Metla
885361
104K/7E

GALICO RESOURCES INC.

QUALIFYING REPORT

ON

THE METLA PROPERTY

ATLIN MINING DIVISION

BRITISH COLUMBIA

NTS 104K/7E

Latitude: 58° 23' North Longitude: 132° 25' West

By:

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BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED
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March 21, 1991

SUMMARY

Galico Resources Inc. has entered into an agreement whereby it may acquire a 60% interest in the Metla Property. The Metla Property consists of a single 20 unit claim (Metla), located 25 kilometres northwest of the Golden bear Mine, in the Telegraph Creek region of northwestern British Columbia.

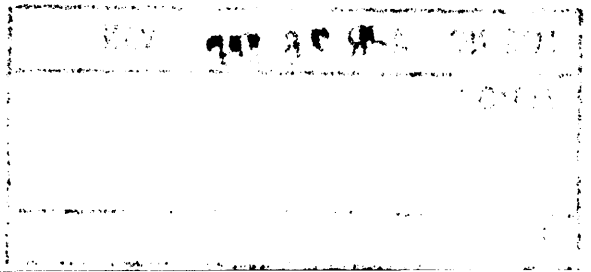
Previous exploration by Cominco Ltd., the titled owner of the Metla Property, has resulted in the discovery of six areas of gold-bearing sulphide-rich mineralization in float and outcrop. The overall area of interest is approximately 1700 meters long by 300 meters wide, spanning 200 meters elevation. The mineralized areas are as yet untested by diamond drilling and are regarded to be promising exploration targets.

The areas of interest are underlain by volcanic and sedimentary rocks of the Triassic Stuhini Group. Numerous plugs and stocks of intrusive intermediate to basic igneous rocks outcrop within the zone. Hydrothermal breccia bodies, containing highly altered fragments of country rock in a fuchsite-carbonate matrix, cross-cut all major rock formations. The breccia bodies appear to host sulphide mineralization, and are notably most sulphide-rich along their margins. This style of mineralization has not been previously reported in the region.

Detailed prospecting and trenching has located mineralization in outcrop at several of these locations. Mineralization in both outcrop and float is characterized by low to high grade gold and silver associated with moderate to high zinc, lead and copper values. The mineralized float is thought to be locally derived and to represent more than one source. Horizontal loop EM (HLEM) and magnetometer surveys have detected five high priority conductors coincident with two of the six targets, the cause of which may be due to bedrock sulphide mineralization.

Based on the abundance and grades of the mineralized rock found to date, and the high quality of the existing geological database, the Metla Property is recommended for a programme of diamond drilling, geophysical surveying, geological mapping and prospecting.

A three phase exploration programme is recommended to explore the Metla Property. Estimated budgets recommend expenditures of $250,000 in a Phase I programme of diamond drilling, grid geophysical surveys, geological mapping and prospecting. Additional diamond drilling programmes in Phases II and III are estimated at $300,000 and $550,000 respectively.



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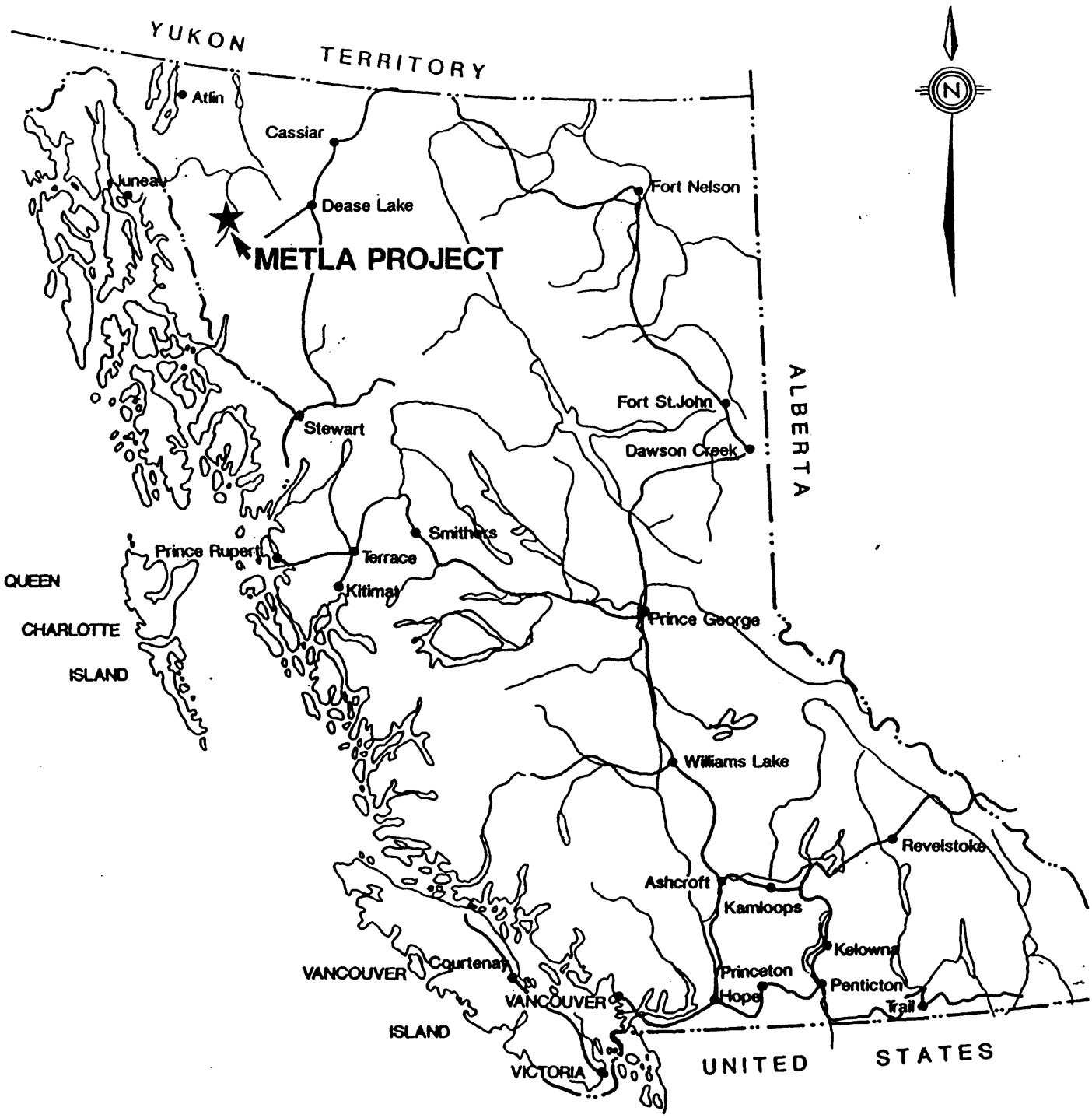


GALICO RESOURCES INC.

METLA PROJECT

Atlin Mining District, B.C.

LOCATION MAP

BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED	NTS 104K/7E	FIGURE 1
	March 14, 1991	Drafted by: ER
	0 1km Scale 1 : 50,000	

INTRODUCTION

Galico Resources Inc. has entered into an agreement with Cominco Limited whereby it may acquire a 60% interest in the Metla mineral claim. The Metla Property is located 25 kilometres northwest of the Golden Bear Mine in northwestern B.C. Three field seasons of previous exploration have resulted in the discovery of six areas of gold-bearing sulphide-rich mineralization in outcrop and as float in glacial boulder trains. The property is as yet untested by diamond drilling and is regarded as a promising exploration target.

The purpose of this report is to review the results of previous exploration programmes carried out by Cominco during 1988, 1989 and 1990, and to outline a new programme of diamond drilling and geophysical surveys which will test the potential of the property to host mineralization of economic merit.

This report is based upon a thorough review of various geological technical reports produced by Cominco during its period of explorations on the Metla, numerous discussions with geologists, geophysicists and technical support staff employed by Cominco whom are familiar with the property, examination of numerous reference rock samples collected from the Metla Property, and from published technical reports listed in the section titled "Bibliography". The writer has not visited the property.

