

Report on the

SURFACE DIAMOND DRILLING PROGRAM

on the

PORCHER ISLAND GOLD PROPERTY

Skeena Mining Division
Prince Rupert Area, B. C.

103J/2E

54°01½' North Latitude
136°35½' West Longitude

principally on the

Trixie Crown Grant - L 6515

between

September 1 and November 30, 1978

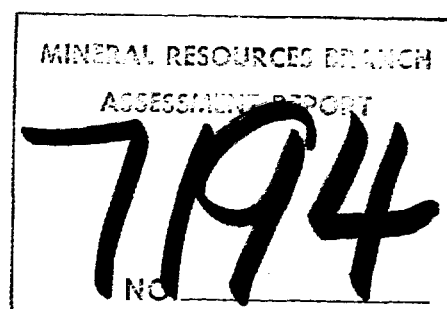
for

BANWAN GOLD MINES LIMITED
2560 A Simpson Road
Richmond, B. C. V6X 2P9
273-0985

by

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December 8, 1978



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INTRODUCTION

Banwan Gold Mines Limited has an agreement with Porcher Island Gold Mines Limited for the exploration and development of the former Surf Point Mine and Edye Pass Mine areas on Porcher Island.

Between September 7 and 9, 1978, at the request of Banwan, the writer and T. M. Waterland, P.Eng., president of Porcher, examined the surface and underground workings of both properties to familiarize the writer with the area.

Utilizing old mine plan data at a scale of 1"=50' (1:600) supplied by Mr. Waterland, the writer prepared north-south cross sections at the same scale at 100-foot intervals in the Surf Point Mine area, and proposed the drilling of a number of surface diamond drill holes to test the continuity of the auriferous pyrite-bearing quartz veins below the old mining level. Superior flexibility with respect to drill targets, and superior angles of intersections with the vein projections, dictated that the surface drilling be carried out in preference to underground drilling from the Edye Pass adit level 85 metres below the Surf Point Mine workings.

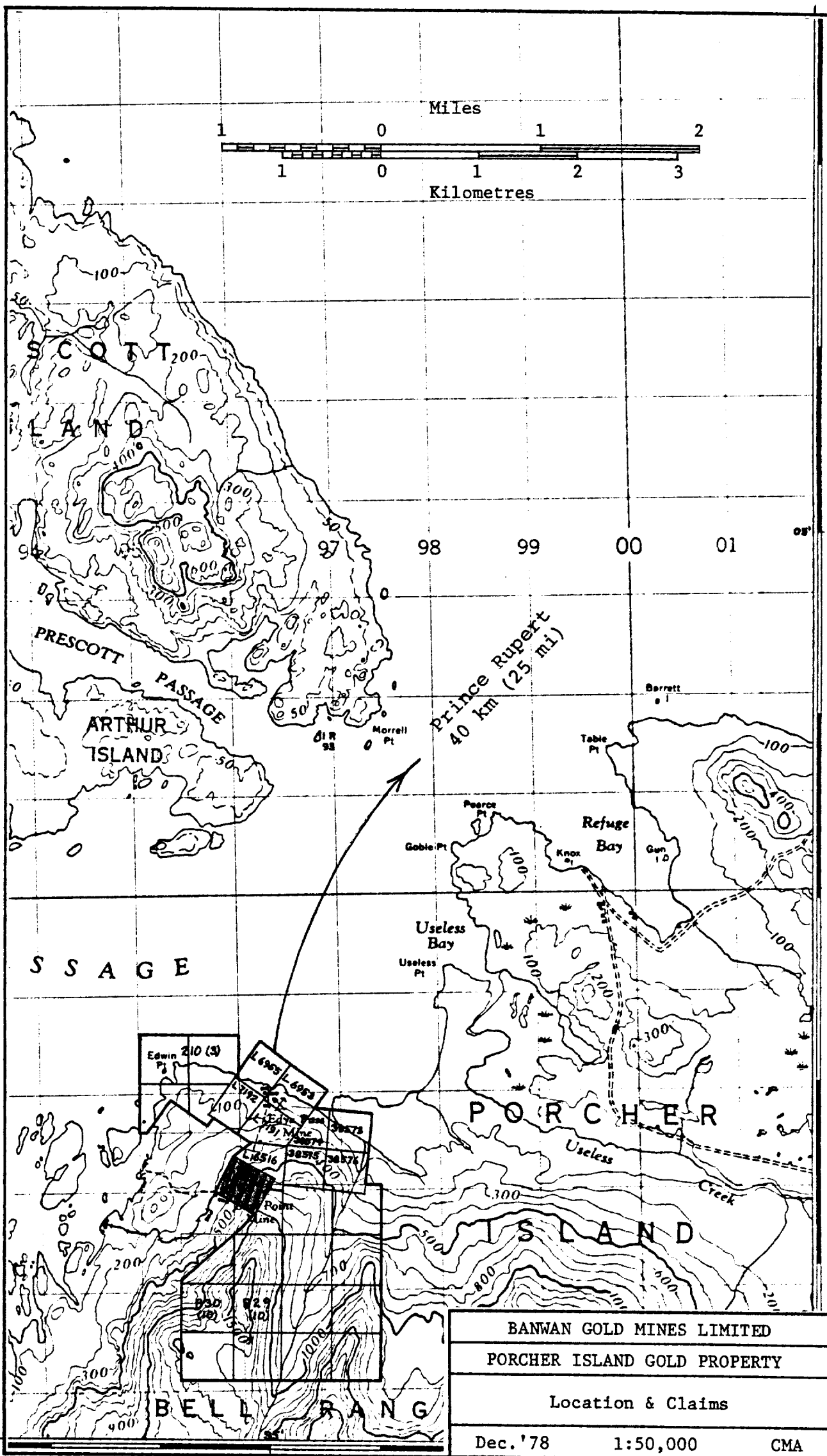
The writer returned to the property on October 6 to conduct a tape and compass survey (plus related line cutting and clearing) in order to locate accurately the proposed drill hole collars, and to clear a helicopter landing site and first drill-hole site. Following a period of inclement weather which made it impossible to unload the barge by helicopter in Welcome Harbour, 1 kilometre west of the Surf Point Mine area, on October 17 the first drill hole was collared.

Considerable rain, and gale force southeast winds, with gusts in excess of 100 kilometres per hour, coincided with disastrous flooding in the Hazelton-Terrace-Prince Rupert areas. The fourth and last drill hole was completed on November 3, yielding a total of 624 metres of BQ wireline diamond drilling. The 3-tent camp was secured, and all equipment stored in anticipation of continued exploration activity early in 1979. Inclement weather prevented helicopter demobilization of the drillers and their gear, and, after waiting for 2 days, the drillers were removed by float plane. The writer completed survey work and test geophysical work, and, together with the drillers' gear, was demobilized by helicopter on November 12, arriving in Vancouver by truck on November 14.

LOCATION AND ACCESS

Figure 1, a portion of NTS map 103J/2 East, Stephens Island, at a scale of 1:50,000, shows the location of the old Surf Point Mine and Edye Pass Mine, and the expanded Porcher claim group. The Trixie Crown Grant, L 6515, on which all diamond drilling was conducted, is shown in red.

Access to the property is by boat, float plane, or helicopter 40 kilometres southwest of the Seal Cove terminal in Prince Rupert. the property is approximately 740 kilometres northwest of Vancouver.



From NTS Stephens Island 103J/2E

GENERAL

Data pertaining to the former Surf Point Mine consists of monthly reports by R. E. Legg, manager, for the period July 1933 to January 1937, surface and underground diamond drilling logs from March 1934 to April 1936, B.C. Minister of Mines Reports from 1916 to 1939, and miscellaneous reports and investigations. The only plan available of the underground workings is one traced by Mr. Waterland in 1938 when he managed the joint operation. The map is at a scale of 1"=50' (1:600) and covers the workings of both mine areas.

All production data from the Edye Pass Mine reportedly was destroyed by fire. One blueprint assay plan covering about 40 per cent of the 400 level (Edye Pass) workings at a scale of 1"=20' is available.

Tombill Mines Limited, in 1975, and Carolin Mines Limited, in 1976, conducted surveys to check the location of the face of the long Edye Pass tunnel with respect to the Surf Point Mine workings: the face location in the two surveys differed by approximately 40 metres, and the original survey is somewhere between the two.

When surveying to tie the surface drill hole sites to the Surf Point underground workings, a 10-metre discrepancy was found at the junction of the No. 1 and No. 2 tunnels. To be certain of the exact location of the surface diamond drill hole intersections, with respect to the underground workings, it will be necessary to re-survey accurately all mine workings, and to prepare new base plans and sections at a scale of 1:250. This survey work will be undertaken as soon as possible.

Because of the substantial survey discrepancies, it was not warranted to re-draught the existing plans in the metric system. All recent work by the writer, however, has utilized SI units, and, following completion of the re-survey, revised plans and sections will be submitted.

WORK DONE

In the interval September 1 to 30, 1978, the writer assembled and evaluated all historical data pertaining to the former Surf Point and Edye Pass operations. An examination of the surface and underground workings at both mine sites and of adjacent showings was made with T. M. Waterland, P.Eng., between September 7 and 9. Seven cross sections at a scale of 1:600 were prepared in the Surf Point Mine area, and surface diamond drilling sites were defined. A total of 15 days were required for this work.

In the interval October 6 to 13, the writer established a small camp and completed the necessary line cutting and surveying to locate the drill sites, and cleared a helicopter landing site and first drill site. Inclement weather delayed off-loading the barge in Welcome Harbour by helicopter until October 13.

In the interval October 13 to November 3, four inclined BQ wire-line diamond drill holes, S-1 to S-4, at three sites totalling 624 metres were completed. All holes were drilled on the Trixie Crown Grant, L 6515. Copies of the drill logs and assays for gold and silver are contained in Appendix 1. Until such time as a re-survey is completed, the collar coordinates have been given in feet, compatible with the old plan of the Surf Point Mine area (1:600 or 1"-50'), Figure 2, and cross sections, Figures 3 to 5, in the pocket of the report.

Sperry-Sun tests were taken at selected intervals in all drill holes to establish the deviation in dip and azimuth. The hole flattening was substantial, in the order of 2° to 3° per 30 metres, while the deviation in azimuth was about half as much. In plotting the holes on section and plan, no allowance was made for deviations in azimuth, because of the relatively small scale, and because of the survey discrepancies in the underground workings: deviations in dip were plotted.

Shallow overburden permitted the casings to be left in for all drill holes: the casings were plugged, tagged, and surveyed. All drill core has been tagged and stored carefully at the camp site adjacent to the original Surf Point mill that was destroyed by fire in June of 1938.

In anticipation of continued exploration and development in the area in 1979, the 3-tent camp and diamond drill and ancillary equipment were secured and/or stored on site in the period November 3 to 6. Arrangements have been made for periodic inspections of the site. Owing to inclement weather that prevented helicopter flights, the 5-man drill crew was demobilized by float plane on November 6.

In the interval November 6 to 12, the writer completed surveying duties and securing the camp, and conducted a test VLF-EM survey over the Surf Point Mine employing a Geonics EM-16 receiver and the Hawaii transmitter. The previously unrecognized, and potentially significant, northeast striking contact between two phases of the pluton, quartz diorite (host rock for the productive veins) and hornblende quartz diorite ("barren"), coincided with a narrow and very weak VLF-EM anomaly; and the O, A, and B vein zones coincided with a 65-metre wide anomaly of moderate intensity. Dense undergrowth and steep terrain contribute to high exploration costs for the area.

