

TRENCHING AND DRILLING REPORT  
on the  
METS 1 AND 2 MINERAL CLAIMS  
LAIRD AND OMINECA MINING DIVISIONS  
BRITISH COLUMBIA  
on behalf of  
MANSON CREEK RESOURCES LTD.

GEOLOGICAL BRANCH  
ASSESSMENT REPORT

16,692

PART 1  
OF 7

FILMED

TRENCHING AND DRILLING REPORT  
on the  
METS 1 AND 2 MINERAL CLAIMS  
LIARD AND OMINECA MINING DIVISIONS  
BRITISH COLUMBIA

NTS 94 E / 6 W

LATITUDE 57° 21' NORTH  
LONGITUDE 127° 19' WEST

DECEMBER, 1987

on behalf of

MANSON CREEK RESOURCES LTD.  
CALGARY, ALBERTA

and

GOLDEN RULE RESOURCES LTD.  
CALGARY, ALBERTA

by

B. T. EVANS, P.GEOL.

Golden Rule Resources Ltd.  
#410, 1122 - 4th Street S.W.  
Calgary, Alberta  
T2R 1M1

<u>TABLE OF CONTENTS</u>		<u>Page #</u>
	Certificate -----	iv
1.0	Introduction -----	1
2.0	Property Status and Ownership -----	1
3.0	Location and Access -----	1
4.0	Physiography and Glaciation -----	2
5.0	Regional Geology -----	5
6.0	Previous Exploration -----	7
7.0	Property Geology -----	9
7.1	Lithologies -----	9
7.2	Alteration -----	11
7.3	Structure -----	12
7.4	Mineralization -----	13
8.0	1987 Drill Program -----	14
8.1	Analytical Methods -----	16
8.2	Survey Control -----	16
9.0	Results -----	17
9.1	"A" Zone -----	17
9.2	N 75 Zone -----	19
9.3	400 S Showing -----	19
9.4	Footwall Zone -----	20
10.0	Recommendations -----	21
	Bibliography -----	25

LIST OF FIGURES

Figure 1	British Columbia Property Location
Figure 2	Mets 1 and 2 Claim Map
Figure 3	Mets Exploration Timetable

LIST OF TABLES

Table 1	1986 Drill Program Results
Table 2	1987 Drill Program; Borehole Locations
Table 3	1987 "A" Zone Borehole Intersections
Table 4	Footwall Trench Results

APPENDICES

Appendix 1	Proposed 1988 Exploration Budget
Appendix 2	1987 Drill Logs
Appendix 3	Assay Certificates - Drill Program
Appendix 4	Assay Certificates - Trenching
Appendix 5	1987 Expenditures
Appendix 6	Petrological Report

MAP POCKET CONTENTS

	scale	
Map 1	Property Geology and Gold Occurrences	1:5000
Map 2	Diamond Drill Hole Locations and Trench Locations	1:1000
Map 3	"A" Zone Ore Blocks-Longitudinal Section	1:500
Map 4	Longitudinal Section Along Baseline (Showing Gold Trench & Drill Hole Intersections)	1:500
Map 5	Longitudinal Section Along Baseline	1:500
Map 6	Section 400 S	1:500
Map 7	Section 375 S	1:500
Map 8	Section 300 S	1:500
Map 9	Section 200 S	1:500
Map 10	Section 125 S	1:500
Map 11	Section 100 S	1:500
Map 12	Section 80 S	1:500
Map 13	Section 50 S	1:500
Map 14	Section 25 S	1:500
Map 15	Section 0+00	1:500
Map 16	Section 12+5 N	1:500
Map 17	Section 25 N	1:500
Map 18	Section 37+5 N	1:500
Map 19	Section 50 N	1:500
Map 20	Section 62+5 N	1:500
Map 21	Section 75 N	1:500
Map 22	Section 100 N	1:500
Map 23	Section 125 N	1:500
Map 24	Section 175 N	1:500
Map 25	Section 300 N	1:500
Map 26	Section 625 N	1:500
Map 27	Section 695 N	1:500
Map 28	K-spar/Andesite Paleo Surface	1:500
Map 29	Level Plan 1875	1:500
Map 30	Level Plan 1850	1:500
Map 31	Level Plan 1825	1:500

CERTIFICATE

I, Bruce Thomas Evans, of 120 Strathdale Close S.W., in the City of Calgary, in the Province of Alberta, do hereby certify that:

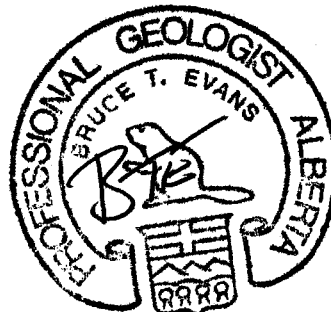
1. I am a Senior Exploration Geologist with the firm of Golden Rule Resources Ltd., with offices at #410, 1122-4th Street S.W., Calgary, Alberta;
2. I am a graduate of Queen's University, B.S.C. (Honours) Geological Science (1982) and have practiced my profession continuously since graduation;
3. I am a member in good standing of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta;
4. Exploration work conducted on the Mets 1 and 2 Mineral Claims during 1987 was done so under my supervision. Work and recommendations described herein are based upon my interpretation and observations of the Mets Property and knowledge of the region;
5. I do not own and do not expect to receive any interest (direct, indirect, or contingent) in the property described herein, and securities I own of Golden Rule Resources Ltd. and Manson Creek Resources Ltd. are through Employee Stock Option Plans or private market acquisitions by myself.

Dated at Calgary, Alberta this 15 day of December, 1987.

Respectfully submitted,



Bruce T. Evans, P.Geol.



## 1.0 INTRODUCTION

During the 1987 Summer Exploration season, the Golden Rule Resources Ltd./Manson Creek Resources Ltd. Joint Venture conducted an integrated trenching and drilling program on the Mets 1 and 2 Mineral Claims.

In total, 720 metres (2,362') of backhoe trenching was performed and 6060 metres (19,877') of diamond drilling was completed in forty-one (41) boreholes.

The objective of the 1987 exploration was to enhance and extend reserves for the Mets "A" Zone deposit, and to continue exploration for economic gold mineralization elsewhere on the property.

## 2.0 PROPERTY STATUS AND OWNERSHIP

The Mets 1 and 2 Mineral Claims are currently under option to Manson Creek Resources Ltd. from Golden Rule Resources Ltd., both of Calgary, Alberta. The claims are described more specifically as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Date of Record</u>
Mets 1	20	1253	April 3, 1980
Mets 2	20	1254	April 3, 1980
	--		
	40		
	==		

## 3.0 LOCATION AND ACCESS

The Mets 1 and 2 Mineral Claims form a contiguous block located in N.T.S. map area 94E/6W, approximately 510 km (317

miles) northwest of Prince George (figure 1), in the Liard and Omineca Mining divisions. The approximate geographic coordinates of the claims are 57 deg 27' North latitude and 127 deg 19' West longitude (figure 2).

