Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S): Geochemical, Geological, Geophysical and Trenching

TOTAL COST: 132,798.28

AUTHOR(S): Robert Helgason SIGNATURE(S): Robert R. Helgason

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED: Nov. 20, 1987 YEAR OF WORK: 1987

PROPERTY NAME(S): Ascot

COMMODITIES PRESENT: Zn, Pb, Ag

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN:

MINING DIVISION: Omineca NTS: 93L/ 15

LATITUDE: 54 46' LONGITUDE: 127 44'

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

Ascot 1-5 89 units, MS 2 9 units, Gap 1-4 4 units,

OWNER(S)

(1) Geostar MIning Corp.

(2)

MAILING ADDRESS

325-1130 W. Pender St.
Vancouver, B.C. V6E 4A4

OPERATOR(S) (that is, Company paying for the work)

(1)

(2)

MAILING ADDRESS

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

Subaerial to submarine volcanic, volcaniclastic and sedimentary rocks of the Jurassic Hazelton Group. Middle Jurassic diorite intrudes these rocks. Block faulting is the predominate structural control. Two types of mineralization have been found; (i) stratigraphically controlled lead and zinc and (ii) remobillized lead and zinc in quartz-carbonate veins in shear zones.

REFERENCES TO PREVIOUS WORK: Assessment reports 1702, 6784, 6937.

(over)

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	COST APPORTIONED
GEOLOGICAL (scale, area)			
Ground	24 Km^2	ASCOT 1-5, MS 2, GAP 1-4	25,862.25
Photo			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for ....)			
Soil	5493 Cu, Pb, Zn, Ag, As	ASCOT 1-5, MS 2, GAP 1-4	104,797.30
Silt			
Rock	112 30 ELEMENT ICP	ASCOT 1-5	2,138.73
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralogic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Legal surveys (scale, area)			
Topographic (scale, area)			
Photogrammetric (scale, area)			
Line/grid (kilometres)			
Road, local access (kilometres)			
Trench (metres)			
Underground (metres)			
		TOTAL COST	132,798.28

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report)				
Value of work approved				
Value claimed (from statement)				
Value credited to PAC account				
Value debited to PAC account				
Accepted Date	Rept. No.			Information Class

GEOCHEMICAL, GEOLOGICAL, GEOPHYSICAL & TRENCHING

REPORT ON THE ASCOT 1 and 2 CLAIM GROUPS

N.T.S. 93L/15

FOR

GEOSTAR MINING CORPORATION

LAT 54° 46'
LONG 127° 44'

January 12, 1988

R. Helgason
Pilot Management Inc.

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SUMMARY

The Ascot property consists of 10 claims, totaling 102 units, situated 6 km northwest of Dome Mountain near Smithers, B.C. Access is by four wheel drive road or by helicopter. Relief is moderate with elevations varying between 1,200 and 1,500 m.

The area has a long history of massive sulphide and precious metal exploration. Reserves on nearby Dome Mountain currently stand at 320,000 tons grading .37 oz./ton gold and 2.0 oz./ton silver.

The 1987 work program consisted of soil sampling, geological mapping, VLF-EM geophysics, trenching and rock sampling. As a result of the surveys numerous geochemical and geophysical anomalies were outlined. The most prominent anomalies were subsequently trenched by backhoe to expose bedrock. Lead-zinc mineralization was discovered in several spots although not in economic grade or size. Some anomalies remain untested and should be trenched in future work.

LOCATION & ACCESS

The property is located 32 km due east of Smithers, B.C. at the head waters of Canyon Creek, between Dome Mountain and Mt. McKendrick (figure 1). Access to the central part of the claims is by a four wheel drive road which turns off the Babine Lake road near kilometre 21. Driving time from Smithers is approximately one hour. In winter, access is by snowmobile. Helicopter charters from Smithers are available all year round with a flying time of only 10 minutes.

Smithers is serviced by daily jet flights from Vancouver. Most services and supplies are available locally. Highway and rail lines also pass through Smithers. Power lines 10 km from the property are sufficient for mining and milling purposes.

PHYSIOGRAPHY & VEGETATION

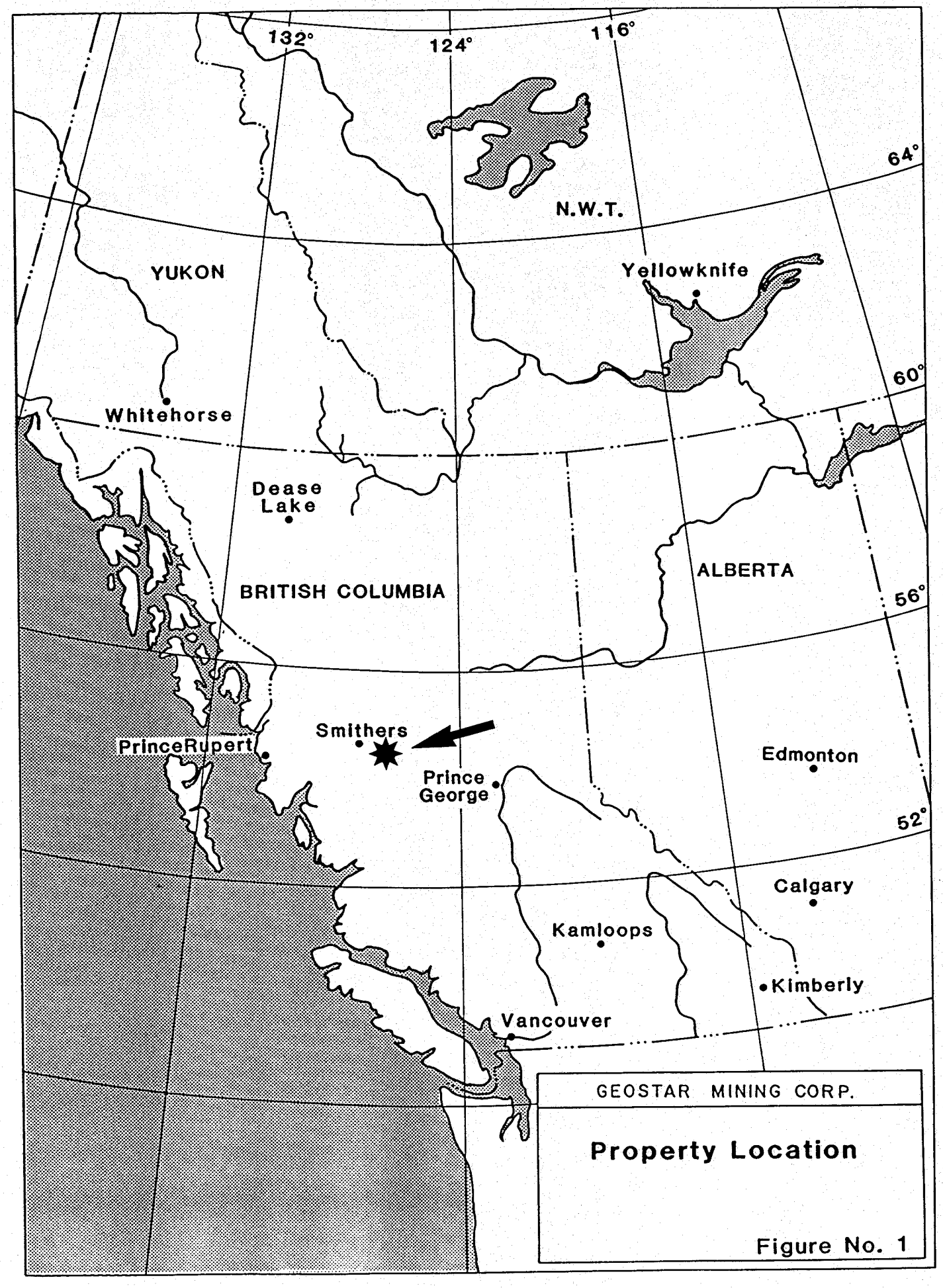
The property lies between 1,200 and 1,500 metres elevation. Relief is gentle to moderate; consequently, outcrop is limited to creek banks and sides and tops of numerous low hills. Most of the property is covered with moderate to dense timber on gentle slopes. Several large grassy swamps and meadows occur near main creeks and surrounding several small lakes.

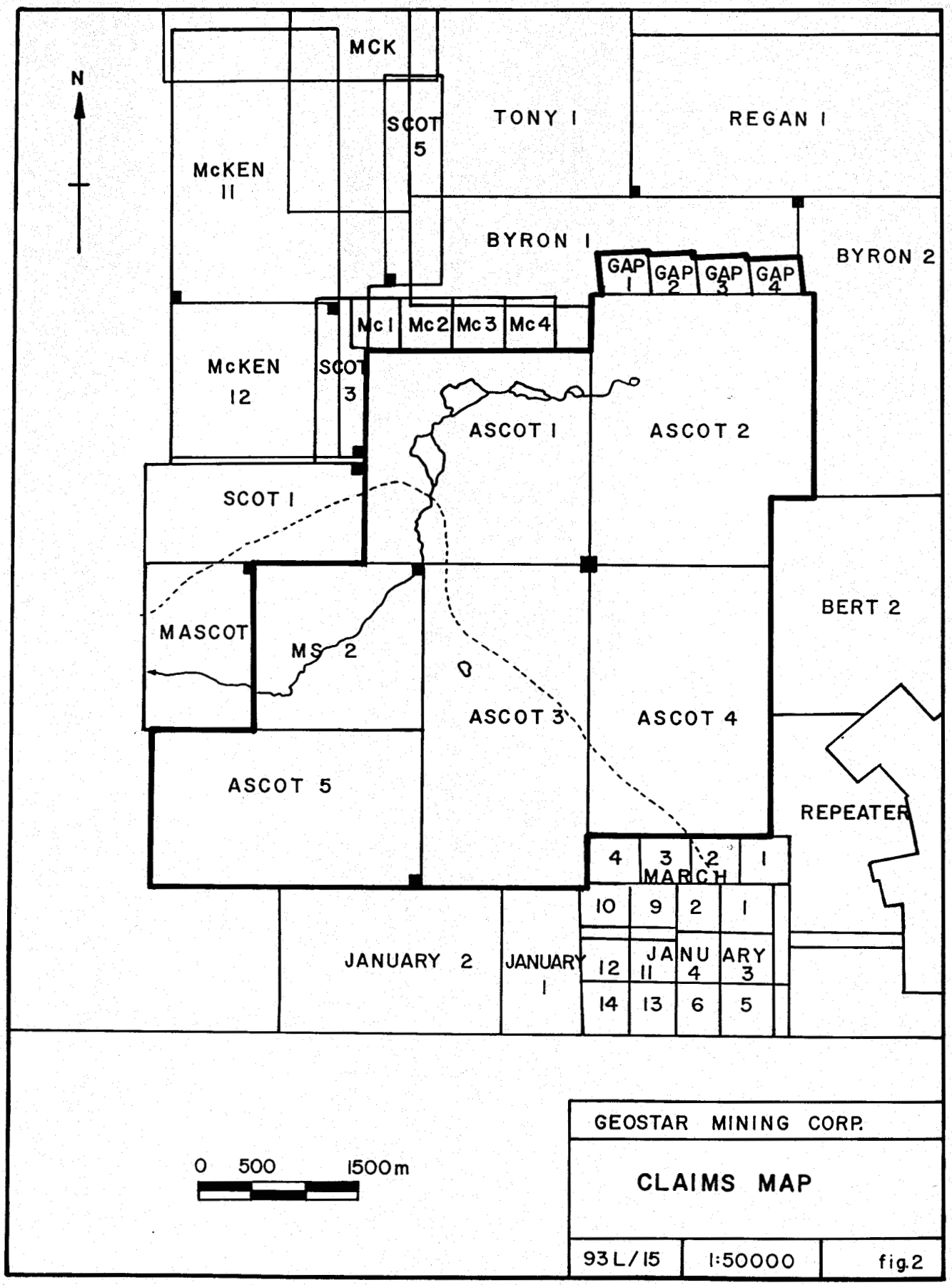
Climate of the area is moderate. The property is free of snow between May and October; geophysical work can be done on snowshoes between February and April, and some of the showings near the creek bank are exposed all year.

