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GEOLOGICAL AND PROSPECTING
REPORT

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JOSH MINERAL CLAIM GROUP
ISKUT RIVER AREA
LIARD MINING DIVISION

LATITUDE 56 DEGREES 38 MINUTES N.
LONGITUDE 130 DEGREES 48 MINUTES W.
MAP REFERENCE - NTS 104B/10W

on behalf of

REDWOOD RESOURCES INC.

by

JAMES W. McLEOD, B.Sc.

January 5, 1988
Vancouver, B.C.

FILMED

16,855

GEOLOGICAL BRANCH
ASSESSMENT REPORT

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SUMMARY

The fieldwork program conducted on the Josh mineral claim group during August of 1987 included geological mapping and prospecting.

The program led to the discovery of another mineralized quartz breccia occurrence in or adjacent to an epidote-quartz-garnet skarn zone.

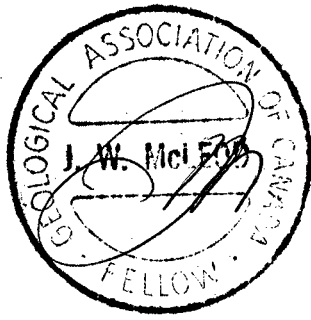
One composite grab sample taken over a 15 metre (49') interval within the quartz breccia returned the following assay values: copper 11.19%, silver 5.44 oz/st and gold 0.115 oz/st.

This brings to four the number of known gold occurrences within what is thought to be a similar geological setting. Several zones of anomalous gold soil values and a number of geophysical EM and resistivity anomalies occur on the property. The cause of these features must be determined as there is a strong likelihood that they reflect bedrock mineralization.

There is much of the ground that requires detailed mapping and prospecting and the chance of discovering significant precious metal mineralization is excellent.

A two phase follow-up exploration program is recommended. The program is expected to take several months to complete at an estimated cost of \$157,000.00.

PROPERTY LOCATION



REDWOOD RESOURCES INC.			
JOSH PROPERTY			
PROPERTY LOCATION MAP			
DRAWN	PROJECT	DATE	FIG
	104310	12/87	1

INTRODUCTION

During the period August 1-9 1987, the writer undertook a reconnaissance geological mapping and prospecting program on the Josh mineral claim group. The program was helicopter supported by a Bell 206B from the air base on Mount Johnny at the camp of Skyline Explorations Ltd.

The reconnaissance program was undertaken at the request of the Directors of Redwood Resources Inc. of Vancouver, British Columbia the optionee of the claims.

LOCATION AND ACCESS

The Josh mineral claims are situated 6 kilometres southeast of the junction of the Iskut River and Snippacker Creek in northwestern British Columbia in the Liard Mining Division. They may be located on NTS map sheet 104B/10W at latitude 56 degrees 38 minutes N. and longitude 130 degrees 48 minutes W. The claim area lies 100 kilometres northwest and west of Stewart, B.C. and Wrangell, Alaska, respectively.

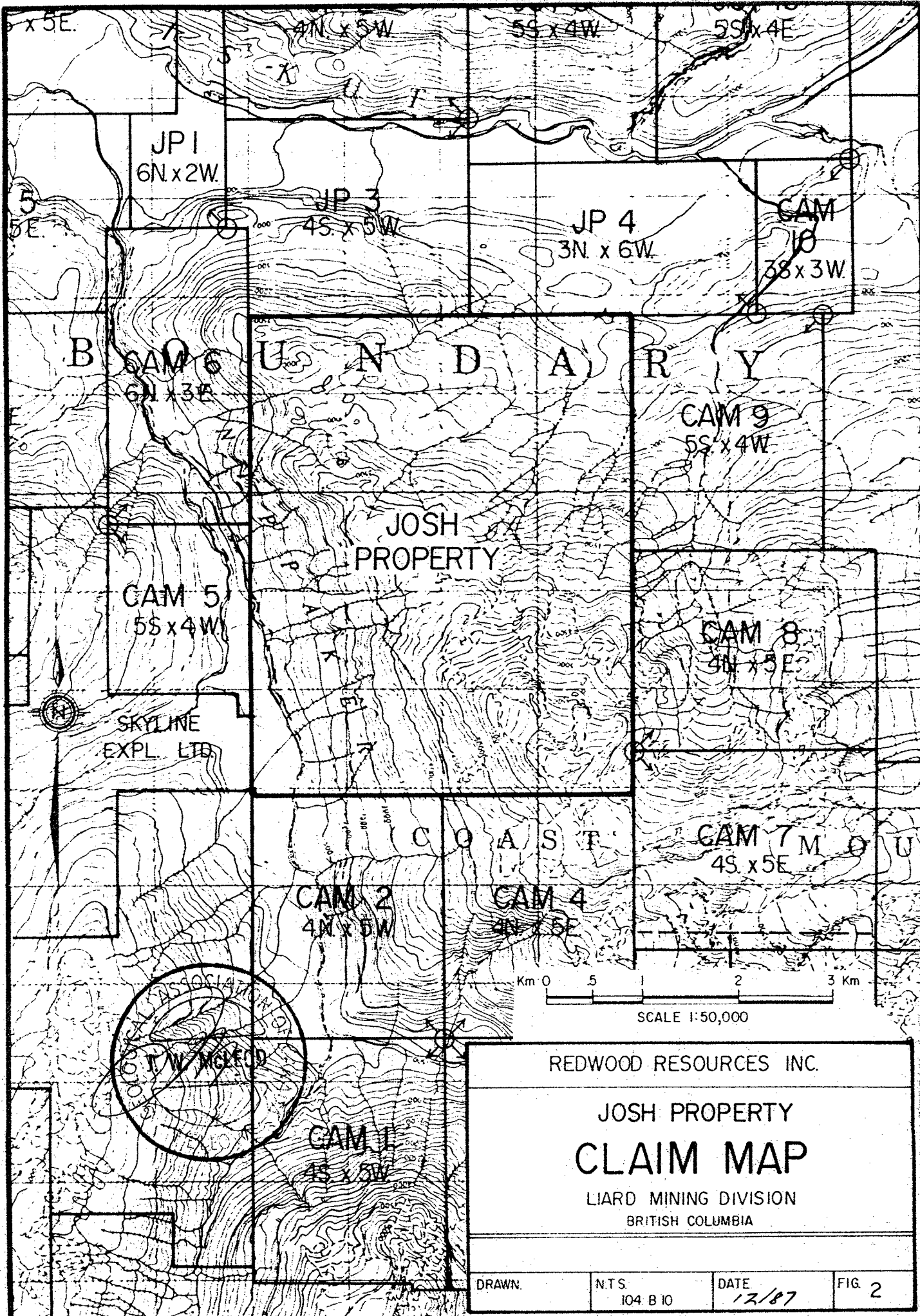
Access to the property is gained by scheduled fixed wing service, in the summer months, from Terrace, B.C. to the airstrip of Skyline Explorations Ltd. on the eastern slope of Mount Johnny and from there a 15 kilometre helicopter flight is taken due east to the property.

