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Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources

ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S)	TOTAL COST
GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL	$ 29,394.24

AUTHOR(S) V. CUKOR, P. Eng. SIGNATURE(S) V. Cukor

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED Dec. 5, 1985 YEAR OF WORK 1985

PROPERTY NAME(S) TAY GROUP

COMMODITIES PRESENT GOLD

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN

MINING DIVISION ALBERNI NTS 92F/6W

LATITUDE 49° 20' LONGITUDE 125° 15'

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

TAY 1-8, TAY 9-12, TAY 13-18, D.A. (20 units), MIR (20 units)

OWNER(S)

(1) DALMATIAN RESOURCES LTD (2)

MAILING ADDRESS

3585 E. 46TH AVE
VANCOUVER, B.C. V5S-1B7

OPERATOR(S) (that is, Company paying for the work)

(1) FRANK MILAKOVICH (2)

MAILING ADDRESS

3585 East 46th Avenue
Vancouver, B.C. V5S-1B7

GEOLOGICAL BRANCH
ASSESSMENT REPORT

14,121

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

Karmutsen andesites intruded by Island Formation diorite. Shear zone mineralized by quartz-carbonate veins with pyrite, chalcopyrite (minor) and arsenopyrite with gold values. 600 ft. long structure strikes east-west.

REFERENCES TO PREVIOUS WORK Assessment reports by V. Cukor, P.Eng.

(over)

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	COST APPORTIONED
GEOLOGICAL (scale, area)			
Ground	16 Km	TAY 1,2,9	
Photo			
GEOPHYSICAL (line-kilometres)			
Ground	16 Km	TAY 1,2,9	
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for ....)			
Soil	16 Km	TAY 1,2,9	
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralogic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Legal surveys (scale, area)			
Topographic (scale, area)			
Photogrammetric (scale, area)			
Line/grid (kilometres)			
Road, local access (kilometres)			
Trench (metres)			
Underground (metres)			
		TOTAL COST	29,394.24

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report)				
Value of work approved				
Value claimed (from statement)				
Value credited to PAC account				
Value debited to PAC account				
Accepted ..... Date	Rept. No.			Information Class

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CERTIFICATE

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DALMATIAN RESOURCES LTD.
TAY MINERAL PROPERTY
PORT ALBERNI, B.C. AREA

1. INTRODUCTION

During the months of August and September 1985, the Company conducted an exploration program consisting of linecutting, geological mapping, geochemical soil and rock chip sampling, and ground magnetic survey. When preparing this report, the author also incorporated some of the old data, where it was useful to build a more complete picture.

The main problem in correlating the old and new results was in placing old data on the new grid, since the old grid lines over much of the area were totally obliterated by rapid and dense growth of alder, willows and berry bushes. All data are presented on three plans appended in the pocket at the end of this report.

V. Cukor, P.Eng., the author of this report, supervised the whole program and personally carried out some of the field work. Most of the field work was, however, carried out under field supervision of D. Cukor, geologist.

2. REVIEW

2.1 SUMMARY AND CONCLUSIONS

The Tay property is underlain by andesitic rocks intruded by quartz diorite. The area has a long history of exploration for gold, and crown granted claims bordering the Tay property to the east, have two strong gold bearing structures. Prior to the 1985 program on the Tay claims, it was known that at least one east-west striking zone contains good gold values. Diamond drilling indicated the length of this structure to be about 600 feet, and it also indicated that it could have been cut off by the crossfaults both on its eastern and western ends.

The 1985 summer program was designed with the purpose of exploring the immediate vicinity of the known mineralized zone for any presence of mineral occurrences which could be possibly faulted off parts of that zone or some entirely new structures. Coincidental magnetic and geochemical anomalies indicate indeed the possible presence of such structures and geological mapping and rock sampling without any doubt proved the presence of gold in structures other than the Main showing. Tests run by EM Max Min and IP instruments proved the usefulness of these methods in further exploration, encountering the response over the Main showing.

Both IP and EM also strongly indicate the possible presence of sulphide mineralization at about 120N, which is also indicated by low magnetic readings and anomalous gold soil geochemical readings. This structure appears to be a first rate drill target, however, further geophysical work will be necessary to explore the strike of this appearance and its lateral extent.

To conclude, the geological environment on the property is favourable for hosting gold bearing sulphide mineralization. Exploration prior to 1985 outlined the presence of at least one 600 foot long zone with significant

gold values. The 1985 program indicated the presence of at least four additional gold bearing structures and coincidental magnetic and geochemical anomalies outlined additional targets which all warrant future exploration.

2.2 RECOMMENDATIONS

Further exploration is recommended to be carried out in two stages. The first stage should include geophysical surveys, detailed geological examination of selected targets and some bulldozer trenching. The second stage should consist of about 1500 metres of diamond drilling on targets outlined by the first stage.

During the first stage, about 15 kilometres of EM Max Min surveys should be conducted and followed up by IP survey to test any anomalies encountered by the EM. This should be accompanied by further detailed geological examination and sampling. Where terrain conditions are favourable, bulldozer should be used to open the bedrock for examination. It is now estimated that about 10 days of IP survey should be sufficient, followed up by about 10 days of trenching. Since the real extent of IP survey and trenching will be known after completion of EM work, a large enough contingency should be built into the estimated budget to allow for necessary corrections.

2.3 COST ESTIMATE

The following budget is estimated to be necessary to complete the recommended program.

Stage 1

1.	EM Max Min survey, 15 km	$ 12,000
2.	IP survey, 10 days @ $1,500	15,000
3.	Bulldozer trenching, 10 days @ $600	6,000
4.	Geological mapping and supervision	5,000
5.	Assays	2,500
6.	Data correlation and report	3,500
	Stage 1 Total	$ 44,000

Stage 2

1.	Diamond drilling, 1500 ft. @ $30	$ 45,000
2.	Geological supervision, core logging, sampling	5,000
3.	Assays	4,000
4.	Final report	4,000
5.	Bulldozer (preparation of roads and sites)	2,000
	Stage 2 Total	$ 60,000

Summary of Estimated Exploration Costs

Stage 1	$ 44,000
Stage 2	60,000
Contingencies - 15%	16,000
Total Estimated Budget	$120,000

3. PROPERTY

3.1 LOCATION

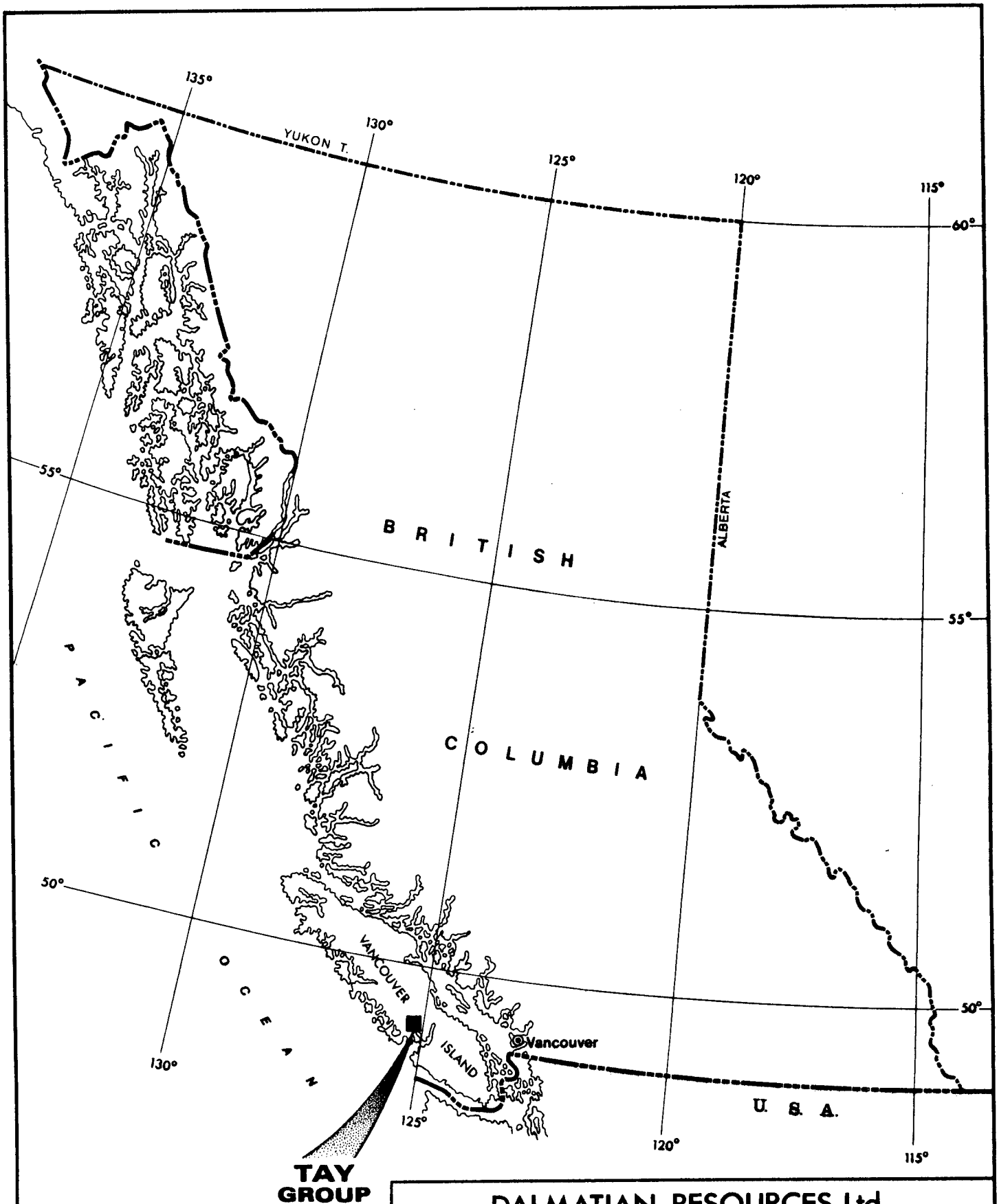
The Tay claim group is located on the southwestern part of Vancouver Island. The southern part of the claims crosses Provincial Highway No. 4, which leads to Tofino from Port Alberni. In this area, the claims also straddle Taylor River, about three kilometres west of Sproat Lake. The northern portion of the property reaches the Great Central Lake.

