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REPORT ON
STEEPLE PROPERTY

PREPARED FOR:
BUL RIVER MINERAL CORP. LTD.

BY:

Alfred R. Allen,
ALLEN GEOLOGICAL ENGINEERING LTD.
#514 - 518 Moberley Road
Vancouver, B.C.
V5Z 4G3

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VANCOUVER, B.C.

DATED: February 6, 1989

GEOLOGICAL BRANCH
ASSESSMENT REPORT

18,368

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A. INTRODUCTION

Diamond and Rotary drilling programmes were conducted over the Steeple 1-35 claims in the Fort Steele Mining Division of southeastern British Columbia, November 10, 1987 - November 15, 1988.

One vertical hole was drilled by the Stanfield crew and the Longyear #44 drill and equipment.

Seven vertical holes were drilled with Cyclone Rotary Air-Mud equipment and crew, contracted by Mr. Stanfield to Zeus Mineral Corporation, October 1 - November 15, 1988.

The writer and Stanfield staff selected and located drilling sites, flagged collar locations, stored core and cuttings in the core building at the Stanfield camp, logged the holes and completed the report February 6, 1989.

The object of the drilling was to acquire bedrock information pertaining to depth to bedrock, geology and mineral content.

B. PROPERTY

The northern area of the property includes the following located adjoining mineral claims upon which diamond drilling and cyclone rotary air-mud drilling has been conducted, 1987-88.

| <u>Group</u> | <u>Claims</u> | <u>Hole</u> | <u>Record Numbers</u> | <u>Expiration Dates</u> |
|--------------|----------------------|------------------|---------------------------------|--------------------------|
| 1A | 11 - 14 | BR 3-87 | 361-364 | 9-11-89 |
| 2A | 8-10-17-19 | S-10-88 | 1205, 1207, 1210, 1211, 1212 | 22-12-89 and 22-12-90 |
| 3A | 2-4-6-15 | S-2-88 | 352, 1201, 1203, 1208 | 9-11-90, 22-12-90 |
| 4A | 16 & 23-26 | S-26-88 | 1209, 1216-1219 | 22-12-89 and 22-12-90 |
| 5A | 1, 3, 5, 7, 9 | S-5-88 | 351, 1200, 1202, 1204, 1206 | 9-11-90 and 22-12-89 |
| 6A | 27-30 | S-30-88 | 1220-1223 | 22-12-90 |
| 7A | 21, 22, 31 33, 35 | S-21-A S-21-B | 1214, 1215, 2343, 2344, 2345 | 22-12-90 and 28-12-89 |

C. LOCATION AND ACCESSIBILITY

The Steeples property is located in southeastern B.C., in the Fort Steele Mining Division.

The drilling programme was conducted over the Steeples 1-35 claims area, latitude $49^{\circ}-30'$ - $49^{\circ}-35''-30''$ North and west longitude $115^{\circ}-17'$ - $115^{\circ}-32'$.

Access to local towns in the area is via highway #3 and well maintained secondary roads.

| | |
|-----------|-----------------|
| Cranbrook | 27 Km West |
| Fernie | 22 Km East |
| Galloway | 18 Km South |
| Kimberley | 43 Km Northwest |

The area is serviced by C.P.R. and Air to Cranbrook - Kimberly airport.

D. PHYSIOGRAPHY

The Steeles claims extend from the Kootney River in the Rocky Mountain trench, elevation 820 metres above sea level, easterly over the Hughes and Lizard front ranges of the Rocky Mountains.

The property extends farther east across the Bull River Valley at 900 metres above sea level and east to the 1,500 metre elevation.

The Kootenay River flows south. The Bull River flows south-southwest into the Kootenay River.

Tributary creeks are the Little Bull, Dibble and Burnbridge.

The Rockies crest over the Steeples ridge at 2,640 metres above sea level.

This ridge extends from the Bul River mine area to the north boundary of the property.

E. PREVIOUS WORK

The geology of the Stanfield property, including the Steeples claims, includes G.S.C. Paper 58-10 and Map 20.

The publication of the International Geological Congress of Canada, Twenty Fourth Session, 1972, provides detailed information of the area including the Steeples claims.

F. GEOLOGY

Forty 20 unit Steeples claims are underlain by Precambrian Aldridge, Creston, and Kitchener - Siyeh formations.

On the southwest and northeast, the Precambrian formations are in fault contact with Palaeozoic Upper Devonian, Mississippian and Pennsylvanian formations.

The Aldridge formation is composed of laminated black argillite, banded grey and dark grey rusty weathering argillaceous quartzite and light grey quartzite.

The Creston formation is composed of banded light grey and grey-green argillite and grey, white and purple quartzite.

The Kitchener-Siyeh formations are composed of grey and green argillite, dolomitic argillite and sandy dolomite weathering grey and brown.

The overlaying Siyeh strata are mostly laminated grey argillite, with purple colouration, topped by andestic lava and tuff.

Upper Devonian Palliser and Elexo formations are composed of sandstone, sandy limestone and argillaceous limestone.

The Mississippian Rundel Group is composed of fetid fine-grained dark grey limestone.

The Pennsylvanian Rocky Mountain formation is composed of dolomite, sandstone, limestone, chert and siltstone.

Attitudes are irregular but in general northerly with easterly dips.

The contacts between Precambrian and Palaeozoic formations on the southwest and northeast are with the Bull River and Dibble Creek faults.

Detailed geological mapping is completed only in the Bul River mine area.

G. THEORY

The drilling programme was conducted between the Bull River and Dibble Creek fault zones within Precambrian formations, and chiefly in areas known to be underlain by the Aldridge formation.

