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**GRASSHOPPER PROPERTY**

ATTN: WAYNE ROBERTS.  
(9 PAGES)

**Tulameen, British Columbia**

**NTS 92H/10W**

**By: Ron Bilquist, Propector**

**January, 2001**

**(A brief description and short work history)**

**To: Wayne Roberts  
From: Ron Bilquist**


**February 8, 2001**

Hello Wayne. Here is basically what we counter offered to another company that is interested in our claims. We are also looking for regional funding for a palladium, platinum, copper and gold program. Tom Richards is putting this together and would be the person to talk to on it. I am leaving for Argentina

on Monday and will be gone until the 10<sup>th</sup> of May. Les Allen, one of the other partners is going down the same time as me. Tom Richards is in Canada until February 27. Mikkel Schau is the forth partner and he will be available while we are away. Contact phone numbers are below. In Argentina we are in contact with the office daily.

Tom Richards ph 403 270 0459  
 Mikkel Schau ph 250 544 4894  
 Argentina email mansfield@arnet.com.ar

Sincerely;



Ron Bilquist

**GRASSHOPPER PROPOSAL**

	On Signing	End Yr. 1	End Yr. 2	End Yr. 3	End Yr. 4	End Yr. 5
Cash	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$100,000.00	\$500,000.00
Shares	200,000					
Work (applied to assessment)		\$100,000.00	\$100,000.00	\$100,000.00		
NSR	2 percent*					
ARR						\$50,000.00** starting end Yr.6.

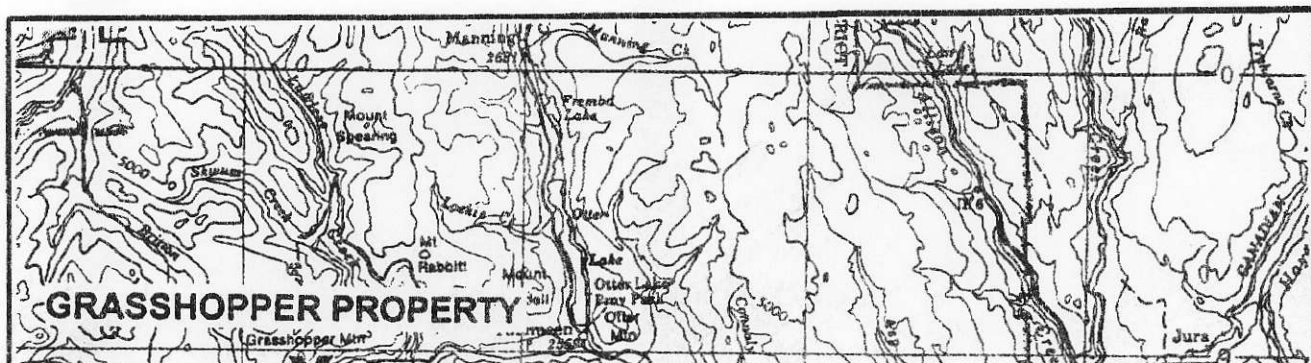
\*NSR \$1000,000.00 buy out of 1%.

