



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

FILMED

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S) DRILLING	TOTAL COST \$7821.
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AUTHOR(S) **ROBERT FRIESEN** SIGNATURE(S) *Robert Friesen*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED **25 July/89** YEAR OF WORK **89**

PROPERTY NAME(S) **SAMATOSUM (MINE GROUP)**

COMMODITIES PRESENT **Ag, Cu, Zn, Pb, Au.**

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN

MINING DIVISION **KAMLOOPS** NTS **82M/4W**

LATITUDE **51° 10' N** LONGITUDE **119° 49' W**

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

Leo 1 (4 units), Leo 2 Fraction (1 unit), Ryan 1 (1 unit), Ryan 2 (1 unit), Ryan 3 Fraction (1 unit), Harrison 1 (8 units), Rea 1 (16 units),

Rea 2 (8 units), HN-1 (20 units), HN-3 (10 units), HN-8 (16 units), HN-12 Fraction (1 unit), HN-13 Fraction (1 unit), HN-17 Fraction (1 unit),

OWNER(S) **HN-18 Fraction (1 unit), HN-19 Fraction (1 unit), CG-1 Fraction (1 unit)**

(1) **MINNOVA INC. (70%)** (2) **REA GOLD CORPORATION (30%)**

MAILING ADDRESS

**3rd Floor - 311 Water Street
Vancouver, B.C. V6B 1B8**

**World Trade Centre
Suite 536, 999 Canada Place
Vancouver, B.C. V6C 2E1**

OPERATOR(S) (that is, Company paying for the work)

(1) **MINNOVA INC.** (2) **ASSESSMENT REPORT**

GEOLOGICAL BRANCH

MAILING ADDRESS

As above

19,199

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

The property is underlain by northwest striking, northeast dipping, sedimentary and volcanic rocks of the Eagle Bay formation. Economic mineralization is present on the property near the contact of mafic volcanic rocks and a sedimentary sequence of cherts, argillites, and muddy tuffs.

REFERENCES TO PREVIOUS WORK **A.R. "Mill Group of Claims" 16/03/89**

A.R. Mill Group of Claims 2/10/89

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	COST APPORTIONED
GEOLOGICAL (scale, area)			
Ground			
Photo			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for)			
Soil			
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core	86.9 m (1 hole; NQ)	REA 1 (in Mine Group)	\$7,821
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralogic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Legal surveys (scale, area)			
Topographic (scale, area)			
Photogrammetric (scale, area)			
Line/grid (kilometres)			
Road, local access (kilometres)			
Trench (metres)			
Underground (metres)			
			TOTAL COST \$7,821

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report)				Information Class
Value of work approved				
Value claimed (from statement)				
Value credited to PAC account				
Value debited to PAC account				
Accepted Date	Rept. No.			

LEO 1023

MINNOVA INC
SAMATOSUM JOINT VENTURE

ASSESSMENT REPORT FOR THE LEO 1, LEO 2 FRACTION, RYAN 1, RYAN 2,
RYAN 3 FRACTION AND HARRISON 1 CLAIMS WITHIN THE
MINE GROUP OF CLAIMS

INTRODUCTION

The Mine Group of claims consist of the following claims and fractions located within the Samatosum Property, a Joint Venture between Minnova Inc. and Rea Gold Corporation.

<u>CLAIM</u>	<u>TITLE NO.</u>	<u>NO. UNITS</u>
Leo 1	7931	4
Leo 2 Fraction	8094	1
Ryan 1	7958	1
Ryan 2	7959	1
Ryan 3 Fraction	7957	1
Harrison 1	8011	8
Rea 1	6422	16
Rea 2	6423	8
HN-1	4802	20
HN-3	4790	10
HN-8	4856	16
HN-12 Fraction	5031	1
HN-13 Fraction	5032	1
HN-17 Fraction	5036	1
HN-18 Fraction	5037	1
HN-19 Fraction	5038	1
CG-1 Fraction	7932	1

This report summarizes the results of diamond drill hole RG-262, completed within the Mine Group on Claim Rea 1; to fulfill assessment requirements sufficient to keep the Leo 2 Fraction in good standing until October, 1990; and the Leo 1, Ryan 1, Ryan 2, Ryan 3 Fraction, and Harrison 1 claims in good standing until 1993. Figure 2 shows the claim configuration of the group and the location of RG-262.