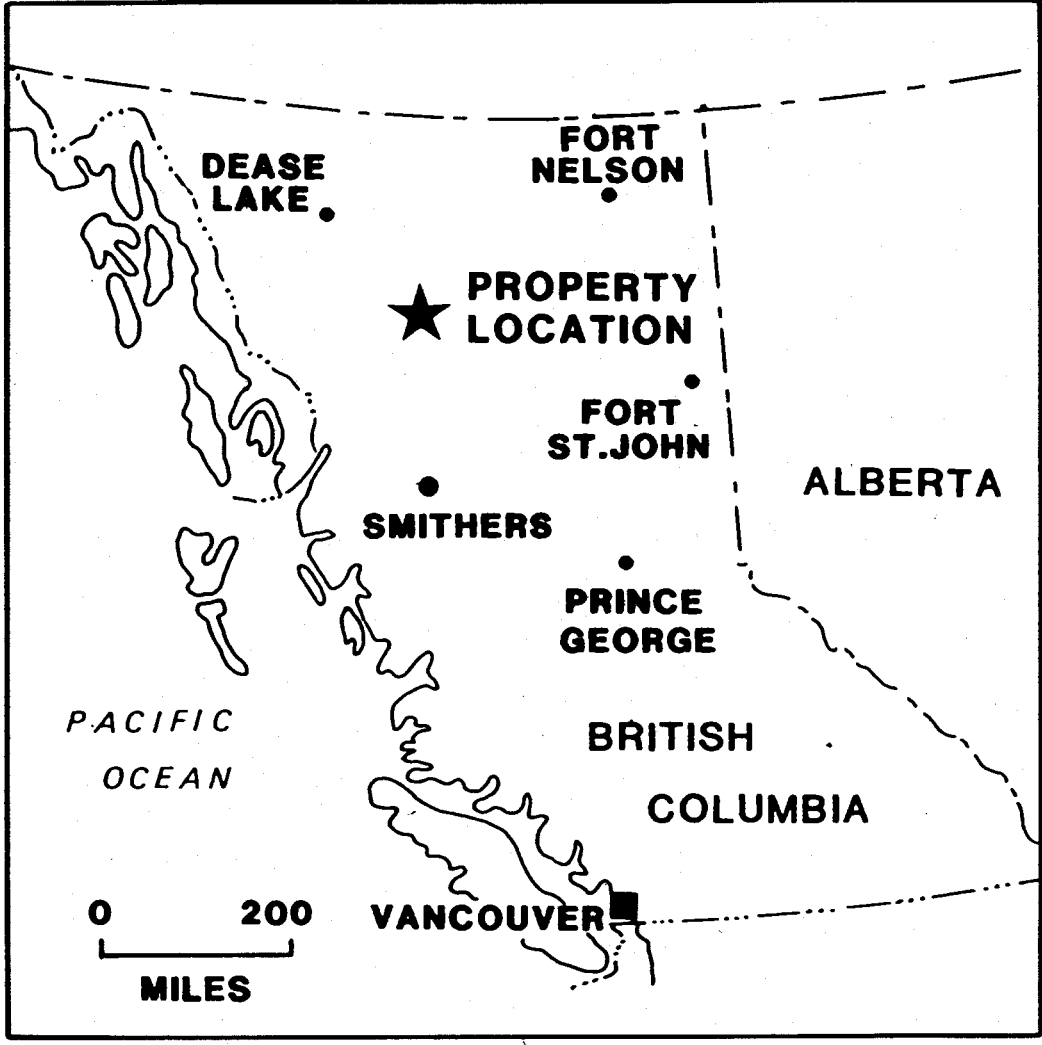
The claims are accessible from Smithers (300 km (186 miles) to the south) to the Sturdee Airstrip via fixed-wing aircraft, then by helicopter to the claims, a distance of 27 km (16.5 miles).

#### 4.0 PHYSIOGRAPHY AND GLACIATION

The claims lie within the Cassiar Mountains physiographic subdivision of the Interior Plateau. The region is entirely glaciated and is characterized by wide U-shaped drift-filled major valleys and deeply-cut V-shaped upland valleys. Mountain peaks in the area average 1980 m (6,495') ASL and rise fairly abruptly from the major valleys. The topography of areas underlain by Toodoggone volcanic rocks is usually considerably more subdued than areas underlain by Takla Group volcanic rocks.

The southern part of the Mets claims is located over flat-topped horseshoe-shaped 1980+ m (6,495') ridges that slopes steeply down into a deeply-cut south-facing basin. The north- and east-facing slopes form steep cirques and cliffs as a consequence of ice plucking and seasonal alpine glaciation. The northern part of the claim group is located over an area of relatively gently sloping low hills and ridges that are dissected by a number of tributary streams at the headwaters of the north

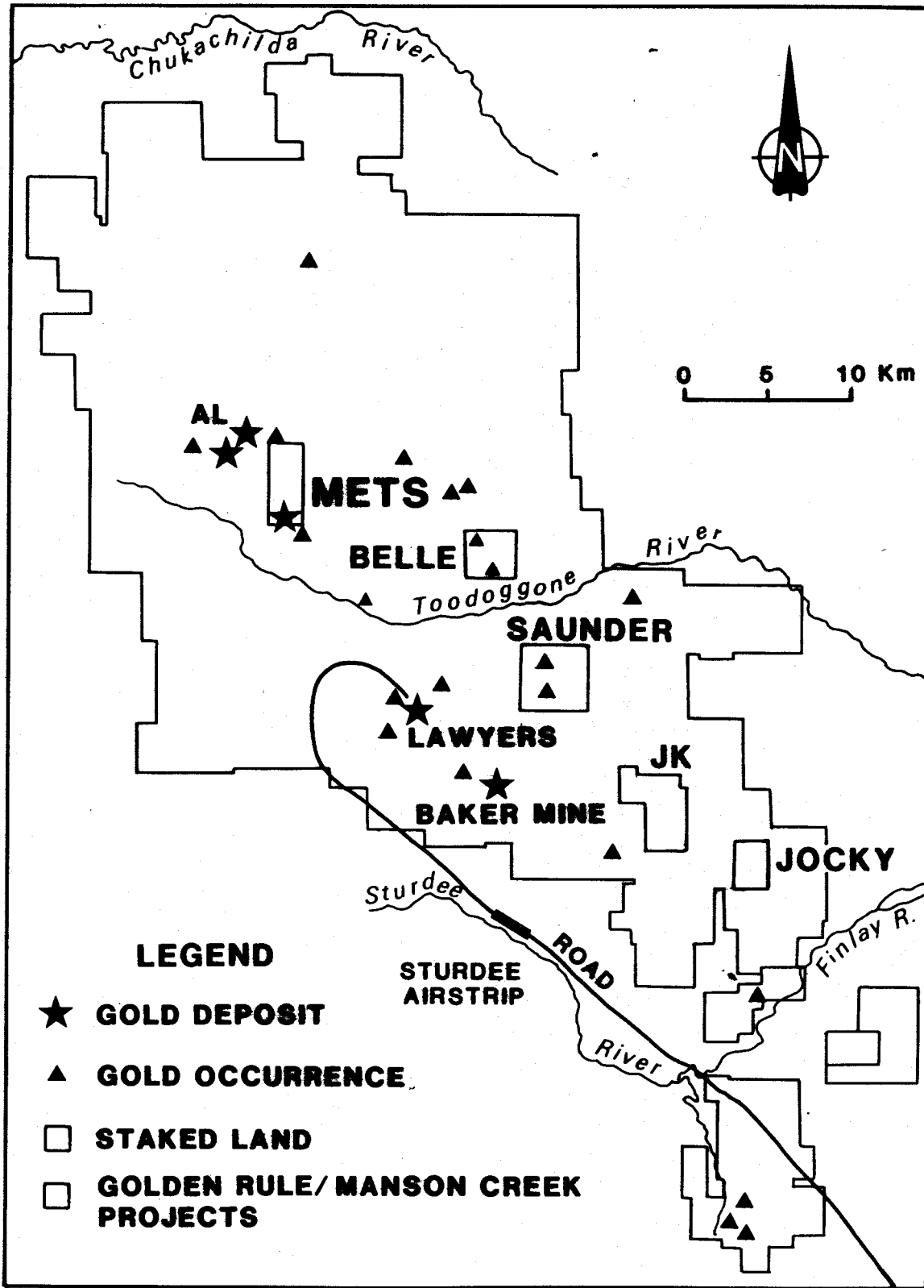




***GOLDEN RULE RESOURCES LTD.  
MANSON CREEK RESOURCES LTD.***

**LOCATION MAP  
METS PROPERTY, BRITISH COLUMBIA**

Figure 1



***GOLDEN RULE RESOURCES LTD.  
MANSON CREEK RESOURCES LTD.***

**TOODOGGONE GOLD CAMP  
BRITISH COLUMBIA**

Figure 2

fork of Metsantan Creek. Elevations here range from 1400 m (4,592') to 1700+ m (5,576') ASL. In some areas, 30- (100') to 60- m (200') deep, narrow canyons occur along the streams.

## 5.0 REGIONAL GEOLOGY

During 1971-1975 the regional geology was mapped by the Geological Survey of Canada at a scale of 1:250,000 under the direction of Dr. H. Gabrielse, with the results published in 1977 as Open File 483.

