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TEESHIN RESOURCES LTD.

EXPLORATION POTENTIAL of the DOME MOUNTAIN PROJECT

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SUMMARY:

The Dome Mountain property contains shear hosted auriferous quartz veins within Hazelton Group rocks. The feasibility report for the project completed in June, 1989 reports mineable reserves of 300,000 tons at 0.355 oz/ton gold. Recent drilling has increased these reserves by 24,000 tons of similar grade. These reserves are all within the east-west striking Boulder vein and the related Argillite veins.

The exploration potential on Dome Mountain is excellent. The last drilling, in January of 1990, on the Boulder ore zone proved that the zone was not closed off as was previously reported. There were five ore grade intercections out of eight holes targeted on the easterly plunging extension to the zone. The zone is still open and there is no known reason suggesting that the zone will not continue for a considerable distance down plunge.

This ore zone is within a major shear structure that can be traced for over 1.5 km. Other veining has been encountered on the shear structure both east and west of the ore reserves throughout its known length. A number of significant gold occurences have been encountered, and the potential for other ore zones on the shear structure is very high.

A number of other targets occur in a one square kilometer area of high exploration priority around the Boulder vein, the most significant of which is the Forks zone. This area is geologically very similar to the Boulder/Argillite zone area. A shallowly dipping vein in the Forks has geological reserves of 20,000 tons grading 0.688 oz/ton gold. Other targets close to the known reserves include the Elk vein, 450 meters southwest of the Boulder, and the 9800 zone, south of the Forks.

Elsewhere, there are a number of other gold bearing structures on the property over an area several kilometers long, some with only limited exploration to date. Numerous untested soil and geophysical anomalies occur throughout the property. These provide a number of exploration targets for future evaluation.

Considering the strength of the structures on Dome Mountain and the widespread extent of gold mineralization, combined with the relatively small amount of systematic exploration to date, the prognosis for continued ore discovery is excellent. If sufficient exploration funds are available, a doubling of current reserves should be posssible in the near future, and a three to four fold increase is a realistic possibility over the next few years.

Present reserves and excellent exploration potential combined with very favourable location continue to make Dome Mountain one of the best gold projects in British Columbia.

INTRODUCTION:

This report gives a brief summary of the exploration potential of Teeshin Resources Limited's Dome Mountain property near Smithers B.C. For details on location, claim ownership, geology, previous work and current ore reserves, readers are referred to numerous previous reports on the project.

At this time, a thorough compilation and review of all data on the property is being undertaken. During the course of this review, all drill hole data will be reinterpreted with the aid of a computerized geological database, the underground workings will be remapped, and some core will be relogged. This work will enhance the understanding of the known ore reserves and the structural and lithological influences upon it, as well as facilitate the exploration for new reserves.

When the compilation and review are completed, a report will be written presenting an updated geological model for the property, as well as summarizing previous work and results on the property. A more detailed and considered exploration evaluation will also be included in this report.

GEOLOGICAL SUMMARY:

Quartz veins on Dome Mountain are hosted by shear zones developed within Jurassic Hazelton Group rocks. These rocks are comprised of a lower unit of mostly pyroclastic volcanics with minor flows, bedded tuffs and sediments (Telkwa Formation) and an overlying unit of bedded, often graphitic, sediments (Nilkitkwa Formation). The rocks have been deformed by a large scale southeasterly plunging anticlinal fold, whose axial plane runs along the crest of Dome Mountain. Several intrusions of varying composition intrude the Hazelton rocks.

There are two main vein orientations on the mountain. A series of subparallel auriferous veins striking northwestward can be traced for 4 km along the upper parts of Dome Mountain. Eight kilometers along strike to the northwest, a similar vein occurs on Mt. McKendrick. These veins were the focus of exploration activity since the early part of this century and contain significant gold values. However most of the veins are too narrow to provide ore grades over mining widths.

