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REPORT

on the

PROSERPINE GOLD - SILVER PROPERTY,

CARIBOO MINING DIVISION,

BRITISH COLUMBIA

for

CLIFTON RESOURCES LIMITED

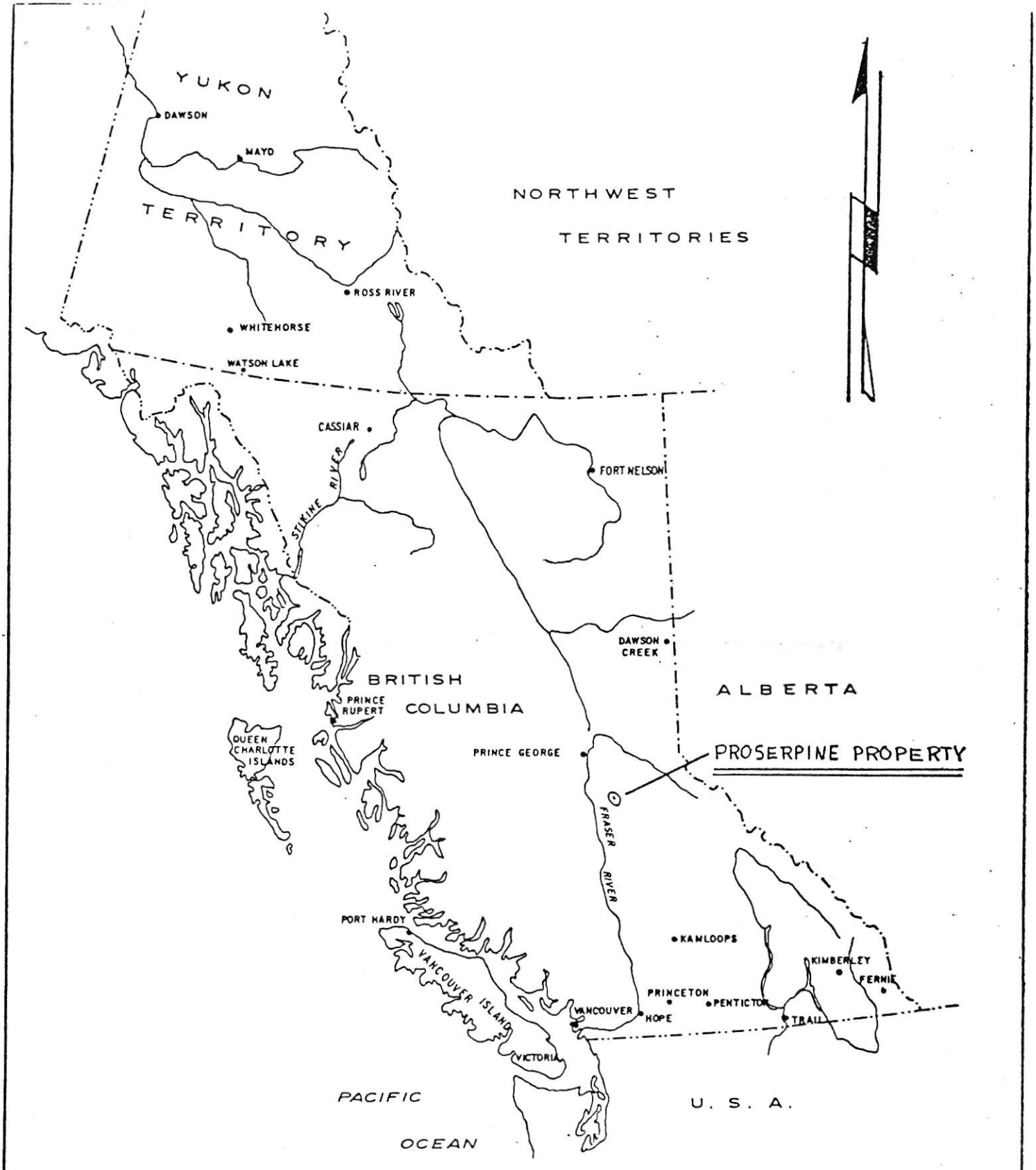
by

R.W.PHENDLER,P.ENG.

93 L 3

Vancouver,Canada

Aug 23,1983



LOCATION MAP
VANCOUVER BRITISH COLUMBIA

CLIFTON RESOURCES LTD.

