861370

REPORT ON

THE LUCKY COON PROPERTY

KAMLOOPS MINING DIVISION

51°04' N.LATITUDE 119°36° W.LONGITUDE

NTS 82 M/4E

FOR

SIRIUS RESOURCE CORPORATION

FEBRUARY 6, 1989

BY

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SUMMARY

The Lucky Coon property, consisting of six Crown grants and twelve modified gric claims is located on the Adams Plateau in the Kamloops Mining Division. The property is under option to Sirius Resource Corporation from Adams Exploration Ltd. who are the property owners.

Exploration on the property has continued intermittently since massive sulphide mineralization was first discovered in 1927. In 1977, 1360 tons of ore averaging 10 oz/ton Ag. and 15% combined Pb/Zn were mined from two open cuts. The latest phase of exploration began in the early 1980's with the advent of the discovery of massive sulphides by Rea Gold Corporation in 1983, in an area located 8 miles (13 km) N.W. of the Lucky Coon property.

Between 1981 and 1987 exploration including mapping, geochemistry and short-hole diamond-drilling was done by Adam Exploration Ltd. with variable results. The recognition of the Eagle Bay volcanic-stratigraphic package on the property, equivalent to the host rocks at the Rea Gold/Minnova deposits, prompted Sirius to initiate an option agreement in late 1987.

An initial gravity survey and diamond-drill program was conducted by Sirius Resource Corporation in late 1987 and early 1988, during which time a minor massive sulphide zone was intersected in one diamond drill-hole: D.D.H. 88-03 intersected 0.073 oz/ton Au, 1.34 oz/ton, Ag, 1.96% Pb and 2.84% Zn across 6.6 feet (2 m). A second diamond drill program was initiated in November 1988, during which time significant massive sulphide mineralization, associated with an intensely altered rhyolite volcanic was discovered in the Golden Eagle area of the property.

The richest hole, DDH 88-19 contained 7.95 oz/ton Ag, 14.2% Pb, and 8.6% Zn across 5.5 ft (1.7 m) and 33.4 oz/ton Ag, 30.7% Pb and 14.8% Zn across 0.5 ft (.15 m).

A total of 3,698 ft (1127 m) in 18 holes were drilled in three main areas of the property to test the down dip potential of several well defined outcrop horizons containing volcanogenic massive sulphides. The best results were obtained in 8 holes down dip from the Golden Eagle pit where silver-lead-zinc mineralization is associated with a sericite altered rhyolitic volcanic which appears to thicken along trend to the northwest. All 8 holes intersected mineralization associated with the rhyolite, representing a strike length of approximately 650 feet (200 m) and a down dip extension from the pit area of about 800 feet (250 m).

The altered rhyolite ranges between 10 and 20 feet (3-6 m) in thickness in the drilled area above and together with the sulphide mineralization appears to get stronger in the open, down dip trend to the northwest. DDH 88-24, which is furthest down dip, intersected a mineralized width of 17.2 feet (5.2 m) containing 1.61 oz/ton Ag, 2.28% Pb, and 2.51% Zn, including a zone 2.5 ft. (.76 m) wide containing 5.02 oz/ton Ag, 6.08% Pb, and 6.16% Zn.

The thickening of the mineralized rhyolite, well within the Lucky Coon Property, strongly suggests that a felsic volcanic center may be in the proximity. These centers commonly have the potential for hosting economic massive sulphide deposits. The felsic host rock in this area is more analagous to those of the larger tonnage massive sulphide deposits such as Westmin's Buttle Lake deposit on Vancouver Island. This deposit contains upwards of 15 million tons of massive sulphide ore grading about 0.07 oz/ton Au, 1.1 oz/ton Ag, 5.3% Zn, 2.2% Cu, and 0.3% Pb.

Metallurgical testing done on past production (1360 tons in 1977) indicates that the sulphide mineralization on the Lucky Coon property is amenable to conventional milling and concentrating methods. (see Tough 1981)

It is therefore recommended that a further exploration program, including 5000 feet (1500 m) of diamond drilling be conducted to test the N.W., down-dip thickening trend of the mineralized rhyolite, in the Golden Eagle area. A success contingent phase II program consisting of 10,000 feet (3000 m) of definition drilling is recommended. Total cost of the two phase program is in the order of $1,155,000.00.

Respectfully submitted

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Geological Report
Lucky Coon Property
Sirius Resource Corporation
Adams Plateau, Kamloops Mining Division
82 M4E

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1.0 INTRODUCTION

This report is written upon the request of J.M. Ashton and A.H. von Kursell, Vice-president and President respectively of Sirius Resource Corporation. It is based primarily on the results of a Diamond Drill program conducted on the property in November and December of 1988 by Sirius Resource Corporation's contractor, 1257 Geological Ltd. The drilling program was supervised by the author, who has been involved in exploration projects on the Adams Plateau since 1984.

This latest drill program was designed to test a number of different areas on the property including a drill hole intersection from previous drilling conducted by 1257 Geological Ltd. on behalf of Sirius Resource Corporation in January and February of 1988. Hole 88-03 intersected 0.073 oz/ton Au, 1.34 oz/ton Ag, 1.96% Pb, 2.84% Zn across 6.6 feet (2 m).

2.0 LOCATION AND ACCESS

The Lucky Coon property is located just east of Adams Lake, about 40 miles (64 km) northeast of Kamloops, B.C. It is situated on NTS sheet 82 M/4E at a latitude of 51° 04' N. and a longitude of 119° 36' W.

The property is accessible by a 15 mile (24 km) logging road from the south end of Adams Lake and then via a 4.5 mile (7 km) 4x4 trail which leads to the Lucky Coon pit.

The property is located on top of the Adams plateau at an elevation of some 6000 feet (1800 m). Relief on the property is variable because of the steep canyon slopes formed by the

incision of Spillman Creek. Climatic conditions are marked by heavy snow falls in the winter, with accumulations of 15-20 feet (5-6 m.) considered normal. The ground is normally snow free for about four months of the year.

3.0 PROPERTY DEFINITION

The Lucky Coon property comprises six Crown grants and twelve modified-grid claims, covering 3,394.9 Ha or 8,389.0 acres (approx. 142 units). They are located on NTS map sheet 82M/4E in the Kamloops Mining District of British Columbia, Canada.

As of January 31, 1989, all the claims were owned by Adams Exploration Ltd. Other salient information is summarized in Table 1.

NAME	CLAIM #	APPROX UNITS	AREA (Ha)	RECORDED DATE	EXPIRY DATE
ELSIE	5227	1	20.7	TAXES	PAID
BILLIE	5228	1	18.1	TAXES	PAID
WHITE SWAN	5229	1	22.3	TAXES	PAID
GOLDEN EAGLE	5230	1	16.2	TAXES	PAID
LUCKY COON	5231	1	22.1	TAXES	PAID
LAST CHANCE	5232	1	22.1	TAXES	PAID
L.C. EXT.FR	6647	1	24.2	05/27/86	05/27/97
ADAM 2	3953	4	86.0	02/26/82	02/26/91*
ADAM 3	3954	15	364.5	02/26/82	02/26/91*
ADAM 4	3955	3	51.7	02/26/82	02/26/91*
ADAM 5	3956	18	432.5	02/26/82	02/26/91*
ADAM 6	3957	20	489.6	02/26/82	02/26/91*
ADAM 7	3958	14	340.3	02/26/82	02/26/91*
BEE 2 A	2707	19	457.9	06/27/80	06/27/97
NOVA 1	3719	1	14.1	07/30/81	07/30/91*
NOVA 2	3720	1	12.6	07/30/81	07/30/91*
RSW 1	2663	20	500.0	06/30/80	06/30/91*
RSW 2	2664	20	500.0	07/16/80	07/16/97
TOTAL		142	3,394.9		

TABLE 1: List of claims with ownership, expiry date, and area

*NOTE: Sufficient work has been done to extend the expiry date of these claims.

At present the Lucky Coon property, consisting of the claims listed in Table 1, is under option by Sirius Resource Corporation from Adams Exploration Ltd. Sirius Resource Corporation can earn a 75% undivided interest in the property, 100% owned by Adams Exploration Ltd., by making both the following cash payments and exploration expenditures:

a) cash payments:
   - i: $15,000 upon execution of the agreement;
   - ii: $25,000 on or before December 31, 1988;
   - iii: $30,000 on or before December 31, 1989;
   - iv: $30,000 on or before December 31, 1990;

b) exploration expenditures:
   - i: $200,000 on or before December 31, 1988;
   - ii: an aggregate of $500,000 on or before December 31, 1989;
   - iii: a cumulative expenditure of $1.5 million during the four year term of the agreement.

Sirius Resource Corporation made the option payment of $25,000 that was due 31 December 1988 and as of this writing has expended more than $500,000 on the property.

4.0 HISTORY

See report by Juan Caelles, (July, 88) for a more complete historical summary.

The mineralized showings were first discovered by T. Callaghan and H. McGillivray and staked in 1927 as the Lucky Coon claim group. Intermittent exploration has been carried out since that

time by several different companies, but very little drilling was done prior to 1981.

In 1977 Inter Pacific Sales Ltd. of Vernon, B.C. stripped the Lucky Coon and Golden Eagle Zones and mined 1360 tons of ore which reportedly averaged 9.85 oz/ton Ag, 7-8% Pb and 7-8% Zn (See report by Tough 1981).

In 1980 the property was acquired by Adams Silver Resource Corporation (Now Adams Exploration) who conducted a VLF geophysical survey and diamond-drilled 3,650 feet (1113 m) in 19 holes, during 1981. (Tough 1981). Considerable excitement was generated in 1983/84 with the discovery of Rea Gold, 8 miles (13 km) to the Northwest. This prompted Adams Exploration to conduct a further drilling program on the Lucky Coon property in 1984. Sixteen holes were drilled totalling 3,275 feet (1000 m) (see Spencer's Report 1985). Esso minerals conducted a mapping and sampling program in 1986 but, due to commitments elsewhere, were not able to retain their option on the property.

In 1987 Sirius Resource Corporation obtained an option on the property and conducted a gravimetric/magnetic geophysical survey and drilled 2,873 feet (876 m) in 10 holes in January and February 1988. A subsequent drill-program was conducted in November and December 1988, which is the subject of this report.

5.0 REGIONAL GEOLOGY See Plate 3

The Adams Plateau area is underlain by a thick succession of volcanics and sediments of the Eagle Bay Formation ranging in age from Cambrian to Permian (Schiarizza and Preto, 1984). Lithologies are variable, ranging from meta-quartzites to argillites

and limestones, with associated Calc-silicate skarns and meta-volcanic flows and tuffs, ranging from mafic to felsic in composition. Within the Eagle Bay Formation, polymetallic precious and base metal massive sulphide occurrences are hosted within Devono-Mississippian sections of felsic volcanics and in overlying sequences of mafic volcanics and volcanoclastics.

The above stratigraphic sequence has been metamorphosed to the lower/middle greenschist facies. The area has been affected by two and possibly three phases of folding.

As mentioned above, a number of massive sulphide occurrences are associated with volcanic sections of the Eagle Bay Formation. The most prominent include the Homestake Ag, Pb, Zn, Ba prospect and the Rea Gold and Minova Cu, Pb, Zn, Ag, Au deposits. The Lucky Coon prospect is located 6-8 miles (13 km) southeast of the above deposits and is hosted within the same volcanic stratigraphic sequence.

The Homestake prospect is hosted within a large section of sericitic felsic schists and consists of stratiform silver-rich barite lenses. Published reserves are estimated to be 1.1 m tons containing 7 oz/ton Ag, 2.5% Pb, 4% Zn, 0.55% Cu, 28% Ba. A large section of the Adams Plateau just to the south of the Lucky Coon property is underlain by the same felsic volcanics. Exploration in the last several years has identified a number of mineralized horizons, but no significant discoveries have been made to date. (Spencer et al)

The Samatosum (Sam) deposit and the Rea Gold Discovery deposit consist of massive sulphides located near the altered stratigraphic contact of submarine mafic volcanics and argillaceous sediments

that have subsequently been overturned. The Rea Gold Discovery deposit consists of two separate lenses with a total reserve of 266,200 tons averaging 0.19 oz/ton Au, 2.14 oz/ton Ag, 2.25 Zn, 2.14% Pb, and 0.57% Cu. The silver-rich Sam deposit is speculated to be the enriched feeder-root zone to the Rea deposit. The Sam deposit is slated for production in mid-1989 with drill-indicated reserves of 660,000 tons containing 35.3 oz/ton Ag, 0.06 oz/ton Au, 3.5% Zn, 1.2% Cu, and 1.7% Pb. Within a kilometer or two along strike from the above deposits, Esso Minerals and Kamad Silver Co. Ltd. have made a more recent massive sulphide discovery. Diamond drill hole number K88040 intersected 37.4 feet (11.4 km) of 2.2 oz/ton Ag, 0.1 oz/ton Au, 6.85% Pb, 8.4% Zn and 0.56% Cu (George Cross Newsletter). Judging by the number of discoveries made to date, the area is rapidly becoming an established mining camp.

6.0 PROPERTY GEOLOGY See Plate 4

A detailed geological description of the Lucky Coon property is reported by Holbek and Thiersch 1987.

The property area is underlain by a sequence of intermixed sedimentary, volcanoclastic to volcanic rocks, stratigraphically equivalent to the host rocks at the Rea Gold Discovery and Samatosum deposits. The sequence strikes S.W./N.E. across the property and has been folded into a large synformal structure. The Lucky Coon property occupies the western overturned limb. (Schiarizza and Preto 1984). Subsequent work done to the south of the Lucky Coon property by Spencer et al suggest some alternative interpretations. (i.e. thrust faulting).

Only a relatively small portion of the Lucky Coon property has

been explored in much detail: namely the Crown granted area which covers the original massive sulphide showings. Structurally, the lowest unit consists of a thick sequence of argillites and minor limestones which strike N.E./S.W. and dip towards the N.W. at 25°-30°. This unit is overlain by a thinner sequence of mixed sediments, felsic and mafic volcanics which host the stratiform sulphide showings on the property. The volcanics tend to pinch out along strike to the northeast. Skarn development is intermittently present towards the southwest end of the Crown-granted area. The uppermost sequence consists of massive mafic volcanics (greenstones) which are in turn structurally overlain by the Tshinnakin limestone.

7.0 MINERALIZATION See Plate 4

See Holbek and Thiersch (1987) for detailed descriptions.

Mineralization is encountered in trenches, open cuts and shallow drill holes along a 2.5 mile (4 km) strike length on the property. Massive to semi-massive banded sulphides include pyrite, sphalerite, galena and sometimes arsenopyrite. Although carbonate alteration, silica flooding and minor quartz veining are associated with the sulphides, the sericite alteration is thought to be most significant, being indicative of extensive hydro-thermal activity associated with volcanisim.

Three main areas containing outcrop showings have been recognized along the 4 km mineralized strike-length and include the ELSIE, the Lucky Coon-Golden Eagle area, and the King Tut area.

