Searchlight Resources Inc.
218-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5
Phone: (604)684-2361 or (604)271-6556

ASSESSMENT REPORT
on the

RABBIT PROPERTY

SIMILKAMEEN MINING DIVISION

TULAMEEN, BC.

NTS:92 H/10 W

LATITUDE: $49^{\circ} 36.6$ LONGITUDE: $1200^{\circ} 120^{\circ} 47.8^{\prime}$ OWNERS: Abermin Corporation OPERATORS: Calais Resources Inc.

## CLAIMS:

Rabbitt 1-4, Boulder 1-2, Anaconda, Berlin Fr., Black Bird, Constitution, Cousin Jack, Freddie Burn, International, Morning, Oshkosh, Winnebago, Ymir, Nero, FILMED and Deer
by

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## SUMMARY

Diamond drilling was performed on the the Rabbitt property, north of Tulameen, B.C. in the Similkameen Mining Division in February, 1987. A total of 2173 feet ( 662 m ) of NQ core was drilled, in 12 holes on two arcas of the property: from the Cousin Jack adits to trench 86-28A and the Berlin shaft area.

The drilling was performed to investigate anomalous values obtained by Abermin Corporation in 1986. These gold and silver values, up to $0.372 \mathrm{oz} /$ ton gold and $0.22 \mathrm{oz} / \mathrm{ton}$ silver from the Berlin shaft area are thought to be from an epithermal vein system.

Encouraging results were not obtained from the drill holes and further exploration work is not recommended.

## IINTRODUCTION

## Location and Access

The Rabbitt property is located in southern British Columbia in the Similkameen Mining Division. The property is located at $49^{\circ} 37^{\prime}$ north latitude and $120^{\circ} 48^{\prime}$ west longitude and the topographic map sheet is the Tulameen sheet, NTS $92 \mathrm{H} / 10$ (1:50,000), (fig. 1).

Access to the property may be obtained from Princeton via Coalmont to Tulameen, a distance of 26.5 kilometres. From Tulameen a well maintained gravel road (the Otter Valley Road) is taken to the north for a distance of 6 kilometres, 1 kilometre north of Perley Creek. From this point on the road a steep four wheel drive road provides access to the north of the property, a distance of 4.5 kilometres. The total distance from Princeton to the property is thus 37 kilometres.

The closest town to the property is Princeton with a population of 2,900 on the southern Trans-Provincial Highway.


## Physiography and Vegetation

The property is located on the eastern margin of the Cascade Mountains and straddles Boulder Mountain in the north and Mount Rabbitt and Mount Riddell in the southwest and southeast respectively. Elevations range from 1000 to 1500 metres with many steep valley slopes, average slopes are $10^{\circ}$ to $30^{\circ}$.

The property is drained by Elliot Creek to the north and east and Perley and Lockie Creeks which flow into Otter Lake. Lockie Creek separates Boulder Mountain from Mount Rabbitt.

This area of British Columbia is characterized by hot, dry summers and cold winters. Most of the annual precipitation falls as snow, accumulating to depths of up to 1.5 metres in January and February.

Most of the property is covered by virgin timber consisting of fir, pine and spruce. Second growth is present on lower slopes, above Otter Lake. The northwest portion of Boulder Mountain is due to be logged during the next three years by Balco Timber Co., of Merritt, B.C., with access from Elliot Creek.

## Property and Ownership

The Rabbitt property (fig. 2) consists of the following 8 located claims comprising 85 units and 11 reverted Crown-granted claims:

| Claim | Units | Record <br> Number | Expiry <br> Date |
| :--- | :---: | :---: | ---: |
| Rabbitt 1 | 12 | 944 | 29 Nov. 96 |
| Rabbitt 2 | 4 | 945 | 29 Nov. 96 |
| Rabbitt 3 | 9 | 946 | 29 Nov. 96 |
| Rabbitt 4 | 8 | 947 | 29 Nov. 96 |
| Boulder 1 | 16 | 948 | 29 Nov. 96 |
| Boulder 2 | 18 | 949 | 29 Nov. 96 |
| Anaconda (L 373) | 1 | 260 | 26 Aug. 96 |
| Berlin Fr. (L 269) | 1 | 258 | 26 Aug. 96 |
| Blackbird (L 268) | 1 | 257 | 26 Aug. 96 |
| Constitution (L 282) | 1 | 298 | 20 Feb. 96 |
| Cousin Jack (L 263) | 1 | 1045 | 2 June 96 |
| Freddie Burn (L 270) | 1 | 259 | 26 Aug. 96 |
| International (L283) | 1 | 297 | 20 Feb. 96 |
| Morning (L 265) | 1 | 264 | 26 Aug. 96 |
| Oshkosh (L 266) | 1 | 263 | 26 Aug. 96 |
| Winnibago (L 267) | 1 | 261 | 26 Aug. 96 |
| Ymir (L 264) | 1 | 262 | 26 Aug. 96 |
| Nero | 6 | 2439 | 10 Sep. 96 |
| Deer | 12 | 2370 | 11 Feb. 96 |

Mr Harold Adams, Box 1329, Princeton, B.C., V0X IWO, is the owner of the claims with the exception of the Cousin Jack claim. All of the above claims are on option to Abermin Corporation. Kenam Resources Ltd acquired an option to purchase the property from Mr Adams in September, 1979 and later assigned the option to Brican Resources Ltd in February, 1980. Brican obtained an option to purchase the Cousin Jack claim from Mr Keith George, Box 376 Keremeos, B.C., V0X 1N0, in April, 1982.

Calais Resources Inc., has entered into a joint venture agreement with Abermin Corporation.

The claims are in good standing for ten years, until 1996.


## History and Previous Work

Exploration in this area dates back to the late 19th Century with the discovery of placer gold. Perley and Lockie Creeks were worked for placer gold at that time.

The crown grants were first staked in 1904 and surveyed later that same year, Vallance (1934). Prospecting carried out at that time consisted of the development of two adits, the North Cousin Jack adit ( 37 m ) and the South Cousin Jack adit ( 23 m ) driven on the Cousin Jack claim (L 263) and a 91 m adit driven on the Oshkosh claim (L 266). The Berlin shaft ( 10 m ), the Freddie Burn adit ( 30 m ) and the Ymir adit ( 23 m ) are also believed to have been developed at that time, (fig. 3).

Substantial exploration has been carried out since the 1960's. Copper Mountain Consolidated performed work on showings on Mount Rabbitt including bulldozer stripping and diamond drilling ( 5 holes). Gold River Mines explored the Boulder Mountain showings in the early 1970's, the work consisted of geochemical and geophysical surveys and subsequent bulldozer trenching and diamond drilling ( 33 holes). The drill core is not available for re-examination. Brican Resources Ltd optioned the ground in 1980 and conducted wide spaced geochemical and geophysical surveys and limited backhoe pitting from 1980 to 1984.

Aberford Resources Lid optioned the property from Brican Resources Ltd in the autumn of 1984. From May to September, 1984, a programme of linecutting, geological mapping, geophysics and soil geochemistry was performed on Boulder Mountain. Abermin Corporation continued the work programme of Aberford Resources Ltd from May to August, 1986. This programme consisted of additional line cutting, geological mapping, geophysics and soil geochemistry on both Boulder Mountain and Mount Rabbitt. Work performed by Abermin Corporation from August to September, 1986 consisted of the excavation of 62 backhoe trenches on the property. Geochemical and assay samples were taken.

## 1987 Drill Programme

A total of 12 NQ diamond drill holes were drilled, with a total depth of 2173 feet, (662 m). A total of 116 core samples were taken consisting of 73 geochemical and 43 assay samples. The drill core has been stored at the home of one of the vendors, Mr H. Adams, Sccond Street, Tulameen, B.C.

The 1987 drill programme was performed on the Boulder 1, Cousin Jack (L 263) and the Ymir (L 264) claims.

