822725

GEOLOGIC REPORT

BAR PROPERTY
FORT STEELE MINING DIVISION
BRITISH COLUMBIA

OWNER: THERM EXPLORATION LTD.

OPERATOR: WHITE KNIGHT RESOURCES LTD.
922-510 WEST HASTINGS STREET
VANCOUVER, B.C. V6B 1L8
(604) 681-4462

NTS: 82G/5 W
LAT: 49°27'N
LONG: 115°56'W

GORDON P. LEASK

SUMMARY

The Bar property, located 12 kilometres southwest of Cranbrook, B.C., hosts three mineral targets: a Sullivan Mine style zinc/lead/silver "SEDEX" target, a Coeur d'Alene-St Eugene Mine style zinc/lead/silver/gold vein and a Beartrack style large tonnage gold target.

The Sullivan Mine type target on the property has been tested by three deep (in excess of 1500 metres) drill holes. White Knight drilled a 1969 m hole in mid 1990 to test the Sullivan time stratigraphic interval on the east of the Bar property. The Sullivan horizon was only geochemically anomalous in base metals at this location. No further work on the Sullivan Time Horizon on the eastern portion of the property is warranted or recommended at this time. Anomalous thickening of the Sullivan mudstone sequence encountered in drillhole DDH-Bar-85-1 suggests a Sullivan Time subbasin exists north of hole 85-1. A drillhole collared 2 kilometres north of DDH 85-1 should be drilled to evaluate the level of subbasin development.

The Hamilton-Lookout vein on the property has been explored with IP geophysical surveys, soil geochemistry, trenching and drilling. A six hole, 788 m drill program was undertaken to test the vein structure where significant Induced Polarization anomalies had been identified in the area of the old workings. Although mineralized, the vein exhibited poor continuity.

Trenching on the southeast portion of the Lookout vein uncovered a vein/dyke complex 30 m in width. Two narrow sulphide veins were exposed within the complex. These veins also exhibited poor vertical continuity and horsetailled within the gabbro dyke. Further work on the Hamilton-Lookout vein is not warranted at this time.

Soil geochemistry surveys were performed along the northwest extension of the Lookout vein. A large gold-lead anomaly was defined on the northern portion of the soil grid. Trenching on this soil anomaly in late November, 1990 led to the discovery of a very large area of altered sediment and quartz monzonite intrusive containing disseminated gold. Three trenches testing 160 m of strike along the structure discovered significant gold mineralization. The western most and higheat grade trench assayed 0.132 oz/ton gold across 26 metres. Both structurally and geochemically this new discovery closely resembles the Beartrack deposit near Salmon, Idaho. Beartrack hosts reserves in excess of 40,000,000 tons grading 0.056 oz/tin gold and is currently being developed by F.M.C. Gold. Additional work is warranted and recommended on this new discovery.

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APPENDICES

1.0 INTRODUCTION

The Bar property was staked in 1983 to protect an area exhibiting striking geologic similarities to the Sullivan Mine at Kimberley, B.C. The Sullivan Mine type deposit potential has been tested by 3 deep drill holes. In 1985 Noranda Exploration drilled a 1549m hole, Bar 85-1. Sullivan type stratigraphy was intersected between 1433m and 1525m and was underlain by a pyrrhotite rich sulphide clast fragmental similar to sulphide clast fragmentals proximal to the Sullivan Mine. No appreciable base metal mineralization was encountered.

Goldpac Investments Ltd. drilled a 2100 m hole, Bar 88-2, in 1988. The hole encountered a crosscutting gabbro body from 160m above the projected Sullivan time horizon to 160m below. Crosscutting gabbro bodies are uncommon in the region and generally outline areas of major tectonic instability. A similar gabbro feature is associated with the Sullivan deposit. In addition an intraformational conglomerate was encountered in Lower Aldridge sediments beneath the gabbro.

White Knight Resources Ltd drilled a 1968 m hole, Bar 90-1, in 1990 targeted to penetrate the Sullivan type stratigraphy above the gabbro intrusive complex. Weak base metal mineralization was encountered at Sullivan time.

The Hamilton-Lookout vein workings were re-opened and sampled in 1989. Impetus for this work was the exploration by Kokanee Exploration on the Vine vein and the recognition that the Hamilton-Lookout and Vine veins were strike extensions of the St. Eugene vein system. Mineralization within the vein is Pb-Zn-Ag-Au in a quartz gangue. In structural setting and mineralization the Hamilton-Lookout vein resembles the Coeur d'Alene district of northern Idaho. Six diamond drill holes were drilled on the Hamilton-Lookout structure in 1990 with results being generally discouraging.

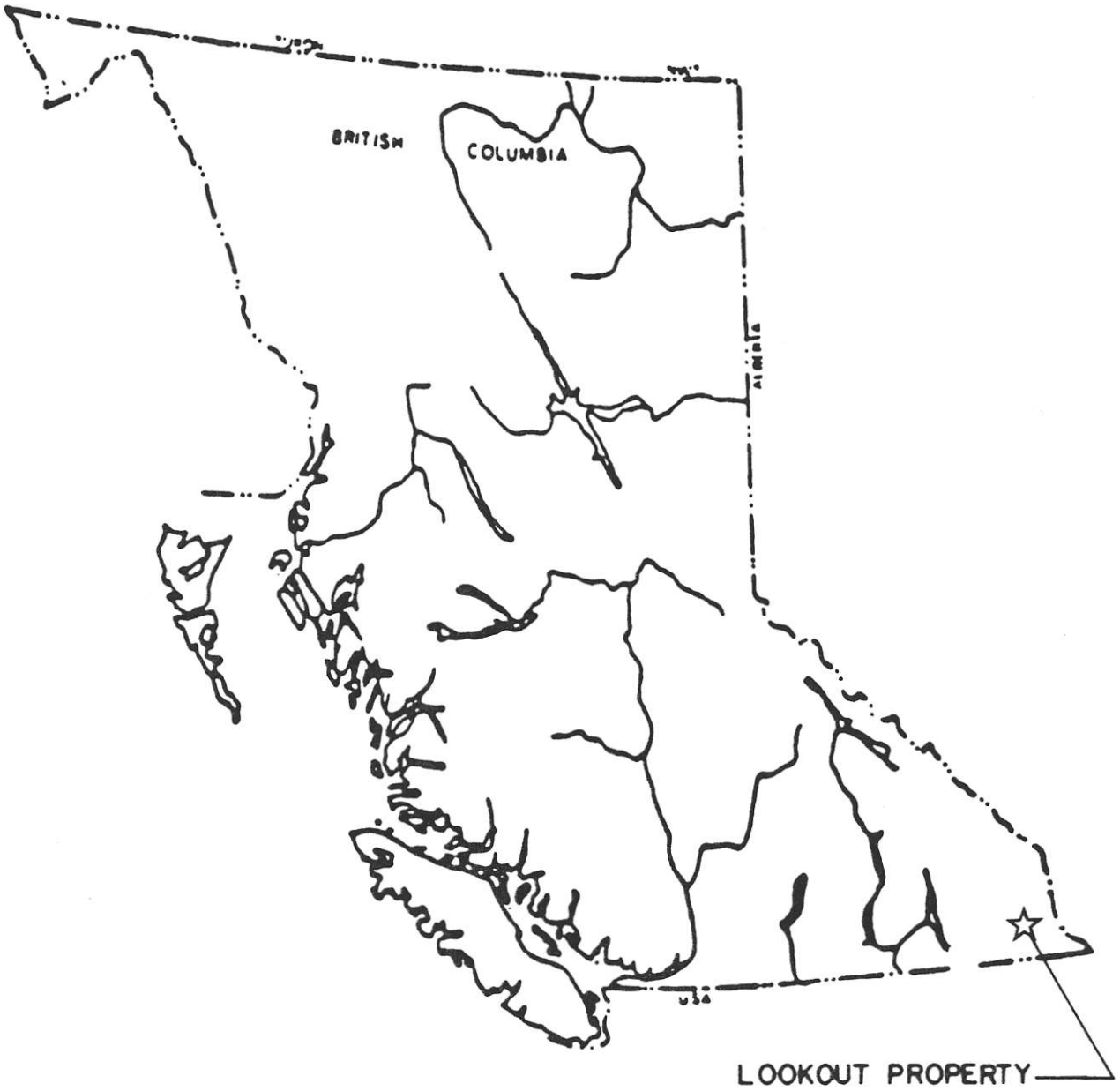
A soil geochemistry survey covering the northwest end of the Hamilton-Lookout vein structure was conducted concurrent with the 1990 deep drilling program on the property. This soil program outlined a large area anomalous in gold and lead. Follow up trenching in the fall of 1990 uncovered an extensive area of highly altered and mineralized quartz monzonite and sediments within and surrounding the Cranbrook fault. This discovery has been named the Lookout discovery due to its proximity to an abandoned B.C. Forest Service Fire Lookout. Disseminated gold mineralization occurs in highly altered and fractured intrusives and sediments within an alteration zone extending up to 250 meters on either side of the mineralized zone.

2.0 LOCATION AND ACCESS

The Lookout property is located approximately 12 km southwest of Cranbrook, about 3 km west of Jim Smith Lake, Figure 1. Access is made via the Crowsnest Highway, south from Cranbrook for about 10 km then west along the Lumberton Road for 4.0km and north on a logging road for 3.5km. Road conditions generally allow access to the property by 2-wheel drive vehicle.

3.0 PHYSIOGRAPHY

The claims are covered by second growth pine, larch and fir. Slopes are generally moderate to steep, with maximum relief of about 660 metres. The claims are drained by Palmer Bar and Kiakho Creeks which flow south to Moyie River.



WHITE KNIGHT RESOURCES LTD.	
LOOKOUT PROPERTY LOCATION MAP	
DATE: Feb. 1991	SCALE:
NTS: 82F/2E	FIGURE: 1

4.0 CLAIM STATUS

White Knight Resources Ltd. has the option to earn a 50% interest from Goldpac Investments Ltd. in 16 mineral claims and 2 Crown Grants owned by Therm Exploration Ltd. The claims status is as follows:

TABLE 1

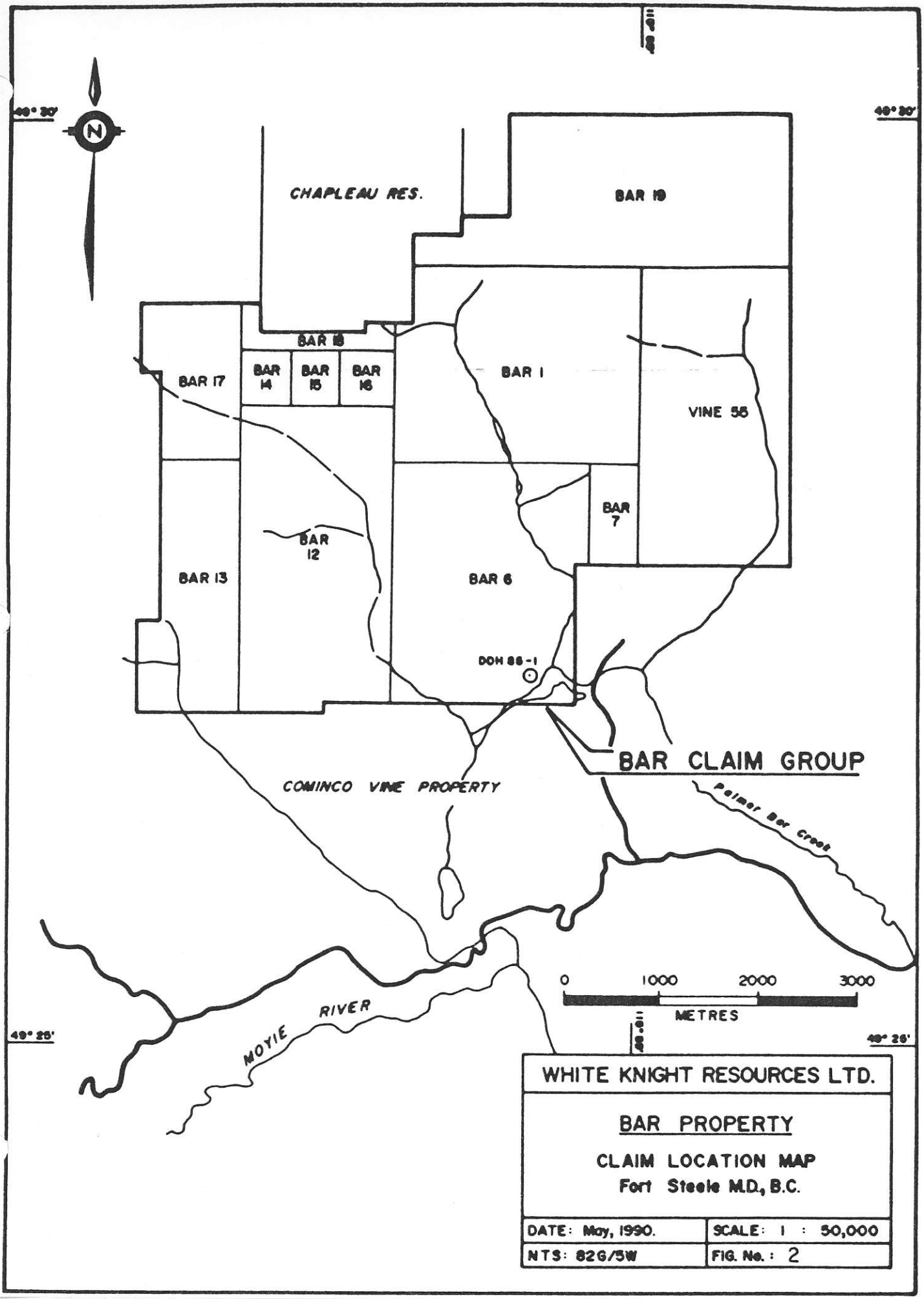
CLAIM DATA

Claim Name	Record No.	Units	Expiry Date
Vine 55	1871	18	Jul 18, 1998
Bar 1	2015	20	Nov 10, 1998
Bar 6	2028	16	Dec 14, 1998
Bar 7	2029	2	Dec 14, 1998
Bar 8	2164	1	July 3, 1998
Bar 9	2165	1	July 3, 1998
Bar 10	2166	1	July 3, 1998
Bar 11	2167	1	July 3, 1998
Bar 12	2168	18	July 3, 1995
Bar 13	2169	10	July 3, 1998
Bar 14	2170	1	July 3, 1998
Bar 15	2171	1	July 3, 1998
Bar 16	2172	1	July 3, 1998
Bar 17	2354	6	Feb 20, 1998
Bar 18	2355	3	Feb 20, 1998
Bar 19	3041	18	Dec 01, 1998
Belleville	C.G. L. 5252	1	N/A
Lookout	C.G. L. 5254	1	N/A

Terms of the option agreement between Goldpac Investments and Therm Exploration Ltd. allow Goldpac to earn a 100% interest in the claims, subject to a 2.5% NSR royalty reserved to Therm, by making expenditures of $1,500,000 on the property by November 1, 1992, paying Therm $33,743.59 and placing the property in commercial production by November 1, 1994.

