86-164-14487

~~GEOPHYSICAL~~

GEOLOGICAL ~~GEOLOGICAL~~ AND GEOCHEMICAL REPORT
on the
SAUNDERS 1-4 Mineral Claims
Latitude 57° ~~22 North~~ 20.3'
Longitude 127° ~~05 West~~ 04.2'
N.T.S. 94E/6E
Omineca Mining Division
British Columbia

25 October 1985

for
Owner/Operator: GOLDEN RULE RESOURCES LTD.
Calgary, Alberta

FILMED

by
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CERTIFICATE

I, James Wilson Davis, of 116 MacEwan Drive N.W. in the City of Calgary in the Province of Alberta, do hereby certify that:

1. I am a consulting geologist with the firm of Taiga Consultants Ltd. with offices at Suite 100, 1300 - 8th Street S.W., Calgary, Alberta.

2. I am a graduate of St. Louis University: B.Sc. Geology (1967), and M.Sc. Geology (1969).

3. I have practised my profession continuously since 1969.

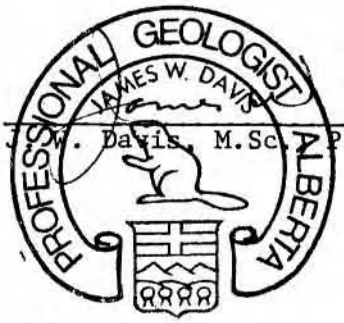
4. I am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of Alberta; and a Fellow of the Geological Association of Canada.

5. I personally supervised the field aspects of the exploration program conducted on the Saunders 1-4 claims during August 1985, which work is described herein.

6. I have previously acquired shares in Golden Rule Resources Ltd. In respect of services rendered in the preparation of this report, I did not receive and do not expect to receive any interest, direct or indirect, in the property described herein nor in the securities of Golden Rule Resources Ltd.

DATED at Calgary, Alberta, this 25th day of October, A.D. 1985.

Respectfully submitted,



J. W. Davis, M.Sc., P.Geol., F.GAC

PERMIT TO PRACTICE
TAIGA CONSULTANTS LTD.
Signature
Date Jan. 10, 1986
PERMIT NUMBER: P 2399
The Association of Professional Engineers, Geologists and Geophysicists of Alberta

SUMMARY

The objective of the August 1985 exploration program carried out on the Saunders 1-4 mineral claims was to evaluate the gold potential of epithermal vein systems present in the area. Previous geochemical sampling carried out on the property had outlined several areas of interest which were the starting point for this program.

As part of the evaluation, 64 lithogeochemical samples were collected primarily from quartz veins and quartz breccia systems located on the claims. The most significant results obtained from this sampling were from a 3 to 4 metre quartz-barite breccia zone assaying 0.210 oz/ton gold and 7.5 ppm silver. In addition, 9 other samples were collected from veins with gold content ranging from 100 to 1420 ppb, and silver content from 7 to 24 ppm. Chalcopyrite and galena were noted in these vein and breccia systems along with secondary minerals such as malachite and azurite.

The exploration work has demonstrated the potential for the property to host significant gold mineralization in epithermal quartz breccia zones. Further exploration on the property should be directed towards delineating additional gold mineralization by detailed lithogeochemical sampling and trenching of occurrences discovered to date. With continued encouragement, a limited diamond drilling program would constitute the next exploration phase.

INTRODUCTION

Location and Access

The Saunders 1-4 mineral claims form a contiguous property located within N.T.S. map-area 94E/6E. The approximate coordinates of the claims are 57°21' North latitude and 127°05' West longitude (Figure 1).

The property encompasses the area around Saunders Creek, approximately 2 km south of the confluence of this creek with Toodoggone River. The property is situated approximately 300 km north of Smithers, the normal supply centre.

Access to the property is via fixed-wing aircraft to the Sturdee Air-strip, then by helicopter to the property.

Property and Ownership

The Saunders 1-4 mineral claims are located in the Omineca Mining Division and are entirely owned by Golden Rule Resources Ltd. of Calgary, Alberta. The claims are described more specifically as follows:

Claim Name	No. of Units	Record Number	Date of Record
Saunders 1	12	2682	April 3, 1980
Saunders 2	12	2683	
Saunders 3	20	2684	
Saunders 4	20	2685	
	64		

Figure 2 illustrates the location and extent of the Saunders claims. The common legal corner post was located in the field and has been surveyed in by another exploration crew working in the area.

Physiography and Glaciation

The claims lie within the Cassiar Mountains physiographic subdivision of the Interior Plateau. The region is entirely glaciated and is characterized by wide U-shaped drift-filled valleys and deeply-cut V-shaped upland