The Bul River mine and most of the numerous mineralized exposures on the extensive holdings originally acquired by Mr. Stanfield, occur within the Aldridge formation, which is considered the prime target area for on going exploration plans.

H. OBJECT OF THE DRILLING PROGRAMME

Diamond drill hole BR 3-87 is collared 500 metres east of the Bul River mine workings.

Three rotary holes are located near the east boundary and four near the west boundary of the Precambrian - Palaeozoic faulted contacts in order to acquire stratigraphic structural and mineralogical information.

I. A - DIAMOND DRILLING

From August 4-6, 1987 the writer and Stanfield staff planned and located the diamond drill hole collar at 1100 feet elevation. Using a longyear #44 drill and equipment the hole was drilled to a depth of 1119.2 metre.

The sections of this vertical hole from 739.7 metres to 1119.2 metres was drilled November 10, 1987 - November 8, 1988 and is the basis for this report.

I. B. - CYCLONE ROTARY AIR-MUD DRILLING

On August 4-6, 1977 the Stanfiel staff and the writer planned and located 4 holes on the west and 3 holes on the

eastern projected boundaries of the Precambrian formations which are in fault contact with Palaeozoic formations.

The seven vertical holes were drilled with Cyclone Rotary Air-Mud equipment October 1 to November 15, 1988

J. DRILLING RESULTS

A. Diamond Drilling

| <u>Group</u> | <u>Claim</u> | <u>Hole Number</u> | <u>Depth</u> | <u>Log</u> |
|--------------|--------------|--------------------|--------------|------------|
| 1A | #11 | BR 3-87 | 379.4 m | page 11 |

B. Cyclone Rotary Air-Mud Drilling

| <u>Group</u> | <u>Claim</u> | <u>Hole Number</u> | <u>Depth</u> | <u>Log</u> |
|--------------|--------------|--------------------|----------------|--|
| 2A | #10 | S10-88 | 128.9 m | Dark grey impure limestone 51.3-73m, same 100-128 m |
| 3A | #2 | S2-88 | 61.8 m | Black Argillite 51-61.8 m |
| 4A | #26 | S26-88 | 120.7 m | Overburden |
| 5A | #5 | S5-88 | 121.9 m | Overburden |
| 6A | #30 | S30-88 | 120.9 m | Overburden |
| 7A | #21 | S21-88A | 80.7 m | Overburden |
| | | S21-88B | <u>44.1</u> m | Overburden |
| | | <u>Total</u> | <u>679.0 m</u> | |

K. DISCUSSION

Within a thirty three kilometer radius from Cranbrook, the Aldridge formation hosts the Sullivan, Estella, Kootenay King, St. Eugene and Bull River mineral deposits.

The copper, gold, silver and lead mineralization, within the Middle-Upper Aldridge strata, produced to date, from the Bul River mine, occurs within an area intruded by meta diorite dykes with associated sulphides, and irregular limited granitic intrusives.

This geological environment is reasonably similar to that of the other four mines noted above. On the Steeples property, therefore, the first priority is the exploration of areas underlain by the Aldridge formation.

L. SUMMARY

A diamond drill hole was collared 400 m northeast of #1 Open Pit, elevation 1097 m A.S.L., and cored vertical to a depth of 1192 m.

The bottom 379.4 m has been charged to this report.

Seven holes were drilled using Cyclone Rotary Air-Mud equipment. Three were drilled on the east - holes 2, 5 and 10 - and four on the west. Two holes on claim 21 and one on claim 26 and one on claim 30.

| | | |
|------------|---|----------------------|
| Hole S-2 | collared at elevation 1030 m cored black Aldridge argillite, | 51.8-61.8 m |
| Hole S-5 | collared at 900 m - overburden, | 121.9 m |
| Hole S-10 | collared at 1128 m - Kitchener limestone, Kitchener limestone, | 51-73 m 100-129 m |
| Hole S-21A | collared at 2700 m - overburden, | 80.7 m |
| S-21B | collared at 2800 m - overburden, | 44.1 m |
| Hole S-26 | collared at 2800 m - overburden, | 120.7 m |
| Hole S-30 | collared at 3000 m - overburden, | <u>120.9 m</u> |
| | Total | 549.3 m |

Respectfully Submitted by,

ALLEN GEOLOGICAL ENGINEERING LTD.

Per: Alfred R. Allen P.Eng.
Alfred R. Allen

REFERENCES

- Leech G.B., Fernie Map Area, West Half
G.S.C. Paper 58-10, Map 20, 1958
- Leech G.B., International Geological Congress
AO3, CO3 Twenty-fourth Session, Canada, 1972
- Leech G.B., T CIMM V LXII pp 154-174
Souther Rocky Mountain Trench
- Allen A.R., The Bul River Copper, Silver, Gold Mine
June 1976
- Allen A.R., R.H. Stanfield, Rotary Drilling
Bull River Property, March 1985
- Chiang, M.C. Placid Oil Company Reports 1973-1976

FORT STEELE MINERAL CORPORATION

COSTS STATEMENT #1

DIAMOND DRILLING, HOLE BR 3-87

R.H. STANFIELD
by contract

Steeles #11 of Steeles 1A Group
1087 m A.S.L.
Vertical 379.4 m
BR 3-87
November 10 - December 15, 1987

CREWS:

Drill Crew: Liam O'Fee, Driller, Kamloops B.C.
Brent Skene, Helper, Galloway B.C.
Ross Stanfield Jr., Foreman, Galloway B.C.

