

SHIMA RESOURCES LIMITED

TEXADA ISLAND, B.C.

NANAIMO, M.D.

LATITUDE 49° 43N, LONGITUDE 124° 32W

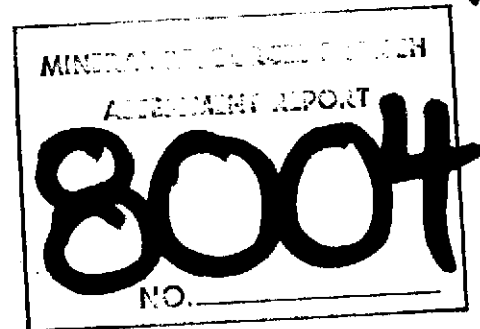
NTS BLOCK 92F - NE

A REPORT OUTLINING WORK DONE DURING 1979
TOWARD DEVELOPMENT OF THE PROPERTY IN
QUALIFICATION FOR MEIP GRANT

*Part 1
of 2*

BY

KEITH C. FAHRNI, P.Eng.



FEBRUARY 14th, 1980

Keith C. Fahrni

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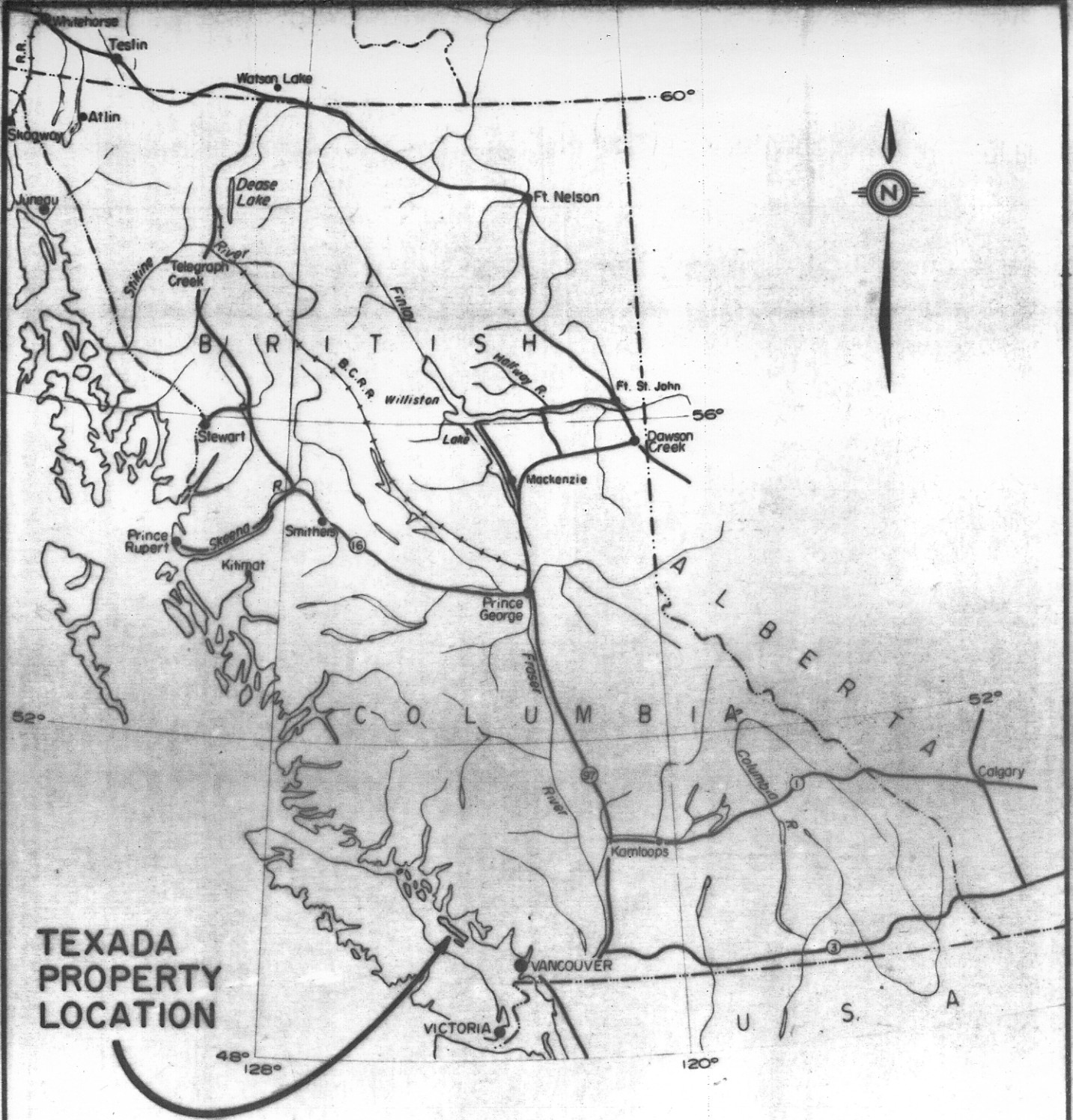
Detailed Technical Data

- (1) Summary of Drill Results
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- (4) Cross Sections)
- (5) Plan of Drill Area) in pocket

Itemized Cost Statement

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Letter of Certification



**TEXADA
PROPERTY
LOCATION**

SHIMA RESOURCES LIMITED

BOX 61 GILLIES BAY B.C.

TEXADA PROPERTY

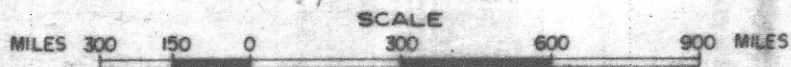
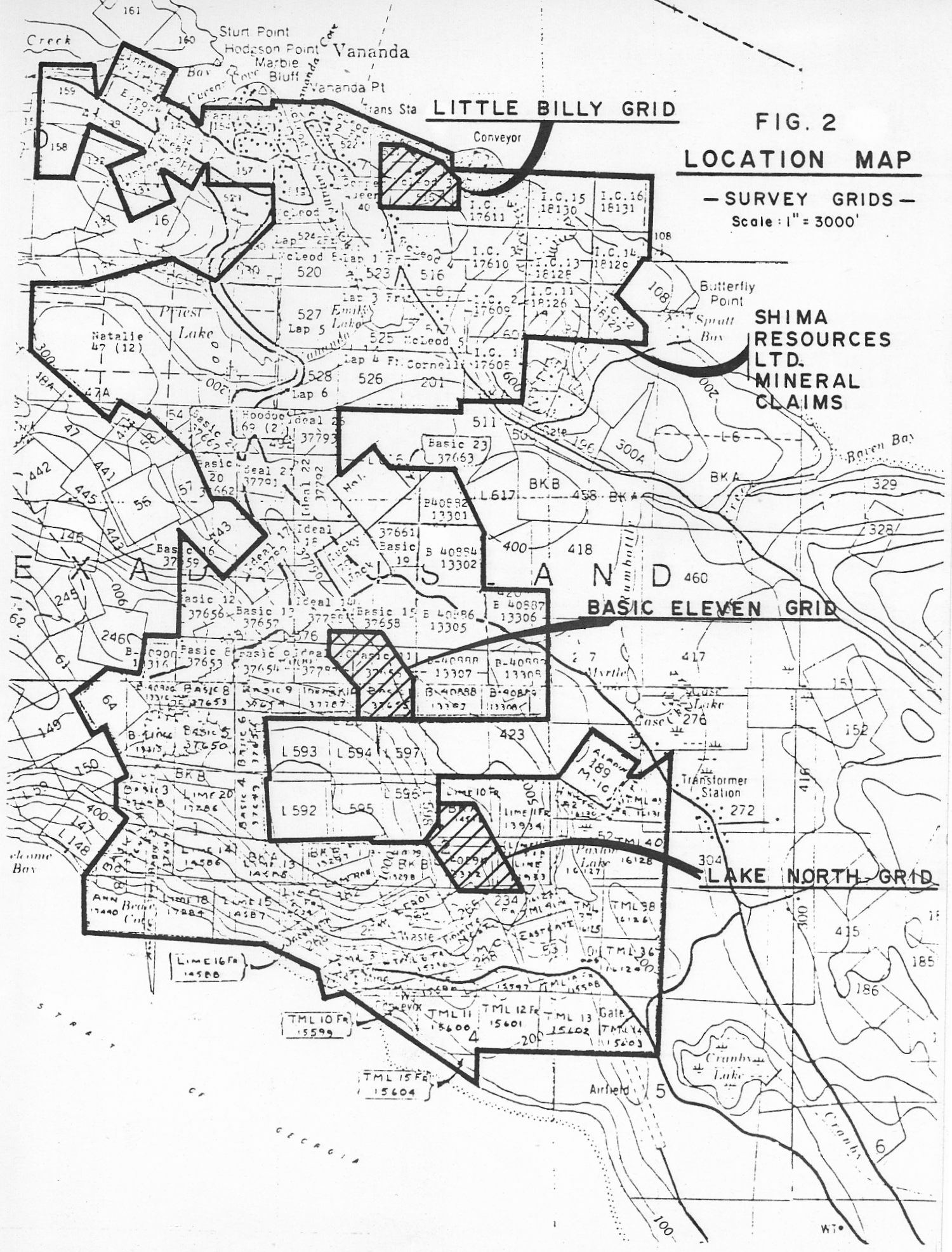