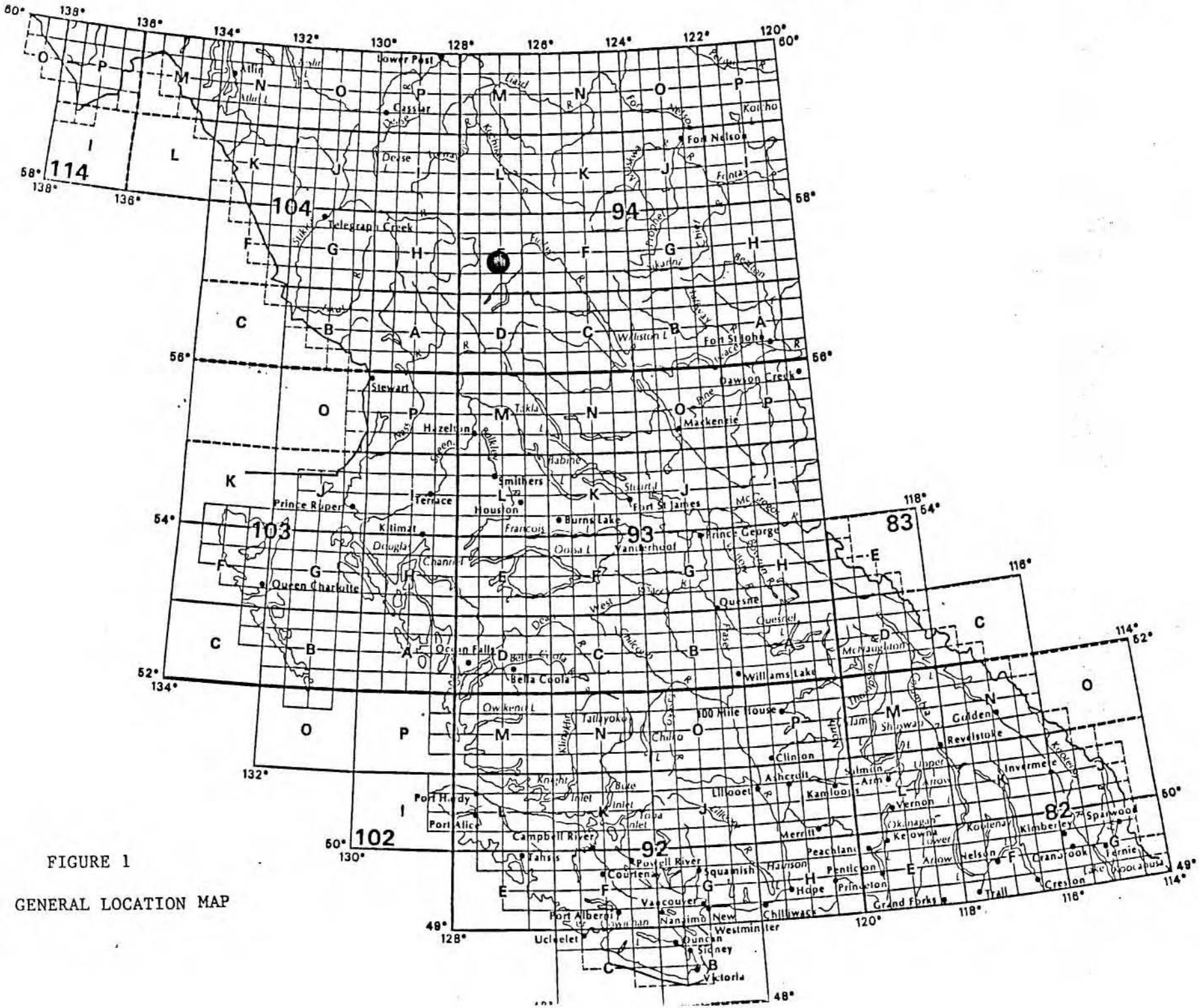


FIGURE 1

GENERAL LOCATION MAP

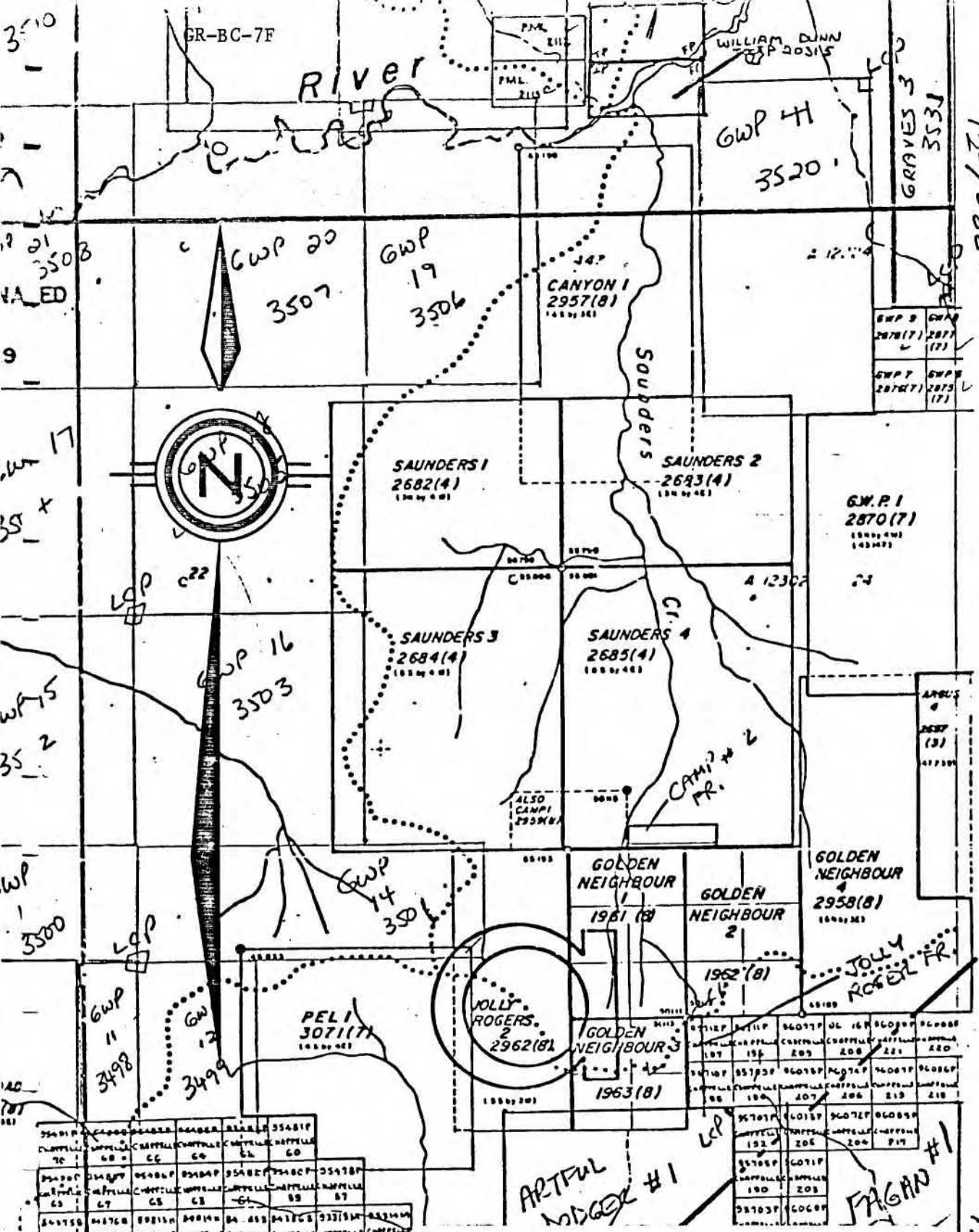


FIGURE 2

Location Sketch of

SAUNDERS 1 to 4 MINERAL CLAIMS

SCALE 1:50,000 N.T.S. 94-E-6E

0 1 2 3 kilometres

KNOWN-GRANTED MINERAL CLAIM
REVERTED C.G. MINERAL CLAIM
FORFEITED MINERAL CLAIM
VERIFIED LEGAL CORNER POST
LEGAL SURVEY
LEGAL CORNER POST & TAG NUMBER

TO EAST SEE MAP 94-E-7-W

Metres 1000 500 0 0 1000 2000 3000 Metres
Kilometres 1 0 1 2 3 Kilometres

LEGAL CORNER POST IS THER INFORMATION, AS CONCERNED.

