

MineQuest Report #226
Ref. No. RM5701

LOG NO: 0308	RD.
ACTION:	
FILE NO:	

TERTIARY MINE PROJECT
SEISMIC REFRACTION SURVEY AND DRILLING
OCTOBER 1989 - JANUARY 1990

Fraser Plateau, Central British Columbia
Cariboo Mining Division

N.T.S. 93G/2E

Latitude 53°11'N
Longitude 122°43'W

UTM 519000mE 5893000mN

for

FILMED

QPX Minerals Inc.

by

A.W. Gourlay

of

MineQuest Exploration Associates Ltd.

Vancouver, B.C.

February, 1990

TABLE OF CONTENTS

	<u>Page</u>
1.0 INTRODUCTION	1
1.1 Location, Access and Topography	1
1.2 Property Definition and History	3
1.3 Claim Status	3
1.4 Summary of Work - Current Program	3
2.0 GEOLOGY	5
2.1 Tertiary Geology	5
2.2 Pre-Tertiary Geology	6
3.0 SEISMIC SURVEY	7
3.1 Equipment and Procedures	7
3.2 Geophysical Results	7
3.2.1 North Target (Double Bend Area)	7
3.2.2 McHardie Creek	7
3.3 Interpretation	7
4.0 DRILLING	8
4.1 Drilling and Sampling Procedure	8
4.2 Drill Results	9
4.2.1 Hole 89-1	9
4.2.2 Hole 89-2	9
4.2.3 Hole 89-3	10
4.2.4 Hole 89-4	10
4.3 Analytical Results	10
5.0 DISCUSSION	11
6.0 CONCLUSIONS	12
7.0 RECOMMENDATIONS	13
8.0 BIBLIOGRAPHY	14

LIST OF ILLUSTRATIONS

<u>Figure</u>		<u>After Page</u>
1	Location Map	1
2	Location of Channel and Targets	1
3	Placer Claim and Lease Plan	3
4	Mineral Claim Plan	3
5	Interpreted Elevation Contour Plan Double Bend Area Detail (External Plan 664)	In pocket
6	Interpreted Elevation Contour Plan McHardie Creek Area Detail (External Plan 665)	In pocket
7	North Target: Location of Seismic Lines and Detailed Map (Plan 1544)	In pocket
8	North Target: Location of Drill Holes and Seismic Lines (Plan 1545)	In pocket
9	Section Through Hole 89-1	9
10	Section Through Hole 89-2	10
11	Section Through Hole 89-3	10
12	Section Through Hole 89-4	10
13	North Target: Schematic Cross Section	11

LIST OF TABLES

<u>Table</u>		<u>After Page</u>
1	Claim Status	3

APPENDICES

Appendix I	Laboratory Methods
Appendix II	Laboratory Reports
Appendix III	Statement of Qualifications
Appendix IV	Cost Statement
Appendix V	Statement of Work

1.0

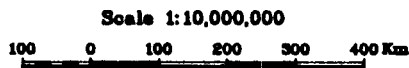
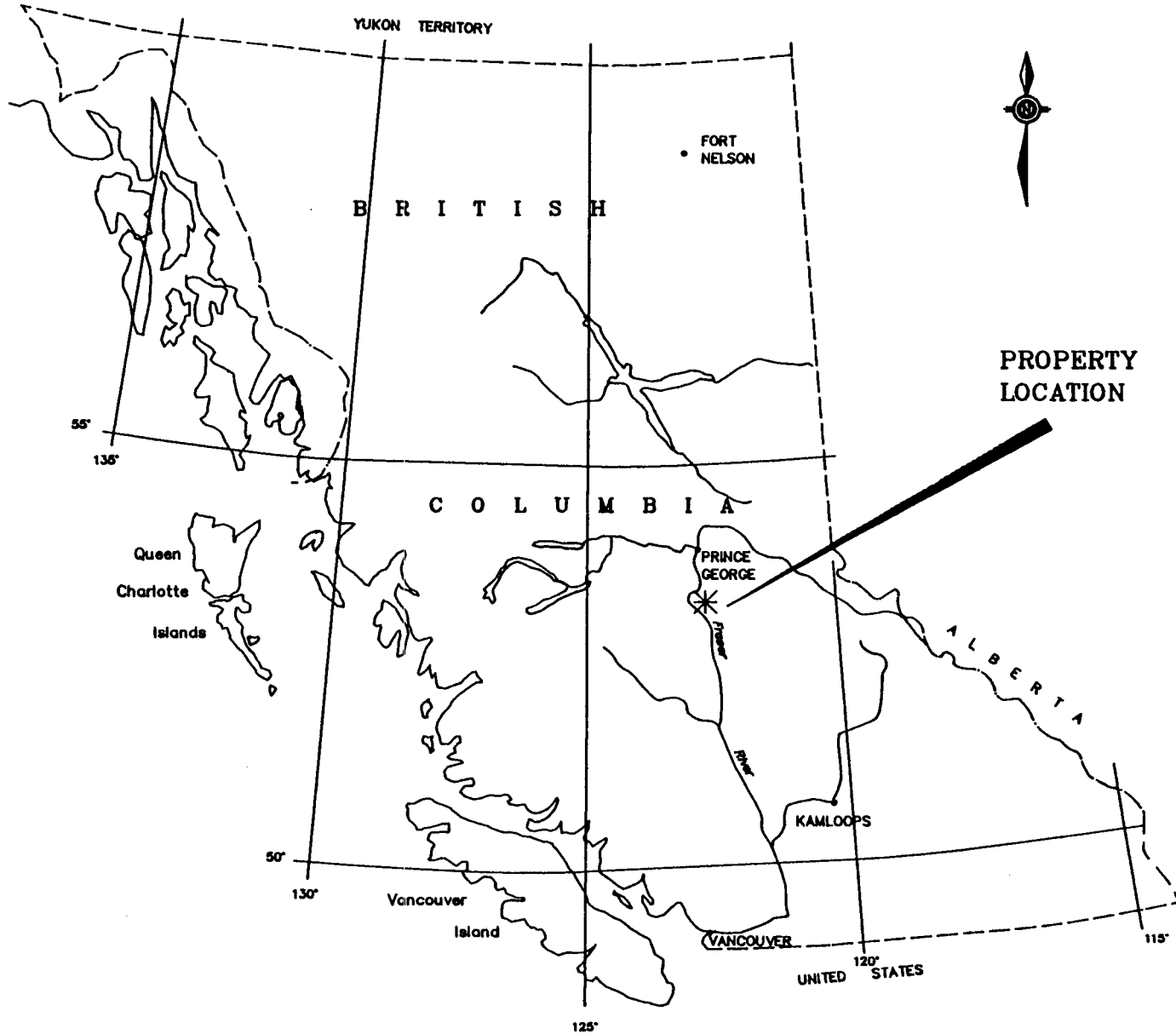
INTRODUCTION

During 1985, 1986, and 1987 a total of 35 placer leases and eight mineral claims were staked on behalf of First Fraser Limited Partnership to cover a paleo-channel of the Fraser River. Records of mine production from a former producer (the Tertiary Mine) and evidence presented by Campbell (1987) suggested an extension of the gold-bearing paleo-channel upstream and beyond the workings of the Tertiary Mine. Work on the Partnership's claims from 1985 until 1989 confirmed the presence of a cemented conglomerate similar to the gold-bearing conglomerate worked at the Tertiary Mine, and suggested that a northern end of the paleo-channel might be present at two locations; McHardie Creek and at the North Target, respectively some three kilometres and seven kilometres north of the old mine itself.

During the fall of 1989 MineQuest Exploration Associates Ltd., operating on behalf of QPX Minerals Inc., (to whom the property was optioned in 1988) commissioned a seismic refraction survey and drilling program to further define and test the northern end of the paleo-channel. This report summarizes the results of that seismic survey and presents the results of the drilling. A report describing the seismic survey in detail has been presented by Candy and Hillman (1989).

1.1 Location, Access and Topography

The property lies east of the Fraser River and northwest of Cottonwood Canyon. The claims and leases are centred at approximately 53°10'N latitude and 122°41'W, some 27 kilometres northwest of Quesnel, within National Topographic System map area 93G/2E.

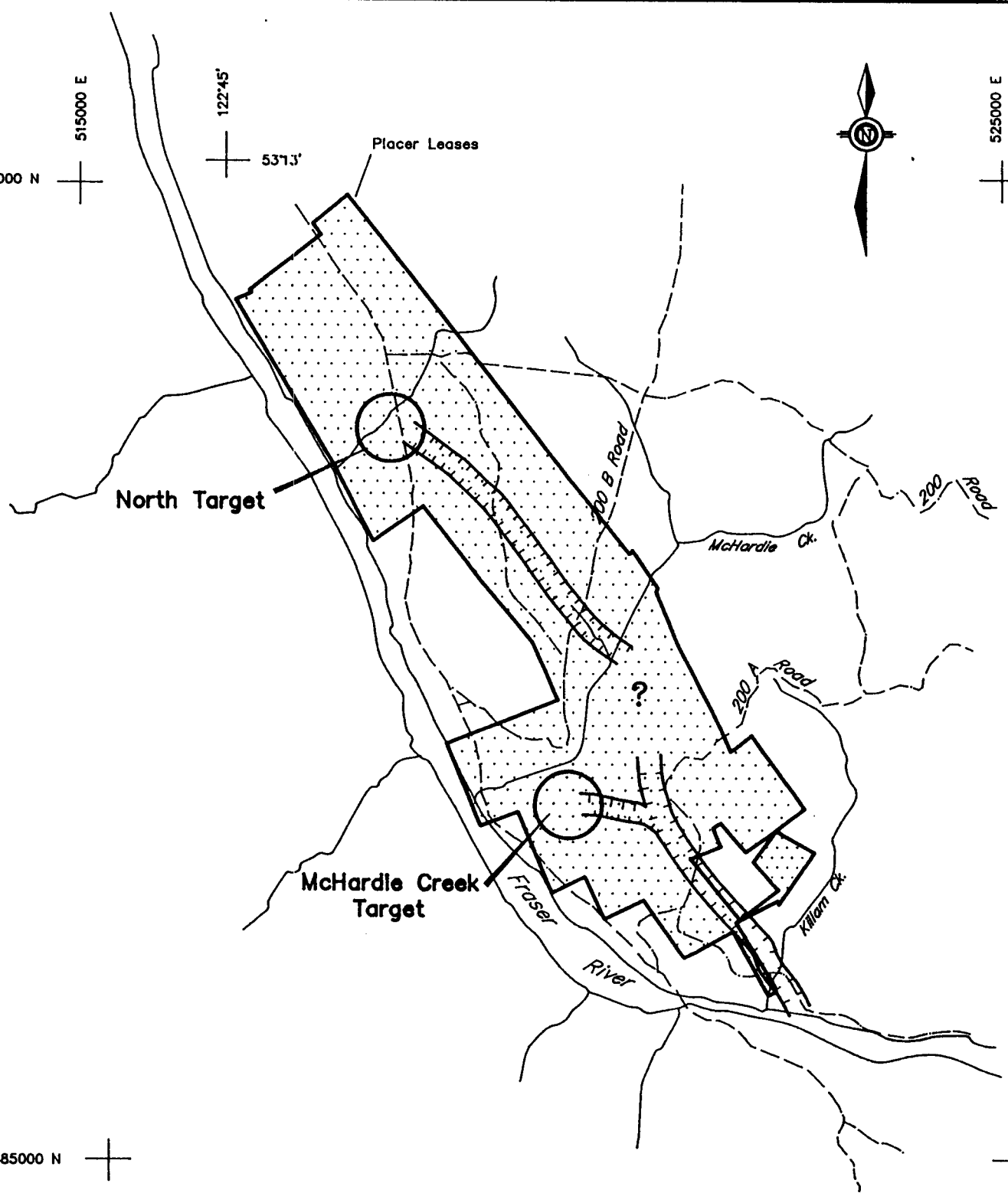


QPX MINERALS INC.			
TERTIARY MINE PROJECT			
LOCATION MAP			
PLAN No. —	DRAWN BY: GEO-COMP	DATE AUG. '89	FIGURE 1
Originator: AWG		N.T.S. 936/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

5896000 N
515000 E


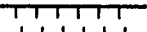
122°45'
53713'

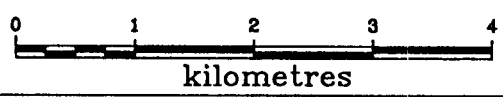
525000 E



5885000 N

LEGEND

-  Claim Boundary
-  Tertiary Channel after Campbell 1987 & Garrow and Manning 1989



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
Location of Channel and Targets			
PLAN No. -	DRAWN BY: GEO-COMP	DATE Jan. '90	FIGURE 2
Originator: AWG		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

The region is readily accessible by the Cariboo Highway (No. 97), by the old Prince George Highway, and by numerous logging roads. The most direct route is by taking Olson Road, north and west of the Ahbau Creek bridge on Highway 97, seven kilometres southwest to the Cottonwood River, then three kilometres northwards to the B.C. Hydro lines where the '200 Road' branches south. About five kilometres west on the '200 Road' the '200A Road' to the south is taken for about 11 kilometres, where an access road branches to the Tertiary Mine branches 2-1/2 km to the south.

