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February 4, 1987

The Directors  
 Armor Development Corporation  
 1984 - 1055 Duñsmuir Street  
 P.O. Box 49284 - Bentall 4  
 Vancouver, B.C.  
 V7X 1L3

Dear Sirs:

Re: JOANNA I AND II MINERAL CLAIMS  
 Toodoggone River Area  
 Omineca Mining Division, B.C.

The writer has only recently been made aware of a Geochemical Report on the Joanna I and II mineral claims, prepared by James S. Steel and J. Paul Sorbara and dated October 23, 1986. This report makes reference to a 1985 Geochemical Report by Malcolm Bell and it is now apparent that expenditures totalling \$22,110.80 have been incurred in carrying out exploration work on the Joanna I and II mineral claims since preparation of my original report of May 27, 1985.

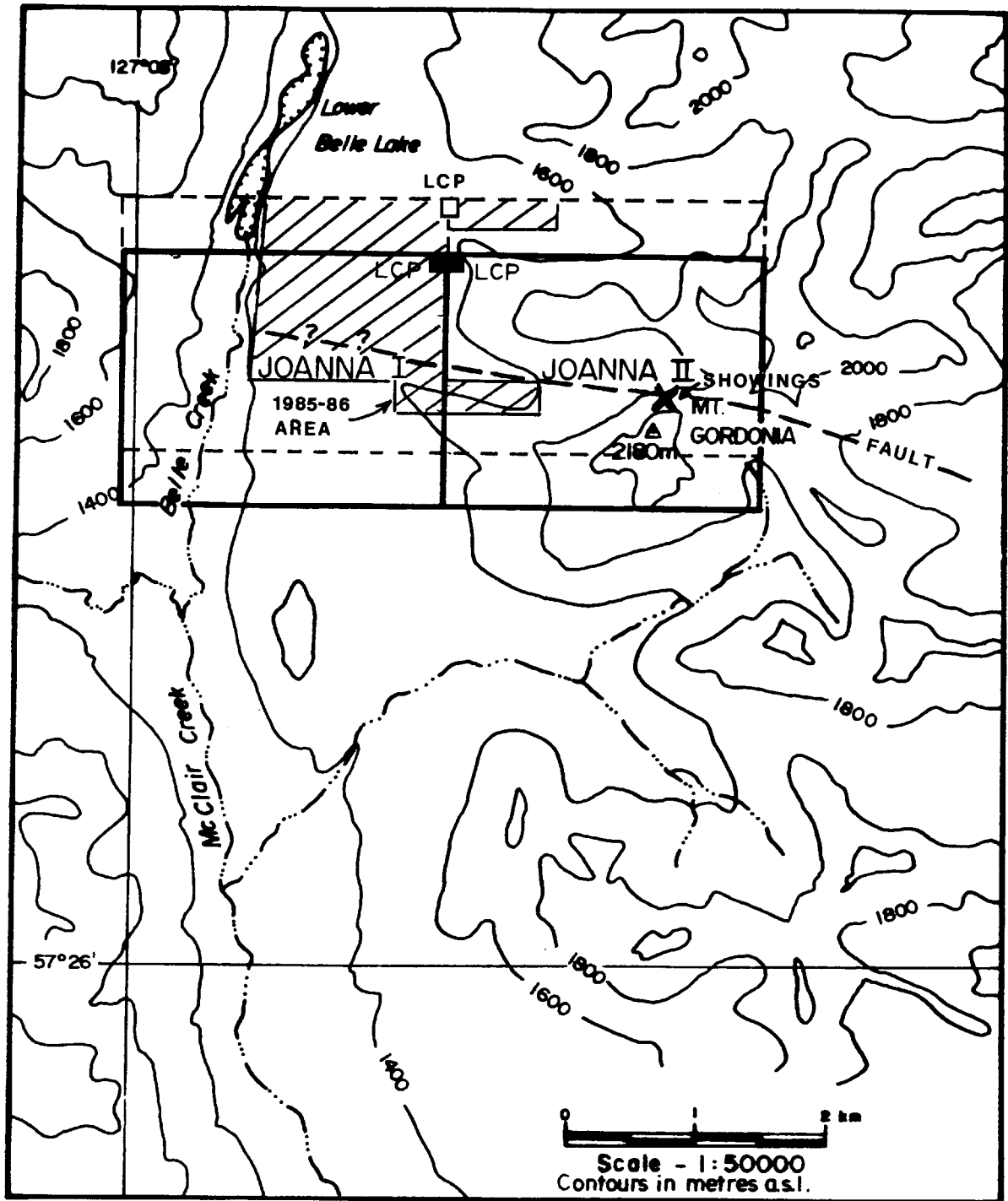
Exploratory work to date generally conforms to the recommended program in my initial report. Results obtained from the two work programs necessarily require that I make some modifications to the original recommended program and cost estimates. The following comments are intended to serve as an addendum to my May 27, 1985 report.

**MINERAL PROPERTY**

The property consists of two Modified Grid mineral claims in the Omineca Mining Division of British Columbia, as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Record Date</u>
Joanna I	6939	20	March 25, 1985
Joanna II	6940	20	March 25, 1985

Assuming the 1986 Geochemical Assessment report by James S. Steel and J. Paul Sorbara is accepted for assessment work credit, expiry dates will be extended to March 25, 1988.



JOANNA I and II MINERAL CLAIMS

Exploratory work on the claims has more accurately defined the position of the Legal Corner Posts for both claims which are some 500 metres north of the position shown on the appended sketch map.