Equipment: Longyear #44 diamond drill and accessories
Ford 3/4 T., 4x4, F250

| | | |
|--------|----------------------------------|------------------|
| Costs: | Drilling | |
| | 379.4m @ \$163.43/m | \$62,005.34 |
| | Supply 3 men, 31 days @ \$65/day | 6,045.00 |
| | Truck, 3/4 Ton 4x4 @ \$50/day | 1,550.00 |
| | Foreman, 248 hours @ \$15/hour | <u>3,720.00</u> |
| | Total Drilling Costs | \$73,320.34 |
| | Steeles 11-14 Assesment Costs | <u>16,000.00</u> |
| | Balance Credited P.A.C account | \$57,320.34 |

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FORT STEELE MINERAL CORPORATION

COSTS STATEMENT #2

CYCLONE ROTARY AIR-MUD DRILLING

R.H. STANFIELD
by contract

Locations: Steeples Groups: 2A, 3A, 4A, 5A, 6A, 7A: 28 claims
all vertical, 679 metres
November 10, 1987 - November 15, 1988

CREWS:

Drill Crew: Don Murraray, Driller, Strathmore Alberta
Randy Miller, Helper, Strathmore Alberta
Jason Raber, Helper, Strathmore Alberta
Ross Stanfield Jr., Co-Ordinator, Galloway B.C.

Equipment: C.C.C. Truch with TH-60 I.R. Drill and accessories
1 Mack Tandem Water Truck
1 Ford 750 Casing Truck
1 Toyota Crew Truck
Stanfield's Ford 250, 3/4 Ton Truck

| | |
|--------------------------|------------------|
| TOTAL DRILLING COSTS: | \$117,624.71 |
| Draw from P.A.C. account | <u>18,375.29</u> |
| Total payment-Assessment | \$136,000.00 |
| Remaining P.A.C. Credit | \$38,945.05 |

