81-#359-#9605

DIAMOND DRILL REPORT

RED, CODE 6, CODE 7, CODE 21FR CLAIMS

RECORD NOS. 315, 30319, 30320, 55646

OMINECA MINING DIVISION

NTS 93L3

127°00'W, 54°08'N

OWNERS: VITAL MINES LIMITED/MATTAGAMI LAKE EXPLORATION LIMITED

OPERATOR: MATTAGAMI LAKE EXPLORATION LIMITED

AUTHOR: W. MERCER

DATE: OCTOBER 1980

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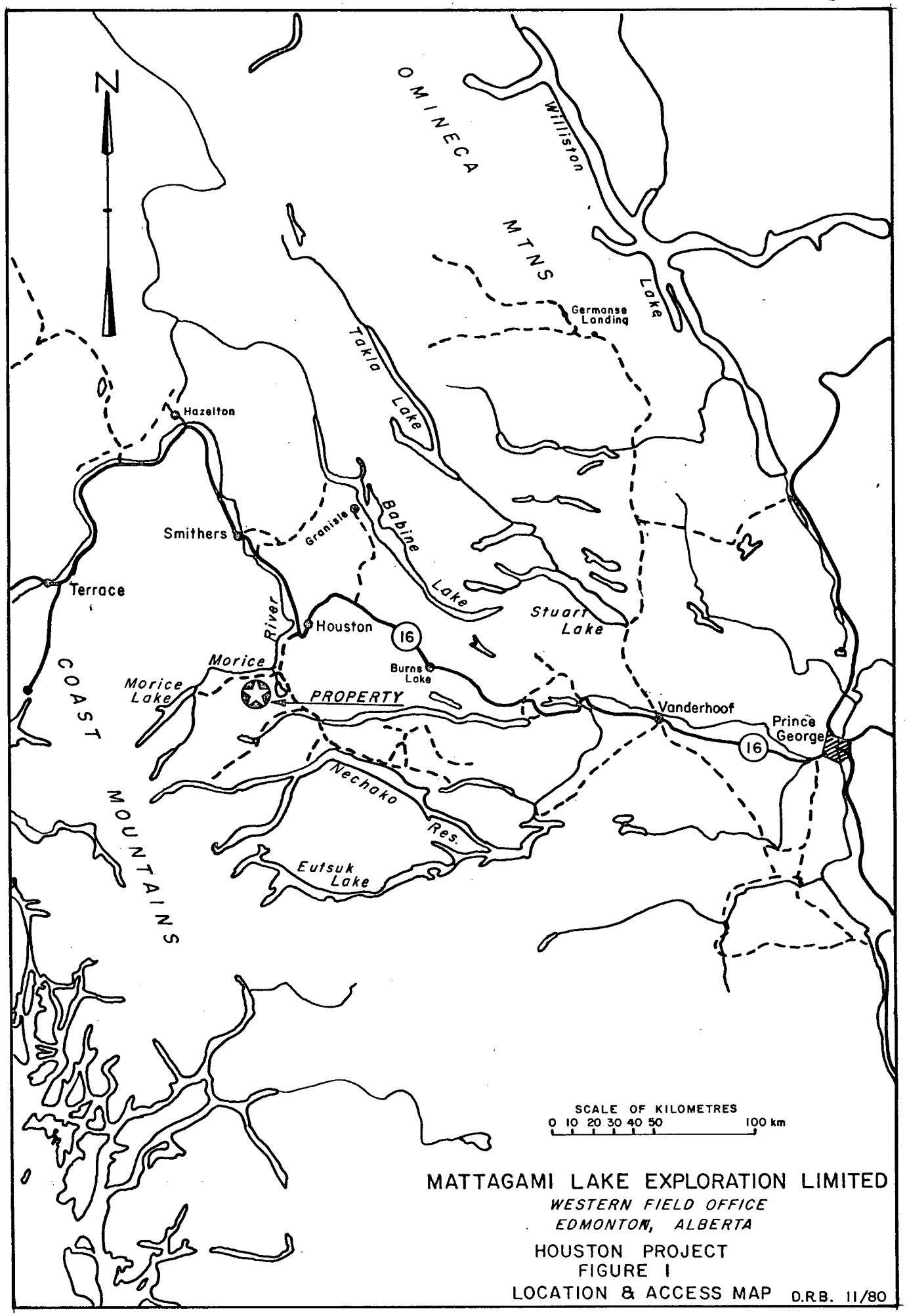
LOCATION AND ACCESS (Figure 1)

The claims are located 37km northwest of Houston, B.C. Access is via a good gravel road from Houston, along the Morice River to Mile 26 (sign posted). A logging road leads south from Mile 26, past a small lake locally called Frypan Lake, for 9km onto the property. For a further 6km a poor road, four-wheel drive only, with deep holes, mud and water, leads to the area of drilling. The last 1.5km is walking or bulldozer only.

Camp was established beside a small creek crossing this last road (Figure 2). The core was stored at this location following completion of the program.

Average altitude of the property is 900m above sea level. Terrain is rolling to steep hills, with maximum elevation changes of the order of a few hundred metres.



