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12-84

LANA GOLD CORPORATION

100 - 450 WEST GEORGIA STREET
VANCOUVER, B.C.

REPORT
on the
PAYMASTER GROUP MINERAL CLAIMS

BRALORNE AREA
LILLOOET MINING DIVISION

N. Latitude 50° 43' 30"

W. Longitude 122° 45' 00"

92J10E & W

by

R. J. ENGLUND, B.Sc.

STRATO GEOLOGICAL ENGINEERING LTD.

103 - 709 DUNSMUIR STREET

VANCOUVER, B. C. V6C 1M9

March 12, 1984

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

11,942



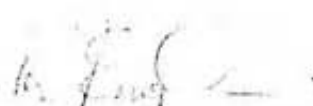
SUMMARY

The Paymaster Group of mineral claims comprises eleven reverted crown granted claims and two, 12 unit, mineral claims acquired by staking, situate in the Bralorne area about 180 kilometers due north of Vancouver, British Columbia. The claims are located some 3 kilometers southwest of the former Pioneer gold mine and include the Paymaster Crown grants upon which low grade gold quartz veins were located in the 1930's.

Initial geological and geochemical work has located two northwesterly trending shear zones of considerable strike length in the northeastern property areas. Both shear zone areas indicate anomalous gold geochemistry and warrant detail examination.

A program of geological mapping, rock chip sampling, soils geochemistry, and a geophysical EM survey is recommended to delineate mineral targets along the general strike of the located shear zones.

Respectfully submitted,
Strato Geological Engineering Ltd.


R. J. Englund, B.Sc.
Geophysicist

March 12, 1984



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INTRODUCTION

Pursuant to a request by the Directors of Lana Gold Corporation, a preliminary geological and sampling program was conducted over the northern areas of the Paymaster group of reverted crown grant mineral claims.

Field work was carried out during the period May 27 to May 30, 1983 after having staked the Iris and Lone mineral claims, consisting of 24 units, which combine with the reverted crown grant claims to form a contiguous claim group.

This report is based upon a field examination carried out by P. B. Grunenberg, Geologist, of Strato Geological Engineering Ltd. in the northern areas of the property.

LOCATION AND ACCESS

The property is situated in southwestern British Columbia, 180 kilometers north of Vancouver, and 7 kilometers southeast of Bralorne (Figure 1). The claims are located on the northern slopes of Cadwallader Mountain near the confluence of Crazy Creek and Cadwallader Creek. Pertinent coordinates are 50 degrees 43' and 30" N. Latitude and 122 degrees 45' 00" W. Longitude.

Access to the Bralorne area is from Lytton, a small community located on the Trans Canada Highway approximately 250 road kilometers northeast of Vancouver, and 164 road kilometers west of Kamloops, B.C. Bralorne is approximately 136 kilometers northwest of Lytton, and is reached by 64 kilometers of paved road to Lillooet, and thence 72 kilometers of good gravel road.

The working area was reached by foot from the old Pioneer Mine dam. A generally overgrown trail leads from the damsite to the property. During the work program, this trail was flagged and partially blazed from the dam to the L.C.P. of the

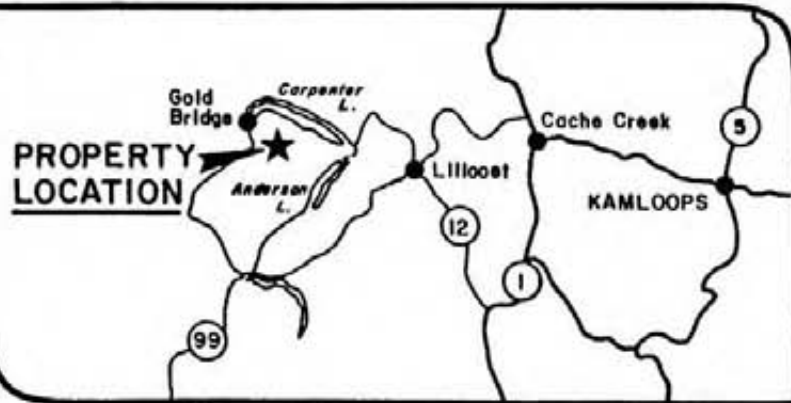


FIGURE I
LANA GOLD CORPORATION
LOCATION MAP

MARCH 12, 1984



Ione-Iris claims. Access to the claim areas via this trail is steep and difficult. A camp setup on the property should be considered for future mineral exploration work.

TOPOGRAPHY AND VEGETATION

The property is located on very steep and uneven terrain on the northern slopes of Cadwallader Mountain, with slopes commonly terminating in rock ridges and cliffs. Elevations range from 1200 meters near Cadwallader Creek to over 2700 meters above sea level on the highest peaks. Erosion by Crazy Creek, through the central property areas, and Plutus Creek, just east of the claims, has resulted in the shaping of two northerly trending ridges, terminated by the Cadwallader Creek valley to the north (Figure 2).

