86-674-15231

GEOLOGICAL REPORT

HEN #1 CLAIM, (REC. NO. 6311), HORSEFLY AREA, B.C.

MAPSHEET 93A-6E, CARIBOO MINING DIVISION

Latitude: 52° 28.9'N/ Longitude: 121° 02.3'W.

for owner/operator:

VICTOR GUINET

BRIAN FENWICK-WILSON

411-850 W. HASTINGS ST, VANCOUVER B.C.

V6C 1E1 669-2449

FILMED

GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,231

by:

BARRY J.PRICE, M.SC., F.G.A.C.

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3447 W. 7TH AVE., VANCOUVER, B.C.

V6R 1W2 733-6902

Barry Price

NOVEMBER 1, 1986

GEOLOGICAL ASSOCIATION OF CANADA
B. J. PRICE, M.Sc.
FELLOW

GEOLOGICAL REPORT

HEN #1 CLAIM, (REC. NO. 6311), HORSEFLY AREA, B.C.

MAPSHEET 93A-6E, CARIBOO MINING DIVISION

SUMMARY

The Hen Property, situated between Hen Ingram Lake and Quesnel Lake, 25 kilometers northeast of Horsefly, B.C., in mapsheet 93A-6E, is owned by V.Guinet and B. Fenwick-Wilson. The property is reached by rough four-wheel drive road from Horsefly, B.C.

The property consists of one MGS mineral claim of 20 units, registered in the name of V.Guinet.

The property was first explored by Taylor Helicon Syndicate, under the direction of Chapman, Wood, and Griswold, consulting engineers, in 1965, when geological mapping, sampling, trenching, IP surveys and diamond drilling were done. Sporadic exploration since that time has included 9 percussion drill holes, in 1980, done by Stanley Resource Group, under the supervision of consultants Harold M.Jones and Gerry Noel.

The percussion drilling verified the rumor that significant gold is present in "porphyry" style setting in Jurassic tuffs that have been strongly hornfelsed. Previous drilling results had been searched for with no success; they had not been filed for assessment work.

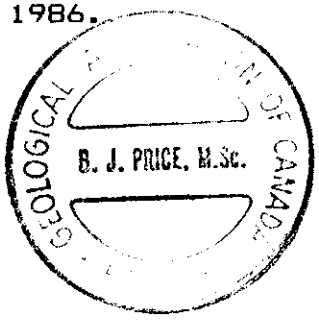
In 1985 the property was inspected by J.McClintock, for Welcome North Mines and Esperanza Resources, who kindly consented to the use of their analyses and costs for filing assessment. The writer and V.Guinet did additional mapping and sampling in 1986, in the same work year, and collected several samples with up to 73,000 ppb gold. Check fire assays confirmed the high values. These are associated with a narrow silicified zone, but gold is also dispersed in low, but interesting concentrations throughout a 450 meter trench. Significant copper, silver, and cobalt concentrations are also present.

Additional mapping, soil and rock sampling, trenching, percussion drilling, and diamond drilling are recommended, with the goal of outlining a large tonnage, low to moderate grade, open-pit reserve of gold-copper-cobalt-bearing material.

respectfully submitted

Barry Price

Barry Price, M.Sc.
Consulting Geologist
November 1, 1986.



GEOLOGICAL REPORT
HEN #1 CLAIM, (REC. NO. 6311), HORSEFLY AREA, B.C.

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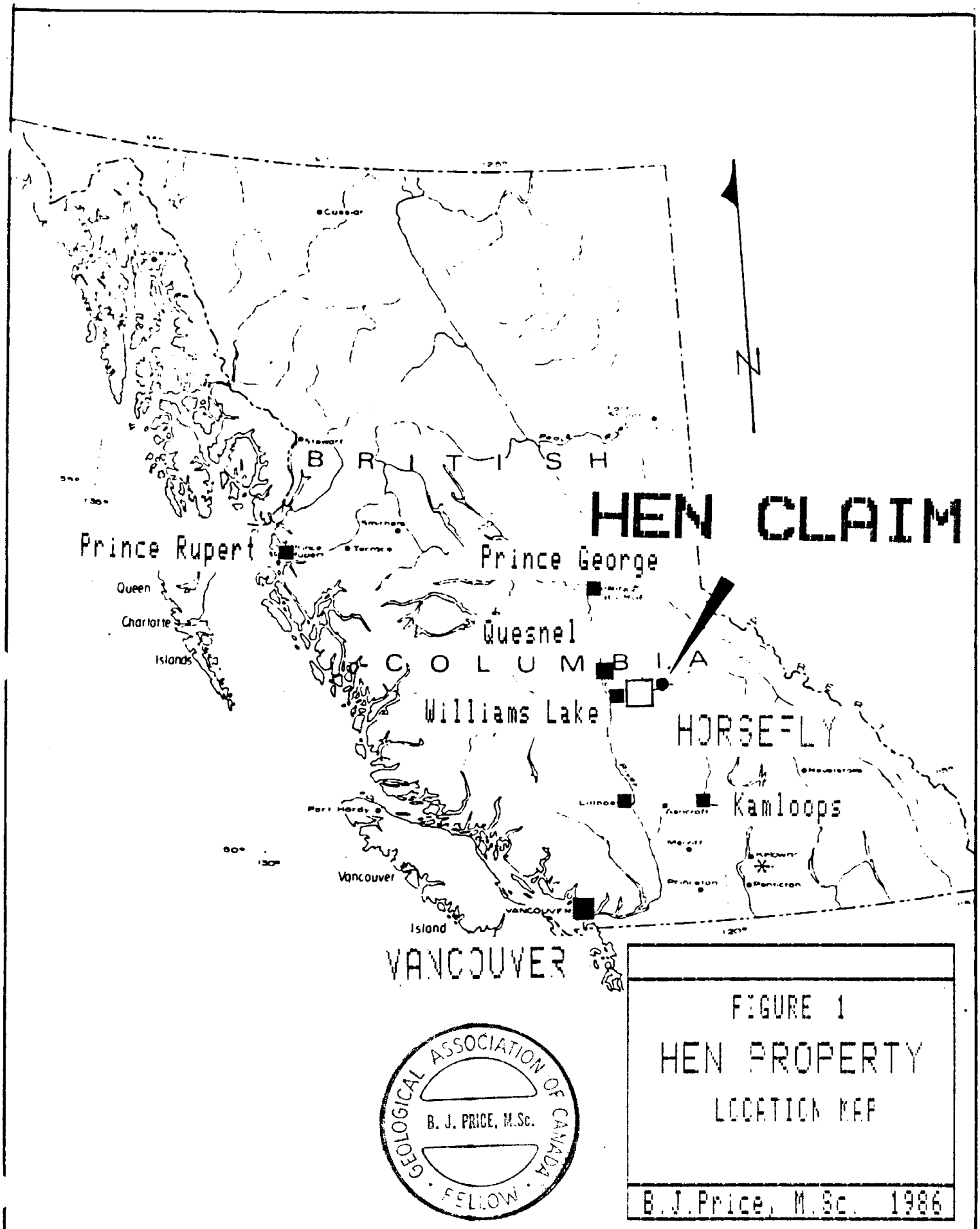

FIGURE 1

HEN PROPERTY

LOCATION MAP

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GEOLOGICAL ASSOCIATION OF CANADA
B. J. PRICE, M.Sc.
FELLOW

GEOLOGICAL REPORT

HEN #1 CLAIM, (REC. NO. 6311), HORSEFLY AREA, B.C.

