



SEARCHLIGHT CONSULTANTS INC.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,003

DIAMOND DRILLING ASSESSMENT REPORT

on the

KURTIS PROPERTY

(BLUEHAWK, KURTIS and KURTIS 2 CLAIMS)

VERNON MINING DIVISION

SUB-RECORDER
RECEIVED
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VANCOUVER, B.C.

BRITISH COLUMBIA

Latitude: 49° 59'N
Longitude: 119° 31'W

LOG NO: 0524	RD.
ACTION:	
FILE NO:	

NTS:82E/13

Owners: Robert Yorke-Hardy
P O Box 298
Vernon, BC, V1T 6M2

and

Richard Simpson
815-850 West Hastings Street
Vancouver, BC, V6C 1E2

Operator: Pinewood Resources Ltd
530-800 West Pender Street
Vancouver, BC, V6C 2V6

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505-744 West Hastings Street
Vancouver, BC, V6C 1A5

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Date: May 18, 1990

TABLE OF CONTENTS

INTRODUCTION	1
Location and Access	1
Physiography and Vegetation	1
Claim Information	2
History	3
Summary of Work	4
GEOLOGY	
Regional Geology	5
Property Geology	6
1989 EXPLORATION PROGRAMME	7
GEOCHEMISTRY	11
RESULTS AND INTERPRETATION	12
COST STATEMENT	13
CERTIFICATE OF QUALIFICATIONS	14
BIBLIOGRAPHY	15
APPENDIX A: DRILL LOGS	
APPENDIX B: ASSAY CERTIFICATES	
APPENDIX C: PETROLOGICAL REPORT	

List of Figures

Figure 1 Location Map	Following Page	1
Figure 2 Claim Map	Following	2
Figure 3 Regional Geology	Following	5
Figure 4 Key Map, Trenching and Diamond Drilling	Following	7
Figure 5 Trench Geology	Following	7
Figure 6 Trench Geology	Following	7
Figure 7 Diamond Drilling and Apparent Resistivity Section	Following	8

INTRODUCTION

The Kurtis property consists of 3 modified grid mineral claims, comprising 32 units, situated within the Thompson Plateau, BC. The property is originally thought to have been located in the early 1930's and limited production of 5 tons was obtained from the property in 1935.

A geophysical survey was carried out on the property in early 1988 and led to the definition of diamond drilling targets. A short diamond drilling programme was performed in 1989, the results of which form the basis of this report.

Location and Access

The Kurtis property is located in south central British Columbia in the Vernon Mining Division. The property is located at $049^{\circ} 59'N$ latitude and $119^{\circ} 31'W$ longitude, approximately 11 kilometres north of the town of Kelowna, BC, on the west side of Okanagan Lake, (fig. 1). The topographic map sheet is the Peachland sheet, NTS 82 E/13.

Access to the property may be obtained from Kelowna over Highway 97 South across Okanagan Lake. The Westside Road is taken north, for 14 kilometres, to the Bear Lake Road turnoff. From there this well maintained gravel forestry access road is taken for 3 kilometres west. The Blue Grouse Mountain road, a 2 and 4 wheel drive road, is then taken north for 6.5 kilometres to the centre of the property. The total distance from Kelowna to the property, by road, is thus 23.5 kilometres.

The closest full service town to the property is Kelowna situated at the junction of Highway 33 and 97. Accommodation and supply facilities together with a major airport are all available.

Physiography and Vegetation

The property lies within the Thompson Plateau physiographic region, part of the Interior Plateau. Elevations on the property vary from 580 to 1,220 metres giving a relief of 640 metres. The east half of the property, immediately west of Okanagan Lake, is moderately steep. The west side of the property is more subdued. The southern part of the property is drained by Jennie Creek, an easterly flowing tributary of Okanagan Lake.



Property Location

PINEWOOD RESOURCES LTD.		
KURTIS PROPERTY		
JENNIE CREEK, KELOWNA AREA VERNON MINING DIVISION, B. C.		
LOCATION MAP		
SEARCHLIGHT CONSULTANTS INC.		
DATE: MARCH 1988	SCALE: As Shown	FIGURE No. 1

The property lies within the Interior Douglas Fir biogeoclimatic zone which is characterized by low precipitation, hot summers and cool winters. Snow generally starts to accumulate on the property in November and has melted by late April.

Selective logging has taken place over the property, probably 20 to 40 years ago. Scattered ponderosa pine and light underbrush characterize the drier eastern part of the property. Larch, fir, birch and aspen are common in the western part of the property.

Claim Information

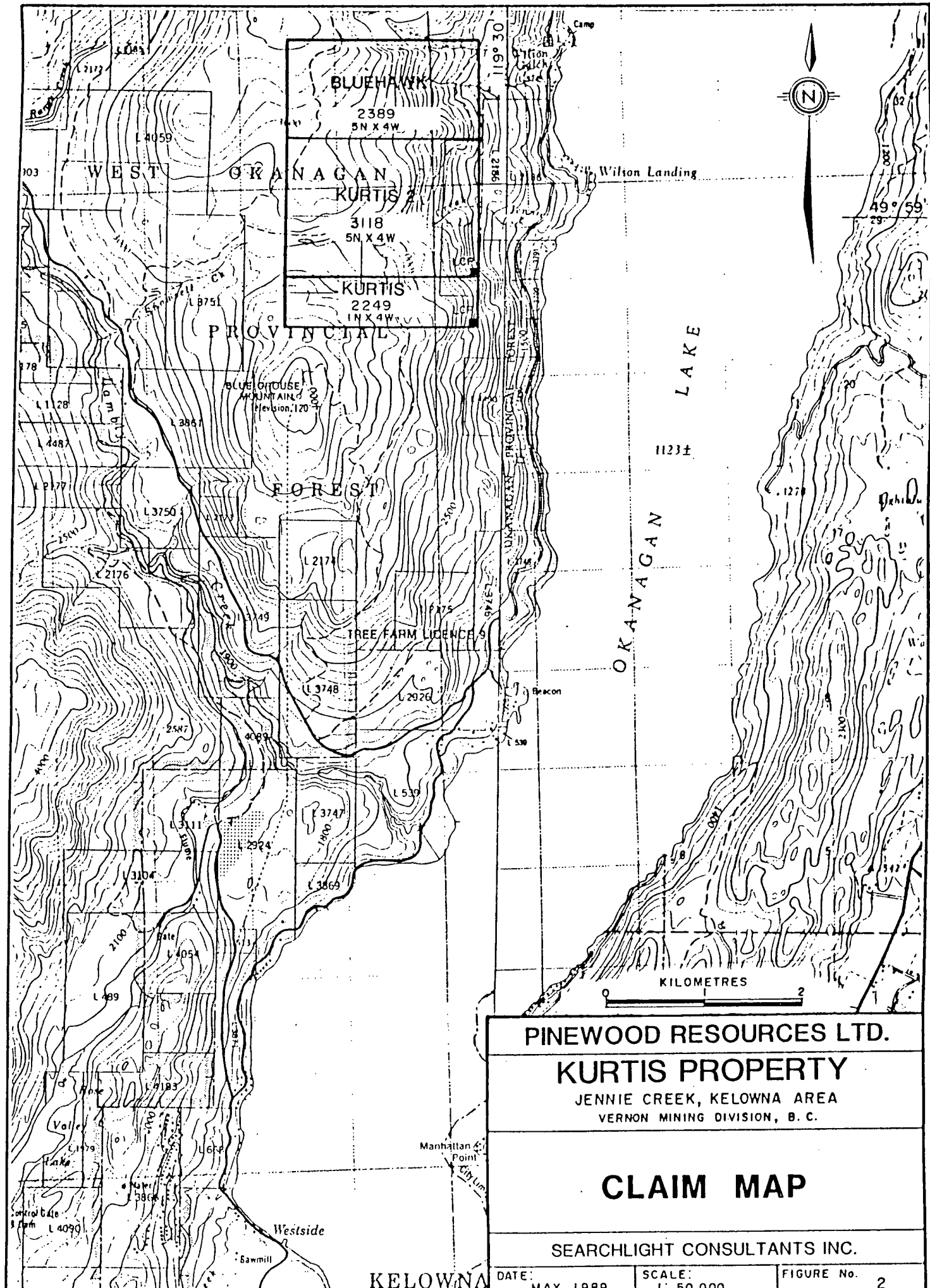
The Kurtis property (fig. 2) consists of the following three modified grid mineral claims, comprising 44 units:

Claim Name	Number of Units	Record Number	Record Date
Bluehawk 1	20	2389	November 18, 87
Kurtis	4	2249	March 20, 87
Kurtis 2	20	3118	February 19, 89

The Kurtis, 16 unit, claim was staked in March, 1987, and largely overstacked by the Bluehawk 1, 20 unit, claim in November, 1987. Both the claims have their Legal Corner Posts situated in the southeast corner of the property. The Kurtis claim was reduced in March, 1988, to a 1N x 4W claim, thus rendering the centre of the property open ground.

The Kurtis 2 claim was staked in February, 1989, to cover the open ground left as a result of the reduction of the Kurtis claim.

The Kurtis and the Bluehawk 1 claims are owned by Richard Simpson, 815-850 West Hastings Street, Vancouver, BC, V6C 1E2 and are the subject of an option agreement with Pinewood Resources Ltd, 530-800 West Pender Street, Vancouver, BC, V6C 2V6. The Kurtis 2 claim is owned by Robert Yorke-Hardy, P O Box 298, Vernon, BC, V1T 6M2, pending the filing of a Bill of Sale with Pinewood Resources.



PINEWOOD RESOURCES LTD.
KURTIS PROPERTY
 JENNIE CREEK, KELOWNA AREA
 VERNON MINING DIVISION, B. C.

CLAIM MAP

SEARCHLIGHT CONSULTANTS INC.
 DATE: MAY 1989 SCALE: 1" = 50,000 FIGURE No. 2

KELOWNA

History

Placer gold was discovered in the Okanagan in the 1860-70's east of Vernon in the Cherry Creek and Monashee Creek area. Cairnes (1931) reports that placer mining was carried out on Whiteman, Naswhite and Equisis Creeks, prominent valleys 25-33 kilometres north of the property, draining easterly into Okanagan Lake. These operations were chiefly concerned with recent stream gravels and although hydraulic leases are reported to have been acquired there is no record of operations of this sort. The focus of the mining activities changed in the 1890's towards lode mining when a number of gold bearing quartz veins were discovered west of Okanagan Lake.

In 1921 the White Elephant claim was staked, approximately 19 kilometres to the north of the Kurtis property. The mine located on this claim produced a total of 5,300 tons of ore during the years 1922-35. A total of 2,030 ounces of gold and 306 ounces of silver was obtained giving a grade of 0.38 ounces per ton of gold recovered. Production from the mine was from a body of vitreous, highly fractured, white quartz, about 18 metres long and 15 metres wide, striking a few degrees east of north and dipping 50° west. The quartz body is surrounded by granite, which may be part of the Valhalla Intrusives of Late Jurassic age. The granite and the mineral deposit are intersected by a narrow, low dipping, dark dyke, thought to be of Tertiary age, related to the volcanic rocks (Kamloops Group) which overlie the granite unconformably, Cairnes (1931). Pyrrhotite, pyrite, tetradymite (a bismuth telluride), chalcopyrite and possibly free gold are reported to be present. Scheelite (a tungsten mineral) was reported to be associated with the quartz at surface.

