August 1980

DALMATIAN RESOURCES Ltd.

TAY GROUP

ALBERNI M.D., B.C. 92 F/6W

REPORT
on 1980 Exploration Program

V.CUKOR, P. ENG. ■ NVC ENGINEERING LTD ■ VANCOUVER, B.C.

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ILLUSTRATIONS

DALMATIAN RESOURCES LTD.

TAY MINERAL CLAIMS

PORT ALBERNI, B. C. AREA

1. INTRODUCTION

During the months of July and August, 1980, a limited diamond drill program and a detailed ground magnetic survey over the showing area were carried out under the author's supervision.

Diamond drilling was performed by Kema Drilling Inc. of Princeton, B. C., with H. Kendrick as field operator. A modified winky drill with a hydraulic head was used to recover B.Q. core.

Bulldozer support during the time of drilling was provided by Rayner & Bracht Ltd. from Port Alberni.

Detailed magnetic survey, including a grid layout, was performed by D. Cukor as operator with the assistance of F. Milakovich.

Drill core was logged and sampled by V. Cukor, P. Eng., and core is now stored with F. Milakovich in Vancouver.

2. SUMMARY and RECOMMENDATIONS

Three diamond drill holes were completed on the mineral showing in 1980. All three holes intersected a pyritized quartz vein which assayed low, but

2. SUMMARY and RECOMMENDATIONS (Cont'd)

significant gold values. In addition, the detailed magnetic survey outlined corresponding low magnetic anomaly for a total length of over 800 ft.

The total length of the magnetic anomaly should be diamond drilled. The ideal drilling would be from north to south, but since for most of its length the northern edge of the anomaly follows a steep cliff, the anomaly should be explored by drilling from south to north at 30° angles. If this drilling provides sufficient encouragement, underground exploration of the order of approximately 500 ft. of crosscutting and drifting should be planned for the next stage.

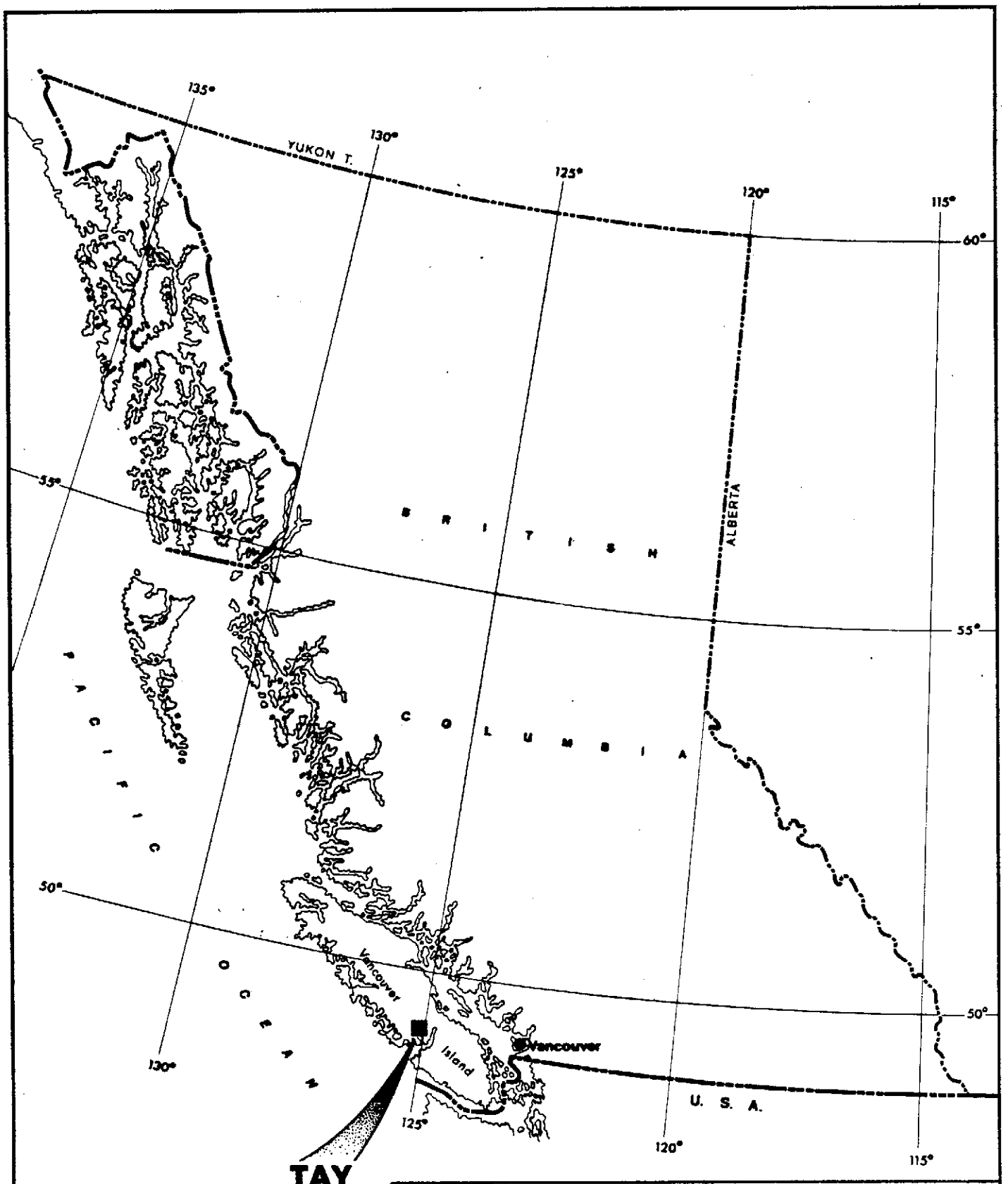
3. PROPERTY

3.1 CLAIMS

The Tay claim group consists of 18 full size contiguous mineral claims, located on the two post system. The claims, record numbers and anniversary dates are as follows:

Claim	Record No.	Anniversary Date
TAY 1-8 (incl.)	173 - 180 (incl.)	March 17
TAY 9-12 (incl.)	368 - 371 (incl.)	February 14
TAY 13-18 (incl.)	372 - 377 (incl.)	February 14

All claims are fully owned by Dalmatian Resources Ltd.



