RECEIVED
JUN 28 1995
Gold Commissioner's Office
VANCOUVER, B.C.

→PEACH LK
June 29/95

Lac La Hache
92P/14W
884730
92P 002
034
035
115

CONFIDENTIAL

GEOLOGICAL REPORT ON THE

PEACH LAKE PROPERTY

LAC LA HACHE, BRITISH COLUMBIA
NTS: 92P/14W
LATITUDE 51^0 58'N LONGITUDE: 121^0 22'W

CLINTON MINING DIVISION

FOR

PEACH LAKE RESOURCES INC.
202-11121 Horseshoe Way
Richmond, B.C.
V7A 5G7

GWR RESOURCES INC.
204-2041 Logan Ave.
Langley, B.C.
V3A 7R3

REGIONAL RESOURCES LTD.
12th Floor, 20 Toronto St.
Toronto, Ontario
M5C 2B8

BY

David E. Blann, P.Eng.
Norian Resources Corp.
June, 1995

Reinhardt
van
Gutenberg
(Regional Res.)
791-6343

SUMMARY

The Peach Lake prospect is located 25 kilometres northeast of Lac La Hache, in south central British Columbia. The area is within a portion of the Quesnel Trough, an Upper Triassic-Jurassic volcanic island arc sequence intruded by the Takomkane batholith, a monzonite stock, and Tertiary-Eocene volcanic rocks crosscut and cover portions of the older rocks.

The North and South zone of the Peach Lake property occur on the south side of Spout Lake and are comprised of semiconformable zones of fine to coarse chalcopyrite-magnetite mineralization associated with sericite-carbonate, k-feldspar, epidote and garnet altered metavolcanic-sedimentary rocks. Drilling in 1995 indicates the South zone to be gently dipping, and may join the southeastern end of the North zone. Drillhole PL95-4 intersected 53.4 metres grading 0.19 % copper near the eastern side of the South zone IP anomaly. The southeastern and eastern end of the North/South zone contains pervasive sericite-carbonate, hematite, disseminated and fracture-controlled pyrite, chalcopyrite, and locally bornite and native copper minerals in proximity to monzonite dikes. Drilling suggests the North and South zones are likely related to a south dipping, easterly trending contact of a monzonite stock lying to the north, and low sulphide disseminated and fracture-controlled copper mineralization continues to the east-southeast. Further drilling is recommended.

The Peach-Melba zone occurs 1.5 kilometres to the east of the North/South zone and consists of a northwest trending, 1.7 kilometre long and approximately 800 metre wide 5-25 millisecond induced polarization anomaly. Drilling in 1995 tested the extreme northern end of the anomaly, and a limited portion of the eastern side. Volcanic rocks are commonly hornblende-plagioclase porphyritic basalt-andesite to monzodiorite in composition. Intrusive rocks consist of medium grained monzonite-quartz monzonite, gabbro, fine grained diorite and Tertiary basalt dikes. Fracture controlled to pervasive magnetite-biotite-k-feldspar-sericite-carbonate-albite-epidote+/- garnet occurs in porphyritic volcanic-intrusive breccia, and volcanic sediments southwest of a monzonite contact. Mineralization consists of fine to very fine grained disseminated and fracture-controlled pyrite from 1-4%, chalcopyrite from 0.5-2.0% and traces of tennantite-tetrahedrite. Associated gold values range from about 0.03 to 0.55 g/t, silver values range from about 0.3 to 2.7 g/t, and molybdenum values up to 170 ppm also occur. Results of drilling the eastern side include **77.4 metres grading 0.230 % copper, and 0.23 g/t gold (PL95-2), 33 metres grading 0.139 % copper, 0.10 g/t gold and 22.3 metres grading 0.124 % copper, 0.13 g/t gold (PL95-3).**

Tetrahedrite — Tennantite

Mapping, sampling and drilling suggests the Peach-Melba zone is a copper-gold porphyry system developed between the border of a southwest-dipping monzonite stock and propylitic to potassic altered volcanic-sedimentary rocks, volcanic-intrusive breccia, and associated monzonite to diorite intrusions. An intensive drill program is recommended for this area.

1.0 INTRODUCTION

During the winter and spring of 1995, diamond drilling was conducted by G.W.R. Resources Inc. on the Peach Lake North and South zones and the Peach-Melba zone, approximatley 1.5 kilometres to the east. Seven NQ sized holes totalling 755.8 metres (2,479 feet) were completed, three in the North/South zone, and four in the Peach-Melba zone.

2.0 LOCATION/ INFRASTRUCTURE

The Peach Lake prospect is located 25 kilometres northeast of the village of Lac La Hache, and approximately 400 kilometres northeast of Vancouver, British Columbia (Figure 1). The approximate coordinates are: latitude; 51^0 58' N, longitude; 121^0 22' W. The property is accessible by approximately 25 kilometres of all-weather gravel road. Access through the property is via established logging roads and spurs. Highway 97, a B.C. Rail line, natural gas, and power transmission line run north through Lac La Hache. Twenty six kilometres south of Lac La Hache is the town of 100 Mile House, population 5,000. The local economy is primarily dependant on forestry and ranching.

3.0 PHYSIOGRAPHY AND CLIMATE

The Peach Lake prospect is in the Central Plateau of the Cariboo region of south central British Columbia. The area is characterized by gentle hills with elevations ranging from 850 to 1500 metres. Approximately 40% of the fir, spruce and pine forest in the immediate area has been clearcut, and replanted. Several large lakes and numerous creeks provide water year-round. The claims lie between the south side of Spout Lake and the west end of Peach Lake. The annual precipitation is from 500 to 1000 millimetres, with most of it occuring during the winter months. Winter snow cover averages 1-2 metres, arriving by early November and departing by April.

4.0 PROPERTY STATUS

The Peach Lake prospect is comprised of seven claims recorded in the Clinton Mining Division (Figure 2). The claims are owned by Peach Lake Resources Inc., G.W.R. Resources Inc. and Regional Resources Ltd.

TABLE 1

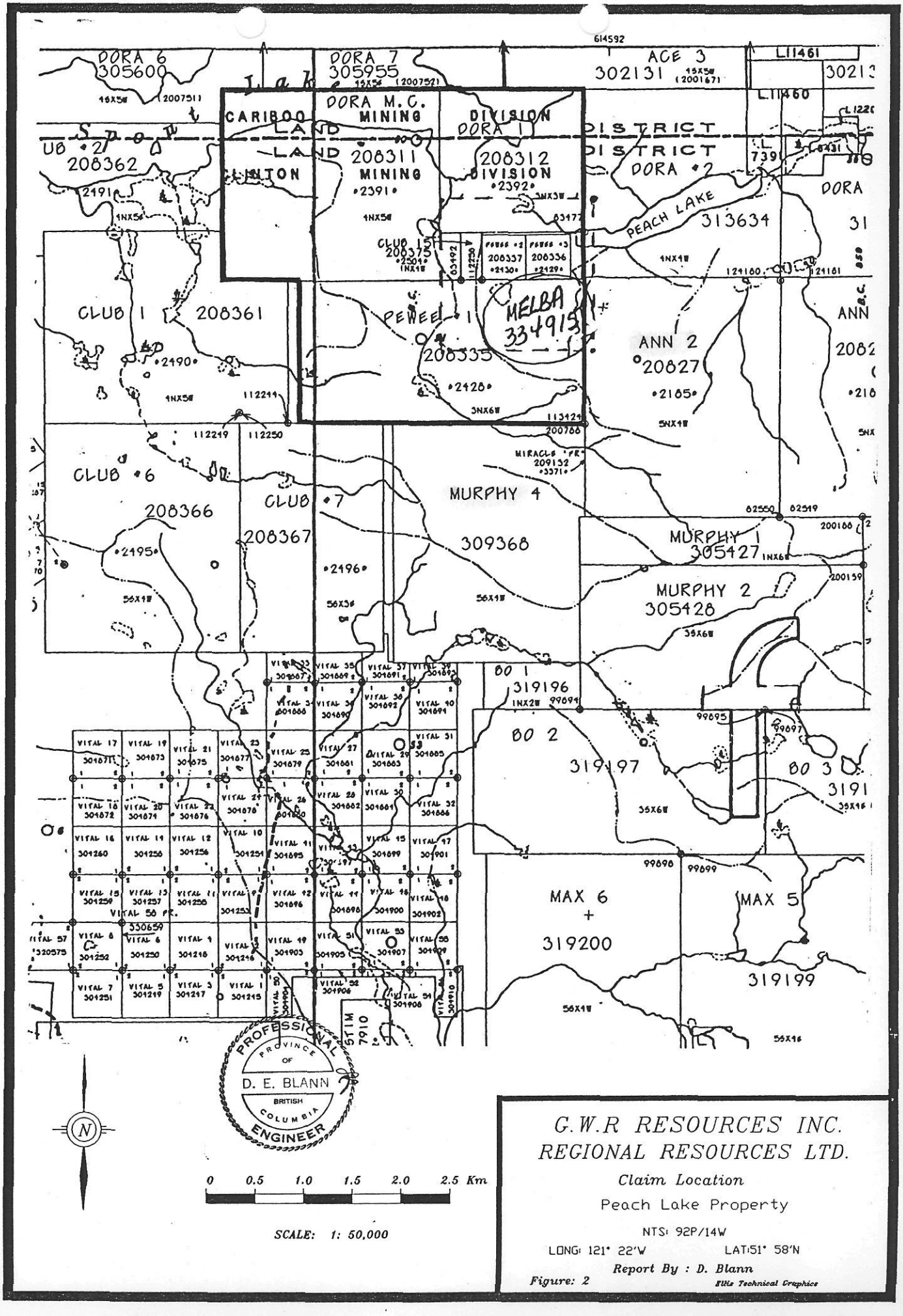
PROPERTY STATUS

Claim	Record Number	Units	Expiry Date*
PeeWee 1	208335	18	Nov 5, 1997
PeeWee 2	208337	1	Nov 5, 1998
PeeWee 3	208336	1	Nov 5, 1998
Club 15	208375	4	Dec 31, 1997
Dora M.C.	208311	20	Sept 18,2000
Dora 1	208312	9	Sept 18, 1998
Miracle Fr.	209132	1	July 4, 1997

*Current expiry dates.