Several summer airstrips are located near the property, one the Snippacker Creek strip 8 kilometres south of the property and the other, the Bronson Creek strip 16 kilometres to the west. Also fixed wing and helicopter service may be available from Bob Quinn Lake 50 kilometres to the northeast of the property on the all season Stewart-Cassiar Highway (Provincial Highway #37).

PROPERTY AND OWNERSHIP

The Josh property consists of 4 contiguous (4x5) mineral claims comprising a total of 80 units. The claim data is listed as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Number of Units</u>	<u>Anniversary Date</u>
Josh	2581	20	September 13
Josh 2	2551	20	October 13



REDWOOD RESOURCES INC.			
JOSH PROPERTY			
CLAIM MAP			
LIARD MINING DIVISION			
BRITISH COLUMBIA			
DRAWN.	N.T.S. 104 B 10	DATE 12/87	FIG. 2

Josh 3	2552	20	October 13
Josh 4	2553	20	October 13
TOTAL		80 units	

The Josh mineral claims are owned by Gulf International Minerals Ltd. and are held under an Option Agreement by Redwood Resources Inc. of Vancouver, British Columbia.

TOPOGRAPHICAL AND PHYSICAL ENVIRONMENT

The property is situated on the eastern flank of the Boundary Ranges of the Coast Mountains on a northwesterly trending ridge southeast of the junction of the Iskut River on the eastside of Snippacker Creek. The property ranges in elevation from 300 metres (950') at Snippacker Creek to 1875 metres (6150') mean sea level at an unnamed mountain top in the southeast corner of the property. The Snippacker Creek valley and other major drainage about the property are generally U-shaped while smaller creeks on the property have steeper profiles and gradients, particularly those on the westside of the property above Snippacker Creek.

Treeline is found to occur at approximately 1200 metres on the property. Below this elevation conifer cover predominates and is typical of the Coast Forest biotic zone. It is comprised of fir, balsam, spruce and some pine. Above treeline alpine vegetation predominates. At lower elevations alder is abundant in the steep draws and devil's club occurs frequently.

The area above treeline is actively effected by glaciation but the general area has its' climate tempered by coastal marine weather. Precipitation is in excess of 200 cm. (80") annually of which a moderate amount occurs as snow.

HISTORY

Exploration in the general area (Stewart Gold Camp) dates back to the turn of the century and continued into the 1930's. During this period, placer mining activity took place to the south of the claim area along the Unuk River.

In 1954, the Hudson Bay Mining and Smelting Company Limited first located mineral claims on Mount Johnny and after performing some work on the claims allowed them to lapse. In 1980 the claims were relocated by Skyline Explorations Ltd. who carried out surface exploration, trenching and drilling before subsequently carrying out underground exploration work. Skyline is presently bringing the property into production with the anticipated start-up in early 1988.

A portion of the area now covered by the Josh mineral claims was first located by Newmont Mining Corporation of Canada Ltd. in 1963

and in 1964 they carried out an aeromagnometer survey and some surface exploration work. The claims were allowed to lapse, to be relocated in 1969 and then to be purchased in 1970 by Skyline Explorations Ltd. who during the period 1970-72 carried out surface exploration including geological mapping, linecutting, geochemical soil sampling and hand trenching. The exploration thrust, on the property to this point in time was for porphyry copper-molybdenum mineralization.

The Josh mineral claims were staked on behalf of Gulf International Minerals Ltd. in 1983. During 1983, aeromagnometer and electromagnometer work was performed on the property for Placer Development Limited. The same year, ground exploration work was performed by Gulf International and included geological mapping, prospecting, rock sampling and stream sediment sampling. During 1984 Gulf International carried out follow-up geological mapping (1:5,000), trenching, rock sampling and contour soil sampling.

REGIONAL GEOLOGY

The regional geological description of the general area (Iskut River Area) as previously described in the following: Kerr, GSC Memoir 246, 1929; GSC Maps 9-1957 and 1410A-1979 (see References) have been found by more recent detailed investigations, of what has been called the Stewart Complex (Grove, 1986), to be understandably incomplete. The following is taken from a private report (Caulfield and Ikona, 1987):

