PROSPECTUS 06/29/37 BARKHUR RESCURCES INC.

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RAM EXPLORATION LTD.

SUMMARY REPORT

AND

PROPOSED EXPLORATION PROGRAM

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HAWK CLAIM GROUP
REVELSTOKE MINING DIVISION
SOUTH EASTERN BRITISH COLUMBIA

Longitude = 117° 40'W Latitude = 50° 48'N NTS = 82K13E

Crown Granted Mineral Claims
Lot No. 4571

Mineral Claims

Hawk 3 Record No. 768

Hawk Extension Record No. (Pending)

Fractional Claims Record No.'s 10145K, 10146K

Owner/Operator: Royal Crystal Resources Ltd.

Reported By: M. Magrum, P.Eng.
C. von Einsiedel, BSc.

Submitted: December 11, 1986

SUMMARY AND RECOMMENDATIONS

The Hawk Claim Group consists of two fractional mineral claims, two located mineral claims and one Crown Granted mineral claim covering an area of approximately 20 claim units near the junction of Pool and Mohawk Creeks some 5 km east of Camborne in southeastern British Columbia. The property is situated within the Central Mineral Belt, the most important of a series of parallel belts of polymetallic mineral occurences which collectively form the Trout Lake Mining District.

Based on geological mapping by the G.S.C. (Open File Map No.s 432 and 464; Read, 1976) the Trout Lake District forms the northern terminus of the Kootenay Arc, an important Metallogenic Province which hosts most of the well known silver-lead-zinc (gold) deposits of the western cordillera. Rocks within the project area comprise complexly folded, Paleozoic aged metasediments and metavolcanics belonging to the Lardeau Group (Fyles, 1962).

The property is of interest primarily because of its proximity to several significant discoveries which occur in a similar geologic environment. The best known of these discoveries is the Spyder Deposit (located approximately one kilometer to the west) owned by Sunshine Columbia Resources. Between 1952 and 1958 Newmont Mines operated the property and produced an estimated 140,000 tons of ore grading; 0.084 oz/ton gold, 12.6 oz/ton silver and 15% combined lead/zinc.

Diamond drilling carried out below the lowermost mine workings (Sunshine Columbia - 1980) clearly indicates that the Spyder deposit continues downdip. Results further indicate that both vein width and gold content increase significantly with depth.

In 1980, on the basis of these results, Westmin Resources optioned several mineral properties (including the Hawk Claim Group) in the Spyder Mine area. Between 1981 and 1983 Westmin examined known mineral occurrences and carried out extensive soil geochemical surveys.

In a report by Westmin dated March 1983 it was concluded that; veins in the Mohawk area are near vertical, strike 1500 - 1750 and vary from 1 to 5 m in width. The best mineralization was observed where the tensional fractures which control the veins occur within greenstone (metavolcanics belonging to the Jowett Formation). Mineralization consists of coarse grained argentiferous galena, sphalerite and pyrite with lessor tetrahedrite and free gold in a gangue of quartz and sideritic carbonates.

On the Hawk Claim Group, Westmin conducted an examination of the prospect tunnels at the Excise Vein and reported mineralization grading; 0.08 oz/ton gold, 2.0 oz/ton silver and 0.8% lead across a true width of 3.3 meters. Selected samples returned grades up to: 0.332 oz/ton gold, 6.57 oz/ton silver, 7.8% lead and 6.6% zinc. Westmin's geologists comment that "if the Excise Vein extends into the mafic volcanics which plunge with the Silver Cup anticline, better grade and continuity may be found as is the case with the Spyder veins".

In addition, silver, lead and zinc geochemical anomalies were identified on the east side of Mohawk Creek, however, no further work has been carried out to identify a source.

Based on these results, Royal Crystal Resources conducted an exploration program consisting of geological mapping, sampling of the Excise Vein, surface diamond core drilling (Excise Vein) and road construction to facilitate access to the geochemical anomalies identified by Westmin.