Slopes are well timbered with pine, fir, poplar, and birch up to an elevation of about 1900 meters where an alpine environment is reached.

PROPERTY

The property consists of eleven reverted Crown granted mineral claims acquired by application and two mineral claims acquired by staking. The claims are shown on the B.C. Mineral Titles Map M 92J10E & W (Figure 3) and are recorded as follows:

Claim Name	Record No.	Lot No.	Area	Expiry Date
Paymaster 2	1992	6872	39.03	January 21, 1984
Paymaster 3	1993	6858	46.28	January 21, 1984
Paymaster 4	1994	6869	51.54	January 21, 1984
Paymaster 5	1995	6856	30.71	January 21, 1984
Paymaster 6	1996	6867	51.60	January 21, 1984
Paymaster 7	1997	6865	39.82	January 21, 1984
Paymaster 8	1998	6874	45.79	January 21, 1984

15 16 17 18 19 20 21 22

Joins 92 J/15
45' 18

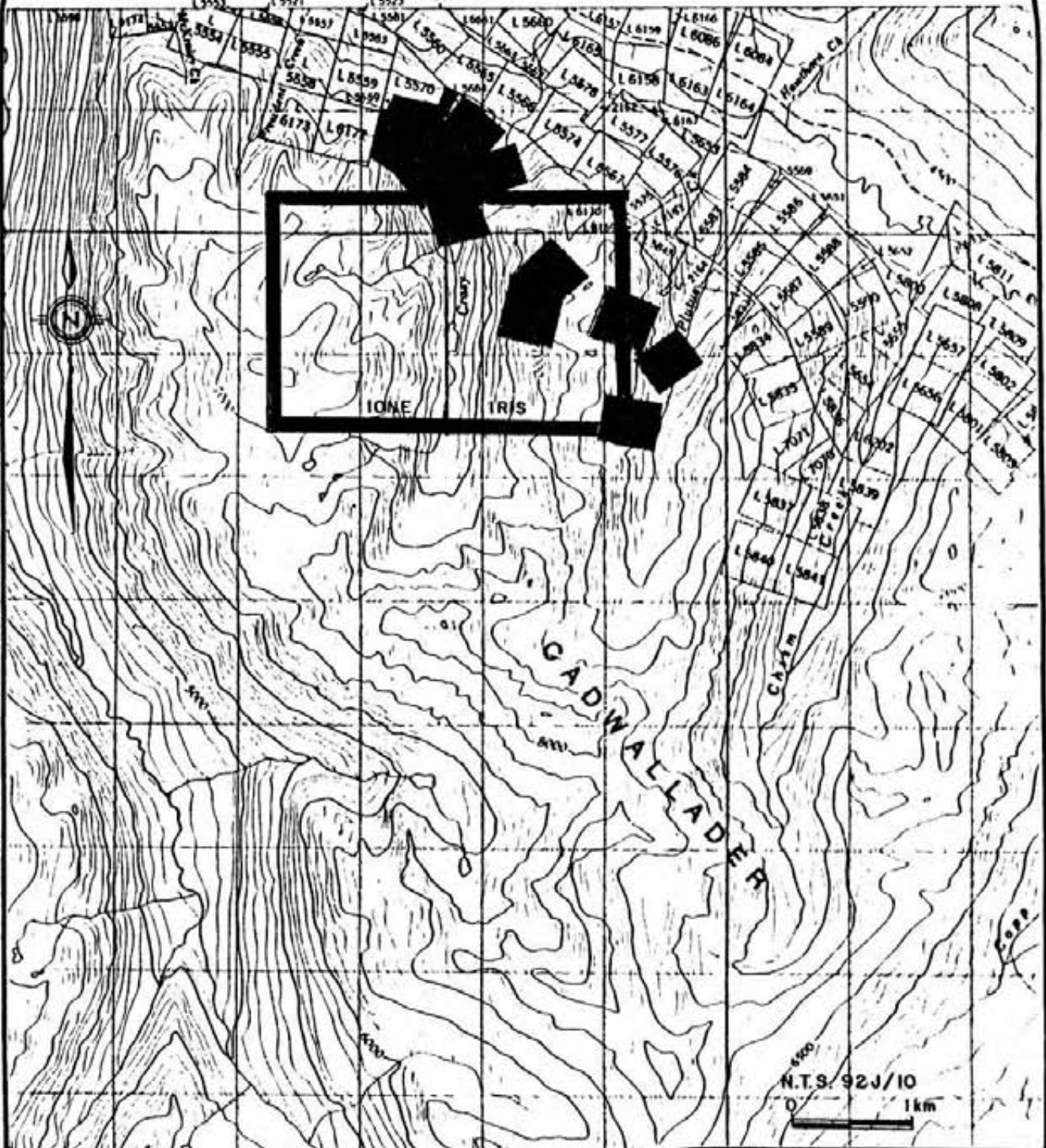


FIGURE 2
LANA GOLD CORPORATION
TOPOGRAPHIC MAP

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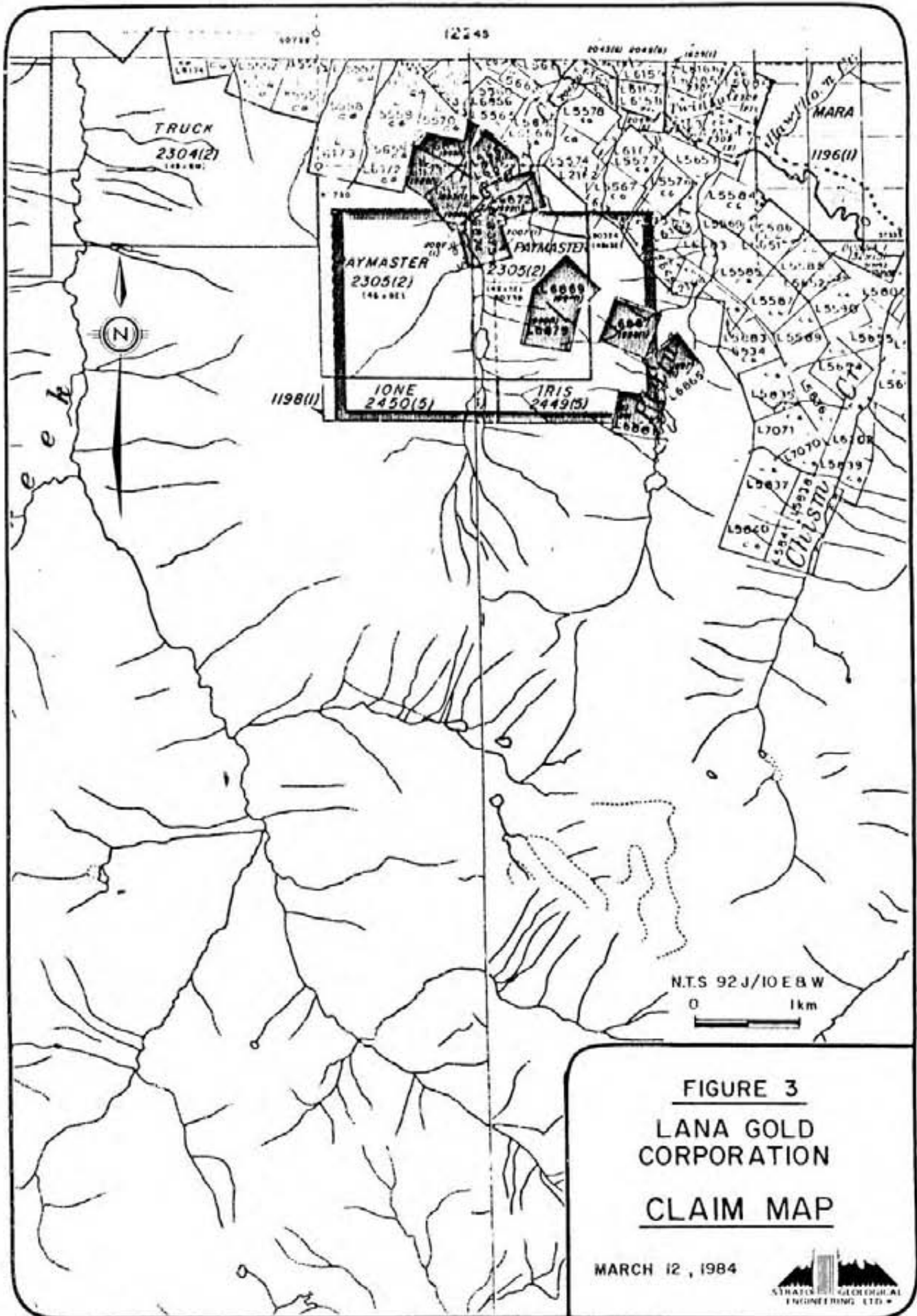


FIGURE 3
LANA GOLD CORPORATION
CLAIM MAP

MARCH 12, 1984



Lazy Boy 1	1989	6873	29.12	January 21, 1984
Lazy Boy 2	2007	6875	45.56	January 21, 1984
Lazy Boy 5	1990	6879	43.62	January 21, 1984
Lazy Boy 8	1991	6881	47.68	January 21, 1984
Iris	2449	12 units		May 30, 1984
Ione	2450	12 units		May 30, 1984

These reverted Crown grants are now contiguous with and/or contained by the Ione and Iris claims which were staked on May 25 - 26, 1983.

