1257 GEOLOGICAL LTD.

DRILLING REPORT ON REVERSE CIRCULATION DRILL HOLES: RS-88-104 AND RS-88-105

MAC CLAIM, FRASERGOLD PROPERTY

MACKAY RIVER AREA, CARIBOO MINING DIVISION, BRITISH COLUMBIA, CANADA

N.T.S.: 93A/7E LATITUDE: 52°19'N LONGITUDE: 120°37'W

Part 2 of 2

BY: LORNE G. ROWAN

JANUARY 1989

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1.0 SUMMARY

The Frasergold property has had a long history of exploration; specially since 1980. Prior to the programs of 1987 and 1988, extensive geochemical soil surveys, trenching, 6,540 m of diamond drilling, and 1,910 m of reverse circulation drilling had been completed. This work outlined an area of about 600 m of strike length, where the best results were obtained. The interpretation of these results postulated two possible scenarios in one part of the property to be tested further: a narrow, high-grade zone amenable to underground mining, and a wide, low-grade, large-tonnage zone viable to be exploited by open-pit methods.

As part of a program to develop the Frasergold property, Sirius Resource Corporation commissioned 1257 Geological Ltd. to conduct a reverse circulation drilling program during May and June of 1988. The last two drill holes of this program, RS-88-104, RS-88-105, were located outside of the previous primary area of exploration at a both topographically and stratigraphically lower position.

Reverse circulation drill holes RS-88-104 and RS-88-105 were to test an area of anomalous soil geochemical sample values, and to provide lithological information of the rock units underlying the present area of development. The assay values from these two drill holes were quite low and would seem to indicate that the cause of the anomaly would be downslope dispersion from the overlying units, rather than gold mineralization of the bedrock under the anomaly.

Due to a thick overburden cover, there is a scarcity of outcrop to provide information about these rock units. From the logging of the drill cuttings produced by drill holes RS-88-104 and RS-88-105, we were able to confirm the same stratigraphic succession of phyllites, schists and metasediments as mapped elsewhere on the property.

2.0 INTRODUCTION

In late April 1988, 1257 Geological Ltd. was directed by Sirius Resource Corporation to carry out an exploration program on the Frasergold property. This program consisted of about 2470 m. of reverse circulation drilling in 37 holes. These were arranged in a series of parallel fences of three to five holes each; with the exceptions of RS-88-104 and RS-88-105. This program was based upon recommendations given to 1257 Geological Ltd. by Sirius Resource Corporation.

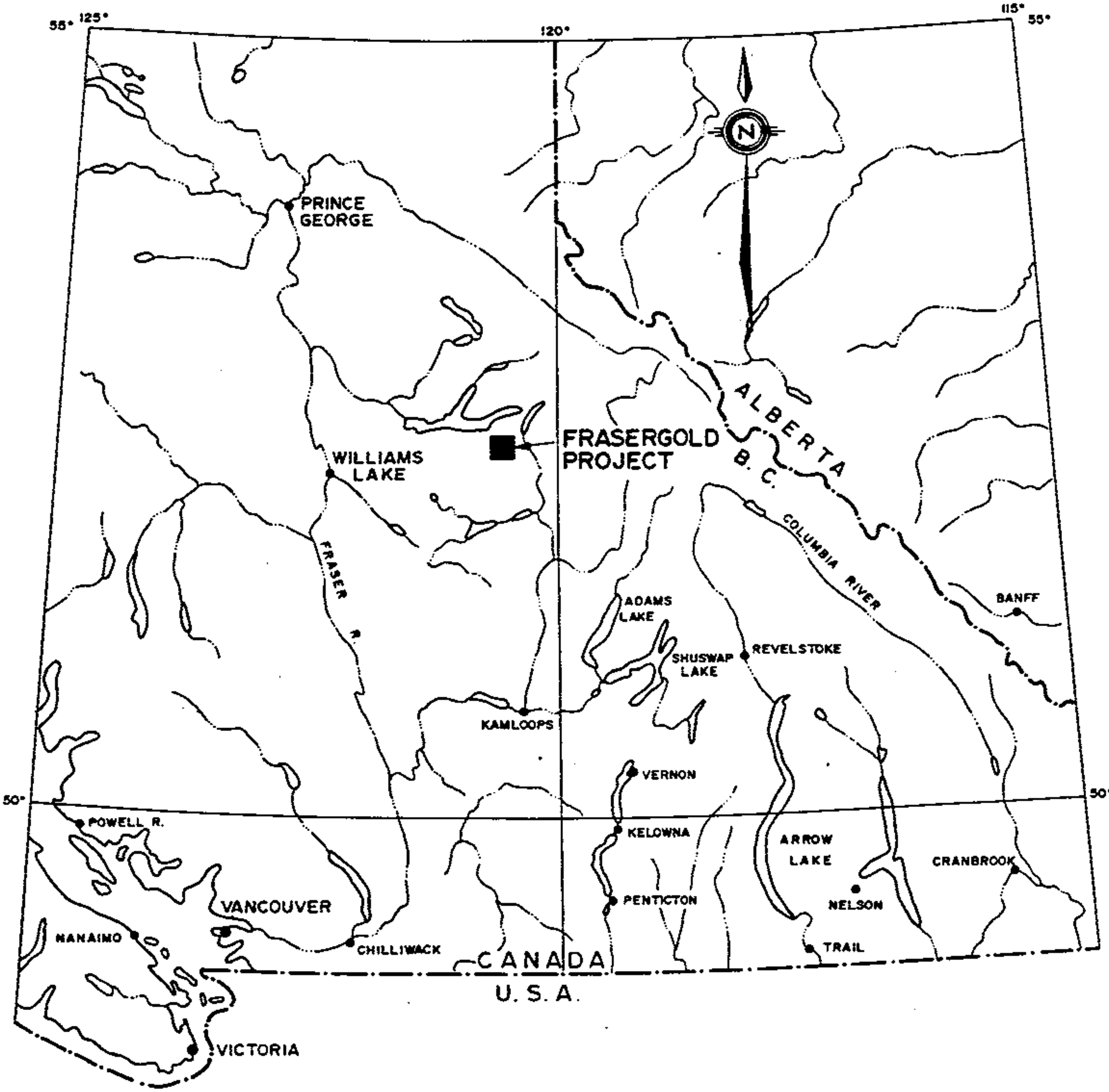
The project was managed by Russ L. Davis. Juan C. Caelles supervised the commencement of the drilling and chip sampling. Lorne G. Rowan and Mark A. Morrison continued and finished the logging and supervision of the sampling of the drill chips.

Prior to the May-June program, the property had been continuously explored since 1980. Extensive geochemical soil sampling and limited geophysical surveys had been completed, as well as 6,540 m of diamond drilling and 1,910 m of reverse circulation drilling. A gold-bearing zone was delineated by this work, with a strike length of over 10 km and a thickness of up to 30 m. All but two of the 37 drill holes were concentrated along 325 m of strike length, where a possibility for a large-tonnage, low-grade gold deposit amenable to open pit mining was indicated. The last two drill holes tested a soil anomaly both stratigraphically and topographically below the primary area of interest.