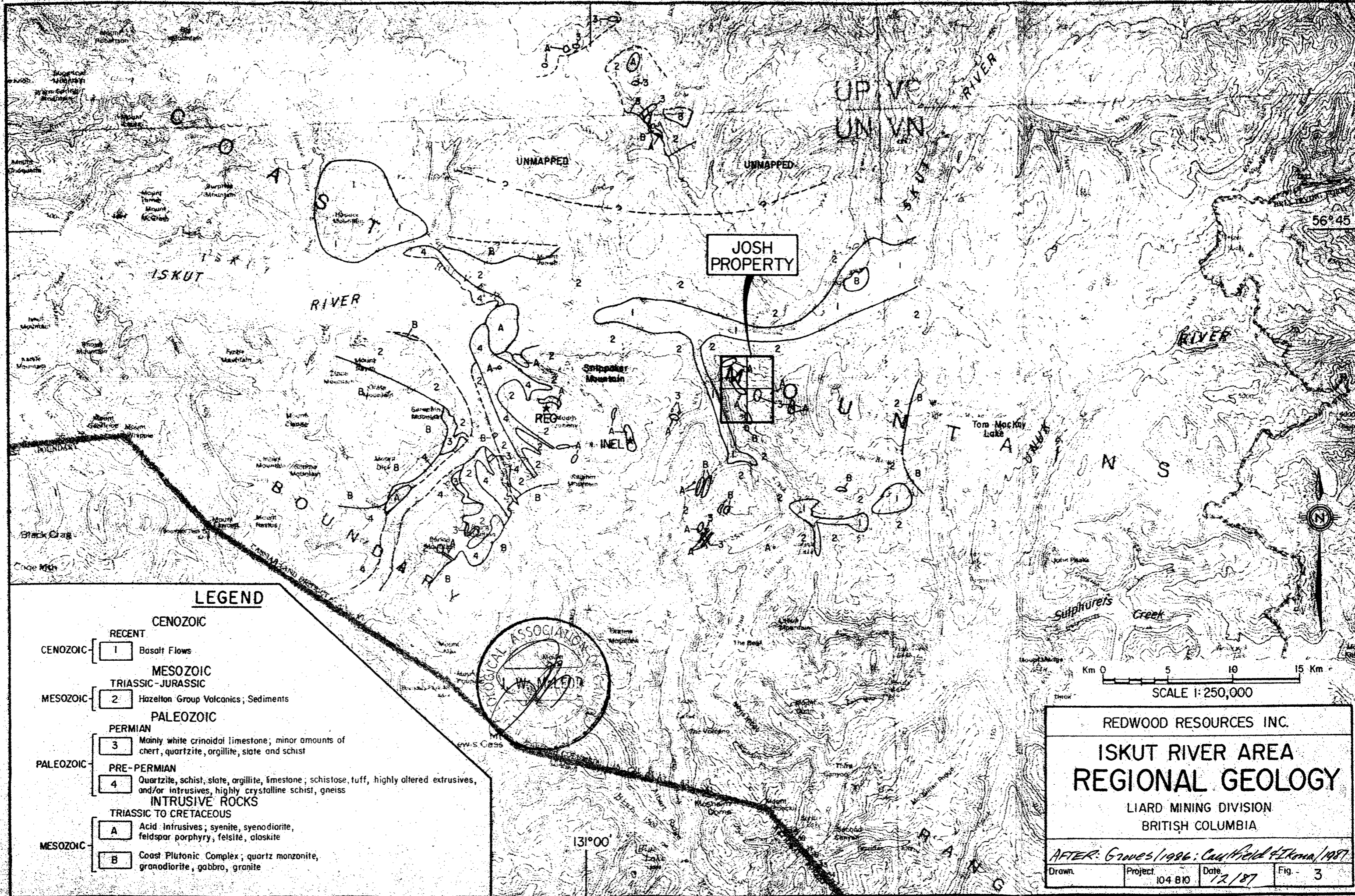
"Grove (1986) defines the Stewart Complex in the following manner:

"The Stewart Complex lies along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north."

Within the Stewart Complex the oldest rock unit consists of Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members. This oceanic assemblage has been correlated with the Cache Creek Group.

Unconformably overlying the Paleozoic limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments. These rocks have informally been referred to as the "Snippacker Volcanics." Grove (1981) correlates this assemblage to the Unuk River Formation of the Stewart Complex whereas other writers match this group with the time equivalent Stuhini Volcanics. Monotis fossils have been recognized on the north slope of Snippacker Peak and west of Newmont Lake, 20 km to the north, giving an age of Late Triassic. It is within these rocks that Skyline's Stonehouse Gold and Inel deposits occur.

Grove reports an unconformity between Carboniferous and Middle Jurassic strata on both sides of Snippacker Ridge, north of Snippacker Peak. The same unconformable relationship between these major rock units appears to extend from Forest Kerr Creek west,



LEGEND

- CENOZOIC**
 - RECENT
 - 1 Basalt Flows
- MESOZOIC**
 - TRIASSIC-JURASSIC
 - 2 Hazelton Group Volcanics, Sediments
 - PALEOZOIC
 - PERMIAN
 - 3 Mainly white crinoidal limestone; minor amounts of chert, quartzite, argillite, slate and schist
 - PRE-PERMIAN
 - 4 Quartzite, schist, slate, argillite, limestone; schistose, tuff, highly altered extrusives, and/or intrusives, highly crystalline schist, gneiss
 - INTRUSIVE ROCKS
 - TRIASSIC TO CRETACEOUS
 - A Acid intrusives; syenite, syenodiorite, feldspar porphyry, felsite, alaskite
 - B Coast Plutonic Complex; quartz monzonite, granodiorite, gabbro, granite

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ISKUT RIVER AREA REGIONAL GEOLOGY

LIARD MINING DIVISION
BRITISH COLUMBIA

AFTER: Groves/1986; Cuthfield & Ikoma/1987

Drawn	Project 104 B10	Date 12/87	Fig. - 3
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along the Iskut River, to the Stikine River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which, like the King Salmon Thrust Fault, pushed up and over to the south.

Following the Iskut River thrust faulting, the entire region was overlain by Middle Jurassic volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1986).

The batholithic Coast Range Complex intrusions and satellitic sub-volcanic acid porphyries are of Cretaceous and Tertiary age in the Iskut region. Composition varies from quartz monzonite and granodiorite to granite.

Quaternary and Tertiary volcanics occur to the east along the Iskut River near Forrest Kerr Creek and north at Hoodoo Mountain."

LOCAL GEOLOGY

The property area has been described by Scott (1983) as being underlain by a succession of deformed limestone, volcanics and related sediments of probable Paleozoic and Mesozoic age which have been intruded by elements of the Coast Plutonic Complex (see Figure 4). The following major geological rock type divisions are taken from (Scott, 1983 and Caulfield and Ikona, 1987) and are included here as a guide which the writer used in the field and for an explanation of the legend in Figure 4.

The crinoidal limestone and minor intercalated andesitic volcanics, which are Permian in age (Cache Creek Group?) apparently are the oldest rocks outcropping on the property, appear to form a marker horizon from the northwest to the southeast across the property (Unit 2).

Overlying Unit 2 is a thick sequence of andesitic volcanics which consist of a breccia in part containing large clasts of limestone (up to 10 cm), minor tuff and argillite beds. These rocks have been assigned to (Unit 3).

The next youngest rock type observed on the property are those intrusives probably belonging to the Coast Plutonic Complex, namely a syenodiorite porphyry characterized by 1.0 to 1.5 cm hornblende phenocrysts and 1.0 to 5.0 cm pink orthoclase phenocrysts in a medium grained subhedral matrix lacking in quartz. The main body of this rock type appears to strike northeasterly across the centre of the mineral claims (see Figure 4). This rock type has been assigned (Unit 4).

A series of northeasterly trending, near vertical granodiorite dykes are found to cut through the syenodiorite. This rock type is characterized by 1.0 to 3.0 mm biotite grains in a leucocratic fine grained matrix. This rock type was assigned (Unit 5). Conspicuous northeasterly trending resistant ridges are the surface expression of this type of outcrop.