FIG. 2
LOCATION MAP

— SURVEY GRIDS —
Scale: 1" = 3000'

SHIMA
RESOURCES
LTD.
MINERAL
CLAIMS



INTRODUCTION

Work on the Texada Island claims by Shima Resources began with a gravity survey by Ager and Associates dated January 31, 1978. This was followed by my report dated March 15, 1978 which reviewed the history of the various old mines on the property and recommended that the anomalies identified by Ager be tested by drilling. On later consideration it was decided that better definition of the targets should be carried out by a more detailed geophysical survey. (The first survey was based upon cross lines spaced at 400 meters). Three areas for detailing were selected from the several anomalous localities detected by the first survey and several geophysical survey methods were used over a 50 meter square grid on each area. This report is submitted herewith. It was completed on July 7, 1979. Six drill holes were recommended to test three different coincident geophysical anomalies. One of these was an area near the Little Billie Mine. This area was selected for first testing because of the proximity of proven copper and gold mineralization in the old mine workings. On April 26th 1979 an application was made for a M.E.I.P. Grant. The company was listed for trading on the Vancouver Stock Exchange in November and immediately following this event drilling commenced. The results of this work are reported below.

A. LOCATION and ACCESS

The property is located across the north part of Texada Island stretching between the towns of Gillies Bay and Vananda as shown on the accompanying claim map. The island is reached by government ferry from Powell River on Highway 101 north west of Vancouver. The island is also served by Airwest plane service from Vancouver.

B. PROPERTY DEFINITION

The total claim block is shown in previous reports on the geophysical work. The core drilling was entirely on McLeod No. 3 Mineral Claim, Lot No. 515. This crown granted mineral claim is a part of Maple Leaf Group of 27 claims ten of which are located claims. Assessment work has been recorded to maintain the located claims in good standing up to 1985. This work recorded consisted of both geophysical work and core drilling.

SUMMARY OF WORK DONE

1. Geophysical Survey -
(see report by Ager and Associates attached)
2. Core Drilling.

During November and December 1979 six drill holes were put down on the Shima property on Texada Island. These holes were all drilled on the Little Billie geophysical anomaly which was first located by the preliminary program reported January 1978 and which was further defined by the detailed geophysical program reported in July 1979.

The drill used was a BBS-1 machine with diesel motor and hydraulic head. The holes were drilled to BQ size which gives a 36 mm. (1 7/16 inch) core diameter. The wireline system was used to raise the core tube without pulling the drill rods. The contractor was D J Drilling of Surrey B.C. The drill has been temporarily stored in a yard near the drill site.

Work commenced on November 23rd and stopped on December 8th. Three drill shifts were required for mobilization and demob. and thirty-one drill shifts were spent in drilling. The total distance drilled was 628.8 meters (2063 feet). Average advance for drilling time was 20.3 meters (66.5 feet) per shift of 10 hours. Hole depth varied from 81.4 to 129.5 meters (267 to 425 feet). No serious difficulty was encountered in the drilling at this location.

The drill holes were numbered SR 79-1 to SR79-6 and this designation has been marked on the drill hole plugs in the ground and on core boxes and log sheets. Sampling by splitting with a Longyear splitter was carried out in sections which showed sulphide mineralization.

DETAILED TECHNICAL DATA

The location of the holes drilled are shown in relation to roads and other topographic features on an accompanying map. The interpreted geology is indicated on a series of three cross sections which are referenced to the plan.

Drilling was done on three cross-sections spaced 50 meters apart which cut the anomalous zone. Some interesting mineralization was encountered on the central section but the outer sections showed no values although drilling may not have been extensive enough to reach the zone.

Drill hole SR79-1 encountered 16 meters of epidote-magnetite skarn at a limestone, diorite contact at a depth of 106 meters. The averages of assays of 8 samples over this distance were 1.30% copper, 0.041 ounces per ton in gold and 0.54 ounces per ton in silver. This indicates a gross recoverable metal value of \$51.98 per short ton when calculated with copper at \$1.00 per pound, gold at \$500 per ounce and silver at \$20 per ounce and with possible mill recoveries taken at 85% for copper and 95% for the precious metals. The intersection shows good consistency of values over the 16 meter distance at a grade which might be mineable if sufficient tonnage can be developed. Possible extensions should be sought by drilling on a 10-meter pattern.

Drill hole SR79-6 was directed toward SR79-1 at an angle of -70° . It encountered the skarn zone in a similar geological setting but it carried a central spur of barren diorite 9.8 meters thick. Above the diorite spur a short section of 0.7 meters assayed 0.89% copper, trace

of gold and 0.10 ounces per ton in silver. The lower skarn section, a length of 4 meters averaged 0.17% copper, 0.024 ounces per ton in gold and traces of silver. The hole then re-entered the diorite. This skarn zone is considerably below possible mining grade at this depth. The zone lies about 15 meters up dip to the north from the intersection in drill hole SR79-1.

The following tabulation shows holes drilled to date:

<u>Hole No.</u>	<u>Bearing</u>	<u>Inclination</u>	<u>Length</u>	<u>Co-ordinates of Collar</u>		
				<u>Latitude</u>	<u>Departure</u>	<u>Elevation</u>
SR 79-1	-	-90°	129.5	0 + 50S	2 + 00E	34.1
SR 79-2	Due N	-55°	81.4	0 + 49S	2 + 00E	34.1
SR 79-3	-	-90°	81.7	0 + 28S	1 + 53E	35.0
SR 79-4	-	-90°	84.7	0 + 72S	1 + 43E	39.6
SR 79-5	-	-90°	124.4	0 + 37S	2 + 50E	32.6
SR 79-6	S 25° W	-70°	127.1	0 + 74S	2 + 12E	37.0

Total distance drilled 628.8 meters (2063 feet)

The logs of the drill holes are provided following with the assays of the sections which were selected for sampling being shown on copies of Assay Office certificates.