The British Columbia Department of Mines carried out a mapping program in the Toodoggone area from 1971 to 1984 with a compilation (Preliminary Map 61) published at a scale of 1:50,000 in 1985. This mapping, under the direction of T. G. Schroeter, details the units of Toodoggone Volcanics which had become the focus of gold exploration in the district. The following description of the regional geology is excerpted from his 1981 report:

The Toodoggone area lies within the eastern margin in the Intermontaine Belt. The oldest rocks exposed are wedges of crystalline limestone more than 150 metres thick that have been correlated with the Asitka Group of Permian age. The next oldest rocks consist of andesitic flows and pyroclastic rocks including augite-tremolite andesite porphyries and crystal and lapilli tuffs that belong to the Takla Group of Late Triassic age. The Omineca intrusions of Jurassic and Cretaceous age (potassium-argon age of 186 to 200 Ma obtained by the Geological Survey of Canada) range in composition from granodiorite to quartz monzonite. Some syenomonzonite bodies and quartz feldspar porphyry dykes may be feeders to the Toodoggone rocks which unconformably overlie the Takla Group. The "Toodoggone" volcanic rocks (named informally by Carter, 1971) are complexly intercalated volcanic and volcanic-sedimentary rocks of Early and Middle Jurassic

age, 500 metres or more in thickness, along the west flank of a northwesterly trending belt of 'basement' rocks at least 90 kilometres in length by 15 kilometres in width. A potassium-argon age of  $186 \pm 6$  Ma was obtained by Carter (1971) for a hornblende separate from a sample collected from a volcanic sequence 14 kilometres southeast of Drybrough Peak. Four principal subdivisions of 'Toodoggone' rocks have been recognized:

- 1) Lower volcanic Division -- dominantly pyroclastic assemblage including purple agglomerate and grey to green to purple dacitic tuffs.
- 2) Middle volcanic Division -- an acidic assemblage including rhyolites, dacites, 'orange' crystal to lithic tuffs, and quartz feldspar porphyries; includes welded tuff. The 'orange' colour of the tuffs resulted from oxidation of the fine-grained matrix while the rock was still hot. A coeval period of explosive volcanism included the formation of 'laharic' units and intrusion of syenomonzonite bodies and dykes. This event was accompanied by explosive brecciation along zones of weakness, predominantly large-scale faults and attendant splays, followed by silicification and deposition of precious and base metals to varying degrees in the breccias. Rounded fragments of Omineca intrusive rocks are rare components in Toodoggone tuffs.
- 3) Upper Volcanic-Intrusive division -- grey to green to maroon crystal tuffs and quartz-eye feldspar porphyries.
- 4) Upper Volcanic-Sedimentary Division-- lacustrine sedimentary rocks (sometimes varved), stream bed deposits, and possible local fanglomerate deposits and interbedded tuff beds.

Many Toodoggone rocks have a matrix clouded with fine hematite dust implying a subaerial origin, however, some varieties may have accumulated in shallow water. The host rock for mineralization (division 2) is an orange to chocolate brown colored crystal tuff with varying minor amounts of lithic and vitric ash. Broken crystals of plagioclase and quartz are set in a fine-grained 'hematized' matrix of quartz and feldspar. The

exact chemical composition(s) and rock name(s) await chemical analyses. Carter (1971) determined the composition of a suite of rocks collected from the Toodoggone area to range from latites to dacites.

To the west, Upper Cretaceous to Tertiary pebble conglomerates and sandstones of the Lower Tango Creek Formation of the Sustut Group unconformably overlies both Takla Group volcanic rocks and Toodoggone volcanic rocks.

The structural setting was probably the most significant factor in allowing mineralizing solutions and vapours to migrate through the thick volcanic pile in the Toodoggone area. The entire area has been subjected to repeated and extensive normal block faulting from Jurassic to Tertiary time. It is postulated that a northwesterly trending line of volcanic centres along a gold-silver-rich 'province' marks major structural breaks, some extending for 60 kilometres or more (for example, McClair Creek system, Lawyers system). Prominent gossans are often associated with structural zones but many contain only pyrite; sulphides occur as disseminations and fracture fillings in Toodoggone and Takla Group rocks. Thrusting of Asitka Group limestones over Takla Group rocks probably occurred during Middle Jurassic time.

Today Toodoggone rocks display broad open folds with dips less than 25 deg. The Sustut Group sedimentary rocks have relatively flat dips and do not appear to have any major structural disruptions.

## 6.0 PREVIOUS EXPLORATION

Since the staking of the Mets 1 and 2 Mineral Claims in 1980, several small scale mapping and geochemical sampling programs have been performed by Golden Rule Resources Ltd. Strong lineal Au in soil anomalies led to the 1985 Golden Rule/Manson Creek backhoe trenching program which subsequently led to the discovery of the Mets "A" Zone in trench T85-05 (0.341 opt Au/4.0 m). As a follow-up to the trench discovery, a short (244 m (800')) three (3) hole diamond drill program was completed

during September 1985. The 1985 drill program was successful at determining an orientation (strike = 340 deg, dip = 75 to 80 deg W) for the "A" Zone and returned encouraging results in DDH M85-03 (0.299 opt au/11.0 m).

During the 1986 season, the Joint Venture continued its integrated trenching and drilling of the "A" Zone deposit. A total of 1650 m (4428') of drilling was completed at twenty (20) locations. Exploration on the Mets 1 and 2 claims was completed by September 20, 1986, at which point reserves for the "A" Zone stood at 92,000 tons, grading 0.33 opt Au.

Table 1

1986 DRILL PROGRAM RESULTS

<u>HOLE #</u>	<u>LOCATION</u>	<u>AZM (DEGREES)</u>	<u>DIP</u>	<u>TD</u>	<u>INTERCEPT</u>	<u>GRADE (oz/ton)</u>
M-86-01	0+00/20+00W	070	-60	303'	284.5' - 307.8'	0.010/23.3'
					92.4'm (86.7 - 93.8m)	(7.1m)
M-86-02	25+00S/10+00E	070	-50	232'	112.5' - 125.0'	0.083/12.5'
					70.7m (30.48 - 35.05m)	(3.81m)
M-86-03	12+50N/10+00W	070	-50	387'	182.5' - 205.0'	0.260/22.5'
					117.96m (55.61 - 62.48m)	(6.86m)
					187.5' - 205.0'	0.289/15'
					(57.15 - 62.48m)	(5.33m)
M-86-04	25+00N/40+00E	250	-45	252'	65.0' - 77.5'	0.228/12.5'
					76.8m (19.8 - 23.62m)	(3.82m)
M-86-05	25+00N/30+00W	070	-50	357'	245.0' - 266.5'	0.515/21.5'
	(VG @ 252.5')				108.8m (74.68 - 81.33m)	(6.55m)
	(76.96m)				249.0' - 261.5')	0.861/12.5'
					(75.9 - 79.7m)	(3.8m)
					284.0' - 291.5'	0.151/7.5'
					(86.56 - 88.85m)	(2.29m)
M-86-06	25+00S/05+00W	070	-50	292'	163.0' - 186.0'	0.529/23'
	(VG @ 169.0')				89.0m (49.68 - 56.69m)	(6.86m)
	(51.5m)					
M-86-07	25+00N/10+00W	070	-50	297'	175.1' - 197.6'	0.545/22.5'
					90.5m (53.37 - 60.23m)	(6.86m)

PILE #	LOCATION	AZM (DEGREES)	DIP	TD	INTERCEPT	GRADE (oz/ton)
M-86-08	50+00S/10+00E	070	-50	202'	82.0' - 124.5'	0.527/42.5'
	(G @ 98.2')			61.56m	(25.0 - 37.9m)	(12.9m)
	(29.93m)				94.5' - 117.0'	0.887/22.5'
					(28.8 - 35.7m)	(6.86m)
					94.5' - 109.5'	1.247/15'
					(28.8 - 33.4m)	(4.6m)
M-86-09	50+00S/5+00W	070	-50	232'	156.8' - 179.3'	0.414/22.5'
				70.7m	(47.79 - 54.65m)	(6.86m)
					164.3' - 179.3'	0.503/15'
					(50.08 - 54.65m)	(4.57m)
M-86-10	25+00S/20+00W	070	-50	327'	211.4' - 238.9'	0.040/27.5'
				99.67m	(64.43 - 72.82m)	(8.38m)
M-86-11	25+00S/35+00W	070	-50	352'	267.0' - 289.5'	0.006/22.5'
				107.29m	(81.38 - 88.24m)	(6.86m)
M-86-12	50+00S/20+00W	070	-50	277'	201.0' - 221.0'	0.214/20'
				84.43m	(61.26 - 67.36m)	(6.1m)
					211.0' - 221.0'	0.308/10'
					(64.31 - 67.36m)	(3.05m)
M-86-13	80S/0+00	070	-50	217'	152.5' - 187.5'	0.189/35'
				66.14m	(46.48 - 57.15m)	(10.67m)
M-86-14	100S/5+00W	070	-50	178'	no economic intersection	
				54.25m		
M-86-15	80S/15+00W	070	-50	282'	(205.0' - 227.5'	0.233/22.5'
				85.95m	(62.48 - 69.34m)	(6.86m)
M-86-16	100S/15+00W	070	-50	225'	no economic intersection	
				68.58m		
M-86-17	25N/50+00W	070	-50	417'	305.0' - 322.5'	0.042/17.5'
				127.1m	(93.0 - 98.3m)	(5.3m)
M-86-18	50N/5+00E	070	-50	174'	no economic intersection	
				53.10m		
M-86-19	50N/15+00W	070	-50	232'	no economic intersection	
				70.71m		
M-86-20	75N/5+00W	070	-50	177'	no economic intersection	
				53.95m		

