

85-614-13877

9/86

GEOLOGICAL AND GEOCHEMICAL REPORT

ON THE

ADUF 1, 2, AND 3 FRACTION MINERAL CLAIMS

Lat. 50°, 43'

Long. 120°, 40'

NTS - 92I/10W

Kamloops Mining District, British Columbia

by

Mr. Thomas P. Gallagher

for

AVF Minerals Ltd. (Owner)

300 - 1550 8th Ave. S. W.

Calgary, Alberta

September 20, 1985

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

13,877

INTRODUCTION

GENERAL:

This assessment report concerning geological and geochemical works on the Aduf #1, 2 and 3 Fractions is derived from a report by Mr. T.P. Gallagher, dated November, 1984, for his employer, AVF Minerals Ltd., concerning the Duffy Creek Area, Kamloops Mining District, B.C. That report and other related data are available in the Calgary files of AVF Minerals Ltd.

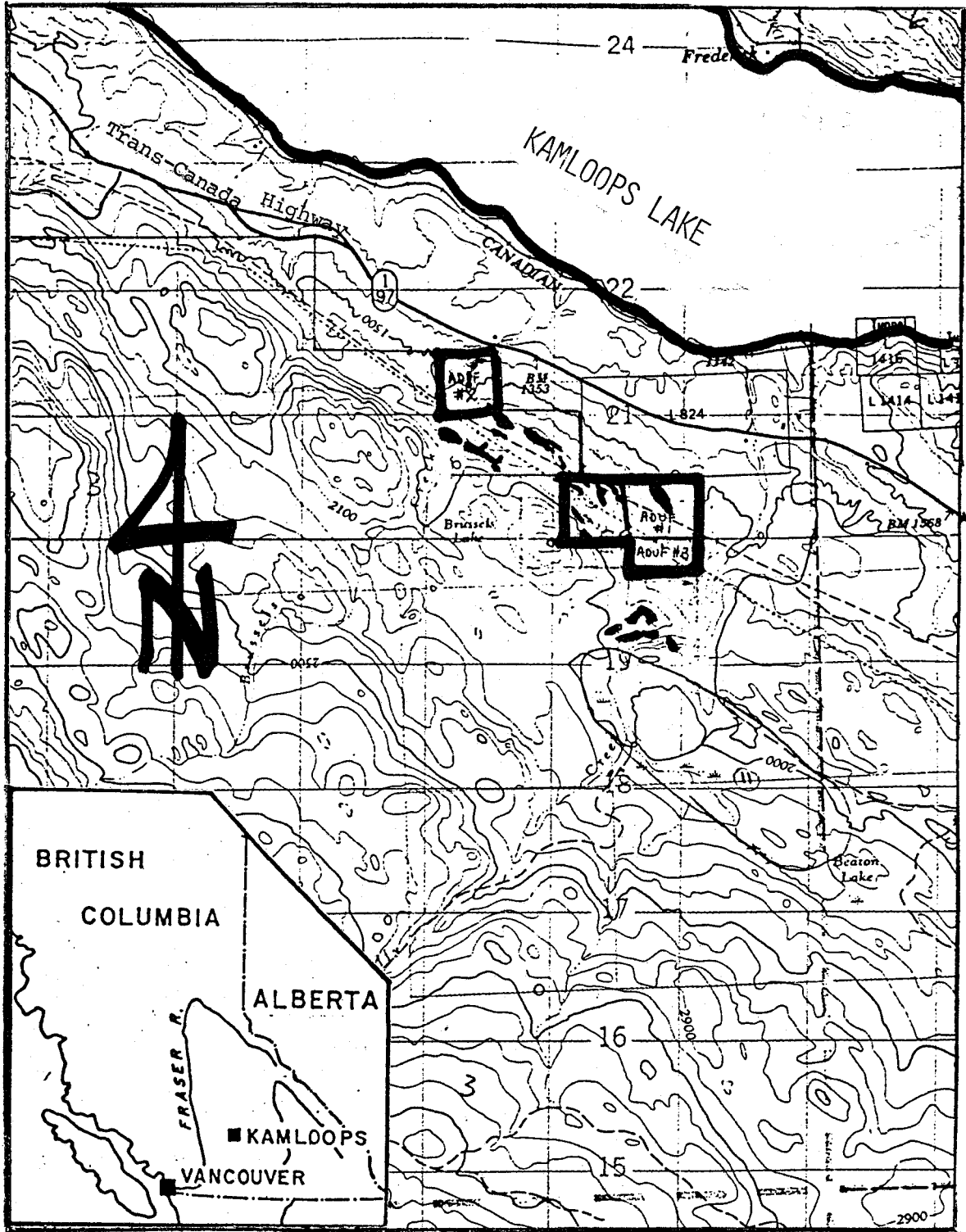
AVF Minerals Ltd. has discovered virgin gold targets on its claims and intends to pursue these with more exploration works and if warranted, development.

LOCATION:

The Aduff #1, 2, and 3 Fraction claims are located in the Kamloops Mining District, 20 kilometers west of Kamloops, British Columbia, within 2 kilometers of the south shore of Kamloops Lake and within a kilometer of the Trans-Canada Highway. The claims are situated on map sheet NTS-92I/10W at 50° 43' latitude and 120° 40' longitude.

ACCESS:

The properties are accessible from the Trans-Canada Highway



to
Kamloops
20 KM.

Figure 1: Location Map

by taking dirt roads that follow section lines and a pipeline that crosses the property, on the northwest side of Duffy Creek.

CLIMATE AND PHYSIOGRAPHY:

The physiography and climate are characteristic of the Interior Plateau. Outcrops are found in northwest trending ridges separated by glacial alluvium. The climate is semi-arid with hot summers and cold winters. Vegetation is sparse, consisting of various grasses, weeds and small bushes. Pine forests commence higher up slope to the southwest of the claims.

THE PROPERTY:

The claims are known as Aduf 1, Aduf 2 and Aduf 3 Fractions and are composed of 4 units comprising approximately 85 hectares. The claims were staked on behalf of the company by employees in August and September 1984. They are owned by AVF Minerals Ltd., 820 - 602 12 Ave S.W., Calgary, Alberta T2R 1K1. AVF Minerals is a private company and intends to explore, and if warranted, to develop and operate the property for its own account.

PREVIOUS WORKINGS:

The area of the Aduf claims was originally worked as a part of the Maria gold/placer area, and there are still some

placer leases in the area. During the staking rush associated with the discovery of the Afton gold/silver deposit 8 Km. to the southeast, the area of the Aduf claims was briefly held for its copper potential. Despite this interest, there are no buildings or habitations on the property and there is no evidence of old diggings or old mine workings. Also, there is no evidence of such modern physical exploration works as trenching or drilling on the property. (A pipeline has been excavated across the property in recent times and rock material with anomalous gold values was detected in this material during the geological/geochemical survey considered herein.)

Surface rights are controlled by local ranchers and the land is currently being used for cattle grazing.

THE AVF PROGRAM AND RESULTS:

AVF Minerals Ltd. initiated an exploration program in British Columbia in 1983 to search for bulk mineable, metallurgically simple gold deposits utilizing geological models and exploration techniques that have proven very successful in the western U.S.A. in the past decade.