MATTAGAMI LAKE EXPLORATION LIMITED

WESTERN FIELD OFFICE

EDMONTON, ALBERTA

HOUSTON PROJECT

FIGURE I

LOCATION & ACCESS MAP D.R.B. 11/80

PROPERTY DEFINITION

The claims drilled on are as follows:

NAME	RECORD NO.	DATE OF RECORD	OWNER
RED	315	June 4th	Vital Mines Limited
CODE 6	30319	June 8th	Mattagami Lake Exploration Limited
CODE 7	30320	June 8th	Mattagami Lake Exploration Limited
CODE 21FR	55646	Nov. 8th	Mattagami Lake Exploration Limited

HISTORY

The property was originally investigated by Anaconda and Helicon, following the discovery of stream sediment anomalies and a mineralized float boulder. No mineralization was obtained in drilling except one 5-foot intersection in Anaconda Hole No. 9, containing sphalerite and galena.

Mattagami has been investigating the area since 1977. Work has included IP, Crone Shootback, Radem, EM16R VLF, and soil surveys. A very limited drill program to investigate IP anomalies on the JAY 2 claim encountered considerable overburden and was unsuccessful in locating mineralization (1978).

GEOLOGY

The geological units in the area are summarized in Table 1. The only unit we are concerned with here is the Hazelton Group, Telkwa Formation, as described by Tipper. Tipper and Church agree with the name and location of this unit.

TABLE ONE: GEOLOGICAL UNITS

AGE	AUTHOR CHURCH B.C. Dept. of Mines GEM 1972			TIPPER Geological Survey of Canada Open File (1976) #351		
TERTIARY	Fenton Creek Volcanics		Rhyolite, tradyte breccia and lava			
	Buck Creek Volcanics		Fresh brown andesite	Eocene-Oligocene	Buck Creek Volcanics	
MESOZOIC	Upper	Tip-Top Volcanics	Dacite	Maetrich-tianeo-cene	Ootsa Lake Group	Rhyolite, dacite tuffs and breccia
		Sedimentary Rocks				
	Lower-Middle	Hazelton	Maroon, brown grey-green andesites	Hazelton Group Sinemur-ian=L. Pliens-bachian	Telkwa Formation	Red, maroon, grey-green breccia, tuffs flows of basalt to rhyolite

WORK DONE

The work consisted of diamond drilling using a BBS-1 diamond drill from N. Morrisette Diamond Drilling Ltd. of Haileybury, Ontario. Geologists present were J. Helsen (first part) and W. Mercer (second part).

The drill was skid mounted and moved from site to site using a John Deer 550 hp bulldozer from Madigan Equipment, Prince George.

The purpose of the drilling was mainly to test Crone Shootback EM anomalies in the vicinity of known soil geochemical anomalies for Pb, Zn and Ag.

Drill holes completed are summarized in Table 2.

TABLE TWO: DIAMOND DRILL HOLE SUMMARY

Hole No.	Claim	Grid Location	Total Metres	Target
HG-80.1	CODE 6	1050N/275E	102.7	Geological
HG-80.2	CODE 6	1050N/275E	105.8	Geological
HB-80.3	CODE 7	1000N/550E	75.3	CEM anomaly
HD-80.4	CODE 6	1200N/300E	102.7	CEM anomaly
HG-80.5	CODE 6	1307N/260E	90.5	Geological
HG-80.6	CODE 6	1307N/260E	136.2	Geological
HH-80.7	RED	1500N/300W	12.4	CEM anomaly
HH-80.7A	RED	1500N/300W	10.0	CEM anomaly
HG-80.8	CODE 21FR.	1365N/200E	109.7	Geological
TOTAL			745.3	

RESULTS AND CONCLUSIONS

The results of the diamond drilling programme are given in the diamond drill logs in Appendix One. To summarize:

1. CEM anomaly B (Hole #HB-80-3; see report by Mercer and Sutherland, 1980) is probably caused by a chloritized fault zone.
2. CEM anomaly D (Hole #HD-80.4) has no explanation from the drilling.
3. CEM anomaly H, on the side of "Mineral Hill" was not tested as the drill was unable to penetrate particularly bouldery overburden.
4. The remainder of the drill holes investigated interesting geological structures. Holes 5, 6 and 8 followed a zone of low grade disseminated and veinlet pyrite-sphalerite-galena associated with quartz-clay alteration in grey-green tuffs and breccias.

APPENDIX ONE

DIAMOND DRILL HOLE LOGS

MATTAGAMI LAKE MINES LIMITED – EXPLORATION DIVISION – DIAMOND DRILL HOLE RECORD

						DIP TEST					
						Metres	Corrected		Corrected		Corrected
PROPERTY	HOUSTON	LATITUDE	1050N	STARTED	1 September 1980						
HOLE NO.	HG-80.1	DEPARTURE	275E	FINISHED	3 September 1980	45.7	-47°				
BEARING	045°	ELEVATION		LENGTH	102.7m (337 ft.)	102.7	-46°				
DIP-COLLAR	-45°	CLAIM	CODE 6	LOGGED BY	J. Helsen						

