GEOPHYSICAL REPORT

on the

YMIR - BELLE CLAIMS

NELSON MINING DIVISION - BRITISH COLUMBIA

NTS M82F/6E

LAT 49° 22'N LONG 117° 07'W

for

R. BOURDON AND C. PITTMAN

by

G.M. ALLEN, P.ENG., ONTARIO

Oct. 28, 1989 Vancouver, B.C.

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T.K.

INTRODUCTION

The Ymir-Belle property is located north-east of Ymir and is about 10km up Ymir Creek on the north side of the creek. This report summarizes work completed on the property in July, August and September 1989. A short exploration program consisting of a Self Potential survey was carried out by Fred Critchlow. About 1.3km of surveying was completed. A two phase exploration program is proposed to fully evaluate the results of this survey.

CONCLUSION

Results of work on the Ymir-Belle claims suggests that there are several east-west trending structures which parallel or extend known mineralized veins. Large areas covered by overburden present a large target area for finding additional veins.

RECOMMENDATIONS

It is recommended that:

1.) A program of geophysical and geochemical surveying be carried out over the property to further outline extensions of the existing veins and to evaluate the potential of finding new undiscovered veins;

2.) Trenching and mapping on the known veins and on any indicated veins should be carried out.

3.) Drilling needs to followup the trenching where mineralization and favorable geological structure indicate.

The following cost estimates summarize the proposed two phase work program;

COST ESTIMATE

Phase I - Geochemical soil sampling, geological mapping and trenching:

Salaries:	
Geologist 25 days @ $350/day	$ 8,750
Assistant 50 days @ $150/day	7,500
Room and Board 75 man days @ $40/day	3,000
Vehicle rental	1,500
Materials and supplies	1,500
Instrument rentals	1,000
Geochemical analysis 500 samples @ $15/sample	7,500
Backhoe for trenching 50 hours @ $80/hour	4,000
Report and maps	5,000
Subtotal:	$ 39,750
Contingencies:	5,250
Total Phase I	**$ 45,000**

Phase II - Diamond Drilling:

Salaries:	
Geologist 25 days @ $350/day	$ 8,750
Assistant 50 days @ $150/day	7,500
Room and Board 75 days @ $40/day	3,000
Vehicle rental	1,500
Bulldozer - site preparation 40 hours @ $80/hour	3,200
Drilling 500m @ $110/m	55,000
Assaying 200 samples @ $15/sample	3,000
Materials and supplies	2,000
Reports, maps and consulting	7,500
Subtotal:	$ 91,450
Contingencies:	8,550
Total Phase II:	**$100,000**
Grand Total:	**$145,000**

INTRODUCTION

The Ymir - Belle claims comprises 14 claim units in the Ymir gold camp of southeastern British Columbia. This report summarizes results of a Self Potential survey over one of the vein systems carried out on July 29 to August 7, Sept. 16 and Sept. 17 by Fred Critchlow. The survey was completed on a 10m spacing on five separate lines crossing the vein system in an attempt to determine the usefulness of such surveys to detect veins in overburden-covered areas.

LOCATION, ACCESS, PHYSIOGRAPHY

The Ymir - Belle property is situated 10 km northeast of Ymir (Figures 1 and 2). The claims lie on the north side of Ymir Creek between elevations 1250 to 1800m. The slopes are moderately steep and covered with a dense growth of alder, willow and patches of conifers.