Terms of the option agreement between White Knight and Goldpac allow White Knight to earn a 50% interest in the mineral rights above 150 m above sea level on the property, subject to the NSR royalty held by Therm, by incurring exploration expenditures of $1,000,000, paying $860,000 and issuing 100,000 shares to Goldpac in stages by April 5, 1994.

The claims are shown on Figure 2.


49° 30'
49° 30'
N
CHAPLEAU RES.
BAR 19
BAR 18
BAR 17
BAR 14
BAR 15
BAR 16
BAR 1
VINE 56
BAR 7
BAR 12
BAR 13
BAR 6
DDH 86-1
BAR CLAIM GROUP
COMINCO VINE PROPERTY
Palmer Bar Creek
0
1000
2000
3000
METRES
MOYIE RIVER
49° 25'
49° 25'
WHITE KNIGHT RESOURCES LTD.
BAR PROPERTY
CLAIM LOCATION MAP
Fort Steele M.D., B.C.
DATE: May, 1990.
SCALE: 1 : 50,000
NTS: 82G/5W
FIG. No.: 2

5.0 MINERAL DEPOSITS IN THE AREA

The East Kootenay area is a strongly mineralized belt with several significant deposits which have reached production. The most important of these is the Sullivan Mine, a classic sedimentary "exhalative" massive sulphide deposit. Production data from the area is summarized in Table 2 and a brief summary of the major deposits follows.

TABLE 2

PRODUCTIVE MINES - CRANBROOK-FORT STEELE AREA

Deposit	Production (P) (Short Tons)	Gold Oz/T	Silver Oz/T	Lead %	Zinc %	Copper %
Sullivan	125,500,000 P		2.40	6.70	5.80	
(1980)	25,000,000 R		1.10	4.50	6.00	
St. Eugene	1,600,000 P	0.0020	3.60	8.00	1.00	
Society Girl	8,289 P		1.67	6.63	0.32	
Vine	266,765 R	0.0450	0.79	2.29	1.09	
. .ella	120,720 P	Tr	1.70	4.72	8.98	
Kootenay King	14,600 P	0.0015	1.94	5.48	6.51	
North Star	67,531 P		19.81	35.50	0.20	
Bull River	520,100 P	0.0080	0.39			1.53
	100,000 R	+0.0100	+0.70			+1.30
Dardanelles	90 P	0.4900	1.91	4.90		
	120,000 R	0.4630	1.87			
Midway	1,284 P	0.225	2.14			

Source: B.C. Production (MEMPR), MinFile

NOTE: Grades given are from production figures and do not represent original reserve grades (mill-head grades).

P= Production
R= Reserves

Sullivan Mine

The "world class" Sullivan Mine, situated at Kimberley, B.C., was discovered in 1892 but little was accomplished on the claims until 1899. Consolidated Mining and Smelting Company (Cominco) acquired the property in 1909. It was not until 1920 that a successful flotation process was developed for the fine-grained ore.

Ore mined up to 1980 was 125,500,000 tons averaging 6.7% lead, 5.8% zinc, and 2.4 oz/ton silver. Ore reserves at that time were 53,000,000 tons containing 4.5% lead, 6.0% zinc, and 1.1 oz/ton silver. Substantial amounts of cadmium, tin, gallium, indium and other metals are produced as by-products. The Sullivan deposit is a hydrothermal syn-sedimentary deposit that formed in a sub-basin on the ocean floor during deposition of the clastic Lower Middle Aldridge Formation of the Purcell Supergroup in Helikian (Late Proterozoic) time.

Dimensions of the deposit are roughly 1.25km square, up to 100 meters thick, (average 50 meters), and is composed of one main band and several thinner bands of sulphides.

Structure

The Sullivan orebody is situated on the east side of the Purcell anticlinorium, a broad zone of easterly verging folds and thrust faults within the Purcell Supergroup comprising a thick (up to 23,000 m) sequence of clastic rocks exposed over an area of 100,000 square kilometres in southern B.C. and Alberta and extending into Washington, Idaho and Montana.

Two prominent fault sets cut shallowly plunging broad open folds. The "Sullivan type faults" trend north to northeasterly, dip steeply to the west, and have normal, west down offset averaging a few tens of meters. These cut a number of east west trending, north-dipping faults, the most prominent is the Kimberley Fault, which cuts the northern part of the Sullivan orebody and has 2500 meters of normal, (down to north) displacement. (Hoy, 1988). A steep west dipping cleavage is related to axial planes of broad open folds.

Stratigraphy

The Purcell sediments are a miogeosynclinal shelf succession formed as a terrace to the craton to the east. One or more rifts or half grabens have been postulated by Kanasewich and others. The lowermost unit of the Purcell Supergroup is the Aldridge Formation, about 4,000 meters of fine grained clastics, underlain by the partly equivalent Fort Steele Formation, and overlain by grey, green and maroon tidal flat sediments of the Creston Formation.

The sedimentary sequence is cut by Middle Proterozoic Moyie sills and dykes (1433+/-10Ma) mainly in the Lower Aldridge, and gabbro sills of younger age (1075 Ma) mainly in the Creston Formation and younger units, where they may be up to 2,000 meters thick. Three periods of regional metamorphism are postulated, the last related to Late Mesozoic thrust faulting and folding.

The Lower Aldridge is characterized by fine clastics with laminae and blebs of pyrrhotite which give the unit a rusty weathering appearance. The Middle Aldridge is marked by distinctive graded arenaceous beds. The Upper Aldridge is dominantly thin bedded argillite.

The Sullivan sedimentary exhalative deposit occurs near the top of the Lower Aldridge Formation, with the shape of an inverted and tilted saucer, about 2000 meters long (North/South) by 1600 wide. Maximum thickness is 100 meters near the centre, thinning outward in all directions, and the mineralized interval beyond the orebody can be traced for 5km as a 3-5m thick interval with characteristic pyrrhotite laminae in argillite.

Footwall Rocks: The orebody is underlain by intraformational conglomerate, thinning outward from 125m thick. The conglomerate is monomictic with clasts up to boulder size, (mostly pebble size). Chaotic breccias with sulphides in clasts and matrix, and conglomerate "dykes" also occur. Sulphide veins are locally abundant only below the western part of the orebody. These contain minor quartz and pyrite, galena, sphalerite, arsenopyrite, chalcopyrite, cassiterite and scheelite.

Orebody: The orebody consists of massive to poorly bedded sulphide at the centre overlain by several "bands" of bedded massive sulphide up to 24 meters thick. Sphalerite, pyrrhotite, galena, and pyrite are the most common sulphides, in a variety of textures ranging from laminated bedded sulphides to fragmental or massive textures. Minor amounts of tetrahedrite, pyrargyrite, boulangerite, arsenopyrite, cassiterite, chalcopyrite, jamesonite, stannite, and scheelite occur.

The central part of the orebody is richest in iron. Zonation of other metals in the orebody is complex. Post ore breccias are either sedimentary breccia or albite-chlorite pyrite carbonate breccia.

Alteration: The footwall of the orebody is extensively tourmalinized, in a funnel shaped zone roughly elliptical 1400 meters by 900 meters. Massive black tourmaline resembles chert. The footwall conglomerate commonly is tourmalinite fragments in a tourmalinite matrix.

St. Eugene Mine, (Moyie):

The St. Eugene Mine is situated on the east side of Moyie Lake, with the adits and dumps extending uphill from the lake. The Aurora Mine is on the opposite side of the Lake.

The St. Eugene lies about 600 meters stratigraphically above the base of the Middle Aldridge Formation and consists of a "Ladder Vein" striking WNW and dipping steeply south. Silver lead and zinc were present in tabular ore shoots within the veins, as argentiferous galena, sphalerite, with lesser amounts of tetrahedrite and chalcopyrite in a gangue of quartz, biotite, chlorite, garnet, amphibole, pyrrhotite, pyrite, and magnetite.

Reserves were exhausted by 1916, when production totalled 1,600,000 tons grading about 12% lead, 1% zinc and 5.8 oz/ton silver. Average vein and cymoid ore widths were 2 - 3.5 meters, with larger deposits sometimes reaching 10 meters, with massive galena bands up to 1.3 meters thick. The ore zone could be traced for 3500 meters along strike and 1400 meters down dip.

Estella Mine:

The Estella Mine is situated at 1,800 meters on Tracy Creek, approximately 20km northeast of the Dibble property. The Mill was situated at Wasa, in the river valley, adjacent to the highway and rail facilities.

The property was staked in the 1890's, and was explored briefly by Consolidated Mining and Smelting in 1927. Estella Mines Ltd. was formed by A.R. Allen in 1950, and the mill was built and commenced operation in 1951. Reserves calculated in 1951 were 47,800 tons with an average width of 5.8 feet and an average grade of 19% zinc, 5.8% lead, and 1.9 oz/ton silver. Milling was done at the rate of 150 tons/day, seven days per week, and 130 men were employed. The mill operated until February 1953, when reserves were depleted. Additional exploration was done from 1954 to 1957, when the company, reorganized as United Estella Mines Ltd., was forced to liquidate.

Copper Soo Mining Company acquired the property in 1962 and exploration to 1963 resulted in a shipment of about 1300 tons averaging 23.1% zinc, 13.2% lead and 7 oz/ton silver.

Exploration in 1965 and 1966 was successful in locating new ore, and a new mill was in operation in August 1966. Ore reserves at that time were 49,103 tons averaging 14.19% zinc, 7.01% lead, and 2.93 oz/ton silver, (17% mining dilution and 10% stope wall dilution included). Ore was mined by open stoping and shrinkage methods. Production to the end of 1967 totalled 51,391 tons milled averaging 7.67% zinc, 4.26% lead, 1.86 oz/ton silver, 0.02% cadmium, and minor gold and copper. Total production was 120,704 tons of ore grading 8.97% zinc, 4.73% lead, and 1.74 oz/ton silver (Hoy, Prelim Map 38, B.C. MEMPR).

The main workings are on the Skylark claim, (Lot 6579). The deposit is within the transition zone between the Fort Steele and Lower Aldridge Formations, consisting of argillites and quartzites striking northwestward and dipping southwest, intruded by a sill-like diorite body. The ore is a replacement by sphalerite, galena and pyrite and silica in a zone of fracturing and shearing which extends from the sediments into the diorite. Small amounts (to 0.06%) of cobalt are present. On surface, the zone was traced for 750 feet. Development was by two adits, the Upper (Rover), at 6,250 feet, and the lower (Estella) at 6100 feet. The orebody had an average dip of 65 degrees to the southwest and widths to 15 or 20 feet. In some areas, intensity of silica alteration made it difficult to interpret the original rock type. The ore in most areas appears bedded, but locally crosses the bedding at small angles, and in some areas consists of numerous stringers. (M.S.Hedley, B.C.D.M. Ann Rept., 1951, p.186-190).

The property is currently being explored by Bethlehem Resources Inc., who have optioned the property to Cominco Ltd.

Kootenay King Mine:

The Kootenay King mine is situated at 2,200 meters on the north bank of Wildhorse Creek, 16 km east of Fort Steele. Claims were first staked in the area before 1898, but most of the work was done in the 1920's by Kootenay King Mining Company Ltd., and Mining Corporation of Canada Ltd.

The deposit was considered at first to be a replacement of dolomitic argillite, (Ney, 1957), and evidence for this origin was an apparent spatial relationship with monzonite intrusions and faults, presence of vein mineralization in faults, and a "halo" of coarse dolomite around the ore. The deposit ie localized within a dragfold in steeply dipping strata.

The deposit has some similarities to the Sullivan deposit; ore is fine grained and well-banded and occurs in the same stratigraphic interval in the Aldridge Formation. Mining commenced in 1952 and total production was 14,617 tons grading 5.3% lead, 6.65% zinc, and 1.94 oz/ton silver. Milling was done at a rate of 50 tons/day.

Bull River Mine:

The Bull River Mine, (otherwise known as the Bonanza, or Steeples) was explored by Placid Oil Ltd. based in Calgary, and from 1972 to 1974 mined 496,400 tons of ore from which recovered grade was 1.61% copper, 0.41 oz/ton silver and 0.008 oz/ton gold. Reserves, based on a cut-off grade of 1.3% copper, are about 100,000 tons (1974).

The property is adjacent to the Bull River, 15 kilometres east of Cranbrook. Copper occurs as chalcopyrite in fracture-fillings and massive replacements in quartz-siderite veins cutting the Aldridge Formation sedimentary rocks and dioritic intrusive rocks. The open pit reserves were exhausted in 1974.

