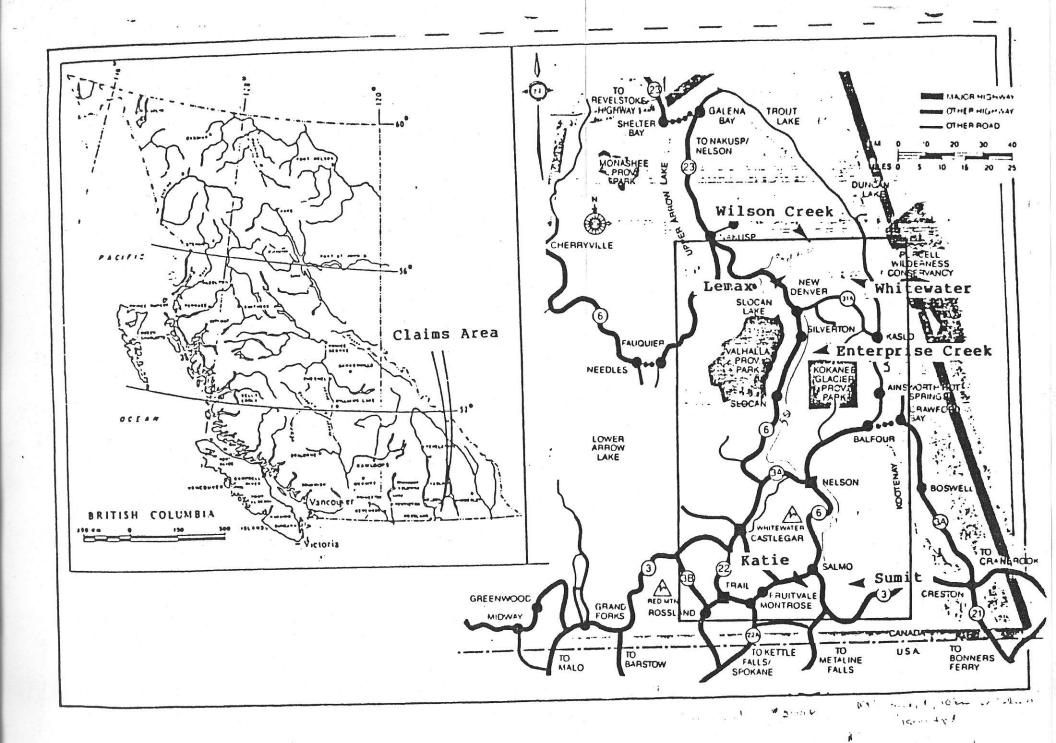
GOLD EXPLORATION PROPERTIES

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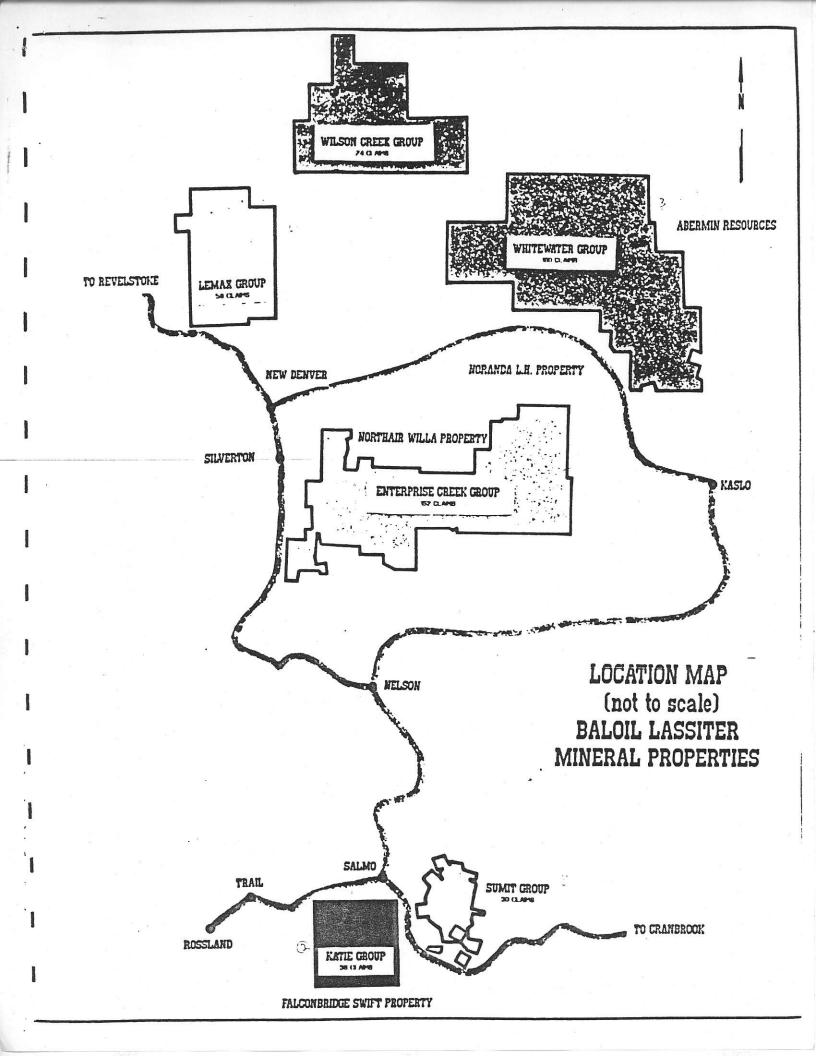
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Introduction:

Baloil holds an option to earn a 51% interest and a further option to earn additional interests in a total of 6 claim groups. Total of all claim groups amounts to an interest in over 30,000 acres.

The properties are all located in south central British Columbia within the Slocan - Rossland - Sheep Creek historic mining areas. These areas are all presently undergoing a resurgence in exploration activity. Over the years of low gold and metals prices these areas were somewhat ignored. Since these areas were last worked, new exploration technology has been developed and the geology of ore bodies has become better understood. Of particular interest in the area is the Willa gold deposit being developed by Northair. Reports indicate Northair has proven up sufficient gold reserves to justify the start up of a 400 ton/day mill during 1988.

Previous mining operations in the area established an infrastructure that is still operative. Supplies, equipment and qualified personnel are readily available. The area is well serviced by road, rail and air transportation facilities. Several concentrating mills are available in the area for custom milling service. Cominco operates a smelter at Trail.

Sumit Group of 30 Claims

Location:

The Sumit property is located at 49 07'N, 117 08'W, NTS 82F/3E, approximately 12 kms south of Salmo on the northwest slope of Mount Waldie. Access to the property is off highway #3A south from Salmo, following the Sheep Creek valley on a good gravel road to Yellowstone Mountain and then up a logging road to the claim group.

Geology:

The Sheep Creek area lies in the Kootenay Arc which is a narrow arcuate belt of folded and faulted sediments of late proterozoic - early Mesozoic age. These sediments are intruded by the Nelson Plutonic suite, and by alkalic-acid plutons of the Coryell intrusives.

Laib limestones underly the claims on the west while Reno formation argillites are the main underlying rocks to the east.

