

REPORT ON 1985 DIAMOND DRILLING

PESO 467(9) MINERAL CLAIM

CARIBOO MINING DIVISION

LAT: 52° 35' North
LONG: 121° ~~50'~~ 27.5' West NTS: 93A/11W

OPERATORS: Hycroft Resources and Development Corporation
Mt. Calvery Resources Corp.

Owners: James S. Christie
James Yates
Diana V. Mickle

WRITTEN BY: James S. Christie Ph.D.
Geologist

PREPARED FOR: Hycroft Resources and Development Corporation

FILMED

MARCH 13, 1986.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

14,468

SUB-ORDER RECEIVED
MAR 14 1986
M.R. # _____ \$ _____
VANCOUVER, B.C.

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INTRODUCTION

The Peso and adjoining mineral claims were staked by R. Mickle of Likely B.C. in 1977 and subsequent years, on the north slope of Spanish Mountain. The gold showings in this area have been known and explored for many years and recently the area has been the focus of significant exploration activity.

HISTORY

Prior to the current diamond drilling the area had been explored by a soil sample grid and considerable trenching. Following the initial work by Mickle Lacana Mining Corp. conducted further geochemical and VLF-EM surveys over part of the area. During 1984 and 1985 Hycroft Resources and Developmen Corporation completed more detailed grid sampling and followed this with a programme of backhoe trenching. In August of 1985 Mt. Calvery Resources optioned the property from Hycroft and carried out a 6-hole 530 metre diamond drill programme on the Peso claim during October and November of 1985.

LOCATION AND ACCESS

The Peso claim is located on the north slope of Spanish Mountain covering the steeper part of the middle to upper slope. Access is by all weather logging roads to the lower part of the claim, and then by a network of logging and mining roads on the slope. The village of Likely on the Quesnel River lies 8 km to the southeast, as shown on the Property Location Map.