Alfred R. Allen

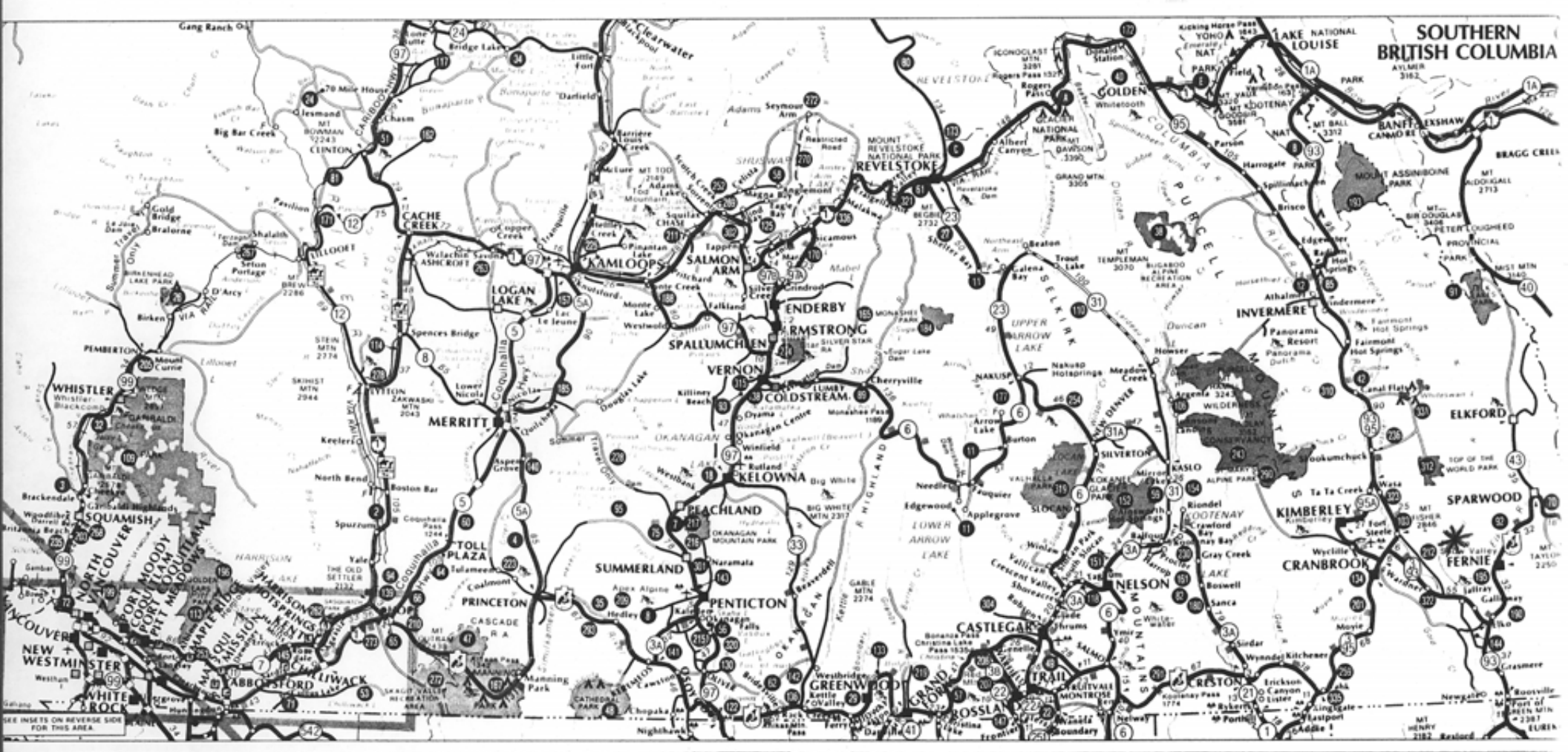
COSTS STATEMENT #2 DETAILED
CYCLONE ROTARY AIR-MUD DRILLING

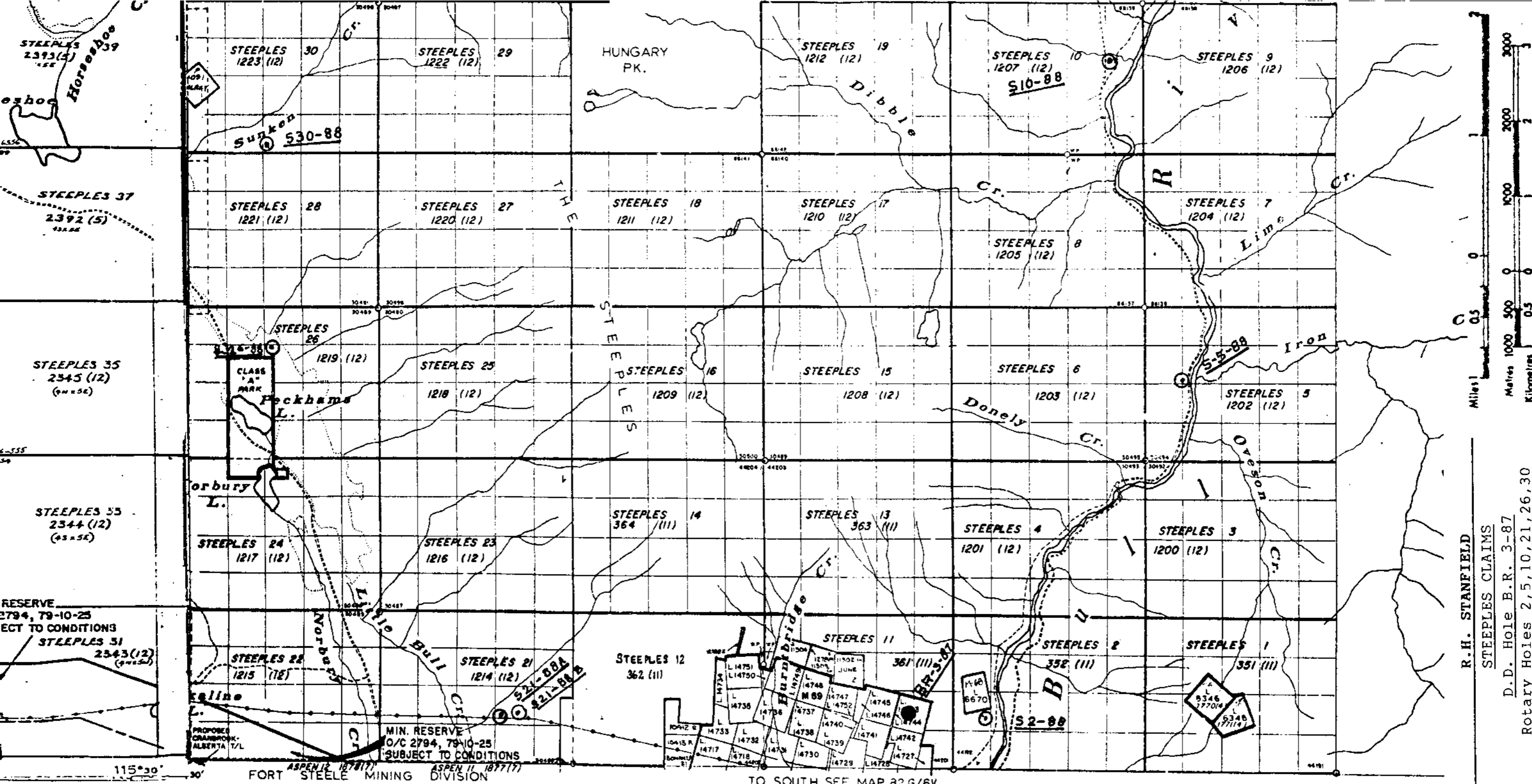
| Mob & Demob | Group | Bed & Meals | Truck & Coordinator | Site Prepare & Clean | Consulting | Drilling | Total Costs |
|-------------|-------|-------------|---------------------|----------------------|------------|-----------------------|--------------|
| 1,000.00 | 2A | 520.00 | 250.00 | 155.00 | 830.00 | 19,588.31 | 22,343.31 |
| 1,000.00 | 3A | 520.00 | 220.00 | 155.00 | 790.00 | 9,099.30 | 11,784.30 |
| 100.00 | 4A | 520.00 | 310.00 | 155.00 | 810.00 | 17,742.80 | 20,537.90 |
| 1,000.00 | 5A | 780.00 | 510.00 | 155.00 | 810.00 | 17,919.30 | 21,174.30 |
| 1,000.00 | 6A | 520.00 | 280.00 | 155.00 | 835.00 | 19,874.30 | 20,709.30 |
| 1,000.00 | 7A | 520.00 | 250.00 | 155.00 | 805.00 | 11,862.40 6,482.70 | 21,075.60 |
| 6,000.00 | | 3,380.00 | 1,870.00 | 930.00 | 4,880.00 | 102,569.71 | \$117,624.71 |



LOCATION MAP 1

* PROPERTY (SOUTHEAST AREA)

