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EVALUATION OF MINERAL CLAIMS

KENNEDY RIVER AREA  
Alberni Mining Division  
British Columbia

FOR

NATIONWIDE GOLD MINES CORPORATION

BY

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March 17, 1989

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SUMMARY

Nationwide Gold Mines Corporation holds interests in nine contiguous Modified Grid mineral claims near Kennedy River 35 km northeast of Ucluelet on southwestern Vancouver Island.

Exploration work to date on the various claims ranges from minimal through detailed surface sampling and diamond drilling.

Exploration targets in the Kennedy River area are quartz veins containing appreciable gold (and silver) values and developed in shear zones proximal to regional faults which transect late Triassic volcanic rocks.

Three of the nine claims, Captain Hook, Blaster and Titanic, have known quartz veins with locally significant gold (silver) values. Average vein widths generally do not exceed 0.5 metre and good precious metals grades will be required to allow for dilution inherent in any mining method. Work to date indicates that such grades do exist in shoots on several of the properties and additional exploratory work, including bulk sampling to more accurately determine average grades, is warranted.

Evaluation of the present value of the various claims has been undertaken and assigned values include acquisition costs, exploration expenditures to date and the value of recommended additional exploration work if applicable.

Estimated value of mineral claims held by Nationwide Gold Mines Corporation is \$454,187.58.

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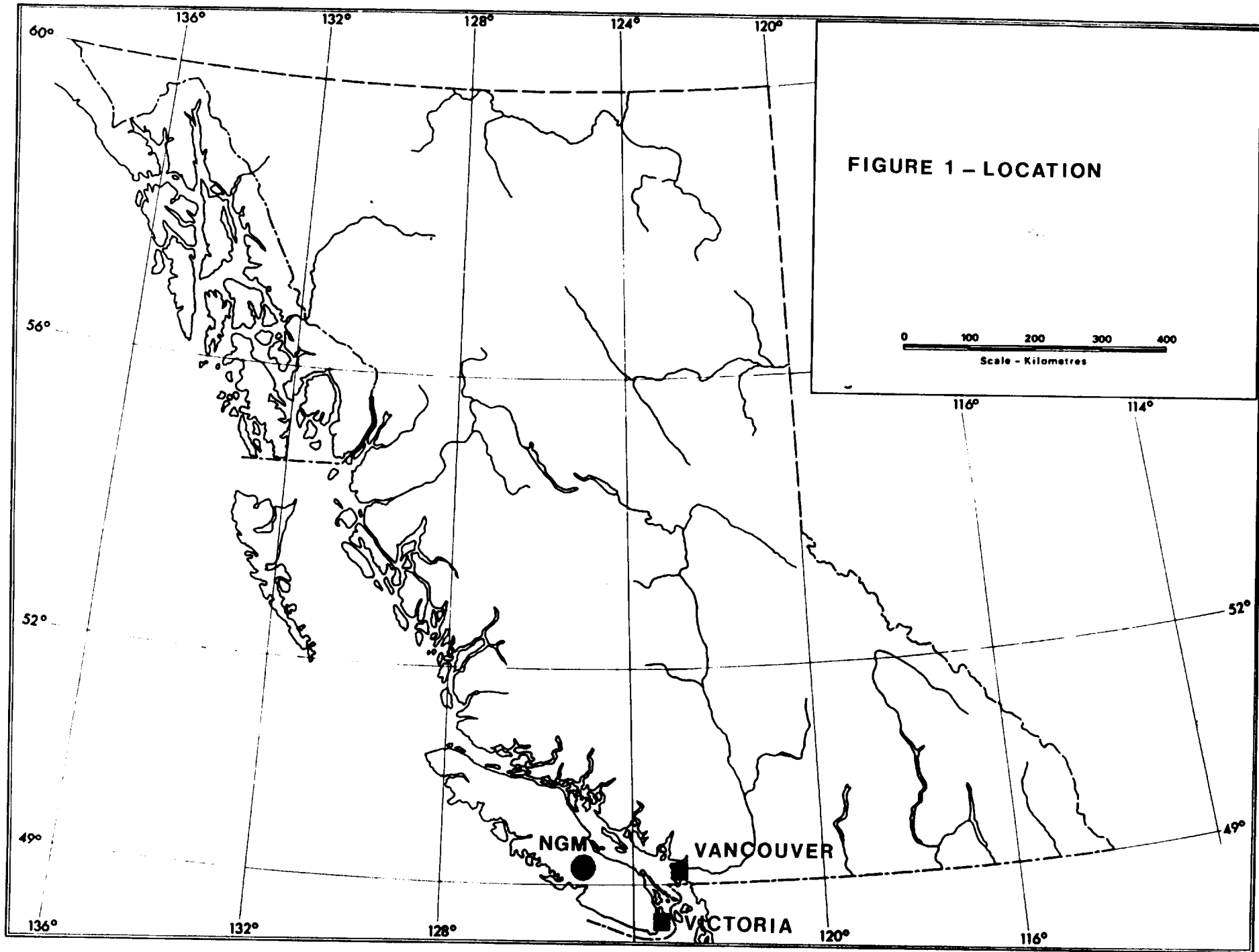


