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**DIAMOND DRILLING REPORT
CIMADORO CLAIM GROUP**

Inco Exploration and Technical Services, Inc.

**Inco Exploration and
Technical Services Inc.
2690-666 Burrard Street
Vancouver, B.C.
V6C 2X8**

**Cameron C. Bell
June 16, 1993**

1.0 Introduction

Massive sulphide mineralization was first discovered on the Cimadoro property in 1988 by Efram Specogna, who traced sulphide boulders to their bedrock source in a steep gully at the headwaters of Deena Creek. Work completed on the property to date has outlined several polymetallic massive sulphide zones. Shallow drill intersections of up to 16.9% Zn, 5.3% Pb, 0.4% Cu, 174 g/t Ag, 0.3 g/t Au (0.009 oz/t) over 1.6 metres have been reported from the Cimadoro Showings area.

The property was optioned by Inco Ltd. in late 1991. Work completed by IETS in 1992 included airborne geophysics, geological mapping, moss-mat sampling and lithochemical sampling. A 910-metre diamond drill program was carried out in April and May of 1993. This drill program further tested the Cimadoro Showings area and an AEM anomaly coincident with a barium soil geochemical/ground VLF anomaly on the East Grid.

2.0 Location, Access and Topography

The Cimadoro property is located in the Queen Charlotte Islands, on the northern part of Moresby Island (see Figure 1). Parts of the property are accessible by logging roads which lead from the town of Sandspit. Sandspit has daily scheduled air service. Security Cove (navigable tidewater) is situated along the southern boundary of the claims. Parts of the property can be practically accessed only by helicopter. Topography on the property ranges from very steep hills and gullies to plateau-like areas. The area receives heavy annual rainfall with snow generally occurring only at high elevations. Elevations vary from sea level to 650 metres above sea level.

3.0 Property Status

The property was held by Inco under an option from Doromin Resources that was terminated by Inco on May 26, 1993. Mineral title will revert to Doromin Resources.

The current status of the property's claims (pending acceptance of this report) is as follows:

<u>Claim</u>	<u>No. of Units</u>	<u>Tenure Number</u>	<u>Expiry Date</u>
Cimadoro 1	20	252189	Aug. 4, 1994
Cimadoro 2	20	252190	Aug. 4, 1995
Cimadoro 3	20	252191	Aug. 4, 1994
Cimadoro 4	20	252192	Aug. 4, 1995
Lucimin 1	20	252197	Aug. 15, 1994
Lucimin 2	20	252198	Aug. 15, 1994
Lucimin 3	18	252199	Aug. 15, 1994
Lucimin 4	18	252200	Aug. 15, 1994
Lucimin 5	1	252195	Aug. 15, 1994
Lucimin 6	1	252196	Aug. 15, 1994
Luptak	20	252518	March 10, 1995
Luptak 2	20	252519	March 15, 1995
Matajur 1	20	252887	July 1, 1994
Matajur 2	20	252888	July 1, 1994
Matajur 3	16	252889	July 1, 1994
Matajur 4	20	252890	July 1, 1994
George 1	15	306605	Dec. 3, 1994
George 2	15	306606	Dec. 3, 1994
Natisone 1	20	307700	Feb. 28, 1995
Natisone 3	20	307702	Feb. 28, 1995
Pulfero	20	307707	Feb. 28, 1995

<u>Claim</u>	<u>No. of Units</u>	<u>Tenure Number</u>	<u>Expiry Date</u>
Udine	20	307705	Feb. 28, 1995
Joanne1	18	307611	Feb. 18, 1995

The property consists of 23 contiguous claims totalling 402 units with an area of 10,050 hectares. Claim locations are shown on Figure 2.

4.0 Exploration History

During the mid-1960's, a local prospector (Efram Specogna) collected silt samples from streams draining the property. These samples returned copper values in the order of 300-400 ppm, but were never followed up. In 1988, Specogna discovered unoxidized massive sulphide and banded sulphide-carbonate boulders in a tributary of Deena Creek. Follow-up prospecting led to the discovery of the outcrop source of the boulders at the head of a steep gully.

The property was examined by several mining companies, and Teck eventually optioned the property. Teck carried out a program of geological mapping, geophysics (magnetometer and VLF-EM) and soil geochemistry over 27 kilometres of grid line. The outline of Teck's gridding (East and West Grids) is shown on the Property Overview Map (Figure 3). A six-hole (957 metre) diamond drill program was completed in the area of the showings. Teck returned the property to Doromin in 1990.