The recent program has been focussed on two parts of the property" the "North Target" (also known as the "Double Bend Area") at the north end of the property and "McHardie Creek" at the south centre.

To reach the drill area at the North Target (or Double Bend Area) the '200 Road' is followed approximately 17 kilometres from the B.C. Hydro lines. The left fork is taken from the '200 Road' for about two kilometres to the drill sites.

The McHardie Creek area is reached by following the '200 Road' for about 12 kilometres to the '200 B Road', which is taken for four kilometres to the south, and then on foot to the southeast across McHardie Creek.

Elevations range from about 500 metres above sea level at the Fraser River to approximately 770 metres on the Fraser Plateau. The seismic lines traversed from river level to the plateau, crossing a series of benches cut by the Fraser River. The drilling took place along one of the erosional escarpments at an elevation of about 670 metres. Vegetation is open forest of mixed deciduous and coniferous trees.

1.2 Property Definition and History

The Tertiary Mine Property was staked by MineQuest Exploration Associates Ltd. on behalf of the First Fraser Limited Partnership during 1985 and 1986. Seismic profiling, performed during 1985, was followed by ground magnetometry and drilling carried out during the winter of 1986-1987. Additional placer leases were staked in early 1987. Further seismic profiling and transient EM surveys were completed in 1988 and 1989.

Since 1985 approximately 10.2 kilometres of seismic profiling, 77 kilometres of magnetometry, and 855 metres of percussion and rotary drilling have been completed. The present phase of drilling was preceded by an additional 7.15 kilometres of seismic survey.

The history of the property is described by Campbell (1987) and Garrow, et al (1989).

1.3 Claim Status

Figure 3 is a plan of the Placer Leases and Placer Claims, Figure 4 is a plan of the Mineral Claims.

Table I list the claims and leases in good standing as of February 28, 1990. The Placer Leases, Placer Claims and Mineral Claims are registered in the name of QPX Minerals Inc.

1.4 Summary of Work - Current Program

Work carried out in this exploration program was performed in two phases. The seismic refraction survey, which consisted of 7.15 kilometres of coverage on ten lines, took place from October 21st to November 1st, 1989. Following interpretation of the seismic data four holes, totalling 500 metres of air rotary and reverse circulation tricone drilling, were completed. A total of 29 samples of drill cuttings were collected. Outcrop along the drill road was mapped.

TABLE I
First Fraser Limited Partnership
Claim Status, February, 1990

<u>NAME OF CLAIM</u>	<u>RECORD NUMBER</u>	<u>NO. OF UNITS</u>	<u>REGISTERED OWNER</u>	<u>DUE DATE</u>
<u>Placer Leases</u>				
Placer Lease	15947	1	QPX	91/01/12
Placer Lease	15129	1	QPX	91/12/27
Placer Lease	15355	1	QPX	91/12/27
Placer Lease	15326	1	QPX	91/12/27
Placer Lease	15007	1	QPX	91/12/27
Placer Lease	14583	1	QPX	91/12/27
Placer Lease	15324	1	QPX	91/12/27
Placer Lease	15743	1	QPX	91/12/27
Placer Lease	15322	1	QPX	91/12/27
Placer Lease	14582	1	QPX	91/12/27
Placer Lease	15325	1	QPX	91/12/27
Placer Lease	15940	1	QPX	91/12/12
Placer Lease	14581	1	QPX	91/12/27
<u>Placer Claims</u>				
PC 14579	973	1	QPX	91/12/27
PC 14580	974	1	QPX	91/12/27
PC 14587	1035	1	QPX	91/12/27
PC 14588	1036	1	QPX	91/12/27
PC 15125	1028	1	QPX	92/12/27
PC 15126	1029	1	QPX	92/12/27
PC 15127	1030	1	QPX	92/12/27
PC 15128	1031	1	QPX	92/12/27
PC 15130	1032	1	QPX	92/12/27
PC 15321	1033	1	QPX	91/12/27
PC 15323	1034	1	QPX	91/12/27
PC 15938	1037	1	QPX	91/12/12
PC 15939	1038	1	QPX	92/02/15
PC 15941	1039	1	QPX	91/12/12
PC 15942	1040	1	QPX	91/12/12
PC 20370	1041	1	QPX	92/02/15
PC 20371	1042	1	QPX	92/02/15
PC 20372	1043	1	QPX	91/02/15
PC 20373	1044	1	QPX	91/02/15
PC 20374	1045	1	QPX	91/02/15
PC 20375	1046	1	QPX	92/02/15
PC 20376	1047	1	QPX	92/02/15

TABLE I - (Continued)

<u>NAME OF CLAIM</u>	<u>RECORD NUMBER</u>	<u>NO. OF UNITS</u>	<u>REGISTERED OWNER</u>	<u>DUE DATE</u>
<u>Placer Claims (Continued)</u>				
ACK 1	1603	01	QPX	92/10/15
MAC 1	1604	01	QPX	92/10/15
MAC 2	1605	01	QPX	92/10/15
MAC 3	1606	01	QPX	92/10/15
MAC 4	1607	01	QPX	92/10/15
NEL 1	1654	01	QPX	92/11/05
NEL 2	1653	01	QPX	92/11/24
<u>Mineral Claims</u>				
Alexis	7432	16	QPX	93/03/20
Britt	7434	06	QPX	93/03/20
Joanna	7435	12	QPX	93/03/20
Mouse	7232	12	QPX	92/12/10
Rosebud	7230	20	QPX	92/12/10
Suzy	6814	20	QPX	93/05/15
Taffy	7433	20	QPX	93/03/20
Venus	7231	20	QPX	92/12/10

5896000 N
515000 E

122°45'
53°13'



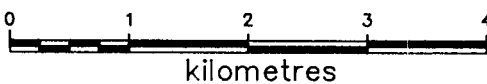
525000 E

5885000 N

LEGEND

----- Road

PL15940 Placer Lease Number
PC1047 Placer Claim Number

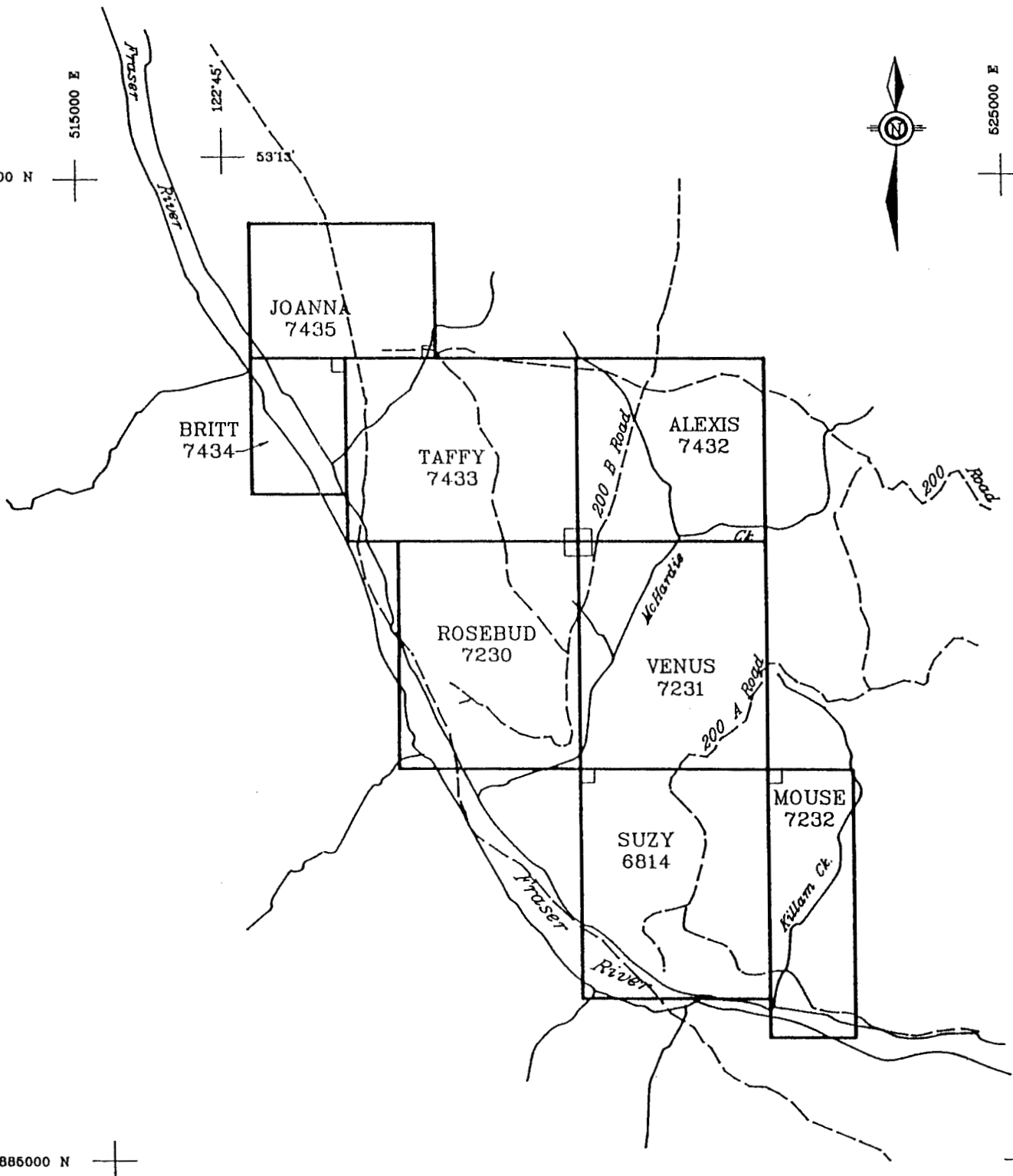


Geo-Comp Drawing File: FFL/PLP 01-30-90

QPX MINERALS INC.			
TERTIARY MINE PROJECT			
PLACER CLAIM & LEASE PLAN			
PLAN No. —	DRAWN BY: GEO-COMP	DATE JAN.'90	FIGURE 3
Originator: AWG		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

5898000 N
515000 E

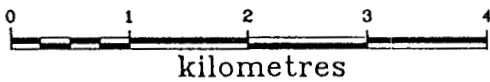
525000 E



5885000 N

LEGEND

----- Road
VENUS 7231 Claim name
Record number



QPX MINERALS INC.		
TERTIARY MINE PROJECT		
MINERAL CLAIM PLAN		
PLAN No. -	DRAWN BY: GEO-COMP	DATE AUG. '89
Originator: AWG	N.T.S. 93G/2E	FIGURE 4
MINEQUEST EXPLORATION ASSOCIATES LTD.		

The seismic survey and interpretation were performed by Frontier Geosciences Ltd. Drill cuttings were sampled and logged by G.W. Vernon and A.W. Gourlay. The mapping was performed by and the project was under the direction of A.W. Gourlay.

2.0

GEOLOGY

The property geology has been summarized by Longe (1989) as follows:

2.1

Tertiary Geology

"The main potential for a commercial gold deposit lies in the gravels laid down by a Tertiary channel of the Fraser River. The following is a brief description of these gravels, which are fully described in Campbell's report of 1987.