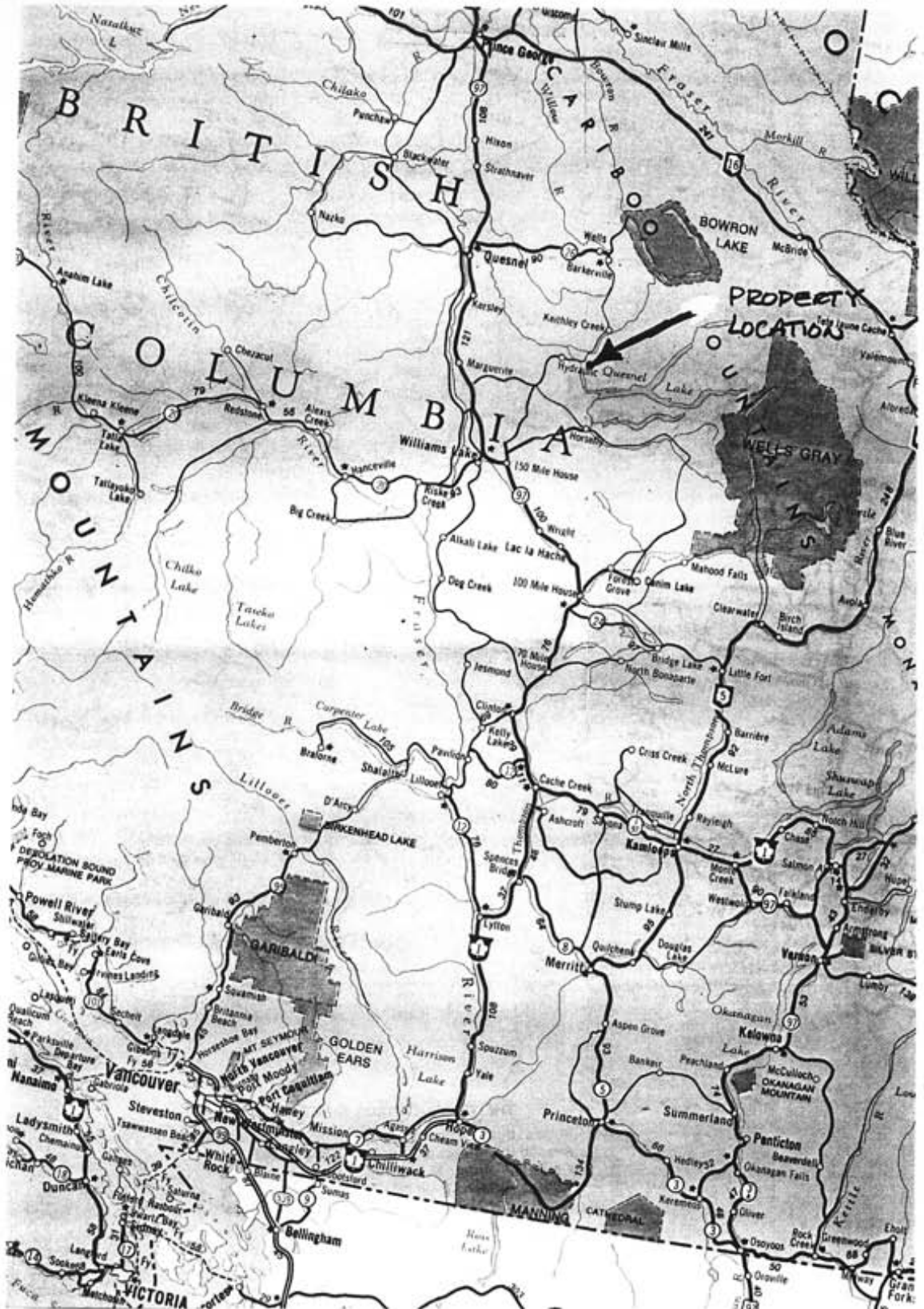
MINERAL CLAIMS

The property is on Mineral Claim Map 93A/11W a copy of which is shown on Figure 2, and is comprised of the following claims.

<u>CLAIM NAME</u>	<u>RECORD NO.</u>	<u>UNITS</u>
Don 1	1383(12)	1
Don 2	1384(12)	1
Don 3	1385(12)	1
Don 4	1386(12)	1
Peso	487(9)	9
Jul 2	1853(8)	9
My	4861(5)	1
Mar 1	4716(3)	15
Mar 2	4717(3)	20
Mar 3	4718(3)	20
April Fr.	6604(10)	1
De 2	5625(12)	10
De 3	5626(12)	16
Nik	4818(5)	15