The ELSIE area is located toward the southwestern end of the

Crown grants and contains several mineralized horizons. The first zone, known as the ELSIE horizon, consists of stratiform Py, Pb, and Zn localized at a greenstone/argillite contact. In the past, this zone has been exposed by trenching and a short underground drift along a 500 m strike length. Drill-testing of this zone at depth suggests that the mineralization lacks continuity. A second horizon structurally below the first horizon contains disseminated to banded sulphides at the altered contact of argillaceous sediments and more felsic volcanics (known as the Felsic horizon). Several short intersections (2-3% Pb, Zn, 1 oz/ton Ag over 1-3 feet (.5 m)) were made by previous drilling, but results at depth appear to be less consistent.

The Lucky Coon - Golden Eagle area occupies the middle of the Crown-granted area. The banded sulphides, varying in width up to 5 feet (1.5 m) thick, are best exposed in two pits from which some mining has been done in the past. (1360 tons in 1977). Sulphides are predominantly pyrite, sphalerite and galena with traces of arsenopyrite. The down-dip sections below the pits has previously been tested by shallow diamond-drilling done in 1981 (Tough) and 1984 (Spencer). A number of mineralized intersections were reported but no continuity was established between holes. The two best holes, 81-1 and 81-5, are located down-dip between the Golden Eagle and Lucky Coon Pits. These holes intersected .02 oz/ton Au, 5.84 oz/ton Ag, 5.72% Pb, 2.42% Zn across 12 feet (3.6 m) and 0.1 oz/ton Au, 9.49 oz/ton Ag, 7.2% Pb, 1.2% Zn, across 5 feet (1.5 m) respectively. Further drilling in this area was conducted in January and February of 1988, during which time a mineralized section was encountered 850 feet (250 m) north of the Lucky Coon pit. D.D.H. 88-03 intersected 6.6 feet (2m) of 0.07 oz/ton Au, 1.34 oz/ton Ag, 1.96% Pb and 2.84% Zn. During the last drill

program, which is the subject of this report, a significant sulphide discovery was made approximately 850 feet (250 m) northwest of the Golden Eagle pit. Mineralization is consistently related to an altered rhyolite volcanic. (See discussion of results)

The King Tut pit is located at the northeastern end of the Crown-granted area. Mineralization consists of fine grained banded sulphides in a sequence of predominantly argillites. Two holes were drilled in this vicinity in early 1988 intersecting trace amounts of Pb/Zn sulphides and minor altered volcanic tuffs. Minor production has occurred from this pit, sometime in the past.

8.0 DISCUSSION OF RESULTS See Plates 4,5,6, and Drill-Sections

A total of 3,698 feet (1127 m) of NQ Diamond-drilling in 18 holes was carried out in November and December, 1988. Drilling was conducted in three main areas including: the ELSIE area, an area north of the Lucky Coon pit, and the Golden Eagle area where extensive massive sulphide mineralization associated with an altered rhyolite was discovered. One hole was also drilled mid-way between the Lucky Coon and King Tut pits.

In the ELSIE area, D.D.H. 88-26 and 88-27 were drilled to test the down-dip extension of a mineralized felsic volcanic contact. Sparse sulphides were asseciated with this contact. A mineralized section near the top of hole 27, equivalent to the ELSIE horizon, intersected 3.1 feet (0.94 m) of 0.092 oz/ton Au, 0.54 oz/ton Ag, 0.9% Pb, 1.74% Zn. Some calc-silicate skarny sections with disseminated pyrite also occur in these holes. The felsic volcanics in this area may be equivalent to the altered rhyolite in

the Golden Eagle area.

In the area just north of the Lucky Coon pit, 7 holes were drilled to establish extensions from a previous drill intersection (D.D.H. 88-03). The mineralized horizon is believed to be equivalent to the zone in both the Lucky Coon and Golden Eagle pits but, because of the lack of a volcanic component, the mineralization is believed to be more distal, lensey and inconsistent. The best hole (88-12) intersected 0.038 oz/ton Au, 2.1 oz/ton Ag, 3.32% Pb, 1.78% Zn across 2.9 feet (0.88 m). One hole (88-17) did not reach its target depth. Drilling was exceptionally difficult in this area because of strata-parallel dip-slip faulting in graphitic argillites. One hole (88-28) was drilled to test the projected mineralized horizon between the Lucky Coon and King Tut pit. Minor disseminated Pb, Zn sulphides associated with a tuffaceous horizon were encountered near the bottom of the hole. The best intersection contained 0.07% Pb and 0.63% Zn across 3.2 feet (0.97 m).

The main area of interest is in the vicinity of the Golden Eagle pit area where 8 holes were drilled. (D.D.H.'s 88-18 to 88-25). All eight holes intersected silver-lead-zinc sulphides associated with a sericite altered rhyolitic volcanic horizon. The best hole, D.D.H. 88-19 contained 7.95 oz/ton Ag, 14.2% Pb, 8.6% Zn across 5.5 feet (1.67 m), and 33.4 oz/ton Ag, 30.7% Pb, 14.8% Zn across 0.5 feet (.15 m). The newly drilled mineralized area represents a strike length of approximately 650 feet (200 m) and a down dip extension from the pit area of about 800 feet (250 m). The zone occurs just to the west of previous drilling done in 1981 and 1984, where a number of discontinuous sulphide intersections were encountered along the same stratigraphic horizon.
Disseminated Py, Pb and Zn sulphides occur throughout the

altered rhyolite in the above zone with banded high-grade sections occurring at either the upper or lower contacts and sometimes in between. The volcanic horizon ranges from 10-20 feet thick (3 m - 6 m) and, together with the sulphide mineralization, appears to get stronger in the open, down-dip trend to the northwest. D.D.H. 88-24, which is the furthest hole down-dip, intersected a mineralized width of 17.2 feet (5.24 m) containing 1.61 oz/ton Ag, 2.28% Pb and 2.51% Zn, including a zone 2.5 feet (.76 m) of 5.02 oz/ton Ag, 6.08% Pb, and 6.16% Zn. Other significant drill intersections from the Golden Eagle area are contained in Table II.

The high silver and anomalous manganese content of the mineralization in the Golden Eagle area suggest that this area is on the flank zone of a volcanic complex.

The thickening of the mineralized rhyolite in the northwest direction from the Golden Eagle pit strongly suggests that a felsic volcanic center may exist in the proximity further northwest, in the area of Spillman Creek. These felsic centers, analogous to the Buttle Lake Westmin mine, commonly have the potential of hosting large tonnage massive sulphide deposits. The presence of a number of economic deposits in the same stratigraphic package in the Rea Gold area also adds to the potential of locating a deposit in this area and as such, further exploration is warranted.

Drill Hole #	Intercept (feet)	Width (feet)	ASSAY RESULTS Ag oz/ton	Pb (%)	Zn (%)	Au oz/ton	Com-ments
88-18	95.0 - 97.0	2.0	6.01	7.78	2.80	.006	
88-19	71.5 - 72.0	0.5	33.40	30.70	14.80	.014	
	82.0 - 87.5	5.5	7.95	14.20	8.60	.018	
88-20	90.0 - 101.0	11.0	1.54	2.25	1.14		
	including						
	90.0 - 91.0	1.0	2.06	3.54	5.38		
	and						
	96.0 - 101.0	5.0	2.80	4.02	1.01		
8-21	112.6 - 115.1	2.5	1.01	1.80	3.06	.004	
88-22	137.0 - 142.0	5.0	0.15	0.19	0.47	L0.002	(1)
88-23	132.7 - 136.2	3.5	0.07	0.12	0.35	L0.002	(2)
88-24	124.8 - 142.0	17.2	1.61	2.28	2.51		
	or						
	124.8 - 147.0	22.2	1.28	1.81	2.14		
	including						
	124.8 - 127.3	2.5	5.02	6.08	6.16	.016	
88-25	92.5 - 93.8	1.3	0.61	0.67	3.64	.016	
	99.0 - 99.8	0.8	1.43	2.08	2.32	.012	
81-1	57.0 - 69.0	12.0	5.84	5.72	2.42	.02	(1)
81-3	100.0 - 104.0	4.0	0.10	0.32	0.71	0.005	
81-5	46.0 - 51.0	5.0	9.49	7.20	1.20	0.1	
81-5	51.0 - 55.0	4.0	0.10	0.09	0.11	L0.002	
81-5	55.0 - 61.0	6.0	0.92	1.27	1.60	0.007	

TABLE II: Drill-Hole Intersections Golden Eagle Area

(1) Poor Core Recovery
(2) Zone cut by a Dyke

9.0 CONCLUSIONS

1. Drilling in the Golden Eagle area has led to the discovery of massive volcanogenic sulphides hosted by an altered rhyolite volcanic. The high silver content, anomalous manganese, and the enclosing sediments suggest that the area is situated on the flank of a volcanic center. This felsic center is thought to occur to the northwest, in the direction in which the volcanics appears to thicken. The degree of sericite alteration is indicative of considerable hydro-thermal activity having taken place at this stratigraphic interval.

2. Mineralization encountered in previous drilling in the Golden Eagle and Lucky Coon pit sreas probably represents more distal sulphide mineralization along the same stratigraphic horizon e.g.: lensey nature of sulphides and no volcanics present.

3. The felsic volcanics in the ELSIE area may be stratigraphically equivalent to the rhyolite in the Golden Eagle area and as such enhances the possibility of a substantial felsic center in the Spillman Creek area.

4. Although the bulk of the mineralization on the Lucky Coon property is silver-rich, gold values as high as 0.1 oz/ton have occasionally been encountered, indicative of a genuine polymetallic signature.

5. A mineralogical study, carried out in conjunction with the mining done in 1977, suggests that there is a metallurgical balance and that the sulphides are amenable to conventional milling and concentrating methods. (Tough 1981).

6. Drill testing of the Golden Eagle area is made expedient because of the parallel nature of the target horizon and the surface slope down to Spillman Creek. However, dip-slip faulting, within the argillites, will create some drilling difficulties.

7. Geophysics is not an applicable exploration tool for defining the Golden Eagle mineralized horizon. The overlying graphitic argillites prohibit the use of any electrical methods. A gravity survey done in the past was of little use because of excessive terrain corrections.

8. Systematic diamond drilling is required to evaluate the Golden Eagle zone.

10.0 RECOMMENDATIONS

1. The Crown-granted area where most of the exploration work has been done to date represents only about 10-15% of the Lucky Coon property. Reconnaissance mapping and geochemical soil and silt sampling is recommended on the rest of the property, in search for similar volcanogenic massive sulphides.

2. A phase one drill program of 5,000 feet (1500 m) is recommended in the Golden Eagle area to test the newly found sulphide horizon down-dip towards Spillman Creek, in search of a felsic volcanic center. A success contingent phase II program including 10,000 feet of diamond drilling is subsequently proposed.

A tentative exploration budget is outlined below. (Table III)

11.0 TABLE III: PROPOSED EXPLORATION BUDGET

PHASE I	
Geological Reconnaissance Mapping and sampling	30,000.00
Follow up on Reconnaissance Targets	45,000.00
Diamond Drilling 5,000' NQ x $65/ft (all inclusive)	325,000.00
	400,000.00
PHASE II	
10,000' NQ Diamond Drilling at $65/ft (all inclusive)	650,000.00
TOTAL	1,050,000.00
10% contingency	105,000.00
TOTAL PHASE I AND PHASE II	$1,155,000.00

Respectfully submitted,

E.G. Olfert, BSc, Hon.,
F.G.A.C., P.Geol.

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CERTIFICATE

I, Ernest G. Olfert, with business address at 3020 Fraser Street, Vancouver, B.C. do hereby certify that:

1. I am a Consulting Geologist registered with the Geological Association of Canada as a Fellow, and I am entitled to use their seal, which has been affixed to this report. I am also registered as a Professional Geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

2. I hold a B.Sc. (Honors) Degree in Geology (1970) from the University of Calgary, Alberta.

3. I have practiced my profession as a geologist continuously since 1970, having worked in Canada, Mexico, Greenland, and Europe. I have worked for Cominco from 1970 - 1983 and for a number of small public companies from 1983 to the present.

4. I have based this report mostly on a diamond-drill program supervised by myself in November and December of 1988 and partly on field work conducted previously by myself and others in this area of the Adams Plateau.

5. I do not have any direct or indirect interest in the securities of Sirius Resource Corporation .

6. I have no interest in the property described in the report and will receive only normal consulting fees for the preparation of this report.

7. I consent to the use of this report on the Lucky Coon property by Sirius Resource Corporation for the purposes of a Prospectus Statement of Material facts or for any other corporate purpose.

Ernest G. Olfert, B.Sc.Hons.
P.Geol. F.G.A.C.

February 6, 1989

LETTER OF RELEASE

3020 Fraser Street
Vancouver, B.C.
V5T 3W3

SIRIUS RESOURCE CORPORATION
Suite 1100
Box 25
609 West Hastings Street
Vancouver
British Columbia
V6B 4W4

Gentlemen:

This letter will authorize you to use this report or any part thereof in any Prospectus, Statement of material facts or any other Filing Statement that is necessary for your corporate purposes subject only to the use of excerpts within their proper context.

Dated this 13th day of February 1989.