CLAIMS

The property comprises 10 claims in two contiguous claim groups for a total of 102 units. The claims are in the Omenica Mining Division. Claims data is listed below.

CLAIM	RECORD #	UNITS	EXPIRY*
ASCOT 1 GROUP			
Ascot 1	6089	16	Mar 14/90
Ascot 2	6090	20	Mar 14/90
Ascot 3	6091	18	Mar 14/90
Ascot 4	6092	20	Mar 14/90
Ascot 5	6093	15	Mar 14/90
MS 2	8033	9	Oct 21/89


132°
124°
116°
64°
N.W.T.
YUKON
Yellowknife
60°
Whitehorse
Dease
Lake
BRITISH COLUMBIA
ALBERTA
56°
Smithers
PrinceRupert
Edmonton
Prince
George
52°
Calgary
Kamloops
Kimberly
Vancouver
GEOSTAR MINING CORP.
Property Location
Figure No. 1


N
MCK
SCOT 5
TONY 1
REGAN 1
McKEN 11
BYRON 1
BYRON 2
GAP 1
GAP 2
GAP 3
GAP 4
Mc1
Mc2
Mc3
Mc4
McKEN 12
SCOT 3
ASCOT 1
ASCOT 2
SCOT 1
BERT 2
MASCOT
MS 2
ASCOT 3
ASCOT 4
ASCOT 5
REPEATER
4
3
2
1
MARCH
10
9
2
1
JANUARY 2
JANUARY 1
12
11
4
3
14
13
6
5
0 500 1500m
GEOSTAR MINING CORP.
CLAIMS MAP
93L/15
1:50000
fig.2

CLAIMS (cont)

ASCOT 2 GROUP

GAP	1	8714	1	Aug 24/90
GAP	2	8715	1	Aug 24/90
GAP	3	8716	1	Aug 24/90
GAP	4	8717	1	Aug 24/90

* After application of this work program.

HISTORY

Claims were staked on the central showings in 1951 by W. Silta, but no record exists of exploration results from that period.

In 1967, the area was staked by Texasgulf, (now Kidd Creek Mines Ltd) on the basis of strongly anomalous silt samples taken during a regional reconnaissance exploration. From 1969 to 1973, the claims were explored from two base camps.

Considerable work was done, including reconnaissance and detailed soil geochemical surveys, airborne magnetic and electromagnetic surveys, ground EM surveys and geologic mapping. On the basis of the geophysical surveys, three short diamond drillholes were completed in 1972. One of the holes intersected disseminated lead-zinc mineralization in a limy tuff unit.

The property was dropped by Texasgulf in 1977, and one area encompassing the most interesting showings was re-staked as the MS claim by prospector Kevin Coswan of Smithers. Petra Gem Exploration, a private company managed by Barry Price, Geologist, optioned the claims in July 1977. Exploration done during that year included additional staking, cutting of a trail to showings from the lower camp, geological mapping and sampling and, late in the season, drilling of three short "packsack" drill holes. In 1978 Petra Gem completed additional mapping and sampling and a ground magnetometer survey in the vicinity of the mineralized Texasgulf drill holes.

HISTORY (cont)

In 1979 Petra Gem was forced to drop the property due to lack of finances. From 1979 to 1983 the property was maintained by Rapitan Resources Inc., and Barry Price. The property lapsed in 1983 with the present large block of Ascot and MS claims staked by Tony L'Orsa of Smithers in September 1983 and sold to Barry Price in March 1984. Barry Price then sold the property to Geostar Mining Corp., in early 1985. In 1985 Peter Christopher and Associates Inc., conducted a geophysical and geochemical exploration program on selected parts of the property. In 1987 Pilot Management Inc., on behalf of Geostar, conducted a comprehensive exploration program on the property.

Exploration on Dome Mountain 6 km southwest has outlined a significant gold-silver deposit with ore reserves currently calculated at 320,000 tons grading .37 oz./ton gold and 2.0 oz./ton silver. A feasibility study is currently in progress on the Dome Mountain deposit.

WORK PROGRAM

A large scale program of soil sampling, geological mapping, VLF-EM, trenching and sampling was conducted on the Ascot property between mid June and late September, 1987. Pilot Management Inc., conducted the work program on behalf of Geostar Mining Corporation.

A flagged grid was laid out on the property with a cut baseline oriented at 320° (grid North) and cross lines oriented at 050° & 230°. Soil samples were taken at 25 metre intervals on lines spaced 100 metres apart. A total of 186.3 line kilometers were laid out on the claims. Geological mapping was done along the grid lines and following creek courses. The VLF survey was done over the majority of the grid, with lines grid west of BL 70+00E not covered. Trenching was conducted as a follow up to test several geochemical anomalies; all trenches were subsequently mapped and sampled.

For presentation of results the Ascot property has been divided into two map sheets; the Ascot I (west) grid and the Ascot II (east) grid.

GEOLOGICAL SETTING (after MacIntyre, 1985)

The Ascot property lies in the Intermontaine Belt of the Canadian Cordillera near the eastern edge of the Coast Crystalline Complex. The area is largely underlain by subaerial to submarine volcanic, volcaniclastic and sedimentary rocks of the Hazelton Group. The Hazelton Group is an island-arc assemblage that was deposited in the northwest-trending Hazelton trough in early to middle Jurassic time. Three divisions of the Hazelton Group have been outlined.

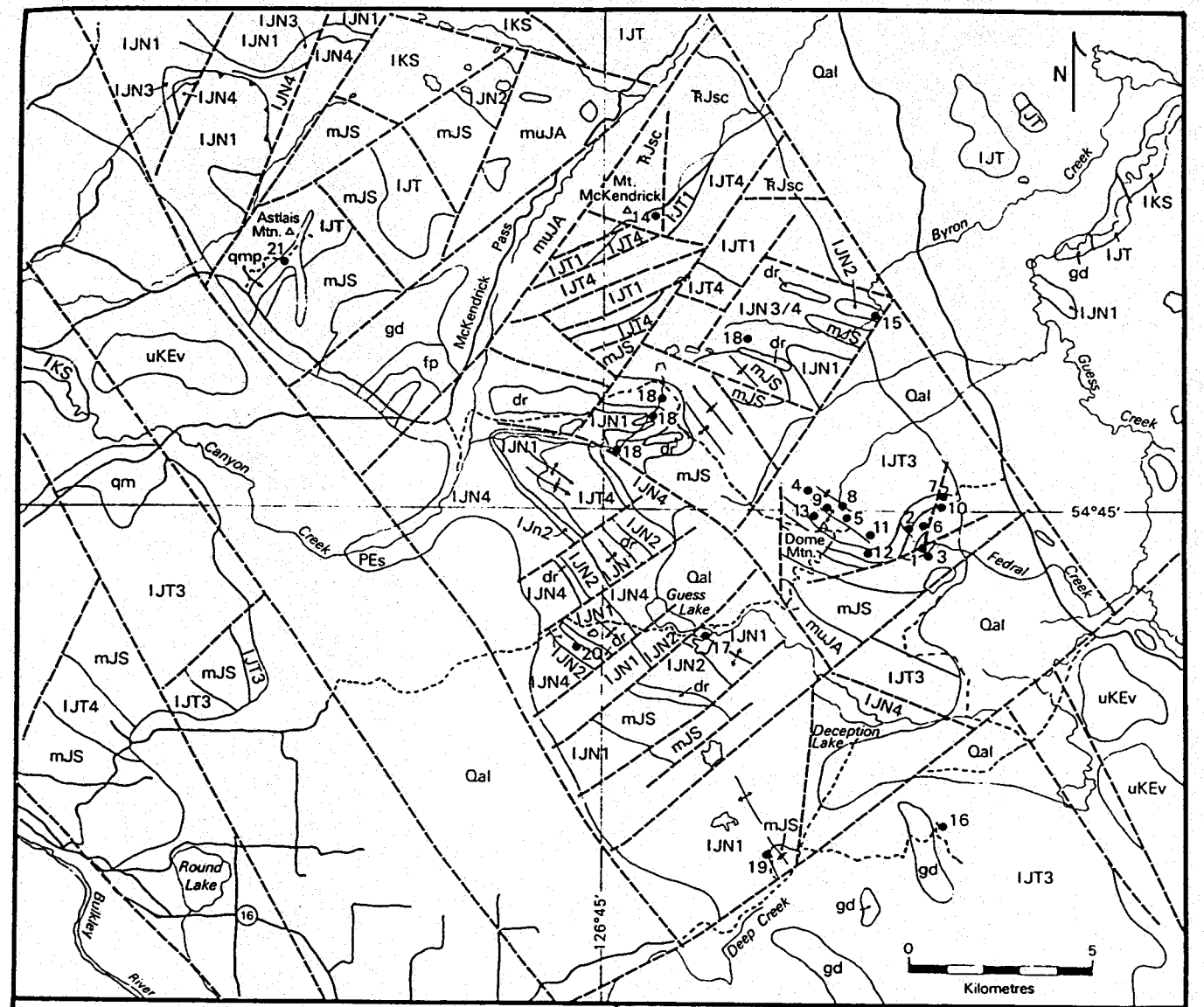
The lowermost is the Telkwa formation, which consists of mixed subaerial and subaqueous pyroclastics and flow rocks with lesser intercalated marine sediments. Conformably to disconformably overlying the Telkwa is the Nilkitkwa formation of fine grained clastic and tuffaceous rocks. The Nilkitkwa is in turn disconformably overlain by fossiliferous sandstones, siltstones and intercalated felsic tuffs of the Smithers formation.

Several small elongated plugs and dikes of diorite or diabase intrude the Hazelton Group. These bodies are thought to be related to the middle Jurassic Topley Intrusions. Granitic intrusives are also found in the area with dates ranging from 47 Ma to 117 Ma.

STRUCTURE (after MacIntyre, 1985)

The Babine Range is a northwest-trending horst of Jurassic and Cretaceous age bounded to the west and east by grabens containing younger rocks.

A progressive downward displacement of tilted fault blocks towards the northwest leads to higher stratigraphic levels being exposed in that direction. Slaty cleavage in fine grained tuffs and argillaceous rocks is well developed. Later folding of this cleavage reflects the presence of larger scale asymmetric folds that plunge to the southeast and east. High angle northeast trending faults cut and offset these folds.



