

5/86

LANA GOLD CORPORATION

GEOPHYSICAL REPORT

on the

PAYMASTER GROUP MINERAL CLAIMS

BRALORNE AREA
LILLOOET MINING DIVISION

N. Lat. 50° 43' 30"

W. Long. 122° 45' 00"

92J10E & W

by

R. J. ENGLUND, B.Sc.

STRATO GEOLOGICAL ENGINEERING LTD.
3566 King George Highway

Surrey, British Columbia V4R 5G6
**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

JULY 28, 1985

13,909



SUMMARY

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

Total field magnetometer and VLF electromagnetic surveys were carried out in the northern claims area along Crazy Creek in an attempt to delineate the northwesterly extension of shear zones located at higher elevations to the southeast. Survey results have outlined several northwesterly trending anomalies which are interpreted as shear zones and probable geological contacts.

A program of detail geological mapping and sampling of the anomalous areas, and areas at higher elevations to the southeast, has been recommended. As well, the geophysical survey should be extended to the northwest to further delineate potential shear zones and/or faults.

Respectfully submitted,
Strato Geological Engineering Ltd.


R. J. Englund
Geophysicist

July 28, 1985

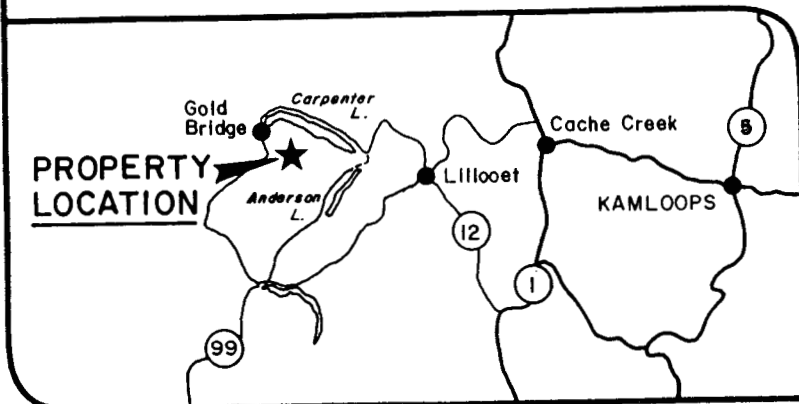


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LANA GOLD CORPORATION
 LOCATION MAP

JULY 28, 1985



INTRODUCTION

Pursuant to a request by the Directors of Lana Gold Corporation, a magnetic and VLF electromagnetic survey was conducted over a northern area of the Paymaster group of reverted crown grant mineral claims, during May 1985, by Strato Geological Engineering Ltd.

The intent of the work was to determine the extent to which the geophysical methods would trace and delineate geological structure and shear zones which are known to occur on the property.

LOCATION, ACCESS, AND TOPOGRAPHY

The Paymaster' claim group is situate in southwestern British Columbia some 180 kilometers north of Vancouver and 7 kilometers southeast of Bralorne. The claims are located on the northern slopes of the Cadwallader Mountain Range just south of the confluence of Crazy Creek and Cadwallader Creek. Approximate geographic coordinates of the center of the claims is 50 degrees 43' 30" North Latitude and 122 degrees 45' West Longitude.

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

A secondary access route is available only during summer months from Pemberton, 50 kilometers due south of Bralorne. Due to the rough roads along this shorter route, significant savings in travel time are not encountered.

The property is located on very steep and uneven terrain on the northern slopes of Cadwallader Mountain, with slopes commonly terminating in rock ridges and cliffs. Elevations range from 1200 meters near Cadwallader Creek to over 2700 meters above sea level on the highest peaks. Erosion by Crazy Creek, through the central property areas, and Plutus Creek, just east of the claims, has resulted in the shaping of two northerly trending ridges, terminated by the Cadwallader Creek valley to the north (Figure 1).