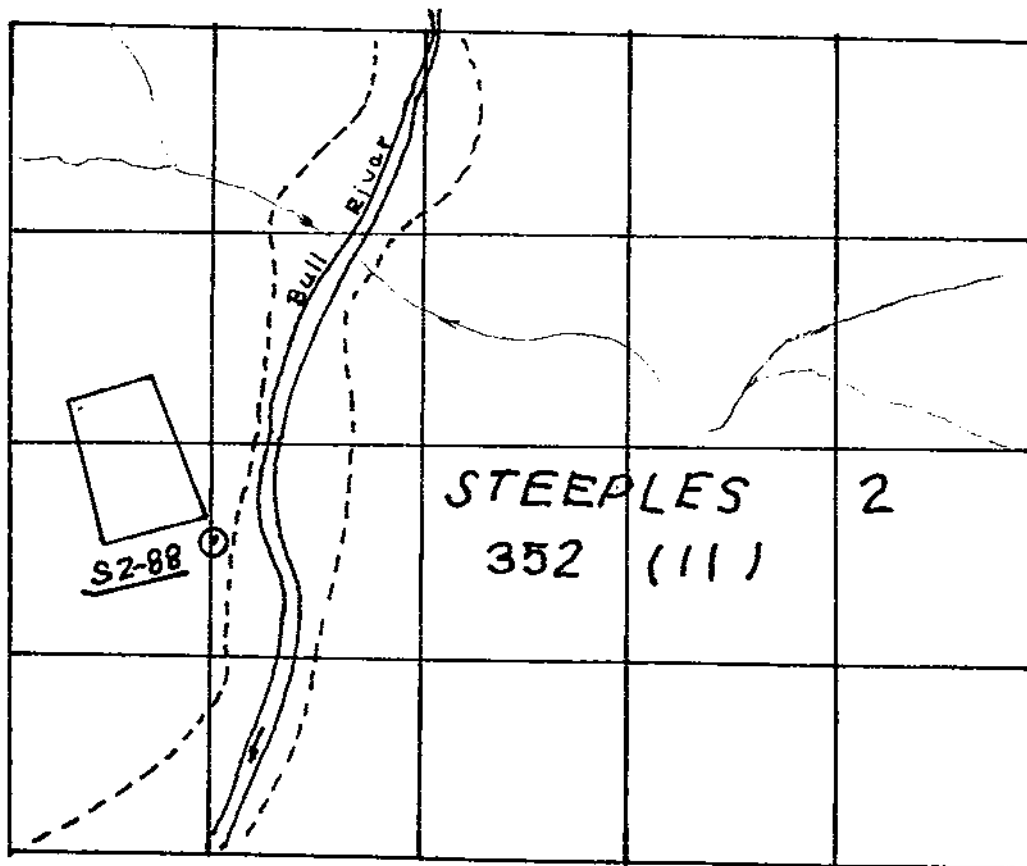




No. 2
 Feb. 4/89
 R.H. STANFIELD
 STEEPLES CLAIMS
 D.D. Hole B.R. 3-87
 Rotary Holes 2,5,10,21,26,30
Alfred R. Allen
 Alfred R. Allen, F. Eng

FORT STEELE MINING DIVISION
 ASPEN 12 1877(17)
 ASPEN 11 1877(17)
 MIN. RESERVE
 10/C 2794, 79-10-25
 SUBJECT TO CONDITIONS

TO SOUTH SEE MAP 82 G/8V

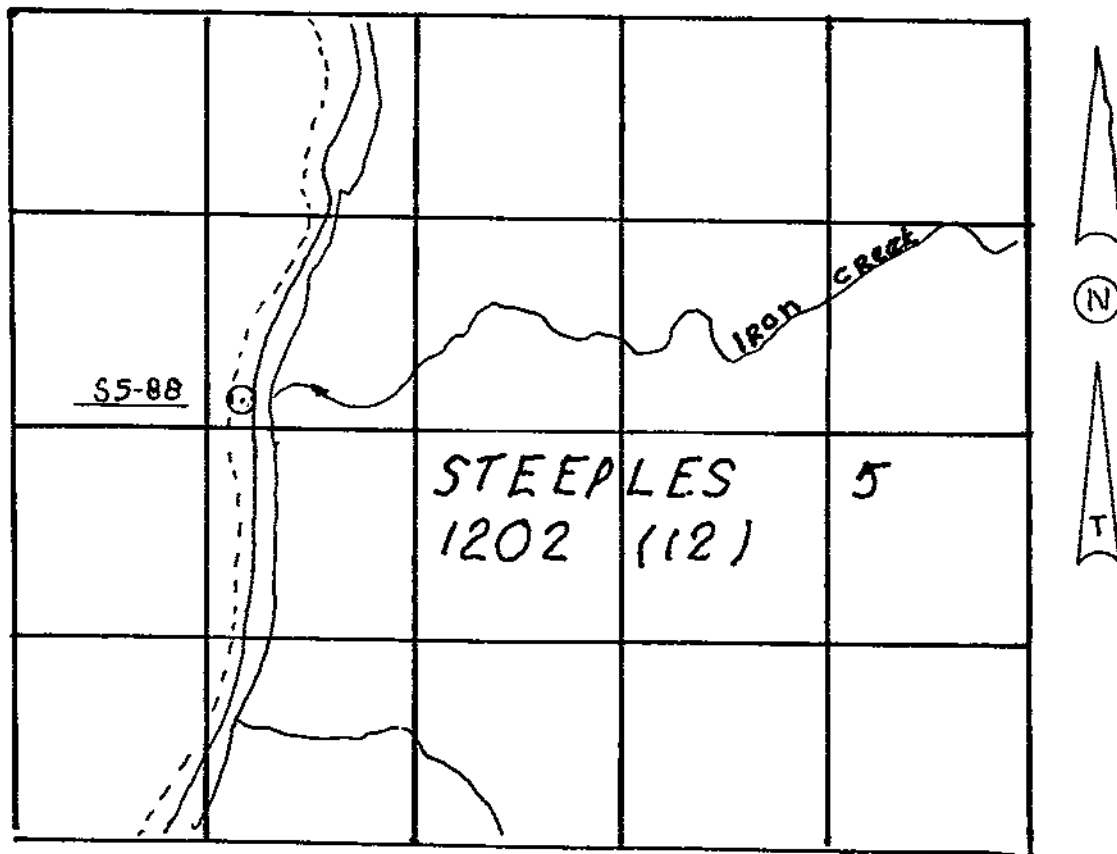


R.H. STANFIELD
Steeple 2 Claim
Hole S2-88

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen, P.Eng.

