

Memorandum

842265

Vancouver, B. C.
1986-03-26

Re: Be Project - M558
Corp 966

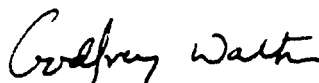
EARL D. DODSON:

Attached is a completed Corp 966 for the Be project. The Be project is located in northwestern British Columbia in the Mess Creek valley, 50 kilometers south of Telegraph Creek. The claims were optioned in 1986 from Utah and are north of the BAM claims as shown on Fig. 1. The BE claims also are located within the Mess Creek valley and are beside the major fault that runs along the length of the valley.

Past exploration has concentrated on the porphyry copper potential of the property despite the presence of two native gold showings and one native silver showing. Extensive geological mapping, copper and molybdenum soil geochemistry and 2600 meters of diamond drilling has been carried out. Some of these holes were analyzed for gold but typical sample lengths for these gold analyses were 50 feet.

The current program will evaluate the gold potential of this claim block by checking the old core, reassaying portions of it, relocating, sampling and trenching the gold showings and analyze the soil samples for gold and silver.

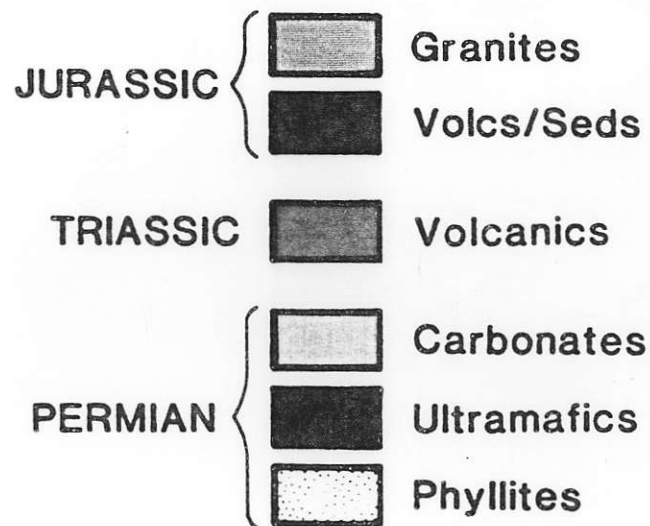
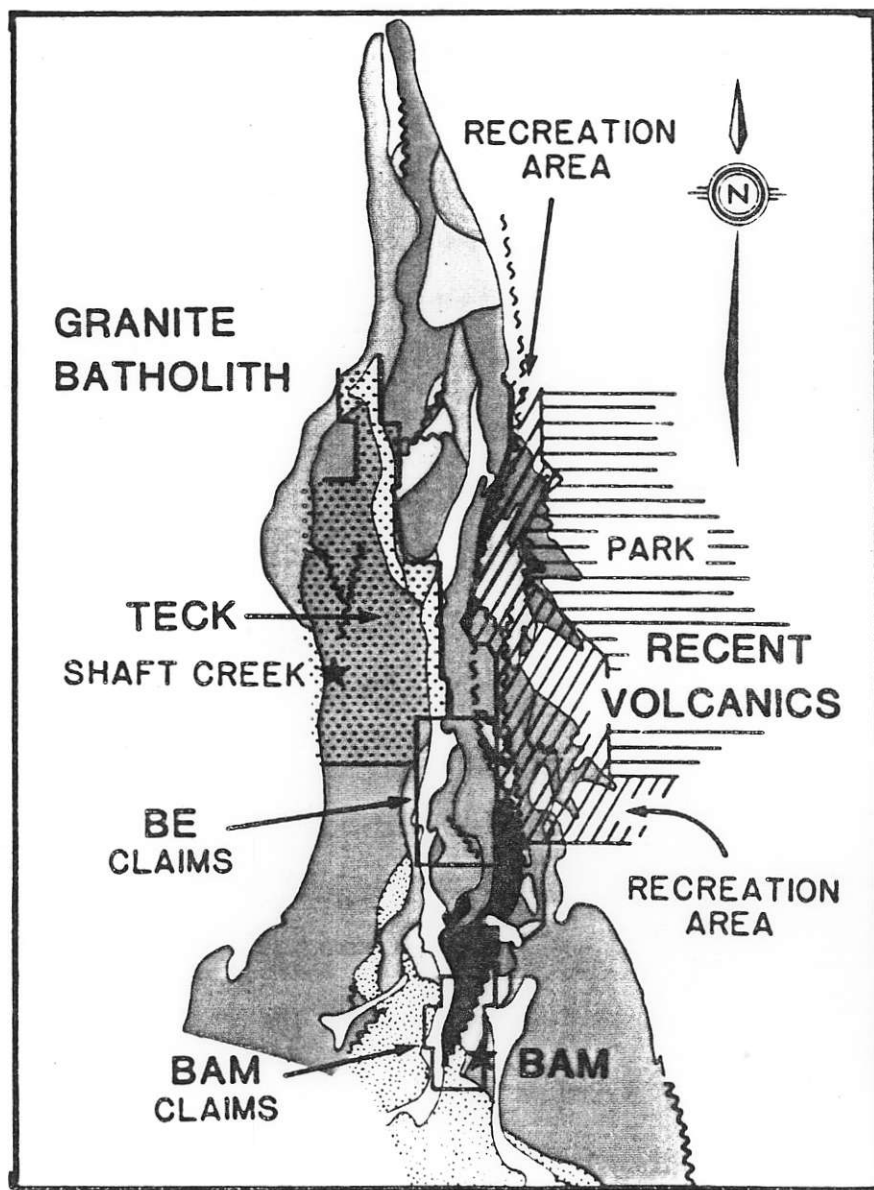
The current appropriation for this program is \$52,000. US.



GODFREY WALTON

GW:am
Attach.

a19/55



MESS CREEK AREA
GENERAL GEOLOGY

558

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

BEAR TOTEM (523), BAM (M549), BE (558)
SPECTRUM (M559), BAR (M564) MASSIVE SULPHIDES

Monthly Report for June 1986

INTRODUCTION

Deals have been signed on the Bear-Totem project with North American Metals, and on the Bar project with Corporation Falconbridge Copper and Big Ben. The camp was established and work began on the Mess Creek projects (BAM, BE and SPECTRUM). A summary of the work completed this month on each of this projects is as follows:

Bear-Totem:

I have spent considerable time briefing North American Metals' personnel on the geological, mineralogical, petrological and camp logistics. Helmut and I have had a lot of input into the program that North American Metals have developed for the 1986/1987 season. They are proposing to mobilize the crew on August 1 and drill 6000 feet on the Bear to move the ore into a proven category. In September they expect to collar an adit at the 1400 meter level in the silica cliffs. They will have a geotechnical group (Piteau and Associates) in to evaluate the competence of the ground. Preliminary road engineering will also be carried out so the project can move on the fast track towards a production decision.

Bam:

The work on this claim block was delayed until the snow pack has melted. A sample collected last year, which had a 6.5 oz/ton Au value, was relocated and found to be clear of snow. Work will commence in July on this property.

Be:

The campsite for the work on the Mess Creek project is on this property. The property was optioned from Utah Mines in 1986. Utah and Phelps Dodge explored the property for its porphyry potential. Their work consisted of geological mapping, ground magnetics, an I.P. survey, geochemistry and diamond drilling on an extensive grid. Two native gold and one native silver showings were ignored by the previous operators. Our work has been orientated towards evaluating the drill core and assaying the core that looks interesting. Utah had assayed the core in 50 foot samples for gold. Prospecting, geological mapping and detailed rock sampling will be carried out around the gold showing. The initial prospecting has not located the showings, however, further work is planned.

The geological mapping carried out by Utah geologists was very good and has provided a good basis to follow. The claims are underlain by a sequence of andesitic tuffs, serpentine volcanoclastic rocks, limestone and granitic rocks. The intrusive

rocks vary in composition from syenite to diorite. The rocks have been intensely carbonatized and brecciated. The gold showings are in an area of quartz breccia. There are two potential models, one a Muddy Lake style and the other a Bralorne style which would have a granitic host. The limestone has been prospected without any success to date.

Spectrum:

This project covers the regional work in the Mess Creek area and two Chevron owned claim blocks. One claim block is called the BIFF, the other is called the BUD. These claims were staked during the winter based on the geological information from the 4 mile government maps. They both cover fault bounded limestone slivers in contact with Triassic volcanic rocks and Jurassic intrusions. The model being used was a Muddy Lake type.

The BIFF property has been prospected, geologically mapped and soil sampled with no indication of any alteration. The limestone fault bounded sliver is in reality interbedded with the volcanic rocks on the east side. All of the geochemistry has now been returned and no anomalous values were obtained. No further work is recommended.

The BUD claim is comprised of 105 units and has been prospected geologically, mapped and soil sampled. A large zone of silicified limestone has been located. Further prospecting and sampling is planned to evaluate this zone fully. The rocks have been intensely carbonatized, numerous copper showings and breccias have been located.

Bar:

After the deal was signed a joint planning meeting was held to evaluate the program proposed by Falconbridge. The program is as follows:

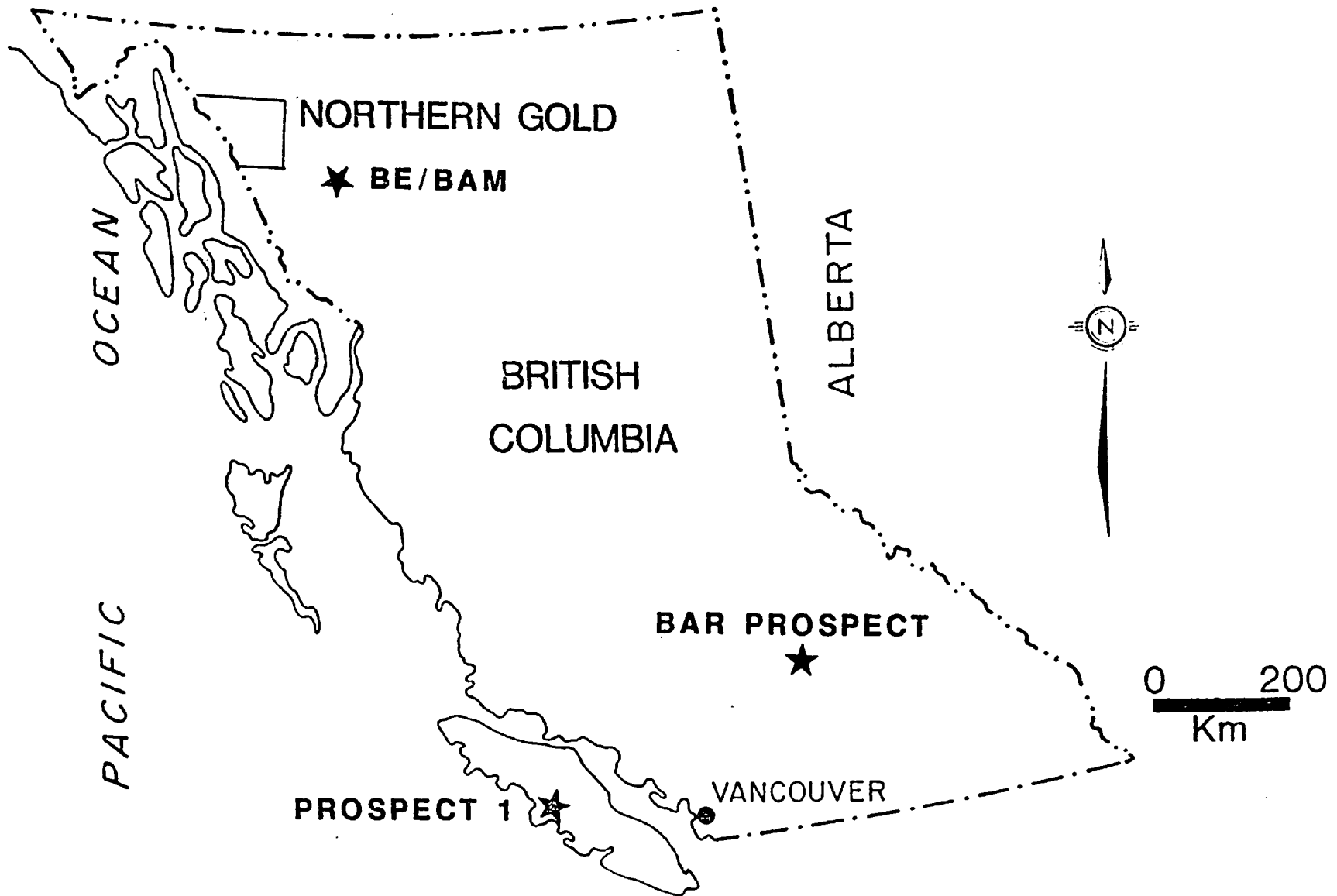
- (1) Map and sample (soils and lithogeochem) the SC, Anna and SC I grids which are located north of the Barriere River (Areas 1, 2, 3).
- (2) Extend the Dixon Lake grid to the north and east to cover the Wickiup felsic centre (Area 6) and to track down the 1100 ppb Au anomaly (Area 4).
- (3) Carry out a MaxMin II survey on the newly cut (see #2) Dixon Lake extension that covers the Wickiup felsic centre, (Area 6).
- (4) Detail map and rock sample and Dixon Lake extension grid (Areas 4, 6).
- (5) Diamond drill (600 m) selected high priority targets in the SC grid areas (Areas 1, 3).

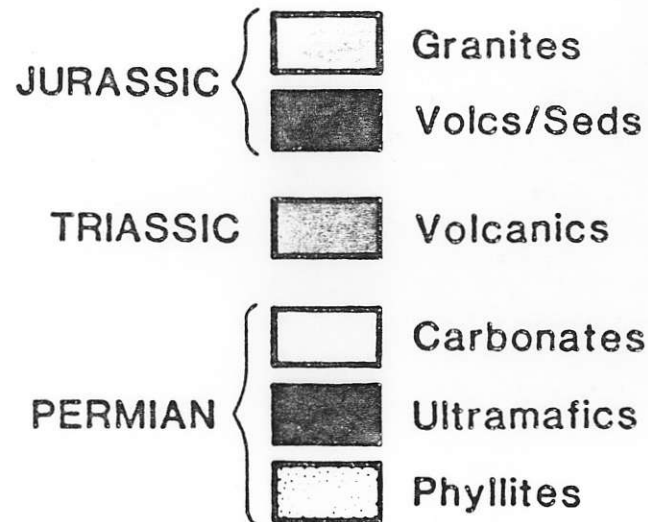
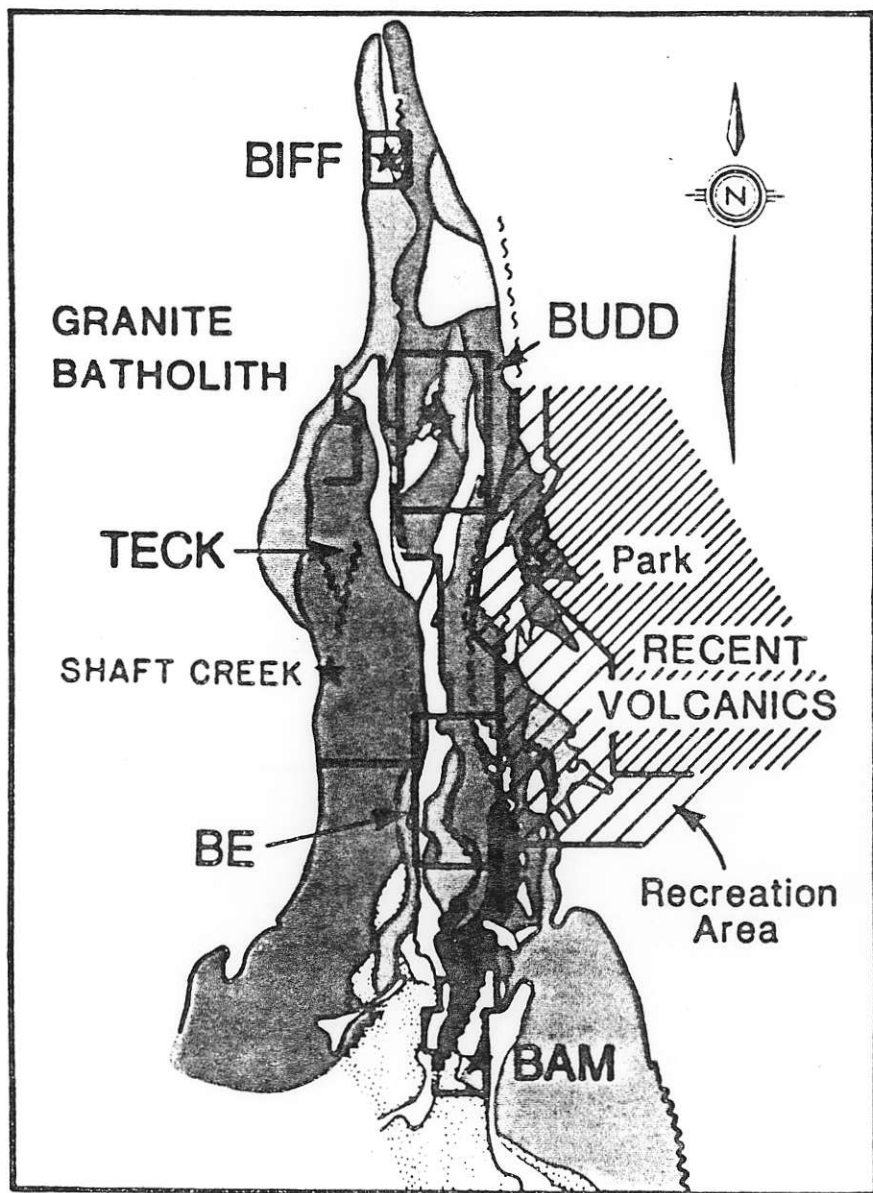
PLANS FOR JULY:

- (1) Continue with evaluation of the BUD silica zone pending return of geochemical values of rock samples.
- (2) Continue with evaluation of the BE native gold showing and trenching of these locations.
- (3) Work on the BAM gold showing by trenching, stripping, geological mapping, bulk soil sampling, and prospecting for further veins.
- (4) Evaluate selected regional targets with some reconnaissance traverses.