Later in 1990, Doromin completed nine short drill holes in the immediate area of the showings in an attempt to determine the trend of the sulphide zone.

The property was optioned by Inco late in 1991. Field work was carried out from May to August, 1992, consisting of 534 kilometres of airborne geophysics (EM/VLF/resistivity/magnetics), geological mapping, moss mat sampling and lithochemical sampling.

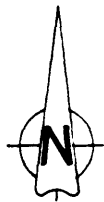
5.0 Regional Geology

The Queen Charlotte Islands are situated within the Wrangellia terrane of the Cordilleran Insular Belt. Rocks on the islands range in age from Late Paleozoic to Tertiary. The western part of Moresby Island is underlain by Upper Triassic Karmutsen Formation which consists of basaltic flows, tuff and minor sediment. Occasional exposures of Sicker Group-equivalent Upper Paleozoic sediments and tuff underlie the Karmutsen Formation. Elsewhere on the island, the Karmutsen is sequentially overlain by the Jurassic-Triassic Kunga Group, the Jurassic Yakoun Formation, Cretaceous Charlotte Group rocks and Tertiary volcanics and sediments. Jurassic dioritic plutons are common along the western part of Moresby Island.

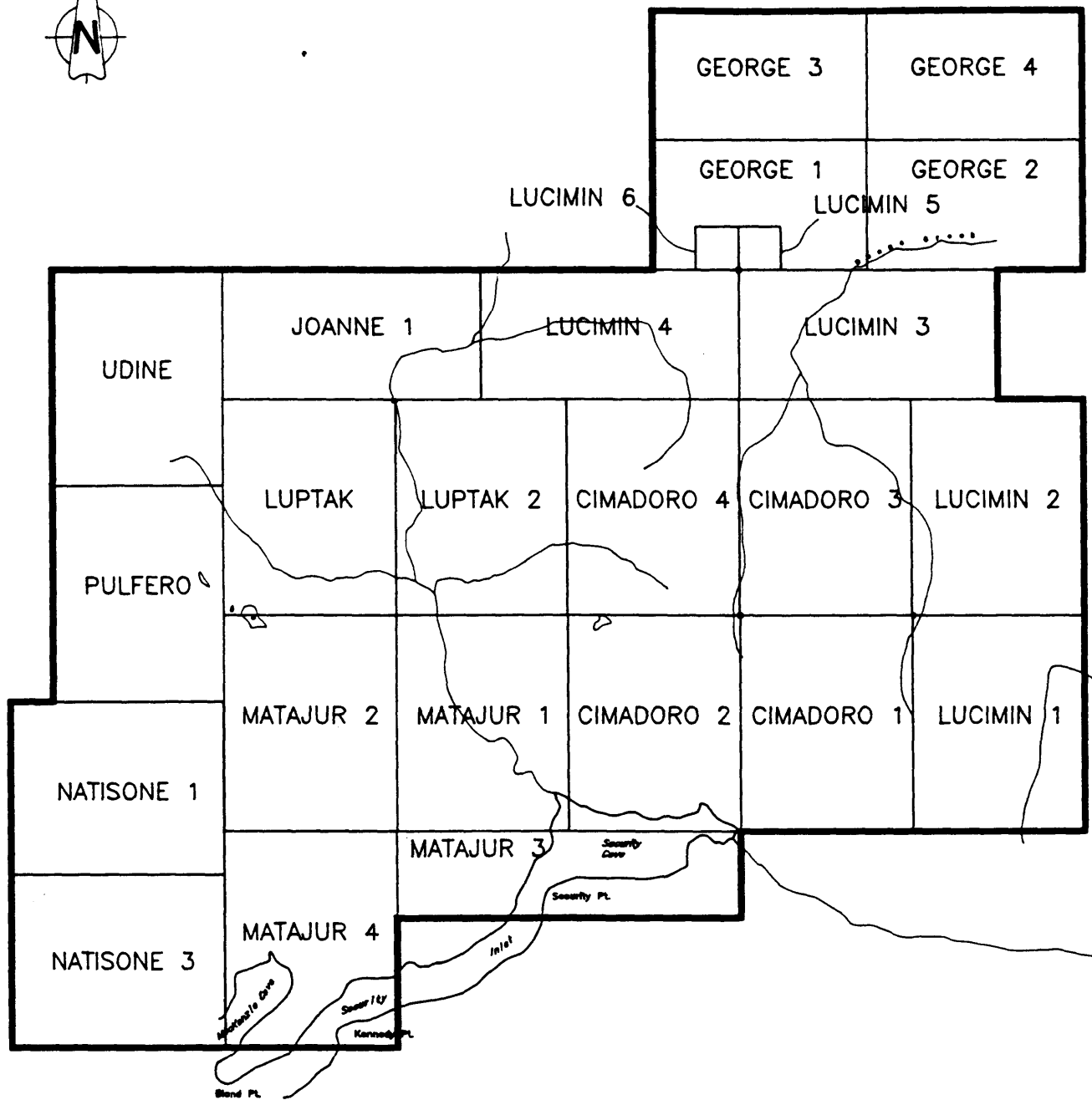
6.0 Property Geology

6.1 Lithology

The central part of the property is underlain by the northwest-trending Sediment-Sill Belt of possible late Paleozoic age (Sicker Group equivalent?). This belt consists of steeply dipping chert, argillite, limestone and calc-silicate beds cut by a series of gabbroic to dioritic sills. This belt hosts the Cimadoro Showings. The northeast part of the property is underlain by Karmutsen volcanics, late Triassic sediments and post-Triassic sediments. The southwest part of the property is dominated by a dioritic pluton of Jurassic age and associated metasediments and metavolcanics.

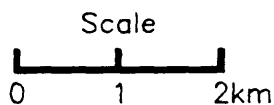


13215'



INCO EXPLORATION AND TECHNICAL SERVICES INC.

BRITISH COLUMBIA CIMADORO PROPERTY CLAIM LOCATION



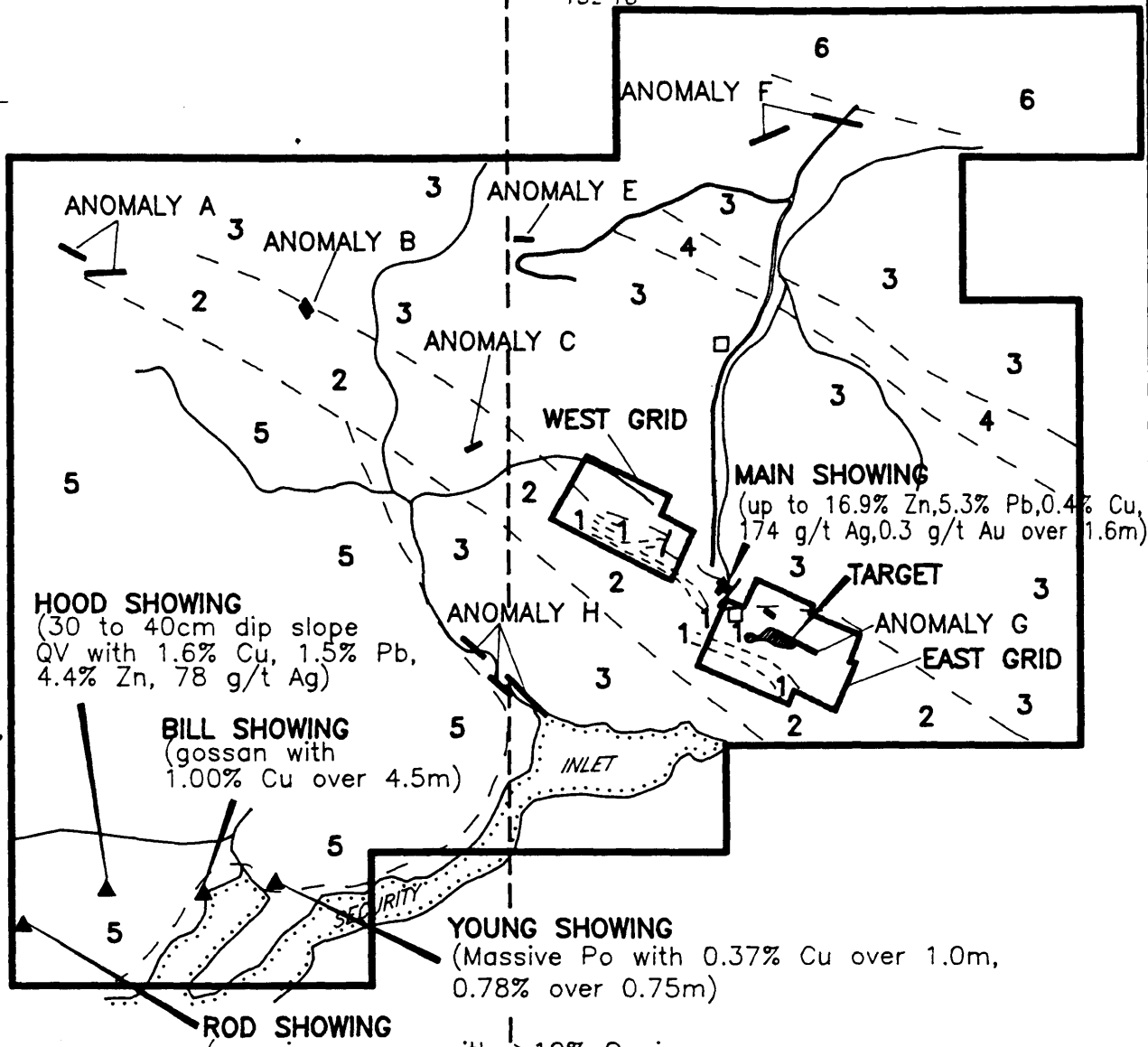
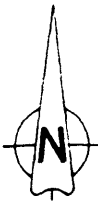
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FIGURE 2

