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DIAMOND DRILLING ASSESSMENT REPORT

HAGAS CLAIMS

NEAR HOUSTON, OMINCA MINING DIVISION

BRITISH COLUMBIA

Latitude: 54° 09'N

Longitude: 127° 01'W

N.T.S. 93-L-3E

for

PROGOLD RESOURCES LIMITED
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VANCOUVER, B.C.
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Vancouver, B.C.
30 December, 1989

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GEOLOGICAL BRANCH
ASSESSMENT REPORT

19,743

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HAGAS PROPERTY

SUMMARY

Progold Resources Limited hold the 95 metric unit Hagas claim group situated 32 kilometres south of Houston, B.C. in the Omenica Mining Division.

The claim group is underlain by Lower Jurassic Hazelton group volcanics and Eocene Buck Creek volcanics which have been intruded by an Eocene alkaline gabbro. The geology of the claim group thus closely resembles that on the nearby Equity Silver Mines property where silver-copper ore bodies have been mined since 1979. Pre-production reserves were quoted at 30.8 million tons, 3.4 oz/ton silver, 0.03 oz/ton Au.

A series of geochemical and geophysical surveys have been done on the Hagas property since 1970 in a search for an Equity Silver type ore body. Four short diamond drill hole were drilled in 1973 and 1977. Silver, copper values were encountered in pyrite in hole 77-1 and further copper, silver values were located in a quartz stringer uncovered by trenching. Tetrahedrite bearing float is apparently present on the southwestern part of the claim group.

During November/December, 1989, Progold Resources drilled four NQ diamond holes, totalling 955 m (3130 ft) to explore anomalies which had been located by an I.P. survey in 1987.

Two of the holes 1989-1 and 1989-3 drilled on the central (and strongest) I.P. anomaly intersected significant mineralization in altered volcanic rocks:

Hole	Depth	Assay
89-1	180.69 - 182.44 (1.75 m)	0.334% Cadmium, 0.857% Lead 0.982% Zinc
89-3	100.65 - 102.65 (2.00 m)	1.25 oz/ton silver, 1.23% Copper
	Includes 101.65 - 102.15 (0.5 m)	4.43 oz/ton silver, 3.78% Copper

CONCLUSIONS

1. The November/December, 1989 exploratory drilling by Progold successfully intersected copper, silver, lead, zinc and cadmium mineralization in altered Jurassic (Hazelton) volcanics.
2. The drilling has shown that the I.P. anomalies are caused by fracture filling mineralization and alteration. The four holes explored only a very limited part of the I.P. targets.

3. The metals present (copper, silver, lead, zinc, cadmium and arsenic), style of mineralization (veinlets and fractures), alteration and host rocks are all very similar to those occurring at the nearby Equity Silver Mines deposit. i.e. the drilling results indicate strongly that an Equity Silver type ore body could occur on the Hagas claims.
4. Drill Section Figure 8c shows that Aquitaine's Hole 77-1 should have intersected the same 2m zone intersected by 89-1 (assuming that location of 77-1 is correct). The various anomalous values encountered in 77-1 (see section on Economic Mineralization) were higher up the hole and correspond to various anomalous metal values seen in the upper part of 89-1. The main area of mineralization located by 89-1 is not noted in the 77-1 logs and may have been missed. (A re-examination of the last 20 m of 77-1 core is recommended).

RECOMMENDATIONS

As originally proposed in Sampson's 1987 Report a follow up program of diamond drilling is recommended.

Since the 1989 drilling program was successful and less extensive than originally proposed (955 m - 3130 ft of diamond drilling compared with the originally planned 2750 m - 9000 ft of rotary drilling), it is recommended that the Phase 2 diamond drilling program currently proposed should be expanded to 3600 m (12,000 ft). These holes would be 150 m to 300 m length drilled along strike, i.e. along the I.P. anomaly, at 100 m intervals parallel with holes 89-1, 3. Additional holes should be drilled from locations north west of holes 89-1, 3 to establish whether dip is to the north west and intersect the mineralization down dip.

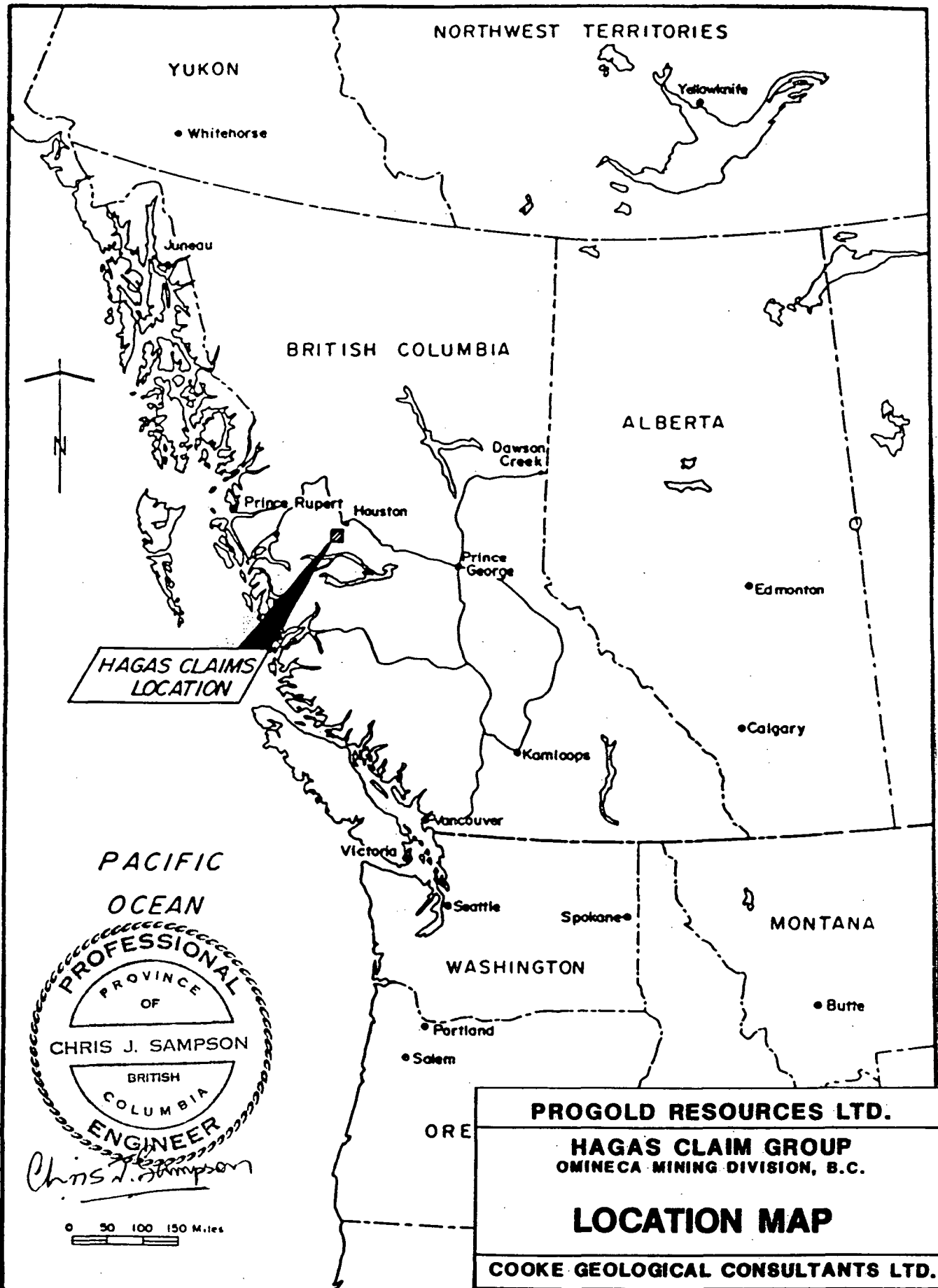
COST ESTIMATES	Cost
3600 m (12,000 ft) of NQ diamond drilling (15 - 20 holes) at \$66/m (\$20/ft)	\$240,000
Analyses and Assays (500 samples)	10,000
Field supervision: Geologist and assistant (40 days @ \$300/day)	12,000
Truck Rental, Freight, Field Supplies, Accommodation	8,000
Report Preparation, Etc.	5,000

	\$285,000

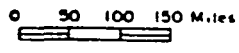
INTRODUCTION

This report describes results of diamond drilling, 24 November to 6 December, 1989, carried out by Progold Resources on their Hagas claims near Houston, B.C.

"Report on Geology, Geophysics and Exploration Potential, Hagas claims" 28 September, 1987 by Chris J. Sampson had recommended an initial program of rotary drilling



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Chris J. Sampson



PROGOLD RESOURCES LTD.		
HAGAS CLAIM GROUP OMINECA MINING DIVISION, B.C.		
LOCATION MAP		
COOKE GEOLOGICAL CONSULTANTS LTD.		
N.T.S. 93 L / 3E	SCALE: AS SHOWN	FIG.
DATE: DEC / 89	DRAWN: C.S./dw	1

followed by diamond drilling to explore the geophysical and geochemical targets on the property. Rotary drilling was originally proposed rather than diamond drilling from the initial program because the property is of low relief with a network of roads, i.e., accessible by rotary drilling equipment and because rotary drilling is usually less expensive per foot than diamond drilling. More of the I.P. targets could thus be explored for the same exploration budget.

It has since been shown, however, that in central B.C. rotary drilling has little price advantage over diamond drilling and provides significantly less data about the style of mineralization, alteration, etc. Progold therefore decided on an initial diamond drilling program.

The drill program was run by Les Demczuk who logged and sampled the core. Drilling contractor was J.T. Thomas of Smithers, who used NQ drilling equipment for each of the four holes.

Total footage was 955 m (3130 ft), from which 114 samples were split. Sample lengths were dependant on mineralogical and lithological boundaries and were taken over 0.5, 1.0 or 2.0 m lengths. All samples were analyzed for 8 elements (silver, arsenic, barium, cadmium, copper, lead, antimony and zinc) by I.C.P. and for gold by fire assay at Min En Laboratories, North Vancouver, B.C. Eleven of the most strongly mineralized samples were analyzed for 32 elements to establish whether other significant metals are present.

All the core from the 1989 drilling program has been stored at Min En Labs in Smithers, B.C.

Results of geophysical, geochemical and trenching programs (from Sampson, C.J. 1987) which were the targets of the 1989 drilling program are also included in this report.

PROPERTY, LOCATION, TOPOGRAPHY & CLIMATE

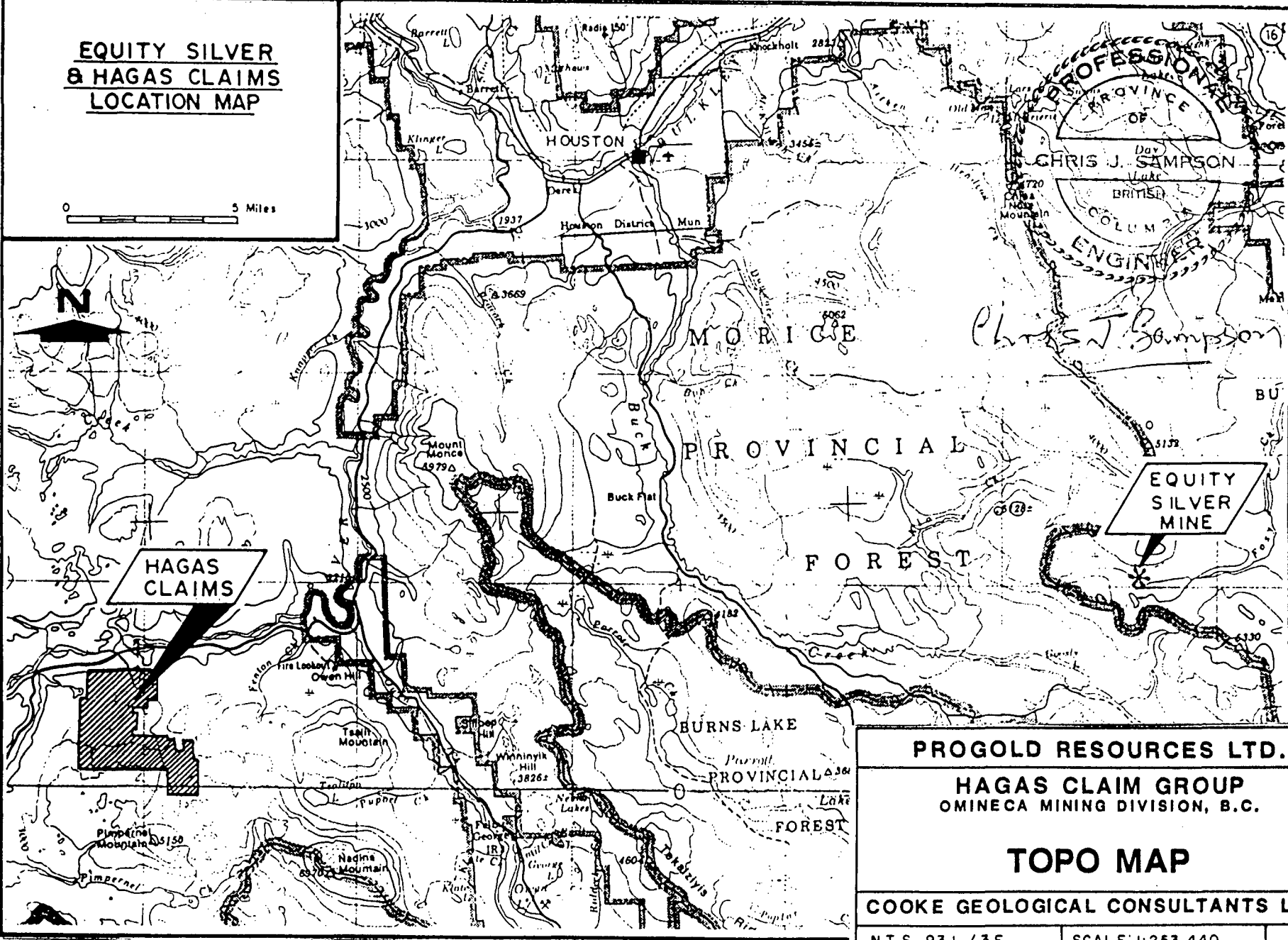
The Hagas Property which Progold Resources hold under option is located within the Omineca Mining Division in the central interior of British Columbia, approximately 32 km (20 miles) southwest of Houston, B.C. Geodetic coordinates are $54^{\circ} 09' N$ and $127^{\circ} 01' W$, N.T.S. 93-L-3E.

The property is easily accessible from Houston via the Morice River Road to Mile 26 (Km 41.6) and then via a good logging road for 3 kilometres. The Hagas Property is entered just beyond Frypan Lake. For much of the year a two wheel-drive vehicle can be used but during spring or winter, four wheel-drive may be necessary.

Topographically, the property consists of rounded hills and broad open valleys with one major flat swampy area in the centre of the claim group. Approximately 30% of the property has been logged off and the remainder is covered by moderate stands of mature spruce and fir. Relief is moderate and ranges from a low elevation of 830 m (2700 ft) ASL on the northern edge of the claim group to a high point of 1160 m (3800 ft) in the south-central part of the claims. Claim details are as follows:

**EQUITY SILVER
& HAGAS CLAIMS
LOCATION MAP**

0 5 Miles



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HAGAS CLAIM GROUP
OMINECA MINING DIVISION, B.C.

TOPO MAP

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N.T.S. 93 L / 3E

SCALE: 1:253,440

FIG.