Recent exploration has been concentrated on east-west striking veins, which appear to be more favourable for ore development. The Boulder vein, discovered in 1985 by trenching on a soil geochemistry anomaly, is within a major east-west shear zone. A number of other subparallel shears have been noted on the property on the eastern, mostly overburden covered, side of Dome Mountain.

DETAILS OF EXPLORATION TARGETS:

A) BOULDER STRUCTURE AND RELATED TARGETS

The Boulder ore zone is contained within a major east-west trending shear zone that has been identified over a 1.5 km strike length, and that may continue to both the east and west for considerable distances. This shear zone also hosts the Cabin and Federal zone veins, and the Argillite veins are within structures associated with it.

As well as being the host for present ore reserves on the property, this major shear zone appears to be the most important exploration target for additional reserves.

Within the area of current reserves in the Boulder zone, the hangingwall rocks can be divided into four distinct units. From west to east these are; lapilli tuff, well bedded crystal tuff, amygdaloidal flow, and a mixed volcanic/sedimentary unit (including the rocks in the Argillite zone, and rocks previously described as dacite). The footwall of the ore zone is always the lapilli tuff unit.

There is a strong correlation between hangingwall rock type and ore width and grade. The best developed ore occurs is where the hangingwall is composed of amygdaloidal flows. When the hangingwall is the volcanic/sedimentary unit the vein tends to be poddy but high grade. Within the bedded tuff unit the vein stringers out giving wide zones of lower, but still economic, grades. To date, few ore grade intersections have been encountered when the hangingwall is lappilli tuff.

The hangingwall effect on vein widths and grades is probably due to changes in the shear structure orientation due to differing competencies between the different rock types. Some chemical effects may also be important, especially in the iron and calcite rich amygdaloidal flows.

A projection of hangingwall rock types on the Boulder vein longitudinal section shows a plunging contact between hangingwall rock types and the Boulder vein, concurrent with an easterly plunging ore zone (Fig. 1). The longitudinal section also shows that while deeper pre 1990 drill holes on the Boulder were mostly non economic, they were almost all within the area of lapilli tuff hangingwall. Within the area of bedded tuff through volcanic/sedimentary hangingwall the zone was still open. This was largely because earlier workers considered the Argillite zone to be a continuation of the Boulder zone, rather than an associated structure, and swung the drilling pattern to follow the southeast trending Argillite zone. Deeper holes on the Argillite zone failed to intersect ore grade mineralization, but did not go far enough to intersect the Boulder structure at depth where the hangingwall rock type was favourable for ore.

The last eight holes of the 1990 drill program were targeted on the projected continuation of the ore zone within the amygdaloidal hangingwall area. All holes intersected the structure, and five intersected ore grade mineralization. This is a similar ratio to ore grade versus non ore grade intersections from earlier drilling in the ore zone (and typical for gold vein deposits everywhere). The zone is still open down plunge to the east.

Recent drilling 100 to 400 meters to the east of the ore zone intersected a well developed Boulder shear on strike with, but above, the projected continuation of the ore zone. Therefore there is every indication that the ore zone will continue for considerable distances down plunge to the east.

The 1990 holes drilled in the Boulder ore zone all encountered hanging wall veins, some with very high gold values. Further work is required to properly model these veins before any reserve figures are attached to them. They all have potential of widening if structural controls are right.

To the west of the ore zone, a number of wide veins have been intersected, but few significant gold assays have been returned. It seems likely that one has to be closer to the contact between predominantly volcanic Telkwa Formation rocks and graphitic sediments of the Nilkitkwa Formation to get the combination of structural and chemical/physical requirements for gold deposition in quartz veins. Proximity to graphitic sediments is an important criterion in many gold camps throughout the world.

The Boulder structure contains hangingwall veins or splays between the presently defined ore zone and the volcanic/ sedimentary contact 500 meters to the east. Drilling in 1989 and 1990 intersected a number of veins, some with ore grade intersections (D89-6 with 2.0 meters assaying 1.5 oz/ton gold and D89-5 with 1.0 meters assaying 0.63 oz/ton gold). Wide zones of albite alteration, in contrast to carbonate-sericite alteration in the main Boulder shear, are of special interest due to the relationship between albite and gold mineralization in many gold camps. More drilling, especially at depth, is required to further test this favourable area.

