

LOG NO: 0925	RD.
ACTION:	
FILE NO:	

GEOLOGICAL, GEOPHYSICAL
AND GEOCHEMICAL REPORT
ON THE
NASH PROPERTY
VERNON MINING DIVISION
VERNON, BRITISH COLUMBIA

NTS 82L/5E/6W
50°18'N, 119°30'E
GEOLOGICAL BRANCH
ASSESSMENT REPORT

FOR

PROSPERITY GOLD CORP.
#13 - 1155 Melville Street
Vancouver, British Columbia

V6E 4C4

19,100

FILMED

PREPARED BY:

STETSON RESOURCE MANAGEMENT CORP.
#13 - 1155 Melville Street
Vancouver, British Columbia
V6E 4C4

J.F. WETHERILL, B.A. Sc.

September 18, 1989

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1.0 INTRODUCTION

This report discusses preliminary geological mapping and a geophysical survey carried out on the Nash property, a precious metal prospect owned by Prosperity Gold Corp. The Nash property is comprised of the Siwash, Rach, and Jean group of claims. The data presented are the results of an exploration program conducted by Stetson Resource Management Corp.

1.1 Location and Access

The Nash property is located in the Vernon mining division, situated on Nashwito Creek which drains into Okanagan Lake, approximately 20 kilometres west of Vernon, British Columbia. The claims cover a total area of 61.5 square kilometres, and are centered at latitude 50°18' and longitude 119°32'.

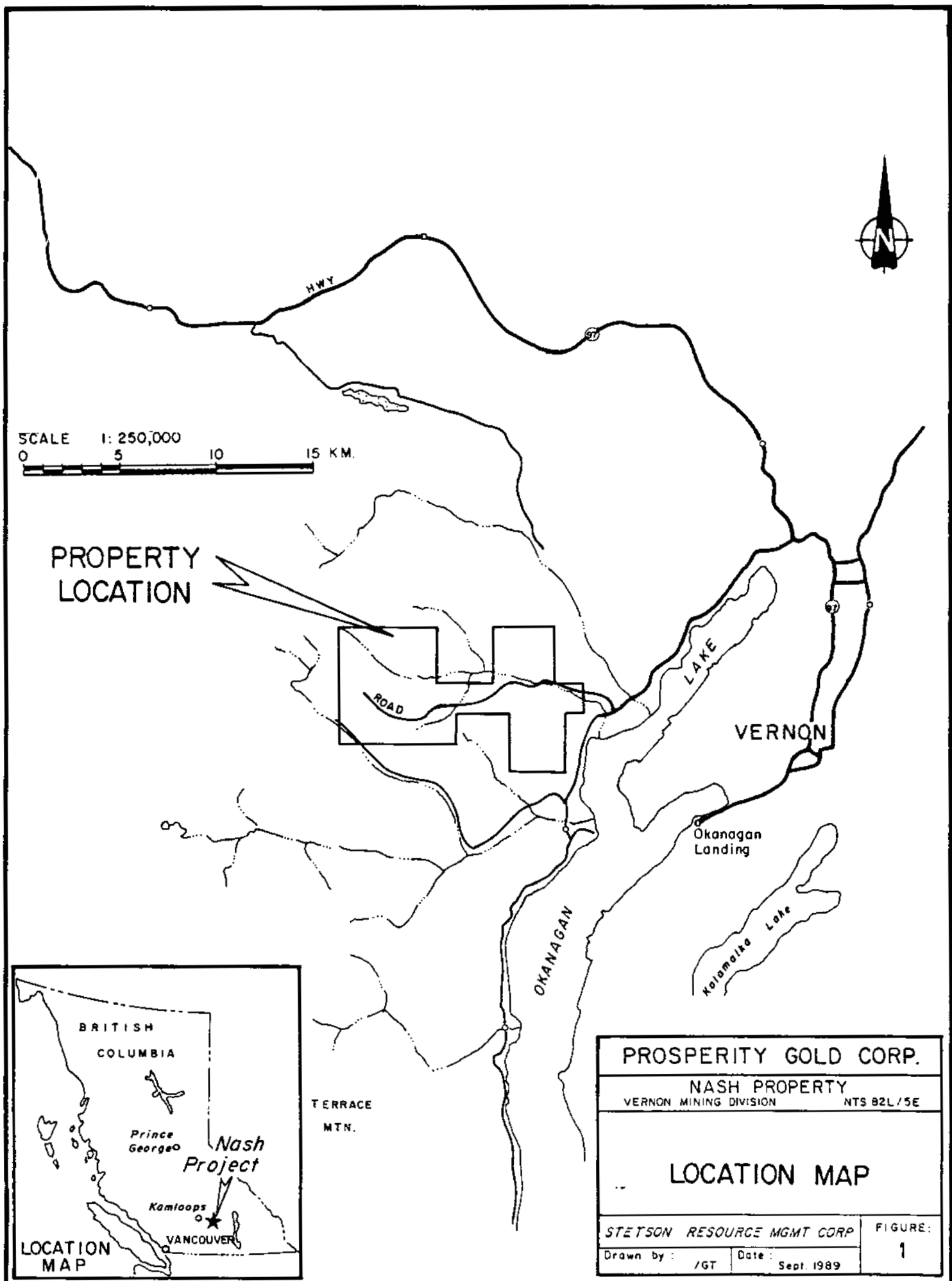
Access to the property is north via highway 97 from Vernon, British Columbia. From highway 97, the "Westside" road follows the western shoreline of Okanagan Lake. An 8 km all-weather gravel road extends from Westside road to the Browns and Siwash logging road junction. Access to the claims is 10 km via Browns Main.

Extensive logging in the area has resulted in an excellent network of logging roads, accessing all parts of the claim block.

Vernon, British Columbia is the nearest community, 36 kilometres by road from the property. Groceries, fuel, lumber and general supplies are available in Vernon.

1.2 Physiography

The property is situated mainly on a plateau and a south facing slope and is drained by tributaries of Bouleau and Nashwito Creeks. The plateau area covers the Rach and Siwash 3 claims which are situated between the Bouleau and Nashwito drainages. Topographic relief amounts to 2500 metres.



SCALE 1: 250,000
 0 5 10 15 KM.

PROPERTY
 LOCATION



PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L/5E
LOCATION MAP	
STETSON RESOURCE MGMT CORP	
Drawn by: IGT	Date: Sept. 1989
FIGURE: 1	

The climate is semi-arid with moderate temperatures averaging 20°C in summer and 0°C in winter. Property elevations range from 3000 to 5600 feet with steep slopes near Nashwito Creek which grade into gentler slopes in the uplands. Douglas fir and cedar are the predominant cover on north slopes. South slopes are covered by mature stands of Lodge Pole pine and grass rangeland. Low ground cover includes juniper, boxwood and willow.

1.3 Property

TABLE 1

The property is covered by 13 contiguous "Modified Grid" mineral claims (246 units) as per Table 1 and Figure 2 following.

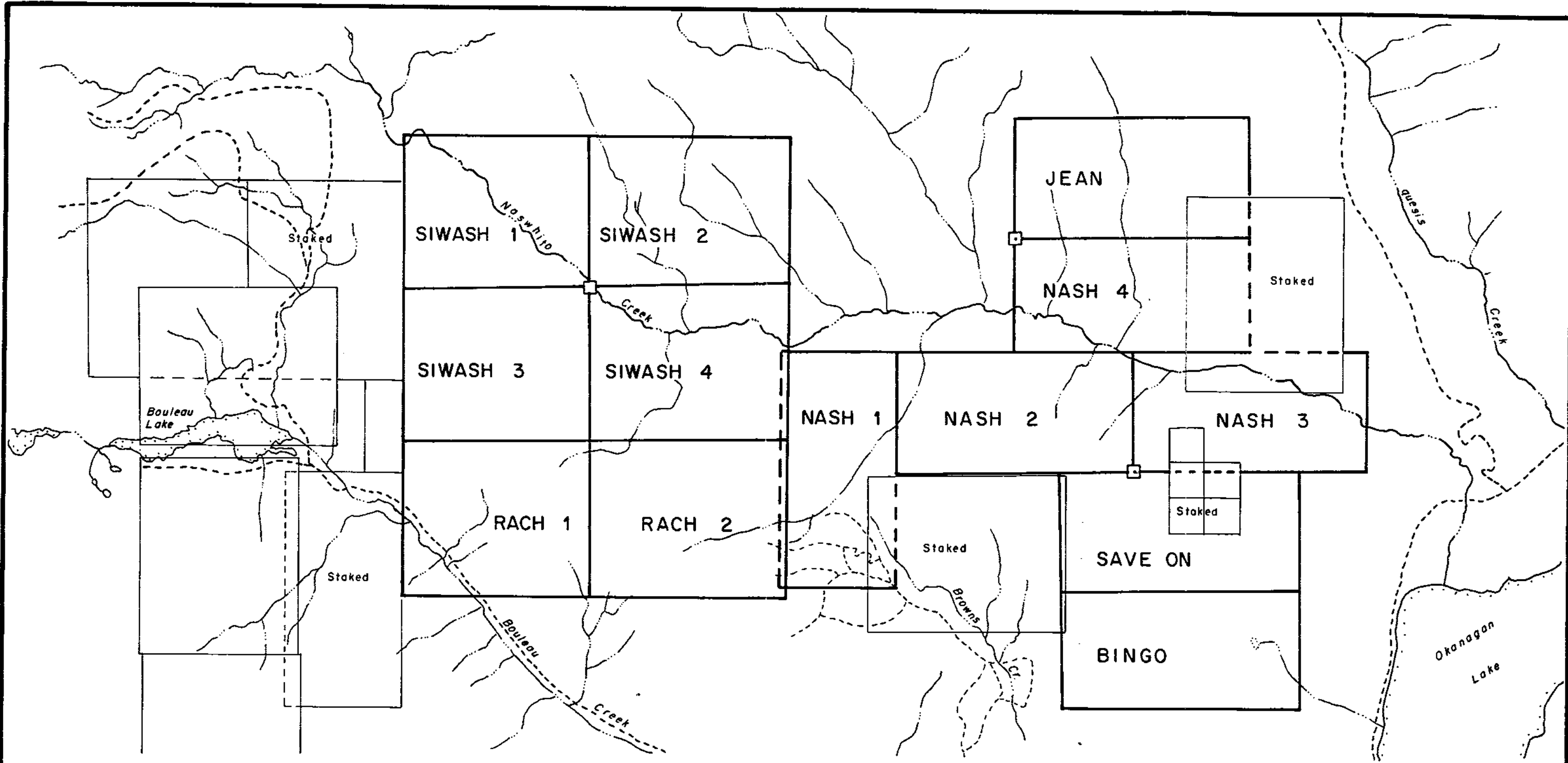
<u>Group</u>	<u>Claim</u>	<u>Units</u>	<u>Record No.</u>	<u>Expire Date</u>
Siwash	Siwash 1	20	2848	July 11, 1990
Siwash	Siwash 2	20	2619	June 21, 1990
Siwash	Siwash 3	20	2849	July 11, 1991
Siwash	Siwash 4	20	2620	June 21, 1991
Rach	Nash 1	18	2613	June 21, 1990
Rach	Nash 2	18	2614	June 21, 1990
Jean	Nash 3	18	2618	June 21, 1990
Jean	Nash 4	18	2616	June 21, 1990
Siwash	Rach 1	20	2611	June 21, 1991
Rach	Rach 2	20	2612	June 21, 1991
Rach	Save On	18	2621	June 21, 1990
Rach	Bingo	18	2615	June 21, 1990
Jean	Jean	18	2617	June 21, 1990



1.4 History

Placer mining was carried out intermittently on Nashwito Creek between 1889 and 1959, and records from 1895 indicate a yearly output of 90 ounces of gold with a final production total estimated at 1650 ounces (Jones; 1959).

Recent exploration on or near the property has been conducted by Cominco Ltd., Chevron Minerals Ltd. and Golden Porphyrite Ltd.

Cominco, explored the Goodenough property in 1977 for its copper and precious metal potential (geological, geochemical, and geophysical surveys were carried out). The Goodenough property is contiguous with the Jean claim group (Assessment Report 6404).



 Nash Project
 Other Claims

SCALE 1:50,000
 0 500 1000 2000 3000 METRES

PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L/5E
CLAIM MAP	
STETSON RESOURCE MGMT CORP	FIGURE:
Drawn by: /GT	Date: Sept. 1989
	2

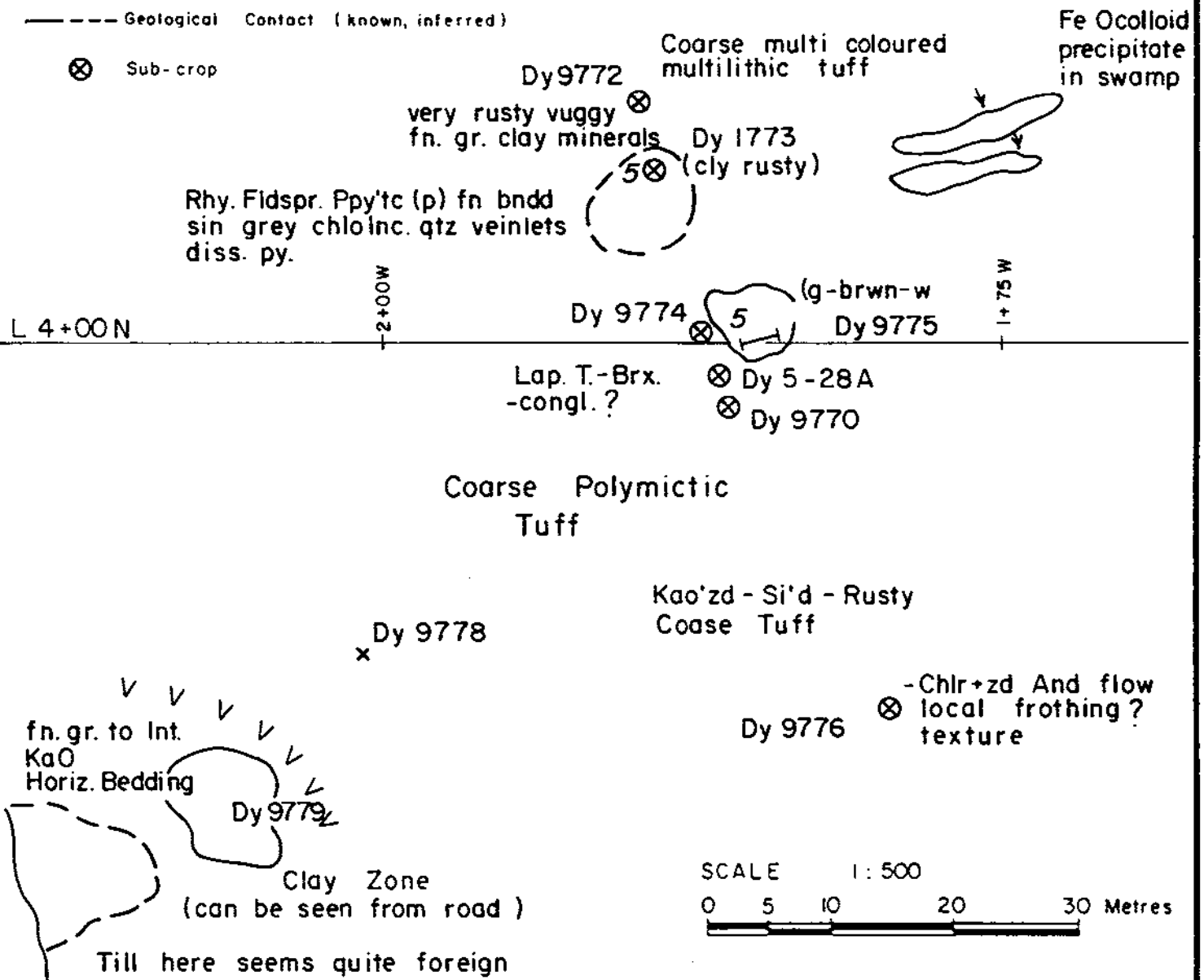
LEGEND

- 7 Vesicular Basalt, Agglomerates, and Flow
- 6 Porphyritic Andesite
- 5 Lapilli tuff, tuff breccia
- 4 Flow Banded Rhyolite
- 3 Talus slope breccia
- 2 Sediments / Conglomerates, Coal lenses.
- 1 Magnetic fine grained, black Andesite