500 0 500 1000
 METRES

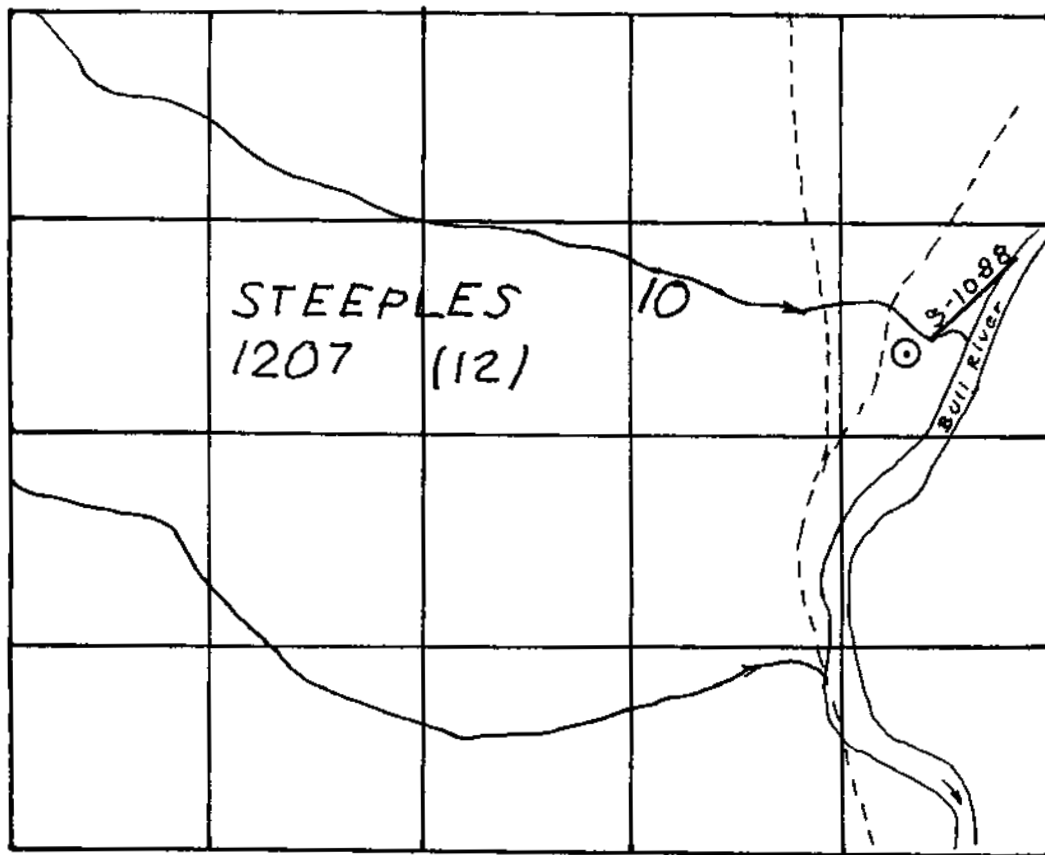


R.H. STANFIELD
Steeple 5 Claim
Hole S5-88

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen, P.Eng.



