GEOCHEMICAL REPORT

ON

GOLD CLAIM GROUP

GOLD 1-4 2-POST CLAIMS
RECORDS #5975-5978 INCL.

OMINECA MINING DIVISION

NTS: 93N/7W

LATITUDE: 55° 17.7' N (UTM = 6129000M N)

LONGITUDE: 124° 46.9' W (UTM = 387000M E)

OWNER: Eric A. Shaede

OPERATOR: Eric A. Shaede

Author: Eric A. Shaede

Date: November 30, 1989

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INTRODUCTION:

1. Property Description: The GOLD CLAIM GROUP property consists of 4-2 post claims, Gold 1-4, record #5975-78 inclusive, in the Omineca Mining Division. The claims were staked in 1983 and are owned by the author, Eric A. Shaede of R.R. #1, Sicamous, B.C. VOE 2VO and their anniversary date is November 07. With the application of the work reported herein, the claims will be in good standing until 1991. The claims are surrounded by the KL and KL2 metric grid claims which were staked in 1989 by Bard Silver and Gold Ltd.. The author has an unregistered claim against the KL and KL2 claims by virtue of an option agreement perimeter clause.

2. Location and Access: The Gold claim group is located about 1 kilometer upstream from the mouth of a small creek which flows northwesterly into the Klawli River about 12 kilometers north of its confluence with Chuchi Lake. The closest town is Fort St. James which is located about 100 kilometers southeast. The Omineca Mining road passes about 35 kilometers east of the property and a logging road branches west from this main road just north of the Nation River bridge. The logging road provides access to within about 10 kilometers of the property. Thus current access is limited to helicopter with the nearest base being Fort St. James. For this work access was by helicopter from Noranda's Exploration Camp near Chuchi Lake. A good helicopter landing site is present near the old workings and a small cabin is available for shelter. Maps 1,2 and 3 show the claims relative to highways, secondary roads and topography.

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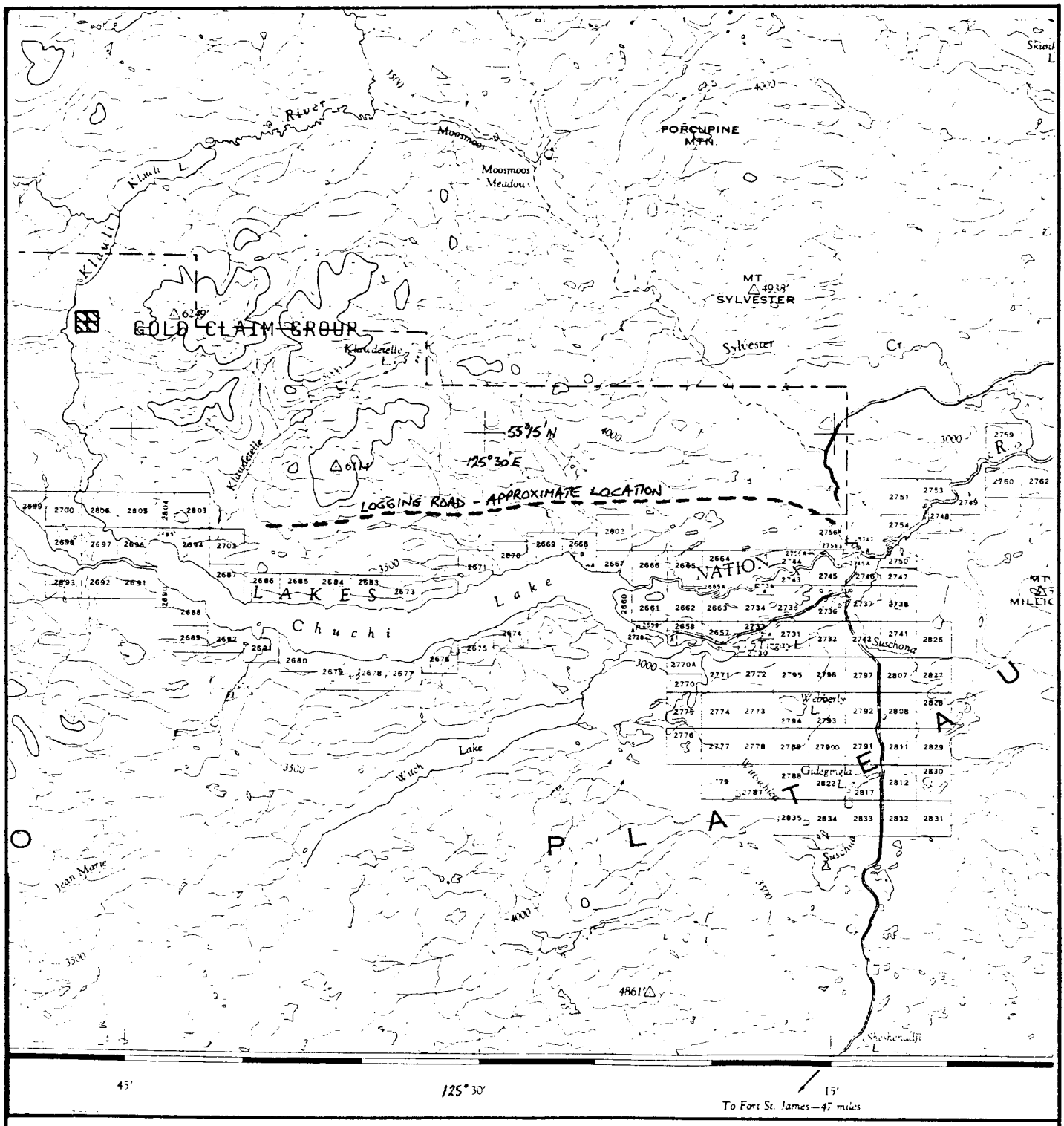
MAP 1