LOCATION AND ACCESS

The property lies approximately 30 kilometers east of Barriere in the Adams Plateau area of the Kamloops Mining Division. Access is via the Squaam Bay Road lying east of Highway 5, beginning three kilometers south of Barriere; up the new mine access road and along the Johnston Lake Forest Service Road.

PHYSIOGRAPHY

The Mill Group of claims lie at an elevation of about 1100 meters in the Johnston Creek valley, a hanging valley draining southwest into Sinmax Creek. The slopes and valleys are normally heavily forested, but the claim group area has been extensively logged.

The climate is moderate with temperatures ranging from extremes of -25 degrees Celsius in Winter to 30 degrees Celsius in the Summer.

Precipitation is semi-arid to moderate. The snow free period runs from May to November.

OWNERSHIP

The Mill Group is part of a package of claims forming a Joint Venture with Rea Gold Corporation (Minnova 70%, Rea Gold 30%).

HISTORY

Intermittent exploration activity in the area since the 1920's has resulted in the discovery of numerous occurrences of base and precious metal sulfides. Of these, only the Homestake Mine in the Sinmax Creek valley reported any production. The Rea Gold mineralization was discovered in 1983, by Mr. A. Hilton, of Kamloops. The discovery was the result of a two year prospecting program based on recent government geological maps and the aid of a field geochemical kit. Anomalous silt and soil samples localized the prospecting to an area on the northwest flank of Samatosum Mountain which revealed a hematitic gossan overlying massive sulfides; which was to become known as the Discovery Zone. The property was subsequently optioned by Rea Gold Corporation who in turn optioned the property to Minnova Inc. (then Corporation Falconbridge Copper). Exploration drilling successfully outlined two more small, metallurgically difficult massive sulfide zones containing significant grades of gold. Minnova Inc. renegotiated their deal with Rea Gold which saw Rea Gold assume control of a small concession immediately surrounding the known mineralization in return for Minnova's increased interest (to 70%) in the remainder of the property. Exploration of other targets on the property eventually led to the discovery of the Samatosum Silver Deposit about 500 meters to the northwest of the Rea Deposit. The "Sam Deposit" as it is also known began production in May of this year.

PROPERTY GEOLOGY (FIG.2)

Overall, the Joint Venture property is underlain by structurally complex rocks of the Paleozoic Eagle Bay Formation which generally consist of four principal northwest trending, northeast dipping rock units, which from northeast to southwest are: limestone, mixed cherts and argillites, mafic volcanics, more mixed cherts and argillites but with minor felsic to intermediate volcanics, argillites, and finally a felsic package of rocks which occupy the western half of the property. The Samatosum Deposit lies within the structural hangingwall of the sedimentary package near the mafic volcanics; and the Rea Deposit lies within the structural footwall of the sedimentary package in fault contact with the lower argillite package of rocks. Outcrop on the Mill Group is sparse; however, it appears that it is underlain by mafic volcanics, and mixed cherts and argillites. Regional alteration is mainly chlorite dominated; however local, possibly ore-related sericitic alteration, and silicification by flooding and veining is common in the vicinity of the ore stratigraphy.

DRILL RESULTS: RG-262

Hole RG-262 is located about 300 meters north northwest of the northern end of the Samatosum orebody at an elevation of 1240 meters. It was drilled in an attempt to further delineate a known anomalous massive barite zone up to 6 meters thick, located in the immediate area. The importance of testing barite mineralization is realized from the intimate association of barite to sulfides at the nearby Rea Gold zones. As part of an extensive ongoing drill program on the property to locate new reserves, it also adds important geological information to our property database and thus our understanding of the geological history of the area.