LEGEND

QUATERNARY

- Qal — alluvium

PALEOCENE TO EOCENE

- PEs — mudstone, siltstone

LATE CRETACEOUS TO TERTIARY

- uKEv — andesitic volcanic rocks

EARLY CRETACEOUS – SKEENA GROUP

RED ROSE FORMATION

- IKS — micaceous wacke, siltstone, conglomerate, mudstone

LATE JURASSIC

BOWSER LAKE GROUP

ASHMAN FORMATION

- muJA — argillite, shaly siltstone, quartzose turbidites

EARLY TO MIDDLE JURASSIC

HAZELTON GROUP

SMITHERS FORMATION

- mJS — tuffaceous wacke, siltstone, conglomerate

NILKITKWA FORMATION

- IJN4 — thin bedded argillite, chert and limestone
- IJN3 — tuffaceous conglomerate, siltstone, cherty tuff
- IJN2 — rhyolitic volcanic rocks
- IJN1 — red epiclastics, amygdaloidal flows, foliated lapilli tuff

TELKWA FORMATION

- IJT4 — phyllitic maroon tuff
- IJT3 — fragmental volcanic rocks
- IJT2 — porphyritic andesite
- IJT1 — polymictic conglomerate, epiclastic rocks

TRIASSIC TO LOWER JURASSIC

- RJsc — greenstone – sill complex

INTRUSIVE ROCKS

- dr — diorite
- gd — granodiorite
- qmp — quartz monzonite porphyry
- fp — feldspar porphyry
- qp — quartz porphyry

MINERAL OCCURRENCES

Type	Occurrence Name	Commodity
1 Qz Vein	Dome Mtn. – Forks	Au, Ag, Zn, Pb, Cu, (As, Sb)
2 Qz Vein	Dome Mtn. – Cabin	Au, Ag, Zn, Pb, Cu, (As, Sb)
3 Qz Vein	Dome Mtn. – 9800	Au, Ag, Zn, Pb, Cu, (As, Sb)
4 Qz Vein	Dome Mtn. – Ptarmigan	Au, Ag, As, Zn, Pb, Cu
5 Qz Vein	Dome Mtn. – Hawk	Au, Ag, As, Zn, Pb, Cu
6 Qz Vein	Dome Mtn. – Boulder	Au, Ag, Zn, Pb, Cu
7 Qz Vein	Dome Mtn. – Free Gold	Au, Ag, Zn, Pb, Cu
8 Qz Vein	Dome Mtn. – Eagle	Au, Ag, Zn, Pb, Cu
9 Qz Vein	Dome Mtn. – Gem	Au, Ag, Zn, Cu, Pb
10 Qz Vein	Dome Mtn. – Chance	Au, Ag, Cu, Zn, Pb
11 Qz Vein	Dome Mtn. – Hoopes	Au, Ag, Cu, Pb, Zn
12 Qz Vein	Dome Mtn. – Jane	Au, Ag, Cu, (Zn, Pb, Ba)
13 Qz Vein	Dome Mtn. – Raven	Au, Ag, Cu
14 Qz Vein	Mt. McKendrick	Au, Ag, Pb, Zn, Cu, (As, Sb)
.15 Cu Vein	Tina	Cu, Ag
16 Cu Vein	Brenda, Tony	Cu, Ag
17 Cu Vein	Camp Lake	Cu, Ag
18 Massive	Ascot	Zn, Pb, Ba
19 Massive	Del Santo	Cu, Zn, Ag
20 Porph	Burbridge Lake	Cu, Mo
21 Porph	Big Onion	Cu, Mo

REGIONAL GEOLOGY
(From D.G. MacIntyre, 1986)

Figure 3

PROPERTY GEOLOGY

Two subdivisions of the Hazelton Group comprise the majority of the Ascot claim block; these two are the Smithers formation and the Nilkitkwa formation. The only other rock type seen is diorite to quartz diorite intrusive rocks. The Nilkitkwa formation has been divided into four map units (MacIntyre, 1985) (1) interbedded red epiclastics and amygdaloidal flows; (2) rhyolitic volcanic rocks; (3) tuffaceous conglomerate, cherty tuff and siltstone; and (4) thin bedded argillite, chert and limestone. The younger Smithers formation consists of feldspathic volcanic sandstone, siltstone, greywacke, minor shale, limestone, chert and conglomerate.

The Nilkitkwa is a transgressive marine sequence while the disconformably overlying Smithers is a regressive marine sequence (MacIntyre, 1986). Crosscutting both of these units are dioritic intrusions of probable Middle Jurassic age. The dominant unit on the property is a sedimentary package of volcanic sandstone, siltstone, greywacke; minor shale, limestone, chert and conglomerate belonging to the Smithers formation. Most of the higher elevations and knolls on the property are formed by this resistant unit.

Argillite, siltstone and argillaceous limestone (Nilkitkwa unit 4) commonly underlie the Smithers sediments. The area from Texasgulfs' drill holes along the cat road as far as TR87-1&2 is entirely underlain by this unit. In addition to these fine grained sediments, interbeds of pyritic, dacitic clast, conglomerate/breccia were seen in several spots. Clasts are very angular to subrounded and occur in a finer (greywacke) matrix. Occasional specks of disseminated galena and sphalerite are common; pyrite content in matrix and clasts is up to 10%.

Northwest of the above sedimentary exposures and northeast of Baseline 100+00E are numerous outcroppings of massive, green, andesitic tuff and minor lapilli tuff. These rocks are strongly chloritized with lesser epidote, sericite and minor carbonate alteration. Pyrite occurs locally up to 0.5% as fine disseminations. The tuffs commonly resemble more strongly altered phases of diorite and may be gradational with it (dioritized).

PROPERTY GEOLOGY (cont)

Canyon Creek provides one of the best areas of outcrop on the property. From the lakes down to L176N, 72+50E is a mix of limy siltstone, argillite, limestone and fine grained sandstone. In the region of the waterfall (L175N, 73+00E). The rocks are predominately limestone and limy siltstone. At L175N, 71+75E a small outcrop of fine grained felsic intrusive of quartz monzonite or granodiorite appears. Downstream the rock type changes to an angular felsic clast conglomerate that is occasionally calcareous. At L175N, 67+50E a diorite dike crosscuts the conglomerate. The rock type then changes to a mix of tuff and amygdaloidal andesite.

At approximately 174+30N, 65+00E the rock type changes back to limestone, limy siltstone and fine grained sediments. Sphalerite and galena occur in a outcrop of limestone at approximately 174+40N, 64+25E. Shortly after this point outcrop disappears until L174+10N, 57+25E where well bedded, highly contorted argillites appear in the creek bank. Adjacent to the argillites is a massive pyrite horizon hosted is fine grained bleached sediments. The last outcrop within the claim borders is black carbonaceous argillite.

Large outcrops of diorite occur on the claims. One of the largest is in the southwest corner on the MS and Ascot 5 claims. The diorite is usually medium grained, hornblende diorite but border phases are commonly fine grained, chloritic altered and difficult to tell from an andesite. The second largest diorite occurs on the east side of the property on the Ascot 2 claim. Again, it is a medium grained hornblende diorite with altered border zones. Smaller diorite dikes and plugs are also found across the property.

Alteration associated with the intrusives is usually either chloritic, hornfelsic or carbonate in nature.

When fine grained, carbonaceous sediments are in contact with the intrusive, chlorite alteration is strong. Hornfelsing usually occurs in the less chemically reactive coarser grained sediments. In carbonate rich sediments there is often a bleaching, dolomitization and remobilization of carbonate into stringers and veins.

MINERALIZATION

Zinc & lead mineralization both in syngenetic stratigraphic layers and in remobilized secondary shear zones has been found on the property. Several locales with thin bands of disseminated sphalerite and minor galena have been found in Canyon creek in limy siltstones and limestone. None of these occurrences are of economic magnitude however, they may indicate some possibility of an economic sized deposit along the stratigraphic horizon.

Mineralization in secondary carbonate and quartz veins is also seen on the property. A showing up a tributary of Canyon creek exhibits moderate bleaching and carbonate alteration peripheral to a carbonate (+minor quartz) vein in sheared limestone, silty limestone and amygdaloidal andesite. Near the west edge of the claims in Canyon creek a massive pyrite horizon hosted in bleached, altered and silicified fine grained sediments has been found. Only anomalous values of lead, zinc, silver and gold are reported from samples taken. Strongly deformed argillites underlie this showing.

Several new showings were found in 1987. In the area around trenches 4 to 8 zinc-lead mineralization was found in strongly oxidized, sheared siltstone & shale with local carbonate stringers and minor sphalerite and galena adjacent to a dark green chloritic altered diorite. Also at this location, a thin, discontinuous bed of dacitic conglomerate/breccia containing minor disseminated galena was found.

Zinc and lead mineralization was also found near trenches 9 and 10. The mineralization is associated with weak silicification in fine grained, argillaceous sediments.

Mineralization in trenches 14 and 15 consists of disseminated sphalerite in dolomotized fine grained and calcareous sediments.

TRENCHING

Between August 28 and September 10, 1987 a D6 bulldozer and John Deere skidder with a backhoe were used to build access roads and trench geochemical anomalies. Approximately two kilometers of bulldozer road were built and 15 trenches were dug. Trenches 1 to 13 were dug on the Ascot II grid while trenches 14 to 15 were dug on the Ascot I grid. Trench maps and results are included in Appendix A. A plan map showing trench locations is included on figures 4 & 5.

VLF - EM SURVEY

A Sabre model 27 VFL-EM tuned to Cutler, Maine (17.8 kHz) was used for the survey. Results were Fraser filtered and are presented in contoured plan view in figure 11 and 17. A total of 137 line kilometers was surveyed.

Results of the VLF-EM survey on the Ascot I grid show a strong linear VLF high that trends for 1.3 km at approximately 300° from line 168+00N where it swings to 090° for 600 metres.

On the Ascot II grid several discontinuous VLF-EM anomalies were outlined. The strongest is located near baseline 100+00E and crosses from lines 174+00E to 178+00E. A large V shaped anomaly also occurs in the centre of the grid stretching from L62N to L169N.

GEOCHEMISTRY

A total of 5473 soil samples were collected from an area covering 22 square kilometers on the Ascot property. Samples were taken from the B horizon whenever possible using a mattock. Samples were placed in kraft paper soil bags and sent to Acme Analytical Labs Ltd., of Vancouver to be analyzed for copper, lead, zinc, silver and arsenic. At the lab, the samples were oven dried and then screened to -80 mesh. A 0.5 gram sample of screened material was digested with 3 ml aqua regia (3-1-2-HCl-HNO3-H2O) at 95°C for 1 hour and then diluted to 10 ml. with distilled water.

The solution was then analyzed by standard ICP (inductively coupled argon plasma) techniques for copper, lead, zinc, silver and arsenic.

Levels for anomalous values were chosen using computer generated histogram plots of 1987 results and previous knowledge of geochemical response in the area. Threshold levels in parts per million (ppm) are summarized below.