5.0 HISTORY

The Lac La Hache area was initially prospected for placer gold during the Cariboo Gold Rush in the 1890's. In 1966, the federal goverment performed an airborne magnetic survey of the Lac La Hache area which resulted in the delineation of a large annular magnetic anomaly. This was followed by exploration for porphyry and skarn mineralization. In 1966-1967, the Coranex Syndicate initiated regional reconnaissance soil sampling which resulted in the discovery of porphyry copper-gold mineralization on the Peach showing. In 1971, Amax Exploration Ltd. conducted geological and geochemical surveys west of Coranex ground which resulted in the discovery of the WC chalcopyrite-magnetite skarn zone (North and South zones). Between 1971 and 1974 Amax defined two mineralized zones. The North zone measured 1.2 to 50 metres in width, 365 metres long and at least 90 metres in depth (Hodgson, DePaoli, 1973). The South zone measured 245 by 300 metres in area and 60 metres in thickness, although tonnage and grade were not estimated. Amax also investigated a large "cupriferous pyrite zone" (Peach-Melba zone) approximately 1.5 kilometres to the east. Two widely spaced percussion holes intersected copper values of between 0.05-0.08% over lengths of about 30-75 metres (Hodgeson, '74). In 1974, Craigmont Mines Ltd. optioned the property and drilled 1,210 metres in the North zone. The property reverted to the crown and was re-staked in 1987 for Peach Lake Resources Inc. Work on the property between

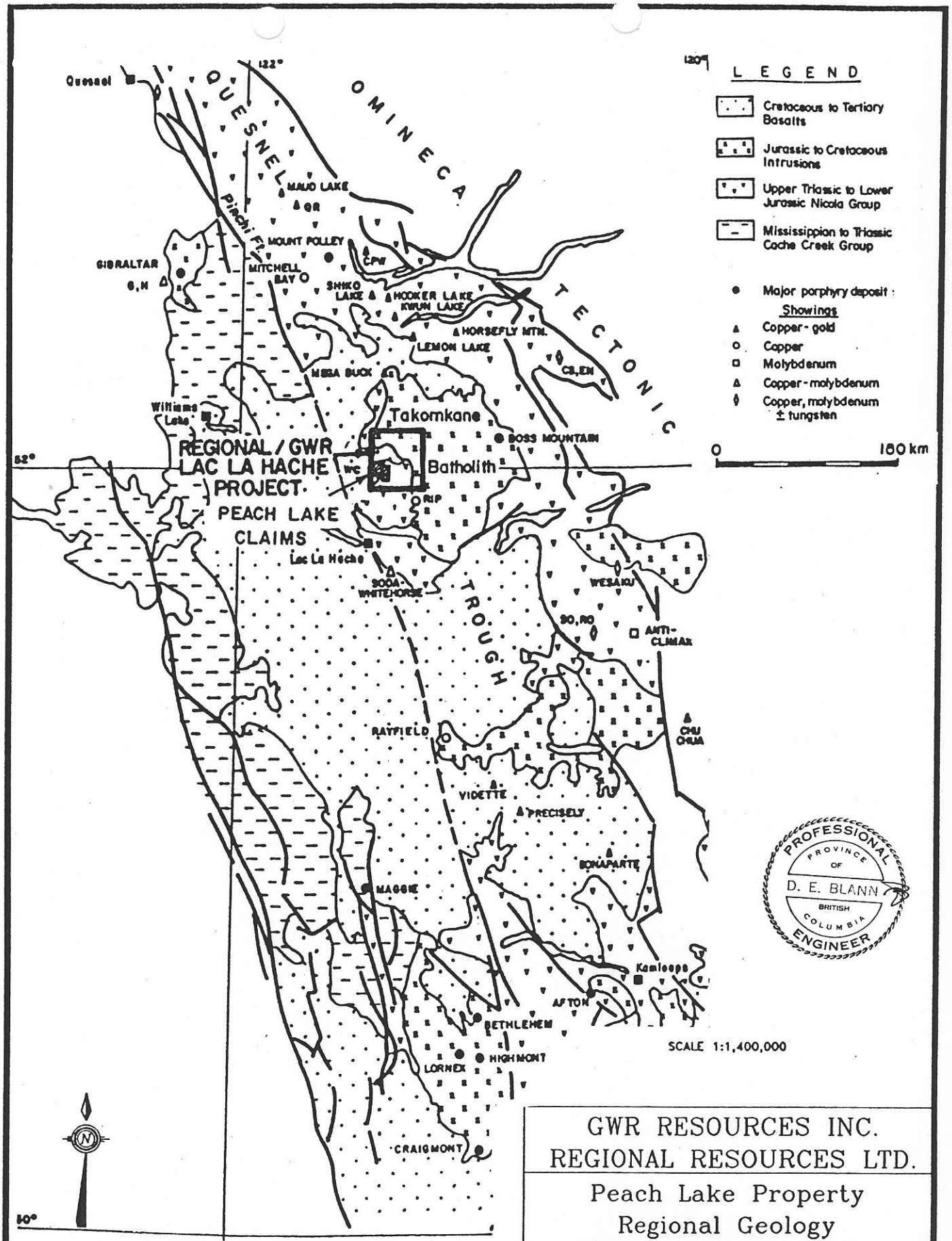

DORA 6
305600
DORA 7
305955
ACE 3
302131
DORA M.C.
MINING
DIVISION
DORA 1
DISTRICT
CARIBOO
LAND
MINING
208311
208312
DIVISION
DORA #2
208362
PEACH LAKE
313634
CLUB 1
208361
PEWEE 1
MELBA
334915
208335
ANN 2
20827
CLUB #6
208366
CLUB #7
208367
MURPHY 4
309368
MURPHY 1
305427
MURPHY 2
305428
BO 1
319196
BO 2
319197
BO 3
3191
MAX 6
+
319200
MAX 5
319199
VITAL 58 FR.
330659
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. E. BLANN
0 0.5 1.0 1.5 2.0 2.5 Km
SCALE: 1: 50,000
G.W.R RESOURCES INC.
REGIONAL RESOURCES LTD.
Claim Location
Peach Lake Property
NTS: 92P/14W
LONG: 121° 22'W
LAT: 51° 58'N
Report By : D. Blann
Figure: 2
Ellis Technical Graphics

1987 and 1989 included VLF-EM, magnetometer and geochemical soil surveys, and backhoe trenching (White, 1989). Soil anomalies of up to 2,500 ppm copper were outlined on the hillside southwest of Peach Lake. In 1991 Asarco Inc. performed IP and percussion drilling on the Peewee 1 claim and the adjacent Ann 2 claim (Gale, 1991). Percussion drilling in the south-central Peach-Melba anomaly returned several zones grading 0.1% copper including 60' grading 0.21% copper with 0.34 g/t gold (P91-4). GWR Resources Inc. optioned the property in the fall of 1992. Under the direction of David Dunn, diamond drilling on the North zone in 1992-1993 and previous drilling suggested a "drill indicated possible geological mineral reserve of 595, 113.2 tonnes grading 1.79% copper and 50.5% magnetite and 0.12 g/t gold....with an average true width of 3.8 metres" (Dunn, 1993). Two additional drillholes were subsequently performed under the direction of the author on the North zone indicating additional reserves are possible (Blann, 1994). In early 1994 Regional Resources Ltd. performed an induced polarization survey over the Dora M.C., Dora 1 and Peewee claims, outlining anomalies over the North/south zones and the Peach-Melba zone (Amax "pyrite zone"). This was followed by two drillholes; PL94-1 was drilled to the northwest of the Peach-Melba zone, and PL94-2 was drilled in the central chargeability high of the Peach-Melba zone (Von Guttenberg, 1994).

6.0 REGIONAL GEOLOGY

The Peach Lake project area covers approximately 5 kilometres in width and 10 kilometres in length within the Quesnel Trough (Figure 3). The regional geology consists of Upper Triassic-Jurassic Nicola group sediments, volcanic and intrusive rocks, a large monzonite stock and the Takomkane batholith. The western edge of the Takomkane batholith occurs approximately 10 kilometres to the east of the property; the batholith is up to 50 kilometres in width and estimated to be 187-198 million years old (Campbell and Tipper, 1971). It is a composite granodiorite intrusion. These rocks are crosscut and partially covered by Tertiary-Recent basalt and andesite. An annular aeromagnetic anomaly with dimensions of 15 kilometres north-south and 10 kilometres east-west is partially formed around a monzonite stock north of Spout and Peach Lakes (Figure 4). Most of the west and northwest anomaly is underlain by Tertiary volcanic cover and overburden. The northeast and east anomaly corresponds to underlying pyroxinite, gabbro and monzonite. The south and southwest anomaly is related to primary and secondary magnetite concentrations within volcanic, sedimentary and intermediate-mafic intrusive rocks; these rocks are propylitic to potassic altered, and contain zones of minor to moderate and locally strong sulphide mineralization and associated copper-gold mineralization (Figure 5).

