85454-13810
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GEOCHEMICAL SURVEY
REPORT ON

NOME #1 MINERAL CLAIM
Needlepoint Mountain Area
Cassiar District
Liard Mining Division, B.C.
N.T.S. 104 P/4W

59°9'11" North Latitude
129°42'22" West Longitude

Needle Point Resources Limited

901 - 675 West Hastings Street
Vancouver, B.C,

by

G.C. SINGHAI, M.Tech. P.Eng.

July 18, 1985

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SUMMARY

The Nome #1 covering 16 units of Needle Point Resources Limited is located about 18 kilometers southeast of Cassiar and about 1.5 kilometers east of Needlepoint Mountain in the Laird Mining Division of British Columbia.

The Property overlies the Sylvester Group of volcanic and sedimentary units of Mississppian to Permian age which in turn overlies the McDame Group of Devonian age. The east-west trending gold-bearing quartz veins are hosted by metamorphosed greenstone of Sylvester Group of rocks. These gold bearing veins are producing gold from Erickson Gold Mines and Cusac Industries properties.

A geochemical survey program was carried out on the northern part of the property and some strong gold anomalous values were found which requires detailed follow-up surveys.

GEOCHEMICAL SURVEY
REPORT ON

NOME #1 MINERAL CLAIM
NEEDLE POINT MOUNTAIN AREA
Cassiar District
Liard Mining Division, B.C.

for

Needle Point Resources Limited

INTRODUCTION

This report is on Nome #1 consisting of 16 units located about 18 kilometers southeast of the town of Cassiar and 1.5 kilometers east of Needlepoint Mountain in the Laird Mining Division, B.C. It is prepared at the request of Mr. Harold A. Williams, President of Needle Point Resources Limited, 901 - 675 West Hastings Street, Vancouver, B.C. This report consists of the establishment of grids and soil sampling. This work was carried out during the period of Setptember 9-16, 1984. This program was carried out as a part of the Phase I as recommended by Mr. John R. Poloni, P.Eng. in his report dated January 30, 1984.

PROPERTY AND OWNERSHIP

The Nome #1 claim consists of 16 units and owned by the Needle Point Resources Limited. The details of this claim are as follows:

Name of Claim	Units	Record No.	Date of Expiry
Nome #1	16	2749	June 6, 1985

The above claim is located in the Laird Mining Division in accordance with the Mineral Act of the Province of British Columbia.

LOCATION AND ACCESS

The property is located about 18 kilometers southeast of the town of Cassiar and approximately 1.5 kilometers east of Needlepoint Mountain in the Laird Mining Division, B.C. It is centered approximately 59°9'11" North Latitude and 129°42'22" West Longitude.

The property is accessible by about 2.5 kilometers of gravel road, leaving the Stewart-Cassiar highway at the south end of Vines Lake. This road provides an access to Cusac Industries Limited property. This road passes within 2.5 kilometers of Nome #1 claim. Then one has to walk for about 2.5 kilometers by a trail. There is a daily regular air service to Watson Lake from Vancouver. The town of Watson Lake is about 160 kilometers from Cassiar. Supplies are available from Cassiar and Watson Lake.

TOPOGRAPHY, VEGETATION AND CLIMATE

The property is located in the Cassiar Mountains and Stikine Ranges in a terrian of rugged relief with elevations ranging between 760 meters to 2225 meters above sea level.

The Nome #1 lies on the easterly slope of Needlepoint Mountain with terrian ranging from relatively flat in the north grading to a subalpine with rolling hills and steep inaccessible cliffs in the central area and elevations varies from 1370 meters to 1677 meters above sea level.

Coniferous trees are abundant in less swampy areas with thick undergrowth. Sections of glacial gravels and boulders are present in the most part of area and gives very few out crops.

The climate of the area is a typical interior west coast-type. Summer months are pleasant but some times rainfall is heavy.