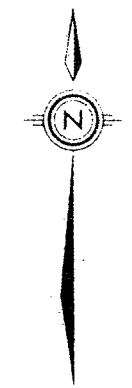
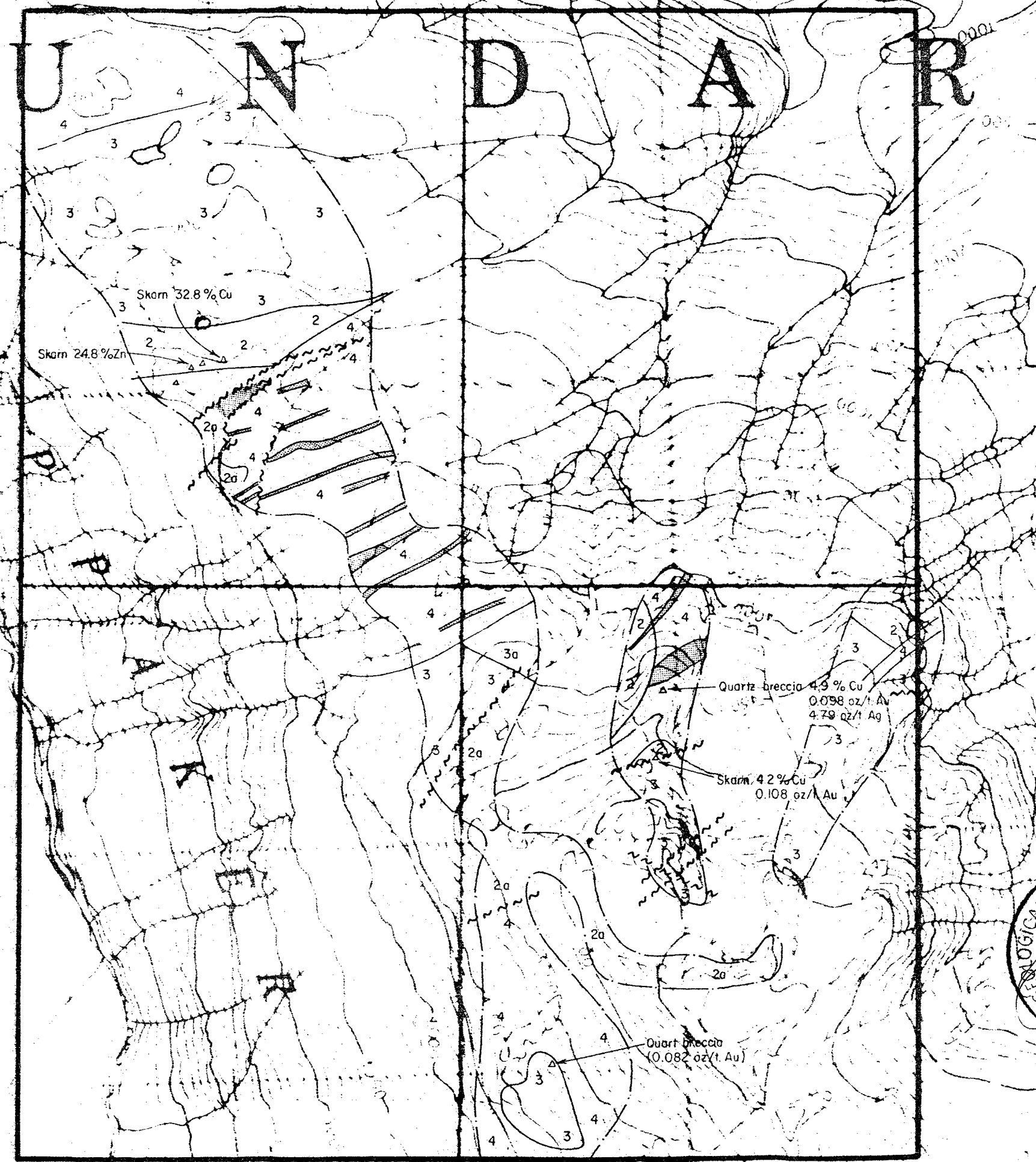
The apparently youngest rocks observed on the property to date are the narrow fine grained northeasterly trending gabbro dykes which are observed to cut across the stratified rocks in places. This rock type has been assigned (Unit 6).

The property has been described as structurally complex with the main trend of the layered rocks changing from an easterly strike with moderate northerly dips in the northwest portion of the property to southerly strike with moderate easterly dips in the south and southeastern portions of the property. These rocks appear to have been truncated by periodic movement along a major northeasterly fault which prepared the ground for subsequent intrusion. While the main body of syenodiorite porphyry follows this trend, sills and dykes are observed parallel to bedding and crosscutting the layered rocks. The later granodiorite and gabbro dykes and most quartz veins also trend northeasterly with steep dips. Later or contemporaneous movement is described as resulting in the development of two northerly striking fracture directions which caused formation of the weak quartz stockworks and segmentation of the granodiorite dykes.

Rock alteration observed by previous workers is as propylization, silicification, serpentinization and contact metasomatism, respectively resulting in alteration of mafic minerals to epidote and chlorite, silicification in the fine grained volcanics by quartz-epidote veining?, minor serpentinization in the limestones restricted to crosscutting faults? and contact metasomatism in the limestones and carbonaceous volcanics resulting in the formation of actinolite-epidote-garnet skarns.

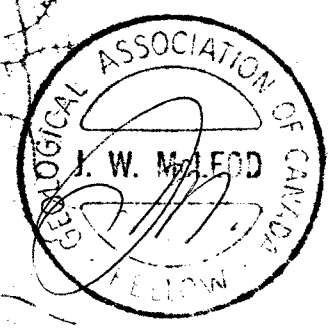
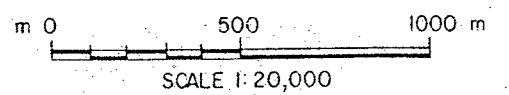
Mineralization encountered on the property in the past has been described as occurring as three main types:

- 1) Chalcopyrite-sphalerite-magnetite as replacement zones within lime-rich zones which have undergone contact metasomatism to actinolite-epidote-garnet skarns. Although these zones appear discontinuous, assays of up to 32.8% copper, 24.8% zinc and 9.38 oz/st silver have been attained.
- 2) Pyrite-chalcopyrite-molybdenite mineralization in a weak quartz stockwork within the syenodiorite porphyry. There appears to be little economic importance to this type of mineralization so far encountered on the property.
- 3) Massive pyrite-chalcopyrite, with minor sphalerite, bornite, galena and magnetite in quartz vein breccias hosted by gold-bearing epidote-quartz-garnet skarn. This type of mineral occurrence seems to hold the most promise for the