The Kurtis property covers old trenches and underground workings of the Blue Hawk Mine, reported in the BC Minister of Mines Reports for 1933, 1934, 1935 and 1938. Several quartz veins ranging from narrow fracture fillings to veins four feet wide were explored by the Blue Hawk Syndicate in 1933.

In 1935 a total of 5 tons of ore at a grade of 1.0 oz/ton (31 g/t) gold and 3.6 oz/ton (112 g/t) silver was shipped from the property, Meyers and Taylor (1989). This production was apparently obtained from the Blue Hawk adit, which consists of about 300 feet of underground workings.

Since 1965, the mine and surrounding area have been held by two separate groups. The first was Dawood Mines, (1965-1980), and the second was fronted by N. C. Lenard, PEng., during the period 1980-1986.

Work done by Dawood Mines consisted of trenching, linecutting and grid preparation. Geological mapping, geochemical soil sampling and a magnetometer survey were also completed in 1969, 1972 and 1974. Minor scaling of the main adit walls and roof was also undertaken.

Dawood's geochemical surveys indicated a number of areas anomalous in mercury, copper, silver and gold. Several of the anomalies coincided with the previously known showings but a definite correlation was not obtained.

Lenard's work consisted of further geochemical and geophysical work at various "sites" and further stripping of veins, as well as some reconnaissance mapping. Lenard did not identify any significant additional anomalies.

Both these groups located high grade gold mineralization in quartz veins in a diorite and at contact of the diorite with metasediments. There is a general consensus in their reports, however, that the mineralization is "spotty" and discontinuous.

In late 1987 and early 1988, Dasler supervised a programme of back hoe trenching, mapping and sampling. A total of approximately 600 metres of trenches were excavated and 130 samples were taken and analyzed for gold and silver, Dasler (1989). An induced polarization resistivity survey was also carried out over 14 northwest-southeast and northeast-southwest trending lines on the property in early 1988, Mark and Cruickshank (1988), (fig.4).

A number of high grade gold and silver grab and channel samples were obtained during this programme: a 0.1 metre channel sample with a value of 4.529 oz/ton gold and 12.4 oz/ton silver was obtained from Trench 1, a grab sample with a value of 2.010 oz/ton gold and 11.80 oz/ton silver was obtained from a trench approximately 100 metres west-north-west of Trench 1 and a grab sample with a value of 1.501 oz/ton gold and 0.51 oz/ton silver was collected from Old Trench 5. These trenches are all in the area of the old workings, (fig. 4).

Summary of Work

Trenching was performed on the Kurtis 2 ground prior to the staking of this claim. A total of 108 metres of trenching was carried out and one geochemical sample was taken. This work is not being claimed for assessment purposes.

A total of 3 NQ diamond drill holes were drilled, with a total depth of 244.8 metres (803 feet). The drill holes were drilled from one setup and were collared on the Kurtis 2 claim. A total of 24 samples were taken for analysis.

The drill core has been stored on the property at the site of the DDH 89-1, 2 and 3, just south of Jennie Lake.

GEOLOGY

Regional Geology

The Kurtis property lies within the Intermontane Belt of the Canadian Cordillera. This belt is characterized by argillaceous and calcareous sediments and volcanic rocks of Carboniferous to Early Jurassic age, Okulitch (1979).

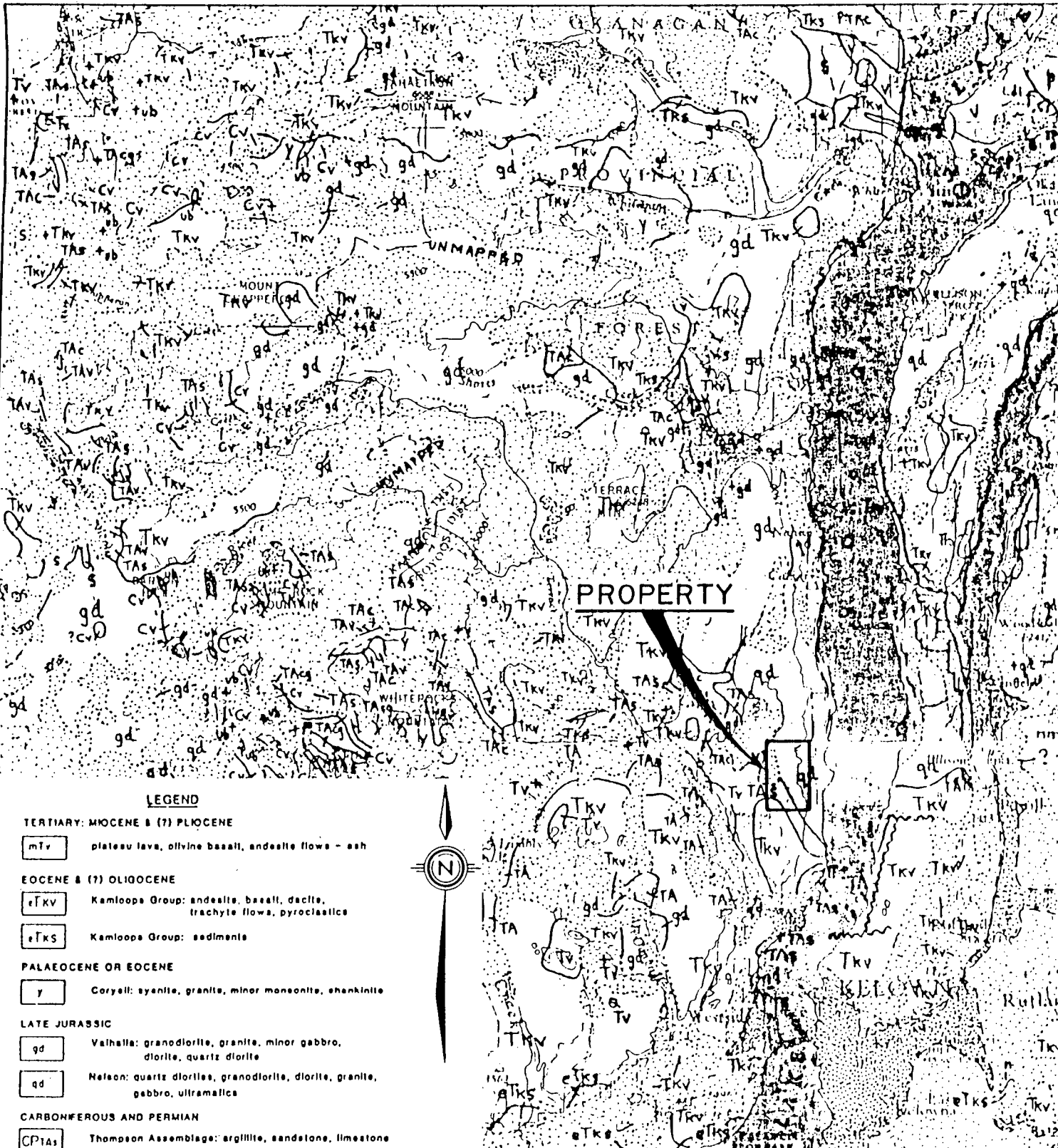
The oldest rocks in the area are the Chapperon Group of pre-Late Triassic and pre-Permian age. This Group consists of chlorite and mica schist, greenstone and minor quartzite and limestone. No basement to this group has been observed. It is intruded by serpentinized ultramafic dykes and sills of the Old Dave Intrusions of pre-Late Triassic age. The Chapperon Group was deformed and metamorphosed prior to Late Triassic time.

The Thompson Assemblage lies unconformably on the Chapperon Group, west of the property, on Dome Mountain. The Thompson Assemblage (originally classified as the Cache Creek Group in this area) is typified by argillaceous sediments, volcanoclastic rocks and limestone pods. Fossils of Carboniferous and Permian ages have been obtained from these sediments, together with Late Triassic fossils. Rocks of the Thompson Assemblage have undergone deformation, some of which may have preceded deposition of the Triassic sediments.

Mesozoic granitic rocks are exposed in the area and intrude all the older rocks. These "Valhalla" and "Nelson" - type plutonic rocks range in composition from leucocratic granite to gabbro but granodiorite, quartz monzonite, quartz diorite and granite are the most common. Emplacement of these rocks was syn and post-tectonic. Most granodioritic to quartz dioritic plutons are massive, discordant bodies and are clearly post-tectonic in age but some are foliated and sheared and have participated in at least late stages of regional deformation or have themselves caused some deformation. Field relationships support the premise that the quartz diorite ("Nelson"), which is often sheared or foliated, is older than the granodiorite ("Valhalla"), which is massive, Okulitch (1979).

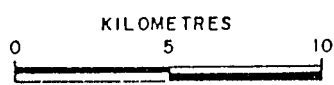
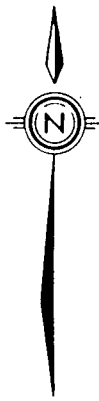
A period of block faulting and regional uplift followed Mesozoic orogenic events. Movement on numerous northerly trending faults appears to have displaced units throughout the area.

Tertiary volcanic rocks occur as a dissected and faulted blanket of variable thickness over the area. Numerous small northerly trending and steeply dipping dykes are presumed to be feeders to the flow blanket. Andesite, basalt, dacite and trachyte flows and related breccia, tuff and agglomerate form much of this Tertiary, Eocene to Oligocene, Kamloops Group. This Group attains a thickness of 1,000 metres north of Vernon.



LEGEND

- TERTIARY: MIOCENE & (?) PLOCENE**
- mTv plateau lava, olivine basalt, andesite flows - ash
- EOCENE & (?) OLIGOCENE**
- eTKV Kamloops Group: andesite, basalt, dacite, trachyte flows, pyroclastics
 - eTKS Kamloops Group: sediments
- PALAEOCENE OR EOCENE**
- y Coryell: syenite, granite, minor monzonite, shankinite
- LATE JURASSIC**
- gd Valhalla: granodiorite, granite, minor gabbro, diorite, quartz diorite
 - qd Nelson: quartz diorites, granodiorite, diorite, granite, gabbro, ultramafics
- CARBONIFEROUS AND PERMIAN**
- CP1As Thompson Assemblage: argillite, sandstone, limestone
 - CP1Ac Thompson Assemblage: limestone, chert
 - CP1Av Thompson Assemblage: greenstone, tuff
 - CP1Auz Thompson Assemblage: conglomerate
- MISSISSIPPIAN (?) OR OLDER**
- IPub Old Dave intrusions: ultramafics
 - IPCv Chepperon Group: phyllites, schists
 - 34 O&C Sample Sites



PROPERTY

PINWOOD RESOURCES LTD.

KURTIS PROPERTY

JENNIE CREEK, KELOWNA AREA
VERNON MINING DIVISION, B. C.

REGIONAL GEOLOGY

SEARCHLIGHT CONSULTANTS INC.

DATE: MARCH, 1989	SCALE: 1:250,000	FIGURE No. 3
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Property Geology

The Kurtis property has its main area of economic interest centred within a melanocratic diorite plug. The diorite has intruded the Thompson Assemblage metasediments and volcanics. The diorite is strongly chloritized in many of the showings and foliation and fracturing is well developed in more than one direction. These factors, together with the multi-directional shearing and silicification, locally make distinction between the diorite, and the cherts and quartzites of the sediments, difficult.

