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GEOCHEMICAL REPORT
on the
JEN 1 and 2 CLAIMS

Omineca Mining Division - British Columbia

Lat 56° 61' N.
46.7'

Long. 126° 33' W.
34.8'

N.T.S. 94 D/15E

FILMED

for
GUNSTEEL RESOURCES INCORPORATED

Owner/Operator: Asitka Resource Corp.

by
Michael D. Smith, F.G.A.C.
and
Donald G. Allen, P.Eng. (B.C.)

16,067

GEOLOGICAL BRANCH
ASSESSMENT REPORT

May 15, 1987

Vancouver, B.C.

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SUMMARY

The JEN 1 and 2 claims, comprising 35 claim units, are situated in the McConnell Creek area of north-central British Columbia. The claims were staked by, and are now owned by, Gunsteel Resources Incorporated to cover a gold geochemical anomaly obtained in a regional stream sediment survey. The property is underlain by Takla Group basaltic flows, breccias and tuffs which are intruded by a stock and related dikes of the Omineca intrusions. The Takla Group volcanics contain minor amounts of pyrite.

In 1986, a modest program of soil geochemical sampling was carried out. Anomalous copper values (>20 ppm) with associated weak arsenic (>20 ppm) and zinc (>120 ppm) anomalies were obtained. A few scattered gold anomalies (40 to 340 ppb) were also obtained. An exploration program is proposed to follow up these anomalies.

CONCLUSION

Limited soil geochemical sampling carried out in 1986 partly outlined two areas of interest: 1) a copper+zinc+arsenic anomalous area in the northern part of the survey area; and 2) a single gold anomaly of 340 parts per billion with two weakly anomalous values obtained upslope. An expanded geochemical survey to fully outline the area of interest is warranted.

INTRODUCTION

Gunsteel Resources Incorporated holds the JEN claims comprising 35 claim units in the McConnell Creek area of north-central British Columbia. The property was staked by Gunsteel following a regional stream sediment survey. The survey, conducted by A & M Exploration Ltd. in 1983 for Gunsteel, yielded a geochemical anomaly (100 to 230 ppb gold in silt). This report is the result of field work completed by A & M personnel in September, 1986.

LOCATION, PHYSIOGRAPHY AND ACCESS

The JEN claims are situated in the McConnell Range of the Skeena Mountains (see Figure 1). These ranges are characterized by sharp peaks, prominent cirque basins and broad valleys between the ranges.

The claims lie on the east side of Moose Valley (Figures 2 and 3) on a tributary of Thorn Creek which, in turn, flows into Attichika Creek. Elevations range from 1700 to 2100 metres. Most of the claim area is above the tree line.

The Omineca Mine Road, the terminus of which is at the Moosevale airstrip, provides access to within five kilometres of the property. Access to the claims by bulldozer would be comparatively easy, but helicopter support is available in the summer months at Johanson Lake, 30 kilometres to the southeast.

GUNSTEEL RESOURCES INC.
LOCATION MAP
JEN CLAIMS

SCALE 200 0 200 KILOMETRES MILES
100 0 100

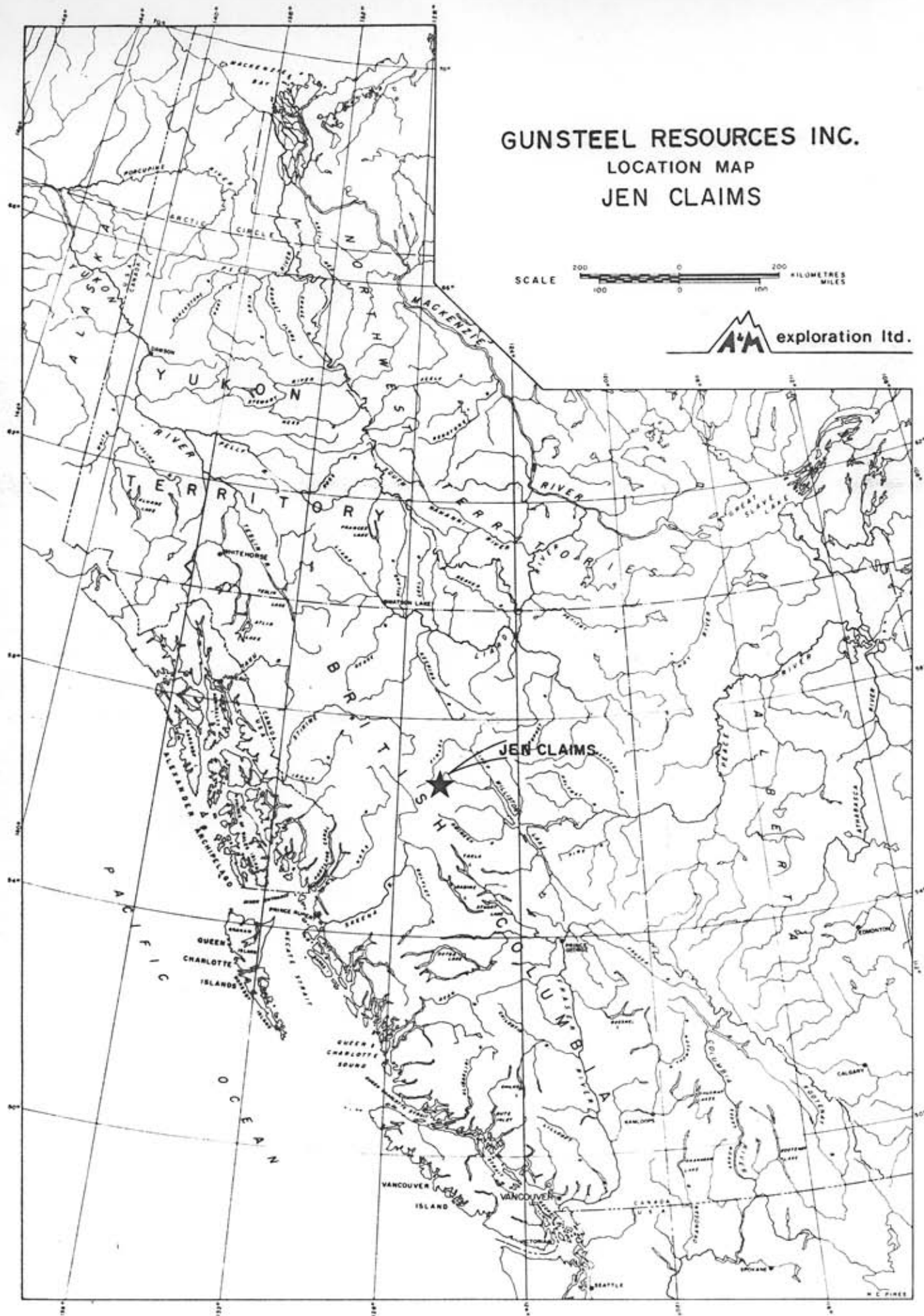


FIGURE - I



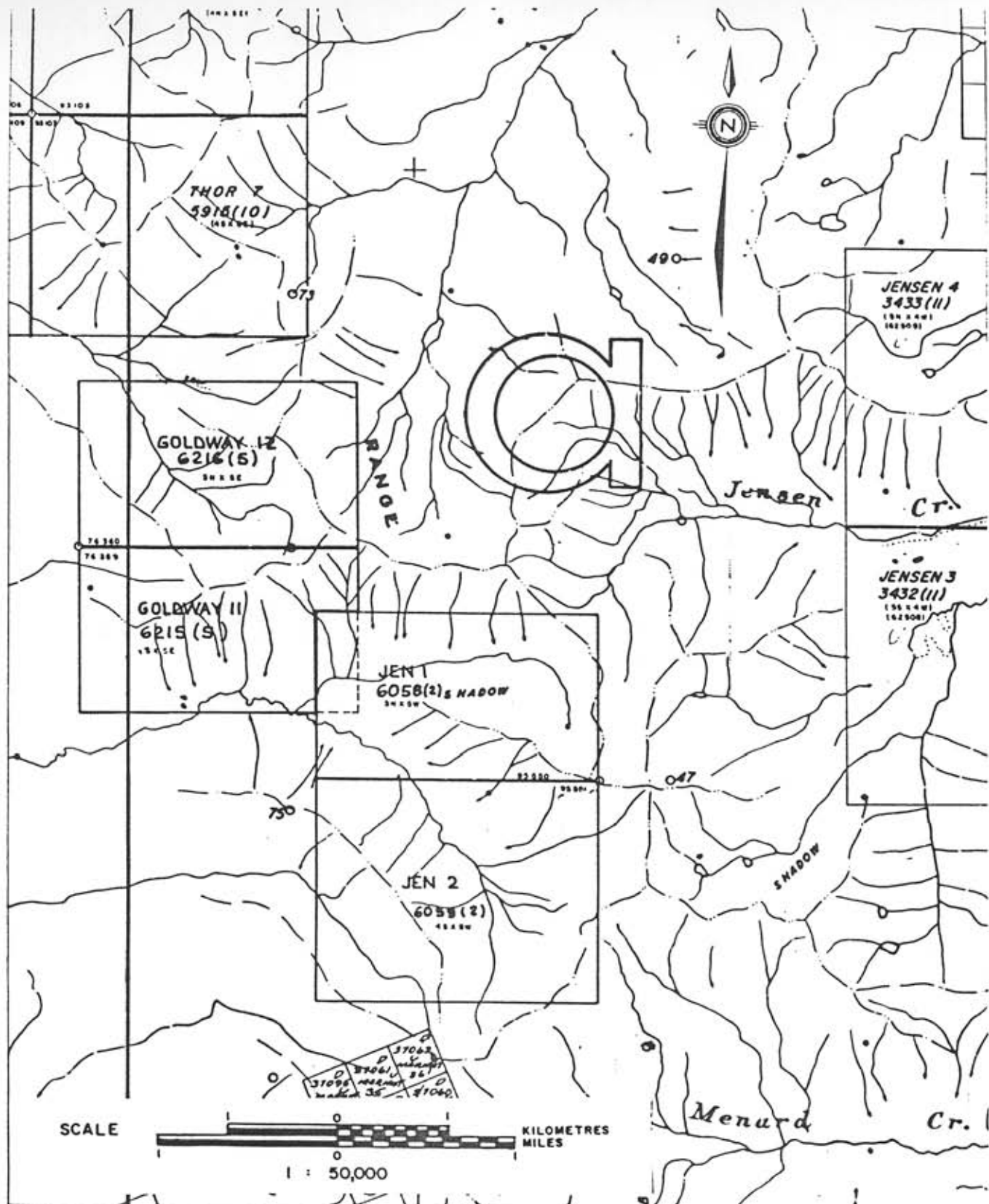
GUNSTEEL RESOURCES INCORPORATED

N.T.S. 94 D

ACCESS MAP

JEN CLAIMS

Omineca Mining Division - British Columbia



N.T.S. 94 D/15E

GUNSTEEL RESOURCES INCORPORATED
CLAIM MAP

JEN CLAIMS

Figure 3

CLAIM DATA

The Jen claims, comprising 35 claim units, are registered in the name of Gunsteel Resources Incorporated. Claim data are as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date*</u>
JEN I	15	6058	February 23, 1988
JEN II	20	6059	February 23, 1988

* Assuming that field work represented by this report is accepted for assessment purposes.

GEOLOGY

Regional Geology

The JEN claims are in the McConnell Creek Map Area, reported on by Lord (1948) and Richards (1977). They lie in a fault-bounded belt of volcanic rocks of the Takla Group (Triassic-Jurassic age) that extends much of the length of British Columbia. In the immediate area, this belt is about 30 kilometres wide. Metamorphic rocks of the Omineca crystalline belt (Proterozoic-Lower Cambrian) lie to the east of the belt. Sedimentary rocks of the Sustut (Cretaceous-Tertiary), volcanic and sedimentary rocks of the Hazelton (Jurassic) and Asitka (Permian) Groups outcrop to the west. Granitic plutons of the Omineca intrusions have invaded the Takla-Hazelton and older stratigraphic units.

Property Geology

The JEN claims are underlain by volcanoclastics and flow basalts of the Savage Mountain Formation of the Takla Group. Quartz

monzodiorite of the Omineca Intrusions outcrop in the southeastern part of the claim. Pyrite mineralization occurs sporadically in the volcanic rocks. Epidote associated with quartz veining is common. The quartz veins are small and carry only minor amounts of pyrite.

SAMPLING PROGRAM

Method

A total of 136 samples were taken on the claims on September 14 and 15, 1986. These samples consisted of 123 soil and 13 rock samples. Soil samples were collected on contour traverse lines along two of the major drainages cutting the property. Samples were taken at depths of 10 to 30 centimetres well below the "A" horizon. Soil material consisted mainly of talus fines and locally of glacial tills. Samples were placed in Kraft paper bags and shipped to Rossbacher Laboratory Ltd. for multielement analyses by standard atomic absorption techniques. Analytical results are presented in Appendix I and sample locations are plotted on Figure 4.

RESULTS

Zinc, lead, silver and gold values and anomalous copper and zinc values are plotted on Figure 4.

As expected, copper values in the claim are relatively high because of the underlying Takla Group volcanic rocks which are commonly copper-rich. Anomalous zinc values (120 to 262 parts per million) appear to occur in a cluster on the northern part of the survey area (on the Jen 1 claim) and are associated in general with relatively high copper values (100 to 850 ppm). Also associated with the copper anomalies are weakly anomalous arsenic values (> 20 ppm) particularly in the central part of the JEN 1 claim.

Except for a few weakly anomalous silver values (0.8 to 1.0 ppm) all values are near background.

One significant gold geochemical anomaly in soil was obtained near the centre of the JEN 2 claim (sample 631202 - 340 parts per billion gold). This sample is downslope from several weak gold anomalies (40 to 50 ppb) and therefore may roughly define a possible source area.

Donald G. Allen

REFERENCES


- Allen, D. G. and MacQuarrie, D. R. (1984). Geological and Geochemical Report on the Gunsteel Project Claims for Asitka Resource Corporation and Gunsteel Resources Incorporated. Private Report, May 5, 1984.
- Allen, D. G. (1984). Geological Report on the JEN Property for Seastar Resource Corporation. Private Report, July 18, 1984.
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- Lord, C. S. (1948). McConnell Creek Map Area, Cassiar District, British Columbia. Geo. Survey of Can., Memoir 251, 1948.
- Meyer, W. (1985). A Review of the Gold Potential of the Thor, Niv, Dew, Moose, Fred, Red, Carr and Comb claims for Gunsteel Resources Incorporated. Private Report, June 8, 1985.
- Richards, T. (1975). McConnell Creek Map Area, O.F. 342, 1975.

CERTIFICATE

I, Donald G. Allen, certify that:

1. I am a Consulting Geological Engineer, at A & M Exploration Ltd., with offices at Suite 614, 850 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia with degrees in Geological Engineering (B.A.Sc., 1964; M.A.Sc., 1966).
3. I have been practising my profession since 1964 in British Columbia, the Yukon, Alaska and various parts of the Western United States.
4. I am a member in good standing of the Association of Professional Engineers of British Columbia.
5. This report is based mainly on information listed under References and fieldwork carried out by Michael D. Smith.

May 15, 1987
Vancouver, B.C.


Donald G. Allen
P. Eng.

CERTIFICATE

I, Michael D. Smith, certify that:

1. I am a consulting geologist with offices at 12-1039 Cedar Glen Gate, Mississauga, Ontario.
2. I am a graduate of Brock University (Hons., B.Sc., 1975).
3. I have been working in mineral exploration since 1961.
4. I am a Fellow of the Geological Association of Canada.
5. This report is based on field work carried out by the author, James Weick and Frank Renaudat, and on references cited in this report.

May 15, 1987

Michael D. Smith, B.Sc.
F.G.A.C.

APPENDIX I

Analytical Results

ROSSBACHER LABORATORY LTD.

2225 S. SPRINGER AVENUE
 BURNABY, B.C. V5B 3N1
 TEL : (604) 299 - 6910

CERTIFICATE OF ANALYSIS

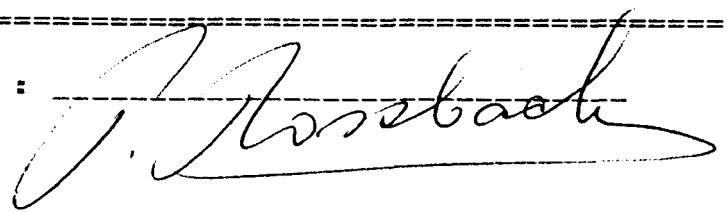
TO : A&M EXPLORATION LTD.
 614-850 W. HASTINGS STREET
 VANCOUVER B.C.

CERTIFICATE#: 86509
 INVOICE#: 7008
 DATE ENTERED: 86-10-08
 FILE NAME: A&M86509
 PAGE # : 1

PROJECT: JEN
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	340-630059	60	0.2	70	6	5	16
S	630060	46	0.2	78	6	5	8
S	630061	48	0.2	94	6	5	16
S	630062	34	0.4	74	10	5	4
S	630063	202	0.2	136	10	5	28
S	630064	54	0.4	70	8	5	16
S	630065	42	0.2	82	8	5	14
S	630066	74	0.2	128	6	5	20
S	630067	78	0.4	118	8	5	16
S	630068	110	0.4	132	8	5	26
S	630069	314	0.4	186	12	5	22
S	630071	54	0.2	98	8	5	20
S	630072	486	0.4	156	10	5	36
S	630073	150	0.2	108	4	5	16
S	630074	94	0.2	76	6	5	22
S	630075	492	0.8	128	8	5	28
S	630076	850	0.6	190	6	5	34
S	630077	36	0.2	94	10	5	16
S	630078	610	0.4	240	14	5	34
S	630079	46	0.4	114	10	5	22
S	630080	118	0.2	212	12	5	26
S	630081	70	0.4	180	12	5	22
S	630082	42	0.4	112	12	5	22
S	630083	172	0.6	132	16	5	26
S	630084	58	0.6	172	18	5	32
S	630085	58	0.2	124	12	5	20
S	630086	64	0.2	134	18	5	16
S	630087	124	0.4	124	12	5	30
S	630088	96	0.2	144	8	5	18
S	630089	118	0.4	132	10	5	20
S	630090	42	0.4	114	10	5	22
S	630091	66	0.2	130	8	5	16
S	631195	34	0.2	110	6	5	10
S	631196	40	0.2	92	66	5	10
S	631197	28	0.2	80	6	5	10
S	631198	40	0.2	108	4	5	22
S	631199	36	0.2	112	6	5	16
S	631200	38	0.2	126	4	5	26
S	631201	20	0.2	94	4	5	18
S	631202	44	0.2	102	6	340	20

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ROSSBACHER LABORATORY LTD.

2225 S. SPRINGER AVENUE
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 TEL : (604) 299 - 6910

CERTIFICATE OF ANALYSIS

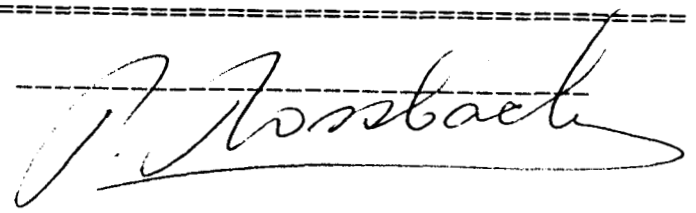
TO : A&M EXPLORATION LTD.
 614-850 W. HASTINGS STREET
 VANCOUVER B.C.

CERTIFICATE#: 86509
 INVOICE#: 7008
 DATE ENTERED: 86-10-08
 FILE NAME: A&M86509
 PAGE # : 2

PROJECT: JEN
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	340-631203	18	0.2	82	4	5	12
S	631204	42	0.2	174	4	5	14
S	631205	20	0.2	80	6	5	8
S	631206	42	0.4	110	2	5	16
S	631207	84	0.4	198	4	5	26
S	631208	72	0.2	124	2	5	20
S	631209	58	0.2	126	2	5	16
S	631210	42	0.2	108	2	5	14
S	631211	46	0.2	202	2	5	22
S	631212	114	0.8	212	4	5	20
S	631213	36	0.4	98	4	5	10
S	631214	76	0.4	120	6	5	14
S	631215	36	0.6	104	6	5	16
S	631216	80	0.2	114	4	5	12
S	631217	56	0.2	126	6	5	14
S	631218	108	0.4	110	2	5	16
S	631219	218	0.8	114	10	5	28
S	631220	122	0.6	118	30	5	30
S	631221	126	0.4	106	6	5	20
S	631222	200	0.4	106	6	5	22
S	631223	128	0.4	124	4	5	10
S	631224	176	0.4	108	10	5	16
S	631225	16	0.2	66	6	5	10
S	631226	48	0.4	78	2	5	14
S	631227	18	0.2	78	6	5	12
S	631228	38	0.4	86	4	5	16
S	631229	28	0.2	84	6	5	16
S	631230	122	0.4	262	4	5	30
S	631231	40	0.2	88	2	5	12
S	631232	46	0.4	100	6	5	14
S	631233	42	0.2	142	4	5	8
S	631234	40	0.2	140	2	5	14
S	631235	28	0.4	80	6	5	14
S	631236	50	0.4	116	4	5	18
S	631237	20	0.2	80	6	5	12
S	631238	22	0.2	80	4	5	12
S	631239	38	0.2	106	2	5	12
S	631240	22	0.2	72	2	5	12
S	631241	42	0.2	100	4	5	20
S	631242	24	0.2	72	4	5	12

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ROSSBACHER LABORATORY LTD.

2225 S. SPRINGER AVENUE
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 TEL : (604) 299 - 6910

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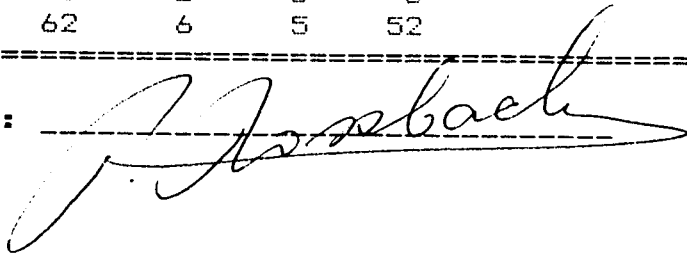
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 614-850 W. HASTINGS STREET
 VANCOUVER B.C.

CERTIFICATE#: 86509
 INVOICE#: 7008
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 FILE NAME: A&MB6509
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PROJECT: JEN
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
S	340-632203	22	0.2	50	6	5	4
S	632204	26	0.2	58	6	5	2
S	632205	40	0.2	100	6	5	10
S	632206	42	0.2	100	6	5	4
S	632207	32	0.2	74	6	5	2
S	632208	50	0.2	88	8	5	12
S	632209	40	0.2	72	8	5	10
S	632210	34	0.2	64	8	5	4
S	632211	40	0.2	48	6	5	8
S	632212	70	0.6	42	8	5	4
S	632213	30	0.2	48	6	5	2
S	632214	56	0.4	174	4	5	10
S	632215	202	0.2	78	4	5	14
S	632216	68	0.2	80	6	5	12
S	632217	34	0.2	68	14	5	6
S	632218	18	0.2	30	14	5	2
S	632219	40	0.2	14	2	5	2
S	632220	78	0.2	70	4	5	10
S	632221	50	0.4	58	6	5	20
S	632222	66	0.2	24	4	5	2
S	632223	210	0.6	76	6	5	14
S	632224	204	0.6	66	8	5	2
S	632225	46	0.2	74	6	5	2
S	632226	198	0.4	38	12	5	2
S	632227	112	0.2	82	14	5	10
S	632228	60	0.2	44	20	5	2
S	632229	108	0.2	26	6	5	2
S	632230	194	1.0	168	8	5	16
S	632231	110	0.8	66	6	5	8
S	632232	164	0.4	90	4	5	10
S	632233	90	0.2	38	4	5	6
S	632234	140	0.2	112	12	5	4
S	632235	148	0.2	36	4	5	4
S	632236	38	0.2	30	2	5	4
S	632237	300	0.2	22	2	5	2
S	632238	46	0.2	66	6	5	2
S	632239	102	0.2	66	2	5	6
S	632240	58	0.4	62	4	5	2
S	632241	42	0.2	56	2	5	6
S	632242	124	0.4	62	6	5	52

CERTIFIED BY :



DSSBACHER LABORATORY LTD.

2225 S. SPRINGER AVENUE
 BURNABY, B.C. V5B 3N1
 TEL : (604) 299 - 6910

CERTIFICATE OF ANALYSIS

TO : A&M EXPLORATION LTD.
 614-850 W. HASTINGS STREET
 VANCOUVER B.C.

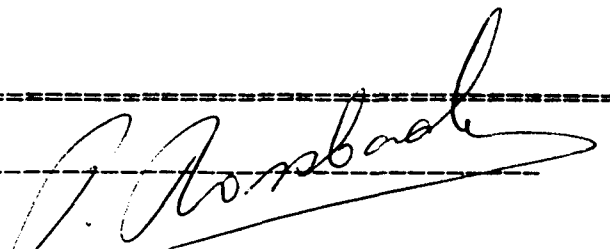
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 DATE ENTERED: 86-10-22
 FILE NAME: A&M86509.A
 PAGE # : 1

PROJECT: JEN 292
 TYPE OF ANALYSIS: GEOCHEMICAL

PRE FIX	SAMPLE NAME	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au	PPM As
T	? 340-632202 No Sample Site	78	1.8	92	10	5	2
T	? (632220 No Sample Site	288	0.2	38	8	5	36
T	? (632222 for rock have Sample No. for	22	0.2	84	12	5	8
T	632243 soil	28	0.2	84	2	5	12
T	632244	204	0.2	98	4	5	10
T	632246	184	0.2	90	2	5	2
T	340-632248	30	0.2	98	10	5	14

} Soils.
 ← SAMPLE NO'S
 WRONG

CERTIFIED BY :



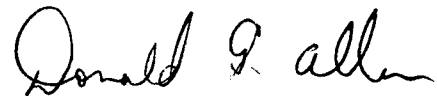
APPENDIX II

Affidavit of Expenses

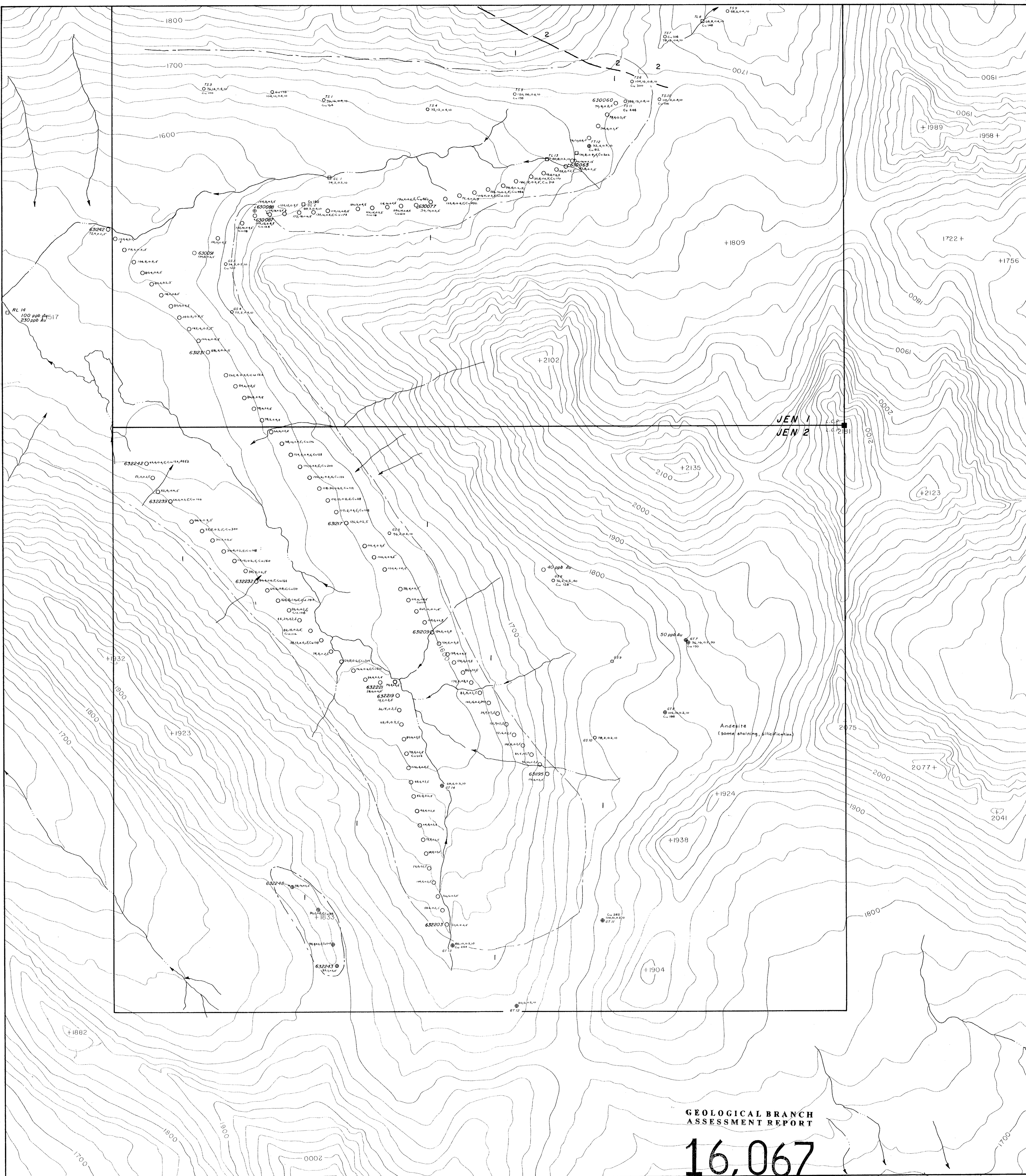
AFFIDAVIT OF EXPENSES

This will certify that the work program covered by this report was carried out in September, 1986 on the JEN claims, McConnell Creek Area, Omineca Mining Division, to the value of the following:

Salaries		
Michael Smith		\$ 350.00
James Weick		200.00
Frank Renaudat		150.00
Camp Costs	3 man-days @ \$50/day	150.00
Helicopter	2.8 hours @ \$575/hr.	1,610.00
Geochemical Analyses	136 samples @ \$9/sample	1,224.00
Reporting		400.00
Drafting, typing, compilation		<u>200.00</u>
	TOTAL	\$4,284.00



Donald G. Allen
P. Eng.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,067

<p>LEGEND</p> <p>○ 6350 Soil } sample site, sample number, ppm Zn, ppm Pb, ppm Ag, ppb Au.</p> <p>□ 7162 Silt }</p> <p>⊙ 7140 Rock }</p> <p>— Creek</p> <p>— 1800 Topographic contours (contour interval = 20 metres).</p> <p>— LCP Claim boundary, legal corner post.</p>		<p>Note: Other geochem. results plotted in ppm, unless otherwise noted.</p> <p>1986 Samples: 630000 to 632000 Number series.</p> <p>2 Monzodiorite (quartz monzodiorite).</p> <p>1 Intermediate to mafic volcanics, massive to porphyritic with minor disseminated pyrite & epidote.</p> <p>— Geological contact.</p> <p>--- Limit of outcrop.</p>		<p>GEOCHEMICAL MAP</p> <p>SCALE 1:5,000</p> <p>GUNSTEEL RESOURCES INCORPORATED JEN PROPERTY</p> <p>OMINECA MINING DIVISION - BRITISH COLUMBIA</p> <p>AIR PHOTO DATE: JULY 1973</p> <p>CONTOUR INT. 20 METER</p> <p>SCALE 1:5,000</p> <p>NTS SHEET 94 D</p>	
<p>DATE: FEBRUARY 1985</p>		<p>AM exploration Ltd.</p>		<p>FIGURE 4</p>	