ELEMENT	BACKGROUND	ANOMALOUS	STRONGLY ANOMALOUS
Copper	0-60	61-120	>100
Lead	0-35	36-60	> 60
Zinc	0-300	301-500	>500
Silver	0-1.0	1.1-2.0	> 2.0
Arsenic	0-50	51-100	>100

GEOCHEMISTRY (cont)

Results for Ascot I grid are plotted on figures 6 to 10. Ascot II grid results are shown as figures 12 to 16. Numerous geochemical anomalies were delineated with zinc showing the best response. A comprehensive breakdown of results is included under discussion of results.

DISCUSSION OF RESULTS

ASCOT I GRID

The strongest geochemical anomaly found is located between lines 176 to 178N, 73+00 to 74+00E. This local is anomalous in zinc (5900ppm), lead (154ppm), silver (6.9ppm) and arsenic (118ppm). The southern part of the anomaly in Canyon creek coincides with disseminated lead and zinc in calcareous sediments. Two trenches (TR 14 & 15) were dug to evaluate the northern part of the anomaly. Zinc values as high as 8% were found in trench 14 in a dolomitic sandstone, siltstone and shaleunit containing hydrozincite and disseminated sphalerite. Over a sampling interval of 18 metres (true thickness approximately 8 m.) zinc averaged 6.5% and silver 1.5 oz./ton. However, values appear erratic as no significant mineralization or assays were found a few meters along apparent strike. More trenching is warranted to further assess this zone.

The second strongest anomaly is centred at L169N, 53+50E. Silver, lead and arsenic all occur in anomalous concentrations, with values to 8.7ppm, 437ppm and 176ppm respectively.
No follow up has been done on this anomaly due to access.

A strong zinc anomaly at L173N, 76+50E, with values to 2300ppm was investigated by limited stripping. A variably calcareous, phyllitic siltstone/shale unit with local carbonate alteration was uncovered. Within this is a 7 m band of limy/dolomitic sandstone with strong carbonate alteration and minor sphalerite, galena and pyrite. A grab sample of a discontinuous, remobilized, carbonate altered, stringer zone returned values of 10,000ppm zinc (1%), 3900ppm lead, 24.6ppm silver and 871ppm cadmium.

ASCOT II GRID

Numerous anomalies were outlined by the geochemical and geophysical work with the strongest of these anomalies trenched to expose bedrock.

On a large scale, copper, lead and zinc anomalies show a correlation across the grid in an east-west orientation between lines 169+00N and 175+00N. This geochemical trend shows a direct correlation with a well bedded fine grained argillaceous unit (division 4 of the Nilkitkwa formation) which would normally be expected to have high background of base metal values. This argillite sequence is also intruded in this area by a prominent diorite plug/sill.

Arsenic and silver show a scattered distribution across the grid with no coherent pattern.

The most prominent multi-element anomaly is centred at 166+00N on tieline 110+00E. This area is very strongly anomalous in lead, zinc, copper and arsenic with subdued silver values. Values to 460ppm, 7600ppm, 640ppm, and 320ppm respectively were obtained.

Due to the high values this anomaly was the top priority trenching target. Trenching (Trenches TR87-1 to 7) uncovered lead and zinc mineralization in several spots, however the highest value discovered was only 1.2% zinc over 2 metres. Most of the mineralization is small zones of enrichment hosted in shales and siltstones adjacent to diorite dikes. It is likely that the diorite plug/sill to the west and the interfingered diorite dikes in the sediments have remobilized and concentrated background lead and zinc into small enriched pockets. Minor galena was also seen disseminated through a dacitic breccia/conglomerate unit but in subeconomic concentrations. Trench TR87 8 was dug on a smaller lead-zinc response at L169N, 108+50E and exposed some hydrozincite with minor galena and sphalerite in remobilized carbonate sweats in limy and dolomitic shale/siltstone. Values to 15,136 ppm Zn. (1.5%) were obtained from grab samples but mineralization appears erratic and discontinuous.

ASCOT II GRID (cont)

The third area trenched was anomalous in lead, zinc and copper. This geochemical anomaly is in the same area as Texas Gulf's diamond drill hole #1; more precisely the area of trenching is parallel to line 171+100N from 103+75E to 102+50E. Lead and zinc mineralization was found on surface in several locations. Just west of the drill hole a dark, graphitic, weakly silicified argillite outcrop with disseminated pyrite, galena and sphalerite was found. Values of 1.4% zinc were returned. Further west along the access road several small lead and zinc showings were found hosted in shales and sandstones and in quartz veining in sandstones. No mineralization however, was found in trenches 9 and 10 which exposed only pyritic, graphitic thinly bedded argillites and siltstones.

The fourth location trenched (L173+00N, 100+00E) was a zinc, lead and arsenic anomaly. Black, thinly bedded argillites were uncovered (trench TR87-11) but no mineralization was seen. A fifth spot trenched (L174+00N, 98+00E) was a strong zinc and moderate lead, copper anomaly. Trench TR87-12 exposed carbonaceous shale/siltstone in contact with strongly chloritic diorite. No mineralization was noted, however, overburden was in excess of 2 metres so the anomaly likely does not reflect a bedrock source.

A strong VLF-EM conductor was also trenched (TR87-13) but nothing was seen to explain the anomaly. The rocks exposed were a shale, siltstone, greywacke package with no mineralization.

Several lower priority geochemical anomalies remain to be tested. Visual inspection does not help explain them as overburden masks bedrock. Trenching may be needed but access is difficult due to steep topography.

CONCLUSIONS

The comprehensive exploration program conducted in 1987 was aimed at discovering a stratabound lead-zinc deposit or gold-silver mineralization similar to Dome Mountain. Numerous geochemical and geophysical anomalies were outlined with the strongest of these trenched to expose bedrock. Several new lead-zinc showings were discovered on the property, however no gold mineralization was found. The majority of the new showings are on the Ascot II grid hosted in argillites and shales of units 3 & 4 of the Nilkitkwa formation. The most significant showing found was 6.5% zinc and 1.5 oz./ton silver across eight metres at L177N 73+25E. At present, continuity is a problem here however, more trenching is recommended to trace the strike of the mineralization. An untested, but high level, anomaly is located at L169N 53+50E. Detailed follow-up sampling and possibly trenching are recommended here.

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QUALIFICATIONS

I, Robert Helgason of 4 - 1306 Bidwell Street, Vancouver, B.C. hereby certify that,

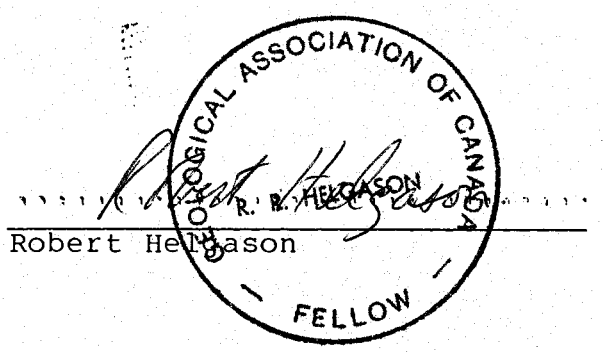
1) I graduated from the University of British Columbia in 1980 and hold a B.Sc. (Honours) degree in geology.

2) I am currently employed by Pilot Management Inc., of 325-1130 West Pender Street, Vancouver, B.C.

3) I have been employed in my profession by various mining companies for the past seven years.

4) I am a fellow of the Geological Association of Canada.

5) The information contained in this report was obtained as a result of field work carried out by Pilot Management Inc. under my supervision.



Robert Helgason

STATEMENT OF COSTS

Analyses

Soil and silt Geochem:		
5493 samples @ $5.00/sample	$ 27,465.00	
Rock Geochem:		
76 samples @ $11.50/sample	874.00	
Rock Assays:		
36 samples @ $13.25/sample	477.00	
Sample shipping costs	1,104.75	
		$ 29,920.75

Wages (for intermittent periods from May through October)

Senior Geologist:		
46.0 days @ $460/day	$ 21,160.00	
Project Geologist:		
32.5 days @ $438/day	14,235.00	
5 Field Assistants:		
179.5 man days @ $240/day	43,080.00	
		$ 78,475.00

Food

258 man days x $18/day =	$ 4,644.00	

Accommodation

258 man days x $10/day =	$ 2,580.00	

Truck Rental

68 days (incl. gas)	$ 2,720.00	

Helicopter	$ 3,308.50	
Field Supplies	3,068.66	
Drafting 10 days @ $240/day	2,400.00	
Report Writing 4 days @ $440/day	1,760.00	
Miscellaneous	3,921.37	
		$ 24,402.53