## GEOLOGY

## Regional Geology

The area is dominated by the Upper Triassic Nicola Group, a basaltic-andesitic volcanic assemblage with complexely bedded flows, pyroclastics, derived sediments and associated intrusions. Progressive compositional changes towards more siliceous volcanic rocks may represent a waning stage of volcanism within a rapidly subsiding north-south trending basin, Rice (1947), Preto $(1976,1979)$ and Monger (1984).

The Nicola assemblage has been subsequently deformed, subjected to low grade metamorphism and cut by a series of Mesozoic and Cainozoic age intrusives. According to Monger (1984) the southwest dipping foliation within the Nicola Group and the Jurassic Boulder Granite is probably of late Jurassic to carly Cretaceous age.

## Property Geology

The 1987 drill programme was concentrated in the northeast corner of the Rabbitt property, the Boulder 1 claim and the reverted crown grants. This area is underlain by the Nicola Group assemblage and the Boulder Granite, McArthur \& Fields (1986).

A variety of rock types are reported in the Nicola Group from this area and include andesitic to rhyodacitic flows, dykes, breccias, pyroclastics, tuffs and volcanosediments. A tentative stratigraphic sequence of a lower interbedded volcanic and sedimentary unit, overlain by a thick middle andesitic volcanic and volcaniclastic unit and capped by the remnants of an upper rhyodacitic unit.

Drilling has revealed the existence of similar geology and vein structures in each of the two areas drilled: at the Cousin Jack adit area and the Berlin shaft area. The Nicola Group assemblage displays weak to moderately developed foliation which reveals shallow dips of $10^{\circ}$ to $20^{\circ}$ to the west. Andesite is encountered in all of the drill holes and displays pervasive quartz sericite alteration resulting in light to medium grey andesite with clay developed throughout the rock and concentrated in bands. The alteration is particularly marked uphole from the quartz-carbonate veining. This alteration is thought to be developed on the hangingwall side of the steeply west dipping vein structures.

Propylitic alteration is particularly well developed on the downhole (footwall) side of the vein structures. A purple to red colour is characteristic of this type of alteration developed in the andesite host rock. Chlorite and epidote are also present. Drill holes with two or more vein intersection display repetitions of quartz sericite and propylitic alterations.

A dark grey to black mafic unit is frequently present beneath the zone of alteration, this unit is described in the literature as a mafic dyke, but appears to be texturally identical to the propylitically altered unit. It is thought that the black mafic unit is the unaltered host rock.

The Boulder Granite displays occasional weak foliation together with a low grade metamorphic overprint, this has resulted in the alteration of the mafic minerals to chlorite. Xenoliths of the black mafic unit are often present in the Boulder granite, particularly in DDH 87-3.

Mineralization associated with the Cousin Jack adits and the nearby area is reported to consist of polymetallic siliceous veins containing 10 per cent or more of sulphides, being pyrite - sphalerite $\pm$ galena $\pm$ chalcopyrite. This mineralization is the Type II mineralization of McArthur, (1986). Assay values obtained from the 1987 drill programme are variable and range from a low of $<5 \mathrm{ppb}$ to a high of $0.032 \mathrm{oz} / \mathrm{ton} \mathrm{Au}, 0.1 \mathrm{ppm}$ to $0.77 \mathrm{oz} /$ ton $\mathrm{Ag},<0.01$ to $1.96 \% \mathrm{~Pb}$ and 0.01 to $4.11 \% \mathrm{Zn}$. The highest gold and silver values were obtained from the area of the Cousin Jack adits. These high gold and silver values are associated with the highest lead and zine values and are from siliceous andesite zones with minor carbonate. The quartz carbonate veining, for example the $13^{\prime} 8^{\prime \prime}$ vein encountered in drill hole 87-1, did not return high assay values.

## DRILL PROGRAMME

The 1987 drill programme was planned to investigate anomalous areas revealed by Abermin Corporation during their geological mapping, geophysics and soil geochemistry programme of May to August and the trench excavation and sampling programme of August to September, 1986. A total of 12 NQ holes were drilled from the 9th - 24th February, 1987, for a total depth of 2173 feet ( 662 m ), (fig. 3).