The property is in the Alberni Mining Division, at NTS 92F/6W. The claims are centered at latitude 49°20' north and longitude 125°15' west. In the southeast part they adjoin Crown granted claims (owned by another party), which once were a part of the Morning and Apex groups. The general location of the property is shown on Figures 1 and 2.

3.2 ACCESS

The southern portion of the claims is readily accessible from Port Alberni via paved Provincial Highway No. 4 while an old forest road, turning off the highway, provides access by truck to the working area of Showing #1. In the past, one could reach various parts of the claims through a network of logging roads. However, numerous washouts, caused by heavy runoffs, appear in various locations and some of the roads need fairly extensive repair work. The northern portion of the property does not have road access.

The closest supply centre is Port Alberni, approximately 40 kilometres to the east, which in turn has a good connection with Vancouver via Nanaimo and/or Victoria. All necessary supplies, heavy equipment and trained personnel are available in Port Alberni. Electric energy is readily available, since a power line crosses the southern part of the claim group.



DALMATIAN RESOURCES Ltd.

TAY GROUP

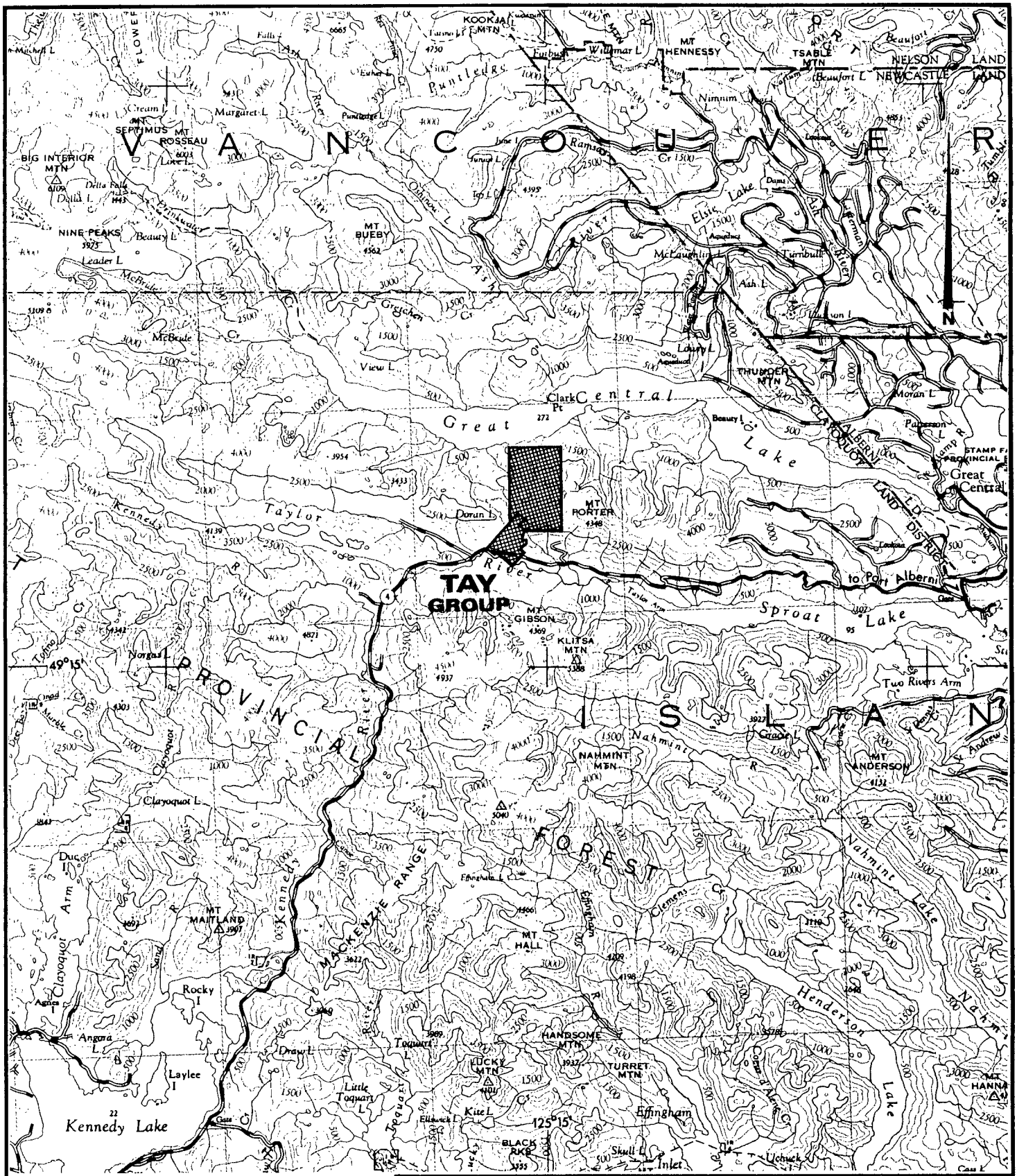
GENERAL LOCATION MAP

ALBERNI M.D. NTS 92 F/6W

V.CUKOR, P.Eng. - NVC ENGINEERING Ltd. - VANCOUVER, B.C.

DATE: Nov. 1985 SCALE: 0 100 Miles FIG. 1

ncl



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DALMATIAN RESOURCES Ltd.

TAY GROUP

CLAIM LOCATION MAP

ALBERNI M.D., B.C. NTS 92F/6W

V. CUKOR, P.Eng. - NVC ENGINEERING Ltd. - VANCOUVER, B.C.

DATE: Nov. 1985	SCALE: 0 5 km	FIG. 2

3.3 CLAIMS

The Tay claim group consists of 20 contiguous mineral claims. The claim names, record numbers and anniversary dates are as follows:

Claim	No. of Units	Record No.	Anniversary Date
Tay 1 - 8		173 - 180	March 17
Tay 9 - 12		368 - 371	February 14
Tay 13 - 18		372 - 377	February 14
D.A.	20	2197	May 28, 1984
Mir	20	2196	May 28, 1984