TOTAL EXPENDITURE $ 132,798.28

Appendix A

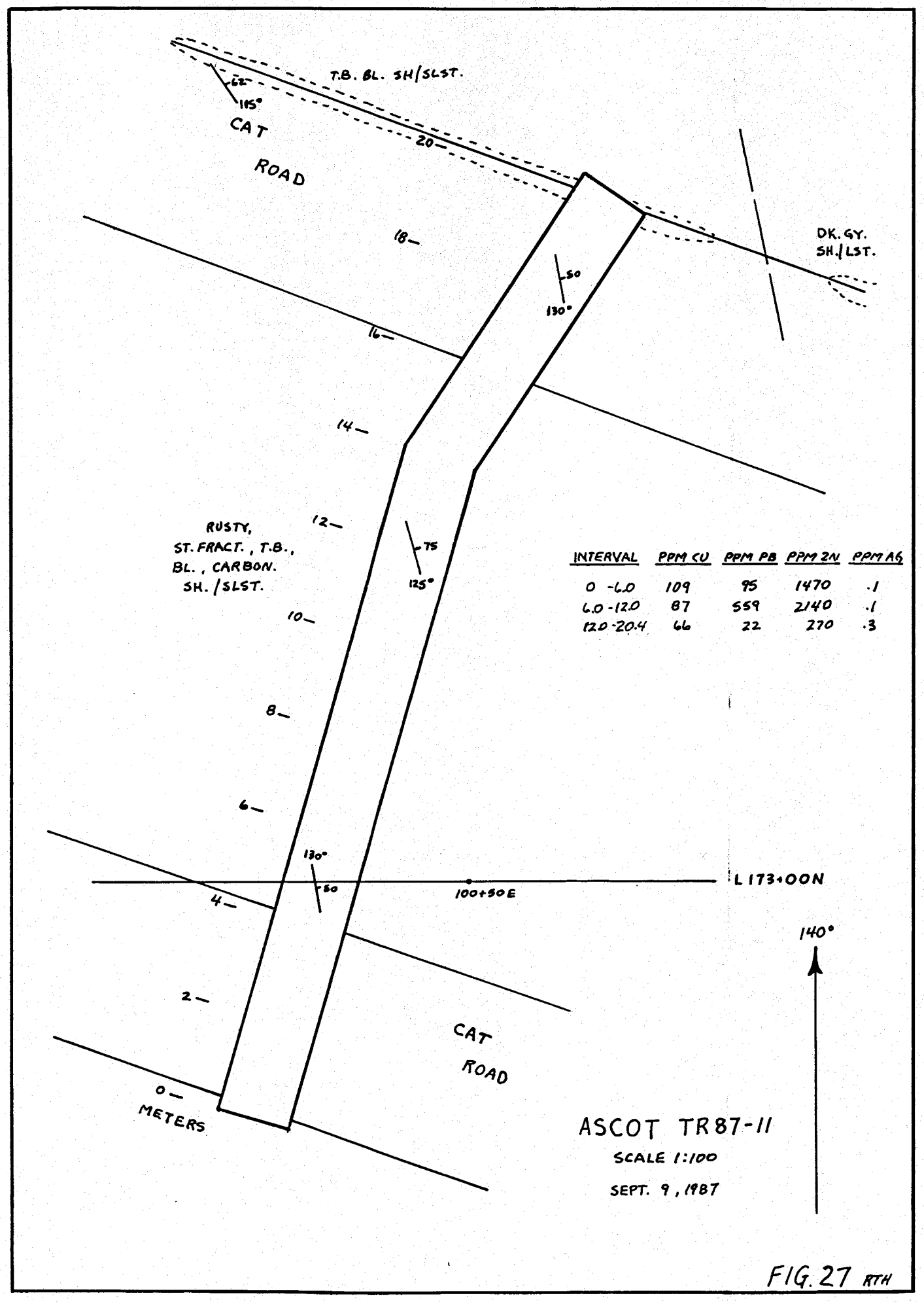

T.B. BL. SH/SLST.
62
115°
CAT
ROAD
20
18
16
14
12
10
8
6
4
2
0
METERS
DK. GY.
SH./LST.
50
130°
RUSTY,
ST. FRACT., T.B.,
BL., CARBON.
SH./SLST.
75
125°
130°
50
L 173+00N
100+50E
140°
CAT
ROAD
INTERVAL PPM CU PPM PB PPM ZN PPM AG
0 -6.0 109 95 1470 .1
6.0 -12.0 87 559 2140 .1
12.0 -20.4 66 22 270 .3
ASCOT TR87-11
SCALE 1:100
SEPT. 9, 1987

FIG. 27 RTH

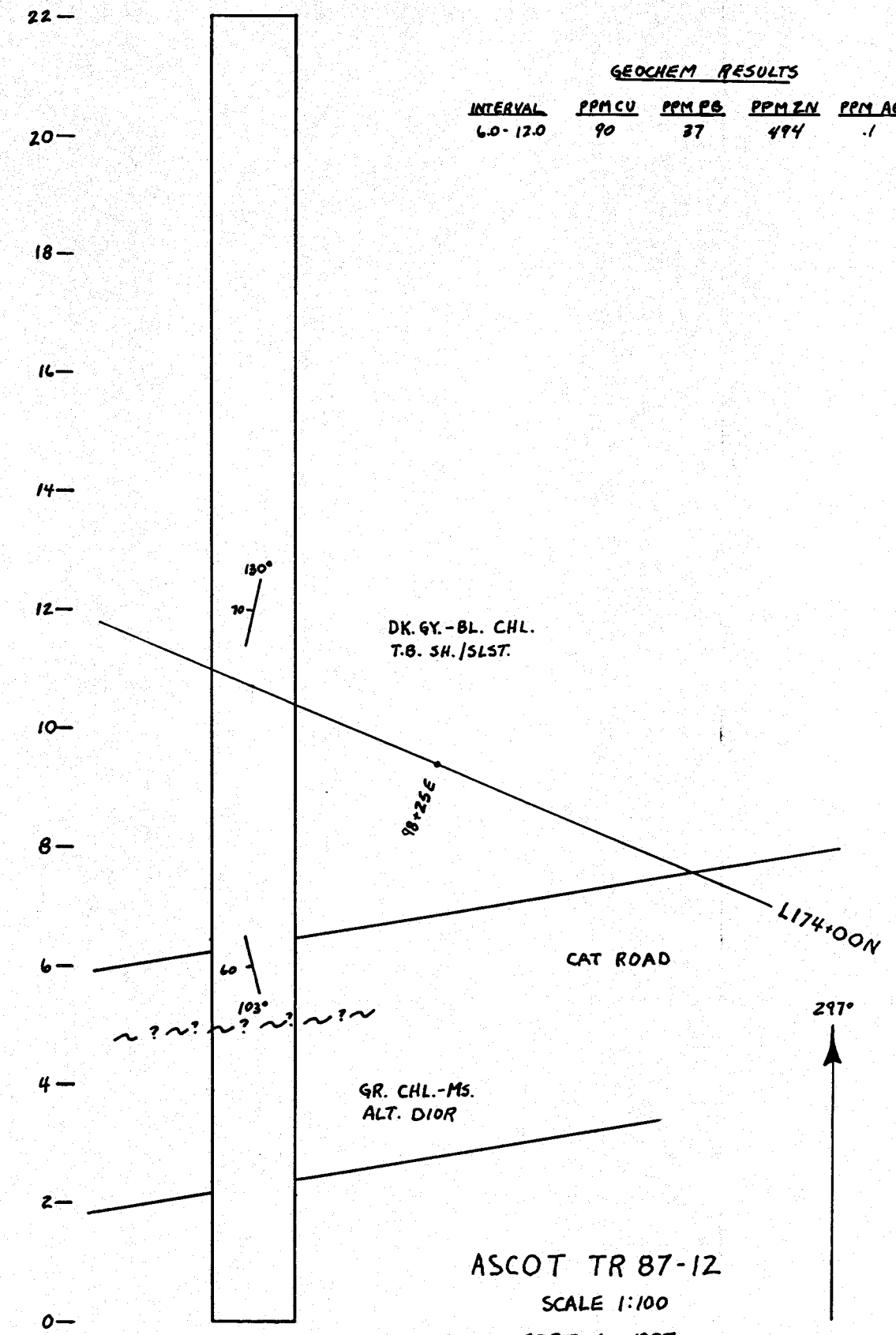
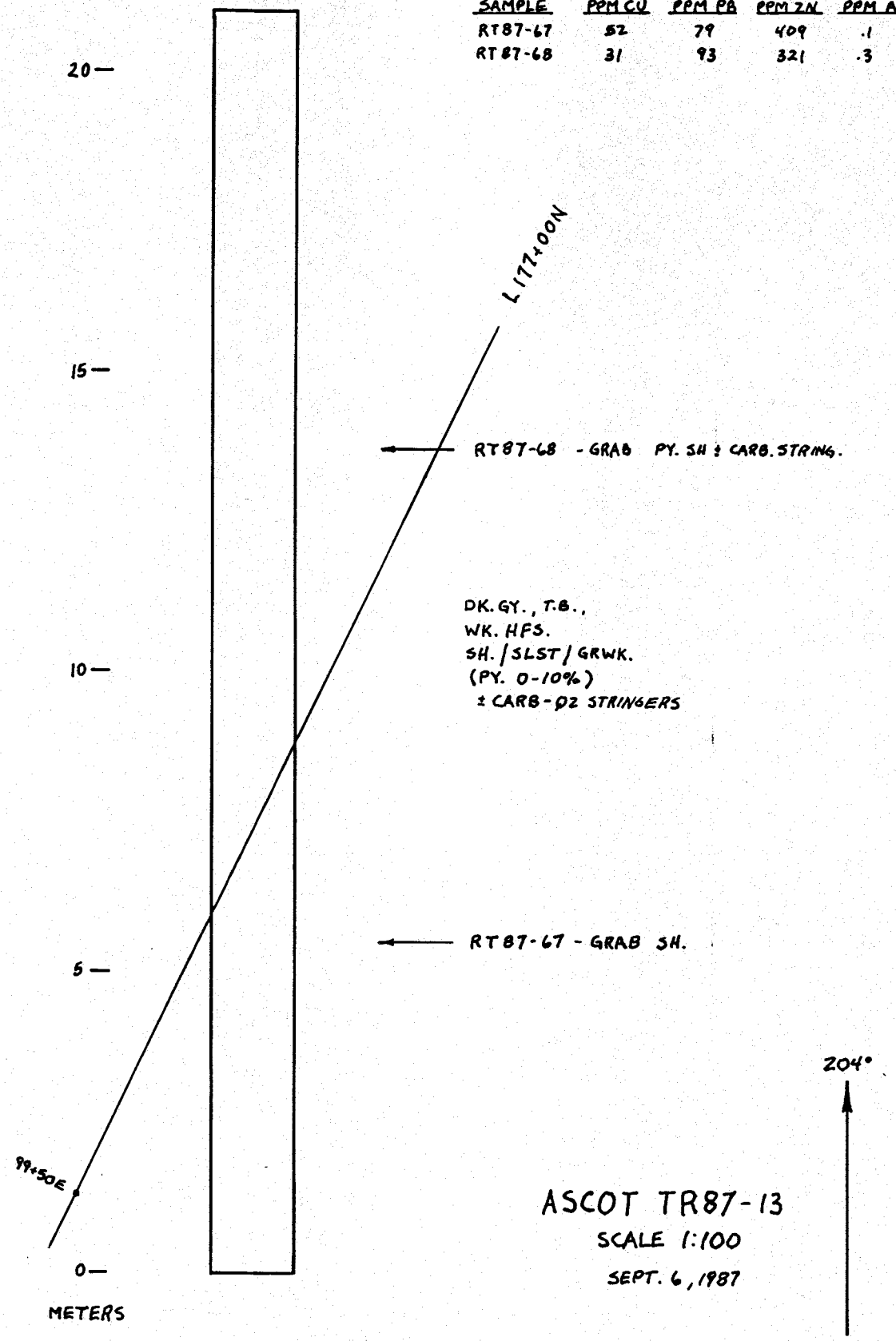

22
20
18
16
14
12
10
8
6
4
2
0
METERS
GEOCHEM RESULTS
INTERVAL 6.0 - 12.0
PPM CU 90
PPM PB 37
PPM ZN 494
PPM AG. .1
130°
70
DK. GY. - BL. CHL.
T.B. SH. / SLST.
98+25E
L174+00N
CAT ROAD
60
103°
297°
GR. CHL. - MS.
ALT. DIOR
ASCOT TR 87-12
SCALE 1:100
SEPT. 6, 1987

FIG. 28 RTH

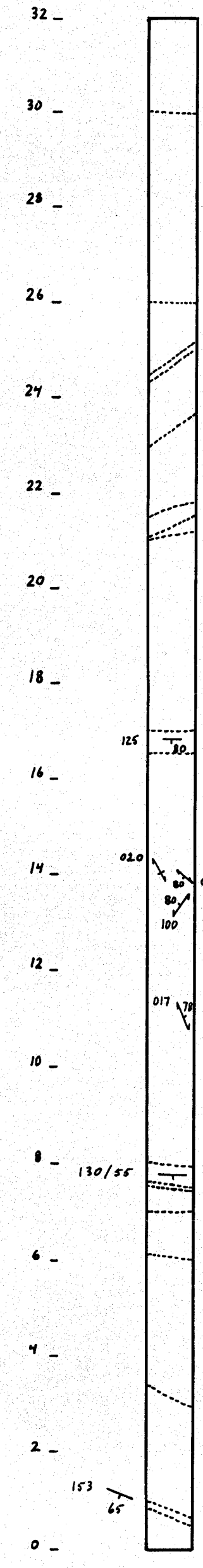
GEOCHEM RESULTS

SAMPLE	PPM CU	PPM PB	PPM ZN	PPM AG
RT87-67	52	79	409	.1
RT87-68	31	93	321	.3



ASCOT TR87-13
SCALE 1:100
SEPT. 6, 1987

FIG. 29 RTH



OVERBURDEN

L 169+00N
110+30E

THINLY BEDDED FINE GRAINED SEDS
STRONGLY FRACTURED

SHEARED DK GY / CHARCOAL RUBBLE DACITIC BRX FRAGS.
RUSTY WEAKLY SILICIFIED SEDS.
COARSE GRAINED SEDS / BRX
PYRITIC DACITIC CLASTS

