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ASSESSMENT REPORT

GEOLOGY - GEOCHEMICAL REPORT

ON THE GOLD MINE AND GOLD HILL CLAIMS

Whistle Creek

Hedley Area

Similkameen Mining Division

92 H / 8 E

CO-ORDINATES:
49° 21'48" North Latitude
120° 08'42" West Longitude

OWNER OF CLAIMS:

PHILEX GOLD AND ENERGY CORPORATION
308 - 525 Seymour Street
Vancouver, B.C.
V6B 3H7

OPERATOR:

PHILEX GOLD AND ENERGY CORPORATION

CONSULTANT:

HAROLD M. JONES, P.ENG.
HAROLD M. JONES & ASSOCIATES INC.

AUTHOR:

HAROLD M. JONES, P.ENG.

November 2, 1987

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SUMMARY

The Gold Mine and Gold Hill claims are located in the Similkameen Mining Division 5 km due west of Hedley, B.C. They are owned by Philex Gold and Energy Corporation of Vancouver, B.C.

The property is underlain by metasediments and metavolcanics of the Upper Triassic Nicola Group into which are intruded a number of dioritic and andesitic dykes and sills. At least one granodiorite plug also intrudes the Nicola Group rocks.

Exploration in the 1930's tested several mineralized areas with a number of shallow pits, trenches, shafts and short adits. These workings proposed sulfide mineralization carry low values in gold associated with shears, veins and quartz-calcite breccia zones.

Work in the 1970's located a significant quartz-carbonate vein breccia zone. Its surface expression is a prominent gossan from which one sample was taken which assayed 2.046 oz/ton gold. Two drill holes intersected this zone, assays from which returned low values in gold, arsenic, copper and zinc.

Philex Gold and Energy Corp. staked the property and conducted exploration programs in 1982, 1985 and 1987. Results of this work indicate a number of areas as being anomalous in gold and arsenic in the soils, some of which correspond with the areas of old workings. An airphoto study indicates that many of the lineaments are coincident with geochemically anomalous areas and some of the areas of known mineralization.

It is concluded that additional geological mapping, soil sampling and in some areas backhoe trenching should be conducted to expand the areas of interest tested in 1987. A geophysical survey, possibly horizontal loop EM, is also worthy of consideration.

INTRODUCTION

Between June 1 and August 10, 1987, Philex Gold and Energy Corporation conducted fill-in geochemical soil sampling and geological mapping on Gold Mine and Gold Hill claims, located near Hedley, B.C. The purpose of the work was to provide additional data to that obtained from a previous exploration program as well as meet the assessment work requirements. Most of this work was under the supervision of B. Fenwick-Wilson, mining technician. The writer conducted limited geological mapping during the period August 7 to 9, 1987.

Location and Access

49° 20' North Latitude
120° 07' West Longitude

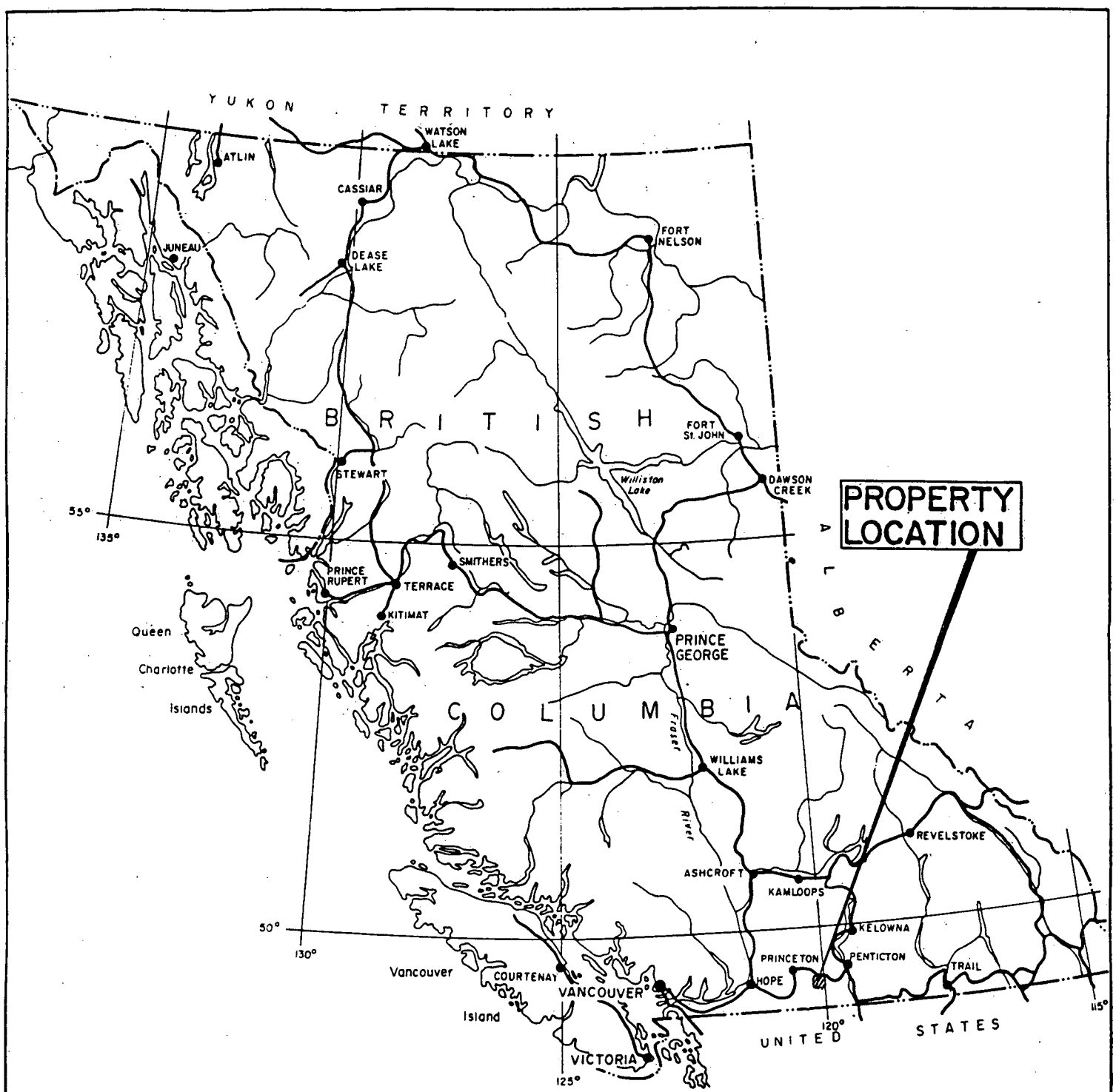
The Gold Mine and Gold Hill claims are located within the Similkameen Mining Division in southern British Columbia approximately 5 km due west of Hedley (Figure 1). They are situated on the south side of the Similkameen River valley on the ridge between Whistle-Pettigrew Creek and Henri Creek. Elevations range from 550 m to 1525 m above sea level.

The claims are readily accessible by good logging roads which leave B.C. Highway 3 six km west of Hedley. The main logging road follows Whistle Creek but near the 6 km mark, a branch road leads to the claims. It is approximately 8 km by road to the property.

Roads are numerous within the claims area. In dry weather most parts of the property may be reached by two-wheel drive vehicles.

Topography and Vegetation

The topography on the property is characterized by a rounded, moderately north sloping ridge bounded to the east and west by steep slopes and to the north by high cliffs. The lower slopes are well forested by moderately dense stands of pine and fir while the higher ground is more open with grassy patches within mature stands of timber. Underbrush is light.



PHILEX GOLD AND ENERGY CORP.		
H. M. JONES & ASSOCIATES INC.	VANCOUVER, B.C.	
GOLD MINE & GOLD HILL CLAIMS		
LOCATION MAP		
HEDLEY AREA - SIMILKAMEEN M.D.		
N.T.S. 92H-8E		
SCALE : AS SHOWN	NOV 1987	FIG. 1
H.M. JONES		

Property

The property consists of two claims which may be described as follows (Figure 2):

Claim Name	No. of Units	Record No.	Expiry Date*
Gold Hill	15	1161(9)	September 8, 1987
Gold Mine	15	1177(9)	September 23, 1987

* will be extended one year upon acceptance of recent assessment work filing.

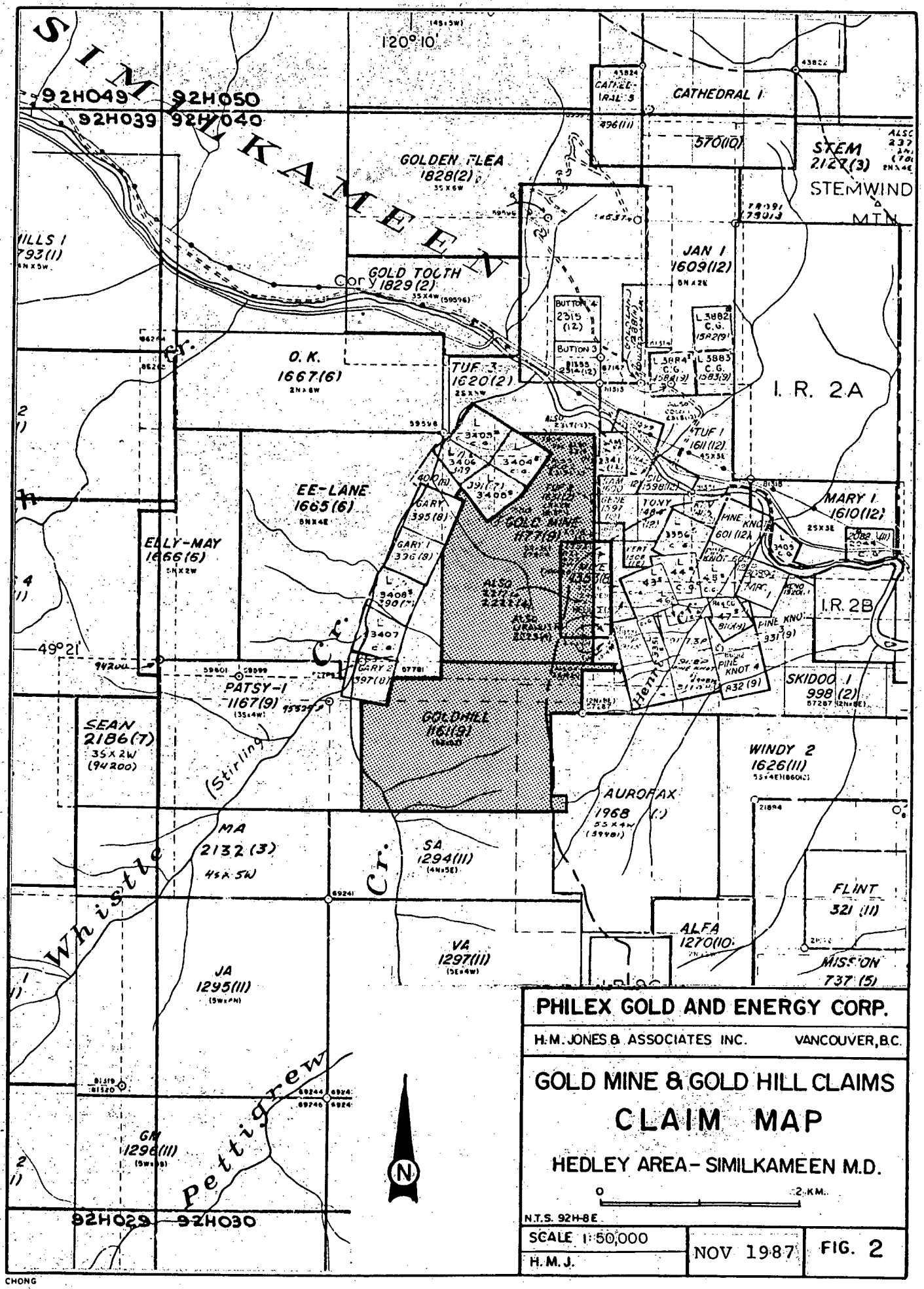
The claims are owned by Philex Gold & Energy Corporation, 717 - 837 West Hastings Street, Vancouver, B.C. V6C 1B6.

