

ARIS SUMMARY SHEET

District Geologist, Victoria

Off Confidential: 89.06.07

ASSESSMENT REPORT 17445

MINING DIVISION: Nanaimo

PROPERTY: HPH
LOCATION: LAT 50 41 00 LONG 127 45 00
UTM 09 5615137 588309
NTS 092L12W 092L12E

CLAIM(S): Cliff, Jr 1-4
OPERATOR(S): Hisway Res.
AUTHOR(S): Christopher, P.A.; Magrum, M.
REPORT YEAR: 1988, 72 Pages

COMMODITIES

SEARCHED FOR: Gold, Silver, Lead, Zinc

GEOLOGICAL

SUMMARY: Triassic volcanics and carbonate rocks are intruded by dioritic stocks of the Island Intrusive Complex. Numerous mineral showings occur along an east-west striking contact between a carbonate unit and the base of a volcanic sequence. The showings consist of auriferous zinc-rich skarns and replacement zones.

WORK

DONE: Geological, Drilling
DIAD 381.5 m 6 hole(s); AQ
GEOL 100.0 ha
Map(s) - 3; Scale(s) - 1:2500
LINE 10.0 km
ROAD 2.0 km
SAMP 22 sample(s) ; CU, PB, ZN, AU, AG

MINFILE: 092L 069, 092L 076, 092L 241, 092L 242

LOG NO: 0130 RD. 2
ACTION: Date received report
back from amendments.
24 p
FILE NO:

LOG NO: 0608 RD.
ACTION:
FILE NO:

REPORT ON THE H.P.H PROPERTY
NANAIMO MINING DIVISION,
NAHWITTI LAKE AREA, BRITISH COLUMBIA

LOCATION:
N.T.S.: 92-L-12W
LATITUDE: 50° 41' 30"
LONGITUDE: 127° 47' 50"

CLAIMS:

CLIFF, J1 TO 4, HPH #1 TO #3
NAHWITTI, DORLON, LEXA, IRON HAT, KAINS, QUATSINO

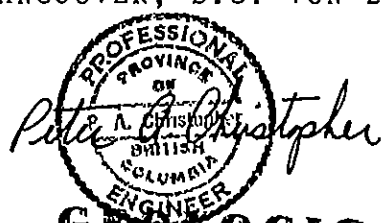
REPORT FOR:

HISWAY RESOURCES CORP.
827 FORT STREET
VICTORIA, B. C. V8W 1H6

FILMED

PREPARED BY:

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VANCOUVER, B.C. V6N 2K9



GEOLOGICAL BRANCH
ASSESSMENT REPORT
MARCH 24 1988

17,445
Part 1 of 2

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SUMMARY

The H.P.H. Property of Hisway Resources Corp., consisting of seven two post claims and 89 units in seven metric claims, covers a maximum possible area of 2125 hectares (5250 acres) in the Nanaimo Mining Division near Port Hardy, British Columbia. Excellent property access is provided by the main Holberg-Port Hardy Road with local access enhanced by recent logging of about 70% of the property.

The property has numerous showings and 15 named mineral occurrences that are documented in the British Columbia Government Mineral Inventory. Hisway Resources Corp. acquired the property to develop known replacement and skarn type mineral prospects on the old H.P.H. and surrounding claims, and to test a well mineralized stratigraphic interval at depth.

At least five types of occurrences are present on the property with precious metal enhanced silicified limestone (Main, Pit, Pond Zones) and auriferous zinc rich skarns and replacements (Dorlon Prospect) considered to be the most attractive exploration targets. Significant mineralized zones are generally associated with fault or fracture zones near limestone-intrusive contacts or felsite or andesite dykes within the limestone.

Chip samples collected by the writer contained 21.70 ounces silver over 2.1 meter at the Pit Zone, 22.06 ounces silver over 1.5 meter in the east shaft at the Main Showing and 7.80 ounces silver over 1.5 meters in a trench at the Pond Zone. Assays of up to 0.276 oz Au/ton and 26.40% zinc over 2.0 meters (Sutherland, 1966) and 0.301 oz Au/ton and 22.64% zinc over 1.6 meters (Magrum and von Einsiedel, 1988) have been reported for the Shaft Showing on the Dorlon Prospect.

The writer feels that the existing showings have potential for small tonnage operation but may be leakage from larger deposits. A success contingent, staged exploration program is outlined to test the potential of the zones at depth. A recommended Stage 1, Geophysical, Trenching and 1,000 meter diamond drill test is estimated to cost \$ 200,000. A contingent Stage 2, 2,000 meter diamond drill test is estimated to cost \$ 250,000. Further development will depend on the success of the initial phases and on the results of joint venture development of the Dorlon Prospect.

INTRODUCTION

The H.P.H. Property, consisting of seven two post claims and 89 units in seven metric claims, covers a maximum possible area of 2125 hectares (5250 acres) in the Nanaimo Mining Division near Port Hardy, British Columbia. The property was acquired by Hisway Resources Corporation to develop skarn type mineral prospects on the old H.P.H. and surrounding claims. The writer was retained by Hisway Resources Corp. to examine the property and recommend an appropriate exploration program for further development of the mineral property.

This report reviews the geological setting, known occurrences, previous exploration, and provides recommendations for success contingent exploration of the property.

LOCATION AND ACCESS (Figures 1 and 2)

The Hisway Resources Corporation property lies south and southeast of Nahwitti Lake on Northern Vancouver Island. The property is situated in N.T.S. map sheet 92-L-12 at geographic coordinates $50^{\circ} 41' 30''$ N. latitude and $127^{\circ} 47' 50''$ W. longitude about 21 kilometers west of Port Hardy. Access is via 26.5 kilometers of the Holberg-Cape Scott Road from Port Hardy. The main road passes within 30 meters of the east and west shaft portals on the H.P.H. #1 with the caved adit portal adjacent to the road. Local logging roads provide access to the Pit Zone on H.P.H. #3 and to the Pond Zone on H.P.H. #2.