Kidd/Star Property

The Kidd/Star property located about 17 km northeast of Creston is currently being explored by Kokanee Explorations and Barkhor Resources. Work to date has identified a stratiform base metal deposit in Middle Aldridge sediments within an east-west trending structure. Sullivan type geological elements include tourmaline and albite alteration, tourmaline breccias and fragmentals. Bedding parallel lead/zinc mineralization has been encountered in drill holes with grades to 12.2% lead, 0.7% zinc and 3.2 oz/ton silver over 13 feet. Disseminated, vein and bedding parallel base metal mineralization occurs within highly altered Middle Aldridge sediments over a stratigraphic interval of about 1000 feet. This interval is above the "Sullivan Time Horizon" and is referred to as "Kidd Time" based on the stratigraphically closest marker horizon.

6.0 BEARTRACK GOLD DEPOSIT

Very little information has been published about the Beartrack deposit located near Salmon, Idaho. Articles from the Northern Miner and the Miner's News are presented in Appendix 2.

The deposit is owned by FMC Gold Corporation and is being prepared for production in late 1991. FMC purchased all of Meridian Gold's assets for $100,000,000 in 1989. Beartrack is a structurally controlled deposit hosted by the Middle Proterozoic Yellowjacket Formation, the equivalent of the Middle Aldridge in the Kootenay region. Mineralization is emplaced in two large stockwork disseminated zones along the Beartrack fault. The "North" deposit is hosted within porphyritic quartz monzonite on the east side of the Beartrack fault. The North deposit occurs across a width of about 300 ft along a strike length of 3400 ft. The south or "Gold Ridge" deposit is hosted by quartzite, siltite and meta-arkose and occurs across a width of 250 to 300 ft along a strike length of 2500 ft.

Mineralization within the deposit consists of disseminated pyrite and arsenopyrite associated with quartz stockwork. Accessory minerals include galena, molybdenite, cinnabar, stibnite and rare wolframite. The last published reserves are 45,000,000 tons grading 0.054 oz/ton gold with delineation of the deposits continuing.

7.0 HISTORY OF THE BAR PROPERTY

A portion of the property, known as the Belleville Group or Hamilton Group was staked by J. Hamilton in 1903. In 1926 the two crown granted claims, Belleville 1 and 2, surveyed Lots 5253 and 5254, were worked under option by R.H. Finley.

In 1939 the claims were held under option by J. Powelson of Cranbrook, B.C. and were examined by L. Telfer for Consolidated Mining and Smelting. Powelson also staked adjacent ground as the British group.

The property was staked by J. Leask and associates in 1983 based on recent work in the area for SEDEX deposits. Noranda Exploration optioned the property and drilled a 1549 m deep hole in 1985 before dropping the option. Goldpac Investments acquired an option to earn a 100% interest in the property in 1987 and carried out a controlled source audio-magnetotelluric geophysical survey (CSAMT) and drilled a 2100 m deep hole in 1988. Goldpac opened and sampled the Hamilton workings in 1989. White Knight acquired an option to earn a 50% interest in the mineral rights above 150 metres above sea level and a 40% interest in the mineral rights below 150 metres above sea level in 1990. White Knight carried out IP geophysical surveys, eoil geochemistry surveys, trenching and a 6 hole drilling program on the Hamilton-Lookout vein and drilled a 1968 metre deep hole to test the SEDEX potential on the property.

8.0 REGIONAL GEOLOGY

The property is situated in the Moyie Range of the Purcell Mountains, west of the Rocky Mountain Trench, and on the east flank of the Purcell Anticlinorium. In the Cranbrook area, the Purcell and Rocky Mountain Belt were thrust eastward during Mesozoic and Tertiary times, with Mesozoic dioritic, quartz monzonite and syenitic intrusive activity (stocks dykes and sills) accompanying these events. Major north to northeast trending faults bound what appears to have been a Proterozoic depositional graben in an extensive clastic basin extending southward into Idaho and Montana in which the Belt-Purcell Supergroup was deposited. Reactivated (growth) faults may have had an influence on deposition of the numerous stratiform massive sulphide deposits, such as the world class Sullivan deposit and smaller North Star, Stemwinder and Kootenay King deposits in the Cranbrook-Fort Steele area. Later northeast trending faults such as the Cranbrook and Kimberley faults may have been transform faults which offset "spreading centers" which were the focus of major sedimentary exhalative deposits which were preceded by igneous activity and accompanied by areas of tourmaline and albite alteration.

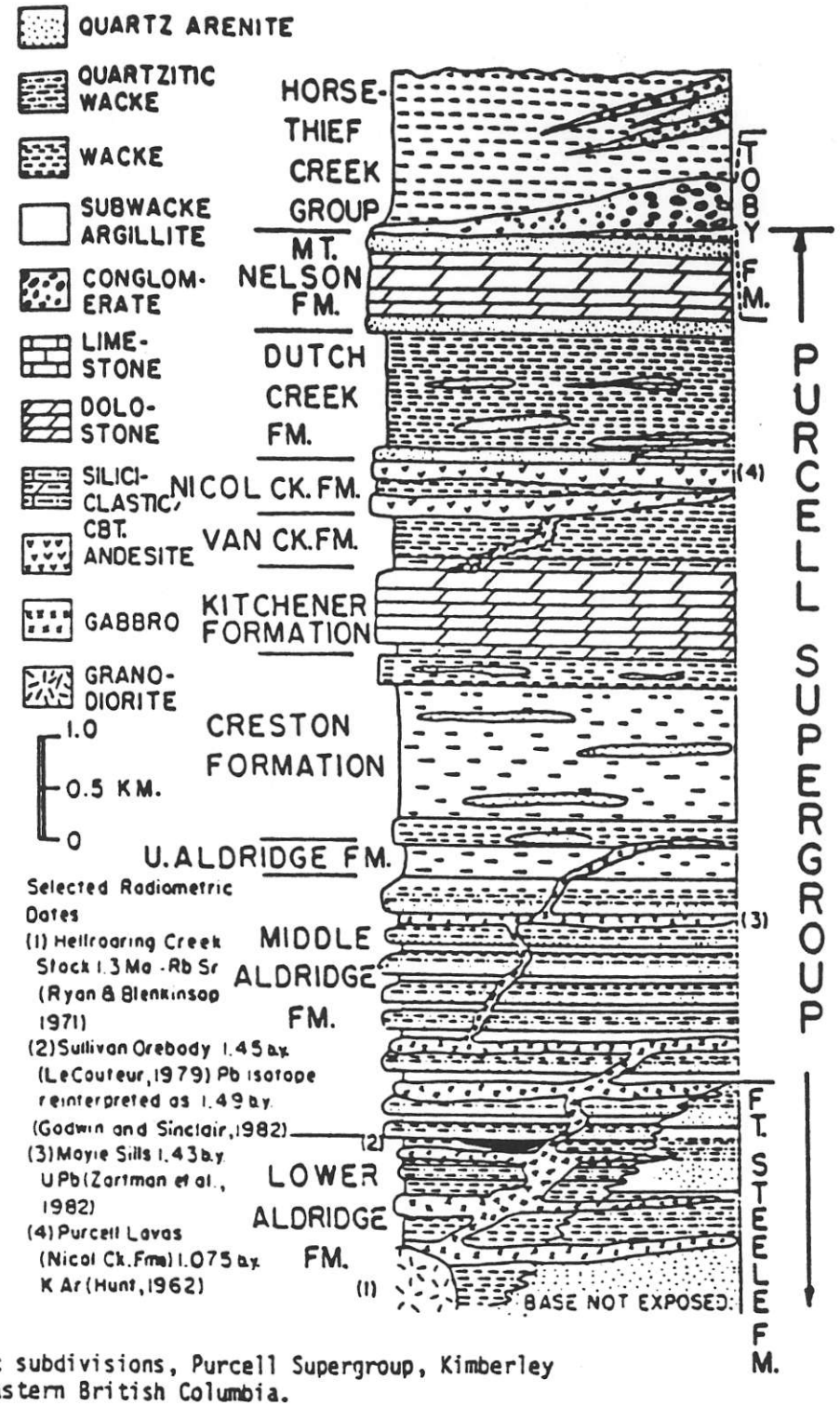
8.1 Stratigraphy

Rocks in the area belong to the Purcell Supergroup of Upper Proterozoic age, and Paleozoic Cambrian to Middle Devonian sedimentary rocks, as shown in the accompanying stratigraphic column, Figure 3, and described briefly below:

The Fort Steele Formation is the oldest unit exposed in the region, comprising at least 2,000 meters of cyclically graded quartzites to thinly laminated siltstones. Near the top of the unit grey siltstone and argillite predominate. The Formation represents braided fluvial (alluvial fan) deposits derived from a source area to the south. Although absent in the claim area it appears north of the Boulder Creek Fault in the Kootenay King-Estella mine area.

The Aldridge Formation is a thick unit (3,500-4,500 meters) of quartzites, siltstones and argillites with graded bedding, rip-up clasts, sole marks, and other characteristics of "turbidite" deposition. The Formation is divided into Lower, Middle and Upper divisions. The lower division has a gradational contact with the Fort Steele Formation below, and consists of dark grey to black argillites, siltstones and quartzites (greywackes). The Middle Aldridge, which hosts the important Sullivan sedimentary-exhalative massive sulphide deposit, comprises thick grey quartz-wacke units interbedded with laminated siltstone, and intruded by a number of thick, laterally continuous meta-gabbro sills (greenstone). Repetitive laminations in siltstone-argillite sequences can be correlated for up to 300km along strike, and are important "marker horizons". The Upper Aldridge includes 300-400 meters of rusty weathering grey argillite and laminated siltstone, and in some places two thick shallow-water dolomite horizons.

The Creston Formation is a thick unit (1500 meters) of green, purple, and white quartzite, siltstone and argillite of intertidal to subaerial depositional origin, characterized by mudcracks, ripple marks, rip-up clasts, lead casts and scour and fill structures. Contact with the overlying carbonate unit is gradational.



Stratigraphic subdivisions, Purcell Supergroup, Kimberley area, southeastern British Columbia.

WHITE KNIGHT RESOURCES LTD.	
LOOKOUT PROPERTY STRATIGRAPHIC COLUMN	
DATE: Feb. 1991	SCALE:
NTS: 82F/2E	FIGURE: 3

The Kitchener Formation consists of green or grey dolomitic and green non-dolomitic siltite, grey silty dolomite, rare stromatolitic, oolitic sandy dolomite, grey siltite with graded beds and rip-up debris beds. The unit was deposited in an intertidal environment. North of the Dibble Fault and in the Kimberley area, massive to amygdaloidal lava are present, and are called the Nicol Creek Formation. These are chloritized and sericitized and are accompanied by distinctive volcanic and feldspathic sandstones. This unit separates the Van Formation from the lithologically similar Gateway Formation, including light green to buff siltstone, argillite, silty dolomite, fine grained quartzite, with shallow water depositional features.

Overlying the Nicol Creek and Gateway Formations, (depending on how deeply regional unconformities have eroded), the upper part of the Purcell Group includes the Dutch Creek Formation, about 1200 meters of grey and green argillites and quartzites, the Mt. Nelson Formation, up to 1000 meters of oolitic and stromatolitic dolomites and limestones and argillites.

8.2 Intrusive Activity

Several large sills and dykes of Purcell age are present in the region, but only the largest ones are shown on the accompanying geological map. These are most common in the Aldridge and Fort Steele Formations, but may also be present in higher Proterozoic strata. The "Moyie Sills", predominantly gabbro in composition, have ages identical to the enclosing Aldridge strata (1433 Ma). Hoy (1983) suggests they were emplaced into uncompacted water-saturated sediments. Sulphide accumulations and veins are common adjacent to sill or dyke margins, and the Moyie intrusions are suggested to be part of a thermal/hydrothermal and mineralizing event accompanying rifting in a graben controlled deep clastic basin or graben.

Other intrusive rocks are present; porphyritic quartz monzonite stocks are present at Kiakho Creek, just north of the Lookout workings, at Reade Lake on the St. Mary Fault, north of Cranbrook, near the Estella mine, below the Kootenay King mine workings, and near East Wildhorse River. A large stock straddles the divide between Wildhorse River, Tanglefoot Creek, and Summer Lake, and occupies the core of an anticline. Composition of this body ranges from dioritic to syenitic and emplacement is largely post kinematic.

Many of the Mesozoic intrusions are associated with mineral deposits or at least have a spatial relationship.

Regional geology is shown by the accompanying map prepared by Hoy, Figure 4.

WHITE KNIGHT RESOURCES LTD.

LOOKOUT PROPERTY

REGIONAL GEOLOGY

DATE: May, 1990	SCALE: 1 : 50,000
APPROVED: J. McDonald	FIG. No. :

0 1 2 3 4

WHITE KNIGHT PROPERTY

CRANBROOK FAULT

PALMER BAR FAULT

PALMER BAR CREEK

KTH END CREEK

BAR CREEK

MOYIE RIVER

MOYIE FAULT

MOYIE CREEK

JIM SMITH LAKE

NO OUTCROP

p€c p€c1 p€a3 p€a2 p€m Kg p€al p€vc p€nc p€g

9.0 PROPERTY GEOLOGY

The Lookout property is underlain by Proterozoic rocks of the Middle Aldridge and Creston Formations, comprised of a turbiditic succession of quartzites, siltites and argillites and intruded by gabbroic to dioritic Moyie sills and dykes. Also intruding this succession are Cretaceous to Early Tertiary aged quartz-monzonite to syenite stocks with associated dykes and sills. The property sits on the eastern limb of a north trending, shallowly north plunging anticline. Rock strata are gently folded by this anticline and the strike on the east limb is generally northwest with shallow dips to the northeast.