DATE: DEC / 89

DRAWN: C.S./dw

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CLAIM DETAILS

Claim Name	Units	Record Number	Record Date	Expiry Date
Hagas 1	1	108688	17 Apr. 72	1990
Hag 2	(2Ex1S) 2	5548	13 Jul. 83	1990
Hagas 3	1	108690	17 Apr. 72	1990
Hagas 4	1	108691	17 Apr. 72	1990
Hagas 5	1	108692	17 Apr. 72	1990
Hagas 76	(2Ex2N) 4	507	22 Nov. 76	1990
Hagas 77	(1Sx4S) 4	564	14 Apr. 77	1990
Hagas 78	(6Sx3W) 18	7804	22 Aug. 86	1990
Hagas 79	(1Nx3W) 3	1161	12 May 78	1990
Hagas 80	(2Ex4N) 8	1162	12 May 78	1990
Hagas 81FR	1	1163	12 May 78	1990
Hagas 85	(3Ex6S) 18	2073	19 Oct. 79	1990
HEM	(4Ex3S) 12	826	26 Oct. 77	1990
Frost	(3Nx2W) 6	6735	17 Oct. 84	1990
Frost II	(3Nx5E) 15	8690	18 Aug. 87	1991

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95 units

HISTORY OF THE PROPERTY

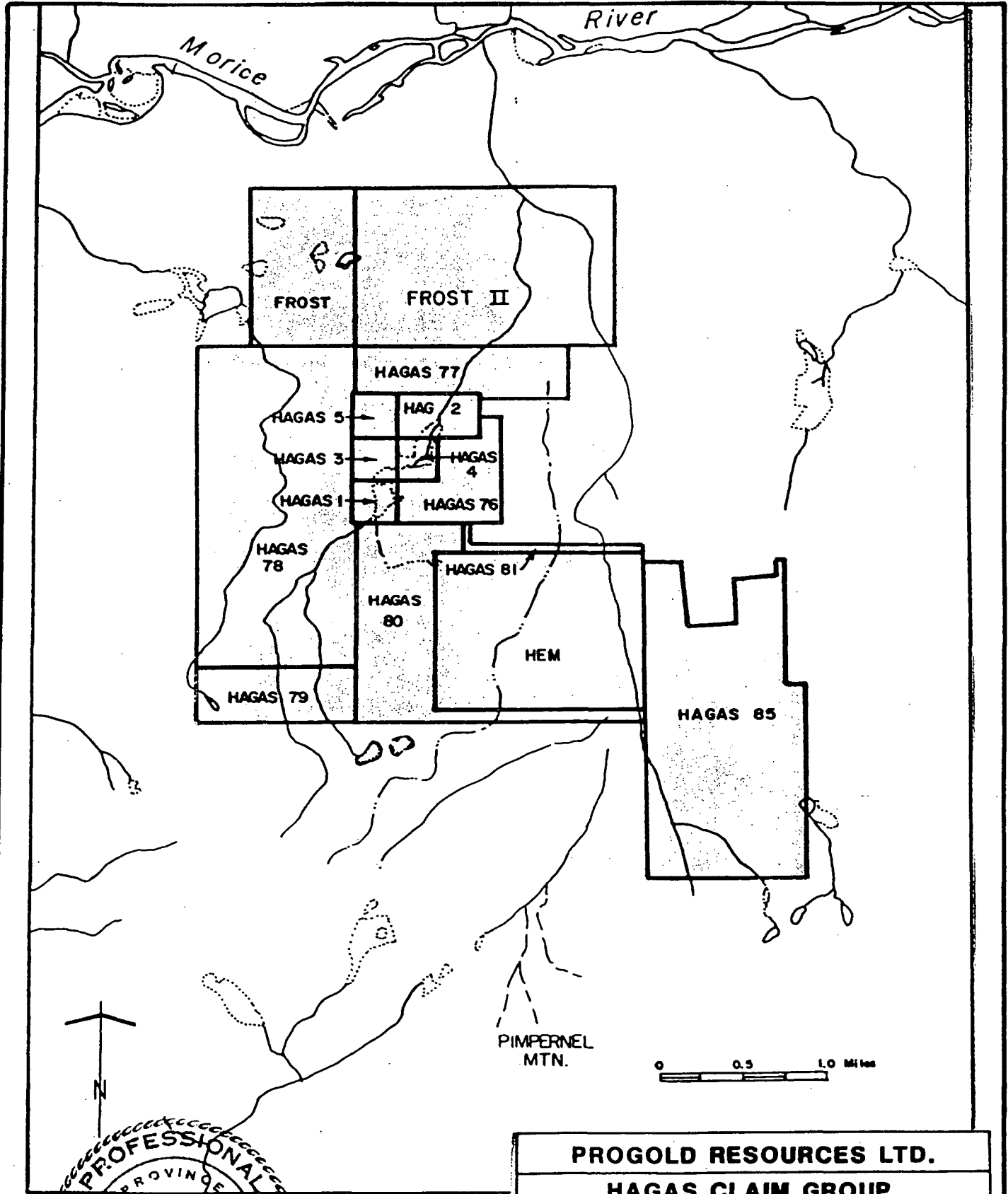
The area of the central interior plateau around Smithers and Houston was the subject of extensive porphyry-copper and molybdenum searches during the 1960's. The large regional programs carried out by major porphyry-copper producing companies, such as Anaconda and Kennecot, resulted in the discovery of several porphyry-copper-molybdenum deposits in the area south and southwest of Houston between Ootsa and Morice Lakes. It also resulted in discovery of a silver ore body near Sam Goosley Lake which was brought into production in 1979 as Equity Silver Mines.

Recognition of the size and grade of the Equity ore body in the early 1970's (pre-production reserves were quoted in 1979 at 30.8 M tons grading 3.4 oz/ton Ag, 0.03 oz/ton Au) led to extensive exploration activity in the general areas south and west of Houston. Exploration was particularly intense in those areas where gabbroic stocks cutting the Jurassic Hazelton volcanics were present.

In 1970 Anaconda conducted regional geochemical surveys in the general area of the Hagas claims and located arsenic, zinc and mercury anomalies along the swamp in the center of the claim group.

During 1971, Dr. B.N. Church of the B.C. Department of Mines mapped the area and described a 0.5 km diameter basic intrusive south of Morice River which is included in the Hagas claims. The stock was identified as being chemically similar to the Goosley basic intrusive.

In 1972, Perry, Knox, Kaufman & Associates optioned the ground from prospectors who had staked on the basis of Dr. Church's mapping. Field work by P.K.K. confirmed the earlier geochemical anomalies of arsenic-zinc, but mercury was not confirmed due to analytical difficulties. A Turam EM survey by Scintrex located a 1,000 metre strike length north-easterly trending, steeply dipping conductor.



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CLAIM MAP		
COOKE GEOLOGICAL CONSULTANTS LTD.		
N.T.S. 93 L/3E	SCALE: 1:50,000 approx.	FIG.
DATE: DEC / 89	DRAWN: C.S./dw	3

In 1973, two 90 m 60° dip diamond holes were drilled from locations on the east side of the swamp to test the conductor. The drilling failed to intersect conductive material.

By 1977, the Hagas property was held by Aquitaine Company of Canada Ltd. They re-interpreted the 1973 Turam results and recognized that the conductive body probably dips to the north-west and thus the 1973 drill holes by Perry Knox Kaufman had been drilled in the wrong direction. Aquitaine relogged the core and found that Hole 73-1 had intersected a highly altered zone with 1-2% sulphides in fractured, fine grained tuffs.

In March 1977, Aquitaine commissioned a Max-Min II survey on three 100 metre spaced NW-SE lines, running across the area of the original Turam conductor. This survey located a moderately conductive anomaly striking north-easterly and dipping to the north-west.

In October 1977, the Scintrex airborne HEM 801 system was flown across the property and Aquitaine also drilled the Turam conductor from the north-west. Hole 77-1 (154.6 m) intersected both massive and fracture filling pyrite with an aggregate thickness of 8 metres over a 31 metre core length. Several sections of the pyrite were assayed. The most significant intersection being 99-101 ft which assayed 0.36 oz/ton Ag, trace Au, 0.17% As and 0.005% Cu. Hole 77-2 (154.2 m) which was drilled on the eastern side of the property penetrated a conductor in overburden and encountered no mineralization. (See Figure 4B).

Aquitaine staked the HEM claim at this time to cover airborne geophysical anomalies south of the Hagas group. Kenting Surveys carried out a program of Max-Min II geophysics on three lines, 1000 SW, 1000 NE and 00 over the HEM claims. Aquitaine subsequently dropped their option on the Hagas ground but in May 1978 they staked the Fry & Pan claims west and north of the Hagas to cover airborne geophysical conductors indicated by the HEM 801, October 1977 survey. They carried out programs of soil geochemical sampling on these claims and in August 1978 Max-Min EM and magnetic surveys located a good deep seated conductor on the Fry claim.

In February 1979, Aquitaine drilled the Fry 79-1 (182.9 m) hole, which encountered a 6 metre wide fault zone which is possibly the explanation for the geophysical conductor. The drill hole intersected a few pyrite stringers. A sample of galena assayed trace gold, 0.66 oz/ton Ag, 0.005% Cu.

In 1979, the claim group was optioned by the Catre-Ben Joint Venture.

In April 1980, this group commissioned an Aerodat airborne EM survey over the claim group which was interpreted by Excalibur International Consultants who highlighted six conductors. These appear to be on trend to the south-west of the 1973 Turam anomaly and on the northern flank of the Gabbroic stock. In August 1980, Max-Min and magnetometer surveys were done on the property by Peter E. Walcott and Associates in order to evaluate the six conductors located by the airborne Aerodat EM survey. Walcott suggested that some of the conductors located by the airborne geophysics were due to conductive material in the glacial overburden. In addition, the Catre-Ben Joint Venture commissioned Holt Engineering to carry out programs of geochemical sampling and reconnaissance geological mapping plus trenching during the summer of 1980.

This program located one quartz stringer in outcrop from which a sample assayed 2.03% Cu, 0.12 oz/ton Ag and 0.002 oz/ton Au. The trenches encountered strong chlorite, epidote alteration, but mineralization was generally rare to absent. Geochemical soil

sampling located zinc and copper anomalies but other than the limited trenching program the Catre-Ben Joint Venture did not follow up the programs of geophysics and geochemistry.

In July 1983 part of the claim group was re-staked by Zastavnikovich as the Hag 2 claims. He conducted programs of geochemical stream sediment sampling and sporadic outcrop rock chip sampling. These were analyzed for gold, silver, lead, zinc, arsenic, and antimony.

By 1984, the property was controlled by Petrostone Resources who collected 167 heavy mineral soil samples, 144 regular geochemical soil samples and 20 rock samples. Their work apparently located coincident, multi-element geochemical anomalies in the B & C soil horizons and indicated good correlation of C horizon anomalies with known EM conductors and drill hole rock anomalies.

In January 1985, M. Vulimiri summarized the history of exploration results on the property and recommended extensions of geochemical work, further airborne geophysics and diamond drilling. Also during that year, Zastavnikovich, on behalf of Petrostone Resources collected 20 further geochemical soil samples as follow up on gold anomalies located by previous surveys. Heavy mineral analysis of 47 core samples from drill hole 77-1 indicated that the intermediate volcanics in the upper part of the hole are highly enriched with respect to arsenic, mercury, zinc and manganese.

In June 1986, Zastavnikovich carried out programs of geochemical soil sampling on the Hag 2 claim.

In August 1986, a further 120 soil samples were collected and analyzed by heavy mineral separation techniques. Anomalous values correlated well with known EM conductors and fault structures.

In summer 1987, Cooke Geological cut a north-east/south-west trending baseline across the central part of the Hagas claim group and ran NW/SE 100 metre spaced lines. Pacific Geophysical carried out an Induced Polarization survey across this grid. In addition, a program of backhoe trenching was done partly on previously located geochemical targets and also on those areas where previous prospecting had indicated presence of mineralization, such as the quartz stringer originally sampled by Holt Engineering.

REGIONAL GEOLOGY

The Smithers-Houston area of central B.C. is situated in the central interior plateau, physiographic division of the Cordillera. The region consists predominantly of rolling country, showing gentle to moderate relief with low rounded hills interspersed by flat bottomed valleys which are generally filled with variable thicknesses of glacial debris. Outcrop is generally scarce and can be misleading as the softer, more recessive units are sometimes completely unrepresented in outcrop.

The geology of the area is shown on Geological Survey of Canada Map 971A (Smithers-Ft. St. James) and Geological Survey Open File, Smithers, B.C. 351. The geology of the area immediately east of the Hagas claims which contains the Equity Silver and the Silver Queen deposits near Owen Lake is shown on the B.C.D.M. Preliminary Map No. 11 by B.N. Church, May 1973. The oldest rocks in the region forming what may be referred to as the basement belonging to the Lower to Middle Jurassic Hazelton group

which in turn is subdivided into the Sinemurian and lower Pliensbachian Telkwa formation which consists of variagated red, maroon, grey-green breccias, tuffs and flows of basaltic to andesitic composition. This in turn is overlain by middle Toarcian Nilkitkwa formation which consists mostly of red to brick red fine grained tuffs and breccias. This is in turn overlain by the upper Nilkitkwa formation consisting of dark grey shale and andesitic to rhyolitic tuff and minor greywacke and these are in turn overlain by the upper part of the Hazelton group which is the Smithers formation of lower Bajocian to lower Callovian age and consists of grey-brown to greenish grey or grey greywackes, sandstone, siltstone, shale, tuff, glauconitic sandstone and minor conglomerate. The Hazelton has been extensively faulted. The major block faults strike NW-SE.

The Hazelton group, which is mostly volcanic, is considered to be of middle to lower Jurassic age and is in turn overlain by the Middle and Upper Jurassic mostly sedimentary Bowser Lake group, by the volcanic and sedimentary lower Cretaceous Skeena group and the later Tertiary volcanic Endako and Ootsa Lake groups.

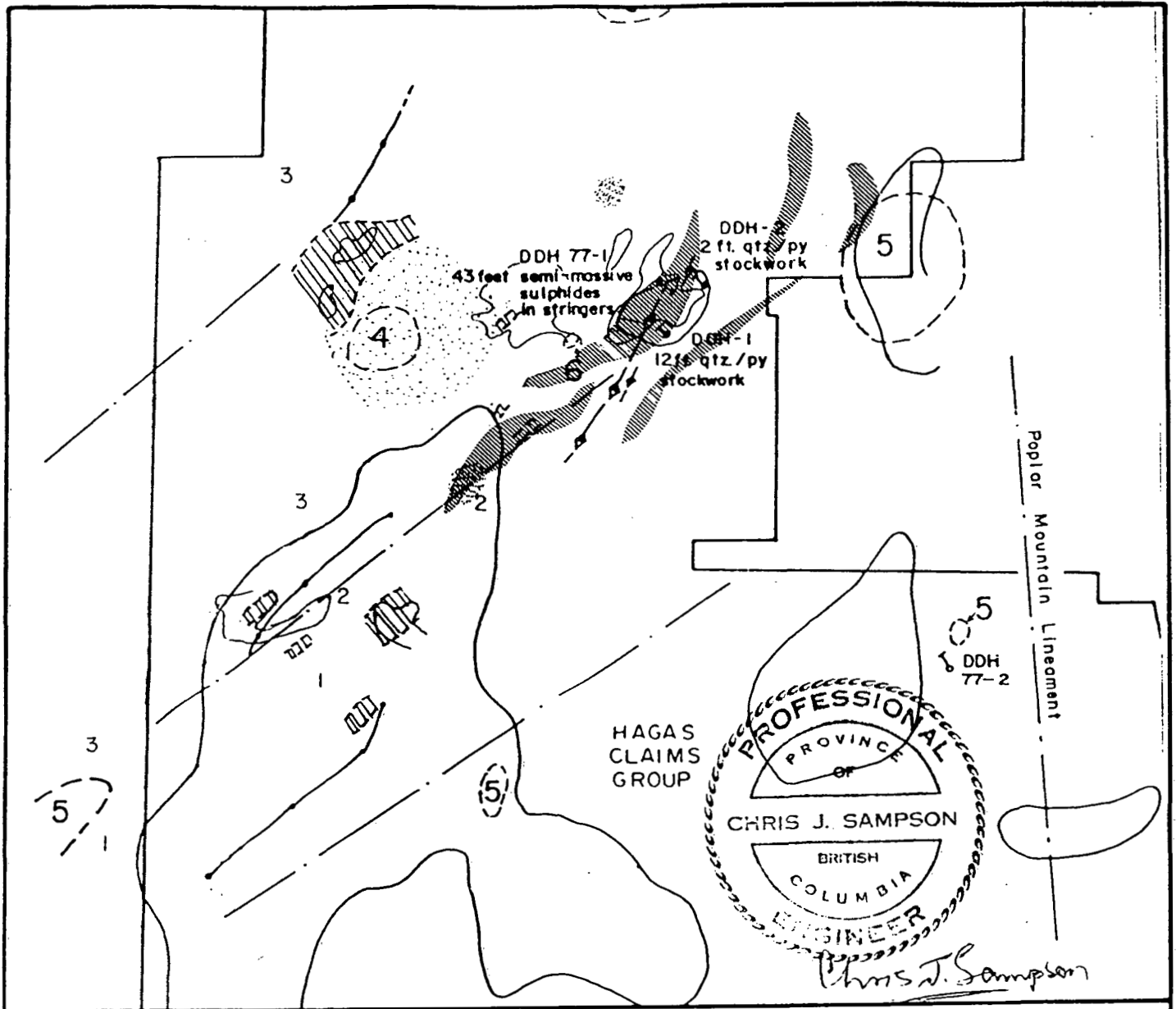
Unfortunately in outcrop the Tertiary volcanics can be easily confused with some of the Jurassic units making field mapping difficult. The early Jurassic Topley intrusions cut the lower part of the Hazelton group and a variety of intermediate to acidic plutons of late Cretaceous to Eocene age intrude most older units throughout the area.

Structurally, the area is dominated by a multitude of steep normal faults. Few contacts between map units are unfaulted and these are mainly intrusive or contacts between younger map units. Folding is common only in a few sedimentary units and is spacially and genetically related to the Eocene thrust faults.

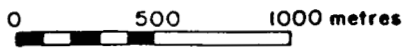
In the Goosley Lake area, shown on Church's BCDM Preliminary Map 11, a series of lower Jurassic acid to intermediate lavas and pyroclastics is overlain unconformably by flat lying Eocene volcanic rocks of the Goosley Lake and Buck Creek formations. The Goosley Lake volcanics consists mainly of biotite-pyroxene-plagioclase trachy andesite lavas and thick sills or flows. The Buck Creek volcanics are predominantly flows, mostly aphanitic andesites, some dacites and basalts. The assemblage has been intruded by syeno-monzonite alkalic gabbro stocks referred to as the Parrott Lake and Goosley Lake intrusions. These are of Eocene age and are probable coeval with the volcanics.

PROPERTY GEOLOGY

Rock outcrop is generally scarce in the central and northern part of the property but is more abundant at higher elevations to the south and west. Mostly overburden consists of dense glacial till containing up to 15% rounded boulders. Although the till is extensive, it is often shallow because in many cases logging road construction has exposed bedrock. The oldest rocks exposed on the property are the lower Jurassic Hazelton group which underlies most of the central and northern part of the property and is mostly volcanics. H. Salat of Aquitaine divided them into two successive volcanic assemblages. At the base, a series of green andesite breccias and pyroclastics, outcrop over the entire southwestern corner of the claim group and these show a strong pervasive epidotization associated with chlorite, calcite and quartz. Salat interpreted this as regional metamorphic alteration. The top of this unit is marked by dark green fragmental volcanic rocks interlayered with red brown argillite containing green flattened fragments, similar to volcanic material seen in the underlying flows.



