

84-1372-12971

Interim Diamond Drilling Report

for

VERMILION RESOURCES INC.

on the

SNOWFLAKE PROPERTY

Osoyoos M.D.

N.T.S. 82E/9W 4E

49° 12' ; 119° 35'

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,971

**PART
2 OF 2**

*June 1, 1984
Vancouver, B.C.*

*L. Sookochoff, P.Eng.
Consulting Geologist*

TABLE OF CONTENTS

INTRODUCTION -----	1.
PROPERTY -----	2.
LOCATION AND ACCESS -----	2.
PHYSIOGRAPHY -----	2.
HISTORY -----	3.
PROPERTY GEOLOGY -----	3.
SNOWFLAKE WORKINGS -----	4.
MINERALIZATION -----	5.
DIAMOND DRILL PROGRAM -----	6.
CONCLUSIONS -----	8.
RECOMMENDATIONS -----	9.
CERTIFICATE -----	10.

ILLUSTRATIONS

FIGURE 1	LOCATION MAP .
FIGURE 2	GEOLOGY & CLAIM MAP /
FIGURE 3	PLAN - SNOWFLAKE WORKINGS WITH 1984 DRILL HOLE LOCATIONS .
FIGURE 4	SNOWFLAKE WORKINGS , NO.2 ADIT
FIGURE 5	SNOWFLAKE WORKINGS SECTION SHOWING PROPOSED INTERSECTIONS /

Interim Diamond Drilling Report

for

VERMILION RESOURCES INC.

on the

SNOWFLAKE PROPERTY

INTRODUCTION

During April and May 1984 a five hole, 861 foot diamond drill program was carried out on the SNOWFLAKE PROPERTY. The drill program was initiated on the basis of the writers recommendation in a report on the property dated May 17, 1983.

The purpose of the program was to test the main mineralized vein structure for vertical extension from the 1900 foot drift elevation and for horizontal continuity to which results a proposed drift at the 1800 foot level would be guided by.

This report is to relate the information derived on the drill results to provide an interpretation based on the results and to recommend a continuing exploration program on the property.

Most of the information on the history, geology and mineralization of the property is taken from the writers May 17, 1983 report.

J. Robins, geologist and employee of Sookochoff Consultants Inc. conducted the field program of the drilling under the writers supervision.

PROPERTY

The property is comprised of seven contiguous claims consisting of four two post claims and three unit claims consisting of 44 units. Particulars are as follows:

<u>Claim</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Ram	20	1693	March 14, 1985
Search	12	1659	February, 10, 1985
Ewe	12	1692	March 14, 1985
Lamb 1	(2 post)	1760	March 13, 1985
Lamb 2	(2 post)	1761	March 13, 1985
Lamb 3	(2 post)	1762	March 13, 1985
Snowflake	(2 post)	31320	December 5, 1987

LOCATION AND ACCESS

The property is located within five km northwest of Oliver, B.C. within the historic Fairview Camp 423 km east of Vancouver, B.C. Oliver is the main commercial centre of the immediate area. Penticton 45 km north of Oliver is served daily by commercial airline from Vancouver or Calgary.

Access to the property is for three km west from the traffic lights Oliver center to the Fairview Lake Road, thence two and seven-tenths km to a poor secondary road branching off to the north. The portal is eight-tenths of a km along this road.

Trail, B.C. where smelter facilities are available is 270 km east of Oliver.

PHYSIOGRAPHY

The topography within the confines of the property boundaries is gently rolling hills with local bluffs and escarpments.

Elevations are up to 670 meters with a relief of 250 meters.

HISTORY

Exploration work consisting of trenching, shafts, the driving of three adits and the drilling of four diamond drill holes was carried out in 1961 and 1962. Shipments of ore were made to Cominco of some 2,919 tons of an unreported grade, however 404.9 tons averaged 1.43 oz Au/ton.

For additional information on the history of the property the reader is referred to the writers report on the property dated May 17, 1983.

PROPERTY GEOLOGY

Within the confines of the property boundaries, the claim group predominantly covers the Oliver granite with a northwesterly contact of the syenitic phase along the extreme southern portion.

The Snowflake vein is hosted by the granite with the main vein trending at approximately 040° and dipping from 85° to 65° easterly. Dykes bisect the vein at two locations. The first intersection is by a hornblende porphyry dyke as revealed within the No.2 adit is at 100 meters (330 feet) where the dyke strikes at 060° and dips 70 north. The second intersection is by a feldspar porphyry dyke near the end of the drift at 155 meters (510 feet). The dyke strikes at 350° and dips steeply. The drift was not extended through the second dyke.

The vein consists basically of quartz with occasional carbonates and is in a sharp contact with the wallrock. A gouge zone less the 6 cm may occur along the footwall.

The width of the vein is up the 1.52 meters (five feet) with no obvious relationship of grade to width

SNOWFLAKE WORKINGS

The workings consist of open-cuts and four adits over a horizontal distance of 387 meters. Two adits are on the main zone with two other exploratory adits.

The two main adits at 582 meters (1,920 feet) and 579 meters (1,900 feet) elevations are 22 meters (72 feet) and 168 meters (55 feet) long respectively.

⁵⁵⁰
The third adit at the 554 meter (1,820 feet) elevation or 25 meter (82 feet) below adit No.2 is 29 meters (~~95-feet~~) long and explores a vein exposed in surface cuts. 70 Feet

Adit No.4 at the 545 meter (1,788 feet) elevation reportedly extends for 30 meters (100 feet).

The No.4 adit - 187 meters north of the No.1 adit and 36 meters below in elevation is the northern limit of the workings, however surface workings explore vein structures for up to 200 meters to the south of the No.1 adit.

The stoped areas occur within the No.2 drift. The first is 73 meters (241 feet) long and extends from 54 meters (177 feet) to 78 meters (256 feet) and extends for 17 meters (55 feet) above the drift back. This stope reaches the surface through a raise from the roof of the stope.

A short stope occurs at the dyke intersection with the second major stope from the footwall of the dyke for 26 meters (86 feet). The roof of the stope borders the dyke with the stope increasing in height westward as the distance from the intersection of the dyke and stope increases.

Near the end of the level and 11 meters (35 feet) west of the stope is a 26 meter (85 feet) raise to surface.

Other workings to the east as indicated on the accompanying maps explore vein structures.

MINERALIZATION

In the Fairview Camp:

The "ore" generally occurs in the form of shoots. Considerable stretches of the veins are of comparatively low value. The gold appears to be very largely associated with the galena and zinc blende and not with the pyrite. The leaner parts of the veins particularly in the underground workings, usually carry considerable pyrite.

On the SNOWFLAKE PROPERTY, numerous samples were taken during the mining period 1961-62 with returned values as indicated on the accompanying maps. The information on the map is as presented to the writer with the samples reportedly taken by Norex and Continental Consolidated in 1962. A number of assay sheets from J.R. Williams and Son Ltd. and Coast Eldridge bearing the name of Continental Consolidated (Mines Ltd.) are on file with the writer. The assays cannot be cross-referenced, however the values presented therein and in check sampling by the writer are in correspondence to the map values.

The main vein (No.1 vein) is continuous for 155 meters (510 feet) throughout the length of the No.2 adit to the south end of the drift which ended in a dyke. An intermediate section of the vein has also been bisected with a dyke. The vein appears to be consistent in width over the length of the drift with the narrower section - to 30 cm (12 inches) in the area of the first stope with the wider sections - up to 106 cm (42 inches) of higher value.

In the second stope area to the south of the central dyke, the vein is from 81 cm (32 inches) to 172 cm (68 inches).

Skerrl describes the mineralization as "The mineralization ranges from 5% sulphides in the auriferous sections down to less than 0.5% in the almost barren southern section. It consists, in order of decreasing abundance, of patches of coarse pyrite, chalcopyrite, galena, sphalerite, tetrahedrite and specks of the silver tetrahedrite hessite (identified by Dr. R.M. Thompson at U.B.C.). No distinct gold mineral has been recognized so far."

Sampling by Continental Consolidated and Norex on the face of the drift during mining in 1961 and 1962 disclosed values of up to 8.42 oz. Au/ton across 1.06 meters (3.5 feet).

In the October to December shipments, the 405 tons shipped returned a weighted average assay of 1.43 oz. Au/ton.