Colour Plot & Dip

Drill Hole Record SHIMA RESOURCES LIMITED

PAGE 1/3

Property **LITTLE BILLIE** District **NANAIMO** Hole No. **SR 79-1** Length **129.5**
 Commenced **Nov. 23/79 (PM)** Location **AYER#2** Tests at Hor. Comp. **-**
 Completed **Nov 25/79 (DAY)** Core Size **BC (36mm)** Corr. Dip **-90°** Vert. Comp. **129.5**
 LAT. **0+50S** DEP. **2+00 E** ELEV. **34.1 ASL** True Brg. Logged by **KCF**
 Objective % Recov. **96.6** Date **Nov 26/79**

Claim
T Brg.
Collar Dip
Elev.
Length

METERS		Description	RECOVERY		Sample Interval	Sample No.	Length	Analysis
From	To		RUN	SHORT				
0	3.96	NO CORE - CASING THRU OVERBURN	0 3.96	CASING				
3.96	5.18	DIORITE - ALTERED. Some fresh remnants indicate a coarse to medium grained rock with about 10% perovskite mineral. Main Augite, Biotite and Magnetite. Alteration appears to be bleaching of dark minerals and calcite veining. No significant mineralization was seen in this rock.	3.96 5.18 5.18 6.10 6.10 6.40 6.40 8.23 8.23 10.36 10.36 11.28 11.28 12.65 12.65 13.72	- 0.2 0.1 0.9 1.3 0.1 -				
5.18	6.40	ANDESITE DYKE - BROKEN - CONTACTS NOT DEFINED Dark grey to brownish andesite of fine grained texture. Some chloritic fracture occurs. Augite like spots of pyrite and epidote occur throughout. Ground shun at lat.	13.72 14.33 14.33 15.24 15.24 16.46 16.46 17.37 17.37 18.90	- 0.3 - 0.2 0.1				
6.40	8.70	WHITE MARBLE Some bluish green streaks but no well defined structure. A few fine grained, small aggregates of pyrite occur.	18.90 19.51 19.51 20.27 20.27 21.64 21.64 23.77	0.2 - 0.2 0.2				
8.70	33.80	DIORITE - MASSIVE About 0.3 of alteration at start. Rock is fresh looking with about 10% perovskite mineral. Augite, Biotite, Magnetite & a few slices of calcite occur, with pink feldspar coloring. Some black zones with coarse magnetite occur.	23.77 25.60 25.60 26.29 26.29 26.97 26.97 28.35	- - - -				

Scale

Colour Plot
& Dips

Drill Hole Record SHIMA RESOURCES LIMITED

PAGE 2/3

Property	LITTLE BILLIE	District	NANAIMO.	Hole No.	SR 79-1	Length	129.5 m.
Commenced	Nov 23/79	Location	AGER #2 DH.	Tests at		Hor. Comp.	—
Completed	Nov 25/79	Core Size	B Q (36 mm)	Corr. Dip	-90°	Vert. Comp.	129.5 m
LAT.	0+50 S	DEP.	2+00 E	ELEV.	34.1 ASL	True Brg.	Logged by KGF
Objective		% Recov.	96.6	Date	Nov 26/79		

METERS From To	Description	RECOVERY		Sample Interval	Sample No.	Length	Analysis		
		RUN	SHORT				Cu	As	Ag
33.8 - 50.9	LIMESTONE: Miner has mineralized up to 39.0 then fine grained light gray bedded black schist band with calcite veins occurs. Some thin black (carbon) fraction about parallel to hole. of stylolite appearance. Some calcite veins and black schist are at 30° to hole. Thin white stringers of 1 to 2 mm are fr. 60° to 20° to hole. No mineralization noted.	28.35 29.56 30.48 31.39 32.61 33.83 34.44 35.66 38.71	— — — — 0.2 — — — —						
50.9 - 54.0	DIORITE DYKE: - CONTACT AT LAST AT 30° T. HOLE Rocks similar to preceding diorite except carbonate alteration at base of shear both contacts. Post calcite well defined.	38.78 41.76 44.81 47.85	— — — —						
54.0 - 55.1	WHITE MARBLE: A few grey streaks at 20° to hole. No mineralization xl faces to 0.5 cm.	47.85 50.90 52.43 53.95 57.00	0.2 — — — —						
55.1 - 55.9	GARNET SKARN WITH MAGNETITE AND CHALCO A massive light green schist about 75% green garnet and 25% Magnetite and chalcopyrite. Contact sharp both sides at 80° to hole.	57.00 60.20 63.40 66.45 69.49 71.93 74.99	— — — — — — —						

Claim

T Brg.

Collar Dip

Elev.

Length

Scale

Colour Plot
& Dips

Drill Hole Record SHIMA RESOURCES LTD

PAGE 1/2

Property LITTLE BILLIE District NANAIMO. Hole No. SR79-2 Length 31.4
 Commenced NOV 25, 1979. Location AGER #2 Tests at Hor. Comp. 46.7
 Completed NOV 28 1979 Core Size BQ (36 mm) Corr. Dip -55° Vert. Comp. 66.7
 LAT. 0+495 DEP. 2+00E ELEV. +34.1 ASL. True Brg. DUE NORTH. Logged by KCF
 Objective % Recov. 98.3 Date Nov 27 1979

Claim

T Brg.

Collar Dip

Elev.

Length

METERS		Description	RECOVERY		Sample interval	Sample No.	Length	Analysis		
From	To		RUN	SHORT				Ca	Al	Ag
0	4.57	Casing - no core.	0 - 4.57	0.0	26.6	087PP	1.9	.02	.002	T ₂
			4.57 - 6.40	0.8	28.5	088PP	2.0	.01	.002	T ₂
4.57	6.30	BLACK ANDESITE DYKE	6.40	7.62						
		Very fine grained. Has thin stringers of epidote and pyrite at angle of about 45° Contact but with core shot (7 feet?)	7.62	9.45	0.5					
			9.45	11.89						
			11.89	12.19						
6.3	26.6	DIORITE	12.19	13.41						
		To 12.0 is broken with several today fractures. A few small dyke fragments occur. Some of felspar colored pinkish. Rest of section is fresh with about 10% ferruginous. A few carbonate blebs at 30° to 45° to hole. Tight contact at least with about 2 cm fine grained border at 40° to hole.	13.41	15.24						
			15.24	15.54						
			15.54	17.37						
			17.37	18.44						
			18.44	19.81						
			19.81	20.42						
26.6	28.5	BROWN SKARNY TUFF	20.42	23.16						
		Bandings developed faintly at 90° to hole. Blebs of pyrite and some chalcopyrite occur throughout. Part contact sharp at 45°	23.16	24.69						
			24.69	26.52						
			26.52	28.04						
28.5	34.8	LIMESTONE - MARBLED	28.04	29.26						
		At start some pyrite and chalcopyrite noted. Black chloritic material occurs in stringers and small disseminations decreasing to 30.5 and occasionally to end where sharp contact occurs at 45° to hole.	29.26	32.46						
			32.46	35.36						
			35.36	35.96						
			35.96	37.49						

Site

Colour Plot
& Dip

Drill Hole Record SHIMA RESOURCES LIMITED

SHEET 1/3

Property LITTLE BILLIE District NANAIMO Hole No. SR79-4 Length 84.7
 Commenced NOV. 30, 1979 Location 45M S13W from SR79-3 Tests at Hor. Comp. -
 Completed DEC 2, 1979 Core Size BQ (36 mm.) Corr. Dip -90° Vert. Comp. 84.7
 LAT. 0+72.5 DEP. 1+43 E ELEV. +39.6 AMSL True Brg. Logged by KOZ.
 Objective % Recov. 98.0 Date Dec 1/79

