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**REPORT ON THE 1993 PROGRAM
OF MINING AND EXPLORATION
AT TILLICUM MOUNTAIN**

Bethlehem Resources Corporation
700-815 West Hastings Street
Vancouver, B.C. V6C 1B4

M. Tindall B.Sc., P.Geol.
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INTRODUCTION

The Tillicum Mountain property is located in southeastern British Columbia, 20 kilometres east of the village of Burton. Gold mineralization was discovered on the north side of Tillicum Mountain in 1980. Two gold zones have been defined on the property. Both zones have been extensively explored, The East Ridge zone principally by diamond drilling and the Heino-Money zone by drilling and underground development.

Reserves for both zones were calculated by Orcan Mineral Associates Ltd. in 1989. A geological reserve of 262,700 tons grading 0.394 ounces gold per ton was estimated for the East Ridge zone. A mining reserve of 13,244 tons grading 1.03 oz/t was estimated for the proven and probable categories in the Heino-Money zone. The bulk of the reserve in the Heino-Money zone was developed by underground workings.

On the basis of the reserve estimate, Bethlehem Resources Corporation and Goldnev Resources Inc. optioned the Tillicum property from the owner, Columbia Gold Mines Ltd. The objective of the option was to mine the developed, high grade reserve in the Heino-Money zone, to mill the ore at the Goldstream mine, north of Revelstoke and to potentially explore the remainder of the property.

1.0 SUMMARY

Permitting for the mining program at Tillicum Mountain began in the spring of 1993. Rehabilitation of the camp, mine road and underground workings on the property took place in July and early August. Mining commenced in mid August and was completed in late October. Mining was contracted to Procon Mining and Tunnelling Ltd. The project was operated by Bethlehem Resources Corporation.

Mining was by shrinkage stope methods and sublevel benching. The bulk of the ore mined during the 1993 program came from stopes and benches above and below the 2112 and 2130 levels. Small amounts of ore came from the 2148 and 2160 levels. With the exception of a small reserve adjacent to the number 3 raise above the 2160 level, all available, mineable, ore was mined during the 1993 program.

A total of 6,067 dry tons of ore, with an estimated grade of 0.714 oz per ton gold, was shipped to the Goldstream mine. Approximately 1,400 tons of low grade muck with an estimated gold content of 0.142 oz/t is stockpiled at the Tillicum property.

The Tillicum ore was trucked to the mill at Goldstream by tandem dump trucks. The ore was milled in two batches and gold was recovered by gravity in a jig concentrate and by flotation in a sulphide concentrate. Approximately 3,294 ounces of gold was recovered with a calculated head grade of 0.582 oz/t and a 93% recovery. Approximately 5,275 ounces of silver were also recovered. The above figures are calculated from mill assays. Final production figures for gold and silver production in 1993 will be based on smelter recoveries.

Exploration at Tillicum Mountain during 1993 consisted of one sub-level drift and diamond drilling beneath the 2112 bench. The exploration subdrift was driven along a mineralized structure at the 2185 metre elevation in an area where previous diamond drilling indicated anomalous gold mineralization. Eight diamond drill holes totalling 284.38 metres were drilled beneath the 2112 level. The holes were drilled in an attempt to trace high grade gold mineralization beneath the 2112 bench.

Mineralization within the exploration subdrift consisted of pyrrhotite and base metal sulphide stringers with minor quartz in strongly sheared and sericitized diorite. Gold assays from the exploration sublevel varied between values of 0.008 and 2.3 oz/t. Average gold values were in the 0.10 oz/t range.

Seven of the eight diamond drill holes failed to intersect mineralization similar to that encountered in the 2112 bench. DDH TAU93-107 returned the best gold intercept of the 1993 drill program. That hole intersected gold mineralization approximately six metres beneath the floor of the 2112 bench and returned a weighted average of 0.57 oz/t gold over 1.5 metres. Weak to moderate alteration zones were intersected in the

remaining drill holes but with only low gold values. The drilling indicates that the alteration and gold mineralization are displaced to the east beneath the 2112 bench with a rapid shallowing in dip and an attendant decrease in sulphide, quartz and gold content.

Mining at Tillicum produced approximately 7,500 tons of mineralized muck. Approximately 1,400 tons of that total was below ore grade. The amount of ore recovered from the 2112 and 2130 zones was close to the amount in the ore reserve estimate, although the gold grade was lower than estimated. Gold mineralization in zones above the 2148 level was found to be very erratic, generally below ore grade and often absent altogether. Approximately 785 tons of ore were mined from above the 2148 level versus 6,547 tons in the proven and probable categories of the reserve estimate.

The 1993 exploration at Tillicum Mountain failed to outline additional, readily mineable, reserves of gold mineralization. It is believed that the potential is high for additional, small zones of high grade gold mineralization within the Heino-Money trend. However, the cost of identifying and developing zones of this nature would, most likely, be greater than the value of any gold contained in them.

The Tillicum Mountain property remains an attractive exploration property for gold reserves in the lower grade, East Ridge zone. All identified zones of high grade gold mineralization in the Heino-Money zone have been mined by the 1993 program. Extensive amounts of additional exploration would be required prior to further mining on the property.