DALMATIAN RESOURCES Ltd.

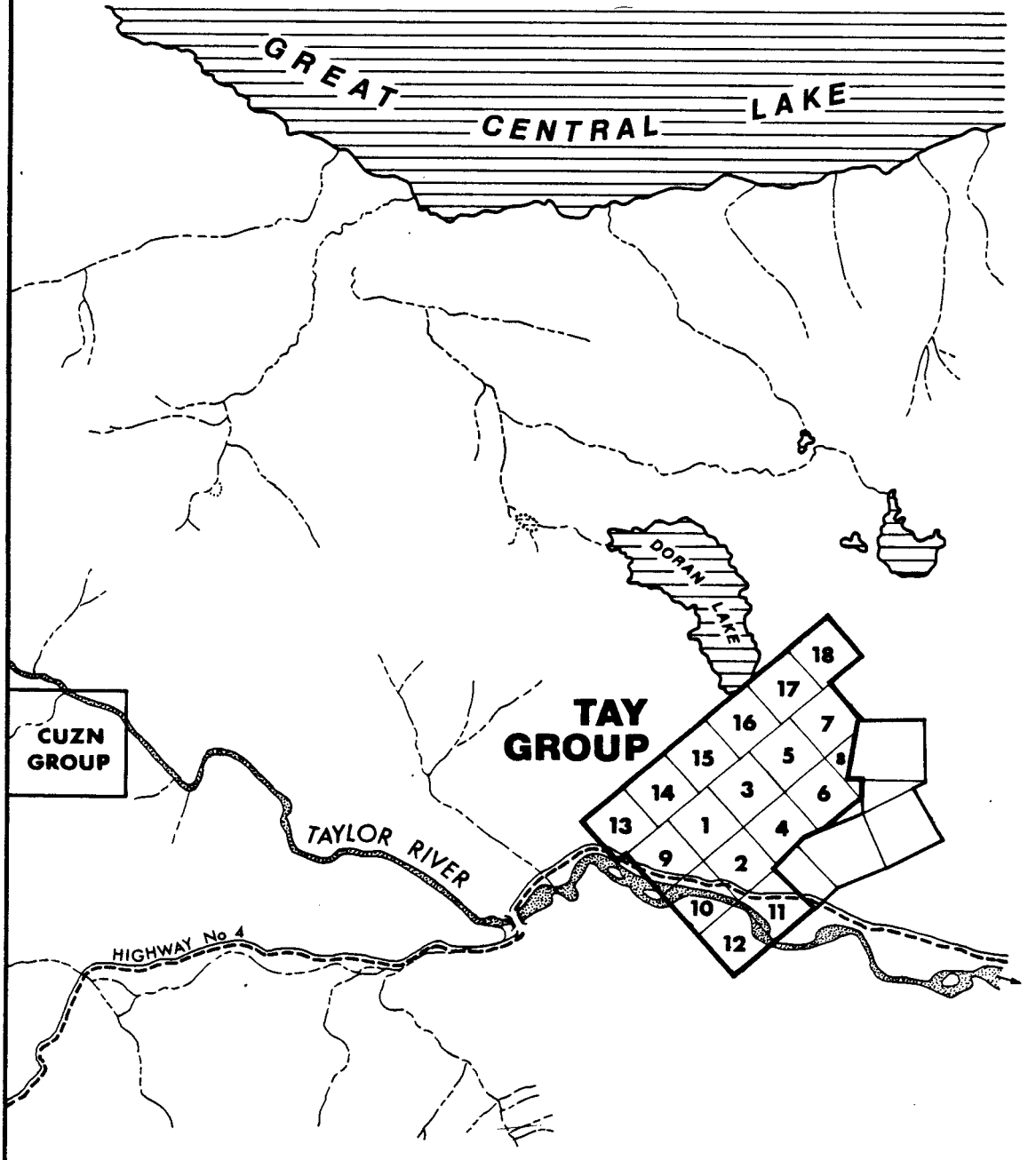
TAY GROUP

LOCATION MAP

ALBERNI M.D., B.C. — 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug. 1980 | SCALE: 0 — 100 Miles | FIG. 1



DALMATIAN RESOURCES Ltd.

TAY GROUP

CLAIM MAP

ALBERNI M.D., B.C. 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug.1980 SCALE: 0 500 1000 metres FIG. 2

3. PROPERTY (Cont'd)

3.2 LOCATION

The Tay claims are located on the southwestern part of Vancouver Island, only a few kilometers west of Sproat Lake and immediately north of Taylor River. The southern part of the claims just crosses Provincial Highway No. 4.

The property is in the Alberni Mining Division, on Map 92 F/6 W, the claims centered at latitude 49° 19' north and longitude 125° 15' west. Along the eastern border they adjoin Crown granted claims which were known in the past as "Morning" and "Apex" groups.

3.3 ACCESS

The property is readily accessible from Port Alberni via paved Highway No. 4 which crosses the southern part of the claims.

The short, good quality dirt road, which connects existing logging road with the highway, was constructed just prior to commencement of the drill program. In this manner good access was provided to the network of roads, which crisscross the lower parts of the property. The road to the upper part of the claims was washed out and now needs extensive repair work.