Detailed lithological mapping was not undertaken. Much of the property is overlain with a thin layer of glacial till which thickens considerably (in excess of 6 metres) within the confines of the Jennie Creek depression. The diorite is thought to have a concordant sill-like nature, although there may be a number of sills involved. The geophysical resistivity survey carried out in 1988 indicates that there may be a number of small diorite plugs on the claim group.

To the east of the main showings more obvious sediments and volcanoclastic material outcrop. South of Jennie Creek, a distinctive hornblende-biotite granodiorite outcrops on cliffs facing Okanagan Lake. This is probably part of the large Mesozoic batholith, which; on a regional scale, outcrops mainly to the north of the property.

1989 EXPLORATION PROGRAMME

The 1989 exploration programme was planned to investigate the anomalous resistivity results obtained from the geophysical survey carried out in early 1988. The majority of this survey was carried out over the area of the old workings, which cover much of the central portion of the Kurtis 2 claim.

A large east-west trending resistivity low with a length of over 1,000 metres was outlined by the survey north of, and subparallel to Jennie Creek. This feature is present from 8+20W to 2+20E. The east end of the resistivity low was thought to be the source for the north and northwest trending mineralized veins and shears present within the area of the old workings.

Trenching

A trenching programme was planned to investigate the east end of the east-west trending resistivity low. The trenching of the resistivity low and the exposure of alteration zones was intended to be a precursor to the diamond drilling of this alteration.

The trenching programme was carried out between February, 10-15, 1989. A tracked backhoe (Mitsubishi MS 180LC) was utilized to carry out this programme. Two trenches were excavated over a distance of 108 metres, (fig's 5 & 6) on Line 1+40E, from 0+89S to 2+20S. The trenches were back filled, contoured and seeded upon completion of the geological mapping and sampling.

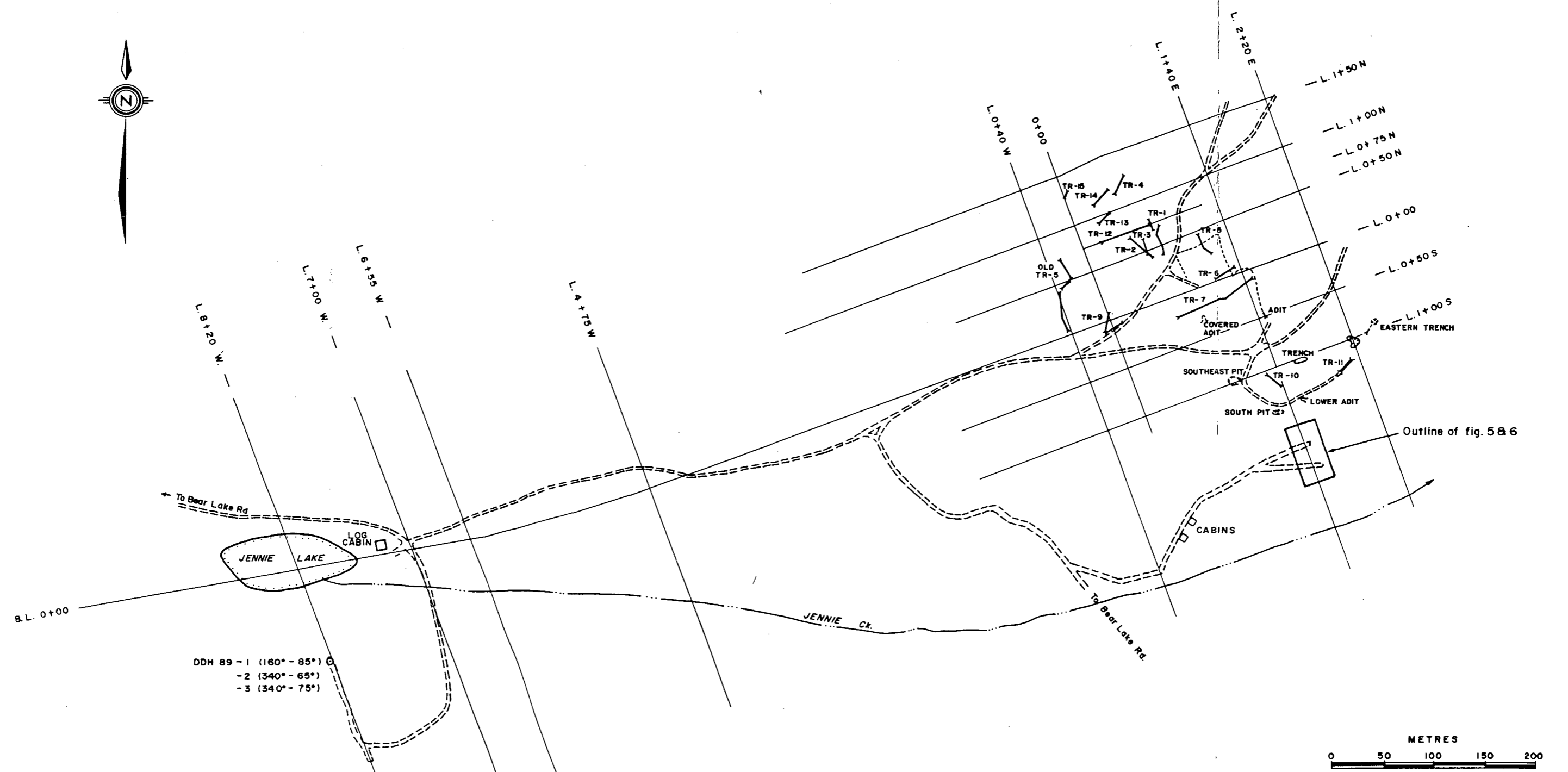
Geochemical sample KU-89-25 was obtained from a 0.05-0.14 metre wide quartz vein with minor pyrite stringers at 1+16S. The trenching revealed that the resistivity low in this area is probably caused by sheared, black graphitic shale/slate and andesite, part of the Thompson Assemblage. Alteration zoning was not found.

Diamond Drilling

The diamond drilling programme was redirected towards an investigation of the west end of the east-west trending resistivity low. The pseudosection of Line 8+20W revealed the presence of well defined resistivity lows together with resistivity highs.

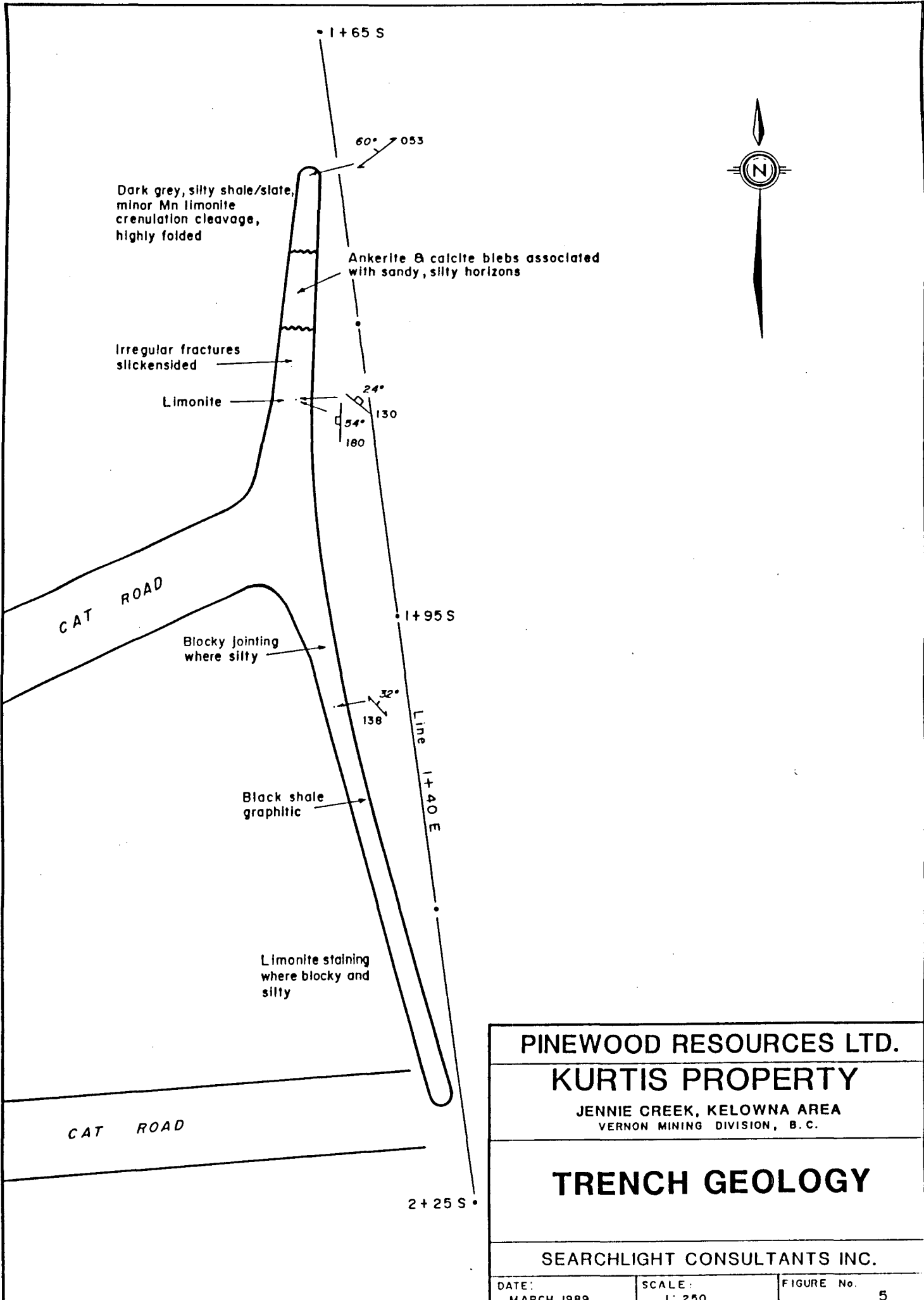
A total of 244.8 metres of NQ diamond drilling was carried out in three drill holes, from February 19-23, 1989. These three drill holes were drilled from one set up, (fig. 7).

