

REPORT ON DIAMOND DRILLING
AT THE PROPERTY OF
CITY RESOURCES (CANADA) LIMITED
MISTY GOLD INC.
JANUARY - FEBRUARY, 1987

3/88

BY

K.G SANDERS, P. ENG.
JUNE 2, 1987

FOR ASSESSMENT REQUIRMENTS

15934

87-323-15934

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES	
Rec'd	JUN 3 1987
SUBJECT	_____
FILE	_____
VANCOUVER, B.C.	

REPORT ON DIAMOND DRILLING
AT THE PROPERTY OF
Operator: CITY RESOURCES (CANADA) LIMITED
Owner(s): MISTY GOLD INC., CITY RESOURCES (CANADA) LIMITED
JANUARY - FEBRUARY, 1987 *JK*

BABE - CINOLA GROUP
SKEENA MINING DIVISION
GRAHAM ISLAND, B.C.
LAT. 53° 32.1' N
LONG. 132° 13.6' W
NTS 103 F/9E

FILMED

BY GEOLOGICAL BRANCH
ASSESSMENT REPORT

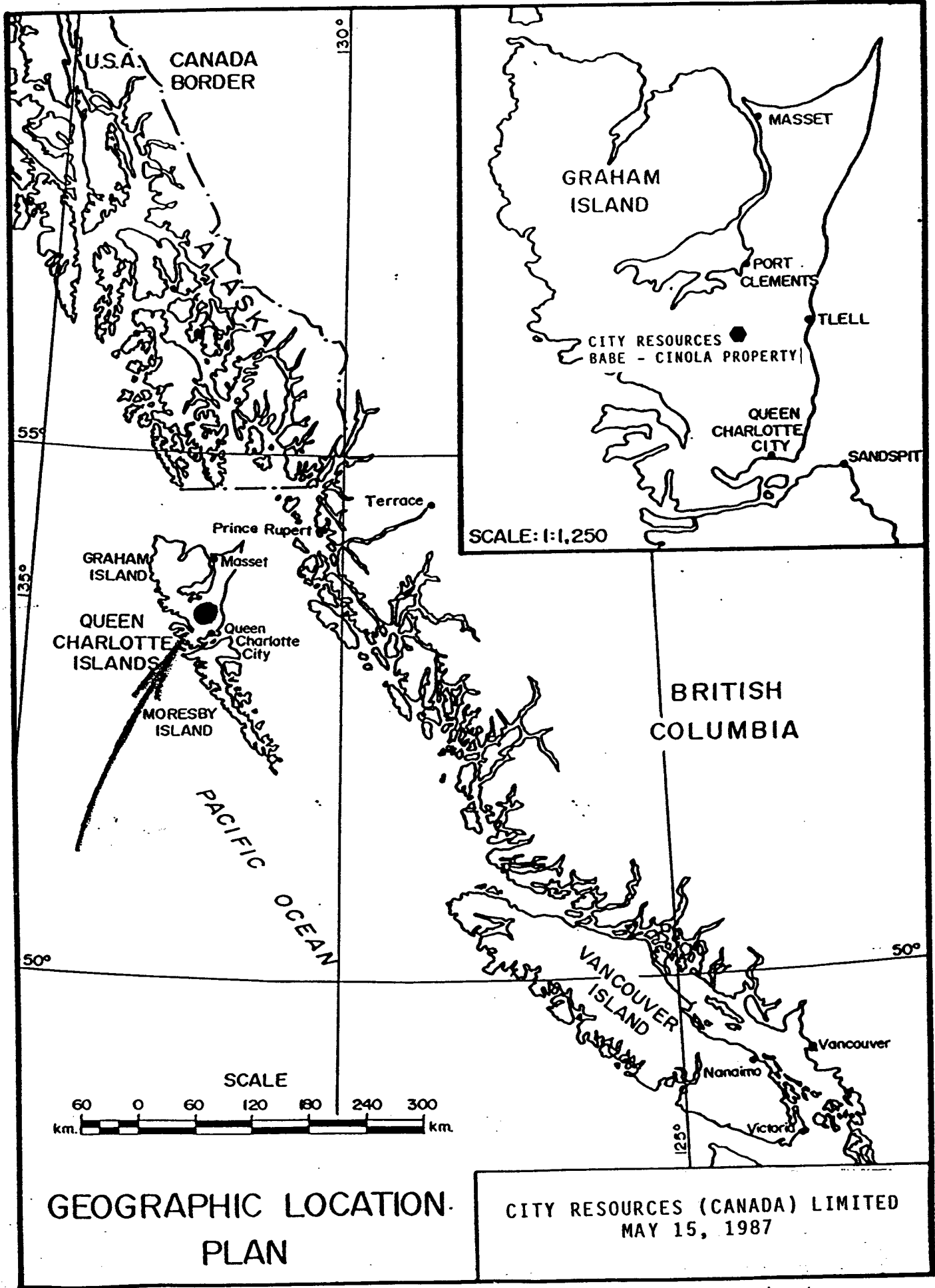
15,934

K.G. SANDERS, P.ENG.
JUNE 2, 1987

FOR ASSESSMENT REQUIREMENTS

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GEOGRAPHIC LOCATION PLAN

CITY RESOURCES (CANADA) LIMITED
MAY 15, 1987

SUMMARY

This is a report on three diamond drillholes that were a part of a major diamond drilling programme on the Babe-Cinola Claim Group on Graham Island carried out in late 1986 and early 1987.

The three N.Q. diamond drillholes totalled 303.5 metres. The cost of the programme for assessment purposes is calculated at \$65.60 per metre. Maps, core logs and a cost statement are included in this report.

CLAIM GROUP LOCATION AND ACCESS

The Babe-Cinola group of claims are on Graham Island in the Queen Charlotte Islands and lie at 53° 32' N latitude and 132° 13' W longitude (NTS 103 F/9E). Access is by daily jet service from Vancouver to Sandspit and thence by good public and private logging roads. A British Columbia Ferry also operates twice weekly between Prince Rupert and Skidegate Landing.