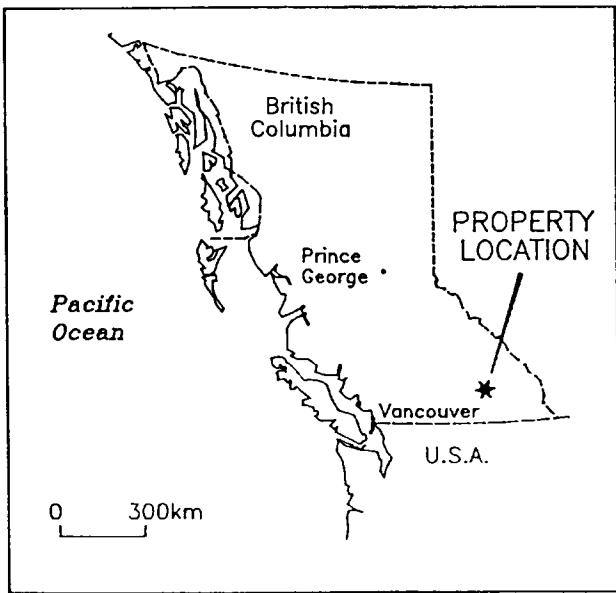
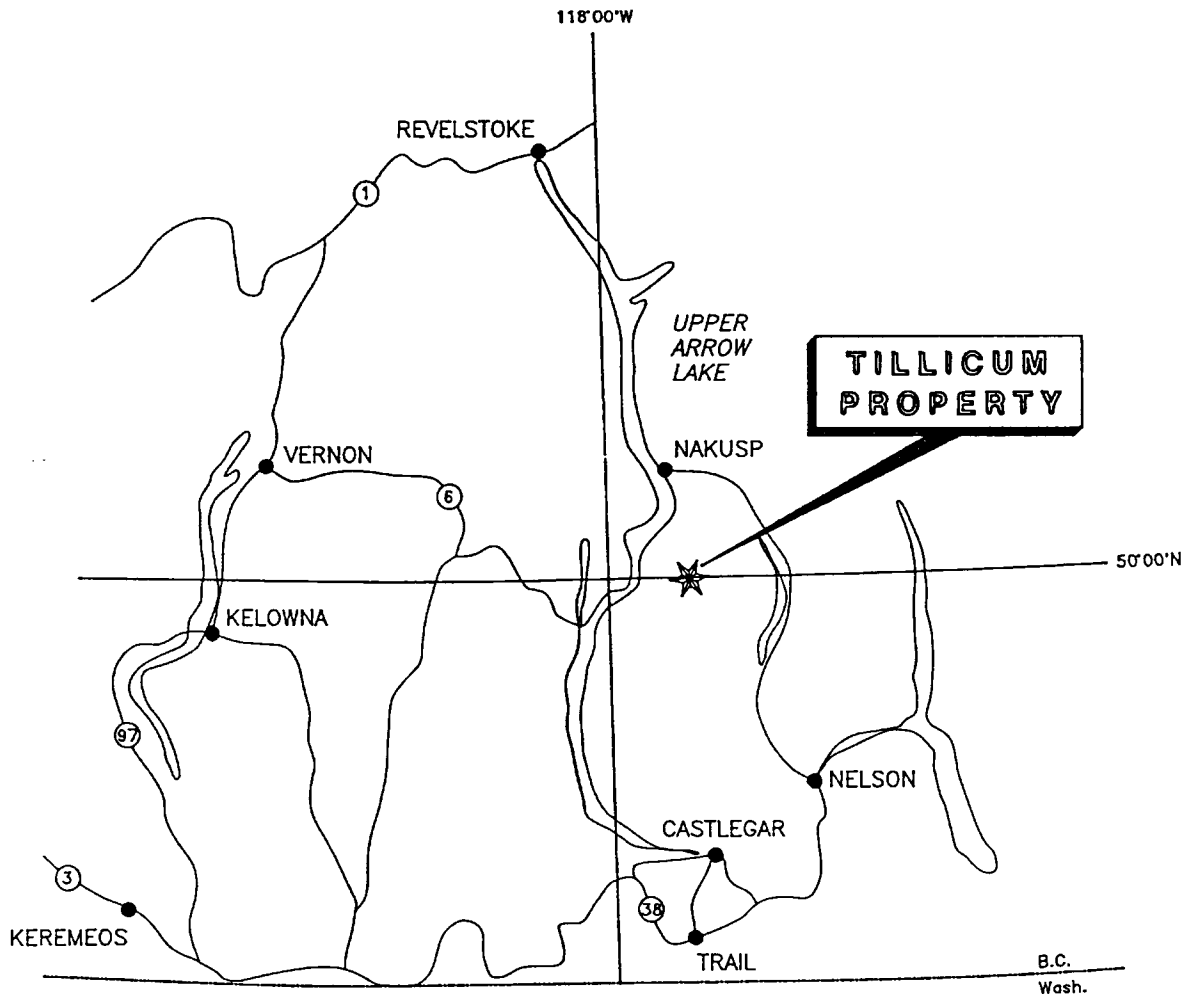
2.0 LOCATION AND PHYSIOGRAPHY


The Tillicum Mountain property is located in the Arrow Lakes region of southeastern British Columbia. The property is centred 27 kilometres east of the community of Burton and is accessible by a network of logging and mine roads.