DATE OF MICROFILM

valleys. Mountain peaks in the area average 1,980 metres ASL, and rise fairly abruptly from the major valleys. The topographic expression of the Toodoggone Volcanics is considerably more subdued as compared to the more rugged topography in areas underlain by Takla Group volcanic rocks.

On the Saunders claims, the maximum relief from the valley of Saunders Creek to the highest mountain in the area is 665 metres. Lowlands are present along Saunders Creek and its tributaries; the Saunders 1 claim encompasses the flanks of the Toodoggone River Valley. The upland ridges and mountains tend to be serrated into arêtes by Pleistocene valley glaciation. Bedrock exposures are confined to the upland areas and along the headwaters of tributaries to Saunders Creek.

Previous Work

The initial exploration within the boundaries of the current Saunders claims was carried out by Denison Mines Limited during 1969-1972. This work was designed to evaluate the gold, silver, and copper potential of the area. Work completed included air photogeology; geological mapping; and silt, soil, and rock geochemistry. This exploration resulted in the location of the SOM chalcopyrite showing (see Map 1).

In addition to exploration carried out by Denison Mines, Kennco Exploration (Western) Limited staked the original Saunders claims and carried out an exploration program in 1971. This work included geological mapping along with limited silt, soil, and rock geochemical sampling. This work was directed towards both base and precious metals.

In 1980, Golden Rule Resources Ltd. staked the current Saunders claims. Limited silt and soil sampling was carried out that year. In 1981, a helicopter-borne VLF-EM and magnetometer survey was completed, followed by ground VLF-EM and magnetometer surveys. In addition, the claims were mapped geologically; and silt, soil, and rock geochemical samples were acquired and geochemically analyzed. A number of gold and/or silver geochemical anomalies were delineated. Nine of these anomalies could be related to strong fracture systems which transect the property.

In 1983, a limited geochemical program consisting of close-spaced grid sampling, was carried out in the area previously identified as anomalous. The bibliography documents relevant reports concerning the previous exploration of the Saunders property.

REGIONAL GEOLOGY

Regional mapping of the Toodoggone area has been carried out by both the Geological Survey of Canada and the British Columbia Ministry of Energy, Mines and Petroleum Resources.

During 1971-1975, the regional geology was mapped by the Geological Survey of Canada at a scale of 1:250,000 under the direction of Dr. H. Gabrielse, with the results published in 1977 as G.S.C. Open File 483.

The British Columbia Department of Mines carried out an on-going mapping program in the Toodoggone area from 1971 to 1984. In 1985, a compilation map was published at a scale of 1:50,000 as Preliminary Map 61. This mapping, completed under the direction of T. G. Schroeter, details the units of the Toodoggone Volcanics which had become the focus of gold exploration in the district. The following description of the regional geology is excerpted from his 1982 report:

> The Toodoggone area lies within the eastern margin of the Intermontane Belt. The oldest rock exposed are wedges of crystalline limestone more than 150 metres thick that have been correlated with the Asitka Group of Permian age. The next oldest rocks consist of andesitic flows and pyroclastic rocks including augite-tremolite andesite porphyries and crystal and lapilli tuffs that belong to the Takla Group of Late Triassic age. The Omineca intrusions of Jurassic and Cretaceous age (potassium-argon age of 186 to 200 Ma obtained by the Geological Survey of Canada) range in composition from granodiorite to quartz monzonite. Some syenomonzonite bodies and quartz feldspar porphyry dykes may be feeders to the Toodoggone rocks which unconformably overlie the Takla Group. The 'Toodoggone' volcanic rocks (named informally by Carter, 1971) are complexly intercalated volcanic and volcanic-sedimentary rocks of Early and Middle Jurassic age, 500 metres or more in thickness, along the west flank of a northwesterly trending belt of 'basement' rocks at least 90 kilometres in length by 15 kilometres in width. A potassium-argin age of 186±6 Ma was obtained by Carter (1971) for a hornblende separate from a sample collected from a volcanic sequence 14 kilometres southeast of Drybrough Peak. Four principal subdivisions of 'Toodoggone' rocks have been recognized:
>
> (1) Lower Volcanic Division — dominantly pyroclastic assemblage including purple agglomerate and grey to grey to purple dacitic tuffs.

(2) Middle Volcanic Division — an acidic assemblage including rhyolites, dacites, 'orange' crystal to lithic tuffs, and quartz feldspar porphyries; includes welded tuff. The 'orange' colour of the tuffs resulted from oxidation of the fine-grained matrix while the rock was still hot. A coeval period of explosive volcanism included the formation of 'laharic' units and intrusion of syenomonzonite bodies and dykes. This event was accompanied by explosive brecciation along zones of weakness, predominantly large-scale faults and attendant splays, followed by silicification and deposition of precious and base metals to varying degrees in the breccias. Rounded fragments of Omineca intrusive rocks are rare components in Toodoggone tuffs.

(3) Upper Volcanic-Intrusive Division — grey to green to maroon crystal tuffs and quartz-eye feldspar porphyries.

(4) Upper Volcanic-Sedimentary Division — lacustrine sedimentary rocks (sometimes varved), stream bed deposits, and possible local fanglomerate deposits and interbedded tuff beds.

Many Toodoggone rocks have a matrix clouded with fine hematite dust implying a subaerial origin, however, some varieties may have accumulated in shallow water. The host rock for mineralization (division 2) is an orange to chocolate brown coloured crystal tuff with varying minor amounts of lithic and vitric ash. Broken crystals of plagioclase and quartz are set in a fine-grained 'hematized' matrix of quartz and felspar. The exact chemical composition(s) and rock name(s) await chemical analyses. Carter (1971) determined the composition of a suite of rocks collected from the Toodoggone area to range from latites to dacite.

To the west, Upper Cretaceous to Tertiary pebble conglomerates and sandstones of the Lower Tango Creek Formation of the Sustut Group unconformably overlie both Takla Group volcanic rocks and Toodoggone volcanic rocks.

