86-492-15057

OWNER/OPERATOR: **LANA GOLD CORPORATION**

ASSESSMENT REPORT

on the

PAYMASTER GROUP MINERAL CLAIMS

BRALORNE AREA
LILLOOET MINING DIVISION
BRALORNE, BRITISH COLUMBIA

N. Lat. 50° ~~43' 30"~~ 44.3' W. Long. 122° ~~45' 00"~~ 44.6'

NTS 92-J/10E, 10W

FILMED

by

Robert R. ARNOLD, M.Sc., P. Geol.

STRATO GEOLOGICAL ENGINEERING LTD.
3566 King George Highway
Surrey, British Columbia V4A 5B6

JUNE 4, 1986

STRATO GEOLOGICAL ENGINEERING LTD.

SUMMARY

Pursuant to the request of the Directors of Lana Gold Corporation, a limited soil sampling program and an air photo study were performed on the Paymaster Mineral Claim Group.

The Paymaster property is located in southwestern British Columbia, approximately 180 kilometers north of Vancouver and 7 kilometers southeast of Bralorne.

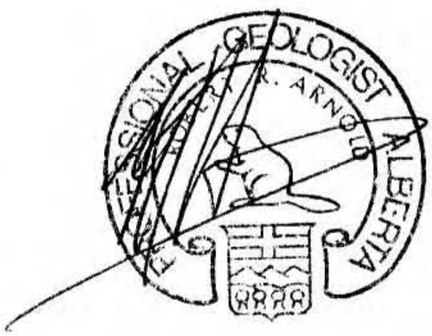
The soil sampling survey did not delineate any precious metals and/or base metals trend within the surveyed area.

The aerial photograph study shows a highly fractured/faulted zone located along the north-south ridge, east of Crazy Creek, and on strike of the old Paymaster workings.

A two phase exploration work program is recommended on the property to test the mineral potential of the Paymaster Group and and to fully evaluate the possible economic potential of the claims. A sum of $60,000 should be allocated for Phase I. Contingent upon positive results from Phase I, a sum of $90,000 should be allocated in Phase II for trenching and diamond drilling of defined targets.

Respectfully submitted

Strato Geological Engineering Ltd.



Robert R. Arnold, M.Sc., P.Geol.

June 4, 1986

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1.- INTRODUCTION

1.1 Objectives

Pursuant to a request by the Directors of Lana Gold Corporation, a limited soil sampling program and an airphoto study was conducted over the area of the Paymaster group of reverted crown grant mineral claims which combine with the Iris and Ione mineral claims, consisting of 24 units, to form a contiguous claim group.

This report is based upon a field examination and sampling program carried out by Strato Geological Engineering Ltd., upon previous work by Strato and available literature pertaining to the claim group area.

1.2 Location and Access

(See Figures 1 and 2)

Province:	British Columbia
Area:	Bralorne-Crazy Creek
Mining District:	Lillooet
Mineral Disposition:	Paymaster Group and Iris and Ione Mineral Claims
NTS:	92-J/10
Longitude:	122 degrees 45' 00"
Latitude:	50 degrees 43' 30"
Disposition Holders:	LANA GOLD CORPORATION

The property is located in southwestern British Columbia, approximately 180 kilometers north of Vancouver and 7 kilometers

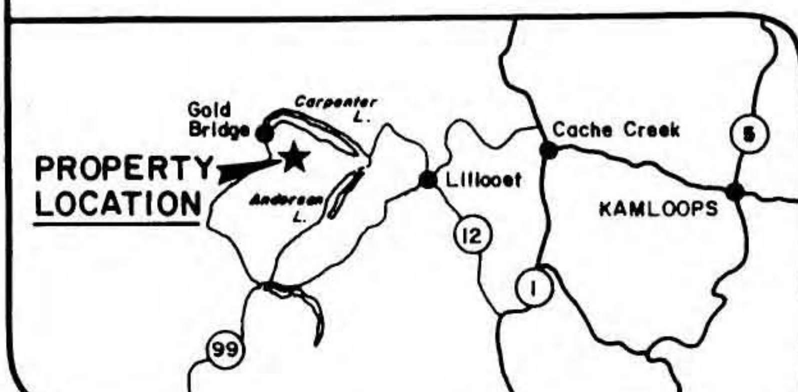

FIGURE I

LANA GOLD
CORPORATION

LOCATION MAP

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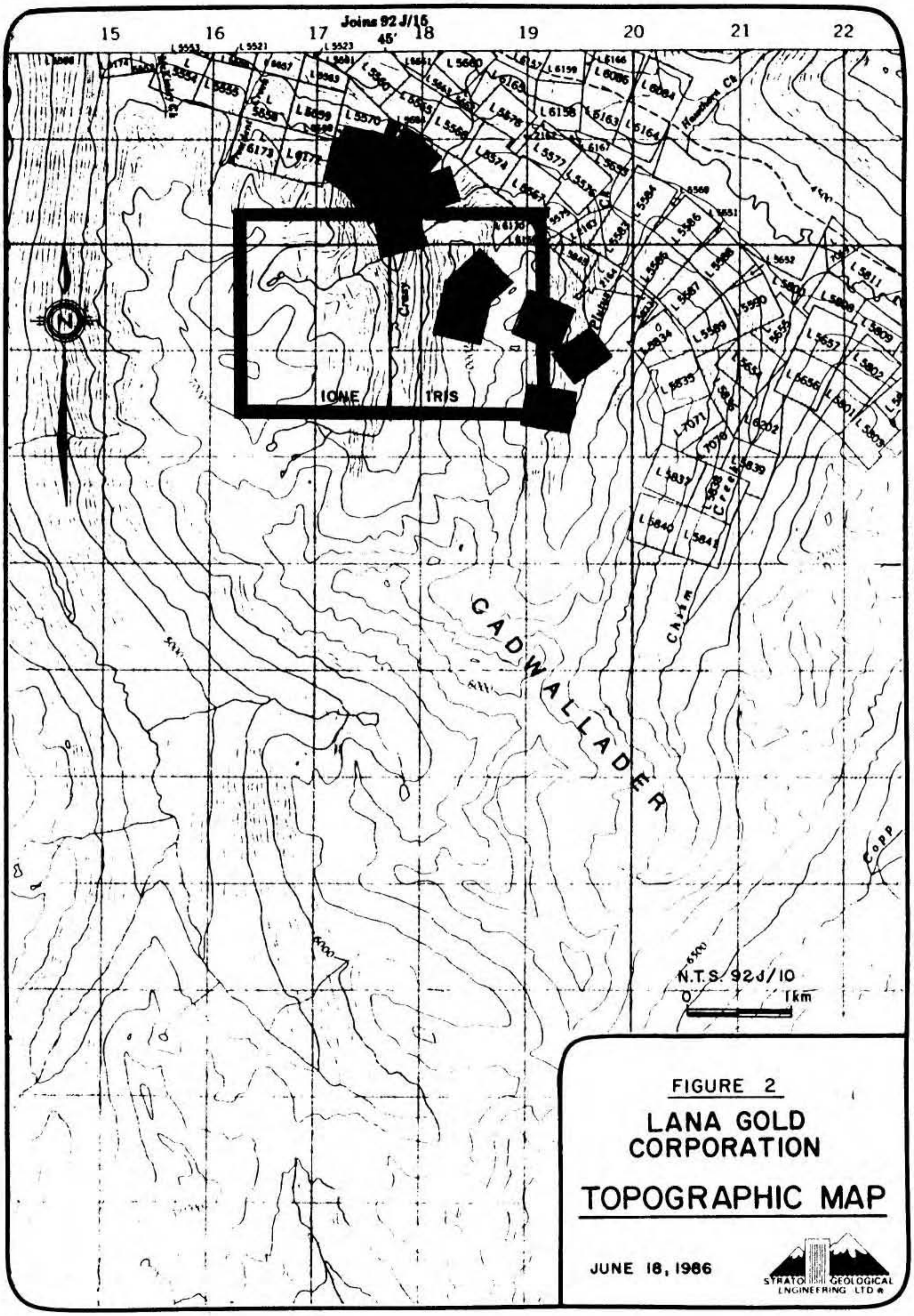

FIGURE 2

LANA GOLD CORPORATION

TOPOGRAPHIC MAP

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southeast of Bralorne. The claims are situated on the northern slopes of the Cadwallader Mountain Range, just south of the confluence of Crazy Creek and Cadwallader Creek.

Access to Bralorne is from Lytton, a small community located on the Trans Canada Highway some 250 road kilometers northeast from Vancouver, B.C. Bralorne is approximately 136 kilometers northwest of Lytton, and is reached by 64 kilometers of paved road to Lilooet, and thence some 100 kilometers of good gravel road.

A secondary access route is available only during the summer months from Pemberton, B.C., 50 kilometers due south of Bralorne. Due to the rough roads along this shorter route, significant savings in travel time are not encountered.

The working area is reached by foot from the old Pioneer Mine dam. A generally overgrown trail leads from the damsite to the L.C.P. of the Iris and Ione claims. Access to the claim areas via this trail is steep and difficult and a camp setup by helicopter within the property boundaries should be considered for future mineral exploration work.

1.3 Physiography

The property is located on very steep and uneven terrain on the northern slopes of Cadwallader Mountain, with slopes commonly terminating in rock ridges and cliffs.

Elevations range from 1465 meters (4800 feet) near Crazy Creek to 2225 meters (7300 feet) above sea level on the highest peaks. Erosion by Crazy Creek through the central property areas, and Plutus Creek, just east of the claims, has resulted in the shaping of two northerly trending ridges, terminated by the Cadwallader Creek valley to the north.

Slopes are well timbered with pine, fir, poplar, and birch up to an elevation of about 1900 meters where an alpine environment is reached.

1.4 Property Status

The property consists of eleven reverted crown granted mineral claims acquired by application and two mineral claims acquired by staking. The claims are shown on the British Columbia Mineral Titles Map M 92-J/10E and M 92-J/10W and are recorded as follows:

Claim Name	Record No.	Lot No.	Area	Expiry Date
Paymaster 2	1992	6872	39.03	January 21, 1987
Paymaster 3	1993	685~~8~~7	46.28	January 21, 1987
Paymaster 4	1994	6869	51.54	January 21, 1987
Paymaster 5	1995	6856	30.71	January 21, 1987
Paymaster 6	1996	6867	51.60	January 21, 1987
Paymaster 7	1997	6865	39.82	January 21, 1987
Paymaster 8	1998	6874	45.79	January 21, 1987
Lazy Boy 1	1989	6873	29.12	January 21, 1987
Lazy Boy 2	2007	6875	45.56	January 21, 1987
Lazy Boy 5	1990	6879	43.62	January 21, 1987
Lazy Boy 8	1991	6881	47.68	January 21, 1987
Iris	2449	12 units		May 30, 1986
Ione	2450	12 units		May 30, 1986

These reverted Crown grants form a contiguous group with Iris and Ione claims.

Work has been filed, this report being a part of that work, to keep the claims in goood standing for one additional year.