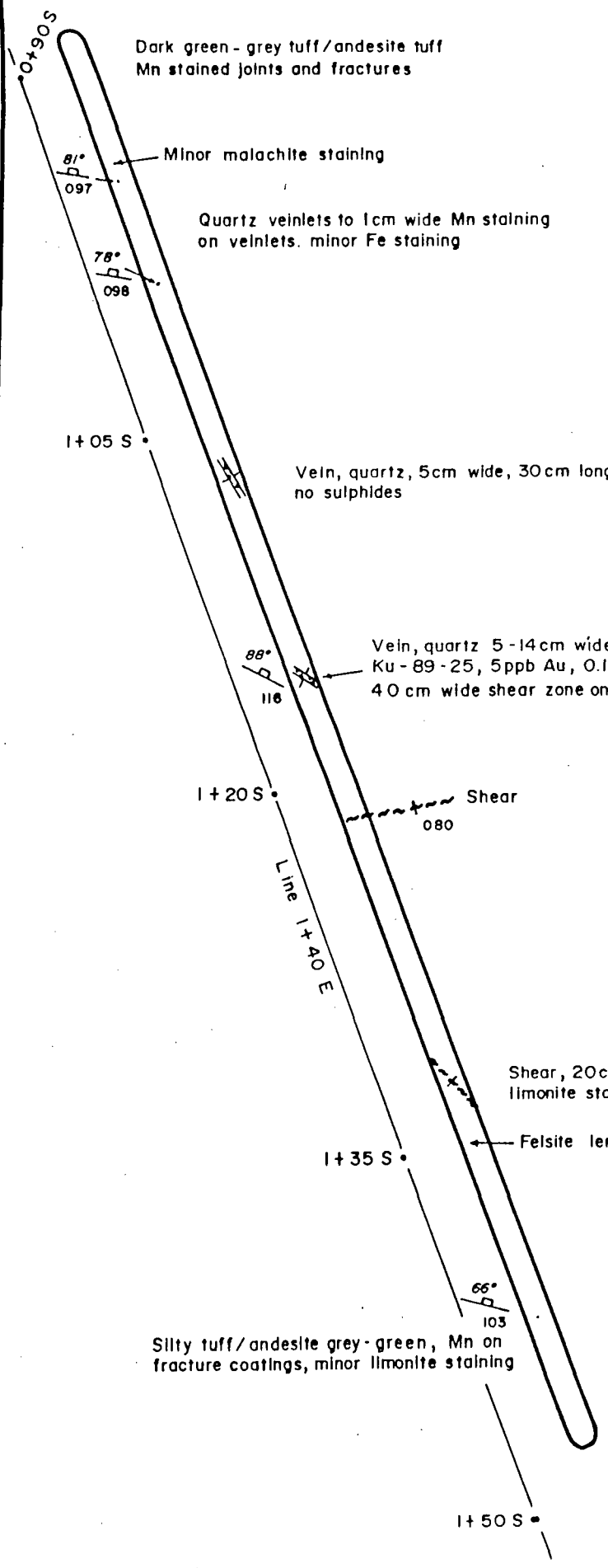
Details of the diamond drill holes are given below:



DDH 89 - 1 (160° - 85°)
- 2 (340° - 65°)
- 3 (340° - 75°)

PINEWOOD RESOURCES LTD.		
KURTIS PROPERTY		
JENNIE CREEK, KELOWNA AREA VERNON MINING DIVISION, B. C.		
KEY MAP, TRENCHING AND DIAMOND DRILLING		
SEARCHLIGHT CONSULTANTS INC.		
DATE: MARCH 1989	SCALE: 1:4000	FIGURE No. 4





PINEWOOD RESOURCES LTD.
KURTIS PROPERTY
JENNIE CREEK, KELOWNA AREA
VERNON MINING DIVISION, B. C.

TRENCH GEOLOGY

SEARCHLIGHT CONSULTANTS INC.

Drill Hole	Depth (m)	Depth (ft)	Azimuth	Incl.	Collar Coordinates
89-1	61.9	203.0	160°	-85°	8+20W,0+89S
89-2	121.9	400.0	340°	-65°	8+20W,0+89S
89-3	61.0	200.0	340°	-75°	8+20W,0+89S
Total Depth	244.8	803.0			

Drill Hole 89-1 (160°, -85°)

Drill Hole 89-1 intersected chloritic andesite and granodiorite porphyry. The chloritic andesite is dark grey-green to black in colour, aphanitic to speckled or finely porphyritic in texture. Minor quartz and calcite is present as veinlets and coatings on fracture surfaces. The phenocrysts present in the andesite are described in the petrographic report to consist of fine grained carbonate, muscovite, clinozoisite(?) and albite(?) (saussurite). The andesite has undergone intense saussurite alteration.

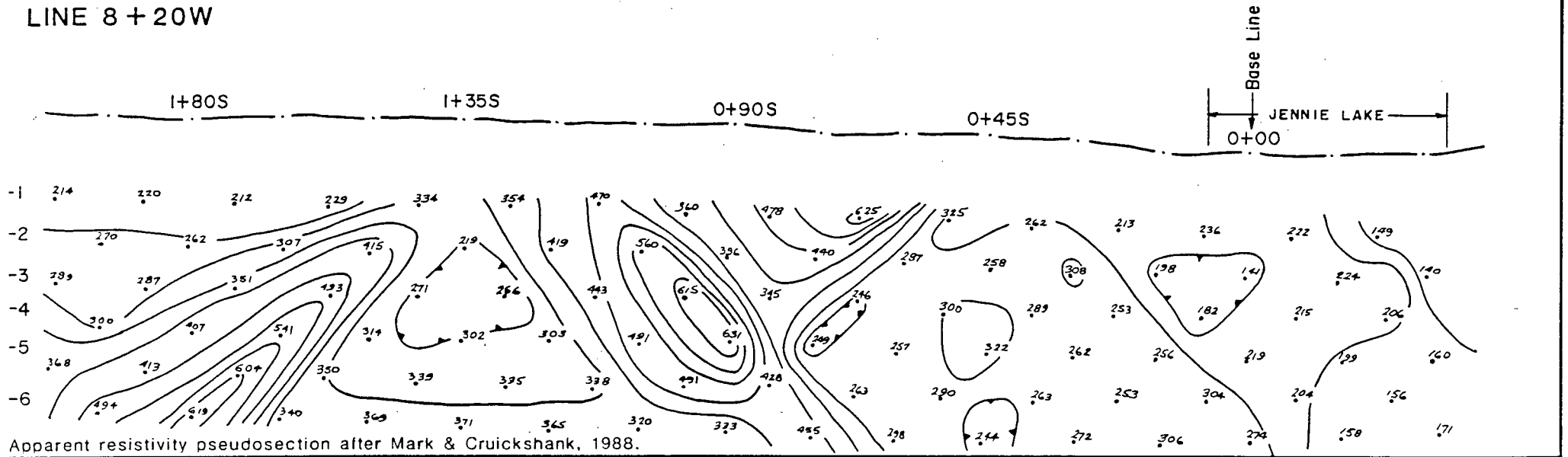
Lenses to 1-3 mm and fine disseminations of pyrite and pyrrhotite are present throughout the andesite, together with pyrite stringers-veinlets to 2 mm in width. The pyrite and pyrrhotite lenses outline a rough layering or lamination to this unit. Fracture surfaces display coatings of pyrite and chlorite, especially on slickensided surfaces.

The granodiorite porphyry was intersected at a depth of 48.4 to 51.7 metres and is dark green-grey in colour with a fine grained matrix. The granodiorite is characterized by subeuhedral phenocrysts of plagioclase, up to 4 mm in length, together with biotite flakes up to 1.4 mm in length. The matrix consists of quartz, plagioclase, orthoclase and biotite. Chlorite, sericite and saussurite have developed associated with the plagioclase phenocrysts. Sulphide mineralization was not observed in the granodiorite in the drill core.

Drill Hole 89-2 (340°, -65°)

Drill Hole 89-2 intersected a sequence of chloritic andesite intruded by granodiorite porphyry and towards the base of the drill hole chloritic andesite intruded by chloritic latite. The chloritic andesite is dark grey to black in colour, aphanitic, with occasional zones with faint feldspar phenocrysts, which were determined to have undergone intense saussurite alteration.

LINE 8 + 20W



LINE 8 + 20W



DDH89-1
(160° -85°)

DDH89-3
(340° -75°)

DDH89-2
(340° -65°)
| EoH 121.9m.



PINEWOOD RESOURCES LTD.

KURTIS PROPERTY
JENNIE CREEK, KELOWNA AREA
VERNON MINING DIVISION, B.C.

**DIAMOND DRILLING AND
APPARENT RESISTIVITY
SECTION**

SEARCHLIGHT CONSULTANTS INC.

DATE:
MAY, 1989

SCALE:
1:1000

FIGURE No.
7

Section Bearing 160°

An alignment of the phenocrysts is thought to represent flow banding. Quartz and/or calcite and chlorite veining is concentrated in a number of zones. The veins are frequently brecciated and rehealed.

Pyrite and pyrrhotite is present up to 5 per cent as fine disseminations and as hairline to 2 mm wide veinlets, locally cross-cutting. Fracture surfaces are occasionally coated with pyrite.

A total of seven granodiorite porphyry bodies intrude the chloritic andesite. These minor intrusions vary in thickness from 1.6 to 9.8 metres. The granodiorite is green to grey in colour, with a fine grained matrix hosting indistinct feldspar phenocrysts, 2-3 mm in length, and biotite flakes. Calcite coated fractures and veinlets to 2 mm in width are ubiquitous.

Very minor amounts of pyrite, less than 1 per cent, are present within the granodiorite.

A 0.2 metre intersection of chloritic, porphyritic latite was intersected from 70.4 to 70.6 metres. This porphyritic latite is bounded by granodiorite porphyry on both upper and lower surfaces. The porphyritic latite is dark green in colour, aphanitic, with apparent calcite and chlorite filled "amygdules" and phenocrysts of biotite to 1 mm in length. The petrographic examination of the porphyritic latite revealed that the "amygdules" are in fact chloritized relict plagioclase phenocrysts. The matrix is reported to be devitrified glass, and a tuffaceous origin is ascribed to the rock.

Towards the base of the drill hole the chloritic andesite is intruded by chloritic latite. The chloritic latite is light to medium green in colour, fine to medium crystalline and equigranular. The rock is intensely fractured/brecciated with calcite as coatings on fracture surfaces and as veinlets. Some of the fracture surfaces have been slickensided.

Examination of this unit in thin section reveals that the rock is composed of quartz, plagioclase and orthoclase. Calcite is present as a late stage mineral, and has altered and masked many of the primary features. There are no sulphides visible in the chloritic latite. The rock is highly altered and is assumed to be intrusive.

Drill Hole 89-3 (340°, -75°)

Drill Hole 89-3 intersected a sequence of chloritic andesite intruded by five minor bodies of granodiorite porphyry. The chloritic andesite varies from aphanitic to equigranular to finely porphyritic, with indistinct feldspar phenocrysts altered to saussurite. A weak alignment of phenocrysts is present in part and may outline relict flow banding. Calcite is present as irregular veinlets to 2 mm in width, and as coatings on fracture surfaces. Fracture surfaces may be slickensided and chloritized. Graphite has developed in some parts of the andesite, possibly as a result of intensive shearing.

Pyrite disseminations, blebs to 10 mm in diameter, stringers and occasional veinlets to 3 mm are present in the chloritic andesite. A maximum of 3 per cent pyrite is present in this unit.

The granodiorite porphyry bodies vary in thickness from 0.2 to 6.0 metres. They are grey in colour, porphyritic, with phenocrysts of biotite and plagioclase, with the latter frequently displaying ghost outlines.

Up to 1 per cent pyrite is present as fine disseminations, rare hairline stringers and as coatings on fracture surfaces within the granodiorite.