The property is located in the Slocan Mining Division and is centred at 49°49' north latitude and 117°43' west longitude on NTS map sheets 82F/13 and 82K/4.

The East Ridge and Heino-Money zones occur on the north side of Tillicum Mountain between the 1,950 and 2,200 metre elevations.

The terrain is rugged with steep to precipitous slopes which are covered by a thin veneer of overburden. Bed rock exposure is generally confined to ridge crests and comprises approximately 5% of the surface area of the claims. Coniferous forest extends to within 100 metres of the mountain peaks with alpine vegetation on the



 Bethlehem Resources Corporation		
<u>TILLICUM PROPERTY</u>		
<h1>LOCATION MAP</h1>		
DATE: Nov. 24/93	FILE: C:\TILLICUM\	FIG. 1
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peaks and ridges.

Rain fall in the region is moderate with precipitation common at all times of the year. Snow fall rarely exceeds 3 metres, however, drifts to 6 metres have been reported from the mine site in mid-winter.

3.0 REGIONAL GEOLOGY

The Tillicum Mountain property is located at the north end of the Rosslund Group volcanic belt. The Rosslund volcanic rocks are host to several small, past producing gold properties with total recorded production in excess of 3.5 million ounces of gold.

The property covers a portion of a roof pendant in the Nelson Batholith. Pendant rocks consist of Pennsylvanian to Triassic, Milford Group, volcano-sedimentary wackes which are overlain by Lower Jurassic, intermediate flows and volcanielastic rocks.

Intruding the above succession are a series of porphyritic stocks and sills of undetermined age which are quartz monzonite to quartz monzo-diorite in composition.

All of the above units have been intruded by the Goat Canyon Creek and Halifax Creek stocks of upper Cretaceous to lower Jurassic age. Lamprophyre dykes cross cut all of the older rocks on the property.

4.0 MINERALIZATION

Detailed descriptions of the geology of the property can be found in a variety of reports by other authors. It is not the intention of this report to duplicate their efforts. Below is a description of the styles of gold mineralization observed in the Heino-Money zone during the 1993 program of mining.

2112 ZONE

The 2112 zone cross cuts andesitic flow rocks and volcanoclastic rocks at a high angle. Gold mineralization was hosted by strongly altered rocks within a zone of brecciation. Alteration consisted of strong silicification and calc-silicate replacement of wall rocks and breccia fragments. Quartz stringers and lenses were common.

Sulphide minerals in order of abundance consisted of pyrrhotite, sphalerite, galena and pyrite with minor chalcopyrite and arsenopyrite. Sulphides occurred as blebs, lenses, stringers and massive accumulations. Sulphide content within the mineralized zone

was extremely variable. The south end of the zone was composed predominantly of massive sulphides filling the breccia matrix. In the north end of the zone sulphides were found as stringers and veins with large blebs and clots of massive sulphides. The average sulphide content of the entire zone would have been in excess of 10%.

Visible gold was occasionally noted as small, irregular grains generally less than 1 millimetre in diameter. Gold grades were noticeably higher in areas of quartz stringer veining or high sulphide content where the sulphide minerals were predominantly sphalerite and galena. Gold values in the 2112 bench and stope were more consistent and of higher average grade than any other area mined during 1993.

The alteration and mineralization in the 2112 zone were confined to the breccia zone. Several, small scale, structures controlled the distribution of the ore. Alteration and mineralization almost always terminated abruptly against slip faces with variable orientations. The slips appeared to be weak zones with minimal displacement.

2130 ZONE

The 2130 zone cross cut mafic andesite and tuffaceous sedimentary rocks at a high angle. The alteration and mineralization were confined by steeply dipping slips and probably represent replacement within a shear zone. The mineralization pinched out rapidly at both the south and north ends of the zone.

Alteration within the 2130 zone consisted of strong to moderate hornfelsing and calc-silicate replacement. Hornfelsing was characterized by silica flooding and development of hydrothermal biotite which lent the altered rocks a purple tint. Calc-silicate alteration resulted in replacement of the host rocks by tremolite, biotite, feldspar and quartz with minor garnet. Quartz stringers, lenses and small veins were common.

Sulphide mineralization within the altered zone generally consisted of blebs, lenses and stringers. In order of decreasing abundance, the sulphide minerals observed were; pyrrhotite, pyrite, sphalerite and galena with minor chalcopyrite and arsenopyrite. Total sulphide content, although variable, was generally less than 5%. Massive sulphides were never present.

Visible gold was noted only once within the 2130 stope. It consisted of small, irregular, grains of gold in an area of strong silicification with quartz stringers. Gold values within the 2130 bench and stope were extremely variable over short distances. Assays were generally below 0.5 oz/t gold.

2148 ZONE

Alteration and mineralization on the 2148 level was exposed as series of short pods of alteration along two, subparallel shear zones. Alteration consists of moderate to strong hornfelsing and calc-silicate alteration similar to that observed in the 2130 zone. Intermittent quartz veining was exposed in an exploration raise which was extended between the 2148 and 2160 levels during the 1993 program.

Sulphide mineralization was rare except in areas of quartz veining. When observed, sulphides were predominately pyrite with minor pyrrhotite and even lesser sphalerite and galena. Total sulphide content of the altered rocks is probably less than 3%.