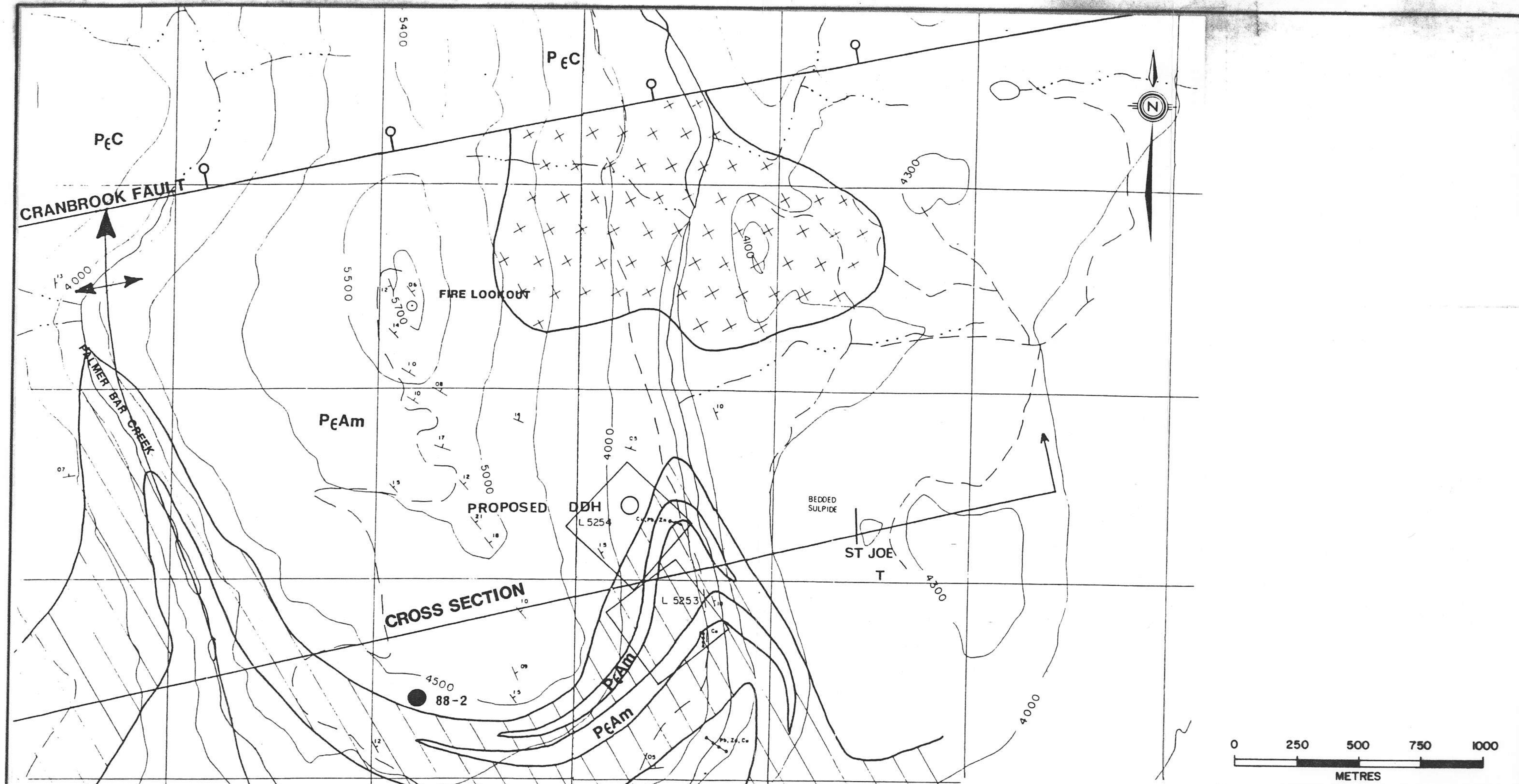
The Cranbrook Fault is the most prominent structure on the property, cutting across the northern portion of the property, striking northeasterly with near vertical dip. The fault exhibits at least 2000 metres of normal displacement and places Creston sediments in contact with Middle Aldridge sediments. Cretaceous-early Tertiary aged intrusive activity is focussed along the fault within a wide zone of alteration.

Other major faults on the property include the Hamilton-Lookout vein structure and a north to northeast trending normal fault coincident with Kiakho Creek. Displacement on the Kiakho Creek fault is west side down in the order of several tens of meters and dip is assumed to be steep.

The Hamilton-Lookout vein structure is a mineralized fault zone striking northwest (310 to 320^0) and dipping steeply (65 to 75^0) to the southwest. It has about 3.5 km of strike length on the property and is terminated by the Cranbrook fault. Map patterns infer west side down displacement, similar to the St. Eugene-Vine structure.

Deformation within the Hamilton-Lookout structure is both brittle and ductile consisting of a strongly developed fabric and foliation, calcite, quartz +/- gypsum veins, veinlets and cemented breccias, and clay-chlorite altered fault gouge. The structure is typified by a wide zone with varying degrees of fracturing, quartz-calcite fracture and breccia infilling, and foliation and slicken-side development. Predominant alteration in the structure consists of silicification and bleaching. A width of 5 to 40 meters is common with weakly developed brecciation and fracturing up to 100 meters away from the main zone of deformation. Deformation is similar to that found at the St. Eugene and Vine structures (Kokanee Geologists Person Comm.). The location, type of mineralization, alteration, strike and dip direction of the Lookout structure, indicate that the Lookout is the faulted strike extension of the St. Eugene and Vine vein structures.

Property geology is presented in Figure 5 and detailed geology of the grid is presented in Figure 6.



WHITE KNIGHT RESOURCES LTD.

LOOKOUT PROPERTY

PROPERTY GEOLOGY

DATE: May, 1990	SCALE: 1 : 15,000
APPROVED: J. McDonald	FIG. No.:

10.0 GEOLOGIC TARGETS

Three potential geologic targets exist within the BAR claim group.

10.1 Sullivan Type SEDEX Deposit

The BAR property exhibits striking geologic similarities to the Sullivan Mine including the structural setting and alteration type and pattern. The Cranbrook fault is considered to be analogous to the Kimberley fault, one of the main structural controls of emplacement of the Sullivan orebody. Both structures exhibit similar vertical displacements and juxtapose Middle Aldridge with Creston sediments. CSAMT performed on the BAR property outlined a pronounced basement dislocation. This dislocation is believed to be the southern extension of the "Sullivan Corridor", a pronounced north-south trending depression on the Pre-Cambrian sea floor. Three deep holes drilled on the property have tested the Sullivan Time horizon within the Sullivan corridor. Results from these three holes confirm the geologic setting, however structural emplacement of a footwall breccia pipe associated with SEDEX deposits has so far not been recognized and no economic sulphide mineralization has been encountered.

Hole Bar-85-1 was drilled to a depth of 1549m. Sullivan time was encountered between 1433 and 1525m and was underlain by an iron sulphide clast intraformational conglomerate. Economic sulphide mineralization was not encountered.

Hole Bar-88-1 was drilled to a depth of 2100m. Sullivan time type stratigraphy was not encountered. A gabbro intrusive complex, similar to the gabbro arch beneath and to the west of the Sullivan Mine, was encountered 160m above the projected Sullivan time horizon. This hole exited the gabbro well beneath the projected Sullivan time horizon.

Hole Bar-90-1 was drilled to a depth of 1968m. Sullivan time was encountered directly above a gabbro intrusive complex. Sulphide mineralization within the interval was very weak and no fragmental was encountered in the footwall.

A stratigraphic comparison of the three holes is presented in Figure 7.

To date, geologic interpretation of the exploration results has identified one further logical geological target. One hole on the western portion of the claim group is required to test the northern projection of the Sullivan subbasin identified in drillhole Bar 85-1.

10.2 Coeur d'Alene Style Vein

The Hamilton-Lookout-Vine-St.Eugene vein has been identified as a Coeur d'Alene vein type system displaying a strike length of some 20 kilometres and is mineralized over a 5000 m vertical extent. Within

the vein system, the St.Eugene mine is the only location where economic mineralization has been discovered. In the vicinity of the BAR claim group, the structure is complicated by the intrusion of a gabbro dyke which has remobilized the previously existing sulphide vein. As a result, the mineralization is both vertically and laterally discordant.

Six diamond drill holes totalling 788.4m were drilled to test the structure within the area of the old workings. Exploration on the vein has confirmed the strength and continuity of the mineralized structure but has also demonstrated the lack of continuity of economic mineralization.

An 8 day trenching program was undertaken on the southeast extension of the Hamilton-Lookout vein structure. The trench was located to test an I.P. anomaly identified during the spring 1990 I.P. survey. A vein dyke complex in excess of 30m in width was uncovered. Mineralization in the structure consists of galena, sphalerite, arsenopyrite with trace chalcopyrite within a quartz gangue over a with of about 1 m. Sulphide mineralization exhibits very poor lateral or vertical continuity.

Width of the gabbro within the structure suggests the structure is a feeder complex for the laterally extensive Moyie Sills within the Aldridge Formation. Additional observation suggests that the Vine-Lookout-St.Eugene structure may be an ancient basin dewatering feature in which overpressured formation waters travelled during basinal dewatering processes. Evidence for such a theory is supported by the change in mineralogy of the St.Eugene vein system from Pb-Zn-Ag within the Aldridge sediments to Cu-Ag within the overlying Creston Formation. This observation correlates well with the Coeur d'Alene district of northern Idaho. This change in mineralogy is also noted in the metallogeny of the stratiform deposits associated with these formations.

10.3 Beartrack Type Bulk Tonnage Gold

A 10 day trenching program was undertaken in late November, 1990 to test soil geochemical anomalies along the Hamilton-Lookout vein system. A moderate base/precious metal anomaly was identified at approximately line 22+00 N on the cut grid within the projected trace of the St.Eugene quartzites. Trenching uncovered a very narrow vein associated with a gabbro dyke. The St.Eugene quartzites were not identified.

Soil geochemistry also outlined an extensive gold-lead anomaly on the northwest terminus of the soil grid. Results of the geochemistry survey are presented in Figures 8 through 13. Rock samples sent in from random grabs in the area assayed between 0.018 - 0.033 oz/ton gold. Gold mineralization is believed to be associated with the late

Cretaceous-early Tertiary aged quartz monzonite Kiakho stock located about 2.5 km to the east. The mineralized zone is located along the Cranbrook fault within altered quartz monzonite and surrounding sediments. An alteration envelope surrounding the gold mineralization extends 250m into the wall rock on both sides and demonstrates the mineralization post dates fault movement.

Three trenches were completed along 150 m of strike of the Cranbrook fault structure near the intersection of the Cranbrook fault and the Hamilton-Lookout vein structure outlined a zone of highly altered, gold rich quartz monzonite intrusive within the Cranbrook fault. An alteration envelope surrounding the fault implies mineralization and alteration post date movement on the Cranbrook fault.

Results from these trenches suggest that the structural and mineralogical setting of the Lookout discovery closely resembles the Beartrack deposit. The easternmost trench returned 0.035 oz/ton gold across 20 m, the central trench returned 0.045 oz/ton gold across 30 m and the westernmost trench returned 0.132 oz/ton gold across 26m. Grab samples of monzonite from the area of this trench assayed to 0.592 oz/ton gold. Grab samples of altered sediments from the area of the trenches assayed to 0.084 oz/ton gold. Excavation of a road to access the eastern extension of the zone was stopped short of the target area due to weather and financial considerations. Altered sediments from the end of this road returned 250 ppb along about 30 metres.

A detailed map of the trenches is presented in Figure 14 and the laboratory assay sheets are presented in Appendix 1. Gold analyses were run by the ICP, geochemical AA and fire assay methods. Results of the three methods are similar, with fire assay typically giving results higher than the other methods. The geochemical and fire assays were run on seperate splits from the same sample. Samples identified as "chip samples" were sampled by chipping across the entire sample interval, resulting in large samples. The entire sample was sent to the lab. Accessory elements include arsenic, lead, zinc, copper, silver and antimony.

Gold mineralization is associated with micro quartz stockwork development in highly altered and bleached quartz monzonite and sediments. Stockwork development and gold grades appear to increase to the west towards the projected intersection of the Hamilton-Lookout vein system with the Cranbrook fault. This intersection is projected to occur approximately 200m west of the westernmost trench. The results of the soil geochemistry survey indicate that the mineralized zone extends at least 400 metres east. A break in slope occurs at this point and may cut off the soil anomaly.

11.0 CONCLUSIONS

Deep drilling on the Bar property suggests that a Sullivan time subbasin exists on the western portion of the Bar property.It is the writer's opinion that one hole drilled in Palmer Bar Creek about 2.0 km north of Bar-85-1 would adequately test this hypothesis.

Mineralization encountered in the six short diamond drill holes and the trenches on the Hamilton-Lookout vein demonstrates the continuity of the structure. The mineralization is complicated by the intrusion of a gabbro dyke which postdates the mineralizing event and as a result has remobilized the sulphides within the vein. Deformation within the vein is so intense that discovering a sulphide lens exhibiting vertical and lateral continuity will be difficult.

Recent discovery of the Lookout gold zone represents an entirely new target with bulk mineable potential on the Bar claim. Preliminary exploration indicates that a significant gold deposit may exist on the property.

12.0 RECOMMENDATIONS

In view of the encouraging results received to date on the Sullivan target,one further deep drill hole is recommended in the northwest region of the property. Ongoing exploration elsewhere in the Belt Supergroup will likely uncover one or more Sullivan type deposits. Perhaps at this time, information will be available to more accurately assess the Sullivan type potential of the Bar property.