CLAIM DATA

The Ymir-Belle property comprises 14 claim units as follows (see Figure 3):

Claim Name	No of Units	Record No.	Expiry Date*
Ymir	9	4849	Aug. 25/90
Belle	4	3369	Aug. 08/90
Excelsior	1	3401	Sept 29/90

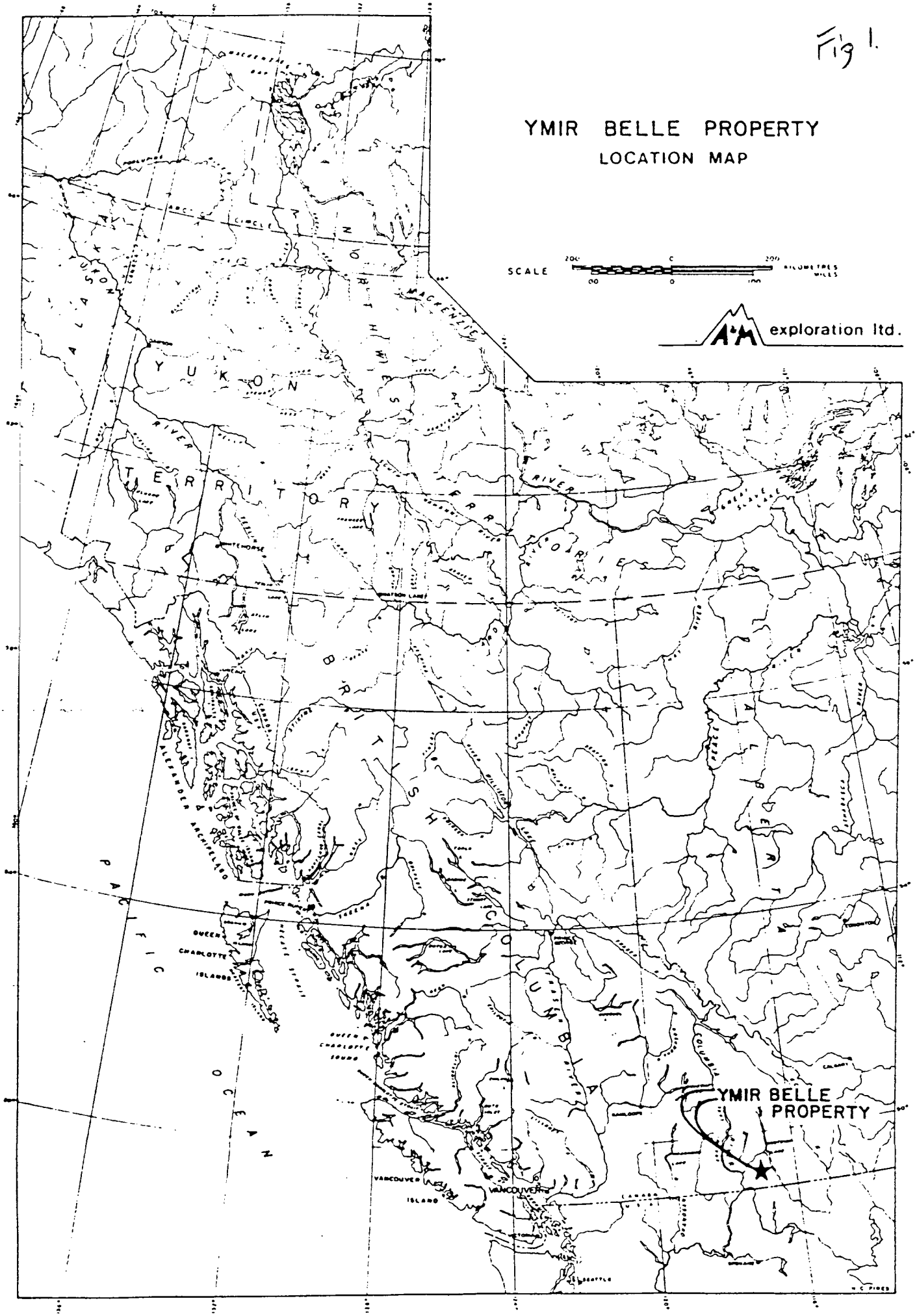
* Assuming that the work represented by this report is accepted for assessment purposes.