Summary

The diamond drilling in this area south of Jennie Lake, on Line 8 + 20 W, revealed the following volcanic units: chloritic andesite and chloritic, porphyritic latite. These units have undergone intense chlorite and saussurite alteration. The volcanics are assumed to be part of the Thompson Assemblage and appear to have been intruded by granodiorite porphyry and chloritic latite. Field evidence gained during the logging of the drill core supports this relationship and shows faulted, sharp contacts and occasional chilled margins. The small granodiorite porphyry intrusives are probably off-shoots of the hornblende-biotite granodiorite, of Mesozoic age, which outcrops south of Jennie Creek. The granodiorite porphyry displays only minor alteration in comparison to the volcanics.

The majority of the sulphide mineralization, pyrite and pyrrhotite, is present within the volcanic units with only very minor amounts of sulphides within the granodiorite porphyry in Drill Holes 89-2 and 3.

GEOCHEMISTRY

Pertinent sections of the drill core were split and 24 core samples, with an approximate weight of 3 kg, were taken. These samples were placed in plastic bags, labelled with the appropriate number and shipped to Chemex Labs Ltd, 212 Brooksbank Ave, North Vancouver, BC, V7J 2C1, for the following fire assay-atomic absorption analysis:

The samples were initially dried, crushed, riffle split and pulverized to -150 mesh.

Gold analysis required 10 g subsamples to be fused with 10 mg of gold-free silver metal. The fusion was then cupelled and the resulting silver bead parted with concentrated nitric acid and treated with aqua regia. The remaining salts were then dissolved in dilute HCl and analyzed for gold via atomic absorption techniques methods with a five parts per billion (ppb) detection limit.

Silver analysis required one gram portions of each sample to be digested in concentrated nitric acid-aqua regia for approximately two hours. The digested sample was then cooled and made up to 25 mL with distilled water. The solution was then mixed and solids were allowed to settle. Silver concentration was determined using atomic absorption techniques with a detection limit of 0.1 parts per million (ppm).

One grab rock chip sample was collected from a trench on the property, (fig. 6). This sample was placed in a plastic bag, labelled with the appropriate sample number and shipped to Chemex Labs Ltd for the above fire assay-atomic absorption analysis for gold and silver.

The analytical results of these samples may be found in Appendix B.

RESULTS AND INTERPRETATION

Results obtained from the 1989 exploration programme revealed that the large east-west trending resistivity low, outlined by the 1988 geophysical survey, was not the feeder or source of the high grade mineralized veins and shears present within the area of the old workings. The trenching and diamond drilling programme indicate the presence of graphitic sediments and locally andesite, together with weak disseminated pyrite and pyrrhotite mineralization.

A total of 24 samples were taken from the three diamond drill holes: 7 from DH89-1, 15 from DH 89-2 and 2 from DH 89-3. All these samples returned values of less than 5 ppb gold. Values of 0.1 ppm silver were obtained from all these samples with the exception of KU-05 from DH 89-1 and KU-23 from DH 89-3 which returned silver values of 0.2 ppm.

Additional exploration of the property is warranted in the area of the high grade veins and shears revealed by the old workings and trenches of 1987 and 1988. This work programme should consist of possible additional trenching, and diamond drilling concentrated in the area of Lines 0+40W to 1+40E and Lines 0+00 to 1+50N.

COST STATEMENT

Kurtis Assessment Programme (February, 20-24, 1989).

Mobilization/Demobilization

H. Macfarlane: 11 & 25 February 2 man days @ \$262.50	525.00	
H. Macfarlane: 10,11 January, 9 Feb. 3.0 man days @ \$225.00	675.00	
B. Callaghan: 12 February 1 man day @ \$262.50	262.50	
Truck Rental: 11 & 25 February 2.0 days @ \$60/day	120.00	
Gas, oil & parking:	112.74	
Room: 11 February	32.40	
Board: 11 & 25 February	128.00	
Subtotal		\$1,855.64

Field

H. Macfarlane: 20-24 February, 5 man days @ \$262.50	2100.00	
B. Callaghan: 20-24 February, 5 man days @ \$210.00	1050.00	
Truck Rental: 20-24 February, 5 days @ \$60/day	300.00	
Gas, oil & parking:	281.84	
Room: 20-24 February, 5 days @ \$32.40	162.00	
Board: 20-24 February, 5 days @ \$64.00	320.00	
Assays: 24 drill core analyses for Au, Ag @ \$15.90	381.60	
Supplies:	274.91	
Equipment rental:		
Snow shoes	60.00	
Radios	100.00	
Chain saw	150.00	
Diamond drilling, 199.6 m @ \$77.61/m NQ, 20-24 Feb	15,490.75	
Subtotal		\$20,671.30

Office

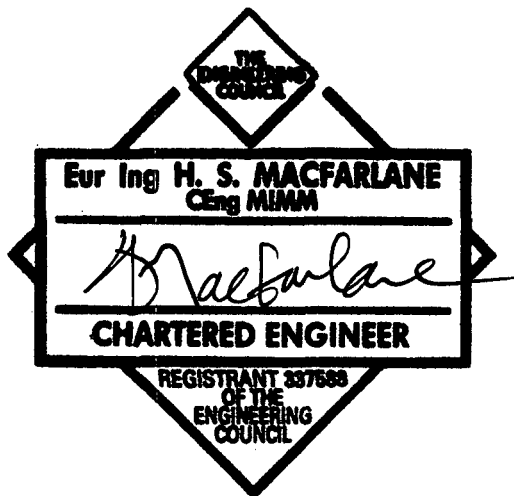
Report preparation: 5 days @ \$225.00	1125.00	
Petrological report	337.20	
Drafting and maps	578.69	
Computer and copying	250.00	
Copies, printing, telephone	249.02	
Typing	159.38	
Subtotal		\$2,699.29

Total Value 1988 Assessment Work, Kurtis Property \$25,226.23

CERTIFICATE OF QUALIFICATIONS

I, H S Macfarlane, do hereby certify that:

1. I am a consulting geologist, resident in Vancouver, British Columbia.
2. I am a graduate in geology of the University of London, (BSc Honours, 1976), and of the University of Leicester, (MSc, 1981).
3. I am an European Engineer of the European Federation of National Engineering Associations, Paris, France (Eur Ing), a Registered Chartered Engineer of the Engineering Council, London (CEng), a Member of the Institution of Mining and Metallurgy, London (MIMM) and a Fellow of the Geological Association of Canada, (FGAC).
4. I have practised my profession as a geologist in Africa and North America since 1976.
5. The information in the attached report is based upon the supervision of the exploration programme on the Kurtis property, Vernon Mining Division, BC, from February 11-24, 1989.
6. I have no interest, direct or indirect, in the property herein described, nor do I expect to receive any such interest.



Dated at Vancouver, BC, this 18th day of May, 1990.

BIBLIOGRAPHY

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APPENDIX A: DRILL LOGS

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Property: Kurtis Location: _____ Core Size: NQ True Bearing: 160 degrees Corr. Dip: _____
 Commenced: 19 February, 1989 Completed: 20 February, 1989 Elevation: _____ Hor. Comp: _____ Vert. Comp: _____
 Collar Coordinates: 8+20 W 0+89 S Collar Dip: -85 degrees Hole No: DDH 89-1 Length: 61.9m Percent Recovery: _____
 District: Vernon Mining Objective: _____

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
0	12.2	OVERBURDEN No core recovered											
		CHLORITIC ANDESITE											
12.2	15.1	Grey-black fine grained, massive, competent volcanic, Andesite, no laminae visible, no bedding Fractures @ 30 deg.-60 deg., widely spaced, hairline to 2mm, with calcite, pyrite, and green mineral coating. Some surfaces slickensided. Finely disseminated pyrite and pyrrhotite to 5-7% locally laminated/lineation to sulphides Pyrite veinlets to 4mm wide.	2.9	74%									
15.1	18.0	As above, @ 17.7m quartz-calcite sweat/veinlet to 20mm wide, scattered blebs of pyrite, to 2-3%	2.9	63%									
18.0	22.7	As above, fairly competent	4.7	87%									
22.7	26.8	broken core, highly fractured, slickensided core, pyrite veinlets in slickensided surfaces graphitic, weakly, on some fracture surfaces sheared surfaces talcose? weakly serpentinized	4.1	74%									

Client: Pinewood Resources Ltd.

Logged By: H.S. Macfarlane

Hole No: DDH 89-1

Drilling Company: Beaure Diamond Drilling Ltd.

Date: 20 February, 1989

Page: 1 of 3

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
26.8	30.6	Fine white/grey feldspar? throughout rock, aligned fabric - flow banding? an andesite?	3.8	100%									
30.6	32.9	As above	2.3	100%									
32.9	36.4	As Above	3.5	100%									
36.4	37.4	Dark grey-black, fine grained porphyritic andesite, fine, 1-2mm pyrite veinlets.	1.0		36.4	37.4	100%	KU 1	1.0	<5	0.1		
37.4	38.1	Green-grey, altered irregular calcite blebs, quartz as mottled, banded, moderately silicified pyrite as blebs, stringers. Upper contact at 40 deg. to C.A. as lower contact. Fracture surfaces pyritic, to talcose/serpentinized. 3% sulphides. Locally brecciated - on footwall side with calcite stockworks	0.5		37.4	38.1	100%	KU 2	0.5	<5	0.1		
38.1	39.0	Dark grey-black andesite?	0.9	100%	38.1	39.0	100%	KU 3	0.9	<5	0.1		
39.0	41.3	As above	2.3	100%									
41.3	42.2	As above, broken core	0.9	50%									
42.2	45.3		3.1	87%									
45.3	45.5	Greenish grey - chlorite and quartz rich zone, banded, mottled, pyrite-pyrrhotite blebs and stringers	0.2	100%	45.3	45.5	100%	KU 4	0.2	<5	0.1		
45.5	47.2	Grey-black, fine grained, fine white-grey indistinct feldspars. Pyrite veinlet, 8-10mm wide @ 46.8m	1.8	100%									

Client: Pinewood Resources Ltd.

Logged By: H.S. Macfarlane

Hole No: DDH 89-1

Drilling Company: Beaupre Diamond Drilling Ltd.

Date: 20 February, 1989

Page: 2 of 3

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2381

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm
From	To		Run	%	From	To					
47.2	48.1	As Above									
48.1	48.4	Andesite, as above, and quartz veinlets to 20mm branching and crosscutting and late stage microbrecciation and minor late stage calcite infill - to 3mm wide. Pyrite and pyrrhite blebs and stringers	0.3	100%	48.1	48.4	100%	KU 5	0.3	<5	0.2
48.4	49.5	GRANODIORITE PORPHYRY Dark grey, fine - med grained groundmass, with white-grey feldspar phenocrysts to 2-3mm - Euhedral, mottled pale green in part - chloritized White quartz and minor chlorite vein, to 15mm wide. @ 20 deg. to C.A.	1.1	86%	48.4	49.5	86%	KU 6	1.1	<5	0.1
49.5	51.7	As above - granodiorite: sharp contact	2.2	86%							
51.7	57.9	CHLORITIC ANDESITE Dark grey - black, fine grained, as above, minor chlorite (?) coatings on fracture surfaces	6.2	100%							
57.9	59.0	minor pyrite on blebs and stringers and as disseminations	1.1	57%							
59.0	60.2	Banded, mottled, light to dark grey, soft broken core in part, minor calcite veinlets, pyrite blebs to 10mm, calcite coatings on fracture surfaces, brecciated core in part.	1.2	100%	59.0	60.2	100%	KU 7	1.2	<5	0.1
60.2	61.9	Black andesite as above, pyrite veinlets to 1mm E.O.H. 61.9m	1.7	100%							

Client: Pinewood Resources Ltd.