HISTORY

The Bralorne area and the Bridge River district have been known for gold mineralization since placer gold was first discovered in 1863. Lode gold veins were discovered in 1897 and two well known mines were located in the Bralorne area. The Pioneer and Bralorne mines, which each operated for about 40 years, had the following production:

	<u>Tons</u>	<u>Gold(oz)</u>	<u>Silver(oz)</u>
Pioneer Mine	2,476,693	1,333,083	244,648
Bralorne Mine	4,474,238	2,821,036	705,862

These mines ceased production in 1962 (Pioneer) and 1971 (Bralorne) and were among the most productive mines in the Canadian Cordillera. Several placer operations are still productive in the Gold Bridge area of Cadwallader Creek.

The present claim group encompasses the Crazy Creek draw where the old Paymaster property was located about 1930 to explore quartz veins exposed in the creek bank. No record of production exists for the immediate claim areas.

In January 1981 a magnetic survey was carried out at higher elevations some 1000 meters southwest of the Lazy Boy 5 claim, Lot 6879. Several magnetic anomalies were located and interpreted as being caused by underlying ultrabasic rocks.

REGIONAL GEOLOGY

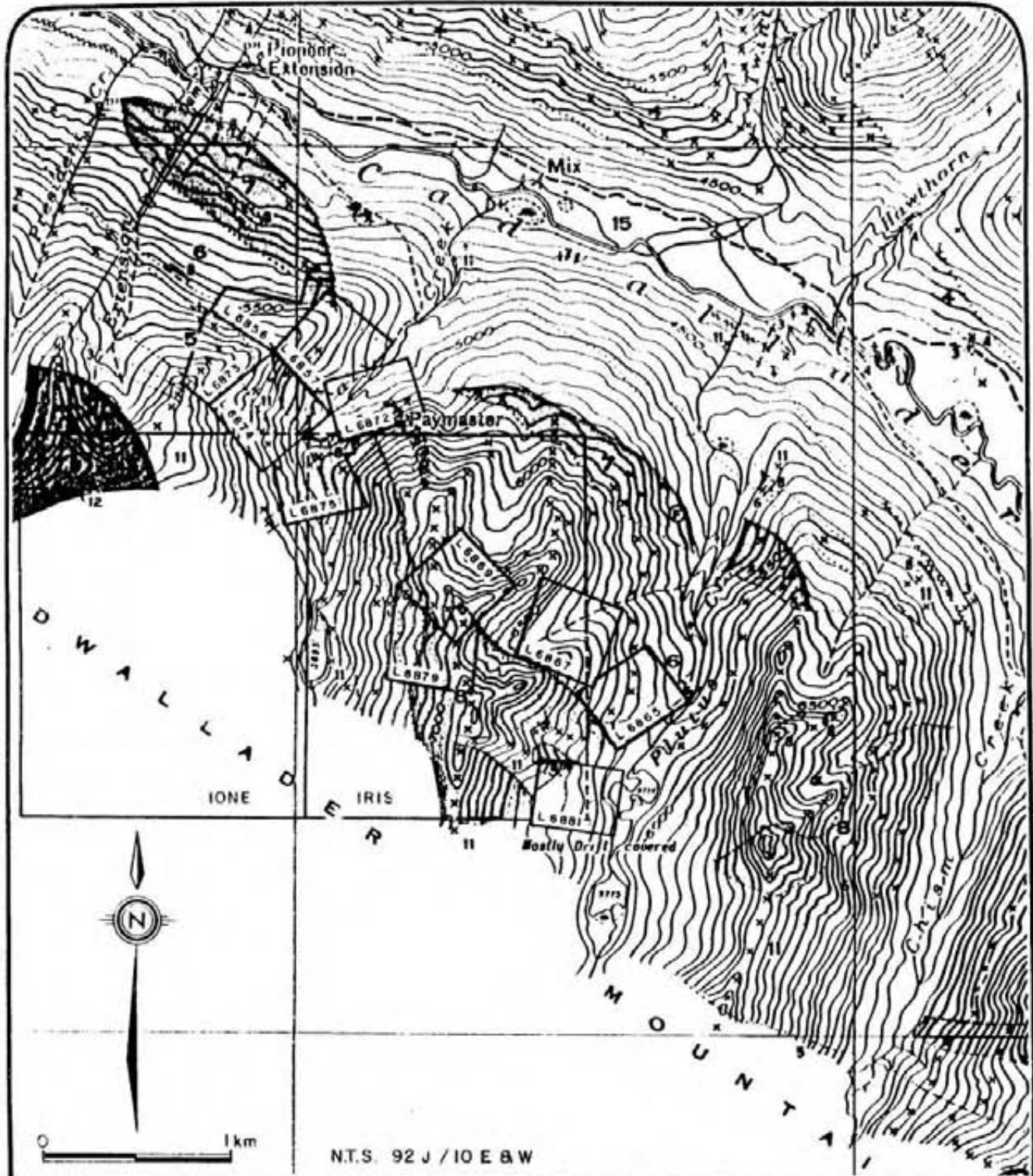
The Bralorne - Cadwallader Creek area lies within a regionally faulted and locally intensely folded belt of sedimentary and volcanic rocks. This belt trends northwesterly along the Cadwallader Creek Valley and is bounded by the Coast Range intrusive complex on the west and a series of granodiorite intrusives on the east. The area is generally underlain by late Paleozoic rocks of the Fergusson Series consisting of volcanic and sedimentary units and their metamorphosed equivalents and by the younger volcanics and sediments of the Noel, Pioneer, and Hurley Formations.