PROSERPINE PROPERTY
SCALE 1:12,672,000
0 200 Km

NTS.	DATE AUG, 1993	FIG. No. 1

1"=250 MILES

Table of Contents

	Page
Part "A'	
Summary and Conclusions - - - - -	1
Recommendations - - - - - - - -	2
Cost Estimate - - - - - - - - -	3
Part "B"	
Introduction - - - - - - - - -	5
Location and Access - - - - - -	5
Property and Ownership- - - - - -	6
History - - - - - - - - - -	9
Geology and Mineralization - - - -	12
Comment - - - - - - - - - -	16
Certification- - - - - - - - -	17
Bibliography - - - - - - - -	18
Assay Certificate- - - - - - - -	19

Illustrations

Fig 1 Location Map ,!"=250 Miles - - frontispiece

Fig 2 - Property Map, 1:50,000 - - - 20

Fig 3 - Geology Map,Barkerville Gold Belt

1" = 1 mile - 21

PART "A"

SUMMARY AND CONCLUSIONS

Lying in the heart of the Wells - Barkerville placer and lode gold belt of central British Columbia,the Proserpine property has good possibilities of containing gold-bearing quartz veins,replacement-type pyritic lenses and widespread disseminated gold-bearing zones.

The Barkerville area first received attention from placer gold miners in the 1850's when looking for the source of the placer gold in the Fraser River. Soon after the discovery and production of rich placer gold deposits in the Barkerville area, the exploration for lode gold was commenced. Numerous gold-bearing veins were discovered and small scale mining proceeded, beginning in 1875 when the British Columbia Provincial Government established a reduction plant for the recovery of gold.

The first serious underground work was undertaken in 1927 which resulted in the establishment of two major mines. These mines continued production until 1959 and 1967,working on quartz veins and pyritic replacement bodies yielding over 40 million dollars in gold. Average grade of the veins was 0.39 oz Au and the replacement zones was 0.67 oz Au per ton.

The search for additional orebodies nearby was carried out in 1970-1972 by the Mosquito Creek Gold Mining Co.Ltd. resulting in the bringing into production the mine and mill in 1980. The property is presently in production at a rate of 80 tons per day with mill heads averaging 0.40 oz Au per ton.

The Proserpine property has been explored intermittently since 1909 with the first underground work being carried out in 1933.

At least six adits were driven between 1933 and 1946 with a number of gold bearing quartz veins discovered. No reserves were blocked out on any of the more than twenty veins on the property,although a number of samples in the 0.50 - 1.00 oz Au per ton range were reported. Six selected dump samples taken recently by the writer assayed between 0.156 and 0•638 oz Au per ton - averaging 0.369 oz with appreciable silver and lead content. The presence of an extensive,40 foot wide silicified quartzite zone that averages 0.10 oz Au per ton has also been reported on the property. Results of geochemical work and a limited percussion drilling program carried out in the last few years also showed encouragement with a number of attractive targets that require additional exploratory work.

The property is considered to have the potential of developing significant tonnages of gold bearing material that may average in the 0.50 oz Au per ton range. A modest exploration program is warranted at this time.

RECOMMENDATIONS

It is recommended that:

PHASE I

1) A geochemical survey be carried out over the partially established grid with intermediate lines be run in the vicinity of known soil anomalies.

2) A program of detailed geological mapping and prospecting be carried out over the grid.

PHASE II (dependent on favourable results from Phase I)

1) The old adits and trenches be rehabilitated,mapped and sampled.

3) Diamond or percussion drilling be carried out on suitable targets.

4) Trenching be carried out on geochemical anomalies or any interesting - looking veins.

PHASE III

1) Additional drilling be carried out.