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS
0	6.1	OVERBURDEN						
6.1	14.3	ALTERED ANDESITE						
		Porphyritic with few visible mafic minerals. Feldspars altered to clays. Amygdules with diorite rims and zeolite fillings present. Rusty stained alteration zones along fractures occur at intervals throughout. A little disseminated pyrite present.						
		6.9- 7.1: Lithic tuff layer.						
14.3	26.5	LITHIC TUFF						
		Altered (kaolinized) with rusty fractures and rounded chloritized ?amygdules. Often chlorite rims around lithic fragments. Sporadic disseminated pyrite. Thin Andesite bands occur occasionally.						
		23.5: Kaolinized zone, 5cm wide, possibly fault zone.						
26.5	32.6	ALTERED ANDESITE						
		Porphyritic, medium grey, altered andesite with occasional lithic fragments altered to clay and ?calcite.						
32.6	53.9	ANDESITE, LITHIC TUFF, BRECCIA						
		Alternating beds of medium grey andesite, lithic tuff (fragments up to 3.5cm) and volcanic breccia. Accessory amphibole present. Disseminated pyrite present.						
53.9	63.1	LITHIC TUFF						
		Light grey lithic tuff in andesitic matrix. Occasional breccia sections. Joints at 40° to core axis filled with clay. Sporadic disseminated pyrite.						
63.1	86.3	ANDESITE TUFF						
		Fine andesite tuff cominating over lithic tuff and andesite? flows. Layering at 30° to core axis. Rounded to angular fragments. Some fragments appear as nodules with up to three concentric reaction rims of glassy material. Disseminated pyrite throughout.						
86.3	93.6	LITHIC TUFF						
		Lithic tuff mixed with lapilli tuff and porphyritic andesite. No layering visible. Nodules present, glassy when small. Sporadic disseminated pyrite present.						

M.L.M. EXPLORATION DIVISION, D.D.H. RECORD

PROPERTY HOUSTON

HOLE NO. HG-80.1

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METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS
93.6	102.7	BRECCIA						
		Gradational from unit above. Fragments basaltic to granitic in composition and surrounded by chlorite reaction rims. Sporadic disseminated pyrite.						
	102.7	END OF HOLE						

MATTAGAMI LAKE MINES LIMITED - EXPLORATION DIVISION - DIAMOND DRILL HOLE RECORD

						DIP TEST					
						Metres	Corrected		Corrected		Corrected
PROPERTY	HOUSTON	LATITUDE	1,050N	STARTED	4 September 1980						
HOLE NO.	HG-80.2	DEPARTURE	275E	FINISHED	5 September 1980	45.7	-47.5°				
BEARING	315°	ELEVATION		LENGTH	105.8m (347 ft.)	105.77	-48.5°				
DIP-COLLAR	-45°	CLAIM	CODE 6	LOGGED BY	J. Helsen						

METRES From	To	DESCRIPTION	% Mineralization	SAMPLE NO.	Metres From	To	Length	ASSAYS
0	6.1	OVERBURDEN						
6.1	29.6	ANDESITE TUFF, LAPILLI TUFF, ANDESITE PORPHYRY						
		6.1- 6.6: Altered andesite tuff with buff alteration on cracks. Sporadic disseminated pyrite.						
		6.6- 9.1: Tuff alternates with lapilli tuff. Buff alteration and MnO_2 stain present. Nodules with glassy rims present. Disseminated pyrite.						
		9.1- 12.8: Altered andesite porphyry. Buff altered fracture zones.						
		12.8- 14.3: Lapilli tuff with kaolinized fragments. Sporadic disseminated pyrite.						
		14.3- 15.0: Altered andesite tuff with glassy layers and disseminated pyrite.						
		15.0- 20.4: Lapilli tuff with abundant nodules with reaction rims, and lithic fragments up to 2cm long. Sporadic disseminated pyrite.						
		20.4- 29.6: Alternating lapilli tuff and andesite tuff. Lithic fragments are completely altered to clays. Distinct layering present. Sporadic disseminated pyrite.						
29.6	30.8	BRECCIA						
		Fragments up to 5cm, matrix similar to andesite above.						
30.8	37.5	ANDESITE TUFF, LAPILLI TUFF						
		Lapilli tuff layers within andesite tuff showing nodules with glassy rims and fragments of basic to acidic composition. Disseminated pyrite.						
37.5	37.7	BRECCIA						
		As above.						
37.7	47.9	ANDESITE TUFF, LAPILLI TUFF						
		As above.						
		39.9- 41.5: Lithic fragments up to several cm in size, altered to clays and epidote. Little disseminated pyrite.						
		41.8, 42.8, 43.4: Veins, or fragments(?) of material altered to clays, 27cm 5cm and 11cm wide respectively. Contains minor pyrite.						
		44.7- 47.9: Lapilli tuff grades into lighter grey, coarser breccia.						
47.9	50.9	ANDESITIC TO DACITIC TUFFS						
		Lighter grey than tuffs above with ?amphibole phenocrysts and disseminated pyrite. Some lapilli tuff layers present.						