The legal corner posts for both Gold Mine and Gold Hill claims were examined and found to conform with the mining regulations. Only one other post was seen and it was tied into the geochemical grid.

The northwest corner of Gold Mine claim overstakes a group of Crown grants and located claims; the eastern edge of both Gold Mine and Gold Hill claims slightly overly a number of located claims. All of these claims have precedence over Gold Mine and Gold Hill claims, consequently, the property boundary is slightly irregular (Figure 2).

History and Previous Work

During the early 1930's, Hedley Gold Hill Mining Company owned all or part of the ground now covered by Gold Mine and Gold Hill claims. Their work included several short adits and shafts, one long adit and a number of trenches. Most of their work was concentrated on a quartz-calcite breccia zone well mineralized with pyrite and much lesser arsenopyrite, pyrrhotite, chalcopyrite, galena and sphalerite. Low values in gold were obtained from samples taken from the workings. They are located near the south-central boundary of Gold Mine claim.



PHILEX GOLD AND ENERGY CORP.

H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

GOLD MINE & GOLD HILL CLAIMS

CLAIM MAP

HEDLEY AREA - SIMILKAMEEN M.D.

0 2 KM.

N.T.S. 92H-8E

SCALE 1:50,000	NOV 1987	FIG. 2
H.M.J.		

CHONG

Old pits and trenches, presumably dug by the same company, are located near the southwest corner of Gold Mine claim. These workings explore strongly sheared and fractured sediments.

Between 1927 and 1935, Hedley Sterling Gold Mines Ltd. explored the Patsy No. 2 Crown grant (L.3407), which lies immediately west of Gold Mine claim. During this period they explored five bedded shear zones with three short and one long adit and several open cuts. While the shears range up to 1.8 m wide, they are mineralized over very narrow widths - 5 cm to 30 cm - with quartz and minor pyrite and/or arsenopyrite. Gold assays were generally 0.2 oz/ton.

From 1973 - 1976, Canadian Occidental Petroleum conducted an exploration program on the HED claims, which are now a part of the ground covered by the Gold Mine claim. They initially located the area as a result of geochemical silt sampling programs which showed an anomalous stream sample. Examination of the stream led them to a gossan from which one sample assayed 2.046 oz/ton gold. They explored the area by conducting geological mapping and soil surveys over a part of the HED claims and drilled three short holes totalling 240 m to test the gossan. Results of their work indicate one large area with strong, coincident, arsenic-gold anomalies and a second area with widespread but weaker coincident anomalies. These anomalous areas were never followed up with detailed exploration.

Drilling of the gossan located a quartz-carbonate vein breccia zone up to 15 m wide (drill intersection width). Low values in gold, arsenic, copper and zinc were obtained from the breccia zone.

During October 13 to 17, 1982 and August 12 to October 28, 1985, Philex Gold and Energy Corp. conducted geological, geophysical and geochemical surveys on Gold Mine and Gold Hill claims. Results of this work indicated a number of areas as being anomalous in gold and arsenic in the soils, some of which corresponded with the areas of old workings. An airphoto study indicated that many of the areas containing geochemical anomalies and known mineralization are coincident with airphoto lineaments.

Gold Mine and Gold Hill claims lie immediately west of Banbury Gold Mines' Henri Creek property which is being actively explored at the present time. In late 1985 Noranda Exploration Ltd. obtained an option on this property.

Across the valley at Hedley, Mascot Gold Mines recently commenced open pit mining on the Old Nickel Plate Mine property. They reported, on February 7, 1986, open pit reserves of 7.1 million tons averaging 0.15 oz/ton gold.

Placer Development Ltd. are actively exploring the ground adjoining that of Mascot Gold Mines. Numerous other junior mining companies are also active in the area.

GEOLOGY

General Geology

The Hedley area is underlain by Upper Triassic Nicola Group volcanics and sediments into which were intruded small ultrabasic and large granite bodies of late Mesozoic Age. The latter intrusives almost surround the Nicola Group rocks, which in the general Princeton area consist of a thick succession of lavas through which are irregularily distributed lenses of tuffaceous and argillaceous rocks and occasional beds of limestone.

In the Nickel Plate Mine area, located 5 km east of the subject property, most of the sedimentary strata have been strongly metamorphosed to skarn by the intrusion of many sills and dykes into impure limy sediments. Gold mineralization associated with arsenopyrite occurs in skarn zones adjacent to diorite-gabbro sills and dyke. On the Gold Mine and Gold Hill claims skarn alteration appears to be absent although intrusions are present.

Local Geology

Outcrop is well exposed on the claims in cuts along the main access roads and in cliffs at the north end of the property. Elsewhere it is usually restricted to rubbly

exposures on the top and sides of small rounded knolls and in low cliffs in areas of steep terrain (Figure 3).

The geology consists of a series of sediments and pyroclastics of the Nicola Group intruded by diorite and andesite(?) as narrow dykes and sills and as small stocks. Within the sediments are one or more calcite breccia zones and one large zone of "slump breccia". The following is a brief summary of the main rock units:

(a) argillite:

very dark grey to black, finely bedded, commonly with fine pyrrhotite on bedding plane fractures. This unit is generally silicified (hornfelsic). When well mineralized it is accompanied by a prominent limonite gossan. Locally, fractures and bedding planes are heavily coated with carbonate. Some beds are also calcareous.

(b) tuffs:

medium to dark grey, fine to medium grained, massive to finely bedded, composed mostly of feldspar with 5-10% mafic minerals, with minor disseminated pyrrhotite. Locally with shards of argillite and/or chert. Some horizons are calcareous.

(c) chert:

light grey to greenish grey to greyish brown, very fine grained, faintly bedded, with minor pyrite and/or pyrrhotite as disseminations and fracture coatings.

(d) limestone:

grey, fine to medium grained, massive but show faint bedding on weathered surface.

(e) "slump breccia":

a mixture of fine to very coarse blocks of rounded to angular limestone, argillite and tuff in a limy, sandy matrix. Fragments are in random orientation. This unit is correlated with Copperfield conglomerate mapped on the Nickel Plate Mine property (Ray and Dawson, 1987).

Intrusive Rocks

(a) granodiorite:

light grey, medium to coarse grained, predominantly feldspar with 5%-10% hornblende, biotite and minor quartz. Occurs as small stocks.

(b) hornblende diorite:

light grey to light brown, fine to medium grained, mostly felspar with up to 10% fine lathes hornblende, occurs as narrow dykes and sills.

(c) andesite(?):

grey to greenish grey, medium to coarse grained, predominantly feldspar with abundant chloritized mafics. This unit resembles massive tuff sections but is coarser grained. Occurs as narrow dykes and as small stocks.

The sedimentary-pyroclastic package shows some variations in the area. To the west of the property, on Patsy No. 2 Crown grant, the geology is described as being impure limestone, chert, limestone and minor tuff at the base of the hill. Up slope to the east it grades into argillite (B.C. Min., 1937). Cherty sediments and argillite, similar to above, are present on the western and northern parts of Gold Mine claim.

The western and central part of Gold Hill claim and the eastern part of Gold Mine claim are predominantly interbedded argillite and tuffs, in about equal proportions. Minor limy beds and limy tuffs are also included in these areas.

The eastern edge of Gold Hill claim differs slightly in that there is an increase in cherty sections as well as the presence of one or more calcite breccia zones. The latter are argillite-tuff sections, strongly brecciated, cemented with calcite and/or quartz, and well mineralized.

A very coarse "slump breccia" is located at the eastern edge of Gold Hill claim, but widens to the north on ground held by Banbury Gold Mines Ltd.

Intrusive rocks are present at widely separated locations. Several narrow hornblende diorite dykes and/or sills occur within the argillites and tuffs in road cut exposures. These intrusives follow bedding, then cross-cut it, later to reform and follow bedding again. Little or no alteration of wall rocks is associated with these intrusives.

Several small irregular masses of granodiorite are exposed on Gold Mine claim near its southeastern corner (see Figure 3). These appears to be tongues emanating

from the stock lying to the east of the property on ground held by Banbury Gold Mines Ltd. Outcrop in this area is too sparse to determine the extent of these intrusives.

Andesite(?) intrusives are poorly exposed on Gold Mine claim. One forms cliffs at the north end of the property.

During the 1987 field program, geology was mapped on Grid 1 on a scale of 1:2500. Limited prospecting was also conducted in this area to search for the sources of the previously obtained geochemical anomalies.

The anomalous area on Grid 1 occurs in an area of carbonate breccias interbedded with fine-grained dark tuffs and medium to coarse grained crystal tuffs (diorite?). The breccia consists of limestone fragments, commonly about 20 mm square, but up to 40 mm x 150 mm, in a limy, sandy matrix (a finer grained version of Copperfield conglomerate?). The tuffaceous units commonly contain fine disseminated pyrite and pyrrhotite, and pyrite in small feldspar veinlets and masses. Fine grained magnetite is also disseminated in the tuffs.

In the vicinity of 15+50W, 2+00E to 3+00E all rock is tuffaceous. Some fine grained, light coloured cherty tuffs are interbedded with the dark, medium grained variety. Minor sulfides are also present in this area.

STRUCTURE

A sinuous north-northeast striking "main" fault is inferred to pass through the centre of the property. It is partially exposed in the gossanous area located on the "north branch" road (Area 2, Figure 3). This structure is well defined on the surface as a prominant 400 m long gulley trending S10W from the gossan zone. Beyond this point, the topographic feature fades out but re-appears to the south as a broad depression, the trough of which is occupied by a small creek.

North from the gossan zone a surface lineament swings to approximately N35E. It is inferred to be the northern continuation of the fault zone.

A number of air photo lineaments are shown on Figure 3. They mostly lie on the east side of the above inferred "main" fault zone and are concentrated in the general vicinity of the old workings in Area 1. Two sets of lineaments are present; one trending N45 - 70E, the other N30 - 60W. Their surface expressions, in most cases, are shallow, drift-filled gulleys.

Variations in bedding was noted on the property on either side of the "main" fault. At the southwest corner of the Gold Hill claim bedding strikes about N30E, while on the "north branch" and main roads, immediately west of the gossan zone, the bedding strikes N60°-70°E. This same change in attitude persists through to the northern end of the property.

To the east of the main fault, on Gold Hill claim, the bedding varies from N20-30E to the due north from the southeast to northeast parts of the claim. This warping of the beds may be due to movement along the main fault with the west side displaced northward.

GEOCHEMICAL SOIL SURVEY

In 1982, limited geochemical soil sampling was conducted in selected areas on the property. The results of this work demonstrated that soil sampling was warranted over a much larger area.

In 1985 a 100 m x 50 m grid was laid out. This covered approximately 60 percent of Gold Hill claim and 50 percent of Gold Mine claim. All samples were analyzed for gold and arsenic and a number were also assayed for multi-elements by the I.C.P. method. Only gold and arsenic were plotted. They are shown on Figure 4.