The oldest Tertiary alluvial unit and the one occupying the deeper parts of the channel, where it lies directly on Paleozoic and Mesozoic basement, is the Fraser Bend Formation. A key feature of this gravel is its cemented matrix which allows underground workings to be developed with minimal roof support.

The Fraser Bend Formation is of Miocene age and is divided into three sub-units: The Lower (the most auriferous unit), the Middle, and the Upper Fraser Bend Formations. Above the Fraser Bend lies a sequence of silt, sand and gravel assumed to be of post-glacial origin and important mainly for its considerable thickness (up to 90 metres) and for the obstacles it presents to drilling".

2.2 Pre-Tertiary Geology

From Longe (1989).

"The property lies within a belt of rocks cut by a series of faults of regional significance, one of which (believed to be an extension of the Pinchi Fault) traverses the property itself. Within this belt, rocks of Cambrian, Pennsylvanian-Permian and Triassic-Jurassic age are juxtaposed in fault-bounded slices.

The bedrock exposed on the property consists of phyllites and argillites which are well foliated and locally contain pods and stringers of quartz. The bedrock lithology is important in two respects:

- 1) Its foliated and fractured nature makes the bedrock an effective trap for alluvially-transported gold. As is common in placer deposits, the upper portion of the bedrock becomes as an important a source of gold as the lower portion of the overlying gravel.*
- 2) The presence of major regional faults traversing the claims suggest that much of the gold could well be derived from bedrock underlying the claims. This particular possibility is supported by two observations:
 - a) Alum, a common product of hydrothermal alteration but unusual in a conglomerate, is present in the cement.*
 - b) The Fraser River itself is mined for gold downstream but not upstream of the Tertiary Channel. This situation suggests that the Tertiary channel intersected a source of gold while the modern Fraser does not. Gold now found in the Fraser River is most probably derived from erosion of the Tertiary channel".**

3.0 SEISMIC SURVEY

3.1 Equipment and Procedures

Equipment and procedures are detailed in Candy and Hillman (1989).

3.2 Geophysical Results

3.2.1 North Target (Double Bend Area) (Figure 5)

Contouring of the basement elevations at the North Target outlined a buried channel at an elevation of 540 metres a.s.l. The channel continues to the southeast but to the northwest it appears to be eroded, as evidenced by a rapid drop off of basement topography. To the west the basement rises steeply to a ridge and to the east it rises gently.

3.2.2 McHardie Creek (Figure 6)

At the McHardie Creek area the contoured basement elevations defined two channels separated by a basement high. The western channel has an elevation of 550 metres a.s.l. and the eastern channel is at an elevation of 540 metres a.s.l. The western channel appears to be terminated by rapidly dropping topography presumably caused by pre-glacial erosion. There is insufficient data to define the northern extension of the eastern channel. Both channels continue to the southeast.

3.3 Interpretation

The North Target was selected for drill testing because the channel was well defined by the seismic survey and, if the presence of the cemented conglomerate could be established at the north end of the paleo-channel, it could be assumed to be present for the seven kilometres between the Tertiary Mine and the North Target.

4.0

DRILLING4.1 Drilling and Sampling Procedure

Four drill holes totalling 499.85 metres were drilled on the North Target between November 24, 1989 and January 18, 1990. Locations of the drill holes are shown on Figure 8.

Perry's Well Drilling of Langley, B.C., the first to be selected, used an air rotary casing hammer system in which casing (O.D. 6-5/8", I.D. 6.0") was driven by a hydraulic hammer ahead of a tricone bit. The tricone bit is rotated as it advances, and the cuttings are returned through dual-wall casing by compressed air. The hammer failed at a depth of 233 feet in Hole No. 89-1 and, after repair, was unable to penetrate beyond 340 feet depth. Perry's Well Drilling withdrew from the hole, leaving the casing behind and the target untested.

Tonto Drilling of Kamloops, B.C., retained to complete the drilling program, employed a skirted tricone bit (O.D. 5-1/2") to drill uncased holes. In this system cuttings from the bit are returned to surface through dual wall or centre-sample return (C.S.R.) system. Tonto was able to re-mount Hole 89-1 and complete the drilling below the abandoned casing. Holes 89-2, 89-3, and 89-4 were completed as uncased holes with the skirted tricone bit.

Unconsolidated overburden overlying the Fraser Bend Formation was not sampled. Sampling commenced when the drilling encountered gravels, approximately 30 feet above the conglomerate-bedrock contact, as indicated by the seismic survey. Sample intervals varied from two (0.6 metres) to five feet (1.52 metres). Five foot sample lengths were collected above the cemented conglomerate and two foot lengths through the cemented conglomerate and into the bedrock.

Samples were collected in heavy duty plastic bags placed within five gallon plastic pails at the point of exit from the cyclone retrieval system. All cuttings from each sample interval were collected. Samples were sealed individually and shipped to Canadian Gravity Recovery Inc. of Vancouver, B.C.

The drill holes were plugged with logs and labelled with aluminium tape. The casing was abandoned in Hole 89-1.

4.2 Drill Results

The holes were designed to test for gold-bearing cemented conglomerate in a channel defined by seismic surveys. The first hole was directed at the deepest part of the channel and the subsequent holes defined the width of the cemented conglomerate and the channel.

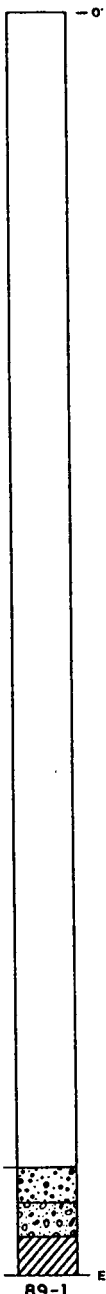
4.2.1 Hole 89-1 (Figure 9)

The first hole cut 385 feet of unconsolidated sand, clay, and minor gravel. From 395 to 405 feet water-bearing gravels composed of subrounded basalt fragments was encountered, followed by 12 feet of quartz-rich cemented conglomerate to 417 feet, where bedrock of grey, siliceous metasedimentary rock was found. The hole was stopped at a depth of 430 feet.

Low gold values were returned from the cemented conglomerate or the bedrock.

4.2.2 Hole 89-2 (Figure 10)






The second hole was drilled 25 metres to the west of Hole 89-1. Unconsolidated overburden extended to 373 depth, where the hole encountered an unconsolidated basalt gravel or conglomerate. Quartz-rich cemented conglomerate was cut from 387.5 to 410 feet depth, where bedrock was found. The hole was terminated at 420 feet. No significant gold values were returned from the unconsolidated gravel while cemented conglomerate and bedrock produced low gold values.



FROM (ft.)	TO (ft.)	SAMPLE No.
395	400	101
400	405	102
405	410	103
410	415	104
415	417	105
417	420	106
420	422	107
422	424	108
424	426	109
426	428	110
429	430	111

EOH 430'

LEGEND

-  Unconsolidated sand and clay, minor gravel
-  Unconsolidated gravel
-  Unconsolidated gravel, dominantly basalt clasts, water bearing
-  Cemented conglomerate, quartz rich
-  Grey, siliceous metasedimentary rock, (sillite ?) up to 2% hairline quartz veinlets, random orientation

NOTE:
Results tabulated in Appendix II



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
SECTION THROUGH HOLE 89-1			
PLAN No.	DRAWN C.D.	DATE Jan:90	FIG. 9
REVISED		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

4.2.3 Hole 89-3 (Figure 11)

The third hole was drilled 50 metres to the east of Hole 89-1. At 383 feet depth the hole encountered water-bearing, unconsolidated basalt gravel similar to that encountered in Hole 89-1. This gravel continued to 440 feet depth, 10 feet below the predicted conglomerate-bedrock contact, where the hole was terminated. The cemented conglomerate was not encountered in this hole. Three samples of unconsolidated gravel returned negligible gold values.

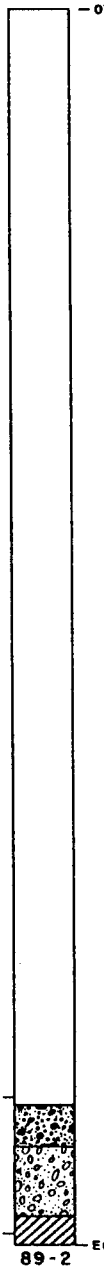
4.2.4 Hole 89-4 (Figure 12)

The fourth hole was drilled 25 metres west of Hole 89-2. It encountered bedrock at a depth of 338 feet, below unconsolidated sand and clay with minor gravel. No samples were collected from this hole.






4.3 Analytical Results

Gold values in the quartz-rich cemented conglomerate varied from 0.0018 to 0.0067 oz/b.c.y. (bank cubic yards) by weight. The bedrock samples returned values of 0.0007 to 0.0169 oz/b.c.y. and the unconsolidated gravel above the cemented conglomerate produced values of 0.0001 to 0.0012 oz/b.c.y.

These values are comparable to the results from the previous drilling and are not necessarily indicative of grade in the cemented conglomerate at the North Target. Because of the erratic distribution of gold, samples taken from drilling a placer deposit are notoriously unrepresentative of the material sampled. The best results from previous drilling (Campbell, 1987) into the cemented conglomerate near the Tertiary Mine produced only 2.02 mg of gold from a five pound sample. This converts to an approximate grade of 0.038 ounce per cubic yard, less than half the historic grade of the cemented conglomerate (0.1 to 0.2 oz/cu.yd.)



LEGEND

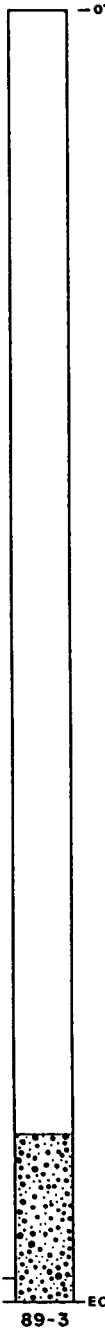
-  Unconsolidated sand and clay, minor gravel
-  Unconsolidated gravel
-  Unconsolidated gravel, dominantly basalt clasts, water bearing
-  Cemented conglomerate, quartz rich
-  Grey, siliceous metasedimentary rock, (siltite ?) up to 2% hairline quartz veinlets, random orientation

FROM (ft.)	TO (ft.)	SAMPLE No.
370	375	113
375	377.5	114
377.5	380	115
380	382.5	116
382.5	387.5	117
387.5	391.5	118
391.5	395.5	119
395.5	400	120
400	404	121
404	406	122
406	408	123
408	410	124
410	412	125
412	414	126
414	416	127






NOTE :
Results tabulated in Appendix II



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
SECTION THROUGH HOLE 89-2			
PLAN No.	DRAWN C. D.	DATE Jan. '90	FIG.
REVISED	N.T.S. 93G/2E		10
MINEQUEST EXPLORATION ASSOCIATES LTD.			