Structural complexities within the Hamilton-Lookout vein restrict the possibility of discovering an economic deposit within the structure. No further work is recommended at this date.

The thrust of the exploration effort on the Bar claims should now be focussed on the Lookout gold discovery. The mineralogical style and structural setting closely resembles the Beartrack deposit in Idaho. Exploration work should include soil geochemistry to trace the mineralized zone along strike followed by trenching and drilling.

A budget for the proposed program is as follows:

Phase 1

Soil Geochemistry

Line cutting (8 kilometre flagged grid)	$ 3,400	
Soil Sampling (Samples at 25 metres)	2,400	
Soil Analyses (250 soil samples)	3,750	
Mob/Demob	1,600	
	12,150	
Contingency	2,850	
Subtotal - Geochemistry		$ 15,000

Trenching - 20 day program

Machine Time	$28,000	
Geologist + assistant	14,400	
Food/Accommodation	3,360	
Vehicle/Fuel	2,040	
Assaying	8,000	
	55,800	
Contingency	4,200	
Subtotal - Trenching		$ 60,000
Total - Phase 1		$ 75,000

Phase 2 - Drilling - Contingent on results of Phase 1

2000 metre reverse circulation program	$125,000

13.0 REFERENCES

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APPENDIX 1

ASSAY RECORDS

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

GEOCHEMICAL ANALYSIS CERTIFICATE

White Knight Resources File # 90-6119 Page 1

922 - 510 W. Hastings St., Vancouver BC V6B 1L8

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
C 17552	6	53	37	67	.1	13	6	59	4.80	180	5	ND	18	4	.2	2	7	11	.03	.027	47	11	.25	37	.01	2	1.34	.02	.21	1	15
C 17553	3	84	331	143	.1	31	38	227	10.11	39	5	ND	16	7	.2	10	6	16	.02	.080	38	20	.41	54	.05	2	1.68	.01	.38	1	3
C 17554	4	63	83	69	.1	15	5	29	2.94	221	5	ND	17	6	.4	2	7	12	.01	.017	52	13	.17	31	.01	6	1.27	.01	.18	1	15
C 17555	1	99	285	91	.1	10	4	15	4.19	1576	5	ND	20	3	.8	2	7	5	.01	.026	54	6	.04	43	.01	4	.69	.01	.22	1	45
C 17556	2	189	17593	157	44.4	10	4	19	5.55	11707	5	ND	14	13	1.1	20	7	4	.01	.109	28	6	.01	94	.01	4	.63	.01	.18	1	380
C 17557	3	61	109	63	.1	19	11	77	3.99	130	5	ND	19	5	.3	3	8	14	.01	.020	48	20	.30	38	.01	5	1.61	.01	.19	2	7
C 17558	2	44	33	56	.1	14	6	65	3.11	93	5	ND	19	6	.3	3	6	11	.02	.013	45	16	.40	35	.02	5	1.62	.01	.18	1	2
C 17559	1	34	22	56	.1	16	7	16	3.72	105	5	ND	17	3	.2	2	7	8	.01	.023	45	11	.09	33	.01	5	.87	.01	.20	1	6
C 17560	3	38	200	63	.1	12	16	247	2.65	72	5	ND	11	13	.5	2	5	5	.01	.038	25	6	.04	36	.01	5	.76	.06	.14	2	140
C 17561	3	30	195	77	.1	11	19	398	3.07	45	5	ND	10	12	.5	2	3	4	.01	.042	23	27	.05	40	.01	4	.95	.06	.17	1	190
C 17562	2	23	320	53	.1	6	5	68	1.57	34	5	ND	9	10	.2	2	2	2	.01	.032	22	6	.02	25	.01	6	.60	.06	.13	1	130
C 17563	1	24	515	62	.5	5	6	223	1.87	886	5	ND	10	10	.2	2	4	3	.01	.034	20	5	.02	26	.01	6	.56	.06	.14	2	640
C 17564	2	30	502	263	.4	10	12	193	3.15	149	5	ND	10	44	.6	2	3	3	.01	.047	20	6	.03	40	.01	6	.66	.07	.14	1	790
C 17565	2	66	926	317	.8	8	9	547	2.33	70	5	2	9	16	1.0	10	4	4	.06	.050	22	19	.03	29	.01	6	.64	.07	.17	1	1750
C 17566	1	22	678	147	.4	5	7	426	2.03	24	5	ND	9	15	.4	5	3	2	.01	.035	20	6	.02	18	.01	5	.47	.08	.11	1	540
C 17567	1	8	788	313	.3	4	3	66	3.15	828	6	ND	8	20	1.6	2	4	4	.01	.047	17	3	.03	18	.01	5	.63	.07	.07	1	720
C 17568	1	44	946	58	.3	6	7	73	1.92	120	5	ND	11	9	.2	2	5	2	.01	.029	15	5	.01	22	.01	4	.57	.07	.10	1	280
C 17569	7	56	467	147	.6	13	7	70	4.18	136	5	ND	16	3	.2	2	6	3	.01	.028	43	42	.01	24	.01	5	.91	.01	.17	1	140
C 17570	6	65	160	306	.4	37	73	326	9.46	779	5	ND	12	2	1.9	3	7	4	.01	.097	31	12	.01	25	.01	3	.64	.01	.13	1	2970
C 17571	9	101	990	805	4.1	28	76	2806	7.70	2723	8	2	3	122	16.6	12	2	5	.04	.069	11	9	.03	80	.01	3	.59	.05	.03	1	1480
C 17572	3	42	1558	288	4.1	12	36	825	4.70	1181	5	2	5	91	3.5	10	7	4	.01	.047	15	8	.01	37	.01	4	.50	.13	.05	1	1120
C 17573	8	83	7654	1034	88.2	26	447	41276	6.77	6933	6	11	3	267	27.2	20	25	14	.02	.051	6	61	.16	87	.01	4	.25	.05	.25	1	13380
C 17574	5	57	6213	531	76.6	18	161	4958	8.89	6009	5	20	2	224	12.7	9	18	1	.01	.071	4	18	.01	36	.01	3	.39	.24	.06	1	17950
C 17575	1	7	67	105	.1	13	21	708	1.86	102	5	ND	9	14	.7	2	3	2	.03	.026	17	6	.05	31	.01	6	.48	.05	.10	1	170
C 17576	3	22	274	369	.5	10	30	1970	4.94	1690	5	ND	8	49	3.1	2	2	6	.01	.051	17	5	.02	32	.01	6	.47	.08	.10	1	540
C 17577	1	11	135	40	.7	14	13	731	1.83	107	5	ND	9	12	.6	2	4	3	.05	.015	37	14	.18	51	.01	4	.81	.02	.14	2	120
C 17578	1	17	43	49	.2	14	10	239	2.52	60	5	ND	11	12	.2	2	4	5	.09	.022	43	9	.47	56	.01	4	1.29	.01	.19	1	73
C 17579	1	8	12	25	.1	13	7	245	3.57	14	5	ND	9	10	.2	2	3	2	.07	.024	39	6	.14	44	.01	4	1.04	.01	.12	1	8
C 17580	1	37	11	21	.1	14	12	254	2.14	14	5	ND	12	6	.2	2	5	3	.02	.023	54	7	.06	47	.01	5	.69	.02	.15	1	5
C 17581	1	2	10	28	.1	16	7	633	2.01	6	5	ND	11	20	.3	2	5	6	.18	.036	41	17	.43	109	.01	4	1.23	.02	.18	1	11
C 17582	1	2	6	29	.1	6	8	71	.92	13	5	ND	10	4	.2	2	5	2	.02	.014	46	4	.02	36	.01	4	.49	.02	.14	2	14
C 17583	1	1	5	56	.1	5	3	24	.63	12	5	ND	8	9	.4	2	4	2	.01	.008	34	5	.01	22	.01	3	.43	.04	.09	1	13
C 17584	27	36	1200	333	1.8	14	43	1387	2.88	947	5	ND	2	52	3.6	2	2	2	.02	.028	5	7	.03	36	.01	4	.57	.08	.01	1	460
C 17585	7	50	181	284	.6	14	24	727	1.90	268	5	ND	4	10	2.1	2	2	2	.01	.015	9	34	.01	17	.01	4	.38	.08	.01	1	120
C 17586	5	43	145	330	6.0	17	61	2175	5.43	8094	5	3	3	181	6.0	14	2	2	.02	.012	4	10	.01	13	.01	3	.29	.11	.04	1	3160
C 17587	3	199	12703	1034	12.4	19	40	1081	12.38	10719	5	8	4	118	12.7	53	4	2	.04	.102	5	6	.01	47	.01	2	.68	.06	.04	1	7420
STANDARD C/AU-R	19	60	39	132	7.5	73	31	1056	3.98	41	17	7	38	52	18.4	19	21	56	.45	.098	38	56	.90	182	.07	35	1.89	.06	.14	11	510

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: P1 Rock TO P2 GEO P3 ASSAY AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: NOV 28 1990 **DATE REPORT MAILED:** Dec 4/90 **SIGNED BY.** D. Toye .D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
C 17588	4	75	4800	199	4.0	8	7	54	2.90	1654	6	ND	4	50	1.2	9	2	1	.01	.040	10	3	.01	38	.01	2	.56	.05	.02	1	600
C 17589	6	74	228	136	.6	17	28	237	5.79	288	5	ND	1	2	.9	3	2	3	.01	.039	15	6	.01	21	.01	4	.30	.01	.06	1	150
C 17590	4	38	179	48	1.1	12	13	88	3.08	120	5	ND	3	1	.2	2	2	2	.01	.020	24	6	.01	12	.01	2	.21	.01	.07	1	48
C 17591	4	21	11	49	.1	16	9	118	2.55	4	5	ND	14	5	.2	2	2	9	.02	.012	34	23	.45	39	.02	4	1.52	.01	.23	1	3
C 17592	2	104	31	59	.1	169	12	884	1.95	15	5	ND	1	36	.3	2	2	4	1.03	.009	4	7	.25	16	.02	5	1.47	.11	.03	1	11
C 17593	2	158	11	53	.1	95	15	900	2.36	8	5	ND	1	8	.8	2	5	5	.18	.006	3	6	.26	19	.01	2	.45	.02	.06	1	1
C 17594	2	35	94	67	.8	9	5	185	2.55	335	5	ND	8	68	.8	13	3	2	.03	.024	18	6	.05	26	.01	3	.43	.05	.14	1	250

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SAMPLE#	Au** oz/t
C 17556	.012
C 17560	.006
C 17561	.005
C 17562	.002
C 17563	.017
C 17564	.028
C 17565	.042
C 17566	.017
C 17567	.018
C 17568	.010
C 17569	.003
C 17570	.084
C 17571	.051
C 17572	.039
C 17573	.407
C 17574	.592
C 17575	.005
C 17576	.021
C 17577	.004
C 17584	.012
C 17585	.004
C 17586	.108
C 17587	.248
C 17588	.017
C 17589	.005

AU** BY FIRE ASSAY FROM 1 A.T.
- SAMPLE TYPE: ROCK PULP

SIGNED BY. C. Leong. D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
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ASSAY CERTIFICATE

White Knight Resources FILE # 90-1971R

SAMPLE#	Au** oz/t
C 17320	.033
C 17321	.013
C 17330	.028
C 17331	.001

AU** BY FIRE ASSAY FROM 1 A.T.
- SAMPLE TYPE: ROCK REJ.

SIGNED BY. C. Leong D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: DEC 17 1990

DATE REPORT MAILED: Dec 24/90

ASSAY CERTIFICATE

White Knight Resources FILE # 90-6119R2

SAMPLE#	Au** oz/t
C 17594	.007

AU** BY FIRE ASSAY FROM 1 A.T.
- SAMPLE TYPE: ROCK PULP

SIGNED BY. C. Leong D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

APPENDIX 2

BEARTRACK ARTICLES

Salmon, Idaho: a Carlin gold camp in the making

Analysis

by E.A. Schiller

The town of Salmon, situated in one of the prettiest valleys in east-central Idaho is famous for white-water rafting, hunting and fishing. Superb hay fields provide excellent feed to its thriving cattle industry. And ten miles northwest of the courthouse in downtown Salmon, drills are grinding away in the process of developing newly-discovered gold deposits. Once again, proof of the adage that "you find mines where there once were mines" is taking place.

Spearheading the Salmon gold rush of the 1990s is FMC Gold Corporation, which is on the verge of making a production decision on its large, low-grade, Beartrack gold deposit. It's been estimated that the deposit contains 45 million tons containing - depending on the cutoff grade used - between 1.0 and 2.1 million ounces of gold. At the 1990 Tobacco Root Geological Society's 15th annual field conference held in Salmon August 16-18, however, FMC geologists did not disclose any reserve or grade figures during a field trip to the Beartrack property.

Scott Bending (in cap), president of Formation Capital Corp., comes out of an adit on his company's Wallace Creek property. To the right in the photo are Bill Scales and Mari-Ann Green of Formation. Rich Radez (sunglasses) and Gary Bustin stand by.

The Beartrack discovery

The Beartrack deposit was discovered in 1987 by Bob Perry, a geologist with Canyon Resources Corporation, while examining new cuts in Salmon National Forest bush roads.

Previous gold production in the area came from small underground mines and placer operations of the early 1900s; typical of so many gold camps in the western United States.

Canyon Resources optioned the property to Meridian Gold Company (a subsidiary of Burlington Resources), and retained a 14-percent net-profits interest in the deposit. FMC Gold Corporation purchased all of the assets of Meridian Gold for (US)$100 million.

From July 1987 to December 1989, more than 400 rotary holes and 52 diamond drill holes were completed on the Beartrack property. In August of this year, there were seven rotary drills operating on the property conducting infill drilling and expanding the two known gold ore bodies, called North and South. For a variety of reasons, FMC has kept a high degree of secrecy about the property and speculation abounds on the true extent and magnitude of the deposit.

