GEOLOGICAL REPORT

ON

THE CUERVO GOLD CLAIMS

WARN BAY AREA

VANCOUVER ISLAND

NTS 92F/5

ALBERNI MINING DIVISION

49° 16' N
125° 40' W

by
Raymond Morris
and
Jennifer Pell, Ph.D., FGAC

JANUARY, 1989

GEOLOGICAL REPORT ON THE CUERVO GOLD CLAIMS WARN BAY AREA, VANCOUVER ISLAND

1. INTRODUCTION

A prospecting and geochemical survey was carried out on the Cuervo Gold claims in the Warn Bay/Tranquil Creek area of the west coast of Vancouver Island during 1988 and early 1989. The claims were staked to cover some favorable gold anomalies discovered in a small preliminary moss mat sampling program. Coarse grained igneous rocks of the Island Intrusions crop out on the central portion of the claims. To the northwest, the claims are underlain by Karmutsen Formation volcanics, and quartzofeldspathic gneisses of the Westcoast Complex crop out on the southern portion of the property.

The Warn Bay/Tranquil Creek area has a history of discoveries of rich gold-bearing veins that dates back to the 1890's; anomalous gold values found in the course of moss mat sampling indicates that a good potential of finding gold-bearing veins on the Cuervo Gold claims exists.

2. PROPERTY, LOCATION AND ACCESS

The Cuervo Gold property (Figure 1) is located to the east of the head of Warn Bay, approximately 25 kilometers northeast of Tofino, on the west coast of Vancouver Island (Map Sheet 92F/5E). Access is gained by boat or float plane to the mouth of Bulson Creek and then via a 3.5 kilometer hike along a MacMillan Bloedel logging road that runs onto the western part of the property. The eastern portions of the claims can be accessed from a logging road followed for a distance of approximately 6 kilometers from the head of Tranquil Bay. Helicopter facilities are also available in Port Alberni, about 60 kilometers to the east, and periodically in Tofino.

2.1 PHYSIOGRAPHY

The Warn Bay area is rugged, mountainous with heavily timbered, steep slopes. Property elevations range from 150 to 1250 meters. Vegetation consists mainly of large cedar with moderate to thin underbrush. Annual precipitation levels are high, but winters are mild and it would be possible to work the property year round.

2.2 CLAIM STATUS

The Cuervo Gold property consists of two contiguous 20 unit mineral claims (Figure 2) as follows:

Name	Record No.	Expiry Date	No. of units
Cuervo Gold 1	3666	Sept 8/1989	20
Cuervo Gold 2	3667	Sept 8/1989	20

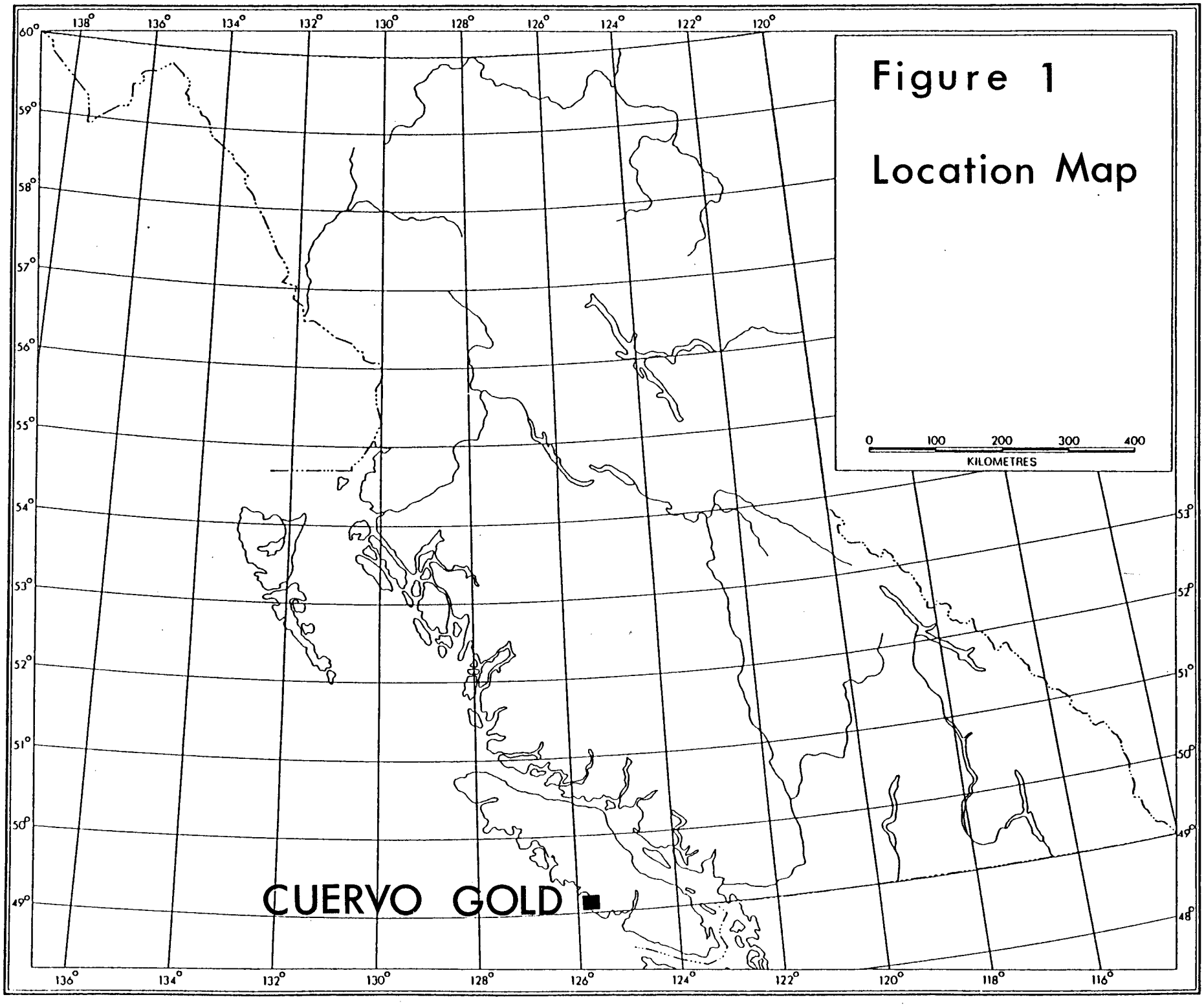


Figure 1
Location Map
0 100 200 300 400
KILOMETRES
CUERVO GOLD
60° 59° 58° 57° 56° 55° 54° 53° 52° 51° 50° 49°
138° 136° 134° 132° 130° 128° 126° 124° 122° 120°
53° 52° 51° 50° 49° 48°
136° 134° 132° 130° 128° 126° 124° 122° 120° 118° 116°