LEGEND

-  Unconsolidated sand and clay, minor gravel
-  Unconsolidated gravel
-  Unconsolidated gravel, dominantly basalt clasts, water bearing
-  Cemented conglomerate, quartz rich
-  Gray, siliceous metasedimentary rocks, (siltite ?) up to 2% hairline quartz veinlets, random orientation

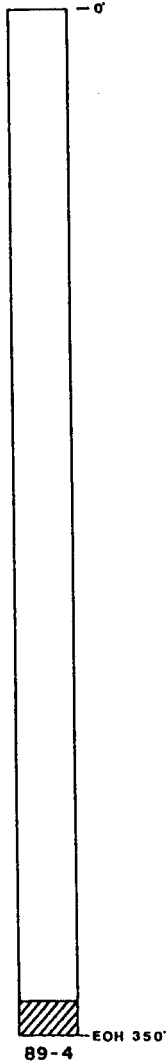
FROM (ft.)	TO (ft.)	SAMPLE No.
432.5	435	129
435	437.5	136
437.5	440	131

EOH 440'
89-3






NOTE:
Results tabulated in Appendix II



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
SECTION THROUGH HOLE 89-3			
PLAN No.	DRAWN C. D.	DATE Jan. '90	FIG. 11
REVISED		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			



LEGEND

-  Unconsolidated sand and clay, minor gravel
-  Unconsolidated gravel
-  Unconsolidated gravel, dominantly basalt clasts, water bearing
-  Cemented conglomerate, quartz rich
-  Grey, metasedimentary rock, (siltite?) up to 2% hairline quartz veinlets, random orientation

NOTE:
Results tabulated in Appendix II



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
SECTION THROUGH HOLE 89-4			
PLAN No.	DRAWN C.D.	DATE Jan. '90	FIG. 12
REVISED		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

5.0

DISCUSSION

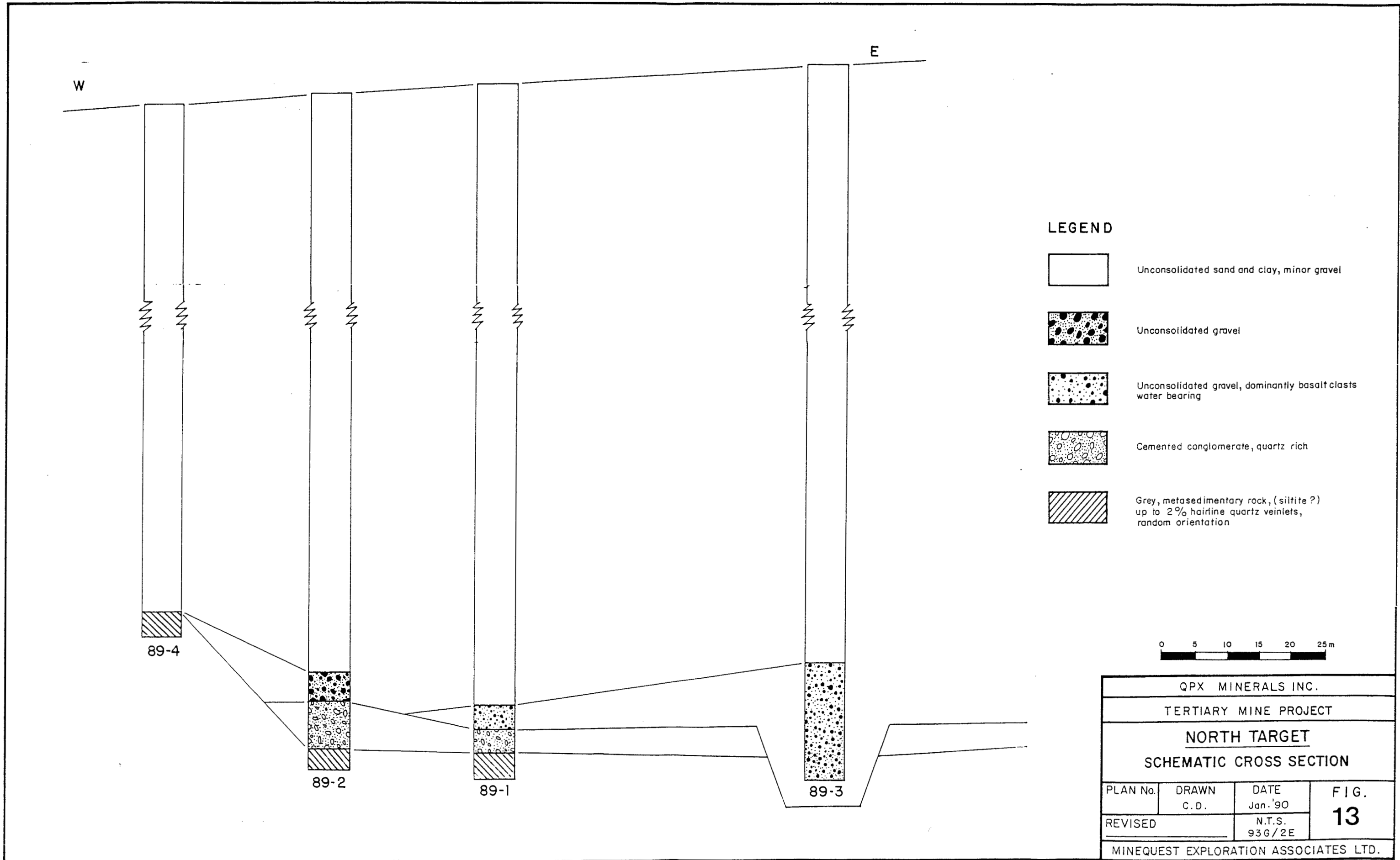
Seismic surveys, completed during early and late 1989 suggested the presence of the Tertiary channel at the North Target area at an elevation of approximately 540 metres a.s.l.. The four exploratory drill holes described in this report have confirmed the presence of a quartz-rich conglomerate, up to 22.5 feet thick with low gold values, resting on basement at an elevation of 545 metres a.s.l.

Although the drilling did not produce any economic gold values from the cemented conglomerate, this is not considered to be discouraging due to the nugget effect on gold distribution within the conglomerate. Values returned from this phase of work are comparable to previous drill sampling.

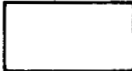




The drilling indicates that the conglomerate has a width of about 50 metres, and is confined on the west by a bedrock rim, encountered in Hole 89-4, and has been removed by a post-Tertiary channel on the east side, encountered in Holes 89-3 (see Figure 13).

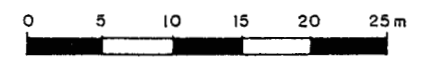
It should be noted that the water-bearing gravel conglomerate found in Holes 89-1 and 89-3 bears some similarities to the "... post-glacial gravel with abundant percolating surface water ..." encountered in the underground workings at the Tertiary Mine. Discussions with Mr. Len Knudson, who worked in the Tertiary Mine at the time when the "post-glacial gravel" was reached, suggest that the gravels encountered in the drilling may indeed be the same gravel found in the mine.

The flow in the water-bearing gravel implies a large catchment area, available to the south and east of the North Target. This suggests that the water-bearing gravel is draining to the northwest, and the abundant water flow implies that it may be constricted through a narrow channel.



LEGEND

-  Unconsolidated sand and clay, minor gravel
-  Unconsolidated gravel
-  Unconsolidated gravel, dominantly basalt clasts water bearing
-  Cemented conglomerate, quartz rich
-  Grey, metasedimentary rock, (siltite?) up to 2% hairline quartz veinlets, random orientation



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
NORTH TARGET			
SCHEMATIC CROSS SECTION			
PLAN No.	DRAWN C.D.	DATE Jan. '90	FIG. 13
REVISED		N.T.S. 93G/2E	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

6.0

CONCLUSIONS

North Target

The recent exploration drilling has shown that:

- 1) Cemented conglomerate:
 - is present, at an elevation of 545 metres above sea level
 - has a thickness of 12 to 22.5 feet
 - has returned low gold values, comparable to previous drill sampling
- 2) The channel containing the cemented conglomerate:
 - has a width of at least 25 metres, and a probable width of about 50 metres
 - has a western rim of bedrock.
- 3) The eastern portion of the cemented conglomerate has been eroded and a water-bearing, basalt-clast gravel has been deposited in its place.

McHardie Creek

- 1) Two channels have been defined by refraction seismic surveys.

7.0

RECOMMENDATIONSNorth Target

The presence of cemented conglomerate at the North Target has been established with reasonable certainty. It is now necessary to establish the economic viability of mining the cemented conglomerate, assuming the channel is continuous between the North Target and the old Tertiary Mine, and assuming a grade equal to historical production from the Tertiary Mine and the All-Star Mine. To this end an economic study should be completed. Such a study would take about three weeks to complete and cost approximately \$20,000.

Assuming an economic study suggests that grades reported for the Tertiary Mine and Canyon Mine could be profitably mined at current gold prices, the following is recommended:

- 1) to drill (with large diameter holes) at the North Target to measure grade of the Tertiary conglomerate or to at least establish beyond reasonable doubt the presence of a channel of minimum length and width containing significant quantities of gold.
- 2) if 1) above is favourable, to drive a tunnel to access the conglomerate. (If the estimated cost of drilling approaches 50% of tunnelling, then consideration should be given to omitting the drilling).

If the economic study shows that mining the buried channel would be marginal or uneconomic the claims and leases may be maintained by making the following cash-in-lieu payments;

1991	\$10,450
1992	\$20,250
1993 and each subsequent year	\$45,850

McHardie Creek

The two channels defined are untested. A minimum of 1000 feet of drilling in three holes is required to test each channel.

8.0

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APPENDIX I

Laboratory Methods

Sample Reduction

All sample material was weighed and volumed prior to processing and processed in the following manner:

The sample material was pre-washed and fed to a Syntron screening unit equipped with spray bars, and a four system decant. From here, the plus 12 mesh fraction was gravity fed to a YT-12 pulsating jig. Jig feed was controlled to ensure a uniform flow of material across the bed. Upon completion of a sample run, the first four jig baskets were cleaned as were the jig hutch (minus 8 mesh material). The jig basket material was panned, whereas the jig hutch material was hand fed onto the Gemini table for separation.

The minus 12 mesh material from the Syntron screener was fed onto a Gemini table equipped with a three system decant. Concentrates were bagged with the table middlings. All gold recovered in the table splits is amalgamated with triple distilled mercury, which was tested for purity prior to amalgamation. Digestion procedures followed standardized guidelines accepted throughout the industry.

Gold loss was negligible in every check by panning or re-tabling of material exiting the system.

All the gold recovered from amalgamation and panning was weighed under laboratory conditions using a Mettler AE 163 electronic scale, accurate to 0.01 milligrams. Results are enclosed.

Sample Calculations

To determine gold values per cubic yard control was kept on either sample weight, sample volume, or a combination of both. Certain assumptions had to be made:

1. One bank cubic yard weighs 3100 pounds.
2. One troy ounce weighs 31.103 grams.
3. The fineness of the gold was not accounted for.
4. A Swell factor of 20 %.

The grade calculations that appear in Appendix A, are based on the volume of the sample, and on the weight of the sample and compared to the values for volume that would be recovered under theoretical conditions. In this particular case a swell factor of 20 % was used together with the actual volume of material processed.

Seldom does the actual volume of material recovered from a drill equal the theoretical volume of material recovered. There are several factors which can contribute to an increased volume such as the swell of compact material once it has been drilled up by the drill bit, or an excess of material flowing into the casing due to a reduced hydrostatic pressure.

For the purposes of this report, grade calculations are based on the "tricone bit factor". The weight method for grade calculations was also employed for comparison and provided a cross check of results. The third grade determination employed a swell factor of 20 %. It is entirely up to yourselves and your field geologist which method you feel represents your deposit. Canadian Gravity Recovery is providing you with what we believe are conservative methods for grade calculations. If you have any additional information that would affect the way grades are calculated(i.e: a larger swell factor, etc.) please forward and we can input it into the computer.

To determine the grade of a particular sample interval, the following information is required:

- D = Sample interval.
- A = Cross-sectional area of the drive shoe.
- VA = Actual volume of material within the sample interval.
- VT = Theoretical volume of material that should be recovered from a 5-1/4 inch tricone bit within the sample interval.
- WAur = Weight of raw gold recovered from the interval.
- Ws = Weight of material from sample interval.
- F = Gold fineness.

The theory behind the tricone factor is based on the number of feet that will contain one cubic yard of material. For the Alice Creek Placer Project, the tricone bit used was 133.35 millimeters(5 1/4 inches) in diameter, while the inside casing was 50.80 millimeters(2 inches) and

the outside casing was 114.30 millimeters(4 1/2 inches) in diameter. It is assumed that the tricone bit cuts the gravel with the full cross sectional area of the bit and forces the material into the 50.80 millimeter(2 inch) casing. Based on this assumption, it requires 54.86 meters(180.0 feet) of casing length to equal one cubic yard. In most cases, one now applies either the core factor or the volume factor to obtain the corrected value for gold recovered. Without applying one of these factors, data would result in having lower values for gold obtained. Therefore, using volume as a correction factor, the corrected weight of gold is calculated as follows:

$$\begin{array}{l} \text{Corrected Weight} \\ \text{(CW) oz} \end{array} = \frac{VT}{VA} \times WAur \quad ; \text{ where } VT=DxA$$

$$\begin{array}{l} \text{Corrected Grade} \\ \text{(oz/bcy)} \end{array} = \frac{CW}{D} \times 180.0$$

Grade calculations were also based on the weight method. The calculation is based on the linear progression of gold recovered from a particular sample interval and the weight of the sample. Based on the assumption that the average density of the material drilled is 3100 lbs/bcy, the weight method is calculated as follows:

$$\frac{WAur}{X} = \frac{Ws}{3100} \quad ; \text{ where}$$

- WAur = Weight of gold recovered in raw ounces.
- Ws = Weight of material from sample interval.
- X = Grade of material in raw ounces/bank cubic yard.