GENERAL LOCATION MAP
GOLD CLAIM GROUP

Drawn: EAS	Checked: EAS
Scale: As shown	Date: 11/27/89



MAP 2

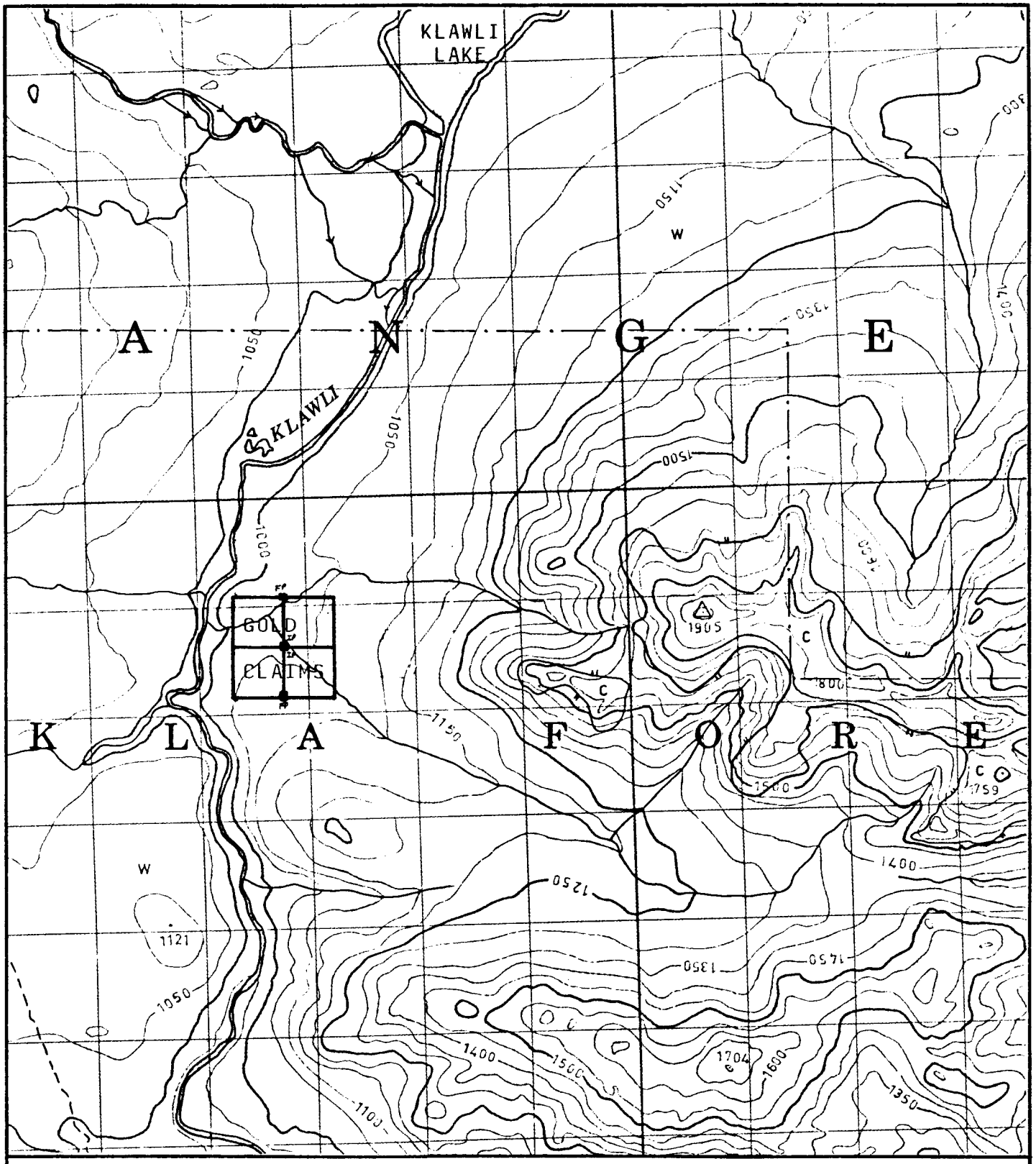
INDEX MAP

GOLD CLAIM GROUP

NTS 93N Scale = 1:250,000

0 5 10

kilometers



MAP 3

DETAILED INDEX MAP

GOLD CLAIM GROUP

NTS: 93N/7 Scale ▫ 1:50,000

N

0 1 2

kilometers

3. Physiography: The claim group is at an elevation of about 1100 meters on the western flank of a 1900M mountain. The area is mostly covered with a pine and spruce forest with heavy underbrush and some wet and swampy places. Outcrop is generally scarce except along the creek in the vicinity of the camp. Elsewhere an unknown thickness of glacial overburden exists. The small creek flowing through the claims would provide an adequate source of water for mining exploration purposes and larger quantities are available from the nearby Klawli River. Power is not available but hydro potential exists on the Klawli River just south of the claims. Snowfall is expected to be moderate in the area and the claims are likely snowfree from May until November.

4. Previous Work: The copper-silver-gold showings covered by the claims are known as Klawli or Kohse Copper and were originally discovered in the 1920's. The MinFile reference number is 93N/32. Cominco did some trenching and sank two shallow shafts on the showings in the 1920's. Quebec Gold Corporation did more surface work in the 1940's. Tro-Buttle did a geochemical survey in 1967 and Phelps-Dodge also surveyed the area in 1971. The results of these early surveys was not published. Between 1971 and 1983, when the author staked the ground, there is no record of any work being done on the showings. The author filed a prospecting report in 1984 (#12,908). Hawk Mountain Resources conducted a limited soil geochemical survey, VLF-EM and Magnetometer surveys over the claims in 1985 and filed assessment report #14,579. The author collected some rock samples for geochemical and petrographic analysis in 1987 and filed assessment report #16,865.

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5. Scope of the Present Work: Previous soil and silt surveys have apparently only analysed for copper, silver, antimony and arsenic. The present work was undertaken to determine if some other trace elements, particularly mercury, might give an anomalous signature which could be used to trace the mineralised structure along strike. Accordingly, a single line of close sapced samples was taken in the immediate vicinity of the showing, crossing it at right angles. The 6 soil samples taken were then analysed for mercury, gold and multi-elememnts by ICP. In addition two pan concentrate samples were taken from the creek to determine if any anomalous concentrations of elements might be present in the stream sediments which would indicate exposure of mineralisation upstream of the showings.

RESULTS AND DISCUSSION:

The locations of the soil* and silt samples and the significant results are shown on Map 4. The soil sample taken near the edge of the creek and downslope from the known mineralization gave weak anomalous values for silver, arsenic, barium, copper, molybdenum, lead, zinc, and mercury. This sample was alsoanomalous in gold. The second soil sample, 0+00, which was almost coincident with the known mineralization gave only a very weak copper anomaly but it did give a significant mercury value, 95 ppb. The other 4 samples gave only background values for all elements except mercury. Interestingly, the two samples at the end of the line were anomalous in mercury and this result should be verified by additional sampling.