Based on compilation studies and regional geological reconnaissance in 1983, the Kamloops area was selected for more detailed geological and geochemical studies. In the Spring of 1984,

favorable host rocks were identified west of Kamloops and prospecting and reconnaissance stream sediment and litho-geochemistry demonstrated local gold-silver-arsenic-mercury anomalies. Consequently, the Aduf #1, 2 and 3 Fraction claims were staked and a more detailed exploration program was conducted in the claim area.

The program consisted of:

1. General prospecting;
2. Marking out a grid system on the claims for control of geological and geochemical surveys;
3. Geological mapping of approximately 100 hectares at a scale of 1:2000; and
4. Rock chip geochemistry (obviously restricted to outcrop areas). Seventy-three representative samples of outcrop materials were assayed for gold, silver and arsenic.

The results of the geological and geochemical surveys indicate that gold and arsenic anomalies are associated with silica-carbonate altered Mesozoic and Cenozoic volcanic rocks on the property. These anomalies constitute gold targets worthy of more detailed exploration and evaluation. The gold is not visible and so future work will require extensive sampling, both on surface from outcrop and trenches, and likely from subsurface drilling. (This detailed exploration has not yet commenced and to date, AVF has not conducted any works that have disturbed or modified the surface of the property.)

GEOLOGY

Regional Geology:

The Aduf claims occur on the western edge of a major zone of tectonic disturbance about 10 Km. wide and about 35 Km. long, known as the Cherry Creek Fault Complex that cuts across Nicola Group volcanic rocks in a northwesterly direction. The fault zone separates Triassic Nicola Group volcanic rocks from younger, Mesozoic and Tertiary (Kamloops Group) volcanic and sedimentary rocks, and has served as the locus of Triassic and Tertiary intrusive rocks. The intrusives impart a strong magnetic signature to the area, and are of direct economic importance as the host rocks of copper-gold mineralization at Afton.

Geology of the Aduf Claims:

The descriptions and interpretations which follow are based on original geological mapping by the author. For purposes of correlation, they have been interpreted in terms of lithological groups established in this region by others.

The control for mapping at a scale of 1:2000 was a grid at 100 meter spacings surveyed by Topofil along north-south trending lines 100 m. apart from the claim boundaries.

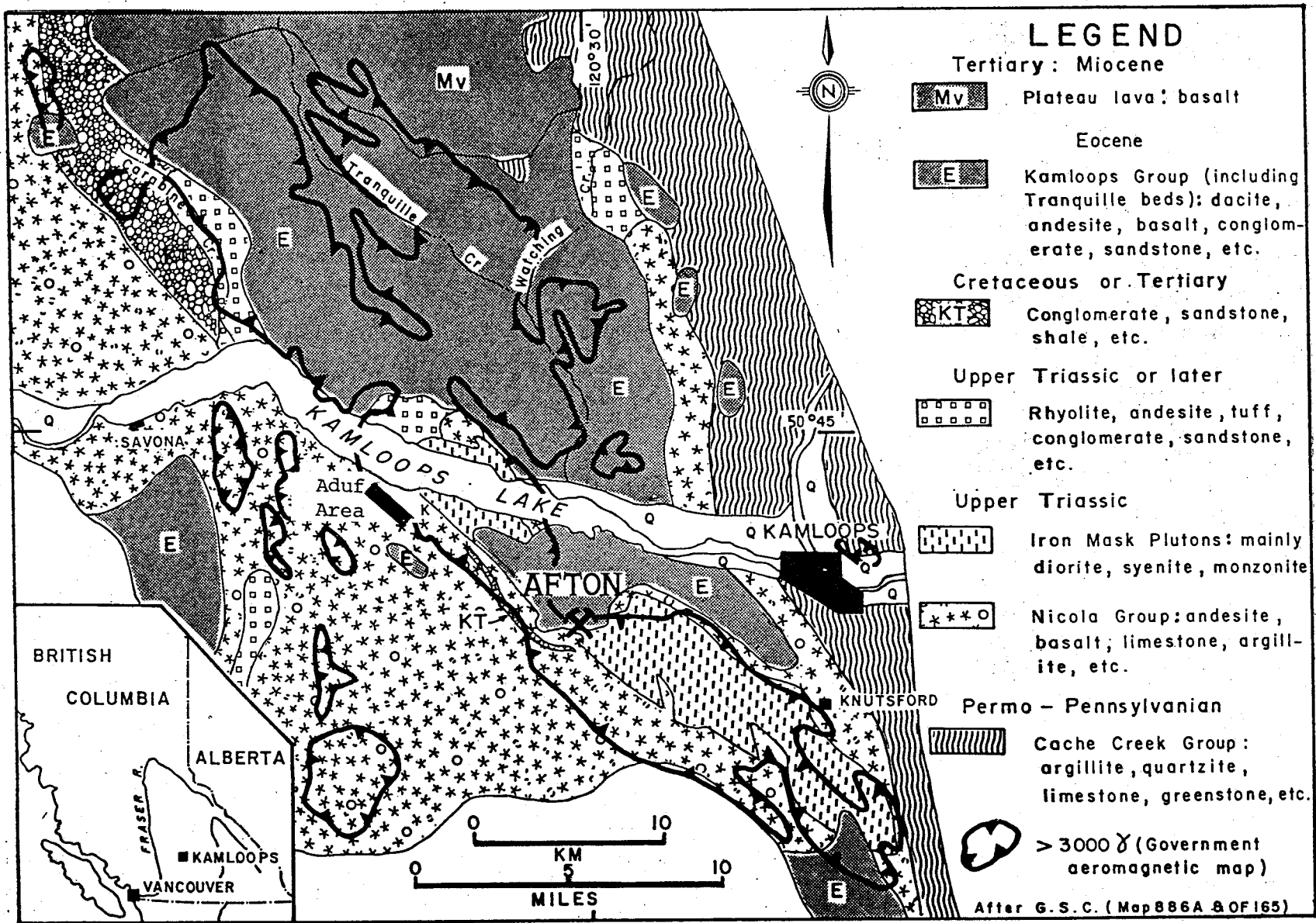


Figure 2. Regional Geology (from J. M. Carr and A. J. Reed, p. 376 CIM Spec. Vol. No. 15.)

The claims lie within the drainages of Brussels and Duffy Creeks on the lower flank of a range of hills sloping northeasterly towards Kamloops Lake. Relief on the property itself is from 10 to 50 meters due to dissected outcrop ridges trending northwesterly. Areas between outcrops are filled with glacial alluvium in places at least 10 m. thick, as exposed in stream cuts. Actual outcrops constitute about 5% to 10% of the area of the claims.

The Aduf claims occur on the west side of the Cherry Creek Fault and are largely underlain by northwest trending, modestly southwest dipping mafic-intermediate volcanic rocks, and related sedimentary rocks interpreted as belonging to the Nicola Group. These are cut by dikes, sills, and plugs of rhyolitic rocks believed to be of Tertiary age and assigned herein to the Kamloops Group. Relationships are shown on Plate I and II in the pocket.

