84-986 — 12724
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B.E. Spencer Engineering Ltd.

CONSULTING GEOLOGICAL ENGINEER

REPORT

ON

A GEOCHEMICAL SOIL SURVEY

ON THE

AXL 3 MINERAL CLAIM

KAMLOOPS MINING DIVISION, N.T.S. 82 M/4

LATITUDE: 51° N, LONGITUDE: 119°W

02' 38'

FOR FARRAH RESOURCES LTD.

BY

B. E. SPENCER, P. ENG.

B. E. SPENCER ENGINEERING LTD.

OCTOBER 30, 1984

960-625 HOWE STREET, VANCOUVER, B.C. V6C 2T6 TELEPHONE (604) 687-4450

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DRAWING No. 1 - AXL 3 M.C. SOIL GEOCHEMISTRY	In Map Pocket

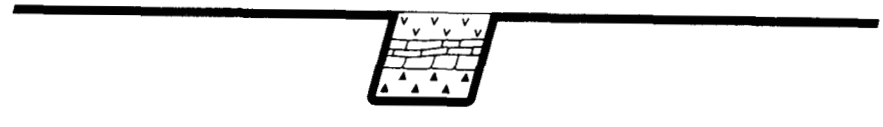
INTRODUCTION

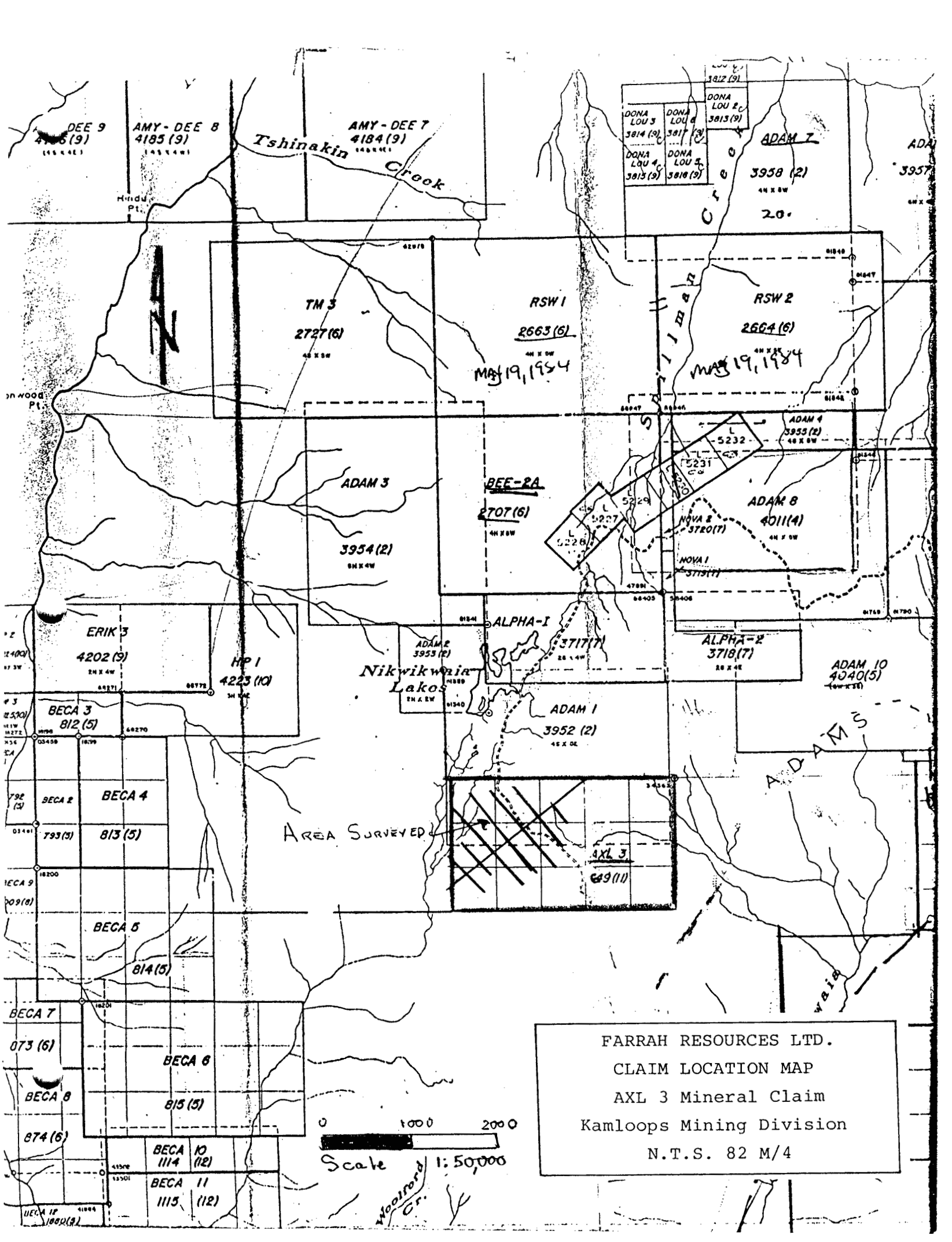
Farrah Resources Ltd. have a 100% interest in the 15 unit AXL 3 mineral claim located on the Adams Plateau, 70 kilometres east of Kamloops, British Columbia. The area has been the focus of considerable exploration activity for some time and with the recent discovery of massive sulphide type mineralization by Rea Gold Corporation, exploration has quickened. As a preliminary assessment of the exploration potential of the AXL 3 claim, a soil geochemical soil survey was conducted on the claim during October, 1984. A total of 163 samples were collected and analysed for lead, zinc and silver. Details of this survey follow.