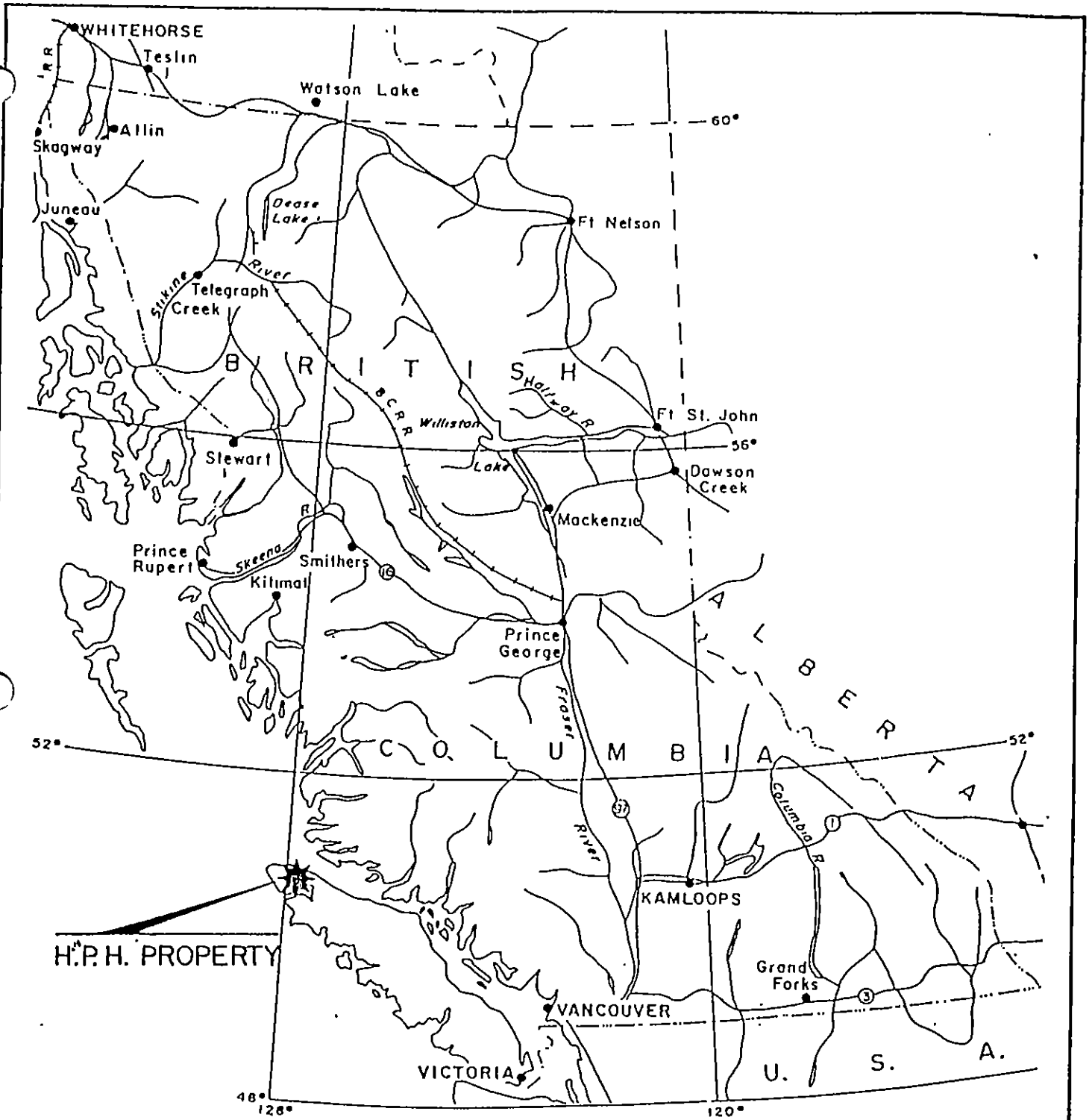
TOPOGRAPHY AND VEGETATION (Figure 2)

Relief within the property area is moderate with elevations ranging from 201 meters (660 feet) at Nahwitti Lake to 736 meters (2413 feet) at a peak west of Meade Creek. The areas of interest are generally below 366 meters (1200 feet).

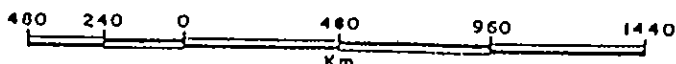
Vegetation is typical of the west coast rain forest with commercial timber consisting of cedar, hemlock and balsam. Logging operations have removed mature timber from about 80% of the property. Large parts of the property are low lying and swampy with outcrops restricted to creek valleys and areas of stronger relief.

PROPERTY DEFINITION

The H.P.H. Property, consisting of seven two post claims and 89 units in 7 metric claims, covers a maximum area of about 2125 ha. (5250 acres) in the Nanaimo Mining Division on map sheet 92-L-12. The H.P.H. claims have been continuously held since July 4, 1930 while the JRJ1 to JRJ4 and various metric claims have been recorded at various times since August 13, 1986. The Nahwitti, Dornon, Lexa, Iron Hat, Kains, and Quatsino claims were located by various members of the Scott family and optioned to Hisway Mining Corp. in January 1987. The Cliff claim was located in August 1987 by Rodney Zimmerman for Hisway Mining Corp. which completed purchase of the H.P.H. claims in August 1987. The property is presently held by Hisway Resources Corp. with Silver Drake Resources Ltd. holding an option to earn 50% interest in the Dornon Prospect area which includes the JRJ1 to JRJ4 and Cliff claims.



