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R E D B I R D

PROJECT SUMMARY 1985 - 1988

NELSON MINING DIVISION, BRITISH COLUMBIA

for

GOLDEN EYE MINERALS LTD.
305 - 850 West Hastings St.
Vancouver, B.C. V6C 1E1
604-669-2449

by

G.H. KLEIN, P.Eng.
CONSULTING GEOLOGIST
Box 2059
Prince George, B.C. V2N 2J6
604-564-2204

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INTRODUCTION AND CONCLUSIONS

This report summarizes exploration work by Golden Eye Minerals Ltd. on the Red Bird lead-zinc property in the Salmo mine belt. The Red Bird is adjacent to and on strike with the former long term producer, Reeves Macdonald Mines Ltd., 20 miles south east of Cominco's Trail Smelter and Refinery. Work in this report was carried out from July 1985 to February 1988.

The objective of work was to indicate the presence of mineable quantities of 10% or better zinc equivalent. To this end, the hidden Annex orebody, a relatively high grade zone as mined by Reeves, displaced by faulting on to the Red Bird ground, and the high grade oxidized Red Bird deposit were explored at depth by drilling.

The Annex zone was intersected in two holes showing good grades and substantial widths; the Red Bird was intersected in good widths and partial sulphides and additional unexpected ore grade and width intersections were made in a previously unproductive unit, the Prospect Dolomite.

Original concepts have been confirmed showing good results in this advanced exploration project in a scenic and traditionally low cost mining camp.

Modest additional expenditures may result in excellent returns. Exploration should continue in good confidence that a viable mining operation can be developed.

The Red Bird crown granted claims are located adjacent to and north of the Washington - British Columbia border, 4 miles west of Nelway and 14 miles south of Salmo. Best access is 18 miles by paved road southerly from Trail to B.C. Hydro's Seven Mile Dam on the Pend d' Oreille River and then east by logging and bush roads for 9 miles to the center of the property. Excellent services are available in the immediate area.

