Geophysical (Ronka VLF-EM) Report

for

007 Precious Metals Inc.

on the

HENRIC CLAIM GROUP

Cariboo Mining Division

N.T.S. 93G/1E

December 6, 1987
Vancouver B.C.

Laurence Sookochoff, P.Eng.
Sookochoff Consultants Inc.

Table of Contents

Geophysical Report
on the
Henric Claim Group

PART A

SUMMARY

A preliminary VLF-EM 16 survey completed in October 1987 delineated a number of anomalous zones, some of which correllate to known altered and/or pyritic bedrock features.

The area of the property is 700 hectares located 26 km east of Quesnel and within one km west of Cottonwood. The Quesnel-Barkerville Highway bisects the claim group. Access to the claims is also provided by numerous logging roads in the area.

The Cottonwood River traverses the northern portion of the claim group with a designated reserved placer area adjacent to the river at the central east boundary of the claim group.

The claim is favorably located for year-round access and exploration and for proximity to all services and supplies. There should not be any obstructions to an exploration program as set out herein.

The property is located within the Quesnel Trough-a linear belt of Mesozoic sedimentary and volcanic units which is bounded by a major thrust fault and the Omenica Crystalline Belt.

The Quesnel Trough has recently gained recognition for its gold potential as a result of a number of gold related discoveries. The more significant is the QR deposit 50 km to the southeast with a reported 862,000 tonnes of 6.8 grams gold per tonne occuring within volcanic rocks near a zoned alkaline (syenite) porphyry.

On the Henric claim group sulphide mineralization of predominantly pyrite occurs associated with volcanic rocks around the margins of a syenite stock, with black argillites and with abundant quartz veining. Rock and soil samples (Copeland 1984) from selected areas on the property returned up to 4018 ppm As, 45 ppm Sb and 5 ppb Au.

A sample of quartz vein fragments taken by Mr. Marthinson, a part owner of the property, from a gravel pit reportedly returned an assay of 1.42 oz Au/ton and 9.44 oz Ag/ton.

Visible gold was reportedly observed within some drill cuttings of the 10 reverse circulation holes completed on the property in 1986. In addition to the free gold, other encouraging reports from the drill holes include zones of intense silicification, argillic alteration, pyrite mineralization, argillites with sulphide-rich zones and zones of stockwork chalcedonic quartz veining.

A VLF-EM survey was completed in October 1987 over two localized areas on the property designated as the P9 south zone and the P4 north zone (after hole numbers 9 and 4 from which significant gold assays were reported but not documented).

The P9 south zone survey delineated seven anomalies, two of which are considered strong conductors indicating substantial sulphide content.

The P4 north zone survey delineated eight conductors, one of which is considered strong and significant.

CONCLUSIONS

Although the VLF-EM survey delineated some strong conductor zones an assessment of the anomalies as to geological favorability to gold mineralization is difficult without knowledge of the area geology.

The Henric claims group generally presents very encouraging geological and geophysical evidence to the location of economic gold mineralization within a number of environments. The most encouraging features are to the location of epithermal related gold zones where lower-grade bulk tonnage deposits in addition to high grade zones are possible.

As a result, a progressive and an initial basic exploration program is warranted prior to selecting diamond drill targets.

RECOMMENDATIONS

To follow up on the encouraging results of past exploration and to determine favorable geologic areas for mineral controls, essentially a basic exploration program of soil geochemistry, detailed geological mapping and sampling and additional Ronka VLF-EM surveys are recommended.

In soil sampling, a large sample should be taken with assaying for 30 elements by I.C.P. and geochem gold. The samples are not to be screened because of the possible removal of nugget gold from the samples. Detailed mapping and rock chip sampling could provide direction to gold bearing mineral areas and be indicative of the gold environment. Ronka VLF-EM surveys could provide locations of mineral controlling structures or massive sulphide zones if present. The survey would also provide correllative data to the interpretation of geological and geochemical results.

Respectfully Submitted

Laurence Sookochoff, P.Eng.
Consulting Geologist

December 6, 1987
Vancouver B.C.