The Sumit group of claims is located in the Sheep Creek gold mining camp which ranks 6th in terms of total historic gold production in British Columbia. A total of 736,000 ounces of gold, 365,000 ounces of silver, 377,000 pounds of lead and 312,000 pounds of zinc have been recovered from 1,720,000 tons of ore mined in the Sheep Creek camp. Most of this mining was done prior to 1950. Both the exploration and mining technology has improved significantly in recent years.

Gold occurences in the Sheep Creek camp are mainly found in quartz veins following tranverse faults trending N60-90E across the axial areas of tight major folds.

Previous Work:

Initial staking of the Sumit group of claims was done during 1901 on the north slope of Mount Waldie. Sporadic production between 1906 to 1938 produced 1,205 tons of ore which yielded average grades of 0.72 ounces gold/ton, 1.01 ounces silver/ton, 1.25% lead and 1.18% zinc. The nearby Ore Hill mine produced 3,369 tons of ore which graded 0.77 ounces gold/ton, 1.47 ounces silver, 2.54% lead and 2.27% zinc. Similar average grades indicate that these two mines probably worked the very same vein system.

The Ore Hill mine is about 300 meters down the north slope from the Sumit mine. Continuity of mineralization appears to be indicated in the vein system between these 2 mines. These veins tend to be about 1 to 3 feet wide with grades up to 14 ounces gold/ton over some narrow widths. There is however some dissemination of minerals into the limestone wall rock and also fine fracture fill mineralization surrounding the vein.

Sumit Group - BLP Mineral Properties - continued

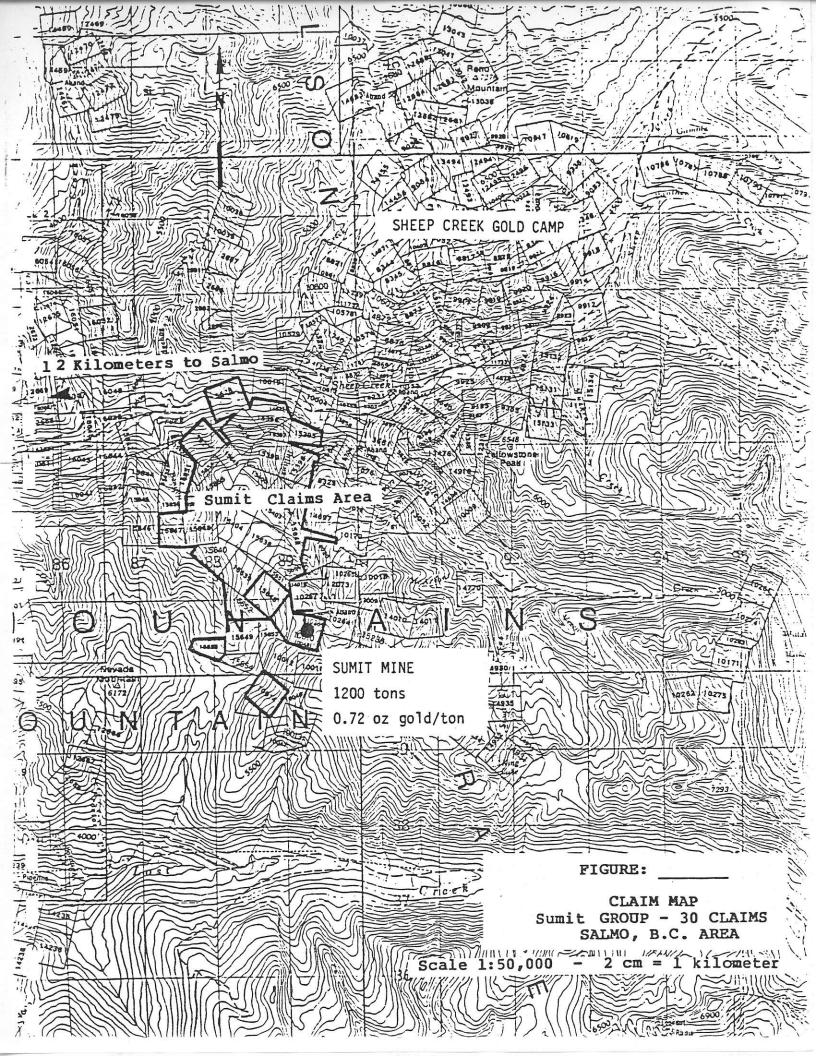
At least 3 portals and dumps exist on the Sumit. As well, numerous visible cuts trace the vein system up the mountain slope. Selected grab samples from the dumps assayed up to 6.31 ounces gold/ton, 3.42 ounces silver/ton, 5.2% lead and 9.9% zinc. Estimates indicate the dumps amount to about 20,000 tons of rock. Some of the rock is waste material and not all of the rock shows significant mineralization. Chip samples of fractured limestone at the entrance to the upper portal assayed 0.15 ounces gold/ton, 0.9 ounces silver/ton, 1.75% lead and 2.59% zinc. Mineralization consists mainly of pyrite, galena and sphalerite.

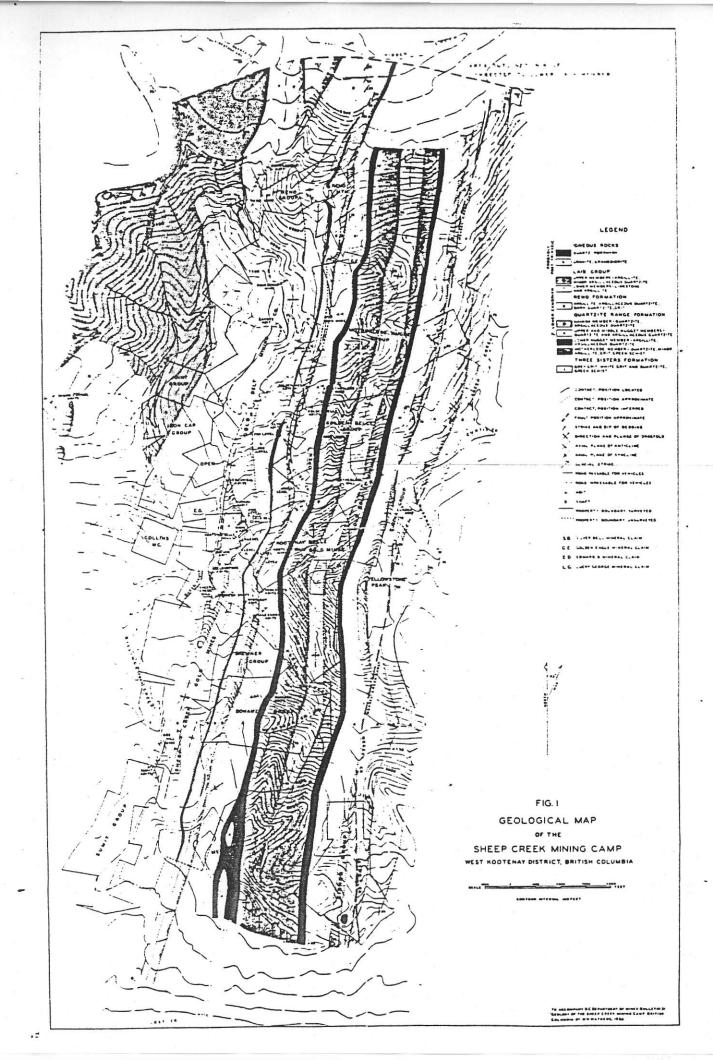
Work Program:

This property has never been subjected to modern exploration technology nor has there ever been any drilling done to evaluate the extent of the mineralization. Based on what is presently visible and known, there is potential for developing ore reserves in the vein extension southward in the known fissure system as well as in parallel vein systems. Also it appears that these vein systems extend down dip across other favorable formations. Mineralization occurring in disseminations and fracture fillings of the wall rock will increase the width of the ore zone and decrease the dilution during mining. An increase in ore width would significantly increase reserves.