Beartrack gold mineralization

Beartrack is an epigenetic, structurally-controlled deposit hosted by Middle Proterozoic meta-clastic sedimentary, and alkalic intrusive rocks. The Beartrack and adjoining gold properties lie within the major trans-Challis shear zone, which strikes northeasterly and forms a part of the regional Great Falls Tectonic Zone. The deposits are characterized by quartz stockwork veining within zones of silica flooding and brecciation, and enriched in As, Sb, Hg, Mo, Pb, and minor Cu.

Other participants

The Beartrack discovery has precipitated the hottest gold play in Idaho, bringing to Salmon such majors as Placer Dome, Noranda, Asarco and Echo Bay. One Canadian junior company, Formation Capital Corporation, has been active in Salmon since the Beartrack discovery and today has three jont ventures; with Hecla Mining Company (Bow); Teck Cor-

see Salmon *next page...*

Salmon...

continued from page 4B

poration (Morning Glory); and Corona Corporation/Consolidated Goldfields Corporation joint venture (Bobcat-Redrock).

With more than 100 square miles of properties, Formation Capital dominates the Salmon gold camp and is the best-positioned company to achieve one or more potential gold discoveries. In 1990, the three joint ventures will fund exploration programs totaling up to (US)$1.0 million.

Formation is exploring its Wallace Creek property and could joint venture with a major company upon completion of the current program. The company is well-funded and staffed by a group of excellent geologists headed by President Scott Bending and CEO Mari-Ann Green.

Conclusions

Based on the level of activity and enthusiasm shown at the conference in Salmon in August, Beartrack will become a prominent Idaho gold camp. And, with one major mine about to be initiated, only time and lady luck will determine the number of other mines to be found.

The Northern Min

VOL 74 NO 10 FEB CANADA'S MINERAL RESOURCES NEWSPAPER

December 12, 1988

Discovery made in Idaho

Beartrack looks big for Meridian

by David Duval

What appears to be an important gold discovery has been made by Meridian Gold Company about 10 miles west of Salmon, Idaho. More than 100 holes have been drilled into the company's Beartrack deposit and at this early stage a geologic reserve of 36.9 million tons averaging 0.055 oz gold (0.03 cut-off) has been identified.

That works out to over two million ounces of contained gold, making it one of the largest undeveloped gold deposits in North America. Given the thickness of the intercepts, there is a high probability a smaller but higher grade reserve can be blocked out, The Northern Miner gathers.

Many of the better intercepts began at or near surface and grades exceeding 0.06 oz gold per ton have frequently been returned. One of the longest gold-bearing intercepts yielded 0.068 oz gold over 399 ft and there were many more impressive intersections including 550 ft of 0.12 oz gold, 470 ft grading 0.08 oz, 415 ft of 0.099 oz, and 380 ft averaging 0.075 oz.

Most of the drilling has been reverse circulation which provides a large sample and is widely used in the western United States. There is a fair amount of snow on the property at the moment and the program is expected to wind down any day now. This core drilling program is for metallurgical and geotechnical purposes.

Drilling was concentrated along two miles of a mineralized trend located within Beartrack's approximate 50 square mile land position. Two large stockwork disseminated gold deposits have been outlined in association with the Beartrack fault which likely provided a channel for the mineralization. No tertiary rocks have been noted in the project area to date and the gold mineralization extends for a strike length of 13,500 ft along the Beartrack fault.

Meridian says that the South or Gold Ridge deposit is hosted entirely by quartzite, siltite and metarkose; ore grade mineralization has been found here along 2,500 ft of strike length, across a width of 250 ft, and to 500 ft in depth. And the shallow nature of the reserves suggests open pit potential. The alteration associated with the gold mineralization here is pervasive in veined orthoclase and quartz, the company says.

The North deposit, located 3,000 ft north of Gold Ridge, is hosted within the porphyritic quartz monzonite on the east side of the Beartrack fault. In this area, the dimensions of ore grade mineralization are 3,400 ft long, 300 ft wide, and 500 ft deep. The deposit contains a phyllic assemblage that grades from quartz-sericite sulphide to an outward propylitic assemblage, says Meridian.

Meridian confirms that the mineralization in both deposits consists of disseminated pyrite and arsenopyrite associated with stockwork quartz veining. Accessory

minerals are galena, molybdenite, cinnabar, stibnite and rare wolframite. Although the geochemical signature is indicative of many epithermal gold deposits with high values of arsenic, mercury and moderate antimony, the alteration pattern is more suggestive of a porphyry-type system, the company concludes. That being the case, the tonnage implications could be immense, The Northern Miner gathers.

Incidentally, the original Beartrack discovery was made in 1984 by Bob Perry, a geologist with Canyon Resources (NASDAQ) of Golden, Colo. Meridian later came

See Page 2

Meridian

From Page 1

in on a joint venture basis and mounted a follow-up drilling program last July; a subsequent program identified the two deposits.

Under Meridian's original option agreement, the company had the right to earn a 60% interest in the Beartrack project through an expenditure of $3 million. (That commitment has or will be met shortly). Canyon and Minex, its partner, had the remainder.

Apparently the deal was revised after the latest results were announced. As a result, Meridian picked up another 11% and the partnership's interest was reduced to 29%.

Meridian is a wholly-owned subsidiary of Burlington Resources (NYSE) which is being spun off from Burlington Northern Railroad. At the moment, about 20% of Burlington Resources issued capital is publicly held. In the next month, shareholders of Burlington Northern will receive 1.75 shares of Burlington Resources which will effectively make the latter public.

Meridian's Royal Mountain King mine in Calaveras Cty., Calif., where reserves are estimated at 635,000 oz gold, is expected to be in production in the first quarter of 1989.

Canyon is producing gold from a new mine in Montana and it produces and sells diatomite, a soft siliceous sedimentary rock, from a Nevada plant.

LEGEND

Alt'n	Alteration
A.Qte	Arenaceous Quartzite
Qte	Quartzite
Slt	Siltstone
Flt	Float
S/C	Subcrop
O/C	Outcrop
Bdd	Bedded
Md	Medium
TN	Thin
TK	Thick
	Gabbro
	Quartz Monzonite
	Attitude
	Contact
	Inferred Contact
	Road
	Swamp
	Shear
	Traverse

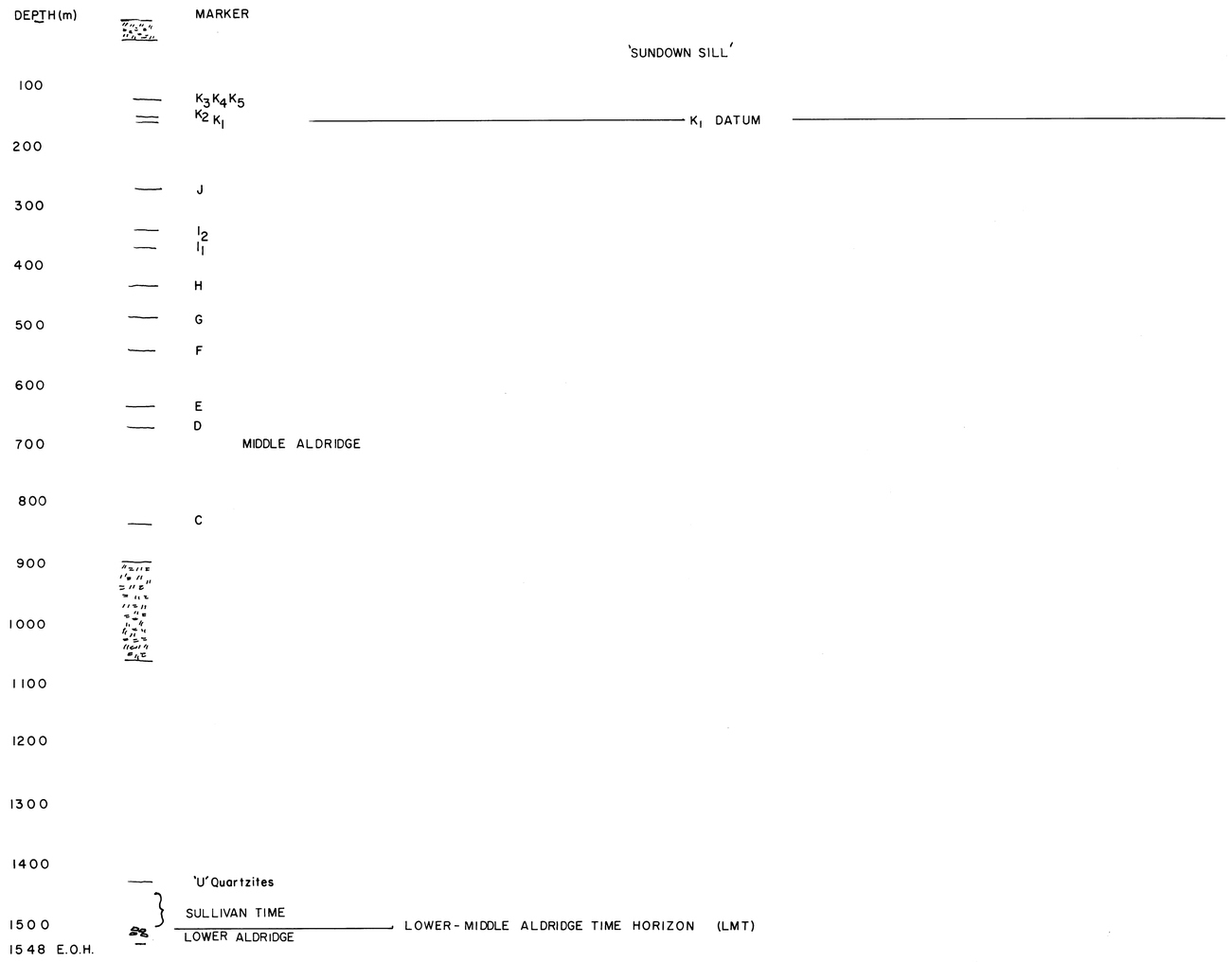
WHITE KNIGHT RESOURCES LTD.

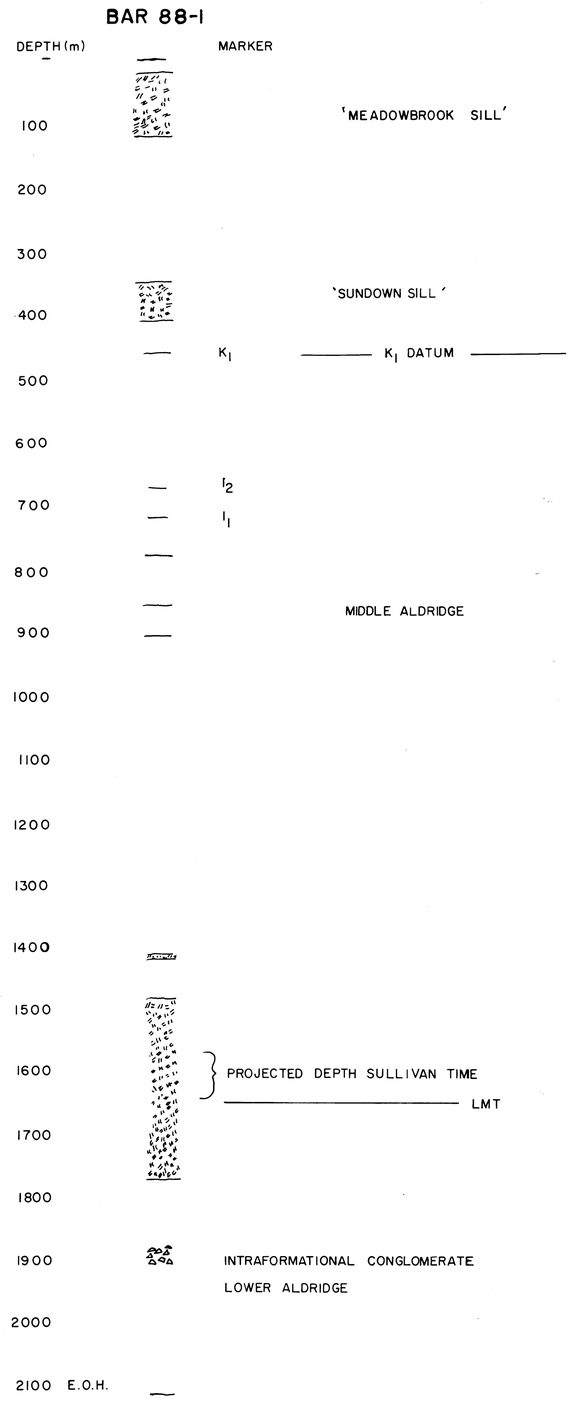
LOOKOUT SURFACE GEOLOGY

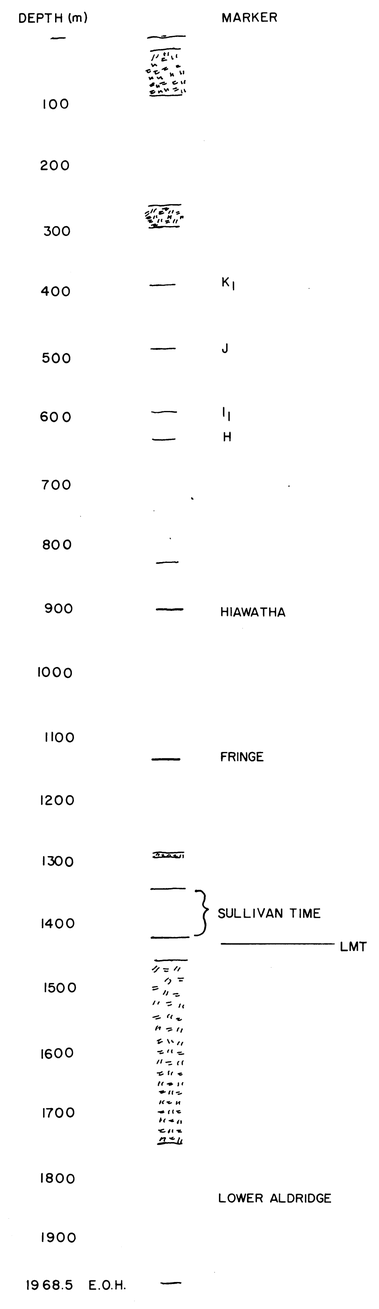
DATE: 17/04/91	REVISED:	FIG. 6
DRAWN BY: GPL	APPROVED BY: TLE	
N.T.S. No.: 82 G5/W	SCALE: 1:2500	

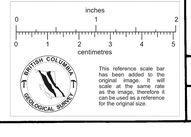
BAR PROJECT

STRATIGRAPHIC COMPARISON









WHITE KNIGHT RESOURCES

BAR PROPERTY DEEP DIAMOND DRILLING

SCALE: 1:5000	DATE: 17/04/91	FIGURE 7
NTS: 82G5/W	DRAWN BY: GPL	

800W

400W

0E

3100N

3000N

2900N

2800N

2700N

2600N

2500N

2400N

2300N

2200N

2100N

2000N

1900N

1800N

1700N

1600N

1500N

1300N

1100N

800N

600N

200m 100m 0m 200m 400m

inches
0 1 2
0 1 2 3 4 5
centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

LOOKOUT

SOIL GEOCHEMICAL SURVEY

PPB Au

PROJECT: WHITE KNIGHT RES. PROJECT # : 127

BASELINE AZIMUTH : Assumed 0 Deg.