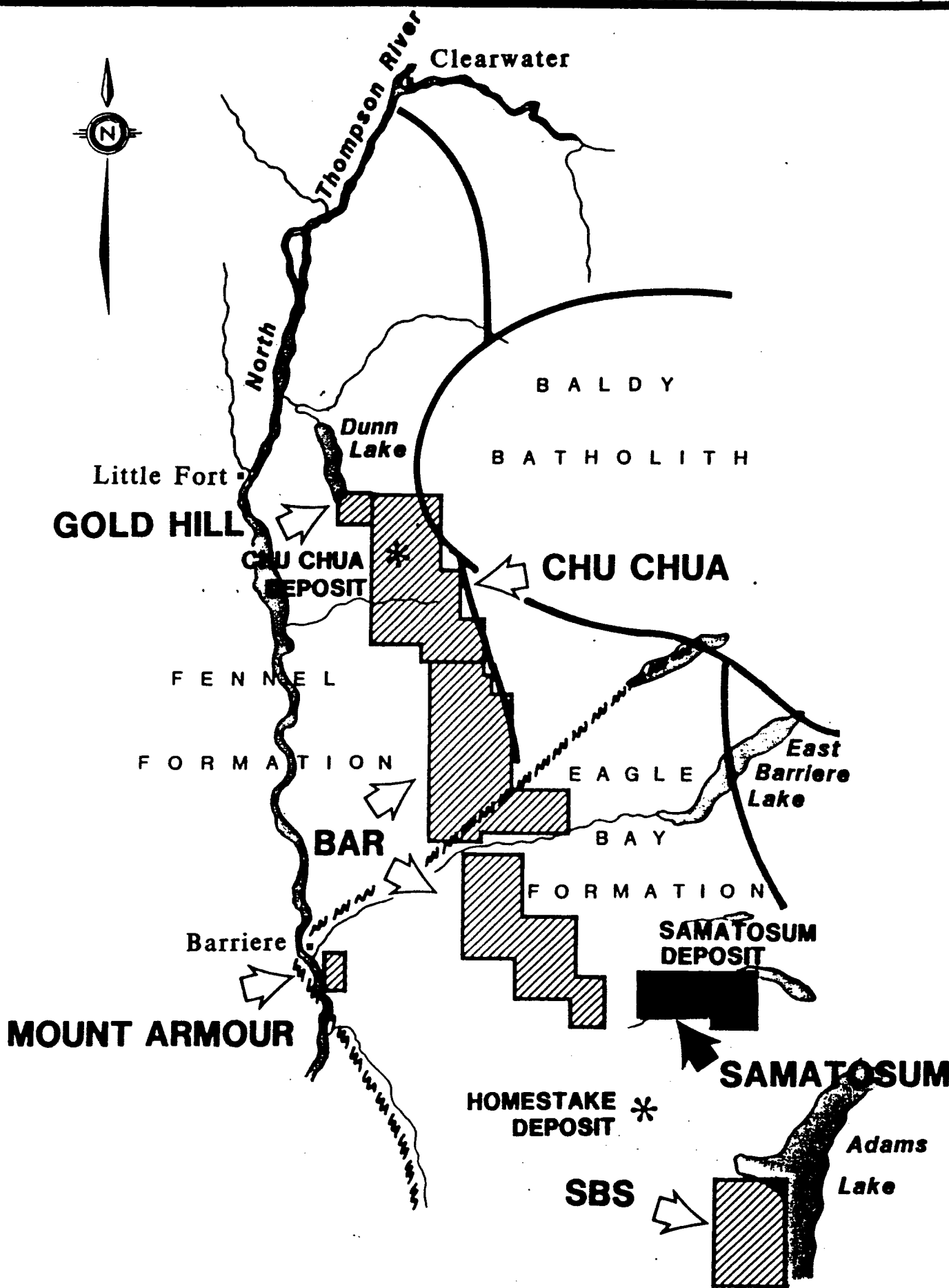
Specifically, the hole data is as follows:

Collar Co-ordinates (grid):	102+95mW
Azimuth:	180 (grid), 225 (Astro)
Collar Dip:	-60
Length:	86.9m
Core Size:	NQ
Start Date:	June 9, 1989
Finish Date:	June 11, 1989

This hole was not successful in locating additional significant barite or other base or precious metal mineralization. In previous holes, the barite mineralization with associated muddy tuff was situated at the contact of the silicified grey cherts and the argillite/wacke unit; however in RG-262, the interval was found consist solely of a 9.7 meter thick pyritic muddy tuff. A copy of the drill log and a hole plot is included with this report.

CONCLUSIONS AND RECOMMENDATIONS

The lack of any barite mineralization in RG-262 (or any other drilling this year) indicates the known zone is extremely limited in size and thus unlikely to host an economic deposit. It should be noted however that Hole RG-262 is only one hole in a long-term drill program on the Joint Venture property, which is expected to continue through the life of the Samatosum Mine in a committed effort to locate new ore reserves.



ADAMS/BARRIERE PROPERTY LOCATION MAP

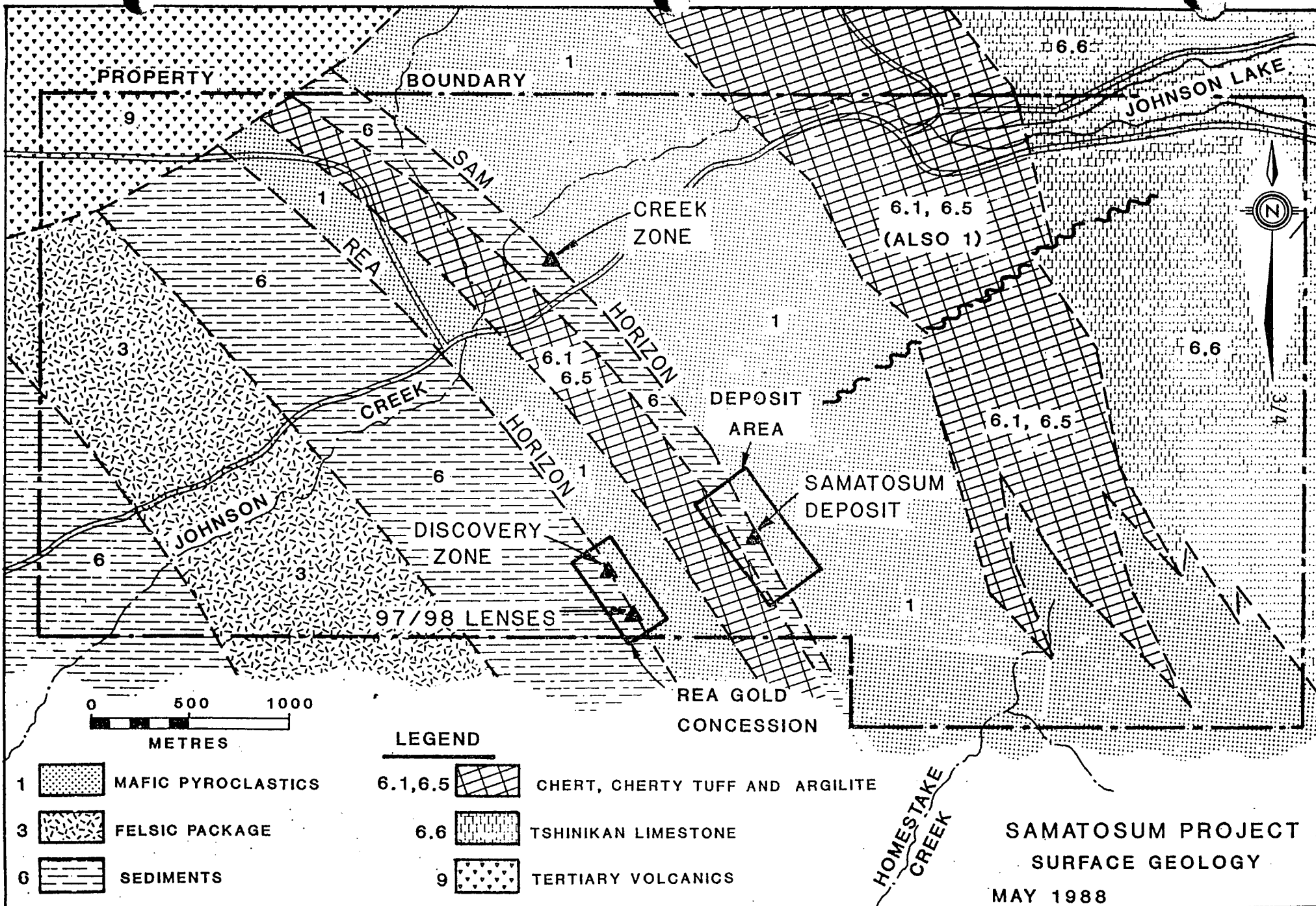


FIG 2

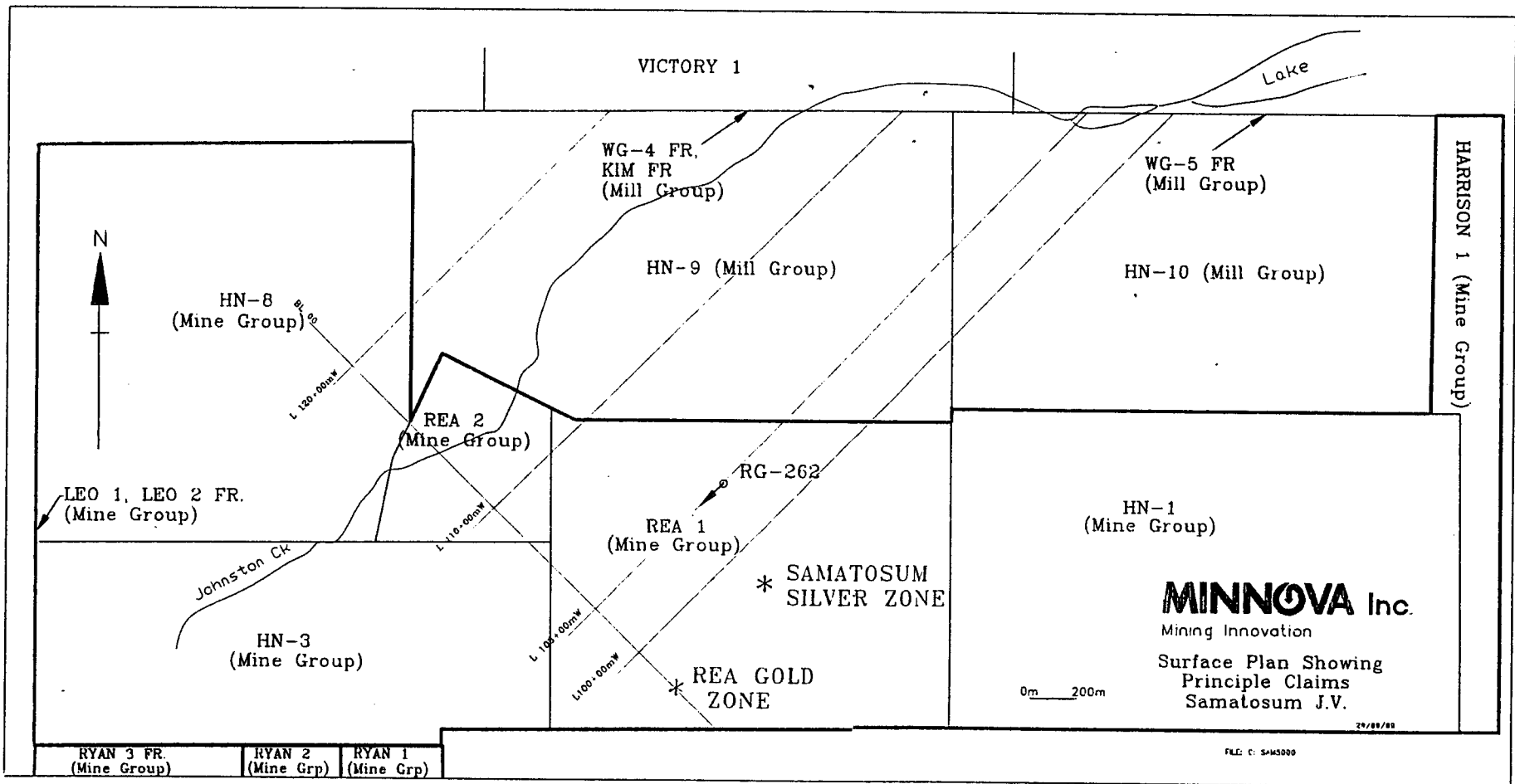


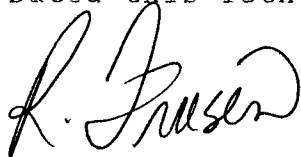
FIG. 3

STATEMENT OF QUALIFICATIONS

I, Robert Friesen certify that:

1. I am the Chief Geologist, Samatosum Project, and reside at 455 Laurier Drive, Kamloops, B.C.
2. I have a B. Sc. in Geology from the University of British Columbia (1967).
3. I have practised my profession continuously since 1967.
4. I personally supervised the work reported herein.

Dated this 18th day of October, 1989.

A handwritten signature in cursive script, appearing to read "R. Friesen".

Robert Friesen

ITEMIZED COST STATEMENT

1.	Diamond Drilling:		
	Atlas Drilling;	86.9m @ \$77/m:	\$6691
2.	Salaries:	R. Friesen 1 day @ \$400/d:	\$400
		Kerry Curtis 1 d @ \$300/d:	\$300
3.	Room and Board: (K. Curtis and R. Friesen)		