The structural setting was probably the most significant factor in allowing mineralizing solutions and vapours to migrate through the thick volcanic pile in the Toodoggone area. The entire area has been subjected to repeated and extensive normal block faulting from Jurassic to Tertiary time. It is postulated that a north-westerly trending line of volcanic centres along a gold/silver-rich 'province' marks major structural breaks, some extending for 60 kilometres or more (for example, McClair Creek system, Lawyers system). Prominent gossans are often associated with structural zones but many contain only pyrite; sulphides occur as disseminations and fracture fillings in Toodoggone and Takla Group rocks. Thrusting of Asitka Group limestones over Takla Group rocks probably occurred during Middle Jurassic time.

Today Toodoggone rocks display broad open folds with dips less than 25^{o}. The Sustut Group sedimentary rocks have relatively flat dips and do not appear to have any major structural disruptions.

PROPERTY GEOLOGY

The oldest rock units are the trachyte and trachy-andesite flows and tuffaceous rocks designated as Unit 3. This is the same unit which hosts the Lawyers deposit, making the Saunders claims a prime exploration target. As can be observed on the accompanying geological map of the property, this unit is exposed over much of the area.

Overlying Unit 3 in the southeast and northeast parts of the Saunders claims are the basaltic flows and tuffs belonging to Unit 4. Towards the southwest are flows and welded tuffs of andesitic or dacitic composition belonging to Unit 2.

Prominent structures within the claims area include both northwest- and northeast-trending faults, and minor east-west trending open folds. Quartz breccia zones and quartz veins are present throughout the area and are emplaced in tensional fracture systems generally parallel-to-subparallel to the predominant fault directions. These tensional fracture systems acted as conduits for hydrothermal solutions which form the epithermal gold/silver deposits of the Toodoggone district.

EXPLORATION TARGETS

The focus of exploration in the Toodoggone district is the epithermal gold mineralization associated with subaerial Early Jurassic intermediate to acidic volcanism (Toodoggone Volcanics). Gold mineralization also occurs within the Late Triassic alkaline andesitic rocks (Takla Group) and the Early Jurassic calc-alkaline volcanic rocks (Hazelton Group). However, this gold mineralization is viewed as being in the "root zone" of the epithermal event related to Toodoggone volcanism (e.g., the Baker Mine).

The structural setting of these epithermal vein systems is of primary importance in the development of gold mineralization within the Toodoggone Volcanics. Faulting and concomitant brecciation form the conduits for ascending hydrothermal solutions and vapours. It is often secondary tensional fractures in crudely concentric fracture systems related to collapse structures, major faults, or dilatant zones within major fault systems, which supply the necessary plumbing system for gold mineralization in this camp. It is also necessary that repeated fault movements and hence brecciation occur, allowing multiple hydrothermal solutions to continue to circulate. If only a single brecciation occurs, the ascending solutions carrying silica will eventually heal the fractures and restrict the passage of additional gold-bearing solutions. Only by recurrent faulting and brecciation can the process of gold mineralization be carried to the stage where economic concentrations of gold can be anticipated.

Adjacent to these epithermal deposits, there exists both lateral and vertical alteration patterns. The outer propylitic zone consists of chlorite, epidote, calcite, and pyrite, which grades inward to an argillic-phyllic zone consisting of sericite, montmorillonite, illite, and silica. Finally, there is the silicified core zone immediately adjacent to the vein system that consists of silica, adularia, and/or albite.

Hematite and manganese oxides are normally abundant in mineralized zones. Native gold, electrum, barite, and minor pyrite have been found within these silica-rich zones along with amethystine quartz. In addition to gold, anomalous silver, lead, zinc, and copper values have been found

associated with these epithermal vein systems. However, these systems appear to be relatively free of contaminants such as arsenic and antimony.

As with the alteration patterns, the pattern of gold mineralization exhibits both vertical and lateral variations. These variations are controlled by temperature and pressure conditions within the breccia zones which in turn control the boiling point levels for the mineralizing solutions. The upper levels of these systems are characterized by a barren silica cap with increasing gold values with depth. This simple model is complicated by re-brecciation which changes the physical characteristics of the system and the changing chemical composition of hydrothermal solutions during the various pulses of mineralization.

GEOCHEMISTRY

A total of 64 rock geochemical samples were collected from the Saunders claims and analyzed for gold and silver. These samples were collected from either quartz veins or quartz breccia systems or pyritized volcanics. Sample descriptions are listed in Appendix I. All samples were forwarded to either TerraMin Research Labs Ltd. in Calgary or Eco-Tech Laboratories Ltd. in Kamloops for analysis. All samples were analyzed by combined fire assay/ atomic absorption. Details of analytical procedures employed are presented in Appendix II. Geochemical and assay results are listed in Appendix III.

Due to the fact that only potentially mineralized samples were collected, a meaningful statistical analysis was not possible. In general, based on experience in the district, values of 25 ppb Au are considered threshold and values above 100 ppb Au are anomalous. For silver, 0.5 ppm is considered threshold while values above 5.0 ppm are considered anomalous. Based on these criteria, the following rock samples are significant:

DD-S-23 Au 0.210 oz/ton (>2000 ppb) and Ag 7.5 ppm. This sample was acquired from a 3 to 4 metre wide quartz breccia system located in the south-central part of the Saunders 3 claim. The sample consisted of brecciated blue-grey quartz with minor drusy quartz. Sulphides include 15% disseminated pyrite and trace galena. Clay alteration was noted along with secondary limonite staining and trace barite.

BT-S-19 Au 260 ppb and Ag 11.2 ppm. This sample was taken 30 metres north of DD-S-23 along the same breccia zone. The lithology is the same as DD-S-23 with the exception of a greater abundance of galena with crystals up to 1 cm.

BT-S-20 Au 550 ppb and Ag 16.8 ppm. This sample was collected from a narrow 2 - 5 cm quartz vein located in the south-central part of the Saunders 3 claim near DD-S-23 but in a parallel vein system. This quartz vein material is vuggy and contains 20-30% pyrite in large blebs. Galena was also noted along with secondary limonite and manganese oxides.

DD-S-26 Au 320 ppb and Ag 16.8 ppm. This sample was taken 20 metres to the north of and along the same vein system as BT-S-20. In addition to pyrite and galena, chalcopyrite was noted in vugs in the centres of comb structures.