COST ESTIMATE

PHASE I

1) Additional line cutting	$3,000
2) Geochemical survey	4,000
3) Geological mapping and surveying	5,000
4) Sample assay and soil sample determination	4,000
5) Engineering and geology	5,000
6) Travel and accomodation	5,000
Total	26,000
15% Contingencies	3,900
Total, Phase I	$29,900

PHASE II (dependent on favourable results from Phase I)

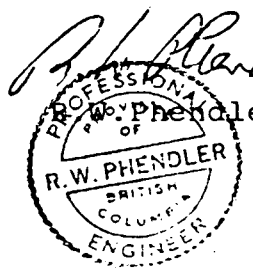
1) Rehabilitation of adits and trenches	15,000
2) Electromagnetic Surveying	12,000
3) Trenching, etc.	10,000
4) Drilling	20,000
5) Engineering, geology, assays	6,000
6) Travel and accomodation	7,000
Total	70,000
15% contingencies	10,500
Total, Phase II	$80,500

PHASE III (dependent on favourable results from previous phases)

1)	Drilling - - - - - - - - - - - - -	$50,000
2)	Engineering,geology,assays - - - - - -	5,100
3)	Travel and accomodation - - - - - - -	5,000
	Total	61,000
	15% contingencies	9,150
	Total,Phase III	-$70,150

The sun of $30,000 should be made available at this time to carry out Phase I of the program.

Respectfully submitted



R.W. Phendler, P.Eng.

PART "B"

INTRODUCTION

At the request of the Board of Directors of Clifton Resources Ltd. the writer examined the Proserpine property on July 27,1983. He was accompanied and guided by Mr W.Livingstone, a principal of Geo-Ex Resources Ltd.,vendors of the property.

During the examination the writer took six samples from various dumps on the property. These were selected mineralized quartz vein material and are not intended to represent average grades of the workings. As none of the old caved adits or trenches had been rehabilitated,no chip samples of the veins could be taken. The samples were assayed at Acme Analytical Laboratories,Ltd.,Vancouver.

LOCATION AND ACCESS

The Proserpine property is located at an elevation of 1700 meters about 800 kilometers northnortheast of Vancouver and 150 kilometers southeast of Prince George in central British Columbia.

Road access from Quesnel,which lies on highway 97 about 120 kilometers south of Prince George is east on highway 26(paved) for 85 kilometers past Wells to Barkerville. From Barkerville a rough bush road is followed(four-wheel drive vehicle required) southeasterly up Conklin Gulch for eight kilometers to the property.

The claims are located in an area of moderate to open forest cover in gently rolling terrain. Sufficient water is available for an exploration and/or mining program.

No permanent buildings exist on the property,although a

tent camp is presently established there central to the area of interest. Good motel accomodation is available at Wells,15 kilometers to the northwest.

PROPERTY AND OWNERSHIP

The Proserpine property consists of 48 reverted Crown Granted mineral claims which are owned jointly by Mr.B.Price and Mr.R.J. Barclay. They have been optioned to Geo-Ex Resources Ltd. since 1981 and are in turn under option to Clifton Resources Ltd. The claim block covers an area measuring six kilometers by one kilometer,the long dimension striking north-westerly and are as listed on the following pages.

CLAIM NAME	RECORD NUMBER	RECORD DATE
GOGETTER	604	February 20, 1978
GENERAL CURRIE	605	February 20, 1978
BLIGHTY	606	February 20, 1978
TRUE BLUE	607	February 20, 1978
HARD CASH	608	February 20, 1978
INDEPENDENCE	609	February 20, 1978
KITCHENER	610	February 20, 1978
TIPPERARY	611	February 20, 1978
WARSPITE	612	Febraury 20, 1978
PENELOPE	613	February 20, 1978
MARS	615	March 16, 1978
AM NO. 6	616	March 16, 1978
KING FRACTURE	617	March 16, 1978
ANTLER No. 2	618	March 16, 1978
PIN MONEY	619	March 16, 1978
STAR FRACTION	620	March 16, 1978
LUNA	621	March 16, 1978
PTARMIGAN FRACT	622	March 16, 1978
DISCOVERY	623	March 16, 1978
KUMANGETIT	624	March 16, 1978
HACKLE	625	March 16, 1978
LUFF	626	March 16, 1978
TOR	627	March 16, 1978
PORPHYRY	628	March 16, 1978
PRE CAMBRIAN	629	March 16, 1978
AVIATOR	630	March 16, 1978
AXOIC	631	March 16, 1978
AMOS	632	March 16, 1978
ANDY	633	March 16, 1978
NORAH	634	March 16, 1978
GRANITE FRACTION	635	March 16, 1978
TOURMALINE	635	March 16, 1978
ANTLER	636	March 16, 1978
VENUS	637	March 16, 1978
AM No. 2	638	March 16, 1978