FIGURE 1 - LOCATION

0 100 200 300 400  
Scale - Kilometres

NGM

VANCOUVER

VICTORIA

## INTRODUCTION

This evaluation of the various mineral claims located near Kennedy River on Vancouver Island has been prepared at the request of Nationwide Gold Mines Corporation.

The report is based on a personal visit to some of the claims described herein December 7, 1989, and on progress reports of recent exploration work prepared on behalf of the Company by David Pawliuk, P.Geol. Property acquisition costs and exploration expenditures referred to in this report are as provided by Nationwide Gold Mines Corporation.

## PROPERTY LOCATION AND ACCESS

The mineral properties in which Nationwide Gold Mines Corporation has an interest are situated near the southwest coast of Vancouver Island (Figure 1) at Latitude 49°11' North, Longitude 125°26' West in NTS map-area 92F/3W.

The mineral claims, 35 km northeast of Ucluelet, are accessible from Highway 4 by a system of logging roads west of Kennedy River (Figure 2).

## MINERAL PROPERTIES

The nine contiguous Modified Grid mineral claims in which Nationwide Gold Mines Corporation holds an interest are located in the Alberni Mining Division on Vancouver Island. The mineral claims are shown on Figure 3 and details are as follows:

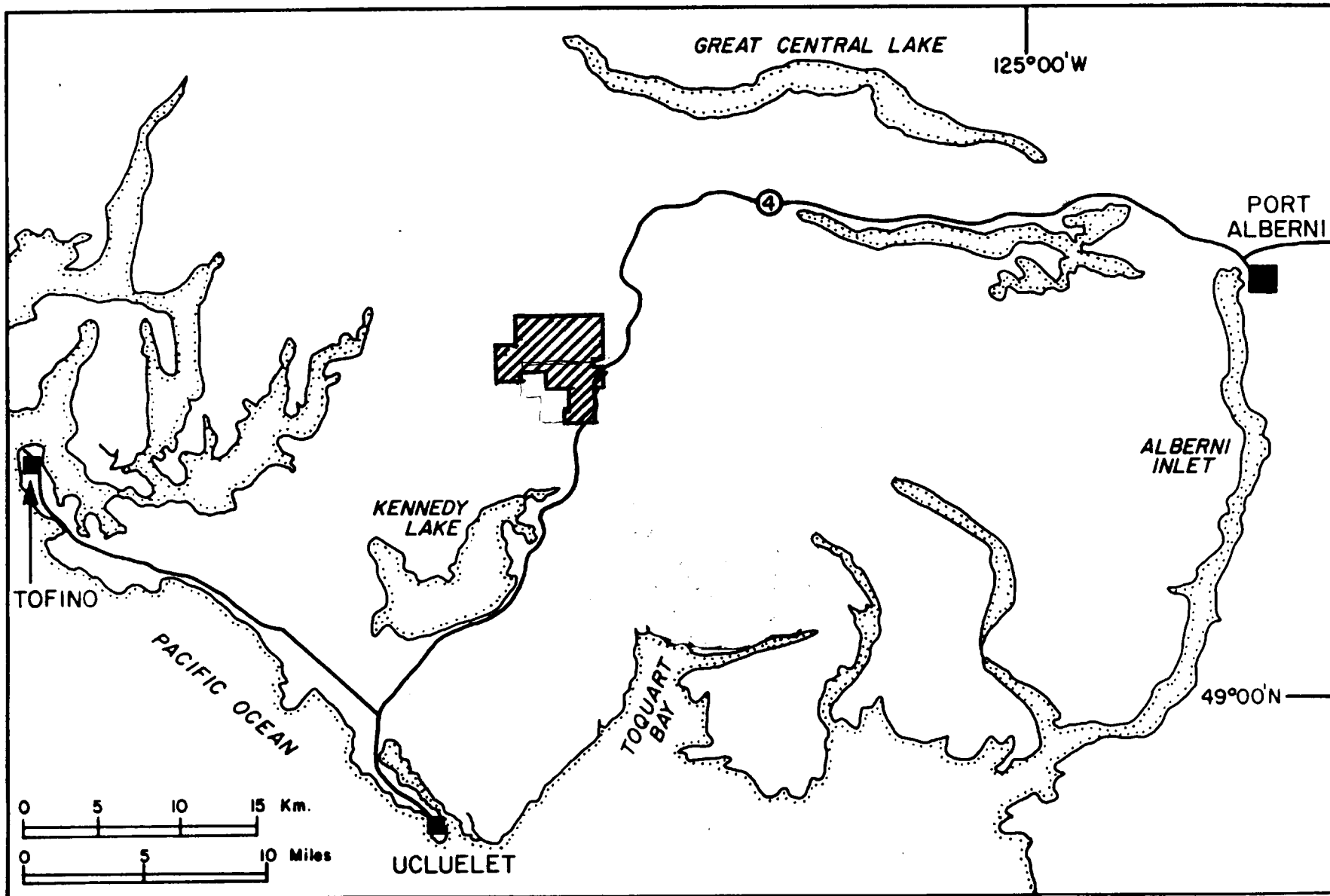


FIGURE 2 - NATIONWIDE GOLD MINES PROPERTIES

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Date of Record</u>
Captain Hook	1455	9	July 12,1982
Esther	1470	8	" "
Titanic	1578	6	December 14,1982
Blaster	2899	20	May 9,1986
Giant Bear 3	3103	20	January 19,1987
Karin 2	3195	18	April 13,1987
Karin 3	3196	18	" "
Karin 4	3197	18	" "
Karin 5	3198	18	" "

The Company holds a 100% interest in all mineral claims with the exception of the Blaster and Giant Bear 3 claims which are owned jointly with Golden Spinnaker Minerals Corporation.

#### EVALUATION METHODS

Methodology used in assessing the value of Nationwide Gold Mines Corporation's properties follows that proposed by Roscoe (1986).

Property acquisition costs, whether by staking or purchase, are included in the value of the property provided the claims are being maintained in good standing. Exploration costs incurred on the properties are also included provided encouraging results have been obtained and additional work has been recommended. A value is also placed on recommended work programs based on an assessment of results obtained to date.