Respectfully submitted,

_____
Ernest G. Olfert
P.Geol., F.G.A.C.

APPENDIX I

ASSAY CERTIFICATES; ICP ANALYSIS

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** ASSAY REPORT **

To: 1257 Geological Ltd.
1150 - 609 West Hastings
Box 26
Vancouver, B.C., V6B 4W4

Attn: Brian Richards

Number: 88640
Date: December 13, 1988
Proj.: Lucky Coon
P.O. 0657

	Au oz/ton	Ag oz/ton	Pb %	Zn %	
59526	0.014	11.6	12.0	12.8	D.D.H. 88-20
59527	0.002	<0.01	0.02	0.57	
59528	0.012	2.06	3.54	5.38	
59529	0.006	0.18	0.23	0.43	
59530	0.012	2.80	4.02	1.01	
59531	<0.002	<0.01	0.04	0.10	
59532	<0.002	<0.01	0.03	0.16	
59533	<0.002	<0.01	0.03	0.03	D.D.H. 88-21
59534	0.002	0.20	0.30	0.46	
59535	0.004	1.01	1.80	3.06	
59536	0.004	0.16	0.19	0.45	
59537	<0.002	<0.01	0.01	0.01	D.D.H. 88-22
59538	<0.002	0.15	0.19	0.47	

Duncan Sanderson
Licensed Assayer of British Columbia

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** ASSAY REPORT **

To: 1257 Geological Ltd.
1150 - 609 West Hastings
Box 26
Vancouver, B.C., V6B 4W4

Attn: Brian Richards

Number: 88650
Date: December 16, 1988
Proj.: Lucky Coon
P.O. 0657

	Au oz/ton	Ag oz/ton	Pb %	Zn %	
59539	0.002	<0.01	0.05	0.17	
59540	<0.002	0.07	0.12	0.35	
59541	<0.002	<0.01	0.03	0.12	D.D.H. 88-23
59542	0.004	0.73	1.22	2.44	
59543	0.016	5.02	6.08	6.16	
59544	0.002	0.25	0.31	0.39	
59545	0.004	0.89	1.28	2.64	
59546	<0.002	0.16	0.21	0.69	D.D.H. 88-24
59547	0.008	2.10	3.52	3.04	
59548	0.004	0.15	0.20	0.88	
59549	0.016	0.61	0.67	3.64	
59550	0.012	1.43	2.08	2.32	D.D.H. 88-25
59551	<0.002	0.16	0.18	0.25	

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CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** ASSAY REPORT **

To: 1257 Geological Ltd.
1150 - 609 West Hastings
Box 26
Vancouver, B.C., V6B 4W4

Attn: Brian Richards

Number: 88625
Date: December 7, 1988
Proj.: Lucky Coon
P.O. 0657

	Au oz/ton	Ag oz/ton	Pb %	Zn %	Pt oz/ton	Pd oz/ton
59505	<0.002	<0.01	0.09	0.24	D.D.H. 88-11	
59506	<0.002	<0.01	0.01	0.03	<0.001	<0.001
59507	0.038	2.10	3.32	1.78		
59508	<0.002	<0.01	0.01	0.02	D.D.H. 88-12	
59509	<0.002	0.01	0.03	0.07		
59510	<0.002	<0.01	<0.01	0.01		
59511	<0.002	<0.01	<0.01	0.02	D.D.H. 88-13	
59512	<0.002	<0.01	0.08	1.57		
59513	<0.002	<0.01	0.03	0.03	D.D.H. 88-14	
59514	0.026	2.74	4.05	2.88		
59515	0.018	0.01	0.18	0.52	D.D.H. 88-15	
59516	0.002	0.10	0.39	0.91		
59517	<0.002	<0.01	<0.01	0.02		
59518	<0.002	<0.01	<0.01	0.02	D.D.H. 88-16	
59519	<0.002	<0.01	<0.01	0.02	D.D.H. 88-17	
59520	0.002	<0.01	0.09	0.38		
59521	0.006	6.01	7.78	2.80	D.D.H. 88-18	
59522	0.004	<0.01	0.05	0.82		
59523	0.014	33.4	30.7	14.8		
59524	0.018	7.95	14.2	8.60	D.D.H. 88-19.	
59525	0.002	0.01	0.17	0.53		

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CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** ASSAY REPORT **

To: 1257 Geological Ltd.
1150 - 609 West Hastings
Box 26
Vancouver, B.C., V6B 4W4

Attn: Brian Richards

Number: 88659
Date: December 29, 1988
Proj.: Lucky Coon
P.O. 0657

	Au oz/ton	Ag oz/ton	Pb %	Zn %	
59552	0.008	0.16	0.03	0.07	
59553	0.002	<0.01	0.03	0.12	
59554	<0.002	<0.01			
59555	<0.002	<0.01			
59556	0.002	0.01			
59557	<0.002	0.03	0.04	0.18	
59558	0.046	1.14	0.79	2.00	D.D.H. 88-26
59559	0.002	0.23	0.17	0.82	
59560	<0.002	0.01	0.03	0.21	
59561	0.002	1.01	5.18	3.48	
59562	<0.002	<0.01	0.01	0.04	
59563	<0.002	<0.01			
59564	0.092	0.54	0.90	1.74	
59565	<0.002	<0.01			
59566	<0.002	<0.01			
59567	<0.002	<0.01			
59568	<0.002	<0.01			
59569	<0.002	<0.01			
59570	<0.002	0.61	1.18	0.88	
59571	0.002	<0.01	0.02	0.02	
59572	<0.002	<0.01			
59579	<0.002	<0.01			D.D.H. 88-27
59574	<0.002	<0.01			
59575	<0.002	<0.01			
59576	<0.002	<0.01			
59577	<0.002	<0.01			
59578	0.008	<0.01			
59579	<0.002	<0.01			
59580	<0.002	<0.01	<0.01	0.02	
59561	<0.002	<0.01	0.01	0.04	
59582	<0.002	<0.01	0.07	0.63	D.D.H. 88-28
59583	0.002	<0.01	0.02	0.13	

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CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

GEOCHEMICAL REPORT

To: 1257 Geological Ltd.
1150 - 609 West Hastings
Box 26
Vancouver, B.C., V6B 4W4

Attn: Brian Richards

Number: 88659
Date: December 29, 1988
Proj.: Lucky Coon
P.O. 0657

	W ppm	
59563	< 2	D.D.H. 88-26
59567	< 2	D.D.H. 88-27
59573	< 2	
59576	< 2	
59577	< 2	
59578	< 2	

Duncan Sanderson

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: Pulp

DATE RECEIVED: JAN 20 1989 DATE REPORT MAILED: Jan 23/89 SIGNED BY. C. Leong ..B.TOYE, C.LEONG, B.CHAN, J.WANG; CERTIFIED B.C. ASSAYERS

CDN RESOURCE LABS. File # 89-0125

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %.	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM
59542	3	411	8627	16850✓	20.0	3	2	26530	8.37	959	5	ND	1	256	42	11	2	9	12.04	.025	2	37	1.72	8	.01	2	.69	.01	.05	1
59543	9	446	25483✓	49139✓	162.5✓	20	14	14205	9.80	11641	5	ND	2	73	160	204	2	13	2.72	.018	2	107	.59	15	.01	2	.79	.01	.13	3
59544	7	161	1872	2486	6.5	12	4	26076	8.26	353	5	ND	1	93	6	2	2	3	3.91	.027	2	69	.74	5	.01	2	.32	.01	.09	1
59545	7	222	9212	17976✓	24.1	21	12	10297	10.49	2036	5	ND	3	91	50	38	2	5	4.03	.030	2	87	.74	8	.01	2	.32	.01	.12	1
59546	6	59	1483	5348	4.7	20	12	12479	4.64	123	5	ND	5	108	13	9	2	4	4.85	.034	2	82	.95	13	.01	3	.38	.01	.17	1
59547	7	152	25250✓	21210	56.0✓	16	8	30110	9.34	4623	5	ND	1	62	63	73	2	6	2.56	.017	2	91	.54	9	.01	2	.40	.01	.07	3
59548	9	71	1658	7093	5.5	22	11	16512	7.16	2022	5	ND	3	152	19	19	2	16	4.82	.018	3	127	1.15	14	.01	2	.91	.01	.10	1
STD C	20	62	43	130	1.4	74	31	1120	4.13	43	20	8	41	52	20	16	22	60	.50	.100	40	58	.93	105	.07	39	1.97	.06	.14	13

D.D.H 88-24

✓ - ASSAY REQUIRED FOR CORRECT RESULT -

RECEIVED FEB 01 1989 RESOURCES

APPENDIX II

DRILL LOGS - GOLDEN EAGLE AREA

DIAMOND DRILL LOG

Location: 3+17N,44+60E GOLDEN EAGLE AREA	Property: LUCKY COON	Core Size NQ	Page 1 of 2
	N.T.S.	Logged By E. Olfert	Hole No.: 88-18
Latitude:	Elevation: 1802 metres approx.	Bearing 160°	Collared: Nov.29/88
Departure:	Depth: (242') 73.8 m	Dip: -57°	Completed: Dec.1/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Assays Ag oz/t	Assays Cu	Assays Pb %	Assays Zn %
(0-35) 0-10.7	-	OVERBURDEN mixed Argillite/LST.										
		Greenstone pebbles frequent										
(35-88) 10.7-26.8	78%	ARGILLITE: graphitic. 30% interbanded Lst.	1/2% fn.med.gr.dis Py	50°								
		10% white quartz banding & veining										
(88-95) 26.8 - 29	86%	RHY.TUFF:banded,slightly calcareous	Med.Sericite alt.	75°								
		28-29:1-2% dis.fn.gr.py.+traces Sphal.+Galena			(92 28.05	95) 28.96	59520	.002	L.01		.09	.38
(95-97) 29-29.6	100%	SULPHIDE ZONE; siliceous. 4% dis.Py.tr.Po	15 cm Highgrade PbZn rest is dis. Pb/Zn	75°	(95 28.96	97) 29.57	59521	.006	6.01		7.78	2.8
		Argillaceous in lower section.	(Siliceous)		(103 31.40	107) 32.62	59522	.004	L .01		.05	.62
(97-107) 29.6-32.6	50%	FOOTWALL ZONE: Argillaceous, Siliceous	slightly mineralized	85°								
		29.6-31.1:25% recovery, 1 chip of H.G. PbZn 31.4-32.6:5-7% Py Po streaks + tr.Zn	(Siliceous)									
(107 - 132) 32.6-40.2	84%	ARGILLITE: graphitic, Lt.Silty laminations	+1% coarse Py,tr.Po	60-75°								
		tectonic brecciated near base										
(132 - 141) 40.2-43	40%	MUD+RUBBLE-Faulting, Argillite, Lst+Qtz pebbles										
(141- 185.6) 43-56.6		ARGILLITE:graphitic,Lt gy. siltv banding	L 1% coarse py cubes	60-80°								
		tr.Lst., 15% Qtz/Carb.bands										
(185.5-186) 56.6-56.7	100%	BLACK CHERT: GRAPHITIC										

DIAMOND DRILL LOG

Location:	Property:	Core Size	Page 2 of 2 / Hole No.: 88-18
	N.T.S.	Logged By	
Latitude:	Elevation:	Bearing	Collared:
Departure:	Depth:	Dip:	Completed:

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %
(186-192.5) 56.7-58.7	100%	ARGILLITE;striped, Lt.gy.Silty laminations graphitic	tr.py	75°								
(192.5-198) 58.7-60.4	100%	LST./ARG: 70/30; banded, white calcareous streaks		70-75°								
(198-242) 60.4-73.8	96%	ARG:graphitic, Lt.gy.Silty laminations tr.Lst.	coarse cubed py. L 1%	70-75°								
		END OF HOLE										
		SULPHIDE ZONE is located at the base of the rhyolite zone.										

DIAMOND DRILL LOG

Location:	Property:	Core Size	Page 2 of 2
	N.T.S.	Logged By	Hole No.: 88-19
Latitude:	Elevation:	Bearing	Collared:
Departure:	Depth:	Dip:	Completed:

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Assays Ag oz/t	Assays Cu	Assays Pb %	Assays Zn %		
(94.5-112) 28.8-34.1	76%	MAFIC DYKE: fine-grained	magnetic											
		29.1-29.6% mud-rubble and minor Arg.												
		30.8-30.9% sulphide pebbles from up-hole												
		32.5-32.8 :rubble, minor argillite												
		NOTE: The High-grade sulphides in this hole												
		are associated with the rhyolite												
		intersected in 88-18. Poor recovery												
		and the mafic Dyke obscure the												
		rhyolite in this hole.												

DIAMOND DRILL LOG

Location: 3+29N,44+62E GOLDEN EAGLE AREA	Property: LUCKY COON	Core Size NQ	Page 1 of 2
	N.T.S.	Logged By E. OLFERT	Hole No.: 88-20
Latitude:	Elevation: 1802 M APPROX.	Bearing	Collared: DEC.2/88
Departure:	Depth: (132') 40.2 m	Dip: VERTICAL	Completed: DEC.3/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %
0-22		OVERBURDEN: greenstone and Mafic Dyke		65°								
(22-47) 6.7-14.3	100%	LST./ARG: 60/40;interbanded, graphitic	1-2% coarse cubed py									
		20% white Qtz/Carb.veining and banding										
(47-61) 14.3-18.6	44%	FAULT ZONE:Rubble, mud, graphitic gouge										
		15% white Quartz fragments										
(61-76.6) 18.6-23.4	89%	ARG/LST:50/50;interbanded, graphitic,	1-2%streaky dis.py fn-med.gr.	65°								
		py. streaks along bedding										
(76.6-77.8) 23.4-23.7	100%	MASSIVE SULPHIDE: Red Sphal.Galena + py	Zn,Pb,Py,Po	60°	(76.6 23.35	77.8) 23.72	59526	0.014	11.6		12.0	12.8
		Some banded Po on upper contact. 21 cm of the section is massive ZnPb										
(77.8-86.5) 23.7-26.4	77%	ARG./LST.:60/40:interbanded graphitic	2% med.gr.dis.Py	70°								
		Arg. is slightly siliceous + pyritic			(86.5 26.37	90) 27.44	59527	0.002	L 0.01		0.02	0.57
(86.5-100) 26.4-30.5	42%	RHY. TUFF + SILICEOUS SEDS: 65/35;mineralized,	wk.- mod. sericite		(90 27.44	91) 27.74	59528	0.012	2.06		3.54	5.38
		Semi.Mass. Sulphide zone 27.4-27.7 (Py.Po.Sphal>)	27.4-30.8:	60°	(91 27.74	96) 29.27	59529	0.006	0.18		0.23	0.43
		29.3-30.8 stringers of Sphal.(50% recovery)	5% py + Po with ZnPb Sections		(96 29.27	101) 30.79	59530	0.012	2.8		4.02	1.01
					(101 - 30.79	104) 31.71	59531	L0.002	L0.01		0.04	0.1
(100-109) 30.5-33.2	58%	SILICEOUS ARG: 4% dis. po,py.,trace Zn.,	Po Py,trace Zn		(104 - 31.71	109) 33.23	59532	L0.002	L0.01		0.03	0.16
		weakly mineralized 33-33.2:RHYOLITE										

DIAMOND DRILL LOG

Location: 45+14E,3+21N GOLDEN EAGLE AREA	Property: LUCKY COON	Core Size NQ	Page 1 of 2 — Hole No.: 88-21
	N.T.S.	Logged By E. Olfert	
Latitude:	Elevation: 1797 m. approx	Bearing	Collared: Dec.3/88
Departure:	Depth: (129') 39.3 m	Dip: Vertical	Completed: Dec.4/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %
(0-17) 0 - 5.2		OVERBURDEN										
(17 - 37) 5.2 - 11.3	58%	RUBBLE ARGILLITE; graphitic, minor Lst.	1-2% coarse oxidized py.vugs.	70°								
		15% white Qtz/Carb.,29-30 Qtz.healed Bx										
(37-46.7) 11.3 - 14.2	100%	LST/ARG:60/40 interbedded, graphitic	tr.coarse py.	80°								
(46.7 -47 14.2 - 14.3	100%	BLACK CHERT: graphitic										
(47 - 81) 14.3 - 24.7	74%	LST/ARG: 60/40: as above 15% white Qtz/Carb.streaks	minor fn.gr.py	80°								
		22.7-24.1:few laminations of fn.gr. py.										
(81-92.5) 24.7-28.2	35%	RUBBLE ZONE: cavities, poor recovery										
		white Qtz/healed BX, minor Arg.										
(92.5-105.2 28.2-32.1	100%	LST./ARG; 60/40 as above, interbanded	2% fn. gr. py concentrated locally	75-80°								
		traces fn.gr. py.	Tr.sphal. at 29.6									
(105.2-118.7) 32.1-36.2	100%	MINERALIZED RHY.TUFF	mod.-strong sericite	70-75	(105.2 32.07	107.5) 32.77	59533	<0.002	<0.01		0.03	0.03
		34.3-35.1:Best Zone; Sphal.stringers + Tr.Pb.	4.5%dis.fngr.Py-wk.Zn		(107.5 32.77	112.6) 34.33	59534	0.002	0.2		0.3	0.46
		interbedded U.contact, sharp L.contact			(112.6 34.33	115.1) 35.09	59535	0.004	1.01		1.8	3.06
(118.7-120.2) 36.2-36.6	100%	SILICEOUS LOWER CONTACT:ARGILLITE	Wispy Po.4%	75°	(115.1 35.09	120.2) 36.65	59536	0.004	0.16		0.19	0.45