These rocks have, in the claims area, been invaded and locally metamorphosed by the Bralorne and President intrusives consisting of soda granite, gabbro, quartz diorite, peroditite, and serpentine.

Jones (1983) has described the Cadwallader Fault Zone and economic geology as follows:

"The regional fault, which for many kilometres south of the Bridge River area strikes generally north-westerly, turns sharply to a north strike in the Bralorne area. The wall rocks on the east side at this bend are cut by a complex system of faults, shears and fractures within a lense-shaped piece of ground that measures about 5 km in length and 1 km in width and is bounded to the northeast by the Fergusson Thrust. This thrust fault branches off the main Cadwallader Fault system at the south end of the Pioneer mine and rejoins it at the north end of Bralorne mine. The lense-shaped area of faulted rocks is termed the Bralorne-Pioneer fault lense.

The only economic gold quartz veins mined to date in the Bridge River district were contained within the Bralorne- Pioneer fault lense. These fissure veins occupied tension fractures that cross the lense at various angles. None occupied shear zones parallel to the main Cadwallader faults."



LEGEND

15	Glacial drift
12	Peridotite
11	Serpentine
8	Gabbro, diorite
7	Hurley Formation
6	Pioneer Formation
5	Noel Formation
4	Basalt, andesite; tuff, breccia, crystalline limestone
3	Chert and argillite

After C. E. Colnes, 1934, 1935 (MAP 431 A)

FIGURE 4

LANA GOLD CORPORATION

REGIONAL GEOLOGY

MARCH 12, 1984



The reader is referred to Cairnes (1937) for a summary of the main geological and structural features which have been found to be favorable for the formation of ore deposits in the Bralorne-Cadwallader Creek area.

LOCAL GEOLOGY

Geological mapping and sampling in the northern claim areas was carried out by P. B. Grunenberg, B.Sc., Geologist and the results of this work are shown on Figure 5. Mr. Grunenberg reported on the geology as follows:

"Varying rock types found in the property area include andesitic and dacitic tuffs, argillaceous sediments, and peridotite-serpentinite ultramafics.

The volcanic tuffs form blocky outcrops of grey colored rocks. These were found to be quite siliceous and hard breaking with some altered to a chloritic greenstone, such as those belonging to the Triassic-Jurassic Noel formation. Small, discontinuous quartz-calcite stringers crosscut much of the volcanic rocks, but no associated sulphide mineralization was evident.

Much argillaceous float, and some outcrop, was located on the property (Lots 6874 and 6875). These rocks are fine grained, black colored, commonly rusty rocks that are platy shaped in talus. Bedding orientation at one location on the west side of Crazy Creek was found to be 120/80 degrees South. This NW-SE steeply dipping structure orientation appears to be common in much of the property area. Slickensides and mylonitic texturing within the argillites were evidence that shearing and fault movement has taken place. Some of the argillaceous sediments and volcanic tuffs appear to be interbedded. These could belong to either of the Mesozoic Noel or Hurley formations.

Bodies of peridotite (Lot 6874) belonging to the President intrusive formation were discovered in outcrop along a ridge on the western side of Crazy

Creek. These rocks were commonly serpentinized to a moderate degree. Serpentine veins within the peridotite bodies were found to dip steeply, and trend at about 160 degrees. Neither the peridotites or serpentines appear to have any related sulphide mineralization.

Sulphide mineralization was discovered in a brecciated shear zone through an area of siliceous dacite on the eastern side of Crazy Creek. This zone, approximately 2 meters wide and containing up to 10% disseminated sulphides, trends northwest-southeast just south of Lot 6872. Both shear zones located in this area (Figure 5) require more detail investigation."

GEOCHEMICAL RESULTS

A total of 9 stream sediment and soil samples were collected to test drainage areas for potential mineralization. Results are shown on Figure 6.

Samples SC-004 and C-002 show anomalous gold values from areas draining the northerly located shear zone and sample CS-007, taken from Crazy Creek, shows anomalous gold which may have been derived from the southerly located shear zone.

Other samples, testing the eastern and southern property areas, (except CS-001 which shows anomalous arsenic) do not indicate any significant mineral potential in these areas. Geochemical results then, suggest a concentration of exploration efforts be made in the northern and southeastern areas of the property, around the ridge formed between Crazy Creek and Plutus Creek.

CONCLUSIONS AND RECOMMENDATIONS

Initial geological work on the Lana Gold Corporation claims has located two northwesterly trending shear zones of significant strike length on the eastern side of Crazy Creek near the favorable Bralorne intrusive rocks.