The writer's 1983 samples from the main drift area returned the following assay results:

<u>Location</u>	<u>Description</u>	<u>Width (meters)</u>	<u>Assay</u> <u>oz Au/ton oz Ag/ton</u>	
<u>Underground</u>				
S stope	Qtz vein w/massive sulphides	.71	1.660	12.70
S stope	Barren vein		.45	.065
S stope	Py zone along F.W. of vein	Grab	.895	12.65
<u>Surface</u>				
	Py in granite	Grab	.009	.16
Open cut north of No.1 level	Qtz. and wall rock		.006	.08

DIAMOND DRILL PROGRAM

The program consisted of the drilling of five holes for 861 feet with particulars as follows:

DDH NO. - 84-1
LOCATION - 61 meters (200 feet) east of the No.2 adit
BEARING - 295°
DIP - -45°
LENGTH - 67.7 meters (223')
PURPOSE - To test for the northeasterly extension of the main Snowflake vein and a parallel vein 22.7 meters (75 feet) southeast from which surface assays returned up to .75 meters (30 inches) of .12oz Au/ton
RESULTS - A 10 cm (6 inch) quartz vein was intersected at 21.8 meters (72 feet) which returned .07 oz Au/ton.

0.12
oz. Au

DDH No. - 84-2
LOCATION - 34 meters (112 feet) south of the No.8 adit
BEARING - 315°
DIP - -50°
LENGTH - 20 meters (66 feet)
PURPOSE - To test a quartz vein which returned an assay of 0.895 oz Au/ton across one meter (three feet) on surface. SEE PAGE 6 UNDERGROUND SOUTH STOP
RESULTS - A quartz vein was intersected from 10 to 13 meters (33.5 to 43 feet) containing 1-2% local pyrite and trace galena. An assay returned .001 Au/ton and 0.19 oz Ag/ton. SURFACE ASSAYS AT 84-2 AND 84-3 WERE .006 + .009 AU

DDH No. - 84-3
LOCATION - 3.0 meters (10 feet) south of 84-2
BEARING - 260°
DIP - -65°
LENGTH - 26.3 meters (87 feet)
PURPOSE - To test the same vein as 84-2 SEE ABOVE ERROR
RESULTS - A quartz vein was intersected from 10.5 to 12 meters (34.5 to 40 feet) containing local trace galena and minor pyrite. An assay of the quartz vein returned 0.012 oz Au/ton and 0.20 oz Ag/ton. The adjacent granite assayed 0.016 oz Au/ton, 0.02 oz Ag/ton and .01% Pb. or 0.2 meter (0.5 feet) on the hanging wall and 0.043 oz Au/ton and 0.98 oz Ag/ton or 1.2 meters (4.0 feet) on the foot wall.

DDH No. - 84-4
LOCATION - 32.7 meters (108 feet) southeast of the No. 2 adit.
BEARING - 330°
DIP - -58°
LENGTH - 65.7 meters (217 feet)
PURPOSE - To test the northeasterly plunging mineralized zone which was stoped in the No.2 level drift.
RESULTS - A .45 meter (1.5 feet) siliceous zone was intersected at 37 to 38 meters (122-125 feet) which contained a 7.5 cm (three inch) barren quartz vein. The highest assay of the three samples from this zone returned .006 oz Au/ton and 0.12 Ag/ton

DDH No. - 84-5
LOCATION - 81.2 meters (268 feet) northeast of the No.2 drift.
BEARING - 135°
DIP - -45°
LENGTH - 81 meters (268 feet)
PURPOSE - To test the No.3 adit zone to depth.
RESULTS - A 1.0 meter (three feet) mineralized quartz vein intersected at 68.7 to 70 meters (227 to 230 feet) which assayed 0.246 oz Au/ton and 2.84 oz Ag/ton. The vein contains pods of massive sulphides (mainly pyrite), minor to moderate galena and manganese along fractures and rare chalcopyrite.

A second quartz vein between 70.6 to 72 meters (233.5 to 237.0 feet) contains only trace pyrite and assayed 0.028 oz Au/ton and 0.30 oz Ag/ton.

0.28 SEC CORE
LOS

CONCLUSIONS

From the known geological features of the quartz vein mineralization, the structural complexity of the vein system and the unknown rake of the mineralized zones within the quartz veins, the diamond drilling program was successful in providing valuable information to a continuing exploration program.

In testing for the extension of the main No.2 adit zone (DH-84-4) some 36 meters (120 feet) below and 91 meters (300 feet) northeast of known mineralization, the mineralized zone was not intersected.

The cause for the discontinuity of the zone could only be inferred at this time but could be related to fault displacement.

The central zone tested by DH 84-1 expressed by a quartz vein with up to 0.12 oz Au/ton on surface indicated vertical continuity to depth. The extension was expressed by a 10 cm (six inch) quartz vein with comparable surface values.

DH 84-1 was extended to test the potential northeasterly extension of the main No.2 adit zone at a lower elevation. However the zone as indicated on surface is displaced some 30 meters (100 feet) to the southeast.

The testing of the No.3 adit zone indicated a potential mineral zone extension 54.5meters (180 feet) below surface or at the 515 meter (1700 foot) elevation. The results of 0.246 oz Au/ton and 2.84 oz Ag/ton at this elevation are extremely encouraging in that dependant on mineral continuity and structural displacement, the potential for substantial tonnages on the No.3 zone or other mineral zones on the property are indicated.

Additional information would be required to initiate a drift level at 545 meter (1800 foot) elevation as initially recommended in the writer's May 17, 1983 report.

RECOMMENDATIONS

A continuing 1000 foot drill program is recommended on the No.2 and No.3 adit zones.

The No.2 adit zone should be tested for vertical extension below the drift floor at the 575 meter (1900 foot) elevation. The zone would be tested by initially fanning three short drill holes below the stoped area to determine the rake of the mineralized zone. Once the rake is established the zone would be tested to depth.

SEE MAP TARGETS (5 FEET BELOW DRIFT)

Additional drilling on the No.3 adit zone would be carried out to delineate the mineral zone intersected at the 1700 foot elevation.

DRILL TARGET NOT SPECIFIED

Respectfully submitted,



Laurence Sookchoff, P.Eng.
Consulting Geologist

June 1, 1984
Vancouver, B.C.

CERTIFICATE AND CONSENT

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist with offices at 311-409 Granville Street, Vancouver, B.C., V6C 1T2.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology
2. I have been practising my profession for the past eighteen years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information for this report was obtained from the writer's supervision of the diamond drilling program.
5. I have no direct, indirect or contingent interest in the property described herein or in the securities of VERMILION RESOURCES INC. nor do I expect to receive any.
6. This report may be utilized by VERMILION RESOURCES INC. for inclusion in a current prospectus.



