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ACTION:	
FILE NO:	

Report on the
Geological and Geochemical
Surveys 1987
on the Morgan Claim
Kamloops Mining Division
Latitude 50°54'N; Longitude 120°01'W
on behalf of
Callex Enterprises Ltd.

by
John R. Poloni, B.Sc., P.Eng.

November 24, 1987

GEOLOGICAL BRANCH
ASSESSMENT REPORT

17,074

part 1 of 2

John R. Poloni & Associates Ltd.
1512B - 56th Street
Delta, B.C.
V4L 2A8

JOHN R. POLONI P. Eng.
Consulting Geologist

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1.0 SUMMARY AND CONCLUSIONS

During October 13 - 19, 1987, a geophysical survey consisting of EM-16 readings, soil and rock geochemistry, and geology were completed on the Morgan Claim of Callex Enterprises Ltd.

The property located near Tod Mountain north of Kamloops, British Columbia, covers Cache Creek rocks containing quartz veins and stringer zones with sulfide mineralization of pyrite and chalcopyrite with silver and minor gold values.

Geophysical surveys completed in this work will be reported on by W.G. Hainsworth and Associates Ltd. This report covers geochemistry both soil and rock, and geology.

2.0 INTRODUCTION

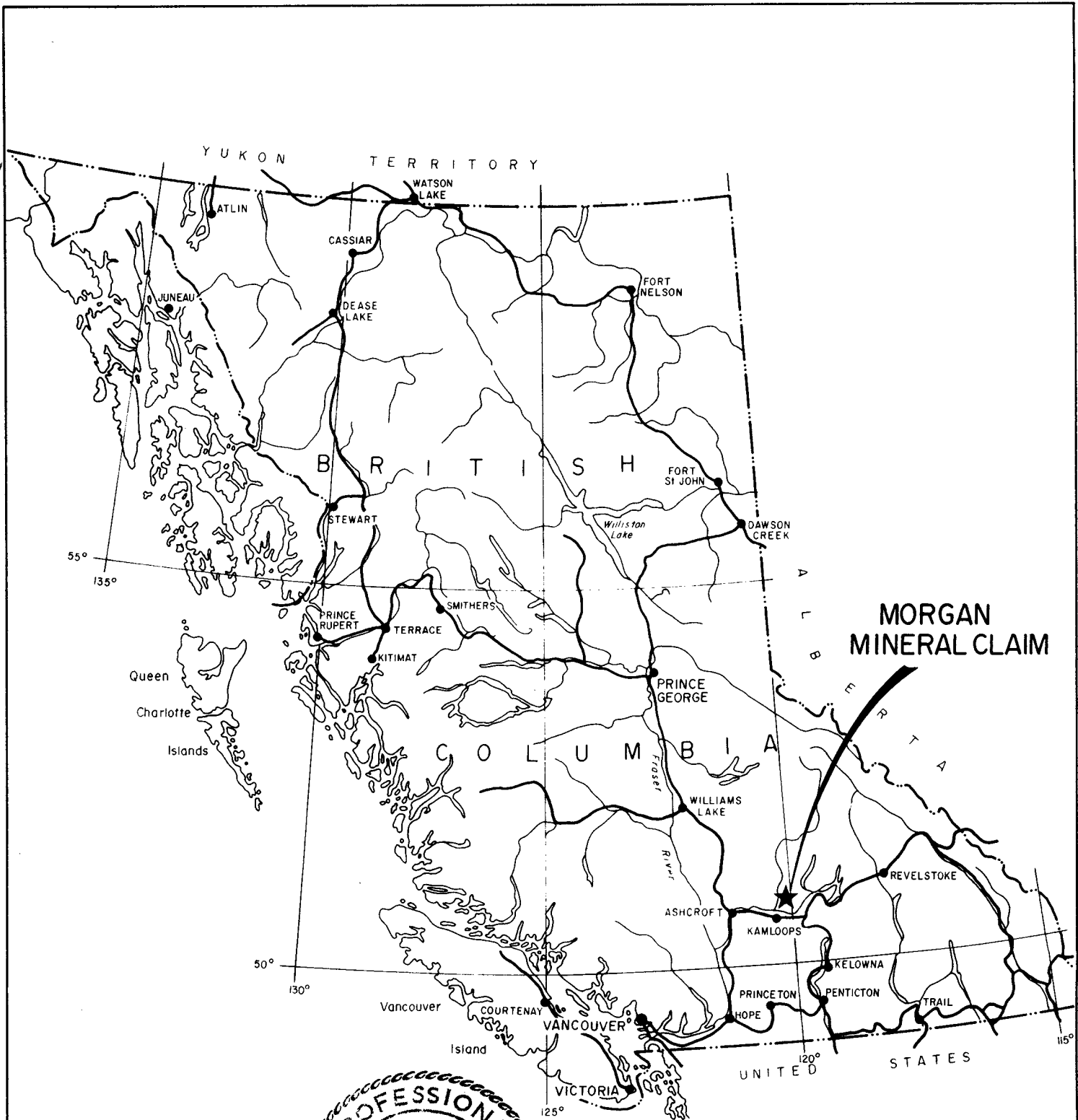
The Morgan property of Callex Enterprises Ltd. is situated on Louis Creek at Tod Mountain, north of Kamloops, British Columbia. The claim consisting of 12 units lies approximately thirty-two kilometers northeast of the City of Kamloops, to the immediate west of the Tod Mountain recreation development.

During the period October 13 - 19, 1987, a program consisting of geophysical, geochemical and prospecting surveys was undertaken on the property as continued evaluation. This report pertains to the geochemical and prospecting phase as the geophysical work was completed by and will be reported on by W.G. Hainsworth & Associates Ltd.

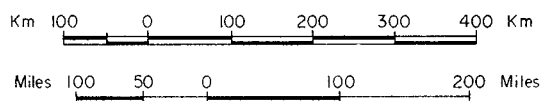
The author visited the property on October 13 & 14, 1987.

