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Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S) GEOLOGICAL SAMPLING	TOTAL COST \$5,335.75
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AUTHOR(S) K.E. Northcote SIGNATURE(S) *K.E. Northcote*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED 27 May 1986 YEAR OF WORK 1986

PROPERTY NAME(S) PORT ELIZA GOLD PROPERTY

COMMODITIES PRESENT Au (Ag)

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN 92E043

MINING DIVISION Alberni NTS 92E/14E

LATITUDE 49° 36' 53" LONGITUDE 127° 2' 0"

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

MONARCH 1787 (6)

OWNER(S)

FILMED

(1) L.J. (Nick) Scott R.R.#2 Payne Road

MAILING ADDRESS R.R.#2 Payne Rd. Duncan B.C.

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

(1) H.Q. Minerals Ltd.

MAILING ADDRESS

c/o Suite 201-225 Canada Ave. Duncan, B.C. V9L 1T6

GEOLOGICAL BRANCH ASSESSMENT REPORT 14,796

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

The Port Eliza Gold structure in general parallels the general trend of a number of basic dykes in Island Intrusion (Jurassic) host rock. The structure consists of a quartz-vein-breccia-shear-gouge system ranging from a few centimetres to more than a metre in width, striking northwesterly with moderate northeasterly dip. The structure extends for a known length of 240 metres. Free gold occurs with pyrite and other very finely divided sulphides in a quartz gouge. The wall rocks, mainly granodiorite or basic dykes, are strongly sericitized and silicified.

REFERENCES TO PREVIOUS WORK

See O.F. Report MEMPR J.S. Stevenson 1945

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SAMPLING PROGRAM ON
PORT ELIZA INLET GOLD PROPERTY
Alberni Mining Division

SUMMARY

The Port Eliza Gold Property consisting of the MONARCH and ELIZA claims totalling 14 units and two-post claims, lies about 17 kilometres in a straight line southwest of Zeballos on the west side of Port Eliza Inlet.

The Port Eliza Gold structure in general parallels the general trend of a number of basic dykes in granodiorite host-rock. It consists of a quartz-vein-breccia-shear-gouge system ranging from a few centimetres to more than a metre in width, striking northwesterly with moderate northeasterly dip. The structure extends from the Scott Zone through the Lower Zone adit and along surface exposures in the Upper Zone for a total known length of 240 metres (775 feet)

The Upper Zone structure, traceable on surface for about 75 metres (250 feet), has the strongest quartz vein development of all three zones and gives the highest gold values ranging from 0.242 to 1.625 oz Au/ton over widths from 0.10 to 0.5 metres. Therefore the best possibility for discovery of a minable orebody with extensions lies in this part of the structure. The stream follows the surface trace of the Upper Zone eroding out the associated shear gouge zone. For this reason the true width of the vein system in this zone is rarely visible. Exploration effort should be concentrated on this zone.

Differences in vein and gangue mineralogy and type and intensity of alteration of wall rock among the three zones suggest the possibility that they may be different parallel structures. This possibility should not be ignored so the recommended program will also include exploration for parallel

structures and their extensions.

The first stage of the program is estimated to cost \$27,150.00. Only if this first stage gives positive results with potential for developing an orebody a second stage of diamond drilling will be required to test the third dimension of depth in order to estimate reserves.



PORT ELIZA INLET GOLD PROPERTY
ESTIMATED COST OF EXPLORATION PROGRAM

Stage 1

Professional Fees and Wages	19 days	\$12 825.00
KEN & BKN	@ \$375.00	
SCG & EMT	@ 300.00	
Equipment Rental		3 125.00
2 camps 15 X 30 =	15 days	
Generator 15x20 -		
Copco drill	750.00	
Chain saw	25.00	
Radio	250.00	
Geophysical rent.	900.00 (VLF-EM Magnetometer)	
Assays		4 900.00
Rocks 100 @ 14	1400.00	
Soils 350 @ 10	3500.00	
Food and Motel Accommodation		1 200.00
4 x 15 x \$20		
Blasting Powder B-line, Caps		1 000.00
Transportation		1 000.00
Vehicles	600.00	
Boat	400.00	
Report		3 000.00
Miscellaneous		<u>100.00</u>
Stage 1 Estimated Total Cost		<u>\$27 150.00</u>



Time Breakdown

\$12,825.00

SCG-EMT	Rehabilitation of upper adit	2 days
	Mapping, sampling upper adit	1 day
	Trenching	10 days
	Mapping & sampling lower adit	2 days
	Mobilization demobilization	<u>4 days</u>
		19 days
KEN-BKN	Mapping and sampling trenches	2 days
	Grid	3 days
	Geophysical	4 days
	Geochemical	4 days
	Geological mapping-(Stream)	2 days
	Mobilization-demobilization	<u>4 days</u>
		19 days

SAMPLING PROGRAM ON
PORT ELIZA INLET GOLD PROPERTY
Alberni Mining Division

TERMS OF REFERENCE

K.E. Northcote and Associates Ltd. was contracted by H.Q. Minerals Ltd. to examine sample and prepare a report on the mineral potential of the Port Eliza Inlet Gold Property. This work was done by K.E. Northcote, Ph.D., P.Eng. in company with Mr. L.J. Scott in the period February 27 to March 4, 1986.

LOCATION

The Port Eliza Gold Property lies about 17 kilometres in a straight line southwest of Zeballos on the west side of Port Eliza Inlet, approximately 6 kilometres from its mouth; Latitude 49° 53'. , Longitude 127° 1.4' W, NTS 92E/14E in the Alberni Mining Division. See Figures 1 and 2.

MEMPR Minfile lists the property as #92E043 under the names Rustand, Sunrise, Sundown, Port Eliza Gold Mine, Tidewater Mine and Port Eliza. The property extends from sea level to an elevation of about 450 metres (1500 feet) in the southwest corner of the claims area. In the vicinity of the workings the ground rises gently from the shoreline in a series of outcrops forming knolls with glacial drift and alluvial unconsolidated material in between.

ACCESS

The Port Eliza Inlet Gold Property is accessible by boat from Zeballos or alternatively by float plane from Campbell River or helicopter from Gold River. Flight time from Gold River is approximately 20 minutes.

CLAIMS

The Port Eliza Inlet Gold Property consists of two groups of claims totalling 14 units and two-post claims. See Table I below and Figure 2.

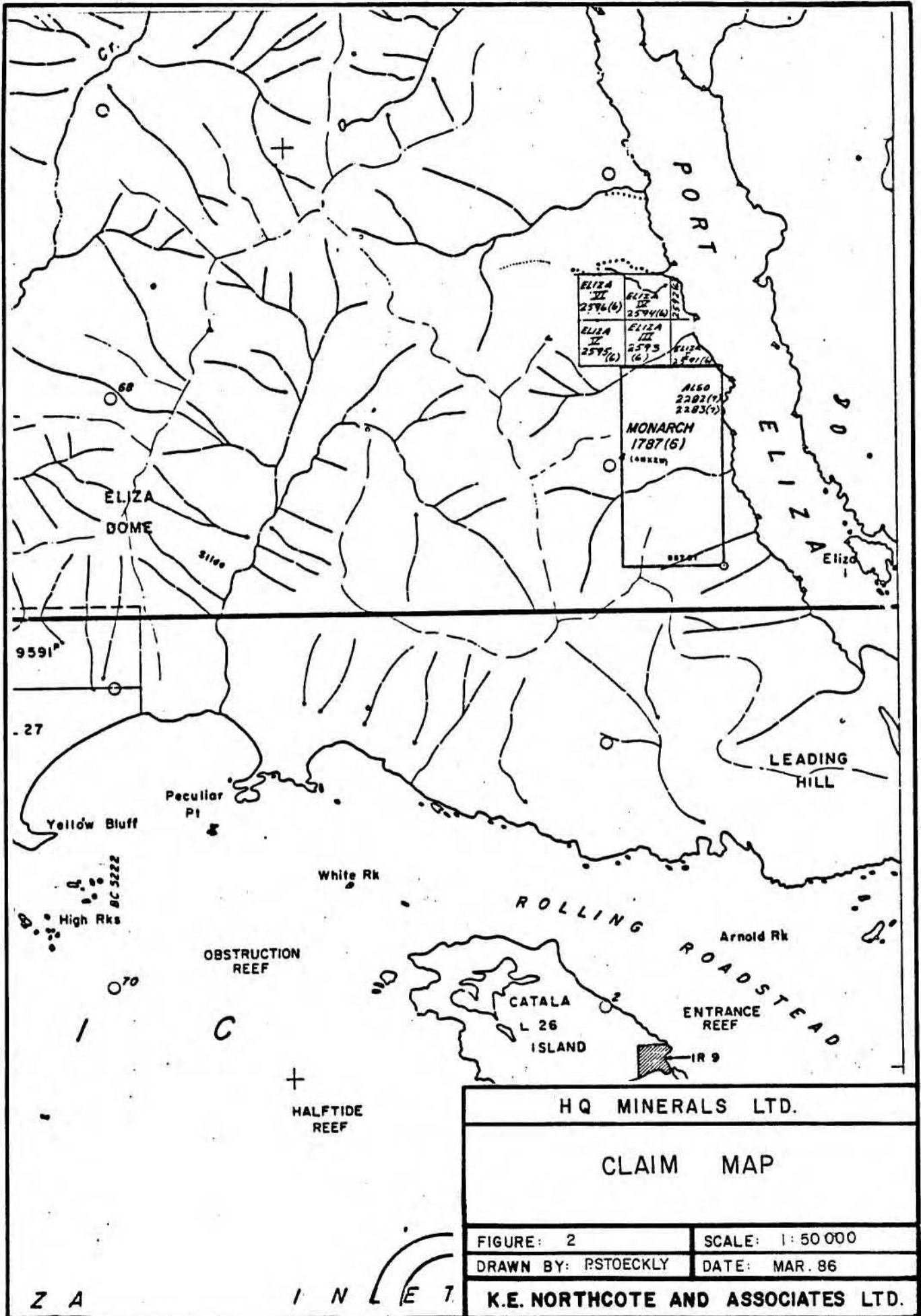
TABLE I

PORT ELIZA GOLD PROPERTY CLAIMS

CLAIM NAME	UNITS	RECORD NO.	ANNIVERSARY	EXPIRY DATE
MONARCH	8	1787(6)	1983	21/6/86
ELIZA I	2-post	2591(6)	1985	4/6/86
II	"	2592(6)	"	"
III	"	2593(6)	"	"
IV	"	2594(6)	"	"
V	"	2595(6)	"	"
VI	"	2596(6)	"	"



HQ MINERALS LTD.	
LOCATION OF	
PORT ELIZA INLET GOLD PROPERTY	
FIGURE: 1	SCALE: 1:2 000 000
DRAWN BY: PSTOCKLY	DATE: MAR. 86
K.E. NORTHCOTE AND ASSOCIATES LTD.	



The MONARCH claim is registered in the name of L.J Scott, R.R. #2 Payne Road Duncan B.C. V9L-1N9. The ELIZA I to IV claims are registered in the name of R. Neill, Langford, B.C. The legality of the above claims and assessment requirements are the responsibility of the registered owners.

HISTORY OF THE PROPERTY

The bibliography pertaining to the Port Eliza Inlet Gold Property includes the following:

J.S. Stevenson; 1945 B.C.D.M. Open File Report, Maps.
GSC Paper 72-44.

Muller, J.E.; Cameron B.E.B.; Northcote K.E.; 1981 Geology and Mineral Deposits of Nootka Sound Map-Area, GSC Paper 80-16.

[BCDM MMAR 1933 p 252 appears to refer to a property of different location].

The history of the property is outlined by J.S. Stevenson in an open file report, 1945, listed above. Messrs. A. Rustand and S. Newton of Ceepeecee staked the Port Eliza Gold Property in 1938. The property included the SUNRISE and SUNDOWN claims and the SUNRISE fraction. During 1939 Messrs. Lewis and Fowler optioned the property and, with from 5 to 9 men employed, drove the present two adits. Since that time there is no evidence of significant work done on the property.

EXISTING WORKINGS

The existing underground workings consist of 2 drifts one 18 m (60 feet) above the other and their portals 143 m (470 feet) apart. The lower adit is 132 m (430 feet) long and the upper 34 m (112 feet). There is a crosscut 3.6 m (12 feet) long in the lower adit and another 7.6 m (25 feet) long in the upper adit, both driven into the hanging wall of the structure. The lower adit is open and accessible for mapping and sampling. The upper adit has collapsed for a distance of 25 metres (80 feet) from the original portal but at this point an opening exists which may be stabilized by scaling down loose rock, and timbering thus allowing access into the remaining section of the adit.

REGIONAL GEOLOGY

The regional geologic map of the Nootka Sound Map Area shows the Port Eliza Inlet Gold Property lies within a large body of Lower Jurassic Island Intrusion which extends southeasterly across Esperanza Inlet. The property is situated near the south contact of the pluton with Lower Jurassic Bonanza volcanics and volcanic sedimentary rocks. The plutons consist of polyphase granodiorite, quartz diorite and lesser granite. As would be expected, detailed mapping will show greater lithologic and structural complexity than is indicated on the regional map. It is possible that future detailed mapping and age determinations will confirm the presently suspected presence of associated Tertiary intrusions.

The above plutonic, volcanic and sedimentary units are cut by major northerly and northwesterly trending faults with northeasterly trending cross structures.

GEOLOGY OF THE PORT ELIZA INLET GOLD PROPERTY

The pluton containing the Port Eliza Inlet Gold Property is polyphase showing variations in composition and texture and is cut by generally northerly to northwesterly trending systems of basic dykes. These dykes, noted in outcrop along the shoreline and in the creek adjacent to the Lower Showing, range from a few centimetres to a metre or more in width. They pinch and swell and may suddenly terminate in a number of narrow "fingers".

It is possible that the dyke systems, to some extent, control the position and attitude of later generations of pre-and-post mineral fracturing and shearing which roughly parallel and locally follow these dykes. Abundant chloritic material in some sections of the lower adit may represent such dykes. One or more periods of silicification and sericitization accompanied post dyke fracturing and shearing causing extensive alteration of wall rocks and deposition of a strong quartz vein system, particularly at the upper mineralized zone, and localized stockworks of small veinlets in the wall rocks adjacent to the main system. See sample descriptions Appendix "B". Gold mineralization appears to have accompanied the later episodes of open space quartz vein filling. Late post mineral fracturing and shearing, which in general followed the existing vein systems, resulted in formation of zones of gouge, crackle breccia and shatter zones which locally were subsequently filled by calcite.

Mineralization appears to be richer in association with quartz veining and to lesser extent with silicified wall rocks. Mineralographic studies will be undertaken to identify the finely divided light grey sulphides that occur with pyrite and traces of chalcopyrite.

Upper Zone

The upper adit is presently not accessible but according to Mr. J.S. Stevenson, 1945, the upper adit started under the surface exposure of an ore shoot following it for 17 m (55 feet) to a point where it was sliced by faults. The vein matter in this shoot consists of several diagonal stringers of quartz cutting earlier silicified vein matter 0.46 m (18 inches) wide. A fault follows along the footwall of the vein with none in the hanging wall. The northwesterly extension of the ore shoot in the drift is terminated by the footwall fault which cuts the vein at a small angle. From the end of the ore shoot at 17 m (55 feet) from the portal the drift follows faults and a 0.02 m (1 inch) vein for 17 m (57 feet) to the face. At this point a crosscut was driven northeasterly for 8 m (27 feet)

Surface exposures in the Upper Zone which occur intermittently, along a length of about 75 metres (246 feet), open at both ends, suggest a stronger vein development than was indicated by Stevenson's description of the last 57 feet of the upper adit. The main vein is followed by a strong shear which in turn is eroded out by the stream so the vein is only completely exposed intermittently. The vein structure

with intense silicification and sericitization, including shear, appears to be generally 0.5 m (1.6 feet) wide with wider sections up to 1.0 m (3.2 feet). Significant gold values were obtained from massive quartz vein material and from open space stockwork veinlet development in wall rock from the Upper Zone.

Lower Zone

The lower zone is accessible in the lower adit for a length of 132 metres (433 feet). The adit follows a late shear zone in altered granodiorite and at least locally is in chloritic dyke-rock. The main shear which in this zone contains the best gold values persists for the full length of the adit but pinches and swells from less than a centimetre to approximately 0.5 metres in width. The main shear is commonly accompanied by a shatter breccia up to 1+ metres wide in its footwall side, which may be bounded in turn by a second less well developed footwall shear. The granodiorite rocks adjacent to the main structure are intensely sericitic with lesser silica alteration. Strong zones of chloritic alteration in the wall rock probably represent basic dykes. Detailed mapping and petrography will resolve problems of size, attitude and configuration of dyke-rock and alteration of wall rock.

PREVIOUS SAMPLING

In 1940 a test shipment of fourteen tons of ore containing 14 oz of gold and 3 oz of silver was sent to the Tacoma smelter from the Port Eliza Gold Mine.

Samples taken by J.S. Stevenson 1945 and L.J. Scott 1983 and 1985 are listed in Tables II and III.

TABLE II

SAMPLE NO	DESCRIPTION & LOCATION	GOLD oz/t	SILVER oz/t
641	Upper Adit Across 6" diagonal quartz stringer, 40' from portal	0.12	0.1
642	Across 3" diagonal quartz stringer, 50' from portal	0.11	0.1
643	Across main silicified zone, 18" wide, 50' from portal	tr	tr
645	Across 1" of vein and gouge in face of drift, 110' from portal	4.16	0.1
644	Across 2" of vein and gouge in cross-cut, at face, and 10' from drift.	0.08	0.1
646	Surface Across silicified zone, 18" wide, 80' northwest of portal of upper adit.	0.73	0.1

647	Across silicified zone, 10" wide 90' northwest of portal of upper adit.	0.37	0.1
648	Lower Adit Across 10" of vein-matter	0.02	tr
649	Across 20 inches of fault matter containing gouge, crushed rock and modules broken quartz, 100' from portal	0.1	
650	Across gouge, crushed rock and nodules about 8" wide and 320 feet from portal.	0.2	0.1

TABLE III

Sample No	Width	Au (oz./t)	Description
-1983--			
5971	1 ft	0.11	Lower adit 13m. from portal
5972		0.03	
5973	3 ft.	0.29	Lower adit 45m. from portal
5974		Trace	
5975		Trace	
5976		Trace	
5977		Trace	
5978	3½ ft.	0.08	Lower adit 106m. from portal
5979	2in.	0.13	Lower adit vein at face
5980	grab	0.11	Lower adit footwall 10m. from portal
5981	3 ft.	0.04	stockwork
-1985-			
12		.002	Scott Zone Wall rock
14	10 ft.	.090	Scott Zone Vein and wall rock
15	grab	.196	Upper dump
16	grab	.040	Lower dump
14350	3 ft.	.076	Upper Zone
14354	3in.	1.164	Upper Zone vein
14355	chip	1.022	Upper Zone, General sample along 56 m. fault filling
14346	3 feet	0.084	Upper zone at pithead fault filling
14348	2 in.	0.148	Upper zone at pithead, vein

FEBRUARY -MARCH 1986 PROGRAM

A total of six days, including travel time was spent by K.E. Northcote Ph.D., P.Eng. in company with L.J. Scott, prospector, on the Port Eliza Gold Property. Surface exposures in the creek at the Upper

Zone, the upper dump, the lower adit of the Lower Zone and the Scott Zone in the creek below the lower adit were mapped and sampled.

Forty samples were taken including 17 from the Upper Zone, 3 from the upper dump, 16 from the lower adit in the Lower Zone and 4 from the Scott Zone.

Because it is important from the point of view of mining widths to determine whether or not wall rocks contain significant gold or silver values samples were taken from the hanging wall and footwall as well as from the main vein-breccia-shear-gouge systems. These samples were examined under binocular microscope with petrographic descriptions given in Appendix "B". They were then delivered to Min-En Laboratories Ltd. for Au, Ag assay and/or geochemical analyses with the original assay sheets forming Appendix "A". Sample locations are plotted on Figure 3.

During the course of surveying in the Upper and Lower Zones a strong magnetic anomaly was noted in the creek to the west of the lower adit.

RESULTS OF THE FEBRUARY-MARCH 1986 PROGRAM

The results of the early 1986 sampling program are listed in Table IV with sample locations plotted on Figure 3.

TABLE IV

ASSAY RESULTS FEBRUARY-MARCH 1986

UPPER ZONE

SAMPLE	WIDTH	Au ppb (oz/ton)	Ag ppm	DESCRIPTION
Sample #1	0.50m	5	0.5	Silicified footwall
#2	0.20m	182 (.005)	0.5	Silicified footwall/vein
#3	0.70m	(.001)	0.1	Qtz vein, Bx, H.W.
#4	0.80m	29	0.4	Silicified hanging wall
#5	0.15	(1.625)	5.6	Vein F.W. side
#6	0.20m	35	0.4	Hanging wall
#7	0.50m	(0.949)	21.0	Vein
#8	0.25m	275 (.008)	0.4	H.W. cont. veinlets
#9	0.25m	290 (.008)	0.3	F.W. cont. veinlets
#10	1.0m	(.092)	0.1	Veinlet swarm in W.R.
#11	1.0m	3500 (.102)	0.6	Silicified W.R.
#12	1.0m	122 (.004)	0.6	Silicified W.R.
#13	0.25m	10	0.4	Shear
#14	0.25m	9000(0.262)	3.2	Pyritized shear
#15	0.03m	(.073)	0.6	Veinlet in H.W.
#16	0.10m	(.242)	2.3	Anastomosing vein
#17	0.15m	(.001)	0.1	Silicified F.W.

UPPER DUMP

SAMPLE	WIDTH	Au ppb (oz/t)	Ag ppm
UD #1	0.80m deep	(.006)	0.1
UD #2	0.80m deep	(.011)	0.7
UD #3	0.70m deep	(.018)	0.2

LOWER ZONE

LA #1	0.08m	(0.213)	0.3	Vein gouge @ 132m
#2	0.30m	20	0.5	F.W. calc strgrs @ 132m
#3	panel	145 (.004)	0.2	H.W. calc strgr @ 132m
#4	0.02m	285 (.008)	0.5	H.W. calc vein @ 132m
#5	0.30m	(.099)	0.1	Shear, gouge, frags @ 108m
#6	0.35m	(.169)	0.5	Gouge bx @ 101m
#7	panel	5	0.2	Footwall @ 101m
#8	panel	210 (.006)	0.3	Hanging wall @ 101m
#9	0.13	(.006)	0.2	H.W. gouge bx @ 88m
#10	0.10m	(.132)	0.1	gouge bx @ 55m
#11	panel	115 (.003)	1.4	Footwall @ 55m
#12	panel	40	0.4	Hanging wall @ 55m
#13	0.08m	(0.125)	0.3	Vein shear @ 40m
#14	0.07m	(0.038)	0.1	Vein gouge bx @ 35m
#15	Random chip	6	0.3	Footwall @ 35m
#16	Random chip	5	0.6	Hanging wall @ 35m

SCOTT ZONE

Scott #17	1.0m	(0.032)	0.1	H.W. Qtz vein
# 18	panel	(0.024)	0.2	Vein
#19	panel	1300(.038)	2.0	Pyritized F.W.
#20	panel	235 (.007)	0.4	F.W. wall rock

CONCLUSIONS

UPPER ZONE

1 The Upper Zone is well exposed along the creek for a length of approximately 75 metres (246 feet) with probable extensions to the northwest and southeast.

2 A strongly siliceous vein and vein breccia system with minor carbonate, -0.20 to +1.0 metres in width, accompanied by a later shear zone, is followed and has been eroded by the stream. The sheared portion of the system, and therefore the full width of the vein is rarely visible. The wall rocks flanking the vein are generally strongly

silicified and sericitized and carry irregular thin veinlets, predominately quartz, which locally form stockworks.

3 Assays of vein material, as expected, produced good gold values as indicated by samples #5, #7 and #16 which are 1.625, 0.949 and 0.242 oz Au/ton respectively. Silicified wallrock generally produced anomalous Au values but well below ore grade unless cut by numerous quartz veinlets as in samples #10 and #11 which contained 0.092 and 0.102 oz Au/ton respectively. The sampling program indicates that the better grades of gold mineralization are associated with open space quartz vein infilling of the main vein and development of veinlets and stockworks in wall rock and to a lesser extent with siliceous (quartz-rich) and sericite (white mica) alteration of the wall rock.

4 The length, true width and grade of the Upper Zone quartz-vein-breccia-shear system is not known. Results of preliminary sampling provides sufficient encouragement for thorough investigation by trenching and sampling across the structure at several points along its known extent. Exploration for parallel structures and the northwesterly and southeasterly extensions of the main system is required.

5 Access is required to explore the adit on the Upper Zone. The structure appears to be better developed and can be traced further northwesterly on surface than in the adit. Detailed mapping and sampling of the adit in combination with the trenching program on surface should confirm whether or not the adit follows the main vein or is in a parallel structure.

LOWER AND SCOTT ZONES

1 The best grades of mineralization in the Lower Zone coincides with the main shear-gouge structure exposed in the lower adit. Significant gold values were not obtained in samples from the wall rocks. Widths and grades indicated by sampling in the lower adit on the Lower Zone would not support a viable mining operation.

2 Although the Lower and Upper Zones appear to follow the same structure there are significant differences in degree, type of alteration and tenor of gold to suggest that they may be separate but closely parallel structures.

Similarly, differences in character of the Lower and Scott Zones suggest that they too may represent parallel structures. These possibilities require exploration on both sides of the Lower and Scott Zones for parallel structures and extensions along strike.

MAGNETIC ANOMALY

1 The magnetic anomaly located in the vicinity of the stream to the west of the lower adit is unexplained and its dimensions and significance are unknown.

RECOMMENDATIONS

A two-stage program is recommended to test the potential of the Port Eliza Gold Property. The best possibility for discovery of a minable orebody appears to be within the Upper Zone. The greatest

exploration effort should therefore be concentrated in this area. The program would include the following:

Stage 1

1 Attempt rehabilitation of the Upper Zone adit to provide access for geologic mapping and sampling to determine whether or not it follows the same or a subsidiary parallel structure to the strong vein-shear system on surface. This should be attempted before drilling and blasting trenches in outcrops above the adit.

2 Trenching by Copco drilling and blasting on surface across the structure of the Upper Zone at approximately 10 metre intervals along its known extent. Sample the main structure and into the hanging and footwalls. Some of the trenches should extend for several metres on either side of the main structure in search of parallel structures.

3 Map in detail the lower adit in the Lower Zone looking for similarities and differences in character between the Lower and Upper Zones.

4 Explore for extensions and parallel structures on the Upper, Lower, Scott and magnetically anomalous zone by a combination of geologic mapping, geophysical (VLF-EM and magnetometer) surveys and soil geochemistry on a short spaced grid covering all zones and possible extensions.

Stage 2

If the results of Stage 1 are favourable then drilling from surface across the structure at intervals across its known length will be required to test the 3rd dimension of depth. Initially 10 holes of 200 feet depth would be anticipated. Large core diameter and a system for catching cuttings would be required.



CERTIFICATE

I, Kenneth E. Northcote of 2346 Ashton Road, R.R. #1, Agassiz, B.C. do hereby certify that:

- 1] I have been practising as a professional geologist for a period of approximately 25 years for petroleum exploration companies, mining exploration and consulting companies, federal and provincial agencies.
- 2] I obtained a Ph.D. in geology from U.B.C. in 1968 and qualified for registration with the Association of Professional Engineers of B.C. in 1967.
- 3] This report is a result of work done personally on the Port Eliza Gold Property during the period February 27 to March 4, 1986.
- 4] I have no interest either directly or indirectly in the properties or securities of H.Q. Minerals Ltd., nor do I expect to receive any.
- 5] I consent to the use of this report in, or in connection with, a prospectus relating to the raising of funds.

Dated at Agassiz B.C. this 4th day of April, 1986



K.E. Northcote Ph.D., P.Eng.

APPENDIX "A"

PORT ELIZA GOLD PROPERTY

ASSAY DATA 1983,1985,1986



DATE July 15, 1983

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

SAMPLE RECEIVED FROM LIONEL J. SCOTT

ADDRESS R. R. #4, Mt. Prevost Road, Duncan, B. C., V9L 3W8

LABORATORY NO.	SUBMITTER'S MARK	LABORATORY REPORT
✓ 5971	<u>13011</u>	<p>CHIP SAMPLE ACROSS 1 FT.</p> <p>Gold - 0.11 oz. per ton MONARCH I Silver - Trace 13 M FROM PORTAL Platinum - Nil LOWER ADIT</p> <p>Spectrographic Analysis: Arsenic - 0.15%</p>
✓ 5972	10849 M-1	<p>Gold - 0.03 oz. per ton Silver - Trace Platinum - Nil</p> <p>Spectrographic Analysis: Arsenic - 0.2%</p>
✓ 5973	<u>13012</u> #4	<p>CHIP SAMPLE 3 FT ACROSS 45 METERS FROM PORTAL</p> <p>Gold - 0.29 oz. per ton MONARCH I Silver - Trace LOWER ADIT Platinum - Nil</p> <p>Spectrographic Analysis: Arsenic - 0.25%</p>
✓ 5974	13013 #5	<p>Gold - Trace Silver - Trace Platinum - Nil</p>
✓ 5975	13014 #6	<p>Gold - Trace Silver - Trace Platinum - Nil</p> <p>Spectrographic Analysis: Copper - 0.01%</p>
✓ 5976	13016 #7A	<p>Gold - Trace Silver - Trace Platinum - Nil</p>
✓ 5977	13015 #7B	<p>Gold - Trace Silver - Trace Platinum - Nil</p>

THIS DOCUMENT, OR ANY PART THEREOF, MAY NOT BE REPRODUCED FOR PROMOTIONAL OR ADVERTISING PURPOSES.

LEGEND
 T - TRACE
 M.C. - MAJOR CONSTITUENT
 N.D. - NOT DETECTED
 P - PRESENT

W.M. Johnson
 CHIEF ANALYST



DATE July 15, 1983

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

SAMPLE RECEIVED FROM LIONEL J. SCOTT Page 2

ADDRESS R. R. #4, Mt. Prevost Road, Duncan, B. C.,

LABORATORY NO.	SUBMITTER'S MARK	LABORATORY REPORT
✓ 5978	13017 #8	<p>CHIP SAMPLE ACROSS 3 1/2 FT. WIDE STOCKWORK 106 METERS FROM PORTAL</p> <p>Gold - 0.08 oz. per ton Silver - Trace Platinum - Nil</p> <p style="text-align: right;">LOWER ADIT</p> <p>Spectrographic Analysis: Arsenic - 0.35%</p>
✓ 5979	13018 #9	<p>CHIP SAMPLE ACROSS 2 INCH WIDE VEIN</p> <p>Gold - 0.13 oz. per ton MONARCH I Silver - Trace END STATION 175 METERS Platinum - Nil FROM PORTAL</p> <p style="text-align: right;">LOWER ADIT</p> <p>Spectrographic Analysis: Arsenic - 0.75%</p>
✓ 5980	10850 10M	<p>GRAB SAMPLE FOOTWALL 10 METERS FROM PORTAL</p> <p>Gold - 0.11 oz. per ton MONARCH I Silver - Trace Platinum - Nil</p> <p>Spectrographic Analysis: Arsenic - 0.04%</p>
✓ 5981	87M Monarch #1 3' W Stockwork	<p>Gold - 0.04 oz. per ton Silver - Trace Platinum - Nil</p> <p>Spectrographic Analysis: Arsenic - 0.3%</p>

THIS DOCUMENT, OR ANY PART THEREOF, MAY NOT BE REPRODUCED FOR PROMOTIONAL OR ADVERTISING PURPOSES.

- SEND
- TRACE
 - MAJOR CONSTITUENT
 - NOT DETECTED
 - PRESENT

W. M. Johnson
.....
CHIEF ANALYST

CERTIFICATE OF ASSAY

Date: **June 25, 1985**
 File: **8506-2051**



SGS SUPERVISION SERVICES INC.
 General Testing Laboratories Division

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

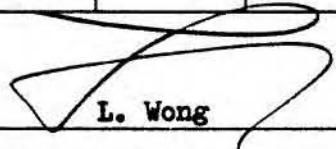
TO: MR. L. J. SCOTT
R.R. #2
Payne Road
Duncan, B.C. V9L 1N9

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

MARKED	GOLD	REJECTS	XXX	XXX	XXX	XXX	XXX	XXX
	oz./wt	REJECT						
12	0.002	MONARCH M.C. SCOTT VEIN WALL ROCK (CHERT)						
14	0.090	MONARCH M.C. SCOTT VEIN CHANNEL ACROSS ^{x 1 INCH} 10 FT.						
15	0.196	MONARCH M.C. GRAB FROM UPPER DUMP						
16	0.040	MONARCH M.C. GRAB FROM LOWER DUMP						

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

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L. Wong
 PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing association
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: **July 2, 1985**



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
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File: **8504-2553**

TO: MR. L. J. SCOTT
R.R. #2 Payne Road
Duncan, B.C.
V9L 1N9

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

MARKED	GOLD	SILVER	Platinum	IRI	IRI	IRI	IRI	IRI
	oz/at	oz/at	Pt (oz/at)					
✓ # 14346	0.084	-	-	3 FT ACROSS FAULT FILLING				
✓ # 14348	0.148	-	-	SAMPLE #1 ZONE #2				
N/A # 14361	0.002	0.02	< 0.001	UPPER DRIFT AT PITHEAD				
				SAMPLE #2 ZONE #2, TWO INCH				
				VEIN AT PITHEAD (ACROSS)				
				SAMPLE #1 0.002 OZ TON				
				TUXEDO CFT. PT. # 19 - 0.002 OZ TON				

GOSSIP

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

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REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date:

File:

8507-2252



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

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

TO: MR. L. J. SCOTT
R.L. #2
Payne Road,
Duncan, B.C.

We hereby certify that the following are the results of assays on: **One**

MARKED	GOLD	SILVER	XXX	XXX	XXX	XXX	XXX	XXX
	oz/zt	oz/zt						
N/A 14349	0.018	0.02	ERSKINE PT. SALT SPRING					
✓ 14350	0.076	-	MONARCH, ELIZA, UPPER DRIFT TRENCH SITE #1, 3 FT ACROSS (SAMPLE # ONE #2)					
✓ 14354	1.164	-	SAMPLE #3 UPPER DRIFT 3 INCH VEIN MATERIAL (SURFACE)					
✓ 14355	1.022	-	UPPER DRIFT GENERAL SAMPLE ALONG 56 METERS, FAULT FILLING					

GO P L

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[Signature]
L. J. Scott

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MIN-EN Laboratories Ltd.
Specialists in Mineral Environments
705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: 04-352828

GEOCHEMICAL ANALYSIS CERTIFICATE

COMPANY: K.E. NORTHCOTE
PROJECT: H.Q. MINERALS LTD.
ATTENTION: K.E. NORTHCOTE

FILE: 6-122
DATE: MARCH 14/86.
TYPE: ROCK GEOCHEM

We hereby certify that the following are the results of the geochemical analysis made on 21 samples submitted.

SAMPLE NUMBER	AG PPM	AU-FIRE PPB
#1	0.5	5
#2	0.5	182
#4	0.4	29
#6	0.4	35
#8	0.4	275
#7	0.3	290
#11	0.6	3500
#12	0.6	122
#13	0.4	10
#14	3.2	9000
LA-2	0.5	20
LA-3	0.2	145
LA-4	0.5	285
LA-7	0.2	5
LA-8	0.3	210
LA-11	1.4	115
LA-12	0.4	40
LA-15	0.3	5
LA-16	0.6	5
SCOTT#19	2.0	1300
SCOTT#20	0.4	235

OF THESE SAMPLES SHOULD HAVE BEEN REQUESTED FOR ASSAY.

Certified by



MIN-EN Laboratories Ltd.

Specialists in Mineral Environments

705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

T: (604) 980-5814 OR (604) 988-4524

TELEX: 04-352828

CERTIFICATE OF ASSAY

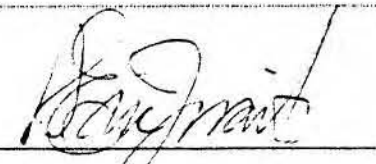
COMPANY: K.E. NORTHCOTE
PROJECT: H.Q. MINERALS LTD.
ATTENTION: K.E. NORTHCOTE

FILE: 6-122
DATE: MARCH 14/86.
TYPE: ROCK ASSAY

We hereby certify that the following are assay results for samples submitted.

SAMPLE NUMBER	AG G/TONNE	AG OZ/TON	AU G/TONNE	AU OZ/TON
#3	0.1	0.01	.01	0.001
#5	5.8	0.17	55.70	1.625
#7	21.0	0.61	32.55	0.949
#10	0.1	0.01	3.14	0.092
#15	0.6	0.02	2.49	0.073
#16	2.3	0.07	8.29	0.242
#17	0.1	0.01	.03	0.001
UD#1	0.1	0.01	.21	0.006
UD#2	0.7	0.02	.39	0.011
UD#3	0.2	0.01	.61	0.018
LA-1	0.3	0.01	7.31	0.213
LA-5	0.1	0.01	3.40	0.099
LA-6	0.5	0.01	5.80	0.169
LA-9	0.2	0.01	.20	0.006
LA-10	0.1	0.01	4.53	0.132
LA-13	0.3	0.01	4.30	0.125
LA-14	0.1	0.01	1.29	0.038
SCOTT#17	0.1	0.01	1.10	0.032
SCOTT#18	0.2	0.01	.82	0.024

Certified by



MIN-EN LABORATORIES LTD.

APPENDIX "B"

SAMPLE DESCRIPTIONS

by K.E.Northcote, 1986

PORT ELIZA INLET GOLD PROPERTY

SAMPLE DESCRIPTIONS

UPPER ZONE

- #1 (TS) Footwall wall rock, fine/medium granular, granitic texture, leucocratic, weak chloritic (less than 5%), weak iron-stained.
- 2 (TS) Siliceous, footwall wall rock, medium granular, quartz impregnated(?) diffuse chloritic clots. Disseminated pyrite
- 3 Hanging wall rock, fine/medium granular, siliceous, granitic texture leucocratic, weak chloritic, diffuse green coloration and clots, weak iron-stain
- 4 Hanging wall rock, fine/medium granular, impregnated appearance, diffuse green chloritic material. Weak iron-manganese-stain
- 5 (PTS) Quartz vein- sulphides-pyrite, sphalerite (chalcopyrite) finely divided grey sulphides in quartz, open space quartz growing inwards. Minor coarse calcite between quartz crystals.
- 6 Hanging wall, fine/medium granular, granitic texture, leucocratic diffuse chloritic clots, weak siliceous impregnated appearance, weak iron-stain
- 7 Quartz vein, similar to #5, sulphides, pyrite and finely divided grey sulphides in quartz open space, drusy quartz crystals growing inwards. Iron-stained.
- 8 Hanging wall rock, fine/medium granular, leucocratic, local small quartz veinlets in outcrop. Sample masked by iron staining.
- 9 Footwall wall rock, fine/medium granular, granitic texture, leucocratic weak chloritic in small diffuse clots. Cut by quartz veinlets mineralized by sulphides (pyrite, strong iron-stain).
- 10 Veinlet swarm/stockwork in footwall, fine granular, siliceous leucocratic, cut by abundant criss crossing quartz veinlets disseminated coarse pyrite and fine sulphides (pyrite) throughout.
- 11 (TS) Fine granular siliceous rock/vein, no obvious mafic, disseminated sulphides. Abundantly iron-stained.
- 12 Fine granular siliceous rock, leucocratic, diffuse chlorite and scattered clots giving green coloration cut by small drusy quartz veinlets, Disseminated pyrite throughout? Abundantly iron-stained.

UPPER ZONE (Continued)

- # 13 Wall rock from late shear, quartz diorite/granodiorite, siliceous leucocratic/mesocratic chloritic in small clots or clusters of grains. Weak disseminated pyrite. Strong iron-stain.
- 14(TS) Pyritized shear, sericitic wall rock, strong green coloration because of abundant very diffuse sericite. Abundant fine to coarse pyrite crystals in veinlets and fracture/shear surfaces.
- 15 Vein approximately 0.01m in hanging wall, quartz containing screens of disseminated pyrite and very fine disseminated on partings and filling shears; looks like finely ground-up sulphides.
- 16 Massive coarse granular quartz vein material and smaller quartz veinlets in fine/medium sugary, siliceous, sericitic (chloritic) altered wall rock. Disseminated pyrite in wall rock, lesser but coarser pyrite crystals in quartz veins.
- 17 Footwall wall rock, sugary texture, siliceous (impregnation?) leucocratic, chlorite/sericite in disseminated clusters or clots. Disseminated pyrite throughout. Fine granular sulphides (pyrite) in fractures or slip surfaces. Iron-stained.

LOWER ADIT

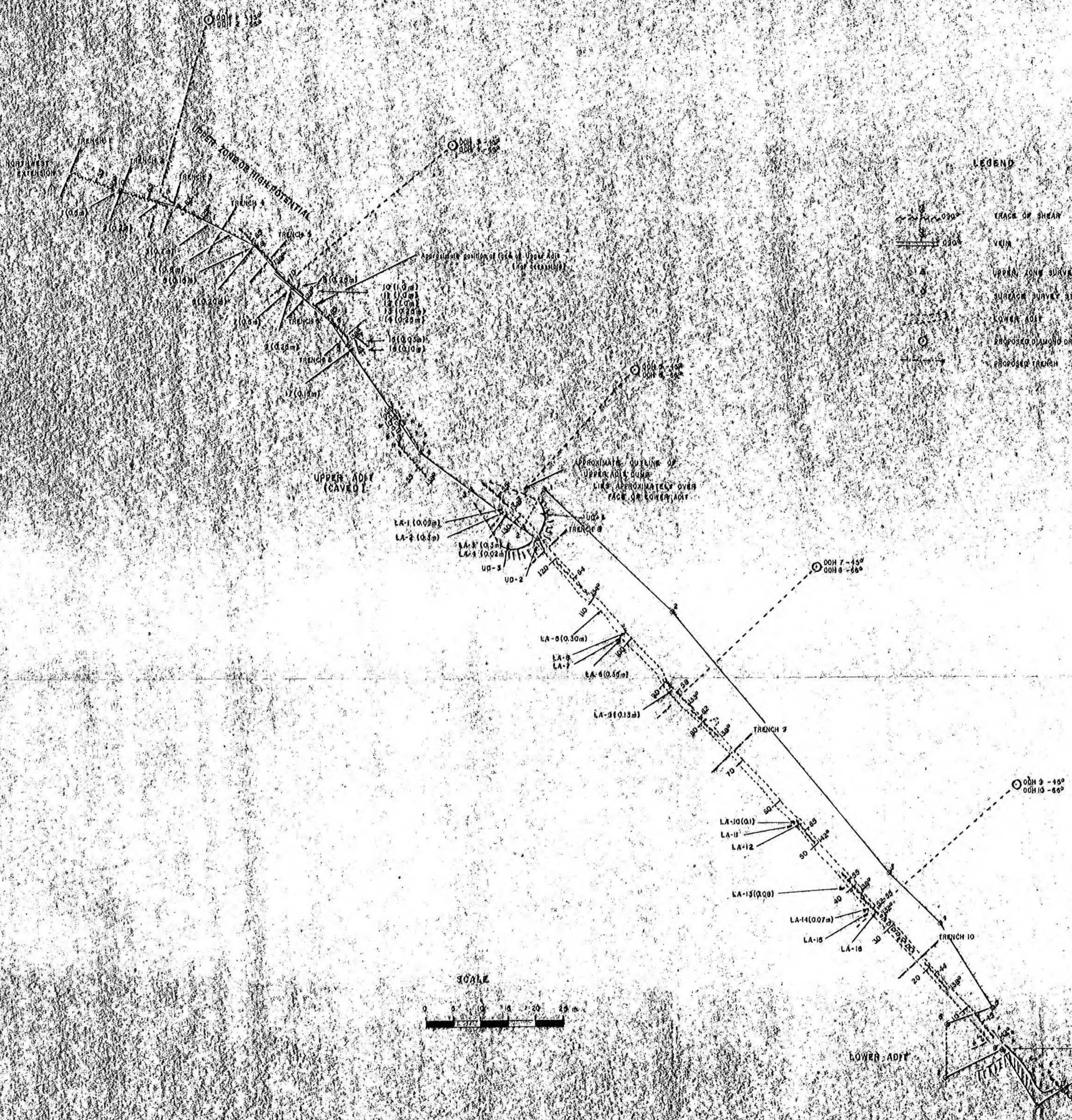
- LA 1 Vein gouge @ 132 m (face), [0.08m], sericitic gouge noncalcareous runs 0.213 oz Au/ton. Contains dark streaks of finely crushed sulphides.
- 2 Footwall altered wall rock @ 132 m (face) mottled siliceous, chloritic, sericitic. Disseminated pyrite and in partings. Iron and manganese staining. Some open space quartz veinlets. Runs 20 ppb Au.
- 3 Hanging wall altered wall rocks @ 132m (face), medium granular/granitic leucocratic/mesocratic, chloritic, sericitic. Sericite and quartz impregnation. Chlorite in disseminated grain clusters. Disseminated pyrite cubes. Finely divided sulphides in discontinuous screens and runs 145 ppb Au.
- 4 Calcite stringer @ 132 m (face) in altered hanging wall altered wall rock as for LA-3 Runs 29 ppb Au.
- 5 Vein gouge @ 108m, [0.30M] sericite gouge, noncalcareous runs 0.099 oz Au/ton. Disseminated fine pyrite crystals.

LOWER ADIT (Continued)

- LA 6 Gouge breccia @ 101m, [0.35m]. Sericitic gouge, weak calcareous, slip surfaces on altered wall rock fragments; runs 0.169 oz Au/ton. Some iron staining. Sulphate crystals.
- 7 Footwall altered wall rock @ 101m, mottled medium grey-green and light grey, leucocratic/mesocratic diffuse chloritic and sericitic; quartz-sericite impregnation; runs 5 ppb Au.
- 8 Hanging wall altered wall rock @ 101m, mottled medium grey green and light grey, mesocratic, diffuse clots and partings of chlorite Quartz-sericite impregnation. Quartz veinlets. Disseminated pyrite. Runs 210 ppb Au.
- 9 Gouge breccia at hanging wall side @ 88m [0.13m]. Altered wall rock fragments, siliceous, sericitic, calcareous veinlets sparsely disseminated pyrite. Runs only 0.006 oz Au/ton.
- 10 Gouge breccia @ 55m, [0.10m]. Strongly chloritic wall rock fragments mixed with sericite. Disseminated pyrite. Could represent altered dyke rock fragments. Runs 0.132 oz Au/ton.
- 11 TS Footwall rock, dyke @ 55m, fine/medium granular, dark green melanocratic chloritic, sericitic, clusters of pyrite cubes. Runs 115 ppb Au.
- 12 TS Hanging wall rock @ 55m, siliceous, sericitic, light green grey, mottled. Disseminated pyrite and clusters of crystals. Runs 40 ppb Au.
- 13 Vein-shear @ 40 m [0.08m], gouge, quartz and altered wall rock fragments, calcareous. Runs 0.125 oz Au/ton.
- 14 Vein-shear @ 35m [0.07m], gouge, shear, chlorite, sericite, carbonate. Runs 0.038 oz Au/ton.
- 15 Footwall rock @ 35m, altered wall rock, fine/medium granular/ granitic light grey leucocratic, chloritic, (sericitic). Runs 6 ppb Au.
- 16 Hanging wall @ 35 m, altered wall rock, dyke?, fine/medium granular dark green, melanocratic chloritic, sericitic carbonate veinlets. Disseminated pyrite.

LOWER ADIT (Continued)

- SCOTT #17 Quartz vein stockwork in altered granodiorite [1.0m], medium grained, mesocratic, chloritic, sericitic. Disseminated pyrite. Runs 0.125 oz Au/ton.
- 18 As for SCOTT #17
- 19 Pyritic melanocratic unit, dyke rock?, fine grained, dark grey-green chloritic. Abundantly disseminated pyrite. Runs 1300 ppb Au.
- 20 Granodiorite footwall, medium grained granitic mesocratic, granitic. Chloritic in old healed fractures with quartz. Iron stain. Runs 235 ppb Au.



**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

14,796



HO MINERALS LTD.	
MONARCH PROPERTY	
SAMPLE LOCATIONS	
FIGURE 3	SCALE: 1:600
DRAWN BY: ASTOCKLY	DATE: MAR 88
K.E. NORTHCOTE & ASSOCIATES LTD.	