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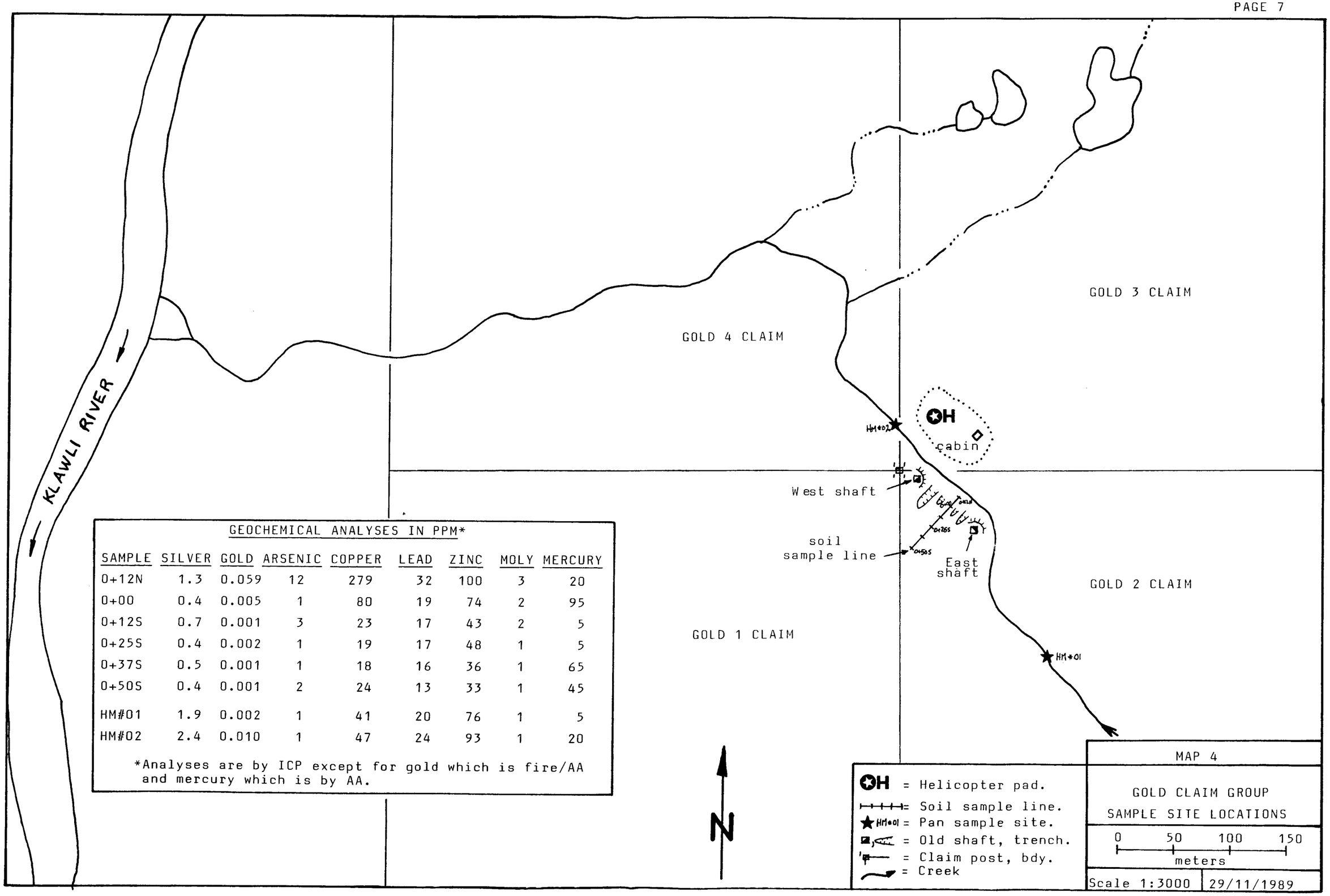
* "B" horizon soils were sampled at a depth of 5-10 cm.



GEOCHEMICAL ANALYSES IN PPM*

SAMPLE	SILVER	GOLD	ARSENIC	COPPER	LEAD	ZINC	MOLY	MERCURY
0+12N	1.3	0.059	12	279	32	100	3	20
0+00	0.4	0.005	1	80	19	74	2	95
0+12S	0.7	0.001	3	23	17	43	2	5
0+25S	0.4	0.002	1	19	17	48	1	5
0+37S	0.5	0.001	1	18	16	36	1	65
0+50S	0.4	0.001	2	24	13	33	1	45
HM#01	1.9	0.002	1	41	20	76	1	5
HM#02	2.4	0.010	1	47	24	93	1	20

*Analyses are by ICP except for gold which is fire/AA and mercury which is by AA.