SCALE = 1:10000 DATE : 2/ 6/91

SURVEY BY : NTS :

FILE: C127L00

FIG. 8

800W

400W

0E

N

3100N

3000N

2900N

2800N

2700N

2600N

2500N

2400N

2300N

2200N

2100N

2000N

1900N

1800N

1700N

1600N

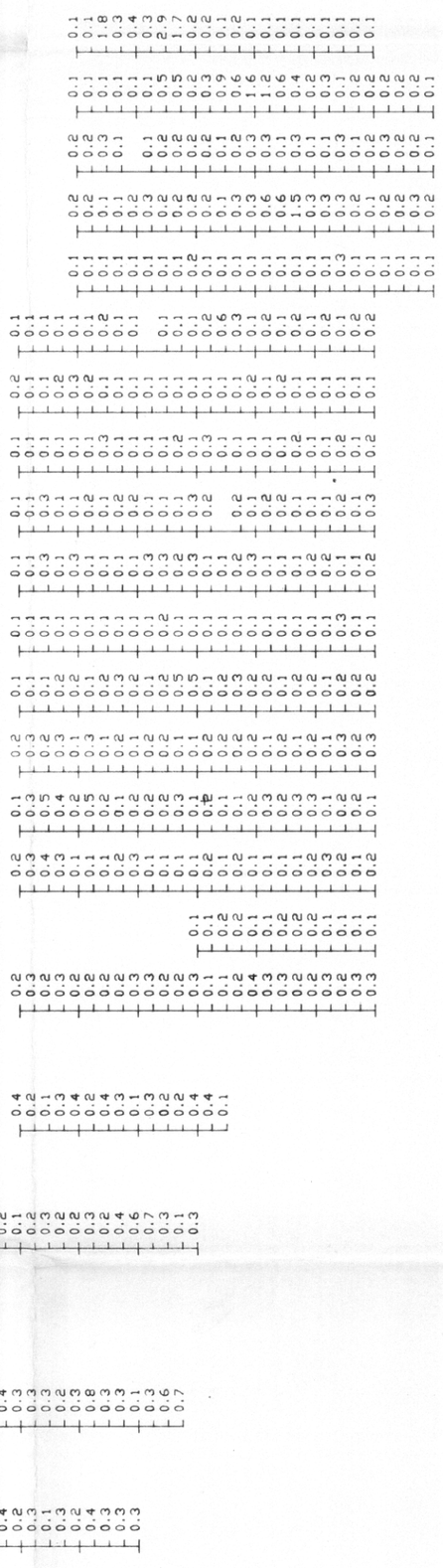
1500N

1300N

1100N

800N

600N



200m 100m 0m 200m 400m

inches
0 1 2
0 1 2 3 4 5
centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

BRITISH COLUMBIA GEOLOGICAL SURVEY

LOOKOUT

SOIL GEOCHEMICAL SURVEY

PPM Ag

PROJECT: WHITE KNIGHT RES. PROJECT # : 127

BASELINE AZIMUTH : Assumed 0 Deg.

SCALE = 1:10000 DATE : 2/ 6/91

SURVEY BY : NTS :

FILE: C127L00

FIG. 9

N

800W

400W

0E

3100N

3000N

2900N

2800N

2700N

2600N

2500N

2400N

2300N

2200N

2100N

2000N

1900N

1800N

1700N

1600N

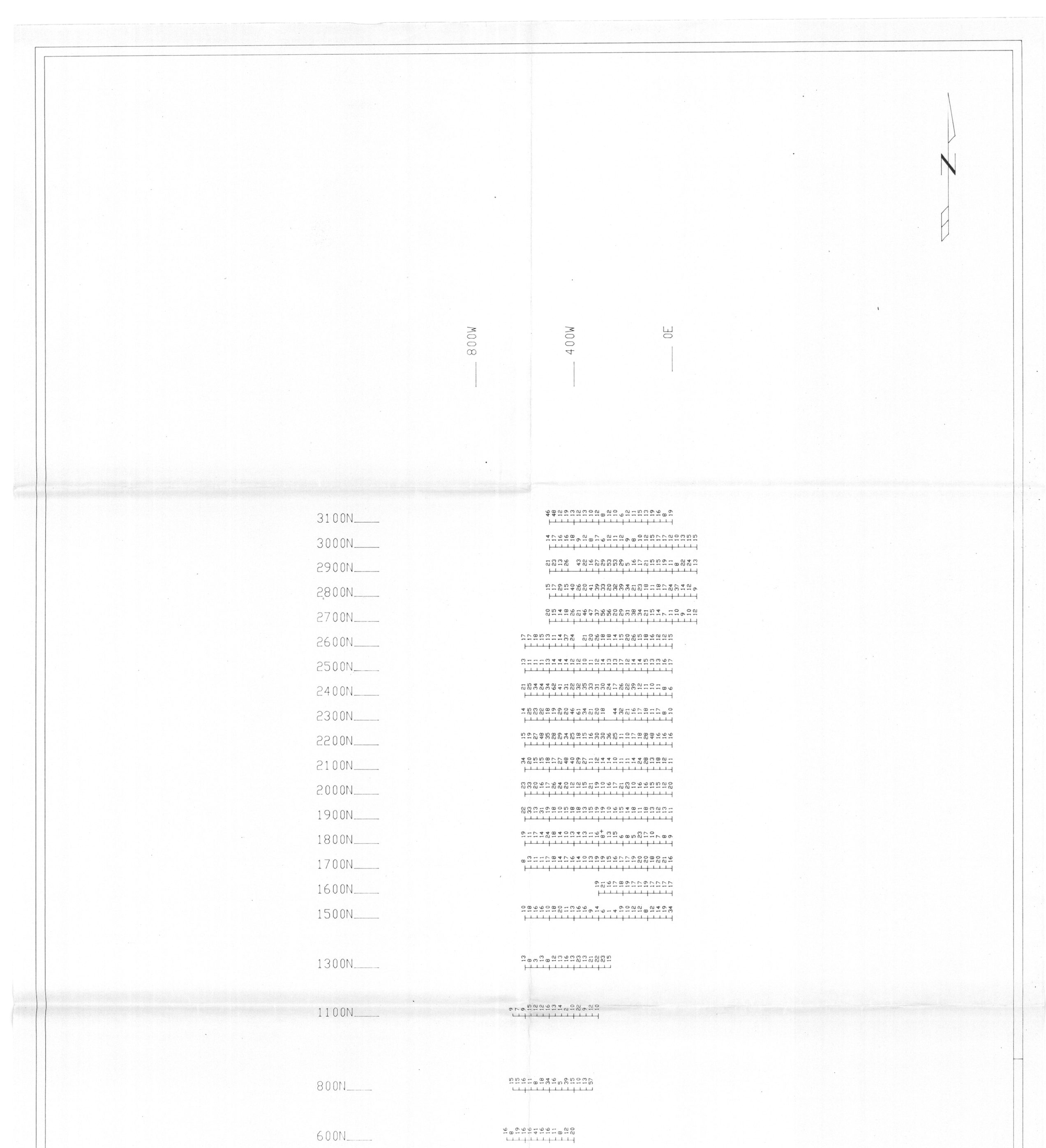
1500N

1300N

1100N

800N

600N



200m 100m 0m 200m 400m

LOOKOUT

SOIL GEOCHEMICAL SURVEY

PPM Cu

PROJECT: WHITE KNIGHT RES. PROJECT # : 127

BASELINE AZIMUTH : Assumed 0 Deg.

SCALE = 1:10000 DATE : 2/ 6/91

SURVEY BY : NTS :