PURPOSE OF DRILLING PROGRAM

The purpose of this drilling program of three holes was two fold:

1. To test the down dip and strike potential of narrow intersections of gold mineralization in quartz veins, in rhyolite observed at the headwaters of Barbie Creek, in previous geological surveys. Drill holes 87-14 and 87-15 on the Babe 28 and Babe 26 claims respectively tested this potential.
2. To test the potential of gold mineralization in the Skonun Formation along strike to the northwest of the main deposit area. This was completed in drillhole 87-17 on the Babe 14 claim.

GEOLOGY AND RESULTS

The area underlain by drillholes 87-14 and 87-15 is dominantly composed of soft, grey-black mudstone to argillite of the Cretaceous Haida Formation, which has been intruded by rhyolitic dykes and sills of probable Tertiary Masset age. No significant gold values were obtained from these drillholes.

Drillhole 87-17 is underlain by coarse to fine clastic sediments of the Tertiary Skonun Formation which have been weakly propylitically altered. No significant gold assays were obtained from this drillhole.

CONCLUSIONS

Since no significant gold assays were returned from these three drillholes no additional work is recommended in their immediate vicinity at this time.

C. DRILLING <small>(Details in report submitted as per section 8 of regulations.) (The itemized cost statement must be part of the report.)</small>	COST
	\$ 17,300.00
D. GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL <small>(Details in report submitted as per section 5, 6, or 7 of regulations.) (The itemized cost statement must be part of the report.) (State type of work in space below.)</small>	
TOTAL OF C AND D	\$ 17,300.00

Where the above statement requires a technical report as per section C of the Mineral Act Regulations, the author of the report shall complete both copies of the ASSESSMENT REPORT TITLE PAGE AND SUMMARY form and include the completed forms in the assessment reports.

Who was the operator (provided the financing)? Name CITY RESOURCES (CANADA) LIMITED
 Address SUITE 2000, 666 BURRARD STREET
VANCOUVER, B.C. V6C 2X8

Portable Assessment Credits (PAC) Withdrawal Request		AMOUNT
<small>Amount to be withdrawn from owner(s) or operator(s) account(s):</small>		
<small>Name of Owner/Operator</small>		
<small>[May be no more than 30 per cent of value of the approved work submitted as assessment work in C and (or) D.]</small>	1. _____	
	2. _____	
	3. _____	
TOTAL WITHDRAWAL		
TOTAL OF C AND (OR) D PLUS PAC WITHDRAWAL		

I wish to apply \$ 17,300.00 of this work to the claims listed below.
(State number of years to be applied to each claim, its month of record, and identify each claim by name and record number.)

PLEASE SEE ATTACHED

Value of work to be credited to portable assessment credit (PAC) account(s).
 [May only be credited from the approved value of C and (or) D not applied to claims.]

Name of owner/operator	Name	AMOUNT
	1. _____	
	2. _____	
	3. _____	

I, the undersigned Free Miner, hereby acknowledge and understand that it is an offence to knowingly make a false statement or provide false information under the *Mineral Act*. I further acknowledge and understand that if the statements made, or information given, in this Statement of Exploration and Development are found to be false and the exploration and development has not been performed, as alleged in this Statement of Exploration and Development, then the work reported on this statement will be cancelled and the subject mineral claim(s) may, as a result, forfeit to and vest back to the Province.

John DeLuna
Signature of Applicant

**BABE CINOLA GROUP
STATEMENT OF EXPLORATION AND DEVELOPMENT**

**SUB-RECORDER
RECEIVED**
MAR 4 1987
M.R. # \$
VANCOUVER, B.C.

<u>NUMBER OF YEARS TO BE APPLIED</u>	<u>CLAIM #</u>	<u># UNITS</u>	<u>RECORD #</u>	<u>RECORD MONTH</u>
2	BABE 1	1	34966	3
2	BABE 2	1	34967	3
2	BABE 3	1	34968	3
2	BABE 8	1	34973	3
2	BABE 13	1	35226	3
2	BABE 14	1	35227	3
2	BABE 15	1	35228	3
2	BABE 16	1	35229	3
2	BABE 17	1	35230	3
2	BABE 18	1	36578	4
2	BABE 19	1	36579	4
2	BABE 20	1	36580	4
2	BABE 21	1	36581	4
2	BABE 22	1	36582	4
2	BABE 23	1	36583	4
2	BABE 24	1	36601	4
2	BABE 25	1	36602	4
2	BABE 26	1	36603	4
2	BABE 27	1	36604	4
2	BABE 28	1	36605	4
2	BABE 29	1	36606	4
2	BABE 30	1	36746	6
2	BABE 31	1	36747	6
2	BABE 32	1	36748	6
2	RIC 1	1	36589	4
2	RIC 2	1	36590	4
2	RIC 3	1	36591	4
2	RIC 4	1	36592	4
2	RIC 5	1	36593	4
2	RIC 6	1	36594	4
2	RIC 7	1	36595	4
2	RIC 8	1	36596	4
2	RIC 9	1	36597	4
2	RIC 10	1	36598	4
2	RIC 11	1	36599	4
2	RIC 12	1	36600	4
2	RIC 20 FR.	1	36739	1
2	RIC 21 FR.	1	36740	1
2	RIC 22 FR.	1	36741	1
2	RIC 23 FR.	1	36742	1

SUB-RECORDER
RECEIVED
MAR 4 1987
M.R. # \$
VANCOUVER, B.C.

BABE CINOLA GROUP
STATEMENT OF EXPLORATION AND DEVELOPMENT

2	RIC 24 FR.	1	36743	1
2	RIC 25 FR.	1	36744	1
2	RIC 26 FR.	1	36745	1
1	ROBIN 1 FR.	1	5762	1

DRILLING SUMMARY

For the purposes of this report three N.Q. holes numbered 87-14, 87-15 and 87-17 are described herein and these were completed for 303.5 metres in the period January 29, 1987 to February 1, 1987. A Longyear 38 surface drill was used and operated for the work by D.W. Coates Enterprises of Richmond, B.C. All monies were paid to Coates.

