GEOLOGICAL AND GEOCHEMICAL EXPLORATION REPORT

LCF 1 to 4 Mineral Claims N.T.S. 94C/12 W Lat. 56°33' N, Long. 125°57' W OMINECA MINING DIVISION British Columbia

for GOLDEN RULE RESOURCES LTD. Calgary, Alberta

by

Michael Fox, B.Sc., F.G.A.C., P.Geol.

TAIGA CONSULTANTS LTD.

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| 2     | Claims                                    | Lo        | cat | tic | on  | Ma  | p   |    |     |    |    |     |      |   |   |   |   | • | • |   |   |   |   |   |    |   |   |   |   |    | 4  |
| 3     | Geology                                   |           | Tre | ene | ·h  | S   | me  | 11 | ine |    | Δ. | ces | 2376 |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |   |    | 6  |

#### CERTIFICATE

I, the undersigned, of the City of Calgary in the Province of Alberta, do hereby certify that:

- I am a Consulting Geologist residing at 120 Hawkwood Hill N.W., Calgary, Alberta.
- I am a graduate of the University of British Columbia with a B.Sc. in Geology (1974).
- 3. I have worked in the field of mineral exploration since 1965.
- 1 am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
- I have personally worked on the claims and supervised exploration work carried out there and described in this report.

Respectfully submitted,

THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA

PERMIT NUMBER
P 2399

TAJGA
CONSULTANTS LTD.

Michael Fox, P.Geol. (Alberta)

# SUMMARY

A brief rock geochemical sampling program has confirmed the presence of gold values of economic interest in a major quartz-carbonate alteration zone in late Paleozoic greenstones of the Nina Creek Group. Values of up to 0.214 oz/ton Au (assay equivalent of 6680 ppb) have been obtained from a section of a 50m - 70m wide alteration zone related to the Lay Creek Fault, a major structure at least 30 km in length. Sampling carried out to date does not constitute an adequate evaluation of the mineralized zone and recommendations call for hand trenching and blasting, utilizing a small rock drill.

#### INTRODUCTION

## Property, Location, Access, Ownership

The LCF 1 to 4 two-post mineral claims are situated in N.T.S. map-area 94C/12 W in the Omineca Mining Division, at the approximately geographic coordinates 56°33' North latitude and 125°57' West longitude (Figures 1 and 2). The claims are located along the Omineca Development Road, some 300 km northerly from Fort St. James, British Columbia, and are accessible by two-wheel-drive vehicles.

The claims are owned 100% by Golden Rule Resources Ltd. of Calgary, Alberta. Pertinent claims data are as follows:

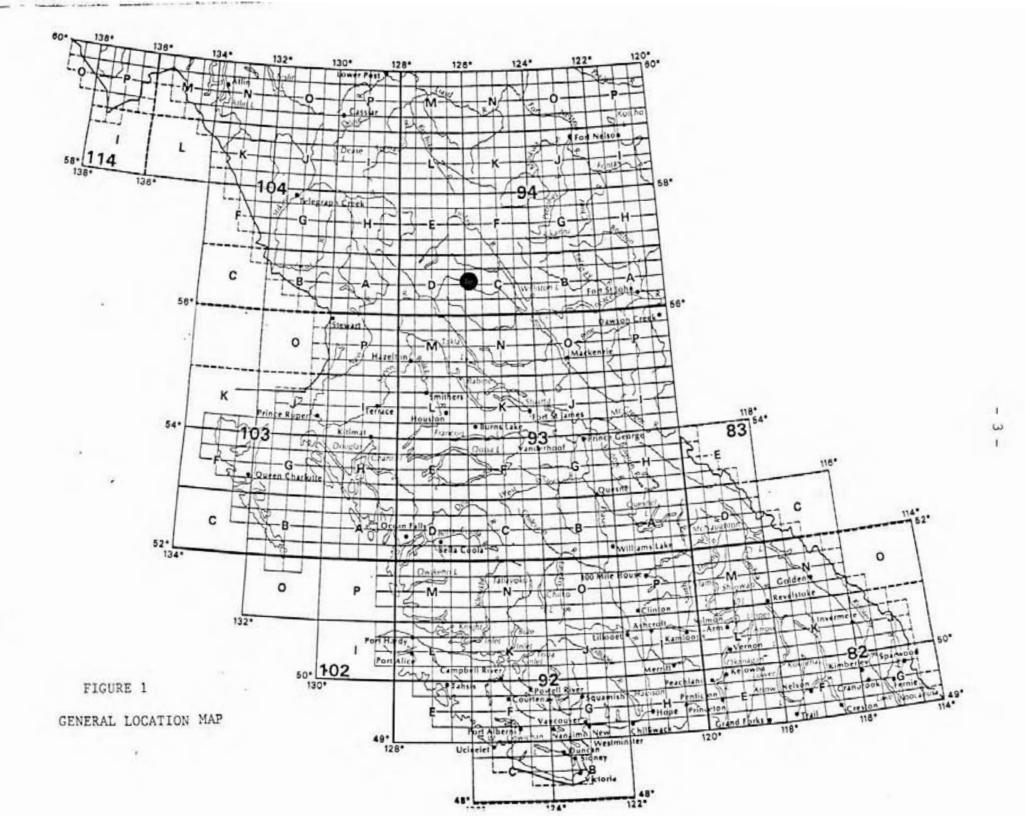
| Claim<br>Name | Record<br>Number | No.of<br>Units | Date of | Rec | ord  |
|---------------|------------------|----------------|---------|-----|------|
| LCF 1         | 4822             | 1              | October | 14, | 1982 |
| LCF 2         | 4821             | 1              | October | 14, | 1982 |
| LCF 3         | 4820             | 1              | October | 14, | 1982 |
| LCF 4         | 4819             | 1              | October | 14. | 1982 |