Gold values associated with the mineralization on the 2148 level are extremely erratic. Occasional, high gold values were obtained from the 2148 zone during past exploration programs. It was impossible to duplicate them during the present program. In particular the exploration raise between the 2148 and 2160 levels was directed to crosscut a drill hole which returned an intercept of 18.95 oz/t gold over a width of 5.1 feet. The raise intersected the drill hole within the mineralized zone. The assays returned from immediately adjacent to the drill hole in the raise averaged 0.033 oz/t over 1.0 metre. The highest assay from the raise was 0.104 oz/t over 0.8 m.

Visible gold was noted in a second exploration raise from the north end of the 2148 level. It was associated with several narrow quartz-calcite stringers in a weak zone of calc-silicate alteration. The only high gold assay from the 2148 level during 1993 was returned from the face where the visible gold was noted (2.920 oz/t). The faces above and below the visible gold returned only low gold values.

Because of the generally low gold values associated with the mineralization on the 2148 level, mining was restricted to a pillar beneath the 500 raise where a previous gold assay of 50 oz/t had been obtained.

2160 LEVEL

Mineralization occurs at a number of places along the 2160 level and the 2171 level (Heino drift). In almost all cases the mineralization consists of quartz or quartz-calcite veining in a strong shear. Wall rock alteration adjacent to the zones of veining is variable from weak chloritization to strong silicification and calc-silicate alteration. The vein zones are discontinuous along strike and down dip.

Sulphide mineralization associated with the veins is predominantly pyrite with minor amounts of other base metal sulphides. Total sulphide content is generally less than 3%.

Three main zones of veining have been exposed along the shear. One vein is found in the Heino drift (2171 Level) and is exposed for a length of approximately 10 metres. The same vein is exposed in a raise between the stope surrounding the No. 2 raise and the Heino drift. Assays from the raise and the Heino drift were all lower than 0.120 oz/t with the exception of one sample from the portal of the Heino drift which assayed 0.672 oz/t over a width of 0.30 metres. Due to the low gold assays from this vein, mining was not attempted.

The second area of veining is in the area of the No. 3 raise above the 2160 level. A quartz-calcite vein is exposed in the back of the 2160 level for a length of approximately 12 metres. It is also exposed in the stope from the No. 2 raise and in the No. 3 raise. A small tonnage of muck was mined from the no. 2 raise. Vein widths were narrow, gold assays were erratic and further mining would have destroyed access into the No. 3 raise so mining was discontinued.

The third area of quartz veining in the 2160 level was at the very south end of the drift. There, a quartz vein was exposed over a length of six metres. Sulphide content of the vein averaged approximately 1-2%. Coarse native gold was common within the quartz veining as blebs, fracture coatings and as veinlets up to 2 mm in thickness. The greatest concentration of gold was found where the vein intersected and rolled into a strong fault which cut off the top of the ore. The vein pinched out at its north and south ends and ended abruptly at the floor of the 2160 level.

5.0 MINING

Mining during the 1993 program was contracted to Procon Mining and Tunnelling Ltd.

Development mining consisted of:

- 1) Removal of ice from the 2112 level.
- 2) 35 metres of drifting to complete the bypass drift on the 2112 level.
- 3) 21 metres of slashing and drifting to complete the 2130 drift to the 440 ore pass.

Exploration mining consisted of:

- 1) Eight metres of raising from two locations on the 2148 level to investigate drill hole intercepts and to provide a second means of access from the 2160 level.
- 2) Sixteen metres of raising from the 2160 level (No. 4 raise) to investigate the structure which hosted the high grade quartz vein at

- the south end of the 2160 level.
- 3) Seven metres of raising and 20 metres of sublevel drifting to investigate drill hole intercepts at the 2185 metre elevation.
 - 4) Two mill holes on the 2112 and one on the 2160 level to investigate high assays or structure.
 - 5) Twelve metres of drifting and two metres of raising from the north end of the No. 2 raise/stope above the 2160 level.

Mining of ore consisted of:

- 1) Benching and stoping from the 2112 level and removal of approximately 3,750 tons of ore.
- 2) Benching and stoping from the 2130 level and removal of approximately 2,850 tons of ore and low grade muck.
- 3) Mining of a pillar beneath the 500 raise from the 2148 level to produce approximately 100 tons of low grade muck.
- 4) Stoping at the south end of 2160 and drifting from the No. 2 & 3 raises to produce approximately 785 tons of ore.

Benching beneath the 2112 level continued in ore until the steepness of the ramp limited accessibility of the scoop tram. Diamond drilling indicates that only a limited amount of ore grade material remains below the 2112 bench. All of the ore was removed from the 2112 stope with the exception of two small pillars beside the 2130 portal which were necessary to protect the integrity of the portal. The 2112 stope broke through to surface between the portal timbers of the 2130 level. The breakthrough has been covered with lagging and planks.

Benching beneath the 2130 level was discontinued due to poor gold assays. The 2130 stope was mined into the Screamer drift. All of the ore has been removed from the 2130 stope. The Screamer portal collapsed subsequent to the completion of mining in the 2130 stope. The back of the Screamer drift collapsed with the portal timbers and the stope broke through to surface. At present there is an unprotected, open hole approximately 12 metres long and 2-3 metres wide at the top of the 2130 stope.

