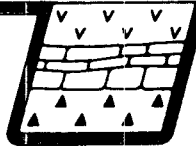


85-1131-14716

12/86

B.E. Spencer Engineering Ltd.



CONSULTING GEOLOGICAL ENGINEER

REPORT

ON

DIAMOND DRILLING PROGRAMME

AXL - WAD PROPERTY

KAMLOOPS MINING DIVISION, N.T.S. 82 M/4E

Lat. $51^{\circ}02.5'$ Long. $119^{\circ}37'$

FOR

THE ADAMS PLATEAU JOINT VENTURE

FILMED

BY

B.E. SPENCER, P. ENG.

B.E. SPENCER ENGINEERING LTD.

Operator: Adams Silver Resources Inc.

Owner(s): Adams Silver Resources Inc.

C.T. Exploranda Inc.

Clifton Resources Limited

FEBRUARY 6, 1986

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

14.716

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
INDEX MAP -- AXL- WAD PROPERTY	following Page 1
DISCUSSION OF RESULTS	2
DIAMOND DRILL HOLE LOCATIONS -- AXL - WAD PROPERTY	following Page 4
STATEMENT OF QUALIFICATIONS	5
APPENDIX 1 -- COST STATEMENT	following Page 5
APPENDIX 2 -- DIAMOND DRILL LOGS	following Page 5



INTRODUCTION

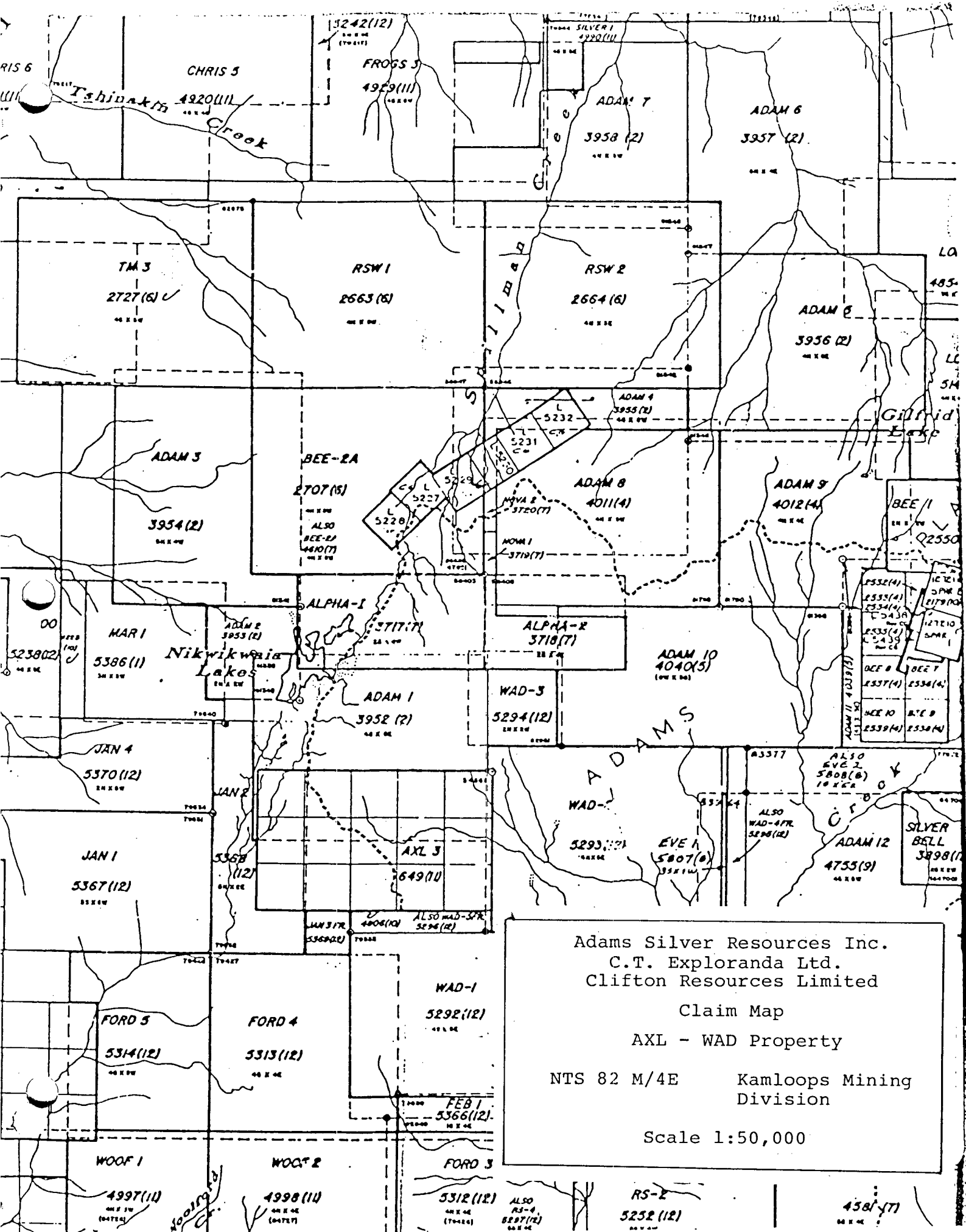
Adams Silver Resources Inc., Clifton Resources Limited and C.T. Exploranda Ltd., by staking and option agreements have acquired the mineral rights on the following claims:

AXL 3 #649	Adam 10 #4040
WAD 1-3 #5292-5294	Adam 1 units 6,7, 13 to 16 #3952
WAD 4 & 5 FR #5295-5296	Alpha 2 units 4 to 7 #3718
Adam 13-15 FR #6301-6303	

The claims are located on the Adams Plateau, 70 kilometres northeast of Kamloops, B.C. A 25 kilometre logging road which originates at the south end of Adams Lake provides good access to the property. The claims are at an elevation of about 1,800 metres and contain sub-alpine meadows and grassland as well as stands of merchantable spruce. The area is subject to heavy snowfalls and is generally inaccessible via road from December to late June.

The Adams Plateau has been explored intermittently since 1927 and several small deposits of gold, silver, copper, lead and zinc have been discovered in the area. Recent government mapping by Schiarizza and Preto and the 1983 high grade gold-massive sulphide discovery by Rea Gold Ltd. west of Adams Lake renewed interest in the district. Current exploration in the area is based on a massive sulphide volcanogenic model. The AXL-WAD-Adam 10 area has not been extensively





explored prior to 1985 with the exception of geochemical and VLF-EM surveys done on the WAD 2 claim by Player Petroleum Ltd. in 1984.

During 1985 extensive soil geochemical and induced polarization surveys explored a 5 kilometre belt of intermediate to felsic volcanics striking northeast and dipping at a shallow angle to the west. These surveys outlined several anomalous areas which were partially tested by diamond drilling. Twenty-two B.Q. holes totalling 984.8 metres were drilled during 1985. The drill core is stored in Chase, B.C.

DISCUSSION OF RESULTS

(1) Diamond drill holes 1, 2 and 13 tested a coincident I.P. - geochemical anomaly and intersected disseminated to massive pyrite and pyrrhotite with low grade but potentially significant values in silver, copper and zinc. Additional drilling in this area is warranted.

(2) Holes 3, 11 and 12 intersected disseminated pyrite and pyrrhotite in the uppermost felsic unit of the 700 metre thick volcanic pile. This unit is overlain by conductive graphitic phyllites which are responsive to VLF-EM and I.P. surveys. Trenching on this upper felsic unit is planned.

(3) Drill hole 4 tested an I.P.- geochemical anomaly.



The hole intersected pyrite-bearing greenstones which are considered the footwall of the felsic volcanic package. The geochemical anomaly is now believed to be caused by drainage and no further work is planned here.

(4) Drill holes 5, 6 and 14 cut felsic volcanics containing disseminated pyrite in sufficient quantity to explain an I.P. anomaly.

(5) Drill holes 9, 10, 15, 16 and 17 tested down dip of an area where surface trenching exposed boulders of massive sulphides and narrow sections of pyrite, lead and zinc mineralization in place. Narrow intersections of mineralization were intersected but nothing of economic width.


(6) Drill holes 25, 26 and 27 cut sub-ore but very interesting sections of disseminated and massive sulphide mineralization in tuffs and phyllites overlying a rhyodacite flow. There is little doubt that this mineralization is of volcanogenic origin and further extensive drilling is planned here.

(7) Four hundred metres northeast of the above zone drill holes 20, 21 and 22 intersected greenstones and chloritized rhyodacites which are believed to be higher in the stratigraphic sequence than the mineralization described in paragraph 6. Additional work is required to resolve a possible structural complication in this area.



