DIAMOND DRILL REPORT

ON THE

YELLOW GROUP VE No.3, VE No.7 claims

Cariboo Mining Division

93 B/9W

(Latitude 52° 31', Longitude 122° 17')

OWNER AND OPERATOR

GIBRALTAR MINES LIMITED

McLESE LAKE, B.C.

Author: M. R. Thon

Submitted: May 7, 1986

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1 INTRODUCTION

The Yellow Group of mineral claims is part of the Gibraltar Mines Limited permanent property. It is accessed along a mine haul road and lies approximately 1.75 miles (2.8 Km.) from the plant site. The general location is shown in Figure 1.

The 1986 drilling on this group took place along the east and south edges of the Granite Lake Pit. These areas were previously tested by Canex in 1969, and by Gibraltar Mines in 1979, 1982, 1984, and 1985. Drill locations are shown in Figure 3.

Drilling was carried out by G. & D. Diamond Drilling of 5425 Dallas Drive, Kamloops, B.C. during the period April 12 to April 22, 1986. Six vertical N.Q. wireline diamond drill holes were completed for a total of 1,717 feet (523.34 m.). Core was not split. The whole core was sent to the assay lab for analysis. The ground core is stored at the Gibraltar Mines plant site for a period of one year.

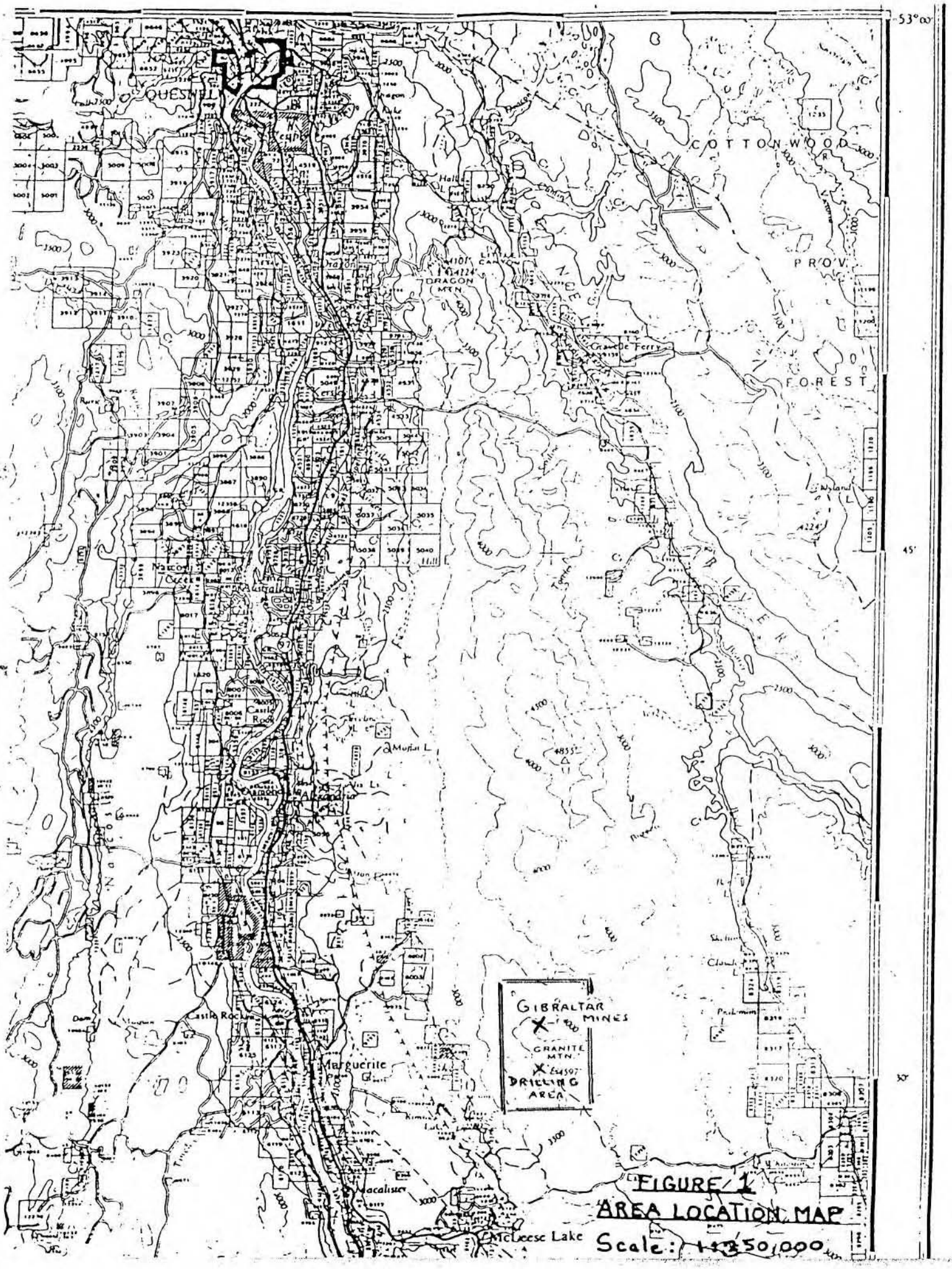

FIGURE 1
AREA LOCATION MAP
Scale: 1:250,000

2 MINERAL CLAIMS

The Yellow Claim Group has mineral leases grouped with mineral claims. Particulars of each claim are listed below. Some of the claims are owned by Cuisson Lake Mines Limited but Gibraltar Mines Limited has full administrative rights over all of these claims. Mineral claim locations are shown in Figure 2 (in pocket).