FILE: C127L00

FIG. IO

inches

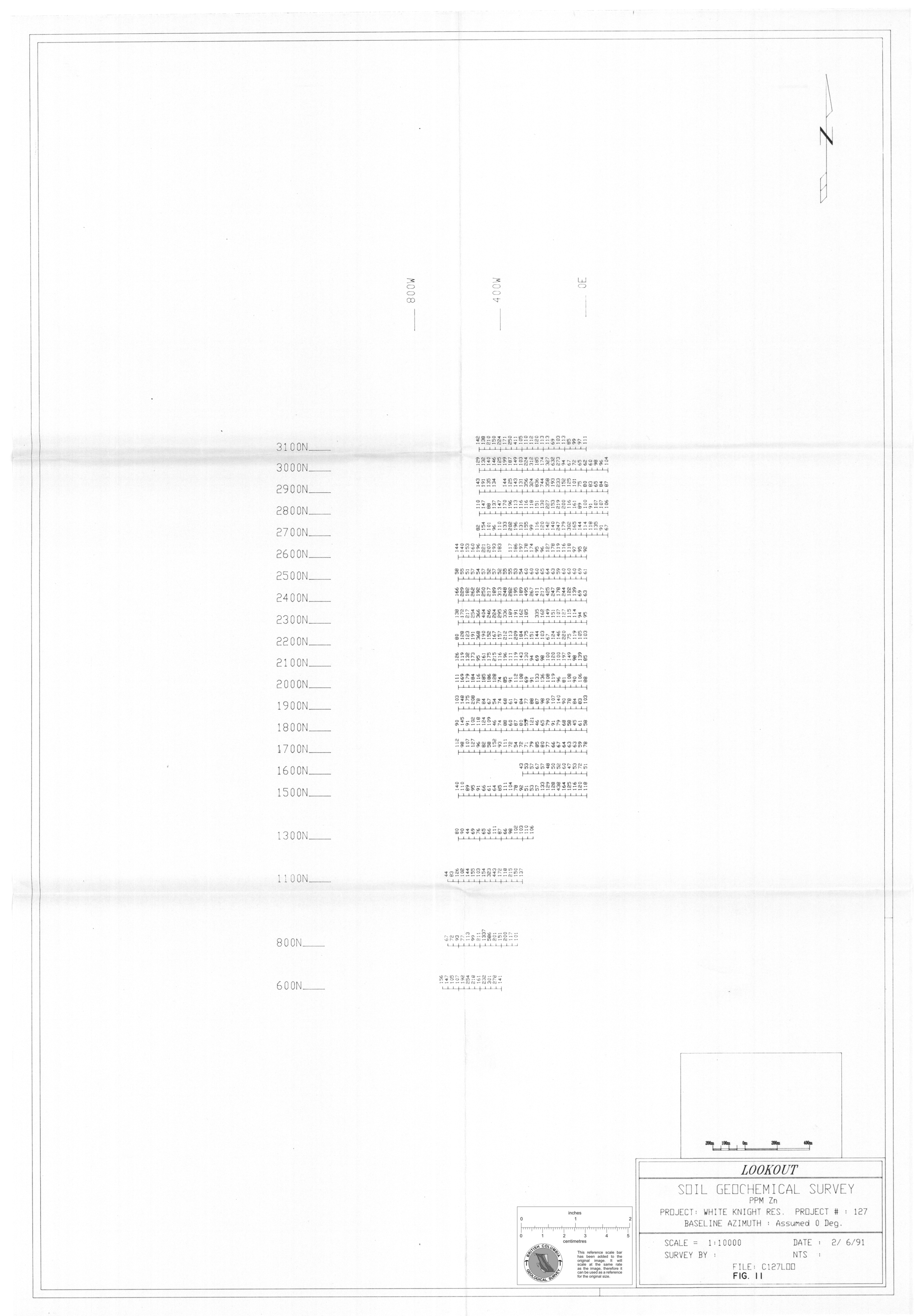
0 1 2

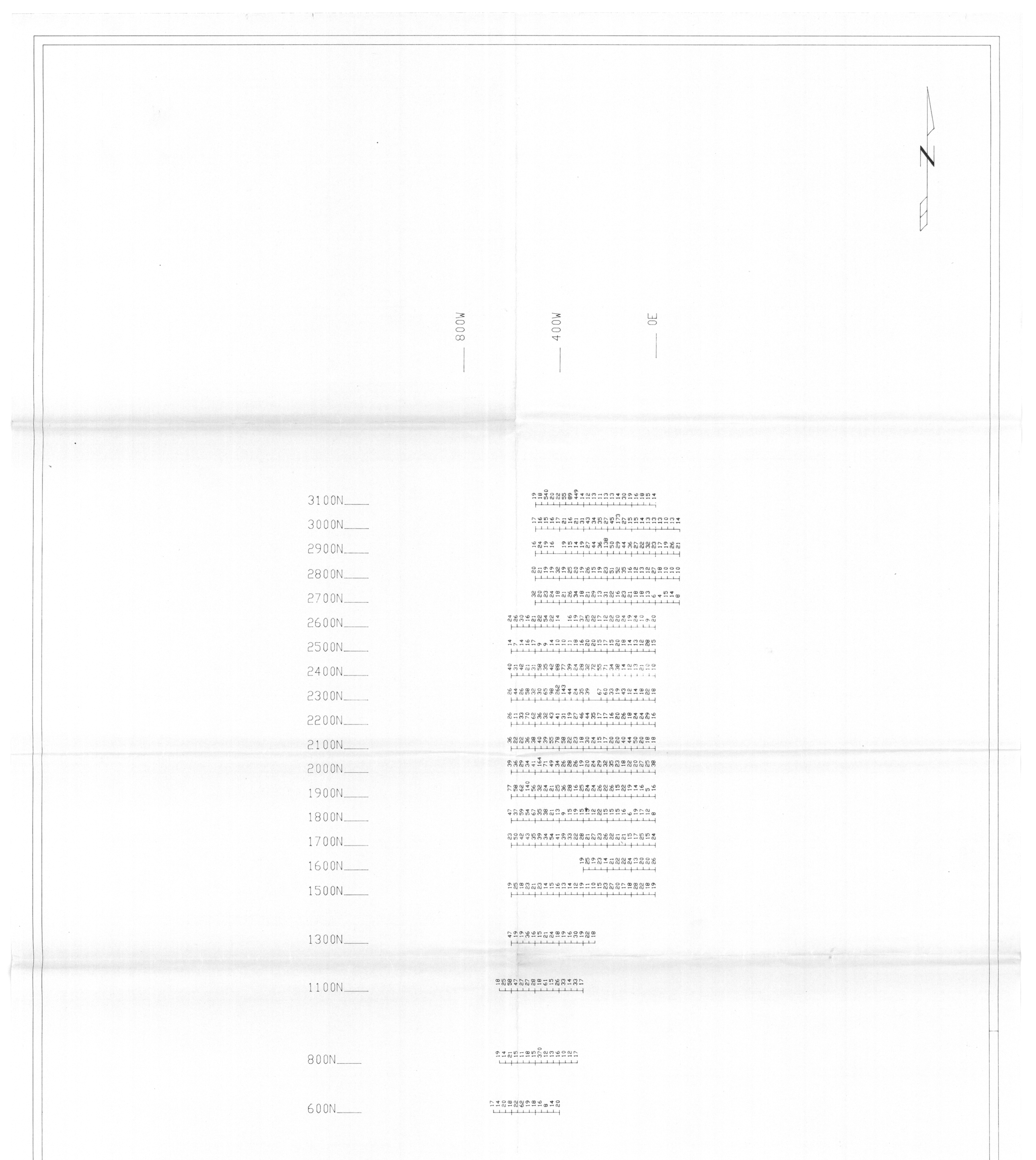
0 1 2 3 4 5

centimetres

BRITISH COLUMBIA GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.


N
800W
400W
0E
3100N
3000N
2900N
2800N
2700N
2600N
2500N
2400N
2300N
2200N
2100N
2000N
1900N
1800N
1700N
1600N
1500N
1300N
1100N
800N
600N
200m 100m 0m 200m 400m
inches
0 1 2
0 1 2 3 4 5
centimetres
BRITISH COLUMBIA GEOLOGICAL SURVEY
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
LOOKOUT
SOIL GEOCHEMICAL SURVEY
PPM Zn
PROJECT: WHITE KNIGHT RES. PROJECT # : 127
BASELINE AZIMUTH : Assumed 0 Deg.
SCALE = 1:10000
DATE : 2/ 6/91
SURVEY BY :
NTS :
FILE: C127L00
FIG. 11



LOOKOUT

SOIL GEOCHEMICAL SURVEY

PPM Pb

PROJECT: WHITE KNIGHT RES. PROJECT # : 127

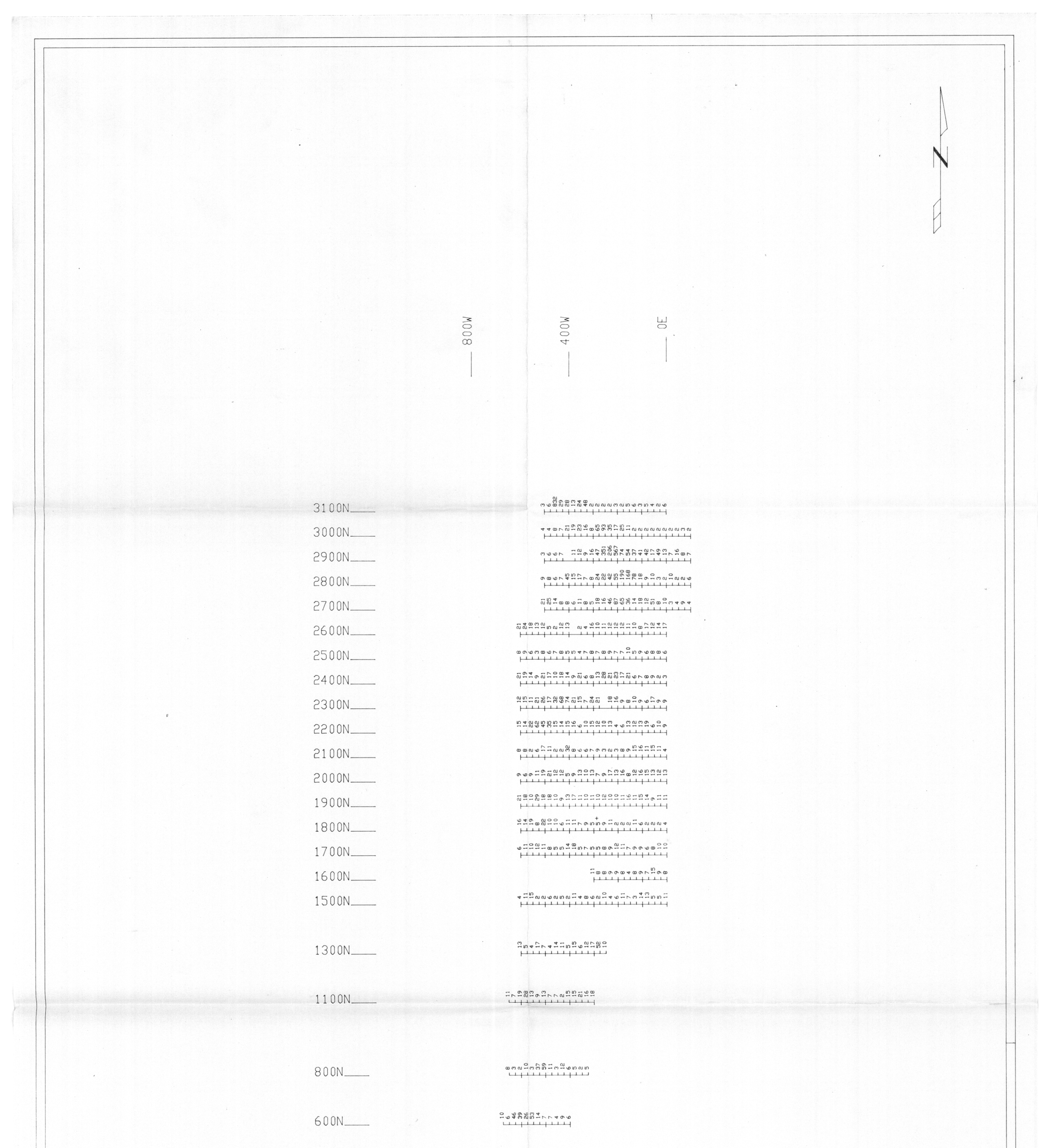
BASELINE AZIMUTH : Assumed 0 Deg.

SCALE = 1:10000 DATE : 2/ 6/91

SURVEY BY : NTS :

FILE: C127L00

FIG. 12



200m 100m 0m 200m 400m

inches
0 1 2
0 1 2 3 4 5
centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

BRITISH COLUMBIA GEOLOGICAL SURVEY

LOOKOUT

SOIL GEOCHEMICAL SURVEY

PPM As

PROJECT: WHITE KNIGHT RES. PROJECT # : 127

BASELINE AZIMUTH : Assumed 0 Deg.

SCALE = 1:10000 DATE : 2/ 6/91

SURVEY BY : NTS :

FILE: C127L00

FIG. 13

CRESTON SEDIMENTS

QUARTZ MONZONITE

ALDRIDGE SEDIMENTS

Very Strong Stockwork Qtz, Minor FeO, MnO
17586
17589
Clay Gouge
17588
17590 Qtz Vein
17587
FeO, MnO V. Strong Stockwork
Very Strong Argillic Alteration
Very Strong Stockwork FeO, MnO
Assay Interval
Argillic Alteration
Minor FeO, Qtz

L32+00N

Biotitic Monzonite
Moderate Alteration
Strong Argillic Alteration Sediments
Strong Argillic Alteration Sediments
Very Strong Argillic Alteration
Qtz Stockwork Minor FeO, MnO
65-70
Clay Gouge
17572
17574
17571
17573
Qtz Stockwork Minor FeO, MnO
Strong Stockwork FeO, MnO
Assay Interval
17584
17585

Strong Argillic Alteration
17570 FeO, Breccia

Strong Argillic Alteration Clay, Fractured, FeO
Minor Qtz FeO
Moderate Fracturing Strong Argillic Alteration Minor Qtz, FeO, MnO
Strong Alteration
Moderate Alteration
Argillic Alteration Talc, Minor FeO
Clay
17578
17577
17580
17579
17581
17582

Subcrop Creston Sediments Moderate Argillic Alteration FeO, Minor Qtz
FLOAT 17583

17595
17596
17602
17576
65
17575
17597
17331
Moderate to strong Argillic Alteration

Very Strong Alteration FeO
Argillic Alteration
17556
40
17553
17555 Qtz. Veinlets
Strong to Very Strong Argillic Alteration

L31+00N

Strong Alteration Minor FeO
17552
80
17554
Strong and Very Strong Alteration
17557
Strong Alteration
17558
Strong to Very Strong Alteration
17559
17560
17561
17562
17563
17564
17565
17566
17567
Assay Interval
17330
17322
Strong Argillic Alteration Clay
17568
17569
Clay Gouge Qtz, Py & ASPY

17320
17599
17321
17598
17600
17601
17323

5+00W
4+00W
3+00W
2+00W

SAMPLE	TYPE	WIDTH (m)	GOLD (oz/ton) F.A.	GOLD (ppb) A.A.	
17320	GRAB			1010	
17321	GRAB			210	
17322	GRAB			28	
17323	GRAB			4	
17324	GRAB			3	
17330	GRAB			950	
17331	GRAB			74	
17552	CHIP	20		15	
17553	GRAB			3	
17554	CHIP	20		15	
17555	GRAB			45	
17556	CHIP	1.5	0.012	380	
17557	CHIP	20		7	
17558	CHIP	20		2	
17559	GRAB			6	
17560	CHIP	20	0.006	140	
17561	CHIP	20		190	
17562	CHIP	10	0.002	130	
17563	CHIP	10	0.017	640	
17564	CHIP	10	0.028	790	
17565	CHIP	10	0.042	1750	895/48m. ppb
17566	CHIP	10	0.017	540	
17567	CHIP	8	0.018	720	
17568	CHIP	18	0.010	280	
17569	CHIP	7	0.003	140	
17570	GRAB		0.084	2970	
17571	CHIP	15	0.051	1480	1300/30m ppb
17572	CHIP	15	0.039	1120	
17573	GRAB		0.407	13380	
17574	GRAB		0.592	17950	
17575	CHIP	16	0.005	170	
17576	GRAB		0.021	540	
17577	CHIP	33	0.004	120	
17578	CHIP	28		73	
17579	CHIP	3		8	
17580	CHIP	19		5	
17581	CHIP	25		11	
17582	GRAB			14	
17583	GRAB			13	
17584	CHIP	10.5	0.012	460	
17585	CHIP	14	0.004	120	
17586	COMP GRAB	5	0.108	3160	
17587	CHIP	11	0.248	7420	4172/21m. ppb
17588	CHIP	10	0.017	600	
17589	CHIP	10	0.005	150	
17590	GRAB			48	
17595	GRAB		0.016		
17596	GRAB		0.016		
17597	GRAB		0.001		
17598	GRAB		0.001		
17599	GRAB		0.001		
17600	GRAB		0.001		
17601	GRAB		0.001		
17602	GRAB		0.022		

TRENCH	INTERVAL WIDTH (m)	INTERVAL GOLD (oz/ton)
31+00N	48 or 20	0.0247 0.0350
32+00N	30	0.0450
32+30N	26	0.132

MONZONITE

SEDIMENT

10 ATTITUDE

65 JOINT

GRAB SAMPLE

17575 CHIP SAMPLE

GEOLOGIC CONTACT (known, inferred)

0 10 20 30 40 50
metres

inches
0 1 2
centimetres
0 1 2 3 4 5
BRITISH COLUMBIA GEOLOGICAL SURVEY
This reference scale bar has been added to the original image. It will print at the same scale as the image, therefore it can be used as a reference for the original size.

WHITE KNIGHT RESOURCES LTD.

LOOKOUT PROPERTY

DATE: DEC. 1990		FIG. 14
DRAWN: TLE		
N.T.S 82G/5W	SCALE: 1:500	