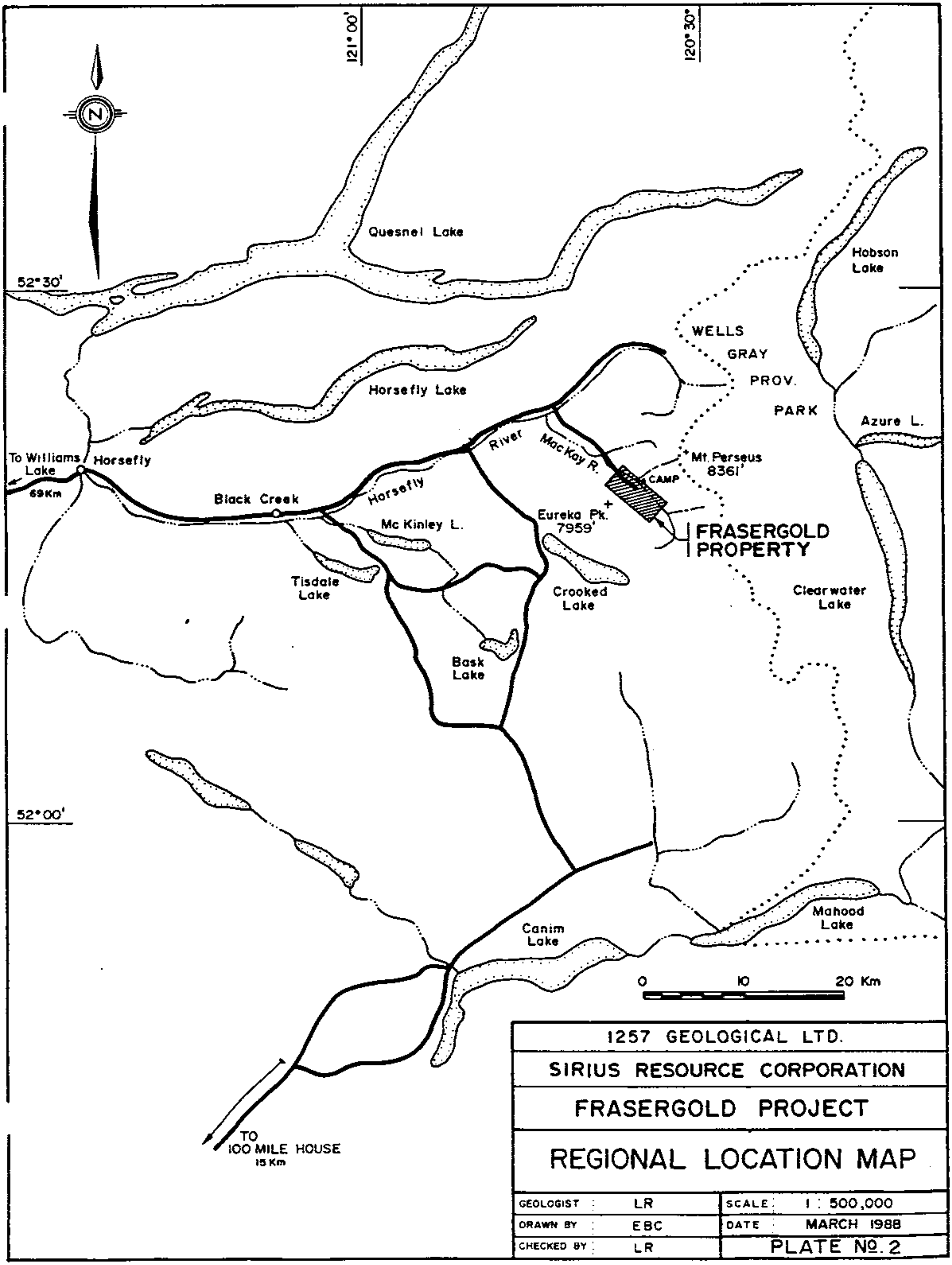
The program started on May 16, 1988 and was completed on June 20, 1988, comprising 2470 m of reverse circulation drilling.

3.0 LOCATION AND ACCESS

The Frasergold property is located in the central Cariboo region of British Columbia, Canada. It is situated in the Cariboo Mining Division, in NTS sheet 93A/7E, approximately at a latitude of 52°19'N and at a longitude of 120°37'W (Plate 1).



1257 GEOLOGICAL LTD.	
SIRIUS RESOURCE CORPORATION	
FRASERGOLD PROJECT	
LOCATION MAP	
GEOLOGIST : LR	SCALE : 1 : 2,500,000
DRAWN BY : EBC	DATA : MARCH 1988
CHECKED BY : LR	PLATE No. 1



121° 00'
120° 30'
52° 30'
52° 00'
N
Quesnel Lake
Hobson Lake
WELLS
GRAY
PROV.
PARK
Horsefly Lake
Azure L.
To Williams Lake
69 Km
Horsefly
River
MacKay R.
Mt. Perseus 8361'
CAMP
Black Creek
Horsefly
Mc Kinley L.
Eureka Pk. 7959'
FRASERGOLD PROPERTY
Tisdale Lake
Crooked Lake
Clearwater Lake
Bask Lake
Canim Lake
Mahood Lake
0
10
20 Km
TO 100 MILE HOUSE
15 Km
1257 GEOLOGICAL LTD.
SIRIUS RESOURCE CORPORATION
FRASERGOLD PROJECT
REGIONAL LOCATION MAP
GEOLOGIST : LR
DRAWN BY : EBC
CHECKED BY : LR
SCALE : 1 : 500,000
DATE : MARCH 1988
PLATE No. 2

Access to the property is by road via paved Highway 97 from 150 Mile House to Horsefly for 55 km, then northeasterly along an all-weather logging road following the Horsefly River for 55 km, past the Crooked Lake junction at about Post 145. From there along a branch logging road to the southeast, which enters the MacKay River valley. Following the MacKay River road the property and camp are reached after 7 km (Plate 2).

Topography on the property varies from moderately steep to steep, from the northwestern part to the southeastern portion of it, and elevations range from 1280 m at the level of the MacKay River to 2,225 m at high peaks along the southern boundary of the property. The southern slope of the MacKay River Valley, where most exploration work has been done to date, attains elevations between 1,200 and 1,550 m.

Vegetation in the area consists of commercial balsam and spruce, with thick underbrush up to an elevation of 1,600 m; above that elevation the tree cover is sparser and over 1,800 m alpine vegetation predominates. Large areas of the claim group have been logged, hence facilitating access.

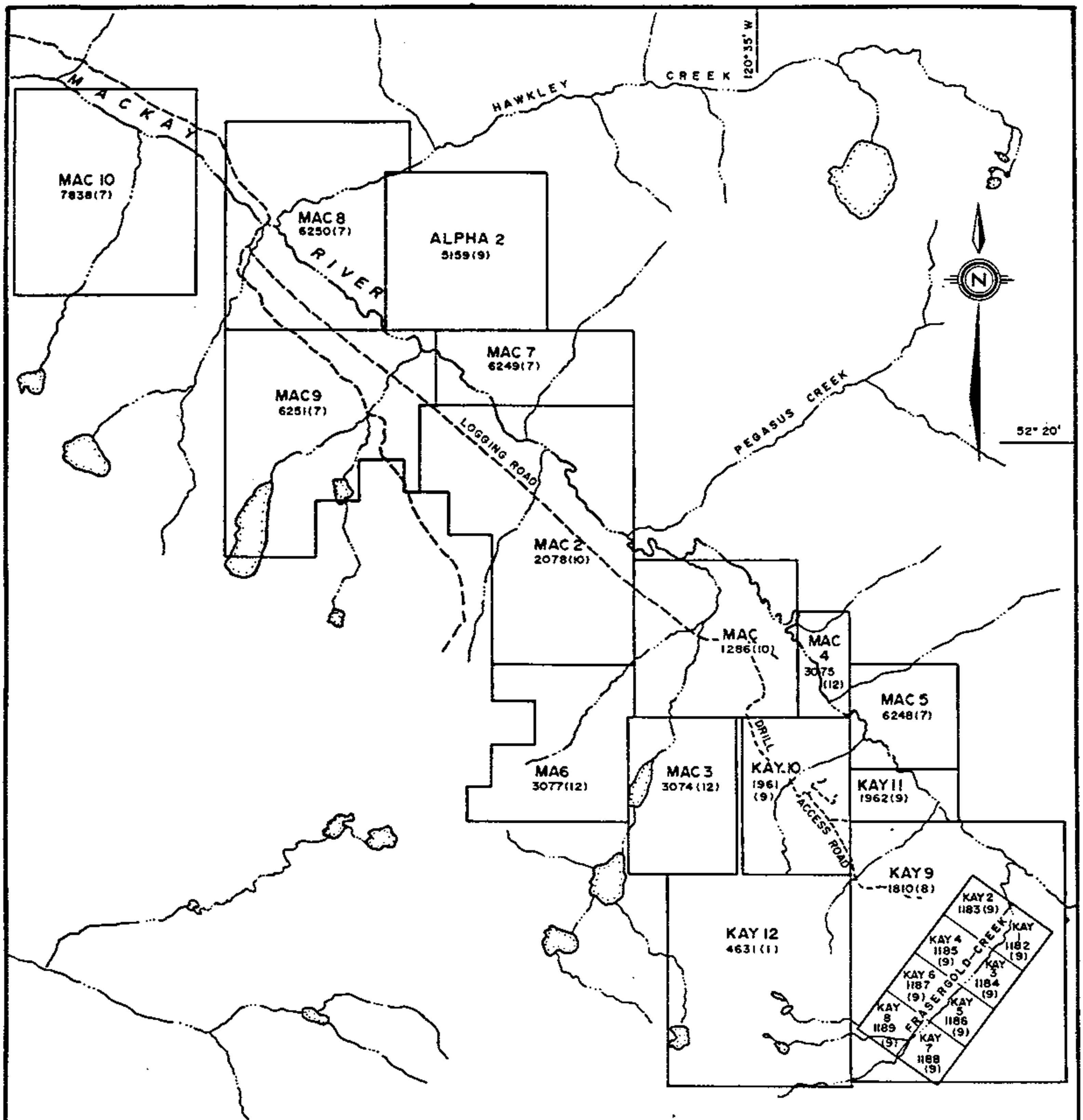
4.0 PROPERTY

The Frasergold Property comprises 23 contiguous mineral claims and 4 claim fractions. They are located in NTS sheet 93A/7E in the Cariboo Mining Division of British Columbia, Canada (Plate 2A).