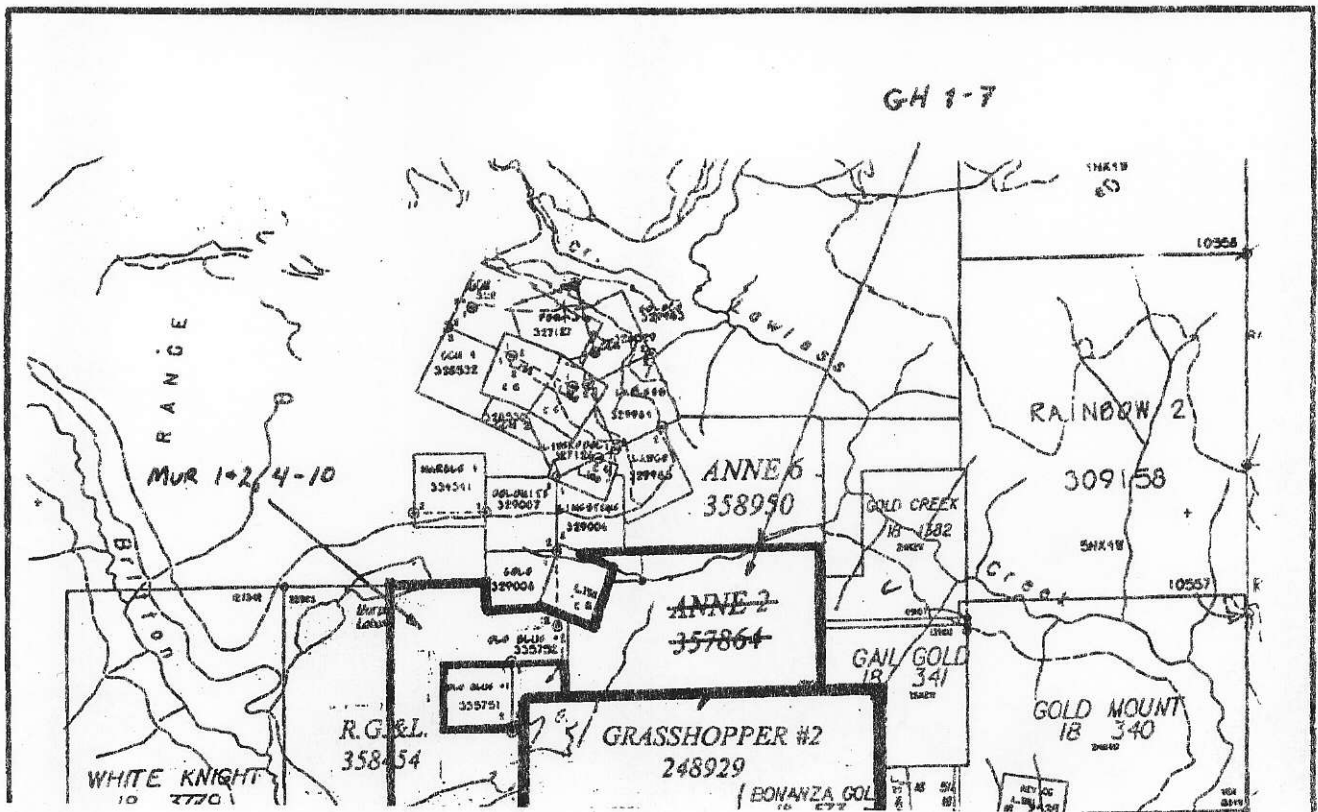
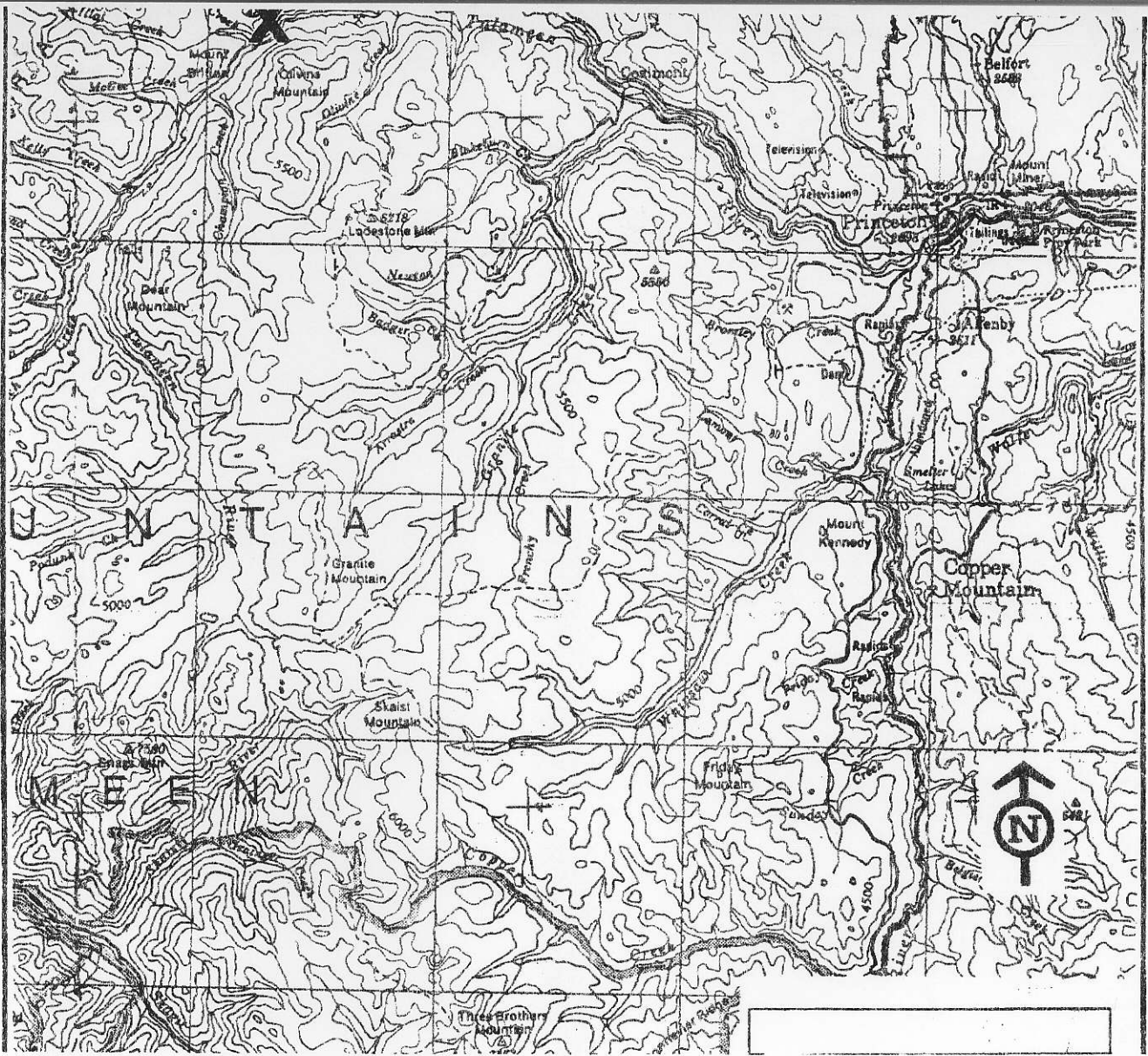
\*\*Annual Advance Royalty - If at the end of the option agreement, or if the optionor wishes to carry on with the property, then this payment is paid annually until production. The total to be subtracted from the proceeds of the NSR.