MERCURY	639	March 16, 1978
AM No. 3	640	March 16, 1978
SATURN	641	March 16, 1978
AM No. 4	642)	March 16, 1978
NUT FR.	642)	March 16, 1978
AM No.5	643	March 16, 1978
TWEEDSMUIR	644	March 16, 1978
GROUSE	645	March 16, 1978
JUBITOR	646	March 16, 1978
AM No. 1	647	March 16, 1978
TRIUMPH	648	March 16, 1978
ANTLER No. 3	649	March 16, 1978
ANTLER No. 4	650	March 20, 1978

HISTORY

In the late 1850's placer miners began following the trail of fine gold up the Fraser River in the belief that it would lead to rich deposits of coarse gold in the mountains near the source of the river. In 1859 they reached the mouth of the Quesnel River and working up that river reached the forks in 1860. The search then extended up the north fork to Cariboo Lake and thence to the Wells-Barkerville area.

Almost from the commencement of placer mining in 1860 the existence of numerous quartz veins was noticed but no particular attention was paid to them until the yield of alluvial gold began to be seriously dimensioned in 1875 and 1876,when prospectors began to explore and develop many of the veins. The Provincial Government established reduction works at Barkerville for the treatment of the quartz ores and several small stamp mills were set up in the district. Considerable free gold was obtained but none of the deposits was scientifically explored. Numerous problems were encountered,i.e.,transportation costs, lack of modern equipment,lack of prospectors with lode mining experience and the complexity of the deposits.

Most of the known veins received only surface exploration up to the 1920's when in1927 a 500 meter long horizontal adit was driven on the Cariboo Gold Quartz Mine. This adit was abandoned in 1930 but in 1931 a new 500 meter long adit was driven which encountered mineable veins and a mill was brought into production in 1933. Originally the ores consisted of gold-bearing quartz veins but gold-bearing pyritic replacement ore became important in later years.

The Island Mountain Mine located a kilometer west of Wells received a great deal of attention culminating in the discovery in 1933 of a valuable ore body consisting of gold bearing pyrite replacing limestone. Production on a 50 ton per day basis began in 1934,the ore being treated in a cyanide mill.

The Cariboo Gold Quartz mine operated until 1959 producing a total of 21.5 million dollars. Average grade was 0.39 oz Au per ton - mostly from pyritic quartz veins.

The Island Mountain mine operated until 1967,mining from quartz veins up to 1962 when a greater emphasis was placed on the higher grade pyrite replacement ore bodies. Production from these ore zones (1962-1967) averaged 0.67 oz Au per ton.

In 1971 the Mosquito Creek Gold Mining Company Ltd.was organized to explore a group of 29 mineral claims for the presence of gold-bearing pyritic bodies similar to those found in the above-mentioned mines. These claims adjoin the old producing properties,which are presently held by the Wells-Barkerville Gold Mines Ltd.

Mosquito Creek Gold Mining Co.Ltd.'s exploration program was successful with two ore bodies located. A vertical shaft was sunk in 1973 financed by Home Oil Ltd.,but work was stopped due to political instability until 1979 when mill construction was commenced. Production began in 1980 at a rate of 50-75 tons per day and has recently been expanded to 80 tons per day.

Some of the first claims in the Proserpine property area were staked by E.E.Armstrong as early as 1909 and he and the

owners of adjoining claims carried out prospecting,exposing numerous veins by trenching and open cutting. In 1919 the claims including the group that is the subject of this report was operated under option by the Mining Corporation of Canada, who dropped the project in 1920. Following this ,work was carried out by the various owners until 1933 when the Proserpine Syndicate optioned the property. Some underground work was carried out on the Warspite and Independence claims while Premier Gold Mines Ltd. did some trenching on claims to the southeast. Additional underground work was carried out on the Bell and Newberry adits in 1934 and this group,now called the Proserpine Gold Mines Ltd. leased the propertyto Privateer Mines Ltd. in 1940. Privateer advanced the Warspite adit and did extensive trenching in the search for new veins.

In 1945-1946 Barkerville Mining Ltd.(Pioneer Mines Ltd.) carried out extensive work including 1700 feet of diamond drilling and about 1000 feet of underground development. This work disclosed the presence of a silicified,pyritic quartzite bed in the Warspite workings measuring 40 feet by 400 feet that averaged 0.10 oz Au per ton.