- | | | | | | |
|------------------------|--|--------------------------------------|-------------------------------------|-----------------------------|-------------------|
| 6 Rhyolite Flow | | Airborne Geophysical Conductor | | Zn Anomalies | |
| 5 Buck Creek Volcanics | | Ground Turam Anomaly | | Inferred Geological Contact | |
| 4 Gabbroic Stock | | Airborne Magnetometer >58 000 gammas | | Diamond Drill Hole | |
| HAZELTON GROUP | 3 Coarse pyroclastics | 2 Altered andesite and dacite flows | 1 Maroon pyroclastics and andesites | | Airphoto Linear |
| | | | | | Property Boundary |
| | Alteration Zone: rusty qtz-carbonate-ankerite, minor malachite | | | | |
| | Epidote Alteration | | | | |
| | Anomalous IP Zone (Cooke, 1987) | | | | |



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PROPERTY GEOLOGY		
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N.T.S. 93 L / 3 E	SCALE: 1:28,393 approx.	FIG.
DATE: DEC / 89	DRAWN: C.S. / dw	4 a

Overlying this predominantly dark green volcanic breccia and pyroclastic assemblage are a series of bedded maroon and brown andesite flows, lapilli tuffs and andesitic pyroclastics which outcrop in nearly horizontal horizons in the northern part of the property. These units also show the same epidote alteration. Aquitaine interpreted these units as sub-aerially deposited and thin sections and other studies identified tephra, welded tuffs, hematized flow tops and numerous vesicles, etc. The underlying unit was interpreted as of a more subaqueous depositional nature.

Unconformably overlying the Hazelton group volcanics are a series of brown weathering aphanitic hornblende andesites of the Buck Creek Eocene volcanic group. These outcrop in the eastern and southern parts of the property and form conspicuous rounded knolls emerging from the generally flat lying landscape.

In the north-eastern part of the Hagas 78 claim a small gabbroic stock intrudes the Hazelton volcanics. It is composed of green coarse grained gabbro with well developed plagioclase laths and poikilitic augite. Several small dykes of very fine grained diorite cut through the property. These generally strike in an NW-SE direction. The gabbro intrusive is believed to be of Eocene age and of similar composition to that occurring at the Equity Silver Mine property.

ECONOMIC MINERALIZATION (LOCATED PRIOR TO 1989 DRILLING)

Due to the sparse distribution of outcrop economic mineralization has generally been rarely encountered. The pyritic units in Aquitaine's 77-1 drill hole did contain low values in silver, copper and arsenic. Assay values taken from Salats report are as follows:

Sample No.	Oz/ton Au	Oz/ton Ag	% Cu	% Pb	% Zn	% As
Hagas 41-48	Trace	.24	.01	Nil	.01	.09
Hagas 74-74.5	Trace	.24	.005	.02	.02	.06
Hagas 76	Trace	.14	.005	.04	.01	.05
Hagas 78-78.5	Trace	.28	.005	.02	.02	.18
Hagas 79.5	Trace	.04	.005	.02	.01	.03
Hagas 99-101	Trace	.36	.005	.02	.01	.17
Hagas 107-111	Trace	.34	.005	.02	.02	.74
Hagas 114-117	Trace	.10	NIL	.04	.04	.09
Hagas 136.5-137.8	Trace	.10	.02	.02	.04	.69
Hagas 142-143	Trace	Trace	.005	.02	.02	.51

Detailed mapping by Holt on behalf of Catre-Ben Joint Venture did encounter one minor occurrence of disseminated chalcopyrite and native copper in a quartz stringer in an andesitic flow at 32+50N, 22+20E on the Catre-Ben grid (shown in Figure 4B). Samples from the mineralized quartz stringer assayed:

	% Cu	Oz/ton Au	Oz/ton Ag
Sample 2404	1.98	0.002	0.09
Sample 2322	2.03	0.002	0.12

The stringer is up to 20 cms wide, strikes approximately east/west, dips 75°S and was exposed over a strike length of approximately 6 metres. The surrounding andesitic flow material shows strong epidote alteration.

Catre-Ben excavated 11 bulldozer trenches around the showing, 4 of which encountered bedrock. This consisted of grey-green andesitic flow showing strong epidotization and minor calcite and hematite similar to that seen in the discovery outcrop but with no associated mineralization.

Vulimiri (1985) mentions presence of sulphide mineralization in float in the south-western part of the claim group. These he identified as chalcopyrite and spalerite occurring as disseminations and stringers in andesitic flow material and tetrahedrite stringers occurring as veinlets within breccias in fine grained tuff. These occurrences remain as yet undocumented.

GEOPHYSICAL SURVEYS

During January, February 1973 Perry Knox Kaufman commissioned Scintrex Limited to carry out a program of Turam EM surveys over what is now held as the Hags 3, 4 & 5 and Hag 2 claims. A north-west/south-east trending 400 ft spaced line grid, was run over the area of the large swamp and the Turam survey located in areas where Perry Knox Kaufman had earlier located VLF EM conductors and geochemical soil anomalies which in turn had probably been indicated by earlier surveys by Anaconda. Although the Turam survey covered only 2.4 line miles, it did locate several anomalous electromagnetic responses which likely reflect moderately conducting, steeply dipping bedrock conductors. Scintrex recommended drilling two diamond drill holes to test the conductive bodies.

In March 1977, an Aquitaine geophysical crew carried out an Electromagnetic survey using a Max-Min II instrument over the area located by the original Scintrex Turam survey. Magnetometer surveys were also run. The Aquitaine crew ran three 100 m spaced NW-SE lines across the area of the Turam conductor. They had concluded "there was a good chance the previous owner of this property had drilled the anomaly from the wrong side. The effects of conductive overburden often makes conductors appear more vertical than they really are. Horizontal loop electromagnetic surveys generally give a good indication of dip", but as a result of the survey, they concluded "interpretation of the dip is not as easy as was hoped. There are conflicting indications of dip. However, all the evidence on hand is slightly in favour of a west dip". And in conclusion "this anomaly has now been studied with two geophysical methods both capable of good depth

penetration. Both surveys have indicated an anomaly of moderate conductivity which is yet to be explained by drilling. The next drill hole should be drilled from the west side of line 2N to intersect the anomaly 50 metres below the surface".

During September, October 1977 Aquitaine commissioned a Scintrex HEM 801 airborne electromagnetic and magnetometer survey over the claim group. As a result of the airborne survey, Aquitaine staked the HEM claims to the southeast of the Hagas group and carried out a program of Max-Min on three 1000 metre spaced NW-SE trending lines across the present Hagas 78, 79, 80 and HEM claims. The survey located several anomalies. One conductor was found to be located in overburden.

As a result of the airborne EM survey, Aquitaine had staked the Pan claims on the west side of the present Hagas 78 claim and Fry claim over what is now covered by Frost & Frost 2 claims. They conducted programs of Max-Min, EM, magnetometer and geochemical soil sampling of these two claim groups and located a good deep seated conductor on the Fry claim. This was subsequently drilled in February 1979 by a BQ size hole 183 m (600 ft) which intersected predominantly volcanic tuffs, rhyolite and andesite with some stringers of pyrite and iron-manganese oxides. The hole did encounter a 6 metre thick fault zone which is the probable explanation of the geophysical conductor. At 165.8 m (544 ft) specks of galena were noted. The various pyritic sections were split and assayed. These carried silver, copper and lead values:

Sample No.	Oz/ton Au	Oz/ton Ag	% Cu	% Pb	% Zn
Fry 79-1 42-44 ft	Trace	.38	.01	.06	.03
51-54 ft	Trace	.18	.005	.02	.01
239.5-240 ft	Trace	.44	.05	.02	.02
249-250 ft	Trace	.42	.005	.02	.01
273-274 ft	Trace	.66	.005	.04	.02
544 ft	Trace	.28	.005	.04	.01

In April 1980, as part of a regional airborne EM survey using the Aerodat helicopter mounted system, Equity Mines overflew the Hagas claim group. The airborne results were interpreted by John Bonniwell of Excalibur International Consultants. He highlighted six anomalies which trend NE-SW across the Hagas 78 claims (see Figure 4B). He particularly recommended anomaly 10A for ground follow up.

In August 1980 Peter E. Walcott & Associates carried out 42 kms of Max-Min and magnetometer surveys over the anomalies which had been located by the Aerodat survey. He concluded "Results of the EM work on the grid were very disappointing." The anomalous responses obtained, although numerous in quantity were poor in quality... All of the anomalies obtained generally strike across the grid lines and are of poor conductivity... They are in the writer's opinion due to conductive material within the glacial cover or to material of glacial origin."

In summer 1987, Cooke Geological contracted Pacific Geophysical Ltd. to carry out an I.P. and Resistivity Survey over an area 750 x 2400 m (Figure 4B). The following description was supplied by Paul Cartwright of Pacific Geophysical Ltd.

"I.P. effects are recorded as Percent Frequency Effects (P.F.E.) using frequencies of 4.0 and 0.25 hertz while apparent resistivity values are calculated in units of ohm-metres, at the 4.0 hertz frequency. A Phoenix Model IPV-1 receiver unit together with a Phoenix Model IPT-1 transmitter and a Phoenix Model M6-2 motor-generator were used to make the measurements. Dipole-dipole array was employed exclusively, using a basic interelectrode distance of 50 metres. Line 3100 N was also evaluated utilizing 100 meter, 75 metre and 25 metre interelectrode spacing, in addition to the 50 metre coverage. Four separations are recorded in all cases.

Field work commenced on August 14, 1987 and was completed on September 8, 1987.

Five zones of anomalous I.P. effects are interpreted in the data, and are illustrated on Figure 5, and Figure 6, plan maps of the contoured N=1 I.P. effects and resistivity values respectively. The I.P. anomalies shown, are, however, derived using all available data, that is, N=1 through N=4.

I.P. Zone 1 has been drilled previously, with encouraging intersections of massive to semi-massive mineralization being reported. Therefore, it is recommended that additional drilling be carried out to test the source of I.P. Zone 1 along strike from the area of earlier drilling. A first priority diamond drill hole located on Line 3400N so as to pass approximately 50 metres beneath Station 875E is recommended to better evaluate the northern part of the zone. The southwestern extent of Zone 1 could best be tested by a second priority diamond drill hole collared in the vicinity of Line 2500 E, Station 925 E, and drilled -45° northwest for a distance of 125 metres.

Diamond drilling should also be considered to test the source of I.P. Zone 2, with a hole collared near Line 2500 N, Station 1050 E, and drilled at -45° northwest for a distance of approximately 125 metres, on a second priority basis.

The southwestern end of I.P. Zone 2 should also be drilled as a third priority target, by a drill hole situated so as to pass approximately 50 metres beneath Line 1900 N, Station 910 E.

Drill testing of I.P. Zones 3, 4 & 5 should await the results of drilling carried out to evaluate the causative sources of I.P. Zone 1, and I.P. Zone 2."

GEOCHEMICAL SAMPLING RESULTS

As a result of geochemical surveys Anaconda located arsenic, zinc and mercury geochemical soil anomalies along the swamp across the central part of the Hagas claim. In 1972, Perry Knox Kaufman reconfirmed arsenic and zinc geochemical anomalies. Although Aquitaine did not carry out programs of geochemical soil sampling over the Hagas claim group itself, they did collect B horizon soil samples from the Pan & Fry claims. These were analyzed for copper, lead, zinc and silver. Probably due to thick glacial overburden no significant anomalies were detected by this work.

In the summer of 1980 the Catre-Ben Joint Venture collected 287 B horizon soil samples at 100 metre intervals across their survey grid. These were analyzed for copper, lead

and zinc. They detected one weak zinc anomaly but copper values were generally too scattered to indicate anomalies.

In 1984 on behalf of Petrostone Resources, Zastavnikovich collected 167 heavy mineral separated soil samples and another 144 soil samples which were analyzed for copper, silver, lead, zinc, cadmium, arsenic, antimony, mercury, barium and gold. It was concluded that good correlations were obtained from heavy mineral samples from the C horizon with the known EM conductors. Some coincident multi-element anomalies were detected in both B and C horizons. Subsequent geochemical surveys by Petrostone in 1985 and 1986 concentrated on following up gold anomalies which had been located by the 1984 work. In particular 1986 surveys collected 120, 2 kgs soil samples of the B & C horizons. The -40 to +80 mesh and the -80 mesh sizes from the large soil samples were processed by heavy liquid separation at Min En Laboratories, North Vancouver. Both of the heavy mineral fractions as well as the standard -80 mesh fractions were analyzed for 31 trace and minor elements by I.C.P. plus mercury, total barium and geochemical fire gold. The I.C.P. multi-element analytical results indicated a high degree of correlation among all three size fractions at clearly anomalous sites but less uniformity at sites with subtle element enrichment. It was concluded that the total -80 mesh fraction is adequate for I.C.P. trace element analyses but prior to geochemical analyses for gold, preconcentration methods such as heavy mineral separation are warranted. It was felt that there was good correlation between the I.C.P. analyzed trace elements and gold analysis in heavy minerals with the known EM conductors and fault structures on the property, indicating that comprehensive soil sampling surveys are a valid exploration method in the claim area.

TRENCHING RESULTS

During August 1987, Cooke Geological Consultants Ltd. excavated 7 trenches on the Hagas claims (Figure 4B). These were sited on geochemical anomalies and other targets from previous work programs. Trenches 1 and 7 exposed bedrock. 5 m chip samples were collected from Trench 1 along a pronounced alteration zone. Analytical results are shown in Appendix A. Some elevated arsenic values were encountered.

Trench 7 was excavated on the site of an old trench by Catre-Ben Joint Venture where sampling of a 20 cm wide quartz stringer in altered volcanics containing epidote, calcite and hematite, had assayed 1.98% Cu, 0.002 oz/ton Au, 0.09 oz/ton Ag, and 2.03% Cu, 0.002 oz/ton Au, and 0.12 oz/ton Ag.

Two grab samples taken by Cooke Geological from Trench 7 showed strong copper values at 7461 ppm and 2143 ppm. 10 m chip samples along the alteration zone showed only moderate copper and silver values.

1989 DIAMOND DRILLING RESULTS

A synopsis of the results obtained from each hole is as follows:

DDH 89-1

Grid Coordinates: 3100 N/850 E	Depth:	305.00	m	(1000	ft)
Dip: 50°	Casing:	4.56	m	(15	ft)
Azimuth: 135°					

The target for this hole was a sulphide mineralized breccia zone coincident with a very strong I.P. and Turam anomaly (Figures 4b, 5, 6). Four main rock types were recognized in this hole. The top (4.56-55.60 m) is a series of interbedded fine grained tuffs and massive flows of dacitic and rhyodacitic composition. These are strongly fractured, sheared and occasionally brecciated. Epidote, calcite and quartz veins commonly fill fractures and occasionally crosscut this unit. Disseminated pyrite is common throughout the section, especially strong pyrite mineralization up to 5% was recorded in the core from 30.0 to 50.85 m. The middle and lower portion of the hole consists of a series of interbedded intermediate porphyritic volcanic (andesite) and fine grained tuffs. These contain recrystallized pyrite associated with minor shear planes. All this unit has been weakly silicified, propylitically altered and occasionally brecciated. Crystalline rhyolite flow is present from 231.60 to 246.05 metres and has been cut by several quartz-carbonate veins containing minor pyrite and galena. A well mineralized zone extends from 180.69 to 182.44 metres and averages .334% cadmium, .857 % lead and .982% zinc. This is hosted by andesite flow and breccia. The sulphides, which range up to 5%, are pyrite, galena, hemimorphite and some sphalerite. Fifty samples were collected for analysis. Most of the high base metal and cadmium values were recorded in the core from 175.65 m to 187.92 m. Other metal values except arsenic were below anomalous levels. (Drill hole section Figure 8c)

DDH 89-2

Grid coordinates: 3900 N / 860 E

Dip: 50°

Azimuth: 135°

Depth: 193.15 (630')

Casing: 57.15 m (175')

This hole was designed to test the north-east end of I.P. anomaly 5. The upper part of the hole consists of interbedded sequences of mudstone, sandstone and conglomerate. These are highly chlorite and sericite altered and sulphide poor. Below this unit from 113.10 m is massive dacite flow occasionally brecciated and also sulphide poor. Due to caving this hole was abandoned at 195.50 m. Only three split core samples were taken. These returned no anomalous metals values. (Drill hole section Figure 8d)

DDH 89-3

Grid Coordinates: 3010 N/840 E

Dip: 50°

Azimuth: 135°

Depth: 289.75 m (950')

Casing: 6.10 m (19')

This hole was collared approximately 100 m west of hole 89-1 and was designed to investigate a possible extension of the mineralized zone intersected in 89-1 and coincident I.P. and Turam anomalies. Lithologically this hole is similar to diamond drill hole 89-1 and consists mostly of massive, silicified sequences of porphyritic andesite and interbedded tuffaceous banded volcanic units occasionally strongly brecciated. Pyrite mineralization is present throughout the whole section but the best mineralization zone extends from 100.65 to 102.65 m and consists of pyrite, tetrahedrite, chalcopyrite, and argentite. Native copper was noted at 107.00 m, 193.20 and 259.56 m and disseminated chalcopyrite mostly from 245.00 to the bottom of the hole.

Fifty one samples were collected. One anomalous gold assay was obtained (.006 oz/ton). Anomalous silver values exceeding 1.9 ppm were recorded in thirteen samples, the

highest value, 4.43 oz/ton Ag, was recorded in sample 35079 (.5 m wide), which was also strongly anomalous in copper 3.780 % and gold .006 oz/ton. This high grade section is part of a 2 m wide intersection (100.65 - 102.65 m) which assays 1.23 % copper and 1.25 oz/ton silver. Anomalous copper values exceeding 300 ppm were recorded in seventeen samples. Arsenic values in general were strongly anomalous. Lead, zinc, cadmium and antimony values are relatively low (Drill hole section, 8b).