ROTTEN, RUBBLY F.G. SEDS

GY. F.G. BIOTITE SAND
RUSTY SEDS

SHEARED ROTTEN F.G. SEDS

BROWN UNCONSOLIDATED F.G. SAND

STRONGLY SHEARED SST / SLST
RUSTY SHEAR FACES COMMON
ORIG. TEXTURE DESTROYED

SHEAR FACE

T.B. F-M.G. SEDS Some 2% PY. BEDS
CARB BRX.
ROTTEN F.G. SHEARED SEDS
DK GY/CHARCOAL COARSE SST
WITH DACITIC CLASTS. ~3% PY

BLACK VFG SLST.
WELL INDURATED
DISSEM 2NDARY PY ~1%

ROTTEN F.G. SEDS
T.B. SLST / SST / ARG / SHALE
SLIGHTLY RUSTY

DK GY WELL INDURATED SLST <1% PY
F.G. SLST STRONGLY SHEARED

SAMPLE	LOCATION	WIDTH	Cu	Pb (ppm)	Zn	Ag
RR 87-57	24m.	GRAB	67	14	173	.1
RR 87-59	0-4m	4m	100	147	1215	.1
RR 87-60	8-12m	4m	82	42	591	.1
RR 87-61	22-26m	4m	53	21	297	.1

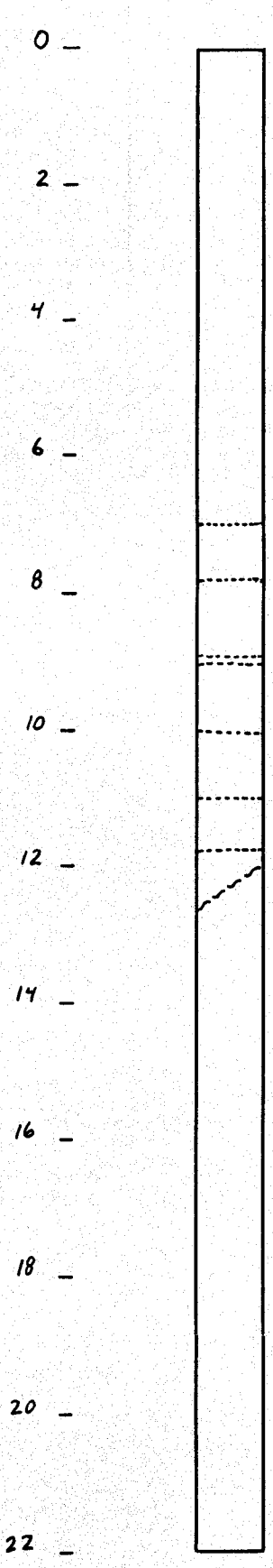
045°

1:100

SEPT 5 /87

FIG. 18

SAMPLE	LOCATION	WIDTH	Cu	Pb	Zn	Ag (ppm)
RR 87-58	6.5m	GRAB	69	14	159	.1
RR 87-62	18-24m	6m	99	138	661	.3
RR 87-63	10-14m	4m	84	131	1964	.8



NO °/c. LARGE ANGULAR BOULDERS OF DACITIC CLAST PYRITIC BRX.

SANDY °/B POSS. DECOMP. SST.

°/B. SANDY @ COBBLE CLASTS

DAC. PY. COARSE SST BRX. CHLORITE ALT'N.

M.G. + F.G. WELL INDURATED SST. (FLOAT?)

F.G. HFELS SST

F.G. SEDS. BROKEN + ROTTEN

ROTTEN ROCK FORMERLY DAC. BRX.

ROTTEN DAC BRX/SST. CARBONACEOUS GRADES INTO F.G. GRAPHITIC SEDS

FAULT

ROTTEN, BROKEN F.G. SEDS
MINOR LT. GY F.G. DACITIC SLST/SST
VERY STRONGLY SHEARED

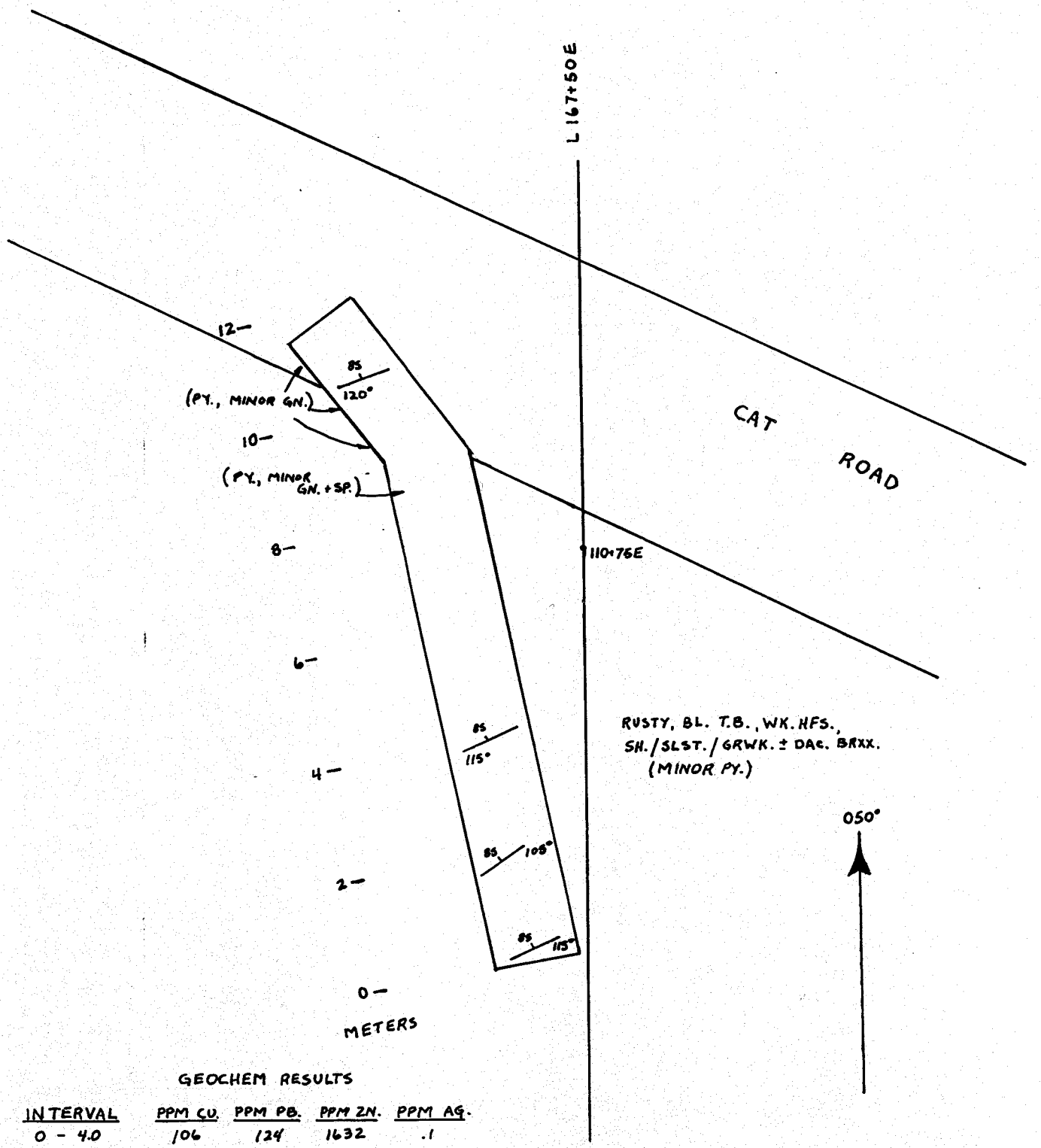
045°

Δ L 169+00N
110+30E

ASCOT TR87-2

1:100

FIG. 19



GEOCHEM RESULTS

INTERVAL	PPM CU.	PPM PB.	PPM ZN.	PPM AG.
0 - 4.0	106	124	1632	.1
4.0 - 8.0	127	720	6104	.5
8.0 - 9.0	72	1118	11561	.1
9.0 - 12.0	80	1185	3750	.1

ASCOT TR 87-3

SCALE 1:100

SEPT. 6, 1987

FIG. 20 RTH

T.B. RUSTY BL.
±LIMY SH./SLST

120° 85
85 105°
85 115°

ATR87-3

SIL. WT. HFS.

GR. CHL. ALT. DIOR.

110+50E

HFS. SH-/SLST

BRXX ZONE

GR. CHL. ALT. DIOR.

CAT ROAD

100+75N

146+50N

ATR87-5

LINEAR

110+25E GR.-GY GRWK.

ATR87-4

109+75E

Q2-CARB ALT. ZONE

RUSTY T.B. ±LIMY DK. GY HFS. SH./SLST.

165+75N

GR. CHL. ALT. DIOR.

DAC. LAP. BRXX. (PY) + GRWK.

ATR87-6

T.B. BL. HFS. SH./SLST

GR. CHL. ALT. DIOR.

CAT ROAD

147+50N

RUSTY SH.

CARB.-Q2 ALT. ZONE

ATR87-7

109+25E

DAC. LAP. BRXX. (PY)

RT87-58

RT87-59 (RUSTY)

RR87-45

RR87-46

T.B. HFS. BL. SH./SLST.

050°

DAC. LAP. BRXX./SH (PY)

CHL. HFS. SH.

LINEAR

GR. CHL. ALT. DIOR.

GEOCHEM RESULTS

SAMPLE	TYPE	PPM CU	PPM PB	PPM ZN	PPM AG.
RT87-58	GRAB	50	41	1881	.1
RT87-59	GRAB	55	692	5178	.6
RR87-45	GRAB	70	82	426	.3
RR87-46	GRAB	152	1361	1704	1.1

TRENCH PLAN MAP
ATR87-3 to 7
Scale 1:500
SEPT. 6, 1987

FIG. 21. RTH

110+25E

050°

GR-GY GRWK.
(MINOR PY.)

L 166+00N

CAT ROAD

109+75E

RUSTY
CARB-DTZ.
STRINGER-BRXX.
ZONE 20—

GR. CHL. ALT.
DIOR.

16—

DK. GY.
VAR. LIMY
WK. HFS.
SLST/SH.
(MINOR PY.)

CHL. ALT.
DIOR.

BL. HFS. T.B.
SLST/SH.

12—

TL 110+00E

SHEAR
012°

8—

L 166+00N

FRACT.
CHL. ALT.
DIOR.

CHL. ALT.
FG. DAC. LAP.
BRXX./GRWK.