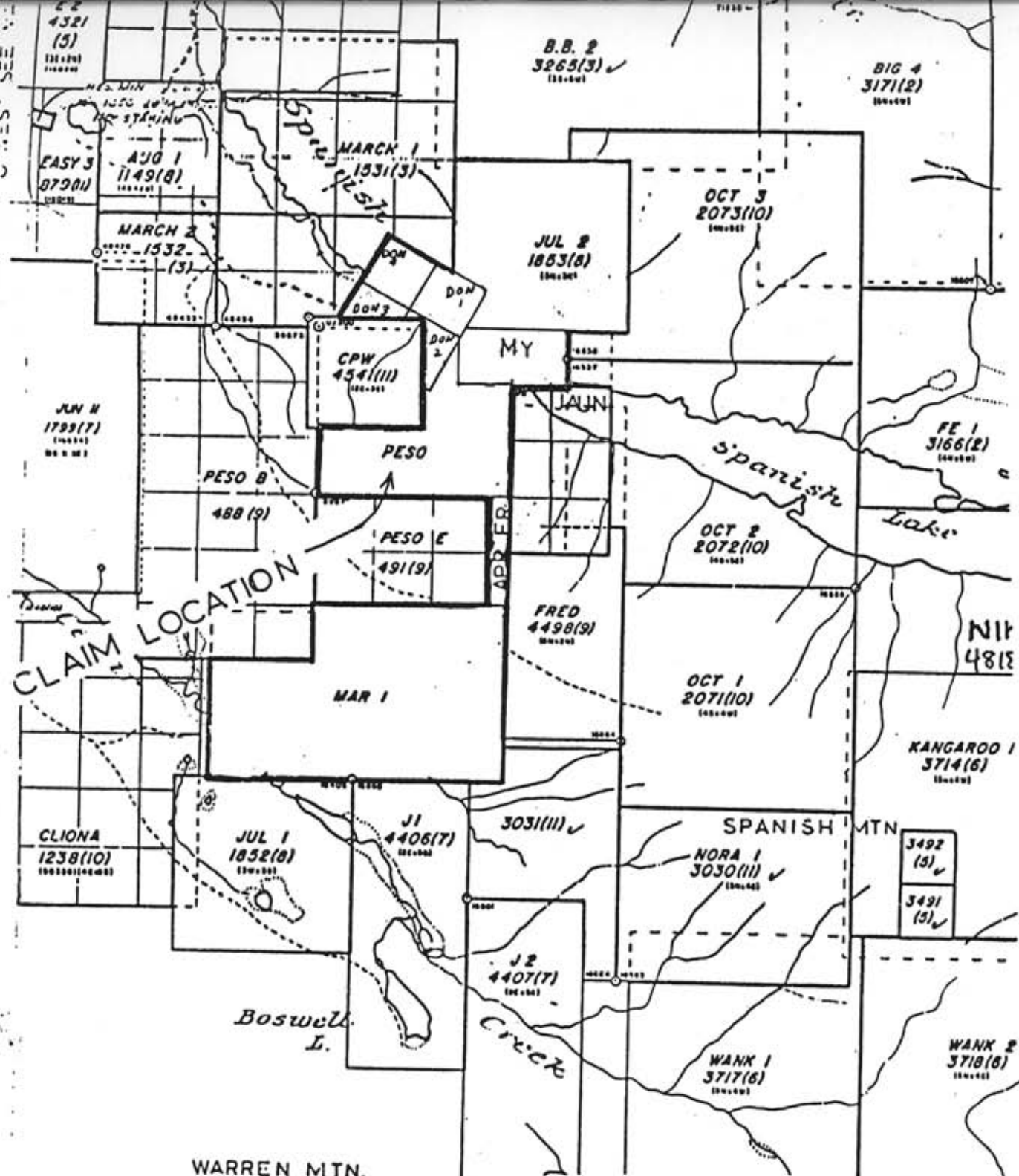
GEOLOGY

The claim area is underlain by Upper Triassic phyllite and argillite with minor beds of coarse arenaceous rocks. These rock units are



PESO MINERAL CLAIM - PROPERTY LOCATION

FIGURE 1



DEPARTMENT OF MINES
AND PETROLEUM
RESOURCES

MINERAL CLAIM MAP 93A/11 W(M)
CARIBOU MINING DIVISION

PESO MINERAL CLAIM
FIGURE 2

intensely sheared and folded and original textures have mainly been obliterated by this intense deformation. The succession has been intruded by a number of leucocratic (rhyolite to dacite) dykes and plugs and some of the sediments are strongly hornfelsed.

DIAMOND DRILLING

DIAMOND DRILL HOLE SUMMARY PESO CLAIM 1985
(All core is NQ size 1 7/8 inches diameter)

<u>HOLE NO.</u>	<u>AZIMUTH</u>	<u>ANGLE</u>	<u>DEPTH(metres)</u>
85MD-11	120 ^o	- 60 ^o	106.7
85MD-12	120 ^o	- 60 ^o	30.5
85MD-13	120 ^o	- 60 ^o	91.5
85MD-14	135 ^o	- 55 ^o	107.0
85MD-15	110 ^o	- 60 ^o	136.0
85MD-16	120 ^o	- 60 ^o	58.5
TOTAL			530.2

The drill core is stored on the CPW claim about 800 metres north-east of the drilling area on the Peso claim as show on Figure 3.

The locations of the 6 diamond drill holes completed by Mt. Calvery Resources in October and November of 1985 are shown on Figure 3, and are summarized above. The drill core logs and assays obtained by the author form the Appendix to this report.



In late December of 1985 Mt. Calvery abruptly terminated its option agreement with Hycroft turning all of the claims back to Hycroft. Mt. Calvery claimed that their assays from the core had returned very low gold values, but copies were not provided to Hycroft. Later, Mt. Calvery refused to provide Hycroft with copies of drill logs or a drilling report on account of a dispute with Hycroft as to how the claims were to be grouped and assessment work applied.

In early March in order to meet the March 14 th deadline for the filing of an assessment report Hycroft was forced to open the road to the Peso claim with a D-8 bulldozer and locate the core and the drill sites. At the request of Hycroft this work was done under the supervision of the author.

