

Mitzi  
885447

**ACTIVITY:**

Seven mineral notices of work were received for 1992 programs, and a mild winter has prompted 24 placer operations to file notices of work.

Mitzi

1. Diamond drilling is underway at the **Mitzi** property where 15 holes are proposed. **Noranda** is the project manager with **Alban Exploration Ltd.** (heavily funded by **Placer Dome**) earning a 50 per cent interest by incurring exploration costs. A heavy snow pack is reported in the **Omineca** and other spring programs may be delayed.

Wingdam

2. Serious problems have developed at the **Wingdam** underground placer project where **Goldridge Resources** is attempting to mine a rich buried channel of **Lightening Creek**. After a significant dewatering program, the first attempt at accessing the gravels via a bedrock decline resulted in an unmanageable surge of fluviatile "muck". This isn't the first time an operator has attempted to access these gravels from below, and, as in previous efforts, the pay zone continues to elude extraction.

PAR

3. **Cominco** will drill 18 holes this season on the **Par** property (formerly the **Beveley**) located 35 km northeast of **Germansen Landing**. **Pb-Zn-Ba** mineralization is hosted with **Silurian-Devonian** carbonates of the **Sandpile/McDame Group**. **Cominco** has staked a considerable amount of ground in the area, and this program is relatively large for **Cominco** suggesting they had considerable success with the 1991 trenching program. **Fil Ferri** mapped this region last year.

4. **Alpha Gold Corp.** picked up additional claims near the **Lustdust** property where in 1991 of the following drill intersections where reported:

January 92 Report B Madu.

TGS → MM 100

mm100  
885448  
104A/4W

Report on

**THE MM GROUPS OF CLAIMS**

at Stewart, British Columbia

Skeena Mining Division

NTS 104A/4W; 103P/13W

For:

**PRIME EQUITIES INTERNATIONAL CORP.**

By:

**Egil Livgard, P.Eng.  
Livgard Consultants  
and  
George Cavey, P.Geo.  
Orequest Consultants Ltd.**

Vancouver, B.C.

March 1st, 1994

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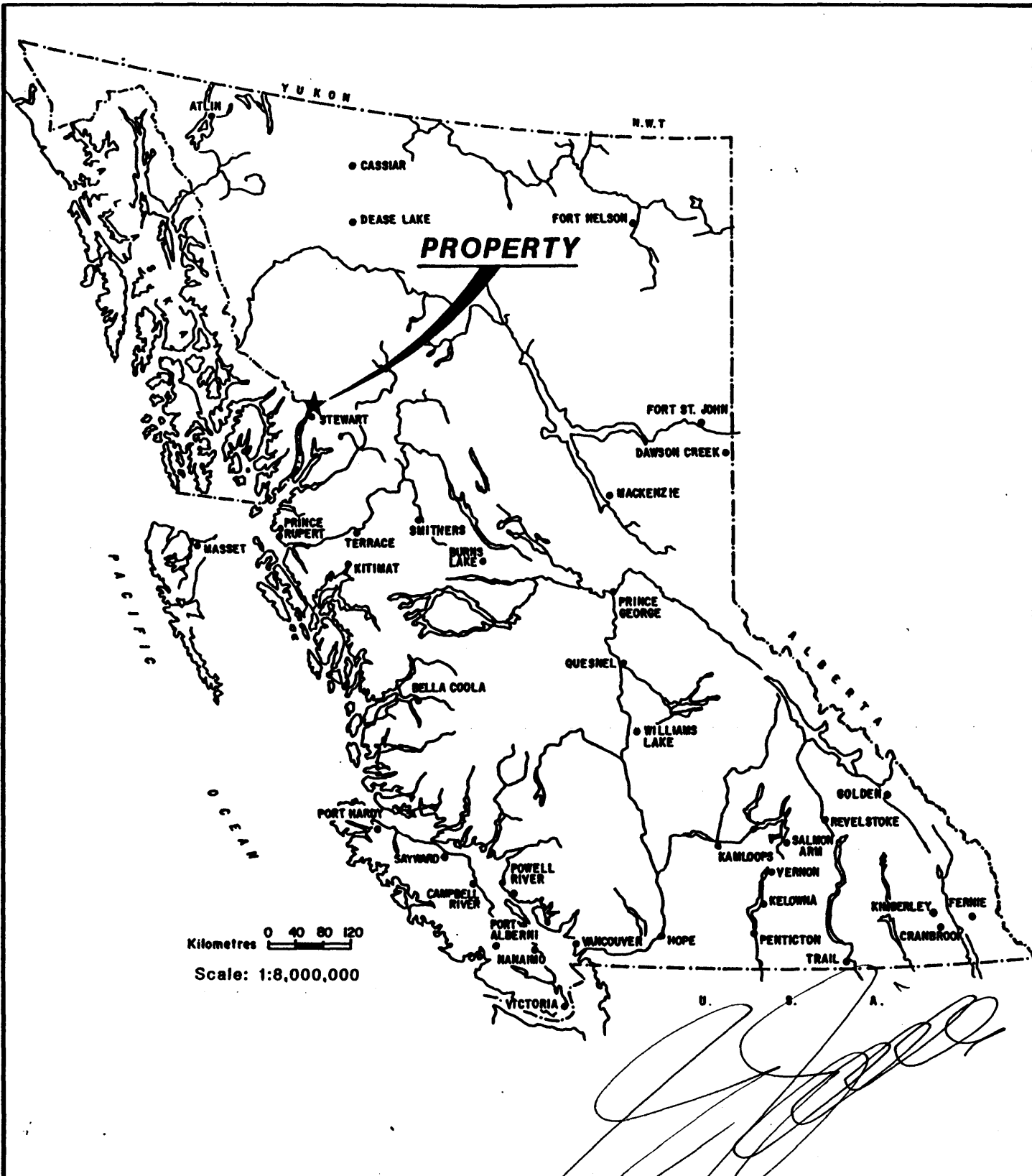
## SUMMARY

The MM Claim groups consist of 200 contiguous units located in the Skeena Mining Division about 10 kilometres northeast of Stewart, B.C. The claims cover a triangular area between the Bear River and Bitter Creek and extend five kilometres up Bitter Creek. The terrain is fairly rugged with some particularly steep hills south of Bitter Creek.

Numerous mineral deposits have been located in the Stewart area in the past 100 years. These are found mainly in rocks of the Hazelton Group of Lower Jurassic and perhaps Triassic age. The mineral deposits usually carry silver-lead-zinc-gold or gold-copper-silver-lead-zinc. The rocks on the claim ground are volcanics and sediments of the Hazelton Group which have been intruded by numerous dykes of the Portland Canal dyke swarm. The dyke swarm appears to coalesce and forms the Bitter Creek Intrusive which consists of quartz diorite, quartz monzonite, granodiorite, diorite and can be equiangular or porphyritic. Mineralization is found in quartz veins, breccia veins, stockworks and breccia zones, preferably where these cross intrusive bodies or dykes.

From the exploration the past 100 years, 12 main showings or mineralized areas are known on the property. These are:

Stewart Central	Au
Mayflower	Ag - Au - Pb - Zn
Victoria	Ag - Au - Pb - Zn
Silver Ledge	Ag - Au - Pb - Zn
Tyee	Au - Ag
Superior	Ag
Gold Bar	Au
Little Pat	W
Quartz Reef Vein	?
Ben Ali	Au - Ag - Pb - Zn
Emperor	Ag - Au - Pb - Zn
Victoria Creek East	Au



<b>PRIME EQUITIES INTERNATIONAL CORP.</b>		
<b>MM GROUPS OF CLAIMS</b> SKEENA MINING DIVISION, B. C.		
<b>LOCATION MAP</b>		
<b>LIVGARD CONSULTANTS</b>		
<b>DATE:</b> MARCH, 1994	<b>SCALE:</b> 1 : 8,000,000	<b>FIGURE:</b> 1

Of these, seven have been explored underground and three or four have shipped ore. Two of these are of particular interest. The Emperor vein reaches widths of up to 10 metres. It strikes northerly and is reported to carry good mineralization where it intersects intrusive bodies or dykes.

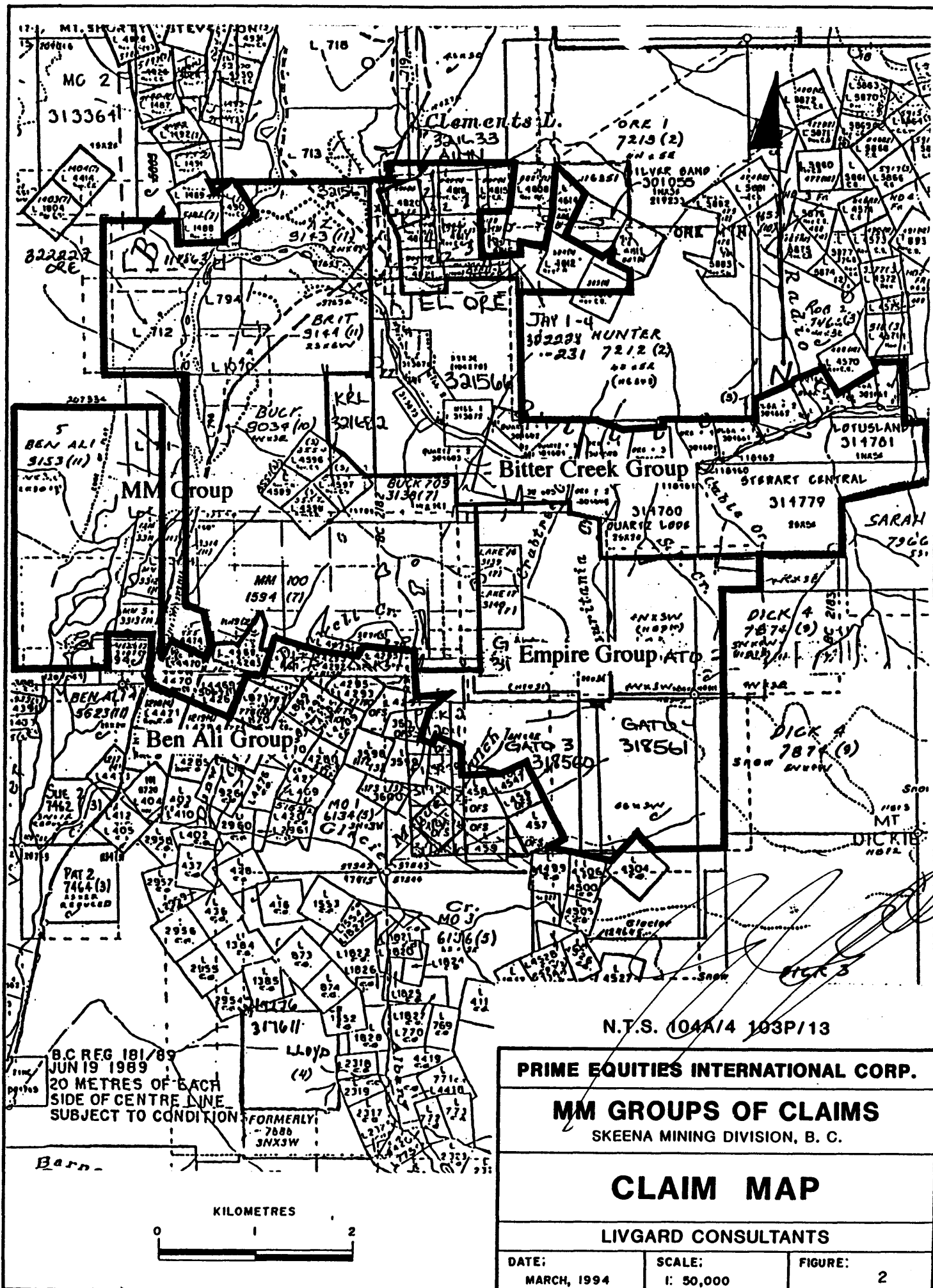
The Victoria Creek East was extensively explored in 1990-91 by geological mapping, geochemical and geophysical surveying, and diamond drilling. The work outlined a large area of strong hydrothermal silicification which carried wide anomalous values and narrow high grade values in gold.

The property appears to be very favourably located as it covers rocks of the Hazelton Group where the northeast-striking Portland Canal fissure zone, which contains numerous showings, intersects the Portland Canal dyke swarm which in itself is considered favourable. Past exploration has also located many faults and veins striking northerly.

The writers therefore concludes that a substantial exploration program is warranted. The writers recommend an exploration program in two stages costing \$260,000 in the first stage and \$237,000 in the second stage. The exploration program would consist of airborne geophysical surveying, geological mapping, ground geophysics and geochemistry followed by 1,200 metres of drilling in the first stage and 2,400 metres of drilling in the second stage.

## INTRODUCTION

The writers were asked by Mr. Lindsay Bottomer, Vice President Exploration of Prime Equities International Corp., to prepare a report on certain claims in the Skeena Mining Division near Stewart, B.C. The claims in question were optioned from KRL Resources Corp. and are designated the MM Groups of claims. Mr. E. Livgard, P.Eng. (Geol.) has not been on the claim ground, but is familiar with the area through work on other nearby claim groups. Mr. George Cavey, P.Geo. is familiar with the ground having examined parts of the claim ground several times in the past and written a report on the core group of claims dated July 5th, 1987.



MC 2  
313364

Clements  
321133

ORE 1  
7219 (2)

BRIT  
3144 (1)  
2566W

JAY 1-4  
302234 HUNTER  
231 7212 (2)  
40 022  
(4660)

BEN ALI  
3153 (11)

MM Group

Bitter Creek Group

STUART CENTRAL  
314779

SARAH  
7966

Empire Group

Ben Ali Group

GATL  
318561

DICK 4  
7874 (9)

B.C. REG 181/89  
JUN 19 1989  
20 METRES OF EACH  
SIDE OF CENTRE LINE  
SUBJECT TO CONDITION

FORMERLY  
7086  
SNX3W

N.T.S. 104A/4 103P/13

PRIME EQUITIES INTERNATIONAL CORP.

MM GROUPS OF CLAIMS

SKEENA MINING DIVISION, B. C.

CLAIM MAP

LIVGARD CONSULTANTS

DATE: MARCH, 1994	SCALE: 1: 50,000	FIGURE: 2
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This report is based on parts of the references as listed, on the writers' familiarity with the area, and on Mr. George Cavey's examinations of parts of the property.

The report can be used by the company in submissions to the Vancouver Stock Exchange and the Superintendent of Brokers.

## PROPERTY

Ben Ali and Bitter Creek groups (Javorsky option):

<u>Claim Name</u>	<u>Tenure #</u>	<u># of Units</u>	<u>Expiry Date</u>
Sunbeam Fraction	250637	1	Feb. 8, 1995
Ben Ali	251271	1	Jan. 2, 1995
Ben Ali #2	251272	1	Jan. 2, 1995
Quartz 1	304602	1	Sept. 28, 1994
Quartz 2	304603	1	Sept. 28, 1994
Quartz 3	304604	1	Sept. 28, 1994
Quartz 4	304605	1	Sept. 28, 1994
Olga 1	304661	1	Oct. 01, 1994
Olga 2	304662	1	Oct. 01, 1994
Olga 3	304663	1	Oct. 01, 1994
Olga 4	304664	1	Oct. 01, 1994
Olga 5	304665	1	Oct. 01, 1994
Ore 1	304598	1	Sept. 29, 1994
Ore 2	304599	1	Sept. 29, 1994
Ore 3	304600	1	Sept. 29, 1994
Ore 4	304601	1	Sept. 29, 1994
Tailings Pond	313871	1	Oct. 12, 1994
Mill 1	313872	1	Oct. 12, 1994
Mill 2	313873	1	Oct. 12, 1994
Quartz Lode	314780	4	Nov. 19, 1994
Lotusland	314781	5	Nov. 19, 1994
Stewart Central	314779	10	Nov. 19, 1994
El Ore	321566	15	Oct. 06, 1994
KRL	321682	2	Oct. 06, 1994
Tek	321567	<u>1</u>	Oct. 06, 1994
Total Units		56	

## MM group of claims:

<u>Claim Name</u>	<u>Tenure #</u>	<u># of Units</u>	<u>Expiry Date</u>
MM 2	251036	1	Nov. 23, 2001
MM 3	251037	1	Nov. 23, 2001
MM 5	251038	1	Nov. 23, 2001
MM 1 Fraction	251039	1	Nov. 24, 2001
MM 4 Fraction	251040	1	Nov. 24, 2001
MM 6 Fraction	251041	1	Nov. 24, 2001
Buck 709	250995	1	July 23, 2001
Lake 16	250996	1	July 23, 21001
Lake 17	250997	1	July 23, 2001
Buck	253239	12	Oct. 05, 2001
Dunwell 4 Fraction	251711	1	Mar. 09, 2001
MM 100	250741	18	July 11, 2001
Bulldog #3	253756	1	Mar. 22, 2001
Bulldog #2	253757	1	Mar. 22, 2001
Bulldog #1	253758	1	Mar. 22, 2001
Bulldog	253759	1	Mar. 22, 2001
Az	254348	12	Nov. 05, 2001
Brit	254349	12	Nov. 05, 2001
Ben Ali 5	254358	<u>18</u>	Nov. 25, 2001
	Total Units	<u>86</u>	

## Empire Group (claims staked on behalf of KRL Resources Corp. in 1993):

<u>Claim Name</u>	<u>Tenure #</u>	<u># of Units</u>	<u>Expiry Date</u>
Pick 1	319203	1	June 26, 1994
Pick 2	319204	1	June 26, 1994
Pick 3	319205	1	June 26, 1994
Pick 4	319206	1	June 26, 1994
Gato 1	318558	12	June 26, 1994
Gato 2	318559	9	June 26, 1994
Gato 3	318560	9	June 26, 1994
Gato 4	318561	9	June 26, 1994
Au #1	321633	<u>15</u>	Oct. 18, 1994
	Total Unit	<u>58</u>	

TOTAL NUMBER OF UNITS FOR ALL GROUPS - 200 UNITS

(Some claim units may in part overstate older claims)

To earn a 50% interest in the MM group of claims, Prime must pay cash of \$200,000 to KRL over three years, including \$40,000 upon regulatory approvals; spend a minimum of \$1,000,000 on exploration by December 31, 1996, of which a minimum of \$225,000 is committed in 1994; and issue 100,000 shares of Prime to KRL at the rate of 25,000 upon approval and 25,000 per year for each of the next three years. KRL is entitled to a net smelter return at various rates up to 3% on the property. (News Release, February 8th, 1994)

The claim units are all contiguous. Minor fractions of units near the southeast boundary are not contiguous, are of little value, and are not dealt with in this report. The expiry dates have been checked in the files of the Mining Recorder in Vancouver and found to be as noted above. The writers have no knowledge about any agreements regarding the claims, other than the News Release as noted. Claim posts near Bitter Creek bridge and along the claim line to Cunningham Lake were examined on December 16 and 17, 1993 by Mr. G. Nicholson, P. Geo., and appeared to be in accordance with regulations and that stated on claim affidavits. Legal title of the subject claims is beyond the scope of this report and should be obtained from the company or its solicitor.

## LOCATION AND ACCESS

The MM property is located in the Skeena Mining District as shown on N.T.S. Map Sheets 104A/4W and 103P/13W, approximately 10 kilometres north-northeast of the town of Stewart, British Columbia. The centre of the property lies at approximately 56°01'N latitude and 129°55'W longitude. Stewart, at the head of the Portland Canal, has been the focus of mining activity since 1900. The town is accessible by paved Highway 37A and by air. The MM property is located partly on the highway, however, rough topography to the east in the upper parts of the claim group makes access difficult. A road from the highway to the old Dunwell mine lies only 400 metres from the southern property boundary. The eastern part of the claim ground along Bitter Creek is only accessible on the north side of Bitter Creek via an old mining or logging road which is now partly overgrown. The south side of the creek is only accessible on foot or by helicopter after landing sites are cleared.

## TOPOGRAPHY AND CLIMATE

The property has rugged topography. Elevations range from about 50 metres above sea level in Bear River valley to 1,700 metres ASL in the southeast corner of the claims near the Cambria icefields. The north-facing slopes into Bitter Creek reach 30° and some cliffs are nearly vertical. In the centre of the MM-Empire claim ground an area covering about two square kilometres at an elevation between 760 and 820 metres ASL is relatively flat, with open meadows, small lakes, and open stands of timber. Heavy timber with tangled underbrush occurs on the lower reaches of the property making travel and prospecting difficult.

The climate is humid and coastal in character with heavy precipitation both summer and winter. The annual snowfall in Stewart averages between 350 and 500 centimetres. The length of time the snow will cover the ground is variable and very elevation dependent.

## HISTORY

The Stewart area is a major metal-mining district of the Canadian Cordillera. More than 50 properties in the area produced in excess of 5.6 million tons of gold-silver-lead-zinc ore between 1910 and 1968 (Grove, 1971). Presently, the area is enjoying active exploration for a number of deposit types.

The arrival of the first placer miners, followed by the "hard rock" prospectors, has been recorded in the Annual Reports of the British Columbia Minister of Mines, commencing with a brief note in 1898 concerning the staking of a gold-quartz claims on Bitter Creek. Numerous mineral claims were subsequently staked in the Glacier Creek-Bitter Creek area and a large part of the property was covered by Crown granted claims.

Activity and interest in the area waned after the late 1920's except for sporadic high grading operations, and most claims were allowed to lapse. There is no record of exploration in this area again until 1980 when most of the present claim area was staked by D. Hopper and

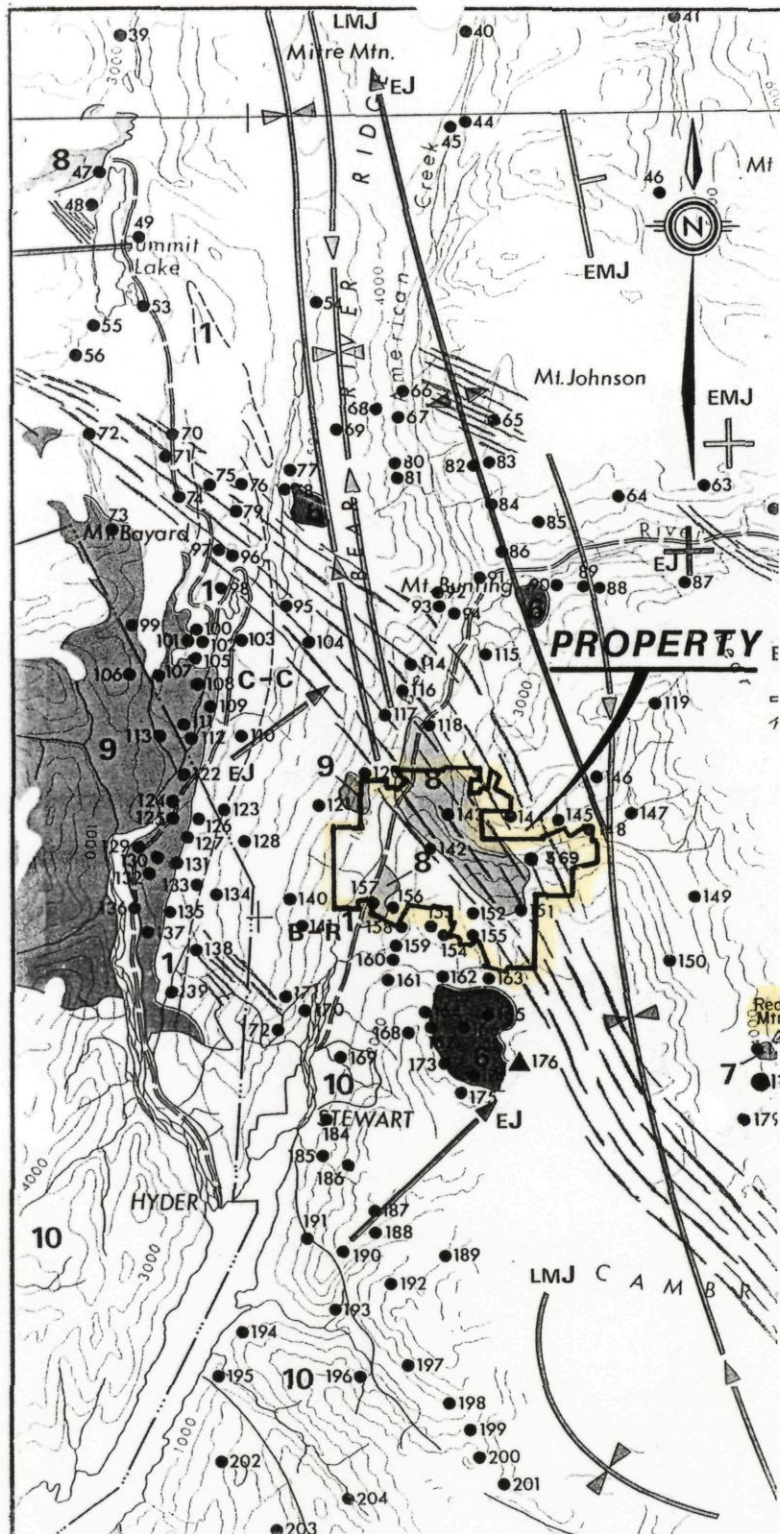
Associates and subsequently acquired by Kingdom Resources Ltd., a predecessor company of KRL Resources Corp.

A large amount of exploration has been carried out over the years in the Bitter Creek area. The majority of the effort was concentrated north and northeast of the subject claims on Ore Mountain, upper Radio Creek and in Roosevelt Creek. The Silver Adit in Roosevelt Creek produced a reported 5,000 tons. Work has been carried out on the subject claims mainly along the Bitter Creek road on the north side of the creek. Silt sampling in tributaries from the north and limited soil sampling has given very minor anomalous values.

On the south side of the creek on the subject property in a tributary named Cable Creek, quartz veins containing gold values were located about 1924 and the area was Crown granted as the S.D. claims in 1929. A report (M. Little, 1935) gives good gold values. Several companies held the ground up until the present time, but only limited rock trenching and minor cross-cutting appears to have been carried out in the early days. A trail was cut to the property on the south side of Bitter Creek, a distance of over 4.5 kilometres from the Bitter Creek bridge (MinFile 104A #139).

Further west about 500 metres southeast of the Bitter Creek bridge, some showings named Little Pat on the North side of the creek have been described as narrow fissure veins. On the southwest side of the creek are found the Gold Bar showings which consist of narrow quartz veins. Further west, high values in copper and silver were obtained in grab samples from narrow fractures.

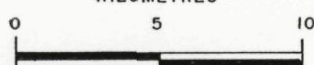
The Ben Ali group, which forms part of the property, has been extensively worked. It has been developed on four levels and a reported (J.W. Young, 1949, Ben Ali Mine, Portland Canal District, B.C.), 5,000 tons grading 0.6 oz per ton gold was mined and taken to the Dunwell mill. In 1979 the accessible underground workings were mapped and sampled. In 1987-89 the property was mapped and geochemically and geophysically (magnetic and VLF-electromagnetic) surveyed.



- LEGEND**
- QUATERNARY**  
 (11) PLATEAU BASALTS, BASALT FLOWS, CINDER CONES, ETC.
- INTRUSIVE ROCKS**  
 DYKE SWARMS
- TERTIARY**  
 OLIGOCENE AND YOUNGER (?)  
 (1) LAMPROPHYRE, BASALT AND ANDESITE DYKE SWARMS (ORIENTATION OF PATTERN INDICATES TYPE TRENDS)  
 EOCENE  
 (2) PORTLAND CANAL DYKE SWARM: GRANITE, QUARTZ MONZONITE, GRANODIORITE, EDUG, REGULAR TO PORPHYRYTIC  
 COAST PLUTONIC COMPLEX
- TERTIARY AND OLDER (?)**  
 (10) HYDER INTRUSIONS: GRANITIC ROCKS, QUARTZ DIORITE, GRANODIORITE, QUARTZ MONZONITE, LOCALLY FOLIATED AND/OR GNEISSIC, SOME GRANITIC MIGMATITE COMPLEXES, MINOR DIORITE AND GABBRO  
 (9) TEXAS CREEK INTRUSIONS: GRANODIORITE, QUARTZ DIORITE
- MIDDLE JURASSIC AND OLDER (?)**  
 (8) SATELLITE PLUTONS
- TERTIARY**  
 (8) DIVELLES CREEK INTRUSIONS: QUARTZ MONZONITE PORPHYRY, QUARTZ FELDSPAR PORPHYRY, QUARTZ DIORITE STOCKS, PLUGS, AND DYKES  
 (7) ALICE ARM INTRUSIONS: QUARTZ MONZONITE PORPHYRY, QUARTZ FELDSPAR PORPHYRY, QUARTZ DIORITE STOCKS, PLUGS, AND DYKES
- CRETACEOUS (?) AND/OR TERTIARY**  
 (6) GLACIER CREEK INTRUSIONS: AUGITE DIORITE, HORNBLende GRANODIORITE  
 (5) KITSALT INTRUSIONS: FELDSPAR PORPHYRY, AUGITE PORPHYRY, HORNBLende DIORITE
- MIDDLE JURASSIC**  
 (4) UNUK RIVER INTRUSIONS: GRANODIORITE, DIORITE, SYENODIORITE, MONZONITE, ALASKITE
- LOWER JURASSIC**  
 (3) UNUK RIVER INTRUSIONS: DIORITE, SYENOGABBRO, SYENITE
- TRIASSIC AND OLDER**  
 (2) UNUK RIVER INTRUSIONS: DIORITE, QUARTZ DIORITE, GRANODIORITE
- (1) MAJOR CATACLASITE ZONES (LATE LOWER JURASSIC)
- SOUTH UNUK ZONE ..... (S-U)  
 CASCADE CREEK ZONE ..... (C-C)  
 BEAR RIVER ZONE ..... (B-R)  
 MAPLE BAY ZONE ..... (M-B)

- SYMBOLS**
- GEOLOGICAL BOUNDARY: DEFINED, APPROXIMATE .....  
 SECONDARY ROAD .....  
 MAJOR FOLD STRUCTURES  
 ANTICLINE .....  
 SYNCLINE .....  
 GENERAL ATTITUDE .....  
 STRUCTURAL TREND .....  
 HORIZONTAL OR GENTLY TILTED .....  
 DIRECTION OF PLUNGE OF FOLDS .....  
 AGE OF MAJOR FOLDS  
 TRIASSIC ..... T .....  
 EARLY JURASSIC ..... EJ .....  
 EARLY MIDDLE JURASSIC ..... EMJ .....  
 LATE MIDDLE JURASSIC ..... LMJ .....  
 LATE JURASSIC ..... LJ .....

- MINERAL SHOWINGS:**
- |     |                  |                    |
|-----|------------------|--------------------|
| 142 | GOLD BAR 1       | Au                 |
| 143 | LITTLE PAT       | W, Au, Ag          |
| 148 | OLGA (HILL 60)   | Cu                 |
| 151 | GOLDIE           | Pb, Ag, Zn         |
| 152 | EMPIRE GROUP     | Zn, Ag, Pb, Au, Sb |
| 155 | RUTH AND FRANCIS | Au, Ag, Pb, Zn, Sb |
| 156 | BEN ALI          | Ag, Pb, Zn         |
| 157 | MAYFLOWER        | Pb, Zn             |
| 369 | STEWART CENTRAL  | Au                 |



178 RED MOUNTAIN DEPOSIT Au

**PRIME EQUITIES INTERNATIONAL CORP.**

**MM GROUPS OF CLAIMS**  
 SKEENA MINING DIVISION, B. C.

**GEOLOGICAL SETTING**

LIVGARD CONSULTANTS

DATE: MARCH, 1994	SCALE: 1:250,000	FIGURE: 3
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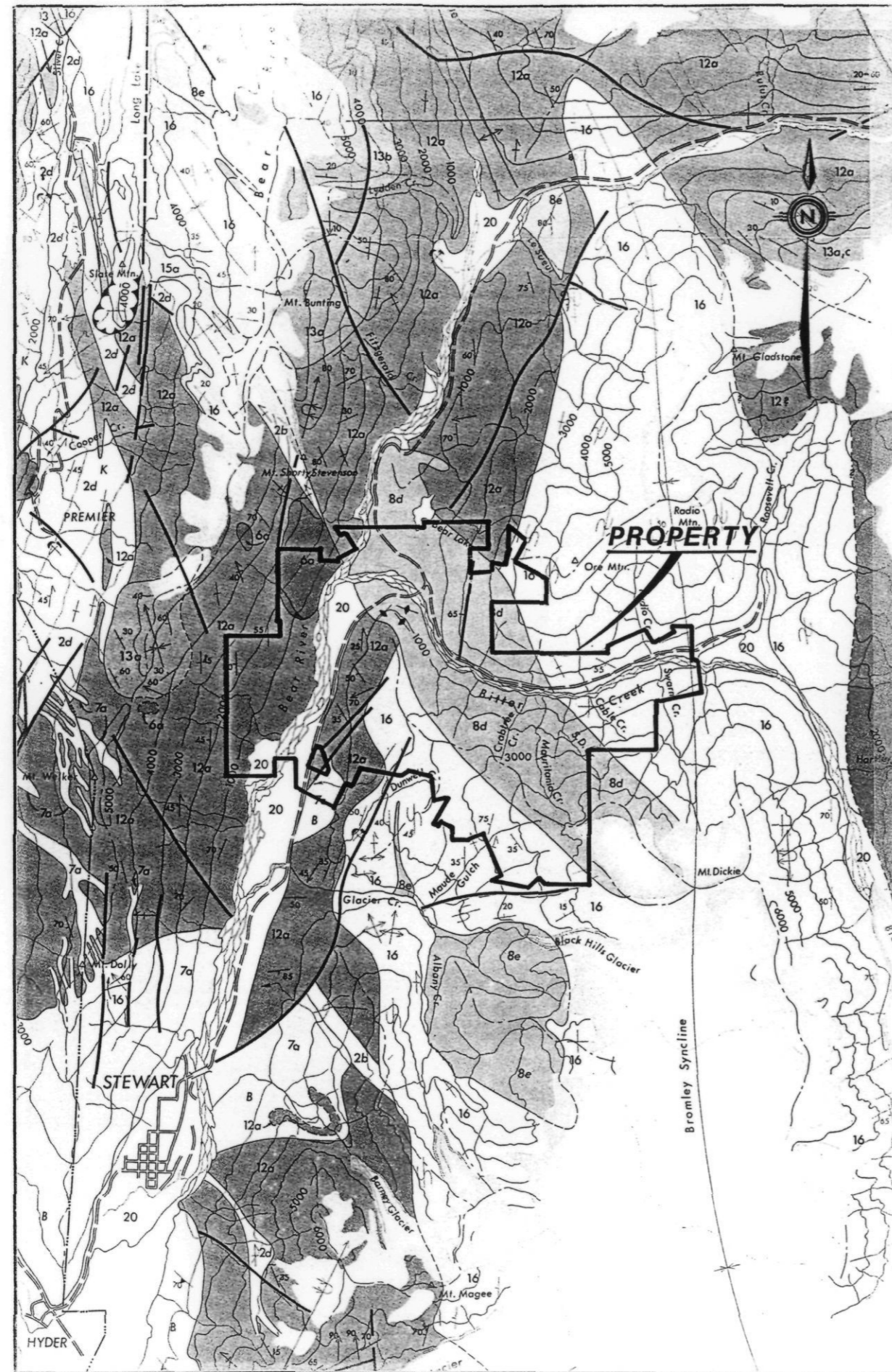
The central claim ground was extensively prospected in the past and several veins were explored on surface and in underground workings by various operators. These are the Tyee, Main Reef (Victoria), Mayflower, Dandy, Silver Ledge, Americus Girl, Olympic, Quartz Reef Vein, Gold Bar, and the Emperor. Recent exploration by Kingdom Resources Ltd. and KRL Resources Corp. (1983, 1990-91) consisted of airborne and ground geophysics (MAG and VLF-EM), soil surveying, geological mapping, and 1,848 metres of diamond drilling. This work mainly covered an area in the centre of the claim ground named Victoria Creek East.

In the immediate vicinity of the MM project, Lac Minerals Ltd. are continuing an aggressive exploration program on their Red Mountain project. The deposit, located approximately ten kilometres southeast of the MM project, has been actively drill tested since 1989. Lac has announced reserves of 2.5 million tonnes of 12.8 g gold and 38.1 g silver per tonne up to early 1993 (GAC Symposium, March 3rd, 1994). The deposit lies under the summit of Red Mountain, with altered andesitic volcanoclastic rocks, and altered feldspar porphyry and crystal tuffs. Mineralization consists of densely disseminated to Massive pyrite and/or pyrite stringers and veinlets, variable amounts of pyrrhotite and sphalerite, as well as minor chalcopyrite, arsenopyrite, galena, tetrahedrite and various tellurides. The high grade gold values are generally associated with semi-massive, coarse grained pyrite, as well as with pyrite stringers and veinlets. Gold occurs as native gold in electrum and in tellurides; visible gold is rare.

## **GEOLOGY**

### **REGIONAL GEOLOGY**

Rocks significant to the economic geology of the Stewart Mining Camp are Lower Jurassic and Triassic(?) Hazelton Group calc-alkaline volcanic and lesser sedimentary rocks, Tertiary alkaline granitic rocks and related dykes. Minor limestone and thin bedded siliceous sediments overlie the volcanic rocks and mark the end of volcanism.



**SEDIMENTARY AND VOLCANIC ROCKS**

- QUATERNARY RECENT**
- 20 UNCONSOLIDATED DEPOSITS; RIVER FLOODPLAIN, ESTUARINE, RIVER CHANNEL AND TERRACES, ALLUVIAL FANS, DELTAS AND BEACHES, OUTWASH, GLACIAL LAKE SEDIMENTS, TILL, PEAT, LANDSLIDES, VOLCANIC ASH, HOTSPRING DEPOSITS
  - 19 BASALT FLOWS (a), CINDERS, ASH (b)
- PLEISTOCENE AND RECENT**
- 18 BASALT FLOWS
- JURASSIC**
- HAZELTON GROUP**
- UPPER JURASSIC**
- NASS FORMATION**
- 17 SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, ARGILLITE, CONGLOMERATE, MINOR LIMESTONE, MINOR COAL (INCLUDING EQUIVALENT SHALE, PHYLLITE, AND SCHIST)
- MIDDLE JURASSIC**
- SALMON RIVER FORMATION**
- 16 SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, MINOR LIMESTONE, ARGILLITE, CONGLOMERATE, LITTORAL DEPOSITS
- BETTY CREEK FORMATION**
- 15 RHYOLITE, RHYOLITE BRECCIA; CRYSTAL AND LITHIC TUFF
  - 14 PILLOW LAVA, BROKEN PILLOW BRECCIA (a); ANDESITIC AND BASALTIC FLOWS (b)
  - 13 GREEN, RED, PURPLE, AND BLACK VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE, AND SILTSTONE (a); CRYSTAL AND LITHIC TUFF (b); SILTSTONE (c); MINOR CHERT AND LIMESTONE (INCLUDES SOME LAVA (+14)) (d)
- LOWER JURASSIC**
- UNUK RIVER FORMATION**
- 12 GREEN, RED, AND PURPLE VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE, AND SILTSTONE (a); CRYSTAL AND LITHIC TUFF (b); SANDSTONE (c); CONGLOMERATE (d); LIMESTONE (e); CHERT (f); MINOR COAL (g)
  - 11 PILLOW LAVA (a); VOLCANIC FLOWS (b)
- TRIASSIC**
- UPPER TRIASSIC**
- TAKLA GROUP (?)**
- 10 SILTSTONE, SANDSTONE, CONGLOMERATE (a); VOLCANIC SILTSTONE, SANDSTONE, CONGLOMERATE (b); AND SOME BRECCIA (c); CRYSTAL AND LITHIC TUFF (d); LIMESTONE (e)

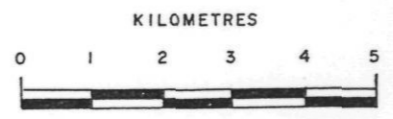
**PLUTONIC ROCKS**

- OLIGOCENE AND YOUNGER**
- 9 DYKES AND SILLS (SWARMS), DIORITE (a); QUARTZ DIORITE (b); GRANODIORITE (c); BASALT (d)
- Eocene (STOCKS, ETC.) AND OLDER**
- 8 QUARTZ DIORITE (a); GRANODIORITE (b); MONZONITE (c); QUARTZ MONZONITE (d); AUGITE DIORITE (e); FELDSPAR PORPHYRY (f)
  - 7 COAST PLUTONIC COMPLEX: GRANODIORITE (a); QUARTZ DIORITE (b); QUARTZ MONZONITE, SOME GRANITE (c); MIGMATITE - AGMATITE (d)

- JURASSIC**
- MIDDLE JURASSIC AND YOUNGER ?**
- 6 GRANODIORITE (a); DIORITE (b); SYENODIORITE (c); MONZONITE (d); ALASKITE (e)
- LOWER JURASSIC AND YOUNGER ?**
- 5 DIORITE (a); SYENOGABBRO (b); SYENITE (c)
- TRIASSIC**
- UPPER TRIASSIC AND YOUNGER ?**
- 4 DIORITE (a); QUARTZ DIORITE (b); GRANODIORITE (c)
- HORNBLENDE PREDOMINANT ..... H  
BIOTITE PREDOMINANT ..... B

- METAMORPHIC ROCKS**
- JURASSIC**
- 2 HORNFELS (a); PHYLLITE, SEMI-SCHIST, SCHIST (b); GNEISS (c); CATACLASITE, MYLONITE (d); TACTITE (e)

- SYMBOLS**
- ADIT .....
  - ANTICLINE (NORMAL, OVERTURNED) .....
  - BEDDING (HORIZONTAL, INCLINED, VERTICAL, CONTORTED) + + +
  - BOUNDARY MONUMENT .....
  - CONTOURS (INTERVAL 1,000 FEET) .....
  - FAULT (DEFINED, APPROXIMATE) .....
  - FAULT (THRUST) .....
  - FAULT MOVEMENT (APPARENT) .....
  - FOLD AXES, MINERAL LINEATION (HORIZONTAL, INCLINED) .....
  - FOSSIL LOCALITY .....
  - GEOLOGICAL CONTACT (DEFINED, APPROXIMATE) .....
  - GLACIAL STRIAE .....
  - GRAVEL, SAND, OR MUD .....
  - HEIGHT IN FEET ABOVE MEAN SEA LEVEL ..... +6234'
  - INTERNATIONAL BOUNDARY .....
  - JOINT SYSTEM (INCLINED, VERTICAL) .....
  - MARSH .....
  - MINING PROPERTY .....
  - RIDGE TOP .....
  - SCHISTOSITY (INCLINED, VERTICAL) .....
  - SYNCLINE (NORMAL, OVERTURNED) .....
  - TUNNEL .....



**PRIME EQUITIES INTERNATIONAL CORP.**

**MM GROUPS OF CLAIMS**

SKEENA MINING DIVISION, B. C.

**REGIONAL GEOLOGY**

LIVGARD CONSULTANTS

DATE:	SCALE:	FIGURE:
MARCH, 1994	1: 100,000	4



Metallogenesis of the Stewart area can be related to repeated cycles of volcanism, sedimentation, and plutonism. Base and precious metal enriched vein deposits are by far the most common form of economic mineralization located in major shear zones and dyke swarms. Massive sulphide deposits are conformable with volcanic and sedimentary units and thought to be exhalative in origin. The Eskay Creek deposit is of this class. Other deposits are porphyritic or partly porphyritic in nature, and some are stockworks or breccia-type deposits.

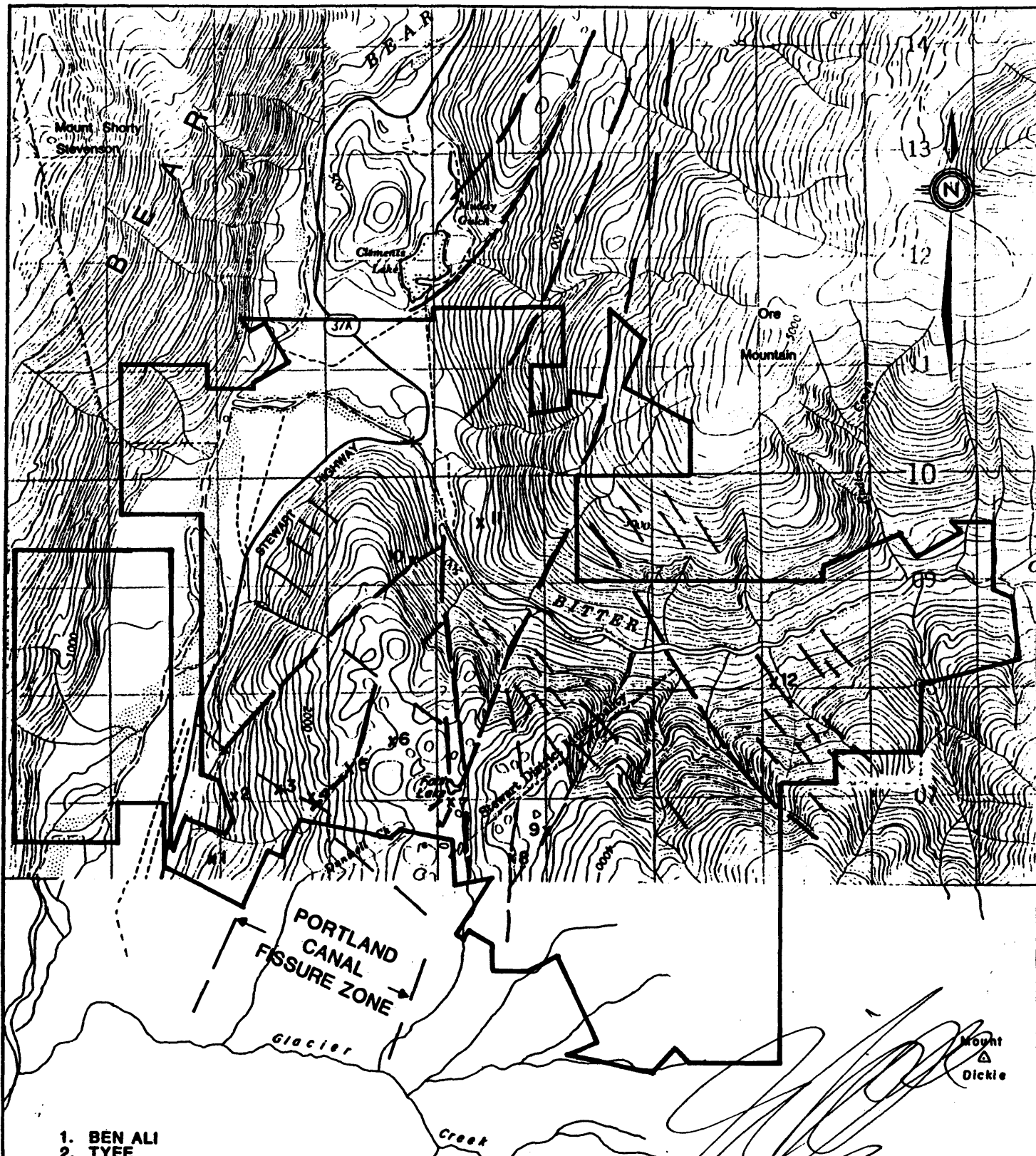
The MM claim group straddles the Portland Canal Fissure Zone, a major mineralized fault zone attaining widths up to 500 metres or more marked by extensive shearing. The zone strikes northeasterly. The property also straddles the Portland Canal dyke swarm. The dykes consist of quartz diorite, quartz monzonite and granite. The strike is northwesterly and northerly.

## **PROPERTY GEOLOGY**

### **Rock Types**

An intrusive body named the Bitter Creek Intrusive cuts through the central part of the claim ground. This intrusive body appears to be a coalescing of dykes of the Portland Canal dyke swarm. It consists of quartz diorite, quartz monzonite, granodiorite and diorite. Detailed mapping (Watkins, 1991) of the central claim ground shows a complex western boundary relationship to the intruded volcanics and sediments. The eastern boundary of the intrusive has not been mapped. It apparently lies in the vicinity of Cable Creek, a small tributary to Bitter Creek from the south. The rocks east of the contact are described as "principally argillites traversed by dykes" (M. Little, 1935). The argillites are part of the Lower to Middle Jurassic, or perhaps Upper Triassic, Hazelton Assemblage, while the dykes are part of the Tertiary Portland Canada dyke swarm.

The complex western boundary area cuts roughly through the central part of the claim ground in a northwesterly direction. The intruded rocks are andesites, graphitic argillites, and/or



- 1. BEN ALI
- 2. TYEE
- 3. MAYFLOWER
- 4. MAIN REEF (VICTORIA)
- 5. SILVER LEDGE
- 6. VICTORIA CREEK EAST
- 7. QUARTZ REEF VEIN
- 8. EMPEROR
- 9. SUPERIOR
- 10. GOLD BAR
- 11. LITTLE PAT
- 12. STEWART CENTRAL



<b>PRIME EQUITIES INTERNATIONAL CORP.</b>		
<b>MM GROUPS OF CLAIMS</b> SKEENA MINING DIVISION, B. C.		
<b>AIR PHOTO LINEAMENTS SHOWINGS</b>		
<b>LIVGARD CONSULTANTS</b>		
DATE: MARCH, 1994	SCALE: 1: 50,000	FIGURE: 5

Mount  
Dickie

---

siltstones which belong to the upper contact zone of the Salmon River Formation of the Hazelton group volcanics and related sedimentary rocks.

Stratigraphic units strike predominantly north and northwest with moderate west dips. Intermediate volcanic rocks appear to overlie bedded argillites, cherts and siltstones, however stratigraphic relationships are not well understood, complicated by near concordant and steep dipping faults, and several types and ages of intrusive rocks.

Several intrusive rock types are identified. Most obvious in the field are several ages of feldspar porphyry and altered feldspar pyroxene porphyry dykes and/or sills that strike north-south and appear to be part of the Portland Canal Fissure Zone (Grove, 1971). Several adits in Victoria Creek gorge are located at faulted contacts of these intrusive bodies. A body of granodiorite covers the southwest corner of the property and may be part of the Hyder Monzonite (J. Watkins, 1991).

### **Structures**

The main structures mapped on the property are part of the Portland Fissure Zone. An aerial photo study suggests that some of the faults within the zone extend 8 - 10 kilometres, curving from northeast to a more northerly strike. A few lesser faults strike northerly.

### **ECONOMIC GEOLOGY**

The deposit types that have been or can be expected to be encountered on the property are quartz (carbonate) veins, breccia veins, stockworks, and breccia zones. Mineralization favours the veins which cross intrusive bodies or dykes.

The mineralized veins in the Stewart area strike predominantly northerly and northwesterly and only to a lesser degree to the northeast. The mineralization to be expected is silver-lead-

zinc-gold, gold-silver-zinc-lead, or copper-gold. Known mineral showings on the claim ground are:

### Stewart Central

The mineralization of primary interest lies just on the west side of Cable Creek where a quartz vein containing pyrrhotite and copper has given values in gold. Several small mineralized stringers have also been reported. The main vein has been traced for about 200 metres up the hill along a "hog's back" west of Cable Creek. Assays are reported as follows:

South of south end?	0.62 opt Au, 4.0 opt Ag - across 4 feet	
Intermediate?	0.92 opt Au, 2.0 opt Ag - no width given	
North end	1.20 opt Au, 4.0 opt Ag - across 12 feet	(M. Little, 1935)

Another strong vein with pyrrhotite is reported from Snow Creek. This creek is in the same area but is now unknown. "The hog's back mentioned above is well mineralized as a whole as samples taken over a width of a couple of hundred feet show sulphides in almost every case." (M. Little, 1935)

(Following are excerpts from a report by Orcan Mineral Associates Ltd. on the MM Property.)

### Mayflower

Several northwest striking, southwest dipping quartz-carbonate fissure veins in the canyon of Mayflower Creek with erratic sulphide mineralization were explored by three short adits many years ago. Sampling in 1981-83 yielded interesting but inconclusive assay results across narrow widths. High grade loose material from one of the adits (No. 1) ran 2.28 opt Au and 57.2 opt Ag and a 20-cm shear in the creek bed assayed 0.128 opt Au and 1.01 opt Ag. Another shear in the creek bed just below the portal of the adit ran 3.10 opt Au and 18.8 opt Ag across 0.9 metres. In the vicinity of one of the other adits, no vein was found but an outcrop just downstream assayed 2.72 opt Au and 12.30 opt Ag across an 18-cm wide sulphide vein.

### **Main Reef (Victoria)**

The Victoria adit located at the extreme southern boundary of the MM property was driven on a northwesterly trending quartz-sulphide vein known as the Main Reef Vein. 1909 and 1911 government reports mention samples from a 214-metre tunnel and a short winze on the Main Reef Vein that averaged 0.75 opt Au. Shipments of ore from the Victoria mine are reported to be 11 tons grading 0.65 opt Au, 25.0 opt Ag, and about 25% Pb and 5% Zn.

### **Silver Ledge**

Two old adits, now caved and inaccessible, on the west side of Victoria Creek about 300 metres northeast of the Victoria adit, are believed to be the Silver Ledge workings mentioned in old government reports. The adits were driven northwest on silicified shears carrying heavy sulphide mineralization and a sample of caved adit material by Harris (1981) across a 20-cm wide quartz vein returned an assay of 0.36 opt Au, 5.04 opt Ag, 5.40% Pb, and 0.65% Zn. A sample of dump material by KRL in 1990 returned 555 ppb Au, 34.5 ppm Ag, 7,100 ppm Pb, and 7,230 ppm Zn, and a bedrock sample a few metres away returned 2.46 g/t Au, 30.4 ppm Ag, 6,700 ppm Pb, and 6,400 ppm Zn. The zone cannot be traced on surface due to heavy overburden but it is believed that mineralization is probably related to and localized where the Portland Canal Shear Zone is intersected by the Victoria Structure.

### **Tyee**

Workings include a large cut with a shaft reported to be 12 metres deep, a series of pits extending north of the shaft and one or more adits driven on a southerly extension of a shear zone in the canyon of Victoria Creek. Mineralization occurs in a north striking steeply dipping silicified shear zone in granite. The mineralized zone is 30 cm - 90 cm wide in the underground workings and up to 2.4 metres in the trenches to the north. Lenses and pods of pyrite, chalcopyrite and galena are the main sulphide minerals of economic interest although flakes of molybdenite have also been noted in the enclosing granitic country rock. The best assay values obtained from surface sampling of dumps and pits by Harris (1981) are 0.22 opt Au from a dump and 0.131 opt Au and 6.39 opt Ag from part of an old pit 12 metres north of the shaft. A 1909

government assay report mentions a sample from Tyee that returned 4.92 opt Au and 20.68 opt Ag, but the sample width or location is not known.

### **Superior**

Superior is located approximately 300 metres northeast of the Emperor. Little is known about this occurrence other than a brief reference in Minfile which describes it as good silver values in two narrow mineral bodies adjacent to a light-coloured dyke. No assays or dimensions are stated. The Superior adit is located very close to the Bitter Creek Monzonite contact and the dykes mentioned in Minfile are likely related to this intrusive body.

(end of excerpt from Orcan Mineral Associates Ltd., October 31, 1990)

### **Gold Bar I**

The location of this showing is uncertain. It appears to lie about 1.0 kilometres south of the highway bridge across Bitter Creek. Work was carried out on this showing in 1990 and 1991 consisting of geological mapping, sampling and soil surveying. The rock types here were mapped as Hazelton group consisting of lithic and crystal tuffs along with cherty sediments which have been intruded by augite diorite porphyry. The intrusive has been fractured and quartz stringers and minor veins (to 30 cm) occupy the fractures. One grab sample only, from the 30 cm vein, returned good values of 17.01 grams gold, 21.6 grams silver per tonne and 4.4% Bi (Dave Visagie 1990). Good values were also reported just west of the Gold Bar in selected grab samples from sheared diorite. The best sample gave 16.0% copper and 1779.79 grams silver per tonne.

### **Little Pat**

The showing lies across Bitter Creek from the Gold Bar showings and consists of several narrow quartz veins containing pyrite, chalcopyrite and scheelite.

### **Quartz Reef Vein**

The Quartz Reef Vein strikes northeasterly and lies immediately east of Faith Lake. The writers have no information about this vein.

## Ben Ali

On the Ben Ali property a brecciated quartz vein in quartz monzonite was explored by four adit levels. The vein strikes northwest and dips  $75^{\circ}$  to  $80^{\circ}$  to the southwest. The lowest adit (No. 4 level) is about 200 metres in elevation above the Bear River Valley and follows the vein for 96 metres. The vein varies in width from 30 to 300 cm. Chip samples across the vein yielded:

	Length	Width	g Au/tonne
J. Deleen, P.Eng. (1979)	30 m	1.0 m	6.99
Rose Spit Res. (1987)	25 m	1.0 m	3.39

Towards the end of the drift the vein narrows. Toward the northwest, down the creek, trenches have exposed the vein without finding values of interest. Above this level stoping produced a reported 5,000 tons grading 0.60 ounces gold per ton which was shipped to the nearby Dunwell Mill. At 52 metres into the adit a cross vein striking  $040^{\circ}$  was encountered. This cross vein was stoped up for about 15 metres.

Recent exploration has consisted of soil and a geophysical survey consisting of VLF-electromagnetic and magnetic readings. The magnetic survey clearly indicates that the cross vein may have offset a geological contact about 250 - 300 metres northeast of the mine workings. This contact is between quartz monzonite and lithic tuff higher up the hill. The contact has been traced by mapping discontinuous outcrops and can be inferred from the magnetic map. The interpreted faulting by the cross vein suggests that this may be a more significant structure than previously believed. To our knowledge the structure has not been explored. The soil survey conducted by Frank D. Spirito, February 4, 1988, does show scattered anomalies to the northeast but poor soil development renders the survey unreliable. The structure strikes toward the Mayflower workings on the MM claim group.

## Emperor

These showings are located about 700 metres south and 400 metres east of Faith Lake. The Emperor vein strikes northerly and dips moderately to the west. It consists of fragments of

country rock, argillite and tuff(?), in quartz which carries sparse mineralization. The vein varies in width between two and 10 metres. Old development (1925) on the vein consists of two cross-cuts 40 metres and 170 metres long, and minor drifting on the vein. A blind vein about two metres wide was intersected in the lower cross-cut. The grades obtained in these cross-cuts were generally about 0.5 g Au per tonne, 30-100 g Ag per tonne, 3-7% Zn and 1-2% Pb (MMR, 1927). A massive pyrite sample from the lower dump assayed 5.4 g Au/tonne and 88.4 g Ag/tonne (C.R. Harris, P.Eng, 1981).

The argillite (siltstone?) country rock is intruded by numerous dykes and sills of quartz diorite, gabbro and lamprophyre (GSC Mem. 175, 1935).

The main Emperor vein may extend 1.5 kilometres north to its intersection with a major (8-10 kilometre long) air photo lineament which coincides with the Quartz Reef Vein. Any extension to the south is unknown. The claim boundary lies about 1.0 kilometre to the south.

### **Victoria Creek East**

The central core area of the claim ground, comprising approximately four claim units, was explored by soil surveying in 1983 and 1991, by airborne geophysics in 1990, and by ground geophysics and geological mapping in 1990 and 1991. Following this work, 14 diamond drill holes totalling 1,848 metres were drilled (KRL Resources Corp., J. Watkins, 1991).

The exploration mapped andesites, argillites and siltstones generally trending northwesterly and dipping to the southwest, which have been intruded by several ages of feldspar porphyry and altered feldspar pyroxene dykes and sills. A large area of very strong hydrothermal silicification was identified.

Anomalous soil values were in large part coincident with the silicification. Northeast and north trends were weakly evident in the anomalous soil values.



The geophysical surveys indicated anomalous conditions on the west and southwest side of the survey area which generally trend northeasterly. Only a small part of this area was covered by the soil survey.

The diamond drill results were reported by J. Watkins as follows:

Drill hole MM-1 intersected a wide zone of gold enrichment, 544 ppb Au over 29.5 metres with the highest concentration of 2,415 ppb Au over 1.5 metres, all in a quartz + arsenopyrite ± pyrite or pyrrhotite stockwork cutting massive, fine to medium grained granodiorite. Drill holes MM-3, -4, -5, -6, and -7 drilled northeast of MM-1 intersected short anomalous gold intervals. Weak gold enrichment occurs in hole MM-4 in granodiorite and is similar to mineralized granodiorite. Hole MM-2 was drilled in the opposite direction to MM-1 and intersected widespread silicification with scattered gold enrichment and the hole bottomed in altered, arsenopyrite mineralized diorite.

Two holes, MM-8 and MM-9, were drilled west of Victoria Creek. Metamorphosed hydrothermally altered rocks similar to that on the east side of Victoria Creek and fresh granitic rocks were intersected in both drill holes. The holes probably tested the contact aureole on an apophysis of the Bitter Creek monzonite. Altered mafic volcanic rocks in the bottom of hole MM-8 intersected disseminated mineralization reporting anomalous concentrations of Sb, Bi, Mo and Pb.

Drill hole MM-10 was positioned to test for a possible continuation to depth of the gold enriched zone reported in MM-1. No significant mineralization was intersected in the hole, however, scattered weak gold concentrations were encountered towards the top of the hole in intrusive rock and wide zones of arsenic enrichment throughout the hole. Drill hole MM-12, the most southerly hole, intersected wide intervals of disseminated and stockwork pyrrhotite mineralization in altered andesite and altered feldspar porphyry with only narrow and scattered weak gold-arsenic enrichment.

Drill hole MM-13 intersected numerous short intervals of gold enrichment. The best mineralization occurs in altered feldspar porphyry and not in granodiorite as in drill hole MM-1. Best intersections are 0.578 opt Au over 0.40 metres and 0.563 opt Au over 0.65 metres. These two significant intersections occur within wider intervals reporting anomalous gold and associated trace elements. The 0.578 opt Au intersection is part of a wider section of gold enrichment that averages about 0.20 opt Au gold over 3.0 metres. The 0.563 opt Au intersection is part of a wider section of gold enrichment that averages about 0.16 opt Au over 3.65 metres. At least six other sections of anomalous gold were cut in the drill hole.

(J.J. Watkins, 1991)

## FUTURE EXPLORATION

Exploration to date has indicated that silver-base metal mineralization is associated mostly with zones in argillic sediment located generally on the south part of the property at lower elevation, while gold is located generally to the north in quartz veins or stockworks in silicified intrusives or volcanics associated with pyrite, pyrrhotite, arsenopyrite and bismuth.

The area on the north and east part of the claims has apparently never been mapped in any detail and the Bitter Creek intrusive body or coalescing dykes may not be massively intrusive but most likely is a very complex assemblage of intrusives, dykes, volcanics and sediments.

The area also has the following structural trends: northerly striking country rocks, dykes and faults - northwest striking dykes of the Portland Canal dyke swarm, and an air photo fabric - northeast trend of the Portland Canal fissure zone with an 8-10 kilometre extension to the north indicated by air photo lineament. The primary exploration target is a stockwork-breccia body of quartz-silicification with pyrite and gold values located on the periphery of or within the complex Bitter Creek intrusive body. A secondary exploration target is silver-gold-base metal vein type mineral deposits. A number of small but high grade showings of this kind are known on the property. The Emperor vein is a strong wide structure which to date has given low values. Mineral deposition is preferably located where vein structures cross intrusive bodies or

dykes. The northward extension of the Emperor vein is therefore considered to be favourable exploration ground.

## RECOMMENDATIONS

### Stage I

1. In a very complex geological area as this seems to be, it is essential to have good base maps on which to record ALL information. It is therefore recommended that an orthophoto topographic map be constructed from existing photographs.
2. Only about one square kilometre of the property has been explored in any detail and another 12-14 square kilometres of favourable ground remains to be explored. To cover such a large area, an airborne magnetic and VLF-EM geophysical survey is recommended extending over about 150 line kilometres.
3. Preliminary geological mapping and sampling is recommended using (GPS) satellite location and the base maps. The mapping should cover favourable areas as determined based on previous work and the above recommended airborne survey.
4. The Emperor vein portals should be opened to facilitate underground mapping and sampling. This could be done by hand.
5. Areas of interest located by the airborne survey should be detailed by ground geophysical surveys. About 100 line kilometres of box grid survey may be required and is recommended.
6. In areas of scarce outcrop, soil surveying may be desirable and is recommended (20 kilometres of line and 400 samples).

Some of the work at lower elevations can be carried out early in the season from a base in Stewart. The majority of the work will need to be carried out from a tent camp. Helicopter support is necessary for the camp and drilling, and desirable for some of the geological mapping.

## **DIAMOND DRILLING**

### **Stage I**

The work in 1990-91 outlined a large area of hydrothermal alteration east of Victoria Creek within which diamond drilling intersected several zones anomalous in gold. One zone was 29.5 metres wide and also contained some narrow high grade intersections. Further drilling should test the altered zone and the mineralization at greater depth. 1,200 metres of drilling is recommended.

### **Stage II**

Dependent on favourable results in the Stage I exploration as determined by an independent engineer, further drilling is recommended. Diamond drilling of favourable zones and veins is recommended as determined by the results of the Stage I exploration work. 2,400 metres of drilling is recommended. Some additional geological mapping will be desirable to determine precise hole location.

## **ESTIMATED COSTS OF RECOMMENDATIONS**

### **Stage I**

1.	Orthophoto topographic map	\$ 5,000
2.	Aerial geophysical survey - 150 line kilometres @ \$100/km	15,000
3.	Geological mapping, sampling and core logging Geologist and helper - 60 days @ \$600/day	36,000
4.	Opening Emperor vein portals	1,000
5.	Ground geophysics - 100 kilometres @ \$400/km	40,000

6.	Soil surveying, 400 samples - 25 days @ \$300/day	7,500
7.	Analysis, 400 rock samples, 400 soil samples - 800 samples @ \$20	16,000
8.	Camp - 60 days @ \$300/day	18,000
9.	Helicopter support (camp, geology, drilling) - 20 hours @ \$800/hr.	16,000
10.	Travel, vehicle and misc.	5,000
11.	Supervision, consulting and report	<u>15,000</u>
	Stage I Diamond Drilling, 1,000 m @ \$50/metre	<u>174,500</u>
		<u>50,000</u>
		<u>224,500</u>
	Contingency (10%)	22,450
	Management fee (15%)	<u>37,050</u>
	<b>TOTAL ESTIMATED COST - STAGE I</b>	<b>\$ <u>284,000</u></b>

**Stage II**

1.	Drill sites and landing pad preparations	\$ 10,000
2.	Diamond drilling - 2,400 metres @ \$50/m	120,000
3.	Geological mapping, core logging - Geologist, helper - 40 days @ \$600	24,000
4.	Camp - 40 days @ \$300/day	12,000
5.	Helicopter support - 15 hours @ \$800/hr.	12,000
6.	Travel, assaying, misc.	22,000
7.	Consulting, reports	<u>15,000</u>
		<u>215,000</u>
	Contingency (10%)	21,500
	Management fee (15%)	<u>35,500</u>
	<b>TOTAL ESTIMATED COST STAGE II</b>	<b>\$ <u>272,000</u></b>

Respectfully submitted,


  
 \_\_\_\_\_  
 E. Livgard, P.Eng.


  
 \_\_\_\_\_  
 George Cavey, P.Eng.


## CERTIFICATE OF QUALIFICATIONS

I, **EGIL LIVGARD**, of 1990 King Albert Avenue, Coquitlam, B.C., do hereby certify:

1. I am a Consulting Geological Engineer, practising from #436 - 470 Granville Street, Vancouver, B.C.
2. I am a graduate of the University of British Columbia, with a B.Sc., 1960 in Geological Sciences.
3. I am a registered member in good standing of the Association of Professional Engineers of the Province of British Columbia (Reg. No. 7236).
4. I have practised my profession for 35 years as exploration geologist, mine geologist, chief geologist and engineer, mine manager, and consultant.
5. This report dated March 1st, 1994 is based on the references as listed and on collaboration with George Cavey, P.Geo.
6. I do not have a direct or indirect interest in the subject properties, nor do I beneficially own, directly or indirectly, any securities of Prime Equities International Corp. or KRL Resources Corp.
7. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts, or other public document providing the report is used in its entirety or any summary thereof is approved by the author.

Dated at Vancouver, British Columbia this 1st day of March, 1994.



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Egil Livgard, P.Eng.

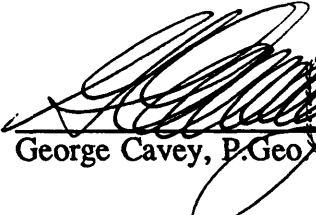
## CERTIFICATE OF QUALIFICATIONS

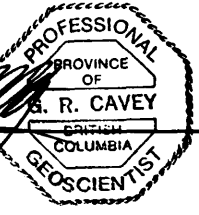
I, **GEORGE CAVEY**, of 6981 Wiltshire Street, Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a B.Sc. degree in geology.
2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of #306 - 595 Howe Street, Vancouver, British Columbia.
3. I have been employed in my profession by various mining companies since graduation, and with OreQuest Consultants Ltd. since 1982.
4. I am a Fellow of the Geological Association of Canada.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. I am licensed to practice as a Professional Geologist in Alberta.
7. I am licensed to practise as a Professional Geologist in Northwest Territories.
8. I am a member of the Professional Engineers and Geoscientists of British Columbia.
9. The information contained in this report was obtained from a review of the data listed in the bibliography. I visited the subject property in 1987 and 1989.
10. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in the MM Group of Claims nor in the securities of Prime Equities International Corp. or KRL Resources Corp.
11. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts, or other public document providing the report is used in its entirety or any summary thereof is approved by the author.

DATED at Vancouver, British Columbia, this 1st day of March, 1994.

**OREQUEST CONSULTANTS LTD.**

  
George Cavey, P. Geo.



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| 1921 | p. G65                            | 1928 | p. C101 and C102 |
| 1922 | p. N71                            | 1934 | p. B23           |
| 1924 | p. B64                            | 1935 | p. B26           |
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|      |                                   | 1965 | p. 52            |