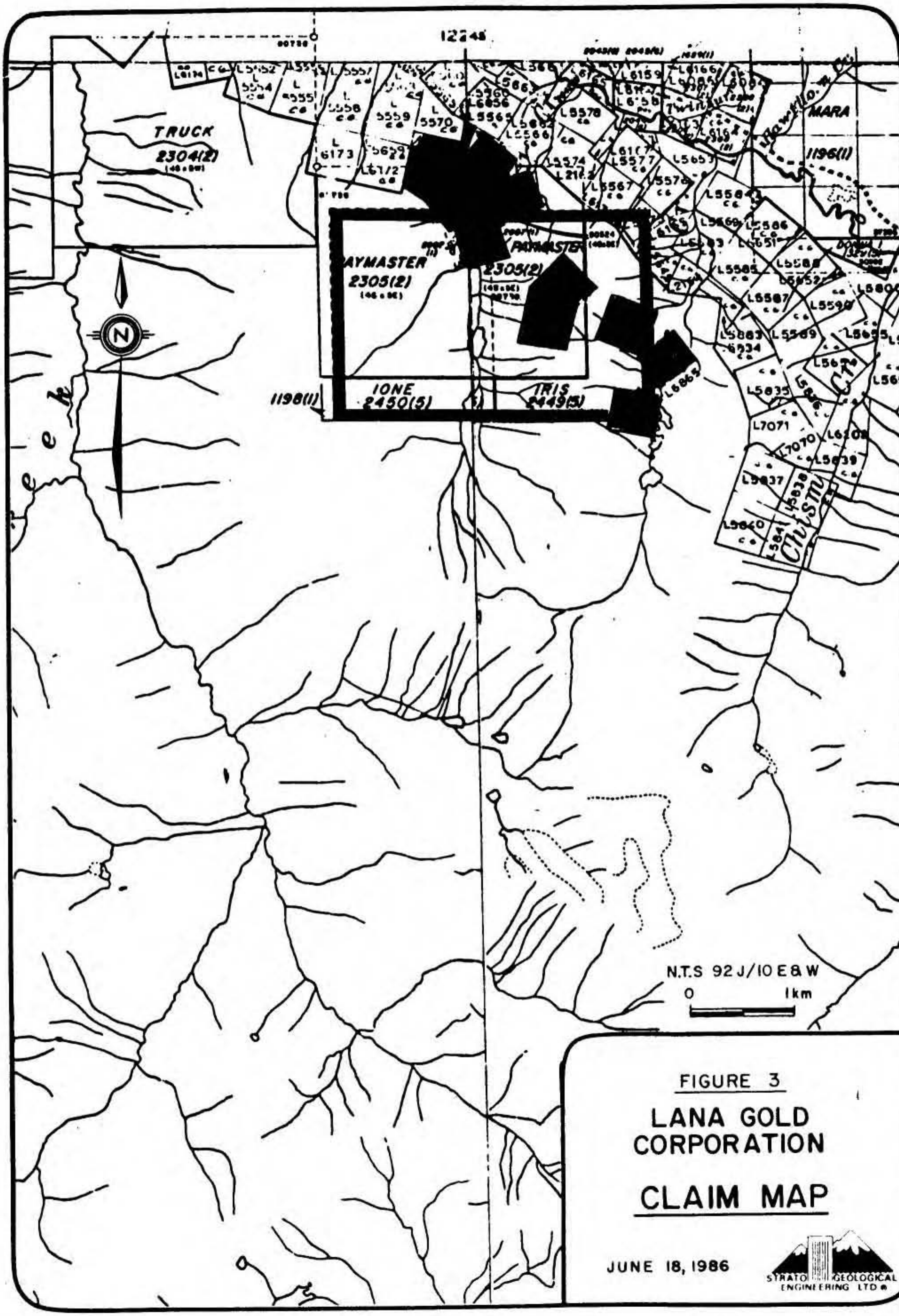

FIGURE 3

LANA GOLD CORPORATION

CLAIM MAP

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2.- HISTORY

The Bralorne area and the Bridge River district have been known for gold mineralization since placer gold was first discovered in 1863. Lode gold veins were discovered in 1897 and two well known mines were located in the Bralorne area. The Pioneer and Bralorne mines, which each operated for about 40 years, had the following production:

	Tons	Gold (oz)	Silver (oz)
Pioneer Mine	2,476,693	1,333,083	244,648
Bralorne Mine	4,474,238	2,821,036	705,862

These mines ceased production in 1962 (Pioneer Mine) and 1971 (Bralorne Mine) and were among the most productive mines in the Canadian Cordillera. Reserves in 1973 were reported at over 600,000 tons averaging 0.25 to 0.30 ounces gold per ton. Recent reserves announced by E&B Exploration Inc. are 930,000 tons of 0.26 oz/ton Au above the 26' level.

Several placer operations have been working along the lower part of Cadwallader Creek near Gold Bridge and during recent years exploration activity has increased in the area with serious mine re-evaluation programs underway at both of the old mines.

Exploration work and diamond drilling carried out in 1985 on the Pacific Eastern claim group, located in the Cadwallader Creek area and under option to Normine Resources Ltd., showed interesting results. A $200,000 drilling program is recommended for 1986, to assess the mineral potential of two strong gold veins within a section of brecciated quartz carbonate alteration and disseminated sulphides. These veins were discovered in one of three holes drilled during the 1985 program.

The present claim group encompasses the Crazy Creek draw where the old Paymaster property was located about 1930 to explore quartz veins exposed in the creek bank. No record of production exists for the immediate claim areas.

Recent exploration on the claim group has been limited to a local magnetometer survey in the southern claims area during January 1981 and a preliminary geological and sampling program in the northern claims (Crazy Creek) area in May 1983. A small ground geophysical program, consisting of VLF-EM and Magnetometer surveys, accompanied by an very limited geochemical survey, was carried out on the northern claims area in May 1984. The surveys outlined several northwesterly trending anomalies which were interpreted as shear zones and probable geological contacts. Additional geophysical tests were carried out in May 1985 to further delineate the postulated shear structures in this area.

3.- GEOLOGY

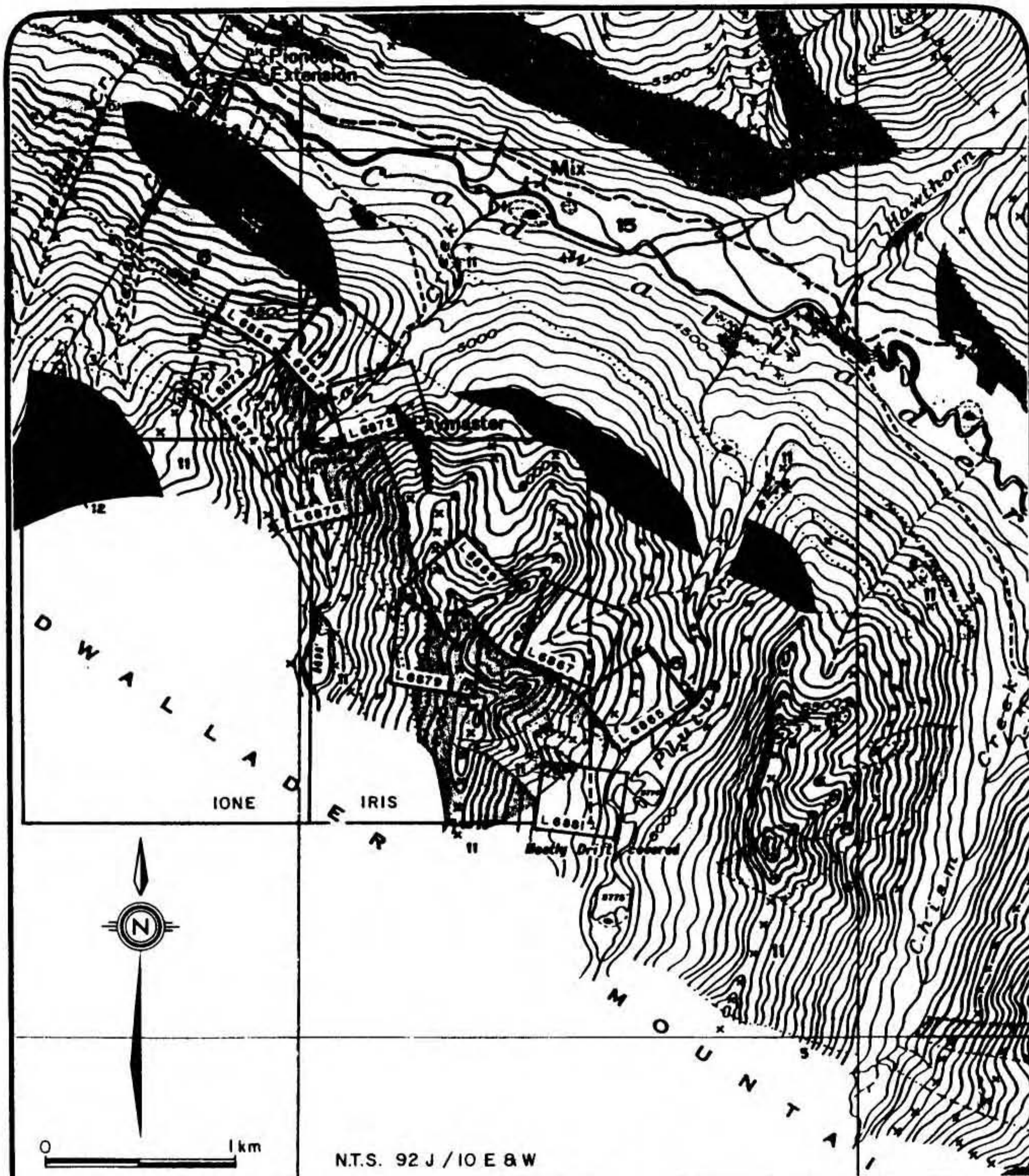
3.1 Regional Geology

The Bralorne-Pioneer gold camp lies in a fault lens of eugeosynclinal oceanic rocks named the Bridge River Group by Tipper (1981). It lies on the eastern flank of the coast plutonic belt which is sutured between the Wrangellia terrain on the west and the Stikinia on the east.

The lithological units within the Bridge River Group have been identified as being Permian, Upper Triassic and Jurassic in age. The area is underlain by the Fergusson Group (Permien Age), consisting of ribbon cherts and argillites, overlain by argillites of the Noel Group (Upper Triassic), andesitic volcanics of the Pioneer Formation (Upper Triassic), and argillites of the Hurley Formation (Upper Triassic).

The rocks are intruded by the Bralorne Intrusives and Coast Range plutonics (both of Jurassic-Cretaceous in age), consisting of soda granites, gabbros, quartz diorites, peridotites, and serpentines.

Economic gold mineralization in the Bridge River area has been restricted to quartz veins located within the "Bralorne-Pioneer fault lense", a 5 kilometers by 1 kilometer lense shaped block containing a complex system of faults, shears and



LEGEND

15	Glacial drift
12	Peridotite
11	Serpentine
8	Gabbro, diorite
7	Hurley Formation
6	Pioneer Formation
5	Noel Formation
4	Basalt, andesite; tuff, breccia, crystalline limestone
3	Chert and argillite

After C. E. Cairnes, 1934, 1935 (MAP 431 A)

FIGURE 4

LANA GOLD CORPORATION

REGIONAL GEOLOGY

JUNE 18, 1986

STRATO GEOLOGICAL ENGINEERING LTD.

fractures.

The geological and structural features favorable to the depositon of mineralization have been fully described elsewhere (Cairnes, 1937 and Jones, 1983) and are not recapitulated in this report.

3.2 Property Geology

Preliminary geological investigations in May 1983 indicated rocks of the Noel, Hurley, and Pioneer Formations underlie the northern claims area. Mr. P.B. Grunenberg, Geologist, reported on the geology as follows:

> "Varying rock types found in the property area include andesitic and dacitic tuffs, argillaceous sediments, and perodofite-serpentinite ultramafics.
>
> The volcanic tuffs form blocky outcrops of grey colored rocks. These were found to be quite siliceous and hard breaking with some altered to a chloritic greenstone, such as those belonging to the Triassic-Jurassic Noel formation. Small, discontinuous quartz-calcite stringers crosscut much of the volcanic rocks, but no associated sulphide mineralization was evident.