Drilling is also required to the east of past drilling at, and within, the sedimentary Nilkitkwa Formation. In some camps (e.g. Erickson) this is the most productive ore zone. A major east-west anomaly from an airborne EM survey within the Nilkitkwa Formation south of the projected Boulder shear continuation is an important target in this area.

To the west of the present reserves in the Boulder zone, there are few indications that the shear zone contains ore potential. However, further work may allow the projection of zones of vein openings eastward and at depth towards more favourable ore environments nearer the graphitic sediments.

Another area of interest in the western part of the Boulder shear zone is where its projected extension intersects, or is possibly cut off by, a magnetic high from an airborne geophysical survey. This magnetic high may be due to a buried intrusion.

The Boulder shear is a strong and very continuous structure, which hosts a significant ore zone. It is unlikely that structural and chemical/physical criteria favorable to ore deposition are not repeated elsewhere on the structure. Continued exploration on the Boulder shear, especially to the east and below current ore reserves, will probably result in more ore zones being outlined.

B) FORKS AREA

The Forks area has a number of similarities to the Boulder shear zone. As in the Boulder, there is a major east-west shear developed within the Telkwa Formation which hosts gold bearing quartz veins close to its contact with Nilkitkwa Formation sediments. The amygdaloidal flow unit is present, and there is a vein in a contact between volcanics and interbedded sediments, possibly analagous to the Argillite zone. This vein strikes northwest and dips shallowly to the northeast. Results from old underground workings and limited diamond drilling give a geological reserve of 20,000 tons grading 0.688 oz/ton gold to this vein. Other veins in the area have also been intersected by old underground workings and more recent diamond drilling (e.g. the #4 vein which assayed 1.27 oz/ton gold over 0.52 meters for 18 meters in an old drift). The zone is open to the east, towards the Nilkitkwa contact.

Only limited diamond drilling has been done in the Forks zone, and no holes cover the area between the known showings and the Nilkitkwa contact. Using criteria developed by studying the Boulder vein, a re-evaluation of this zone will be undertaken, followed by a proposal for a significant exploration effort. The possibility that the Forks zone hosts a new ore zone of similar size and potential as the Boulder ore zone is very good.

C) ELK VEIN

The Elk vein is an east-west structure located between the Boulder and Forks zones. It has received limited trenching and diamond drilling, but is still not well outlined or understood. One of the four holes drilled on the structure intersected 1.7 meters of 0.287 oz/ton gold in a quartz vein hosted by lapilli tuff.

This structure should be followed to the east to where it intersects the amygdaloidal and higher rock units, which are more favourable for ore development. Its close proximity to the Boulder zone would allow access to any ore on the structure from Boulder workings.

A ground IP geophysical survey over the area failed to get much response from the Elk vein. However clay rich overburden could mask geophysical, as well as geochemical response, especially if there is an ore zone at depth.

D) 9800 ZONE

The 9800 zone is a high grade quartz-sulphide pods within the graphitic Nilkitkwa sediments that may extend into the underlying Telkwa Formation rocks. Fifty-six tons of ore grading 0.88 oz/ton gold were shipped from this zone in 1986.

No review has been made of the data from this area, but it seems that exploration should be targeted upon a possible feeder to the mineralization in the underlying volcanic rocks.

E) OTHER AREAS NEAR THE BOULDER

Further work is sure to provide other exploration targets close to the Boulder area. Detailed geology and geophysics, with follow-up trenching and drilling, should continue to be directed to the area from a few hundred meters north of the Boulder to just south of the 9800 zone and close to the Nilkitkwa contact for the present time, encompassing an area of about one square kilometer.