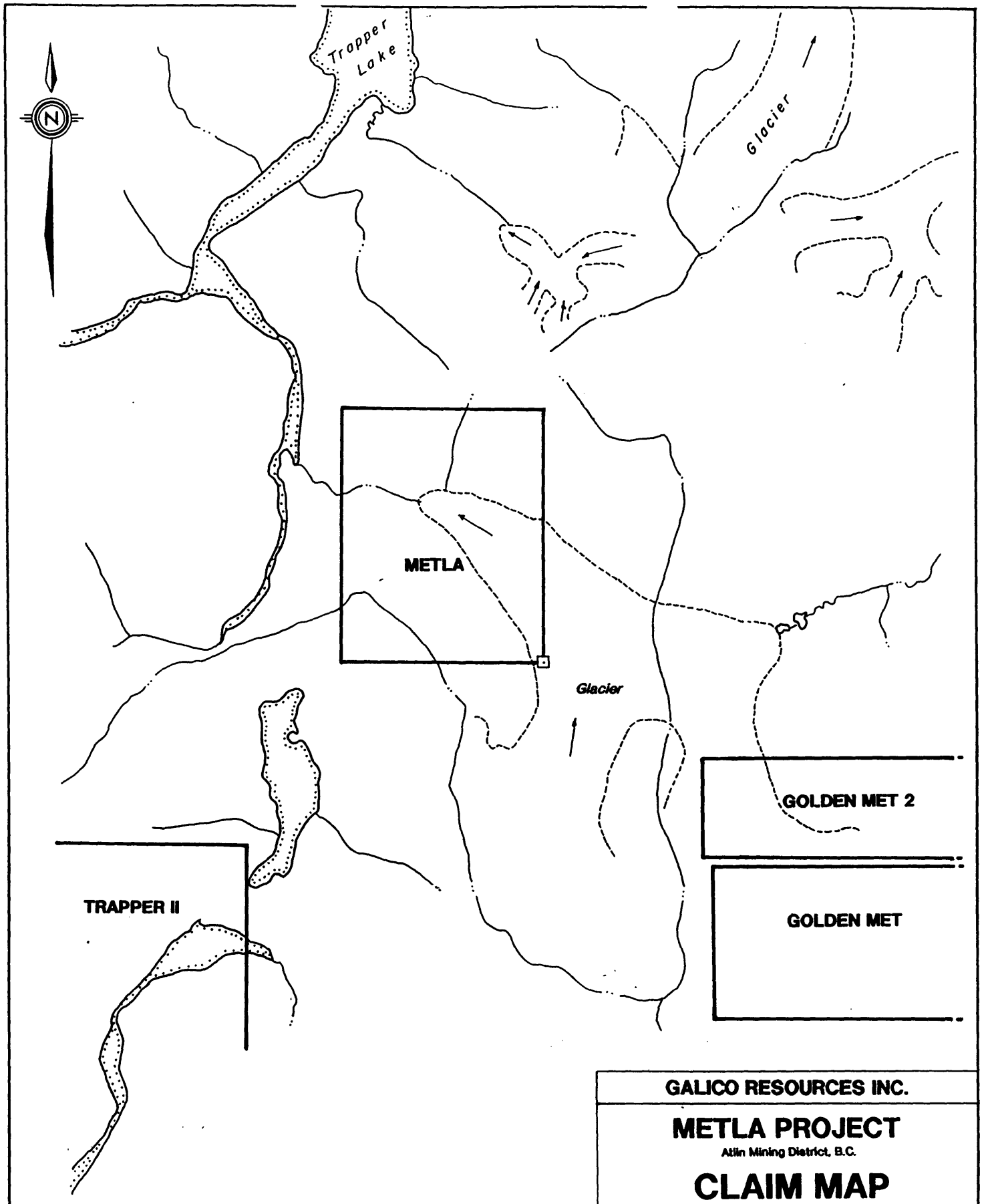
LOCATION AND ACCESS

The Metla Property is located in northwestern British Columbia, NTS 104K/7 at latitude 58°23'N and longitude 132°25'W (Figure 1). Claims located in this area of B.C. fall within the Atlin Mining Division.

The property is situated 4 kilometres south of Trapper Lake, on the south flank of Metlatulin Mountain. The Golden Bear Mine is approximately 25 km southwest, the old Tulsequah Chief Mine 67 km northwest. The towns of Atlin and Dease Lake are respectively 150 km north and east of the property.

Freight and personnel may be transported by charter float plane to Trapper Lake, or by all-weather road to the Golden Bear Mine or to Dease Lake. Final access onto the property is by helicopter.

Metlatulin Mountain is an intermediate peak on the east flank of the Chechialla Range of the Coast Mountain. A rapidly receding glacier (see History) is present above the area of mineral showings, along the southeast portion of the claim. The showings are situated in an open glacial valley, at elevations ranging from 1000 to 1200 metres above sea level, above timberline. By late summer it is estimated that only 5% of the surface area remains covered by snowfields. The summer field season spans mid-June to late October.



GALICO RESOURCES INC.

METLA PROJECT

Atlin Mining District, B.C.

CLAIM MAP

BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED	NTS 104K/7E	FIGURE 2
	March 14,1991	Drafted by: ER
	0 1km Scale 1 : 50,000	

TENURE

The Metla Property (figure 2) is comprised of a single 20 unit located four post claim (Metla), held 100% by Cominco:

CLAIM NAME	NUMBER OF UNITS	RECORD NUMBER	DATE RECORDED	ASSESSMENT DUE
Metla	20	3463	25/08/88	25/08/99

The claim was located by G. Wober of Vancouver, B.C., acting as an agent for Cominco Limited, 700-409 Granville Street, Vancouver, B.C. V6C 1T2. The legal corner post, tag number 103903, is at the southeast corner of the claim.

Galico Resources Inc. has the option to acquire an undivided 60% interest in the Metla Property. Galico's interest will be earned by incurring $1.1 million total exploration expenditures and issuing 150,000 shares in various stages before June 30, 1994. In addition to the schedule of expenditures, Cominco will receive options to purchase up to 150,000 shares of Galico at prices between $3.00 and $5.00 per share, prior to June 30, 1994. The agreement is subject to regulatory approval.

HISTORY

There is no evidence of mineral claims having been previously located over the current Metla Property. It appears that little by way of prior, systematic exploration has been done in the immediate area. All activity centres upon endeavours by Cominco.

In 1957 Cominco prospectors working out of a camp based at Trapper Lake located a "brecciated feldspar porphyry dyke" mineralized with pyrite, sphalerite and galena near the edge of a permanent ice and snow field (Mawer, 1988). A sample taken from this showing was assayed, reporting 0.32 oz/ton gold, 1.4 oz/ton silver, 0.1% copper, 0.2% lead, and 1.0% zinc. This showing is or was near what is now referred to as Area D. Such is the extent of ice retreat on the property that all other showings extending up slope to the southeast, a minimum 1700 meters distant, were at that time covered by ice.

In 1988, during regional reconnaissance, a visit was made to the site of the 1957 discovery. Prospecting located an extensive area strewn with sulphide-rich float, several isolated outcrops of mineralization, plus outcrop exposures of highly altered carbonate - fuchsite breccia situated at a greenstone - sediment contact. Sampling and prospecting indicated that anomalous gold values were distributed about an area approximately 1200 meters long and 800 meters wide.

A 1989 programme included detailed prospecting, geological mapping

at a scale of 1:500, excavation of eighteen hand trenches, as well as considerable sampling and recording of the nature and distribution of mineralized boulders. New showings were discovered, extending the length of the zone to 1600 meters.

In 1990 the detailed prospecting was continued, the 1:500 scale geological mapping completed, a slope-corrected grid located and approximately 16 kilometres of horizontal loop electromagnetic and 14 kilometres of magnetometer surveys completed. The prospecting and mapping located additional areas of mineralization and added greatly to the geological understanding of the property. The geophysical surveys yielded numerous anomalies, several of which are coincident with sulphide float mineralization.

GEOLOGY

Regional Geology

Little by way of geological mapping has been undertaken in the region since Souther (1971) mapped across the Tulsequah map area in the period from 1958 to 1960. Rocks in this portion of northwestern British Columbia are within the northern edge of the Stikine Arch. The Tulsequah map area is the type area wherein the term Stikine Arch was originally defined (Souther and Armstrong, 1966 and Souther, 1971). The term is no longer in common usage by regional mappers, having been replaced by the terrane assemblage term "Stikinia". Stikinia is a terrane block of the Northwestern Cordillera, which has four tectonostratigraphic assemblages bounded by unconformities. These include the Palaeozoic-aged Stikine assemblage, several Triassic to Jurassic volcanic-plutonic arc complexes, the middle to late Jurassic Bowser overlap assemblage, and the Tertiary Coast plutonic complex. Within the Tulsequah map area the Paleozoic Stikine assemblage, the Triassic to Jurassic volcanic-plutonic arc complexes and the Tertiary Coast plutonic complex are well represented, while the Jurassic Bowser overlap assemblage is thought to be represented by a similar-appearing and age-equivalent unit called the Laberge Group. The Stikinia terrane is very extensive in northwestern British Columbia, and is a host to many of the major mineral deposits in the region. These include the gold-rich polymetallic massive sulphide deposits at Eskay Creek and the Tulsequah Chief Deposit, the precious metal deposits at Stewart, the Golden Bear and Snip Mine gold deposits, the Rock and Roll polymetallic massive sulphide prospect, and several major bulk tonnage copper-gold deposits in the Galore Creek area, amongst many others.

Within the immediate Metla Property area, regional mapping (figure 3) has indicated a complex distribution of upper Paleozoic to Tertiary-aged volcanic, sedimentary and plutonic rocks. All units are poorly age-constrained and revisions to the stratigraphic ordering will likely be made as a result of future mapping programmes.

The oldest map units (including legend symbols 1, 2, and 3) in the area are Permian or older limestone, mudstone and chert, probably equivalent to the Stikine assemblage, exposed to the southeast in the Golden Bear Mine area. These units are complexly folded and faulted, and are also cut by numerous intrusive (?) bodies of peridotite, serpentinite, gabbro and pyroxenite.

Lower Triassic units (legend symbol 4) include mudstone, chert, subordinate limestone and mafic to intermediate volcanic rocks (greenstone). Small bodies of peridotite, serpentinite and other mafic to ultramafic intrusive rocks may be locally abundant.

Large stocks and batholiths of diorite, quartz diorite and granodiorite (legend symbol 6), of probable Lower or Middle Triassic age have been observed to intrude the older rock units.

The Upper Triassic Stuhini Group (legend symbols 7 and 8) comprises a monotonous sequence of greenstones, either basalt or andesite flows and pyroclastic breccias, tuff plus minor interbedded mudstone, wacke and chert. Stuhini Group units are thought to be the major unit underlying the Metla Property.

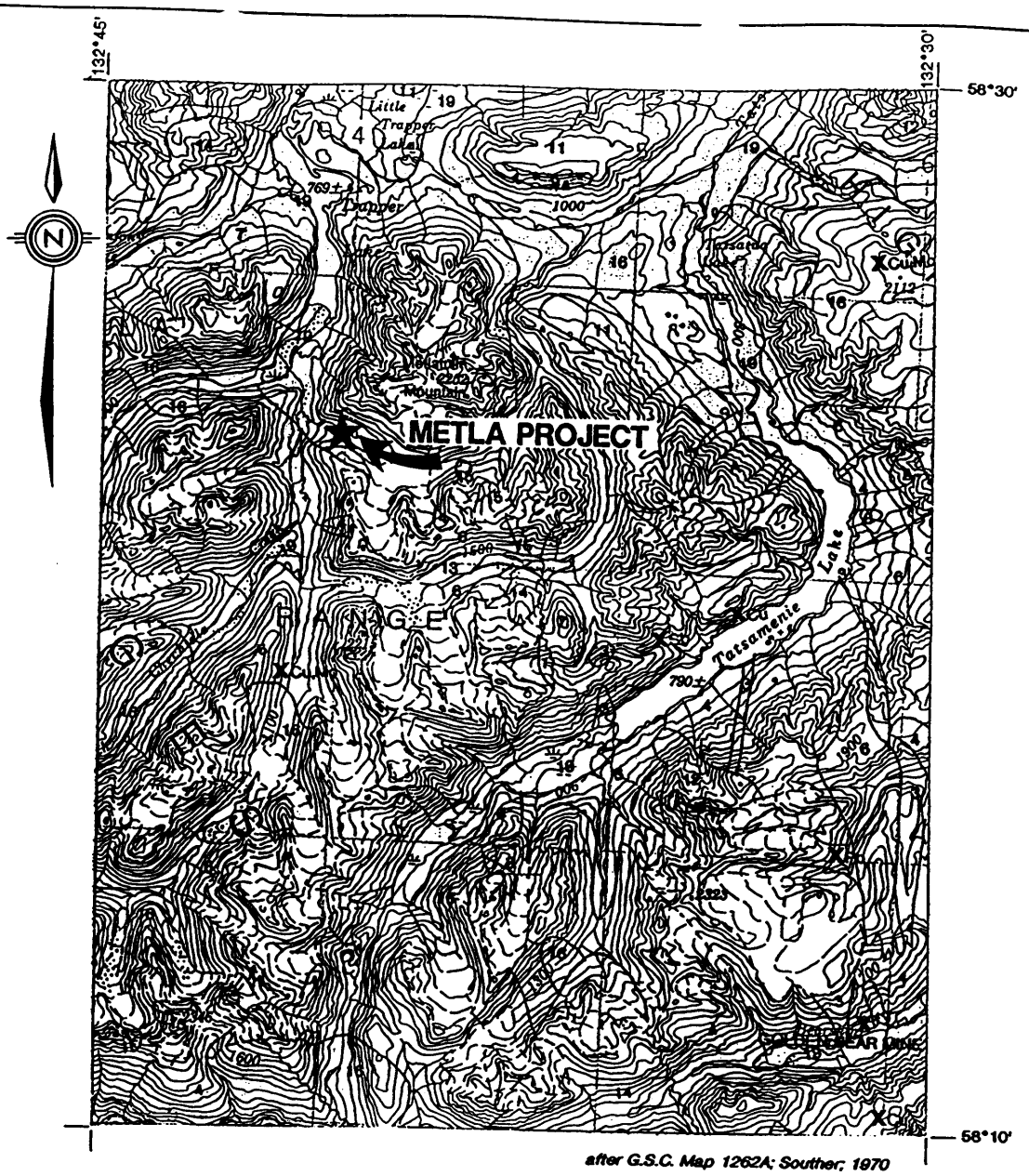
Northeast of the Metla is an isolated klippe (?) of Upper Triassic Sinwa Formation (legend symbol 9). This unit is a valuable regional marker, being distinct in its appearance and composed of thin-bedded limestone, chert and sandstone.

Lower and Middle Jurassic Laberge Group, Takwahoni Formation (legend symbol 11) is present north of Trapper Lake, part of a regionally extensive unit trending both to the northwest and southeast. The Takwahoni comprises conglomerate, sandstone and greywacke.

Upper Jurassic to Early Cretaceous Augite Diorite is noted south of the property, near Tatsamenie Lake (legend symbol 12d).

The youngest rocks in the area are Late Cretaceous to Early Teriary-aged units of the Sloko Group (legend symbol 14). This unit comprises an extensive unit of subaerial rhyolite, dacite and trachyte pyroclastic breccia, tuff and subordinate flows. Possibly co-magmatic quartz-feldspar porphyry plugs and dykes (legend symbol 15) and stocks of quartz monzonite (legend symbol 16) are also present, notably east and southeast of the Metla Property.

The regional structure is dominated by a broad open fold trending southerly from Tatsamenie Lake, affecting Lower Triassic and Paleozoic units in the south, and a strongly developed northwest trending fold sequence affecting Cretaceous and older units. The older north-trending pattern of folding is thought to be the result of the Tahltanian Orogeny, which left a marked hiatus or unconformity at the base of the Upper Triassic Stuhini Group. The younger northwest-trending pattern of deformation is possibly



after G.S.C. Map 1262A; Souther; 1970

LEGEND

19 Quarternary

16 quartz monzonite

15 quartz–feldspar porphyry

14 Sloko Group

12 diorite

11 Takwahoni Group

9 Sinwa Formation

7 Stuhini Group

6' diorite, quartz diorite

4 clastic sediments

3 Stikine Group

1 peridotite; serpentinite

A diorite gniess

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REGIONAL GEOLOGY

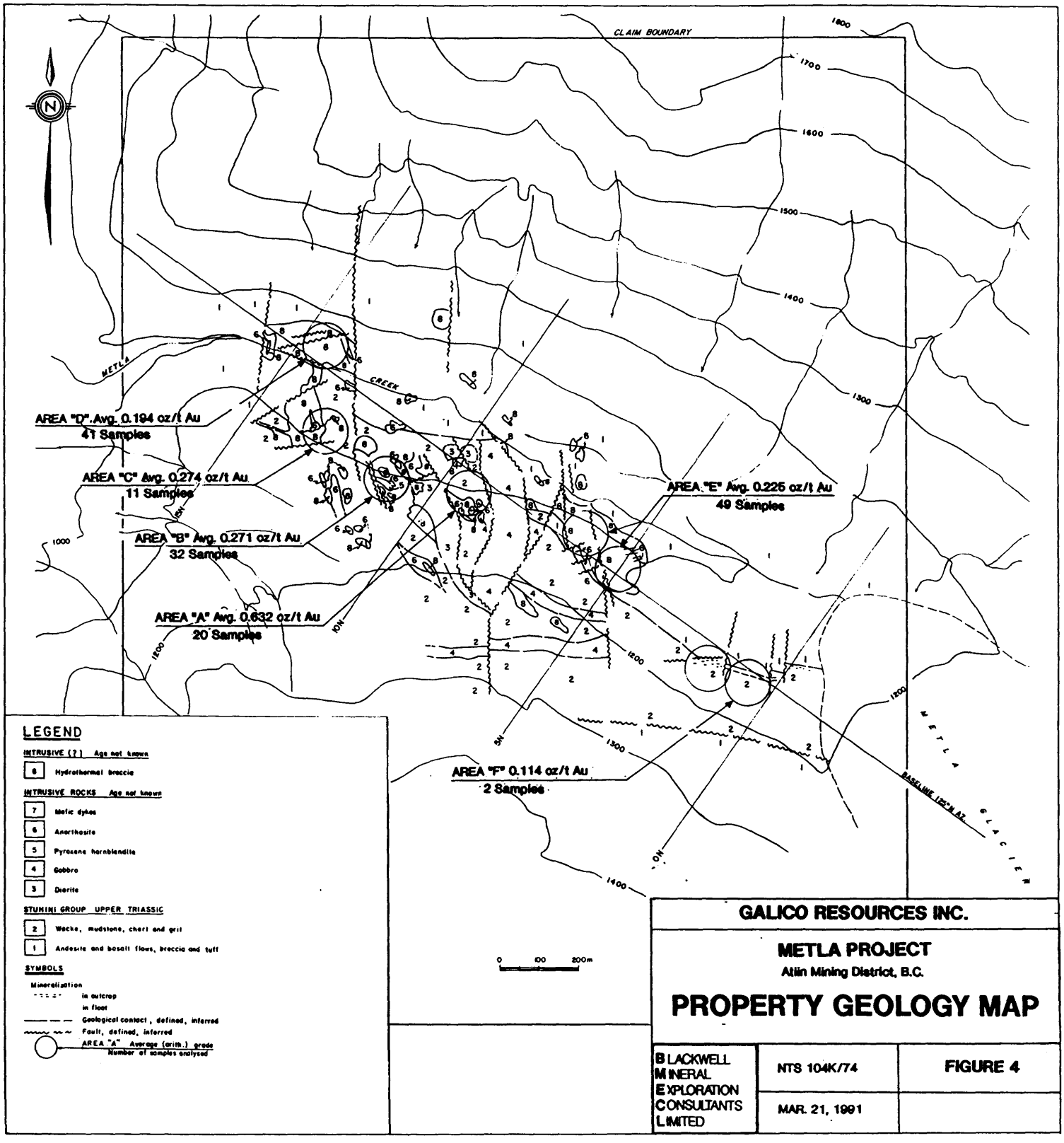
BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED

NTS 104K/74 | FIGURE 3

Mar. 14, 1991

0 5 10km

SCALE 1 : 250,000



LEGEND

INTRUSIVE (?) Age not known

- 8 Hydrothermal breccia

INTRUSIVE ROCKS Age not known

- 7 Mafic dykes
- 6 Anorthosite
- 5 Pyroxene hornblendite
- 4 Gabbro
- 3 Diorite

STUHINI GROUP UPPER TRIASSIC

- 2 Wacke, mudstone, chert and grit
- 1 Andesite and basalt flows, breccia and tuff

SYMBOLS

- Mineralization: in outcrop; in float
- Geological contact, defined, inferred
- Fault, defined, inferred
- AREA "A" Average (arith.) grade / Number of samples analysed

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PROPERTY GEOLOGY MAP

BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED	NTS 104K/74	FIGURE 4
	MAR. 21, 1991	

related to a major period of southeast-directed thrust faulting along the King Salmon Fault. This latter period of deformation occurred at the close of the Jurassic.

The singlemost important metal deposit in the immediate area is the Golden Bear Mine, located 25 kilometres south of the Metla Property, operated by the Golden Bear Operating Company, held 50% by North American Metals, a division of Homestake Mining and 50% by Chevron Minerals. The mine is currently producing gold by a combination of underground and open pit mining at a nominal millrate of 315 tonnes per day. Stated open pit reserves are 300,830 tonnes grading 16.37 grams per tonne, with an additional underground reserve totalling 296,235 tonnes grading 20.94 grams per ton (The Northern Miner Magazine, Jan. 1989). Mineralization occurs at the sheared, faulted and brecciated contact between Permian limestone (map unit 3) and greenstone (map unit 4). Ore minerals are native gold, hessite and tetrahedrite with accessory pyrrhotite, pyrite, arsenopyrite, and chalcopyrite (Schroeter, 1985, 1986, 1987). Host rock units are intensely altered by ankerite, dolomite, quartz and fuchsite (a rock with this mineralogy is often referred to as a "listwanite"). Despite being in production, much of the land held by the Joint Venture remains unexplored. Several additional deposits are known, and together these form a portion of a strip of highly prospective ground reported to extend 8 kilometres to the north of the mine and to be as much as 450 metres wide (Mining Review, Jan./Feb. 1991)

No other commercial mineral deposits have been located in the area. Several showings are reported, and are shown on figure 3. These include several molybdenum - copper occurrences, spatially associated with intrusive granitic rocks, and several "vein-type" antimony, copper and lead prospects in the general Golden Bear to Tatsamenie Lake corridor.

Property Geology

Property scale geological mapping by Cominco has been limited to the readily accessible portions of Metla Creek, in the general vicinity of the showings. No property-wide mapping has been undertaken. However, completed grid-mapping at a scale of 1:500 is of exceptional quality and detail, providing a reliable database which may be applied in future mapping campaigns to the remainder of the property. A geological summary map, based on the detailed mapping, is presented in figure 4.

The major rock units on the property include volcanic and sedimentary rocks of the Upper Triassic Stuhini Group, a suite of intrusive igneous rocks of uncertain age, and "hydrothermal breccia" of both uncertain age and origin.

Stuhini Group rocks include andesite to basalt flow, flow and

pyroclastic breccia, and tuff (map unit 1). These rocks tend to be massive, with internal contacts difficult to locate and measure. Pillowed and amygdaloidal flows have been observed in outcrop, but have not been traced along strike. Similarly, some outcrops are notable by the abundance of augite phenocrysts, the significance of which is again not known. Interflow sedimentary rocks are rare. Metamorphic rank is greenschist or less, with some hand samples appearing to contain prehnite as vesicle in-fillings.

Stuhini Group sedimentary rocks (map unit 2) comprise thick to thin-bedded wacke, mudstone, chert and tuffaceous grit. The unit is dark grey-coloured, flaggy and frequently graphite-bearing. Calcareous mudstone and grit and siliceous pebble conglomerate has also been noted, as have thin pyrite laminations to 20 centimetres thickness. The package of sedimentary rocks outcrops sporadically along the valley bottom near Metla Creek, with the volcanic package situated both at higher elevations along the shoulders. This suggests that the sedimentary package predates the volcanic package. It is not certain whether or not this relationship is correct, or merely an artifact of faulting and erosion.

Intrusive igneous rocks include a suite of intermediate to ultrabasic composition plugs and dykes. The internal relationships and timing of the various igneous rock types is not known.

Diorite (map unit 3) and gabbro (map unit 4) are the most abundant and extensive intrusive units, occurring as north to northwest-trending elliptically-shaped stocks, sills or dykes. The diorite is a medium grey to greenish-grey, equigranular hornblende - plagioclase rock, frequently epidote-altered and leucoxene-bearing. At several locations the diorite has been observed to have little by way of ferromagnesiam minerals and to be very light coloured, suggesting a shift to anorthosite (map unit 6). Outcrops are massive and well jointed. Gabbro is dark green to almost black, medium to fine-grained, and commonly uralitized. Sill-like bodies contain appreciable magnetite. Specular hematite, with or without accompanying pyrite, is common as stringers or veinlets.

Pyroxene hornblendite (map unit 5) occurs as a single, isolated outcrop. Its relation to other intrusive units is not known. The rock is black-coloured, composed of very coarse-grained, poikilitic hornblende enclosing pyroxene. "Talc" alteration is of note, as is the presence of minor disseminated magnetite, pyrite, and trace chalcopyrite.

Anorthosite (map unit 6) is used by the writer to include map units previously named "dacite" and "porphyritic dacite" by Cominco. The unit is light grey to white-coloured, medium to exceptionally fine-grained and massive. It appears to be composed essentially of plagioclase feldspar with very minor accessory amphibole (?). It occurs as isolated bodies of uncertain nature. It is possible that this unit is a variant of the diorite and gabbro units. The locally

observed porphyritic aspect appears to be a result of shearing and subtle saussuritization enhancing plagioclase grain shapes.

Mafic dykes (map unit 7) appear to be the youngest intrusive phase mapped to date, cutting all other rock units, including the hydrothermal breccia. The rock occurs as narrow (< 1.0 meter), continuous dykes, light to medium green to grey-coloured, with locally abundant xenoliths of country rock. Dyke margins are chilled. Calcite-filled vesicles have been observed.

Hydrothermal breccia (map unit 8) comprises an enigmatic unit of clearly cross-cutting nature and intrusive origin, occurring as large irregular-shaped to crudely northwest-trending bodies throughout the central and northwestern portions of the map area. Dimensions range from a few square meters to 130 by 300 meters.

The breccia matrix consists of ankerite - siderite - dolomite with variable proportions of fuchsite, pyrite, quartz and base metal sulphide minerals. The clasts are heterolithic, consisting of sand to block-sized (maximum observed dimensions of 2.0 meters) fragments of both country rock and rarely massive sulphide. Where observed, contacts with the adjacent country rock are sharp, with little or no alteration. Detailed observation suggests that breccia emplacement was accompanied by considerable mechanical abrasion or erosion of the country rock, as exposed contacts appear to be scoured or "gullied" by the breccia body. Elsewhere the breccia has been observed to have a border or margin phase of fractured country rock, presenting the appearance of a "crackle breccia", with fracture-infillings similar to that seen in the main breccia body. The marginal phase of the breccia proper is seen to consist of variably detached and slightly rotated wall fragments, which in turn become increasingly spherical, milled and matrix-supported as the central regions of the breccia body are approached. Clasts are in general randomly oriented, without evidence of stretching or other imposed tectonic fabric. Clasts are invariably altered, depending upon original clast composition, to fuchsite - carbonate and possibly talc and white mica ("sericite"). Quartz is relatively rare, observed most frequently in association with sulphide mineralization. A possible late alteration phase has been noted, manifest as stringers of buff-coloured, brown to red-weathering coarse-grained ferromagnesiam carbonate minerals. Most mineralization observed to date appears to be hosted by the hydrothermal breccia, as a border phase, or in fractured, adjacent country rock. In some instances sulphide minerals are the sole matrix material.

As the Metla Property has until recently been covered by a glacier, subsequent ablation has resulted in the deposition of an extensive veneer of ablation till and moraine, which rests upon dense, highly compacted basal till and isolated, highly polished bedrock outcrop. On the basis of field observations and tracing of indicator boulders, it is thought that the degree of glacial dispersion is in

the order of 80 to 150 meters, or often less.

The structural and metamorphic history of the rocks underlying the Metla Property is not well known. It appears unlikely that the rocks have exceeded greenschist metamorphic rank. Widespread saussuritization may be related to regional or contact metamorphism, or the effect of low-temperature deuturic alteration.

The map area is transected by numerous north to northeast-striking vertical faults in the central part of the map area. Apparent horizontal off-set is minor. The contacts of the larger intrusive bodies appear often to be faulted or sheared, however this is not consistently observed. There is no clear evidence of the northwest-trending faults being related to the apparent northwest trend to the hydrothermal breccia, however the similarity in orientation suggests a possible link.

MINERALIZATION

Overview

Mineralization on the Metla Property comprises massive to disseminated base metal sulphide accompanied by gold and silver. This mineralization has been observed in both float and outcrop. Six separate areas of mineralization are recognized, referred to as Areas A to F inclusive. To date only a limited amount of mineralization has been located in situ and sampled. Most of what is known about the economic potential of the property is based on sampling, evaluating and mapping the distribution of mineralized float.

Based on the results of three seasons of field work, the principal occurrence of mineralization is probably within or adjacent to the "hydrothermal breccia", or map unit 8. Where observed in outcrop, sulphide minerals are most abundant as matrix to the breccia and this sulphide mineralization is most concentrated at the margins of the breccia bodies. The central or core region of these bodies are apparently devoid of mineralization. Mineralization noted in float is similar in appearance and mineralogy to that noted in outcrop, except that to date none of the outcrop chip samples have returned analytical values as high as that obtained from float. The float boulders occur as narrow, linear arrays of angular blocks, up to 2.0 meters in maximum dimension, and are largely restricted to the southwest lateral moraine of the now-receded Metlatulin glacier. As mentioned previously, it is thought that glacial dispersion is in the order of 80 to 150 meters, and possibly less. It is therefore reasonable to treat the boulders as indicator trains, which may be traced by both prospecting and drilling "up ice" to their point of origin. Each boulder train possesses a distinct metal and mineralogical signature, suggesting that more than one source of float is present.

Area A is the highest priority prospect, marked by the occurrence of abundant heavy sulphide boulders over an area 90 by 40 meters in size, and a coincident EM anomaly (see Geophysics Section). Assay results for 20 samples report an average grade of 0.632 oz/ton gold, ranging from 1.291 to 0.152 oz/ton. Base metal assays as high as 7.40% zinc, 2.06% copper, and 1.81% lead are also reported.

Area B is the next priority prospect, marked by heavy sulphides in both boulders and outcrop, plus a coincident EM anomaly. Assay results for 32 boulders averaged 0.271 oz/ton gold, ranging from 0.863 to 0.094 oz/ton. Seven assays for zinc averaged 4.65%, with five lead assays averaging 2.06%. Mineralization is present in float across an area 130 by 70 meters. Minor stringers of sulphide mineralization have been observed in outcrop, with seven "grab" samples returning 1,122 to 6,200 ppb gold.

Area C is a limited area of mineralized boulders and outcrops with disseminated to massive sulphide mineralization. Assays for eleven boulders averaged 0.274 oz/ton gold, ranging from 1.704 to 0.094 oz/ton. Base metal assays report up to 13.97% zinc, and 1.33% lead. Mineralization is present as both boulders and outcrop in an area 50 by 60 meters in size. Three outcrop samples have been collected, returning 172, 4,400 and 5,400 ppb gold.

Area D is the site of the original prospecting discovery, comprising an extensive area of sulphide-rich boulders and mineralization in outcrop. Average assay grade based on 41 samples is 0.194 oz/ton gold, ranging from 0.495 to 0.040 oz/ton. Seven zinc assays average 1.71%. Mineralization is present both within outcrop and float throughout an area 160 by 80 meters in size. Four shallow trenches have been blasted and sampled in a 20 by 11 meter mineralized outcrop, the best assay results from which was 0.171 ounces per ton gold over 6.0 meters.

Area E is a 320 by 110 meter concentration of mineralized boulders and isolated mineralized outcrops. Forty-nine samples fire assayed for gold average 0.225 oz/ton, ranging from 0.920 to 0.050 oz/ton. The average zinc grade, based on 41 assays, is 5.04%. Zinc assays values are up to 15.85%, while lead assays are up to 11.87% and copper up to 2.85%. Target E is also of interest owing to its high reported silver values, averaging 9.06 oz/ton from 29 samples. Fourteen shallow trenches either failed to expose mineralization or obtained values from 40 to 7,400 ppb gold across sample lengths of 1.0 meter. A single sample in the middle of the area returned 0.344 ounces per ton gold in assay, across 1.0 meter.

Area F is a bedrock exposure of a "bedding-parallel vein", 210 meters long and up to 50 centimeters thick. Mineralization consists of sphalerite, galena, and tetrahedrite in a dense silicified "vein". The mineralized "vein" appears to be folded with the surrounding country rock. A very limited amount of sampling has

been undertaken, with assay results reporting up to 0.114 ounces per ton gold.

In addition to the previously mentioned targets, several other boulder trains, isolated boulder occurrences and geophysical anomalies are present on the Metla Property which are as yet untested.

Mineralogy

Petrographic examination of mineralized samples (McLeod, 1990), collected during the 1988 and 1989 field programs, has identified the following ore minerals:

Pyrite	Arsenopyrite	Sphalerite	Chalcopyrite
Galena	Tetrahedrite	Magnetite	Hematite
Gold/Electrum	Boulangerite	Bournonite	Stibnite

Pyrite, sphalerite, galena, and chalcopyrite are abundant. Arsenopyrite, Magnetite, hematite and tetrahedrite are at minor levels of abundance, and gold, boulangerite, bounonite and stibnite occur at trace levels.

Mineralization tends to be coarse to medium-grained, frequently massive to semi-massive in habit, with little by way of mineralogical banding, fabric or compositional variation.

Sampling and Assay Proceedures

During the course of grid-controlled prospecting and mapping, rusty boulders were located and plotted on 1:500 geology plans. Only a small fraction of the total number of boulders present in any one area were mapped and sampled, as the numbers involved would be prohibitive. Boulder dimensions were noted, as was apparent mineralogy and rock association. Smaller float boulders were sampled in their entirety, larger boulders sampled so as to collect a reasonably representative chip or edge sample. Some boulders were also sawn with a rock saw, and an off-cut submitted.

In addition to the float samples, outcrop exposures of sulphide mineralization were cleared of overburden, Cobra drilled, blasted and trenched so as to expose fresh, unweathered rock for chip channel sampling. A total of eighteen trenches in two mineralized areas have been completed.

Rock samples were collected into 20 x 30 cm. plastic sample bags and shipped to the Cominco Research Laboratory at 1486 East Pender Street, Vancouver, B.C. Rock samples were then crushed, split and pulverized to -200 mesh in preparation for analysis. All samples were analyzed by "rock geochemical methods" for gold (5 gram subsample, solvent extraction, AA finish), silver, lead, zinc, and

copper (0.5 gram sample, AA analysis). Additional analyses for total iron (by wet assay) were performed on samples collected in 1989. Subsequent to the geochemical analytical screening, fire assays were performed for those samples exceeding 2,000 ppb (parts per billion) gold and 50 ppm (parts per million) silver. All gold and silver assays are done on a half-ton assay equivalent by fire assay with a gravimetric finish. Certificates of Assay have been signed by a Certified Assayer for the Province of British Columbia. Additional assays were performed for zinc, lead and copper on selected samples which had indicated "ore grades" based on first pass geochemical analysis. In general, assay values for gold and silver are slightly higher than that predicted by the geochemical analyses, while zinc and lead assays are lower than indicated by the geochemical technique. Too few copper assays were done to make a valid comparison.

Results

As a result of the sampling methods and subsequent analytical procedures, it is evident that only obviously mineralized material has been sampled and analyzed (by rock geochemical techniques), and that a limited number of samples have been taken from barren or low grade country rock. Also, only higher grade samples have been subsequently assayed. Such being the case, reported analytical and assay values may be taken as an indication of the scope and range of grades which might be expected should subsequent exploration diamond drilling successfully locate the bedrock source(s).

The following table summarize the results of the 1989 and 1990 assays for the six target areas, A to F, where the grade is an arithmetic average and # is the number of sample assays done:

AREA	GOLD oz/t	#	SILVER oz/t	#	Zinc %	#	Lead %	#
A	0.632	20	1.977	5	4.28	4	1.40	2
B	0.271	32	3.209	11	4.65	7	2.06	5
C	0.274	11	4.014	8	9.73	6	1.33	1
D	0.194	41	1.890	13	1.71	7	1.22	3
E	0.225	49	9.058	29	5.04	41	3.95	25
F	0.114	2	2.600	6				

Too few copper assays were done to permit a reliable average to be calculated. Three have been done, one from area A reporting 2.06%, and two from area E reporting 2.85% and 29.10%.

Iron assays are of interest as they present a fair estimate of the high sulphide content of the samples.

AREA	A	B	C	D	E
AVERAGE FE %	26.0	18.2	22.4	17.1	26.6
RANGE %	18.0 - 37.6	3.7 - 28.6	12.9 - 27.7	6.0 - 30.7	2.22 - 53.0
NO. OF SAMPLES	34	51	28	103	123

A review of the analytical results, by area, is summarized as follows:

AREA A

ELEMENT		AVERAGE	RANGE
Gold	ppb	10,722	<10 to 68,000
Silver	ppm	32.3	0.40 to 90.4
Zinc	ppm	7,638	27 to 84,000
Lead	ppm	1,752	<4 to 19,900
Copper	ppm	2,808	12 to 40,900

A total of 34 samples were collected and analyzed by rock geochemical methods from Area A.

AREA B

ELEMENT		AVERAGE	RANGE
Gold	ppb	6,011	<10 to 21200
Silver	ppm	33.2	0.4 to 288
Zinc	ppm	14,667	25 to 144,000
Lead	ppm	4,682	<4 to 92,500
Copper	ppm	3,082	36 to 40,900

A total of 51 samples were collected and analyzed by rock geochemical methods from Area B.

AREA C

ELEMENT		AVERAGE	RANGE
Gold	ppb	3,381	<10 to 41,600
Silver	ppm	53.3	2.5 to 242.5
Zinc	ppm	45,434	78 to 135,000
Lead	ppm	3,171	33 to 37,100
Copper	ppm	1,608	46 to 13,900

A total of 28 samples were collected and analyzed by rock geochemical methods from Area C.

AREA D

ELEMENT		AVERAGE	RANGE
Gold	ppb	3,089	<10 to 18,260
Silver	ppm	23.4	<0.4 to 133
Zinc	ppm	9,284	28 to 83,000
Lead	ppm	2,633	9 to 32,800
Copper	ppm	863	10 to 6,220

A total of 103 samples were collected and analyzed by rock geochemical methods from Area D.

AREA E

ELEMENT		AVERAGE	RANGE
Gold	ppb	3,528	<10 to 28,400
Silver	ppm	98.5	0.6 to 1,675
Zinc	ppm	21,945	26 to 143,000
Lead	ppm	12,377	7 to 126,500
Copper	ppm	4,049	20 to 293,000

A total of 123 samples were collected and analyzed by rock geochemical methods from Area E. With respect to the average copper, this value is strongly biased by a single high analysis. Removal of the 293,000 ppm value reduces the arithmetic copper content to 1,681 ppm.

AREA F

ELEMENT		AVERAGE	RANGE
Gold	ppb	1,475	136 to 3,000
Silver	ppm	52.7	6.4 to 95.4
Zinc	ppm	58,145	3,890 to 120,000
Lead	ppm	44,181	845 to 92,500
Copper	ppm	627	57 to 1,300

A total of 11 samples were collected and analyzed by rock geochemical methods from Area F.

GEOPHYSICAL SURVEYS

During the 1990 field programme, ground Horizontal Loop Electromagnetic (HLEM) and Magnetic (Mag) grid surveys, totalling 16.3 and 14.1 kilometres respectively, were completed by in-house geophysicists employed by Cominco Ltd. The purpose of these surveys was to test for anomalies which may be attributed to bedrock sources of the massive sulphide float present in the grid area. Results of these surveys are discussed in an internal Cominco report (Jackisch, 1991). The geophysical data has subsequently been reviewed by the writer (JDB).

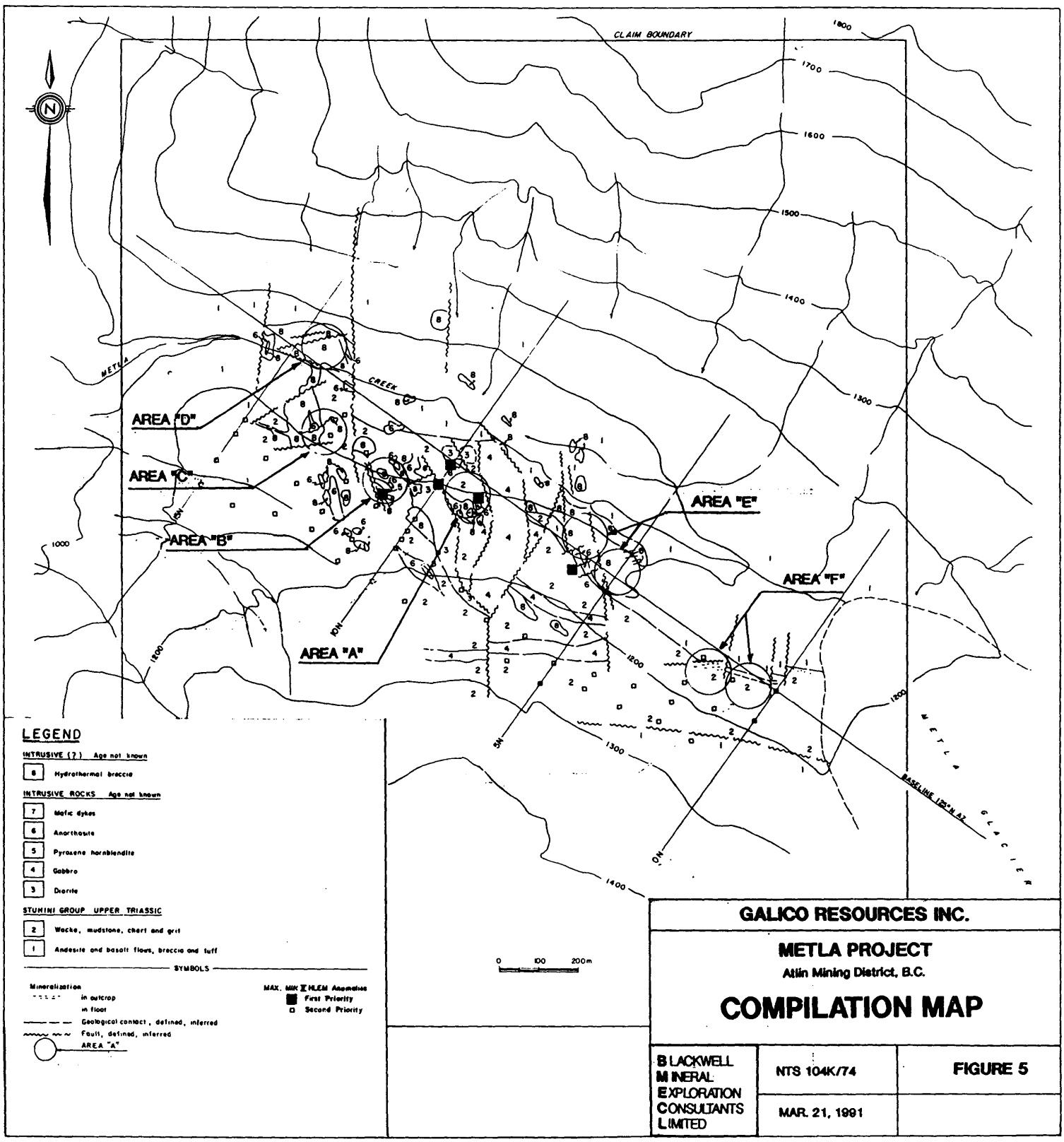
HLEM surveys utilized a Max-Min II system, manufactured by Apex Parametrics Ltd. Frequencies measured include 444, 1777, and 3555 Hz. First pass grid coverage employed a 45 meter cable separation. Additional detailed surveys were run over the anomalous area at a 25 meter cable separation. Survey line spacing is 100 meters distant. The larger cable separation may be considered to have an effective penetration depth of at least 22 meters.

Magnetics surveys were carried out using an Omni IV base station, an Omni Plus gradiometer mag, and an Omni Plus total field mag, manufactured by EDA Ltd. Magnetic gradient measurements were limited to the main showing area.

HLEM profiles reveal a number of moderate to weak anomalies. Based upon a review of the survey results by the writer (JDB), it appears that these anomalies may be subdivided into two categories:

1) Near surface, single line anomalies, situated within areas of known mineralization.

2) Relatively shallow, multiple line anomalies, situated outside areas of known mineralization.



LEGEND

INTRUSIVE (?) Age not known

8 Hydrothermal breccia

INTRUSIVE ROCKS Age not known

7 Mafic dykes

6 Anorthosite

5 Pyroxene hornblendite

4 Gabbro

3 Diorite

STUHINI GROUP UPPER TRIASSIC

2 Wacke, mudstone, chert and grit

1 Andesite and basalt flows, breccia and tuff

SYMBOLS

Mineralization — in outcrop; in float

Geological contact, defined, inferred

Fault, defined, inferred

AREA "A"

MAX. MK II HLEM Anomalies — First Priority; Second Priority

GALICO RESOURCES INC.

METLA PROJECT

Atlin Mining District, B.C.

COMPILATION MAP

BLACKWELL MINERAL EXPLORATION CONSULTANTS LIMITED	NTS 104K/74	FIGURE 5
	MAR. 21, 1991	

Five category 1 anomalies appear to be present (Figure 5), three in Area A, one in Area B, and one in Area E. No category 1 anomalies are present in Area C, D or F. The anomaly associated with Area B is the best conductivity-thickness response obtained on the survey grid (29 mhos at 444 Hz, 25 meter cable spacing, as interpreted by Cominco). This category 1 anomaly presents a high priority drill target. Anomalies detected in the A and E areas are of diminished response compared to the B anomaly; however, owing to their favourable location within an highly prospective area, are similarly ranked as high priority anomalies for subsequent testing by diamond drilling.

Numerous category 2 anomalies are present, particularly in the southwestern half of the grid area. These may be attributed to rock stratigraphic units, possibly graphitic sedimentary rocks. Line to line correlation of the anomalies is uncertain owing to both the weak nature of the anomalies, and in some instances geological constraints. Should any of these anomalies be the result of sulphide mineralization associated with graphite, it is unlikely that the survey instruments used by Cominco would be able to detect this change. Additional surveys, possibly Induced Polarization (I.P.), are required to further evaluate this type of HLEM response.

Several category 2 anomalies are deemed worthy of follow-up evaluation. Four weak responses extend up-ice from Area A, and are of interest owing to this favourable location. Two weak anomalies are similarly located at Area C, and are of possible interest. Three weak anomalies are present coincident with the outcropping mineralized zone in Area F. This area is rich in sphalerite mineralization, with little pyrite, making the zone an unlikely candidate for detection by electromagnetic methods.

The magnetic data gathered over the grid area has been only superficially examined to date. The data has been interpreted from line profile plots. Conventional contoured format has not been done owing to the presence of erratic station-to-station readings attributed to the surface rubble of magnetic, mineralized float. Magnetic relief over the property is high. Rock units such as diorite, gabbro and pyroxenite possess moderate to strong magnetic signatures, and are well mapped by magnetic survey methods. Based on a preliminary review, it appears that several category 2 HLEM anomalies present in the southwest corner of the grid possess coincident magnetic anomalies. The source or cause of these anomalies is not known.

It is anticipated that additional examination of the geophysical data gathered thus far will add to the knowledge of the property. In particular, computer-enhanced treatment of the magnetic data is required, followed by a careful comparison to the HLEM data, cross-referenced to the geological maps.

It is probable that employing HLEM survey techniques at Metla to the exclusion of other sulphide mineralization-detecting methods such as I.P., is of dubious merit. New geophysical surveys, using I.P., will provide additional target information on the HLEM anomalies detected to date, and may also detect both deeper zones of mineralization and zones rich in sphalerite.

RECOMMENDATIONS

The Metla Property is considered to be a promising exploration target for gold, silver and base metal mineralization. Previous work by Cominco Ltd. has successfully identified at least six areas of mineralization, in both float and outcrop, containing low to exceptionally high grade massive to disseminated sulphide mineralization. Several geophysical anomalies have been detected, the presence of which may be owing to bedrock mineralization. Other areas of mineralized float and additional geophysical anomalies of unknown origin are known to exist, but remain to be evaluated.

Considerable surface work has been undertaken by the previous owner, such that little by way of preliminary exploration is required save I.P. geophysical surveys and diamond drilling. Diamond drill targets exist in all six mineralized areas, and each merits drilling. As much of the property remains neither geologically mapped or prospected, both are required to further the understanding of the property geology, and to test for new areas worthy of additional exploration.

A three phase exploration programme is recommended to explore the Metla Property. Phase I would consist of a minimum 850 meters diamond drilling, ground I.P. surveying, plus geological mapping and prospecting. Estimated costs are $250,000.

Phase II would consist of additional diamond drill follow-up of mineralization encountered by the Phase I campaign, plus first pass testing of new targets generated by the additional ground surveys. Estimated costs are $300,000.

Contingent upon successful completion of Phases I and II, resulting in the location of mineralization of possible economic merit, a Phase III programme of in-fill diamond drilling will be warranted. Estimated costs are an additional $550,000.

CONCLUSIONS

The Metla Property is located 25 kilometres northwest of the Golden Bear Mine, in the Telegraph Creek region of northwestern British Columbia. Previous exploration has resulted in the discovery of six areas of gold-bearing sulphide-rich mineralization in float and outcrop. The overall area of interest is approximately 1700 meters long by 300 meters wide, spanning 200 meters elevation. The mineralized areas are as yet untested by diamond drilling, and are regarded to be promising exploration targets.

The areas of interest are underlain by volcanic and sedimentary rocks of the Triassic Stuhini Group. Numerous plugs and stocks of intrusive gabbro, diorite and pyroxenite outcrop within the zone. Hydrothermal breccia bodies, containing highly altered fragments of country rock in a fuchsite-carbonate matrix, cross-cut all major rock formations. The breccia bodies appear to host sulphide mineralization, and are notably most sulphide-rich along their margins. This style of mineralization has not been previously reported in the region.

Detailed prospecting and trenching has located mineralization in outcrop at several of these locations. Mineralization in both outcrop and float is characterized by low to high grade gold and silver associated with moderate to high zinc, lead and copper values. The mineralized float is thought to be locally derived and to represent more than one source. Horizontal loop EM (HLEM) and magnetometer surveys have detected five high priority conductors coincident with two of the six targets, the cause of which may be due to bedrock sulphide mineralization.

In addition to the previously mentioned targets, other boulder trains and numerous geophysical anomalies are present on the Metla Property which are as yet untested.

Based on the abundance and grades of the mineralized rock found to date, and the high quality of the existing geological database, the Metla Property is recommended for a programme of diamond drilling, geophysical surveying, geological mapping and prospecting.

A three phase exploration programme is recommended to explore the Metla Property. Phase I would consist of a minimum 850 meters diamond drilling, ground I.P. surveying, plus geological mapping and prospecting. Estimated costs are $250,000. This programme, when completed, will have tested only a minor portion of the mineralized area, and additional step-out drilling may be required.

BUDGET ESTIMATES

Phase I

Geological Mapping & Prospecting		$ 6,000
Geophysical Surveys (10 km @ $1200/km)		12,000
Assays & Analyses		8,000
Communications		2,000
Diamond Drilling (850m @ $100/m)		85,000
Transportation		35,000
Domicile Camp Construction	$15,000	
Support 345 mandays @ $115/d):	$40,000	55,000
G.S.T.		14,000
		$217,000
Management Fee @ 15%		33,000
Total Estimated Phase I Expenditures		$250,000

Phase II

Assays & Analyses	$ 18,000
Communications	1,000
Diamond Drilling (1,600m @ $100/m)	180,000
Transportation	24,000
Domicile (180 mandays @ $115)	21,000
G.S.T.	17,000
	$261,000
Management Fee @ 15%	39,000
Total Estimated Phase II Expenditure	$300,000

Phase III

Assays & Analyses	$ 30,000
Communications	2,000
Diamond Drilling (3,000m @ $105/m)	315,000
Transportation	50,000
Domicile (360 mandays @ $115)	41,000
Contingencies	10,000
G.S.T.	31,000
	$479,000
Management Fee @ 15%	71,000
Total Estimated Phase III Expenditure	$550,000

Phase II would consist of additional diamond drill follow-up of mineralization encountered by the Phase I campaign, plus first pass testing of new targets generated by the additional ground surveys. Estimated costs are $300,000.

Contingent upon successful completion of Phases I and II, resulting in the location of mineralization of possible economic merit, a Phase III programme of in-fill diamond drilling will be warranted. Estimated costs are an additional $550,000.

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STATEMENT OF QUALIFICATIONS

I, A. Bruce Mawer, of the Municipality of North Vancouver, British Columbia, hereby certify that:

1. I am a Senior Geologist with Cominco Limited, with a business address at 700-409 Granville Street, Vancouver, B.C. V6C 1T2;

2. I have practised my profession in mineral exploration continuously for the past 47 years, as a Prospector and Exploration Geologist with Cominco Ltd.;

3. I am a Fellow of The Geological Association of Canada;

4. I am a Member of the Canadian Institute of Mining and Metallurgy;

5. I have examined this document titled "Qualifying Report on The Metla Property, Atlin Mining Division, British Columbia," by J.D. Blackwell, and verify that its factual content is consistent with the observations made and the results obtained by Cominco Ltd. staff and recorded in the information and data supplied by Cominco Ltd. to the author;

6. I have personally supervised and directed the on-site exploration programmes on behalf of Cominco Limited during 1988, 1989 and 1990, and am the author of various reports listed in the bibliography, and I am personally familiar with the geology and results of these programmes;

7. I have not received, nor do I expect to receive any direct or indirect interest in the Metla mineral Claim;

8. I have not received, nor do I expect to receive any direct or indirect interest or securities in Galico Resources Inc.;

9. I am an employee of Cominco Limited, a signee of an Exploration Agreement with Galico Resources Inc., a consequence of which will result in the acquisition by Cominco Ltd. of 150,000 free-trading shares of Galico Resources Inc., and options to acquire an additional 150,000 shares during a specified period of the agreement;

A.B. Mawer

A.B. Mawer
F.G.A.C.

Dated at Vancouver, British Columbia, this 22nd day of March, 1991.

STATEMENT OF QUALIFICATIONS

I, Jerry D. Blackwell, of the Village of Lions Bay, British Columbia, hereby certify that:

1. I am a consulting geologist with a business address at 253 Stewart Road, Lions Bay, British Columbia, V0N 2E0;

2. I am a graduate of The University of Western Ontario, in City of London, in the Province of Ontario, with an Honours B.Sc. in Geology (1974);

3. I have practised my profession in mineral exploration continuously for the past 17 years, including 14 years as an Exploration Geologist with Cominco Ltd. and for 3 years as a Consulting Geologist;

4. I am a Fellow of The Geological Association of Canada;

5. I have based this document titled "Qualifying Report on The Metla Property, Atlin Mining Division, British Columbia" upon a thorough review of information and data supplied by Cominco Limited, as well as sources listed in the bibliography, I have not visited the property;

6. I am the author of the titled report, and the recommendations herein are solely the responsibility of the author;

7. I have not received, nor do I expect to receive any direct or indirect interest in the Metla mineral Claim;

8. I have not received, nor do I expect to receive any direct or indirect interest or securities in Galico Resources Inc.;

9. I consent to the use of this report, and my name, by Galico Resources Inc. in the Company's Prospectus, Statement of Material Facts, or other public documents.

J. Blackwell

J. Blackwell
B.Sc.,F.G.A.C.

Dated at Vancouver, British Columbia, this 22nd day of March, 1991.