In 1978 McIntyre Mines Ltd. held an option on the ground and carried out surface sampling and a geochemical survey covering 25.8 line kilometers of grid over most of the claims. Gold,arsenic and lead anomalous values correlated with the low grade gold zone in the Warspite area and several other soil anomalies were detected on the property that warranted more detailed geochemical sampling. Diamond drilling was recommended. McIntyre Mines Ltd. was absorbed into Canadian Superior Exploration Ltd. in 1978 and work on the

Proserpine property was continued by this company in 1979. Additional geochemical work and geological mapping was carried out in a one-week program and the option was dropped.

In 1981 Geo -Ex Resources Ltd. held the property under option and carried out 553 meters of percussion drilling in 11 holes in the vicinity of the Warspite workings,looking for extensions of the reported gold-bearing quartzite band. Results were negative but a new zone with anomalous gold values was discovered near the Warspite shaft. No further work was carried out.

GEOLOGY AND MINERALIZATION

The area in which the Proserpine property is located is underlain by phyllites,argillites,micaceous schists and quartzites of the Snowshoe Formation,which is part of the Cariboo series of Cambrian Age. Within the Snowshoe Formation are the two most important sub formations in the Barkerville Gold Belt,which is less than one mile wide and ten miles long(NW-SE),extending from the Mosquito Creek Mine in the northwest to Grouse Creek in the southeast (see Figure 3). They are the Bakèr member,which is mainly grey calcareous sediments and the Rainbow member,which consists of a series of interbedded quartzites and argillites cut by thousands of quartz veins. A large northwesterly trending anticline passes through the Wells-Barkerville Gold Belt and most of the mineral showings are located on the northeastern limb. Immediately to the northeast is the Snowshoe synclinorium. The Gold Belt is cut by a number of northerly striking faults.

There are two distinct types of quartz veins in the Wells-Barkerville area and the estimation of the possibilities of lode mining is related to the recognition of the two types.

The "A" veins are very conspicuous features but are not liable to be of commercial value. They strike northwest-southeast and drew the attention of the early prospectors,as they are one of the most conspicuous features of the area,often measuring up to 30 meters in width and standing up three meters or more in relief.

The "B" veins are relatively insignificant features but they constitute,especially near their intersections with the "A" veins,the major possibility for lode mining in the area. Northeasterly trending fissures and faults occur in all parts of the area and cross all formations,but only where they are found crosscutting the Cariboo series are they mineralized with quartz,metallic sulphides and precious metals. The resulting veins vary in thickness from a few centimeters up to about 2.0 meters. Their average strike is N25-35 degrees E,but a few of them strike nearly northerly. Most of the veins of both types "A" and "B" occur within the more competent Rainbow formation.

The other main type of deposit found in the Barkerville Gold Belt is gold-bearing pyritic replacement in favourable limestone horizons within the Baker formation,but close to the contact with the Rainbow formation. The ore of this type is in general of higher grade than the vein ore and commonly assays 2.0 oz Au per ton. The best ore consists of massive,fine-grained pyrite with free gold and constitutes the ore reserves on which was based the opening and mill construction at the Mosquito Creek Gold Mines Ltd.,presently in production. No mineralization of this type has yet been discovered on the Proserpine property,but this does not preclude the possibility of their presence.

The widespread,low-grade gold occurences reported in the

Warspite adit does not appear to have been of great interest in the past. More recently,with the advent of leaching processes on low grade gold deposits,it warrants more attention. It is reported that Wharf Resources Ltd has outlined a half million tons averaging .05 oz Au per ton in the vicinity of the old Cariboo Gold Quartz property south of Wells.

Mineralization on the Proserpine property consists of a number of quartz veins - some of the "A" or bed vein type and some of the "B" or transverse or diagonal vein type,as well as the strata-bound low grade mineralization in the Warspite. Most of these veins appear to lie within the Rainbow formation within about 1000 feet of the Baker formation. This 1000 foot wide zone is considered to be prime prospecting ground.

The Warspite adit is 440 feet long and intersects a bed vein and a few narrow transverse veins,as well as the mineralized quartzite zone. This zone is believed to have been shattered by local faulting and later injected by numerous gold-pyrite bearing transverse quartz veinlets. Earlier silicification may also have taken place.

Veins within the Warspite workings are up to 4.0 feet in width and are locally mineralized with pyrite and galena.