OH = Helicopter pad.
= Soil sample line.
HM#01 = Pan sample site.
= Old shaft, trench.
= Claim post, bdy.
= Creek

MAP 4

GOLD CLAIM GROUP
SAMPLE SITE LOCATIONS

0 50 100 150
meters

Scale 1:3000 | 29/11/1989

Both of the pan concentrate samples were anomalous in silver but only the one downstream of the known mineralisation contained traces of gold and mercury. Both samples also contained above background levels of bismuth and tungsten which may indicate the presence of mineralisation upstream of the known showings.

CONCLUSION:

The main conclusion of this limited soil survey is that mercury may be a useful tracer element to use for searching for additional mineralisation and extension of the known mineralisation. Since mercury is a relatively volatile element, it probably will penetrate the thick overburden and possibly will exhibit a soil anomaly where other elements would not. The presence of anomalous values in the soils to the south of the known showings may in fact be an indicator of parallel mineralization.

A much larger area should be grid sampled for mercury only as the other elements do not appear to give significant concentrations in the soils even immediately adjacent to known mineralization.

The pan concentrate samples gave only very weakly anomalous values and therefore stream sediment sampling is probably not of much value in searching for additional mineralisation.

REFERENCES:

B.C. Ministry of Mines, Assessment Reports #12,908, 14579, 16,865.

GSC Memoir 252, 184-185, 1944.

GSC Paper 45-9, 18, 1945.

GSC Map 907A, 1948.

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DETAILED COST STATEMENT

Mobilisation and Demobilisation - 1 man-day @ $250.....$250.00

Work on site (July 12, 1989) - 1 man-day @ $250.....$250.00

Report typing, drafting, etc. - 1 man-day @ $250.....$250.00

Analyses - Min-En Laboratories, North Vancouver
- 2 pan conc., Au, Hg, ICP-multi @ $21.25 .....$42.50
- 6 soils , " " " @ $19.25.....$115.50

Field accomodation and meals - 2 man-days @ $50.....$100.00

Report and misc. costs.....$100.00

Transportation - 800km by truck @ $0.25.....$200.00
- 0.3 hr helicopter @ $600.....$180.00

TOTAL COSTS= $1488.00

ACKNOWLEDGEMENT

The author wishes to acknowledge assistance received from Noranda Exploration Company in supplying the helicopter for access to the claims.

AUTHOR'S CERTIFICATE:

I, ERIC ALBERT SHAEDE, of 411 Coach Road, R.R. #1, Sicamous, B.C., VOE 2VO, do hereby certify that:

- I am a graduate of the University of B.C. and that I received the degrees of B.Sc., M.Sc., and Ph.D. from that University in 1966, 1968 and 1971 respectively.
- I am presently employed as Assistant Mill Superintendent for Cheni Gold Mines Inc. at the Lawyers Mine.
- I have successfully completed the Province of B.C., Mineral Exploration Course for Prospectors on May 18, 1985.
- I personally conducted the work program reported herein and personally wrote this report based on that work.

Dated at Sicamous, B.C., November 30, 1989,

Eric A. Shaede, Ph.D.

COMP: ERIC A.SHAEDE
PROJ: KLAWLI/SLC/DX
ATTN: ERIC A.SHAEDE

MIN-EN LABS ICP REPORT

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2
(604)980-5814 OR (604)988-4524

FILE NO: 9S-0072-SJ1
DATE: JUL-20-89
* TYPE SOIL GEOCHEM * (ACT:F31)