		2 man days @ \$80/day:	\$160
4.	Vehicle Rental: (R. Friesen and K. Curtis)		
		2 vehicles/1 day @ \$60/day:	\$120
5.	Assaying:	2 assays @ \$30 ea.	\$60
		3 lithogeochemical @ \$30 ea.	\$90

TOTAL: \$7821

MINNOVA INC.
DRILL HOLE RECORD

HOLE NUMBER: RG262

IMPERIAL UNITS: METRIC UNITS: X

PROJECT NAME: SAM PLOTTING COORDS GRID: SAM ALTERNATE COORDS GRID: COLLAR DIP: -60° 0' 0"
PROJECT NUMBER: 240 NORTH: 875.00N NORTH: 8+75N LENGTH OF THE HOLE: 86.90m
CLAIM NUMBER: EAST: 10295.00W EAST: 102+95W START DEPTH: 0.00m
LOCATION: SAM GRID 103+00 ELEV: 1239.67 ELEV: 1239.67 FINAL DEPTH: 86.90m

COLLAR GRID AZIMUTH: 225° 0' 0" COLLAR ASTRONOMIC AZIMUTH: 180° 0' 0"

DATE STARTED: June 9, 1989 COLLAR SURVEY: YES PULSE EM SURVEY: NO CONTRACTOR: ATLAS
DATE COMPLETED: June 11, 1989 MULTISHOT SURVEY: NO PLUGGED: YES CASING: LEFT IN HOLE
DATE LOGGED: June 14, 1989 RQD LOG: NO HOLE SIZE: NQ CORE STORAGE: JOHNSON CAMP

PURPOSE: BARITE HORIZON INTERSECTION.