Property Location Map

Plan No. 1



**MORGAN
MINERAL CLAIM**



CALLEX ENTERPRISES LTD.		
MORGAN CLAIMS PROPERTY LOCATION MAP		
KAMLOOPS MINING DIVISION BRITISH COLUMBIA		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn: J. R. P.	Checked: J. R. P.	Plan No.
Scale: As shown	Date: Nov. 24, 1987	I

3.0 LOCATION AND ACCESSIBILITY

The Morgan Claim consisting of 12 units is located at Latitude 50°54' North and Longitude 120°01' West, NTS 92/I/16 East in Kamloops Mining Division of British Columbia.

The property is situated near Tod Mountain at about 32 kilometers northeasterly of Kamloops and immediately east of Louis Creek. Access is northerly along Highway #5 to the Heffley Creek Road, easterly along this paved road to Louis Creek turn-off, and then northerly along a gravel road for about 4 kilometers.

4.0 CLAIM INFORMATION

The Morgan Claim consists of 12 units situated at Tod Mountain in the Kamloops Mining Division of British Columbia. Record number is 3095 (11).

5.0 GEOLOGY

The regional geology of the area consists of the Cache Creek group of rocks of Paleozoic age having a northerly to northwesterly trend, with isolated outliers of Kamloops units, and Coast Intrusives. The Cache Creek group consists of argillite, quartzite, hornstone, limestone, conglomerate, breccia, greenstone and serpen-

5.0 GEOLOGY

tine while the Coast Intrusives include granite, granodiorite and gabbro.

Locally, the Morgan Claim is underlain by metamorphosed Cache Creek rocks which contain sheared greenstone members, argillite, chlorite schist, and quartz-mica schist. Small granitic units are reported to be located on the claim.

Specimens of massive sulfides were collected, containing pyrite and chalcopyrite with quartz veining. One sample M-1 contained 3.04% Cu and 9.52 Ag oz/T.

6.0 GEOCHEMICAL-GEOLOGICAL SURVEYS 1987

During the period October 13 - 19, 1987 a three man field crew consisting of Mr. R.J. Hainsworth, Geophysist, Mr. A. Raven and Mr. J.J. Poloni completed a program of EM-16 surveying, prospecting, rock sampling and soil geochemistry over a part of the Morgan Claim. The EM-16 survey will be reported on by Mr. W.G. Hainsworth, P.Eng. for Callex Enterprises Ltd.

This report is a short summary of geology, soil, and rock geochemistry completed at the same time as the geophysical work was being undertaken.

The geochemical work consisted of the collection of 86 soil samples of B-horizon material over the established grid being tested

6.0 GEOCHEMICAL-GEOLOGICAL SURVEYS 1987, cont'd.

by the EM-16 survey. During this work an additional 18 rock samples were collected and all samples analyzed using Trace I.C.P. (6 elements) and gold-fire assay.

Assay data is plotted on accompanying plans 3 - 6 included in Appendix C. Plan No. 4, Gold-Silver Geochemistry, indicates one modest, two station gold anomaly and two single station, silver anomalies.

Plan No. 5 indicates the presence of two single station arsenic anomalies and four antimony anomalies, two single station and two double station varieties.

Plan No. 6 demonstrates the copper, lead, and zinc responses with eight copper anomalies, seven of the single station variety and one of the triple station variety; with one lead anomaly, and two zinc anomalies.

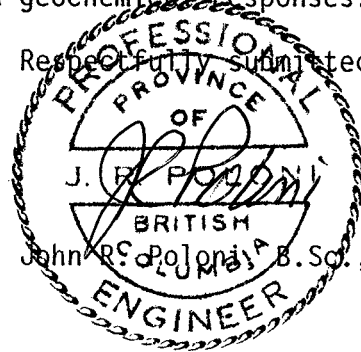
Rock sample locations and assay data are plotted on Plan No. 3. Several samples returned positive results including M3 - 77.2 ppm Ag; M17 - 18.9 ppm Ag; M18 - 242.3 ppm Ag; 1.89% Cu; and M1 - 326.1 ppm Ag, 3.03% Cu, 131 ppb Au.

7.0 RECOMMENDATIONS

Further evaluation of the Morgan Claim is essential in order to better define the geochemical responses including soil and rock. The adit area remains as a prime exploration target for additional exploration with consideration being given to opening of the underground workings for examination.

A program and cost estimate will be presented at a later date after evaluation of geophysical and geochemical responses.

Respectfully submitted,



John R. Poloni, B.Sc., P.Eng.

Appendix A
Certificate

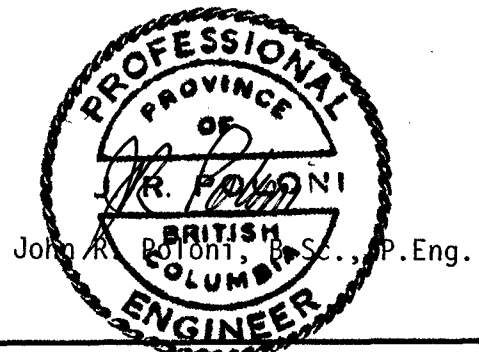
Certificate

I, John R. Poloni, of 5502 - 8B Avenue, in the Municipality of Delta,
in the Province of British Columbia,

DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist.
2. I am a graduate of McGill University of Montreal, Quebec, where I obtained a B.Sc. Degree in Geology in 1964.
3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession since 1964.
5. I am a Member of the Canadian Institute of Mining and Metallurgy.
6. I have personally visited the Morgan property on October 13 & 14, 1987.
7. I have no interest in the properties and securities of Callex Enterprises Ltd., nor do I expect to receive or acquire any.
8. I consent to the use of this report by Callex Enterprises Ltd. in a submission to the Vancouver Stock Exchange and/or the British Columbia Superintendent of Brokers, and to distribute all or parts of the report to the shareholders or other interested parties provided that the meaning is not altered by partial quotes.

Dated this 10th day of December, 1987



JOHN R. POLONI P. Eng.
Consulting Geologist

Appendix B
Cost Statement

Cost Statement

Morgan (12 units) (3095)

Field Program, October 13 - 19, 1987

Personnel

. International Field Services Inc.	\$ 963.06
. Jeffco Holdings Ltd.	700.98
. Taiga Explorations Ltd.	809.43

Disbursements

. Min En Laboratories	1,453.80
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Professional Services

. Mr. G. Keir, Geologist	502.20
. Mr. W.G. Hainsworth, P.Eng., Geophysicist	1,150.00
. John R. Poloni & Associates	860.33

TOTAL COST	\$6,439.80
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Less 1150.00 of Hainsworth - included in part 2 report.

JOHN R. POLONI P. Eng.
Consulting Geologist

Appendix C

1.0 Assay Data

2.0 Maps

<u>Plan No.</u>	<u>Description</u>	<u>Scale</u>
Plan No. 2	Claim Map	as shown
Plan No. 3	Soil Sample Location Plan	1:1250
Plan No. 4	Soil Geochemistry Gold PPb Silver PPM	1:1250
Plan No. 5	Soil Geochemistry Antimony PPM, Arsenic	1:1250
Plan No. 6	Soil Geochemistry Copper PPM, Lead PPM, Zinc PPM	1:1250

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

TELE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

Analytical Report

Company: JOHN POLONI/CALLEX
Project: CALLEX
Attention: JOHN POLONI

File: 7-1693
Date: OCT 29/87
Type: ROCK GEOCHEM

Date Samples Received : OCT 21/87
Samples Submitted by :

Report on 1 ROCK Geochem Samples
.....
..... Assay Samples
.....

Copies sent to:
1. JOHN POLONI, DELTA, B.C.
2.
3.

Samples: Sieved to mesh Ground to mesh -80.....

Prepared samples stored: X discarded:
rejects stored: discarded: X

Methods of analysis:

6 ELEMENT TRACE ICP.
AU-WET. A.A.

Remarks

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

Analytical Report

Company: JOHN POLONI/CALLEX EXPL.
Project: CALLEX
Attention: JOHN POLONI

File: 7-1662
Date: OCT 30/87
Type: SOIL GEOCHEM

Date Samples Received : OCT 23/87
Samples Submitted by : JOHN POLONI

Report on87 SOILS, 27 ROCKS..... Geochem Samples
.....
..... Assay Samples
.....

Copies sent to:

- 1. JOHN POLONI, DELTA, B.C.
- 2.
- 3.

Samples: Sieved to mesh-80..... Ground to mesh-80.....

Prepared samples stored:.....X.... discarded:.....
rejects stored:..... discarded:.....X.....

Methods of analysis:

6 ELEMENT TRACE ICP.
AU-FIRE.

Remarks

PROJECT NO: CALLEX

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2

FILE NO: 7-1662

ATTENTION: J. POLONI

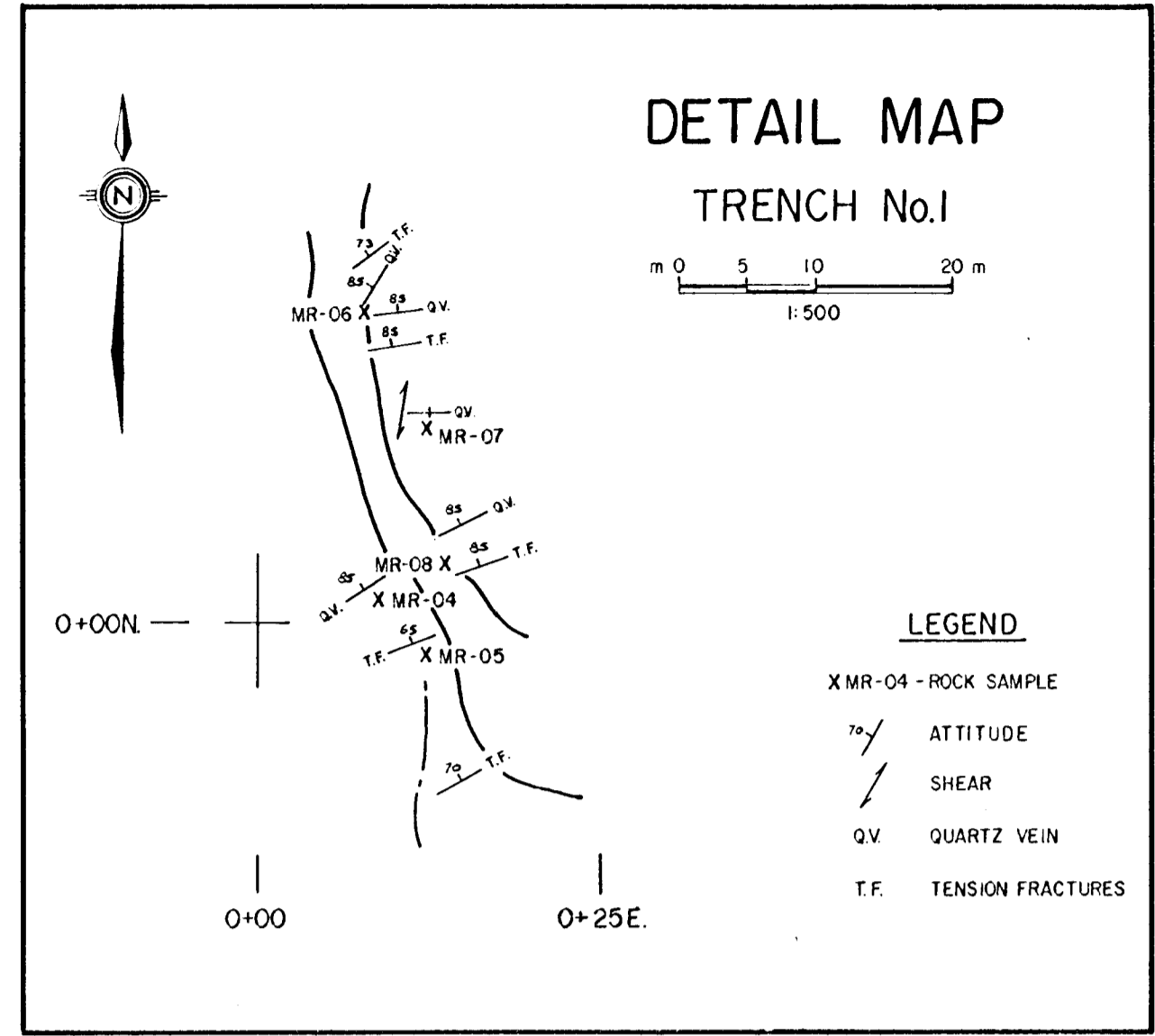
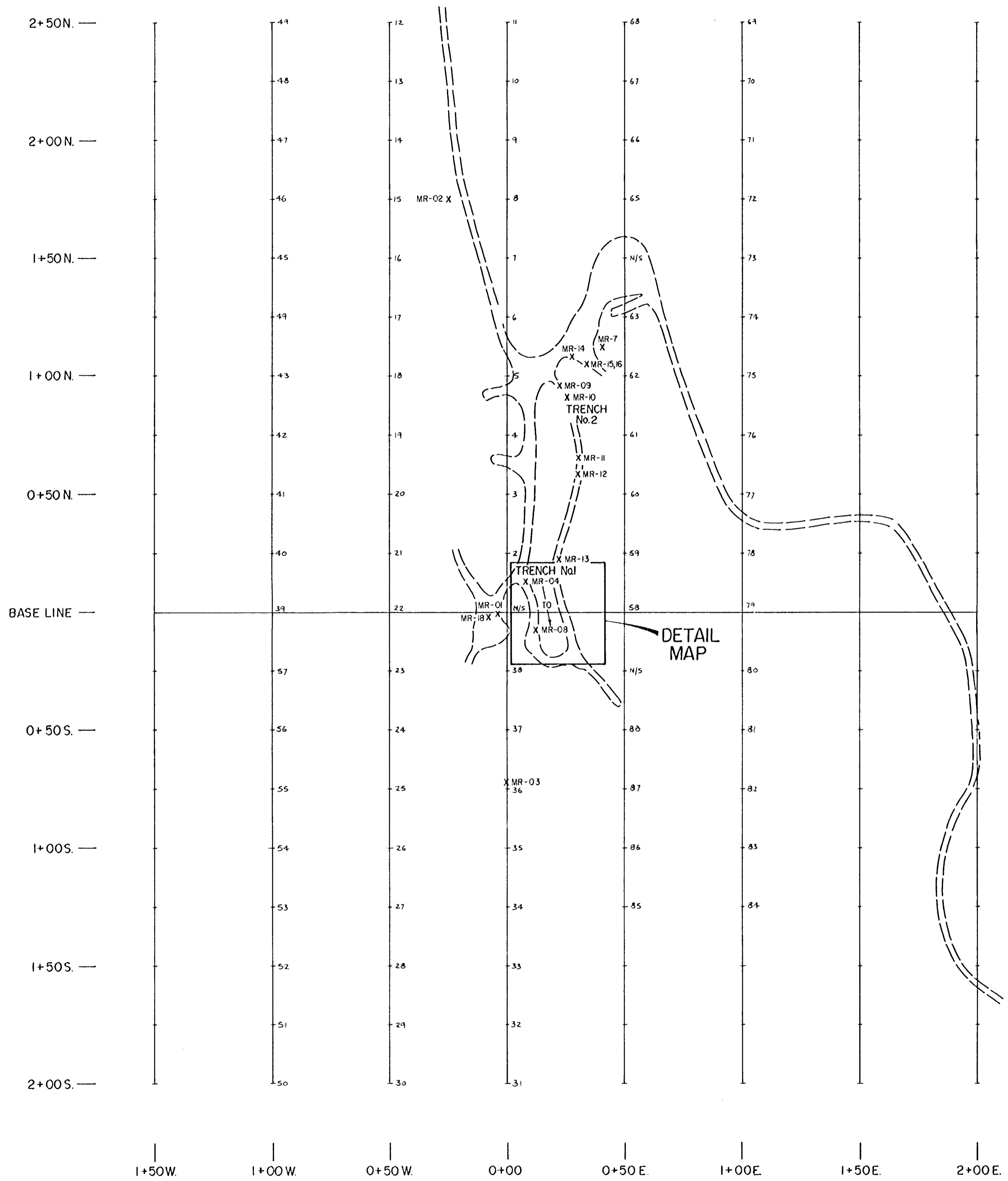
(604)980-5814 OR (604)988-4524

* TYPE ROCK: GEDCHEN * DATE: OCT 28, 1987

(VALUES IN PPM)	AG	AS	CU	PB	ZN	AU-PPB
NR 2	.3	14	4	4	9	2
NR 3	77.2	14	508	8	14	8
NR 4	1.1	12	272	9	120	9
NR 5	.8	29	109	24	66	13
NR 6	1.0	20	55	18	48	4
NR 7	1.8	24	100	27	38	6
NR 8	.6	17	141	5	35	8
NR 9	.3	17	7	7	8	3
NR 10	.8	27	70	26	52	3
NR 11	1.2	6	59	22	89	4
NR 12	1.3	18	39	16	41	5
NR 13	1.2	24	52	27	87	7
NR 15	6.5	161	440	14	24	12
NR 16	1.6	13	86	30	43	6
NR 17	18.9	9	137	22	58	37
NR 18	242.3	1	18939	37	230	8
M-1	326.1	9	30380	56	596	131

(VALUES IN PPM)	AG	AS	CU	PR	SB	ZN	AU-PPB
M 01	19.3	30	892	29	8	391	98
M 01	N/S						
M 02	1.4	10	93	18	1	66	9
M 03	2.1	32	265	16	1	202	7
M 04	.7	22	137	15	1	108	5
M 05	.5	7	22	9	1	131	2
M 06	.6	19	44	13	5	158	3
M 07	1.2	23	59	11	1	152	6
M 08	.5	16	51	12	1	204	12
M 09	1.0	1	73	16	2	190	13
M 10	1.6	41	141	12	8	134	5
M 11	1.5	26	93	14	2	125	7
M 12	1.8	34	268	13	1	103	4
M 13	1.7	29	117	26	2	131	6
M 14	1.9	36	189	12	2	130	6
M 15	1.3	28	188	16	3	139	10
M 16	.6	16	44	15	1	68	3
M 17	1.2	31	221	11	1	133	5
M 18	.9	31	122	22	1	122	7
M 19	1.8	25	391	15	3	114	9
M 20	.9	2	249	21	3	83	8
M 21	1.7	23	143	21	1	97	4
M 22	1.0	26	141	16	3	128	4
M 23	.8	19	90	19	2	147	2
M 24	.7	10	41	9	5	257	5
M 25	.7	18	77	8	1	488	11
M 26	.5	19	34	20	2	425	6
M 27	1.0	23	93	40	2	192	2
M 28	1.0	22	147	31	5	211	4
M 29	.2	11	29	15	1	153	3
M 30	.3	12	22	21	2	143	6
M 31	.7	22	58	19	5	166	8
M 32	1.4	27	122	26	1	192	12
M 33	1.8	18	188	55	4	218	27
M 34	.7	22	120	22	1	249	6
M 35	.3	7	16	13	1	245	4
M 36	2.0	20	353	12	2	234	3
M 37	1.1	11	91	28	8	154	3
M 38	1.1	27	95	24	2	152	8
M 39	.9	12	49	8	1	128	5
M 40	1.2	13	106	16	1	206	2
M 41	.7	22	40	20	2	96	4
M 42	1.7	30	62	23	3	126	3
M 43	2.1	29	252	23	2	153	5
M 44	1.6	45	195	19	2	131	2
M 45	.7	15	59	12	6	85	2
M 46	2.2	19	280	18	11	129	6
M 47	1.8	17	141	25	1	121	5
M 48	1.9	27	237	16	1	121	3
M 49	1.0	18	61	9	7	111	4
M 50	.4	11	35	14	4	116	2
M 51	.6	18	271	35	4	369	18
M 52	.8	15	78	33	6	106	3
M 53	.7	9	43	101	1	397	5
M 54	.4	7	29	19	2	111	2
M 55	1.8	14	109	20	1	117	6
M 56	.8	7	36	9	1	1863	5
M 57	1.0	15	96	19	2	183	4
M 58	1.4	13	51	15	2	94	4
M 59	1.5	22	181	23	1	103	3

(VALUES IN PPM)	AG	AS	CU	PR	SB	ZN	AU-PPB
M 60	.4	4	74	11	4	99	2
M 61	.4	8	68	11	5	86	3
M 62	.6	14	52	13	5	110	5
M 63	2.6	26	329	30	2	206	10
M 64	N/S						
M 65	.7	21	119	13	6	190	4
M 66	.3	25	55	10	1	132	2
M 67	.7	7	22	9	3	154	3
M 68	1.3	11	180	19	6	353	3
M 69	1.5	23	140	7	8	100	2
M 70	1.2	24	124	13	1	88	1
M 71	1.0	23	99	11	7	87	3
M 72	1.9	24	174	12	9	111	14
M 73	.5	16	40	13	1	79	2
M 74	1.1	2	157	12	1	88	1
M 75	.9	13	79	17	6	96	3
M 76	1.5	20	129	16	7	108	2
M 77	.5	5	38	7	1	185	1
M 78	.8	23	94	22	1	77	2
M 79	1.4	16	349	16	2	108	3
M 80	1.0	11	42	18	1	140	1
M 81	1.4	22	224	36	1	236	15
M 82	.8	12	79	10	1	126	1
M 83	.7	13	41	11	4	104	2
M 84	.8	14	43	11	1	278	3
M 85	.2	3	37	19	2	151	1
M 86	.1	7	15	9	2	154	4
M 87	1.1	11	37	11	1	199	3
M 88	1.4	20	323	16	3	131	2



ASSAY DATA

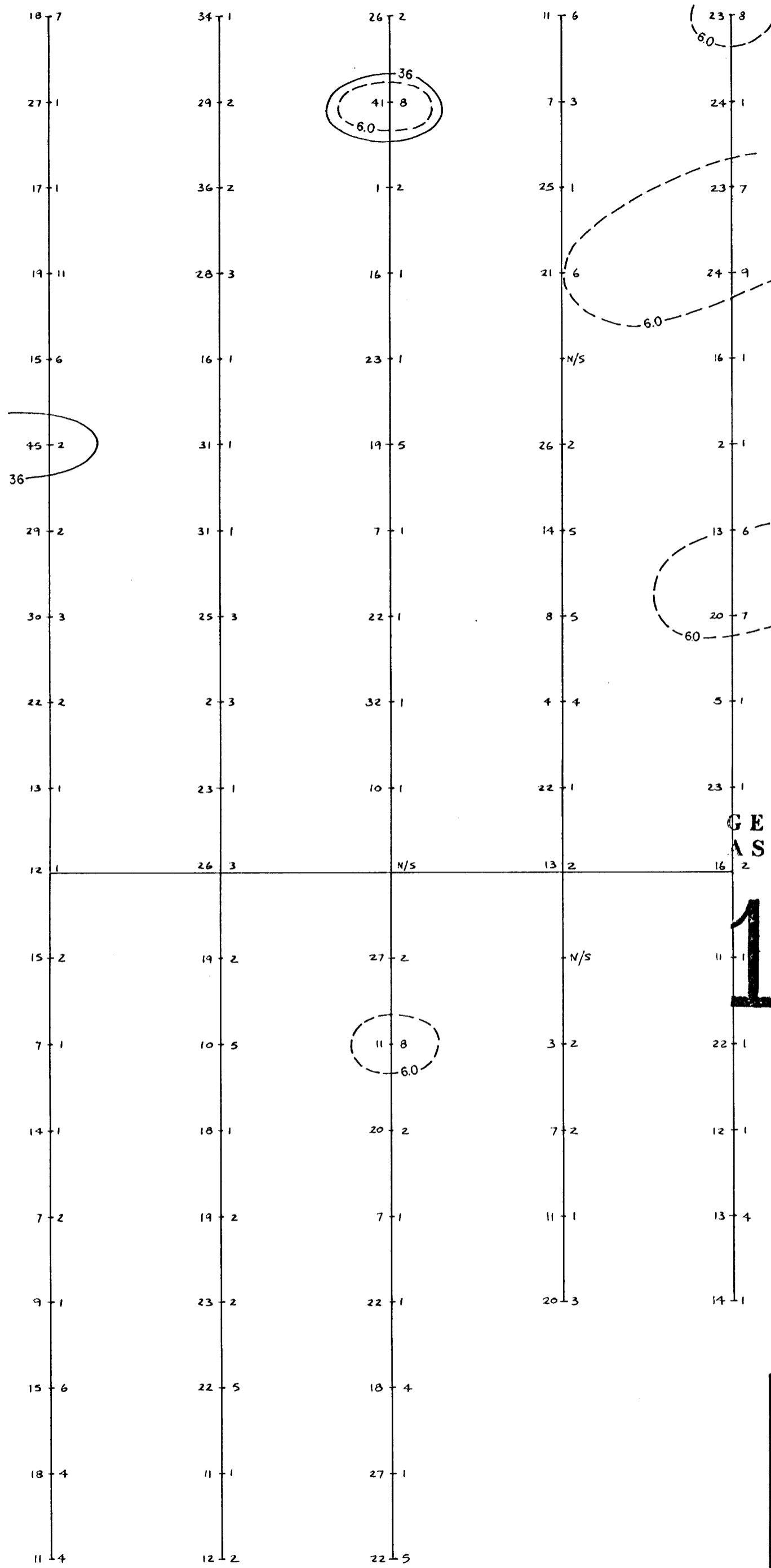
ROCK SAMPLE No.	Ag ppm	As ppm	Cu ppm	Pb ppm	Zn ppm	Au ppb
MR-02	.3	14	4	4	9	2
-03	77.2	14	508	8	14	8
-04	1.1	12	272	9	120	9
-05	.8	29	109	24	66	13
-06	1.0	20	55	18	48	4
-07	1.8	24	100	27	38	6
-08	.6	17	141	5	35	8
-09	.3	17	7	7	8	3
-10	.8	27	70	26	52	3
-11	1.2	6	59	22	89	4
-12	1.3	18	39	16	41	5
-13	1.2	24	52	27	87	7
-15	6.5	161	440	14	24	12
-16	1.6	13	86	30	43	6
-17	18.9	9	137	22	58	37
-18	242.3	1	18939	37	230	8
MR-01	326.1	9	30380	56	596	131

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of 2

CALLEX ENTERPRISES LTD.		
MORGAN CLAIMS SOIL SAMPLE LOCATION MAP		
KAMLOOPS MINING DIVISION, B.C.		
JOHN R. POLONI & ASSOCIATES LTD.		
DRAWN. J.J.P.	CHECKED. J.R.P.	PLAN No.
SCALE. 1:1250	DATE. NOV. 24, 1987	3