Future work programs will include:

- 1) Survey and sample old adits.
- 2) Detailed geologic mapping above and underground.
- 3) Study wall rock alterations near the veins.
- 4) Surface sampling and geochemical analysis.
- 5) Test various geophysical methods in vicinity of the known veins and extend this work to areas not evaluated.
- 6) Drill at locations selected on basis of the other work.





Katie Group of 36 Claims

Location:

The Katie Property is located at 49 08'N, 117 19'W, NTS 82F/3W, approximately 7 kms south of Salmo. Access to the property is off highway #3A south from Salmo, via logging roads following Hellroaring and Swift Creeks.

Geology:

The Katie claims are within the Jurassic Rossland Group which is bound to the west by Rossland and then extends northeast past Salmo and is bound to the east by the Kootenay Arc metasediments. In the vicinity of the Katie claims the Rossland Elise Formation is predominant and consists of metamorphosed andesitic basalts, agglomerates, flow breccias, minor shales, siltstone and some cherts. On the Katie property the volcanics are intruded by a small granodiorite plug which is probably related to the lower Cretaceous Nelson Batholith.

Gold mining in the area such as at Rossland is typically associated with fault intersections and prophyry contacts. The Rossland gold camp ranked second in gold production in British Columbia and is about 30 kms to the west. Historical production from the Rossland gold camp amounts to 2,914,000 ounces of gold from ore averaging 0.47 ounces gold/ton and 1% copper.

Previous Work:

Amoco carried out a soil geochemical program over the Katie claim area during 1979 as part of an exploration program searching for molybdenum. The Amoco geochemical survey found a copper anomaly, approximately 700 meter x 100 meters in areal extent, that showed values ranging from 200 ppm to 1220 ppm. Mineralization showing 10% pyrite plus traces of malachite and chalcopyrite was indentified in a felsic tuff horizon. The National Geochemical Reconaissance shows the Hellroaring Creek drainage system, in the vicinity of the Katie claims, to be anomalous in copper. As well this drainage system has historically yielded placer gold.

In the fall of 1984 Falconbridge acquired the Swift Group of claims adjacent and to the south of the Katie claims based on the results of a regional litholgeochemical survey of the Rossland volcanic belt. Work, since then, by Falconbridge has identified both precious and base metal anomalies on the Swift group of claims. Copper-gold mineralization similar to that in the Rossland camp is expected to be the target geologic setting for this area.

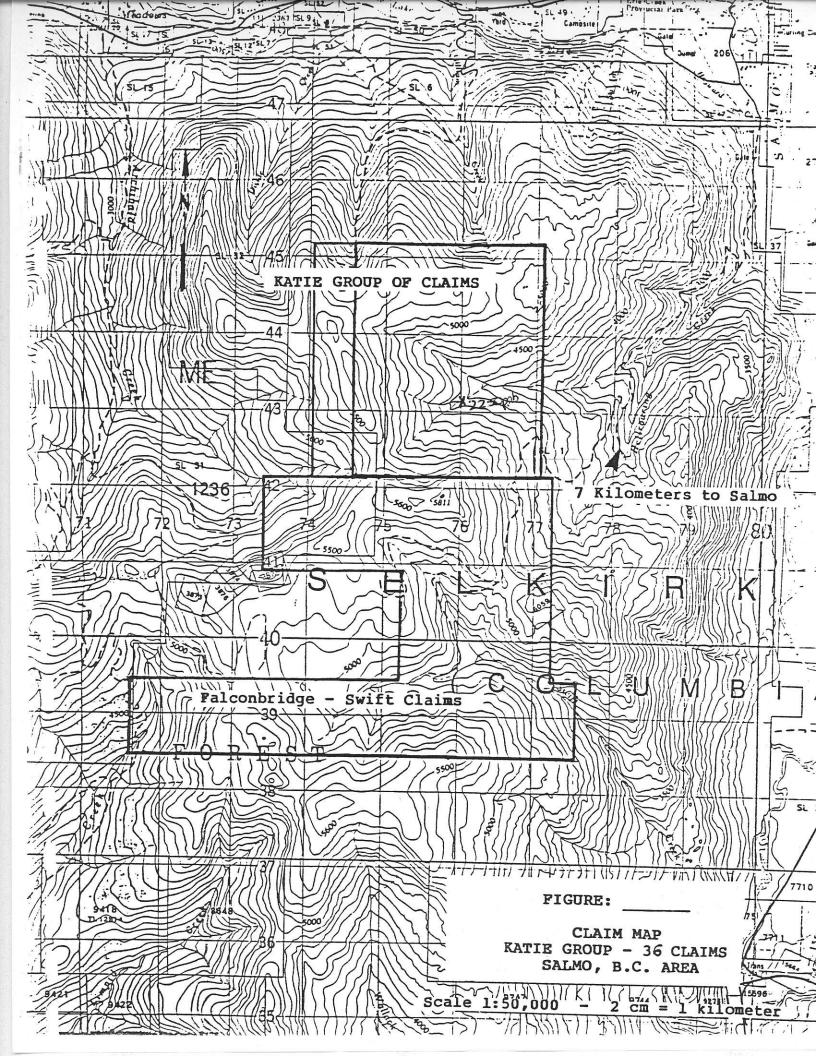
A new geochemical survey was conducted over the old Amoco grid