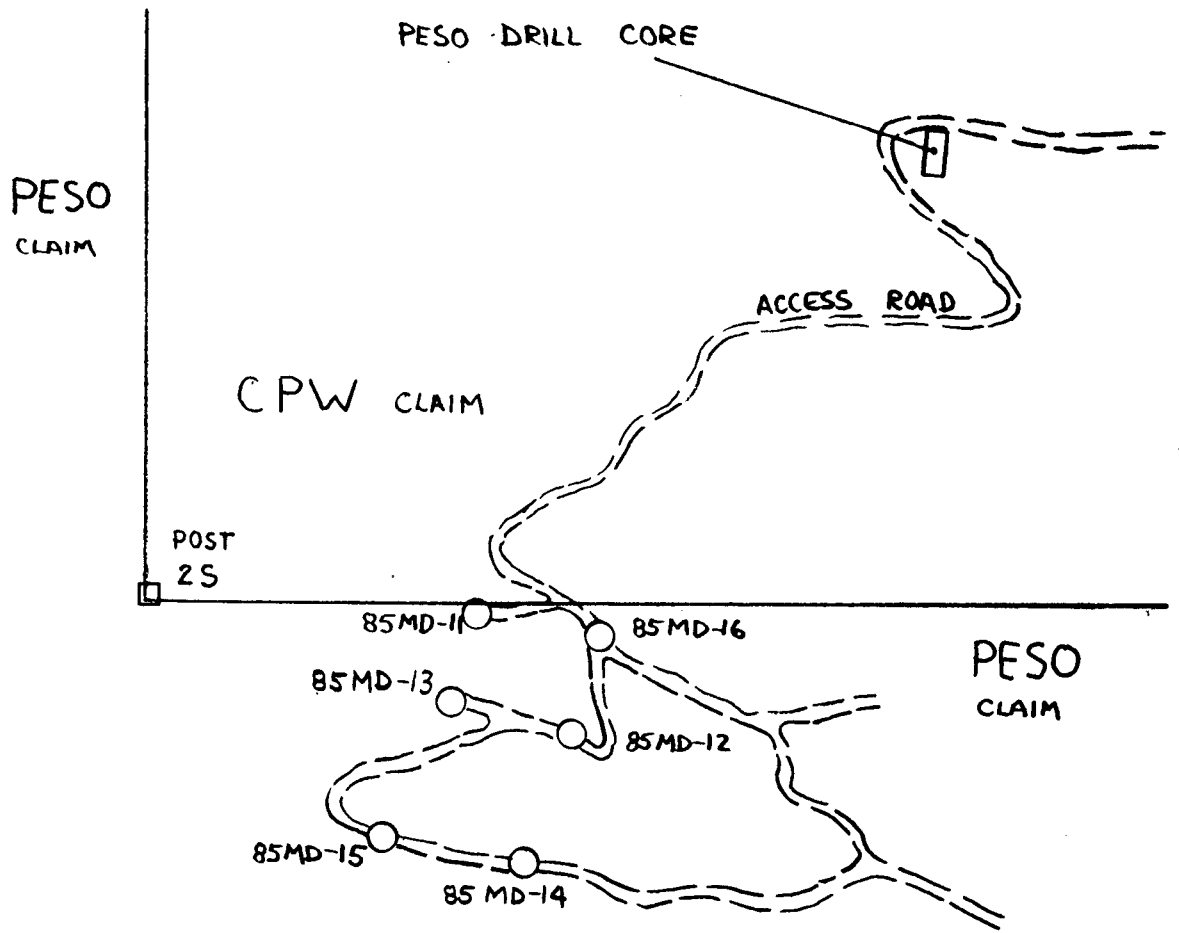
The drill core was found stored on a plywood platform on the CPW mineral claim beside the Peso access road about 800 metres northeast of the area on the Peso claim which was drilled. The core was carefully logged and representative samples of mineralized intercepts were taken by the author to check for gold values of possible significance. These samples were submitted to Chemex Labs Ltd. for gold fire assay.

After logging the core was carefully stacked on the plywood platform and left as it had been found.