WEST MAP SHEET

EAST MAP SHEET

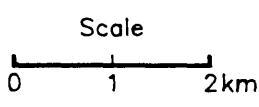
132°18'



LEGEND

- PROPERTY OUTLINE
- COINCIDENT VLF EM - Ba SOIL ANOMALY
- GEOLOGICAL CONTACTS
- AEM ANOMALIES
- SULPHIDE OCCURRENCE
- ROAD
- JURASSIC TO TERTIARY**
- 6 UNDIVIDED SEDIMENTS AND VOLCANICS
- JURASSIC**
- 5 DIORITE INTRUSIVE
- 1993 DRILL CORE STORAGE AREA

- JURASSIC-TRIASSIC**
- 4 KUNGA GROUP - LIMESTONE
- TRIASSIC**
- 3 KARMUTSEN FORMATION - BASALT
- PERMOTRIASSIC (?) SEDIMENT-SILL UNIT
- 2 DIORITE, GABBRO-SILLS
- 1 CHERT, ARGILLITE AND LIMESTONE



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**BRITISH COLUMBIA
 CIMADORO PROJECT
 PROPERTY OVERVIEW MAP**

FIGURE 3

CIM012

6.2 Mineralization

Mineralization on the property occurs in two principal areas; the Cimadoro Showings and the MacKenzie Cove Showings. Previous work at the Cimadoro Showings outlined several occurrences (Lower Showing, Upper Showing, Cliff Showing) of massive sulphide hosted in beds of argillite, chert and limestone. These showings consist of massive sulphide lenses with varying amounts of pyrite, sphalerite, galena, pyrrhotite and chalcopyrite. None of these lenses exceed five metres in strike length at surface. A bed of massive barite is associated with the Lower Showing. Massive sulphides at the Lower Showing are crudely banded, while the Upper Showing consists of fine laminations and wispy discontinuous bands of sphalerite and pyrite. Brecciation as well as weak graphitic and chloritic alteration are locally present. The Cimadoro Showings area is cut by numerous faults which are both subparallel and normal to bedding. Mineralization at the Cimadoro Showings displays both syngenetic and epigenetic characteristics.

Previous sampling at the Upper Showing returned Zn values up to 12.05% over 2 metres. Average values for other metals are: Cu-0.6%; Pb-0.7%; Ag-74 g/t; Au-0.5 g/t. Drilling by Teck in the Cimadoro Showings area did not intersect any massive sulphide. One anomalous intersection returned values of 1.34% Zn, 0.13% Pb, 0.10% Cu and 13.7 g/t Ag over 1.3 metres. Shallow drilling by Doromin at the Lower Showing returned intersections up to 16.78% Zn, 5.33% Pb, 0.39% Cu, 173.5 g/t Ag, 0.27 g/t Au over 1.6 metres.

Mineralization in the MacKenzie Cove area is skarn-type and is localized in basalts and limestones adjacent to Jurassic diorite intrusions. Mineralization is pyrrhotite and chalcopyrite rich with very low precious metals content.

7.0 1993 Diamond Drilling Program

7.1 Summary

The 1993 Cimadoro Drill Program was started on April 21 and was completed on May 4. Four diamond drill holes (BH87007-010) totalling 910 metres were drilled by J.T. Thomas Diamond Drilling using a JT-2000 drill rig. The core was logged by Inco personnel and is currently stored on the property (see Figure 3 for storage locations).