Geological and geochemical results from the immediate area indicate both shear zones warrant detail examination and suggest exploration work be carried out both to the northwest and to the southeast, over the ridge to Plutus Creek.

A program of detail geological mapping, rock sampling, and geochemical soils sampling is recommended. This program should be carried out along the strike of the located shear zones over an area which would include the Crown granted mineral claims from the west side of Crazy Creek southeasterly to Plutus Creek. An electromagnetic survey (JENIE or C.E.M. Shootback) should also be conducted to delineate the extent of the shear zones in overburden covered areas at both lower and, particularly, higher elevations.

Respectfully submitted,
Strato Geological Engineering Ltd.


R. J. Englund, B.Sc.
Geophysicist

March 12, 1984

REFERENCES

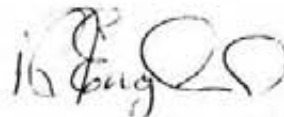
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- Jones, Harold M. (1983)
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for Lana Gold Corporation.
- B.C. Minister of Mines Annual Reports 1930, 1932.

CERTIFICATE

I, Ralph J. Englund, of 1112 Grover Ave., Coquitlam, British Columbia, do hereby certify as follows:

1. I am a Consulting Geophysicist with offices at 103 - 709 Dunsmuir Street, Vancouver, B. C. V6C 1M9
2. I graduated in 1971 from the University of British Columbia, with a degree of Bachelor of Science.
3. I have been engaged in the study, teaching, and practice of exploration geophysics continuously for a period of 11 years. I have worked as a geophysical consultant on numerous projects in Western North America since 1972.
4. I am a member in good standing of the British Columbia Geophysical Society.
5. The field work and the interpretation of results in this report were done under my direct supervision.
6. That I am a director of Lana Gold Corporation.

Dated at Vancouver, Province of British Columbia, this 12th day of March, 1984.



R.J. Englund, B.Sc.

TIME-COST DISTRIBUTION

The geological and geochemical program was carried out over the northern portion of the Paymaster claim group by Strato Geological Engineering Ltd. during the period May 27 to May 31, 1983. A listing of personnel and distribution of costs are as follows:

Personnel

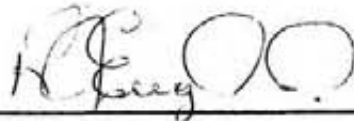
P. B. Grunenberg, B.Sc.
D. Barnett, C.E.T.

Geologist
Field Assistant

Cost Distribution

Field Work (4 crew days)	\$1,400.00
Room and Board	440.00
Transportation - 4WD (incl. gas, oil, etc.)	360.00
Field Supplies	32.25
Geochemical Assay Costs	101.40
Maps and Report - Drafting, Reproduction, Copying, etc.	387.20
Report, etc.	<u>1,200.00</u>
Total	<u>\$3,920.85</u>

Signed



Strato Geological Engineering Ltd.

A P P E N D I X A

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH: 253-3158 TELEX: 04-53124

DATE RECEIVED JUNE 7 1983

DATE REPORTS MAILED *June 8/83*

ICP GEOCHEMICAL ANALYSIS

A .500 GRAM SAMPLE IS DIGESTED WITH 3 ML OF 3:1:3 HCL TO HNO3 TO H2O AT 90 DEG.C. FOR 1 HOUR.
THE SAMPLE IS DILUTED TO 10 MLS WITH WATER.

THIS LEACH IS PARTIAL FOR: Ca, P, Mg, Al, Ti, La, Na, K, W, Ba, Si, Sr, Cr AND B. Au DETECTION 3 ppm.