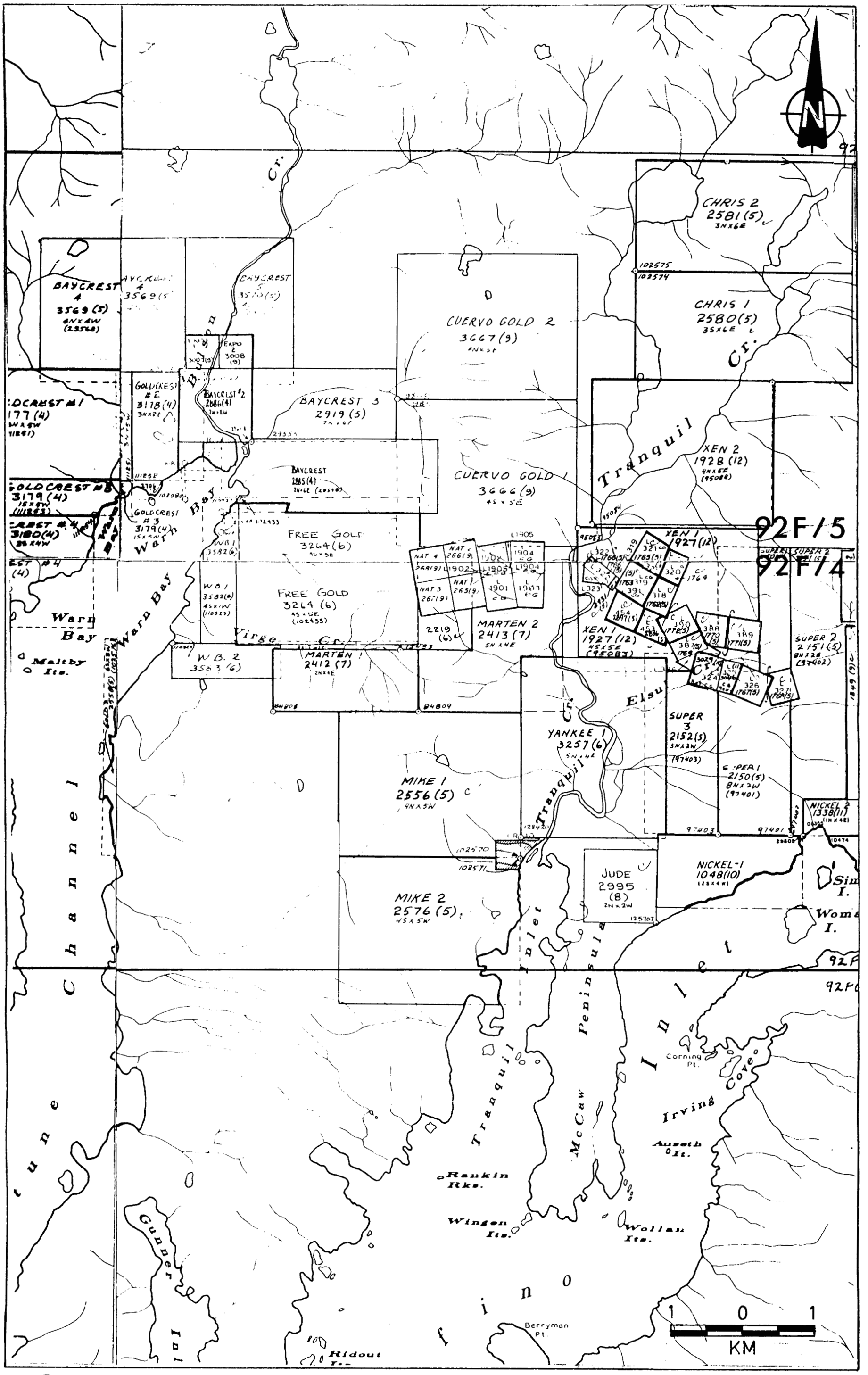


FIGURE 2 CLAIM MAP

3. GEOLOGY

3.1 REGIONAL GEOLOGY

The Warn Bay - Tranquil Creek area is underlain by a sequence of Late Paleozoic to Mesozoic rocks. The oldest strata in the area, which are exposed northwest of Warn Bay, are Pennsylvanian to Permian metasedimentary rocks of the Sicker Group. Late Triassic basaltic lavas of the Karmutsen Formation are exposed at the head of Tranquil Creek (Figure 3).

The rest of the area is underlain by Early Jurassic intrusive and metamorphic rocks of the Island Intrusions and the Westcoast Complex (Figure 3). The Westcoast Complex consists of hornblende-plagioclase gneisses, quartz diorites, amphibolites and quartzofeldspathic gneisses which are considered to be, in part, metamorphosed equivalents of the Siker Group and Karmutsen Formation. The Island intrusions are batholiths and stocks of granitoid rocks ranging in composition from quartz diorites to true granites. They are believed to be genetically related to the Westcoast Complex in that they represent the remobilized granitic component formed during the migmatization of the Complex (Muller, 1977).

The regional structure is dominated by steep, northwest-trending faults and northeast-trending cross faults. The northwest-trending structures are interpreted to be Tertiary in age (Carson and Muller, 1969).

3.2 PROPERTY GEOLOGY

The Cuervo Gold claims are predominantly underlain by medium to coarse-grained rocks of the Island Intrusions varying from massive, green-weathering quartz diorites to greyish-weathering granites. Numerous igneous phases are present, with leucocratic granitoids generally crosscutting the more mafic rocks. Screens or inclusions of fine-grained mafic metavolcanic rocks are quite common on the west-central portion of the claims and often contain abundant pyrite. Quartz and quartz-carbonate veinlets are common. Propylitic alteration (epidote, pyrite, chlorite) is common peripheral to the veins and some fractures.

The northwestern portion of the claims is underlain by Karmutsen Formation volcanic rocks. Quartzofeldspathic gneisses of the Westcoast Complex crop out on the southern portion of the claims.

4. REGIONAL HISTORY

The Warn Bay-Tranquil Inlet region has been explored for it's mineral potential intermittently since the 1890's. Early development centered on copper-magnetite showings at the head of Elsul Creek approximately 2 kilometers to the southeast of the Cuervo Gold claims (MMAR 1899, 1946). Gold was first discovered at the head of Warn Bay in about 1899; however, only minor development work was done at that time (MMAR, 1899).

Gold exploration began in earnest along the whole of the west coast of Vancouver Island following the 1931 discovery of the Privateer Mine in the Zeballos area, about 100 kilometers to the north of Warn Bay-Tranquil Inlet. Numerous new gold showings that were discovered and explored in the Warn Bay-Tranquil Inlet