A two-hole fence (BH87007,008) was drilled to test AEM anomaly G on the East Grid. AEM anomaly G is coincident with a Ba (+/- Pb, Ag) soil geochemical anomaly and ground VLF conductors. These anomalies occur within the Sediment-Sill Belt to the southeast of the Cimadoro Showings. BH87009 was drilled southeast of the Cimadoro Showings to further test the chert unit which hosts the massive sulphide lenses. BH87010 was drilled to test cherty argillite units in the head of a stream near the Cimadoro Showings, in which semi-massive sulphide boulders have been located. Drill-hole locations, geology and geophysical conductors are shown on Figure 4.

Mineralized samples from cherty units were analysed for Cu, Pb, Zn, Ag, Au, Sb, and As. Au analysis was by fire assay with an atomic absorption finish. The remaining elements were analysed by atomic absorption. Selected samples were analysed for whole rock by ICP-fusion for determination of the bulk composition of various units. Complete descriptions of the analytical procedures (including sample preparation, digestion and detection limits) are given with the analytical results in Appendix B.

Drill holes from the 1993 drill program are summarized in the following table:

<u>Borehole Number</u>	<u>Collar Location</u>	<u>Elevation (metres)</u>	<u>Borehole Azimuth</u>	<u>Grid Bearing</u>	<u>Inclination</u>	<u>Depth (metres)</u>
87007	10175N\10950E	507	210	180	-45	267.92
87008	10010N\10950E	546	210	180	-45	255.73
87009	9935N\9910E	682	48	18	-50	197.81
87010	10085N\10085E	670	48	18	-45	188.67

7.2 Results

Drill logs with Cu, Pb, Zn, Ag and Au values are found in Appendix A. No significant intersections were drilled in any of the drill holes.

BH87007 was drilled through a basalt sequence with occasional thin chert beds. A fault is interpreted to separate this basalt sequence from the chert unit which occurs along strike to the northwest. Weak graphite in a thin (< 1 metre) chert bed was observed in BH87007. BH87008 cored through the sediment-gabbro sill sequence. Extensive graphite was observed along fractures in a dark grey chert in BH87008. The graphitic cherts in BH87007 and BH87008 are believed to be the cause of the AEM and ground VLF conductors on the East Grid. Samples of light grey chert in BH87008 returned highly anomalous Ba values (> 10 000 ppm) as did surface samples from the area. No barite was observed, but it is clear that Ba-enriched cherts are the cause of the Ba soil geochemical anomaly on the East Grid. A cross section with BH87007 and BH87008 is shown on Figure 5.

BH87009 was collared in what is interpreted as a flat-lying, fault-bounded basalt cap to the southeast of the Cimadoro Showings. The hole passed through this basalt cap and intersected a blind, vertically-dipping chert unit of the same thickness and appearance as the chert hosting the sulphide lenses at the Cimadoro Showings. A dark grey section of chert with 2 to 5 % pyrite returned zinc values up to 1180 ppm over 1.5 metres. The pyrite occurs as fine-grained beds up to 4 millimetres thick and fracture fillings. Another sample from this section returned a gold value of 575 ppb over 0.77 metres. These thin pyritic beds may be the distal equivalent of mineralization at the Cimadoro Showings.