YELLOW GROUP MINERAL CLAIMS

NAME	RECORDED DDMMYY	RECORD NUMBER	UNITS	MINERAL LEASE	OPTIONED FROM
BUD #1	230574	71611	1		
BUD #2	230574	71591	1		
BUD #3	230574	71599	1		
BUD #4	230574	71608	1		
CAROL #4FR	120768	46104	1		CLM
CAROL #6FR	120768	46106	1		CLM
CAROL #7FR	120768	46107	1		CLM
EV # 1	230574	71594	1		
EV # 2	230574	71595	1		
EV # 3	230574	71598	1		
EV # 4	230574	71614	1		
FFE #13	160566	35766	1		CLM
FFE #14	160566	35767	1		CLM
FFE #15	160566	35768	1		CLM
FFE #16	160566	35769	1		CLM
FFE #17	160566	35770	1		CLM
FFE #19	160566	35772	1		CLM
FI #2 FR	230574	71601	1		
FI #4 FR	230574	71602	1		
FLO #1 FR	230574	71603	1		
GIB #15FR	030971	64566	1		
GIB 20FR	210672	66782	1		
GJ 20FR	020274	71325	1		CLM
HAS 2	161068	48026	1		CLM
HAS 12	161068	48031	1		CLM
HAS 13	161068	48032	1		CLM
HAS 14	161068	48033	1		CLM
HAS 15	161068	48034	1		CLM
HAS 16	161068	48035	1		CLM
HAS 17	161068	48036	1		CLM
HAS 18	161068	48037	1		CLM
HAS 19	161068	48038	1		CLM
HAS 20	161068	48039	1		CLM
HD # 5	051066	37784	1		CLM
HD # 6	051066	37785	1		CLM
HD # 7	051066	37786	1		CLM
HD # 8	051066	37787	1		CLM
HD #20	051066	37797	1		CLM
SAP #2 FR	030971	64568	1		CLM
SAP #3 FR	030971	64569	1		CLM
SAP #5 FR	210672	66783	1		CLM
VE 21	280469	50693	1		CLM
VE 22	280469	50694	1		CLM
ZIP 1FR	120276	00138	1		
EST NO3 FR	200971	62401	1	3604 M42	
LYNNE #3	130766	36699	1	3604 M42	
RUM #30 FR	031270	61406	1	3604 M42	
VE NO 1	140266	34947	1	3604 M42	
VE NO 2	140266	34948	1	3604 M42	
VE NO 3	140266	34949	1	3604 M42	

YELLOW GROUP MINERAL CLAIMS

NAME	RECORDED DDMMYY	RECORD NUMBER	UNITS	MINERAL LEASE		OPTIONED FROM	
VEE NO 5	140266	34951	1	3604	M42		
VEE NO 7	140266	34953	1	3604	M42		
VEE NO10	140266	34956	1	3712	M50		
VEE NO 4	140266	34950	1	3713	M51		
VEE NO 6	140266	34952	1	3713	M51		
VEE NO 8	140266	34954	1	3713	M51		
HD #13 FR	030971	64565	1	4139	M58	CLM	
HD #19	030971	64566	1	4139	M58	CLM	
LINDA #1	211169	55049	1	4139	M58	CLM	
LINDA #2	211169	55050	1	4139	M58	CLM	
LINDA #3	211169	55051	1	4139	M58	CLM	
LINDA #4	211169	55052	1	4139	M58	CLM	
SAP #4 FR	030971	64570	1	4139	M58	CLM	
VEE NO15	140266	34961	1	4142	M61		
VEE NO16	140266	34962	1	4142	M61		
VEE NO17	140266	34963	1	4142	M61		
VEE NO18	140266	34964	1	4142	M61		
VEE NO19	140266	34965	1	4142	M61		
VEE NO 20	140266	34966	1	4142	M61		
HAS 4	161068	48028	1	4143	M59	CLM	
HAS 6	161068	48029	1	4143	M59	CLM	
SAP #1 FR	030971	64567	1	4146	M60	CLM	

TOTAL UNITS 72

3 DRILL PROGRAM

3.1 Objectives

As stated in earlier assessment reports dealing with this area, faulting is quite severe and has caused much shifting of the ore. In this type of environment, tight drill spacing is essential. To this end, six more holes have been drilled to check the validity of ore projections in the south and to check the extension of the ore system to the east of the pit.

3.2 Results

The drill hole locations are shown in Figure 3. The locations were surveyed with an E.D.M. AGA survey instrument. Drill logs are included in the pocket of this report. All copper values reported here are for total copper. The logs report total copper and, in some cases, oxide copper (included malachite and azurite), and chalcocite. All molybdenum reported is MoS_2.

All holes intersected "Mine Phase Quartz Diorite", a medium grained rock, comprised of about 30% to 35% quartz, 45% to 50% light green, saussuritized feldspar, and about 20% green chloritized mafics. "Dark Alteration Zones" mentioned in the drill logs are zones of further alteration in which the epidote content of the saussurite has been re-mobilized out of the dark zones to form clots and veins of epidote near the borders of the dark zones. The feldspar in these dark zones is a grey color and there is often a higher concentration of chlorite and sericite associated with these zones. These dark alteration zones were encountered in all of the drill holes in this drill program along with narrow intersections of quartz-chlorite-sericite shear and quartz-chlorite-carbonate-sericite shears. Some seriate-textured "Leucocratic Phase" rock was intersected in the holes drilled to the south. This rock type is very quartz-rich with euhedral feldspars and very little chlorite.

Holes 86-04, 86-05, 86-08 and 86-09 were drilled east of the Stage 1 Granite Lake Pit. Holes 86-06 and 86-07 were drilled to the south of the pit.

Hole 86-04 was collared at 4,073.43' elevation and drilled to 248'. There was 44' of overburden with ore starting immediately below it to a depth of ~210-feet. This yields an intersection of 166-feet of 0.[illegible]% copper and 0.030% MoS_2. No leach cap was intersected. The oxide zone extended to 57-feet, and supergene continued to 200-feet. Copper minerals were in the form of chalcopyrite, chalcocite, and bornite.

Hole 86-05 was collared at 4062.88', cased to 60' and drilled to 305'. Two feet of cored boulders were recovered at the top, so overburden extended to 62'. Again, there was no leach cap; oxide extended to 85' (ie. strong limonite zone), and

the supergene zone extended to 140'. A much weaker ore system was intersected here extending from 70' to 290', for 220' of 0.27% copper and 0.015% MoS_2. Again, the ore was in the form of chalcopyrite, chalcocite, and bornite, but a pyrite zone extended from the top down to about 110'. Mineralization in this zone was partially due to chalcocite coating pyrite. A sand seam was intersected from 132' to 137'.

Hole 86-08 was collared at 4120.71' elevation, cased to 30', and drilled to 301'. No leach cap existed. Oxide extended to 50' and supergene to 180'. Mineralization was in the form of chalcopyrite, chalcocite, and bornite. A good ore system extended from 50' to 270' for 220' of 0.83% copper and 0.024% MoS_2. Weak pyrite existed to about 100'.

Hole 86-09 was collared at 4102.92' elevation, cased to 36' and drilled to 356'. No leach cap existed and limonite extended to 58'. Some covellite and possible chalcocite were identified but they were not abundant enough to warrant calling this a supergene zone. Pyrite was weak on top, increasing from 70 to 160 feet and decreasing to 0% under the fault that forms the upper limit of a chalcopyrite-bornite ore system. This zone extends from 200' to 310' for 110' of 0.54% copper and 0.034% MoS_2. The fault controlling this ore is believed to strike 045° and dip quite steeply to the southeast. This is believed to be the remnant portion of the down dip extension of the ore intersected in 86-08.

Hole 86-06 was collared at 3960.00' elevation, cased to 80', and drilled to 255'. Again, there was cored boulders recovered at the top of the hole so overburden in indicated to 81'. There is no leach cap, oxide zone, or supergene zone in this hole. The hole is entirely waste except for a 30' zone from 220' to 250' of 0.52% copper and 0.011% MoS_2. Copper was in the form of chalcopyrite. Pyrite was strong throughout most of the hole with two separate stronger zones, at the top and the bottom of the hole. This hole proved that ore intersected in an earlier drill hole, 85-58, has been cut off by a fault and cannot be projected into this area.

Hole 86-07 was collared at 3980.00' elevation, cased to 80', and drilled to 252'. No leach cap, oxide zone or supergene zone were intersected. Two narrow zones of broken, gougy core and a sand seam were intersected above the ore zone which started at 130' and extended to the bottom of the hole for an intersection of 122' of 0.64% copper, 0.020% MoS_2. Copper mineralization was in the form of chalcopyrite. A pyrite zone extended down to the top of the ore. This hole proves the projection of ore from the earlier hole, 85-58, though it appears to be in a fault block that is down-dropped about 45'.

3.3 Interpretation and Conclusions

The ore intersected to the east of the pit was a well mineralized zone with a strike length of at least 500' (between faults). It is striking east-west and dipping about 30-degrees to the south. The down-dip extension is further complicated by a fault believed to be striking 045-degrees and dipping steeply to the southeast. More drilling should be done around 86-08 to tighten up the drill spacing and further define the extent of the ore system.

No further drilling is required in the south area as drilling to the south cuts off the ore body, as do faults to east and west. The ore system is confined within these bounds and extends into the Stage 1 pit to the north.

SUBMITTED BY:

GIBRALTAR MINES LIMITED

Madeline R. Thon

Madeline R. Thon
Mine Exploration Geologist

4 STATEMENT OF EXPENDITURES

April 1986 Diamond Drilling, Yellow Group.

(a) Drilling Costs

Direct Footage Charges:

86-04	248'	@ $13.50/foot =	$ 3,348.00	
86-05	305'	@ $13.50/foot =	$ 4,117.50	
86-06	255'	@ $13.50/foot =	$ 3,442.50	
86-07	252'	@ $13.50/foot =	$ 3,402.00	
86-08	301'	@ $13.50/foot =	$ 4,063.50	
86-09	356'	@ $13.50/foot =	$ 4,806.00	
	1,717'		$23,179.50	

Equipment and Material Lost:

Casing:	130'	@ $130.65/10' =	$ 1,698.45	
Shoes:	3	@ $162.84 ea. =	$ 488.52	
			$ 2,186.97	$25,366.47

(b) Site Preparation

Feb. 7 TD20C 6 hrs. @ $74.75/hr. $ 448.50

(c) Vehicle Costs

4x4 1980 Suburban, Mar. 10, Apr. 14-18, Apr. 21-22: 8 days @ $20.00/day $ 160.00

(d) Assay Costs

141 Cu - MoS_2 assays @ $4.40/assay $ 620.40

(e) Supplies

Core boxes: 70 boxes @ $6.00/box =	$420.00	
Tags, bags, etc. =	40.00	
	$460.00	$ 460.00

(f) Personnel Costs

Core Logging, Sample Preparation, Interpretation

M. R. Thon

Apr. 14-18	32 hrs.
Apr. 20-25	48 hrs.
May 1	8 hrs.
	88 hrs. @ $22.02/hr. = $1,937.76

Field Work

E. M. Oliver

Mar. 10	8 hrs.
Apr. 14-18	20 hrs.

Apr. 21-22	8 hrs.			
	36 hrs.	@ $19.64/hr. =	$ 707.04	
			$2,644.80	$ 2,644.80
		TOTAL DRILLING COST		$29,700.17

APPENDIX I. Statement of Qualifications

I, Madeline R. Thon, of Gibraltar Mines Limited, McLeese Lake, British Columbia, do certify that:

1. I am a geologist.

2. I am a graduate of the University of British Columbia, with a B.Sc. degree in Geological Science in 1978.

3. From 1978 to the present I have been engaged in mining and exploration geology in British Columbia.

4. I personally logged the core and assessed the results of this drill program.

Madeline R. Thon

Madeline R. Thon

APPENDIX II. List of Abbreviations

cal.....calcite

carb.....carbonate

chl.....chlorite

cp.....chalcopyrite

dissem.....disseminated

ep.....epidote

foln.....foliation

grn.....grained

lim.....limonite

mal.....malachite

mag.....magnetite

py.....pyrite

QSP.....quartz-sericite-pyrite

qtz.....quartz

rx.....rock

ser.....sericite

str.....strong

stkwk.....stockwork

wk.....weak

Wt. Q.D.....White Quartz Diorite
= Leucocratic Phase

50000 55000 60000 65000

55000 50000 45000 40000 35000 30000 25000

LTNNE #3
SRP #1 FR
HD #18 FR
HD #19
HD #20
VE N010
LINDA #1
LINDA #3
HD # 8
HD # 6
EST N03 FR
VE NO 5
VE NO 3
VE NO 8
LINDA #2
HD # 7
HD # 5
GIS 2 FR
HDM #60 FR
VE NO 1
EV # 2
VE NO 6
VE NO 9
LINDA #4
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EV # 4
EV # 1
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CARDL #6FR
FFE #17
FFE #15
FFE #13
FL #2 FR
SRP #5 FR
CARDL #4FR
CARDL #3FR
SRP #2 FR
EV # 3
BUD #4
VE N019
VE 21
SRP #3 FR
VE N015
VE N017
FFE #16
FFE #14
FLO #5 FR
VE 22
BUD #2
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VE N020
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GJ 2 FR
BUD #1
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HAS 6
HAS 13
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HAS 17
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GEOLOGICAL BRANCH
ASSESSMENT REPORT

14,763

FIGURE 2.

YELLOW GROUP
MINERAL CLAIMS
GIBRALTAR MINES LIMITED
10-OCT-84 SCALE=1:12000

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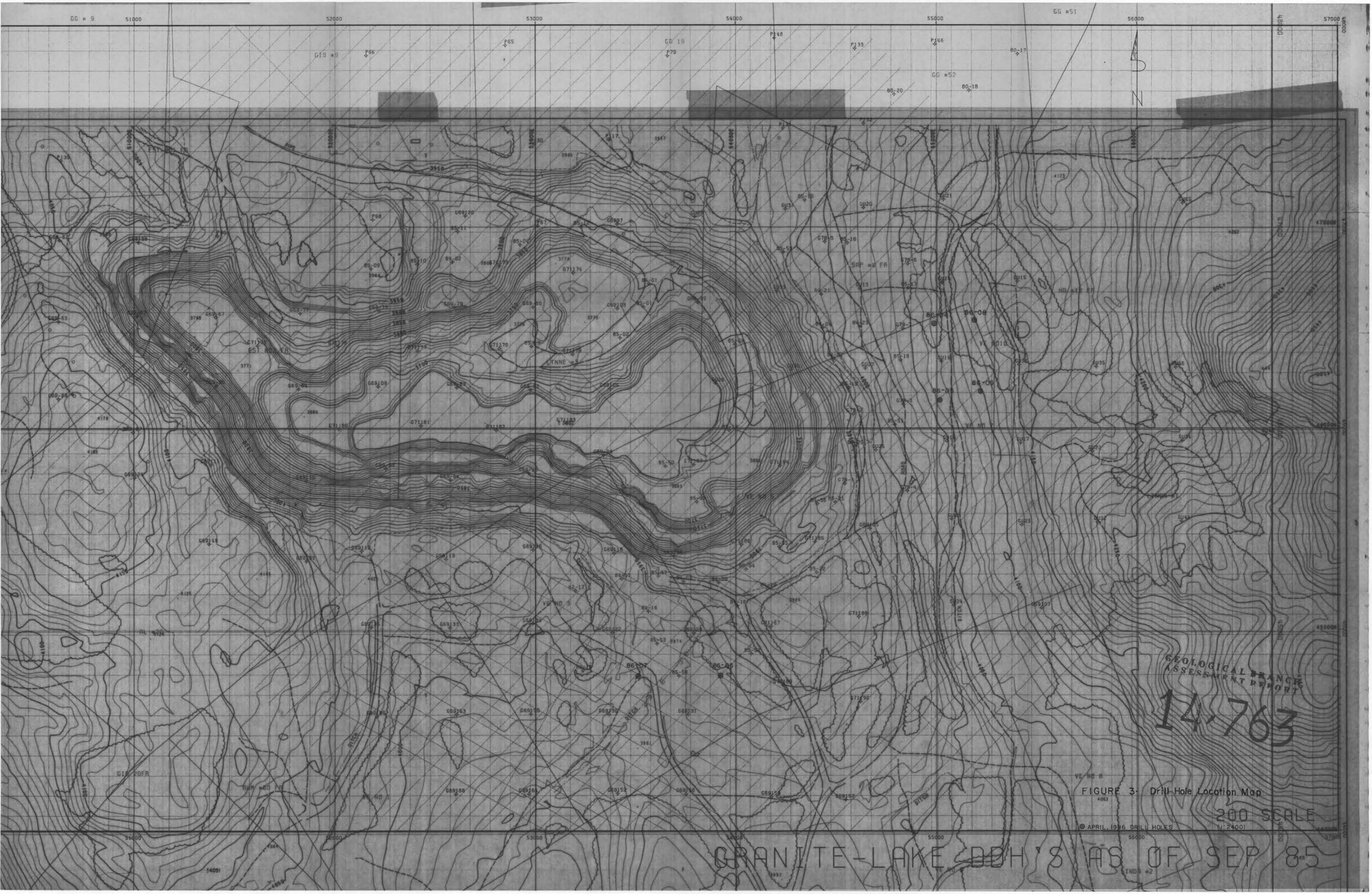
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