LEGEND

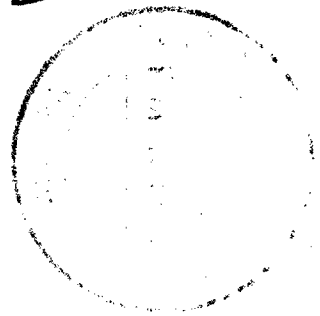
- 6 GABBRO
- 5 GRANODIORITE
- 4 SYENODIORITE PORPHYRY
- 3 ANDESITIC VOLCANICS
 - a. Breccia with limestone clasts
 - b. Tuff and argillite
 - c. Acidic components
- 2 LIMESTONE
 - a. Minor volcanics
- 1 RHYOLITIC VOLCANICS
- FAULT
- GEOLOGIC CONTACT
- BOUNDARY OF MAPPING
- △ BEDROCK MINERALIZATION



REDWOOD RESOURCES INC.			
JOSH PROPERTY			
GEOLOGY			
LIARD MINING DIVISION BRITISH COLUMBIA			
<i>AFTER: Scott 1983; Caulfield & Ikonos 1987</i>			
Drawn.	N.T.S. 104 B 10	Date 12/87	Fig. 4

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geological setting present on the property. The potential exists for the discovery of precious metal occurrences of sufficient size, in this type of setting, to justify further work on the property. A number of areas of interest exist with initial assay values in gold within the range of 0.082 to 0.108 oz/st gold (see Figure 4).

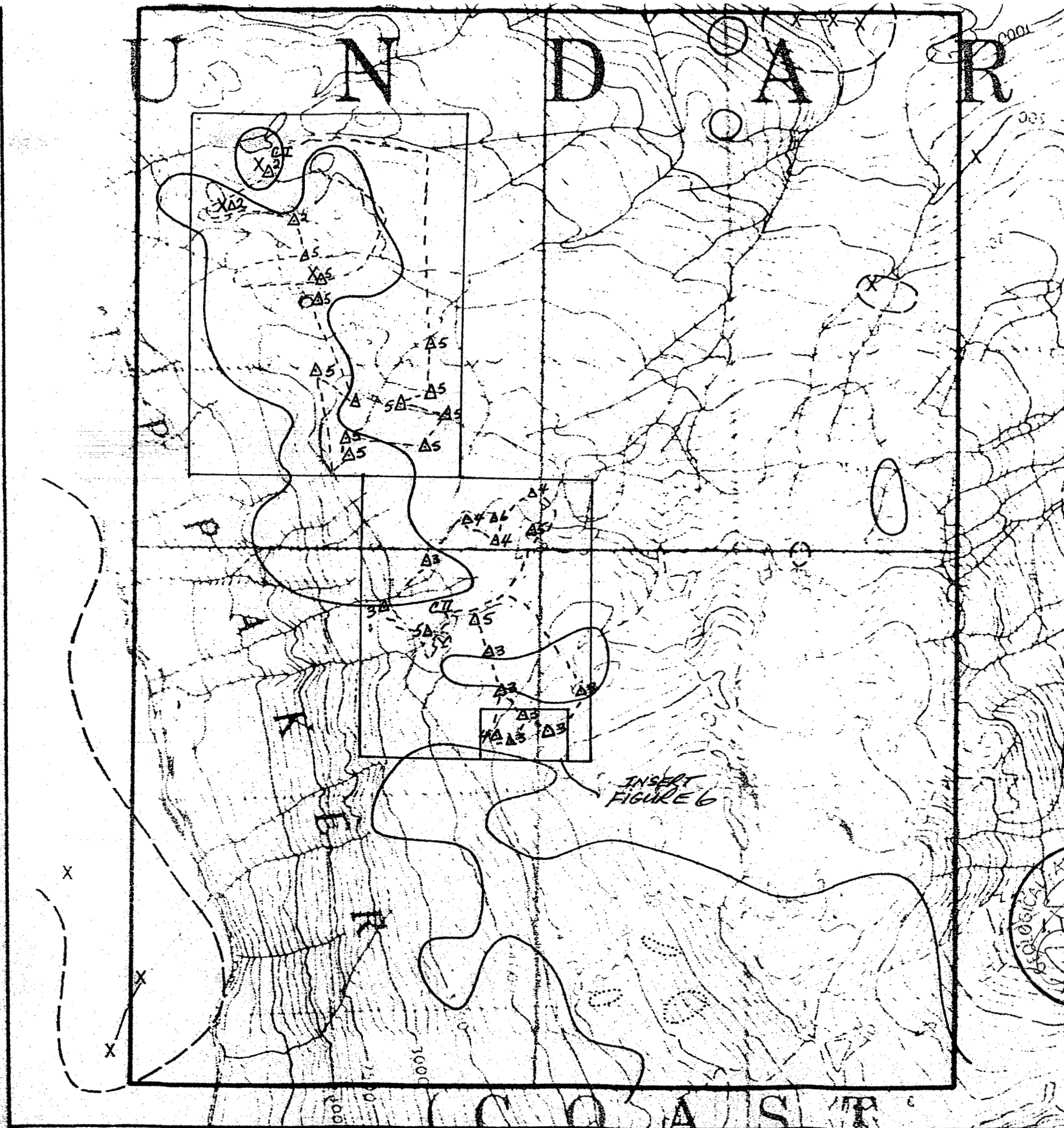
PRESENT WORK PROGRAM AND OBSERVATIONS

NOTE - Figure 5 contains a compilation of the available geochemical and geophysical data that is available on the property. The compilation was used in the field by the writer to aid in his work and to try and determine the cause of some of the anomalies. The writers' traverses took place in essentially two areas which are marked Area I and Area II and locations at which rock samples were taken, as well as, locations of Camp 1 and Camp 2 are marked on Figure 5. Figure 6 is a sketch (not necessarily to scale) of the recently discovered quartz breccia zone (see Appendix I - Sample location 6707).

The writer and two assistants established Camp I just south of a small lake in Area I and for several days traversed to the south and southeast of camp. The area is underlain by what appears to be intercalated limey sediments and andesitic volcanics which are in turn intruded by acidic intrusive rocks which vary from fine to medium grain size, contain > 10% quartz, contain approximately 60% feldspar of which < 1/3 are alkali feldspars, the colour index of the rock is 15-20 of which the predominant mafic mineral is hornblende. The hornblende and feldspars are often porphyritic to 1 cm and the pink potassium feldspar phenocrysts sometimes have a poikilitic texture enclosing small white lathes and dark mafic grains. The rock is sometimes seen to contain inclusions of a equigranular "salt and pepper" mix of fine grained fragments (andesitic?). The acidic intrusive rocks most often contain up to and sometimes more than 5% pyrite which appears to have been originally disseminated, sheared and then forced aside by subsequent quartz veining and by the formation of abundant elongate quartz vugs. The intrusive rocks have undergone, in addition to apparently strong silicification in place, varying intensity of propylitic alteration, the formation of epidote, calcite, chlorite and sericite.