H.P.H. PROPERTY

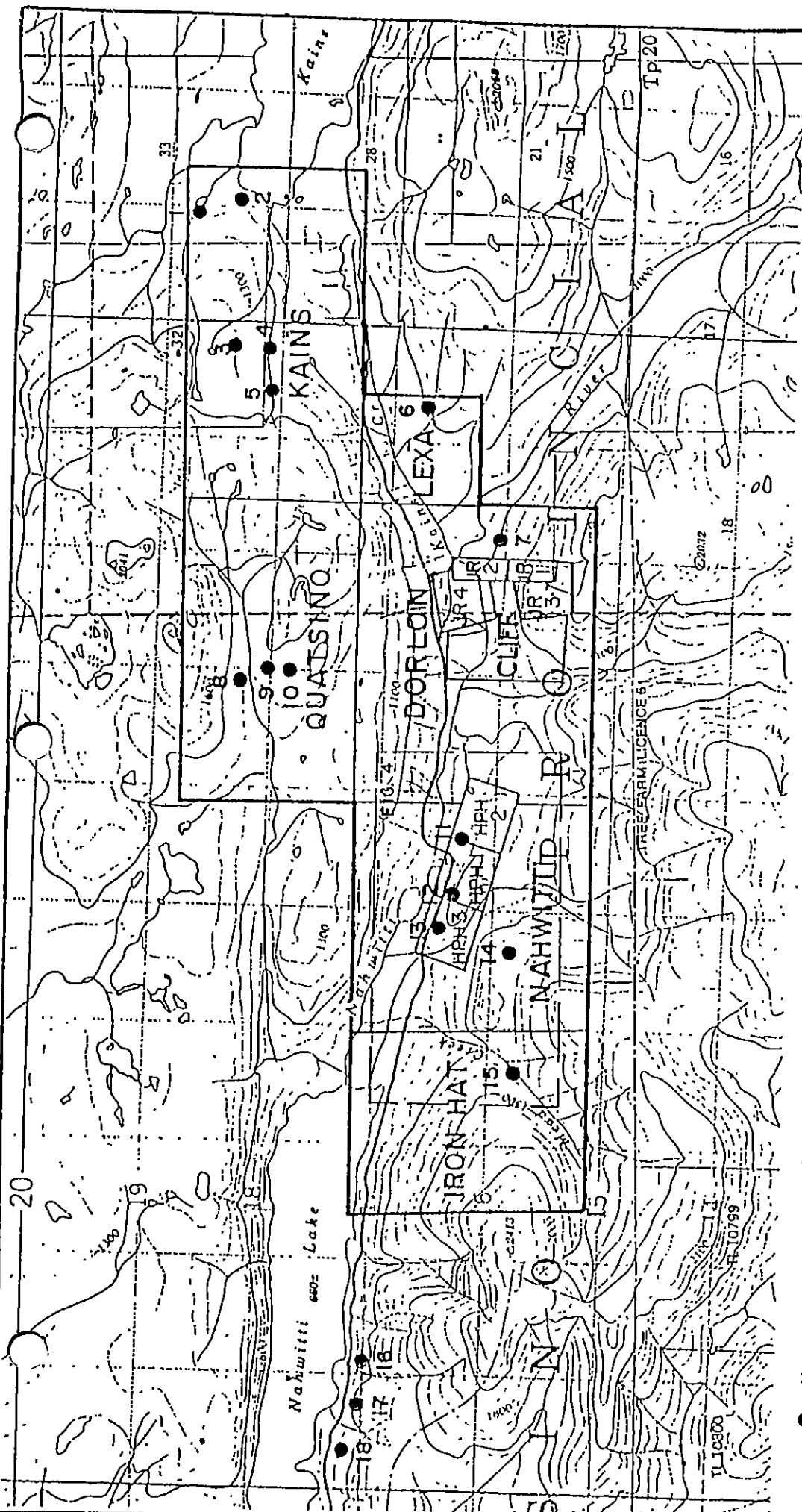


HISWAY RESOURCES CORP.

H.P.H. PROPERTY
LOCATION MAP

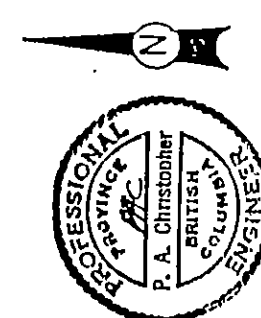
N.T.S. 92L - 12 NANAIMO M.D., B.C.

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HISWAY RESOURCES CORP.
 H.P.H. PROPERTY
**CLAIM MAP WITH
 MINERAL SHOWINGS**
 N.T.S. 92L-12 NANAIMO M.D., B.C.
 0 1 2 3 K.M.

P.A. CHRISTOPHER & ASSOCIATES LTD.
 SCALE AS SHOWN MARCH 1988 FIGURE 2



- Mineral showing
- How 26
 - " 24
 - " 12
 - " 14
 - " 15
 - Mar
 - Dorlon
 - Haw 44
 - Wil 21
 - Haw 34
 - HPH. 2
 - " Main
 - 13 " 3
- 14 HPH Bluff
 - 15 St Claire
 - 16 South Shore
 - 17 " "
 - 18 " "

Table 1 summarizes pertinent claim data with claim locations shown on Figure 2.

Table 1. Pertinent Claim Data for H.P.H. Property.

<u>Name</u>	<u>Record #</u>	<u>Units/Shape</u>	<u>Locator</u>	<u>Date Recorded</u>
H.P.H.#1	8597	Two-Post	S.S. Pugh	July 4/30
H.P.H.#2	8598	"	Meade Helper	July 4/30
H.P.H.#3	8599	"	F.K. Hicklenton	July 4/30
JLJ 1	2730	"	J. Nelson	April 29/87
JLJ 2	2731	"	J. Nelson	"
JLJ 3	2732	"	J. Nelson	"
JLJ 4	2733	"	J. Nelson	"
Nahwitti	2657	16/4Nx4E	Lexa Scott	May 6/87
Dorlon	2455	20/4Sx5W	Dorothea Scott	Aug 13/86
Lexa	2762	4/2Sx2E	Lexa Scott	Aug 17/86
Iron Hat	2761	12/3Wx4N	Dan Scott	Aug 17/87
Kains	2759	18/3Nx6E	Lexa Scott	Aug 17/87
Quatsino	2760	15/3Nx5W	Lexa Scott	Aug 17/87
Cliff	2769	4/2Sx2E	R. Zimmerman	Aug 19/87

HISTORY

In June, 1930, Messrs. Meade Helper, Frank K. Hicklenton, and S.S. Pugh of Hardy Bay discovered lead-zinc mineralization about 2 miles east of Nahwitti Lake and staked several H.P.H. claims. American Smelting and Refining Company examined the property, concluded an option, staked 28 additional claims, and explored the property during the later part of 1930. Development, mainly on H.P.H. Nos. 1 and 2 claims, consisted of surface stripping, numerous trenches, two short shafts, and a 111 foot long adit. The option was dropped in 1931. In September 1931, H. C. Gunning examined and mapped the H.P.H. showings for the Geological Survey of Canada (Gunning, 1931).

In June 1936 the claims were under option to W.G. Dickinson of Victoria. Additional claims were staked and limited additional trenching was conducted.

In 1945, Sheep Creek Mines Ltd. drilled eight X-ray holes in the area of the H.P.H. Nos. 1 and 2, and reportedly intersected interesting mineralization. In 1947, the property was held under option by The Western Mining and Development Syndicate. The syndicate conducted geological mapping and radiograph and magnetic surveys (Wilson, 1948). B. O. Erickson is believed to have drilled 3,000 feet and encountered good mineralization, but no records are available.

In 1952, American Mining and Smelting again optioned the property and drilled 13 holes totalling 1,667 feet to test the South Shore Prospect about two miles west of the H.P.H. showings. Hole #2 is reported by Starck (1965) to have intersected 40.5 feet grading 0.15% Pb and 3.0% Zn.

The H.P.H. claims were optioned to Giant Explorations Ltd in August 1965. Giant Explorations explored the property from 1965 to December 1974 when the option was terminated. In 1965, Giant Explorations Limited blasted 500 feet of trenches. In 1966, Giant Explorations Limited explored the property with a geochemical survey (Sutherland, 1966) and 2,863 feet of diamond drilling in 21 holes (see Table 2). In 1968, exploration included geological and magnetometer surveys, hand stripping and pitting, and 17 holes totalling 1,870 feet were drilled. Airborne electromagnetic work over the entire claim group and limited induced polarization work was conducted during 1969 to 1971. In 1972 exploration shifted to the Dorlon Showing on the Silva 2 Group with grid geophysical and geochemical surveys and three X-ray diamond drill holes totalling 350 feet. In 1973 and 1974 additional geochemical sampling and trenching was conducted in the area of the TS Road Showing and Bluff Showings in the Taxi-Sun Grid and on Dorlon Showing in the Silva Grid. Giant Explorations Limited relinquished their option in December 1974.