DDH 89-4

Grid coordinates: 1875 N/850 E

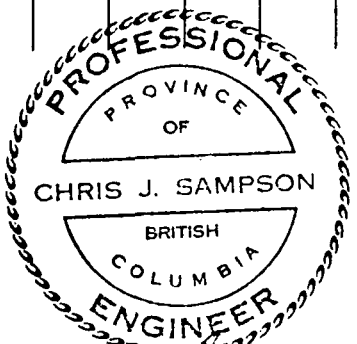
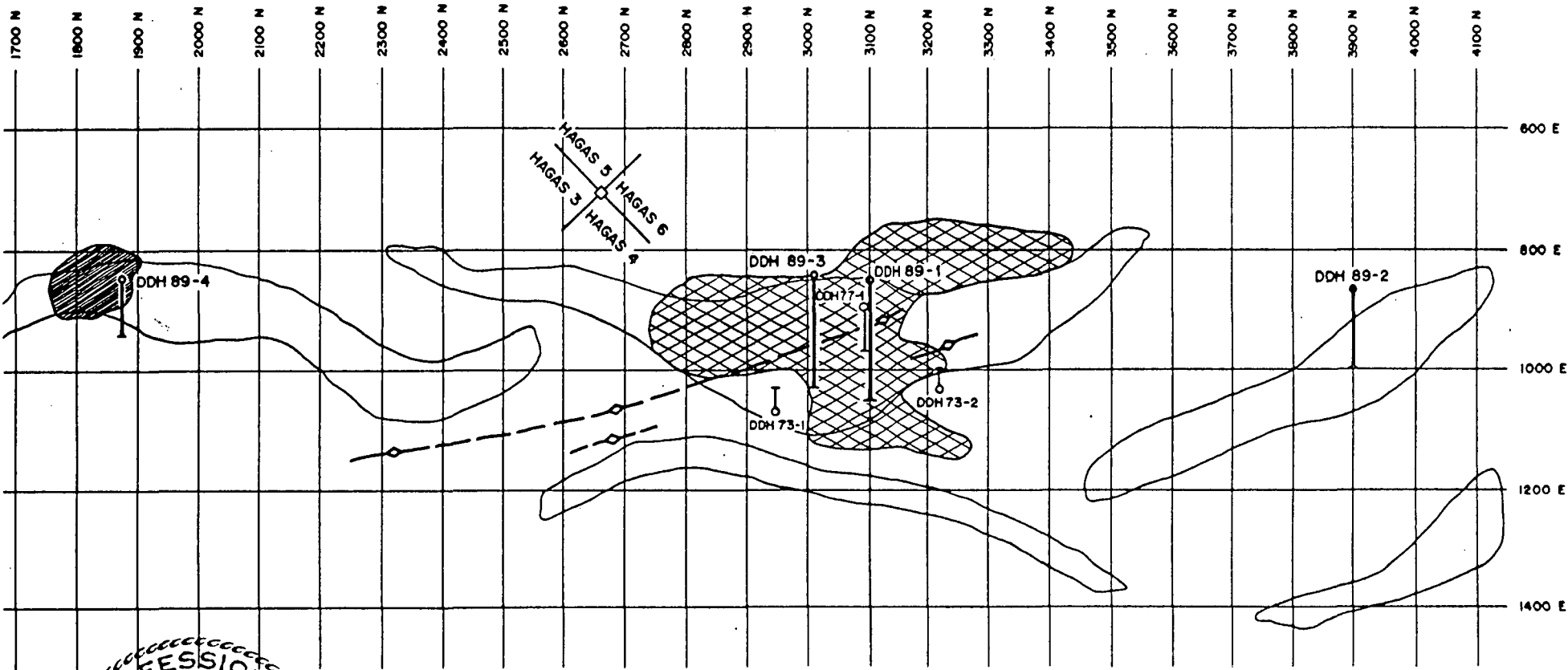
Dip: 55°

Azimuth: 135°

Depth: 167.75 m (550')






Casing: 9.70 m (30')

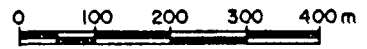
This hole was aimed to explore at depth the south-east end of I.P. anomaly 2. In general the lithology is similar to hole 89-2 and consists of sedimentary and volcanic units. The upper part of the hole (from 9.70 to 100.83 m) is a series of interbedded poorly sorted conglomerate and fine mudstone occasionally cut by calcite veins and propylitic alteration. The lower portion of the hole consists of massive, weakly silicified pyroclastic andesite and tuffaceous sequences. No significant mineralization was noted in the core. Ten samples were taken. All metals values were below anomalous levels. (Drill hole section Figure 8a)



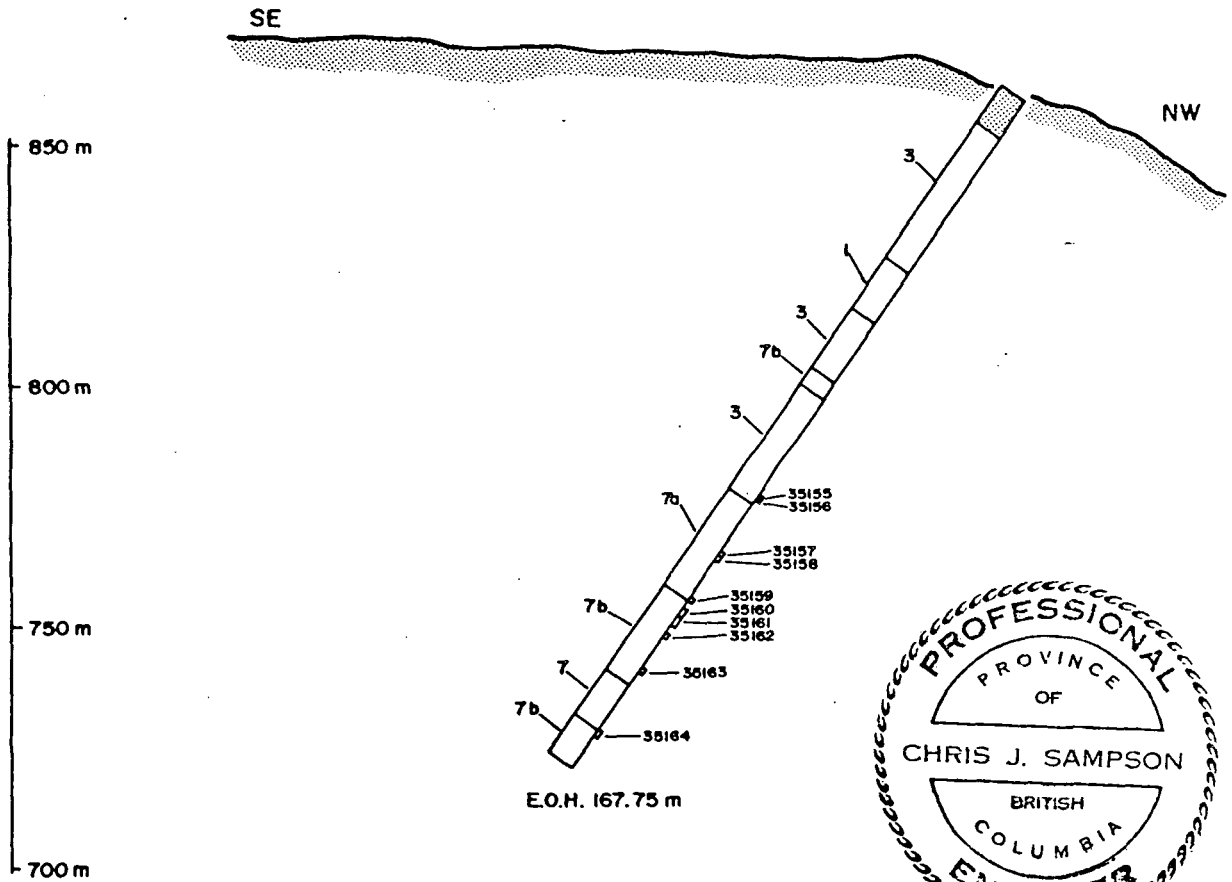
Chris J. Sampson

LEGEND

-  'TURAM' ANOMALY
-  I.P. ANOMALY
-  ALTERATION ZONE
Rusty Quartz - Carbonate - Ankerite
-  EPIDOTE ALTERATION
-  DIAMOND DRILL HOLE



PROGOLD RESOURCES LTD. HAGAS CLAIM GROUP QUINECA MINING DIVISION, B.C.	
DRILL HOLE LOCATION PLAN	
BEACON HILL CONSULTANTS LTD. Mining Engineers	
Date: DEC 89	Design: L.D.
Drawn by: M.B.	Scale: AS SHOWN
FIG 7	



LEGEND

- 1 Mudstone
- 3 Conglomerate
- 7 Andesite
- 7a Andesite Flow
- 7b Andesite Tuff

SAMPLE NUMBER	AG (PPM)	AS (PPM)	BA (PPM)	CD (PPM)	CU (PPM)	PB (PPM)	SB (PPM)	ZN (PPM)	AU (PPM)
35155	1.0	67	60	0.1	183	41	1	146	5
35156	1.5	67	39	0.1	135	30	2	103	1
35157	0.8	36	29	2.5	61	84	3	159	4
35158	0.8	208	36	3.6	77	80	4	165	1
35159	0.5	170	42	3.1	48	55	3	128	2
35160	0.5	27	11	0.2	30	22	1	50	3
35161	0.4	42	10	0.3	16	22	1	40	2
35162	0.3	14	10	0.1	76	11	1	39	1
35163	2.6	1	13	0.1	143	53	1	98	1
35164	0.9	1	64	2.0	88	45	2	87	1

DDH 89-4
 LOCATION: 1875 N, 850 E
 AZIMUTH: 135°
 DIP: -55°

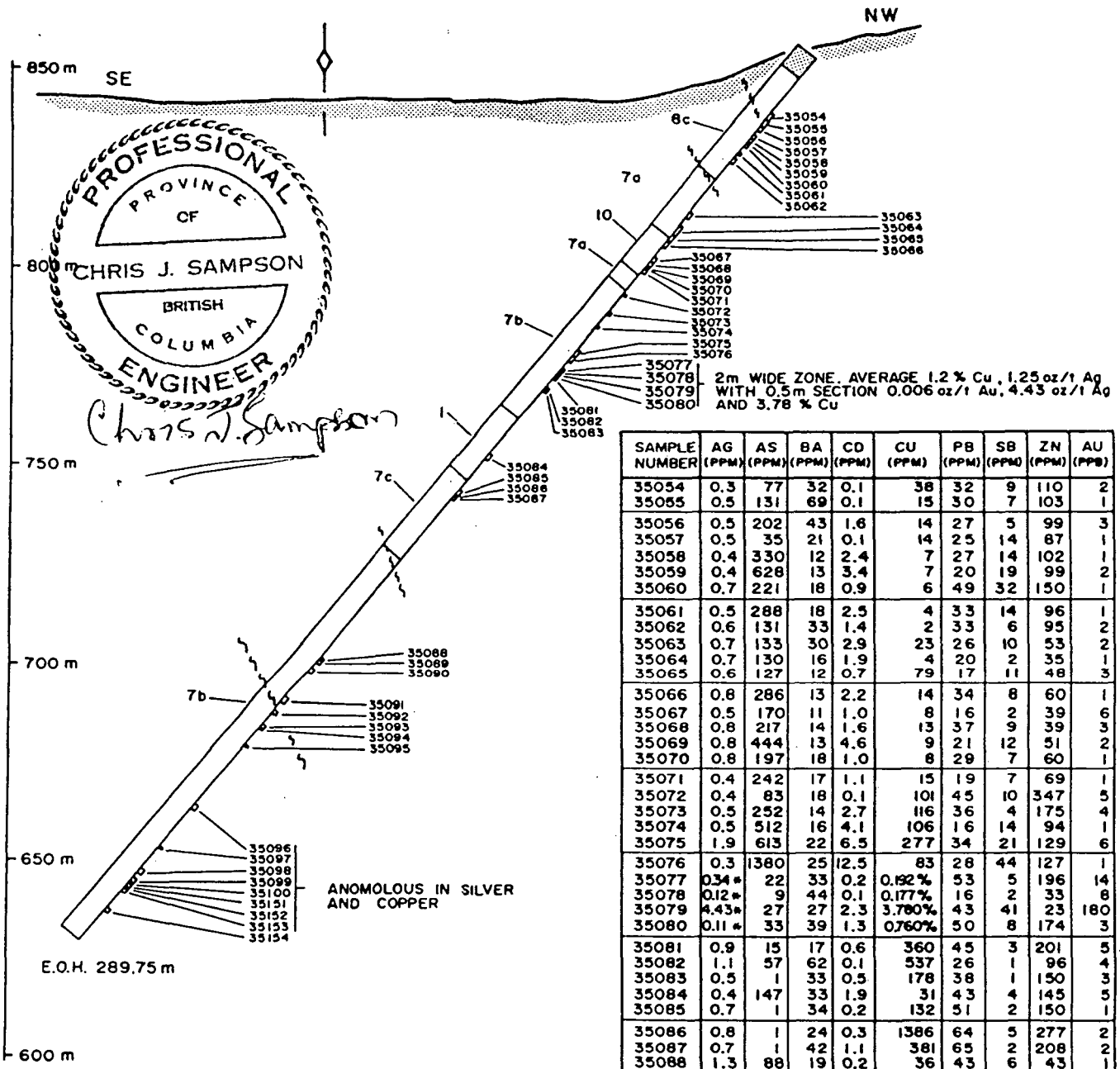


PROGOLD RESOURCES LTD.
HAGAS CLAIM GROUP
 OMINECA MINING DIVISION, B.C.

DRILL HOLE SECTION DDH 89-4

BEACON HILL CONSULTANTS LTD.
 Mining Engineers

Date: DEC. 89 Design: L.O.
 Drawn by: MB Scale: AS SHN. **FIG 8a**

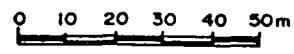


SAMPLE NUMBER	AG (PPM)	AS (PPM)	BA (PPM)	CD (PPM)	CU (PPM)	PB (PPM)	SB (PPM)	ZN (PPM)	AU (PPB)
35054	0.3	77	32	0.1	38	32	9	110	2
35055	0.5	131	69	0.1	15	30	7	103	1
35056	0.5	202	43	1.6	14	27	5	99	3
35057	0.5	35	21	0.1	14	25	14	87	1
35058	0.4	330	12	2.4	7	27	14	102	1
35059	0.4	628	13	3.4	7	20	19	99	2
35060	0.7	221	18	0.9	6	49	32	150	1
35061	0.5	288	18	2.5	4	33	14	96	1
35062	0.6	131	33	1.4	2	33	6	95	2
35063	0.7	133	30	2.9	23	26	10	53	2
35064	0.7	130	16	1.9	4	20	2	35	1
35065	0.6	127	12	0.7	79	17	11	48	3
35066	0.8	286	13	2.2	14	34	8	60	1
35067	0.5	170	11	1.0	8	16	2	39	6
35068	0.8	217	14	1.6	13	37	9	39	3
35069	0.8	444	13	4.6	9	21	12	51	2
35070	0.8	197	18	1.0	8	29	7	60	1
35071	0.4	242	17	1.1	15	19	7	69	1
35072	0.4	83	18	0.1	101	45	10	347	5
35073	0.5	252	14	2.7	116	36	4	175	4
35074	0.5	512	16	4.1	106	16	14	94	1
35075	1.9	613	22	6.5	277	34	21	129	6
35076	0.3	1380	25	12.5	83	28	44	127	1
35077	0.34*	22	33	0.2	0.92%	53	5	196	14
35078	0.12*	9	44	0.1	0.177%	16	2	33	8
35079	4.43*	27	27	2.3	3.760%	43	41	23	180
35080	0.11*	33	39	1.3	0.760%	50	8	174	3
35081	0.9	15	17	0.6	360	45	3	201	5
35082	1.1	57	62	0.1	537	26	1	96	4
35083	0.5	1	33	0.5	178	38	1	150	3
35084	0.4	147	33	1.9	31	43	4	145	5
35085	0.7	1	34	0.2	132	51	2	150	1
35086	0.8	1	24	0.3	1386	64	5	277	2
35087	0.7	1	42	1.1	381	65	2	208	2
35088	1.3	88	19	0.2	36	43	6	43	1
35089	1.2	59	21	0.9	28	42	5	88	4
35090	0.7	1	21	0.7	8	43	4	91	1
35091	0.4	1	11	1.1	43	67	2	219	2
35092	0.9	9	21	0.1	406	61	2	173	1
35093	0.9	1	27	0.8	78	64	4	141	2
35094	0.5	1	33	2.5	97	54	1	113	3
35095	0.8	18	13	1.6	268	54	5	153	1
35096	2.0	23	14	0.1	735	46	1	104	3
35097	1.0	1	16	1.0	344	51	1	177	2
35098	2.7	1	8	0.1	484	40	1	79	4
35099	2.4	1	12	0.1	519	56	1	133	3
35100	2.6	1	9	0.1	1146	37	1	77	2
35151	4.1	1	9	2.6	1005	60	5	123	5
35152	2.7	1	11	1.6	770	75	9	235	4
35153	2.9	1	20	1.9	364	54	2	149	2
35154	3.0	1	21	0.1	73	52	1	115	3

LEGEND

- 1 Mudstone
- 7a Andesite Flow
- 7b Andesite Tuff
- 7c Porphyritic Andesite
- 8c Rhyodacite
- 10 Basalt
- ~ Fault
- * oz/t Ag