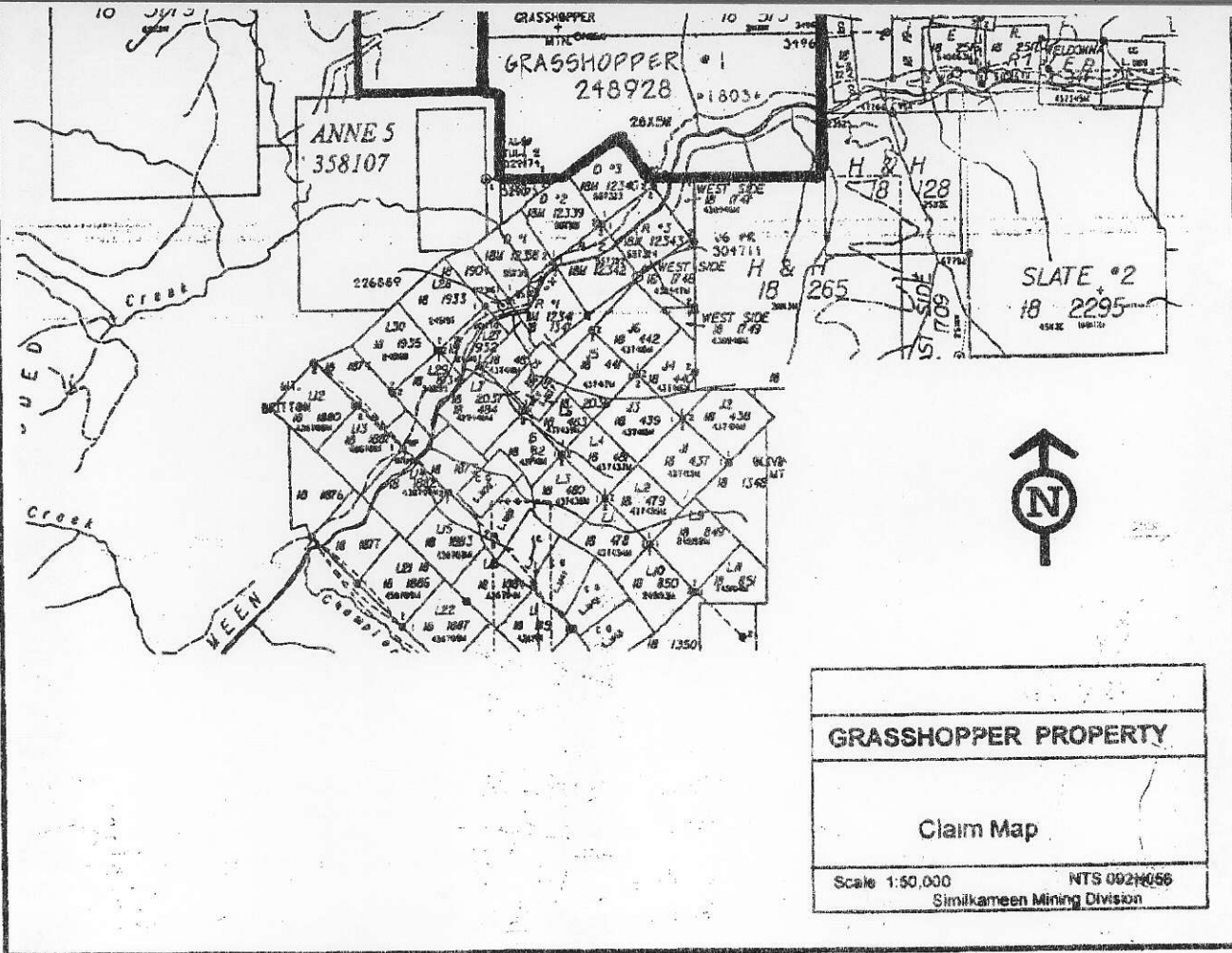
Data and reports at the end of each field season.

Permitting must be in place before work commenced and reclamation, where warranted by law, is at the expense of the optionor.

Details of an agreement can be worked out if we come to some sort of common ground on the above.