Helicopter demobilization of the drillers' gear and the writer from Porcher Island to Prince Rupert was completed on November 12: the gear was delivered by truck to Kamloops and, finally, to Vancouver on November 14. Several additional days, to November 30, were spent by the writer on data processing, draughting, evaluation, and report writing.

A limited petrographic study, and a preliminary economic evaluation are in progress at the present time. It appears that a substantial underground exploration and development program to investigate intersections obtained in the surface drilling program, and to define proven ore reserves may be undertaken in 1979, subject to a favourable economic evaluation and to financing constraints. Surveying to resolve the significant discrepancies in location of the underground workings, and to locate accurately the surface diamond drill hole intersections will be carried out as soon as possible.

RESULTS

The objective of the surface diamond drilling program was to demonstrate the continuity of gold-bearing quartz veins below the 100 level (the only active mining level) of the old Surf Point Mine. The lensey nature of the veins does not permit diamond drilling to establish ore reserves at acceptable cost, since very close interval drilling (7½-metre spacings, or closer) would have to be employed. Experience at the Surf Point Mine also demonstrated that successful stoping operations sometimes could be carried out in areas shown to be "blank", very narrow, or "barren" in diamond drill holes. Drifting on the veins is the only practical way to define ore shoots, followed by raising and stoping.

objective

The grade x width combination, was 20 gram-metres, equivalent to 20 grams gold per tonne over a width of 1 metre (0.5 Troy ounces gold per ton over a width of 3.8 feet, or approximately 4 feet). The core intersections are considered to be highly significant if either the grade objective of 17 grams per tonne (about 0.5 Troy ounces gold per ton) or the minimum mining width objective of 1 metre (3.3 feet) is attained. In fact, all strong vein intersections are considered to be significant, regardless of the grade and width.

All assayed intersections have been plotted on the cross sections, Figures 3, 4, and 5, in the pocket of the report. In keeping with the system formerly employed, the intersections are given in feet and Troy ounces gold per ton. Following re-surveying, new base plans and sections will be prepared at a scale of 1:250, employing SI units.

The 14 diamond drill intersections tabulated below are significant because they indicate either ore grade combined with ore width intersections, or ore grade combined with below ore width intersections, or below ore grade combined with ore width intersections. Substantial changes in grade and/or width are possible in very short distances. Of the 73 assays obtained, 8 or 11% were greater than 20 grams per tonne (0.6 ounces per ton), 8 or 11% were in the 10 to 20 grams per tonne range (0.3 to 0.6 ounces per ton), 9 or 12% were in the 5 to 10 grams per tonne range (0.15 to 0.3 ounces per ton), 9 or 12% were in the 2.5 to 5 grams per tonne range (0.07 to 0.15 ounces per ton), and 39 or 54% were less than 2.5 grams per tonne (0.07 ounces per ton).

Classification	Drill Hole	From	To	Length <u>metres</u> <u>feet</u>	Assays			
					grams/tonne <u>Au</u>	<u>Ag</u>	ounces/ton <u>Au</u>	<u>Ag</u>
Ore grade and Ore width	S-3	149.27	151.14	$\frac{1.87}{6.1}$	18.90	9.0	0.55	0.26
Ore grade and Below ore width	S-1	31.79	32.00	$\frac{0.21}{0.7}$	27.43	13.4	0.80	0.39
		83.03	(83.23)	$\frac{0.08}{0.3}$	76.80	63.1	2.24	1.84
	S-3	169.19	169.29	$\frac{0.10}{0.3}$	17.83	18.9	0.52	0.55
	S-4	16.71	16.80	$\frac{0.09}{0.3}$	16.80	8.6	0.49	0.25
		68.50	68.66	$\frac{0.16}{0.5}$	22.97	15.4	0.67	0.45
		69.11	69.22	$\frac{0.11}{0.4}$	38.40	34.3	1.12	1.00
		92.37	92.45	$\frac{0.08}{0.3}$	27.09	11.0	0.79	0.32
		92.66	92.77	$\frac{0.11}{0.4}$	27.09	11.0	0.79	0.32
		129.08	129.11	$\frac{0.03}{0.1}$	19.20	13.7	0.56	0.40
		130.20	130.25	$\frac{0.05}{0.2}$	21.60	5.1	0.63	0.15
	130.73	130.92	$\frac{0.19}{0.6}$	17.14	5.1	0.50	0.15	
Below ore grade and Ore width	S-1	70.75	72.59	$\frac{1.84}{6.0}$	1.57	2.3	0.046	0.07
	S-4	77.10	79.39	$\frac{2.29}{7.5}$	2.19	7.7	0.064	0.23

COST STATEMENT

Invoice details for all cost items listed below are contained in Appendix 2, and a copy of the diamond drilling contract between Banwan Gold Mines Limited and Northward Mining Contractors Limited is contained in Appendix 3:

Consulting, supervision, and expenditures

C. M. Armstrong, P.Eng.

September 1-30	15 days	\$3,832.70	
October 1-31	26 days	6,684.02	
November 1-30	20 days	<u>4,279.70</u>	
			\$14,796.42

Barging - mobilization

Wainwright Marine Services Ltd.

October 10-14			3,000.00
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Float planes - personnel and supplying

North Coast Air Services Ltd.

October 10, 20, 23, November 2, 6			408.00
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Helicopters - mobilization, drill moves, supplying

Vancouver Island Helicopters Ltd.

October 6, 11, 14, 17, 23		2,340.25	
October 28, 31		1,075.25	
November 12		<u>489.38</u>	
			3,904.88

Diamond drilling - 624 metres BQ

Northward Mining Contractors Ltd.

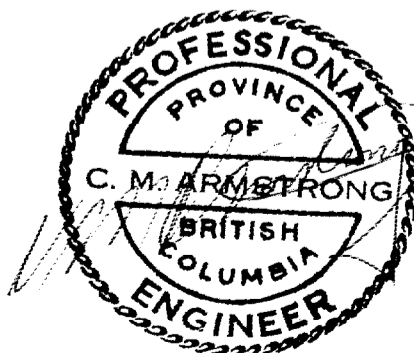
October 1 - November 6			44,971.42
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Assaying - gold and silver fire assays

Bondar-Clegg and Company Ltd.

October 27		212.50	
November 7		212.50	
November 16		<u>195.50</u>	
			<u>620.50</u>

Total \$67,701.22



CERTIFICATION

I, CHRISTOPHER MACKENDRICK ARMSTRONG of the City of Vancouver, Province of British Columbia, do hereby certify:

THAT I am a practicing Geological Engineer residing at 4085 West 29th Avenue, Vancouver, British Columbia, V6S 1V4, Canada.

THAT I am a registered Professional Engineer in good standing in the Provinces of British Columbia and Ontario.

THAT I received the degree of B.Sc. in Geological Engineering from Queen's University, Kingston, Ontario in 1960, and practiced my profession continuously in the period between leaving university in 1959 and returning to university in 1966.

THAT I enrolled in the Department of Mineral Engineering at the University of British Columbia in 1966, and in the period to 1969 completed course work and research work requirements in an M.A.Sc. program, specializing in bacterial-acid leaching systems; thesis writing was not completed; post graduate courses in economic geology and North American geology also were taken and completed.

THAT since leaving university in 1969, I have practiced my profession both as a Geological Engineer and as a Specialist-Advisor in ambient temperature-pressure leaching systems.

THAT the following is a true record of my employment and experience:

- | | | | | |
|-----------|--------|---|--|--|
| 1957 | 4 mos. | Junior Geologist. | Noranda Mines Ltd. | Noranda, Quebec. |
| 1958 | 4 mos. | Party Chief. | Hollinger North Shore Exploration Co. Ltd. | New Quebec and Labrador. |
| 1959-1961 | 2 yrs. | Assistant Geologist. | Pickle Crow Gold Mines Ltd. | Pickle Crow, Ontario. Teck Corporation Ltd. |
| 1961-1962 | 1 yr. | Assistant Geologist. | Willroy Mines Ltd. | Manitouwadge, Ontario. |
| 1962-1964 | 2 yrs. | Chief Geologist. | Metal Mines Ltd. | Werner Lake, Ontario. Consolidated Canadian Faraday. |
| 1964-1966 | 2 yrs. | Chief Geologist. | Tegren Goldfields Ltd. | Kirkland Lake, Ontario. Teck Corporation Ltd. |
| 1967 | ½ yr. | Project Geologist. | Mcleese Lake property, | B. C. Geophysical Engineering & Surveys Ltd. Teck Corporation Ltd. |
| 1969-1970 | 1 yr. | Laboratory Manager, Chief Geologist, and Consulting Engineer. | S. M. Industries Ltd. | Vancouver, B. C. |
| 1970-1978 | 8 yrs. | Independent Consulting Engineer. | Canada, U.S.A., and Mexico. | Senior Clients: Long Lac Mineral Exploration Ltd., H.A. Simons (International) Ltd., Granby Mining Corporation, Du Pont of Canada Exploration Ltd., Bethlehem Copper Corporation, Mining Corporation of Canada (1964) Ltd. |

Junior Clients: Over 20 Junior Canadian exploration companies.

THAT I personally conducted or supervised all work described in this report for BANWAN GOLD MINES LIMITED between September 1 and November 30, 1978.

Dated at Vancouver this
8th Day of December, 1978



C. M. Armstrong, P.Eng.
Consulting Engineer

APPENDIX

1

Diamond Drilling Logs

S-1
S-2
S-3
S-4

SC = split core

WC = whole core

1 metre = 3.281 feet

1 Troy ounce per ton = 34.286 grams per tonne

C. M. ARMSTRONG, P.Eng.
CONSULTING ENGINEER

PROPERTY Banwan - Porcher Island

DIAMOND DRILLING LOG

Hole No. S-1

Northing 5333

Depth 183.0m

Elevation 366 1/2'

Level Surface

Easting 5082

Dip -44 1/2°

Date Oct. 1978

Purpose _____

Azimuth 180°

Core Size BQ

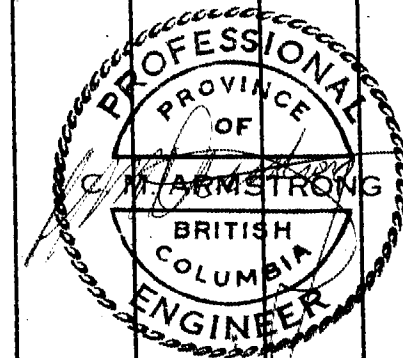
Logged by CMA

Zone _____

Location

Remarks Bedrock 1.1m. Casing stickup: 0.4m vertical & 0.6m inclined. Sperry-Sun tests: 76m -41° @ 183°, 168m -33° @ 186 1/2°. Casing bit removed and 10' casing left in hole. Hole plugged and collar marked.