Godfrey Walton

G. WALTON

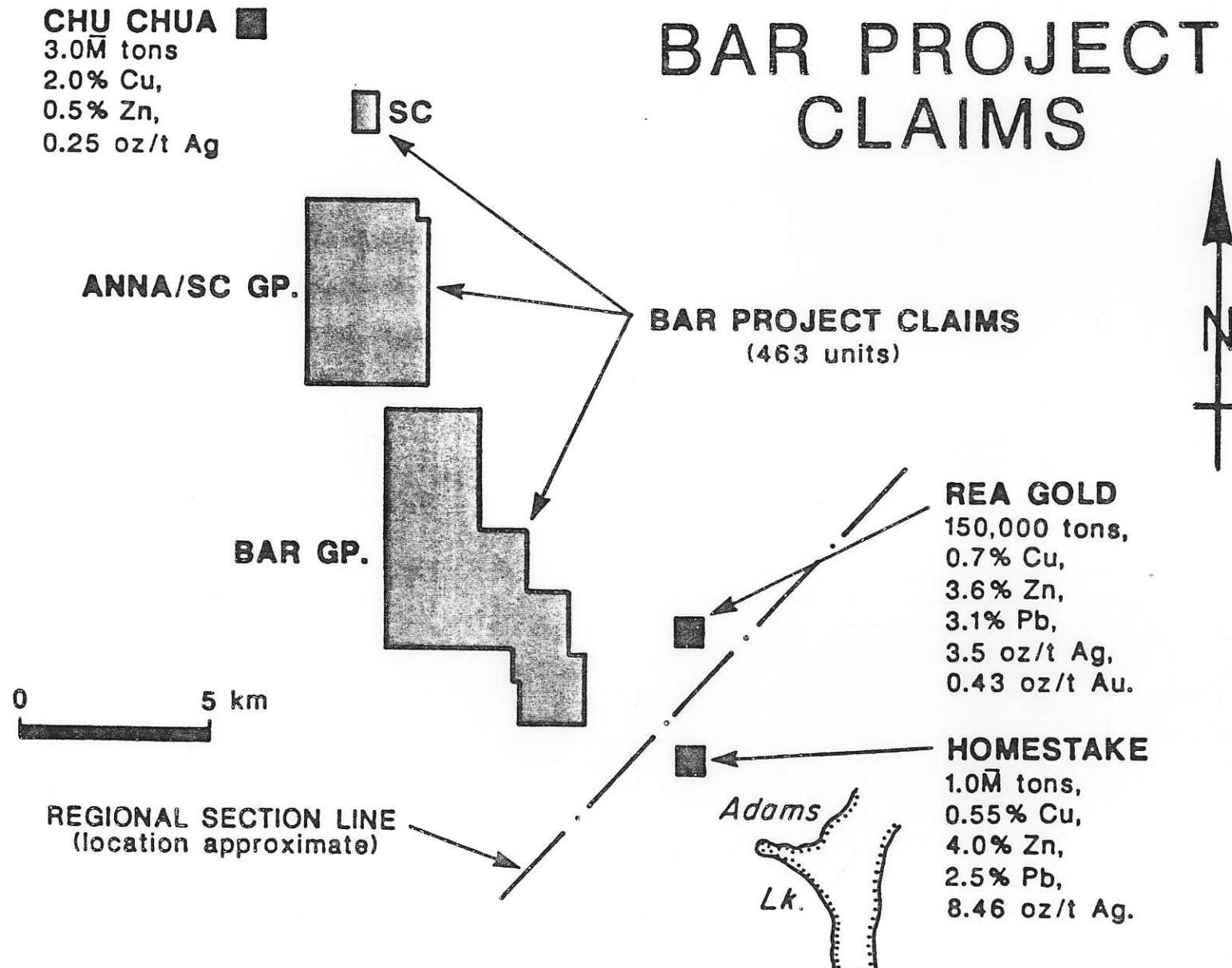




MESS CREEK AREA

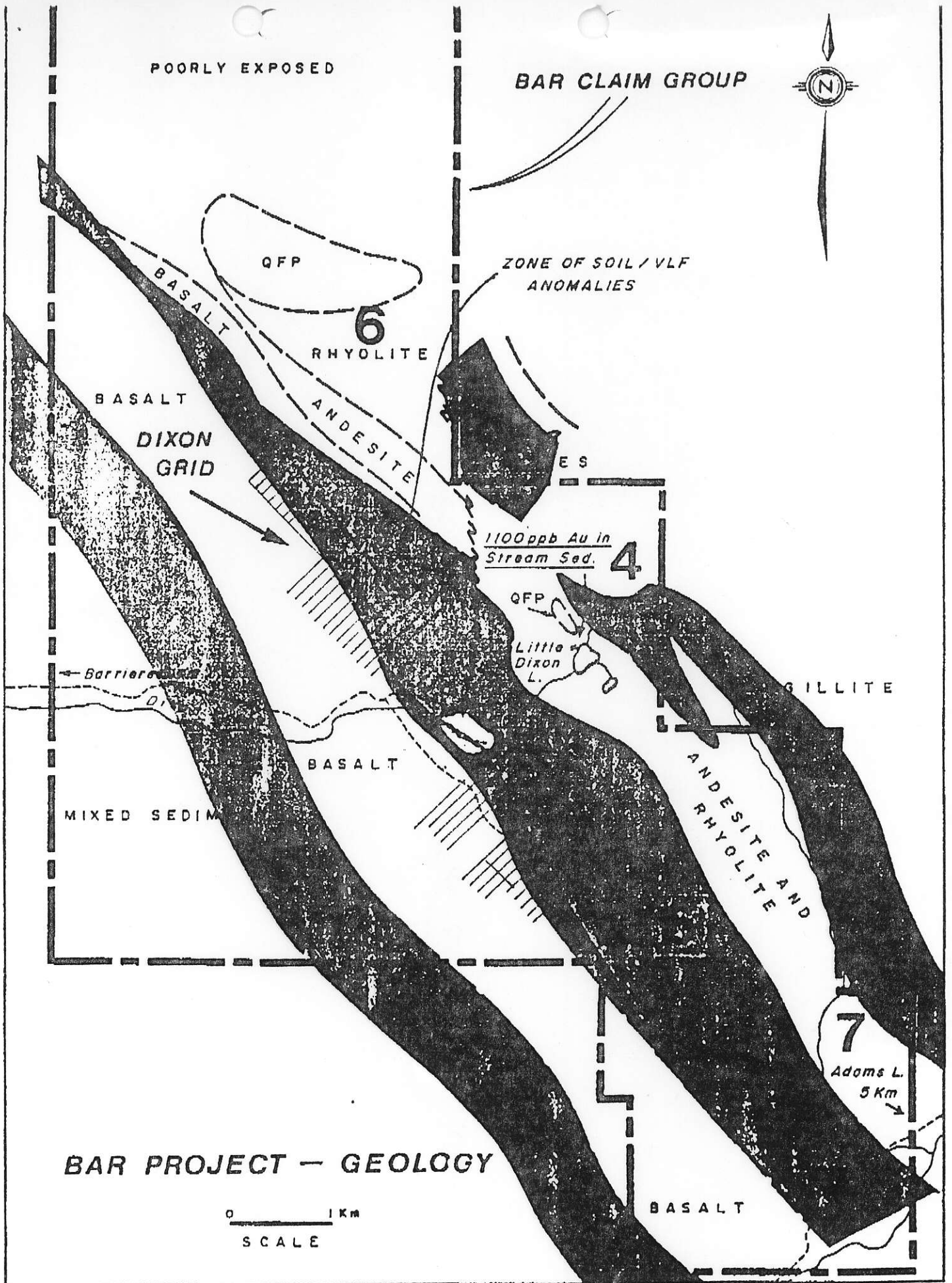
GENERAL GEOLOGY AND CLAIMS BLOCKS

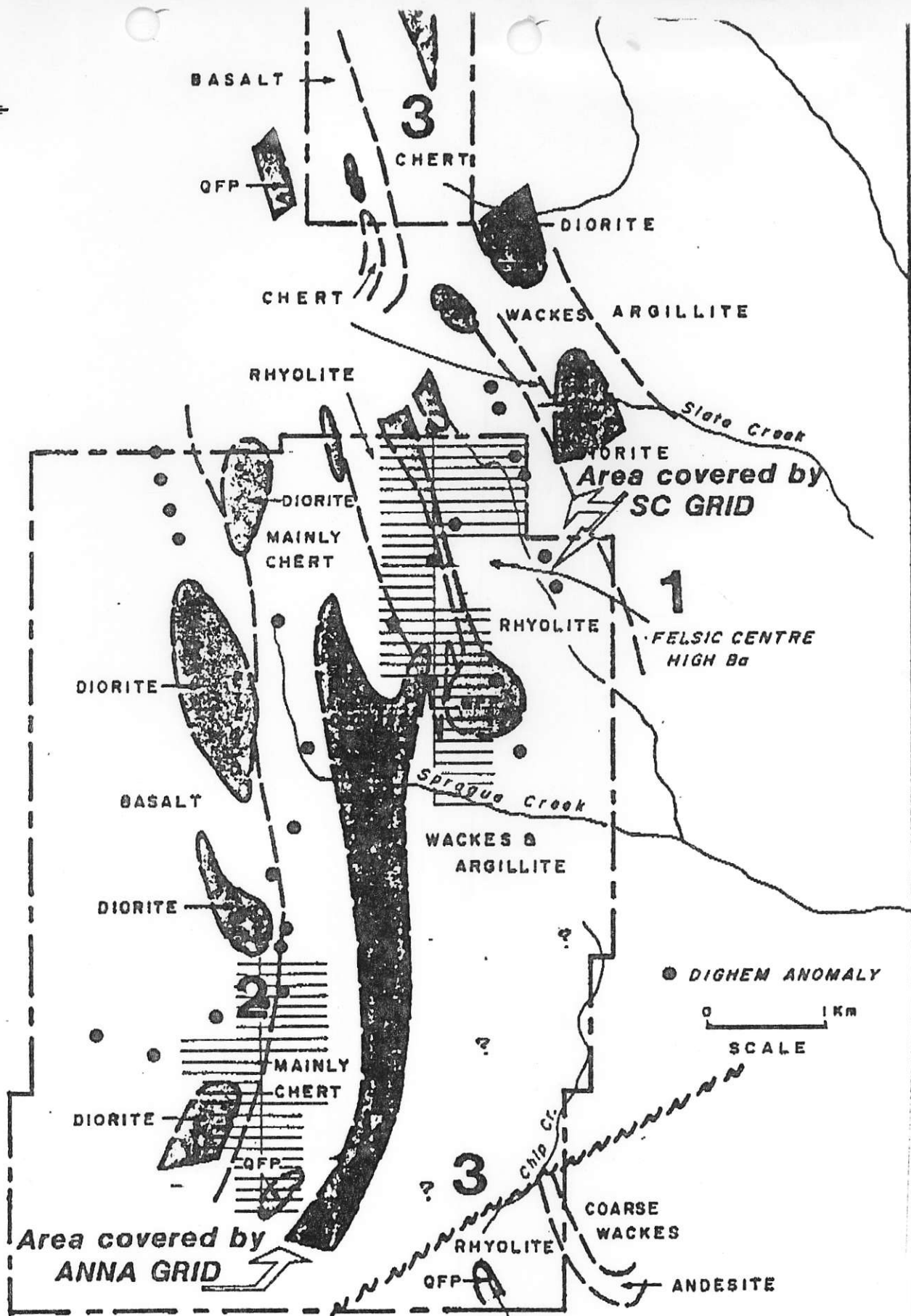
BAR PROJECT CLAIMS



POORLY EXPOSED

BAR CLAIM GROUP





BAR PROJECT · SC & ANNA CLAIMS — GEOLOGY
CORPORATION FALCONBRIDGE COPPER

December 1985

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

BEAR TOTEM (523), BAM (M549),
BE (558), SPECTRUM (M559), BAR (M564)

Monthly Report from July 1/86 to August 8/86

This report covers the period from July 1st to August 8th on the above mentioned projects.

Bear-Totem:

North American Metals have started the field work on the Bear-Totem project with the mobilization of the geological crew on July 21st. On August 1st the drill crew moved in and on August 8th the underground contractor will start his mobilization. The adit should be collared in the next week. Geotechnical experts (Piteau and Associates) have been in to evaluate the ground and the slide area. Winterization of the camp is underway.

BAM:

Work on the BAM has been hampered by the snow staying on the ground. We have been helping the snow removal along by spreading graphite.

Detailed mapping and prospecting around the discovery showing (0.5 oz/ton and 6.5 oz/ton) started at the beginning of August. Four trenches have been blasted and are waiting for sampling and mapping. The area is being covered by soil samples and some VLF test lines using the Hawaiian station. The veins are hosted by a granitic stock which has been highly clay altered and is flooded with silica and local massive pyrite pods. All of the high values to date have been obtained from veins that are close to the contact of the granite and a sheared tuffaceous rock. The outcrop exposure is very poor in the vicinity of the veins, so some of the trenches have been placed to increase outcrop exposure. The veins located to date fall into two main orientations, one at 060° and the other at 120°.

BE:

The work on the BE consists mainly of relogging the drill core, prospecting the soil geochemical highs and collecting further soils in the vicinity of the native gold showings. This has all been carried out although some more time will be spent looking around the gold showing area. The showings have so far not been found. The values obtained from host rocks are anomalous and range up to 1000 ppb Au but no samples have reached ore grade material.