**Location**

The Grasshopper property is located approximately 35 kilometers northwest of Princeton, British Columbia and due west of Tulameen a distance of 10 kilometers. The property is centered at latitude 49 32'30"N and longitude 120 53'30"W on map NTS 092H/10W. The property is accessed by a good all-weather road from Tulameen. Further access on the claims is provided by 2 and 4 wheel drive roads.

**Property and Ownership**

The property consists of two 10 unit 4 post claims and sixteen 1 unit 2 post claims for a total of 36 units. The 4 post claims are registered in the name of Leslie Allen of Fraser Lake, B.C. and the 3 post claims are registered in the name of Ron Bilquist of Gabriola, B.C. Details of the claims are listed below.

Grasshopper 1&2	#s 248928 & 248929	20 units total	expire Jan. 10, 2003.
GH 1 to 7	#s 379835 - 379843	7 units total	expire Aug. 21, 2001
MUR 1 & 2, 4 - 10	#s 379844 - 379850	9 units total	expire Aug. 21, 2001

The claims are presently held in an informal syndicate which include two new partners; Tom Richards, Ph.D and Mikkel Schau, Ph.D.

### Geological Sketch

Mikkel Schau describes the area as follows: *The Tulameen Complex is elliptically zoned from an inner dunite core through pyroxinites and gabbros to an irregular outer syenodiorite rim. Its contacts are largely strained but, locally, intrusive contacts the hosting Nicola Group. Its internal structure is strained and complicated by longitudinal faults, but local primary layering has been noted. From its structural position and orientation it can be seen to be a west dipping and compositionally zoned sill complex!*

### Summary of Exploration (with highlights from reports written during this time)

1978 The claims were first located by Ron Bilquist and Les Allen in November 1978 and recorded in December the same year. The partners chose the area primarily due to the presence of platinum and gold in the placers of the Tulameen and tributaries, the source of which had never been found. A bulk tonnage source for the PGE's was the target.

1978 *Report on Prospecting Survey of Grasshopper 1 & 2 Mineral Claims; Author - Ron Bilquist, prospector.*

Analysis of a number of samples along a grid line west and north west of the summit of Grasshopper Mountain produced elevated values in platinum (up to 350 ppb from a randomly taken grab sample). Copper was found in a number of locations, primarily in the southern and south eastern portion of the claims, near the contact of the ultramafic rocks with the Nicola Group rocks.

1982 *Report on the Geochemical Survey of Grasshopper 1 & 2 Mineral Claims; Authors - Ron Bilquist, prospector and R.R. Culbert, PhD, P. Eng.*

Follow up rock geochemistry west and northwest of Grasshopper Mountain resulted in a platinum occurrence in dunite with 2% chromium. Evenly disseminated chromite along with irregular bands and pods (schlieren) was noted while prospecting.

In the southeast of the claims on the north bank of the Tulameen River, three composite rock samples resulted in interesting platinum and palladium values. Each composite was comprised of two rock samples with the results as follows: (RJ 4982 - Pt 165 ppb, Pd 140 ppb, RJ 4989 - Pt 95 ppb, Pd 120 ppb, RJ 4990 - Pt 825 ppb, Pd 345 ppb.) Chalcopyrite and pyrite were noted in the host rock which appeared to be a gabbro(?).

1984 January 13, 1984 the claims were optioned to Monica Resources. Strato Geological Engineering was contracted to do the work on the property

1985 *Geochemical, Geophysical and Geological Report on the Grasshopper 1 and 2 Mineral Claims Grasshopper Mountain - Tulameen River Area. Author - David J. Pawliuk, P. Geol.*

Work carried out by Pawliuk for Strato Geological Engineering Ltd was focused mainly for gold in the eastern regions of the claims. Obviously the potential for PGE's was recognized as a few samples were analysed for Pt/Pd and chromium. One highlight from this work is a geophysical anomaly which probably represents a fault or shear extending southerly from the Rabbit Mine into the eastern portion of the Grasshopper Claims. Another highlight was anomalous platinum and

palladium associated with chromium concentrations (and copper) just north of the "bend" in the Tulameen River near the south central area of the claims. A rock sample here gave Pt 94 ppb and Pd 111 ppb. Also, an area of high chromium was defined near the presumed location of the contact between the Nicola and the Tulameen complex. At the end of 1985 Monica dealt the property to Newmont (the original deal with Allen and Bilquist was carried forward).

1986 *Geological, Geochemical and Geophysical Report on the Grasshopper Claims; Author Dennis M. Bohme*

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- 1986 *Geological, Geochemical and Geophysical Report on the Grasshopper Claims; Author Dennis M. Bohme*

From June to November 1986 Newmont directed their work program towards establishing a grid on the property, geological mapping, lithological sampling and limited geophysics. Soil geochemistry was not carried out. Bohme discovered anomalous platinum associated with an erratic distribution of distinct lenses, pods and disseminated chromite. Litho-geochemistry defined two types of chromite; (1) platinum enhanced and (2) platinum deficient. Bohme also defined an anomalous area of 800 X 300 meters around the summit of Grasshopper Mountain. Within this area a 250 X 150 zone with several Pt/Cr occurrences was found. Three of these were chip sampled and platinum results were 1350 to 2918 ppb over 6 X 6 meter areas. Up to 16000 ppb Pt was obtained from one 1 meter chip sample. In this area Bohme also notes that the Pt to Pd ratio is about 250 to 1. This is probably why Newmont and others in future programs tended to ignore the possibility of palladium on the property. He also notes that the masses of chromite show no preferred attitudes or systematic distribution within the dunite masses.

