GEOLOGICAL ANA DIAMOND DRILLING REPORT ON THE QUATSE LAKE PROPERTY NANAIMO MINING DIVISION PORT HARDY AREA, VANCOUVER ISLAND, B.C.

LOCATION

N.T.S.: 92L/12E
LATITUDE: 50°39'N.
LONGITUDE: 127°35'W.

CLAIMS

CALEDONIA (LOT 1294), CASCADE (LOT 1295), BLUEBELL (LOT 1296), PICK 7 (# 774), PICK 9 (# 776), PICK 10 (# 1004), PICK 11 (# 1031), TOM (# 251), PAM (# 168), CHRIS (#1023) & CHRIS 1 TO 7 (#1024 TO 1030)

OWNER & OPERATOR

HISWAY RESOURCES CORP.
827 FORT STREET
VICTORIA, B.C. V8W 1H6

PREPARED BY

Peter A. Christopher Ph.D., P.Eng.
PETER CHRISTOPHER & ASSOCIATES INC.
3707 WEST 34th AVENUE
VANCOUVER, B.C. V6N 2K9

NOVEMBER 15, 1989

Peter A. Christopher
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA

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SUMMARY

The Quatse Lake Property, located north of Holberg Inlet in the northern part of Vancouver Island (NTS 92 L/12E) and consisting of the Caledonia, Cascade and Bluebell crown granted mineral claims, eight 2 post claims, and six metric mineral claims, covers about 2350 ha. (5807 acres) in the Nanaimo Mining Division, British Columbia. The claims are located west of the Port Hardy-Holberg Road about 4 miles south-southwest of Port Hardy. A number of partly overgrown logging roads provide access to most of the property.

Rocks in the claim area are mapped by Muller et al. (1974) as part of the Vancouver Group consisting of Lower Jurassic Bonanza Volcanics, Quatsino Limestone, Upper Triassic Parsons Bay Formation sedimentary rocks, and Karmutsen Formation basalts. They are cut by numerous regional and local faults and intruded by Jurassic age, stocks and dykes of Island Intrusives. Limestone bodies are often skarnified and mineralized near intrusive contacts. Porphyry type mineralization is generally associated with Jurassic intrusive rocks.

The property contains three named mineral occurrences which include the Caledonia mineral deposit and Scissor and Hill 140 North copper occurrences. The Caledonia, a skarn type mineral deposit, is reported in B.C. Mineral Inventory to have indicated reserves of 75,000 tons grading 6.09% copper, 7.45% zinc, 0.6% lead, 20.54 oz Ag/ton and 0.01 oz Au/ton. The deposit has been developed by the Caledonia Mines Company, Limited, Cominco, North Island Mines Ltd., Energex Minerals Ltd., and others by over 1000 feet of underground workings, at least 20 diamond drill holes, and numerous trenches and percussion drill holes. Previous exploration of the Caledonia deposit and surrounding claims is poorly documented.

A success contingent, staged exploration program is outlined by the writer for further evaluation of the mineral potential of the Quatse Lake Property. A recommended Stage 1 program of data compilation, road and underground workings rehabilitation, grid establishment and diamond drilling is estimated to cost $ 200,000. Further Stage 2 diamond drilling is contingent on the success of Stage 1 and is estimated to cost $300,000.

INTRODUCTION

The Quatse Lake Property consisting of 3 crown grants, 8 two-post claims and 88 metric units is situated north of Holberg Inlet in the Nanaimo Mining Division and northern part of Vancouver Island. The property covers about 2350 ha. (5807 acres) and includes numerous old workings that were mainly constructed during the 1920's. The writer was retained by the management of Hisway Resources Corp. to evaluate the exploration potential of the Quatse Lake Property, and recommend a program of further exploration, if warranted. The writer examined the property with company prospector Steve Oakley on October 31 and November 1, 1989. The writer sampled Hill 160 (250 meters west-northwest of Hill 140 copper occurrence) and the Caledonia dump and logged diamond drill hole 89-1 during his examination.

This report summarizes exploration conducted on the Quatse Lake Property by Hisway Resources Corp. between September 15 and November 3, 1989. A recommendation for further success contingent, staged exploration is based on the results of current program and on previous company and exploration work in the area.

LOCATION AND ACCESS (Figures 1, 2, & 3)

The Quatse Lake Property is located about 8 kilometers southwest of Port Hardy and 3 kilometers north of Coal Harbour on Holberg Inlet. The claims are centered at geographic coordinates 50°39'N. latitude and 127°35'W. longitude in map sheet (NTS 92L/12E) and in the Quatsino Provincial Forest and the Nanaimo Mining Division in the northern part of Vancouver Island, British Columbia (Figure 1). The claims cover and lie north of Quatse Lake (Figures 2 & 3).

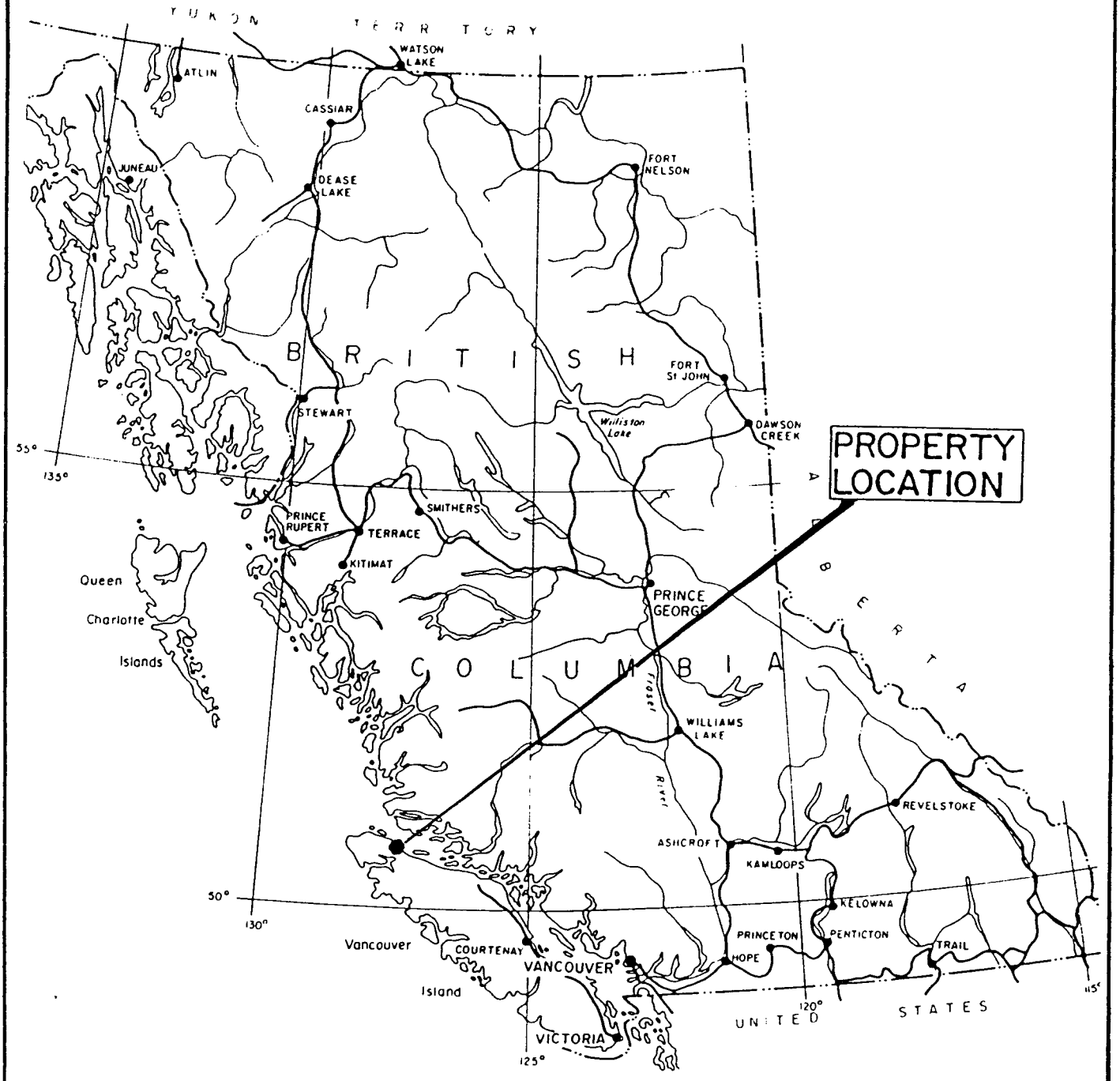
Property access is presently via the Coal Harbour-Port Hardy road and a 6.5 kilometer (4 mile) tractor road built by North Island Mines. A number of overgrown logging roads could be upgrade to provide drive in access to most of the property. The 1989 drill program was helicopter supported with daily walk in via an old road and trail.

The claims cover a gently rising slope with Quatse Lake, at elevation 70 meters (230 feet) to the south and an east trending ridge, at elevations of 305 meters (1000 feet) to 427 meters (1400 feet) in the central part of the claim area.