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage			Number	Au	Ag	A _n	A _B
			From	To	Length					
0.00	2.74	Casing.								
2.74	182.97	Quartz Diorite. Massive, hard, quite siliceous. Rare specks pyrite with chloritized amphibole - also trace magnetite. Light epidote alteration in most (10%). Equigranular - fine to medium grained. Scattered inclusions fine grained, green diorite with sparse very fine grained pyrite - very weakly magnetic.								
		2.74-3.86 Surface-weathered fractures at 50° to 60° - core broken.								
		3.1 Chloritic slip at 15° - slickensides approx. parallel to core (20°).								
		3.75 Chloritic breccia & slip at 20° (5mm) - slickensides at 50° to core.								
		4.2 Diffuse silicification at 70° (10mm) with sparse pyrite dissemination.								
		4.62 4mm quartz-chlorite-calcite fracture-filling at 40° - associated weak, diffuse silicification +50mm.								
		8.32-8.52 Weak, diffuse silicification with fractures at 40° and 70° - 7mm patch pyrite on chlorite fracture at 8.48(70°).								
		8.74 8mm quartz-filled fracture at 45° with semi-massive pyrite - 10mm and 30mm weak, diffuse silicification.	8.70	8.80	0.10	WC 14751	5.83	5.8	0.17	0.17
		11.56 10mm strong, diffuse silicification at 75° with heavy pyrite dissemination +20mm weak, diffuse silicification. About 2mm ground.	11.50	11.60	0.10	WC 14752	4.11	3.4	0.12	0.10



FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage		Number	Au	Ag	An	As	
			From	To						Length
		12.85-12.92 Moderate, diffuse silicification at 70° - 15% epidote.								
		13.28 & 13.51 Moderate, diffuse silicification (approx. 10mm) at 70° - chlorite & calcite-filled fractures.			0.4'					
		14.58-14.63 Fairly sharp, barren quartz silicification at 45°. Possible 2mm patch scheelite.	14.52	14.65	0.13	WC 14753	0.07	1.4	0.002	0.04
		16.33 1mm calcite-filled fracture at 70° +7mm weak, diffuse silicification - very light pyrite dissemination.								
		16.90 Same at 45° and +4mm.								
		18.37 Hairline epidote-carbonate-filled fracture at 10° - diorite inclusion cut and displaced.								
		20.28-20.42 Chloritic shear zone at 35°. Light pyrite dissemination in more siliceous sections. Three hairline calcite-pyrite stringers at 85° - coarse patches disseminated pyrite (moderate). 20.37 5mm grey quartz stringer at 35°.	20.14	20.44	1.0' 0.30	WC 14754	0.89	1.7	0.026	0.05
		22.88 8mm moderate, diffuse silicification at 45° - 1mm calcite-filled fracture with light pyrite dissemination.								
		23.53-24.14 Weak to moderate, diffuse zone of silicification with minor disseminated pyrite. 23.59 Chlorite ^{qtz} -calcite-pyrite seam(1mm) at 35°.	23.49	24.14	2.1' 0.65	SC 14755	0.65	4.5	0.019	0.13
		23.73-23.79 Fairly sharp (but gradational) white quartz at 70° and 55° (chlorite seam) - light, very coarse ^{py} dissemination.								
		23.79-23.83 Whitish, bleached section at 45° - very light pyrite dissemination.								
		24.02- 7mm quartz-chlorite stringer at 65° - minor pyrite.								
		24.09 15mm quartz veinlet at 65°.								
		24.79-25.19 Weak to moderate, diffuse silicification.	24.78	25.20	1.4' 0.42	SC 14756	0.41	2.4	0.012	0.07
		24.80 10mm strong, grey silicification at 70° with light pyrite dissemination.								
		24.89 As above - at 65°, plus chloritic fracture.								
		24.99-25.10 Fresh quartz diorite and diorite inclusion - misplaced?								

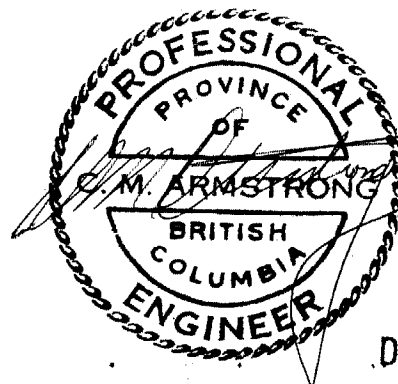
FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS					
From	To		Footage		Number	Au	Ag	Au	Ag		
			From	To						Length	
		59.89	3mm quartz-calcite-pyrite stringer at 70°.								
		60.83	Same - 2mm at 50°.								
		61.05	12mm quartz-chlorite-pyrite stringer at 75° ±7mm moderate grey silicification.								
		61.20	15mm grey quartz stringer at 85° - chlorite and minor pyrite.								
		61.73	4mm grey quartz-calcite stringer at 50° - light pyrite dissemination.								
		61.81	Same - 7mm at 80°.								
		62.32	5mm grey quartz at 80°.								
		62.65	5mm grey quartz at 60° - very light pyrite.								
		62.70-63.23	Grey, highly silicified zone at 40°. Very light to light pyrite dissemination.	62.70	63.25	1.8' 0.55	SC 14763	3.43	5.5	0.10	0.16
		62.74	5mm quartz-chlorite-pyrite stringer at 40° - coarse pyrite.								
		62.84	Chlorite-pyrite slip - both slickensided at 70° to core. Coarse pyrite.								
		62.99	Same at 50°.								
		63.19	Ragged 3mm chlorite-calcite stringer at 40° - one coarse blob pyrite (5mm x 17mm).								
		63.56	7mm quartz-calcite-chlorite stringer at 40°.								
		63.75	Same - 5mm-12mm at 40° - vuggy.								
		64.27-64.50	Grey, highly silicified section at 40° and 60° (converging) - very light pyrite dissemination.	64.29	64.53	0.8' 0.24	SC 14764	0.41	3.4	0.012	0.10
		64.33-64.39	White quartz at 40° - trace pyrite.								
		64.75-64.97	As above - at 40° and 70°.	64.74	64.99	0.8' 0.25	SC 14765	10.63	5.1	0.31	0.15
		64.80	18mm grey quartz at 55° with heavy, coarse pyrite mineralization.								
		64.84	2mm chlorite-quartz-pyrite stringer at 50°.								
		65.05-67.80	Variable ragged epidote alteration - diffuse or somewhat banded - to 25%.								
		65.89	8mm grey quartz at 70°.								

FOOTAGE		DESCRIPTION	SAMPLE				ANALYSIS					
From	To		Footage			Number	Au	Ag	An	Ag		
			From	To	Length							
		103.19	1mm chlorite-calcite fracture at 45° <u>+10mm</u> silicified wall rock.									
		104.21	Same.									
		104.56	Same at 50°.									
		104.77	Same at 45°.									
		113.47-113.70	Dark grey, fine gr'd biotite diorite inclusion? Contacts at 50° and 40° (converging).									
		120.14	Chlorite-calcite fracture at 40° <u>+10</u> and 5mm silicified wall rock.									
		120.83&120.89	Two chloritic fractures at 55° and 30° <u>+7mm</u> silicified wall rock. Sparse pyrite.									
		121.06	1mm chlorite-calcite at 75° <u>+30mm</u> silicified wall rock.									
		123.21-123.29	Silicified wall rock with 80° chloritic fracture - sparse pyrite.									
		123.81	2mm quartz-calcite with very light pyrite at 80° <u>+5mm</u> silicified wall rock.									
		124.02	5mm quartz-chlorite at 80° <u>+25</u> and 10mm silicified wall rock with sparse pyrite.									
		125.07	2mm chlorite-quartz with very light pyrite at 80° <u>+10mm</u> silicified wall rock.									
		125.40	4mm & 2mm quartz-chlorite at 80° <u>+10mm</u> and 20mm silicified wall rock.									
		126.41-126.49	5mm quartz-chlorite-calcite at 40° - minor brecciation and very light pyrite - bounded by chloritic fractures at 70° and 45° - light pinkish alteration.									
		129.84-134.71	Variably sheared and silicified zone.									
		129.84-130.73	Weakly sheared and silicified at 50° to 25° - epidote streaking along shearing.									
		130.18	8mm quartz-calcite-pyrite at 30° - heavy pyrite mineralization (some ground).		130.16	130.23	0.07	WC 14776	9.60	4.1	0.28	0.12

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage			Number	Au	Ag	A _u	A _g
			From	To	Length					
		130.73-131.68	Weak epidote shearing along core to 131.10, then moderate silicification and carbonatization along core.							
		131.68-131.98	Strong silicification along core at 20° and 15° (converging) - sparse pyrite.							
		131.98-133.11	Only weak alteration and epidote shearing at about 20°.							
		133.11-133.45	133.11	133.46	1.1' 0.35	WC 14777	0.27	1.4	0.008	0.09
		133.45-134.44	Only very weak epidote shearing and silicification.							
		133.81-133.86	Irregular quartz at about 55°.							
		134.44-134.53	134.44	134.56	0.4' 0.12	SC 14774	0.93	5.8	0.027	0.17
		134.53-134.71	134.56	134.71	0.5' 0.15	SC 14775	3.43	12.7	0.10	0.37
		136.13-137.17	Chloritic fractures along core - vuggy, minor quartz-calcite.							
		137.18	5mm barren quartz-calcite at 50°.							
		137.99	137.97	138.01	0.1' 0.04	WC 14778	12.34	9.6	0.36	0.28
		138.36	4mm quartz-calcite at 65°.							
		140.45-142.20	Moderately silicified section with numerous vuggy, branching chlorite quartz-calcite stringers and seams along core. Sparse pyrite dissemination.							

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage		Number	Au	Ag	Au	Ag	
			From	To						Length
		Very light pyrite dissemination. Few 2 to 3mm quartz-chlorite-calcite stringers (one with light pyrite) at 45°.								
		151.52 35mm quartz-chlorite-calcite at 70°.								
		152.03 7mm quartz-chlorite-calcite with light pyrite at 85°.								
		152.59 7mm quartz at 60° +3mm silicified wall rock.								
		153.63 1mm pyritic quartz +4mm silicified wall rock at 50°.								
		155.59 Strong, 25mm white quartz at 70° - chloritic slip contacts.								
		155.69-155.74 Barren white quartz at 55°.								
		156.11 25mm quartz-chlorite at 55°.			1.1'					
		156.36-156.70 60% very highly silicified (buff) sections at 60° with 3mm, 7mm, 11mm, and 25mm quartz-chlorite-calcite veins at 60° - very light pyrite.	156.36	156.70	0.34	SC 14780	0.48	2.4	0.014	0.07
		156.93-157.06 Highly silicified wall rock with 30% irregular quartz-chlorite veining at 55° and 60°.	156.93	157.06	0.13	SC 14781	2.06	2.4	0.060	0.07
		161.21&161.29 2mm quartz-calcite at 40° +5mm weakly silicified wall rock with light pyrite.								
		161.61-161.65 Bleached, silicified and carbonatized wall rock and 10mm calcite-quartz-chlorite at 55° - light pyrite.								
		164.44 2mm quartz at 55° with light pyrite (coarse).								
		164.61 Same at 50° - no pyrite.								
		164.80-164.92 Two chloritic fractures at 20° (light pyrite) and one at 60° (opposite) (light pyrite) with +6mm silicified wall rock.								
		165.81 3mm quartz-calcite at 50° with chloritic and pyritic contacts.								
		166.10-166.39 Fine grained biotite-quartz diorite inclusion(?) at 10° and 45° (opposite).								
		166.75-166.98 Same at 85° and 60° (opposite).								
		168.56 2mm quartz at 45° - light pyrite.								