- 1987 *Report on the 1987 Exploration Program (UM PROJECT) on the Grasshopper Claims, Author; Dennis M. Bohme*

Newmont's work in 1987 resulted in a number of interesting conclusions. Mineralogic work noted platinum in a number of different forms and mineral associations. Platinum was seen to be closely associated with chromite rich stringers, pods and lenses in dunite. Anomalous levels of platinum are consistent within a 800 X 300 meter area near the central portion of the dunite on Grasshopper Mountain. The background level of platinum being 100 ppb and ranging as high as 2.237 oz/T (in 12% chromium). Levels typically were .01 to .05 oz/T with Cr being .8 to 2.0%. Litho-geochemical work suggests that the platinum levels increase from the A Zone near the

grid

holes were redrilled using standard core drilling, the values increased dramatically. Also geological data is almost totally compromised in reverse circulation drilling. The core drilling by Phoenix Gold Resources in 1997 was designed to test some of Newmonts anomalous reverse circulation holes. Unfortunately all of the core was not analysed - some it in very key areas such

4.

distribution of higher concentrations and the wide spread distribution within the 800 X 300 meter area, the possibility of bulk tonnage exists.

1988 In May of this year Allen and Bilquist were notified by Monica Resources that Newmont had entered into an agreement with Longreach Resources on the property. The original deal was again to be carried forward. Newmont was having financial trouble and it is about this time that they shut down their big mine just out of Princeton.

Tulameen Platinum Initial Progress Report May 1988 to INTERIM REPORT Stage 2 Drilling Grasshopper Platinum; Author J.J. McDougall P. Eng. December 1988

Longreach Resources was the operator during this period. Their work enlarged the zone of interest from 800 X 300 meters to 1.5 X 1 kilometers. They also drilled 15 reverse circulation holes (total of 2979 feet) and 4 pack sack drill holes (225 feet total with 79 feet maximum depth). Results were pending at the time of the writing of this report. Subsequently the analysis from the first 15 holes was obtained and there are a number of encouraging intersections. Most of the holes had an average of greater than 100 ppb platinum from the top to the bottom of the holes with one hole averaging 343 ppb the entire length of 100 feet ending 160 ppb over the last 10 feet. Some higher grade sections - PH 1 had 20 feet of 805 ppb (Zone A), PH 9 had 10 feet of 880 ppb (Cliff Zone), PH 11 had 30 feet of 806 ppb (Zone A) and PH 14 had 17 feet of 4715 ppb (Cliff Zone). Below is a list of some of the average Pt content of the holes.

PH 1-88	343 ppb over 100 feet
PH 2-88	121 ppb over 150 feet
PH 3-88	105 ppb over 90 feet
PH 4-88	175 ppb over 150 feet including 50 feet of 392 ppb.
PH 5-88	154 ppb over 170 feet including 80 feet of 270 ppb
PH 6-88	low but hole ended in talc and anom. Pt.
PH 7-88	206 ppb over 50 feet
PH 8-88	low but hole ends last 40 feet in increasing Pt (205 ppb)
PH 9-88	generally low but has 20 feet of 595 ppb
PH 10-88	135 ppb over 350 feet including 316 ppb in top 70 feet of hole
PH 11-88	189 ppb over 214 feet including 622 ppb over 50 feet
PH 14-88	184 ppb over 240 feet including 248 over 120 feet and the top 17 feet averaged 4715 ppb with a high of 9100 ppb.

- (7') 4.7g Pt.  
(5.2m)

According to McDougall most of the holes encountered talc which, with the least amount of water, causes cementing. Rods were lost and some holes had to be abandoned. McDougall also states talc has some economic interest.

1995 Allen and Bilquist took the claims back and the reoptioned them to Cariboo Highlands Metals, a non public company, who in turn assigned the property to Phoenix Gold Resources to do the work

1997 Assessment Report on 1997 Fall Drill Program, Grasshopper Property, Tulameen, British Columbia, Author - Linda Caron, P. Eng.

Linda Caron prepared this report for Phoenix Gold Resources Ltd. The report was based on reviewing the literature on the property and discussions with principals of the company as well as information gained while logging the core. The writer was not involved with the planning or carrying out of the work program and did not visit the property.