DIAMOND DRILL LOG

Location:	Property:	Core Size	Page 1 of 2
	N.T.S.	Logged By	Hole No. 88-21
Latitude:	Elevation:	Bearing	Collared:
Departure:	Depth:	Dip:	Completed:

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/T	Assays Ag oz/T	Assays Cu	Assays Pb %	Assays Zn %
(120.2-129) 36.6-39.3	95%	ARG/LST:75/25;interbedded; 10% white Qtz/Carb.	2% dis.fine.gr.py. Tr.coarse py.	80°								
		END OF HOLE										
		RHYOLITE UNIT IS THICKER AND MORE ALTERED,										
		COMPARED TO HOLES 88-18 TO 88-20										

DIAMOND DRILL LOG

Location: 2+79N, 45+85E GOLDEN EAGLE AREA	Property: LUCKY COON	Core Size NQ 0-38.7 m, BQ 38.7-44.8 m	Page 1 of 1 — Hole No. 88-22
	N.T.S.	Logged By E. Olfert	
Latitude:	Elevation: 1804 m. approx	Bearing	Collared: Dec. 5/88
Departure:	Depth: (147 ') 44.8 m	Dip: Vertical	Completed: Dec.7/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %
(0-22) 0-6.7		OVERBURDEN: Casing down to 12.2 m		75°								
(22-41) 6.7-12.5		GREENSTONE: Chloritic tuff	tr.py. wk ser./chl.alt.									
(41-57) 12.5-17.4	84%	LST./ARG: 65/35; graphitic, 15% white Qtz/Carb.	tr.coarse py	80°								
(57-83) 17.4-25.3	58%	Arg/Lst: 60/40: graphitic, interbanded	+1% coarse Py cubes	80-85°								
		10% white Qtz/Carb banding										
(83-111) 25.3 - 33.8	96%	LST/ARG: 60/40; graphitic interbedded	Minor coarse py.Cubes	80°								
		15-20% white Qtz/Carb. banding	Tr. dis.fine gr. py.									
(111-129) 33.8-39.3	10%	Rubble Zone, Cavities, ARG: white Qtz.frags.,										
		grapnitic material lost,(38.7-39.3 cavity) Very poor recovery.(37.2-38.7 No core)	No visible Min.									
(129-137) 39.3-41.8	64%	RHY.TUFF:poor recovery at contact,	mod.to strong Sericite	75°	(129 39.33	137) 41.77	59537	<0.002	<0.01		0.01	0.01
		(Sulphide zone may be lost)	4% dis.py.tr.Po		(137 41.77	142) 43.29	59538	<0.002	0.15		0.19	0.47
(137-147) 41.8-44.8	59%	ARG: black, graphitic		70-80°								
		Slightly Siliceous 41.8-43.3, with 5% dis. py+tr.Sphal.										
		END OF HOLE										
		HOLE intersected the RHY target; no appreciable										
		sulphides were encountered; however, recovery in the target horizon was very poor.										

DIAMOND DRILL LOG

Location: 3+86N,45+47E GOLDEN EAGLE AREA	Property: LUCKY COON	Core Size NQ	Page 1 of 1
	N.T.S.	Logged By E.Olfert	Hole No.: 88-23
Latitude:	Elevation: 1776 m. approx.	Bearing 174°	Collared: Dec.7/88
Departure:	Depth: (151') 46 m	Dip: -70°	Completed: Dec.9/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Assays Ag oz/t	Assays Cu	Assays Pb %	Assays Zn %
(0-46) 0-14.0		Hole set-up on Greenstone/ Arg.contact OVERBURDEN: black graphitic Argillite										
		only fragments of white Qtz+Gnst. recovered										
(46-74) 14.0-22.6	53%	ARGILLITE, rubbly recovery	minor rusty weath.	75-80°								
		15-20% white Quartz , gouge at 17.5										
(74-93.2) 22.6-28.4	91%	LST./ARG.:65/35; thin-banded,		85°								
		20% white Qtz/Carb.,Qtz.healed Bx at L.contact										
(93.2-106.4) 28.4-32.4	100%	MAFIC DYKE, med.-coarse grained,dk.speckled	Magnetic									
106.4-109.4 (32.4-33.4)	95%	ARGILLITE: Lt. grey calcareous bands	weakly silicous	85°	(107 32.62	109.5) 33.38	59539	0.002	L0.01		0.05	0.17
		32.4-32.6:graphitic gouge	1-2% fn.gr.dis py trace Zn.									
		Lower contact is at a very low angle.										
109.5-132.7 33.4-40.5	100%	MAFIC DYKE as above	Magnetic									
(132.7-136.2) 40.5-41.5	75%	MINERALIZED ZONE;RHY.TUFF/ARG.	5% dis.py,with	80°	(132.7 40.46	136.2) 41.52	59540	L0.002	0.07		0.12	0.35
		Arg.interbedded at top and bottom	traces of sphal.		(136.2 41.52	142) 43.29	59541	L0.002	L0.01		0.03	0.12
			mod.sericite Alt.									
(136.2-151) 41.5-46	53%	ARG: Rubbly recovery. graphitic	1-2% fn.gr.py.	80°								
		END OF HOLE: most of the target horizon										
		is cut out by a Mafic Dyke.										

DIAMOND DRILL LOG

Location: 3+75N,44+78E GOLDEN EAGLE AREA	Property: LUCKY COON N.T.S.	Core Size NQ Logged By E. Olfert	Page 1 of 2 — Hole No.: 88-24
Latitude:	Elevation: 1797 m. approx.	Bearing	Collared: Dec.11/88
Departure:	Depth: (150') 45.7 m	Dip: Vertical	Completed: Dec.12/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %
(0-41) 0-12.5		OVERBURDEN:12.2 m casing, 1 frag.of Gnst.										
(41-60.5) 12.5-18.4	92%	ARG/LST.:graphitic, interbanded	2% coarse cubed py.	75°								
		15% white Quartz/Carbonate										
(60.5-62) 18.4-18.9	80%	BRECCIA:shattered Lt. and Dk. gy.Dolomite,	slightly siliceous									
		25% White Quartz flooding and veining	dis Py+Po on contacts									
(62-97) 18.9-29.6	86%	LST./ARG: 50/50, as above	1% coarse py.	75-80°								
(97-107) 29.6-32.6	84%	Lst: 15% Arg. thin banded		75-80°								
(107-117.5) 32.6-35.8	77%	ARG/LST: 60/40, graphitic, thin-bedded,	increasing traces of fn.gr.py.	75°								
		10% white Quartz/Carbonate										
(117.5-118.9) 35.8-36.3	100%	WK.SULPHIDE ZONE; Argillaceous	3-4% dis.Py. 1-2% Sphal.	75°	(117.5 35.82	118.9) 36.25	59542	0.004	0.73		1.22	2.44
			trace Po, trace Galena									
(118.9-124.9) 36.3-38.0	96%	ARG./LST.:75/25, thin laminated, graphitic	wispy traces of Po,Py.	80°								
		10% white Quartz/Carbonate										
(124.8-127.3) 38 - 38.8	93%	SULPHIDE ZONE: Semi-massive Sphal.,Po, Py.Galena	Zn, Po, Py, Pb		(124.8 38.05	127.3) 38.81	59543	0.016	5.02		6.08	6.16
(127.3-142) 38.8-43.3	62%	MINERALIZED RHYOLITE			(127.3 38.81	132) 40.24	59544	0.002	0.25		0.31	0.39
		38.8-40.2:SILICEOUS, QUARTZ-VEINED, MASSIVE, ~~(poss.flow)~~	+5% fn.-crs.Po,Py+1%crs.Sphal (MOD.SERICITE)		(132 40.24	135.7) 41.37	59545	0.004	0.89		1.28	2.64
					(135.7 41.37	137) 41.77	59546	L0.002	0.16		0.21	0.69

DIAMOND DRILL LOG

Location:	Property:	Core Size	Page 2 of 2 — Hole No. 88-24
	N.T.S.	Logged By	
Latitude:	Elevation:	Bearing	Collared:
Departure:	Depth:	Dip:	Completed:

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/T	Assays Ag oz/T	Assays Cu	Assays Pb %	Assays Zn %
		40.2-41.8 more altered than above 5-10% fine gr.Po+Py,2-3%Sphal.	mod.-strong sericite siliceous, traces of chl.									
		41.8-43.3 rubble zone, 25% recovery, Argillite traces fragments of dis.Py Sphal Galena			(137 41.77	142) 43.29	59547	0.008	2.10		3.52	3.04
(142-147) 43.3-44.8	25%	SILICEOUS ARG:rubbly, poor recovery	3-4% coarse Py tr.Sphalerite		(142 43.29	147) 44.82	59548	0.004	0.15		0.20	0.88
(147-150) 44.8-45.7	0%	NO-CORE: sticking rods.										
		NOTE: RHYOLITE ZONE remains prominent										
		downdip from hole 88-20. SULPHIDES are concentrated on upper contact,										
		however, the Lower contact had disseminated sulphides in very poor recovery.										

DIAMOND DRILL LOG

Location: 3+42N, 43+88E	Property: LUCKY COON	Core Size NQ	Page 1 of 2
	N.T.S.	Logged By E.OLFERT	Hole No.: 88-25
Latitude:	Elevation: 1805 M. APPROX.	Bearing	Collared: DEC.12/88
Departure:	Depth: 152' (46.3 M)	Dip: VERTICAL	Completed: DEC.13/88

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz./t.	Ag oz./t.	Cu	Pb %	Zn %
(0-41) 0-12.5		OVERBURDEN: 12.2 m CASING, ARGILLITE, Greenstone										
(41-72.4) 12.5 - 22.1	78%	ARG/LST: 65/35; more LST. non base of section	1% coarse Py.	70°								
		interbedded, graphitic, 10% white Qtz./Carb.										
		13.7-18.9: rubbly, broken brecciated 20.4-20.7 traces of black chert										
(72.4-73.2) 22.1-22.3	100%	BLACK CHERT, calcareous matrix, 25% calcite veining										
(73.2-82.4) 22.3-25.1	100%	LST./ARG: 50/50, graphitic, interbedded	1% fine gr. dis. py	70°								
		77-80 micro fold+fault textures	below 23.5; trace coarse py elsewhere									
(82.4-85 25.1-25.9	100%	Dolomite Breccia: 3mm Lt.gy. frags in dark gy matrix			(92.5 28.20	93.8) 28.60	59549	0.016	0.61		0.67	3.64
(85-92.5) 25.9-28.2	100%	Lst./Arg: 50/50 graphitic, interbedded	tr. coarse Py.; (3% fn.gr.Py. 27.2-27.4)	70-75°	(99 30.18	99.8) 30.43	59550	0.012	1.43		2.08	2.32
(92.5-93.8) 28.2-28.6	100%	SULPHIDE ZONE: Argillite, semi banded	10% Py, 5% Zn, 3% Aspy	70°	(108 32.93	110.5) 33.69	59551	LO.002	0.16		0.18	0.25
		stringers of Sphal.										
(93.8-110.5) 28.6-33.7	95%	ARG/LST; 80/20, graphitic, thin banded frequent	minor banded Py+tr. Zn.									
		traces of banded fn.gr.Py at 29.9-33.7 with tr. Sphal.										
(110.5-117) 33.7-35.7	100%	FAULT; brecciated graphitic gouge	1% coarse Py.	70°								
(117-121) 35.7-36.9	94%	ARGILLITE: graphitic, thin banded	1% blotchy Py.									

DIAMOND DRILL LOG

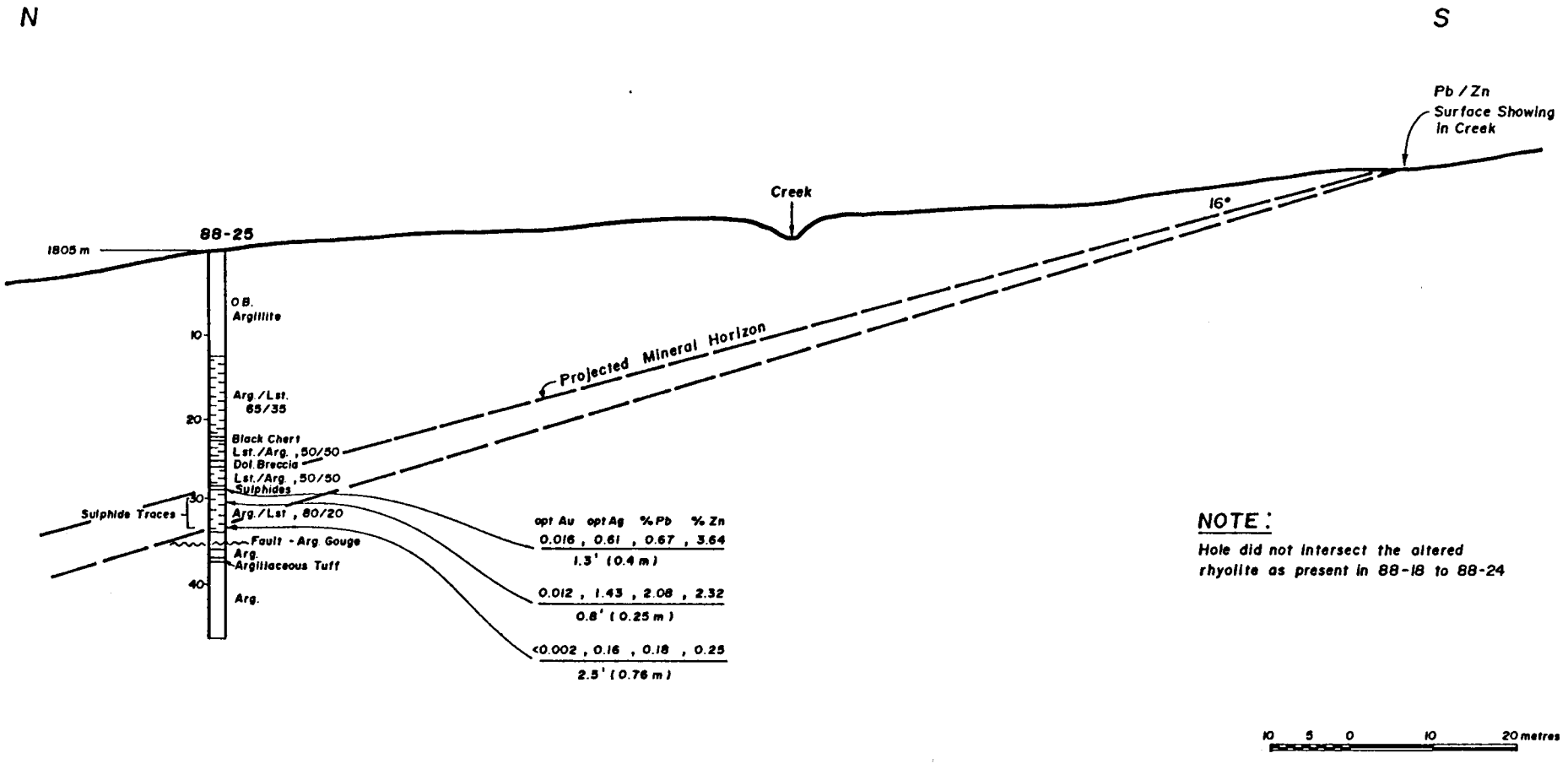
Location:	Property:	Core Size	Page 2 of 2 — Hole No. 88-25
	N.T.S.	Logged By	
Latitude:	Elevation:	Bearing	Collared:
Departure:	Depth:	Dip:	Completed:

Ft./M.	Rec'y	Description	Sulphides/Alteration	Core Angle	Sample Length From	Sample Length To	Sample No.	Assays Au oz/t	Ag oz/t	Cu	Pb %	Zn %		
121-122.5 36.9-37.3	79%	ARGILLACEOUS TUFF;greyish green	1-2% wispy fn.gr.Py.	80°										
122.5-152 37.3-46.3	86%	ARGILLITE:black, graphitic	traces of blotchy, coarse Py.	75°										
		Lt.gy.silty banding												
		END OF HOLE												
		Hole did not intersect the target RHYOLITE.												
		the Argillaceous tuff and the sulphides in this hole are probably related to the RHYOLITE which												
		has either pinched out, or missed because of the fault. Drilling was much better than previous												
		holes, no open fractures and cavities.												