Upper Triassic-Jurassic Nicola volcanic rocks are fine to coarse grained, augite-hornblende and feldspar porphyritic flow, crystal tuff, lithic tuff and breccia of basalt to



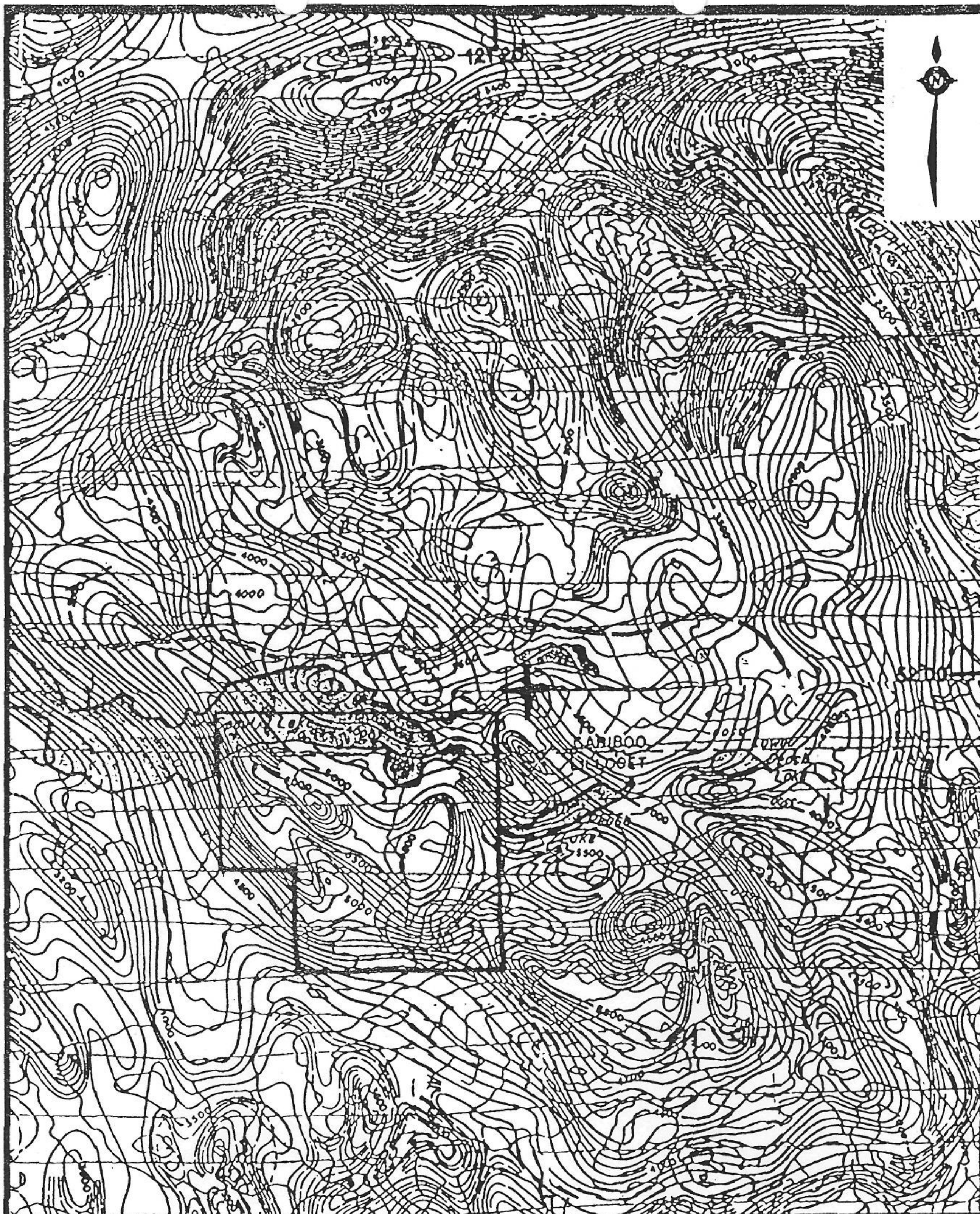
NOTE: Modified after GSC Map 1712A, CIMM Spec. Vol.15
Map B. Saleken and Simpson, 1984

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. E. BLANN

GWR RESOURCES INC.
REGIONAL RESOURCES LTD.

Peach Lake Property
Regional Geology

Drawn By:	Ellis Technical Graphics	NTS:	92P/14W
Date:	June, 1995	Mining Div:	Clinton
Report By:	D. Blann	Figure No:	3



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. E. BLANN

G.W.R RESOURCES INC.
REGIONAL RESOURCES LTD.

Regional Aeromagnetics
EMPR 1967

Peach Lake Property

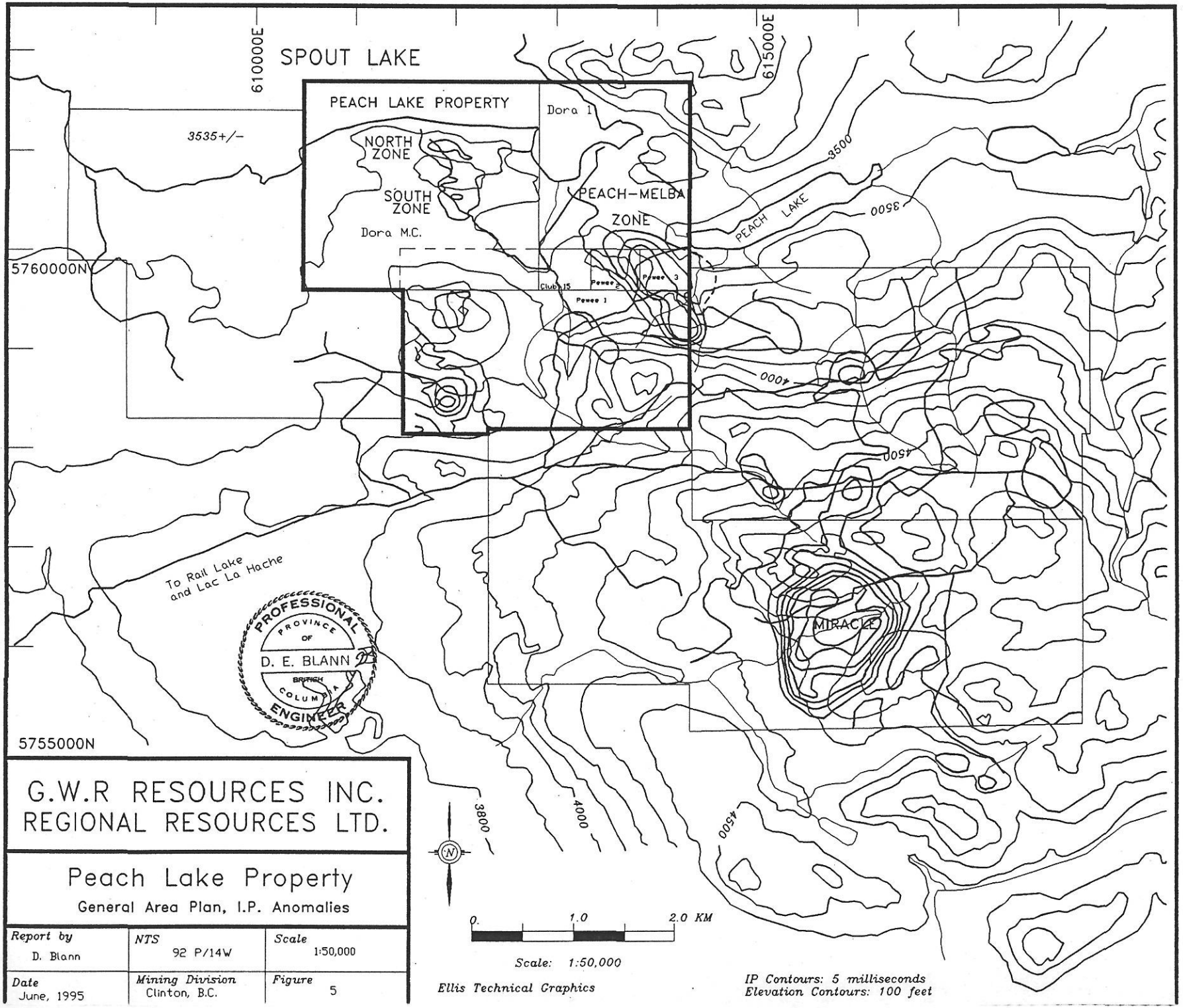
NTS: 92P/14W

LONG: 121° 22'W LAT:51° 58'N

Report By : D. Blann

Figure: 4

Ellis Technical Graphics



G.W.R RESOURCES INC.
REGIONAL RESOURCES LTD.

