 150 metres (492 feet) at the time of my visit. This hole, drilled at an inclination of -45° and an azimuth of 330° , was designed to intercept better grade sections in percussion holes 15 and 17 in the main zone in the north-central part of the SAM claim.

In the writer's opinion, lithologies intersected in hole 1 are similar to host rocks at the nearby Equity silver-copper mine. Principal rock type is a grey to cream coloured tuff breccia featuring fractured, rounded fragments. Numerous later (Tertiary) porphyry and basic dykes intrude the volcanic sequence, a feature also seen at Equity.

Sulfide content is variable throughout hole 1 with some pyrite stringers in the upper section of the hole. The last 50-60 feet features abundant disseminated pyrite with a dark mineral (metallic?) in fractures and may correspond with the zone of higher sulfide content in percussion hole 15.

Diamond drill hole 2, 210 feet southwest of hole 1, was drilled at the same inclination and azimuth to a depth of 600 feet. This hole intersected numerous late dykes and gouge material. A cursory examination shows that higher sulfide concentrations (pyrite) are restricted to the last 100 feet and pinheads of a dark grey metallic mineral are also present.

Analytical results from drill hole 1 reportedly show low silver values. Core from hole 2 was awaiting Paul Chun's return for logging and sampling.

Diamond drill holes on the main zone were planned to provide a geological framework for the apparent zinc, copper and silver

values encountered in percussion holes drilled in 1985. It has been suggested that both holes 1 and 2 may be in hangingwall rocks (Rob Pease, geologist, Equity mine) and it is therefore recommended that any further drilling of the main zone should be undertaken on a reciprocal azimuth-*ie*: 150°.

At the time of the writer's July 29 visit, the diamond drill was set up on a potential new zone in the southeast part of the claim about 0.5 mile southeast of the main zone. Percussion hole 43, drilled earlier this year, intersected a 20 ft. section between 80 and 100 feet averaging 135.1 ppm silver (3.92 oz/ton) 1219 ppm copper, 1972 ppm zinc and 278.5 ppm lead. (Average silver content of this hole between 70' and hole depth of 260 feet is 40.1 ppm).

Diamond drill hole 3, designed to intersect the better part of this zone at a depth of 100 feet, is being drilled at an azimuth of 080° and an inclination of -70°.

With the exception hole 41, which intersected 44.7 ppm silver between 220 and 240 feet, other percussion holes in the immediate area yielded low values, suggesting that the zone intersected in hole 43 is steeply dipping. Should the zone be intersected in diamond drill hole 3, it is recommended that additional holes include 50 ft. step outs north, south and west of drill hole 3, all holes to be drilled at the same azimuth and inclination in an attempt to define attitude of the zone.

General Comments

I plan to be back in the area in August and will look in on the project at that time.

I understand Paul Chun plans to do a chain and compass survey of all percussion and diamond drill holes to date - this will assist greatly in interpretation of both the main and new zones.

N.C. Carter