Exploration raising, drifting and mill holing within the ore reserve limits on the 2148 level and above the 2160 level failed to establish the presence of ore. In all cases the mining was done on zone, in areas where assays from previous mining or diamond drilling indicated ore grade gold values. In all cases gold values were found to be highly erratic and average well below ore grades. The ore reserve estimate contained 6,547 tons grading 1.187 oz/t gold in the proven and probable categories above the 2148 level (Zone B). The amount mined from this area is estimated to be 785 tons of ore of a high but undetermined grade. A small amount of possible ore was left unmined in the area surrounding the No.3 raise above the 2160 level in order to keep

the raise intact. It is unlikely that mineable quantities of ore remain above the 2148 level.

Table 1 is a comparison of tonnages mined versus tonnages contained in the ore reserve estimates. Table 2 breaks the comparison down further, by zones within the Heino-Money zone. Tonnage mined is estimated by volume calculations from the final survey. The grade of ore mined from individual zones was impossible to estimate due to mixing of ore from different sources in the ore pass. The overall grade estimate for the ore mined in Table 2 is a weighted average of:

- 1) 6,067 tons milled at a calculated head grade from milling of 0.582 oz/t gold.
- 2) 1,418 tons of low grade muck with an estimated gold grade of 0.142 oz/t.

Figure 2 is a long section which outlines the areas mined during 1993. Figure 3 is a long section which shows the outline of the ore reserve estimate and is presented for the purpose of comparison. Figure 3 is excerpted from the ore reserve report by Orcan Mineral Associates Ltd.

TABLE 1
ORE RESERVE Vs. MINING

	TONS	GOLD GRADE oz/t	CONTAINED GOLD (Ounces)
RESERVE ESTIMATE (Proven & Probable)	13,244	1.031	13,655
ORE MINED	6,067	0.582	3,532
LOW GRADE MINED	≈ 1,400	≈ 0.142	≈ 199
TOTAL MINED (Low grade + Ore)	≈ 7,485	≈ 0.498	≈ 3,731
DIFFERENCE (Reserve Vs. Ore)	(7,177)	(0.449)	(10,123)

TABLE 2

ORE RESERVE Vs. MINING BY ZONE

	ZONE B (2148,2160)		ZONE C (2130)		ZONE D (2112)		TOTALS	
	TONS	GRADE oz/t	TONS	GRADE oz/t	TONS	GRADE oz/t	TONS	GRADE oz/t
RESERVE ESTIMATE (PROVEN)	2,796	1.018	2,233	1.081	1,710	0.948	6,739	1.021
RESERVE ESTIMATE (PROBABLE)	3,751	1.313	1,079	0.636	1,675	0.693	6,505	1.041
RESERVE ESTIMATE (PROVEN & PROB.)	6,547	1.187	3,313	0.936	3,385	0.822	13,244	1.031
TONNAGE MINED (ESTIMATED)	885	N/A	2,850	N/A	3,750	N/A	7,485	0.498
DIFFERENCE (TONS) MINED Vs RESERVE	(5,662)		(463)		365		(5,759)	

6.0 MUCK PROCESSING

All development muck was disposed of in waste dumps outside of the mine workings.

All muck from exploration mining was sampled in place and if it averaged greater than 0.20 oz/t gold it was placed in the ore pass. Exploration muck which assayed less than 0.20 oz/t was stockpiled in the mine workings. Muck from the 2185 sub-drift is stored at the south end of the 2160 level. Muck from the two raises on the 2148 level is stored on that level.

All muck from the ore zones was placed in the ore pass and trammed to the ore bin from the 2150 drift. Muck was removed from the ore bin and stacked into piles of between 75 and 100 tons.

Five muck samples of 12-15 kilograms apiece were collected during the construction of each muck pile. Muck samples were comprised of roughly equal proportions of chips, small rocks and fines. The entire muck sample was crushed and a 500 gram split was taken for pulverizing. A 1/2 assay ton sample from each pulp was assayed on site for gold and silver.

All muck piles for which the assays averaged greater than 0.20 oz/t gold were transported to a stockpile near the camp in a Cat 300D haul truck. From the Camp

stockpile the ore was hauled to the Goldstream mine by tandem dump truck. Ore hauling was contracted to Silverton Transport. Upon arrival at Goldstream the ore was weighed and a dry weight calculated.

A total of 6,067 dry tons of ore was hauled to Goldstream. The estimated gold grade of the transported ore was 0.714 oz/t from 297 muck assays. High assays were not cut in the estimated grade. Table 3 shows the estimated gold grades for the ore shipped based on muck assays, uncut and cut at 1.50 oz/t and 5.0 oz/t versus the calculated head grade from milling. Based on the available data, a cutting factor of 5.0 oz/t appears to result in an acceptable estimate of gold grade at Tillicum Mountain.

TABLE 3

EFFECT OF CUTTING ASSAYS

	ESTIMATED GOLD GRADE oz/t
ASSAYS UNCUT	0.714
ASSAYS CUT TO 1.5 oz/t	0.468
ASSAYS CUT TO 5.0 oz/t	0.563
CALCULATED HEAD GRADE	0.582

Muck piles for which gold assays averaged below 0.20 oz/t were stockpiled beside the green shack at the mine site. During slack periods, the low grade muck was hauled to the Camp stockpile for ease of access in the future. In total, approximately 1,400 tons of low grade muck was produced with an average gold content of approximately 0.142 oz/t. Roughly 3/4 of the low grade is at the Camp stockpile and the remainder is at the green shack.