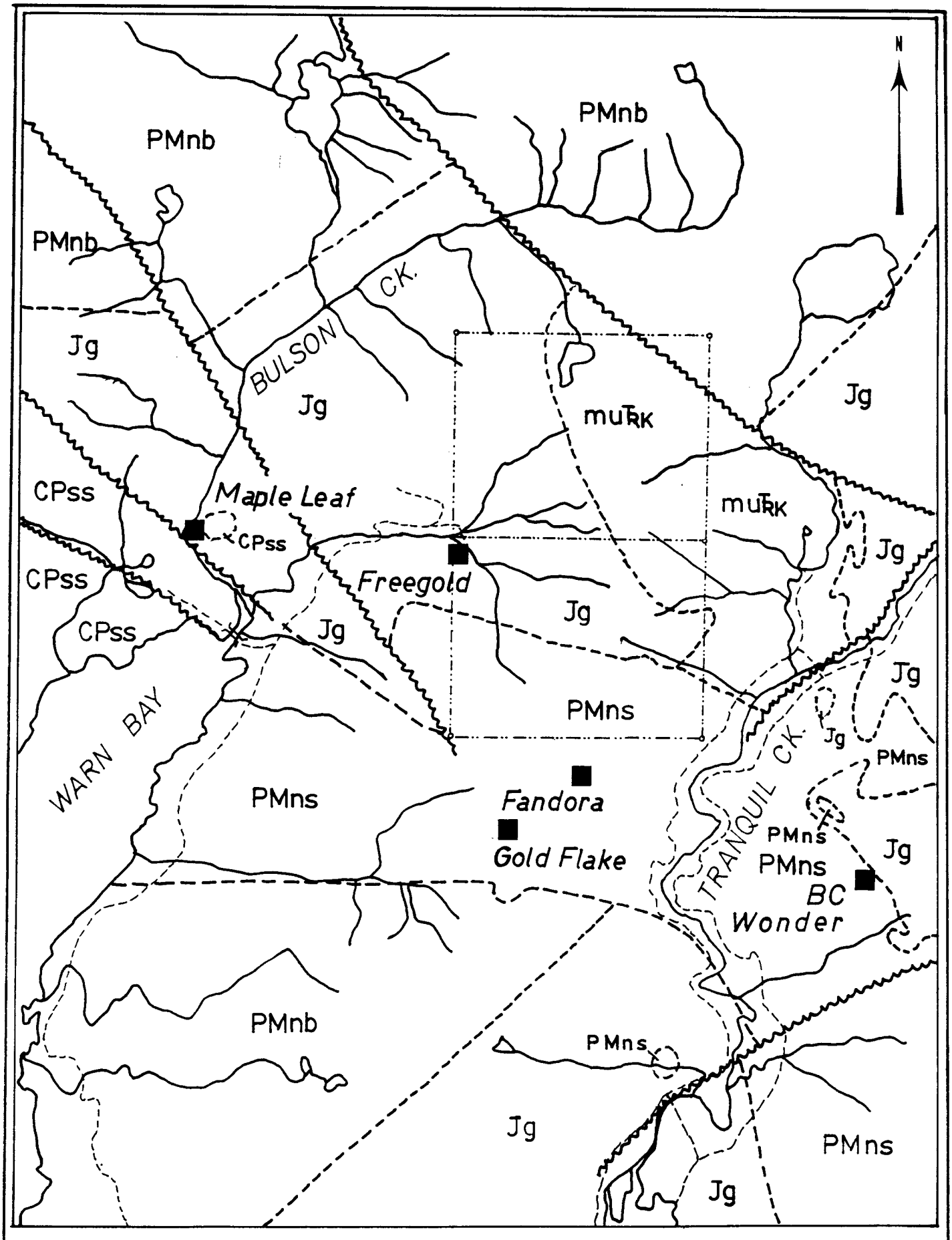


FIGURE 3
REGIONAL GEOLOGY

FIGURE 3

LEGEND

LITHOLOGIES

EARLY JURASSIC

Jg ISLAND INTRUSIONS: granodiorite, quartz diorite, granite, quartz monzonite

PMns WESTCOAST COMPLEX SILICIC COMPONENT: quartz-feldspar gneiss, metaquartzite, marble

PMnb WESTCOAST COMPLEX BASIC COMPONENT: hornblende-plagioclase gneiss, quartz diorite, agmatite, amphibolite

LATE TRIASSIC

muTRK KARMUTSEN FORMATION: basaltic lava, pillow lava, breccia, tuff

PENNSYLVANIAN AND PERMIAN

CPss SIKER GROUP SEDIMENTS: metagreywacke, argillite, schist, marble

SYMBOLS

——— Geological Contact

~~~~ Fault

---- Road

Figure 3 is modified from Lynott, 1946 and Muller, 1977.
~~~~

area (Fig. 3) until war measures regulations were introduced in 1942 curtailing development of new properties (MMAR; 1940, 1941, 1946).

4.1 FANDORA

The leading development in the Warn Bay-Tranquil Inlet region was on the Fandora prospect (MMAR; 1940, 1942, 1946, 1949, 1958, 1964), located directly south of the Cuervo Gold property (Figure 3). By 1942, considerable underground drifting on two parallel veins, four feet apart, had been conducted by Tofino Gold Mining Co. Following the war, the Fandora property was further developed under option by New Privateer Mines Ltd., and up to July 29/1946 approximately 290 meters of underground drifts and cross cuts had been completed, mainly on three levels. Only minor work was done from 1947 to 1957 at which time the property was acquired by Moneta Mines. Moneta developed the property under lease in the early 1960's during which production data is as follows (BCMEMPR, Mindep):

Production History - Fandora Prospect

Year	Production	Gold	Silver
1960	48 tonnes 53 tons	467 gr 15 oz (0.28 oz/t)	62 gr 2 oz (.038 oz/t)
1962	36 tonnes 40 tons	12068 gr 388 oz (9.7 oz/t)	2644 gr 85 oz (2.1 oz/t)
1963	44 tonnes 48 tons	10291 gr 331 oz (6.9 oz/t)	2457 gr 79 oz (1.6 oz/t)
1964	844 tonnes 930 tons	22830 gr 734 oz (0.79 oz/t)	3204 gr 103 oz (0.11 oz/t)
TOTAL	972 tonnes 1071 tons	45660 gr 1468 oz (1.4 oz/t)	8367 gr 269 oz (0.25 oz/t)

Presumably, high grade ore was direct shipped in 1962-63. In February 1964, a 35 ton/day mill was utilized. Approximately 930 tons of ore was milled. The mill ceased production in July 1964, and small shipments were made to the Tacoma and Trail smelters (MMAR 1964). Activity on the property was idle from 1964 until 1983 when Devon Industries Inc. optioned the ground, completed a road to the lower level and began some rehabilitation and resampling. Reserves on the Fandora property, (proven and probable) are reported to be 76,000 tons averaging 0.453 0z Au/ton (Melrose, 1984).

Altered volcanics, tuffs and breccias crop out on the Fandora property. Numerous thin quartz viens are present in shear zones and along dyke margins. The veins are generally sheeted; thin partings of rusty material or fine-grained sulphides separate zones of white quartz. Some carbonates are also present in the veins and

ore minerals include pyrite, and less commonly, chalcopyrite, galena, sphalerite and native gold (Lynott, 1946).

4.2 FREEGOLD

On the western margin of the Cuervo Gold claims is the Freegold showing which was discovered sometime during the 1930's, with development work being done from 1940 to 1942. During this time two adits were driven, a ball crusher established. Two test shipments were mined and shipped:

Production History, FreeGold Property

Year	Production	Gold	Silver
1941	0.4880 dry t	3.34 oz	0.976 oz
1942	0.9880 dry t	8.93 oz	2.77 oz
TOTAL	1.476 dry t	12.27 oz (8.31 oz/t)	3.764 oz (2.5 oz/t)

The main showing on the Freegold property consists of a white quartz vein, 0.2 to 1.0 metres in width which crosscuts a green quartz diorite. Gold is present in its native form, generally forund in cavities left by weathered pyrite. Traces of galena are also present (Caulfield and Ikona, 1984).