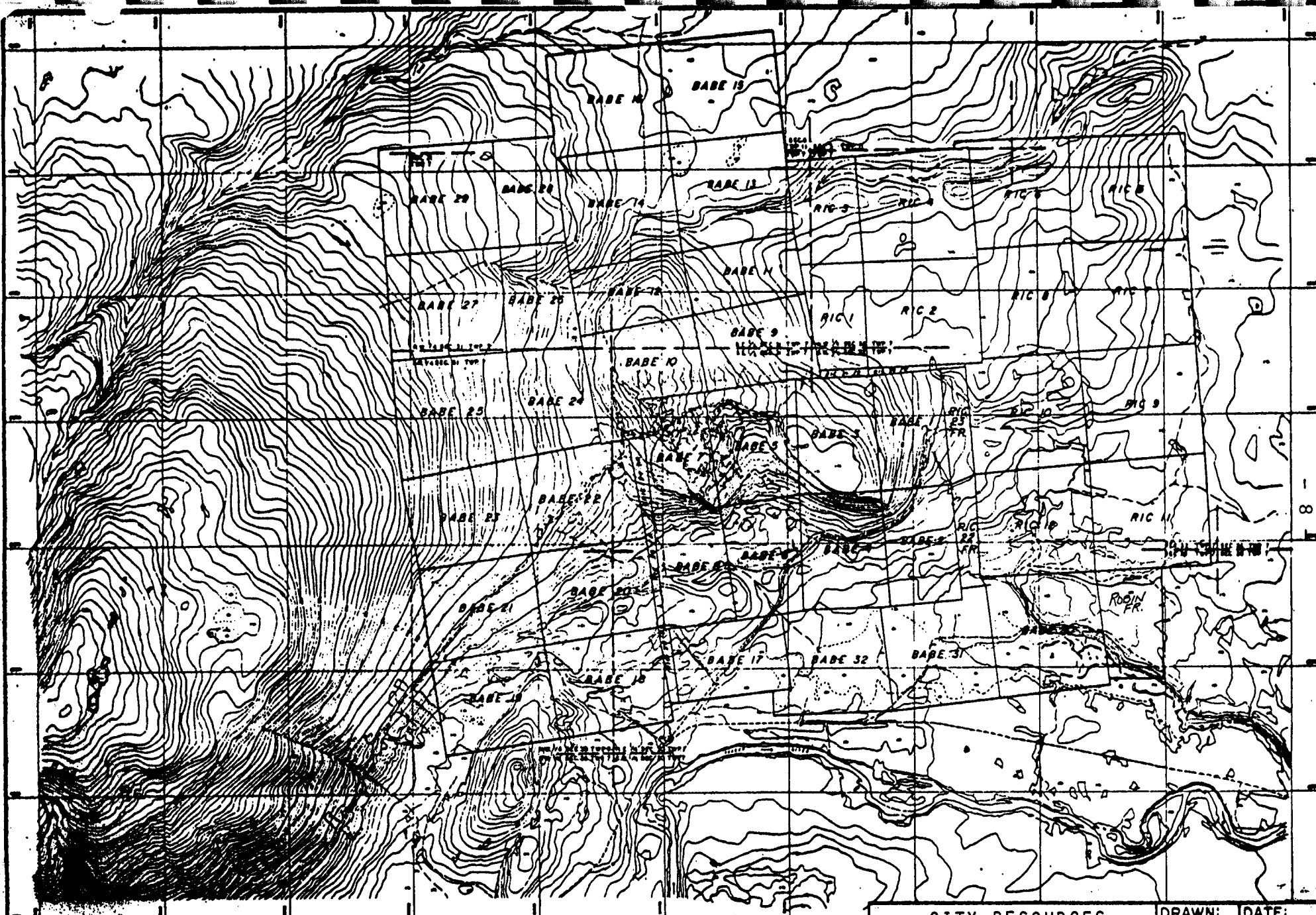
The core was logged by Mr. Les Demczuk, geologist, under the supervision of Mr. Robin Tolbert, Exploration Manager for the Company, and was assayed at Chemex Labs Ltd., in North Vancouver B.C. All split core is stored at the property.

The total value of the work to be filed is \$17,300. as per the Statement of Exploration and Development filed on March 4, 1987 in Vancouver, B.C. We have used \$65.60 per metre for assessment purposes and include invoices to cover the full amount.

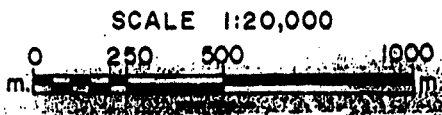
Respectfully submitted

K. G. Sanders

KENNETH G. SANDERS, P. ENG.
MAY 15, 1987



GRAHAM ISLAND, B.C.
MINERAL CLAIM MAP



CITY RESOURCES (CANADA) LIMITED		DRAWN: S.S.	DATE: JUNE / 80
BABE/CINOLA CLAIMS		CHECKED S.S.	APPROVED S.S.
MAY 15, 1987		FIGURE NO. 1-3	REV. 3

GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,934

BABE 16

BABE 15

SEC. 31
TWP. 7

SEC. 6
TWP. 11
SEC. 5
TWP. 7
TWP. 11

BABE 29

BABE 28

BABE 13

BABE 14

RIC 3

87-14

87-16

BABE 11

BABE 27

BABE 26

BABE 12

87-15

BABE 9

N.W. 1/4 SEC. 31 TWP. 7

N.E. 1/4 SEC. 31 TWP. 7

S.W. 1/4 SEC. 31 TWP. 7

S.E. 1/4 SEC. 31 TWP. 7

BABE 10



City Resources (Canada) Limited

CINOLA GOLD PROPERTY

DRILL HOLE
LOCATIONS

0 25 50 100 METERS

SCALE 1:2500

Date
Drawn:

Map Origin:

Dwg
No

CITY RESOURCES (Canada) LTD.
BOREHOLE LOG

Date: Jan 29 1987

Page 1 of 8

HOLE NUMBER: 87-14

CORE ORIENTATION DIAGRAM

PROJECT : Cinola Babe

LOCATION : Queen Charlotte Islands BC.