SPECTRUM:

Work on the Spectrum project encompasses the BIFF and BUD claim blocks and regional work in Mess Valley, Galore Creek and the Iskut.

The property work on BIFF and BUD has been carried and the results from the BIFF are discouraging. No anomalous samples were collected. The BUD results are generally low although there are a few anomalous samples. The best result (1200 ppb Au) is from a sulphide vein in a fault sliver of limestones.

The regional work in the Mess Valley has concentrated on two areas, one is the B.J. claims owned by Teck, and the other is the BIC which is now available. The B.J. claims have some very spectacular grades of mineralization associated with veins. These veins look very similar to the veins on the BAM and can be traced for 500 meters along strike, grading up to 0.7 oz/ton. The property is a large one and warrants further work to evaluate it in full. Once all of our results have been returned an offer should be made to Teck to joint venture the claim block. It would be a good claim block to work on with the BAM since they have a similar type of mineralization and geological setting. The veins in the B.J. are hosted primarily by the volcanic rocks.

Two prospective structures in the Galore Creek area were evaluated. Galore Creek is a porphyry copper-gold deposit. One structure is a thrust fault which has had a syenite intruded along it. There is abundant alteration along the fault trace and traverses have been carried out crassing the structure in areas of maximum exposure. Results (up to 400 ppb) returned to date indicate that there has been some enrichment of gold. The second structure in this area is a steeply dipping fault with ultramafic and limestone slivers along its length. I have projected this structure south across a large ice field and it passes beside Johnny Mountain. To date two areas of significant interest have been located on Johnny Mountain, one area is being worked by Skyline (554,000 t grading 21.3 g/t) who are going underground at present, and the other area (grading 0.9 oz/ton Au over 4 m, 2.17 oz/ton Au over 2.1 m) is being drilled by Cominco. Three days were spent evaluating the Johnny Mountain area. The southern projection of the structure to the Johnny Mountain area has not been recognized by other geologists working in the area.

The Mess Creek fault (a graben) has been projected to the south 50 kilometers by B.C. Hydro geologists. We have looked at the structure and have found some fault slivers of limestone but no alteration associated with the fault.

A third structure was located during our regional work in the vicinity of Newmont Lake, which is between the two structures. Areas of significant alteration are visible and one zone looks extremely interesting with larger zones of scorodite, pyrite in a clay altered feldspar porphyry. It appears to be associated with a north-south structure. This ground is currently being staked. Another zone in the same area has an area of silicified limestone breccia with galena and barite. Skyline has a property just south of these two areas where gold has been found with values up to 0.8 oz/ton. Results from this area are pending.

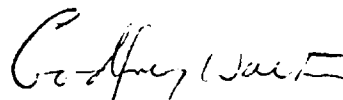
BAR:

Work on this project has started. Falconbridge personnel are collecting rock samples and mapping some of the targets. Further drilling by Falconbridge on the Rae gold deposit has extended the horizon another 300 meters towards the BAR prospect. A spectacular intersection has been made by Falconbridge as listed below.

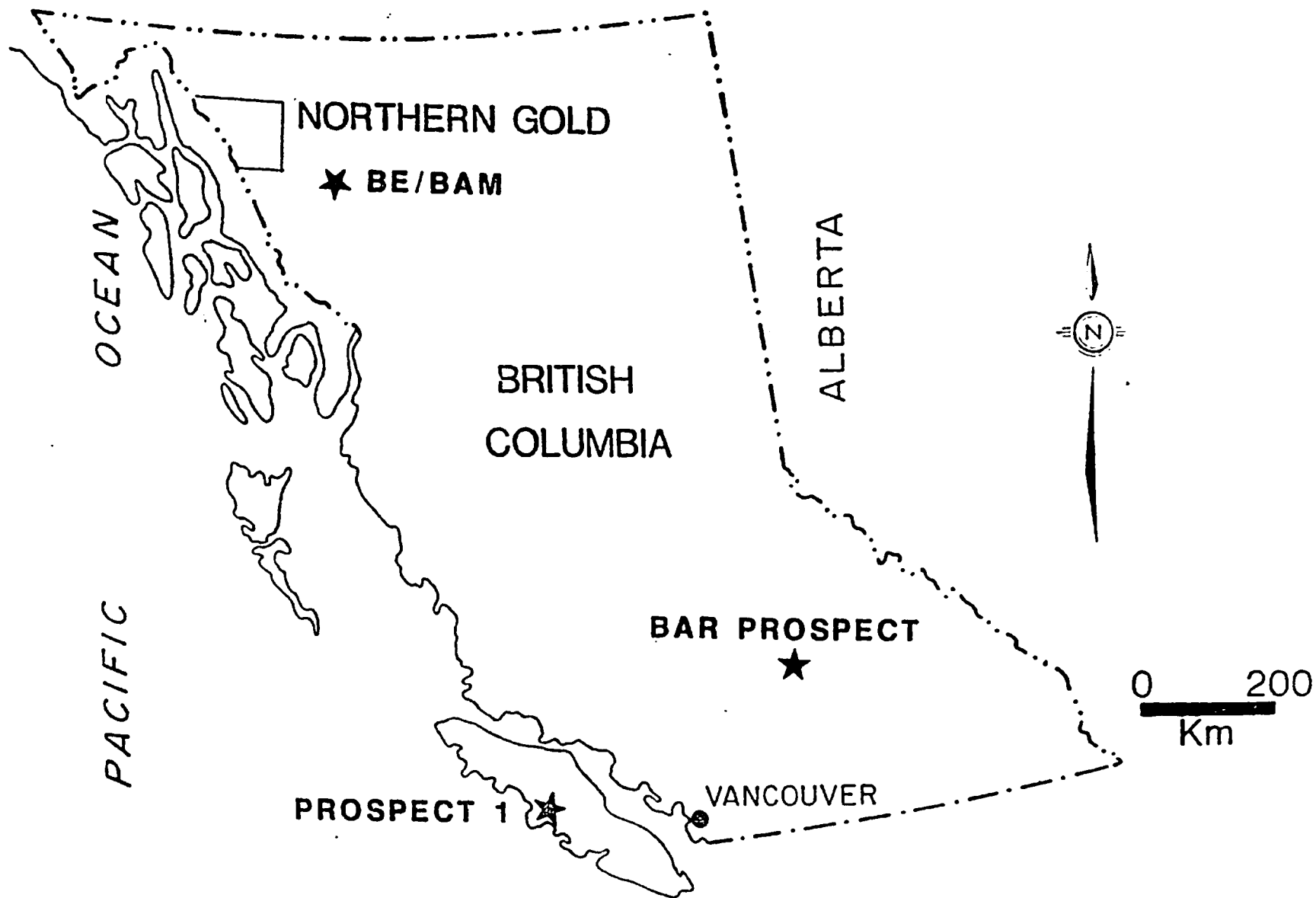
RG-64 3 feet 0.11 oz/ton Au, 78.9 oz/t Ag, 9.34% Cu, 7.12% Zn, 6.95% Pb.

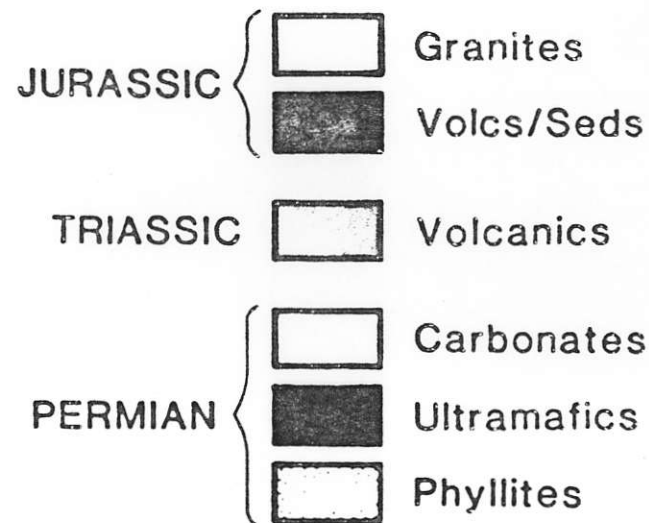
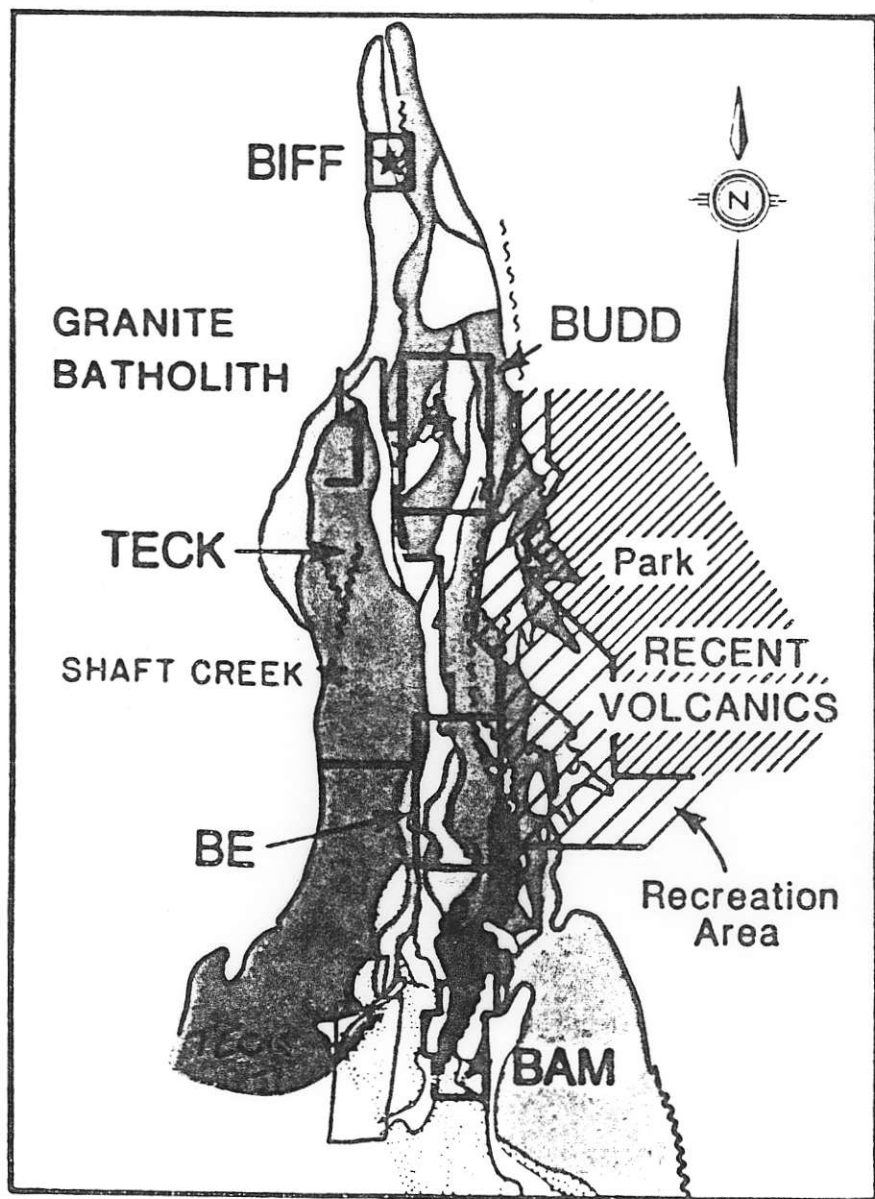
Work to be done in next period:

- (1) BEAR-TOTEM (A) Collar adit
(B) Complete diamond drilling of the Bear Main Zone.
- (2) BAM (A) Complete trenching program.
(B) Complete detailed mapping, trench sampling and ULF.
- (3) BE (A) Complete prospecting areas around gold showing and trench if necessary.
- (4) SPECTRUM (A) Stake the Newmont Lake area to cover the silica zone and the sulphide zone.
(B) Complete two regional traverses in Mess Creek.
- (5) BAR (A) Joint venture meeting is being held in the field August 11-13.
(B) Spend time on the property after the meeting to completely familiarize myself with the geology.