The claims, registered in the name of Eureka Resources, Inc., and the expiry dates are shown in Table 1.

CLAIM NAME	RECORD NUMBER	NUMBER UNITS	RECORDED DATE	EXPIRY DATE
MAC	1286	9	79/10/19	93/10/19
MAC 2	2078	20	80/10/22	92/10/22
MAC 7	6249	8	84/07/27	92/07/27
MAC 8	6250	16	84/07/27	92/07/27
MAC 9	6251	20	84/07/27	92/07/27
MAC 9 FR	6204	1	84/07/16	93/07/16
MAC 12 FR	6253	1	84/07/27	92/07/27
KAY 10	1961	6	80/09/25	93/09/25
ALPHA 2	5159	9	83/09/23	93/09/23
KAY 1 to 8	1182-89	8	79/09/04	92/09/04
KAY 9	1810	20	80/08/11	93/08/11
KAY 11	1962	2	80/08/25	96/09/25
KAY 12	4631	20	83/01/26	92/01/26
MAC 3	3074	6	80/12/23	93/12/23
MAC 4	3075	2	80/12/23	93/12/23
MAC 5	6248	4	84/07/27	93/07/27
MAC 6	3077	9	80/12/23	93/12/23
MAC 10 FR	6231	1	84/07/19	93/07/19
MAC 11 FR	6252	1	84/07/27	94/07/27
MAC 10	7838	20	86/07/31	90/07/31

List of claims with expiry date and area



1257 GEOLOGICAL LTD.			
SIRIUS RESOURCE CORPORATION			
FRASERGOLD PROJECT			
CLAIM MAP			
GEOLOGIST	LR	SCALE	50,000
DRAWN BY	EBC	DATE	MARCH 1988
CHECKED BY	JC	PLATE No. 2A	

5.0 HISTORY OF EXPLORATION

The property was first prospected and staked by Clifford E. Gunn in 1979-80, when the original Alpha, Mac, and Kay 1 to 6 claims were registered. Mr. Gunn was directed to the area by references from Ministry of Mines reports dated from the beginning of the century, which mentioned testing of the valley for gold placer potential.

The property was then kept under option by Keron Holdings Ltd. and NCL Resources Ltd. from 1980 to 1982. The operators added the Kay 9 to 12 and Mac 2 to 9 claims. In 1981 Keron Holdings established 132 km of grid lines and took a total of 2,513 soil samples at 50 m intervals; in addition, 141 rock samples were collected (Belik, 1981).

In late 1982 Eureka Resources, Inc. acquired the property and in July 1983 optioned it to Amoco Canada Petroleum Co. Ltd. Under the terms of the option Amoco could have earned a 50% equity interest in the property by expending $900,000 on exploration and by making payments to Eureka totalling $260,000, according to a set minimum schedule over the three year period 1983-1985. In 1983 Amoco's personnel completed 7.0 km of drill access roads, 1,170 m of hand trenches, and collected 1,070 rock samples. In addition, a limited electromagnetic and magnetic surveys and a collection of 820 new soil samples were carried out, and 1,644 m of diamond drilling were completed.

In 1984 Amoco proceeded evaluating the property by: establishing a total of 35 km of new grid lines and re-establishing a further 29 km of old grid lines, from where a total of 1,956 new soil samples and 190 rock chip samples were collected; completing 20 km of Radem-electromagnetic and magnetometer surveys; and drilling nine NQ diamond drill holes aggregating 2,875 m (Brown, 1983; 1984).

In 1985 Amoco dropped the option and Eureka Resources, Inc. continued exploration. A total of 1,020 soil samples were collected and an I.P. geophysical survey of six km of lines was completed (Kerr, 1985; Cartwright, 1985). A bulk sample was taken, on which Coastech Research Inc. performed metallurgical tests consisting of milling and cyanidation (Summers and Marchant, 1986).

In 1986 Eureka Resources carried out trenching, bulk sampling, reverse circulation, and diamond drilling. Four reverse circulation holes and eighteen HQ drill holes adding 2,021 m (6,631 ft) were completed (Leishman and Campbell, 1986).

In 1987 Eureka added 2.0 km of new drill-access roads and 660 m of trenching, and levelled drill set-ups. Twenty one reverse circulation holes were completed totalling 1,710 m and the trenches were mapped and sampled (Campbell et al., 1987).

Sirius Resource Corporation entered into an agreement with Southlands Mining Corporation in the second half of 1987 to continue exploration on the property. The first program of field work started on December 12, 1987 and was completed on February 12, 1988. This work essentially followed the program recommended by Leishman and Campbell (1987); it consisted of 1,536 m of HQ diamond drilling and 184 m of adit equivalent. In addition, 16 rounds of mined mineralized material were shipped to Vancouver for metallurgical and mill tests. The reverse circulation drilling project was the second program of field work by 1257 Geological Ltd. for this agreement. It completed a total of 2470 m. of reverse circulation drilling between May 18, 1988 and June 17, 1988.

6.0 REGIONAL GEOLOGY

The geological map of the MacKay River area is shown by figure 4 which was modified from Bloodgood (1987). The Frasergold property straddles the MacKay River valley that constitutes the surface expression of the suture boundary between two major tectonic belts of the Canadian Cordillera: the Quesnel Trough of the Intermontane Belt on the west and the Omineca Tectonic belt on the east.

There are three tectonostratigraphic sequences in figure 4 which, from older to younger, are:

a) Snowshoe Group of Haydrynian to early Paleozoic age made up of quartz-mica schists and gneisses;
b) Crooked Amphibolite of Pennsylvanian and Permian age constituted by metavolcanic rocks (amphibolite, chlorite schist and chlorite-epidote schist);
c) Quesnel River Group of Middle to Late Triassic age composed of predominantly sedimentary rocks and the Late Triassic to Middle Jurassic volcanic Takla Group.

Bloodgood (1987) has subdivided the Quesnel River Group of the Eureka Peak area into seven units; the black phyllites predominate. The black phyllites underlie, and are in fault contact with, the Takla Group basic volcanic rocks, which occupy the core of the Eureka Peak syncline.

Jurassic to Early Cretaceous regional dynamothermal metamorphism affected all pre-Tertiary rocks in the area, which show at least two periods of deformation (Bloodgood, 1987; Read, 1983).

The rocks of the area have been subjected to regional metamorphism reaching the lower greenschist facies. The metamorphic grade of all units in the Eureka Syncline increases towards the Perseus Anticline. Regionally, large areas reached amphibolite facies with some rocks in the core of the anticlines reaching kyanite-staurolite-fibrolite facies.

7.0 PROPERTY GEOLOGY

The Frasergold property is underlain by the Quesnel River Group, which here consists of seven units (Bloodgood, 1987). The gold mineralization in the property is hosted by porphyroblastic phyllite, equivalent to Bloodgood's unit 4. That unit is part of a thick sequence of dark grey to black, lustrous phyllites intercalated with limestone, calcareous siltite, light-grey non-calcareous siltite, and a greenish-grey carbonate-quartz-sericite schist (Campbell et al., 1987). The porphyroblastic phyllite occupies a 200 to 300 m-wide zone in the phyllite sequence and is locally known as the "knotted" phyllite. The porphyroblasts ("knots") are made up of iron-rich carbonate (probably chiastolite); their formation predates at least one period of deformation because they have been rotated and elongated by cleavage, and commonly have developed pressure shadows composed of a mosaic of fine-grained crystals of quartz and carbonate. A brief description of the lithologies found on the property is given by Campbell et al. (1987).

According to those authors, the "knotted: phyllites occur on the northeastern limb of the northwest-trending Eureka Syncline. They identified four macroscopic structural features:

- So bedding: strikes 133° and dips 30° to 45° to the southwest;
- S1 penetrative, axial plane cleavage: strikes 130° and dips 35° to 85° to the southwest;
- S2 crenulation cleavage: much less developed and "dips 68° to 85° southwest:,
- S3 crenulation cleavage: observed in few places striking 165° to 170° and dipping 60° to 70° to the southwest.

Quartz veining is very common in the phyllites exposed by the trenching. Structurally, the veins are bedding-parallel, cleavage-parallel, crosscutting, and folded. The observed veins in the underground workings are for the most part short and they pinch out along their longest dimensions in short distances. Abundant quartz veins forming disharmonic (subsidiary) folds in the adit, with wavelengths from a few centimetres to 2 m. The vein material appears to have been locally derived from surrounding rocks, and emplaced by dynometamorphic processes.