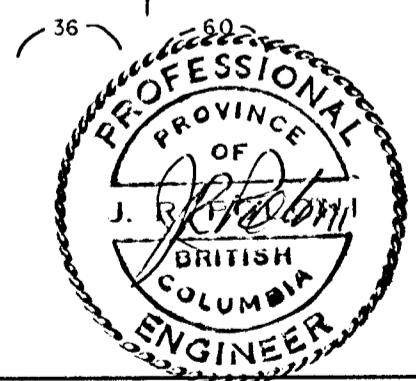


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LEGEND

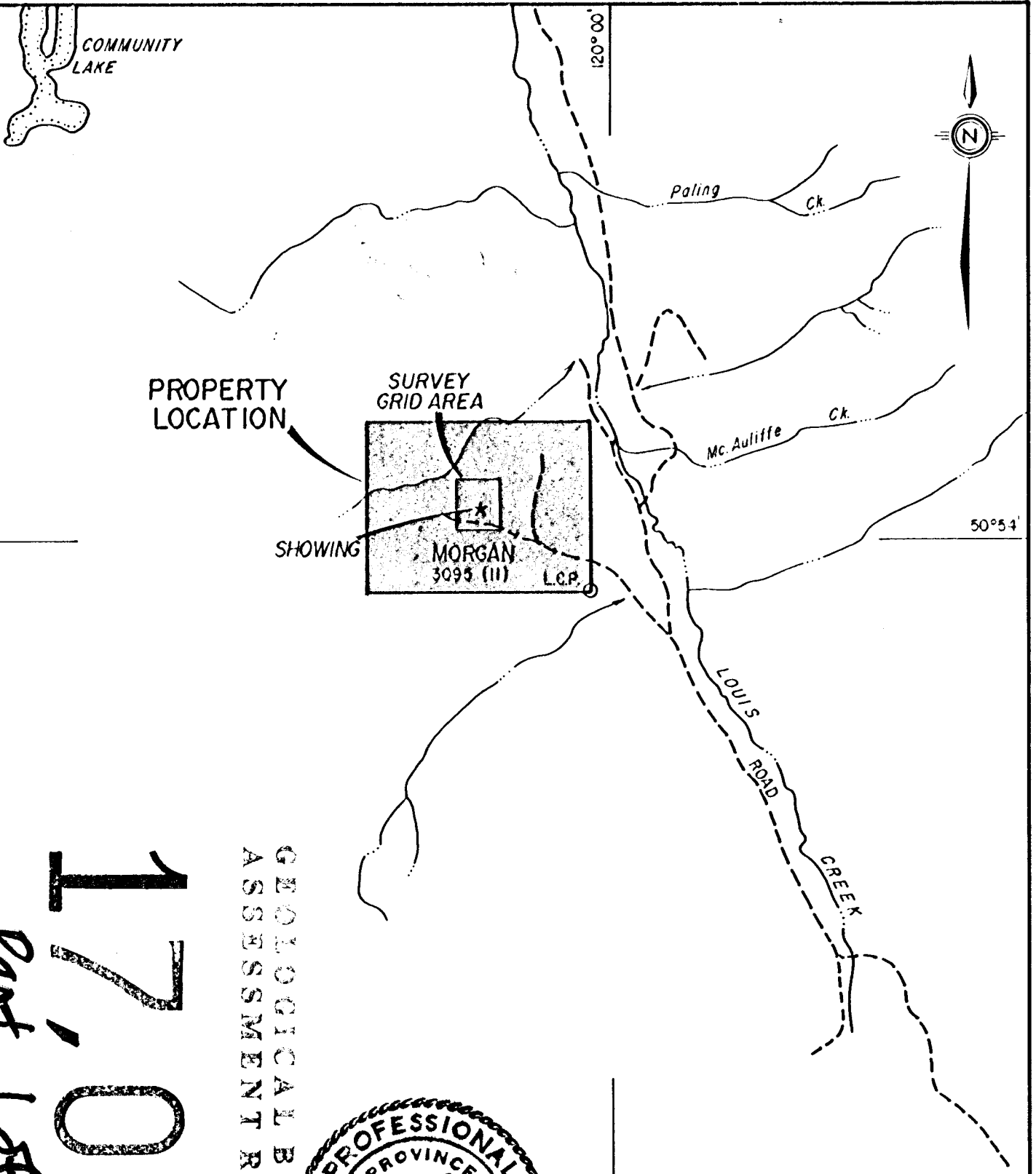
As ppm + Sb ppm



CALLEX ENTERPRISES LTD.
MORGAN CLAIMS
SOIL GEOCHEMISTRY
ANTIMONY PPM, ARSENIC PPM

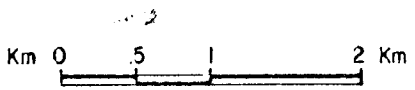
JOHN R. POLONI & ASSOCIATES LTD.

Drawn. J.J.P.	Checked. J.R.P.	PLAN NO.
Scale. 1:250	Date. Nov. 24, 1987	5

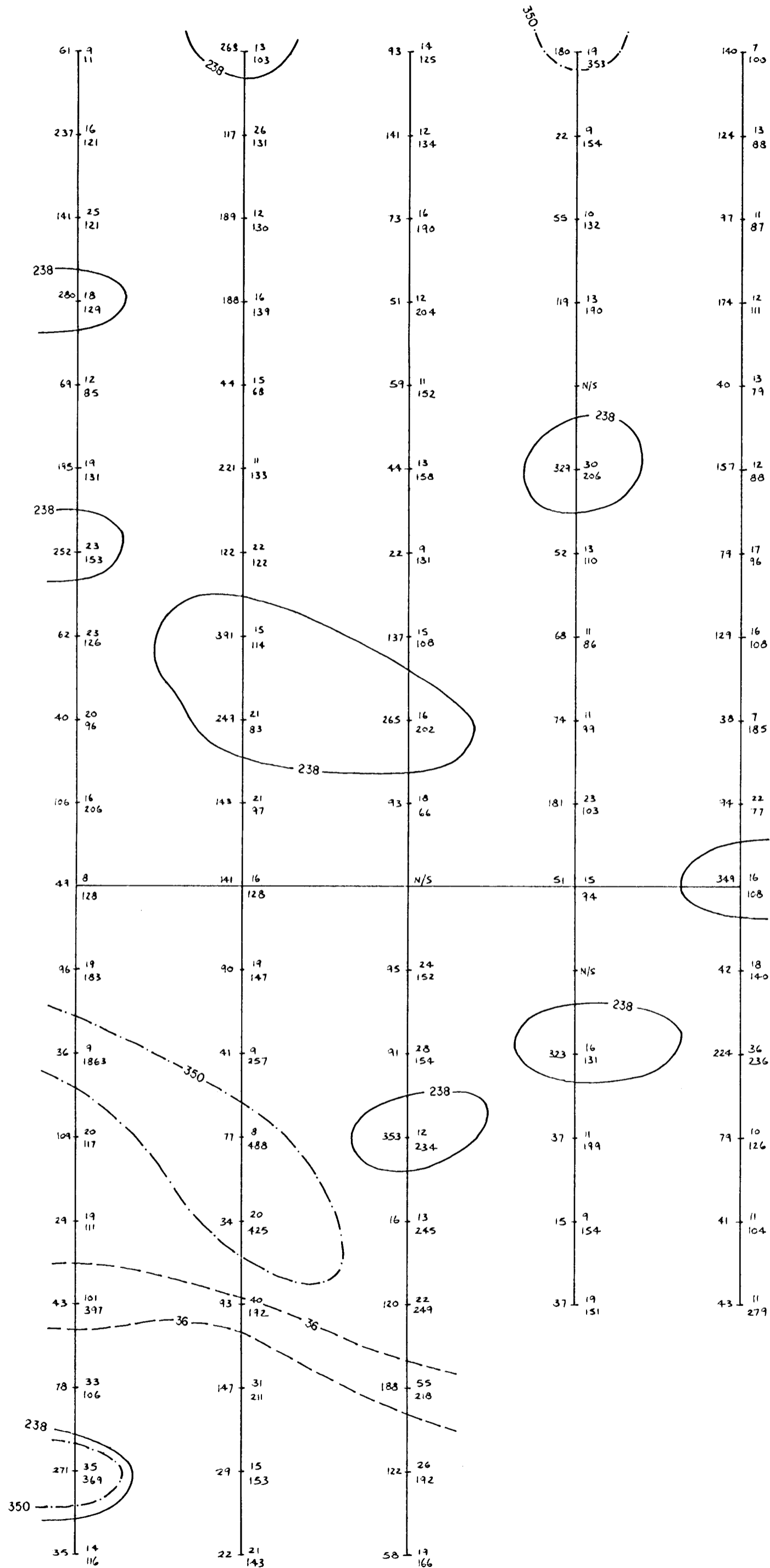


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GEOLOGICAL BRANCH
ASSESSMENT REPORT