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

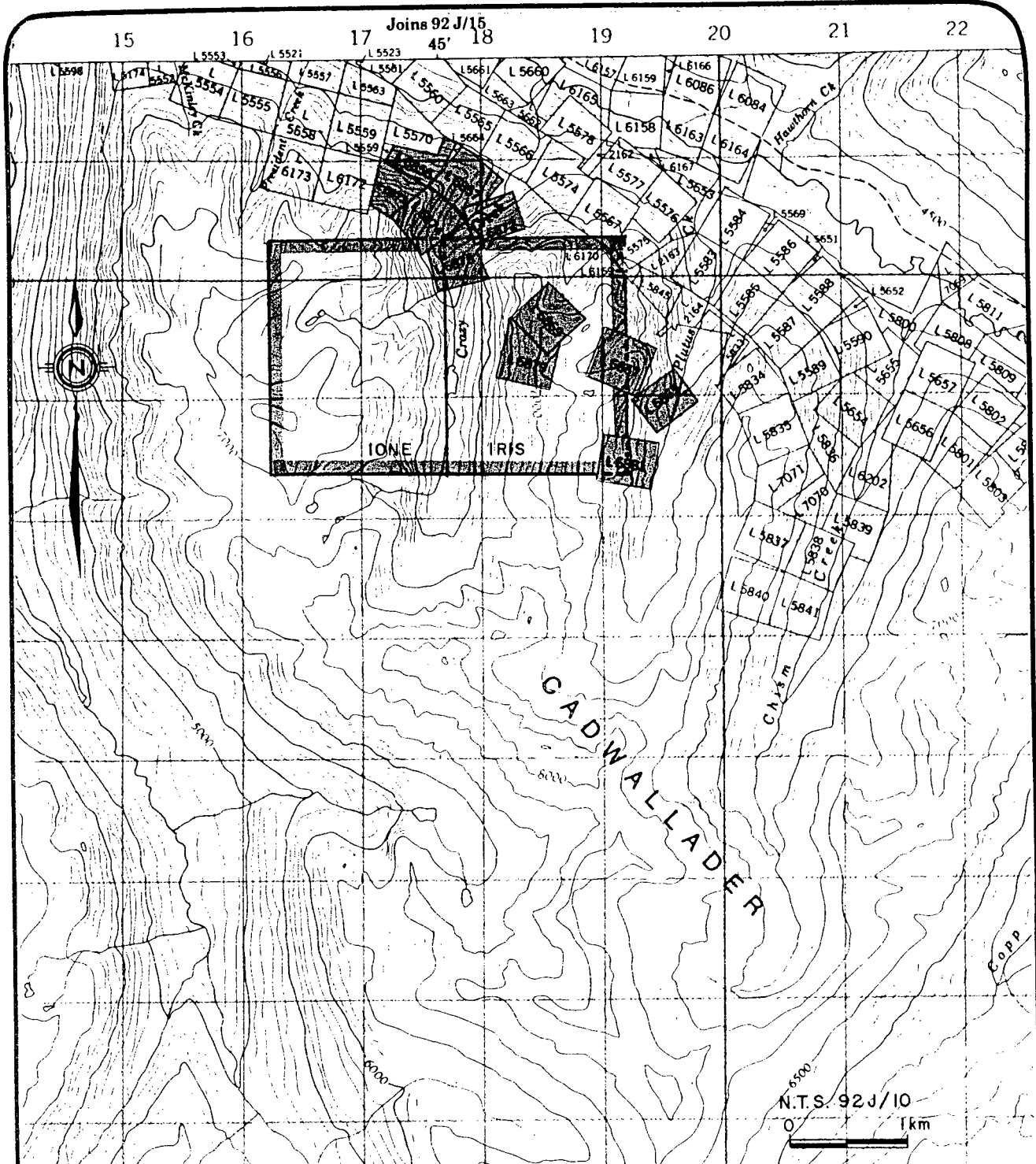


FIGURE 1
LANA GOLD CORPORATION
TOPOGRAPHIC MAP

JULY 28, 1985

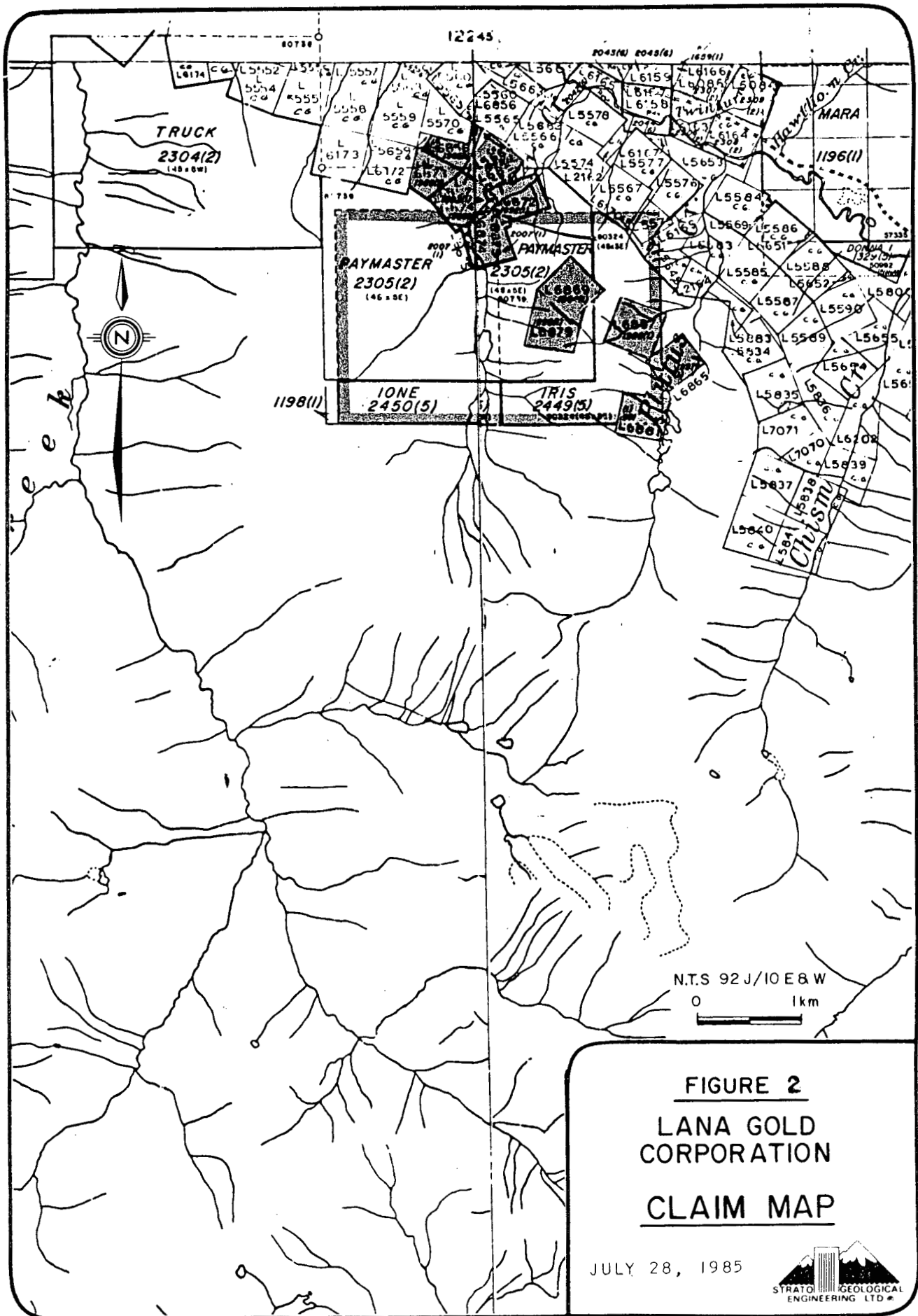


A generally overgrown, steep trail leads from the old Pioneer Mine dam to the northern claims and the work area. Access to higher elevations in the southern claim areas is via helicopter.