Geophysical Report
on the
Henric Claims Group

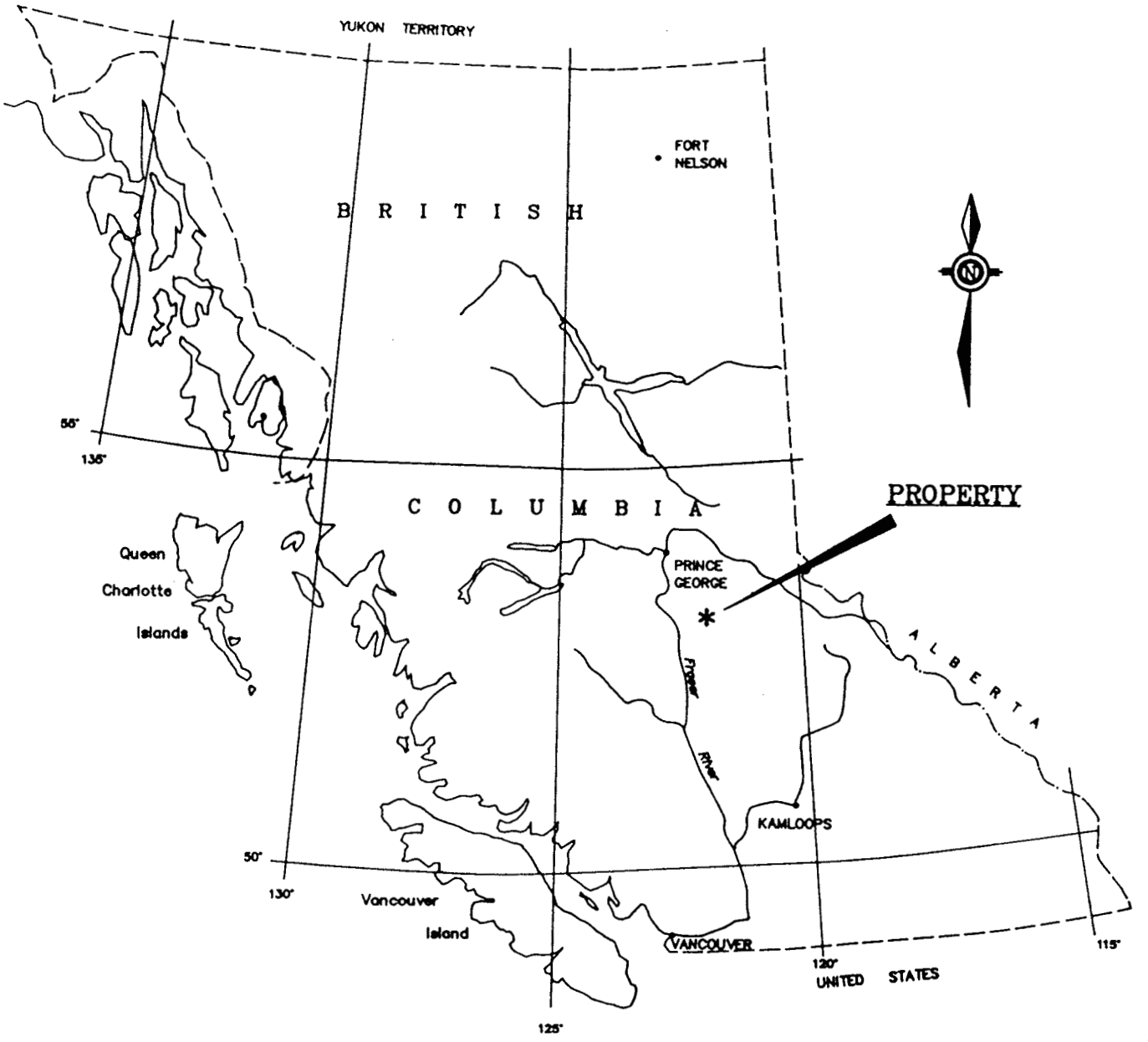
PART B

INTRODUCTION

In October 1987 a Ronka VLF-EM survey was completed on a portion of the Henric claim group. The purpose of the survey was to locate potential gold-bearing zones or associated minerals or structures that may localize mineralization within an area reportedly containing gold values.

Background information for this report was predominantly obtained from a report by D.J. Copeland, P.Eng. and Uwe Schmidt, B.Sc. of Coastal Mountain Engineering Ltd. on a property containing the present Henric claim group.

The writer performed a personal property examination on October 30, 1987.



SOOKOCHOFF CONSULTANTS INC.

007 PRECIOUS METALS INC.

HENRIC CLAIMS GROUP
CARIBOO M.D.

LOCATION MAP

SCALE: 1:1,000,000	DATE: Dec. '87	N.T.S. 93G/1E	DRAWN BY: GEO-COMP	FIGURE: 1

PROPERTY

The property is comprised of a contiguous 16 two-post claims and a 16 unit claim block. Particulars are as follows.

Claim Name	Units	Record No	Expiry Date*
Henric	16	5548	December 6, 1988
	Claims		
Henric	8 claims	3132-3139	January 26, 1989
Osa	8 claims	5249-5256	October 24, 1988