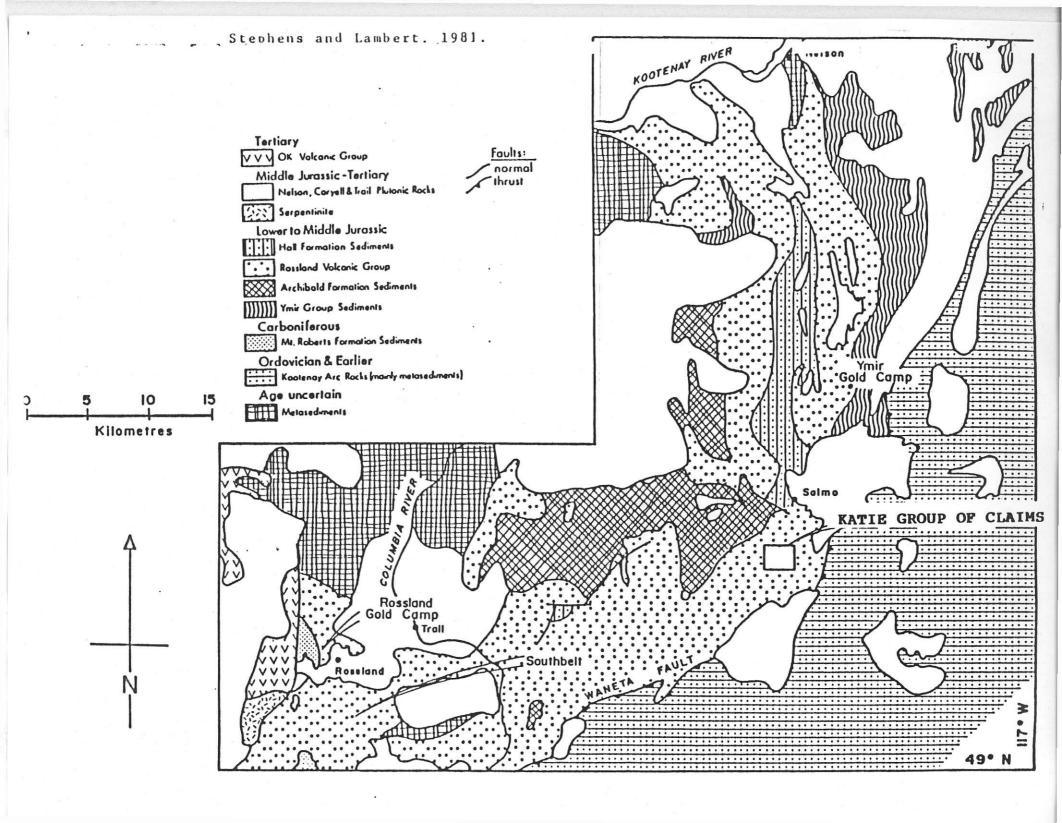
Katie Group - BLP Mineral Properties - continued

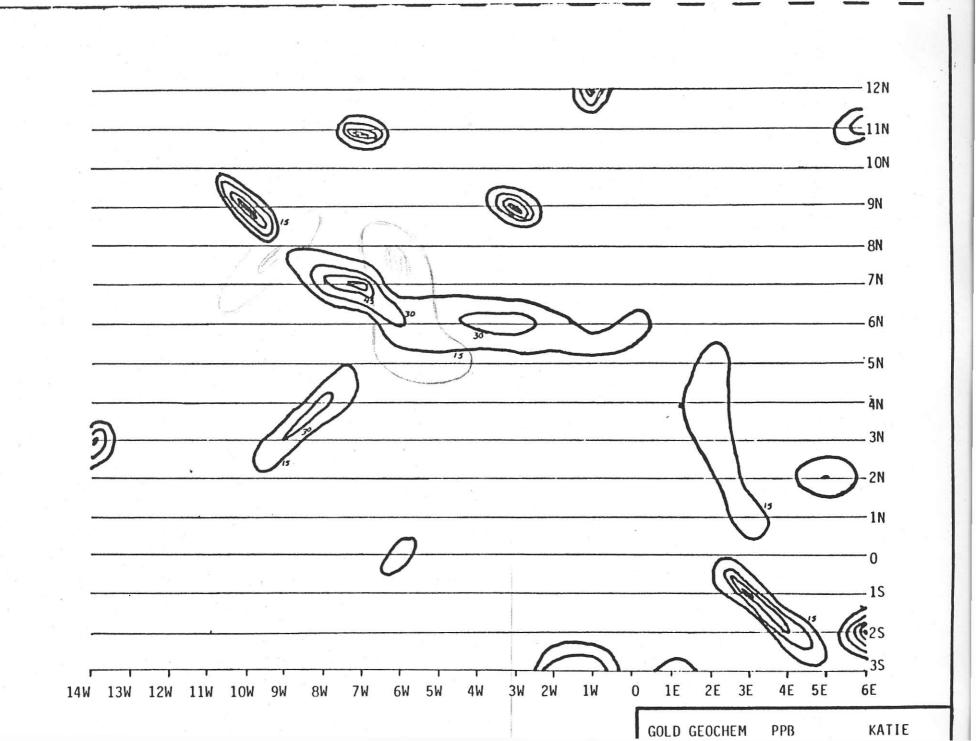
during 1986. The previous Amoco copper anomaly was confirmed and a gold anomaly coincident with the copper anomaly was identified. Amoco had not analysed for gold. Geochemical work by Baloil during August 1987 extended both the copper and the gold anomalies westward approximately 200 - 300 meters from the original grid boundary. The copper anomaly extends over an area 1000 meters x 400 meters and shows values ranging from 200 ppm to 2447 ppm (0.25%) copper. The gold anomaly shows a similar areal extent and values ranging from 15 ppb to 168 ppb. This copper-gold association in the Rossland Formation rocks on the Katie claims is significant considering the gold in the Rossland gold camp was found associated with copper.

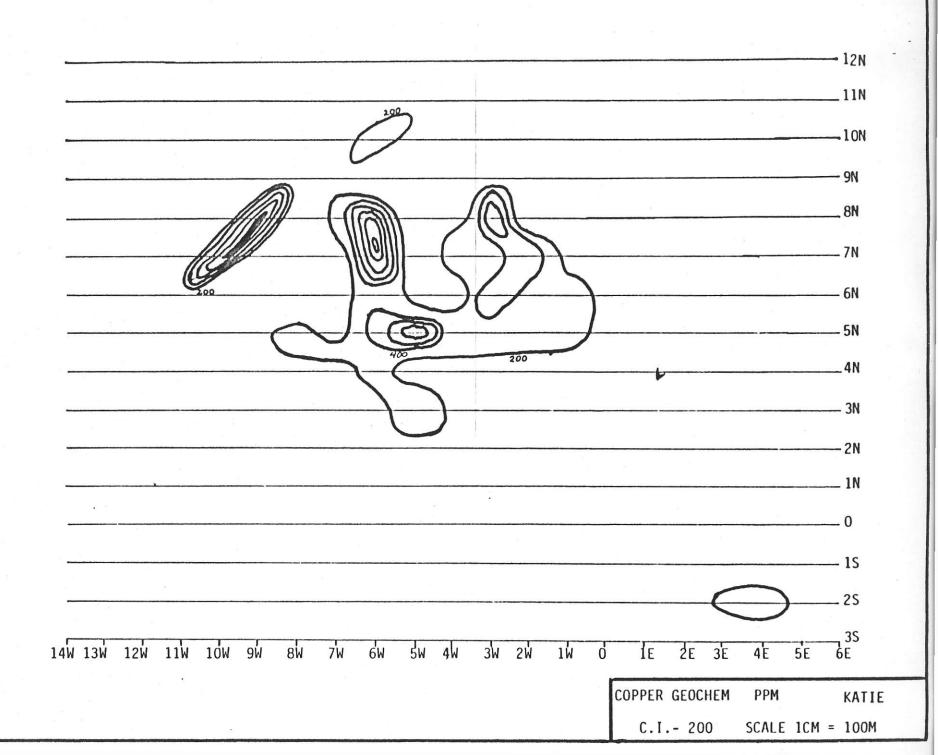
Work Program:

- 1) Comprehensive geochemical survey at closer station intervals.
- 2) Trench and sample rock.
- 3) Conduct geophysical work.
- 4) Drill at locations selected on basis of other work.









Lemax Group of 58 Claims

Location:

The Lemax Property is located at 50 03'N, 117 25'W, NTS 82K/3W, approximately 2 kms north of Rosebery on Wilson Creek. Rosebery is located at the north end of the Slocan valley on highway #6 approximately 100 kms north of Nelson. Access to the property is via good logging roads off highway #6.