The closest supply center is Port Alberni approximately

3. PROPERTY (Cont'd)

3.3 ACCESS (Cont'd)

40 km. to the east, which in turn connects to the paved road providing good access to Vancouver via Nanaimo and/or Victoria.

3.4 TOPOGRAPHY and CLIMATE

The Tay group of claims occupies the northern side of the Taylor River valley and is spread over elevations of 60 m. to 750 m. above sea level. From the narrow valley floor, a gentle slope rises northward for a distance of approximately 400 metres, where barren bluffs start. Between elevations of 450 and 600 metres, the slope gradually flattens into plateau.

Between the valley bottom and the plateau, several horizontal benches were formed by a combination of horizontal and vertical fracturing, erosion and infill of glacial material.

The climate of the area is characterized by hot summers and mild winters, and high atmospheric precipitation. Snow cover is usually light, but in some extremes it can exceed 4 ft. of packed snow by the end of winter. Several small streams provide sufficient water for exploration purposes.

The lower part of the property has been logged off. The higher elevations are covered by a thick forest of

3. PROPERTY (Cont'd)

3.4 TOPOGRAPHY and CLIMATE (Cont'd)

large cedar and fir trees. Sporadically, there is thick growth of underbrush.

4. GEOLOGY

The regional geology of the property area was described in the G. S. C. Paper 68-50 by Mr. G. E. Muller, 1969. This paper was accompanied by Geological Map 17-68. According to these, the property area is underlain by volcanic rocks of the Upper Triassic Karmutsen Formation, intruded by the Late Triassic granitic intrusive of the Island Formation.

Rocks outcropping over the claim area were mapped in detail during 1979 by Mr. G. Keyte, geologist. A detailed description of rock types, structures, alterations and mineralization, resulting from that work, as well as a mining history of the property area, was given in the Report by V. Cukor dated January, 1980. A mineral showing, described in the Report as No. 1 Showing, was the subject of present exploration activity, and in this Report will be further referred to just as "the showing".

The auriferous quartz vein was known and was hand trenched in the past, and was "rediscovered" in 1978 when some grab samples showed presence of gold. By limited bulldozer trenching in 1979 the dimensions of the showing were expanded to 40 ft. in length and at least 12 ft. in

4. GEOLOGY (Cont'd)

width. Detailed sampling by G. Keyte returned generally low and erratic gold values (see the Report mentioned above). Recently the author has obtained two additional samples with high grade sulfides, one with good visible arsenopyrite and one with mostly pyrite. While the arsenic results varied greatly (4.12% and 2.75% Ag. respectively), gold values remained almost unchanged, (.150 oz/t and .144 oz/t Au. respectively). Thus, these results would lead to the conclusion that gold and arsenic do not follow the same pattern. However, recent assays from sampled drill core showed a closer relationship between gold and arsenic, and in general, higher gold values were obtained from samples assaying higher in arsenic.

5. GROUND MAGNETIC SURVEY

5.1 FIELD PROCEDURE

During a 1980 spring visit to the property a trial magnetometer run was attempted, completing two profiles across the showing area. An anomalous low magnetic response over the showing was recorded and a decision was made to carry out detailed magnetic survey on 20 metre spaced grid lines running north-south.

The survey was carried out during the month of August by D. Cukor, accompanied by F. Milakovich, the

5. GROUND MAGNETIC SURVEY (Cont'd)

5.1 FIELD PROCEDURE (Cont'd)

President of Dalmatian Resources Ltd. The instrument used was a Geometrics Unimag Proton Magnetometer, Model G-836, with a sensitivity of 10 gammas. Readings were taken at 10 and/or 5 metre intervals.

Prior to survey a chain and compass method was used to establish the grid, with stations marked by red flagging.

The check points for diurnal corrections were established by initially surveying the baseline, and after corrections were made, each station on the baseline was considered a base station for a corresponding crossline. During the survey each crossline was tied to the base station at the start and/or completion of each loop, with an average time lapse for the loop completion of approximately 1.5 hrs.

5.2 DATA PRESENTATION

The instrument measures the Total Magnetic Field. After diurnal corrections were made, all results were reduced by 55,000 gammas, as 56,000 gammas reads 1,000 gammas. These relative values were then plotted on 1:1000 plan (see Figure No. 6) and then contoured at 200 gamma intervals. Areas of over 1,000 gammas were patterned.

5. GROUND MAGNETIC SURVEY (Cont'd)

5.3 DISCUSSION OF RESULTS

Magnetometer readings over the survey area range from 55,700 to 58,550 gammas of the Total Magnetic Field, showing a magnetic relief of 2,850 gammas.