M.L.M. EXPLORATION DIVISION, D.D.H. RECORD

PROPERTY HOUSTON

HOLE NO. HG-80.2

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	Metres From	Metres To	Metres Length	ASSAYS
50.9	57.0	PORPHYRITIC ANDESITE						
		Altered, with occasional lapilli nodules and lithic fragments.						
57.0	81.4	ANDESITE TUFF, LAPILLI TUFF						
		As above, with disseminated pyrite. Often well layered.						
		65.8- 69.2: Increase in lithic fragments of several cm diameter.						
		71.0: Vein of quartz-pyrite (1mm thick).						
		72.2- 75.3: Alternating lapilli and andesite tuffs.						
		77.1: Hairline veinlet and 0.1cm pyrite vein.						
81.4	84.4	COARSE LAPILLI TUFF, BRECCIA						
		Fragments up to 20cm across and rimmed. Sporadic disseminated pyrite.						
84.4	87.5	LAPILLI TUFF, ANDESITE TUFF						
		Alternating layers of lapilli and andesite tuff with disseminated pyrite in clay zones.						
87.5	92.6	COARSE LAPILLI TUFF, BRECCIA						
		Similar to lapilli tuff above but larger fragments with layers of varying fragment size.						
93.6	102.7	LAPILLI TUFF, ANDESITE TUFF						
		As 84.4-87.5 above.						
102.7	105.8	COARSE LAPILLI TUFF						
		As 87.5-93.6 above.						
	105.8	END OF HOLE						

MATTAGAMI LAKE MINES LIMITED – EXPLORATION DIVISION – DIAMOND DRILL HOLE RECORD

				DIP TEST					
					Corrected		Corrected		Corrected
PROPERTY	HOUSTON	LATITUDE 1,000N	STARTED 6 September 1980						
HOLE NO.	HB-80.3	DEPARTURE 550E	FINISHED 17 September 1980						
BEARING	270°	ELEVATION	LENGTH 75.3m (247 ft.)						
SET-COLLAR	-45°	CLAIM CODE 7	LOGGED BY J. Helsen						

METRES From	To	DESCRIPTION	% Mineralization	SAMPLE NO.	Metres From	To	Length	ASSAYS (ppm) Mo	Pb	Zn	Cu	Ag
0	42.7	OVERBURDEN										
42.7	46.8	ANDESITE TUFF										
		Porphyritic to lapilli in grain size. Core very broken and tuff very clayey.										
46.8	57.0	RHYOLITE										
		Banded rhyolite, light grey in coloured, with quartz filled hairline fractures. Some dark opaque minerals on rare occasions.										
57.0	75.3	BRECCIA AND TUFF										
		Breccia with dark grey to black andesitic matrix, with a few fractures filled with green clay minerals.										
		57.9-59.7: Finer grained, tuffaceous band with altered plagioclase phenocrysts.										
		60.7-64.75: Lapilli tuff, with highly altered lithic fragments.										
		65.35-66.1: ?Fault zone. Very fractured quartz and light green soft material (?Saussuritization = Albite + Epidote alteration).										
		72.2-75.3: Altered andesite tuff.										

MATTAGAMI LAKE MINES LIMITED - EXPLORATION DIVISION - DIAMOND DRILL HOLE RECORD

						DIP TEST					
						Metres	Corrected		Corrected		Corrected
PROPERTY	HOUSTON	LATITUDE	1200N	STARTED	18 September 1980						
HOLE NO.	HD-80.4	DEPARTURE	300E	FINISHED	18 September 1980	44.8m	-47.5°				
BEARING	270°	ELEVATION		LENGTH	102.7m (337 ft.)	102.7m	-48.5°				
DIP-COLLAR	-45°	CLAIM	CODE 6	LOGGED BY	C. Stewart						

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS					
0	3.7	OVERBURDEN											
3.7	20.4	ANDESITE LAPILLI TUFF											
		Medium to dark grey aphanitic to fine grained groundmass containing subrounded to angular fragments (2 to 26mm) predominantly of feldspar with minor lithic content (5%). Finely disseminated pyrite throughout. Minor alteration to clay. Gradational bedding present.											
		8.2- 11.2: Minor dark grey spheroids plus large (6cm) cream coloured lithic fragment altered to clay.											
		16.4- 16.6: Clay alteration resulting in friable rock.											
20.4	37.8	INTERBEDDED SPHEROIDAL AND LAPILLI ANDESITIC TUFF											
		Lapilli tuff as above. Spheroidal andesite is dark grey, finely banded with darker grey spheroids and minor angular to subangular lapilli fragments. Spheroids are 0.1 to 1cm in diameter. Minor disseminated pyrite.											
		29.6- 32.6: Lithic fragments up to 5cm.											
37.8	45.3	ANDESITE LAPILLI TUFF											
		As described above, with graded beds 1m thick. Thin (1cm) fine grained beds. Disseminated pyrite is minor.											
45.3	47.9	INTERBEDDED ANDESITE AND LAPILLI TUFF											
		Interbedded thin fine grained beds and lapilli tuffs with fragments to 5cm. Disseminated pyrite is minor.											
47.9	102.7	LAPILLI TUFF AND BRECCIA TUFF											
		As described above but with fragments generally less than 5cm but greater than 10cm on occasion. Clay alteration common. Bedding present. Disseminated pyrite is minor.											
		67.5- 69.2: Minor zoned spheroids 0.5cm across.											
		84.4- 87.5: Breccia, with fragments to 10cm diameter.											
		93.6- 96.6: Breccia, with fragments to 10cm diameter.											
		99.7-102.7: Breccia, with fragments to 10cm diameter.											
	102.7	END OF HOLE											