DDH 89-3
 LOCATION: 3010N, 840 E
 AZIMUTH: 135°
 DIP: -50°



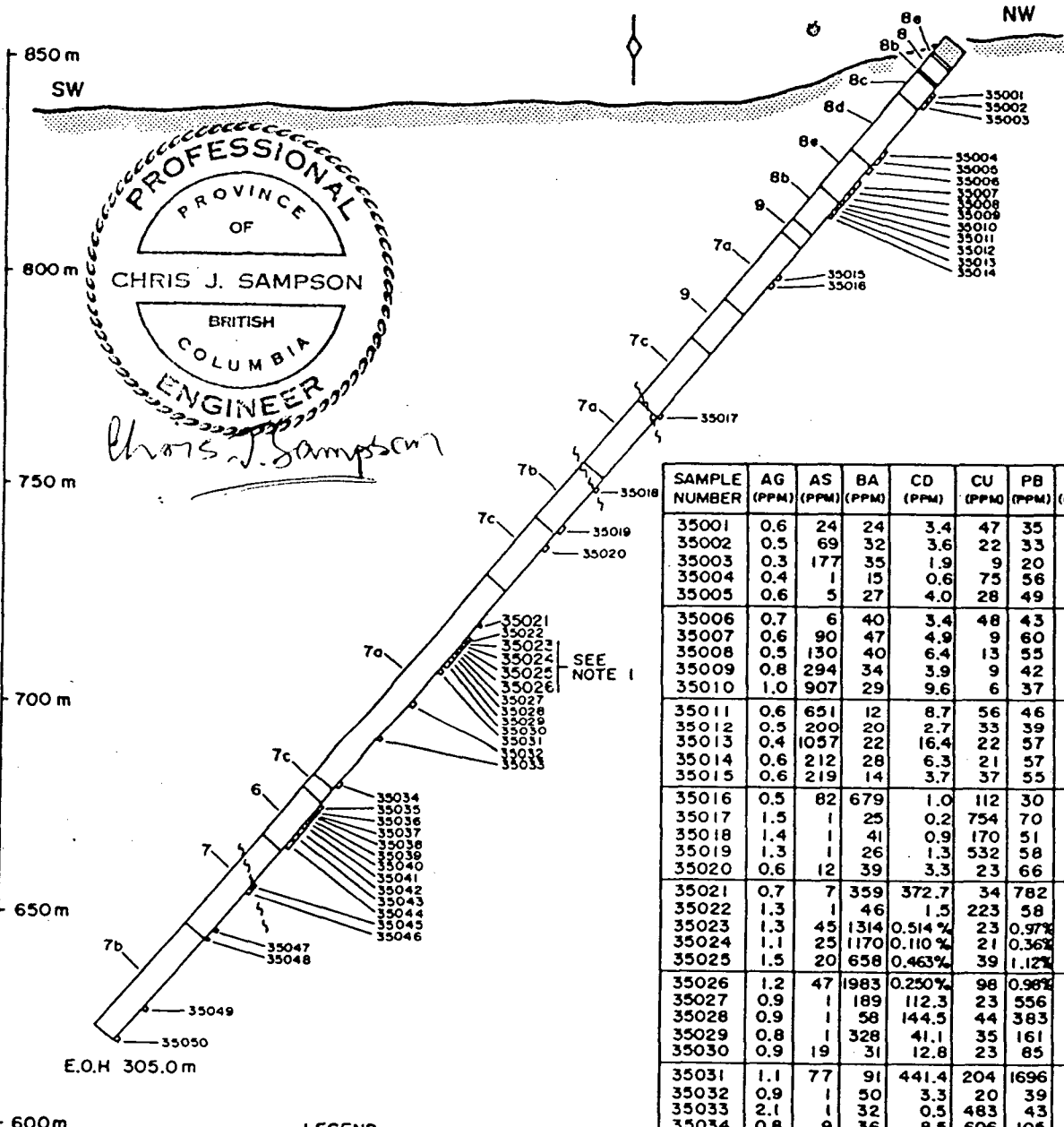
PROGOLD RESOURCES LTD.
HAGAS CLAIM GROUP
 OMINECA MINING DIVISION, B.C.

DRILL HOLE SECTION DDH 89-3

BEACON HILL CONSULTANTS LTD.
 Mining Engineers

Date: DEC 89 Design: L.D.
 Drawn by: MB Scale: AS SHN

FIG 8b



PROFESSIONAL
PROVINCE
OF
CHRIS J. SAMPSON
BRITISH
COLUMBIA
ENGINEER

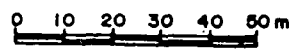
Chris J. Sampson

- LEGEND**
- 6 Rhyolitic Ash-Flow
 - 7 Andesite
 - 7a Andesite Flow
 - 7b Andesite Tuff
 - 7c Porphyritic Andesite
 - 7d Andesite Breccia
 - 8 Dacite
 - 8b Dacite Tuff
 - 8c Rhyodacite
 - 8d Rhyodacite Ash Flow
 - 8e Dacite Breccia
 - 9 Trachite
 - ~ Fault

SAMPLE NUMBER	AG (PPM)	AS (PPM)	BA (PPM)	CD (PPM)	CU (PPM)	PB (PPM)	SB (PPM)	ZN (PPM)	AU (PPM)
35001	0.6	24	24	3.4	47	35	22	128	2
35002	0.5	69	32	3.6	22	33	8	93	1
35003	0.3	177	35	1.9	9	20	5	60	1
35004	0.4	1	15	0.6	75	56	1	107	3
35005	0.6	5	27	4.0	28	49	4	103	1
35006	0.7	6	40	3.4	48	43	1	99	4
35007	0.6	90	47	4.9	9	60	19	129	2
35008	0.5	130	40	6.4	13	55	23	103	1
35009	0.8	294	34	3.9	9	42	11	81	1
35010	1.0	907	29	9.6	6	37	31	62	2
35011	0.6	651	12	8.7	56	46	26	92	2
35012	0.5	200	20	2.7	33	39	10	78	1
35013	0.4	1057	22	16.4	22	57	30	116	2
35014	0.6	212	28	6.3	21	57	10	114	3
35015	0.6	219	14	3.7	37	55	20	149	5
35016	0.5	82	679	1.0	112	30	17	116	1
35017	1.5	1	25	0.2	754	70	1	196	1
35018	1.4	1	41	0.9	170	51	1	121	2
35019	1.3	1	26	1.3	532	58	1	162	1
35020	0.6	12	39	3.3	23	66	1	403	2
35021	0.7	7	359	372.7	34	782	6	1139	1
35022	1.3	1	46	1.5	223	58	1	131	3
35023	1.3	45	1314	0.514%	23	0.97%	97	1.18%	1
35024	1.1	25	1170	0.110%	21	0.362%	37	1.02%	2
35025	1.5	20	658	0.463%	39	1.12%	94	1.50%	2
35026	1.2	47	1983	0.250%	98	0.96%	67	0.23%	1
35027	0.9	1	189	112.3	23	556	3	639	1
35028	0.9	1	58	144.5	44	383	1	242	1
35029	0.8	1	328	41.1	35	161	1	250	1
35030	0.9	19	31	12.8	23	85	1	431	2
35031	1.1	77	91	441.4	204	1696	24	825	1
35032	0.9	1	50	3.3	20	39	1	49	2
35033	2.1	1	32	0.5	483	43	1	76	1
35034	0.8	9	36	8.5	606	105	9	276	1
35035	0.6	99	12	2.9	34	101	3	190	3
35036	0.7	98	9	11.2	80	156	5	325	1
35037	0.9	85	11	5.8	119	201	8	306	1
35038	0.7	157	12	6.6	79	230	6	374	1
35039	1.1	123	10	12.0	164	834	12	543	5
35040	0.6	168	15	13.8	609	179	57	459	2
35041	0.9	93	11	11.6	184	214	12	304	2
35042	1.0	88	15	11.7	519	167	5	260	1
35043	0.8	56	16	5.8	178	97	6	327	3
35044	1.0	55	13	9.3	108	112	8	491	1
35045	1.4	723	11	11.4	153	117	9	264	1
35046	1.2	29	16	2.3	187	71	7	91	2
35047	1.3	1	23	1.3	115	51	7	114	1
35048	1.5	44	29	2.2	32	83	7	116	1
35049	2.9	1	13	0.4	715	67	2	138	2
35050	1.5	1	57	0.1	53	67	1	149	1

NOTE 1: 2m WIDE ZONE WITH AVERAGE 0.334% Cd, 0.857% Pb, 0.982% (1%) Zn

DDH 89-1
LOCATION: 3100 N, 850 E
AZIMUTH: 135°
DIP: -50°



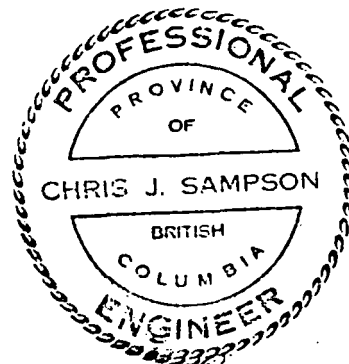
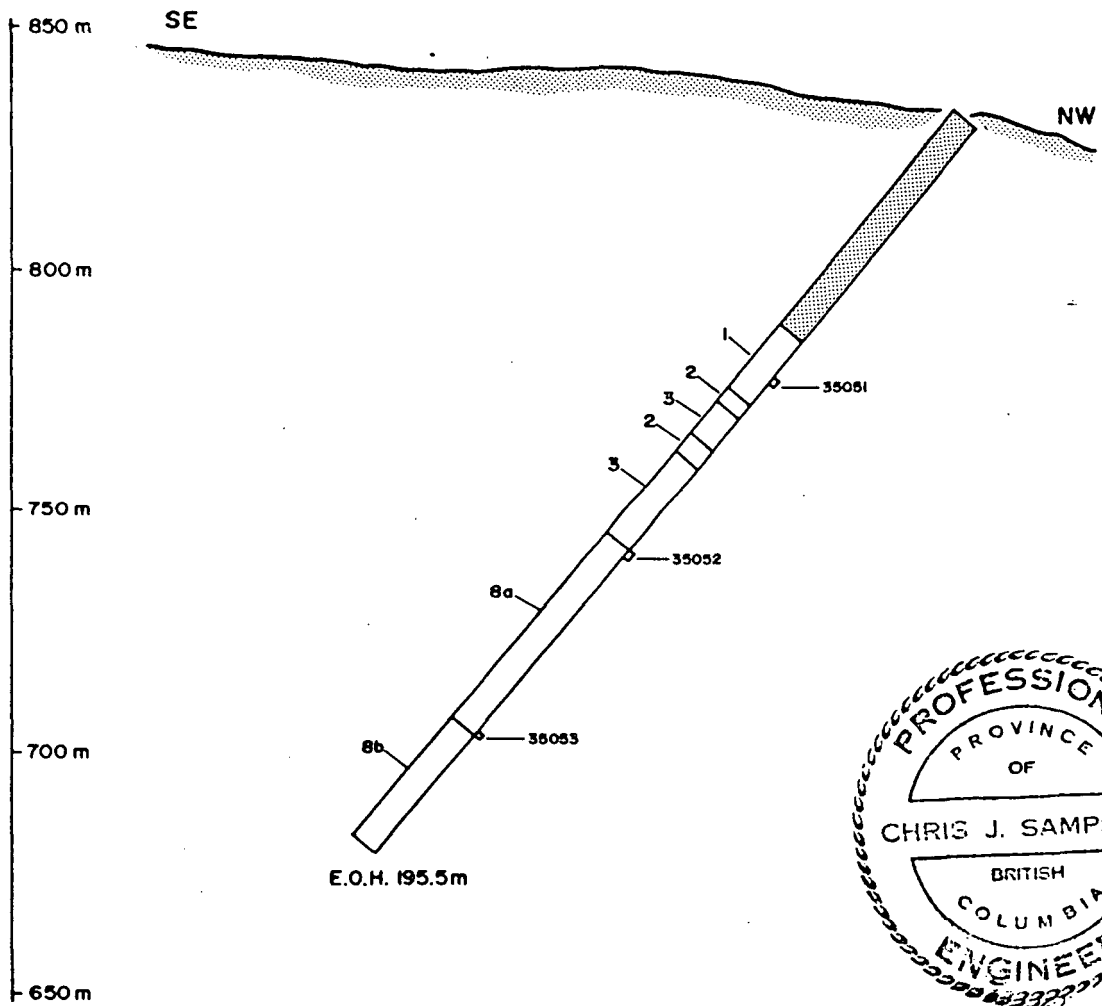
PROGOLD RESOURCES LTD.
HAGAS CLAIM GROUP
OMNECA MINING DIVISION, B.C.

DRILL HOLE SECTION DDH 89-1

BEACON HILL CONSULTANTS LTD.
Mining Engineers

Date: DEC 89 Design: L.D.
Drawn by: M.R. Scale: AS SHN.

FIG 8c



Chris J. Sampson

LEGEND

- 1 Mudstone
- 2 Sandstone
- 3 Conglomerate
- 8a Dacite Flow
- 8b Dacite Tuff

SAMPLE NUMBER	AG (PPM)	AS (PPM)	BA (PPM)	CD (PPM)	CU (PPM)	PB (PPM)	SB (PPM)	ZN (PPM)	AU (PPB)
35051	1.2	1	475	0.5	26	34	1	109	23
35052	0.8	1	66	1.5	16	37	1	60	5
35053	0.6	44	60	0.1	13	27	1	63	1

DDH 89-2
 LOCATION: 3900 N, 860 E
 AZIMUTH: 135°
 DIP: -50°



PROGOLD RESOURCES LTD.	
HAGAS CLAIM GROUP	
OMNECA MINING DIVISION, B.C.	
DRILL HOLE SECTION DDH 89-2	
BEACON HILL CONSULTANTS LTD.	
Date: DEC 89	Design: L.O.
Mining Engineers	
Drawn by: M.S.	Scale: AS SHD
FIG 8d	

REFERENCES

- | | | |
|-------------------------------|---|---------------|
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	Geochemical Assessment Report Heavy Minerals in Drill Core and Soils: Hagas group (B.C.D.M. MMAR 14060)	Oct 1985
	Geochemical Assessment Report on Has 2 claim	Oct 1986

STATEMENT OF QUALIFICATIONS

I, Les Demczuk, of the City of Vancouver, Province of British Columbia, hereby certify that:

1. I am a Mining Geological Engineer residing at 1835 East 13th Avenue, Vancouver, British Columbia.
2. I graduated from University of Mining and Metallurgy, Krakow, Poland in 1977 with Master of Science degree in Geology.
3. I have worked in mineral and coal exploration since 1977 and have practised my profession since 1977.
4. I am a Fellow of the Geological Association of Canada.
5. This report is based upon field work carried out by myself and a review of published and privately held literature pertaining to the claim area.
6. I have no interest in any claims mentioned in this report, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
7. I consent to the use of this report in or in connection with, a prospectus, or statement of Material Facts relating to the raising of funds for this project.

Les Demczuk, M.Sc., F.G.A.C.
December 30, 1989

CERTIFICATE

I, Christopher J. Sampson, of 2696 West 11th Avenue, Vancouver, British Columbia, V6K 2L6, hereby certify that:

1. I am a graduate (1966) of the Royal School of Mines, London University, England with a Bachelor of Science degree (Honors) in Economic Geology.
2. I have practiced my profession of mining exploration for the past 23 years in Canada, Europe, United States and Central America. For the past 13 years I have been based in British Columbia.
3. I am a consulting geologist. I am a registered member in good standing of the Association of Professional Engineers of British Columbia.
4. The present report is based on knowledge gained from a visit to the property in September 1987, study of published and unpublished reports, and supervision of the 1989 drill program.
5. I have not received, nor do I expect to receive, any interest, direct or indirect, in the properties or securities of Progold Resources Ltd. or in those of its associated companies.
6. Progold Resources Ltd., and its affiliates are hereby authorized to use this report in, or in conjunction with, any prospectus or statement of material facts.
7. I have no interest in any other property or company holding property within 10 kilometres of the Hagas group of claims.