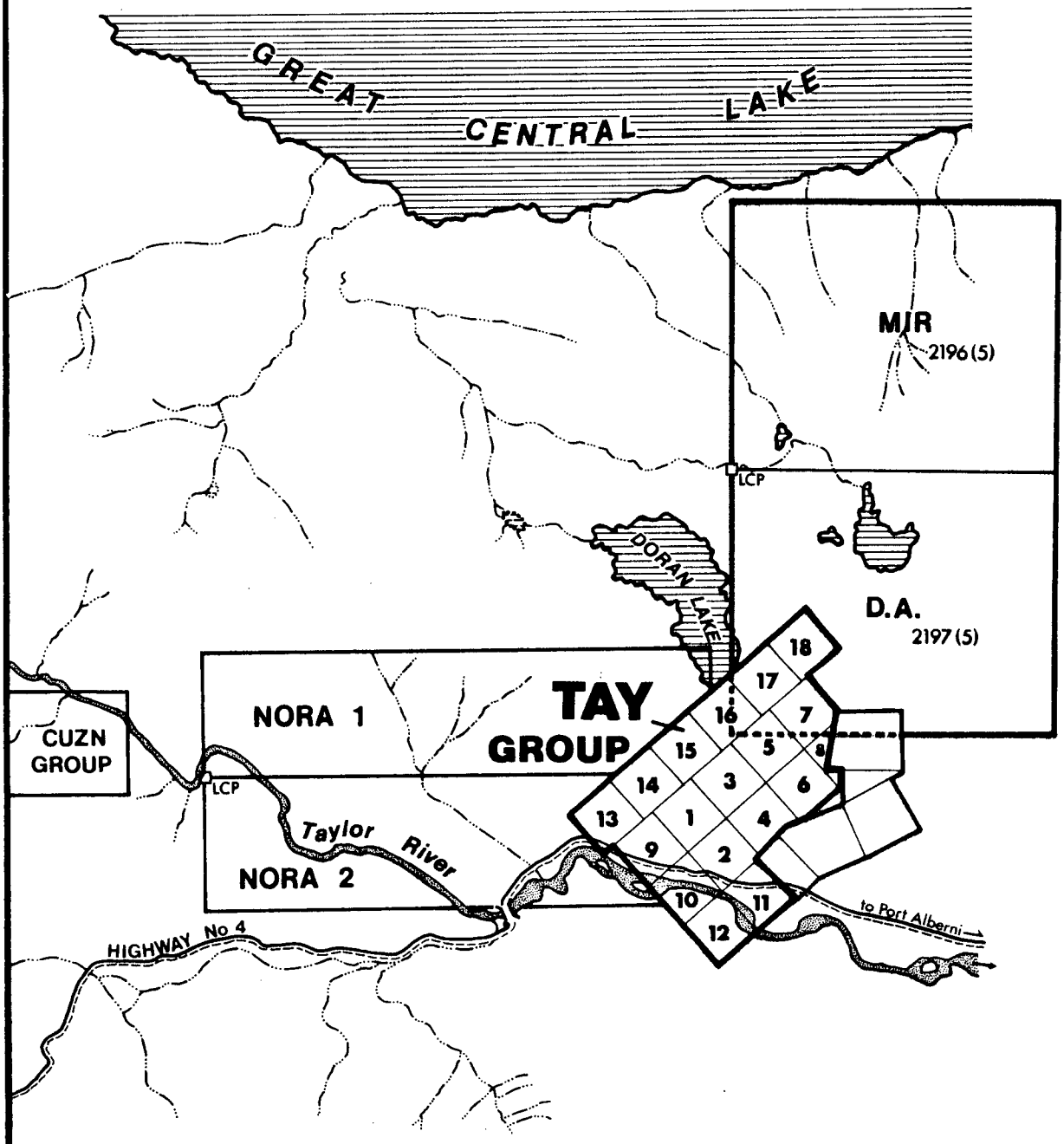
The Tay claims comprise the original claim group, staked by or on behalf of Mr. F. Milakovich, who in turn transferred 100% interest to Dalmatian Resources Ltd. They were staked on the two post system. The author has examined staking and found it to conform to British Columbia Mineral Act Regulations.

The D.A. and Mir claims were located in 1984, on modified grid system, on behalf of Bowes Lyons and Gladiator. They were appended to the Tay claims and subsequently, upon the return of the Tay claims, they were also passed into the possession of Dalmatian Resources.

All claims are shown on the Claim Map appended as Figure 2.

3.4 TOPOGRAPHY AND CLIMATE

The Tay group of claims occupies the northern side of the Taylor River valley, the east slopes of Mt. Porter and reaches the southern shore of the Great Central Lake. From the narrow valley floor a gentle slope rises northward for a distance of approximately 400 metres, where barren bluffs start. At about 450 metres elevation the slope flattens forming a plateau,



DALMATIAN RESOURCES Ltd.

TAY GROUP
CLAIM MAP

ALBERNI M.D., B.C. NTS 92 F/6W

V. CUKOR, P. Eng. - NVC ENGINEERING Ltd. - VANCOUVER, B.C.

DATE: Nov. 1985 | SCALE: 0 500 1000 meters | FIG. 3

which gradually rises to an elevation of about 1000 metres. From that elevation, the slope descends sharply to Great Central Lake.

At Taylor River, between the valley bottom and the plateau, several horizontal benches were formed by a combination of horizontal and vertical fracturing, erosion and infill by glacial material.

The climate of the area is characterized by hot summers and mild winters, and high atmospheric precipitation. Snow cover is generally light in the lower parts of the property, but exceeds 5 feet of packed snow by the end of winter at higher elevations. These parts of the property are usually snowbound from the end of November until June.

The lower part of the property has been logged off and subsequently replanted. Thick growth of alder and willows presently covers that area. The higher elevations are covered by mature forest mostly composed of cedar and fir trees. Occasionally there are patches of thick growths of underbrush.

For exploration and eventually for development purposes, a sufficient water supply and all necessary good quality timber are available on the property.

4. GEOLOGY

4.1 REGIONAL GEOLOGY

The regional geology of the area was the subject of GSC Paper 68-50 by Mr. G.E. Muller, 1969, accompanied by Map 17-68. According to this source, the property area is underlain by volcanic rocks of the Upper Triassic Karmutsen Formation. This is mostly composed of andesitic flows which may also include tuffs and limestone beds.

The Karmutsen Formation has been invaded by the Late Triassic granitic intrusive of the Island Formation. On the GSC map, these rocks are shown as only a few miles northwest of the claims. However, geological mapping of the property area revealed small acidic intrusives on the south part of the claim group.

Most of the regional faults in the area follow a west-northwest strike, which is also the general direction of the Taylor River.

4.2 LOCAL GEOLOGY

Fairly detailed geological mapping of the southern part of the claims was first performed during 1979 by C. Keyte, geologist, and by the author of this report. An outcrop geology map was produced showing the distribution of geological units, and the main structural trends in the mapped area. Since that time however, a considerable amount of additional knowledge was collected through the following work, especially through geophysical surveys and through detailed studies of diamond drill core. This is especially true about alteration types which appear in connection with the gold mineralization.

The 1985 maping program produced an improved geological map (see Figure 4). Firstly, the work was done over a new grid, which provided much better ground control, secondly old data was compiled where possible and thirdly, interpretation of geological features from the ground magnetic survey was utilized in the areas of overburden cover. This resulted in a better outline of the volcanic-intrusive contact. Close attention was also given to the identification of major fault zones, the knowledge of which is going to be most important in future programs.

There is not much to add to the general description of the two main rock types: andesite and quartz diorite.

Andesites, as have been described in previous reports on this property, are mostly massive, nondescript, dark green to almost black. Only locally tuffaceous texture is found; on several locations, porphyritic andesite appears with feldspar phenocrysts enclosed in a dark matrix. Although described as being very usual on the neighbouring property, lava flows and pillow textures were not identified within the mapped area.

Intensive chloritization and epidotization of andesites is wide spread and fairly frequently, fractures are found to be filled with quartz and/or calcite. Quartz blobs from 6 to 8 inches in diameter are also very common. Intensive pyritization was found in several localities, appearing as both fine grained dissemination and/or fracture fillings.

Quartz diorite intruded volcanic rocks in the form of irregular stocks and numerous dykes. In some places younger dykes cut through both intrusives and volcanics. Although this rock type always shows a high quartz content, the composition and texture of the rock changes constantly and it is quite possible that more than one generation of intrusive is present.

Contact between intrusives and volcanics is very seldom exposed for proper observation and study. Although it sometimes appears to be sharp, more often the contact is hard to define, being located within a wide zone of xenoliths. This year it was however noted, that the contact zone is very often also marked with a dissemination of fine grained pyrite in both the intrusives and the volcanics. In some localities, such areas coincide with moderately high, geochemical gold anomalies. The initial rock chip geochemical samples so far do not indicate the concentration of gold. However, more study should be done in the future since the areas of coincidental geochemical anomalies and pyrite dissemination have only now been identified.