The Bell adit 3600 feet to the southeast of the Warspite is 700 feet in length and intersected a 12.0 foot wide bed vein well mineralized with pyrite and three additional 4-6 foot wide quartz veins. A sample of heavily pyritized quartz taken by G. Hanson in 1933 assayed 4.0 oz Au per ton.

Two vertical shafts and the Newberry adit(600 feet long) were driven to explore a number of bed veins (NW strike) and a

northerly-striking diagonal vein that were reported as being several feet in width and well mineralized with pyrite and galena. The adit intersected two wide quartzose zones,each about 30 feet wide of the bed vein type and both well mineralized with pyrite. The Newberry adit is located 1000 feet southeast of the Bell Adit.

At least three additional exploratory adits are located from 600 to 1500 feet southeast and east of the Newberry adit.Two of these,the Moore and the Anderson failed to cut quartz veins, while the Fountain Head intersected a 30 foot wide quartz stockwork and two branch veins,each one foot in width.

At the time of the writer's examination all workings visited (Bell,Newberry and Warspite adits and shafts) were caved or inaccessible and the following selected dump samples were taken:

Sample No	% Pb	oz Ag	oz Au	Description
1	-	-	0.172	Bell #4 shaft,pyrite in quartz
2	12.08	4.76	0.266	" " ,galena in quartz
3	-	-	0.638	Bell adit,pyrite in quartz
4	25.90	11.90	0.458	" " ,galena in quartz
5	3.01	1.39	0.156	Newberry adit,py,gn in quartz
6	46.10	18.30	0.524	: #2 shaft,gn in quartz

Although dump samples are,at best,scant evidence on which to base mineral content of the veins on the property,these samples tend to verify the statement made by G.Hanson in his report on the Barkerville Gold Belt (1935,page 33) that " sampling has not been thorough enough to set an average assay value on the veins,but has shown that some veins locally will assay an ounce of gold across a width of two feet"

COMMENT

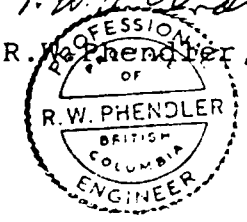
It is unfortunate that the old underground workings were not rehabilitated prior to the writer's examination. However, sufficient evidence has been presented to show that the Proserpine property contains significant gold and silver values. Although the gold-bearing quartzite (0.10 oz Au) is an attractive exploration target,the gold-silver bearing quartz veins should not be overlooked.

An understanding of the geological environment of all gold - bearing deposits in the entire Barkerville Gold Belt is mandatory to intelligently explore for commercially-viable deposits in the area.

The Proserpine property is well located geologically in the most prolific gold camp of British Columbia and has the potential of developing into a profitable gold producer.

Respectfully submitted,

R.W. Phendler, P.Eng.



C E R T I F I C A T I O N

I,R.W.Phendler of 7360 DeCourcy Crescent in the Municipality of Richmond,in the Province Of British Columbia hereby certify as follows:

1) THAT I am a registered member of the Association of Professional Engineers of British Columbia.No 4421,1963.

2) THAT I am a graduate of McGill University,Montreal with a Bachelor of Science degree in Geology.

3) THAT I have practiced my profession continually as mine, exploration and consultant geologist for the past 29 years in all parts of Canada,the U.S.A.,Mexico,Peru,Colombia and Chile.

4) THAT I have no interest directly or indirectly in the Proserpine property nor do I own directly or indirectly any shares of Geo-Ex Resources Ltd. or Clifton Resources,Ltd.

5) THAT the information contained in this report was compiled as a result of my examination of the Proserpine property on July 27,1983 and a study of available reports.

6) THAT I hereby consent to the publication of my report entitled "Report on the Proserpine Gold-Silver Property, Cariboo Mining Division,B.C." dated August 23,1983 in a prospectus or a statement of material facts.

R.W. Phendler,P.Eng.