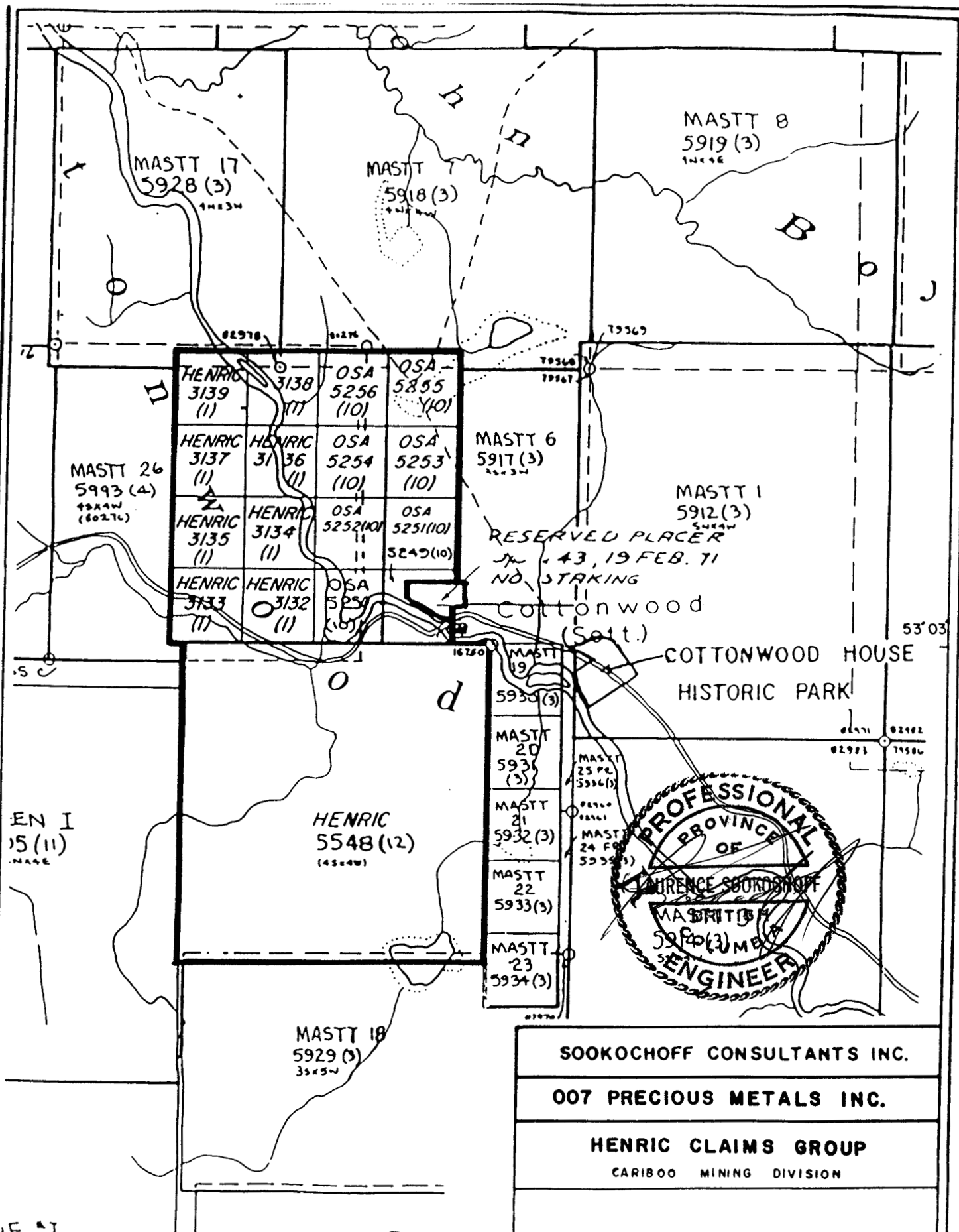
The Henric claim group overstakes four claims in the east thus the area of the property is approximately 700 hectares.

* Upon approval of a one year assessment work filed October 23, 1987 for which this report forms a part thereof.

LOCATION AND ACCESS

The claim group is located some 26 km east of Quesnel one km west of Cottonwood along the Quesnel-Barkerville Highway 26.

The highway straddles the claim group providing excellent access to the central portion of the property. Numerous logging roads in the area provide access to most parts of the claim group.



SOOKOCHOFF CONSULTANTS INC.				
007 PRECIOUS METALS INC.				
HENRIC CLAIMS GROUP CARIBOO MINING DIVISION				
CLAIM MAP				
SCALE 1 35000	DATE DEC 87	NTS 93G/1E	DRAWN BY K.C.	FIG. 2

PHYSIOGRAPHY

The property is located within the Interior Plateau and covering gently rolling hills with a maximum elevation of 1000 meters and a relief of 250 meters. The Cottonwood River valley within the northern portion of the property exhibits the most rugged terrain with portions of steep to vertical banks.

WATER AND POWER

A plentiful year-round water supply would be available from the Cottonwood River or from seasonal smaller watercourses on the property.

Diesel-electric power would be required during the initial stages of the exploration program.

CLIMATE

Moderate to warm temperatures prevail during the summer months with temperatures below 0 degrees C common for up to three months during the winter. Snowfall is not excessive and should not restrict any winter operations.

TRANSPORATION AND SUPPLIES

B.C. Rail provides regular rail service through Quesnel from Vancouver. Air B.C. and Canadian Airlines International provide daily air service to Quesnel from Vancouver.

Most supplies would be available at Quesnel 26 km distance where employee accomodation and services would be available.

HISTORY

The history of the area is related by Copeland et. al. (1984) as follows:

"The area was first prospected during the 1860 Cariboo gold rush but it was not until 1933 that lode mining began at the Cariboo Gold Quartz mine in nearby Wells. This was followed by the Island Mountain mine which commenced production in 1934, immediately north of the Cariboo Gold Quartz. These mines operated until 1967. Present mining in the camp is at a rate of 90 tons per day at the Mosquito Creek Gold Mines' operations.

Although many of the copper occurrences in the Quesnel Trough were probably known at the time of placer gold exploration, documentation of systematic hardrock exploration began with the discovery of surface exposure of the Cariboo-Bell deposit, in 1964.

Extensive mineral exploration for porphyry copper mineralization has been carried out intermittently in the area until the late 1970's when most of the known alkalic plutons in the area were staked and explored for copper-gold mineralization of the Cariboo-Bell type. More recently, since the discovery of the QR deposit and higher gold prices, attention has focussed on the copper-gold porphyry and stratabound replacement mineralization found in the alkalic porphyry enviornment.

A limited amount of surface exploration has been carried out on the property by H. Marthinsen, a prospector from Cottonwood. Mr. Marthinsen and his associates obtained a high gold and silver assay from a fragment of quartz vein from a highways department quarry at the west end of the Cottonwood River bridge. One diamond drill hole into the zone was also attempted in late 1983 but this failed because of deep overburden and difficult bedrock conditions.

A small soil and rock sampling program was carried out by J.W. Morton in 1982 on behalf of Mr. Marthinsen on the south side of the Cottonwood River near the west side of the bridge. There is no public record of this or prior work on the property."

In 1986 Mastt Resources completed a 10 hole reverse circulation drill program, in addition to 12 trenches.