ACCESS AND TOPOGRAPHY

The AXL 3 claim is located 75 kilometres east of Kamloops and may be reached by travelling north from Squilax to the south end of Adams Lake and then by logging roads which lead directly to the claim.

The claim is at an elevation of 1,675 metres and relief is gentle on this portion of the Adams Plateau. Outcrop on the claim is sparse and alpine meadows and light stands of spruce are the dominant vegetation type.





FARRAH RESOURCES LTD.

CLAIM LOCATION MAP

AXL 3 Mineral Claim

Kamloops Mining Division

N.T.S. 82 M/4

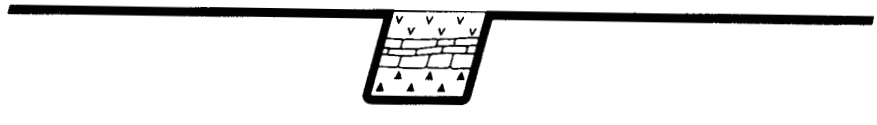
SURVEY PROCEDURE

A compass and topofil hip chain controlled base line was picketed and flagged for a 1,000 metre length on a bearing of N 45° W in the north central portion of the claim. 8,250 metres of lines at 200 metre spacing were run normal to the baseline and soil samples collected at 30 metre centres. A soil auger was used to collect B Horizon samples which occur at some 30 centimetres depth. A total of 163 samples were analysed for Ag, Pb and Zn at Min-En Laboratories Ltd. utilizing analytical procedures described in the Appendix.

DISCUSSION OF RESULTS

Geological mapping done in conjunction with the line cutting and geochemical soil survey indicates the claim is underlain by a thick greenstone unit and a more variable unit consisting of quartzites, phyllites and intermediate volcanics. These rocks have been folded into a broad synform and the crest of this structure lies in the northwest portion of the claim. The core of the structure containing the mixed sedimentary - volcanic unit is regarded as more favourable for lead-zinc-silver mineralization and the geochemical soil survey concentrated in this area.

Previous geochemical soil surveys in this area



have established that anomalous soil values for lead, zinc and silver are as follows: Pb - greater than 50 ppm, Zn - greater than 150 ppm, Ag - greater than 2.0 ppm. Utilizing this criteria, the following areas of interest are: (see Dwg. 1)

L47W	1+20S	-	Pb 58 ppm*	
	1+80N	-	Pb 59 ppm*	
L47W	3+00S	-	Zn 194 ppm	
	2+40N	-	Zn 195 ppm*	
L51W	3+30S	-	Zn 143 ppm	
L53	1+20S	-	Zn 147 ppm;	Ag 2.0 ppm*
L53W	1+50N	-	Zn 153 ppm;	Ag 2.2 ppm*
L47W	1+20N	-	Ag 2.0 ppm*	
	3+60N	-	Ag 2.0 ppm*	
L51W	4+80	-	Ag 2.6 ppm	
	5+10	-	Ag 2.2 ppm	
L53W	4+50S	-	Ag 2.5 ppm	
L55W	0+90S	-	Ag 2.0 ppm	

* Within volcanic-sediment rock unit.