Peach Lake Property

General Area Plan, I.P. Anomalies

Report by	NTS	Scale
D. Blann	92 P/14W	1:50,000
Date	Mining Division	Figure
June, 1995	Clinton, B.C.	5

andesite composition. Fine grained carbonate rich volcanic rocks, sediment and debris flow occurs south of Spout lake and east of Peach Lake. Bedding in these units are variable as they appear to be folded and faulted. South of Spout and Peach lakes, intrusive rocks include monzonite, monzodiorite, diorite, and locally gabbro and syenite. Intrusions are variably biotite-hornblende-feldspar porphyritic, occur as stocks, sills or dikes, and display textural and compositional zoning and crosscutting relationships. Intrusion breccia may locally grade into intrusive and volcanic breccia, although relationships are not clear. Tertiary-Recent carbonate amygdaloidal, vessicular and porphyritic basaltic-andesite unconformably overlie and crosscut Triassic-Jurassic and Cretaceous rocks. These rocks are generally fresh to weakly chlorite-epidote altered and hematitic in the Peach Lake-Spout Lake area. Peridote crystals in basalt occur frequently. Glaciation and erosion has removed portions of the Tertiary-Recent volcanic rocks, and glacial-related deposits from 1-30 metres in thickness cover most of the area.

7.0 PROPERTY GEOLOGY

The Peach Lake property is dominantly underlain by Triassic-Jurassic Nicola group andesitic to basaltic volcanic-sedimentary tuff, flow and breccia; these rocks are generally fine to medium grained, hornblende-augite-feldspar porphyritic with disseminated magnetite of primary and secondary origin. Mafic and plagioclase feldspar phenocrysts are set in a fine grained matrix of dominantly k-feldspar and plagioclase. Breccia is generally comprised of heterolithic, subangular to angular volcanic, sedimentary and intrusive fragments from 0.5 to 2.0 centimetres in size but reach 10-20 cm. Intrusive fragment composition range from monzonite to diorite, and volcanic fragments are pyroxine porphyritic, fine grained tuff and flow. Sedimentary rocks are comprised of fine grained, limy, poikiloblastic argillaceous tuff and limestone; these rocks are fine to massively bedded and occur with heterogeneous tuff and breccia.

The volcanic rocks are cut by various phases of fine grained to porphyritic intrusions of monzonite to diorite composition. In the area of the North and South zone, volcanic and sedimentary rocks lie in contact with a grey, pinkish-orange, and light green, medium grained hornblende-biotite-feldspar porphyritic monzonite. This intrusion appears to be the border of a large stock forming the centre of the aeromagnetic anomaly (figure 4). It contains minor chalcopyrite and bornite in chlorite-epidote-k-feldspar veinlets (DH93-12). The contact between the monzonite and the volcanics is complicated by border phases of the intrusion, tectonic, thermal and hydrothermal effects, however it appears to trend east-southeast towards the Peach-Melba zone and dips southward. On the northwest side of Peach Lake, outcrop of fresh to weakly propylitic altered medium grained hornblende-biotite monzonite occurs. The western end of this outcrop contains intrusion breccia, with traces of chalcopyrite and bornite in north-northwest epidote-k-feldspar veinlets.

7.1 STRUCTURE

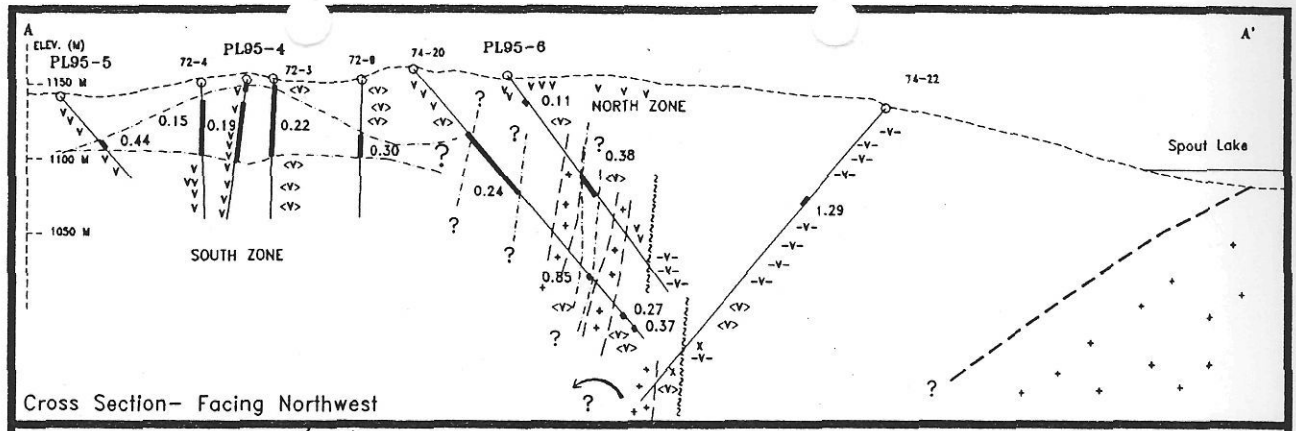
Fine grained, banded volcanic tuff are moderate to steeply dipping near the contact with the monzonite, however, rocks dipping gently occur in the South zone (Hodgeson, DePauoli, 1973) and in the Peach-Melba zone (Von Guttenberg, 1994). Magnetometer, VLF-EM and induced polarization geophysical surveys suggest the Peach Lake prospect occurs near the intersection of strong northwest, and northeast to east-northeast trending faults (Gale, 1991). Moderate to strong fracturing and faulting occurs near the contact between the monzonite stock, adjacent dykes and overlying volcanic-sedimentary rocks. Strong fracturing and strained rock textures are associated with faults that subparallel the west to northwest intrusion contact. Fracture orientations are dominantly subvertical with subordinate subhorizontal jointing and tension fractures.

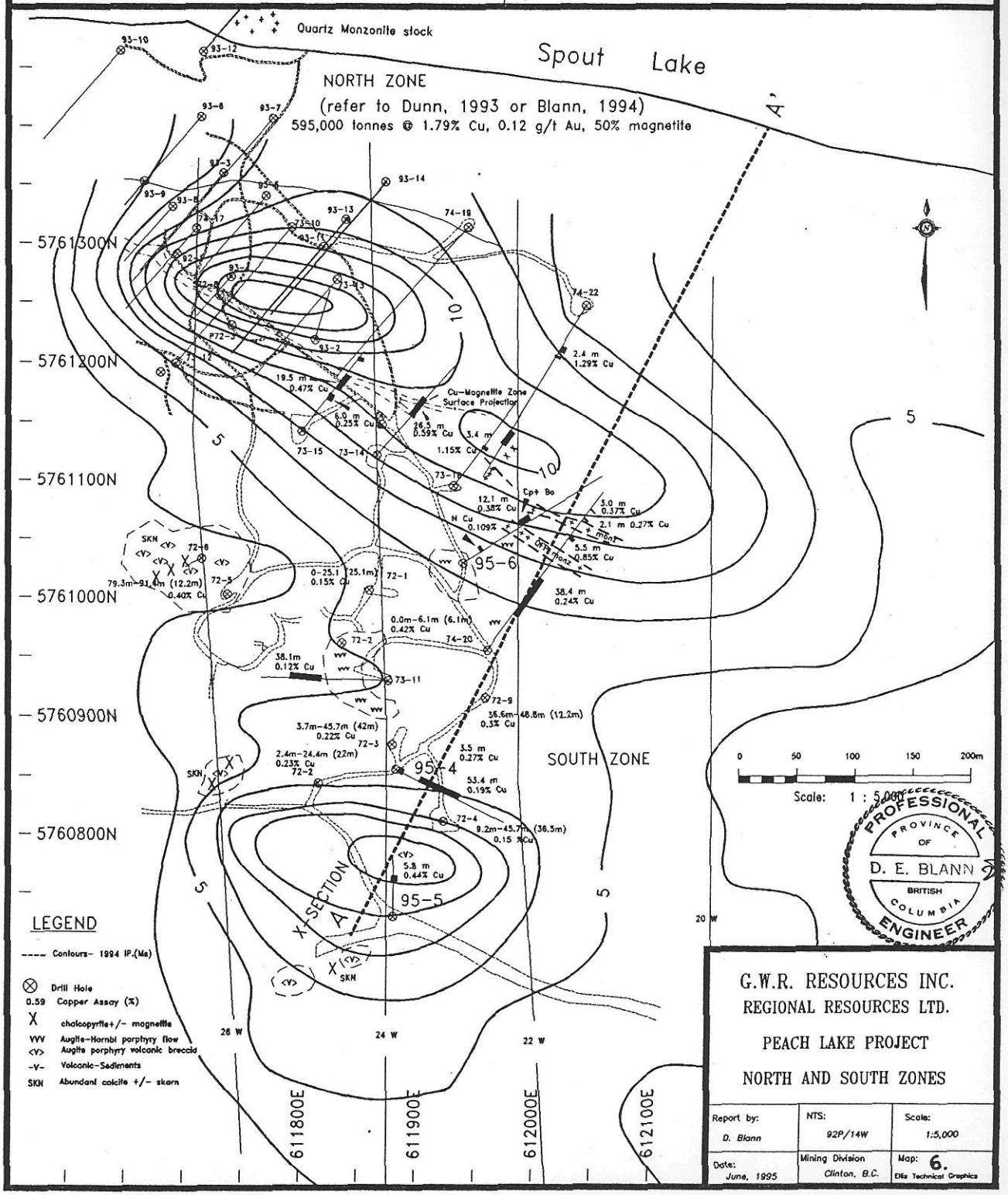
7.2 ALTERATION AND ASSOCIATED MINERALIZATION

7.2a THE NORTH AND SOUTH ZONES

Volcanic, volcanic-sedimentary and intrusive rocks are variably propylitic to potassic altered. Volcanic-sedimentary rocks in the North and South zones have fracture-fill and replacement k-feldspar, sericite, carbonate, chlorite, epidote, diopside, scapolite and minor garnet. Pyrite, chalcopyrite and magnetite mineralization occur as veins, stratiform lenses or sheets and disseminations. Drill indicated resources in the North skarn zone are estimated at approximately 595,000 tonnes grading 1.79 % copper, and 50% magnetite, averaging 3.8 metres in width (Dunn, 1993). Lower grade mineralization over wider intervals occur adjacent to this zone (PL93-13, 1.22% copper over 24.4 metres, Blann, 1994-North Zone). The North zone is hosted by metavolcanic-sedimentary rocks with an apparent strike of 300 degrees and a rolling, subvertical dip. The higher grade mineralized zone is 375 metres long, extends to a depth of approximately 300 metres with a dip of 90-75 degrees southwest.