BT-S-16 Au 250 ppb and Ag 12.6 ppm. This sample was located in the same area as BT-S-20 and DD-S-26, and is probably part of the same vein system. Minor calcite and unidentified black sulphide (argentite?) were noted in this sample. The pyrite content was estimated at only 3-4%.

BT-S-8 Au 122 ppb and Ag 10.4 ppm. This sample was from a quartz breccia vein system which is 1-2 metres wide located in the west-central part of the Saunders 3 claim. The sample was taken from a north-south trending system exposed along a ridge crest. The sample consists of brecciated quartz with up to 5% disseminated pyrite with minor clay alteration.

BT-S-6 Au 108 ppb and Ag 24.0 ppm. This sample was acquired from a 1-2 metre wide quartz breccia zone exposed along a ridge crest in the west-central part of the Saunders 3 claim. The sample consisted of quartz chips in a matrix of white to beige plastic clay.

DD-S-5 Au 1420 ppb and Ag 11.7 ppm. This sample was acquired from a narrow (2-6 cm) weakly brecciated quartz vein located in the northwest part of the Saunders 3 claim. The sample consists of quartz with 2-3% pyrite.

BT-S-31 Au 240 ppb and Ag 7.0 ppm. Located in the northwest part of the Saunders 3 claim, this bedrock sample consists of bleached, argillically altered trachyte(?) containing approximately 4% fine-grained pyrite.

CONCLUSIONS AND RECOMMENDATIONS

Based on the rock geochemical results delineated by the 1985 exploration program, the Saunders claims appear to have good potential for developing epithermal vein-type gold deposits. In particular, the 3-4 metre wide quartz-barite breccia system (assaying 0.210 oz/ton gold) identified on the south-central part of the Saunders 3 claim requires additional work. This zone and others returning geochemically anomalous Au/Ag-in-rock values require detailed sampling and trenching to further evaluate the extent and grade of precious metals mineralization present.

Geological mapping, prospecting, and lithogeochemical sampling are required to delineate additional targets within the property.

If sufficient encouragement is received from detailed geochemical sampling and trenching of prospective epithermal vein systems on the property, limited diamond drilling would be considered as the next phase in the evaluation of this property.

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A P P E N D I X I

Rock Sample Descriptions

ROCK SAMPLE DESCRIPTIONS

S-BT-1	Tuff, basaltic, fractured, with chalcopyrite and secondary malachite and azurite.
BT-S-2	Tuff, dark green, pyritic, weakly silicified, euhedral pyrite with crystals up to 5 mm, weakly layered.
BT-S-3	Quartz veinlet, altered with pyrite, galena, calcite, and malachite, within pyritic trachy-andesite porphyry.
BT-S-4	Quartz vein, pyritic with secondary limonite.
BT-S-5	Vein Quartz, 2-6 cm wide weakly brecciated with 2-3% pyrite.
BT-S-6	Clay, white to beige, with brecciated quartz fragments from centre of weathered vein system.
BT-S-7	Vein Quartz, vuggy, limonitic, argillically altered, with minor barite.
BT-S-8	Quartz, dark grey with 5% fine-grained disseminated pyrite, argillically altered with green clay minerals as blebs 3-4 mm in diameter.
BT-S-9	Vein Quartz, vuggy, drusy, limonitic with 3% fine-grained disseminated pyrite; unidentified yellow clay mineral noted.
BT-S-10	Vein Quartz, dark grey, with very fine-grained disseminated pyrite (10-15%), trace epidote; possible fine-grained barite.
BT-S-11	Quartz veinlet, with silvery unidentified blebs scattered in vein quartz.
BT-S-12	Trachy-andesite porphyry, dark green, weakly altered with minor limonite staining.
BT-S-13	Clay, white with quartz chips with minor limonite staining.
BT-S-14	Vein Quartz, 3-5 cm, minor pyrite and pyritic wallrock.
BT-S-15	Quartz breccia, limonitic, boulder sample.
BT-S-16	Quartz Vein, minor calcite, black (argentite) blebs and 3-4% fine- to medium-grained disseminated pyrite.
BT-S-17	Breccia, silicified trachyte, 6-7% pyrite, propylitically altered.
BT-S-18	Trachyte porphyry, silicified, sheared, 10% very fine-grained disseminated pyrite.
BT-S-19	Brecciated blue-grey quartz, 15% disseminated pyrite, galena crystals up to 2 cm, trace barite.
BT-S-20	Vein Quartz, vuggy, 20-30% pyrite in large blebs, trace galena, secondary limonite and magnanese staining.
BT-S-21	Milky Quartz, vuggy, drusy, blebs of pyrite and disseminated pyrite in blue-grey quartz constituting 50% of rock.
BT-S-22	Trachyte porphyry, dark green, sheared, weakly pyritic, strongly limonitic.

BT-S-23	Trachyte porphyry, silicified, pyritic with 10% fine-grained euhedral pyrite, vuggy.
BT-S-24	Trachyte porphyry, as above, 3-4 mm feldspar phenocrysts.
BT-S-25	Trachyte porphyry, as above, argillically altered feldspar phenocrysts.
BT-S-26	Trachyte porphyry, pale grey, highly silicified, brecciated, 10% very fine-grained disseminated euhedral pyrite, limonite staining.
BT-S-30	Trachyte porphyry, argillically altered, 1-3% fine-grained disseminated pyrite.
BT-S-31	Trachyte(?), bleached, argillically altered, 4% fine-grained Py.
BT-S-35	Quartz-barite breccia, medium grey to white, 15-20% very fine-grained disseminated pryite, abundant limonite staining.
BT-S-36	Hornblende feldspar porphyry, 5% very fine-grained disseminated pyrite, sheared.
BT-S-37	Clay, quartz breccia fragments, from frost boil.
DD-S-1	Trachyte porphyry laharic breccia, 5-10% pyrite, moderately silicified, propylitically altered.
DD-S-2	Trachyte porphyry, coarsely brecciated, 10-20% pyrite and se secondary malachite and azurite.
DD-S-3	Trachyte porphyry, weakly brecciated, 5% pyrite and secondary limonite staining.
DD-S-4	Vein Quartz, brecciated, 5 cm wide, minor pyrite (3%).
DD-S-5	Vein Quartz, brecciated, weakly pyritic, from 10-20 cm vein system.
DD-S-10	Quartz-eye andesite porphyry, greyish-white, argillically altered feldspar phenocrysts, 5% very fine-grained disseminated euhedral pyrite.
DD-S-11	Quartz breccia, dark grey, 10% very fine-grained diss. pyrite.
DD-S-12	Quartz breccia, poorly indurated, 5% pyrite.
DD-S-13	Trachyte porphyry, silicified, pyritic, abundant limonite staining.
DD-S-14	Vein Quartz, vuggy, pyrite blebs 3-4%, minor calcite and unidentified black sulphide (argentite?).
DD-S-15	Quartz breccia, dark grey, 10% pyrite, refractured with white drusy quartz fracture filling, producing a comb structure.
DD-S-16	Trachy-andesite porphyry, 2-3 mm feldspar phenocrysts in green fine-grained matrix, 3% very fine-grained pyrite.
DD-S-17	Trachyte porphyry, silicified, brecciated, 5% pyrite, moderately argillically altered.
DD-S-18	as above, 7% pyrite, more highly silicified and altered.