The oldest and most prevalent unit mapped on the property is a sequence of andesitic volcanoclastic rocks. The unit is massive to poorly banded, medium greenish grey in color, and where discernable, thin to medium bedded. It is largely composed of feldspar and chlorite in sand to lapillae-sized fragments.

Interbedded with and really a sub-unit of the andesitic volcanoclastic sequence, is a siltstone unit with the composition of siliceous greywacke. Several such units are present with

outcrop widths as much as 50 m. The unit is medium grey to green to black, aphanitic to fine-grained, well thin to medium bedded, and composed of feldspar, quartz, biotite, and chlorite. Bedding is locally contorted, but in general, the beds strike northwesterly. Dips range from 10° northeast to 70° southwest, but on average, the layers dip to the southwest at about 45°.

The youngest of the units ascribed to the Nicola Group is a resistant hill-forming unit exposed in the southwest quadrant of the Aduf #1 claim. The rocks are massive, generally grey-green to medium green, fine to medium grained. Structural features indicate that these units are well indurated flows, flow breccias and agglomerates. Individual fragments and blocks range from sand sized to over 2 m. The majority of fragments are andesite composed of plagioclase and chloritized mafic minerals (hornblende?), but about 10% of them are lighter colored, contain quartz, and are interpreted as being dacites.

All three units of the Nicola Group are cut by porphyritic dikes, sills, and irregular plugs of intrusive rhyolite a few inches to more than 50 m. wide. In some places, entire outcrop areas are comprised of this rock so it is impossible to say how extensive it is or what its relationship is to other lithologies. The larger bodies are elongated northwesterly and probably represent sills or plugs. Narrower bodies commonly occur as near vertical northwesterly (120°) and north northwesterly trending

(160°) dikes. These dikes commonly turn into sills and/or send off sill-like apophyses into the country rocks. The rhyolite is white to buff to light grey, aphanitic to very fine grained, and contains abundant fine to very coarse grained quartz and alkali feldspar phenocrysts. The unit is generally massive except near contacts where a good foliation or flow-banding is discernable.

The last bed rock type, dacite breccia, is found in only a few small outcrops in the northeastern quadrant of the Aduf #1 claim. The unit has a fragmental structure, (angular lapillae sized fragments), is medium greenish grey, and composed of feldspar phenocrysts in a matrix of fine grained feldspar, quartz, and chlorite. It is interpreted as an ash flow of the Tertiary Kamloops Group. It is presumed to be older than the rhyolite but definitive contact relationships are lacking.

Aspects of the structural geology have been mentioned previously but will be recapitulated here. The dominant structures trend northwesterly, but others, particularly some faults and mineralized veins and fractures trend in other directions. Bedding in volcanic and related sedimentary rocks, although locally variable and contorted, tends to strike northwesterly with an average southwest dip of about 45°. Smaller, steep dipping igneous bodies presumably follow steep northwesterly and north northwest trending tensional fractures. Some of the igneous bodies oriented northwesterly,

follow moderately dipping bedding features as well, but some of the larger ones probably are more steeply dipping, and are likely related to the northwesterly trending Cherry Creek Fault Zone - contact relationships simply aren't well enough exposed to make a determination. (It should be noted that the dikes often are flow banded near contacts with country rocks, and that the country rocks near dikes, and elsewhere, are sheared and/or foliated.) Mineralized fractures and quartz-carbonate veins younger than rhyolitic intrusives have 3 characteristic orientations as follows (strike/dip): 150°-170°/90°-80°W; 120°-135°/45°W and 85°W; and 30°-40°/65° NW - 65°SE. The youngest structural features in the area are a number of faults and foliation structures (shears), trending 45°-60°/90°-85°NW. They have chopped up the various lithologies and control the major modern drainages.

Alteration and Mineralization:

There is no visible mineralization on the Aduf claims. The only element of economic importance determined to date is gold that has only been detected in anomalous amounts by geochemical techniques discussed in a subsequent section. There has not been enough work performed to date to determine whether or not the gold is present in grade or quantity to be economically exploitable. These economic determinations will be the subject of future works on the property.

The anomalous gold values detected on the property are localized in and about some of the smaller north northwesterly trending rhyolite porphyry dikes that cut the andesitic volcanoclastic and related siliceous greywacke siltstones. In these areas of gold mineralization, the rhyolitic rocks have suffered quartz-sericite alteration and the country rocks are strongly altered to an assemblage of carbonate (ankerite and calcite), quartz, with sericite near the dike contacts and grading to chlorite further away. Light green mariposite locally accompanies the sericite and carbonate altered rocks. Outside of this zone, calcite, chlorite, and locally epidote are predominant (as a propylitic halo). As much as 5% disseminated pyrite occurs in the altered rhyolite dike rock and adjacent carbonate altered andesitic volcanic volcanoclastic and sedimentary rocks. Also in this zone, limonite after pyrite occurs as films on some fractures and as seams and blebs associated with calcite veins, quartz-calcite veins, and opaline silica veins. The above 3 vein types seldom exceed a few centimeters in width and are seldom found more than 50 meters from altered rhyolite dikes.

GEOCHEMISTRY

THE SURVEY:

The Aduf #1, 2, and 3 Fraction claims were subjected to a geochemical survey to seek gold and/or silver targets. In addition to these elements, arsenic values were also surveyed because it is a common associate throughout the world in most gold-bearing hydrothermal systems. The survey utilized the same grid system used for the geological survey.

Experience in other areas has demonstrated that soil samples in glacial alluvium do not reflect local bedrock conditions and may in fact be quite misleading. The claims are extensively covered by glacial alluvium which according to stream cuts on the property, can be several meters thick. Consequently, it was decided to restrict the survey to chip samples of bedrock in outcrop areas. Outcrops, although not uniformly distributed, are scattered over the claims and constitute about 5% of their total area. Most outcrops or outcrop areas were sampled and a total of 73 samples were collected on the claims. The samples (RK-01 to RK-96) were analyzed for gold, silver and arsenic and the results are shown on the appended assay sheets. The sample sites and assay values are also plotted on the geological base maps as Plates 3 and 4 in the pocket of this report.

SAMPLING:

The sampling procedure was to break a number of chips of fresh rock material devoid of surficial oxidation, weathering, or vegetal matter and to pool a number of such pebble size fragments - depending upon the size and uniformity of the outcrop, into one representative sample. Samples commonly represented 3 to 10 meters of outcrop diameter. Multiple independent samples were taken from some of the larger outcrops. Also, multiple independent samples were taken to reflect changes in rock type - or where single rock types demonstrated different hypogene alteration facies.

ANALYTICAL PROCEDURES:

The rock chip samples weighing between 1 and 3 kilos per bag were shipped to Bondar-Clegg Laboratories in Vancouver for analysis for gold, silver and arsenic, by their standard techniques. The samples were crushed to -10 mesh and splits weighing about 1 kilo were pulverized to -150 mesh. For the gold analyses, 10 gram samples were fired to produce a lead-gold-silver alloy which is cupellated to produce a silver-gold sponge. The silver is parted out with nitric acid, and then the gold is put into solution with aqua regia, and the gold content measured in parts per billion by an atomic absorption technique. Silver values were determined by extracting silver from one gram samples with

hot nitric and hydrochloric acid and then analyzed by an atomic absorption technique. Arsenic was determined by a colourimetric technique following a nitric-perchloric acid digestion.