METERS From To	Description	RECOVERY		Sample Interval	Sample No.	Length	Analysis		
		RUN	SHORT				Cu	Pb	Ag
0 - 1.83	CASING - (BLACK DYKE)	0 - 1.83	CASING NO REC						
		1.83	-						
1.83 - 3.7	ANDESITE DYKE Med to fine grained greenish black rock broken on thin carb. fracture.	2.13	-						
		2.66	1.0						
		5.49	-						
		8.53	-						
3.7 - 16.4	LIMESTONE - Medium grained gray limestone with a few white calcite veins. No microlites noted except epidote in 2 to 5 cm mottled zone at start of fracture. Faint bedding at 50° to N. dip.	11.58	-						
		14.63	-						
		16.46	-						
		17.88	-						
		19.51	-						
16.4 - 23.8	ANDESITE DYKE - SMALL WHITE FELSPAR PHENOS. Medium grained dark feldspathic dyke with white feldspar about 1 mm partially scattered (1 on spot). A carbonate vein occurs at 20.7 with related epidote and pyrite. Both walls are bleached to grey color and have scattered pyrite. The vein is split. Cores at 60° to N. dip. A lesser carbonate breccia zone occurs at 28.0 Contact at base is chilled to fine grained for 0.3m. Cores at 60° to N.	22.25	-	20.4-21.9	002 PP	1.5	.01	.002	Tr
		23.16	-						
		24.00	-						
		24.88	-						
		25.91	-						
		26.82	-						
		29.26	-						
		32.46	-						
		33.83	-						
23.8 - 32.5	LIMESTONE Grey medium grained with some darker banding. At base in 0.2 m of mottled low red brown granular epidote but no sulphide. At start is 0.2 m mottled with L.	33.83	-						
		36.27	-						
		37.18	-						
		37.49	-						
		38.10	-						

Claim

T Brg.

Collar Dip

Elev.

Length

UTM NING

Drill Hole Record SHIMA RESOURCES LIMITED

PAGE 2/3

Property **LITTLE BILLIE** District **NANAIMO** Hole No. **SR79-4** Length **84.7**
 Commenced **Nov 30/79** Location **45M S13W from SR79-3** Tests at **Hor. Comp. -**
 Completed **Dec 2/79** Core Size **BQ (36mm)** Corr. Dip **-90°** Vert. Comp. **84.7**
 LAT. **0+725** DEP. **1+43E** ELEV. **439.6 AMSL** True Brg. **Logged by KEZ.**
 Objective **% Recov. 98.0** Date **Dec 102/79**

Claim
T Brg.
Collar Dip
Elev.
Length

METERS		Description	RECOVERY		Sample Interval	Sample No.	Length	Analysis
From	To		RUN	SHORT				
32.5	38.9	ANDESITE DYKE: Chilled border at start then black and white with white 1mm feldspar like pieces in dyke. From 35.2 to 35.8 is grey coarse diorite dyke with sharp contacts at 70° at 80° to hole. Fine grained dark porphyry continues to 36.3 then bleached to brown with calcite stringers and a 3cm gouge zone at 36.9 at 65° to hole. At end of dyke is bleached bleached and coarsely porphyritic. Contact is tight at 40° to hole.	37.10	0.2				
			37.71	-				
			38.71	-				
			39.02	-				
			42.06	-				
			45.11	-				
			45.11	-				
			48.16	-				
			48.16	-				
			48.46	-				
38.0	48.3	LIMESTONE Grey color but variably mottled & streaked. Some beds at 60° to hole. Mottled at each contact for 0.5m. From 44.6 to 45.0 is purple fault zone with fracture and residual texture and gouge zone ^{5cm} at 46 to 50° to hole. No mineralization or show occurs.	48.46	-				
			49.07	-				
			50.29	-				
			51.21	-				
			51.21	-				
			53.80	-				
			55.02	-				
			57.30	-				
			57.30	-				
			58.98	-				
48.3	54.9	ANDESITE DYKE: Dark grey to black fine grained with scattered white feldspar of 1mm size about 1cm apart. A few 1cm stringers of bleaching like following rocks occur at 45°. Some carbonate fractures occur at small angle to hole. Contact at end is tight with following rocks at angle of 60° to hole. Dyke is is bleached for 0.3m by following intrusion. No mineralization noted.	60.35	-				
			62.17	-				
			62.18	-				
			65.23	-				
			65.23	-				
			67.27	-				
			71.02	-				
			71.32	-				
			71.32	-				
			71.63	-				
		74.07	-					
		74.07	-					
		75.28	-					

Date

Colour Plot
& Dips

Drill Hole Record SHIMA RESOURCES LIMITED

Page 1/4

Property **LITTLE BILLIE** District **NANAIMO** Hole No. **SR79-6** Length **127.1**
 Commenced **DEC 6/79** Location **27M S25E from SR79-1** Tests at Hor. Comp. **43.5**
 Completed **DEC 8/79** Core Size **BQ (36mm)** Corr. Dip **-70°** Vert. Comp. **119.4**
 LAT. **C4735** DEP. **2+12 E** ELEV. **36.6** True Brg. **N 25° W.** Logged by **KC Johnson**
 Objective % Recov. **100** Date **Dec 7 1979**

Claim

T Brg.

Collar Dip

Elev.

Length

METERS		Description	RECOVERY		Sample interval	Sample No.	Length	Analysis		
From	To		RUN	SHORT				Cu	Au	Ag
0	5.18	Core no core	0-5.18	MISSING						
			5.18	8.23						
5.18	17.37	LIMESTONE	8.23	11.28						
		Grey fine grained, bearing mottled and black chertic streaks with trace of pyrite toward base. From 16.8 to 17 is mottled, slightly shaly rock - probably dyke - of brownish color at 60° to hole with a little gouge more cement. Limestone is brecciated adjacent to it. No micaceous of impurities seen.	11.28	14.33						
			14.33	17.37						
			17.37	20.42						
			20.42	22.56						
			22.56	25.60						
			25.60	27.80						
17.37	20.0	DYKE - Brown mottled and brecciated. Rock is fine grained with fine dark brown black bleached to light fawnish and blue green on substrate of fracturing. Pyrite is scattered throughout. Some garnet at start and end for a few cm. streaks at contacts at about 60° to hole.	27.80	31.39	17.4-20.0	090PP	2.6	.01	Tn	Tn
			31.39	34.44						
			34.44	37.49						
			37.49	38.71						
			38.71	40.84						
			40.84	41.15						
20.0	21.7	WHITE MARBLE LIMESTONE Some grey mottling but no micaceous alteration noted.	41.15	41.76						
			41.76	44.81						
			44.81	46.02						
21.7	22.6	DYKE - Like preceding dyke but some alteration and no pyrite noted About 1 cm of garnet at each border	46.02	47.55						
			47.55	47.85						
			47.85	49.68						
			49.68	50.90						

Drill Hole Record

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Property **LITTLE BILLIE** District **NANAIMO** Hole No. **SR79-6** Length **127.1**
 Commenced **DEC 6 1979** Location **27m S25E from SR79-1** Tests at **Hor. Comp. 43.5**
 Completed **DEC 8 1979** Core Size **BQ** Corr. Dip **-70°** Vert. Comp. **119.4**
 LAT. **0+73 S** DEP. **2+12 E** ELEV. **36.6** True Brg. **N 25° W** Logged by **KE Jeleni**
 Objective **% Recov. 100** Date **Dec. 8, 1979**

Claim
 T Brg.
 Collar Dip
 Elev.
 Length
 Hole No

METERS From To	Description	RECOVERY		Sample interval	Sample No.	Length Meters	Analysis			
		RUN	SHORT				Cu	As	Ag	
101.5 - 102.2	SKARN. - Epidote - magnetite. Contact at start with north is at 70° to hole. at end 90°? A little brown garnet occurs for 2 cm with Xline epidote at last. Traces of pyrite occur but no chalcoppyrite noted			101.5 102.2	091 PP	0.7	.87	Tn	.10	
102.2 - 112.0	DIORITE Resembles previous diorite but a little lighter color with smaller patches and smaller proportion of black mineral. Rock still attracts magnet. Some dark rounded spots occur at base pale greenish patches of epidote appear esp 103.2 to 104.2. Becomes lighter at last and gradual contact to skarn.									
112.0 - 117.7	SKARN - Garnet, magnetite, pyrite. Some chlorite appearance at start with calcite pyrite magnetite then from 114 mish brown garnet with pyrite and epidote. Contact at last slope at 40° to hole.			112.0 114.0 114.0 116.0 116.0 117.7	092 PP 093 PP 094 PP	2.0 2.0 1.7	.32 .03 .02	.030 .018 Tn	Tn Tn Tn	.17 .24 4
117.7 - 127.1	DIORITE First 2 meters pinkish alteration then darker fresh looking. Occasional dark rounded patches to 10 cm. Contact fresh to end.									