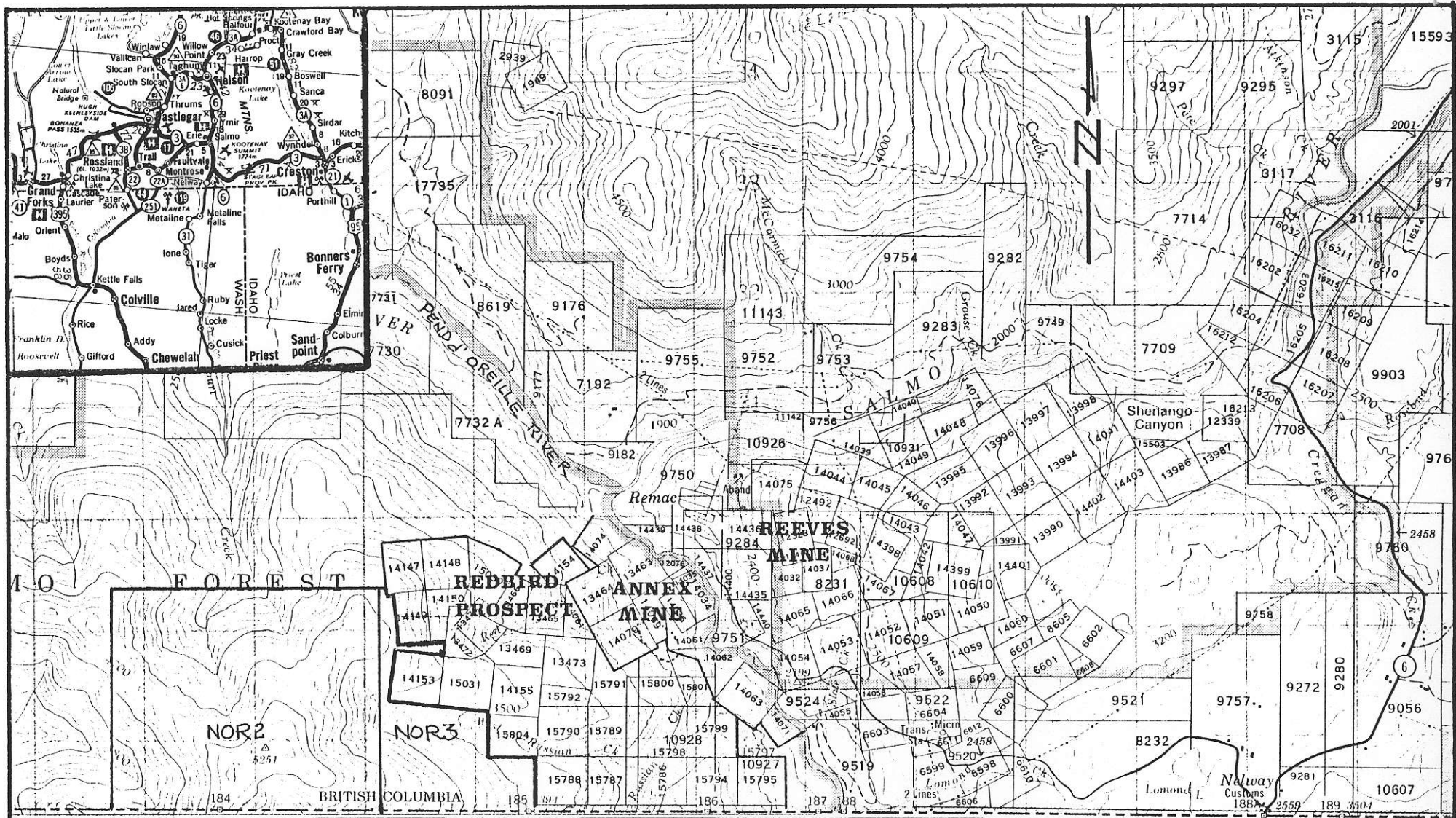
HISTORY

Surface and underground work in the 1920's and 1940's led to the acquisition of the Red Bird property by Hecla Mining Company. Further underground work was carried out by Cominco in the early 1960's. Several zones of completely oxidized high grade lead-zinc mineralization were explored. The best zone, known as the Red Bird, was indicated from underground drifting, cross cutting and sampling to be 600 feet in length, 20 to 25 feet in width, with a grade of 7% Pb and 18% zinc.

Limited underground work was done by Reeves from the 800 level into the Red Bird ground but the company ceased operations before fully evaluating the fault displaced Annex zone.

In 1984 (?) Hecla merged with Day Mines Inc. which held the Caviar showings on crown granted claims adjacent to the Red Bird.

These combined claims are held in the name of Diem Mines Ltd., Canadian subsidiary of Hecla. In 1985, Golden Eye, under lease arrangement with Diem, started exploration by the completion of a bush road to the property and subsequent surface drilling in three winter programs.

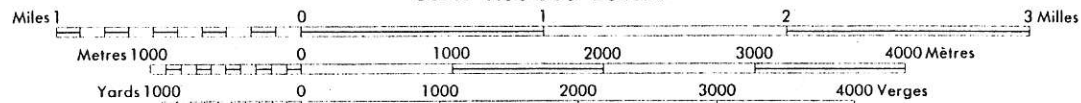


SALMO

CANADA-UNITED STATES OF AMERICA

82 F/3

Scale 1:50 000 Échelle



The Red Bird occurs at the southwest end of the "Mine Belt", a series of Proterozoic to Ordovician metasedimentary rocks which have been folded and cut by faulting.

The chief lead-zinc horizon is the Reeves Limestone, part of the Laib formation. Long term former producers from the Reeves Limestone include the H.B. (Cominco), Jersey (Placer) and the Reeves Macdonald. The extensive mineralization of the Red Bird deposit is also in Reeves Limestone.

Mineralization at the adjacent Reeves mine consists of banded massive to disseminated sulphides, stratigraphic in nature, enveloped by dolomite. The ore zones have remarkable down plunge continuity. None of the zones have been traced to mineralogical termination. The main Reeves zone has a mined and explored plunge length of 6500 feet, and is still open at depth.

Four zones were mined at the Reeves, and geological data strongly suggest that all of these zones are displaced westerly on to the Red Bird ground and that the Red Bird deposit is one of these zones.