Details of the diamond drill holes are given below:

| Drill <br> Hole | Depth $\qquad$ | Depth $\qquad$ | Azimuth | Incl. | Elev. $\qquad$ | Locality |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 87-1 | 271 | 82.1 | $121^{\circ}$ | $-50^{0}$ | 1295.1 | South Cousin Jack |
| 87-2 | 250 | 76.2 | $121{ }^{\circ}$ | $-75^{\circ}$ | 1295.1 | South Cousin Jack |
| 87-3 | 326 | 99.4 | $105^{\circ}$ | $-50^{\circ}$ | 1291.5 | North Cousin Jack |
| 87-4 | 344 | 104.9 | $105^{\circ}$ | $-75^{0}$ | 1320.5 | Trench 86-28A |
| 87-5 | 197 | 60.0 | $090^{\circ}$ | $-60^{\circ}$ | 1299.9 | Trench 86-28A |
| 87-6 | 194 | 59.1 | - | $-90^{\circ}$ | 1287.1 | North Cousin Jack |
| 87-7 | 151 | 46.0 | $121^{\circ}$ | $-80^{\circ}$ | 1291.2 | South Cousin Jack |
| 87-8 | 158 | 48.2 | $346{ }^{\circ}$ | $-50^{\circ}$ | 1199.2 | Berlin Shaft |
| 87-9 | 213 | 64.9 | $328{ }^{\circ}$ | $-40^{\circ}$ | 1199.2 | Berlin Shaft |
| 87-10A | $16^{*}$ | 4.9 | -..- | $-90^{\circ}$ | 1215.0 | Berlin Shaft |
| 87-10B | 12** | 3.7 | --. | $-90^{\circ}$ | 1215.0 | Berlin Shaft |
| 87-11 | 41* | 12.2 | $328{ }^{\circ}$ | $-60^{\circ}$ | 1199.2 | Berlin Shaft |

Total
Depth $2173 \quad 662.0$

- Incomplete holes
* Elevations have been determined relative to the Berlin Shaft, which has an elevation of 1201.5 m .

Drill holes 87-1 to 3 and 6 and 7 were drilled to intersect mineralization associated with the North and South Cousin Jack adits. Drill holes $87-4$ and 5 investigated the trench 8628A. Drill Hole $87-1\left(121^{\circ},-50^{\circ}\right)$ intersected a $13^{\prime \prime} 8^{\prime \prime}(4.17 \mathrm{~m})$ quartz- carbonate vein with minor pyrite at $229^{\prime} 10^{\prime \prime}(70 \mathrm{~m})$ with quartz veining above this vein.


Drill Hole 87-2 ( $121^{0},-75^{\circ}$ ) intersected a $1^{\prime} 3^{\prime \prime \prime}$ ( 0.38 m ) quartz-carbonate vein at $228^{\prime \prime} 8^{\prime \prime}$ ( 69.6 m) with minor disseminated pyrite. Wallrock mineralization was noted from 191-203'4" ( $58.2-62 \mathrm{~m}$ ) with galena and sphalerite in grey foliated andesite. Sample 54030 returned values of $0.032 \mathrm{oz} /$ ton $\mathrm{Au}, 0.49 \mathrm{oz} /$ ton $\mathrm{Ag}, 0.05 \% \mathrm{Cu}, 0.49 \% \mathrm{~Pb}$ and $3.72 \% \mathrm{Zn}$ from 158 to 161 feet.

Drill Hole $87-3$ ( $105^{\circ},-50^{\circ}$ ) intersected veins at $180^{\prime \prime} 4^{\prime \prime}(55 \mathrm{~m})$ and at $254^{\prime \prime} 4^{\prime \prime}$ ( 77.5 m ). The latter quartz-carbonate vein is $1^{\prime \prime} 8^{\prime \prime}(0.5 \mathrm{~m})$ wide with no discernible sulphide mineralization.

Drill Hole 87-4 ( $105^{\circ},-75^{\circ}$ ) intersected a $1^{\prime}(0.3 \mathrm{~m})$ quartz -carbonate vein at $314^{\prime \prime} 11^{\prime \prime}$ ( 77.7 m).

Drill Hole 87-5 ( $090^{\circ},-60^{\circ}$ ) intersected veins at $122^{\prime}(37.2 \mathrm{~m})$ at $126^{\prime}$ ( 38.4 m ) and at $149^{\prime} 8^{\prime \prime}$ ( 45.6 m ), the latter vein is $1^{\prime}(0.3 \mathrm{~m})$ wide with finely disseminated pyrite. These two drill holes were drilled to intersect mineralization revealed in trench 28A in 1986.

Drill Hole 87-6 ( $-90^{\circ}$ ) intersected siliceous andesite with pyrite, galena and sphalerite from $93^{\prime \prime} 8^{\prime \prime}$ to $127^{\prime}$ ( 28.6 to 38.7 m ). Sample 54067 returned values of $0.006 \mathrm{oz} /$ ton $\mathrm{Au}, 0.77$ oz/ton $\mathrm{Ag}, 1.96 \% \mathrm{~Pb}$ and $3.58 \% \mathrm{Zn}$ over 4 feet from $101^{\prime} 6^{\prime \prime}$ to $105^{\prime} 6^{\prime \prime}$.

Drill Hole 87-7 ( $121^{\circ},-80^{\circ}$ ) intersected mineralized andesite from 35 to $83^{\prime}$ ( 10.7 to 25.3 m ) with pyrite, galena and sphalerite. A quartz-carbonate vein was also intersected at 137'9" ( 42 m ).

Drill holes $87-8$ to 11 were drilled to intersect mineralization associated with the Berlin shaft. Drill Hole $87-8\left(346^{\circ},-50^{\circ}\right)$ intersected a quartz-carbonate veinlets in andesite from $149^{\prime}$ to $158^{\prime}$ ( 45.4 to 48.2 m ). Pyrite and galena are present as stringers and bands.

Drill Hole $87-9\left(328^{\circ},-40^{\circ}\right)$ intersected a $2^{\prime \prime}$ to $3^{\prime \prime}$ quartz vein with disseminated pyrite at 117' ( 35.7 m ).

Drill Holes $87-10 \mathrm{~A}$ and $\mathrm{B}\left(-90^{\circ}\right)$ were not completed due to difficult drilling conditions. Drill Hole 87-10A encountered quartz-carbonate veining mineralized with galena and pyrite at $11^{\prime \prime} 8$ ( 3.6 m ).

Drill Hole 87-11 (328,$\left.-60^{\circ}\right)$ was not completed due to lack of funds.
The highest values were obtained from drill holes intersecting mineralization associated with the Cousin Jack adits. Drill hole $87-2$ had the highest gold value with $0.032 \mathrm{oz} /$ ton and $87-6$ had the highest silver value with $0.77 \mathrm{oz} /$ ton.

## Core Sampling

A total of 116 core samples were taken from the 12 drill holes, consisting of 72 geochemical samples analyzed for gold and silver, 1 geochemical sample analyzed for gold, silver, lead and zinc, 23 assay samples analyzed for gold and silver, 7 assay samples analyzed for gold, silver, lead and zinc and 13 assay samples analyzed for gold, silver, lead, zinc and copper.

A description of the sample techniques performed by Chemex Labs Ltd, 212 Brooksbank Ave, North Vancouver, B.C., V7J 2Cl., on the assay samples is given below:

In the sample preparation stage the screens are checked for metallics which, if present, are assayed separately and calculated into the results obtained from the pulp assay. Half assay ton subsamples are fused in litharge, carbonate and siliceous fluxes. The lead button containing the precious metals is cupelled in a muffle furnace. The combined silver and gold is weighed on a microbalance, parted, annealed and again weighed as gold. The difference in the two weights is the amount of silver. The detection limits are $0.003 \mathrm{oz} /$ ton for gold and $0.01 \mathrm{oz} /$ ton for silver. For copper, lead and zinc a 2 gm sub-sample was digested in a hot perchloric-nitric acid mixture for two hours, cooled, then transferred into a 250 ml volumetric flask. Aluminium choride is then added during copper analysis as an ionization suppressant for molybdenum. For the lead and zinc nitric acid is added to the final sample and standard solutions. The solutions are then analyzed on an atomic absorption instrument. The copper, lead and zinc are expressed as percentages.

A description of the geochemical sample techniques is given below:
All samples were dried and crushed in a ceramic plated pulverizer to -100 mesh. Analysis for gold required 10 gm sub-samples to be fused with 10 mg of gold free silver metal. The fusion was then cupelled and the remaining silver bead parted with dilute nitric acid and treated with aqua regia. The remaining salts were then dissolved in dilute HCl and analyzed for gold via an atomic absorption spectrometer with a 5 parts per billion (ppb) detection limit. Silver analyses required I gram portions of each sample to be digested in a $20 \% \mathrm{HClO}_{4}-4 \% \mathrm{HNO}_{3}$ mixture for approximately two hours. For silver, the digested sample was then cooled and made up to 25 ml with distilled water. The solution was then mixed and the solids were allowed to settle. Silver concentration was then determined using corrected atomic absorption techniques with a detection limit of 0.1 part per million ( ppm ). For lead and zinc a 2 gm sub-sample was digested in a hot perchloric-nitric acid mixture for two hours, cooled, then transferred into a 250 ml volumetric flask. For the lead and zinc nitric acid is added to the final sample and standard solutions. The solutions are then analyzed on an atomic absorption instrument with results expressed as parts per million (ppm).

## CONCLUSIONS

The values obtained do not warrant a continuation of the exploration drilling programme in 1987 to further evaluate the potential of the Rabbitt property.

## RECOMMENDATIONS

Further exploration of the Rabbitt Property is not recommended.
If further work is performed on this property it should be directed towards geological mapping of alteration at surface to determine the dip of the vein structures south of the Cousin Jack area, between the Cousin Jack area and the Berlin shaft and north of the Berlin shaft towards the Oshkosh adit. Should further drilling be considered it should be concentrated around the Berlin shaft, trench $86-4$ and at the Freddie Burn adit.

## COST ESTIMATES

| Field Personnel |  |
| :---: | :---: |
| H. Macfarlanc, 16 Jan-28 Feb. 1987 |  |
| 40 days @ \$248.26 | \$9930.24 |
| B. Chomack, 26 Jan-28 Feb. 1987 |  |
| 34 days @ \$225 | 7650.00 |
| B. Callaghan, 18 Feb-28 Feb. 1987 |  |
| 11 days @ \$225 | 2475.00 |
| Total - 85 man days | \$20055.24 |
| Consultant |  |
| 13-14 Feb. 19876 days @ \$465.48 | \$2792.88 |
| Accomodation |  |
| 26 Jan-28 Feb.1987, 79 man days @ \$11.55 | \$912.91 |
| Food |  |
| 26 Jan-28 Feb.1987, 79 man days @ \$28.39 | \$2242.90 |
| Transportation |  |
| Mobilization \& Demobilization | \$449.62 |
| 3/4 ton GM Chevrolet $4 \times 4$ pickup |  |
| 22 Jan-28 Feb.1987, 38 days @ \$53.66 | 2039.21 |
| Gas | 993.41 |
|  | \$3482.24 |
| Equipment and Supplies |  |
| Consumables | \$798.07 |
| Camp \& Field Gear Rentals | 100.00 |
|  | \$898.07 |
| Instrument Rentals |  |
| Radios, 3 @ \$90/month | \$225.00 |
| Core Splitter, @ \$72/month | 72.00 |
| Computer, @ \$220.00/month | 220,00 |
|  | \$517.00 |
| Sample Analysis |  |
| 72 Geochem. for Au, Ag @ \$13.62 | \$980.64 |
| 1 Geochem. for $\mathrm{Au}, \mathrm{Ag}, \mathrm{Pb}, \mathrm{Zn}$ @ \$15.78 | 15.78 |
| 23 Assay for Au,Ag@ \$17.40 | 400.20 |
| 13 Assay for Au, Ag, Cu, Pb, Zn @ \$39.00 | 507.00 |
| 7 Assay for Au,Ag, Pb,Zn @ \$31.80 | $\underline{222.60}$ |
| 116 Total | \$2126.22 |

Contracts
Interior Diamond Drilling Ltd
1843 ft NQ @ \$24.96/ft
29 days, 29 Jan-26 Feb. 1987 ..... \$46012.12
Iron Mountain Drilling Ltd 412 ft NQ @ \$25.25/ft
7 days, 20-26 Feb. 1987 ..... 10401.60
D6C Cat
55 hours, 27 Jan-19 Feb.1987, @ \$128.45 ..... 7065.00
Surveying 22-23 Fcb. 1987, @ \$397.38/day ..... 794.76
$\$ 64273.48$
Report Preparation Costs ..... $\$ 628.55$
Telephone ..... 688.27
Courier ..... 141.66
Draughting ..... 239.02
Photocopying ..... 160.00
Accounting ..... 841.56
TOTAL ..... $\$ 100,000.00$

## CERTIFICATE

I, H. S. Macfarlane, do hereby certify that:

1. I am a consulting geologist, resident in Vancouver, British Columbia.
2. I am a graduate in geology of the University of London, (B.Sc. Honours, 1976) and of the University of Leicester, (M.Sc., 1981).
3. I am a Member of the Institution of Mining and Metallurgy, London, a Registered Chartered Engineer of the Engineering Council, London, and a Fellow of the Geological Association of Canada.
4. I have practiced my profession as a geologist in Africa and the Cordillera of North America for the past ten years.
5. The information and recommendations in the attached report are based on the supervision of the 1987 drill programme on the Rabbitt Property, Tulameen, B.C., from the 26th January to the 28th February, 1987.
6. I have no interest, direct or indirect, in the property herein described, nor in the shares or securities of Calais Resources Inc., nor do I expect to receive any such interest.

H. S. Macharlane, MASc., F.G.A.C.

Dated at Vancouver, B.C., this 28th day of February, 1987.

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Appendix A: Diamond Drill Logs

$$
1 \text { Foot }=0.3048 \text { metres }
$$

DRILL HOLE RECORD



DRILL HOLE RECORD


E.O.H.e 271


DRILI HOLE RECORD


DRILL HOLE RECORD


DRILL HOLE RECORD

E.O.H. at $250^{\prime}$

| Project | Rabbitt | Logged by | H Macfarlane | Checked by | B | Callaghan | Hole <br> Page | No. | $87-2$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Iocation | Tulameen B.C. | Date | 16/2/87 |  |  |  |  | 3 |  | 3 |

DRILL HOLE RECORD


DRILL HOLE RECORD


DRILL HOLE RECORD


## DRILI HOLE RECORD



DRILL HOLE RECORD


DRILL HOLE RECORD


DRILL HOLE RECORD



DRILI HOLE RECORD


DRILL HOLE RECORD


## DRIIL HOLE RECORD



DRILI HOLE RECORD



DRILL HOLE RECORD


## DRILI HOLE RECORD



| DEPTH from (ft)to | DESCRIPTION ALTER | ALTERATION | RECOVERYrun |  | Sample Interval | Sample Length No. |  | ANALYSIS <br> 02/ton Ag 02/ton |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | with phenocrysts of feldspar, to7m, angular, euhedral form. Carbonate throughout rock. occassional clay bands,ilght green grey colour. Minor disseminated pyrite | $c$ |  |  |  |  |  |  |
| $144152^{\prime \prime} 6^{\prime \prime}$ | As above |  | $97 \times$ | 124 |  |  |  |  |
| 152'6"160'10 | From 157'6"-158'4" is light green grey bleached? Andesite, well foliated, with cross-cutting white pink quartz-carbonate veinlets to 5 mm . | A R | 100" | 100 |  |  |  |  |
| 160'10" 162 | ANDESITE <br> Light green-grey colour, quartz rich-silicious, carbonate in fractures, quartz veinlets and bands to 15 mm , subparallel to foliation (remnant). Minor clay bands to lom, rock has bleached nature. | B | 14" | 100 |  |  |  |  |
| $162{ }^{\prime} 1733^{\prime \prime} 6^{\prime \prime}$ $173{ }^{\prime \prime} 183^{\prime} 6^{\prime \prime}$ | Dark green grey in part-non bleached zones. | N |  | 88 100 |  |  |  |  |
| 183'6"186'6" | As above | A |  | 100 |  |  |  |  |
| 186'6"193'6" | GRANITE | $T$ |  |  |  |  |  |  |
|  | Green-grey to pinkish grey in part,mottled, with quartz,phenocrysts (white) blurred outline,minor clay bands,also minor carbonate content. | E |  |  |  |  |  |  |
| 193'6' 194 | As above |  | $18^{\circ}$ | 300 |  |  |  |  |

E.O.H. at 194'


DRILL HOLE RECORD


DRILL HOLE RECORD


DRILL HOLE RECORD


DRILU HOLE RECORD


DRILL HOLE RECORD



DRILL HOLE RECORD


DRILL HOLE RECORD


DRILL HOLE RECORD


DRILU HOLE RECORD


| Project Location | Rabbitt Tulameen B.C. | Logged by Date | H. Macfarlane $25 / 2 / 87$ | Checked by Date | B. Callaghan $28 / 2 / 87$ | Hole No. | $87-101$ | 1 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

DRILL HOLE RECORD

E.O.H. at 411

| Project Location | Rabbitt <br> Tulameen B.C. | Logged by Date | $\begin{gathered} \text { H. Macearlane } \\ 27 / 2 / 87 \end{gathered}$ | Checked by Date | $\begin{aligned} & \text { B. Callaghan } \\ & 28 / 2 / 87 \end{aligned}$ | Hole NO. Page | $\begin{array}{r} 87-11 \\ 1 \quad 01 \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |


|  | Sample <br> Number | Drill Hole | Depth <br> (ft) | Cu\% | Pb\% | Zn\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 54030 | 87-2 | 158-161' | 0.02 | 0.49 | 3.72 |
|  | 54031 | 87-2 | 191-193' | <0.01 | <0.01 | 0.04 |
|  | 54032 | 87-2 | 193-195' | <0.01 | <0.01 | 0.01 |
|  | 54033 | 87-2 | 195-197' | <0.01 | <0.01 | 0.02 |
|  | 54034 | 87-2 | 197-200 ${ }^{\circ}$ | <0.01 | <0.01 | 0.02 |
|  | 54035 | 87-2 | 200-203'4" | $<0.01$ | <0.01 | 0.02 |
|  | 54040 | 87-4 | 314'11"-315'11" | <0.01 | 0.02 | 0.15 |
|  | 54065 | 87-6 | 95-98' |  | 1.31 | 4.11 |
|  | 54066 | 87-6 | 98-101'6" |  | 0.98 | 2.87 |
|  | 54067 | 87-6 | 101'6"-105'6" |  | 1.96 | 3.58 |
|  | 54068 | 87-6 | 105'6"-108' |  | 1.08 | 3.72 |
|  | 54069 | 87-6 | 108-110'6" |  | 0.08 | 0.28 |
|  | 54075 | 87-7 | 42-47' |  | 0.30 | 1.30 |
|  | 54076 | 87-7 | 47-52' |  | 0.02 | 0.06 |
|  | 54077 | 87-7 | 35-38' |  | 0.10 | 0.96 |
|  | 54078 | 87-7 | 58-62' |  | 0.33 | 1.00 |
|  | 54100 | 87-8 | 149-154' |  | 0.17 | 0.27 |
| 3 | 54101 | 87-8 | 154-158' |  | 0.09 | 0.22 |
|  | 54104 | 87-9 | 95-95 ${ }^{\prime \prime}$ |  | 1.34 | 1.92 |
|  | 54114 | 87-10 | 11'6"-12' |  | 0.14 | 1.34 |
|  | 54115 | 87-10 | 12-14' |  | 0.76 | 2.22 |