F) FUTURE EXPLORATION

Northwest striking auriferous quartz veins have been found along the crest of Dome and McKendrick Mountains over a strike length of more than 10 km. The discovery of the Boulder zone has refocused exploration from these northwesterly striking zones to east-west striking zones on the east side of the mountain. Most of this area has limited outcrop, and has received only preliminary exploration. There are many untested anomalies from soil geochemical surveys, and only limited geophysics has been undertaken.

The northwest striking veins are still a potential target. If zones of significant opening can be found on the structures, there is a good potential for minable reserves. The projected intersection of the Chisholm structure with the Nilkitkwa Formation is one area to test for ore on northwest structures.

Evaluation of the rest of the Dome Mountain property for new east-west structures, and zones of opening on northwest striking structures should continue to provide good exploration targets for many years.

ORE POTENTIAL:

Reserves reported in the feasibility study, combined with additional ore intersected during the January 1990 drill program, give a reserve figure of 324,000 tons of ore grading 0.355 oz/ton gold for Dome Mountain. As the main Boulder ore zone is still open, the potential of increasing these reserves by 50% in the near term is very good. Another zone or zones on the Boulder shear structure at depth or to the east could possibly have similar size and grades.

Considering the known and potential zones parallel to the Boulder shear (Forks,Elk, 9800?), there is a good possibility of finding one or more new ore bearing shear structures which may be as productive as the Boulder. Therefore a possible reserve potential in excess of one million tons is estimated for Dome Mountain.

The Dome Mountain property has a number of features in common with many major gold deposits world-wide, including major shear structures, a volcanic/sedimentary contact, iron rich alkaline host rocks, albite and mariposite/fuchsite alteration, and extensive zones of carbonate alteration and gold mineralization.

Shear hosted mesothermal quartz vein gold deposits containing over one million tons of ore are not unusual in British Columbia (e.g. Bralorne, Rossland, Surf Inlet, Snip). Considering the strength and extent of mineralized structures, and the favourable host geology, it is not unreasonable to estimate a one million plus ton ore potential for Dome Mountain.

STATEMENT OF QUALIFICATIONS:

I, Hans Q. Smit, of Telkwa, British Columbia, do hereby certify that:

I am a consulting geologist with a business address at P.O. Box 57, Smithers, B.C., V0J 2N0.

I am a graduate from the University of British Columbia with a B.Sc. (Geology-Honours)

I am a fellow of the Geological Association of Canada.

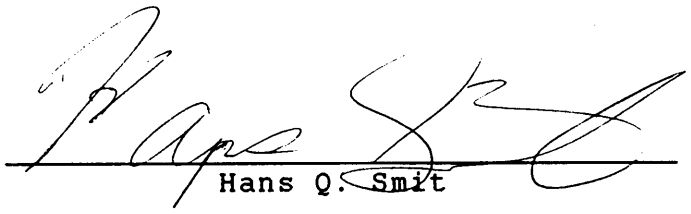
I have been involved in the mineral exploration and mining industry for ten years.

I am presently consulting for M.P.D. Consultants Ltd. of 581 Argus Road, Oakville Ontario.

I have worked on the Dome Mountain project since November, 1989 for M.P.D. consultants.

I have no interest in, nor do I expect to receive any interest in, Teeshin Resources Ltd., or in any of the claims covered by the Dome Montain project.

I am the author of this report.