G. WALTON





MESS CREEK AREA
GENERAL GEOLOGY
AND CLAIMS BLOCKS

BAR PROJECT CLAIMS

CHU CHUA ■
3.0M tons
2.0% Cu,
0.5% Zn,
0.25 oz/t Ag

■ SC

ANNA/SC GP.

BAR GP.

BAR PROJECT CLAIMS
(463 units)

REA GOLD
150,000 tons,
0.7% Cu,
3.6% Zn,
3.1% Pb,
3.5 oz/t Ag,
0.43 oz/t Au.

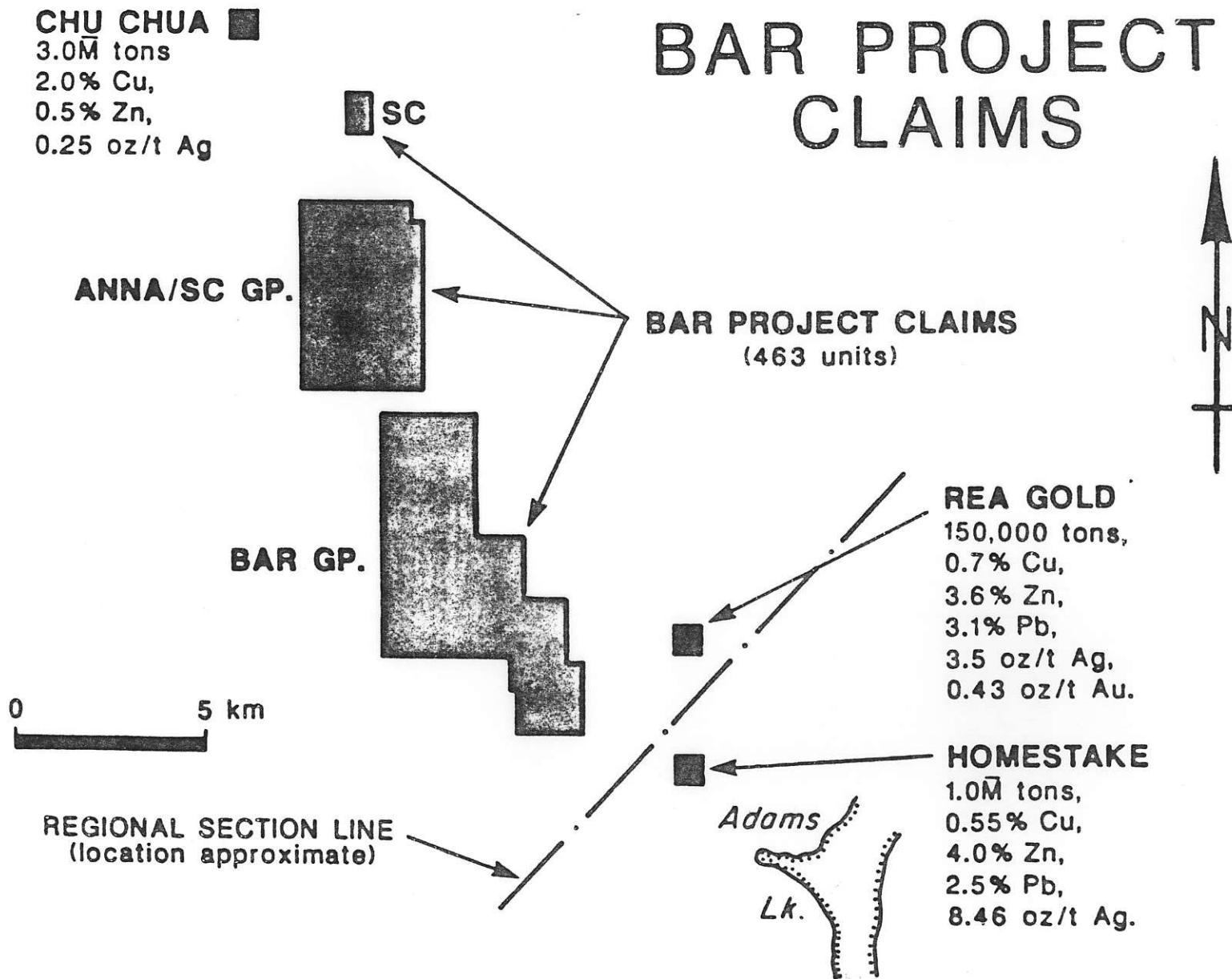
HOMESTAKE
1.0M tons,
0.55% Cu,
4.0% Zn,
2.5% Pb,
8.46 oz/t Ag.

0 5 km

REGIONAL SECTION LINE
(location approximate)

Adams

Lk.



558

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

BEAR TOTEM (523), BAM (M549), BE (558)
SPECTRUM (M559), (BAR M564), SLAVE

Monthly Report from August 9 to September 15, 1986

This report covers the period August 9 to September 15 for the projects I have been supervising.

Bear-Totem:

The North American Metals' crew has been mobilized and work is proceeding very well. The drift is now in approximately 300 feet and 5 drill holes have been completed. I have been advised by Bob Dickenson of the following highlights (1) large section of 20 grams/tonne material was found in the drift, (2) the first cross cut averaged 0.53 oz/ton over 9.55 meters and (3) at the end of the drift the face had the following assays: 63.8 g/t over 1.1 m, 75 g/t over 0.7 m, 29.6 g/t over 1.3 m and 141 g/t over 0.4 m. This gives an average of 62.15 g/t (1.8 oz/ton) over 3.5 meters. In addition surface drilling, to increase the drill spacing to 25 meters, had one hole intersect a 35 foot section averaging 0.9 oz/ton. The surface and underground work is continuing to provide some spectacular grades. The camp has been fully winterized and metallurgical work, road engineering and geotechnical reports are all becoming available.

Bam:

The sampling and mapping of the trenches and the detailed geological mapping was completed. Trench sketches indicate the veins tend to be orientated 120° and they are very high grade up to 78 g/t. In addition some of the granitic material adjacent to the veins, which has a very high quartz content, does carry gold in the range of 2 - 5 g/t over 1 - 2 meters. The area of mineralization is currently limited due to snow and vegetation.

Be:

The best value was a grab sample which assayed 0.3 oz/t. This sample was taken from a small gossaneous zone which was limited in aerial extent. The gold values are generally low being all less than 1400 ppb. No further work is being recommended on this property.

Spectrum:

Results are still pending from the regional work. One high value has been returned, 0.4 Au just north of Johnny Mountain. This target will be staked in the next period. Silt samples from Johnny Mountain area indicate a couple of anomalous areas which will warrant follow up next year. Compilation of this data is currently underway.

Bar:

The BAR claim block is in two segments, a northern block and a southern block. Geological surface work has been carried out on the northern block and is continuing on the southern block. The surface work consists of geological mapping on grids and a Maxmin EM survey. The work on the northern block has outlined cherty horizons, felsic domes with sulphides and sulphide fragments. The horizon found in the footwall of the Chu Chua deposit appears to correlate with these zones. These zones appear to be similar to the Homestake and possibly the Rae Gold deposits.

Evaluation of the southern area was just starting and already they have found fine sulphide fragments, rhyolites, cherts, beds of chalcopyrite, pyrite and pyrrhotite, and abundant fushite alteration.

There are some Maxmin conductors; however, we do not have any location at this time.

The target on the BAR prospect is a Rae Gold type deposit. The Rae Gold deposit has two styles of mineralization (1) original discovery which is arsenic rich and (2) the Silver zone. The Silver zone is the primary target because of the spectacular intersections which Falconbridge have made recently. They have outlined a mineralized zone over 700 meters by 2.5 meters by 100 meters in depth. No average grades have been published for this block; however, some of the drill holes which have been published are listed on the attached Table I.

The strike extension of this stratigraphy continues northward onto the BAR prospect. Ground to the east adjacent to the BAR claims is under option so that we have a firm position in the area.

Slave:

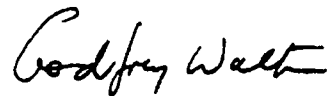
This new property is 20 miles southeast of Bathurst Inlet. It has an auriferous iron formation on it which looks very similar to the Lupin deposit. The Lupin deposit has a reserve of 3 MT of 0.34 oz/ton. This reserve figure has been calculated from ground level to the 1300 foot level and does not include any potential mineralization down at the 2100 foot level (the base of this shaft).

The prospectors have collected approximately 50 samples with a quarter of them being above the cutoff (0.15 oz/ton) at Lupin and several of them being above 1.0 oz/ton. The iron formation is highly folded and probably faulted although the outcrop exposure does not permit a lot of mapping. The mineralization is composed of banded pyrite, pyrrhotite and arsenopyrite. The arsenopyrite appears to be associated with the later quartz veining. The gold at Lupin is primarily associated with another iron arsenide (Loellingite). At the time of my visit, I did not know of this association at Lupin; however, a quarter of my samples had high values above the Lupin cutoff grade.