During the 1979 program, a study of the fracturing pattern was carried out. An equal area stereogram, constructed on the basis of 49 measured fractures showed the clustering of the majority of fractures around the strike of 90° to 100°, with an almost vertical dip. This strike corresponds well with the strike of the Main showing. More importantly, a narrow vein carrying gold, south of the Main showing and a mineralized shear in the old bulldozer trench also line up along this strike. Moreover, it appears that the Apex vein on the neighbouring crown granted claims follows a similar trend. Strong fractures of the same strike are responsible for the formation of numerous bluffs on the various localities over the map area.

Two more important fracture systems should be mentioned here. One strikes around 340° to 360°, which is the trend of a number of fault zones and major shear systems identified by the EM-16 surveys (1978 and 1979). Two of those were so far found to carry gold values and the other two are believed to have faulted off the mineralized structure of the main showing. A number of such fracture zones are also responsible for terminating and/or offsetting the previously mentioned bluffs.

The third significant fracture system consists of horizontal or semi-horizontal fractures, which together with the east-west bluffs form a conspicuous benchlike morphology in the claim area.

4.3 MINERALIZATION

Mineralization on the property consists mainly of pyrite which is often disseminated in both the intrusives and volcanics and especially so close to the contact zone. It also appears in vein like bodies, and/or as filling of irregular, hairline fractures. In these two cases, quartz and/or carbonate is usually abundant as well. Locally, chalcopyrite is found in pyritic veins as well. When arsenopyrite occurs mixed with fine grained pyrite, gold and low silver values are most often present within such showings as well.

Main Showing (Showing No. 1)

Most of the work so far was done on the Main showing, where a pyritized quartz-carbonate zone was explored by trenching and diamond drilling. Surface samples (on two mineralized outcrops) returned between .018 and .226 oz/t gold, with some very low silver. Diamond driling indicated a length of the mineralized strucutre of about 600 feet, and several holes returned values of about or over .1 oz/t gold. The best section was from hole 83-3, where a 5.0 foot zone assayed .704 oz/t gold. The Main showing is described in greater detail in the report dated May 1985.

Showing No. 2 is located south of the Main showing. Some loose material, from an old, caved in trench assayed .094 oz/t gold and .3 silver. During this program, hand trenching was attempted in this area. Although no solid bedrock was reached, loose, fractured material at the bottom of the trench indicated the presence of the mineralized vein and the sample of several fist size chunks assayed .032 oz/t gold. In the western extension, a pyrite-arsenopyrite-quartz vein 1.5 to 2 feet wide was found exposd on three localities over the strike length of over 130 feet. Chip samples assayed as follows:

Sample No.	Width	Assay (ppm gold)
2479	16"	1.24
2480	14"	2.88 (approximately .09 oz/t)
2481	14"	2.30
2477	grab	0.032 oz/t gold

Mineralization and alteration of this showing very closely resembles the one of the Main showing, and strikes of both showings are almost parallel (east-west).

Showings No. 3 and No. 4 were sampled in the past and returned only a trace of gold. However, in the No. 3 showing area the 1985 program outlined a strong and extensive geochemical soil anomaly, which definitely suggests the presence of gold in underlying rock. This area needs some follow up work.

Showing No. 5 is located on line 40W, approximately 200 m south of the Main showing in the old bulldozer trench, where it has been exposed by subsequent caving. This exposed pyritized and silicified shear zone in intrusive rock, assayed 1.3 ppm gold (about 0.04 oz/t) over a 2.5 metre width. The strike of the zone is almost east-west, more or less parallel to the strike of the Main showing. This area also deserves follow up work.

Showing No. 6 is exposed in the slide area at the north end of line 720W. On this showing a wide shear zone, extensive brecciation and fracturing with abundant quartz-carbonate veining is accompanied by pyrite-chalcopyrite-arsenopyrite mineralization. Three samples of pyrite-chalcopyrite-arsenopyrite mineralization returned fairly low values of 90, 130 and 330 ppb gold (much higher results were apparently obtained previously from the same showing). This showing is however overlain by the very strong and extensive geochemical soil anomaly, which should indicate the presence of much better mineralization than found so far on the showing. Follow up work is highly recommended.

Showing No. 7 consists of a pyrite-arsenopyrite vein in quartz-carbonate gange. The vein is almost vertical, strikes NW and is in a narrow fault zone. A one foot chip sample across the vein assayed 540 ppb gold. A low geochemical soil anomaly is located immediately down the slope from the showing. In this area, bluffs above the showing, along the strike of the structure should be examined and sampled.

Showing No. 8 contains narrow pyrite veins along the fault zone, marked by breccia and mylorite and possibly striking toward the eastern edge of the Main showing. Only low, insignificant gold values were returned from the three samples.

Showing No. 9 shows strong presence of pyrite in the sheared rock in the rock cut. Samples assayed low values.

Showing No. 10 has strong pyritization in fractured rock around dyke. Rock is strongly silicified. Samples assayed low.

The 1985 program produced at least four showings besides the Main showing, all of which need follow up work. The best target seems to be Showing No. 6 where the strong structure and alteration zone with the presence of gold bearing sulphides coincides with a strong geochemical anomaly. Some other targets are defined by coincidence of geochemical and magnetic anomalies, which will be discussed later.

There should also be mentioned that two other areas of interest also deserve reconnaisance work. On the crown grants which border the Tay property to the east, past exploration was carried out on two vein structures containing exciting gold values. The Morning vein, striking northeast was explored by diamond drilling and two adits, and the Apex vein, striking east-west, was explored by limited diamond drilling. Both veins could potentially extend onto the Tay property. Both those areas should be carefully examined.

During the mapping program of 1985, a careful search was made to locate two veins allegedly discovered by Lou Mex Mines Ltd., which were reported to assay very good gold values. These veins are supposed to be located somewhere around the baseline between lines 280 and 400 west. Although some areas of strong pyrite alteration were found in that general area, the author was not able to locate any quartz veins. Both the geochemical survey and magnetic survey failed to indicate the presence of gold and/or hydrothermally altered zones. The most likely explanation is that an error had occurred when Lou Mex plotted the showings on the map.

5. GEOCHEMICAL SURVEY

5.1 FIELD PROCEDURE

During the survey, a total of 534 soil samples and 34 rock samples were collected by the writer and by D. Cukor. Soil samples were taken along the cut and picketed grid at 20 m intervals. Samples were taken from shallow holes, preferably from the B horizon which is developed at most of the places as a reddish, 4 to 5 inch thick layer immediately below the humus. Locally, poorly developed soil dictated taking any fine material found. At some other places no soil was found at all on the cliffs and conversely at some swampy locations, there was a thick layer of decaying organic matter; no samples were collected at either location. Samples for rock chip geochem were taken in both volcanics and intrusives, at locations where more intense pyritization is developed, and/or strong shearing was found, and on veins with pyrite and/or arsenopyrite.

5.2 LAB METHOD

All samples were delivered to Geochemical Testing of Vancouver, to be assayed for gold. Soil samples were dried out, sifted to -80 mesh. Rock samples were pulverized to approximately -100 mesh and homogenized. A 20 gram portion of thus prepared samples was preconcentrated by fire assay and then analyzed by atomic absorption.

5.3 DATA PRESENTATION

All values expressed in parts per billion, were plotted on the grid map, scale 1:1000, which is appended to the report as Figure 5. Anomalous and significantly anomalous values were then contoured at 35 and 70 ppb gold respectively. The anomalous and significantly anomalous areas were hatch marked.

Assay values of rock chip samples are also plotted on the same plan.

Assay certificates for both the soil and rock chip samples are also appended to the end of the report.

5.4 RESULTS

A great number of analyzed soil samples returned values which are at the limit of detection (10 ppb). The highest value is 2,700 ppb gold. Anomalous threshold is taken at 35 ppb gold and significantly anomalous values are considered over 70 ppb. The rock geochemical values ranged between 20 and 2,880 ppb gold.

The soil geochemical values differ considerably from the values obtained during the 1979 survey. On 233 samples, that survey had a mean value of 95.3 ppb gold and standard deviation of 119.73 ppb. This puts the significantly anomalous values at the range of well over 200 ppb gold. Such a large difference between the values obtained by these two surveys is not an easy matter to explain. It is true that the areas with high readings roughly coincide (close correlation is not possible since the 1979 grid is mostly obliterated), but individual readings in 1979 were much higher. Part of the problem is probably in the rapid change in soil conditions due to an accelerated growth of underbrush and ferns in the last four years (the property area had a forest fire in the late 1960's). This is causing a large accumulation of organic matter and a drastic change in the soil acidity. Part of the problem could also be in systematic error in the lab (laboratory changed the assay equipment after 1979). However, even if compounded, these two causes should not produce such a difference.