Samples of mineralization collected from the Excise workings during the present survey returned grades of up to 0.759 oz/ton gold, 3.65 oz/ton silver and combined base metal values of over 10%.

Diamond drilling was carried out at two sites along the vein and a total of 5 holes were drilled for a total meterage of 410 m. Results clearly indicate that mineralization persists down dip of the Excise workings. Alteration features identical to those developed at the Spyder Mine were noted in DDH 86-03 and it is concluded by the authors that this structure represents an excellent exploration target.

Results of the present exploration program are considered extremely encouraging and it is recommended that Royal Crystal Resources proceed with a staged exploration program designed to evaluate the Excise Vein and all known anomalous zones. The total estimated cost of this program is \$300,000.

Respectfully submitted,

Magrum PEng

MW.

C. von Einsiedel Consulting Geologist Section I Proposed Explication Program

1.1 Exploration Targets

(Please refer to Figure No. 4)

Exploration to date of the Hawk Claim Group by Royal Crystal Resources and previous operators has identified several targets which warrant continued evaluation.

At present, the most developed of these targets is the Excise Vein (Marlow Option). Results of diamond core drilling carried out during the present survey indicates that the Excise Vein is similar to the Spyder Vein, a significant discovery situated on a parallel structure, one kilometer to the west.

Other targets include incompletely defined geochemical anomalies (Graf Option) identified by Westmin (1982) which will require detailed fill-in geochemical surveys and geophysical surveys prior to the selection of trenching or drilling targets.

The objectives of the proposed exploration program are as follows:

Phase 1

- Carry out geophysical surveys to determine if the Excise Vein extends south of known mineralization and if so, complete additional diamond core drilling to assess these extentions.
- Carry out fill-in geochemical surveys and reconnaissance scale geophysical surveys to assess geochemical anomalies identified in the southeastern part of the claim group (Graf Option).

Total estimated cost of this stage of exploration is \$100,000.

Phase 2

This stage of exploration is contingent on results of Phase 1 and is designed as a follow-up program. Allowance is made for detailed fill-in surveys and trenching where required to evaluate anomalous areas delineated in Phase 1. In addition, this stage provides for unallocated diamond drilling pending results of Phase 1. Total estimated cost of this stage of exploration is \$200,000.

On completion of Phase 1 and 2 the project will have to be re-evaluated with future exploration designed to fully explore targets delineated in preceding surveys.

1.2 Cost Estimate

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The following cost estimate is subdivided within each stage on the basis of the various property options which comprise the Hawk Claim Group.

Phase 1

Hawk 3 and Hawk Extension (Graf Option)	
Engineering/Supervision/Reports	\$10,000
Completion of Access Road - Allow 100 hours D-6 Caterpillar @ \$95/hr.	9,500
Grid Preparation - Allow 20 line km @ \$250	5,000
Geochemical Surveys - Allow 500 samples @ \$10	5,000
Geophysical Surveys (VLF-EM and Magnetometer) - 20 line km @ \$400	8,000
Assays - 500 samples @ \$15	7,500
Contingency	5,000
Sub Total	\$50,000
Fractional Claims 10145K, 10146K and Lot No. 4571 (Marlow Option) Engineering/Supervision/Reports	\$ 5,000
	\$ 5,000
Grid Preparation (surveyed) - Allow 5 line km @ \$500	2,500
Geophysical Survey - (VLF and Magnetometer Survey @ 5 m intervals) - 5 line km @ \$450	2,250
Drill Site Preparation - Allow 50 hrs. D-6 Caterpillar @ \$95	4,750
Diamond Drilling - Allow 250 m @ \$100/m	25,000
Assays - 20 @ \$25	500
Contingency	10,000
Sub Total	\$50,000

Total estimated cost of Phase 1 Exploration is \$100,000.