Anomalous values within the volcanic-sediment unit are considered of sufficient interest to warrant further closer spaced soil sampling and prospecting/mapping.

B. E. Spencer, P. Eng.

BES:lm
October 30, 1984

COST STATEMENT

AXL 3 MINERAL CLAIM - GEOCHEMICAL SOIL SURVEY

Labour	
G. King - October 1-11, 1984 11 days @ $140.00/day	$ 1,540.00
Transportation	
4 x 4 - 11 days @ $40.00/day	440.00
Accommodation	
11 days @ $40.00/day	440.00
Assaying	
Min-En Laboratories Ltd. 163 samples for Pb, Zn, Ag @ $4.65/sample	757.95
Report Preparation/Drafting	
B.E. Spencer - 1.5 days @ $400.00/day	600.00
TOTAL COSTS	$ 3,777.95

STATEMENT OF QUALIFICATIONS

I, Bruce Everton Spencer, of the City of Vancouver, in the Province of British Columbia hereby certify as follows:

1) I am a Geological Engineer residing at 7 - 2485 Cornwall Avenue, Vancouver, British Columbia V6K 1B9.

2) I am a registered Professional Engineer of the Province of British Columbia.

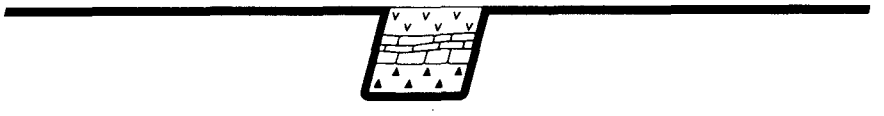
3) I am a graduate of the University of British Columbia with a degree of B.A. Sc. (1958).

4) I have practised my profession as a Geologist for more than twenty years.

5) The survey was conducted under my supervision by George King, a university graduate in geology with previous experience in geochemical soil sample surveys.

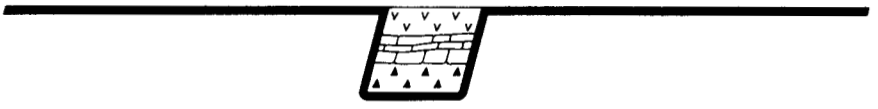
October 30, 1984
Date

B E Spencer
Bruce Everton Spencer, P. Eng.



APPENDIX I

GEOCHEMICAL ANALYSIS CERTIFICATES



MIN-EN Laboratories Ltd.
Specialists in Mineral Environments
705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PH (604)980-5814 OR (604)988-4524 TELEX: 04-352828

GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E. SPENCER/E. OLFERT

FILE: 4-1288/P2
DATE: OCT. 23/84
TYPE: SOIL GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 30 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L38W2+50S	23	54	1.1
L45W0+00N	36	102	1.2
0+30S	31	73	1.0
0+60S	29	68	1.2
0+90S	28	77	1.3
1+20S	36	93	1.3
1+50S	29	56	1.4
1+80S	34	94	1.3
2+10S	30	96	1.5
L[illegible]0+30S	29	92	1.1
0+60S	28	59	1.4
0+95S	20	41	1.2
1+20S	58	103	1.3
1+50S	35	81	1.1
1+80S	20	35	0.9
2+10S	29	69	1.0
2+40S	26	45	1.2
2+70S	25	70	1.3
3+00S	32	194	1.8
0+00N	34	79	1.3
0+30N	28	43	1.4
0+60N	31	57	1.0
0+90N	38	94	1.2
1+20N	28	60	2.0
1+50N	40	78	1.7
1+80N	59	107	1.3
2+10N	33	58	1.4
2+40N	66	195	1.5
2+70N	51	136	1.2
L[illegible]W3+00N	47	115	1.6