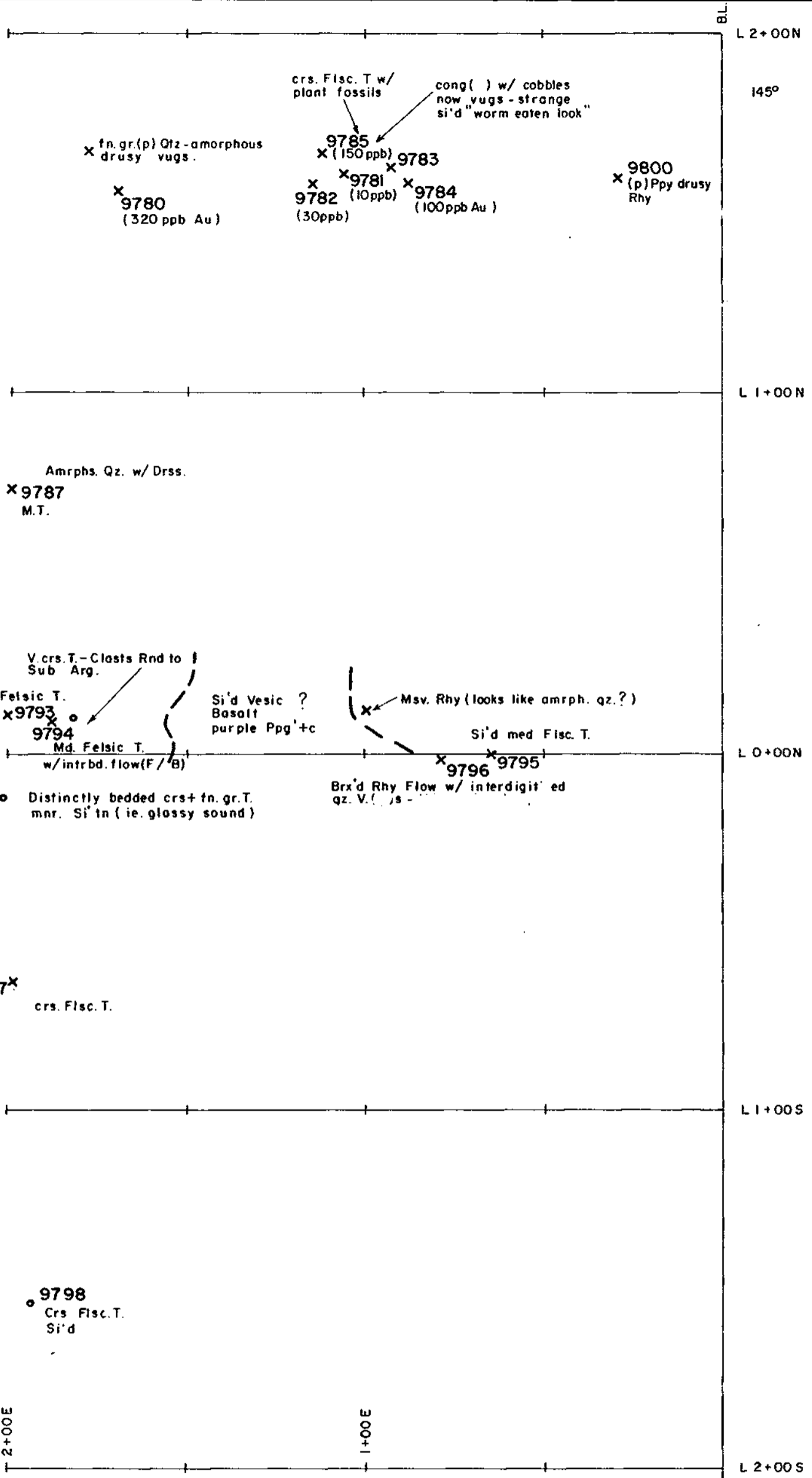
○ Outcrop

--- Geological Contact (known, inferred)

⊗ Sub-crop



PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L/5E
PARCHED CLAY ZONE	
STETSON RESOURCE MGMT CORP	FIGURE:
Drawn by: /GT	Date: Sept. 1989
5	



LEGEND

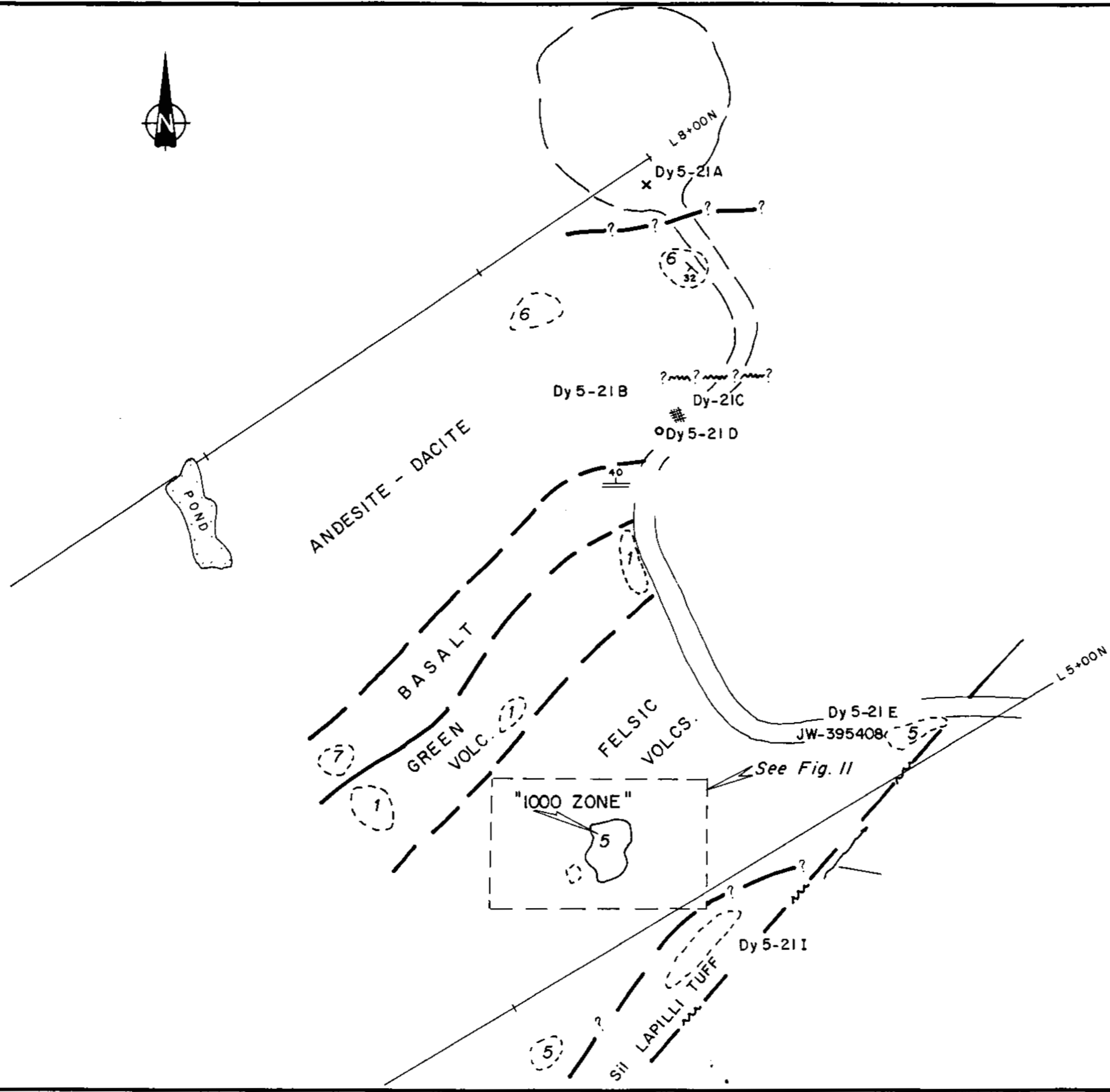
- 7 Vesicular Basalt, Agglomerate
- 6 Porphyritic Andesite
- 5 Lapilli tuff, tuff breccia
- 4 Flow Banded Rhyolite
- 3 Talus slope breccia
- 2 Sediments / Conglomerates, Coal lenses.
- 1 Magnetic fine grained, black Andesite
- Outcrop
- Geological Contact (known, inferred)



NOTE:
ALL SAMPLES AND DESCRIPTIONS ARE OF SUBCROP.

x - SAMPLE LOCATION

PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L/5E
SUBOUTCROP DESCRIPTION & SAMPLE LOCATION	
STETSON RESOURCE MGMT CORP	
Drawn by: /GT	Date: Sept. 1989
FIGURE: 9	



— CONTACT
 - - - - - OUTCROP

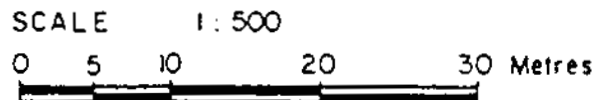
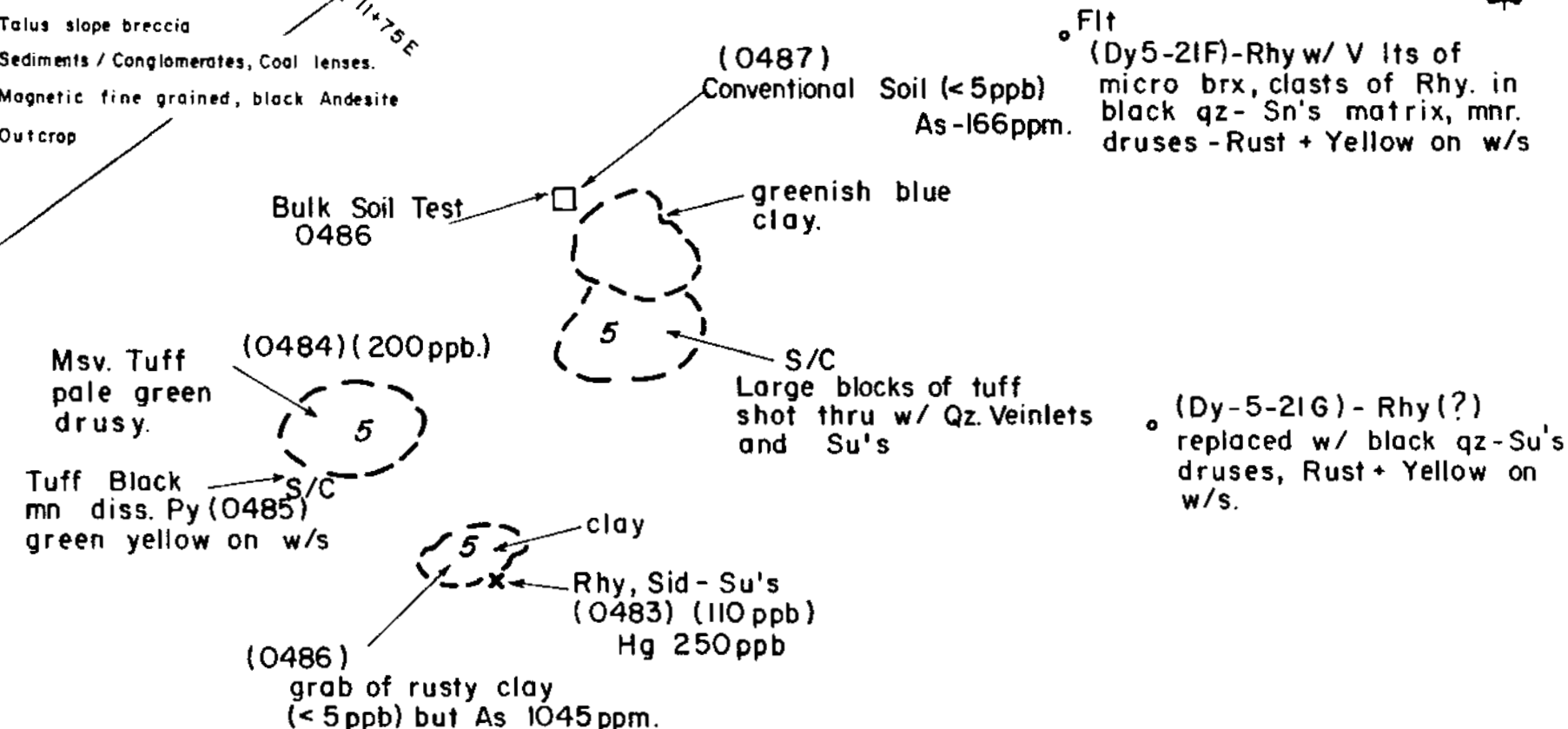
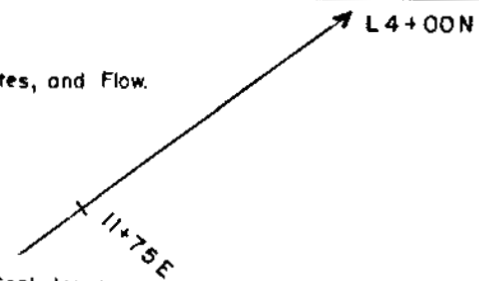
SCALE 1:2500
 0 25 50 100 150 Metres

PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L/5E
DETAILED GEOLOGY	
STETSON RESOURCE MGMT CORP	
Drawn by : /GT	Date : Sept. 1989
FIGURE: 10	

LEGEND

- 7 Vesicular Basalt, Agglomerates, and Flow.
- 6 Porphyritic Andesite
- 5 Lapilli tuff, tuff breccia
- 4 Flow Banded Rhyolite
- 3 Talus slope breccia
- 2 Sediments / Conglomerates, Coal lenses.
- 1 Magnetic fine grained, black Andesite

○ Outcrop



PROSPERITY GOLD CORP.	
NASH PROPERTY	
VERNON MINING DIVISION	NTS 82L / 5E
1000" ZONE	
STETSON RESOURCE MGMT CORP	FIGURE:
Drawn by: /GT	Date: Sept. 1989
11	

Golden Porphyrite Ltd., completed a reconnaissance rock, silt and soil sampling program in 1984, on claims now covered by the Rach and Siwash claim group (Assessment Report 12030). Chevron Minerals carried out a prospecting and sampling program in 1984 on claims now partially covered by the Siwash claim group (Assessment Report 14223).