DRILLING SUMMARY Table 1

Out of eleven holes started, eight were completed to required depth, for a total of 24951 feet, in three winter programs. Holes were generally cased to 1000 feet and completed N.Q.

Core was logged on and stored on the property; mineralized sections were split and assayed. Excellent core recovery was obtained in the sulphide intersections.

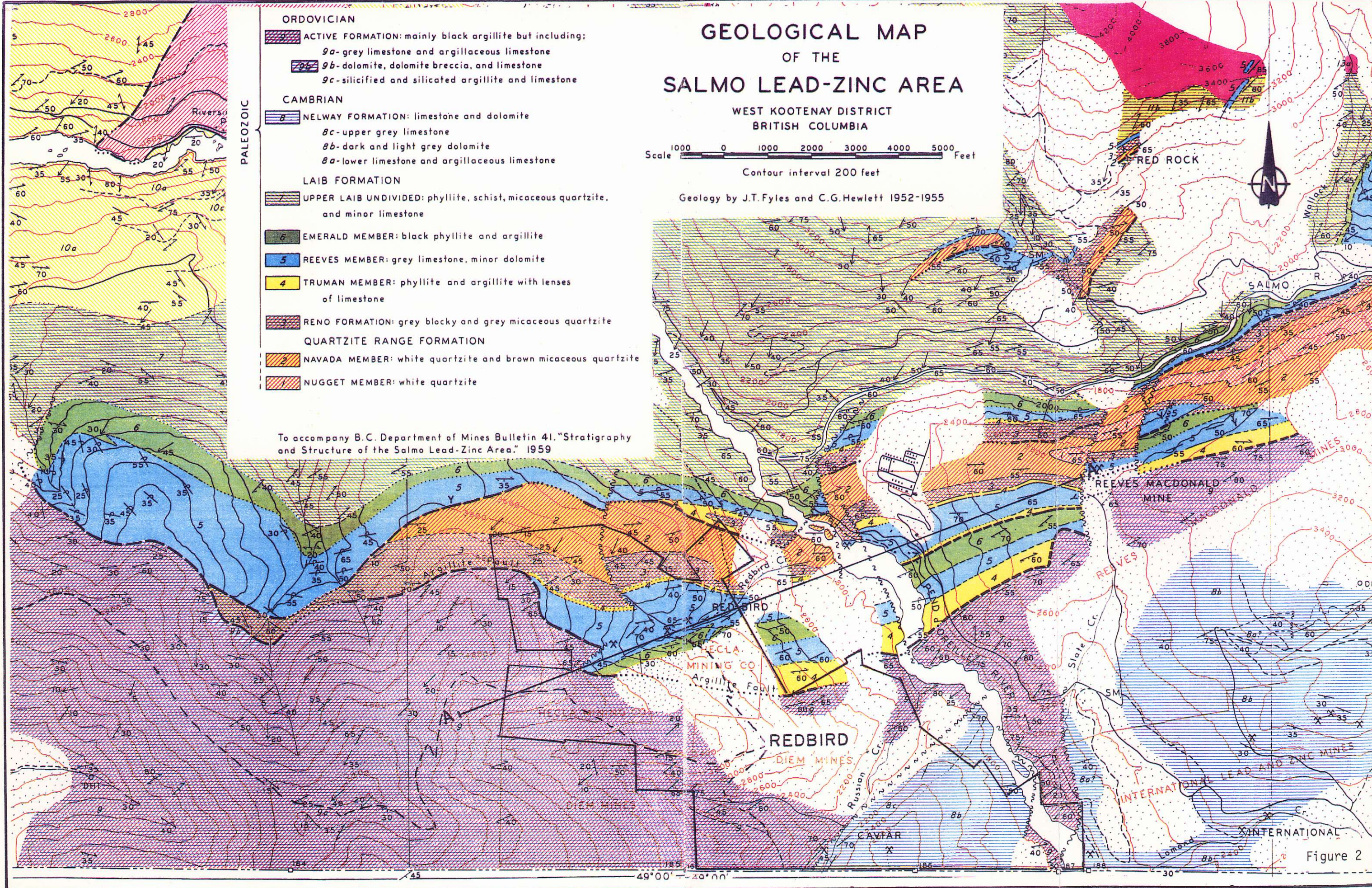
GEOLOGICAL MAP OF THE SALMO LEAD-ZINC AREA