DD-S-19	Trachyte porphyry, silicified, pyritic, limonite staining.
DD-S-20	Quartz breccia, dark grey, 20% disseminated pyrite, secondary limonite along cross-cutting veins.
DD-S-21	Trachyte porphyry, silicified, pyritic, abundant limonite staining.
DD-S-22	Quartz, blue-grey, sugary texture, brecciated, 15% very fine-grained pyrite, limonitic fractures.
DD-S-23	Quartz, blue-grey, brecciated, minor drusy quartz vugs, sulphides include 15% disseminated pyrite, trace galena, trace barite noted.
DD-S-24	Quartz, greyish-white, 4% very fine-grained disseminated pyrite, limonitic.
DD-S-25	Quartz-barite breccia, weakly brecciated, 1% barite, 1% very fine-grained disseminated pyrite, weak limonite staining.
DD-S-26	Vein Quartz, vuggy, 20-30% pyrite in large blebs, comb structure noted along with minor galena and chalcopyrite.
DD-S-27	Hornblende feldspar porphyry, 5% very fine-grained disseminated pyrite, sheared, 1-2% calcite.
DD-S-28	Trachyte porphyry, weakly pyritized, sheared, limonitic.
DD-S-29	Quartz, dark grey, 5% medium-grained pyrite blebs and 20% very fine-grained disseminated pyrite.
DD-S-30	Trachyte(?), dark grey, silicified, 15% very fine-grained pyrite, 5% calcite, minor epidote and limonite.
DD-S-31	Trachyte(?), white to beige, intense argillic alteration, 4% fine-grained disseminated pyrite, secondary limonite.
DD-S-32	Quartz-eye andesite, silicified, 10-15% very fine-grained disseminated pyrite, weakly brecciated and argillically altered.
DD-S-33	Trachyte porphyry, strongly silicified, pyritic with 10% medium-grained cubes and blebs.
DD-S-34	Quartz, plagioclase feldspar porphyry, pyritic with blebs and subhedral pyrite 2-3 mm.
JD-S-1	Trachyte porphyry laharic breccia, pyritic, weak hydrothermal alteration.
JD-S-2	Trachyte porphyry laharic breccia, as above.
JD-S-3	Trachyte porphyry laharic breccia, as above.
JD-S-4	Trachyte porphyry laharic breccia, as above, but propylitically altered.
JD-S-5	Trachyte porphyry laharic breccia, as above.
JD-S-6	Trachyte porphyry laharic breccia, coarsely crystalline pyrite, silicified, moderately propylitically altered.
JD-S-7	Trachyte porphyry, brecciated boulder, calcite fracture filling.

JD-S-8	Trachy-andesite boulder, brecciated, propylitically altered, pyrite, chalcopyrite, malachite, azurite, calcite.
JD-S-9	Quartz Vein, spongy, porous vein material, with clay, slightly pyritic, propylitically altered.
JD-S-10	Quartz breccia vein, porous, weakly pyritic, argillically altered.
S-TM-1	Tuff, basaltic, fractured, propylitically altered, with pyrite and epidote, minor malachite staining noted in 2 m wide zone.

A P P E N D I X I I

Analytical Techniques

Eco-Tech LABORATORIES LTD.

ENVIRONMENTAL TESTING
GEOCHEMISTRY
ANALYTICAL CHEMISTRY
ASSAYING

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 2J3 Phone (604) 573-5700
Telex: 048-8393

GEOCHEMICAL LABORATORY METHODS

SAMPLE PREPARATION

1. Soil or sediment samples are dried at 60°C, the lumps of soil are broken up on a bucking board and the entire sample is seived through an 80 mesh screen.

2. Rock samples are crushed and pulverized to -100 mesh.

GEOCHEMICAL ANALYSIS FOR Cu, Pb, Zn, Ag, Sb, Ni, Co, Cd

1.0 gram of sample is leached in 3 ml HNO_3 overnight at room temperature. The sample is brought up to 90°C in a water bath, 1.5 ml HCl is added, and the leaching is continued for a further 90 minutes. The sample is then cooled, diluted to 10 ml with distilled water and the above elements are determined by Atomic Absorption.

Minimum Reportable Concentrations

Element	ppm
Cu	1.
Pb	2.
Zn	1.
Ag	0.2
Sb	1.
Ni	2.
Co	2.
Cd	0.02

GEOCHEMICAL ANALYSIS FOR Au

The gold is collected in a silver bead through inquartation and conventional fire assaying of 10 grams of material. The bead is digested in aqua regia in a water bath at 90°C, the gold is then extracted into MIBK and determined by Atomic Absorption.

Minimum Reportable Concentration 5 ppb

.../2

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(403).276-8668

GOLDEN RULE RESOURCES

SAMPLE PREPARATION

Soil and sediment samples are dried and sieved to -80 mesh (approx. 200 micron).

Rock Samples:

The entire sample is crushed to approx. 1/8" maximum, and split divided to obtain a representative protion which is pulverized to -200 mesh (approx 90 micron).

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(403) 276-8668

GOLDEN RULE RESOURCES

ANALYTICAL METHOD FOR GOLD AND SILVER

Approximately 1 assay ton of prepared sample is fused with a litharge/flux charge to obtain a lead button. The lead button is cupelled to obtain a prill. The prill is dissolved in nitric/hydrochloric acids (aqua regia), and the resulting solution is analysed by atomic absorption spectroscopy.