PROFESSIONAL ENGINEER OF R.W. PHENDLER BRITISH COLUMBIA

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ACME ANALYTICAL LABORATORIES LTD
Assaying & Trace Analysis
852 E. Hastings St., Vancouver, B.C. V6A 1R6
Telephone:253 - 3158

To: Mr. Roy Phendler
7360 Decourcy Cres.,
Richmond, B.C.
V7C 4E9

File No. 83-1397
Type of Samples Rock
Disposition

ASSAY CERTIFICATE

PROSERPINE

No.	Sample	Pb%	Ag oz/ton	Au oz/ton					No.
1	1			.172	#4 shaft,	pyrite	dump - Bell		1
2	2	12.08	4.76	.266	#4 shaft,	galena	dump - Bell		2
3	3			.638	Bellabil.	pyrite	"		3
4	4	25.90	11.90	.458	"	galena	"		4
5	5	3.01	1.39	.156	Newberry adit,	pyrite, galena	"		5
6	6	46.10	18.30	.524	#2 shaft, dump,	galena	" - Newberry		6
7									7
8									8
9									9
10									10
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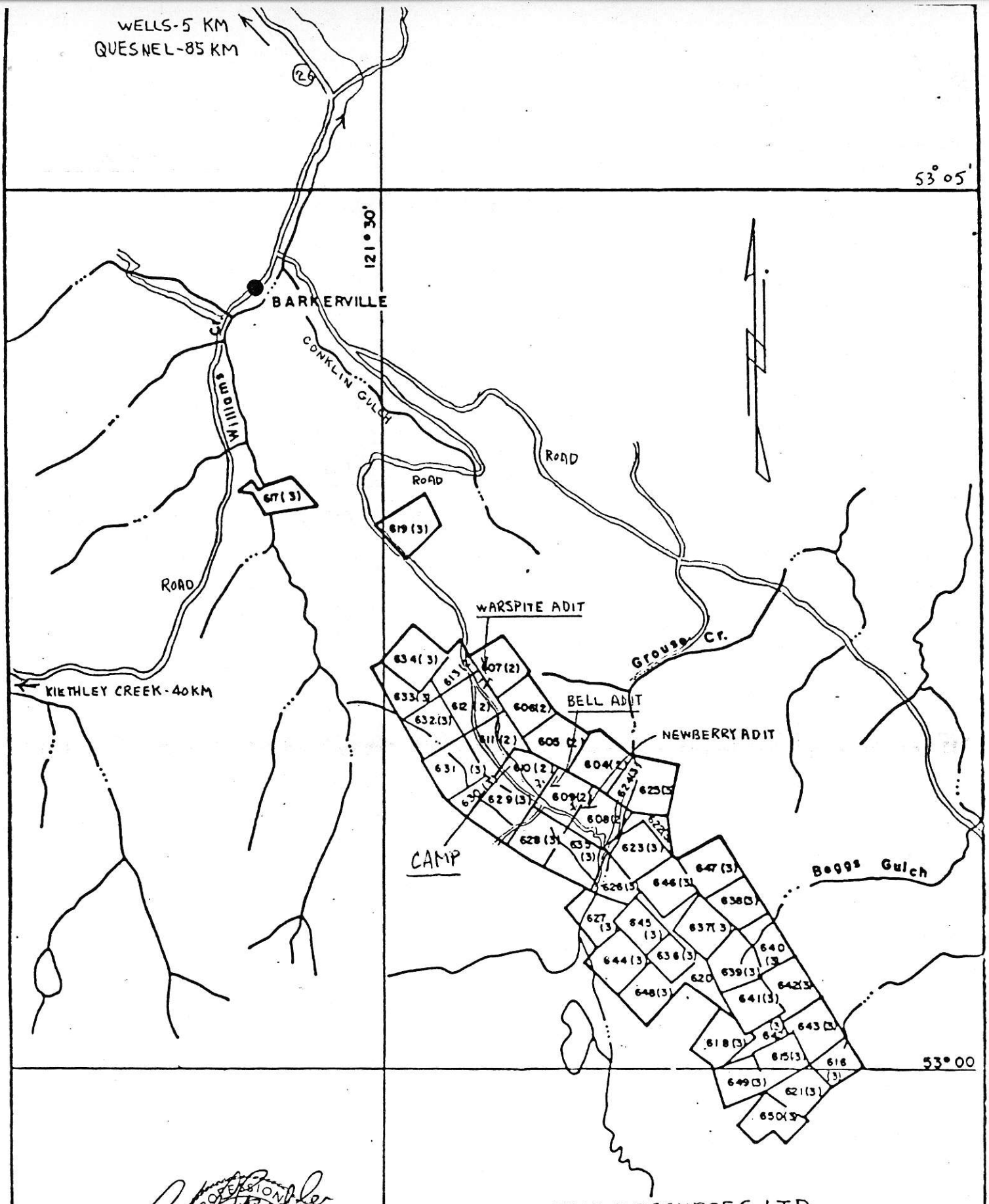
19									19
20									20

All reports are the confidential property of clients.