PROPERTY

The property consists of eleven reverted crown granted mineral claims acquired by application and two mineral claims acquired by staking. The claim group is owned by Lana Gold Corporation, 100 - 450 West Georgia Street, Vancouver, B. C. The claims are shown on the B. C. Mineral Titles Map M 92J10E & W (Figure 2) and are recorded as follows:

Claim Name	Record No.	Lot No.	Area	Expiry Date
Paymaster 2	1992	6872	39.03	January 21, 1986
Paymaster 3	1993	6858	46.28	January 21, 1986
Paymaster 4	1994	6869	51.54	January 21, 1986
Paymaster 5	1995	6856	30.71	January 21, 1986
Paymaster 6	1996	6867	51.60	January 21, 1986
Paymaster 7	1997	6865	39.82	January 21, 1986
Paymaster 8	1998	6874	45.79	January 21, 1986
Lazy Boy 1	1989	6873	29.12	January 21, 1986
Lazy Boy 2	2007	6875	45.56	January 21, 1986
Lazy Boy 5	1990	6879	43.62	January 21, 1986
Lazy Boy 8	1991	6881	47.68	January 21, 1986
Iris	2449	12 units		May 30, 1985
Ione	2450	12 units		May 30, 1985



The reverted crown grant claims are contiguous with and/or contained by the Ione and Iris claims. The Iris and Ione claims may not contain a full 24 units as they are shown to overlie the Paymaster claim. Legal survey notes are available on all the reverted crown grants so their locations are well defined.

Assessment work has been filed, this report being part of that work, to keep the claims in good standing until January 1987 and May 1986.

HISTORY

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

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

These mines ceased production in 1962 (Pioneer) and 1971 (Bralorne) and were among the most productive mines in the Canadian Cordillera.

Several placer mines have been operating along the lower part of Cadwallader Creek near Gold Bridge and during 1980 - 1982 exploration activity increased in the area with a serious mine re-evaluation program started at Bralorne.

The announcement of a significant gold discovery by the Levon Resources Ltd./Venorex Resources Ltd. joint venture in 1984, and work by Mascot Gold Mines on the old Bralorne Mine, has spurred considerable exploration activity in the area.

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

Recent exploration on the claim group has been limited to a local magnetometer survey in the southern claims area during January 1981 and a preliminary geological and sampling program in the northern claims (Crazy Creek) area in May 1983.

REGIONAL GEOLOGY

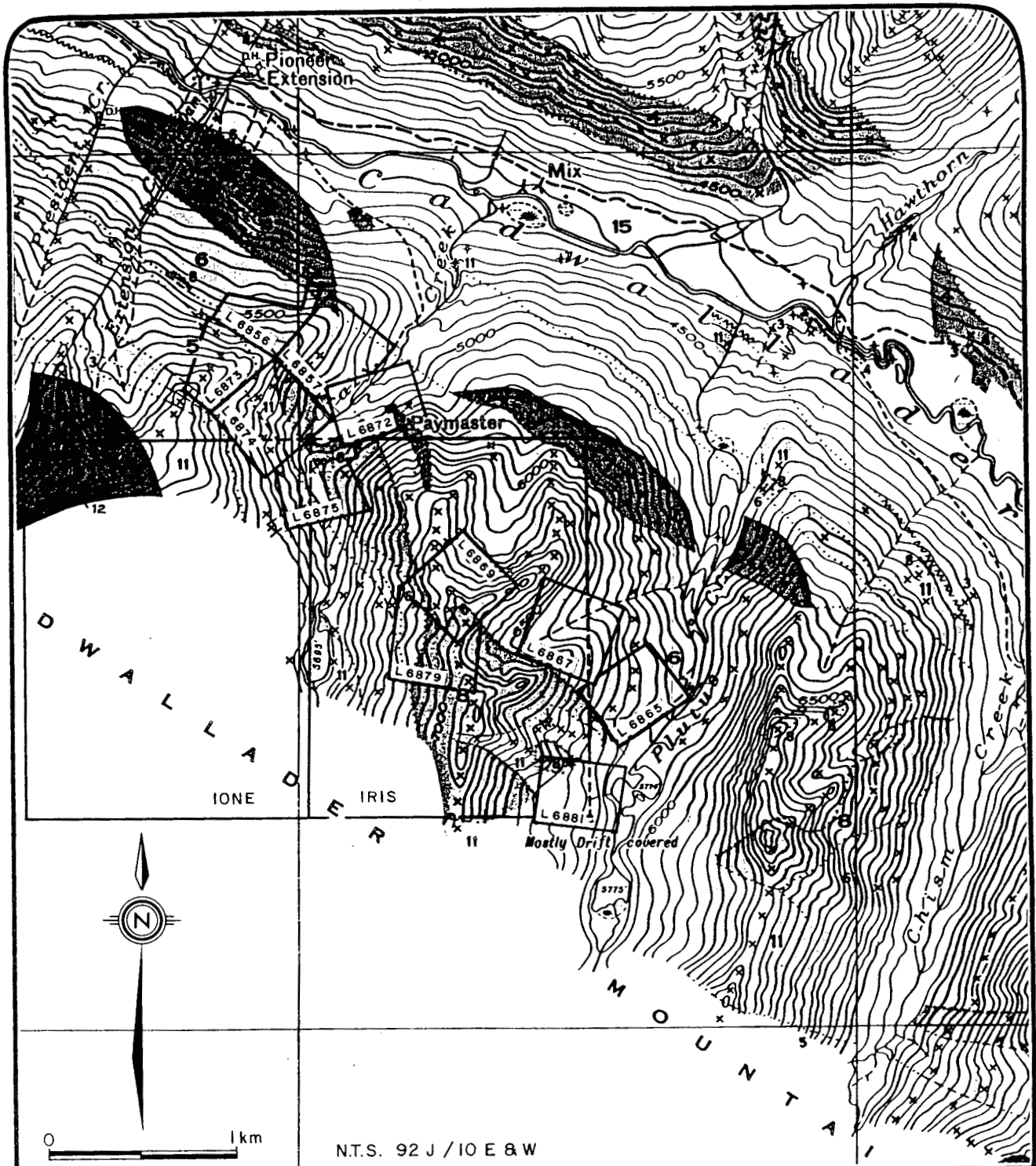
The Bralorne - Cadwallader Creek area lies within a regionally faulted and locally intensely folded belt of sedimentary and volcanic rocks. This belt trends northwesterly

along the Cadwallader Creek Valley and is bounded by the Coast Range intrusive complex on the west and a series of granodiorite intrusives on the east. The area is generally underlain by late Paleozoic rocks of the Fergusson Series consisting of volcanic and sedimentary units and their metamorphosed equivalents and by the younger volcanics and sediments of the Noel, Pioneer, and Hurley Formations (Figure 3).

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

Economic gold quartz veins mined to date in the Bridge River area have all been located within the "Bralorne-Pioneer fault lense", a 5 kilometer by 1 kilometer lense-shaped block containing a complex system of faults, shears, and fractures.

The geological and structural features favorable to the deposition of mineralization have been fully described elsewhere (Cairnes, 1937 and Jones, 1983) and is not recapitulated in this report.



LEGEND

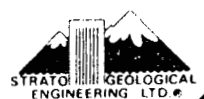
15	Glacial drift
12	Peridotite
11	Serpentine
8	Gabbro, diorite
7	Hurley Formation
6	Pioneer Formation
5	Noel Formation
4	Basalt, andesite; tuff, breccia, crystalline limestone
3	Chert and argillite

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

FIGURE 3
LANA GOLD CORPORATION

REGIONAL GEOLOGY

JULY 28, 1985



LOCAL GEOLOGY

Preliminary geological mapping in May 1983 indicated rocks of the Noel, Hurley, and Pioneer Formations underlie the northern claims area.

Two shear zones were located in higher ground on the east side of Crazy Creek. Sulphide mineralization was found in a brecciated shear through an area of siliceous dacite (Figure 4). This shear zone strikes northwest towards Crazy Creek where it is covered by talus at lower elevations.

A system of shears with minor quartz veining was located in a gully some 75 meters southeast (upslope) of survey grid Line 125E, 125N and is indicated as sample location "C" on Figure 4. The insert diagram (Figure 4) is an expanded, oblique view of the shear zone showing sample locations and shear plane altitudes. Schistose friable chloritic rock marked the main shear which showed an altitude of 150/80E (Sample II, # 1). This zone terminates some 20 meters upslope where two northeasterly trending shear planes (altitudes 080/80N and 065/20S) converge with the main shear at the top of the draw. The northeast shears appear to cut across slope for about 100 meters to another southeasterly trending gully which continues to the top of the ridge.

Due to precipitous ground in this area proper channel sampling of the zones was not accomplished. The area warrants a detailed examination, however adequate climbing equipment will be required to properly sample the zones.

INSTRUMENTATION AND SURVEY PROCEDURES

The intent of the geophysical work was to trace the NW-SE trending shear zone down to and across Crazy Creek.

A survey grid was established from the IRIS-IONE claim LCP with a near NW-SE Baseline (322 - 142 degrees) and NE (52 degrees) survey lines. Lines were compassed and flagged at variable spacing and 12.5 meter station intervals (Figure 4).

The VLF electromagnetic survey was conducted with a Sabre Electronics, Model 27, VLF-EM receiver using the Jim Creek (Seattle), Washington transmitter station at a frequency of 24.8 KHz and a rated power of 250 kwatts. Both dip angle and horizontal field strength measurements were recorded; dip angle measurements were filtered using the method of Fraser (1969). The method is well known and is fully described in the literature. Results of 2.65 line-kilometers of VLF-EM data is presented in plot plan form as Figure 5.

A total field magnetic survey was carried out using the Scintrex, Model MP-2, Serial No.8007643, proton precession magnetometer. All survey data was tied to an established base station and lines were "looped" to allow for correction of diurnal variation in accordance with normal practice. A total of 2.65 line-kilometers of magnetic results is presented in profile plot plan form as Figure 6.

GEOPHYSICAL RESULTS

The VLF-EM results (Figure 5) indicate several relatively weak, northwesterly trending conductive zones within the survey area. Positive Fraser Filter values are also plotted on the Profile Plot Plan. Background dip angle and field strength values show considerable variation, especially in the central grid area and clearly suggest a considerable change in rock unit conductivity in this area.

The width of the Fraser Filter positive "peaks" indicates the main conductive zones are broad or are relatively deep seated. A number of the conductive zones coincide with magnetic anomalies suggesting these zones may be due to relatively strong shear zones and/or geologic contacts.

The magnetic results (Figure 6) indicate several "low" and "high-low" anomalies which are near coincident with VLF conductive zones. As well, a strong magnetic gradient in the western grid area clearly indicates a change in geologic units in this area.

Interpretation of the geophysical survey results is presented on the grid base map, Figure 4. A significant decrease in total field magnetic values, along with a decrease in VLF-EM field strength values (Line 0+50W, 0+25N through Line 1+25W, 0+75N) likely reflects a geological contact between the regionally mapped serpentines (President Intrusives) to the west and andesitic units to the east. A second possible geologic contact is interpreted from VLF-EM and magnetic results as trending northwesterly from Line 0+25E, 3+25N through Line 1+75W, 3+75N and is thought to represent the western contact of a northwest extension of the regionally mapped narrow belt of Hurley F'm argillaceous sediments seen to the southeast of the grid area.

Conductor "A" (Line 0+25E, 1+50N to Line 0+50W, 0+90N) shows as a broad EM conductive zone with coincident magnetic anomalies on Lines 0+00 and 0+50W. This zone also shows as a very weak EM response on Line 1+25W and Line 1+25E and may represent the northwest extension of the shear zone mapped to the southeast.

Conductor "C", some 70 meters southwest (Line 0+00, 0+60N), shows as a very weak conductive zone and is interpreted as near parallel shear zone or fault.

Conductor "B" (Line 0+25E, 2+30N through Line 0+50W, 2+00N) shows as a broad conductive zone associated with a dipolar magnetic response at Line 0+50W, 2+00N and may represent a shear zone associated with a geological contact between the regionally mapped Pioneer andesites on the NE and the Bralorne intrusives to the SW. This zone likely extends northwesterly to Line 1+75W, 2+25N and/or to Line 1+75W, 1+60N.

Another relatively broad, weak conductive zone (D) is located on Lines 0+00 and 0+25E near 5+00N. This zone may represent the eastern contact of the narrow belt of argillaceous sediments (Hurley F'm) found at higher elevations to the southeast.

GEOCHEMICAL RESULTS

Four rock samples from a shear zone (sample location C, Figure 4) did not return any significant results in base or precious metals. Also a soil and a silt sample on Line 0+00 did not return significant results. Due to the very limited sampling in this area, geochemical methods should not be eliminated as a potential tool for mineral exploration.

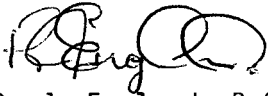
CONCLUSIONS AND RECOMMENDATIONS

Initial detail VLF electromagnetic and magnetometer surveys have delineated several shear zones and/or geological contacts within the northern claims area. The geophysical methods have proven to be useful tools for extending geology in overburden covered areas.

Interpreted shear zone areas should be mapped and sampled in detail, especially in the draw of Crazy Creek where overburden cover may not be too thick. The magnetometer and VLF electromagnetic survey should be expanded to the northwest to further delineate anomalous zones in this area.

Detail geological mapping should be carried out at higher elevations southeast of the survey grid area. Because of the precipitous nature of the ground here, adequate climbing equipment will be required to properly examine the shear zones located in this area.

Respectfully submitted,
Strato Geological Engineering Ltd.



R. J. Englund, B.Sc.
Geophysicist

July 28, 1985

REFERENCES

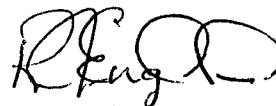
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482.
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for Lana Gold Corporation.
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CERTIFICATE

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

1. I am a Consulting Geophysicist with offices at 3566 King George Highway, Surrey, B. C. V4A 5B6
2. I graduated in 1971 from the University of British Columbia, with a degree of Bachelor of Science.
3. I have been engaged in the study, teaching, and practice of exploration geophysics continuously for a period of 11 years. I have worked as a geophysical consultant on numerous projects in Western North America since 1972.
4. I am a member in good standing of the British Columbia Geophysical Society.
5. The field work and the interpretation of results of this report were done under my direct supervision.

Dated at Surrey, Province of British Columbia, this 28th day of July, 1985.



R. J. Englund, B.Sc.

TIME-COST DISTRIBUTION

The geophysical program was carried out over the northern portion of the Paymaster claim group by Strato Geological Engineering Ltd. during the period May 23 to May 30, 1985. A listing of personnel and distribution of costs are as follows:

Personnel

A. Hunter, B.A.Sc.	Geophysicist
L. Meyer, B.Sc.	Field Assistant

Cost Distribution

Field Work (6 crew days)	\$ 2,070.00
Room and Board	540.00
Transportation - 4WD (incl. gas, oil, etc.)	510.00
Field Supplies, Geophysical Equipment	323.75
Geochemical Assay Costs	72.25
Maps and Report - drafting, reproduction, copying, etc.	360.00
Report, etc.	<u>1,100.00</u>
Total	<u>\$ 4,976.00</u>

Signed



Strato Geological Engineering Ltd.

A P P E N D I X A

Geochemical Assay Results

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: MAY 30 1985

DATE REPORT MAILED: *June 3/85*

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SN.Y.NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: ROCKS SOIL & SILT AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

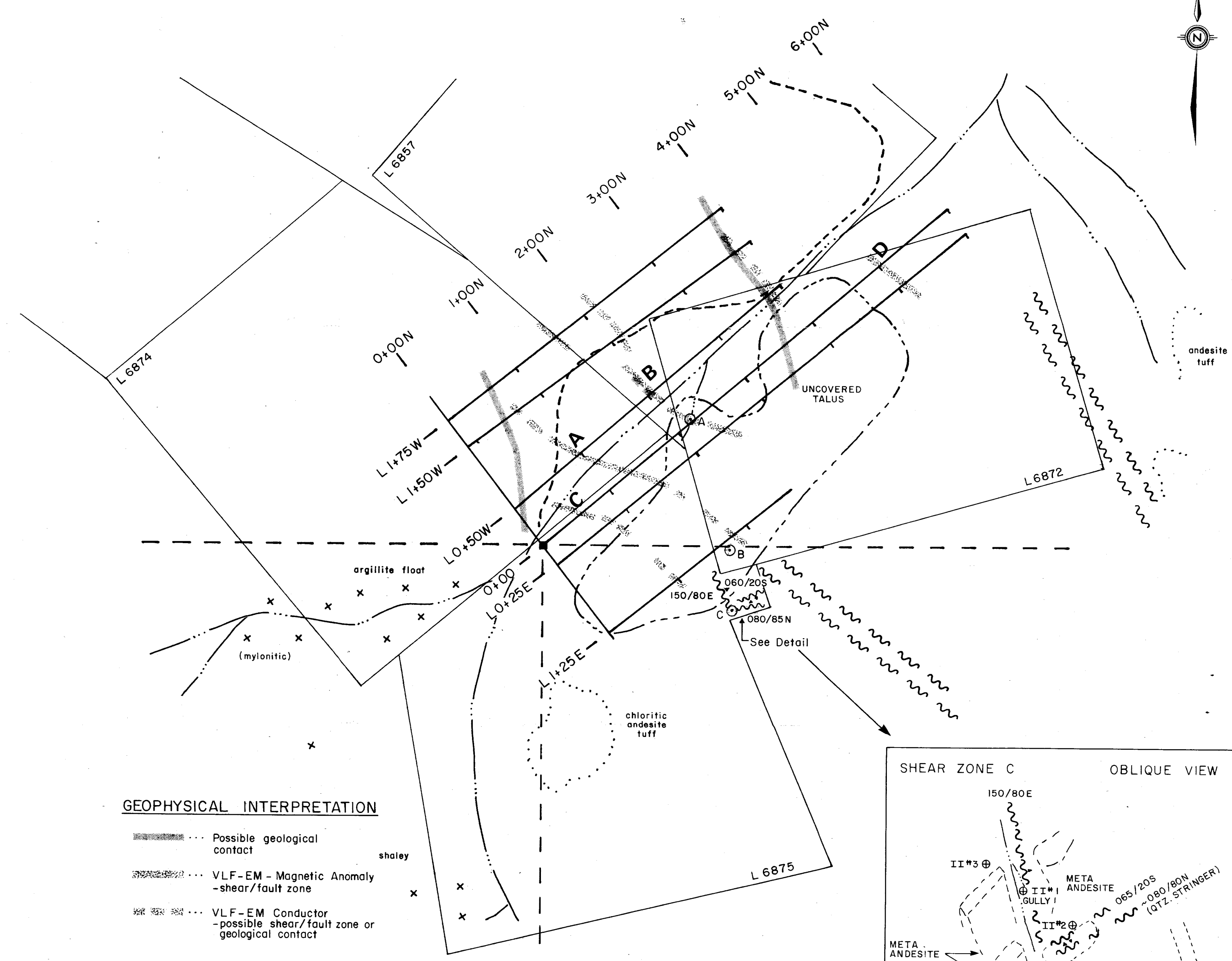
ASSAYER: *V. Saundry* DEAN TOYE OR TOM SAUNDRY. CERTIFIED B.C. ASSAYER

STRATO GEOLOGICAL

FILE # 85-0743

PAGE :

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
II#1 ROCK	47	2	22	.1	2	1
II#2 ROCK	46	2	25	.1	6	1
II#3 ROCK	27	8	24	.1	32	1
II#4 ROCK	7	2	5	.1	9	1
LO 2+12.5N SOIL	70	2	52	.1	107	1
LO 2+25N SILT	26	3	50	.1	26	15
STD C	60	42	130	7.1	40	-



GEOPHYSICAL INTERPRETATION

- Possible geological contact
- VLF-EM - Magnetic Anomaly - shear/fault zone
- VLF-EM Conductor - possible shear/fault zone or geological contact

LEGEND

- Rock outcrops
- Shear zone
- Float or talus
- Creek
- Area of talus blanket
- Trail (approximate loc'n)
- Sample locations (85)
- LCP - IRIS and IONE claims
- Approximate attitude of shear features

SAMPLES

Location	Label	Description
A Stream	L Ø 2+12.5N	Soil from creek bank
	L Ø 2+25N	Coarse silt from creek Creek drains talus
B Talus	II #4	Talus from below possible shear zone (Quartz with iron stains)
C Shear Zone	II #1	Rx from shear zone in draw
	II #2	Rx from top of draw
	II #3	Talus Rx from bottom of draw (Quartz with iron stains)

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au PPM
II#1 ROCK	47	2	22	.1	2	1
II#2 ROCK	46	2	23	.1	6	1
II#3 ROCK	27	8	24	.1	32	1
II#4 ROCK	7	2	3	.1	9	1
LØ 2+12.5N SOIL	70	2	52	.1	107	1
LØ 2+25N SILT	26	3	50	.1	26	15

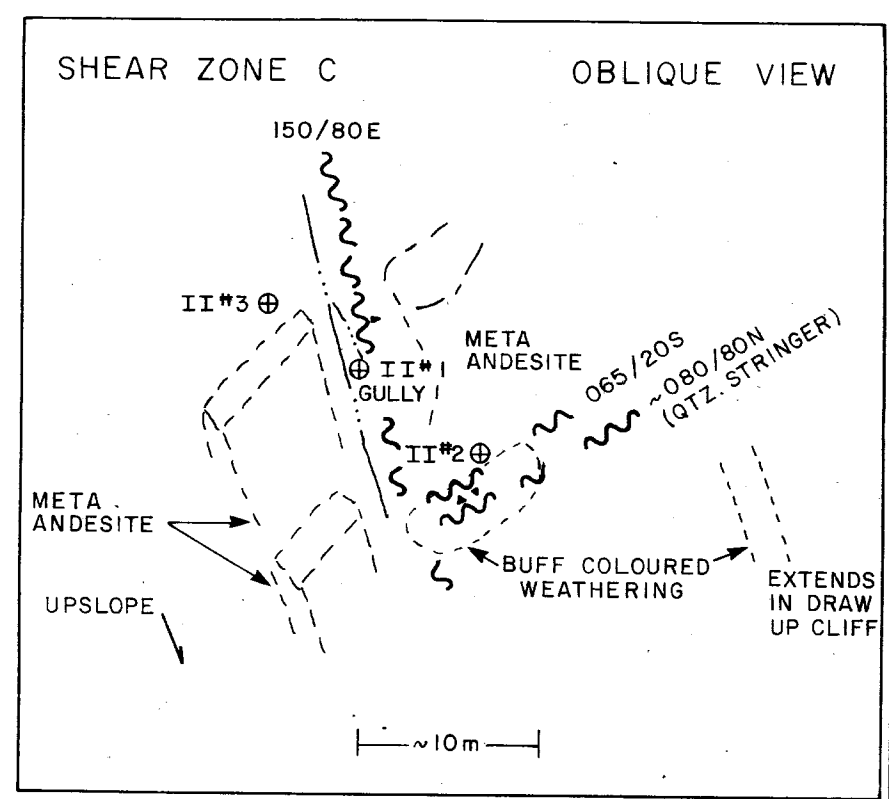


FIGURE 4

LANA GOLD CORPORATION

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

GEOLOGY and GRID LOCATION

GEOLOGICAL BRANCH
ASSESSMENT REPORT

To accompany report by R. ENGLUND
STRATO GEOLOGICAL ENGINEERING LTD.