MAPSHEET 93A-6E, CARIBOO MINING DIVISION

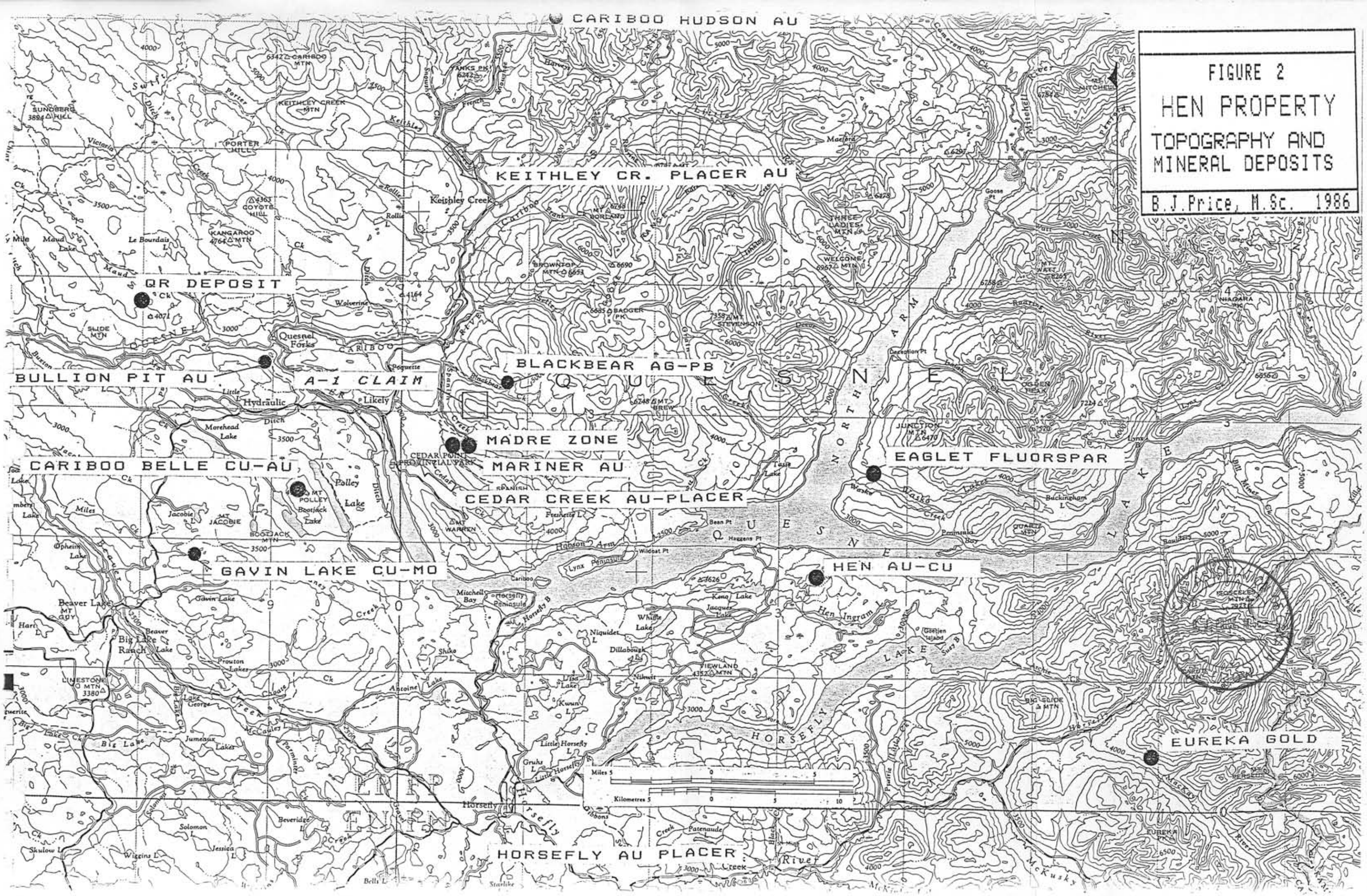
INTRODUCTION:

The "Hen" prospect, owned by V.Guinet has been explored intermittently since 1965. Persistent rumors of wide sections in the hornfels grading 0.10 oz./ton gold or better have been difficult to verify because diamond drill logs have not been located. Because the prospect is situated in the Quesnel Trough, now the locus of several significant porphyry copper-gold discoveries, the writer accompanied Mr.Guinet to the property on July 19, to examine the property and sample some of the more favorable-looking sulphide-rich hornfels.

LOCATION AND ACCESS:

The property is situated 3.5 km south of Quesnel Lake and 1 km north of the west end of Hen Ingram Lake, approximately 25 km northeast of Horsefly, B.C., and 85 km northeast of Williams Lake, B.C. A paved road extends 60 km from near Williams Lake, (which is serviced by daily jet flights from Vancouver and Prince George) to Horsefly. A secondary gravel road past the west end of Horsefly Lake toward Haggens Point on Quesnel Lake gives access to a rough 4 km, 4-wheel drive road to the property and Hen Ingram Lake.

Groceries and Lodging are available at Horsefly or any of a number of lodges on Horsefly Lake. Supplies and services are


CARIBOO HUDSON AU
KEITHLEY CR. PLACER AU
QR DEPOSIT
BULLION PIT AU
A-1 CLAIM
BLACKBEAR AG-PB
MADRE ZONE
MARINER AU
CARIBOO BELLE CU-AU
CEDAR CREEK AU-PLACER
GAVIN LAKE CU-MO
HEN AU-CU
EAGLET FLUORSPAR
EUREKA GOLD
HORSEFLY AU PLACER
QUESNEL LAKE
NORTH ARM
HORSEFLY LAKE
FIGURE 2
HEN PROPERTY
TOPOGRAPHY AND
MINERAL DEPOSITS
B.J.Price, M.Sc. 1986

available in the large community of Williams Lake. Camp sites exist on Hen Ingram Lake, or camps could be built on the property.

Vegetation on the property is typical of the Cariboo, mixed deciduous and coniferous trees and light underbrush. Old drill roads and trenches give good access to most of the property.

CLAIM DESCRIPTION:

The property consists of one Modified grid Mineral claim of 12 units. The Hen 1 claim, Record No. 6311, is recorded in the name of Victor Guinet, 411-850 West Hastings Street, Vancouver, B.C.

Expiry date, with the filing of this work program, will be August 10, 1987.

GEOLOGICAL SETTING:

The Horsefly-Likely area is centered in the "Quesnel Trough", a long, narrow, northwesterly-trending belt of Early Mesozoic volcanic and sedimentary rocks that extends from below the U.S.border into Northern B.C. Triassic volcanic rocks of the Nicola Group predominate; these are basaltic to andesitic green altered flows, tuffs and breccias. Jurassic volcanics and interbedded sediments also occur. These are intruded by syenitic to granodioritic stocks and batholiths of Triassic to Cretaceous age. Several major northwesterly trending faults are associated with the trough, which is wholly covered in some areas by Lower Tertiary volcanic and clastic rocks,(Kamloops Group or Skull Hill Volcanics), and Miocene Plateau Basalts

The Quesnel trough is characterized by copper-gold skarn and porphyry copper or copper/molybdenum deposits, some of which are