## 7.0 PROPERTY GEOLOGY

### 7.1 Lithologies

#### i) K-spar Andesite

The oldest unit exposed on the Mets property has been termed previously as a Porphyritic Rhyolite by Golden Rule or as a Trachy-Andesite Porphyry by Schroeter in 1985. In appearance,

this unit has an aphanitic to fine crystalline groundmass which is dark green to red to purple in color and has 1 mm to 4 mm size K-spar phenocrysts which vary in color, and dependent upon alteration in color from white to red. The K-spar Andesite forms the footwall of the Mets "A" Zone.

ii) Porphyritic Dacite

Overlying the K-spar Andesite and making up the hanging wall unit of the "A" Zone is the Porphyritic Dacite. The Dacite unit is fine to medium grained, consists mainly of clear and colorless to white, 1 mm to 2 mm quartz phenocrysts in an aphanitic pink plagioclase groundmass.

iii) Red Tuff

Exposed at one location on Metsantan Ridge and within the cirque on the western claim boundary is the Red Tuff. Intersected in drill hole above the K-spar Andesite and quite often intercalated with the Dacite unit, the Red Tuff appears as an aphanitic to very fine grained, well sorted unit. Red-brown in color, the tuff is composed mainly of very fine sized strands of quartz and plagioclase. Generally, the tuff is massive but in rare instances, it exhibits slight graded bedding with tops to the west.

iv) Lapilli Tuff/Agglomerate

This Tuff Agglomerate unit is intersected in the western most collared drill holes. The unit is light brown in color and has a fine grained groundmass of quartz and plagioclase. Lithic fragments of elongate and block shape are



found throughout, fragments being 5 mm to 10 mm in size and composed mostly of Quartz and Tuff.

v) Quartz-Barite-Breccia

The Quartz-Barite-Breccia is the host for gold mineralization within the "A" Zone. The Breccia consists of micro-brecciated to coarse (10 cm) fragments of quartz, barite, and porphyritic dacite. Fragments have been re-brecciated and cemented with quartz and barite. Quartz character ranges from chalcedonic to coarse crystalline, white to grey in color. Barite usually occurs as white to pink fine bladed crystals. Native gold is the primary ore mineral present with rare occurrences of electrum, argentite and tetrahedrite. The Breccia generally occurs at the K-spar/Dacite contact but in some instances will cross at both units.

7.2 Alteration

Propylitic alteration is the most common alteration type on the property and proximal to the "A" Zone. Hanging wall porphyritic dacites exhibit propylitic alteration throughout in degrees that can range from moderate to intense; intensity grades upward toward the breccia system. The propylitic envelope consists of an alteration package of chlorite and epidote and to a minor extent, rare calcite and pyrite.

Bleaching and Silicification of hanging wall dacites become evident within 5 m (16') to 20 m (66') of the breccia system after which alteration shifts to argillic, evidenced by the

deterioration of the dacite plagioclase component. Adjacent to the breccia zone is an interval of advanced argillic alteration with an assemblage of clay minerals primarily sericite, saussurite and kaolinite. Argillic alteration occurs in both the hanging wall side and footwall side of the breccia system but primarily within the footwall side where the alteration envelope can range from 1 to 40 m in thickness.

Alteration of the footwall K-spar andesites is minimal and restricted to argillic alteration of brecciated andesites and to a minor extent, propylitic alteration. In rare instances, strong andesite and hematite alteration can be found proximal to the breccia zone.

Silicification of the breccia material is extensive and can be found throughout the breccia or at times as a silicified wall, bounding both the footwall and hanging wall sides of the breccia system. Generally, it is within the silicified intervals where the better grade Au mineralization occurs.

### 7.3 Structure

The Mets property is situated within a setting which represents a volcanic collapse feature. Photo mosaics reveal a series of overprinted broad circular collapse features. Associated with each collapse are complex sets of ring and radial fractures. Structural trends of the EGX Bonanza, Thesis and BV Zones, coupled with that of the "A" Zone, suggests that these ore grade occurrences appear about radial fractures.

The structural trend of the "A" Zone, being 343 to 351 azimuth, with a 65 to 80 deg west dip. Localized flat, vertical and block faulting provide for minor displacements of the "A" Zone. Trending skew to the "A" Zone at approximately azimuth 290 deg is the "Red Fault". The displacement along the Red Fault is estimated to be 35 m (115') and is left lateral. The Red Fault is vertical and crosses the Baseline at section 75 north.

Between section 50N and 75N, the "A" Zone structure is truncated by the N75 Fault. Orientation of the N75 is mapped a azimuth 050 deg, dipping -77 deg south. The north 75 Fault represents one collapse ring structure with the north of the N75 Fault being the dropped block. Displacement vertically on the N75 Fault is 100 m (330') to 110 m (360'), displacement being mapped between diamond drill holes M86-19 and M87-58. Several linear structural features can be mapped on the Mets property, Golden Furlong and Porcupile occurring on two such structures; Porcupile at azimuth 340 deg and Golden Furlong at 020 deg.

#### 7.4 Mineralization

Gold is the primary ore mineral of the "A" Zone breccia system. Gold occurs as free grains and flakes adjacent to fragments of quartz and barite within the breccia system. Gold grain size ranges from 0.005 mm to 2 mm.

To a minor extent, electrum, argentite and tetrahedrite are present but can only be detected in thin section. Anomalous silver intersections occur within the breccia system proximal to

the footwall contact and usually down section of the gold intersection.

Sulphide mineralization is essentially non-existent but in rare instances, up to 3% fine disseminated pyrite will occur.

#### 8.0 1987 DRILL PROGRAM

The 1987 Mets project drill program was designed and initiated to accomplish three (3) objectives:

- 1) Delineate and extend current reserves within the "A" Zone deposit;
- 2) Continue testing of the Main Mets structure; and
- 3) Investigate alternative targets within the Mets claims.

In total, forty-one (41) boreholes were completed for a total of 6060 m (19,877') of drilling. Thirty-one (31) drillholes tested the "A" Zone and Main Mets structure, two (2) holes tested the North Zone T-6 showing, four (4) holes tested the 400 South showing (M87-31), and four (4) holes tested the newly discovered Footwall Zone between sections 125N and 350N.

The "A" Zone delineation drilling was performed on 25 m sections, except sections 37+50N and 62+50N (12.5 m) and holes were collared at 15 to 20 m centres along section. Exploration holes on the Main Mets structure were at 100 m centres. Generally, all holes were drilled at azimuth 070 deg and inclined at -45 to -60 deg TCA.

## 1987 DIAMOND DRILLING PROGRAM

Table 2

## BOREHOLE LOCATIONS

HOLE #	L O C A T I O N			AZM	DIP	TD (m)	TARGET
	NORTH	EAST	ELEV				
M87-21	27,137.33	20,612.08	1,739.69	070	-45 deg	154.50	North Zone/T-6
M87-22	27,209.60	20,618.20	1,723.62	070	-45 deg	163.70	North Zone/T-6
M87-23	26,515.47	20,940.21	1,926.41	070	-50 deg	84.40	Sec 80S/A Zone
M87-24	26,499.47	20,889.83	1,921.33	070	-50 deg	120.40	Sec 80S/A Zone
M87-25	26,545.37	20,942.96	1,916.92	070	-45 deg	48.60	Sec 50S/A Zone
M87-26	26,526.24	20,879.01	1,912.72	070	-50 deg	124.10	Sec 50S/A Zone
M87-27	26,492.06	20,863.43	1,920.32	070	-50 deg	169.80	Sec 80S/A Zone
M87-28	26,469.49	20,872.99	1,923.09	070	-60 deg	157.60	Sec100S/A Zone
M87-29	26,387.61	20,934.40	1,932.14	070	-50 deg	99.70	Sec 200S
M87-30	26,293.22	20,966.76	1,925.83	070	-50 deg	127.10	Sec 300S
M87-31	26,203.68	21,002.67	1,906.15	070	-60 deg	111.90	Sec 400S
M87-32	26,634.13	20,837.60	1,873.10	070	-50 deg	99.70	N75 Zone
M87-33	26,625.02	20,814.97	1,871.04	070	-50 deg	151.50	N75 Zone
M87-34	26,690.96	20,714.69	1,835.00	070	-50 deg	203.30	N75/Sec 175N
M87-35	26,481.07	20,835.72	1,918.72	070	-50 deg	172.80	Sec 80S/A Zone
M87-36	26,481.07	20,835.72	1,918.72	070	-65 deg	206.30	Sec 80S/A Zone
M87-37	26,500.61	20,806.91	1,913.61	070	-60 deg	215.50	Sec 50S/A Zone
M87-38	26,460.98	20,845.74	1,921.12	070	-60 deg	178.90	Sec100S/A Zone
M87-39	26,494.32	20,946.29	1,931.42	070	-50 deg	93.60	Sec100S/A Zone
M87-40	26,583.46	20,831.46	1,888.89	070	-50 deg	182.00	Sec 25N/A Zone
M87-41	26,193.95	20,974.40	1,903.71	070	-60 deg	157.40	Sec 400S
M87-42	26,212.25	21,027.63	1,910.83	070	-50 deg	93.27	Sec 400S
M87-43	26,230.21	21,008.05	1,914.80	070	-50 deg	105.50	Sec 375S
M87-44	26,560.14	20,761.37	1,896.74	070	-50 deg	303.60	Sec 25N/A Zone
M87-45	26,660.98	20,844.73	1,866.61	070	-50 deg	108.50	Sec100N/N75
M87-46	26,680.65	20,831.17	1,860.95	070	-60 deg	135.90	Sec125N/N75
M87-47	26,708.33	20,764.30	1,835.07	070	-50 deg	404.46	Sec175N/N75/ Footwall
M87-48	26,609.13	20,872.40	1,886.35	070	-50 deg	170.20	A Zone
M87-49	26,616.49	20,902.28	1,886.71	070	-50 deg	114.90	A Zone
M87-50	26,709.51	20,909.73	1,866.53	070	-45 deg	209.40	Sec 125N/ Footwall Zone
M87-51	26,709.51	20,909.73	1,866.53	070	-50 deg	246.00	Sec 125N/ Footwall Zone
M87-52	26,218.14	21,048.03	1915.40	070	-50 deg	93.60	Sec 400S
M87-53	26,476.33	20,956.37	1,935.64	070	-50 deg	93.60	Sec125S/A Zone
M87-54	26,465.84	20,924.96	1,931.66	070	-50 deg	127.10	Sec125S/A Zone
M87-55	26,623.67	20,872.51	1,881.74	070	-50 deg	133.20	Sec 50N/A Zone
M87-56	26,619.57	20,858.23	1,881.13	070	-55 deg	154.50	Sec 50N/A Zone
M87-57	26,633.11	20,871.32	1,878.76	070	-50 deg	133.20	Sec62+5N/A Zone
M87-58	26,625.02	20,814.97	1,871.04	070	-60 deg	185.00	Sec 75N/N75
M87-59	26,942.00	21,025.71	1,748.94	250	-50 deg	185	Sec300N/Footwall
M87-60	Redrill of first 40 m of M87-59						