APPENDIX III

DRILL HOLE X-SECTIONS

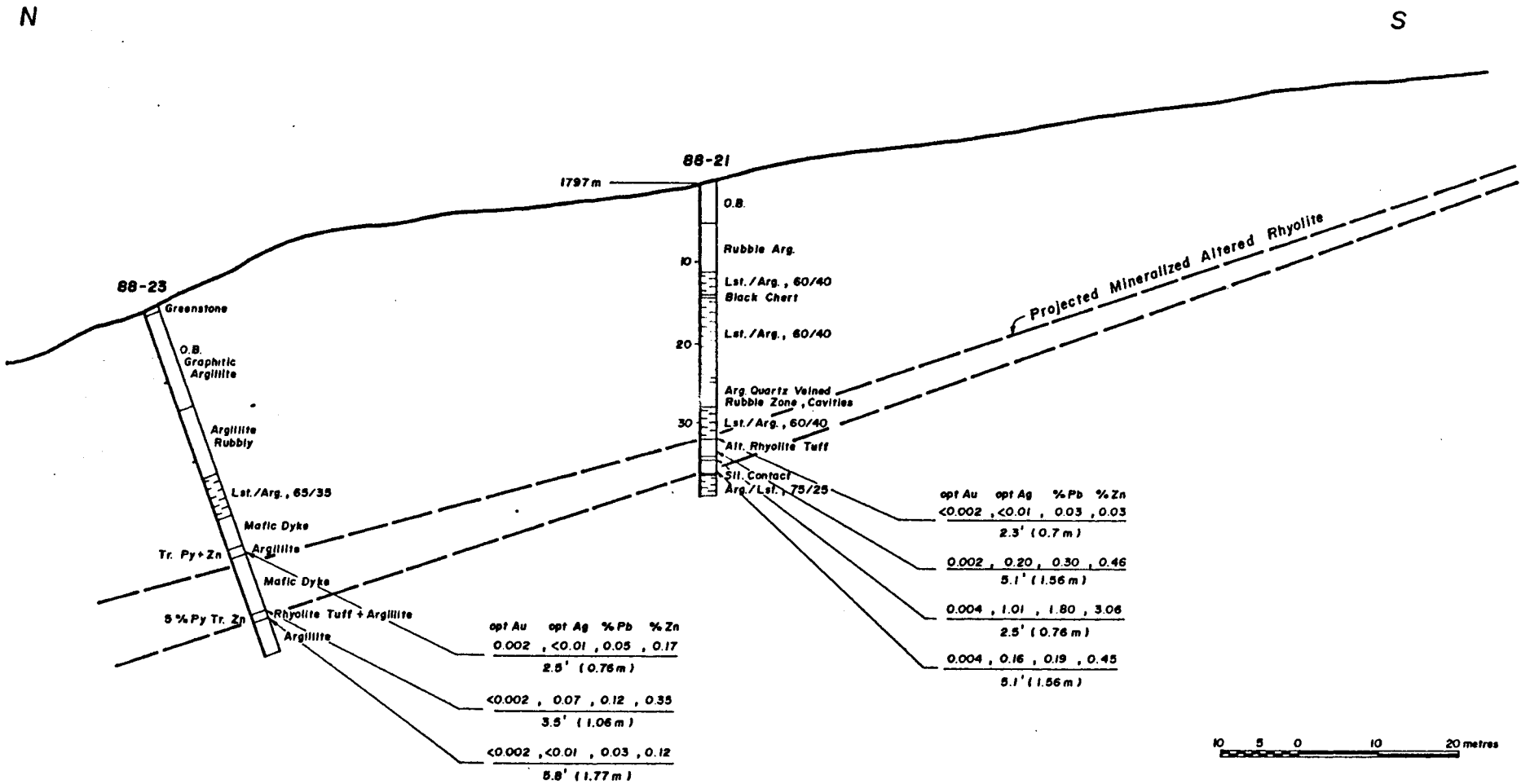
GOLDEN EAGLE AREA



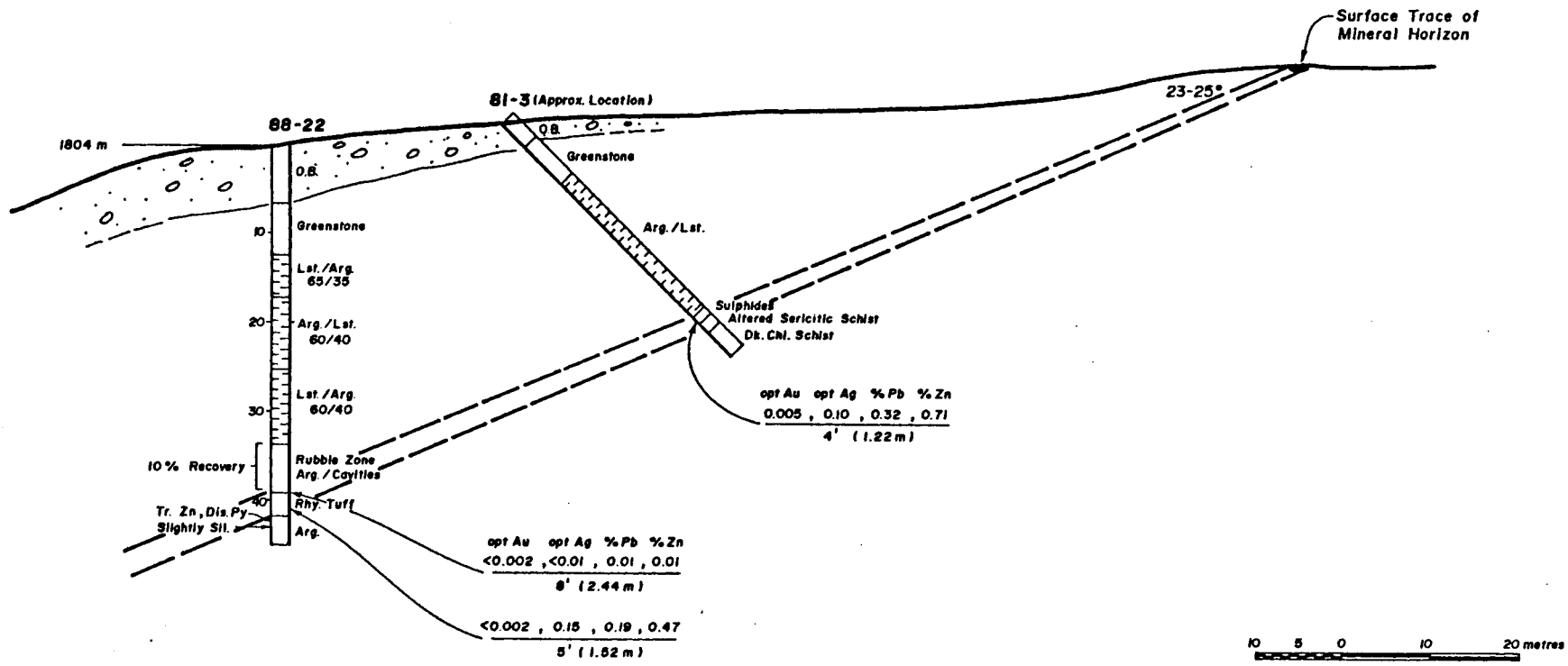
NOTE:

Hole did not intersect the altered rhyolite as present in 88-18 to 88-24

1257 GEOLOGICAL LTD.			
SIRIUS RESOURCE CORPORATION			
LUCKY COON PROJECT			
CROSS SECTION N/S D.D.H. 88-25 GOLDEN EAGLE AREA			
LOGGED BY	E. OLFERT	SCALE	1 : 500
DRAWN BY	E.B. CATAPIA	DATE	JANUARY 1989
CHECKED BY			



1257 GEOLOGICAL LTD.	
SIRIUS RESOURCE CORPORATION	
LUCKY COON PROJECT	
CROSS SECTION 175° D.D.H. 88-21, 23 GOLDEN EAGLE AREA	
LOGGED BY : E. OLFERT	SCALE : 1 : 500
DRAWN BY : E.B. CATAPIA	DATE : JANUARY 1989
CHECKED BY :	



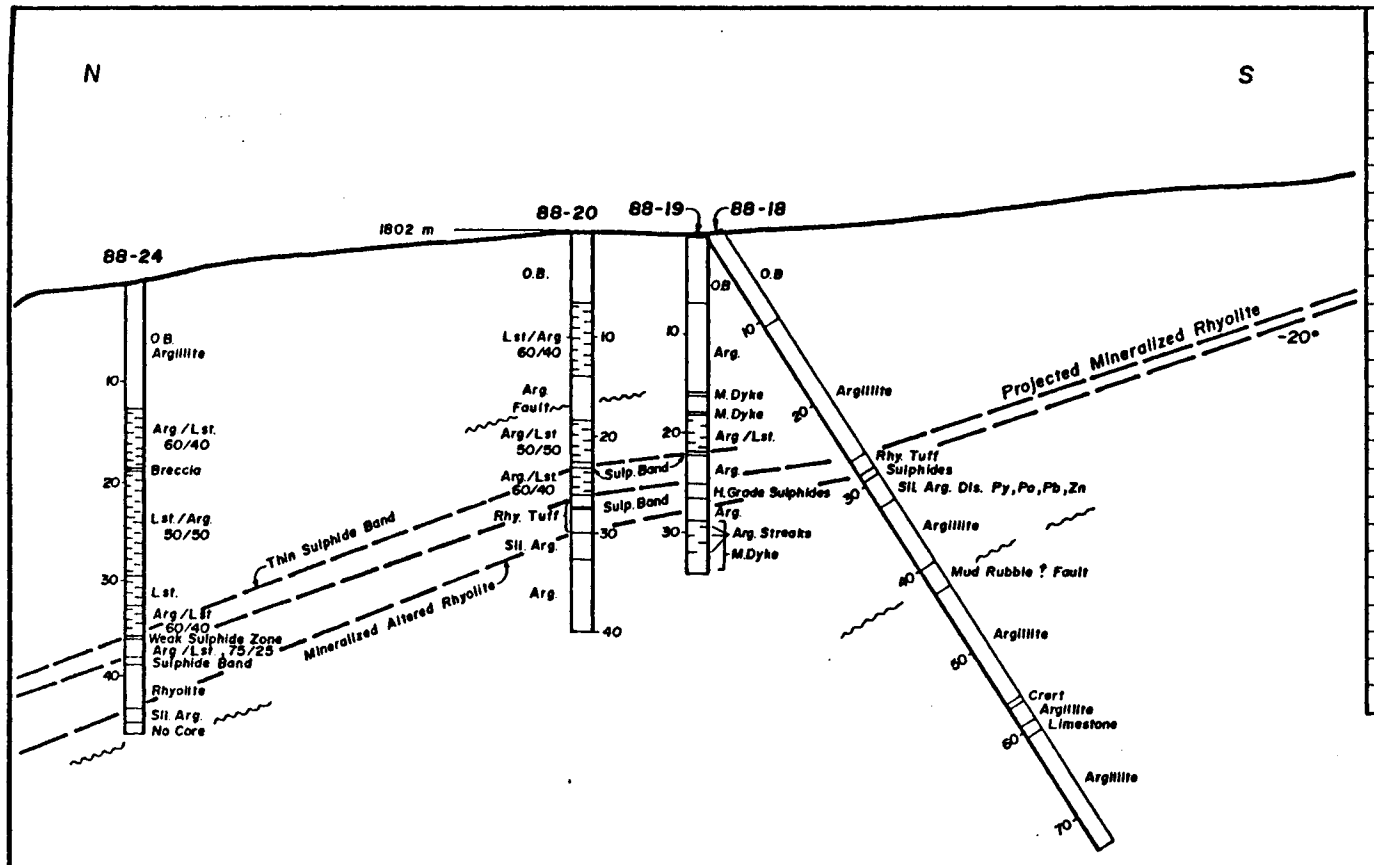
1257 GEOLOGICAL LTD.

SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

CROSS SECTION 150°
D.D.H. 88-22, 81-3
GOLDEN EAGLE AREA

LOGGED BY	E. OLFERT	SCALE	1 : 500
DRAWN BY	E. & CATAPIA	DATE	JANUARY 1989
CHECKED BY			



D.D.H.	Interval (m)	Width-m(ft)	oz/t Au	oz/t Ag	% Pb	% Zn
88-18	28.05 - 28.96	0.91 (3)	0.002	<0.01	0.09	0.38
88-18	28.96 - 29.57	0.61 (2)	0.006	6.01	7.78	2.80
88-18	31.40 - 32.62	1.22 (4)	0.004	<0.01	0.05	0.62
88-19	21.80 - 21.95	0.15 (0.5)	0.014	33.40	30.70	14.80
88-19	25.00 - 26.68	1.68 (5.5)	0.018	7.95	14.20	8.60
88-19	26.68 - 27.29	0.61 (2)	0.002	0.01	0.17	0.53
88-20	23.35 - 23.72	0.37 (1.2)	0.014	11.60	12.00	12.80
88-20	26.37 - 27.44	1.07 (3.5)	0.002	<0.01	0.02	0.57
88-20	27.44 - 27.74	0.30 (1.0)	0.012	2.06	3.54	5.38
88-20	27.74 - 29.27	1.53 (5)	0.006	0.18	0.23	0.43
88-20	29.27 - 30.79	1.52 (5)	0.012	2.80	4.02	1.01
88-20	30.79 - 31.71	0.92 (3)	<0.002	<0.01	0.04	0.10
88-20	31.71 - 33.23	1.52 (5)	<0.002	<0.01	0.03	0.16
88-24	35.82 - 36.25	0.43 (1.4)	0.004	0.73	1.22	2.44
88-24	38.05 - 38.81	0.76 (2.5)	0.016	5.02	6.08	6.16
88-24	38.81 - 40.24	1.43 (4.7)	0.002	0.25	0.31	0.39
88-24	40.24 - 41.37	1.13 (3.7)	0.004	0.89	1.28	2.64
88-24	41.37 - 41.77	0.40 (1.3)	<0.002	0.16	0.21	0.69
88-24	41.77 - 43.29	1.52 (5)	0.008	2.10	3.52	3.04
88-24	43.29 - 44.82	1.53 (5)	0.004	0.15	0.20	0.88

10 5 0 10 20 metres

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SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

CROSS SECTION 177°
D.D.H. 88-18, 19, 20, 24
GOLDEN EAGLE AREA

LOGGED BY	E. OLFERT	SCALE	1 : 500
DRAWN BY	E.B. CATAPIA	DATE	JANUARY 1989
CHECKED BY			

PLATES

1. LOCATION MAP

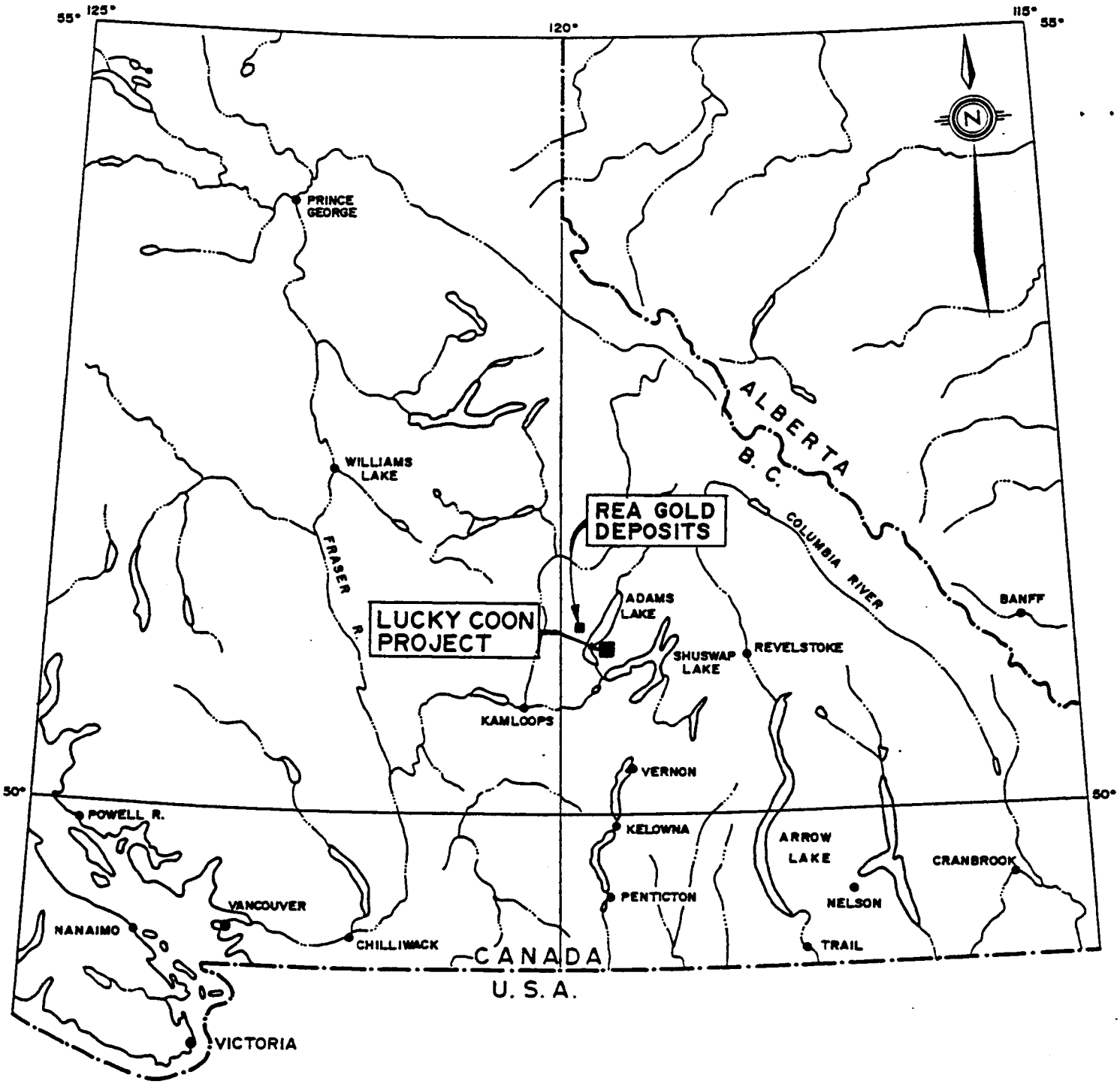
2. CLAIM-MAP

3. REGIONAL MAP

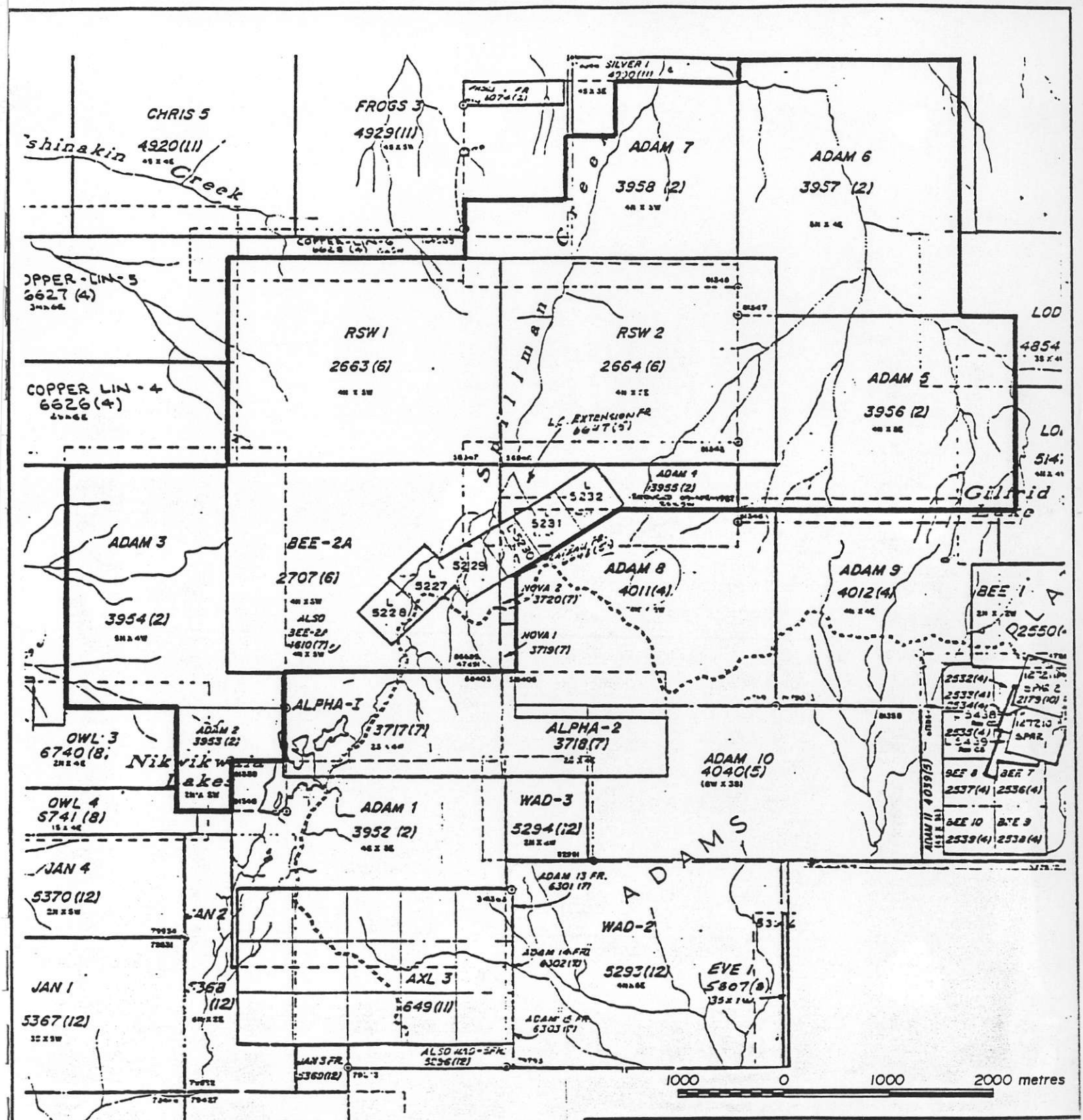
4. PROPERTY MAP

5. SURFACE PLAN GOLDEN EAGLE PIT AREA

6. SCHEMATIC X-SECTION GOLDEN EAGLE PIT AREA



1257 GEOLOGICAL LTD.			
SIRIUS RESOURCE CORPORATION			
LUCKY COON PROJECT			
LOCATION MAP			
GEOLOGIST	E.OLFERT	SCALE	1 : 2,500,000
DRAWN BY	EBC	DATA	JANUARY 1989
CHECKED BY		PLATE Nº 1	



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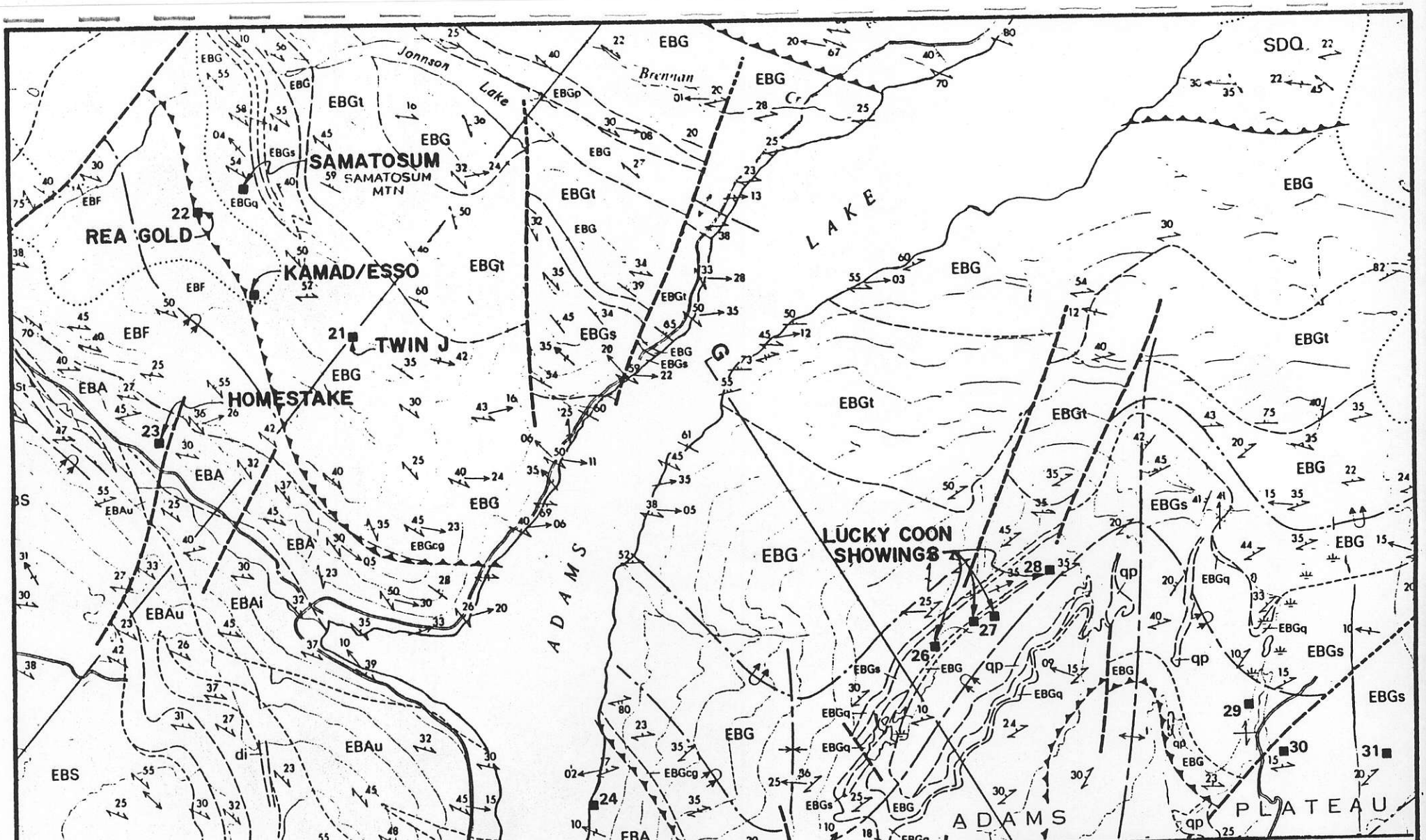
SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

CLAIM MAP
82 M/4E

GEOLOGIST	E. OLFERT	SCALE	1 : 50,000
DRAWN BY	EBC	DATA	JANUARY 1989
CHECKED BY			PLATE No. 2



LEGEND:

EBA - SERICITE - CHLORITE - QUARTZ PHYLLITE DERIVED FROM FELSIC TO INTERMEDIATE VOLCANICS.

EBG - CALCAREOUS CHLORITE SCHIST DERIVE FROM MAFIC TO INTERMEDIATE VOLCANICS.

EBGt - TSHINAKIN LIMESTONE

EBGs SILICEOUS GRAPHITIC PHYLLITE, CAL-SILICATE, CHERTY QUARTZITE.