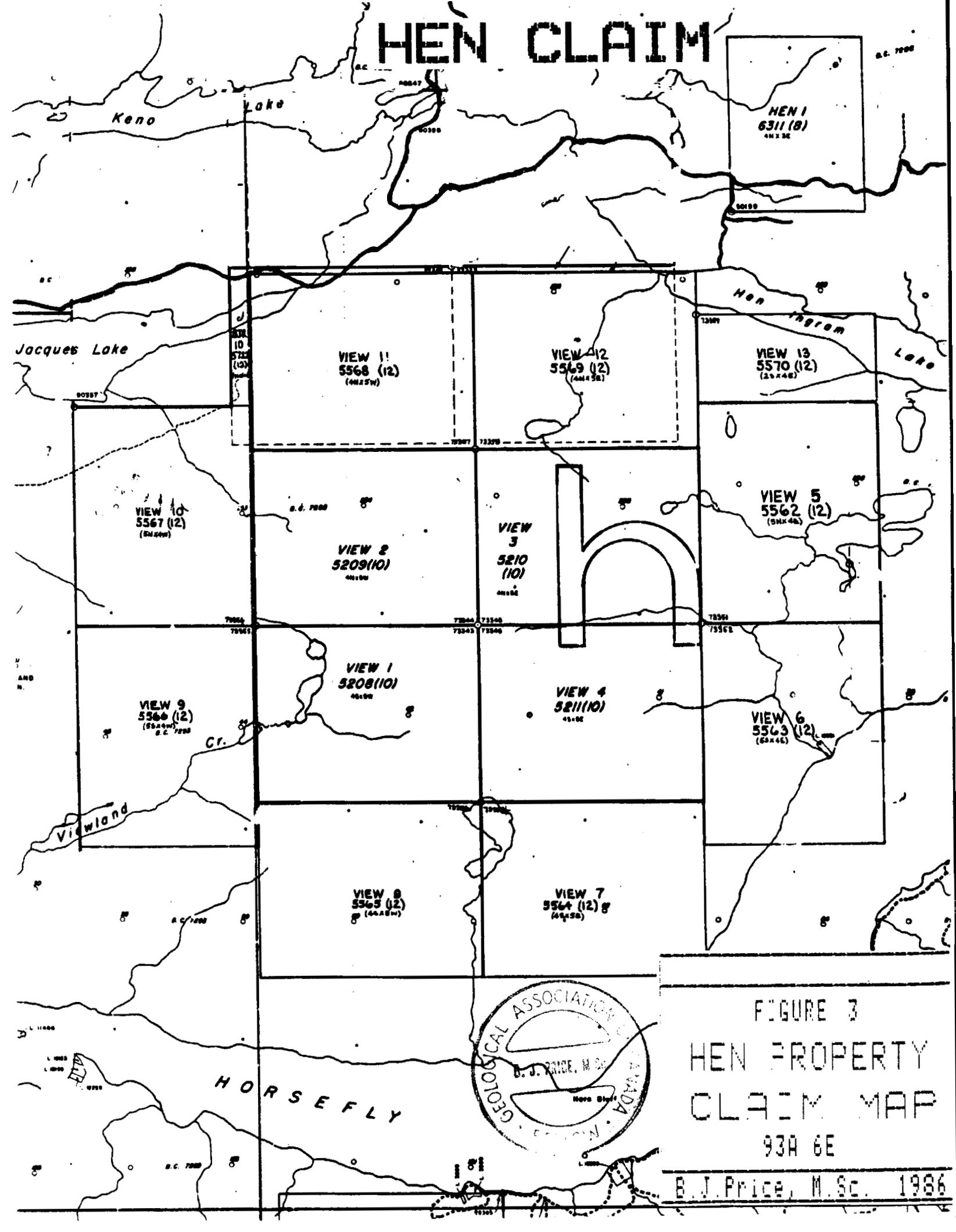


FIGURE 3

HEN PROPERTY CLAIM MAP

93A 6E

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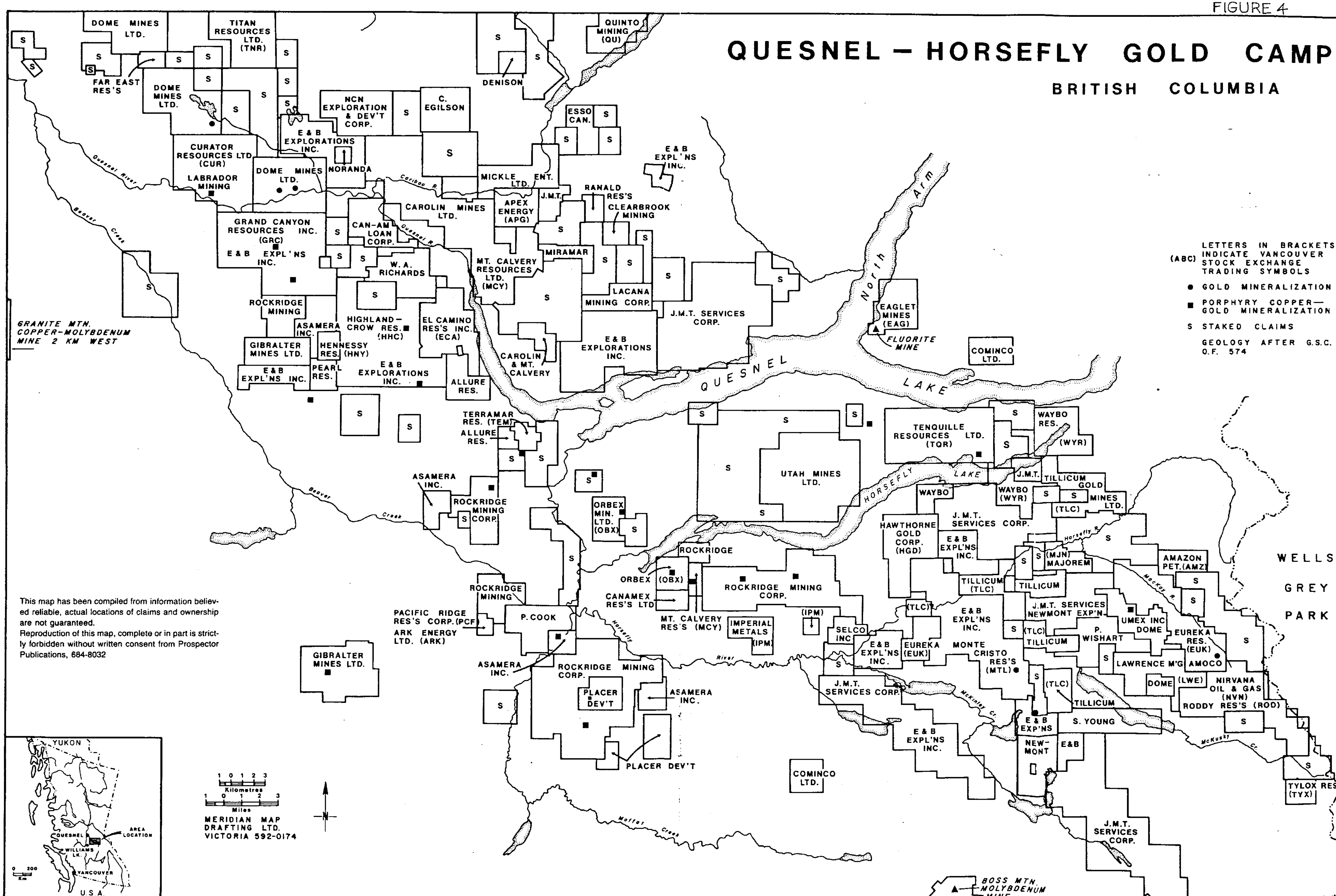
FIGURE 4



QUESNEL – HORSEFLY GOLD CAMP
BRITISH COLUMBIA
(ABC) LETTERS IN BRACKETS INDICATE VANCOUVER STOCK EXCHANGE TRADING SYMBOLS
● GOLD MINERALIZATION
■ PORPHYRY COPPER—GOLD MINERALIZATION
S STAKED CLAIMS
GEOLOGY AFTER G.S.C. O.F. 574
DOME MINES LTD.
TITAN RESOURCES LTD. (TNR)
FAR EAST RES'S
DOME MINES LTD.
NCN EXPLORATION & DEV'T CORP.
C. EGILSON
DENISON
QUINTO MINING (QU)
ESSO CAN.
E & B EXPLORATIONS INC.
NORANDA
CURATOR RESOURCES LTD (CUR)
LABRADOR MINING
DOME MINES LTD.
MICKLE ENT. LTD.
E & B EXPL'NS INC.
J.M.T.
RANALD RES'S
CLEARBROOK MINING
APEX ENERGY (APG)
CAROLIN MINES LTD.
GRAND CANYON RESOURCES INC. (GRC)
E & B EXPL'NS INC.
CAN-AM LOAN CORP.
W. A. RICHARDS
MIRAMAR
MT. CALVERY RESOURCES LTD. (MCY)
LACANA MINING CORP.
J.M.T. SERVICES CORP.
EAGLET MINES (EAG)
FLUORITE MINE
COMINCO LTD.
ROCKRIDGE MINING
ASAMERA INC.
HIGHLAND-CROW RES. (HHC)
EL CAMINO RES'S INC. (ECA)
CAROLIN & MT. CALVERY
E & B EXPLORATIONS INC.
GIBRALTER MINES LTD.
HENNESSY RES. (HNY)
E & B EXPL'NS INC.
PEARL RES.
E & B EXPLORATIONS INC.
ALLURE RES.
GRANITE MTN. COPPER-MOLYBDENUM MINE 2 KM WEST
Quesnel River
Beaver Creek
Cariboo R.
Quesnel R.
North Arm
QUESNEL LAKE
TERRAMAR RES. (TEM)
ALLURE RES.
ASAMERA INC.
ROCKRIDGE MINING CORP.
ORBEX MIN. LTD. (OBX)
UTAH MINES LTD.
TENQUILLE RESOURCES LTD. (TQR)
WAYBO RES. (WYR)
HORSEFLY LAKE
J.M.T.
TILLICUM GOLD MINES LTD.
WAYBO
WAYBO (WYR)
(TLC)
HAWTHORNE GOLD CORP. (HGD)
J.M.T. SERVICES CORP.
E & B EXPL'NS INC.
Horsefly R.
(MJN) MAJOREM
AMAZON PET. (AMZ)
WELLS GREY PARK
ROCKRIDGE
ORBEX (OBX)
CANAMEX RES'S LTD
ROCKRIDGE MINING CORP.
MT. CALVERY RES'S (MCY)
IMPERIAL METALS (IPM)
(IPM)
TILLICUM (TLC)
TILLICUM
MacKay R.
ROCKRIDGE MINING
PACIFIC RIDGE RES'S CORP. (PCF)
ARK ENERGY LTD. (ARK)
P. COOK
SELCO INC
E & B EXPL'NS INC.
EUREKA (EUK)
(TLC)
E & B EXPL'NS INC.
J.M.T. SERVICES NEWMONT EXP'N.
UMEX INC DOME
EUREKA RES. (EUK)
(TLC) TILLICUM
P. WISHART
MONTE CRISTO RES'S (MTL)
LAWRENCE M'G
AMOCO
Horsefly River
ASAMERA INC.
ROCKRIDGE MINING CORP.
PLACER DEV'T
ASAMERA INC.
J.M.T. SERVICES CORP.
DOME
(LWE)
NIRVANA OIL & GAS (NVN)
RODDY RES'S (ROD)
McKinley Cr.
(TLC)
TILLICUM
E & B EXP'NS
S. YOUNG
McKusky Cr.
GIBRALTER MINES LTD.
PLACER DEV'T
E & B EXPL'NS INC.
NEW-MONT
E&B
COMINCO LTD.
TYLOX RES. (TYX)
Moffat Creek
J.M.T. SERVICES CORP.
BOSS MTN. MOLYBDENUM MINE
This map has been compiled from information believed reliable, actual locations of claims and ownership are not guaranteed.
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1 0 1 2 3 Kilometres
1 0 1 2 3 Miles
MERIDIAN MAP DRAFTING LTD. VICTORIA 592-0174
N
YUKON
QUESNEL
WILLIAMS LK.
VANCOUVER
AREA LOCATION
U.S.A.
0 200 Km
MARCH'84

shown in the following map (Figure 5). Production and reserves of the more significant deposits are listed in Table I.