Drilling Company: Beaupre Diamond Drilling Ltd.

Logged By: H.S. Macfarlane

Date: 20 February, 1989

Hole No: DDH 89-1

Page: 3 of 3

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2381

Drill Hole Record

Property: Kurtis Location: _____ Core Size: NQ True Bearing: 340 degrees Corr. Dip: _____
 Commenced: 20 February, 1989 Completed: 22 February, 1989 Elevation: _____ Hor. Comp: _____ Vert. Comp: _____
 Collar Coordinates: S+20W 0+89S Collar Dip: -65 degrees Hole No: DDH 89-2 Length: 121.9m Percent Recovery: _____
 Mining Division: Vernon District: Okanagan Objective: _____

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
0	4.6	OVERBURDEN No core	4.6	0%									
4.6	9.9	CHLORITIC ANDESITE Dark grey-black, fine grained, possibly flow banded, fine - 1mm feldspar phenocrysts/crystals disseminated pyrite/pyrrhotite, and as irregular 1mm veinlets, and blebs throughout. Weakly oxidized pyrite in part - near surface.	5.3	100%									
9.9	14.0	GRANODIORITE PORPHYRY Green-grey, fine - med. grained groundmass, with biotite flakes, grey feldspar phenocrysts to 2-3mm, thin 1-2mm calcite coatings on fractures and as veinlets. Very minor amounts <1% pyrite disseminated throughout.	4.1	100%									
14.0	15.8	As above	1.8	100%									
15.8	16.7	CHLORITIC ANDESITE Dark grey-black, fine grained, as above, with quartz and chlorite veining, brecciated and rehealed, + 5-7%.	0.9	100%	15.8	16.7	100%	KU 8	0.9	<5	0.1		

Client: *Pinewood Resources Ltd.*

Drilling Company: *Beaupre Diamond Drilling Ltd.*

Logged By: *H.S. Macfarlane*

Date: *21 February, 1989*

Hole No: *DDH 89-2*

Page: *1 of 8*

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
16.7	17.7	pyrite and pyrrhotite throughout, competent core minor calcite (1mm) veinlets. Fresh hard core.	1.0	100%	16.7	17.7	100%	KU 9	1.0	<5	0.1		
17.7	18.9	As above. Occasional pyrite veinlets to 5mm.	1.2	92%									
18.9	23.2	Possible flow banding - aligned feldspar phenocrysts	4.3	100%									
23.2	24.2	As above	1.0	100%									
24.2	25.5	As above, banded in part, light and dark grey bands, broken core in part of 25.1m. Pyrite on fracture planes, slickensided pyrite.	1.3	85%	24.2	25.5	85%	KU 10	1.3	<5	0.1		
GRANODIORITE PORPHYRY													
25.5	26.5	Grey colour, fine grained groundmass, white-grey indistinct phenocrysts of feldspar, calcite veinlets and fracture coatings, chloritic overprint in part. Approx. 20 deg. contact to C.A.	1.0	100%	25.5	26.5	100%	KU 11	1.0	<5	0.1		
26.5	27.7	As above, v. minor sulphides, <1%	1.2	100%									
27.7	32.6		4.9	96%									
32.6	33.1		0.5	100%									
33.1	34.3	Light green grey colour, chloritized, chilled margin with andesite country rock.	1.0	100%									
34.3	35.3	Chilled margin, as above, irregular fractures - calcite infilled, soft feldspars in part.	1.0	95%	34.3	35.3	95%	KU 12	1.0	<5	0.1		

Client: Pinewood Resources Ltd.

Drilling Company: Beaupre Diamond Drilling Ltd.

Logged By: H.S. Macfarlane

Date: 21 February, 1989

Hole No: DDH 89-2

Page: 2 of 8

SEARCHLIGHT CONSULTANTS INC.

Drill Hole Record

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2381

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
35.3	35.5	CHLORITIC ANDESITE Chilled margin - contact metamorphosed, grey-green colour, siliceous minor <1% pyrite, minor calcite coatings on fractures and as infill.	0.2	100%	35.3	35.5	100%	KU 13	0.2	<5	0.1		
35.5	37.5	Black fine grained andesite, pyrite stringers, veinlets and blebs.	1.8	90%									
37.5	41.5	As above, and from 40.7 to 41.0m, quartz-calcite and chlorite veining, mottled green, grey colour.	4.0	78%									
41.5	43.0	GRANODIORITE PORPHYRY Contact at approximately 60 deg. irregular, broken fractured core. Calcite coating fractures and as veinlets throughout. Green-grey mottled blotchy nature, feldspar phenocrysts to 2-3mm zoned in part.	1.5	100%									
43.0	45.0	As above, contact with andesite below = gradational.	2.0	85%									
45.0	45.1	CHLORITIC ANDESITE Black, fine grained, brecciated quartz blebs at lower contact. Pyrite blebs, stringers to 5%.	0.1	100%									
45.1	49.5	GRANODIORITE PORPHYRY Green-grey colour, sharp contact @ 65 deg. to C.A. at upper contact, graphitic coatings on contact and on joint, 25mm away. Pyrite blebs and disseminations, within 25mm of contact.	4.4	85%									

Client: Pinewood Resources Ltd.

Logged By: H.S. Macfarlane

Hole No: DDH 89-2

Drilling Company: Beaupre Diamond Drilling Ltd.

Date: 21 February, 1989

Page: 3 of 8

SEARCHLIGHT CONSULTANTS INC.

Drill Hole Record

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
49.5	53.7	CHLORITIC ANDESITE	4.2	100%									
		Soft, black, fine grained, fine white/grey feldspar phenocrysts in part. Pyrite as veinlets to 2mm, as blebs, and disseminated. Occasional white calcite blebs and veinlets											
53.7	56.7	As above	3.0	100%									
56.7	59.7	Black andesite,	3.0	100%									
59.7	60.8	as above, but light grey - to dark grey mottled, banded - contact metamorphic effect. Also chloritized, pyrite as stringers and blebs.	1.1	100%									
60.8	62.8	GRANODIORITE PORPHYRY	2.0	100%									
62.8	63.7	Green-grey, mottled in part, blotchy, indistinct feldspar phenocrysts, white calcite veinlets to 2mm - irregular, anastomosing.											
		CHLORITIC ANDESITE											
63.7	64.6	Black, fine grained, gradational contact, cross cutting pyrite stringers and veinlets.											
64.6	65.8	As above soft, black, graphitic, brecciated rehealed core, calcite veinlets, with quartz blebs (rounded) to 20mm.	1.2	100%	64.6	65.8	100%	KU 14	1.2	<5	0.1		
65.8	66.8	As above, but grey-black siliceous in part slickensided fractures, graphitic.	1.0	97%	65.8	66.8	97%	KU 15	1.0	<5	0.1		
66.8	68.1	As above, banded, mottled, occasional feldspar phenocrysts, graphitic, slickensided, minor pyrite veinlets.	1.3	97%	66.8	68.1	97%	KU 16	1.3	<5	0.1		

Client: Pinewood Resources Ltd.

Logged By: H.S. Macjariane

Hole No: DDH 89-2

Drilling Company: Beaupre Diamond Drilling Ltd.

Date: 21 February, 1989

Page: 4 of 8

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
68.1	68.9	GRANODIORITE PORPHYRY Green-grey mottled, contact zone quartz stringer and flooding, siliceous, minor approximately 1% pyrite blebs, fine grained.	0.8	97%	68.1	68.9	97%	KU 17	0.8	<5	0.1		
68.9	69.6	As above, contact zone, non-porphyrific	0.7	100%	68.9	69.6	100%	KU 18	0.7	<5	0.1		
69.6	70.4	Granodiorite, porphyritic - grey 2-3mm feldspar green-grey colour. Contact with unit below @ 50 deg. to C.A.											
70.4	70.6	CHLORITIC, PORPHYRITIC LATITE Dark green-grey, fine grained, mica (biotite) phenocrysts, with 5mm chilled margin. Contact below at 50 deg. to C.A.	0.2	100%									
70.6	71.9	GRANODIORITE PORPHYRY Grey, mottled in part, chloritized, grey porphyritic feldspars to 2-3mm. Calcite veinlets and on fracture planes.	1.3	100%									
		CHLORITIC ANDESITE - CONTACT ZONE											
71.9	75.0	Grey-black colour, fine grained, silicified, chloritic patches - green-grey - and bands to 20cms. Minor pyrite associated with these patches, approximately 1%.	3.1	100%									
75.0	78.0	As above	3.0	100%									
78.0	78.7	As above	0.7	100%									
78.7	79.4	Brecciated zone, black andesite fragments to 20mm, angular in quartz veined zone and minor calcite.	0.7	100%	78.7	79.4	100%	KU 19	0.7	<5	0.1		

Client: Pinewood Resources Ltd.

Logged By: H.S. Macfarlane

Hole No: DDH 89-2

Drilling Company: Beupre Diamond Drilling Ltd.

Date: 23 February, 1989

Page: 5 of 8

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
79.4	80.9	Andesite, with quartz, chlorite patches and bands - contact zone still. Minor, <1% pyrite in stringer - 1mm wide.	1.5	100%									
80.9	82.6	CHLORITIC ANDESITE Black, fine grained, porphyritic feldspars to 2mm in part, broken core in part. Finely disseminated pyrite in part.	2.7	56%									
82.6	87.8	As above, broken core, hard, splintery minor pyrite <1% as disseminations and coatings on fractures. Calcite veinlets and coatings.	5.2	92%									
87.8	93.3	As above, glassy white 25mm quartz vein @ 93m.	5.5	73%									
93.3	94.0	As above, silicified in part, hard. Light - dark grey colour.		100%									
94.0	94.3	Light - Medium grey, brecciated zone, anhedral fragments - andesite - in calcite veinlets and coatings. No visible sulphides.	0.3	100%	94.0	94.3	100%	KU 20	0.3	<5	0.1		
94.3	95.1	CHLORITIC LATITE Light olive green-grey, hard, massive, competent minor calcite coatings on fractures and as veinlets to 1mm. No visible sulphides. Broken core throughout.	0.8	100%									
95.1	95.4	Brecciated zone, irregular fragments to 15mm with calcite coatings, veining - healed. No visible sulphides.	0.3	100%	95.1	95.4	100%	KU 21	0.3	<5	0.1		
95.4	96.5	Broken core - felsite as above, with 20mm brecciated zone - fault contact - at base.											

Client: Pinewood Resources Ltd.

Logged By: H.S. Macfarlane

Hole No: DDH 89-2

Drilling Company: Beapre Diamond Drilling Ltd.