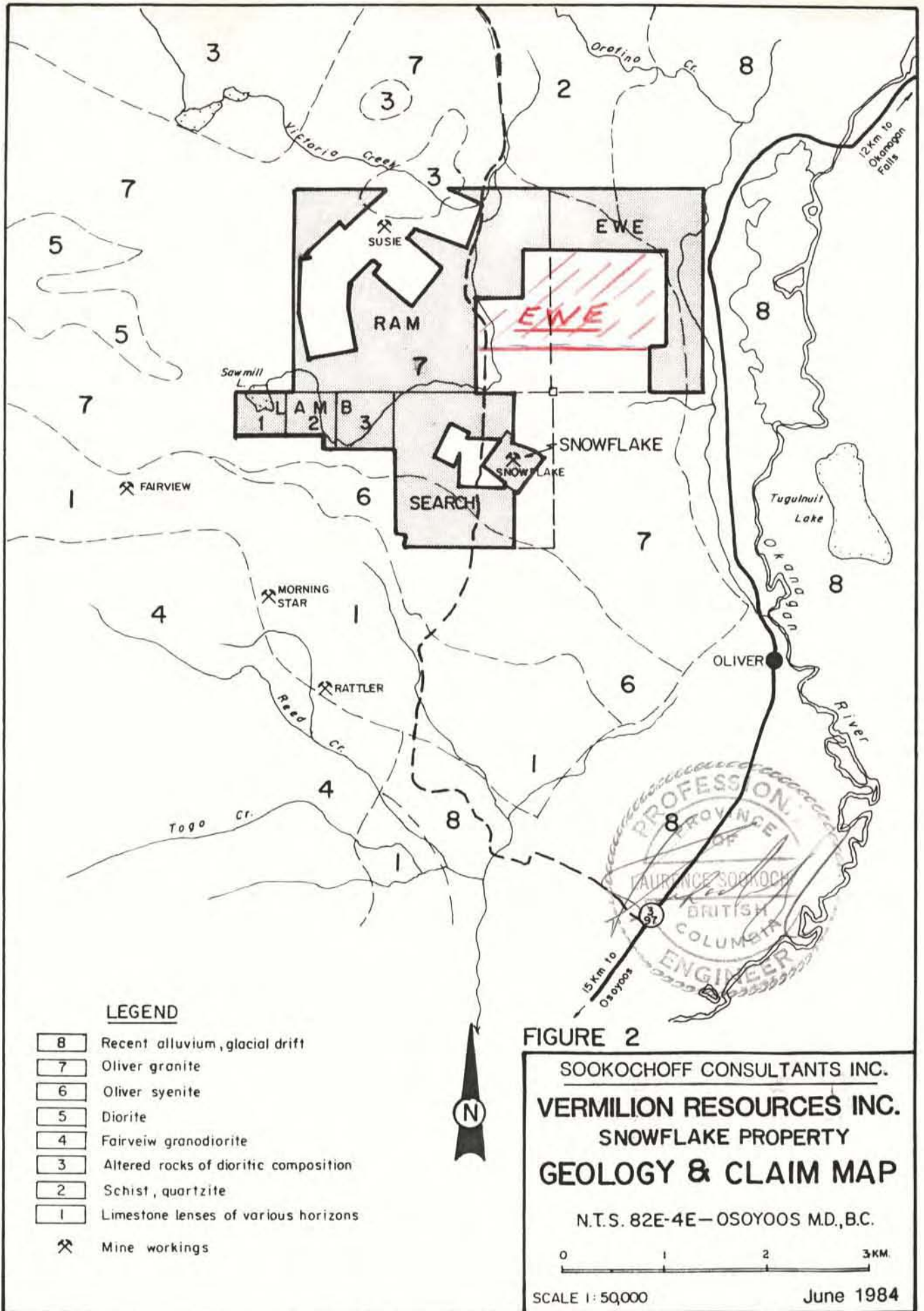
Laurence Sookochoff, P.Eng.
Consulting Geologist.

June 1, 1984
Vancouver, B.C.



FIGURE 1

SOKOCHOFF CONSULTANTS INC.			
VERMILION RESOURCES INC.			
SNOWFLAKE PROPERTY			
PROPERTY LOCATION MAP			
N.T.S. 82E - 4E		OSOYOOS MD., B.C.	
DRAWN	PROJECT	DATE June 1984	FIG. 1



LEGEND

- 8 Recent alluvium, glacial drift
- 7 Oliver granite
- 6 Oliver syenite
- 5 Diorite
- 4 Fairveiv granodiorite
- 3 Altered rocks of dioritic composition
- 2 Schist, quartzite
- 1 Limestone lenses of various horizons
- ⌘ Mine workings

FIGURE 2

SOOKOCHOFF CONSULTANTS INC.
VERMILION RESOURCES INC.
 SNOWFLAKE PROPERTY
GEOLOGY & CLAIM MAP

N.T.S. 82E-4E—OSOYOOS M.D., B.C.

0 1 2 3 KM

SCALE 1:50,000

June 1984



DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.
CONSULTING ENGINEERS

SUITE 1000-1055 W. HASTINGS STREET
VANCOUVER, CANADA V6E 2E9
TELEPHONE (604) 681-2345
TELEX 04-54461

July 3, 1984

Mr. K. Burke, President
Vermilion Resources Inc.
Box 1595
Princeton, B.C.
V0X 1W0

Dear Mr. Burke:

Letter Report
Snowflake Property

Dolmage Campbell and Associates (1975) Ltd. have been requested to make a preliminary evaluation of the Snowflake property situated near Oliver, B.C. On the basis of my examination of the property on June 8, 1984 and discussions with you in my office on June 19 and 29, I submit the following observations and exploration proposal.

On the No. 2 adit level two potential shoots are indicated to exist below the level; previously existing tonnages above the level have been mined. The shoot nearest the portal averages 0.09 oz/T gold (cut to one ounce) and 2.02 oz/T silver over an average width of 1.2 metres and a drift length of 18 metres. Values within the shoot are highly erratic. Vein widths are generally narrow, but mineable widths have been brought to a minimum of 1.2 metres for grade calculations. The shoot farthest from the portal and immediately beyond a prominent basic dyke, (Figure 1 attached), averages 0.30 oz/T gold and 3.5 oz/T silver over an average vein width of 1.3 metres and a drift length of 30 metres.

This second shoot is ore grade material. It remains therefore to demonstrate that the two shoots will continue to depth and that other shoots will occur on the Snowflake vein system. A promising drill hole intersection, apparently on the Snowflake structure approximately 75 metres northeast of the No. 2 adit portal, is of interest in this regard. It lies approximately at the 520 metre level or 60 metres below the No. 2 adit level.

Exploration of the Snowflake vein can be expected to be somewhat inhibited by the presence of several cross faults that have dislocated the vein. It is evident that, before proceeding with a relatively expensive underground program to explore the vein at the 545 metre level (from the No. 4 adit?), more economic encouragement and advance technical information on the vein's behaviour should be acquired.

Therefore four drill holes are proposed, two below the second ore shoot in the No. 2 adit and two provisional holes predicated on favourable intersections in the initial two holes. Hole locations are shown on the attached sketch plan and section. Hole depths should be 72 metres to allow for previous survey discrepancies. Possibilities for third and fourth holes are:

- a) 15 metres northeast of DDH 84-6 as shown on the sketch. As the dyke dips 70° to the north away from the vein the hole should not intersect the dyke.
- b) a hole beneath the first ore shoot on the No. 2 adit level. Because of the erratic precious metal distribution in this shoot, a low vein value will not necessarily negate its economic potential.
- c) a hole located on a section 15 metres northeast of the intersection in DDH 84-4. This hole should be drilled to the northwest with the projected intersection at No. 4 adit level (i.e. 545 metres).