The sedimentary rocks have been metamorphosed to the lower green schist facies, the typical metamorphic minerals being chlorite, and minor epidote.

8.0 REVERSE CIRCULATION DRILLING PURPOSE AND RESULTS

Reverse circulation drill holes RS-88-104 and RS-88-105 were located on L46 + 00 SE at 1+50 NE and L47+00 SE at 1+70 NE. Their location was chosèn in order to test a geochemical soil anomaly and to provide information about the lithologies that underlie the main area of interest.

The soil anomaly is approximately 300 m. wide and contains values as high as 560 ppb and 1320 ppb. This anomaly is offset to the main Frasergold anomaly by about 100 m. to the northeast, but has an identical strike. A reconnaissance traverse of the area did not find any outcrop, however thick overburden with good soil development covers this area.

From the logging of the drill cuttings it was found that the soil anomaly was not underlain by fault offset lateral equivalents of the main zone phyllite lithologies. Instead a succession of the phyllites, schists and metasediment units, mapped by Campbell, et al., and confirmed by Read, as stratigraphically lower, were intersected. Therefore there is not thought to be any offsetting due to faulting. Unfortunately no notable amounts of gold mineralization were present in the assays of samples from these units. The low assays would indicate that the cause of of the anomaly is downslope dispersion rather than the presence of gold mineralization in the underlying bedrock. Both drill holes intersected the light green coloured schist unit near their top. This occurs as lenses (Campbell, 1987; Read 1988) in a grey phyllite. Thin section work determined a large amount of quartz, some micas such as sericite and muscovite, and a minor amount of chlorite (Read, 1983). There were two types of similar appearing fine grained metasediments that were intersected. They are a calcareous silstone and a non-calcareous siltite. They have been described from thin section work as having a major amount of quartz and minor amounts of muscovite and allite (Campbell, 1987). A black phyllite unit composed the majority of the drilled sections. It was non-calcareous with an abundance of fine mica on the partings surfaces of the chips.

Sulphides occurred as fine disseminations in the phyllites and as small anhedral blebs and veinlets in the quartz, they consisted of pyrite with some very minor pyrrhotite. The content of quartz in the drill cuttings did not exceed 10% of the total volume of cuttings in any of the 1.5 metre drill run intervals.

The assay results from drill holes RS-88-104 and RS-88-105 did not contain a large number of anomalous values. The highest assay value was 0.046 oz/tn from drill hole RS-88-104. Unfortunately, the vast majority of assays did not even contain detection level amounts of gold.

9.0 STATEMENT OF COSTS

MAC 10 PROGRAM JUNE 1 TO JUNE 15, 1988

<u>Project Management</u>	
Russell R. Davis, P.Eng.	
3.5 at $400.00/day	$1,440.00
Lorne G. Rowan, B.Sc.	
3.4 days at $320.00/day	1,120.00
Mark A. Morrison, B.Sc.	
3.5 days at $240.00/day	840.00
	$ 3,400.00
<u>Labour</u>	
Arthur A. von Kursell, Sampler	
2 days at $80.00/day	$ 160.00
Trevor S. Williams, Sampler	
2 days at $80.00/day	160.00
John H. Steiger, Sampler	
2 days at $80.00/day	160.00
	$ 480.00
<u>Drilling Costs</u>	
RS-88-104	
278 ft. at $13.43/ft	$ 3,733.54

RS-88-105	
273 ft. at $13.43/ft	3,666.39
Nodwell tracked vehicle	
2 days at $250.00/day	500.00
	$ 7,900.00

<u>Bulldozing Services</u>

Gruhs Bulldozing Ltd.

Rental and fuel for roadbuilding	
and drill pad building	
7.33 hours at $105.00/hr.	$ 770.00

<u>Camp Costs</u>

(24 man trailer complex)

Food costs	
3.8 days at $515.00/day	$ 1,957.00
Fuel Costs	
20 gal/day at $3.00/gal for 3.8 days	228.00
Trailer Rental	
3.8 days at $345.00/day	1,311.00
Miscellaneous supplies	44.00
	$ 3,540.00

REFERENCES

Bloodgood, M.A.,(1987):
Geology of the Triassic black phyllite in the Eureka Peak area, Central British Columbia; British Columbia Ministry of Energy, Mines and Petroleum Resources, Geological Fieldwork 1986, Paper 1987-1, pp 135-142

Caelles, J.C. and Rowan, L.G.,(1988):
Geological Report on the 1987/88 Exploration Work Frasergold Property MacKay River area, Cariboo Mining Division, B.C. Canada; unpubl. report for Sirius Resource Corporation, 1257 Geological Ltd., V.1 and 2.

Campbell, K.V., MacKean, B.E., and Leishman, D.A. (1987):
Report on the geology and results of the 1987 exploration on the Frasergold property; unpubl. report for Southlands Mining Corporation, Campbell and Associates, V.1,2, and 3.

Read, P.B. (1983):
Petrography of drill core samples; Geotex Consultants Limited, unpublished report for Amoco Canada Petroleum Company Ltd., 10p.

Read, P.B. (1988):
Aspects of Structure and Stratigraphy Relevant to Gold Mineralization, Frasergold property; Geotex Consultants Limited, unpubl. report for 1257 Geological Ltd., v.1 and 2.

Author's Statement of Qualifications

I, Lorne G. Rowan, do hereby certify:

1. That I am a self-employed geologist with an office at 32595 Dalhstrom Avenue, Abbotsford, B.C.

2. That I graduated from the University of British Columbia in 1985 with a degree of Bachelor of Science in Geology.

3. That I have practiced my profession since graduation in British Columbia and the Yukon Territory.

4. That I am a member in good standing of the Geological Association of Canada.

5. That I personally conducted or supervised the geological work program described in this report dated January , 1989.

Dated at Vancouver, British Columbia this day of January, 1989.

Lorne G. Rowan, B.Sc.
Geologist

APPENDIX I

DRILL LOGS OF RS-88-104 AND RS-88-105

REVERSE CIRCULATION DRILL HOLE: RS-88-104 PAGE: 1 of 4

~~LAT~~ Northing: 50669.3 ~~LONG~~ Easting: 49549.5 ELEV.: 1422 m DIP: -55° BRG.: 045° TOTAL LENGTH: 278' 84.7 m STARTED ON: June 16 COMPLETED ON: June 16

FROM (m)	TO (m)	LITHOLOGY: ROCK TYPE	SULPHIDES: Pyrite Py (H A)	SULPHIDES: pyrrhotite Po (H A)	SULPHIDES: (H A)	SULPHIDES: TOTAL SULPHIDES (H A)	GANGUE: QTZ (H A)	GANGUE: Fe-carb (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/tn Au): ASSAY 1	ASSAY 2	ASSAY 3	AVE. GRADE	CYANIDATION (oz/tn Au)	WEIGHTED AVG. GRADE (oz/tn Au)	OBSERVATIONS
0	4.0	Overburden															Dry drilling
4.0	5.5	Phyllite (mod oxid'n)	m	m			,2?	m	53560		L.001						
5.5	7.0	" "	m	m			3, 2?	m	561		L.001						
7.0	8.5	" "	m	m			m	—	562		L.001						
8.5	10.1	Light green quartz-sericite-chlorite schist w/m. black phyllite	t	t			2, 3	—	563		L.001						Blowback, used a lot of water when removed, dry return at end of run
10.1	11.6	as above but w/out phyllite	t	t			7, 10	m	564		L.001						
11.6	13.1	" "	t	t			3, 5	m	565		L.001						
13.1	14.6	" "	t	t			5, 5	m	566		L.001						
14.6	16.2	" "	t	t			7, 10	m	567		L.001						
16.2	17.7	" "	t	t			7, 10	m	568		L.001						lubricant poured down rods, rods pulled to change piston
17.7	19.2	" w/ very fine dissem. py	t	t			m	—	569		L.001						
19.2	20.7	"	t	t			5, 10	—	53570		L.001						
20.7	22.3	" "	t	t			5, 5	—	571		L.001						
22.3	23.8	" "	t	t			6, 5	—	572		L.001						
23.8	25.3	" "	m	m			m	—	573		L.001						
25.3	26.8	" "	—	—			5	—	574		L.001						

LAT: LONG: ELEV: DIP: -55° BRG: 045° TOTAL LENGTH: 278' 84.7m STARTED ON: June 16 COMPLETED ON: June 16

FROM (m)	TO (m)	LITHOLOGY / ROCK TYPE	SULPHIDES Py (H A)	Po (H A)	(H A)	TOTAL SULPHIDES (H A)	GANGUE QTZ (H A)	Fe-Carb (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/tn Au) ASSAY 1	ASSAY 2	ASSAY 3	AVE. GRADE	CYANIDATION (oz/tn Au)	WEIGHTED AVE. GRADE (oz/tn Au)	OBSERVATIONS
26.8	28.3	qtz - chlor - ser - schist	t	t			7, 10	-	53575		L.001						
28.3	29.9	" "	t	t			3, 5	-	576		L.001						
29.9	31.4	" "	t	t			2, 5	-	577		L.001						Hit some water at end of run.
31.4	32.9	" "	m	m			3, 5	-	578		.004						Dryish
32.9	34.4	" "	m	m			m	-	579		.008						very viscous
34.4	36.0	" "	t	t			m	-	53580		L.001						Dry
36.0	37.5	" "	t	t			m	-	581		.002						Some moisture in early return, then dry.
37.5	39.0	" "	t	t			m	-	582		L.001						Dryish
39.0	40.5	" "	t	t			m	-	583		L.001						Wet & dry
40.5	42.1	more schist	t	t			m	-	584		L.001						wet & dry
42.1	43.6	black phyllite	t	t			m	-	585		L.001						wet
43.6	45.1	missing sample							586		L.001						
45.1	46.6	Phyllite w/ qtz	m	m			4, 5	m	587		.001						
46.6	48.2	Phyllite	m	m			m	t m	588		L.001						
48.2	49.7	Phyllite	m	m			m	t	589		L.001						
49.7	51.2	Phyllite	m	m			2, 21	t	53590		L.001						

REVERSE CIRCULATION DRILL HOLE: RS-88-104

LAT: LONG: ELEV.: DIP: -55° BRG: 045° TOTAL LENGTH: 278' 84.7m STARTED ON: June 16 COMPLETED ON: June 16

FROM (m)	TO (m)	LITHOLOGY: ROCK TYPE	SULPHIDES: Py (H A)	SULPHIDES: Po (H A)	SULPHIDES: (H A)	SULPHIDES: TOTAL SULPHIDES (H A)	GANGUE: QTZ (H A)	GANGUE: Fe-carb (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/ton Au): ASSAY 1	ASSAY 2	ASSAY 3	AVG. GRADE	STANDARDIZATION (oz/ton Au)	WEIGHTED AVG. GRADE (oz/t Au)	OBSERVATIONS
51.2	52.7	Phyllite	t	t			—	—	53591		.001						
52.7	54.3	Phyllite	m	m			t	—	592		.046						
54.3	55.8	Phyllite	m	m			t	—	593		.001						
55.8	57.3	Phyllite	t	t			t	—	594		L.001						some dry recovery
57.3	58.8	Phyllite	t	t			t	—	595		L.001						
58.8	60.4	Phyllite	m	m			t	t	596		L.001						
60.4	61.9	Phyllite	m	m			—	—	597		L.001						
61.9	63.4	Phyllite	t	t			m	m	598		L.001						some dry recovery
63.4	64.9	Phyllite	t	t			—	—	599		.002						
64.9	66.4	Phyllite	t	t			—	—	53600		.003						some dry recovery
66.4	68.0	Phyllite	t	t			—	—	601		L.001						
68.0	69.5	Phyllite	t	t			t	—	602		L.001						
69.5	71.0	Phyllite	t	t			m	—	603		L.001						some dry recovery
71.0	72.5	Phyllite	m	m			t	—	604		L.001						
72.5	74.1	Phyllite	t	t			—	—	605		L.001						
74.1	75.6	Phyllite	t	t			t	—	606		L.001						

REVERSE CIRCULATION DRILL HOLE: RS-88-104

LAT: LONG: ELEV.: DIP: -55° BRG: 045° TOTAL LENGTH: 278' 84.7 m STARTED ON: June 16 COMPLETED ON: June 16

FROM (m)	TO (m)	LITHOLOGY: ROCK TYPE	SULPHIDES: Py. (H A)	SULPHIDES: Po. (H A)	SULPHIDES: (H A)	TOTAL SULPHIDES (H A)	GANGUE: QTZ (H A)	GANGUE: Fe-carb (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/ton Au): ASSAY 1	ASSAY 2	ASSAY 3	AVE. GRADE	STANDARDIZATION (oz/ton Au)	WEIGHTED AVE. GRADE (oz/t Au)	OBSERVATIONS
75.6	77.1	Phyllite	t	t			t	–	53607		L.001						
77.1	78.6	Phyllite	t	t			–	–	608		L.001						
78.6	80.2	Phyllite	t	t			–	–	609		L.001						
80.2	81.7	Phyllite	t	t			–	–	53610		L.001						
81.7	83.2	Phyllite	t	t			–	–	611		L.001						
83.2	84.7	Phyllite	m	m			t	–	612		L.001						
		E.O.H.															

REVERSE CIRCULATION DRILL HOLE: RS-88-105 PAGE: 1 of 4

Northing: 50640.0 Easting: 49628.4 ELEV.: 1422 m DIP: -55° BRG: 045° TOTAL LENGTH: 275' 83.8m STARTED ON: June 17 COMPLETED ON: June 17

FROM (m)	TO (m)	LITHOLOGY – ROCK TYPE	SULPHIDES – Pyrite Py (H A)	SULPHIDES – pyrrhotite Po (H A)	SULPHIDES – (H A)	SULPHIDES – TOTAL SULPHIDES (H A)	GANGUE – QTZ (H A)	GANGUE – Fe-carb (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/ton Au) – ASSAY 1	ASSAY 2	ASSAY 3	AVE. GRADE	CYANIDATION (oz/ton Au)	WEIGHTED AVG. GRADE (oz/ton Au)	OBSERVATIONS
0	4.6	Overburden							—								
4.6	6.1	no sample for logging							53613		L.001						
6.1	7.6	Phyllite + qtz (mod oxidn)	2%	m			19, 20	2%	614		L.001						
7.6	9.1	Phyll. + qtz (mod oxidn)	m	t			7, 5	m	615		L.001						
9.1	10.7	Black phyll. + qtz-ser-chlor-schist (wkly oxidized)	t	t			3, 5	m	616		L.001						
10.7	12.2	schist	t	t			2, 5	m	617		L.001						
12.2	13.7	schist as above w/ minor dk schist poss bl. phyll.	t	t			t	-	618		L.001						
13.7	15.2	dk gry f.g. slt stone	t	t			9, 10	-	619		L.001						
15.2	16.8	dk gry slt w/ m. grn schist	t	t			t	-	53620		L.001						
16.8	18.3	~~dk slt~~ bl. phyll.	t	t			m	-	621		L.001						
18.3	19.8	bl phyll.	-	-			t	-	622		L.001						
19.8	21.3	" "	t	t			5, 5	-	623		L.001						
21.3	22.9	" "	t	t			t	-	624		L.001						
22.9	24.4	" "	t	t			-	-	625		L.001						
24.4	25.9	" "	t	t	-		-	-	626		L.001						
25.9	27.4	" "	t	-	-	—	—	-	627	—	L.001						

REVERSE CIRCULATION DRILL HOLE: RS-88-105

LAT: LONG: ELEV.: DIP: -55° BRG: 045° TOTAL LENGTH: 275' 83.8m STARTED ON: June 17 COMPLETED ON: June 17

FROM (m)	TO (m)	LITHOLOGY: ROCK TYPE	SULPHIDES: Py (H A)	SULPHIDES: Po (H A)	SULPHIDES: (H A)	SULPHIDES: TOTAL SULPHIDES (H A)	GANGUE: QTZ (H A)	GANGUE: (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/tn Au): ASSAY 1	ASSAY 2	ASSAY 3	AVE. GRADE	CYANIDATION (oz/tn Au)	WEIGHTED AVE. GRADE (oz/tn Au)	OBSERVATIONS
27.4	29.0	phyll/siltstone	t	# -			t	—	53628		L.001						
29.0	30.5	" "	t	—			8, 10	—	629		L.001						
30.5	32.0	" "	t	—			m	—	53630		.003						
32.0	33.5	" "	t	—			—	—	631		L.001						
33.5	35.0	" more phyllitic"	m	—			t	—	632		.001						
35.0	36.6	black Phyllite	m	—			t	—	633		.003						
36.6	38.1	" "	m	—			—	—	634		.001						
38.1	39.6	" "	m	—			t	—	635		.001						
39.6	41.1	bl. phyll. w m. grn schist	t	[illegible]			t	—	636		L.001						
41.1	42.7	bl. phyll.	t	—			t	—	637		L.001						
42.7	44.2	" "	t	—			t	some of Ca-carb	638		L.001						
44.2	45.7	" "	t	—			t	—	639	—	L.001						
45.7	47.2	" "	t	—			—	—	53640		L.001						
47.2	48.8	" "	m	—			—	—	641		L.001						
48.8	50.3	" "	T	—			—	←	642		L.001						
50.3	51.8	" "	t	—			-	m. Ca-carb	643		L.001						