Date: 23 February, 1989

Page: 6 of 8

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5. (604) 684-2381

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
96.5	97.2	CHLORITIC ANDESITE Black, fine grained, minor, <1% pyrite in part, hard, massive.	0.7	100%									
97.2	102.1	As above	4.9	63%									
102.1	103.0	CHLORITIC LATITE Light olive green-grey, fine grained, equigranular hard, massive, minor calcite coatings. Broken core.	0.9	78%									
103.0	108.3	CHLORITIC ANDESITE Black, fine grained, pyrite disseminated, as blebs and stringers. Minor calcite veinlets and on fractures. Broken core.	5.3	74%									
108.3	108.6	CHLORITIC LATITE Olive green-grey, hard, siliceous, no visible sulphides. Broken core.	0.3	100%									
108.6	111.6	CHLORITIC ANDESITE Black, fine grained, equigranular, less than 1% pyrite as disseminations.											
111.6	112.2	CHLORITIC LATITE Olive green-grey. Massive, splintery, siliceous with quartz and calcite veinlets. Slickensided in part.											
112.2	112.8	CHLORITIC ANDESITE Black to grey, mottled in part, slickensided broken core.	0.6	100%									

Client: Pinewood Resources Ltd.

Logged By: H.S. Macjartane

Hole No: DDH 89-2

Drilling Company: Beaupre Diamond Drilling Ltd.

Date: 23 February, 1989

Page: 7 of 8

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
112.8	114.6	Brecciated core, angular fragments to 15mm, healed with calcite. No visible sulphides.	1.8	95%	112.8	114.6	95%	KU 22	1.8	<5	0.1		
114.6	118.0	CHLORITIC ANDESITE AND LATITE Mixed units of black-grey andesite with olive green felsite - latter siliceous and quartz veined to 10mm wide - irregular fracture. Lower 30cm - from 117.7 to 118.0m = angular fragments - top of volcanic flow, bottom of flow? Irregular 20-50 deg. to C.A. contact with Felsite unit below.	3.4	100%									
118.0	118.9	CHLORITIC LATITE Light olive green, massive, with minor calcite veining.	0.9	100%									
118.9	121.9	CHLORITIC ANDESITE AND LATITE As above, with a 15cm quartz-chlorite vein at 120.0m. No sulphides. Fine calcite coating on fractures. E.H. @ 121.9m.	3.0	100%									

Client: Pinewood Resources Ltd.

Drilling Company: Beaupre Diamond Drilling Ltd.

Logged By: H.S. Macfarlane

Date: 24 February, 1989

Hole No: DDH 89-2

Page: 8 of 8

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5. (604) 684-2381

Drill Hole Record

Property: Kuris Location: _____ Core Size: NQ True Bearing: 340 degrees Corr. Dip: _____
 Commenced: 22 February, 1989 Completed: 23 February, 1989 Elevation: _____ Hor. Comp: _____ Vert. Comp: _____
 Collar Coordinates: 8+20 W 0+89 S Collar Dip: -75 degrees Hole No: DDH 89-3 Length: 61.0 Percent Recovery: _____
 District: Vernon Objective: _____

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
0	3.0	OVERBURDEN No recovery - casing	3.0	0%									
3.0	11.6	CHLORITIC ANDESITE Black, fine grained groundmass, with white-grey phenocrysts of feldspar 1-2mm diameter, aligned parallel to C.A. in part. Pyrite blebs to 10mm, stringers and veinlets 2mm wide and disseminated together with pyrrhotite. Massive, uniform rock.	8.6	87%									
11.6	16.2	GRANODIORITE PORPHYRY Grey colour, fine grained groundmass, with feldspar (white-grey) phenocrysts to 3-4mm, massive. Pyrite veinlet 1mm wide at 13.8m @ 30 deg. to C.A. Black biotite phenocrysts in part, minor <<1% pyrite. Calcite coatings on fracture planes	4.6	100%									
16.2	17.6	as above.	1.4	100%									

Client: Pinewood Resources Ltd.
 Drilling Company: Beaupre Diamond Drilling Ltd.

Logged By: H.S. Macfarlane
 Date: 23 February, 1989

Hole No: DDH 89-3
 Page: 1 of 3

SEARCHLIGHT CONSULTANTS INC.

505-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2361

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au ppb	Ag ppm		
From	To		Run	%	From	To							
		CHLORITIC ANDESITE											
17.6	25.0	Black, fine grained, equigranular, calcite coatings on fractures, pyrite and pyrrhotite disseminated throughout, and as stringers and blebs and veinlets. Some fractures slickensided and chloritized.	7.4	96%									
25.0	25.3	As above	0.3	100%									
25.3	25.5	GRANODIORITE PORPHYRY Medium grey, porphyritic - feldspar and biotite phenocrysts. Sharp, planar contacts at 35 deg. to C.A.	0.2	100%									
		CHLORITIC ANDESITE											
25.5	26.5	Black, fine grained, with faint indistinct feldspar phenocrysts - to 1-2mm aligned in part. Pyrite and pyrrhotite throughout - stringers, blebs, coatings on fracture planes. White calcite veinlets to 2mm	1.0	100%									
26.5	31.1	black andesite as above, slickensided in part and brecciated - healed with calcite. Pyrite to 3%.	0.4	75%	31.1	31.5	75%	KU 23	0.4	<5	0.2		
31.1	31.5	As above, some fractures slickensided and chloritized.	1.1	45%	31.5	32.6	54%	KU 24	1.1	<5	0.1		
31.5	32.6	Andesite, fine grained, porphyritic											
32.6	34.7	GRANODIORITE PORPHYRY Grey, porphyritic - feldspar to 2-3mm soft calcite and clayed fractures from 35.1 to 35.7m. Occasional hairline pyrite stringers.	4.0	80%									

Client: Pinewood Resources Ltd.

Logged By: H.S. Macjariane

Hole No: DDH 89-3

Drilling Company: Beaupre Diamond Drilling Ltd.

Date: 24 February, 1989

Page: 2 of 3

SEARCHLIGHT CONSULTANTS INC.

503-744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5, (604) 684-2381

Drill Hole Record

Depth		Description	Recovery		Sample Interval		Sample % Recovery	Sample Number	Length	Au	Ag		
From	To		Run	%	From	To							
38.7	42.2	CHLORITIC ANDESITE Black, fine grained, graphitic especially from 40.0 to 40.5m	3.5	74%									
42.2	46.5	GRANODIORITE PORPHYRY Grey, chloritic in part, fresh biotite phenocrysts, grey indistinct feldspar phenocrysts	4.3	100%									
46.5	46.8	CHLORITIC ANDESITE Black, fine grained, with a 3mm pyrite veinlet at 45 deg. to C.A. Lower contact at 80 deg. to C.A.	0.3	100%									
46.8	48.5	GRANODIORITE PORPHYRY Grey colour, porphyritic, phenocrysts to 3-4mm and grey-white feldspar, indistinct borders with minor - 1% pyrite as coatings on fractures and as disseminations.	1.7	88%									
48.5	53.6	Biotite flakes to 1mm - phenocrysts less than 5% biotite Calcite coatings 2-3mm on fracture planes and as veinlets. Broken core where well jointed and veined by calcite.	5.1	94%									
53.6	58.4		4.8	96%									
58.4	61.0	E.O.H. @ 61m	2.6	100%									

Client: Pinewood Resources Ltd.

Drilling Company: Beaupre Diamond Drilling Ltd.

Logged By: H.S. Macjartane

Date: 24 February, 1989

Hole No: DDH 89-3

Page: 3 of 3

APPENDIX B: ASSAY CERTIFICATES



Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

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

PHONE (604) 984-0221

SEARCHLIGHT RESOURCES INC.

505 - 744 W. HASTINGS ST.
VANCOUVER, BC
V6C 1A5

A8912167

Comments:

CERTIFICATE A8912167

SEARCHLIGHT RESOURCES INC.

PROJECT : KURTIS

P O.# : NONE

Samples submitted to our lab in Vancouver, BC.
This report was printed on 6-MAR-89.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
205	25	Rock Geochem: Crush,split,ring

• NOTE 1:

Code 1000 is used for repeat gold analyses
It shows typical sample variability due to
coarse gold effects. Each value is
correct for its particular subsample.

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
100	25	Au ppb: Fuse 10 g sample	FA-AAS	5	10000
6	25	Ag ppm: HNO ₃ -aqua regia digest	AAS-BKGD CORR	0.2	200





Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

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

PHONE (604) 984-0221

To RESEARCHLIGHT RESOURCES INC.

505 - 744 W. HASTINGS ST.
VANCOUVER, BC
V6C 1A5

Project : KURTIS

Comments:

Page No. 1
Tot. Pages 1
Date : 6-MAR-89
Invoice # : I-8912167
P.O. # : NONE

CERTIFICATE OF ANALYSIS A8912167

SAMPLE DESCRIPTION	PREP CODE		Au ppb	Ag ppm																	
			FA+AA	Aqua R																	
KU-01	205	---	^^	5	0.1																
KU-02	205	---	^^	5	0.1																
KU-03	205	---	^^	5	0.1																
KU-04	205	---	^^	5	0.1																
KU-05	205	---	^^	5	0.2																
KU-06	205	---	^^	5	0.1																
KU-07	205	---	^^	5	0.1																
KU-08	205	---	^^	5	0.1																
KU-09	205	---	^^	5	0.1																
KU-10	205	---	^^	5	0.1																
KU-11	205	---	^^	5	0.1																
KU-12	205	---	^^	5	0.1																
KU-13	205	---	^^	5	0.1																
KU-14	205	---	^^	5	0.1																
KU-15	205	---	^^	5	0.1																
KU-16	205	---	^^	5	0.1																
KU-17	205	---	^^	5	0.1																
KU-18	205	---	^^	5	0.1																
KU-19	205	---	^^	5	0.1																
KU-20	205	---	^^	5	0.1																
KU-21	205	---	^^	5	0.1																
KU-22	205	---	^^	5	0.1																
KU-23	205	---	^^	5	0.2																
KU-24	205	---	^^	5	0.1																
KU-89-25	205	---	^^	5	0.1																

CERTIFICATION :

Hart Bickler

APPENDIX C: PETROLOGICAL REPORT



Vancouver Petrographics Ltd.

JAMES VINNELL, Manager
JOHN G. PAYNE, Ph.D. Geologist
A.L. LITTLEJOHN, M.Sc. Geologist
JEFF HARRIS, Ph.D. Geologist

P.O. BOX 39
8887 NASH STREET
FORT LANGLEY, B.C.
VOX 1JO

PHONE (604) 888-1323

Invoice 8048
April 4, 1989

Report For: H.S. Macfarlane
Project Geologist
Searchlight Resources Ltd.
218 - 744 West Hastings Street
Vancouver, B.C.
V6C 1A5
Telephone: (604) 684-2361

Samples: TS-KU-01, TS-KU-02, TS-KU-03
and TS-KU-04 (4 thinsections)

Summary:

This suite consists of volcanic and intrusive rocks from the Kurtis Project located on the west side of Okanagan Lake, west of Kelowna, B.C. They are all distinctly different:

TS-KU-01	Chloritized, intensely saussuritized andesite (originally finely porphyritic)
TS-KU-02	Granodiorite porphyry
TS-KU-03	Very chloritized, porphyritic latite
TS-KU-04	Very calcareous, recrystallized latite

Specimen KU-01 was originally a finely porphyritic rock which has undergone intense saussurite alteration. The dark speckled appearance in hand specimen is due to the original plagioclase "phenocrysts" being completely replaced by saussurite and only the relict outline giving the clue of their primary composition.