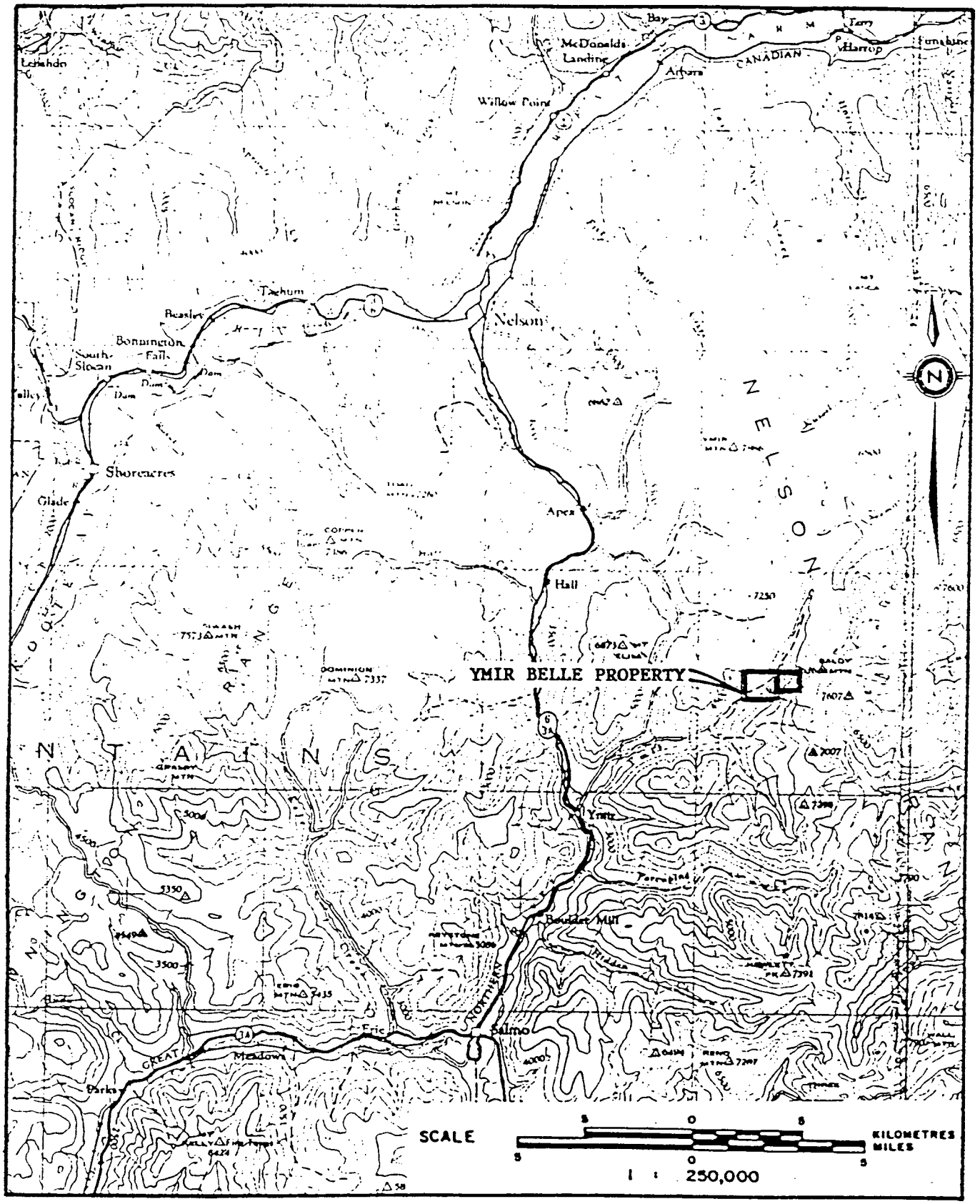
The claims are held by C. Pittman and R. Bourdon.

Fig 1.

YMIR BELLE PROPERTY

LOCATION MAP





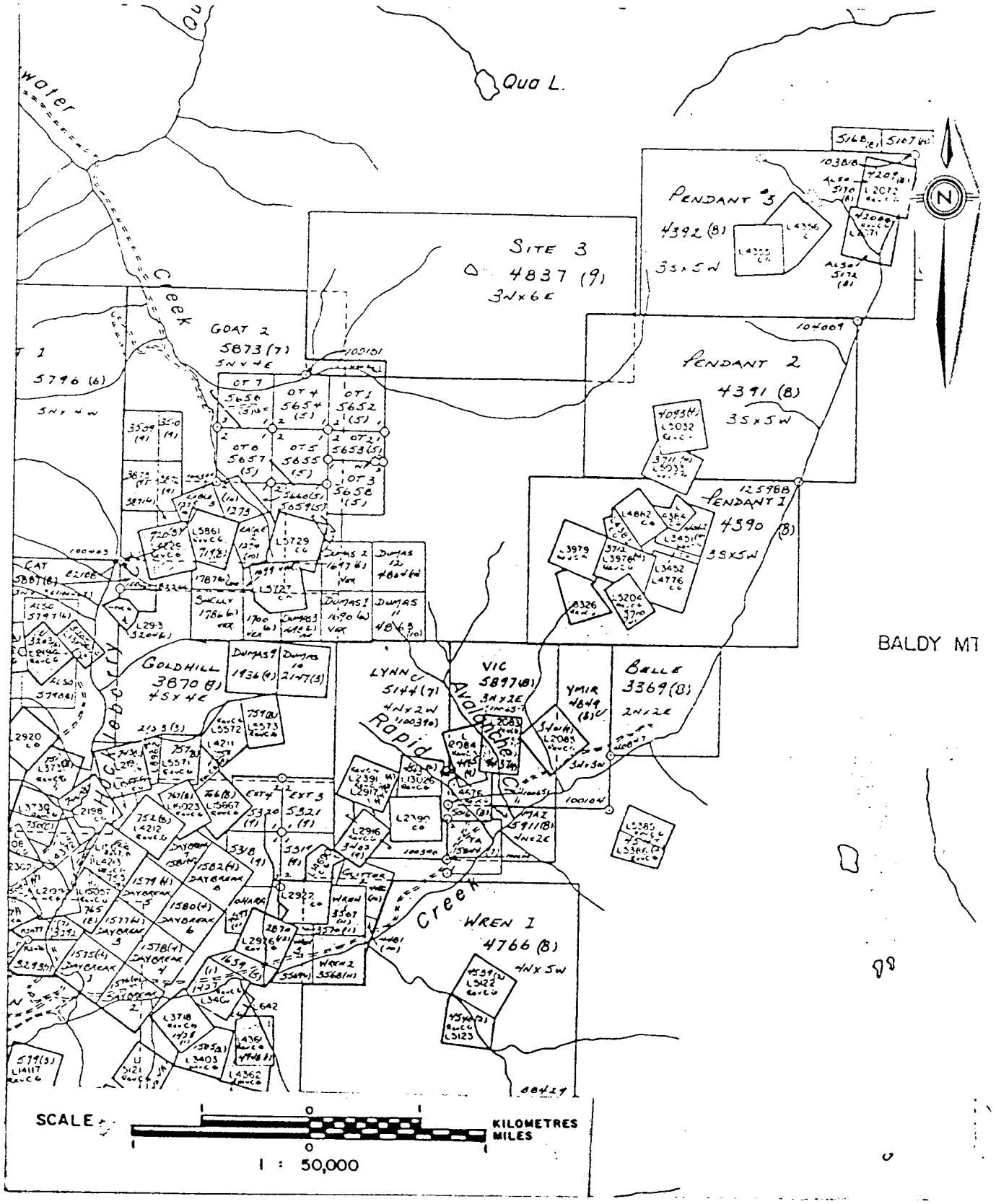
YMIR BELLE PROPERTY

N.T.S. 82F/6E

ACCESS MAP

Fig. 2

Nelson Mining Division - British Columbia



CLAIM MAP

Fig 3

A·M exploration ltd.

Figure

HISTORY

The Ymir - Belle property was first described by Drysdale in 1917. A small shaft was sunk on one of the veins and several trenches and open cuts were developed after 1917. In 1983 Spencar Explorations recommended a $120,000 work program and in 1984 the same company had a geochemical sampling program completed. In 1988 a limited geochemical and geophysical survey was completed over one of the veins.

GEOLOGY AND MINERALIZATION

Granodiorite from the Nelson Intrusion underlies the Ymir - Belle property. The granodiorite is foliated and trends north easterly and dips steeply to the southeast. Mica schist and quartzite occur throughout the property. Quartz veins are irregularly mineralized with pyrite.

SELF POTENTIAL GEOPHYSICAL SURVEY

Self-Potential Survey

Method and Instrumentation

A total of 1.3 kilometres of self-potential survey was conducted on the Ymir-Belle claims. Measurements were taken at 20 metre intervals and at 10 metre intervals in areas of anomalous measurements. The lines are spaced approximately 300 metres apart. The survey was conducted by F. Critchlow.

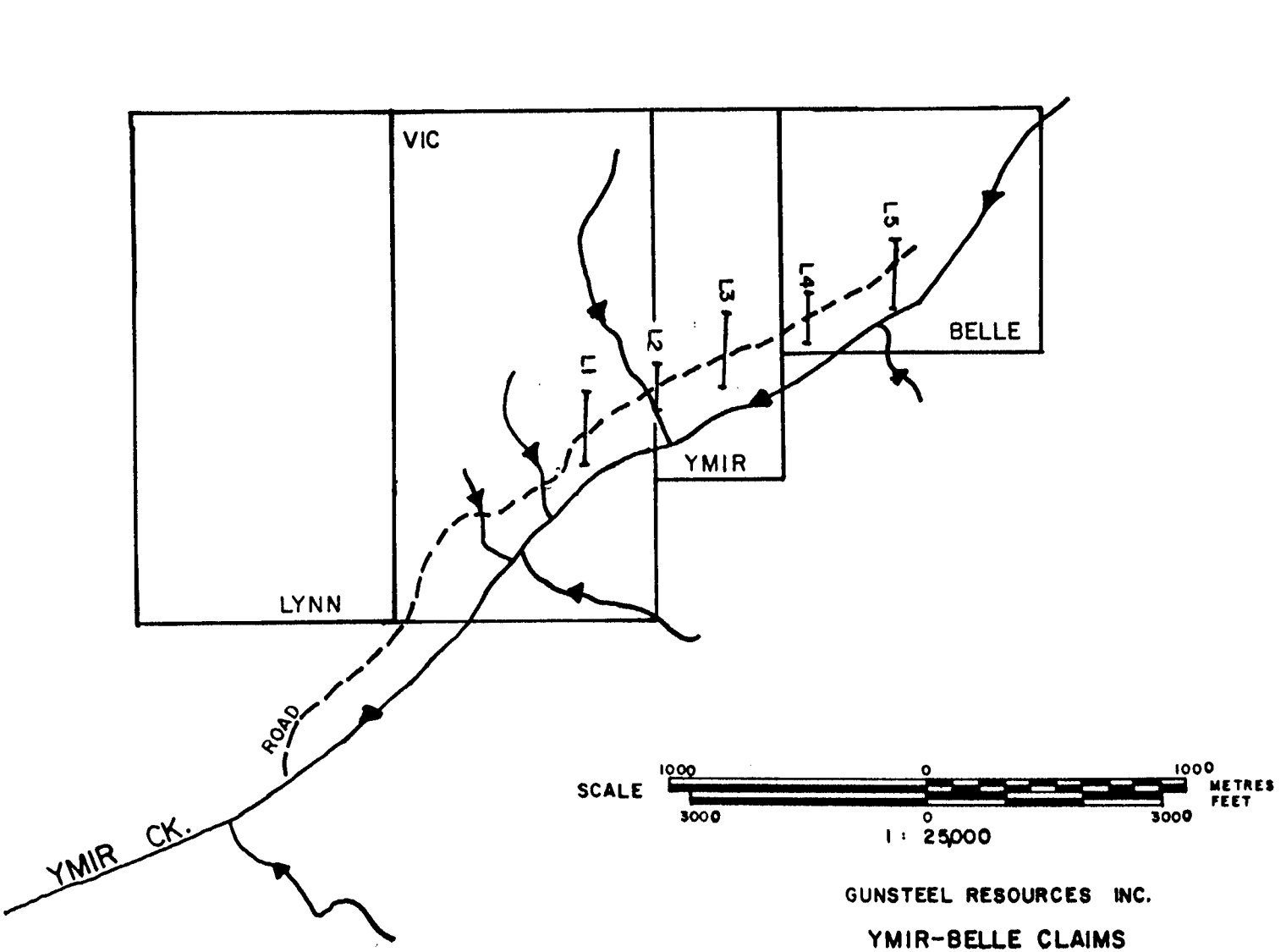
The self-potential method measures the spontaneous ground potential. The ground potential includes the potential from numerous sources such as bioelectric activity in vegetation, fluid streaming, varying electolytic concentrations in ground water as well as the mineralization potential from sulphides of metals, graphite and some metal oxides. The mineralization potential is similar to the potential created when two electrodes of different metals are immersed in a homogeneous solution. Generally the mineralization potential is much greater than the potential from other sources so the location of mineralization may be obtained.