The winter months are very cold and most of the time temperature is about 20°F below zero. Snowfall is heavy averaging 7-10 feet but exploration and mining can be carried out throughout the year with properly winterized camp and by maintaining roads.

Water can be available for diamond drilling and mining from a number of creeks running through the claim area.

GEOLOGY

The geology of the area was mapped by a number of geologists. Mr. G. M. Dawson mapped the area to accompany Memoir No. 629 of G.S.C. in 1887. The geology of the McDame area was mapped by L. L. Price, 1949 and H. Gabrielse, 1950-1954 of the Geological Survey of Canada and prepared map No. 1110A to accompany Memoir No. 319 by H. Gabrielse, A. Panteleyer and L. J. Dialeow of the Ministery of Energy, Mines and Petroleum Resources of B.C. mapped the Geology of McDame area in 1980 and 1981 at 1:10,000 scale and published paper No. 1981-1 and 1982-1. The Nome #1 claim area was mapped by H. Copland in 1983.

The study of all previous geological work and maps indicates that the area overlies, Sylvester Group A volcanics and metasediments of Mississipian to Permian age which from the core of the McDame Synclinorium. These rocks are mainly a greenstone, chert and argillite assemblage. These rocks are in contact with cassiar batholith allochthonously, of Jurassic and/or Cretaceous age. This contact runs along the west shore of Vines Lake.

The Sylvester Group consists of chert, argillite, quartzite, grey-wall, limestone, conglomerate, phyllite and metamorphosed volcanic rock. The metasediments of Mississipian to Permian age comprise of limestone, dolomite, shale, argillite, minor quartzite and conglomerate. These rocks comprise the geology in the vicinity and to the east of Needlepoint Mountain.

Numerous gold-silver bearing quartz veins are occuring as fracture fillings and tabular concordant beds are found in Sylvester group rocks generally in close proximity to volcanic greenstones, argillite and quartz carbonate. With free gold these quartz veins are mineralizaed by free gold with tetrahedrite, chalcopyrite, pyrite and occasionally orsenopyrite, with secondary metachite and azurite, mariporite is also noticed in vein and quartz carbonate.

GEOCHEMICAL SURVEY

The geochemical survey was carred out during the period of September 9-16, 1984 on the northern part of the Nome #1 claim. A eastwest running baseline was established for a length of 1,000 meters and cross lines at right angle to the baseline with an interval of 100 meters and 50 meters stationed at each line for the total length of 8 kilometers. Soil samples were collected at every station except in swamps and boulderfield area. Rock chips were collected in absence of soil in out-crop areas.

GEOCHEMICAL PROFILE

Three pits were dug to establish different horizons of soil. These pits were located along slope, flat lying area and close to swamp.

The topsoil on "A" horizon consists of light greyish to grey color, sandy mixed with pebbles and angular fragments of rocks. There was needles of pine as area has thick vegitation.

The "B" horizon of soil was composed of glacial drifted sandy clay with pebbles of grit-size and very light-grey to brownish color, and in some cases with humus.

The "C" horizon was grey to brownish and consisted of fine sand with varying amounts of clay and subangular fragments of rocks. There was a definite intermixing of the "B" and "C" horizons. In general soil was transported from its place of origin.

SOIL SAMPLING TECHNIQUES

Eighty four (84) soil samples were collected from "B" horizon by auger and pick wherever possible. The auger was driven in to "B" horizon and pulled out. The soil was collected from grooves of the auger or a pit was dug to the "B" horizon and soil was collected and kept in Kraft waterproof proper bags where they remain until analysis. The rock chips were collected wherever soil was not present and out-crops of formations were exposed. These chips of rock were treated as soil.

The soil samples were delivered to Chemex Labs Ltd., 212 Brooksbank Avenue, North Vancouver, B.C., where drying, seiving and analysis were carred out under the supervision of a professional chemist. All these samples were analyzed for Au in parts per billion and silver in parts per million. Five grams of sample of -80 mesh was digested by hot acid solution of prechloric-nitric acid (aqua-rigin) then analyzed by atomic absorption.