WEST KOOTENAY DISTRICT
BRITISH COLUMBIA

Scale 1000 0 1000 2000 3000 4000 5000 Feet

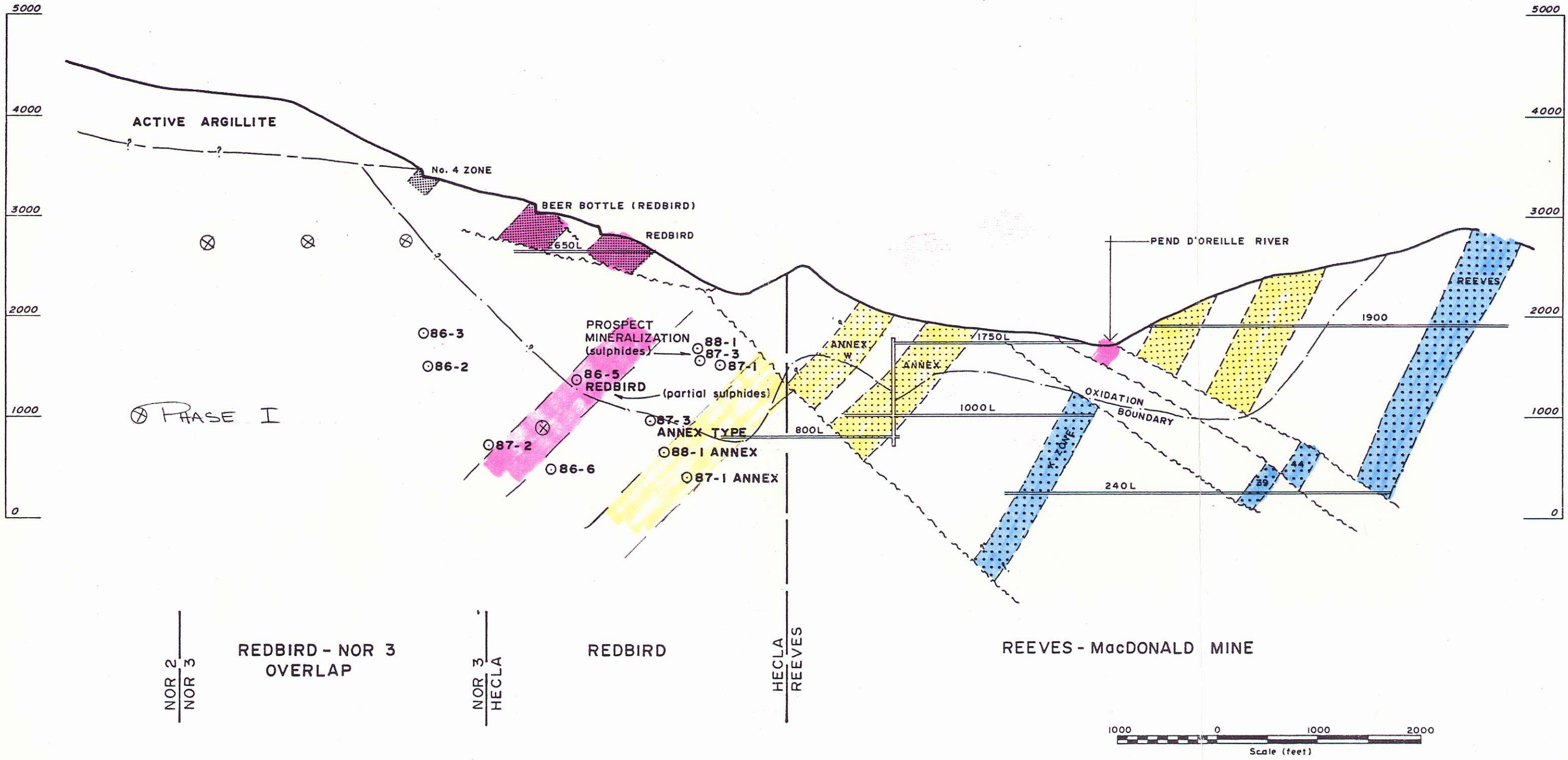
Contour interval 200 feet

Geology by J.T. Fyles and C.G. Hewlett 1952-1955



To accompany B.C. Department of Mines Bulletin 41. "Stratigraphy and Structure of the Salmo Lead-Zinc Area." 1959