4—

GR. CHL. ±
MS. ± EP. ± CARB.
ALT. DIOR.

FG. GR.
CHL. ALT. DIOR

FG. DAC. LAP.
BRXX./GRWK.

0—
METERS

ATR87-4

ST. FRACT.
DAC. LAP. BRXX.

24—

082°
80

ATR87-6

BL., T.B., HFS.
SLST./SH.

20—

ATR87-5

ATR87-7

12—

GR. CHL. ALT.
DIOR.

064°
80

16—

8—

12—

GR.-GY.
CHL.-MS. ± SIL. ALT.
DIOR.

092°
80

4—

RUSTY CARB. ALT.
STRINGERS
(MINOR PY.)

RUSTY, FRACT.
CHL. SH.

(MINOR GAL + SP. + MA.)

RUSTY, DK. GY., HFS.
T.B. SLST/SH.

098°
85

109+25E

0—
METERS

CAT ROAD

GEOCHEM RESULTS

TRENCH	INTERVAL	PPM CU	PPM PB	PPM ZN	PPM AG
ATR87-4	7.8 - 11.2	173	31	1427	.1
	11.2 - 12.5	84	288	3405	.2
	12.5 - 17.5	89	91	1285	.2
	17.6 - 20.6	59	100	1906	.1
ATR87-6	4.0 - 7.8	63	206	1266	.2
	7.8 - 9.7	62	1468	12,464	1.1
	9.7 - 12.8	44	41	1086	.1
	12.8 - 20.0	50	130	698	.1
	21.0 GRAB	39	33	338	.1
ATR87-7	0 - 1.8	98	65	3521	.1
	1.8 - 4.3	35	20	1240	.5
	4.3 - 6.0	175	57	5228	.2

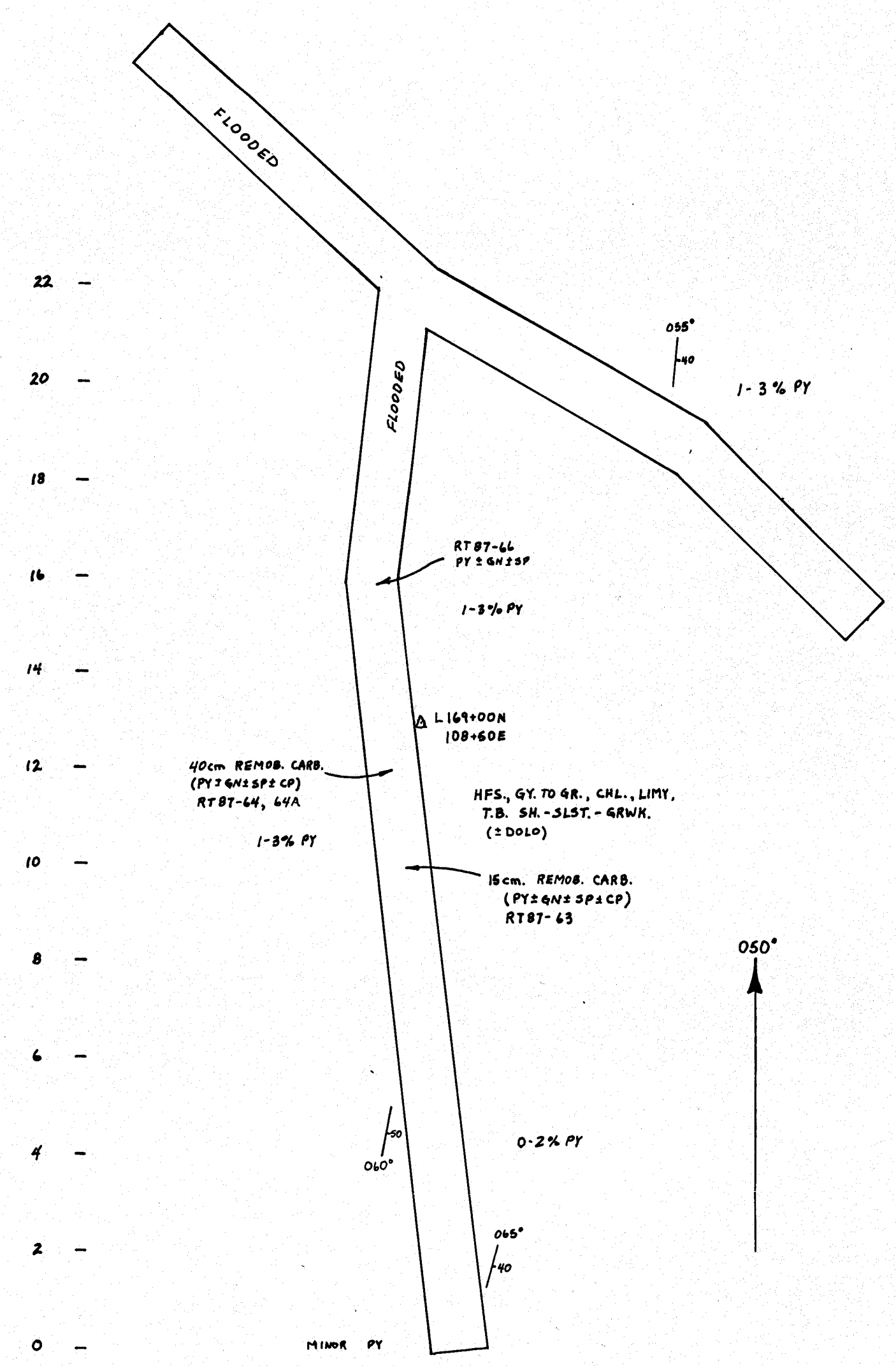
ASCOT TR 87-4 to 7
SCALE 1:250
SEPT. 8, 1987

FIG. 22

RTH

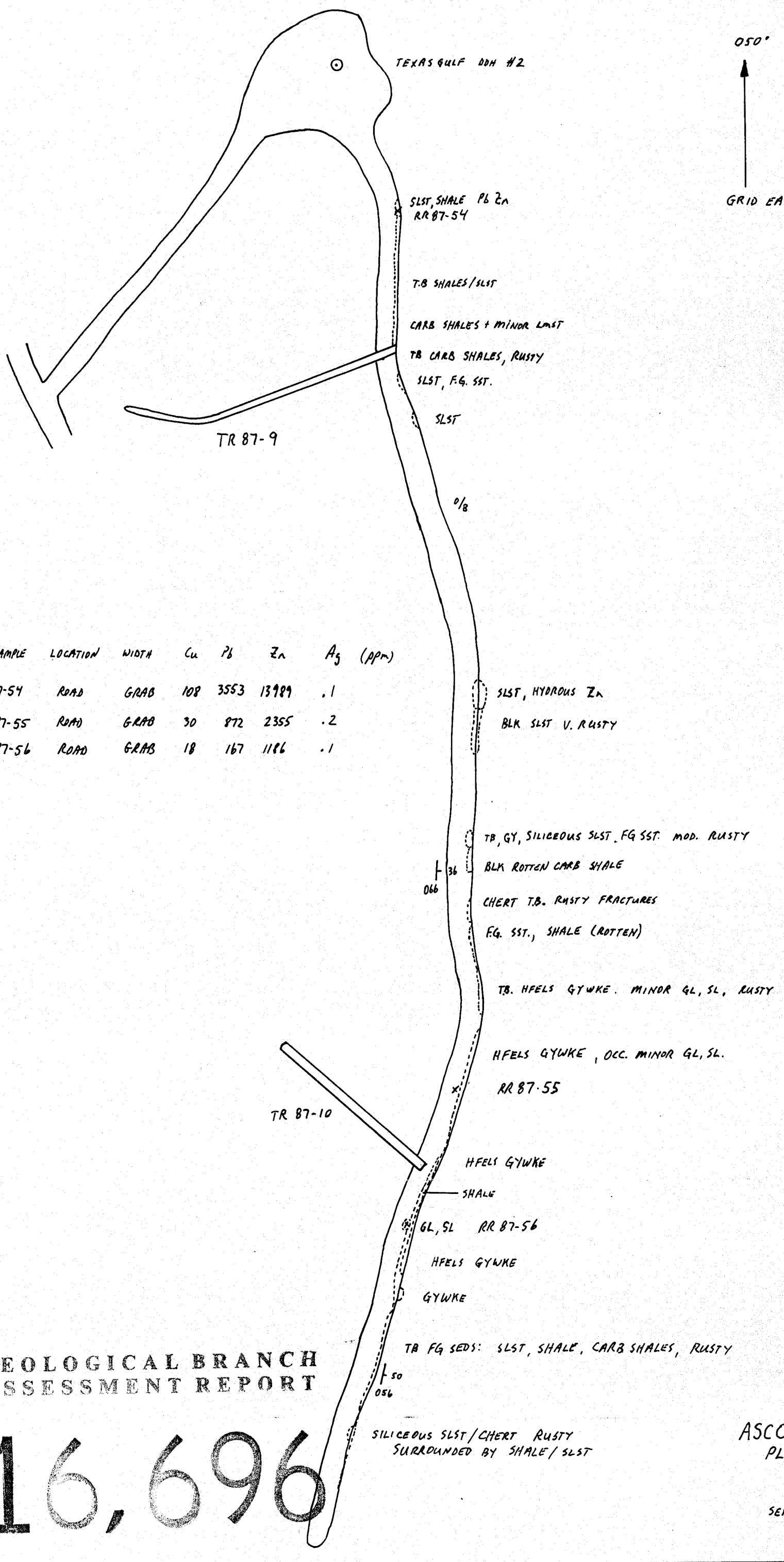
GEOCHEM RESULTS

SAMPLE	INTERVAL	PPM CU	PPM PB	PPM ZN	PPM AG.
RT87-63	GRAB	66	510	1303	.1
RT87-64	GRAB	84	654	15136	.1
RT87-64A	GRAB	61	687	12601	.1
RT87-66	GRAB	73	3344	16417	.1



ASCOT TR 87-8
SCALE 1:100
SEPT. 8, 1987

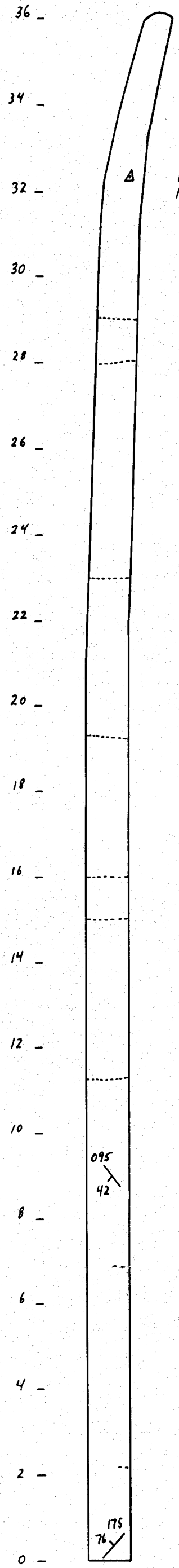
FIG. 23 RTH



SAMPLE	LOCATION	WIDTH	Cu	Pb	Zn	Ag (ppm)
RR87-54	ROAD	GRAB	108	3553	13989	.1
RR 87-55	ROAD	GRAB	30	872	2355	.2
RR 87-56	ROAD	GRAB	18	167	1186	.1