Vegetation is typical of west coast rain forest with commercial spruce, fir and cedar and scrub alder swamps.

PROPERTY DEFINITION

The Quatse Lake Property, consisting of the Cris and Cris 1 through Chris 7 two-post claims, and Pick 7, Pick 9, Pick 10, Pick 11, Tom, and Pam metric claims (totalling 88 units) and Caledonia, Cascade, and Bluebell crown grants covers about 2350 hectares (5807 acres) in the Nanaimo Mining Division near Port Hardy, British Columbia. The recorded claims were staked between July 22, 1977 and October 26, 1981 with a bill of sale to Hisway Resources Corp. registered on June 29, 1989.



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

N

HISWAY RESOURCES CORP.		
QUATSE LAKE PROPERTY		
LOCATION MAP		
N.T.S. 92L-12E	NANAIMO M.D., B.C.	
0 100 200 400 KM.		
P.A. CHRISTOPHER & ASSOCIATES INC.		
SCALE AS SHOWN	NOV. 1989	FIGURE 1

CHONG

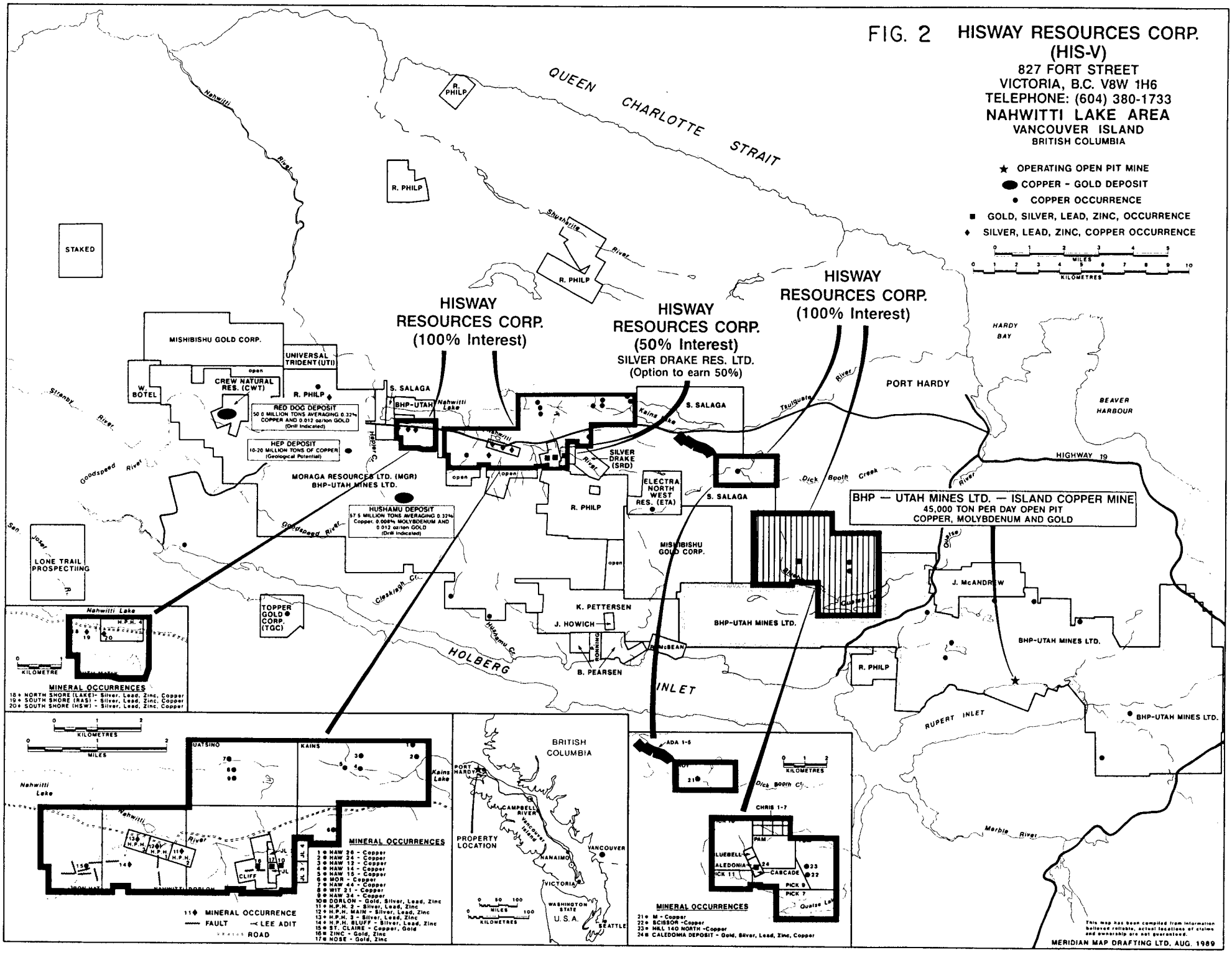
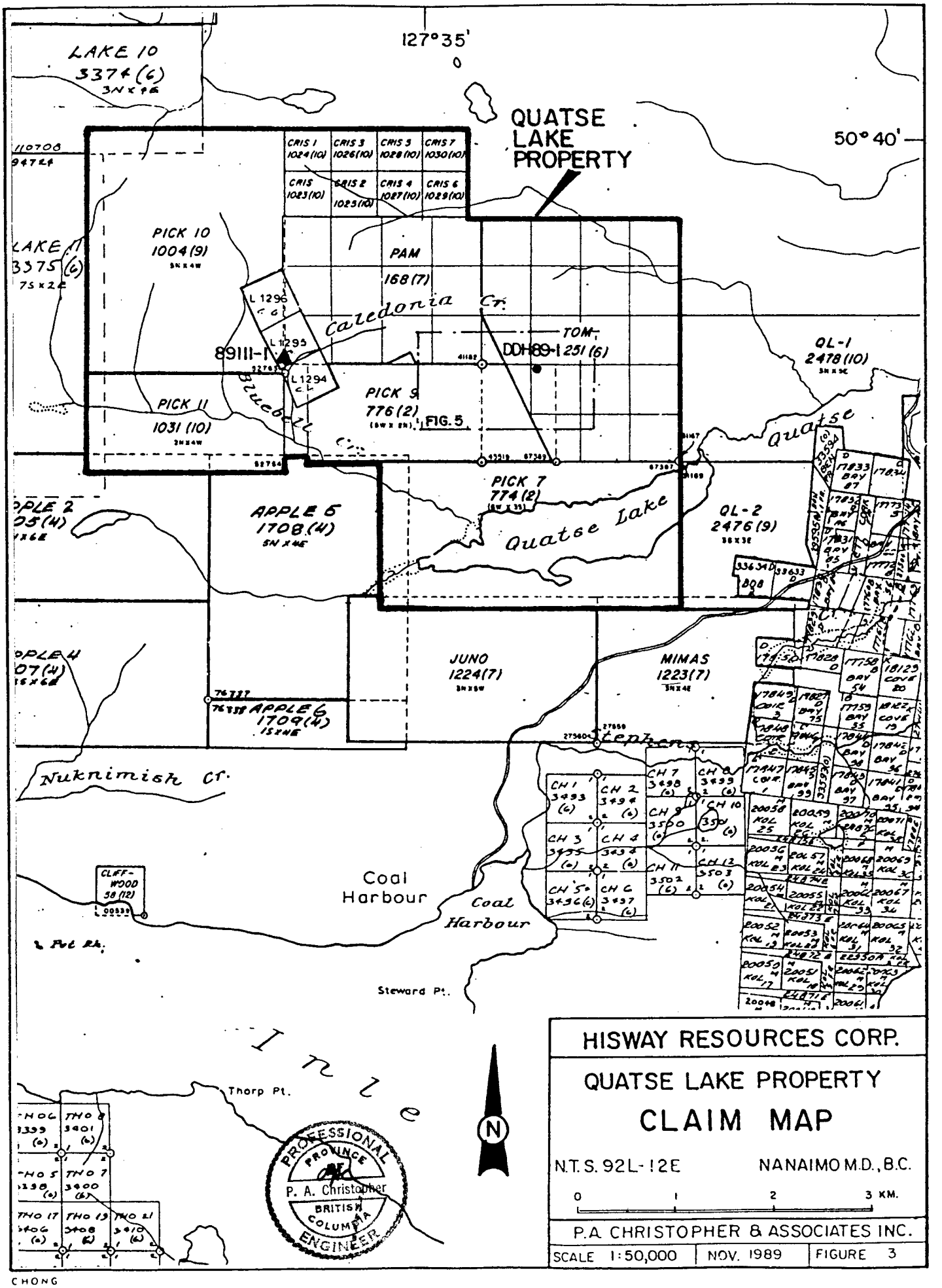