Prosperity Gold Corp. acquired the ground by staking in June of 1988. Followup prospecting located a gold bearing silicified tuff. A program of geological mapping, geophysics and reconnaissance bulk heavy mineral sampling was designed. This reports documents the recommended program.

2.0 GEOCHEMISTRY

2.1 Lithochemistry

Rock sampling concentrated on an area of silicified felsic tuffs and breccias on the Siwash 3 claim. Samples were taken of rocks with sulphides, quartz veining - flooding and signs of hydrothermal alteration. Although actual outcrops are few, recent logging has exposed abundant subcrop.

Where outcrop was available chip samples of variable width were taken but for the most part sampling consisted of selected subcrop material. (see samples descriptions, Table 2.)

A total of 49 rock samples were taken. (See Appendix A for results.)

The samples were placed in plastic bags and sent to CDN Laboratories in Vancouver for analysis. In the laboratory, samples were put through primary and secondary crushers. A sub-sample of 250 grams was then pulverized to minum 100, 140 or 150 mesh. The pulp was then fire assayed for gold and finished with atomic absorption spectrometry analysis. Selected samples were analysed by inductively couples plasma for 29 elements listed in Appendix C.

2.2 Heavy Mineral Concentrate Sampling

A reconnaissance silt sampling survey on the Nash Property drainage was undertaken using Heavy Mineral Concentrate sampling techniques. A total of 28 samples were taken. The technique is designed to overcome the nugget effect caused by golds' particulate mode of occurrence in stream sediments. A bulk sample of a stream's alluvial material is obtained by screening the active gravel silts at the sample site to minus 20 mesh. The 20 kg sample is then further concentrated using specific gravity to eliminate lighter non-metallic minerals.

Gold particles of minus 20 mesh in the original bulk sample are effectively retained in the concentrate for both visual and fire assay analysis.

Data from this survey will prove definitive in localizing the source of placer gold in Nashwito Creek and may indicate other areas of potential gold mineralization (see figure 4.A and 4.B).

Laboratory processing of the samples is relatively time consuming and to date results are still pending.

2.3 Presentation and Discussion of Results

Assay results, location and descriptions of samples are listed in Table 2. All sample locations are shown on Figures 3, 4.A, 4.B, 5, 8, 9, and 10. Laboratory, methodology and results are in Appendix A.

2.4 Conclusions

As discussed in Section 4.2, a large tuffaceous zone containing appreciable gold values has been outlined.

3.0 GEOPHYSICS

Magnetic and VLF-EM surveys were conducted over the grid established on the property. A total of 80.6 line kilometres of data was collected at 12.5 meter spacings on gridline run at 100 metre intervals (see figure 3). An interpretation of the survey by Tom Mattich of Interpretex Resources Ltd. is found in Appendix B.

4.0 GEOLOGY

4.1 Regional

The Nash properties are situated in the Thompson Plateau area of the Thompson Fold Belt which defines the southeast portion of the Intermontane Belt of The Cordilleran. The region is characterized by a sequence of deformed pre-Cretaceous rocks (described by Jones, 1959; Church, 1979, 1980; and Olulitch and Campbell, 1979) that consist of:

1. pre-Permian Chapperon Group chloritic phyllite, greenstone and mica schist along with dismembered sills and dikes of serpentinite and serpentinized ultramafic intrusives (Old Dave Intrusions);
2. Carboniferous and Permian Thompson Assemblage greenstone, tuff, silicious argillite, volcanoclastic sandstone, quartzite and siltstone, massive crystalline limestone and siltstone, and carbonate cemented conglomerate;
3. Upper Triassic-Lower Jurassic Nicola Group and Slocan Group andesite and basalt flows, porphyritic augite andesite, breccia, tuff, agglomerate and greenstone, black shale, argillite, conglomerate limestone, siltstone and phyllite.

These rocks are intruded by granitic rocks of the Jurassic Valhalla and Nelson plutons and by Paleocene syenite, granite and monzonite feeder stocks. Extensive erosion preceded deposition of Eocene and Okanagan, Kamloops Group units which include a lower sandstone, conglomerate and shale sequence and an upper andesite, dacite lava and

breccia sequence with variable amounts of porphyritic (feldspar) andesite, trachyte and trachyandesite lavas and local rhyolite tuff breccia and glassy lava. Minor amounts of Miocene and/or Pleiocene basaltic lava and related ash and breccia occur as high level remnants of plateau and valley deposits. The region is covered by variable thicknesses of glacial till and glacial fluvial deposits.

The most prominent structural feature in the district is a major northwest trending lineament along Equis Creek that extends southeastward through Vernon. This lineament separates units of the Intermontane Belt to the southwest from rocks of the Omineca Crystalline Belt to the northeast, and is considered to be a zone of attachment. Correlation between predeformation units across this lineament is therefore considered to be inappropriate (Okulitch and Campbell 1979). However, rocks of the Kamloops Group, cross the lineament and clearly are post attachment. Both low and high angle normal faults are prominent in the older rocks of the region and reflect multiple episodes of reactivation. The most obvious structural fabric has been imparted by post-Eocene uplift and block faulting which generated a network of predominantly north-south normal faults and east-west strike slip faults (Woods, 1979; Church, 1980). Many of these structures reflect reactivation along older faults. In areas of Tertiary felsic, intrusive activity, feeder dykes commonly intrude along these faults (eg. Huntington area).

4.2 Property Geology

The Nash properties are underlain predominantly by volcanic units of the Eocene Kamloops Group. Most abundant are andesite, dacite, and porphyritic (feldspar) andesite lavas and breccias (some agglomeratic) with local trachyte and trachyandesite lavas, and rhyolite tuffs and flows. At lower elevations in the eastern part of the area, interbedded limestone, argillite, conglomerate and chert with minor tuffs and volcanoclastics of the underlying Carboniferous-Permian Thompson Assemblage are

exposed. Plutonic igneous rocks are confined to the extreme southwest part of the property where granite and granodiorite of the Jurassic Valhalla pluton occur along Bouleau Creek. A few remnants of Miocene plateau lava flows may be present along ridge crests in the northernmost claims. The area is extensively glaciated and characterized by widely distributed till and glaciofluvial deposits of variable thickness. Consequently, outcrops are limited except in cliff areas and road cuts.

The most detailed geologic map of the general area was compiled by Church (1979).

Detailed geologic mapping in 1989 was mostly confined to the Siwash 3 claim which is underlain by a significant concentration of variably silicified rhyolite tuffs that contain appreciable gold values. The tuff sequence consists primarily of a crystal-lithic lapilli variety, but crystal-ash rock types also are present as is a block tuff variety that is characterized by abundant open space. Some local shapes, particularly to the southwest, appear to be dacitic. A tongue of rhyolite flow overlies the tuff near the western margin of the claim, and extends several kilometres in a westerly direction where it is exposed in a narrow zone north of Bouleau Lake. The rhyolitic tuff-flow sequence appears to occupy a paleovalley. Thickness of tuff fill in the western part of the claim (highest elevation exposures) could exceed 100-200 metres. A remnant of a rhyolite flow "valley fill" also was recognized in the southeastern of the Nash 1 claim in the uppermost reaches of Browns Creek. However, a reconnaissance traverse of that area revealed no underlying tuff and mineral potential appears minimal. The tuff "channel" in the Siwash 3 claim trends in a northeasterly direction, ranges from about 500 - 1000 metres wide, appears to extend at least 3 km, and may continue another 1-3 km, across the Siwash 2 claim. There is a strong possibility that Nashwito Creek has penetrated the base of the tuff sequence where it cuts across the channel in the northwest corner of the Siwash 4 claim.

The tuff channel is cut in a porphyritic (feldspar) andesite lava with locally interbedded trachyte. This andesitic sequence underlies the bulk of the Siwash 3 claim area, although the cliffs in the northwest corner of the area consist of fine grained andesite and dacite lava, breccia and agglomerate. Granitic rocks of the Valhalla pluton are present in the southwest corner of the Siwash 3 claim. The southwestern margin of the tuff channel parallels a northwest trending ridge, of porphyritic andesite at the cliff face above Bouleau Creek, and may be a fault but no definitive evidence is available. A portion of the southernmost margin of the Tuff channel also may be a fault contact and this is supported by geophysical data and cliff face exposures in porphyritic andesite.

4.3 Property Alteration and Mineralization

The channel tuff deposit exhibits widespread silicification in the form of pervasive flooding and replacement of clasts and/or groundmass by microcrystalline quartz, by veinlets, veins and irregular areas of gray, bluegrey, tan to brown, chalcedony, chalcedonic chert or jasper, and by the presence of microveinlets and small vugs filled with cockscomb quartz crystals and/or tiny drusy quartz linings. The late quartz crystals commonly are coated with thin rims of goethite-limonite. Veined tuff has been locally brecciated and rehealed by microcrystalline quartz, some of which is red jasperoid; some is black and apparently sulfide bearing. Although sulfides have been rarely observed other than tiny (<0.5mm) pyrite grains in some microcrystalline quartz veins, their presence may be inferred by the ubiquitous distribution of goethite-limonite along fractures, grain boundaries and in vuggy areas. However, at least some of the secondary oxides clearly are derived from oxidation of minor magnetite in these rocks. Silica flooding and veining in the tuff appears to be most abundant to the southeast, and wall rock andesite also is characterized by veins of chalcedony and quartz. This may reflect a fault that served as a feeder for mineralizing fluids. Rhyolitic clasts, feldspar crystal clasts and tuff matrix exhibit variable degrees of kaolinization.

This also may be related to introduction of mineralizing fluids, but intense kaolinization may be at least locally attributed to weathering processes, particularly where tuffs are not silicified.

4.4 Conclusions

The 1988-89 exploration program has outlined a large tuffaceous zone containing anomalous gold values. Further work is warranted.

COST STATEMENT

Project Preparation

Printing	\$ 12.88
Maps	\$ 614.89
Drafting	\$ 560.00
J. Wetherill (May 5-6) 2 days @ \$225/ day	\$ 450.00
M. Djordjevich (May 5-6) 2 days @ \$175/ day	\$ 350.00
	=====
	\$1,987.77

Field Personnel

PROJECT MANAGER

John Dupuis: (May 14-17, 24-27)	
8 days @ \$300/day	\$2,400.00

GEOLOGIST

J. Wetherill (May 7-21, 24-31)	
23 days @ \$250/day	\$5,750.00

PROSPECTOR

B. Dynes (May 15-21, 24, 31)	
15 days @ \$225/day	\$3,375.00

FIELD TECHNICIANS

M. Pym (May 7-31) 25 days @ \$175/day	\$4,375.00
W. Landers (May 7-31) 25 days @ \$175/day	\$4,375.00
C. Milonas (May 7-31) 25 days @ \$175/day	\$4,375.00
R. Herzig (May 7-24) 18 days @ \$175/day	\$3,150.00
L. Robertson (May 7) 1 day @ \$175/day	\$ 175.00

EDA OPERATOR:

M. Djordjevich 20 days @ \$250/day	\$5,000.00
	=====
	\$32,975.00

Support

Mobilization/Demobilization:

Transportation (tolls, insurance, etc.)	\$ 46.00
Meals	\$ 53.30
Van Rental	\$ 431.58
Gasoline	\$ 41.00
	=====
	\$ 571.88

Camp:

Room 125 mandays @ \$25/ manday	\$ 3,125.00
Board 125 mandays @ \$15/ manday	\$ 1,875.00
	=====
	\$ 5,000.00

Support (Con't)

Trucks

Bronco 25 days @ \$60/ day	
+ 1800km x \$.15/km	\$ 1,770.00
F250 25 days @ \$60/day	
+ 2200km x \$.15km	\$ 1,830.00
Toyota 5 days @ \$20/ day	\$ 100.00

Gasoline	\$ 1,562.91
Supplies	\$ 250.00
Communications (BC Tel)	\$ 238.72
	=====
	\$ 5,751.63

Equipment Rental

EDA VLF-EM/MAG (May 7-31) 25 @ 200/day	\$ 5,000.00
Generator (May 7-31) 25 @ \$25/day	\$ 625.00
Computer (May 7-31) 25 @ \$25/day	\$ 625.00
Radio (May 7-31) 25 @ \$25/day	\$ 625.00
Chainsaw (May 7-31) 1 @ \$25/day	\$ 625.00
Field Equipment (May 7-31) 25 @ \$15/day	\$ 375.00
	=====
	\$ 7,875.00

Analysis

Rocks - Geochemical 49 @ \$20/sample	\$ 980.00
Sorts - Geochemical 10 @ \$13.50/sample	\$ 135.00
Petrographics 1 @ \$100.00	\$ 100.00
	=====
	\$ 1,215.00

Report Writing

Geologist 3 days @ 250/day	\$ 750.00
Geophysist 2 days @ 325/day	\$ 650.00
Drafting 2 days @ 200/day	\$ 400.00
Supplies, Typing, Copying	\$ 150.00
	=====
	\$ 1,950.00

TOTAL	\$57,326.28
--------------	--------------------

REFERENCES

JONES, A.

1959: Vernon Map - Area, British Columbia, Geol. Survey
Canada, Mem. 296

MCCALLUM, M.

1989: Personal communication

OSANTENKO

1977: Assessment Report on the Super and Nova claims;
BCDM Assessment Report H6404

LONGE, R.V.

1984: Vodd Claims, Prospecting and Soil Sampling; BCDM
Assessment Report #14,223

NELLES, D.M.

1984: Assessment Report on Geological Prospecting and
Geochemical Surveys, Nash Claims; BCDM Assessment Report
#12030

STATEMENT OF QUALIFICATIONS

NAME: Wetherill, J. F.

PROFESSION: Geologist - Engineer in Training

EDUCATION: 1987 B.A.Sc. Geology -
University of British Columbia

EXPERIENCE: 1987 - Present: Geologist with
Stetson Resource Management Corp.
Field Supervisor for exploration
programs involving geology,
geochemistry, and geophysics in
B.C. and Yukon.

1986, June - August: Field Assistant
- Geologist involved with
geological, geochemical and
geophysical aspects of exploration
programs in B.C.