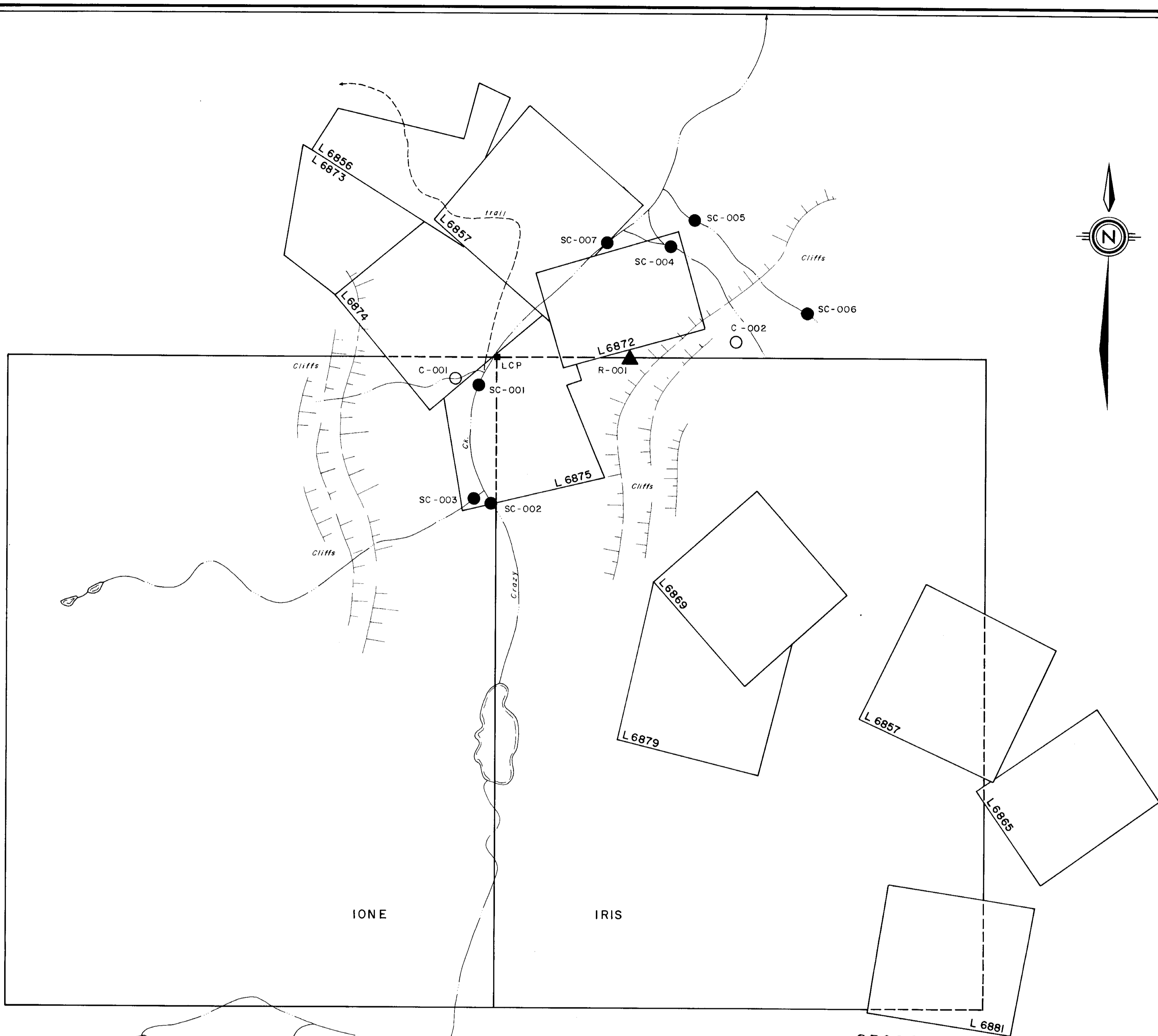
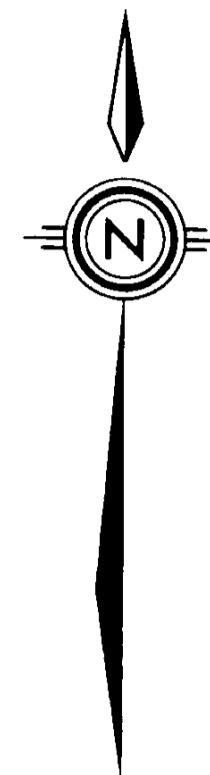
AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

SAMPLE TYPE - SOIL/SILT

ASSAYER *D. Toye* DEAN TOYE, CERTIFIED B.C. ASSAYER

STRATO FILE# 83-0721 PROJECT# 570 PAGE# 1

SAMPLE	CU ppm	PB ppm	ZN ppm	AG ppm	AS ppm	Au* ppb
SC-001 SILT	69	11	85	.1	104	5
SC-002 SILT	6	6	27	.1	23	5
SC-003 SILT	21	7	48	.1	28	5
SC-004 SILT	34	2	38	.1	43	20
SC-005 SILT	26	4	49	.1	73	5
SC-006 SILT	38	3	65	.1	137	5
SC-007 SILT	47	7	59	.1	56	40
C-001 SOIL	29	9	48	.1	13	5
C-002 SOIL	71	7	92	.1	103	15
R-001 ROCK	57	12	23	.1	6	5
STD A-1	29	39	182	.3	10	-



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FIGURE 6

ASSAY RESULTS						
Sample No.	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm	Au ppb
SC-001	69	11	85	0.1	104	5
SC-002	6	6	27	0.1	23	5
SC-003	21	7	48	0.1	28	5
SC-004	34	2	38	0.1	43	20
SC-005	26	4	49	0.1	73	5
SC-006	38	3	65	0.1	137	5
SC-007	47	7	59	0.1	56	40
C-001	29	9	48	0.1	13	5
C-002	71	7	92	0.1	103	15
R-001	57	12	23	0.1	6	5

LEGEND

- SC-001 ● Silt sample number and location
- C-001 ○ Soil sample number and location
- R-001 ▲ Rock sample number and location