#### GEOLOGICAL SETTING

Vancouver Island makes up the southern part of the Insular

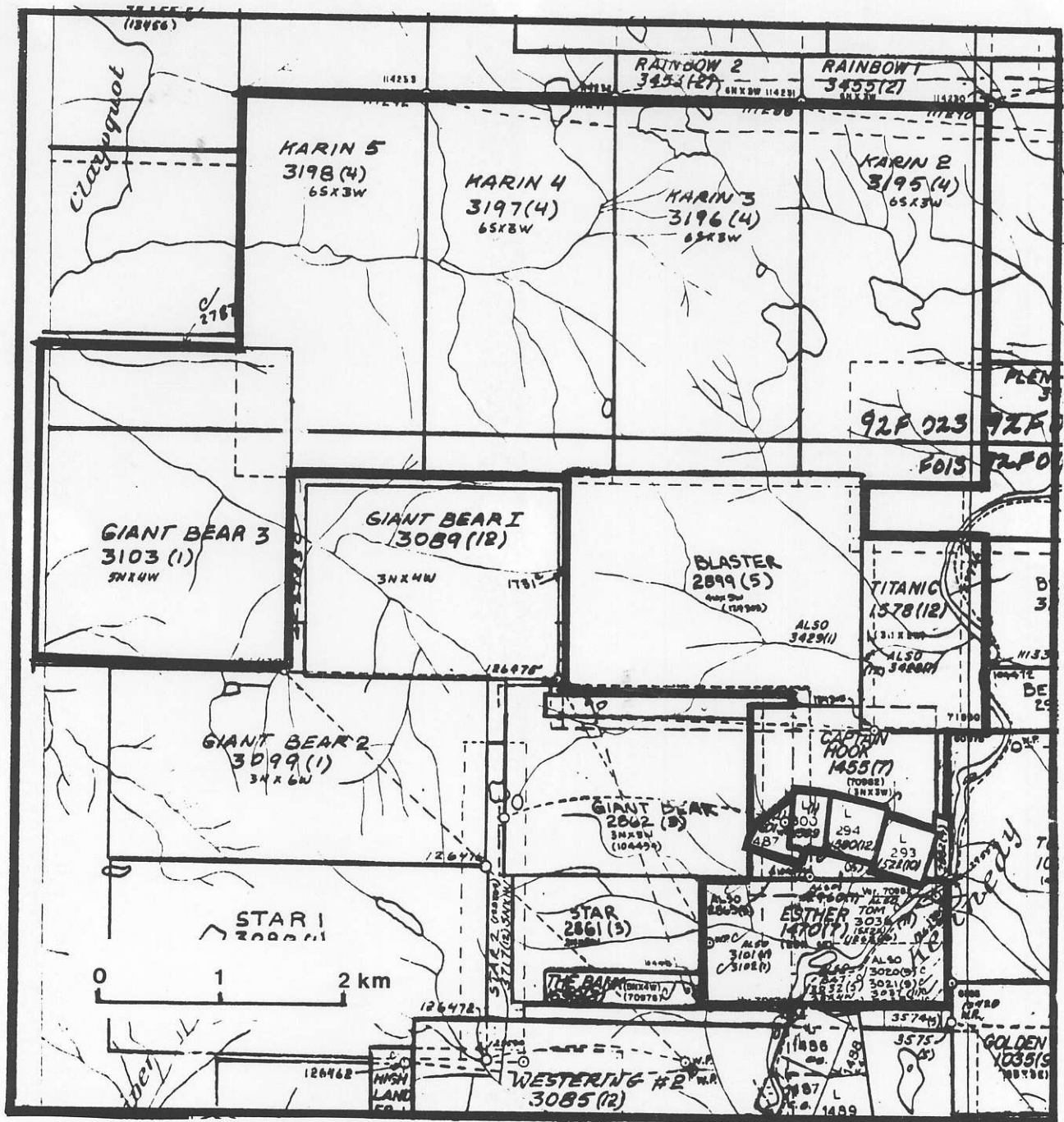


FIGURE 3 - MINERAL CLAIMS



belt, the westernmost tectonic subdivision of the Canadian Cordillera. The southern Insular belt is dominated by Paleozoic and Mesozoic volcanic-plutonic complexes overlain on the east coast of Vancouver Island by clastic sedimentary rocks of Cretaceous age. Tertiary basic volcanic rocks are prevalent in the south Island area and granitic intrusions of similar age are widespread along the west coast.