REVERSE CIRCULATION DRILL HOLE: RS-88-105

LAT: LONG: ELEV: DIP: -55° BRG: 045° TOTAL LENGTH: 275' STARTED ON: June 17 COMPLETED ON: June 17

FROM (m)	TO (m)	LITHOLOGY: ROCK TYPE	SULPHIDES: PY (H A)	SULPHIDES: PO (H A)	SULPHIDES: (H A)	SULPHIDES: TOTAL SULPHIDES (H A)	GANGUE: QTZ (H A)	GANGUE: (H A)	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/tn Au): ASSAY 1	ASSAY 2	ASSAY 3	AVG. GRADE	CYANIDATION (oz/tn Au)	WEIGHTED AVG. GRADE (oz/tn Au)	OBSERVATIONS
51.8	53.3	bl. phyll.	t	−			−	−	53644		L.001						
53.3	54.9	" "	t	−			−	−	645		L.001						
54.9	56.4	" "	t	−			−	−	646		L.001						
56.4	57.9	" "	t	−			−	−	647		.002						
57.9	59.4	" "	t	−			−	Ca-carb	648		L.001						
59.4	61.0	" " bits of Ca-carb	m	−			−	Ca-carb	53649		L.001						
61.0	62.5	" "	t	−			−	Ca-carb	650		.002						
62.5	64.0	" "	t	−			7, 10	Ca-carb	651		L.001						
64.0	65.5	" "	t	−			4, 5	−	652		L.001						
65.5	67.1	" "	t	−			2, 2	−	653		L.001						
67.1	68.6	" "	t	−			−	−	654		L.001						
68.6	70.1	" "	−	−			t	−	655		L.001						
70.1	71.6	" "	−	−			t	−	656		L.001						
71.6	73.2	" "	t	−			t	−	657		L.001						
73.2	74.7	" "	−	−			−	t	658		L.001						
74.7	76.2	" "	t	−			−	−	659		L.001						

REVERSE CIRCULATION DRILL HOLE: RS-88-105

LAT: LONG: ELEV: DIP: -55 BRG-045 TOTAL LENGTH: 275' 83.8' STARTED ON: June 17 COMPLETED ON: June 17

FROM (m)	TO (m)	LITHOLOGY Rock Type	SULPHIDES Py H A	Po H A	H A	TOTAL SULPHIDES H A	GANGUE Qtz H A	H A	SAMPLE #	INTERVAL (m)	FIRE ASSAYS (oz/ton Au) Assay 1	Assay 2	Assay 3	Ave. Grade	CYANIDATION (oz/t Au)	WEIGHTED AVE. GRADE (oz/t Au)	OBSERVATIONS
76.2	77.7	bl. phyllite	t	–			–	–	53660		L.001						
77.7	79.2	" "	t	–			–	–	661		L.001						
79.2	80.7	" "	t	–			–	–	662		L.001						
80.7	82.3	" "	–	–			–	–	663		L.001						
82.3	83.8	" "	t	–			–	–	53664		L.001						
		E.o.H.															

APPENDIX II

ANALYTICAL PROCEDURES AND RESULTS

KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5
PHONE: (604) 372-2784 — FAX 372-1112

September 7, 1988

1257 Geological Ltd.
1251 - 409 Granville St.
Vancouver, B.C.
V6C 1T2

Attention: Lorne Rowan

Dear Lorne:

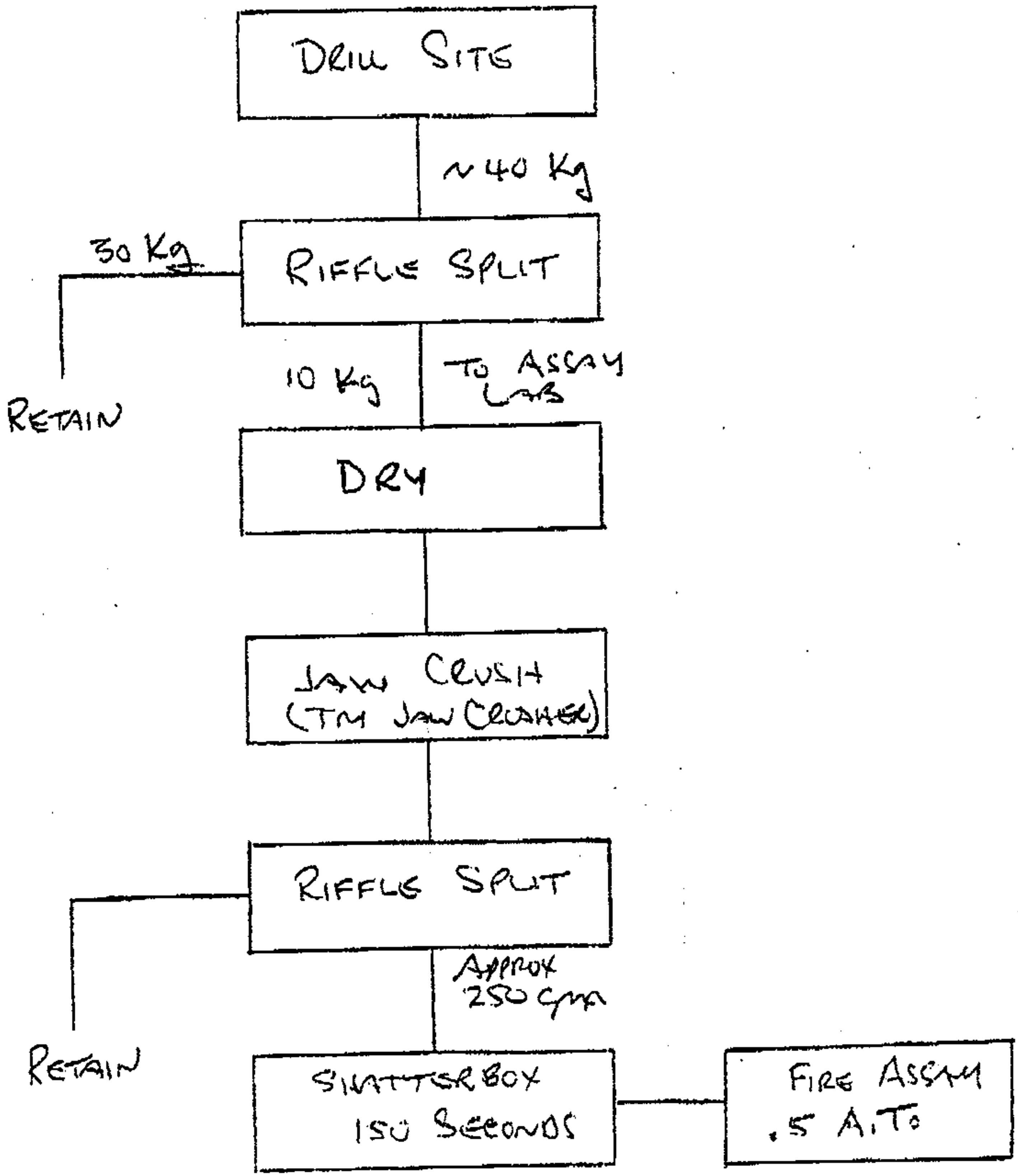
Following is the flowsheet requested by Gary Hawthorne of Westcoast Minerals. The only changes from this procedure were that we split two samples from the reject, so that one could be used for the subsequent cyanidation assay, and we were requested by Brian Richards to use 1 assay ton rather than one half as recommended by Gary Hawthorne. Other than these changes, we followed the instructions to the letter.

Yours Sincerely,

Derek A. Blundell

Derek A. Blundell
President

FRASERGOLD – PROPOSED INITIAL SAMPLE PREP / ASSAYING PROCEDURE



Hawthorn
May 12/88

TA
Member
Canadian Testing
Association

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GEOCHEMICAL ANALYSTS
METALLURGISTS

CERTIFICATE OF ASSAY

TO 1257 Geological Ltd.