APPENDIX A

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

**** GEOCHEMICAL REPORT ****

To: Stetson Resource Management Corp.
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89187
Date: May 31, 1989
Proj.:

Attn: Bill Dynea

	Au ppb	Hg ppb
DY5-26A	210	30
DY5-26C	50	20
DY5-26D	60	20
✓ 355415	120	20
355416	40	10
355417	30	10
355418	5550	10
355419	80	10
355420	< 5	10
355421	70	30
355422	20	50
355423	< 5	10
355424	140	60
399764	< 5	10
✓ 399765	< 5	20
✓ 399766	< 5	10
399767	< 5	10
399768	10	10
✓ 399769	< 5	40

Duncan Sanderson

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

**** CERTIFICATE OF ANALYSIS ****

To: Stetson Resource Management Corporation
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89181/89187
Date: June 2, 1989
Proj.:

Attn: Bill Dynes

Type of Analysis: ICP-AES

	Al %	Ag ppm	As ppm	B ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm
399754	0.14	11.8	87	5	100	1	5	0.02	1	2	189	12	0.47	ND
399756	0.79	0.1	2124	5	315	2	2	0.31	1	6	41	19	4.63	ND
399757	0.82	0.1	8	5	160	1	2	0.62	1	7	17	29	1.28	ND
399758	0.55	0.6	22	5	41	1	3	0.28	1	5	43	13	1.47	ND
399759	0.16	36.9	254	5	148	1	5	0.02	1	1	148	13	1.11	ND
399760	0.16	60.5	226	5	188	1	3	0.01	1	1	184	12	1.63	ND
399761	0.28	1.3	109	5	95	1	3	0.06	1	2	118	6	0.79	ND
399762	0.25	2.9	137	5	50	1	4	0.03	1	1	122	6	0.80	ND
399763	0.15	6.4	279	5	65	1	4	0.01	1	1	124	6	1.08	ND
Dy5-26A	0.17	4.9	34	5	135	1	2	0.03	1	1	181	14	1.10	ND
Dy5-26C	0.13	1.4	13	5	145	1	2	0.02	1	1	223	7	0.83	ND
Dy5-26D	0.15	0.7	21	5	160	1	2	0.01	1	1	181	5	0.90	ND
355415	0.16	5.2	68	5	39	1	2	0.02	1	1	191	6	0.67	ND
416	0.20	0.2	22	5	29	1	2	0.01	1	1	154	5	1.34	ND
355417	0.28	0.4	19	5	33	1	2	0.03	1	2	118	5	0.67	ND
355418	0.21	16.6	24	5	32	1	2	0.07	1	4	258	12	1.09	ND
355419	0.14	0.5	20	5	31	1	2	0.02	1	1	168	6	0.97	ND
355420	0.47	0.5	16	5	49	1	3	0.23	1	3	35	6	0.54	ND
355421	0.20	0.4	40	5	17	1	2	0.06	1	1	84	4	0.64	ND
355422	0.21	0.7	603	5	34	2	2	0.03	1	2	109	5	2.84	ND
355423	0.07	2.6	10	5	86	1	2	0.18	1	1	333	7	0.55	ND
355424	0.16	1.3	45	5	41	1	2	0.02	1	1	158	4	0.43	ND
399764	1.29	0.1	2	5	143	2	2	0.87	1	6	18	79	1.57	ND
399765	0.58	0.1	75	5	71	2	2	0.23	1	2	22	9	1.03	ND
399766	0.18	0.1	99	5	86	1	2	0.01	1	1	120	5	0.86	ND
399767	0.18	0.2	30	5	64	1	2	0.02	1	1	170	5	0.71	ND
399768	0.15	1.7	102	5	119	1	2	0.19	1	1	329	8	0.91	ND
399769	0.26	1.3	673	5	627	2	2	1.10	7	19	13	13	19.91	ND

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6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

**** CERTIFICATE OF ANALYSIS ****

To: Stetson Resource Management Corp.
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89181/89187
Date: June 2, 1989
Proj.:

Attn: Bill Dynes

Type of Analysis: ICP-AES

	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P %	Pb ppm	Sb ppm	Sr ppm	Ti %	V ppm	Zn ppm
399754	78	0.02	23	66	0.03	6	NA	13	8	11	0.01	7	12
399756	21	0.27	233	10	0.06	10	NA	1	8	81	0.11	79	51
399757	32	0.48	437	1	0.02	7	NA	11	2	72	0.08	30	45
399758	98	0.19	926	4	0.02	5	NA	22	2	30	0.03	21	62
399759	94	0.03	35	288	0.02	3	NA	33	5	21	0.01	7	17
399760	99	0.01	28	266	0.01	4	NA	38	13	28	0.01	10	10
399761	105	0.08	65	92	0.01	3	NA	20	3	33	0.01	12	14
399762	91	0.06	37	63	0.01	3	NA	18	3	19	0.01	11	17
399763	95	0.02	24	75	0.03	2	NA	7	2	25	0.01	5	12
Dy5-26A	54	0.02	47	13	0.01	4	NA	6	2	19	0.01	12	74
Dy5-26C	73	0.01	27	42	0.01	4	NA	11	6	11	0.01	18	7
Dy5-26D	72	0.01	24	18	0.01	3	NA	12	2	31	0.01	7	15
355415	60	0.01	45	16	0.01	3	NA	5	2	16	0.01	6	14
A16	78	0.01	18	22	0.01	2	NA	5	2	8	0.01	9	17
355417	91	0.12	165	10	0.01	3	NA	19	2	11	0.01	9	58
355418	14	0.15	135	90	0.01	5	NA	5	2	13	0.01	22	21
355419	72	0.01	37	20	0.01	3	NA	12	2	10	0.01	8	16
355420	125	0.12	111	4	0.01	1	NA	23	2	35	0.01	10	22
355421	85	0.02	19	7	0.01	2	NA	9	2	16	0.01	8	28
355422	100	0.02	84	16	0.01	3	NA	12	17	15	0.01	31	18
355423	3	0.01	216	21	0.01	5	NA	1	2	12	0.01	8	12
355424	74	0.02	22	12	0.01	2	NA	7	2	16	0.01	4	5
399764	38	0.53	218	2	0.01	10	NA	13	2	138	0.03	30	34
399765	96	0.15	61	5	0.01	2	NA	20	2	39	0.01	12	33
399766	51	0.02	17	8	0.01	3	NA	12	2	27	0.01	12	7
399767	61	0.02	37	11	0.01	2	NA	7	2	11	0.01	6	9
399768	50	0.02	44	27	0.01	6	NA	8	2	26	0.01	6	18
399769	13	0.13	6159	9	0.01	11	NA	38	2	239	0.01	23	51

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**** GEOCHEMICAL REPORT ****

To: Stetson Resource Management Corp.
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89171
Date: May 25, 1989
Proj.:

Attn: Bill Dynes

	Au ppb	Hg ppb
✓ 355401	< 5	60
355402	20	10
355403	10	10
355404	< 5	10
355405	< 5	10
355406	10	10
355407	< 5	10
355408	< 5	30
355409	10	60
355410	< 5	410

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6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** CERTIFICATE OF ANALYSIS **

To: Stetson Resource Management Corporation
 13 - 1155 Melville Street
 Vancouver, B.C.
 V6E 4D4

Number: 89171
 Date: May 26, 1989
 Proj.:

Attn: Bill Dynes

Type of Analysis: ICP-AES

	Al %	Ag ppm	As ppm	B ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cc ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm
355401	1.01	0.1	29	91	331	2	2	0.71	1	3	12	25	4.35	5
355402	0.19	0.2	52	9	48	1	2	0.03	1	2	284	8	0.88	ND
355403	0.15	0.1	22	5	9	1	3	0.02	1	1	232	6	0.40	ND
355404	0.39	0.1	33	5	36	1	2	0.04	1	2	80	4	0.75	ND
355405	0.19	0.1	16	5	47	1	3	0.02	1	1	194	4	0.79	ND
355406	0.22	0.1	28	5	94	1	2	0.02	1	1	195	6	1.58	ND
355407	1.03	0.4	141	5	53	2	7	1.36	2	2	21	5	0.82	ND
355408	0.33	0.1	4	5	31	1	6	0.21	1	1	53	10	1.38	ND
355409	0.64	0.1	10	5	22	2	2	0.11	1	13	52	28	6.01	ND
355410	0.58	0.1	25	264	36	1	2	0.07	1	8	25	55	4.76	ND

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6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** CERTIFICATE OF ANALYSIS **

To: Stetson Resource Management Corp.
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89171
Date: May 26, 1989
Proj.:

Attn: Bill Dynes

Type of Analysis: ICP-AES

	La	Mg	Mn	Mo	Na	Ni	P	Pb	Se	Sr	Ti	V	Zn
	ppm	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm	%	ppm	ppm
355401	36	0.26	51	3	0.06	5	0.13	17	10	369	0.02	37	26
355402	106	0.03	83	21	0.02	3	0.02	25	5	16	0.02	14	20
355403	49	0.02	29	17	0.01	3	0.01	15	2	6	0.01	6	8
355404	105	0.16	159	6	0.01	1	0.02	17	2	27	0.01	12	52
355405	61	0.03	36	18	0.01	2	0.01	15	5	7	0.02	6	6
355406	66	0.02	70	20	0.01	3	0.02	15	2	12	0.01	10	34
355407	118	0.22	712	3	0.01	1	0.03	25	10	80	0.01	9	30
355408	95	0.12	491	4	0.02	2	0.06	17	2	25	0.04	25	53
355409	7	0.20	1302	4	0.03	6	0.04	6	2	6	0.01	131	109
355410	5	0.07	154	2	0.01	12	0.03	2	9	5	0.01	21	45

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6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

** GEOCHEMICAL REPORT **

To: Stetson Resource Management Corp.
 13 - 1155 Melville Street
 Vancouver, B.C.
 V6E 4C4

Number: 89196
 Date: June 8, 1989
 Proj.: Nash

Attn: Bill Dynes

	Au ppb	Hg ppb
Type Huntington Gate	< 5	10
1 KM E. of Huntington Gate	< 5	10
80476	< 5	20
80477	50	20
80478	30	60
80479	< 5	10
80480	< 5	10
80481	680	10
80482	< 5	10
80483	110	250
80484	200	20
80485	200	30
80486	< 5	30
80487	< 5	10
355425	990	60
355426	160	60
355427	30	80
399770	< 5	20
399771	< 5	20
399772	10	50
399773	< 5	30
399774	< 5	10
399775	< 5	30
399776	70	50
399777	60	70
399778	130	40
399779	< 5	20
399780	320	10
399781	10	10
399782	30	10
399783	< 5	10
399784	100	20
399785	150	40

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6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

*** CERTIFICATE OF ANALYSIS ***

To: Stetson Resource Management Corporation
 13 - 1155 Melville Street
 Vancouver, B.C.
 V6E 4C4

Number: 89196
 Date: June 16, 1989
 Proj.: Nash

Attn: Bill Dynes

Type of Analysis: ICP-AES

	Ag	Al	As	B	Ba	Be	Bi	Ca	Cd	Co	Cr	Cu	Fe	Hg
	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm
1*	0.5	0.22	5	243	80	1	2	0.05	1	4	127	12	1.18	nd
2*	0.1	0.29	7	17	152	1	2	0.11	1	4	141	7	0.97	nd
80476	0.1	0.16	27	13	31	1	2	0.01	1	2	192	4	0.54	nd
80477	1.9	0.12	25	15	81	1	1	0.03	1	2	294	7	0.95	nd
80478	0.5	0.02	8	9	10	1	2	0.03	1	1	249	4	0.34	nd
80479	0.2	0.41	23	15	71	1	2	0.16	1	11	384	11	1.61	nd
80480	0.5	0.49	49	12	62	1	2	0.24	1	12	287	12	1.69	nd
80481	3.8	0.09	10	9	15	1	2	0.02	1	2	258	7	0.41	nd
80482	1.1	0.16	91	12	27	1	6	0.02	1	3	194	4	0.66	nd
80483	2.4	0.11	136	186	53	1	7	0.01	1	2	235	7	1.22	nd
80484	12.4	0.12	52	16	29	1	2	0.01	1	1	166	4	0.42	nd
80485	2.2	0.09	179	110	46	1	14	0.02	1	2	241	9	0.69	nd
80486	0.1	0.91	1045	9	144	2	2	0.42	1	16	13	8	4.44	nd
80487	0.4	0.54	166	13	123	1	2	0.22	1	11	80	9	1.41	nd
35425	18.1	0.21	70	12	667	1	4	0.07	1	5	247	11	1.09	nd
35426	5.7	0.14	143	33	570	1	2	0.04	1	4	205	8	1.33	nd
355427	3.8	0.07	15	17	88	1	3	0.02	1	2	342	11	0.44	nd
399770	1.1	0.21	45	10	42	1	7	0.04	1	3	168	4	0.58	nd
399771	0.4	0.19	80	10	26	1	3	0.02	1	3	118	4	0.78	nd
399772	0.2	0.25	61	7	34	1	2	0.07	1	6	125	4	0.76	nd
399773	0.9	0.11	122	30	125	1	2	0.05	1	2	240	7	1.55	nd
399774	0.1	0.14	39	9	51	1	2	0.01	1	2	222	5	0.54	nd
399775	0.1	0.47	49	9	52	1	2	0.17	1	7	20	3	0.95	nd
399776	1.8	0.22	83	9	37	1	7	0.03	1	4	131	5	0.69	nd
399777	0.1	0.17	76	14	41	1	2	0.02	1	2	262	7	0.93	nd
399778	0.3	0.15	29	18	37	1	2	0.02	1	2	97	3	0.53	nd
399779	0.1	0.15	108	36	57	1	2	0.01	1	2	142	4	1.09	nd
399780	2.7	0.13	27	9	19	1	2	0.02	1	2	311	8	0.82	nd
399781	0.4	0.13	30	12	33	1	2	0.05	1	3	244	7	0.69	nd
399782	2.6	0.11	91	45	78	1	2	0.02	1	2	187	7	0.93	nd
399783	0.1	0.16	174	13	22	1	2	0.01	1	1	151	4	0.97	nd
399784	1.1	0.18	181	16	38	1	2	0.09	1	1	207	4	1.31	nd
399785	2.1	0.19	107	11	80	1	2	0.04	1	3	192	8	1.53	nd

1* is sample "Type Huntington Gate"
 2* is sample "1km E. of Huntington Gate"

Duncan Sanders

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

*** CERTIFICATE OF ANALYSIS ***

To: Stetson Resource Management Corporation
13 - 1155 Melville Street
Vancouver, B.C.
V6E 4C4

Number: 89196
Date: June 16, 1989
Proj.: Nash

Attn: Bill Dynes

Type of Analysis: ICP-AES

	La	Mg	Mn	Mo	Na	Ni	Pb	Sb	Sr	Ti	V	W	Zn
	ppm	%	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
1*	34	0.01	22	20	0.01	7	23	2	18	0.01	2	3	63
2*	36	0.09	68	30	0.03	2	26	2	9	0.01	14	3	23
80476	58	0.02	29	14	0.01	3	10	2	6	0.01	8	3	13
80477	37	0.03	51	17	0.01	5	8	2	15	0.02	16	3	12
80478	1	0.01	18	15	0.01	4	1	2	1	0.01	3	3	4
80479	31	0.25	275	21	0.01	13	5	2	19	0.02	32	5	45
80480	35	0.42	212	16	0.01	11	11	3	20	0.02	47	4	35
80481	2	0.03	70	16	0.01	5	1	2	3	0.01	6	5	5
80482	70	0.03	57	15	0.01	4	11	2	6	0.01	16	3	10
80483	69	0.01	20	59	0.01	5	5	3	10	0.01	4	5	4
80484	61	0.01	25	69	0.01	2	2	2	11	0.01	7	1	3
80485	78	0.01	19	610	0.01	4	7	11	11	0.01	7	1	7
80486	79	0.25	653	50	0.01	5	23	2	92	0.01	27	2	45
80487	69	0.18	424	28	0.01	7	15	2	45	0.05	39	2	28
355425	57	0.02	131	18	0.01	5	30	4	59	0.01	25	2	23
35426	42	0.01	138	14	0.01	4	9	2	30	0.01	11	1	36
355427	14	0.01	23	24	0.01	7	17	2	12	0.01	3	1	7
399770	67	0.03	24	25	0.01	3	6	2	9	0.01	7	1	10
399771	81	0.02	36	17	0.01	2	3	2	5	0.01	8	1	10
399772	88	0.03	179	14	0.01	2	14	2	12	0.01	9	1	14
399773	167	0.01	49	18	0.01	3	1	2	18	0.01	5	1	5
399774	60	0.01	57	30	0.01	2	1	2	6	0.01	4	1	7
399775	129	0.11	43	3	0.01	1	12	2	31	0.01	9	1	23
399776	80	0.03	23	16	0.01	3	11	2	8	0.01	8	2	10
399777	71	0.01	37	24	0.01	4	20	3	7	0.01	8	1	4
399778	60	0.02	24	6	0.02	1	5	2	13	0.01	4	1	4
399779	54	0.01	15	38	0.01	2	26	2	28	0.01	8	1	11
399780	18	0.02	46	97	0.01	4	5	3	3	0.01	10	1	6
399781	43	0.01	34	20	0.01	4	14	2	8	0.01	10	1	6
399782	57	0.01	17	39	0.01	2	15	3	30	0.01	6	1	3
399783	28	0.01	18	25	0.01	1	5	2	6	0.01	11	1	12
399784	57	0.02	26	22	0.01	1	13	2	12	0.01	13	1	21
399785	55	0.02	36	28	0.01	3	9	2	10	0.01	15	1	36

1* is sample "Type Huntington Gate"
2* is sample "1km E. of Huntington Gate"

Duncan Sanderson

CDN RESOURCE LABORATORIES LTD.