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS					
From	To		Footage			Number	Au	Ag	Au	Ag	
			From	To	Length						
		169.66-169.86	0.10m white quartz at 55° - coarse calcite patches and chloritic contacts and seams with light pyrite. Remainder moderately to highly silicified wall rock.	169.66	169.86	0.20	SC 14782	1.03	1.4	0.030	0.09
		172.57-172.72	Moderately to highly silicified section at 70° - 1mm chlorite-quartz at 70°, 10mm white quartz (broken), and numerous coarse chlorite patches - light pyrite dissemination.	172.55	172.72	0.17	SC 14783	0.96	0.7	0.028	0.02
		175.71	3mm quartz-calcite with light pyrite at 50° +5mm silicified wall rock.								
		179.39-179.61	Few quartz-filled fractures (1-2mm) with silicified wall rock and light pyrite (70°, 75°, 60°, 60°, and 80°) - chlorite patches at end.								
		180.48	5mm quartz at 70° with light pyrite.								
		180.54	3mm quartz-chlorite at 55° - light pyrite.								
		180.65&180.70	1mm quartz-chlorite-pyrite at 65° and 70°.								
		181.14	3mm quartz-calcite-pyrite at 65°.								
		181.32	1mm quartz-calcite-pyrite at 65° +3mm silicified wall rock.								
		181.38-181.47	Two 2mm quartz stringers at 20° and one at 60°, plus blobby 10mm quartz-chlorite - very light pyrite - wall rock silicified.								
		End of hole 183.0 m									



DEC 8 1978

Northing 5345
Easting 5078 1/2
Azimuth 0°

Depth 120.8m
Dip -42 1/2°
Core Size BQ

Elevation 367'
Date Oct. 1978
Logged by CMA

Level Surface
Purpose _____
Zone _____

Location

Remarks Bedrock 3.4m. Casing stick up: 0.8m vertical & 1.1m inclined. Sperry-Sun test: 107m -31° @ 5 1/2°. Casing bit removed and 10' casing left in hole. Hole plugged and collar marked.

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS									
From	To		Footage			Number	Au	Ag							
			From	To	Length										
0.00	3.93	Casing.													
3.93	20.90	Quartz Diorite. Massive. Scattered fine grained diorite inclusions.													
20.90	120.79	Hornblende Quartz Diorite. Distinct change over about 1/2m -possible contact at 20°. Medium dark bluish grey (wet). Distinctly finer grained and higher biotite content - say 20% versus 10%. Contains same inclusions of darker grey or grey-green diorite. Very much faster drilling (approx. 2x) - therefore much less brittle, and much less receptive host rock? Much less epidote. Detectable magnetite throughout. At 62 distinct foliation/lineation at 55°. 21.97-22.63 Highly fractured section at about 25° to 35° to 40° - some limonite coating (surface weathering). 22.35-22.37 White quartz-calcite-chlorite at 85° - fault zone? 22.56-22.63 Severely crushed and ground - fault zone? 22.63-23.21 Black, very fine grained basalt dyke - leading contact ground, trailing contact at 40°. Few white hairline calcite-filled fractures - small angles. Uniformly weakly magnetic. 23.85 Diffuse, barren 3mm quartz stringer at 45°. 24.05 Same - 5mm at 30°. 32.83-33.07 2mm calcite-chlorite fracture at about 10°.													

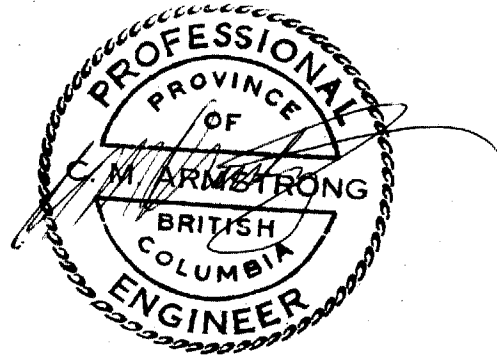


DEC R 1978

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS					
From	To		Footage			Number	Au	Ag			
			From	To	Length						
		45.67	7mm diffuse white quartz at 10°.								
		47.90-47.94	Two 4mm quartz-chlorite fractures at 60°. No pyrite.								
		52.11-52.26	Blobby, diffuse white quartz (to 15mm) at about 20° - some epidote.								
		53.51	2mm quartz-chlorite at 55° - light pyrite.								
		56.20-56.56	15mm quartz-chlorite-calcite at 10°.								
		64.06	10mm chlorite-quartz-calcite at 55° - no pyrite.								
		74.00-74.22	Bleached and weakly altered section with 1mm quartz-calcite-chlorite at 70° (74.03) and chloritic fracture at 70° (74.21). Central vuggy fracture at 20°.								
		76.03	1mm quartz-chlorite at 70°.								
		79.86	White 4mm quartz-calcite-epidote at 65° - branching (especially epidote).								
		79.90-80.31	Andesite porphyry at 65° (tight, sharp contacts). Medium grey-green-whitish feldspar phenocrysts (2mm).								
		81.01	10mm chlorite-quartz-calcite at 80°.								
		89.62	11mm quartz-calcite-chlorite-epidote at 55°.								
		92.67	Two 1 and 2mm quartz-chlorite fillings at 55°.								
		93.78	1 to 5mm quartz-chlorite at 55°/75°.								
		94.33-98.07	Basalt dyke at 25° and 35° (sharp - 2mm and 5mm quartz-chlorite-calcite on contacts). Uniformly weakly to moderately magnetic throughout. Scattered white hairline calcite-filled fractures at various angles. Very fine grained.								
		97.85-97.94	Quartz-calcite-chlorite breccia and stringers at 45° and 40° (sharp). Fault?								
		101.00	10mm quartz-epidote-chlorite at 30°.								
		104.05-104.15	Weakly to moderately silicified section at 60°. About 25% epidote. Trace pyrite.								
		108.47	2mm quartz-chlorite at 60° - very light pyrite.								

MINERAL RESOURCES DIVISION
ASSOCIATED ENGINEERS
7194
NO.

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage		Number	Au	Ag	Au	Ag	
			From	To						Length
		109.57 Same - 1mm at 75° - very light pyrite.								
		112.43 12mm brecciated quartz-calcite-chlorite at 60° with heavy pyrite mineralization. Chloritic contacts.	112.40	112.45	0.05	WC 14784	1.17	0.7	0.034	0.02
		Quartz-calcite-chlorite fracture fillings (no wall rock alteration): 113.08 (1mm at 70°), 113.93 (1mm at 65°), 114.40 (4mm at 60°), 115.85 (4mm at 55°), 119.14 (2mm at 20°).								
		End of hole 120.8m.								



DEC 8 1978

Northing 5303

Depth 183.1m

Elevation 363 1/2'

Level Surface

Easting 4987

Dip -44 1/2°

Date Oct. 1978

Purpose _____

Azimuth 180°

Core Size BQ

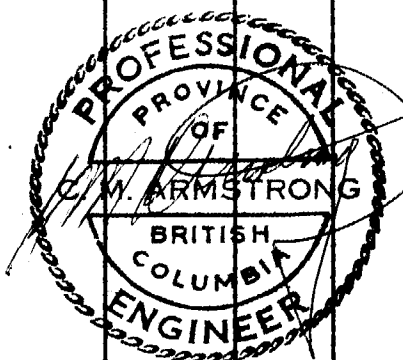
Logged by CMA

Zone _____

Location

Remarks Bedrock 2.7m. Casing stickup: 0.8m vertical & 1.1m inclined. Sperry-Sun tests: 85m -40 1/2° @ 185°, 168m -34° @ 186 1/2°. Casing stuck and left in hole. Hole plugged and collar marked.

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS			
From	To		Footage		Number	Au	Ag	A _u	A _B
			From	To					
0.00	2.68	Casing.							
2.68	15.90	Hornblende Quartz Diorite. Iron coated fractures (surface weathering) to 3.2m.							
		3.92-4.07 Barren cream-colored quartz at 55° - some sericite on fractures. No pyrite.	3.92	4.07	0.15	14786	0.27	1.0	0.008 0.03
		7.54-7.70 Moderately bleached and silicified section with very light to light pyrite dissemination at about 30°. 12mm quartz-calcite-chlorite at 30° (branching).	7.54	7.71	0.17	14785	0.34	0.7	0.010 0.02
		8.33-9.60 Quartz diorite. Contacts tight and irregular at about 30° and 5° (from 9.14 to 9.60).							
		11.15-13.82 Bleached (pinkish) and altered section with calcite-epidote-quartz-chlorite-filled fractures (to 10mm) mostly at small core angles.							
		11.83-12.21 Possible similarly bleached and altered.							
		12.31-12.42 Quartz diorite at 30° to 35° - tight, diffuse contacts.							
		13.10-13.48 Possible amygdaloidal andesite at about 20°. Much calcite-epidote veining.							
15.90	183.07	Quartz Diorite. Leading contact at about 10° from 15.79 to 16.00 - tight, diffuse or gradational. Massive.							
		Narrow quartz +calcite +chlorite +pyrite +silicified wall rock at: 19.31 - 1mm +3mm at 65°, 19.96 - same at 60°, 21.59 - same at 60°, 22.44 - same at 60° but no silicification, 23.78 - 2mm at 15° with moderate pyrite mineralization, 24.42 - 1mm +10mm at 75°, 25.16 - +5mm at 80°, 26.13-26.20 - weak silicification and 2 chloritic fractures at 80°, 26.56 - +10mm weak silicification at 65°, 26.69-26.80 - +10mm from 2 chloritic fractures at 80° and 10° (opposite), 35.53-35.59 - 2mm quartz-calcite-chlorite at 75° plus silicified wall rock, 36.16 - 3mm +10 and 5mm at 65° with light pyrite, 36.24 - 1mm +5mm at 65° with minor pyrite,							

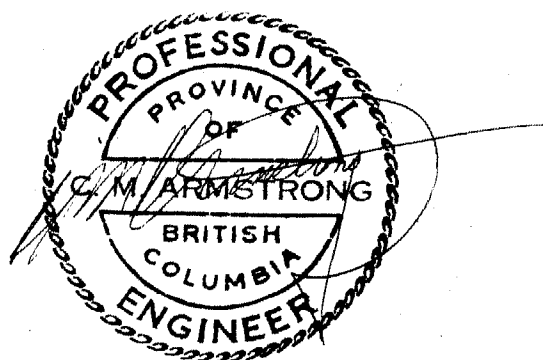


DEC 8 1978

FOOTAGE		DESCRIPTION	SAMPLE				ANALYSIS			
From	To		Footage			Number	Au	Ag	A _n	A _g
			From	To	Length					
		115.72-115.80 Grey, moderately to highly silicified section with very light pyrite and central strong 20mm quartz-calcite-chlorite-pyrite stringer at 60° (light, coarse pyrite).	115.70	115.80	0.10	WC 14794	2.54	2.4	0.074	0.07
		118.49 15mm strong white quartz-calcite at 65° - chloritic contacts.								
		124.56-124.85 Highly silicified section at 60° and 50° - only trace pyrite.								
		124.63-124.71 White calcite-chlorite at 50° and 65°.								
		124.77 10mm calcite-chlorite at 60°.								
		127.32-127.41 20mm chloritic shear at 50° followed by moderately silicified wall rock.								
		136.20-136.27 Strong 30mm white quartz with light pyrite at 60°. Chloritic slip contacts.	133.18	133.26	0.08	WC 14795	4.11	8.6	0.12	0.25
		143.43-143.58 Moderately to highly silicified section at 40° with light pyrite dissemination and few coarse pyrite patches.	143.42	143.60	0.18	SC 14796	1.17	1.4	0.034	0.04
		144.13-144.20 Moderately to highly silicified section at 85° (1mm crushed, sericitic material) and 30° with very light pyrite. Fault? Similar at 55° and 50° (irregular). 15mm blob white quartz at beginning. Very light pyrite dissemination.								
		149.12-149.27 Very strong, highly altered, chloritic and sericitic shear at 35° - somewhat contorted. Lensey, blobby white quartz to 5mm - not mineralized.								
		149.27-151.14 White vein quartz at 40° and 60° with heavy pyrite mineralization.								
		149.27-149.47 Very heavy to semi-massive, patchy pyrite mineralization at about 45°. Matrix white and grey quartz-calcite.	149.27	149.47	0.20	SC 14797	120.34	52.5	3.51	1.53
		149.47-149.89 White quartz with about 10% coarse patchy pyrite somewhat along core.	149.47	149.89	0.42	SC 14798	24.69	10.3	0.72	0.30