FIG. 2 HISWAY RESOURCES CORP.
(HIS-V)
827 FORT STREET
VICTORIA, B.C. V8W 1H6
TELEPHONE: (604) 380-1733
NAHWITTI LAKE AREA
VANCOUVER ISLAND
BRITISH COLUMBIA
★ OPERATING OPEN PIT MINE
COPPER - GOLD DEPOSIT
• COPPER OCCURRENCE
■ GOLD, SILVER, LEAD, ZINC, OCCURRENCE
♦ SILVER, LEAD, ZINC, COPPER OCCURRENCE
MILES
KILOMETRES
QUEEN CHARLOTTE STRAIT
HISWAY RESOURCES CORP. (100% Interest)
HISWAY RESOURCES CORP. (50% Interest)
SILVER DRAKE RES. LTD.
(Option to earn 50%)
HISWAY RESOURCES CORP. (100% Interest)
STAKED
MISHIBISHU GOLD CORP.
UNIVERSAL TRIDENT (UTI)
CREW NATURAL RES. (CWT)
W. BOTEL
R. PHILP
RED DOG DEPOSIT
50.6 MILLION TONS AVERAGING 0.32% COPPER AND 0.012 oz/ton GOLD
(Drill Indicated)
HEP DEPOSIT
10-20 MILLION TONS OF COPPER
(Geological Potential)
S. SALAGA
BHP-UTAH
Nahwitti Lake
Kains Lake
SILVER DRAKE (SRD)
MORAGA RESOURCES LTD. (MGR)
BHP-UTAH MINES LTD.
HUSHAMU DEPOSIT
57.5 MILLION TONS AVERAGING 0.32% Copper, 0.008% MOLYBDENUM AND 0.012 oz/ton GOLD
(Drill Indicated)
ELECTRA NORTH WEST RES. (ETA)
MISHIBISHU GOLD CORP.
BHP — UTAH MINES LTD. — ISLAND COPPER MINE
45,000 TON PER DAY OPEN PIT
COPPER, MOLYBDENUM AND GOLD
LONE TRAIL PROSPECTING
TOPPER GOLD CORP. (TGC)
K. PETTERSEN
J. HOWICH
B. PEARSEN
McBEAN
BHP-UTAH MINES LTD.
J. McANDREW
HARDY BAY
PORT HARDY
BEAVER HARBOUR
HIGHWAY 19
HOLBERG INLET
RUPERT INLET
Nahwitti River
Goodspeed River
Cleasleigh Cr.
Hushamu Cr.
Dick Booth Creek
Quatse River
Marble River
Tsulquate River
Stranby River
San Josef R.
MINERAL OCCURRENCES
18 ♦ NORTH SHORE (LAKE) - Silver, Lead, Zinc, Copper
19 ♦ SOUTH SHORE (RAS) - Silver, Lead, Zinc, Copper
20 ♦ SOUTH SHORE (HSW) - Silver, Lead, Zinc, Copper
KILOMETRE
KILOMETRES
MILES
QUATSINO
KAINS
CLIFF
IRON HAT
NAHWITTI DOBLON
11 ♦ MINERAL OCCURRENCE
FAULT
LEE ADIT
ROAD
MINERAL OCCURRENCES
1 ♦ HAW 26 - Copper
2 ♦ HAW 24 - Copper
3 ♦ HAW 12 - Copper
4 ♦ HAW 14 - Copper
5 ♦ HAW 15 - Copper
6 ♦ MOR - Copper
7 ♦ HAW 44 - Copper
8 ♦ WIT 21 - Copper
9 ♦ HAW 34 - Copper
10 ■ DOBLON - Gold, Silver, Lead, Zinc
11 ♦ H.P.H. 2 - Silver, Lead, Zinc
12 ♦ H.P.H. MAIN - Silver, Lead, Zinc
13 ♦ H.P.H. 3 - Silver, Lead, Zinc
14 ♦ H.P.H. BLUFF - Silver, Lead, Zinc
15 ■ ST. CLAIRE - Copper, Gold
16 ■ ZINC - Gold, Zinc
17 ■ NOSE - Gold, Zinc
BRITISH COLUMBIA
PROPERTY LOCATION
PORT HARDY
CAMPBELL RIVER
VANCOUVER ISLAND
NANAIMO
VANCOUVER
VICTORIA
WASHINGTON STATE
U.S.A.
SEATTLE
MILES
KILOMETRES
ADA 1-5
CHRIS 1-7
PAM
LUEBELL
CALEDONIA
CASCADE
PCK 7
PCK 8
PCK 11
MINERAL OCCURRENCES
21 ♦ M - Copper
22 ♦ SCISSON - Copper
23 ♦ H&L 140 NORTH - Copper
24 ■ CALEDONIA DEPOSIT - Gold, Silver, Lead, Zinc, Copper
This map has been compiled from information believed reliable, actual locations of claims and ownership are not guaranteed.
MERIDIAN MAP DRAFTING LTD. AUG. 1989



HISWAY RESOURCES CORP.

QUATSE LAKE PROPERTY

CLAIM MAP

N.T.S. 92L-12E NANAIMO M.D., B.C.

0 1 2 3 KM.

P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:50,000	NOV. 1989	FIGURE 3

CHONG

Figure 3 shows claim locations as shown on British Columbia Government claim map 92 L/12E. Pertinent claim data is presented in Table 1.

TABLE 1. Pertinent Claim Data (Quatse Lake Property).

RECORDED CLAIMS

NAME	UNITS/SHAPE	REC.#	TAG #	RECORDED	EXPIRY*	OWNER
PICK 7	18/6Wx3S	774	67387	FEB 13/81	1990	HISWAY RES. CORP.
PICK 9	10/5Wx2N	776	67389	"	"	"
PICK 10	20/4Wx5N	1004	52763	SEP 11/81	"	"
PICK 11	8/4Wx2N	1031	52764	OCT 26/81	"	"
TOM	20/4Ex5N	251	45519	JUN 22/78	"	"
PAM	12/4Wx3N	168	41182	JUL 22/77	"	"
CRIS	1-2 POST	1023	510812M	OCT 26/81	"	"
CRIS 1	" "	1024	510813M	"	"	"
CRIS 2	" "	1025	510814M	"	"	"
CRIS 3	" "	1026	510815M	"	"	"
CRIS 4	" "	1027	510816M	"	"	"
CRIS 5	" "	1028	510817M	"	"	"
CRIS 6	" "	1029	510818M	"	"	"
CRIS 7	" "	1030	510819M	"	"	"

* Before recording 1989 work program.

CROWN GRANTS

NAME	LOT NUMBER	ACRES	GRANTEE	ISSUE DATE
CALEDONIA	LOT 1294	47.48	T.B. HARRIS	APRIL 27/1927
CASCADE	LOT 1293	49.33	L.E. POTTS	" "
BLUEBELL	LOT 1296	51.63	R.A. GRIERSON	" "

HISTORY

The Quatse Lake Property covers the Caledonia mineral deposit (MI92L-61 & 209) and Hill 140 and Scissor copper occurrences. The Caledonia mineral deposits occur on the Caledonia, Bluebell and Cascade crown granded mineral claims which were located in the early 1920's with crown grants issued on April 27, 1927. B.C. Government mineral inventory shows indicated reserves for the Caledonia mineral deposits to be 75,000 tons grading 0.01 oz Au/ton, 20.54 oz Ag/ton, 6.09% copper, 7.45% zinc and 0.60% lead. An August 16, 1972 North Island Mines Ltd. new release in the George Cross News Letter refers to the above reserves as a tonnage estimate based on 20 diamond drill holes completed in 1972 and on previous underground exploration in the 1920's by Cominco (Consolidated Mining and Smelting Company) and Caledonia Mines, Ltd.

Exploration of the Quatse Lake Property started prior to 1923 when T.D. Harris and Robert A. Grierson, of Port Hardy and Mr. and Mrs. Murray C. Potts, of Alert Bay acquired the Bluebell, Caledonia, Cascade and other claims. Early exploration consisted mainly of

prospecting, stripping, open cuts and a 50 foot adit to explore 30 feet of mineralization in Caledonia Creek. Further exploration, consisting of open cuts in the following two years, demonstrated continuity of the mineralization in excess of 300 feet in a N 60°W (magnetic) direction. In 1926, the owners organized the Caledonia Mines Company, Limited and active development was started. By 1929 over 400 feet of underground drifting had been completed when the property was bonded to Cominco.

In 1929, Cominco completed at least 400 feet of drifting eastward and westward from the crosscut and another 50 foot drift westward. A raise was driven to intersect the mineralized band in open cut 3A. The work in 1929 demonstrated that a well mineralized band was shallow dipping at the contact of granodiorite and limestone and the contact was irregular and mineralized with widths of 5 to 25 feet of copper-zinc-lead mineralization "which looked very promising" (BCMM Annual Report 1929).

