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The Directors
Normine Resources Ltd.
9th Floor
609 West Hastings Street
Vancouver, B.C.
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Dear Sirs:

Re: PACIFIC EASTERN GOLD PROSPECT
Bridge River Gold Camp
Lillooet Mining Division, British Columbia

The writer has reviewed results of the 1985 exploration program on the Pacific Eastern property as detailed in a February, 1986 report by Gary D. Nordin of Bema Industries Ltd. This program, consisting of two deep (to 840 metres) diamond drill holes, was based on December 16, 1983 recommendations of W.G. Stevenson, P.Eng.

This letter is a brief review of results to date with recommendations for further work.

Mineral Property and Location

The Pacific Eastern property consists of 59 full and 29 fractional Crown granted mineral claims contiguous with, and southeast of the formerly producing Bralorne and Pioneer gold mines in the Bridge River district of southwestern British Columbia (Figures 1 and 2 appended).

The property is 160 km north of Vancouver and access to the western end of the claims area is by road northwest from Lillooet.

Geological Setting

Bridge River is the most prolific gold camp in the Canadian Cordillera with a recorded production of 4.15 million ounces gold from the Bralorne and Pioneer mines at an average recovered grade of 0.523 oz/ton.

Gold mineralization in the district is associated with quartz veins averaging 1 to 2 metres in width and hosted by Mesozoic greenstones and sediments and a variety of intrusive rocks.

Triassic and Jurassic layered rocks are tightly folded into two west-northwest trending anticlinal structures which are separated by the Cadwallader Fault of similar trend and dipping steeply southwest. Much of the fault zone is occupied by serpentinized ultramafic rocks.

The Fergusson thrust fault, striking west-northwest and dipping steeply northeast, marks the north boundary of the Triassic-Jurassic sequence and juxtaposes Paleozoic sedimentary rocks against the younger rocks.

Gold-bearing quartz veins on the Bralorne and Pioneer properties are contained within the northern anticline between the two major fault structures (Figure 2). The most productive of these were east-west striking veins oblique to and dipping away (northerly) from the Cadwallader Fault. Favourable host rocks were more brittle varieties, principally greenstones at Pioneer and diorites of similar age at Bralorne. Most veins have a spatial and probable genetic relationship to soda granites and associated felsic dykes marginal to the Cadwallader Fault.

Vein strike lengths are as much as 1000 metres; ore shoots within them were generally less than 250 metres in length. Persistence to depth of ore shoots is characteristic of the Bridge River district - mining at Bralorne-Pioneer took place to depths approaching 2000 metres.

Mineralized quartz veins contain 1-3% disseminated pyrite and lesser arsenopyrite. Productive veins feature a pronounced banding or ribbon structure parallel to vein walls and finely disseminated gold occurs within these septa.

Extensive hydrothermal alteration envelopes, 10 - 70 metres wide, occur marginal to most veins and these include alteration of wall rocks to a mixture of quartz-chlorite-carbonate-sericite-biotite with pyrite, pyrrhotite and arsenopyrite.

Pacific Eastern Property - Results of Work to Date

The northern part of the Pacific Eastern property covers the southeastern extension of the same structures and stratigraphic sections as those hosting the Bralorne and Pioneer deposits (figure 2). These include the northern anticline developed in Pioneer greenstone and bounded on the north and south by the Fergusson thrust fault and serpentinized Cadwallader Fault respectively. Dykes of diorite and soda granite occur in the south limb of the anticlinal structure adjacent to the Cadwallader Fault.

Most work to date has been concentrated in the northwest part of the extensive property holdings on the Pioneer Extension claims (Figure 2), where the potentially favourable geological environment is masked by 30-80 metres of overburden in the Cadwallader Creek valley. Some 2800 metres of underground cross-cutting and drifting on the 520 level, accessed by an adit and an internal 170 metre shaft, were completed between 1936 and 1947. A Noranda subsidiary acquired the property in the 1940's and a number of underground and surface drill holes were completed during this period.

This early work succeeded in defining several east-west, north dipping quartz vein systems in greenstones situated midway between the Fergusson and Cadwallader faults which on the 520 level are 80-200 metres apart. The vein systems are hosted by Pioneer greenstones immediately north of dyke-like masses of soda granite and diorite marginal to the Cadwallader Fault. The quartz fissure veins are reportedly narrow and contain erratic gold values, similar to those encountered in the upper workings of the Pioneer mine. The Pioneer veins became more continuous with depth and had a corresponding increase in gold grades.

One of the Pacific Eastern vein systems, 100 metres east of the main crosscut (Figure 1), and developed by a 60 metre decline and sublevel drifting, was tested at depth by two -65 degree diamond drill holes in 1985 (approximate locations shown on Figure 2). An initial hole was abandoned at a depth of 350 metres; holes 2 and 3 were terminated at depths of 840 and 682 metres respectively. The two completed holes confirmed the anticipated geological setting and the widening of the anticlinal structure at depth between the two major fault structures.

Hole 2 intersected two 1.2-1.5 metre quartz veins between 390 and 400 metres (230 metres vertically below existing underground level) which contained disseminated pyrite and pyrrhotite and assayed trace to 0.033 oz/ton gold. The two veins, apparently dipping north, are central to an 80 metre wide zone of intense carbonate-biotite alteration in Pioneer greenstone. Felsic porphyry dykes containing disseminated pyrite and arsenopyrite were encountered at depth in this hole which terminated in a chloritic shear zone in diorite.

Hole 3, 250 metres southeast of hole 2 (Figure 2), intersected two 3 to 4 metre wide quartz stringer zones at 448 and 547 metre depths, both of which were enveloped by 8-12 metre wide intensely sheared alteration zones. The quartz stringer zones contained disseminated sphalerite, chalcopyrite, pyrite and galena and

assayed trace gold. This hole also intersected felsic porphyry dykes prior to ending in sheared serpentinite within the Cadwallader Fault.

Conclusions and Recommendations

Work to date on the Pacific Eastern property by Normine Resources Ltd. has confirmed that the geological setting hosting the Bralorne and Pioneer gold mines extends southeasterly through the northern part of the claims over a strike length exceeding 3000 metres (Figure 2).

Most work to date has been concentrated near the northwest boundary of the claims area. Two deep diamond drill holes in 1985 intersected quartz vein systems within hydrothermal alteration zones which are mineralogically similar to those identified at Pioneer and Bralorne.

Research of available data from 1940's work has yielded information regarding surface drilling in the area of the easternmost underground workings some 750 metres southeast of the shaft. One hole in this area intersected two 1 to 1.5 metre quartz veins at a vertical depth of 50 metres below the underground level and within a 15 metre wide, brecciated quartz-carbonate alteration zone containing disseminated sulfides. Although free gold was reported, only partial assays of 0.1 oz/ton are available. The alteration zone hosting the quartz veins is within Pioneer greenstone marginal to a diorite intrusion.

The results of this hole are considered encouraging and additional drilling is warranted. An initial hole (Figure 2) should be collared at -60 degrees to test the quartz vein-alteration zone 200 metres vertically below the original intersection. Two additional holes, locations of which would be predicated on results of the first hole, could be considered.

Hole depths of 600 metres would be required to adequately test the potentially favourable zone. Anticipated all-inclusive costs would be in the order of \$165/metre; accordingly a budget of \$300,000 would be required to carry out the proposed drilling program.

Respectfully submitted,

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