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS					
From	To		Footage		Number	Au	Ag	Au	Ag		
			From	To						Length	
		149.89-150.09	Massive white quartz with only few pyrite crystals.	149.89	150.29	0.40 1.3'	SC 14799	1.23	2.1	0.036	0.06
		150.09-150.29	Grey moderately to highly silicified wall rock at 50° - only very light pyrite.								
		150.29-151.14	White vein quartz. Irregular leading contact at about 70°. Chloritic and sericitic seams (fuschite?) at 20° to 30° with light pyrite. Minor grey mineralization (telluride?). Quartz mostly barren. Trailing contact sharp at 60°.	150.29	151.14	0.85	SC 14800	0.48	1.4	0.014	0.04
				149.27	151.14	1.87		18.90	9.0	0.55	0.26
						Average 6.1'					
		153.86-156.61	Very weak alteration with scattered quartz-calcite stringers - only sparse pyrite: 153.86 - 3mm at 60°, 154.02 - 2mm at 50°, 154.12 - 4mm at 60°, 154.17 - 5mm at 65°, 154.34 - 8mm at 55°, 154.43 - 3mm at 65°, 154.56 - 5mm at 55°, 155.11 - 5mm at 60°, 155.21 - 2mm at 55°, 155.64 - 10mm at 70°, 156.35 - 2mm at 60°, 156.4 - 3mm at 65°, 156.60 - 4mm at 50°.								
		154.83-154.95	Two 15mm and 22mm quartz veinlets at 55° and 65° with very light to light, fairly coarse <u>chalcopyrite</u> and pyrite. Tight contacts. Some calcite.	(154.83	154.97)	0.06 0.14 0.5'	WC 14801	3.29	5.8	0.096	0.17
		157.34-157.58	Core ground - tube did not lock. 30mm black basalt probably misplaced from 102m.								
		159.48-159.57	White quartz vein at 30° with one coarse patch pyrite about 15mm by 25mm.	159.45	159.58	0.13	WC 14802	6.17	4.5	0.18	0.13
		160.69-161.29	Moderately silicified section with scattered quartz stringers and highly silicified wall rock with very light pyrite disseminations: 160.73 - 12mm at 50°, 160.79 - 4mm at 50°, 161.06 - 17mm at 55° (with chlorite seams), 161.14 - 10mm at 70° (very light pyrite), 161.20 - 1mm at 55° (light pyrite), 161.27 - 1mm at 60° (light, coarse pyrite).	160.69	161.29	0.60	SC 14803	0.21	1.4	0.006	0.04
		169.20-169.25	13mm white quartz at 35° with moderate pyrite mineralization and silicified wall rock (only sparse pyrite).	169.19	169.29	0.10	WC 14804	17.83	18.9	0.52	0.55

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS			
From	To		Footage		Number	Au	Ag		
			From	To					
		177.07-177.13 Sheared and silicified section at 50° with 20mm barren, white quartz.							
		180.54-180.60 Sheared and silicified section at 65° and 35° with moderate, coarse patches pyrite - severely ground and broken.							
		181.70-181.79 Barren white quartz at 60° and 50° - muscovite on contacts.							
		181.97 15mm quartz-chlorite-calcite at 55° with light pyrite mineralization. Muscovite on contacts and in silicified wall rock.							
		182.41-182.51 Barren white quartz at 40° and 35° - few fairly coarse muscovite patches.							
		End of hole 183.1m.							



DEC 8 1978

Northing 5437 1/2
Easting 5188 1/2
Azimuth 180°

Depth 136.7m
Dip -44 1/2°
Core Size BQ

Elevation 371'
Date Nov. 1978
Logged by CMA

Level Surface
Purpose _____
Zone _____

Location _____

Remarks Bedrock 2.7m. Casing stickup: 0.5m vertical & 0.7m inclined. Sperry-Sun tests: 7m -44° @ 179°, 128m -34° @ 171 1/2°.

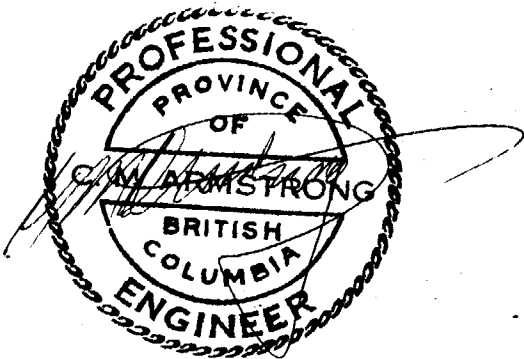
FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage			Number	Au	Ag		
			From	To	Length					
0.00	2.56	Casing.								
2.56	136.67	Quartz Diorite. Iron-stained fractures (surface weathering) to about 3.6m. Narrow quartz +calcite +chlorite +silicified wallrock at: 3.81 - 3mm at 80° with very light pyrite, 3.99 - 4mm at 60° with a patch coarse pyrite on chloritic contact, 4.32, 4.41, 4.55, and 4.60 - 3mm to 7mm stringers at 65° (3) and 80°, 5.20 - 1mm with muscovite at 70°, 5.37 - 5mm at 40° with very light pyrite, 5.53 - irregular 10mm at 40°, 6.68 - 3mm at 30°, 8.47 - 1mm +2mm at 40° with moderate pyrite, 10.85 - 2mm at 20°, 14.55 - 3mm at 15° with sparse pyrite, 17.84 - 5mm at 40°, 18.17 - 3mm with light chalcopryite at 30°, 18.31 - 4mm at 30°, 21.09 - 2mm at 65° with very light pyrite, 21.29 - 5mm with moderate, coarse pyrite at 65°, 23.02 - 5mm at 65°, 27.74 - 2mm with moderate coarse pyrite at 85° +3mm, 33.40 - 8mm at 50° with sparse pyrite, 35.95 - 5mm +10mm at 65°, 36.06 - 2mm +5mm with sparse pyrite at 70°, 37.60 - 10mm at 80°, 37.74 - 7mm at 85°, 38.23 - 10mm +15mm with sparse pyrite at 80°, 38.74 - 5mm with coarse pyrite patch at 80° +10mm, 38.90 - 5mm at 75°, 39.00 - 10mm with medium coarse pyrite mineralization at 90°, 40.26 - 14mm quartz at 70°, 40.86 - 5mm quartz with medium pyrite at 90°, 40.92 - 3mm quartz with medium pyrite at 75°, 42.36 - 2.5mm white quartz-calcite-chlorite at 90°, 43.08 - 17mm quartz at 80° - sparse pyrite, 43.46 - 5mm at 65° with very light pyrite, 43.83 - 10mm at 45°, 50.69 - 1mm with moderate pyrite and chalcopryite at 80° +4mm, 51.48 - 1mm with moderate pyrite at 35° +4mm, 51.60 - 1mm (chloritic) at 85° +3mm with sparse pyrite, 52.11 - 2mm +5mm at 80°, 52.42 - 2mm with light pyrite at 75° +5mm, 52.83-52.91 - moderately silicified at 60°, 53.07 - 2mm +10mm at 65°, 53.30 - 1mm +5mm with trace pyrite at 65°, 53.44-53.48 - 2 - 1mm at 60° and silicified wall rock, 53.85 - 2mm at 80°, 53.98 & 54.02 - 1mm +2mm at 40° and 1mm with moderate pyrite +5mm at 40° (opposite and younger), 54.40 - 15 to 20mm quartz-chlorite at 45° and 40° +5mm, 54.75 - 10mm quartz-chlorite +5mm at 80°, 55.27 - 20mm V-blob quartz-chlorite with coarse pyrite at 40° and 80° (opposite), 55.42 - 15mm quartz-chlorite at 55° +10mm - sparse pyrite, 55.62 - 1mm +5mm at 85°, 55.73-55.77 - 2 - 1mm at 60° plus silicified wall rock, 55.93 - 2mm semi-massive pyrite at 60° (opposite former), 56.11 - 3mm +5mm at 60°, 57.26 - 3mm +10mm at 55°, 57.41-57.46 - 1mm and 2mm at 70°, 58.64 - 1mm +5mm at 30°, 58.76 - same at 55°, 59.65 - 2mm at 60°, 59.74-59.78 - 7mm with light pyrite at 70° and 1mm at 45°, plus silicified wall rock, 59.96 - 3mm +5mm at 60°, 60.05 - 4mm + 30mm at 50°, 60.62 - 2mm +3mm at 80°, 60.67 - 5mm +10mm at 55° with sparse pyrite, 61.44-61.51 - 1mm fillings at 70°, 20°, and 65°, 63.13 - 5mm at 65°, 63.77-63.84 - highly silicified at about 80° with sparse pyrite and 7mm quartz-chlorite at 63.80, 64.08 - 5 to 15mm white quartz with chloritic slip contacts at 15°, 80.14-80.20 - highly silicified section at 80° bounded by chloritic fractures, 80.95-81.02 - central 3mm quartz-chlorite-pyrite (coarse) at 50°, plus silicified wall rock, 81.39 - 2mm at 55° with light, coarse pyrite, 84.39 - 1mm with moderate pyrite +3mm at 30°.								