Gold values are very low, with the majority being less than 5 ppb Au. Statistically, values between 10 - 30 ppb are weakly anomalous, greater than 30 ppb Au are

anomalous. Similarly, arsenic values are also low. Values between 40 - 60 ppm As are weakly anomalous, greater than 60 ppm are anomalous.

Some of the more interesting areas, geochemically, on or near known mineralization are:

(a) Area 1:

Coincident gold and arsenic contours enclose the old workings. The anomalous gold area contains three high values - 110, 110, 810 ppb; the anomalous arsenic area contains three high values of 190, 340 and 1000 ppm As.

(b) Area 2:

Coincident gold and arsenic anomalies are present near the showing as well as along the southern strike of the inferred "main" fault zone. Gold values range from 10 - 350 ppb Au, arsenic values from 40 - 600 ppm As.

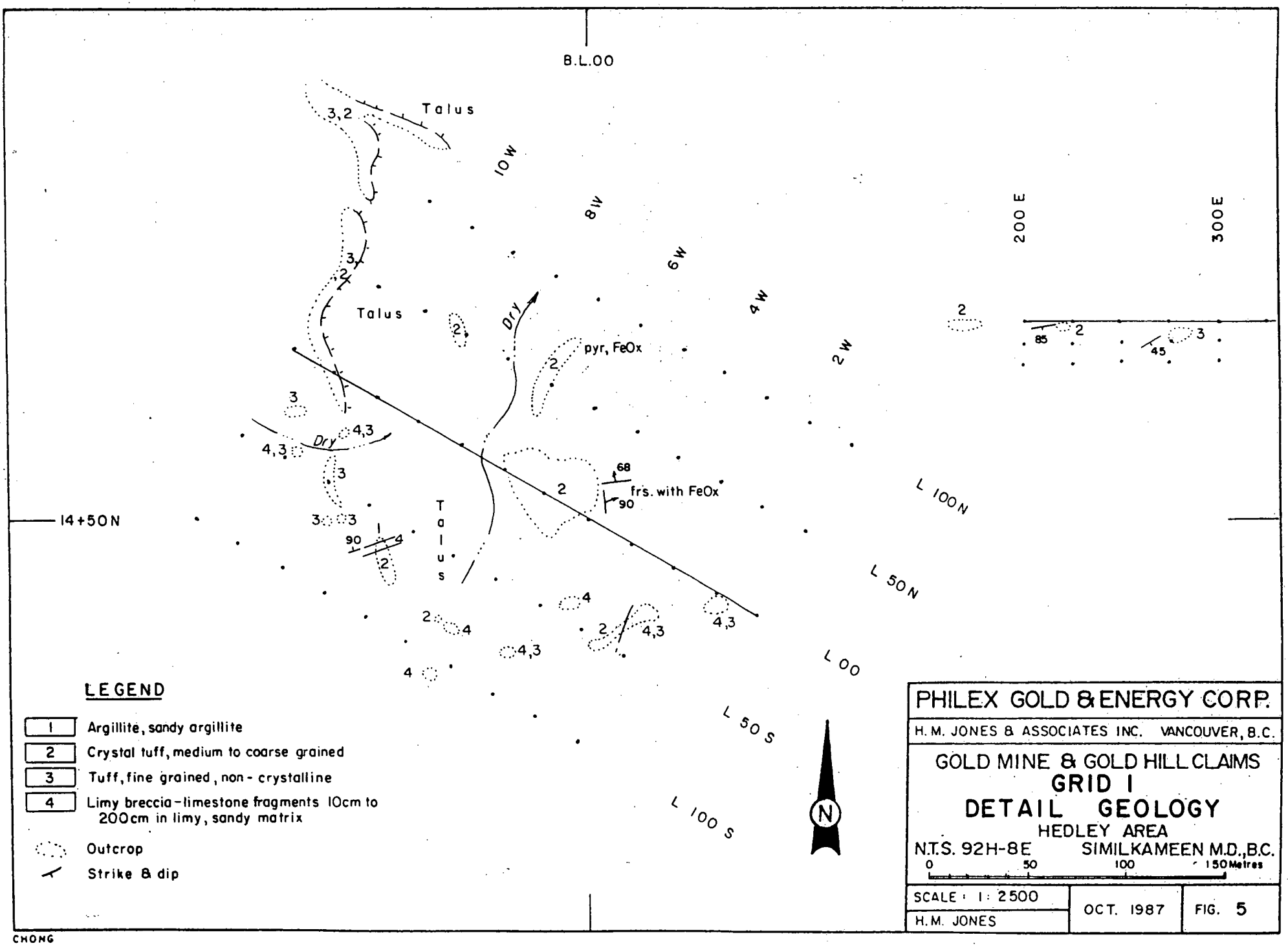
(c) Area 3:

An arsenic anomaly with values ranging from 48 to 120 ppm As encloses a part of the area of old workings. Gold values are very low. However, a detailed grid over this area in 1982 located a number of anomalous values ranging from 15 - 470 ppb Au and 44 - 584 ppm As. Also, one soil sample taken in 1985 to check the soil at a greater depth (45 cm vs normal depth of 15 cm) returned an assay of 10,000 ppb Au and 10,000 ppm As.

Rock samples taken from the old workings in this area returned significant values in gold. However, they are poorly reflected in the soil samples. It is apparent that if only several soil samples are anomalous, they are very significant.

In 1987, fill-in geochemical soil sampling was conducted in several areas found to be anomalous in gold and arsenic during previous exploration programs. These areas, which are shown on Figure 4, are:

Grid 1 - five lines totalling 1.2 kms were run N60W at 50 meter intervals for lengths varying from 225 - 275 meters. Samples were collected from the "B" horizon at 25 meter intervals along each line. A total of 51 samples were collected, packed in Kraft paper envelopes, and sent to Chemex Laboratories Ltd., 212 Brooksbank Avenue, North Vancouver, B.C. for 32 element I.C.P. analyses plus gold by fire assay and atomic absorption finish. Only gold and arsenic were plotted and are shown on Figure 6.


B.L.00
Talus
3,2
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2W
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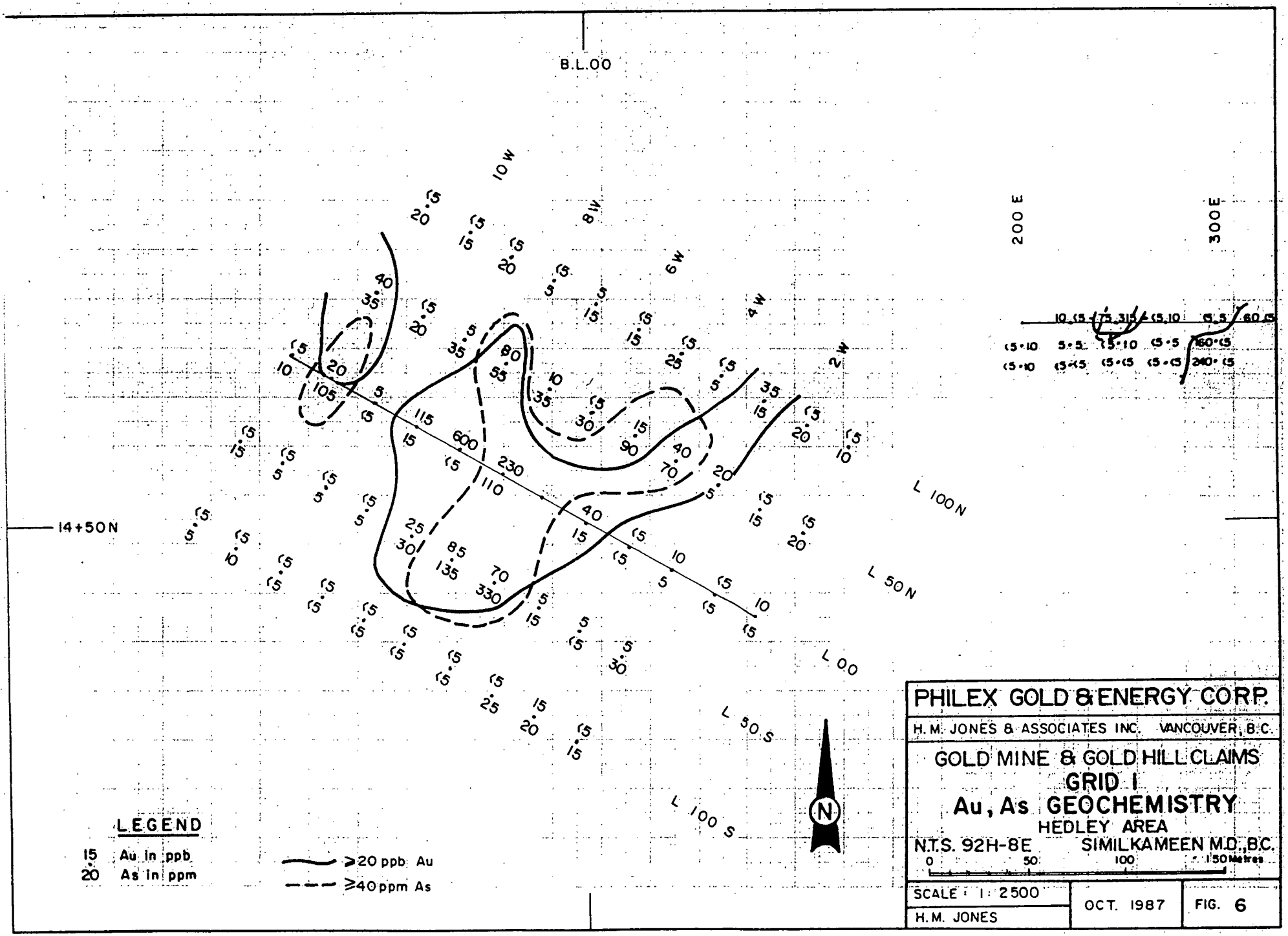
300E
Talus
Dry
pyr, FeOx
2
3
4,3
Dry
68
frs. with FeOx
90
14+50N
Talus
85
45
L 100N
L 50N
L 00
L 50S
L 100S
N
LEGEND
1 Argillite, sandy argillite
2 Crystal tuff, medium to coarse grained
3 Tuff, fine grained, non-crystalline
4 Limy breccia-limestone fragments 10cm to 200cm in limy, sandy matrix
Outcrop
Strike & dip
PHILEX GOLD & ENERGY CORP.
H. M. JONES & ASSOCIATES INC. VANCOUVER, B.C.
GOLD MINE & GOLD HILL CLAIMS
GRID I
DETAIL GEOLOGY
HEDLEY AREA
N.T.S. 92H-8E SIMILKAMEEN M.D., B.C.
0 50 100 150 Metres
SCALE : 1 : 2500
H. M. JONES
OCT. 1987
FIG. 5
CHONG


B.L.00
10 W
8 W
6 W
4 W
2 W
200 E
300 E
14+50N
L 100N
L 50N
L 00
L 50S
L 100S
LEGEND
15 Au in ppb
20 As in ppm
≥20 ppb Au
≥40 ppm As
N
PHILEX GOLD & ENERGY CORP.
H. M. JONES & ASSOCIATES INC. VANCOUVER, B.C.
GOLD MINE & GOLD HILL CLAIMS
GRID I
Au, As GEOCHEMISTRY
HEDLEY AREA
N.T.S. 92H-8E SIMILKAMEEN M.D., B.C.
0 50 100 150 Metres
SCALE : 1:2500
H. M. JONES
OCT. 1987
FIG. 6
CHONG

The assay results confirm the presence of anomalous values in gold and arsenic. These higher values appear to be restricted to a small area approximately 100 m x 100 m. More sampling is required to check for geochemical trends beyond this grid.