Phase 2

Engineering/Supervision/Reports	\$10,000
Fill-in Grid Preparation and Survey - Allow 20 line km @ \$500	10,000
Geophysical Surveys - Consultant - allow	5,000
- Detailed horizontal loop EM/1P Survey Allow 10 line km @ \$1,000	10,000

Trenching and Road Work

Hawk 3 and Hawk Extension (Graf Option)

Allow - 15,000

Contingency 5,000 Sub Total \$50,000

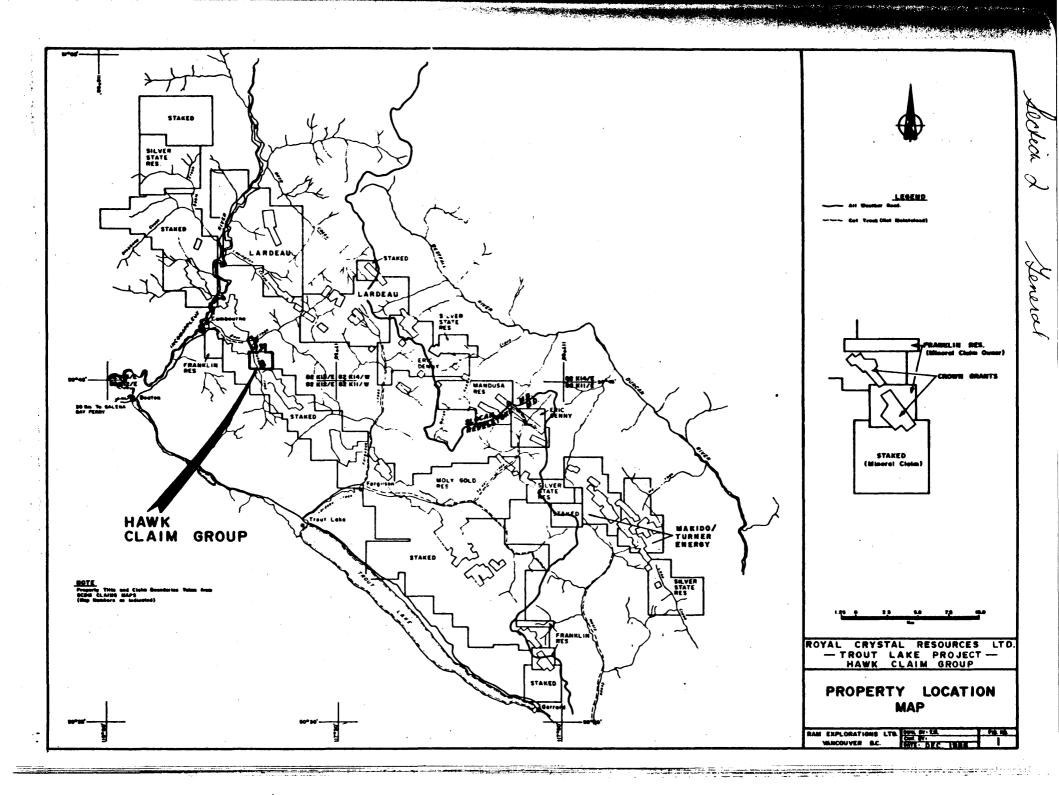
Note: Completion of Phase 1 and 2 exploration Re: Graf Option will satisfy Exploration Expenditure requirements until 1991. At this time an additional \$100,000 must be incurred to maintain the agreement until 1994.

Fractional Claims 10145K, 10146K and Lot No. 4571 (Marlow Option)

	d Drilling (Unallocated) ow 1000 m @ \$150/m	\$150,000
Note:	This amount includes all mobilization, supervision,	
	drilling and reporting requirements.	
	Sub Total	\$150.000

Total estimated cost of Phase 2 Exploration is \$175,000.

