

June 15, 2001

MUSKETEER - REVISED RESOURCE ESTIMATES

(Based on 1959 plans and sections - Ministry of Energy and Mines Property File)

Indicated Mineral Resources - between surface and 700 (lowest) level

Undiluted

	<u>Tonnes</u>	<u>Au Grade(g/t)</u>	<u>Average Width (cm)</u>
Trail Vein	3618	51.06	21.8
Main Vein	1713	98.61	10.4
Total	5331	66.34	16.1

Diluted to 0.91 metres (3 ft.) Mining Width*

	<u>Tonnes</u>	<u>Au Grade(g/t)</u>
Trail Vein	14782	12.38
Main Vein	14397	11.73
Total	29179	12.06

Diluted to 1.20 metres (4 ft.) Mining Width

	<u>Tonnes</u>	<u>Au Grade(g/t)</u>
Trail Vein	19483	9.53
Main Vein	18713	11.73
Total	38196	9.22

* Dilution employed during 1941-42 mining

Contained ounces gold = 11,265 @ US\$270/oz. = US\$3 million or C\$4.2 million

The revised estimate for the undiluted mineral resource is approximately 17% greater than the December, 2000 estimate but with the same general grade. The estimate of diluted (0.91 metres) mineral resource is 20% greater but the gold grade is slightly less (12.06 g/t vs 12.57 g/t).

Excluded from the resource estimate are previously (1941-42) mined areas on the Trail Vein (700 and 850 levels) which, by the writer's estimates based on the 1959 plans and sections, amounted to approximately 6700 tonnes grading 13.07 g/t. This is in reasonably good agreement with the "official" Minfile figure of 6426 tonnes mined.

Production records for the period between 1961 and 1974 indicate that 3200 tonnes were mined - accordingly, the remaining mineral resource (at a 0.91 metre diluted width) would be in the order of 26000 tonnes grading between 12 and 13 grams/tonne (0.35 - 0.38 oz/ton) gold.

Note that the remaining mineral resource does not imply mineable reserves - reserves reported in March, 1943 amounted to 23,000 tons grading 0.40 oz/ton gold (21750 tonnes @ 13.70 g/t) were probably considered as mineable.

Veracity of Data - 1959 Plans and Sections

These are listed as having been prepared by N.G. Cornish for Bedwell River Gold Mines in 1959. The writer is of the opinion that these plans and sections for the Trail and Main Veins of the Musketeer property are based on original Musketeer Mines Ltd. data for the following two reasons:

1. The mined tonnages inferred on these sections correspond closely with recorded production figures for 1942.
2. Internal company documents for early 1941 refer to the sampling results for two ore shoots on the Trail Vein; the first between 430 and 490 ft. on the 1000 level grading 1.094 oz/ton gold over an 11" width and the second, between 598.5 and 691.5 ft. on the 700 level grading 1.252 oz/ton over a 7.5" width. Both of these intervals are shown on the 1959 level plans as is a sample interval between 19.5 and 126.5 ft. on the 850 level of the Main Vein which returned an average of 2.11 oz/ton gold over an average width of 4.2".

Mine Development and Mining Methods

Detailed information regarding development of the Musketeer property is available by way of records assembled by T.E. Kirk, through Pioneer Gold Mines of B.C. Ltd. annual reports and by way of Musketeer Mines Limited records on file with BC Archives. Corresponding data for the Buccaneer property is not available - this may be due in part to the abandonment of the property by Bralome Mines Ltd. in mid-1942 and the ensuing return of the property (and records) to the original vendors.

Initial underground development on the Musketeer involved hand mining - according to Joubin (Not for Gold Alone) this amounted to some 900 ft. in 1938 and '39. Following the development of hydro-electric power (by way of a 6ft. high, 19 ft. long diversion dam on Craig Creek, 2,480 ft. wood stave pipe to a 36" wheel for the compressor and generator and smaller wheels for the ball mill and crusher) hand-steeling was terminated and replaced with conventional machinery in early 1940. Track mining, with diesel locomotives was used to drive 8 x 7 ft. drifts and crosscuts; raises between levels consisted of two or three compartments, each 4 x 6 ft.

Stope development consisted of stots from vertical raises and the preferred mining method, at 3 ft. minimum widths, was by shrinkage stoping.

A pre-mining reserve (diluted to 3 ft. or 0.91 metre) was reported as 30,000 tons grading 0.33 oz/ton gold (27210 tonnes @ 11.31 g/t)

A 25 - 30 tons per day mill consisted of a jig, classifier and flotation cells.

Total capital costs were \$100,000.

Musketeer Mines Limited records indicate that 7,084 tons were mines^d in 1942, of which 2,014 eliminated by sorting and the remainder milled. Recovered gold grade was 0.375 oz/ton or 12.86 grams/tonne.

Musketeer company records report that operations ceased at the end of July, 1942 "as no men could be hired for gold mining in British Columbia". This is corroborated by a statement in Joubin's book (page 95) that "Although the venture's success was prematurely interrupted by the Second World War...." and by a company letter to the Mining Association of British Columbia dated December 1, 1942 to the effect that "Capacity production and development was attempted to determine the importance of the property prior to regulations prohibiting the hiring of labour which forced the decision to shut down and abandon the program".

Musketeer Mines Limited maintained a watchman on the property until about 1950 and maintained 7 Crown granted claims. These were sold to C&B Logging Company Ltd. of Port Alberni by way of a May 28, 1957 agreement.

The company continued in a dormant state through 1964 and was struck from the BC Register in January of 1965.