Following Cominco's work, the property appears to have remained relatively idle until interest in the area was reactivated by discovery of the Island Copper Mine by Utah Mines Ltd. in 1967. The Caledonia and surrounding ground was acquired by North Island Mines Ltd. with 15 diamond drill holes totalling 2,300 feet, a geochemical survey, bulldozer trenching, road building and camp construction completed in 1968. Following the diamond drilling, a tonnage calculation was made for the Caledonia mineral deposit by D.C. Malcolm, P.Eng. The estimate was 75,000 tons averaging 6.09% copper, 7.45% zinc, 0.6% lead, 20.54 oz Ag/ton and 0.01 oz Au/ton.

In 1971, North Island Mines Ltd. collected 220 soil samples and constructed 2,500 feet of trenches. In 1972 the company completed a program of trenching and percussion drilling and in 1973 reported that diamond drill hole 1-73 was in porphyry type mineralization at 202 feet.

Recorded claims were allowed to lapse after 1973 and in 1977, Mr. Thomas E. Kirk began acquiring the ground for Ronald Welch. In December 1981, the property was consolidated under the ownership of Thomas E. Kirk with the bulk of the property sold to Energex Minerals Ltd.

Energex Minerals worked the property from 1982 till 1985 when the property was sold back to Mr. Kirk by Energex Minerals. Energex Minerals completed considerable work on the property but the data is held in private files.

In June 1989, the Quatse Lake Property was sold to Hisway Resources Corp. and in September 1989, a prospecting program and 501.5 foot diamond drill hole were completed. On October 31, 1989 and November 1, 1989, the writer and Mr. Steve Okley examined the Quatse Lake Property and logged available core.

WORK PROGRAM

The 1989 field program consisted of clearing of about 8 kilometers of overgrown roads and trails, construction of a drill site and drilling a 501.5 foot (152.9 meter) AW size diamond drill hole. Prospecting was conducted to locate or relocate a number of showings (Figure 5). The drilling started on October 18, 1989 and completed on November 2, 1989 by drill contractor Neill's Mining. The drill was mobalized by helicopter from Port Hardy. The prospecting and drill supervision was conducted by company prospectors Steve Oakley and Ron Welch. The writer examined the property and logged (Appendix B) the initial 465 feet of diamond drill core on October 31 and November 1, 1989. Two core samples were assayed by Utah Mines Ltd. Seven samples were submitted to Chemex Labs Ltd. for gold fire assay and 9 element ICP. Three samples were submitted to Acme Analytical Laboratories Ltd. for 30 element ICP and gold by acid leach/AA on 10 gram sample. Copper, zinc, silver and arsenic required follow-up assay work (Appendix A). Cost statements are presented as Appendix C.

REGIONAL GEOLOGY (Figure 4)

The Quatse Lake Property is situated in the Insular Tectonic Belt of the Canadian Cordillera. The general geology of the area has been mapped by Muller et al. (1974) and Northcotte (1971). The geology in the area of the Quatse Lake Property is shown on Figure 4 which is mainly from Northcotte's published map.

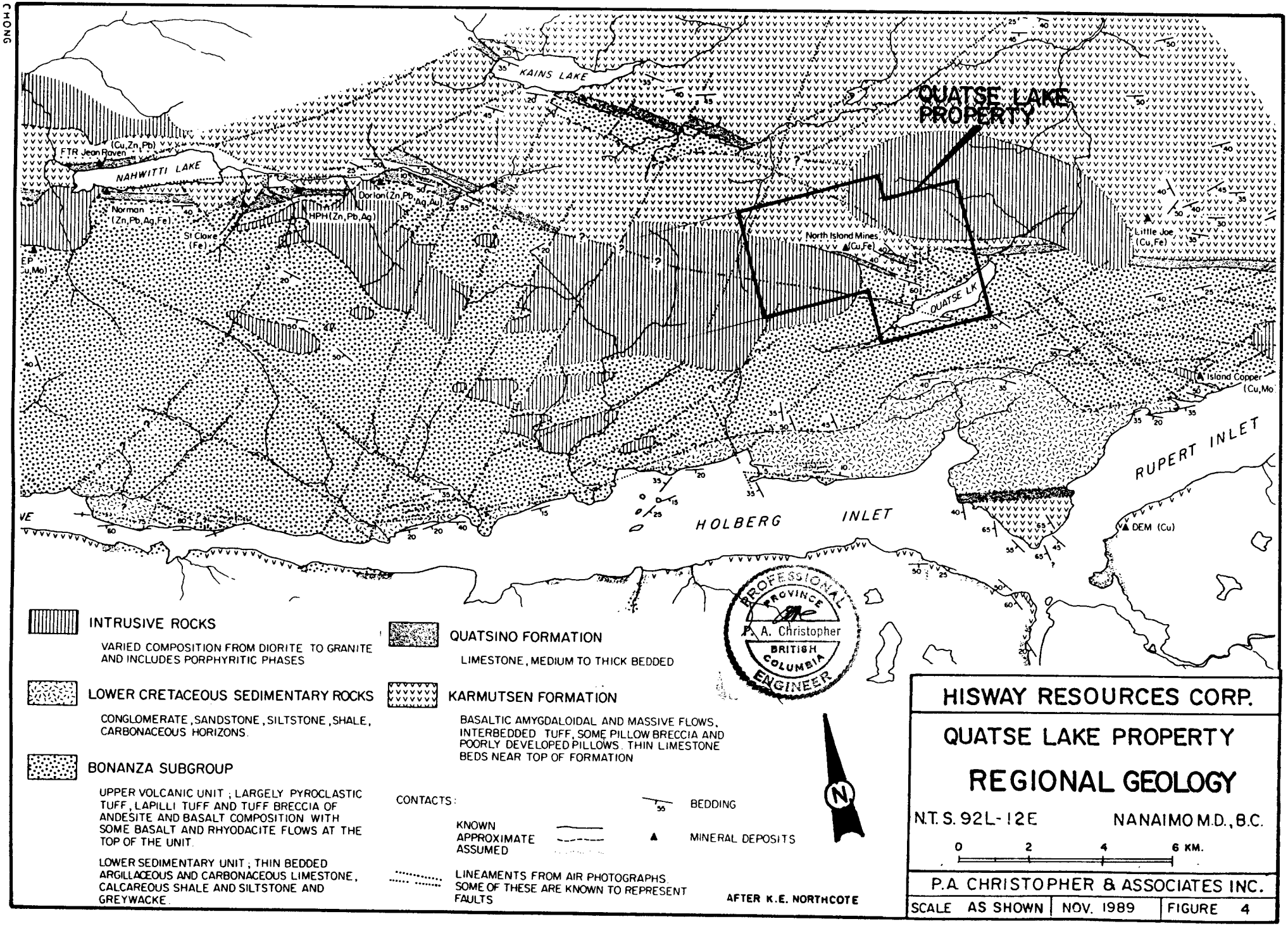
The claim area is underlain by Triassic and Jurassic sedimentary and volcanic rocks of the Vancouver Group which are intruded by quartz diorite, granodiorite, quartz monzonite and quartz feldspar porphyry of the Jurassic Island Intrusions. Northcotte (1970) separated the Vancouver Group into the Karmutsen Formation, Quatsino Formation, and Bonanza Subgroup with Muller et al. (1974) divided the lower Bonanza sedimentary unit into the Jurassic Harbledown Formation and the Upper Jurassic Parson Bay Formation. Figure 4a presents a stratigraphic section of the Vancouver Group after Dr. Donald Carlisle (Muller et al., 1974).

A number of skarn zones have developed where intrusive rocks have come in contact with limy volcanic rocks or limestone of the Quatsino Formation. Porphyry copper deposits occur in Bonanza Volcanics that have been intruded by quartz feldspar porphyry bodies.

A number of northerly, northwesterly and northeasterly trending fault zone have been mapped within the area of the Quatse Lake Property. The regional northwesterly trend of the Vancouver Group rocks is shifted westerly in the area of the Quatse Lake Property.

PROPERTY GEOLOGY

The northwest part of the claim block is underlain by Karmutsen basalts and minor siliceous tuffs. The Cascade, Bluebell and Caledonia crown granted claims cover the contact area between siliceous Island intrusions to the south and Quatsino Limestone or Karmutsen volcanics to the north. In the northern part of the claim block, Karmutsen volcanics are cut by quartz diorite with bornite replacing some siliceous tuffaceous beds in the upper part of the Karmutsen Formation (eg. Hill 160 Figure 5 samples 891031-1&2).