Vancouver Island hosts a variety of mineral deposits, including volcanogenic massive sulfides at Buttle Lake and near Duncan, which are hosted by late Paleozoic Sicker Group volcanic rocks. Island Copper near Port Hardy is a porphyry copper-molybdenum deposit with significant by-product gold and which is related to Mesozoic subvolcanic intrusions, Iron-copper skarns, hosted by late Triassic limestones marginal to granitic intrusions, are numerous in the central and northern Island areas.

The west coast of Vancouver Island is noted for gold-bearing vein deposits. Many of these are at least spatially related to Tertiary granitic intrusions, the most notable examples being the Zeballos camp and the Kennedy Lake and Mount Washington areas.

Oldest rocks in the Kennedy Lake - Long Beach area are Karmutsen mafic volcanic rocks of late Triassic age. A limestone - clastic sedimentary rock sequence lies between the Karmutsen Formation and Bonanza Group intermediate to felsic volcanics. Island granitic intrusions, comagmatic with Bonanza volcanics, underlie broad areas west and east of Kennedy Lake. These are in part gneissic rocks believed to have been derived from older

Paleozoic formations. Tertiary granitic intrusions occur as elongate stocks north and south of Kennedy Lake.

Mineral deposits in the area include the Catface porphyry copper-molybdenum prospect north of Tofino which is related to a Tertiary granite and the formerly producing Brynnor iron skarn deposit several kilometres south of Kennedy Lake. A number of gold-bearing quartz veins occur principally in Karmutsen and Bonanza volcanics and in granitic rocks in the Kennedy Lake area and north of Tofino.

Quartz veins near Kennedy Lake occupy east, northeast and north-trending shear zones believed to be tensional features marginal to west-northwest regional faults which transect all rock types. Quartz veins within the shear zones dip north and west at moderate to steep angles. Vein widths are variable, ranging from 10 cm to 2 metres, and averaging 0.50 metre. Sulfide contents, mainly in the form of pyrite, pyrrhotite and lesser chalcopyrite and sphalerite, range from 2 to 20%. Gold values are associated with sulfide minerals.

Shear zones and quartz veins are developed mainly in Karmutsen intermediate to basic volcanics and to a lesser degree in Island intrusion granitic rocks. Wallrocks are altered and bleached 50 cm outward from vein contacts and principal alteration minerals include silica, chlorite, carbonate and sericite.

Three of the gold-bearing quartz veins in the Kennedy River area (Leora, Rose Marie, Tommy K) have yielded limited production totalling 396 tons grading 0.732 oz/ton gold and 0.40 oz/ton silver.

## VALUATION OF MINERAL CLAIMS

### Captain Hook

Nationwide Gold Mines Corporation holds a 100% interest in this nominal 9 unit Modified Grid mineral claim which includes 4 reverted Crown granted mineral claims (Figure 3) owned by International Coast Minerals Corporation.

### Previous Work

Work carried out between mid-1987 and late 1988 has included geological mapping, geophysical surveys (VLF-EM, magnetometer, IP), geochemical soil sampling, backhoe trenching, surface sampling, one 128 metre rotary hammer drill hole and eight diamond drill holes totalling 462 metres.

### Geology and Mineralization

The following description is after Pawliuk (1988, 1989):

The southwest part of the Captain Hook mineral claim is underlain by late Triassic Karmutsen Formation andesite and basalt fragmental rocks, intercalated felsic and feldspar porphyry flows and limestone and greywacke, locally converted to skarn.

A regional west-northwest fault (Mine Fault) passes through the southwest part of the Captain Hook claim and the principal mineralized zone, the Shack vein, occupies a southwest splay shear zone off the major fault.

