

SIB AND POLO PROPERTIES

The following are excerpts from two reports prepared by Bradford J. Cooke, Cooke Geological Consultants Ltd., dated August 8, 1988 and November 18, 1988, respectively. These reports are available for inspection during normal business hours at #701, 475 Howe Street, Vancouver, British Columbia.

Both the Sib and Polo properties are located approximately 950 kilometres northwest of Vancouver and 80 kilometres northwest of Stewart, British Columbia. Access to the claims is provided by jet service to Terrace, vehicle transport by Highways 16 and 37 to Stewart, and helicopter charter to the property. The Sib and Polo properties are well located for gold exploration, being situated in the heart of the Stewart mining district.

The Sib and Polo properties consist of 16 two post claims and 8 modified grid claims, all contiguous, totalling 16 and 160 units respectively, in the Skeena Mining Division.

Placer gold was first discovered locally at Sulphurets Creek (now held by Tonopah Resources) south of the SIB-POLO claims in 1881. By 1926, prospecting had located lode gold mineralization immediately northeast of the SIB-POLO properties along Eskay

Creek (TOK-KAY claims now held by Consolidated Stikine Silver and Calpine Resources).

Credit has been given to Tom McKay and the McKay Syndicate for making important discoveries on the TOK-KAY ground between 1932 and 1934. Since that time, there has been extensive trenching, some drilling and limited drifting on the TOK-KAY claims, with minor work carried out in 1987. Recent drilling at Eskay Creek by Calpine Resources has intersected widths and grades of gold mineralization in the 21 Zone including 0.20 oz/ton Gold over 21.3 ft., 0.125 oz/ton Gold over 242.1 ft. and 0.73 oz/ton Gold over 96.5 ft.

Calpine Resources has returned to active drilling of its new discovery in the 21 Zone. A broad, southwest-trending, altered and mineralized, low grade gold-silver-lead-zinc-copper zone, containing high grade gold-silver-arsenic-antimony-mercury ore shoots, have been traced for more than 2 miles according to old prospecting maps. The SIB-POLO claims appear to cover the southwest extension of this zone, although limited exploration work has actually been recorded for these claims.

Consolidated Silver Butte Mines drove a 2 mile bulldozer trail and did surface stripping over an area 100 feet by 1,000 feet in 1973 but no assaying was reported. In 1982, Ryan Exploration carried out a reconnaissance rock chip and stream sediment sampling program covering the SIB-POLO claims, and several strong anomalies were located.

The SIB-POLO properties were part of the TOK-KAY claim group held by Kerrisdale Resources in 1985 but work concentrated on the TOK-KAY ground. Since that time, no work has been carried out on the SIB-POLO claims.

The SIB-POLO properties are underlain predominantly by rocks of the Stewart Complex, including andesite, rhyolite and greywacke of the Lower Jurassic Unuk River Formation, unconformably overlain by argillite, sandstone and conglomerate of the Middle Jurassic Salmon River Formation. These rocks strike to the northeast and dip steeply northwest, along several northeast-trending fold axes, intruded by feldspar porphyry plugs, dikes and sills of Jurassic age.

A major northeast-trending lineament more than 10km long crosses the TOK-KAY and SIB-POLO properties marked by shearing, alteration and mineralization up to 500 metres wide. It is these pyritized, brecciated felsic rocks, variously described as rhyolite flows, tuffs and breccias or silicified replacement zones, that contain extensive, low grade, Gold-Silver-Lead-Zinc-Copper stockworks and localized, high grade, Gold-Silver-Lead-Zinc-Copper veins and Gold-Silver-Arsenic-Antimony-Mercury pods.