#### 1985 and 1986 WORK PROGRAMS

A four day program in August of 1985 (Bell,1986) consisted of the collection of 8 panned stream sediment samples, 2 rock samples and 229 soil samples which were taken at 50 metre intervals along east-west grid lines at 200 metre spacings, principally in the northern half of the Joanna I claim (see sketch map for area covered by 1985 and 1986 programs).

Geochemical analyses of soil samples for gold, silver, copper and zinc indicated several areas as having anomalous concentrations of these elements. Crudely coincident, weakly to moderately anomalous values for gold and silver (20-150 ppb and 1.2-4.4 ppm respectively) were found in the northwest corner of Joanna II claim and in the central part of Joanna I claim. Weakly anomalous copper values (+35ppm) flank the gold-silver anomalous areas on the west on the Joanna I claim.

The 1986 program (Steel and Sorbara,1986) was designed to further define the anomalous gold-silver zones in the central part of the Joanna I claim. A two and a half day program of soil sampling was carried out along grid lines south and east of those sampled in 1985 and the 99 samples collected were analyzed for arsenic, barium and lead in addition to gold, silver, copper and zinc.

Three linear, north-trending zones with anomalous gold and silver values were extended some 200 to 300 metres south by the 1986 program. The easternmost of these is crudely coincident with anomalous (+10 ppm) arsenic values. A zone of anomalous barium (+165 ppm) is in the southwest part of the Joanna II claim immediately east of the common boundary with Joanna I.

The 1986 program also included limited prospecting of mineral showings originally detected by Alakon Metals Ltd. in 1972 (Carter, 1985). These are north of the summit of Mt. Gordonia (see sketch map) on the Joanna II mineral claim and are apparently just south of a major east-west fault separating Takla Group volcanics on the north from Hazelton Group volcanic flows and pyroclastics (Diakow et al,1985). Pyrite, specular hematite, copper staining and numerous quartz veinlets are reported in creeks draining cirques north and west of the summit of Mt. Gordonia.

Two of five grab samples collected from the showings area in 1986 yielded geochemical values of 13.0 and 25.2 ppm silver and 1700 and 640 ppb gold. Anomalous concentrations of copper were also noted.

#### CONCLUSIONS AND RECOMMENDATIONS

Work to date has indicated several zones with anomalous gold and silver values in soils collected from the central part of the Joanna I mineral claim. It is considered significant that these anomalous zones are proximal to the postulated extension of the east-west fault noted on the Joanna II claim.

Limited prospecting in the area of the original mineral showings north of the summit of Mt. Gordonia on the Joanna II claim has indicated anomalous concentrations of gold and silver in a few of the rock samples collected.

The writer is of the opinion that approximately half of the originally recommended Phase I program has been completed at a reported cost of \$22,110.80. Results obtained to date are considered sufficiently encouraging to warrant completion of the Phase I program as follows.

Soil sampling of the remainder of the Joanna I claim should be completed and more detailed sampling is recommended to further define anomalous zones detected to date. The writer concurs with Steel and Sorbara (1986) that VLF-EM surveys be undertaken, particularly on the Joanna I claim, to determine the extension of the east-west fault structure.

Geological mapping and detailed prospecting are recommended for the Joanna II claim with particular emphasis directed to the mineralized area north of Mt. Gordonia.

Pending receipt of additional encouraging results from the balance of the Phase I work, Phase II would include more detailed sampling and hand trenching in selected areas.

COST ESTIMATE

Phase I

Expenditures to date \$22,110.80

Balance of Phase I -

Geological Mapping, prospecting	\$4,000.00
Crew Wages	\$5,000.00
Camp and support costs	\$2,500.00
Helicopter support	\$2,000.00
Analytical costs	\$3,500.00
Engineering, supervision	\$2,500.00
Report preparation	\$1,500.00
Contingencies	<u>\$2,389.20</u>

Total \$23,389.20

Total - Expenditures to date and  
Balance of Phase I \$45,500.00

Phase II (Contingent on Phase I Results)

Additional geochemical sampling,  
Hand Trenching \$60,000.00

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REFERENCES

- Bell, Malcolm(1986): Assessment Report - 1985 Geochemical Report on the Joanna I and II Mineral Claims, Private report for Armor Development Corp.
- Carter,N.C.(1985): Geological Report on the Joanna I and II Mineral Claims, Omineca Mining Division, British Columbia - Private report for Armor Development Corp.
- Diakow,L.J., Panteleyev,A. and Schroeter,T.G.(1985): Geology of the Toodoggone River Area, NTS 94F, B.C. Ministry of Energy Mines and Petroleum Resources Preliminary Map 61.
- Steel, James and Sorbara, J. Paul(1986): 1986 Geochemical Report on the Joanna I and II Mineral Claims - Private report for Armor Development Corp.

CERTIFICATE

I, NICHOLAS C. CARTER, of 1410 Wende Road, Victoria, British Columbia, do hereby certify that:

1. I am a Consulting Geologist, registered with the Association of Professional Engineers of British Columbia since 1966.
2. I am a graduate of the University of New Brunswick with B.Sc. (1960), Michigan Technological University with M.S. (1962) and the University of British Columbia with Ph.D. (1974).
3. I have practised my profession in eastern and western Canada and in parts of the United States for more than 25 years.
4. The foregoing comments are based on my personal background knowledge of the Toadoggonne River area, on a report prepared by me on the Joanna I and II mineral claims dated May 27, 1985 and on a review of reports as referenced.
5. I have no direct or indirect interest in the Joanna I and II mineral claims or in Armor Development Corporation.
6. Permission is hereby granted to use this letter report in support of a Statement of Material Facts to be submitted to the Vancouver Stock Exchange and the Office of the Superintendent of Brokers.

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