The southeastern end of the North zone and the South zone contains chilled, brittle, very fine grained augite-hornblende-feldspar porphyry basaltic-andesite that has been weakly to moderately altered to chlorite, epidote, magnetite, sericite, and calcite with traces of disseminated chalcopyrite. Zones of moderate to strong bleaching, sericite-carbonate-epidote-magnetite alteration and brecciation contain stronger chalcopyrite +/- pyrite and bornite mineralization (PL95-4,5). Mineralization in the South zone occurs near surface locally, and appears to be limited to a depth of about 50-60 metres (Figure 6). Drilling suggests the South zone may be semi-conformable with shallow-dipping bedding and may contain several favorable horizons (PL72-5, Amax). The zone remains open to the west, south and east. PL95-6 was drilled to intersect the southeastern extension of the





PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. E. BLANN

G.W.R. RESOURCES INC.
REGIONAL RESOURCES LTD.

PEACH LAKE PROJECT

NORTH AND SOUTH ZONES

Report by: D. Blann	NTS: 92P/14W	Scale: 1:5,000
Date: June, 1995	Mining Division Clinton, B.C.	Map: 6. Ellis Technical Graphics

North zone (Figure 5). Local zones of native copper, hematite, chalcopyrite and bornite with minor pyrite mineralization occur in brecciated sericite-carbonate, k-feldspar alteration in proximity to monzonite dikes. PL72-20 was drilled to the southeast of PL95-6 and north of PL95-4. This hole intersected 38.4 metres grading 0.24% copper and similar monzonite dikes. The core for this hole was reviewed on site and revealed several boxes containing core with an estimated 0.3-0.8 % disseminated and fracture controlled chalcopyrite that was not sampled. The box markings have mostly weathered off and the exact depths of the mineralization cannot be determined. Monzonite dikes intersected in holes PL95-6 and PL74-20 indicate a southeast trending subvertical orientation, and mineralization occurs between the dikes in both holes. The 38.4 metre zone of chalcopyrite+/- bornite mineralization encountered in PL74-20 was not intersected in PL95-6, however native copper zones occur . The assay results for the 1995 drilling on the North and Zouth zones are summarized in Table 2. Refer to figures 11,12,13.

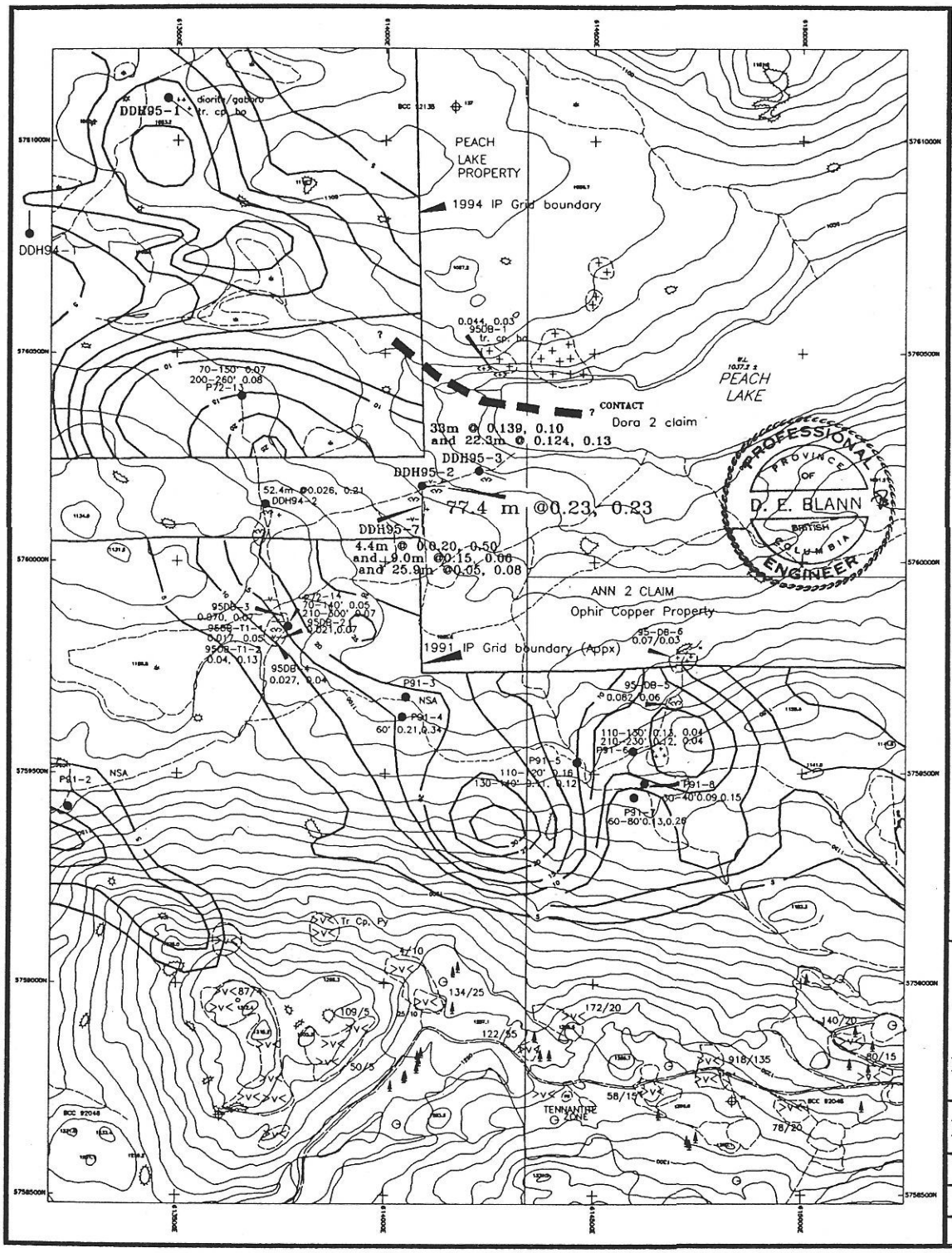
TABLE 2

NORTH /SOUTH ZONE DIAMOND DRILL SUMMARY

Hole #	UTM East (m)	UTM North (m)	Az (deg)	Dip (deg)	depth (m)	OB (m)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
95-4	11883	600854	120	-45	131.7	5.5	5.5	131.7	126.2	0.10	0.02
							incl. 37.6	91.0	53.4	0.19	0.03
94-5	11883	60728	360	-45	75.3		4.3	44.2	51.0	5.8	0.44	0.04
95-6	11942	61028	060	-45	197.3		0.6	81.7	93.8	12.1	0.38	0.04

7.2b PEACH-MELBA ZONE

The Peach-Melba zone is located approximately 1.5 kilometres east-southeast of the North and South zones. This zone is defined by a northwest trending induced polarization anomaly approximately 1,700 metres in length and 800 metres in width just west of Peach Lake (figure 7). This area is covered extensively by glacial deposits and contains erratic copper soil anomalies up to 2,500 ppm. The geology is comprised of andesitic volcanic breccia and calcareous tuff intruded by marginal phases of a monzonite stock to the northeast. Intrusive rocks in the area consist of moderately to strongly fractured monzonite, diorite, monzodiorite and gabbro. Locally, fresh Tertiary basaltic rocks occur as dikes.



LEGEND

- INDEX CONTOUR — 240.5
- INTERMEDIATE CONTOUR
- DEPRESSION CONTOUR
- STREAM / RIVER
- INTERMITTANT STREAM
- INDEFINITE STREAM
- CUT BLOCK
- TREES
- SINGLE TREE
- BRUSH / SCRUB
- SWAMP
- AREA OUTLINE
- SAND / GRAVEL
- GRAVEL ROAD
- INDEFINITE ROAD
- ROUGH ROAD
- FOOTPATH
- ROCK
- SPOT HEIGHT — 164.8

<V> Volcanic Breccia
<+> Intrusive Breccia
-V- Volcanic Flows/BX/Seds
+ FG Diorite/Monzodiorite
+ MG-CG Monzonite/Qtz.Monz.

ROCK/DRILL ASSAYS
918, 135 = Cu (ppm), Au (ppb)
0.124, 0.13 = Cu (%), Au (g/t)

— I.P. CONTOURS (Ms)
— Elevation Contour Interval= 10 Metres

0 100 200 300 400 500M

SCALE: 1:15,000

G.W.R. RESOURCES INC
REGIONAL RESOURCES LTD.
PEACH LAKE PROPERTY

PEACH-MELBA ZONE

Report By: D.BLANN	NTS: 92P 14/W
Date: June, 1995	Figure # 7

ELLIS TECHNICAL GRAPHICS

Alteration varies from garnet-chlorite-epidote-magnetite-k-feldspar near the western and central portions of the IP anomaly, to pervasive quartz-k-feldspar-biotite-epidote in the eastern portions of the anomaly, in proximity to the monzonite stock. From 1-10% pyrite occurs as disseminations and in veinlets with traces of chalcopyrite in outcrop (figure 7). In the eastern portion of the anomaly, drilling indicates 0.2-1% chalcopyrite occurs with 1-4% pyrite as fine to very fine grained disseminations in strongly fractured, strained, volcanic breccia. Traces of tennantite-tetrahedrite, and molybdenum values of up to 170 ppm also occur. A summary of drilling results is presented in Table 3. Refer to figures 8,9,10,14.