END OF HOLE

Scale
 Colour Plot
 & Dip

GENERAL TESTING LABORATORIES

DIVISION SUPERINTENDENCE COMPANY (CANADA) LTD.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2
 PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

TO:
SHIMA RESOURCES LIMITED
 3229 West 49th Avenue
 Vancouver, B.C.
 V6E 3T5
 Attn: Mr. R.W. Margetts

RW RECEIVED DEC 17 1979
CERTIFICATE OF ASSAY

No.: 7912-0652 DATE: Dec. 13/79

We hereby certify that the following are the results of assays on: **Ore samples** *HOC #1*

MARKED	GOLD	SILVER	Copper	XXX	XXX	XXX	XXX	XXX
	oz/st	oz/st	Cu (%)					
077 - PP 1	0.032	0.40	1.87					
078 2	0.004	0.24	0.70					
079 3	0.010	1.16	1.75					
080 4	0.102	0.71	1.68					
081 5	0.088	0.72	2.20					
082 6	0.030	0.44	1.02					
083 7	0.005	0.44	1.33					
084 8	0.072	0.38	1.32					
085 9	0.018	0.23	0.44					
086 10	0.002	trace	0.02					
087 11	0.002	trace	0.02					
088 12	0.002	trace	0.01					
089 - PP 13	0.002	trace	0.01					

cc. Mr. H.C. Fahrni, P. Eng.

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

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L. Song
 PROVINCIAL ASSAYER

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 OFFICIAL WEIGHMASTERS FOR Vancouver Board Of Trade



GENERAL TESTING LABORATORIES

DIVISION SUPERINTENDENCE COMPANY (CANADA) LTD.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2
PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

TO:
SHIMA RESOURCES LTD.
3229 West 49th Avenue
Vancouver, B.C.
V6N 3T5

Rlw RECEIVED DEC 17 1979
CERTIFICATE OF ASSAY

No.: 7912-1059 DATE: Dec. 14/79

We hereby certify that the following are the results of assays on: Ore samples (DDC) Hoce # 6

MARKED	GOLD	SILVER	Copper	XXX	XXX	XXX	XXX	XXX
	oz/st	oz/st	Cu (%)					
E-42160								
090	trace	trace	0.01					
091	trace	0.10	0.89					
092	0.030	trace	0.32					
093	0.018	trace	0.03					
094	trace	trace	0.02					
cc. Mr. Keith C. Fahrni								

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OR EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.

L. Wong

PROVINCIAL ASSAYER

COPY

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER American Society For Testing Materials • The American Oil Chemists' Society • Canadian Testing Association
REFEREE AND OR OFFICIAL CHEMISTS FOR National Institute Of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR Vancouver Board Of Trade

ITEMIZED COST STATEMENT

Summary

Ager and Associates - Geophysics	22,302.00
Supervision and checking - K.C. Fahrni	856.58
D.J. Drilling - Core Drilling	34,739.57
K.C. Fahrni - Engineering etc.	4,367.40
General Testing - Assaying	<u>261.00</u>
 TOTAL COST	 \$62,526.55

The detailed invoices are attached.

Report submitted by:



Keith C. Fahrni, P.Eng.
Vancouver, B.C.
February 15, 1980

C. A. AGER & ASSOCIATES LTD.

Telephone (604) 536-1154

CONSULTING
GEOPHYSICISTS

15423 34th Ave.
Surrey, B.C. Canada
V3S 4N7

July 23, 1979

IN ACCOUNT WITH

Shima Resources Ltd
#2002 - 1177 West Hastings Street
Vancouver, B.C. V6E 2K3

TO

Statement of Account:

May 22, 1979 Invoice	\$ 22,302.00
July 22, 1979 Interest on Account over 30 days @ 1.75% per month	<u>390.29</u>

Balance Due \$ 22,692.29

OK
2/17/80
RWM

CK # 29.

JUN 4 1979

KEITH C. FAHRNI, P.ENG.

7011 ANGUS DRIVE
VANCOUVER, B.C.
CANADA, V6P 5J6
1604) 261-6428

Shima Resources Limited
2002 - 1177 West Hastings St.
Vancouver, B.C., - V6E 2L6

June 1st, 1979

I N V O I C E

For Professional Services:

May 1	Travel to Texada Island	--
	Meeting w. J. Dove, Gillies Bay	1 hr
	Meeting w. geophysical crew at Vananda	1 hr
May 2	Field work checking L.B. and L.N. grids	7 hrs
May 3	Field work continues on L.N. grid and review of results to date at office	7 hrs
May 4	Completing check of L.B., L.N. and B.E.	7 hrs
May 5	Travelling Texada to Vancouver	--
May 8	Meeting w. B. Speton re prospectus	1 hr
May 9	Preparation of report outlining reduced program limited to geophysics	2 hrs
May 10	Letter to R. Margetts re MEIP application	2 hrs
May 24	Meeting with C. Ager re progress of work	2 hrs

not included

Total time billed ²⁵ 30 hrs

Days billed at 7 hrs per day ^{3.57} 4.28 dys

3.57

4.28 days at \$200 per day.....

714
\$856.00

For Expenses: - See attached expense account \$142.58

TOTAL FOR THIS INVOICE..... \$998.58

Plus outstanding March and April Invoices \$842.86 *omit*

TOTAL OUTSTANDING..... \$1841.44

for work on ground. 856.58

Keith C. Fahrni, P. Eng.
Keith C. Fahrni

*OK
RW
TSD
[Signature]*

KEITH C. FAHRNI
7011 ANGUS DRIVE
VANCOUVER B.C.

Shima Resources Limited
2002 - 1177 West Hastings Street
Vancouver, B.C. - V6E 2L6

June 1st, 1979

EXPENSE ACCOUNT

May 1	Ferry at Horseshoe Bay	\$ 12.00
	Ferry at Powell River	5.00
	Meals enroute	5.20
	Groceries at Vananda	11.13
	Dinner at Vananda Hotel	9.00
May 2	Dinner at Vananda Hotel	7.25
May 3	Dinner at Vananda Hotel	8.40
May 4	Dinner at Vananda Hotel	9.75
May 5	Ferry at Saltery Bay	12.00
	Car Mileage Vancouver to Texada return 262 miles at \$0.21 per mile	55.02
May 14	Prints of field notes for Ager - Versatile	1.35
May 16	BC Telephone L.D. calls re work permit and Form 10-11	6.48
Total Expenses for month of May		\$142.58

Keith C. Fahrni

D.J. DRILLING COMPANY LTD.

13135 - 20th Avenue
SURREY, B.C. V4A 1Z1
Phone 531-4134

December 13, 1979.