Four holes and 12 trenches were located on the two post Henric claims north of the Cottonwood River and six drill holes were located on the Henric 16 unit claim block south of the River.

REGIONAL GEOLOGY

Copeland et. al. describe the regional geology as follows:

"The claim group lies within the Quesnel Trough, a narrow belt of Mesozoic volcanic and sedimentary rocks. The Quesnel Trough is a division of the Intermontane tectonic belt which is one of the 5 major tectonic elements of the Canadian Cordillera.

The lithologies of the Quesnel Trough have been traced southward to beyond the international border and northwestward beyond Prince George. The Mesozoic succession near the property and northward have been assigned to the Talka Group. To the south, the lower, Upper Triassic sequences have been assigned to the Nicola Group.

The trough is fault bounded on the west and the east. To the west, the Quesnel Trough lies in contact with Paleozoic rocks of the Pinchi Belt. To the east the boundary between the trough and Intermontane Belt is marked by a major shear zone. Large scale tectonic imbrication and mylonitization on both sides of the zone suggest an eastward thrusting of the Intermontane over the Omineca Belt (Rees, 1981).

The Quesnel Trough was the site of the extensive island-arc type volcanic and sedimentary deposition from late Triassic to early Jurassic time. The base of the Quesnel Trough is an Upper Triassic black argillite unit. The unit is exposed near the eastern margin of the trough where it commonly overlies ophiolitic rocks of the Slide Mountian Group. The basal black argillite is overlain by a series of augite porphyry flows, breccias and minor argillites. These rocks are overlain by a second sequence of argillites and volcaniclastic rocks of Upper Triassic to Lower Jurassic age. The presence of sub-aerial volcaniclastics in the geologic record indicates that volcanic centres in the trough emerged in early Jurassic time. This is postulated to have occured in conjunction with the rise and deformation of Omenica Crystalline Belt rocks to the east.

Block faulting and tilting are the dominant structural styles in the belt. Faults trend in a northwest and northeast direction. Folding is restricted to the eastern margin of the belt near its structural boundary with the Omineca Crystalline Belt.

Two major episodes of granitic intrusion are recognized along a northwest trending belt slighly oblique to the Quesnel Trough. The intrusive events cluster around 200 and 100 million year ages.

Copper and copper-gold deposits have an affinity for 200 million year-old alkalic plutons and Triassic-Jurassic volcanic rocks. Molybdenum deposits on the other hand are associated with the 100 million year intrusive event".

PROPERTY GEOLOGY

The property is predominantly underlain by a wedge of Jurassic shale, greywacke, and conglomerate bounded by the Talka group of andesite, basalt, tuff, breccia, conglomerate, greywacke and shale. A localized area of Miocene sediments of sandstone, shale, and conglomerate are indicated (Tipper 1961) at the northern portion of the property.

Copeland et al. (1983) provides a geological description of local sites on the property.

1. Rock from the reclaimed gravel pit proximal to Highway 26 near the Cottonwood River Bridge occurs at the side of the road approaching the bridge. The rocks are "primarily argillite, probable tuffaceous argillite and basic to intermediate volcanic rocks. Two varieties of quartz veining were observed. One was narrow, white, milky quartz veins. The second was chalcedonic quartz and carbonate cutting altered brecciated andesitic volcanic rocks."

2. One km north of the highway on a road paralleling the west side of the Cottonwood River "...The syenite is similar to rocks observed in the south half of the property but contains more pyrite and was altered more than the syenite to the south. The syenite intruded and hornfelsed pyritic andesite of the Talka Group."

3. On the east side of the Cottonwood River Bridge "...underlain by pyritic argillite...a southeast strike and southwesterly dip of bedding. Pyritic content in this siliceous argillite ranges from 10 to 25%"

Two syenitic intrusions that do not appear on the government map are reported on the claim group (Pell 1986).

MINERALIZATION

Reported mineralization (Pell 1986) consists of sulphide mineralization within and in volcanic rocks around the margins of the syenite stock, within black argillites with zones of pyritization and abundant quartz veining.

Visible gold was reportedly observed in some of the reverse circulation drill holes however, was not observed on surface (Pell 1986). Mr. Marthinsen, prospector and a partner in the ownership of the claims reported that a sample of gold and silver bearing quartz vein fragments taken from a gravel pit assayed 1.42 oz Au/ton and 9.44 oz Ag/ton.

Fifty-six rock samples and 19 soil samples taken by a Mr. J.W. Morton from the pit area in 1982. One of the rock samples contained gold in excess of the analytical detection limit. Two samples taken east of the old Cottonwood Bridge contained .05 and .26 oz Ag/ton. Soil samples ranged from 0.2 to 1.2 ppm.

Copeland (1984) reports sample results as follows:

1. Sample from a brecciated altered and silicified zone in andesite with a chalcedony and iron carbonate cement returned 4018 ppm As and 45 ppm Sb and 5 ppb Au.

2 Red weathering soil near the same site returned 3923 ppm As, 38 ppm Sb and 5 ppb Au.

3. Sample below a fault zone in argillite returned 58 ppm As, 3 ppm Sb and 5 ppb Au.

ALTERATION

Alteration consists of variable silicification, argillitization and pyritization in the volcanic rocks, silicification and pyritization within the pelitic rocks.

The syenite exhibits argillitization and limonitization from the contained pyrite.