CLAIM : BABE 28

GRID COORDINATES : _____

PROPERTY U.T.M. COORDINATES : 3630.56 N

2362.03 E

COLLAR ELEVATION : 221.95

INCLINATION : -45°

TOTAL DEPTH : 78.5 m

PURPOSE : To test down dip extension of Kawaw high grade siliceous zone in rhyolite in and to north of Barbie Creek.

REASON FOR HOLE TERMINATION: Hole was to be 150m, but lost core barrel down hole. No significant silicification seen ∴ not redrilled.

LOGGED BY: Les Demoruk DATE(S) LOGGED: Jan 29 1987

DRILLING CONTRACTOR: D.W. COATES STARTED: JAN 27/87 COMPLETED: JAN 28/87

SIZE	CORE FROM	TO
<u>NQ</u>	<u>9.1 m</u>	<u>78.5 m</u>
_____	_____	_____
_____	_____	_____

COLLAR CASED AND CAPPED: No

HOLE CEMENTED: No
Yes core barrel left at

STEEL DOWN HOLE: ~~No~~

CITY RESOURCES (Canada) LTD. SURVEY LOG

DDH 87-14

Date: Jan 29, 1987 Logged By: Les Demont

Collar Survey By: _____ Down Hole Survey By: _____

ELEVATION	NORTHING	EASTING	UNITS F/M	RFE
221.95	3630.56	2362.03	metres	50

DEPTH	INCLINATION	TRUE AZIMUTH	COMMENTS
0.0	-45°	285°	not surveyed
78.5	-45°	285°	not surveyed

COMMENTS ON COLLAR SURVEY

ASSAY LOG

DDH 87-14
Assayed By: CHEMEX

Date: Jan 29 1987 Logged By: LS Demerick

Sampled By: _____

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU	AU	AG	AG	AS	HG		
							oz/ton	g/tonne	oz/ton	g/tonne				
9.1	10.0	46454 G	0.9	1.8	3a									
10.0	12.0	46455 "	2.0	2.0	"									
12.0	14.0	56 G	2.0	"	"									
14.0	16.0	57 G	"	"	"									
16.0	18.0	58 G	"	"	"									
18.0	20.0	59 G	"	"	"									
20.0	22.0	60 G	"	"	"									
22.0	24.0	61 G	"	"	"									
24.0	26.0	62 G	"	"	"									
26.0	28.0	63 G	"	"	"									
28.0	30.0	64 G	"	1.5	"									
30.0	32.0	65 G	"	1.8	"									
32.0	34.0	66 G	"	1.0	"									
34.0	36.0	67 G	"	1.1	"									
36.0	38.4	68 G	2.4	2.3	"									
38.4	40.0	69 G	1.6	1.6	1b									
40.0	42.0	70 G	2.0	2.0	3a									
42.0	44.0	71 G	"	"	"									
44.0	46.0	72 G	"	"	"									
46.0	47.5	73 G	"	"	"									
47.5	50.0	74 G	2.5	2.5	1b									
50.0	52.0	75 G	2.0	2.0	"									
52.0	54.0	76 G	"	2.0	"									

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DDH 87-14

ASSAY LOG

Date: June 29 1987 Logged By: Les Demoski

Assayed By: CHEMEX

Sampled By: _____

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU	AU	AG	AG	AS	HG		
							oz/ton	g/tonne	oz/ton	g/tonne				
54.0	56.0	46477G	2.0	2.0	1'6									
56.0	58.0	78G	4	4	4									
58.0	60.0	79G	4	1.9	4									
60.0	62.0	80G	4	4	4									
62.0	63.0	81G	1.0	0.9	4									
63.0	64.0	82G	1.0	1.0	4									
64.0	66.0	83G	2.0	2.0	4									
66.0	68.0	84G	4	4	4									
68.0	70.0	85G	4	4	4									
70.0	72.0	86G	4	4	4									
72.0	74.0	87G	4	4	4									
74.0	76.0	88G	4	4	4									
76.0	78.5	89G	2.5	2.4	4									
	E.O.H.													

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Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 BROOKSBANK AVE., NORTH VANCOUVER,
BRITISH COLUMBIA, CANADA V7J-2C1

PHONE (604) 984-0221

CERTIFICATE OF ANALYSIS A8710807

To: CITY RESOURCES (CANADA) LIMITED

440 - 625 HOWE ST.
VANCOUVER, B.C.
V6C 2T6

FEB 26 1987

Page No. : 1

Tot. Pages: 1

Date : 26-FEB-87

Invoice # : I-8710807

P.O. # : NONE

Project : CINOLA (BABR)

Comments:

SAMPLE DESCRIPTION	PREP CODE		Hg ppm	Au FA oz/T								
46454 G	208	231	1	0.006		87-14	Exp.					
46455 G	208	231	1	0.003								
46456 G	208	231	1	0.003								
46457 G	208	231	1	0.003								
46458 G	208	231	1	0.003								
46459 G	208	231	1	0.003								
46460 G	208	231	1	0.005								
46461 G	208	231	1	0.003								
46462 G	208	231	1	0.003								
46463 G	208	231	2	0.003								
46464 G	208	231	1	0.003								
46465 G	208	231	2	0.003								
46466 G	208	231	2	0.003								
46467 G	208	231	1	0.003								
46468 G	208	231	1	0.003								
46469 G	208	231	1	0.003								
46470 G	208	231	1	0.003								
46471 G	208	231	1	0.003								
46472 G	208	231	1	0.003								
46473 G	208	231	1	0.004								
46474 G	208	231	1	0.003								
46475 G	208	231	1	0.003								
46476 G	208	231	1	0.003								
46477 G	208	231	1	0.003								
46478 G	208	231	1	0.003								
46479 G	208	231	1	0.003								
46480 G	208	231	1	0.003								
46481 G	208	231	1	0.003								
46482 G	208	231	1	0.003								
46483 G	208	231	1	0.003								
46484 G	208	231	1	0.003								
46485 G	208	231	1	0.003								
46486 G	208	231	1	0.003								
46487 G	208	231	1	0.003								
46488 G	208	231	1	0.003								
46489 G	208	231	1	0.003								

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CITY RESOURCES (Canada) LTD.
BOREHOLE LOG

Date: Jan 29, 1987

Page 1 of 10

HOLE NUMBER: 87-15

CORE ORIENTATION DIAGRAM

PROJECT : CINOLA

LOCATION : Queen Charlotte Islands BC.

CLAIM : BABE 26

GRID COORDINATES : _____

PROPERTY U.T.M. COORDINATES : 3535.91 N

2362.00 E

COLLAR ELEVATION : 223.48

INCLINATION : -45°

TOTAL DEPTH : 150.0 m

PURPOSE : To test down dip extension along strike to south of narrow high grade silicene zone in and to north of Barbie Creek.

REASON FOR HOLE TERMINATION: Ultimate depth reached. No significant silicification observed.

LOGGED BY: Les Demoreux DATE(S) LOGGED: JAN 29, 1987

DRILLING CONTRACTOR: D.W. COATES STARTED: JAN 27 COMPLETED: JAN 29/87

SIZE	CORE FROM	TO
<u>NQ</u>	<u>9.6</u>	<u>150.0</u>
_____	_____	_____
_____	_____	_____

COLLAR CASED AND CAPPED: No
HOLE CEMENTED: No
STEEL DOWN HOLE: No

CITY RESOURCES (Canada) LTD.

SURVEY LOG

DDH 87-15

Date: Jan 29 1987 Logged By: Les Demouk

Collar Survey By: _____ Down Hole Survey By: _____

ELEVATION	NORTHING	EASTING	UNITS F/M	RFE
223.48	3535.91	2362.00	metric (m)	

DEPTH	INCLINATION	TRUE AZIMUTH	COMMENTS
0.0	-44	289.5°	not surveyed
9.2 m	-44°	289.5°	Sperry-Sun Single shot
91.5 m	-45°	286°	Sperry-Sun Single shot
150.0 m	-44°	286°	Sperry-Sun Single shot
* Declination 22.5° E			

COMMENTS ON COLLAR SURVEY

CITY RESOURCES (Canada) LTD.

ASSAY LOG

Date: Jan 29, 1987 Logged By: Les Demonde

DOH 87-15
Assayed By: CHEMEX

Sampled By: _____ 10f4

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU oz/ton	AU g/tonne	AG oz/ton	AG g/tonne	AS	HG
9.6	10.0	46490 G	0.35	0.35	30							
10.0	12.0	91 G	2.0	1	"							
12.0	14.0	92 G	4	0.45	"							
14.0	16.0	93 G	4	2	"							
16.0	18.0	94 G	4	1.9	"							
18.0	20.0	95 G	4	0.8	"							
20.0	22.0	96 G	4	2	"							
22.0	24.0	97 G	4	2	"							
24.0	26.0	98 G	4	2	"							
26.0	28.0	99 G	4	1.75	"							
28.0	30.0	46500 G	4	2	"							
30.0	32.0	63001 G	4	2.1	"							
32.0	34.0	63002 G	4	2.3	"							
34.0	36.0	63003 G	4	2	"							
36.0	38.0	04 G	4	2.2	"							
38.0	40.0	05 G	4	2	"							
40.0	42.0	06 G	4	2	"							
42.0	44.0	07 G	4	2	"							
44.0	46.0	08 G	4	2	"							
46.0	48.0	09 G	4	2	"							
48.0	50.0	10 G	4	2	"							
50.0	52.0	11 G	4	2	"							
52.0	54.0	12 G	4	2	"							

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ASSAY LOG

JOH 87-15
 Assayed By: CHEMEX

Date: Jan 29 1987 Logged By: Les Demorik
 Sampled By: 2 of 4

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU	AU	AG	AG	AS	HG		
							oz/ton	g/tonne	oz/ton	g/tonne				
54.0	56.0	63013 G	2.0	2	3a									
56.0	58.0	14 G	4	2	"									
58.0	60.0	15 G	4	1.9	"									
60.0	62.0	16 G	4	2.2	"									
62.0	64.0	17 G	4	2	"									
64.0	66.0	18 G	4	2.1	"									
66.0	68.0	19 G	4	2	"									
68.0	70.0	20 G	4	2	"									
70.0	72.0	21 G	4	2.3	"									
72.0	74.0	22 G	4	2	"									
74.0	76.0	23 G	4	2	"									
76.0	78.0	24 G	4	2	"									
78.0	80.0	25 G	4	2	"									
80.0	82.0	26 G	4	2	"									
82.0	84.0	27 G	4	2	"									
84.0	86.0	28 G	4	2.1	"									
86.0	88.0	29 G	4	2	"									
88.0	90.0	30 G	4	2	"									
90.0	92.0	31 G	4	1.8	"									
92.0	94.0	32 G	4	2	"									
94.0	96.0	33 G	4	2	"									
96.0	98.0	34 G	4	2	"									
98.0	100.0	35 G	4	2	"									

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CITY RESOURCES (Canada) LTD.
ASSAY LOG

DDH 87-15
Assayed By: CHEMEX

Date: Jan 29 1987 Logged By: Les Demczuk
Sampled By: _____ 3 of 4

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU	AU	AG	AG	AS	HG		
							oz/ton	g/tonne	oz/ton	g/tonne				
100.0	102.0	63036 G	2.0	2	3a									
102.0	104.0	37 G	"	2	"									
104.0	106.0	38 G	"	2.2	"									
106.0	108.0	39 G	"	2	"									
108.0	110.0	40 G	"	1.7	"									
110.0	112.0	41 G	"	2	"									
112.0	114.0	42 G	"	2	"									
114.0	116.0	43 G	"	2	"									
116.0	118.0	44 G	"	2	"									
118.0	120.0	45 G	"	2	"									
120.0	122.0	46 G	"	2	"									
122.0	124.0	47 G	"	2	"									
124.0	126.0	48 G	"	2.1	"									
126.0	128.0	49 G	"	2	"									
128.0	130.0	50 G	"	2	"									
130.0	132.0	51 G	"	2	"									
132.0	134.0	52 G	"	1.9	"									
134.0	136.0	53 G	"	2	"									
136.0	138.0	54 G	"	2	"									
138.0	140.0	55 G	"	2	"									
140.0	142.0	56 G	"	2	"									
142.0	144.0	57 G	"	2	"									
144.0	146.0	58 G	"	2	"									

0-20G



Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers
 212 BROOKSBANK AVE., NORTH VANCOUVER,
 BRITISH COLUMBIA, CANADA V7J-2C1
 PHONE (604) 984-0221

CERTIFICATE OF ANALYSIS A8710875

To: CITY RESOURCES (CANADA) LIMITED

440 - 625 HOWE ST.
 VANCOUVER, B.C.
 V6C 2T6

Page No. : 1
 Tot. Pages: 2
 Date : 28-FEB-87
 Invoice # : I-8710875
 P.O. # : NONE

Project : CINOLA
 Comments:

87-15

SAMPLE DESCRIPTION	PREP CODE		Hg ppm	Au FA oz/T								
46490 G	208	231	1	VVV	0.003							
46491 GG	208	231	1	VVV	0.003							
46492 GG	208	231	1	VVV	0.003							
46493 GG	208	231	1	VVV	0.010							
46494 G	208	231	1	VVV	0.003							
46495 GG	208	231	1	VVV	0.003							
46496 GG	208	231	1	VVV	0.003							
46497 GG	208	231	1	VVV	0.003							
46498 GG	208	231	1	VVV	0.003							
46499 G	208	231	1	VVV	0.003							
46500 G	208	231	1	VVV	0.003							
63001 GG	208	231	1	VVV	0.003							
63002 GG	208	231	1	VVV	0.003							
63003 GG	208	231	1	VVV	0.003							
63004 G	208	231	1	VVV	0.003							
63005 G	208	231	1	VVV	0.003							
63006 GG	208	231	1	VVV	0.003							
63007 GG	208	231	1	VVV	0.003							
63008 GG	208	231	1	VVV	0.003							
63009 G	208	231	1	VVV	0.003							
63010 GG	208	231	1	V	0.003							
63011 GG	208	231	1	V	0.003							
63012 GG	208	231	1	V	0.003							
63013 GG	208	231	1	V	0.004							
63014 G	208	231	1	V	0.003							
63015 GG	208	231	1	VVV	0.003							
63016 GG	208	231	1	VVV	0.003							
63017 GG	208	231	1	VVV	0.003							
63018 GG	208	231	1	VVV	0.003							
63019 G	208	231	1	VVV	0.003							
63020 GG	208	231	1	VVV	0.003							
63021 GG	208	231	1	VVV	0.003							
63022 GG	208	231	1	VVV	0.003							
63023 GG	208	231	1	VVV	0.003							
63024 G	208	231	1	VVV	0.003							
63025 GG	208	231	1	VV	0.003							
63026 GG	208	231	1	VV	0.003							
63027 GG	208	231	1	VV	0.003							
63028 GG	208	231	1	VV	0.021							
63029 G	208	231	1	VV	0.005							

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY B.C. CERTIFIED ASSAYERS

CERTIFICATION :



Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers
 212 BROOKSBANK AVE., NORTH VANCOUVER,
 BRITISH COLUMBIA, CANADA V7J-2C1
 PHONE (604) 984-0221

CERTIFICATE OF ANALYSIS A8710875

To: CITY RESOURCES (CANADA) LIMITED

440 - 625 HOWE ST.
 VANCOUVER, B.C.
 V6C 2T6

Page No. : 2
 Tot. Pages: 2
 Date : 28-FEB-87
 Invoice # : I-8710875
 P.O. # : NONE

Project : CINOLA
 Comments :

87-15

SAMPLE DESCRIPTION	PREP CODE		Hg ppm	Au FA oz/T									
63030 G	208	231	1	< 0.003									
63031 G	208	231	1	0.014									
63032 G	208	231	1	0.010									
63033 G	208	231	1	< 0.003									
63034 G	208	231	1	< 0.003									
63035 G	208	231	1	>>> 0.003									
63036 G	208	231	1	>>> 0.003									
63037 G	208	231	1	>>> 0.003									
63038 G	208	231	1	>>> 0.003									
63039 G	208	231	1	>>> 0.003									
63040 G	208	231	1	>>> 0.003									
63041 G	208	231	1	>>> 0.003									
63042 G	208	231	1	>>> 0.003									
63043 G	208	231	1	>>> 0.003									
63044 G	208	231	1	>>> 0.003									
63045 G	208	231	1	>>> 0.003									
63046 G	208	231	1	>>> 0.003									
63047 G	208	231	1	>>> 0.003									
63048 G	208	231	1	>>> 0.003									
63049 G	208	231	1	>>> 0.003									
63050 G	208	231	1	>>> 0.003									
63051 G	208	231	1	>>> 0.003									
63052 G	208	231	1	>>> 0.003									
63053 G	208	231	1	>>> 0.003									
63054 G	208	231	1	>>> 0.003									
63055 G	208	231	1	>>> 0.003									
63056 G	208	231	1	>>> 0.003									
63057 G	208	231	1	>>> 0.003									
63058 G	208	231	1	>>> 0.003									
63059 G	208	231	1	>>> 0.003									
63060 G	208	231	1	< 0.003									

87-15

Bl Swales

CITY RESOURCES (Canada) LTD.
BOREHOLE LOG

Date: FEB 1/87

Page 1 of 7

HOLE NUMBER: 87-17

CORE ORIENTATION DIAGRAM

PROJECT : CINOLA (BABE)

LOCATION : Queen Charlotte Islands B.C.

CLAIM : BABE 14

GRID COORDINATES : _____

PROPERTY UTM. COORDINATES : 3845.94 N

2906.37 E

COLLAR ELEVATION : 164.84

INCLINATION : -46°

TOTAL DEPTH : 75.0 m

PURPOSE : To test extension of Skomun Fm. to north of deposit on east side of possible northeasterly faulted extension of Specogna Fault.

REASON FOR HOLE TERMINATION: Intersected Skomun Fm! but only propylitically altered.

LOGGED BY: Les Demoruk DATE(S) LOGGED: Feb 1, 1987

DRILLING CONTRACTOR: B.W. Coates STARTED: JAN 31/87 COMPLETED: FEB 1/87

SIZE	CORE FROM	TO
<u>NR</u>	<u>30.0 (m)</u>	<u>75.0 (m)</u>
_____	_____	_____
_____	_____	_____

COLLAR CASED AND CAPPED: No

HOLE CEMENTED: No

STEEL DOWN HOLE: No

CITY RESOURCES (Canada) LTD. SURVEY LOG

DDH 87-17

Date: Feb 1, 1987 Logged By: Les Demczuk

Collar Survey By: _____ Down Hole Survey By: _____

ELEVATION	NORTHING	EASTING	UNITS F/M	RFE
164.84	3845.94	2906.37	metric (m)	

DEPTH	INCLINATION	TRUE AZIMUTH	COMMENTS
24.4 (801)			Not legible Downhole RFR
0	-46°	288.5	not surveyed.
75.0 (2461)	-46°	288.5	Sperry-Sun single shot
* Declination 22.5 E			

COMMENTS ON COLLAR SURVEY

DOM 87-17

CITY RESOURCES (Canada) LTD.
LITHOLOGIC LOG

Date Feb 1, 1987 Page 4 of 7
 Logged By: Les Demme

FROM	TO	UNIT	% OX	% CAR	% SUL	% CLY	% SPD	% SVB	DESCRIPTION
* 0.0	25.9	OvB8	—	—	—	—	—	—	OVERBURDEN
* 25.9	44.9	2b	0	0	1	0	2	0	SANDSTONE -dk grey-greenish from fine to coarse grain sandstone upper part more conglomeratic appearance (sand with pebbles not cemented), lower part fine coarse. (siltstone?) soft (weakly cemented).
* 44.9	50.9	2d	0	0	3	1	10	0	PEBBLE CONGLOMERATE -dk grey-light green, sandy matrix -well rounded pebbles
50.9	67.05	2e	0	0	2	1	5	0	BOULDER CONGLOMERATE -greenish-grey in sandy matrix and medium coarse conglomerate, volcanic matrix boulders 20-25 cm 65.0-67.05m dark green weakly consolidated sand.
* 67.05	75.0	2d	0	0	2	3	3	0	PEBBLE CONGLOMERATE grey-greenish-white color, pebbles 0.5-2.0cm -app. single phase breccia 68.4-70.0m sandstone sequence

- 26 -

DOH 87-17
Assayed By: CHEMEX

ASSAY LOG

Date: Feb 1, 1981 Logged By: Les Demeré

Sampled By: _____

FROM	TO	SAMPLE NO.	INTER.	REC.	UNIT	NOTES	AU	AU	AG	AG	AS	HG
							oz/ton	g/tonne	oz/ton	g/tonne		
30.0	32.0	63109 G	2.0	2	2b							
32.0	34.0	10 G ⁺	4	1.9	"							
34.0	36.0	11 G	11	1.7	"							
36.0	38.0	12 G	"	2	"							
38.0	40.0	13 G	"	2	"							
40.0	42.0	14 G	"	2	"							
42.0	44.0	15 G	"	2	"							
44.0	44.9	16 G	0.9	0.9	2b							
44.9	46.0	17 G	1.1	1.0	2d							
46.0	48.0	18 G	2.0	2	2d							
48.0	50.0	19 G	"	2	2d							
50.0	52.0	20 G	2.0	2	2e	45% 2d						
52.0	54.0	21 G	4	2	2e							
54.0	56.0	22 G	4	2	2e							
56.0	58.0	23 G	4	2	2e							
58.0	60.0	24 G	4	2	2e							
60.0	62.0	25 G	4	2	2e							
62.0	64.0	26 G	4	2	2e							
64.0	66.0	27 G	4	2	2e							
66.0	68.0	28 G	4	2	2e	47% 2d						
68.0	70.0	29 G	4	2	2d	50% 2d						
70.0	72.0	30 G	4	2	2d							
72.0	75.0	31 G	4	2.1	2d							

E.O.H.



Chemex Labs Ltd.

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 BRITISH COLUMBIA, CANADA V7J-2C1
 PHONE (604) 984-0221

CERTIFICATE OF ANALYSIS 18108

To: CITY RESOURCES (CANADA) LIMITED

2000 - 666 BURRARD ST.
 VANCOUVER, BC
 V6C 2X8

Page No. : 2
 Tot. Pages: 2
 Date : 3-MAR-87
 Invoice # : I-8710877
 P.O. # : NONE

Project : CINOLA
 Comments :

SAMPLE DESCRIPTION	PREP CODE	Hg ppm	As FA oz/T										
63101 G	208	231	1	VV	0.003								
63102 GG	208	231	1	VVV	0.003								
63103 GG	208	231	1	VVVV	0.003								
63104 GG	208	231	1	VVVV	0.003								
63105 G	208	231	1	VVV	0.003								
63106 G	208	231	1	VV	0.003								
63107 GG	208	231	1	VVV	0.003								
63108 GG	208	231	1	VVV	0.003								
63109 C	208	231	7	V	0.003								
63110 G	208	231	100	V	0.003								
63111 G	208	231	360	V	0.004								
63112 GG	208	231	16	V	0.003								
63113	208	231	8	VV	0.003								
63114 GG	208	231	5	VV	0.003								
63115 G	208	231	3	VV	0.003								
63116 GG	208	231	3	VV	0.003								
63117 GG	208	231	10	VV	0.003								
63118 GG	208	231	5	VVV	0.003								
63119 GG	208	231	4	VVV	0.003								
63120 G	208	231	1	VVV	0.003								
63121 GG	208	231	1	VV	0.003								
63122 GG	208	231	1	VVV	0.003								
63123 GG	208	231	1	VVV	0.003								
63124 GG	208	231	1	VVV	0.003								
63125 G	208	231	1	VVV	0.004								
63126 G	208	231	1	VV	0.003								
63127 GG	208	231	1	VVV	0.003								
63128 GG	208	231	1	VVV	0.003								
63129 GG	208	231	2	VVV	0.003								
63130 G	208	231	1	VV	0.003								
63131 G	208	231	1	V	0.003								

ALL ASSAY DETERMINATIONS ARE PERFORMED OR SUPERVISED BY B.C. CERTIFIED ASSAYERS

CERTIFICATION : Christie

ENGINEER'S STATEMENT

I Kenneth G. Sanders am a Professional Engineer registered in the Association of Professional Engineers of B.C.

At the time of the drill programme covered in this report I was a Director of City Resources (Canada) Limited, one of the owners of the mineral claims. The Company's address is 2000 - 666 Burrard Street, Vancouver, B.C. V6C 2X8.

I have been professionally employed in the mining industry for thirty-seven years. The drilling covered in this report was supervised by Mr. Robin Tolbert, Exploration Manager for City Resources (Canada) Limited. His certification statement is included herein. I have known Mr. Tolbert for nine years.

DATED at Vancouver, B.C., this 2nd day of June, 1987



KENNETH G. SANDERS, P. ENG.

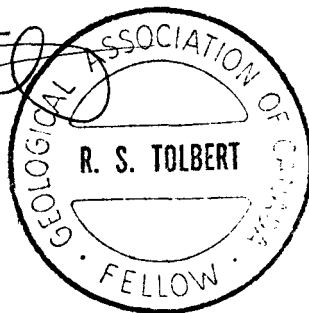
EXPLORATION MANAGER'S STATEMENT OF QUALIFICATIONS

I, Robin Stuart Tolbert, of 306 - 145 East 12th Street, North Vancouver, B.C., V7L 2J3, state that:

1. I graduated in 1972 from Edinburgh University, Scotland with a B.Sc. in Geology.
2. From 1974 - 1978 I was employed by UMAX as Geologist, and from 1979 - 1981 as Senior Geologist, on exploration programs in B.C., Yukon and Western United States.
3. From 1981 - 1985 I was employed by Cyprus Anvil Mining Corporation, as District Geologist, based in Faro, Yukon involved in exploring and developing deposits within the Anvil District.
4. From 1985 - 1987 I was a Consulting Geologist.
5. From February 1987 to present I have been employed by City Resources (Canada) Limited as Exploration Manager.
6. I am a Fellow of the Geological Association of Canada.
7. The drilling programme described in this assessment report was carried out under my supervision.

DATED at Vancouver, B.C., this 2nd day of June, 1987.

R.S. Tolbert
ROBIN S. TOLBERT



D. W. COATES ENTERPRISES LTD.

INVOICE DETAIL - JANUARY 16-31, 1987

JOB: 719 CITY RESOURCES (CANADA) LTD.
SECTION: A DRILLING DETAIL
SUB-SECT: 1 RATE PER FOOT

LINE	HOLE	SIZE	FROM	TO	FEET	RATE	AMOUNT
0010	87-05	NG	16.0	328.0	312.0	21.15	6,598.80 ✓
0020	87-06	HW	0.0	27.0	27.0	24.75	668.25 ✓
0030	87-06	HQ	27.0	417.0	390.0	25.00	9,750.00 ✓
0040	87-09	NW	0.0	10.0	10.0	21.00	210.00 ✓
0050	87-09	NG	10.0	500.0	490.0	21.15	10,363.50 ✓
0060	87-09	NG	500.0	888.0	388.0	22.10	8,574.80 ✓
0070	87-15	NW	0.0	30.0	30.0	21.00	630.00 ✓
0080	87-15	NG	30.0	492.0	462.0	21.15	9,771.30 ✓
0090	87-03	HQ	440.0	500.0	60.0	25.00	1,500.00 ✓
0100	87-03	HQ	500.0	755.0	255.0	26.20	6,681.00 ✓
0110	87-07	HW	0.0	11.0	11.0	24.75	272.25 ✓
0120	87-07	HQ	11.0	500.0	489.0	25.00	12,225.00 ✓
0130	87-07	HQ	500.0	755.0	255.0	26.20	6,681.00 ✓
0140	87-08	HW	0.0	9.0	9.0	24.75	222.75 ✓
0150	87-08	HQ	9.0	495.0	486.0	25.00	12,150.00 ✓
0160	87-10	HW	0.0	6.0	6.0	24.75	148.50 ✓
0170	87-10	HQ	6.0	66.0	60.0	25.00	1,500.00 ✓
0180	87-11	HW	0.0	10.0	10.0	24.75	247.50 ✓
0190	87-11	HQ	10.0	62.0	52.0	25.00	1,300.00 ✓
0200	87-12	HW	0.0	9.0	9.0	24.75	222.75 ✓
0210	87-12	HQ	9.0	66.0	57.0	25.00	1,425.00 ✓
0220	87-13	HW	0.0	14.0	14.0	24.75	346.50 ✓
0230	87-13	HQ	14.0	132.0	118.0	25.00	2,950.00 ✓
0240	87-14	NW	0.0	30.0	30.0	21.00	630.00 ✓
0250	87-14	NG	30.0	257.0	227.0	21.15	4,801.05 ✓
0260	87-16	NW	0.0	20.0	20.0	21.00	420.00 ✓
0270	87-16	NG	20.0	336.0	316.0	21.15	6,683.40 ✓
0280	87-17	NW	0.0	50.0	50.0	21.00	1,050.00 ✓
0290	87-17	NW	50.0	80.0	30.0	22.75	682.50 ✓
0300	87-17	NG	80.0	180.0	100.0	21.15	2,115.00 ✓

4773.0

110,820.85 *

^

SECTION TOTAL: \$110,820.85 **

H. B. Sanders

D. W. COATES ENTERPRISES LTD.

INVOICE DETAIL - FEBRUARY 1-6, 1987

JOB: 719 CITY RESOURCES (CANADA) LTD.
SECTION: A DRILLING DETAIL
SUB-SECT: 1 RATE PER FOOT

LINE	HOLE	SIZE	FROM	TO	FEET	RATE	AMOUNT
0010	87-17	NG	180.0	246.0	66.0	21.15	1,395.90 ✓
0020	87-18	NW	0.0	50.0	50.0	21.00	1,050.00 ✓
0030	87-18	NG	50.0	252.0	202.0	21.15	4,272.30 ✓
					318.0		6,718.20 *✓

K. B. Sanders