KAINS LAKE
QUATSE LAKE PROPERTY
NAHWITTI LAKE
FTR Jean Raven (Cu,Zn,Pb)
Norman (Zn,Pb,Ag,Fe)
St Clare (Fe)
Dorlon (Zn,Pb,Ag,Au)
HPH (Zn,Pb,Ag)
North Island Mines (Cu,Fe)
QUATSE LK
Little Joe (Cu,Fe)
Island Copper (Cu,Mo)
DEM (Cu)
HOLBERG INLET
RUPERT INLET
INTRUSIVE ROCKS
VARIED COMPOSITION FROM DIORITE TO GRANITE AND INCLUDES PORPHYRITIC PHASES
LOWER CRETACEOUS SEDIMENTARY ROCKS
CONGLOMERATE, SANDSTONE, SILTSTONE, SHALE, CARBONACEOUS HORIZONS.
BONANZA SUBGROUP
UPPER VOLCANIC UNIT; LARGELY PYROCLASTIC TUFF, LAPILLI TUFF AND TUFF BRECCIA OF ANDESITE AND BASALT COMPOSITION WITH SOME BASALT AND RHYODACITE FLOWS AT THE TOP OF THE UNIT.
LOWER SEDIMENTARY UNIT; THIN BEDDED ARGILLACEOUS AND CARBONACEOUS LIMESTONE, CALCAREOUS SHALE AND SILTSTONE AND GREYWACKE.
QUATSINO FORMATION
LIMESTONE, MEDIUM TO THICK BEDDED
KARMUTSEN FORMATION
BASALTIC AMYGDALOIDAL AND MASSIVE FLOWS, INTERBEDDED TUFF, SOME PILLOW BRECCIA AND POORLY DEVELOPED PILLOWS. THIN LIMESTONE BEDS NEAR TOP OF FORMATION
CONTACTS:
KNOWN
APPROXIMATE
ASSUMED
BEDDING
MINERAL DEPOSITS
LINEAMENTS FROM AIR PHOTOGRAPHS. SOME OF THESE ARE KNOWN TO REPRESENT FAULTS
AFTER K.E. NORTHCOTE
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher
N
HISWAY RESOURCES CORP.
QUATSE LAKE PROPERTY
REGIONAL GEOLOGY
N.T.S. 92L-12E
NANAIMO M.D., B.C.
0 2 4 6 KM.
P.A. CHRISTOPHER & ASSOCIATES INC.
SCALE AS SHOWN
NOV. 1989
FIGURE 4

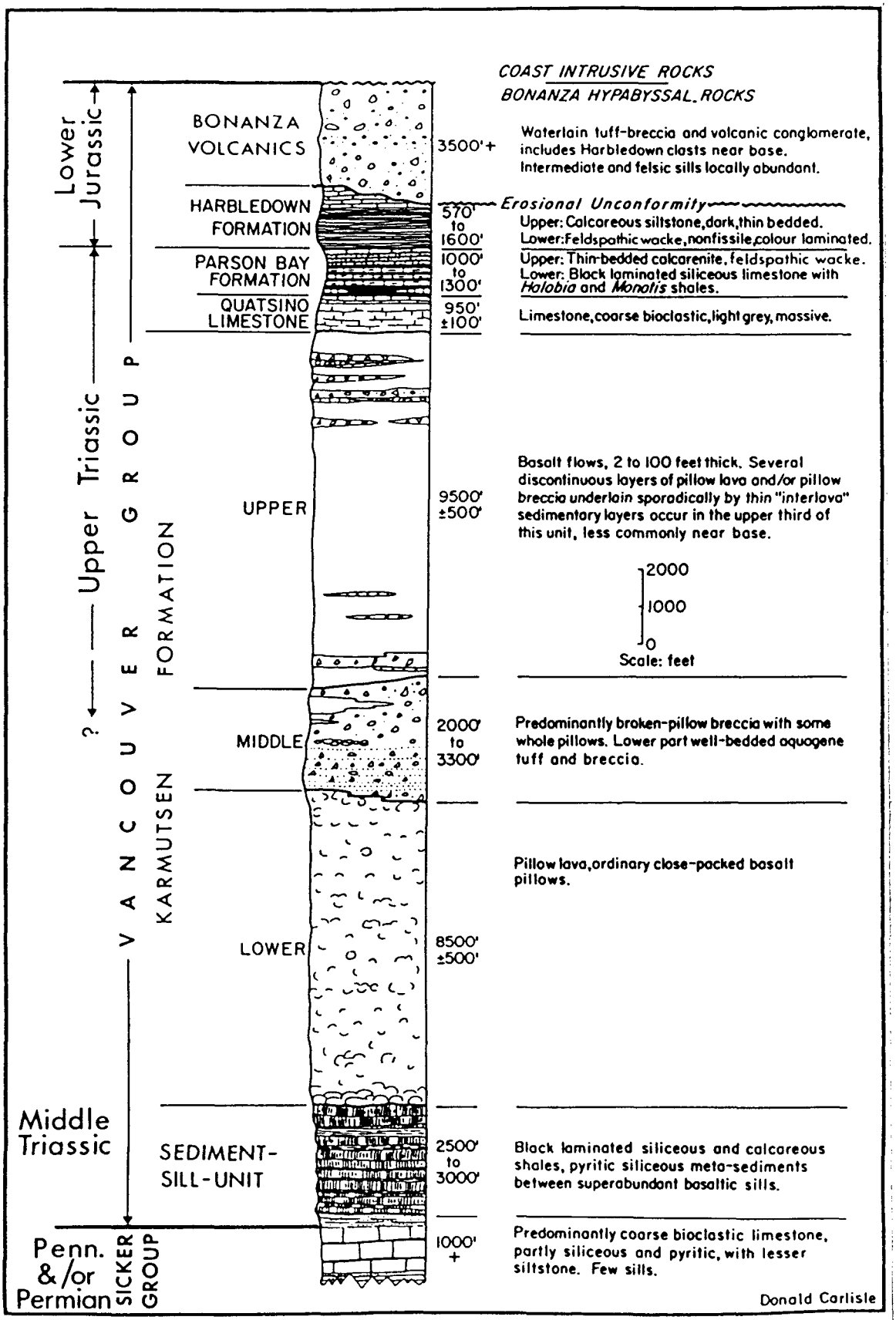


Figure 4a. Stratigraphy of Sicker and Vancouver groups.

MINERALIZATION

Mineralization at the Caledonia deposit consists of an irregular replacement of sphalerite, chalcopyrite, magnetite, specularite, bornite, galena and pyrite with a gangue of epidote, garnet and minor quartz. Amathystine quartz is reported to be present in silicified limestone areas in the Caledonia drift. Select sample sample 891111-1, from the Caledonia dump contained 25.42% copper, 4.27% zinc, 77.33 oz Ag/ton, and 1.84% arsenic. The high arsenic content suggests the presence of either a silver sulphosalt or arsenopyrite

Mineralization at the Hill 160 North showing consists of bornite and chalcopyrite replacement of silicified sediments and tuffs. A 2 meter chip sample collected by the writer from Hill 160 contained 2.81% copper and 10.6 ppm silver. A select sample from the Hill 160 showing contained 2.46% copper and 8.0 ppm silver. Select sample 149970 collected by prospector Steve Okley from Hill 140 contained >10000 ppm copper and 2.5 ppm silver.

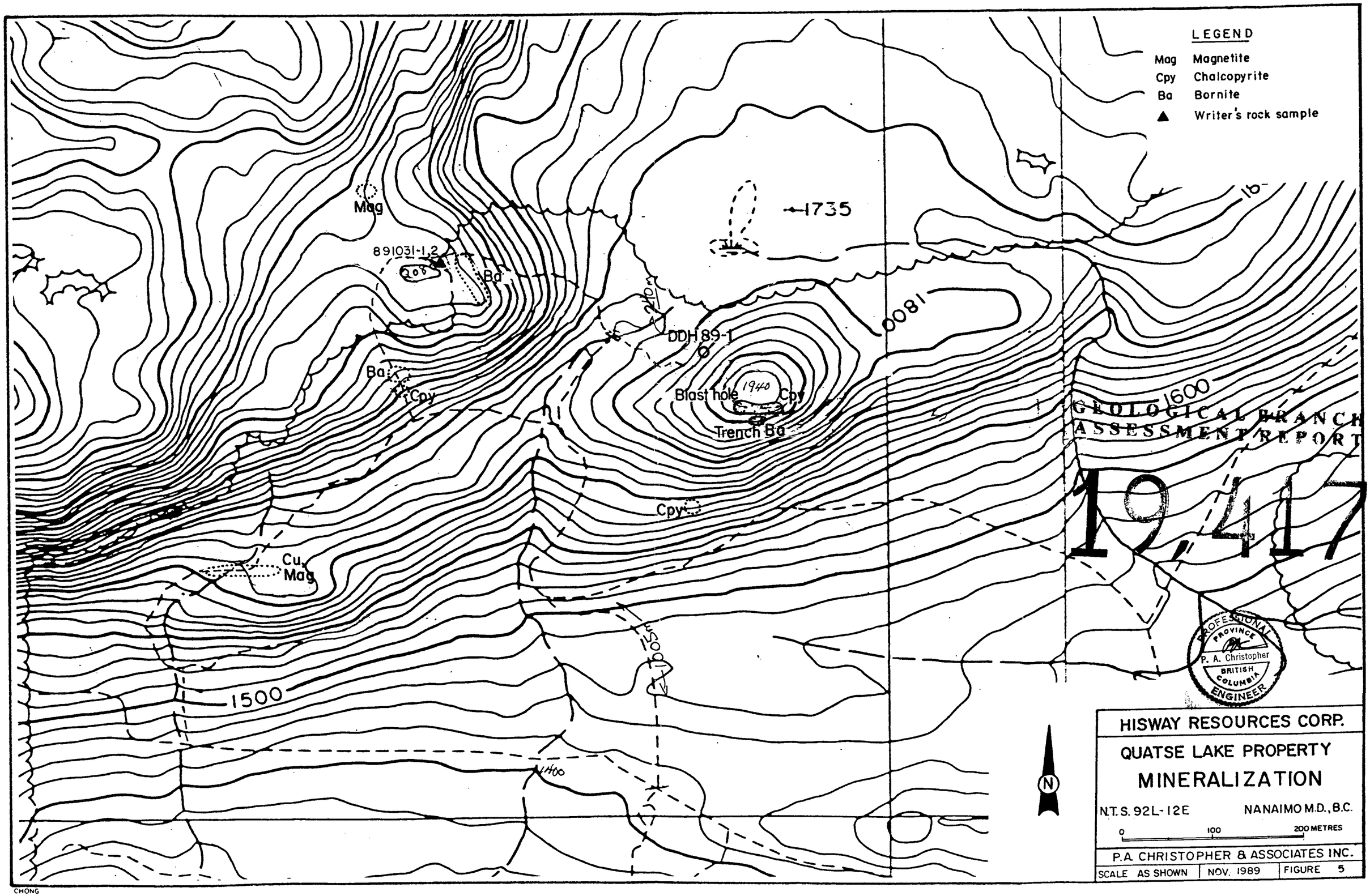
Drill hole Q89-1 was drilled between Hill 140 and Hill 160 (Figures 3 & 5) in an area of Karmutsen basaltic volcanics. The hole was in basalt throughout as indicated in drill logs (Appendix B). The best copper grade was 3600 ppm (0.36%) from 349.5 to 352.5 feet and the best silver value was 6.5 ppm from 387.5 to 399 feet. Bornite was observed in epidote-quartz vesicles between 500' and 501'5". Pyrite, as fracture fillings, fine disseminations, and fine pyrite cubes, occurs throughout the hole but generally represents less than 3% of the rock.

DISCUSSION

The Quatse Lake Property covers a large area of Vancouver Group rocks which contain a number of porphyry copper and skarn type mineral occurrences. The Caledonia deposit has been explored by drilling and underground workings with reported reserves of 75,000 tons containing 6.09% copper, 7.45% zinc, 0.6% lead, 20.54 oz Ag/ton and 0.01 oz Au/ton. The Caledonia deposits is one of many skarn occurrences along a 20 kilometer belt of Quatsino Limestone.

The Quatse Lake Property is about 6 kilometers west-northwest of Island Copper Mine owned by Utah Mines Ltd. The Island Copper deposit occurs in Bonanza volcanics that are cut by quartz feldspar porphyry intrusions. The southeastern part of the Quatse Lake property is underlain by Bonanza volcanic rock which should be evaluated for Island Copper type porphyry mineralization.

Although considerable surface drilling and underground working have been completed on the Quatse Lake Property, most of the data is no longer available. The Caledonia deposit should be further evaluated by rehabilitation and sampling of the underground workings, and diamond drilling from surface. Contingent on the success of the initial sampling, further underground or surface drilling should be considered. A magnetic survey should be conducted along the trend of the Caledonia deposit to evaluate the potential of extending the zone.


LEGEND
Mag Magnetite
Cpy Chalcopyrite
Ba Bornite
▲ Writer's rock sample
Mag
891031-1,2
Ba
Ba
Cpy
DDH 89-1
1735
1800
1600
1940
Blast hole
Cpy
Trench Ba
Cpy
Cu
Mag
1500
1400
N
GEOLOGICAL BRANCH
ASSESSMENT REPORT
19,417
PROFESSIONAL ENGINEER
PROVINCE
P. A. Christopher
BRITISH COLUMBIA
HISWAY RESOURCES CORP.
QUATSE LAKE PROPERTY
MINERALIZATION
N.T.S. 92L-12E
NANAIMO M.D., B.C.
0 100 200 METRES
P.A. CHRISTOPHER & ASSOCIATES INC.
SCALE AS SHOWN
NOV. 1989
FIGURE 5

CHONG

Further trenching and drill should be considered for the Hill 140 and Hill 160 occurrences to evaluate the extent of the high grade copper mineralization.

CONCLUSIONS AND RECOMMENDATIONS

The Quatse Lake Property of Hisway Resources Corp. contains a large area of Vancouver Group rocks with excellent potential for high grade, precious metal enhanced, copper-lead-zinc skarn deposits and bulk tonnage copper deposits of the Island Copper type.

Previous work requires confirmation by further underground sampling and surface diamond drilling of the Caledonia Deposit. Further geophysical surveys are recommended to evaluate projections of the Caledonia Deposit. Trenching and drilling is recommended for further testing of the Hill 160 and Hill 140 copper occurrences.

Geochemical prospecting is recommended for the southeastern area of the claim block which is underlain by Bonanza volcanics. Prospectors should visit Island Copper to become familiar with the pyrophyllite-dumortierite alteration which typify porphyry deposits in the area.

A success contingent, staged exploration program is outlined by the writer for further evaluation of the mineral potential of the Quatse Lake Property. A recommended Stage 1 program of data compilation, road and underground workings rehabilitation, grid establishment and diamond drilling is estimated to cost $ 200,000. Further Stage 2 diamond drilling is contingent on the success of Stage 1 and is estimated to cost $300,000.

CORE STORED IN RACKS ON NAHWITTI CLAIMS

COST ESTIMATES

STAGE 1. GEOCHEMICAL, GEOPHYSICAL, SAMPPLING, ACCESS, DIAMOND DRILLING

Project Preparation & Mobilization	$ 5,000
Road Construction & Reclamation	25,000
Grid Preparation	5,000
Field Supervision & Logging	15,000
Field Assistance	10,000
Transportation & Accommodation	10,000
Geophysical Surveys	5,000
Diamond Drilling 600 meters @ $85/meter	51,000
Underground Rehabilitation & Sampling	30,000
Chemical Analyses	5,000
Consumables	4,000
Report Preparation and Engineering	10,000
Contingency	25,000
Stage 1 Total	$200,000

STAGE 2. DIAMOND DRILLING, ACCESS AND UNDERGROUND (CONTINGENT)

Project Preparation & Mobilization	$ 5,000
Road Construction & Reclamation	25,000
Field Supervision & Logging	20,000
Field Assistance	15,000
Transportation & Accommodation	15,000
Diamond Drilling 1,300 meters @ $80/meter	104,000
Underground Extensions	50,000
Chemical Analyses	10,000
Consumables	10,000
Report Preparation and Engineering	16,000
Contingency	30,000
Stage 2 Total	$300,000

Peter A. Christopher, Ph.D., P.Eng.
November 26, 1980

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA

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CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.

3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.

4) I have been practising my profession as a Geologist for over 20 years.

5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Hisway Resources Corp. or a related company.

6) I have based this report on a 1989 field program conducted by Hisway Resouyrces Corp., on a field examination of the property and drill core on October 31 and November 1, 1989, a review of available geological data on the area, and a review of company exploration reports.

7) I consent to the use of this report by Hisway Resources Corp. in any Filing Statement, Statement of Material Facts or for assessment work.

PETER A. CHRISTOPHER, PH.D., P.ENG.
NOVEMBER 26, 1989

Peter Christopher & Associates Inc.
GEOLOGICAL & EXPLORATION SERVICES
3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

November 26, 1989

Hisway Resources Corp.
827 Fort Street
Victoria, B.C. V8W 1H6

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my name and my report dated November 26, 1989 on the Quatse Lake Property, Nanaimo Mining District, British Columbia in any Filing Statement, Statement of Material Facts, or support document by Hisway Resources Corp.

DATED at Vancouver, British Columbia, this 26th day of November, 1989.

Peter A. Christopher Ph.D., P.Eng.

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA

APPENDIX A

CERTIFICATES OF ANALYSIS

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: NOV 7 1989 **DATE REPORT MAILED:** Nov 9/89 **SIGNED BY.** C. Leong .D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

Peter A. Christopher PROJECT HISWAY #2 File # 89-4665

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
H 89111 #1	16	99999✓	1426	32889✓	299.7✓	9	98	4770	5.47	15685✓	5	ND	5	29	296	2	534	7	.50	.001	2	1	1.36	1	.01	2	1.23	.01	.01	1	390
HILL 160 2M CHIP B.S.	2	28632✓	7	259	10.6	57	28	759	5.03	48	5	ND	1	17	2	2	2	181	.69	.033	2	71	2.61	1	.38	2	2.72	.02	.01	1	50
160 HILL B.S. SELECT	3	23661✓	6	97	8.0	15	3	131	1.12	23	5	ND	1	35	1	2	2	141	.69	.007	2	18	.16	2	.18	3	.40	.01	.01	1	24

✓ ASSAY RECOMMENDED (In Progress).