4.3 MOSCENA (MAPLELEAF)

The Moscena or Mapleleaf prospect lies approximately 2 kilometers to the east of the Cuervo Gold claims. The discovery paralleled that at the Fandora (MMAR; 1899, 1940, 1942, 1946). Two main sheeted gold veins, up to 15 centimeters wide, known as the "Shaft" vein and the "E" vein, are traced for 120 and 240 meters respectively. The majority of the physical work including construction of shafts and open cuts was done by Maple Leaf Syndicate in 1941-42 and Moscena Mines Ltd. in 1946. Three tonnes (3.3 tons) of sample shipped in 1940 contained 124 gr (4 oz) of gold. Some garnet-diopside skarns are also reported from the Moscena property (Guppy, 1987); however, no attention has been paid to potential gold skarn mineralization.

4.4 YANKEE BOY

Little is known about the Yankee Boy prospect which lies 3.5 kilometers to the southeast of the Cuervo Gold claims. References to the Yankee Boy prospect in the Minister of Mines Report of 1946 state: "in 1940, production of approximately 35 oz of gold and some silver was recorded from three properties, the Gold Flake, Mapleleaf, and the Yankee Boy". Results of tonnage lot sample shipments from the Yankee Boy to the Department of Mines sampling plant in Prince Rupert are summarized below (MMAR; 1940, 1941).

Production History, Yankee Boy Prospect

Year	Production	Gold	Silver
1940	0.35 tonnes (0.38 tons)	387 gr (12.4 oz)	178 gr (5.6 oz)
1941	0.43 tonnes (0.47 tons)	110 gr (3.5 oz)	48 gr (1.5 oz)
TOTAL	0.77 tonnes (0.85 tons)	497 gr (16 oz)	226 gr (7.3 oz)

The average grade of the tonnage lot samples is 640.4 gr/tonne (15.96 oz/ton) Au and 292.0 gr/tonnes (8.52 oz/ton) Ag.

5. PROPERTY HISTORY

There is no record of work on the Cuervo Gold claims in the available published and archived literature. The only reference was from an old time prospector who claimed that a vein, on the property, was worked by hand prior to the Second World War. No evidence of old workings was spotted during prospecting of the creeks; however, with the rapid growth of the underbrush it would be doubtful if any such signs would remain visible for long.

6. PROPERTY EXPLORATION

A prospecting and moss mat sampling program was carried out on the western part of the Cuervo Gold property in the Warn Bay/Tranquil Inlet area (Fig. 4A, B, C; Appendix 1). Thirty moss mat and eight rock samples were analysed. A number of extremely anomalous gold values (eg. 1600 ppb, 616 ppb, 400 ppb, Fig 4C; Appendix 1) were found, which suggest the potential of gold bearing veins occurring in a number of areas on the property.

Two separate sample shipments were submitted to Bondar-Clegg for Au + 33 element INAA. A different preparation procedure was used on the second submission; because of this, correlation may be difficult between sample sets (see Appendix 1). Highly anomalous samples were, however, found in both sample sets.

An attempt which was made to locate reported pre-existing workings was unsuccessful. Some veins were sampled and sent for analyses but most sampling was restricted to the stream sediments. A preliminary reconnaissance was made of the eastern portion of the claims. A more detailed program is needed to explore this area.