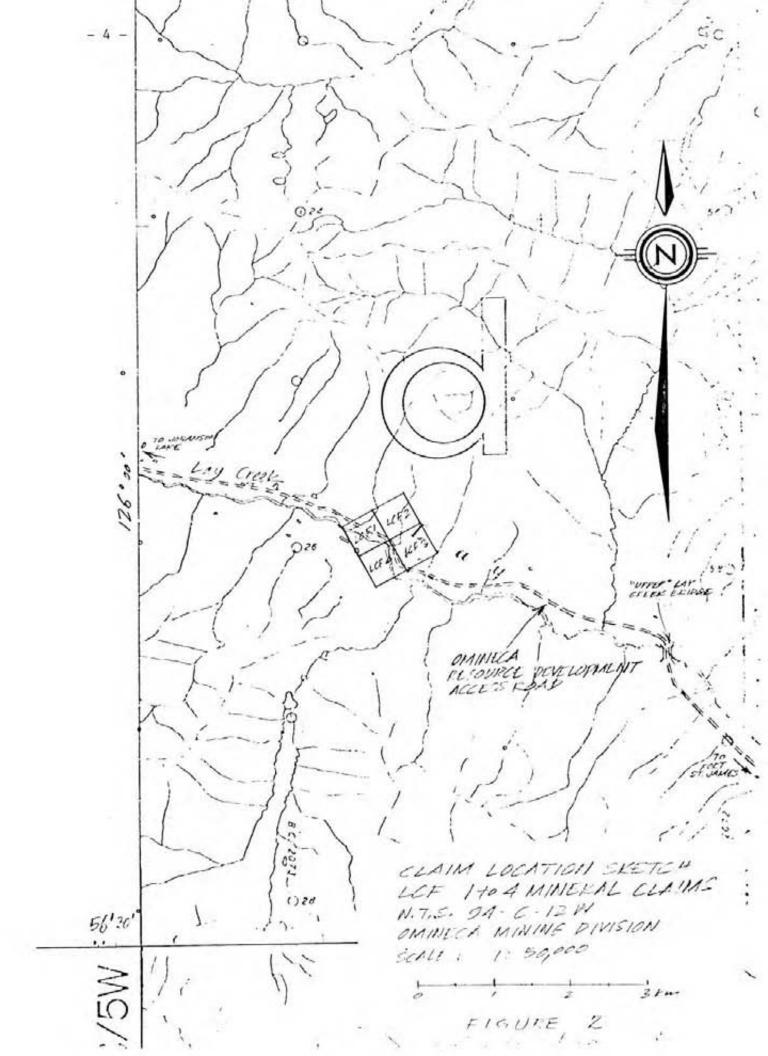
#### Physiography and Glaciation

The claims are situated along the bottom of a wide valley drained by Lay Creek. The valley bottom is mantled by glacial deposits and recent alluvial deposits. Bedrock exposures are scarce and occur mainly along Lay Creek where recent stream erosion has taken place.

