

6093

REPORT ON
DIAMOND DRILLING, LINE-CUTTING
&
HAND TRENCHING

by

G.R. Peatfield - P.Eng.

on the

ROSE PROPERTY (YORK, LANCASTER & ROSE GROUPS)

situated north of Ealue Lake

in the Liard Mining Division

57° 47' N; 129° 53' W
N.T.S. 104H/13W

owned by

Texasgulf Canada Ltd.

November 1976

Vancouver, B.C.

ROSE OF KLAPPAN

104H/13W

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

No. 6093

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
LOCATION, ACCESS & TERRAIN	1
HISTORY	2
GRID ESTABLISHMENT	2
HAND TRENCHING	3
DIAMOND DRILLING	3
CLAIM LOCATION SURVEY	4

APPENDIX A: Summary of Drill Logs

APPENDIX B: Diamond Drill Contract

APPENDIX C: Statements of Qualification

APPENDIX D: Statements of Expenditures

LIST OF FIGURES

1.	Location Map	1:250,000	follows Page 1
2.	Claim Grouping Sketch	1: 50,000	follows Page 2
3a-b.	Grid Layout Sketch	1: 10,000	follows Page 3
#1 4.	Drill Hole Location Map	1: 2,500	in pocket
#2 5.	"Location Line Survey"	1: 10,000	in pocket

INTRODUCTION

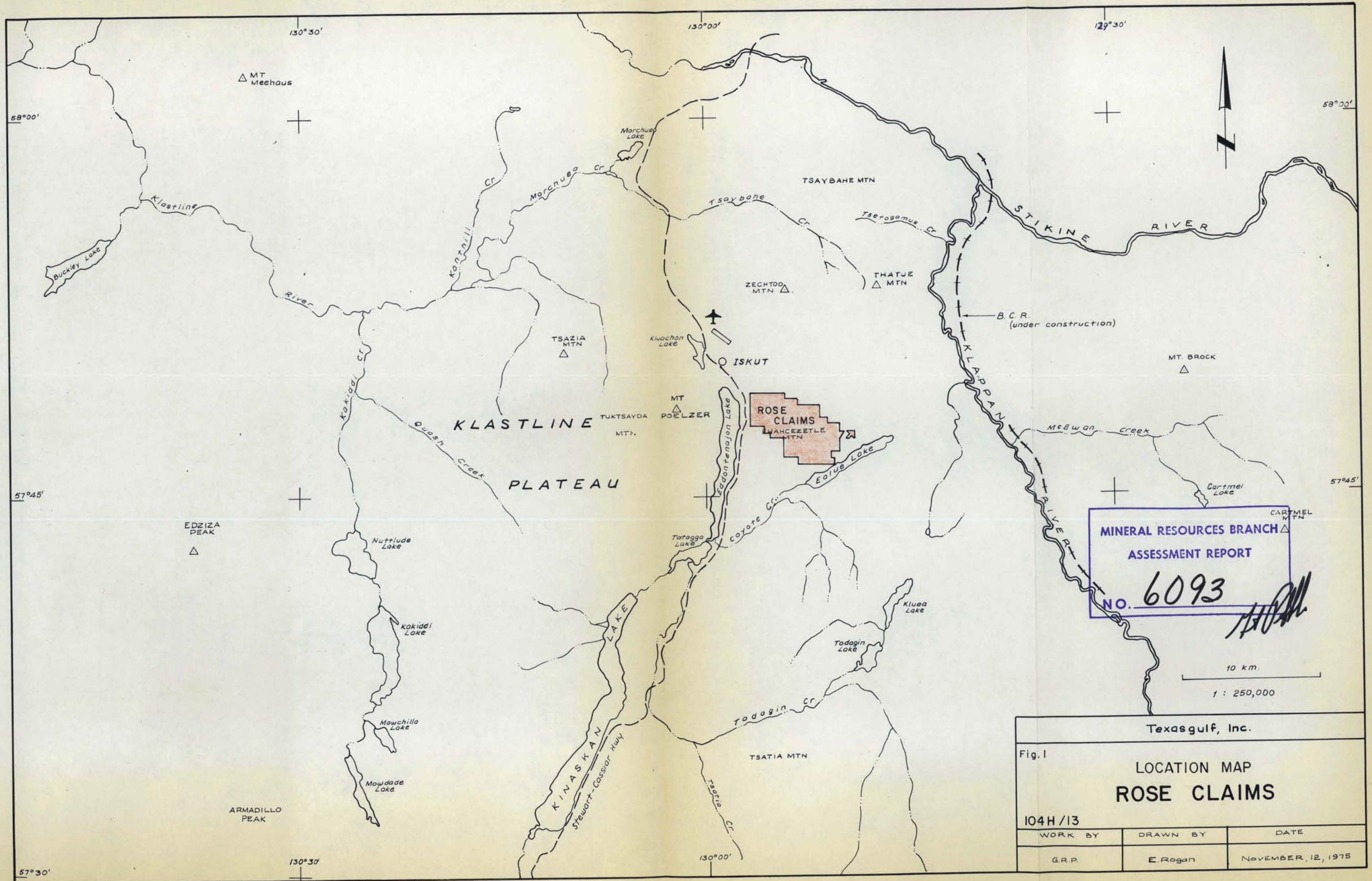
The Rose Property, consisting of 15 contiguous mineral claims aggregating 94 units, was staked on behalf of Texasgulf Canada Ltd. during the 1975 and 1976 field seasons. The claims cover areas containing copper mineralization in monzonitic rocks and associated Upper Triassic volcanic and volcanoclastic sedimentary rocks.

This report is based on portions of a programme of mapping, geophysical and geochemical surveys, and diamond drilling undertaken in 1976.

LOCATION, ACCESS & TERRAIN

The property is located in the Liard Mining Division, centered approximately 7 km. S.E. of Iskut, B.C., at 57° 47' N lat. and 129° 55' W. long. (see Fig. 1). It is accessible by helicopter from points along the Stewart-Cassiar highway or the "Keene Access Road" which runs along the north shore of Ealue Lake.

The terrain is mountainous, with a total relief of 1000 metres on the property, ranging from 900 metres at Ealue Lake to 1900 metres at the highest point on the claims. An upland surface of moderate relief has been deeply incised by streams which now flow in steep-walled canyons. In many areas, working conditions are extremely hazardous. The bulk of the property is covered by open grasslands, scree slopes or cliffs, but some very heavy scrub timber



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
 NO. 6093

10 km.
 1 : 250,000

Texasgulf, Inc.		
Fig. 1 LOCATION MAP ROSE CLAIMS		
104H/13		
WORK BY	DRAWN BY	DATE
G.R.P.	E. Rogan	NOVEMBER, 12, 1975

exists in the deeper canyons and on the flanks of the mountain.

HISTORY

The earliest recorded work in the general area of the property was in 1929, when eight claims were staked on the "Klapan-Rose" showing, which lies on adverse ground immediately east of the Rose property. This showing was worked sporadically for years.