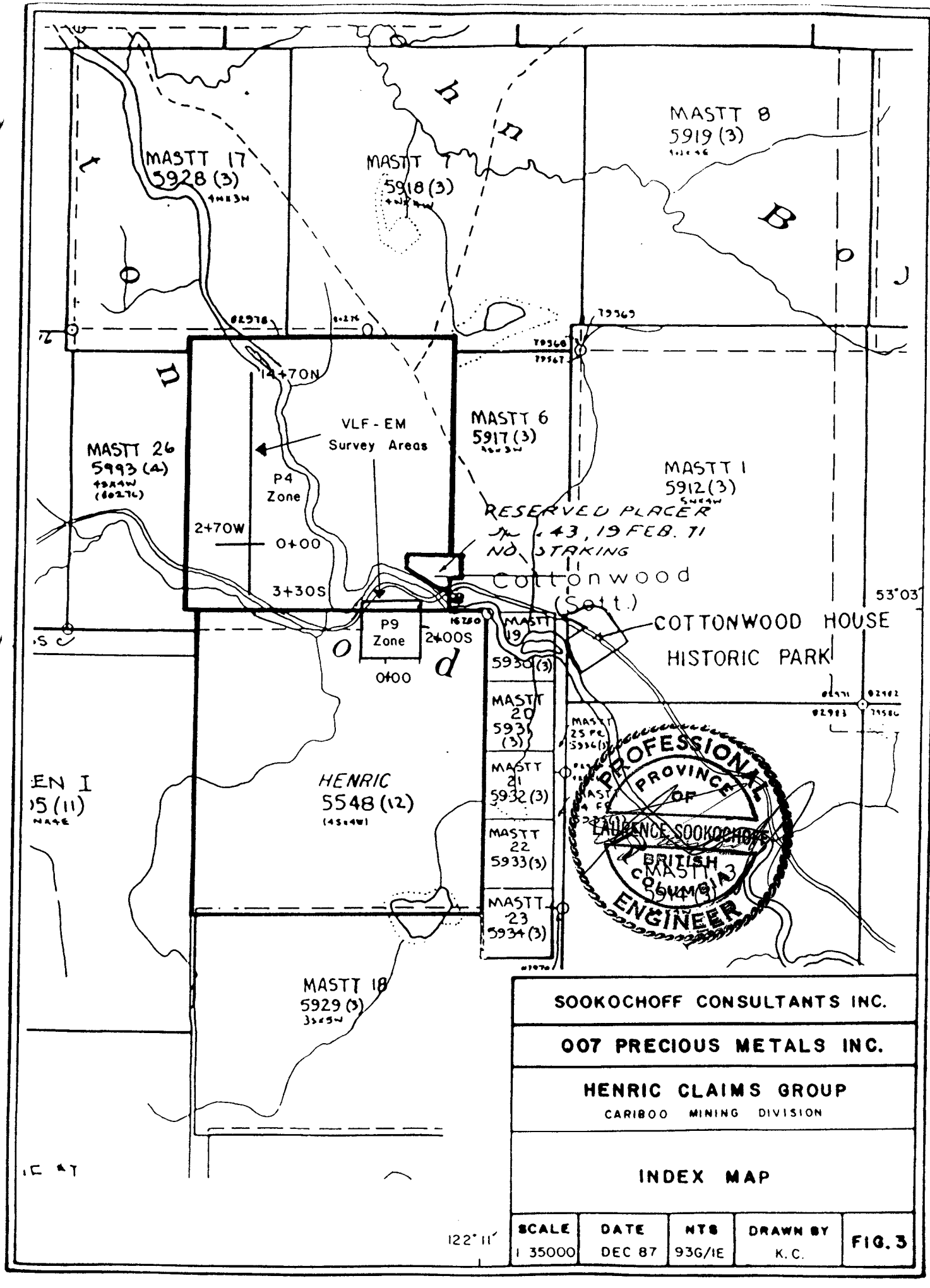
RONKA VLF-EM SURVEY

Instrumentation and Theory

A Ronka VLF-EM 16 receiver, serial No. 20 was utilized for the VLF-EM survey. The transmitter was Seattle broadcasting at a frequency of 24.8 KHz - tilt direction 090 degrees and Cutler broadcasting at a frequency of 24.0 KHz tilt direction 355 degrees.

The VLF-EM receiver measures the amount of distortion produced in a primary transmitted magnetic field and a secondary magnetic field which may be induced by a conductive mass such as a sulphide body. The VLF-EM unit - due to its relatively high frequency - can detect low conductive zones such as fault or shear zones, carbonized sediments or lithological contacts.

The major disadvantage of the VLF method, however is that the high frequency results in a multitude of anomalies from unwanted sources such as swamp edges, creek and topographical highs.



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007 PRECIOUS METALS INC.

HENRIC CLAIMS GROUP

CARIBOO MINING DIVISION

INDEX MAP

SCALE	DATE	NTS	DRAWN BY	FIG. 3
1 35000	DEC 87	93G/1E	K. C.	

Field Procedure

Two localized areas were covered in the survey. The areas selected were based on reported significant gold assays from reverse circulation drill hole cuttings.

The two areas are designated on the accompanying Fig. 3.

The first area - designated as the P9 Zone - covered an area of 500 by 400 meters south of the Cottonwood River and the highway crossing. Six line km of survey were completed.

A north south baseline was run for a length of 400 meters starting from the power line. The lines were run east and west at a right angle to the baseline. These lines were flagged at 25 meter intervals. The readings were taken every 12.5 meters along the lines. The cross-overs were flagged in cross fashion wherever they occurred. The slope angles were recorded in the direction of the reading.

The second area - designated as the P4 Zone - is located in the northwestern sector of the property. The grid consists of one north-south line 1790 meters long (330 S to 1460 N) and one 270 meter east-west line extending westward from the 00 station along the north-south line. Readings were taken at 30 meter intervals and in the area of anomalous readings, were taken at 15 meter intervals.

The two parallel lines shown in the accompanying maps are the same lines indicating readings from the two stations. The east line is Cutler.

Two line km of survey were completed.

Results

In the southern P9 area there are seven anomalies (Fig. 5) indicated and these are marked in accordance of preference; 1, 1A, 2, 3, 4, 5, 6 and 7.

The No 1 anomaly, located on line 2+00 S at 2+75 E strikes in northerly direction to cross line 1+25 S to continue off the grid to the north into the Cottonwood River. This is a strong conductor with proper inphase quadrature response which gives suspect to a good sulphide conductor. The inphase and quadrature are in opposite polarity. This conductor is close to surface. A proposed DDH spotted on line 1+50 S at 2+60 E and drilled -50 to the east is proposed to intercept this strong anomaly.

The strong 1-A anomally located on lines 1+25 and 1+50 E also warrants a drill hole. This conductor dips steeply to the east as suggested by the profile.

The No. 2 anomally located on line 1+00 S at 0+50 E strikes in a southeast direction crossing line 2+00 S at 1+50 E. This conductor dips flatly to the east.

The No. 3 weak conductor which extends the entire length of the grid along the baseline may represent a contact or a fault.

Conductors 4, 5, 6 and 7 are weak conductors, very likely due to shears or local faults.

The power line interference was to great to check lines north of line 0+75 S.

Figure 5 shows the contoured VLF-EM result utilizing the VLF station at Cutler (24.0 Khz) and tilt direction 355 degrees.

The inphase readings of this station was contoured only. Only weak conductors are indicated by this VLF station 24.0. There is no definite trend established due to a weak response of this station.

The P4 area survey results indicate that the right line (Cutler) was in proper direction for VLF ST. 24.0 for the E.W. striking conductors. This was more of a reconnaissance nature to check for conductors - if any along this road. There were eight conductors revealed. These are numbered from 1 to 8 on Fig. 6.

Anomaly No. 1 at 13+50 is weak to fair. The No. 2 at 12+70 N is a strong conductor dipping flatly to the north, a fair drill target. No. 3 at 10+90 N is a conductor at depth. No.4 at 9+75 N is also a fair conductor dipping steeply to the north should be checked out by drilling or trenching. The No.5 conductor dips flatly to the north. No. 6 at 3+20 N requires detailing for evaluation.

The sharp conductor of No. 7 in the vicinity of the trenching is near vertical and close to the surface. This conductor at 1+25 N should be drilled. The DDH spotted at 1+00 N and drilled -50 to the north should intercept this fair conductor, as there is fair mineralization in the trenching. The No. 8 is weak.

Left Line

The Seattle VLF station (24.8 Khz) readings were taken at 090 degrees across the line which makes it difficult to establish the conductive trend.

East-West Line (270 meters from 00N)

This line was run in a westerly direction, proper direction for VLF station 24.8 (090 degree tilt). There are two conductors indicated. The No. 1 is a strong conductor close to the surface and is suitable for trenching. The No. 2 is only fair. Soil sampling should be carried out in order to check for possible mineralization.

Respectfully submitted

Laurence Sookochoff, P.Eng.
Consulting Geologist

December 6, 1987
Vancouver, B.C.

BIBLIOGRAPHY

BOYLE, R.W. - The Geochemistry of Gold and Its Deposits, G.S.C. Bulletin 280.

COPELAND, D.L. et. al. - Report on the Mastt Property, for Mastt Resources Inc., May 22, 1984.

PELL, J. - Geological Report on the Mastt Property for Mastt Resources Inc., December 8, 1986.

TIPPER, M.W. et.al. - Parsnip River, B.C., Map 1424A.

CERTIFICATE

I, Laurence Sookochoff, of the city of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist with offices at 609-837 West Hastings St., Vancouver, V6C 1B6

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.

2. I have been practising my profession for the past twenty-one years.

3. I am registered with the Association of Professional Engineers of British Columbia.

4. Information for the accompanying report was obtained from sources cited under Bibliography and from supervision of the exploration surveys reported on herein.

5. I have no direct, indirect nor contingent interest in the property described herein, or in the securities of 007 Precious Metals Inc., nor do I expect to receive any.

6. I hereby give my consent to 007 Precious Metals Inc. to utilize this report for filing purposes.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
LAURENCE SOOKOCHOFF

Laurence Sookochoff, P.Eng.
Consulting Geologist

December 6, 1987
Vancouver, B.C.

Statement of Costs

The field work for the Geophysical survey on the Henric claim group was performed between the dates of October 16, 1987 to October 23, 1987. The field costs and associated costs to the report stage were as follows:

Field

S. Presunka, Geophysicist October 16-25, 1987	10 days @ $400	$4,000.00
P. Giles, assistant October 16-25, 1987	10 days @ $200	2,000.00
Auto rental and Km		491.68
Room and board 20 man days @ $40		800.00
Compilation and draughting		425.00
Xerox, printing and typing		362.50
Report		750.00
Management		750.00
		$9,579.18

STATEMENT OF EXPERIENCE

I have worked in the field of geophysical exploration since 1957 - both operating the instruments and mapping and interpreting the data obtained. In this capacity I worked for Ventures Ltd. and later Falconbridge Nickel Mines from 1957 to 1972 except for 2 years spent with Stratmat Geophysics of Toronto - also in the same capacity.