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SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

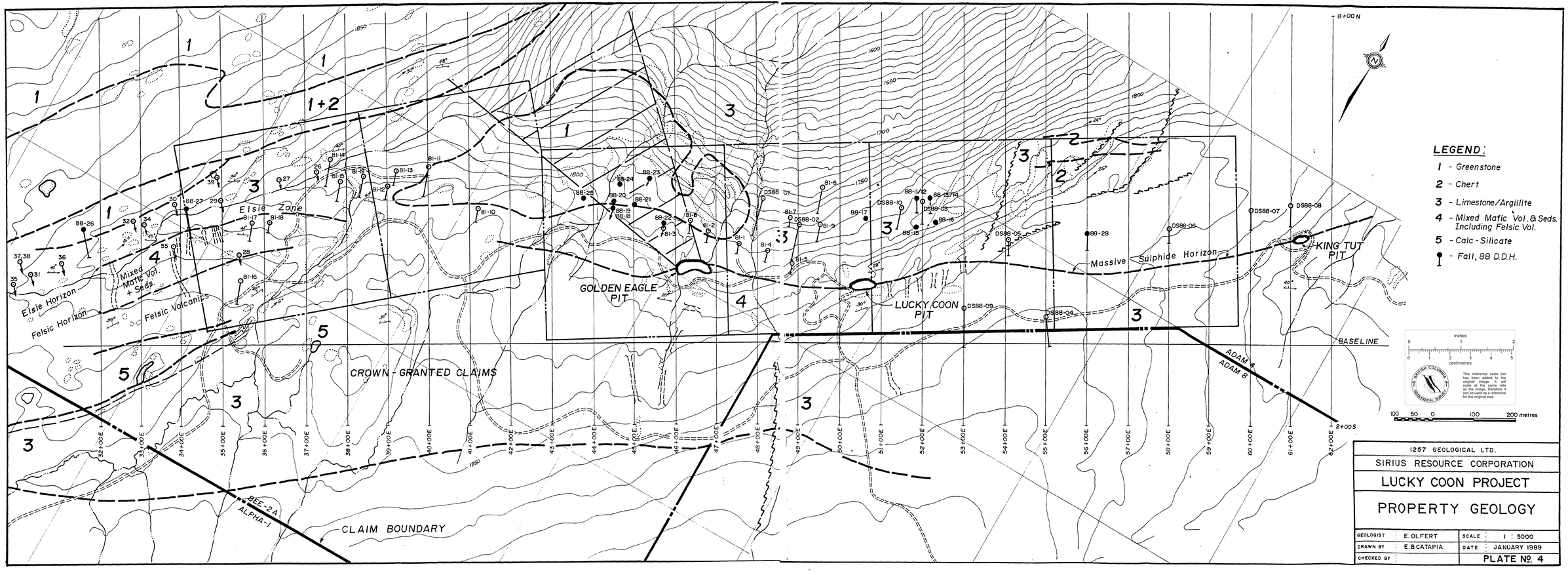
REGIONAL GEOLOGY

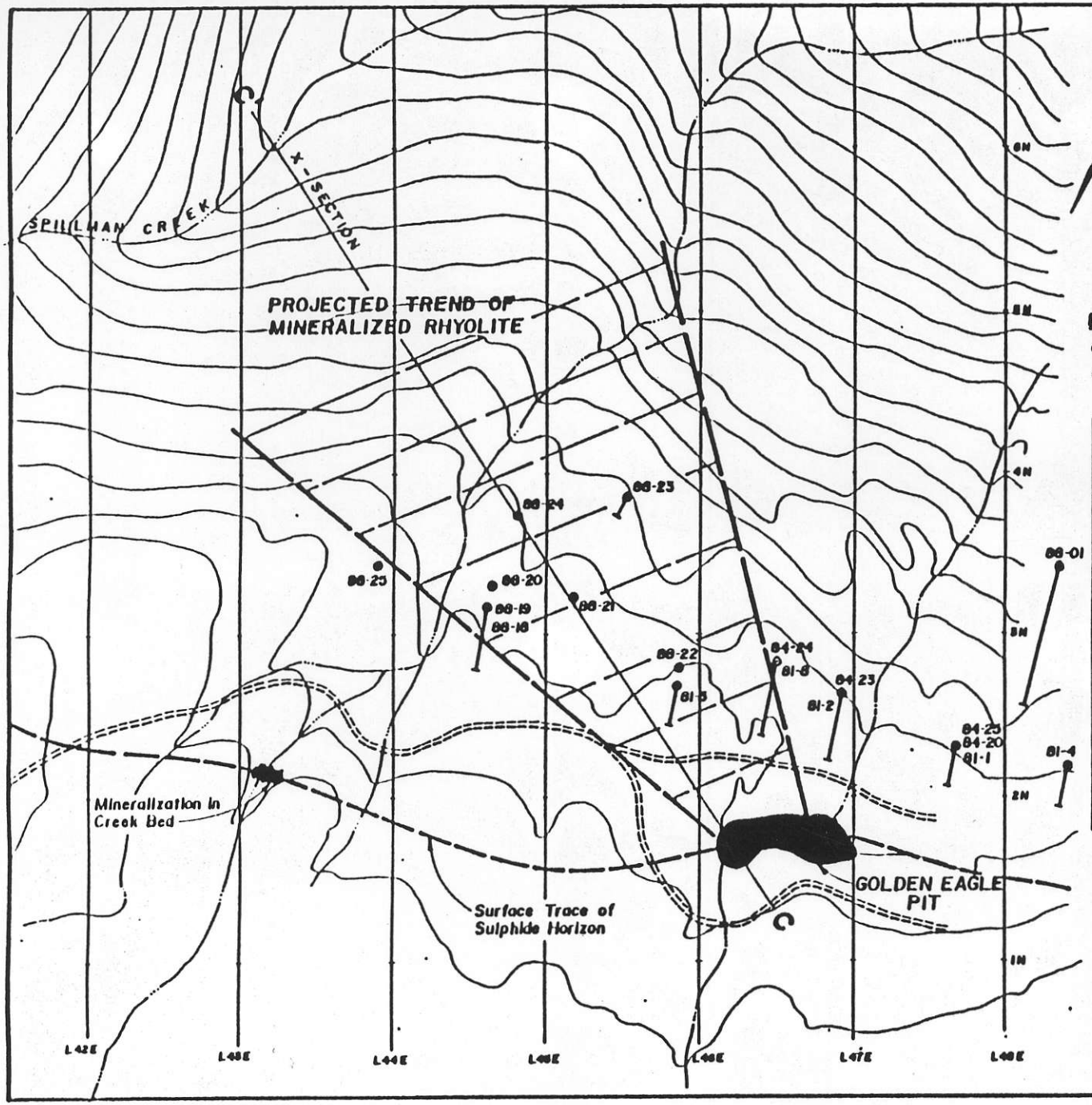
GEOLOGIST	E.OLFERT
DRAWN BY	EBC
DATE	JANUARY 1989

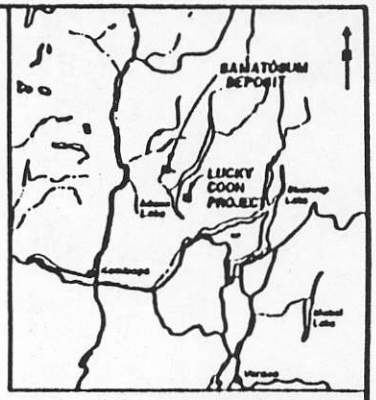
1 0 1 2 KM

SCALE: 1 : 100,000

PLATE No. 3


LEGEND:
1 - Greenstone
2 - Chert
3 - Limestone/Argillite
4 - Mixed Mafic Vol. & Seds. Including Felsic Vol.
5 - Calc-Silicate
Fall, 88 D.D.H.
Elsie Zone
Elsie Horizon
Felsic Horizon
Mixed Mafic Vol. + Seds.
Felsic Volcanics
GOLDEN EAGLE PIT
LUCKY COON PIT
KING TUT PIT
Massive Sulphide Horizon
CROWN-GRANTED CLAIMS
CLAIM BOUNDARY
BASELINE
ADAM 4
ADAM 8
BEE-2A
ALPHA-1
8+00N
2+00S
100 50 0 100 200 metres
inches
centimetres
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
1257 GEOLOGICAL LTD.
SIRIUS RESOURCE CORPORATION
LUCKY COON PROJECT
PROPERTY GEOLOGY
GEOLOGIST : E. OLFERT
DRAWN BY : E.B.CATAPIA
CHECKED BY :
SCALE : 1 : 5000
DATE : JANUARY 1989
PLATE No. 4





LOCATION MAP

LEGEND:

- 1988 DRILL HOLES
- PREVIOUS DRILLING

DRILL HOLE RESULTS

HOLE NO	FOOTAGE	WIDTH	opt Ag	% Pb	% Zn	COMMENT
86-18	90'-97'	2'	6.01	7.78	2.8	
86-19	71.5'-72'	0.5'	33.4	30.7	14.8	
	82'-87.5'	5.5'	7.86	14.2	8.6	poor recovery
86-20	90'-101'	11'	1.84	2.23	1.14	
	including 90'-91'	1'	2.06	3.84	5.36	
	and 96'-101'	5'	2.8	4.02	1.01	
86-21	112.6'-115.1'	2.5'	1.01	1.8	3.06	
86-22	137'-142'	5'	0.15	0.19	0.42	very poor recovery
86-23	132.7'-136.2'	3.5'	0.07	0.12	0.35	zone cut out by dyke
86-24	124.5'-142'	17.2'	1.61	2.26	2.81	
	124.5'-147'	22.2'	1.26	1.81	2.14	
	including 124.5'-127.3'	2.8'	8.02	6.08	6.16	
86-25	92.5'-93.8'	1.3'	0.61	0.67	3.64	
	99'-99.8'	0.8'	1.43	2.08	2.32	

100 50 0 100 metres

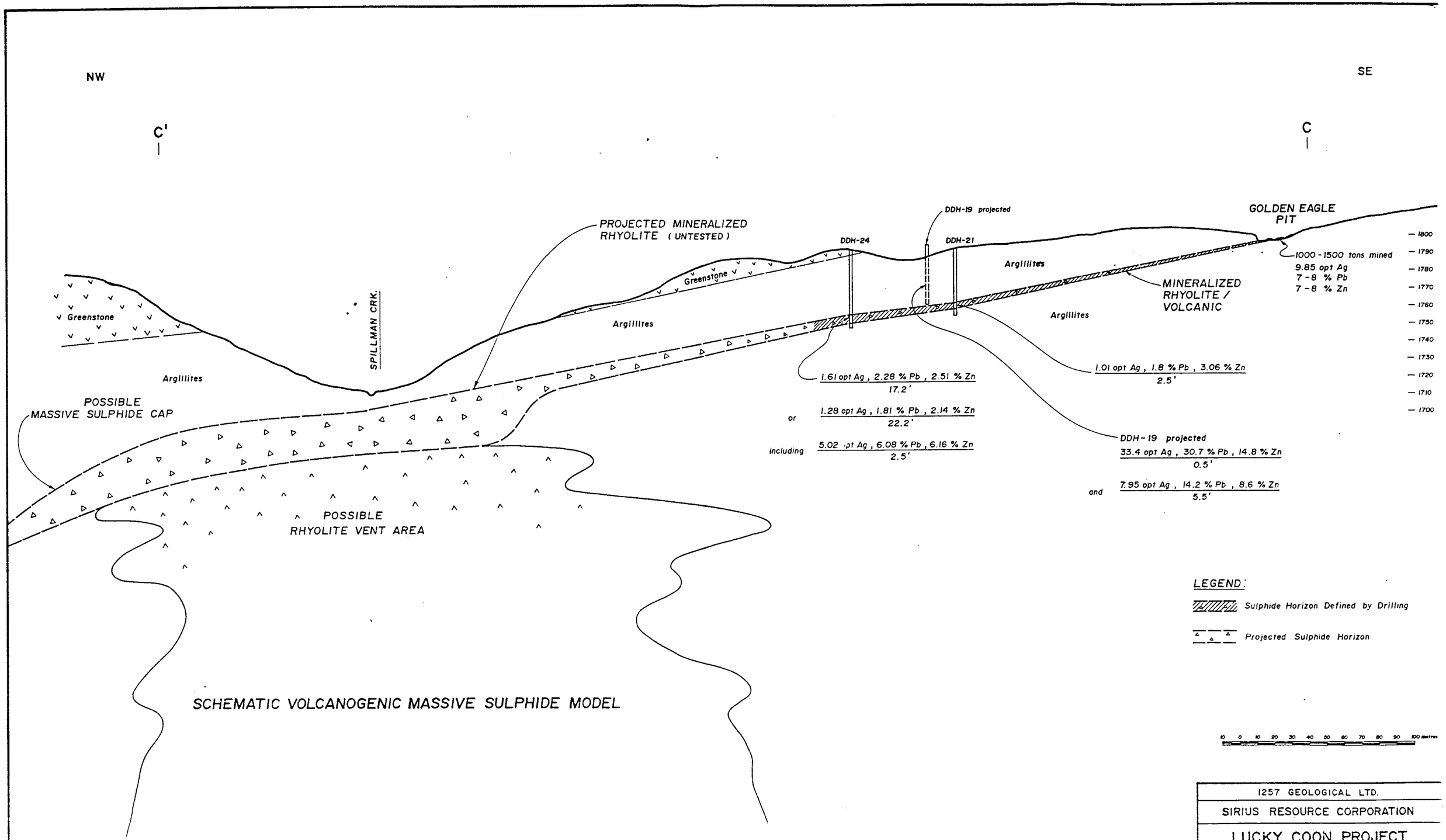
1257 GEOLOGICAL LTD.

SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

GOLDEN EAGLE PIT AREA SURFACE PLAN

GEOLOGIST	E. OLFERT	SCALE	1 : 2500
DRAWN	E B CATAPIA	DATE	JANUARY 1989
CHECKED	J M ASHTON	PLATE 5	



SCHEMATIC VOLCANOGENIC MASSIVE SULPHIDE MODEL

1257 GEOLOGICAL LTD.			
SIRIUS RESOURCE CORPORATION			
LUCKY COON PROJECT			
GOLDEN EAGLE PIT AREA SCHEMATIC CROSS SECTION			
GEOLOGIST	E. OLFERT	SCALE	1 : 1,000
DRAWN	E.B. CATAPIA	DATE	JANUARY 1989
CHECKED	J.M. ASHTON	PLATE 6	

March 14,1989

LUCKY COON AND ASHTON PROSPECTS
SIRIUS RESOURCE CORPORATION

Sirius Resource Corporation is currently involved in litigation with Southlands Mining re the Eureka Resources Fraserqold property east of Quesnel. This is the best property in which they have an interest - a new gold zone in volcanics was discovered here in late 1988.

Neither of the two properties submitted, the Lucky Coon or the Ashton copper-gold project are considered to be of interest for the following reasons.

Lucky Coon - Kamloops Mining Division

This property is situated east of Adams Lake and is accessible by logging road.

The Lucky Coon is an old prospect on which considerable work has been done over the past 20 years. This work has included minor open pit mining and 3100 metres of diamond drilling in 45 holes.

The property is underlain by Paleozoic Eagle Bay Formation volcanics and sediments which host massive sulfide deposits nearby including Homestake, Rea Gold and Samatosum. Sulfide mineralization on the Lucky Coon includes four zones containing pyrite, galena and sphalerite exposed in trenches and pits over an apparent strike length of 4 km.

All of the known zones have been trenched and drilled with mixed results. Available data suggest that the Golden Eagle zone has the only remaining potential but as the drill plan and summary results indicate, this is marginal at best.

Rather than a massive sulfide environment, this appears to be a vein or shear zone type deposit. The only similarity to Westmin (as per press release) is the fact that the sulfide lenses indicated by drilling are hosted by rhyolite.

Best silver-lead-zinc values are contained in narrow (0.6m) core lengths within a shallow dipping rhyolitic unit which attains a maximum thickness of 6m within the 200 by 100 metre area drilled. Better grades are dependent on 15-45 cm sections of heavy sulfide mineralization.

There is some evidence that the rhyolite may be increasing in thickness down-dip but this is speculative at best.

N.C. CARTER, Ph.D., P.Eng.
CONSULTING GEOLOGIST

Sirius holds the Lucky Coon under option from Adams Exploration Ltd. by which they can earn a 75% interest by making option payments of $100,000 ($40,000 paid) by the end of 1990 and incurring $1.5 million in exploration expenditures ($500,000 spent to date).

Ashton Copper-Gold Project- Cariboo Mining Division

This prospect includes several alkaline porphyry stocks adjacent to the Eureka Peak Frasergold property 50 km east of Horsefly. Previous investigation of copper potential was carried out by Amax and Umex.