Shima Resources Ltd.,
Suite 2002, Board of Trade Tower,
1177 West Hastings Street,
Vancouver, B.C. V6E 2K3

Dear Sir:

Re: BQ Diamond Drilling
Texada Island, B.C.

The following is a summary of the invoices covering
Diamond Drilling at Texada Island.

Hole #1	\$ 5,445.45
Hole #2	3,459.80
Hole #3	3,508.75
Hole #4	3,902.80
Hole #5	5,686.20
Hole #6	5,361.65
Labour, Mobilization, Moves, Demobilization	3,498.00
Items Consumed & Charged to Shima	801.94
Freight To Vananda	1,365.00
Ferries to Vananda, Vananda to Vanc'r	64.20
J.D. 450 Bulldozer Rental - 2 Weeks	1,300.00
80 Core Boxes	<u>345.28</u>
Total	<u>\$ 34,739.57</u>

As discussed, the cost of returning the equipment to
Duncan will depend on whether or not we drill for another
firm on Texada.

Yours truly,

E. M. Schussler
(Mrs.) E. M. Schussler
Secretary

Encl.

KEITH C. FAHRNI, P.ENG.

7011 ANGUS DRIVE
VANCOUVER, B. C.
CANADA, V6P 5J6
(604) 261-6426

Shima Resources Limited
2002 - 1177 West Hastings Street,
Vancouver, B.C. - V6E 2L6

December 14, 1979

I N V O I C E

For Professional Services:

Days and hours as per Time Statement attached,
16 2/7 days at \$250 per day \$4071.42

For Expenses:

As follows with receipts attached,

Groceries	Nov. 20		7.24	
	Nov. 29		3.40	
	Dec. 3		11.49	
Ferry	Nov. 22		12.00	
	Dec. 4		5.00	
Express	Dec. 4	Samples to Vanc.	6.10	
Auto. Mlg.	Nov. 18 - 22	289 miles		
	Nov. 24-Dec. 8	700 Miles		
	Dec. 10	14 miles		
		<u>Total</u>	<u>1003 miles</u>	
		1003 miles at .25/mile	250.75	
		<u>TOTAL EXPENSES</u>	<u>295.98</u>	\$ 295.98
<hr/>				
		<u>TOTAL OF INVOICE</u>	<u>.....</u>	<u>\$4367.40</u>

Yours truly,

Keith C. Fahrni
Keith C. Fahrni

Handwritten initials/signature

INVOICE



**General Testing Laboratories Division
Superintendence Company (Canada) Ltd.**

1001 East Pender St.
Vancouver, B.C. V6A 1W2
Ph (604) 254-1647

INVOICE V 45198
DATE December 13, 1979
JOB NO.
LAB NO. 7912-0652

TO: **SHIMA RESOURCES LIMITED**
3229 West 49th Avenue
Vancouver, B.C., V6N 3T5
Attn: Mr.R.W. Margetts

DATE	JOB NO.	QTY	UNIT	PRICE	TOTAL

RECEIVED DEC 17 1979

To: Assaying submitted samples of Ore Nos. 077PP to 089PP
(as per enclosed report) for AuAgCu:

13 AuAgCu	x	\$	14.00	=	\$ 182.00
sample prep.	@		0.50	=	6.50

\$ 188.50

DUE AND PAYABLE ON RECEIPT OF INVOICE. 1½% PER MONTH (18%) PER ANNUM CHARGED ON OVERDUE ACCOUNTS.

INVOICE



General Testing Laboratories Division
Superintendence Company (Canada) Ltd.
 1001 East Pender St.
 Vancouver, B.C. V6A 1W2
 Ph (604) 254-1647

INVOICE V 45210
DATE December 14, 1979
JOB NO.
LAB NO. 7912-1059

RGM

TO: **SHIMA RESOURCES LTD.**
3229 West 49th Avenue
Vancouver, B.C.
V6N 3T5

QC	QA	QA	GL	SR	RE

Attn: **Mr. R.W. Margetts, President**

To: Assaying submitted samples of DDC Nos. ~~888~~ 090 to 094
 (as per enclosed report) for AuAgCu:

RECEIVED DEC 17 1979

5 AuAgCu	x	\$ 14.00	=	\$ 70.00
sample prep.	@	0.50	=	2.50

\$ 72.50

DUE AND PAYABLE ON RECEIPT OF INVOICE. 1 1/2% PER MONTH (18%) PER ANNUM CHARGED ON OVERDUE ACCOUNTS.

KEITH C. FAHRNI, P.ENG.

7011 ANGUS DRIVE
VANCOUVER, B. C.
CANADA, V6P 5J6
(604) 261-6426

March 15, 1980

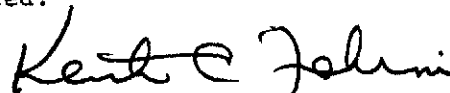
CERTIFICATION OF AUTHOR

The writer, Keith C. Fahrni is a Registered Professional Engineer in British Columbia. Other affiliations are with the Geological Association of Canada and the Canadian Institute of Mining and Metallurgy.

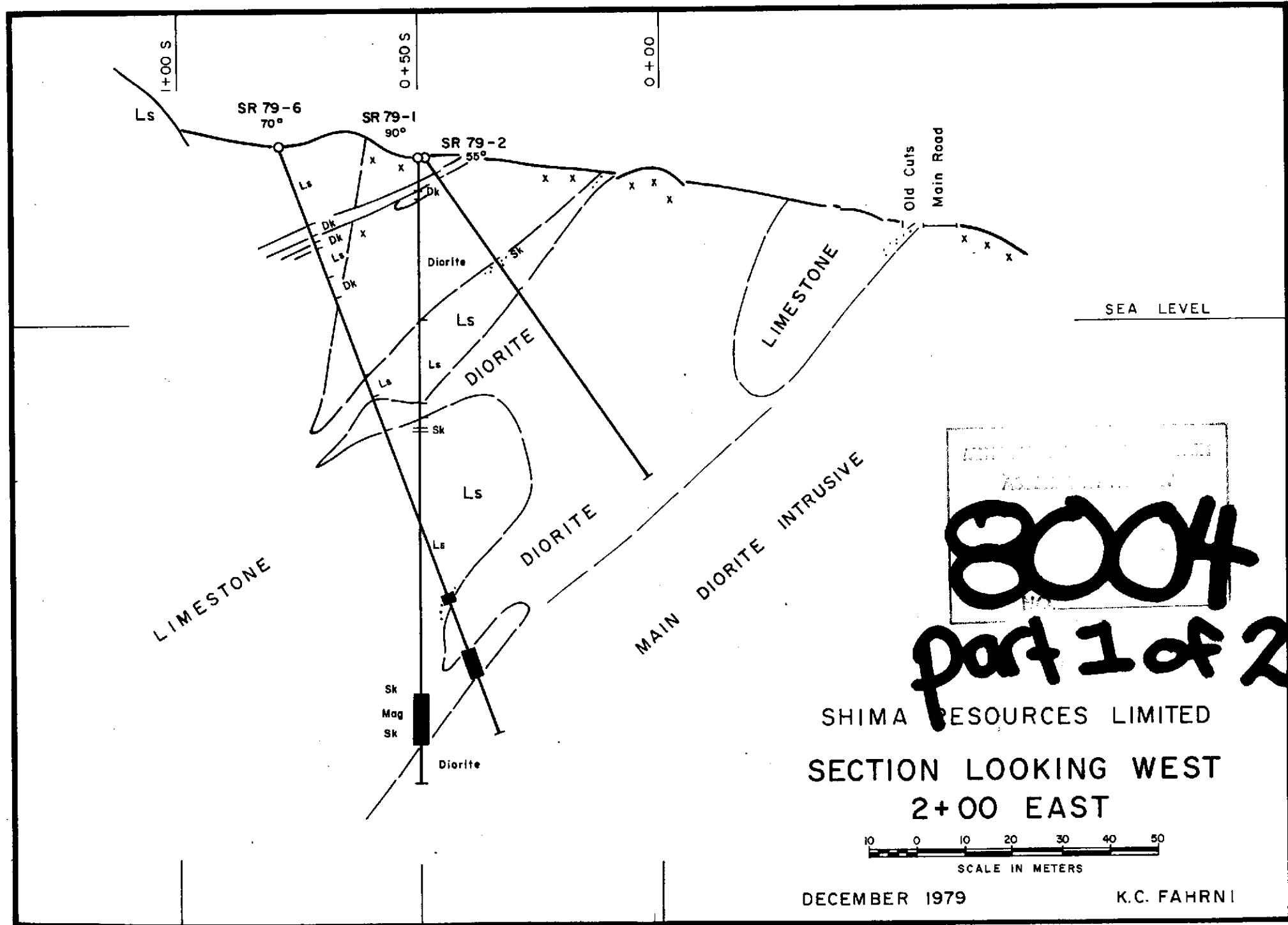
The writer graduated from the University of British Columbia in 1936 with a degree of B.A.Sc. in Mining Engineering. His formal training was supplemented by post graduate courses in geology in 1940. Professional registration was in geological engineering in the year 1948.