TABLE 3

PEACH-MELBA ZONE DIAMOND DRILL SUMMARY

Hole #	UTM East (m)	North (m)	Az (deg)	Dip (deg)	depth (m)	OB (m)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
95-1	13477	761100	145	-45		108.8	6.7				NSA
95-2	14088	760182	090	-60	106.4	29.0	29.0	106.4	**77.4**	**0.23**	**0.23**
				incl.			80.0	106.4	**26.4**	**0.32**	**0.32**
95-3	14225	760218	110	-60	136.3	27.4	27.4	136.3	108.9	0.09	0.08
				incl.			51.0	84.0	**33.0**	**0.139**	**0.10**
				incl.			114.0	136.3	**22.3**	**0.124**	**0.13**
95-7	14088	760182	180	-60	239.9	25.3	25.3	29.7	**4.4**	**0.20**	**0.50**
				incl.			136.0	145.0	**9.0**	**0.152**	**0.06**
				incl			190.0	239.9	49.9	0.05	0.09

Rock samples indicate gold values from approximately 0.01-0.10 g/t occur with copper values of between approximately 0.01 and 0.09 % to the southeast and west-central portion of the IP anomaly. During the current program, drillhole PL94-2 was reviewed and unsampled intervals were assayed. This resulted in the hole returning 52.4 metres grading 0.026 % copper and 0.21 g/t gold with a high assay of 926 ppb over 2.0 metres. Steeply dipping, massive veins of pyrite, magnetite and epidote from to 5 cm in thickness cutting 15-20 ^{0} dipping calc silicate hornfels were intersected (Von Guttenberg, 1994).

8.0 DISCUSSION

Previous and current drilling in the South zone indicate chalcopyrite+/- pyrite mineralization occurs locally from near surface to a depth of approximately 50-60 metres in a gently dipping, semiconformable zone. The zone appears to terminate rather abruptly at depth, however appears to remain open to the west east, and southeast. It is not clear whether the mineralization encountered in in PL74-20 and PL95-6 are flat-lying extensions of the gently dipping South zone, or steeply dipping splays off the North zone (Figure 6). A southeastern trend to the monzonite dikes and adjacent mineralization is suggested by drilling, and appears to parallel the presumed southeasterly monzonite stock contact. If a southeasterly trending, subvertical zone is assumed for the 0.6 metre zone of 0.109 % copper in PL95-6, then the 38.4 metre intercept grading 0.24 % copper may be a continuation of this zone. The presence of fracture-controlled and disseminated pyrite, chalcopyrite and minor bornite with strong potassic alteration and brecciation throughout much of hole PL74-20, zones of native copper, hematite and strong alteration and brecciation in PL95-6, and potassic altered, weakly mineralized monzonite dikes suggest a potential widening and progression to a low sulphide porphyry-copper system to the southeast.

The 1995 drilling program on the Peach-Melba zone intersected significant copper-gold mineralization on the eastern side of a northwest trending induced polarization anomaly. Based on preliminary mapping during 1995, the contact between the monzonite stock and the volcanic units dips southwest, beneath the IP anomaly. This appears to be a similar setting to the North and South zone. Border phases of the stock vary from gabbro to diorite to monzodiorite. Strong fracturing and propylitic to strong potassic alteration of andesite volcanic breccias, sediments and various intrusive rocks, widespread pyrite, chalcopyrite, tennantite-tetrahedrite mineralization with anomalous to ore-grade copper-gold values suggest a porphyry copper-gold system occurs along the western end of Peach Lake.

9.0 CONCLUSIONS

The Peach Lake prospect is located 25 kilometres northeast of Lac La Hache, in south central British Columbia. The area is underlain by Upper Triassic-Jurassic Nicola group andesite to basalt volcanic-sedimentary rocks intruded by a monzonite stock. The contact of the stock appears to trend east-southeast from the North/South zone to the Peach-Melba zone and dips to the south and southwest, respectively. The contact zone contains hypabyssal to subvolcanic marginal intrusive phases cutting probable coeval submarine volcanic breccia; the contact zone appears favorable for the development of propylitic to potassic alteration with fracture-controlled pyrite, chalcopyrite +/- bornite mineralization and associated gold and silver values.

The North zone of the Peach Lake property contains a moderate to steeply dipping semi-conformable zone of chalcopyrite-magnetite mineralization 375 metres long, 1-50 metres in width and approximately 275 metres in depth. Current reserves are estimated at 595,000 tonnes grading 1.79% copper, 0.12 g/t gold, and 50.5% magnetite. Drilling in 1995 suggests mineralization in the south zone is gently dipping, and appears semiconformable to a favorable volcanic breccia unit. The mineralization of drillhole PL74-20 and PL95-6 may be subvertical splays of the North zone or gently dipping extensions of the South zone. The geology, alteration and mineralization of these holes suggest a progression to a low sulphide fracture-controlled and disseminated copper system to the southeast.

Reserves

The Peach-Melba zone is a northwest trending induced polarization anomaly, just west of Peach Lake, and 1.5 kilometres east of the North and South zones. Drilling in 1995 has located significant copper-gold mineralization near the contact between a monzonite stock and andesitic volcanic breccias and sediments. The geology, alteration and mineralization of this area suggests the IP anomaly is underlain by a copper-gold porphyry system. The best copper-gold values returned to date include 77.4 metres grading 0.23 % copper and 0.23 g/t gold (PL95-2), 33 metres grading 0.139 % copper, 0.10 g/t gold and 22.3 metres grading 0.124 % copper, 0.13 g/t gold (PL95-3).

10.0 RECOMMENDATIONS

Southeast extensions of the North and South zone should be tested initially by four drillholes averaging 200 metres, 100 metres apart, staggered, and directed to the northeast. The Peach-Melba zone should be tested by ten drillholes averaging 200 metres in length. Five holes should be located along the northeast and east side of the IP anomaly, and directed to the northeast. Testing the northwestern, western and southwestern flanks of the IP anomaly with three holes is recommended. Two holes should be drilled in the southeastern end of the IP anomaly. Further deep drilling towards the centre of the IP anomaly may be warranted should the first phase prove encouraging.

10.1 COST ESTIMATE

Diamond drilling (all-in)	2,800 metres @ $100/metre	$280,000.00
Surveying		$ 15,000.00
	Subtotal	$295,000.00
	Contingency @ 10%	$ 29,500.00
	Total cost	**$324,500.00**

12.0 REFERENCES

Blann, D.E., (1994), Geological Report on the Peach Lake property-North Zone, G.W.R. Resources Inc.

Campbell, R.B. and Tipper, H.W; G.S.C. Memoir 363, 1972 "Geology of Bonapart Map Area".

DePaoli, G.M., Hodgson, C.J., (1973), Spout Lake Copper Property (WC claims), Amax Potash Ltd.

Dunn, D.St.C. (1993) Report on diamond drilling on the Peach Lake Project., G.W.R. Resources Inc.

Gale, R.E., (1991), Assessment Report on the Geology and Drilling of the Pee Wee 1, 2,3, Club 15, Dora M.C., Dora 1, and Miracle Fr. Claims, Peach Lake Resources Inc., Asarco Inc.

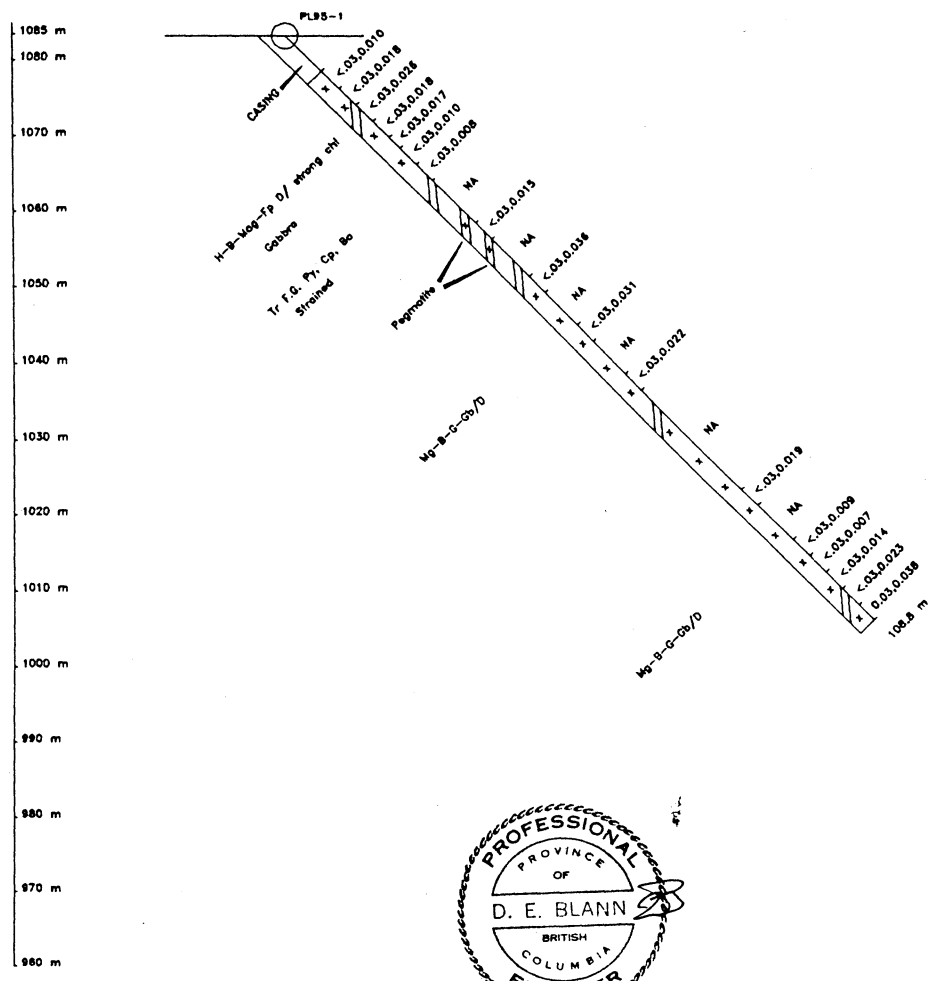
Lloyd, J., Von Guttenberg, R., (1994) An assessment report on an induced polarization survey on the Dora M.C. claim group, Clinton Mining Division, Report for Regional Resources Ltd., G.W.R. Resources Inc.