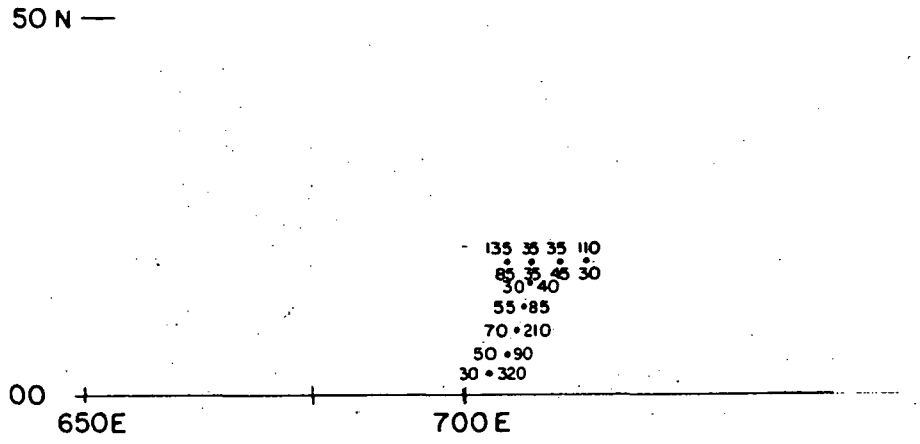
Grid 2 - nine samples were collected from this area at approximately 10 foot (3 meter) intervals to test for possible gold and arsenic values on trend from an old sluffed pit (Figure 4 and 7). Samples from here were processed as described above. These samples returned significant values in both gold and arsenic and indicate additional sampling is required in this area.

These samples were collected from the "C" horizon at depth from 25-60 cm to get beneath the "A" horizon, ash layer and any surface contamination.

Grid 3 - a grid was laid out (Figure 4 and 8) to add detail to an area of old pits. Lines were laid out at 20 meter intervals and samples collected from the "C" horizon at depths of 25-60 cm using a shovel. Due to old workings, strippings and rock outcrops, a number of grid locations were not sampled. Approximately 465 meters of grid was run and 57 samples collected.

Highly anomalous gold and arsenic values were obtained from some sample sites on this grid, roughly outlining an area of interest 50 m x 50 m. Additional sampling is required in this area to test an indicated northwest trend.

Grid 4 - a small grid totalling 320 meters of lines was laid out to test an area containing one old trench and anomalous assays from the previous survey (Figure 4 and 9). Lines were spaced at 20 meters and samples collected at 20 m intervals from the "C" horizon as in above grid. Six samples were collected here. Sample results from this area show several anomalous sites. This grid coverage is too small to be meaningful.

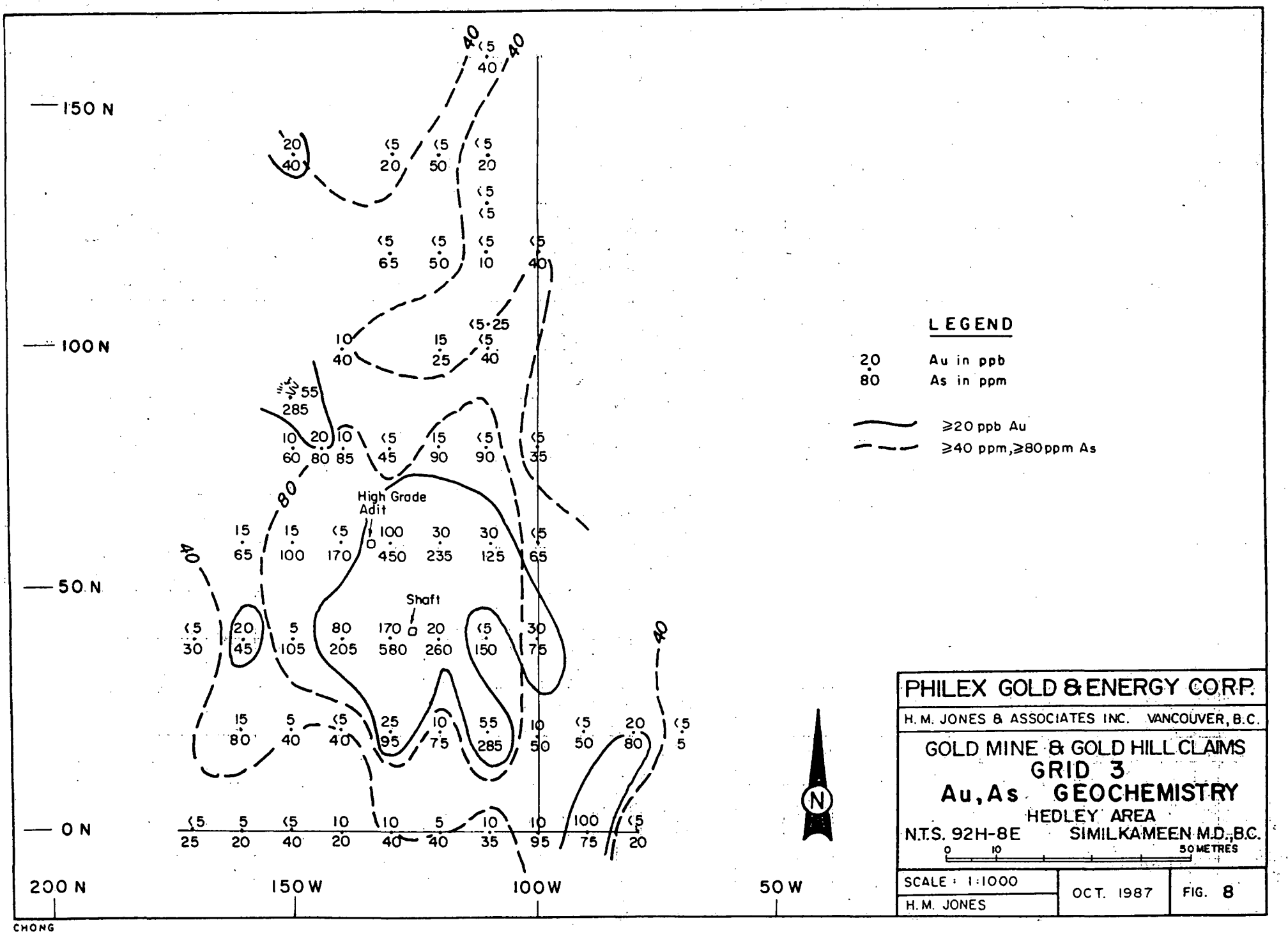


LEGEND

30 • 320 Au in ppb , As in ppm

PHILEX GOLD & ENERGY CORP.		
H. M. JONES & ASSOCIATES INC. VANCOUVER, B.C.		
GOLD MINE & GOLD HILL CLAIMS GRID 2 Au, As GEOCHEMISTRY HEDLEY AREA N.T.S. 92H-8E SIMILKAMEEN M.D., B.C. 0 10 50 METRES		
SCALE : 1:1000 H. M. JONES	OCT. 1987	FIG. 7

CHONG



PHILEX GOLD & ENERGY CORP.

H. M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

GOLD MINE & GOLD HILL CLAIMS

GRID 3

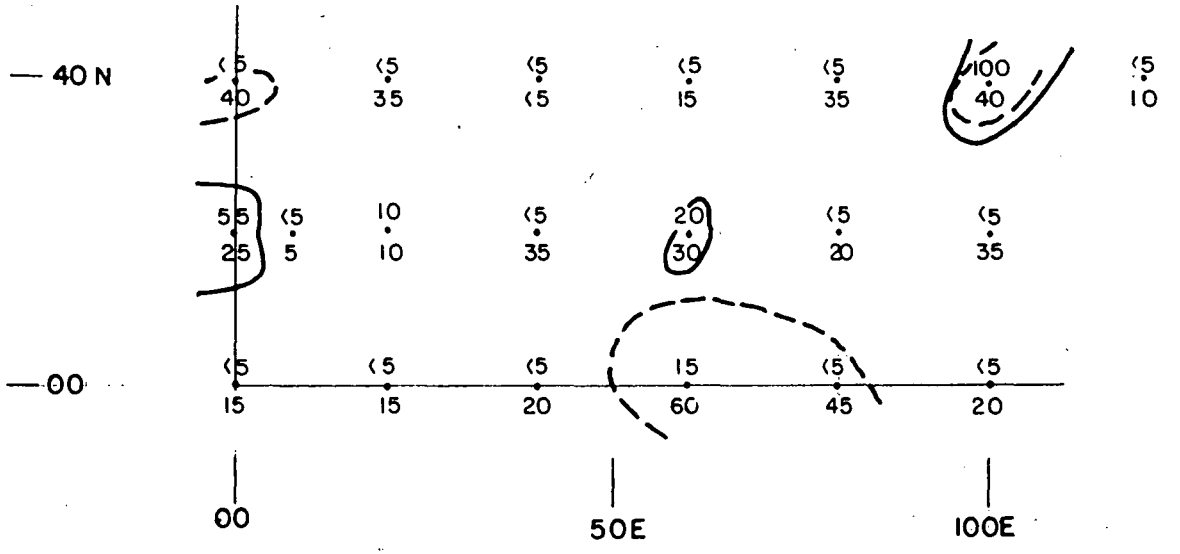
Au, As GEOCHEMISTRY

HEDLEY AREA

N.T.S. 92H-8E SIMILKAMEEN M.D., B.C.

SCALE : 1:1000	OCT. 1987	FIG. 8
H. M. JONES		

CHONG



LEGEND

15 Au in ppb
60 As in ppm

≥20 ppb Au

≥40 ppm As

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GOLD MINE & GOLD HILL CLAIMS

GRID 4

Au, As GEOCHEMISTRY

HEDLEY AREA

N.T.S. 92H-8E SIMILKAMEEN M.D., B.C.

0 10 50 METRES

SCALE : 1:1000	OCT. 1987	FIG. 9
H. M. JONES		

CHONG

DISCUSSION OF RESULTS

A comparison between geology and geochemical anomalies and inferred structures, the latter from airphotos, indicates that structure plays a major roll in localizing mineralization. The greatest number of inferred structures occur in the eastern half of the property, more specifically in the southeast and northeast quadrants respectively of Gold Mine and Gold Hill claims. Areas 1 and 3, containing old mineralized workings and Area 2, containing a prominent gossan, are located in this area.

Gold and arsenic anomalies are coincident with the "main" fault zone over a 500 m length of this structure. At the southern end of this anomalous trend the anomalies also coincide with an inferred northeast striking structure. Area 3(a) is situated at this intersection and Area 3 is just west of this structural intersection. Both of these areas contain mineralized old workings. Fill-in geochemical soil sampling in 1987 in Area 3 - Grid 3, confirms the area to be anomalous in gold and arsenic, and indicates a possible northwesterly trend. More detailed sampling followed by backhoe trenching is warranted here.

Area 1 is bounded by two northwest and one northeast trending inferred structures. The coincident geochemical anomalies in Area 1 are also essentially delimited by these same structures. Geological mapping in this area noted very localized faulting and folding within the mineralized workings. This may be the most geologically disturbed area on the property.