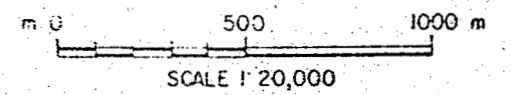
The intercalated volcano-sediments for the most part appear to have undergone varying amounts of silicification and the formation of epidote, chlorite and some calcite in the volcanics and to actinolite-epidote-garnet skarn formation in the limey rocks, as well as, possibly very minor alteration occurrences to listwanite? where serpentinized dyke material cuts the limestone.

The style of structural preparation and subsequent alteration and mineralization on the northwestern portion of the property seems to favour replacement or metasomatic alteration.



LEGEND

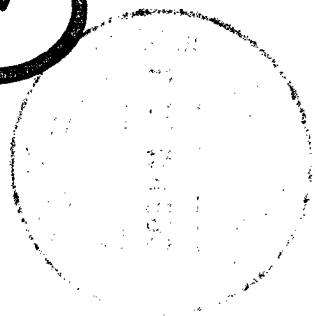
- - Gabbro
- ▣ - Intrusives >10% quartz / <10% quartz
- ▢ - Andesitic Volcanics & minor sediments
- ▧ - Limestone & minor volcanics
- X—X AIRBORNE E.M. CONDUCTOR
- AIRBORNE RESISTIVITY LOW (>4000 ohm-m)
- AIRBORNE MAGNETIC HIGH (>5800 gammas)
- ⊙ SOIL GEOCHEMICAL ANOMALY (>50 ppb Au)
- Traverse Route
- △ - Rock Sample Station
- CI - Camp I & II



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JOSH PROPERTY			
GEOPHYSICS & GEOCHEMISTRY			
LIARD MINING DIVISION			
BRITISH COLUMBIA			
<i>TRAVERSE ROUTES & STATIONS</i>			
Drawn JWM	NTS. 104 B-10	Date 12/87	Fig 5

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Camp II was established in the north central area of the Josh 2 mineral claim on a shrub covered knoll at treeline on the steepening of topography toward the west near the 1200 metre (4000') contour.

The area appears to be underlain by a fine to medium grained subhedral crystalline intrusive rock containing: (10% quartz; 75% feldspar of which approximately 1:1, alkali:plagioclase; colour index 15-20 of which approximately 3:1, small hornblende:larger pyroxene. These older rocks cut a mainly volcanic rock unit composed of fine grained andesites, tuffs and minor sediments which are observed to be as limestone and limey argillites. A medium grained dark green quartz "eye" porphyry plug or vent is seen to occur immediately south of Camp II (see Figure 5 - marked "V") and exhibits a joint-set which could be preferential cooling joints. The proximity of the plug to known mineralization and adjacent to the Camp Creek which appears to be fault controlled may in fact be a much younger feature (Tertiary?) which could possibly be related to a different period of alteration and/or mineralization.

In the southeast corner of Area II near the boundary of Josh 2 and 3 mineral claims is, as far as the writer has been able to determine, a newly discovered quartz breccia zone within the volcanics and minor limey sediments. The dimensions of the area of quartz veining has not been determined, but a 10 metre true width zone of brecciation gave anomalous values in lead, zinc and silver (see Appendix I - Sa. no. 6706) and a composite grab sample over 15 metres rendered values anomalous in molybdenum, copper, zinc, silver, bismuth and gold (see Sa. no. 6707). The zone in Figure 6 is approximately 150 x 150 metres square.

CONCLUSIONS

Of the three types of mineralization noted to date on the property that hold the most promise for the discovery of significant precious metal values appears to be base metal occurrences in quartz vein breccias hosted by gold bearing epidote-quartz-garnet skarn (Caulfield and Ikona, 1985). The base metals found to occur in these situations are massive pyrite and chalcopyrite with lesser amounts of sphalerite, bornite, galena and magnetite (see Figure 4).

The newly discovered quartz breccia zone in the northeastern corner of the Josh 2 mineral claim (see Figures 5 and 6) appears to be of this type although the relationship of the quartz breccia to the skarn has not been established except for their close proximity to one another.

The mineralization observed within this zone was as galena and sphalerite in veinlets with fragmental walls. The sequence of

occurrence of material from the wallrock toward the center of the vein in one instance was wallrock - quartz - aligned blocky fragments - randomly oriented blocky fragments - aligned cubic galena and possibly sphalerite with a white matrix which is possibly magnesite (see example Figure 6). This description is from Sample no. 6706 location.

The mineralization observed to occur in the breccia at Sample no. 6707 location was mainly as pyrite, chalcopyrite and minor galena and sphalerite. The values obtained from the composite grab sample over a 15 metre interval were 11.19% copper, 5.44 oz/st silver and 0.115 oz/st gold. Similar alteration minerals to those just described were noticed in places at this location, as well as, tremolite? and quartz seems to be more abundant in this area.

Gold values appear to increase with an increase in copper values and the copper values in this type of mineral occurrence seem to be higher where quartz is more abundant.

Some of the aerogeophysical anomalies on the northwest and west portions of the property (see Figure 5) have been checked-out on the ground by the writer and the following conclusions were drawn:

- 1) The magnetic highs appear to outline fairly closely the often altered roof pendants of the older volcano-sedimentary units.
- 2) The three EM conductors in the northwestern quadrant of the Josh mineral claim are thought to reflect massive sulphide (replacement) base metal mineralization.