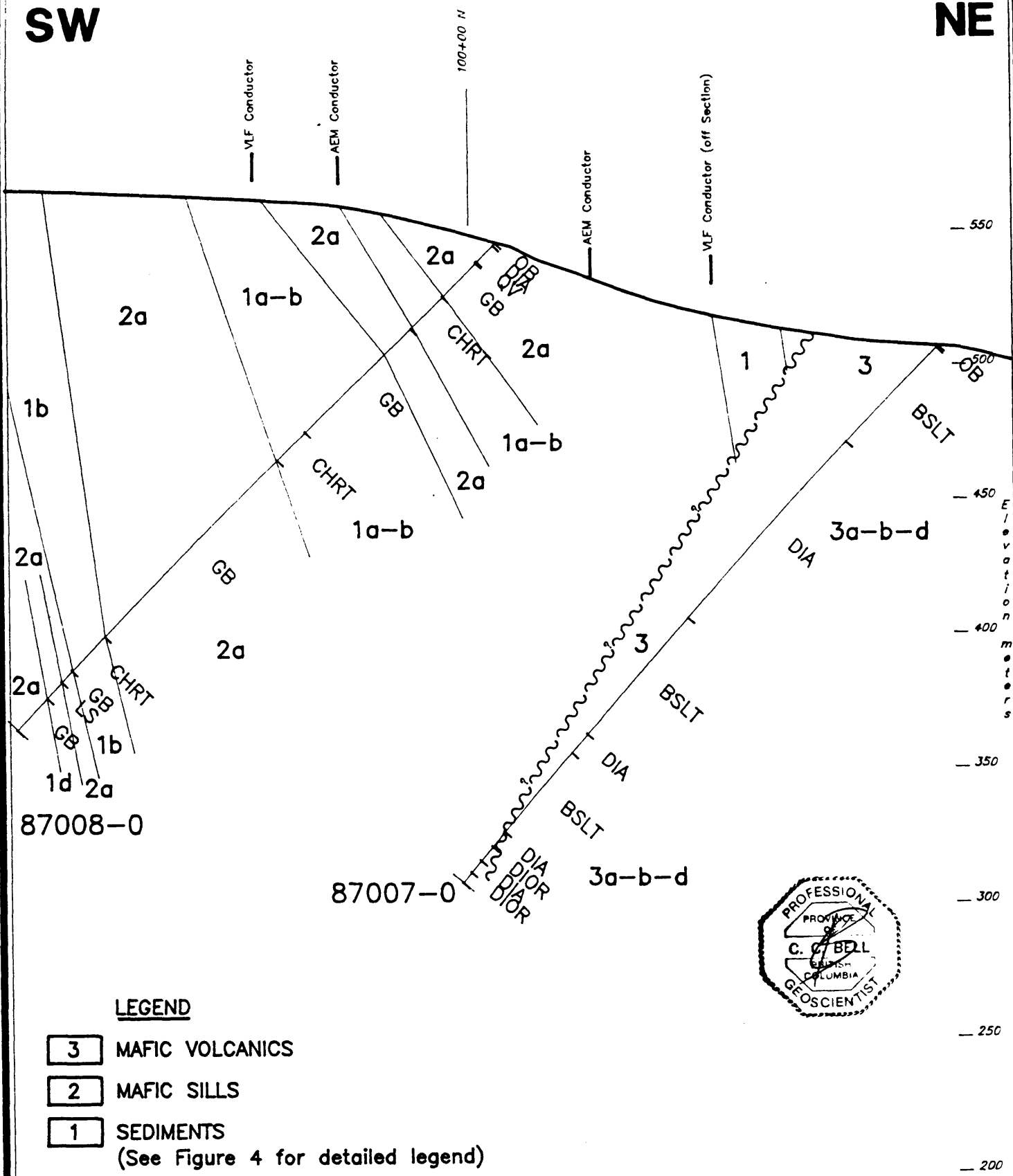
BH87010 drilled through a sequence of massive to porphyritic basalt with dark grey chert beds up to 13 metres thick. A brecciated section of chert with 2 % pyrite returned a value of 2700 ppm Zn over 0.60 metres. One of the chert beds in this hole contains zones with numerous pyrrhotite beds up to 8 millimetres in thickness. These zones returned only very weakly anomalous base metal and silver values. A cross section with BH87009 and BH87010 is shown on Figure 6.

8.0 Conclusions and Recommendations

The Cimadoro Showings area has been sufficiently tested by diamond drilling. No significant mineralization was encountered.

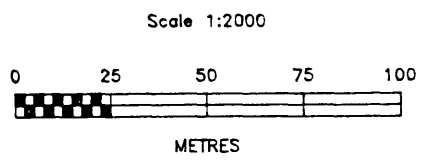
SW

NE



LEGEND

- 3 MAFIC VOLCANICS
- 2 MAFIC SILLS
- 1 SEDIMENTS
(See Figure 4 for detailed legend)