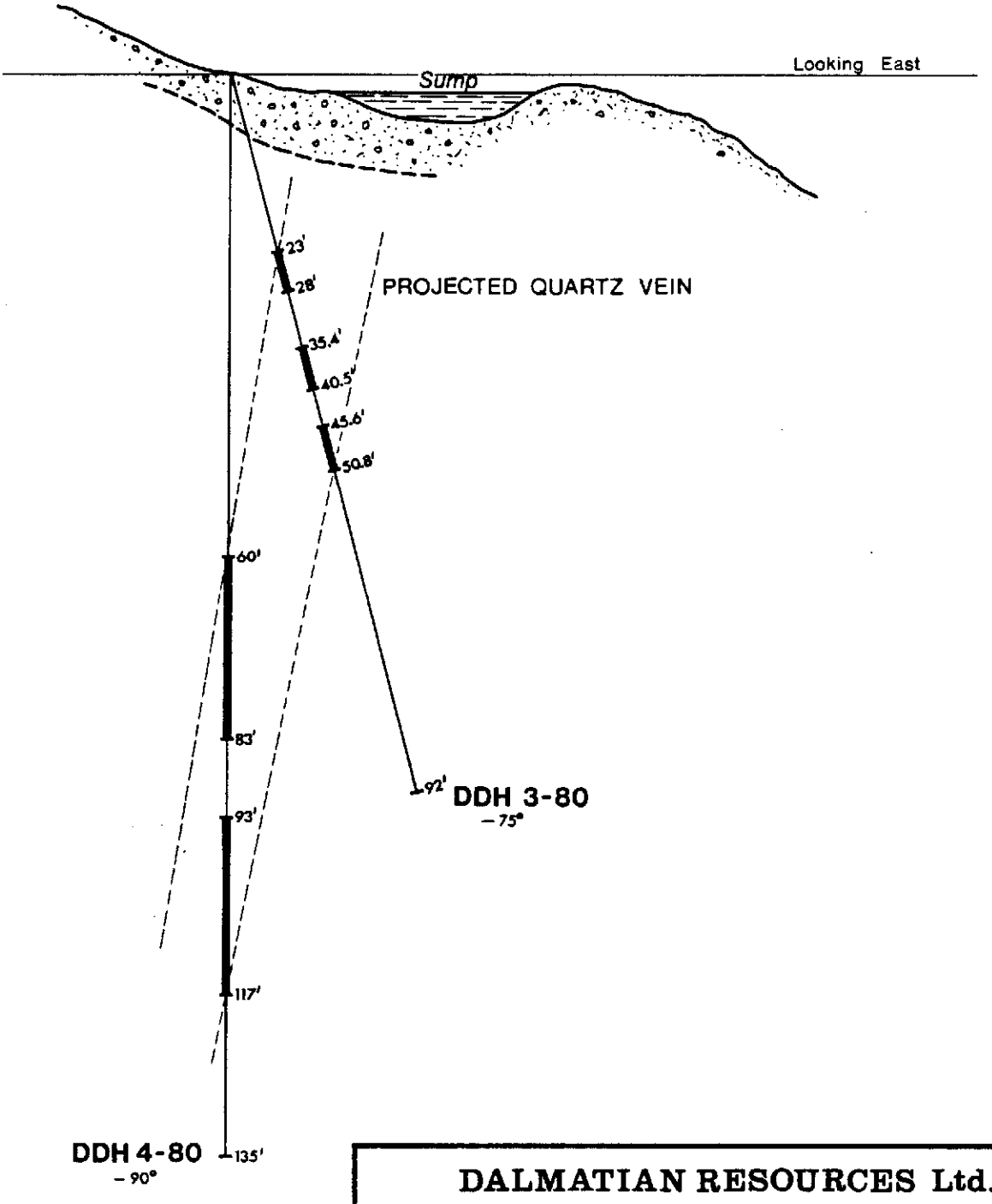
Both main rock types, i.e. quartz diorite and andesite contain a fair amount of magnetite. By correlating the geology map and the magnetic contour map (Figures 5 and 6), it appears that quartz diorite is in general characterised with a higher magnetic susceptibility. However, no magnetite was found in the explored quartz vein. Moreover, hydrothermal solutions could have possibly altered magnetite in the rocks surrounding the quartz vein, forming a "nonmagnetic halo" expressed on the contour map as a long and narrow magnetic low anomaly. Such a magnetic low correlates well with the showing and extends beyond the outcrop in a general east-west direction for a total length of over 350 ft. Between lines 40 W and 60 W this anomaly seems to be cut off and moved approximately 50 ft. north. Then it follows the southern edge of the cliff for a length of another 500 ft. If further exploration proves that the total length of this magnetic anomaly was indeed caused by a pyritized quartz vein, some other magnetic lows which appear elsewhere in the grid area should be further explored as well.

6. DIAMOND DRILLING

A total of 294 ft. of B.Q. diamond drilling was completed in three holes, all from one set up. Drill sections are shown on Figures 3 and 4, and drill locations on 1:1000 plan, Figure 5. All drill records and assay logs are appended to the end of this Report. On the average drilling was fair and core recovery was good to excellent.

Difficulties were encountered in drill site construction at the selected drill location due to rough topography north of the showing. This resulted in setting up the drill closer to the vein outcrop than originally planned, and accordingly in intersecting the mineral structure at locations closer to the showing than anticipated. However, the results achieved are, in the author's opinion, positive and most valuable information was obtained by this program.

All three holes intersected a mineral zone (see Figures 3 and 4). Although most of the joints measured on the showing dip at about 50° to 60° north, from the constructed sections it appears that the dip of the structure is much steeper, i.e. about 80° north. Since the northern edge of the vein's western extension probably follows the edge of the steep cliff, this steep 80° dip will enable it to find the vein extension by drilling say 30° holes from south to north.



DALMATIAN RESOURCES Ltd.