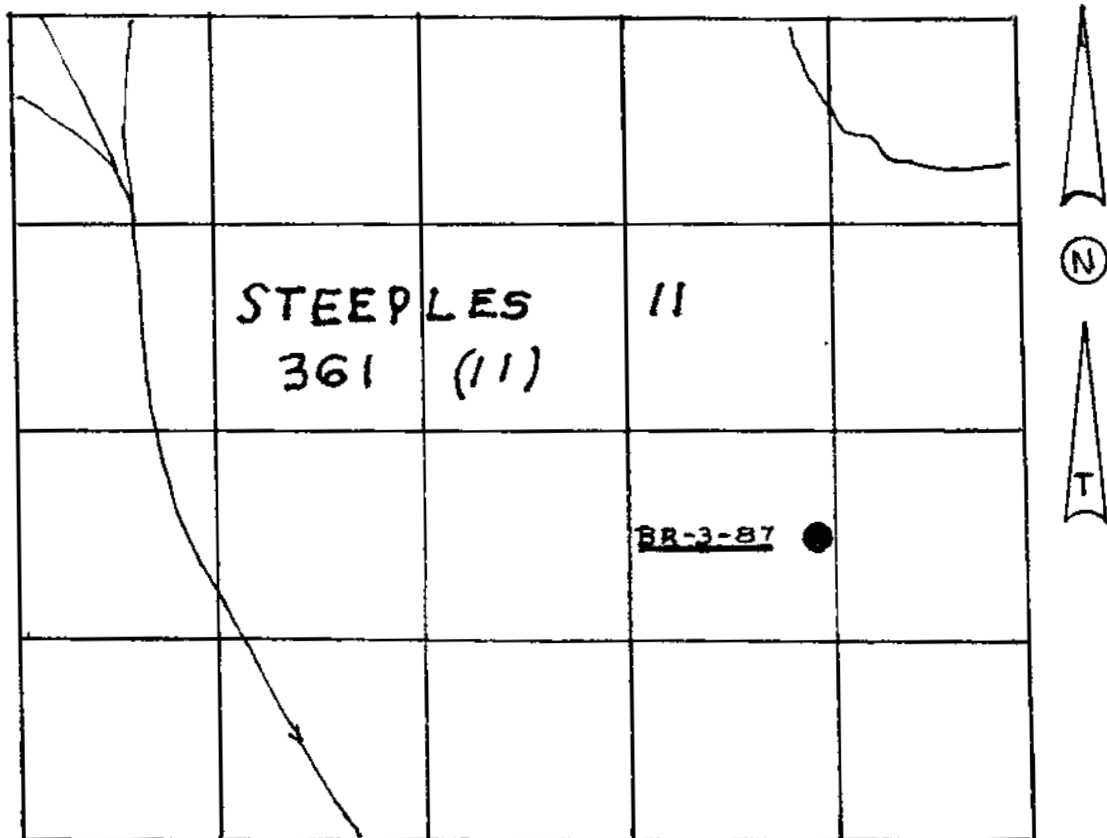


R.H. STANFIELD
Steeples 10 Claim
Hole S10-88

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen, P.Eng.

500 0 500 1000

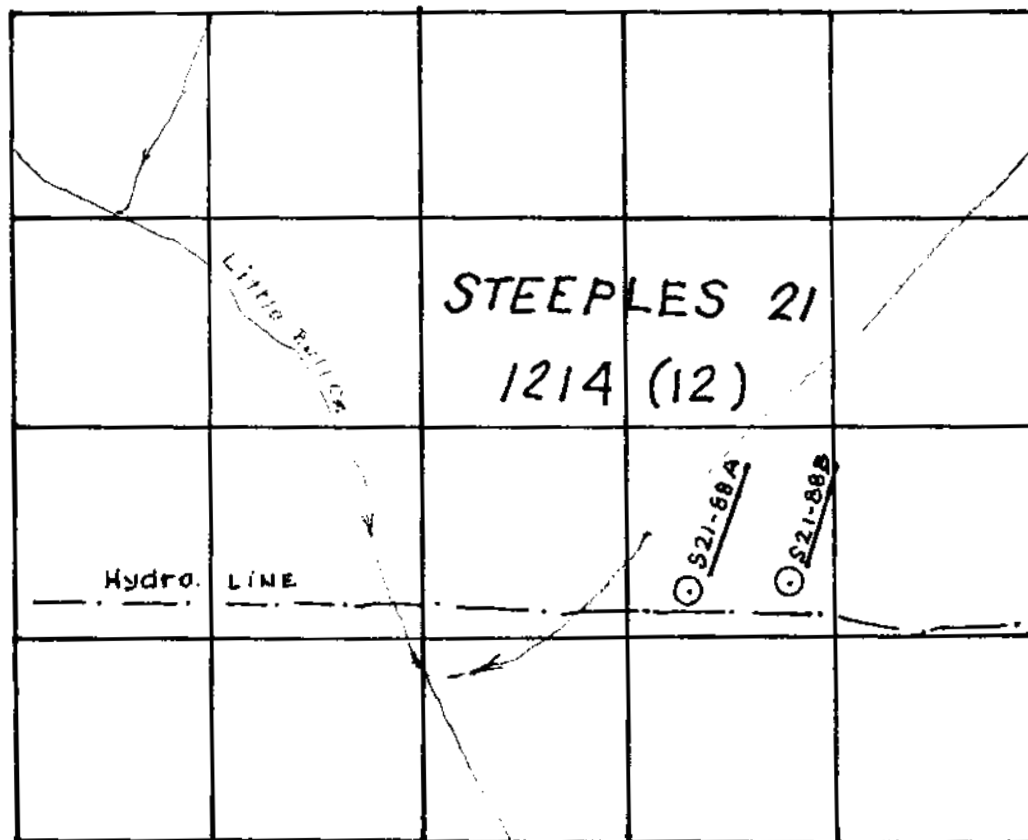


R.H. STANFIELD
Steeples 11 Claim
Hole BR3-87

500 0 500 1000
 METRES

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen D. Eng.