Table 2. Drill Intersections by Giant Explorations Ltd.

Hole	Year	Interval	Cu%	Zn%	Pb%	oz/ton		Comments	
						Ag	Au		
NL-1	1966	15-17'	.01	4.37					
NL-2	1966	4-9.5'	1.28	0.10		.85		Norman #1	
		25.5-35'	1.52	<.05		.66		"	
NL-4	1966	3-34.5'	1.32	0.49		.53		"	
NL-5	1966	26-34'	0.77	0.29		.85		"	
NL-19	1966	38-44'		8.66	1.91	.56		"	
		44-67'	0.14	4.83	3.05	6.0		HPH #3	
NL-20	1966	57-75'		7.38	6.91	5.0		"	
NLR-1	1972	51.5-67.5'	0.51	0.03	0.01	10.8		0.01	"
		inc. 61-67.5'	0.87	0.04'	0.01	0.44		0.013	Dorlon
		72-82'	0.37						"
		82-97'	0.17						"
NLR-2	1972	72.5-73.5'	0.08	7.46	0.03	0.55		"	
NLR-3	1972	62.5-63.5'	0.03	11.21	0.01	0.17		"	

In 1979, Lorede Resources Ltd., Agilis Exploration Services Ltd. and Cyclone Developments Ltd. held claims called the Gold, Dust and Big Joe in the area of the present property with grid construction and geological surveys conducted. Tally Resources constructed grid and geologically mapped the Pato claim.

In 1980, Ron Stanwood prospected the JR claims and Silver Bar Resources prospected the HPH and Norman claims. In 1983, Trawler Petroleum Exploration conducted geological and geochemical programs on the Stump claims. In 1984, D. Petersen conducted prospecting and geochemical surveys for Darwin Engineering Ltd., on the Misty (South Shore) and Mead claims (HPH Bluff, HPH, St. Claire), and grid geochemical surveys on the Stump claims for Trawler Petroleum.

Hisway Mining Corp. optioned the H.P.H. Nos. 1 to 3 from the family of the original prospectors in March 1987 with the purchase completed in August 1987. Hisway Mining Corp. optioned six metric mineral claims from the Scott family of Duncan, British Columbia in

January 1987, and staked the Cliff claim on August 15, 1987 to cover possible open ground resulting from lapse of the JR 1 to JR 4 claims.

In the fall of 1987 Hisway Resources Corp. was formed in order to develop the H.P.H. Property with Silver Drake Resources Ltd. granted an option to earn a 50% interest in the Cliff and JRJ claims (Dorlon Prospect Area). Peter Christopher and Associates Inc. was retained to evaluate the setting of the H.P.H. Property and recommend an appropriate program for further exploration.

REGIONAL GEOLOGY (Figure 3)

The regional geology of the Rupert Inlet-Cape Scott Map-Area has been reported on by Northcote (1970) and Muller et al. (1974). Figure 3 shows the regional geology after Northcote (1970). Northcote shows the area to be underlain by five main units:

Intrusive Rocks with varied composition from diorite to granite and includes porphyritic phases. The unit includes Island Intrusions of Jurassic age, quartz feldspar porphyry, rhyolite dykes and sills, mafic intrusives and basalt to dacite dykes.

Lower Cretaceous Sedimentary Rocks (Longarm Formation) consists of conglomerate, sandstone, siltstone, shale with carbonaceous horizons, and a few thin coal seams.

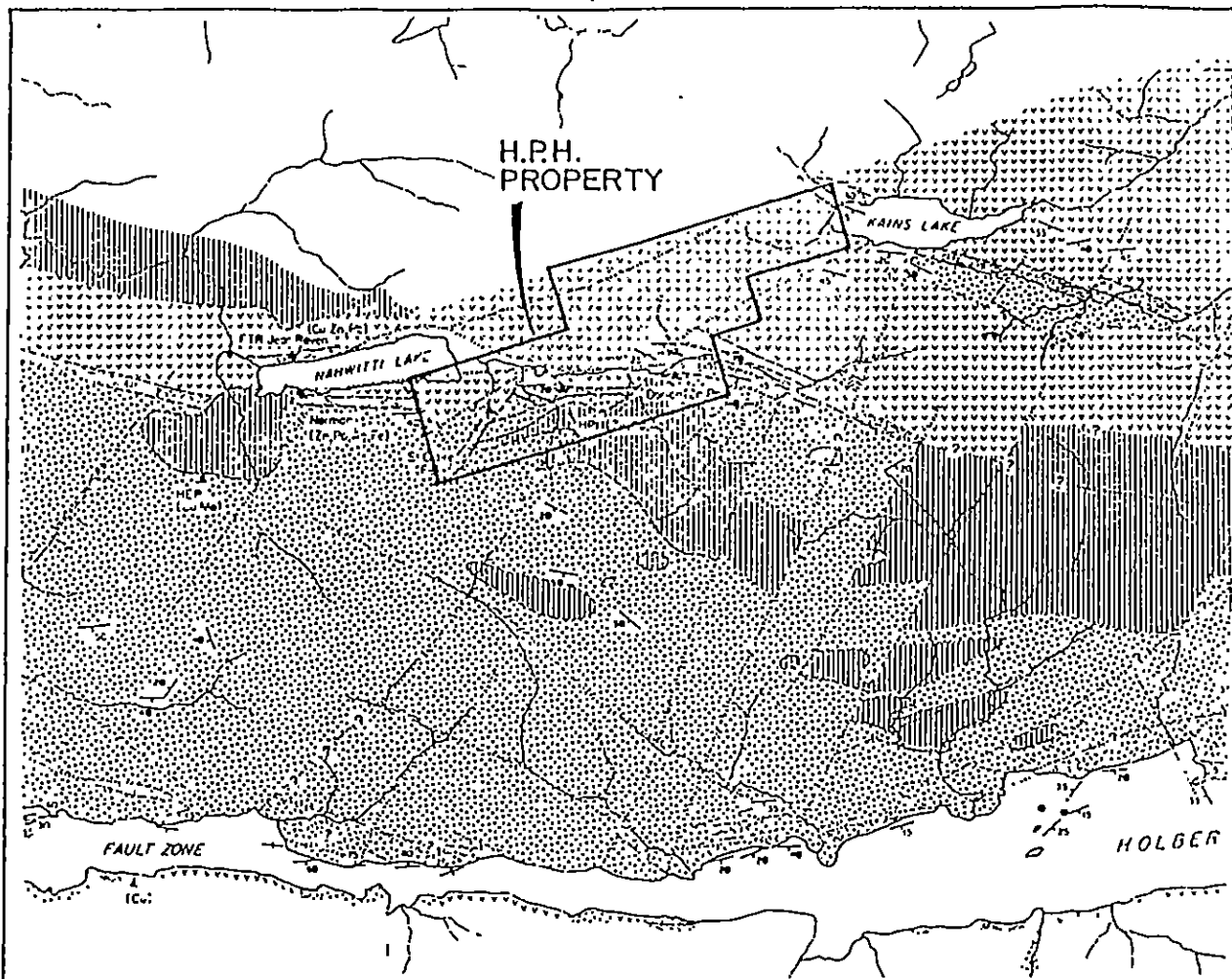
Bonanza Subgroup ranges from Upper Triassic to Lower Jurassic age and is divided into lower sedimentary and upper volcanic units.

Quatsino Formation near intrusive rocks, limestone of this units may be recrystallized to marble, silicified, or skarnified. Chalcopyrite and magnetite occurs with skarn and lead, zinc, and silver mineralization may occur with siliceous alteration.






Karmutsen Formation consists of Triassic age basaltic lava, pillow lava, breccia and aquagene tuff.

Triassic Sedimentary and volcanic rocks are collectively referred to as the Vancouver Group and are unconformably overlain by Lower Cretaceous sedimentary rocks.







The Karmutsen Formation shows a low grade of regional metamorphism with pervasive chloritization and epidotization. The Bonanza rocks are locally epidotized and chloritized. The area contains several widespread zones of propylitic alteration with restricted areas of argillic, pyrophyllitic, and siliceous alteration. Northcote stated that, "The belt of intrusive stocks and the accompanying hydrothermal alteration, silicification, and development of skarn occurring between Rupert Inlet and the mouth of the Stanby River is one of very high mineral potential."



LEGEND

- 
INTRUSIVE ROCKS
 VARIED COMPOSITION FROM D'ORITE TO GRANITE AND INCLUDES PORPHYRITIC PHASES
- 
LOWER CRETACEOUS SEDIMENTARY ROCKS
 CONGLOMERATE, SANDSTONE, SILTSTONE, SHALE, CARBONACEOUS HORIZONS
- 
BONANZA SUBGROUP
 UPPER VOLCANIC UNIT, LARGELY PYROCLASTIC TUFF, LAPILLI TUFF AND TUFF BRECCIA OF ANDESITE AND BASALT COMPOSITION WITH SOME BASALT AND RHYODACITE FLOWS AT THE TOP OF THE UNIT
 LOWER SEDIMENTARY UNIT: THIN BEDDED ARGILLACEOUS AND CARBONACEOUS LIMESTONE, CALCAREOUS SHALE AND SILTSTONE AND GREYWACKE
- 
QUATSINO FORMATION
 LIMESTONE, MEDIUM TO THICK BEDDED
- 
KARMUTSEN FORMATION
 BASALTIC AMYGDALOIDAL AND MASSIVE FLOWS, INTERBEDDED TUFF, SOME PILLOW BRECCIA AND POORLY DEVELOPED PILLOWS, THIN LIMESTONE BEDS NEAR TOP OF FORMATION

SYMBOLS

- CONTACTS:**
- 
 KNOWN
 - 
 APPROXIMATE
 - 
 ASSUMED
 - 
 LINEAMENTS FROM AIR PHOTOGRAPHS
 SOME OF THESE ARE KNOWN TO REPRESENT FAULTS
 - 
 BEDDING
 - 
 MINERAL DEPOSITS



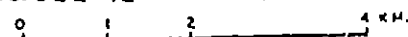
HISWAY RESOURCES CORP.

H.P.H. PROPERTY

REGIONAL GEOLOGY

N.T.S. 92 L - 12

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SCALE AS SHOWN

MARCH 1988

FIGURE 3

Post-Lower Cretaceous block faulting, along northwest trends, dominates the deformation pattern at the north end of Vancouver Island. A major fault system follows Holberg Inlet with other sub-parallel structures passing through William Lake-Fisherman River and Nahwitti Lake. Numerous northeast trending structures have indicated offsets of several hundred feet.

Stratigraphic trends follow the major northwesterly faults with bedding generally gentle to moderate southwesterly. Local steeper or reversals of dips result from faulting and folding and flexing of bedding occurs along major faults.

PROPERTY GEOLOGY (Figure 4)

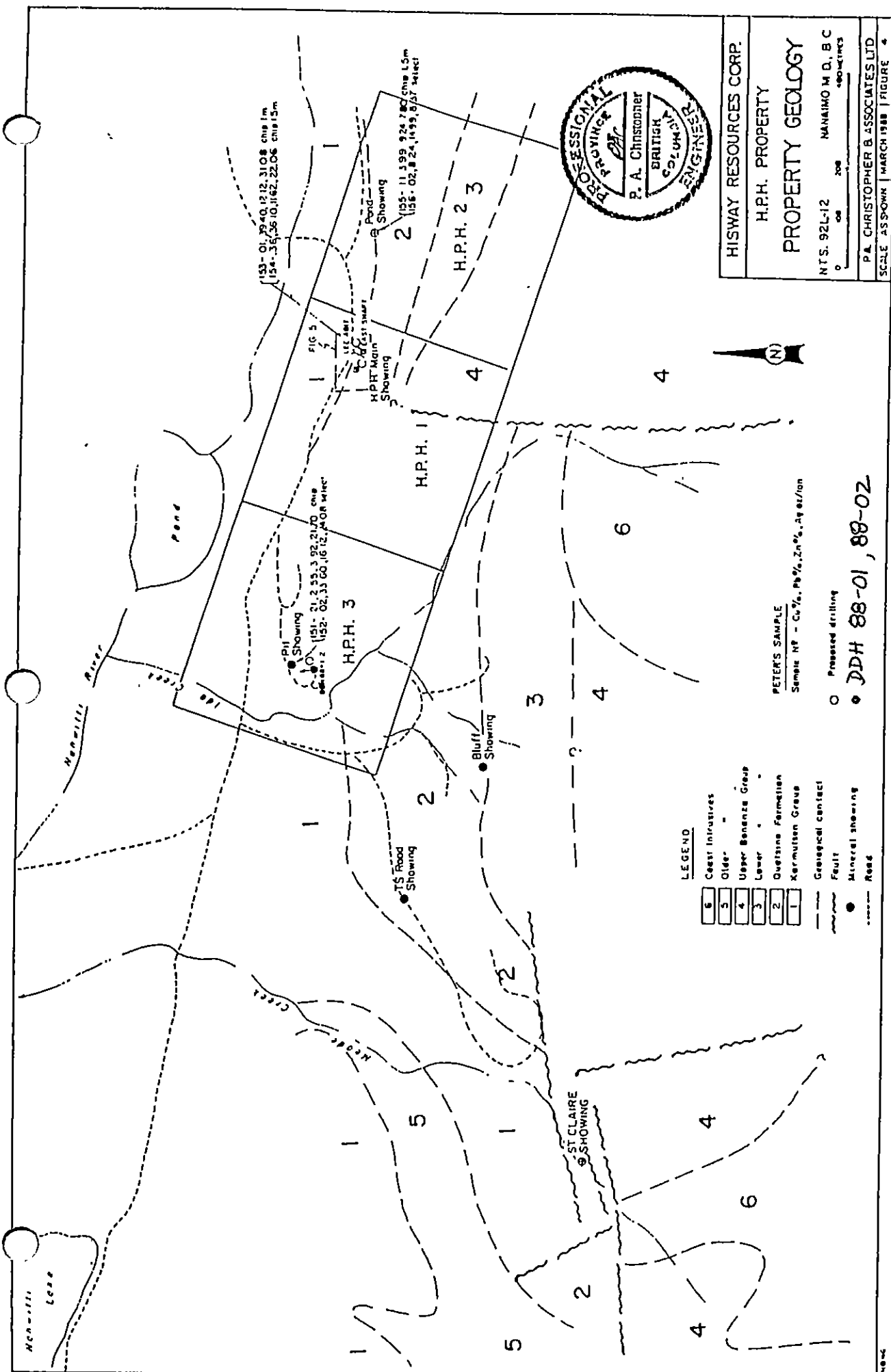
The H.P.H. Property area is underlain by rocks of the Vancouver Group, which are intruded by Coast Intrusives granodiorite and older diorite and felsite dykes. Mineralization occurs in a 500 foot thick section of Quatsino Limestone. The limestone bed strikes west northwest and dips 20° to 70° south (Northcote, 1970). Sutherland (1966) noted that, near Nahwitti Lake, individual strikes vary from west to $N 40^{\circ} W$.