DEC 8 1978

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage			Number	Au	Ag	As	Ab
			From	To	Length					
		50.24 3mm vuggy quartz-calcite at 10° cuts earlier 1mm quartz-calcite stringer +5mm silicified wall rock at 80° at 50.34.								
		56.25-56.43 Irregular, moderately to highly silicified section. 56.26 5mm at 60° 56.41 15mm at 60°.								
		56.53-56.81 Same. Quartz at: 56.55 - 15 and 25mm branching at 55° and 55° (opposite), 56.66 - 10mm at 40°, 56.72 - 2mm at 35°, 56.80 - 2mm with medium, coarse pyrite at 70°.								
		57.70-58.01 Cream and buff, very highly silicified section at 65° and about 25° with few patches and seams coarse pyrite. Predominantly only very light to sparse pyrite.	57.70	58.08	1.2' 0.38	SC 14809	0.75	1.0	0.064	0.03
		58.15-58.44 Same at 55° and 70°. 58.28 5mm quartz-calcite-chlorite with medium, coarse pyrite at 60°. 58.41 10mm semi-massive pyrite at 60°.	58.08	58.45	1.2' 0.37	SC 14810	8.23	6.9	0.24	0.20
		58.97-59.17 Same at 60° and 75°. Few patches coarse pyrite.	58.96	59.18	0.7' 0.22	SC 14811	9.26	5.5	0.27	0.16
		64.23-64.47 Vuggy fracturing (water course), white bleaching, and blobby quartz-chlorite veining along core and at 25° at end.								
		64.75-65.09 Converging vuggy fracturing and 4mm quartz-chlorite at 15°.								
		65.40-66.70 Grey-buff, highly silicified section at about 35° and 30°. Only sparse pyrite. 65.52-65.67 Relatively unaltered section at 50° and 35° (converging). 65.98 10 to 15mm quartz-chlorite at about 40°. 66.10-66.52 5 to 10mm calcite and quartz-calcite stringers at 50° and branching along core.								
		67.46-67.92 4 quartz-chlorite-pyrite stringers (1mm to 5mm) at 65, 50, 70, and 75°. Last is 5mm semi-massive pyrite.								
		68.22-70.20 Highly silicified section with local coarse pyrite mineralization. Fractured (with crushing) and altered - water course? (no vugs) - kaolin.	68.50	68.66	0.5' 0.16	SC 14812	22.97	15.4	0.67	0.45
			68.66	69.11	1.5' 0.45	SC 14813	0.41	0.7	0.012	0.02

FOOTAGE		DESCRIPTION	SAMPLE			ANALYSIS				
From	To		Footage		Number	Au	Ag	Au	Ag	
			From	To						Length
		130.64 Probably 3 to 5mm quartz with local coarse pyrite at 25° (ground).								
		130.73-130.92 15mm quartz with heavy, coarse pyrite along core. Considerable missing and ground.	130.73	130.92	0.19	14823	17.14	5.1	0.50	0.15
		131.04-131.98 Core ground or lost.								
		136.30-136.67 Weakly altered and silicified section at 15° to 20°.								
		136.33 2mm quartz with very light pyrite at 80°.								
		136.52 1 to 11mm quartz at 80° - tight contacts.								
		End of hole 136.7m								



DEC 8 1978

APPENDIX

2

Costs

C. M. Armstrong, P.Eng.
Wainwright Marine Services Ltd.
North Coast Air Services Ltd.
Vancouver Island Helicopters Ltd.
Northward Mining Contractors Ltd.
Bondar-Clegg and Company Ltd.

C. M. ARMSTRONG, P.ENG.
CONSULTING ENGINEER
4085 West 29th Avenue
V6S 1V4, Canada
(604) 224-7678

September 30, 1978

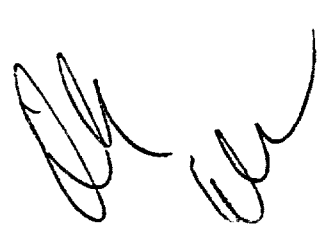
TO BANWAN GOLD MINES LIMITED
2560 A Simpson Road
Richmond, B. C. V6X 2P9

ATTN Mr. D. W. Coates
President

PORCHER ISLAND PROJECT
September 1 - 30, 1978

Consulting fee	3 days @ \$200=	\$ 600.00	
	12 days @ \$175=	<u>2100.00</u>	\$2700.00
Transportation			
Flights		539.40	
Ferries		9.50	
Personal vehicle	420 km @ 15¢=	63.00	
Taxis		31.05	
Parking		<u>11.25</u>	654.20
Accomodation			27.30
Food			82.10
Field supplies			179.15
Maps and air photos			67.03
Copying			50.92
Telephone	100 min @ 65¢=		65.00
Miscellaneous			<u>7.00</u>
			<u>3832.70</u>
	Less Advance Sep.15/78		<u>1500.00</u>
	Amount Owing		<u>\$2332.70</u>

104
3/16/78



C. M. ARMSTRONG, P.ENG
CONSULTING ENGINEER
4085 West 29th Avenue
Vancouver, B. C.
V6S 1V4, Canada
(604) 224-7678

November 20, 1978

TO BANWAN GOLD MINES LIMITED
2560 A Simpson Road
Richmond, B. C. V6X 2P9

ATTN Mr. D. W. Coates
President

PORCHER ISLAND PROJECT
October 1-31, 1978

Consulting fee	Oct. 6-31	26 days @ \$225=	\$5850.00
Transportation			
Flights		\$217.00	
Fuel		5.73	
Rental vehicle		28.90	
Taxis		20.50	
Ferry, parking		<u>5.00</u>	
			277.13
Accommodation & meals			32.75
Food			42.72
Field supplies			398.57
Telephone	68' @ \$0.75 =		51.00
Copying, office supplies, freight			<u>31.85</u>
			<u>\$6,684.02</u>

107
20/11/78
S

C. M. ARMSTRONG, P.ENG.
CONSULTING ENGINEER
4085 West 29th Avenue
Vancouver, B. C.
V6S 1V4, Canada
(604) 224-7678

December 3, 1978

TO BANWAN GOLD MINES LIMITED
2560 A Simpson Road
Richmond, B. C. V6X 2P9

ATTN Mr. D. W. Coates
President

PORCHER ISLAND PROJECT
November 1-30, 1978

Consulting fee	Nov. 1-14	14 days @ \$225=	\$3150	
	Nov. 15-30	6 days @ \$175=	<u>1050</u>	
				\$4200.00
Transportation		1630 km		
Fuel	Prince Rupert/Kamloops/Vancouver		99.95	
Personal vehicle	345 km @ 15¢=		51.75	
Taxis, bus, parking			<u>47.60</u>	
				199.30
Accomodation & meals				156.53
Field supplies				185.97
Diamond drilling supplies				49.97
EM-16 rental	1 day @ \$30=			30.00
Telephone	126' @ 70¢=			88.20
Claim recordings (BR 1/12 units & BR 2/3 units) and	grouping notice (total 29 units)			80.00
Office supplies & copying				<u>54.55</u>
				5044.52 4934.52
	Less Personal effects			<u>11.96</u>
				5032.56 4922.56
Less Claim staking	Oct. 15-19	$5 \times \frac{8}{14} \times 225 =$		<u>642.86</u>
				<u>4279.70</u>

DATE NOVEMBER 20, 1978

In Account With D.W. COATES
2560 A SIMPSON ROAD
RICHMOND, B.C. V6X 2P9

REFERENCE INVOICE # 13066, 13074, 13079, 13081, 12218

FLYING SERVICE FOR MONTH OF OCTOBER 6, 11, 14, 17, 23 1978
 AS PER ATTACHED FLIGHT INVOICES

HELICOPTER TYPE BOUH 206B REG. No. C.F. HMP

BASE OF OPERATION PRINCE RUPERT, B.C.

BALANCE FORWARD		
<u>7.4</u> HOURS	@ \$ <u>290.00</u> PER HR.	\$
<u>7.4</u> HOURS V.I.H. FUEL	@ \$ <u>26.25</u> PER HR.	
_____ HOURS	@ \$ _____ PER HR.	
_____ HOURS V.I.H. FUEL	@ \$ _____ PER HR.	
MINIMUM CHARGES (IF APPLICABLE)		
CREW EXPENSES		
ADDITIONAL CHARGES		
TOTAL CHARGES		\$ 2,310.00

TERMS: 30 DAYS NET
 Interest at 15% per month (18% for non-residents) on overdue accounts.

This company complies with the CODE OF ETHICS of the International Franchise Association of America.

Wainwright Marine Services Ltd
 2125 Seal Cove Circle
 PRINCE RUPERT B.C.

SOLD TO DW Coates Enterprises
256A Simpson Road
RICHMOND BC V6X2P2

SHIPPED TO _____ VIA _____

OUR NUMBER 109661
 DATE 9 NOV 78
 CUSTOMER'S ORDER _____
 SALESMAN _____
 TERMS _____
 P.O.D. _____

ADDRESS			
Oct 10	Load Cat, pickup and drill. Crane 4 hrs @ 40 Tug and Barge	160 00 600 00	760 00
11	Return to ramp, load lumber, propane. Crane 1 hr Tug and Barge	40 00 600 00	640 00
12	Return to ramp, load 4 barrels helicopter fuel, proceed to Chevron, load 27 barrels oil; proceed to Eddy Pass, unable to load due to weather		1400 00
13	Standby Eddy Pass; too windy for helicopter		600 00
14	Standby till noon, offload barge and return to Prince Rupert		1050 00
As quoted for complete job			\$ 3000 00

DATE NOVEMBER 20, 1978

In Account With

NORTHWARD MINING CONTRACTORS

2560 A SIMPSON ROAD

RICHMOND, B.C. V6X 2P9

REFERENCE INVOICE # 13045

FLYING SERVICE FOR MONTH OF NOVEMBER 12, 1978 19
 AS PER ATTACHED FLIGHT INVOICES.

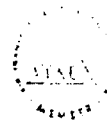
HELICOPTER TYPE BELL 206B REG. No. C.F. H50

BASE OF OPERATION PRINCE RUPERT, B.C.

BALANCE FORWARD		
<u>1.5</u> HOURS	@ \$ <u>300.00</u> PER HR.	\$
<u>1.5</u> HOURS V.I.H. FUEL	@ \$ <u>26.25</u> PER HR.	
_____ HOURS	@ \$ _____ PER HR.	
_____ HOURS V.I.H. FUEL	@ \$ _____ PER HR.	
MINIMUM CHARGES (IF APPLICABLE)		
CREW EXPENSES		
ADDITIONAL CHARGES		
TOTAL CHARGES		\$ 459.38

TERMS: 30 DAYS NET
 Interest at 1 1/2% per month (18 per cent per annum) charged on overdue accounts.

This company complies with the CODE OF ETHICS of the Helicopter Association of America.



DATE NOVEMBER 20, 1978

In Account With

NORTHWARD MINING CONTRACTORS

2560 A SIMPSON ROAD

RICHMOND, B.C. V6Y 2P9

REFERENCE INVOICE # 12225, 12224, 13028

FLYING SERVICE FOR MONTH OF OCTOBER 28, 31, 1978 19
 AS PER ATTACHED FLIGHT INVOICES.

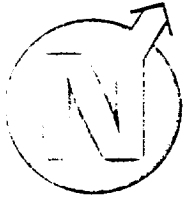
HELICOPTER TYPE BELL 206B REG. No. C.F. H50

BASE OF OPERATION PRINCE RUPERT, B.C.

BALANCE FORWARD		
<u>3.4</u> HOURS	@ \$ <u>290.00</u> PER HR.	\$
<u>3.4</u> HOURS V.I.H. FUEL	@ \$ <u>26.25</u> PER HR.	
_____ HOURS	@ \$ _____ PER HR.	
_____ HOURS V.I.H. FUEL	@ \$ _____ PER HR.	
MINIMUM CHARGES (IF APPLICABLE)		
CREW EXPENSES		
ADDITIONAL CHARGES		
TOTAL CHARGES		\$ 1,075.25

TERMS: 30 DAYS NET
 Interest at 1 1/2% per month (18 per cent per annum) charged on overdue accounts.

This company complies with the CODE OF ETHICS of the Helicopter Association of America.



NORTHWARD
mining contractors ltd.