Vancouver, B.C.
30 December, 1989

Christopher J. Sampson, P.Eng
Consulting Geologist

APPENDIX A
ANALYTICAL RESULTS: SAMPLES FROM
TRENCHES AND DRILL HOLE 73-1

COMPANY: COOKE GEOLOGICAL CONSULTANTS

MIN-EN LABS ICP REPORT

(ACT:F31) PAGE 1 OF 1

PROJECT NO: P687HF

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2

FILE NO: 7-1170

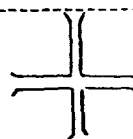
ATTENTION: B. COOKE

(604)980-5814 OR (604)988-4524

* TYPE ROCK GEOCHEM *

DATE: AUGUST 27, 1987

(VALUES IN PPM)	AG	AS	CU	PB	SB	ZN	AU-PPB	
JRHP-SA	1.2	877	105	65	55	733	4	TRENCH 1 5M CHIP
JRHP-SB	1.2	147	16	42	21	240	7	TRENCH 1 5M CHIP
JRHP-5C	1.1	2	51	37	18	919	4	TRENCH 1 5M CHIP
JRHP-5D	1.0	10	17	41	10	364	2	TRENCH 1 5M CHIP
JRHP-9	2.2	4	7461	27	6	144	5	TRENCH 7 GRAB MALACHITE, RUSTY PURPLE VOLCANICS
JRHP-9A	1.3	26	228	11	6	178	5	TRENCH 7 GRAB ANKERITE, MALACHITE RUSTY PURPLE VOLCANICS
JRHP-9B	.8	39	523	19	1	85	6	TRENCH 7 10M CHIP
JRHP-15	1.9	14	2143	6	2	9	8	10CM QUARTZ VEIN MALACHITE + EPIDOTE
DH73-1-175-177	.7	557	44	13	11	210	3	DH73-1 175'-177' ALTERED VOLCANICS DECAHYDRATED SULPHIDES
DH73-1-206-208	.9	21	11	16	1	229	7	DH73-1 206'-208'
DH73-1-243-248	.5	705	13	12	15	21	2	DH73-1 243'-248'
DH73-1-248-253	.5	859	38	11	30	48	1	DH73-1 248'-253'
DH73-1-253-256	.5	289	55	10	9	55	5	DH73-1 253'-256'
DH73-1-268-268.5	1.0	690	48	28	16	400	2	DH73-1 268'-268.5'
DH73-1-275-276	.8	178	531	37	49	213	2	DH73-1 275'-276'
DH73-1-303	1.0	11	49	59	3	241	3	DH73-1 303' END OF HOLE



APPENDIX B

1989 DRILL LOGS AND ASSAY RESULTS

COMP: PROGOLD RESOURCES
 PROJ:
 ATTN: PETER STOKES

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-0340-RJ1+2
 DATE: DEC-03-89
 * TYPE ROCK GEOCHEM * (ACT:F31)

SAMPLE NUMBER	AG PPM	AS PPM	BA PPM	CD PPM	CU PPM	PB PPM	SB PPM	ZN PPM	AU PPB
35 001	.6	24	24	3.4	47	35	22	128	2
35 002	.5	69	32	3.6	22	33	8	93	1
35 003	.3	177	35	1.9	9	20	5	60	1
35 004	.4	1	15	.6	75	56	1	107	3
35 005	.6	5	27	4.0	28	49	4	103	1
35 006	.7	6	40	3.4	48	43	1	99	4
35 007	.6	90	47	4.9	9	60	19	129	2
35 008	.5	130	40	6.4	13	55	23	103	1
35 009	.8	294	34	3.9	9	42	11	81	1
35 010	1.0	907	29	9.6	6	37	31	62	2
35 011	.6	651	12	8.7	56	46	26	92	2
35 012	.5	200	20	2.7	33	39	10	78	1
35 013	.4	1057	22	16.4	22	57	30	116	2
35 014	.6	212	28	6.3	21	57	10	114	3
35 015	.6	219	14	3.7	37	55	20	149	5
35 016	.5	82	679	1.0	112	30	17	116	1
35 017	1.5	1	25	.2	754	70	1	196	1
35 018	1.4	1	41	.9	170	51	1	121	2
35 019	1.3	1	26	1.3	532	58	1	162	1
35 020	.6	12	39	3.3	23	66	1	403	2
35 021	.7	7	359	372.7	34	782	6	1139	1
35 022	1.3	1	46	1.5	223	58	1	131	3
35 023	1.3	45	1314	5037.6	23	6811	97	7637	1
35 024	1.1	25	1170	1062.9	21	2322	37	6450	2
35 025	1.5	20	658	4220.5	39	7898	94	9413	2
35 026	1.2	47	1983	2340.8	98	6598	67	1484	1
35 027	.9	1	189	112.3	23	556	3	639	1
35 028	.9	1	58	144.5	44	383	1	242	1
35 029	.8	1	328	41.1	35	161	1	250	1
35 030	.9	19	31	12.8	23	85	1	431	2
35 031	1.1	77	91	441.4	204	1696	24	825	1
35 032	.9	1	50	3.3	20	39	1	49	2
35 033	2.1	1	32	.5	483	43	1	76	1
35 034	.8	9	36	8.5	606	105	9	276	1
35 035	.6	99	12	2.9	34	101	3	190	3
35 036	.7	98	9	11.2	80	156	5	325	1
35 037	.9	85	11	5.8	119	201	8	306	1
35 038	.7	157	12	6.6	79	230	6	374	1
35 039	1.1	123	10	12.0	164	834	12	343	5
35 040	.6	168	15	13.8	609	179	57	459	2
35 041	.9	93	11	11.6	184	214	12	304	2
35 042	1.0	88	15	11.7	519	167	5	260	1
35 043	.8	56	16	5.8	178	97	6	327	3
35 044	1.0	55	13	9.3	108	112	8	491	1
35 045	1.4	723	11	11.4	153	117	9	264	1
35 046	1.2	29	16	2.3	187	71	7	91	2
35 047	1.3	1	23	1.3	115	51	7	114	1
35 048	1.5	44	29	2.2	32	83	7	116	1
35 049	2.9	1	13	.4	715	67	2	138	2
35 050	1.5	1	57	.1	53	67	1	149	1

HOLE #1



COMP: PROGOLD RESOURCES LTD.

MIN-EN LABS — ICP REPORT

FILE NO: 9S-0342-RJ1+2

PROJ:

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2

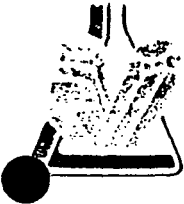
DATE: DEC-09-89

ATTN: P.STOCKES

(604)980-5814 OR (604)988-4524

* TYPE ROCK GEOCHEM * (ACT:F31)

SAMPLE NUMBER	AG PPM	AS PPM	BA PPM	CD PPM	CU PPM	PB PPM	SB PPM	ZN PPM	AU PPB	
35 051	1.2	1	475	.5	26	34	1	109	23	HOLE #2
35 052	.8	1	66	1.5	16	37	1	60	5	
35 053	.6	44	60	.1	13	27	1	63	1	
35 054	.3	77	32	.1	38	32	9	110	2	HOLE #2
35 055	.5	131	69	.1	15	30	7	103	1	
35 056	.5	202	43	1.6	14	27	5	99	3	
35 057	.5	35	21	.1	14	25	14	87	1	
35 058	.4	330	12	2.4	7	27	14	102	1	
35 059	.4	628	13	3.4	7	20	19	99	2	
35 060	.7	221	18	.9	6	49	32	150	1	
35 061	.5	288	18	2.5	4	33	14	96	1	
35 062	.6	131	33	1.4	2	33	6	95	2	
35 063	.7	133	30	2.9	23	26	10	53	2	
35 064	.7	130	16	1.9	4	20	2	35	1	
35 065	.6	127	12	.7	79	17	11	48	3	
35 066	.8	286	13	2.2	14	34	8	60	1	
35 067	.5	170	11	1.0	8	16	2	39	6	
35 068	.8	217	14	1.6	13	37	9	39	3	
35 069	.8	444	13	4.6	9	21	12	51	2	
35 070	.8	197	18	1.0	8	29	7	60	1	
35 071	.4	242	17	1.1	15	19	7	69	1	
35 072	.4	83	18	.1	101	45	10	347	5	
35 073	.5	252	14	2.7	116	36	4	175	4	
35 074	.5	512	16	4.1	106	16	14	94	1	
35 075	1.9	613	22	6.5	277	34	21	129	6	
35 076	.3	1380	25	12.5	83	28	44	127	1	
35 077	11.8	22	33	.2	1702	53	5	196	14	
35 078	3.3	9	44	.1	1484	16	2	33	8	
35 079	148.0	27	27	2.3	29027	43	41	23	180	HOLE #3
35 080	3.1	33	39	1.3	1569	50	8	174	3	
35 081	.9	15	17	.6	360	45	3	201	5	
35 082	1.1	57	62	.1	537	26	1	96	4	
35 083	.5	1	33	.5	178	38	1	150	3	
35 084	.4	147	33	1.9	31	43	4	145	5	
35 085	.7	1	34	.2	132	51	2	150	1	
35 086	.8	1	24	.3	1386	64	5	277	2	
35 087	.7	1	42	1.1	381	65	2	208	2	
35 088	1.3	88	19	.2	36	43	6	43	1	
35 089	1.2	59	21	.9	28	42	5	88	4	
35 090	.7	1	21	.7	8	43	4	91	1	
35 091	.4	1	11	1.1	43	67	2	219	2	
35 092	.9	9	21	.1	406	61	2	173	1	
35 093	.9	1	27	.8	78	64	4	141	2	
35 094	.5	1	33	2.5	97	54	1	113	3	
35 095	.8	18	13	1.6	268	54	5	153	1	
35 096	2.0	23	14	.1	735	46	1	104	3	
35 097	1.0	1	16	1.0	344	51	1	177	2	
35 098	2.7	1	8	.1	484	40	1	79	4	
35 099	2.4	1	12	.1	519	56	1	133	3	
35 100	2.6	1	9	.1	1146	37	1	77	2	
35 151	4.1	1	9	2.6	1005	60	5	123	5	
35 152	2.7	1	11	1.6	770	75	9	235	4	
35 153	2.9	1	20	1.9	364	54	2	149	2	
35 154	3.0	1	21	.1	73	52	1	115	3	
35 155	1.0	67	60	.1	183	41	1	146	5	
35 156	1.5	67	39	.1	135	30	2	103	1	HOLE #4
35 157	.8	36	29	2.5	61	84	3	159	4	
35 158	.8	206	36	3.6	77	80	4	165	1	
35 159	.5	170	42	3.1	48	55	3	128	2	
35 160	.5	27	11	.2	30	22	1	50	3	



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TIMMINS OFFICE:
33 EAST IROQUOIS ROAD
P.O. BOX 867
TIMMINS, ONTARIO CANADA P4N 7G7
TELEPHONE: (705) 264-9996

Assay Certificate 9S-0340-PA1

Company: PROGOLD RESOURCES LTD.
Project:
Attn: P. STOCKES

Date: DEC-08-89
Copy 1. PROGOLD RESOURCES LTD., VANCOUVER, B.C.
2. PROGOLD RESOURCES LTD., C/O MIN-EN LABS

We hereby certify the following Assay of 4 PULP samples
submitted DEC-06-89 by P. STOCKES.

Sample Number	CD %	FB %	ZN %
35023	.514	.97	1.18
35024	.110	.36	1.02
35025	.463	1.12	1.50
35026	.250	.98	.23

Certified by *Benjamin*
MIN-EN LABORATORIES



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TELEX: VIA U.S.A. 7601067 • FAX (604) 980-9621

TIMMINS OFFICE:
33 EAST IROQUOIS ROAD
P.O. BOX 867
TIMMINS, ONTARIO CANADA P4N 7G7
TELEPHONE: (705) 264-9996

Assay Certificate

9S-0342-RA1

Company: PROGOLD RESOURCES LTD.
Project:
Attn: PETER STOCKES

Date: DEC-09-89
Copy 1. PROGOLD RESOURCES LTD., VANCOUVER, B.C.
2. PROGOLD RESOURCES LTD., C/O MIN-EN LABS

*We hereby certify the following Assay of 1 ROCK samples
submitted DEC-06-89 by LES DEMCZAK.*

Sample Number	CU %
35 079	3.780

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TELEX: VIA U.S.A. 7601067 • FAX (604) 980-9621
TIMMINS OFFICE:
33 EAST IROQUOIS ROAD
P.O. BOX 867
TIMMINS, ONTARIO CANADA P4N 7G7
TELEPHONE: (705) 264-9996

Assay Certificate 9S-0342-PA1

Company: PROGOLD RESOURCES LTD.
Project:
Attn: PETER STOCKES

Date: DEC-14-89
Copy 1. PROGOLD RESOURCES LTD., VANCOUVER, B.C.

We hereby certify the following Assay of 4 PULP samples submitted DEC-06-89 by LES DEMEZAK.

Sample Number	AU		AG		CU
	G/TONNE	OZ/TON	G/TONNE	OZ/TON	%
35 077			11.6	.34	.192
35 078			4.2	.12	.177
35 079	.19	.006	152.0	4.43	3.780
35 080			3.9	.11	.76

Certified by 
MIN-EN LABORATORIES

COMP: PROGOLD RESOURCES LTD.

PROJ:

ATTN: PETER STOCKES

MIN-EN LABS — ICP REPORT
 705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2
 (604)980-5814 OR (604)988-4524

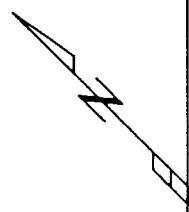
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DATE: DEC-16-89

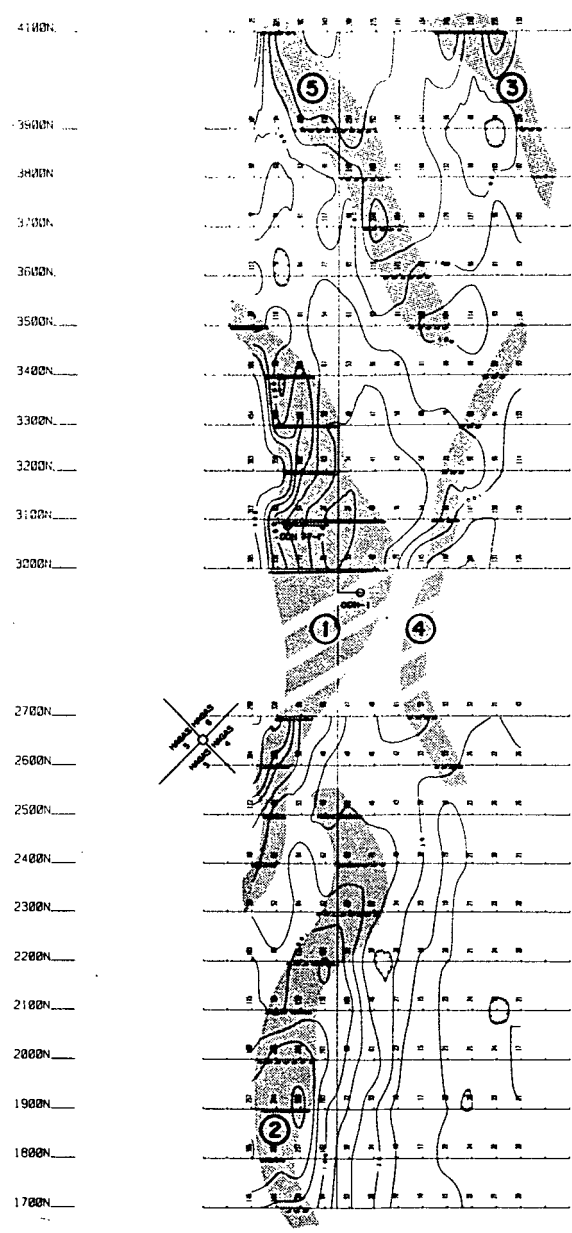
* TYPE ROCK GEOCHEM * (ACT:F31)

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 PPM
35 077	11.8	29460	22	1	33	.7	5	46610	.2	36	1702	59820	960	17	23400	2453	9	370	11	620	53	5	39	1	1	140.3	196	1	1	4	25	14
35 078	3.3	20120	9	1	44	.5	2	37050	.1	8	1484	28380	940	6	3610	819	3	300	1	410	16	2	119	1	1	100.2	33	1	1	1	57	8
35 079	148.0	17770	27	1	27	.4	1	32550	2.3	6	29027	26210	1030	10	2090	543	2	590	1	120	43	41	131	1	2	96.0	23	1	1	2	39	180
35 080	3.1	17990	33	1	39	.8	5	42800	1.3	25	1569	55820	530	14	15100	2147	8	250	4	960	50	8	20	1	1	137.2	174	2	2	2	10	3
35 100	2.6	27050	1	1	9	.5	12	45720	.1	31	1146	40390	250	6	13370	1425	9	260	20	470	37	1	67	1	1	184.8	77	1	1	2	79	2
35 151	4.1	40250	1	1	9	.7	27	57030	2.6	53	1005	57660	170	9	22180	2110	7	310	27	740	60	5	97	1	1	282.7	123	2	3	2	58	5
35 152	2.7	39970	1	1	11	1.0	22	36230	1.6	65	770	79460	180	25	37850	3174	12	530	25	780	75	9	18	1	1	342.7	235	1	3	3	60	4

RECEIVED
 DEC 21 1989

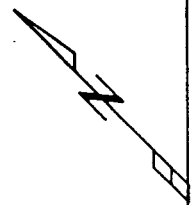


9000
10000
12000
14000



PROPERTY CLASS: Subsurface
 of
 of
 Outline of Resistivity IP Zone
 Contour Interval: 1, 2, 3, 5, 7, 10, 15
 (1 pt. through a 0 pt. Mapping Filter)
 (1 pt. through a 0 pt. Mapping Filter)
 Date of Survey: 1984

COOKE GEOLOGICAL CONSULTANTS
RESISTIVITY SURVEY
 (FILTERED CONTOUR PRESENTATION)
 PROJECT: MARS PROPERTY PROJECT # : P0674P
 BASELINE AZIMUTH : 45 Deg.
 DATE : DEC 89
 SURVEY BY : K.C.M.H.N. MTS : GSL/S
 FILE: HPV18000
 Pacific Geophysical Ltd.



800E
1000E
1200E
1400E

4100N
3900N
3800N
3700N
3600N
3500N
3400N
3300N
3200N
3100N
3000N
2700N
2600N
2500N
2400N
2300N
2200N
2100N
2000N
1900N
1800N
1700N



PROPERTY CLASS: *Suburban to urban*
Residential
Section of *Residential* of *Zone*
Contour Interval: 10 PPM
1.0 m. Strength @ 0.01 sec. Spacing 100 m.
1.0 m. Strength @ 0.01 sec. Spacing 100 m.
Dipole-Dipole Array 1000 m. SP

COOKE GEOLOGICAL CONSULTANTS	
INDUCED POLARIZATION SURVEY	
(FILTERED CROSS PRESENTATION)	
PROJECT: MARS PROPERTY PROJECT • PG27MP	
BASELINE AZIMUTH: 45 Deg.	
DATE: DEC 89	
SURVEY BY: K.C./N.H.A. RTS: 08L/0	
FILE: NPW1000	
Pacific Geophysical Ltd.	