#### 1982 Program

Work carried out late in the autumn of 1982 consisted of reconnaissance geological mapping and rock geochemical sampling. This program was designed as a preliminary check of a quartz-carbonate alteration zone which had returned a value of 0.06 oz/ton Au from a sample collected there in 1980.



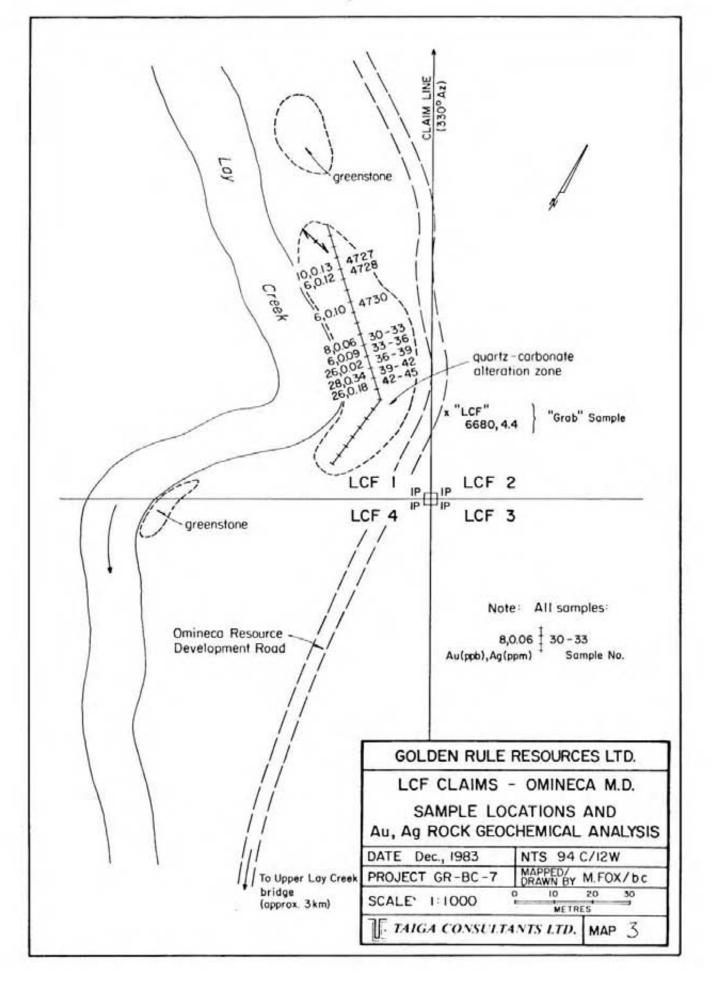


#### GEOLOGY

The claims are located over a wide (estimated 50-70 m) zone of quartz-carbonate alteration in greenstones of the late Paleozoic Nina Creek Group. The area has been mapped at a scale of 1":4 miles (GSC Memoir 274, by E. F. Roots, 1954; includes GSC Map 1030A). This mapping indicates that the quartz-carbonate alteration zone is related to the Lay Creek Fault, a major structure at least 30 km in length, which transects the volcanic and sedimentary rocks of the Nina Creek Group.

All of the trench samples collected for analysis were similar-looking buff to brown, rusty weathering, very hard quartz-carbonate rocks, in which minor percentages of sulphides are occasionally visible. These rocks were collected at 3 m sample intervals at an acute angle to the foliation and probable strike of the quartz-carbonate alteration zone, resulting in a 1.0 m to 1.5 m true sample width perpendicular to strike. The "LCF" grab sample, however, was collected from loose rock derived from shallow bedrock which has been disturbed by road building.

The "LCF" grab sample also consists of a buff to brownish, rusty weathering quartz-carbonate alteration assemblage, but differs slightly from the trench samples in being finer-grained, more equigranular, and quite massive in appearance. No later fracturing or quartz veining was noted within this sample.



## GEOCHEMISTRY

## Sampling and Analytical Techniques

A total of eight rock samples were collected by semi-continuous chip sampling across weathered exposures of the alteration zone. A ninth "grab" sample was collected from disturbed bedrock material on the opposite side of the Omineca Resource Development Road.

All samples were geochemically analyzed for Au and Ag by a combined fire assay and atomic absorption technique by TerraMin Research Labs Ltd. of Calgary, Alberta.

## Results

None of the eight trench samples returned values of interest. The "LCF" grab sample, however, returned values of 6680 ppb Au and 4.4 ppm Ag. This would represent an 'equivalent' assay value of 0.214 oz/ton Au and confirms the presence of gold values of economic interest first indicated by sampling carried out in 1980.