PESO MINERAL CLAIM
CARIBOO M.D.
1985 DIAMOND DRILL SITES
for
HYCROFT RESOURCES & DEVELOPMENT
CORPORATION
SURVEY BY HIP-CHAIN AND COMPASS



SCALE 1:5000



RESULTS

Assays for gold obtained from eight samples taken by the author are shown on the drill logs in the Appendix. One sample returned a gold assay of 0.158 oz/t from a 3 metre section of altered porphyry dyke rock and the other samples all gave low values.

INTERPRETATION

None of the holes drilled by Mt. Calvery Resources intersected quartz stockwork related gold mineralization in phyllites as found in the better grade surface showings on the property. In fact much of the core obtained is of varieties of porphyry dyke rocks which tend to be poorly mineralized and could be of late or post-mineral age. The strong gold anomaly in soils outlined by the work of Hycroft remains unexplained after this initial round of diamond drilling.

An interesting result is the assay of 0.158 oz/t gold from the bottom of hole 85MD-13 from strongly chloritized and pyritized porphyry dyke rock. This section of altered rock extending 20.5 metres from 71.0-91.5 metres (end of hole) is by far the most interesting mineralization encountered in the core. Only 6 metres of this 20.5 metre section was sampled by the author, and it is obvious that the entire mineralized zone should now be carefully re-sampled, and, since the hole was stopped in mineralization consideration should be given to deepening and closely offsetting hole 85MD-13.

Respectfully submitted,



James S. Christie Ph.D.
Geologist.

COST STATEMENT

Diamond Drilling

530 metres NQ core @ \$75.00/metre \$39,750

STATEMENT OF QUALIFICATIONS

I, James S. Christie of Vancouver, British Columbia, do hereby certify that:

1. I am a Professional Geologist residing at 3921 West 31st Avenue, Vancouver, B.C., V6S 1Y4.
2. I am a graduate of the University of British Columbia, B.Sc., Honours Geology, 1965; Ph.D. Geology, 1973;
3. I have practised my profession as a mining exploration geologist, continuously since 1965.
4. I am a Fellow of the Geological Association of Canada.
5. I am a Member of the Geological Society of America.
6. This report is based on my personal knowledge of the district, and mapping of the geology at the property.


James S. Christie, Ph.D.



Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

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

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

CERTIFICATE OF ASSAY

TO : JMT SERVICES CORPORATION

6775 WEST BLVD.
VANCOUVER, B.C.
V6P 5R8

3921 W. 31st
VANCOUVER, BC
V6S 1Y4

CERT. # : A8611149-001-A
INVOICE # : I8611149
DATE : 13-MAR-86
P.O. # : NONE
PESO

✓ CC: JIM CHRISTIE

Sample description	Prep code	Au FA oz/T						
86-C-1	207	<0.003	--	--	--	--	--	--
86-C-2	207	0.004	--	--	--	--	--	--
86-C-3	207	0.158	--	--	--	--	--	--
86-C-4	207	<0.003	--	--	--	--	--	--
86-C-5	207	0.003	--	--	--	--	--	--
86-C-6	207	0.004	--	--	--	--	--	--
86-C-7	207	<0.003	--	--	--	--	--	--
86-C-8	207	<0.003	--	--	--	--	--	--

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

J.S. Christie

Property PESO
 Hole No. 85 MD-11 Page No. 1
 District CARIBOO
 Commenced _____
 Completed _____

Length 106.7 metres Lat. _____
 Bearing 120° Dept. _____
 Inclination -60° Elev. _____