ASCOT TR 87-9+10
PLAN VIEW
1:500
SEPT 8/87

FIG. 24



1711+00N
1031+50E

CLAY 0/B + SMOOTH BEDROCK
POSS. CHL ALT. GYWKE

GRAPHITIC SHALE

T.B. SLST. GY + GN.
2NDARY PY < 1%

GRADES INTO SLST. BECOMES LESS BROKEN
↑

COMPLETELY BROKEN RUBBLE
PROB. WAS SH/SLST

SAMPLE	LOCATION	WIDTH	Cu	Pb	Zn	Ag (ppm)
RR87-64	24-28m	4m	79	8	411	.1
RR87-65	20-24m	4m	99	8	484	.1
RR87-66	16-20m	4m	97	17	375	.1
RR87-67	12-16m	4m	100	14	175	.1
RR87-68	8-12m	4m	122	318	870	.1
RR87-69	4-8m	4m	140	245	1577	.2
RR87-70	0-4m	4m	99	341	1538	.1

PREDOM. SLST. .5% PY
RARE BL. SH. BANDS

BLACK GRAPHITIC SHALE + SLST

MAINLY SLST. IN PLACES T.B. COMMONLY GY.
OCC. CHARCOAL. 2NDARY PY CUBES

LIGHT GY VFG PYRITIC SLST
2NDARY PY CUBES DISSEM 1-2%

315°

BL. SHALE @ BANDS OF RED SAND.
+ MINOR 5cm BAND OF PYRITIC FELSIC SLST

V MINOR 1Cm. PY BAND

BL. SHALE @ SOME THIN FELSIC PYRITIC SLST BANDS
T.B., RUSTY, V. ROTTEN + BROKEN.

BLACK ROTTEN, GRAPHITIC SHALES
STRONGLY DEFORMED

V. MINOR SLST BAND.

BLACK GRAPHITIC SHALES, RUSTY

ASCOT TR 87-9

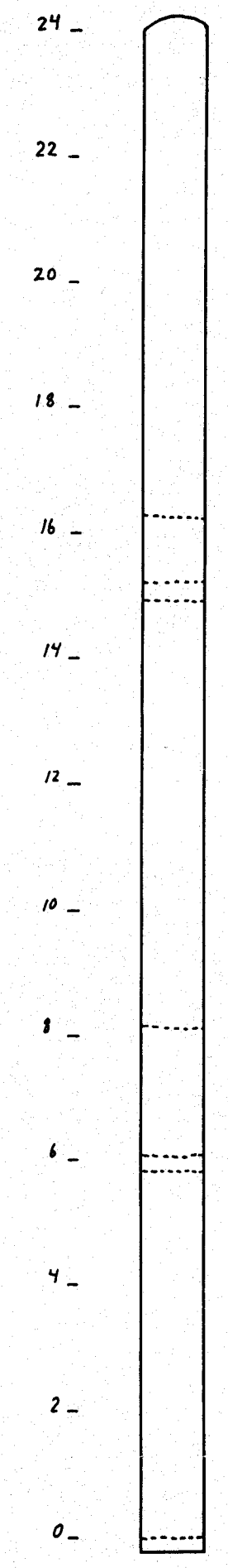
16,696

FIG. 25

HFELS, CHL. ALT., CG GRYWKE

NO %c

SAMPLE	LOCATION	WIDTH	Cu	Pb	Zn	Ag (ppm)
RR87-71	16-20m	4m	16	81	136	.1
RR87-72	12-16m	4m	53	48	255	.1
RR87-73	8-12m	4m	58	16	415	.1
RR87-74	4-8m	4m	74	54	548	.1
RR87-75	0-4m	4m	65	212	1391	.1



GRADES INTO GY VFG HFELS SLST/VFG INTRUSIVE?

TEXTURELESS + V. STR. HFELS.

V. STRONGLY HFELS SLST.

SLST T.B. GY. GN.

SLIGHTLY F.G. + MORE CARBONACEOUS SLST

SILTSTONE. T.B. GREY GREEN
HORNFELSED. V. LITTLE TO NO PYRITE.

SHALE/SLST/ARG

YELLOW RUSTY ZONE. 1cm PY BAND

SHALE/SLST/ARG

CARBONACEOUS SHALE.
30 cm LIMY ARG. BAND.

YELLOW, RUSTY, HFELS GYWKE
MINOR QZV. GL. + SL.

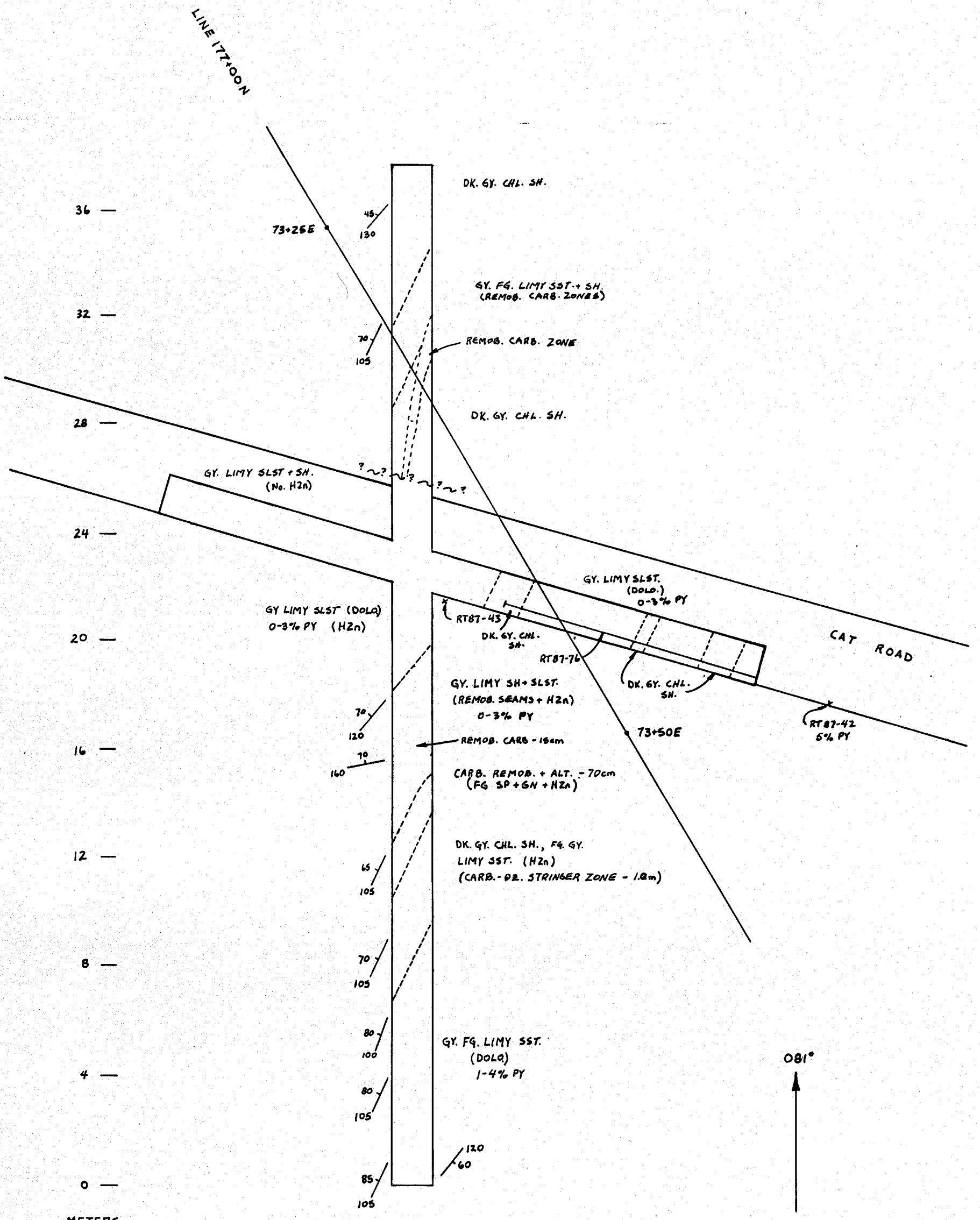
000°

ASCOT TR87-10

1:100

SEPT 8/87

FIG. 26



SAMPLE	LOCATION	WIDTH	CU PPM	ZN PPM	PB PPM	AG PPM
RT87-42	ROAD	GRAB	450	–	423	3.1
RT87-43	ROAD	GRAB	19	10474	1173	4.3
RT87-72	0 -8.0	8.0m	11	330	25	0.3
RT87-73	8.0 - 14.0	6.0m	40	72734	5794	71.2
RT87-74	14.0 - 19.0	5.0m	53	81879	3726	66.1
RT87-75	19.0 - 25.9	6.9m	40	40838	988	23.7
RT87-76	CROSS TRENCH	11.0m	26	715	38	0.6

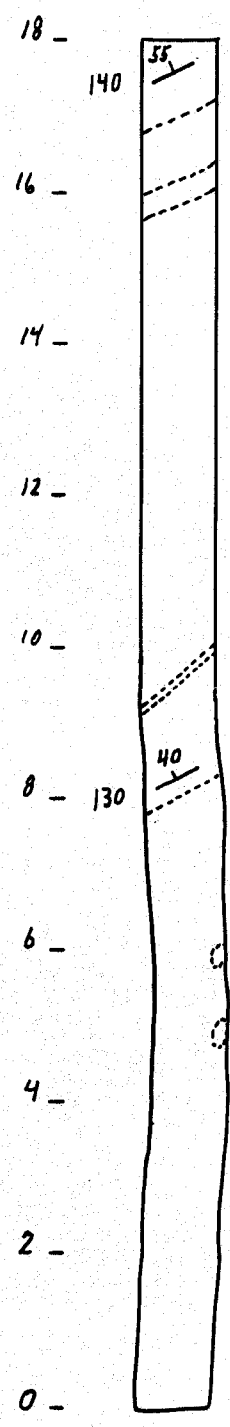
ASCOT TR87-14

1:150

SEPT 10/87

FIG. 30 RTH.

SAMPLE	LOCATION	WIDTH	Cu	Pb	Zn	Ag (ppm)
RR87-77	5m	GRAB	8	25	24	.2
RR87-78	8-12m	4m	16	99	3040	1.3
RR87-79	12-16m	4m	27	363	3519	2.4
RR87-80	16-18m	4m	26	452	2334	2.5



T.B. CHARCOAL LMST. PHYLLITIC

PHYLLITIC, CLAYEY LMST/SILTY LMST

THIN BAND OF SHALE, SHEARED + RUBBLY + LMST @ 5-10% PY. ROTTEN.

LIGHT GY DOLOMITIC SST (HFELS LMST) < 1% PY (OCC. 2-5% PY)

SILTSTONE

T.B. GY BANDED LMST. 1% PY

LMST

LMST

SMOOTH O/C BUT FIZZES @ HCL ∴ LMST / SILTY LMST.

256°

ASCOT TR 87-15

1:100

SEPT 10/87

FIG. 31