6329 BERESFORD STREET, BURNABY, B.C. V5E 1B3 / PH: 435-8376 / FAX: 435-9746

ANALYTICAL PROCEDURES

Sample preparation

Rocks: sample is crushed to 1/4" or finer then riffled to give approximately 250g. This sub-sample is ring pulverized to approximately -100 mesh.

Soils: sample is dried then sieved through a plastic 80 mesh screen. The -80 fraction is retained for analysis and the +80 fraction discarded unless otherwise instructed.

Analytical procedures

Assay:

Au, Ag - fire assay, gravimetric finish on 1/2 AT sample.

Cu, Pb, Zn - a 0.50g sample is digested in a nitric acid-potassium chlorate mixture. Hydrochloric acid is added and the sample is taken to dryness. Sample is taken up in hydrochloric acid, bulked to volume with distilled water and then presented to the AA.

Geochem by AA:

Au - a 10g sample is inquarted and fire assayed. The prill is parted in a test tube with 0.5 ml nitric acid. The gold is taken into solution with the addition of 1.5 ml hydrochloric acid. Sample is bulked to 5.0 ml with distilled water, then presented to AA.

Ag, Cu, Pb, Zn - a 0.5g sample is ashed then transferred to a test tube. Sample is digested with 1.0 ml nitric acid and 2.0 ml hydrochloric acid in a hot water bath for two hours. Sample is bulked to 10.0 ml with distilled water and presented to AA.

Geochem by ICP:

Procedure is as outlined for Geochem AA analysis except that the solution is diluted to 1/200 before presentation to the ICP. The following 28 elements are included:

*Al	Ag	As	*B	*Ba	*Be	Bi	*Ca
Cd	Co	*Cr	Cu	*Fe	Hg	*La	*Mg
*Mn	Mo	*Na	Ni	*P	Pb	Sb	*Sr
*Ti	*V	*W	Zn				

Elements marked with an asterisk may be only partially digested.

APPENDIX B

APPENDIX REPORT ON
GEOPHYSICAL SURVEYS

ON THE NASH GROUP CLAIMS
VERNON MINING DIVISION
VERNON, BRITISH COLUMBIA

FOR
STETSON RESOURCE MANAGEMENT CORP.

BY
INTERPRETEX RESOURCES LTD.

Vancouver, B.C.
September, 1989

Report by:
T.R. Matich

1. INTRODUCTION

A geophysical program, consisting of electromagnetic (VLF-EM) and magnetic surveys, was carried out on a single grid located on the Nash claim group in the Vernon Mining Division near Vernon, B.C. The survey was carried out in June 1989.

2. OBJECTIVES

- to establish a correlation between magnetic minerals and mineralized trends,
- to test the effectiveness of VLF-EM in following possible mineralized trends and to establish new unrecognized conductive trends,
- to establish geophysical areas of interest for future exploration.

3. SURVEY SPECIFICATIONS

Survey Parameters

- survey line separation - 100 m.
- survey station spacing - 12.5 m.
- VLF-EM and magnetic survey total 80.6 km.

Equipment Parameters

- VLF-EM and Magnetic Surveys
 - Scintrex Omni Plus combined VLF-EM and magnetometer
 - Dip Angle (in-phase) and Quadrature (out-of-phase) measured in percent at each station
 - VLF-EM Field Strength measured at each station
 - transmitting stations used - NLK (24.8 kHz) - Seattle, Wa.
- NSS (21.4 kHz) - Annapolis, Md.
 - earth's total magnetic field measured in gammas (nT)
 - magnetic variations controlled by automatic magnetic base station recording every 30 seconds
 - instrument accuracy +/- 0.1 nT.

Equipment Specifications - see Appendix I

4. DATA

Calculations

Total Field Magnetic Survey

Total field magnetic readings were individually corrected for variations in the earth's magnetic field using magnetic base station values. The formula used for magnetic corrections was:

$$CTFR = TFR + (DBL - BSR)$$

where: CTFR = Corrected Total Field Reading
TFR = Total Field Reading
DBL = Datum Base Level
BSR = Base Station Reading

Presentation

- Seattle VLF-EM in-phase, out-of-phase and field strength readings are presented in profile form on Figure # G-1 at a scale of 1:10,000
- Annapolis VLF-EM in-phase, out-of-phase and field strength readings are presented in profile form on Figure # G-2 at a scale of 1:10,000
- Magnetic data were profiled and are presented on Figure # G-3 at a scale of 1:10,000
- Magnetic data were contoured and are presented on Figure # G-4 at a scale of 1:10,000
- The geophysical interpretation is presented on Figure # G-5 at a scale of 1:10,000

5. INTERPRETATION

Discussion of Results

Total field magnetic readings over the Nash grid appear noise free with no cultural sources observed. Magnetic values ranged from 55500 nT to 60900 nT. The southern portion of the grid generally exhibited high magnetic intensity, above 58000 nT, while the northern portion exhibited lower magnetic intensity, less than 58000 nT. Five magnetic units were classified using magnetic contours to outline areas of different magnetic intensity and magnetic activity. The magnetic units are labeled "M1" through "M5" on the Geophysical Interpretation Map, Figure G-5.

Magnetic unit "M1" exhibits magnetic values from 57600 nT to 57800 nT and is the only quiet magnetic zone observed on the grid. Located in the north part and also in the central part of the grid, magnetic unit "M2" exhibits moderate activity with values ranging from 57000 nT to 58000 nT. "M3" is the largest magnetic unit on the grid and exhibits

magnetic activity similar to "M2" but has higher magnetic intensity. Magnetic unit "M4" is located south of "M1" and exhibits similar magnetic intensity and slightly higher activity than "M1". Magnetic unit "M5" exhibits the highest magnetic intensity and magnetic activity on the grid. Total field magnetic readings vary greatly within "M5" from 55000 nT to 60900 nT.

Magnetic lineaments were defined by comparing profile character from line to line and by observing contour offsets. Magnetic lows and gradients tend to be the features which form magnetic lineaments on the grid. Major magnetic lineaments are labeled on Figure # G-5 as "L1" through "L5". Major lineaments generally trend north to northeast and are often coincident with VLF-EM conductors.

Magnetic lineament "L1" trends north and separates "M1" from "M3". "L1" follows a magnetic low which broadens to the north and is coincident with moderate conductor "C2".

"L2" is a narrow magnetic low feature trending north within magnetic unit "M4". As "L2" enters "M1" lineament "L2" quickly dies off. "L2" is coincident with a weak Seattle conductor .

"L3" is a long magnetic gradient feature offset in the middle by "F3". "L3" is similar in character and is sub-parallel to "L5". If these lineaments are continuous, "L3" and "L5" may represent a feature with a strike length of over two kilometers. "L3" is coincident with conductor "C4".

Trending north towards "L2", magnetic lineament "L4" may be the continuation of "L2". "L4" is coincident with two strong but short VLF-EM conductors.

"L5" consists of two parallel magnetic gradient lineaments coincident with conductor system "C6". The western lineament separates "M3" from "M5".

VLF-EM data were observed to be quite responsive and noisy over the entire grid. Seattle data appeared to be less noisy than Annapolis data, perhaps due to stronger signal strength. The Annapolis station had the best orientation for conductor coupling and was therefore chosen as the primary frequency for interpretation. Seattle data were found to be useful because they tended to show northeast conductors coincident with magnetic lineaments. Annapolis and Seattle conductors are labeled on Figure # G-5 as conductors "C1" to "C6".

VLF-EM results have outlined three areas on the Nash grid where strong conductors are concentrated. These strong conductors tend to be short, 100 to 500 meters, and to end abruptly. The strong conductors are characterized by strong in-phase response and strong, narrow field strength anomalies. Quadrature response is moderate and trends follow in-phase response (positive quadrature).

The first conductive zone contains conductors "C1" and "C2" and is located in the northwest corner of the grid. Conductivity in this area appears to be concentrated wholly within magnetic unit "M1". Conductor system "C1" is a northwest trending group of three strong conductors terminated to the south by interpreted fault "F1". Faults were interpreted on the basis of conductor offsets and magnetic lineaments. To the north, "C1" is terminated by interpreted fault "F2". Conductor "C2" is a north trending moderate conductor seen best on the Seattle frequency. "C2" is one of the most consistent conductors on the grid and is characterized by moderate in-phase and field strength response and weak reverse quadrature response.

The second conductive zone is located in the east central part of the grid and contains conductor system "C3". To the east of system "C3", VLF-EM response is quite noisy and anomalies are numerous but weak and difficult to delineate. The general trend of these weak conductors seems to be to the northeast. Conductor system "C3" consists of one north trending Annapolis double conductor and one north trending Seattle conductor. "C3" is cut off to the north by interpreted fault "F3" and continues off grid to the south.

The last conductive zone is located in the southwest portion of the grid. It is characterized by numerous strong conductors having slightly longer strike lengths than conductors in other zones. There are three conductor groups in this zone, "C4", "C5" and "C6". The strongest conductor on the grid, "C4" is a northwest trending conductor seen on both frequencies. "C4" is characterized by strong in-phase and wide, strong field strength and strong positive quadrature. To the north, "C4" stops abruptly and to the south it continues off the grid. Conductor group "C5" is a group of short, northwest trending Annapolis conductors which appear to be terminated and offset by northeast trending "C6" conductors. Conductor system "C6" is a group of long, moderate Seattle conductors which are coincident with magnetic lineaments.

Conclusions

Magnetic and VLF-EM results over the Nash grid were successful in defining magnetic units, believed to represent area lithology, and in delineating numerous conductors and magnetic lineaments, believed to represent structural features such as faults or lithological changes.

Magnetic units, interpreted from contoured data, appear to correlate well with expected responses to mapped geology in the area. Magnetic unit "M1" is the best example, exhibiting low magnetic intensity and quiet magnetic activity over a rhyolite breccia zone. Rhyolite is normally deficient in magnetite and therefore would be expected to give a low intensity, quiet response. Also unit "M1" is coincident with a conductive zone characterized by conductors which are thought to be structural features, possibly brecciated fracture zones. Moderately active magnetic units "M2" and "M3" seem to be coincident with areas underlain by basaltic rocks. Magnetic unit "M5", the most active on the grid, corresponds with mapped magnetic black basalts.5

Magnetic lineaments on the Nash grid are interpreted to represent structural features. "L1" is thought to be the most important lineament on the grid due to its consistent magnetic low signature and its coincidence with conductor "C2". The magnetic low signature indicates that "L1" probably is a fault, possibly weathered. Conductivity suggests that the interpreted fault is conductive possibly containing conductive fault material or sulphide mineralization.

Lineament "L2" is also a magnetic low feature coincident with a conductor and therefore "L2" is believed to represent a fault. However, the weak conductivity of the conductor coincident with "L2" suggests that there is less potential for mineralization in this feature.

Lineament "L3" is a northeast trending gradient feature which continues off grid at line 1500 but may continue on in the south half of the grid as "L5". The gradient signature forming lineaments "L3" and "L5" indicates a change in magnetic susceptibilities from low intensity to high intensity. Possible sources of this gradient feature could be either a fault or geological contact.

Lineament "L4" follows a magnetic low in the southeast part of the grid and may be the southern continuation of "L2". Again the magnetic low is believed to be a structural feature, probably a fault. The southern part of "L4" is coincident with a strong Seattle conductor indicating possible fault dilation and/or localized sulphide mineralization.

Lineament "L5" is similar in character to "L3" and is interpreted to be either a fault or a geological contact. Its coincidence with conductor system "C6" suggests that "L5" is a fault.

Noisy VLF-EM response over the Nash grid may indicate either the presence of conductive overburden or the presence of numerous fracture zones. Considering the relatively large amplitude and line to line continuation of the noise, fracture zones are believed to be the source of the VLF-EM noise.

Conductor system "C1" lies between interpreted conductors "F1" and "F2" and hosts the most complex conductivity environment on the Nash grid. The numerous conductors in this system are believed to represent a highly broken up structural feature such as a fracture system or a breccia zone. In-phase response from closely spaced conductors is often observed to add together and form complex anomalies which are difficult to interpret. Although anomalies are difficult to delineate, intersecting structures are thought to be present due to strong responses in both Seattle and Annapolis data. These intersections may explain the strongest anomalies in system "C1" and are believed to be important targets for mineral exploration.

Conductor "C2" is interpreted to be a fault due to its moderate conductance and its coincidence with "L1". Consistent response over 500 meters indicates that "C2" may be a fault.

Conductor system "C3" is thought to represent a structural feature. The presence of parallel conductors indicate that "C3" may be a shear zone.

"C4" is the strongest conductor discovered in both the Seattle and Annapolis data. The location of "C4" does not exactly match on both frequencies indicating poor coupling with one or both transmitters. "C4" is interpreted to have strong conductance which means this conductor may represent a major structural feature possibly containing fault controlled sulphide mineralization.

Conductor systems "C5" and "C6" are interpreted to be intersecting structural features. Long, moderate Seattle conductors of system "C6" trend north and are coincident with magnetic lineaments. System "C6" is thought to reflect faults or shear zones. Short "C5" conductors trend northeast and are intersected by "C6" conductors. Strong VLF-EM responses at intersections are noteworthy because of the possibility of dilation and/or brecciation forming structural traps.

Inferred faults "F1", "F2" and "F3" were interpreted on the basis of conductor displacements and terminations with some support from magnetic contours.