In the northern part of the property, near the centre of Gold Mine claim, a coincident Au-As anomaly, located in 1985, was detailed in 1987 - Grid 1. The new sampling confirms the anomaly and localizes it to an area of mostly crystal tuffs (diorite?) with much less fine-grained bedded tuffs, argillite and limy breccia. Much of this area is very steep, talus and/or grass covered slopes with poor outcrop exposure. Detailed prospecting, geochemistry and geology are required to determine the significance of the Au-As anomaly in this area.

The relationship of geology to mineralization is not clear. The main difference in geology in the eastern part of the property is the probable increase in cherty beds, including chert, chert breccia and cherty argillite. A northerly trending breccia zone lies along and to the east of the eastern property boundary. All breccia zones contain abundant calcite.

CONCLUSIONS

It is concluded that the geology and structure on the Gold Mine and Gold Hill claims is favourable for hosting gold mineralization. It is also concluded that several known mineralized areas and coincident structural-geochemically anomalous areas warrant additional exploration.

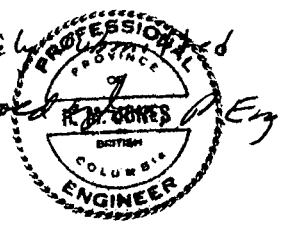
RECOMMENDATIONS

It is recommended that the area covered by Grids 1 and 3 be expanded and that detailed geological mapping, soil sampling and prospecting be conducted in these larger areas. Grid 3 should also be tested by backhoe trenching.

The property should be examined and the data reviewed by a geophysicist to determine if a deep penetrating-type geophysical survey (horizontal loop EM?) might indicate mineralization at depth on one of the many structures cutting the property.

Respectfully submitted

Harold M. Jones, P.Eng



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MacDonald, C.C. (1976) - Geology, Geochemistry & Diamond Drilling of HED Claims, for Canadian Occidental Petroleum Ltd. Assessment Report No. 6060.

Ray, G.E. & Dawson, G.L. (1987) - Geology and Mineral Occurrences in the Hedley Gold Camp, Southern British Columbia, B.C. (92H/8E); B.C. Min. of E.M.

Rice, H.M.A. (1960) - Geology & Mineral Deposits of Princeton Map-Area, British Columbia, Geological Survey Canada Mem 243.

Tulley, D.W. (1982) - Report on the Gold Hill and Gold Mine Mineral Claim Group, Whistle Creek - Hedley Mine Area, Similkameen M.D., Hedley, B.C. Private Report for Philex Gold & Energy Corporation.

CERTIFICATE

I, Harold M. Jones, of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geological Engineer with offices at #605 - 602 West Hastings Street, Vancouver, B.C.

2. I am a graduate of the University of British Columbia in Geological Engineering, 1956.

3. I have practised my profession as a Geological Engineer for over 30 years.

4. I am a member of the Association of Professional Engineers of British Columbia, Registration No. 4681.

5. I examined the Gold Mine and Gold Hill claims between October 13-17, 1982, conducted geological mapping and supervised a soil sampling program on the claims. Between September 17-30, 1985 I conducted geological mapping and supervised a magnetometer survey on the same claims. Between August 7 to 9, 1987 I conducted limited geological mapping on the property.

6. I have also conducted geological mapping and compiled reports on: Banbury Gold Mines property which adjoins the Gold Mine and Gold Hill claims to the east (1975); Zurich Energy Corp. property on Cahill Creek, 9 km due east of the subject claims (1982).

7. I have no interest, nor do I expect to receive any interest, direct or indirect, in the Gold Mine or Gold Hill claims or in any securities of Philex Gold & Energy Corporation.

Dated at Vancouver, B.C. this 2nd day of November, 1987.

HAROLD M. JONES, P.Eng.

STATEMENT OF QUALIFICATIONS

I, Brian Fenwick-Wilson of Mount Baldy Ski Area, Box 687, Osoyoos, B.C. do hereby certify that:

1. I took two years geology at Lancing College, England.

2. I have been engaged as a prospector and geological technician for 41 years. My career to date in the mineral exploration field may be summarized as follows:

(a)	1946-1952	Self-employed prospector
(b)	1952-1966	Exploration Manager and Director of several syndicates and private companies
(c)	1967	Utica Mines and Exploration Syndicates
(d)	1967-1971	Amax Exploration
(e)	1971-1973	Cerro de Pasco
(f)	1974	Newmont Mining and private companies
(g)	1975-1977	Self-employed and with two exploration syndicates
(h)	1978-1979	Director of American Fluorite and a Director and Exploration Manager of other public companies
(i)	1980-1987	Director and Exploration Manager of numerous public and private companies
(j)		I have conducted many and extensive exploration programmes during the past 16 years.

3. I supervised and actively participated in the exploration program on the Gold Mine and Gold Hill claims between June 1 to August 10, 1987.

B. Fenwick-Wilson

B. Fenwick-Wilson

Geologic Technician and Prospector

APPENDIX I

STATEMENT OF EXPENDITURES

Wages:		
B. Fenwick-Wilson		
June 4 - 7, August 5 - 8, 1987		
7½ days at $150/day	$1,125.00	
G. McCool		
June 4 - 6, August 6 - 7, 1987		
4½ days at $70/day	315.00	
M. Fenwick-Wilson		
June 4 - 6, August 6 - 7, 1987		
2½ days at $90/day; 2 days at $100/day	425.00	
A. Ross		
August 7 - 9, 1987		
3 days at $100/day	300.00	
H.M. Jones, P.Eng.		
August 7 - 9, 1987		
3 days at $350/day	1,050.00	$ 3,215.00
Food and Accommodation:		
Golden Dawn Motel and meals		542.67
Transportation:		
4x4 truck rental and gas	429.05	
Budget Truck rental and fuel	310.65	739.70
Assays:		
Chemex Labs Ltd.	2,716.00	
Freight samples	18.75	2,734.75
Field and Supplies:		
Sample bags, flagging, thread, etc.		177.20
Equipment Rental:		75.98
Travel:		
Vehicle, meals, etc.		262.24
Phone calls, Misc.:		45.34
Report and map preparation		
Report	550.00	
Drafting	150.00	
Secretarial	100.00	800.00
TOTAL EXPENDITURES		**$ 8,592.96**

APPENDIX II

ASSAY CERTIFICATES

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

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

PHONE (604) 984-0221

To: PHILEX GOLD & ENERGY CORP.

717 - 837 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1B6

Project :

Comments: ATTN: B. PENWICK - WILSON.

Page No. : 1-A
Tot. Pages: 3
Date : 25-AUG-87
Invoice # : I-8720055
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
# 61	201	238	1510	2.11	2.6	>10000	90	< 0.5	< 2	1.79	< 0.5	39	10	987	14.15	< 10	< 1	0.10	10	0.45	1805
# 62	201	238	< 5	0.63	< 0.2	75	380	< 0.5	< 2	1.30	1.5	2	2	25	0.74	< 10	2	0.14	< 10	0.16	2580
# 70	201	238	< 5	2.42	< 0.2	35	300	< 0.5	< 2	0.41	0.5	4	8	23	2.08	< 10	< 1	0.11	< 10	0.34	1845
# 71	201	238	< 5	2.81	< 0.2	90	230	< 0.5	< 2	0.41	< 0.5	3	11	34	2.46	< 10	< 1	0.10	10	0.40	1030
# 72	201	238	15	2.56	< 0.2	90	200	< 0.5	< 2	0.39	< 0.5	10	13	33	2.48	< 10	2	0.14	< 10	0.43	908
# 73	201	238	< 5	2.86	< 0.2	45	200	< 0.5	< 2	0.41	< 0.5	10	12	40	2.84	< 10	< 1	0.19	10	0.48	919
# 74	201	238	10	2.03	1.0	60	100	< 0.5	< 2	5.58	0.5	15	19	134	3.26	< 10	< 1	0.09	< 10	0.96	899
# 75	201	238	< 5	2.85	< 0.2	40	210	< 0.5	< 2	0.39	< 0.5	9	15	33	2.60	< 10	< 1	0.08	10	0.42	724
# 76	201	238	< 5	2.75	0.2	25	130	< 0.5	< 2	0.60	0.5	13	22	86	3.70	< 10	< 1	0.14	10	0.82	591
# 77	201	238	< 5	3.21	< 0.2	10	300	< 0.5	< 2	0.36	0.5	10	12	37	2.66	< 10	< 1	0.09	10	0.48	749
# 78	201	238	< 5	1.90	< 0.2	< 5	150	< 0.5	< 2	0.40	0.5	9	17	50	3.09	< 10	< 1	0.09	10	0.63	875
# 79	201	238	< 5	2.66	< 0.2	20	250	< 0.5	< 2	0.36	0.5	8	12	31	2.44	< 10	< 1	0.08	10	0.41	972
# 80	201	238	< 5	2.13	0.2	40	140	< 0.5	< 2	0.57	0.5	9	11	34	2.07	< 10	< 1	0.10	10	0.28	658
# 81	201	238	< 5	1.95	< 0.2	15	180	< 0.5	< 2	0.36	1.0	7	14	28	1.95	< 10	< 1	0.08	10	0.29	805
# 82	201	238	< 5	1.94	< 0.2	15	220	< 0.5	< 2	0.35	0.5	7	11	22	1.92	< 10	< 1	0.09	10	0.31	913
# 83	201	238	< 5	1.80	0.2	20	140	< 0.5	< 2	0.28	< 0.5	5	13	18	1.77	< 10	< 1	0.09	< 10	0.27	476
# 84	201	238	15	1.73	0.4	60	120	< 0.5	< 2	0.36	< 0.5	6	13	30	2.30	< 10	< 1	0.08	10	0.46	649
# 85	201	238	< 5	1.95	< 0.2	45	150	< 0.5	< 2	0.30	0.5	7	12	34	2.20	< 10	< 1	0.11	10	0.37	664
# 86	201	238	< 5	1.72	< 0.2	20	120	< 0.5	< 2	0.26	0.5	6	11	20	1.77	< 10	< 1	0.07	< 10	0.27	328
# 87	201	238	< 5	1.88	< 0.2	35	110	< 0.5	< 2	0.20	0.5	5	11	25	1.87	< 10	< 1	0.05	< 10	0.29	314
# 88	201	238	< 5	1.95	< 0.2	20	150	< 0.5	< 2	0.26	< 0.5	5	10	16	1.56	< 10	< 1	0.07	10	0.22	495
# 89	201	238	20	1.66	0.2	30	200	< 0.5	< 2	0.59	1.5	7	13	29	1.87	< 10	< 1	0.14	10	0.26	575
# 90	201	238	< 5	1.78	< 0.2	35	170	< 0.5	< 2	0.45	0.5	7	12	24	2.01	< 10	< 1	0.09	10	0.31	1035
# 91	201	238	10	2.14	0.2	10	190	< 0.5	< 2	0.41	1.0	9	14	41	2.49	< 10	< 1	0.14	10	0.45	699
# 92	201	238	< 5	1.69	< 0.2	5	150	< 0.5	< 2	0.29	< 0.5	5	8	22	1.66	< 10	1	0.08	< 10	0.23	560
# 93	201	238	55	2.32	< 0.2	25	150	< 0.5	< 2	0.31	0.5	9	15	35	2.25	< 10	< 1	0.09	10	0.35	562
# 94	201	238	< 5	2.01	< 0.2	40	160	< 0.5	< 2	0.27	< 0.5	8	14	28	2.05	< 10	< 1	0.08	10	0.34	903
# 95	201	238	< 5	2.28	< 0.2	35	190	< 0.5	2	0.20	< 0.5	7	11	25	1.97	< 10	< 1	0.05	< 10	0.29	970
# 96	201	238	< 5	2.31	0.2	< 5	130	< 0.5	< 2	0.38	1.0	6	10	24	1.81	< 10	< 1	0.07	10	0.25	469
# 97	201	238	< 5	2.44	< 0.2	15	160	< 0.5	< 2	0.33	0.5	9	17	28	2.45	< 10	< 1	0.10	10	0.43	559
# 98	201	238	< 5	2.01	< 0.2	35	110	< 0.5	< 2	0.33	0.5	7	19	26	2.07	< 10	< 1	0.09	10	0.37	328
# 99	201	238	10	2.56	0.6	40	110	< 0.5	< 2	0.61	1.5	14	31	90	3.97	< 10	< 1	0.08	20	0.75	688
# 100	201	238	< 5	1.96	< 0.2	10	190	< 0.5	< 2	0.32	< 0.5	7	13	18	1.92	< 10	1	0.09	< 10	0.28	797
# 101	201	238	< 5	2.31	0.2	20	180	< 0.5	< 2	0.46	1.0	9	15	43	2.64	< 10	< 1	0.11	10	0.51	587
# 102	201	238	< 5	1.86	< 0.2	15	150	< 0.5	< 2	0.28	0.5	6	10	24	1.86	< 10	< 1	0.06	10	0.31	476
# 103	201	238	< 5	1.81	< 0.2	15	100	< 0.5	< 2	0.40	0.5	8	12	36	2.10	< 10	< 1	0.08	10	0.38	472
# 104	201	238	< 5	1.93	0.8	35	340	< 0.5	< 2	1.20	2.0	9	17	59	2.39	< 10	1	0.13	20	0.33	1865
# 105	201	238	< 5	2.95	< 0.2	10	180	< 0.5	< 2	0.34	0.5	10	15	37	2.51	< 10	1	0.06	10	0.47	415
# 106	201	238	< 5	2.02	< 0.2	25	160	< 0.5	< 2	0.25	0.5	8	11	26	1.90	< 10	< 1	0.07	10	0.31	1115
# 107	201	238	5	2.39	< 0.2	55	240	< 0.5	2	0.50	0.5	11	24	42	3.27	< 10	< 1	0.12	10	0.44	647