Von Guttenberg, R., (1994), Report of 1994 Drill Program, Peach Lake Claims, Clinton Mining Division, NTS 92P14/W, for Regional Resources Ltd., G.W.R. Resources Inc.

NW

SE

ELEVATION (m)



Rock Types

FpMzD	Feldspar Porphyry Monzodiorite
Mz	Monzonite
D	Diorite
Gb	Gabbro
A	Andesite
Bs	Basalt
Tf	Tuff
Fl	Flow
Tv	Tertiary Volcanic Dike
Bx	Breccia (Volcanic, Intrusive)
Aug	Augite
H	Hornblende
Px	Pyroxine
F	Feldspar
P	Porphyry
F.G.	Fine Grained
M.G.	Medium Grained
C.G.	Coarse Grained
Diss	Disseminated
Wk	Weak
Vn	Vein
~~	Fault

⊙ L95-1 Drill Hole Collar and Number

Alteration

Sil	Silicification
Hnf	Hornfels
Chl	Chlorite
Ep	Epidote
Ser	Sericite
k-feld	k-feldspar
Bi	Biotite
Saus	Saussurite
Arg	Argillic (clay)
Ca	Calcite
Qtz	Quartz
Hem	Hematite
Mag	Magnetite
Cp	Chalcopyrite
Py	Pyrite
Bo	Bornite
NCu	Native Copper

Assay

	Au	Cu
10,1046	ppb	ppm
0.25,0.10	g/t	%
0.20,0.008	g/t	%

NA Not Assayed
NSA No Significant Assays

Tertiary-Recent

Tv Tertiary Volcanics

Nicola Group

Intrusive Rocks
Sediments
Volcanic Rocks
Breccia

SCALE 1:1000

0 10 20

METRES

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. E. BLANN

G.W.R. RESOURCES INC.		
Report by: David Blann	PEACH LAKE PROJECT D.D.H. PL95-1 Azimuth: 145° Dip: -45°	
Date: June 1995		
NTS: 92P/14W		
Mining Div. Clinton	Cross Section	
Scale: 1:1000	Facing Northeast	8.

G.W.R. RESOURCES INC.

DIAMOND DRILL LOG

P-MELBA PROJECT
Hole: 2L95-2
Date: APR/95
Logged By: D.BLANN

LOCATION 94 IP GRID - DORA
Northing -75M 5760182
Easting BL 2+50W 614088
Elevation 1070M

	Azimuth	Dip
Collar	090°	-60°
106.4m	HOLE LOST	
	DURING BIT	
	CHANGE	

Sheet 1 Of 2

Depth (m) From	Depth (m) To	Description	% Py	% Cp	Chl-Ep	Ca	2^K	2^M	2^B	Sample Number	Interval (m) From	Interval (m) To	Au (g/t)	Ag (g/t)	Cu (%)	check Au (g/t)	check Cu (%)
					1-5	1-5	1-5	1-5	1-5								
0.	29.0	CASING								93768	29.0	32.0	0.17	1.4	0.196		
29.0	45.0	ANDESITE VOLCANIC BRECCIA. FINE GRAINED,	5	.4	2/3	2	3	2	3	769	32	35	0.38	2.1	0.371		
		ORANGE-DARK GREY-BLACK, MOTTLED TEXTURE.								770	35	38	0.27	1.0	0.200		
		EPIDOTE-K-FELDSPAR ALTERED ANGULAR								771	38	41	0.24	0.3	0.193		
		FRAGMENTS 0.5-2.0 CM. INTENSELY								772	41	44	0.21	0.7	0.176		
		MICRO FRACTURED, HEALED WITH CHLORITE-EPIDOTE								773	44	47	0.17	0.7	0.181		
		BROWN BIOTITE, AND K-FELDSPAR SELVAGES.								774	47	50	0.45	2.1	0.345		
		BIOTITE-EPIDOTE-PYRITE-CHALCOPYRITE								775	50	53	0.24	0.7	0.225		
		APPEARS GENERALLY DISSEMINATED-								776	53	56	0.14	0.7	0.147		
		VERY FINE GRAINED. BARREN CALCITE								777	56	59	0.07	1.0	0.111		
		VEINLETS LOCALLY. BLEACHED, SERICITIC								778	59	62	0.03	1.0	0.070		
		PLAGIOCLASE. MODERATELY BROKEN								779	62	65	0.21	1.0	0.162		
		C.A. 0°, 30°, 45°, 60°.								780	65	68	0.07	0.7	0.088		
										781	68	71	0.17	1.0	0.193		
45.0	81.5	ANDESITE VOLCANIC BRECCIA. FINE GRAINED,	4	.2	2/2	2	2	2	3	782	71	74	0.03	0.3	0.049		
		COARSE BRECCIA. FRAGMENTS 1-2+ CM,								783	74	77	0.14	0.7	0.122		
		DARK GREY-BLACK. VERY FINE GRAINED								784	77	80	0.17	0.7	0.152		
		DISSEMINATED BROWN-BLACK BIOTITE, PYRITE,								785	80	83	0.17	1.4	0.238		
		CHALCOPYRITE. P_y, C_p ASSOCIATED WITH								786	83	86	0.21	1.7	0.386		
		EPIDOTE SPOTS.								787	86	89	0.45	2.4	0.530		
		53-66 SUGARY, GRANULAR TEXTURE, WEAK								788	89	92	0.48	2.4	0.530		
		BLEACHING, MOD-STRONG BIOTITE. MOD.-								789	92	95	0.55	2.7	0.539		
		STRONGLY BROKEN, CALCITE VEINLETS.								790	95	97	0.31	1.7	0.309		

G.W.R. RESOURCES INC.

DIAMOND DRILL LOG

PEACH PROJECT
Hole # PL95-4
Date: APR/95
Logged By: D. BLANN

LOCATION 94 IP GRID
Northing 6+75 600854
Easting 24+25W 11883
Elevation 1145M

	Azimuth	Dip
Collar	120°	-45°
131.7		

Sheet 1 of 6

Depth (m) From	Depth (m) To	Description	% Py	% Cp	Chl-Ep 1-5	Ca 1-5	2^K 1-5	2^M 1-5	2^B/S 1-5	Sample Number	Interval (m) From	Interval (m) To	Au (g/t)	Ag (g/t)	Cu (%)	check Au (g/t)	check Cu (%)
0	5.5	CASING															
5.5	9.0	HORNBLENDE-AUGITE-FELDSPAR	1	2	2/2	3	3	5	-/3	93851	5.5	7.0	0.07	1.6	0.434		
		PORPHYRY ANDESITE VOLCANIC BRECCIA.								852	7.0	9.0	0.04	0.9	0.142		
		FINE GRAINED, PALE GREEN-CREAM								853	9.0	12.0	<0.03	<.3	0.026		
		COLORED MATRIX. SERICITE-CALCITE								854	12.0	15.0	<0.03	0.4	0.012		
		ALTERED PLAGIOCLASE; CALCITE ALTERED								855	15.0	18.0	<0.03	<.3	0.046		
		TO MAGNETITE-EPIDOTE ± CHALCOPYRITE								856	18.0	20.0	<0.03	0.4	0.126		
		LOCAL LIMESTONE/CALCAREOUS TUFF								857	20.0	22.0	<0.03	<.3	0.036		
		FRAGMENTS REPLACED BY MAGNETITE								858	22.0	24.0	0.04	<.3	0.025		
		± CHALCOPYRITE. MALACHITE/AZURITE								859	24.0	26.0	<0.03	<.3	0.039		
		STAIN. STRONG FRACTURING C.A. 10°,								860	26.0	29.0	0.03	0.7	0.047		
		45°. CHALCOPYRITE IN CLOTS/WISPS,								861	29.0	32.0	<0.03	<.3	0.013		
		MINOR DISSEMINATION.								862	32.0	35.0	<0.03	0.6	0.014		
										863	35.0	37.6	<0.03	0.5	0.021		
9.0	18.0	HORNBLENDE-AUGITE-FELDSPAR ~~ANDESI~~ PORPHYRY	.5	.2	2/2	2	3	2	-/3	864	37.6	39.4	0.11	5.0	0.943		
		ANDESITE BRECCIA. CLASTS TO 40CM.								865	39.4	40.7	<0.03	1.6	0.100		
		DARK GREY/BLACK. FINE GRAINED,								866	40.7	43.2	0.04	0.8	0.130		
		CALCAREOUS TUFF INPUT. MODERATE-								867	43.2	46.2	<0.03	<.3	0.082		
		STRONGLY FRACTURED C.A. 10°-45° WITH								868	46.2	49.0	0.03	<.3	0.119		
		STRONG LIMONITE-HEMATITE ± CHLORITE								869	49.0	50.0	0.10	3.0	0.524		
		CALCITE FILLING, 20-30/M. CALCITE								870	50.0	52.0	<0.03	<.3	0.053		
		CRACKLE STOCKWORK.								871	52.0	54.8	<0.03	<.3	0.106		
		@ 10.9 EPIDOTE-K-FELDSPAR-CALCITE								872	54.8	58.0	<0.03	0.4	0.028		
		MAGNETITE VEIN WITH CHALCOPYRITE								873	58.0	60.1	0.11	<.3	0.029		

G.W.R. RESOURCES INC.