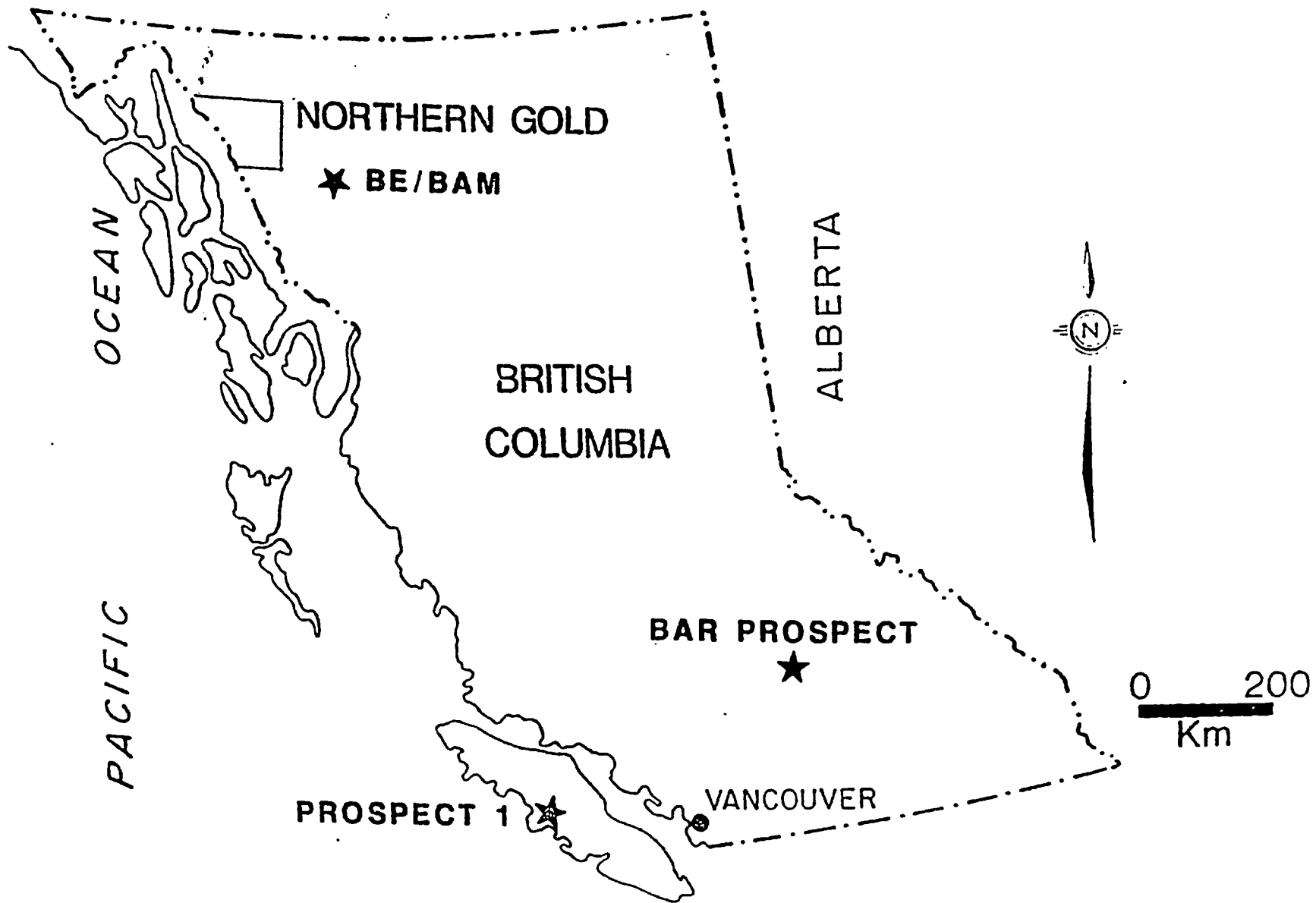
I recommend that we pursue a deal with these prospectors because (1) the ground has gold values ranging from 0.07 g/t to 40 g/t with a quarter of them over 4.5 g/t, (2) very limited work has been done, mainly 70 samples during prospecting, (3) it is a new area and has a chance to hold a significant deposit because there is great deal of iron formation on the property and (4) the potential is tremendous since during my visit I found two more iron formations. If there is no folding, then we have approximately 8 miles of strike length. I suspect the ground is highly folded based on the outcrops visited and the location of the iron formation showings.

WORK TO BE DONE IN NEXT PERIOD:

- (1) Bear-Totem - Property visit during the week of September 22nd.
- (2) Bam/Be - Write summary and assessment reports.
- (3) Spectrum - Write summary and assessment reports.
 - Stake new ground.
 - Work on a deal with Teck for the B.J. property
- (4) Bar - Property visit just prior to drilling to assess drill targets and review work done on southern calim block.
- (5) Slave - Recommend to proceed with a deal on the property.
- (6) Other - Attend intercompany Landsat and photogeology meeting.
 - Meet with Bill Hallager at COFRC to review progress of the Bear-Totem project being displayed in 3D.



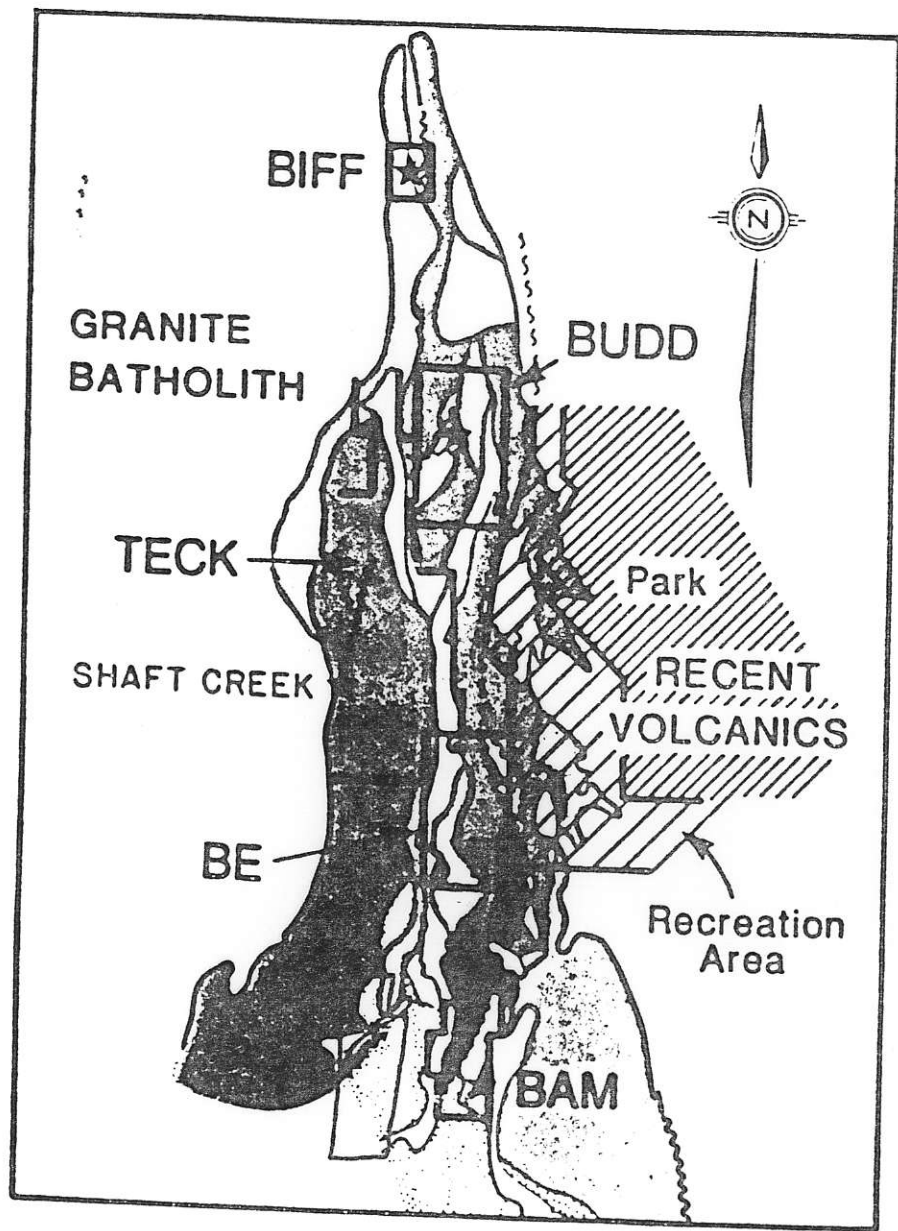
GODFREY WALTON



1987 EXPLORATION CANADA

- GOLD-SILVER
- PLATINUM
- BASE METALS
- URANIUM





- JURASSIC {
 - Granites
 - Volcs/Seds
- TRIASSIC {
 - Volcanics
- PERMIAN {
 - Carbonates
 - Ultramafics
 - Phyllites



MESS CREEK AREA
 GENERAL GEOLOGY
 AND CLAIMS BLOCKS

BAR PROJECT CLAIMS

CHU CHUA ■
3.0M tons
2.0% Cu,
0.5% Zn,
0.25 oz/t Ag

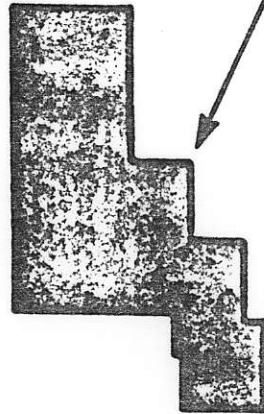
■ SC

ANNA/SC GP.



BAR PROJECT CLAIMS
(463 units)

BAR GP.



REA GOLD
150,000 tons,
0.7% Cu,
3.6% Zn,
3.1% Pb,
3.5 oz/t Ag,
0.43 oz/t Au.

HOMESTAKE
1.0M tons,
0.55% Cu,
4.0% Zn,
2.5% Pb,
8.46 oz/t Ag.

0 5 km

REGIONAL SECTION LINE
(location approximate)

Adams

Lk.



658

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

BEAR TOTEM (523), BAM (M549), BE (558)
SPECTRUM (M559), (BAR M564), SLAVE

Monthly Report from September 15, 1986 to October 6, 1986

This report covers the period September 15, 1986 to October 6, 1986.

Bear-Totem:

The adit is progressing slowly because of the poor ground they have been encountering. The attached figure outlines the layout of the adit with all of the crosscuts, as of 7:00 a.m. October 1. By October 7 the line drive was completed to 23950N and the crew was starting to place crosscuts every 15 meters along the line drive into the hanging wall and every 30 meters into the footwall. The line drive was started because it was difficult to follow the hanging wall contact due to the poor ground conditions. The underground working will probably be completed by December 21 although they have a December 1 deadline by which they need all of their metallurgical samples.

The latest results (44 g/t over 9.5 m) from crosscut 3809 indicate the good values are continuing. All previously mentioned values are summarized on the diagram.