All diamond drill holes intersected the Main Mets structure with the exception of M87-34, M87-21 and M87-22, which were testing the North Zone and M87-50, M87-51, M87-59 and M87-60, which tested the Footwall Zone.

All drill core recovered is stored on the Mets property.

### 8.1 Analytical Methods

All split drill core and trench channel and grab samples were assayed for Au and Ag by conventional Fire Assay Methods. Selected samples or intervals were analyzed for a 31 element suite using an Inductively Coupled Plasma technique. Selected samples where coarse metallic gold was suspected were re-assayed using a metallic gold process.

Two assay labs were used during the 1987 season:

- 1) Eco-Tech Laboratories of Kamloops, B.C.; and
- 2) Min-En Laboratories of Vancouver, B.C.

In total, 1765 split core samples and 241 trench channel and grab samples were assayed. Results of drill core assays are in appendix 3, and trench data in appendix 4.

In addition to assay analyses, thirty-six (36) thin sections of selected drill core and grabs were prepared and described. Description of thin sections are included in appendix 6.

### 8.2 Survey Control

Horizontal, vertical and elevation survey control of drill hole collars and surface data points were performed by a three

stage, photographic/optical surveying technique.

Initially, during September, 1986, Golden Rule Resources Ltd. shot 1:10,000 and 1:20,000 black and white air photographs of the entire Mets property and much of the surrounding ground. Control points were selected for these photos and then targeted. Once targeted, these points were surveyed by using conventional optical and RF transmission methods. Control point surveying gave correct horizontal, vertical and elevation data with which to reference the Mets property. Topographic maps scaled 1:5,000, 1:1,000 and 1:500 in selected areas were contoured digitally by a Wild AC-1 Stereo Plotter and computer system. Following map generation, all diamond drill hole collars were surveyed and coordinates digitized and subsequently plotted. Downhole surveys were completed by conventional acid and Sperry Sun methods.

During August of 1987, a second set of air photos were shot. This group being photographed in color. All targeted ground control points were checked and confirmed in the second photo set.

## 9.0 RESULTS

### 9.1 "A" Zone

Reserve estimates for the "A" Zone were confirmed at 158,000 tons grading 0.33 opt Au, up from 92,000 tons in 1986.

"A" Zone reserves are contained within a quartz barite breccia that has a mineralized strike length of 140 m(459'), a true thickness of 6 to 10 m, and a vertical extent of up to 75 m

(246'). Orientation of the "A" Zone deposit is 340 azimuth with a 70 deg to 85 deg west dip. The "A" ore shoot exhibits a mild northwest plunge. "A" Zone breccias occur within the Toodoggone volcanics of early Jurassic age, at or near the vertical contact of K-spar andesite flows and an overlying dacite, tuff, agglomerate assemblage. All rock types are cross-cut by major and minor faulting of Jurassic to Tertiary age.

Gold mineralization occurs as free blebs and grains that range in size from 0.005 mm to 2.000 mm. Gold is generally found along quartz and barite fragment margins. Sulphide mineralization within the "A" Zone breccias is practically non-existent.

Results from 1987 "A" Zone Drilling

Table 3

<u>Hole #</u>	<u>From-To (m)</u>	<u>Au opt/m</u>
M87-23	34.3 m to 39.3 m Sec 80S / "A" Zone	0.35 opt Au/5.0 m
M87-40	151.5 m to 152.5 m Sec 25N / "A" Zone	0.106 opt Au/1.0 m
M87-48	79.70 m to 95.00 m Sec 37+50N / "A" Zone	0.244 opt Au/15.3 m
M87-49	47.2 m to 53.2 m Sec 37+50N / "A" Zone	0.285 opt Au/6.0 m
M87-55	72.8 m to 79.9 m Sec 50N/"A" Zone	0.666 opt Au/7.1 m

The most apparent geological feature which controls gold grading within the "A" Zone is attitude and thickness of the breccia. Steep thin breccias generally are of economic grade throughout the "A" Zone. When breccia orientation flattens, such



as at depth and south of Section 80S, ore grade drops off rapidly to sub-economic. At the north end (Section 50N to 75N) of the "A" Zone, a cross cutting (azimuth 050) vertical fault, the N75 Fault, terminates ore grade material.

### 9.2 N75 Zone ("A" Zone Extension)

Deep drilling north of the N75 Fault on Section 75N has traced a vertical hanging wall/footwall contact to depth. M87-58, the deepest hole, intersected a quartz breccia at the contact. The breccia occurred over a narrow width (4 m) and was anomalous grade Au ( $0.025/4.0$  m) <sup>0.860 g/t</sup>. The M87-58 geochemical and geological signature resembles strongly that of the breccia intersection in hole M86-19, the significance being M86-19 overcuts M87-55 ( $0.666$  opt <sup>22.834 g/t</sup> Au/7.1 m). The M87-58 occurrence suggests vertical movement on the N75 Fault of approximately 100 m (330'), orientation of the N75 Fault is azimuth 050 with a 78 deg south dip. The potential for continuation of "A" Zone mineralization in this area must be rated as high.

### 9.3 400 South Showing

A gold occurrence was discovered at Section 400S in hole M87-31 ( $0.234$  opt <sup>8.030 g/t</sup> Au/1.0 m). Follow-up drilling on Section 400S returned one intersection of  $0.120$  opt <sup>4.114 g/t</sup> Au/1.6 m in hole M87-42, an overcut of M87-31. Gold mineralization at Section 400S is hosted within a narrow quartz breccia at the K-spar andesite/pyroclastic contact. Visible gold was observed in M87-

31. Follow-up drilling on this occurrence to date has proven discouraging.

#### 9.4 Footwall Zone

Backhoe trenching between Section 125N and 350N at an approximate elevation of 1760 m (5,773), uncovered a quartz carbonate breccia situated within footwall K-spar andesites. The footwall breccia has been exposed at three (3) points over a 260 m strike length (see map 2 for trench locations):

Table 4

<u>Trench #</u>	<u>Sample #</u>	<u>Au (opt)</u>	<u>Ag (opt)</u>	<u>Type</u>
T87-04	(1985)	0.18		Grab
Sec 125N	20918	0.269		1.0 m channel
	4583	0.293		1.0 m channel
T87-05	4509	0.130	0.92	1.0 m channel
Sec 300N	4511	0.578	1.05	1.0 m channel
	4516	0.135	0.34	1.0 m channel
	4543	0.519	3.73	1.0 m channel
	4544	0.248	0.48	1.0 m channel
	4546	0.104	0.37	1.0 m channel
	4547	0.083	0.29	1.0 m channel
T87-07	4323	0.155	0.54	1.0 m channel
Sec 385N				

The Footwall Zone is distinct from the "A" Zone in that it is not emplaced at the andesite/pyroclastic contact but rather is hosted within the footwall K-spar andesites. The breccia has a large carbonate content, and the metal ratios are Ag:Au = 2:1 or greater versus Au:Ag = 10:1 or greater for the "A" Zone.