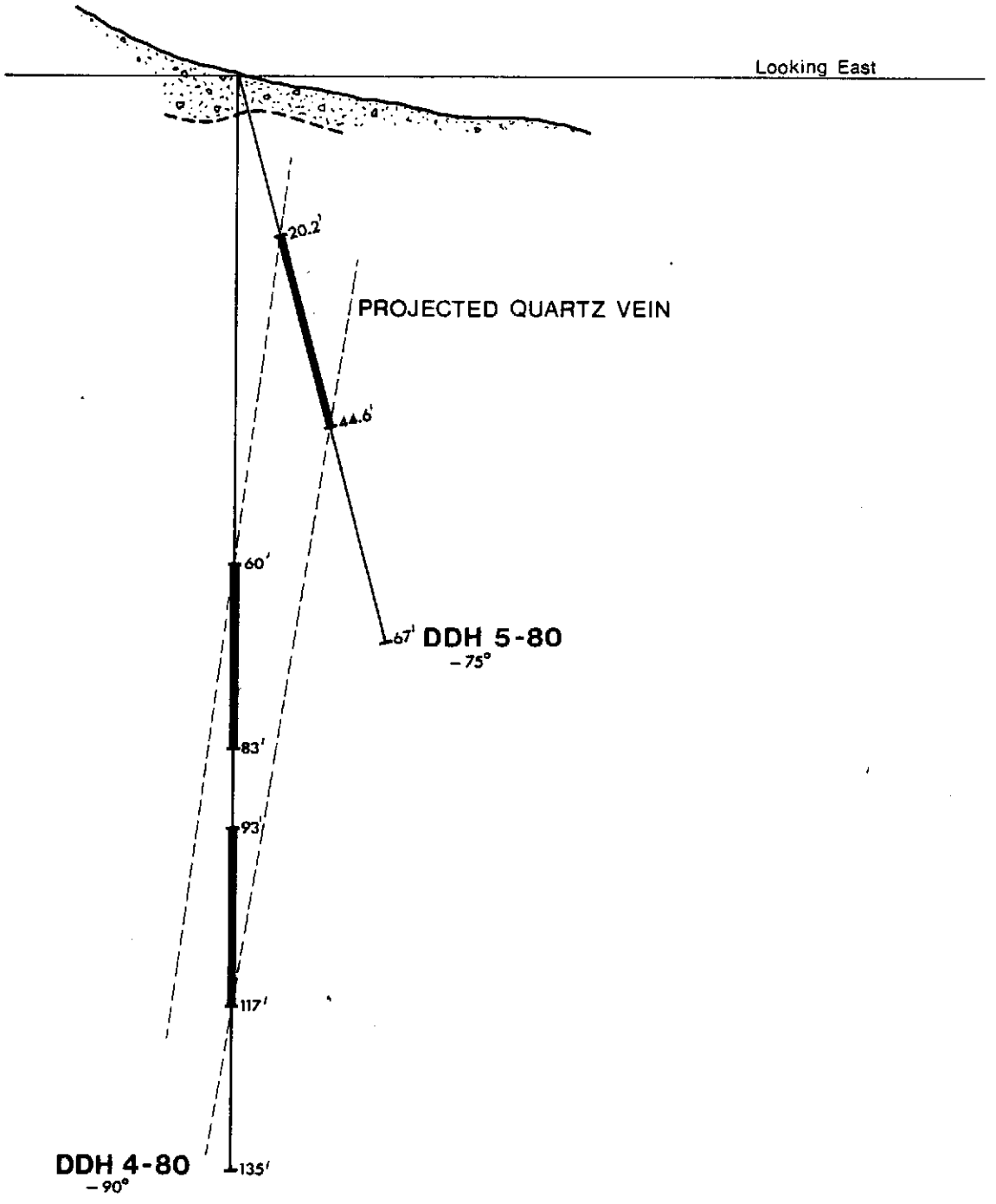
TAY GROUP

SECTION DDH 3 & 4-80

ALBERNI M.D., B.C. 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug. 1980 | SCALE: 0 10' 20' | FIG. 3



DALMATIAN RESOURCES Ltd.

TAY GROUP

SECTION DDH 4 & 5-80

ALBERNI M.D., B.C. 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug. 1980 | SCALE: 0 10' 20' | FIG. 4

6. DIAMOND DRILLING (Cont'd)

In holes 3 and 5 the mineralized zone consists of the quartz vein split by two to three horses of silicified and pyritized volcanics. Hole No. 4 contains two zones of brecciated pyritized and silicified volcanics with stockwork of quartz veinlets and narrow quartz veins. It appears that the whole structure is at average approximately 10 ft. wide. The main sulfide mineral is pyrite, which appears as fracture fillings as well as disseminations. Arsenopyrite, the other main mineral is distributed more irregularly.

All samples were run for gold, silver and arsenic. Silver assays were trace throughout. Gold values showed some relief, but were generally low, the highest being .07 oz/t Au. Arsenic content seems to follow gold values fairly closely, however insufficient sampling was done so far as to determine a gold to arsenic ratio. Six check assays on rejects returned more or less comparable results to the original assays.

Low gold values obtained in this program should not, however, discourage further exploration attempts since the extreme irregularity of gold distribution is quite a normal occurrence. It should be remembered that some surface samples assayed as high as .18 oz/t Au. and some assays from the nearby Morning vein were reported as high as several ounces of gold per ton. If the length and

6. DIAMOND DRILLING (Cont'd)

depth of the mineralized structure is proven to be sufficient to warrant underground exploration and development, only bulk sampling from underground workings would determine an approximate true average gold content.

Respectfully submitted,

VLADIMIR CUKOR, P. Eng.
NVC ENGINEERING LTD.

August, 1980

CERTIFICATE

I, VLADIMIR CUKOR, of 2841 West 18th Avenue, Vancouver, B. C. do certify that:

1. I am a Consulting Geological Engineer with business address as above;

2. I graduated from the University of Zagreb, Yugoslavia in 1963 as a graduated Geological Engineer;

3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia;

4. I have practised my profession as a Geological Engineer for the past 17 years both in Canada and Yugoslavia;

5. I have no interest, direct or indirect in any of the properties or securities of DALMATIAN RESOURCES LTD. nor do I expect to receive or acquire any;

6. I hereby consent to the use of this Report in or in connection with a Prospectus or Statement of Material Facts relating to the raising of funds for this project.

August, 1980

VLADIMIR CUKOR, P. Eng.

DIAMOND DRILL RECORD

COMPANY DALMATIAN RESOURCES LTD. PROPERTY TAY Group

NVC engineering ltd.
VANCOUVER, B.C.