Nine diamond drill holes were completed on the property; 1344 feet of BX and 932 feet of NQ for a total of 2276 feet. All of the core was not analysed and only 62 samples were sent for analysis. The samples were all of very short interval. Holes 14 A and 14 B were spotted to intersect the zone of 9100 ppb platinum in PH 14 in the vicinity of the cliff zone. Both holes were drilled to

3.



45 feet, presumably cutting the rich zone but *none* of this core was analysed. Caron states that drilling did not produce encouraging results and further work should be concentrated in areas within the dunite core that have not been tested thoroughly.

A total of 22 soil samples were taken along a reconnaissance line running due north from near the Cliff Zone. Nothing of note came from this survey other than the recommendation that soils would be a useful tool to implement on the Grasshopper Claims. A northeast-southwest orientation would be preferred and close spacing of samples would test the property adequately.

1999 Allen and Bilquist notified the optioners that the agreement was null and void since requirements of work commitments and payments noted in the agreement had not been fulfilled.

2000 *Prospecting and Claim Staking (Ron Bilquist, Tom Richards and Mikkel Schau)*

The property was visited three times in the summer of 2000. The first trip by Ron Bilquist was to get reacquainted with the property. Access was established and some of the old showings were visited and a couple of grab samples were taken. The samples were taken from stockworks of chromite in dunite on the bench southwest of the Cliff Zone and west of the "collapsed log cabin". One of these, RJ 5044, ran 509 ppb gold and 615 ppb platinum. No quartz or silicification was noted at the time. Later in the summer a tour was given to Mikkel Schau and Tom Richards, new partners in the property. At that time it was attempted to locate all old anomalous areas and drill hole locations. The Cliff Zone and Zone A were located with a few samples being taken at the latter. Sampling here confirmed Newmont's results with samples of massive chromite running up to 4485 ppb platinum and 92 ppb palladium (sample MST-017). The copper/pyrite occurrence about 120 meters upstream on the Tulameen River from the east claim boundary was also revisited. All samples taken here were anomalous in platinum and palladium, again, reconfirming the original prospecting of this area mentioned in the 1982 report. Later in the summer two-post claims were staked adjoining the Grasshopper claims on the north and on the west. These were added to not only give a larger ground position but to cover areas of interest found in the early 80's and the possible extension of known existing showings, Zone A in particular.

#### Summary and Conclusions

There has been considerable work performed on the Grasshopper Claims since the claims were first staked by Allen and Bilquist in 1978. The work has been generally good and scientific. While reviewing all of the data, however, a number of discrepancies and oversights have come to light. The most obvious oversight seems to be the general focus away from the possibility of palladium existing in economic concentrations on the property. At the time this work was carried out this oversight was justified since the focus was on platinum and low value palladium was viewed as a metallurgical problem. Early prospecting by Allen and Bilquist (and Pawliuk of Strato) resulted in a number of Pt/Pd occurrences on the property. None of these are in the 800 X 300 meter zone defined by Newmont and subsequently targeted by Longreach and Phoenix. It should also be pointed out that the original grid, established by Newmont for control, ended short of a number of showings in the southwest regions of the claims. Virtually no soil geochemistry has been done on the property other than the short orientation line of 100 meters by Phoenix Gold Resources. Soil geochemistry is a very useful tool and could assist in the locating of new showings in areas of overburden. Till sampling down ice along the western part of the claims could also be a useful tool. The old Newmont grid could be refurbished and sampled and, since all post-Newmont work carried out used this grid, all geological information would tie together nicely. The reverse circulation drilling by Newmont had a number of anomalous intersections which are very interesting at current prices. It should be noted that, although this type of drilling is inexpensive, it does not always give totally accurate results (an example would be the reverse circulation drilling for gold on the Veladero property of Argentina Gold's where, when the same

as PH 14-88 where none of the core was analysed. Geologists, due to budget or personal bias, decided which sections of the holes to analyze. Fortunately the remaining core still exists and is currently in a storage facility. Finally, the property is at a very good stage for further development in the form of diamond drilling of the targets near the summit of Grasshopper Mountain as well as comprehensive soil geochemistry and prospecting to locate new targets within the claims.

Respectfully submitted;