Figure 2



NOR 2
NOR 3

REDBIRD - NOR 3
OVERLAP

NOR 3
HECLA

REDBIRD

HECLA
REEVES

REEVES - MacDONALD MINE



| LEGEND | |
|--------|---------|
| | ANNEX |
| | REEVES |
| | REDBIRD |

GOLDEN EYE MINERALS LTD.
REDBIRD PROJECT

LONGITUDINAL SECTION A-A'
LOOKING NORTH
Figure 3

Scale: AS SHOWN
Date: APRIL 1988
JAN 89
Drawn By:
Approved By:
G. Klein

Table 1 Drill Intersection Summary

| Hole Number | Total Depth | From | To | Feet | % Pb | % Zn | % Cd | O ₂ Ag | PPM Ge | Remarks |
|-------------|-------------|--------|--------|------|------|-------|-------|-------------------|--------|--|
| 86-1 | 384 | - | - | - | - | - | - | - | - | Abandoned |
| 86-1A | 569 | - | - | - | - | - | - | - | - | Abandoned |
| 86-2 | 2464 | - | - | - | - | - | - | - | - | ----- |
| 86-3 | 2203 | 1027.5 | 1031.0 | 3.5 | 0.01 | 4.20 | 0.014 | .10 | NA* | PROSPECT mineralization |
| 86-4 | 755 | - | - | - | - | - | - | - | - | Abandoned |
| 86-5 | 2454 | | 2312.8 | | 6.19 | 4.28 | 0.026 | 0.64 | 35 | 6.8' mud recovered from 42' oxidized RED BIRD zone |
| | | 2312.8 | 2318.0 | 5.2 | 0.38 | 5.64 | 0.06 | 0.31 | 30 | Sulphides - RED BIRD zone |
| 86-6 | 3313 | - | - | - | - | - | - | - | - | Passed under RED BIRD? |
| 87-1 | 3250 | 1852.5 | 1857.5 | 5.0 | 0.11 | 11.21 | NA | 0.11 | 11 | PROSPECT mineralization |
| | | 3080.9 | 3134.7 | 53.8 | 0.88 | 7.97 | 0.09 | 1.64 | 25 | ANNEX zone |
| 87-2 | 3047 | - | - | - | - | - | - | - | - | Passed over RED BIRD? |
| 87-3 | 3301 | 1667.0 | 1684.2 | 17.2 | 0.02 | 4.57 | 0.01 | 0.05 | 10 | PROSPECT mineralization |
| | | 1890.5 | 1902.3 | 11.8 | 0.18 | 8.24 | 0.02 | 0.18 | 10 | PROSPECT mineralization |
| | | 2701.5 | 2707.6 | 6.1 | 0.21 | 5.47 | 0.04 | 0.19 | 10 | Western extremity ANNEX zone |
| 88-1 | 3211 | 1748.0 | 1754.2 | 6.2 | 0.12 | 8.44 | 0.01 | 0.06 | 10 | PROSPECT mineralization |
| | | 2877.4 | 2907.5 | 30.1 | 0.39 | 7.53 | 0.08 | 3.11 | 56 | ANNEX zone |