Three mineralized zones are known in the southwest part of the claim. The TB vein, which strikes easterly and dips steeply north, occurs along a contact between andesite and limestone.

The vein ranges in width up to 0.50 metre and is intermittently exposed over a strike length of 38 metres. Sampling indicates a range of gold values of between trace and 0.541 oz/ton; silver values of up to 16 oz/ton have been reported. The TB vein may be wholly or in part within one of the reverted Crown granted claims owned by International Coast Minerals Corporation - claim boundaries have not been surveyed.

A skarn zone is developed in volcanic rocks and calcareous sediments 30 metres south of the TB vein at the mutual boundary of the Captain Hook and Giant Bear mineral claims (Figure 3). Metallic minerals include magnetite, chalcopyrite and sphalerite and limited sampling to date has yielded gold values in the 0.042 - 0.068 oz/ton range and silver values of up to 1.18 oz/ton.

The most significant mineral zone on the Captain Hook claim is the Shack vein, 100 metres south of the TB vein. Shack vein, which has an average width of 0.40 metre, occupies a northeast striking shear zone believed to be a splày off the regional Mine Fault. The vein, which has sheared contacts with volcanic wallrocks, dips steeply north.

The light grey quartz vein contains 3-10% sulfide minerals which in decreasing order of abundance include pyrite, pyrrhotite, chalcopyrite and sphalerite. Wallrocks adjacent to the vein contain 2-10% disseminated pyrite and are silicified over a 2 metre interval outward from the vein.

Shack vein extends southwesterly into the Giant Bear claim owned by Golden Spinnaker Minerals Corporation (Figure 3). Total

exposed strike length on both claims is 160 metres of which less than half, or 70 metres, is within the Captain Hook claim. The mutual claim boundary is currently imprecise, the surveyed boundary having been destroyed by recent logging activity.

That portion of the Shack vein within the Captain Hook claim has been sampled on surface at 1 metre intervals in three areas over a 52 metre strike length. Weighted average grades as calculated by the writer are 0.552 oz/ton gold and 1.92 oz/ton silver over an average width of 0.37 metre.

Better grades are near the west boundary of the claim where a structural discontinuity is indicated both on surface and in drill holes.

Six diamond drill holes have tested the Shack vein on the Captain Hook claim to vertical depths of 20 - 30 metres. Grades intersected range from 0.026 oz/ton gold, 0.15 oz/ton silver to 0.667 oz/ton gold and 3.8 oz/ton silver over true widths of 0.43 and 0.35 metre respectively. Better grades occur in the southwest part of the vein in the area of the apparent structural discontinuity. Wallrocks in this area also carry gold values in the 0.022 - 0.090 oz/ton range and over 0.80 - 1.42 metre core lengths.

The rotary hammer drill hole indicates that the vein structure may extend over a down dip interval of 120 metres.

Geophysical surveys suggest that VLF-EM is useful in detecting the fault zone hosting the mineralized quartz veins and in indicating extensions to same. Magnetic surveys were found to be of limited value and IP surveys yielded mixed results.

Recommended Program

A bulk sampling program, estimated to cost \$188,000, has been recommended for the Shack vein on the Captain Hook claim. In the writer's opinion, more detailed diamond drilling is warranted to further test the vein to depth and along strike to the northeast. Ideally, this drilling should be done at 15 metre spacings. Estimated cost of such a program is \$125,000.

Assigned Value

Acquisition Costs	\$20,000.00
Expenditures to Date	\$59,089.27
Recommended Programs	<u>\$125,000.00</u>
Total	\$204,089.27

Blaster

Nationwide Gold Mines Corporation holds a 50% interest in this Modified Grid mineral claim of 20 units. Ownership is shared with Golden Spinnaker Minerals Corporation.