A P P E N D I X I I I

Certificates of Analysis

ECO-TECH LABORATORIES LTD.

ENVIRONMENTAL TESTING
GEOCHEMISTRY
ANALYTICAL CHEMISTRY
ASSAYING

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 2J3 Phone (604) 573-5700
Telex: 048-8393

September 27, 1985

CERTIFICATE OF ANALYSIS

CLIENT: Manson Creek Resources Ltd.
Ste. 150 - 1300 - 8th Street S.W.
CALGARY, Alberta
T2R 1B2

ATTENTION: Mr. Glen Harper

SAMPLE IDENTIFICATION: 37 rock samples received September 10, 1985

CERTIFICATE OF ANALYSIS NUMBER: ETK 85-73A

Description	Au (oz/T)
DD-S-23	0.210

ECO-TECH LABORATORIES LTD.
Thomas J. Fletcher, B.Sc.
Chief Assayer

TJF/mil

cc: Taiga Consultants Ltd.
Calgary, Alta.
Attn: Mr. J. Davis, Chief Geologist

TERRAMIN RESEARCH LABS LTD.

ANALYTICAL REPORT

Job # 85-225-E Golden Rule Resources Date Sept.27, 1985

Client Project GR-BC-7B
Saunders

Page 1/1

Sample No. Rock	Au ppb	Ag ppb
DD-S-01	12	570
02	66	2300
03	2	610
05	1420	11700
DDD-M-01	8	1400
GH-M-01	64	7400
02	62	4200
JD-M-14	3440	26000
JD-S-03	6	200
04	14	860
05	10	500
06	2	50
07	6	110
08	4	630
09	4	210
10	10	650

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TERRAMIN RESEARCH LABS LTD.

ANALYTICAL REPORT

Job # 85-211 Golden Rule Resources Date Sept.20/85

Client Project GR-BC-7B Page 1/2
Saunders Proj.

Rock Sample No.	Au ppb	Ag ppb
BT-S-2	6	150
3	12	1170
4	18	1900
5	16	6400
7	108	24000
8	122	10400
9	92	1340
10	22	6000
11	22	6400
12	8	260
13	2	110
14	78	1520
15	124	5700
DD-S-10	22	3400
11	22	3300
12	24	2800
13	18	300
14	34	260
15	22	3400
16	14	940
17	6	180
18	4	240
19	8	120
20	4	770
21	10	250

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ENVIRONMENTAL TESTING
GEOCHEMISTRY
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ASSAYING

ECO-TECH LABORATORIES LTD.

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September 16, 1985

RECEIVED SEP 2 3 1985

COPY

CERTIFICATE OF ANALYSIS

CLIENT: Manson Creek Resources Ltd.
Ste. 150 - 1300 - 8th Street S.W.
CALGARY, Alberta
T2R 1B2

ATTENTION: Mr. Glen Harper

SAMPLE IDENTIFICATION: 37 rock samples received September 10, 1985

CERTIFICATE OF ANALYSIS NUMBER: ETK 85-73

Description	Au (ppb)	Ag (ppm)
DD-S-27	10	0.5
-26	320	10.4
-34	40	3.0
-24	25	7.2
-32	10	0.6
DD-S-29	20	0.8
-28	10	0.4
-33	15	0.3
-22	60	3.0
-23	>2000	7.5
BT-S-17	75	8.6
-21	20	1.2
-22	25	0.4
-18	15	2.4
-16	250	12.6
BT-S-19	260	11.2
-20	550	16.8
-35	45	5.1
-37	35	0.8
-25	5	1.5
BT-S-30	5	1.7
-31	240	7.0
-36	20	0.7

.../2

ENVIRONMENTAL TESTING
GEOCHEMISTRY
ANALYTICAL CHEMISTRY
ASSAYING

ECO-Tech
LABORATORIES LTD.

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Telex: 048-8393

September 26, 1985

CERTIFICATE OF ANALYSIS

CLIENT: Manson Creek Resources Ltd.
Ste. 150 - 1300 - 8th Street S.W.
CALGARY, Alberta
T2R 1B2

ATTENTION: Mr. Glen Harper

SAMPLE IDENTIFICATION: 71 rock samples received September 17, 1985

CERTIFICATE OF ANALYSIS NUMBER: ETK 85-78

Description	Au (ppb)	Ag (ppm)
BT-S-23	10	0.1
-24	40	0.4
-25	20	0.5
-26	50	3.5

A P P E N D I X I V

Personnel

Summary of Expenditures

SUMMARY OF EXPENDITURES

Saunders 1-4 Claims

PRE-FIELD			
Project review/planning, crew/equipment assembly			$ 565.00
PERSONNEL			
Project Supervisor			
J. W. Davis	6.0 days @ $325	1,950.00	
Project Geologist			
T. B. Millinoff	3.0 days @ $240	720.00	
Prospectors/Samplers			
B. C. Beattie	6.0 days @ $130	780.00	
S. J. Maltby	2.0 days @ $127	254.00	
D. D. Dancer	5.5 days @ $135	742.50	
Cook			
S. P. Dancer	2.5 days @ $120	300.00	4,746.50
CAMP SUPPORT (including client visits)			
Camp Food	25 man days @ $23	575.00	
Camp Equipment	25 man days @ $12	300.00	
4x4 truck rental		65.00	
Radio-telephone	2 x 6 days @ $ 9	108.00	
Generator	6 days @ $ 7	42.00	1,090.00
CHARTER TRANSPORTATION			
Fixed-wing and helicopter support			5,250.80
TRAVEL EXPENSES			1,363.22
TELEPHONE TOLLS			53.71
DISPOSABLE SUPPLIES			33.17
EXPEDITING/FREIGHT			34.68
REPROUDCTIONS			
Maps, airphotos; photocopying report			411.23
GEOCHEMICAL ANALYSES			1,083.53
POST-FIELD			
Report writing, secretarial, drafting, preparation of filing forms, etc.			3,000.00
		TOTAL	$ 17,631.84

TERRAMIN RESEARCH LABS LTD.