NOTE: True widths are approximately 90 - 95% of intersection widths

NA* - Not assayed

Red Bird Zone

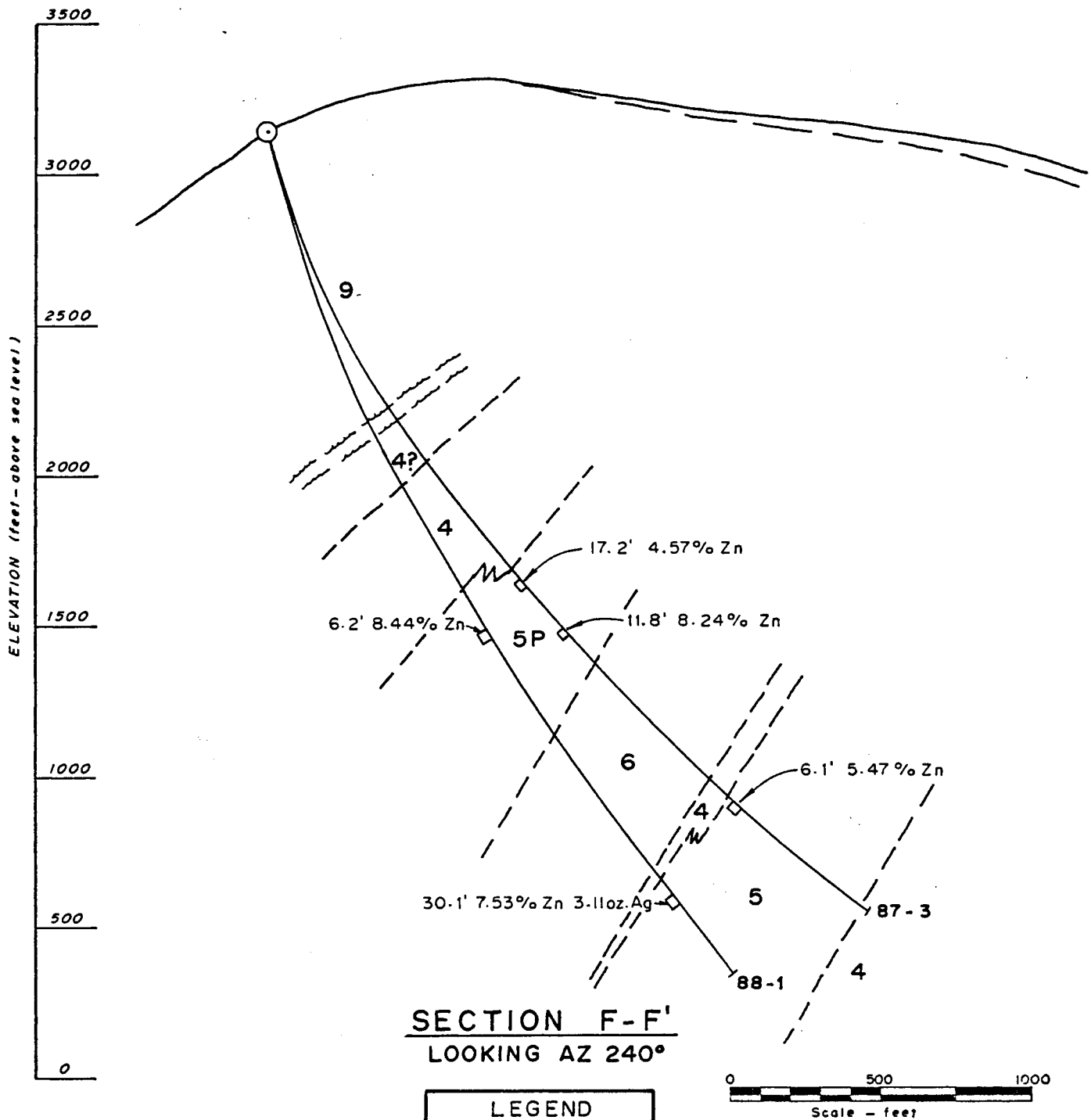
Hole 86-5 located the position of this zone near the oxidation boundary in a wide zone of oxidized mineralization and some fresh sulphides. 86-6 and 87-2, 1050 strike feet apart, are believed to have bracketed the zone, each showing minor mineralization in the same horizon as the mineralization found in 86-5.

Prospect Zone

Holes 87-1, 87-3 and 88-1 intersected ore grade and width mineralization in the Prospect Dolomite, an upper unit equivalent to the Reeves Limestone, so far unproductive in the area. These intersections may be significant because of their banded nature; such intersections in the Reeves mine in Reeves Limestone generally turned out to be mineable orebodies. Numerous minor intersections were also made in the Prospect, indicating that in this area it is quite highly mineralized.