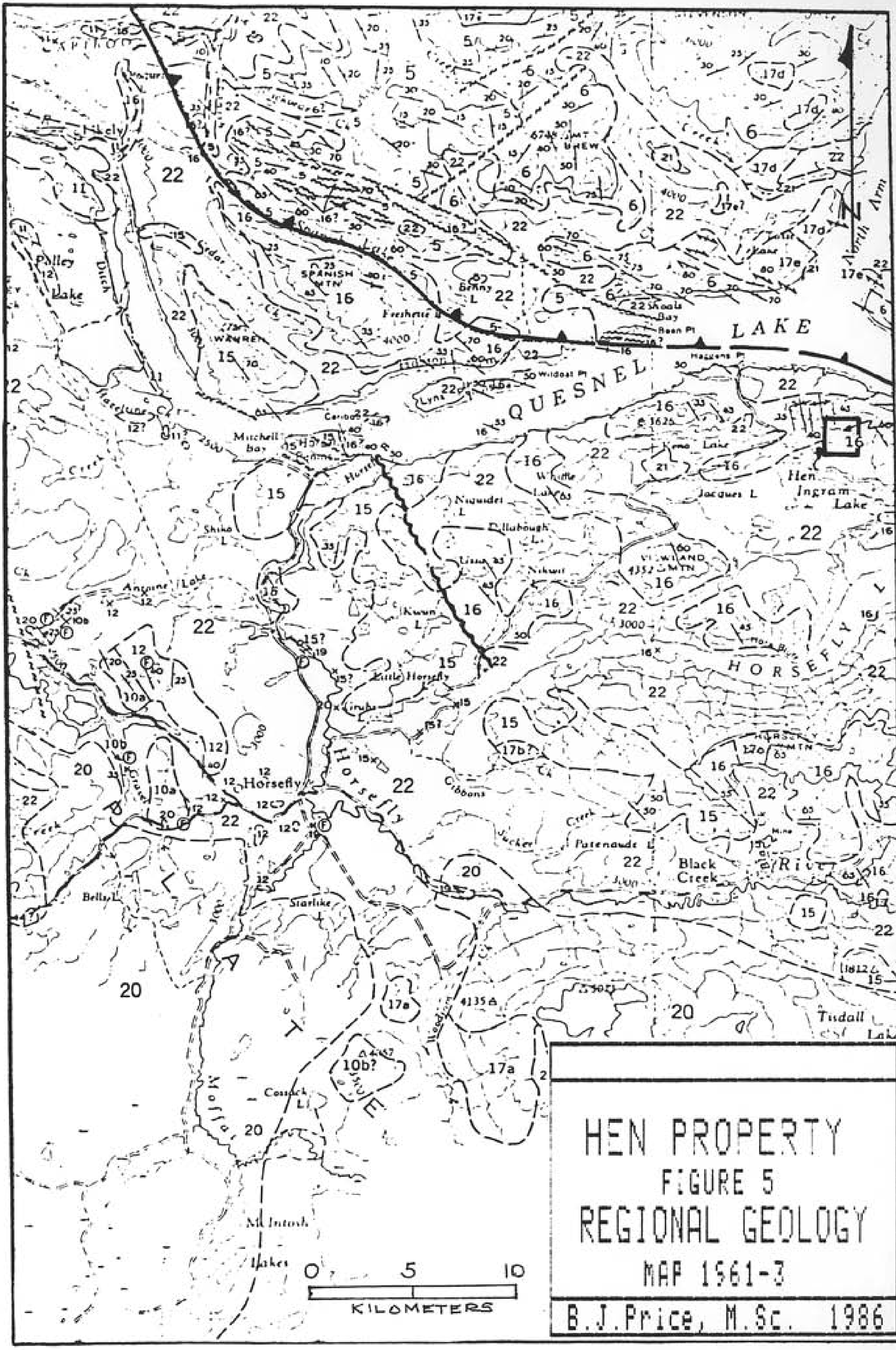
TABLE I

RESERVES AND PRODUCTION

GOLD DEPOSITS AND COPPER-GOLD PORPHYRIES
QUESNEL TROUGH AREA

DEPOSIT	TONS	CU %	AU (oz/T)	OTHER
AFTON (1976)R	30,840,000	1.0 %	0.017	0.122 Oz/T Ag
CARIBOO BELL	128,000,000	0.31	0.012	AG?
QR 1982R	950,000		0.21	
POSSIBLE	2,000,000		0.20	
MADRE (CPW)	1,000,000		0.08	AG?
CARIBOO HUDSON	60,000		0.40	0.5 oz/T Ag.
EUREKA	4,000,000		0.10	

Canadian Mines Handbook, BCDM Ann Repts.


HEN PROPERTY
FIGURE 5
REGIONAL GEOLOGY
MAP 1561-3
B.J.Price, M.Sc. 1986
0 5 10
KILOMETERS
QUESNEL LAKE
HORSEFLY
Horsefly
Likely
Polley Lake
Spanish MTN
Mitchell bay
Hen Ingram Lake
Jacques L
Black Creek
Patenaude L
Little Horsefly
Antoine Lake
Shiko L
Kwun L
Starlike
Bells L
Cossack L
Tisdall Lake
McIntosh Lakes
N

LEGEND

CENOZOIC

QUATERNARY
PLEISTOCENE AND RECENT

22 Glacial deposits and recent alluvium; till, gravel, sand, silt, and clay; few if any bedrock exposures

TERTIARY AND QUATERNARY
PLEISTOCENE AND EARLIER

21 Basaltic breccia and tuff; minor flows

TERTIARY
MIOCENE AND/OR LATER

20 Basaltic flows; minor tuff, conglomerate, and sandstone

PALEOCENE (?) TO MIOCENE (?)

19 Sandstone, shale, and tuff

PALEOCENE AND/OR EOCENE

18 Brown and buff rusty weathering dacite and rhyolite

MESOZOIC

JURASSIC AND/OR CRETACEOUS AND (?) EARLIER

17 17a, hornblende-biotite and biotite-quartz monzonite and granodiorite, minor hornblende-biotite syenite and monzonite; 17b, hornblende-biotite syenite and monzonite; 17c, hornblende diorite; 17d, muscovite granite and quartz monzonite including pegmatite; 17e, gneissose biotite granodiorite, altered and gneissose diorite, and augen granite (part of unit 17e may be Palaeozoic); 17f, trachyte porphyry (may be volcanic); 17g, green andesite and fine-grained diorite (may be volcanic)

JURASSIC (?) AND CRETACEOUS (?)
MIDDLE JURASSIC (?) TO CRETACEOUS (?)

16 Green andesitic tuff, agglomerate, and flows; minor argillite, chert, and conglomerate

JURASSIC
MIDDLE (?) AND/OR UPPER (?) JURASSIC

15 Dark green pyroxene-bearing andesitic agglomerate, breccia, and flows; minor tuff; may be equivalent to unit 14

14 Green pyroxene-bearing andesitic agglomerate, breccia, and flows; minor tuff, argillite, and limestone; may be equivalent to unit 15

LOWER JURASSIC (?)

13 Purplish brown, brown, and grey pebble and cobble conglomerate and sandstone; soft, friable, black and brown, carbonaceous shale, green shale; minor black limestone

LOWER JURASSIC

12 'Purple' volcanic rocks; purplish brown, dark grey, and rarely green pyroxene-bearing andesitic agglomerate, breccia, and flow; may contain analcite near contacts with units 10 and 11; minor limestone, argillite, and conglomerate

TRIASSIC AND/OR JURASSIC
UPPER TRIASSIC AND/OR LOWER JURASSIC
(may include MIDDLE JURASSIC)

11 Green pyroxene bearing andesitic flows, agglomerate, and breccia; conglomerate, argillite, and limestone

TRIASSIC
UPPER TRIASSIC

10 10a, green and purplish brown pebble and cobble conglomerate and sandstone; 10b, green andesitic volcanic rocks, andesitic feldspar porphyry, argillite, limestone, and pebble conglomerate

Considerable production of copper with by-product gold and silver has been realized from skarn deposits, mainly in the Insular belt of B.C., but also from deposits at Whitehorse (in the Whitehorse Trough), and at Craigmont (Highland Valley) and Greenwood. Small skarn deposits occur within the Quesnel Trough; none are as yet commercial, but the following table illustrates tonnages and grades of the more productive skarn deposits of the western Cordillera. The presence of limy members within the Mesozoic rocks in the Hen Ingram Lake area could lead to the presence of skarn deposits with concentrations of gold.

TABLE I
PRODUCTION FIGURES
COPPER-GOLD SKARNS

DEPOSIT	TONS	CU %	AU (oz/T)	AG (oz/T)
WHITEHORSE COPPER	9,944,036	1.44%	0.028	0.33
OLD SPORT	2,204,023	1.59	0.043	0.14
TEXADA (IRON)	12,181,000	0.077	0.0011	0.0164
TASU (CU +FE)	40,000,000	0.28	0.002	0.072
ORO DENORO	1,167,000	0.95	0.02	0.03
PHOENIX	25,757,568	0.97	0.04	0.30
LITTLE BILLIE	70,000	1.43	0.17	
LONE STAR	610,550	0.99	0.01	0.05
MARBLE BAY	314,192	2.38	0.16	1.29
CRAIGMONT(1974)	22,565,873	1.50		+ FE
MASCOT GOLD 1985R	4,100,000		0.15	
Underground	2,600,000		0.16	
BENSON LAKE	501,000	1.3	0.02	+ FE
ORO DENORO	1,167,000	0.95	0.02	0.3
YREKA	118,450	1.05	0.02	
COAST COPPER 1983R	501,000	1.3	0.2	+ 33% FE
PROD TO 1972	2,800,000	1.6	0.044	0.062 + FE CON.

SOURCE: Can.Mines Handbook, Mining Exploration and Development Review, 1985, Northern Miner., EMR Bulletin MR198 (1983)

HISTORY OF THE PROPERTY:

Initial exploration in the Horsefly area was directed toward porphyry copper targets in the early 1960's. One of the first exploration ventures in the area was by Helicon Explorations Ltd., who did regional reconaissance and staked a number of properties in 1965, including the KE and LO claims,(now staked as the Hen property).

1965:

In 1965, Helicon owned the KE group and optioned the LO Group, (from Pegasus Explorations Ltd.). The properties comprised 212 two-post mineral claims. Showings of pyrite, pyrrhotite and chalcopyrite in fracture-fillings. Work done in 1965 included geological mapping, geophysical surveys, trenching and bull-dozer stripping and diamond drilling, under the supervision of G.Malcolm Hurd, Geologist. (Chapman Wood and Griswold Ltd.).

A geophysical report (A.R.# 683) was written by P.Hallof,

Drilling included 5 BXW holes totalling 1,500 feet and two 4+1/2 inch holes totalling 306 feet.

The property was transferred to Pegasus Exploration Ltd., at the end of the program.

1970:

In 1970 the area was staked as the R.J. claims by a prospector based in Horsefly. It is not known if any work was done at that time.

1979: In 1979, the area was re-staked as the B.T.E.M. claims by Dallas Stanley in association with Brian Fenwick-Wilson. A

property inspection and report were done by L.S.Trenholme. Three selected samples from the long northerly trending trench near Geophysical Line 45 assayed from 0.016 to 0.338 oz/ton gold and up to 6.03 oz/ton silver.

1980: In 1980, the property was examined and sampled by G.A.Noel and Harold M.Jones of G.A.Noel and associates. Nine short percussion holes were drilled along No 1 Trench in an area where sampling had previously given best gold results. The best results in drilling were in hole P7, in which one 1.52 meter section graded 0.072 oz/ton gold, and the entire hole averaged 0.0344 oz/ton. over 9.14 meters (30 feet). Other holes with significant intersections are hole P1, with 12.19 m (40 feet) averaging 0.030 oz./ton, and Holes P5, P6, and P9, with short sections avaeraging 0.02 Oz./ton (Gross Metal Value $9.00 @ $450/oz.gold.). Trench samples taken by Jones along 2 to 10 meter sections assay up to 0.0216 oz./ton and have weighted average 0.0085 oz./ton over 74 meters.*

The 1980 work was filed for assessment in 1981.

1984: In 1984 the Hen 1 claim was staked by Victor Guinet.

1985: In 1985, the property was examined by J.McClintock, for Welcome North Mines Ltd, and 12 rock samples were taken. The best rock sample assayed 3.52 g/tonne gold (0.102 oz./ton gold).

==========

(NOTE: An area 74 m x 74 meters and 74 meters deep would, at these grades, contain roughly 1 million tons of 0.008 oz./ton = 8590 oz gold with Gross Metal Value $3.8 million dollars @ $450 Canadian per ounce of gold. This is subeconomic.)

1986 WORK PROGRAM:

On July 19, 1986, the writer examined the property, accompanied by the owner, Mr. Guinet. The main trench was roughly surveyed, by Hip-Chain and compass, and 13 rock samples were taken in sulphide-rich material present as loose, blasted material in the trench or from the trench walls. In addition, the access road was surveyed down to the main Hen Ingram Lake road. A base map at a scale of 1:5,000 was prepared by expanding a portion of 1;50,000 scale map 93A-6. All previous work was reviewed, and attempts were made to retrieve logs from the 1965 drilling program. The main trench was plotted on a scale of 1:1000, and the McClintock samples were plotted with the 1986 samples.

GEOLOGY OF THE PROPERTY:

The property is underlain by Unit 16 of Campbell (Map 1961-3), which includes green andesitic tuff, agglomerate, and flows, with minor argillite, chert and conglomerate. The rocks are lower Jurassic in age. The unit is characterized by laminated tuff. Bedding is commonly seen in trenches and outcrops. Exposures are good in the vicinity of the claim.

For a distance of several kilometers along the access road to the claim, rocks are strongly hornfelsed. Tuff units have characteristic fine biotite and sedimentary rocks - siltstones and argillites are now siliceous and some units resemble chert. At the south end of trench 1, beds strike 342 degrees and dip steeply (80 degrees) to the southwest. At the north end of the trench

Noel (1980) reported strikes from 270 to 285 degrees with 15 degrree southward dip. Noel concluded that the unit is strongly folded. Several faults with various orientations were noted. A set of gabbroic dykes up to 30 meters wide trend northeasterly with vertical dip. One of these is cut by a later fault. In outcrop, hornfels does not weather to a gossan, but in the trenches, or where blasting has been done, oxidation of abundant sulphides has created a gossan. Sulphides present in order of abundance are pyrrhotite, pyrite, and chalcopyrite. These sulphides are most common in the first 250 meters of the trench, and particularly common about 100 meters north of the road. Geochemical analyses reveal that considerable cobalt is present, (probably in the pyrrhotite). Sample HG54 contains 1695 ppm, (0.17 %) cobalt. Correlation of cobalt with arsenic content is good; the same sample contained 3130 ppm As. Molybdenum values in the samples ranged from 2 ppm to 437 ppm.

The presence of gold had been known before. Sections of 0.10 oz/ton material were rumored from the 1969 drill holes, but the core logs and assays have not been located for verification. A narrow, siliceous section sampled by the writer and V.Guinet in 1969 contains up to 73000 ppb (2.13 oz./ton) in selected samples. The results were later checked by fire assay (1.892 oz./ton).

Several of the samples taken in the 1986 sampling have significant amounts of gold, with lesser amounts of silver. Results for Copper, silver, gold, arsenic and cobalt are given below. (Complete results by ICP analysis are given in the appendix).

1986 ROCK SAMPLES (GRAB)
TRENCH 1 - HEN PROPERTY, CARIBOO M.D.

SAMPLE	Mo(ppm)	Cu(ppm)	Co(ppm)	As(ppm)	Au(ppb)	Ag(ppm)
HP1	437	596	221	54	70	1.5
HP2	41	2231	306	411	9780 *	5.4
HP3	2	205	24	2	28	0.3
HP4			not analyzed			
HP5			not analyzed			
HG 51	3	3033	487	6	28	3.7
HG 52	3	977	13	7	37,000 *	3.7
HG 53	3	1352	12	8	31,000 *	5.7
HG 54	2	1272	1695	3135	73,000 *	8.0
HG 55	1	645	162	340	15,000 *	2.2
HG 56	7	202	28	29	1360	0.7
HG 57	14	987	179	280	1210	1.6
HG 58 SOIL	8	100	15	5	4	0.6

Samples marked "*" required fire assaying for verification. All samples are grab samples of chips in a soil sample bag.

Samples H52 to H57 and HP-1 were re-analyzed by Fire-Assay method with the following results:

RE-ASSAYS

SAMPLE NO.	oz./Ton (Geochem)	Au(oz./Ton) (Fire Assay)
H52	1.079	1.302
H53	0.904	0.976
H54	2.129	1.892
H55	0.438	0.458
H56	0.040	0.064
H57	0.035	0.054
HP 2	0.285	0.338

Gold is present in geochemically anomalous amounts over a zone about 125 meters wide, bracketed by percussion drill-holes P7 to P8. (See Figure 7, in pocket). Surface sampling by Harold M.Jones, P.Eng., in 1981, extended the anomalous gold an additional 38 meters northward. Samples taken by McClintock in 1985 suggest the southern part of the trench is also anomalous, up to 0.005 oz./ton (171 ppb). Sample HG56, near the north end of the trench contains 1360 ppb (0.039 oz./ton) gold. Thus in all, an area 450 meters long with unknown width is anomalous in gold, and likely silver and copper as well.

Some intriguing mathematical calculations can be made assuming a volume of rock 500 meters square and 100 meters deep, (66.25 million tonnes or 73 Million tons). An average grad eof 0.01 oz./ton would give a contained 730,000 oz. of gold, currently worth at least 365 million dollars. However, at this grade, gross metal value is only $5.00 per ton, and for gold in sulphides, surface grades in the order of 0.10 oz./ton are still necessary for economic recovery. Microbiological leaching may change these parameters in the future. It is not known whether Cobalt and arsenic are indicators for gold in this area, but this theory could easily be tested. The distribution of tungsten and molybdenum could also lead to other gold rich areas. (NOTE: Tungsten values analyzed by ICP methods are unreliable because of incomplete dissolution of that element.)

Induced polarization studies were done by Hallof in 1965. A strong but narrow anomaly over 400 feet long when trenched

CONCLUSIONS:

The 1986 sampling results, combined with available geophysical geochemical, and drilling data from 1965 to 1985 indicate that narrow zones with high grade gold are present in a broad hornfelsed zone with dispersed, geochemically anomalous, but as yet sub-economic concentrations of gold. The belt of rocks known as the Quesnel trough is characterized by a wide variety of Copper-gold, and gold or gold-silver deposits, many of which are related to "porphyry" centers of alkalic composition.

The writer concludes that the property is worthy of renewed exploration efforts, to locate a large tonnage, low to moderate grade gold deposit, with accessory cobalt, copper, and silver.

RECOMMENDATIONS:

No grid-oriented soil or rock geochemical sampling program has been done on the property. This should be the first priority. A orthophoto based topographic map will be usefull in this terrain. The IP results from 1965 should be superimposed on the topography, and a contoured set of chargeability and resistivity maps made, to morer easily locate favorable zones for surface exploration. These zones should then be opened up by blast-trenching.

Detailed geological mapping may trace gold-bearing structures and locate favorable horizons within the hornfelsed tuffs.

Based on the above-outlined program, diamond drill-sites may then be chosen. Percussion drilling may be useful at first, giving much more footage for the same amount of money, but deep diamond drill-holes may eventually be necessary.

A budget is suggested on the following page.

SUGGESTED 1987 EXPLORATION BUDGET:
HEN PROPERTY, CARIBOO M.D.

STAGE I: (APRIL-JUNE 1987)

Purchase of Air Photos,		$100.00
Preparation of base maps, Drafting, Reproduction		$3,500.00
Geological mapping,	1 man x 30 days x $250/day	7,500.00
Grid preparation	4 men x 15 days x $125/day	7,500.00
Soil sampling,	4 men x 15 days x $125/day	7,500.00
VLF-EM	1 man x 15 days x $200/day	3,000.00
Rock sampling, 300 x $ 12.50/ea		3,750.00
Blasting, 1 man x 15 days x $250/day		3,750.00
Geochemical analyses, 1,000 x $12.50 ea		12,500.00
Vehicle rental, 2 x $75/day x 30 days		4,500.00
Camp rental, 1 month		$1,000.00
Food, supplies etc. 150 man days x $30/day		4,500.00
		==========
	Subtotal	$59,100.00
	Contingency	5,900.00
TOTAL STAGE I BUDGET:		$65,000.00

STAGE II: PERCUSSION DRILLING:
(Dependant on Results of Stage I)

Percussion drilling:	2000 m @ $23/m	$46,000.00
Sample analysis	2000 @ $ 12.50	25,000.00
Geologist and helper	$375 x 30 days	5,625.00
Camp, food, etc.	120 man days X $40/day	4,800.00
Vehicle rentals	30 days x $75/day	2,250.00
		==========
	Subtotal	83,675.00

STAGE III: DIAMOND DRILLING:
(Dependent on results of stage II)

BQ Diamond drilling,1000 meters @ $96/meter. (All inclusive)		96,000.00
Geological supervision, 30 days @$250/day		7,500.00
		==========
	Subtotal	103,500.00
		==========
TOTAL OF ABOVE		$ 252,175.00

SUMMARY REPORTS, DRAFTING, ETC.	10,000.00
FILING WORK ON ABOVE	10,000.00
	==========
TOTAL BUDGETED COST OF PHASE 1A-1C	272,175.00

respectfully submitted.

Barry Price

Barry J. Price, M.Sc., FGAC.
Consulting Geologist,
November 1, 1986.

BIBLIOGRAPHY

JONES, Harold M., (1981). Report on Rock Sampling and Percussion Drilling in Trench No.1, B.T.E.M. Claim Group, Quesnel Lake Area, Cariboo M.D., Assessment Report No 9122, for Stanley Resource Group. by G.A.Noel and Associates.

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TRENHOLME, L.S., P.Eng,, (1979); Report of Examination, B.T.E.M. Claims, Quesnel Lake Area, Cariboo Mining Division. Unpublished report.

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R.B.CAMPBELL, (1961); Geology, Quesnel Lake, West Half, B.C., Geol. Survey of Canada Map 3-1961 and marginal notes.

HALLOF, PHILIP G., (1965); Report on the Induced Polarization and Resistivity Survey on the Keno East Claim Group, Quesnel Lake area, B.C., for Chapman Wood and Griswold Ltd. B.C.D.M. Assessment Report No 683.

APPENDIX I

ITEMIZED COST STATEMENT

ITEMIZED COST STATEMENT
1986 WORK PROGRAM - HEN 1 CLAIM

FIELD TIME:

Consulting Fees, B.J.Price,	July 19, 20; 2 days @ $300	$600.00
V.Guinet, Prospector	July 19, 20; 2 days @ $150	300.00
J.Mc Clintock, M.Sc.	Aug 14, 1985, 1 day @ $250	250.00

OFFICE TIME:

Report and base map prep,, B.Price, 3 days @ $300/day	900.00

VEHICLE COSTS:

V.Guinet 4 Wheel Drive, 2 days @ $50/day	100.00
Gas and Oil for above	40.00

DISBURSEMENTS:

Accommodation and Meals, 4 man days @ $50/day	200.00

REPORT COSTS: (Estimated)

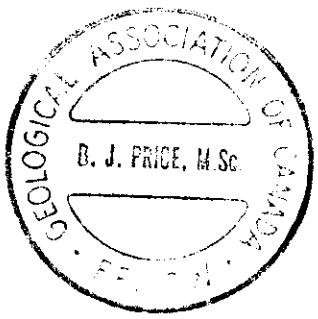
Map reproduction, xeroxing, drafting etc.	100.00

GEOCHEMICAL ANALYSES:	13 rocks @ $11.50	149.50
Aug 1985	14 rocks @ $10.00	140.00
		==========
TOTAL COSTS		$2,779.50

respectfully submitted

Barry Price

Barry Price, M.Sc.,FGAC.
Consulting Geologist.
August 5, 1986



APPENDIX II

ANALYTICAL RESULTS

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

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O 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: ROCKS & SOILS -80 MESH AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

DATE RECEIVED: JULY 25 1986 DATE REPORT MAILED: July 29/86 ASSAYER.. D. Toye .DEAN TOYE. CERTIFIED B.C. ASSAYER.

GOLDEN EYE MINERALS FILE # 86-1663 PAGE 1

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
HEN PROPERTY																															
H651	3	3033	32	14	3.7	451	487	89	41.19	6	5	ND	4	1	1	14	7	4	.03	.001	2	1	.11	12	.01	27	.17	.06	.03	1	28
H652	3	977	44	34	10.5	16	13	69	1.84	7	5	58	1	11	1	2	2	11	.34	.075	8	8	.09	42	.08	2	.19	.02	.14	1	37000 ✓
H653	3	1352	38	53	5.7	12	12	70	1.91	8	5	29	1	7	1	2	2	12	.41	.086	7	3	.11	39	.07	2	.13	.02	.11	1	31000 ✓
H654	2	1272	32	45	8.0	165	1695	49	.97	3130	5	48	2	10	1	2	2	9	.36	.104	36	3	.06	34	.05	2	.14	.02	.12	1	73000 ✓
H655	1	645	16	16	2.2	46	162	43	1.57	340	5	6	4	10	1	2	2	14	.61	.181	85	5	.07	12	.09	2	.10	.08	.04	1	15000 ✓
H656	7	202	7	41	.7	92	28	161	2.55	29	5	2	2	25	1	2	2	91	.56	.105	12	12	.65	49	.24	3	.68	.09	.17	1	1360
H657	14	987	15	41	1.6	42	179	94	3.81	280	5	2	3	6	1	2	2	13	.28	.058	25	5	.21	19	.07	3	.17	.05	.04	1	1210
HP-1	437	596	76	229	1.5	347	221	246	16.60	54	5	ND	2	5	1	2	2	29	.48	.072	17	49	.49	12	.05	2	.33	.05	.05	1	70
HP-2	41	2231	14	78	5.4	120	306	106	6.99	411	5	8	4	11	1	2	2	14	1.00	.332	32	6	.27	26	.06	7	.18	.05	.07	1	9780
HP-3	2	205	12	28	.3	27	24	70	3.07	2	5	ND	2	34	1	2	2	32	.56	.160	11	7	.14	49	.16	5	.32	.08	.14	1	28
A-1 HEN — A162	2	9	6	62	.1	6	4	746	1.83	6	5	ND	1	2	1	2	2	2	.03	.037	4	1	.01	26	.01	2	.04	.01	.01	1	29
H658 Soil	8	100	14	120	.6	103	15	428	3.61	5	5	ND	4	76	1	2	2	92	2.87	.087	14	118	1.84	86	.19	44	1.44	.14	.20	12	4
STD C/AU-0.5	22	59	38	135	7.1	71	29	1105	3.95	38	19	7	35	49	18	15	21	62	.48	.104	37	57	.88	181	.08	40	1.73	.09	.13	13	500

✓ Assay required for correct result

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH: (604)253-3158 COMPUTER LINE:251-1011

DATE RECEIVED OCT 29 1986

DATE REPORTS MAILED Oct 30/86

ASSAY CERTIFICATE

SAMPLE TYPE : PULP
AU** BY FIRE ASSAY

ASSAYER _____ DEAN TOYE . CERTIFIED B.C. ASSAYER

GOLDEN EYE MINERALS FILE# 86-1663 R

SAMPLE	Au** oz/t
H 652	1.302
H 653	.976
H 654	1.892
H 655	.458
H 656	.064
H 657	.054
HP-2	.338

AUG 19 1985

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments

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

Tel:(604)980-5814 OR (604)988-4524 TELEX: 04-352828

CERTIFICATE OF ASSAY

COMPANY: WELCOME NORTH MINES
PROJECT: WLN OEX
ATTENTION: J. MCCLINTOCK

FILE: 5-483
DATE: AUGUST 15/85.
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	
25556		1.8	0.05	.01	0.001	1
25557		0.2	0.01	.01	0.001	2
25558		3.6	0.10	.64	0.019	3
25559		0.1	0.01	.01	0.001	4
25560		0.1	0.01	.01	0.001	5
25561		0.1	0.01	3.52	0.103	6 3 grab
25562	HEN PROPERTY	0.1	0.01	.03	0.001	7
25563		0.1	0.01	.18	0.005	8
25564		0.1	0.01	.12	0.003	9
25565		0.1	0.01	.01	0.001	10
25566		0.1	0.01	.01	0.001	11
25567		0.1	0.01	.01	0.001	12
25568		0.1	0.01	.01	0.001	13
25569		0.2	0.01	.01	0.001	14

Hen Property

Certified by

MIN-EN LABORATORIES LTD.

Page No. 1 of 1

1985 CHIP SAMPLE LEDGER WLN OEX - HEN Property

SAY TAG No.	SAMPLE INTERVAL Metres	SAMPLE INTERVAL Feet	SAMPLE LENGTH Metres	SAMPLE LENGTH Feet	Au	Ag			DESCRIPTION
5556					.001	.05			HEN Property - Grab dusty argillite tr Cpy 20-30% Pb
5557					.001	.01			" 2m chip dusty argillite 10% Pb tr Cpy
5558					.019	.10			" 1m chip " " " "
5559					0.001	.01			" 2nd chip " " 5% Pb tr Cpy
5560					0.001	.01			" " " " " 10% Pb "
5561					.103	.01			" Grab siliceous " " "
5562					0.001	.01			" " " " " "
5563					0.005	.01			" Grab rusty chlorite & siliceous argillite 4% Pb
5564					1.003	.01			" Grab argillite 5% Pb & tr Cpy
5565					0.001	.01			" " " " "
5566					0.001	.01			" Grab Montmor crystl-ash tuff minor Pb
5567					0.001	.01			" Grab blck argillite 4% Pb

APPENDIX III
CERTIFICATE

CERTIFICATE OF BARRY J.PRICE, M.SC.

I, Barry J.Price, with business address at 3447 W.7th Avenue, Vancouver, B.C. do hereby certify that:

1) I am a Consulting Geologist registered with the Geological Association of Canada as a Fellow and I am entitled to use their seal, which has been affixed to this report. I am a member of the Canadian Institute of Mining, the Society of Exploration Geologists, and several other professional organizations.

2) I hold a B.Sc. (Honors) Degree in Geology (1965) and a M.Sc. in Geology (1972), both from the University of British Columbia., Vancouver, B.C.

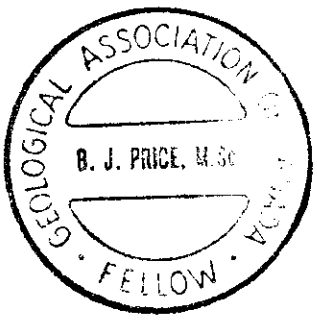
3) I have practised my profession as a geologist continuously since 1965, having worked in Canada, The United States of America, Mexico, and the Republic of the Phillipines, for a number of large and small companies and consulting firms, including Manex Mining Ltd., J.R.Woodcock and Associates, Archer Cathro and Associates and P.A.Christopher and Associates.

4) I have based this report on available geological data on the property and adjacent properties and mineral deposits, and on my personal knowledge of the property gained from work on the property in July 1986.

5) I have no interest in the claims described in the report and will receive only normal consulting fees for the preparation of this report.

Barry Price

Barry James Price,M.Sc.
Consulting Geologist.
November 1, 1986.



APPENDIX IV
GEOCHEMICAL SAMPLING AND ANALYTICAL METHODS

Rock samples were taken as soil sample bags full of small chips. Several samples were of similar chips in small plastic bags of about 1 kg weight.

Samples taken by Price and Guinet were analyzed by Induction Coupled Plasma technique, with high gold values re-checked by Fire-Assay. Samples taken by J.McClintock were analyzed by fire assay.

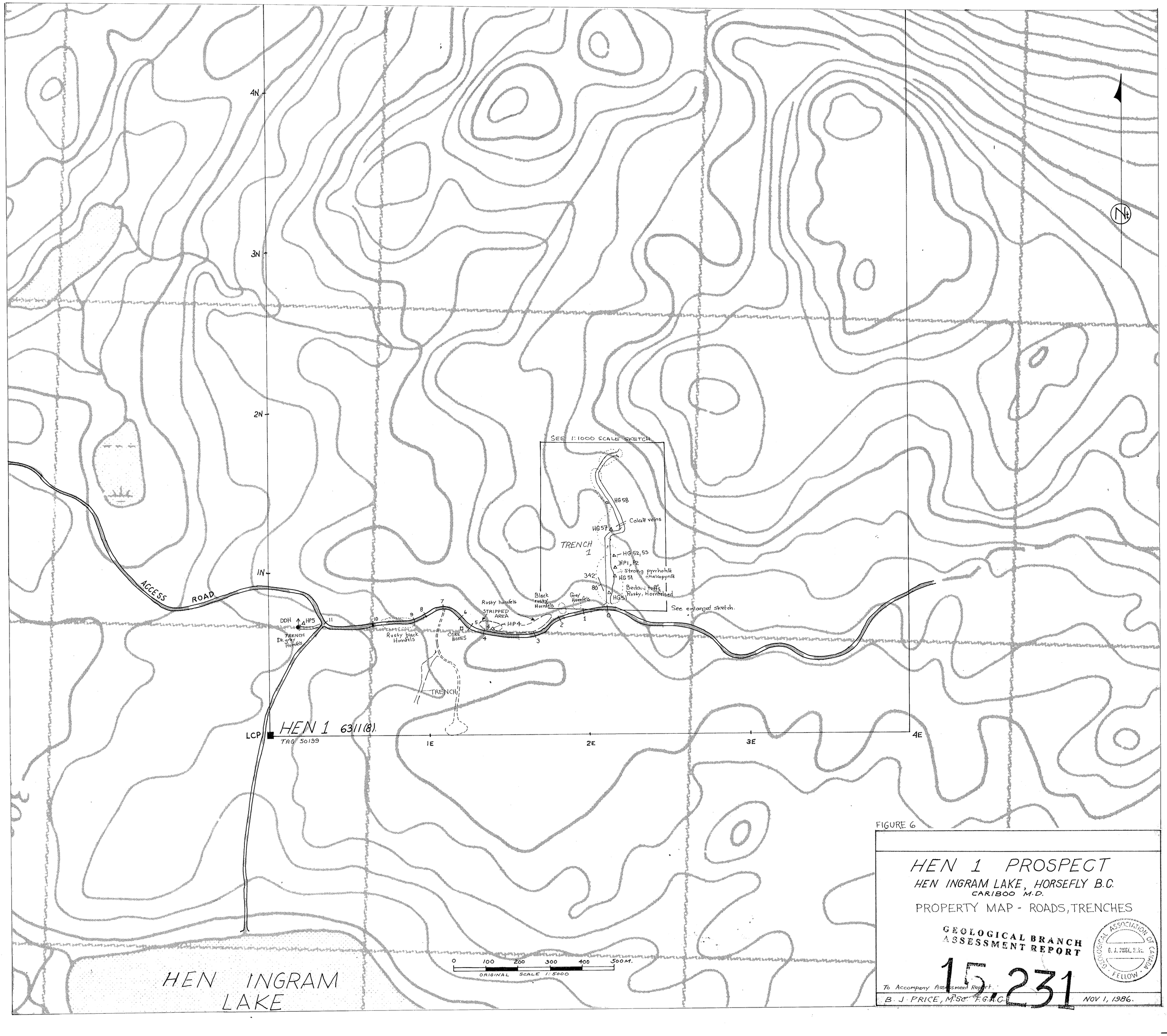


FIGURE 6

HEN 1 PROSPECT

HEN INGRAM LAKE, HORSEFLY B.C.
CARIBOO M.D.

PROPERTY MAP - ROADS, TRENCHES

GEOLOGICAL BRANCH
ASSESSMENT REPORT

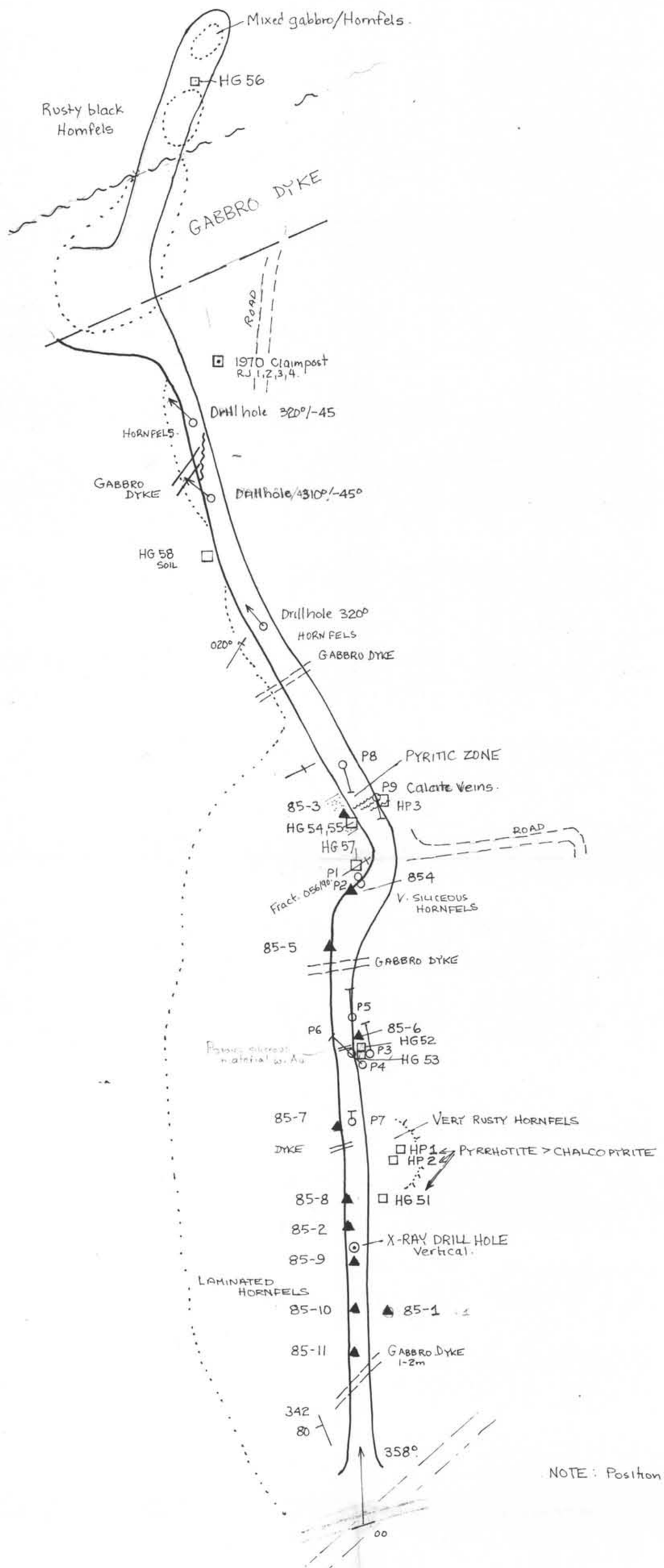
15,231

To Accompany Assessment Report

B. J. PRICE, M.Sc. F.G.A.C.

NOV 1, 1986.

GEOLOGICAL ASSOCIATION OF CANADA
B. J. PRICE, B.Sc.
FELLOW



1985 SAMPLES

SAMPLE		Au oz/T	Ag oz/T
25556	(1)	0.001	0.05
25557	(2)	0.001	0.01
25558	(3)	0.019	0.10
25559	(4)	0.001	0.01
25560	(5)	0.001	0.01
25561	(6)	0.103	0.01
25562	(7)	0.001	0.01
25563	(8)	0.005	0.01
25564	(9)	0.003	0.01
25565	(10)	0.001	0.01
25566	(11)	0.001	0.01
25567	(12)	0.001	0.01
25568	(13)	0.001	0.01
25569	(14)	0.001	0.01

1986 SAMPLES

SAMPLE	Au.	Ag	Cu.
HP1 (ROCK)	70 ppb	1.5 ppm	596 ppm
HP2	9780	5.4	2231
HP3	28	0.3	205
HG51	28	3.7	3033
HG 52	37,000	10.5	977
HG 53	31,000	5.7	1352
HG 54	73,000	8.0	1272
HG 55	15,000	2.2	645
HG 66	1,360	0.7	202
HG 67	1,210	1.6	987
HG 58 (SOIL)	4	0.6	100

NOTE: Position of 85 12-14 not known.

LEGEND

- TRENCH
- PERCUSSION DRILL HOLE (1980).
- ▲ 1985 ROCK CHIP SAMPLE (J. McClintock)
- □ 1986 ROCK CHIP SAMPLE (B. Price, V. Guinet).
- DYKE
- DRILL HOLE (Date unknown)

0 10 20 30 40 50 60 70 80 90 100m.

ORIGINAL SCALE 1:1000

FIGURE 7

HEN PROSPECT

HORSEFLY AREA - CARIBOO M.D.

PLAN OF TRENCH 1

GEOLOGY, SAMPLES and RESULTS.

To accompany assessment report.

B. J. PRICE, M.Sc. NOV 1, 1986