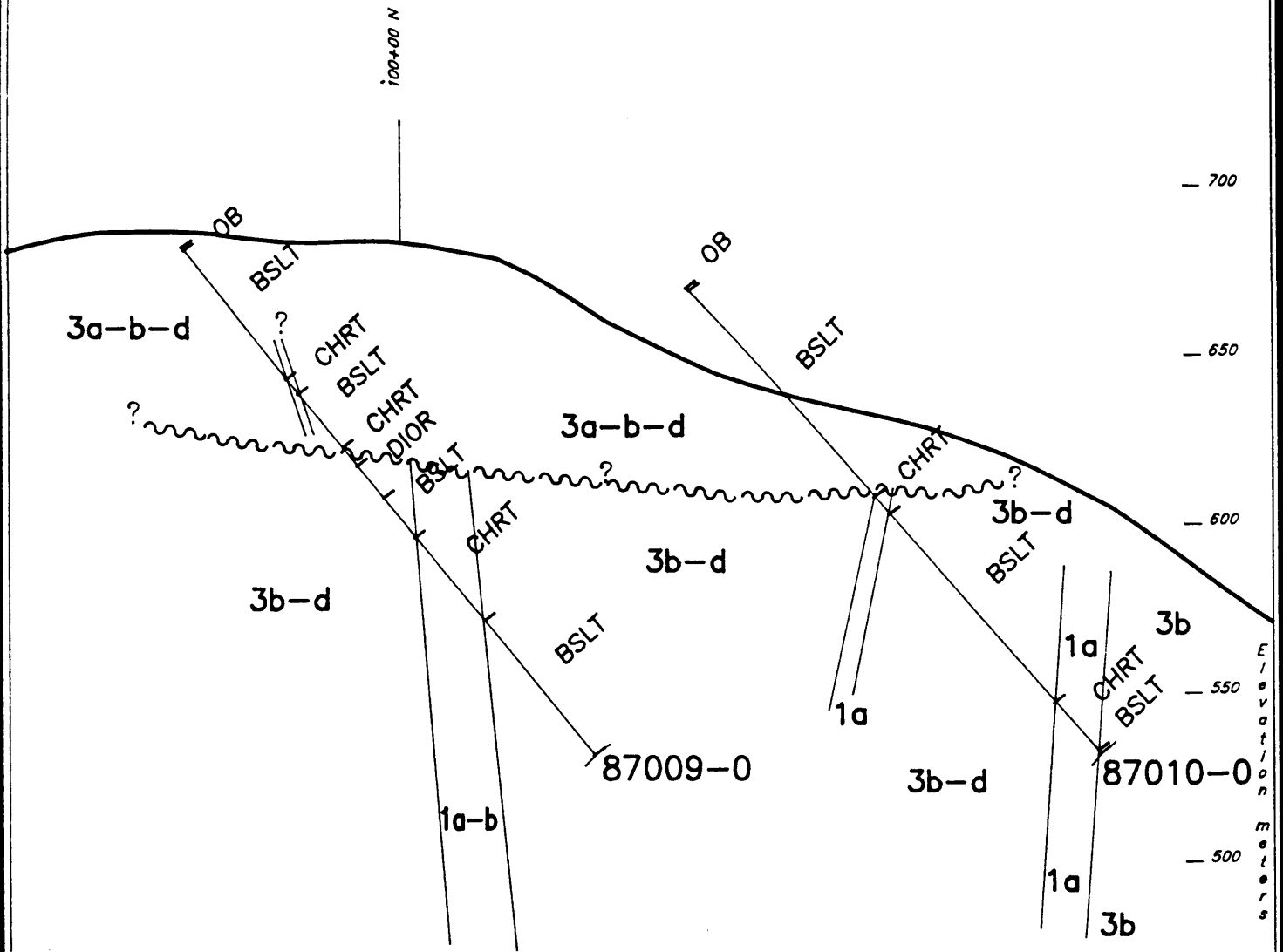
INCO EXPLORATION AND TECHNICAL SERVICES INC.
BRITISH COLUMBIA
CIMADORO PROJECT
DRILL SECTION 109+50 E

FIGURE 5

CIM051.DWG

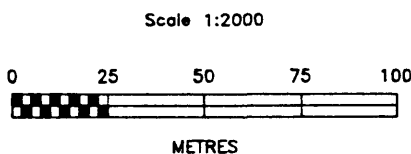
SW

NE



LEGEND

- 3 MAFIC VOLCANICS
- 2 MAFIC SILLS
- 1 SEDIMENTS
(See Figure 4 for detailed legend)



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BRITISH COLUMBIA
CIMADORO PROJECT
DRILL SECTION @18'(Grid)