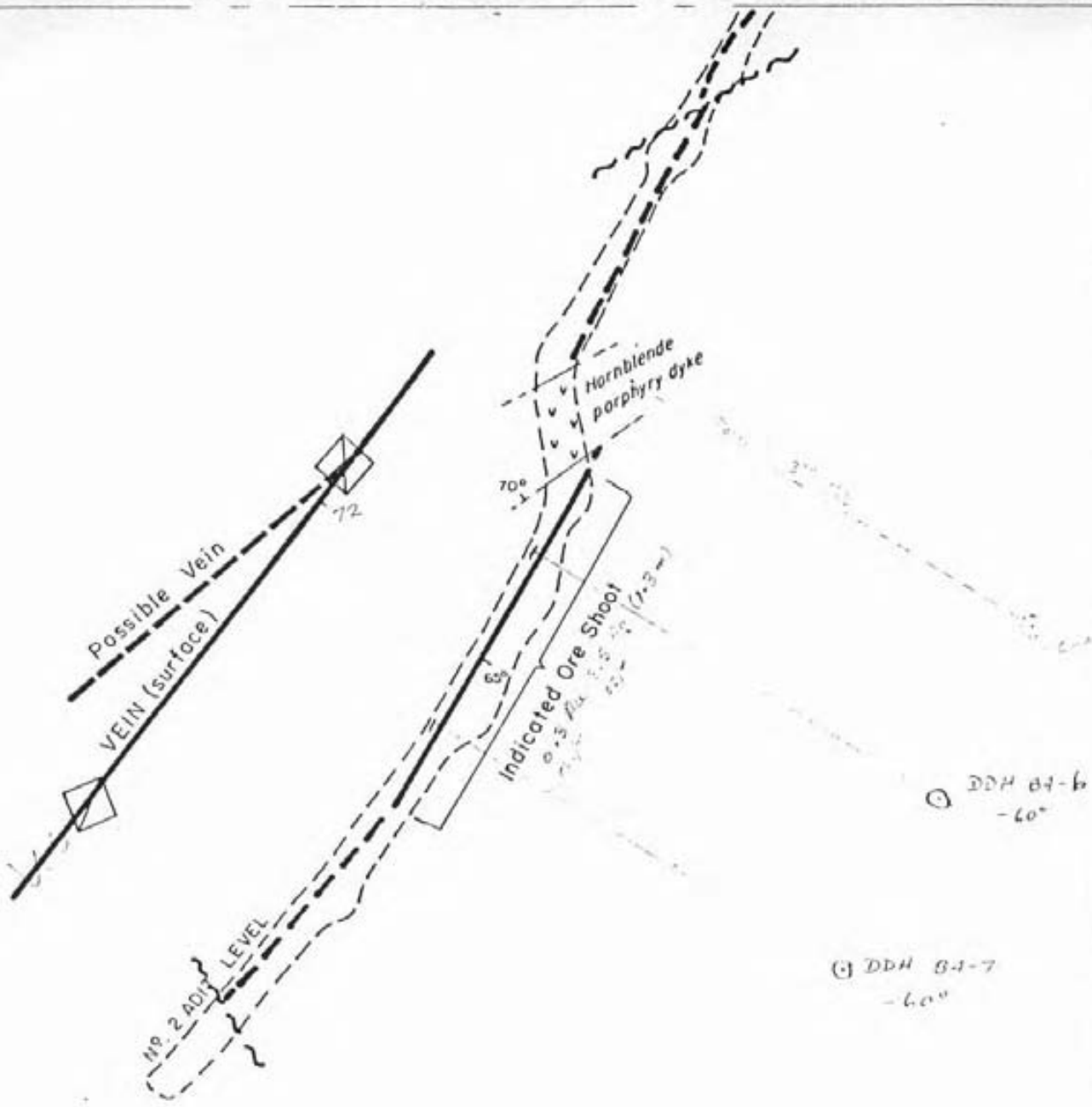


Respectfully submitted by,
DOLMAGE CAMPBELL & ASSOC. (1975) LTD.

A handwritten signature in cursive script, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

RSA:cjm
xc: N.S. Chamberlist



DOLMAGE CAMPBELL & ASSOCIATES LTD. CONSULTANTS
VANCOUVER, CANADA

VERMILION RESOURCES INC.
VANCOUVER, B.C.

SNOWFLAKE PROPERTY

PROPOSED DRILLING

OLIVER, S.C.

SCALE: 1:500

JULY 1984

FIG. 1

VanCal/1336

JUNE 29, 84

SNOWFLAKE X-5" "A"

Scale 1:500

Elev.

Proposed Hole DDH 84-6
-600

610 m

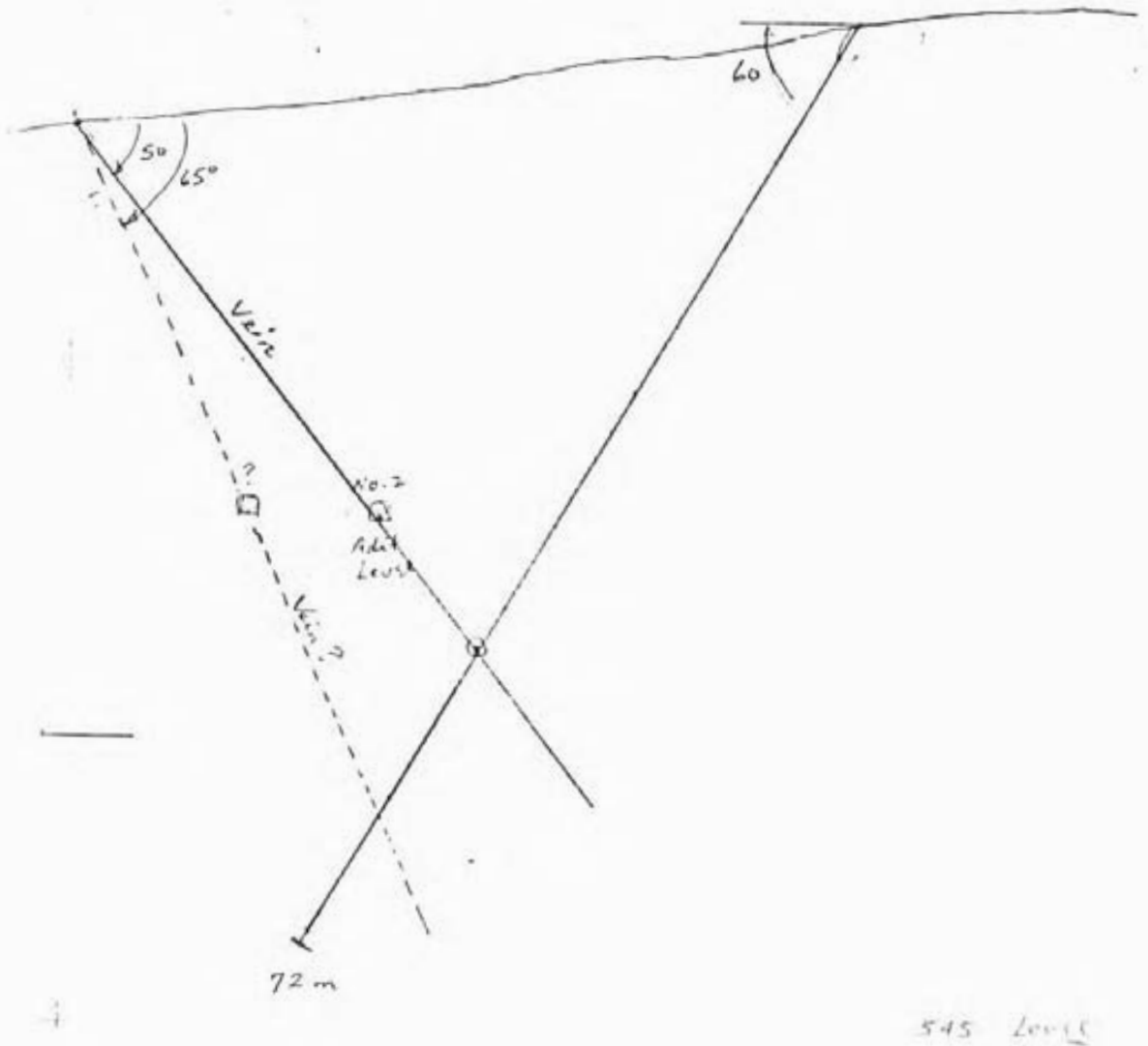
600

590

580

570

560



SNOWFLAKE PROPERTY

DRILLHOLE

X SECTION

OLIVER, B.C



DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.
CONSULTING ENGINEERS

SUITE 1000 - 1055 W. HASTINGS STREET
VANCOUVER, CANADA V6E 2E9
TELEPHONE (604) 681-2345
TELEX 04-54461

September 21, 1984

Mr. N.S. Chamberlist, Director
Vermilion Resources Inc.
402 - 1755 West Broadway
Vancouver, B.C.
V6J 4S5

Dear Sir;

Letter Report
Snowflake Property

Vermilion Resources have recently completed a five hole diamond drill program on their Snowflake property, a fissure vein gold prospect situated near Oliver, B.C. The program was carried out under my geological direction during July and August. A previous five hole program (first stage) was undertaken in the spring of this year. From their No. 2 adit early operators had drifted southwest on the Snowflake quartz vein for 150 metres before encountering a cross fault which cut off the vein. During this period of activity the vein was stoped above the No. 2 adit level to the surface and sampled on the adit level. An assay plan of the level along with a surface map showing other veins and underground openings provided the basis for designing both of the 1984 drill programs.

The object of the recent program (second stage) was primarily to investigate the Snowflake vein beneath the No. 2 adit level. The vein had been drifted on at the 579 metre (1900 foot) elevation. The program was implemented with a view to acquiring sufficient encouragement to warrant proceeding with an underground drifting program on the No. 4 adit level which was collared at the 545 metre (1788 foot) elevation. The earlier stage one drill program gave priority to exploring the northeasterly projection of the Snowflake vein, but met with inconclusive results.

SNOWFLAKE VEIN

The Snowflake vein strikes northeasterly and dips 65°-85° to the southeast. It has been traced on the surface for 135 metres and underground for 150 metres. On the No. 2 adit level it ranges in width from 0.3 metres to 1.8 metres. North of a prominent dyke-fault system it averages 0.6 metres in width; south of the dyke it averages 1.2 metres in width.

On the No. 2 adit level two potential ore shoots are indicated to occur on the vein, as shown on the attached figure. The indicated north shoot averages 0.09 ounces gold per ton (cut to one ounce, uncut 0.58 ounces gold per ton) and 2.02 ounces silver per ton over a mineable width of 1.2 metres and a drift length of 18 metres. The indicated south shoot averages 0.30 ounces gold per ton and 3.5 ounces silver per ton over an average vein width of 1.3 metres and a drift length of 30 metres.

OTHER VEINS

As shown on the attached figure, two other veins outcrop on the property. One may be the projected northeastern extension of the Snowflake vein, but this assumption is uncertain. Moreover, the projected extension strikes north, not northeast. At the portal of the No. 2 adit, the Snowflake vein is clearly faulted; however, the direction of the fault throw may have been to the west, rather than to the east as had been assumed.

Another vein outcrops to the east of the Snowflake vein, but it does not carry significant values. It is possible that the assumed northeasterly projection of the Snowflake vein is, in fact, the continuation of the eastern vein. This northern vein is disrupted by a fault. An adit (No. 3) apparently intersected the vein underground. Another adit (No. 4) was designed to cut the vein at a lower elevation but did not reach it before being terminated.

DIAMOND DRILLING

Following is a summation of the second stage drill program:

<u>Hole No.</u>	<u>Angle</u>	<u>Length</u>	<u>Intercept</u>	<u>Assay Au</u>
84-6	-63°	72.2 m	62.8-63.7 m 63.7-64.5 or 62.8-64.5	0.042 oz/T 0.304 0.157
84-7	-63°	71.6 m	62.2-62.8 m 62.8-64.0 64.0-64.5	0.062 oz/T 0.010 0.010
84-8	-63°	66.4 m	62.2-63.1 m	0.414 oz/T
84-9	-63°	64.3 m	no intercept	
84-10	-66°	55.2 m	39.8-40.2 m 40.2-40.5 or 39.8-40.5	0.032 oz/T 0.030 0.031

Drill holes 84-6, 84-7, and 84-8 were spotted to test the south shoot on the Snowflake vein for continuity and grade beneath the No. 2 adit level. Two holes, 84-6 and 84-8, intersect economically interesting values; drill hole 84-7 did not.

Drill hole 84-9 was located to investigate the north vein (Snowflake vein extension ?) near a high grade intercept cut in DDH 84-5 and near the elevation of the No. 4 adit. The vein was not intersected. Faulting and the presence of a basic dyke in the drill hole indicate that the vein was, in some manner, displaced.

Drill hole 84-10 was spotted to cut the relatively short, north shoot beneath the No. 2 adit level. The vein was intersected but gold values were low.

CONCLUSIONS

On the basis of the drilling done beneath the Snowflake vein, there is good reason to believe that the south ore shoot will extend to the level of the No. 4 adit (545 metre elevation). The indicated geological reserve of the south shoot between the two levels is calculated to be 4000 tons grading in the order of 0.30 ounces gold per ton and 3.5 ounces silver per ton.

With regard to the north shoot, there is presently insufficient evidence to indicate that it will continue to the No. 4 adit level.

It is evident, therefore, that the presently indicated tonnage and grade are too low to warrant the implementation of an underground exploration program at the level of the No. 4 adit. Moreover, because the Snowflake vein has been faulted at both ends, the exploration potential along the strike of the vein is restricted. Evidence of additional potential reserves is required, both beyond the faulted extensions of the vein and beneath the north ore shoot, before proceeding with an underground exploration program.

RECOMMENDATIONS

The following program is proposed with a view to enhancing the exploration potential:

- a) Drill two additional holes beneath the Snowflake vein between drill hole 84-10 and the No. 2 portal; ore was mined and apparently shipped from this zone above the adit level.

- b) Implement an electromagnetic survey (VLF) over and beyond the Snowflake vein with the object being to more precisely identify the faulted extensions of the vein structure to the northeast and southwest.

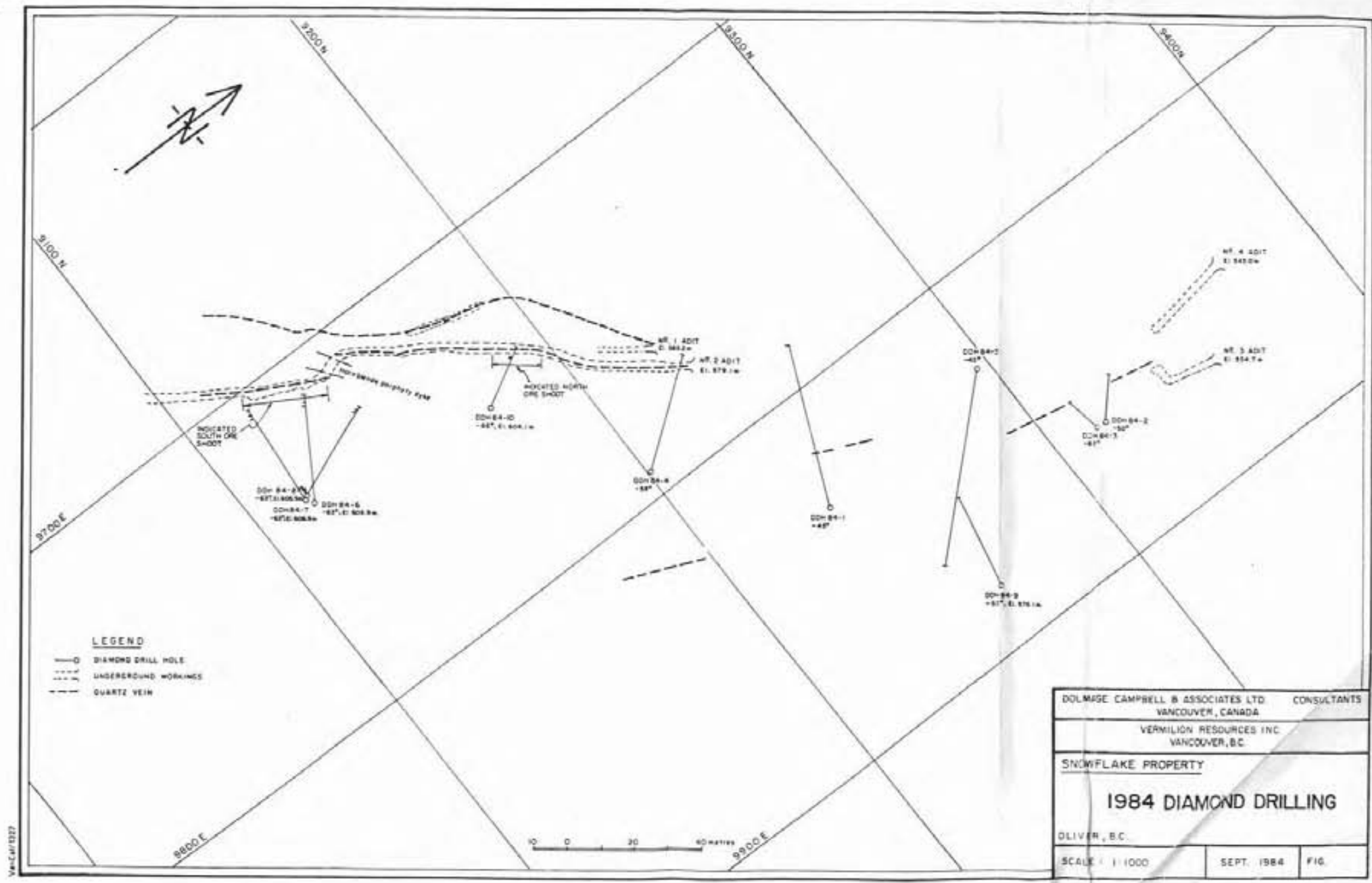
Respectfully submitted by,
DOLMAGE CAMPBELL & ASSOC. (1975) LTD.



A handwritten signature in cursive script, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

RSA:cjm



Vn-C-107/1227

DOLMAGE CAMPBELL & ASSOCIATES LTD. CONSULTANTS	
VANCOUVER, CANADA	
VERMILION RESOURCES INC.	
VANCOUVER, B.C.	
SNOWFLAKE PROPERTY	
1984 DIAMOND DRILLING	
OLIVER, B.C.	
SCALE: 1:1000	SEPT. 1984 FIG.



DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.
CONSULTING ENGINEERS

SUITE 1000-1055 W. HASTINGS STREET
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TELEX 04-54461

November 30, 1984

Mr. N.S. Chamberlist, Director
Vermilion Resources Inc.
402 - 1755 West Broadway
Vancouver, B.C.
V6J 4S5

Dear Sir;

Letter Report
Snowflake Property

Mr. Peter Peto, geologist, was asked to carry out some check sampling of the Snowflake vein on the No. 2 adit level. This assignment was carried out on October 25, 1984. The samples were shipped directly to the writer who in turn shipped them to Chemex Labs of North Vancouver for gold and silver assays. The pulps were reassayed by Bonder-Clegg and Company as a check on the Chemex results.

Mr. Peto collected a total of nine samples: seven chip samples from the Snowflake vein, a muck sample from the bottom of a raise, and a chip sample from another vein on the surface. The muck sample (No. 051297) assayed 0.034 ounces gold per ton and 0.35 ounces silver per ton (Chemex). The surface sample (No. 051300) assayed 0.030 ounces gold per ton and 0.73 ounces silver per ton over a vein width of one metre.

The Snowflake vein was sampled at various distances from the portal. The object was to essentially confirm attractive values that had been previously documented and to confirm distances and vein direction. The results of this work on the vein are presented as follows:

<u>Sample No.</u>	<u>Distance from Portal</u>	<u>Width</u>	<u>Gold oz/T</u>	<u>Silver oz/T</u>
051299	78 feet	0.76 mm	0.026	1.11
051298	119 feet	36 cm	0.006	0.09
051296	166 feet	30 cm	0.253	2.98
051295	182 feet	35 cm	0.028	0.23
051294	190 feet	1.0 metre	0.072	0.51
051293	200 feet	0.85 metres	0.066	0.37
051292	233 feet	0.5 metres	0.062	0.20

Three samples (Nos. 051294 to 051296) were taken from the indicated north ore shoot which had averaged 0.58 ounces gold per ton and 2.02 ounces silver per ton over a vein width of 1.2 metres and a drift length of 18 metres. Comparisons of these three samples with the previous are shown as follows:

No. 051296	Recent	0.253 oz/T Au	2.98 oz/T Ag	11.7 inches
	Previous	0.68	6.00	14 inches
No. 051295	Recent	0.028 oz/T Au	0.23 oz/T Ag	13.8 inches
	Previous	1.00	6.80	40 inches
No. 051294	Recent	0.072 oz/T Au	0.51 oz/T Ag	39 inches
	Previous	8.74	11.15	42 inches

It is evident that the two sets of sample results do not compare at all favourably. In effect the indicated north ore shoot does not exist. A hole (DDH 84-10) drilled beneath the indicated shoot, which assayed 0.032 ounces gold per ton over 0.4 metres, supports this premise. Three holes drilled beneath the south ore shoot on the other hand apparently confirms the previously documented values on the No. 2 adit level.

Exploration potential on the Snowflake vein structure must be enhanced before proceeding with underground exploration on the level of the No. 4 adit. However, these recent check sampling results sharply reduce the chances to identify a second ore shoot on that level. Therefore, in the opinion of the writer the risk has now become too high to warrant proceeding with further exploration of the Snowflake vein system.



Respectfully submitted by,
DOLMAGE CAMPBELL & ASSOC. (1975) LTD.

A handwritten signature in cursive script, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

Attachments (2)



Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
Canada V7J 2C1

Telephone: (604) 984-0221
Telex: 043-52597

CERTIFICATE OF ASSAY

TO : DOLMAGE CAMPBELL & ASSOCIATES LTD.

1000 - 1055 W. HASTINGS ST.
VANCOUVER, B.C.
V6E 2E9

CERT. # : A8417575-001-A
INVOICE # : 18417575
DATE : 5-NOV-84
P.O. # : NONE

Sample description	Prep code	Ag oz/T		Au oz/T					
		RUSH	FA	RUSH	FA				
R51292	236	0.20	0.062	--	--	--	--	--	--
R51293	236	0.37	0.066	--	--	--	--	--	--
R51294	236	0.51	0.072	--	--	--	--	--	--
R51295	236	0.23	0.028	--	--	--	--	--	--
R51296	236	2.98	0.253	--	--	--	--	--	--
R51297	236	0.35	0.034	--	--	--	--	--	--
R51298	236	0.09	0.006	--	--	--	--	--	--
R51299	236	1.11	0.026	--	--	--	--	--	--
R51300	236	0.73	0.030	--	--	--	--	--	--

.....
Registered Assayer, Province of British Columbia





REPORT: 424-3911

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au OPT	Ag OPT	NOTES
P 51292		0.010	0.16	
P 51293		0.048	0.43	
P 51294		0.070	0.46	
P 51295		0.025	0.20	
P 51296		0.269	3.13	
P 51297		0.025	0.27	
P 51298		0.010	0.04	
P 51299		0.047	1.07	
P 51300		0.036	0.59	

R. 9023

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

JAN 30 1985

MINERAL TITLES FILE ROOM

VERMILION RESOURCES INC.

#402 - 1755 W. BROADWAY
VANCOUVER, B.C. V6J 4S5
TELEPHONE (604) 736-0426

January 28th, 1985

Chief Gold Commissioner,
Mineral Resources Division - Titles Branch,
Ministry of Energy, Mines and Petroleum Resources,
411 Douglas Building,
VICTORIA, B.C.,
V8V 1X4.

595

REFERRED TO	DATE	INITIALS
C.G.C.		
D.C.G.C.		
G.C.		
F.M.C.		
M.I.D.A.		
P.L.C.R.		
B.S.C.		
FILE NO.		

Dear Sir:

Re: Assessment Work -
Ram - Search - Ewe - Lamb 1-2-3 and Snowflake Claims,
Record Numbers - 1693 - 1659 - 1692 - 1760 - 1761 - 1762 -
31320

On December 28th, 1984, a Statement of Exploration and Development was filed in the Vancouver Sub-Recorder's Office for the above recorded claims. Copy of statement is attached with copy of Mining Receipt #222912E also attached.

Enclosed are two copies of each of the documents you require and listed as follows:

- Interim Diamond Drilling Report by L. Sookochoff, P. Eng. dated June 1, 1984.
- Letter Report Snowflake Property by R. S. Adamson, P. Eng., c/o Dolmage Campbell & Associates dated July 3, 1984.
- Letter Report Snowflake Property by R. S. Adamson, P. Eng., c/o Dolmage Campbell & Associates dated September 21, 1986.
- Letter Report Snowflake Property by R. S. Adamson, P. Eng., c/o Dolmage Campbell & Associated dated November 30, 1984.
- Geophysical Report on Snowflake property by N. C. Lenard, P. Eng., dated November 1, 1984.
- Sookochoff Interim Invoice May 15, 1984 \$4,061.00 (Engineering)
- Dolmage Campbell Invoice #6216 July 10, 1984 1,065.75 ("
- Dolmage Campbell Invoice #6233 August 7, 1984 804.57 ("
- Dolmage Campbell Invoice #6249 September 10, 1984 941.11 ("
- Dolmage Campbell Invoice #6260 October 16, 1984 561.99 ("
- Dolmage Campbell Invoice #6291 December 6, 1984 519.24 ("
- N. C. Lenard November 11, 1984 953.58 ("

Total Engineering: \$8,907.24

13. Interim Diamond Drilling Invoice May 10, 1984	\$16,985.44
14. Interim Diamond Drilling Invoice July 27, 1984	9,105.79
15. Interim Diamond Drilling Invoice September 11, 1984	<u>12,011.45</u>

Total Drilling: \$38,102.68

Total Engineering Costs \$8,907.24

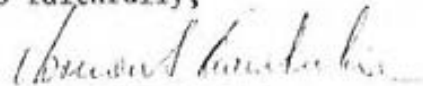
Total Drilling Costs 38,102.68

\$47,009.92

I hope the manner in which we have supplied the information is satisfactory.

The writer would like to express our sincere thanks for the assistance given in the Vancouver Sub-Recorder's Office. The staff has been most helpful.

Yours faithfully,



NORMAN S. CHAMBERLIST
PRESIDENT,
VERMILION RESOURCES INC.

NSC:DEM
Encs.

PROPERTY SNOWFLAKE
 COMPANY VERMIL ION RES
 LOGGED BY J. ROBINS

HOLE NO. DH84-1
 BEARING 295°
 DIP -45°
 LENGTH 223'

LATITUDE _____
 DEPARTURE _____
 ELEVATION _____

From	To	Recovery %	Description	Mineralization	Sample			Assays		
					Number	From	To	Width	Au	Ag
0-125	12.5 -223		Overburden Coarse Grained biotite rich Granite						oz/ton	%
12.5-49			Grey buff colour, very hard, qtz 40-50% Feldspar(plag) 30-40% mafics predominantly biotite - chlorite 20% some areas of alteration fairly competent, no visible mineralization some carbonate along fractures						oz. ton	
49-52			zone of slight potassic alteration, small 1-4cm qtz veinlets qtz is rose stained, Some white mica, sericite along fractures, also carbonate minor py, trace sphalerite							
52-72			Greybuff moderately fractured, carbonate along fractures	94217	65-70			5ppb	0.1ppm	11ppm
72-72.5			qtz vein 6" trace py	94218	70-72			.003	0.04	
72.5-84			grey buff. mod fractured	94219	72-72.5			.070	1.24	0.06
84-86.5			potassic alteration w/small qtz vein trace py	94220	72.5-74.5			.003	0.01	
86.5-93			slight potassic alteration, very low biotite conc. very friable, cataclastic texture, carbonate minor py	94221	74.5-84			75ppb	0.1ppm	12ppm
93-223			grey buff fairly competent occasional trace py	94222	84-86.5			.003	0.04	

PROPERTY SNOWFLAKE

HOLE NO. DH84-2

LATITUDE _____

COMPANY VERMILION RES.

BEARING 315°

DEPARTURE _____

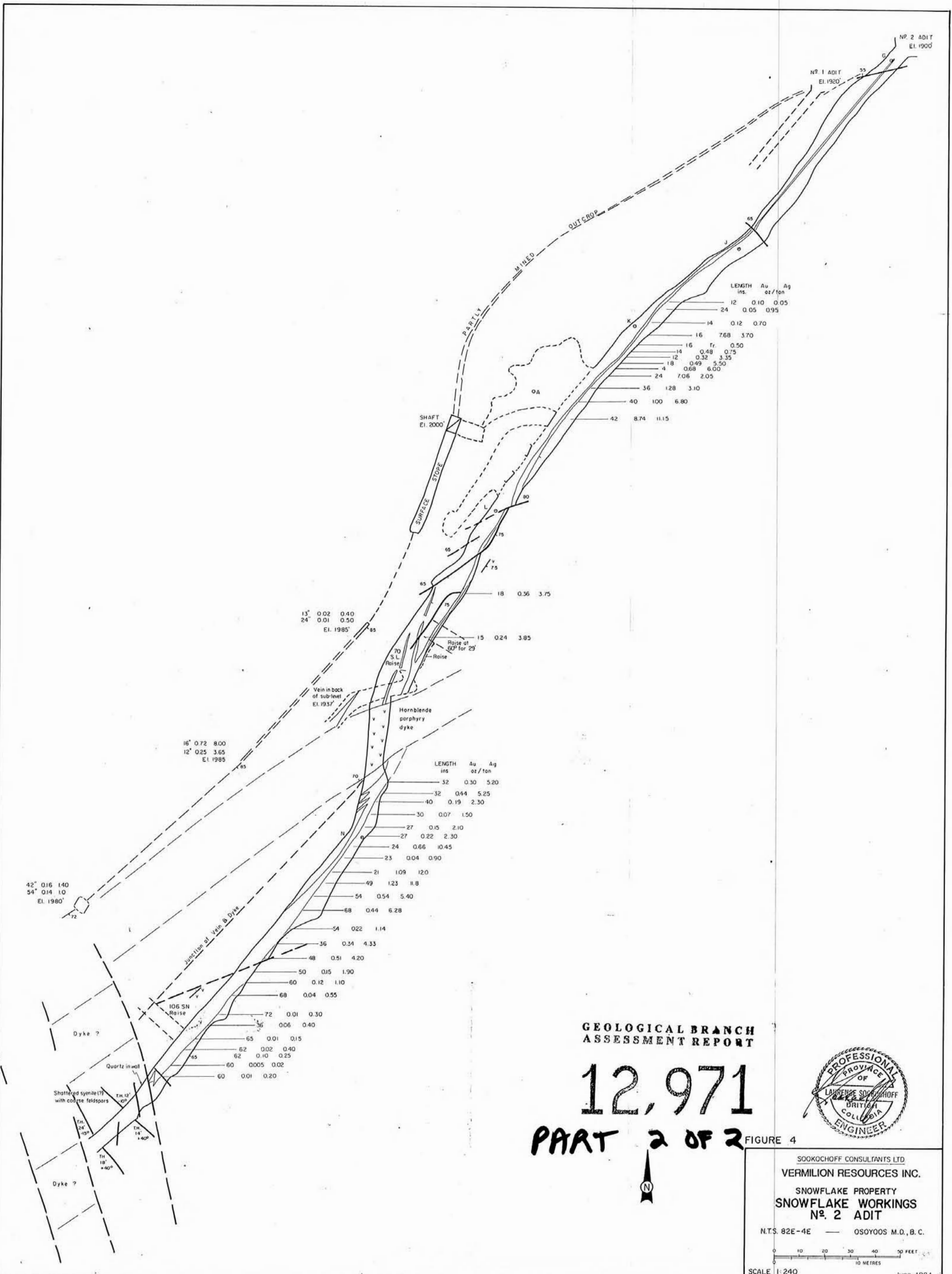
LOGGED BY J. Robins

DIP -50°

ELEVATION _____

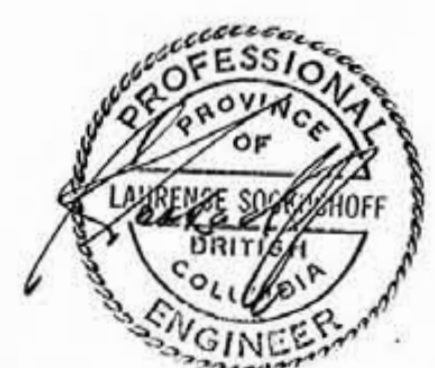
LENGTH 66'

From	To	Recovery %	Description	Mineralization	Sample			Assays			
					Number	From	To	Width	Au	Ag	Cu
10'-26.5'		90	Coarse grained biotite rich Granite, rock is generally light greenish grey and very hard. Biotite accounts for a 20% total mineral content. Qtz 45%, Plag 35%. Also present are minor amounts of Sericite. Biotite is locally chloritized, esp. near fractures. Fractures also have minor carbonate infilling no mineralization. many fractures oriented @50-60° core axis, minor epidote alt?						oz/ton	oz. ton	
26.5-33.5		80%	Coarse grained biotite rich Granite. rock less competent than above. being highly fractured. Rock is light buff color due to argillic alteration of feldspars. Biotite is chloritized. Mineralogy same as above. No visible mineralization	94202	26.5-31.5			.001	1.11		
		60%	32.5-33.5 Minor py(oxidized), very fractured-sericite along fracture surfaces. Also present hematitic staining of the rock		31.5-33.5			.001	1.11		
33.5-43		70-90	Qtz vein 33.5-39 Light grey to white & abundant iron staining. Rock is very fractured & abundant sericite & some muscovite along fractures. Qtz also has small black deposits along fractures (oxidized iron sulfides?) 1-2% Pyrite pyroble site concentration increasing with depth @39' canary yellow staining in Qtz. Jarosite? Limonite? 39-42' White grey Qtz Barren no mineralization 42-43' similar to section 33.5-39. with trace galena contact & wall rock. there is thin 1 cm iron stained gouge zone	94201	33.5-43			.001	0.19		
43-66'		80-100	Coarse grained biotite rich granite 43-45' Buff & some light pink areas near the contact with the Qtz vein. there is minor 1% pyrite & trace galena. sericite	94203	43-45'			.001	0.04		



**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

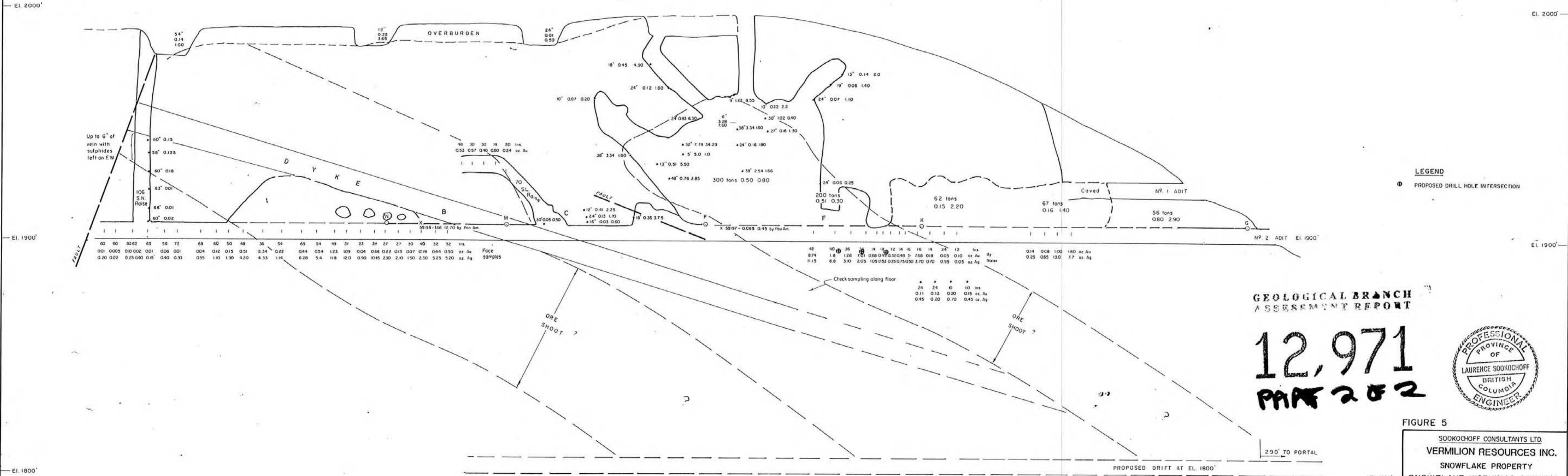
12,971
PART 2 OF 2 FIGURE 4



SOOKOCHOFF CONSULTANTS LTD.
VERMILION RESOURCES INC.
SNOWFLAKE PROPERTY
SNOWFLAKE WORKINGS
No. 2 ADIT
N.T.S. 82E-4E OSOYOOS M.D., B.C.
SCALE 1:240
June 1984

SW

NE



Up to 6" of vein with sulphides left on F.W.

106 S.N. Raise

60	60	0.02	65	56	72	68	60	50	48	36	54	65	54	49	21	23	24	27	27	30	40	32	32	ins.	Face samples
0.01	0.005	0.0002	0.01	0.06	0.01	0.04	0.12	0.15	0.51	0.34	0.22	0.44	0.54	1.23	1.09	0.04	0.66	0.22	0.15	0.07	0.19	0.44	0.30	oz Au	
0.20	0.02	0.25	0.40	0.15	0.40	0.30	0.55	1.10	1.90	4.20	4.33	1.14	6.28	5.4	11.8	12.0	0.90	10.15	2.30	2.10	1.50	2.30	5.25	5.20	oz Ag

42	40	36	34	30	24	12	14	16	16	14	24	12	ins.	By	0.14	0.08	1.00	1.60	oz Au
8.74	1.8	1.28	1.01	0.08	0.49	0.32	0.48	0.268	0.18	0.05	0.10	oz Au	Work	0.25	0.65	1.30	7.7	oz Ag	
11.15	8.8	3.0	2.05	1.05	0.53	0.35	0.75	0.50	3.70	0.70	0.95	0.05	oz Ag						

Check sampling along floor

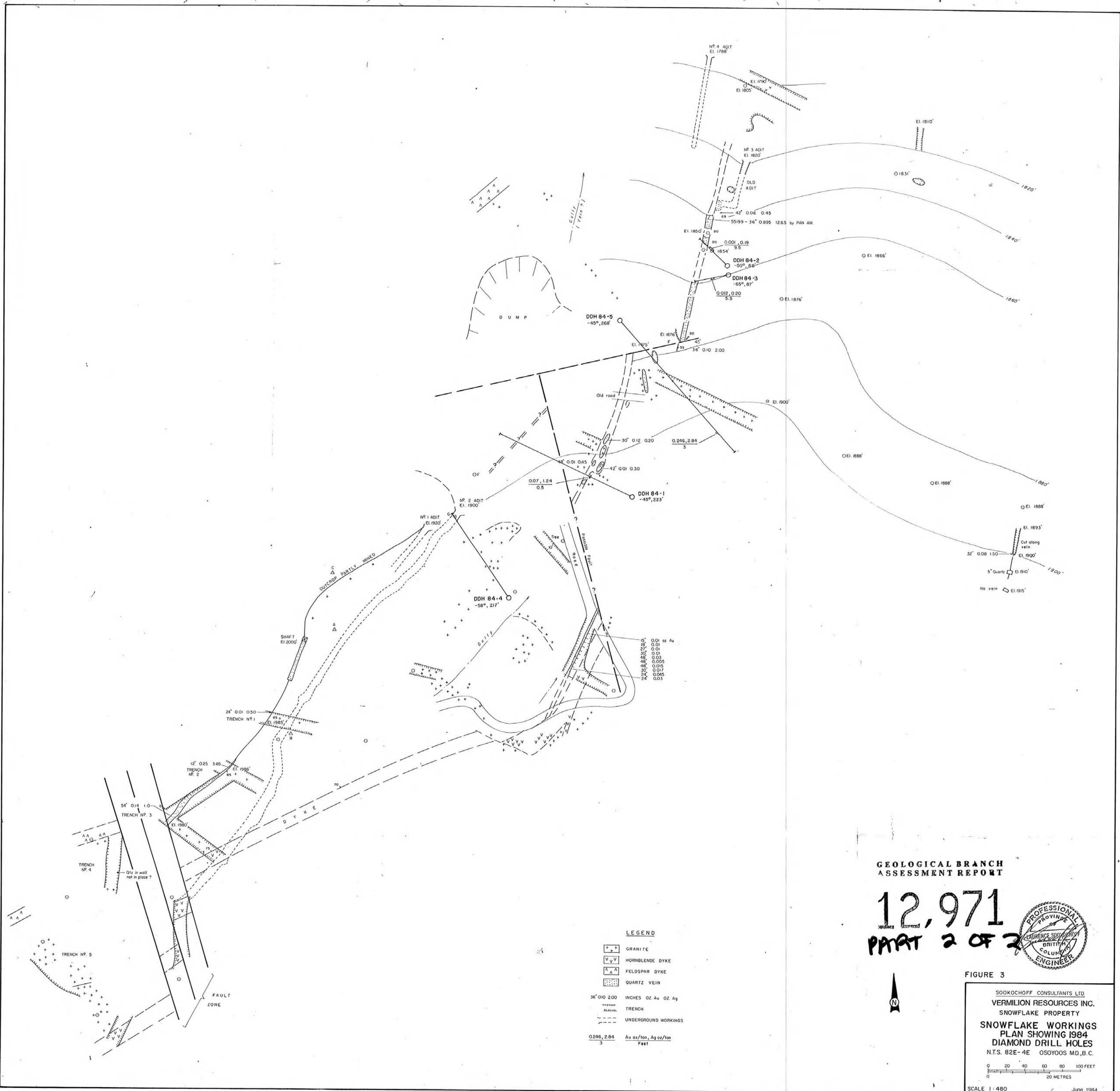
24	24	10	10	ins.
0.11	0.12	0.20	0.15	oz Au
0.45	0.20	0.70	0.45	oz Ag

GEOLOGICAL BRANCH
ASSESSMENT REPORT

12,971
PAGE 2 OF 2



FIGURE 5
SOOKOCHOFF CONSULTANTS LTD.
VERMILION RESOURCES INC.
SNOWFLAKE PROPERTY
SNOWFLAKE WORKINGS SECTION
SHOWING DRILL HOLE INTERSECTIONS
N.T.S. 82E-4E — OSOYOOOS M.D., B.C.
0 10 20 30 40 50 FEET
0 2 4 6 8 10 METRES
SCALE 1: 240 June 1981



GEOLOGICAL BRANCH
ASSESSMENT REPORT

12,971
PART 2 OF 2



FIGURE 3

SOOKOCHOFF CONSULTANTS LTD.
VERMILION RESOURCES INC.
SNOWFLAKE PROPERTY
SNOWFLAKE WORKINGS
PLAN SHOWING 1984
DIAMOND DRILL HOLES
N.T.S. 82E-4E OSOYOOS MD., B.C.

0 20 40 60 80 100 FEET
0 20 40 60 80 100 METRES

SCALE 1:480 June 1984