Geology:

Regionally the geology is dominated by extensive batholithic intrusives and stocks of lower Cretaceaous and Tertiary age. These are composed principally of granodiorite and associated phases. The area is characterized by numerous inliers or roof pendants of the earlier Triassic Slocan Group sediments located approximately north-northeast of Nelson and the later Jurassic Rossland formation rocks located south of Nelson.

A new porphyry - breccia pipe type geologic model has been established by Northair at the Willa gold deposit approximately 16 kms south of the Lemax claims. Northair has announced reserves totalling over 600,000 tons grading 0.22 ounces gold/ton. Unconfirmed reports indicate Northair has established in excess of 2 million tons of ore grading 0.22 ounces gold/ton. Based on published reports Northair is now constructing facilities at the Willa gold deposit site to mill 400 tons/day with an expected start up during 1988.

Rossland Formation rocks, which were originally mapped and thought to be part of the Slocan Group sediments, have now been identified and mapped at the Willa property. These Rossland Formation rocks were not originally recognized at Willa until BP-RioAlogom-Northair conducted their exploration work.

Work to date on the Lemax does not indicate the presence of Rossland Formation rocks. The Lemax property is reportedly underlain by Slocan Group sediments consisting of phyllites, argillites, quartzites, tuffs and impure limestones. These sediments are intruded by porphyry type monzonite stocks, diorite plugs, dykes and an intrusive breccia pipe.

Whether Rossland Formation rocks will be evident on the Lemax claims remains to be determined by future geologic mapping. Surface sampling and mapping has however indentified significant mineralization on the Lemax claims.

Lemax Group - BLP Mineral Properties - continued

Previous Work:

Early investigations of the area focussed on silver, lead and zinc veins on the Ferry #2 Crown grant located within the Lemax claim area. Near Rosebery, on Slocan Lake, gold was found in pyritized zones within Slocan Group sediments. Work during the 1970's and early 1980's by Shell and others focussed on molybdenum and tungsten. The work included geologic mapping, geochemical sampling, I.P. and resistivity surveys and limited work trenching and drilling. This showed molybdenum-copper and tungsten anomalies as well as 2 definite I.P. anomalies. Two definite conductive bodies estimated to be 150 feet to 300 feet from surface were identified on the Lemax claims. None of this recent work on the Lemax looked for or assayed for gold.

Mineralization on the Lemax claims consists of pyrrhotite, chalcopyrite, sphalerite and galena. Surface grab samples from mineralized quartz veins graded up to 0.38 ounces gold/ton.

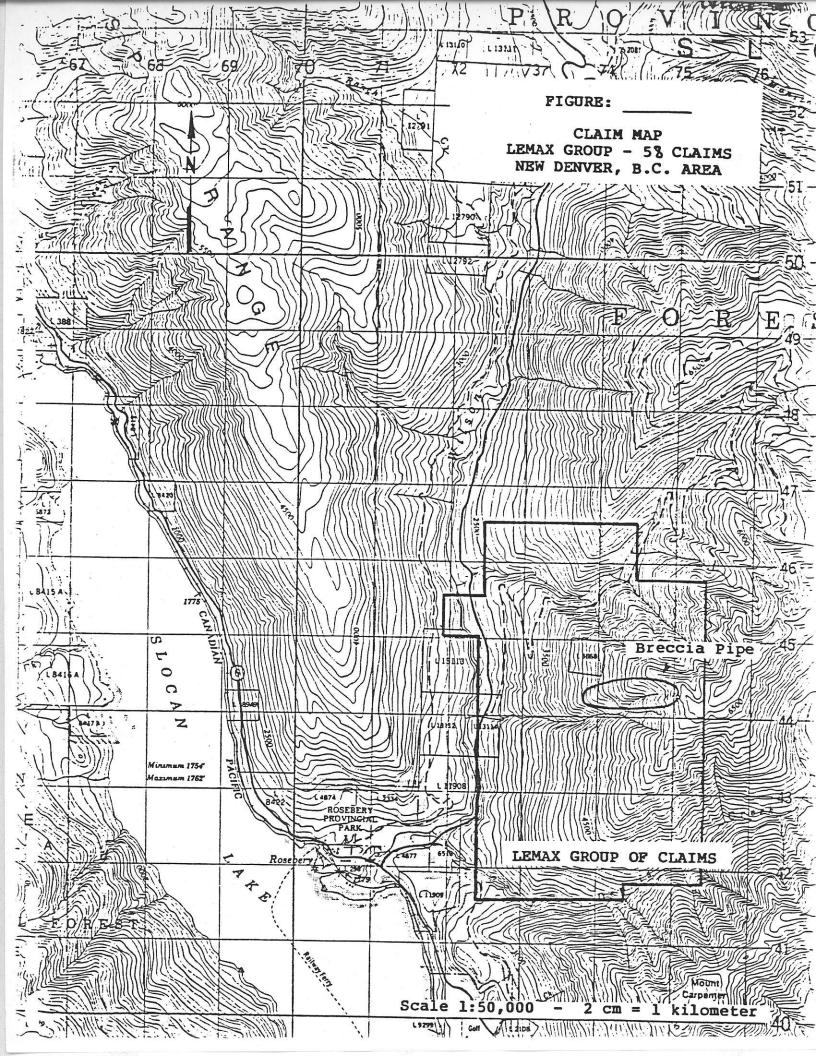
A potential exists for a gold deposit on the Lemax claims similar to the porphyry type deposit found at Willa. Such a model has not previously been considered for the Lemax property.

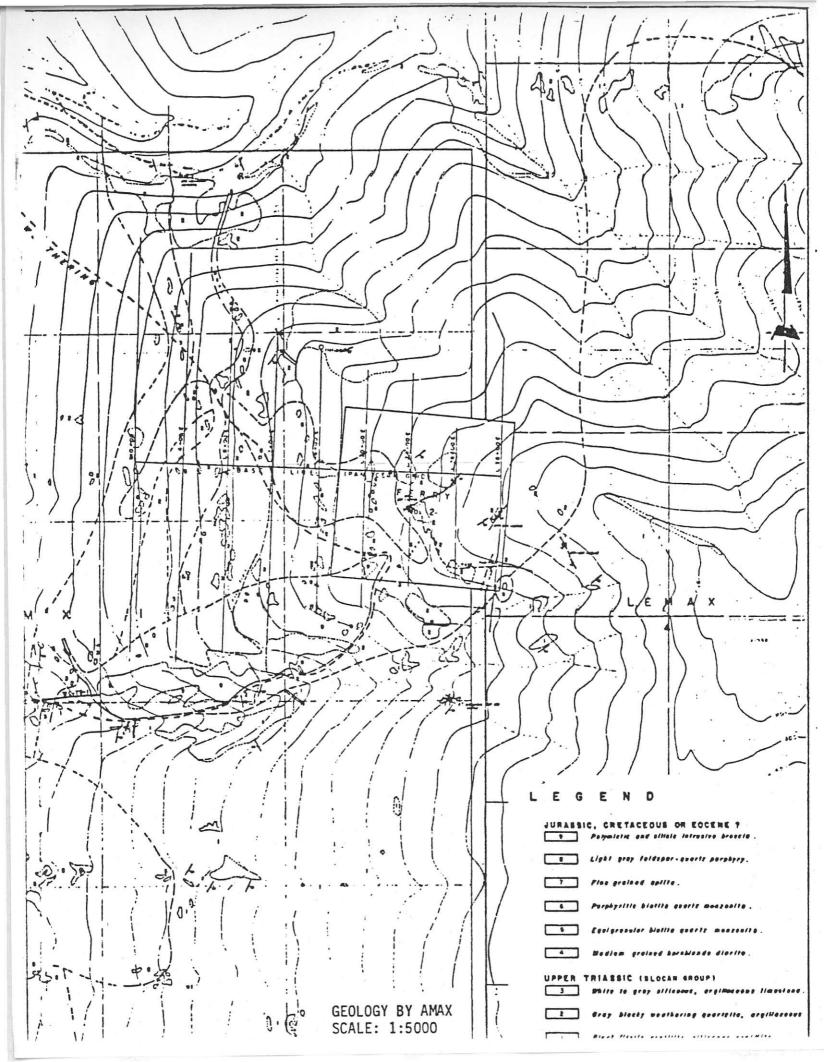
Work Program:

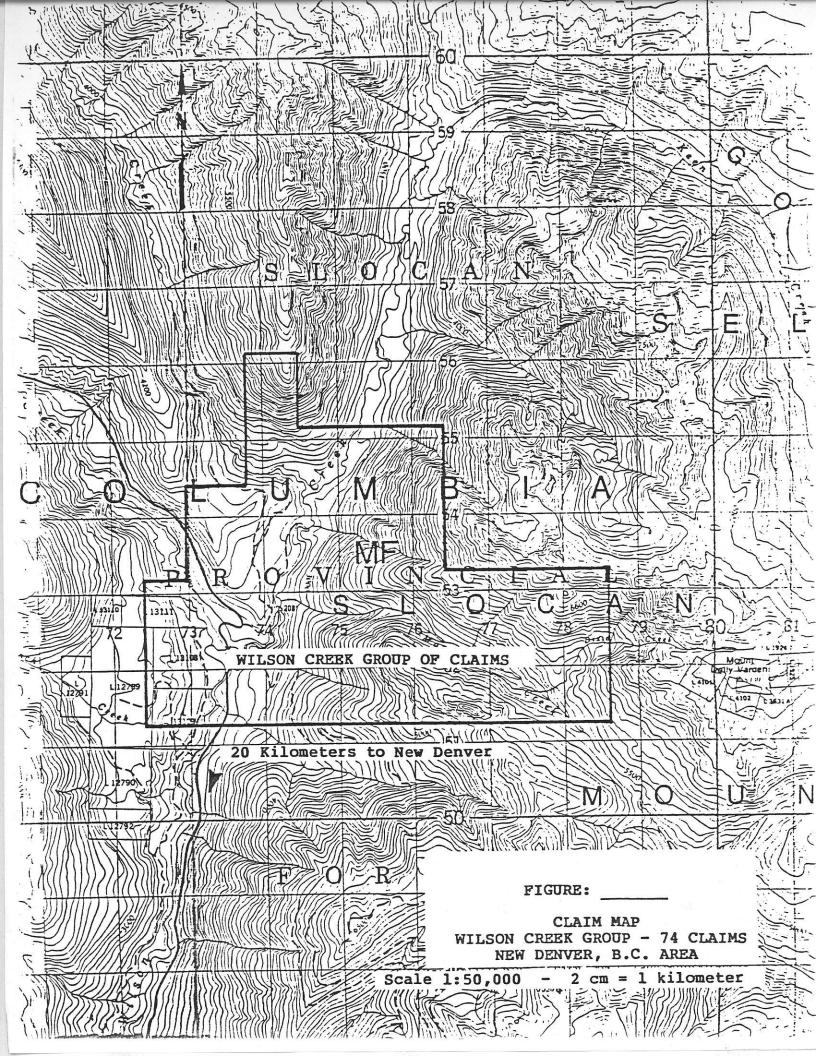
Based on a porphyry type model the mineralization associated with the breccia pipe holds potential for a large volume gold, silver and base metal deposit. Mineralization is indicated within the breccia pipe and also in the veins, fractures and stock work emanating out from the breccia pipe.

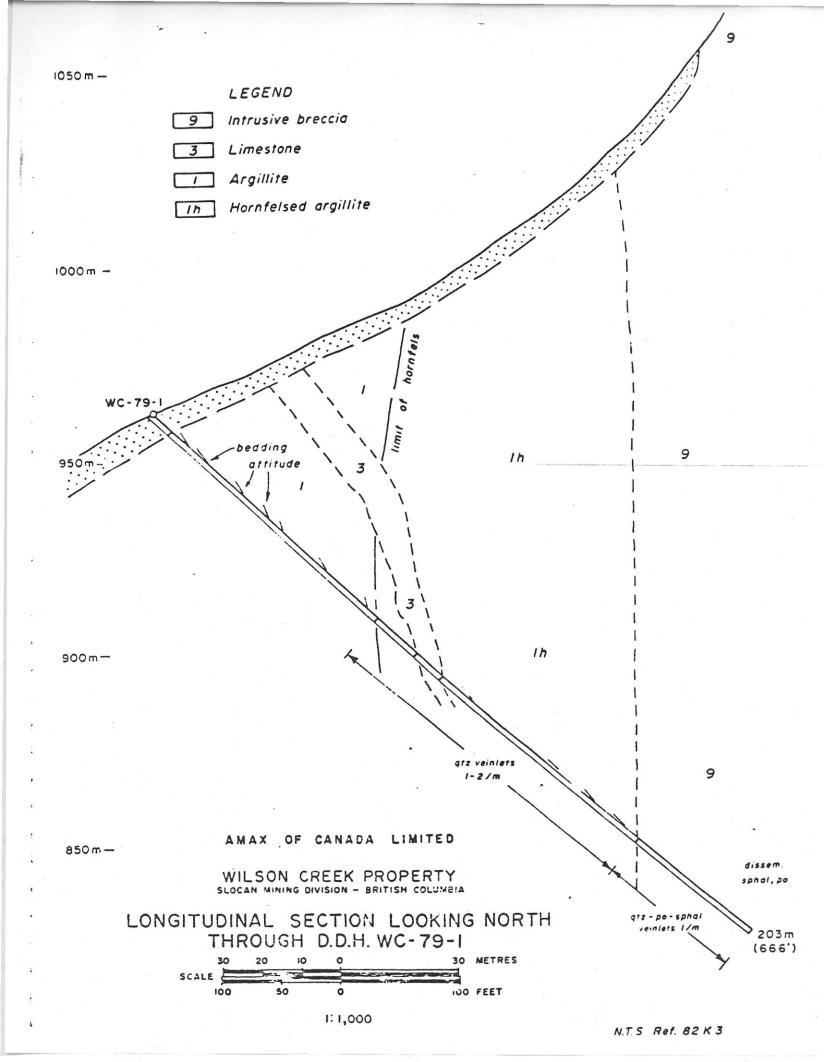
Future work programs will include:

- 1) Detailed mapping of fracture patterns, fracture densities and alteration patterns.
- 2) Follow up known I.P. anomalies and extend I.P. survey to cover all of the Lemax group of claims.
- 3) Drill at locations selected on basis of other work.