6. RECOMMENDATIONS

Geophysical results have outlined several target areas which warrant follow-up exploration. Surface geological investigations are recommended to determine the importance of the following targets.

Conductor system "C1" is the most promising exploration target on the grid based on the strength of the VLF-EM anomalies and the location of "C1" in magnetic unit "M1" which is thought to represent rhyolite breccia. Detailed investigations are recommended for the following targets within conductor system "C1":

- 525W and 790W, Line 100S
- 475W and 575W, Line 0
- 750W, Line 100N.

Conductor "C2" is thought to be interesting because of support from magnetic lineament "L2" and also because "C2" is on the boundary between "M1" and "M3". Detailed investigations are recommended for the following targets within conductor "C2":

- 1100W, Line 700S
- 1050W, Line 600S
- 1000W, Line 500S.

Additional exploration is recommended along conductor "C4" at the following locations:

- 525W, Line 600N
- 550W, Line 700N
- 550W, Line 800N
- 500W, Line 900N.

Intersections between conductor systems "C5" and "C6" are recommended exploration targets because of the possibility of these anomalies being structural traps. Strong VLF-EM anomalies that should be investigated in this area are:

- 300W, Line 600N
- 200W, Line 900N.

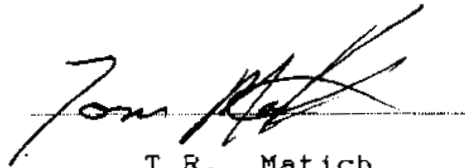
Poor VLF-EM coupling may have migrated conductors away from their true locations, as seen with conductor "C4". A horizontal loop electromagnetic survey is recommended to more accurately define the location of strong VLF-EM conductors if fault controlled mineralization is suspected. If disseminated mineralization is believed to be present, an induced polarization/resistivity survey is recommended to determine chargeable and resistive zones.

Thomas R. Matich
Interpretex Resources Ltd.
September 13, 1989

Respectfully Submitted

INTERPRETEX RESOURCES LTD.

Vancouver, British Columbia

A handwritten signature in black ink, appearing to read "Tom Matich", written over a horizontal line.

T.R. Matich

Geophysicist

CERTIFICATE

I, Thomas Raymond Matich, Geophysicist of Surrey, British Columbia, Canada, hereby certify that:

1. I received a B.Sc. degree in Geophysics from the University of British Columbia in 1982.
2. I currently reside at 13914 116 Ave, in the Municipality of Surrey, in the Province of British Columbia.
3. I have been practising my profession since graduation.
4. I hold no direct or indirect interest in, nor expect to receive any benefits from, the mineral property or properties described in this report.
5. This report may be used for the development of the property, provided that no portion will be used out of context in such a manner as to convey meanings different from that set out in the whole.
6. Consent is hereby given to the company for which this report was prepared to reproduce the report or any part of it for the purposes of development of the property, or facts relating to the raising of funds by way of a prospectus and/or statement of material facts.

Date: *Sept, 13, 1989*

Surrey,
British Columbia

Signed:



Thomas Raymond Matich
B.Sc.

AUTHOR'S NOTE

Data interpreted in this report were accumulated without supervision by Interpretex Resources Ltd. and were supplied by the Client to the writer(s). These data and the locations on the ground from which these data were accumulated are, except when specified otherwise by the writer(s), assumed to be reliable and correct and were interpreted using this assumption.

APPENDIX I

INSTRUMENT SPECIFICATIONS

OMNI PLUS VLF/Magnetometer System



Specifications*

Frequency Tuning Range	15 to 30 kHz, with bandwidth of 150 Hz; tuning range accommodates new Puerto Rico station at 28.5 kHz
Transmitting Stations Measured	Up to 3 stations can be automatically measured at any given grid location within frequency tuning range
Recorded VLF Magnetic Parameters	Total field strength, total dip, vertical quadrature (or alternately, horizontal amplitude)
Standard Memory Capacity	800 combined VLF magnetic and VLF electric measurements as well as gradiometer and magnetometer readings
Display	Custom designed, ruggedized liquid crystal display with built-in heater and an operating temperature range from -40°C to $+55^{\circ}\text{C}$. The display contains six numeric digits, decimal point, battery status monitor, signal strength status monitor and function descriptors.
RS232C Serial I/O Interface	2400 baud rate, 8 data bits, 2 stop bits, no parity
Test Mode	A. Diagnostic Testing (data and programmable memory) B. Self Test (hardware)
Sensor Head	Contains 3 orthogonally mounted coils with automatic tilt compensation
Operating Environmental Range	-40°C to $+55^{\circ}\text{C}$; 0 - 100% relative humidity; Weatherproof
Power Supply	Non-magnetic rechargeable sealed lead-acid 18V DC battery cartridge or belt; 18V DC disposable battery belt; 12V DC external power source for base station operation only.
Weights and Dimensions	
Instrument Console	2.8 kg, 128 x 150 x 250 mm
Sensor Head	2.1 kg, 130 dia. x 130 mm
VLF Electronics Module	1.1 kg, 40 x 150 x 250 mm
Lead Acid Battery Cartridge	1.8 kg, 235 x 105 x 90 mm
Lead Acid Battery Belt	1.8 kg, 540 x 100 x 40 mm
Disposable Battery Belt	1.2 kg, 540 x 100 x 40 mm

*Preliminary

EDA Instruments Inc.,
4 Thorncliffe Park Drive,
Toronto, Ontario
Canada M4H 1H1
Telex: 06 23222 EDA TOR,
Cables: Instruments Toronto
(416) 425-7800

In USA,
EDA Instruments Inc.,
5151 Ward Road,
Wheat Ridge, Colorado
U.S.A. 80033
(303) 422-9112

Printed In Canada

OMNI IV 'Tie-Line' Magnetometer



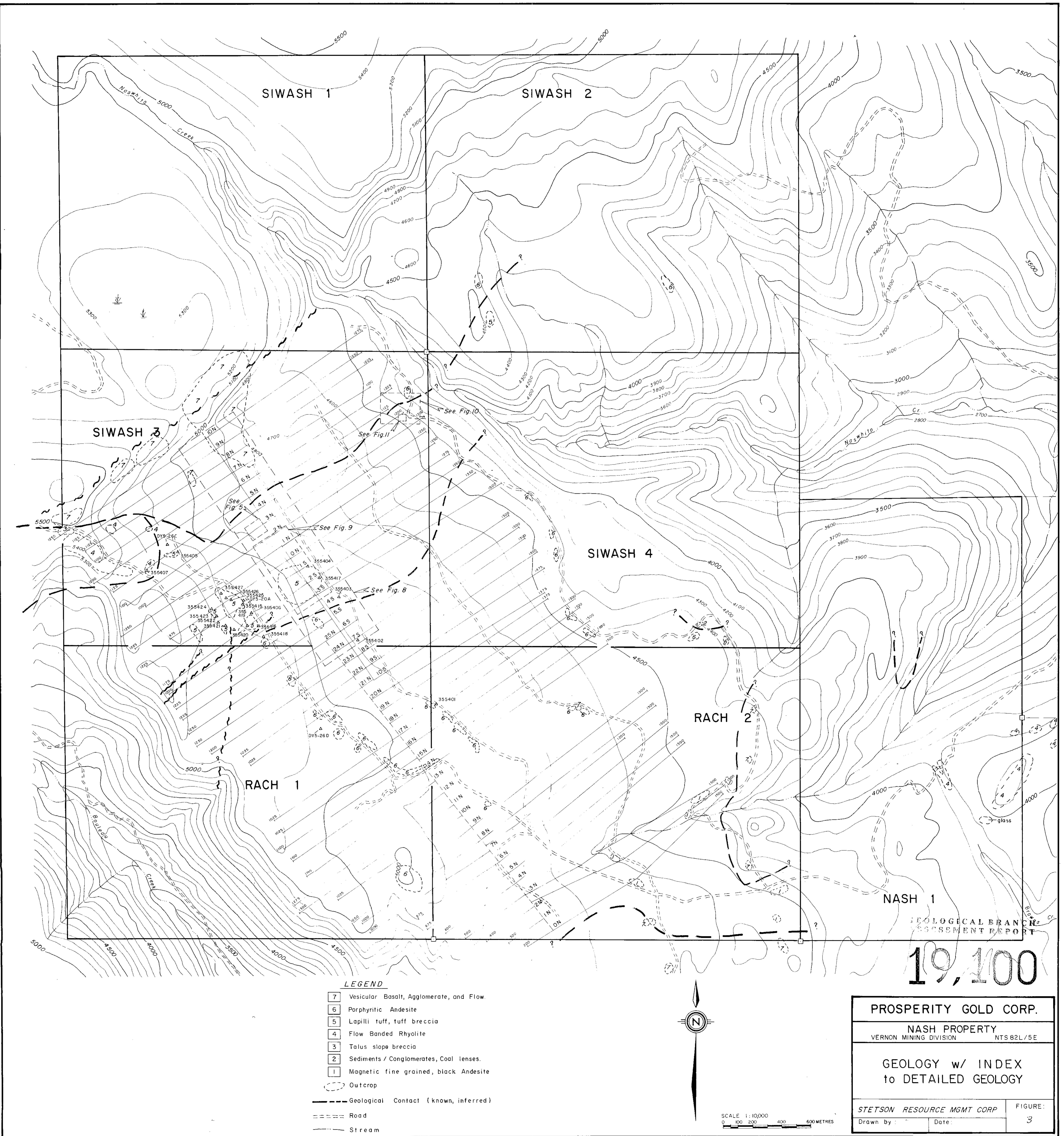
Specifications

Dynamic Range	18,000 to 110,000 gammas. Roll-over display feature suppresses first significant digit upon exceeding 100,000 gammas.
Tuning Method	Tuning value is calculated accurately utilizing a specially developed tuning algorithm
Automatic Fine Tuning	$\pm 15\%$ relative to ambient field strength of last stored value
Display Resolution	0.1 gamma
Processing Sensitivity	± 0.02 gamma
Statistical Error Resolution	0.01 gamma
Absolute Accuracy	± 1 gamma at 50,000 gammas at 23°C ± 2 gamma over total temperature range
Standard Memory Capacity	
Total Field or Gradient	1,200 data blocks or sets of readings
Tie-Line Points	100 data blocks or sets of readings
Base Station	5,000 data blocks or sets of readings
Display	Custom-designed, ruggedized liquid crystal display with an operating temperature range from -40°C to $+55^{\circ}\text{C}$. The display contains six numeric digits, decimal point, battery status monitor, signal decay rate and signal amplitude monitor and function descriptors.
RS 232 Serial I/O Interface	2400 baud, 8 data bits, 2 stop bits, no parity
Gradient Tolerance	6,000 gammas per meter (field proven)
Test Mode	A. Diagnostic testing (data and programmable memory) B. Self Test (hardware)
Sensor	Optimized miniature design. Magnetic cleanliness is consistent with the specified absolute accuracy.
Gradient Sensors	0.5 meter sensor separation (standard), normalized to gammas/meter. Optional 1.0 meter sensor separation available. Horizontal sensors optional.
Sensor Cable	Remains flexible in temperature range specified, includes strain-relief connector
Cycling Time (Base Station Mode)	Programmable from 5 seconds up to 60 minutes in 1 second increments
Operating Environmental Range	-40°C to $+55^{\circ}\text{C}$; 0-100% relative humidity; weatherproof
Power Supply	Non-magnetic rechargeable sealed lead-acid battery cartridge or belt; rechargeable NiCad or Disposable battery cartridge or belt; or 12V DC power source option for base station operation.
Battery Cartridge/Belt Life	2,000 to 5,000 readings, for sealed lead acid power supply, depending upon ambient temperature and rate of readings
Weights and Dimensions	
Instrument Console Only	2.8 kg, 238 x 150 x 250mm
NiCad or Alkaline Battery Cartridge	1.2 kg, 235 x 105 x 90mm
NiCad or Alkaline Battery Belt	1.2 kg, 540 x 100 x 40mm
Lead-Acid Battery Cartridge	1.8 kg, 235 x 105 x 90mm
Lead-Acid Battery Belt	1.8 kg, 540 x 100 x 40mm
Sensor	1.2 kg, 56mm diameter x 200mm
Gradient Sensor (0.5 m separation - standard)	2.1 kg, 56mm diameter x 790mm
Gradient Sensor (1.0 m separation - optional)	2.2 kg, 56mm diameter x 1300mm
Standard System Complement	Instrument console; sensor; 3-meter cable, aluminum sectional sensor staff, power supply, harness assembly, operations manual.
Base Station Option	Standard system plus 30 meter cable
Gradiometer Option	Standard system plus 0.5 meter sensor

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In U.S.A.
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Wheat Ridge, Colorado
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(303) 422 9112

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SIWASH 1

SIWASH 2

SIWASH 3

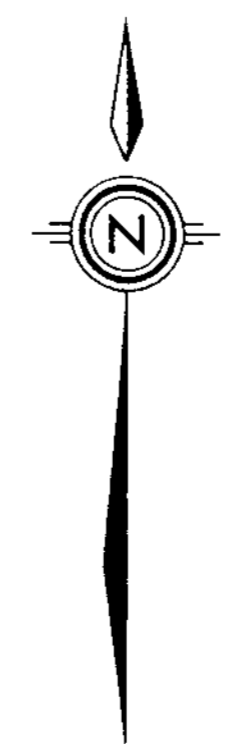
SIWASH 4

RACH 1

RACH 2

NASH 1

- LEGEND**
- 7 Vesicular Basalt, Agglomerate, and Flow
 - 6 Porphyritic Andesite
 - 5 Lapilli tuff, tuff breccia
 - 4 Flow Banded Rhyolite
 - 3 Talus slope breccia
 - 2 Sediments / Conglomerates, Coal lenses.
 - 1 Magnetic fine grained, black Andesite
 - Outcrop
 - Geological Contact (known, inferred)
 - ==== Road
 - ~ Stream