These results appear in Appendix A.

It must be appreciated that placer drilling is an exploration tool that is effective in defining depth of bedrock, determining the characteristics of the alluvium and providing an indication as to the gold and other associated heavy minerals contained. The quality of the sample is dependent on the drill method utilized and the size of the sample returned (larger samples being more representative).

In the recent drill program it is apparent that the actual volume of material drilled exceeded the theoretical volume in 75 % of the samples. This is of concern as it demonstrates the inefficiencies of this type of drilling. The method chosen, conventional rotary(reverse circulation) is usually utilized because it is the most cost effective and least time consuming drill system for obtaining a semi representative sample from alluvial material that does not have an associated heavy water flow.

In essence, accurate grade determination from conventional rotary placer drilling is extremely difficult to achieve, especially when drilling occurs in an "open hole" format, using compressed air, and under conditions when the "nugget effect" plays a critical role.

Drilling in an open hole format will not compensate for reduced hydrostatic pressure; that is if the hydrostatic pressure were to be reduced, either by encountering water or a less consolidated material, then water or material would come rushing into the hole from the surrounding areas. This causes the sample size to increase without control. In effect, sample dilution occurs.

This type of drilling also employs the principle of compressed air to bring the sample to the surface. Heavy particles, like coarser gold, tend to settle each time instead of being brought up with the lighter gravels, silts, and sands. The gold may eventually be retrieved further down in the hole or may be pushed to the sides of the hole and never retrieved. During sample processing, no coarse gold was recovered at all.

APPENDIX II

Laboratory Reports

CANADIAN GRAVITY RECOVERY INC.

920 - 625 Howe Street
 Vancouver, B.C.
 Canada V6C 2T6

Bus: (604) 685-8730
 Fax: (604) 662-7934
 Telex: 04-54654 VCR

MINIQUEST EXPLORATION

Date: January 22, 1990
 Proj: 89-25 Reverse-Circulation Drilling
 Hole: 89-25-01

Sample Results

SAMPLE	INTERVAL (ft)	DESCRIPTION	DRYR (ft)	GOLD (grams)	GOLD (oz.)	CORRECTED WEIGHT (oz)	VOL. ACTUAL (cu.ft)	VOLUME THEOR. (cu.ft)	SIZE (bcy)	RAW GRADE (By Volume) (oz./b.c.y.)	RAW GRADE (By Weight) (oz./b.c.y.)	RAW GRADE (20% Swell) (oz./b.c.y.)
FLP 101	395 - 400	Qz. Tertiary Conglom.	5.00	0.0025	0.000080	0.00009	0.70	0.752	0.0258	0.0031	0.0021	0.0039
FLP 102	400 - 405	Qz. Tertiary Conglom.	5.00	0.0011	0.000035	0.00009	0.30	0.752	0.0180	0.0032	0.0020	0.0049
FLP 103	405 - 410	Qz. Tertiary Conglom.	5.00	0.0027	0.000087	0.00005	1.25	0.752	0.0484	0.0095	0.0013	0.0022
FLP 104	410 - 415	Qz. Tertiary Conglom.	5.00	0.0028	0.000089	0.00014	0.50	0.752	0.0174	0.0014	0.0052	0.0061
FLP 105	415 - 417	Qz. Tertiary Conglom.	2.00	0.0031	0.000100	0.00005	0.55	0.301	0.0180	0.0015	0.0055	0.0061
FLP 106	417 - 420	Gry. Silic. Metased.	3.00	0.0030	0.000096	0.00006	0.78	0.451	0.0283	0.0010	0.0034	0.0042
FLP 107	420 - 422	Gry. Silic. Metased.	2.00	0.0020	0.000064	0.00015	0.13	0.301	0.0038	0.0040	0.0169	0.0167
FLP 108	422 - 424	Gry. Silic. Metased.	2.00	0.0012	0.000039	0.00004	0.30	0.301	0.0097	0.0010	0.0040	0.0043
FLP 109	424 - 426	Gry. Silic. Metased.	2.00	0.0022	0.000071	0.00007	0.32	0.301	0.0096	0.0013	0.0074	0.0075
FLP 110	426 - 428	Gry. Silic. Metased.	2.00	0.0034	0.000109	0.00006	0.57	0.301	0.0196	0.0015	0.0056	0.0065
FLP 111	428 - 430	Gry. Silic. Metased.	2.00	0.0019	0.000061	0.00003	0.66	0.301	0.0225	0.0007	0.0027	0.0031

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Vancouver, B.C.
Canada V6C 2T6

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Telex: 04-54654 VCR

NINEQUEST EXPLORATION

Date: January 22, 1990
Proj: 89-25 Reverse-Circulation Drilling
Hole: 89-25-02

Sample Results

SAMPLE	INTERVAL (ft)	DESCRIPTION	DRIVE (ft)	GOLD (grams)	GOLD (oz.)	CORRECTED WEIGHT (oz)	VOL. ACTUAL (cu.ft)	VOLUME THEOR. (cu.ft)	SIZE (boy)	RAW GRADE (By Volume) (oz./b.c.y.)	RAW GRADE (By Weight) (oz./b.c.y.)	RAW GRADE (20% Swell) (oz./b.c.y.)
FLP 113	370.0-375.0	Unconsolidated grav.	5.00	0.0005	0.000016	0.00002	0.80	0.752	0.0348	0.0002	0.0005	0.0007
FLP 114	375.0-377.5	Unconsolidated grav.	2.50	0.0012	0.000039	0.00002	0.78	0.376	0.0310	0.0004	0.0012	0.0017
FLP 115	377.5-380.0	Unconsolidated grav.	2.50	0.0004	0.000013	0.00001	0.60	0.376	0.0229	0.0002	0.0006	0.0007
FLP 116	380.0-382.5	Unconsolidated grav.	2.50	0.0001	0.000003	0.00000	0.30	0.376	0.0148	0.0001	0.0002	0.0004
FLP 117	382.5-387.5	Unconsolidated grav.	5.00	0.0001	0.000003	0.00000	0.78	0.752	0.0310	0.0000	0.0001	0.0001
FLP 118	387.5-391.5	Qz. rich Conglom.	4.00	0.0014	0.000045	0.00003	0.85	0.601	0.0316	0.0004	0.0014	0.0018
FLP 119	391.5-395.5	Qz. rich Conglom.	4.00	0.0007	0.000023	0.00002	0.75	0.601	0.0277	0.0002	0.0008	0.0010
FLP 120	395.5-400.0	Qz. rich Conglom.	4.50	0.0016	0.000051	0.00004	0.85	0.676	0.0329	0.0005	0.0016	0.0020
FLP 121	400 - 404	Qz. rich Conglom.	4.00	0.0017	0.000055	0.00004	0.80	0.601	0.0303	0.0005	0.0018	0.0023
FLP 122	404 - 406	Qz. rich Conglom.	2.00	0.0008	0.000026	0.00002	0.50	0.301	0.0135	0.0004	0.0013	0.0017
FLP 123	406 - 408	Qz. rich Conglom.	2.00	0.0031	0.000100	0.00007	0.45	0.301	0.0148	0.0018	0.0067	0.0075
FLP 124	408 - 410	Qz. rich Conglom.	2.00	0.0012	0.000039	0.00003	0.45	0.301	0.0141	0.0007	0.0027	0.0033
FLP 125	410 - 412	bedrock	2.00	0.0009	0.000029	0.00002	0.50	0.301	0.0148	0.0005	0.0020	0.0026
FLP 126	412 - 414	bedrock	2.00	0.0005	0.000016	0.00001	0.40	0.301	0.0151	0.0003	0.0011	0.0014
FLP 127	414 - 416	bedrock	2.00	0.0003	0.000010	0.00001	0.40	0.301	0.0149	0.0002	0.0007	0.0008

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 Telex: 04-54654 VCR

MINEQUEST EXPLORATION

Date: January 22, 1990
 Proj: 89-25 Reverse-Circulation Drilling
 Hole: 89-25-03

Sample Results

SAMPLE	INTERVAL (ft)	DESCRIPTION	DRIVE (ft)	GOLD (grams)	GOLD (oz.)	CORRECTED WEIGHT (oz)	VOL. ACTUAL (cu.ft)	VOLUME THEOR. (cu.ft)	SIZE (bcy)	RAW GRADE	RAW GRADE	RAW GRADE
										(By Volume) (oz./b.c.y.)	(By Weight) (oz./b.c.y.)	(20% Swell) (oz./b.c.y.)
FLP 129	432.5-435.0	unconsol. grav. & water	2.50	0.0003	0.000010	0.00001	0.50	0.376	0.0180	0.0002	0.0005	0.0007
FLP 130	435.0-437.5	unconsol. grav. & water	2.50	0.0004	0.000013	0.00001	0.45	0.376	0.0167	0.0002	0.0008	0.0010
FLP 131	437.5-440.0	unconsol. grav. & water	2.50	0.0004	0.000013	0.00001	0.65	0.376	0.0251	0.0002	0.0005	0.0007

APPENDIX III

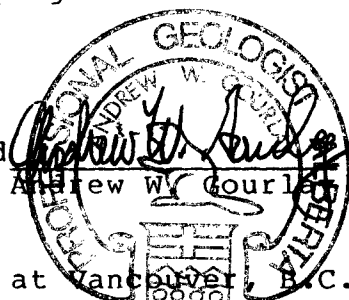
Statement of Qualifications

STATEMENT OF QUALIFICATIONS

I, Andrew W. Gourlay, hereby certify that:

1. I am employed by MineQuest Exploration Associates Ltd. as Senior Geologist
2. I am a graduate of the University of British Columbia (B.Sc. Hons., 1977, in geology).
3. I am a Professional Geologist in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta, and a Fellow of the Geological Association of Canada.
4. I have practised my profession as geologist for more than 10 years.
5. The information used in this report is based on reports, maps, and data lists on file at MineQuest Exploration Associates Ltd., personal logging of the drill cuttings, and familiarity with the project area.

Signed



Dated at Vancouver, B.C.
this 28th day of February,
1990

APPENDIX IV

Cost Statement

APPENDIX IV

Tertiary Mine Project
Cost Statement
October 1, 1989 to January 31, 1990

Professional Fees (see attached)	\$ 26,691
Temporary Staff Fees (see attached)	21,957
External Consultants	596
Airfares Scheduled	4,360
Rental Vehicles	5,685
Vehicle Repairs and Maintenance	1,080
Fuels and Lubricants	2,028
Taxis, Bus Fares and Parking	387
Freight	200
Bulldozing	2,474
Geophysics	25,304
Drilling	61,793
Equipment Rental	1,148
Groceries	267
Food and Accommodation	5,411
General Supplies	770
Analysis	2,802
Telecommunications	571
Courier and Postage	285
Reprographics	312
Maps and Reports	117
Disbursement Over-Ride	5,750
	<u>\$ 169,988</u>

See A.R. 19624

T.K.