The ore was milled at Goldstream in two batches. The first batch consisted of 2,624 dry tons and was milled between October 7 and 9. The second batch of ore was composed of 3,443 dry tons and was milled between November 3 and 6.

Gold was recovered from the Tillicum ore at Goldstream from a jig in a gravity concentrate and in a flotation concentrate. After milling of Tillicum ore was complete, any gold remaining in the mill circuit was recovered in copper concentrate from the Goldstream ore and has been accounted for. The calculated head grade for the

Tillicum ore was 0.582 oz/t gold. The recovered grade was 0.543 oz/t for a recovery rate of approximately 93%. In addition, approximately 5,275 ounces of silver were recovered from the Tillicum ore. Table 4 is a summary of gold production.

TABLE 4

GOLD PRODUCTION SUMMARY

	TONS MILLED	Oz. GOLD JIG. CON.	Oz. GOLD FLOAT CON.	Oz. GOLD COPPER CON.	Oz. GOLD RECOVERED	Oz. GOLD TAILS	CALCULATED HEAD GRADE oz/t
MILLED OCT. 7-9	2,624	119.7	1,204.9	196.6	1,521.2	88.0	0.613
MILLED NOV. 3-6	3,443	146.1	1,397.0	229.3	1,772.4	150.6	0.559
TOTALS	6,067	265.8	2,601.9	425.9	3,293.6	238.6	0.582

7.0 EXPLORATION

Two areas within the Heino-Money trend were considered to have potential for the discovery of additional, readily mineable reserves.

The floor of the 2112 bench was in ore. The area beneath the 2112 bench had been diamond drilled in 1988 by 10 drill holes. Three of 1988 drill holes returned strongly anomalous gold assays beneath the 2112 zone. Five others were too short to intersect the down dip projection of the 2112 zone. The remaining two 1988 holes intersected weak gold values in calc-silicate altered rocks. It was felt that the potential for additional ore beneath the 2112 bench was high and had not been adequately tested by the 1988 drilling.

Eight diamond drill holes totalling 284.38 metres were drilled in 1993 in order to test for the down dip projection of the 2112 zone. Advanced Drilling Ltd. was awarded the drill contract. Drilling was done by an electric-hydraulic gopher drill. Thin wall "B" core (BDBGM) was recovered. Assays from the first drill hole were done at the Tillicum mine site. The assays from the remaining holes were done at Vangeochem Laboratories Ltd. Drill sections and a plan are included in the jacket of this report. Drill logs are included as appendix 1 and assay certificates as appendix 2.

Drill hole TAU93-107 intersected mineralization similar to that observed in the 2112 bench. Strong calc-silicate altered rock with quartz stringers was encountered over 1.5 metres directly beneath the 2112 bench. That interval returned a weighted

average gold assay of 0.571 oz/t.

The remaining seven, 1993, drill holes failed to intersect significant gold values. The 1993 drill program indicates that the 2112 ore zone terminates a short distance beneath the floor of the 2112 bench. Below that level the zone appears to warp sharply to the east and acquires a shallow dip. Alteration weakens to a zone of hornfelsing. Sulphide and quartz mineralization decreases dramatically with an attendant decrease in gold values. It is unlikely that a mineable quantity of ore exists between the 2050 and 2112 levels.

Seven metres of raising and 20 metres of sublevel drifting were done at the 2185 metre elevation in order to test an area where previous drilling indicated anomalous gold values above the high grade 2160 stope.

The exploration raise intersected DDH HAU88-78 where gold assays of 0.465 oz/9.5' and 1.068 oz/4.0' were returned. The exploration sublevel was collared where the drill hole was exposed in the raise and was driven to the south where DDH HAU88-81 intersected four zones of anomalous gold.

The exploration drift followed a strong shear zone in diorite porphyry. The diorite is strongly sericitized by the shearing. Variable amounts of sulphide stringers were observed along the shear planes. Sulphides in order of abundance were pyrite, sphalerite and pyrrhotite with minor galena and arsenopyrite. Average sulphide content is in the 3-5% range. Quartz veining is rare.

Gold assays from the exploration drift were very erratic. The best assay of 2.320 oz/t was obtained from a narrow quartz vein. Assays in the 0.3 oz/t range were obtained from the area where the raise and drift meet. The second to last face returned a weighted average gold assay of 0.514 oz/t over a width of 1.75 metres. All of the other assays from the exploration drift were low. The weighted average of 31 face samples from the exploration drift was 0.100 oz/t gold.

Seven test holes were drilled into the walls of the exploration drift with a jackleg. Samples of the drill cuttings were taken every three feet along the test holes. Anomalous gold values extend into the walls of the drift. The best test hole assay was 0.284 oz/t over 3.0 feet.

The exploration raise and drift exposed a strong zone of shearing which contains sulphide stringer mineralization. The test holes indicate that the zone varies between three and ten metres in width. The gold grade of the shear is variable but generally low.