Certificate No. K 8946

Date

I hereby certify that the following are the results of assays made by us upon the herein described samples

Kral No	Marked	Au ozs/ton							
201.	53558	L.001							
202.	53559	.005							
203.	53560 RS-104	L.001							
204.	53561	L.001							
205.	53562	L.001							
206.	53563	L.001							
207.	53564	L.001							
208.	53565	L.001							
209.	53566	L.001							
210.	53567	L.001							
211.	53568	L.001							
212.	53569	L.001							
213.	53570	L.001							
214.	53571	L.001							
215.	53572	L.001							
216.	53573	L.001							
217.	53574	L.001							
218.	53575	L.001							
219.	53576	L.001							
220.	53577	L.001							

NOTE
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged

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Kral No	Marked	Au ozs/ton							
	RS-101								
221.	53578	.004							
222.	53579	.008							
223.	53580	L.001							
224.	53581	.002							
225.	53582	L.001							
226.	53583	L.001							
227.	53584	L.001							
228.	53585	L.001							
229.	53586	L.001							
230.	53587	.001							
231.	53588	L.001							
232.	53589	L.001							
233.	53590	L.001							
234.	53591	.001							
235.	53592	.046							
236.	53593	.001							
237.	53594	L.001							
238.	53595	L.001							
239.	53596	L.001							
240.	53597	L.001							

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Date

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Kral No	Marked	Au ozs/ton								
241.	53598 RS-104	L.001								
242.	53599	.002								
243.	53600	.003								
244.	53601	L.001								
245.	53602	L.001								
246.	53603	L.001								
247.	53604	L.001								
248.	53605	L.001								
249.	53606	L.001								
250.	53607	L.001								
251.	53608	L.001								
252.	53609	L.001								
253.	53610	L.001								
254.	53611	L.001								
255.	53612	L.001								
256.	53613 RS-105	L.001								
257.	53614	L.001								
258.	53615	L.001								
259.	53616	L.001								
260.	53617	L.001								

NOTE:
Rejects retained three weeks.
Pulps retained three months
unless otherwise arranged

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TO 1257 Geological Ltd.

Certificate No. K 8946

Date

I hereby certify that the following are the results of assays made by us upon the herein described ______ samples

Kral No.	Marked	Au ozs/ton								
	RS-105									
261.	53618	L.001								
262.	53619	L.001								
263.	53620	L.001								
264.	53621	L.001								
265.	53622	L.001								
266.	53623	L.001								
267.	53624	L.001								
268.	53625	L.001								
269.	53626	L.001								
270.	53627	L.001								
271.	53628	L.001								
272.	53629	L.001								
273.	53630	.003								
274.	53631	L.001								
275.	53632	.001								
276.	53633	.003								
277.	53634	.001								
278.	53635	.001								
279.	53636	L.001								
280.	53637	L.001								

NOTE:
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Pulps retained three months
unless otherwise arranged

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Date

I hereby certify that the following are the results of assays made by us upon the herein described ______ samples

Kral No	Marked	Au ozs/ton								
	Rs ·105									
281.	53638	L.001								
282.	53639	L.001								
283.	53640	L.001								
284.	53641	L.001								
285.	53642	L.001								
286.	53643	L.001								
287.	53644	L.001								
288.	53645	L.001								
289.	53646	L.001								
290.	53647	.002								
291.	53648	L.001								
292.	53649	L.001								
293.	53650	.002								
294.	53651	L.001								
295.	53652	L.001								
296.	53653	L.001								
297.	53654	L.001								
298.	53655	L.001								
299.	53656	L.001								
300.	53657	L.001								

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.

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V2C 5P5
PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

TO 1257 Geological Ltd.

Certificate No. K 8946

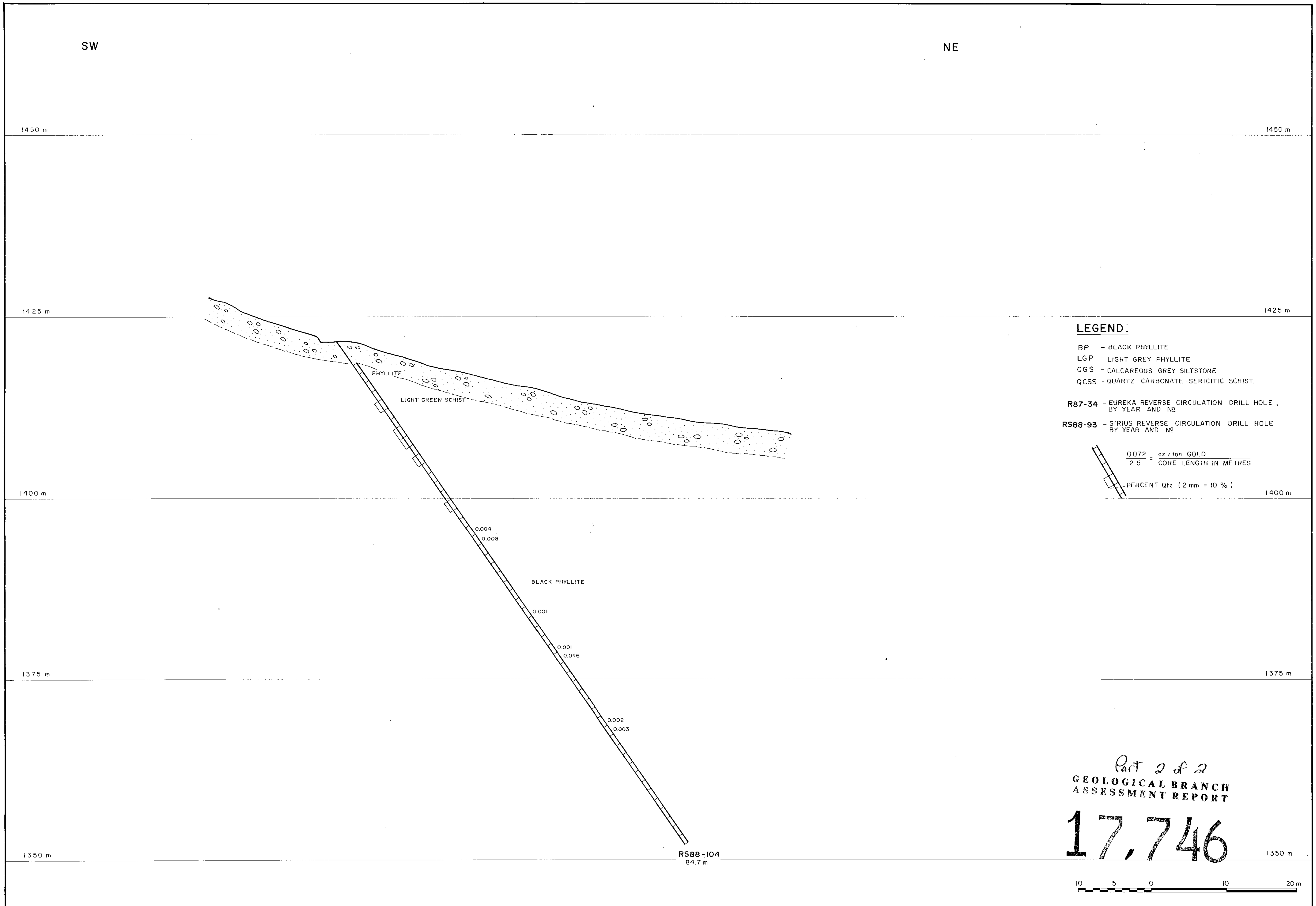
Date

I hereby certify *that the following are the results of assays made by us upon the herein described ______ samples*