This is a grass-roots situation which appears to be entirely predicated on the discovery of gold mineralization (0.117/4.3m; 0.321/1.3m) in volcanics on the Frasergold property immediately east of the Ashton property boundary.

There is little or no hard data presented other than a report prepared by Umex in the early 1980's. Toonage and grade figures for similar geological environments - ie. Stikine Copper, Cariboo Bell, Afton, make for interesting reading.

Sirius has a 50% interest in the Ashton project - terms and conditions not stated.

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24 January 1989

STOCK EXCHANGE SYMBOL: SRV-V (VANCOUVER)

PRESS RELEASE

PROMISING ZONE OF VOLCANOGENIC MASSIVE SULPHIDES FOUND AT LUCKY COON PROPERTY. STYLE OF MINERALIZATION MORE LIKE WESTMIN'S BUTTLE LAKE THAN NEARBY REA GOLD/MINNOVA SAM DEPOSIT

Significant volcanogenic massive sulphides within an intensely altered rhyolite flow rock were drill intersected on the Lucky Coon Property near Adams Lake, British Columbia during a November and December 1988 drill program.

The results obtained from this latest exploration drill program by Sirius' Contractor, 1257 Geological Ltd., are believed to be the best yet in this area of the volcanogenic system.

The richest hole, DDH19 contained 7.95 oz/ton Ag, 14.2% Pb, and 8.6% Zn across 5.5 ft; and 33.4 oz/ton Ag, 30.7% Pb and 14.8% Zn across 0.5 ft.

A total of 3,698 ft in 17 holes were drilled in three main areas of the property to test the down dip potential of several well defined outcrop horizons containing volcanogenic massive sulphides. The best results were obtained in 8 holes down dip from the Golden-Eagle pit where silver-lead-zinc mineralization is associated with a sericite altered rhyolitic volcanic flow rock which appears to thicken along trend to the northwest. All 8 holes intersected mineralization associated with the rhyolite, representing a strike length of approximately 650 feet and a down dip extension from the pit area of about 800 feet.

Mineralized intersections included:

Drill Hole #	Intercept (Feet)	Width (Feet)	ASSAY RESULTS Ag oz/ton	Pb (%)	Zn (%)	Comments
88-18	95.0 - 97.0	2.0	6.01	7.78	2.80	
88-19	71.5 - 72.0	0.5	33.40	30.70	14.80	
	82.0 - 87.5	5.5	7.95	14.20	8.60	(1)
88-20	90.0 - 101.0	11.0	1.54	2.25	1.14	
	including					
	90.0 - 91.0	1.0	2.06	3.54	5.38	
	and					
	96.0 - 101.0	5.0	2.80	4.02	1.01	
88-21	112.6 - 115.1	2.5	1.01	1.80	3.06	
88-22	137.0 - 142.0	5.0	0.15	0.19	0.42	(1)
88-23	132.7 - 136.2	3.5	0.07	0.12	0.35	(2)
88-24	124.8 - 142.0	17.2	1.61	2.28	2.51	
	or					
	124.8 - 147.0	22.2	1.28	1.81	2.14	
	including					
	124.8 - 127.3	2.5	5.02	6.08	6.16	
88-25	92.5 - 93.8	1.3	0.61	0.67	3.64	
	99.0 - 99.8	0.8	1.43	2.08	2.32	

(1) Poor Core Recovery
(2) Zone cut by a Dyke

The altered rhyolite ranges between 10 and 20 feet in thickness in the drilled area above and together with the Sulphide mineralization appears to get stronger in the open, down dip trend to the northwest. DDH 88-24, which is furthest down dip, intersected a mineralized width of 17.2 ft containing 1.61 oz/ton Ag, 2.28% Pb, and 2.51% Zn including a zone 2.5 ft wide containing 5.02 oz/ton Ag, 6.08% Pb, and 6.16% Zn.

This stratiform sulphide bearing horizon on the Lucky Coon Property is contained within the same Eagle Bay volcanic-sedimentary package that hosts the Rea Gold/Minnova silver rich Sam deposit about to see production in mid 1989 which is located 8 miles to the northwest.

The mineralized highly altered rhyolite flow found in this latest drilling program is more analagous to host rocks of the larger tonnage massive sulphide deposits such as Westmin's Buttle Lake deposit on Vancouver Island. This deposit contains upwards of 15 million tons of massive sulphide ore grading about 0.07 oz/ton Au, 1.1 oz/ton Ag, 5.3% Zn 2.2% Cu, and 0.3% Pb.

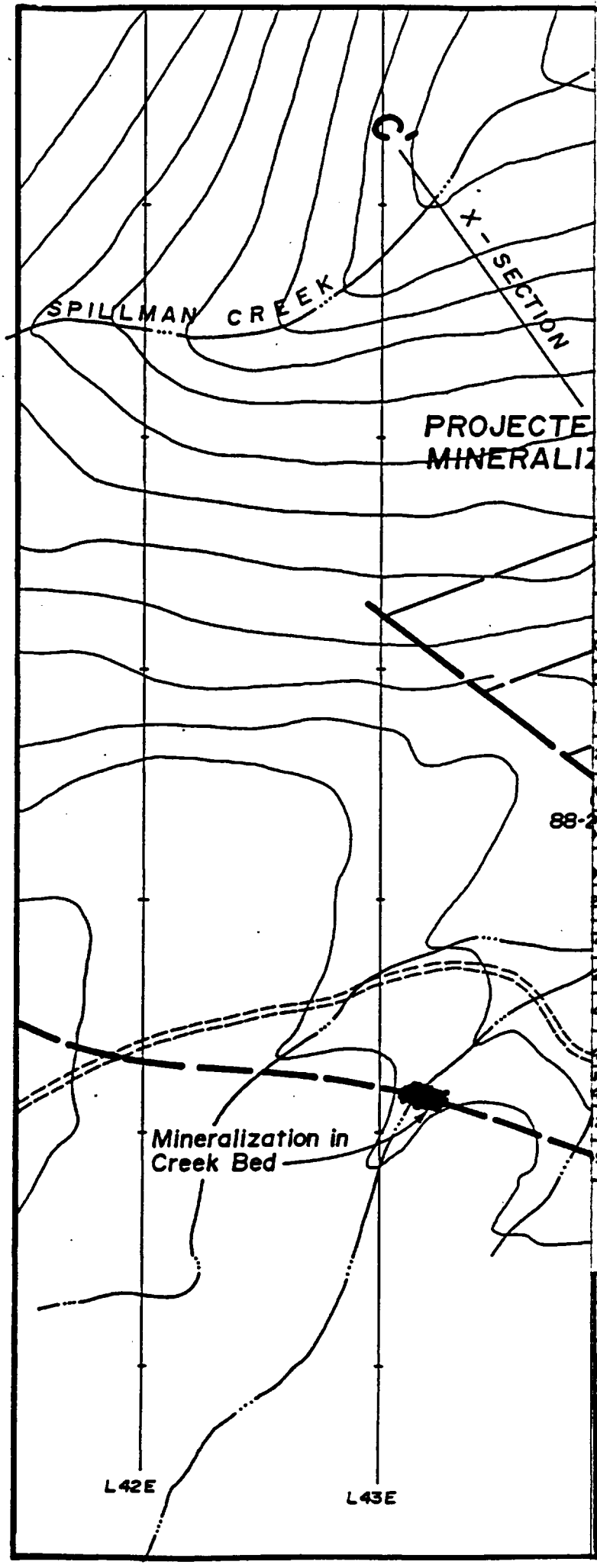
The thickening of the mineralized rhyolite well within the Lucky Coon Property strongly suggests that it may be close to its root zone which commonly has the potential for hosting an economic massive sulphide deposit, and in this regard Sirius is now planning for a large exploration drilling program.

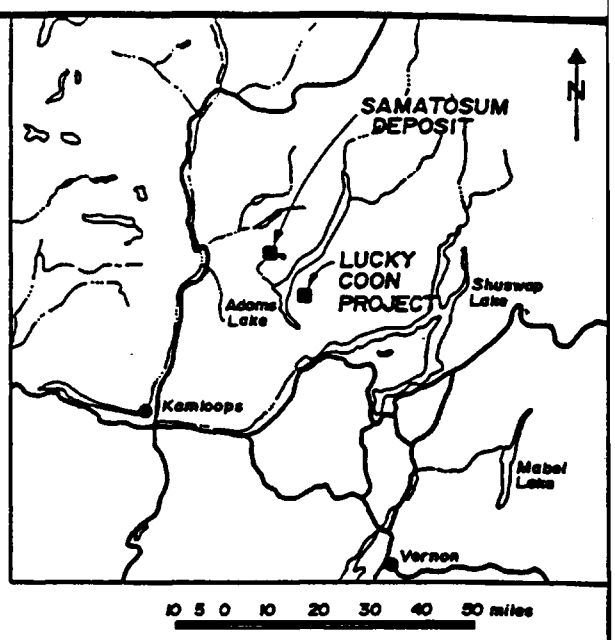
On behalf of the Board
SIRIUS RESOURCE CORPORATION

J.M. Ashton

J.M. Ashton, P.Eng
Vice President

24 January 1989
The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.





LOCATION MAP

DRILL HOLE RESULTS

OOTAGE	WIDTH	opt Ag	% Pb	% Zn	COMMENT
5'-97'	2'	6.01	7.78	2.8	
.5'-72'	0.5'	33.4	30.7	14.8	
2'-87.5'	5.5'	7.95	14.2	8.6	poor recovery
0'-101'	11'	1.54	2.25	1.14	
cluding 0'-91'	1'	2.06	3.54	5.38	
and 6'-101'	5'	2.8	4.02	1.01	
2.6'-115.1'	2.5'	1.01	1.8	3.06	
7'-142'	5'	0.15	0.19	0.42	very poor recovery
2.7'-136.2'	3.5'	0.07	0.12	0.35	zone cut out by dyke
4.8'-142'	17.2'	1.61	2.28	2.51	
or 4.8'-147'	22.2'	1.28	1.81	2.14	
ncluding 4.8'-127.3'	2.5'	5.02	6.08	6.16	
2.5'-93.8'	1.3'	0.61	0.67	3.64	
9'-99.8'	0.8'	1.43	2.08	2.32	

100 50 0 100 metres

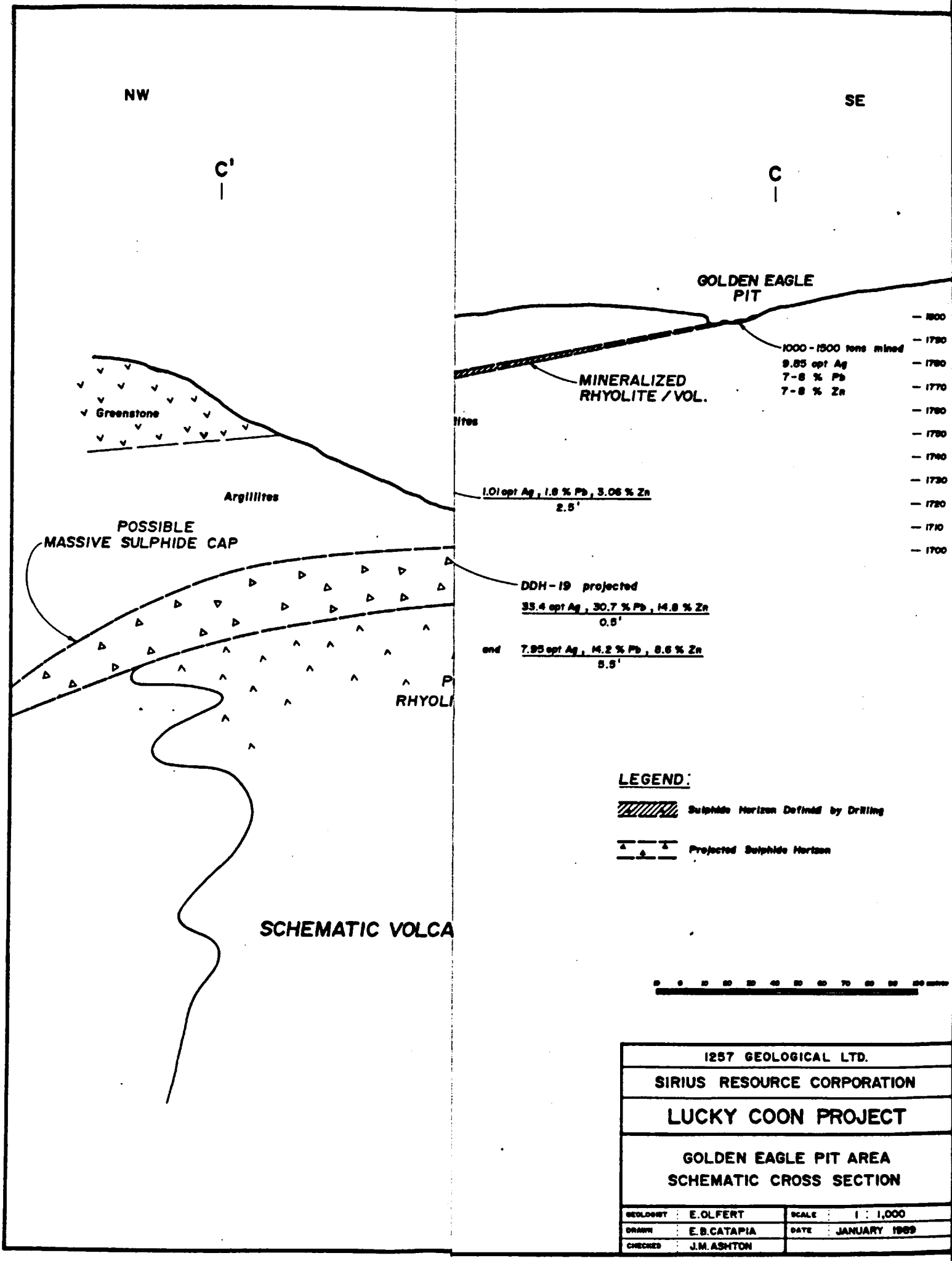
1257 GEOLOGICAL LTD.

SIRIUS RESOURCE CORPORATION

LUCKY COON PROJECT

GOLDEN EAGLE PIT AREA SURFACE PLAN

GEOLOGIST	E. OLFERT	SCALE	1 : 2500
DRAWN	E.B.CATAPIA	DATE	JANUARY 1989
CHECKED	J.M.ASHTON		


NW
SE
C'
C
GOLDEN EAGLE PIT
1000 - 1500 tons mined
9.85 opt Ag
7-8 % Pb
7-8 % Zn
MINERALIZED RHYOLITE / VOL.
Greenstone
Argillites
1.01 opt Ag, 1.8 % Pb, 3.06 % Zn
2.5'
POSSIBLE MASSIVE SULPHIDE CAP
DDH - 19 projected
33.4 opt Ag, 30.7 % Pb, 14.8 % Zn
0.5'
and 7.95 opt Ag, 14.2 % Pb, 8.6 % Zn
5.5'
1800
1790
1780
1770
1760
1750
1740
1730
1720
1710
1700
LEGEND:
Sulphide Horizon Defined by Drilling
Projected Sulphide Horizon
SCHEMATIC VOLCA
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