SCALE 1:10,000
0 100 200 400 600 METRES

19,100

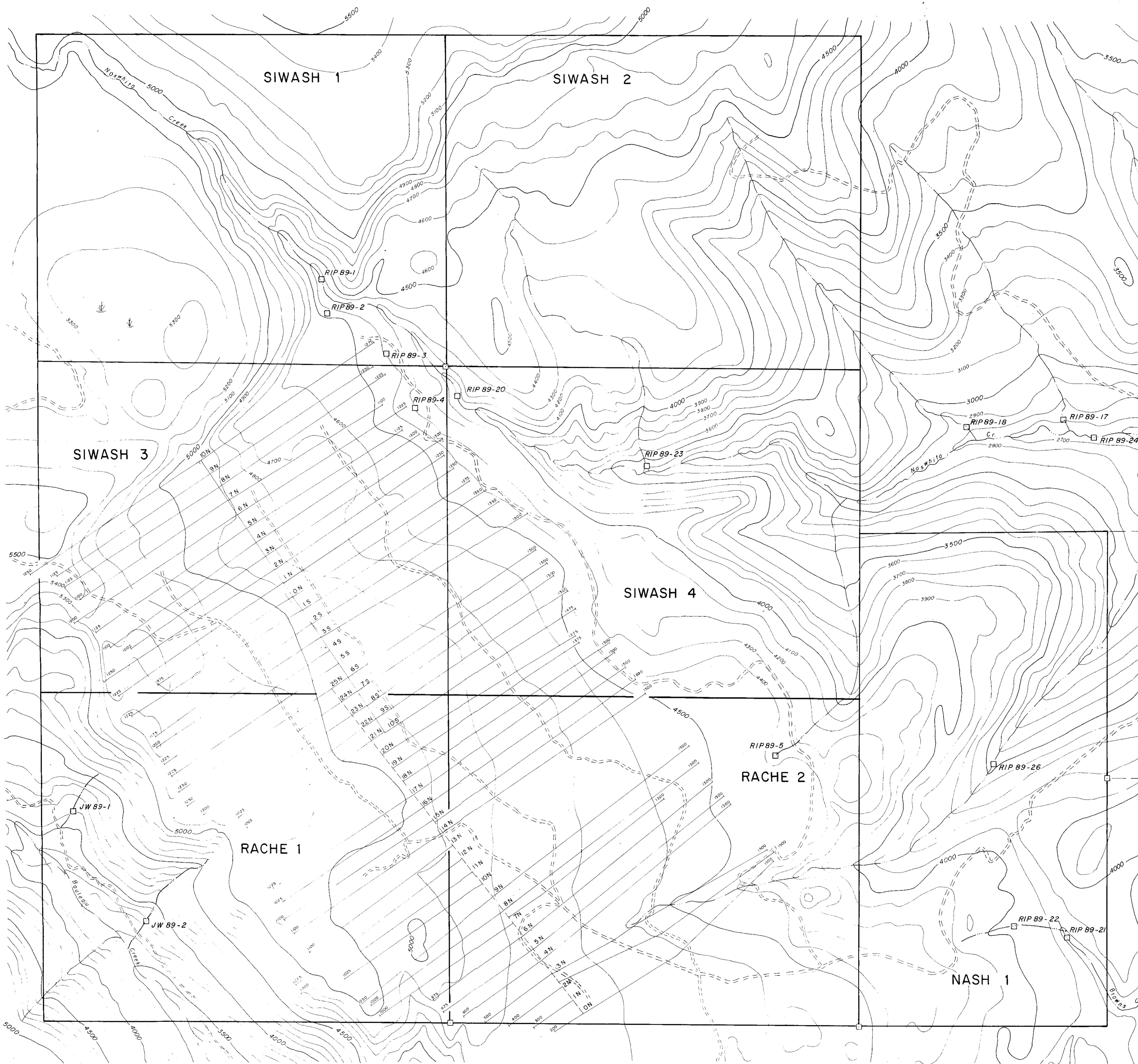
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NASH PROPERTY
 VERNON MINING DIVISION NTS 82L/5E

GEOLOGY w/ INDEX
to DETAILED GEOLOGY

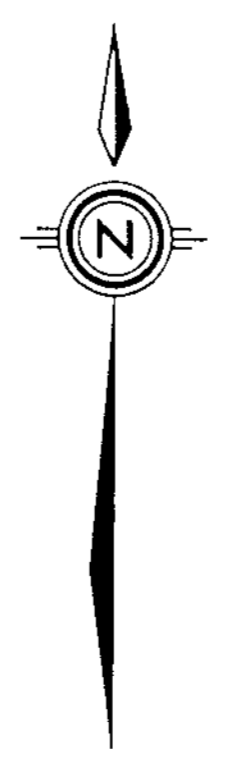
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FIGURE:
 3

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 ASSESSMENT REPORT



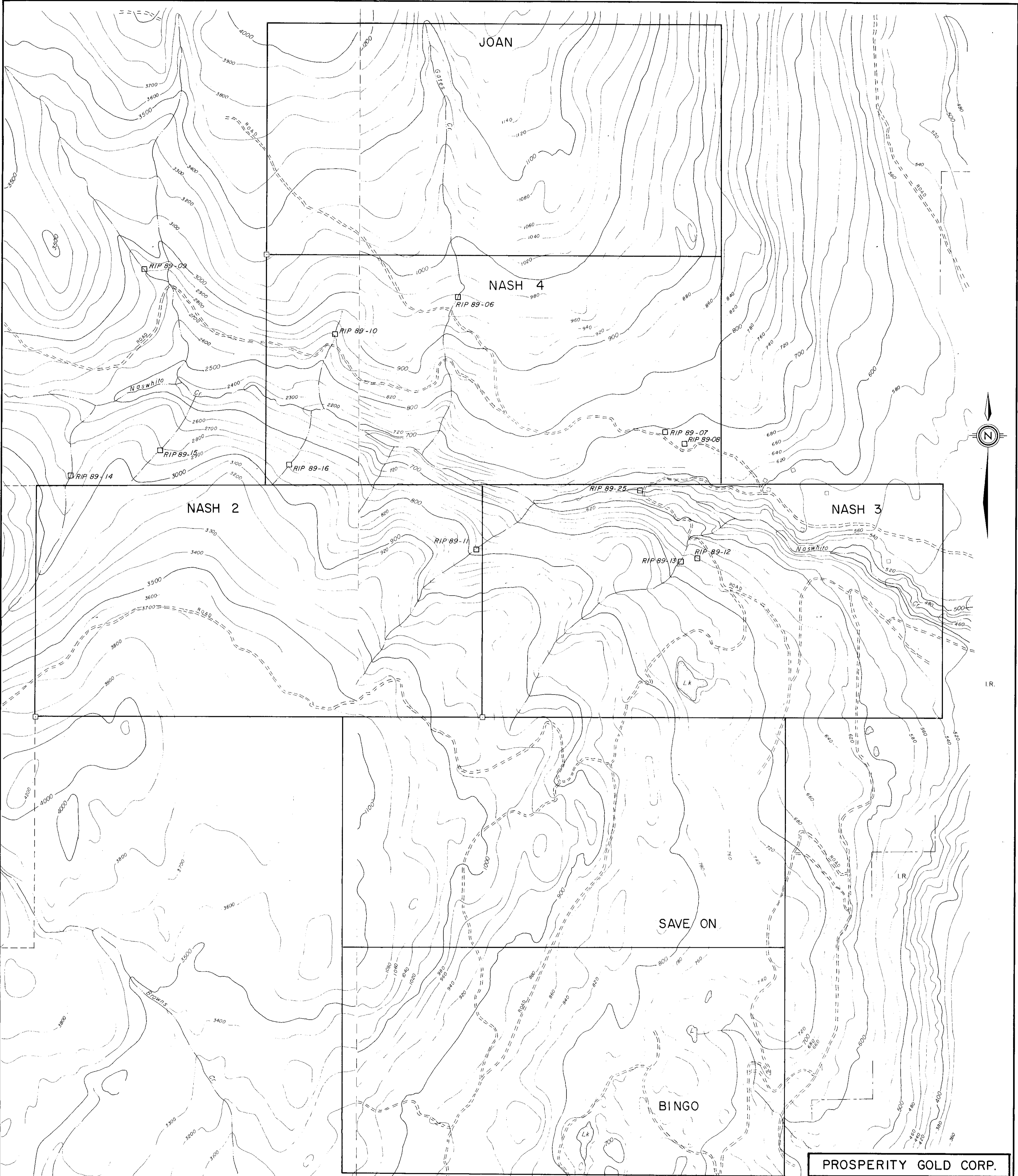
LEGEND
 □ SILT HMC LOCATION



SCALE 1:10,000
 0 100 200 400 METRES

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NASH PROPERTY VERNON MINING DIVISION NTS 82L/5E	
HEAVY MINERAL SAMPLE LOCATIONS	
STETSON RESOURCE MGMT CORP	
Drawn by: / GT	Date: Sept. 1989
FIGURE: 4A	

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ASSESSMENT REPORT

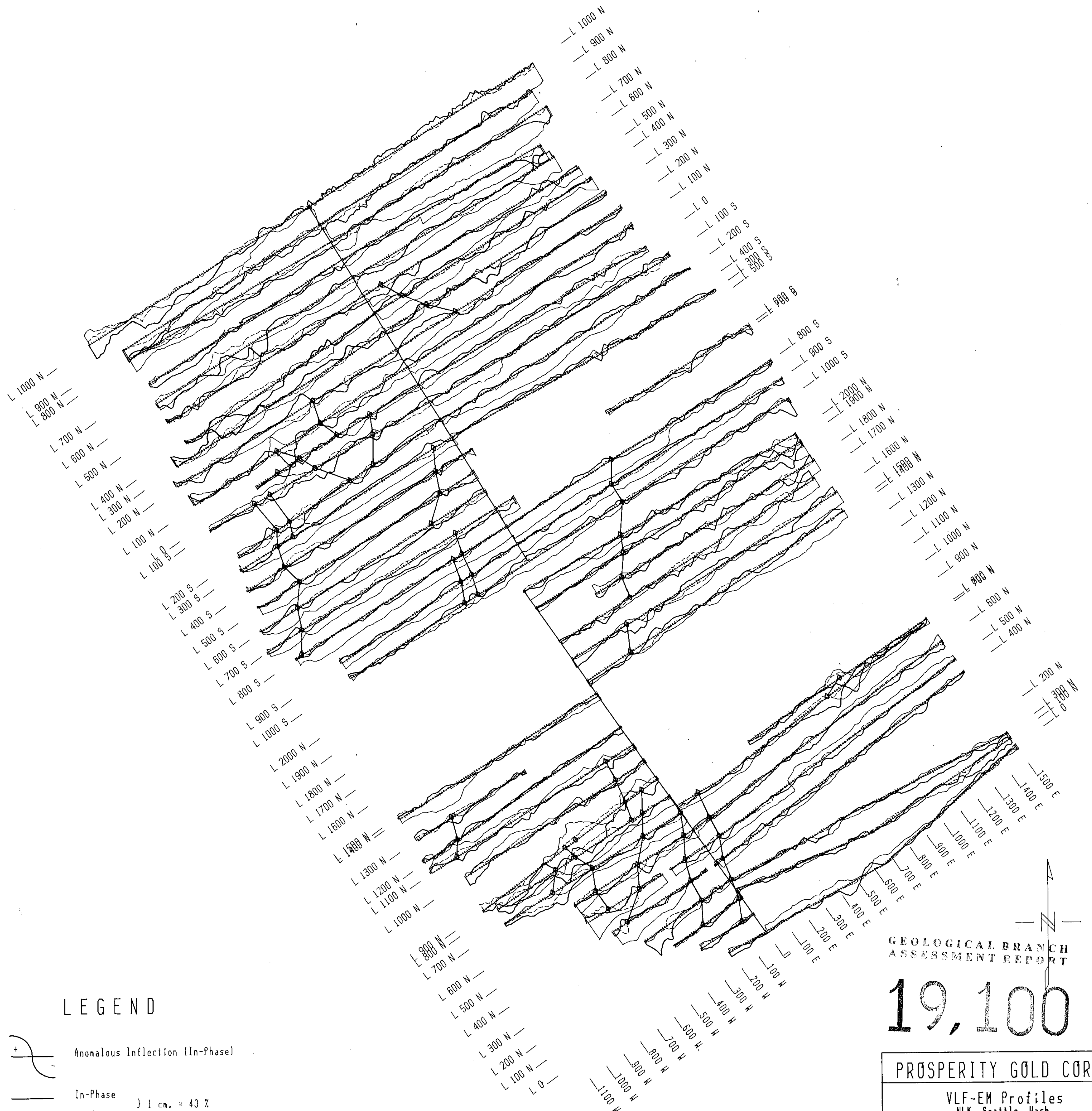


LEGEND
 □ SILT H.M.C. LOCATIONS

SCALE 1:10,000
 0 100 200 400 600 METRES

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VERNON MINING DIVISION	NTS 82L/5E
HEAVY MINERAL SAMPLE LOCATIONS	
GEOLOGICAL RESEARCH	
RESOURCES	
PETSON RESOURCE MGMT CORP.	
Drawn by: /GT	Date: Sept. 1989
FIGURE: 4 B	

10,100



LEGEND

- Anomalous Inflection (In-Phase)
- In-Phase) 1 cm. = 40 %
- Quadrature
- Field Strength 1 cm. = 100 units
- VLF-EM Conductor

SCALE 1 : 10 000



GEOLOGICAL BRANCH
ASSESSMENT REPORT

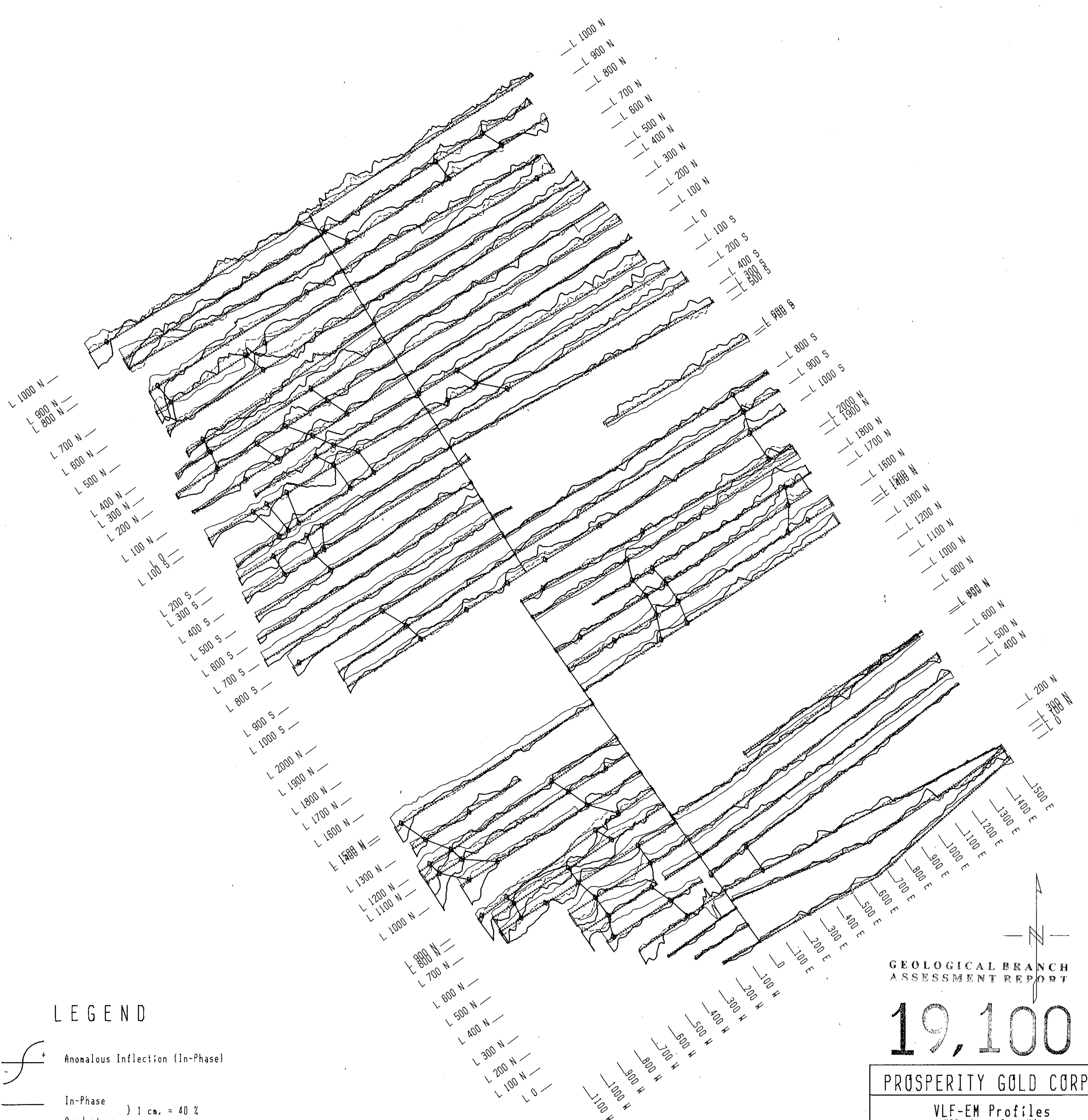
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VLF-EM Profiles
NLK, Seattle, Wash.
Nash Claim Group
Vernon Mining Division, B.C.
NTS 82 L/5E