DIAMOND DRILL LOG

PEACH PROJECT
Hole # PL95-5
Date: APR/95
Logged By: D.DLANN

LOCATION 94IP GRID
Northing 5+30N 60728
Easting 2400W 11883
Elevation 1145M

	Azimuth	Dip
Collar	360°	-45°
75.3		

Sheet 1 Of 5

Depth (m) From	Depth (m) To	Description	% Py	% Cp	Chl-Ep (1-5)	Ca (1-5)	2^{K} (1-5)	2^{M} (1-5)	$2^{B/S}$ (1-5)	Sample Number	Interval (m) From	Interval (m) To	Au (g/t)	Ag (g/t)	Cu (%)	check Au (g/t)	check Cu (%)
0	4.3	CASING															
4.3	8.9	AUGITE-HORNBLENDE-FELDSPAR	0.3	0.1	1/2	1	1	2	-/1	93504	4.3	7.0	<.03	<.3	0.003		
		PORPHYRY ANDESITE BRECCIA. BLACK								505	7.0	9.5	<.03	<.3	0.033		
		GREY, FINE GRAINED MATRIX WITH								506	9.5	12.0	<.03	<.3	0.015		
		SERICITE-CALCITE ALTERED PLAGIOCLASE,								507	12.0	14.0	0.12	0.3	0.074		
		EPIDOTE-SAUSSURITE ALTERED AUGITE.								508	14.0	16.0	<.03	<.3	0.013		
		HARD, GLASSY, BRITTLE. TRACE FINE								509	16.0	18.5	<.03	<.3	0.003		
		GRAINED DISSEMINATED PYRITE-CHALCOPYRITE.								510	18.5	21.0	<.03	<.3	0.090		
		MODERATE-STRONGLY BROKEN, LIMONITE-								511	21.0	23.0	<.03	<.3	0.020		
		HEMATITE-CALCITE FILLED FRACTURES								512	23.0	26.0	<.03	<.3	0.079		
		AND GOUGE C.A. 20°, 60°, 45°								513	26.0	28.5	<.03	<.3	0.035		
										514	28.5	31.0	<.03	<.3	0.007		
8.9	14.2	AUGITE-HORNBLENDE-FELDSPAR PORPHYRY ANDESITE	.3	.1	1/2	3	2	3	-/3	515	31.0	32.7	<.03	0.3	0.086		
		BRECCIA (CARBONATE DOMINANT). PALE,								516	32.7	34.8	<.03	0.3	0.011		
		BLEACHED MATRIX WITH DARK MAGNETITE-								517	34.8	37.0	<.03	<.3	0.008		
		RICH MAFIC VOLCANIC CLASTS; SUBROUNDED.								518	37.0	40.0	<.03	<.3	0.007		
		FINE GRAINED LIMESTONE-DOLOMITE CLASTS								519	40.0	42.4	<.03	<.3	0.045		
		TO 10CM. MAGNETITE DISSEMINATED AND								520	42.4	44.2	<.03	0.4	0.078		
		MINOR VEINLETS. CHALCOPYRITE DISSEMINATED								521	44.2	45.2	0.03	1.4	0.430		
		IN VOLCANIC CLASTS AND AS SMALL CLOTS								522	45.2	47.2	0.05	3.0	0.670		
		IN THE ALTERED MATRIX.								523	47.2	48.2	0.08	1.2	0.533		
										93535 524	48.2	49.2	<.03	<.3	0.074		
14.2	21.0	AUGITE-FELDSPAR PORPHYRY ANDESITE	Tr	Tr	2/3	1	-	3	-/3	93524	49.2	51.0	<.03	0.8	0.222		
		VOLCANIC BRECCIA (VOLCANIC DOMINANT)								525	51.0	54.0	<.03	0.6	0.056		

PROJECT

Hole # PL95-6

Depth (m) From	Depth (m) To	Description	% Py	% Cp	Chl-Ep	Ca	2^K	2^M	2^B	Sample Number	Interval (m) From	Interval (m) To	Au (g/t)	Ag (g/t)	Cu (%)	check Au (g/t)	check Cu (%)
32.0	37.0	CARBONATE SKARN?: PALE, YELLOW-GREEN BLEACHED, SERICITE-CARBONATE MATRIX WITH HEMATITE ALTERED PYROXINE PORPHYRY VOLCANIC CLASTS.	-	-	-	4	2	-	1/4	93574	88.0	88.9	<.03	<.3	0.094		
										575	88.9	90.0	<.03	0.9	0.203		
										576	90.0	91.4	0.20	5.4	1.695		
										577	91.4	92.5	<.03	0.7	0.315		
37.0	39.8	PYROXINE PORPHYRY ANDESITE VOLCANIC BRECCIA. HEMATITE VOLCANIC BAND C.A. 60°	-	-	3/3	2	2	1	1/1	578	92.5	93.8	0.03	0.4	0.224		
										579	93.8	96.1	<.03	<.3	0.016		
39.8	41.4	PYROXINE-HORNBLENDE PORPHYRY ANDESITE BRECCIA. PALE GREEN, BLEACHED, HEMATITE INCREASING.	-	Tr	3/3	2	2	1	1/3								
41.4	43.6	POLYLITHIC VOLCANIC BRECCIA: TECTONIC BRECCIA. HEMATITE STRONG, STRAINED. TOP CONTACT C.A. 30° WEAK, BOTTOM CONTACT C.A. 80° - GOUGE, CALCITE-QUARTZ-CHLORITE.	Tr	-	3/3	1	2	1	1/1								
43.6	46.4	PYROXINE PORPHYRY ANDESITE BRECCIA. PALE GREY-YELLOW-GREEN, SERICITIC. LOWER CONTACT 20° MASSIVE MAGNETITE CLOT 10CM ALTERATION: K-FELDSPAR.	-	-	3/3	2	-	-	1/3								
46.4	55.5	AUGITE-HORNBLENDE FELDSPAR PORPHYRY	-	-	2/2	-	1	1	1/1								

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

ASSAY CERTIFICATE

GWR Resources Inc. PROJECT PL File # 95-1207 Page 1

204 - 20641 Logan Ave, Langley BC V3A 7R3

PL 95-7

SAMPLE#	Cu %	Ag** gm/t	Au** gm/t	SAMPLE lb
E 93601	.095	.7	.28	10
E 93602	.375	1.2	.85	7
E 93603	.075	.3	.08	10
E 93604	.042	1.2	.05	10
E 93605	.051	.5	.09	14
E 93606	.053	.6	.32	16
E 93607	.022	.9	.05	15
E 93608	.042	.7	.06	13
E 93609	.018	<.3	<.03	11
E 93610	.027	<.3	.04	14
RE E 93610	.027	<.3	.04	-
E 93611	.028	<.3	<.03	15
E 93612	.027	.4	<.03	14
E 93613	.030	.3	<.03	15
E 93614	.049	.6	.03	12
E 93615	.074	<.3	.08	15
E 93616	.077	.5	.06	14
E 93617	.121	<.3	.06	14
E 93618	.144	<.3	.07	16
E 93619	.109	.5	.05	14
E 93620	.014	<.3	<.03	10
RE 93620	.015	<.3	<.03	-
E 93621	.006	<.3	<.03	14
E 93622	.007	<.3	<.03	15
E 93623	.014	.8	<.03	18
E 93624	.030	<.3	<.03	17
E 93625	.061	.7	<.03	15
E 93626	.043	.4	.03	17
E 93627	.162	.3	.05	16
E 93628	.150	.8	.05	16
E 93629	.143	.8	.08	15
E 93630	.098	.3	.08	17
RE E 93630	.097	1.0	.08	-
E 93631	.045	.5	<.03	16
E 93632	.019	<.3	<.03	17
E 93633	.021	.4	<.03	18
E 93634	.031	.4	<.03	15
STANDARD R-1/AG-1/AU-1	.835	33.3	3.29	-

1 GM SAMPLE LEACHED IN 50 ML AQUA - REGIA, DILUTE TO 100 ML, ANALYSIS BY ICP.
AG** & AU** BY FIRE ASSAY FROM 1 A.T. SAMPLE.
- SAMPLE TYPE: CORE Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: APR 21 1995 DATE REPORT MAILED: April 25/95 SIGNED BY: D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS