

ARIS SUMMARY SHEET

District Geologist, Smithers

Off Confidential: 89.03.28

ASSESSMENT REPORT 17536

MINING DIVISION: Liard

PROPERTY: Au
LOCATION: LAT 56 53 04 LONG 131 01 24
UTM 09 6306133 376711
NTS 104B14E 104B15W

CLAIM(S): Au 1-2, Biz, Nez
OPERATOR(S): Chandi Res.
AUTHOR(S): Ikona, C.K.; Kiesman, W.D.
REPORT YEAR: 1988, 33 Pages

COMMODITIES

SEARCHED FOR: Gold, Copper

GEOLOGICAL

SUMMARY: Upper Paleozoic-Upper Triassic sediments and volcanics are intruded by syenitic intrusions. Disseminated and banded chalcopryrite, bornite, chalcocite +/- pyrite +/- gold +/- silver are associated with a magnetite-hematite-chlorite-garnet skarn. The Dirk showing located on the Au 1 claim and the Ridge showing on the Au 2 claim are skarns found at syenite-limestone contacts.

WORK

DONE: Geological, Physical

FOTO 1575.0 ha

Map(s) - 1; Scale(s) - 1:10 000

SAMP 4 sample(s) ; AU, CU, PB, ZN, AG, AS

TOPO 1575.0 ha

MINFILE: 104B 114

LOG NO: 0627	RD.
ACTION:	
FILE NO:	

GEOLOGICAL REPORT
ON THE
AU 1, AU 2, BIZ, NEZ MINERAL CLAIMS

Located in the Iskut River Area
Liard Mining Division
NTS 104B/15W, 14E

FILMED

56°50' North Latitude, 131°00' West Longitude

GEOLOGICAL BRANCH
ASSESSMENT REPORT

- Prepared for -

CHANDI RESOURCES CORP.

17,536

- Prepared by -

W.D. KIESMAN, Geologist
C.K. IKONA, P.Eng.

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VANCOUVER, B.C.

June, 1988

GEOLOGICAL REPORT on the AU 1, AU 2, BIZ, NEZ MINERAL CLAIMS

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1.0 INTRODUCTION

Chandi Resources Corp.'s Au 1, Au 2, Biz and Nez claims (78 units) are located nine kilometres northwest of Newmont Lake which is approximately 20 kilometres north of the Iskut River in northwestern British Columbia.

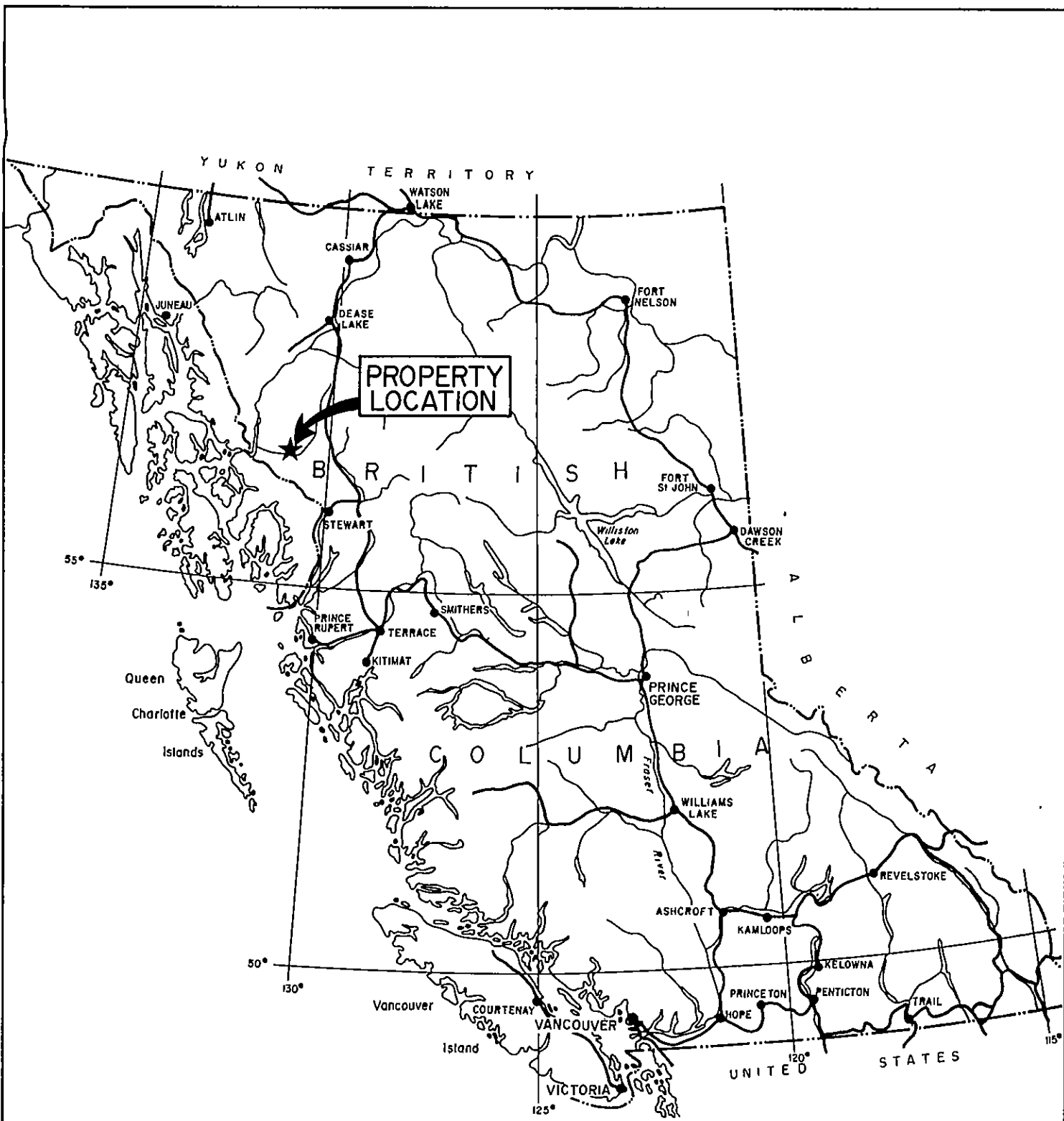
In 1972 Newmont Mining Corp. conducted an airborne magnetometer survey over Forrest Kerr snowfield. The Dirk and Ridge showings were also outlined further by ground magnetometer survey.