DRAWN BY: E. DATED: JUL 1985

13,909

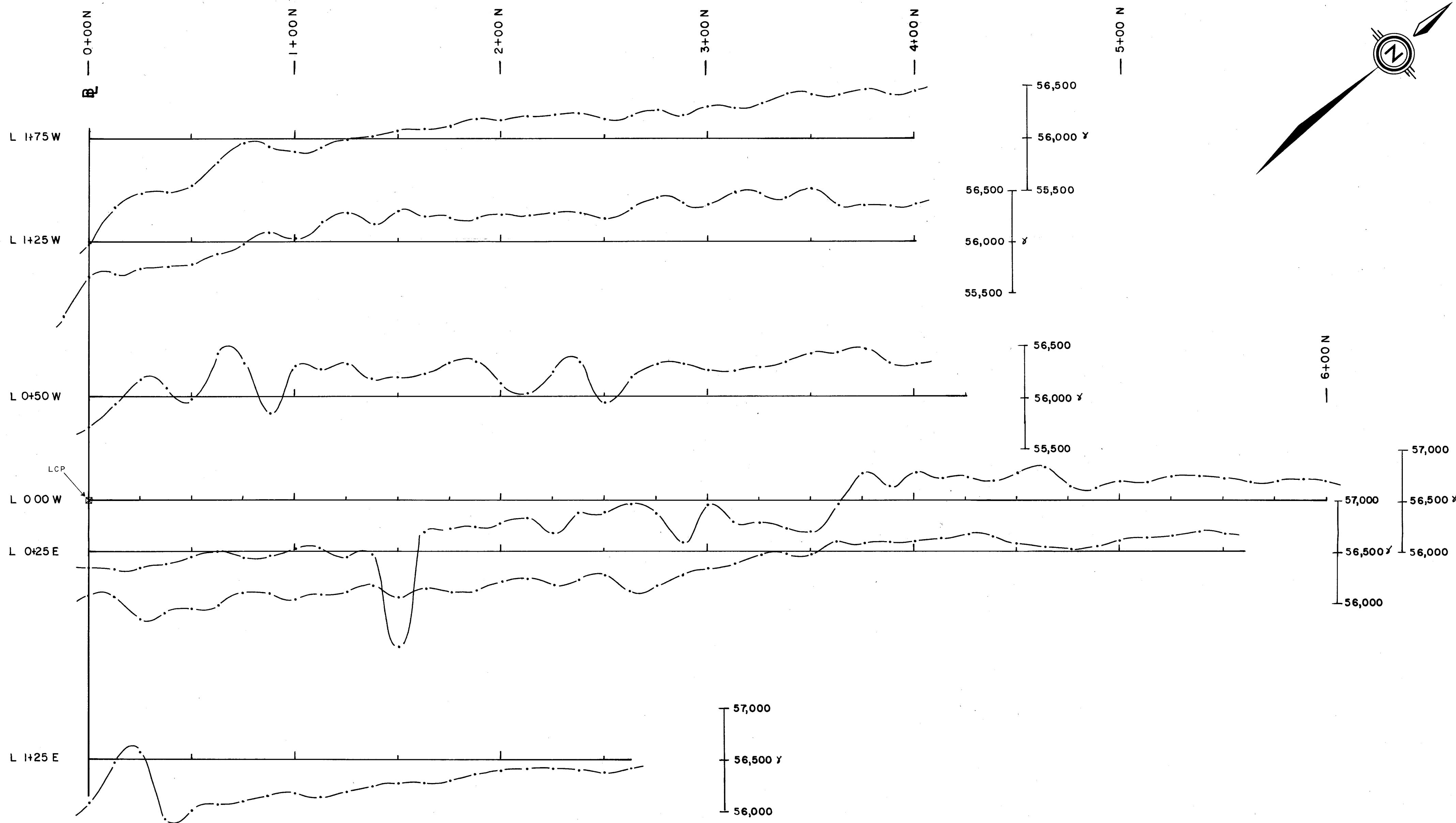


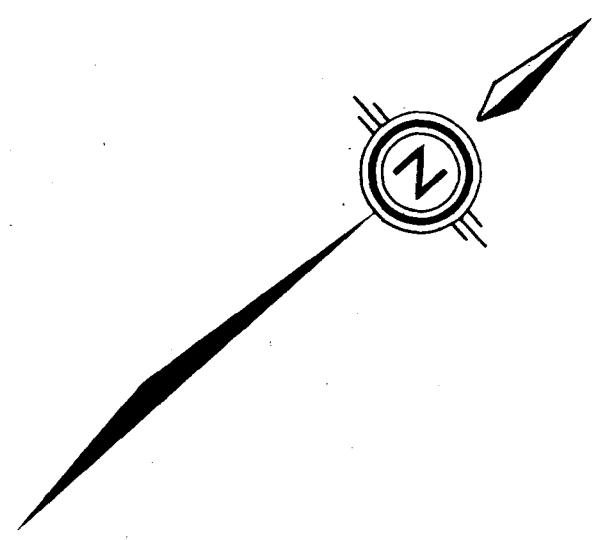
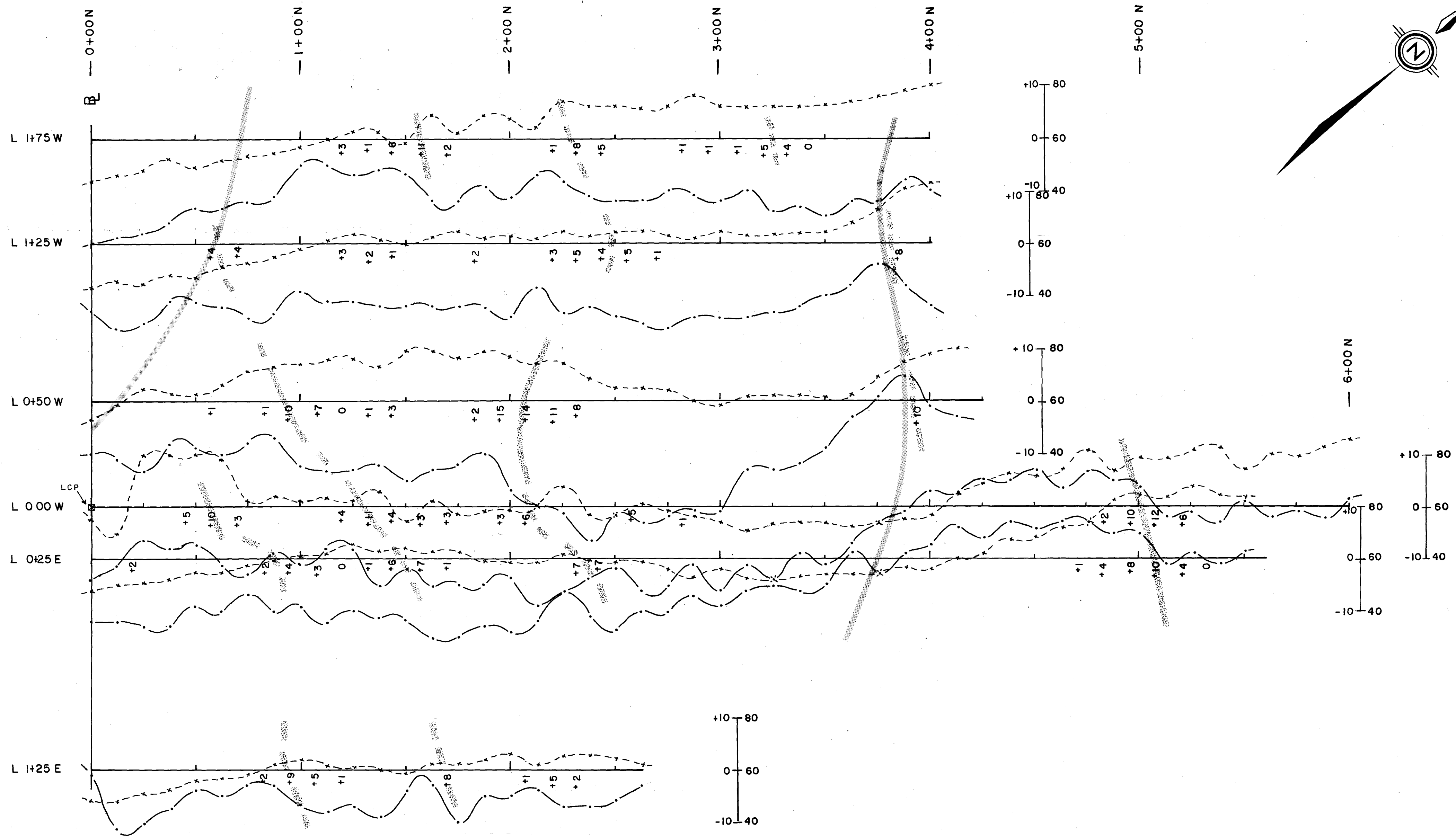
FIGURE 5

NOTES:
 Instrument - Scintrex MP-2 Proton Magnetometer
 Total field magnetic survey

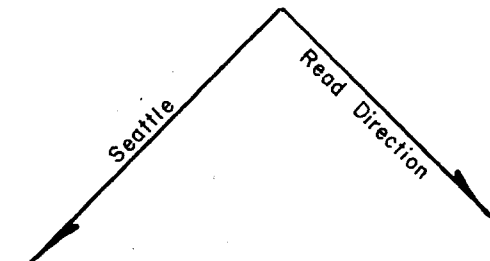
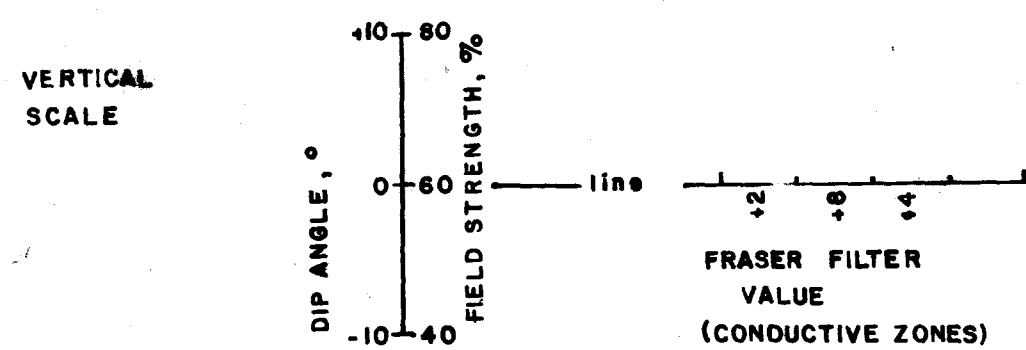
☐ LCP - IRIS & IONE Claims

[Handwritten signature]

LANA GOLD CORPORATION	
PAYMASTER CLAIM GROUP	
LILLOET MINING DISTRICT, N.T.S. 92 J/10	
GEOLOGICAL SURVEY ASSESSMENT REPORT PROFILE PLOT PLAN	
13,909	
To accompany a report by R. J. ENGEL STRATO GEOLOGICAL ENGINEERING LTD.	
DRAWN BY: AH/LM	DATED: JULY 1985



NOTE:
 VLF-EM Instrument - Sabre Electronics Model 27 receiver
 VLF-EM Transmitter - NPG Seattle, Wa. - 24.8 KHz.



GEOPHYSICAL INTERPRETATION

- VLF-EM and Magnetic Anomaly (possible contact)
- Conductive Zone (weak, very weak)
- LCP - IRIS and IONE Claims

FIGURE 6

LANA GOLD CORPORATION	
PAYMASTER CLAIM GROUP	
LILLOET MINING DISTRICT, N.T.S. 92 J/10	
VLF ELECTROMAGNETIC SURVEY GEOLOGICAL BRANCH ASSESSMENT REPORT PROFILE PLOT	
<div style="font-size: 2em; font-weight: bold; margin: 0;">13,909</div>	
<small>To accompany a report by ENGLUND & STRATO GEOLOGICAL ENGINEERING LTD.</small>	
<small>DRAWN BY: AH/LM</small>	<small>DATED: JULY 1985</small>

Handwritten signature and date: 8/1/85