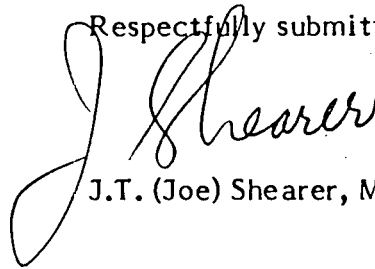
Sample KU-02 is relatively unaltered. It contains strongly zoned plagioclase phenocrysts. Judging by the intensity of alteration in the other specimens of the suite, KU-02 may be a younger phase dyke. The overgrowths on the plagioclase phenocrysts suggest a complex cooling history.

Specimen KU-03 is a very altered rock in which the original plagioclase phenocrysts have been completely replaced by fibrous chlorite. It is composed mainly of a very fine grained groundmass which has been stained greenish brown. Devitrification textures and the presence of fragments indicates the tuffaceous origin of this rock.

Sample KU-04 is characterized by intense calcite alteration. The original constituents have been recrystallized giving a fine to medium grained appearance. This rock has also been shattered by close spaced fracturing.

If you have any questions about the attached individual petrographic descriptions, please call me at 681-4902.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Shearer". The signature is written in a cursive, flowing style with a large initial "J".

J.T. (Joe) Shearer, M.Sc.

For: H.S. Macfarlane, Search Light Resources Inc., Vancouver, B.C.
Project: Kurtis Project, West Okanagan Lake Area, Kelowna

SPECIMEN NUMBER: TS-KU-01
(DDH 89-1, 28.7 m)

Handspecimen Description:

Diamond drill core, dark green, aphanitic, overall speckled appearance due to dark 1 mm long dark spots, moderately magnetic, wispy small pyrrhotite lenses, 1-3 mm long disseminated throughout wide spaced fractures, pyrrhotite lenses define rough layering at 50° to core axis, minor quartz filling fractures, traces of irregular vugs, no potassium feldspar content, pyrrhotite approximately 2%, chlorite and minor pyrite on fracture surfaces.

Field Rock Name: Chloritic andesite (containing disseminated pyrrhotite)

Thinsection Examination:

Estimated Mode:

- 16% Quartz
- 18% Plagioclase
- 21% Groundmass (fibrous)
- 6% Opaques (pyrrhotite)
- 5% Muscovite
- 3% Quartz veins
- 8% Chlorite
- 23% Saussurite alteration (relict plagioclase phenocrysts)

The dominant characteristic of this rock is the abundance of rounded oblong to mainly rectangular lenses of fine grained carbonate, muscovite, clinozoisite(?) and albite(?) (saussurite). The saussurite lenses average about 0.8 mm in length. They give the dark speckled appearance to the handspecimen. It appears that the original rock was finely porphyritic and the relict plagioclase phenocrysts have been completely altered to fine grained saussurite. Occasionally, the muscovite flakes are up to 0.4 mm long.

Muscovite also occurs as 0.15 mm long narrow flakes distributed throughout the specimen.

The "matrix" of the rock consists of very small (0.01 to 0.04 mm) ragged quartz and plagioclase irregular grains set in very fine grained fibrous groundmass. The general arrangement of the irregular quartz and plagioclase grains in relationship to the groundmass is roughly aligned, giving a "micro gneissic" texture.

Opaque grains are very irregular in outline and up to 0.5 mm long but average about 0.2 mm in diameter. The opaques replace all other mineral species.

Chlorite mainly occurs along the edges of the saussurite lenses, but also replaces groundmass in patches up to 0.2 mm in diameter.

The quartz veinlets (or hairlines) have been brecciated and cut in many places by groundmass. They are usually less than 0.06 mm wide, but can be up to 0.5 mm wide. The development of the saussurite is clearly later than the quartz veinlets. The larger quartz lenses have clear extinction.

Rock Name: Chloritized, intensely saussuritized andesite.
(originally finely porphyritic)

-- PETROGRAPHIC ANALYSIS --

April 4, 1989

For: H.S. Macfarlane, Search Light Resources Inc., Vancouver, B.C.
Project: Kurtis Project, West Okanagan Lake Area, Kelowna

SPECIMEN NUMBER: TS-KU-02
(DDH 89-1, 50 m)

Handspecimen Description:

Dark green fine grained matrix with crowded subeuhedral plagioclase phenocrysts up to 4 mm long, approximately 5% biotite in flakes up to 2 mm in diameter, irregular calcite-filled fractures common, traces of fine grained euhedral pyrite along fractures, non-magnetic, many of the plagioclase phenocrysts are surrounded by smaller potassium feldspar grains (up to 8% K-spar), small lathes of hornblende common.

Field Rock Name: Chloritic granodiorite feldspar porphyry

Thinsection Examination:

Estimated Mode:

23% Plagioclase phenocrysts
18% Plagioclase (fine grained)
7% Biotite
26% Quartz
10% Orthoclase
4% Calcite
1% Epidote
5% Chlorite
3% Sericite (alteration of plagioclase phenocrysts)
2% Saussurite (alteration of plagioclase phenocrysts)
tr Augite
1% Opaques

This rock is dominated by square to rectangular, strongly zoned plagioclase crystals which are greater than 3.6 mm long (maximum 5 mm long). Many of the plagioclase phenocrysts have rounded ghost outlines with thin overgrowths. The larger plagioclase "phenocrysts" are actually clusters of several smaller individual crystals. Occasionally plagioclase phenocrysts have biotite inclusions.

Biotite forms large "phenocrysts" flakes up to 1.4 mm long and also is distributed as small irregular grains throughout the matrix. Chlorite is replacing the larger biotite grains. Anomalous blue interference colours of the chlorite is common.

The matrix is composed of a fine grained interlocking mosaic of quartz, plagioclase, orthoclase and biotite ranging in size from 0.02 mm to 0.05 mm in diameter. Many of the quartz and plagioclase grains are subrounded.

The orthoclase grains are clustered around the edges of the plagioclase phenocrysts. Orthoclase often exhibits a graphic intergrowth with quartz. The outline of the grains are indistinct and vary up to 0.6 mm long. Minor fine grained orthoclase is found in the matrix.

Calcite forms irregular veinlets up to 0.2 mm wide which cut all mineral grains. Often parts of the veinlet break into feathery sections. Minor calcite is found replacing plagioclase.

Opaques occur as small anhedral grains up to 0.1 mm in diameter replacing matrix grains. Very fine grained opaque grains are associated with calcite and epidote alteration.

Layers of very fine grained sericite and saussurite mark the ghost outlines of the plagioclase phenocrysts and also make up the altered cores of some of the most strongly zones phenocrysts.

Rock Name: Granodiorite porphyry

-- PETROGRAPHIC ANALYSIS --

April 4, 1989

For: H.S. Macfarlane, Search Light Resources Inc., Vancouver, B.C.
Project: Kurtis Project, West Okanagan Lake Area, Kelowna

SPECIMEN NUMBER: TS-KU-03
(DDH 89-2, 70.5 m)

Handspecimen Description:

Diamond drill core, dark green, aphanitic, sparse sparry calcite-filled "amygdules", abundant darker green chlorite lenses in part filling "amygdules", chloritic slickensides on shear-fracture surfaces, fine sugary texture on broken surface, non-magnetic, moderate very fine grained potassium feldspar content.

Field Rock Name: Chloritic, "amygdaloidal" latite
(fine grained)

Thinsection Examination:

Estimated Mode:

15% Plagioclase needles
24% Chlorite (completely altered plagioclase phenocrysts)
47% Groundmass (contains potassium feldspar)
5% Augite
4% Opaques
2% Calcite
3% Biotite
tr Apatite

Plagioclase forms mostly randomly oriented needles, up to 0.2 mm long, but averaging 0.1 mm long. Large (up to 2.1 mm long), often subrectangular lenses of fibrous chlorite occur throughout the slide. These appear to be in part, completely chloritized relict plagioclase phenocrysts and not "amygdules" as noted in the handspecimen. The chlorite is slightly pleochroic and has very low interference colours. A considerable amount of the chlorite has been plucked out during the preparation of the thinsection. Two generations of chlorite development are present.

The groundmass is very fine grained and stained a greenish brown. It contains considerable potassium feldspar. The groundmass appears to be mainly devitrified glass.

Biotite forms narrow unaltered grains up to 1.1 mm long. Occasionally, some of the larger biotite grains are slightly "corroded" by the groundmass.

Dark, semi-opaque grains are disseminated throughout the specimen. These subrounded grains average 0.07 mm in diameter. Small rounded augite grains (0.1 mm in diameter) are associated with the opaques. Occasionally these dark areas define spheroidal or rod shaped lenses. This appears to be devitrification texture.

Calcite forms minor irregular lenses up to 0.5 mm across. Often the calcite lenses are associated with the more irregular chlorite areas. Calcite is replacing groundmass.

One 3 mm long "L" shaped fragment was noted in the thinsection. The small plagioclase needles are arranged in a flow pattern around the fragment. This fragment suggests a tuffaceous origin of the rock.

Rock Name: Very chloritized, porphyritic latite

-- PETROGRAPHIC ANALYSIS --

April 4, 1989

For: H.S. Macfarlane, Search Light Resources Inc., Vancouver, B.C.
Project: Kurtis Project, West Okanagan Lake Area, Kelowna

SPECIMEN NUMBER: TS-KU-04
(DDH 89-2, 112 m)

Handspecimen Description:

Diamond drill core, medium to light green, finely speckled, medium to fine crystalline, intensely fractured mainly at 20° to 60° to core axis, calcite filling fractures and irregular patches, fine grained, the white speckled areas are indistinct and ragged in outline, no sulfides, non-magnetic, abundant fine grained potassium feldspar throughout, K-spar also concentrated in micro veinlets along the margins of the calcite veinlets.

Field Rock Name: Shattered (highly fractured) chloritic and calcareous latite
(medium crystalline)

Thinsection Examination:

Estimated Mode:

29% Quartz
21% Plagioclase
18% Orthoclase
25% Calcite
4% Chlorite
3% Granular sphene

Quartz forms rounded to irregular grains averaging 0.1 mm in diameter, which commonly coalesce into irregular lenses and patches. Quartz is intimately associated with similar sized plagioclase and orthoclase grains. Quartz grains rarely attain a size of 0.4 mm across.

Plagioclase does not exhibit any polysynthetic twinning. The overall appearance of the slide suggests an early stage of strain deformation, subsequent recrystallization and finally pervasive calcite alteration. The calcite alteration has masked many of the primary textures.

Calcite occurs disseminated in 0.1 mm grains abundantly throughout the specimen. Wide sparry calcite veinlets up to 2.5 mm wide are common. Calcite is a late stage mineral. Often the sparry veinlets are composed of several stages of calcite development ranging from coarsely felted to uniformly sparry.

Orthoclase forms irregular narrow veinlets within the wider sparry calcite veins. These orthoclase "veinlets" appear mainly to be series of inclusions of the original material rather than secondary introduction of potassium feldspar.

Minor chlorite occurs as feathery grains along the edges of elongated calcite lenses. Dark, globular aggregates of sphene, up to 0.1 mm, are associated with the disseminated calcite grains.

This rock is highly altered (and field evidence has not been considered) but it appears to be a hypabyssal intrusive.

Rock Name: Very calcareous, recrystallized latite
(highly fractured)