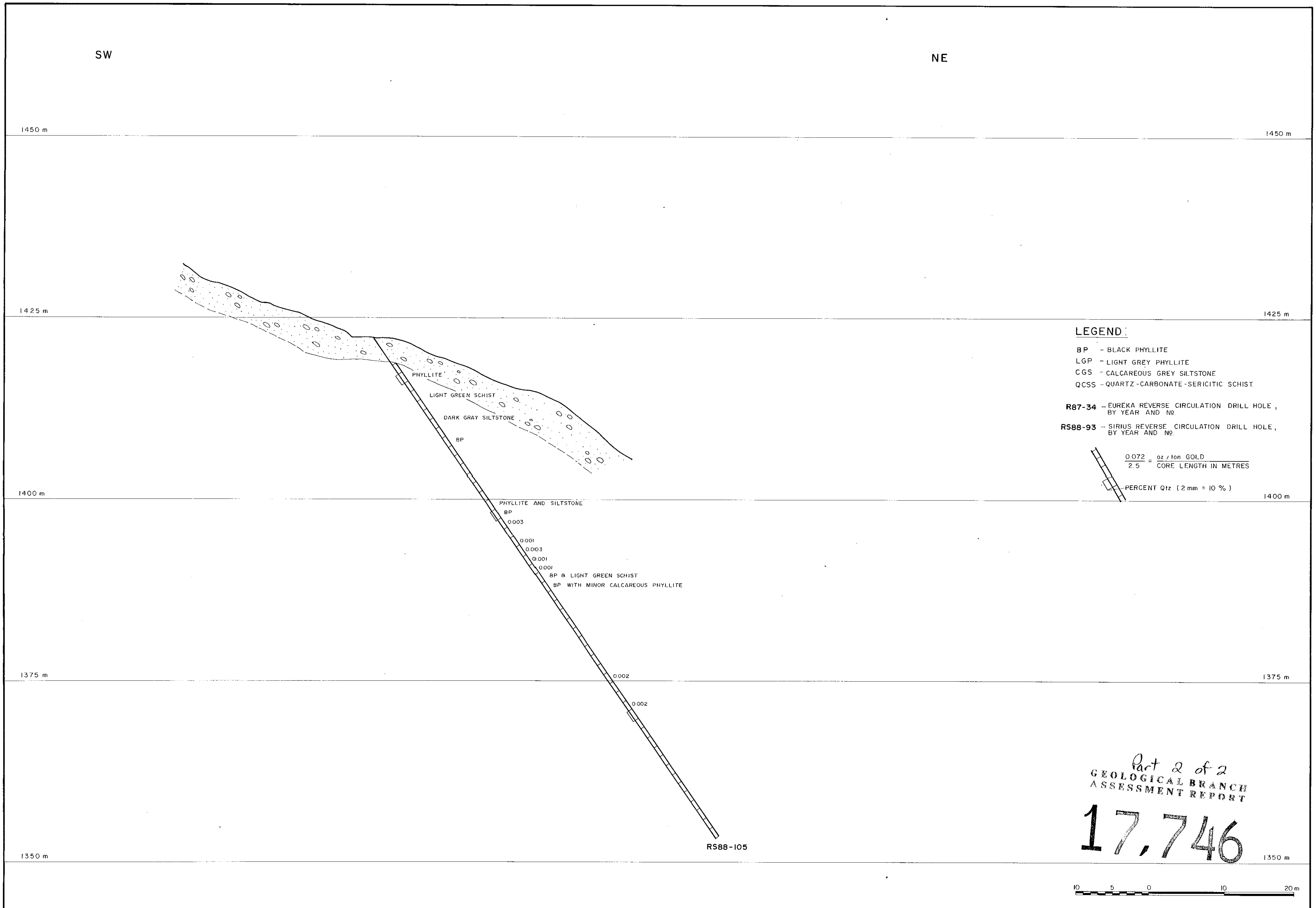
Kral No	*Marked*	Au ozs/ton							
	RS-105								
301.	53658	L.001							
302.	53659	L.001							
303.	53660	L.001							
304.	53661	L.001							
305.	53662	L.001							
306.	53663	L.001							
307.	53664	L.001							
308.	Tag 53511C Bag 53571	.011							
	L means "less than"								

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.

Registered Assayer, Province of British Columbia



1257 GEOLOGICAL LTD.	
SIRIUS RESOURCE CORPORATION	
FRASERGOLD PROJECT	
DRILL HOLE SECTION RS88-104	
LOGGED BY L.ROWAN, M.M.	SCALE 1 : 250
DRAWN BY E.B.CATAPIA	DATE AUGUST 1988
CHECKED BY	PLATE №.



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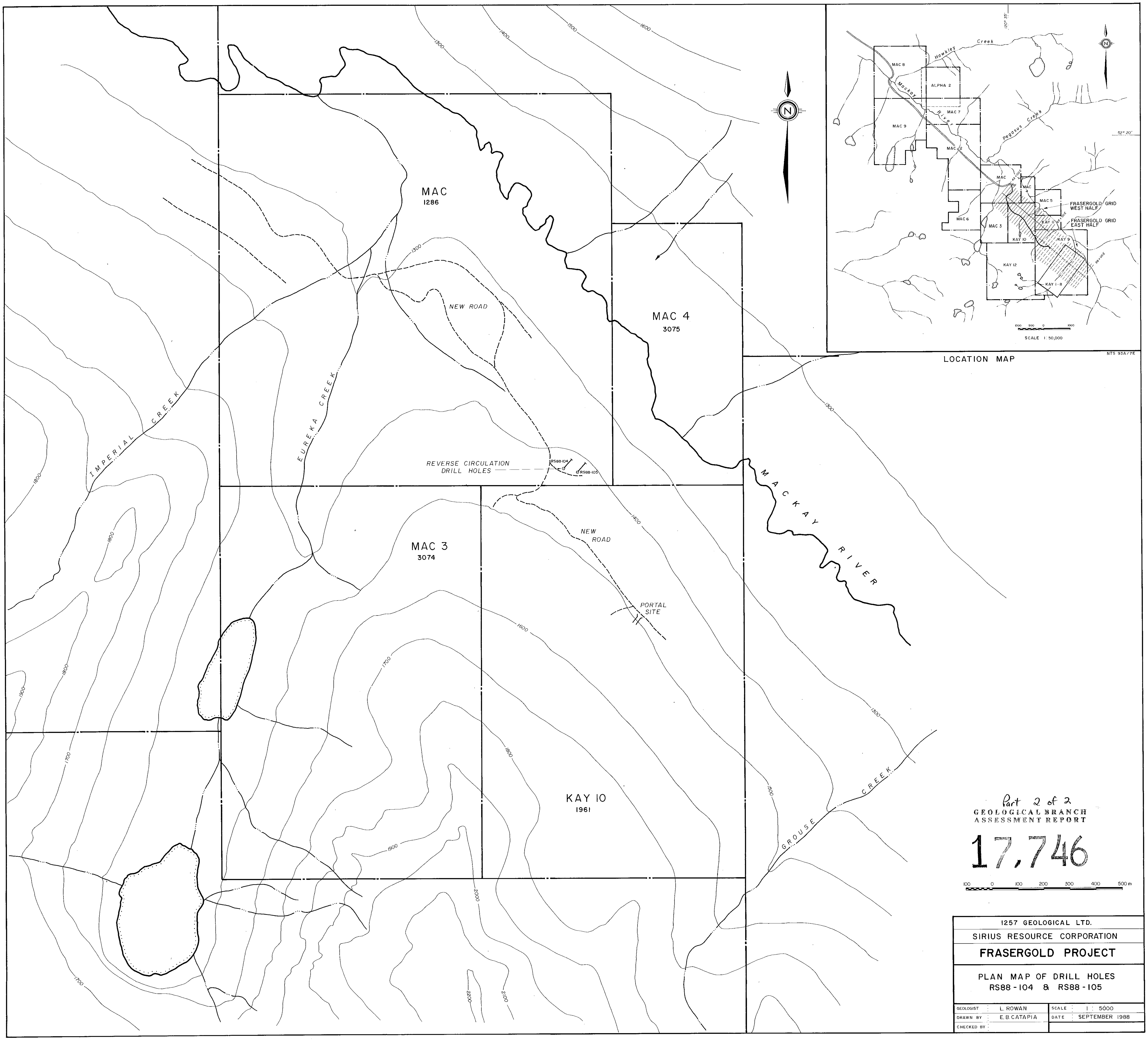
SIRIUS RESOURCE CORPORATION

FRASERGOLD PROJECT

DRILL HOLE SECTION
RS88-105

LOGGED BY : L. ROWAN, M.M.	SCALE : 1 : 250
DRAWN BY : E.B. CATAPIA	DATE : AUGUST 1988
CHECKED BY :	PLATE №.



MAC
1286
MAC 4
3075
MAC 3
3074
KAY 10
1961
NEW ROAD
NEW ROAD
REVERSE CIRCULATION DRILL HOLES
RS88-104
RS88-105
PORTAL SITE
IMPERIAL CREEK
EUREKA CREEK
MACKAY RIVER
GROUSE CREEK
1300
1400
1500
1600
1700
1800
1900
2000
2100
2200
N
MAC 8
ALPHA 2
MAC 9
MAC 7
MAC 2
MAC
MAC 4
MAC 5
MAC 6
MAC 3
KAY 10
KAY 11
KAY 9
KAY 12
KAY 1-8
Hawkley Creek
Mackay River
Pegasus Creek
FRASERGOLD GRID WEST HALF
FRASERGOLD GRID EAST HALF
52° 20'
SCALE 1 : 50,000
LOCATION MAP
NTS 93A/7E
Part 2 of 2
GEOLOGICAL BRANCH
ASSESSMENT REPORT
17,746
100 0 100 200 300 400 500 m
1257 GEOLOGICAL LTD.
SIRIUS RESOURCE CORPORATION
FRASERGOLD PROJECT
PLAN MAP OF DRILL HOLES
RS88-104 & RS88-105
GEOLOGIST L. ROWAN
SCALE 1 : 5000
DRAWN BY E.B. CATAPIA
DATE SEPTEMBER 1988
CHECKED BY