ANALYTICAL REPORT

Job # 85-225-D | Manson Creek Resources | Date Sept.25, 1985

Client Project MCR-BC-5 "Belle" | Page 1/1

Sample No. Trench	Au ppb	Ag ppb
0 - 0.5 m	496	4300
0.5- 1	14	560
1 - 1.5	30	580
1.5- 2	102	1260
2 - 2.5	7000	39000
2.5- 3	1450	9000
3 -3.5	3400	10500
3.5- 4	504	1830
4 -4.5	44	210
4.5- 5	292	410
5 -5.5	520	4300
5.5- 6	90	770

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TERRAMIN RESEARCH LABS LTD.

ANALYTICAL REPORT

Job # 85-195 Date

Client Project MCR-BC-5 Page 2/2

Sample No.	Au ppb	Ag ppb	Au oz/ton	Ag oz/ton
B-TM-15	107000	103000	3.12	3.01
16	28000	51000	0.818	1.49
17	9700	47000	0.283	1.37
18	14000	37000	0.409	1.08
19	4	100		
JD-M-14	14	730		
15	42	290		
M-BT- 8	22	3300		
9	-2	120		
10	60	11300		0.330
TM-001	1440	1000	0.042	
002	1940	111000	0.057	3.24
Soil B-TM- 1	16	440		
4	104	560		
10	304	1100		

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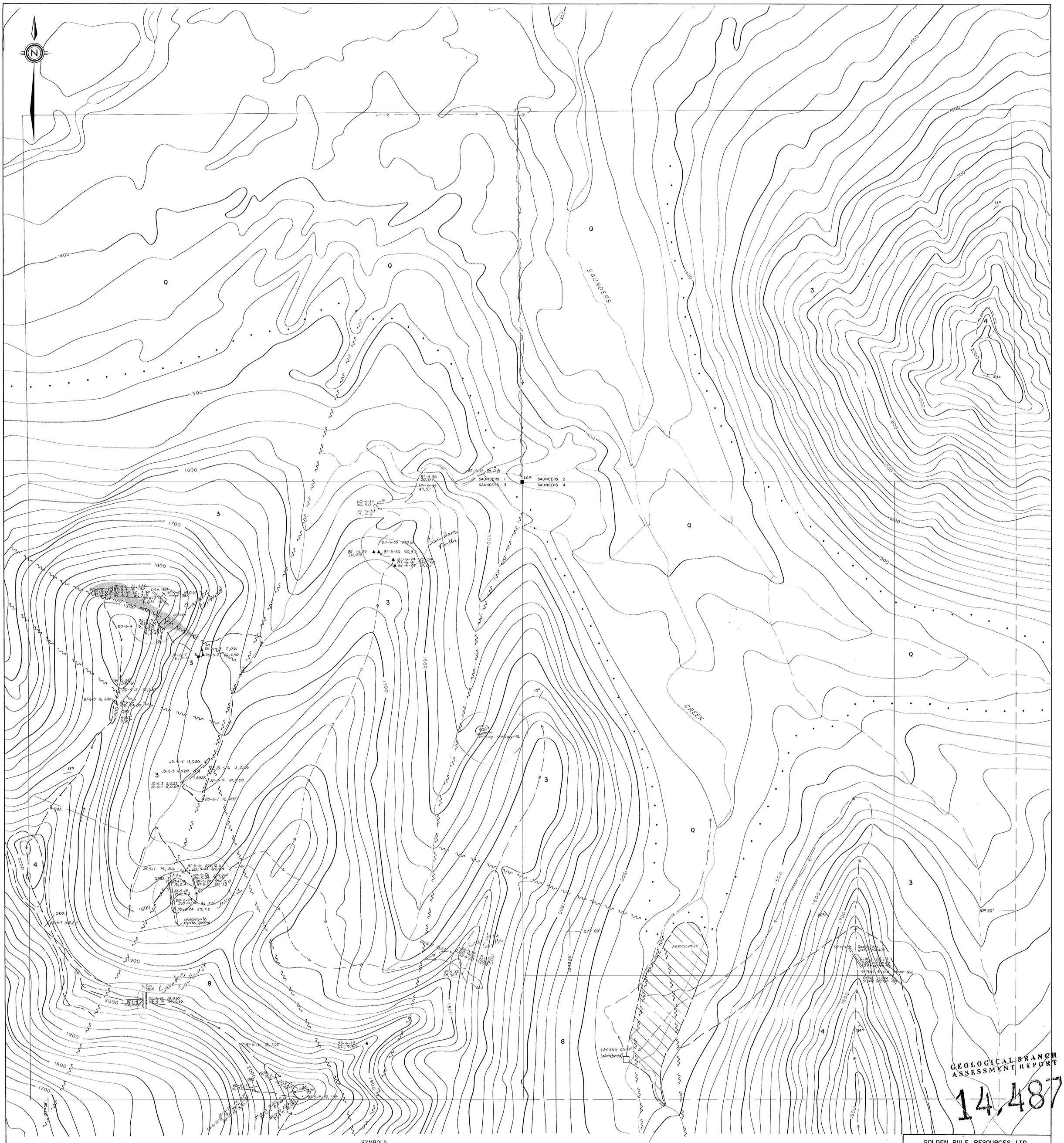

GEOLOGICAL BRANCH
ASSESSMENT REPORT

14,487

GEOLOGICAL LEGEND

Quaternary

- Q — Unconsolidated Glacial and Alluvial Deposits

Lower to Middle Jurassic

- 8 — Andesitic and Dacitic Ash Flows and Welded Tuffs
- 4 — Basalt Flows and Tuffs
- 3 — Trachyte and Trachy-Andesite Flows

SYMBOLS

- Outcrop (Au ppb, Ag ppm)
- Boulder (Au ppb, Ag ppm)
- Vein
- Fault
- Traverse
- Ferricrete
- Gossan
- Strike and Dip
- Anticline
- Formational Contact
- Boundary of Q
- Claim Boundary (located on topographic map)
- Legal Corner Post (LCP)

ABBREVIATIONS

- QV — Quartz Vein
- QBX — Quartz Breccia
- QBBX — Quartz-Barite Breccia

GOLDEN RULE RESOURCES LTD.

SAUNDERS 1-4 CLAIMS

GEOLOGY AND GEOCHEMICAL SAMPLE LOCATIONS

DATE	SEPT. 1985	NTS	94E / 6E
PROJECT	GR - 8C - 7F	MAPPED/ DRAWN BY	J. W. D.
SCALE	1:5,000	0 100 200m	

TAIGA CONSULTANTS LTD — MAP 1