Certified by [signature]

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GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E. SPENCER/E. OLFERT

FILE:4-1288/P3
DATE: OCT. 23/84.
TYPE: SOIL GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 30 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L47W3+30N	28	47	1.4
3+60N	43	112	2.0
3+90N	33	64	1.1
4+20N	36	83	1.2
4+50N	32	64	1.2
4+80N	31	59	1.1
5+10N	32	57	1.4
5+40N	33	54	0.9
5+70N	29	127	1.0
6+00N	40	86	1.4
L49W0+30S	30	62	1.0
0+60S	24	55	0.9
0+90S	22	43	1.0
1+20S	26	54	1.1
1+50S	26	62	1.0
1+80S	30	63	1.0
2+10S	34	71	1.2
2+40S	29	63	1.2
2+70S	54	120	1.1
3+00S	32	61	1.?
3+30S	42	79	1.4
3+60S	30	75	1.4
0+00N	22	38	1.1
0+30N	24	52	1.1
0+60N	22	61	1.0
0+90N	28	55	1.0
1+20N	26	52	1.4
1+50N	42	56	1.0
1+80N	22	31	0.9
L49W2+10N	25	59	1.1

Certified by

MIN-EN laboratories ltd.
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GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E. SPENCER/E. OLFERT

FILE: 4-1288/P4
DATE: OCT. 23/84
TYPE: SOIL GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 30 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L49W2+40N	33	83	1.0
2+70N	22	47	1.1
3+00N	23	82	0.8
3+30N	18	30	1.1
3+60N	19	34	1.2
3+90N	21	35	1.3
4+20N	33	70	1.5
4+50N	21	37	1.1
4+80N	25	58	1.2
5+10N	22	32	1.1
5+40N	28	64	1.2
5+70N	31	39	1.0
6+00N	33	51	1.3
L51W0+30S	19	27	0.7
0+60S	22	51	1.1
0+90S	28	59	1.1
1+20S	23	51	1.1
1+50S	21	79	1.3
1+80S	29	52	1.4
2+10S	38	52	1.0
2+40S	18	39	0.9
2+70S	23	89	1.4
3+00S	48	70	0.9
3+30S	30	143	1.5
3+60S	22	49	1.1
3+90S	23	44	1.4
4+20S	31	103	1.5
4+50S	20	38	1.1
4+80S	22	40	1.0
L0W0+00N	29	65	0.8

Certified by Ray Ivanits

MIN-EN Laboratories Ltd.
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GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E. SPENCER/E. OLFERT

FILE: 4-1288/PS
DATE: OCT. 23/84
TYPE: SOIL GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 30 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L51W0+30N	22	42	1.4
0+60N	21	36	1.2
0+90N	19	37	0.7
1+20N	23	47	1.2
1+50N	31	68	1.0
1+80N	20	43	1.4
2+10N	21	39	1.2
2+40N	21	40	1.3
2+70N	33	62	1.4
3+00N	23	51	1.1
3+30N	28	79	1.2
3+60N	29	105	1.6
3+90N	32	68	1.4
4+20N	27	51	1.5
4+50N	20	31	1.1
4+80N	23	45	2.6
5+10N	24	109	2.2
5+40N	20	25	1.1
5+70N	34	62	1.2
6+00N	27	72	2.4
L[illegible]3W0+30S	23	56	1.0
0+60S	21	50	1.3
0+90S	19	35	1.1
1+20S	29	147	2.0
1+50S	27	51	1.4
1+80S	32	84	1.4
2+10S	21	40	0.9
2+40S	25	60	1.2
2+70S	33	57	1.2
[illegible]3+00S	20	38	1.1

Certified by [signature]

MIN-EN Laboratories Ltd.
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PH: (604)980-5814 OR (604)988-4524 TELEX: 04-352828

GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E.SPENCER/E.OLFERT

FILE:4-1288/P6
DATE: OCT. 23/84
TYPE: SOIL GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 30 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L53W3+30S	31	81	1.7
3+60S	23	48	1.6
3+90S	17	50	1.2
4+20S	29	58	1.5
4+50S	31	57	2.5
4+80S	23	92	1.2
5+10S	31	119	1.7
5+40S	21	50	1.1
5+70S	31	58	1.1
6+00S	29	74	1.0
6+30S	25	43	1.2
6+60S	26	38	1.2
0+00N	24	46	1.2
0+30N	32	70	1.1
0+60N	22	25	1.2
0+90N	26	188	1.4
1+20N	27	63	1.4
1+50N	28	153	1.5
1+80N	23	51	1.3
2+10N	29	54	1.5
2+40N	22	49	1.1
2+70N	23	56	1.1
3+00N	22	48	1.2
3+30N	29	79	1.7
3+60N	26	49	1.2
3+90N	27	41	1.2
L55W0+30S	22	47	1.0
0+60S	33	66	1.2
0+90S	34	121	2.0
L55W1+20S	19	32	0.9

Certified by E. Olfert

MIN-EN Laboratories Ltd.
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PH (604)980-5814 OR (604)988-4524 TELEX: 04-352828

GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: B.E. SPENCER
PROJECT: ADAMS SILVER GROUND
ATTENTION: B.E. SPENCER/E.OLFERT

FILE:4-1288/P7
DATE: OCT. 23/84.
TYPE: SOIL GEOCHEM

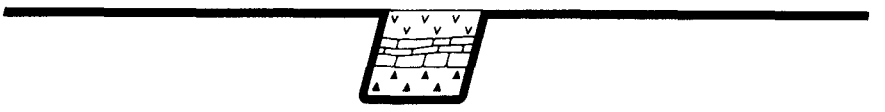
We hereby certify that the following are the results of the geochemical analysis made on 14 samples submitted.

SAMPLE NUMBER	PB PPM	ZN PPM	AG PPM
L55W1+50S	21	49	0.8
1+80S	47	59	1.0
2+10S	22	35	1.1
0+00N	21	63	1.5
0+30N	16	36	1.1
0+60N	19	32	1.0
0+90N	26	76	1.6
1+20N	24	119	1.6
1+50N	28	75	1.5
1+80N	23	52	1.3
2+10N	31	73	1.2
2+40N	32	95	1.6
2+70N	28	74	1.4
L55W3+00N	19	42	1.2

Certified by B.E. Smith

APPENDIX II

ANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORK



MIN-EN Laboratories Ltd.
Specialists in Mineral Environments
Corner 15th Street and Bewicke
705 WEST 15th STREET
NORTH VANCOUVER, B.C.
CANADA

ANALYTICAL PROCEDURE REPORTS FOR ASSESSMENT WORK

PROCEDURES FOR Mo, Cu, Cd, Pb, Mn, Ni, Ag, Zn, As, F

Samples are processed by Min-En Laboratories Ltd., at 705 W. 15th St., North Vancouver Laboratory employing the following procedures.

After drying the samples at 95°C soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed by a jaw crusher and pulverized by ceramic plated pulverizer.