Annex Zone

Holes 87-1 and 88-1 intersected an average true width of 38 feet of Annex mineralization 450 feet (strike distance) apart. This zone was 600 feet in length at the Reeves, and these holes may have straddled the best mineralization, which was in the middle portion. The Annex orebody averaged 1% Pb, 10% Zn, 2.5 oz Ag, 0.1% Cd.



LEGEND

| | | | |
|----|-------------------|---------|--------------------|
| 9 | ACTIVE ARGILLITE | ⊙— | DIAMOND DRILL HOLE |
| 6 | EMERALD SCHIST | ~~~~~ | FAULT, MAJOR |
| 5 | REEVES LIMESTONE | - - - - | GEOLOGICAL CONTACT |
| 5P | PROSPECT DOLOMITE | □ | INTERCEPT |
| 4 | TRUMAN SCHIST | | |

| | |
|--------------------------------------|---|
| SECTION DDH's 87-3 & 88-1 | GOLDEN EYE MINERALS LTD. REDBIRD PROJECT |
|--------------------------------------|---|

| | | | |
|--------------------|--------------------|----------|--|
| Scale 1" = 500' | Date APRIL 1988 | Drawn By | |
|--------------------|--------------------|----------|--|

Figure 4 Typical Cross Section

PROPERTY POTENTIAL

5

Combination of mining information from the Reeves and exploration on the Red Bird property indicates that the Red Bird zone and the Annex zone each contain approximately 1200 tons per vertical foot of better than 10% zinc equivalent. Two other zones as mined at the Reeves total 1600 tons per vertical foot of 6% zinc equivalent. Long term cut off grade at the Reeves was 3% zinc due to low cost mining. Cross faulting may bring all of these zones closer to surface to the west.

Prospect member mineralization, at a relatively shallow depth, shows considerable promise.

Surface sulphides of the Caviar showing are similar to those mined at the Reeves; recent work indicates that this deposit may be in Reeves Limestone, which would give it added importance.

Potential of in excess of 4000 tons per vertical foot is indicated for the Red Bird property, well over half better than 10% zinc equivalent.

IMMEDIATE AREA POTENTIAL

Several hundred thousand tons of 6% zinc are semi developed between the 1000 and 240 levels of the Reeves mine in the "K" zone.

Excellent potential lies to the west of the Red Bird deposit where unexplored Reeves Limestone is hidden by the overthrust of Active Argillite.

Large quantities, in the order of a few million tons, of oxidized lead zinc mineralization exist near surface on the Reeves and Red Bird. The large volume of zinc and associated metals in

these zones are an incentive for innovative work, and could be a good side project in conjunction with an operating mine.

Historical data indicates that potential could easily be several million tons on the Red Bird and surrounding ground.

RECOMMENDATIONS

Prime target for exploration remains the Red Bird zone. Exceptional continuity of zones strongly suggests the presence of this zone beneath hole 86-5.

Subsequent to the location of this zone, the Reeves Limestone should be explored westerly under the capping of Active Argillite, in the event that there are shallower sulphide zones present. Drill information shows that weathering is much shallower to the west nearing the complete argillite capping. If such zones are present, gravity mining would be a distinct possibility.

Success in finding the Red Bird and or other similar zones could lead quickly to the development stage.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gerald Klein".

Gerald H. Klein, P.Eng.



Core Storage



Hole 88-1 Sphalerite showing banding at 2904.7'