8.0 CONCLUSION

The recognized, high grade, ore in the Heino-Money zone on the Tillicum Mountain property was all recovered during the 1993 mining program. The Tillicum ore was trucked to Goldstream for milling. The amount of ore processed totalled 6,067 tons with a calculated head grade of approximately 0.582 oz/t gold versus 13,244 tons grading 1.03 oz/t gold in the proven and probable categories of the ore reserve estimate. Approximately 1,400 tons of low grade muck with an estimated gold content of 0.142 oz/t was also mined during 1993. The low grade muck is stockpiled at the Tillicum property. It is estimated from mill assays that, 3,294 ounces of gold and 5,275 ounces of silver were recovered from the Tillicum ore in 1993. Production figures will be finalized on the basis of smelter calculations.

Exploration diamond drilling and drifting failed to outline additional zones of ore grade within accessible portions of the Heino-Money trend. It is possible that small zones of high grade gold mineralization remain undiscovered in the Heino-Money zone. The cost of discovering and developing zones of that nature is likely to be greater than the value of the contained gold.

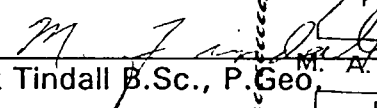
It is felt that significant potential exists for lower grade reserves in the East Ridge zone and other areas within the Tillicum Mountain property. Extensive amounts of additional exploration would be required to develop a mineable reserve.

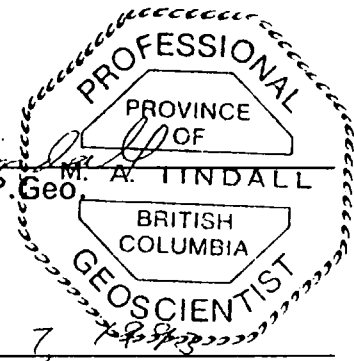
STATEMENT OF QUALIFICATIONS

I, Mark A. Tindall of 858 East 15th Avenue, Vancouver, British Columbia, certify that:

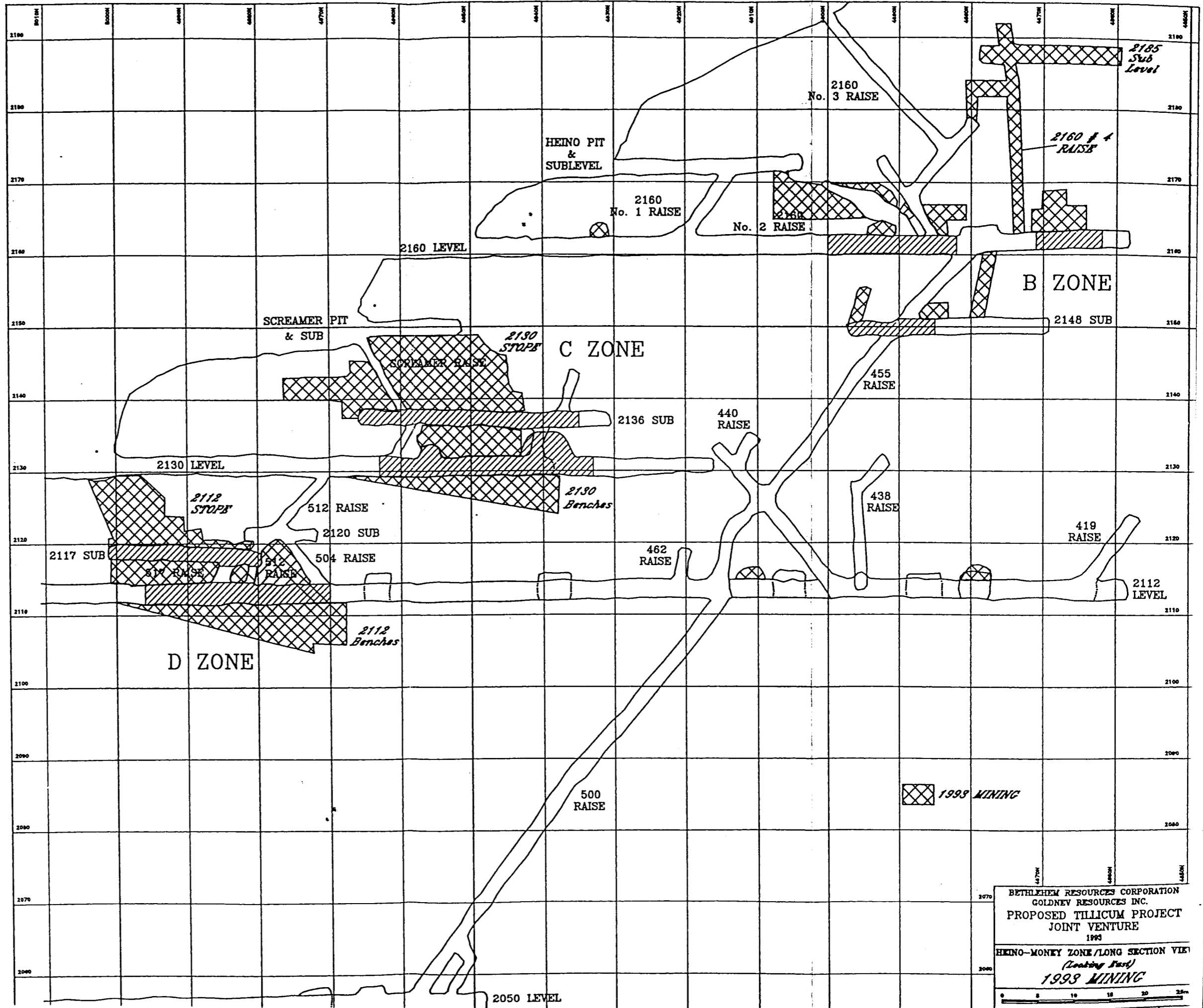
- I am a 1981 graduate of Queen's University with a B.Sc. in Geology.
- I am a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists in the Province of British Columbia.
- I have practised my profession as an exploration and mining geologist since 1979.
- I have worked on the property discussed in this report in the capacity of Acting Mine Manager during the 1993 program of mining.
- I have not received, nor do I expect to receive, any interest in the properties or securities of Bethlehem Resources Corporation, Goldnev Resources Inc. or Columbia Gold Mines Ltd.
- I do not have a direct or indirect interest in the securities of Bethlehem Resources Corporation, Goldnev Resources Inc. or Columbia Gold Mines Ltd.