CALLEX ENTERPRISES LTD.		
MORGAN CLAIMS CLAIM MAP		
KAMLOOPS MINING DIVISION BRITISH COLUMBIA		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn: J.R.P.	Checked: J.R.P.	Plan No.
Scale: As shown	Date: Nov. 24, 1987	2.



GEOLOGICAL BRANCH
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LEGEND

238 Cu ppm | Pb ppm 36
Zn ppm 350

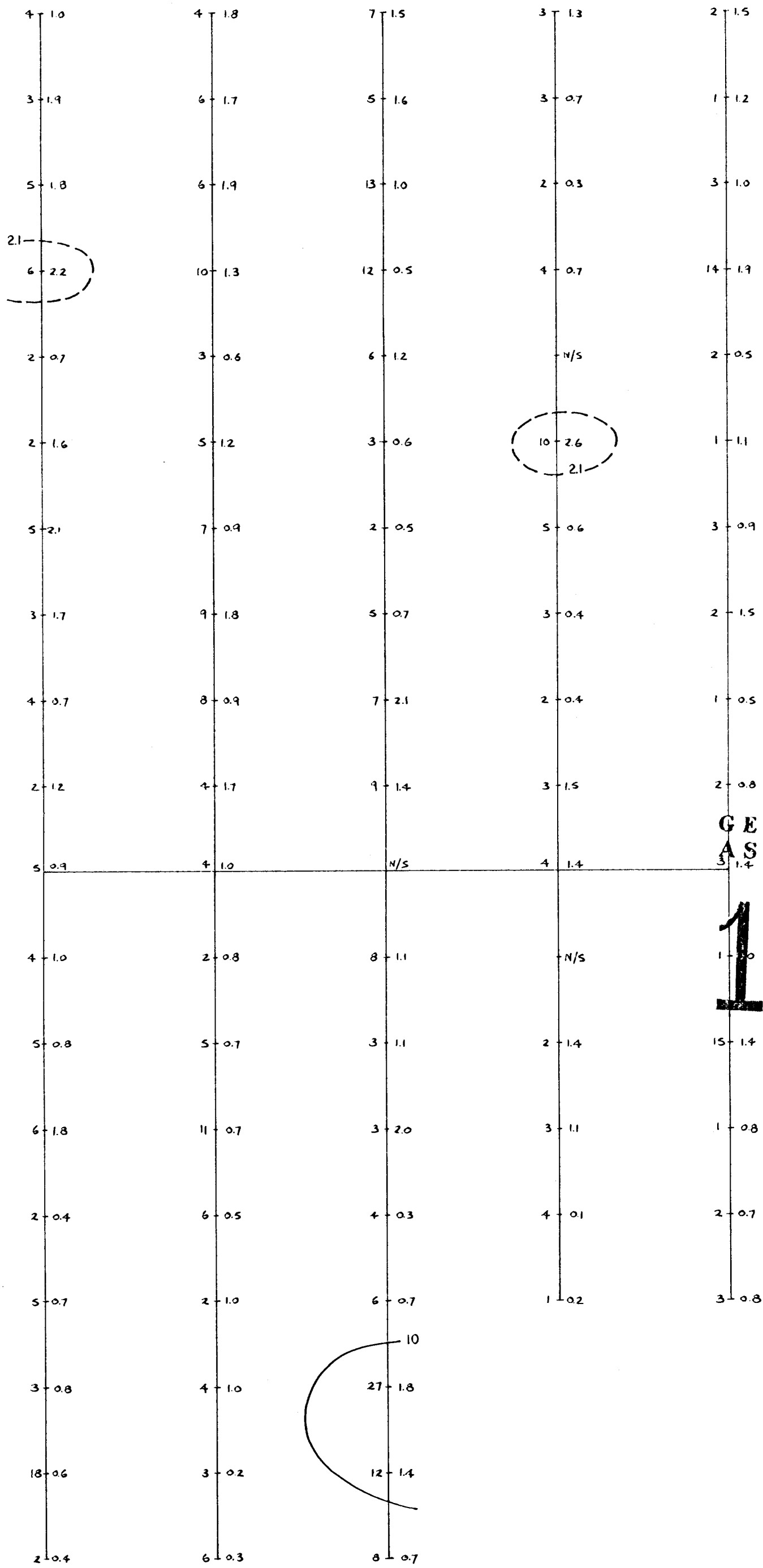


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MORGAN CLAIMS
SOIL GEOCHEMISTRY
COPPER PPM, LEAD PPM, ZINC PPM

JOHN R. POLONI & ASSOCIATES LTD.

Drawn. J.J.P.	Checked. J.R.P.	PLAN NO.
Scale. 1:250	Date. Nov. 24, 1987	6



GEOLOGICAL BRANCH
ASSESSMENT REPORT

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LEGEND

Au ppb | Ag ppm
10 | 2.1



CALLEX ENTERPRISES LTD.		
MORGAN CLAIMS SOIL GEOCHEMISTRY GOLD PPB, SILVER PPM		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn. J.J.P.	Checked. J.R.P.	PLAN NO.
Scale. 1:250	Date. Nov. 24, 1987	4