Setting this problem aside, the 1985 geochemical survey produced decisively positive results. Although some erratic, isolated anomalous

values appear throughout the grid, several areas outlined as anomalous and significantly anomalous show very good coincidence with geology and/or magnetic survey results. Moving along the map from west to east, such zones are as follows.

The first zone is located at the north end of lines 720 and 760W, where the highest value reaches 660 ppb gold uphill from Showing No. 6. Second zone is just north of the baseline between lines 680 and 920W, with values between 40 and 180 ppb gold. The third area is north of the baseline between lines 80 and 240W, where low anomalous values cover a fairly large area, with one significantly high result of 280 ppb gold. The fourth area of significance overlies the Main showing area, but it also has a significantly anomalous value of 110 ppb gold uphill from the showing. The fifth area is at the southeast corner of the grid, where silicified and pyritized outcrops of volcanics are known. The sixth is a narrow zone located between line 0, 180N and line 120E, 250N. The highest value within this zone is 350 ppb gold.

6. MAGENTIC SURVEY

6.1 FIELD PROCEDURE AND DATA PRESENTATION

The ground magnetic survey was completed by Damir Cukor, geologist and experienced operator, between September 15 and September 30, 1985, using a portable proton precision magnetometer, in particular Geometrics Unimag, model G-836, serial number 7152. The instrument measures the earth's total magnetic field to a sensitivity of 10 gammas.

The survey totalled 16 km and was run over the 1985 grid. Readings were taken every 20 metres along the lines and the baseline.

The earth's magnetic field varies in intensity during the day; this variation is incorporated within the instrument readings and must be corrected out. Two methods are possible to this end: either setting up a stationary recording magnetometer, or frequently checking back to the checkpoint(s) and distributing differences incurred.

In this survey, the latter of the two methods was used. The baseline was run first, establishing all stations along it as checkpoints. Readings were taken at the checkpoint, at the next station, and back at the checkpoint in short elapsed time sequence. Half difference (+/-) between the two checkpoint readings is added to the station, establishing it as a checkpoint for the following station; all baseline stations are thus run and thus are all established as checkpoints.

Lines were run after the checkpoints were established. Preferably lines were taken in pairs and surveyed as "loops" with each loop tied into checkpoints at its beginning and its end. Differences between established checkpoint values and initial and end readings were distributed over the loops. Elapsed time on the loops was 40 minutes on the average, with a maximum of 60 minutes on one loop.

For ease of data handling, all readings were reduced by 55,000 gammas; thus a reading of 56,200 gammas would be reduced to a value of 1200 gammas.

The corrected values are plotted on the 1:1000 magnetic survey plan, appended to the report as Figure 6. Contours are drawn at 100 gamma intervals with heavier lines at 500 gamma intervals.

6.2 RESULTS

A total magnetic relief of 2780 gammas is found over the grid area. Comparing the magnetic contour map with the geological map, very good correlation is found between magnetic relief and geology. Of the two main rock types, volcanic rocks show lower magnetic susceptibility. On the presented map, readings around 1000 gammas are mostly associated with andesite, and around 2000 gammas, with intrusives. The contact zone is found at approximately 1400 gammas. An abberation to that rule is found at the south ends of lines 200W to 280W, where volcanic outcrops are found associated with magnetic readings of about the 2000 gammas range. A possible interpretation is that the intrusive-volcanic contact is dipping southward and the volcanic forms a rather thin crust over the intrusive, and the magnetic readings from the crust are overriden by the higher readings from the massive intrusive body underneath.

This good correlation of magnetic readings and geology established in areas where sufficient outcrops were found for detailed mapping, was then used in the other areas, with more extensive overburden, to interpret the position of the contact zone. Moreover, the high readings centred on line 760W just north of the baseline, which are also found in the area with deep overburden, are interpreted to be caused by an underlying circular intrusive body. Anomalous geochemical gold results forming a "ring" roughly encircling the high magnetic readings seems to support this thesis.

The other important feature appearing on the magnetic map are zones of well defined magnetic lows, both within the intrusives and volcanics. On the Main showing, one such long, narrow low zone is definitely associated with the zone of hydrothermal alteration enveloping the gold bearing quartz-carbonate vein. At least two more similar magnetic low structures are found on the grid. One is at approximately 220N on lines 120E to 40W, and could possibly be the faulted off extension of the Main showing zone. The other one is within the intrusive, at 200N line 320W and strikes northeast to line 200W, 340N. Both of these structures have some coincidental geochemical anomalous values and should be explored further. A fairly broad magnetic low zone is also located at the southeast corner of the grid. This one is overlain by a strong geochemical anomaly. Since it is located right on the grid's corner, the full extent of this zone is not known. To explore it better, additional grid lines should be cut to the east and the existing lines 120W to 120E should be extended southwards. Lines between 120W and 0 are important, because Showing No. 5 is located in this area, and it needs further follow up work.

7. ELECTROMAGNETIC AND IP SURVEYS

On November 9, a four man crew of Geotronics Surveys Ltd. performed a one line survey by both electromagnetic and IP methods. These surveys were performed as a test run, to assess the applicability of the methods or the type of the mineralization appearing on the property. Line 0 which passes over the Main showing was selected to be surveyed.

The summary report on instruments used, results achieved and recommendations for further geophysical work by David G. Mark, geophysicist of Geotronics Surveys Ltd., is appended to this report as Appendix 1. From the Geotronics report it follows, that whole of the property area should be surveyed by the electromagnetic method using the Max Min instrument, and areas selected on the basis of the achieved correlations with this instrument and magnetic and/or geochemical results should be subsequently tested by IP, prior to diamond drilling.

8. DISCUSSION OF RESULTS OF 1985 SURVEYS

Decisively positive results were encountered by the 1985 exploration program. The surveys performed outlined good new targets for further exploration and also opened new avenues for further exploration of the structure which outcrops at the Main showing.

The results of the surveys show some remarkable correlations. For instance, the magnetic highs are related to intrusive bodies while lower values are related to volcanics. The Main showing's hydrothermal zone coincides with very low magnetic readings. This obvious correlation between magnetic readings and geology was put to full use in outlining in detail the intrusive-volcanic contact in areas where it is obscured by extensive overburden cover. In the western part of the grid, there is an area of high magnetic readings, where no rock outcrops appear. On the basis of the magnetic survey, the small intrusive body is outlined on the geological map. This helps to explain the presence and shape of the geochemical soil anomaly which is roughly coincidental with the interpreted contact zone.

Besides the long and narrow low magnetic anomaly coincidental with the Main showing, two other similar zones are outlined on the grid, both having some geochemical response. The zone located at about 220N between lines 60W and 120E could possibly be the eastern, faulted off extension of the zone exposed on the Main showing. Both these zones have to be further explored in greater detail.

There is another zone of low magnetic values, with coincidental significantly anomalous geochemical assays. This zone is in the southeast corner of the grid, where outcrops of silicified and strongly pyritized volcanics are marked as Showing No. 3. This area should also be considered an excellent target for further follow up work.

A very important coincidence between the geological structure and geochemical soil values appears at the Showing No. 6. Rock chip samples from the strong structure on the showing taken by the author did not return good assays, but soil samples, both below and above the showing assayed significant values over a large area. A combination of strong structure with the presence of pyrite-arsenopyrite mineralization, and the strong and extensive geochemical anomaly represents an excellent target for further exploration.

Both EM and IP test runs over the Main showing, encountered good response over the mineralized zone. This survey proved that the methods can be applied on the type of mineralization present on the property, where mineralization is not aligned in continuous enough a pattern as to form strongly conductive zones. Thus, the cheaper and faster electromagnetic method should be used for general purposes, and the IP survey is recommended to be used sparingly as the next step of exploration to test results of other surveys and to define drill targets.

The author has made use of old data, gathered on the property prior to 1985. The main problem in incorporating these old data in the current plans and correlating them with this year's survey results is the incompatibility of the old and new maps. When transferring the data on the new plans an insufficient degree of accuracy was achieved, and the grids used in the past are obliterated to the point where it is impossible to tie them to the 1985 grid.