Drill Type _____
 Hole Size NG
 Contractor _____

Logged by J.S. Christie
 Approved by _____ Date MAR. 4/86

FOOTAGE		SAMPLE No.	Length	% Rcy.		ALTERATION											% Sulph.	Diss/ Vein	Pv/ Cpy	Mag.	Au oz/t
From	To					Q	KF	Bi	Chl.	Cl.	Ser.	Ep.	Cb.	Sul.	VENIS						
0	3.1				CASING												1.0	10.0	-		
3.1	9.1				Leucocratic feldspar porphyry (rhyolite?) - pyrite diss and on dark grey hairline fractures and in porphyroblasts to 1 cm - dyke rock					M											
9.1	17.6				Black graphitic phyllite - strong slickensides along fault contact with porphyry - strong shearing - foliation contorted												2.0	5.0			
17.6	19.0				Med. grey feldspar porphyry with 5% hornblende phenocrysts (dacite?) - strong shearing 80° to core axis																
17.6	19.0				Black graphitic phyllite as above												2.0	5.0			
19.0	20.0				Med grey feldspar porphyry dyke as above																
20.0	21.3				Black graphitic phyllite as above																
21.3	24.0				Greenish grey feldspar porphyry dyke - chilled margin becoming coarser grained and more leucocratic inward coarse pyrite porphyroblasts to 1 cm					W					W	1.5	5.0				
24.0	39.6				Gassy greenish grey shear zone																
(35.4)	39.0				Dark greenish grey coarse grained feldspar porphyry (andesite?)					W											
39.6	45.7				Med. grey feldspar porphyry dyke (dacitic?) with fine diss pyrite and cse pyrite porphyroblasts to 1 cm as follows												2.0	5.0			
45.7	106.7				Zone with pinkish grey amethystine quartz veinlets 1-5 mm wide - moderately strong shearing					M					M	2.0	5.0			<.003	
(50.0)	57.9				Less deformation of feldspar porphyry					W											
(51.9)	54.9	86-C-1	3.1	100	Wispy inclusions of phyllite and darker zones in porphyry where some assimilation has occurred																
(60.7)	61.3				Quartz veinlet zone										M						
(61.3)	64.9				Stronger shearing with chlorite or pyrite along fractures					M	M					3.0	2.0				
(64.9)	65.5				Quartz veinlet zone										M	2.0	5.0				
(64.9)	65.5				Quartz veinlet zone										M	2.0	5.0				
(74.1)	74.7				Porphyry more strongly altered and cracked fracture network with dark quartz, chlorite, pyrite graphite - local high cse pyrite phenocrysts - less white quartz veinlets this section					M	M					3.0	2.0				
(76.0)	79.0																				
(80.5)	84.1																				
(83.0)	106.7				END OF HOLE																

KEY
 W weak
 M moderate
 S strong

J. Christie

Property PESO
 Hole No. 85-MD-13 Page No. _____
 District CAERBOO
 Commenced _____
 Completed _____

Length 91.5 metres Lat. _____
 Bearing 120° Dept. _____
 Inclination -60° Elev. _____

Drill Type _____
 Hole Size NQ
 Contractor _____

Logged by J.S. Christie
 Approved by _____ Date MAR 4/86

FOOTAGE		SAMPLE No.	Length	% Rcy.		ALTERATION										% Sulph.	Diss/Vein	Pv/Cpy	Mag.	Au oz/T
From	To					Q	KF	Bi	Chl.	Cl.	Ser.	Ep.	Cb.	Sul.	VEINS					
0	2.0				CASING															
2.0	11.0				Rusty leucocratic feldspar porphyry dyke (rhyolite) with fine diss pyrite and porphyroblasts to 1 cm.					M							2.0	10.0		
11.0	12.5				As above with dark grey hairline fractures with graphite-quartz-pyrite							W					2.0	5.0		
12.5	13.0				White bull qtz vein															
13.0	14.0				Rusty fault gouge zone															
14.0	19.5				Porphyry as above but less dk. grey hairline fractures.					M							2.0	7.0		
19.5	20.0				White bull qtz vein															
20.0	23.0				Porphyry as above					M		W					2.0	7.0		
23.0	26.6				Porphyry as above but feldspar phenocrysts larger to 2mm					M		W					2.0	7.0		
26.6	27.3				Black graphitic phyllite												1.0	10.0		
27.3	28.0				Fault gouge															
28.0	32.0				Leucocratic feldspar porphyry as above					M							2.0	7.0		
32.0	33.0				Black graphitic phyllite					W							1.0	10.0		
33.0	35.0				Leucocratic feldspar porphyry as above					M							2.0	7.0		
35.0	38.0				Med grey andesitic feldspar porphyry - 5% hornblende phenocr.				W	W							1.0	10.0		
38.0	45.0				Darker grey feldspar porphyry - looks contaminated and with graphitic schist partings				W	W							1.0	10.0		
45.0	50.0				Leucocratic feldspar porphyry as above					M							2.0	7.0		
50.0	50.7				Black graphitic phyllite															
50.7	52.5				Leucocratic feldspar porphyry as above					M							2.0	7.0		
52.5	55.0				Fault zone - 3 separate sections at gouge				M	M							2.0	5.0		
55.0	57.9				Black graphitic phyllite - strong slickensides and shears					W							2.0	5.0		
57.9	58.3				Greenish grey dyke - strongly sheared - bleached				M	M							2.0	5.0		
58.3	68.0				Leucocratic feldspar porphyry as above with cse pyrite porphyrobl.					M							2.0	10.0		
68.0	68.5				Fault gouge															
68.5	71.0				Med grey feldspar porphyry - dacitic - feldspar phenocr to 2mm				W	W		KEY					1.0	10.0		
71.0	91.5				As above but pervasive bleaching + chlorite alt-				M	M							2.0	10.0		
(76.0)	(79.0)	86-C-2	3.0	100	Rock altered to greenish grey colour - more pyrite				S	M		W-weak					3.0	10.0	004	
(87.0)	(90.0)	86-C-3	3.0	100	and chlorite with minor vein quartz to end of hole				S	M		M-moderate					3.0	10.0	158	
91.5					END OF HOLE							S-strong								