Orientation of the Footwall Zone is interpreted to be azimuth 340 with a indeterminate dip at this point. Thickness of

the breccia occurrence is observed to pinch and swell with a maximum thickness observed on surface of 4.0 m (13'). Drill holes M87-50 and M87-51 tested the Footwall Zone on Section 125N under T87-04. Hole M87-50 intersected 0.563/0.70 m, a vertical 50 m (164') below T87-04, and M87-51 intersected 0.102/0.70 m, a vertical 70 m (230') below the M87-50 intersection (see Section 125N). Within Section 125N, Au mineralization exhibits a steep east dip. Drill holes M87-59 and M87-60 were drilled on Section 300N below T87-05 but failed to intersect the Footwall Breccia.

#### 10.0 RECOMMENDATIONS

A multiphase integrated trenching and drilling program is recommended for the Mets property. Also recommended, contingent on early success in 1988, is single level underground exploration and bulk sampling of the "A" Zone. Time table/or 1988 exploration would be as indicated in figure 3.

Equipment requirements to perform recommended work on the Mets property are essentially in place, with the exception of a small JKS 300 Diamond Drill to perform the Porcupile and Golden Furlong work.

Mobilization of fuel to the property will be performed during February and March, 1988. Fuel can be transported to Lawyer's Creek by tanker on the new Cheni Gold Mines Road and then north by Cat Train to the property.

Access to the camp and deposit areas should be completed by June 1, 1988 and drill site preparation for the N75 Zone drilling

completed by June 14, 1988. Deep drilling to test for the "A" Zone extensions north of the N75 Fault will be initiated on June 14, 1988 and contingent upon success, up to 3000 m (9,849') of drilling will be completed initially on the N75 Zone. Concurrent with drill start-up, trenching of the Footwall Zone will be started. Up to 250 hours of backhoe time will be used to ascertain the exact nature and orientation of the Footwall Zone. Contingent upon favorable trench exploration of the Footwall Zone, a 3000 m (9,840') diamond drill program will be initiated by mid July 1988 to test the Footwall Zone sub-surface.

Exploration of the Golden Furlong and Porcupile showings will begin by the second week of July 1988 with backhoe trenching and then a follow-up 800 m (2624') drill program on each showing.

Contingent upon success of the N75 Zone and Footwall Zone, drilling a decision to drive an Adit on the 1850 m (6,068') level to the "A" Zone will be made by mid July 1988. A positive underground decision would require construction of a tote road from the Cheni Road to the project area for heavy equipment haulage. Road construction and equipment mobilization would lead to the 1850 m (6,068') level portal being collared by the first week of September 1988. Assessment and bulk sampling of the "A" Zone would require approximately 435 m (1,427') of underground workings. Time to complete the Adit, drift and cross-cuts is estimated to be 50 days. Sampling and mapping of the workings would be ongoing. Actual bulk sampling of the "A" Zone ore will be performed upon completion of the underground work.

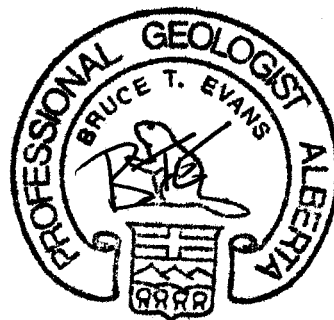
Work recommended for the "A" Zone should be completed by October 31, 1988. Continued favorable results would provide for a prolonging of underground and diamond drill explorations of the Mets deposit, at which point, camp modifications will be necessary to prepare for the winter months.

A detailed outline of expenditures to complete this recommendation is included in appendix 1. To complete the project, it is estimated a total of \$2,261,746 would be required.

Respectfully submitted,

*Bruce T. Evans*

Bruce T. Evans, P.Geol.



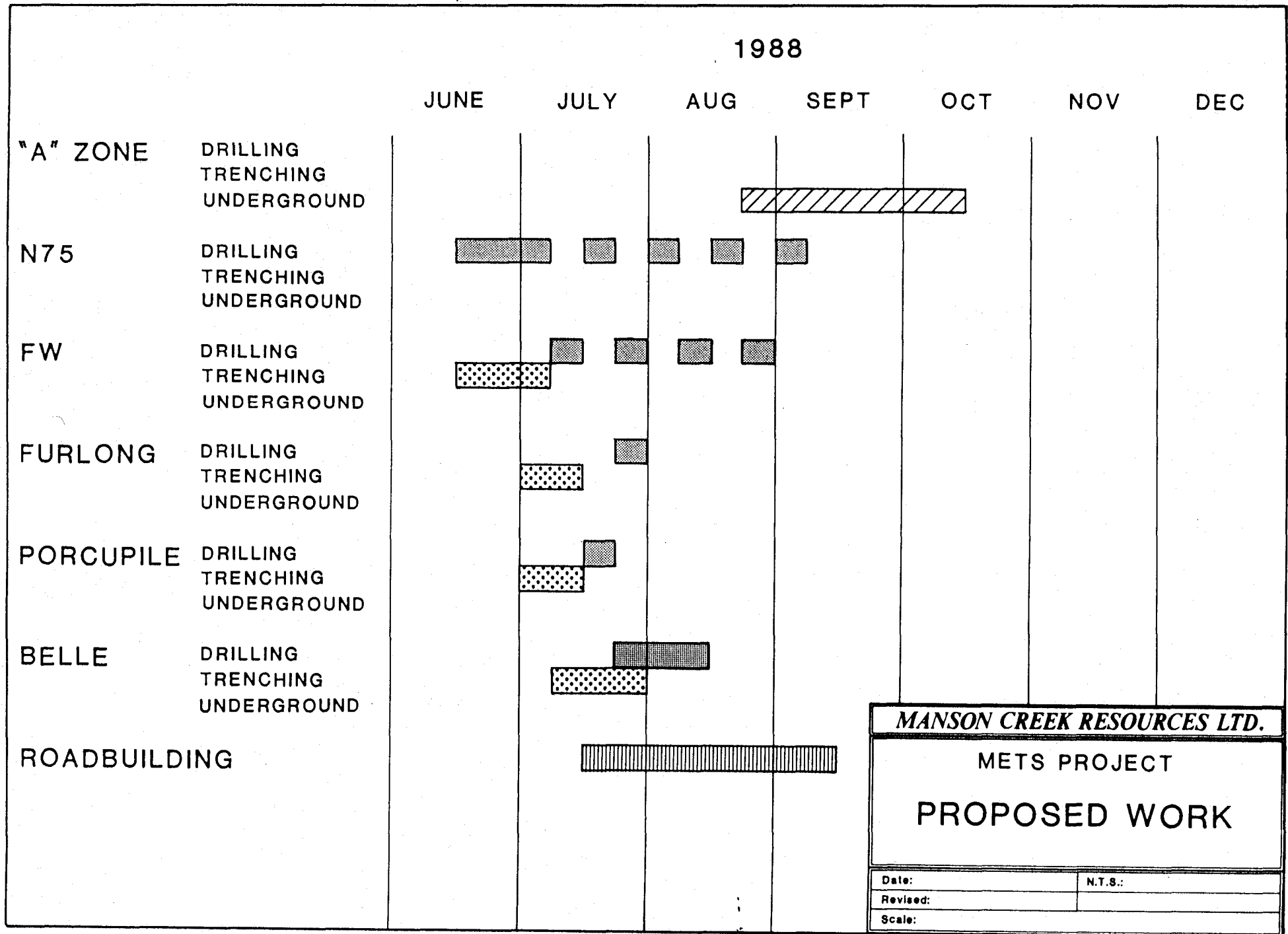


Figure 3

## Bibliography

Adamson, R.S. (Mar. '85): Report on the Mets and Belle Claims, Toodoggone River, B.C.; for Manson Creek Resources Ltd. (private report).

Clifton, C.G. (Aug. '83): Report on the Mets, Belle, and Golden Neighbor Properties; for Golden Rule Resources Ltd.

Diakow, L.J.; Panteleyev, A.; Schroeter, T.G. (1985): Geology of the Toodoggone River Area, NTS 94E; B.C. Energy Mines, Prelim. Map 61.

Fox, M. (Jan. '82): Geological, Geochemical, and Geophysical Report, Mets 1 and 2 Mineral Claims; for Golden Rule Resources Ltd.

----- (Oct. '82): Geological, Geochemical, and Geophysical Report, Mets 1 and 2 Mineral Claims; for Golden Rule Resources Ltd.