ATTAGAMI LAKE MINES LIMITED – EXPLORATION DIVISION – DIAMOND DRILL HOLE RECORD

						DIP TEST					
						Metres	Corrected		Corrected		Corrected
PERTY	HOUSTON	LATITUDE	1307N	STARTED	19 September 1980						
E NO.	HG-80.5	DEPARTURE	264E	FINISHED	21 September 1980	60m	-65°				
RING	045°	ELEVATION		LENGTH	90.5m (297 ft.)	90.5m	-65°				
-COLLAR	-65°	CLAIM	CODE 6	LOGGED BY	J. Helsen						

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS Pb (%)	Zn (%)	Cu (%)	Ag PPM	Au PPM
0	3.7	OVERBURDEN										
3.7	5.2	PORPHYRITIC ANDESITE TUFF										
		Medium grey altered porphyritic with feldspar phenocrysts. No layering but coarsens towards bottom.										
5.2	8.2	BRECCIA										
		Altered andesitic breccia with granite composition lithic fragments with ?glass or chlorite rims. The fragments are altered to clay. Sporadic disseminated pyrite.										
8.2	38.7	PORPHYRITIC ANDESITE TUFF ALTERNATING WITH BRECCIA										
		Porphyritic andesite tuff is gradational into and interlayered with breccia of similar composition. Lithic fragments and accretionary lapilli present, altered to clay. Sporadic disseminated pyrite. 10.7-13.9: Some veins in fractures filled with clays. 17.1-18.3: Quartz veins with no visible mineralization. 23.5-35.7: Coarse grained section with broken and clayey sections.										
38.7	60.0	FINE TO COARSE GRAINED ANDESITIC TUFF										
		Tuffs with varying grain sizes as interbeds or graded beds. Mineralization present as disseminated pyrite and veinlets of pyrite-sphalerite-galena. 44.5: One vein of pyrite-sphalerite-galena. 47.9-50.9: Few hairline veinlets pyrite-?sphalerite-?galena 53.6-56.8: Five hairline veinlets with ?sphalerite. 56.8-57.3: Two veins with sphalerite and galena, one is 0.5cm thick. 57.3-60.0: Two veins, less than 0.1cm thick, with sphalerite and galena.										
60.0	69.3	LIGHT GREY BRECCIA										
		Light grey very altered breccia, with large clay component. Disseminated pyrite, ?sphalerite, and ?galena. 60.0-63.1: Veinlets mainly less than 1mm except one 25mm. Pyrite-sphalerite-galena. 63.1-66.1: Clay-chlorite-sphalerite-pyrite veinlets with one 4mm vein at 64.3. 66.4: One 5mm pyrite-sphalerite-galena vein.										
69.3	79.2	LIGHT GREY TUFF										
		Very altered light grey tuff with diffuse black bands and disseminated pyrite										

M.L.M. EXPLORATION DIVISION, D.D.H. RECORD

PROPERTY HOUSTON HOLE NO. HG-80.5 Page 2/2

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE	METRES	ASSAYS
79.2	90.5	TRACHYANDESITE				
		Flow oriented, altered feldspar phenocrysts in fine grained light grey matrix. Feldspars are replaced by fluorite and clay. Disseminated pyrite, ?sphalerite and ?galena, but low grade.				
	90.5	END OF HOLE				

MATTAGAMI LAKE MINES LIMITED – EXPLORATION DIVISION – DIAMOND DRILL HOLE RECORD

PROPERTY	HOUSTON	LATITUDE	1307N	STARTED	22 September 1980	DIP TEST						
						Metres	Corrected		Corrected		Corrected	
HOLE NO.	HG-80.6	DEPARTURE	264E	FINISHED	23 September 1980	47.9m	-63°					
BEARING	315°	ELEVATION		LENGTH	136.2m (447 ft.)	135.9m	-67°					
COLLAR	-65°	CLAIM	CODE 6	LOGGED BY	J. Helsen, C. Stewart							