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: NOV 15 1989
DATE REPORT MAILED: Nov. 22/89

ASSAY CERTIFICATE

- SAMPLE TYPE: ROCK PULP

SIGNED BY..... D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

Peter A. Christopher PROJECT HISWAY #2 FILE # 89-4665R

SAMPLE#	Cu %	Zn %	Ag OZ/T	As %
H 89111 #1	25.42	4.27	77.33	1.84
HILL 160 2M CHIP B.S.	2.81	-	-	-
160 HILL B.S. SELECT	2.46	-	-	-

Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 BROOKSBANK AVE. NORTH VANCOUVER,
BRITISH COLUMBIA, CANADA V7J-2C1

PHONE (604) 984-0221

To: HISWAY RESOURCES CORPORATION

827 FORT ST.
VICTORIA, BC
V8W 1H6

Project : HPH/QUATSE
Comments:

Date : 24-NOV-89
Invoice # : I-8930322
P.O. # :

CERTIFICATE OF ANALYSIS A8930322

SAMPLE DESCRIPTION	PREP CODE		Au oz/T	WO3 NAA %	Ag ppm	Co ppm	Cu ppm	Fe %	Mn ppm	Mo ppm	Ni ppm	Pb ppm	Zn ppm		
149964 H	208	298	< 0.002	——	< 0.5	34	5950	7.98	1770	< 1	6	15	930	DORLON	89-1 (184-188)
149966 H	208	298	< 0.002	——	< 0.5	15	268	6.54	410	< 1	33	< 5	40	QUATSE	89-1 346/6-349/6
149967 H	208	298	< 0.002	——	< 0.5	25	272	5.48	360	< 1	38	< 5	34	QUATSE	89-1 339/0-346/6
149968 H	208	298	0.002	——	2.0	17	3600	3.68	285	< 1	29	< 5	26	QUATSE	89-1 349/6-352/6
149970 H	208	298	< 0.002	——	2.5	16	>10000	3.62	265	< 1	30	< 5	94	QUATSE	Blast Hole Hill 140
149971 H	208	--	——	delay	——	——	——	——	——	——	——	——	——	(HPH -	Scheelite)
149972 H	208	298	< 0.002	——	< 0.5	21	931	5.66	510	< 1	49	20	86	QUATSE	89-1 380/0-387/5
149973 H	208	298	< 0.002	——	6.5	14	427	5.21	435	< 1	30	795	2240	QUATSE	89-1 387/5-394/0

APPENDIX B

CORE LOGS DDH Q89-1

DRILL HOLE EVALUATION SUMMARY

Company Kisway Resources Corp. Property Caledonia (Quatse Lk. Property) Tom Claim Section No. 1/6 Hole No. DDH 89-1

Started Oct 18/89	Bearing	Lat.	Collar El.	Logged by PAC	Oct. 31/89
Completed Nov. 2/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller Neil's Mining	Length 501'5"	Location	Level	AW Core	

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	Ft.	%	DESCRIPTION	Sample No.	Interval	ASSAY Cu	Mo		
0	5'		4'9"	95	Coarse Basalt FR @ 45°/c Rusty or Pyritic Zone - carb-py TR CPY						
5'	9'6"		4'	87	Amygd. Basalt 12'-47': with epidote						
9'6"	14'6"		4'10"	96	7'8"-8'6": 7-10% py mainly @ 35°/c;						
14'6"	24'3"	@24'3" Box 2	9'5"	97	@14': 10 cm. 1% CPY + 1% PY: Veinlets ep + mag + chl. 19': 2 cm Qtz - EP - FELD. - HEM. - PY - CPY						
24'3"	32'6"		0'3"	100	18'3": 3 cm EP - FELD - Qtz - PY @ 30°/c.						
32'6"	34'		1'2"	78	22'8": 3 cm EP - PY - CPY @ 70°/c; 31': 3 cm EP + CPY	#149965	32'6"-34'				
34'	37'10"		3'6"	85	Less mag. @ 41'						
37'10"	46'8"		8'6"	96	32'6"-34': TR CPY, FR PY + ASPY(?) 45°/c						
46'8"	47'	@47' Box 3	3"	75	24'-59' FR Py @ 30-50°/c From 3 to 10/Ft.						
47'	50'		2'8"	95	47'4"-47'7": 2-3% CPY; 1-2% PY 30°/c; 58': 1mm PY		47'-58'6"	0.04	0.001		
50'	58'6"		8'0"	94	59'-60': 7 PY + calc veinlets @ 70-80°/c						
58'6"	66'6"		8'0"	100	68-69': Coarse Amygd						
66'6"	75'6"		8'2"	90	70-70'6": Qtz - EP @ 25°/c 1 cm.						
75'6"	80'0"		4'6"	100	80': mag - ep - chl. - cpy bleb 3 cm.						
80'0"	85'2"		4'8"	94	80-84': .5% Cpy. 84-86': Strongly magnetic						
85'2"	93'6"		8'3"	99	92-93': PY @ 45°/c several fractures.						
93'6"	95'0"		11"	60	93'6"-95": Strongly mag. EP + CPY.						
95'	104'9"		9'9"	100	112'6"-117': TR CPY 115'-117': 30-45°/c STRONG EP-PY-CPY						
104'9"	108'0"		2'10"	85	106-107': CPY + MAG + EP IN AMYGD.; 105-110': large amygd.						
108'	117'		8'4"	97							

DRILL HOLE EVALUATION SUMMARY

Company Hosway Resources Corp. Property Caledonia (Quatse Lk Property) Tom Claim Section No. 2/c Hole No. DDH 89-1

Started Oct. 18/89	Bearing	Lat.	Collar El.	Logged by PAC	Oct. 31/89
Completed Nov. 2/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller Reid's Mining	Length 501'5"	Location	Level	AW Core	

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	Ft.	%	DESCRIPTION	Sample No.	Interval	ASSAY Cu	Mo		
		@117' Box 6			@ 118' 1 cm. epidote altered @ 25°/c						
118'	127'1"		9'1"	100	Fractures @ 20-45°/c with minor qtz-carb						
127'1"	132		4'10"	98	Py concentrated in epidote rich zones (cp)						
132	141'11"	@140' Box 7	9'10"	99	@ 127'1" 0.5 cm qtz vein/et (Tr carb) 2-3%						
141'11"	149'		7'	99	133-134: strong epidote altered						
149'	155'2"		6'2"	100	150'6": 2 cm epidote alt @ 45°/c						
155'2"	165'	@162' Box 8	27'	92							
165'	174'8"		9'8"	100							
174'8	182'10"		7'	85	173-176 Strongly Magnetic >5% mag Py (also mag below)	Utah Assay	174'8"-181'	0.03	0.001		
182'10"	187		4'2"	100	180-187. Fn. Py 30-60°/c to 2 mm.						
		@187' Box 9			To 192': 1 cm epidote-quartz-zoisite/veinlets						
187	192		5'	100	1 mm QTZ-CARB ± py veinlets						
192	200'2"		98"	95	191': 1 cm qtz vein 85°/c 2-3% py						
202'2"	209'6"		9'4"	100	194'6" to 196'9": Red to Pink vesicles + ST. mag.						
		@209'6" Box 10			in strong epidote altered zone;						
					198': 1 mm Py @ 45°/c						
					196'9" to 209'6" 1-2 cm epidote						
					vesicle filling						

DRILL HOLE EVALUATION SUMMARY

Company Hemiway Resources Corp Property Tom Claims (Quatsa Property) Section No. 3/6 Hole No. Q 89-1

Started Oct 16/89	Bearing	Lat.	Collar El.	Logged by PAC Nov. 1/89	
Completed Nov 2/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller Neills Mining	Length 501'5"	Location	Level	AW Core - Hydrocarb:	

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	CORE RECOVERED Ft.	CORE RECOVERED %	DESCRIPTION	Sample No.	Interval	ASSAY
209'6"	219'10"	209'6" Box 10	9'6"	92	221-224'6" mag + cpy tr in Amygd. 226'-252: Coarse Amygdl. Basalt			
219'10"	226'7"		6'9"	100	209'6"-211'6": St >1% CPY FR + Py + mag + Ep + Qtz 25-45°/c			
226'7	231'6"	231' Box 11	4'11	100	227': Chl stkwk + 3 cm epidote - mag - Hem.			
231'6"	235'4"		3'4"	87%	228'6": 5cm stkwk epidote @ 45°/c			
					235'4": FR Py			
					229'6"-230'6": 25% Amygdl.; Ep + Qtz + Fe stain, 10%			
235'4"	239'3"		3'11"	100	231-239: FR with Py + mag. STRINGERS			
239'3"	241'10"		1'2"	45	239-241'6": Chl. broken (some Fault)			
241'10"	253'9"	253'9" Box 12	11'6"	96				
253'4"	260'11"		6'11"	97				
260'11"	264'2"		3'3"	100	262': mag stringers 253-253'8" Broken Py.			
264'2"	267'2"		2'11"	97	263'6": 3cm IEP @ 45°/c			
267'2"	270'3"		3'1"	97	267'6" 1cm mag + cpy + IEP + Qtz + Py.			
270'3"	278'2"	276'2" Box 13		98				