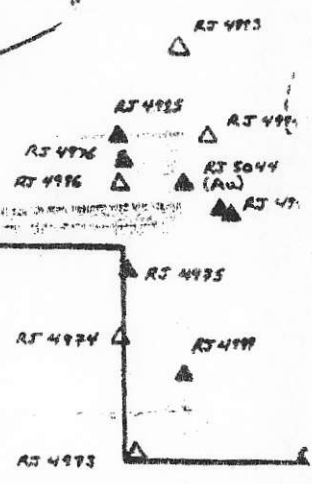
Ron Bilquist  
Prospector

ELEMENT	Cu	Ni	Co	Fe	Cr	Au <sup>ppb</sup>	Pb <sup>ppb</sup>	Pd <sup>ppb</sup>
SAMPLES	ppm	ppm	ppm	%	ppm	ppb	ppb	ppb
DP 6392	26	55	40		143	8	84	111
MST 016	2	892	103	5.1	82	10	744	4
MST 016A	1	878	104	5.08	43	6	271	3
MST 017	2	742	104	5.61	371	29	4485	82
MST 017A	< 1	816	113	5.37	40	3	81	6
MSTO-010	3	938	116	5.63	68	< 1	83	< 1
MSTO-016SA	2	845	98	5.04	61	1	726	< 1
MSTO-016SB	2	835	98	5.1	51	< 1	315	3
MSTO-017	< 1	1121	104	5.89	65	22	70	< 1
MSTO-025A	4558	1240	751	13.04	134	14	63	350
MSTO-025B	22059	1527	356	11.3	101	18	108	261
MSTO-025C	4193	230	81	3.34	165	12	82	63
RJ 4973							50	
RJ 4974							50	
RJ 4975							300	
RJ 4976							250	
RJ 4977	>4000							
RJ 4978	5200							
RJ 4979	3100							
RJ 4980	3150					2150		
RJ 4982							165	140
RJ 4983							55	
RJ 4984							55	
RJ 4985							50	20
RJ 4986							55	5
RJ 4987							80	25
RJ 4988							70	15
RJ 4989							95	120
RJ 4990							825	345
RJ 4991							75	28
RJ 4992							75	
RJ 4993							80	20
RJ 4994							55	
RJ 4995							720	
RJ 4996							65	
RJ 4997							110	30
RJ 4998							115	65
RJ 4999							155	150
RJ 5044	11	407	28	1.72	663	509	615	8
RJ 5046	785	322	114	7.47	311	14	156	130
RJ 5050	2723	340	116	2.32	155	< 1	81	68
RJ 5051	8442	278	389	11	181	19	480	140
RJ 5053	2448	228	115	2.68	122	4	63	63
RJ 5054	5158	1179	178	5.93	125	15	84	225