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS Pb (%)	Zn (%)	Cu (%)	Ag PPM	Au PPM
0	4.9	OVERBURDEN										
4.9	8.1	ANDESITE BRECCIA AND TUFF										
		Alternating medium grey altered andesitic tuff and breccia. Some layering of lithic fragments, very altered, composed of felsic material and black shale. Disseminated pyrite.										
8.1	23.5	ANDESITE TUFF AND LAPILLI TUFF										
		As for description above. Disseminated pyrite.										
		12.5- 19.5: Breccia present on occasion with granitic fragments greater than 10cm across. Quartz-feldspar veining. Disseminated pyrite.										
		19.5- 23.5: Poor core recovery, 90-60%. Increase in black lithic fragments and increase in disseminated pyrite. Joints present filled with clay.										
23.5	26.5	BRECCIA										
		Andesite matrix. Three fractures filled with clay. Hairline quartz-pyrite-?sphalerite-?galena veinlets. Minor disseminated pyrite.										
26.5	35.2	ALTERNATING ANDESITE BRECCIA AND TUFF										
		As above. Disseminated pyrite present throughout.										
		27.1- 32.0: Breccia present as bands gradational from finer grained tuffs.										
		29.6: Hairline pyrite-galena veinlet.										
		30.0: Pyrite-?galena-?sphalerite veinlet.										
		32.0- 35.2: Seven hairline veinlets with pyrite-?sphalerite-?galena. Disseminated mineralization may also be present along layering.										
35.2	136.2	ALTERED GREY-GREEN BRECCIA										
		As above. Lithic fragments generally more altered than matrix.										
		35.2- 35.7: Quartz flooding with ?sphalerite present.										
		35.7- 38.6: Hairline veinlets of pyrite-?sphalerite-?galena with minor disseminated pyrite.										
		38.6- 41.8: Four veins of pyrite-galena-?sphalerite, two hairline, one is 2mm thick and fourth ranges from 2-10mm (39.8m).										
		44.8: Hairline veinlets. Disseminated pyrite-?sphalerite-?galena.										
		47.9- 53.9: Disseminated pyrite-?galena-?sphalerite.										
		53.9- 54.2: Few veins, 3mm thick, sphalerite and ?carbonate in veins. Pyrite and ?galena present as disseminations.										

M.L.M. EXPLORATION DIVISION, D.D.H. RECORD

PROPERTY HOUSTON HOLE NO. HG-80.6 Page 2/2

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE	METRES	ASSAYS
		58.1- 60.0: Hairline veinlets.				
		60.0- 65.2: Abundant clays as alteration.				
		69.2- 80.2: Increase in quartz flooding downhole associated with pyrite, ?galena and ?sphalerite.				
		72.2- 72.6: One veinlet pyrite-?sphalerite.				
		85.9: Two veinlets, 0.5-0.7cm thick, pyrite-galena-sphalerite-quartz.				
		92.0: Minor veinlet, pyrite-galena-?sphalerite.				
		98.3- 98.4: Concentration of veinlets.				
		99.7-102.4: Disseminated pyrite and galena present.				
		108.8-114.6: Clay rich section. Core soft and crumbly.				
		118.9-119.1, 119.7-120.1: Andesite, light grey indurated.				
		120.5: Minor veinlet				
		120.8-121.1: Grey andesitic lapilli tuff.				
		126.0, 126.2: Minor veinlets, 0.4cm thick and 0.2cm thick respectively.	1% dis. pyrite. Tr-1% ?sph. + gal.			
		131.0-131.7: Light coloured section, less sulphide present.				
		132.3, 132.6, 134.9: Hairline veinlets sphalerite-galena-pyrite with less than 0-5% total disseminated sulphide. Veinlets are at 30° and 20° to core axis.				
	136.2	END OF HOLE				

MATTAGAMI LAKE MINES LIMITED - EXPLORATION DIVISION - DIAMOND DRILL HOLE RECORD

				DIP TEST					
					Corrected		Corrected		Corrected
PROPERTY HOUSTON	LATITUDE 1,500N	STARTED 25 September 1980							
HOLE NO. HH-80.7	DEPARTURE 312.5E	FINISHED 26 September 1980							
BEARING 090°	ELEVATION	LENGTH 12.2m (40 ft.)							
DIP-COLLAR -45°	CLAIM RED	LOGGED BY W. Mercer							

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS
0	12.2	OVERBURDEN						
		Hole abandoned because casing jammed in boulders.						

MATTAGAMI LAKE MINES LIMITED - EXPLORATION DIVISION - DIAMOND DRILL HOLE RECORD

				DIP TEST					
					Corrected		Corrected		Corrected
PROPERTY HOUSTON	LATITUDE 1,500N	STARTED 27 September 1980							
HOLE NO. HH-80.7A	DEPARTURE 312.5E	FINISHED 27 September 1980							
BEARING 090°	ELEVATION	LENGTH 9.8m (32 ft.)							
DIP-COLLAR -75°	CLAIM RED	LOGGED BY W. Mercer							

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS
0	9.8	OVERBURDEN						
		Hole abandoned because casing jammed in boulders.						

MATTAGAMI LAKE MINES LIMITED - EXPLORATION DIVISION - DIAMOND DRILL HOLE RECORD

						DIP TEST					
PROPERTY	HOUSTON	LATITUDE	1365N	STARTED	28 September 1980	Metres	Corrected		Corrected		Corrected
HOLE NO.	HG-80.8	DEPARTURE	200E	FINISHED	30 September 1980	45.7m	-44°				
BEARING	180°	ELEVATION		LENGTH	109.7m (360 ft.)	102.7m	-46°				
DIP-COLLAR	-45°	CLAIM	CODE 21	LOGGED BY	W. Mercer						

METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS Pb (%)	Zn (%)	Cu (%)	Cd (%)	Ag PPM	Au PPM
0	5.5	OVERBURDEN											
5.5	7.0	DARK GREY BRECCIA											
		Consisting of fragments from 1 to 20cm across, white, subrounded with smooth edges. Matrix composed of fine fragments similar to the above plus dark fine fragments. No bedding visible.	L1% dis. pyrite										
		6.2- 6.5: Few hairline veinlets with pyrite plus ?sphalerite.											
7.0	13.9	LIGHT GREY BRECCIA											
		Very similar to Dark Grey Breccia, except matrix lighter in colour. Measured 15 hairline veinlets between 7.3 and 10.4m.	L1% dis. pyrite										
		11.5, 11.9, 12.4, 12.9, 13.3: Network of quartz-pyrite veinlets over about 0.1m of core.											
		12.5: 2mm veinlet quartz-pyrite-sphalerite.											
		13.4, 13.5, 13.6: Pyrite-quartz veinlets, 1mm thick, with no visible sphalerite or galena, at 35° and 50° to core axis, and 95° to each other.											
13.9	20.7	DARK GREY BRECCIA											
		As above, with fragments up to 28cm across. Numerous bright green fragments, averaging 0.5cm across. Pyrite occurs as disseminations and patches 0.1 to 0.5cm across.	Up to 3% dis. pyrite.										
		14.3- 17.7: Twenty hairline quartz-pyrite veinlets. No visible sphalerite and galena.											
		17.7- 20.7: Two veinlets pyrite-quartz.											
20.7	21.0	BLUE-GREY PORPHYRITIC INTRUSIVE											
		Light green phenocrysts, probably altered feldspar, in fine grained groundmass. 0.03m chill margin on either side.											
21.0	35.7	DARK GREY BRECCIA											
		As above, with 0.5% disseminated pyrite and 0.5% disseminated metallic black specks (?sphalerite and ?galena).	0.5% pyrite + 0.5% sph. and gal.										
		25.4: Pyrite-sphalerite-galena vein, 0.5 cm wide, 55° to core axis.											
		25.8: Pyrite-sphalerite-galena vein, 0.5 cm wide, 35° to core axis.											
		26.0: Pyrite-sphalerite-galena vein, 0.3 cm wide, 40° to core axis.											
		27.6: Pyrite-sphalerite-galena vein, 1.0 cm wide, 50° to core axis.											
		NOTE: Although core recovery is apparently 100%, a subjective impression is											

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METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE NO.	METRES From	METRES To	METRES Length	ASSAYS Pb (%)	Zn (%)	Cu (%)	Cd (%)	Ag PPM	Au PPM
35.7	50.9	ALTERED DARK GREY BRECCIA											
		As above, but with very dark coloured sections. May be dark coloured clays. Some fragments are intensely altered to clays that swell with water. Includes 2-5% disseminated pyrite.	2-5% dis. pyrite										
		40.8: Pyrite-sphalerite-galena-quartz vein.											
		37.8- 38.7, 41.1-43.9, 47.6-48.2, 48.6-50.4: Lighter coloured sections with a few discontinuous hairline quartz-pyrite veinlets and 1% disseminated pyrite.											
		49.7: Pyrite-sphalerite-galena veinlet, almost completely eroded in drilling.											
50.9	56.2	LIGHT GREY BRECCIA											
		See 7.0m-13.9m above											
		0.5% disseminated pyrite plus 0-5% metallic dark specks, particularly on sections 55.4 and 56.7-57.3.											
		51.5: Possible bedding as dark and light bands at 25° to core axis.											
56.2	62.4	TUFF											
		Light coloured, grey and fine grained. 0.5% pyrite and 0.5% dark mineral (?sphalerite and galena) as disseminations and hairline veinlets.	0.5% pyrite + 0.5% sph. + gal.										
62.4	71.4	GREY-GREEN BRECCIA											
		Subordinate blue-grey matrix contains 0.5 to 10cm light green, intensely altered fragments. Less than 1% pyrite plus ?sphalerite.											
		65.4- 68.6: Six patches of pyrite-?sphalerite-quartz as irregular veins covering 5 cm of core on average.											
		70.6: 1mm thick veinlet of pyrite-sphalerite-quartz.											
71.4	109.7	GREY BRECCIA											
		White coloured fragments, up to 15 cm across set in blue-grey fine grained matrix. From 87.5 to 109.7 there is a gradual, down hole, increase in green alteration as patches and alteration of feldspars. Less pyrite and black specks than above unit. In general, irregular discontinuous hairline veinlets with pyrite common. Contact with above unit is sharp and marked by a 1.5cm fine grained pale green coloured section at right angles to core axis.											
		73.4: Thin pyrite-sphalerite veinlet.											
		77.4: Possible bedding at 50° to core axis.											
		77.7: Pyrite-sphalerite vein, partially eroded by drilling.											
		78.1- 78.3: Pyrite-quartz-sphalerite, irregular thin veinlets, parallel core axis.											
		84.4- 85.9: Pyrite-quartz-?sphalerite hairline veinlets.											
		93.3- 93.6: Dark patches in rock 0.2 cm across. ?Sphalerite.											
		94.9- 96.5: Green alteration intense.											
		96.5: Pyrite-clay-quartz vein, 0.5cm, 35° to core axis.											
		98.8: Pyrite-quartz vein, 0.5cm, 35° to core axis.											
		99.7: Pyrite-quartz veinlet, 0.2cm, 45° to core axis.											