Property PESO
 Hole No. 85MD-14 Page No. _____
 District CARIBOO
 Commenced _____
 Completed _____

Length 107 metres Lat. _____
 Bearing 135° Dept. _____
 Inclination 55° Elev. _____

Drill Type _____
 Hole Size NQ
 Contractor _____

J. S. Christie

Logged by J.S. Christie
 Approved by _____ Date MAR 4, 1986

FOOTAGE		SAMPLE No.	Length	% Rcy.		ALTERATION										% Sulph.	Diss./Vein	Pv/Cpy	Mag.	Au oz/T					
From	To					Q	KF	Bi	Chl.	Cl.	Ser.	Ep.	Cb.	Sul.	VEINS										
0	2.0				CASING																				
2.0	14.0				Rusty leucocratic feldspar porphyry with characteristic dk grey hairline fractures with graphite-quartz-pyrite and diss pyrite - White bull qtz veins (5.5-6.0)(7.9-8.2)(9.5-10.2)					M						W			2.0	10.0					
14.0	17.0				Fault zone in greenish grey fels. porphyry - highly shattered - several zones of gouge - strong bleaching				S	S										3.0	7.0				
17.0	18.0				Blocky feldspar porphyry with dark grey hairline fractures					M										2.0	5.0				
18.0	20.0				Fault zone - gougy feldspar porphyry																				
20.0	23.0				Leucocratic feldspar porphyry as above					M										2.0	5.0				
23.0	23.5				Fault gouge with bull quartz					S															
23.5	24.5				Feldspar porphyry as above					M										2.0	5.0				
24.5	25.0				White bull quartz vein																				
25.0	37.0				Med. grey feldspar porphyry - weak dk grey fracture network					W										1.5	10.0				
37.0	51.0				Feldspar porphyry becomes progressively more altered				M	M															
(41.5)	44.5	86-C-4	3.0	100	and bleached to pervasive chlorite-pyrite				S	S										3.0	7.0				<.003
51.0	54.5	86-C-5	3.5	100	Very intense clay chlorite alt with amethystine qtz stringers				S	S						S				3.0	7.0				.003
54.5	56.0				As above but weaker chlorite				M	S						M									
56.0	58.0				Fault zone with 3 sections of gouge.				M	M										2.0	7.0				
58.0	60.0				Chloritized porphyry with bull quartz veins				M	M						W				2.0	7.0				
60.0	63.0				Bleached feldspar porphyry with stronger chlorite + py				S	M										3.0	7.0				
63.0	64.0				Intense chlorite alteration in porphyry				S	S										3.0	7.0				
64.0	68.5				Leucocratic feldspar porphyry with characteristic dark gray					M										1.5	7.0				
68.5	73.0				fracture network - diss pyrite and pyrite porphyroblasts																				
68.5	73.0				Feldspar porphyry - coarser feldspar phenos to 2mm.				M	M										2.0	7.0				
73.0	74.5				Feldspar porphyry - finer grained - more grey in color				W	M										1.5	7.0				
74.5	76.5				Fault gouge - slivers of graphitic schist					M															
76.5	85.0				Med grey (dacitic) feldspar porphyry - qtz veinlets to 5mm				M	M							M			2.0	7.0				
85.0	91.0				As above but lighter grey with more bleaching				M	S										3.0	5.0				
91.0	93.5				As above but stronger chlorite				M	S										3.0	5.0				
93.5	95.6				Chloritized feldspar porphyry with quartz veinlets to 5mm				S	S						M				3.0	5.0				
95.6	102.0				Leucocratic feldspar porphyry with diss + pyrite porphyroblasts					M										2.0	10.0				
102.0	107.0				As above but with stronger chlorite + pyrite and				S	M										4.0	7.0				
(104.0)	(107.0)	86-C-6	3.0	100	with strong foliation at 90° to core axis																				.004
107.0					END OF HOLE																				