The band of Quatsino limestone is bounded conformably on the south by Bonanza volcanic rocks and on the north by Karmutsen Volcanics. The limestone unit extends the length of the property with the exception of areas where it is interrupted by Coast Intrusions and faulting from northerly to $N40^{\circ}W$. Intrusions are situated west of Meade Creek, between the H.P.H. and Dorlon showings, and south of the H.P.H. and Iron Hat (St. Claire) Showings (Figure 4 after Sutherland, 1966). A large felsite mass intrudes the sequence along and west of Meade Creek with several similar narrow dykes at the H.P.H. Main Showing.

About a mile west of the H.P.H. showings, the Dorlon Zinc-gold showings occur near the contact of the Quatsino Limestone and the sedimentary division of the Bonanza unit. A body of Coast Intrusive, hornblende monzonite to granodiorite occurring between the H.P.H. and Dorlon Showings, is considered to have caused the mineralization. Faults and contacts appear to control solution movement from the intrusive bodies.

MINERALIZATION

Numerous occurrences of lead, zinc, copper, gold, silver, cobalt and molybdenum which include several named B.C. Mineral Inventory Occurrences (Figure 2) are situated in a eight kilometer long mineral belt, passing through Nihwitti Lake. Mineral Inventory Prospects include: H.P.H. (MI 92L-69, 241, 242), H.P.H. Bluff (MI 92L-243); South Shore (RAS, HSW) or Norman (MI 92L-74, 244, 245), St. Claire (MI 92L-75); and Dorlon, Rain, or Ucan (MI 92L-76). Mineralization occurs within the Quatsino Limestone unit of the Vancouver Group, generally within a mile of the Coast Intrusive masses and near faults. Structures that controlled mineralization also appear to have controlled emplacement of felsite, diorite and andesite dykes which are in the proximity of most showings.



Nechastli
 Lease

Nechastli
 River

Pond

Keefer
 Creek

153-01, 29, 40, 12, 3108 chis 1m
 154-35, 36, 10, 1162, 22, 06 chis 15m

PH Showing
 151- 21, 25, 3 82, 21, 70 chis
 152- 02, 33 60, 16 12, 408 meter

FIG 5
 ULCAR
 C. G. 131 street
 H.P.H. Main
 Showing

Pond
 Showing

155- 11, 399 324 70 chis 15m
 156- 02, 8 24, 1499, 87 reflect

H.P.H. 3

H.P.H. 1

H.P.H. 2 3

Bluff
 Showing

T.S. Road
 Showing

ST CLAUDE
 SHOWING



Mineralization exposed on the property can be classified under five types of occurrences:

- 1) Zinc rich skarn deposits containing minor copper and silver minerals (eg. South Shore Prospects),
- 2) Siliceous cherty replacements in limestone with associated lead, zinc and minor copper minerals (eg. H.P.H. Main Show),
- 3) Veinlets and disseminations of sphalerite in limestone bands which may also contain lead, silver and gold minerals (eg. Dorlon),
- 4) Magnetite, pyrite contact deposits occasionally containing minor copper and zinc sulphides (eg. St. Claire).
- 5) Copper in basic volcanics of the Karmutsen Group (eg. HAW).

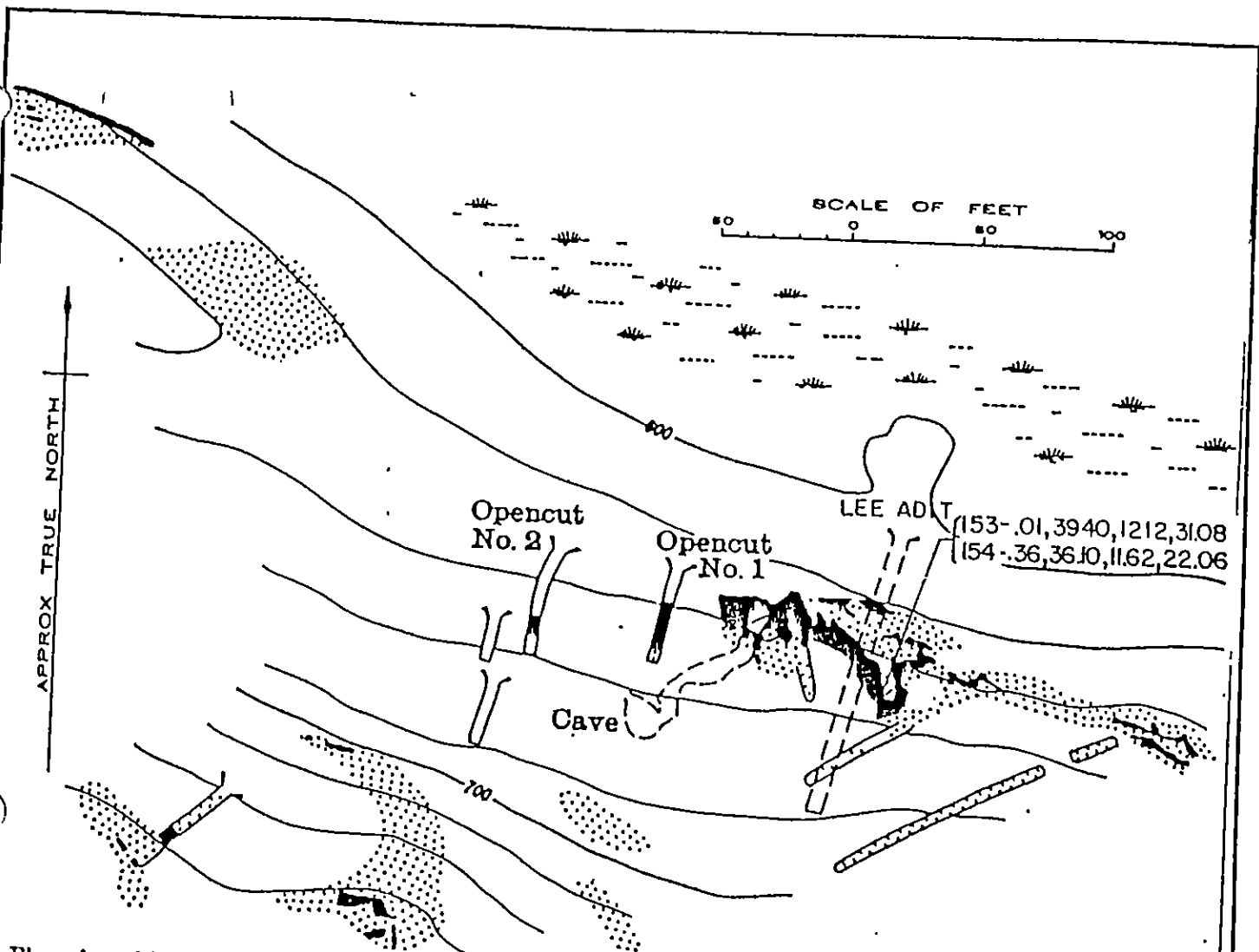
Prospects located in limestones are typical of skarn and replacement deposits with massive and disseminated sulfide replacement zones localized along lithologic contacts, fractures, fault zones, and intrusive contacts. Of the several types of occurrences on the property, the H.P.H. and Dorlon types are considered to have the best potential for developing economic deposits because of enhanced precious metal content.

Assays of up to 0.276 oz Au/ton and 26.40% zinc over 2.0 meters (Sutherland, 1966) and 0.301 oz Au/ton and 22.64% zinc over 1.6 meters (Magrum and von Einsiedel, 1988) have been reported for the Shaft Showing on the Dorlon Prospect. Select samples assaying up to 0.94 oz Au/ton have been reported by both Sutherland (1966) and in the 1936 B.C. Minister of Mines Report. A 16 foot section from 51.5 feet to 67.5 feet in Hole NLR-1-72 assayed 0.51% copper and 0.048% cobalt.

The principal showings and most of the development on the H.P.H. Property are on the original H.P.H. Nos. 1 to 3 claims. The main showings on the H.P.H. No. 1 were originally mapped as shown in Figure 5 by Gunning (1931). The main showing occurs in silicified limestone that is cut by a number of andesitic to felsic dykes. Similar mineralized, silicified limestone occurs 600 meters west and 200 meters east of the main showing at the Pit and Pond Zones, respectively (Figure 4). Chip samples collected by the writer contained 21.70 ounces silver over 2.1 meters at the Pit Zone, 22.06 ounces silver over 1.5 meters in the east shaft at the Main Showing and 7.80 ounces silver over 1.5 meters in a trench at the Pond Zone. Gunning's (1931) examinations of polished surfaces of main showing specimens revealed tetrahedrite and possibly dyscrasite (silver antimonide) with sphalerite and galena. The writer's sample locations and assay results are shown on Figures 4 and 5 with analytical results summarized in Table 3 and Appendix A.

Table 3. Summary of Sampling of HPH Property.

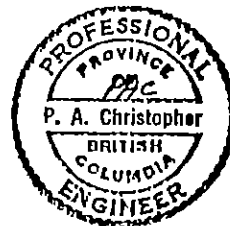
Sample #	Type	Length	%Cu	%Pb	%Zn	Ag	Au	Comment
						oz/t		
0151	Chip	2.1m.	.21	2.55	3.92	21.70	.002	>10% Cpy, Sph, Gn
0152	Select		.02	33.60	16.12	24.08	.003	Dump Pit Z.
0153	Chip	1.0m.	.01	39.40	12.12	31.08	.002	E Shaft Collar
0154	Chip	1.5m.	.36	36.10	11.62	22.06	.003	In E Shaft
0155	Chip	1.5m.	.11	3.99	9.24	7.80	.002	Pond Zone
0156	Select		.02	8.24	14.99	8.37	.002	" "



Plan of workings H.P.H. group, Nahwitti lake, Vancouver island, British Columbia. Mineralized areas where exposed shown by solid black; outcrops of limestone by stipple pattern; a few small outcrops of diabase and silicified limestone are not indicated.

PETER'S SAMPLE

Sample No. - Cu % , Pb % , Zn % , Ag oz/ton.



HISWAY RESOURCES CORP.	
H.P.H. PROPERTY	
H.P.H. MAIN SHOWING	
N.T.S. 92 L - 12	NANAIMO M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES LTD.	

At the St. Claire iron prospect, an extensive development of garnet and epidote with magnetite, minor pyrrhotite, pyrite, and occasional arsenopyrite, is situated against granodiorite.

The Bluff Showing occurs in Quatsino Limestone immediately adjacent to the Quatsino-Bonanza contact. Two small lenticular bodies sub-parallel the south-dipping contact and contain pyrite, sphalerite and minor amounts of galena.

DISCUSSION OF H.P.H. PROPERTY

The H.P.H. property covers a ten kilometer belt of Vancouver Group rocks which Northcote (1970) suggested as having excellent exploration potential. Intrusive rocks injected along the belt have caused silicification and related copper, lead, zinc, silver and gold mineralization with 15 named mineral occurrences on the property (Figure 2). Samples collected by the writer confirm the presence of excellent silver values at showings on the original H.P.H. Nos. 1 to 3, and previous sampling indicates some excellent gold values at the Dorlon Prospect (presently under option to Silver Drake Resources Ltd.). Continued interest in the belt results from the impressive nature of surface mineralization at the Main Showing and is demonstrated by the fact that the H.P.H. Nos. 1 to 3 have been continuously held and repeatedly optioned since initial staking in 1930. American Smelting and Refining Company optioned the claims in 1930 and again in 1952, Sheep Creek explored the property in 1945, and Giant Explorations Limited held an option from 1965 to 1974.

The writer feels that impressive surface showings and encouragement from previous drilling gives the property excellent potential for at least a moderate size deposit with strong precious metal content and that the numerous surface indications may represent leakage from large deposits at depth. An electromagnetic method capable of detecting mineralized bodies at depth should be employed to prioritize drill target selection. Testing at depth below the Main, Pit, and Pond Zones is warranted.