Principal positions held have been as exploration and mine geologist with Cominco for five years and as senior geologist, chief geologist and chief geological engineer with Granby Mining Company for thirty years. For the last five years he has practiced as a consultant, residing in Vancouver at 7011 Angus Drive.

He does not presently hold, nor does he expect to hold any interest in Shima Resources Limited.



Keith C. Fahrni, P.Eng.
Consultant.

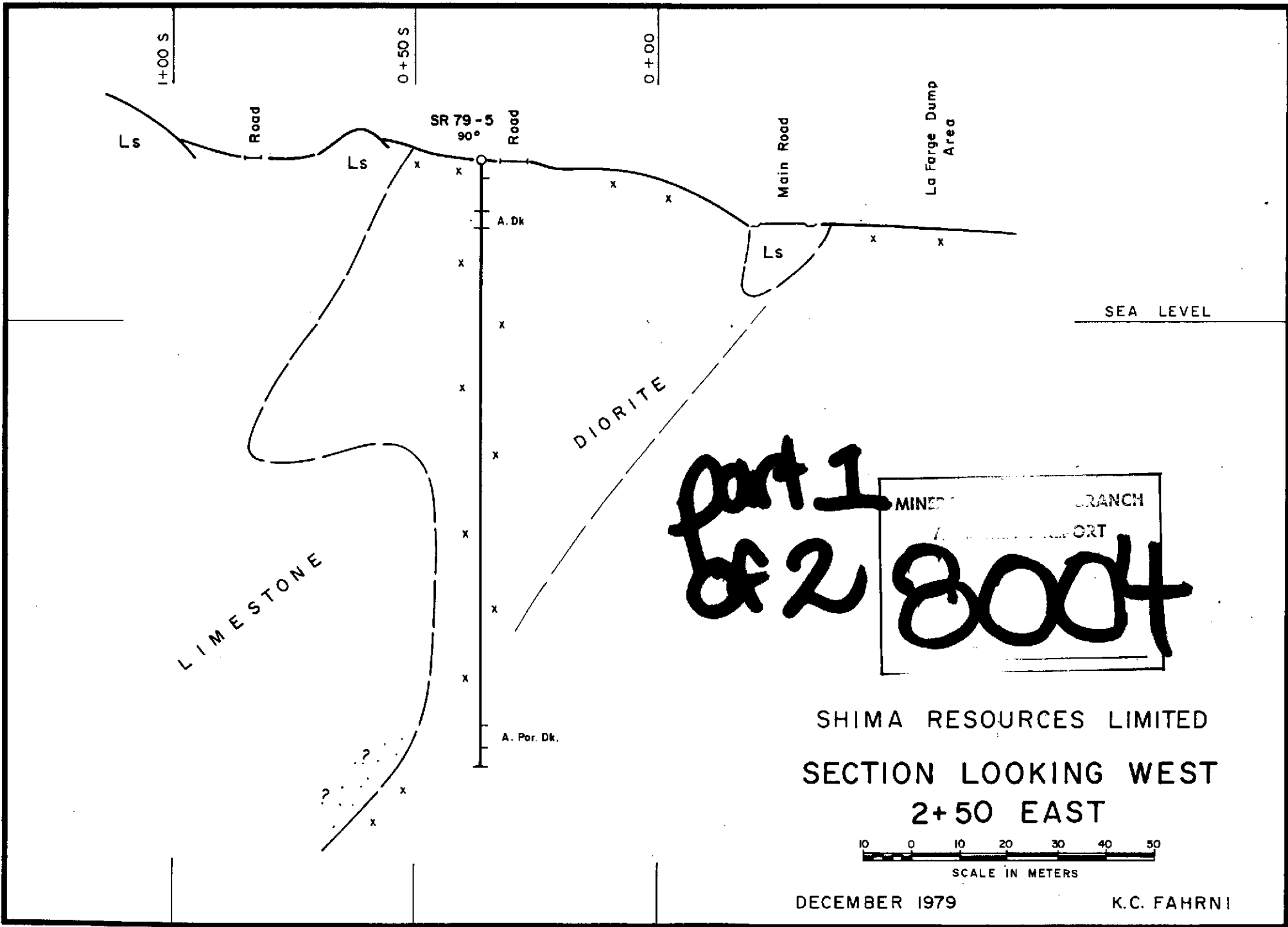


SHIMA RESOURCES LIMITED
SECTION LOOKING WEST
2+00 EAST



DECEMBER 1979

K.C. FAHRNI



1+00 S

0+50 S

0+00

Ls

Road

Ls

SR 79 - 5
90°
Road

Main Road

La Farge Dump
Area

A. Dk.

Ls

SEA LEVEL

DIORITE

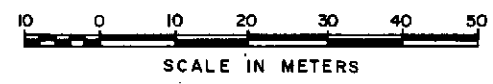
L I M E S T O N E

A. Por. Dk.

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of 2 8004