Previous Work

Trenching, sampling and two VLF-EM profiles were completed on two quartz vein structures in the southeast part of the Blaster claim in late 1987 - early 1988. One of the veins was also tested by fourteen inclined drill holes totalling 819 metres.

Geology and Mineralization

The following description is after Pawliuk(1988):

The Blaster claim is underlain by late Triassic Karmutsen Formation andesites which have been locally intruded by quartz diorites. A regional west-northwest fault zone (Canoe Creek Fault)

extends through the central part of the claim. Both the volcanic and intrusive rocks are variably sheared and brecciated along the fault zone and wallrocks are bleached and silicified over several metres outward from the fault.

Two quartz vein structures are known within and adjacent to the Canoe Creek Fault. The 0.35 - 0.75 metre wide Elite vein occupies a splay fault 100 metres north of the major fault zone and is intermittently exposed over an east to northeast trending strike length of 75 metres. The vein, which dips steeply north, has sharp, sometimes sheared contacts with brecciated and bleached andesite and quartz diorite wallrocks.

The quartz vein contains between 10 and 25% sulfide minerals, principally pyrite and pyrrhotite with lesser chalcopyrite, sphalerite and arsenopyrite.

Detailed surface sampling at 1 metre intervals in two exposed sections of the vein yielded weighted average grades of 0.78 oz/ton gold over an average width of 0.39 metre and along a strike length 10 metres, and 1.28 oz/ton gold over an average width of 0.54 metre and along a 27 metre strike length (Pawliuk, 1988). Silver grades are generally less than 1 oz/ton.

Twelve drill holes intersected the Elite vein at vertical depths of between 15 and 45 metres below the surface exposures. Gold values were obtained from most holes drilled and ranged from 0.032 oz/ton over 0.5 metre to 0.326 oz/ton over 0.28 metre. The zone appears to be open along strike to the northeast and possibly to depth.

The Elite II vein, within the Canoe Creek Fault, is 400 metres west of the Elite vein. The vein consists of irregular quartz lenses and pods within a zone of bleached and silicified rocks. The zone is intermittently exposed over a strike length of 200 metres. Gold (and silver) values are directly related to the amount of disseminated pyrite. Sampling at 1 metre intervals over 7 metres of strike length yielded gold values of between 0.064 oz/ton over 0.30 metre and 0.508 oz/ton over 1.10 metre.

VLF-EM surveys were successful in detecting the the fault zones which host the veins.

Recommended Program

Pawliuk (1988) has recommended additional work for the Blaster claim consisting of geological mapping, prospecting, VLF-EM surveys, diamond drilling and bulk sampling at an estimated cost of \$150,144.

In view of the encouraging results to date, particularly on the Elite vein, plus the obvious good potential for the discovery of additional gold-bearing zones on the claim, the writer concurs with the recommended program.

Assigned Value

Acquisition Costs	\$15,000.00
Expenditures to Date	\$94,086.46
Recommended Program	<u>\$150,144.00</u>

Total                    \$259,230.46

Nationwide Gold Mines' 50% share - \$129,615.23



## Titanic

Nationwide Gold Mines Corporation holds a 100% interest in this 6 unit Modified Grid mineral claim situated along the eastern boundary of the property area (Figure 3).

### Previous Work

Geological mapping, bedrock sampling, geochemical soil sampling and geophysical surveys consisting of VLF-EM, magnetometer and IP surveys have been conducted over the southern part of the Titanic claim between mid and late 1987.

Much of this work was directed to an area of known gold-bearing quartz veins originally discovered prior to 1913.

### Geology and Mineralization

The following description is after Pawliuk(1988):

The Titanic mineral claim is underlain by late Triassic Karmutsen Formation andesite and basalt flows and tuffs which are transected in the southern claim area by the regional west-northwest Canoe Creek Fault. An easterly splay off this fault, the Julius Creek Fault, is host to three quartz veins ranging in width from 0.10 to 0.50 metre and exposed over strike lengths of up to 30 metres in the western claim area.