Respectfully submitted,






Mark Tindall B.Sc., P. Geo.

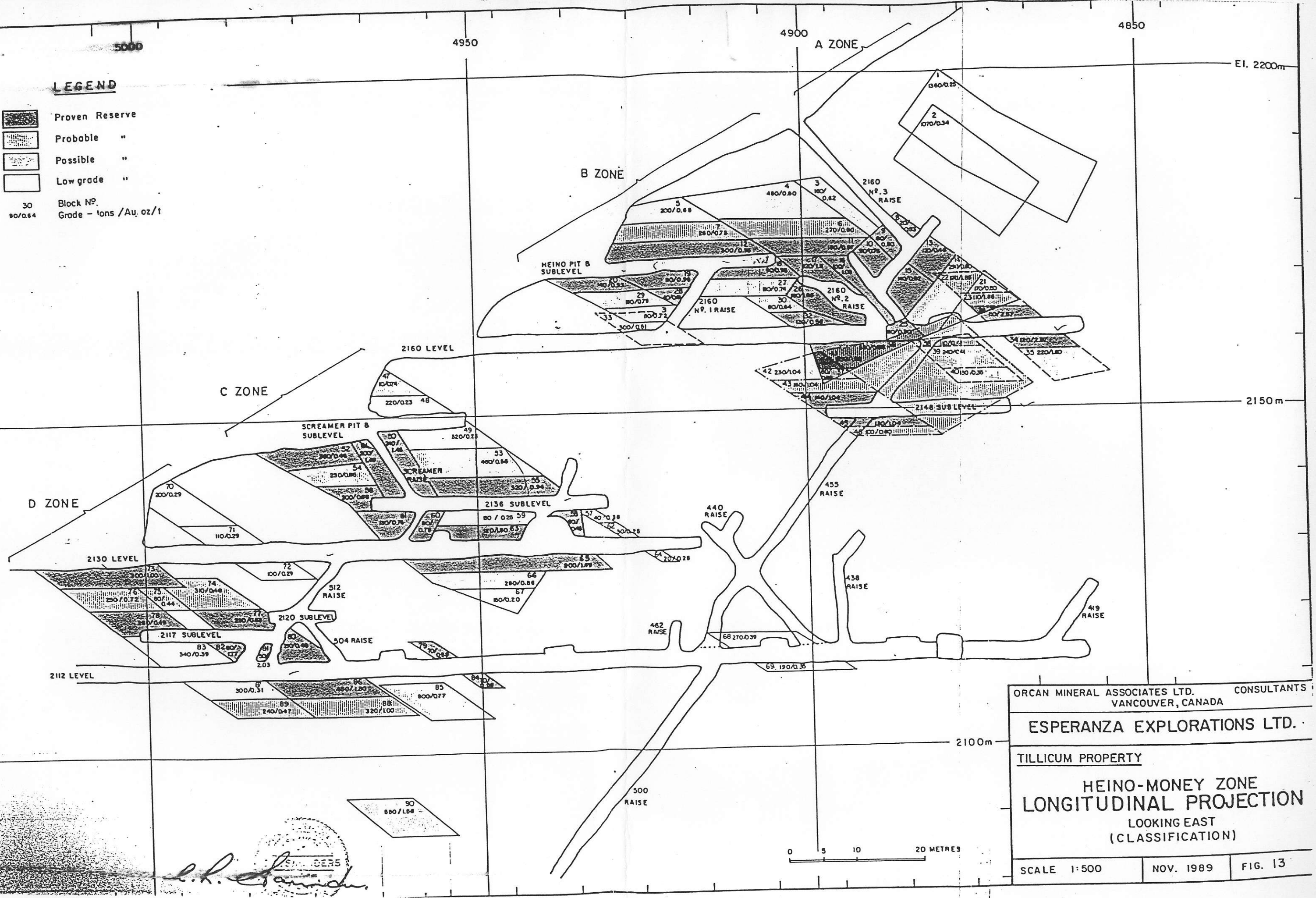


December 7, 1993



LEGEND

-  Proven Reserve
 -  Probable "
 -  Possible "
 -  Low grade "
- 30 Block N^o.
80/0.64 Grade - tons /Au. oz./t



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TILlicum PROPERTY

**HEINO-MONEY ZONE
LONGITUDINAL PROJECTION**
LOOKING EAST
(CLASSIFICATION)

SCALE 1:500 NOV. 1989 FIG. 13

L.H. ...