FIGURE 6

CIM052.DWG

9.0 References

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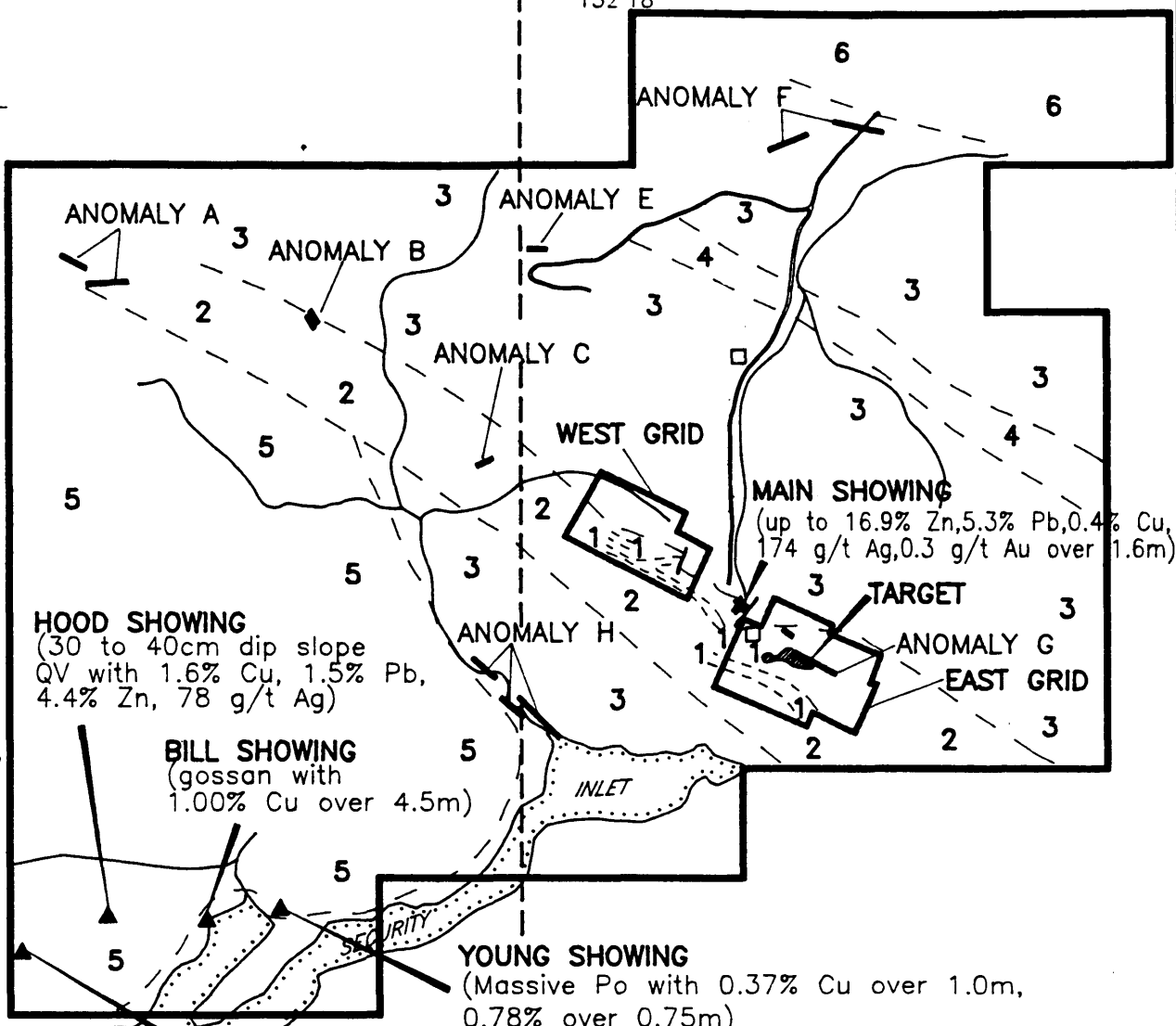
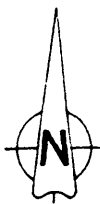
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Y68 - Cimadaro

WEST MAP SHEET

EAST MAP SHEET

132°18'



HOOD SHOWING
 (30 to 40cm dip slope
 QV with 1.6% Cu, 1.5% Pb,
 4.4% Zn, 78 g/t Ag)

MAIN SHOWING
 (up to 16.9% Zn, 5.3% Pb, 0.4% Cu,
 174 g/t Ag, 0.3 g/t Au over 1.6m)

BILL SHOWING
 (gossan with
 1.00% Cu over 4.5m)

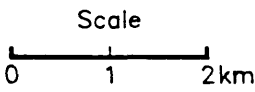
YOUNG SHOWING
 (Massive Po with 0.37% Cu over 1.0m,
 0.78% over 0.75m)

ROD SHOWING
 (massive cp, py with >10% Cu in
 3-75cm dip slope zone)

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FIGURE 3

CIM012