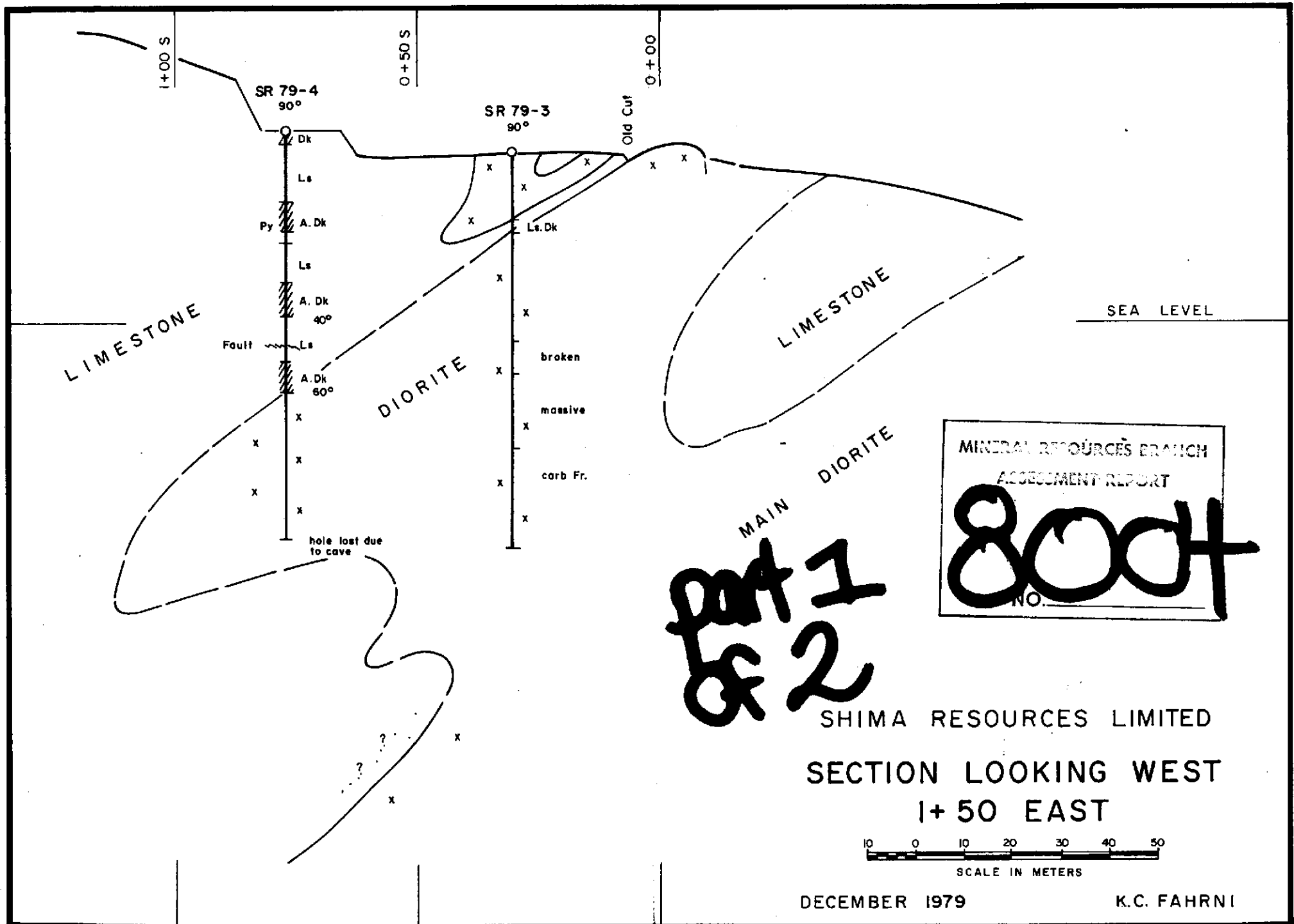
MINES BRANCH
REPORT

SHIMA RESOURCES LIMITED
SECTION LOOKING WEST
2+50 EAST



DECEMBER 1979

K.C. FAHRNI



LIMESTONE

DIORITE

LIMESTONE

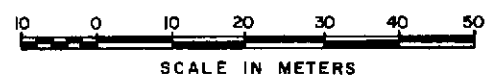
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SEA LEVEL

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8004
NO.

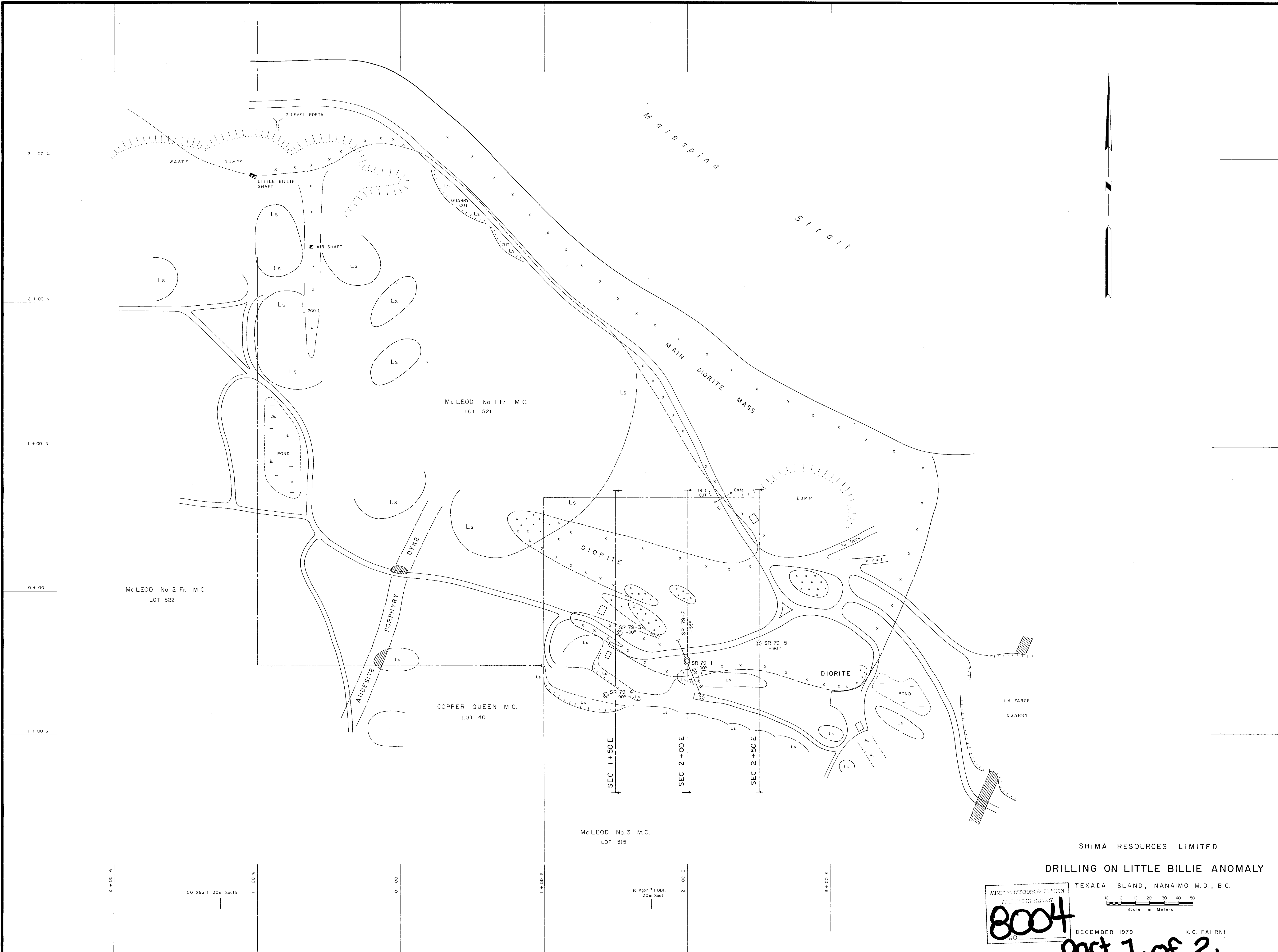
**Part 1
of 2**

SHIMA RESOURCES LIMITED
SECTION LOOKING WEST
1+50 EAST



DECEMBER 1979

K.C. FAHRNI



McLEOD No. 1 Fr. M.C.
LOT 521

McLEOD No. 2 Fr. M.C.
LOT 522

COPPER QUEEN M.C.
LOT 40

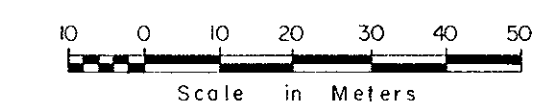
McLEOD No. 3 M.C.
LOT 515

SHIMA RESOURCES LIMITED

DRILLING ON LITTLE BILLIE ANOMALY

TEXADA ISLAND, NANAIMO M.D., B.C.

MINERAL RESOURCES BRANCH
ANOMALY REPORT
8004



DECEMBER 1979

K.C. FAHRNI

part 1 of 2