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METRES From	METRES To	DESCRIPTION	% Mineralization	SAMPLE	METRES	ASSAYS PPM
		100.6: Pyrite-quartz-?sphalerite vein, 0.1cm, 40° to core axis.				
		101.3: Pyrite-quartz-?sphalerite vein, 0.1cm, 45° to core axis.				
		102.1-102.7: Numerous hairline veinlets of pyrite-quartz.				
		105.1-105.7: Banding of light and dark layers-possible bedding-0.5cm thick, 10° to core axis.				
		106.8: Pyrite-sphalerite-galena veinlet, 0.3cm thick, 20° to core axis				
		108.8-109.1: Numerous hairline veinlets.				
		109.4: Two pyrite-quartz-?sphalerite veins, 0.2cm, 15° to core axis.				
	109.7	END OF HOLE				

APPENDIX TWO

STATEMENT OF COSTS and CERTIFICATE: W. Mercer

STATEMENT OF COSTS

Diamond Drilling, Houston Project, 1980

Contractor Fees, Morrisette	$ 56,955.48
Core boxes	699.25
Miscellaneous items from J.T. Thomas, Smithers	405.60
Bulldozer rental, Madigan Equipment, Smithers	3,270.57
Food and miscellaneous camp supplies	3,563.19
TOTAL DRILL COST	$ 64,894.09

Total drilled	745.3 metres (2445 feet)
Cost per metre (foot)	$ 87.07/metre ($ 26.54/foot)

Signed _____

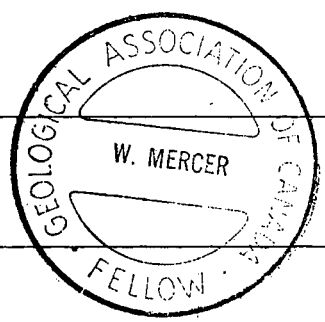
W. Mercer, Regional Manager

CERTIFICATE

I, William Mercer, of the City of Edmonton, Province of Alberta, do hereby certify that:

1. I am a geologist residing at 6814 - 110 Street, Edmonton.
2. I am a graduate of Edinburgh University, Scotland, with a B.Sc. Hons (1968) in geology and McMaster University, Ontario, with a Ph.D. (1975) in geology.
3. I have been practicing my profession since 1974 and am at present Regional Manager for Mattagami Lake Exploration Limited in Edmonton.
4. I am a fellow of the Geological Association of Canada and a member of the Society of Economic Geologists and the Canadian Institute of Mining and Metallurgy.
5. I supervised the work that is described in this report.

Dated: _____



_____

W. Mercer, Ph.D.

Fen 189 | Fen 191 | Fen 193 | Fen 195

126° 57' W

Fen 190 | Fen 192 | Fen 194 | Fen 196

Code 44 | Code 43 | Code 42 | Code 41 | Code 40 | Code 23 | Code 25

2800'

Fenton Creek

Red | Red | Red | Fen 237 | Code 15 | Code 14 | Code 13 | Code 12 | Code 11 | Code 22 | Code 24

2900'

D.D.H. 78-7A (ABANDONED)

3200'

3100'

Code 21

D.D.H. 8 | D.D.H. 6 | D.D.H. 5 | D.D.H. 4 | D.D.H. 2 | D.D.H. 1

3000'

2900'

Red | Red | Red | Code 6 | Code 7 | Code 8 | Code 9 | Code 10 | Code 30 FR | Code 27

D.D.H. 3

Red | Red | Red | Code 5 | Code 4 | Code 3 | Code 205 | Code 204 | Code 26

54° 10' N

3200'

3100'

3000'

Red | Red | Red | Fen 188

3500'

3400'

3300'

3200'

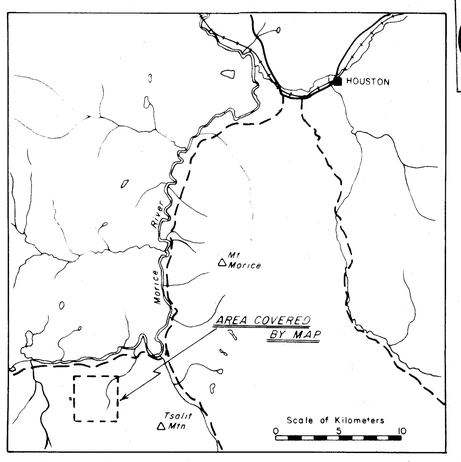
Red 2 | Red 2 | Red 2

LCP

126° 57' W

Camp & Core Storage

Red 2 | Red 2 | Red 2



ASSESSMENT REPORT 9605

LEGEND

DIAMOND DRILL HOLE

BUSH ROAD

ELEVATION CONTOUR

MATTAGAMI LAKE EXPLORATION LIMITED.
WESTERN FIELD OFFICE
EDMONTON, ALBERTA

HOUSTON PROJECT
DIAMOND DRILLING, AUGUST / SEPTEMBER 1980
FIGURE 2

DRAWN BY : D.R. BULL.
DATE OCTOBER 1980

SCALE OF METRES
0 100 200 300 400 500