The combined costs of Phase 1 and 2 exploration is estimated at



2.1 Property Location, Access, Ownership (Please refer to Figure No.s 1, 1A and 4)

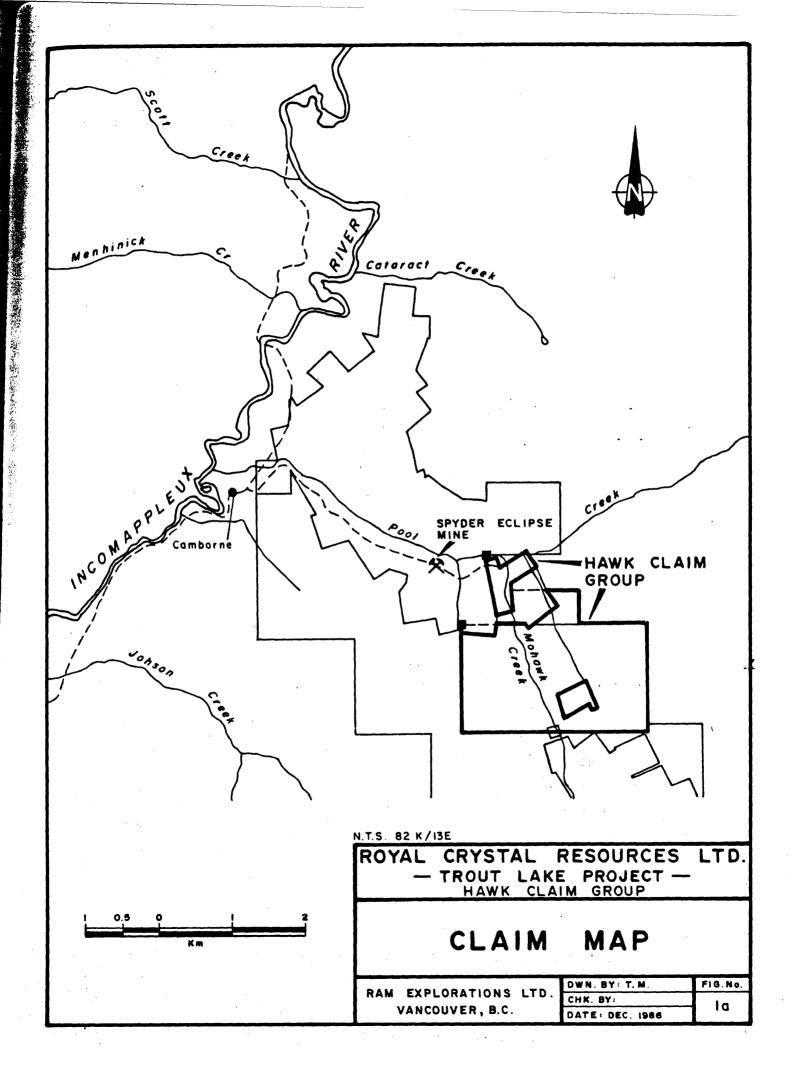
The Hawk Claim Group is situated approximately 50 km southeast of Revelstoke roughly 5 km east of the Camborne townsite. The approximate centre of the claim group is located at 117° 40°W longitude and 50° 48°N latitude.

Access to Camborne is via paved road from the Galena Bay Ferry (Highway 23 south of Revelstoke) to Beaton and then north along a Government maintained gravel road to Camborne. From the Camborne townsite a 4 X 4 track extends along th south side of Pool Creek for a distance of 5 km to the western edge of the property. A spur from the main track extends onto the northern part of the property.

As part of the present exploration program another spur from the main track was constructed along Mohawk Creek (approximately 200 in elevation below the existing track) and a suitable site for a bridge crossing was selected. During Phase I the company intends to extend this road onto the eastern side of Mohawk Creek in order to access geochemical anomalies identified by Westmin (1982).

The Hawk Claim Group consists of 3 separate option agreements covering adjoining mineral properties. The Marlow Option consists of 2 fractional mineral claims and one Crown Granted mineral claim which form an inverted "L" shaped configuration covering the junction of Pool and Mohawk Creeks. The remaining claims form a block comprising 17 claim units which straddle Mohawk Creek for a distance of approximately 2 km to the south.

