

To: George Heard - 257-3650 (10 pages)

Re: Tatsi Property

830743

(Much more to come - see)

INTRODUCTION

Golden Hemlock Explorations Ltd. has recently concluded an option agreement with Angel Jade Mine Ltd. for the purpose of carrying out exploratory programs to assess the potential of recently discovered polymetallic mineralization on the TATSI mineral claims situated near Kitnayakwa River in west-central British Columbia.

This geological report on the TATSI gold-silver-copper prospect, prepared at the request of Golden Hemlock Explorations Ltd., is based on an examination of the subject property September 20, 1994 and on results of a recent surface sampling program conducted on behalf of Angel Jade Mines Ltd. References to information on public record concerning previous work in the vicinity of the present property and its geological setting are listed at the end of this report.

The writer has examined and reported on numerous mineral deposits and occurrences in the Smithers - Terrace area over the past twenty-five years.

LOCATION AND ACCESS

The TATSI property is situated south of Telkwa Pass midway between Terrace and Smithers in west-central British Columbia (Figure 1). The property covers the headwaters of Tatsi Creek, an east-flowing tributary of Kitnayakwa

River which flows northward into Zymoetz River.

The geographic centre of the claims, at latitude 50 20' North and longitude 127 44' West in NTS map-area 93L/5E, is 60 air-kilometres southwest of Smithers and an equal distance east-southeast of Terrace (Figure 2). Access to the property is by helicopter from either Smithers or Terrace. A network of logging roads, extending from a point on highway 16 east of Terrace and up Zymoetz River, provides conventional access into the Kitnayakwa River valley. End of road is currently 7 km northwest of the central property area (Figures 2 and 3) and affords a convenient staging area for helicopter transport of equipment and personnel.

MINERAL PROPERTY

The TATSI property consists of two 4-Post mineral claims (35 mineral claim units) located in the Omineca Mining Division. The mineral claims are shown on Figure 3 and details are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Date of Record</u>
TATSI #1	330686	20	September 7, 1994
TATSI #2	330687	15	September 13, 1994

The mineral claims are believed to have been located in accordance with procedures as specified by the Mineral Tenure Act Regulations for the Province of British Columbia. No claim posts or lines have been examined by the writer.

The foregoing mineral claims, registered in the name of Angel Jade Mine Ltd., are subject to an option agreement between that company and Golden Hemlock Explorations Ltd. whereby Golden Hemlock can earn a 100% interest in the TATSI property (subject to a net smelter royalty payable to the vendor) by issuance of shares and cash payments over a several year period.

PHYSICAL SETTING

The TATSI property is situated in alpine terrain within the Bulkley Ranges in the headwaters region of Zymoetz River, a major tributary of Skeena River. Howson Peak, several kilometres northwest of the property (Figure 3), with an elevation of more than 2700 metres above sea level, is one of the highest points in the Smithers - Terrace area.

The TATSI claims cover an east-facing slope dissected by Tatsi Creek. Elevations range from 1300 metres along Tatsi Creek on the western border of the property to more than 2200 metres in the northeastern claims area (Figure 3 -note that contours are in Imperial units).

Vegetation, consisting of alpine mosses, is sparse and bedrock exposure is obscured in a number of areas by talus and felsenmeer. A small icefield between higher peaks is situated along the eastern property boundary (Figure 3).

The relative lack of bedrock oxidation in the vicinity of the known mineralized zones suggests that this area was under year-round snow cover until recently.

PREVIOUS WORK

There was no public record of mineralization in the Tatsi Creek area prior to 1988. Research of old claims recording data, which indicated that Terrace-based prospector Alec Clore had held ground near Tatsi Creek area in 1949, led Atna Resources Ltd. to the area in 1987.

Three hand trenches were discovered along a quartz-carbonate-filled shear zone, claims were staked and preliminary mapping and sampling were completed by Atna Resources. This work included detailed chip sampling of the trenches and the collection and analyses of an additional 36 samples elsewhere on the property (Harivel, 1988). In spite of encouraging results, no further work was done and the claims were allowed to lapse.

The trenches were re-examined by prospectors Dave and Mike Heino in early September of this year and a decision was made to re-stake the ground. Additional mineralized structures, south and east of the old trenches and containing locally high grade copper-silver mineralization, were noted while staking and detailed sampling was undertaken.