Since 1972 - I have carried out geo-physical surveys on a contract basis for a number of clients through my own B.C. company, Presunka Geophysical Explorations Ltd. Some of this work has been for my previous employers.

My work consist chiefly of electro-magnetics, both horizontal loop and vertical E.M., magnetometer surveys, self-potential and sprectro-metrics.

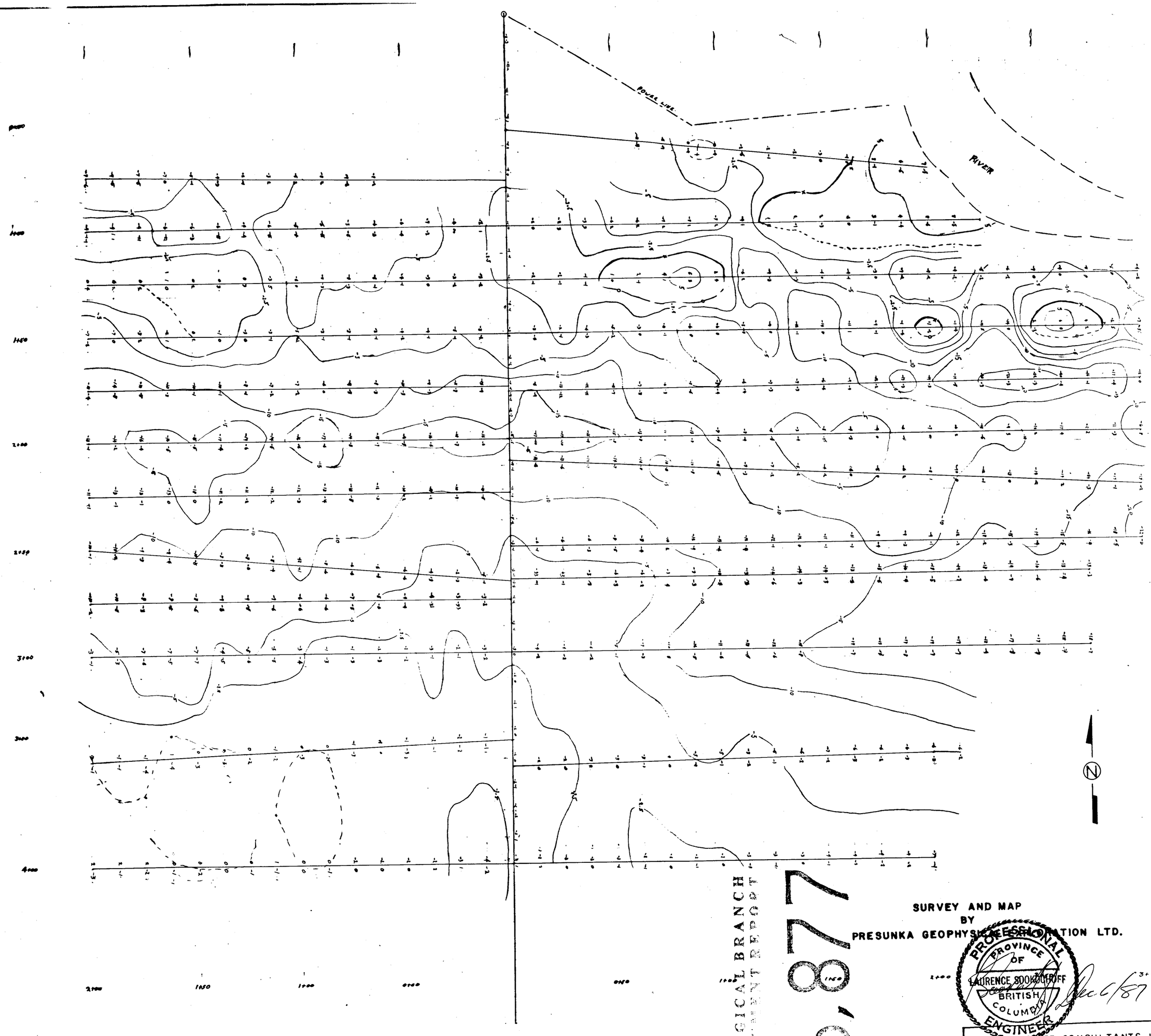
I use only self-owned instruments in good working condition. All instruments are serviced at least once a year by the manufacturers.

DATED AT VANCOUVER, BRITISH COLUMBIA, THIS DAY OF

Steve Presunka

Addresses - 232 Pembina Street,
NEW WESTMINSTER, B.C.

or 203 - 9th Ave.,
DAUPHIN, Manitoba



GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,817

SURVEY AND MAP
BY
PRESUNKA GEOPHYSICAL CORPORATION LTD.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
LAURENCE SOOKOCHOFF