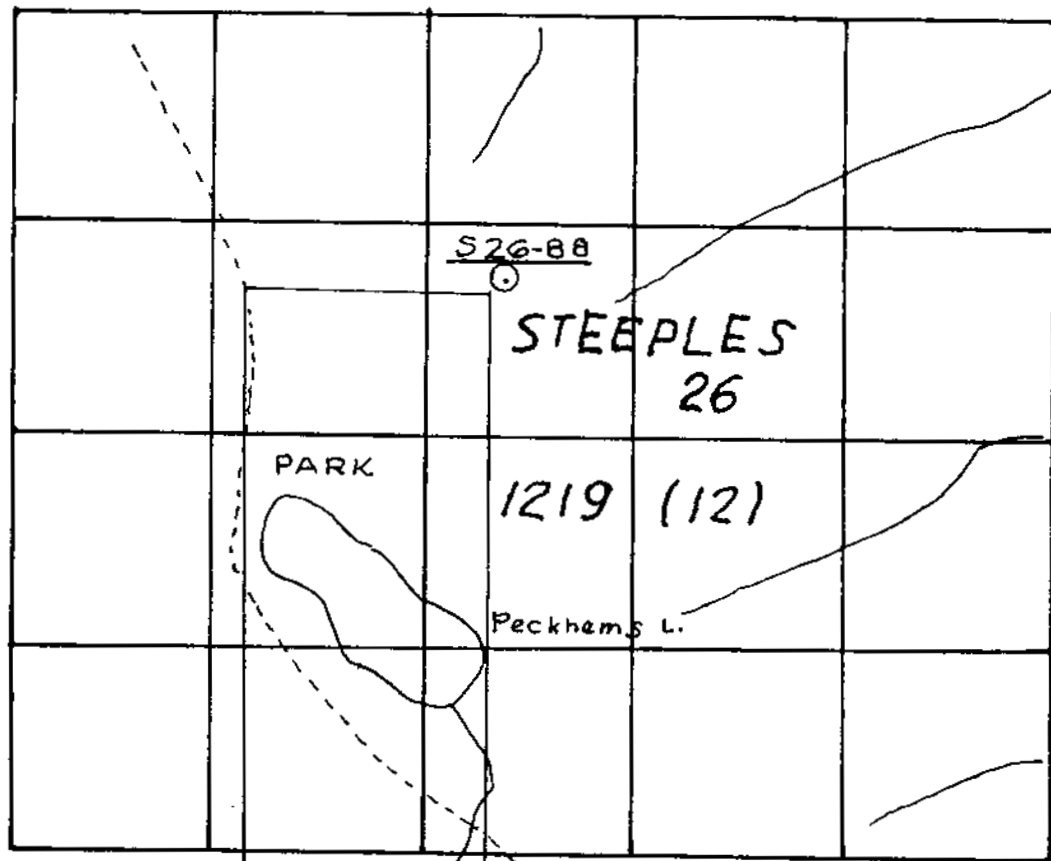


R.H. STANFIELD
Steeples 21 Claim
Holes S21-88A & S21-88B

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen, P. Eng.

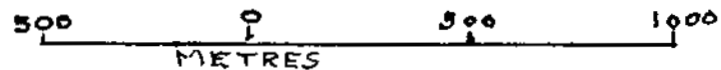


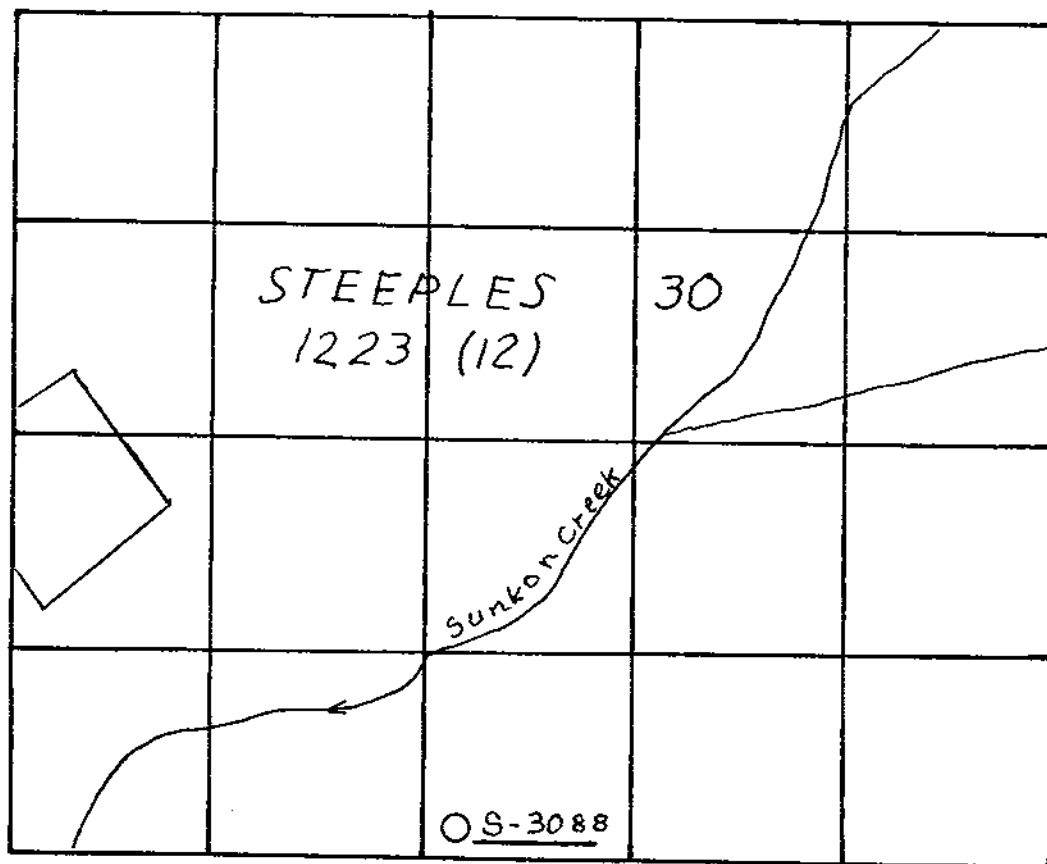


R.H. STANFIELD
Steeples 26 Claim
Hole S26-88

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen P. Eng.





R.H. STANFIELD
Steeples 30 Claim
Hole S30-88

No.
 Feb/89

Alfred R. Allen
 Alfred R. Allen, P.Eng.

500 0 500 1000
 METRES

#514 - 518 Moberley Road
Vancouver, B.C.
V5Z 4G3

CERTIFICATE

January 24, 1989

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia and hold the following degree therefrom:


BASc Geological Engineering 1939
MASc Geological Engineering 1941

I am a Life Member of the Association of Professional Engineers of the Province of British Columbia.

I have practiced my profession for the past 47 years.

I hold no interest in the properties or securities of R.H. STANFIELD or affiliates thereof, nor do I expect to receive any directly or indirectly.

The report on the drilling programme on the Steeples claim groups 1A-7A, Fort Steele M.D., B.C. - is based on consulting by the writer August 4-6, 1987 - December 21, 1988.



Alfred R. Allen