CERTIFICATION : _____

Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

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

PHONE (604) 984-0221

To : PHILEX GOLD & ENERGY CORP.

717 - 837 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1B6

Project :

Comments: ATTN: B. FENWICK - WILSON.

Page No. : 1-B
Tot. Pages: 3
Date : 25-AUG-87
Invoice # : I-8720055
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Se ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
# 61	201	238	11	< 0.01	45	1460	24	10	< 10	99	0.01	< 10	< 10	63	< 5	122
# 62	201	238	1	0.01	4	580	10	< 5	< 10	105	0.03	< 10	< 10	13	5	163
# 70	201	238	< 1	0.03	11	440	6	< 5	< 10	47	0.09	< 10	< 10	43	< 5	112
# 71	201	238	< 1	0.02	15	990	8	< 5	< 10	46	0.11	< 10	< 10	52	< 5	146
# 72	201	238	< 1	0.03	15	590	4	< 5	< 10	43	0.10	< 10	< 10	51	< 5	97
# 73	201	238	< 1	0.04	14	350	6	< 5	< 10	43	0.11	< 10	< 10	57	< 5	94
# 74	201	238	< 1	0.02	25	1410	2	< 5	< 10	132	0.05	< 10	< 10	80	5	101
# 75	201	238	< 1	0.03	17	730	6	< 5	< 10	49	0.10	< 10	< 10	59	< 5	111
# 76	201	238	1	0.02	26	750	10	< 5	< 10	60	0.10	< 10	< 10	92	< 5	107
# 77	201	238	< 1	0.03	17	480	4	< 5	< 10	55	0.11	< 10	< 10	59	< 5	92
# 78	201	238	1	0.01	23	250	12	< 5	< 10	37	0.06	< 10	< 10	69	< 5	126
# 79	201	238	1	0.03	19	220	4	< 5	< 10	42	0.10	< 10	< 10	50	10	139
# 80	201	238	< 1	0.03	15	2010	< 2	< 5	< 10	58	0.07	< 10	< 10	43	5	106
# 81	201	238	< 1	0.02	22	850	4	< 5	< 10	37	0.09	< 10	< 10	40	< 5	131
# 82	201	238	< 1	0.02	15	820	4	< 5	< 10	43	0.08	< 10	< 10	40	< 5	151
# 83	201	238	< 1	0.02	14	1200	< 2	< 5	< 10	32	0.08	< 10	< 10	37	< 5	139
# 84	201	238	< 1	0.01	19	520	2	< 5	< 10	35	0.07	< 10	< 10	47	< 5	136
# 85	201	238	< 1	0.02	22	2290	< 2	< 5	< 10	36	0.07	< 10	< 10	41	< 5	153
# 86	201	238	< 1	0.02	19	2010	< 2	< 5	< 10	28	0.07	< 10	< 10	34	< 5	111
# 87	201	238	< 1	0.03	19	800	< 2	< 5	< 10	25	0.08	< 10	< 10	36	< 5	84
# 88	201	238	2	0.03	17	790	< 2	< 5	< 10	28	0.08	< 10	< 10	30	5	88
# 89	201	238	< 1	0.02	21	2170	< 2	< 5	< 10	75	0.07	< 10	< 10	38	5	168
# 90	201	238	< 1	0.02	23	1170	6	< 5	< 10	42	0.07	< 10	< 10	41	< 5	169
# 91	201	238	1	0.02	22	1010	< 2	< 5	< 10	46	0.08	< 10	< 10	50	< 5	163
# 92	201	238	< 1	0.03	11	1630	4	< 5	< 10	40	0.07	< 10	< 10	34	5	100
# 93	201	238	< 1	0.03	22	1840	< 2	< 5	< 10	35	0.09	< 10	< 10	47	5	129
# 94	201	238	< 1	0.03	18	790	< 2	< 5	10	32	0.09	< 10	< 10	46	< 5	102
# 95	201	238	< 1	0.02	18	1160	8	< 5	< 10	31	0.09	< 10	< 10	44	5	103
# 96	201	238	< 1	0.03	21	1280	< 2	< 5	< 10	40	0.10	< 10	< 10	35	< 5	138
# 97	201	238	< 1	0.02	27	1060	2	< 5	< 10	37	0.09	< 10	< 10	52	5	147
# 98	201	238	< 1	0.03	29	2010	4	< 5	< 10	32	0.08	< 10	< 10	40	< 5	125
# 99	201	238	< 1	0.01	43	860	24	10	10	54	0.11	< 10	< 10	85	5	157
# 100	201	238	< 1	0.02	15	770	< 2	< 5	< 10	34	0.09	< 10	< 10	37	< 5	130
# 101	201	238	< 1	0.03	21	440	8	< 5	< 10	48	0.09	< 10	< 10	53	5	128
# 102	201	238	< 1	0.03	15	2180	2	< 5	< 10	35	0.07	< 10	< 10	36	< 5	126
# 103	201	238	< 1	0.03	15	790	6	< 5	10	36	0.07	< 10	< 10	48	5	91
# 104	201	238	1	0.01	36	2520	18	< 5	10	93	0.07	< 10	< 10	41	5	214
# 105	201	238	< 1	0.03	19	730	8	< 5	< 10	41	0.10	< 10	< 10	54	5	101
# 106	201	238	1	0.02	18	1220	6	< 5	< 10	31	0.08	< 10	< 10	42	< 5	124
# 107	201	238	< 1	0.03	38	700	14	< 5	10	51	0.11	< 10	< 10	64	10	111