This self-potential survey was carried out using a self-potential detector manufactured by Columbia Geophysics of Castlegar, British Columbia. This unit gives large positive values in areas of mineralization.

The survey procedure involved the placing of one electrode in a fixed position at the end of a line, then taking measurements at 10 to 20 metre intervals with the second electrode. After covering 100 metres of line the fixed electrode is brought forward 100 metres and the process is repeated. Adjustments are made for the potential difference between the locations of the fixed electrode.

Results

The self-potential survey results show distinct weak anomalies throughout the survey area. The source of the anomalous measurements is possibly weakly mineralized quartz veins. The line spacing for this survey was too large to determine the trend or continuity of the structures causing the anomalous measurements. A more comprehensive self-potential survey with closer line spacing is warranted to determine the length and trend of the geological structures which cause the anomalous measurements.

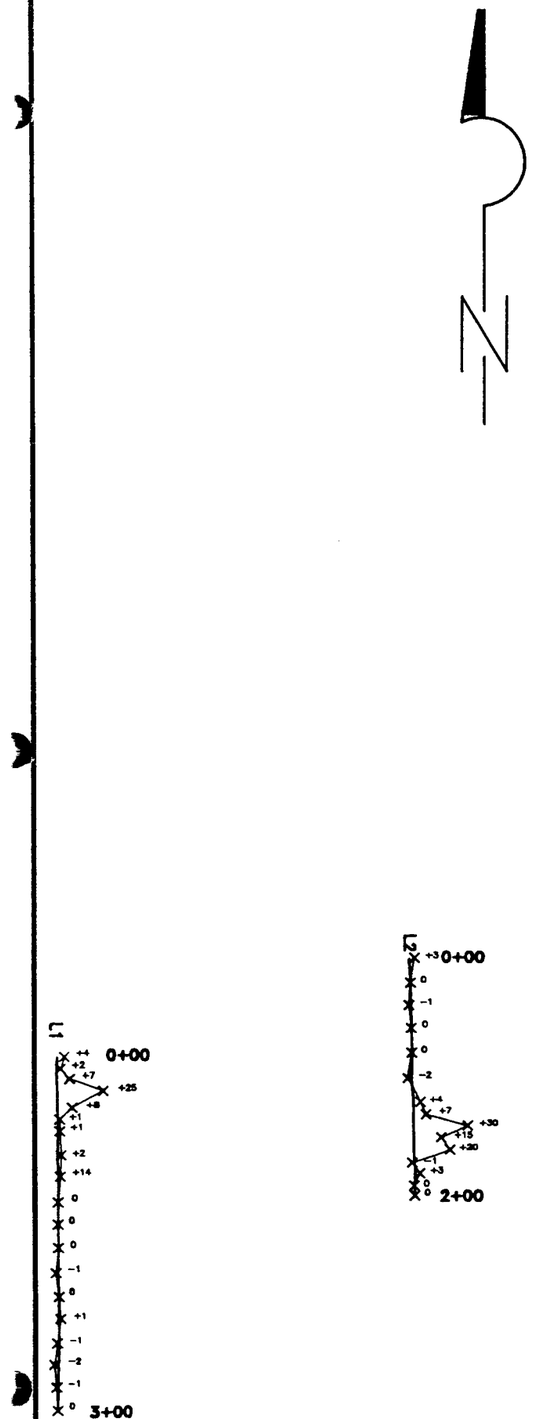


GUNSTEEL RESOURCES INC.

YMIR-BELLE CLAIMS

SURVEY GRID LOCATION

Fig. 4



LEGEND

SELF-POTENTIAL IN MILLIVOLTS

SCALE 250 0 250 METRES

1:5000

GUNSTEEL RESOURCES INC.

YMIR-BELLE CLAIMS 19281

SELF-POTENTIAL PROFILES

Fig. 5

REFERENCES

Drysdale, C.W. (1917). Ymir Mining Camp, B.C. Geological Survey of Canada. Memoir 94.

Fenwick-Wilson, B.A. (1984). A Geological-Geochemical Report on the Ymir-Belle Gold Property. Report for Spencar Explorations Ltd. B.C. Minister of Mines and Petroleum Resources. Assessment report 13,120.

von Rosen, G. (1983). Recommendation Report, Ymir Belle Gold Property. Private Report for Spencar Exploration Ltd.

CERTIFICATE

I, Gary M. Allen, certify that:

1.) I am a Mining Engineer, at Gunsteel Resources Inc., with offices at #507-850 West Hastings Street, Vancouver, B.C.

2.) I am a graduate of the South Dakota School of Mine and Technology in Mining Engineering, B.Sc. 1968, M.Sc. 1970.

3.) I have practised my profession since 1970 in British Columbia, Ontario and the United States.

4.) I am a member in good standing in the Association of Professional Engineers of Ontario.

5.) This report is based upon field work carried out by Fred Critchlow. I have visited the property several times and have directly supervised the work conducted on the property.

September 28, 1989

Gary M. Allen
P. Eng., Ontario

CERTIFICATE

I, Fredric H. Critchlow, certify that:

(1) I am a prospector, free miners certificate #280908 (1989), #294865 (1190), and reside at 523-105th Street, Castlegar, B.C. V1N 3G7.

(2) I have been practicing my profession, including prospecting, geochem, and geophysics since 1963, largely by contract basis with various companies in British Columbia.

(3) This work was carried out by myself with the help of Dennis Llewellyn.

(4) I have no interests in any of the company properties.

*This survey was conducted with a Self Potential Instrument, manufactured by Columbia Geophysics of Castlegar, B.C. Readings were measured in milli-volts.

Dated at Salmo, B.C
on 02/12/90

Fredric H. Critchlow

AFFIDAVIT OF EXPENSES

For fieldwork and report preparation carried out on the Belle, Ymir and Excelsior in the Nelson Mining Division, British Columbia, during the period of July 29th to August 7th, 1989.

Field			
Labourer	Fred Critchelow	6 days @ $90/day	$ 440.00
Vehicle rental		6 days @ $15/day	90.00
	Oil/Gas		37.00
Equipment rental	Columbia SP Dector	7 days @ $5/day	35.00
Office			
Geophysicist		2 days @ $125/day	250.00
Drafting		2 hours @ $20/hr	40.00
Typing/Compilation		1 hour @ $20/hr	20.00
		TOTAL	**$1,012.00**