Enterprise Creek Group of 156 Claims

Location:

The Enterprise Creek Property is located at 49 51'N, 117 23'W, NTS 82F/14W, approximately 11 kms south of Silverton. Access to the property is from highway #6 north from Nelson and then by an all season gravel road which heads up Enterprise Creek. The Enterprise Creek property is directly adjacent and south of the Northair Willa property.

Geology:

Locally the geology of the Enterprise Creek claims area includes the lower Jurassic Rossland Group composed of metavolcanic and metasedimentary rocks and the early Cretaceous Nelson Batholith which is composed primarily of granodiorite porphyry. A major regional feature, the Slocan Lake Fault is parallel to the eastern edge of Slocan Lake at the west end of the Enterprise Creek claims.

Considering the close proximity to the Northair Willa gold deposit it is expected that fracture systems and mineralization associated with the Willa breccia pipe and associated intrusives may extend onto the Enterprise Creek claims. Numerous old adits are located on the Enterprise creek claims. Indications are these old adits yielded mostly high grade silver ore from veins.

Previous Work:

The large Enterprise Creek group of claims is actually comprised of 3 smaller contiguous claim groups named "The Metro", "The PM" and "The Condo" groups for a total of 156 claims.

The most westerly located Metro group of claims has been worked and explored to the greatest extent of the three. A total of 10 tons of ore shipped from this group yielded 18 ounces gold, 2,105 ounces silver plus some lead and zinc. This high grade ore was recovered from sulfide pods in north-west trending veins within the Nelson granodiorite. The particular pod which was mined was uncovered by surface stripping. No modern exploration methods have previously been used to evaluate the mineralization potential of the Enterprise Creek group of claims.

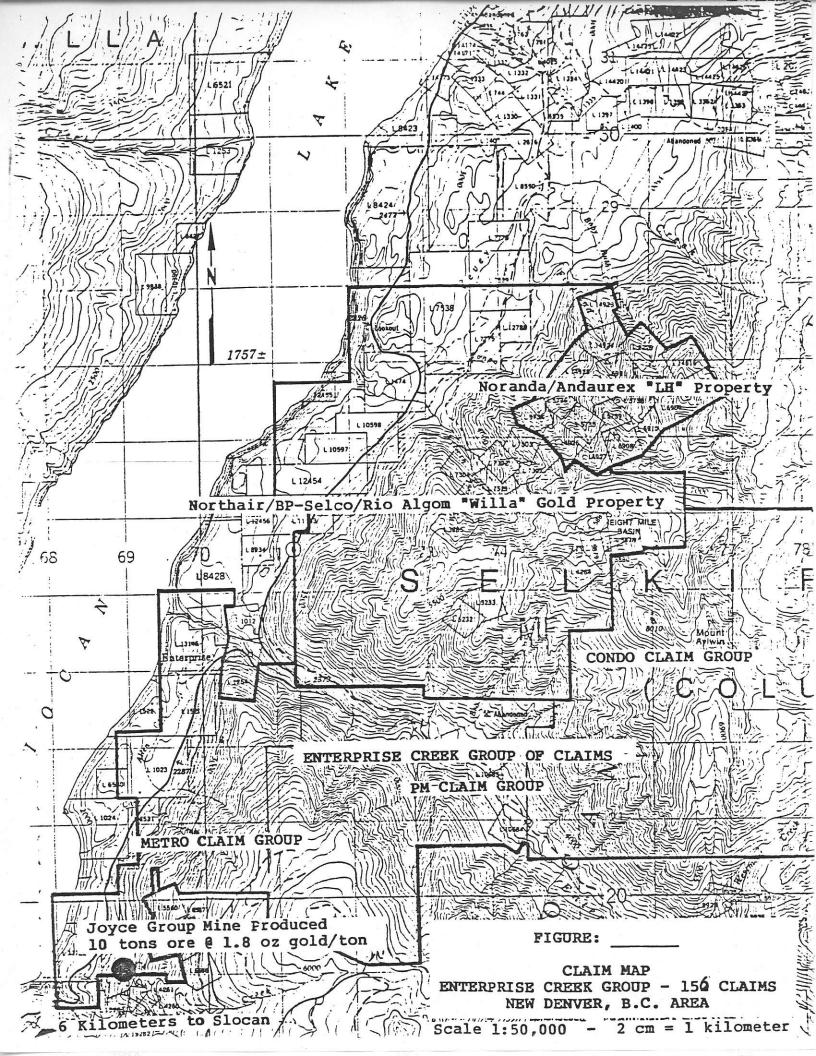
During 1985 and 1986 Trac Resources completed geochemical and geophysical work over the central PM group of claims. The analysis of this work was not made available for public examination. Subsequently 3 diamond drill holes totalling 127.08 meters were drilled. Some geologic mapping was also

Enterprise Creek Group - BLP Mineral Properties - continued

completed. The drilling and mapping outlined areas of skarn mineralization within intermediate flow breccia of the Rossland group. Minerals observed in the skarn zones included garnet, epidotite, calcite, chlorite, pyrite, pyrrhotite and traces of chalcopyrite. Initial geochemical analyses of the core indicate weakly anomalous values of gold up to 100 ppb within the Rossland Group.

Future work programs will include:

- 1) Complete geological mapping of the entire claim group.
- 2) Sampling of old adits.
- 3) Geochemical sampling.
- 4) Geophysical work.
- 5) Drill at locations selected on basis of prior other work.



Whitewater Group of 162 Claims

Location:

The Whitewater Property is located at 50 07'N, 117 10'W, NTS 82K/3E, approximately 16 kms east of New Denver, British Columbia. Access to the property is from highway #31A taken from New Denver and then by logging road up Whitewater Creek from Retallack. The property is located between the headwaters of Whitewater Creek on the east and Kane Creek on the north west.

Geology:

Three geological formations dominate the Whitewater map area. The Kaslo Ultrabasic Belt is composed of serpentized peridotite and is unconformably intruded into volcanic sequences of the Triassic Kaslo series. The Ultrabasic unit which underwent several stages of structural and metamorphic deformation and alteration is characterized by assemblages of serpentized peridotite with areas of talc-carbonate alteration. Kaslo Series volcanic assemblages, although originally of andesite composition, now grade from fine grained green stones to chlorite schists. Feldspar porphyry dikes intrude both units. Slocan Group sediments are predominant south of the Kaslo volcanics.

Previous Work:

Recent attention has focused on the platinum group metal potential of the Kaslo Ultrabasic Belt. This ultrabasic belt trends over a total length of 30 kms. Pan Ocean Oil explored the Whitewater claims during the early 1970's searching for nickle. Work by Pan Ocean included topographic and geologic mapping, 25 line miles magnetometer survey as well as some trenching and surface drilling. Several major magnetic anomalies were discovered. Mineralization consisted of massive pods of pyrrhotite and pentlandite with secondary nickle silicates. This mineralization is associated with the sheared hanging wall contact between the ultrabasic and the Kaslo volcanics. There were no reports to indicate that the Pan Ocean work included any assays for platinum.