CERTIFICATION : _____

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

To: PHILEX GOLD & ENERGY CORP.
717 - 837 W. HASTINGS ST.
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V6C 1B6
Project :
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Date : 25-AUG-87
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CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
LINE 0-01 W	201	238	10	2.28	< 0.2	< 5	120	< 0.5	< 2	1.05	< 0.5	18	16	65	3.35	< 10	< 1	0.15	10	0.34	827
LINE 0-02 W	201	238	< 5	2.42	< 0.2	< 5	210	< 0.5	< 2	0.88	< 0.5	21	12	65	3.53	< 10	< 1	0.14	10	0.33	1410
LINE 0-03 W	201	238	10	1.74	< 0.2	5	150	< 0.5	< 2	1.68	0.5	43	9	164	2.98	< 10	< 1	0.14	10	0.33	1440
LINE 0-04 W	201	238	< 5	2.50	< 0.2	< 5	140	< 0.5	< 2	0.75	0.5	10	10	35	3.17	< 10	< 1	0.14	10	0.25	605
LINE 0-05 W	201	238	40	1.70	< 0.2	15	160	< 0.5	< 2	0.67	< 0.5	13	7	61	2.83	< 10	< 1	0.18	10	0.20	775
LINE 0-07 W	201	238	230	2.19	< 0.2	110	200	< 0.5	2	3.07	< 0.5	41	11	262	4.05	10	< 1	0.17	10	0.44	1465
LINE 0-08 W	201	238	600	1.92	< 0.2	< 5	150	< 0.5	< 2	0.81	0.5	19	10	67	2.50	< 10	< 1	0.17	10	0.26	648
LINE 0-09 W	201	238	115	2.56	< 0.2	15	290	< 0.5	< 2	1.12	0.5	26	10	76	3.40	< 10	< 1	0.19	10	0.32	2170
LINE 0-10 W	201	238	5	1.40	< 0.2	< 5	170	< 0.5	< 2	0.36	< 0.5	6	5	17	1.31	< 10	< 1	0.07	< 10	0.14	1150
LINE 0-11 W	201	238	20	2.57	< 0.2	105	140	< 0.5	< 2	0.32	< 0.5	9	10	28	2.09	< 10	< 1	0.05	10	0.24	435
LINE 0-12 W	201	238	< 5	2.40	< 0.2	10	210	< 0.5	< 2	0.46	< 0.5	11	10	20	2.21	< 10	< 1	0.10	10	0.24	1115
50N 01W	201	238	< 5	2.61	< 0.2	20	110	< 0.5	2	0.60	< 0.5	16	12	62	3.71	< 10	1	0.16	10	0.29	332
50N 02W	201	238	< 5	0.76	< 0.2	15	50	< 0.5	2	0.36	< 0.5	4	9	14	1.27	< 10	< 1	0.11	< 10	0.11	212
50N 03W	201	238	20	2.17	< 0.2	5	180	< 0.5	< 2	0.90	0.5	21	10	124	3.01	< 10	< 1	0.11	10	0.27	746
50N 04W	201	238	40	3.14	< 0.2	70	200	< 0.5	< 2	1.16	< 0.5	59	12	201	5.71	< 10	< 1	0.20	10	0.52	1280
50N 05W	201	238	15	3.86	< 0.2	90	310	< 0.5	< 2	1.28	< 0.5	44	10	286	5.25	< 10	4	0.13	10	0.56	949
50N 06W	201	238	< 5	2.24	< 0.2	30	120	< 0.5	< 2	0.67	< 0.5	17	10	54	3.25	< 10	< 1	0.16	10	0.25	656
50N 07W	201	238	10	3.62	< 0.2	35	200	< 0.5	< 2	0.47	< 0.5	15	15	43	3.17	< 10	2	0.08	10	0.31	517
50N 08W	201	238	80	2.48	< 0.2	55	210	< 0.5	< 2	0.79	< 0.5	33	11	129	4.29	< 10	< 1	0.20	10	0.34	1375
50N 09W	201	238	5	1.94	< 0.2	35	130	< 0.5	< 2	0.60	< 0.5	17	7	70	2.87	< 10	2	0.10	10	0.23	536
50N 10W	201	238	< 5	1.62	< 0.2	20	100	< 0.5	2	0.57	< 0.5	8	6	26	2.26	< 10	< 1	0.25	< 10	0.19	569
50N 11W	201	238	40	1.87	< 0.2	35	120	< 0.5	< 2	0.47	< 0.5	10	8	37	1.77	< 10	< 1	0.15	10	0.21	350
LINE 50S 03W	201	238	5	2.50	< 0.2	30	120	< 0.5	< 2	0.42	< 0.5	16	11	43	2.76	< 10	< 1	0.08	< 10	0.28	583
LINE 50S 04W	201	238	5	1.05	< 0.2	< 5	90	< 0.5	2	0.44	< 0.5	9	5	17	1.53	< 10	< 1	0.07	< 10	0.13	589
LINE 50S 05W	201	238	5	2.21	< 0.2	15	110	< 0.5	2	0.55	< 0.5	16	7	68	3.89	< 10	1	0.18	10	0.23	427
LINE 50S 06W	201	238	70	2.58	0.8	330	310	< 0.5	4	4.73	< 0.5	43	11	253	6.91	10	< 1	0.13	< 10	0.67	1100
LINE 50S 07W	201	238	85	2.44	< 0.2	135	190	< 0.5	< 2	1.11	< 0.5	37	15	214	4.54	< 10	< 1	0.18	10	0.70	1315
LINE 50S 08W	201	238	25	1.88	< 0.2	30	190	< 0.5	< 2	0.42	< 0.5	6	6	17	1.61	< 10	< 1	0.09	< 10	0.21	869
LINE 50S 09W	201	238	< 5	1.94	< 0.2	5	90	< 0.5	4	0.12	< 0.5	6	6	16	1.68	< 10	< 1	0.03	< 10	0.19	356
LINE 50S 10W	201	238	< 5	1.50	< 0.2	5	90	< 0.5	2	0.26	< 0.5	8	7	14	1.61	< 10	< 1	0.04	< 10	0.16	537
LINE 50S 11W	201	238	< 5	2.52	< 0.2	5	220	< 0.5	2	0.40	< 0.5	11	11	24	2.22	< 10	< 1	0.04	10	0.26	912
LINE 50S 12W	201	238	< 5	2.07	< 0.2	15	110	< 0.5	< 2	0.44	< 0.5	11	14	36	2.53	< 10	< 1	0.17	10	0.36	561
100N - 01W	201	238	< 5	2.13	< 0.2	10	140	< 0.5	< 2	0.51	< 0.5	18	7	51	2.71	< 10	< 1	0.14	< 10	0.26	728
100N - 02W	201	238	< 5	1.36	< 0.2	20	150	< 0.5	2	0.39	< 0.5	8	4	17	1.32	< 10	< 1	0.11	< 10	0.14	866
100N - 03W	201	238	35	2.62	0.2	15	90	< 0.5	< 2	0.37	< 0.5	7	5	19	1.61	< 10	< 1	0.04	< 10	0.15	371
100N - 04W	201	238	< 5	0.80	< 0.2	5	150	< 0.5	< 2	0.22	< 0.5	5	4	11	1.15	< 10	< 1	0.06	< 10	0.10	443
100N - 05W	201	238	< 5	2.67	< 0.2	25	270	< 0.5	2	0.55	< 0.5	14	10	42	2.39	< 10	< 1	0.12	10	0.23	1350
100N - 06W	201	238	< 5	2.21	< 0.2	15	240	< 0.5	2	0.55	< 0.5	11	12	29	2.27	< 10	< 1	0.20	10	0.25	1175
100N - 07W	201	238	5	2.71	< 0.2	15	170	< 0.5	< 2	0.36	< 0.5	12	11	44	2.39	< 10	< 1	0.06	10	0.28	353
100N - 08W	201	238	< 5	1.92	< 0.2	5	180	< 0.5	2	0.45	< 0.5	7	8	14	1.96	< 10	< 1	0.06	< 10	0.20	743

CERTIFICATION :

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

To: PHILEX GOLD & ENERGY CORP.
717 - 837 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1B6
Project :
Comments: ATTN: B. FENWICK - WILSON.

Date :25-AUG-87
Invoice # :I-8720055
P.O. # :NONE

CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Se ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
LINE 0-01 W	201	238	< 1	0.01	17	610	10	< 5	10	64	0.10	< 10	< 10	62	< 5	72
LINE 0-02 W	201	238	< 1	0.03	23	230	< 2	< 5	< 10	50	0.09	< 10	< 10	54	< 5	80
LINE 0-03 W	201	238	1	0.02	28	800	8	5	< 10	84	0.07	< 10	< 10	41	< 5	87
LINE 0-04 W	201	238	< 1	0.02	9	260	6	< 5	< 10	61	0.09	< 10	< 10	56	< 5	65
LINE 0-05 W	201	238	< 1	0.02	11	370	< 2	5	< 10	39	0.07	< 10	< 10	39	< 5	113
LINE 0-07 W	201	238	< 1	0.01	36	770	6	< 5	10	137	0.06	< 10	< 10	59	< 5	71
LINE 0-08 W	201	238	< 1	0.03	15	350	8	< 5	10	61	0.08	< 10	< 10	49	< 5	63
LINE 0-09 W	201	238	< 1	0.02	17	940	6	5	< 10	98	0.10	< 10	< 10	61	< 5	165
LINE 0-10 W	201	238	< 1	0.02	8	520	< 2	< 5	< 10	27	0.06	< 10	< 10	27	< 5	115
LINE 0-11 W	201	238	< 1	0.03	15	540	4	< 5	< 10	33	0.11	< 10	< 10	45	< 5	97
LINE 0-12 W	201	238	< 1	0.03	11	230	4	< 5	< 10	37	0.11	< 10	< 10	47	< 5	84
50N 01W	201	238	< 1	0.02	17	170	< 2	< 5	10	44	0.12	< 10	< 10	72	< 5	73
50N 02W	201	238	< 1	0.03	19	620	8	< 5	< 10	24	0.07	< 10	< 10	29	< 5	150
50N 03W	201	238	< 1	0.03	34	400	12	< 5	10	65	0.08	< 10	< 10	48	< 5	92
50N 04W	201	238	< 1	0.02	35	510	< 2	< 5	10	90	0.11	< 10	< 10	95	< 5	125
50N 05W	201	238	< 1	0.02	33	530	12	< 5	< 10	95	0.15	< 10	< 10	122	< 5	119
50N 06W	201	238	< 1	0.02	12	230	6	< 5	< 10	42	0.10	< 10	< 10	63	< 5	76
50N 07W	201	238	< 1	0.03	20	180	6	5	< 10	44	0.14	< 10	< 10	66	< 5	94
50N 08W	201	238	< 1	0.03	33	500	20	5	10	73	0.09	< 10	< 10	67	< 5	151
50N 09W	201	238	< 1	0.04	18	310	2	< 5	< 10	47	0.09	< 10	< 10	55	< 5	94
50N 10W	201	238	< 1	0.03	11	630	< 2	< 5	10	36	0.09	< 10	< 10	43	< 5	138
50N 11W	201	238	< 1	0.04	13	830	4	< 5	< 10	38	0.08	< 10	< 10	30	< 5	90
LINE 50S 03W	201	238	< 1	0.03	20	460	14	< 5	10	36	0.11	< 10	< 10	56	< 5	83
LINE 50S 04W	201	238	< 1	0.02	5	170	12	< 5	< 10	29	0.06	< 10	< 10	27	< 5	72
LINE 50S 05W	201	238	< 1	0.03	15	290	< 2	< 5	10	48	0.10	< 10	< 10	62	< 5	85
LINE 50S 06W	201	238	< 1	0.04	17	480	12	10	10	104	0.06	< 10	< 10	123	< 5	94
LINE 50S 07W	201	238	< 1	0.05	21	380	26	< 5	10	66	0.13	< 10	< 10	90	< 5	88
LINE 50S 08W	201	238	< 1	0.03	11	730	6	< 5	10	40	0.09	< 10	< 10	35	< 5	62
LINE 50S 09W	201	238	< 1	0.02	6	470	8	< 5	< 10	14	0.09	< 10	< 10	34	< 5	57
LINE 50S 10W	201	238	< 1	0.02	6	310	10	< 5	10	24	0.08	< 10	< 10	37	< 5	59
LINE 50S 11W	201	238	< 1	0.03	14	500	4	< 5	10	37	0.12	< 10	< 10	47	< 5	87
LINE 50S 12W	201	238	< 1	0.02	14	360	8	< 5	10	34	0.10	< 10	< 10	55	< 5	86
100N - 01W	201	238	< 1	0.02	15	270	8	< 5	< 10	37	0.10	< 10	< 10	55	< 5	72
100N - 02W	201	238	< 1	0.03	7	440	< 2	< 5	< 10	31	0.07	< 10	< 10	27	< 5	74
100N - 03W	201	238	< 1	0.03	12	1600	2	< 5	10	31	0.10	< 10	< 10	28	< 5	72
100N - 04W	201	238	< 1	0.02	4	630	< 2	< 5	10	24	0.06	< 10	< 10	26	< 5	104
100N - 05W	201	238	< 1	0.02	17	300	6	< 5	10	54	0.10	< 10	< 10	44	< 5	95
100N - 06W	201	238	< 1	0.02	13	820	4	< 5	< 10	54	0.10	< 10	< 10	48	< 5	106
100N - 07W	201	238	< 1	0.03	19	310	12	< 5	10	45	0.12	< 10	< 10	54	< 5	81
100N - 08W	201	238	< 1	0.02	10	160	4	< 5	10	32	0.10	< 10	< 10	42	< 5	104

CERTIFICATION: _____

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

To : PHILEX GOLD & ENERGY CORP.
717 - 837 W. HASTINGS ST.
VANCOUVER, B.C.
V6C 1B6
Project :
Comments: ATTN: B. FENWICK - WILSON.