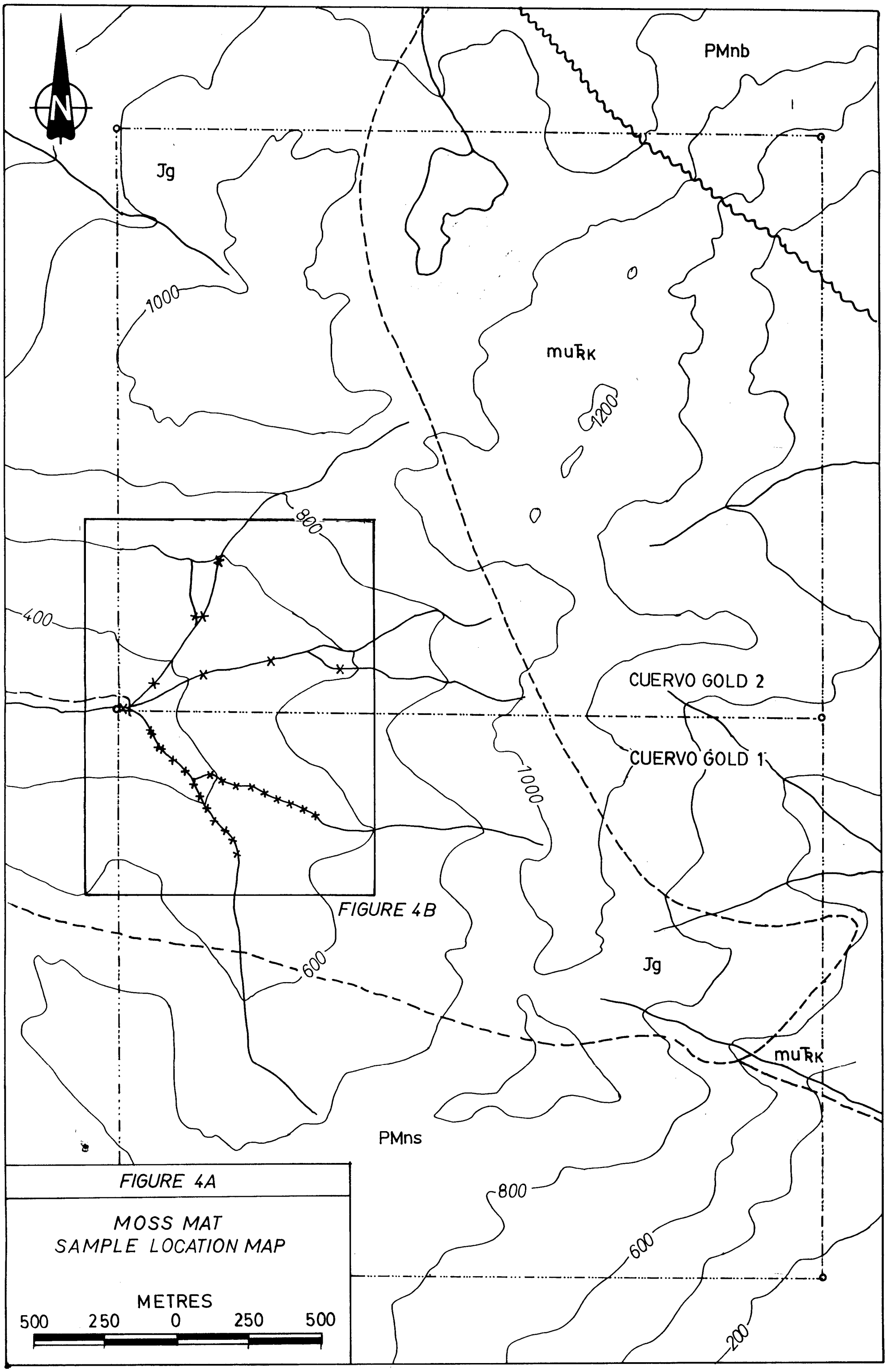


FIGURE 4B

FIGURE 4A

MOSS MAT
SAMPLE LOCATION MAP

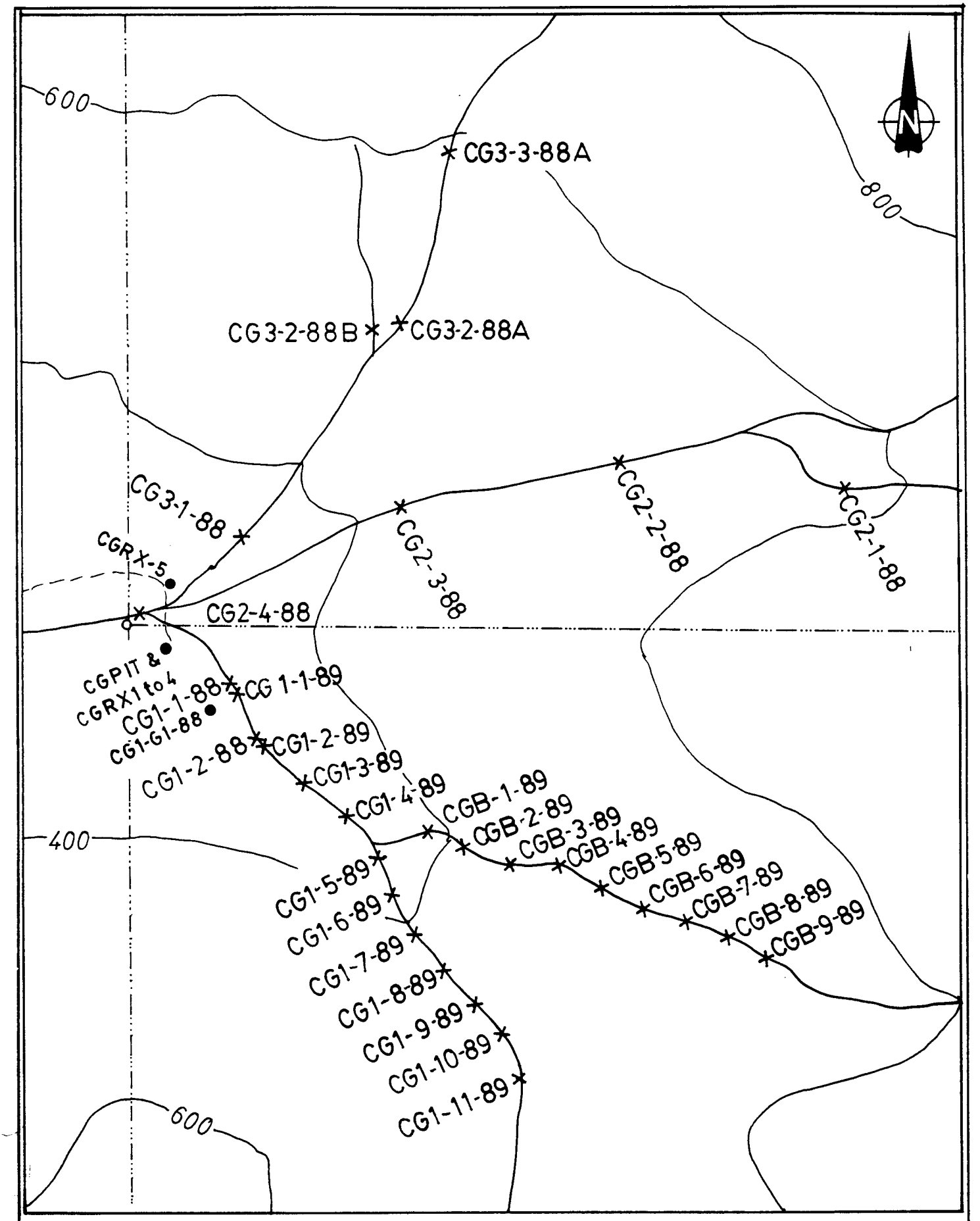


FIGURE 4B DETAILLED SAMPLE LOCATION MAP

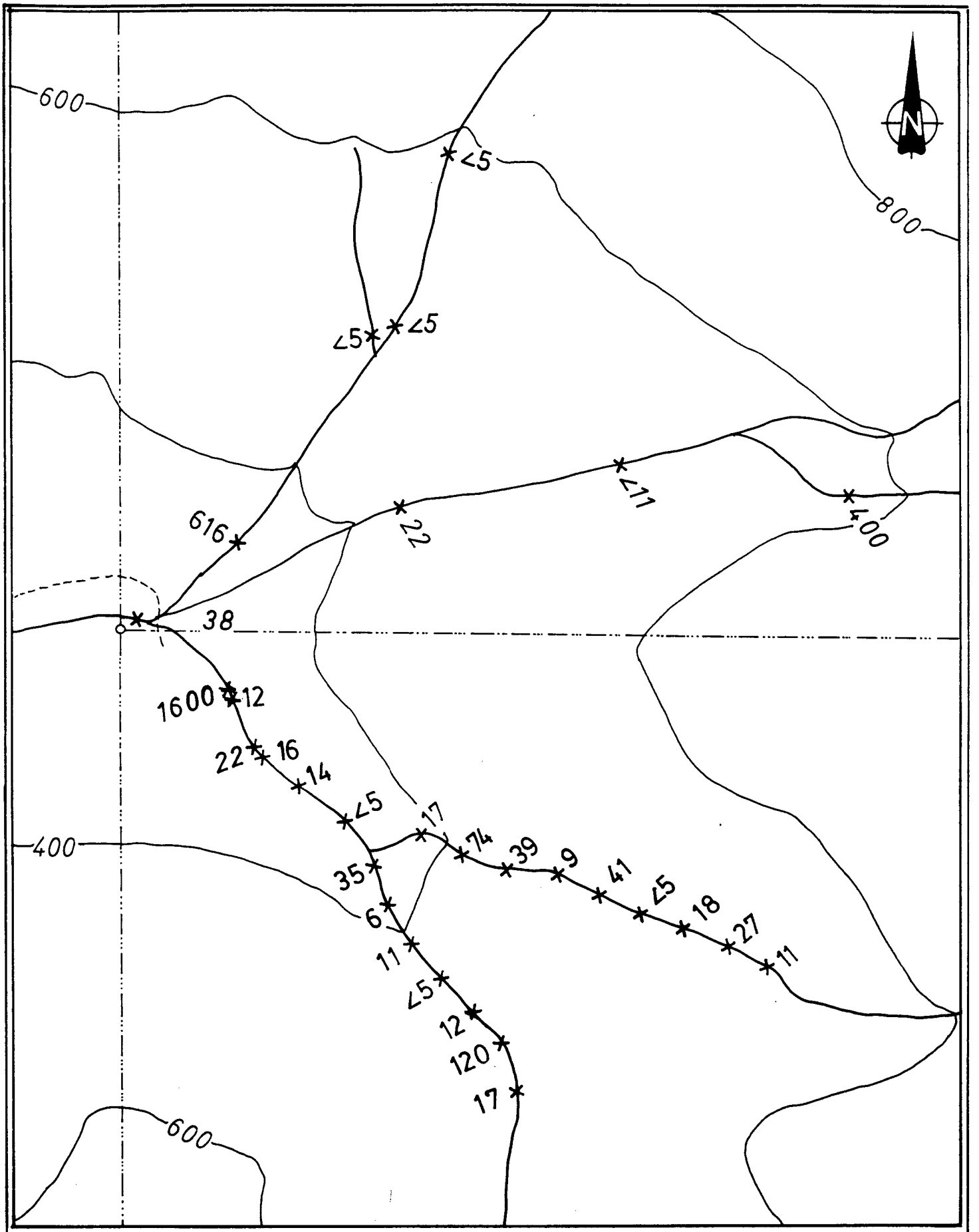


FIGURE 4C
GOLD IN MOSS MATS, PPB

metres
125 0 125 250

7. CONCLUSIONS

The sampling program conducted on the Cuervo Gold claims returned some favorable gold anomalies in stream sediments (moss mats) that warrant a more extensive exploration program to test the possibility that vein systems, similar to those on the Fandora and Free Gold properties, may occur on the south and western portions of the claims. There has been good reported values from the Tranquil Creek area, which lies directly to the east of the property, which also support the necessity for a closer examination. The potential for gold mineralization in skarns, as well as in vein systems, must also be examined.

8. REFERENCES

Bancroft, M.F. (1937) Gold bearing Deposits on the West Coast of Vancouver Island Between Esperanza Inlet and Alberni Canal, G.S.C. Memoir 204.

Brewer, Wm. M. (1916) B.C. Ministry of Mines, Annual Report 1916, pg. 333-334.

Brewer, Wm. M. (1917) B.C. Ministry of Mines, Annual Report 1917, pg. 330-332.

Campbell, C.M. (1950) British Columbia Department of Mines and Petroleum Resources, Open File.

Caulfield, D.A., and Ikona, C.K. (1984) Geological Report on the Free Gold, Located on Warn Bay, Vancouver Island: B.C. Ministry of Energy, Mines and Petroleum Resources Assessment Report 13281.

Guppy, W. (1987) Prospecting report on the Baycrest Group Mineral Claims, Warn Bay - Alberni Mining Division; B.C. Ministry of Energy, Mines and Petroleum Resources Assessment Report 15551.

Holland, R. and Kruzick, J.H.(1985) Geological and geochemical report on the Xen 1 and Xen mineral claims, Alberni Mining Division; B.C. Ministry of Energy, Mines and Petroleum Resources Assessment Report 14,075.

James, A.R.C (1964) B.C. Ministry of Mines, Annual Report, pg. 166, 167.

Lynott, W.C. (1946) B.C. Ministry of Mines, Annual Report, pg. 183-191.

King, R.B. (1958) B.C. Ministry of Mines, Annual Report pg. 59.

Melrose, D.L. and Fairbank, B.D.(1984) A prospecting report on the Tranquil Claim, Alberni Mining Division, B.C. Ministry of Energy, Mines and Petroleum Resources Assessment Report 12.034.

Muller, J.E. (1977) Geology of Vancouver Island; G.S.C. Open File 463, 3 map sheets and geological notes.

Muller, J.E. and Carson, D.J.T. (1969) Geology and Mineral Deposits of Alberni Map-area, British Columbia (92F), G.S.C. paper 68-50.

Muller, J.E. (1980) The Paleozoic Sicker Group of Vancouver Island, British Columbia, G.S.C. Paper 79-30.

APPENDIX 1

ASSAYS

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-01782O.0 (COMPLETE)

REFERENCE INFO:

CLIENT: MR. RAYMOND MORRIS
PROJECT: NONE GIVEN

SUBMITTED BY: UNKNOWN
DATE PRINTED: 5-OCT-88

SAMPLE TYPES	NUMBER
R ROCK OR BED ROCK	2
V VEGETATION	7

SIZE FRACTIONS	NUMBER
2 -150	2
1 -80	7

SAMPLE PREPARATIONS	NUMBER
DRY, SIEVE -80	7
CRUSH,PULVERIZE -150	2
BATCH SURCHARGE	9

REMARKS: THERE WERE SMALL SAMPLES FOR CG1 288, CG2 188,
CG2 288 AND SOME DETECTION LIMITS ARE ELEVATED.

REPORT COPIES TO: MR. RAYMOND MORRIS

INVOICE TO: MR. RAYMOND MORRIS

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-01782D.0 | PROJECT: NONE GIVEN | PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Ag PPM	As PPM	Ba PPM	Br PPM	Cd PPM	Ce PPM	Co PPM	Cr PPM	Cs PPM	Eu PPM	Fe PCT
R2 CG1 G188		14	<5	31	450	<1	<10	<10	79	130	2	<2	4.7
R2 CGPIT		170	<5	21	270	<1	<10	31	42	78	1	3	7.4
V1 CG1 188		1600	<5	5	<1000	84	<10	23	52	180	<1	<2	8.2
V1 CG1 288		22	<10	6	<2000	69	<20	<53	58	300	<2	<4	9.2
V1 CG2 188		400	<10	5	<230	366	<10	<30	33	130	<2	<2	5.5
V1 CG2 288		<11	16	3	<1000	135	<10	<29	35	100	<1	<2	4.6
V1 CG2 388		22	<5	4	<1000	84	<10	30	40	170	2	<2	6.8
V1 CG2 488		38	<5	7	210	55	<10	13	42	220	2	<2	6.7
V1 CG3 288A		<5	<5	8	310	117	<10	39	32	120	2	<2	5.4

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-01782N.0 | PROJECT: NONE GIVEN | PAGE 10

SAMPLE NUMBER	ELEMENT UNITS	Hf PPM	Ir PPB	La PPM	Lu PPM	Mo PPM	Na PCT	Ni PPM	Rb PPM	Sb PPM	Sc PPM	Se PPM	Sm PPM
R2 CG1 G188		<2	<100	<5	<0.5	5	1.30	110	44	1.8	11.0	<10	0.7
R2 CGPIT		2	<100	13	<0.5	6	2.40	<50	42	1.4	33.0	<10	5.5
V1 CG1 188		<2	<100	11	<0.5	5	1.60	<50	<10	0.9	34.0	<10	3.6
V1 CG1 288		<4	<200	12	<1.0	<4	1.70	<83	<54	1.3	37.0	<20	4.1
V1 CG2 188		<5	<100	8	<0.5	6	0.53	76	<32	0.8	17.0	<10	4.0
V1 CG2 288		<4	<100	7	<0.5	4	0.67	<50	<30	1.0	22.0	<10	2.6
V1 CG2 388		<2	<100	9	<0.5	5	1.30	52	32	1.4	36.0	<10	3.1
V1 CG2 488		2	<100	9	<0.5	3	1.40	<50	16	0.9	35.0	<10	3.0
V1 CG3 288A		3	<100	11	<0.5	4	1.70	<50	<25	0.8	20.0	<10	3.6

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-07820.0 | PROJECT: NONE GIVEN | PAGE 1C

SAMPLE NUMBER	ELEMENT UNITS	Sn PPM	Ta PPM	Tb PPM	Te PPM	Th PPM	U PPM	W PPM	Yb PPM	Zn PPM	Zr PPM
R2 CG1 G188		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500
R2 CGPIT		<200	<1	<1	<20	<0.5	<0.5	5	<5	<200	<500
V1 CG1 188		<200	<1	1	<20	1.5	1.3	<2	<5	<200	<500
V1 CG1 288		<400	<2	<2	<40	<1.0	1.3	<4	<10	1100	<2000
V1 CG2 188		<400	<1	<1	<53	2.2	1.5	<2	<5	370	<1800
V1 CG2 288		<200	<1	<1	<44	<0.5	0.6	<2	<5	490	<1300
V1 CG2 388		<200	<1	1	<20	0.6	0.7	<2	<5	310	<500
V1 CG2 488		<200	<1	<1	<20	0.9	1.2	<2	<5	<200	<500
V1 CG3 288A		<200	<1	<1	<20	1.6	3.7	<2	<5	<200	<500

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

REPORT: V89-00031.0 (COMPLETE)

REFERENCE INFO:

CLIENT: MR. BOB MATTHEWS
PROJECT: NONE GIVEN

SUBMITTED BY: B. MATTHEWS
DATE PRINTED: 30-JAN-89

	SAMPLE TYPES	NUMBER		SIZE FRACTIONS	NUMBER	SAMPLE PREPARATIONS	NUMBER
R	ROCK OR BED ROCK	28	2	-150	28	CRUSH,PULVERIZE -150	28
O	ORGANIC OR HUMUS	23	D	-20	23	SIEVE -20	23

REPORT COPIES TO: 3011 QUADRA ST.

INVOICE TO: 3011 QUADRA ST.

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V89-00031.0 | PROJECT: NONE GIVEN | PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Ag PPM	As PPM	Ba PPM	Br PPM	Cd PPM	Ce PPM	Co PPM	Cr PPM	Cs PPM	Eu PPM	Fe PCT
R2 CGRX 1		14	<5	4	130	<1	<10	<10	130	200	1	<2	10.0
R2 CGRX 3		7	<5	<1	<100	<1	<10	<10	<10	66	<1	<2	0.6
R2 CGRX 4		<5	<5	1	<100	<1	<10	13	15	130	<1	<2	2.0
R2 CGRX 5		6	<5	4	<100	<1	<10	<10	26	190	<1	<2	3.9
R2 TR1		210	<5	2	<100	<1	<10	12	<10	51	<1	12	1.7
R2 TR2		31	<5	1	<100	<1	<10	18	<10	<50	<1	7	1.8
OD CG1-1-89		12	<5	2	<100	53	<10	<10	24	67	<1	<2	3.6
OD CG1-2-89		16	<5	<1	240	84	<10	<10	35	<50	<1	<2	0.6
OD CG1-3-89		14	<5	3	170	20	<10	13	33	110	<1	2	4.7
OD CG1-4-89		<5	<5	<1	<100	60	<10	17	21	<50	<1	<2	1.5
OD CG1-5-89		35	<5	2	140	46	<10	<10	25	77	<1	4	3.6
OD CG1-6-89		6	<5	4	200	49	<10	<10	32	54	1	<2	3.4
OD CG1-7-89		11	7	3	<100	91	<10	34	28	<50	<1	<2	1.6
OD CG1-8-89		<5	8	1	<100	85	<10	<10	28	<50	<1	<2	<0.5
OD CG1-9-89		12	<5	2	<100	57	<10	30	23	<50	<1	<2	1.8
OD CG1-10-89		120	<5	5	240	70	<10	28	35	58	1	2	3.7
OD CG1-11-89		17	<5	6	230	43	<10	29	35	58	<1	<2	3.6
OD CG3-188		616	<5	6	310	74	<10	30	37	110	2	<2	5.4

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V89-00031.0 PROJECT: NONE GIVEN PAGE 1B

SAMPLE NUMBER	ELEMENT UNITS	Hf PPM	Ir PPB	La PPM	Lu PPM	Mo PPM	Na PCT	Ni PPM	Rb PPM	Sb PPM	Sc PPM	Se PPM	Sm PPM
R2 CGRX 1		<2	<100	<5	<0.5	<2	0.54	92	<10	<0.2	13.0	<10	0.9
R2 CGRX 3		<2	<100	<5	<0.5	<2	<0.05	<50	<10	0.4	2.2	<10	0.6
R2 CGRX 4		<2	<100	10	<0.5	<2	1.90	<50	<10	<0.2	7.5	<10	0.6
R2 CGRX 5		<2	<100	<5	<0.5	<2	0.23	<50	<10	<0.2	12.0	<10	1.6
R2 TR1		<2	<100	6	<0.5	<2	<0.05	<50	<10	0.2	5.6	<10	3.1
R2 TR2		<2	<100	9	<0.5	<2	0.17	<50	13	<0.2	6.2	<10	3.2
OD CG1-1-89		<2	<100	5	<0.5	<2	0.81	<50	<10	0.5	14.0	<10	1.8
OD CG1-2-89		<2	<100	<5	<0.5	<2	0.25	<50	21	0.2	3.2	<10	0.6
OD CG1-3-89		<2	<100	8	<0.5	<2	1.70	<50	<10	0.7	22.0	<10	2.6
OD CG1-4-89		2	<100	<5	<0.5	<2	0.27	<50	23	<0.2	4.5	<10	0.7
OD CG1-5-89		4	<100	6	<0.5	<2	0.83	<50	<10	0.5	14.0	<10	1.7
OD CG1-6-89		<2	<100	8	<0.5	<2	1.10	<50	<10	0.7	13.0	<10	2.2
OD CG1-7-89		<2	<100	5	<0.5	3	0.53	<50	26	0.4	7.5	<10	1.3
OD CG1-8-89		2	<100	<5	<0.5	<2	0.16	<50	<10	<0.2	2.3	<10	0.6
OD CG1-9-89		<2	<100	6	<0.5	<2	0.63	<50	30	0.4	7.0	<10	1.3
OD CG1-10-89		<2	<100	9	<0.5	<2	1.20	<50	16	0.9	17.0	<10	2.8
OD CG1-11-89		<2	<100	14	<0.5	<2	1.40	<50	26	0.9	16.0	<10	2.7
OD CG3-188		2	<100	12	<0.5	<2	1.90	<50	27	0.6	20.0	<10	2.9

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V89-00031.0 PROJECT: NONE GIVEN PAGE 1C

SAMPLE NUMBER	ELEMENT UNITS	Sn PPM	Ta PPM	Tb PPM	Te PPM	Th PPM	U PPM	W PPM	Yb PPM	Zn PPM	Zr PPM	Cu PPM
R2 CGRX 1		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
R2 CGRX 3		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
R2 CGRX 4		<200	<1	<1	<20	6.8	2.0	<2	<5	<200	<500	
R2 CGRX 5		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
R2 TR1		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
R2 TR2		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CG1-1-89		<200	<1	<1	<20	1.2	0.6	<2	<5	<200	<500	
OD CG1-2-89		<200	<1	<1	<20	1.0	0.6	<2	<5	<200	<500	
OD CG1-3-89		<200	<1	1	<20	1.4	0.6	<2	<5	<200	<500	
OD CG1-4-89		<200	<1	<1	<20	<0.5	0.7	<2	<5	<200	<500	
OD CG1-5-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	800	
OD CG1-6-89		<200	<1	<1	<20	1.3	0.7	<2	<5	<200	<500	
OD CG1-7-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CG1-8-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CG1-9-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CG1-10-89		<200	<1	<1	34	1.1	0.7	4	<5	<200	<500	
OD CG1-11-89		<200	<1	<1	<20	1.7	0.8	<2	<5	<200	<500	
OD CG3-188		<200	<1	<1	<20	2.0	1.5	<2	<5	<200	<500	

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V89-00031.0 | PROJECT: NONE GIVEN | PAGE 2A

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Ag PPM	As PPM	Ba PPM	Br PPM	Cd PPM	Ce PPM	Co PPM	Cr PPM	Cs PPM	Eu PPM	Fe PCT
OD CG3-288B		<5	<5	2	240	65	<10	22	13	51	<1	2	3.3
OD CG3-388		<5	<5	7	<100	174	<10	<10	32	91	<1	<2	2.9
OD CGB-1-89		17	<5	2	<100	48	<10	<10	32	110	<1	<2	5.2
OD CGB-2-89		74	<5	3	<100	45	<10	<10	34	110	<1	<2	5.6
OD CGB-3-89		39	<5	3	<100	139	<10	<10	18	120	<1	<2	3.8
OD CGB-4-89		9	<5	<1	170	87	<10	<10	<10	78	<1	<2	1.5
OD CGB-5-89		41	<5	4	<100	32	<10	14	35	200	<1	2	6.0
OD CGB-6-89		<5	<5	3	<100	75	<10	<10	18	<50	<1	<2	2.2
OD CGB-7-89		18	<5	3	<100	72	<10	<10	28	110	<1	<2	4.5
OD CGB-8-89		27	<5	5	110	34	<10	25	43	170	<1	<2	6.1
OD CGB-9-89		11	<5	4	<100	34	<10	<10	36	180	<1	<2	6.1

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V89-00031.0 PROJECT: NONE GIVEN PAGE 2B

SAMPLE NUMBER	ELEMENT UNITS	Hf PPM	Ir PPB	La PPM	Lu PPM	Mo PPM	Na PCT	Ni PPM	Rb PPM	Sb PPM	Sc PPM	Se PPM	Sm PPM
0D CG3-288B		3	<100	12	<0.5	<2	1.80	<50	20	0.3	13.0	<10	2.7
0D CG3-388		<2	<100	9	<0.5	<2	0.90	50	<10	0.4	10.0	<10	2.4
0D CGB-1-89		<2	<100	7	<0.5	<2	1.30	<50	<10	0.6	23.0	<10	2.1
0D CGB-2-89		2	<100	8	<0.5	<2	1.30	<50	<10	0.8	25.0	<10	2.3
0D CGB-3-89		<2	<100	6	<0.5	<2	0.74	<50	<10	0.4	15.0	<10	1.5
0D CGB-4-89		<2	<100	<5	<0.5	<2	0.34	<50	<10	<0.2	6.1	<10	0.7
0D CGB-5-89		<2	<100	9	<0.5	<2	1.60	<50	17	0.8	28.0	<10	2.5
0D CGB-6-89		<2	<100	6	<0.5	<2	0.68	<50	<10	0.4	11.0	<10	1.2
0D CGB-7-89		<2	<100	6	<0.5	<2	1.20	<50	17	0.6	18.0	<10	1.8
0D CGB-8-89		<2	<100	7	<0.5	<2	1.50	<50	<10	1.0	29.0	<10	2.5
0D CGB-9-89		<2	<100	8	<0.5	<2	1.40	<50	<10	0.8	27.0	<10	2.3

Bondar-Clegg & Company Ltd.
130 Pemberton Ave.
North Vancouver, B.C.
V7P 2R5
(604) 985-0681 Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

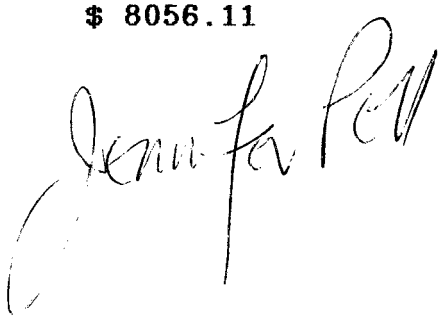
REPORT: V89-00031.0 | PROJECT: NONE GIVEN | PAGE 2C

SAMPLE NUMBER	ELEMENT UNITS	Sn PPM	Ta PPM	Tb PPM	Te PPM	Th PPM	U PPM	W PPM	Yb PPM	Zn PPM	Zr PPM	Cu PPM
OD CG3-288B		<200	<1	<1	<20	1.5	1.7	<2	<5	<200	<500	
OD CG3-388		<200	<1	<1	<20	<0.5	5.0	<2	<5	<200	<500	
OD CGB-1-89		<200	<1	<1	<20	0.5	<0.5	<2	<5	<200	<500	
OD CGB-2-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CGB-3-89		<200	<1	<1	<20	<0.5	1.2	<2	<5	<200	<500	
OD CGB-4-89		<200	<1	<1	<20	0.6	0.5	<2	<5	<200	<500	
OD CGB-5-89		<200	<1	<1	<20	1.0	<0.5	<2	<5	<200	<500	
OD CGB-6-89		<200	<1	<1	<20	0.5	<0.5	<2	<5	<200	<500	
OD CGB-7-89		<200	<1	<1	<20	<0.5	<0.5	<2	<5	<200	<500	
OD CGB-8-89		<200	<1	<1	<20	0.6	<0.5	<2	<5	<200	560	
OD CGB-9-89		<200	<1	<1	<20	0.5	<0.5	<2	<5	<200	<500	

CUERVO GOLD PROPERTY

STATEMENT OF COSTS
1988/1989

SEPTEMBER, 1988	
WAGES	
1 prospector, 7 days @ $100/day	$ 700.00
2 field technicians, 2x7 days @ $100/day	$ 1400.00
FOOD	$ 337.16
FUEL/TRAVEL	$ 246.00
MISCELLANEOUS SMALL EQUIPMENT PURCHASES AND SUPPLIES	$ 387.06
EQUIPMENT RENTAL AND REPAIRS (BOAT)	$ 367.50
JANUARY 1989	
WAGES	
1 prospector, 7 days @ $100/day	$ 700.00
1 field technician, 7 days @ $100/day	$ 700.00
1 geologist, 3 days @ $250/day	$ 750.00
FOOD	$ 319.22
MOTELS	$ 104.76
FUEL/TRAVEL	$ 84.00
EQUIPMENT RENTAL AND REPAIRS (BOAT AND DIRT BIKE)	$ 480.00
MISCELLANEOUS SUPPLIES	$ 813.91
ASSAY COST	$ 666.50
TOTAL PROJECT COST	**$ 8056.11**



APPENDIX

CERTIFICATE OF QUALIFICATIONS

I, Jennifer A. Pell, of 3011 Quadra Street, Victoria, British Columbia, do hereby certify that:

1. I am a graduate of the University of Ottawa with a Bachelor of Science Honours degree in Geology, 1979.

2. I am a graduate of the University of Calgary with a Doctorate of Philosophy degree in Geology, 1984.

3. I am a Fellow of the Geological Association of Canada and a Councilor of the Cordilleran Section of the Geological Association of Canada for 1987/1989.

4. I was employed as an Assistant Professor in the Department of Geology, University of Windsor, teaching Economic Geology and Structural Geology from July, 1985 to July, 1986. From January to April 1987, I was employed by the Department of Geological Sciences, University of British Columbia as a Sessional Lecturer, teaching Introductory Geology.

5. I have been engaged in mineral exploration, geologic mapping and geological research in British Columbia, Manitoba, Ontario and the Northwest Territories, periodically since 1977.

6. This report is based on my knowledge of the properties and local geology as well as a study of available literature.

7. This report is factual to the best of my knowledge.

Vancouver, B.C.
~~January 20, 1989~~

Jennifer Pell, Ph.D., PGAC