Topography in the vicinity of the claims is quite steep, locally breaking into cliffs on the east side of Mohawk Creek. The projected south extension of the Excise Vein structure is on a relatively gentle slope and is heavily overburden covered.



Title to the various properties which comprise the Hawk Claim Group is recorded on Mineral Title Reference Map No. 82K13E as follows:

Graf Option

Claim	Record	No. Of		
Name	No.	<u>Units</u>	Expiry	Owner
	•		•	
Hawk 3	768	15	Oct. 22, 1987	Chris Graf

Marlow Option

Claim Name	Record No.	No. Of <u>Units</u>	Expiry	Owner
Hazel I	10145K	1	Aug. 21, 1988	Alan Marlow
Hazel 2	10146K	1	Aug. 21, 1988	Alan Marlow

(Crown Granted Claims)

1. All minerals precious or base save coal and petroleum in or under Lot 4571, known as the Mohawk Mineral Claim, Kootenay Land District.

Westmin Option

Claim	Record	No. Of		
Name	No.	<u>Units</u>	Expiry	Owner
Hawk Extension	Tag 125044	. 2 ,	December, 1987	Royal Crystal Resources

2.2 Regional Geology and Exploration Model (Please refer to Figure No. 2 and 3)

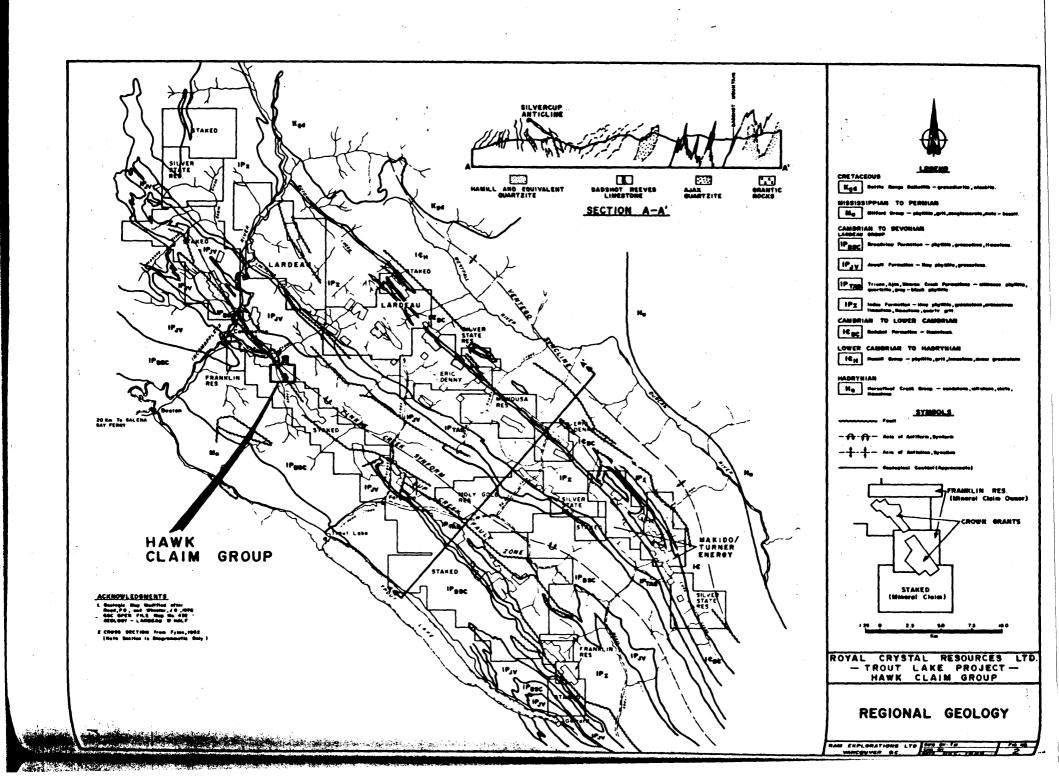
The Trout Lake District forms the northern terminus of an arcuate belt of Paleozoic meta-sediments and meta-volcanics known as the Kootenay Arc. This belt extends from the Metalline Falls District of northern Idaho to north of Revelstoke in southeastern British Columbia and hosts many of the well known lead-zinc-silver (gold) camps of the western Cordillera.