KEY
 W - weak
 M - moderate
 S - strong

Property PESO
 Hole No. 85-MD-15 Page No. _____
 District CARIBOO
 Commenced _____
 Completed _____

Length 136 metres Lat. _____
 Bearing 110° Dept. _____
 Inclination -60° Elev. _____

Drill Type _____
 Hole Size NQ
 Contractor _____



Logged by J.S. Christie
 Approved by _____ Date MAR. 4, 1986

FOOTAGE		SAMPLE No.	Length	% Rcy.	Description	ALTERATION										% Sulph.	Diss/Vein	Pv/Cpy	Mag.	Au oz/T
From	To					Q	KF	Bi	Chl.	Cl.	Ser.	Ep.	Cb.	Sul.	S VEINS					
0	2.5				CASING															
2.5	6.2				Rusty leucocratic feldspar porphyry dyke - dark grey fracture network					M							1.5			
6.2	16.0				Med grey hornfelsic argillite - 5% andalusite porphyroblasts to 10um												7.0			
16.0	32.7				As above but with occasional pyrite porphyroblasts and quartz vits. at 21.0m bedding 10-15° to core axis - some graphitic beds					W				W			1.0			
32.7	37.0				Leucocratic feldspar porphyry - dark fractures with graphite - pyrite - quartz and diss py + py porphyroblasts					M							2.0			
37.0	37.7				Hornfelsic argillite - siltstone												7.0			
37.7	41.2				Med grey feldspar porphyry - patchy chlorite alteration				M	M				W			2.0			
41.2	46.2				Med grey hornfels - 20% andalusite porphyroblasts												7.0			
46.2	48.7				Leucocratic feldspar porphyry dyke as above				M	M										
48.7	50.0				Fault gouge - chloritized and bleached				S	S							2.0			
50.0	72.0				Chloritized hornfels becoming very bleached light grey				S	M							1.5			
(58.0)	81.0	86-C-7	3.0	100	with relict andalusite + pyrite porphyroblasts				M	S							10.0			
72.0	73.0				Fault zone - chloritized and bleached gouge				S	S							1.5			
73.0	80.0				Med greenish grey feldspar porphyry - low sulfide quartz veins - (76-80)				M	M				W			2.0			
80.0	82.6				Dark grey feldspar porphyry (andesite?)				M	W							1.5			
82.6	82.8				Fault gouge												10.0			
82.8	91.0				Med greenish grey feldspar porphyry as above				M	M				W			2.0			
91.0	93.0				As above but dark grey fracture network - py-qtz-graphite				M	M							10.0			
93.0	96.5				As above but contact chilled and chloritized												7.0			
96.5	110.9				Med. grey hornfelsic siltstone with andalusite + pyrite porphyroblasts as above												1.5			
110.9	111.5				Fault zone - chloritized				M	M							10.0			
110.9	111.5				Light grey hornfels with andalusite porphyroblasts					W							1.0			
111.5	114.0				Med grey hornfels - bedding 25-30° to core axis					W							10.0			
114.0	127.5				As above but shattered with gouge and slickensides at 45° to core axis at 130.5					M							1.0			
127.5	131.5				Bleached hornfels with relict andalusite + pyrite porphyroblasts				W	S							1.5			
131.5	136.0				END OF HOLE												10.0			

W - weak
 M - moderate
 S - strong