Two assays, of sulphide bearing ultrabasic rocks, taken during 1986 indicated a spectacular result of 12.6 ounces platinum/ton and another still enomalous value of 350 ppb platinum. The high 12.6 platinum value also showed a high nickle content which may have interfered with and caused the extraordinary highly anomalous platinum value. In any case, these assays confirm the presence of platinum in these rocks and also indicate that the platinum content is higher than the palladium content. An anomalous high gold value of 464 ppb was found in

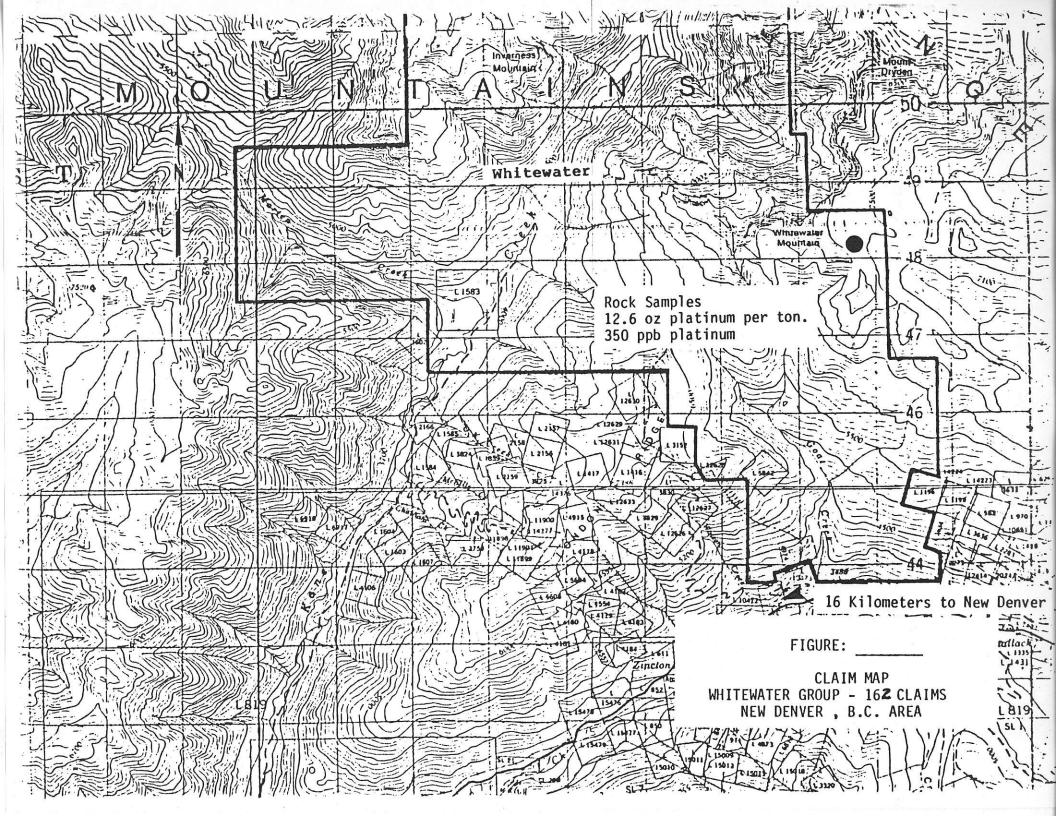
Whitewater Group - BLP Mineral Properties - continued

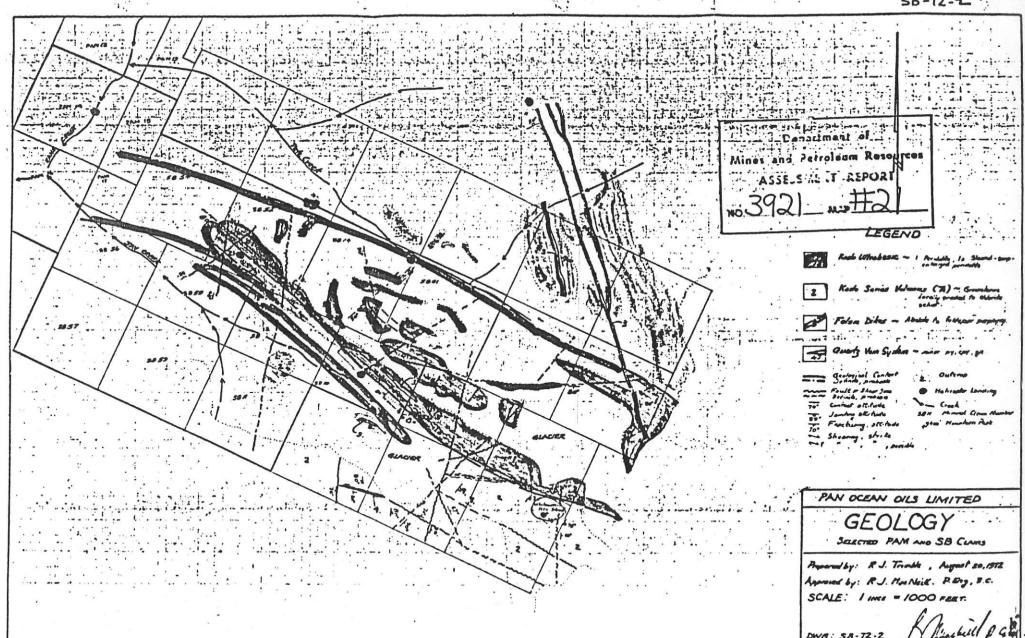
the sample which showed the 350 ppb platinum value. Nickle values up to 6% and copper values up to 2.5% were found associated with the sulphides.

In addition to the platinum potential of the ultrabasic rocks a potential for gold exists in the Kaslo Volcanics peripheral to the ultrabasic intrusion. Quartz - carbonate veins in greenstones containing principally pyrite and chalcopyrite have produced gold at the Highland Surprise (Abermin Resources) and the Gold Quartz property. The Highland Surprise property, approximately 5 km south east from the Whitwater property, averaged 0.314 ounces gold/ton from 5,151 tons of ore.

Future work program will include:

- 1) Geologic mapping with emphasis on the contacts between the Ultrabasic and the Kaslo Volcanics.
- 2) Soil and rock geochemical sampling.
- 3) Trenching
- 4) Geophysical work.
- 5) Drilling.





Wilson Creek Group of 74 Claims

Location:

The Wilson Creek property is located at 50 08'N, 117 22'W, NTS 82K/3W, on the east side of Mount Dolly Varden and encompasses the confluence of Burkitt Creek and Monitor Creek with Wilson Creek. Access is via highway #6 from Nelson to Rosebery and then by logging road heading northwest for 12 kms along Wilson Creek.

Geology:

The property is geologically situated on the north east extension of the Kaslo Volcanics and ultrabasic belt. Geologically the Wilson Creek property is the same as the Whitewater property. Potential exists for platinum group metals and for gold again similar to the Whitewater property.

Future work program will include:

- 1) Geologic mapping with emphasis on the contacts between the Ultrabasic and the Kaslo Volcanics.
- 2) Soil and rock geochemical sampling.
- 3) Trenching
- 4) Geophysical work.
- 5) Drilling.