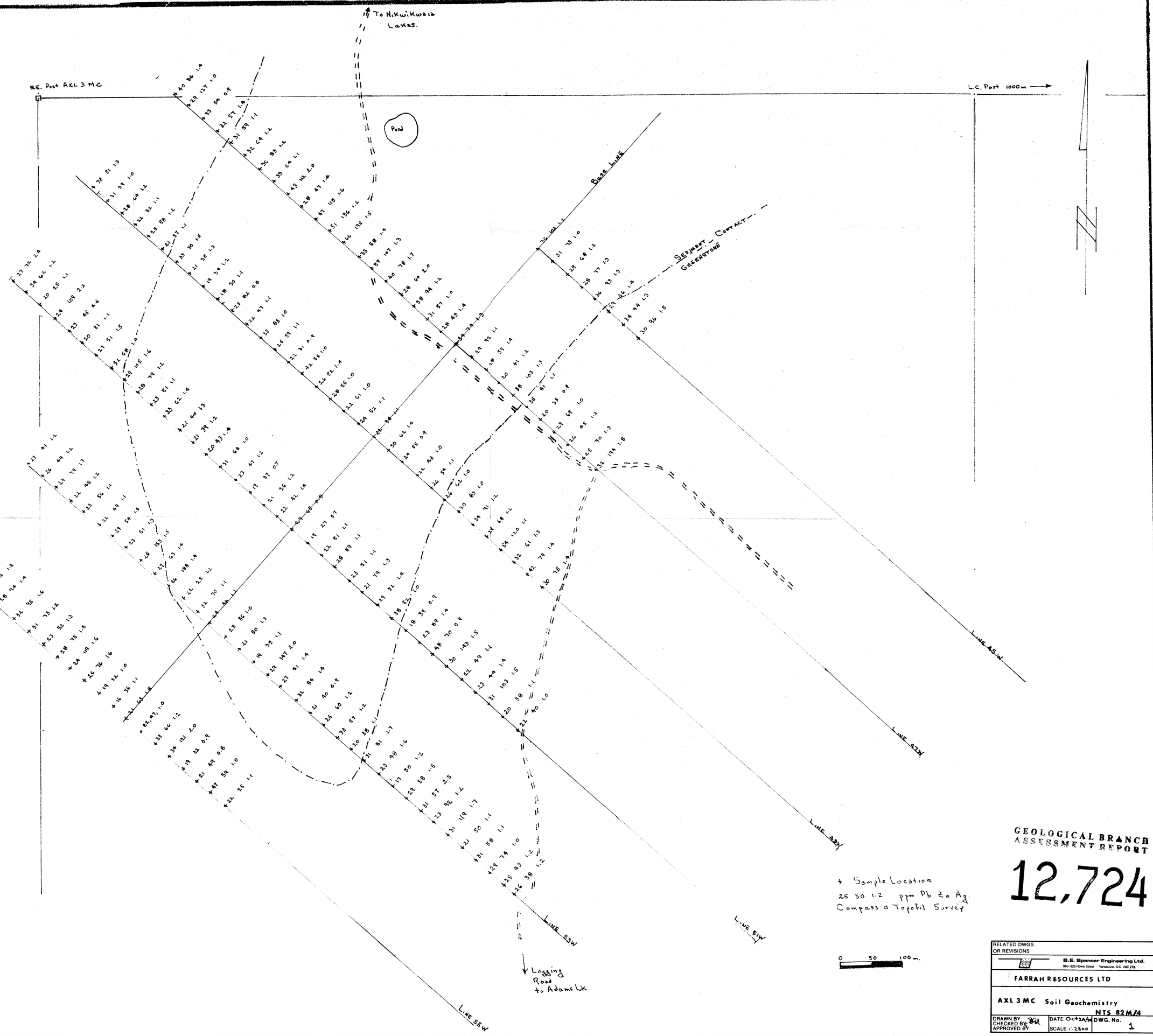
1.0 gram of the samples are digested for 6 hours with HNO_3 and $HClO_4$ mixture.

After cooling samples are diluted to standard volume. The solutions are analyzed by Atomic Absorption Spectrophotometers.

Copper, Lead, Zinc, Silver, Cadmium, Cobalt, Nickel and Manganese are analysed using the CH_2H_2-Air flame combination but the Molybdenum determination is carried out by C_2H_2-N_2O gas mixture directly or indirectly (depending on the sensitivity and detection limit required) on these sample solutions.

For Arsenic analysis a suitable aliquote is taken from the above 1 gram sample solution and the test is carried out by Gutzit method using Ag $CS_2N(C_2H_5)_2$ as a reagent. The detection limit obtained is 1. ppm.

Fluorine analysis is carried out on a 200 milligram sample. After fusion and suitable dilutions the fluoride ion concentration in rocks or soil samples are measured quantitatively by using fluorine specific ion electrode. Detection limit of this test is



+ Sample Location
25 50 1.2 ppm Pb Zn Ag
Compass a Topofil Survey

0 50 100 m.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

12,724

RELATED DWGS. OR REVISIONS

B.E. Spencer Engineering Ltd.
960-625 Howe Street Vancouver, B.C. V6C 2T6

FARRAH RESOURCES LTD

AXL 3MC Soil Geochemistry
NTS 82M/4

DRAWN BY:
CHECKED BY: BES
APPROVED BY:
DATE: Oct 24/84
SCALE: 1:2500
DWG. No. 1