DRILL HOLE EVALUATION SUMMARY

Company Hiway Resources Corp. Property Tom Claim (Quatse Lake Property) Section No. 4/6 Hole No. QM-1

Started Oct. 16/89	Bearing	Lat.	Collar El.	Logged by PAC Oct 31/89	
Completed Nov 2/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller Neil's Mining	Length 501'5"	Location	Level	AW Core 1 3/8"	

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	Ft.	%	DESCRIPTION	Sample No.	Interval	ASSAY Cu ppm	Mo ppm		
					Freg. Basaltic or Andesitic						
					To 278'2" Broken with 1mm calc. vein. 25°; 1mm mag + Py.						
	278'2"	@276'2" Box 13			289'; 2cm mag + cpy epidote alt. 25°6"; ep + mag + calc						
278'2"	283'		4'10"	100	301-303, epidote alt + calc veinlets						
283'	287'1"		4'	98	292': 5cm x 2cm epidote + cpy vein with chlorite 287'5": minor cpy						
287'1"	294'9"		7'8"	100	289'5" Py + calc @ 45°/c 2mm; 289'6"; 4cm Py-CPY-EPI @ 45°/c	287-295	cpy frag 1.5%				
294'9"	303'1"	@297' Box 14	8'3"	99							
303'1"	307'5"		3'10"	85%	310': 3-4 cm calc + mag + chl @ 25°/c						
307'5"	314'11"		7'6"	100%	312';						
314'11"	320'4"	@317' Box 15	5'4"	91%	314'11"-318" Strong Epidote Altered; Broken + Sheared						
320'4"	323'11"		3'	94%							
323'11"	325'9"		1'	50%							
325'9"	332'5"		5'4"	87%	331'5"-332'5"; epidote alt. with <1% py.						
332'5"	339'4"	@335'6" Box 16	6'11"	100%	338'-339'4": sheared with calc coated fr		339-346/6	372	<1		
339'4"	340'10"		1'3"	80%							
340'10"	350'		9'2"	100%	341'6"; 1cm mag @ 25°/c 345'6"; Epidote + calc + chl + mag		346/6-349/6	268 ppm	<1		
350'	356'3"		6'0"	95%	350'-352' Strong epidote 1-2% cpy						
		@359'3" Box 17			353-354' Fault Breccia 356-357'						

DRILL HOLE EVALUATION SUMMARY

Company HISWAY RESOURCES CORP. Property TOM CLAIMS (QUATSE PROPERTY) Section No. 5/6 Hole No. Q89-1

Started Oct 18/89	Bearing	Lat.	Collar El.	Logged by PAE Oct. 31/89	
Completed Nov 2/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller Neil's Mining	Length 501'5"	Location	Level	AW Core	

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	Ft.	%	DESCRIPTION	Sample No.	Interval	ASSAY Cu ppm	Mo ppm	Ag ppm
					fg grained + finely mineralized basalt.					
356'3"	359'11"	@357'3" Box 7	3'6"	96	358-360: Fractured + Broken					
359'11"	367'6"		7'6"	98+	362: 2mm py + cpy @ 30°/c					
367'6"	373'		5'6"	100	372-376': Broken + gouge, pyrite, and kaol.					
373'	379'6"		6'	92	381-386: Pyrite fracture fillings; 383'6" broken + gouge					
379'6"	385'2"	@379'6" Box 12	4'+ 4'	76	385'2": recovered 1" mud.		380-387'6	931	<1	<0.5
385'2"	387'5"		2'	89						
387'5"	394'5"		6'	86	388':		387'6-399	427	<1	6.5
394'5	400'6"		5'1"	92%						
					396': 5cm @ 30°/c chloritic shear.					
~~399~~	400'6"	@399 Box 14	~~5'6"~~ 4'6"							
400'6	406'8"		5'6"	87%	404-410': several mag. stringers + blebs to 4cm					
406'8"	413'6"		6'	95	409-410': cracked Br ftg + calc. fracture 15%					
413'	421'6"		4'3"	50	413'-421'6": Strongly broken also 422-429'6"					
421'6"	427'5"	422'2" Box 22	4'10"	96	422'6": blebs mag. 425';					
427'5"	434'		6'2"	93	431' TRACE cPy. 432': Black mud filling					
434'	440'		5'8"	95	<.5cm 436 ST FR @ 30°/c					
440'	446'3"	@442' Box 11	2'2" 3'6"	90	436': TR cPy on FR @ 45°C; 435: FR Py+Py					

DRILL HOLE EVALUATION SUMMARY

Company HIGHWAY RESOURCES CORP. Property QUATSE PROPERTY Section No. 6/6 Hole No. Q89-1

Started OCT. 18TH/89	Bearing	Lat.	Collar El.	Logged by S. OAKLEY	
Completed NOV 2ND/89	Angle 90°	Dep.	Bottom El.	Remarks	
Driller NEILS MINING	Length 501'5"	Location	Level		

INTERVAL From	INTERVAL To	CORE RECOVERED Wt.	Ft.	%	DESCRIPTION	Sample No.	Interval	ASSAY
Box 22								
464/8	465/5		9"	100%	464/8 to 472/0 - Basaltic (pyroxene)			
465/5	473/2		7'3"	83%	w/ calcite fractures @ 30° to core			
473/2	478/0		4'10"	100%	472/0 to 493/0 - Basaltic (pyroxene)			
478/0	485/6		7'	93%	w/ vesicules of epidote & K-spar(?)			
					-also calcite blebs and hematite			
Box 23					in fractures w/calcite			
485/6	487/8"		2'2"	103%	493/0 - 501/5 - Basalt (pyroxene) w/			
487/8	497/5		4'6"	97%	calcite stringers @ 30° to core			
497/5	501/5		3'8"	92%	NOTABLE ITEMS:			
					473/6 - 6 cm epidote band 60° to core			
					476/6 - 10 cm " " w/chalcopyrite in fractures @ 60° to core			
					479/6 to 480/6 - fracture filling w/chalc & pyrite @ 30° & 60° to core			
					482/0 - fracture filling w/ pyrite @ 45° core in 5cm epidote band			
					496/6 - 497/6 - fracture filling w/ chalc & pyrite, very fine @ 30° to core			
					500/0 - 501/5 - finely filled fractures of chalc & pyrite @ 30° to core			
					-also bornite in amygdule @ 501/3			

APPENDIX C

COST STATEMENTS

Quatse Project Cost Summary - Sept. 15 to Nov. 5, 1989

A.	Diamond Drilling (Neill's Mining)		
	Equipment - Hydra Core Prospector 89 AW Lightwall		
	Costs -	300 feet @ $20/foot	6,000.00
		201.5 feet @ $24/foot	4,836.00
		60 feet Aluminum Drill Rod (Boyles)	919.02
		Fuel	230.86
			11,985.88
B.	Labour		
	R. Welch	27 days @ $125.00 per day	3,375.00
	S. Oakley	30 days @ $ 75.00 per day	2,250.00
	T. Knowles	11 days @ $125.00 per day	1,375.00
			7,000.00
C.	Food & Accomodation		
	Accomodation (Pioneer Inn - Port Hardy		1,044.68
	Food & Domestic Supplies		592.35
			1,637.03
D.	Supplies & Services		
	Fuel (Gas, Oil & Fluids)		683.02
	Equipment - Husqvarna chainsaw (Rental)		110.00
		Homelite Bladed Brushcutter (Purchase)	398.97
	Helicopter - Vancouver Island Helicopters		
		2.6 hours @ $650.75 per hour	1,691.95
	Misc. Parts, Tools, Maps & Repairs		472.53
	Telephone Charges		238.00
			3,594.47
	TOTAL COSTS (Sections A through D)		$ 24,237.38

* Assaying costs have yet to be received

Appendix C (Cost Statement cont.)

Invoice 1989-41 November 26, 1989

HISWAY RESOURCES CORP.
827 FORT STREET
VICTORIA, B.C. V8W 1H6

For: October 31 and November 1, 1989 Field Examination and Engineering on Quatse Lake Project.

Peter A. Christopher	Oct. 31; Nov. 1/89 @ $400/day		$ 800.00
Report Writing			1600.00
Binding, Copies, Word Processing			150.00
Drafting			100.00
Disbursements @ Cost +10%			
Airport Parking	Oct. 31-Nov1/89	$ 14.00	
Airfare		283.40	
Maps		6.92	
Phone		10.00	
Geochemical Analyses		71.75	
		$386.07 + 10%=	424.68
		Invoice Total	$ 3074.68
		Other Costs (Previous Pg.)	24237.38
		Total Program Costs	$27312.06

Peter A. Christopher, P.Eng.
November 26, 1989

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA