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Attawentah - Singapore

SUPERINTENDENT OF BROKERS

AND

VANCOUVER STOCK EXCHANGE

92F 161, 550
167

STATEMENT OF MATERIAL FACTS #110/90

EFFECTIVE DATE: SEPTEMBER 11, 1990

BLUE SUN RESOURCE CORPORATION

(formerly, Australian Gold Mines Corporation)

Suite 860 - 625 Howe Street, Vancouver, B.C. V6C 2T6

Telephone: 687-7545

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER2800 - 666 Burrard Street, Vancouver, B.C. V6C 2Z7ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER**MONTREAL TRUST COMPANY OF CANADA**

510 Burrard Street, Vancouver, B.C. V6C 3B9

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S
SECURITIES IN BRITISH COLUMBIA**OFFERING: 1,700,000 UNITS***

Each Unit consists of One Common Share and Two Series "A" Warrants, two such warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at any time up to the close of business within two years following the Offering Day, during the first year at \$0.40 per share and during the second year at \$0.46 per share.

- * The offering may be increased (by up to 15% or 255,000 Units) to meet oversubscriptions (see "Plan of Distribution").

	Public Offering Price	Agents' Commission	Estimated Net Proceeds to be Received by the Issuer
Per Unit	\$0.40	\$0.045	\$0.355
Total	\$680,000	\$76,500	\$603,500*

- * Before deducting the costs of the Offering estimated to be \$30,000.

ADDITIONAL OFFERING

The Agents have agreed to purchase any of the Units offered hereby which have not been sold at the conclusion of the Offering (the "Guarantee") and in consideration therefor have received Agents' Warrants entitling them to purchase a total of 850,000 shares of the Issuer. Any Units acquired

(769)

Sept. 18/90

by the Agents under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

AGENTS

McDERMID ST. LAWRENCE
LIMITED

1000 - 601 West Hastings St.
Vancouver, B.C.
V6B 5E2

PACIFIC INTERNATIONAL
SECURITIES INC.

1500 - 700 West Georgia St.
Vancouver, B.C.
V7Y 1G1

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

GROUP I

ARROWSMITH-SINGAPORE PROPERTY

Pursuant to an option agreement dated May 14, 1990 (the "Option Agreement") between the Issuer and Sunport Metals Corporation, of Suite 860 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, ("Sunport") the Issuer was granted an exclusive option to acquire a 60% beneficial interest in and to five mineral claims comprising the Arrowsmith-Singapore Property and, upon exercise of the option ("Earn-In"), the right to participate in a joint venture for the further exploration and development of the Arrowsmith-Singapore Property. Craig Andrew Angus, President and Director of the Issuer, and Scott Edmonds Angus, Director of the Issuer, are also directors and principal shareholders of Sunport. Sunport is a junior resource company listed on the Vancouver Stock Exchange.

Sunport acquired a 100% interest in the Arrowsmith-Singapore Property from Scott Edmonds Angus and Alfred Edmonds Angus (who is the father of Scott Edmonds Angus and Craig Andrew Angus) (the "Vendors") for a cost of \$33,818 representing reimbursement to the Vendors of out-of-pocket costs incurred in respect of the acquisition of the Arrowsmith-Singapore Property Claims and assessment work undertaken by the Vendors in 1987 and 1988.

In order to earn its 60% interest in the Arrowsmith-Singapore Property, the Issuer must carry out exploration work in the amount of \$86,000 on or before December 31, 1990 and a further \$100,000 on or before December 31, 1991. These expenditures are required to complete Phase I and Phase II of a two phase exploration program recommended on the Arrowsmith-Singapore Property pursuant to an engineering report prepared for Sunport by MPH Consulting Limited dated December 23, 1988 (the "Engineering Report"), a summary of which dated May 1, 1989 is attached hereto and forms a part of this Statement of Material Facts, together with an updating letter prepared for the Issuer dated February 20, 1990.

Until Earn-In, or until the Issuer no longer has the right to Earn-In, the Issuer will be the operator on the Arrowsmith-Singapore Property as long as it is not in default of its duties under the Option Agreement.

At Earn-In, the Issuer and Sunport will enter into a joint venture and the Issuer will be responsible for providing and preparing a formal agreement under which the joint venture will operate. A management committee will be formed by the parties to evaluate exploration programs and select the operator for future work programs.

Location, Size and Access

The Arrowsmith and Arrowsmith 2 - 4 Claims are contiguous, cover an area of 1,900 hectares and are located in the Nanaimo Mining

Division. The Singapore Claim covers an area of 500 hectares and is located in the Alberni Mining Division. All of the Claims are in good standing.

Details on the Arrowsmith-Singapore Property are as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date*</u>
Arrowsmith	2114	20	April 11, 1991
Arrowsmith 2	2320	18	April 11, 1991
Arrowsmith 3	2321	18	April 11, 1991
Arrowsmith 4	2424	20	July 15, 1991
Singapore	2898	20	April 1, 1993

*Date to which assessment work obligations on the Claims under the British Columbia Mineral Tenure Act have been satisfied.

The Arrowsmith and Arrowsmith 2 - 4 Claims are located 10 kilometers due east of Port Alberni in the Cameron River Valley. The Singapore Claim is located 17 kilometers east of Port Alberni, approximately two kilometers south of the Arrowsmith 4 Claim, on the southslope of McLaughlin Ridge.

Access to the Arrowsmith Claims is by way of the Mount Arrowsmith Skihill Road, which exits the paved No. 4 highway, eight kilometers east of Port Alberni. A network of driveable logging roads allows direct access to most areas of the Claims.

Access to the Singapore Claim is gained via the gravel China Creek Road, which crosses the southwestern portion of the claim. The entrance gate for this road is usually locked, however, Sunport has obtained a key from MacMillan Bloedel so the road is accessible to the Issuer.

History and Previous Work

In 1987, 373 soil samples were collected from Grids A and B on the Arrowsmith 2 and 3 Claims. No anomalous precious or base metal element concentrations were encountered except for a single sample taken from Grid B which returned anomalous copper values (606 ppm).

In April of 1988, 265 soil samples were collected from the Arrowsmith grid located on the Arrowsmith Claim. The highest values were 35 ppb Au (parts per billion Gold), 0.8 ppm Ag (parts per million Silver), 213 ppm Cu (parts per million Copper), 14 ppm Pb (parts per million Lead) and 129 ppm Zn (parts per million Zinc).

Government geological work in the area includes mapping by C.H. Clapp (1912 and 1914), J.E. Muller and D.J.T. Carson (1969), J.E. Muller (1977 and 1980), N.W. Massey (1988) and a mineral inventory report by J.S. Stevenson (1945).

The Singapore Claim was staked in April of 1986 and covers the previous Alberni Claim. Work on the former Alberni Claim was carried out by Gunnex Ltd. between 1963 and 1966. Gunnex conducted regional mapping with some prospecting and silt sampling and compiled a list of mineral occurrences. The Alberni claim area was mapped but mineralization was not discovered. A 1962 airborne aeromagnetic survey also covered the area of the Alberni Claim but no anomalies were located on or near the Claim.

An old showing, the Bank Group, occurs on or near the southwestern corner of the Singapore Claim. A 1917 reference report on the Bank Group states that a series of open cuts has been dug on a zone of quartz veins carrying pyrite, chalcopyrite and galena with some silver and gold values. A 7.6 m shaft has been sunk in the largest open cut and a caved adit also exists. The mineralized zone was reported to be 3 m wide and 100 m or so along strike. A grab sample from the dump assayed trace Au, 34g/t Ag, and 3.2% Cu.

Preliminary exploration of the Arrowsmith and Singapore Claims on behalf of Sunport was conducted by Edsons Resources Ltd. between April 30 and May 19, 1988 and by MPH Consulting Limited between November 14 and 28, 1988. Both programs consisted of rock sampling and heavy mineral concentrate stream sediment sampling. A total of 99 rock samples and 28 silt samples were collected. Extensive snow coverage prevented exploration in certain areas of interest. Edsons Resources Ltd. is a private British Columbia company owned by five members of the Angus family, two of whom are directors of Sunport, as to 20% each.

Copper-in-soil anomalies were outlined on the Arrowsmith soil grid. They appear to be related to the Cameron River fault, which is a northwest trending, northeast dipping, regional structure which extends from Horne Lake south to Maple Bay. Rock samples (grab) taken along the strike projection of these copper anomalies returned up to 3350 ppm Cu, 220 ppm As, 4.3 ppm Ag and 33 ppb Au.

Of 16 silt samples collected from stream sediments on the Arrowsmith Claims, only one contained anomalous gold with a return of 810 ppb Au. This sample was taken from a creek draining an area north of Cameron River, approximately 3 kilometers east of Yellow(s) Creek. An airphoto lineament extends south to the northern slopes of McLaughlin Ridge along this creek. Quartz-carbonate altered volcanics with finely disseminated pyrite (up to 2%) occur along this lineament. Grab samples from these altered zones contained significant values of gold (up to 79 ppb Au from sample 66454).

Twelve silt samples collected from stream sediments on the Singapore Claim returned six with anomalous gold, as follows: PC88-1 - 7090 ppb Au; PC88-2 - 40 ppb Au; PC88-5 - 60 ppb Au; PC88-6 - 40 ppb Au; PC88-10 - 55 ppb Au and HMC-N2 - 1210 ppb Au. Sample PC88-1 was taken from China Creek approximately one

kilometer west of the Singapore Claim. China Creek drains up to six kilometers to the east of the Claim making it difficult to determine whether the anomalous gold-in-silt reflects bedrock gold mineralization from within or outside the Claim. Sample PC88-3 (20 ppb Au) was taken approximately four kilometers upstream from PC88-1.

Sample HMC-N2 was taken from the creek draining an area near the Bank Group showing. Although historical records show that the Bank Group showing hosts only a trace of gold, grab samples taken of a schistose zone from within the Bank Group showing area have returned up to 900 ppb Au.

The authors of the Engineering Report have concluded that the north-south trending quartz-carbonate alteration zones, which locally contain anomalous levels of gold, silver, copper and arsenic, and are located on the Arrowsmith Claims, should be explored further. They have also concluded that the anomalous stream sediment sample HMC-N2 located on the Singapore Claim may be derived from the gold bearing schistose zone located 500 meters upstream and that the Arrowsmith and Singapore Claims have a high potential to host a structurally controlled vein deposit similar to the nearby Debbie-Yellow property, based on similar quartz-carbonate alteration zones in Sicker Group rocks and north-south structural controls.

Total amount spent to date on acquisition and exploration of the Arrowsmith-Singapore Property by Sunport is \$79,148, including the \$33,818 of acquisition costs paid to the Vendors.

Recommended Work Program

In order to earn its 60% interest, the Issuer proposes to carry out the program recommended by the authors of the Engineering Report. Phase I is estimated to cost approximately \$86,000 and will consist of a two part program - Phase I(a) comprising geologic mapping, rock sampling and silt sampling to determine zones of interest and Phase I(b) consisting of further detailed mapping and sampling as well as soil, magnetometer and VLF-EM surveys over the most promising areas. Phase II of the recommended exploration program will be contingent on the results of Phase I and will include geological mapping, rock sampling, IP surveying and possible additional soil sampling/magnetometer/VLF-EM grid(s) at an estimated cost of \$100,000.

There is no known body of commercial ore on the Arrowsmith-Singapore Property and the proposed program is an exploratory search for ore.

GROUP II

Not Applicable.



**SUMMARY REPORT ON
RECONNAISSANCE ROCK, SOIL
AND SILT SAMPLING
PROGRAM
ARROWSMITH - SINGAPORE PROPERTY
(Arrowsmith, Arrowsmith 2, 3, and 4,
Singapore Claims)**

**Alberni and Nanaimo Mining Divisions
NTS 92F/2,7
49°09'N Lat., 124°37'W Long.
for
NEWPORT METALS CORPORATION**

**May 1, 1989
T.G. Hawkins, P.Geol.**



(i)

SUMMARY

The Arrowsmith and Arrowsmith 2, 3 and 4 claims, of Newport Metal Corporation, are located 10 km due east of Port Alberni in the Nanaimo Mining Division of British Columbia on mapsheets 92F/2E and 92F/7E. The Singapore claim, also of Newport Metals Corporation, is located 17 km east of Port Alberni, approximately 2 km south of the Arrowsmith 4 claim, in the Alberni Mining Division on mapsheet 92F/2E.

The Arrowsmith claims are underlain by Nitinat, Myra and Buttle Lake Formation rocks of the Paleozoic Sicker Group, Karmutsen Formation rocks of the Triassic Vancouver Group and Cretaceous Nanaimo Group rocks which have been intruded by Tertiary Sooke Intrusions. The Singapore claim is underlain by Nitinat Formation rocks of the Paleozoic Sicker Group.

North-south trending pervasive quartz-carbonate alteration zones which locally contain anomalous levels of gold, silver, copper and arsenic, are located on the Arrowsmith claims. Grab samples from these zones returned up to 79 ppb Au, 4.3 ppm Ag, 3350 ppm Cu and 220 ppm As. A heavy mineral concentrate stream sediment sample, which is along the strike projection of these quartz-carbonate alteration zones, returned 810 ppb Au.

Previous soil sampling surveys on four separate grids returned near background values for all elements. The exception is on the Arrowsmith grid, which contains a 200 m by 75 m wide north-south trending weak copper 'anomaly' (values to 207 ppm Cu) in the southwest portion of the grid.

Historical work on the Singapore claim near the Bank Group silver/copper showing, uncovered an east-west trending shear zone from which a grab sample returned 900 ppb Au. A heavy mineral concentrate stream sediment sample, located downslope of both the Bank Group Showing and the gold-bearing shear zone, returned 1210 ppb Au.

The Arrowsmith and Singapore claims have good potential to host a structurally controlled vein deposit similar to that on the nearby Debbie-Yellow property. Similar quartz-carbonate alteration zones in Sicker Group rocks, and north-south structural controls, have been observed on both properties.

Phase IA and IB work programs consisting of geological mapping, rock sampling, soil geochemistry, magnetometer and VLF-EM surveying, trenching and heavy mineral concentrate stream sediment sampling are recommended at an estimated cost of \$86,000. A Phase II work program, contingent upon favourable results from the Phase I program, is also included at a cost of \$100,000.



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1.0 INTRODUCTION

This report documents the preliminary exploration programs conducted from April 30 to May 19, 1988 by Edsons Resources Ltd., and November 14 to 28, 1988 by MPH Consulting Limited at the request of Scott E. Angus of Newport Gold Corporation. It is a summary of the previous MPH report entitled "Report on Reconnaissance Rock, Soil and Silt Sampling Arrowsmith-Singapore Property for Newport Metals Corporation" dated December 23, 1988 by T.G. Hawkins, P.Geol. and C. Naas, B.Sc.

Field work by Edsons Resources Ltd. consisted of rock sampling (58 samples collected) and heavy mineral stream sediment sampling (16 samples). Field work by MPH Consulting Limited under the direction of the writer, consisted of rock sampling (41 rock samples) and heavy mineral stream sediment sampling (12 samples).

The objective of these programs was to evaluate the potential for gold at a reconnaissance scale in view of the exploration and possible development of a potentially economic gold deposit on the nearby Debbie and Yellow properties held by Westmin and Nexus.

2.0 PROPERTY LOCATION, ACCESS, TITLE

The Arrowsmith and Arrowsmith 2, 3, and 4 claims are located 10 km due east of Port Alberni in the Cameron River Valley within the Nanaimo Mining Division of British Columbia. They are centred at approximately 49°13'N latitude, 124°37'W longitude on NTS mapsheets 92F/2E and 92F/7E (Figure 1).

The Singapore claim is located 17 km east of Port Alberni, approximately 2 km south of the Arrowsmith 4 claim, on the south slope of McLaughlin Ridge in the Alberni Mining Division. It is centred at approximately 49°09'N latitude, 124°37'W longitude on NTS mapsheet 92F/2E (Figure 1).

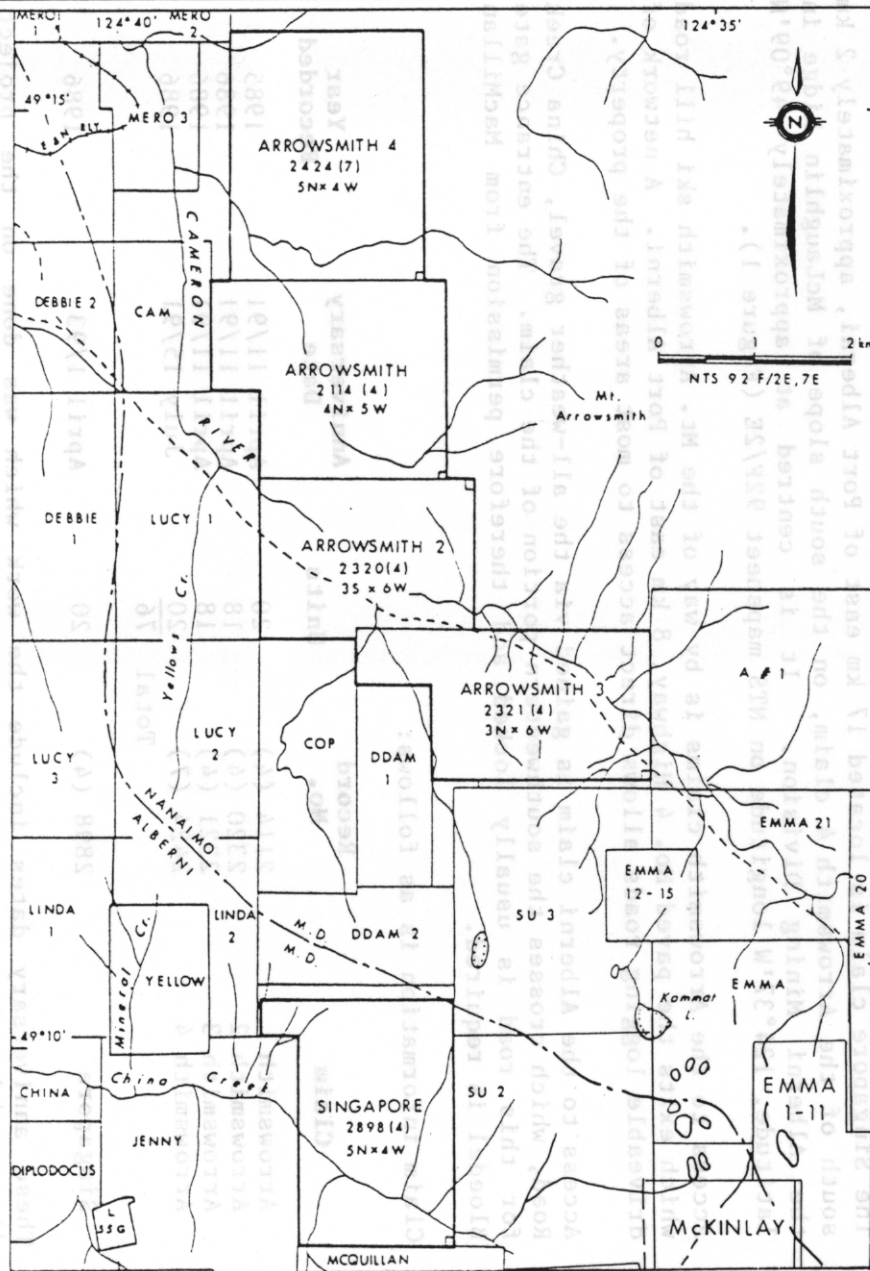
Access to the Arrowsmith claims is by way of the Mt. Arrowsmith ski hill road which exits the paved No. 4 Highway, 8 km east of Port Alberni. A network of driveable logging roads allows direct access to most areas of the property.

Access to the Alberni claim is gained via the all-weather gravel, China Creek Road, which crosses the southwestern portion of the claim. The entrance gate for this road is usually locked and therefore permission from MacMillan Bloedel is required.

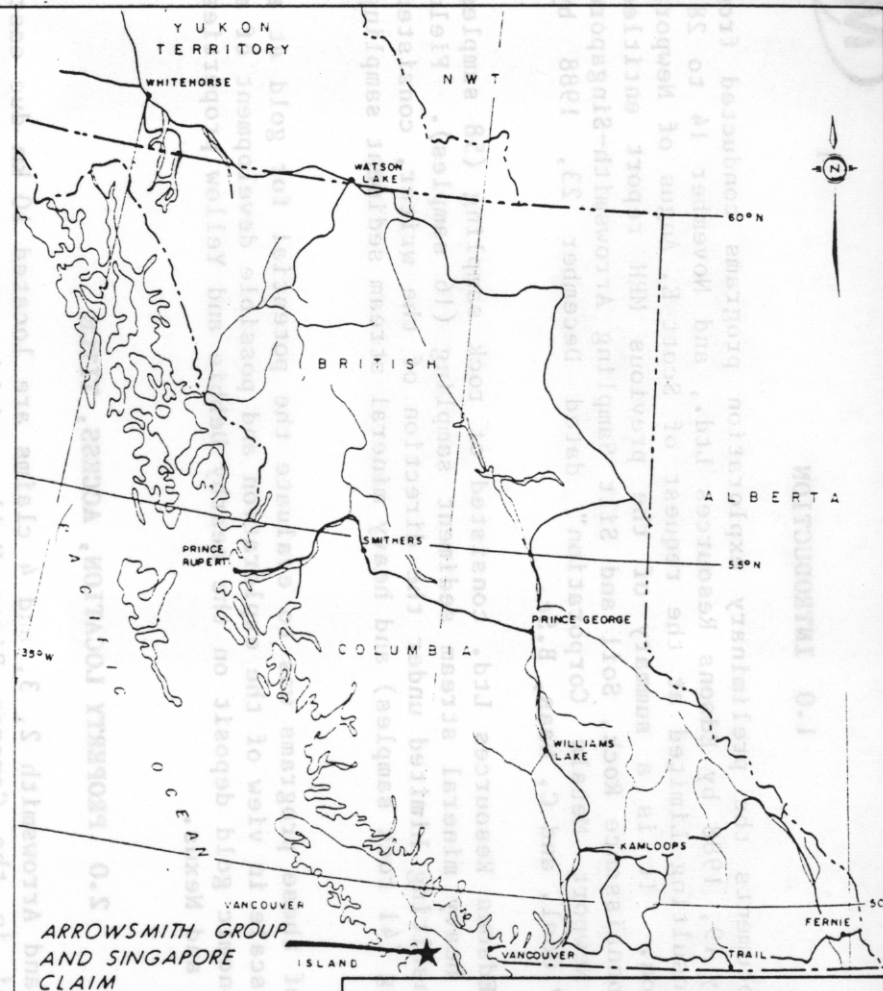
Claim information is as follows:

Claim	Record No.	Units	Anniversary Date	Year Recorded
Arrowsmith	2114 (4)	20	April 11/91	1985
Arrowsmith 2	2320 (4)	18	April 11/91	1986
Arrowsmith 3	2321 (4)	18	April 11/91	1986
Arrowsmith 4	2424 (7)	20	July 15/91	1986
	Total	76		
Singapore	2898 (4)	20	April 1/93	1986

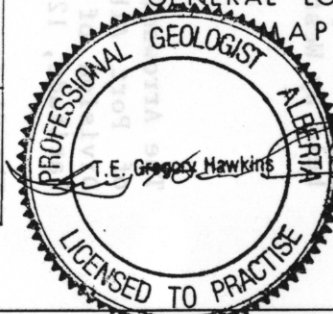
These anniversary dates include the work which was done on the project discussed herein.



CLAIM MAP



GENERAL LOCATION



NEWPORT METALS CORPORATION

GENERAL LOCATION MAP AND CLAIM MAP ARROWSMITH PROJECT

Project No:	V 296	By:	B.Y.T., K.S.
Scale:		Drawn:	J.S.
Drawing No:	1	Date:	MAY, 1989.



MPH Consulting Limited

To accompany Report by
T.E. Gregory Hawkins, P. Geol.



The Arrowsmith, Arrowsmith 2 and Singapore claims are 100% owned by Scott E. Angus, while the Arrowsmith 3 and Arrowsmith 4 claims are 100% owned by Alfred E. Angus.

The Arrowsmith claims were grouped on March 24, 1987 as the Arrowsmith Group.

3.0 PREVIOUS WORK

The Singapore claim, which covers the previous Alberni claim, was staked in April 1986. Work on the former Alberni claim was carried out by Gunnex Ltd. between 1963 and 1966. Gunnex conducted regional mapping with some prospecting and silt sampling and compiled a list of mineral occurrences. The Alberni claim area was mapped but mineralization was not discovered. The 1962 Hunting aeromagnetic survey also covered the area of the Alberni claim but no anomalies were located on or near the claim.

The Bank Group showing occurs on or near the southwestern corner of the Singapore claim. A series of open cuts had been dug on a zone of quartz veins carrying pyrite, chalcopyrite, and galena with some silver and gold values. A 7.6 m shaft had been sunk in the largest open cut and a caved adit also exists. The mineralized zone was reported to be 3 m wide and 100 m or so along strike. A grab sample from the dump assayed trace Au, 34 g/t Ag, and 3.2% Cu (Ministry of Mines Annual Report, 1917).

During reconnaissance geologic mapping and rock sampling by MPH Consulting Limited, on behalf of Sunfield Management Ltd., a sample of a quartz-carbonate veined, sulphide-rich 'volcanic' contained 900 ppb Au (Neale and Hawkins, 1984).

In 1987, Edsons Resources Ltd. conducted a preliminary soil geochemical program which included 81 samples taken from the Singapore grid on the north side of China Creek. Only very weakly anomalous results for all elements were returned from this area (Angus, 1988).

In 1987, 373 soil samples were collected from Grids A and B on the Arrowsmith 2 and 3 claims. No anomalous precious or base metal element concentrations were encountered in the survey areas except for a spot copper anomaly (606 ppm) on Grid B (MacLeod, 1987).

In April 1988, 265 soil samples were collected from the Arrowsmith grid on the Arrowsmith claim. The highest values were 35 ppb Au, 0.8 ppm Ag, 213 ppm Cu, 14 ppm Pb and 129 ppm Zn (Angus, 1988).

Government geological work in the area includes mapping by C.H. Clapp (1912 and 1914), J.E. Muller and D.J.T. Carson (1969), J.E. Muller (1977 and 1980), N.W. Massey (1988). A mineral inventory report was prepared by J.S. Stevenson (1945).

4.0 REGIONAL GEOLOGY

Geology in the Port Alberni-Nitinat River area comprises mainly Upper Paleozoic Sicker Group rocks and Lower Mesozoic Vancouver Group rocks. These represent eugeosynclinal sequences of volcanic and sedimentary rocks. Jurassic Bonanza Group volcanics are present locally in the southern part of this area. Lesser amounts of Upper Cretaceous Nanaimo Group rocks and intrusive rocks of various ages occur also. During 1988, geologic mapping, headed by Mr. N. Massey, was conducted in the Port Alberni area as part of an ongoing, federally funded research project on the stratigraphy of the Sicker Group. Renaming of the formations and changes have been proposed. The original nomenclature introduced by Muller and previous workers has largely been retained by the mining industry to this point. For the purposes of this report Muller's terminology will be used due to its seemingly wider applicability over Vancouver Island and the economic significance associated with specific formations.

4.1 Sicker Group

Muller (1980) proposed the following subdivision of the Sicker Group, from oldest to youngest: Nitinat Formation, Myra Formation, 'Sediment-Sill' Unit, and Buttle Lake Formation.

The **Nitinat Formation** comprises mainly mafic volcanic rocks. These occur most commonly as flow breccias or agglomerates, including some massive flows, and rare pillow basalts. Locally, medium-grained, generally massive, basaltic tuff is interbedded with the flows. The thickness of the Nitinat Formation is estimated at 2000 m (Muller 1980).

The **Myra Formation** unconformably overlies the Nitinat Formation. In the Nitinat-Cameron River area, the Myra Formation comprises a lower, massive to widely banded, basaltic tuff and breccia unit, a middle, thinly banded, albite-trachyte tuff and argillite unit, and an upper, thick-bedded, medium-grained, albite-trachyte tuff and breccia unit.

The type locality of the Myra Formation is at Myra Creek, at the south end of Buttle Lake. There, volcanoclastic rocks consisting dominantly of rhyodacitic or rhyolitic tuff, lapilli tuff, breccia, and some quartz porphyry and minor mafic flows and argillite (Upper Myra Formation), are host to Westmin Resources' Myra, Lynx, Price, and H-W massive sulphide (Cu-Zn-Pb-Au-Ag-Cd) deposits. The Myra Formation is approximately 750 to 1000 m thick and both the Nitinat and Myra Formations are dated as Devonian and/or older by Muller (1980).

The **'Sediment-Sill Unit'** contains thinly bedded to massive argillite, siltstone, and chert with interlayered sills of diabase. It is transitional between the Myra and Buttle Lake Formations.

The **Buttle Lake Formation** comprises a basal, green and maroon tuff and/or breccia, overlain by coarse-grained, crinoidal and calcarenitic limestone, fine-grained limestone with chert nodules, and some dolomitic limestone. Lesser amounts of argillite, siltstone, greywacke, and chert are also present.



The Buttle Lake Formation is up to 470 m thick. It has been dated as Middle Pennsylvanian, based on fossil evidence but may be as young as Early Permian (Muller, 1980). Confirmation of this age through recent work done by Brandon and others (1986) includes isotopic and conodont ages which indicate that rocks of the Buttle Lake Formation are early Middle Pennsylvanian (Atokan) through Early Permian (probably Sakmarian).

4.2 Vancouver Group

The Upper Triassic **Karmutsen Formation** volcanic rocks unconformably to paraconformably overlie the Buttle Lake Formation limestone, forming the base of the Vancouver Group. The Karmutsen Formation is the thickest and most widespread sequence of rocks on Vancouver Island. It is well exposed south-east of Port Alberni, comprising mainly dark grey to black, or dark green tholeiitic pillow basalt, massive basalt, and pillow breccia. Pillow lavas generally occur near the base of the section. Conglomerate, which contains clasts of Sicker Group rocks and jasperoidal tuff, forms basal sections in the Nitinat-Horne Lake area.

Upper Triassic massive to thick-bedded dark grey to black, fine-grained to microcrystalline limestone of the **Quatsino Formation** occurs south of Mount Spencer. Coarse-grained marble occurs near intrusive rocks. Quatsino Formation limestone hosts the majority of known economic skarn deposits on Vancouver Island.

4.3 Bonanza Group

The **Bonanza Group** stratigraphy represents parts of several different eruptive centres of a volcanic arc. Basaltic, rhyolitic and lesser andesitic and dacitic lava, tuff, and breccia with intercalated beds and sequences of marine argillite and greywacke make up the Bonanza Group. The Bonanza Volcanics are considered to be extrusive equivalents of the Island Intrusions and to be of Early Jurassic age.

4.4 Nanaimo Group

Upper Cretaceous Nanaimo Group sedimentary rocks are scattered throughout the area. Extensive exposures occur near Port Alberni, Patlicant Mountain, and south and northwest of Mount Moriarty. The basal portions of the Nanaimo Group include; the **Comox Formation** which comprises mainly quartzofeldspathic, cross-bedded beach facies sandstone and lesser conglomerate with numerous intercalations of carbonaceous and fossiliferous shale and coal, the **Haslam Formation** which is a near-shore, littoral depositional facies characterized by thickly bedded fossiliferous, sandy shale, siltstone and shaly sandstone.

Interbedded, coarse clastic, conglomerate, pebbly sandstone and arkosic sandstone with minor shale and coal of the **Extension-Protection Formation** are beach and deltaic sand facies.

4.5 Intrusive Rocks

Gabbro, peridotite, and diabase of Triassic or Permian age occurs locally throughout the area. A large band is exposed approximately 8 km north of Port Alberni. Although mapped as intrusive, some of these rocks may be basal flow units of the Karmutsen Formation.

Middle to Upper Jurassic **Island Intrusions** comprising quartz diorite and lesser biotite-hornblende granodiorite occur throughout the area. Intrusive contacts with Sicker and Bonanza Group volcanic rocks are characterized by transitional zones of gneissic rocks and migmatitic rocks, whereas contacts with Karmutsen Formation volcanic rocks are well-defined. Skarn zones are reported at the contact of Island Intrusions with Quatsino Formation limestone, and less commonly with Buttle Lake Formation limestone.

Tertiary (Catface or Sooke) intrusive sills, dykes and stocks cut Sicker Group rocks and possibly Nanaimo Group sediments as well. They comprise mainly hornblende-quartz diorite and dacitic hornblende-feldspar porphyry and lesser leucocratic quartz monzonite.

4.6 Structure

The Buttle Lake Arch, Cowichan-Horne Lake Arch and Nanoose Uplift are north-northwesterly trending axial uplifts believed to be among the oldest structural elements in south central Vancouver Island. Folding and uplift occurred before the late Cretaceous, and possibly before the Mesozoic (Muller and Carson, 1969), and more tilting, folding, and uplift occurred after the late Cretaceous. Sicker Group volcanic and sedimentary rocks occur at the cores of these uplifts.

Asymmetric, southwest-verging, northwest-trending, antiformal fold structures, characterized by subvertical southwest limbs and moderately dipping northeast limbs occur at Buttle Lake, in the Cameron-Nitinat River area, and north of Cowichan Lake. Well-developed foliation was formed during metamorphism to chlorite-actinolite and chlorite-sericite schist, in steep and overturned limbs of folds. The folding may have occurred prior to intrusion of Triassic(?) mafic sills along axial planar surfaces in folded 'Sediment-Sill' unit rocks. Evidence from K-Ar dating also suggests Jurassic folding. Buttle Lake Formation limestones are relatively undeformed in some places, although in others, as in the Chemainus River Canyon, they are highly deformed, along with other Sicker Group rocks (Brandon and others, 1986). Vancouver Group units are not as intensely folded; gentle monoclinial and domal structures have been mapped. However, Karmutsen Formation volcanic rocks locally conform to the attitude of underlying Myra and Buttle Lake Formations (Muller, 1980a).

Some early Mesozoic faulting occurred in the area prior to emplacement of Island Intrusions. Middle to Upper Jurassic intrusive activity (Island Intrusions) is localized along northwesterly trends.

Extensive west-northwest trending faulting occurred during the Tertiary, and is best illustrated by large displacements of Nanaimo Group sediments in some areas, such as the north side of the Chemainus River Valley, placing Sicker Group rocks above Nanaimo Group rocks. These faults have been traced for up to 100 km.

Minor late, north and northeasterly trending, tear-faults and block faults offset northwest trending faults locally. The northerly trending Alberni Valley fault has been traced over 70 km and displaces a section of Karmutsen Formation approximately 1500 m (Muller and Carson, 1969).

4.7 Economic Setting

The Sicker Group, and to a lesser extent the Vancouver Group of volcanic rocks, have been explored intermittently since the 1890's for gold and base metal mineralization.

Until recently, deposits of copper and gold-silver in quartz veins and shear zones hosted by mafic to intermediate volcanic rocks and base metal plus gold-silver skarn deposits were the most widely recognized economic and subeconomic metal concentrations in the Port Alberni area. Placer mining for gold was undertaken in the 1940's around China, Mineral and Corrigan Creeks.

At Buttle Lake, approximately 70 km northwest of Port Alberni, the Myra Formation of the Sicker Group hosts Westmin Resources' volcanogenic massive sulphide deposit. Ore minerals, including sphalerite, chalcopyrite, galena, tetrahedrite-tennantite, minor bornite and covellite are hosted by pyritic, rhyolitic to rhyodacitic volcanic and pyroclastic rocks of the Myra Formation.

Combined reserves of the **Lynx** (open pit), **Price**, and **Myra** deposits are 926,600 tonnes grading 1% copper, 0.9% lead, 7.4% zinc, 2.1 g/t gold, 89 g/t silver (1983). Reserve figures for the **HW** were 13,901,000 tonnes, averaging 2.2% copper, 5.3% zinc, 0.3% lead, 2.4 g/t gold and 37 g/t silver (Walker, 1983). From 1980 to 1982, 811,987 tonnes of ore were milled, producing 7,306,880 kg copper, 43,706,118 kg zinc, 6,455,040 kg lead, 1700 kg gold, 78,630 kg silver and 58,500 kg cadmium.

Another volcanogenic massive sulphide deposit hosted by Sicker Group rocks is the **Twin J Mine** on Mount Sicker near Duncan. The two parallel ore bodies contain pyrite, chalcopyrite, sphalerite and minor galena in a barite, quartz-calcite gangue and chalcopyrite in quartz, and occur in schist believed to have been derived from felsic volcanics of the Myra Formation. Total production from 1898 to 1964 was 277,400 tonnes producing 1384 kg gold, 29,066 kg silver, 9,549,590 kg copper and 20,803,750 kg zinc with at least 164,590 kg lead and 4.5 kg cadmium.

On the **Lara** property, (north of Cowichan Lake) Abermin Corporation has traced the polymetallic volcanogenic massive sulphide Coronation and Coronation Extension zones over a strike length of over 1500 m and to depths of 245 m. Initially, average grades were 5.1 g/t gold, 111 g/t silver, 0.81% copper, 1.32% lead, and 5.79% zinc over an average thickness of 3.9 m. A 160 m long, high-grade zone within the Coronation zone averaged 8.2 g/t gold, 229 g/t silver, 1.5% copper, 3.1% lead, and 14.9% zinc over an average of 3.4 m thickness. Other similar horizon(s) up to 2.4 km long, parallel to the Coronation zone in the northern part of the property, are also hosted by felsic volcanics of the Myra Formation.

In October 1987, Abermin commenced work on a decline to explore the Coronation zone and provide access to the ore zone on three levels. The present owners, Laramide Resources Ltd., reported estimated reserves of 529,000 tonnes averaging 1.01% copper, 1.22% lead, 5.87% zinc, 101 g/t silver and 4.73 g/t gold over an average thickness of 2.7 m in July of 1988.

Five known past producing mines occur in the Port Alberni area. The **Thistle Mine** produced 85,840 g gold, 65,940 g silver and 309,090 kg copper from 6280 tonnes of ore. It was originally interpreted as a skarn deposit (Stevenson, 1945; Carson, 1968). Recently it has been interpreted as a stratabound vein deposit with a possible syngenetic component. It is associated with massive magnetite which is stratabound and in veins. Over other parts of the property, mineralization is fracture controlled. Work by Westmin Resources Ltd. in 1983 and 1984 located 16 significant copper and/or gold occurrences over a strike length of 4.6 km. These occurrences grade up to 17 g/t gold over 2.1 m. During 1984 and 1987 drill programs failed to intersect significant gold concentrations over mineable widths, however.

The **Havilah Mine** (950 tonnes produced 8060 g gold and 43,670 g silver) and the **Vancouver Island Gold Mine** (438 tonnes produced 11,900 g gold and 1600 g silver) are quartz vein deposits hosted by andesite and andesitic tuff of the Sicker Group.

The **Black Panther Mine** is an auriferous quartz vein within a shear zone cutting Sicker Group andesite and Island Intrusions diorite. Production of 1715 tonnes of ore yielded 15,800 g gold, 29,600 g silver, 5587 kg lead and at least 2030 kg zinc and 226 kg copper.

The **3-W Mine** (Corrigan Creek), comprises gold-bearing quartz veins cutting Island Intrusions diorite and granodiorite. Production was 105 tonnes of ore grading 140 g/t gold, 150 g/t silver, 0.23% copper and 1.1% lead.

Approximately 16 km southeast of Port Alberni, on McLaughlin Ridge, Nexus Resource Corporation and Westmin Resources Ltd. (as operator), have completed a 2 km exploration tunnel on their jointly owned **Debbie** property which adjoins the Singapore claim on the west. The tunnel will serve as a platform for further drilling and bulk sampling.

Several auriferous mineralized zones occur within the property area. These include the Yellow Creek Zone, Upper Mineral Creek Zone, Linda Zone, Vancouver Island Gold Mine, 900 Zone and Regina Workings. They are aligned in a northerly direction, approximately following Mineral and Yellow(s) Creeks. From Yellow Creek to Rogers Creek, a major chloritic schist zone derived from a tuffaceous unit occurs. These schists contain minor sulphides and are pervasively altered. This zone may be related to massive sulphide mineralization according to Westmin geologists.

The Myra Formation of the Sicker Group extends northwesterly for over 25 km through the property, with an estimated thickness of 450 m. Both exhalative massive sulphide zones and auriferous quartz veins occur on the property in Myra Formation rocks.



The **Mineral Creek Zone** occurs within tectonic breccias which are spatially related to the Mineral Creek fault zone. Arsenopyrite is associated with gold in discrete quartz veins and adjacent alteration zones. The old Vancouver Island Gold Mine appears to be on strike with the Mineral Creek Zone (Massey, et al, 1988).

The **Linda Zone** is located 800 m east of the Mineral Creek Zone and may be an extension of the Vancouver Island Gold Mine. A series of high grade, easterly dipping quartz veins crosscuts the Mineral Creek fault.

The **900 Zone**, located approximately 1.4 km west of Mineral Creek, is hosted in pyroxene-aphyric basalt, flow-top breccias, tuffwackes and banded chert which resemble a massive sulphide environment. An isoclinally folded chert unit "lean iron formation" with magnetite at the base, is underlain by an auriferous, pipe-like, quartz vein stockwork (Massey, 1988).

Quartz veinlets containing native gold, pyrite, magnetite and trace arsenopyrite cut chert and red jasper host rocks.

Some of the best drill intersections to September 12, 1988 include:

Mineral Creek Zone		Linda Zone		900 Zone	
m	g/t Au	m	g/t Au	m	g/t Au
4.6	18.9	3.0	19.9	14.4	139.8
21.0	3.5	1.5	34.1	21.8	25.2
9.5	4.4	1.0	47.4	6.1	49.4
5.5	5.9				
2.7	10.6				

The **Regina Workings**, on the east side of the southern extension of the Mineral Creek fault contain anomalous gold and silver in quartz lenses and veinlets. The gold and silver is associated with pyrite, chalcopyrite and minor galena. The massive sulphide zone is up to 300 m wide and may be associated with jasper. The quartz is contained in shears in silicified and pyritized basalt. A pre-Jurassic age has been determined from lead isotope data.

On the north side of McLaughlin Ridge, the **Rogers Creek Showing** comprises thin lenses and layers of stratabound sphalerite and galena in chlorite-sericite schist within mafic volcanic rocks.

4.8 Regional Airborne Magnetic Survey

An aeromagnetic survey conducted in 1962 by Hunting Corporation covers the area southeast of Port Alberni.

The magnetic interpretation complies with the lithologic units and conclusions arrived at by Muller and other workers. For example, Arkani-Hamed and Strangway (1988) concluded from airborne data, that Island Intrusives south of the surveyed area are strongly magnetic and that Sicker and Nanaimo Group rocks along with Bonanza Volcanics are characterized by relatively lower



magnetization. Observations from ground work conducted by MPH crews throughout the area demonstrate that Karmutsen basalts and Island Intrusions exhibit a strong magnetization relative to Sicker Group rocks.

The airborne magnetic survey outlines a possible northerly trending feature along the Debeaux Creek Valley. Other northerly trending faults as mapped by workers in the area, are not clearly observed from the airborne magnetic survey, possibly due to fault features within similar units and data density insufficient to define the weaker magnetic features.

The northwest trending 'Cameron River Fault' and the northerly trending 'Debeaux Creek Fault' project onto the Arrowsmith claim group and Singapore claim.

5.0 1988 WORK PROGRAM

Preliminary exploration of the Arrowsmith and Singapore claims was conducted by Edsons Resources Ltd. between April 30 and May 19, 1988, and by MPH Consulting Limited between November 14 and 28, 1988. Both programs consisted of rock sampling (99 samples) and heavy mineral concentrate stream sediment sampling (28 samples). Extensive snow coverage prevented exploration in areas of interest.

5.1 Property Geology

The geology, based on Muller's mapping (1980) with slight modifications generally complies with field work conducted by MPH Consulting Limited (Figure 2).

The Arrowsmith claims are underlain by rocks of the Nitinat, Myra and Buttle Lake Formations of the Paleozoic Sicker Group, Triassic Karmutsen Formation and Cretaceous Nanaimo Group, all intruded by Tertiary Intrusions. The Singapore claim is underlain by Nitinat Formation rocks of the Paleozoic Sicker Group.

5.1.1 Arrowsmith Group

The Nitinat Formation (Unit 1) comprising mainly mafic volcanic rocks, occurs in the western half of the Arrowsmith claim and the eastern half of the Arrowsmith 2 claim. Small portions of the Arrowsmith 4 and the Arrowsmith 3 claims are also underlain by the Nitinat Formation. Fine-grained to massive andesitic rocks were observed in the creek which intersects the Arrowsmith grid.

Myra Formation (Unit 2) rocks occur in the northern half of Arrowsmith 4 claim, western half of the Arrowsmith 2 claim and in the central part of the Arrowsmith 3 claim. A small portion also occurs in the southwest corner of the Arrowsmith claim.

The Buttle Lake Formation (Unit 3) occurs in the northern half of the Arrowsmith 4 claim and the northeastern portion of the Arrowsmith claim. White to greyish white, bedded limestone with bedding from 3 cm to 5 m thick, strikes northeast with a moderate southeast dip on the Arrowsmith 3 claim. The limestone contains trace fine pyrite which weathers rusty brown.



LEGEND

GEOLOGY

TERTIARY

- 6 Sooke Intrusions - quartz diorite, agmatite porphyry

LATE CRETACEOUS

- 5 Nanaimo Group - undifferentiated sandstone, siltstone, shale, conglomerate

LATE TRIASSIC

- 4 Karmutsen Formation - basaltic lava, pillow lava breccia, tuff

PALEOZOIC

- Sicker Group
3 Buttle Lake Formation - limestone chert
2 Myra Formation - metagreywacke, argillite, schist, marble
1 Nitinat Formation - basaltic to rhyolitic metavolcanic flows, tuff, agglomerate

Reference: Muller, 1977 (1:250 000 scale map)

SYMBOLS

- Lithologic boundary
--- Fault
--- Soil sampling grid (Edsons Resources Ltd, 1988)
--- Soil sampling grid (Edsons Resources Ltd, 1987)
--- Copper soil anomaly ≥ 150 ppm
● 65434 Rock sample (MPH Consulting Ltd)
● 6561 Rock sample (Edsons Resources Ltd and MPH Consulting Ltd, 1984)
▲ (HMC-Y) Silt sample (MPH Consulting Ltd)
▲ 64257 Silt sample (Edsons Resources Ltd)
Selected results are Au in ppb, others in ppm.
--- Trench (hand dug)
★ Mineral occurrence
--- Road (2 wh. dr., 4 wh. dr.)
--- Claim boundary (dashed where overlapping previous claims) and L.C.P.

Topographic contour interval 20 m and 40 m.

0 500 1000 1500 m

92 F / 7

NEWPORT METALS CORPORATION

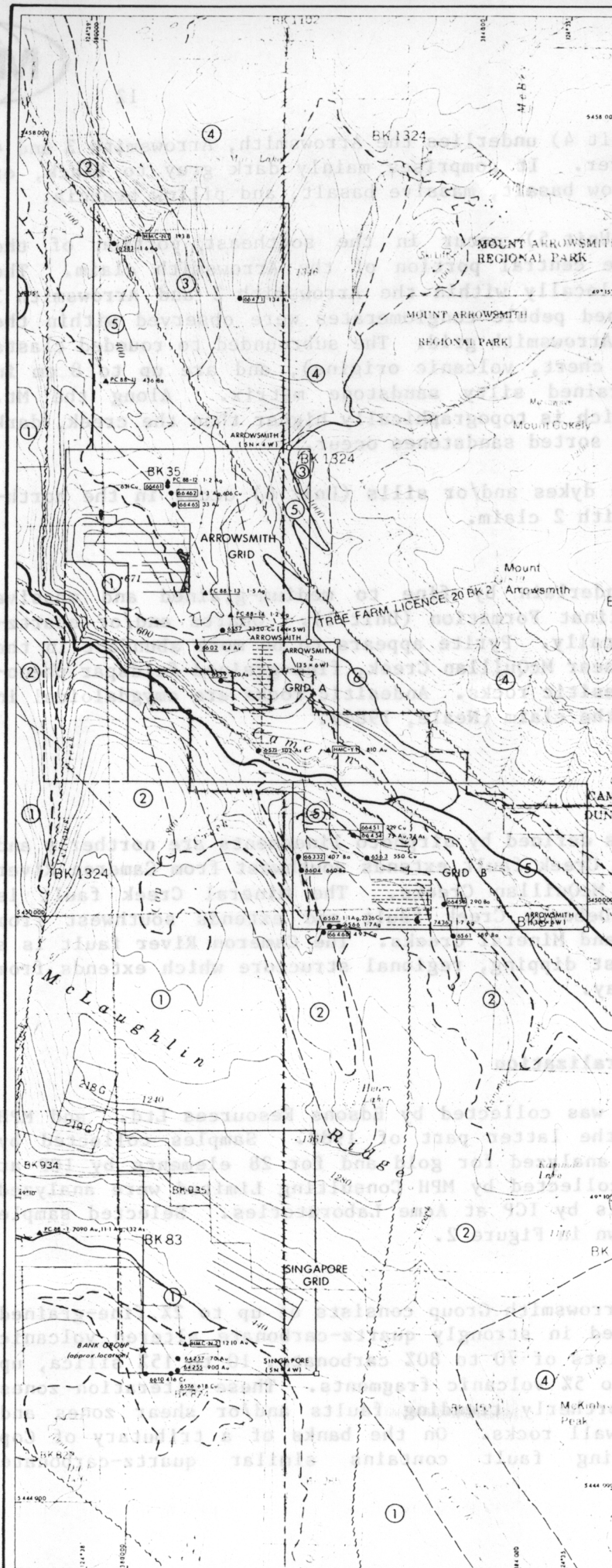
SUMMARY COMPILATION MAP ARROWSMITH PROJECT

NANAIMO & ALBERNI MINING DIVISIONS, B.C.

Project No.	V 296	By	B.T.
Scale	1 : 60 000	Drawn	J. S.
Drawing No.	2	Date	MAY 1989.



MPH Consulting Limited



The Karmutsen Formation (Unit 4) underlies the Arrowsmith, Arrowsmith 3 and 4 claims east of Cameron River. It comprises mainly dark grey to black, or dark green, tholeiitic pillow basalt, massive basalt, and pillow breccia.

Nanaimo Group sediments (Unit 5) occur in the southeast portion of the Arrowsmith 4 claim, and the central portion of the Arrowsmith claim. The Nanaimo Group also occurs locally within the Arrowsmith 2 and Arrowsmith 3 claims areas. Coarse-grained pebble conglomerates were observed within the creek which intersects the Arrowsmith grid. The subrounded to rounded clasts vary in lithology (quartz, chert, volcanic origins), and are up to 8 cm in diameter within a fine-grained silty sandstone matrix. Along the Mt. Arrowsmith ski hill road which is topographically higher than the creek, dark brown, coarse-grained, well sorted sandstones occur.

Tertiary (?) quartz diorite dykes and/or sills (Unit 6) occur in the north-eastern part of the Arrowsmith 2 claim.

5.1.2 Singapore Claim

The Singapore claim is underlain by fine to medium-grained and massive andesitic rocks of the Nitinat Formation (Unit 1). Quartz and/or quartz-carbonate veinlets occur locally. Pyrite appears to be more abundant in the veined rocks. On the road near McQuillan Creek, fine-grained feldspar phenocrysts occur within the andesitic rocks. Andesitic rocks are amygdaloidal in the southwestern corner of the claim (Neale, 1984).

5.2 Structure

The dominant fault(?) trends defined by airphoto lineaments are northerly and northwesterly. The Debeaux Creek fault extends southwest from Cameron River along Kammatt, Debeaux and McQuillan Creeks. The Mineral Creek fault is located 4 km west of the Debeaux Creek fault and extends southwest from Cameron River along Yellow and Mineral Creeks. The Cameron River fault is a northwest trending, northeast dipping, regional structure which extends from Horne Lake south to Maple Bay.

5.3 Rock Sampling and Mineralization

A total of 99 rock samples was collected by Edsons Resources Ltd. and MPH Consulting Limited during the latter part of 1988. Samples collected by Edsons Resources Ltd. were analyzed for gold and for 28 elements by ICP at Vangeochem Labs. Samples collected by MPH Consulting Limited were analyzed for gold and for 30 elements by ICP at Acme Laboratories. Selected sample geochemical results are shown in Figure 2.

5.3.1 Arrowsmith Group

Mineralization within the Arrowsmith Group consists of up to 2% fine-grained disseminated pyrite localized in strongly quartz-carbonate altered volcanic rocks. The alteration consists of 70 to 80% carbonate, 10 to 15% silica, up to 5% fuchsite with trace to 5% volcanic fragments. These alteration zones appear to be related to northerly trending faults and/or shear zones and extend up to 5 m into the wall rocks. On the banks of a tributary of Cop Creek, a westerly trending fault contains similar quartz-carbonate alteration.

Samples 66451 (229 ppm Cu), 66454 (79 ppb Au, 34 ppm As), 6563 (550 ppm Cu) and 6566 (2326 ppm Cu, 93 ppm As) are all from quartz-carbonate alteration zones. The northerly trending Debeaux Creek fault is located within 500 m of these rock samples suggesting a possible association with or influence by this structure.

Samples 6571 (618 ppm Cu), 6557 (3350 ppm Cu), 6559 (220 ppm As), 66461 (631 ppm Cu), 66462 (606 ppm Cu, 4.3 ppm Ag) and 66465 (33 ppb Au) were all collected from quartz-carbonate altered Nitinat Formation rocks. These samples contain up to 1% pyrite and are located between the Arrowsmith Grid and Grid A. The Cameron River fault, cuts the Nitinat Formation rocks in this area.

5.3.2 Singapore Claim

Rock sampling (13 samples) was conducted on the southern portion of the Singapore claim.

The Bank Group Showing consists of pyrite, chalcopyrite and galena in quartz veins. A grab sample from the dump assayed trace Au, 34 g/t Ag and 3.2% Cu (MMAR, 1917). A schistose zone with abundant fine disseminated pyrite occurs in the creek where sample HMC-N2 was taken. A sample of a quartz carbonate vein from within this zone returned 900 ppb Au (Neale and Hawkins, 1984). A strongly silicified shear zone oriented at 310°/45°NE occurs further down this creek. It cuts dark grey, andesitic volcanic rocks, contains 40% quartz veins and is limonitic stained. Sample 6576, from within this zone, returned 618 ppm Cu and a previous grab sample returned 70 ppb Au (Neale and Hawkins, 1984).

5.4 Stream Sediment Sampling

5.4.1 Arrowsmith Group

A total of 16 HMC silt samples (6 by Edsons Resources Ltd. and 10 by MPH) was collected from stream sediments on the Arrowsmith claims.

Sample HMC-Y1, which returned 810 ppb Au, was the only sample collected within the Arrowsmith claims which contained anomalous gold. It was taken from a creek draining an area north of Cameron River, approximately 3 km east of Yellow(s) Creek. An airphoto lineament extends south to the northern slopes of McLaughlin Ridge along this creek. Quartz-carbonate altered volcanics with finely disseminated pyrite (up to 2%) occur along this lineament. Grab samples from these altered zones contained significant values of gold (up to 79 ppb Au from sample 66454).

5.4.2 Singapore Claim

A total of 12 HMC silt samples (10 by Edsons and 2 by MPH) was collected from stream sediments on the Singapore claim. The following is a list of the anomalous gold-in-silt samples collected.

Edsons Resources Ltd.		MPH Consulting Limited	
PC88-1	7090 ppb Au	HMC-N2	1210 ppb Au
PC88-2	40 ppb Au		
PC88-5	60 ppb Au		
PC88-6	40 ppb Au		
PC88-10	55 ppb Au		

Sample PC88-1 (7090 ppb Au) is located 1 km west of the Singapore claim in China Creek. China Creek drains ground up to 6 km to the east of the property making it difficult to determine whether the anomalous gold-in-silt reflects bedrock gold mineralization from within or outside the Singapore property.

Sample PC88-3 (20 ppb Au), from near the eastern claim boundary in China Creek, is approximately 4 km upstream from PC88-1.

Sample HMC-N2, which returned 1210 ppb Au, was taken from the creek draining an area near the Bank Group showing. Although historical records show that the Bank Group showing hosts only a trace of gold, grab samples taken of a schistose zone from within the Bank Group showing area have returned up to 900 ppb Au (Neale, 1984).

Samples PC88-5 (60 ppb Au) and PC88-10 (55 ppb Au) were collected from creeks 250 m and 500 m west, respectively, of the HMC-N2 silt sample. These moderately anomalous gold concentrations may reflect downslope migration of gold from the pyritic schistose zone. Sample PC88-6 (40 ppb Au) is from a creek draining the southern slope of McLaughlin Ridge, 200 m upstream from China Creek.

5.5 Soil Geochemistry Survey

Edsons Resources Ltd. carried out four separate soil surveys between 1987 and 1988. These surveys are documented in reports by MacLeod (1987), Angus (1988a) and Angus (1988b). Samples from these grids were analyzed at Vangeochem Labs for gold and for 28 elements by ICP. Small anomalous copper-in-soil anomalies have been outlined on the Arrowsmith grid.

A total of 265 samples was collected from the Arrowsmith grid. The grid consisted of nine 100 m spaced lines with 25 m sample station intervals.

Anomalous soil sample results for copper were determined by statistical methods whereby, the mean and standard deviation were calculated using the complete data set, which, after taking out the outliers was recalculated. Values over mean plus one standard deviation were considered above background, while those over mean plus two standard deviations were considered anomalous.

Gold-in-soil anomalies were determined by inspection rather than by statistical methods because 38% of the samples returned non detectable levels of gold.

	Au (ppb)	Cu (ppm)
Above background	20	98
Anomalous	30	125
Range	ND-35	11-213
ND = Non detectable		

Copper

Two anomalous zones of copper have been outlined. The first zone, located in the southeast corner ranges between 150 ppm and 207 ppm Cu. It is 400 m long, up to 50 m wide and runs from L0+00, 0+75W to L4+00N, 1+00W. The large anomalous zone is open both to the southeast and to the south. This anomaly



may be associated with the northwest trending Cameron River Fault. Along the northerly strike projection of this zone, grab samples of quartz-carbonate altered Vancouver Group conglomerates returned up to 631 ppm Cu, 4.3 ppm Ag, and 33 ppb Au. Along the southerly strike projection, grab samples of quartz-carbonate altered rocks returned up to 3350 ppm Cu and 84 ppm As.

The second anomalous copper zone is located in the northwest corner of the grid. Concentrations range from 138 ppm to 213 ppm Cu. It is a north-south trending anomaly which is 100 m long and 25 m wide running from L7+00N, 9+00W to L8+00N, 9+25W. This zone may also be related to the Cameron River fault.

Gold

Only slightly anomalous spot highs of 20 ppb to 35 ppb gold occur over the grid area. These spot highs do not appear to be coincident with known geological structure or lithogeochemical results.

Analysis for all other elements returned only background concentrations.

6.0 PROPOSED WORK PROGRAM

6.1 Plan

Phase Ia exploration of the Arrowsmith and the Singapore claims will concentrate on geologic mapping and rock sampling, as well as silt sampling. Detailed mapping and rock sampling of the entire claim area will be carried out at a 1:2500 scale. Stream sediment sampling will be carried out in all creeks on the property, with detailed sampling to be undertaken in anomalous areas.

Phase Ib will consist of further detailed geologic mapping, sampling, hand trenching and rock sampling of anomalous targets. Soil, magnetometer and VLF-EM surveys will be carried out on grid(s) over the most promising areas.

A Phase II program budget, contingent on favourable Phase I results is contingent on the Phase I program.

6.2 Budget

Phase I

Mob/Demob	\$ 800
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Phase Ia:

Personnel	\$16,925	
Support Costs	2,970	
Transportation, Communications, Supplies	690	
Equipment Rental	1,680	
Consulting	3,542	
Analyses	<u>3,545</u>	
		\$29,352

Phase Ib:

Personnel	\$16,050	
Support Costs	2,860	
Transportation, Communications, Supplies	820	
Equipment Rental	4,390	
Consulting	3,542	
Analyses	<u>7,525</u>	
		\$35,187
Administration @ 15%		2,382
Contingency @ 15%		10,184
Report Preparation		<u>8,050</u>
Total Cost, say		\$86,000

Phase II

Personnel	\$48,200	
Equipment Rental	11,550	
Support Costs	7,645	
Analyses	10,176	
Miscellaneous (gas, shipping, supplies)	2,450	
Report Costs	4,400	
Administration	2,554	
Contingency	<u>13,025</u>	
Total, say		\$100,000

The Phase I program will require approximately four weeks to complete with two weeks allotted for synthesis of data and report writing. Phase II work is estimated to require a total of four weeks for completion of field work and a further two weeks for compilation of results and report writing.

7.0 CONCLUSIONS

1. The Arrowsmith claims are underlain by rocks of the Nitinat, Myra and Buttle Lake Formations of the Paleozoic Sicker Group, Karmutsen Formation of the Triassic Vancouver Group and Cretaceous Nanaimo Group which have been intruded by Tertiary dykes and plugs.
2. The Singapore claim is underlain by Nitinat Formation rocks of the Paleozoic Sicker Group.
3. North-south trending quartz-carbonate alteration zones, which locally contain anomalous levels of gold, silver, copper and arsenic, are located on the Arrowsmith claims. These should be explored further.
4. Copper-in-soil anomalies were outlined on the Arrowsmith soil grid. They appear to be related to the Cameron River fault. Rock samples (grab) taken along the strike projection of these copper anomalies returned up to 3350 ppm Cu, 220 ppm As, 4.3 ppm Ag and 33 ppb Au.



5. On McLaughlin Ridge, extensive quartz-carbonate alteration zones occur in rocks which are located along a northwest-southeast trending airphoto lineament. A heavy mineral concentrate sample which contained 810 ppb Au is located along this airphoto lineament north of the alteration zones.
6. The anomalous stream sediment sample (1210 ppb Au) located on the Singapore claim may be derived from the gold bearing schistose zone located 500 m upstream.
7. The Arrowsmith and Singapore claims have a high potential to host a structurally controlled vein deposit similar to the nearby Debbie-Yellow property, based on similar quartz-carbonate alteration zones in Sicker Group rocks and north-south structural controls.

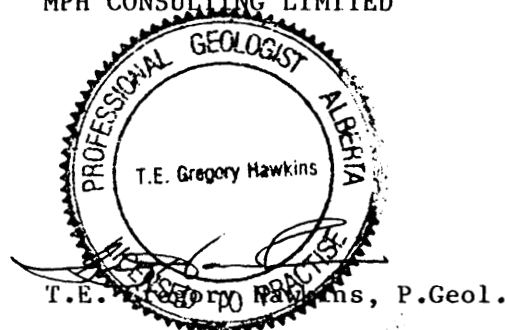
8.0 RECOMMENDATIONS

1. Additional soil sampling at 100 m line spacing and 25 m station intervals on the Arrowsmith grid is recommended. Extensions to the south should cover the anomalous lithogeochemical samples and extensions to the east should be long enough to define the extent of the present copper-in-soil anomaly.
2. Additional soil sampling at 100 m line spacing and 25 m station intervals on Grid A and Grid B is recommended. Extensions to these grids should cover the airphoto lineament which overlies alteration zones and an anomalous gold stream sediment sample.
3. It is recommended that further stream sediment sampling be conducted in creeks not previously sampled, as well as resampling and prospecting up streams containing anomalous gold in heavy mineral concentrate samples.
4. Geologic mapping, trenching and rock sampling are recommended in the Bank Group showing area to determine the extent and source of gold mineralization in the creek.
5. Geologic mapping (1:5000 scale) and rock sampling are recommended over the southern slopes of McLaughlin Ridge on the Singapore claim as well as the Arrowsmith claims to determine the lithologic succession.
6. Trenching, geological mapping and rock sampling in areas defined by anomalous soil and rock samples are recommended. Attention should be directed to the quartz-carbonate alteration zones on the Arrowsmith claims.
7. Phase Ia and Ib work programs consisting of geologic mapping, rock sampling, soil geochemistry, magnetometer and VLF-EM surveying, trenching and heavy mineral concentrate silt sampling are recommended at an estimated cost of \$86,000.



8. Contingent upon favourable Phase I results, Phase II work including geological mapping, rock sampling, IP surveying and possible additional soil sampling/magnetometer/VLF-EM grid(s) is recommended at an estimated cost of \$100,000.

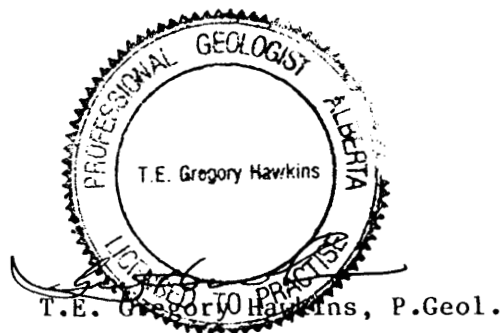
Respectfully submitted,
MPH CONSULTING LIMITED



CERTIFICATE

I, T.E. Gregory Hawkins, do hereby certify:

1. That I am a Consulting Geologist with business office at #2406 - 555 West Hastings Street, Vancouver, B.C. V6B 4N5.
2. That I am a graduate in geology of The University of Alberta, Edmonton (B.Sc. 1973), and of McGill University, Montreal (M.Sc. 1979).
3. That I have practised within the geological profession for the past seventeen years.
4. That I am a Fellow of the Geological Association of Canada and a Professional Geologist registered in the Province of Alberta.
5. That the opinions, conclusions and recommendations contained herein are based on field work carried out on the Arrowsmith - Singapore property by MPH Consulting Limited personnel under my supervision.
6. That I own no direct, indirect, or contingent interests in the area, the subject property, or shares or securities of Newport Metals Corporation or associated companies.



Vancouver, B.C.
May 1, 1989



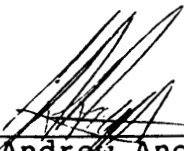
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CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

Dated: August 31, 1990



Craig Andrew Angus, President
Chief Executive Officer,
Chief Financial Officer and
Promoter

ON BEHALF OF THE BOARD OF DIRECTORS



Michael James Gille



Scott Edmonds Angus

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its Regulations.

Dated: August 31, 1990

MCDERMID ST. LAWRENCE LIMITED

PACIFIC INTERNATIONAL SECURITIES
INC.

Per: 

Per: 