The Dirk showing was diamond drilled, by Newmont Mining Corp., with two holes returning assays in copper and silver. Assays were 0.30% Cu over 1.83 metres and 2.27% Cu over 6.10 metres. Surface trench chips and channels were 0.88% Cu, 0.237 oz/ton Ag over 22.25 metres and 1.175% Cu, 0.230 oz/ton Ag over 6.10 metres. The Ridge showing had similar grades and widths but was not diamond drilled (1.06% Cu, 0.21 oz/ton Ag over 12.20 metres and 0.513% Cu, 0.208 oz/ton Ag over 12.20 metres. Chandi Resources Corp.'s mineral claims have copper-gold skarns similar to the Ken showing (Consolidated Sea-Gold) and the Northwest zone (Gulf International Minerals). Both of these showings have been drill tested with economic grades of copper and gold encountered (i.e. Gulf International intersected 11.1 metres of 1.605 oz/ton Au and Newmont intersected 1.5 metres of 0.220 oz/ton Au.)

Rock chip samples by S. Todoruk, in 1987, indicate the presence of gold at the Dirk showing.

<u>Sample Number</u>	<u>Cu</u> (ppm)	<u>Ag</u> (ppm)	<u>Au</u> (ppb) (oz/ton)
15447	--		1,460
16002	24,471	31.6	1,330
15445	100,000	100.0	0.384
15446	63,850	32.3	1,420

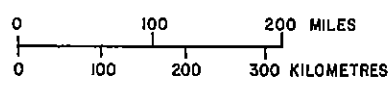
In November 1987 an orthophoto map of the claims was prepared and airphoto interpretation completed. The results are presented in Figure 4 of this report.



CHANDI RESOURCES LTD.
 Au 1 & 2, BIZ & NEZ
 CLAIM GROUP
PROPERTY LOCATION MAP
 LIARD MINING DIVISION, BC.

PAMICON DEVELOPMENTS LTD.

Drawn	J.W	NTS	104B/15W,14E	Date	June, 1988	Figure.	I.
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2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims (Figure 2) are owned by I. Hagemoen. Separate documents indicate the claims are under option to Chandi Resources Corp.

<u>Claim Name</u>	<u>Record Number</u>	<u>No. of Units</u>	<u>Record Date</u>	<u>Expiry Date</u>
Au 1	3999	20	March 26, 1987	March 26, 1989
Au 2	4000	20	March 26, 1987	March 26, 1989
Biz	4002	20	March 26, 1987	March 26, 1989
Nez	4001	18	March 26, 1987	March 26, 1989

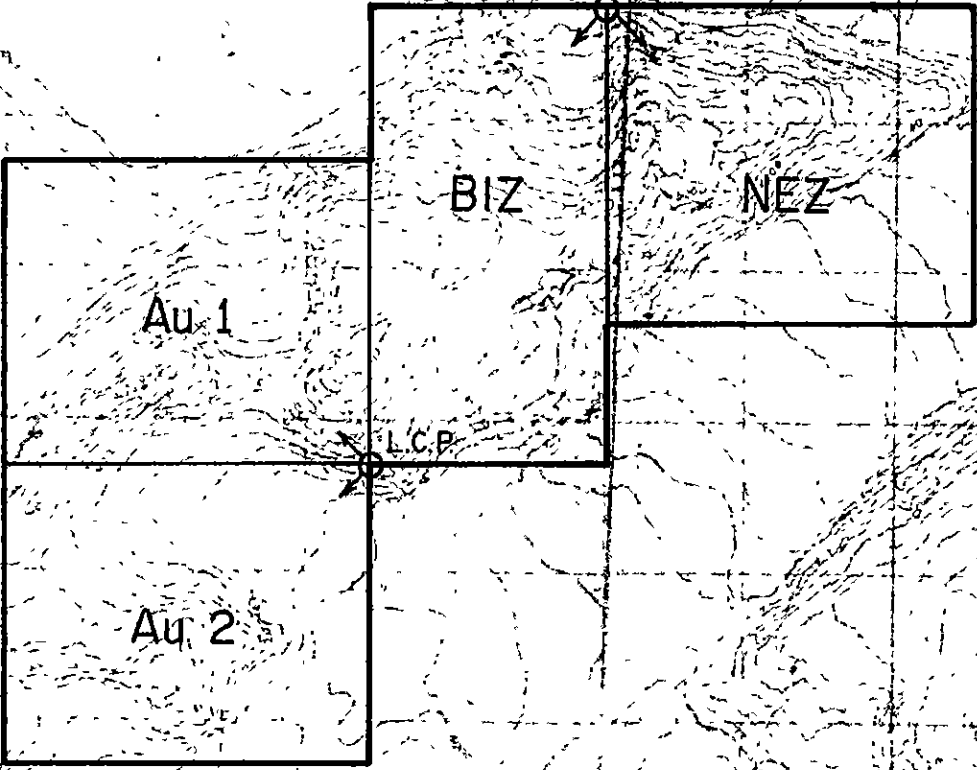
3.0 LOCATION, ACCESS AND GEOGRAPHY

Au 1, Au 2, Biz and Nez claims are located approximately 80 kilometres east of Wrangell, Alaska, and 110 kilometres northwest of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). Newmont Lake is situated approximately nine kilometres to the southeast and the Iskut River 20 kilometres to the south of the Au 1, Au 2, Biz Nez claims.

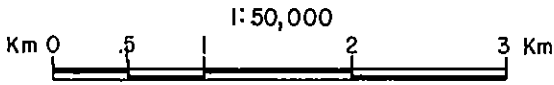
Coordinates of the Au 1, Au 2, Biz and Nez claims area are 56°50' north latitude and 131°00' west longitude, and the property falls under the jurisdiction of the Liard Mining Division.

Access to the Au 1, Au 2, Biz and Nez claims would either be via float-equipped fixed wing aircraft to Newmont Lake from Wrangell, Alaska or Stewart, British Columbia, or via fixed wing aircraft from Wrangell or Stewart to the Bronson Creek gravel airstrip, located approximately 20 kilometres south of the Au 1, Au 2, Biz and Nez claims on the Iskut River and then using a helicopter to the property.

131°01' W



56° 53' N



CHANDI RESOURCES LTD.			
Au 1 & 2, BIZ & NEZ CLAIM GROUP			
CLAIM MAP			
LIARD MINING DIVISION, B.C.			
PAMICON DEVELOPMENTS LTD.			
Drawn. J W.	N.T.S. 104B/15 W, 14E	Date. June, 1988	FIGURE 2

C.K. Ikona of Pamicon Developments Ltd., on behalf of Skyline Explorations Ltd., has proposed the construction of a 65 kilometre long road. The road would be situated on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with a proposed BC Hydro dam site on the Iskut River and Skyline's Stonehouse Gold deposit on Bronson Creek.

Geographically, the area is typical of mountainous and glaciated terrain with the elevations ranging from a few hundred metres above sea level in the river valley bottoms to in excess of 1500 metres at the ridge tops. Major drainages are U-shaped, whereas smaller side creeks tend to be steeply cut due to the intense erosional environment. Active glaciation is prevalent above the 1200 metre contour, with the tree line existing at 1000 metres. The upper reaches of the area are covered with alpine vegetation. The lower slopes are predominantly timbered with a variety of conifers with an undergrowth of devil's club. More open areas and steeper slopes contain dense slide alder growth. Both summer and winter temperatures would be considered generally moderate and in excess of 200 centimetres of precipitation may be expected during any given year.

Locally on the Au 1 and 2, Biz and Nez claims elevations range from 1900 metres to 1200 metres. Permanent snowfields and hanging glaciers cover approximately 85% of these mineral claims. Ridge forming outcrops (nunataks) with talus slopes (15%) are snowfree for about three months per year.

4.0 AREA HISTORY

The first recorded work done in the Iskut Region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd.'s Reg deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Snippaker Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

Gulf has recently released the results of some of their 1987 drilling in the McLymont area. Highlights of this program include:

<u>Hole Number</u>	<u>Width (metres)</u>	<u>Gold (oz/ton)</u>
87-25	9.1	0.404
	1.1	1.520
87-29	11.1	1.605
87-31	3.8	0.156

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity. As of January 1988, reserves on the Stonehouse Gold Zone were reported as:

	<u>Au</u> (oz/ton)	<u>Tons</u>
Total Measured	1.246	121,000
Total Drill-Indicated	0.556	236,875
Total Inferred	<u>0.570</u>	<u>700,000</u>
Subtotal	0.644	1,057,875
McFadden	<u>2.800</u>	<u>30,000</u>
Ore Reserve Total	0.704	1,087,875

On the Delaware Resources Ltd. - Cominco Snip claims immediately north of the Stonehouse Gold deposit, approximately 10,000 metres of diamond drilling was carried out, mainly delineating the Twin Zone. Drill hole S-71 intersected 10.2 metres of 2.59 oz/ton gold. An underground program is expected to begin in early 1988. As of December, 1987, reserves on the Twin Zone were reported as:

	<u>Au</u> (oz)	<u>Tons</u>
Total Inferred	0.700	1,100,000

Also, during 1987 Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone which hosts gold-bearing polymetallic massive sulphide mineralization.

Western Canadian Mining Corp. carried out an extensive diamond drilling program on their Gosson claims, concentrating on the Khyber Pass Gold Zone which is 45 metres thick. The best drill hole intersection in this zone to date is as follows:

<u>Hole</u>	<u>From</u>	<u>To</u>	<u>Length</u>		<u>Gold</u>	<u>Silver</u>	<u>Copper</u>
	(m)	(m)	(m)	(ft)	(oz/t)	(oz/t)	(%)
85-3	11.2	16.8	5.6	18.4	0.12	6.48	1.74
	30.2	44.2	5.2	17.1	0.17	2.66	0.90
	54.5	60.1	5.6	18.4	0.15	1.77	--
	66.0	69.0	3.0	9.8	0.28	1.54	--

Tungco Resources Corporation drill tested three main gold/copper quartz vein targets; the Bluff, No. 7 and Swamp Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold.

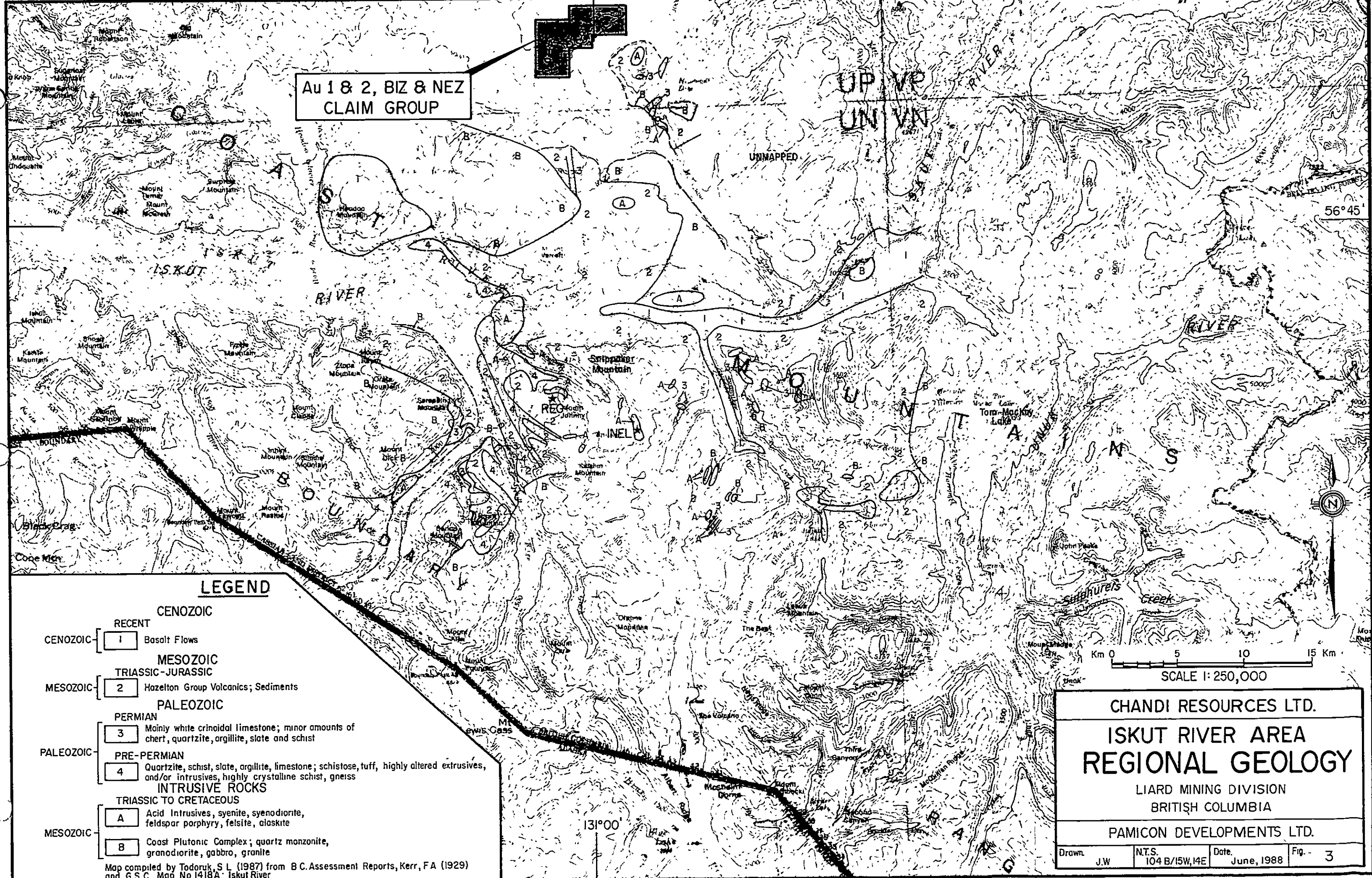
5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1948, GSC Memoir 246, "Operation Stikine", GSC Maps 9-1957 and 1418-1979, "Iskut River") has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithological and stratigraphic knowledge of this geo-entity known as the Stewart Complex (Grove, 1986) (Figure 4).

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

"The Stewart Complex lies within the Intermontane tectonic belt 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."

Au 1 & 2, BIZ & NEZ
CLAIM GROUP



LEGEND

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

Map compiled by Todoruk, S L (1987) from B.C. Assessment Reports, Kerr, F A (1929) and G S C Map No 1418A - Iskut River

CHANDI RESOURCES LTD.
ISKUT RIVER AREA
REGIONAL GEOLOGY
LIARD MINING DIVISION
BRITISH COLUMBIA
PAMICON DEVELOPMENTS LTD.

Drawn: J.W	N.T.S. 104 B/15W, 14E	Date: June, 1988	Fig. - 3
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Within the Stewart Complex, Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members are the oldest rock group. Correlation has been made between this oceanic assemblage and 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 "Snippaker 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 Snippaker Peak and west of Newmont Lake, 20 km to the north, giving an age Late Triassic. It is within these rocks that Skyline's Reg and Inel gold deposits occur.

Grove reports an unconformable contact between Carboniferous and Middle Jurassic strata on both sides of Snippaker Ridge, north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west, 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 Hazelton Group volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1973, 1982). It is believed that the Betty Creek rocks act as a mineralizing trap and as such are useful in delineating underlying older units such as the Unuk River Formation.

Intrusion of the batholithic Coast Plutonic Complex in the Iskut region of Cretaceous and Tertiary age followed. Composition varies from quartz monzonite, granodiorite to granite. Important in many instances to the localization of mineralization are satellite facies of epizonal or subvolcanic acidic porphyries.

Quaternary and Tertiary volcanics occur at Hoodoo Mountain, along the Iskut River near Forrest Kerr Creek, and in several localities along Snippaker Creek.

6.0 LOCAL GEOLOGY

An orthophoto base map at a scale of 1:10,000 is presented in Figure 4. Geology presented is from airphoto interpretation modified by mapping done by Newmont Mining Corporation in 1972 on showings within the Au 1 and 2, Biz and Nez claim boundaries and by area work performed by Pamicon in 1987.

6.1 DIRK SHOWING

At the Dirk showing, located near the Au 1 and Au 2 legal corner post, late Paleozoic-Upper Triassic sediments and volcanics are exposed. Several ages of syenites intrude the sediments and volcanics. The early syenites are porphyritic with large phenocrysts of K-feldspar and vary from pink to grey in colour. This phase is intruded by a biotite syenite, with biotite phenocrysts chloritized. These earlier phases are locally brecciated, forming angular to subrounded fragments supported in a dolomitic matrix.

Locally the breccia forms an L shaped zone in response to a pre-existing joint set.

The breccia and two earlier syenites are cross cut by later syenite dykes. These dykes are red, vesicular and northwest trending.

Skarn alteration is locally developed around early syenite porphyries and biotite syenites. The later syenite dykes have chilled margins and hosting lithologies show little or no alteration.

6.2 RIDGE SHOWING

The Ridge showing located within the Au 2 claim lies two kilometres southwest from the Dirk showing. Exposed rocks include limestones, skarns and porphyries. A syenite breccia zone is developed in the contact zone.

The limestone is completely replaced with a mineral assemblage of calcite, diopside, forsterite and grossularite. A stratigraphic interpretation by Costin and Mitchell, 1972 (appended to this report) suggests the syenitic porphyries have intruded as lopoliths along the upper contact of the Mississippian limestone.

7.0 MINERALIZATION

7.1 DIRK SHOWING

Sulphide mineralization at the Dirk showing consists of chalcopyrite, bornite, chalcocite ± pyrite. Gangue minerals include magnetite, hematite, epidote, chlorite, green mica and garnet. The gangue minerals are found in limestone which has skarn alteration adjacent syenite porphyries. The sulphides form banded zones at the lower limestone-volcanic contact. Chalcopyrite was also noted in the syenite breccia matrix 100 metres northwest of the Dirk showing.

All rock chip samples taken at the Dirk showing were taken in areas of skarn alteration. All rock chip samples assayed gold with Sample No. 15445 assaying 0.384 oz/ton.

Abundant chalcopyrite and bornite oxidize to form gossans of malachite and azurite.

7.2 RIDGE SHOWING

Chalcopyrite is found as disseminations in both the skarn altered limestone and syenite porphyries. Magnetite, epidote, chlorite and garnet form gangue in a mottled texture within the skarn alteration.

No rock chip sampling was conducted on this showing.

8.0 DISCUSSION AND CONCLUSIONS

Gold values associated with copper skarns warrant additional prospecting, rock chip sampling and mapping. Sufficient exposure exists on nunataks within the property boundary to identify favourable zones for further exploration and diamond drill testing.

Quoting directly from Costin and Mitchell, 1972:

"I consider several areas on the Dirk Claims to have potential for further unseen mineralization. Probably the best immediate targets are: rocks below the Mississippian limestone on the Ridge Showing; the contact area of the limestone and the breccia pipe on the Dirk Showing and the same breccia pipe at greater depth; the area of the "pyrite" showing with consideration of a pyritic halo; the snow-covered airborne magnetic anomalies in the Ken Showing area; and, finally, magnetic highs similar to the icecap and crevasse zone magnetic features. Consideration of these areas, however, is

largely academic under present economic conditions as expenditures similar to those which would be required here must be considered as having a far better chance of return.

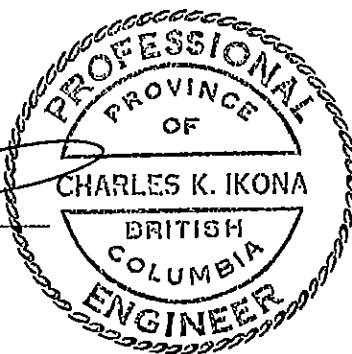
Respectfully submitted,

William D. Kiesman

William D. Kiesman, Geologist

Charles K. Ikona

Charles K. Ikona, P.Eng.



APPENDIX I

BIBLIOGRAPHY

BIBLIOGRAPHY

- Caulfield, D.A. and C.K. Ikona (1987): Geological Report on the GIM Mineral Claim.
- Costin, C.P. and W.H. Mitchell (1972): Stikine Kerr Project, Newmont Mining Corp.; private report.
- Costin, C.P. (1973): Report on Geological, Geophysical and Physical Work, Dirk Claim Group, Department of Mines and Petroleum Resources No. 4150.
- Delaware Resources Corp.: Progress Report, Snip Prospect, November 19, 1987.
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- Todoruk, S.L. and C.K. Ikona (1987): 1987 Summary Report on the Sky 4 & 5 and Spray 1 & 2 Claims.
- Tungco Resources Corporation: News release dated December 1, 1987.
- Western Canadian Mining Corp.: News release dated November 12, 1987.

APPENDIX II

COST STATEMENT

COST STATEMENT
AU 1, AU 2, BIZ, NEZ MINERAL CLAIMS
LIARD MINING DIVISION
OCTOBER 15, 1987 - MARCH 26, 1988

WAGES

W. Kiesman, Geologist 711, 675 West Hastings Street Vancouver, B.C. V6B 1N4 October 15, 1987 - March 26, 1988 4 day @ \$350	\$1,400.00
C. Ikona, P.Eng. 711, 675 West Hastings Street Vancouver, B.C. V6B 1N4 October 15, 1987 - March 26, 1988 2 days @ \$400	800.00
T. Hutchings, Geographer 711, 675 West Hastings Street Vancouver, B.C. V6B 1N4 October 15, 1987 - March 26, 1988 4 days @ \$200	<u>800.00</u>
TOTAL WAGES	\$ 3,000.00
 EXPENSES	
Drafting	\$ 300.00
Report, Typing, Reproductions	1,500.00
Orthophotos, Government Air Photos	<u>2,495.00</u>
TOTAL EXPENSES	4,295.00
Management Fee on Expenses	<u>644.25</u>
TOTAL THIS PROGRAM	<u>\$ 7,939.25</u>

APPENDIX III

ASSAY CERTIFICATES



VANGEOCHEM LAB LIMITED

MAIN OFFICE
1521 PEMBERTON AVE
NORTH VANCOUVER B.C. V7P 2S3
(604) 986-5211 TELEX 34-352578

BRANCH OFFICE
1630 PANDORA ST
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

December 23, 1987

TO: Steve Todoruk
PAMICON DEVELOPMENTS
711 - 675 W. Hastings St.
Vancouver, B.C. V6B 1N4

FROM: Vangeochem Lab Limited
1521 Pemberton Avenue
North Vancouver, British Columbia
V7P 2S3

SUBJECT: Analytical procedure used to determine Aqua Regia
soluble gold in geochemical samples.

1. Method of Sample Preparation

- (a) Geochemical soil, silt or rock samples were received at the laboratory in high wet-strength, 4" x 6", Kraft paper bags. Rock samples would be received in poly ore bags.
- (b) Dried soil and silt samples were sifted by hand using an 8" diameter, 80-mesh, stainless steel sieve. The plus 80-mesh fraction was rejected. The minus 80-mesh fraction was transferred into a new bag for subsequent analyses.
- (c) Dried rock samples were crushed using a jaw crusher and pulverized to 100-mesh or finer by using a disc mill. The pulverized samples were then put in a new bag for subsequent analyses.

2. Method of Digestion

- (a) 5.00 to 10.00 grams of the minus 80-mesh portion of the samples were used. Samples were weighed out using an electronic micro-balance and deposited into beakers.
- (b) Using a 20 ml solution of Aqua Regia (3:1 solution of HCl to HNO₃), each sample was vigorously digested over a hot plate.
- (c) The digested samples were filtered and the washed pulps were discarded. The filtrate was then reduced in volume to about 5 ml.



VANGEOCHEM LAB LIMITED

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VANCOUVER, B.C. V5L 1L6
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(d) Au complex ions were then extracted into a di-isobutyl ketone and thiourea medium (Anion exchange liquids "Aliquot 336").

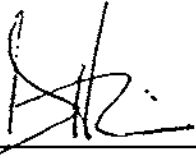
(e) Separatory funnels were used to separate the organic layer.

3. Method of Detection

The detection of Au was performed with a Techtron model AA5 Atomic Absorption Spectrophotometer with a gold hollow cathode lamp. The results were read out onto a strip chart recorder. A hydrogen lamp was used to correct any background interferences. The gold values, in parts per billion, were calculated by comparing them with a set of gold standards.

4. Analysts

The analyses were supervised or determined by Mr. Conway Chun or Mr. Eddie Tang and his laboratory staff.



Eddie Tang
VANGEOCHEM LAB LIMITED

for



VANGEOCHEM LAB LIMITED

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December 23, 1987

TO: Steve Todoruk
PAMICON DEVELOPMENTS
711 - 675 W. Hastings St.
Vancouver, B.C. V6B 1N4

FROM: Vangeochem Lab Limited
1521 Pemberton Avenue
North Vancouver, British Columbia
V7P 2S3

SUBJECT: Analytical procedure used to determine gold by fire assay method and detect by atomic absorption spectrophotometry in geological samples.

1. Method of Sample Preparation

- (a) Geochemical soil, silt or rock samples were received at the laboratory in high wet-strength, 4" x 6", Kraft paper bags. Rock samples would be received in poly ore bags.
- (b) Dried soil and silt samples were sifted by hand using an 8" diameter, 80-mesh, stainless steel sieve. The plus 80-mesh fraction was rejected. The minus 80-mesh fraction was transferred into a new bag for subsequent analyses.
- (c) Dried rock samples were crushed using a jaw crusher and pulverized to 100-mesh or finer by using a disc mill. The pulverized samples were then put in a new bag for subsequent analyses.

2. Method of Extraction

- (a) 20.0 to 30.0 grams of the pulp samples were used. Samples were weighed out using a top-loading balance and deposited into individual fusion pots.
- (b) A flux of litharge, soda ash, silica, borax, and, either flour or potassium nitrite is added. The samples are then fused at 1900 degrees Farenhiet to form a lead "button".
- (c) The gold is extracted by cupellation and parted with diluted nitric acid.



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(d) The gold bead is retained for subsequent measurement.

3. Method of Detection

- (a) The gold bead is dissolved by boiling with aqua regia solution, then diluted with deionized water to 10 ml volume.
- (b) The detection of gold was performed with a Techtron model AA5 Atomic Absorption Spectrophotometer with a gold hollow cathode lamp. The results were read out on a strip chart recorder. The gold values, in parts per billion, were calculated by comparing them with a set of known gold standards.

4. Analysts

The analyses were supervised or determined by Mr. Conway Chun or Mr. David Chiu and his laboratory staff.



David Chiu
VANGEOCHEM LAB LIMITED



VANGEOCHEM LAB LIMITED

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December 23, 1987

TO: Steve Todoruk
PAMICON DEVELOPMENTS
711 - 675 W. Hastings St.
Vancouver, B.C. V6B 1N4

FROM: Vangeochem Lab Limited
1521 Pemberton Avenue
North Vancouver, British Columbia
V7P 2S3

SUBJECT: Analytical procedure used to determine hot acid soluble
for 28 element scan by Inductively Coupled Plasma
Spectrophotometry in geochemical silt and soil samples.

1. Method of Sample Preparation

- (a) Geochemical soil, silt or rock samples were received at the laboratory in high wet-strength, 4" x 6", Kraft paper bags. Rock samples would be received in poly ore bags.
- (b) Dried soil and silt samples were sifted by hand using an 8" diameter, 80-mesh, stainless steel sieve. The plus 80-mesh fraction was rejected. The minus 80-mesh fraction was transferred into a new bag for subsequent analyses.
- (c) Dried rock samples were crushed using a jaw crusher and pulverized to 100-mesh or finer by using a disc mill. The pulverized samples were then put in a new bag for subsequent analyses.

2. Method of Digestion

- (a) 0.50 gram portions of the minus 80-mesh samples were used. Samples were weighed out using an electronic balance.
- (b) Samples were digested with a 5 ml solution of HCL:HNO₃:H₂O in the ratio of 3:1:2 in a 95 degree Celsius water bath for 90 minutes.
- (c) The digested samples are then removed from the bath and bulked up to 10 ml total volume with dimineralized water and thoroughly mixed.



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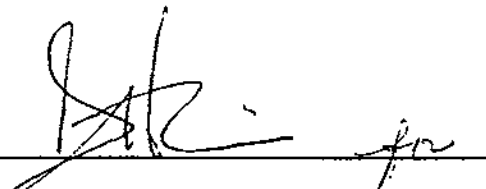
BRANCH OFFICE
1030 PANDORA ST
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

3. Method of Analyses

The ICP analyses elements were determined by using a Jarrel-Ash ICAP model 9000 directly reading the spectrophotometric emissions. All major matrix and trace elements are interelement corrected. All data are subsequently stored onto disk.

4. Analysts

The analyses were supervised or determined by either Mr. Eddie Tang, and, the laboratory staff.



Eddie Tang
VANGEOCHEM LAB LIMITED



VANGEOCHEM LAB LIMITED

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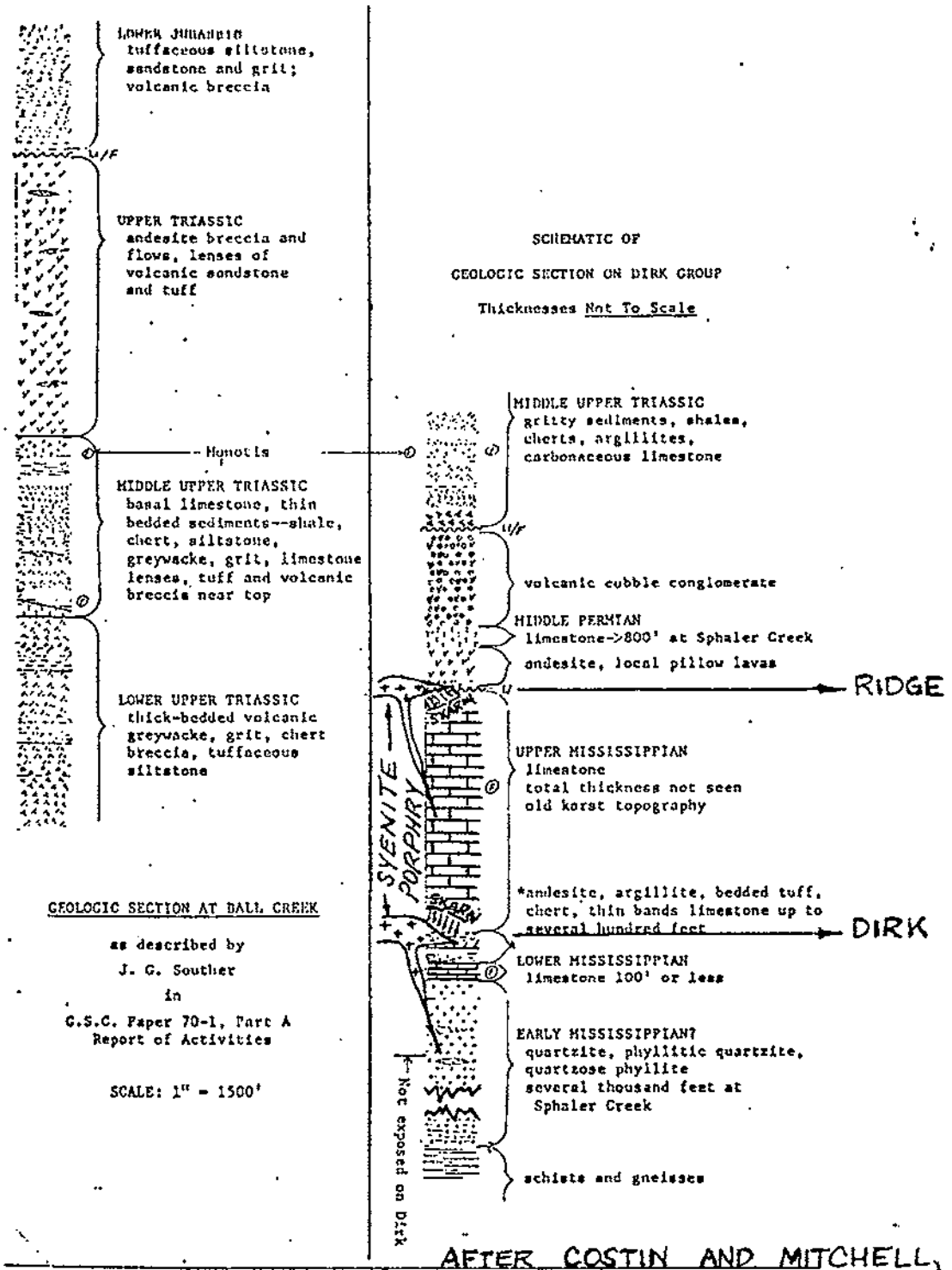
REPORT #: 880164 DA PAMICON DEV. INC. CSG Page 4 of 9

Sample Number	Job Num	Au ppb	Au oz/st	Cu ppm	Pb ppm	Zn ppm	Ag ppm	As ppm
15445	871231	13330	0.384	100000	48	233	100.0	10
15446	871231	1420	--	63850	59	92	32.3	33
15447	871231	1460	--	39029	46	145	22.5	28
.16002	871231	1330	--	24471	12	1377	31.6	29

APPENDIX IV

STRATIGRAPHIC CORRELATION

BALL CREEK - DIRK GROUP



AFTER COSTIN AND MITCHELL, 1972

~ u ~ - Unconformity
 ~ 1/2 ~ - Unconformity or Fault
 ⊙ - Dated Fossils

FIG. 1

APPENDIX V

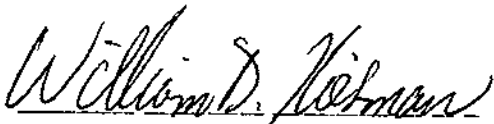
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, WILLIAM D. KIESMAN, of Suite 43, 866 Premier Street, North Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Pamicon Developments Limited, with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of Manitoba with a Bachelor of Science Degree in Geology.
3. THAT my primary employment since 1980 has been in the field of mineral exploration.
4. THAT my experience has encompassed a wide range of geologic environments and has allowed considerable familiarization with prospecting, geophysical, geochemical and exploration drilling techniques.
5. THAT this report is based on property examination by Steve Todoruk, Geologist, of this office and all available material on the property.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
7. THAT I hereby grant permission to Chandi Resources Corp. for the use of this report in any prospectus or other documentation required by any regulatory authority.

DATED at Vancouver, B.C., this 22 day of June, 1988.



William D. Kiesman, Geologist

APPENDIX VI


ENGINEER'S CERTIFICATE

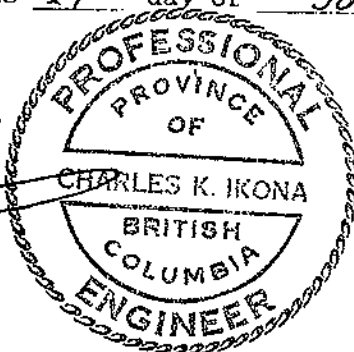
ENGINEER'S CERTIFICATE

I, CHARLES K. IKONA, of 5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

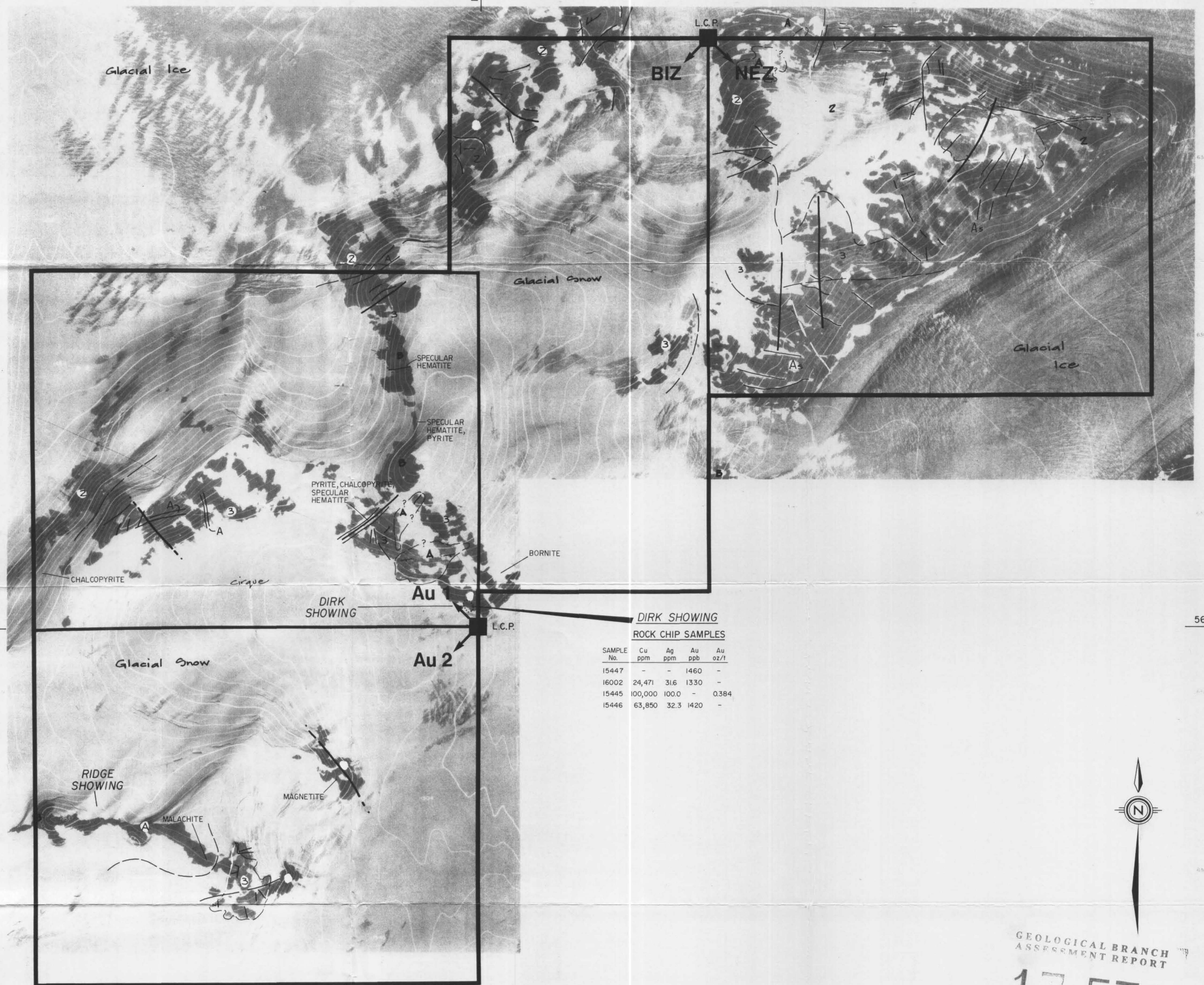
1. THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on a property examination of the Dirk showing by Steve Todoruk, Geologist, of this office, all available material and my personal knowledge of the area and several properties in the vicinity.
5. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to acquire any such interest.
6. THAT I consent to the use by Chandi Resources Corp. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, B.C., this 21 day of June, 1988.


Charles K. Ikona, P.Eng.



131° 01' W



**DIRK SHOWING
ROCK CHIP SAMPLES**

SAMPLE No.	Cu ppm	Ag ppm	Au ppb	Au oz/t
15447	-	-	1460	-
16002	24,471	31.6	1330	-
15445	100,000	100.0	-	0.384
15446	63,850	32.3	1420	-



GEOLOGICAL BRANCH
ASSESSMENT REPORT

17,536

CHANDI RESOURCES LTD.

**Au 1 & 2, BIZ & NEZ CLAIMS
Geological & Rock Chip
Location Orthophoto Map**

LEGEND

	Fault, inferred		RECENT 1 Basalt Flows
	Joints, Fractures, Linaments		MESOZOIC TRIASSIC-JURASSIC 2 Hazelton Group Volcanics; Sediments
	Geology Boundary, Contacts		PALEOZOIC PERMIAN 3 Mainly white crinoidal limestone; minor amounts of chert, quartzite, argillite, slate and schist.
	Pre-Glacial Fault (older fault)?		PRE-PERMIAN 4 Quartzite, schist, slate, argillite, limestone; schistose, tuff, highly altered extrusives, &/or intrusives, highly crystalline schist, gneiss.
	Colluvial Deposit		INTRUSIVE ROCKS TRIASSIC TO CRETACEOUS A Acid intrusives; syenite, syenodiorite, feldspar porphyry, felsite, alaskite.
	Alluvial Sediments		MESOZOIC B Coast Plutonic Complex; quartz monzonite, granodiorite, gabbro, granite.
	Strike and Dip		

SCALE	1: 10000	DATE	JUNE 1988
REFERENCE	N.T.S. 104B/15W, 14E.	MINING DIV.	LIARD
		FIGURE	4