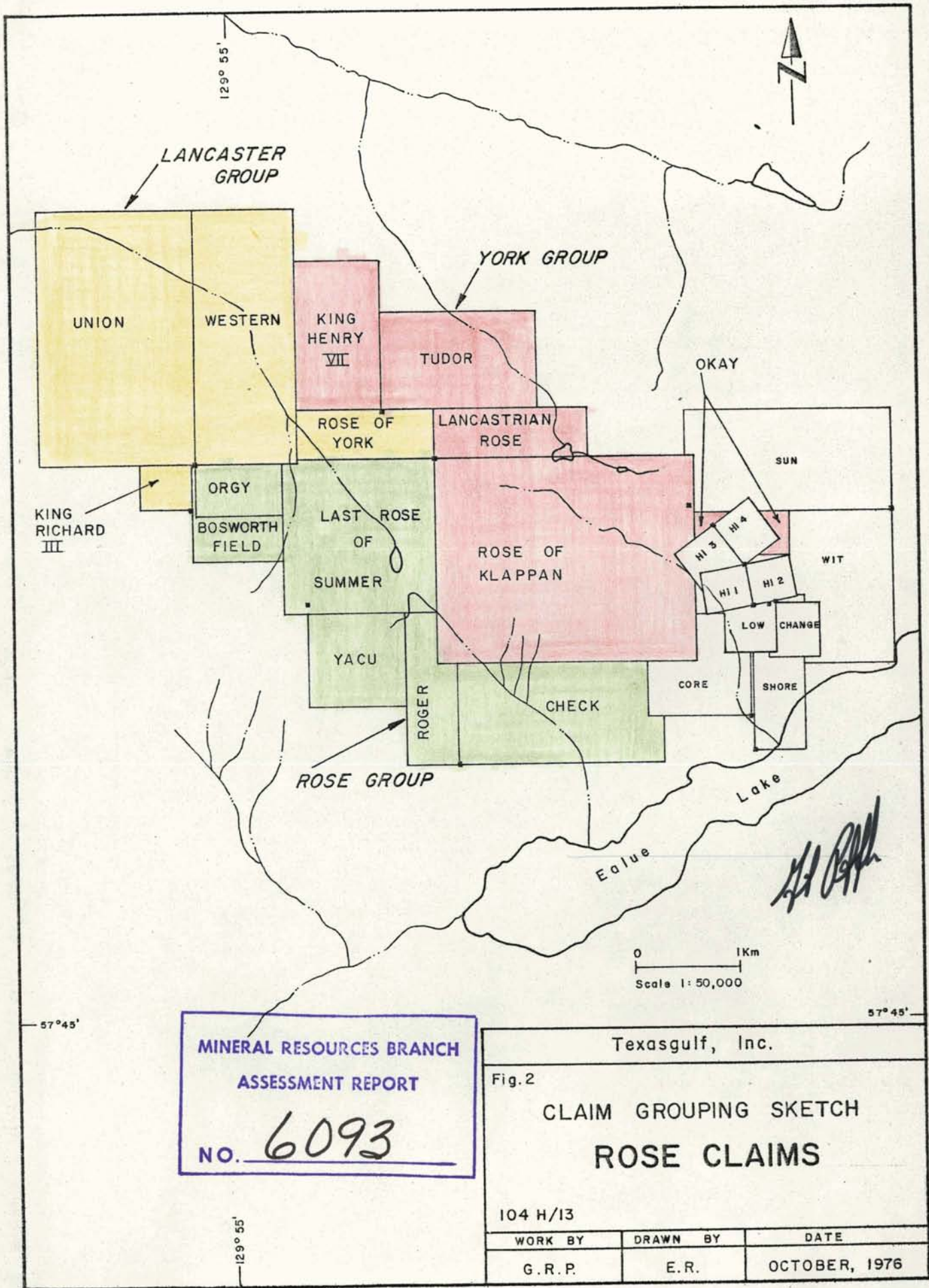
During the 1960's, several concerns examined the large "stain-zone" directly above Eddontenajon, and the ground was staked at least once. Copper showings were discovered in the northwest flowing creek which cuts across the northwestern corner of the property (see Fig. 2), but little work was done.

In the late 1960's, Yukonadian Mineral Explorations acquired a 35 claim block covering the old "Klapan-Rose" showing and adjacent ground to the northwest. Granduc Mines Ltd. examined the ground in 1970, and the results of their work appear in Assessment Work Report #3128. The claims finally lapsed in 1974, and Texasgulf Canada Ltd. began a programme of property acquisition in June 1975. Mr. J. Schussler located the four "Hi" claims in November 1974, and has continued to expand his property interests to the east of the Rose property.

Texasgulf undertook a preliminary mapping programme in 1975, followed by an integrated geological, geochemical, geophysical and diamond drilling project in 1976.

GRID ESTABLISHMENT

In order to provide control for geophysical and geochemical



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
 NO. 6093

Texasgulf, Inc.		
Fig. 2		
CLAIM GROUPING SKETCH		
ROSE CLAIMS		
104 H/13		
WORK BY	DRAWN BY	DATE
G. R. P.	E. R.	OCTOBER, 1976

surveys, two grids were established. The locations of the grids are shown on Figs. 3a and 3b. The "cirque grid" (Fig. 3a) was established in heavy scrub timber in the northwest creek canyon, by personnel from Texasgulf and Bear-X Mining and Exploration Services. Grid lines are approximately one metre wide. The "main grid" (Fig. 3b), also a joint effort, is located on the upland meadows, and thus involved no cutting. Both grids were transit controlled. Only portions of both grids were claimed for assessment credit.

HAND TRENCHING

Several trenches were excavated on the property, employing an Atlas-Copco "plugger" and dynamite. Of these, only one was claimed for assessment credit. This trench, located in the area of the cirque grid (see Fig. 3a), totalled 15 metres in length and exposed strongly epidotized monzonitic rock with sparse pyrite and extremely rare chalcopyrite mineralization. The source of high-grade chalcopyrite bearing float was not discovered. Assays are not reported or claimed for credit.

DIAMOND DRILLING

A total of 9 diamond drill holes aggregating 444 metres were put down on the Rose of Klappan mineral claim. The locations of the hole collars are shown on Fig. 4, and copies of summary geologic logs are included in Appendix A. Assays were not claimed for credit, and are therefore not included. The drilling was undertaken by

KING
HENRY VII

WESTERN

UNION

ROSE
OF
YORK

LAST ROSE
OF
SUMMER

ORGY

Trench



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

No. 6093

Texasgulf, Inc.

Fig. 3a

GRID LAYOUT SKETCH
CIRQUE GRID

ROSE CLAIMS

300 m.
Scale 1:10,000

104H/13

WORK BY	DRAWN BY	DATE
G.R.P.	E.R.	NOVEMBER, 2, 1978

ROSE OF YORK

LANCASTRIAN ROSE

LAST ROSE OF SUMMER

ROSE OF KLAPPAN

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

NO. 6093

Handwritten signature

300 m.
Scale 1:10,000

Texasgulf, Inc.