Hans Q. Smit

April 2/90

Date

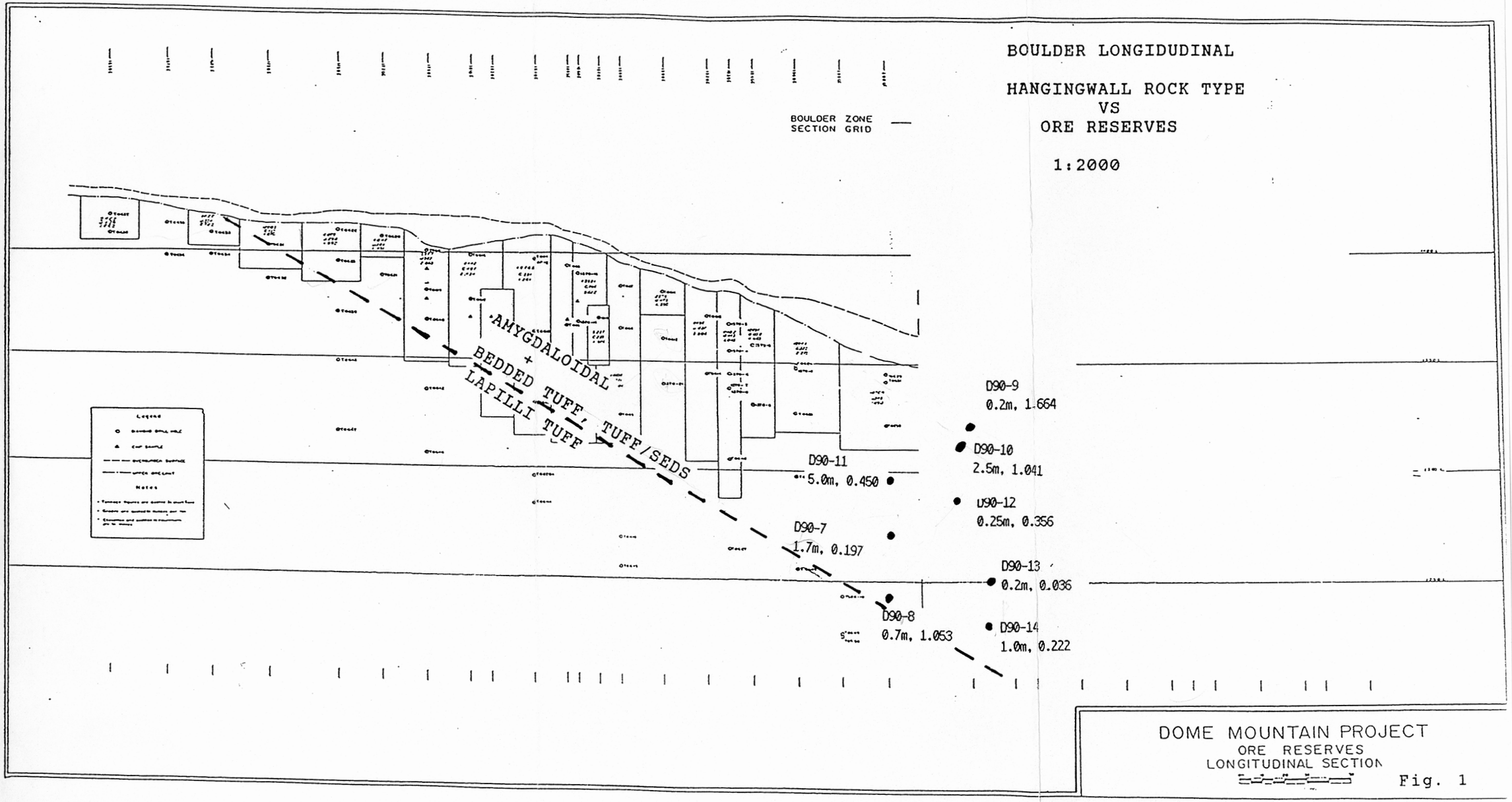

BOULDER LONGIDUDINAL
HANGINGWALL ROCK TYPE
VS
ORE RESERVES
1:2000
BOULDER ZONE
SECTION GRID
AMYGDALOIDAL
+
BEDDED TUFF/ TUFF/SEDS
LAPILLI TUFF
D90-9
0.2m, 1.664
D90-10
2.5m, 1.041
D90-11
5.0m, 0.450
D90-12
0.25m, 0.356
D90-7
1.7m, 0.197
D90-13
0.2m, 0.036
D90-8
0.7m, 1.053
D90-14
1.0m, 0.222
DOME MOUNTAIN PROJECT
ORE RESERVES
LONGITUDINAL SECTION

Fig. 1