Hole No. DDH 3-80 | Lat. | Total Depth 92 ft.
Date Begun July, 19, 1980 | Dep. | Logged by: V. Cukor
Date Finished July 20, 1980 | Bearing 150° | Date July 21, 1980
Drill Hidrawink | Elev. Collar | Claim
Core Size B.Q. | Dip -75° |

DEPTH	Core Recovered Feet	Core Recovered %	DESCRIPTION	SAMPLE No.
0 - 9.5			Overburden. Casing is down to 9 ft. and last .5 ft, was diorite boulder.	
9.5 - 23	13.0	96	Andesite, dark, bluish green, very fine grained, moderately fractured, with some calcite and/or quartz veinlets. Fine to medium grained pyrite throughout, increased toward the end of interval. At 13.5 ft. there is a 3" wide vein, quartz, epidote, chlorite, pink feldspar, at 50° to core axis, and another irregular one at 16 ft. Some pyrite and limonite are found in the fractures in both veins. Toward the end of interval rusty fractures increase. In general, fractured and broken zones alternate with solid core. More intense broken sections are from 15 to 16 ft. and 21 to 23 ft.	
23 - 28	4.0	80	Quartz vein, pyritized, locally very fractured. Portion of core is ground up and not recovered.	
28 - 35.4	7.0	95	Andesite, very silicious, fractured and pyritized. Very prominent dark hornblende crystals.	
35.4 -40.5	5.0	98	Quartz vein, well fractured, pyritized and locally intensely brecciated. Some arsenopyrite and few specks of mariposite were noted. Some of the fracture places are coated with iron oxides.	
40.5 -45.6	4.8	96	Andesite well fractured and pyritized.	
45.6 -50.8	4.9	94	Quartz vein, locally very pyritized, fractured and brecciated. Lower contact is very irregular and it contains two inches of breccia with quartz cement.	

NVC engineering ltd.
VANCOUVER, B.C.

HOLE No. DDH 3-80
(Continued)

DEPTH	Core Recovered Feet	Core Recovered %	DESCRIPTION	SAMPLE No.
50.8 - 92.0	41.2	100	Dark andesite, very fine grained, dark matrix with larger quartz phenocrysts. From the start of interval rock is silicified and somewhat tuffaceous, with disseminated fine pyrite. At 55 ft. there is 3" quartz, epidote, pink feldspar vein, very irregular. From 55 to 64.5 ft. there are fractures with calcite and/or quartz. From 64.5 to 65.2 ft. is broken up and silicious rock. At 73 to 74 ft. is some quartz veining at 30° to core axis. At 76 ft. is very irregular quartz, feldspar, epidote vein about 2" wide. At 79.2 ft. there is one inch quartz-epidote vein at 70° to core axis. Last 30 ft. of hole, rock was solid with good drilling and excellent core recovery.	
92.0			End of hole.	

ASSAY LOG

COMPANY DALMATIAN RESOURCES LTD. PROPERTY TAY HOLE No. 3-80

NVC engineering ltd.
VANCOUVER, B.C.

ASSAYED by General Testing DATE

SAMPLE No.	From	To	Feet	Au. oz/t	Ag. oz/t	As. %					
0203	23.0	28.0	5.0	.038	Tr	1.26					
0204	28.0	35.4	7.4	.018	Tr	.03					
0205	35.4	40.5	5.1	.068	Tr	.30					
0206	40.5	45.6	5.1	.018	Tr	.07					
0207	45.6	50.8	5.2	.026	Tr	.09					

DIAMOND DRILL RECORD

COMPANY DALMATIAN RESOURCES LTD. PROPERTY TAY Group

NVC engineering ltd.
VANCOUVER, B.C.

Hole No. DDH 4 -80 Lat. Total Depth 135 Ft.
Date Begun July 21, 1980 Dep. Logged by: V. Cukor
Date Finished July 23, 1980 Bearing Date July 24, 1980
Drill Hidrawink Elev. Collar Claim
Core Size B.Q. Dip - 90°

DEPTH	Core Recovered Feet	Core Recovered %	DESCRIPTION	SAMPLE No.
0 - 6			Casing.	
6 - 60	52	96	Andesite, greenish grey, very fine grained and moderately fractured. From 10 to 19 ft. is lighter coloured porphyritic rock. For the rest of interval there is a dark grey, fine grained andesite with occasional light feldspar phenocrysts in dark fine matric. Some quartz and/or calcite veinlets appear throughout, and at start of interval there is some pyrite. Occasionally appear fractures stained with iron oxides. From start to 8 ft. rock is broken up and the same is at 30 - 48 ft. and 57 to the end of interval. At 39 ft. there is 2" vein, very irregular containing quartz, pink feldspar and epidote.	
60 - 83	20	87	Very silicified, light greyish brown, fine grained, massive and intenseley altered volcanic rock. Quartz appears in stockwork fractures, cement in the brecciated volcanic and/or solid quartz veins of up to several inches wide. Good to excellent pyrite throughout. Fair amount of calcite appears as well. From 72 to 73.6 ft. rock is intensely broken and core is recovered as rock fragments and gangue.	
83 - 93	10	100	Andesite, dark and fine grained. At 86 - 86.5 irregular vein with quartz, feldspar, epidote and chlorite. At 86.5 to 88 there is a fracture almost parallel to core.	
93 - 117	24	100	The same rock as in zone 60 - 83 ft. intensely pyritized and silicified. Rock is locally intensely fractured. Arsenopyrite is present throughout the zone, in places in minor quantity, and in places as a major sulfide mineral. From 96.6 to 98 is a zone of brecciated quartz and gangue. From 98 ft. to the end of interval rock is not as intensely broken up as in the top part of zone.	

NVC engineering ltd.
VANCOUVER, B.C.