\$ 144 684

SCHEDULE OF PROFESSIONAL FEES

October, 1989

R.V. Longe	60.5	hours at \$ 69.00	\$ 4,174.50	
A.W. Gourlay	21.5	hours at \$ 64.00	<u>1,376.00</u>	\$ 5,550.50

November, 1989

R.V. Longe	20.5	hours at \$ 69.00	1,414.50	
A.W. Gourlay	55.75	hours at \$ 64.00	3,568.00	
A.W. Gourlay	6.50	days at \$385.00	<u>2,502.50</u>	7,485.00

December, 1989

R.V. Longe	20.75	hours at \$ 69.00	1,431.75	
A.W. Gourlay	17.00	hours at \$ 64.00	1,088.00	
A.W. Gourlay	12.5	days at \$385.00	<u>4,812.50</u>	7,332.25

January, 1990

R.V. Longe	12.25	hours at \$ 69.00	845.25	
A.W. Gourlay	49.50	hours at \$ 64.00	3,168.00	
A.W. Gourlay	6.00	days at \$385.00	<u>2,310.00</u>	6,323.25
				<u>\$ 26,691.00</u>

SCHEDULE OF TEMPORARY STAFF FEES

October, 1989

G. Vernon	17.5	hours	at \$ 32.00	\$ 560.00	
G. Vernon	7.00	days	at \$235.00	1,645.00	
C. Monroe	15.0	days	at \$185.00	2,775.00	
T. Starbuck	23.0	days	at \$165.00	3,795.00	
S. MacDougall	8.0	days	at \$165.00	<u>1,320.00</u>	\$ 10,095.00

November, 1989

G. Vernon	37.25	hours	at \$ 32.00	1,192.00	
G. Vernon	10.50	days	at \$235.00	2,467.50	
T. Starbuck	3.50	days	at \$165.00	577.50	
S. MacDougall	3.00	days	at \$165.00	<u>495.00</u>	4,732.00

December, 1989

G. Vernon	12.25	hours	at \$ 32.00	392.00	
G. Vernon	12.50	days	at \$235.00	2,937.50	
C. Donders	9.50	hours	at \$ 32.00	<u>304.00</u>	3,633.50

January, 1990

G. Vernon	18.25	hours	at \$ 32.00	584.00	
G. Vernon	8.00	days	at \$235.00	1,880.00	
C. Donders	31.0	hours	at \$ 32.00	992.00	
M. Steiner	2.50	hours	at \$ 16.00	<u>40.00</u>	3,496.00
					<u>\$ 21,956.50</u>

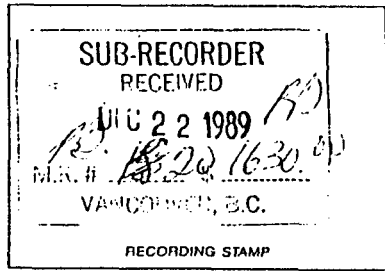
APPENDIX V

Statement of Work



Mineral Tenure Act
 Sections 25, 26 & 27

STATEMENT OF WORK — CASH PAYMENT



Indicate type of title Mineral
(Mineral or Placer)

Mining Division Cariboo

<u>Shelley L. Eng</u> <small>(Name)</small>	Agent for <u>OPX MINERALS INC.</u> <small>(Name(s))</small>
<u>#500 - 164 Water Street</u> <small>(Address)</small>	<u>#500 - 164 Water Street</u> <small>(Address)</small>
<u>Vancouver, B.C.</u>	<u>Vancouver, B.C.</u>
<u>(604) 669-2252</u> <small>(Telephone)</small>	<u>(604) 669-2252</u> <small>(Telephone)</small>
<u>V6B 1B5</u> <small>(Postal Code)</small>	<u>V6B 1B5</u> <small>(Postal Code)</small>
Valid subsisting FMC No. <u>280829</u>	Valid subsisting FMC No. <u>280831</u>
FMC Code <u>ENGSL</u>	FMC Code <u>QPXMII</u>

STATE THAT: (NOTE: If only paying cash in lieu, turn to reverse and complete columns G to J and Q to T.)

1. I have done, or caused to be done, work on the Taffy
(Part of Taffy 2-1989 Group) Claim(s)

Record No(s) 7433
 Work was done from October 1, 1989, to December 8, 1989 ;

and was done in compliance with Section 50 of the Mineral Tenure Act and

Section 19(3) of the Regulation YES NO

I hereby request that the claims listed in Column G on this Statement of Work be Grouped and I confirm that
 all claims listed are contiguous YES NO
 FEE — \$10.00

TYPE OF WORK

PHYSICAL: Work such as trenches, open cuts, adits, pits, shafts, reclamation, and construction of roads and trails. Details as required under section 13 of the Regulations, including the map and cost statement, must be given on this statement.

PROSPECTING: Details as required under section 9 of the Regulations must be submitted in a technical report. Prospecting work can only be claimed once by the same owner of the ground, and only during the first three years of ownership.

GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL, DRILLING: Details must be submitted in a technical report conforming to sections 5 through 8 (as appropriate) of the Regulations.

PORTABLE ASSESSMENT CREDIT (PAC) WITHDRAWAL: A maximum of 30% of the approved value of geological, geophysical, geochemical and/or drilling work on this statement may be withdrawn from the owner's or operator's PAC account and added to the work value on this statement.

TYPE OF WORK <small>(Specify Physical (include details), Prospecting, Geological, etc.)</small>	VALUE OF WORK		
	Physical	*Prospecting	*Geological etc.
Drilling			32,400
<i>Report to follow</i>			
TOTALS	A	+ B	+ C 32,400 = D 32,400
PAC WITHDRAWAL — Maximum 30% of Value in Box C Only			E → E
from account(s) of _____			TOTAL F 32,400
* Who was the operator (provided the financing)? Name <u>OPX Minerals Inc.</u> Address <u>#500-164 Water Street</u> <u>Vancouver, B.C. Phone: 669-2252</u>	Transfer amount in Box F to reverse side of form and complete as required.		

F 32,400.00 I WISE TO APPLY \$ 32,400.00 OF THE TOTAL VALUE FROM BOX F AS FOLLOWS:

Columns G through P inclusive MUST BE COMPLETED before work credits can be granted to claims. Columns G through J and Q through T inclusive MUST BE COMPLETED before a cash payment or rental payment can be credited. Columns not applicable need not be completed.

Cash Payment

CLAIM IDENTIFICATION

G	H	I	J
CLAIM IDENTIFICATION			
CLAIM NAME (one claim/lease per line)	RECORD No.	No. OF UNITS*	CURRENT EXPIRY DATE
1	Britt	7434	06 3/20/90
2	Alexis	7432	16 3/20/90
3	Joanna	7435	12 3/20/90
4	Taffy	7433	20 3/20/90
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			

APPLICATION OF WORK CREDIT

K	L	M	N	O	P
WORK TO BE APPLIED		Recording Fees	PRIOR EXCESS CREDIT BEING USED	NEW EXPIRY DATE	EXCESS CREDIT REMAINING
VALUE	YEARS				
3,600	3	180.00		03/20/93	
9,600	3	480.00		03/20/93	
7,200	3	360.00		03/20/93	
12,000	3	600.00		03/20/93	
32,400		1,620.00			
TOTAL OF K		TOTAL OF M			

* 2 POST FRACTION. REV CROWN GRANT AND PLACER CLAIM ARE 1 UNIT EACH

CASH IN LIEU OF WORK OR LEASE RENTAL

Q	R	S	T		
C/L	RECORDING FEE	LEASE RENTAL	NEW EXPIRY DATE		
TOTAL OF Q		TOTAL OF R		TOTAL OF S	

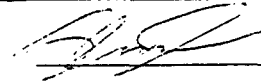
NOTICE TO GROUP No. _____ RECORDED _____

Value of work to be credited to portable assessment credit (PAC) account(s).
 [May only be credited from the approved value of Box C not applied to claims.]

Name of owner/operator	1.	
	2.	
	3.	

Amount

I, the undersigned Free Miner, hereby acknowledge and understand that it is an offence to knowingly make a false statement or provide false information under the Mineral Tenure Act. I further acknowledge and understand that if the statements made, or information given, in this Statement of Work — Cash Payment are found to be false and the exploration and development has not been performed, as alleged in this Statement of Work — Cash Payment, then the work reported on this statement will be cancelled and the subject mineral claim(s) may as a result forfeit to and vest back to the Province.

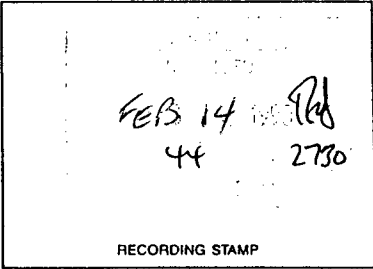


Signature of Applicant



Mineral Tenure Act
Sections 25, 26 & 27

STATEMENT OF WORK — CASH PAYMENT



Indicate type of title Placer Claim
(Mineral or Placer)

Mining Division Cariboo

I, Andrew W. Gourlay
(Name)
500-164 Water Street
(Address)
Vancouver, B.C.

Agent for QPX Minerals Inc.
(Name)(s)
500-164 Water Street
(Address)
Vancouver, B.C.

669-2251 V6B 1B5
(Telephone) (Postal Code)

669-2252 V6B 1B5
(Telephone) (Postal Code)

Valid subsisting FMC No. 290821
FMC Code GOURAW

Valid subsisting FMC No. 290819
FMC Code QPXMII

STATE THAT: (NOTE: If only paying cash in lieu, turn to reverse and complete columns G to J and Q to T.)

1. I have done, or caused to be done, work on the NEL 1 Claim(s)

Record No(s) 1653
Work was done from 1 November, 19 89, to 31 January, 19 90

and was done in compliance with Section 50 of the Mineral Tenure Act and

Section 19(3) of the Regulation YES NO

I hereby request that the claims listed in Column G on this Statement of Work be Grouped and I confirm that all claims listed are contiguous YES NO
FEE — \$10.00

TYPE OF WORK

PHYSICAL: Work such as trenches, open cuts, adits, pits, shafts, reclamation, and construction of roads and trails. Details as required under section 13 of the Regulations, including the map and cost statement, must be given on this statement.

PROSPECTING: Details as required under section 9 of the Regulations must be submitted in a technical report. Prospecting work can only be claimed once by the same owner of the ground, and only during the first three years of ownership.

GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL, DRILLING: Details must be submitted in a technical report conforming to sections 5 through 8 (as appropriate) of the Regulations.

PORTABLE ASSESSMENT CREDIT (PAC) WITHDRAWAL: A maximum of 30% of the approved value of geological, geophysical, geochemical and/or drilling work on this statement may be withdrawn from the owner's or operator's PAC account and added to the work value on this statement.

TYPE OF WORK (Specify Physical (include details), Prospecting, Geological, etc.)	VALUE OF WORK		
	Physical	*Prospecting	*Geological etc.
<u>Drilling</u>			<u>3,500</u>
TOTALS	A	+ B	+ C 3,500 = D 3,500
PAC WITHDRAWAL — Maximum 30% of Value in Box C Only			E → E
from account(s) of _____			TOTAL F 3,500
* Who was the operator (provided the financing)? Name <u>QPX Minerals Inc.</u> Address <u>500-164 Water St.</u> <u>Van. B.C.</u> Phone: <u>669-2252</u>	Transfer amount in Box F to reverse side of form and complete as required.		

F 3,500 I WISH TO APPLY \$ 3,500 OF THE TOTAL VALUE FROM BOX F AS FOLLOWS:

Columns G through P inclusive MUST BE COMPLETED before work credits can be granted to claims. Columns G through J and Q through T inclusive MUST BE COMPLETED before a cash payment or rental payment can be credited. Columns not applicable need not be completed.

Cash Payment

CLAIM IDENTIFICATION			
G	H	I	J
CLAIM NAME (one claim/lease per line)	RECORD No.	No. OF UNITS*	CURRENT EXPIRY DATE
1 PC 20372 <i>AW</i>	1043	1	90/02/15
2 PC 20373 <i>AW</i>	1044	1	90/02/15
3 PC 20374 <i>AW</i>	1045	1	90/02/15
4 NEL 1	1654	1	90/11/05
5 NEL 2	1653	1	90/11/24
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			

APPLICATION OF WORK CREDIT						
K WORK TO BE APPLIED		L	M	N	O	P
VALUE	YEARS	Recording Fees	PRIOR EXCESS CREDIT BEING USED	NEW EXPIRY DATE	EXCESS CREDIT REMAINING	
500	1	100		91/02/15	/	
500	1	100		91/02/15	/	
500	1	100		91/02/15	/	
1000	2	200		92/11/05	/	
1000	2	200		92/11/24	/	
3500			700			
TOTAL OF K			TOTAL OF M			

CASH IN LIEU OF WORK OR LEASE RENTAL			
Q	R	S	T
C/L	RECORDING FEE	LEASE RENTAL	NEW EXPIRY DATE
TOTAL OF Q	TOTAL OF R	TOTAL OF S	

NOTICE TO GROUP No. _____ RECORDED _____

* POST FRACTION, REV CROWN GRANT AND PLACER CLAIM ARE 1 UNIT EACH

Value of work to be credited to portable assessment credit (PAC) account(s).
[May only be credited from the approved value of Box C not applied to claims.]