Sampling to date has yielded gold values of less than 0.10 oz/ton over exposed vein widths of up to 0.35 metre.

VLF-EM surveys indicate a strong conductive zone coincident with the east-trending Julius Creek fault zone and extending across the southern part of the claim to Kennedy River. A magnetic anomaly, coincident with the conductive zone, is indicated in an overburden

covered area adjacent to Kennedy River. Two IP profiles in this area indicate lower resistivities in bedrock north of the conductive zone.

Recommended Program

A \$44,401.50 program consisting of geological mapping, prospecting and a 2 hole diamond drill program has been recommended for the Titanic claim by Pawliuk(1988). Much of the recommended work is directed to the southern claim area, specifically along the Julius Creek Fault in the area of known quartz veins and the overburden covered area in the eastern part of the claim where the coincident VLF-EM , magnetometer and IP anomalies should be tested by drilling.

The writer concurs with these recommendations.

Assigned Value

Acquisition Costs	\$10,000,00
Expenditures to Date	\$31,621.58
Recommended Program	<u>\$44,401.50</u>
Total	\$86,023.08

Esther

The Company has a 100% interest in this 8 unit Modified Grid mineral claim at the southern end of the property area (Figure 3).

Previous Work

Only limited work has been done on the Esther claim. The claim has been maintained in good standing since its location in 1982.

Geology and Mineralization

The Esther claim is strategically located with respect to

several gold-bearing quartz veins adjacent to the northern claim boundary and it also covers part of the regional Mine Fault.

Assigned Value

The value of the Esther claim includes acquisition costs and assessment work filed to keep the claim in good standing until 1991, which amounts to \$1,500 per unit.

Acquisition Costs	\$20,000.00
Assessment Work	<u>\$12,000.00</u>
Total	\$32,000.00

Giant Bear 3

Nationwide Gold Mines Corporation holds a 50% interest in this Modified Grid mineral claim of 20 units which is contiguous with the Karin 5 claim (Figure 3).

Previous Work

No work has been done on this claim since its location in 1987.

Geology and Mineralization

The Giant Bear 3 claim, underlain by Karmutsen Formation volcanic rocks, covers the extension of the regional west-northwest Mine Fault, adjacent to which are a number of known gold-bearing quartz veins.

Assigned Value

Acquisition Costs	\$2,200.00
Nationwide Gold Mines" 50% share	\$1,100.00

Karin 2 - 5

Nationwide Gold Mines Corporation holds a 100% interest in these 4 Modified Grid mineral claims comprising 72 units and situated along the northern boundary of the property area (Figure 3).

Previous Work

No work has been done on these claims since their acquisition in 1987.

Geology and Mineralization

The Karin claims are believed to be underlain by Karmutsen Formation volcanic rocks which are locally intruded by Island intrusion granitic rocks.

Assigned Value

Acquisition Costs	\$1,360.00
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CERTIFICATE

I, NICHOLAS C. CARTER, of Victoria, British Columbia, do hereby certify that:

1. I am a Consulting Geologist registered with the Association of Professional Engineers of British Columbia since 1966.
2. I am a graduate of the University of New Brunswick with B.Sc.(1960), Michigan Technological University with M.S.(1962) and the University of British Columbia with Ph.D. (1974).
3. I have practised my profession in eastern and western Canada and in parts of the United States for more than 25 years.
4. This report is based on progress reports and financial data provided by Nationwide Gold Mines Corporation and on a visit to some of the Kennedy River area properties December 7,1988/
5. I have no interest, direct or indirect, in any of the mineral claims described in the foregoing report, or in Nationwide Gold Mines Corporation or any of its affiliates.
6. Permission is hereby granted to Nationwide Gold Mines Corporation to use this report in support of any filing with regulatory agencies.

N.C. Carter, Ph.D. P.Eng.

Victoria, B.C.  
March 17, 1989