The best example of such problems is shown when trying to correlate data of the EM-16 survey with new results. The EM-16 conductor south of the baseline around line 0 is approximately in line with the edge of the bluff on line 200W, 100N and the fault zone west of the north end of line 320W. This whole structure is tentatively interpreted as a fault zone, which might be responsible for faulting off the western part of the Main showing structure. The exact location of the EM-16 conductor within the 1985 grid

becomes most crucial, but only its approximate placement is for now possible.

The other example is in Showing No. 6 area, where south of the outcrops, three EM-16 conductors seem to trend toward the showing. Since only very approximate placement of these conductors on the plan is possible, it is very hard to predict which of the three conductors, if any, might represent the southern extension of the structure uncovered at the showing.

With this in mind, it is obvious that old data should be used with utmost care, and where these data are critical for planning future programs (especially diamond drilling), limited repetition of some surveys might be necessary.

Respectfully submitted,

V. Cukor, P.Eng.

CERTIFICATE

I, VLADIMIR CUKOR, of 2830 West 37th Avenue, Vancouver, British Columbia, DO HEREBY CERTIFY that:

1. I am a Consulting Geological Engineer, NVC Engineering Ltd. and with business address as above;

2. I graduated from the University of Zagreb, Yugoslavia in 1963 as a Graduated Geological Engineer;

3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia;

4. I have practiced my profession as a Geological Engineer for the past 22 years in Europe, North America and South America in engineering geology, hydrogeology and exploration for base metals and precious metals;

5. I have personally conducted and/or supervised and/or carried out most of the programs described in this report;

6. I have no interest, direct or indirect, in properties of Dalmatian Resources Ltd., nor do I expect to receive any.

November 18, 1985

V. Cukor, P.Eng.
NVC Engineering Ltd.

APPENDIX 1

Summary Report by Geotronics Surveys Ltd. on
IP and EM Test Survey

GEOTRONICS SURVEYS LTD.
403 - 750 W. PENDER ST.
VANCOUVER, CANADA V6C 2T7
(604) 687-6671

Dalmation Resources Ltd.
3585 East 46th Avenue
Vancouver, B.C.
V5S 1B7

November 14, 1985

Attention: Vladimir Cukor, P.Eng.,
Consulting Geologist

Dear Sirs:

Induced Polarization, Resistivity and
MaxMin EM Testing
Port Alberni Property
Alberni Mining Division, British Columbia

The following is a brief summary of the testing carried out on your property near Port Alberni on November 9th, 1985.

The EM work was carried out using a MaxMin II instrument manufactured by Apex Parametrics Ltd. of Toronto, Ontario. It was done in the horizontal loop mode at a coil spacing of 50 m reading all five frequencies, which are 222, 444, 888, 1777 and 3555 Hz. The testing was done on line 0+00 across the main showing with the survey length being 180 m. Terrain corrections were very carefully done to ensure noise-free data.

The plotted profiles show a subtle, yet very distinct, in-phase response over the main showing at 0+45N. The response is stronger at the lower three frequencies than at the higher two indicating that there is better conductivity with depth. (This is undoubtedly the reason why the VLF-EM survey did not respond to the miner-

alization since its frequency is at 24,800 Hz for the Seattle transmitter.) This would indicate that a larger coil spacing, say 100 m, may give a better response. The out-of-phase response is quite minimal.

There is also a very subtle in-phase response at 1+20N which correlates with a resistivity low and an IP high as will be discussed below. This indicates that the subtle response at 0+15N and 0+30S may also be meaningful.

The IP and resistivity survey was carried out in the time domain mode using a Huntec Mark IV receiver and a Phoenix IPT-1 transmitter coupled with a two kilowatt MG-2 motor generator. The dipole-dipole array was used with a dipole length of 15 m and dipole separations of 1 to 10. This gives an effective depth penetration of up to 80 m. Both sets of data were plotted in pseudo-section form at a scale of 1:5,000 and contoured.

The IP (or chargeability) responded to the main mineral zone with a fairly strong anomaly that reaches a high of 41 m/sec. The anomaly is open to depth showing the minimum depth extent is 80 m. The most intense part of the anomaly is at 40 m depth.

The resistivity responded with a low at surface. At depth, the mineralization as indicated by the IP high, occurs on the edge of a resistivity high which may indicate the mineral zone occurs on or close to a lithological contact.

What is of very strong exploration interest is the correlation of a very strong IP high (up to 130 m/sec.) correlating with a resistivity low that sub-outcrops at 1+20N to 1+40N. Apparently downhill from this is a soil geochemistry anomaly. Furthermore, a magnetic low and a suble MaxMin anomaly each correlates with the

IP high/resistivity low as they do over the main showing. Therefore, there is a strong indication of the geophysics reflecting a previously undiscovered mineral zone. The IP indicates the depth extent of the zone to be about 70 m.

About 20 m to the north and parallel to this IP high is another high (up to 52 m/sec.) that correlates with the edge of a resistivity high. Also 30 m to the north of the IP high over the main mineral zone and parallel to it is a fourth IP high that reaches 44 m/sec. in intensity. This one correlates with a resistivity high, indicating that the IP may be reflecting a mineral zone that has been invaded by silica and carbonates. Another common cause of this geophysics signature is a magnetite- and/or sulphide-rich intrusive.

Other comments are:

1. The two parallel vertically-dipping resistivity highs at the north end of the section may be reflecting volcanic layering or flows.

2. Both the IP and resistivity indicate shallow-dipping cross-structure (fault and/or contact) sub-outcropping at about 0+35S and at about 0+40N.

The following is recommended:

1. Carry out a MaxMin EM survey over the remainder of the property, but not before testing line 0+00 at a 100-m coil separation. If this shows a stronger response than the testing with a 50-m coil separation, then the survey should be run with a 100-m coil separation. Though it is recognized that the anomalies may only be subtle at best, the benefit of the MaxMin survey lies in its correlation with soil geochemistry anomalies and magnetic lows.

2. The IP - resistivity method should be run across areas to be considered for diamond drilling. Of all the methods tried to date, the IP shows the strongest response. For this reason, as the property develops, it is strongly recommended to run the whole property with IP - resistivity, though not necessarily at 10 separation.

Respectfully submitted,
GEOTRONICS SURVEYS LTD.

David G. Mark,
Geophysicist

CERTIFICATE OF ASSAY

Date: September 11, 1985

File: 8509-0955

SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
2830 West 37th Avenue
Vancouver, B.C.
V6N 2T6

We hereby certify that the following are the results of assays on: Ore samples

MARKED	GOLD oz/st	SILVER xxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx	xxxxxxx
2476	0.018							
2477	0.032							

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

L. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: October 17, 1985

File: 8510-0158

SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
2830 West 37th Avenue
Vancouver, B.C.
V6N 2T6

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD Au (ppm)	SILVER xxxxx	xxxxx	Sample Marked	Gold Au (ppm)	xxx	Sample Marked	Gold Au (ppm)
				BL -			LO -	
BL 0+00	0.03			0+740-W	0.02		100 - S	0.01
20 - W	0.02			760	0.03			
40	0.01			780	0.02			
60	0.02			800	0.01		L 40 W	
80	0.02			820	0.03			
100	0.02			840	0.03		20 - N	0.02
120	0.02			860	0.03		40	0.02
140	0.02			880	0.03		60	0.01
160	0.05			900	0.02		80	0.01
180	0.03			920	0.02		100	0.01
200	0.02			940	0.02		120	0.03
220	0.28						140	0.01
240	0.02			20 -E	0.09		160	0.01
260	0.12			40	0.05		180	0.03
280	0.07			60	0.05		200	0.01
300	0.03			80	0.06		240	0.01
320	0.03			100	0.01		260	0.01
340	0.02			120	0.02		280	0.01
360	0.02							
380	0.01						20 - S	0.01
400	0.04						40	0.01
420	0.04			LO -			60	0.01
440	0.03			20 - N	0.02		80	0.02
460	0.02			40	0.25		100	0.02
480	0.03			60	0.02		120	0.01
500	0.02			80	0.03		140	0.01
520	0.01			100	0.06			
540	0.01			120	0.03			
560	0.01			140	0.03		L 40 E	
580	0.01			160	0.03			
600	0.01			180	0.05		20 - N	0.02
620	0.03			200	0.03		40	0.01
640	0.01			220	0.02		60	0.07
660	0.03			240	0.02		80	0.11
680	0.01			260	0.03		100	0.01
700	0.03			280	0.02			
720	0.04							

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NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

L. Wong
PROVINCIAL ASSAYER

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Date: October 17, 1985

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SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 2)

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD xxxxxxxxxxxxxxxxxx			Sample Marked	Gold	xxxxx	Sample Marked	Gold
	Au (ppm)				Au (ppm)			Au (ppm)
L 40 E				L 80 W			L 80 E	
120 - N	0.02			20 - S	0.03		20 - S	0.12
160	0.02			40	0.04		40	0.08
180	0.01			60	0.02		60	0.07
200	0.03			80	0.02		80	0.03
220	0.02			100	0.04		80 (b)	0.02
240	0.35			120	2.7			
260	0.02			140	0.03		L 120 W	
280	0.03							
300	0.05						20 - N	0.05
320	0.02			L 80 E			40	0.06
340	0.03						60	0.02
360	0.01			20 - N	Insufficient sample		80	0.01
380	0.02			40	0.15		100	0.02
400	0.03			60	0.09		120	0.01
420	0.01			80	0.02		140	0.02
				100	Insuf. sample		160	0.02
20 - S	0.22			120	0.24		180	0.02
40	0.33			140	0.02		200	0.03
60	0.07			160	0.02		220	0.02
80	0.03			180	0.02			
				200	0.01		20 - S	0.03
L 80 W				220	0.01		45	0.03
				240	0.01		60	0.01
20 - N	0.02			260	0.09		80	0.01
40	0.03			280	0.02		100	0.02
60	0.03			300	0.03		120	0.02
80	0.02			320	0.01		140	0.03
100	0.03			340	0.02		160	0.03
120	0.03			360	0.02			
140	0.11			380	0.02			
160	0.01			400	0.02			
180	0.01			420	0.07			
200	0.05							
220	0.01							
240	0.11							

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MARKED	GOLD Au (ppm)	SILVER ~~xxxxxxx~~xxxxxx	xxxxxx	Sample Marked	Gold Au (ppm)	xxxxxx	Sample Marked	Gold Au (ppm)
L 120 E				L 160W			L 200 W	
20 - N	0.03			120 - N	0.02		20 S	0.02
40	0.02			140	0.02		40	0.02
60	0.02			160	0.03		60	0.05
80	0.03			180	0.02		80	0.02
100	0.01			200	0.01		100	0.04
120	0.04			220	0.01		120	0.03
140	0.03			240	0.02			
160	0.03						L 240 W	
180	0.04			20 - S	0.02			
200	0.02			40	0.05		20 - N	0.02
220	0.01			60	0.02		40	0.02
240	0.03			80	0.01		60	0.04
260	0.04			100	0.02		80	0.07
280	0.02			120	0.02		100	0.05
300	0.02			140	0.07		120	0.03
320	0.03						140	0.03
360	0.02						160	0.03
380	0.04			L 200 W			180	0.03
400	0.03						200	0.05
420	0.02			20 - N	0.05		220	0.05
440	0.02			40	0.05		240	0.03
				60	0.07		260	0.06
				80	0.03		280	0.06
L 120E				100	0.06		300	0.07
				120	0.06		320	0.05
20 - S	0.06			140	0.03		340	0.03
40	0.03			160	0.04			
60	0.23			180	0.04		20 - S	0.03
				200	0.03		40	0.02
L 160 W				220	0.01		60	0.02
				240	0.02		80	0.02
20 - N	0.05			260	0.02		100	0.02
40	0.04			280	0.02		120	0.02
60	0.03			300	0.03			
80	0.02			320	0.03			
100	0.01			340	0.05			

/Continued on page 4 ...

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L. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

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General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 4)

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD Au(ppm)	SILVER xxxxxx	xxxxx	Sample Marked	Gold Au (ppm)	xxxxxx	Sample Marked	Gold Au (ppm)
L 280 W				L 320 W			L 400 W	
20 - N	0.02			200 - N	0.02		20 - S	0.02
40	0.02			240	0.01		40	0.02
60	0.02			260	0.02		60	0.02
80	0.01			280	0.01		80	0.03
100	0.01			300	0.02			
120	0.01			320	0.02		L 440 W	
140	0.02			340	0.02			
160	0.02						20 - N	0.03
180	0.02			20 - S	0.02		40	0.07
200	0.02			40	0.01		60	0.02
220	0.01			60	0.02		80	0.01
240	0.01						100	0.01
260	0.01			L 360 W			120	0.02
280	0.01						140	0.03
320	0.02			20 - N	0.01		160	0.02
340	0.02			40	0.05			
				60	0.01		L 440 W	
40 - S	0.03			80	0.05			
60	0.01			100	0.04		20 - S	0.03
80	0.01			120	0.02		40	0.03
100	0.01						60	0.03
120	0.03			20 - S	0.01		80	0.02
				40	0.02			
L 320 W				60	0.01			
				80	0.01		L 480 W	
20 - N	0.03							
40	0.03						20 - N	0.02
60	0.02			L 400 W			40	0.02
80	0.02						60	0.03
100	0.02						80	0.03
120	0.01			20 - N	0.02		100	0.01
140	0.01			40	0.01		120	0.02
160	0.02			60	0.01		160	0.01
180	0.02			80	0.01		180	0.02
				100	0.02		200	0.03
				120	0.02			
				140	0.02			

/ Continued on page 5

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L. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: October 17, 1985

File: 8510-0158

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General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 5)

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD Au (ppm)	XXXXXXXXXXXX		Sample Marked	Gold Au (ppm)	xxxx	Sample Marked	Gold Au (ppm)
L 480 W				L 560 W			L 640 W	
20 - S	0.04			20 - S	0.02		180 - N	0.01
40	0.03			40	0.03		200	0.01
60	0.89			100	0.03		220	0.04
							240	0.01
L 520 W				L 600 W			260	0.01
20 - N	0.04							
40	0.03			20 - N	0.02		20 - S	0.01
60	0.02			40	0.03		40	0.01
80	0.02			60	0.01		60	0.02
120	0.04			80	0.01			
140	0.05			100	0.01		L 680 W	
160	0.05			120	0.01			
180	1.74			140	0.01		20 - N	0.02
220	0.03			160	0.02		40	0.01
240	0.02			180	0.02		60	0.01
260	0.02			200	0.02		80	0.02
				220	0.01		100	0.03
20 - S	0.02			240	0.01		120	0.01
40	0.01			260	0.01		140	0.15
60	0.01			280	0.02		160	0.02
							180	0.02
L 56 W				20 - S	0.01		200	0.01
				40	0.02		220	0.02
20 - N	0.01			60	0.01		240	0.02
40	0.02			80	0.02		260	0.02
60	0.01							
80	0.01			L 640 W			20 - S	0.01
100	0.01						40	0.01
120	0.01			20 - N	0.06		60	0.01
140	0.01			40	0.06		80	0.02
160	0.01			60	0.02			
200	0.01			80	0.01			
220	0.02			100	0.06			
240	0.01			120	0.01			
				140	0.01			
				160	0.01			

/ Continued on page 6 ...

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L. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: October 17, 1985

File: 8510-0158

SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 6)

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD Au(ppm)	xxSILVERxxxxxx		Sample Marked	Gold Au (ppm)	xxxx	Sample Marked	Gold Au (ppm)
L 720 W				L 760 W			L 840 W	
20 - N	0.01			160 - N	0.04		20 - N	0.05
40	0.02			180	0.03		40	0.05
60	0.02			200	0.07		60	0.02
80	0.18			220	0.12		80	0.02
100	0.05			240	0.06		100	0.06
120	0.05			260	0.03		120	0.04
140	0.04			280	0.04		160	0.07
160	0.03			300	0.03		180	0.06
180	0.03			320	0.03		200	0.02
200	0.03			340	0.06		240	0.02
220	0.04			360	0.04		260	0.02
240	0.05			80 - S	0.03		20 - S	0.03
260	0.14						40	0.02
280	0.07			L 800 W			60	0.03
300	0.30						80	0.03
320	0.06			40 - N	0.05			
340	0.46			60	0.04		L 880 W	
360	0.66			80	0.02			
380	0.15			100	0.03		20 - N	0.02
				120	0.02		40	0.02
20 - S	0.04			140	0.08		60	0.02
40	0.07			160	0.03		80	0.02
60	0.03			180	0.01		100	0.10
80	0.02			200	0.01		120	0.01
100	0.02			220	0.03		140	0.03
				240	0.02		160	0.06
L 760 W							180	0.01
				L 800 W			200	0.04
20 - N	0.08						220	0.01
40	0.02			20 - S	0.23		240	0.01
60	0.06			40	0.11		260	0.01
80	0.03			60	0.05		280	0.09
100	0.03			80	0.07			
120	0.03			100	0.05			
140	0.03							

/ Continued on page 7

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

I. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: October 17,1 985
File: 8510-0158

SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

We hereby certify that the following are the results of assays on: submitted soil samples

MARKED	GOLD Au (ppm)	xxxxxxxxxxxxxxx		Sample Marked	Gold Au (ppm)	xxxxxxxxxxxxxxxxxxxxx		
L 880 W				SL 85-1				
20 - S	0.04			20 - E	0.02			
40	0.03			40	0.02			
60	0.02			60	0.01			
				80	0.03			
L 920 W				100	0.03			
20 - N	0.02							
40	0.01			SS - 1	0.04			
60	0.01							
80	0.01							
120	0.11							
140	0.03							
160	0.01							
180	0.02							
200	0.04							
220	0.02							
240	0.03							
260	0.03							
300	0.05							
20 - S	0.02							
40	0.02							
60	0.01							
SL 85-2								
20 - W	0.07							
40	0.02							
60	0.01							
80	0.02							
100	0.01							
120	0.02							

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

L. Wong
PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: October 16, 1985

File: 8510-0159

SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division
1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
2830 West 37th Avenue
Vancouver, B.C.
V6N 2T6

We hereby certify that the following are the results of assays on: Ore (geochem)

MARKED	GOLD Au (ppm)	SILVER
2478	1.30	
2479	1.24	
2480	2.88	
2481	2.30	
2482	0.84	
2483	0.08	
2484	0.43	
2485	0.17	
2486	0.06	
2487	0.32	
2488	0.05	
2489	0.08	
2490	0.07	
2491	0.54	
2492	0.06	
2493	0.03	
2494	0.07	
2495	0.16	
2496	0.13	
2497	0.09	
2498	0.33	
2499	0.04	
2500	0.17	
2501	0.08	
2502	0.05	
2503	0.02	
2504	0.04	
2505	0.03	
2506	0.05	
2507	0.03	
2508	0.03	
2509	0.02	

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

L. Wong
PROVINCIAL ASSAYER

APPENDIX 3

Lists of Personnel Employed and Costs Incurred During
1985 Program on the Tay Property

LIST OF PERSONNEL EMPLOYED ON THE TAY CLAIMS

V. Cukor, P.Eng., Geological mapping, overall supervision

August 15 to November 20; total 26 days

D. Cukor, Geologist, geochemical survey, magnetometer survey, grid survey, field supervision

August 15 to September 30; total 45 days

P. Milakovich, line cutter

August 15 to August 30; total 15 days

R. Milakovich, line cutter

August 15 to August 30; total 15 days

F. Milakovich, line cutter

September 1 to September 15; total 15 days

NVC engineering ltd.

2830 West 37th Ave., Vancouver, B.C. V6N 2T6
Tel. (604) 266-1629

DALMATIAN RESOURCES LTD
VANCOUVER, B.C.

November 20, 1985
Invoice # 419

TAY PROPERTY PROJECT: geochemical, geological and magnetic surveys, field work and report; August 15 to November 20, 1985

Field work, August 15 to September 30

V. Cukor, P. Eng 20 days @ 300	6,000.00
D. Cukor, Geologist 45 days @ 175	7,875.00
Field expences and supplies	5,141.25
Rental of camp equipment 1½ mo @ 750	1,125.00
Truck rental 1½ mo @ 1000	1,500.00
Paid to Geotronics for I.P. and E.M. surveys	750.00
Trip to the property Nov 9 and 10-expences	225.99
Data correlation and report	
V. Cukor, P. Eng 8 days @ 300	2,400.00
Assays (General Testing)	3,577.00
Drafting	350.00
Typing, printing, material	450.00
Total charges	$ 29,394.24

N

SHOWING No. 4
2499
bluff
SHOWING No. 6
2497
2498
2496
Rock slide
road
bluff
2495
CP
bluff
2488
2487
bluff
vein
2491
SHOWING No. 7
CP
CP
TAY
CP
py
NORA
2500
2501
py
SHOWING No. 8
2505
2504
2503
2502
400 N
2490
py
py
vein
2489
2483
bluff
SHOWING No. 9
2506
2507
200 N
road
2509
SHOWING No. 10
2494
2493
bluff
2492
bluff
2482
APPROXIMATE SURFACE TRACE OF VEIN EXTENSION AS INDICATED BY DRILLING
DDH 4-80
MAIN SHOWING
DDH 5-80
DDH 3-80
2476
DDH 82-2,3
DDH 84-5,6,7
DDH 83-4
SHOWING No. 2
2480
2479
2477
BASE LINE
2484
2485
py
DDH 83-6
2486
py
py
DDH 84-8
DDH 84-9
DDH 84-4
DDH 84-3
DDH 84-2
DDH 84-1
SHOWING No. 3
py
road
road
road
SHOWING No. 5
2478
Tr
920 W
800 W
600 W
400 W
200 W
0
120 E
160 S

GEOLOGICAL BRANCH
ASSESSMENT REPORT
14,121

LEGEND

- 1 Andesite
- 2 Quartz Diorite
- // Dyke
- Geological contact: Mapped, Approximate, Inferred
- 80° Fracture - dip and strike
- Quartz - pyrite vein
- py Disseminated pyrite
- Fault: Mapped, Inferred
- Outcrop boundary
- 2485 Sample location
- CP Claim post
- Tr Trench
- Diamond drill hole
- EM-16 conductor

to Tofino
HIGHWAY
to Port Alberni

To accompany report by V.Cukor, P.Eng. Nov. 1985

DALMATIAN RESOURCES Ltd.

TAY GROUP

GEOLOGY AND DEVELOPMENT PLAN

ALBERNI M.D., B.C. NTS 92F/6W

V. CUKOR, P.Eng. – NVC ENGINEERING Ltd. – VANCOUVER, B.C.

DATE: Nov. 1985 SCALE: 0 10 20 30 40 50 meters FIG. 4

N

440 N
400 N
360 N
320 N
280 N
240 N
200 N
160 N
120 N
80 N
40 N
BASE LINE
40 S
80 S

920 W 880 W 840 W 800 W 760 W 720 W 680 W 640 W 600 W 560 W 520 W 480 W 440 W 400 W 360 W 320 W 280 W 240 W 200 W 160 W 120 W 80 W 40 W 0 40 E 80 E 120 E

120 S

LEGEND

35 ppb Au — Background
70 ppb Au — Anomalous
Significantly anomalous

x Location of rock chip geochemical sample

To accompany report by V.Cukor, P.Eng. Nov. 1985.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

14,121

DALMATIAN RESOURCES Ltd.

TAY GROUP

GEOCHEMICAL SURVEY PLAN

ALBERNI M.D., B.C. NTS 92 F/6W

V.CUKOR, P.Eng. – NVC ENGINEERING Ltd. – VANCOUVER, B.C.

DATE: Nov. 1985 | SCALE: 0 10 20 30 40 50 meters | FIG. 5

N

440 N
400 N
360 N
320 N
280 N
240 N
200 N
160 N
120 N
80 N
40 N
BASE LINE
40 S
80 S

920 W 880 W 840 W 800 W 760 W 720 W 680 W 640 W 600 W 560 W 520 W 480 W 440 W 400 W 360 W 320 W 280 W 240 W 200 W 160 W 80 W 40 W 0 40 E 80 E 120 E

120 W

Line O.E.M. Test Run

Line O.I.P. Test Run

LEGEND

Every 100 gammas

Every 500 gammas

Measurements taken of earth's total magnetic field; values reduced by 55,000 gammas.
Contour interval = 100 gammas

Magnetic low anomaly

E. M. MAX. MIN TEST RUN
Conductive zone

I. P. TEST RUN
Anomalous I.P. readings

To accompany report by V.Cukor, P.Eng. Nov. 1985.

DALMATIAN RESOURCES Ltd.

TAY GROUP

MAGNETIC SURVEY PLAN

ALBERNI M.D., B.C. NTS 92F/6W

V.CUKOR, P.Eng. – NVC ENGINEERING Ltd. – VANCOUVER, B.C.

DATE: Nov. 1985 | SCALE: 0 10 20 30 40 50 meters | FIG. 6