The surface drilling is continuing with 10 holes completed to date. The goal is to be sure all data pertinent to a feasibility study has been collected prior to camp closure.

Bam/Be/Spectrum:

The data are being compiled and drafted. The final assessment reports are being written and the recommendation for 1987 will be outlined. One zone along a mineralized structure just north of Johnny Mountain has been staked.

Bar:

The geological mapping on the grid areas of the southern claim block has been done. It has confirmed the presence of all of the criteria that are critical for a massive sulphide deposit. There are good felsic volcanics with up to 20% pyrite, small fragmental sulphides which are layered, good sediments and mafic volcanics, barium and potassium enrichment and sodium depletion. Falconbridge has proposed we drill 7 holes with a total footage of 1000 meters. Four holes are in the northern area and are around felsic centers with maxmin conductor. Three holes will be in the Dixon Lake area of the southern claim block where there is coincident geology, maxmin conductor and silver geochemistry. The silver geochemistry at Rae Gold outlines the deposit really well.

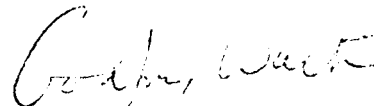
Slave:

A deal has been negotiated with the prospector for the ground and is currently awaiting management approval. Charlie Swift has talked to geophysical contractors about airborne systems which would be suitable for covering the area. He has identified the following combination: Dighem, VLF and magnetics which have been used effectively in the area.

Plans for next period:

- (1) Bear-Totem - Property visit by Helmut Wober and myself on October 14.
- (2) Bam/Be/Spectrum - Continue preparing reports and drafting data.
- (3) Bar - Property visit by Earl Dodson and myself in early November to look at some surface geology and evaluate the early drill results.
- (4) Slave - Make preparations to draw up a deal once management approval of the deal is received.

Obtain government photograph, landsat images and obtain background information on the Bathurst Inlet area and the Lupin mine in particular.



G. WALTON

558

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

NORTHERN GOLD (M504), BEAR TOTEM (523), BAM (M549),
BE (558), SPECTRUM (M559), MASSIVE SULPHIDES

Monthly Report for May 1986

This report covers the work carried out on the above mentioned project during the month of May.

Northern Gold

Falconbridge reviewed the data for the MISTY NIE, OUTLAW, RAM TUT TOT, SLAM and VEIN claims. They have declined to accept a deal on any of these claim blocks.

Bear-Totem

A counter proposal was made to Kerr Addison and North American Metals for the project. Chevron's offer was as follows: Nine Million Dollars (Can.) spent on the property over three years to earn a 50 percent interest. North American Metals was the only company ready to meet the terms and are currently delineating their program while a contract is being drafted.

Bam, Be, Spectrum

Field preparation culminated with the camp equipment being mobilized into an old Utah campsite. The snow pack in the area is still fairly extensive.

Massive Sulphides

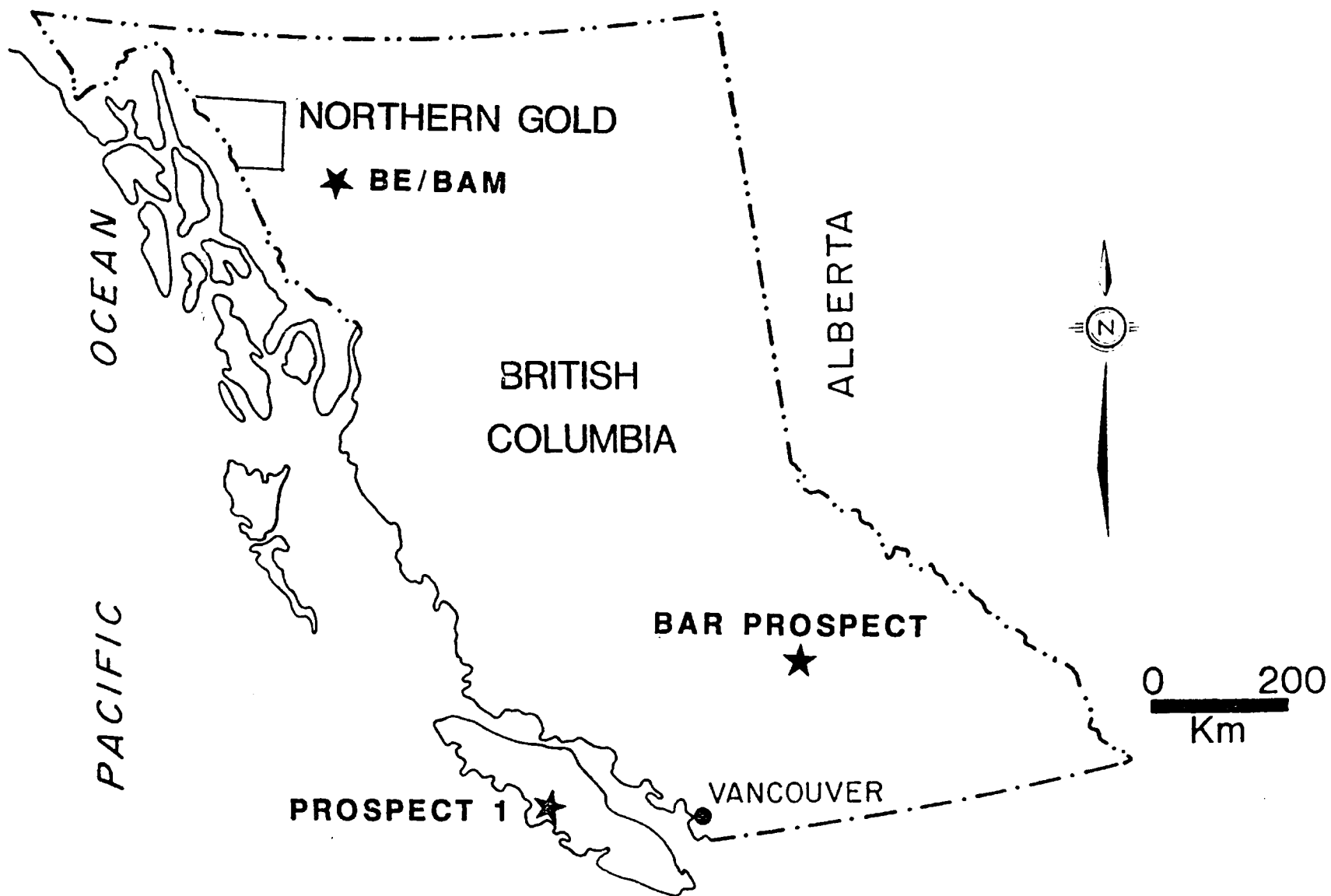
Negotiations are still under way for the BAR claims with the junior company.

Research into the Sicker and Eagle Bay formation has outlined several target areas that warrant some field evaluation late in the year when crews are available. The land status for both of these belts has now been compiled. Other volcanic belts will also be evaluated during the summer.

Work for Next Period

The field work will commence on the BAM, BE and SPECTRUM. A deal on the BEAR-TOTEM and BAR projects should be signed. Field preparation will be under way to start work at BEAR-TOTEM.

G. WALTON



ADV
H.
COW

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

NORTHERN GOLD (M504), BEAR TOTEM (523), BAM (M549),
BE (558), SPECTRUM (M559), MASSIVE SULPHIDES

Monthly Report for April 1986

This report covers the work carried out on the above mentioned project during the month of April.

Northern Gold

The search continues for joint venture partners for some of the properties in the Northern Gold project. Falconbridge Limited have shown considerable interest in the following claims:

- MISTY-NIE - The northern on strike extension of the BEAR-TOTEM trend.
- OUTLAW - A clay alteration zone within a hornfels zone.
- RAM TUT TOT - Silicified limestone bodies with some precious metal values associated with a large geochemical halo.

Falconbridge are still reviewing the data. Some of the fringe claims around the BEAR-TOTEM will be surrendered.

Bear-Totem

The search for a joint venture partner is continuing and has been successful in obtaining two bids, one from Kerr Addison and one from North American Metals. Both companies have offered deals which propose expenditures less than Chevron's expenditure to earn a 33 1/3 to 60% interest in the property. The highlights of each deal are as follows:

Kerr Addison proposed expenditure of	\$7.5M Can. to earn 60% interest
North American Metals proposed expenditure of	\$5.5M Can. to earn 33 1/3% interest
and	\$8.0M Can. to earn 50% interest

These offers have been sent to San Francisco. I presented the BEAR-TOTEM data to Noranda, Mandusa, Canamax, Falconbridge and Hudson Bay Mining.

Bam, Be, Spectrum

These projects are all in the Mess valley northwestern British Columbia. The BAM project has been optioned from Chris Graft and has grab samples up to 6 oz/ton Au over 1 meter from a quartz and pyrite veined diorite. The proposed work for 1986 consists of geological mapping, soil sampling, a VLF-EM survey and trenching. The goal for this season is to define targets for drilling in the 1987 season.

The BE project was optioned from Utah and was explored for its porphyry copper potential. During this exploration two native gold showings and one native silver showing were found. No work was carried out on these showings. Drill core was analyzed for gold but sample lengths were a minimum of 50 feet in length. The program for 1986 will consist of reexamination of the drill core, resampling of the core and showing, soil geochemistry and trenching of the showing.

The SPECTRUM project will explore two new claim blocks, BIFF and BUD, which cover targets similar in geological setting to the BEAR-TOTEM. The BIFF and BUD cover fault bounded slivers of Permian limestones within a tuff host rock. The claims are close to the Mess creek fault which has active hot springs along it and has been moving since Jurassic time. There are already numerous gold showings in the area. The program will consist of geological mapping, soil sampling, bulk silt sampling and VLF-EM.

Preparations are currently underway to establish the camp for these projects on June 2.

Massive Sulphides

The BAR project (Falconbridge Copper) was presented in San Francisco. The deal is for us to earn a 30% interest, Falconbridge to have a 50% interest and a junior to earn 20% interest.

A field evaluation of a property in the Sicker group was carried out. The property is underlain by Sicker group but the rocks are part of the upper unit called the sediment-sill unit. This unit can be up to 1000 feet thick. I do not recommend Chevron becoming involved in this property.