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 1 of 6												
J.T. Thomas		NQ		89 DDH 01														
Date Collared	Date Completed	Field Co-ordinates	Dip	Bearing	Logged By	Owner/Operator												
Nov.24/89	Nov.28/89	3100N/850E	-50°	135°	L. Demczuk	Progold Resources Ltd.												
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result									
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm			
	0	Casing/Overburden																
8d	4.56	Breccia: strongly brecciated dacite. From 4.94-5.04 fault zone		84														
8	5.04	Dacite: light grey to brownish: fluidal and microgranular texture small calcite veins throughout the section		95														
8b	9.55	Dacite tuff: very fine grained greenish microcrystholanic		97														
8c	10.00	Brecciated Rhyodacite large fragments of dacite cemented by silica and feldspar quite a few large crystals of orthoclase tr. of pyrite network of small qtz. veins, fractured iron oxidised and in filling with very fine sulphide		100	35001 35002 35003	12.0-13.0 13.0-15.0 15.0-17.0	0.5% py 1% py	Moderately Silicified	2 1 1	.6 .5 .3	47 22 9	35 33 20	12.8 93 60	34 3.6 1.9	24 69 177			

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 4 of 6										
J.T. Thomas		NQ		89 DDH 01												
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By	Owner/Operator									
Nov.24/89	Nov.28/89	3100N/850E		-50°	135°	L. Demczuk	Progold Resources Ltd.									
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result							
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm	
7b	130.05	Andesitic Tuff: dark green strongly metamorphosed (phylic appearance) soft chlorite rich tuff (very fine) From 133.25 m to 134.58 strongly sheared, brecciated fault zone infill with gouge Some calcite veining and epidote rich spots. From 145.43 to 148.15 strongly hematized and calcite network veining rich unit		99	35018	133.25-134.56	chloritic		2	1.4	170	51	121	.9	1	
						35019	145.43-147.83		1	1.3	532	58	162	1.3	1	
7c	148.15	Porphyritic Andesite: light to dark green, massive, weakly sheared unit occasionally garnet and epidote. From 151.74-153.20 strongly brecciated		92	35020	151.74-153.20			2	.6	23	66	403	3.3	12	
	165.75		Andesite Flow: massive dark green, weakly silicified system of calcite veining <45° some galena specks in veining From 176.15 to 182.44 strongly brecciated unit with up to 5% galena and hemimorphite			35021	175.65-176.15	tr. of py		1	.7	34	782	1139	372.7	7
					35022	179.95-180.69	tr. of py	chlorite	3	1.3	223	58	131	1.5	1	
						35023	180.69-181.19	3-5% galena	sericite	1	1.3	23	.97%	1.18%	.514%	45
				96		35024	181.19-181.69	<2% galena, hemimorphite		2	1.1	21	.36%	1.02%	.11%	25
						35025	181.69-182.19	<2% galena, hemimorphite		2	1.5	39	1.12%	1.5%	.463%	20
					35026	182.19-182.44	1-2% galena		1	1.2	98	.98%	23%	.250%	47	

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 5 of 6									
J.T. Thomas		NQ		89 DDH 01											
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By	Owner/Operator								
Nov.24/89	Nov.28/89	3100N/850E		-50°	135°	L. Demczuk	Progold Resources Ltd.								
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result						
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm
7a	227.30	From 198.50 to 203.10 strongly silicified and propylitic altered (green) From 204.35 to 205.15 strongly prophyllitic altered From 208.40 to 209.30 strongly propylitic altered Porphyritic Andesite: dark green, massive, a few small calcite veins, occasionally garnet and epidote		100	35027	182.44-183.09	tr. of galena	propylitic	1	.9	23	556	639	112.3	1
					35028	183.09-185.09	tr. of galena		1	.9	44	383	242	114.5	1
					35029	185.09-186.50	tr. of galena		1	.8	35	169	250	41.1	1
					35030	186.50-187.92	tr. of galena		2	.9	23	85	431	12.8	19
					35031	190.77-191.47	0.5% galena		1	1.1	204	1696	825	441.4	77
					35032	198.95-200.95	str. propylitic		2	.9	20	39	49	3.3	1
					35033	210.76-211.26	1% py		1	2.1	483	43	76	.5	1
35034	225.2-226.70	breccia	1	.9	606	105	276	8.5	9						
7c	231.60	Rhyolitic Ash-flow: very fine, crystalline and massive ash From 233.58 to 235.08 specks of galena		100	35035	232.58-233.58	tr. of galena	clay	3	.6	34	101	190	2.9	99
					35036	233.58-234.08	silicified		1	.7	80	156	325	11.2	98
					35037	234.08-234.58	2% galena		1	.9	119	201	306	5.8	85
					35038	234.58-235.08	1-3% galena		1	.7	79	230	374	6.6	157
					35039	235.08-236.08	1-2% galena		5	1.1	164	834	343	12.0	123
6		From 238 weakly brecciated and metamorphosed, some epidote specks			35040	236.08-236.78	up to 2% sulph.		2	.6	609	179	459	13.8	168
					35041	236.78-237.90	tr. of galena, py		2	.9	184	214	304	11.6	93

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 6 of 6										
J.T. Thomas		NQ		89 DDH 01												
Date Collared	Date Completed	Field Co-ordinates	Dip	Bearing	Logged By	Owner/Operator										
Nov.24/89	Nov.28/89	3100N/850E	-50°	135°	L. Demczuk	Progold Resources Ltd.										
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result							
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm	
7	246.05	Andesite massive dark green From 259.00 to 260 fault zone breccia, no visible mineralization From 271.82-273.50 breccia		96	35042	238.00-240.00	tr. of galena and py		1	1.0	519	167	260	11.7	88	
					35043	240.00-242.00			3	.8	178	97	327	5.8	56	
					35044	242.00-244.00			1	1.0	108	112	491	9.3	55	
	7b	273.90	Andesite Tuff: light to dark grey very fine, strongly silicified		100	35045	256.20-256.70	massive py 5% gouge tr. of chalcopy breccia and qtz.	epidote	1	1.4	153	117	264	11.4	723
						35046	257.11-259.11			2	1.2	187	71	91	2.3	29
35047						270.00-270.50	1			1.3	115	51	114	1.3	1	
35048						273.40-273.90	1			1.5	32	83	116	2.2	44	
	305.00				35049	294.20-295.52	diss py maybe chalcopy 2-3%		2	2.9	715	67	138	.4	1	
		END OF HOLE			35050	304.00-305.00	tr. of py		1	1.5	53	67	149	.1	1.	

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 2 of 3												
J.T. Thomas		NQ		89 DDH 02														
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By	Owner/Operator											
Nov.28/89	Nov.30/89	3900N/860E		-50°	135°	L. Demczuk	Progold Resources Ltd.											
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result									
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm			
2	90.70	sorted, mostly soft																
		Conglomerate: red-brown occasionally greenish, interbedded mudstone, conglomerate, poorly sorted large volcanic fragment in fine soft matrix		95	35052	113.19-115.19						5	.8	16	37	60	1.5	1
3	113.10	Dacite Flow: light grey, fine altered rock, strongly silicified																
		From 115.90 to 121.65 strongly altered more like phyllite hematized		88														
8a		From 157.2 to 158.25 weakly brecciated qtz. filling fracture no visible mineralization																
		From 162.00 to 163.50 brecciated			35053	162.00-163.50						1	.6	13	27	63	.1	44

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 2 of 5										
J.T. Thomas		NQ		89 DDH 03												
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By		Owner/Operator								
Nov.30/89	Dec.02/89	3010N/840E		-50°	135°	L. Demczuk		Progold Resources Ltd.								
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result							
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm	
10	48.80	moderately silicified occasionally network of quartz veins Bazaltic Tuff: dark brown-maroon, crystalline, strongly silicified, occasionally brecciated. 20% of unit narrow stockwork of qtz. veins, disseminated pyrite throughout all unit but some up 2 cm wide banks of massive sulphide, mostly pyrite, at 64.75 m		81	35063	50.00-52.00	very broken core			2	.7	23	26	53	2.9	133
					35064	54.10-57.30				1	.7	4	20	35	1.9	130
					35065	57.30-59.30				3	.6	79	17	48	.7	127
					35066	59.30-61.63				1	.8	14	34	60	2.2	286
					35067	64.54-65.94				6	.5	8	16	39	1.0	170
					35068	65.94-66.44				3	.8	13	37	39	1.6	217
					35069	66.44-67.44				2	.8	9	21	51	4.6	444
					35070	67.44-67.95				1	.8	8	29	60	1.0	197
					35071	67.95-68.45				1	.4	15	19	69	1.1	242
					70	70.90				Andesitic Flow: dark green strongly silicified		100				
	75.50	Andesitic Ash: very fine strongly silicified (muddy appearance)			35072	76.25-76.75	5% py		5	.4	101	45	347	.1	83	

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 4 of 5									
J.T. Thomas		NQ		89 DDH 03											
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By		Owner/Operator							
Nov.30/89	Dec.02/89	3010N/840E		-50°	135°	L. Demczuk		Progold Resources Ltd.							
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result						
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm
7c	138.50	Porphyritic Andesite		100	35085	141.20-143.20			1	.7	132	51	150	34	1
					35086	143.20-143.45	native copper		2	.8	1386	64	277	24	1
					35087	143.45-144.65			2	.7	381	65	208	42	1
		From 148.45 to 151.70 m a very fine andesite tuff (chlorite rich)													
		From 163.80 to 164.70 strongly sheared fault zone		85											
7b	164.70	Andesitic Tuff: dark green			35088	196.35-197.35	qtz., breccia		1	1.3	36	43	43	19	88
					35089	198.25-200.25	shear zone		4	1.2	28	42	88	21	59
					35090	200.25-201.80	shear zone		1	.7	8	43	91	.7	1
			From 203.70 dark tuff with network of small clorite veins												
		From 209 to 212 fault zone strongly broken 20% recovery		89	35091	210.10-212.00	fault zone		2	.4	43	67	219	1.1	1
					35092	214.30-215.10	fault zone		1	.9	406	61	173	.1	9
					35093	219.00-220.00			2	.9	78	64	141	.8	1
					35094	220.15-220.40	native copper		3	.5	97	54	113	2.5	1

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 3 of 5									
J.T. Thomas		NQ		89 DDH 03											
Date Collared	Date Completed	Field Co-ordinates	Dip	Bearing	Logged By	Owner/Operator									
Nov.30/89	Dec.02/89	3010N/840E	-50°	135°	L. Demczuk	Progold Resources Ltd.									
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result						
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm
7b	118.00	occasionally weakly brecciated dark grey tr. of pyrite From 101.15 to 102.00 strongly epidote altered (patches of epidote) and massive sulphide up to 5%		98	35073	82.48-83.75	3% py		4	.5	116	36	175	2.7	252
					35074	87.00-88.00	2% py		1	.5	106	16	94	4.1	512
					35075	94.60-96.60	2-3% py		6	1.9	277	34	129	6.5	613
					35076	96.60-98.60	3-4% py		1	.3	83	28	127	12.5	1380
					35077	100.65-101.15	tr. of arsenopyrite /tetrahedrite		14	.34*	.192%	53	196	.2	22
					35078	101.15-101.65	3% arsenopyrite /tetrahedrite		8	.12*	.177%	16	33	.1	9
					35079	101.65-102.15	5% arsenopyrite /tetrahedrite			.006*	4.43*3.780%	43	23	2.3	27
					35080	102.15-102.65	1% sulphide		3	.11*	.76%	50	174	1.3	33
					35081	102.65-103.65			5	.9	360	45	201	.6	15
					35082	107.00-107.25	native copper		4	1.1	537	26	96	.1	57
35083	107.25-109.25														
3		From 107.00-107.25 m dark brown rock with spots of native copper			35080	102.15-102.65									
		From 107.25 to 110.00 strongly propylitic altered			35081	102.65-103.65									
		From 113.80 to 114.50 up to 30% epidote			35082	107.00-107.25									
					35083	107.25-109.25									
		Conglomerate, poorly sorted volcanic fragments intermixed with muddy sequences			35084	129.30-131.30			5	.4	31	43	145	1.9	147
		From 126.00 to 129.35 very fine mafic unit, chlorite rich sheared with network of small calcite veins		99											

* = oz/t

DRILL HOLE LOG SHEET

Drilling Company		Core Size		Hole No.		Sheet 2 of 3												
J.T. Thomas		NQ		89 DDH 04														
Date Collared	Date Completed	Field Co-ordinates		Dip	Bearing	Logged By		Owner/Operator										
Dec.03/89	Dec.05/89	1875N/850E		-5 ⁵⁰	135 ⁰	L. Demczuk		Progold Resources Ltd.										
Symbol	Depth M	Description	C/A	% Rec.	Sample No.	Interval From To	Mineralization	Alteration	Assay Result									
									Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Cd ppm	As ppm			
7b	70.75	At 70.15 m fault zone																
	74.30	Tuff: (andesitic origin?) light grey-green very fine of phylitic appearance, chlorite rich, mostly quartz, sericite, mica and calcite		100														
3		Conglomerate: brown-maroon poorly sorted, matrix supported unit. Occasionally muddy sequences and calcite veins some epidote spots		89			Silica Calcite Epidote											
		From 88.0 to 97.60 strongly propylitic altered			35155	98.05-99.05	brecciated	chlorite	5	1.0	183	41	146	.1	67			
		From 98.05 to 101.05 weakly sheared and silicified sediment on the contact with volcanic			35156	99.05-101.05	brecciated		1	1.5	135	30	103	.1	67			
	100.83	Andesitic Flow: dark green-grey, fine-grained, massive assemblage of quartz and plagioclase in fine quartz matrix		96	35157	112.60-113.70	tr. of sulphide		4	.8	61	84	159	2.5	36			
					35158	113.70-115.16		chlorite	1	.8	77	80	165	3.6	206			

APPENDIX C
COSTS OF DRILLING PROGRAM

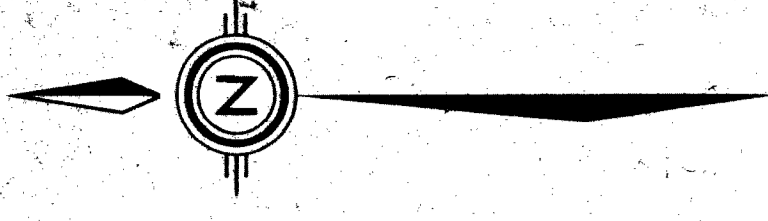
HAGAS CLAIMS
COSTS OF DRILLING PROGRAM

Nov. 17, 1989 - Dec. 13, 1989

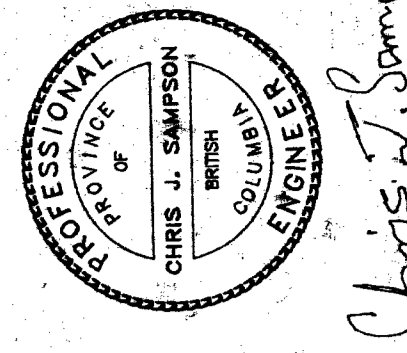
Personnel:

L. Demczuk, M.Sc., Geologist, 32.5 days @ \$300.00/day	\$9,750.00
J. Dahroge, B.Sc., Helper, 22.0 days @ \$150.00/day	\$3,300.00
Drilling, 3130 ft.	\$61,886.33
Expenses	6,848.82
Assaying	1,885.00
Sampson Report	1,529.40
Report preparation (estimated)	1,200.00
Core relocation	675.00
Management Fee	\$5,000.00