Murphy Lakes

DAITON CREEK

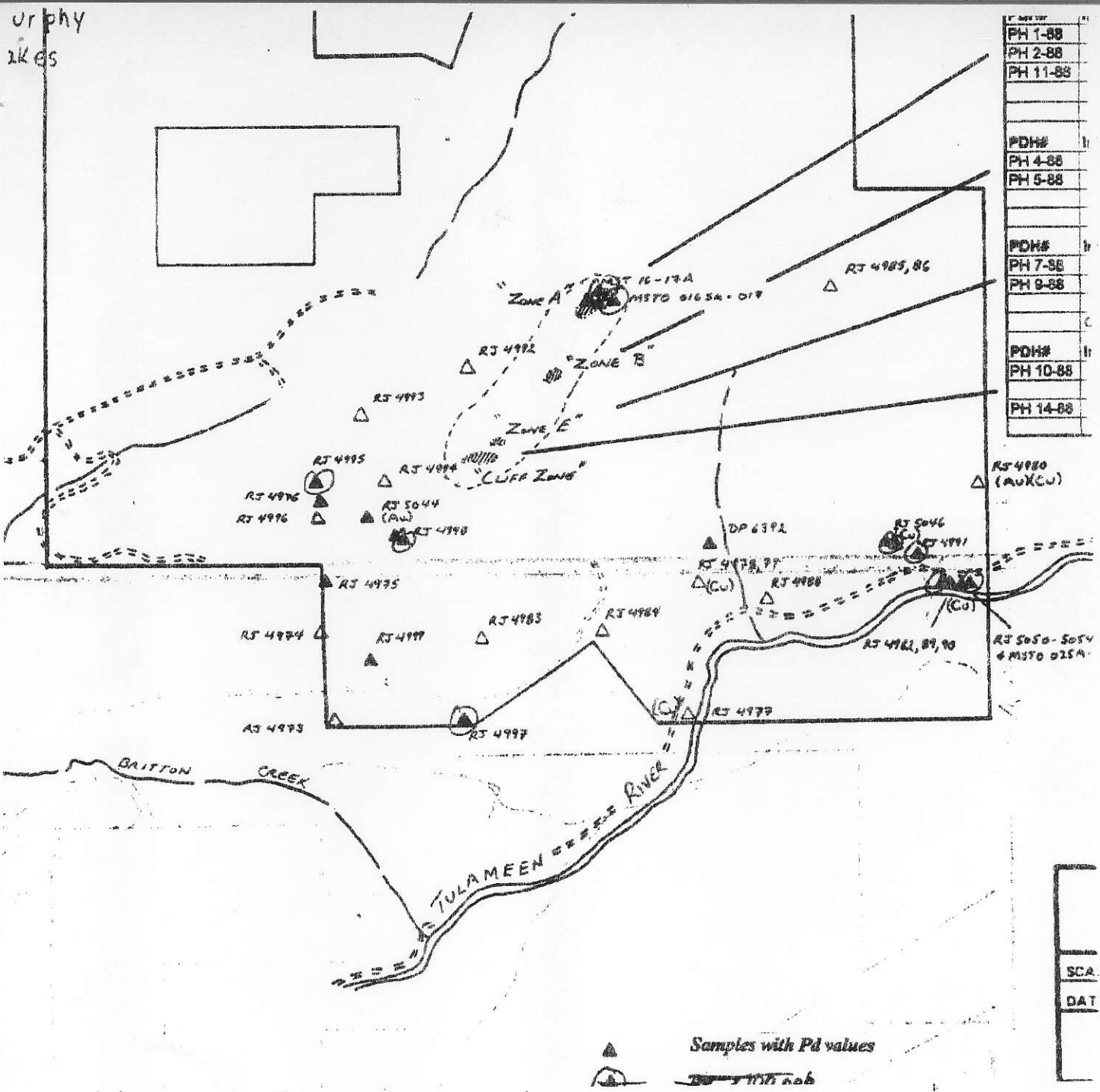
TULA



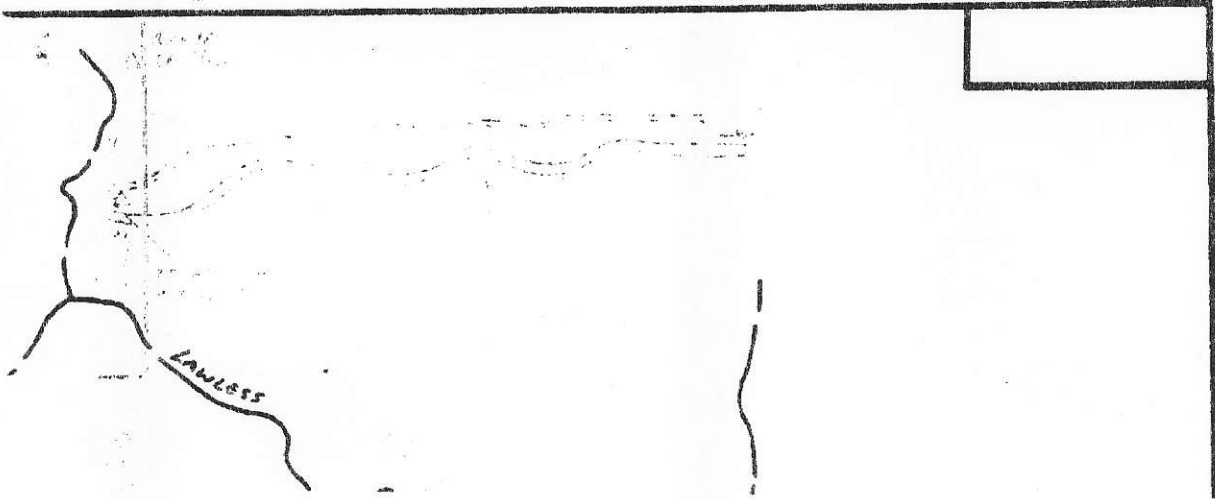
326716

Urphy  
2Kes

PH 1-88
PH 2-88
PH 11-88
PDH#
PH 4-88
PH 5-88
PDH#
PH 7-88
PH 9-88
PDH#
PH 10-88
PH 14-88

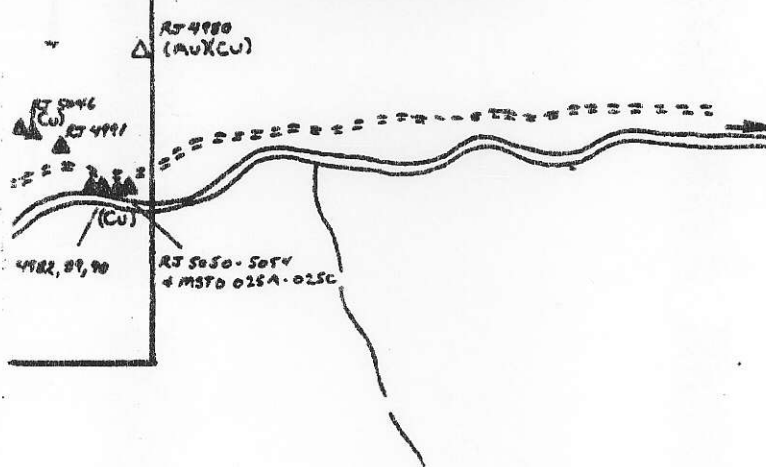


SCA
DAT



ZONE A		
PDH#	Intersect.(ft)	PL (ppb)
PH 1-88	20	806
PH 2-88	10	410
PH 11-88	30	808
ZONE B		
PDH#	Intersect.(ft)	PL (ppb)
PH 4-88	30	503
PH 5-88	20	435
ZONE E		
PDH#	Intersect.(ft)	PL (ppb)
PH 7-88	10	520
PH 9-88	10	480
CLIFF ZONE		
PDH#	Intersect.(ft)	PL (ppb)
PH 10-88	5	800
	30	327
PH 14-88	17	4715
	10	480

1985, 86



**GRASSHOPPER GROUP**  
Prospecting & Drilling Highlights