DISCUSSION OF RESULTS:

Given the analytical results, and the non-uniform scattering of sample sites, it is necessary to be rather arbitrary in interpreting the data and in determining what is anomalous. Inspection of the results indicates several interesting gold and arsenic values (i.e. greater than 20 ppb gold or 40 ppm arsenic), but no significant silver.

Examination of the maps (Plates III and IV) show that most of the anomalous arsenic and gold values were concentrated on the Aduf #1 claim where there are 4 discreet zones containing elevated arsenic values and one zone with high gold values. The Aduf #2 claim had a modest arsenic anomaly, but the gold values are not remarkable. The Aduf #3 Fraction possesses no anomalous metal values.

The anomalous gold zone on Aduf #1 contains 5 sites with gold values between 85 ppb and 3500 ppb. The zone is oriented in a north northwest direction and is about 200 m. long and as much as 75 m. wide. The anomalous zone contains numerous quartz and/or carbonate veins and opaline silica veinlets and

correlates with a 20 m. wide rhyolite dike trending north northwest cutting andesitic volcanoclastic rocks.

Arsenic has no realistic commercial value in itself and is important here only because of its application as a guide to gold mineralization. On a global basis, arsenic anomalies tend to form haloes around and above gold deposits. On Aduf #1, an arsenic anomaly partially overlaps the west side of the gold anomaly, and another arsenic anomaly with scattered weak gold values occurs 300 m. to the east. This suggests that the main target for a large gold deposit occurs under alluvium between the two main arsenic anomalies.

Obviously much more work is required on the property to gain information and to test for ore, particularly in covered areas. Priority should be given to the large gold target and covered vicinity of Aduf #1, with secondary emphasis on and around the other arsenic anomalies. Trenching and/or drilling will be required for the next phase.



APPENDIX 1: GEOCHEMICAL ANALYSES

REPORT: 124-2666

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	As PPM	Au PPB	NOTE	SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	As PPM	Au PPB	NOTE
T BCC 1		<0.2	<2	<5		R K-35		<0.2	9	<5	
T BCC 2		<0.2	27	10		R K-36		<0.2	17	<5	
T BWC 7		<0.2	2	<5		R K-37		<0.2	12	<5	
T BWC 8		<0.2	<2	<5		R K-38		<0.2	5	<5	
R BF 1		1.1	7	<5		R K-39		<0.2	30	<5	
R BF 2		0.3	5	<5		R K-40		<0.2	50	20	
R K-01		<0.2	10	<5		R K-41		0.2	57	<5	
R K-02		<0.2	3	<5		R K-42		<0.2	14	<5	
R K-03		0.8	13	15		R K-43		<0.2	11	15	
R K-04		0.2	45	<5		R K-44		<0.2	10	<5	
R K-05		<0.2	76	15		R K-45		<0.2	19	<5	
R K-06		<0.2	18	<5		R K-46		<0.2	5	<5	
R K-07		<0.2	100	5		R K-47		<0.2	8	<5	
R K-08		<0.2	40	<5		R K-48		<0.2	4	<5	
R K-09		0.3	33	<5		R K-49		<0.2	3	<5	
R K-10		<0.2	18	<5		R K-50		0.3	12	30	
R K-11		1.7	42	30		R K-51		<0.2	120	5	
R K-12		0.2	11	<5		R K-52		<0.2	43	<5	
R K-13		<0.2	22	20		R K-53		<0.2	115	<5	
R K-14		0.3	67	<5		R K-54		<0.2	50	<5	
R K-15		0.5	11	15		R K-55		0.2	20	<5	
R K-16		0.4	29	5		R K-56		<0.2	90	5	
R K-17		<0.2	4	<5		R K-57		<0.2	135	<5	
R K-18		<0.2	14	20		R K-58		<0.2	28	25	
R K-19		<0.2	10	<5		R K-59		<0.2	11	<5	
R K-20		0.3	38	85		R K-60		<0.2	8	<5	
R K-21		<0.2	28	130		R K-61		<0.2	11	<5	
R K-22		<0.2	47	5		R K-62		0.5	19	25	
R K-23		<0.2	5	<5		R K-63		<0.2	6	<5	
R K-24		6.0	30	380		R K-64		0.2	66	20	
R K-25		<0.2	19	30		R K-65		0.2	250	<5	
R K-26		<0.2	4	<5		R K-66		<0.2	19	<5	
R K-27		0.4	20	20		R K-67		<0.2	30	<5	
R K-28		<0.2	10	15							
R K-29		0.2	58	15							
R K-30		<0.2	6	<5							
R K-31		6.3	27	5							
R K-32		<0.2	78	3500							
R K-33		<0.2	50	<5							
R K-34		<0.2	9	<5							

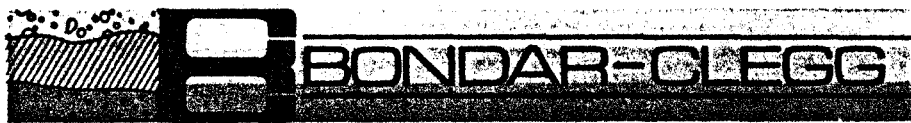


124-3134

PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	As PPM	Au PPB	NOTES
R D-1		<0.2	18	5	
R D-2		<0.2	15	<5	
R D-3		<0.2	75	<5	
R D-4		<0.2	8	<5	
R D-5		<0.2	35	<5	
R D-6		<0.2	31	<5	
R K-68		<0.2	10	<5	
R K-69		<0.2	15	15	
R K-70		<0.2	20	10	
R K-71		<0.2	8	10	
R K-72		<0.2	25	40	
R K-73		<0.2	15	<5	
R K-74		<0.2	13	5	
R K-75		<0.2	11	<5	
R K-76		<0.2	14	<5	
R K-77		<0.2	15	5	
R K-78		<0.2	15	10	
R K-79		<0.2	7	<5	
R K-80		<0.2	13	<5	
R K-81		<0.2	21	<5	
R K-82		<0.2	8	<5	
R K-83		<0.2	11	5	
R K-84		<0.2	85	5	
R K-85		<0.2	52	15	
R K-86		<0.2	140	<5	
R K-87		<0.2	58	5	
R K-88		<0.2	12	15	
R K-89		0.6	31	10	
R K-90		<0.2	6	5	
R K-91		<0.2	51	<5	
R K-92		<0.2	85	<5	
R K-93		<0.2	75	<5	
R K-94		<0.2	38	10	
R K-95		<0.2	18	15	
R K-96		<0.2	12	10	