	Name	Amount
Name of owner/operator		
1.		
2.		
3.		

I, the undersigned Free Miner, hereby acknowledge and understand that it is an offence to knowingly make a false statement or provide false information under the Mineral Tenure Act. I further acknowledge and understand that if the statements made, or information given, in this Statement of Work — Cash Payment are found to be false and the exploration and development has not been performed, as alleged in this Statement of Work — Cash Payment, then the work reported on this statement will be cancelled and the subject mineral claim(s) may as a result, forfeit to and vest back to the Province.

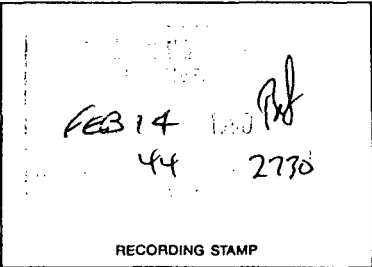
A. W. ...

Signature of Applicant



Mineral Tenure Act
Sections 25, 26 & 27

STATEMENT OF WORK — CASH PAYMENT



Indicate type of title Placer Lease
(Mineral or Placer)

Mining Division Cariboo

I, Andrew W. Gourlay
500-164 Water Street
Vancouver, B.C.
669-2251 V6B 1B5
(Telephone) (Postal Code)

Agent for QPX Minerals Inc.
500-164 Water Street
Vancouver, B.C.
669-2252 V6B 1B5
(Telephone) (Postal Code)

Valid subsisting FMC No. 290821
FMC Code GOURAW

Valid subsisting FMC No. 290819
FMC Code QPXMII

STATE THAT: (NOTE: If only paying cash in lieu, turn to reverse and complete columns G to J and Q to T.)

1. I have done, or caused to be done, work on the _____ Claim(s)

Record No(s) PL14581, PL14582, PL15007, PL15322, PL15324, PL15325, PL15326
PL15940

Work was done from _____, 19 _____, to _____, 19 _____;

and was done in compliance with Section 50 of the Mineral Tenure Act and

Section 19(3) of the Regulation YES NO

I hereby request that the claims listed in Column G on this Statement of Work be Grouped and I confirm that all claims listed are contiguous YES NO
FEE — \$10.00

TYPE OF WORK

PHYSICAL: Work such as trenches, open cuts, adits, pits, shafts, reclamation, and construction of roads and trails. Details as required under section 13 of the Regulations, including the map and cost statement, must be given on this statement.

PROSPECTING: Details as required under section 9 of the Regulations must be submitted in a technical report. Prospecting work can only be claimed once by the same owner of the ground, and only during the first three years of ownership.

GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL, DRILLING: Details must be submitted in a technical report conforming to sections 5 through 8 (as appropriate) of the Regulations.

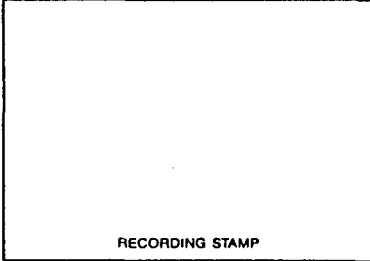
PORTABLE ASSESSMENT CREDIT (PAC) WITHDRAWAL: A maximum of 30% of the approved value of geological, geophysical, geochemical and/or drilling work on this statement may be withdrawn from the owner's or operator's PAC account and added to the work value on this statement.

TYPE OF WORK (Specify Physical (include details), Prospecting, Geological, etc.)	VALUE OF WORK		
	Physical	*Prospecting	*Geological etc.
<u>Geological</u>			<u>2000.00</u>
TOTALS	A	+ B	+ C <u>2000.00</u>
PAC WITHDRAWAL — Maximum 30% of Value in Box C Only			E → E
from account(s) of _____			TOTAL F <u>2000.00</u>
* Who was the operator (provided the financing)? Name <u>QPX Minerals Inc.</u> Address <u>500-164 Water St.</u> <u>Van., B.C. Phone: 669-2252</u>	Transfer amount in Box F to reverse side of form and complete as required.		



Mineral Tenure Act
 Sections 25, 26 & 27

STATEMENT OF WORK — CASH PAYMENT



Indicate type of title Mineral
(Mineral or Placer)

Mining Division Cariboo

I, A.W. Gourlay
(Name)
500-164 Water Street
(Address)
Vancouver, B.C.
669-2251 V6B 1B5
(Telephone) (Postal Code)
 Valid subsisting FMC No. 290821
 FMC Code GOURAW

Agent for QPX Minerals Inc.
(Name(s))
500-164 Water Street
(Address)
Vancouver, B.C.
669-2252 V6B 1B5
(Telephone) (Postal Code)
 Valid subsisting FMC No. 290819
 FMC Code QPXMII

STATE THAT: (NOTE: If only paying cash in lieu, turn to reverse and complete columns G to J and Q to T.)

1. I have done, or caused to be done, work on the Taffy Claim(s)

Record No(s) 7433
 Work was done from Nov. 1, 19 89, to January 31, 19 90;

and was done in compliance with Section 50 of the Mineral Tenure Act and

Section 19(3) of the Regulation YES NO

I hereby request that the claims listed in Column G on this Statement of Work be Grouped and I confirm that all claims listed are contiguous YES NO
 FEE — \$10.00

TYPE OF WORK

PHYSICAL: Work such as trenches, open cuts, adits, pits, shafts, reclamation, and construction of roads and trails. Details as required under section 13 of the Regulations, including the map and cost statement, must be given on this statement.

PROSPECTING: Details as required under section 9 of the Regulations must be submitted in a technical report. Prospecting work can only be claimed once by the same owner of the ground, and only during the first three years of ownership.

GEOLOGICAL, GEOPHYSICAL, GEOCHEMICAL, DRILLING: Details must be submitted in a technical report conforming to sections 5 through 8 (as appropriate) of the Regulations.

PORTABLE ASSESSMENT CREDIT (PAC) WITHDRAWAL: A maximum of 30% of the approved value of geological, geophysical, geochemical and/or drilling work on this statement may be withdrawn from the owner's or operator's PAC account and added to the work value on this statement.

TYPE OF WORK <small>(Specify Physical (include details), Prospecting, Geological, etc.)</small>	VALUE OF WORK		
	Physical	*Prospecting	*Geological etc.
Drilling			136,500
TOTALS	A	+ B	+ C 136,500 = D 136,500
PAC WITHDRAWAL — Maximum 30% of Value in Box C Only			E → E
from account(s) of _____			TOTAL F 136,500
* Who was the operator (provided the financing)? Name <u>QPX Minerals Inc.</u> Address <u>500-164 Water Street</u> <u>Van., B.C. Phone: 669-2252</u>	Transfer amount in Box F to reverse side of form and complete as required.		

F 136,500 I WISH TO APPLY \$ 136,500 OF THE
TOTAL VALUE FROM BOX F AS FOLLOWS:

Columns G through P inclusive MUST BE COMPLETED before work credits can be granted to claims. Columns G through J and Q through T inclusive MUST BE COMPLETED before a cash payment or rental payment can be credited. Columns not applicable need not be completed.

Cash Payment

G	H	I	J
CLAIM NAME (one claim/lease per line)	RECORD No.	No. OF UNITS*	CURRENT EXPIRY DATE
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			

K		L	M	N	O	P
WORK TO BE APPLIED		YEARS	Recording Fees	PRIOR EXCESS CREDIT BEING USED	NEW EXPIRY DATE	EXCESS CREDIT REMAINING
VALUE						
TOTAL OF K			TOTAL OF M			

Q	R	S	T
C/L	RECORDING FEE	LEASE RENTAL	NEW EXPIRY DATE
TOTAL OF Q		TOTAL OF R	TOTAL OF S

NOTICE TO GROUP No. _____ RECORDED _____

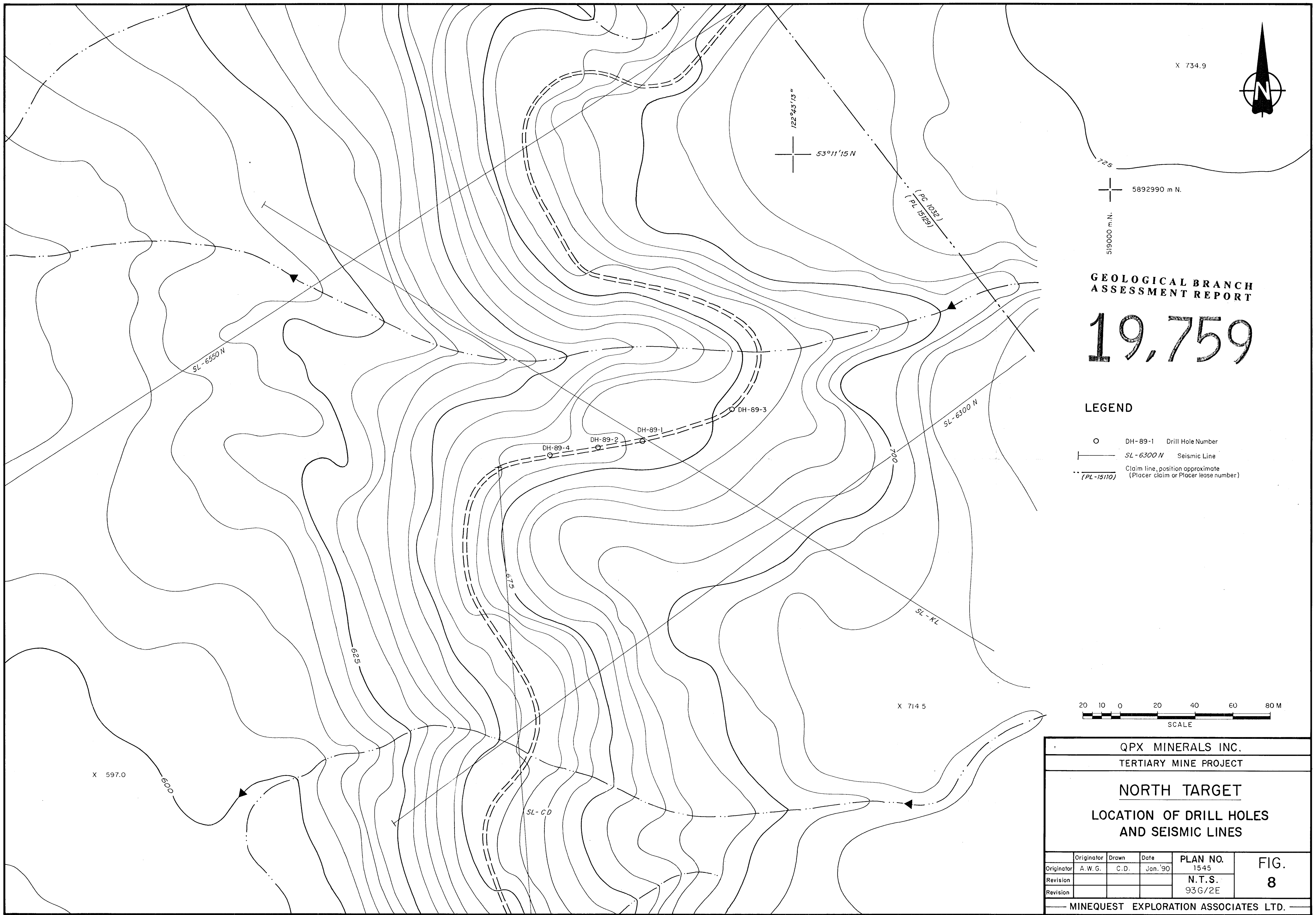
*2 POST FRACTION REV CROWN GRANT AND PLACER CLAIM ARE 1 UNIT EACH

Value of work to be credited to portable assessment credit (PAC) account(s).
[May only be credited from the approved value of Box C not applied to claims.]