Fig. 3b

GRID LAYOUT SKETCH
MAIN GRID

ROSE CLAIMS

104 H/13

Proj. 983

WORK BY

DRAWN BY

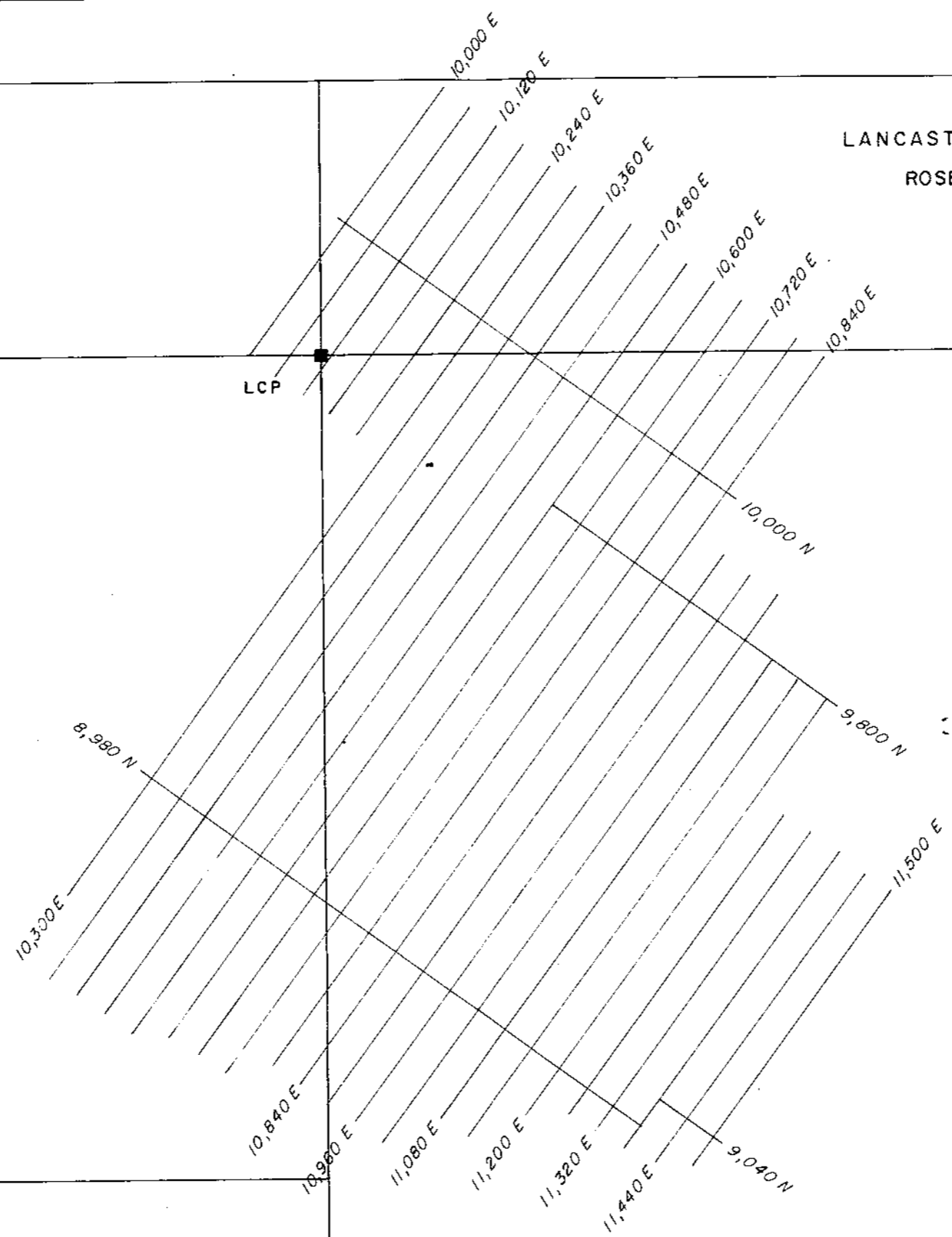
DATE

G. R. P.

E. R.

NOVEMBER, 2, 1976

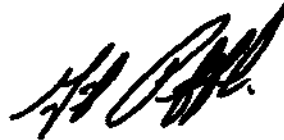
LCP



D.W. Coates Enterprises Ltd., and a copy of the drill contract is included as Appendix B. Core from this drilling is stored at Texasgulf's camp on the Keene Access Road, about 10 km. east of the property.

CLAIM LOCATION SURVEY

A McElhanney Associates crew completed a "location line survey" of the entire property during 1976. Although this work is not claimed for assessment credit, a copy of their map (Fig. 5) is included with this report. Note that the TUDOR and KING HENRY VII claims have been abandoned and restaked, and that the apparent fraction no longer exists.



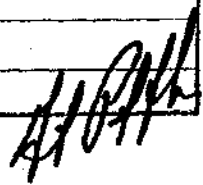
G.R. Peatfield, P.Eng.

APPENDIX A

SUMMARY OF DRILL LOGS

PROPERTY: ROSE		TEXASGULF INC. DRILL HOLE LOG		HOLE NO. RK-76-1										
LOCATION: 10,603.6 N; 10,367.2 E				CLAIM: ROSE OF KLAPPAN										
AZIM: 310° ELEV: 1706 m. DIP: -45°		DIP TEST		SECTION:										
DEPTH: 69.2 m. CORE SIZE: BQ				LOGGED BY: G.R. Peatfield										
STARTED: JULY 19, 1976		<table border="1"> <thead> <tr> <th>DEPTH</th> <th>READING</th> <th>CORRECT</th> </tr> </thead> <tbody> <tr> <td>69.2 m.</td> <td>-52°</td> <td>-43.5°</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>		DEPTH	READING	CORRECT	69.2 m.	-52°	-43.5°				DATE LOGGED: July 22-23, 1976	
DEPTH	READING			CORRECT										
69.2 m.	-52°	-43.5°												
COMPLETED: JULY 21, 1976				DRILLING CO.: D.W. Coates Enterprises										
CORE RECOVERY: GOOD TO EXCELLENT														
DEPTH		REC'Y	DESCRIPTION											
FROM	TO													
0	2 m.		Overburden											
2	19.2m	good	Dark green hornblende monzonite, with euhedral hornblende crystals now altered to chlorite and magnetite. The fine groundmass is potassic (sodium cobaltinitrate stain). The rock is moderately to strongly veined with a stockwork of 2 to 10 mm. qtz. stringers carrying chalcopyrite and some pyrite. Some chalcopyrite occurs as extremely fine disseminations. Magnetite is widespread.											
19.2	29.5m.	excellent	Fine grained hornblende monzonite, with distinctive aligned hornblende crystals, now pseudomorphous chlorite-magnetite, set in a very fine grained matrix. Carbonate veining becomes much stronger, and there is some chalcopyrite on fractures and as fine disseminations.											
29.5	39.5m.	excellent	Grey phase hornblende monzonite, with locally weak quartz stockwork and weak to moderate chalcopyrite mineralization. Pyrite shows a marked increase.											
39.5	41.2m.	excellent	Dark green chloritic feldspar porphyry dyke, strongly sheared.											

DEPTH		REC'Y	DESCRIPTION
FROM	TO		
41.2	51.9m.	good	A complex section of pink and green monzonite, with considerable colour and textural variation. In places the rock appears to be an intrusive breccia. Local sections of strong quartz vein stockwork have moderate chalcopyrite mineralization.
51.9	54.5m.	good	Major dark green chloritic fault zone.
54.5	55.3m.	excellent	Pink monzonite
55.3	65.2m.	good	Dark green feldspathic intrusive, probably diorite. Rock is locally faulted, and has some quartz and carbonate vein sections. Sulphide content is generally low.
65.2	69.2m.	excellent	Complex polymictic conglomerate, with volcanic and rare intrusive fragments set in a pale green matrix. Fragments are subrounded to subangular, generally 1-3 cm. Sulphide content is extremely low.



PROPERTY: ROSE	TEXASGULF INC. DRILL HOLE LOG	HOLE NO. RK-76-2	
LOCATION: 10,603.6 N; 10,367.2 E		CLAIM: ROSE OF KLAPPAN	
AZIM: 310° ELEV: 1706 m. DIP: -80°		SECTION:	
DEPTH: 69.5 m. CORE SIZE: BQ		LOGGED BY: G.R. Peatfield	
STARTED: JULY 21, 1976		DATE LOGGED: July 26, 1976	
COMPLETED: JULY 21, 1976		DRILLING CO.: D.W. Coates Enterprises	
CORE RECOVERY: EXCELLENT	DIP TEST		
	DEPTH	READING	CORRECT
	69.5m.	-81.5°	-78°

DEPTH		REC'Y	DESCRIPTION
FROM	TO		
0	2 m.		Overburden
2	27 m.	excellent	Dark green and pink hornblende monzonite, with magnetite-chlorite pseudomorphs after hornblende. Some epidote and K-spar are present in veinlets. Quartz veining is weak to 6.2 m., then intense with strong chalcopyrite mineralization, dropping off again at 24 m.
27	39.4m.	excellent	Fresh, brittle fine grained pink and grey hornblende monzonite with no quartz veining. Local sections are highly feldspathic, and there are short breccia sections, becoming more abundant downward. Sulphides restricted to weak disseminated pyrite, chalcopyrite.
39.4	43.8m.	excellent	Slightly coarser hornblende monzonite, more feldspathic, with some rounded inclusions of feldspathic intrusive. Section has some weak disseminated pyrite and chalcopyrite.
43.8	45.6m.	excellent	Breccia zone, with angular fragments of pink intrusive and quartz veins, in a dark green matrix. Breccia contains strong pyrite mineralization, and some chalcopyrite.

[Handwritten signature]

TEXASGULF INC.

DRILL HOLE LOG

HOLE NO.
RK-76-3

PROPERTY: ROSE
 LOCATION: 10,561.8 N; 10,340.9 E
 AZIM: 310° ELEV: 1713 m. DIP: -45°
 DEPTH: 11.6m. CORE SIZE: BQ
 STARTED: JULY 23, 1976
 COMPLETED: JULY 24, 1976
 CORE RECOVERY: FAIR TO GOOD


CLAIM: ROSE OF KLAPPAN
 SECTION:
 LOGGED BY: G.R. Peatfield
 DATE LOGGED: July 24, 1976
 DRILLING CO.: D.W. Coates
 Enterprises

DIP TEST

DEPTH	READING	CORRECT

DEPTH		REC'Y	DESCRIPTION
FROM	TO		
0	2 m.		Overburden
2	7.5 m.	fair	Complexly textured and coloured fine grained monzonite, with local quartz veining and some chalcopyrite. Hornblende crystals are altered to magnetite and chlorite.
7.5	9 m.	good	Pale green, chloritic, highly sheared fault zone.
9	11.6m.	good	Dark green feldspar porphyry dyke, with scattered white 1-2 mm. feldspar phenocrysts in a dark chloritic matrix. This rock is not veined or mineralized.