CONCLUSIONS AND RECOMMENDATIONS

The H.P.H. Property covers 10 kilometers of favourable exploration terrane for replacement and skarn type deposits of silver, lead, zinc, copper, gold and cobalt. The quality of the main showings is reflected in the fact that the initial claims have been held since the discovery in 1930 and that serious exploration companies have made repeated efforts to develop the potential. Early efforts were hampered by difficult access and heavy forest cover, but recent logging has resulted in excellent road access and limited forest cover.

The property has excellent potential for moderate size, base metal skarn and replacement deposits with enhanced precious metal content. The numerous surface showings may represent leakage from larger deposits at depth. The Pond, Main, and Pit Zones presently warrant testing at depth. Application of modern electromagnetic and/or induced polarization methods should develop a number of additional drill targets.

A success contingent, staged exploration program is recommended for further testing of the H.P.H. Property. A recommended Stage 1 geophysical, trenching and 1,000 meter drilling program should concentrate on Pit, Main, and Pond Zones in the original H.P.H. claims. Contingent on successful completion of the Stage I program, a Stage 2, 2,000 meter drill test is estimated to cost \$ 250,000. Cost estimates for the proposed exploration programs follow:

COST ESTIMATES

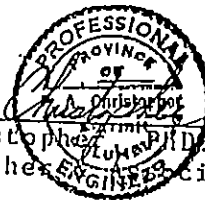
STAGE 1. Geophysical, Trenching, Diamond Drilling.

Project Preparation & Mobilization.....	\$ 3,000
Field Supervision.....	15,000
Field Assistance.....	5,000
Transportation & Accommodation.....	5,000
Grid Preparation.....	5,000
Geophysical Surveys.....	25,000
Trenching & Site Preparation.....	15,000
Diamond Drilling 1,000 meters @ \$ 85/meter.....	85,000
Geochemical Analyses.....	5,000
Consumables.....	2,000
Engineering & Reporting.....	10,000
Contingency.....	25,000
Stage 1 Total	<u>\$ 200,000</u>

STAGE 2. Site Preparation & Diamond Drilling (Contingent).

Project Preparation & Mobilization.....	\$ 3,000
Field Supervision.....	15,000
Field Assistance.....	5,000
Transportation & Accommodation.....	5,000
Site Preparation.....	5,000
Diamond Drilling 2,000 meters @ \$ 82/meter.....	164,000
Geochemical Analyses.....	10,000
Consumables.....	3,000
Engineering & Reporting.....	10,000
Contingency.....	30,000
Stage 2 Total	<u>\$ 250,000</u>

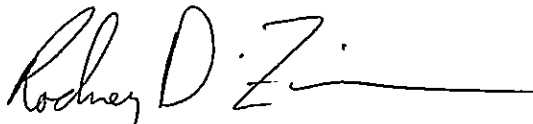
Peter A. Christopher
Peter A. Christopher, P.Eng.
Peter Christopher Associates Inc.
March 24, 1988



Statement of Costs

During the period December 1, 1987 to February 28, 1988 the following expenditures were incurred by Hisway Resources Corporation on the HPH # 1 to #3, Dorlon, Lexa, Quatsino, Kains, Iron Hat, and Nahwitti mineral claims.

Ram Explorations Ltd. for drilling and mapping	\$17,223
North Island Rockpro Inc. drill, blast, and excavate trenches	\$11,500
Stephen A. Salaga Ltd for equipment rentals	\$1,900
Total	\$30,623



Rodney D. Zimmerman, M.Sc., P.Eng
Project Engineer

COST BREAKDOWN

RAM Exploration Ltd. Direct Drilling Charges for DDH 88-1, DDH 88-2 on H.P.H. Property	17,223.00
NORTH ISLAND ROCKPRO INC. Drill, blast, haul to crusher, crush to $\frac{1}{2}$ " minus 1000 tons ore @\$11.50/ton	11,500.00
Stephen A. Salaga Ltd. Truck rental 2 months @\$950.00/month	1,900.00
SUBTOTAL	30,623.00
Engineering Examination 2 days @\$400.00/day	800.00
Report	2,236.44
Drafting 10 hours @\$17.00/hour	170.00
Geochemical Costs: Rock sample preparation 6 samples @\$3.00/sample	18.00
Assays 6 samples @\$18.75/sample	112.50
Transportation/ Accommodation Expendible supplies	286.04
TOTAL	34,245.98

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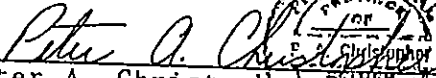
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CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

- 1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.
- 2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.
- 3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.
- 4) I have been practising my profession as a Geologist for over 20 years.
- 5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Hisway Resources Corp. or associated companies.
- 6) I have based this report on previous exploration experience in the Port Hardy Area, a review of government and company reports listed in the bibliography, a field examination conducted by me on February 12, 1988 and an exploration programs conducted by Hisway Resources Corp. and Silver Drake Resources Ltd.
- 7) I consent to the use of this report by Hisway Resources Corp. for any Filing Statement, Statement of Material Facts, or Prospectus issued by the company.


Peter A. Christopher, P. Eng.
Peter Christopher & Associates Inc.
March 24, 1988



APPENDIX A.
CERTIFICATES OF ANALYSIS

ONE ANALYTICAL LABORATORIES LTD.

DATE RECEIVED: FEB 15 1988

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716 DATE REPORT MAILED:

Feb. 22/88.

ASSAY CERTIFICATE

- SAMPLE TYPE: ROCK

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

PETER CHRISTOPHER PROJECT-HPH File # 88-0424

SAMPLE#	CU %	PB %	ZN %	AG OZ/T	AU OZ/T
K 0151	.21	2.55	3.92	21.70	.002
K 0152	.02	33.60	16.12	24.08	.003
K 0153	.01	39.40	12.12	31.08	.002
K 0154	.36	36.10	11.62	22.06	.003
K 0155	.11	3.99	9.24	7.80	.002
K 0156	.02	8.24	14.99	8.37	.002

Peter Christopher & Associates Inc.

GEOLOGICAL & EXPLORATION SERVICES

3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

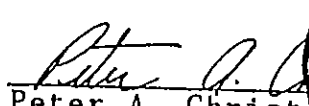
March 24, 1988

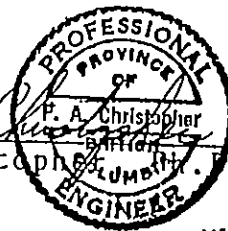
Hisway Resources Corp.
827 Fort Street
Victoria, British Columbia
V8W 1H8

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated March 24, 1988 on the H.P.H Property, Nanaimo Mining Division, in any Filing Statement, Statement of Material Facts, or Prospects issued by Hisway Resources Corp.

Dated at Vancouver, British Columbia, this 24th day of March, 1988.


Peter A. Christopher, P.Eng.



The seal is circular with the text "PROFESSIONAL ENGINEER" around the perimeter and "PROVINCE OF BRITISH COLUMBIA" in the center. The name "P. A. Christopher" is stamped across the seal.