Gabrielse, Dr. H. (1977): Geology of the Toodoggone and Ware map areas, British Columbia; Geol.Surv.Cda., Open File 483.

Millinoff, T.B.; Davis, J.W. (Nov. '85): Geological, Geochemical, Trenching and Drilling Report on the Mets 1 and 2 Mineral Claims; for Manson Creek Resources Ltd.

Netolitzky, R.K. (Sep. '83): Toodoggone Project Update, Mets and Belle claims; for Golden Rule Resources Ltd. (private report).

Schroeter, T.G. (1981): Toodoggone River (94E); in Geological Fieldwork 1980; B.C. Energy Mines, Paper 1981-1, pp. 124- 125.

Seguin, J.M.; Evans, B.T.; (1987): Geological, Geochemical, Trenching and Drilling Report on the Mets 1 and 2 Mineral claims: for Golden Rule Resources Ltd./Manson Creek Resources Ltd.

Wilson, G.L. (Mar. '84): Geological and Geochemical Report on the Mets 1 and 2 Mineral Claims; for Golden Rule Resources Ltd. (private report).

A P P E N D I X 1

PROPOSED 1988 EXPLORATION BUDGETS



N 75 Zone  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
Personnel:						
Permanent	\$ -		3,300	1,700	-	5,000
Temporary	-		5,610	2,890	-	8,500
Camp cost	-		6,930	3,570	-	10,500
Field cost	-		-	-	-	-
Trans./Char.	-		-	-	-	-
Travel Expense	-		-	-	-	-
Exped./Warehouse	-		-	-	-	-
Computer	-		-	-	-	-
Contingency	-		-	-	-	-
Audit	-		-	-	-	-
		-----	-----	-----	-----	-----
SUBTOTAL	\$ -		15,840	8,160	-	24,000
		-----	-----	-----	-----	-----
Contract Work:						
Drilling	\$ -		94,050	48,450	-	142,500
Core Analyses	-		3,960	2,040	-	6,000
Trench/Stripp.	-		-	-	-	-
Geochem/Anal.	-		-	-	-	-
Line Cutting	-		-	-	-	-
Grid Re-est	-		-	-	-	-
Geophys. Surv.	-		-	-	-	-
Drill Road/Site Prep.	-		-	-	-	-
Land Survey	-		-	-	-	-
Fuel/Haul.	-		1,485	765	-	2,250
		-----	-----	-----	-----	-----
SUBTOTAL	\$ -		99,495	51,255	-	150,750
		-----	-----	-----	-----	-----
TOTAL	\$ -		115,335	59,415	-	174,750
		=====	=====	=====	=====	=====
Indirect Cost Recovery:						
Direct @ 10%	-		693	357	-	1,050
Contracts <\$200K @ 10%	-		9,949	5,126	-	15,075
Contracts >\$200K @ 5%	-		-	-	-	-
		-----	-----	-----	-----	-----
SUBTOTAL	\$ -		10,642	5,483	-	16,125
		-----	-----	-----	-----	-----
TOTAL EXPENDITURE	\$ -		125,977	64,898	-	190,875
		=====	=====	=====	=====	=====

FootWall Zone  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$ -	-	-	5,000	-	5,000
Temporary	-	-	9,450	15,925	-	25,375
Camp cost	-	-	3,225	12,900	-	16,125
Field cost	-	-	-	-	-	-
Trans./Char.	-	-	-	-	-	-
Travel Expense	-	-	-	-	-	-
Exped./Warehouse	-	-	-	-	-	-
Computer	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Audit	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ -</b>		<b>12,675</b>	<b>33,825</b>	<b>-</b>	<b>46,500</b>
<b>Contract Work:</b>						
Drilling	\$ -	-	-	142,500	-	142,500
Core Analyses	-	-	-	5,000	-	5,000
Trench/Stripp.	-	-	12,375	6,375	-	18,750
Geochem/Anal.	-	-	1,000	-	-	1,000
Line Cutting	-	-	-	-	-	-
Grid Re-est	-	-	-	-	-	-
Geophys. Surv.	-	-	-	-	-	-
Drill Road/Site Prep.	-	-	-	-	-	-
Land Survey	-	-	-	-	-	-
Fuel/Haul.	-	-	720	2,880	-	3,600
<b>SUBTOTAL</b>	<b>\$ -</b>		<b>14,095</b>	<b>156,755</b>	<b>-</b>	<b>170,850</b>
<b>TOTAL</b>	<b>\$ -</b>		<b>26,770</b>	<b>190,580</b>	<b>-</b>	<b>217,350</b>
<b>Indirect Cost Recovery:</b>						
Direct @ 10%	-	-	322	1,290	-	1,612
Contracts <\$200K @ 10%	-	-	172	15,038	-	15,210
Contracts >\$200K @ 5%	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ -</b>		<b>494</b>	<b>16,328</b>	<b>-</b>	<b>16,822</b>
<b>TOTAL EXPENDITURE</b>	<b>\$ -</b>		<b>27,264</b>	<b>206,908</b>	<b>-</b>	<b>234,172</b>

Porcupile/Golden Furlong  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$	-	-	5,000	-	5,000
Temporary		-	-	28,750	-	28,750
Camp cost		-	-	17,250	-	17,250
Field cost		-	-	-	-	-
Trans./Char.		-	-	-	-	-
Travel Expense		-	-	-	-	-
Exped./Warehouse		-	-	-	-	-
Computer		-	-	-	-	-
Contingency		-	-	-	-	-
Audit		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>51,000</b>	<b>-</b>	<b>51,000</b>
<b>Contract Work:</b>						
Drilling	\$	-	-	157,440	-	157,440
Core Analyses		-	-	6,000	-	6,000
Trench/Stripp.		-	-	22,500	-	22,500
Geochem/Anal.		-	-	2,000	-	2,000
Line Cutting		-	-	-	-	-
Grid Re-est		-	-	-	-	-
Geophys. Surv.		-	-	-	-	-
Drill Road/Site Prep.		-	-	-	-	-
Land Survey		-	-	-	-	-
Fuel/Haul.		-	-	3,600	-	3,600
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>191,540</b>	<b>-</b>	<b>191,540</b>
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>242,540</b>	<b>-</b>	<b>242,540</b>
<b>Indirect Cost Recovery:</b>						
Direct @ 10%		-	-	1,725	-	1,725
Contracts <\$200K @ 10%		-	-	16,904	-	16,904
Contracts >\$200K @ 5%		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>18,629</b>	<b>-</b>	<b>18,629</b>
<b>TOTAL EXPENDITURE</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>261,169</b>	<b>-</b>	<b>261,169</b>

Belle Property  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$	-	-	5,000	-	5,000
Temporary		-	-	25,375	-	25,375
Camp cost		-	-	16,125	-	16,125
Field cost		-	-	-	-	-
Trans./Char.		-	-	30,000	-	30,000
Travel Expense		-	-	-	-	-
Exped./Warehouse		-	-	-	-	-
Computer		-	-	-	-	-
Contingency		-	-	-	-	-
Audit		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>76,500</b>	<b>-</b>	<b>76,500</b>
<b>Contract Work:</b>						
Drilling	\$	-	-	141,106	-	141,106
Core Analyses		-	-	8,000	-	8,000
Trench/Stripp.		-	-	18,750	-	18,750
Geochem/Anal.		-	-	2,000	-	2,000
Line Cutting		-	-	-	-	-
Grid Re-est		-	-	-	-	-
Geophys. Surv.		-	-	-	-	-
Drill Road/Site Prep.		-	-	-	-	-
Land Survey		-	-	-	-	-
Fuel/Haul.		-	-	2,700	-	2,700
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>172,556</b>	<b>-</b>	<b>172,556</b>
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>249,056</b>	<b>-</b>	<b>249,056</b>
<b>Indirect Cost Recovery:</b>						
Direct @ 10%		-	-	4,612	-	4,612
Contracts <\$200K @ 10%		-	-	15,381	-	15,381
Contracts >\$200K @ 5%		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>19,993</b>	<b>-</b>	<b>19,993</b>
<b>TOTAL EXPENDITURE</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>269,049</b>	<b>-</b>	<b>269,049</b>