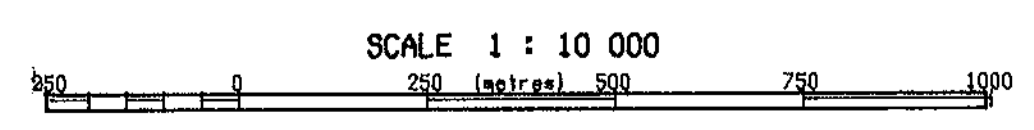
Interpretex Resources Ltd.
Report T.R. Matich
Surveyed by Stetson Res. Mngmt. Corp.
June 1989

Figure # G-1



LEGEND

- Anomalous Inflection (In-Phase)
- In-Phase } 1 cm. = 40 %
- Quadrature
- Field Strength 1 cm. = 10 units
- VLF-EM Conductor



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ASSESSMENT REPORT

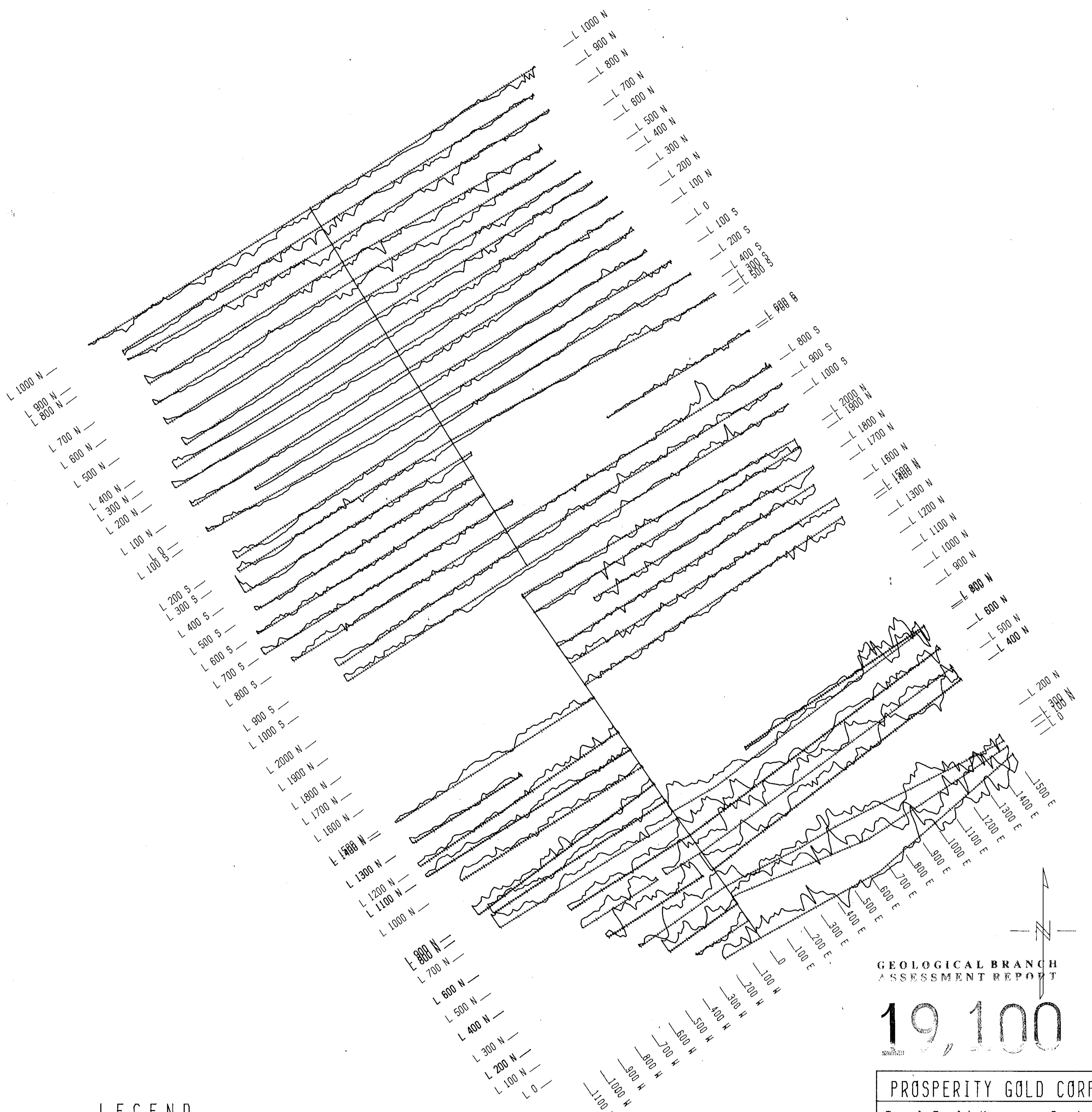
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VLF-EM Profiles
NSS, Annapolis, Md.
Nash Claim Group
Vernon Mining Division, B.C.
NTS 82 L/SE

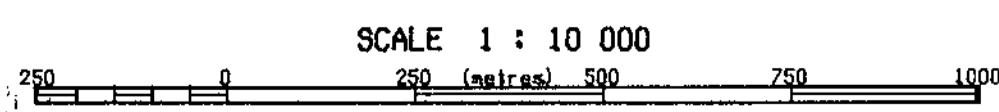
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Figure #. G-2



LEGEND

— Total Magnetic Field Strength 1 cm. = 2000 Gammas
 — Total Magnetic Field Datum Value = 58000 Gammas



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Total Field Magnetic Profiles
 Nash Claim Group
 Vernon Mining Division, B.C.
 NTS 82 L/5E

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LEGEND

Contour Interval

< 58000 > 58000
 Gammas Gammas
 --- 100 Gammas
 --- 500 Gammas

— Magnetic Low Lineament

M1. --- Magnetic Unit Boundary

M2.

SCALE 1 : 10 000



**GEOLOGICAL BRANCH
 ASSESSMENT REPORT**

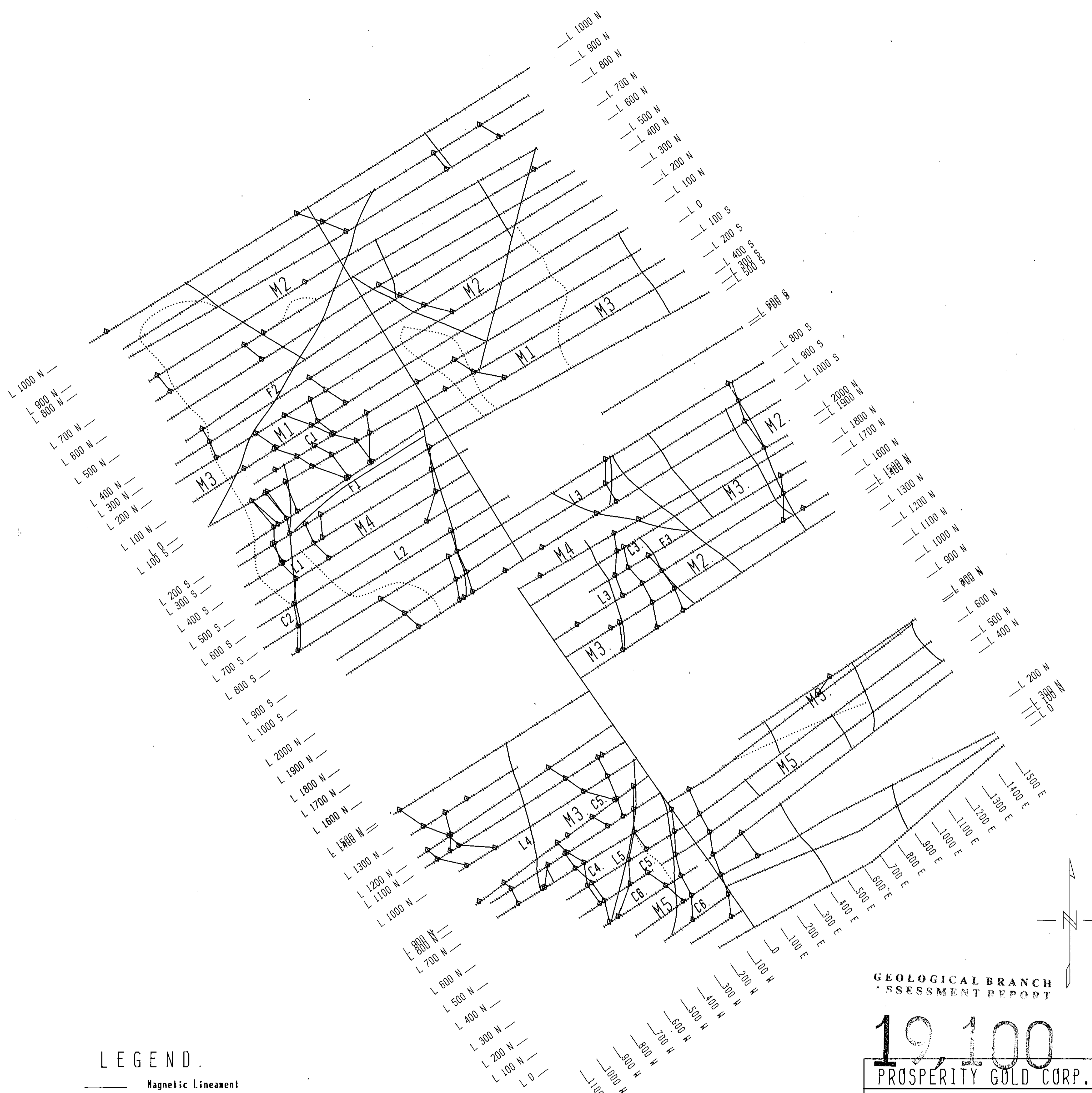
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Total Field Magnetic Contours
 Nash Claim Group
 Vernon Mining Division, B.C.
 NTS 82 L/5E

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Figure # G-4



LEGEND

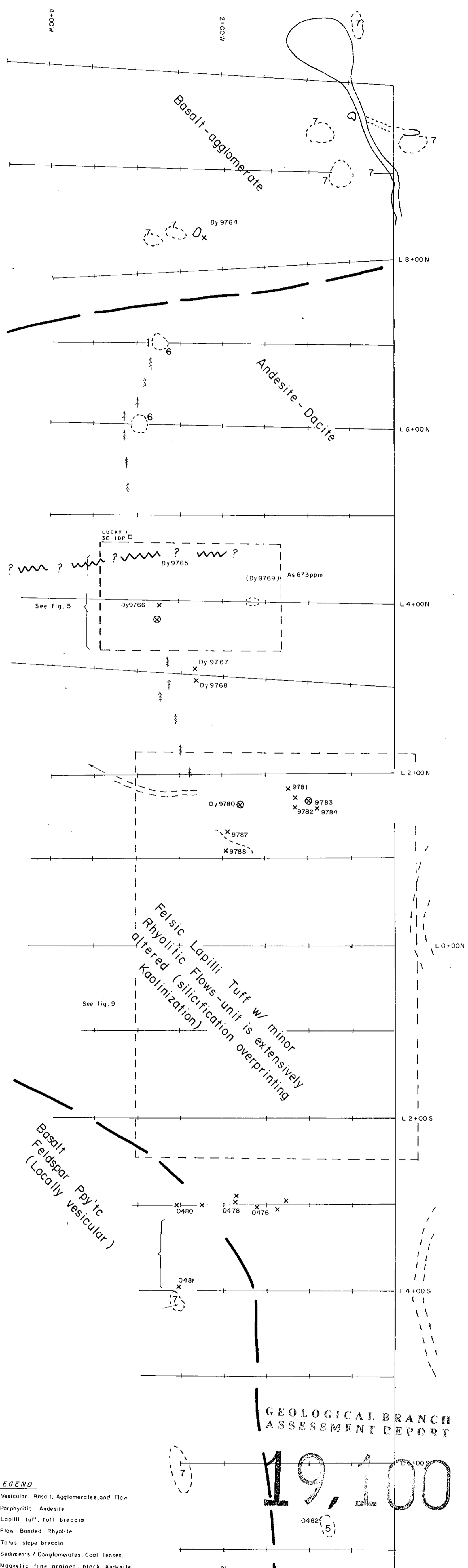
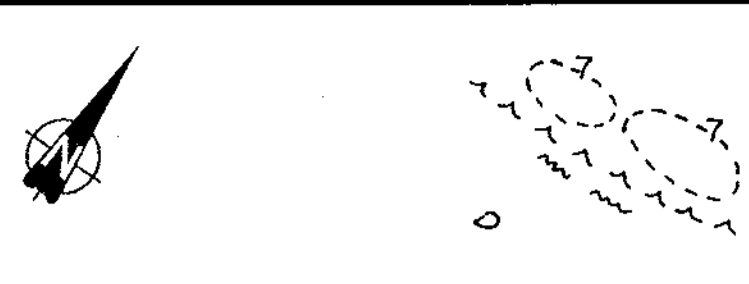
- Magnetic Lineament
- M1. - - - Magnetic Unit Boundary
- M2. - - - Magnetic Unit Boundary
- ◆◆◆ Seattle VLF-EM Conductor
- Annapolis VLF-EM Conductor

GEOLOGICAL BRANCH
ASSESSMENT REPORT

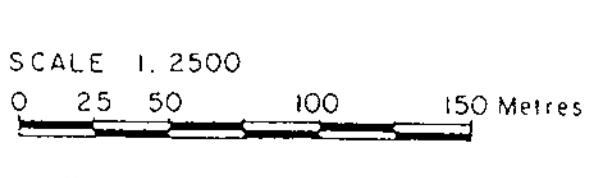
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Geophysical Interpretation Map
Nash Claim Group
Vernon Mining Division, B.C.
NTS 82 L/5E

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June 1989



- LEGEND**
- 7 Vesicular Basalt, Agglomerates, and Flow
 - 6 Porphyritic Andesite
 - 5 Lapilli tuff, tuff breccia
 - 4 Flow Banded Rhyolite
 - 3 Talus slope breccia
 - 2 Sediments / Conglomerates, Coal lenses.
 - 1 Magnetic fine grained, black Andesite
 - Outcrop
 - Geological Contact (known, inferred)
 - ==== Road
 - Stream



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DETAILED GEOLOGY

STETSON RESOURCE MGMT CORP	FIGURE:
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8	