R. J. Englund
3/12/84

LANA GOLD CORPORATION

PAYMASTER CLAIM GROUP
LILLOET MINING DISTRICT, N.T.S. 92 J / 10

SOIL GEOCHEMISTRY

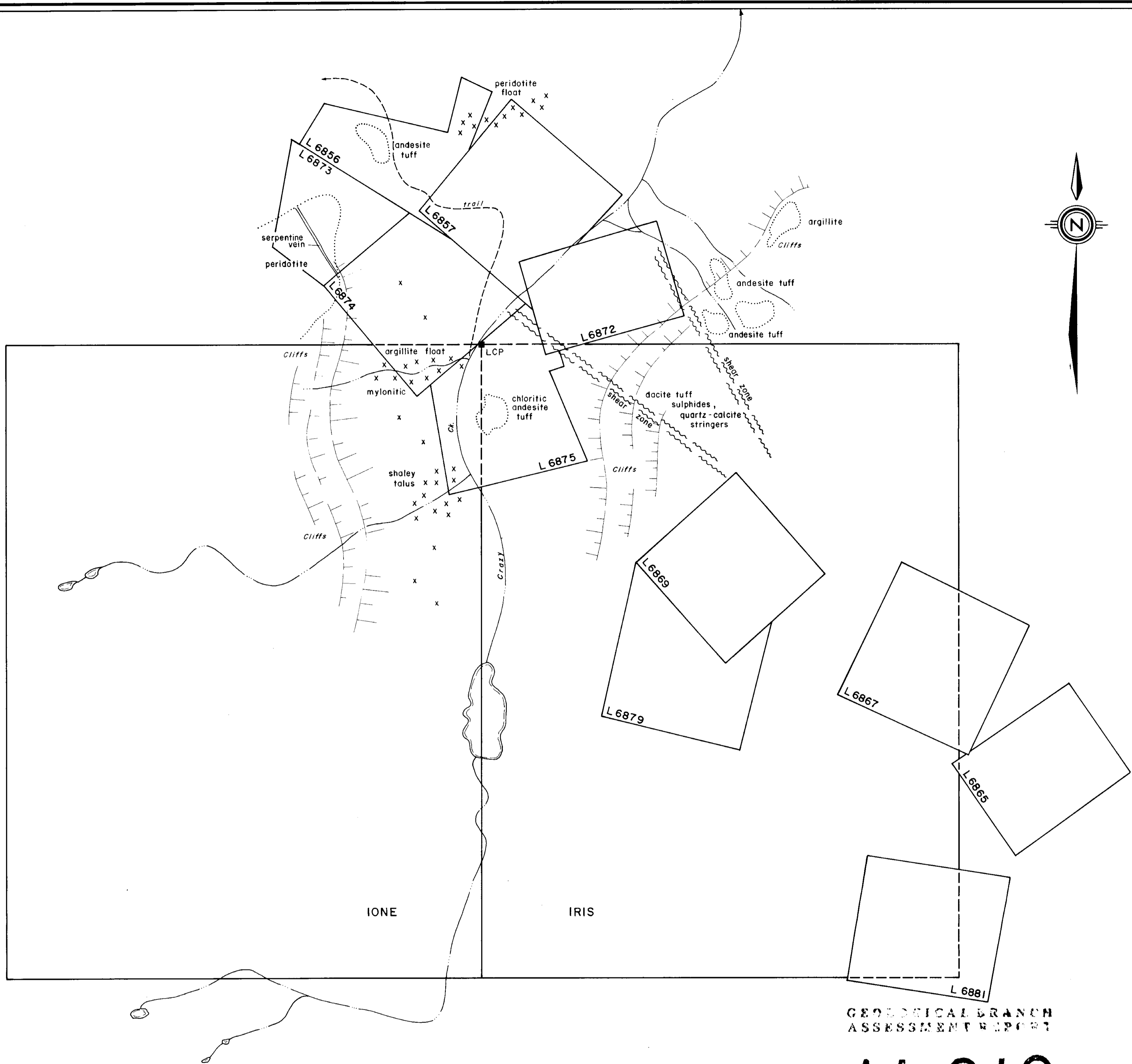
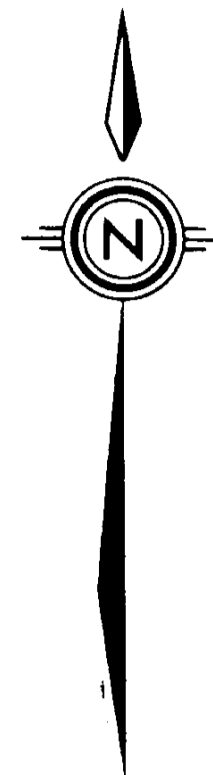
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To accompany a report by R. J. ENGLUND
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DATED: MARCH 12, 1984





LEGEND

- Rock outcrop
- Shear zone
- Float or talus
- Creeks
- Cliffs

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FIGURE 5

LANA GOLD CORPORATION	
PAYMASTER CLAIM GROUP LILLOET MINING DISTRICT, N.T.S. 92 J/10	
GEOLOGY MAP	
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