Road  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$	-	-	-	-	-
Temporary		-	-	17,750	-	17,750
Camp cost		-	-	5,325	-	5,325
Field cost		-	-	-	-	-
Trans./Char.		-	-	33,600	-	33,600
Travel Expense		-	-	-	-	-
Exped./Warehouse		-	-	-	-	-
Computer		-	-	-	-	-
Contingency		-	-	-	-	-
Audit		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>56,675</b>	<b>-</b>	<b>56,675</b>
<b>Contract Work:</b>						
Drilling	\$	-	-	-	-	-
Core Analyses		-	-	-	-	-
Trench/Stripp.		-	-	-	-	-
Geochem/Anal.		-	-	-	-	-
Line Cutting		-	-	-	-	-
Grid Re-est		-	-	-	-	-
Geophys. Surv.		-	-	-	-	-
Drill Road/Site Prep.		-	-	56,050	-	56,050
Land Survey		-	-	-	-	-
Fuel/Haul.		-	-	5,850	-	5,850
Building Material		-	-	5,600	-	5,600
Maintenance		-	-	10,000	-	10,000
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>77,500</b>	<b>-</b>	<b>77,500</b>
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>134,175</b>	<b>-</b>	<b>134,175</b>
<b>Indirect Cost Recovery:</b>						
Direct @ 10%		-	-	3,892	-	3,892
Contracts <\$200K @ 10%		-	-	7,750	-	7,750
Contracts >\$200K @ 5%		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>11,642</b>	<b>-</b>	<b>11,642</b>
<b>TOTAL EXPENDITURE</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>145,817</b>	<b>-</b>	<b>145,817</b>

"A" Zone  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
Personnel:						
Permanent	\$	-	-	9,818	3,932	13,750
Temporary		-	-	13,923	5,577	19,500
Camp cost		-	-	34,004	13,621	47,625
Field cost		-	-	-	-	-
Trans./Char.		-	-	-	-	-
Travel Expense		-	-	-	-	-
Exped./Warehouse		-	-	-	-	-
Computer		-	-	-	-	-
Contingency		-	-	-	-	-
Audit		-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>57,745</b>	<b>23,130</b>	<b>80,875</b>
Contract Work:						
Underground	\$	-	-	719,712	288,288	1,008,000
Core Analyses		-	-	-	-	-
Trench/Stripp.		-	-	-	-	-
Geochem/Anal.		-	-	14,280	5,720	20,000
Line Cutting		-	-	-	-	-
Grid Re-est		-	-	-	-	-
Geophys. Surv.		-	-	-	-	-
Drill Road/Site Prep.		-	-	-	-	-
Land Survey		-	-	-	-	-
Fuel/Haul.		-	-	19,278	7,722	27,000
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>753,270</b>	<b>301,730</b>	<b>1,055,000</b>
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>811,015</b>	<b>324,860</b>	<b>1,135,875</b>
Indirect Cost Recovery:						
Direct @ 10%		-	-	3,400	1,362	4,762
Contracts <\$200K @ 10%		-	-	3,356	1,344	4,700
Contracts >\$200K @ 5%		-	-	35,986	14,414	50,400
<b>SUBTOTAL</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>42,742</b>	<b>17,120</b>	<b>59,862</b>
<b>TOTAL EXPENDITURE</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>853,757</b>	<b>341,980</b>	<b>1,195,737</b>

General  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$ -	-	-	-	-	-
Temporary	-	-	-	-	-	-
Camp cost	-	-	-	-	-	-
Field cost	-	-	-	-	-	-
Trans./Char.	-	-	8,444	25,332	4,222	37,998
Travel Expense	-	-	-	-	-	-
Exped./Warehouse	-	-	-	-	-	-
Computer	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Audit	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>8,444</b>	<b>25,332</b>	<b>4,222</b>	<b>37,998</b>	
<b>Contract Work:</b>						
Drilling	\$ -	-	-	-	-	-
Core Analyses	-	-	-	-	-	-
Trench/Stripp.	-	-	-	-	-	-
Geochem/Anal.	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Grid Re-est	-	-	-	-	-	-
Geophys. Surv.	-	-	-	-	-	-
Drill Road/Site Prep.	-	-	-	-	-	-
Land Survey	-	-	-	-	-	-
Fuel/Haul.	40,000	-	-	-	-	40,000
Mobe/Demobe	-	8,888	26,664	4,444	39,996	
Renovations	-	6,668	20,004	3,334	30,006	
<b>SUBTOTAL</b>	<b>\$ 40,000</b>	<b>15,556</b>	<b>46,668</b>	<b>7,778</b>	<b>110,002</b>	
<b>TOTAL</b>	<b>\$ 40,000</b>	<b>24,000</b>	<b>72,000</b>	<b>12,000</b>	<b>148,000</b>	
<b>Indirect Cost Recovery:</b>						
Direct @ 10%	-	844	2,534	422	3,800	
Contracts <\$200K @ 10%	4,000	1,556	4,666	778	11,000	
Contracts >\$200K @ 5%	-	-	-	-	-	
<b>SUBTOTAL</b>	<b>\$ 4,000</b>	<b>2,400</b>	<b>7,200</b>	<b>1,200</b>	<b>14,800</b>	
<b>TOTAL EXPENDITURE</b>	<b>\$ 44,000</b>	<b>26,400</b>	<b>79,200</b>	<b>13,200</b>	<b>162,800</b>	

Toodoggone -- Total  
1988 Exploration Budget

COST DESCRIPTION	COST	PHASE I 1st QTR	PHASE II 2nd QTR	PHASE III 3rd QTR	PHASE IV 4th QTR	TOTAL
<b>Personnel:</b>						
Permanent	\$ -		3,300	26,518	3,932	33,750
Temporary	-		15,060	104,613	5,577	125,250
Camp cost	-		10,155	89,174	13,621	112,950
Field cost	-		-	-	-	-
Trans./Char.	-		8,444	88,932	4,222	101,598
Travel Expense	-		-	-	-	-
Exped./Warehouse	-		-	-	-	-
Computer	-		-	-	-	-
Contingency	-		-	-	-	-
Audit	-		-	-	-	-
<b>SUBTOTAL</b>	<b>\$ -</b>		<b>36,959</b>	<b>309,237</b>	<b>27,453</b>	<b>373,548</b>
<b>Contract Work -- UG</b>						
Drilling	-		94,050	489,496	-	583,546
Core Analyses	-		3,960	21,040	-	25,000
Trench/Stripp.	-		12,375	47,625	-	60,000
Geochem/Anal.	-		1,000	18,280	5,720	25,000
Line Cutting	-		-	-	-	-
Grid Re-est	-		-	-	-	-
Equipment Maintenance	-		-	10,000	-	10,000
Drill Road/Site Prep.	-		-	56,050	-	56,050
Land Survey	-		-	-	-	-
Fuel/Haul.	40,000		2,205	35,073	7,722	85,000
Mobe/Demobe	-		8,888	26,664	4,444	39,996
Renovations	-		6,668	20,004	3,334	30,006
Building Material	-		-	5,600	-	5,600
<b>SUBTOTAL</b>	<b>\$ 40,000</b>		<b>129,146</b>	<b>1,449,544</b>	<b>309,508</b>	<b>1,928,198</b>
<b>TOTAL</b>	<b>\$ 40,000</b>		<b>166,105</b>	<b>1,758,781</b>	<b>336,860</b>	<b>2,301,746</b>
<b>Indirect Cost Recovery:</b>						
Direct @ 10%	-		1,860	17,811	1,784	21,455
Contracts <\$200K @ 10%	4,000		11,677	19,271	2,122	37,070
Contracts >\$200K @ 5%	-		-	60,460	14,414	74,874
<b>SUBTOTAL</b>	<b>\$ 4,000</b>		<b>13,537</b>	<b>97,542</b>	<b>18,320</b>	<b>133,399</b>
<b>TOTAL EXPENDITURE</b>	<b>\$ 44,000</b>		<b>179,642</b>	<b>1,856,323</b>	<b>355,180</b>	<b>2,435,145</b>



A P P E N D I X 5

1987 EXPLORATION EXPENDITURES

## SUMMARY OF 1987 METS PROJECT EXPENDITURES

MAY THROUGH OCTOBER, 1987

SUPERVISORY GEOLOGICAL PERSONNEL	\$ 46,350.52
SUPPORT STAFF -- FIELD	99,374.59
GEOLOGICAL COMPUTER COSTS	1,739.00
SURVEY COSTS -- AIR PHOTO WORK	21,022.75
-- GROUND CONTROL	
CAMP COSTS -- CAMP EQUIPMENT	122,179.93
-- FOOD SUPPLIES	
-- FUEL	
FIXED WING SUPPORT	67,907.73
HELICOPTOR SUPPORT	104,755.24
TRAVEL EXPENSES	13,807.29
ASSAY/ANALYTICAL EXPENSES	43,895.30
TRENCHING/DRILL SITE PREPARATIONS	
/ CAT COSTS	49,315.47
EXPEDITING/FREIGHT/WAREHOUSE	9,432.50
DRAFTING/REPRODUCTIONS	3,564.55
MISCELLANEOUS SUPPORT COSTS	36,832.15
CONTRACTOR - DRILLING COSTS	562,879.90
	-----
TOTAL EXPENDITURES FOR PERIOD:	<b>\$1,183,056.92</b>
	=====