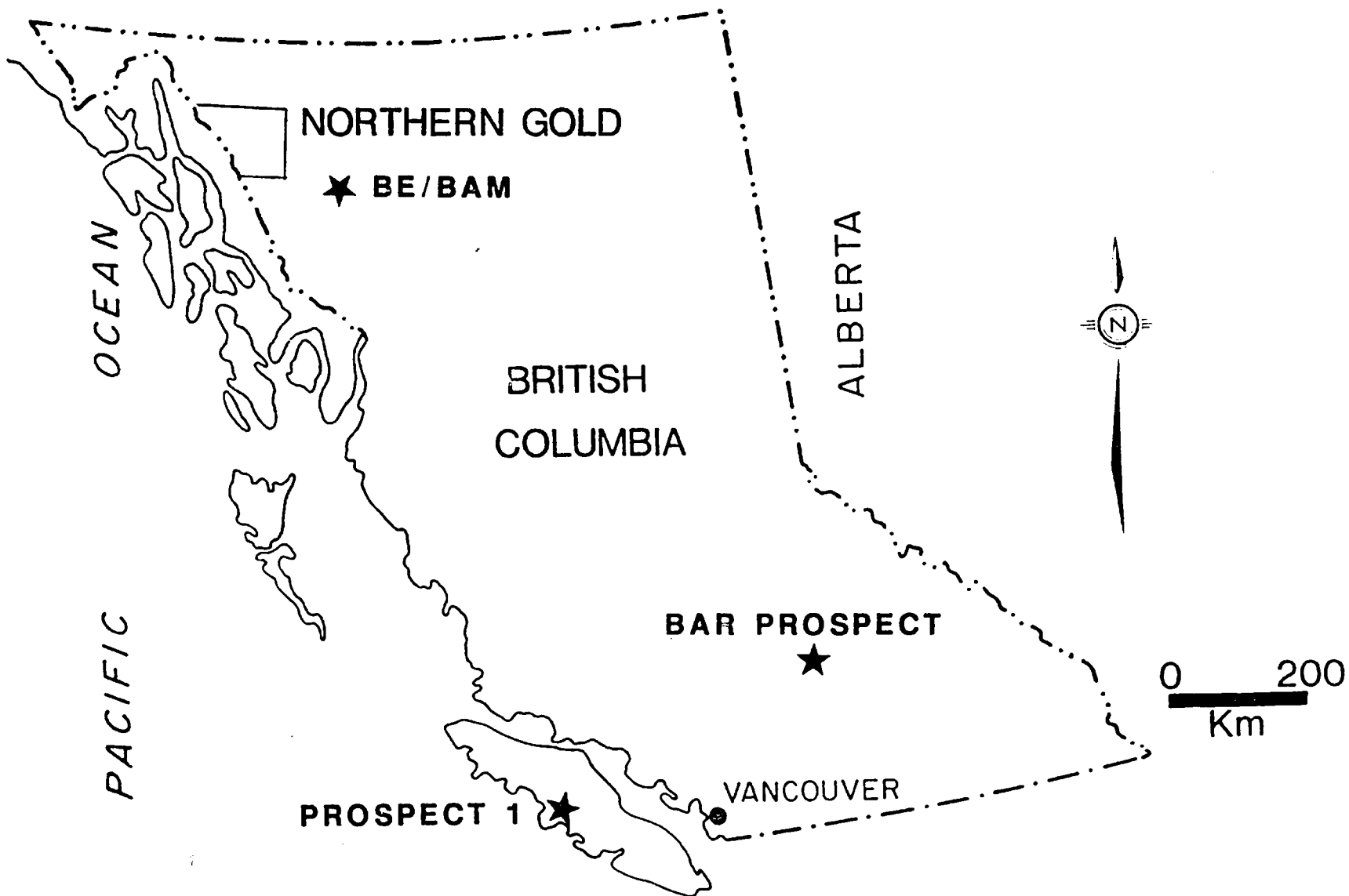
Research into the Sicker and Eagle Bay formation is continuing to outline showings and land positions. Other volcanic belts in British Columbia are being evaluated for their volcanogenic massive sulphide potential.

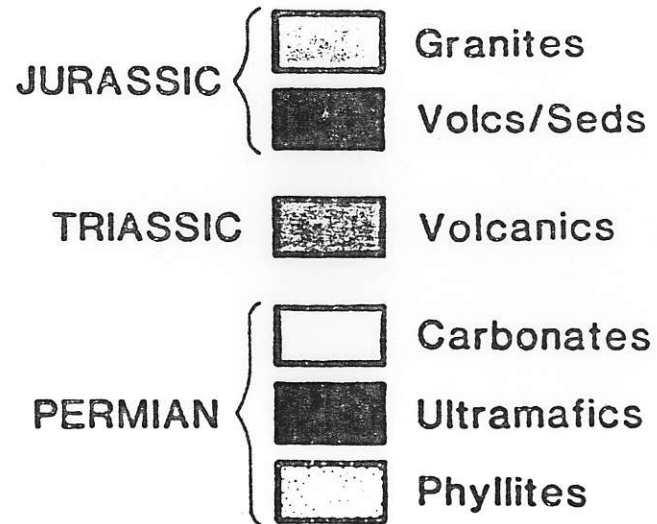
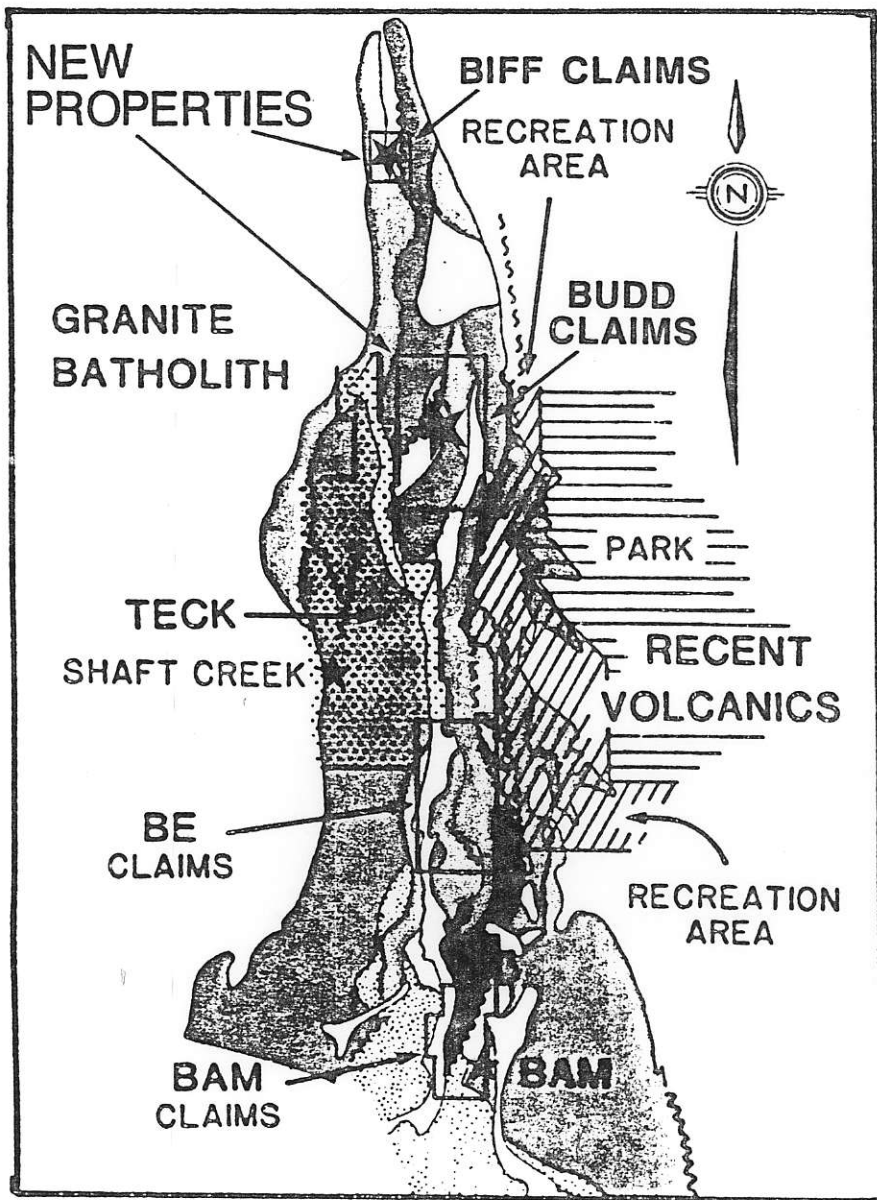
Work planned for May 1986

Finalize plans for the BEAR-TOTEM project. Complete field preparation for the BAM, BE and SPECTRUM and continue research into potential massive sulphide targets.

G. WALTON

GW:am





**BE/BAM
MESS CREEK AREA
GENERAL GEOLOGY**

CHEVRON CANADA RESOURCES LIMITED
MINERALS STAFF
CANADA

BEAR TOTEM (523), BAM (M549), BE (558), MASSIVE SULPHIDES

Monthly Report for March 1986

This report covers the work carried out on the BEAR-TOTEM, BAM, BE projects and details the contacts made to identify a number of volcanogenic massive sulphide targets in British Columbia.

BEAR-TOTEM

The search for a joint venture partner for the project has continued during March. Presentations were made to nine different companies. I gave individual presentations to the following eight companies: Placer Development, Falconbridge, Canamax, Canadian Tungsten, Imperial Metals, North American Metals, Canamerica, and Silver Hart mines and Helmut Wober gave a presentation to Erickson Gold Mines. Kerr Addison, whom I gave a presentation to in February, have returned on numerous occasions to continue their in-depth evaluation of the property and have unofficially indicated that they are preparing an offer. North American Metals and Canamax have also returned to examine the data in more detail.

BAM/BE

Larry Dick and I have looked over the field programs that Larry had and I laid out for these projects and have identified a crew. I am currently waiting for approval to hire the crew, and we expect to be in the field on June 1st. Base maps and air photographs are currently being prepared.

MASSIVE SULPHIDES

To broaden our commodity base, I have has been evaluating volcanogenic massive sulphides which have a high precious metal content. In reviewing the currently known deposits, there are three areas which have volcanogenic massive sulphide deposits with significant precious metal values . These areas are (1) Sicker volcanics on Vancouver Island; (2) Eagle Bay formation on the Adams Plateau; and (3) the Windy Craggy area in the north westernmost corner of British Columbia.

The first two localities have excellent access and should be the first areas to be evaluated. I have contacted a number of companies who have massive sulphide prospects and have had three favourable responses to date.

The Sicker volcanics on Vancouver Island host Westmin's Buttle Lake deposits, the Twin J deposit (optioned by Falconbridge Copper) and Abermin's Lara deposit. The current tonnages and grades for the deposit are on the attached table. The first prospect is underlain by volcanics which were just recently identified as belonging to the Sicker group. To date a few rock samples of banded sulphides in outcrop and float have been located and then the group was staked. A field check is being planned for April to evaluate the prospect.