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7

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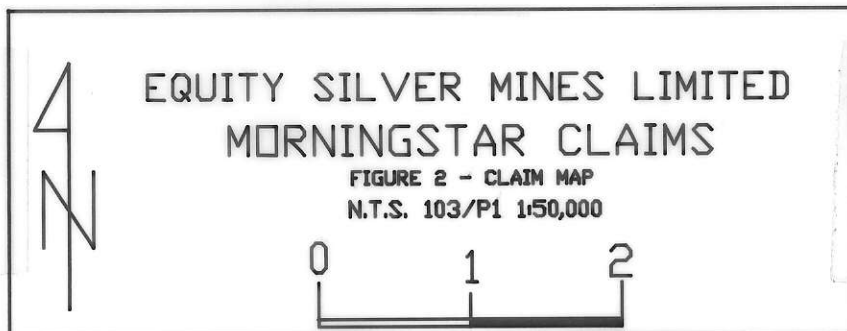
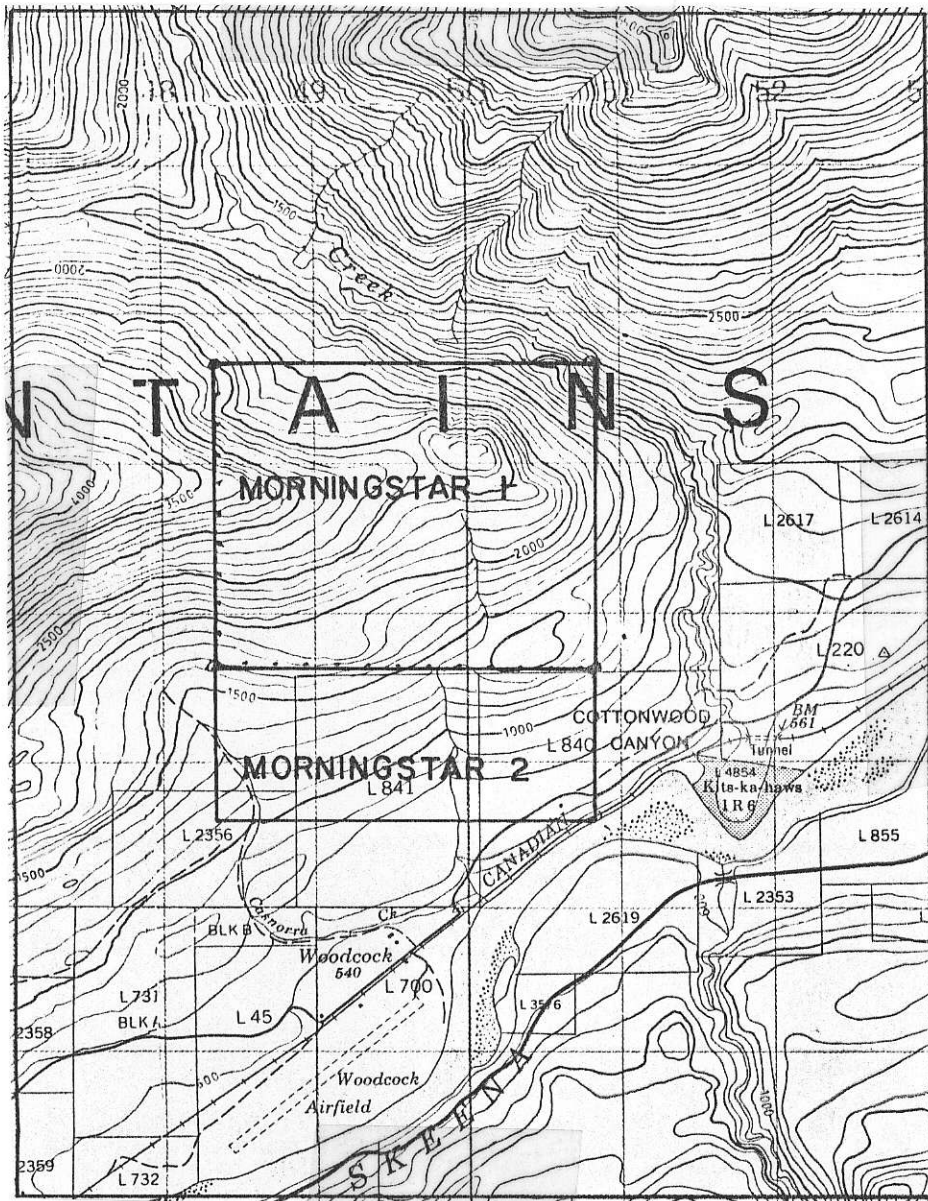


Figure 2. Claim Location Map