Much argillaceous float, and some outcrop, was located on the property (Lots 6874 and 6875). These rocks are fine grained, black colored, commonly rusty rocks that are platey shaped in talus. Bedding orientation at one location on the west side of Crazy Creek was found to be 120/80 degrees south. This NW-SE steeply dipping structure orientation appears to be common in much of the property area. Slickensides and mylonitic texturing within the argillites were evidence that shearing and fault movement has taken place. Some of the argillaceous sediments and volcanic tuffs appear to be interbedded. These could belong to either of the Mesozoic Noel or Hurley formations.

Bodies of peridotite (Lot 6874) belonging to the President intrusive formation were discovered in outcrop along a ridge on the western side of Crazy Creek. These rocks were commonly serpentinized to a moderate degree. Serpentine veins within the peridotite bodies were found to dip steeply, and trend at about 160 degrees. Neither the peridotites or serpentines appear to have any related sulphide mineralization.

Sulphide mineralization was discovered in a brecciated shear zone through an area of siliceous dacite on the eastern side of Crazy Creek. This zone, approximately 2 meters wide and containing up to 10% disseminated sulphides, trends northwest-southeast just south of Lot 6872. Both shear zones located in this area require more detail investigation."

During the 1986 field examination, heavy snow cover hindered the addition of any new detail geological information in the area. Previous geological mapping however was confirmed and additional soil sampling was carried out.

4.- GEOCHEMISTRY

4.1 Soil Sampling Program

A total of 28 soil samples were collected on Lot 6857 to test the mineral potential of this area. Sampling at higher elevations was not possible due to heavy snow cover.

The B soil horizon was sampled at depth of 20cm to 40cm and samplers attempted to avoid organic-rich material. A soil pit was dug at each location and approximately 500g of material was placed in a standard Kraft envelope.

All of the samples were submitted to Acme Analytical Laboratories Ltd, in Vancouver, B.C., for Silver, Arsenic, Copper, Lead, and Zinc analysis by the Induced Coupled Plasma (ICP) method. Gold was determined by the Atomic Absorption (AA) method.

Analytical Procedures are reported in Appendix I.

Statistical treatment of data was not possible due to the limited number of collected samples, however histograms for soil samples can be found in Appendix III.

The code format for recording the field notes as well as the field and analytical data can be found in Appendix II-A and

Appendix II-B respectively.

The soil survey did not delineate any precious metals and /or base metals trend within the surveyed area. Only sample PS-86- 4+00N @ 0+25W shows a slight gold and arsenic enhancement (15ppb Au and 10 ppm As).

5.- AIRPHOTO INTERPRETATION

Airphotos of the claims area were interpreted and the results are presented on figures 6, 7, 8, and 9.

A stereo pair of vertical aerial photographs was used to annotate to clear transparent overlays the most apparent visible features.

Figure 6 shows the drainage patterns.

A quantitative analysis of fracture/fault patterns (based on P.H. Blanchet and D.A. Chapman methods) is presented on Figures 7, 8, and 9. These methods are briefly described in Apendix IV.

Figure 7 shows the fracture/fault traces observed on the aerial photographs. Figures 8 and 9 show respectively the estimated empiric value fault/fracture observed per unit area and the estimated empiric relative fault/fracture traces observed per unit area.

Figure 9 shows the most fractured/faulted zone is located east of Crazy Creek. This zone extends within the property along a north-south ridge on strike of the old Paymaster showing. It is believed that this fault/fracture zone would have the most favorable precious metal potential within the property and would have to be explored in detail in order to assess the possible economic potential of this area.

The zone of maximum fracture/fault shows a pattern which is characterized by a major north-south direction, with a potential east-west direction on the south end of the zone.

6.- CONCLUSIONS AND RECOMMENDATIONS

An attempted soil survey was made by Strato Geological Engineering Ltd. during May, 1986. Due to heavy snow cover at higher elevations only a limited program was carried out over the southern property area. This survey did not delineated any precious metal and/or base metal trend within the surveyed area. Background values were registered for the analyzed elements. Only sample PS-86, 4+00N @ 0+25W, shows a slight gold and arsenic enhancement (15 ppb Au and 10 ppm As).

Previous geological mapping was confirmed in the surveyed area.

The aerial photograph study shows a relatively high fracture/fault zone located along the north-south ridge, east of Crazy Creek, and on strike of the old Paymaster showing. This zone is believed to be favorable for further exploration work.

A two-stage exploration program is warranted. The first stage would include geological mapping, prospecting, rock sampling and geochemical soil sampling, ground geophysical surveying in the vicinity of and along strike of known mineralization with a special emphasis given to the fractured/faulted zone delineated by the airphoto interpretation. Due to the steep topography and the numerous cliff faces involved in the area, an experienced mountaineering crew should be hired to perform the surveys. A helicopter supported field camp should be established at higher elevations in order to provide easier access to the property area.

The second stage, contingent on the first, would include backhoe trenching in the zones of interest followed by diamond drilling of defined targets, if warranted.

7.- ESTIMATED COST OF THE RECOMMENDED WORK PROGRAM

Phase I

Geological mapping and prospecting	$	8,200.00
Geochemical survey (including collection and assays: 1000 samples @ $22/sample	$	22,000.00
Geophysical survey	$	8,000.00
Helicopter support	$	10,000.00
Reporting	$	4,000.00
Total	$	52,200.00
Contingency @ 15%	$	7,800.00
Total Phase I	$	60,000.00

Phase II

Contingent upon positive results from Phase I program and an engineering evaluation, blasting and trenching and diamond drilling of defined targets will be necessary in order to define the possible economic potential of the property.

A sum of $ 90,000 should be alloted for completion of Phase II.

Respectfully submitted

Strato Geological Engineering Ltd.

Robert R. Arnold, M.Sc., P. Geol.

June 4, 1986

8.- REFERENCES

Cairnes, C.E. (1937)
Geology and Mineral Deposits of Bridge River Mining Camp, B.C.; Geological Survey of Canada, Mem. 213, with Map 431A.

Cockfield, W.E. and Walker, J.F. (1932)
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Nordin, G.D. (1986)
Geological Report on the Pacific Eastern Property, Lillooet Mining Division; Report prepared for Normine Resources Ltd. and Canada Tungsten Mining Corporation.

Woodsworth, G.J. (1977)
Geology of Pemberton Map Area (925); Geological Survey of Canada, O.F. 482.

British Columbia Minister of Mines Annual Reports 1930 and 1932.

9.- CERTIFICATE

I, ROBERT R. ARNOLD, of the City of North Vancouver, Province of British Columbia, hereby certify that:

1) I am a geologist employed by Strato Geological Engineering Ltd. My office is at 3566 King George Highway, Surrey, British Columbia, Canada. V4A 5B6.

2) I obtained a Bachelor of Science degree in Geology from the University of Geneva, Switzerland, in 1976 and a Master of Science in Geological Engineering, from the same university in 1978.

3) I am a Registered Professional Geologist, in good standing, of the Associaton of Professional Engineers, Geologists and Geophysicists of Alberta since 1981.

4) I am a fellow member of the Geological Association of Canada, an associate member of the Mineralogical Association of Canada, and the Society of Economic Geologists.

5) I have been practicing my profession as a geologist in Western Europe, West Africa, Southeast Asia, and North America since 1978.

6) I have not received, nor do I expect to receive, any interests, direct or indirect, or contingent, in the securities or properties of Lana Gold Corporation, and that I am not an insider of any company having an interest in the Paymaster Mineral Claim Group or any other properties in the area.

Dated at Surrey, this 4th day of June, 1986

PROFESSIONAL GEOLOGIST
ROBERT R. ARNOLD
ALBERTA

R. R. Arnold, M.Sc., P.Geol.

10.- TIME-COST DISTRIBUTION

Soil sampling was carried out on a limited basis on the Paymaster claim group by Strato Geological Engineering Ltd. during the period May 27 - 30, 1986, and an air photo interpretation was completed during May, 1986. A listing of personnel and distribution of costs is as follows:

Personnel

R. R. Arnold, M.Sc., P.Geol.	Geophysicist, Field Supervisor
J. Gibson	Field Assistant
R. R. Arnold, M.Sc., P.Geol.	Air Photo Interpretation and Report

Cost Distribution

Field work (2 man crew) - 3 days @ $395/day	$ 1,185.00
Room and Board - 6 mandays @ $50/mday	300.00
Truck - 4 WD (incl. gas, oil, etc.) - 3 days @ $90/day	270.00
Air Photo interpretation - 3 days @ $225/day	675.00
Field supplies, air photos, materials	48.20
Geochemical Analysis - 28 samples @ $10.80/sample	302.40
Maps and report - drafting, data processing, reproduction, typing, etc.	564.00
Interpretation and Report	1,300.00
Total	$ 4,644.60

Signed ______________________
Strato Geological Engineering Ltd.

APPENDIX I

GEOCHEMICAL PREPARATIONS AND ANALYTICAL PROCEDURES

ACME ANALYTICAL LABORATORIES LTD.
Assaying & Trace Analysis
852 E. Hastings St., Vancouver, B.C. V6A 1R6
Telephone : 253 - 3158

GEOCHEMICAL LABORATORY METHODOLOGY - 1985

Sample Preparation

1. Soil samples are dried at 60°C and sieved to -80 mesh.
2. Rock samples are pulverized to -100 mesh.

Geochemical Analysis (AA and ICP)

0.5 gram samples are digested in hot dilute aqua regia in a boiling water bath and diluted to 10 ml with demineralized water. Extracted metals are determined by :

A. Atomic Absorption (AA)

Ag*, Bi*, Cd*, Co, Cu, Fe, Ga, In, Mn, Mo, Ni, Pb, Sb*, Tl, V, Zn
(* denotes with background correction.)

B. Inductively Coupled Argon Plasma (ICP)

Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cu, Cr, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sr, Th, Ti, U, V, W, Zn.

Geochemical Analysis for Au*

10.0 gram samples that have been ignited overnite at 600°C are digested with 30 mls hot dilute aqua regia, and 75 mls of clear solution obtained is extracted with 5 mls Methyl Isobutyl Ketone.

Au is determined in the MIBK extract by Atomic Absorption using background correction (Detection Limit = 1 ppb).

Geochemical Analysis for Au**, Pd, Pt, Rh

10.0 - 30.0 gram samples are subjected to Fire Assay preconcentration techniques to produce silver beads.

The silver beads are dissolved and Au, Pd, Pt, and Rh are determined in the solution by graphite furnace Atomic Absorption. Detections - Au=1 ppb; Pd, Pt, Rh=5 ppb

Geochemical Analysis for As

0.5 gram samples are digested with hot dilute aqua regia and diluted to 10 ml. As is determined in the solution by Graphite Furnace Atomic Absorption (AA) or by Inductively Coupled Argon Plasma (ICP).

Geochemical Analysis for Barium

0.25 gram samples are digested with hot NaOH and EDTA solution, and diluted to 20 ml.

Ba is determined in the solution by ICP.

Geochemical Analysis for Tungsten

0.25 gram samples are digested with hot NaOH and EDTA solution, and diluted to 20 ml. W in the solution determined by ICP with a detection of 1 ppm.

Geochemical Analysis for Selenium

0.5 gram samples are digested with hot dilute aqua regia and dilute to 10 ml with H_20. Se is determined with $NaBH_3$ with Flameless AA. Detection 0.1 ppm.

ACME ANALYTICAL LABORATORIES LTD.
Assaying & Trace Analysis
852 E. Hastings St., Vancouver, B.C. V6A 1R6
Telephone : 253 - 3158

Geochemical Analysis for Uranium

0.5 gram samples are digested with hot aqua regia and diluted to 10 ml.

Aliquots of the acid extract are solvent extracted using a salting agent and aliquots of the solvent extract are fused with NaF, K_2CO_3 and Na_2CO_3 flux in a platinum dish.

The fluorescence of the pellet is determined on the Jarrel Ash Fluorometer.

Geochemical Analysis for Fluorine

0.25 gram samples are fused with sodium hydroxide and leached with 10 ml water. The solution is neutralized, buffered, adjusted to pH 7.8 and diluted to 100 ml.

Fluorine is determined by Specific Ion Electrode using an Orion Model 404 meter.

Geochemical Analysis for Tin

1.0 gram samples are fused with ammonium iodide in a test tube. The sublimed iodine is leached with dilute hydrochloric acid.

The solution is extracted with MIBK and tin is determined in the extract by Atomic Absorption.

Geochemical Analysis for Chromium

0.1 gram samples are fused with Na_2O_2. The melt is leached with HCl and analysed by AA or ICP. Detection 1 ppm.

Geochemical Analysis for Hg

0.5 gram samples is digested with aqua regia and diluted with 20% HCl.

Hg in the solution is determined by cold vapour AA using a F & J scientific Hg assembly. An aliquot of the extract is added to a stannous chloride / hydrochloric acid solution. The reduced Hg is swept out of the solution and passed into the Hg cell where it is measured by AA.

Geochemical Analysis for Ga & Ge

0.5 gram samples are digested with hot aqua regia with HF in pressure bombs.

Ga and Ge in the solution are determined by graphite furnace AA. Detection 1 ppm.

Geochemical Analysis for Tl (Thallium)

0.5 gram samples are digested with 1:1 HNO_3. Tl is determined by graphite AA. Detection .1 ppm.

Geochemical Analysis for Te (Tellurium)

0.5 gram samples are digested with hot aqua regia. The Te extracted in MIBK is analysed by AA graphite furnace. Detection .1 ppm.

Geochemical Whole Rock

0.1 gram is fused with .6 gm $LiBO_2$ and dissolved in 50 mls 5% HNO_3. Analysis is by ICP or M.S. ICP gives excellent precision for major components. The M.S. can analyze for up to 50 elements.

APPENDIX II - A

CODE FORMAT FOR RECORDING SOIL SAMPLES

CODE FORMAT FOR RECORDING SOIL SAMPLES DATA

1. Site Topography

HT	:	Hill Top
GS	:	Gentle Slope (< 20 degrees)
SS	:	Steep Slope (> 20 degrees)
VF	:	Valley Floor
L	:	Level
T	:	Talus

2. Sample Environment

T	:	Tundra
G	:	Grassland, meadows
FC	:	Forest - coniferous
FD	:	Forest - deciduous
FM	:	Forest - mixed
CL	:	Cultivated Land
RD	:	Road cut

3. Site Drainage

D	:	Dry
M	:	Moist
W	:	Wet
S	:	Saturated

4. Sample Texture

O	:	Organic
VS	:	Very Sandy
S	:	Sandy
SS	:	Sand - Silt
SSC	:	Sand - Silt - Clay
SI	:	Silt
C	:	Clay
G	:	Gravel

5. **Soil Horizon**

BF : Red-brown, iron rich
BT : Brown, clay rich
BG : Horizon which is water saturated most of the year (presence of red-brown mottles)
BM : Brown horizon which is only slightly different from underlying parent material
C : Parent material for soil

6. **Soil Type**

P : Podzol (BF horizon)
L : Luvisol (BT horizon)
G : Gleysol (BG horizon)
B : Brunisol (BM horizon)
R : Regosol (C horizon)

7. **Colour**

Abbreviations (see abbreviation list)

8. **Contamination**

N : None
C : Culvert
F : Farming
R : Road
L : Logging
G : Garbage
I : Industry
H : House
T : Trench
O : Other (specify)

9. **Coarse Fragments**

Percentile
N : None

10. **Shape of Coarse Fragments**

A	:	Angular
R	:	Rounded
S	:	Subrounded
M	:	Mixed above types

11. **Approximate Slope Angle**

Degrees

12. **Approximate Slope Direction**

Abbreviations

13. **Depth of Sample**

Centimeters

Colour Abbreviations

D = Dark M = Medium L = Light

OR	:	Orange
RE	:	Red
YE	:	Yellow
PI	:	Pink
BL	:	Blue
PU	:	Purple
GR	:	Green
BR	:	Brown
BK	:	Black
GY	:	Grey
WH	:	White
RB	:	Red-brown
OB	:	Orange-brown
YB	:	Yellow-brown
GB	:	Grey-brown
GRB	:	Green-brown
YG	:	Yellow-grey

APPENDIX II - B

FIELD AND ANALYTICAL RESULTS FOR SOIL SAMPLES

ACME ANALYTICAL LABORATORIES LTD.
852 E.HASTINGS ST.VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: JUNE 4 1986

DATE REPORT MAILED: June 9/86...

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H20 AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SN.Y.NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: SOILS -80 MESH AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

ASSAYER: D. Toye. DEAN TOYE. CERTIFIED B.C. ASSAYER.

STRATO GEOLOGICAL FILE # 86-0876

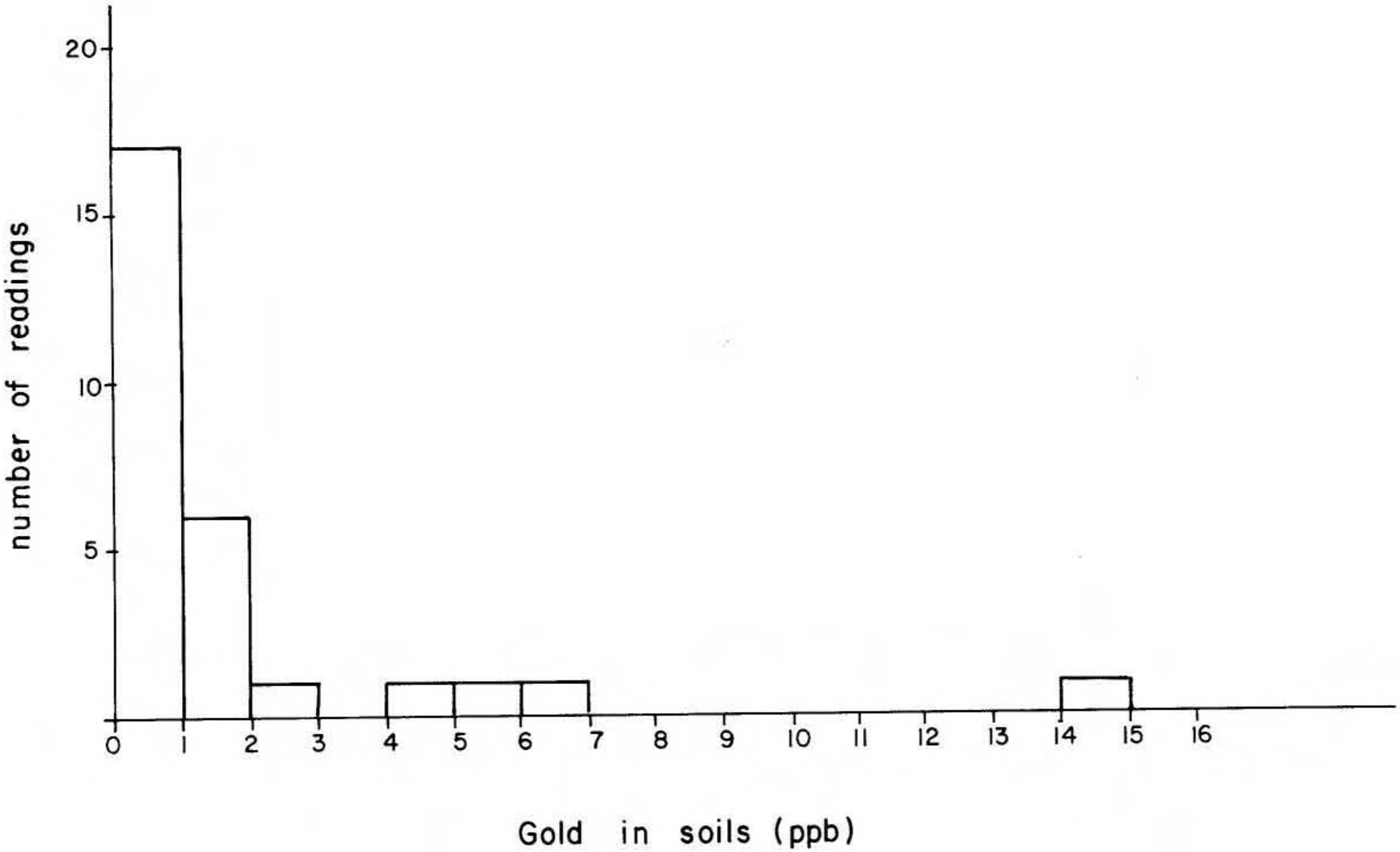
SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
PS-86 4+00N 1+00W	9	5	61	.1	4	1
PS-86 4+00N 0+75W	8	10	42	.1	7	1
PS-86 4+00N 0+50W	11	4	57	.1	2	5
PS-86 4+00N 0+25W	24	17	59	.1	10	15
PS-86 4+00N 0+00W	1	5	18	.1	2	1
PS-86 3+00N 1+00W	5	5	60	.1	2	2
PS-86 3+00N 0+75W	12	5	61	.1	5	2
PS-86 3+00N 0+50W	7	5	59	.1	4	1
PS-86 3+00N 0+25W	8	7	48	.1	6	1
PS-86 3+00N 0+00W	3	9	36	.1	3	3
PS-86 2+00N 2+00W	3	5	31	.1	2	1
PS-86 2+00N 1+75W	15	8	69	.1	9	1
PS-86 2+00N 1+50W	7	4	43	.1	3	6
PS-86 2+00N 1+25W	2	3	21	.1	2	1
PS-86 2+00N 1+00W	2	4	16	.1	2	1
PS-86 2+00N 0+75W	11	9	71	.1	6	1
PS-86 2+00N 0+50W	11	7	55	.1	2	1
PS-86 2+00N 0+25W	4	3	31	.1	2	2
PS-86 2+00N 0+00W	14	4	57	.1	2	1
PS-86 1+00N 2+00W	7	5	64	.1	4	1
PS-86 1+00N 1+75W	4	2	26	.1	2	2
PS-86 1+00N 1+50W	8	4	86	.1	5	1
PS-86 1+00N 1+25W	24	12	76	.1	5	1
PS-86 1+00N 1+00W	13	4	79	.1	2	1
PS-86 1+00N 0+75W	22	13	84	.1	11	1
PS-86 1+00N 0+50W	12	8	94	.1	5	2
PS-86 1+00N 0+25W	17	7	91	.1	8	7
PS-86 1+00N 0+00W	14	8	62	.1	16	2
STD C/AU 0.5	61	41	132	8.2	41	500

SAMPLE No.	LOT 6857	LOCATION	1	2	3	4	5	6	7	8	9	10	11	12	13
	LOT 6857	1+00 N ; 0+00	GS	FC	M	SS	BM	B	MBR	N	5%	S	10°	E	15
	LOT 6857	1+00 N ; 0+25 W	L	FC	M	SS	BM	B	MYB	N	5%	S	—	—	10
	LOT 6857	1+00 N ; 0+50 W	GS	FM	M	SS	BM	B	MYB	N	10%	S	10°	SE	15
	LOT 6857	1+00 N ; 0+75 W	GS	FM	M	SS	BM	B	MYB	N	10%	S	15°	E	25
	LOT 6857	1+00 N ; 1+00 W	GS	FM	M	SS	BM	B	MYB	N	15%	S	15°	E	25
	LOT 6857	1+00 N ; 1+25 W	SS	FC	M	SS	BM	B	LYB	N	20%	S	25°	E	20
	LOT 6857	1+00 N ; 1+50 W	SS	FC	M	SS	BM	B	MBR	N	20%	S	25°	E	30
	LOT 6857	1+00 N ; 1+75 W	SS	FC	M	SSC	BM	B	LGY	N	5%	S	25°	E	20
	LOT 6857	1+00 N ; 2+00 W	SS	FC	M	SS	BM	B	MBR	N	5%	S	25°	E	25
	LOT 6857	2+00 N ; 2+00 W	SS	FC	M	SS	BM	B	MBR	N	5%	S	25°	E	30
	LOT 6857	2+00 N ; 1+75 W	SS	FC	M	SS	BM	B	LBR	N	15%	S	25°	E	35
	LOT 6857	2+00 N ; 1+50 W	SS	FC	M	SS	BM	B	LBR	N	15%	S	25°	E	20
	LOT 6857	2+00 N ; 1+25 W	SS	FC	M	SS	BM	B	LYB	N	15%	S	25°	E	25
	LOT 6857	2+00 N ; 1+00 W	SS	FC	M	SSC	BM	B	LGY	N	5%	S	25°	E	20
	LOT 6857	2+00 N ; 0+75 W	SS	FM	M	SS	BM	B	MYB	N	15%	S	25°	E	25
	LOT 6857	2+00 N ; 0+50 W	GS	FM	M	SS	BM	B	MYB	N	10%	S	10°	SE	20
	LOT 6857	2+00 N ; 0+25 W	GS	FM	M	SS	BM	B	MBR	N	25%	A	10°	E	15

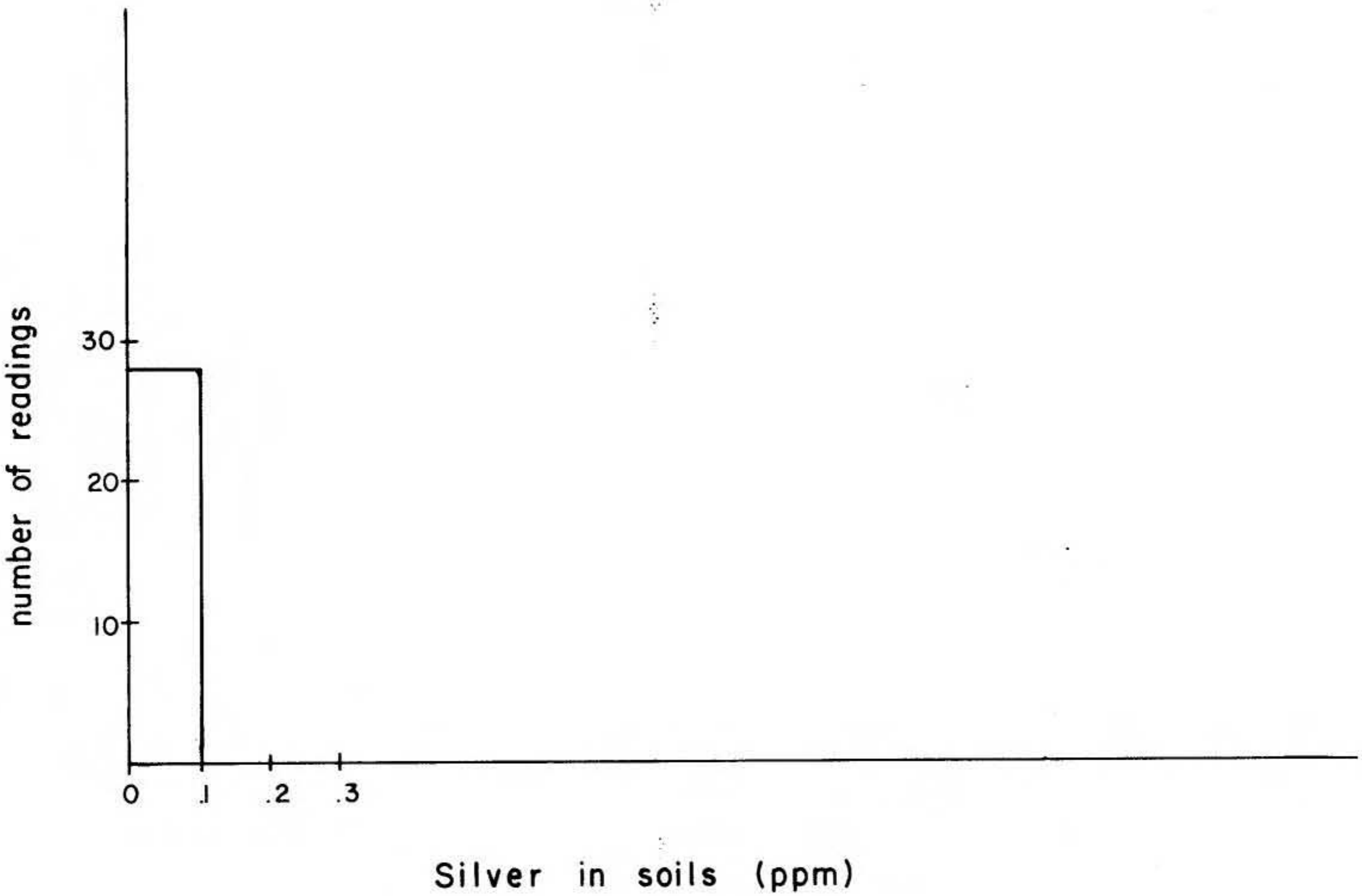
SAMPLE No.	LOT 6857	LOCATION	1	2	3	4	5	6	7	8	9	10	11	12	13
	LOT 6857	2+00 N ; 0+00	GS	FM	M	SSc	BM	B	LGB	N	5%	S	10°	E	20
	LOT 6857	3+00N ; 0+00	GS	FM	M	SS	BM	B	MBR	N	10%	S	10°	E	25
	LOT 6857	3+00N ; 0+25W	GS	FM	M	SSc	BM	B	MGB	N	5%	S	10°	E	20
	LOT 6857	3+00N ; 0+50W	GS	FM	M	SSc	BM	B	MBR	N	15%	S	10°	E	25
	LOT 6857	3+00N ; 0+75W	GS	FM	M	SS	BM	B	MYB	N	15%	S	10°	E	40
	LOT 6857	3+00N ; 1+00W	GS	FM	M	SS	BM	B	MBR	N	10%	S	10°	E	25
	LOT 6857	+00N ; 1+00 W	GS	FM	M	SS	BM	B	LGB	N	20%	A	10°	E	30
	LOT 6857	4+00N ; 0+75W	GS	FM	M	SS	BM	B	MBR	N	10%	S	10°	E	20
	LOT 6857	4+00N ; 0+50W	GS	FM	M	SS	BM	B	LBR	N	15%	S	10°	E	20
	LOT 6857	4+00N ; 0+25W	GS	FM	M	SS	BM	B	LYB	N	10%	S	10°	E	25
	LOT 6857	4+00N ; 0+00	GS	FM	M	SSc	BM	B	LGY	N	5%	S	10°	E	25

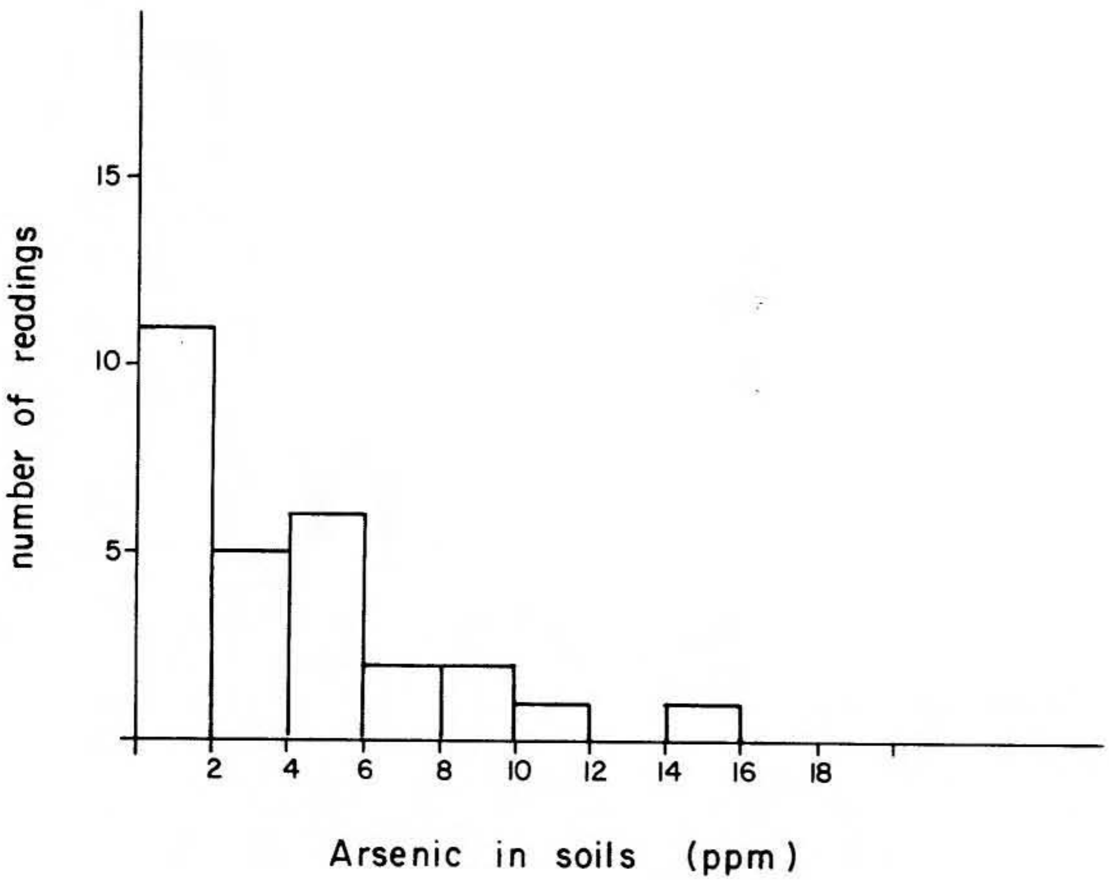
APPENDIX III

HISTOGRAMS FOR SOIL SAMPLES

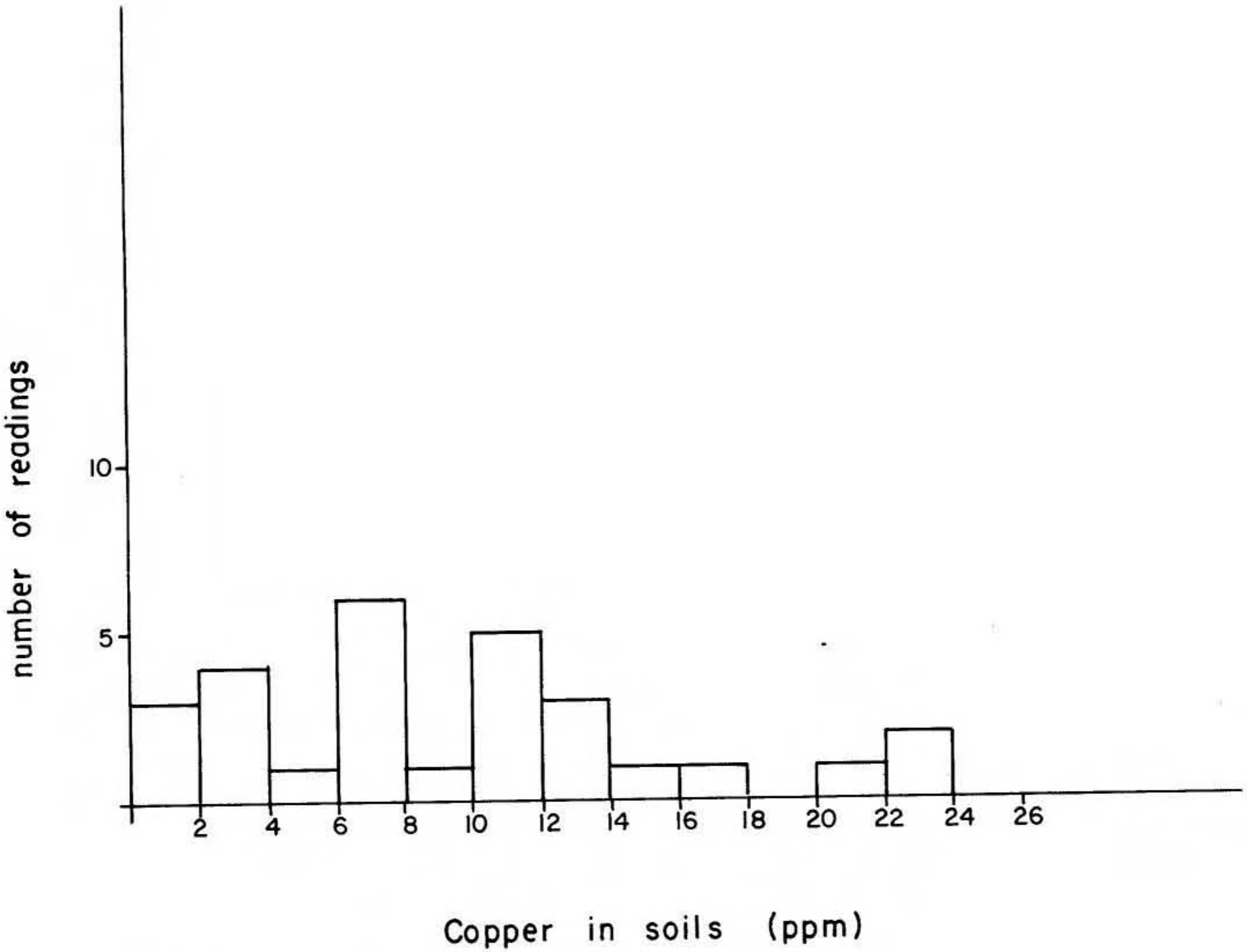


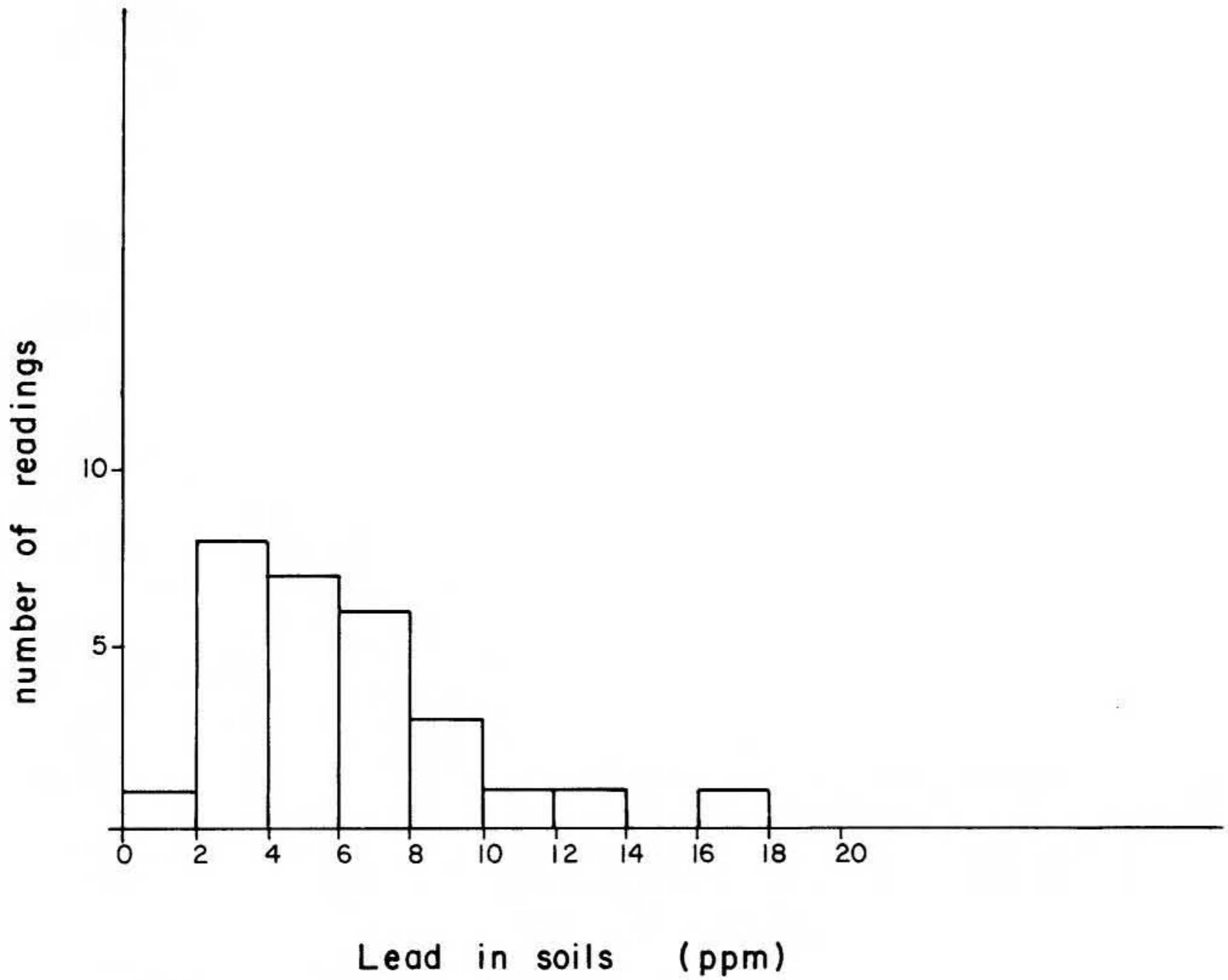
20
15
10
5
number of readings
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
Gold in soils (ppb)


number of readings
30
20
10
0
.1
.2
.3
Silver in soils (ppm)

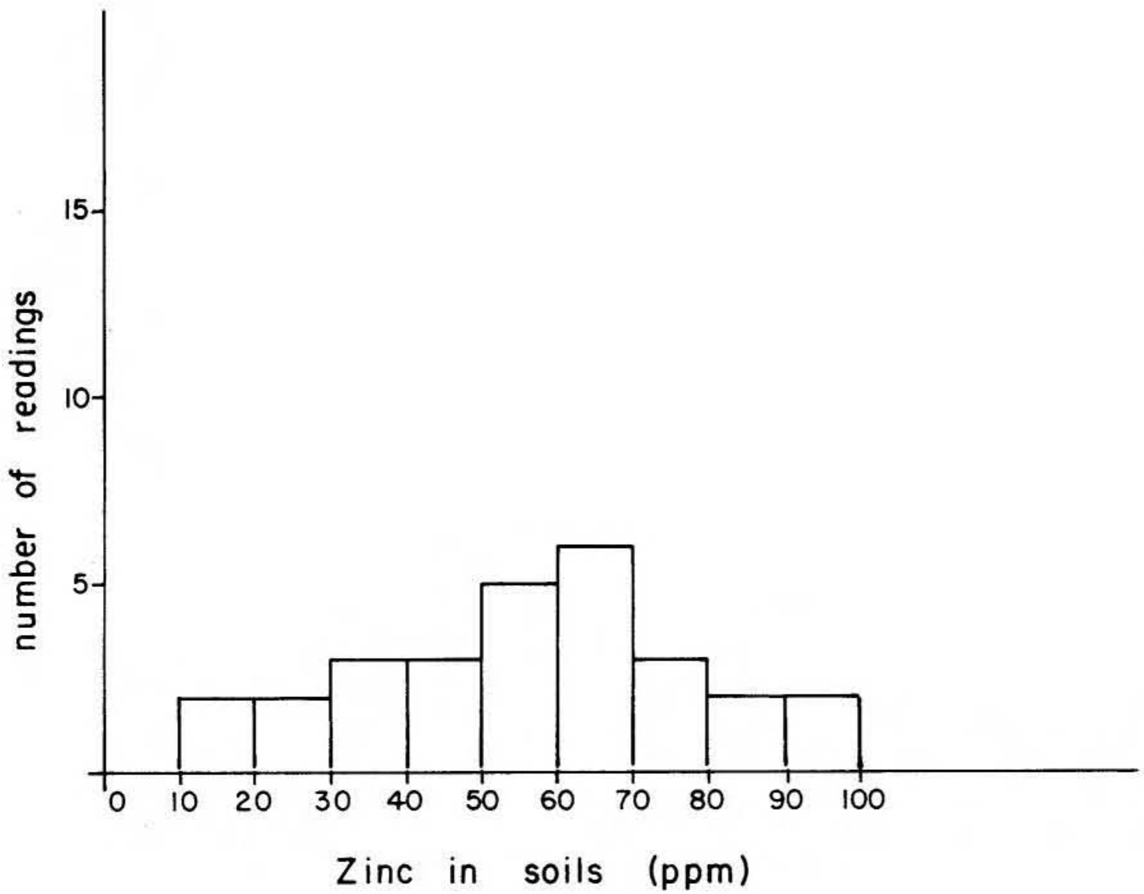


number of readings
15
10
5
2
4
6
8
10
12
14
16
18
Arsenic in soils (ppm)


number of readings
10
5
2
4
6
8
10
12
14
16
18
20
22
24
26
Copper in soils (ppm)



number of readings
10
5
0
2
4
6
8
10
12
14
16
18
20
Lead in soils (ppm)


15
10
5
number of readings
0
10
20
30
40
50
60
70
80
90
100
Zinc in soils (ppm)

APPENDIX IV

DESCRIPTION OF AIRPHOTO INTERPRETATION

A strereo pair of vertical aerial photographs was used to annotate to a clear transparent overlay the most apparent features visible.

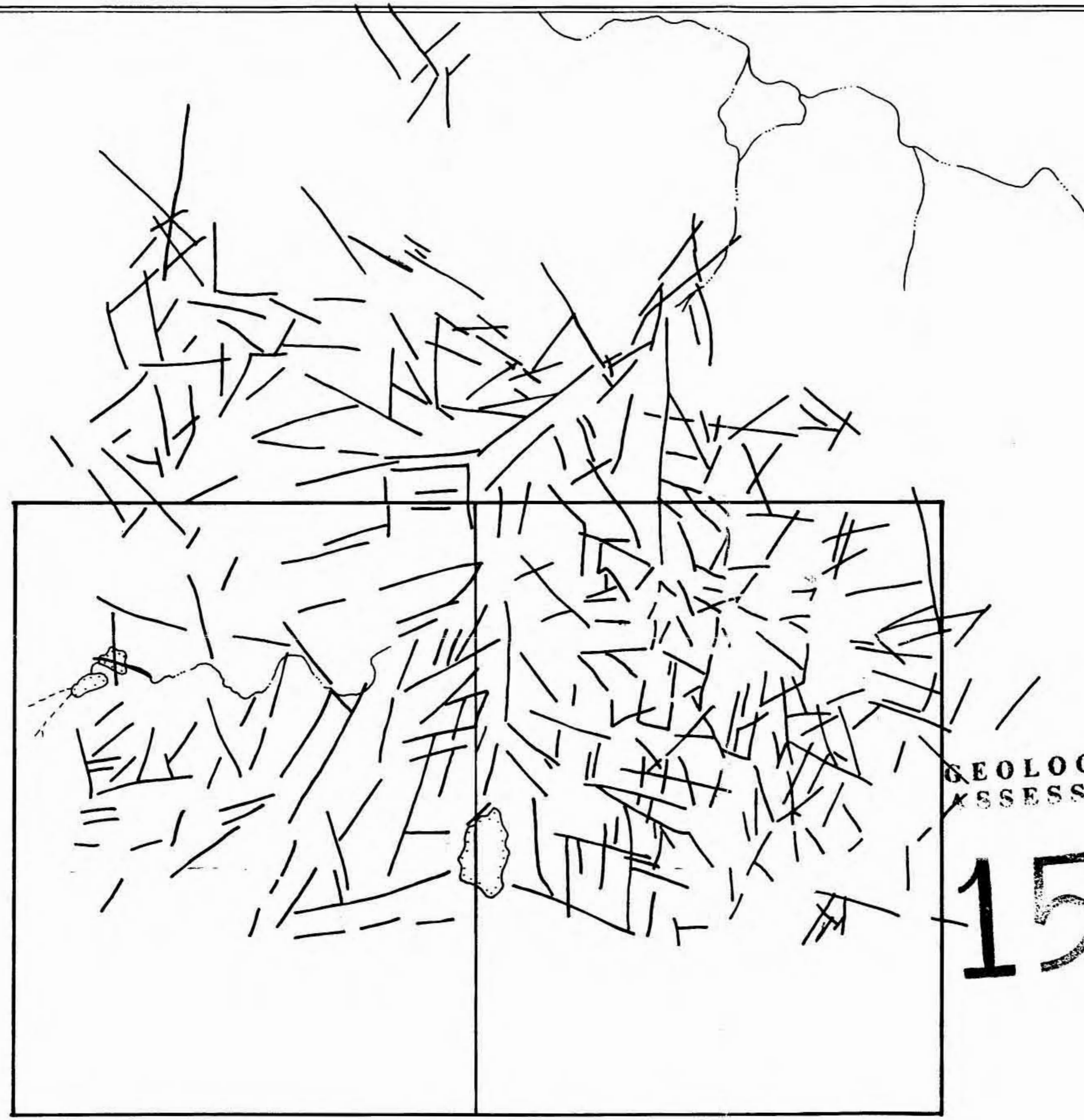
On the first figure, a drainage pattern was produced.

The 2nd, 3rd, and 4th figures are a compilation of the most apparent tension joints of the fault/fracture systems:

The first overlay (2) consist of a multitude of linear traces, in differing directions and in conjugate sets. The density in any unit area will vary on proportion to the degree of surface tension exerted as planar strain across the vertical interfaces of the fault/fracture systems observed.

On the second overlay (3) the number of intercepts of the traces are counted as an estimate of the density empiric within the confines of a designated unit area size by placing the overlay over a template of interlocking coalescing circular sample areas. By recording the number of trace intersections with the periphery of each circle a consistent empiric value for each sample area is obtained for the initial input.

By filtering these data an isogram profile was produced (4) presenting the density of fracture/fault zones per unit area.



PROFESSIONAL GEOLOGIST
ROBERT R. ARNOLD
ALBERTA

SCALE
0 500 1000 METRES

FIGURE 7

LANA GOLD CORPORATION

PAYMASTER CLAIM GROUP
LILLOOET MINING DISTRICT, NTS 92 J 10

FAULT/FRACTURE TRACES

To accompany a report by
R.R. Arnold, M. Sc, P. Geol.

Drawn by: RA/GT	Date: June 18, 1986

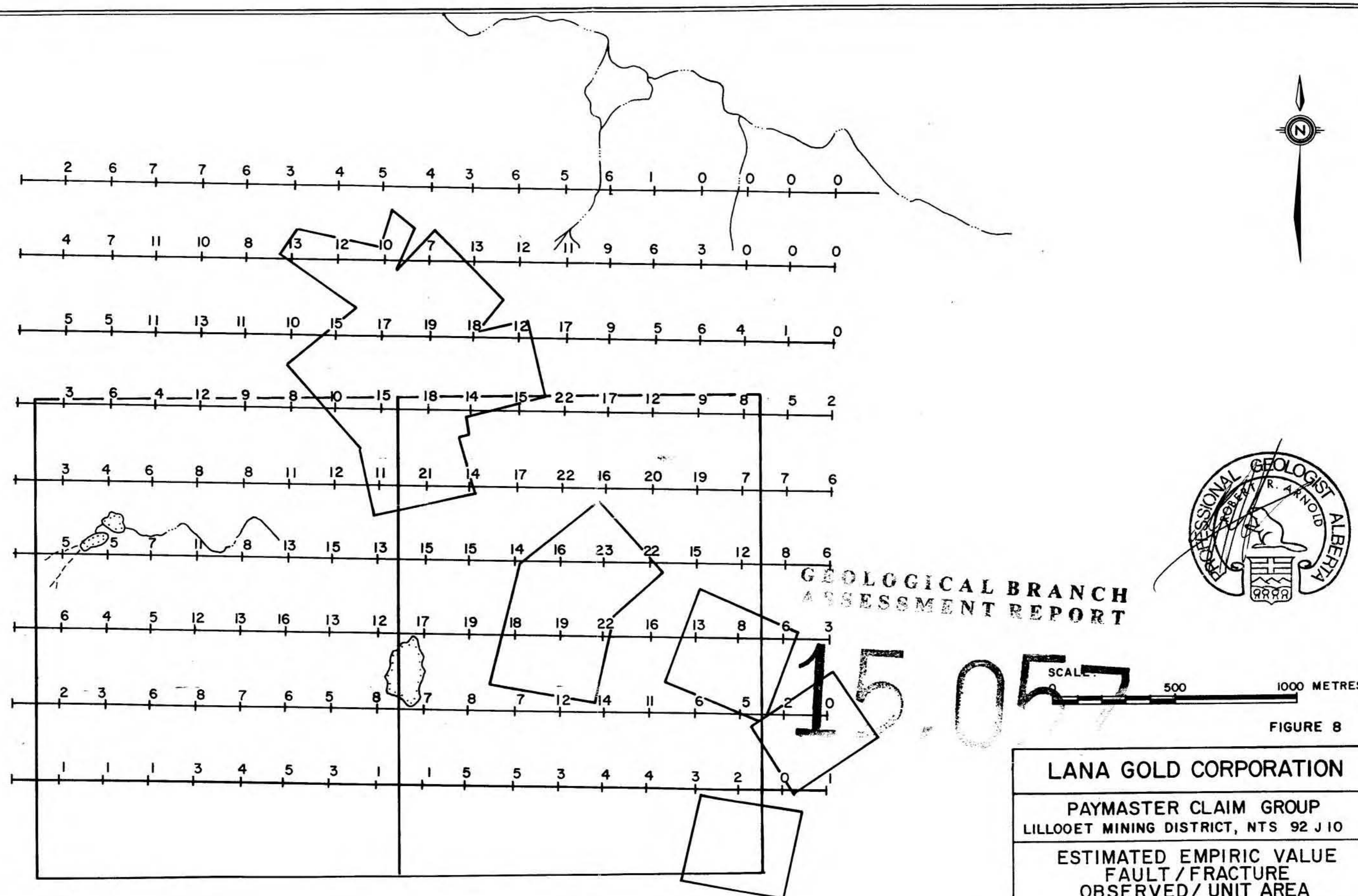


FIGURE 8

LANA GOLD CORPORATION

PAYMASTER CLAIM GROUP

LILLOOET MINING DISTRICT, NTS 92 J 10

ESTIMATED EMPIRIC VALUE
FAULT / FRACTURE
OBSERVED / UNIT AREA

To accompany a report by
R.R. Arnold, M. Sc, P. Geol.

Drawn by: RA/GT

Date: June 18, 1986

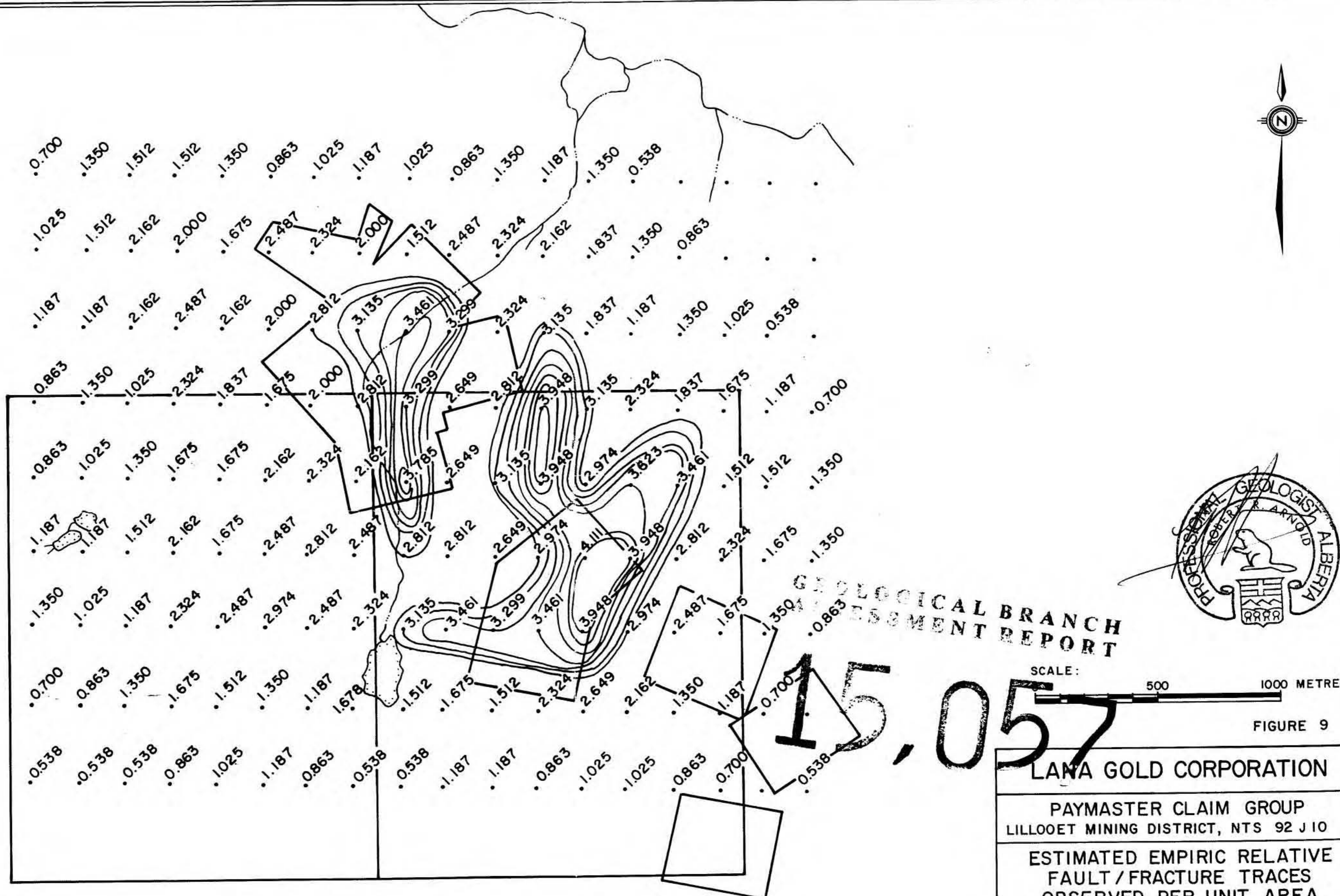


FIGURE 9

LANA GOLD CORPORATION

PAYMASTER CLAIM GROUP
LILLOOET MINING DISTRICT, NTS 92 J 10

ESTIMATED EMPIRIC RELATIVE FAULT / FRACTURE TRACES OBSERVED PER UNIT AREA

To accompany a report by
R.R. Arnold, M. Sc, P. Geol.

STRATO GEOLOGICAL ENGINEERING LTD.

Drawn by: RA/GT | Date: June 18, 1986

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
PS-86 4+00N 1+00W	9	5	61	.1	4	1
PS-86 4+00N 0+75W	8	10	42	.1	7	1
PS-86 4+00N 0+50W	11	4	57	.1	2	5
PS-86 4+00N 0+25W	24	17	59	.1	10	15
PS-86 4+00N 0+00W	1	5	18	.1	2	1
PS-86 3+00N 1+00W	5	5	60	.1	2	2
PS-86 3+00N 0+75W	12	5	61	.1	5	2
PS-86 3+00N 0+50W	7	5	59	.1	4	1
PS-86 3+00N 0+25W	8	7	48	.1	6	1
PS-86 3+00N 0+00W	3	9	36	.1	3	3
PS-86 2+00N 2+00W	3	5	31	.1	2	1
PS-86 2+00N 1+75W	15	8	69	.1	9	1
PS-86 2+00N 1+50W	7	4	43	.1	3	6
PS-86 2+00N 1+25W	2	3	21	.1	2	1
PS-86 2+00N 1+00W	2	4	16	.1	2	1
PS-86 2+00N 0+75W	11	9	71	.1	6	1
PS-86 2+00N 0+50W	11	7	55	.1	2	1
PS-86 2+00N 0+25W	4	3	31	.1	2	2
PS-86 2+00N 0+00W	14	4	57	.1	2	1
PS-86 1+00N 2+00W	7	5	64	.1	4	1
PS-86 1+00N 1+75W	4	2	26	.1	2	2
PS-86 1+00N 1+50W	8	4	86	.1	5	1
PS-86 1+00N 1+25W	24	12	76	.1	5	1
PS-86 1+00N 1+00W	13	4	79	.1	2	1
PS-86 1+00N 0+75W	22	13	84	.1	11	1
PS-86 1+00N 0+50W	12	8	94	.1	5	2
PS-86 1+00N 0+25W	17	7	91	.1	8	7
PS-86 1+00N 0+00W	14	8	62	.1	16	2
STD C/AU 0.5	61	41	132	8.2	41	500

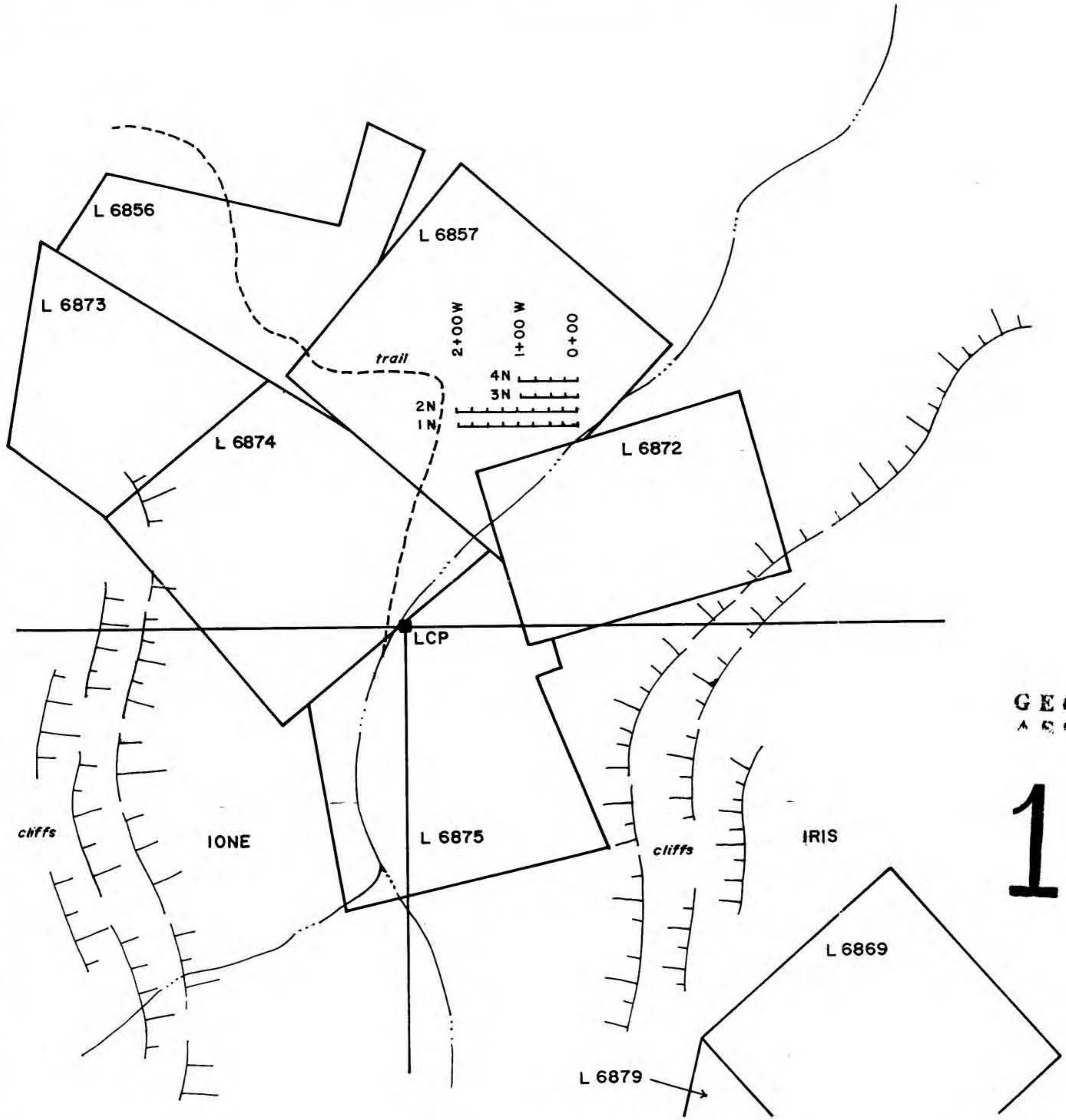


FIGURE 5

LANA GOLD CORPORATION

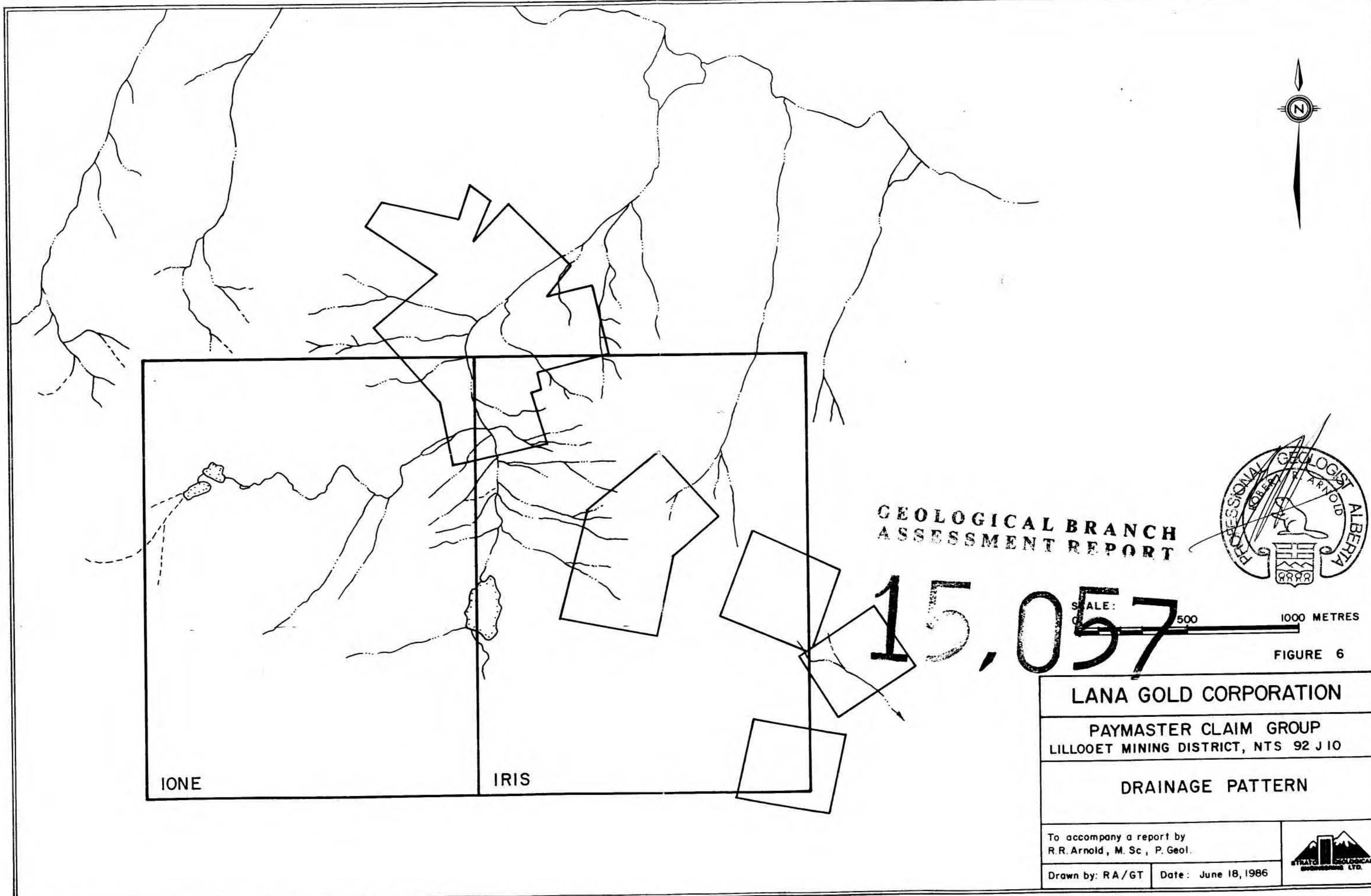
PAYMASTER CLAIM GROUP
LILLOOET MINING DISTRICT, NTS 92 J 10

SAMPLE LOCATION MAP

To accompany a report by .
R.R. Arnold, M. Sc, P. Geol.

Drawn by: RA / GT | Date: June 18, 1986

STRATO GEOLOGICAL ENGINEERING LTD.


IONE
IRIS
GEOLOGICAL BRANCH
ASSESSMENT REPORT
15,057
PROFESSIONAL GEOLOGIST ALBERTA
ROBERT R. ARNOLD
SCALE:
0
500
1000 METRES
FIGURE 6
LANA GOLD CORPORATION
PAYMASTER CLAIM GROUP
LILLOOET MINING DISTRICT, NTS 92 J 10
DRAINAGE PATTERN
To accompany a report by
R.R. Arnold, M. Sc, P. Geol.
Drawn by: RA/GT
Date: June 18, 1986