256 A Simpson Road, Richmond, B.C. V6X 2P9 – Phone: (604) 273-0985

Inv.# 134

Job # N-5

Date Nov 27/78

Banwan Gold Mines Ltd.
2560A Simpson Road
Richmond, B. C.
V6X 2P9

Re: Porcher Island Project

Period: October 1 - November 6, 1978

Drilling Detail	\$32,752.00 ✓
Moving between Holes	3,409.50 ✓
Mobilization	4,182.00
Demobilization	2,815.25
Testing	288.00
Core Boxes	481.80
Materials Consumed	1,042.87
	<u>\$44,971.42</u>

Drilling Detail

<u>Hole#</u>	<u>Size</u>	<u>From</u>	<u>To</u>	<u>Footage</u>	<u>Rate</u>	<u>Amount</u>
1-78	BQ	0	3	3	\$16.00	\$ 48.00
1-78	BQ	3	600	597	16.00	9552.00
2-78	BQ	0	11	11	16.00	176.00
2-78	BQ	11	397	386	16.00	6176.00
3-78	BQ	0	9	9	16.00	144.00
3-78	BQ	9	601	592	16.00	9472.00
4-78	BQ	0	12	12	16.00	192.00
4-78	BQ	12	449	437	16.00	6992.00
				<u>2047</u>		<u>\$32,752.00</u>

Moving Between Holes

Labour

<u>Date</u>	<u>Memo</u>	<u>ManHrs.</u>	<u>DrillHrs.</u>
Oct 19	Setting up drill shack	2	-
Oct 22	Teardown drill	4	-
Oct 23D	Moving & setup hole #2	24	-
Oct 23N	Setup Drill & Shack	10	-
Oct 25D	Moving - teardown	2	-
Oct 25N	Moving - teardown	14	-
Oct 26D	Move - setup (winch)	20	3
Oct 26N	Finish setup	14	-
Oct 29D	Digging #4 - setup	8	-
Oct 30D	Preparing setup #4	15	-
Oct 30N	Waiting for helicopter	16	-
Oct 31D	Moving to #4 & setup	40	-
Nov 1D	Finish setup #4	18	-
		<u>187</u>	<u>3</u>

Labour: 187 hrs. @ 18.00/hr. 3366.00
Drill : 3 x 14.50 43.50 \$3409.50

Mobilization

(a) Mobilization to Prince Rupert 50% \$1500.00

(b) Mobilization - Prince Rupert to 1st hole site

<u>Date</u>	<u>Memo</u>	<u>ManHrs.</u>
Oct 10	Loading barge	6
Oct 11	" "	16
Oct 12	Loading barge and waiting	16
Oct 13	" " " "	16
Oct 14	Unload barge & fly to 1st hole	24
Oct 15	Setting Up drill	20
Oct 16	Setting up camp & drill	20
Oct 17	Relocate supply pump	8
Oct 21	Packing supplies from beach	2
Oct 22	Repair camp	4
Oct 24	Setting up wash camp	8
Oct 27	" " " "	3
Oct 28	" " " "	4
Nov 2	Packing supplies from beach	2
		<hr/>
		149

Labour: 149 hrs. @ 18.00/hr. \$2682.00

Total Mobilization \$4182.00

Demobilization

(a) Labour

<u>Date</u>	<u>Memo</u>	<u>ManHrs.</u>
Nov 3	Store equipment	8
Nov 3	" "	8
Nov 4	Store equipment and standby	40
Nov 5	Waiting for aircraft	40
Nov 6	Travel to Vancouver	40
		<hr/>
		136

Labour: 136 hrs. @ 18.00/hr. \$2448.00

(b) Other

5 Airfares Prince Rupert to Vancouver @ \$73.45 \$ 367.25

\$2815.25

Testing

Labour

<u>Date</u>	<u>Item</u>	<u>ManHrs.</u>
Oct 22	Testing	6
Oct 25	"	2
Oct 25	"	2
Oct 30	"	4
Nov 3	"	2
		<hr/>
		16

Testing: 16 manhrs. @ 18.00/hr. \$288.00

\$288.00

Core Boxes

100 BQ core Boxes @ 3.78/box	378.00	
Freight: 800# @ 7.50/lb.	60.00	
	<u>438.00</u>	
Plus 10%	43.80	<u>\$481.80</u>

Materials Consumed

<u>Date</u>	<u>Hole#</u>	<u>Item</u>	<u>Amount</u>
Oct 22D	1	3 10' length BQ drill rods@59.12	\$177.36
Oct 22D	1	1 10' length BW casing	72.77
Oct 23D	2	2 10' lengths BQ drill rods @59.12	118.24
Oct 25D	2	1 10' length BW casing	72.77
Oct 26D	3	5 10' length BQ drill rods @59.12	295.60
Oct 30D	3	1 10' length BW casing	72.77
Oct 30D	3	1 BW casing shoe	93.55
			<u>903.06</u>
		Freight: 600# @ 7.50/100	45.00
			<u>948.06</u>
		Plus 10%	94.81 <u>\$1042.87</u>

BUNDAH-CLEGG & COMPANY LTD.

754 BELFAST ROAD, OTTAWA, ONTARIO, K1G 0Z5 PHONE: 237-3110 TELEX: 053-2548

Banwan Gold Mines Ltd.
2560A Simpson Road.
Richmond, B.C.
V6X 2P9



INVOICE: ^{B 3816} **B 3816**

DATE: October 27, 1978

REPORT NO: A28 - 996

PROJECT:

W.). No. C 1301

25 Gold, Silver

Assays

@ \$ 8.50

\$ 212.50

BONDAR-CLEGG & COMPANY LTD.

764 BELFAST ROAD, OTTAWA, ONTARIO, K1G 0Z5 PHONE: 237-3110 TELEX: 053-2542

Banwan Gold Mines Ltd.
2560A Simpson Road
Richmond, B.C.

B 3923

INVOICE: **B 3923**

DATE: November 7, 1978

REPORT NO: A28 - 1026

PROJECT:

W. O. No C 1330

25 Gold, Silver Assays @ \$ 8.50

\$ 212.50

clr

BONDAR-CLEGG & COMPANY LTD.

764 BELFAST ROAD, OTTAWA, ONTARIO, K1G 0Z5 PHONE: 237-3110 TELEX: 053-3548

Banwan Gold Mines Ltd.
256 A Simpson Road
Richmond, B.C.

B 3991
INVOICE: B 3991
DATE: November 16, 1978
REPORT NO: A 28 - 1040
PROJECT:

W. O. No. C 1344

23 Gold, Silver

Assays

@ \$ 8.50

\$ 195.50

APPENDIX

3

Diamond Drilling Contract

BANWAN GOLD MINES LIMITED
AND
NORTHWARD MINING CONTRACTORS LTD.

THIS AGREEMENT made this 13th day of October 1978.

BETWEEN: BANWAN GOLD MINES LIMITED
2560 A Simpson Road
Richmond, B. C. V6X 2P9

Hereinafter referred to as
"The Company"

OF THE FIRST PART

AND: NORTHWARD MINING CONTRACTORS LTD.
2560 A 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 1500 feet of drilling and other services as set forth, on the property of the Company in the Prince Rupert 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 provisos 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 BQ 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	\$16.00

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 50 feet in any hole according to the following schedule of rates:

<u>From</u>		<u>To</u>	<u>Price/Foot</u>
0'	-	25' in depth	\$16.00
25'	-	50' in depth	\$17.50
50' plus			Field Cost

The Company further agrees that in the event that casing or stand pipe on any hole exceeds 50 feet, then charges for casing or stand piping on that hole shall be charged on a field cost basis from 50 foot depth to bedrock.

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 further agrees to compensate the Contractor at the rate of \$0.80 per foot of casing employed for that portion of the hole completed on a field cost basis. Said amount per foot to compensate for the wear and tear on the casing.

MOVING BETWEEN HOLES - SETTING UP - TEARING DOWN

THAT the Company agrees that moving between holes, setting up and tearing down the drill would be performed on a field cost basis.

The Company further agrees to supply a helicopter if required to move between holes at no cost to the Contractor.

WATER SUPPLY

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

Fuel used to heat the water, if ever necessary, would be charged at cost on job site.

TRANSPORTATION

THAT the Contractor agrees to move his men, equipment and supplies from his base to Prince Rupert and return from Prince Rupert to his base for the lump sum of \$3000.00.

M/DM

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

The erection and teardown of a suitable camp would be performed on a field cost basis.

The Company would supply helicopters and/or aircraft and/or barge for the mobilization, demobilization and for continuing supplies as the job progresses at no cost to the Contractor.

REAMING 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 \$0.80 per reamed foot.

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.

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 will be charged on a cost at job site plus ten percent.

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

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 representative relating to place and time of drilling.

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.

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 man shift be greater than $\frac{1}{2}$ hour, then that "over" will be recovered on a field cost basis.

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 Contractor agrees that the above schedule of rates include the board and lodging for his drill crew.

The Contractor would supply board to Company personnel at the rate of \$6.50 per meal.

CORE BOXES

THAT the Company agrees to supply the necessary core boxes and/or the Contractor would supply at cost on job site plus ten percent.

CORE SPLITTER

THAT the Contractor agrees to supply a core splitter if requested, at no cost to the Company.

RADIO COMMUNICATION

THAT the Contractor agrees to supply radio communications at no cost to the Company.

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 incompletd 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, 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 Workmen'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.

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 \$2,000,000.00 for any one accident.

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

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-----\$18.00 per man hour
Drill-----\$14.50 per hour
Pump-----\$ 1.00 per hour
Mud Mixer (when applicable)-----\$ 1.00 per hour

Materials Consumed-----Cost at job site plus
10 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-----\$15.30 per man hour
Drill - Equipment-----\$ 3.00 per hour

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, costs or charges of whatever kind or character incident to the occupation of said real property.