The values for gold and silver are plotted on the same grid map but on different sheets (fig. 3). Intensities ranged for gold less than 5 ppb to 690 ppb and silver 0.1 ppm to 1.9 ppm. These values were plotted on a seperate sheet of graph paper to construct a hithogram and to find the background for each metal which will give the anomalous values. Background for gold 35 ppb and silver 1.00 ppm were considered.

Strong geochemical response for gold and silver related to easterly trending quartz veins in mafic volcanic rocks is indicated about 150 meters south of the location port. Additional work is necessary to properly evaluate the north end of the property. Positive geochemical response warrants detailed follow up surveys for proper definition of veins.

CONCLUSIONS AND RECOMMENDATIONS

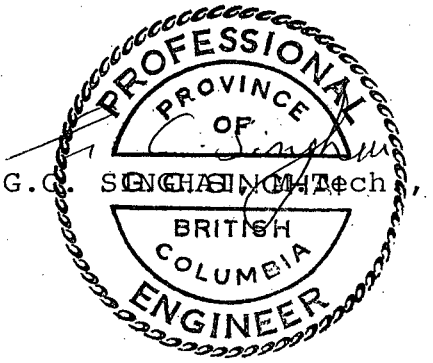
The above study indicates that the property is located in a favourable geological and structural environment. It overlies the Sylvester Group of volcanics and sedimentary rocks of Mississippian to Permian age. These rocks in turn overlie the McDame Group of Devonian age. The basal formations of the Sylvester Group consists of argillite, siltstone, limestone, chert, conglomerate and siliceous tuff which are intruded by 5-15 meters thick sills of andesite. The upper volcanic formations are metamorphosed to greenstone which hosts the gold bearing quartz veins. These rocks form the core of McDame Synclinorium. They are in contact with the Cassiar Batholith of Jurassic to Cretaceous age. These formations were subjected to a complex system of folding and faulting.

The mineralization occurs in the number of quartz veins which are hosted by greenstone in general. These veins are well defined and east-west trending structural zones. It appears that the lithologic control of veins is secondary. Free gold is found in these veins with a mineral assemblage of minor pyrite, tetrahedrite, chalcopyrite, arsenopyrite some sphalerite and galena. Azurite and malachite are noticed in weathered zones.

The present geochemical survey have obtained positive response for gold and silver in the northern part of the claim area particularly south of the location post. These anomalous values are related to the known float-quartz boulders. This warrants additional detailed follow-up work. In this area the grid should be established at an interval of 25 meters with stations of 25 meters to define veins. The present grids are at an interval of 100 meters with stations of 50 meters.

The geochemical anomalous zones should be tested by trenching.

Respectfully submitted,



G.S. SINGH, M.Tech., P.Eng.

Dated

620 Clearwater Drive
Richmond, B.C.

July 18, 1985

C E R T I F I C A T I O N

I, Gyan Chad Singhai of 5620 Clearwater Drive, Richmond, B.C., do hereby certify that:

1. I am a member of the Association of Professional Engineers of British Columbia since 1969, and member of the Canadian Institute of Mining and Metallurgy.

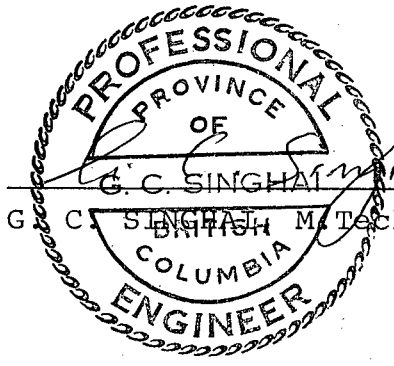
2. I am a post-graduate in Applied Geology (1959) from the University of Saugor, Sagar, Madhya Pradesh, India, and have been practising my profession since that time.