DIRECTIONAL DATA:

Depth (m)	Astronomic Azimuth	Dip degrees	Type of Test	FLAG	Comments	Depth (m)	Astronomic Azimuth	Dip degrees	Type of Test	FLAG	Comments
68.90	-	-59° 0'	ACID	OK		-	-	-	-	-	
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HOLE NUMBER: RG262

DRILL HOLE RECORD

LOGGED BY: K. CURTIS

PAGE: 1

FROM TO	ROCK TYPE	TEXTURE AND STRUCTURE	ANGLE TO CA	ALTERATION	MINERALIZATION	REMARKS
0.00 TO 12.80	OVER BURDEN «OB»					
12.80 TO 29.70	MIXED CHERT AND ARGILLITE «CHT + ARG»	Black to pale green. fg. Dominantly black graphitic cherts and argillites. Intervals of strong pervasive sericite alteration (sc tff) and local tectonic brecciation and transposition [28.2-29.3] qv.	90	[14.0-21.5] «SER CHT + ARG» minor graphitic intervals.	2-5% diss. py. and in bands parallel to foliation.	Transition into strongly dolomitized and fuchsite rich interval at base.
29.70 TO 38.40	«SIL CHT»	Silicified grey cherts 30% post deposition qtz. veins. Top of unit strongly dolomitized with 10% fuchsite.	90	Strong pervasive silicification.	2-7% fg. py. [32.5-32.6] «MSPY» Massive pyrite bands.	Absence of barite horizon at base of the unit.
38.40 TO 48.10	«PYMUT» PYRITIC MUDDY TUFF	Grey to dark brown. fg. to mg. Typical, homogeneous pyritic muddy tuff minor intervals of graphitic laminae. Apparent prefoliation qtz.-carb. veining (now stretched and broken.) Minor clastic (<3mm) textures. FOLIATION	87	Strong pyritization.	10-30% fg. diss. py.	Transitional and interbedded contact with lower sedments.
48.10 TO 86.90	«ARG+WCKE»	Black. fg. to mg. Typical strongly folded graphitic sediments lesser mg. wacke. interbeds. Well lineated. 65.4M FOLIATION FOLIATION BEDDING [73.2-74.0] «SED BX» [80.4-80.5] «FLT GDG» END OF HOLE.	75 45 45	None.	1-2% cg. py. biogenic.	Moderate rotations in foliation. Fold axis at 65.4m. Poor core recovery.