REPORT: 124-1722

PROJECT: NONE GIVEN PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Ag PPM	As PPM	Hg PPB	Au PPB	wt/Au	NOTES
T GKR-6		<0.2	6		<5		
T GKR-7		<0.2	11		100		
T GKR-8		<0.2	8		<5		
T GKR-9		<0.2	8		30		
T GKR-12		<0.2	11		<5	5.00	
T GKR-13		<0.2	8		<5		
T GKR-14		<0.2	6		<5		
T GKR-15		<0.2	6		<5	10.00	
T GKR-17		<0.2	7		<5	18.00	
T GKR-19		<0.2	8		<5	18.00	
T GKR-20		<0.2	6		<5		
T GKR-23		<0.2	4		<5		
T GKR-24		<0.2	6		<5		
T GKR-25		<0.2	4		<5		
T GKR-26		<0.2	3		<5	10.00	
T GKR-27		<0.2	4		<5		
T GKR-28		<0.2	11		<5	10.00	
T GKR-29		<0.2	7		<5		
T GKR-30		<0.2	8		<5	7.00	
T GKR-31		<0.2	7		40		
T GKR-32		<0.2	11		<5	20.00	
T GKR-34		<0.2	12	100	925		
T GKR-35		<0.2	31	120	30		
T GKR-36		<0.2	8	205	420		
R GKR-10		<0.2	11		<5		
R GKR-11		<0.2	12		80		
R GKR-16		<0.2	4		<5		
R GKR-18		<0.2	14		<5		
R GKR-21		<0.2	4		<5		
R GKR-22		<0.2	13		<5		
R GKR-33		0.2	28		975		

AVF MINERALS LTD.

300 Mount Royal Village
 1550 - 8th Street S.W.
 Calgary, Alberta T2R 1K1
 (403) 228-9152

APPENDIX 2

ADUFF

Statement of Expenditures

August 29, 1984 - November 23, 1984

<u>Wages</u>	<u>Date</u>	<u>No. of Days</u>		
T. Gallagher:	August 29-31	3		
	September 4-6	3		
	September 17-22	6		
			12 x \$275/day =	\$3,300.00
T. Borthwick:	August 29	1		
	September 12-14	3		
	September 17-20	4		
			8 x \$100/day = \$	800.00
			<u>Total Wages</u>	<u>\$4,100.00</u>
				\$4,100.00

Food, Lodging and Supplies

August 29-31	\$	74.81	
September 17-22		443.42	
Trailer Rental 12 days @ \$36/day		432.00	
		<u>950.23</u>	950.23

Transportation

T. Gallagher - Truck Rental			
August 29-31	3 days @ \$35/day	\$105.00	
September 4-6	3 days @ \$35/day	105.00	
September 17-22	6 days @ \$35/day	210.00	
T. Borthwick - Truck Rental			
August 29	1 day @ \$35/day	\$ 35.00	
September 12-14	3 days @ \$35/day	105.00	
September 17-20	4 days @ \$35/day	140.00	

Gas & Maintenance		<u>\$237.58</u>	
		\$937.58	937.58

../2

ADUFF
Statement of Expenditures
Page 2

Analysis

73 Samples	Analysis of Silver @ \$1.95	\$ 142.35	
73 Samples	Analysis of Gold @ \$6.50	474.50	
73 Samples	Analysis of Arsenic @ \$3.50	255.50	
	Sample Preparation	210.20	
	Shipping Charges	<u>51.95</u>	
		\$1,134.50	\$1,134.50

Report Preparation

T. Gallagher:	October 1-3	3 days	Report Preparation	
	November 22-23	<u>2</u> days	Completion of Report	
		5 days x \$275/day		<u>1,375.00</u>

TOTAL EXPENDITURES

\$8,497.31

APPENDIX 3

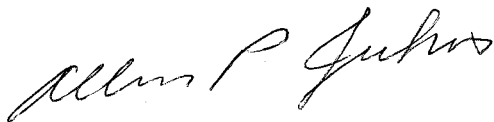
STATEMENT OF QUALIFICATIONS

of

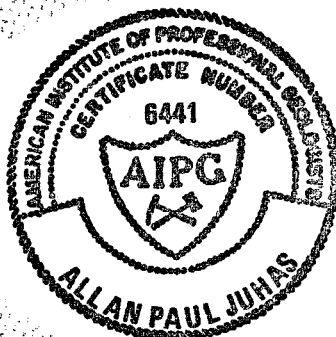
THOMAS P. GALLAGHER

THOMAS P. GALLAGHER is a Canadian citizen whose residence is 35 Bayview Drive S.W., Calgary, Alberta, T2V 3N9. Mr. Gallagher graduated from the University of Alberta, Calgary, in 1975, with a B. Sc. degree in Geology. Since that time he has worked continuously as a geologist engaged in the exploration and development of base metal, precious metal, and petroleum prospects. Between 1974 and December 1981, he was employed by Texasgulf Inc., based at their international exploration headquarters in Denver, Colorado. Although exposed to a broad spectrum of commodities and projects in the U.S.A. and Canada, S. Africa, and Australia, his main experience was in reconnaissance through detailed exploration and development activities involving gold, silver, and complex base-metal projects in Nevada, Utah, Oregon, Idaho, and Colorado. In 1982, he joined AVF Resources Inc. and its successor, AVF Minerals Ltd., as a manager in charge of gold and silver exploration programs in Canada and the U.S.A. It is one of his programs in British Columbia utilizing state of the art geological and geochemical techniques that resulted in the discovery of virgin gold mineralization on the present Aduf group of claims. In January 1985, Mr. Gallagher left AVF to form his own private company, Pauma Petroleum Ltd.

I have known Mr. Gallagher as a professional geologist since 1974, when we both worked for Texasgulf and am familiar with his work on the Aduf project.



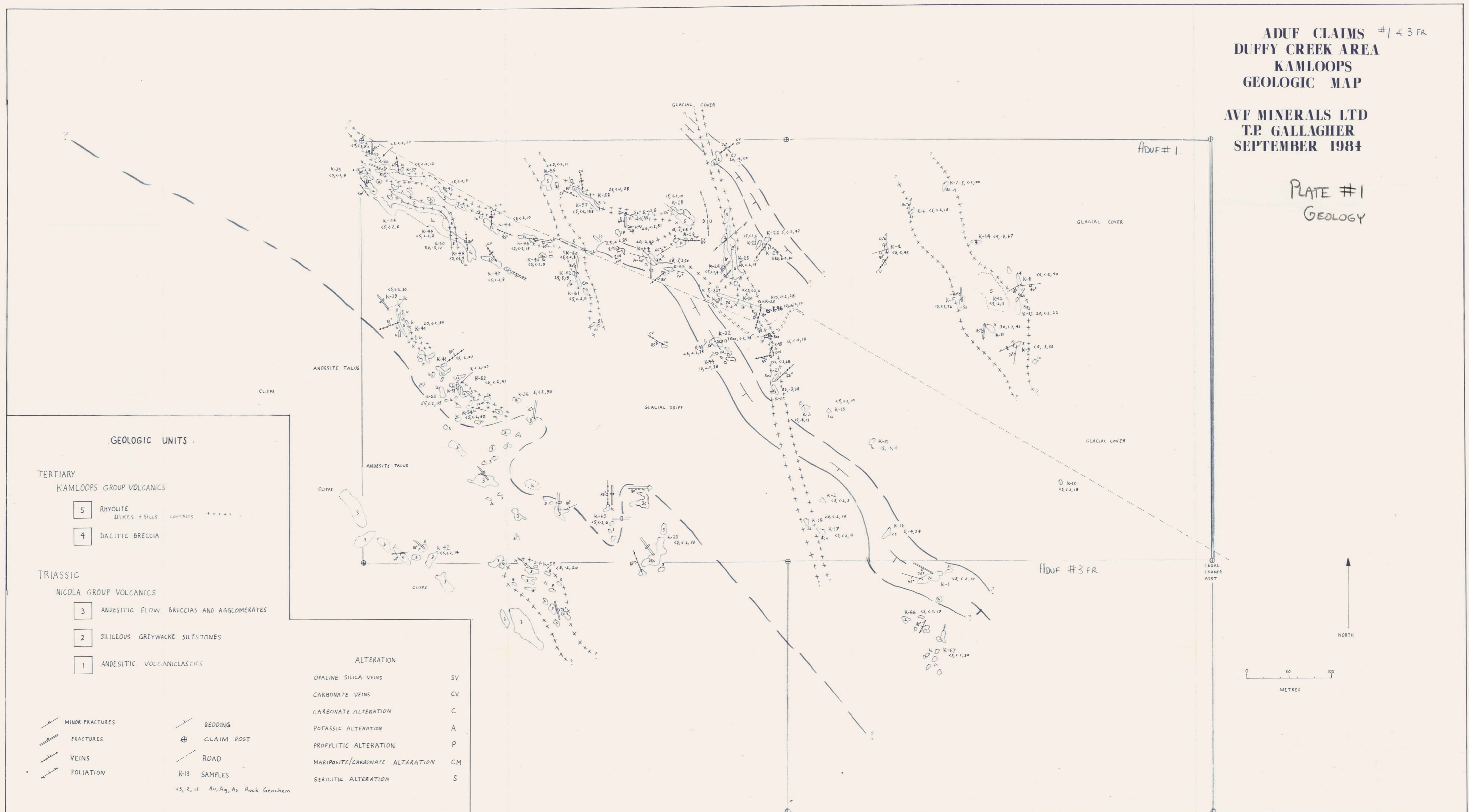
Dr. Allan P. Juhas
President, AVF Minerals Ltd.
August 23, 1985



ADUF CLAIMS #1 & 3 FR
DUFFY CREEK AREA
KAMLOOPS
GEOLOGIC MAP

AVF MINERALS LTD
T.P. GALLAGHER
SEPTEMBER 1984

PLATE #1
GEOLOGY

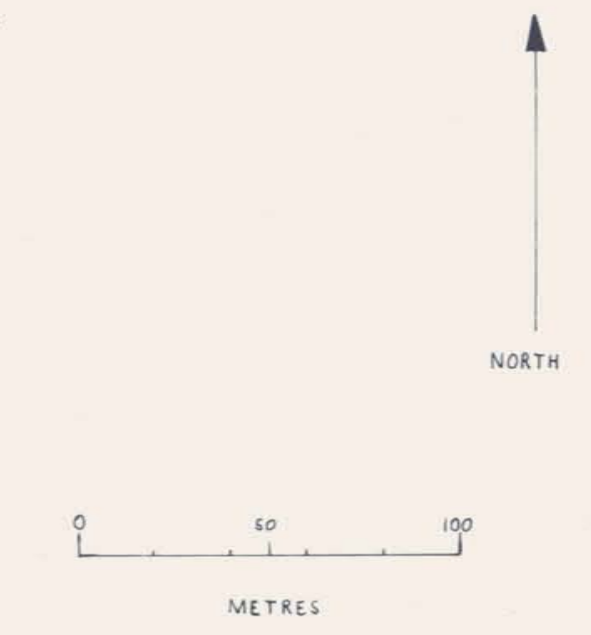


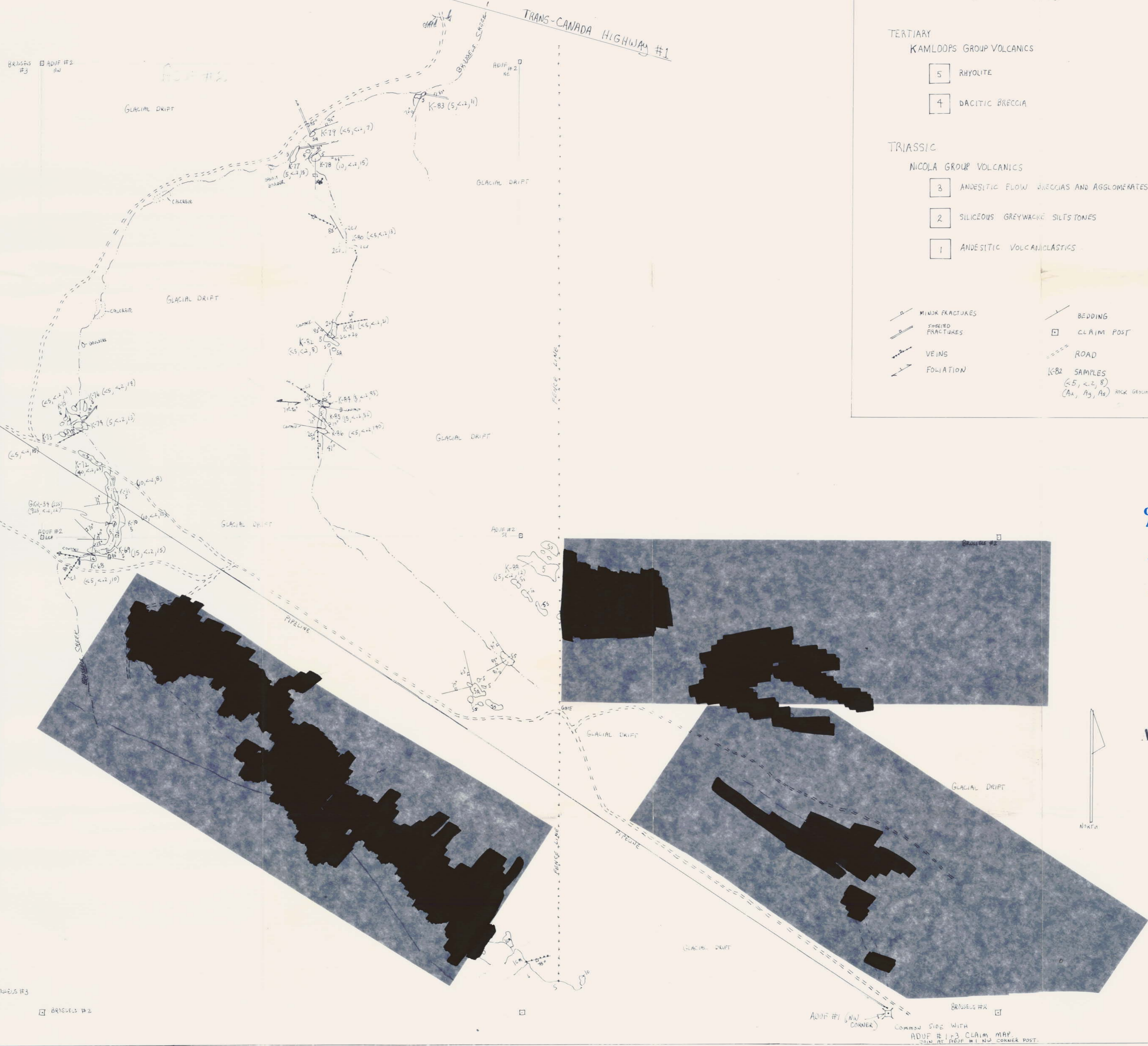
GEOLOGIC UNITS

- TERTIARY
KAMLOOPS GROUP VOLCANICS
- 5 RHYOLITE DIKES + SILLS CONTACTS + + + + +
 - 4 DACITIC BRECCIA
- TRIASSIC
NICOLA GROUP VOLCANICS
- 3 ANDESITIC FLOW BRECCIAS AND AGGLOMERATES
 - 2 SILICEOUS GREYWACKE SILTSTONES
 - 1 ANDESITIC VOLCANICLASTICS

- ALTERATION
- OPALINE SILICA VEINS SV
 - CARBONATE VEINS CV
 - CARBONATE ALTERATION C
 - POTASSIC ALTERATION A
 - PROPYLITIC ALTERATION P
 - MARIPOSITE/CARBONATE ALTERATION CM
 - SERICITIC ALTERATION S

- MINOR FRACTURES
- FRACTURES
- VEINS
- FOLIATION
- BEDDING
- CLAIM POST
- ROAD
- K-13 SAMPLES
- $5, 2, 11$ Au, Ag, As Rock Geochem





GEOLOGIC UNITS

TERTIARY
KAMLOOPS GROUP VOLCANICS

- 5 RHYOLITE
- 4 DACITIC BRECCIA

TRIASSIC
NICOLA GROUP VOLCANICS

- 3 ANDESITIC FLOW BRECCIAS AND AGGLOMERATES
- 2 SILICEOUS GREYWACKE SILTSTONES
- 1 ANDESITIC VOLCANICLASTICS

ALTERATION

- SV OPALINE SILICA VEINS
- CV CARBONATE VEINS
- C CARBONATE ALTERATION
- A POTASSIC ALTERATION
- P PROPYLITIC ALTERATION
- CM MARIPOSITE/CARBONATE ALTERATION
- S SERICITIC ALTERATION

MIXED FRACTURES
SHEARED FRACTURES
VEINS
FOLIATION

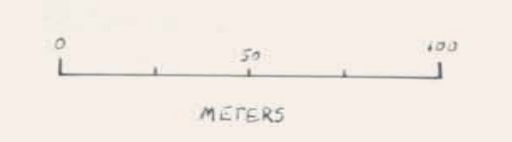
BEDDING
CLAIM POST
ROAD
K-82 SAMPLES
(S, C, 2, 8)
(A₁, A₂, A₃) ROCK GEOLOGY

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

13,877

**ADUF 2 CLAIM
DUFFY CREEK AREA
KAMLOOPS**

**GEOLOGIC MAP
AVF MINERALS LTD
T.P. GALLAGHER
SEPT. 1984**



**PLATE #2
GEOLOGY**

BRIGDES #3
BRIGDES #2

ADUF #1 (NW CORNER)
BRIDGE #2
COMMON SIDE WITH
ADUF #1, 2, 3 CLAIM MAP
T.M. AT THIS N.W. CORNER POST.

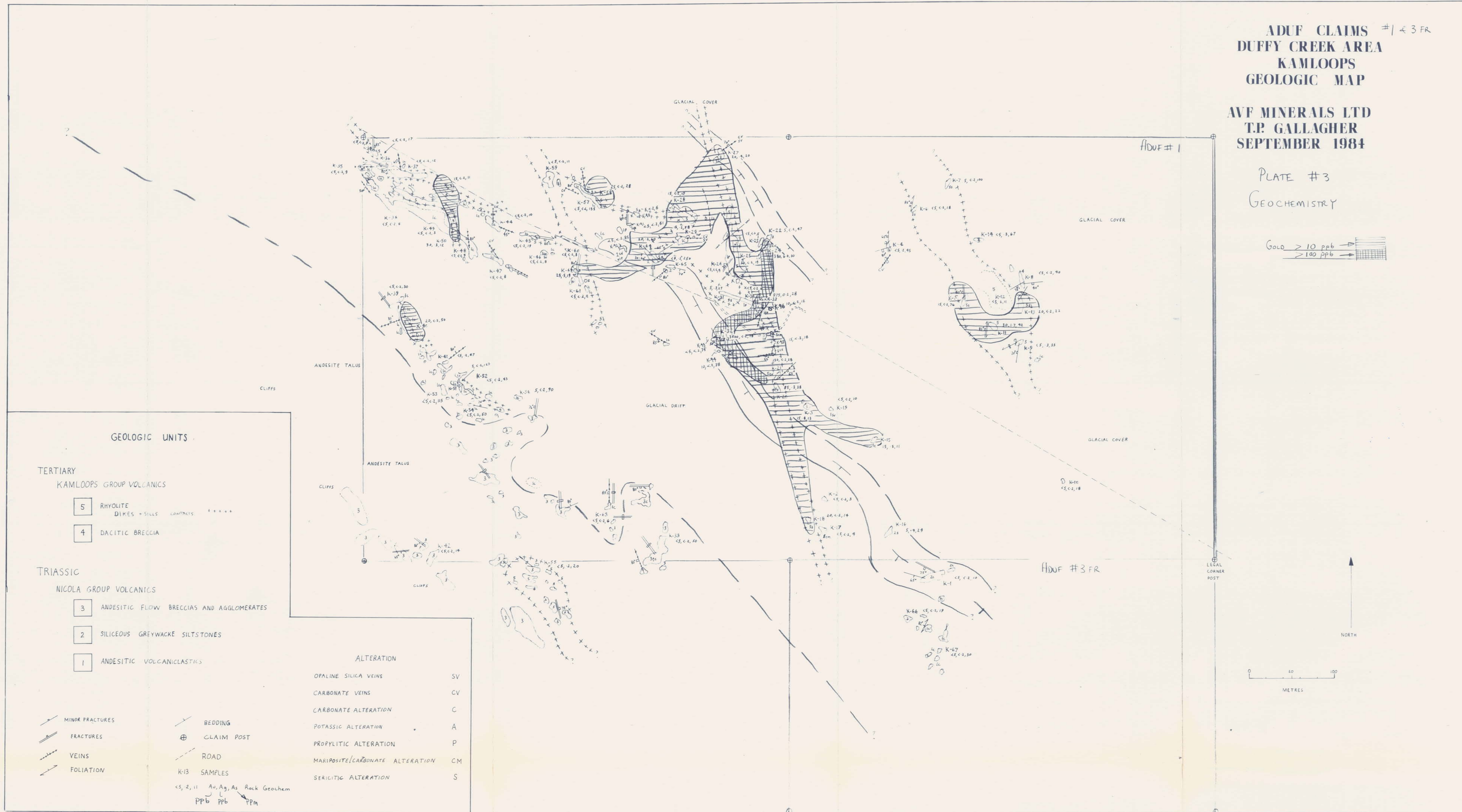


ADUF CLAIMS #1 & 3 FR
DUFFY CREEK AREA
KAMLOOPS
GEOLOGIC MAP

AVF MINERALS LTD
T.P. GALLAGHER
SEPTEMBER 1984

PLATE #3
GEOCHEMISTRY

Gold > 10 ppb → [diagonal lines]
> 100 ppb → [cross-hatch]



GEOLOGIC UNITS

TERTIARY
KAMLOOPS GROUP VOLCANICS

- 5 RHYOLITE DIKES + SILLS CONTACTS: + + + + +
- 4 DACITIC BRECCIA

TRIASSIC
NICOLA GROUP VOLCANICS

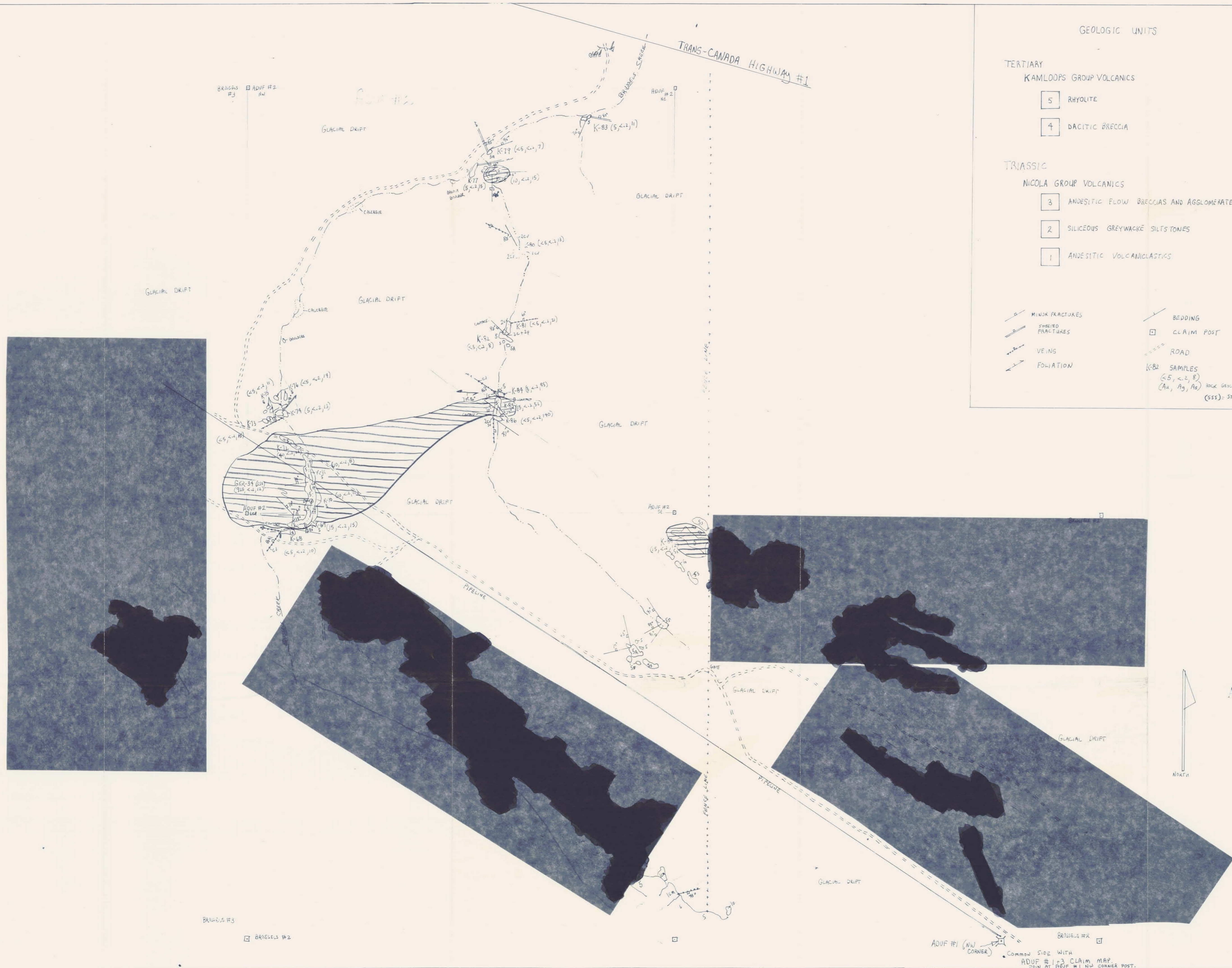
- 3 ANDESITIC FLOW BRECCIAS AND AGGLOMERATES
- 2 SILICEOUS GREYWACKE SILTSTONES
- 1 ANDESITIC VOLCANICLASTICS

- ALTERATION
- OPALINE SILICA VEINS SV
 - CARBONATE VEINS CV
 - CARBONATE ALTERATION C
 - POTASSIC ALTERATION A
 - PROPYLITIC ALTERATION P
 - MAFICITE/CARBONATE ALTERATION CM
 - SERICITIC ALTERATION S

- MINOR FRACTURES
- FRACTURES
- VEINS
- FOLIATION
- BEDDING
- CLAIM POST
- ROAD
- K-13 SAMPLES
- <S, Z, H Au, Ag, As Rock Geochem
- PPb PPb PPM



LEGAL CORNER POST



GEOLOGIC UNITS

TERTIARY	
KAMLOOPS GROUP VOLCANICS	
5	RHYOLITE
4	DACITIC BRECCIA
TRIASSIC	
NICOLA GROUP VOLCANICS	
3	ANDESITIC FLOW BRECCIAS AND AGGLOMERATES
2	SILICEOUS GREYWACKE SILTSTONES
1	ANDESITIC VOLCANICLASTICS

ALTERATION	
OPALINE SILICA VEINS	SV
CARBONATE VEINS	CV
CARBONATE ALTERATION	C
POTASSIC ALTERATION	A
PROPYLITIC ALTERATION	P
MARIPOSITE/CARBONATE ALTERATION	CM
SERICITIC ALTERATION	S

	MINOR FRACTURES		BEDDING
	STRIKE-SLIP FRACTURES		CLAIM POST
	VEINS		ROAD
	FOLIATION		KCB2 SAMPLES (45, 4.2, 8) (A4, A9, A10)

ROCK GEOCHEMISTRY
(SSS) - STREAM SEDIMENT SAMPLE

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

13,877

PLATE #4
GEOCHEMISTRY
Gold >10 ppb

**ADUF 2 CLAIM
DUFFY CREEK AREA
KAMLOOPS**

**GEOLOGIC MAP
AVF MINERALS LTD
T.P. GALLAGHER
SEPT. 1984**



ADUF #1 (NW CORNER) COMMON SICE WITH ADUF #1+3 CLAIM MAP. JOIN AT ADUF #1 NW CORNER POST.