3. I was teaching in the University of Saugor, Sagar, and Ravishankar Unversity, Raipur, India, and practised my profession in India, Canada, West Indies, Mexico, and Peru.

4. This report is based as a result of the work carried out during September 9-16, 1984.

DATED AT

5620 Clearwater Drive)
Richmond, B.C.)
)
July 18, 1985)



G. C. SINGHAI M.Tech., P.Eng.

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6. Singhai, G.C., P.Eng. 1984 — Report on 1-4 MS Group and S.M. for mineral claims. Vines Lake Area Cassiar District, Laird Mining Division, B.C. For Davant Holdings Ltd.

APPENDIX

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 ANALYSIS

TO : SINGHAI ENGINEERING

901 - 675 W. HASTINGS ST.
VANCOUVER, B.C.
V5Y 3E1

CERT. # : A8417152-001-A
INVOICE # : I8417152
DATE : 24-OCT-84
P.O. # : NONE

Sample description	Prep code	Ag ppm Aqua R	Au ppb FA+AA				
00+00S 00+00W	201	0.1	<5	--	--	--	--
00+00S 00+01W	201	0.1	230	--	--	--	--
00+00S 00+02W	201	0.1	40	--	--	--	--
00+00S 00+03W	201	0.8	65	--	--	--	--
00+50S 00+00W	201	0.1	70	--	--	--	--
00+50S 00+01W	201	0.1	15	--	--	--	--
00+50S 00+02W	201	0.8	105	--	--	--	--
00+50S 00+03W	201	0.2	20	--	--	--	--
01+00S 00+00W	201	0.1	<5	--	--	--	--
01+00S 00+01W	201	0.1	40	--	--	--	--
01+00S 00+02W	201	0.1	5	--	--	--	--
01+00S 00+03W	201	0.1	40	--	--	--	--
01+50S 00+00W	201	1.5	690	--	--	--	--
01+50S 00+01W	201	0.1	<5	--	--	--	--
01+50S 00+02W	201	0.1	10	--	--	--	--
01+50S 00+03W	201	0.1	<5	--	--	--	--
02+00S 00+00W	201	1.0	105	--	--	--	--
02+00S 00+01W	201	0.3	150	--	--	--	--
02+00S 00+02W	201	0.1	5	--	--	--	--
02+00S 00+03W	201	0.1	5	--	--	--	--
02+50S 00+00W	201	0.6	105	--	--	--	--
02+50S 00+01W	201	0.4	10	--	--	--	--
02+50S 00+02W	201	0.3	10	--	--	--	--
02+50S 00+03W	201	0.1	65	--	--	--	--
03+00S 00+00W	201	0.1	<5	--	--	--	--
03+00S 00+01W	201	0.5	60	--	--	--	--
03+00S 00+02W	201	1.1	25	--	--	--	--
03+00S 00+03W	201	0.1	40	--	--	--	--
03+50S 00+00W	201	0.3	15	--	--	--	--
03+50S 00+01W	201	0.7	60	--	--	--	--
03+50S 00+02W	201	0.8	130	--	--	--	--
03+50S 00+03W	201	0.3	135	--	--	--	--
04+00S 00+00W	201	0.6	70	--	--	--	--
04+00S 00+01W	201	1.0	35	--	--	--	--
04+00S 00+02W	201	0.8	45	--	--	--	--
04+00S 00+03W	201	0.1	<5	--	--	--	--
04+50S 00+00W	201	1.3	155	--	--	--	--
04+50S 00+01W	201	0.1	<5	--	--	--	--
04+50S 00+02W	201	0.4	70	--	--	--	--
04+50S 00+03W	201	0.1	<5	--	--	--	--

CTA

Certified by ..... Hart Bichler

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TO : SINGHAI ENGINEERING

901 - 675 W. HASTINGS ST.
VANCOUVER, B.C.
V5Y 3E1

CERT. # : A8417152-002-A
INVOICE # : I8417152
DATE : 24-OCT-84
P.O. # : NONE

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05+00S 00+01W	201	0.1	<5	--	--	--	--
05+00S 00+02W	201	0.1	10	--	--	--	--
05+00S 00+03W	201	0.2	5	--	--	--	--
05+50S 00+00W	201	0.3	15	--	--	--	--
05+50S 00+01W	201	0.2	<5	--	--	--	--
05+50S 00+02W	201	0.4	30	--	--	--	--
05+50S 00+03W	201	0.2	<5	--	--	--	--
06+00S 00+00W	201	0.4	40	--	--	--	--
06+00S 00+01W	201	0.1	15	--	--	--	--
06+00S 00+02W	201	0.3	25	--	--	--	--
06+00S 00+03W	201	0.2	<5	--	--	--	--
06+50S 00+00W	201	0.2	<5	--	--	--	--
06+50S 00+01W	201	0.2	5	--	--	--	--
06+50S 00+02W	201	0.2	<5	--	--	--	--
06+50S 00+03W	201	0.1	15	--	--	--	--
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07+00S 00+01W	201	0.2	35	--	--	--	--
07+00S 00+02W	201	0.2	20	--	--	--	--
07+00S 00+03W	201	0.2	<5	--	--	--	--
07+50S 00+00W	201	0.4	<5	--	--	--	--
07+50S 00+01W	201	0.3	5	--	--	--	--
07+50S 00+02W	201	0.3	15	--	--	--	--
07+50S 00+03W	201	0.2	30	--	--	--	--
08+00S 00+00W	201	0.3	20	--	--	--	--
08+00S 00+01W	201	0.1	15	--	--	--	--
08+00S 00+02W	201	0.3	35	--	--	--	--
08+00S 00+03W	201	0.2	35	--	--	--	--
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09+50S 00+02W	201	0.4	50	--	--	--	--
09+50S 00+03W	201	0.3	30	--	--	--	--

Certified by .....Hart Buchler.....

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VANCOUVER, B.C.
V5Y 3E1

CERT. # : A8417152-003-A
INVOICE # : I8417152
DATE : 24-OCT-84
P.O. # : NONE

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10+00S 00+01W	201	0.9	40	--	--	--	--
10+00S 00+02W	201	0.2	55	--	--	--	--
10+00S 00+03W	201	1.9	85	--	--	--	--

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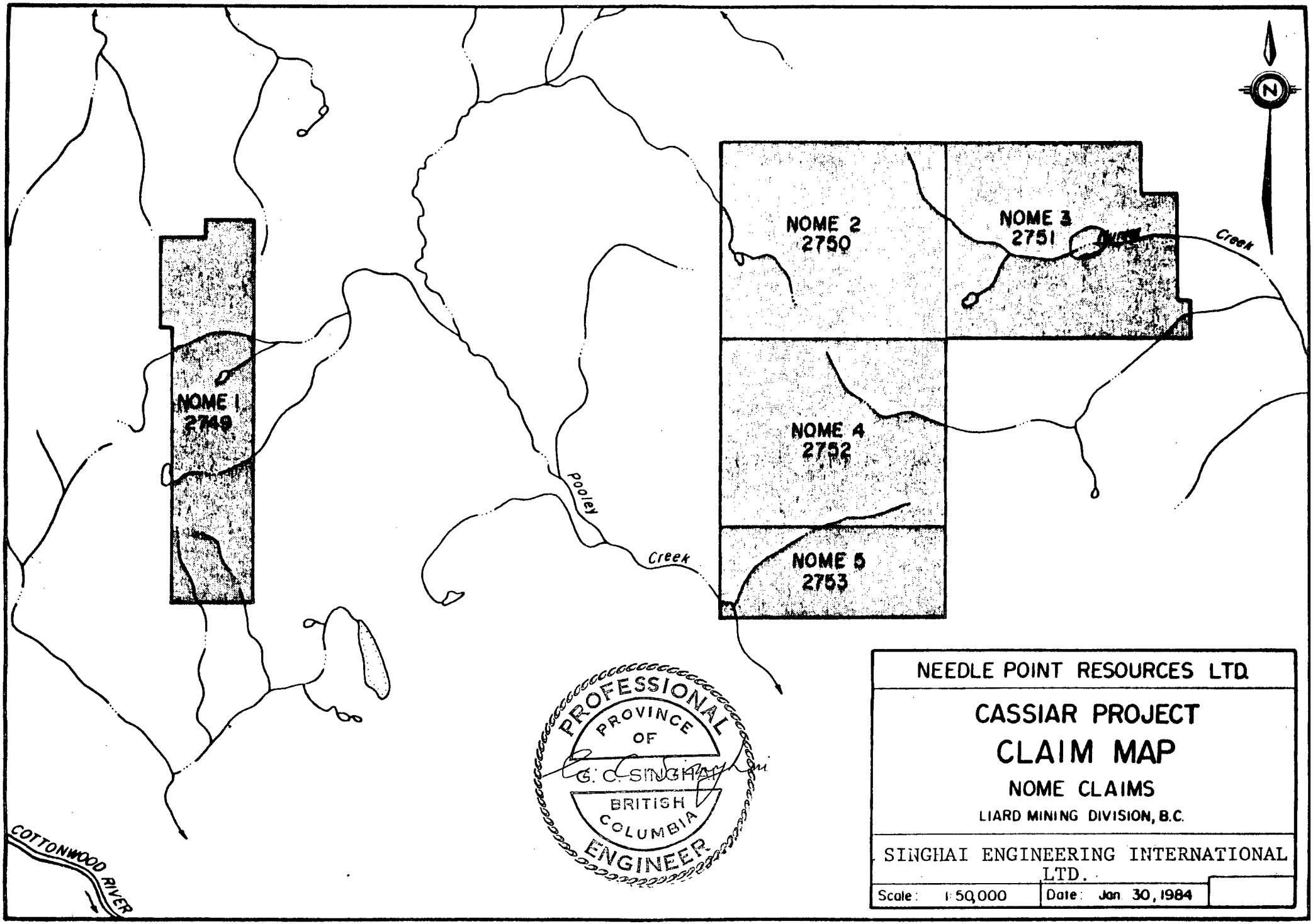
MAPS

NEEDLE POINT RESOURCES LTD.
NOME CLAIMS

0 100 200 MILES
0 100 200 300 Km

NEEDLE POINT RESOURCES LTD.	
CASSIAR PROJECT PROPERTY LOCATION MAP NOME CLAIMS LIARD MINING DIVISION, B.C.	
SINGHAI ENGINEERING INTERNATIONAL LTD.	
Scale: As shown	Date: Jan 30, 1984



NEEDLE POINT RESOURCES LTD.