(8) Drill hole 24 encountered a rhyodacite flow containing sufficient pyrite to explain an I.P. anomaly in this area. No further work is planned here.

In summary, work done to date has defined a 700 metre thick sequence of intermediate to felsic volcanics deposited in a sub-marine environment. Mineralization of volcanogenic origin has been discovered at three horizons within the felsic sequence and additional drilling is planned to explore these targets.



B.E. Spencer, P. Eng

BES:jz

February 6, 1986



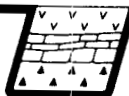
STATEMENT OF QUALIFICATIONS

I, Bruce Everton Spencer, of the City of Vancouver, in the Province of British Columbia hereby certify as follows:

- 1) I am a Geological Engineer residing at
7 - 2485 Cornwall Avenue, Vancouver,
British Columbia V6K 1B9
- 2) I am a registered Professional Engineer
of the Province of British Columbia.
- 3) I am a graduate of the University of
British Columbia with a degree of
B.A. Sc. (1958).
- 4) I have practised my profession as a
Geologist for more than twenty-five
years.
- 5) The drill programme was conducted under
my supervision, and that of E. Olfert,
a graduate of U.B.C., B. Sc. Hon. Geology
who has over fourteen years experience in
the exploration and mining industry.

Feb 10, 1986
Date

B. E. Spencer
Bruce Everton Spencer, P. Eng.



COST STATEMENT

AXL 3/WAD 2 Drilling

Direct drilling:

R.D.S. Drilling Services

August 19-November 13, 1985

984.78 Metres @\$91.25/Metre

\$ 89,861.17

Geologist:

E. Olfert

30 days @ \$200/day

6,000.00

B.E. Spencer

10 days @ \$425/day

4,250.00

Room/Board:

Overlander Motel, Chase \$50/day
Chase Cafe 40 days

2,000.00

Transportation:

4 X 4 @ \$60/day

1,800.00

Assays:

70 samples assayed for Au, Ag, Cu,
Pb, Zn @ \$33.50/sample

2,345.00

Core Logging & Storage Facility Rental:

Chase, B.C.

4 months @ \$245

6 months @ \$45

1,250.00

\$ 107,506.17

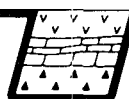
Distribution:

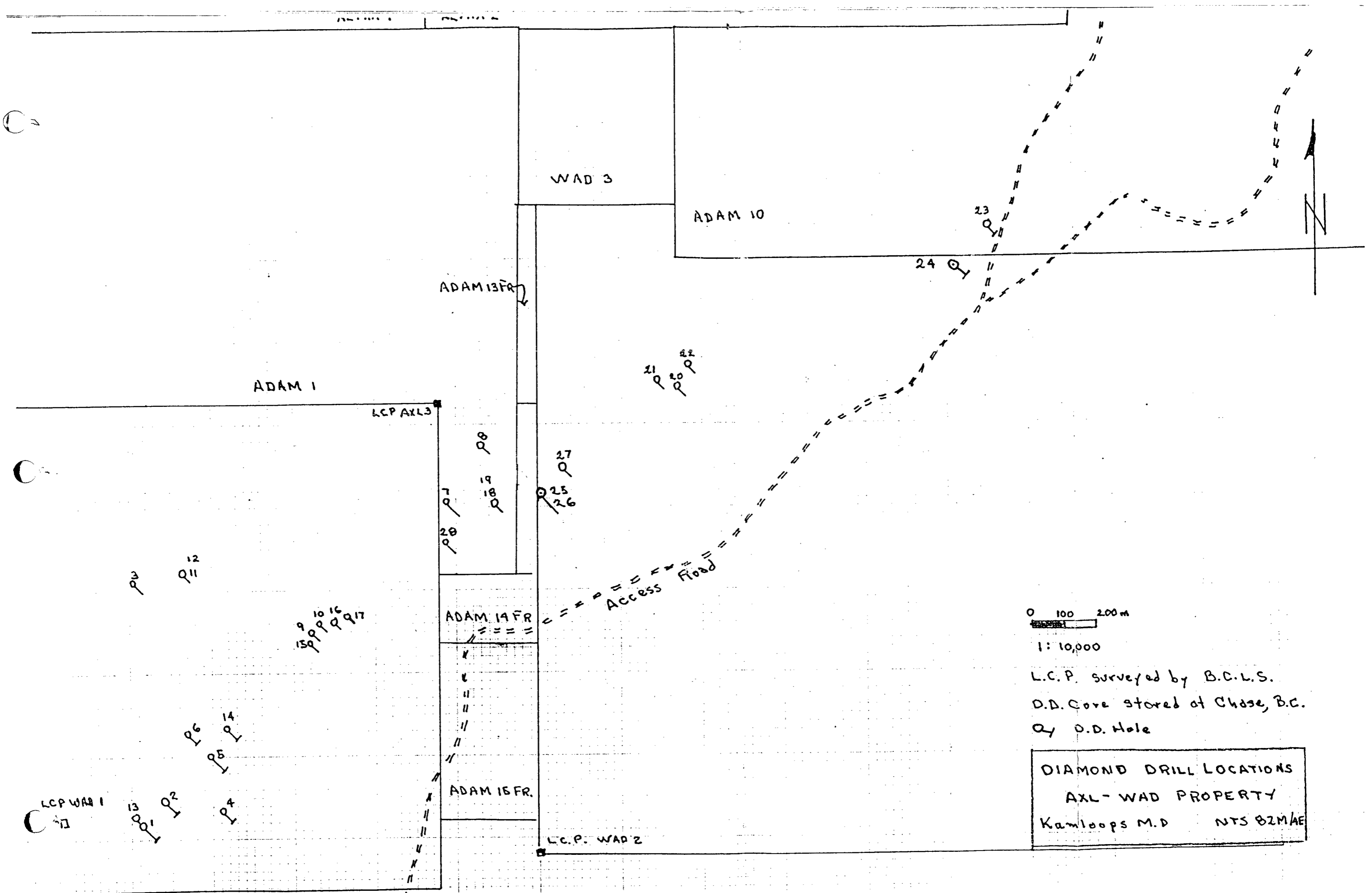
WAD 2 344.7 metres = 35%

\$ 37,630.10

AXL 3 640.08 metres = 65%

\$ 69,876.07





DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

Location:	Property: AXL	Core Size	Page <u>2</u> of <u>2</u>	Hole No.: AX 6
	N.T.S.	Logged By		
Latitude:	Elevation:	Bearing	Collared:	
Departure:	Depth:	Dip:	Completed:	

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

Location: 11 + 99 S; 40 + 92 W		Property: AXL N.T.S.		Core Size: BQ Logged By: E. Olfert		Page 1 of 2		Hole No.: AX 9							
Latitude:		Elevation:		Bearing: 135°		Collared: September 6, 1985									
Departure:		Depth: 117'		Dip: -45°		Completed: September 7, 1985									

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays							
				From	To		Au	Ag	Cu	Pb	Zn			
0 - 23		Overburden: 20-23 mud, quartz veining and mafic boulders												
23-36	97%	RHYODACITE TUFF: medium grey to light schist; platy, well altered traces of disseminated pyrite	75°											
36-40.7	100%	MAFIC DYKE: dark grey magnetic; bleached green upper contact approximately 3% finely disseminated pyrite.												
40.7-65	97%	TUFF as above: medium grey to light schist; platy well altered few light grey to white siliceous quartz bands; traces of pyrite less than 1%; trace chalcopyrite at 61'	75° minor contortions											
65-70	97%	QUARTZ SERICITE SCHIST TUFF: well altered; lighter and more sericitic than above; slightly pyritic 73-75 (2%) medium to light grey schist as 40.7-65	70- 75°											
70-89.5	100%	RHYODACITE/RHYOLITE: platy and altered; (76-78.5 grey-quartz semi-brecciated texture with 3-4% disseminated pyrite; trace chalcopyrite at 80')												
89.5-91.5	100%	MAFIC DYKE: dark, very magnetic, trace fine disseminated pyrite a few epidote fractures; quartz, sericite schist: altered; slightly pyritic lower contact												
91.5-93.3	100%	RHYOLITE: 1 cm band of pyrite, galena, sphalerite at 93.1 dark and magnetic except where bleached; fine disseminated pyrite 1-2%	70°											
93.3-103.2	100%	MAFIC DYKE: Inclusions of sericite schist at 93.6-97, 97.9-98.4 traces of reddish iron silicate in schist inclusions; trace epidote alteration in dyke												

B.E. SPENCER ENGINEERING LTD.

DIAMOND DRILL LOG

Location:	Property: AXL	Core Size	Page <u>2</u> of <u>2</u>	Hole No.: AX 9
	N.T.S.	Logged By		
Latitude:	Elevation:	Bearing	Collared:	
Departure:	Depth:	Dip:	Completed:	

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]

B.E. SPENCER ENGINEERING LTD.