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 enure 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:

Banwan Gold Mines Ltd.
2560 A Simpson Road
Richmond, B. C. V6X 2P9

or to the Contractor by registered letter addressed as follows:


Northward Mining Contractors Ltd.
2560 A Simpson Road
Richmond, B. C. V6X 2P9

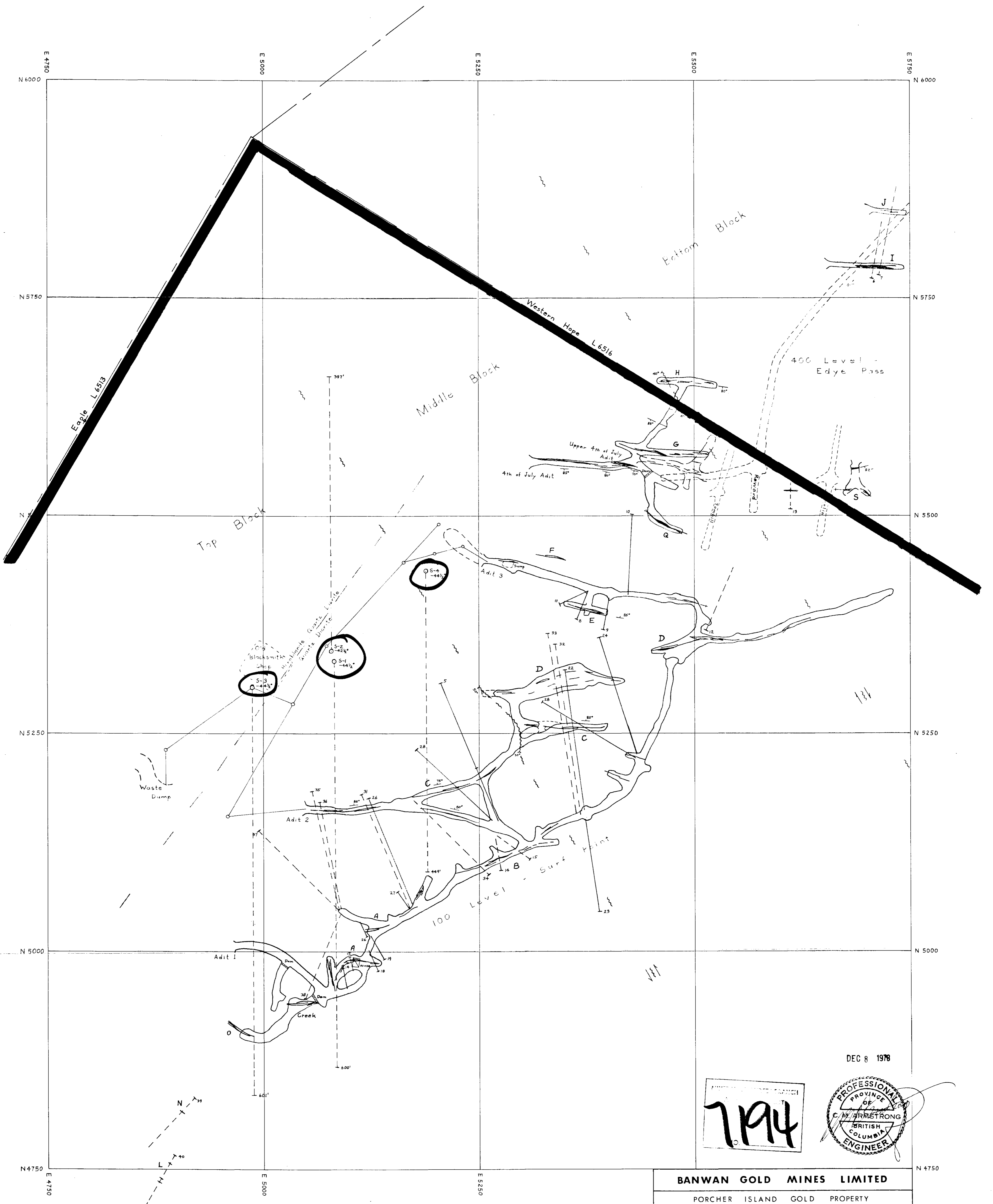
IN WITNESS WHEREOF these presents have been executed by the parties hereto the day and year first above written:

SIGNED, SEALED AND DELIVERED
In the presence of

BANWAN GOLD MINES LIMITED

NORTHWARD MINING CONTRACTORS LTD.





Modified from Waterland, 1938
 Drill holes S-1 to S-4 not corrected for deviations in azimuth.

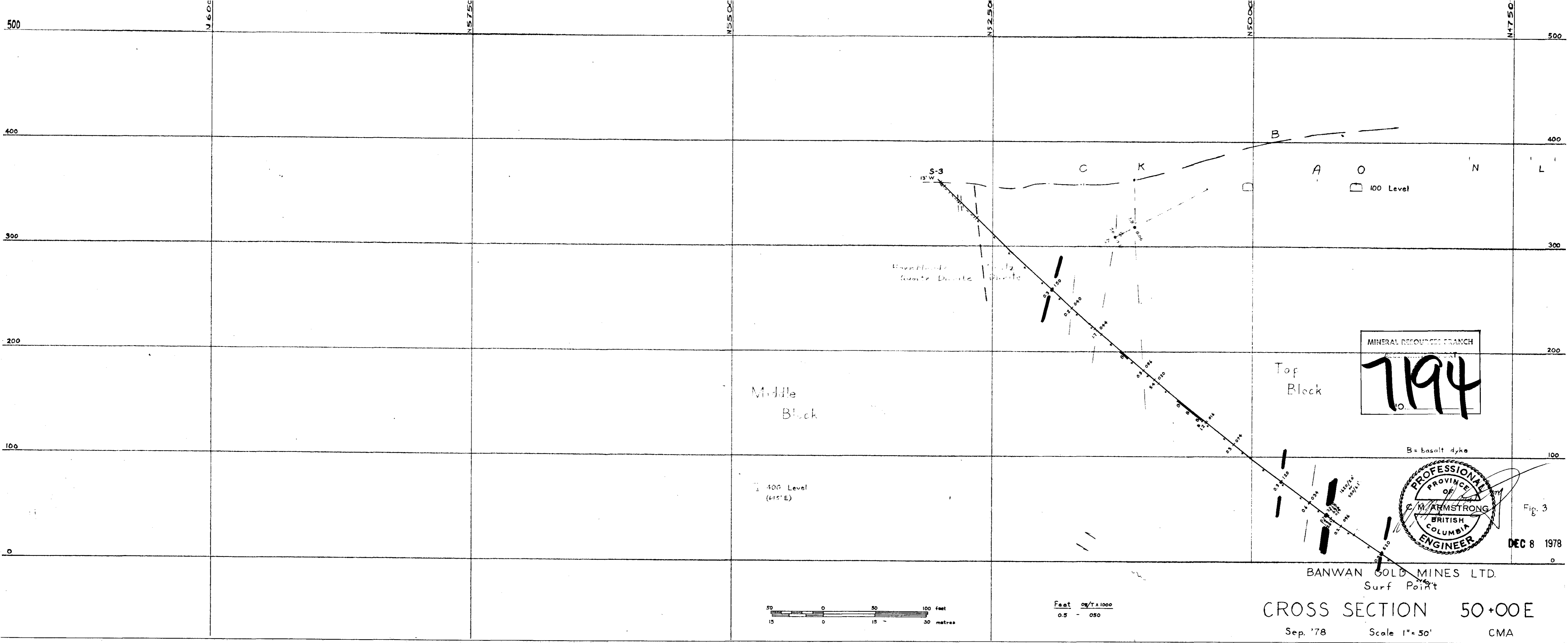
DEC 8 1978

7194

PROFESSIONAL
 PROVINCE OF
 C. M. ARMSTRONG
 BRITISH COLUMBIA
 ENGINEER

BANWAN GOLD MINES LIMITED	
PORCHER ISLAND GOLD PROPERTY	
COMPOSITE PLAN	
Dec. '78	CMA

Fig. 2



MINERAL RESOURCES BRANCH
 7194

B = basalt dyke

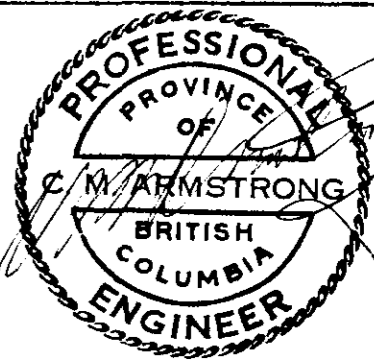


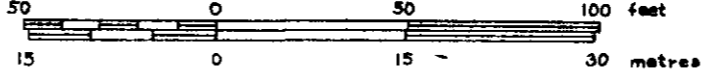
Fig. 3

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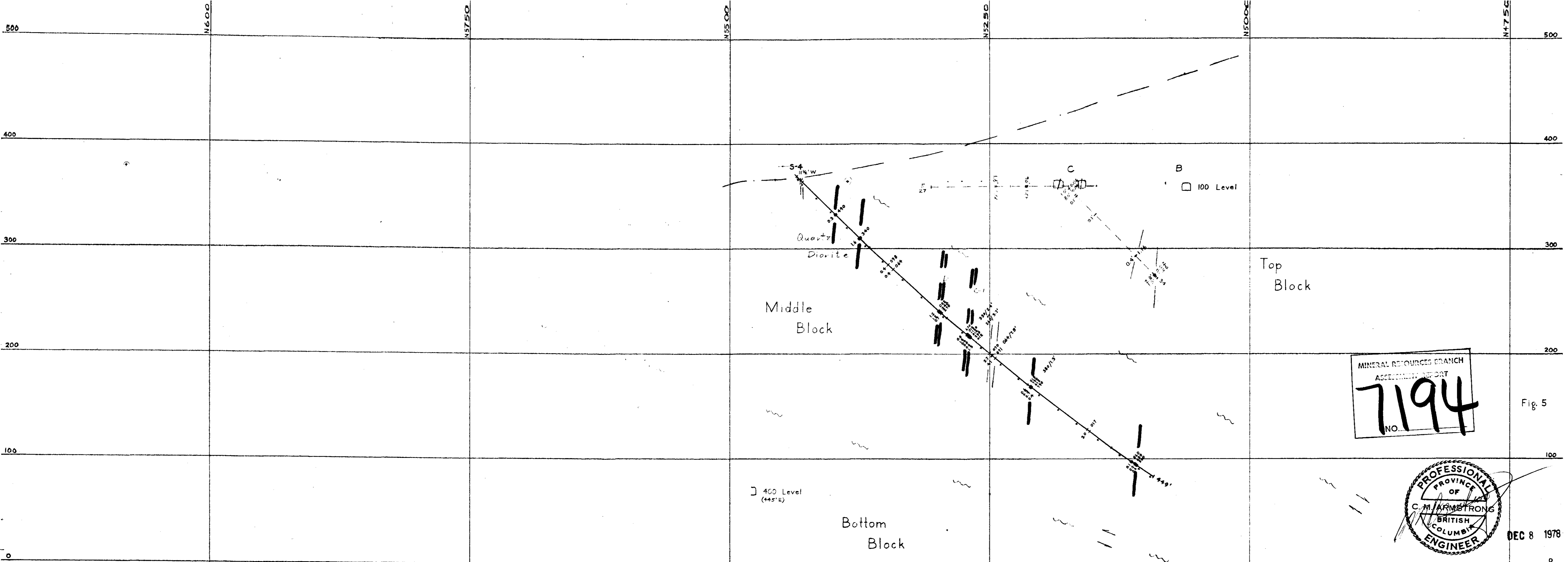
BANWAN GOLD MINES LTD.
 Surf Point

CROSS SECTION 50+00E

Sep. '78 Scale 1" = 50' CMA

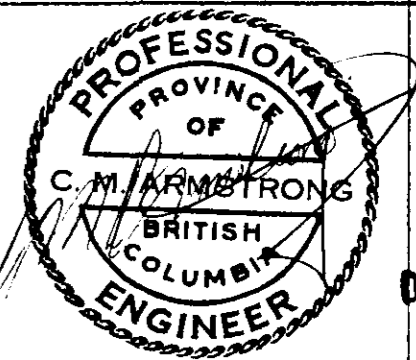


Feet 0.5 - 0.50
 0.5 - 0.50



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Fig. 5

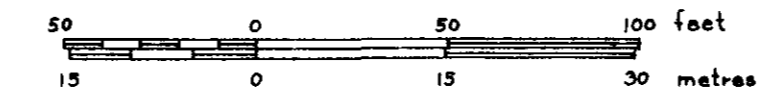


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Surf Point

CROSS SECTION 52+00E

Sep. '78 Scale 1"=50' CMA



Feet 0.5" = 1000
0.5 - 050