#### CONCLUSIONS

- Sampling carried out in 1982 has confirmed the presence of gold values
  of economic interest in a quartz-carbonate alteration zone underlying
  the LCF claims. The best value obtained to date is 6680 ppb or an
  assay equivalent of 0.214 oz/ton Au.
- Follow-up sampling carried out to date has been minimal and does not constitute an adequate evaluation of the gold-bearing section of the alteration zone.
- 3. The high gold value obtained in the "LCF" grab sample does not appear to be related to later quartz veining and may therefore be indicative of bulk tonnage gold potential in the quartz-carbonate rocks.

#### RECOMMENDATIONS

An appropriate program to further evaluate the zone of interest should consist of hand trenching and blasting. Bedrock in the vicinity of the "LCF" grab sample is shallow, but loose near-surface material has been disturbed by road building. A small rock drill should be adequate to carry out trenching down to a fresh bedrock surface for "in place" sampling across the mineralized zone.

# STATEMENT OF EXPENDITURES

| Pre-Field Crew and equipment assembly; airphotos, base maps, contracts, mobilization — pro rata | \$ 250.00                                  |
|---|--|
| Field Program   |  |
| Personnel   |  |
| M. Fox, Geologist Sep.15 ½ day @ \$250  | 125.00                                     |
| D. Thompson, Prospector Sep.15 1 day @ \$145  | 145.00                                     |
| Camp and Accommodation  |  |
| Food 1½ man days @ \$18   | 27.00                                      |
| Equipment 1 man days @ \$12   | 18.00                                      |
| Equipment Rentals   |  |
| 4x4 GMC "Jimmy" ½ day @ \$65  | 32.50                                      |
| Radio ½ day @ \$ 8  | 4.00                                       |
| Miscellaneous   |  |
| maps, flagging, notesbooks, sample bags, etc.   | 42.12                                      |
| Geochemical Analyses FA/AA geochem for  |  |
| Au + Ag: 9 rocks @ \$9.65/each  | 86.85                                      |
| na . ng.  | - 11                                       |
| Post-Field  |  |
| Report preparation, data plotting, drafting,  | 100 EU |
| reproductions, photocopying   | 500.00                                     |
| TOTAL   | \$ 1,230.47                                |

# APPENDIX

Geochemical Analyses

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14-2235 - 30th Avenue N.E. Calgary, Alberta T2E 7C7 (403) 276-8668

GOLDEN RULE RESOURCES

## SAMPLE PREPARATION

Soil and sediment samples are dried and sieved to -80 mesh (approx. 200 micron).

## Rock Samples:

The entire sample is crushed to approx. 1/8" maximum, and split divided to obtain a representative protion which is pulverized to -200 mesh (approx 90 micron).

GOLDEN RULE RESOURCES

### ANALYTICAL METHOD FOR GOLD AND SILVER

(403) 276-8668

Approximately 1 assay ton of prepared sample is fused with a litharge/
flux charge to obtain a lead button. The lead button is cupelled to
obtain a prill. The prill is dissolved in nitric/hydrochloric acids
(aqua regia), and the resulting solution is analysed by atomic absorption spectroscopy.

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Job # 82-233

Date

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| S<br>Rock | ample No.    | Au<br>ppb | Ag<br>ppb |    |   |
|-----------|--------------|-----------|-----------|----|---|
|           |              |           |           |    |   |
|           |              |           |           | •  |   |
|           |              |           |           |    |   |
|           |              |           |           |    |   |
|           |              |           |           |    |   |
|           |              |           |           |    |   |
|           | LFC          | 6680      | 4400      |    |   |
| Tl-LCF    | 30-33 metres | 8         | 60        |    | • |
|           | 33-36        | 6         | 90        |    |   |
|           | 36-39        | 26        | 200       |    |   |
|           | 39-42        | 28        | 340       |    |   |
|           | 42-45        | 20        | 180       | v  |   |
|           | 4727         | 10        | 130       |    |   |
|           | 4728         | 6         | 120       | to |   |

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| Sample No. | Au  | Ag         |  |
|------------|-----|------------|--|
| Rock       | ppb | ppb        |  |
| 4730       | 6   | 100        |  |
|            |     |            |  |
|            |     |            |  |
|            |     |            |  |
|            |     |            |  |
|            |     |            |  |
|            |     |            |  |
|            |     | <b>s</b> . |  |