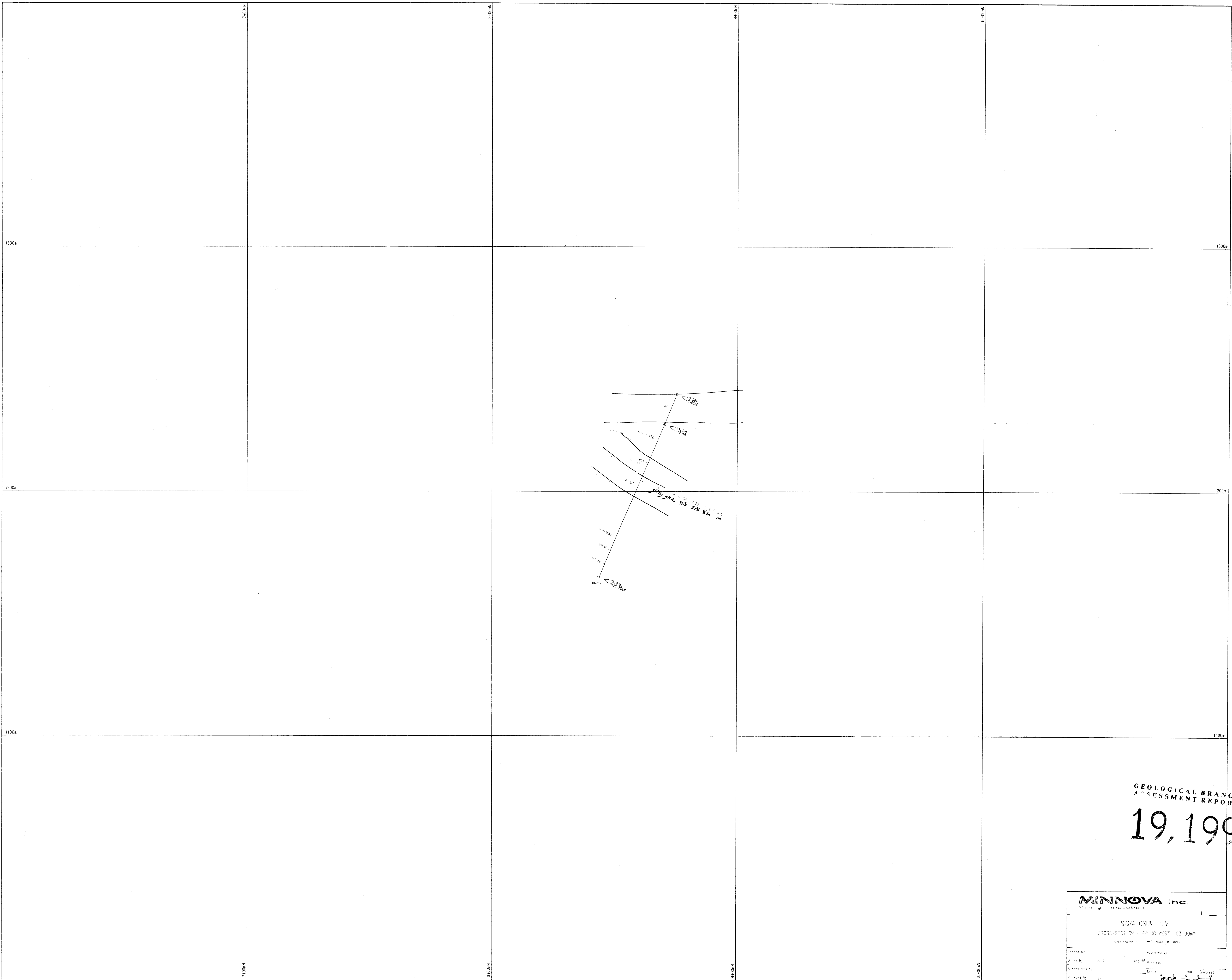
HOLE NUMBER: RG262

ASSAY SHEET

DATE: 17-October-1989

Sample	From (m)	To (m)	Length (m)	ASSAYS								GEOCHEMICAL										COMMENTS	
				CU %	ZN %	PB %	AG G/T	AU G/T	SB %	AS %	CU PPM	ZN PPM	PB PPM	S.G.	AG OZ/T	AU OZ/T	AS PPM	BA PPM	BA %	SB PPM	AG PPM		AU PPB
BCD20549	30.90	31.90	1.00	.001	.01	.01	2.1	.06															
BCD22452	40.40	40.90	0.50	.004	.19	.20	4.2	.018															

Sample	From (m)	To (m)	Length (m)	SiO2 %	Al2O3 %	CaO %	MgO %	Na2O %	K2O %	Fe2O3 %	MnO2 %	TiO2 %	Ba %	Zr %	Cu ppm	Zn ppm	Pb %	Total %	Au ppb	Ba ppm	Ag ppm	Pb ppm	P2O5 %	Sr %	S %	Total %	As ppm	Sb ppm
BCD20548	14.50	17.60	3.10	63.16	16.28	.01	3.58	.61	3.17	6.16	.36	.64	.085		34	78	69			72	.5	69	.01		.03		28	3
BCD20550	36.90	38.40	1.50	76.57	10.13	.01	1.25	.19	2.66	4.03	.06	.46	.215		35	67	38			176	.36	38	.01		1.62		112	1
BCD20451	38.40	39.60	1.20	56.56	16.69	.10	.61	.26	3.96	8.79	.01	1.24	.510		600	2077	876			151	12.9	876	.12		9.50		285	321



GEOLOGICAL BRANCH
ASSESSMENT REPORT
19,199

MINNOVA Inc.
Mining Innovation

SAMA'OSUN J.V.
CROSS SECTION - STATION "NS1" 103-00m
STATION "NS1" 103-00m

Drawn by: [blank] Approved by: [blank]
Checked by: [blank] [blank]
Scale: 1:500 (METERS)