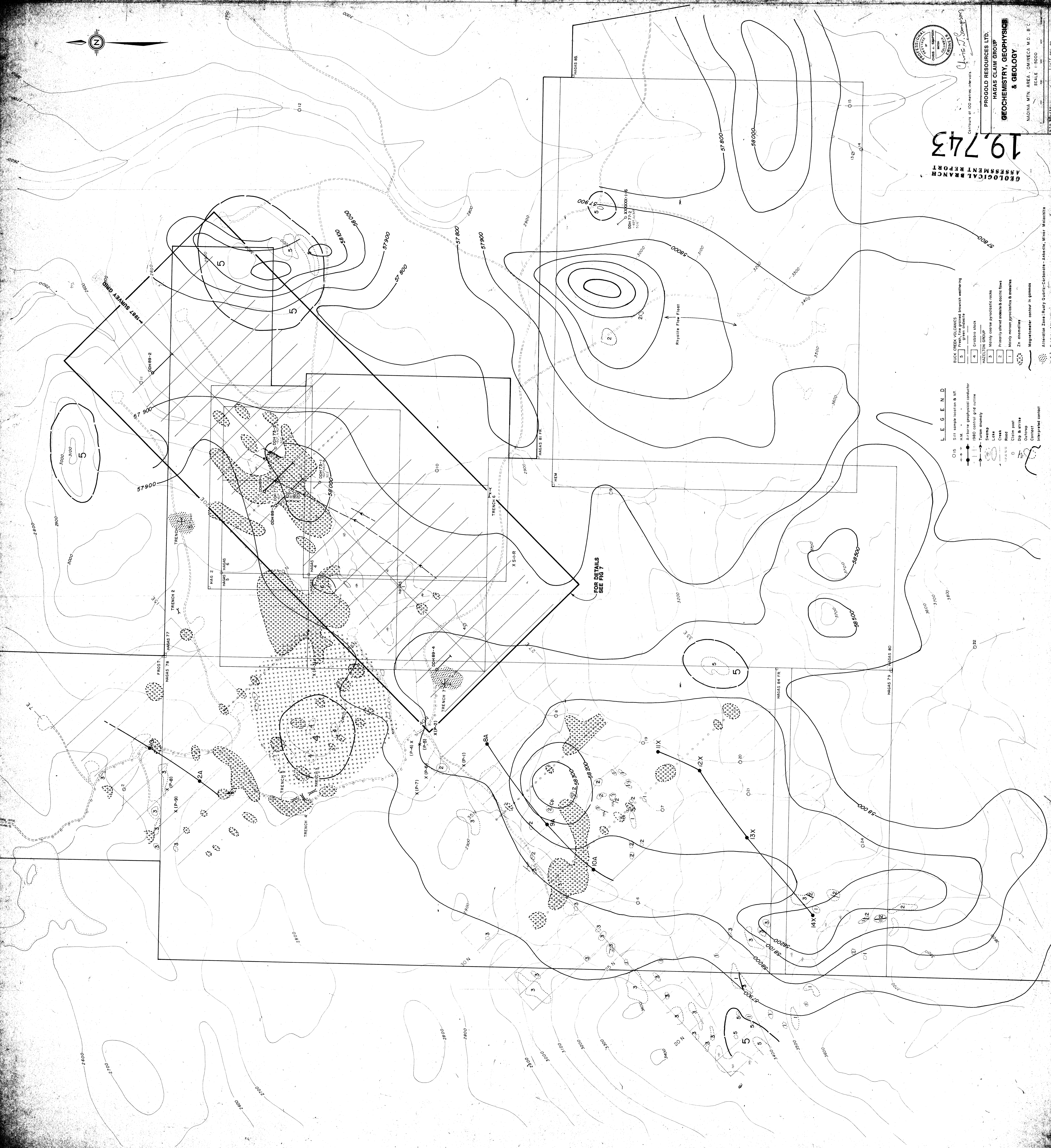
Total	\$92,074.55



19,743
GEOLOGICAL BRANCH
ASSESSMENT REPORT



Contours at 100 metres intervals
 PROLOG RESOURCES LTD.
GEOCHEMISTRY, GEOPHYSICS & GEOLOGY
 MADONA MTS. AREA, ONTARIO, CANADA
 SCALE 1:5000
 DATE DEC. 85
 DRAWN BY AB



LEGEND

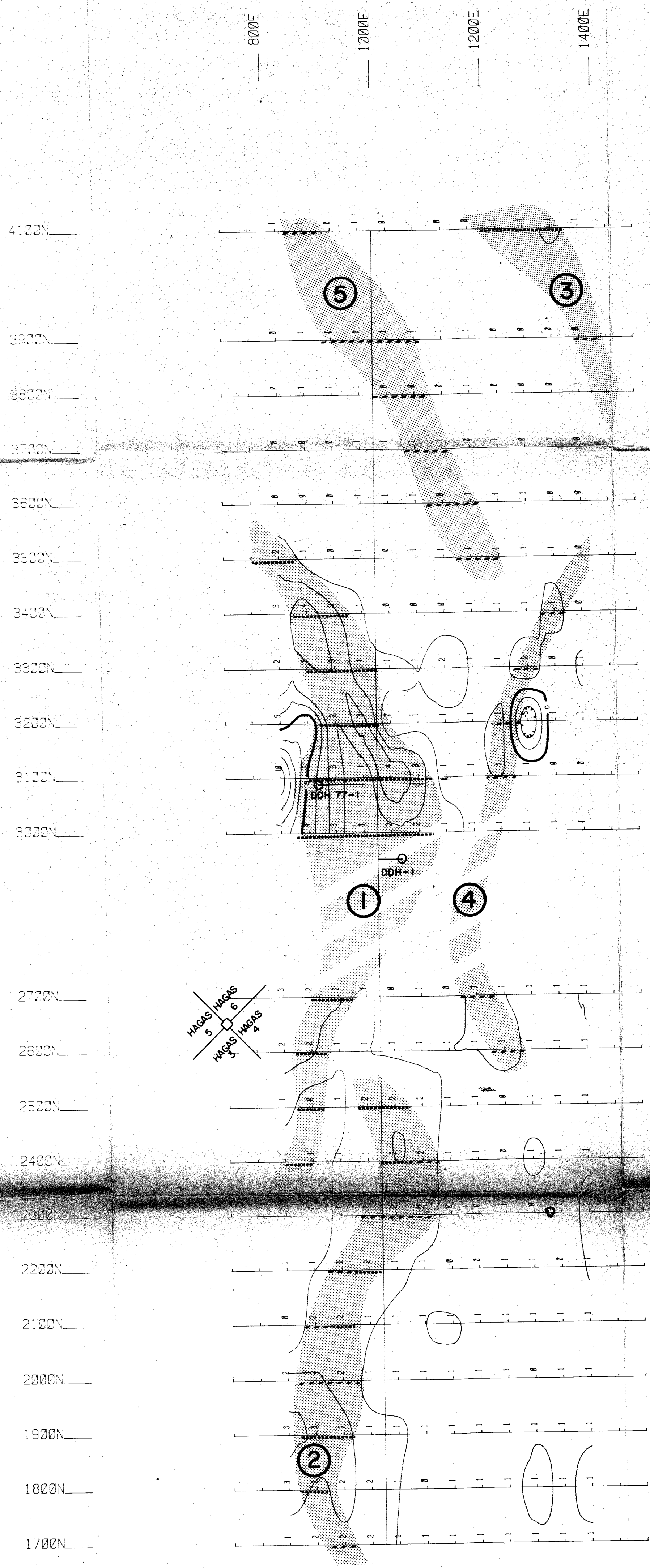
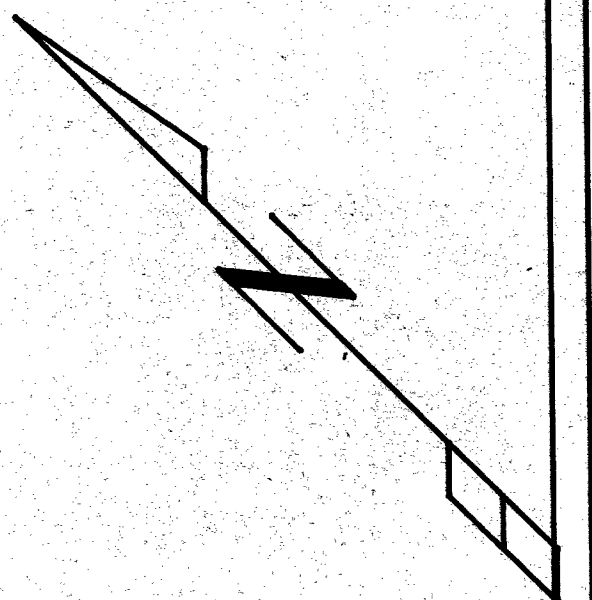
- O 15 Silt sample location & nr.
- H.M. Hill sample location & nr.
- Aluminum geophysical anomaly
- SPD control grid outline
- Contour
- Stream
- Creek
- Road
- Claim post
- Dip & strike
- Outcrop
- Contact
- Impure contact

BUCK CREEK VOLCANICS
 5 Brownish weathering
 6 Fine green schist
 7 Gabbro stock
HAMILTON GROUP
 3 Mostly coarse pyroclastic rocks
 2 Primarily altered andesite & dacitic flows
 1 Mostly massive pyroclastics & andesite
 Zn anomalies
 Magnetometer contour in gamma

FOR DETAILS
 SEE FIG 7

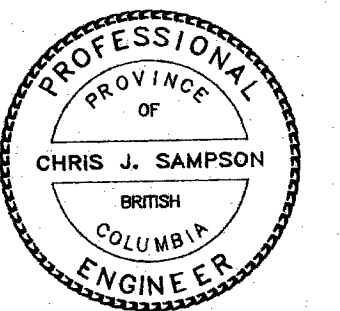
APR 27, 1985

View 3.87
Tue 1 Jun 1988 at 13:11
Serial = 10223
Registered User = Pacific Geophysical Ltd.



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ASSESSMENT REPORT

19,743



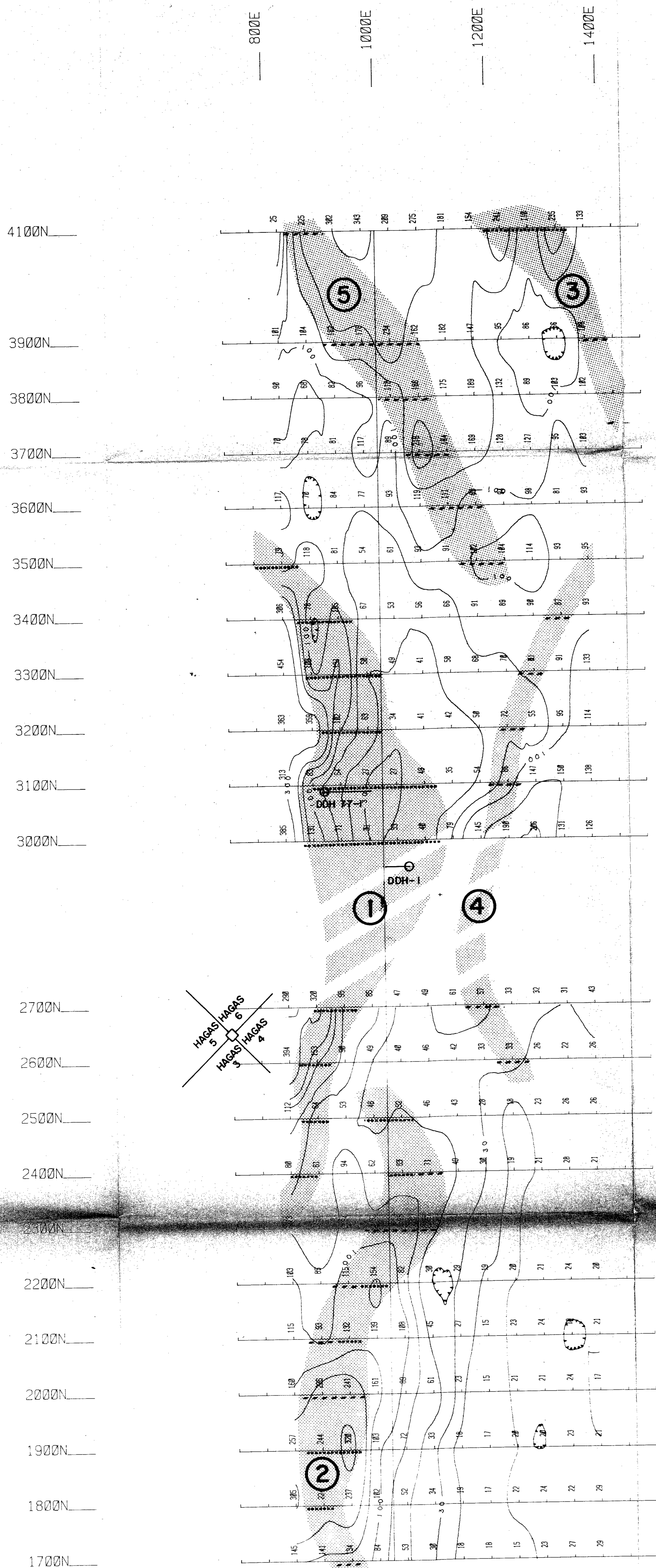
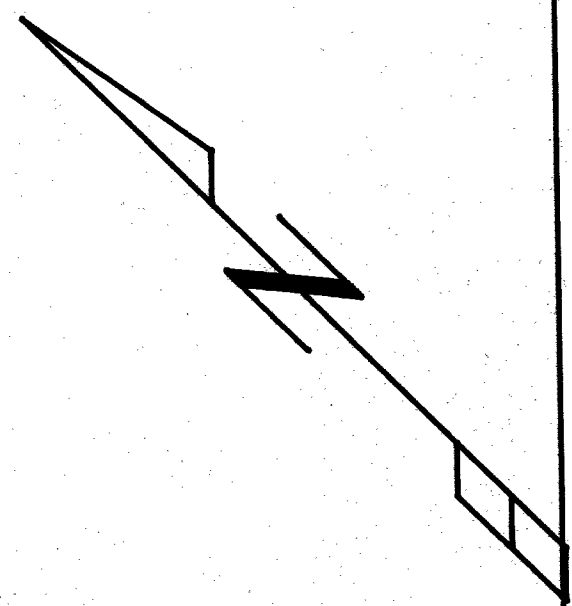
Chris J. Sampson

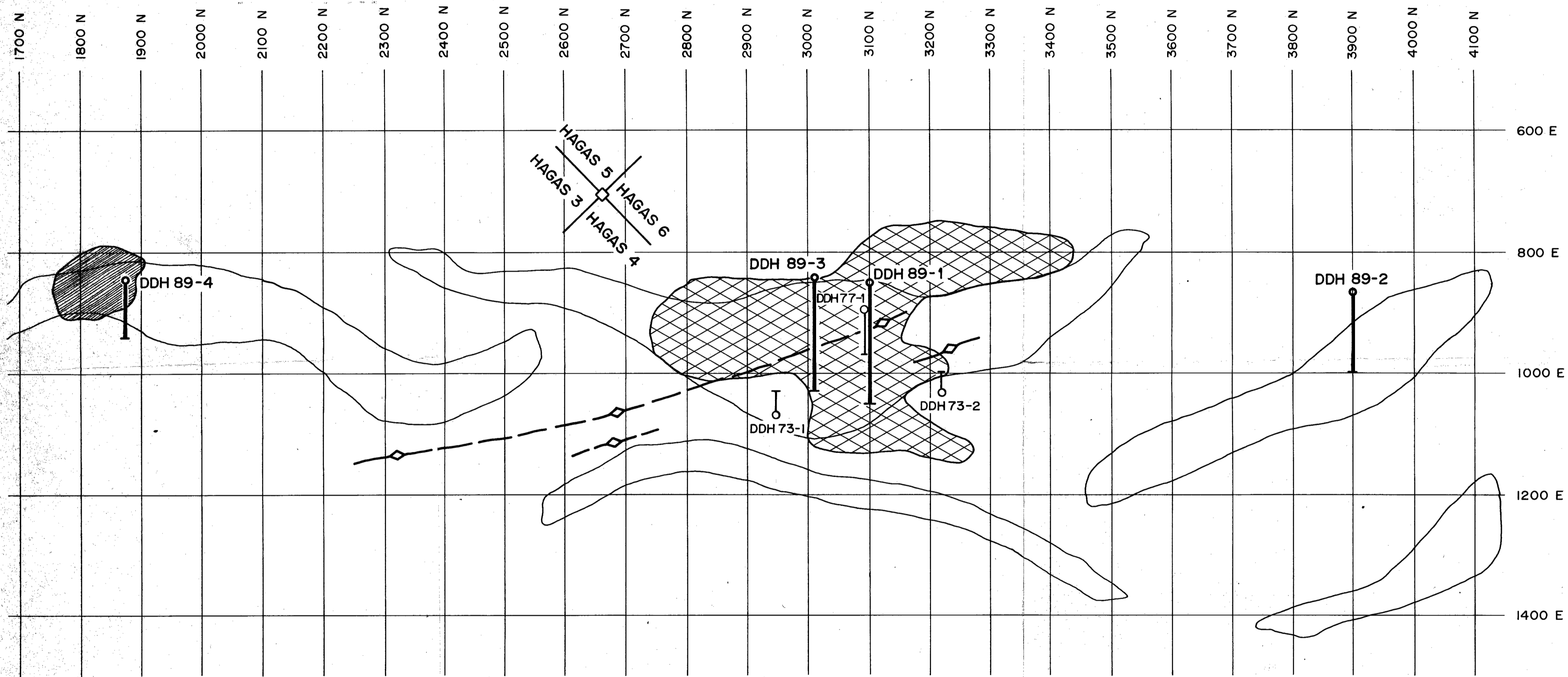
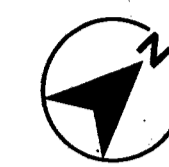
COOKE GEOLOGICAL CONSULTANTS
INDUCED POLARIZATION SURVEY
 (FILTERED CONTOUR PRESENTATION)
PROJECT: HAGAS PROPERTY PROJECT #: PG87HP
BASELINE AZIMUTH: 45 Deg.

SCALE = 1: 5000 DATE: 9/16/87
 SURVEY BY: K.C./M.M.M. NT5: 93L/3
 FILE: MPVA1C00
Pacific Geophysical Ltd.

ANOMALY CLASS.: Definite ———
 Probable - - - - -
 Possible
 Outline of Anomalous IP Zone [shaded]
 Contour Interval: 1% PFE
 (1 pass through a 9 pt. Hanning Filter.)
 (1 pass through a 3 pt. Hanning Filter.)
 Dipole-Dipole Array X=50m N=1

Fig. 5

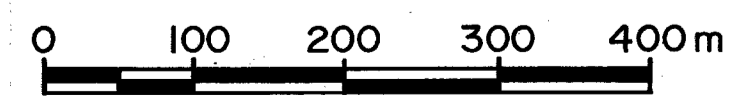




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- LEGEND**
- 'TURAM' ANOMALY
 - I.P. ANOMALY
 - ALTERATION ZONE
Rusty Quartz - Carbonate - Ankerite
 - EPIDOTE ALTERATION
 - DIAMOND DRILL HOLE



PROGOLD RESOURCES LTD. HAGAS CLAIM GROUP OMINECA MINING DIVISION, B.C.		
DRILL HOLE LOCATION PLAN		
BEACON HILL CONSULTANTS LTD.		
Date: DEC 89	Design: L.D.	Mining Engineers
Drawn by: M.B.	Scale: AS SHN.	FIG 7