[Handwritten Signature]

PROPERTY: ROSE		TEXASGULF INC. DRILL HOLE LOG		HOLE NO. RK-76-4	
LOCATION: 10,561.8 N; 10,340.9 E				CLAIM: ROSE OF KLAPPAN	
AZIM: 310° ELEV: 1713m. DIP: -80°				SECTION:	
DEPTH: 68.3m. CORE SIZE: BQ				LOGGED BY: G.R. Peatfield	
STARTED: JULY 24, 1976		DIP TEST		DATE LOGGED: July 28, 1976	
COMPLETED: JULY 25, 1976				DRILLING CO.: D.W. Coates	
CORE RECOVERY: GOOD TO EXCELLENT				Enterprises	
DEPTH		REC'Y	DESCRIPTION		
FROM	TO				
0	3 m.		Overburden		
3	46.5m.	good	Various phases of grey and green more and less feldspathic hornblende monzonite. Short sections consist of breccia with angular to subrounded fragments. This entire section shows a marked absence of quartz veining, and sulphide mineralization is restricted to weak disseminated pyrite and rare chalcopyrite.		
46.5	49.5m.	excellent	Fine grained very dark green to black feldspar-rich mafic dyke.		
49.5	55 m.	excellent	Grey, fine grained monzonite, with extremely low sulphide content.		
55	68.3m.	excellent	Pink and grey breccia (?) with blurred, indistinct fragments. Both fragments and matrix are composed of monzonite, but there appear to be rare exotic fragments. Sulphide content is generally very low.		
					

PROPERTY: ROSE	TEXASGULF INC. DRILL HOLE LOG	HOLE NO. RK-76-5	
LOCATION: 10,576.3 N; 10,400.3' E		CLAIM: ROSE OF KLAPPAN	
AZIM: 310° ELEV: 1696 m. DIP: -45°		SECTION:	
DEPTH: 81.7 m. CORE SIZE: BQ		LOGGED BY: G.R. Peatfield	
STARTED: JULY 25, 1976		DATE LOGGED: July 31, 1976	
COMPLETED: JULY 26, 1976		DRILLING CO.: D.W. Coates Enterprises	
CORE RECOVERY: EXCELLENT	DIP TEST		
	DEPTH	READING	CORRECT
	81.7 m.	-52°	-43.5°

DEPTH		REC'Y	DESCRIPTION
FROM	TO		
0	2.5 m.		Overburden
2.5	16.4m.	excellent	A complex mixture of feldspathic and darker monzonite, with local sections containing many inclusions. Some narrow breccia zones are present. Strong pyrite and chalcopyrite mineralization occurs in a few very short sections.
16.4	37 m.	excellent	Medium grained hornblende monzonite, for the most part relatively feldspathic. Some sections have weak carbonate veining. Sulphide mineralization is very sparse, but the rock is, for the most part, strongly magnetic.
37	81.7m.	excellent	Fine-grained grey monzonite, with considerable carbonate veining. Lower in the section, various phases of fine to medium grained monzonite are present, and the carbonate veining ceases. Sulphide content is generally low, restricted to very short sections of disseminated pyrite and chalcopyrite.

PROPERTY: ROSE		<h1 style="text-align: center;">TEXASGULF INC.</h1> <h2 style="text-align: center;">DRILL HOLE LOG</h2>		HOLE NO. RK-76-7													
LOCATION: 10,918.6 N; 10,277.6 E				CLAIM: ROSE OF KLAPPAN													
AZIM: 215° ELEV: 1694 m. DIP: -40°				SECTION:													
DEPTH: 14.5 m. CORE SIZE: BQ		DIP TEST		LOGGED BY: G.R. Peatfield													
STARTED: JULY 28, 1976		<table border="1"> <thead> <tr> <th>DEPTH</th> <th>READING</th> <th>CORRECT</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		DEPTH	READING	CORRECT										DATE LOGGED: August 28, 1976	
DEPTH	READING			CORRECT													
COMPLETED: JULY 30, 1976		DRILLING CO.: D.W. Coates		Enterprises													
CORE RECOVERY: FAIR TO GOOD																	
DEPTH		DESCRIPTION															
FROM	TO	REC'Y															
0	3m.		Overburden														
3	13.7m.	fair to good	Essentially as described for RK-76-6, which is very close below this hole, which was also lost, at 14.5 m., because of strong faulting.														

G.R. Peatfield

PROPERTY: ROSE	TEXASGULF INC. DRILL HOLE LOG	HOLE NO. RK-76-8	
LOCATION: 10,834.2 N; 10,218.4 E		CLAIM: ROSE OF KLAPPAN	
AZIM: 215° ELEV: 1705 m. DIP: -45°		SECTION:	
DEPTH: 20.4 m. CORE SIZE: BQ		LOGGED BY: G.R. Peatfield	
STARTED: JULY 31, 1976		DATE LOGGED: September 15, 1976	
COMPLETED: AUGUST 1, 1976		DRILLING CO.: D.W. Coates Enterprises	
CORE RECOVERY: FAIR TO GOOD	DIP TEST		
	DEPTH	READING	CORRECT

DEPTH		REC'Y	DESCRIPTION
FROM	TO		
0	5 m.		Overburden
5	18.6m.	good	Black siltstone and wacke, with some narrow breccia zones. Strong calcite veining, and essentially no sulphides. Rocks grade downward to more lithic wackes with argillaceous interbeds. Strong faulting begins at 17m. Very weak pyrite mineralization.
18.6	20.4m.	fair	Pale green chloritic sheared rock, possibly a tuff. Strong faulting continues, resulting in loss of hole at 20.4m.

PROPERTY: ROSE		TEXASGULF INC. DRILL HOLE LOG		HOLE NO. RK-76-9										
LOCATION: 10,729.4 N; 10,216.6 E				CLAIM: ROSE OF KLAPPAN										
AZIM: 305° ELEV: 1730 m. DIP: -45°				SECTION:										
DEPTH: 93.3 m. CORE SIZE: BQ		DIP TEST		LOGGED BY: G.R. Peatfield										
STARTED: AUGUST 2, 1976		<table border="1" style="width: 100%;"> <tr> <th style="width: 33%;">DEPTH</th> <th style="width: 33%;">READING</th> <th style="width: 33%;">CORRECT</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>		DEPTH	READING	CORRECT							DATE LOGGED: September 15, 1976	
DEPTH	READING			CORRECT										
COMPLETED: AUGUST 3, 1976		DRILLING CO.: D.W. Coates		Enterprises										
CORE RECOVERY: EXCELLENT														
DEPTH		REC'Y	DESCRIPTION											
FROM	TO													
0	3.2m.		Overburden											
3.2	18.4m.	excellent	Dark purple volcanic breccia, with very narrow dark feldspar porphyry dykes. Breccia has some small rounded fragments of pink intrusive (?) rock. No sulphides.											
18.4	28.8m.	excellent	Dark feldspar porphyry dyke, with small white feldspar phenocrysts in a dark green matrix. No sulphides.											
28.8	52.5m.	excellent	Breccia. Heterogeneous, poorly sorted fragments, mostly of volcanic character. No sulphides.											
52.5	55.2m.	excellent	Dark purple highly feldspathic dyke. No sulphides.											
55.2	64.5	excellent	Back to previously described heterogeneous breccia, with a tendency to be much coarser, purple and full of short dyke (?) intersections. No sulphides.											
64.5	67.5m.	excellent	Dark green feldspathic dyke.											

APPENDIX B

DIAMOND DRILL CONTRACT

THIS AGREEMENT made this 22nd day of April 1976

BETWEEN:

TEXASGULF INC.,
701 - 1281 West Georgia St.,
Vancouver, B.C.

(hereinafter referred to as
"The Company")

OF THE FIRST PART

AND:

D. W. COATES ENTERPRISES LTD.,
256A Simpson Road,
Richmond, B.C. V6X 2P9

(hereinafter referred to as
"The Contractor")

OF THE SECOND PART

WHEREAS the Company has requested the Contractor to complete a minimum of 1,000 feet of drilling and other services as herein set forth, on the property of the Company in the Rose Property - Stikine River area in the Province of British Columbia.

AND WHEREAS the Contractor has agreed to do the said diamond drilling and to perform the other services requested upon the terms, conditions and provisions herein contained.

NOW THEREFORE this Agreement Witnesseth that in consideration of the payment of the amounts herein stipulated and of the mutual covenants hereinafter contained, the parties hereto agree as follows:

SCHEDULE OF RATES - CORING

THAT the Company hereby employs the Contractor to drill on the said property a series of bore holes using a 8Q core barrel producing a core of approximately 1 7/16 inches. The Company agrees to pay the Contractor on a footage basis for all drilling according to the following schedule of rates:

<u>From</u>	<u>To</u>	<u>Price/Foot</u>
0	500' in depth	\$11.90

It is understood that measurement of all bore holes shall be from the top of the casing or stand pipe as the case may be.

OVERBURDEN

THAT the Company agrees to pay for casing or stand pipe for the first 25 feet in any hole according to the schedule of rates as quoted. The Company further agrees that in the event that casing or stand pipe on any hole exceeds 25 feet then charges for placing and pulling casing or stand piping on that hole shall be charged on a field cost basis from the collar of the hole.

Whenever pipe or casing is lost or left in a hole on the instructions of the Company's engineer, the Company agrees to pay for said casing or pipe at prices F.O.B. drill site plus fifteen percent.

The Company agrees to pay the Contractor for the cost of the diamond set shoe or bit in addition to the casing at cost plus fifteen percent.

The Company further agrees that should the casing or stand pipe exceed 25 feet in any hole, the Contractor would be reimbursed at the rate of \$.80 per foot of casing employed down the hole to cover wear and tear on the casing.

MOVING BETWEEN HOLES - SETTING UP - TEARING DOWN

THAT the Company agrees to pay the Contractor for all moves between drill site locations on a field cost basis. This item includes obtaining sills, tearing down, setting up and moving.

The Company would provide a helicopter to aid in moving between holes, at no cost to the Contractor.

Moving between drill areas would be performed on a field cost basis.

WATER SUPPLY

THAT the Company agrees that the supplying of all necessary water to the drill would be performed on a field cost basis.

TRANSPORTATION

THAT the Contractor agrees to move his men, equipment and supplies from his base to truck unload point and return from load point to base as per Eskay agreement dated March 8, 1976.

The movement of men, equipment and supplies from truck unload point to first drill site and from last hole to load point will be charged on a field cost basis.

The Company would supply a helicopter for the mobilization demobilization and for continuing supplies as the job progresses at no cost to the Contractor.

The Contractor further agrees that should he be successful in obtaining other work for the drill in the Stikine Area, then the above mobilization lump sum would then be reduced by fifty percent.

ACID TESTS

THAT the Contractor agrees to take acid tests at the depths as instructed by the Company's engineer. Such tests will be charged at the rate of three feet of drilling at the depth the tests were taken.

DRILLING WITH MUD

THAT it is mutually agreed that should mud be required to penetrate the overburden and/or aid in core recovery while core drilling, such mud employed will be charged on a cost at job site/basis plus fifteen percent.

Time employed mixing mud and stabilizing the drill hole would be charged on a field cost basis.

CEMENTING

THAT the Company agrees to pay the Contractor for the cementing of bore holes to stop cave-ins on an operating field cost basis.

Waiting for cement to set would be charged on a non - operating field cost basis.

TRAVELLING TIME

THAT the Company agrees that should the time required to walk or ride from the camp to the drill site and return per shift be greater than $\frac{1}{2}$ hour, then that "over" will be recovered on a field cost basis.

REAMING AND CASING

THAT the Company agrees that all reaming and casing that is necessary to stop cave-ins or maintain the return flow of water shall be completed at the Company's request and that the cost of performing such reaming and placing of such casing as may be required will be charged on a field cost basis.

Casing would be charged at the rate of \$.80 per reamed foot.

DIRECTIONAL AND CONTROLLED DRILLING

THAT it is mutually agreed that directional drilling to change the direction of a bore hole and controlled drilling to maintain the angle of a bore hole shall not be part of this agreement.

SECURITY

THAT the Contractor will not give out any information regarding drill results or access to core to any person other than to the Company's representative.

BOARD AND LODGING

THAT the Company agrees to supply suitable board and lodging for the Contractor's crews at no cost to the Contractor.

CORE BOXES

THAT the Company agrees to pay the Contractor \$4.50 per box and \$1.50 per lid, supplied at their request.

CORE SPLITTER

THAT the Contractor agrees to supply a core splitter if requested, at the rate of \$30.00 per month.

DRILLING SITES

THAT the Contractor agrees to case and drill on the sites and at angles and azimuths selected by the Company representative and to follow the instructions of the said representatives relating to place and time of drilling.

FIELD COSTS

THAT the Company agrees that the following rates shall apply when certain work as defined in this contract is performed on a field cost basis. "Field Cost" is defined as all direct labour, including supervision, drill and support equipment per hour, and cost of pipe or casing lost, diamond loss, and materials and supplies consumed in this work.

Operating Field Costs:

Labour -----	\$13.00 per man hour
Drill -----	\$ 8.00 per hour
Pump -----	\$.85 per hour
Mud Mixer -----	\$.60 per hour
Materials Consumed -----	Cost at job site plus 15 percent

Note: No charge is made for drill or pumps when mobbing or demobbing and moving between holes.

Non-Operating Field Costs or Standby Time: (Max. 8 hrs./day)

Labour -----	\$12.00 per man hr.
Drill - Equipment -----	\$ 5.00 per hr.

PAYMENTS

THAT the Company agrees to make payments at the rates hereinbefore specified in accordance with the terms hereinafter set out, that is: For all work done hereunder between the first and 15th day and the 16th and last day of the month, payment shall be due and payable in 15 days. Interest at a rate of twelve percent per annum shall be added to all accounts more than thirty days overdue, from date of invoice. These payments shall be made as the work progresses in conformity with the Contractor's semi-monthly invoices.

RIGHTS-OF-WAY

THAT the Company agrees at its own expense to provide all rights-of-way, all rights of ingress and egress and all real property that may be required in connection with said work, including real property upon which all necessary temporary buildings may be erected, and other facilities required, and shall also warrant the quiet and peaceful possession of all such real property and shall save the Contractor harmless from any and all damages, claims, demands, cost or charges of whatever kind or character incident to the occupation of said real property.

CAVED OR BROKEN GROUND

THAT in the event cavities or loose and caving materials are encountered of a nature as to prevent the successful completion of any hole, the Contractor does not, under such conditions, guarantee to drill to a predetermined depth and in the event that it becomes necessary to abandon the hole,

the Company agrees to pay for such incompleated holes at the rates herein specified for all footage completed.

IN the event it becomes necessary to resort to cementing, reaming or casing, the Company agrees to reimburse the Contractor to the extent of field cost.

ENVIRONMENT

THAT during the course of the work, the Contractor shall at all times keep the clients premises free from accumulation of waste material or rubbish and upon completion of the work shall remove all tools, scaffolding and surplus material and leave the premises in a clean condition. The Contractor shall observe and comply with all applicable Federal and Provincial laws, regulations and orders relating to prevention of forest fires and sanitation in the bush.

COMPENSATION

THAT the Contractor agrees that the men employed by him in the performance of this Contract shall be fully covered under the Worker's Compensation laws according to the Province of British Columbia and will keep such men covered and will pay the assessment required and will protect the Company from any action arising therefrom, excluding however, claims arising out of any negligent act or omission of the Company, its servants or agents.

ESCALATION

THAT both the Contractor and Company appreciate the inflationary forces that are prevalent and active today. It is thus agreed that the enclosed schedule includes (1) the labour rates that are in effect as at April 1/76 and the (2) costs for diamonds, rods, casing and fuel as of February 15/76.

Should there be any marked increase in (2) then it is agreed that the schedule of rates would be adjusted to compensate for the increases.

INSURANCE

THAT the Contractor, during the entire term of this agreement, will keep in full force and effect a policy of public liability and property damage insurance with respect to the work undertaken in this agreement, in the amount of \$1,000,000 for any one accident.

The insurance shall be with an insurance company duly licensed to do business in the Province of British Columbia.

RIGHT OF CANCELLATION

THAT the Contractor reserves the right to cancel this contract should its fulfillment be rendered impossible by:

(a) War, invasion, insurrection, riot, the order or regulations of any civil or military authority, or by strikes, lockouts, or labour disputes, whether in or in the neighbourhood of the Contractor's plant or of that of any supplier of materials necessary for the completion of the contract.

(b) The inability to obtain essential materials and supplies due to priority restriction.

(c) The inability to secure labour due to restrictions or causes beyond the Contractor's control, and the Contractor shall not be liable for any loss or damage directly or indirectly suffered by the Company by reason of exercise of such right of cancellation.

THAT it is mutually agreed that this agreement shall be binding upon and ensure to the benefit of the parties hereto, their respective successors and permitted assigns, but shall not be assignable by either party without the consent in writing of the other party first had and obtained.

THAT it is further agreed that this agreement and any dispute arising hereunder shall be interpreted and determined in accordance with the laws of the Province of British Columbia.

THAT any notice required to be given hereunder shall be properly given if mailed by registered letter addressed to the Company as follows:

Texasgulf Inc.,
701 - 1281 West Georgia St.,
Vancouver, B.C.

or to the Contractor by registered letter addressed as follows:

D. W. Coates Enterprises Ltd.
256A Simpson Road
Richmond, B.C. V6X 2P9

IN WITNESS WHEREOF these presents have been executed by the parties hereto the day and year first above written:

SIGNED, SEALED AND DELIVERED
in the presence of

TEXASGULF INC.

See Newman
Regional Mgr - Exploration

D. W. COATES ENTERPRISES LTD.

D. W. Coates
D. W. Coates

STATEMENTS OF QUALIFICATION

Texasgulf Personnel

L.A. McJannett - Field Assistant

Mr. McJannett obtained his B.A. degree in Economics and South-East Asian Studies from the University of Hull, Humberside, Great Britain in 1976. He has worked in mineral exploration for Texasgulf Inc. for five field seasons where his work has included camp managing, linecutting, soil sampling and trenching. He is regarded as experienced and competent in these areas.

R. Edwards - Field Assistant

Mr. Edwards is a high school student in Richmond, B.C. He has been employed by Texasgulf for the past two field seasons, and is regarded as a keen, capable field assistant.

D. Quock - Field Assistant

Mr. Quock was employed by Texasgulf during the 1976 field season, where his work included linecutting and assisting on I.P. surveys. Mr. Quock is regarded as experienced and competent in these areas.

D. Dennis - Field Assistant

Mr. Dennis was employed by Texasgulf during the 1976 field season, where his work included linecutting and assisting on I.P. surveys. Mr. Dennis is regarded as experienced and competent in these areas.

APPENDIX C

STATEMENTS OF QUALIFICATION

STATEMENTS OF QUALIFICATION

Bear-X Personnel

R.J. Barclay

Mr. Barclay is manager of Bear-X Geology & Exploration Services Ltd., where his work includes linecutting, trenching, and surveys of a geophysical and geochemical nature. Mr. Barclay is regarded as experienced and competent in these areas.

I. Johnson

Mr. Johnson is presently enrolled in the Faculty of Arts at the University of Victoria. Mr. Johnson was employed by Bear-X during the 1976 field season, where his work included linecutting, trenching and soil sampling. He is regarded as experienced and competent in these areas.

J. Marinutti

Mr. Marinutti was employed by Bear-X during the 1976 field season, where his work included linecutting and trenching. He is regarded as experienced and competent in these areas.



APPENDIX D

STATEMENTS OF EXPENDITURES

STATEMENT OF EXPENDITURES - YORK GROUP

Supervision & Logging:

G.R. Peatfield, P.Eng. 15 days @ \$110 \$ 1,650.00

Diamond Drilling:

Estimated cost of drilling 1458', complete with charges for mobilization, testing, moving, transportation, etc.* \$25,122.17

Drill Site Preparation:

28 man-days @ \$50 \$ 1,400.00

Helicopter Support:

Texasgulf Bell 206B; \$300/hr.: \$16,920.00
94 hrs. flown on project,
60% applicable to drilling.

Camp Expenses:

119 man-days @ \$25 \$ 2,975.00

Travel, Shipping, etc.:

Travel	\$350.00	
Shipping	300.00	
Auto	250.00	
Equipment Rental	75.00	
Supplies	125.00	
Communication	100.00	
	<hr/>	
	\$1200.00	\$ 1,200.00
		<hr/>
		\$49,267.17
		<hr/>

* At the time this statement was prepared for filing, D.W. Coates Enterprises invoices were not fully available. Total costs for diamond drilling, as ultimately invoiced, were \$25,576.39.

G.R. Peatfield, P.Eng.



STATEMENT OF EXPENDITURES - ROSE GROUP

Salaries & Fringe Benefits:

Texasgulf, Inc.:

G.R. Peatfield, P. Eng - Supervision

July 31 - 1 day @ \$110

\$110.00

D. Quock - trenching & linecutting

Aug. 2, 19-21, 23-24 - 6 days @ \$45

270.00

L. McJannett - linecutting

July 31 - 1 day @ \$40

40.00

R. Edwards - linecutting

July 31 - 1 day @ \$26

26.00

D. Dennis - linecutting

Aug 13-16 - 4 days @ \$45

180.00

Bear-X Geology & Exploration Services

R. Barclay - manager

July 31, Aug 13-16 - 5 days @ \$85

425.00

J. Marinutti - linecutter

July 31, Aug 2, 19-21, 23-24 - 7 days @ \$64

448.00

\$1,499.00 \$1499.00

Camp Expenses:

Total crew = 25 days @ \$25

625.00

Helicopter Support:

Texasgulf Bell 206B 6.5 hrs @ \$300

1950.00

Travel, Shipping, etc:

Travel 125.00

Shipping 50.00

Equipment rental 100.00


Communications 50.00

Tech. supplies 75.00

\$400.00

400.00

\$4474.00


J.M. Newell, P. Eng.

STATEMENT OF EXPENDITURES - LANCASTER GROUP

Salaries & Fringe Benefits:

Texasgulf, Inc:

G.R. Peatfield, P.Eng. - Supervision

Aug 3 - 1 day @ \$110 \$110.00

D. Quock - linecutter

Aug 3-14, 16-18 - 15 days @ \$45 675.00

D. Dennis - linecutter

Aug 8-12 - 5 days @ \$45 225.00

Bear-X Geology & Exploration Services:

R. Barclay - manager

Aug 3-9 - 7 days @ \$85 \$595.00

I. Johnson - linecutter

Aug 8-10 - 3 days @ \$64 192.00

J. Marinutti - linecutter

Aug 3-14, 16-18 - 15 days @ \$64 960.00

2,757.00

\$2,757.00

Camp Expenses

Total crew = 46 days @ \$25/day

1,150.00

Helicopter Support

Texasgulf Bell 206B 7.5 hours @ \$300

2,250.00

Travel, Shipping etc.

Travel

125.00

Shipping

50.00

Equipment Rental

250.00


Communications

75.00

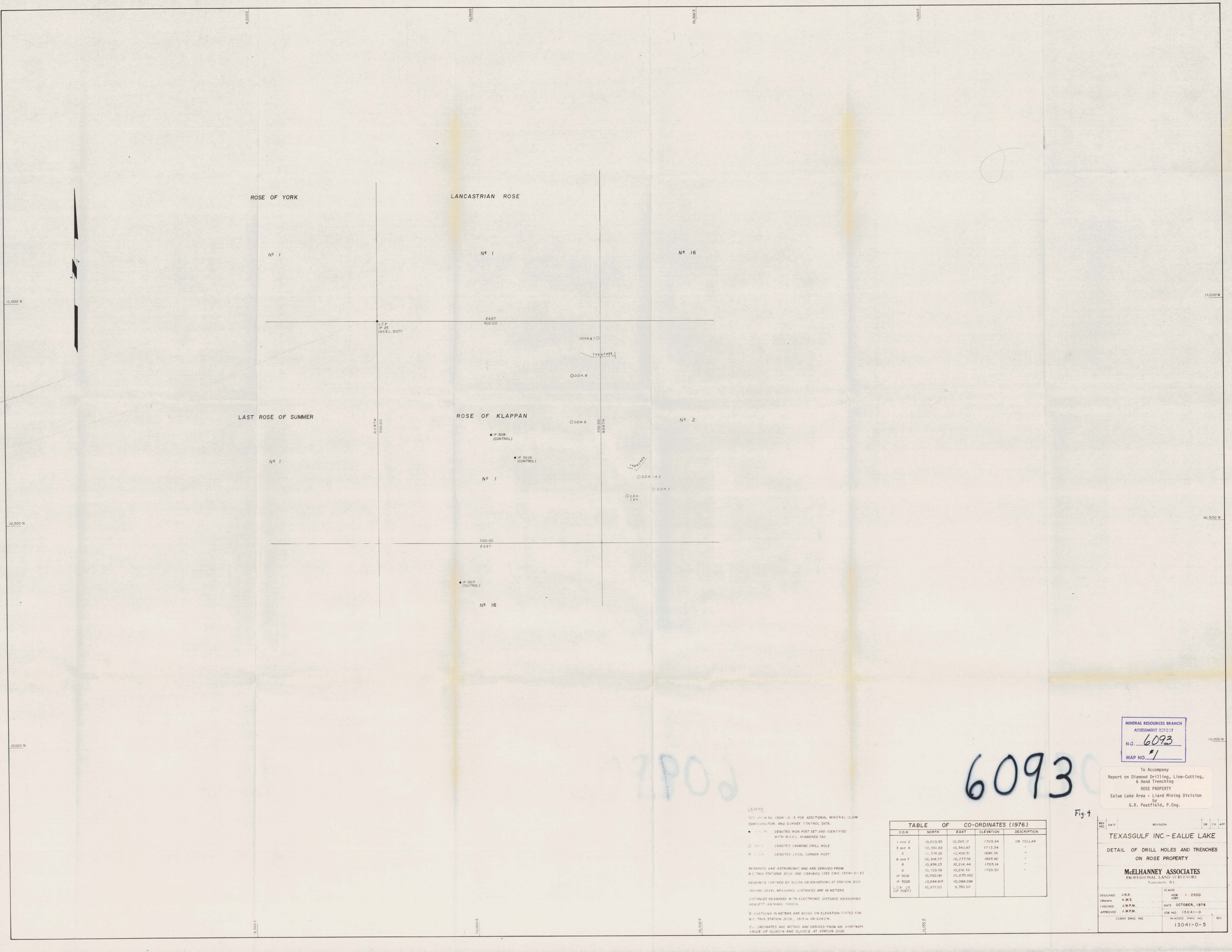
500.00

500.00

\$6,657.00



J.M. Newell, P.Eng.



17902

60930

LEGEND
 SEE DRAWING 13041-0-3 FOR ADDITIONAL MINERAL CLAIM
 CORRELATION AND SURVEY CONTROL DATA.
 ● I.P. DENOTES IRON POST SET AND IDENTIFIED
 WITH M.S.E.L. NUMBERED TAG.
 ○ D.D.H. DENOTES DIAMOND DRILL HOLE
 ○ L.C.P. DENOTES LEGAL CORNER POST
 BEARINGS ARE ASTROMONIC AND ARE DERIVED FROM
 B.C. TRIG STATIONS 2026 AND CARIBOU. (SEE DWG. 13041-0-3)
 BEARINGS CHECKED BY SOLAR OBSERVATION AT STATION 2026
 GRAVITY LEVEL MEASUREMENTS DISTANCES ARE IN METERS
 DISTANCES MEASURED WITH ELECTRONIC DISTANCE MEASURING
 HEWLETT-PACKARD 3000 A.
 ELEVATIONS IN METERS ARE BASED ON ELEVATION STATED FOR
 B.C. TRIG STATION 2026, 1915 m ON 6282 ft.
 CO-ORDINATES ARE METRIC AND DERIVED FROM AN ARBITRARY
 VALUE OF 10,000 N AND 10,000 E AT STATION 2026.

TABLE OF CO-ORDINATES (1976)

D.D.H.	NORTH	EAST	ELEVATION	DESCRIPTION
1 and 2	10,603.55	10,367.17	1705.94	ON COLLAR
3 and 4	10,561.82	10,340.87	1713.34	-
5	10,576.26	10,400.31	1696.36	-
6 and 7	10,918.57	10,272.56	1693.90	-
8	10,834.23	10,218.44	1705.14	-
9	10,729.38	10,216.56	1729.50	-
IP 5018	10,700.181	10,035.952	-	-
IP 5026	10,648.815	10,088.998	-	-
L.C.P. 25 (IP 5025)	10,857.20	9,760.50	-	-

Fig 4

MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
 NO. 6093
 MAP NO. #1

To Accompany
 Report on Diamond Drilling, Line-Cutting,
 & Hand Trenching
 ROSE PROPERTY
 Ealue Lake Area - Liard Mining Division
 by
 G.R. Peatfield, P.Eng.

REV. NO.	DATE	REVISION	DR.	CHK.	APP.

TEXASGULF INC. - EALUE LAKE
DETAIL OF DRILL HOLES AND TRENCHES
ON ROSE PROPERTY

McELHANNAY ASSOCIATES
 PROFESSIONAL LAND SURVEYORS
 Vancouver, B.C.

DESIGNED - J.N.R.	SCALE	1:2500
DRAWN - K.M.S.	HORIZ.	
CHECKED - J.W.P.M.	VERT.	
APPROVED - J.W.P.M.	DATE	OCTOBER, 1976
CLIENT DWG. NO.	JOB NO.	13041-0
	ASSOC. DWG. NO.	
	REV.	13041-0-5

14,000 N

14,000 N

12,000 N

12,000 N

10,000 N

10,000 N

8,000 N

8,000 N



NOTE:
TUDOR & KING HENRY VII abandoned and
restated, so fraction no longer exists.

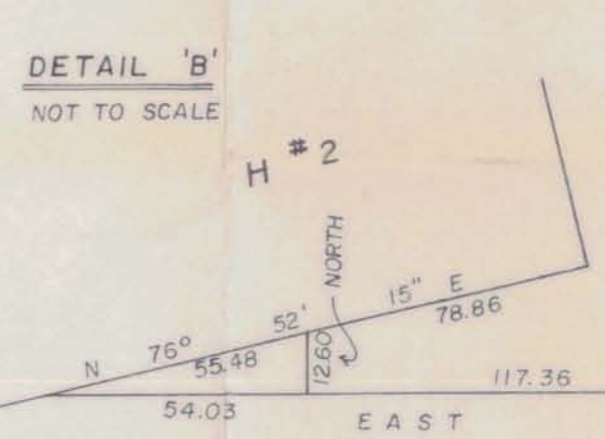
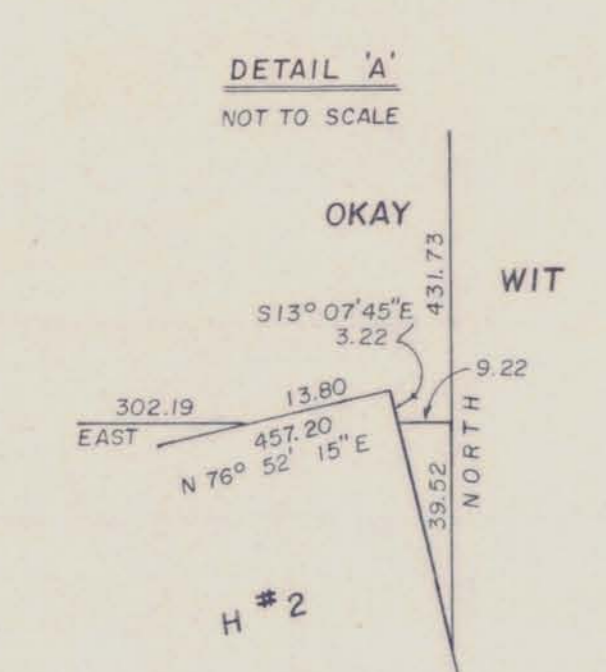
CO-ORDINATE TABLE		
STATION	NORTH	EAST
5026	10,000.000	10,000.000
5030	11,562.189	9,145.760
5019	10,935.481	7,418.232
5042	10,364.246	7,681.805
5020	9,539.200	8,510.370
5021	9,274.811	9,890.223
5043	8,558.403	9,241.442
5049	8,213.634	9,548.974
5044	8,380.877	9,758.342
5046	7,959.545	9,995.193
5047	8,274.116	12,695.606
1837	8,401.088	12,776.934
1836	8,520.016	12,898.237
1835	8,636.999	12,897.232
1833	8,882.332	12,886.748
1831	9,032.470	12,879.861
5037	9,487.451	12,868.442
5039	9,470.470	12,894.360
5036	9,851.963	12,774.587
5033	10,082.486	12,649.023
5031	10,580.114	11,851.931
5048	10,054.818	12,780.667
5028	10,648.813	10,088.998
5018	10,700.181	10,035.952
5017	10,365.884	9,984.850

CO-ORDINATES OF GRIDS				
POINT No	T.G.		M.C.S.S.O.C.	
	NORTH	EAST	NORTH	EAST
1	10,680	10,000	11,388	8,218
2	10,240	10,040	10,958	8,230
3	10,000	10,100	10,721	8,272
4	9,120	10,720	10,052	8,892
5	8,980	10,780	9,904	8,882
6	9,300	11,080	9,994	10,290

BEARINGS ARE ASTROMERIC AND ARE DERIVED FROM BC TRIG STATIONS 2026 AND CARIBOU
BEARINGS CHECKED BY SOLAR OBSERVATIONS AT STATION 2026
GROUND LEVEL MEASURED DISTANCES ARE IN METERS
DISTANCES MEASURED WITH ELECTRONIC DISTANCE MEASURING HEWLETT-PACKARD 3800 A
CO-ORDINATES ARE BASED ON AN ARBITRARY VALUE OF 10,000 N AND 10,000 E AT STATION 2026

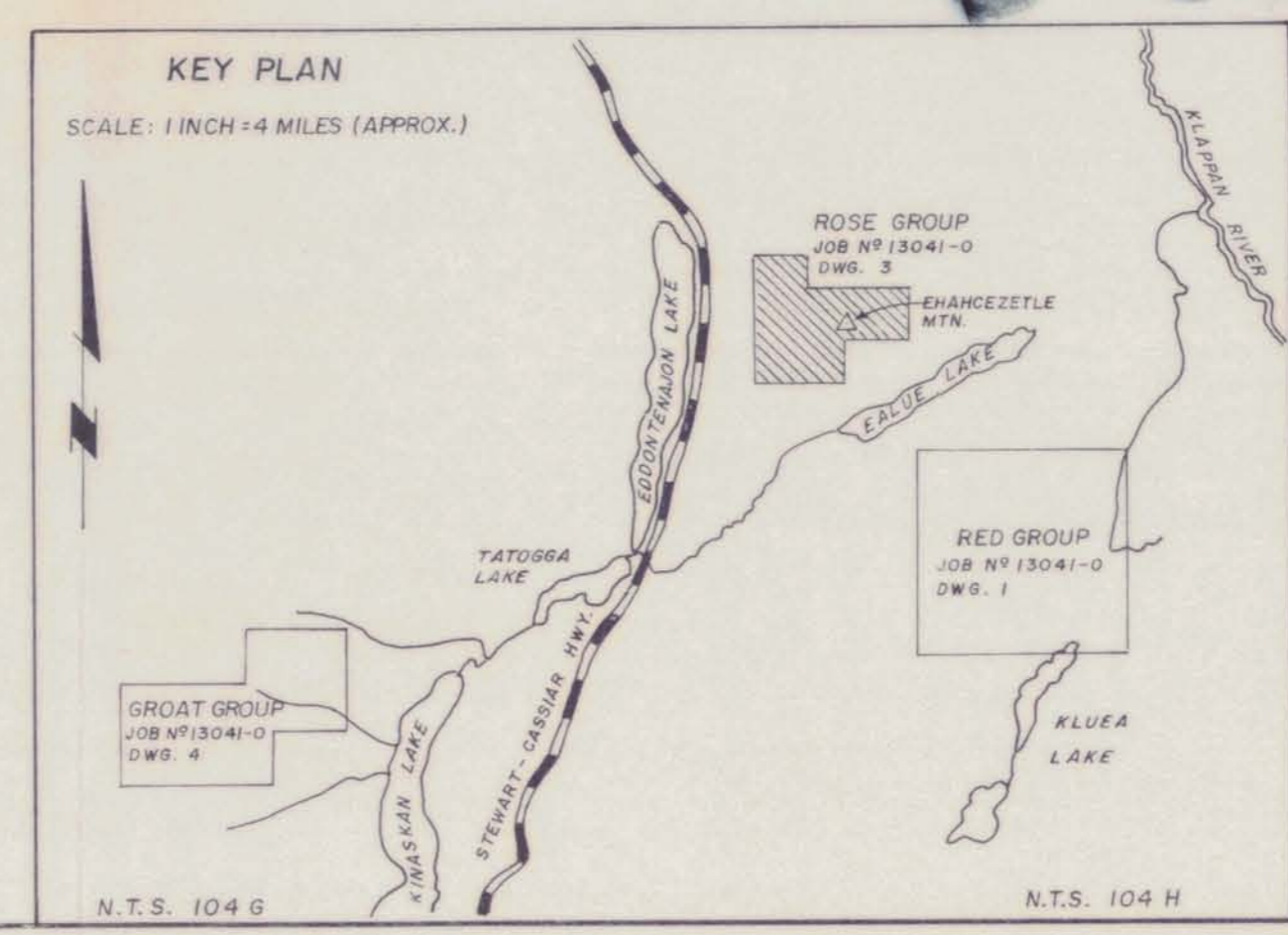
- LEGEND
- △ 1831 DENOTES WOODEN HUB SET WITH NAIL AND M.S.E.L. NUMBERED TAG
 - IP 5031 DENOTES IRON POST SET AND IDENTIFIED WITH M.S.E.L. NUMBERED TAG
 - ⊕ DENOTES CLAIM POST FOR OLD STYLE CLAIMS
 - L.C.P. DENOTES LEGAL CORNER POST

POSTS		
L.C.P. 106	10,412.26	14,231.63
L.C.P. 105	10,483.93	7,398.61
L.C.P. 104	8,081.23	12,848.99
L.C.P. 103	7,975.37	9,976.52
L.C.P. 102	8,414.10	12,837.01
L.C.P. 101	11,485.80	9,251.22
5032	10,480.53	12,235.85
5034	10,265.83	12,476.48
5035	9,879.81	12,776.43
5038	9,507.69	12,863.18
5040	9,497.04	13,012.94
5041	9,515.66	13,044.00
5025	10,957.20	9,780.50



6093

Fig. 5



ASSESSMENT REPORT
NO. 6093
MAP NO. #2

To Accompany
Report on Diamond Drilling, Line-Cutting
& Hand Tranching
ROSE PROPERTY
EaLue Lake Area - Liard Mining Division
by
G.R. Peatfield, P.Eng.

REV. NO.	DATE	REVISION	DR.	CH.	APP.
TEXASGULF INC. - EALUE LAKE					
LOCATION LINE SURVEY OF ROSE GROUP LIARD MINING DIVISION - BRITISH COLUMBIA.					
McELHANNAY ASSOCIATES PROFESSIONAL LAND SURVEYORS Vancouver, B.C.					
DESIGNED	BY	SCALE	1 : 10,000		
DRAWN	BY	DATE	OCTOBER, 1976		
CHECKED	BY	DATE	OCTOBER, 1976		
APPROVED	BY	DATE	OCTOBER, 1976		
CLIENT DWG. NO.	M.A.S.S.O.C. DWG. NO.	REV.	13041-0-3		