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

Location: 31 + 99 W 13 + 75 S		Property: AXL-WAD		Core Size: B0		Page 1 of 2		Hole No.: AX 27							
Latitude:		N.T.S.		Logged By: E. Olfert											
Departure:		Elevation: 5' below AX 25, 26		Bearing: 135°				Collared: November 9, 1985							
		Depth: 204'		Dip: -45°				Completed: November 12, 1985							

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays										
				From	To		Au	Ag	Cu	Pb	Zn						
0 - 27		Overburden: 2' of mixed dyke, greenstone and rhyodacite float.															
27 -45.4	97%	RHYODACITE TUFF: Well bedded, medium grey, dark and light wispy banding; siliceous, numerous grey/white fragmented quartz blotches	80°														
45.4-71.5	96%	RHYOLITIC TUFF: light grey, thinly bedded, sericitic, trace pyrite; thin wispy band of pyrite/sphalerite at 60; few bands and blotches of white quartz to quartz carbonate	80°														
71.5- 77	90%	RHYODACITE TUFF: minor banding, slightly argillaceous 75.5-77; 72.2-72.8, 5-6% banded fine grained zinc with trace pyrrhotite, trace zinc down to 77; epidote blotches near base.	75-80°														
77 -89.3	100%	RHYOLITE TO RHYODACITE TUFF: medium to light grey; 77-80 traces of argillite, tuff is locally coarse approaching lapilli size, trace sphalerite band at 78.5, trace zinc 83.5-86 with pyrrhotite and quartz flooding, banded sphalerite and trace pyrrhotite pyrite 89.3-89.6	80°														
89.3-96.3	100%	MINERAL ZONE: siliceous to soft, grey to grey-brown schist; slightly argillaceous, partly chloritic; banded at top of unit with trace zinc and pyrite and pyrrhotite (89.3-90.5); 90.5-93 non-mineralized, calcareous laminations; 93-96 15% pyrrhotite and pyrite and trace sphalerite	80°	89.2	90.4	11181	.008	.15	.06	.16	.98						
				90.4	92.9	11182	.006	.02	.03	.03	.05						
				92.9	95.9	11183	.007	.10	.15	.06	.23						
96.3-101.4	100%	RHYOLITE: sericite/chlorite alteration; slightly siliceous, sericite in mafic folds at 101, 105; trace pyrrhotite, pyrite, zinc 101.1-101.8; trace zinc 102.6-104.1															
101.4-118	100%	RHYODACITE: chloritic alteration, non-siliceous, platy; medium to dark grey; slightly argillaceous; well bedded dark banding near base (tuff)															

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

Location: 7 + 10.5 S and 43 + 91 W		Property: AXL		Core Size: BQ		Page 1 of 2		Hole No.: AX 3	
Latitude:		N.T.S.		Logged By: E. Olfert		Collared: August 23, 1985			
Departure:		Elevation:		Bearing: 135°		Completed: August 24, 1985			
Depth: 204'		Dip: -45°							

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays										
				From	To		Au	Ag	Cu	Pb	Zn						
0 - 20		Overburden															
20 - 39	72%	GREENSTONE TUFF: Banded, calcareous, calcite bands 20-27 blocky broken core	70°														
39 - 40.5	100%	GREENSTONE TUFF AND BLACK PHYLLITE: Disseminated to concentrated pyrite specks.	75°														
40.5-107	100%	GREENSTONE TUFF: calcareous, greenish grey, thin bands of calcite, few quartz bands; 5% disseminated pyrite 86.8-88.5															
107-122.7	100%	GREY PHYLLITE AND GREENSTONE TUFF: mainly grey phyllite below 114'; frequent quartz bands and stringers	80-85°														
122.7-127	100%	MAFIC DYKE															
127-136.5	100%	GREY PHYLLITE: few chlorite/sericite streaks; trace pyrite, few grey quartz stringers and bands	60-80°														
136.5-147	100%	RHYODACITE TUFF: minor sericite/chlorite; siliceous; few grey quartz stringers and bands; pyrrhotite dissemination 1-2%	75-80°														
147-168.8	100%	GREY PHYLLITE: minor sericite/chlorite tuff laminae; (161.5-168.8 5% disseminated to lensey pyrrhotite and pyrite, disseminated sphalerite 163.8-164.2; very siliceous mineral zone.)	80° (locally 60°)	161.6	163.5	17522	.004	.10	.02	.01	.01						
168.8-177	100%	RHYOLITE FLOW: Grey quartz with wispy sericite and pyrrhotite minor fragmental texture in quartz; pyrrhotite minor pyrite up to 5%		163.5	164.3	17523	.003	.23	.03	.36	1.2						
				164.3	168.3	17524	.004	.13	.04	.02	.02						

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

Location: L48W, 12 + 49S		Property: AXL	Core Size: BQ		Page <u>1</u> of <u>3</u>		Hole No.: AX2							
		N.T.S.	Logged By: E. Olfert											
Latitude:		Elevation:	Bearing: 135°		Collared: August 21, 1985									
Departure:		Depth: 342'	Dip: -45°		Completed: August 23, 1985									

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays							
				From	To		Au	Ag	Cu	Pb	Zn			
0 - 22		Overburden: broken bits of core consisting of felsic fragmental breccia at 15', quartz vein at 17'; earthy weathered material 17.5-19'; the rest is quartz chlorite schist (mafic greenstone tuff)												
22 - 37	100%	TUFF: Rhyodacitic, quartz chlorite ± sericite schist; chloritized; traces of linsey pyrrhotite and disseminated pyrite at 36-37, lenses and disseminations pyrrhotite to 10% (calcareous)	75-80°	36.2	39.2	17539	.001	.09	.06	.02	.06			
37 - 42	100%	PYRRHOTITE SULFIDE ZONE: Host is a tuff as above	80-85°	39.2	40.2	17540	.002	.10	.04	.01	.02			
42 - 56.5	100%	TUFF: Rhyolite to rhyodacite; quartz, chlorite ± sericite schist (43.7-48) 2-3% pyrrhotite disseminations and coarse pyrite crystals; disseminated pyrite at 54-55 also.	80-85°	40.2	43.9	17541	.005	.05	.01	.01	.01			
56.5-57.5	100%	MAFIC DYKE		43.9	47.3	17542	.004	.04	.02	.01	.01			
57.5- 78	100%	TUFF: Rhyolitic to rhyodacite; 72-78 transition zone altered contact minor disseminated pyrrhotite and pyrite 1-2%; trace sphalerite at 60-63 and 73'; Fragmental quartz texture 60-65; trace sphalerite and coarse pyrite at lower contact.		73.2	75.2	17543	.006	.09	.07	.03	.13			
78 -122	100%	FLOW: RHYODACITE: 78-97.5 flow top breccias; fine crystalline with porphyritic texture and chlorite alteration; 109-110.5 sericitic (RHYODACITE TUFF) disseminated concentrated pyrite 78-79, 81-93 (+5%); 10% pyrrhotite and trace chalcopryrite at 112-113. Trace sphalerite at 79.2, 92.8, 115.1		107	112.3	17544	.006	.06	.03	.01	.12			
				112.3	113.2	17545	.005	.20	.25	.15	.44			
				113.2	118	17546	.005	.06	.02	.02	.07			
122-123.6	100%	SEDIMENTARY BRECCIA: floating volcanic clasts	85-90°	118	121.5	17547	.006	.08	.02	.09	.12			
		fine to medium grained pyrite and trace galena in matrix		121.5	123.1	17548	.004	.34	.01	.34	.37			
123.6-128	100%	TUFF RHYODACITE: Quartz, chlorite ± sericite schist; minor disseminated pyrite 1%; trace sphalerite 125-126												

DIAMOND DRILL LOG

Location:		Property: AXL	Core Size		Page 2 of 3		Hole No.: AX 2							
		N.T.S.	Logged By											
Latitude:		Elevation:	Bearing		Collared:									
Departure:		Depth:	Dip:		Completed:									

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays							
				From	To		Au	Ag	Cu	Pb	Zn			
		RHYOLITE: grainy texture, grey-green to very light												
128 - 181	100%	FLOW: Disseminated pyrite and pyrrotite locally concentrated to 5%; 157.5-160.4 disseminated pyrite and pyrrotite and minor chalcopyrite and sphaleritel Lapilli tuff: unit 155.5-160.4 knotty semi-banded quartz.	80-85°	157.3	158.2	17549	.009	.35	.48	.01	.08			
				158.2	160.6	17550	.008	.16	.15	.05	.76			
181 - 182	100%	altered chloritized unit in between flows; disseminated pyrite birdseye texture.												
182 - 198	100%	FLOW: RHYODACITE, siliceous; quartz stringers and veining 186-198; disseminated pyrite specks 1-2% spotty chloritic birdseye texture 182-186												
198 - 219	100%	RHYODACITE TUFF: highly chloritized and trace Epidote 198-207 (Rhyolitic 207-209); disseminated pyrite throughout; trace sphalerite with concentrated pyrite 212-213.5 (quartz chlorite and feldspar +sericite): grainy texture at lower contact	80-85°	212.3	213.6	17551	.017	.10	.07	.26	.60			
219 - 222	100%	LAPILLI TUFF: light, siliceous, very coarse texture; slightly chloritized												
222 - 232	100%	LITHIC RHYODACITE TUFF: highly chloritized; siliceous at lower contact	75°											
		:transition zone 230-232 trace lead with disseminated pyrite at 222.2 Trace pyrite and epidote at lower contact												
232-264.5	100%	RHYOLITE FLOW: coarse granular; several short sections have a floating breccia texture; disseminated pyrite throughout 3%; trace epidote, calcite, chlorite altered zone 257-258												
		:gradational lower contact												
264.5-268		RHYODACITE TUFF: Quartz, chlorite + sericite schist disseminated pyrite 1-2%	75-80°											

DIAMOND DRILL LOG

[illegible]

B.E. SPENCER ENGINEERING LTD.

DIAMOND DRILL LOG

Location: 12 + 59 grid south 49 + 00 W.	Property: AXL N.T.S.	Core Size: BQ Logged By: E. Olfert	Page 1 of 3	Hole No.: AX 1
Latitude:	Elevation:	Bearing: 135°	Collared: August 20, 1985	
Departure:	Depth: 297'	Dip: -45°	Completed: August 21, 1985	

Ft./M.	Rec'y	Description	Core Angle	Sample Length		Sample No.	Assays								
				From	To		Au	Ag	Cu	Pb	Zn				
0 - 12		Overburden													
12-26.4	75%	GREENSTONE TUFF: Chlorite, quartz, calcareous, broken up pebbly core and weathered to 19.5 feet. 6 cm. quartz vein at lower contact.	85°												
26.4-55.7	100%	FELSIC FRAGMENTAL BRECCIA: clasts to 5 cm., white elongated fragments in dark chloritic matrix; trace disseminated pyrite concentrated to 5% at 45-46; few thin lenses of pyrrhotite at 51'; calcareous.													
55.7-67.7	100%	LAPILLI TUFF: Smaller fragments than above; calcareous; disseminated pyrrhotite common less than 5%; disseminated pyrite at 65°; trace sphalerite at 57.5; trace galena at 61'.		57	62.5	17527	.002	.11	.01	.02	.09				
				average 93-113.1			.003	.36	.16	.14	.288				
67.7-79	100%	RHYODACITE: (flow) granular grey/green texture; light brown speckled; highly chloritic; trace pyrite	80-85°	87	93	17528	.006	.10	.01	.09	.11				
				93	94.3	17529	.003	.22	.03	.27	.37				
79-103	100%	RHYODACITE TUFF: Quartz, chlorite + sericite schist; calcareous and chloritized	80°	94.3	94.8	17530	.003	1.32	.20	.88	2.20				
		sulphide zone 94.3-94.8 banded sphalerite and buckshot pyrite		94.8	98.9	17531	.003	.30	.05	.20	.43				
		coarse disseminated pyrite common (2-3% in 92.6-96' and traces of chalcopryrite)		98.9	103	17532	.003	.12	.01	.04	.06				
		Traces of zinc and Lead at 87.2-87.5; 92.5; trace pyrite elsewhere		103	104.8	17533	.006	.91	.94	.06	.30				
103-113.1	100%	PYRRHOTITE, CHALCOPRYRITE SULPHIDE ZONE: High Grade pyrrhotite and 1-2% copper in 103-104.8; massive pyrrhotite in 112.6-113.1; local concentrated pyrrhotite and pyrite in 107.9-112.6; trace sphalerite at 109.3		104.8	107.9	17534	.003	.16	.14	.03	.18				
				107.9	112.6	17535	.003	.50	.11	.08	.22				
				112.6	113.1	17536	.003	.35	.51	.13	.16				

DIAMOND DRILL LOG

[illegible]

DIAMOND DRILL LOG

[illegible]