HOLE No. DDH 4 - 80
(Continued)

DEPTH	Core Recovered Feet	Core Recovered %	DESCRIPTION	SAMPLE No.
117 - 135	17	94	Andesite, bluish grey, fine grained. At 124.5 ft. there is 1" wide irregular quartz vein, and at 126 ft. 7" quartz vein at 80° to core axis; filled with quartz, feldspar, epidote ± chlorite. At 129 to 131 ft. is a zone of broken rock.	
135			End of hole.	

ASSAY LOG

COMPANY DALMATIAN RESOURCES LTD. PROPERTY TAY HOLE No. 4-80

NVC engineering ltd.
VANCOUVER, B.C.

ASSAYED by General Testing DATE

SAMPLE No.	From	To	Feet	Au. oz/t	Ag. oz/t	As. %					
0208	60.0	63.0	3.0	.010	Tr	.02					
0209	63.0	68.0	5.0	.032	Tr	.10					
0210	68.0	73.0	5.0	.026	Tr	.26					
0211	73.0	78.0	5.0	.032	Tr	.05					
0212	78.0	83.0	5.0	.010	Tr	.02					
0213	93.0	98.0	5.0	.054	Tr	.42					
0214	98.0	108.0	5.0	.026	Tr	.13					
0215	103.0	108.0	5.0	.022	Tr	.07					
0216	108.0	113.0	5.0	.052	Tr	.26					
0217	113.0	117.0	4.0	.062	Tr	.49					
	REJECT										
0217				.076							
								V.Ca			

ASSAY LOG

COMPANY DALMATIAN RESOURCES LTD. PROPERTY TAY HOLE No. 5-80

NVC engineering ltd.
VANCOUVER, B.C.

ASSAYED by General Testing DATE

SAMPLE No.	From	To	Feet	Au. oz/t.	Ag. oz/t.	As. %					
0218	20.2	25.0	4.8	.070	Tr	.96					
0219	25.0	30.0	5.0	.048	Tr	.12					
0220	30.0	35.0	5.0	.054	Tr	.58					
0221	35.0	40.0	5.0	.044	Tr	.36					
0222	40.0	44.6	4.6	.050	Tr	.04					
	REJECTS										
0218				.064							
0219				.040							
0220				.030							
0221				.016							
0222				.016							

V. Cr

engineering ltd.

2841 West 18th Ave., Vancouver, B.C. V6L 1B7
Tel (604) 731-5062

DALMATIAN RESOURCES LTD
Vancouver, B.C.

9596

August 31, 1980
Invoice # 246

TAYLOR RIVER PROPERTY - 1980 EXPLORATION PROGRAM

Previous ballance			$ 500.00
Trip to the property - June 2, 1980			
V. Cukor, P. Eng.	250.00		
Vehicle rental	45.00		
Expences	86.55		
	381.55		381.55
Assessment work			
Printing maps, colouring etc.			55.00
Drill program - July 17 to 25			
Rayner and Bracht Ltd (bulldozer)		1935.66	
Kema Drilling Inc. (drilling)		13875.66	
V.Cukor, P. Eng (9 days field work, 1 day preparations)		2500.00	
Field expences			
vehicle rental		405.00	
motel		218.40	
gasoline		118.13	
restorant		158.70	
groceries		131.67	
ferry		32.00	
cash advance to Mr. Milakovich		50.00	
		19,425.42	19,425.42
Core splitting and assays			
V.Cukor, 1 day	250.00		
D. Cukor 1 day	50.00		
Assays	43.50		
Assays	375.00		
	718.50		718.50
			21,080.47

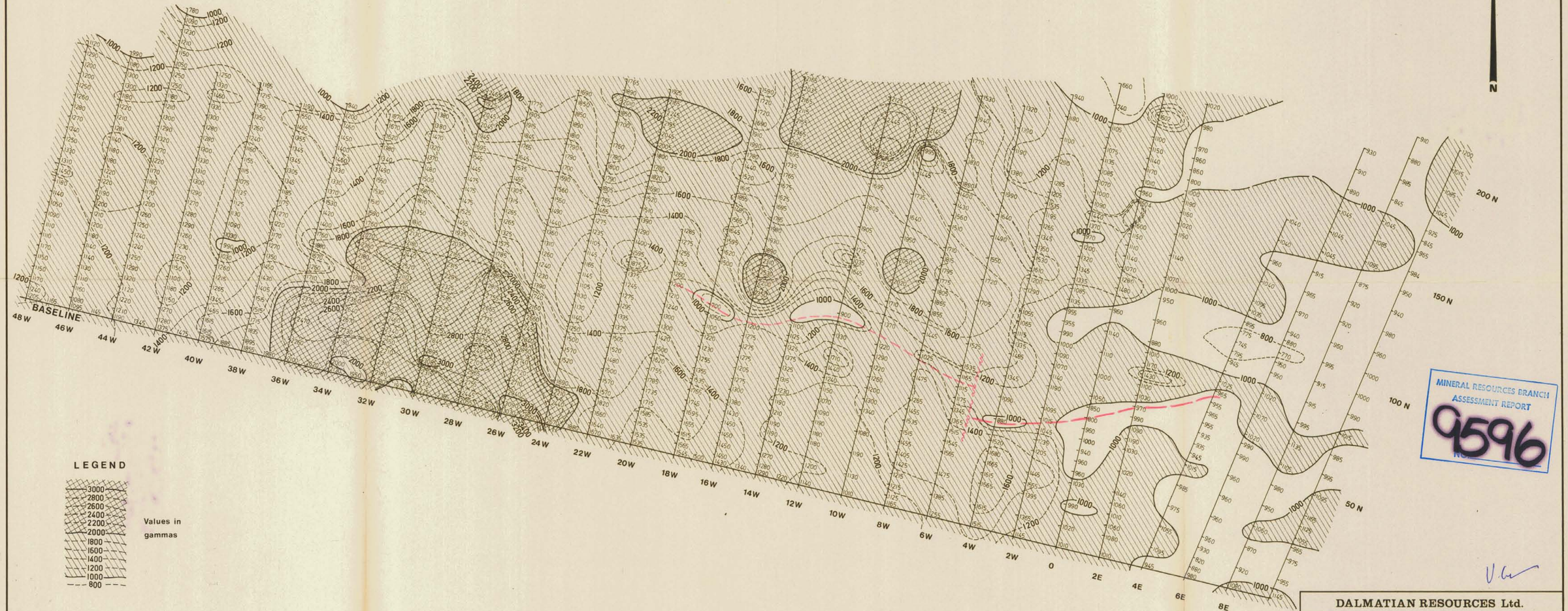
Brought forward		$ 21,080.47

Magnetic survey - August 1 to 17, 1980

First part of survey, Aug 1 to 5		
Damir Cukor 5 days	625.00	
Vehicle rental	225.00	
Fairway Rentals Ltd. (magnetometer rental)	125.00	
Damir Cukor 1 day Office	125.00	
Field expences		
gas	48.50	
ferry	32.00	
groceries	77.66	
motel	147.00	
restorant	57.75	
misc. expences	7.57	
	1,470.48	1,470.48
Second part of survey, Aug 13 to 17		
V. Cukor 1 day	250.00	
D. Cukor 5 days	625.00	
Vehicle rental	225.00	
D. Cukor, office 1 day	125.00	
Field expences		
gas	51.10	
motel	117.80	
f3rry	58.00	
restorant	92.15	
groceries	53.45	
misc. expences	19.13	
topo. thread& flagging	40.00	
	1,656.63	1,656.63

Report preparation

V. Cukor, P. Eng 4 days	1,000.00	
Drafting	255.00	
Typing	100.00	
Printing & binding	125.00	
	1,480.00	1,480.00
Total charges		25,687.58
Less advance		23,000.00
Ballance		2,687.58



LEGEND

3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800

Values in gammas

To accompany report by V.Cukor, P.Eng.

DALMATIAN RESOURCES Ltd.

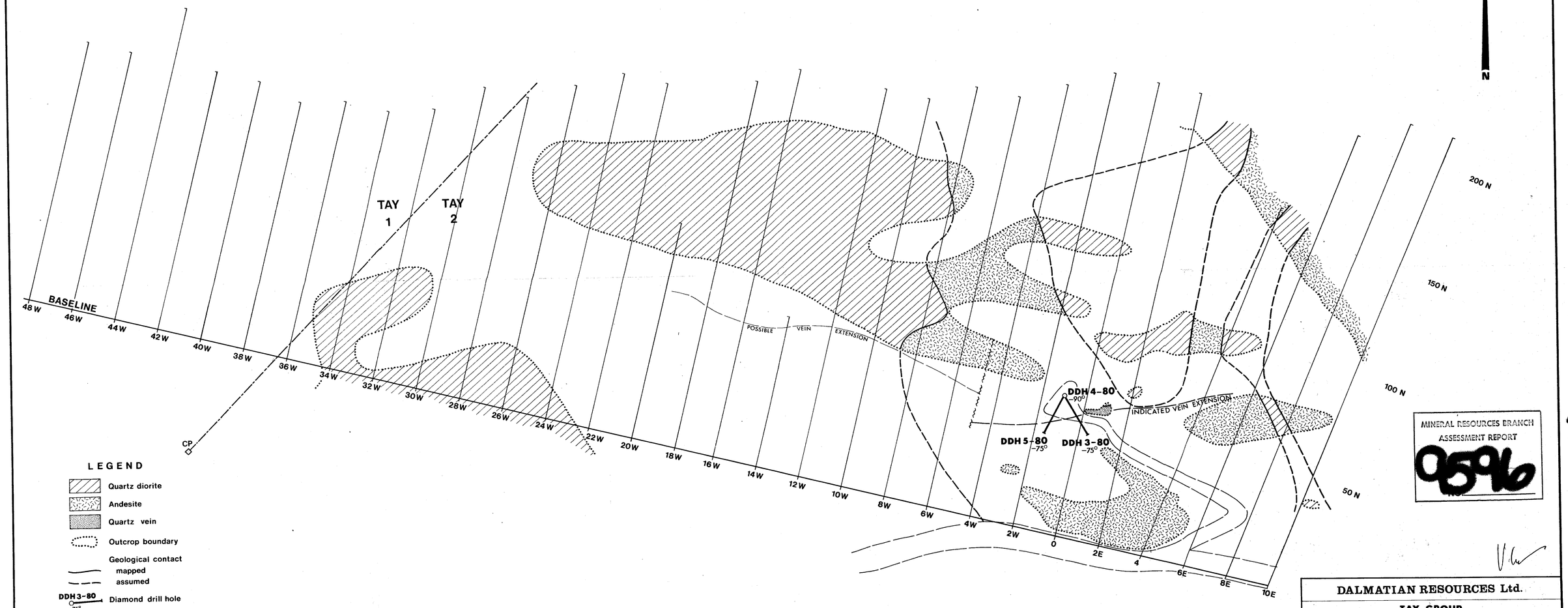
TAY GROUP

MAGNETIC CONTOUR PLAN

ALBERNI M.D., B.C. 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug.1980 | SCALE: 0 10 20 metres | FIG. 6



To accompany report by V.Cukor, P.Eng.

DALMATIAN RESOURCES Ltd.

TAY GROUP

GEOLOGY & DRILL LOCATION

ALBERNI M.D., B.C. 92 F/6W

V.CUKOR, P.Eng. NVC ENGINEERING Ltd. VANCOUVER, B.C.

DATE: Aug.1980 | SCALE: 0 10 20 metres | FIG. 5