SAMPLE NUMBER	AG PPM	AL PPM	AS PPM	B PPM	BA PPM	BE PPM	BI PPM	CA PPM	CD PPM	CO PPM	CU PPM	FE PPM	K PPM	LI PPM	MG PPM	MN PPM	MO PPM	NA PPM	NI PPM	P PPM	PB PPM	SB PPM	SR PPM	TH PPM	U PPM	V PPM	ZN PPM	GA PPM	SN PPM	W PPM	CR PPM	AU PPB	HG PPB
KLAWIE0+12.5N	1.3	12550	12	1	140	1.4	6	3990	4.2	28	279	62730	490	11	5370	1000	3	50	14	1590	32	1	14	1	1	117.0	100	1	1	1	28	59	20
KLAWIE00S	.4	21530	1	1	51	1.2	5	4060	3.5	18	80	45120	430	13	6000	336	2	80	9	2430	19	1	18	1	1	132.2	74	1	1	1	30	5	95
KLAWIE0+12.5S	.7	14370	3	1	77	.6	6	4430	2.7	12	23	27530	650	8	5190	242	2	90	5	570	17	1	26	1	1	118.3	43	1	3	1	21	1	5
KLAWIE0+25S	.4	20880	1	1	43	1.2	4	2750	2.4	12	19	45710	380	11	2700	186	1	70	1	1700	17	1	19	1	1	147.9	48	1	1	1	34	2	5
KLAWIE0+37.5S	.5	18690	1	1	59	.6	4	3950	2.3	10	18	27780	440	9	3720	193	1	80	6	1040	16	1	25	1	1	92.6	36	1	2	1	25	1	65
KLAWIE0+50S	.4	15050	2	1	54	.8	4	4140	2.0	11	24	30530	480	7	3970	225	1	90	6	1150	13	1	25	1	1	95.9	33	1	1	1	27	1	45
KLAWIEHM-#01	1.9	18640	1	3	69	1.7	15	17190	3.5	51	41	168770	1280	8	8000	1087	1	510	1	920	20	1	88	1	1	766.7	76	1	2	3	171	2	5
KLAWIEHM-#02	2.4	19800	1	7	99	2.2	17	19640	4.1	63	47	239680	1470	7	7040	1290	1	690	1	990	24	1	104	1	1	1052.0	93	1	1	4	260	10	20
~~SLC35006~~	~~.8~~	~~21340~~	~~20~~	~~1~~	~~157~~	~~1.2~~	~~5~~	~~5150~~	~~4.2~~	~~30~~	~~129~~	~~67780~~	~~2400~~	~~16~~	~~9580~~	~~639~~	~~10~~	~~530~~	~~26~~	~~830~~	~~38~~	~~1~~	~~24~~	~~1~~	~~1~~	~~64.6~~	~~108~~	~~1~~	~~1~~	~~2~~	~~150~~	~~57~~	~~5~~
~~DX35015~~	~~.3~~	~~17270~~	~~1~~	~~14~~	~~83~~	~~1.2~~	~~4~~	~~2970~~	~~4.0~~	~~17~~	~~193~~	~~37880~~	~~1320~~	~~17~~	~~9800~~	~~607~~	~~9~~	~~270~~	~~27~~	~~710~~	~~30~~	~~1~~	~~16~~	~~1~~	~~1~~	~~57.5~~	~~85~~	~~1~~	~~1~~	~~1~~	~~34~~	~~2~~	~~5~~
~~DX-35016~~	~~.3~~	~~16110~~	~~12~~	~~1~~	~~79~~	~~1.1~~	~~4~~	~~3100~~	~~3.9~~	~~17~~	~~73~~	~~38660~~	~~890~~	~~14~~	~~8600~~	~~705~~	~~16~~	~~140~~	~~25~~	~~800~~	~~35~~	~~1~~	~~15~~	~~1~~	~~1~~	~~46.9~~	~~88~~	~~1~~	~~1~~	~~1~~	~~25~~	~~2~~	~~15~~
~~DX35017~~	~~.8~~	~~24640~~	~~13~~	~~1~~	~~149~~	~~1.4~~	~~6~~	~~4840~~	~~4.5~~	~~18~~	~~120~~	~~46140~~	~~3340~~	~~22~~	~~12540~~	~~536~~	~~7~~	~~800~~	~~32~~	~~890~~	~~35~~	~~2~~	~~24~~	~~1~~	~~1~~	~~85.6~~	~~92~~	~~1~~	~~1~~	~~2~~	~~138~~	~~1~~	~~5~~
~~DX35018~~	~~.1~~	~~21520~~	~~4~~	~~1~~	~~123~~	~~1.1~~	~~4~~	~~3090~~	~~3.3~~	~~16~~	~~54~~	~~42220~~	~~2550~~	~~16~~	~~9290~~	~~548~~	~~8~~	~~650~~	~~25~~	~~790~~	~~27~~	~~1~~	~~22~~	~~1~~	~~1~~	~~60.5~~	~~82~~	~~1~~	~~2~~	~~2~~	~~180~~	~~4~~	~~5~~

APPENDIX 1