DATE SAMPLES RECEIVED July 28, 1983
DATE REPORTS MAILED July 31, 1983
ASSAYER

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



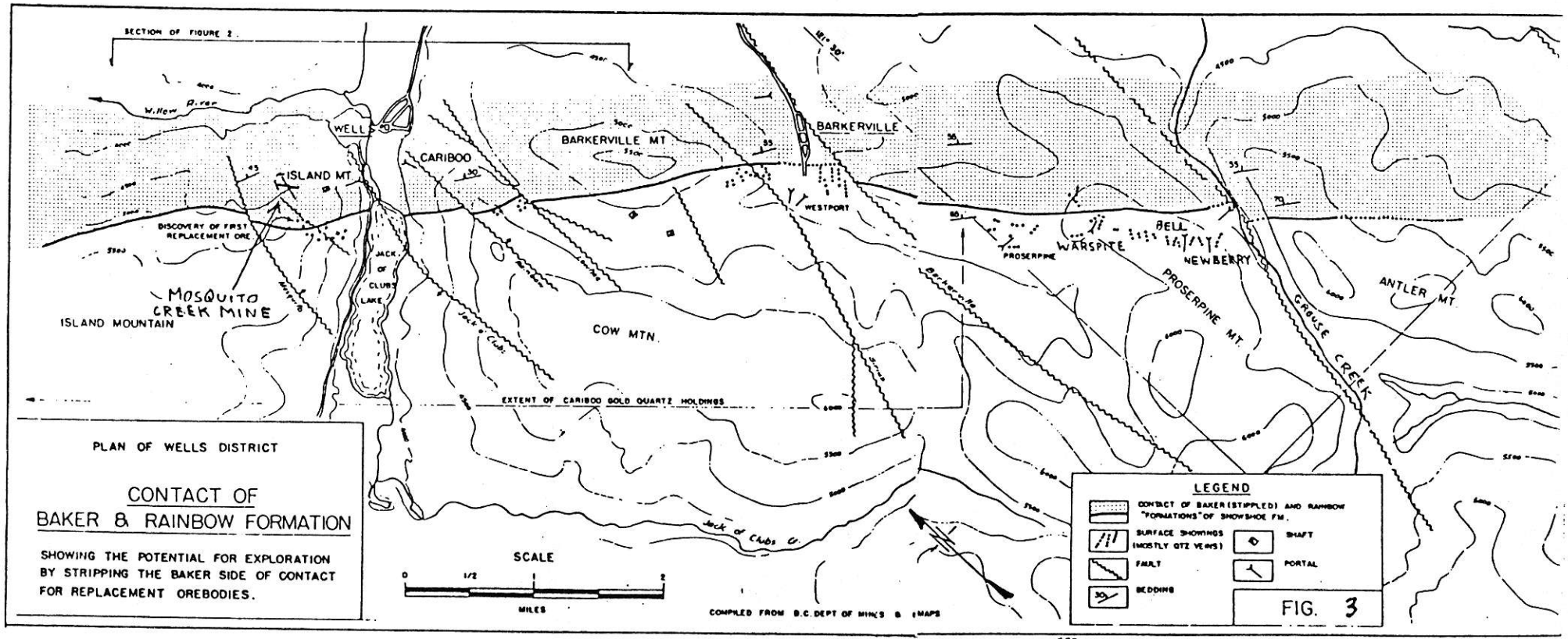
CLIFTON RESOURCES LTD.

PROSERPINE CLAIMS

PROFESSIONAL ENGINEER OF R.W. PHENDLER BRITISH COLUMBIA

SCALE 1:50 000
0 1000 2000 mtrs

Fig 2.



PLAN OF WELLS DISTRICT

CONTACT OF BAKER & RAINBOW FORMATION

SHOWING THE POTENTIAL FOR EXPLORATION BY STRIPPING THE BAKER SIDE OF CONTACT FOR REPLACEMENT OREBODIES.

PROFESSIONAL ENGINEER
OF
R. W. PHENDLER
BRITISH COLUMBIA