Dec 6/87

VLF STN.
24.0 KHz
TILT 355°

SCALE IN METRIC

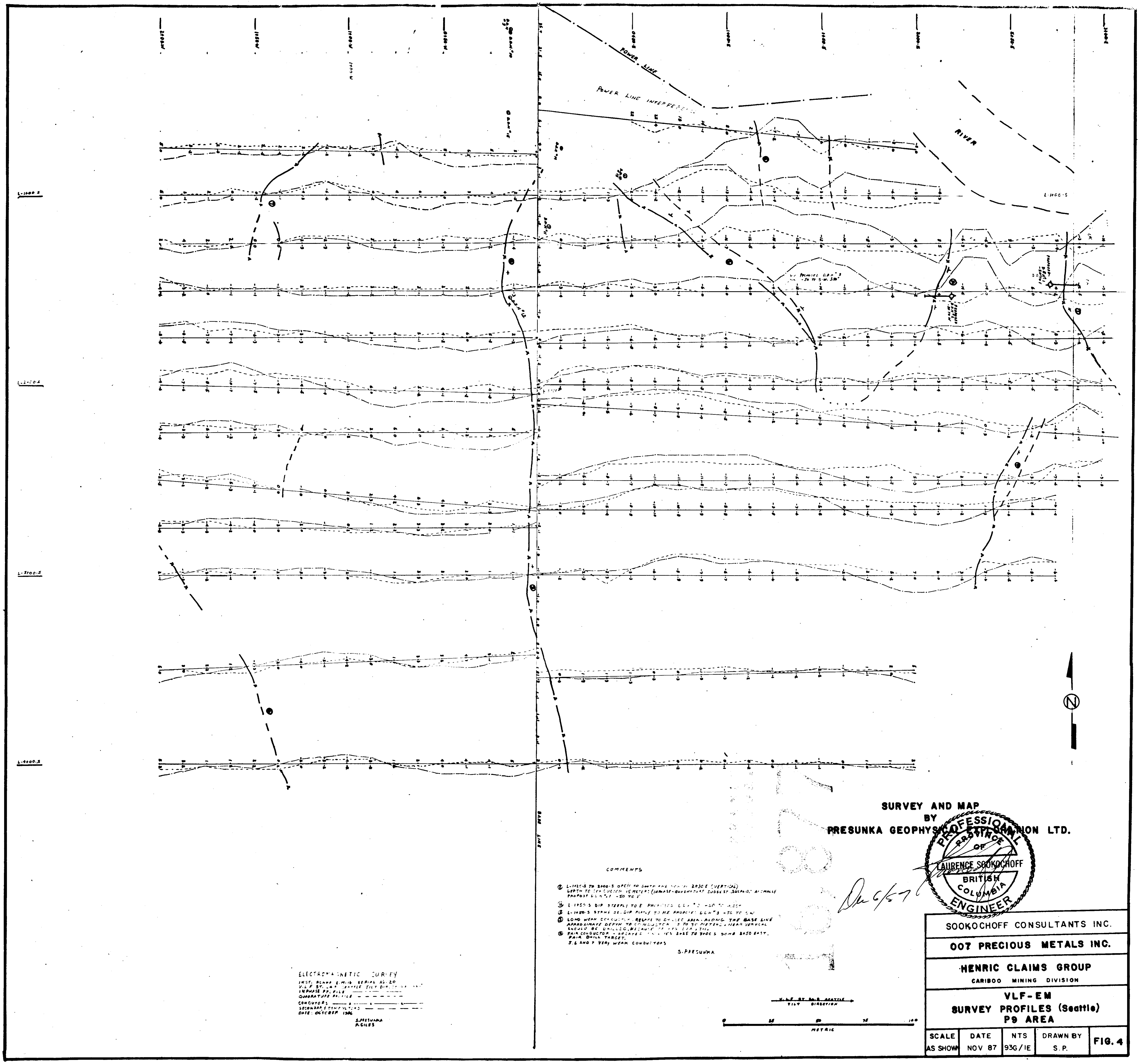
SOOKOCHOFF CONSULTANTS INC

007 PRECIOUS METALS INC.

HENRIC CLAIMS GROUP
CARIBOO MINING DIVISION

VLF-EM
SURVEY PROFILES (Cutler)
P9 AREA

SCALE	DATE	NTS	DRAWN BY	FIG. 5
AS SHOWN	NOV 87	93G/1E	S.P.	


POWER LINE
POWER LINE INTERFERENCE
RIVER
BASE LINE
COMMENTS
L-1450-S DIP STEEPLY TO E
FAIR DRILL TARGET.
5, 6 AND 7 VERY WEAK CONDUCTORS
S. PRESUNKA
ELECTROMAGNETIC SURVEY
INST. RONKA E.M.16 SERIAL No. 20
INPHASE PROFILE
QUADRATURE PROFILE
CONDUCTORS
SECONDARY CONDUCTORS
DATE: OCTOBER 1986
S. PRESUNKA
R. GILES
METRIC
SURVEY AND MAP
BY
PRESUNKA GEOPHYSICAL EXPLORATION LTD.
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
LAURENCE SOOKOCHOFF
SOOKOCHOFF CONSULTANTS INC.
007 PRECIOUS METALS INC.
HENRIC CLAIMS GROUP
CARIBOO MINING DIVISION
VLF-EM
SURVEY PROFILES (Seattle)
P9 AREA
SCALE AS SHOWN
DATE NOV 87
NTS 93G/1E
DRAWN BY S.P.
FIG. 4

GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,877

SURVEY AND MAP
BY
PRESUNKA GEOPHYSICAL EXPLORATION

Dec 6/87

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
LAURENCE SOOKOCHOFF

SOOKOCHOFF CONSULTANTS INC.

007 PRECIOUS METALS INC.

HENRIC CLAIMS GROUP

CARIBOO MINING DIVISION

VLF-EM
SURVEY PROFILES (Seattle, Cutler)
P4 AREA

SCALE	DATE	NTS	DRAWN BY	FIG. 6
1 3000	NOV 87	93G/1E	S.P.