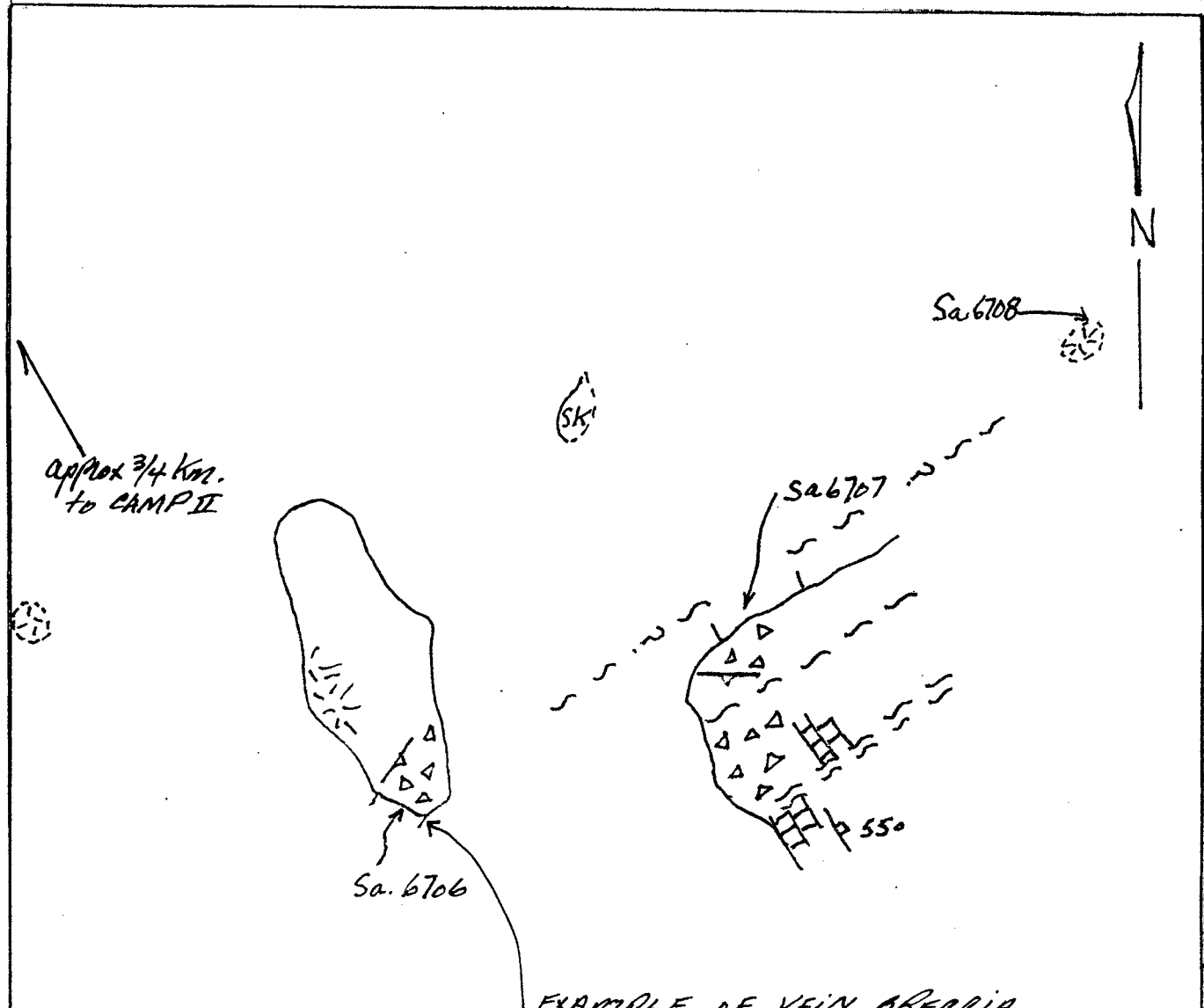
The magnetic highs, resistivity low and EM conductors on the north and eastside of the Josh 4 mineral claim have yet to be examined on the ground and therefore the bedrock cause of these features is unknown.

The gold geochemical soil anomalies in the southwestern quadrant of the Josh 3 mineral claim cannot all be explained by the known mineral occurrences to date (ie. some anomalous gold values occur uphill from known bedrock mineralization) and further work is required in this area.

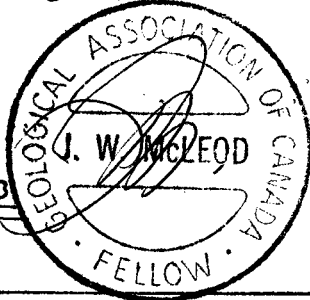
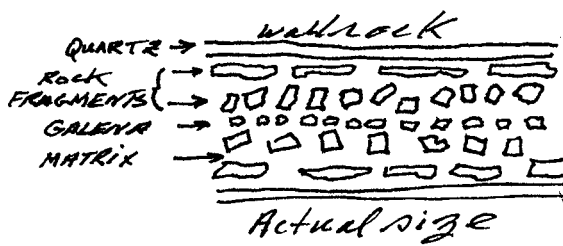
A number of occurrences of significant precious metal values and base metal mineralization have been revealed so far on the Josh property and a great deal of work is required to sufficiently test these situations. There is also excellent potential for further discoveries to be made.

RECOMMENDATIONS

The writer recommends that further exploration work be undertaken on the property and that the work take the form of the following two phase program:



EXAMPLE OF VEIN BRECCIA



LEGEND

- * - M. gr. < 10% quartz intrusive
- SK - Skarn
- △ - Breccia
- ▭ - Argillaceous limestone
- ↗ Sa. number
- ↘ Shear S/DIP
- ↙ Bedding

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JOSH PROPERTY
Breccia Zone INSERT



Drawn by:	NFS.	Date:	Figure:
J.W.M.	1048/10	12/87	6

Phase I

- 1) The entire property should undergo detailed prospecting on a regular sub-grid controlled basis and contemporaneously geological mapped using orthophoto topographic base maps at a scale of 1:5,000.
- 2) Heavy mineral stream sediment sampling of all streams about or near the perimeter of the property, say taking a "bankrun" sample of 10 kg. The samples should be sieved to a desired size fraction. The samples should be analysed for gold, silver, copper, lead, zinc and arsenic. It may be necessary in certain parts of the property to install lines to adequately perform prospecting, mapping and stream sediment sampling.
- 3) The geophysical anomalies in the northeast quadrant of the Josh 4 mineral claim should have a grid installed about them and be geochemical soil sampled along 50 metre spaced lines and sampled at 25 metre intervals and have VLF-EM and magnetometer surveys performed along the same lines at 25/2 metre spacing.
- 4) All anomalous areas should undergo hand trenching, detailed mapping and sampling where possible.

Note - The initiation of Phase II is contingent upon the results obtained from Phase I.

Phase II

Targets of sufficient quality should undergo diamond core drilling using a helicopter portable rig to test the depth and size relationship of the mineralized zones.

COST ESTIMATE

Phase I

Geologist supervisor for 1 month	\$ 9,000
Two prospectors for 1 month	12,000
Two linecutter - samplers for 1 month	12,000
Analyses of 500 samples @ \$20/sample	10,000
Transportation	14,000
Camp and board, 150 mandays @ \$50/manday	7,500
Equipment and supplies	2,000

Report and maps	2,000
Licenses, fees, etc.	3,000
Contingency	10,500

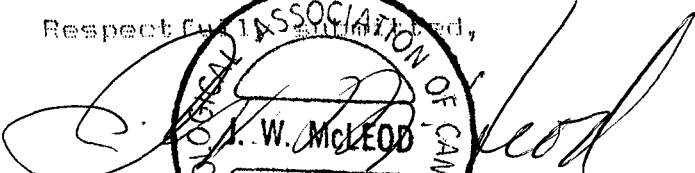
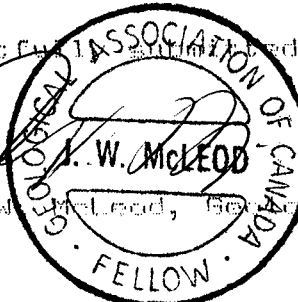
Sub-total \$ 82,000
(carried forward)

Phase II

An accurate estimate of the amount of diamond core drilling that will be necessary to adequately test Areas of Interest after completion of Phase I cannot be made at this time, however it is felt that a minimum of \$75,000 should be made available for this purpose.

Sub-total \$ 75,000

TOTAL \$157,000

Respectfully,

 J. W. McLEOD
 James W. McLeod, Geologist


STATEMENT OF COSTS

Transportation:

Fixed wing	\$ 906.00
Helicopter	1,326.76
Truck rental	225.00
Mileage @ \$0.25/mile	450.00
Fuel and repairs	374.27
Wages	3750.00
Room	104.96
Food	672.07
Analyses	153.75
Licenses, fees, etc.	650.00
Telephone	56.00
Report	1050.00
Equipment and supplies	274.53

TOTAL \$10,793.34

REFERENCES

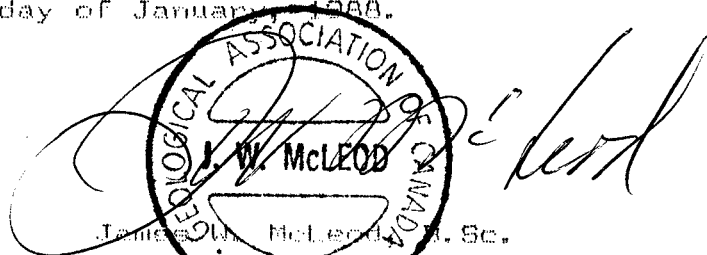
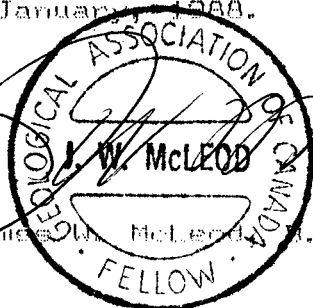
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CERTIFICATE

I, JAMES W. McLEOD, of the Village of Ladner, Province of British Columbia, hereby certify as follows:

- 1) I am a Consulting Geologist with an office at 5303 River Road, Delta, B.C., V4K 1S8.
- 2) I am a Fellow of the Geological Association of Canada.
- 3) I graduated with a degree of Bachelor of Science, Major Geology, from the University of British Columbia in 1969.
- 4) I have practised my profession since 1969.
- 5) I do not own any direct interest, nor do I expect to receive any interest in the Josh mineral claim group situated in the Iskut River Area, Liard Mining Division of British Columbia.
- 6) I am a Director and the President of Redwood Resources Inc.
- 7) The above report is based on personal field experience gained on the property during August of 1987 and from researching available data.

DATED at Ladner, Province of British Columbia, this 5th day of January, 1988.


James W. McLeod, B.Sc.


ACME ANALYTICAL LABORATORIES 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6 PHONE 253-3158 DATA LINE 251-1011

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG.C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE CA P LA CR MG BA TI B W AND LIMITED FOR NA AND K. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: ROCK AU ANALYSIS BY AA FROM 10 GRAM SAMPLE.

DATE RECEIVED: AUG 23 1987

DATE REPORT MAILED: *Aug 31/87*ASSAYER: *D. Toyer*... DEAN TOYE, CERTIFIED B.C. ASSAYER

JAMES W. MCLEOD

File # 87-3534

SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	W	AU#
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPM	
6701	7	33	13	56	.2	2	1	192	1.19	4	5	ND	1	27	1	2	2	3	.14	.004	2	5	.11	95	.01	2	.34	.02	.10	1	6
6702	1	1	13	45	.1	9	14	1480	6.46	10	5	ND	1	31	1	2	2	45	4.14	.023	2	14	1.21	27	.01	2	1.60	.05	.06	2	19
6703	5	5	6	10	.2	3	1	724	1.44	6	5	ND	2	10	1	2	2	3	1.01	.016	2	5	.20	197	.01	2	.13	.02	.10	3	2
6704	15	13423	134	353	4.8	46	70	806	6.11	92	5	ND	1	4	4	8	10	8	.31	.008	2	4	.07	51	.01	2	.22	.02	.09	2	17
6705	5	88	9	34	.2	12	2	696	1.86	9	5	ND	1	54	1	2	2	16	1.74	.024	2	7	.39	128	.05	2	.90	.02	.07	200	5
6706	4	148	4455	2606	1.9	4	7	693	2.14	5	5	ND	2	424	27	2	2	61	3.04	.038	4	24	.63	165	.16	5	1.86	.13	.57	6	3
6707	24	89833	196	1483	183.7	3	13	969	17.48	49	6	ND	2	32	15	8	2895	6	2.90	.005	2	1	.17	55	.01	2	.46	.02	.04	1	2450
6708	3	2752	69	3832	4.6	17	35	1887	5.47	107	5	ND	1	112	16	2	2	17	10.57	.025	2	8	.67	38	.05	2	.89	.01	.01	4	8
STD C/AU-R	19	58	41	129	7.0	69	28	1010	3.87	38	18	6	36	46	17	17	20	58	.47	.082	34	57	.86	171	.08	35	1.79	.07	.12	15	495

✓ ASSAY REQUIRED FOR CORRECT RESULT -

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DATE RECEIVED SEPT. 3 1987

DATE REPORTS MAILED

Sept 14/87

ASSAY CERTIFICATE

SAMPLE TYPE : PULP
 AG** & AU** BY FIRE ASSAY

ASSAYER *D. Toye* DEAN TOYE . CERTIFIED B.C. ASSAYER

JAMES W. McLEOD FILE# 87-3534 R

PAGE#

SAMPLE	Cu %	Ag** oz/t	Au** oz/t
6704	1.40	.13	.002
6707	11.19	5.44	.115