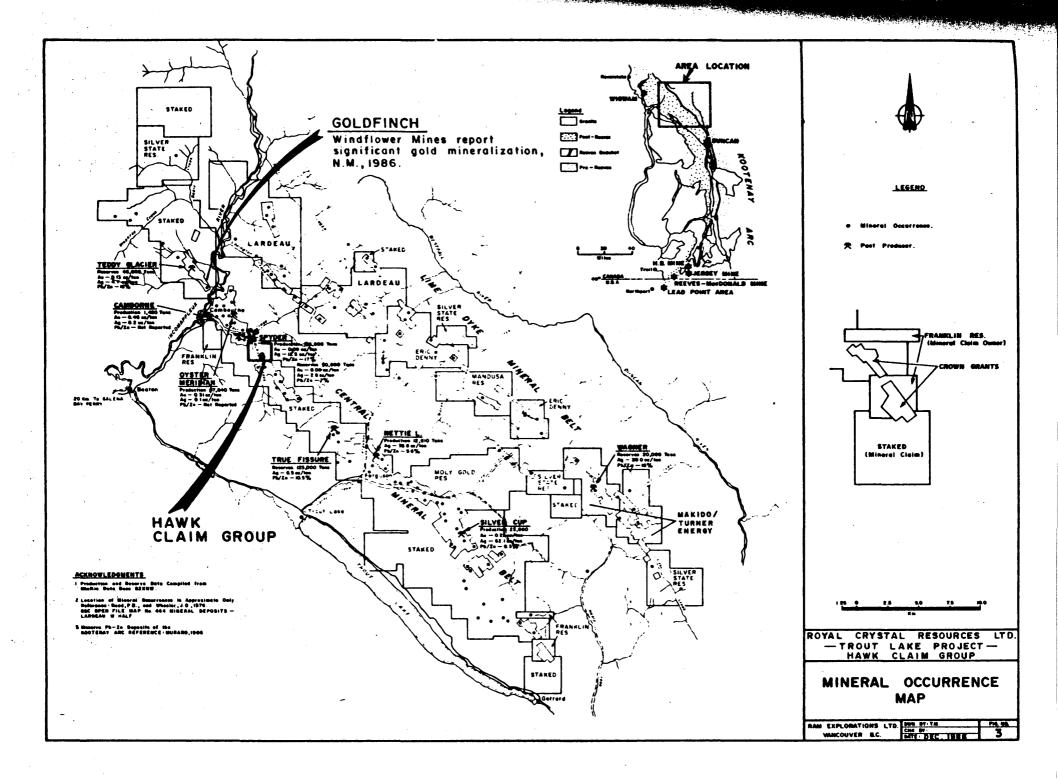
Stratigraphy comprises a Cambrian to Devonian Aged sequence including the Hamill Group, Badshot Formation and Lardeau Group. The Lardeau Group is of principal interest in the current study and consist of Broadview, Jowett, Ajax/Sharon Creek and Index Formations. During the Jurassic and Cretaceous these rocks underwent several episodes of deformation and now form a series of tightly folded anticlines and synclines alligned along northwest axes. Figure No. 2 contains a diagrammatic cross section of the Trout Lake area which illustrates these relationships.

During deformation major faults were developed parallel to the principal fold structures (NW orientation) and subsidiary fracture zones were developed at orientations varying from NNE to NNW. Mineral deposits show a close spatial relationship to these fault zones (see Figure No. 3) and it is concluded that they are an important control on mineralization throughout the Trout Lake District.

Intermittent exploration since the late 1800's has defined two parallel belts of lead-zinc-silver and gold occurrences termed the Northern or Lime Dyke Belt and the Central Mineral Belt. These belts parallel the major structural breaks shown in Figure No. 3 and extend for over 60 kilometers from the southern end of Trout Lake to west of the Incommappleux River. Within the Central Mineral Belt approximately 150 separate occurrences are known however few of these have been explored beyond short prospect adits or surface cuts.

Mineral deposits within the Central Belt consist of shear controlled, quartz-carbonate veins containing variably developed galena, sphalerite, pyrite ± chalcopyrite, tetrahedrite and in some instances, free gold. These occurrences are hosted by a variety of lithologies including argillites and quartzites of the





Broadview and Ajax/Sharon Creek Formations as well as in greenstones of the Jowett Formation. The location of the Hawk Claim Group and the location of the better known prospects is shown in Figure No. 2 and 3.

2.3 Previous Exploration

Turn of the century exploration identified several important prospects in the Pool/Mohawk Creek area. Of particular interest are a series of north trending, mineralized vein structures termed (from west to east) the Sandy, Barclay, Spyder, Eclipse and Excise/Mohawk Veins. These veins are spaced at roughly 500 m intervals and occur either within greenstones of the Jowett Formation or close to Jowett/Broadview Formation contact.

During the 1950's Newmont Mines optioned the Spyder and Eclipse properties and carried out diamond drilling below the initial discovery sites. Results were highly successful and in 1952 commercial production was commenced. By 1957 when the mine was closed due to conflicts with the Property owners the combined production from the two properties totalled 140,000 tons grading; 0.084 oz/ton gold, 12.6 oz/ton silver, 9.2% lead and 8.6% zinc.

In 1980, Sunshine Columbia Resources carried out diamond drilling below the lowermost workings (No. 10 Level) of the Spyder Mine and clearly established that the deposit continues downdip. A series of 5 holes were drilled to 200 feet below the No. 10 Level all of which intersected mineralization. The average intersection width was 17 feet (5.0 m) at an average grade of; 0.128 oz/ton gold, 7.0 oz/ton silver, 6.3% lead and 5.2% zinc.

On the basis of these results Westmin Resources optioned several properties in the Pool/Mohawk Creek area (including the Hawk Claim Group). Between 1981 and 1983 Westmin carried out an examination of the various known prospects and completed geochemical surveys on the east 1/2 of the Hawk 3 claim. Results of these programs are described in the following section with geochemical plans included as Figure No. 5, 6 and 7.

2.4 <u>Property Geology and Description of Mineral Occurrences</u> (Please refer to figure No. 4)

In the Pool/Mohawk Creek area only the Broadview (meta-sediments), Jowett (greenstones - metavolcanics) and the upper members of the Ajax/Sharon Creek Formation (meta-sediments) are exposed. These rocks form a tightly folded, recumbent anticline dipping steeply to the northeast with a shallow southeasterly plunge.

The Jowett Formation is the most useful marker horizon and outlines a fold structure the nose of which is situated at the Pool/Mohawk Creek junction and the limbs of which open northwesterly. The various lithologies which comprise these various formations are listed in the accompanying geological map (Figure No. 4).

The Mohawk Claim Group covers parts of the fold nose and northeast limb of the anticline and also covers the projected extension of the fold for approximately 2 kilometers to the south-east. Figure No. 4 illustrates these relationships and shows the location of the Hawk Claim Group relative to the Spyder and Eclipse Veins.

Mohawk/Excise Vein

This prospect was originally discovered near the turn of the century and is exposed in a series of short adits and trenches (Excise Workings) located on the west side of Mohawk Creek. Similar mineralization exposed in trenches located on the east side of Mohawk Creek (Mohawk Workings) is believed to be a continuation of the same vein.

In 1982 Westmin sampled the Mohawk - Excise Vein and reported selected sample assays from the Mohawk workings of up to 39.44 oz/ton silver, 0.016 oz/ton gold, 32.40% lead and 16.30% zinc. Samples collected from the Excise workings are listed in the following table.

oz. Ag/	oz. Au/	Cu%	Pb%	<u>Zn%</u>	Description
6.57	.332	.07	7.84	6.62	composite grab, msv. sulfide from open cut.
0.48	.228	.01	1.60	0.25	composite grab, pyrite-rich from adit.
0.58	.038	.01	.64	.06	composite c.g. grab, qtz-py from open cut.
9.52	.034	.10	13.70	8.86	composite grab, picked high-grade from adit.
2.00	0.088	-	0.20	not reported	channel sample across 3.3 m from adit.

Snow cover precluded an examination of the Mohawk workings and as a result the present evaluation was confined to an inspection of prospect adits at the Excise workings. Two quartz veins are present within graphitic phyllite striking 305° and dipping 60 NE with major folds plunging 5° to 12° southeast. One vein strikes 343° and dips 50 NE, the other crosscuts schistosity and strikes 008° and dips 64° E. The subconformable vein varies from 0.5 to 3.0 m wide and is well minerlaized with coarse-grained pyrite and lesser coarse-grained sphalerite and galena. The crosscutting vein is only 15 cm wide and is heavily mineralized with fine-grained massive galena, sphalerite and pyrite.

The wider vein splays into several narrow veins along strike in the adits, a feature which is typical of local mineralization where it is developed in a sedimentary host. At the Spyder deposit, the vein occupies a tensional fracture in volcanics. Within this host rock veins tend to be more continuous.

Two types of mineralization are apparent in the Excise showings; the first is the subconformable thicker quartz-pyrite veins with minor sphalerite and galena. The sulphide minerals are coarse-grained. Silver content of this mineralization appears to be low, however both Westmins sampling and results of sampling carried out by Royal Crystal (See Appendix 2) indicate significant gold content. Alternatively, fine-grained galena-sphalerite mineralization of the crosscutting veins appears to have lower gold values and greater silver and base metal content.

2.5 Diamond Drilling Summary

As part of the present exploration program a 5 hole diamond core drilling program was carried out.

The objectives of the program were to:

- (i) Establish whether or not the Mohawk and Excise showings are continuous;
- (ii) Test the down dip extent of mineralization exposed in the Excise adits; and
- (iii) Test the intersection of the Excise vein with greenstones of the Jowett Foundation.

Hole numbers 86-01 and 86-02 were drilled at an azimuth of 110° from the west side of the vein into an overburden covered area approximately halfway between the Mohawk and Excise workings. These holes intersected parallel, 0.5 - 1.0 m wide gouge zones containing quartz and minor pyrite at depths of approximately 85 m.

Hole numbers 86-03 and 86-04 were drilled from 30 m east of the Excise adits and intersected several parallel veins containing disseminated to massive galena sphalerite and pyrite in a gangue of quartz and siderite. This mineralization is identical to that developed within the Excise adits.

Hole number 86-05 was drilled to intersect the vein within the greenstone unit, however the hole intersected the vein immediately above the contact and entered the volcanics on the west side of the vein. Of particular interest is the fact that a narow parallel vein was intersected within the volcanics and in the adjoining wall rocks intense carbonate alteration was developed. This type of alteration is associated with mineralization at the Spyder deposit and is considered a favourable indicator.

At time of writing assays results had not yet been obtained. Detailed core logs complete with assay results will be added as Appendix 3.

REFERENCES

The following maps, publications and reports were used in the compilation of this report.

Meade, H. 1980. Summary Report on the Spyder Mine, Camborne, B.C. Westmin Resources corporate files.

Read, P.B., 1976. Geology - Lardeau West Half. GSC Map No. 434.

Read, P.B., 1976. Mineral Deposits - Lardeau West Half. GSC Map No. 464.

Westmin Resources, 1982. Assessment Report No. 11756. Grid Location and Geochemistry Survey near Camborne, B.C.

Westmin Resources, 1983. Summary Report of 1982 Fieldwork, Mohawk and Related Properties. Westmin Resources Corporate Files.