Date : 25-AUG-87
Invoice # : I-8720055
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA	Al %	Ag ppm	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm
100N - 09W	201	238	< 5	2.20	< 0.2	20	60	< 0.5	2	0.42	< 0.5	8	7	20	2.17	< 10	< 1	0.08	< 10	0.21	248
100N - 10W	201	238	< 5	2.50	< 0.2	15	200	< 0.5	2	0.45	< 0.5	8	8	28	1.86	< 10	1	0.09	< 10	0.21	678
100N - 11W	201	238	< 5	0.86	< 0.2	20	120	< 0.5	< 2	0.50	< 0.5	6	5	21	1.59	< 10	< 1	0.06	< 10	0.14	614
100S - 03W	201	238	< 5	2.36	< 0.2	15	180	< 0.5	2	0.35	< 0.5	12	9	38	2.34	< 10	< 1	0.07	< 10	0.22	672
100S - 04W	201	238	15	2.16	< 0.2	20	160	< 0.5	< 2	0.95	< 0.5	34	7	121	3.61	< 10	< 1	0.10	10	0.30	1130
100S - 05W	201	238	< 5	2.76	< 0.2	25	190	< 0.5	4	0.65	< 0.5	14	15	40	2.59	< 10	< 1	0.17	10	0.32	793
100S - 06W	201	238	< 5	3.16	< 0.2	< 5	210	< 0.5	< 2	0.50	0.5	11	11	27	2.39	< 10	< 1	0.08	< 10	0.29	702
100S - 07W	201	238	< 5	1.36	< 0.2	< 5	130	< 0.5	< 2	0.41	< 0.5	5	3	13	1.29	< 10	< 1	0.09	< 10	0.12	647
100S - 08W	201	238	< 5	2.43	< 0.2	< 5	190	< 0.5	< 2	0.37	0.5	10	7	29	2.38	< 10	1	0.08	< 10	0.24	694
100S - 09W	201	238	< 5	2.11	< 0.2	< 5	170	< 0.5	< 2	0.41	< 0.5	4	13	18	2.14	< 10	< 1	0.10	< 10	0.40	535
100S - 10W	201	238	< 5	1.83	< 0.2	< 5	220	< 0.5	< 2	0.23	< 0.5	4	8	15	1.84	< 10	< 1	0.05	< 10	0.21	777
100S - 11W	201	238	< 5	2.79	< 0.2	10	190	< 0.5	< 2	0.33	< 0.5	9	13	30	2.69	< 10	< 1	0.11	< 10	0.38	651
100S - 12W	201	238	< 5	2.76	< 0.2	5	340	< 0.5	< 2	0.75	0.5	11	10	43	2.46	< 10	< 1	0.13	< 10	0.30	2070
15+30N 2+00E	201	238	< 5	1.41	< 0.2	10	190	< 0.5	< 2	0.65	0.5	12	4	36	2.06	< 10	2	0.09	< 10	0.18	1095
15+30N 2+25E	201	238	< 5	1.53	< 0.2	< 5	170	< 0.5	< 2	0.38	< 0.5	13	5	55	1.88	< 10	< 1	0.06	< 10	0.20	906
15+30N 2+50E	201	238	< 5	2.57	< 0.2	< 5	220	< 0.5	< 2	0.37	0.5	10	7	40	2.29	< 10	< 1	0.06	< 10	0.21	779
15+30N 2+75E	201	238	< 5	2.06	< 0.2	< 5	160	< 0.5	< 2	0.36	< 0.5	4	9	32	2.05	< 10	< 1	0.08	< 10	0.30	675
15+30N 3+00E	201	238	240	2.44	< 0.2	< 5	270	< 0.5	< 2	0.41	< 0.5	13	21	49	2.71	< 10	1	0.09	< 10	0.70	1340
15+40N 2+00E	201	238	< 5	1.82	< 0.2	10	150	< 0.5	< 2	0.48	< 0.5	12	8	45	2.07	< 10	< 1	0.09	< 10	0.20	348
15+40N 2+50E	201	238	< 5	2.97	< 0.2	10	170	< 0.5	< 2	0.41	< 0.5	26	11	78	3.19	< 10	< 1	0.08	< 10	0.32	429
15+40N 2+75E	201	238	< 5	2.35	< 0.2	5	160	< 0.5	< 2	0.42	0.5	14	11	47	2.73	< 10	< 1	0.09	< 10	0.33	681
15+40N 3+00E	201	238	160	2.15	< 0.2	5	220	< 0.5	< 2	0.78	0.5	30	21	186	3.48	< 10	< 1	0.35	10	0.82	1330
15+45N 2+25E	201	238	5	3.15	< 0.2	5	210	< 0.5	< 2	0.26	< 0.5	10	11	26	2.54	< 10	1	0.06	< 10	0.25	527
15+50N 2+25E	201	238	10	2.69	< 0.2	< 5	260	< 0.5	< 2	0.32	< 0.5	15	11	33	2.54	< 10	< 1	0.09	< 10	0.26	1290
15+50N 2+50E	201	238	75	3.16	0.2	315	210	< 0.5	< 2	0.75	< 0.5	52	18	178	4.59	< 10	2	0.12	10	0.50	526
15+50N 2+75E	201	238	< 5	1.96	< 0.2	10	180	< 0.5	< 2	0.42	< 0.5	15	8	60	2.38	< 10	< 1	0.08	< 10	0.30	832
15+50N 3+00E	201	238	< 5	2.13	< 0.2	5	230	< 0.5	< 2	0.58	< 0.5	18	15	86	2.85	< 10	1	0.12	< 10	0.64	1235
15+50N 3+25E	201	238	60	3.23	< 0.2	< 5	70	< 0.5	< 2	0.51	< 0.5	14	4	67	1.84	< 10	< 1	0.06	< 10	0.18	139

CERTIFICATION : _____

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

To: PHILEX GOLD & ENERGY CORP.
717 - 837 W. HASTINGS ST.
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Project :
Comments: ATTN: B. FENWICK - WILSON.

Date :25-AUG-87
Invoice # :I-8720055
P.O. # :NONE

CERTIFICATE OF ANALYSIS A8720055

SAMPLE DESCRIPTION	PREP CODE		Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Se ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
100N - 09W	201	238	< 1	0.03	7	130	< 2	< 5	10	27	0.11	< 10	< 10	41	5	67
100N - 10W	201	238	< 1	0.03	17	270	8	< 5	< 10	37	0.10	< 10	< 10	35	< 5	89
100N - 11W	201	238	< 1	0.02	11	620	< 2	< 5	10	32	0.07	< 10	< 10	37	5	129
100S - 03W	201	238	< 1	0.03	17	350	16	< 5	< 10	47	0.10	< 10	< 10	47	10	136
100S - 04W	201	238	< 1	0.02	23	420	2	5	10	56	0.10	< 10	< 10	72	10	151
100S - 05W	201	238	< 1	0.03	20	530	16	5	10	58	0.12	< 10	< 10	55	5	115
100S - 06W	201	238	< 1	0.03	14	310	6	< 5	< 10	54	0.11	< 10	< 10	46	< 5	99
100S - 07W	201	238	< 1	0.02	5	490	4	< 5	< 10	36	0.07	< 10	< 10	27	< 5	73
100S - 08W	201	238	< 1	0.03	14	1150	2	< 5	< 10	35	0.10	< 10	< 10	43	< 5	121
100S - 09W	201	238	< 1	0.02	15	310	2	< 5	< 10	41	0.09	< 10	< 10	42	< 5	98
100S - 10W	201	238	< 1	0.03	9	200	< 2	< 5	< 10	29	0.09	< 10	< 10	41	< 5	57
100S - 11W	201	238	< 1	0.01	14	380	4	< 5	< 10	38	0.12	< 10	< 10	60	< 5	82
100S - 12W	201	238	< 1	0.03	17	1110	4	< 5	< 10	57	0.09	< 10	< 10	50	< 5	138
15+30N 2+00E	201	238	< 1	0.05	8	540	< 2	< 5	< 10	55	0.08	< 10	< 10	44	5	92
15+30N 2+25E	201	238	< 1	0.04	12	440	4	< 5	< 10	37	0.09	< 10	< 10	41	< 5	95
15+30N 2+50E	201	238	< 1	0.04	13	230	< 2	< 5	< 10	45	0.11	< 10	< 10	45	< 5	112
15+30N 2+75E	201	238	< 1	0.04	15	310	2	< 5	< 10	39	0.11	< 10	< 10	47	< 5	74
15+30N 3+00E	201	238	< 1	0.03	27	150	4	< 5	< 10	46	0.16	< 10	< 10	69	< 5	97
15+40N 2+00E	201	238	< 1	0.03	16	1270	< 2	< 5	< 10	45	0.08	< 10	< 10	40	< 5	107
15+40N 2+50E	201	238	< 1	0.03	22	320	2	< 5	< 10	54	0.11	< 10	< 10	54	< 5	102
15+40N 2+75E	201	238	< 1	0.03	16	230	2	< 5	< 10	49	0.12	< 10	< 10	62	< 5	69
15+40N 3+00E	201	238	< 1	0.04	62	390	2	< 5	< 10	58	0.15	< 10	< 10	91	< 5	133
15+45N 2+25E	201	238	< 1	0.02	17	250	2	< 5	< 10	37	0.13	< 10	< 10	53	< 5	76
15+50N 2+25E	201	238	< 1	0.03	18	350	6	< 5	< 10	39	0.12	< 10	< 10	52	< 5	76
15+50N 2+50E	201	238	< 1	0.04	43	310	< 2	< 5	< 10	82	0.12	< 10	< 10	76	5	119
15+50N 2+75E	201	238	< 1	0.04	17	190	< 2	< 5	< 10	43	0.11	< 10	< 10	53	< 5	65
15+50N 3+00E	201	238	< 1	0.05	28	300	< 2	< 5	< 10	58	0.16	< 10	< 10	84	< 5	105
15+50N 3+25E	201	238	< 1	0.05	15	830	6	< 5	< 10	35	0.11	< 10	< 10	27	< 5	53

CERTIFICATION : _____

15+00 W
10+00W
5+00W
0+00
5+00E
10+00E
20+00 N
15+00 N
10+00N
5+00N
0+00
5+00S
10+00 S

Forest access road (approx. location)

WHISTLE CREEK

not mapped drivable

GRID 1

GRID 2

GRID 3

GRID 4

PROPERTY BOUNDARY

LEGEND

- STATION
- LOGGING ROAD – DRIVABLE , NOT DRIVABLE
- CREEK
- 50 • 150 GOLD IN PPB / ARSENIC IN PPM
- GOLD CONTOUR
- ARSENIC "

GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,427

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA H. M. JONES

PHILEX GOLD AND ENERGY CORP.

H. M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

GOLD MINE & GOLD HILL CLAIMS

SOIL GEOCHEMISTRY GOLD & ARSENIC

N.T.S. 92 H-8E HEDLEY AREA - SIMILKAMEEN M.D.

0 100 200 300 METRES

SCALE 1:5000 | H. M. J. | MARCH 1986 REV. OCT. 1987 | FIG. 4

CHONG

15+00 W
10+00 W
5+00 W
0+00
5+00 E
10+00 E
20+00 N
15+00 N
10+00 N
5+00 N
0+00
5+00 S
10+00 S
15+00 S

L.C.P. GOLD MINE

Scattered argillite o/c

Cliff

GRID 1

AREA 2

AREA 3a

AREA 3 FIG. 5

AREA 1 FIG. 4

poor o/c argillite

Forest access road (approx. location)

W H I S T L E C R E E K

L.C.P. GOLD HILL

PROPERTY BOUNDARY

Pond

LEGEND

- STATION
- LOGGING ROAD – DRIVABLE, NOT DRIVABLE
- CREEK
- AIRPHOTO LINEAMENT
- 45 BEDDING
- LCP LEGAL CORNER POST
- ADIT
- PIT OR SHALLOW SHAFT
- TRENCH
- OUTCROP
- CONTACT
- 1 ARGILLITE, MINOR SILTSTONE
  - 1a. limy argillite, limy sediments, limestone
  - 1b chert, cherty argillite, chert breccia
- 2 TUFF
  - 2a. limy tuff
- 3 VOLCANIC BRECCIA
  - 3a. limy breccia
- 4 CONGLOMERATE
- 5 DIORITE DYKE
- 6 GRANODIORITE
- 7 ANDESITE (?) INTRUSSIVES

N

GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,427

PROFESSIONAL ENGINEER — PROVINCE OF BRITISH COLUMBIA — H. M. JONES

PHILEX GOLD AND ENERGY CORP.

H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

GOLD MINE & GOLD HILL CLAIMS

GEOLOGY MAP

N.T.S. 92 H-8E HEDLEY AREA - SIMILKAMEEN M.D.

0 100 200 300 METRES

SCALE 1:5000	MARCH 1986 REV. OCT 1987	FIG. 3
H. M. J.		

CHONG