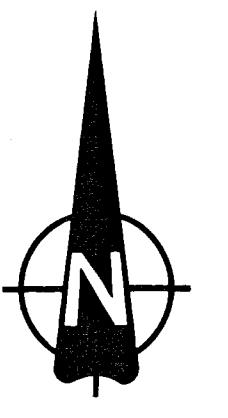
Name	Amount
1. QPX Minerals Inc.	136,500
2.	
3.	

Name of owner/operator

I, the undersigned Free Miner, hereby acknowledge and understand that it is an offence to knowingly make a false statement or provide false information under the Mineral Tenure Act. I further acknowledge and understand that if the statements made, or information given, in this Statement of Work — Cash Payment are found to be false and the exploration and development has not been performed, as alleged in this Statement of Work — Cash Payment, then the work reported on this statement will be cancelled and the subject mineral claim(s) may as a result, forfeit to and vest back to the Province.



X 734.9



122°43'13" N
53°11'15" N

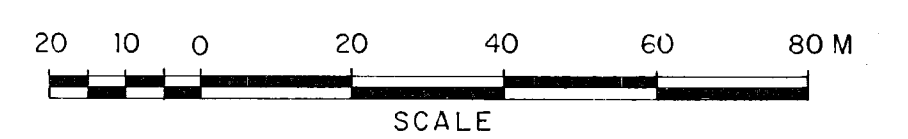
725
5892990 m N.
519000 m.N.

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

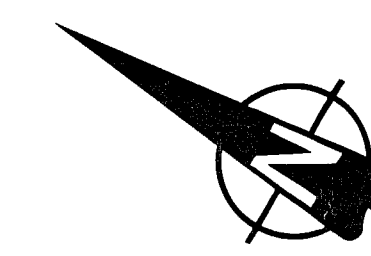
19,759

LEGEND

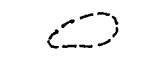
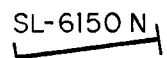
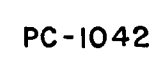
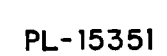
- DH-89-1 Drill Hole Number
- SL-6300N Seismic Line
- - - Claim line, position approximate (Placer claim or Placer lease number)



QPX MINERALS INC.					
TERTIARY MINE PROJECT					
NORTH TARGET					
LOCATION OF DRILL HOLES AND SEISMIC LINES					
Originator	Drawn	Date	PLAN NO.	FIG. 8	
A. W. G.	C. D.	Jan. '90	1545		
Revision			N. T. S.		
Revision			93G/2E		
MINEQUEST EXPLORATION ASSOCIATES LTD.					

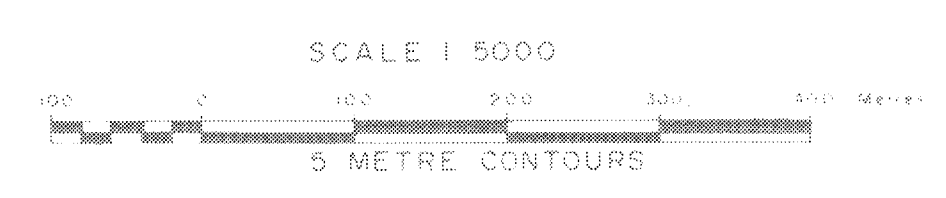


LEGEND

-  Outcrop : grey, siliceous siltite and argillite
-  Seismic Line
-  Placer Claim Number
-  Placer Lease Number

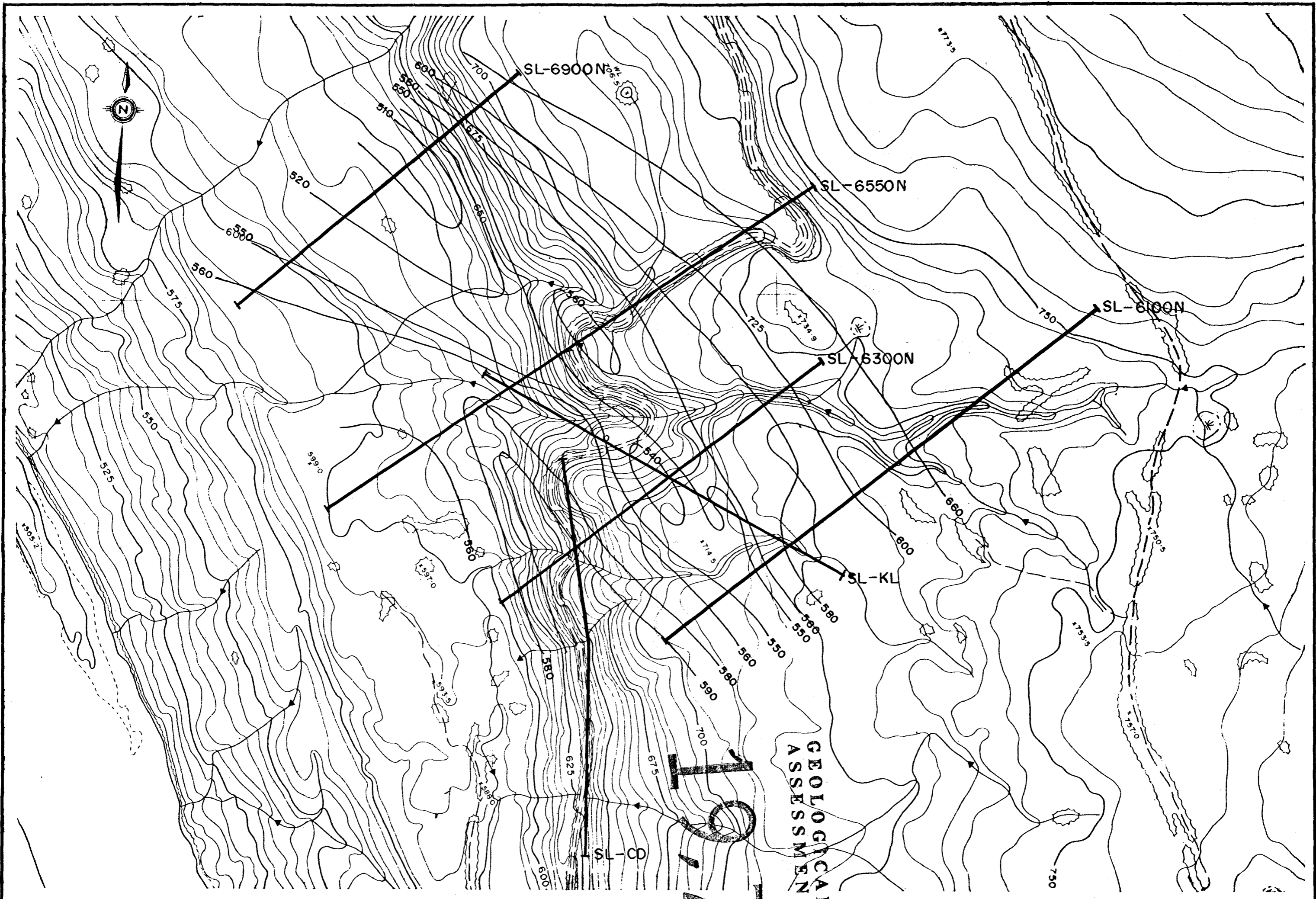
**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

19,759



QPX MINERALS INC.			
TERTIARY MINE PROJECT			
NORTH TARGET			
LOCATION OF SEISMIC LINES and DETAILED MAP			
PLAN No. 1544	DRAWN C.D.	DATE JAN '90	FIGURE 7
REVISED		N.T.S. 93/02	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

Compiled by P. AGI / MAPINFO SERVICES LTD.
From photography from 1979
Project No. 88-54
(Reproduction: Mapping)



T 10759

GEOLOGICAL
ASSESSMENT
BRANCH
REPORT

MINEQUEST EXPLORATION ASSOCIATES LTD.
FIRST FRASER PROJECT

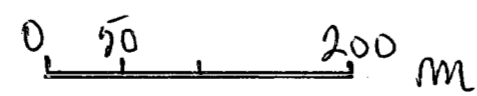
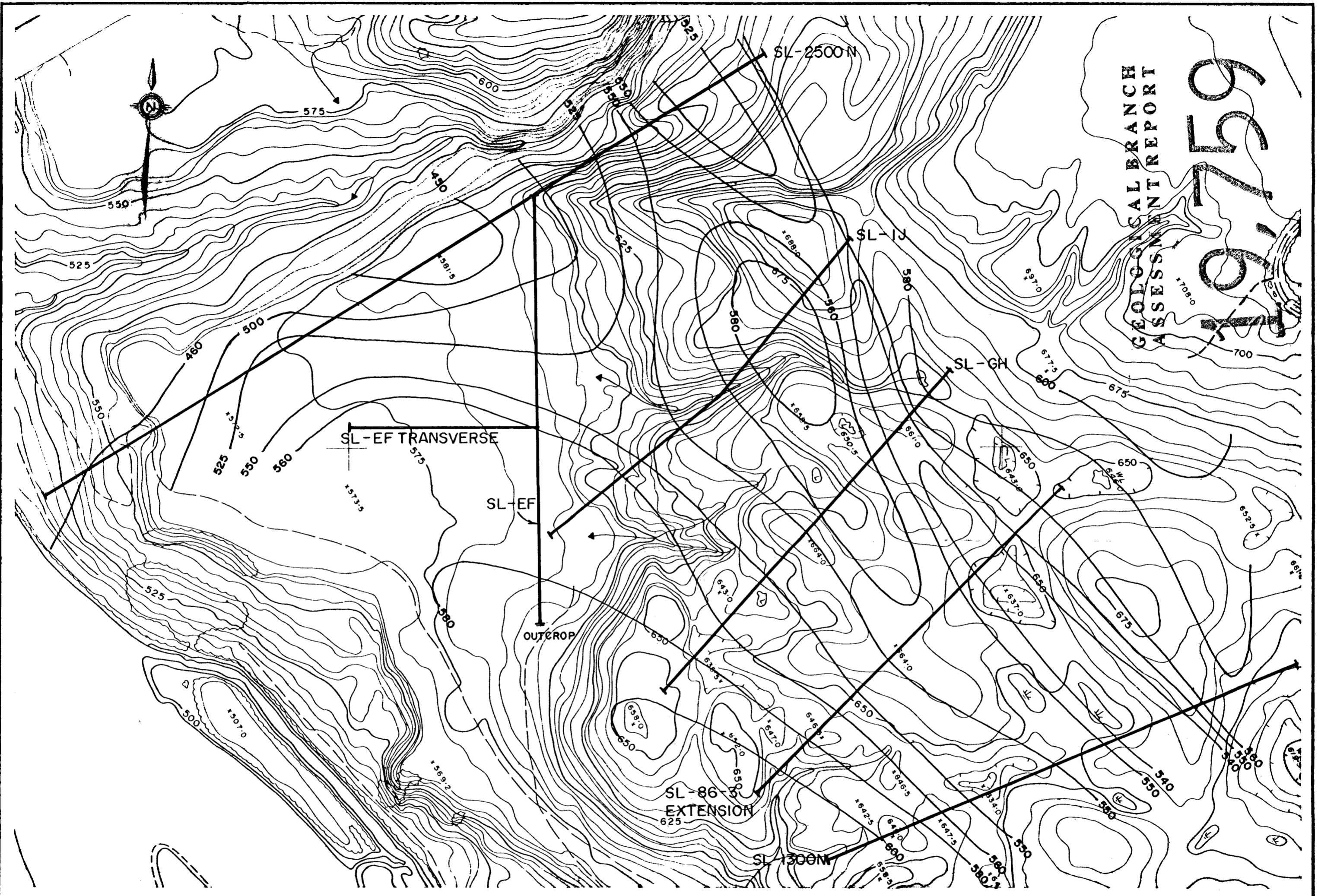
INTERPRETED ELEVATION CONTOUR PLAN
DOUBLE BEND AREA DETAIL

SCALE: 1:5000

DATE: DEC/89

FIG. 5

FRONTIER GEOSCIENCES INC.



MINEQUEST EXPLORATION ASSOCIATES LTD.
 FIRST FRASER PROJECT

INTERPRETED ELEVATION CONTOUR PLAN
 McHARDIE CREEK AREA DETAIL

SCALE: 1:5000

DATE: DEC/89

FIG. 6

FRONTIER GEOSCIENCES INC.