CASSIAR PROJECT

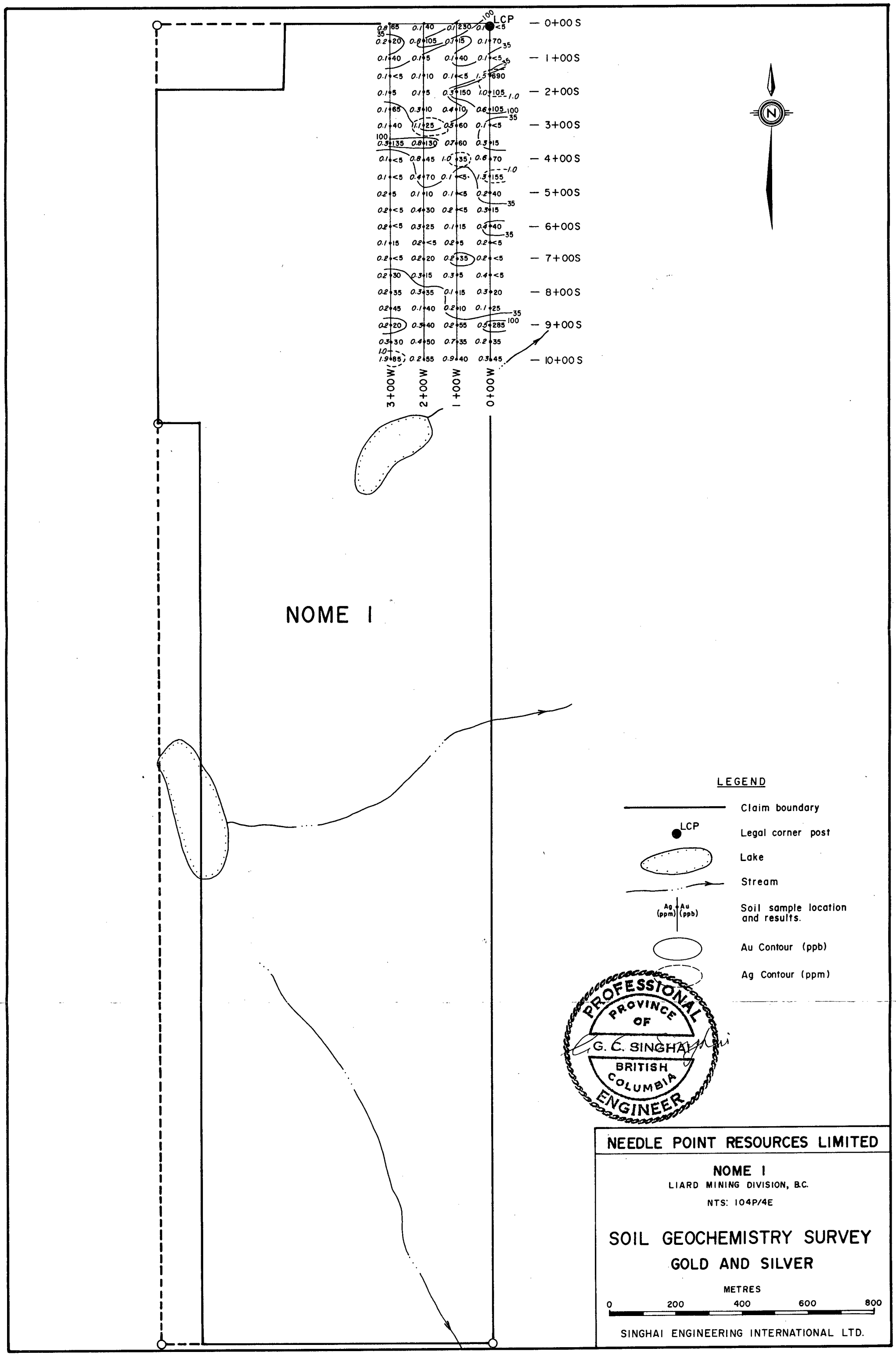
CLAIM MAP

NOME CLAIMS

LIARD MINING DIVISION, B.C.

SINGHAI ENGINEERING INTERNATIONAL LTD.

Scale: 1:50,000 | Date: Jan. 30, 1984


LCP
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LEGEND
Claim boundary
LCP
Legal corner post
Lake
Stream
Ag (ppm) Au (ppb)
Soil sample location and results.
Au Contour (ppb)
Ag Contour (ppm)
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
G. C. SINGHAI
NEEDLE POINT RESOURCES LIMITED
NOME 1
LIARD MINING DIVISION, B.C.
NTS: 104P/4E
SOIL GEOCHEMISTRY SURVEY
GOLD AND SILVER
METRES
0 200 400 600 800
SINGHAI ENGINEERING INTERNATIONAL LTD.