GEOLOGICAL, GEOCHEMICAL & GEOPHYSICAL REPORT ON EGMONT PROPERTY

VANCOUVER MINING DIVISION,
LOWER JERVIS INLET AREA, BRITISH COLUMBIA

LOCATION:

N.T.S.: 92-G/13W, 92-F/16E, 92-G/12W
LATITUDE: 49° 46'N"
LONGITUDE: 123° 57'W"

CLAIMS:

CHALICE I, CHALICE II, CHALICE III
WALLY I, WALLY II
H.D., BACON II
STEIN

OWNER

CHALICE MINING INC.
470-475 W. GEORGIA STREET
VANCOUVER, B.C. V6B 4M9

REPORT FOR:

BLUE CHIP RESOURCES INC.
705-543 GRANVILLE STREET
VANCOUVER, B.C. V6C 1X8

PREPARED BY:

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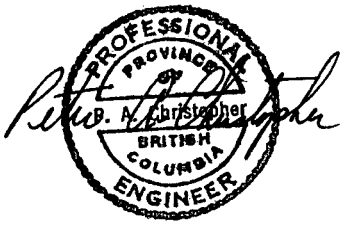

MAY 14, 1990

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SUMMARY

Blue Chip Resources Inc.'s Egmont Gold Property lies at the north end of the Sechelt Peninsula, about 100 kilometers northwest of Vancouver, B.C. The property includes eight modified grid claims comprising 120 units. Access to the property is by paved highway, a network of logging roads, trails and by boat. One hundred six tons of highly pyritic quartz rich material from beach showings on the property, was shipped to the Tacoma Smelter in 1965 by Abacon Minerals Exploration Ltd. This material is reported to have contained 34 ounces of gold, 45 ounces of silver, and 170 pounds of copper. Since 1982, Chalice Mining Corp. has undertaken soil geochemical, VLF - electromagnetic and induced polarization surveys, trenching and 572 meters of diamond drilling. The exploration has resulted in the identification of at least six auriferous zones which have only partly been delineated.

Gold values of up to 301 grams per tonne (8.8 ounces per ton) and silver values of up to 363 grams per tonne (10.5 ounces per ton) have been reported from sulphide rich material. The best drill hole intercept is on the JR zone; 2.7 m grading 31.3 grams per tonne (9 feet grading 0.90 ounces per ton). Several widespread erratic gold anomalous samples have been reported from the geochemical surveys, a number of which have not been evaluated.

This report summaries the results of geological mapping, magnetic surveys, and VLF-Em surveys over the 3V and DF showings and geological mapping, magnetic and VLF-EM surveys and geochemical sampling on the Bacon 2 and HD claims. A total of 28 soil and three rock samples were analyzed from the Bacon 2 and HD claims with no significant precious metal values (e.g. Au <14ppb) and only three soil samples with anomalous copper values between 121 ppm and 226 ppm. A kilometer of VLF-EM and magnetics obtained over the 3V and DF zones suggest that auriferous shear zones are not strong conductors but possibly magnetic low feature. Four kilometers of magnetic and VLF-EM 16 data obtained from the Bacon 2 and HD claims indicate that magnetic and VLF-EM surveys outline both rock type changes and conductive fault structures.

The writer feels that future exploration should concentrate on drilling and trenching of mineral occurrences and possibly mineralized fault structures. The 500 meter diamond drill program recommended by Howell (1988) should be part of the next work program.

INTRODUCTION

At the request of the management of Blue Chip Resources Inc., Peter Christopher & Associates Inc. conducted geological, geochemical and geophysical assessment work on the Egmont Property of Chalice Mining Inc.

The writer, W.A. Howell B.Sc and B.J. Price M.Sc. conducted geological and geophysical exploration on the Chalice Group on March 3rd and 4th, 1990 and the writer and W.A. Howell B.Sc. conducted geological, geochemical and geophysical assessment work on the H.D. and Wally II claims between March 17th and March 20, 1990.

The following is a review of the work completed by Blue Chip Resources Inc. and recommendation for additional exploration work on the property.

LOCATION AND ACCESS

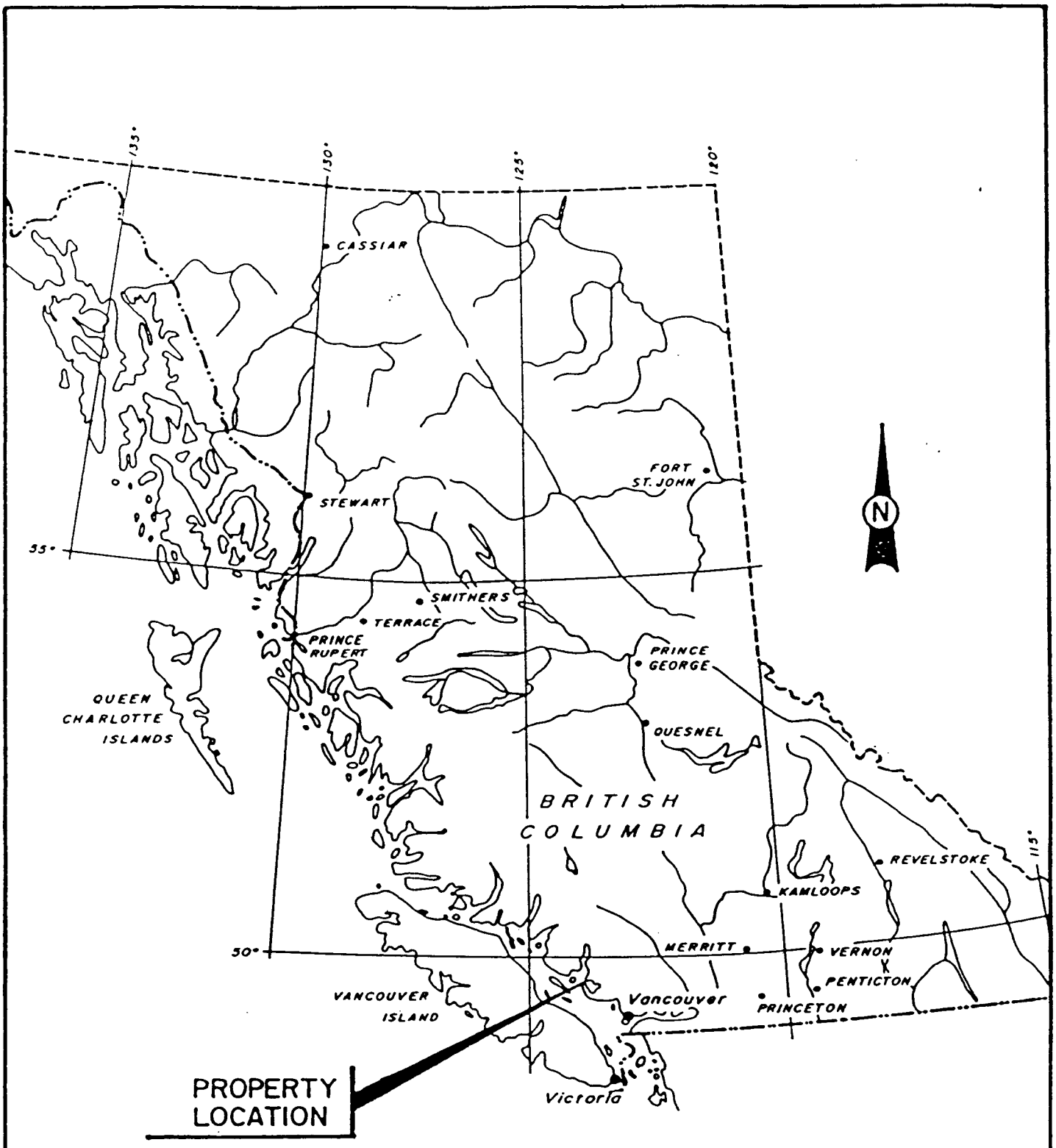
The Egmont Property is situated at the northern end of the Sechelt Peninsula, between Earls Cove and Egmont, B.C. Highway 101 cuts through the property and provides access from Langdale, B.C. and Horseshoe Bay, North Vancouver via B.C. Ferries Corp. The property is approximately 80 kilometers from the Langdale Ferry Terminal. "Cat" roads and logging roads from the Egmont Road provide access into the property at various points.

TOPOGRAPHY, VEGETATION AND CLIMATE

The claims occupy an area of sharply undulating coastal lowlands leading inland to steeply rising mountainous terrane. Cliff development of 3 to 20 meters is locally common, particularly along beach fronts and moderate to steep ravines. Elevation within the lowland area, north of the Egmont Road to Agamemnon channel and Jervis Inlet, range from sea level to about 180 meters. South of the Egmont Road the property topography rises to altitudes of about 800 meters on the flanks of Mt. Halowell. The irregular topography has allowed the formation of several lakes including Waugh, North, Klein, and Ruby Lakes.

Vegetation on the claims is typical of the British Columbia coastal forest region. Underbrush is locally very thick except where a dense forest cover does not allow sunlight to penetrate to the forest floor. Most of the property has been logged several decades ago and second growth of Fir, Hemlock and Cedar has reached marketable sizes which in turn has been selectively logged. A few stands of original timber remain.

Climate is temperate with minor, to occasional short snowfalls in winter months. Periods of higher rainfall generally are the autumn to early spring seasons. The region, by virtue of its scenery, ease of access, temperate climate and good sport fishing, enjoys a seasonal tourist trade which compliments year round commercial fishing, logging and more recently Aquacultural ventures.



BLUE CHIP RESOURCES INC.

PROPERTY LOCATION PLAN

0 100 200 400 KM.

drawn by:	MAY 1990	
SCALE 1:8,000,000		FIGURE 1

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

PROPERTY DESCRIPTION

The Egmont Property, consisting of 8 modified grid claims totalling 120 units, covers a maximum possible area of 3000 hectares in the Vancouver Mining Division. The claims are situated on 1:50,000 mineral titles maps N.T.S. 92G-12W, 92G-13W and 93F-16E. Figure 2 shows claim locations redrafted at a scale of 1:100,000. Table 1 presents pertinent claim data for the Egmont Property.

Table 1. Pertinent Claims Data for Egmont Property.

Claim Name	No. of Units	Record No.	Record Date
Chalice I	20	1146 (2)	Feb. 2 1982
Chalice II	20	1147 (2)	Feb. 2 1982
Chalice III	12	1160 (3)	Mar. 9 1982
H.D.	20	2105 (3)	Mar. 27 1987
Bacon II	20	1167 (3)	Mar. 23 1982
Wally I	9	1824 (7)	July 10 1985
Wally II	15	1825 (7)	July 10 1985
Stein	4	1165 (3)	Mar. 22 1982
Total Units	120		

Chalice Mining Inc. acquired the property by staking in 1982. Under terms of an agreement dated 3rd July 1987, between Chalice Mining Inc. and Blue Chip Resources Inc. Blue Chip Resources can earn up to 49% interest in the property after making scheduled cash payments totalling $ 60,000 and expending a total of $ 500,000 on exploration on the property on or before Oct. 31, 1990. To December 31, 1988, in excess of $75,000 has been spent on exploration of the Egmont Property by Blue Chip Resources.

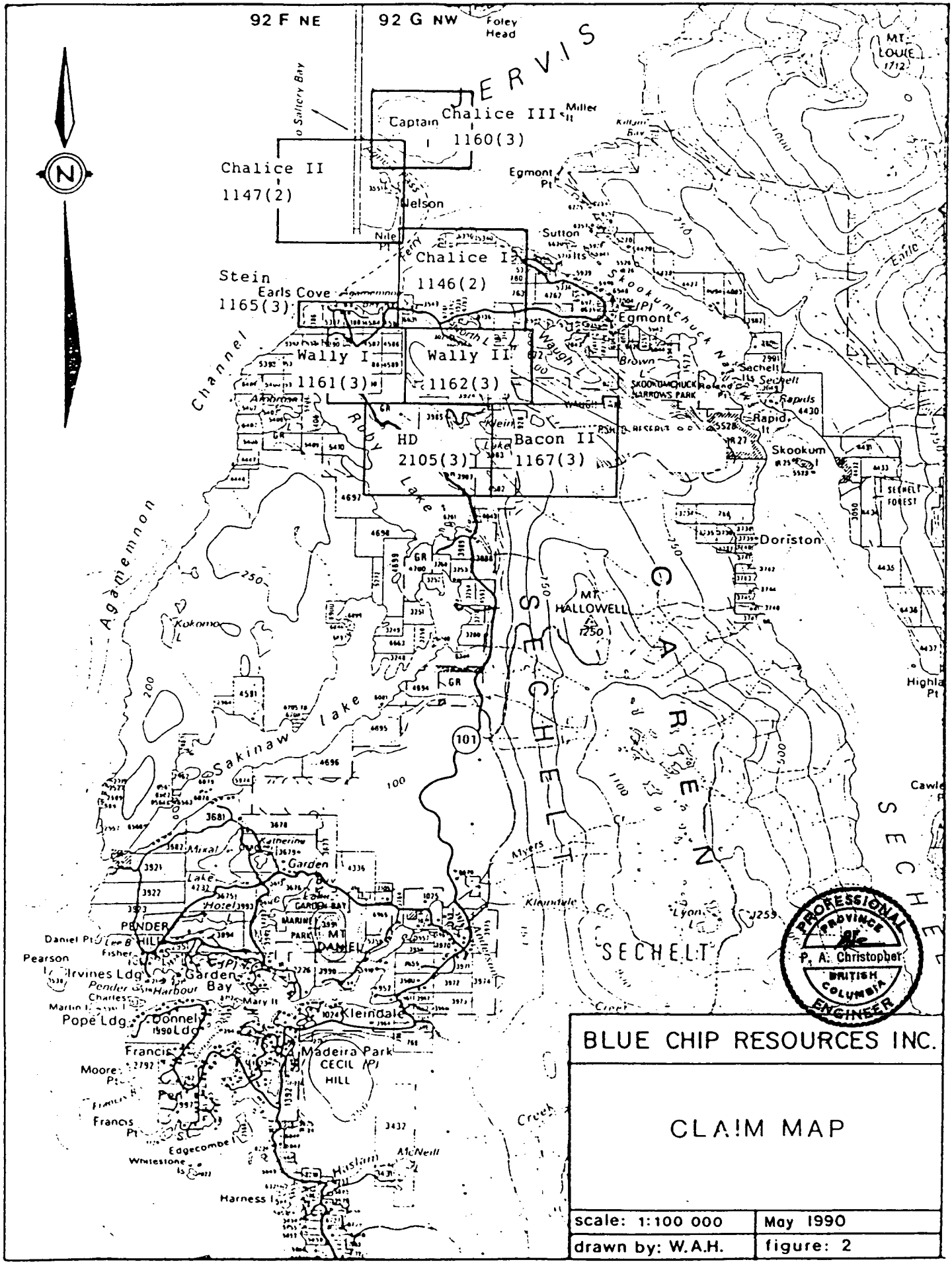
HISTORY

Earliest known work on the property occurred in 1913 when Mr. R. Durnsford Jr. was reported to be driving a tunnel near Earls Cove (Stein Adit). In 1937, work was first recorded on the Cambrian Chieftain property located about 7km southeast of Earls Cove.

Additional mineralization along the shoreline was discovered in about 1952 and was reported in the Minister of Mines Annual Report as the "Skookum". Showings were reported on the shores of Agamemnon Channel as "massive sulphide" with assays up to 6.21 oz/T Au and 6.4 oz/T Ag. from pyritic material.

A shipment of 106 tons of the highly pyritic material was made to the Tacoma smelter in 1965 by Abacon Minerals Exploration Ltd. which returned 34 ounces Au, 45 ounces Ag and 170 pounds Cu.

The claims subsequently lapsed, and Chalice Mining Inc. acquired the ground by staking in 1982. Since that time Chalice has conducted prospecting, geochemical, and geophysical surveys, geological mapping, trenching and 572 m of diamond drilling in 21 holes.



BLUE CHIP RESOURCES INC.

CLAIM MAP

scale: 1:100 000	May 1990
drawn by: W.A.H.	figure: 2

In 1988 Blue Chip Resources Inc. conducted a program of geological mapping, geochemical sampling and induced polarization to evaluate showings and outline drill targets (Howell, 1988).

1990 WORK PROGRAM

Assessment work on the Chalice Group was conducted by geologists B.J. Price, W.A. Howell and the writer on March 3rd and 4th, 1990. The program consisted of about 1 kilometer of test magnetic and VLF-Em surveys over the "3V" and "DF" showings. A Scintrex MP2 proton procession magnetometer was employed for magnetic readings which were spaced at 10 meter interval over the 3V showing and from 5 to 25 meter intervals over the DF ahowing. The 3V and DF showings were surveyed with both a Geonics EM-16 and a Phoenix VLF-EM 2 to compare instrument results.

Assessment work on the BD and Bacon 2 was conducted by geologist W.A. Howell and the writer between March 17, 1990 and March 20, 1990. The program consisted of about 3 kilometers of VLF-EM 16 and magnetic with readings at 25 meter intervals. Geologic mapping was conducted along about 4 kilometers of road. A total of 28 soil samples were collected from along road B (Figure 8).

Soils were collected from 'B' horizon soil or the best approximation of B horizon available at each sample location. A small pit, generally 15 to 30 cm deep was excavated at each sample site and about 250 to 500 grams of appropriate sample placed in a standard Kraft sample bag. The resulting samples were shipped to Acme Analytical Laboratories Ltd. Vancouver, B.C. for 30 element ICP and gold geochemistry by AA with 28 soil and 3 rock samples collected along road B.

REGIONAL GEOLOGY (Figure 3)

The property lies at the northern end of the Sechelt Penninsula which is situated on the western margin of the Coast Plutonic Complex. The peninsula is primarily underlain by batholithic rocks of mainly quartz diorite composition with minor diorite and granodiorite, all of which are Cretaceous age or younger.

Northwesterly trending bodies of intermediate volcanics and sediments form roof pendants within the intrusives. The roof pendants were initially called Jervis Group, but have since been tentatively correlated with the Karmutsen Formation of Upper Triassic age. The entire sequence of rocks has been intruded by numerous feldspar porphyry, diorite and andesite dikes.

Dike swarms are prominent in the property area along the shoreline west of Earls Cove and at the east end of Nelson Island. Physiographic features in the general area appear to have been partly controlled by erosion along both fault zones and dike swarms with ridges or heights of land dominated by indurated volcanic remnants. (Grove 1986).

BLUE CHIP RESOURCES INC.

REGIONAL GEOLOGY

scale:	May 1990
drawn by:	figure: 3

BLUE CHIP RESOURCES INC.
FEB 1988

Legend to Accompany Fig. 3

STRATIFIED ROCKS

QUATERNARY

PLEISTOCENE AND RECENT

Q — Alluvial, marine and glacial deposits.

TERTIARY AND QUATERNARY

PLIOCENE TO RECENT
GARIBALDI GROUP

TQg — Basalt to rhyodacite flows and pyroclastics, minor intercalated sediments.

UPPER CRETACEOUS AND TERTIARY

CAMPANIAN TO EOCENE
BURRARD FORMATION

eTB — Sandstone, shale and conglomerate; basalt flows, sills and dykes; minor tuff and coal.

CRETACEOUS

UPPER CRETACEOUS
NANAIMO GROUP

uKN — Conglomerate and sandstone.

LOWER CRETACEOUS
GAMBIER GROUP

lKG — Andesite to rhyodacite flows and pyroclastics, greenstone, argillite; minor conglomerate, limestone and schist.

JURASSIC

MIDDLE JURASSIC (?)
BOWEN ISLAND GROUP

JB — Greenstone; minor chert and greywacke.

LOWER JURASSIC
HARRISON FORMATION

lJH — Feldspathic wacke, siliceous argillite, phyllite, quartzite; minor limestone.

TRIASSIC

UPPER TRIASSIC
KARMUTSEN FORMATION

uTRK — Basalt flows, pillow lava, pillow breccia, greenstone; minor limestone and shale.

PALEOZOIC (?)

gn — Gneiss, schist, amphibolite, agmatite.

PLUTONIC ROCKS

(IUGS Classification, 1973)

g — Muscovite granite

gd, gdu — Granodiorite; gdu (non-IUGS classification, from older reports)

gd' — Leucocratic varieties of granodiorite, tonalite and quartz diorite; minor ... - granite

qd, qdu — Quartz diorite; qdu (non-IUGS classification, from older reports)

qd' — Leucocratic quartz diorite, minor granodiorite and tonalite

t — Tonalite, minor quartz diorite

qmd — Quartz monzodiorite, minor quartz diorite

md — Monzodiorite

d — Diorite, minor gabbro and quartz diorite

gb — Gabbro, minor diorite

Approximate limit of outcrop

Geological boundary (known, approximate)

Attitude of bedding or flows (inclined, vertical)

Attitude of foliation (inclined, vertical, dip unknown)

Outcrop examined; bedding or foliation absent

Fault (approximate)

Fossil Locality

Dyke Swarms

Observed minerals: MA - magnetite; PY - pyrite; PR - pyrrhotite; CP - chalcopyrite; GA - garnet; SP - sphene

RADIOMETRIC AGES (millions of years)

Plutonic and volcanic rocks

Dykes

Minerals: h - hornblende; b - biotite; m - muscovite
z - zircon; w - whole rock

System: K - potassium/argon, U - uranium/lead

Laboratory. All determinations by G.S.C. except

(u) - University of B.C.

(b) - Baadsgaard, 1961

Geology by J.A. Roddick, G.J. Woodsworth and W.W. Hutchison, 1970-1974, including data from
J.H. Mathews, 1958 - Mt. Garibaldi area
J.R. Bacon, 1957 - Lower Jervis Inlet
H.H. Bostock, 1963 - Vicinity of Britannia Mine
J.A. Roddick and J.E. Armstrong, 1965 - Vancouver North Map-area
N.L. Green, 1977 - Garibaldi Volcanics

Compiled by J.A. Roddick and G.J. Woodsworth, 1974

PROPERTY GEOLOGY (Figures 4 to 7)

The property geology has previously been described by Grove (1982, 1983, 1985) and Allen and Brownlee (1986). The claim area is underlain by a hornblende biotite quartz diorite which locally grades into gabbro, diorite or granodiorite. The quartz diorite weathers a greyish white with iron staining occurring in patches around fracture zones. The iron stain persists to a depth of 1 to 2 meters. The 1990 mapping conducted by W.A. Howell and the writer (Figure 5) identified four units in the area of the HD and Bacon 2 claims. Granitic units were divided into Unit 1 gabbro and unit 1a diorite and granodiorite. Volcanic included andesitic and related volcaniclastic rocks (unit 2) with an intrusive equivalent represented by andesitic dykes.

DYKES

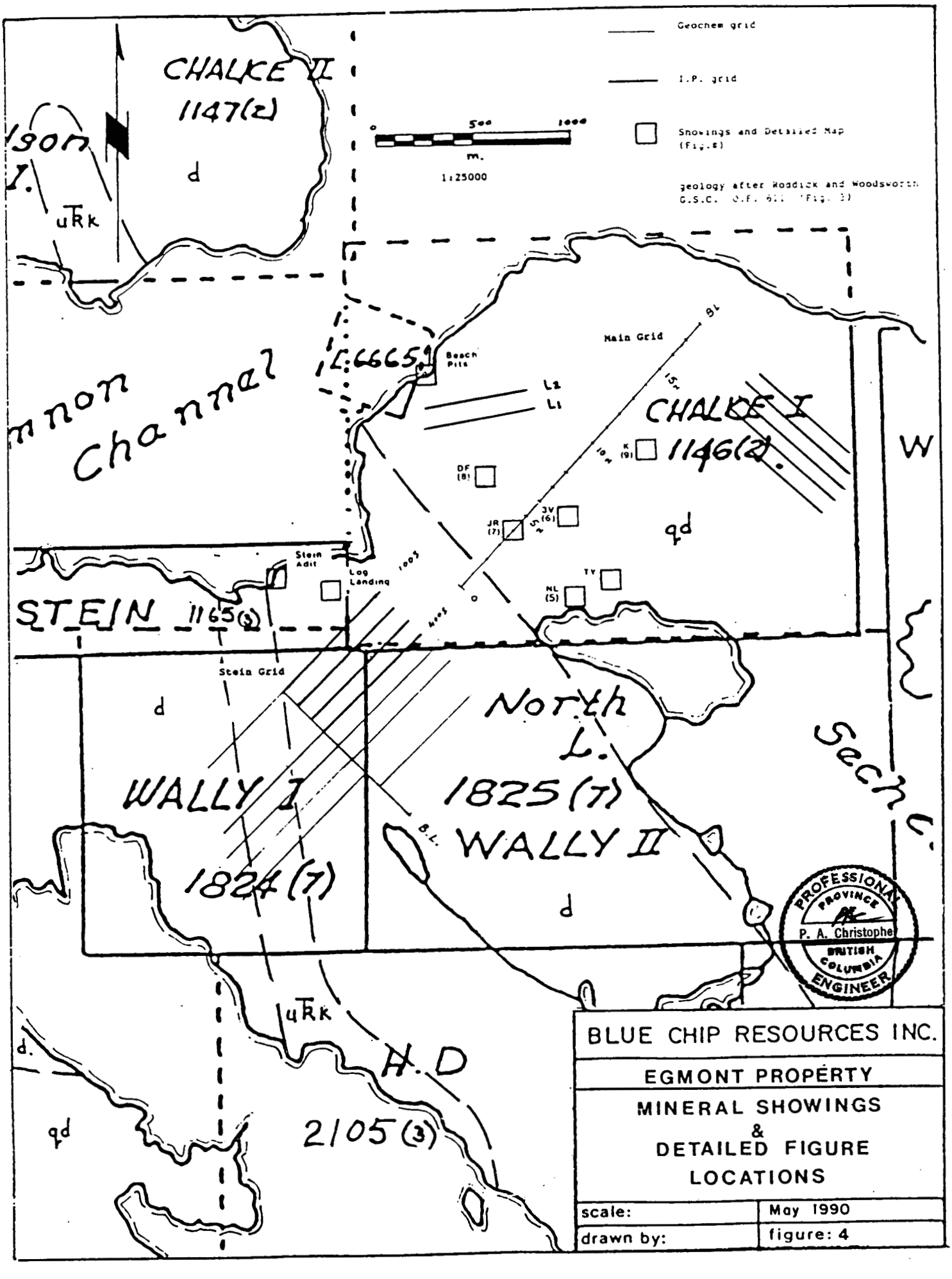
The quartz diorite is intruded by feldspar porphyry rhyodacite, diorite, and dark grey to green andesitic to basaltic dykes. Dyke widths vary from a few centimeters to several meters, and have variable orientations. Grove (1986), reports that dykes constitute up to 15% of the local igneous system and are found along three fracture systems dominated by a strong northwesterly trending system, a conspicuous northeasterly system and a weak westerly trending group. The dominant northwest trends includes equigranular and porphyritic biotite-hornblende feldspar diorite, fine grained andesitic and coarse grained dioritic dykes. Grove reports that large felsite dykes also trending northwesterly are more common in the eastern portions of the Chalice I claim and that less well exposed, mainly dioritic dykes occupy the northeasterly trends, while the westerly trending dykes are basaltic and may represent the youngest basic units. The relative age relationship of the dykes is unknown. A number of the dykes mapped within the area of Figure 5 have orientations of about 130°.

GRANITIC ROCK

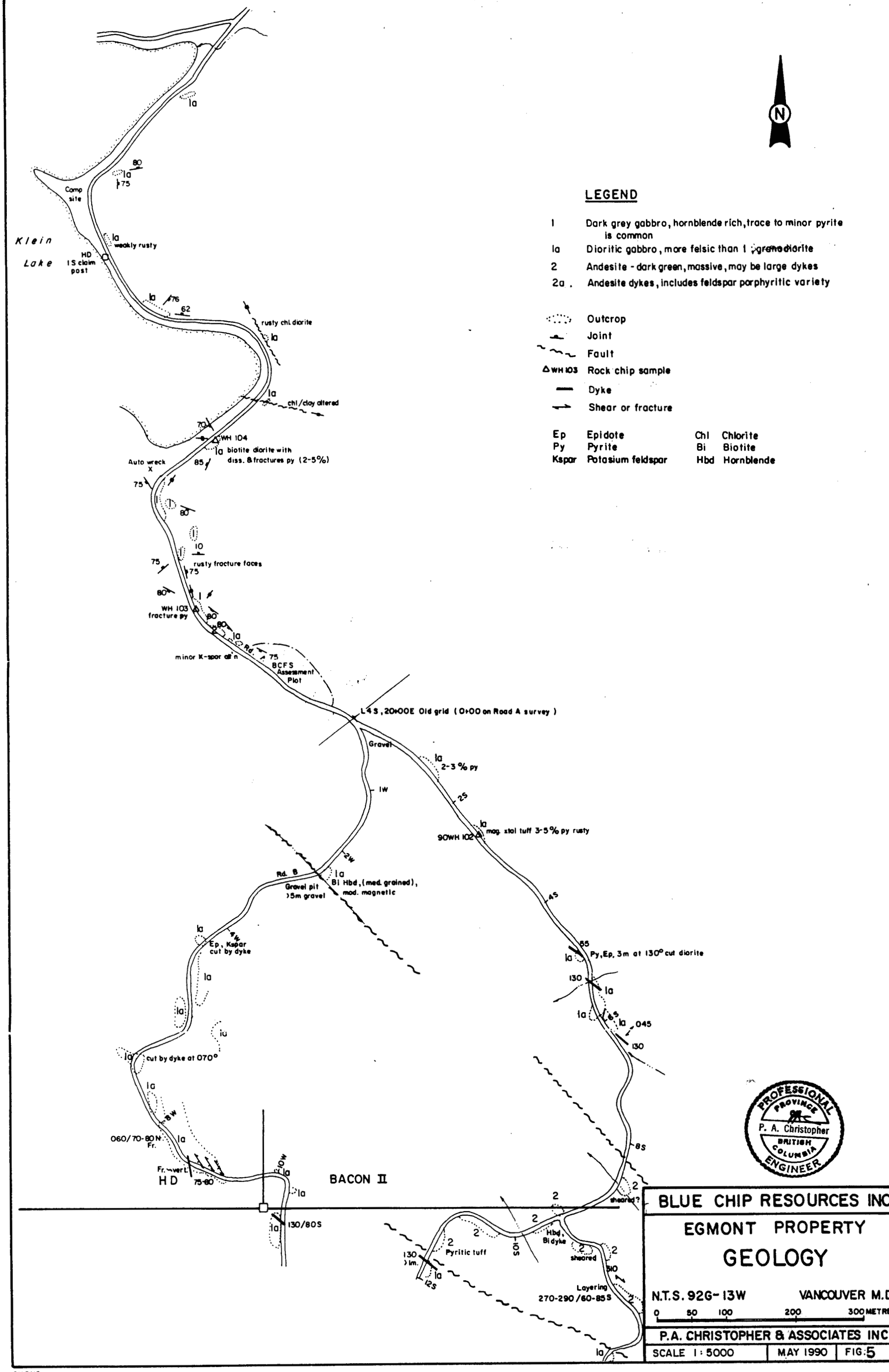
Granitic rocks mapped on the HD and Bacon 2 claims during the 1990 field season are generally medium grained, equigranular rocks which range in composition from a biotite-hornblende gabbro to dioritic or granodiorite rocks. The gabbro is exposed at 2+30W on road B. The gabbro contains about 2% magnetite which explains the magnetic high in the area. VLF-EM traverses show a conductive fault zone probably controlled emplacement of the gabbro.

Diorite and granodioritic rock generally show a moderate degree of shearing which sub-parallels the main 130° direction of younger dyke rocks. Alteration in the granitic rocks consists of potassium feldspar and epidote with minor (to 3%) pyrite. The extensive development of sericite and pyrite envelopes described by previous workers in the Chalice Group (Grove 1983, 1986; Fleming 1983; Brownlee and Allen 1986) has not been noted in the area of the HD and Bacon 2.

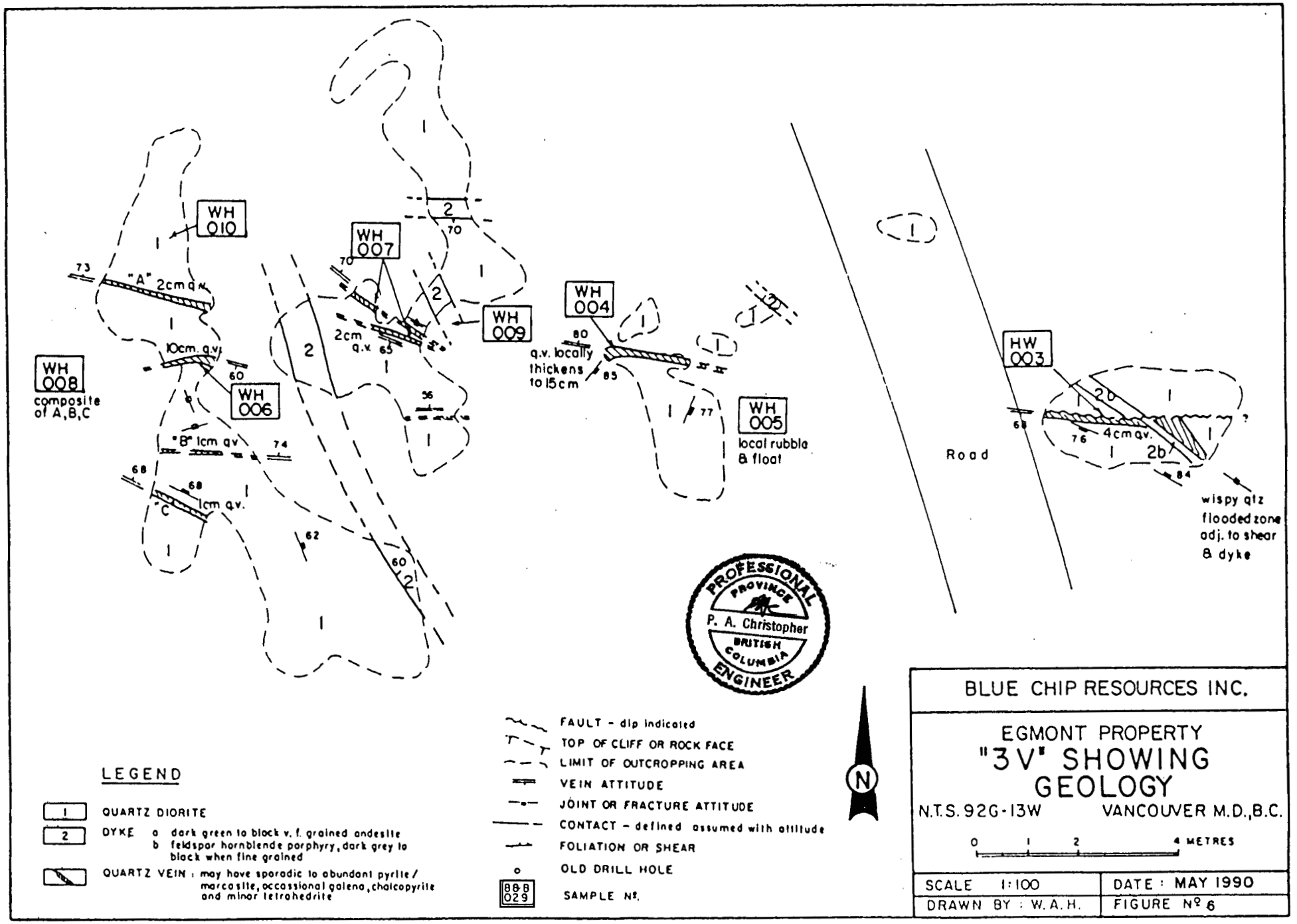
Structure trends on the property have been noted for joints, dykes, veins, foliation, and faults. Topographic linears have been shown by geological mapping, geophysical surveys and physical work to represent fault zone. Dykes show a strong preference for a 103° orientation but a number of directions are shown on Figure 5.



BLUE CHIP RESOURCES INC.	
EGMONT PROPERTY	
MINERAL SHOWINGS & DETAILED FIGURE LOCATIONS	
scale:	May 1990
drawn by:	figure: 4


N
LEGEND
1 Dark grey gabbro, hornblende rich, trace to minor pyrite is common
1a Dioritic gabbro, more felsic than 1 ; gremediorite
2 Andesite - dark green, massive, may be large dykes
2a Andesite dykes, includes feldspar porphyritic variety
Outcrop
Joint
Fault
WH 103 Rock chip sample
Dyke
Shear or fracture
Ep Epidote
Py Pyrite
Kspar Potasium feldspar
Chl Chlorite
Bi Biotite
Hbd Hornblende
Klein Lake
Comp site
HD I S claim post
1a weakly rusty
rusty chl diorite
chl/clay altered
WH 104
1a biotite diorite with diss. & fractures py (2-5%)
Auto wreck
rusty fracture faces
WH 103 fracture py
minor K-spar alt'n
Rd.
8CFS Assessment Plot
L4S, 20+00E Old grid (0+00 on Road A survey)
Gravel
1a 2-3 % py
1W
2W
1a mag. xtal tuff 3-5% py rusty
90WH 102
Rd. B
Gravel pit >5m gravel
1a Bi Hbd, (med. grained), mod. magnetic
1a Ep, Kspar cut by dyke
cut by dyke at 070°
060/70-80 N Fr.
Fr. vert.
HD
75-80
BACON II
130/80S
Py, Ep, 3m at 130° cut diorite
045
Pyritic tuff
Hbd, Bi dyke
sheared
sheared?
Layering 270-290/60-85S
PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA P. A. Christopher
BLUE CHIP RESOURCES INC.
EGMONT PROPERTY
GEOLOGY
N.T.S. 92G-13W
VANCOUVER M.D.
0 50 100 200 300 METRES
P.A. CHRISTOPHER & ASSOCIATES INC.
SCALE 1:5000
MAY 1990
FIG. 5

CHONG



BLUE CHIP RESOURCES INC.

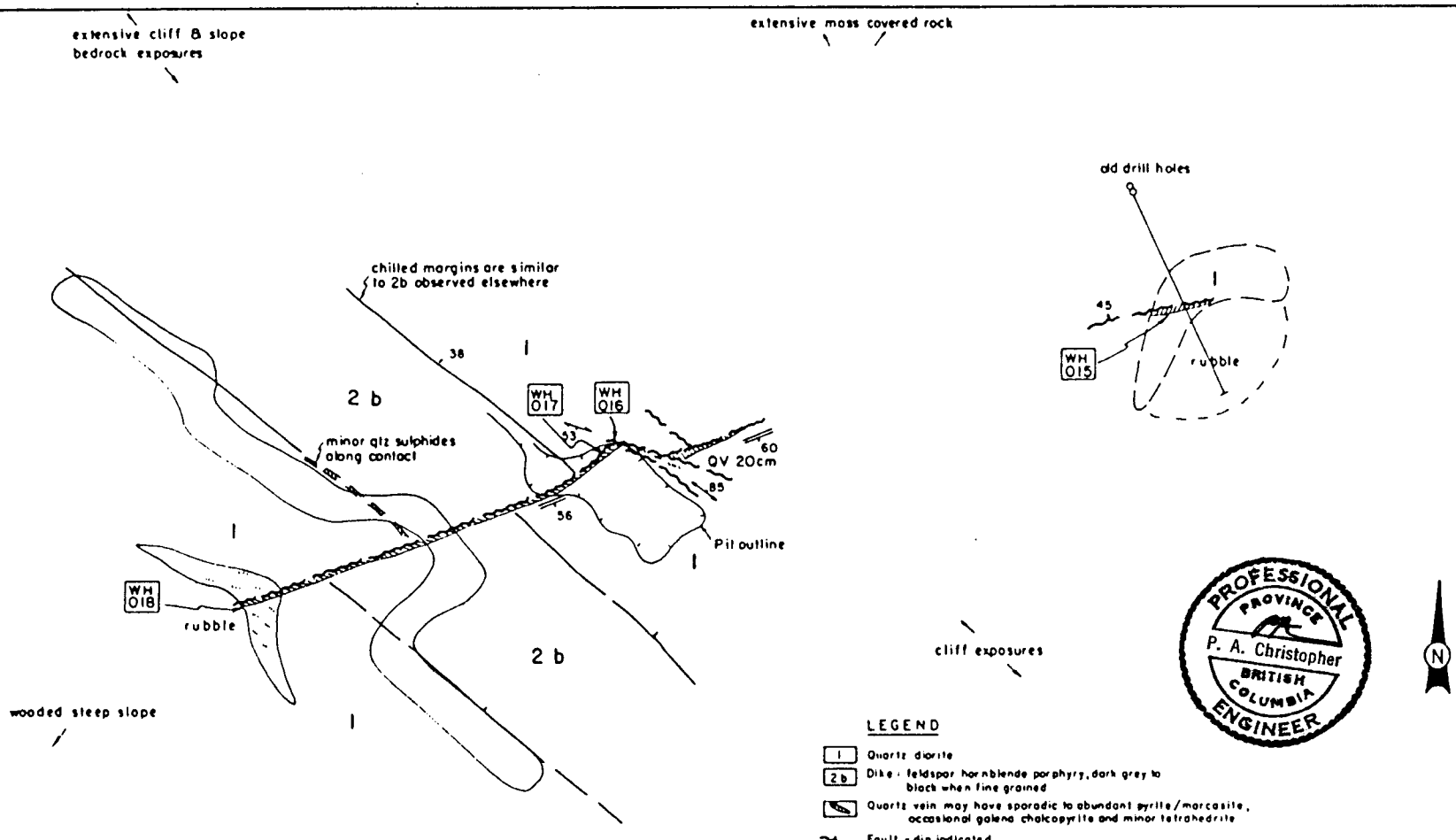
EGMONT PROPERTY
"3V" SHOWING GEOLOGY

N.T.S. 92G-13W VANCOUVER M.D., B.C.

0 1 2 4 METRES

SCALE 1:100	DATE : MAY 1990
DRAWN BY : W.A.H.	FIGURE Nº 6

CHONG



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

LEGEND

- 1 — Quartz diorite
- 2b — Dike : feldspar hornblende porphyry, dark grey to black when fine grained
- Quartz vein may have sporadic to abundant pyrite/marcasite, occasional galena chalcopyrite and minor tetrahedrite
- Fault - dip indicated
- Limit of outcropping area
- Vein attitude
- Joint or fracture attitude
- Contact - defined, assumed
- Foliation or shear
- WH Q5 — Sample №

Modified after Allen & Brownlee, 1986

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY

DF SHOWING GEOLOGY

N.T.S. 92G - 13W VANCOUVER M.D., B.C.

0 2 4 6 metres

SCALE	DATE · MAY 1990
DRAWN BY : W.A.H.	FIGURE №. 7

CHONG

MINERALIZATION

In the Egmont area, the primary focus has been on exploration for vein type and base metal sulphide deposits associated gold and silver values. Exploration targets include the deposits on Diaden Mtn. and the Cambrian Chieftain on Mount Hallowell. Bacon (1957) suggests that the mineralization is primarily confined to northeasterly and easterly trending shears or fractures in volcanic rocks.

The King Midas near Sakinaw Lake and the occurrences on the Chalice I claim are the only reported occurrences, in the Egmont area, containing significant gold and silver which lies entirely within granodiorite. Reports indicate that 95 tons of sulphide shipped from the King Midas contained 93 oz. of silver and 5166 lbs. of copper. A 106 ton shippment from pits on the Chalice I (Skookum or R.C.) contained 34 ounces of gold, 45 ounces of silver, and 170 lbs. of copper.

Shipments from the Cambrian Chieftain, located south of the Egmont Property, totalled 884 tons containing 2 ounces of gold, 1442 ounces of silver, and 67,625 lbs. of copper.

Several significant gold bearing sulphide rich, structurally controlled zones have been located on the Egmont Property (Figure 4). Vein mineralization consists of quartz with primarily pyrite and minor chalcopyrite, galena and possibly tetrahedrite. Brownlee and Allen (1986) observed that sulphides also occur as fracture coatings and disseminations throughout the alteration envelope adjacent to quartz veins. Sulphide mineralization is closely associated with silicification. Grove (1985) has described the presence of native gold, electrum, and some gold-silver-lead bismuth tellurides which occur as disseminations throughout the sulphides.

Bacon (1957) reported that a gold showing, at sea level near the northern end of Agamemnon Channel, was discovered in 1952. Two pits, excavated along weak northeasterly trending fractures, exposed quartz and pyrite ehich assayed 6.21 ounces per ton gold and 6.4 ounces per ton silver. A 106 ton shippment, reported above, was made to the Tacoma smelter by Abacon Mineral Explorations Ltd. in 1965.

Chalice Mines acquired the Egmont Property in 1982 with prospecting, mapping, sampling, and stripping and trenching revelaing several new showings. Grove (1985) reported showings on the east end of Nelson Island and on Captains Island.

The Beach Pits showing (FIG. 4) has been sampled by several with dump material from the pits collected by Howell (1988) assaying 2.310 oz Au/ton, and 3 samples reported by Grove (1985) assayed between 2.650 and 4.290 oz Au/ton and 3.52 and 3.77 oz Ag/ton.

The JR showing area (Fig. 4) is located on the grid baseline @ 425 N. The mineralized structure is a quartz pyrite vein along shears in quartz diorite. The shears are crossed in several places by dark grey green andesitic dikes. The vein locally anastomoses and dilates dramatically against the dikes. The vein is exposed over about 20 meters and is obscured beneath overburden at each end.

Brownlee and Allen (1986) report on 4 shallow drill holes from the JR area with values of up to 0.90 oz Au/T over 2.7m recorded.

The 'TY' showing has been buried by recent road building activities. Previous mapping by Brownlee and Allen (1986) has indicated that a quartz flooded shear zone, 2.5 m, wide trends 290° and dips steeply to the north. Several 20cm to 50cm quartz veins are reported along the hanging wall of the shear zone. The quartz veins are mineralized with pyrite and sulphides occupy locally up to 10% of the vein material. Chalcopyrite is a minor common vein constituent. Sample WH-020, collected by Howell (1988) from several pieces of mineralized rubble at the TY location, contained 884 ppm Cu, 32.9 ppm Ag, and 0.148 oz Au/T.

The '3V' showing was mapped by Howell (1988) as shown in Figure 6. An east-west trending mineralized zone contained upto 15cm at 0.760 oz Au/ton (WH004). A northwest trending swarm of andesitic dykes offset and complex the trend of mineralization.

The 'DF' showing (Fig. 7) exposes a quartz-pyrite zone complicated by faults and dikes. The structure continues down slope beneath boulder overburden with the last visible part of the structure containing good high grade mineralization (Sample WH-018; 170.2 ppm Ag, 2.630 oz Au/T (Howell, 1988)).

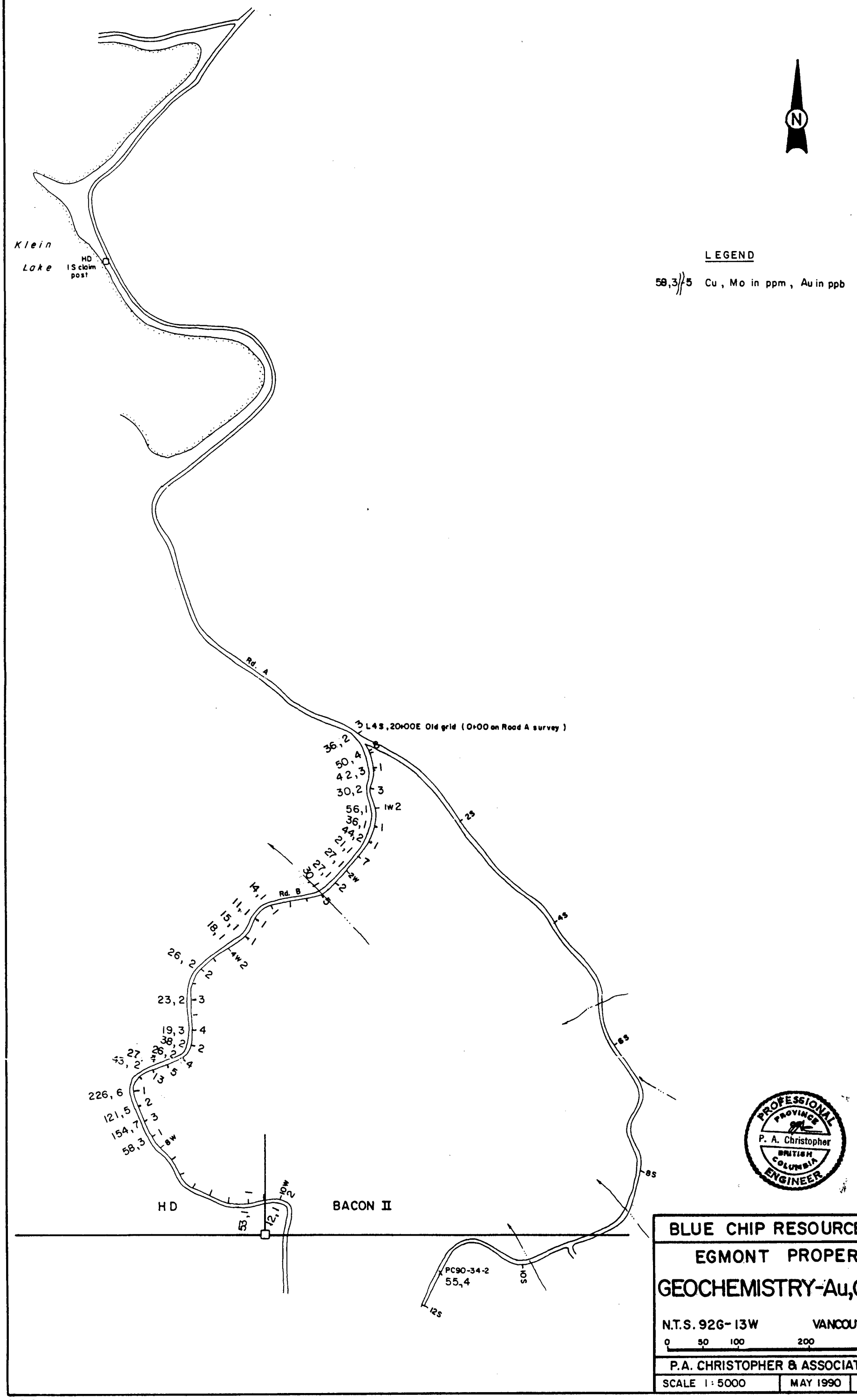
The area of the old (ca. 1913) adit, east of Earls Cove (Stein Adit) has gold bearing pyrite in a breccia zone at the contact of dacitic volcanics and hornblende diorite. A sample taken by Grove (1982) from heavily pyritized breccia near the adit portal assayed 1.17 oz Au/T. Sampling by Westerman (1983) over nearby sulphide poor limonitic breccia returned assays of 5 to 10 ppm Au. The recently discovered quartz veins exposed in new logging roads and an I.P. anomaly indicated by Scott (1988) suggest the possible association of the newly discovered mineralization and the geophysical anomaly with mineralization in the Stein Adit area. A zone in excess of 300m is situated between the prospects.

Work, completed in 1988 by Blue Chip (Howell, 1988), revealed several quartz veins, containing variable amounts of sulphide, west of the North Lake lineament (marked by the outflow of North Lake). The veins are exposed in both old and new road cuts and in a log landing uphill from the Lower Jervis Marina. Quartz veins, at the landing, carry minor amounts of pyrite, chalcopyrite, galena and possible tetrahedrite.

The 3V and DF showings have been selected for testing the effectiveness of the VLF-EM and magnetic methods as prospecting tools. Detailed grids were constructed over the showings with results summarized under the geophysical section.

GEOCHEMICAL PROGRAM

A total of 28 soil and 3 rock samples were collected and analysed during the 1990 field program. The geochemical samples were collected from the HD and Bacon 2 claims as shown on Figure 8. Soils were collected from 'B' horizon soil or the best approximation of B horizon available at each sample location. A small pit, generally 15


Klein
Lake
HD
1S claim
post
N
LEGEND
58,3//5 Cu , Mo in ppm , Au in ppb
3 L4S , 20+00E Old grid (0+00 on Road A survey)
Rd. A
Rd. B
HD
BACON II
PC90-34-2
55,4
36,2
50,4
42,3
30,2
56,1
36,1
44,2
21,1
27,1
27,1
30,1
14,1
11,1
15,1
18,1
26,2
23,2
19,3
38,2
26,2
43,2
27
226,6
121,5
154,7
58,3
53,1
12,1
1W2
2W
4W2
8W
10W2
2S
4S
6S
8S
10S
12S
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher
BLUE CHIP RESOURCES INC.
EGMONT PROPERTY
GEOCHEMISTRY-Au,Cu,Mo
N.T.S. 92G-13W
VANCOUVER M.D.
0 50 100 200 300 METRES
P.A. CHRISTOPHER & ASSOCIATES INC.
SCALE 1:5000
MAY 1990
FIG.8

CHONG

to 30 cm deep was excavated at each sample site and about 250 to 500 grams of appropriate sample placed in a standard Kraft sample bag. The resulting samples were shipped to Acme Analytical Laboratories Ltd. Vancouver, B.C. for analysis. Samples were analyzed for 30 or 32 element ICP and atomic absorption for gold. The 3 pyritic rock samples collected were subjected to I.C.P analysis for 30 elements and gold by atomic absorption but no anomalous results was obtained. Certificates of analysis for geochemical samples are presented in Appendix B with copper, molybdenum and gold values plotted on Figure 8.

The 1990 soil geochemical values for gold ranged from a background of 1 ppb to a maximum of 13 ppb (Figure 8). No anomalous gold values were obtained along the road B soil traverse. Because of the masking nature of tills, the lack of geochemical response may not reflect unmineralized bedrock.

Values for copper in soils range from 8 ppm to 226 ppm with three anomalous values in the 121 ppm to 226 ppm range between 7+00W and 7+50W on road B. The elevated copper values occur in an area where andesitic dykes cut dioritic intrusive.

Values for molybdenum varied from 1 ppm to 7 ppm with the 3 values of over 5 associated with the anomalous copper values.

The location of three rock samples collected from pyritic volcanic and granitic is shown on Figure 5. The samples contained between 3% and 5% pyrite on fractures and as disseminations but geochemical response from the samples was weak (Appendix B).

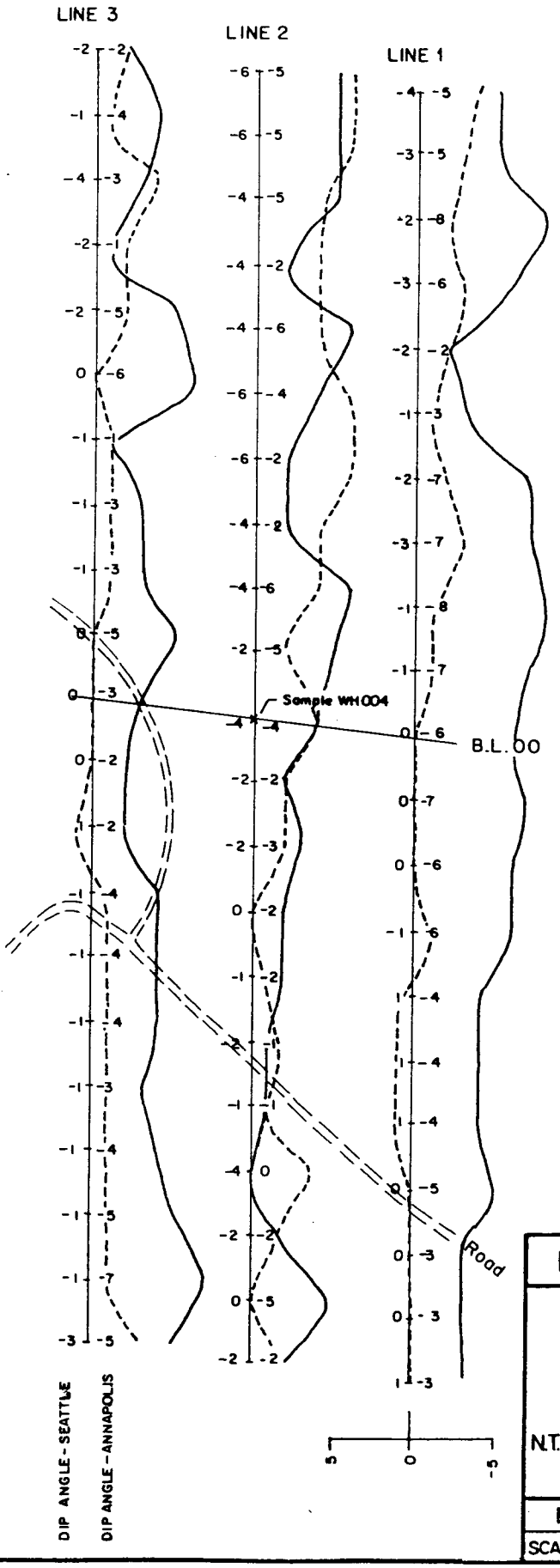
GEOPHYSICAL SURVEYS

The effectiveness of the Geonics VLF-EM 16 and the Phoenix VLF-EM 2 as prospecting tools was evaluated by conducting detailed traverses over the 3V and DF showings (Figures 9A, 9B; 10A; 10B). Stations were also surveyed with a Scintrex MP-2 Proton Precession Magnetometer (Figures 9C; 10C) to compare magnetic and electromagnetic trends. Descriptions of instrumentation and field data are summarized in Appendix A. A total of about 4 kilometers of VLF-EM 16 and MP-2 magnetometer readings were collected along road traverses on the Bacon 2 and HD claims.

Results

Very little variation was found for the 3V showing with either the EM16 (Figure 9A) or VLF-Em 2 (Figures 9B). Magnetic readings varied from 56325 gammas to 57378 gammas (Figure 9C) with magnetic lows in the area of the main vein showing and paralleling the main road. Since the road is gravel covered, the cause of the strongest low is not known.

The VLF-EM 16 results has a fraser filter anomaly in the approximate area of the DF showing on Line 4+75N 2+75W (Figure 10A). The VLF-EM 2 results indicated fraser filter anomalies centered at 3+00W on line 4+75N and at 1+25W and 2+50W on line 500N (Figures 10B).



BLUE CHIP RESOURCES INC.

EGMONT PROPERTY
3V SHOWING
VLF-EM 16 PROFILES

N.T.S. 92G-13W VANCOUVER M.D.

0 10 20 30 40 50 METRES

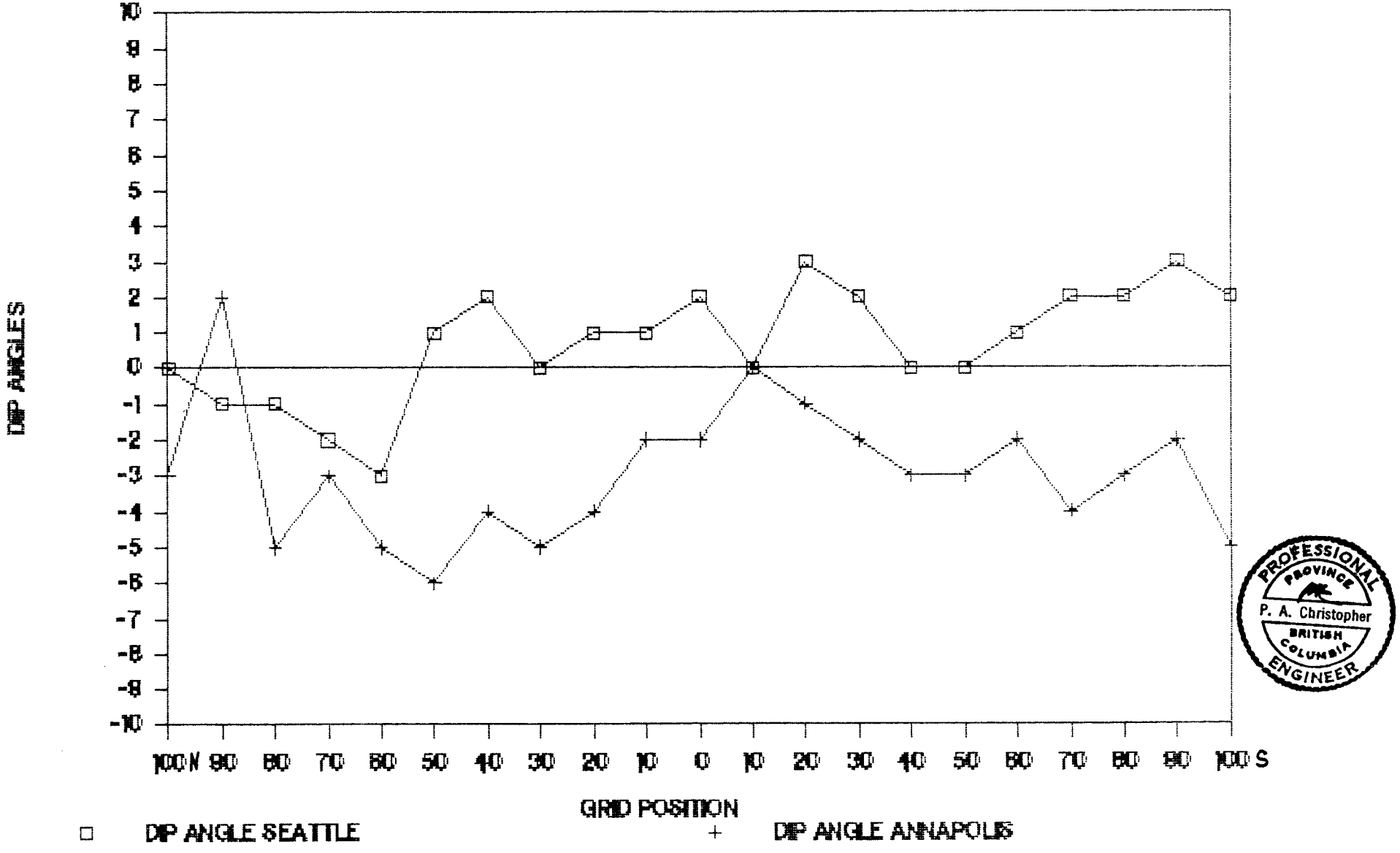
P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:100	MAY 1990	FIGURE 9A

CHONG

VLF-EM SURVEYS

BLUE CHIP PROPERTY. EGMONT B.C. V3-LN3 FIG 9B



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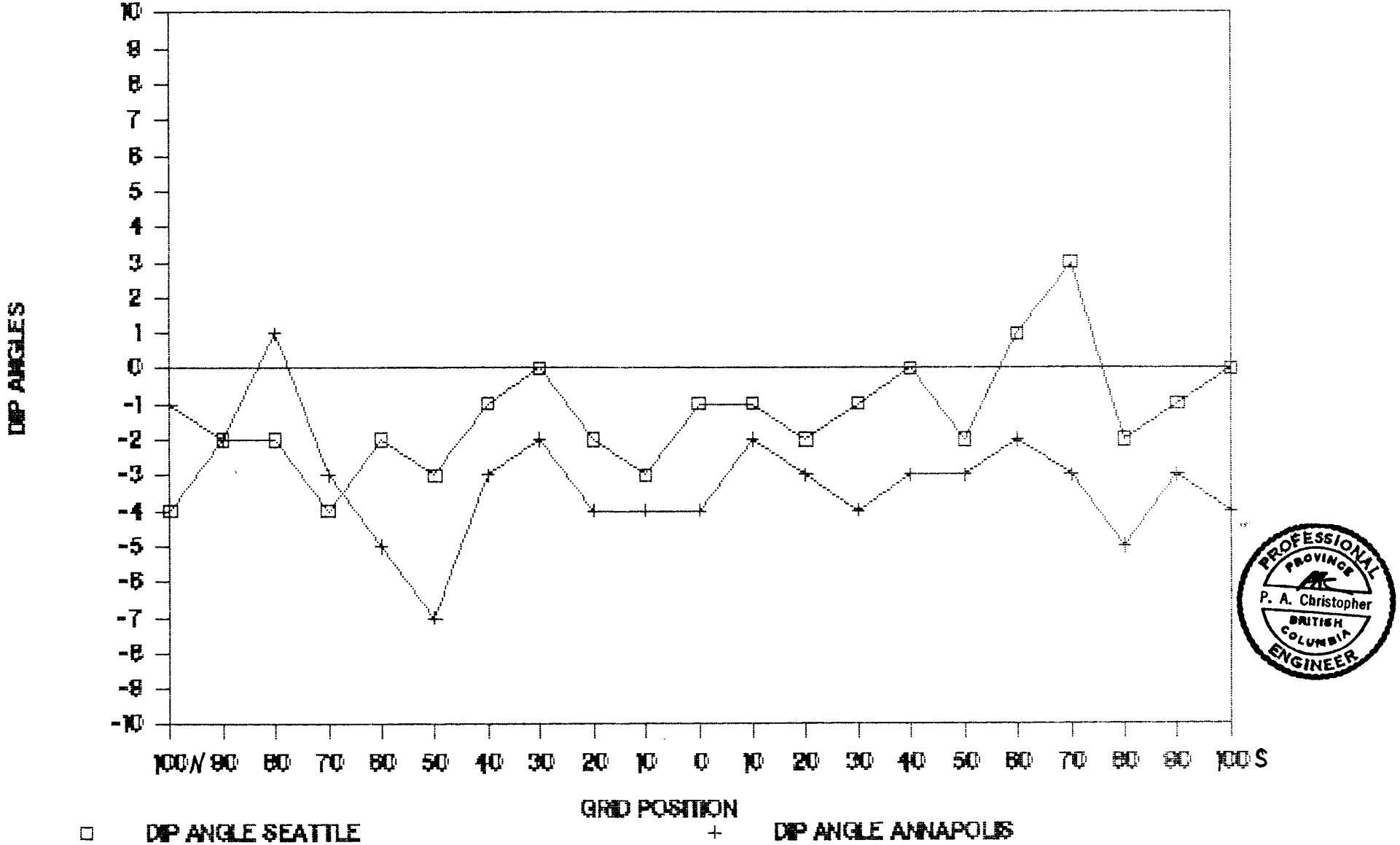
VLF-EM SURVEYS

BLUE CHIP PROPERTY. EGMONT B.C. V3-LN2 FIG. 9B



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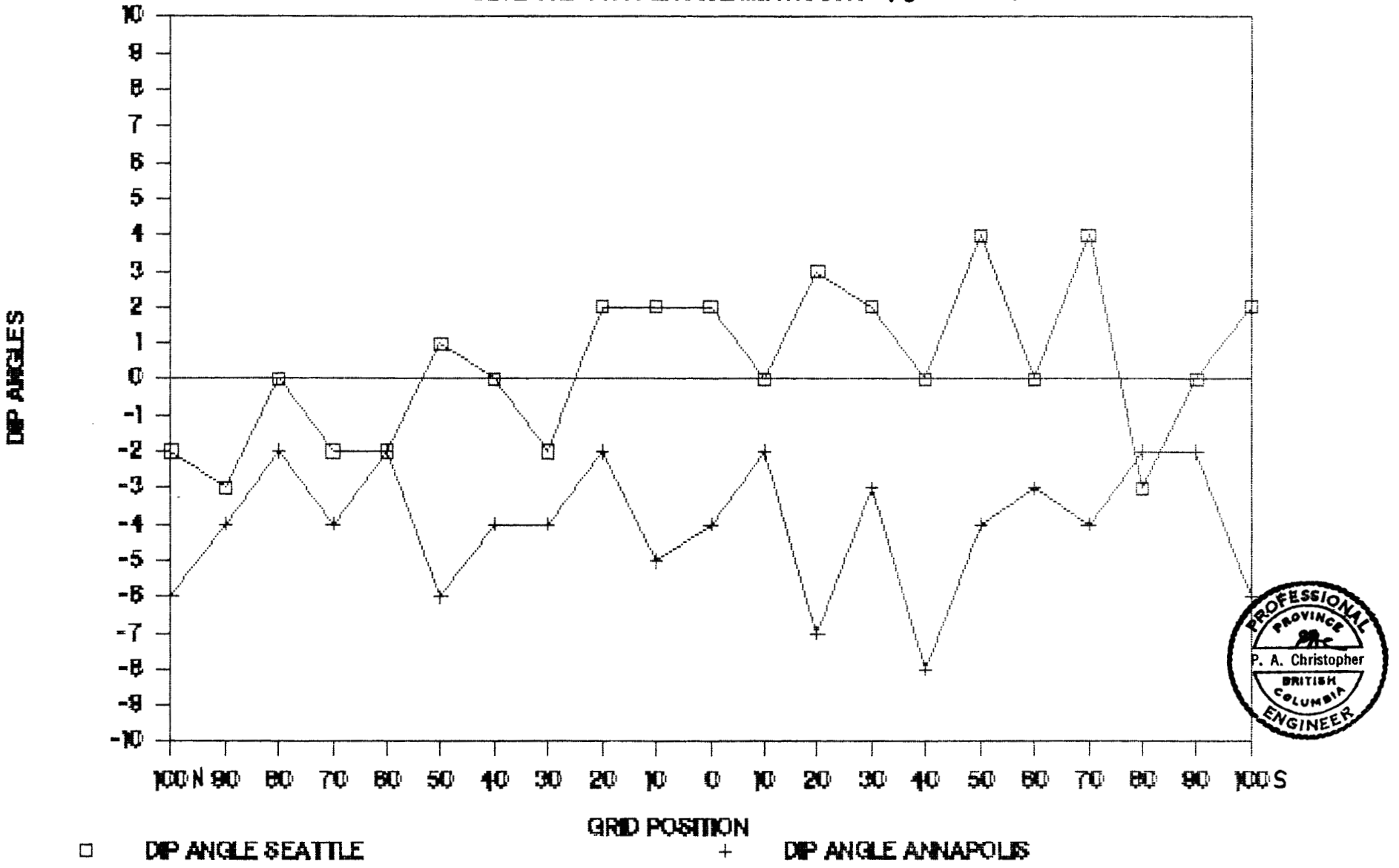
VLF-EM SURVEYS

BLUE CHIP PROPERTY. EGMONT B.C. V3-LN 1 FIG. 9B



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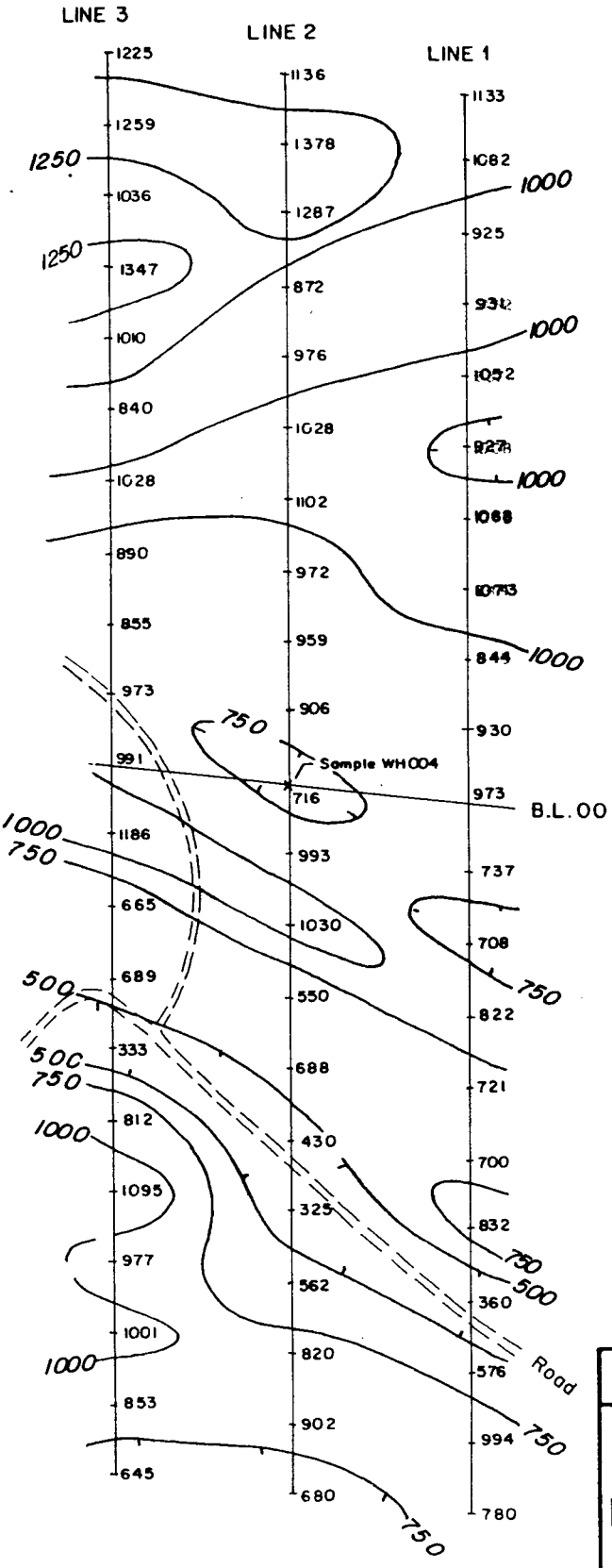


Contours at 250gammas interval

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY
3V SHOWING
MAGNETOMETER SURVEY

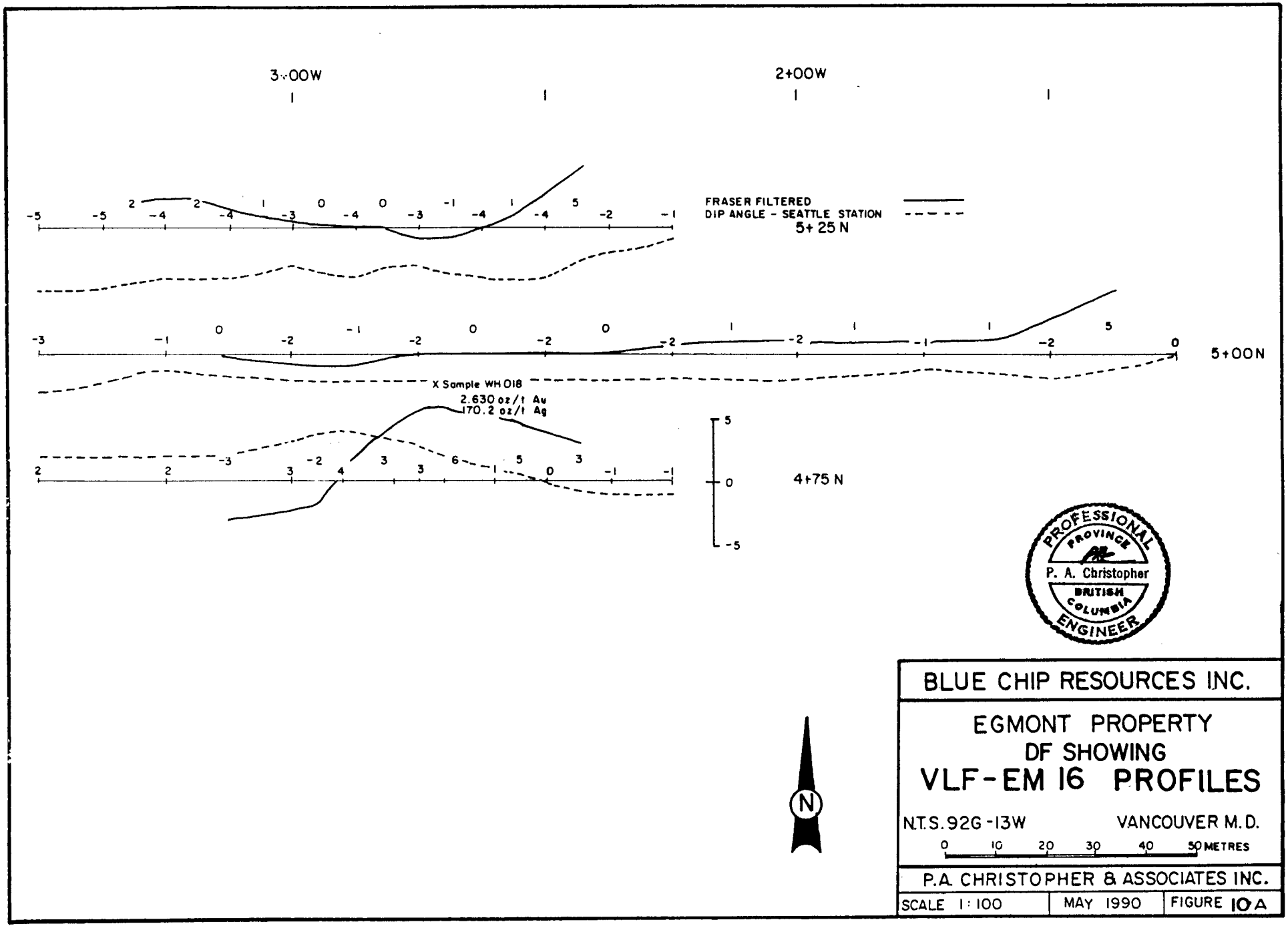
N.T.S. 92G-13W VANCOUVER M.D.

0 10 20 30 40 50 METRES

P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:100	MAY 1990	FIGURE 9C

CHONG



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PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY
DF SHOWING
VLF-EM 16 PROFILES

N.T.S. 92G-13W VANCOUVER M.D.

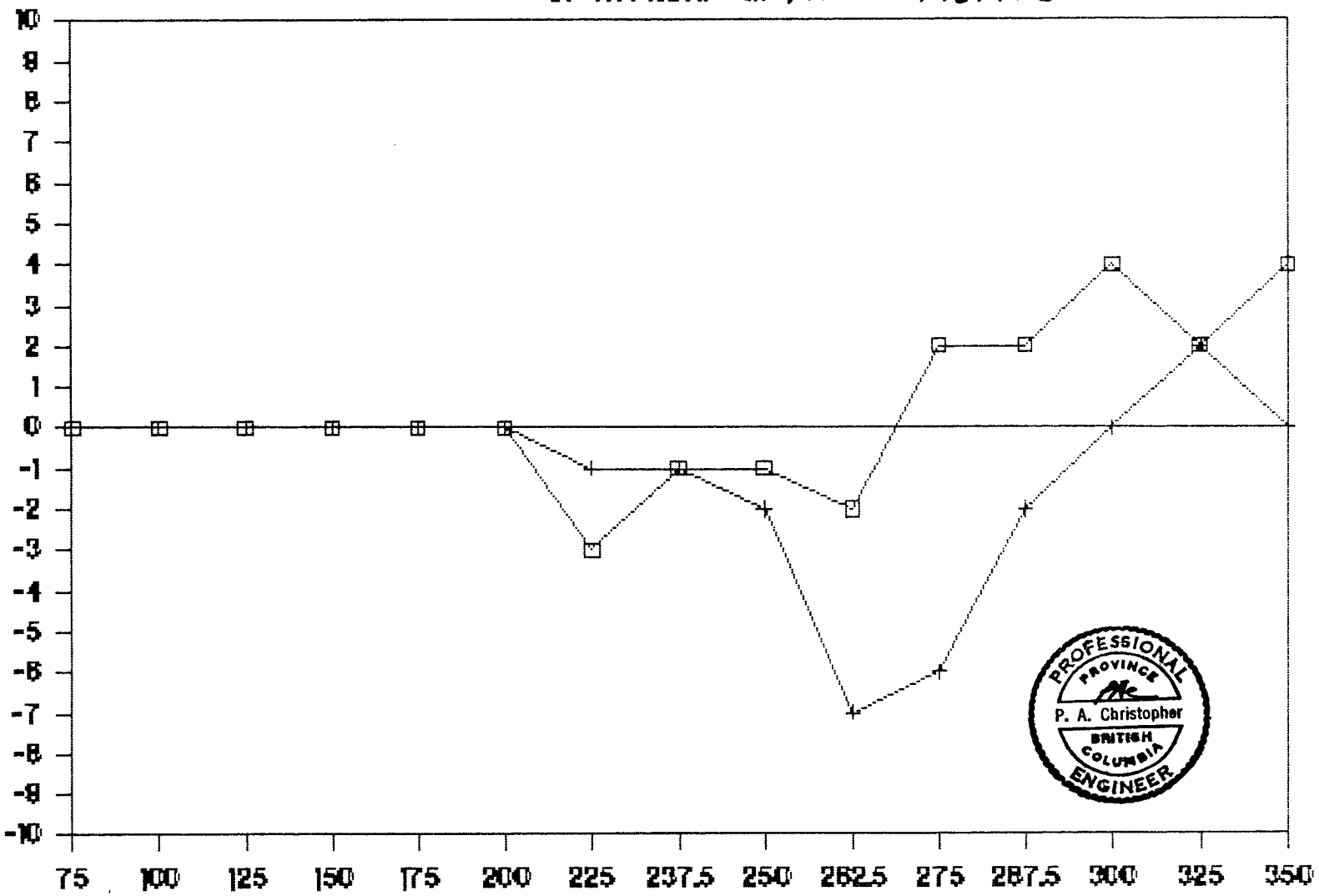
0 10 20 30 40 50 METRES

P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:100	MAY 1990	FIGURE 10A

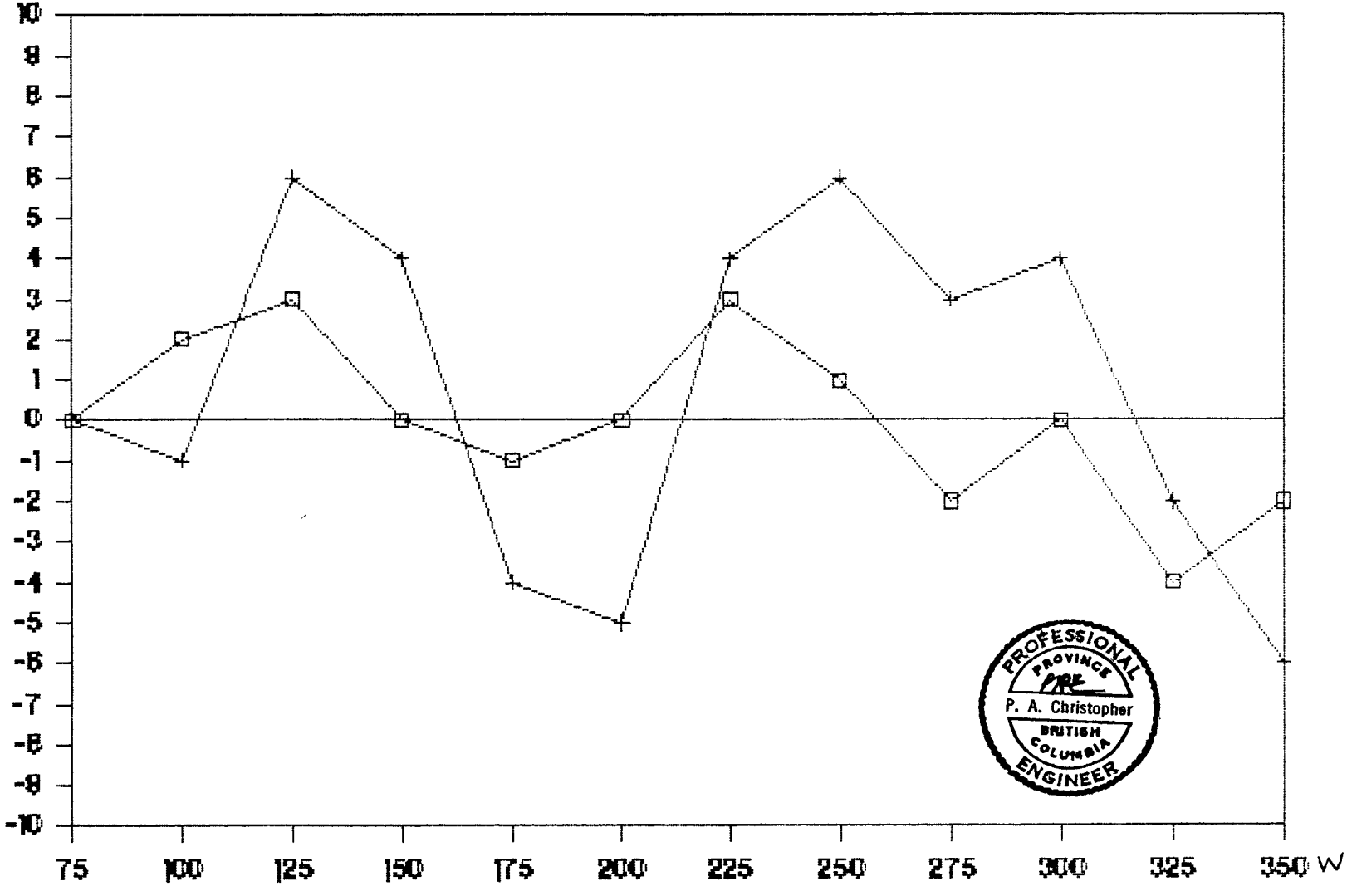
VLF-EM SURVEY - BLUE CHIP PROPERTY

DF SHOWING LN 4+75W FIG. 10B



VLF-EM SURVEY - BLUE CHIP PROPERTY

DF SHOWING LN 500NW FIG. 10B

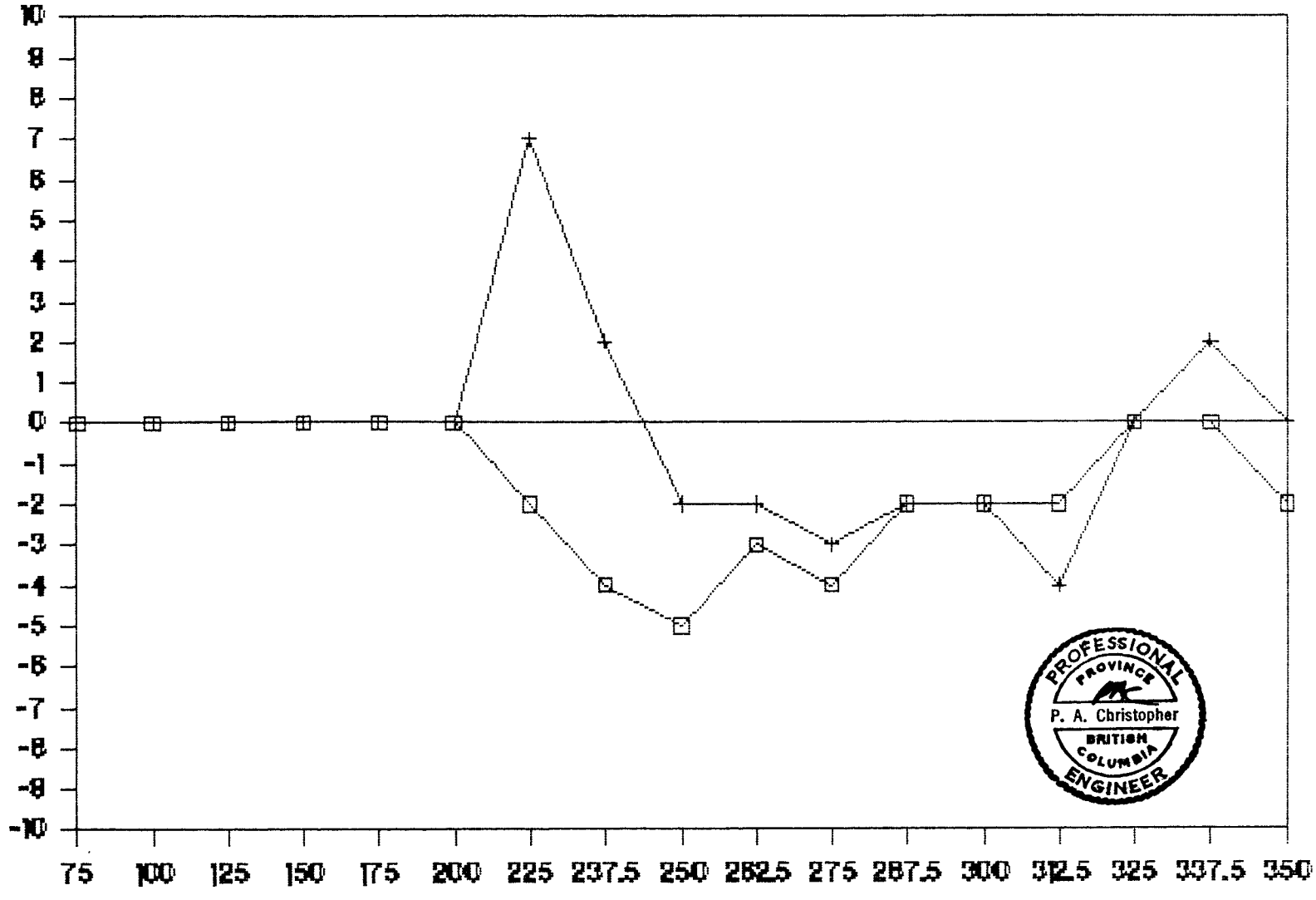


□ DIP ANGLE SEATTLE

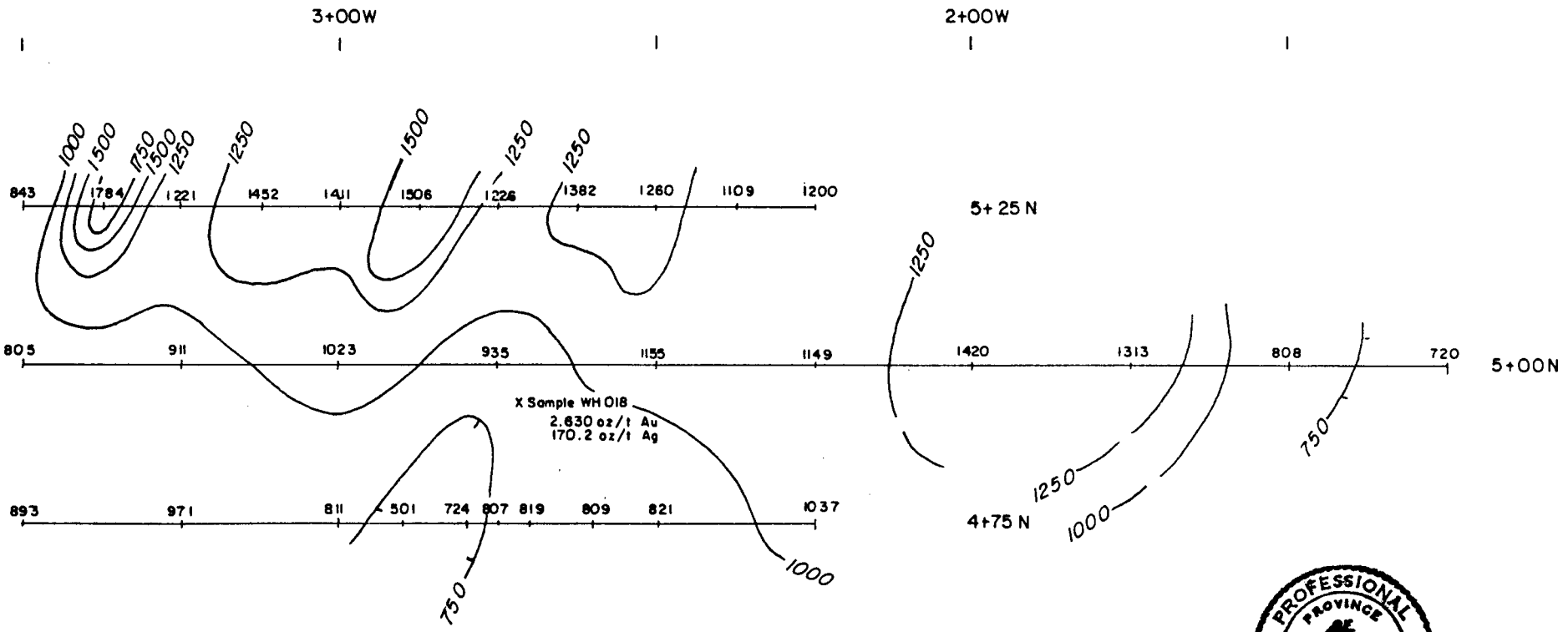
\+ FRASER FILTER

VLF-EM SURVEY - BLUE CHIP PROPERTY

DF SHOWING LN 5+25W FIG 10B



CHONG



Contours at 250 gammas interval

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY
DF SHOWING
MAGNETOMETER SURVEY

N.T.S. 92G-13W VANCOUVER M.D.

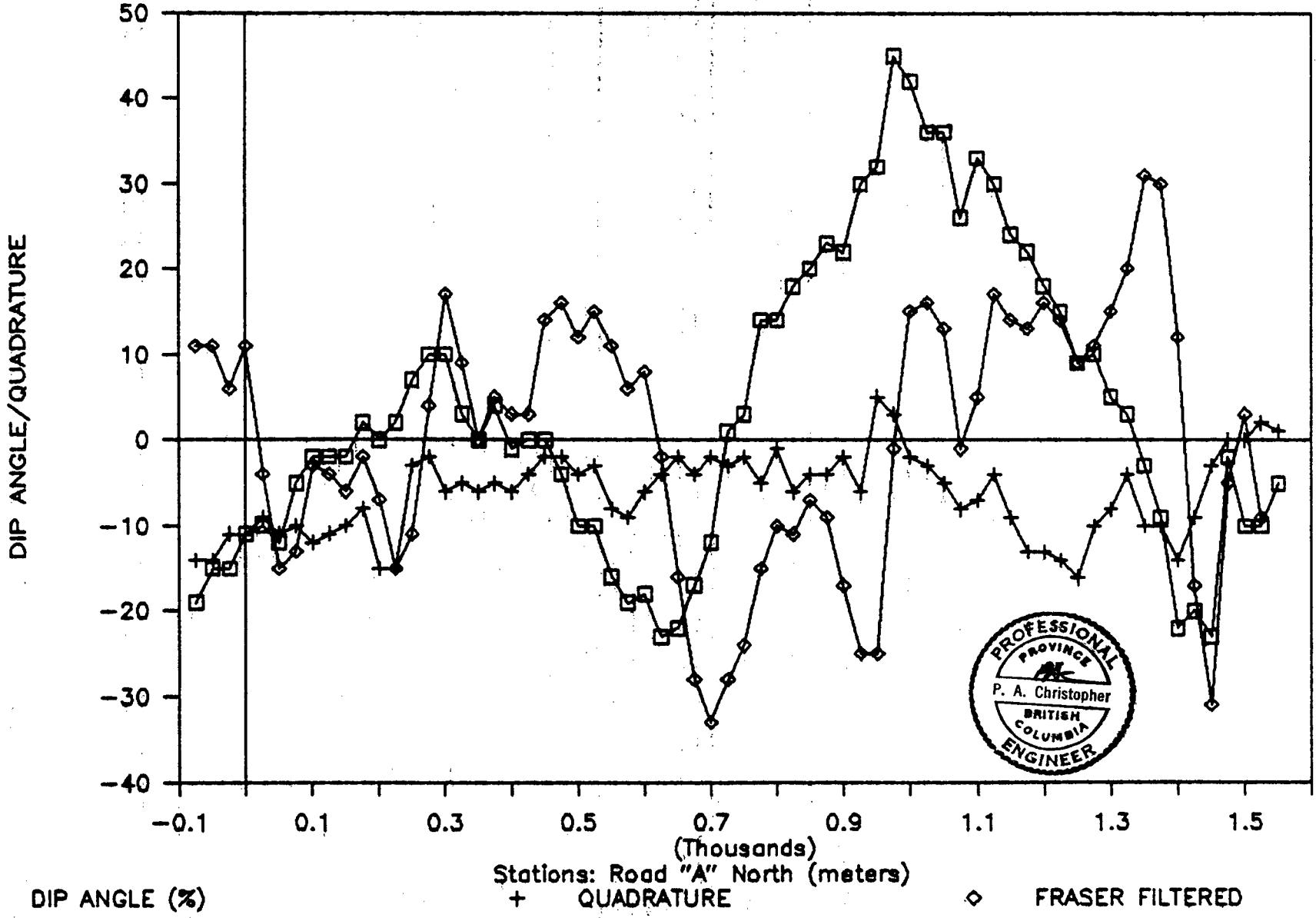
0 10 20 30 40 50 METRES

P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:100	MAY 1990	FIGURE 10C

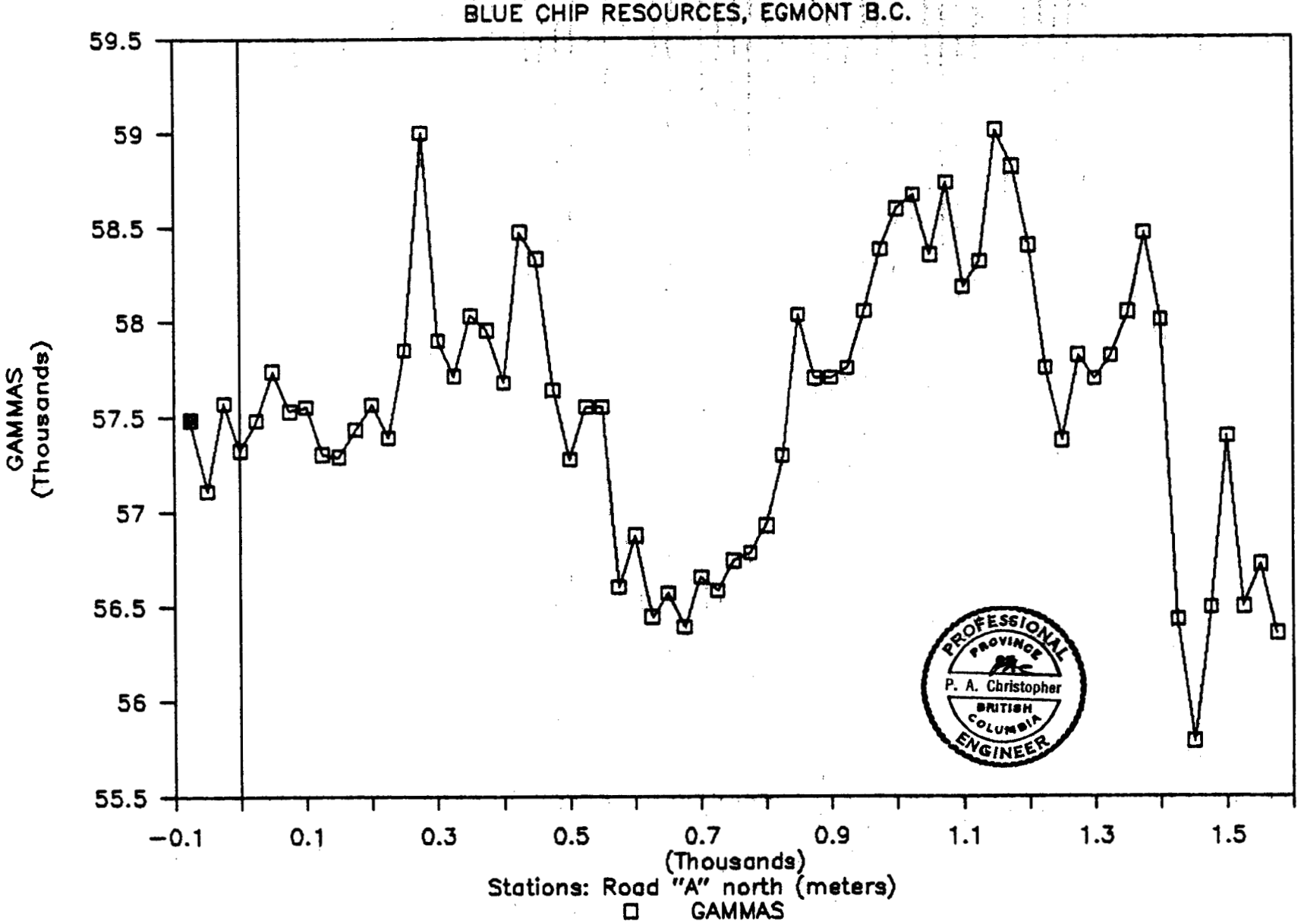
VLF-EM DATA FIG. IIA

BLUE CHIP RESOURCES, EGMONT B.C.



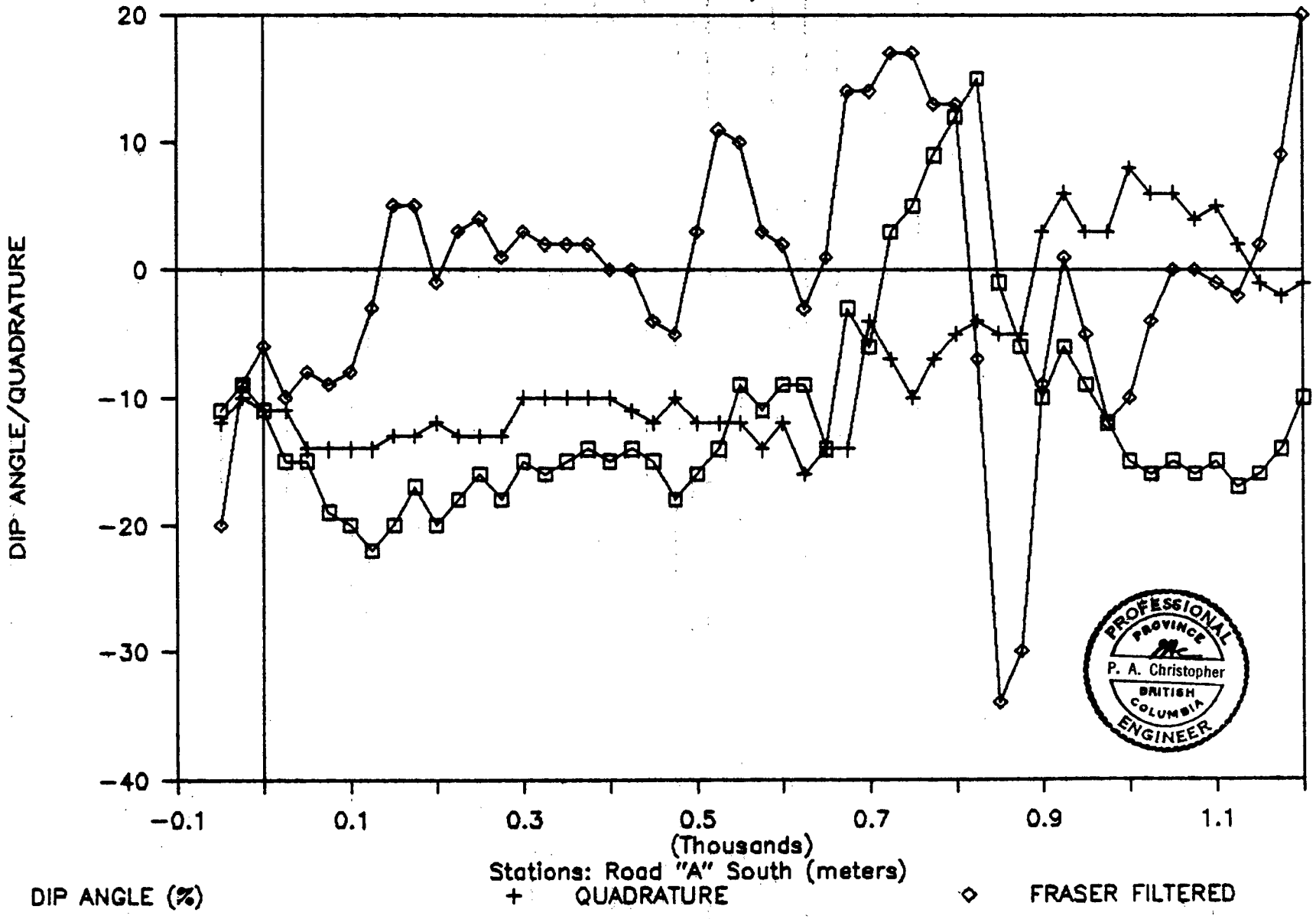
MAGNETOMETER total field strength

FIG. 12A



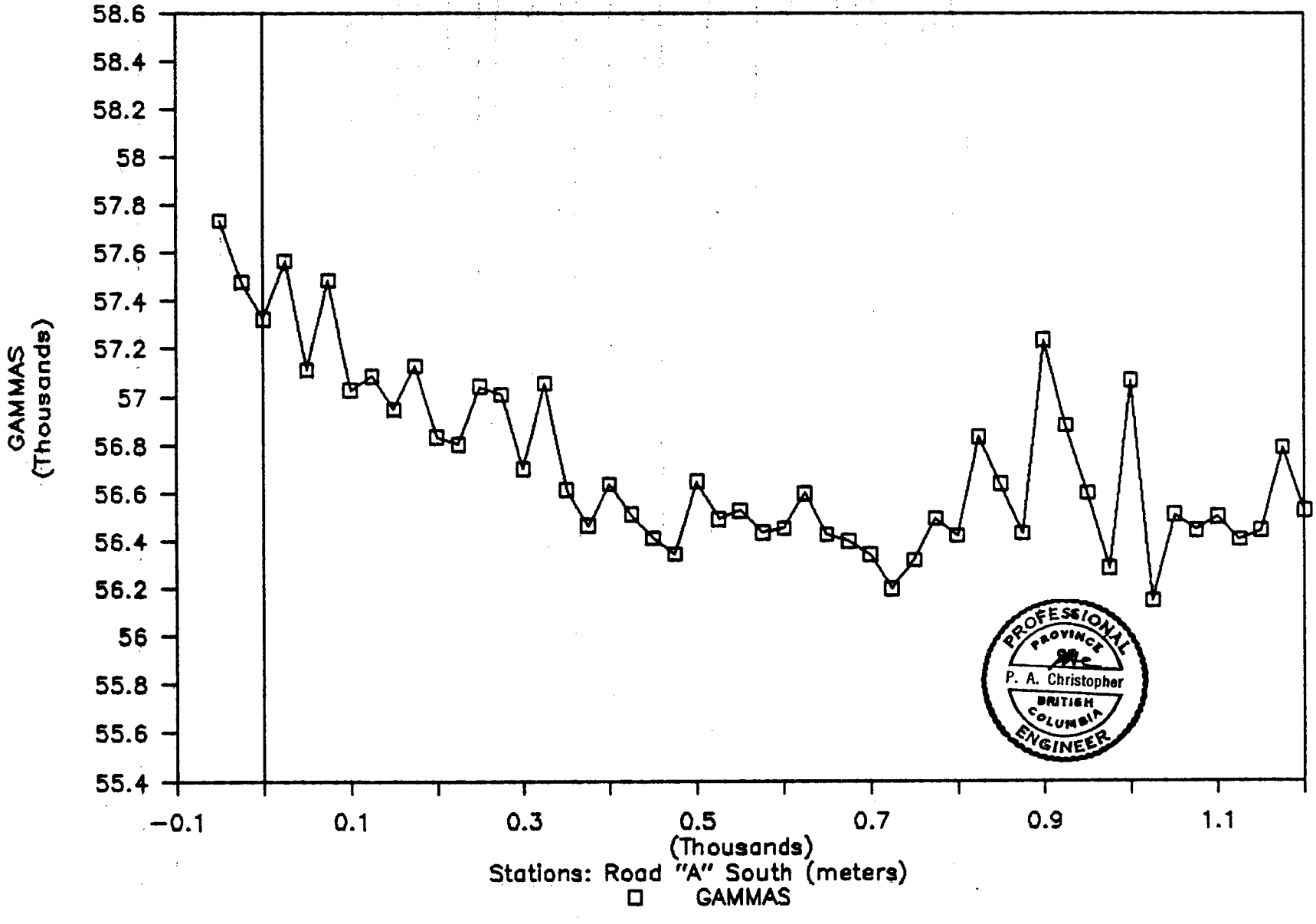
VLF-EM DATA FIG. 11B

BLUE CHIP RESOURCES, EGMONT B.C.



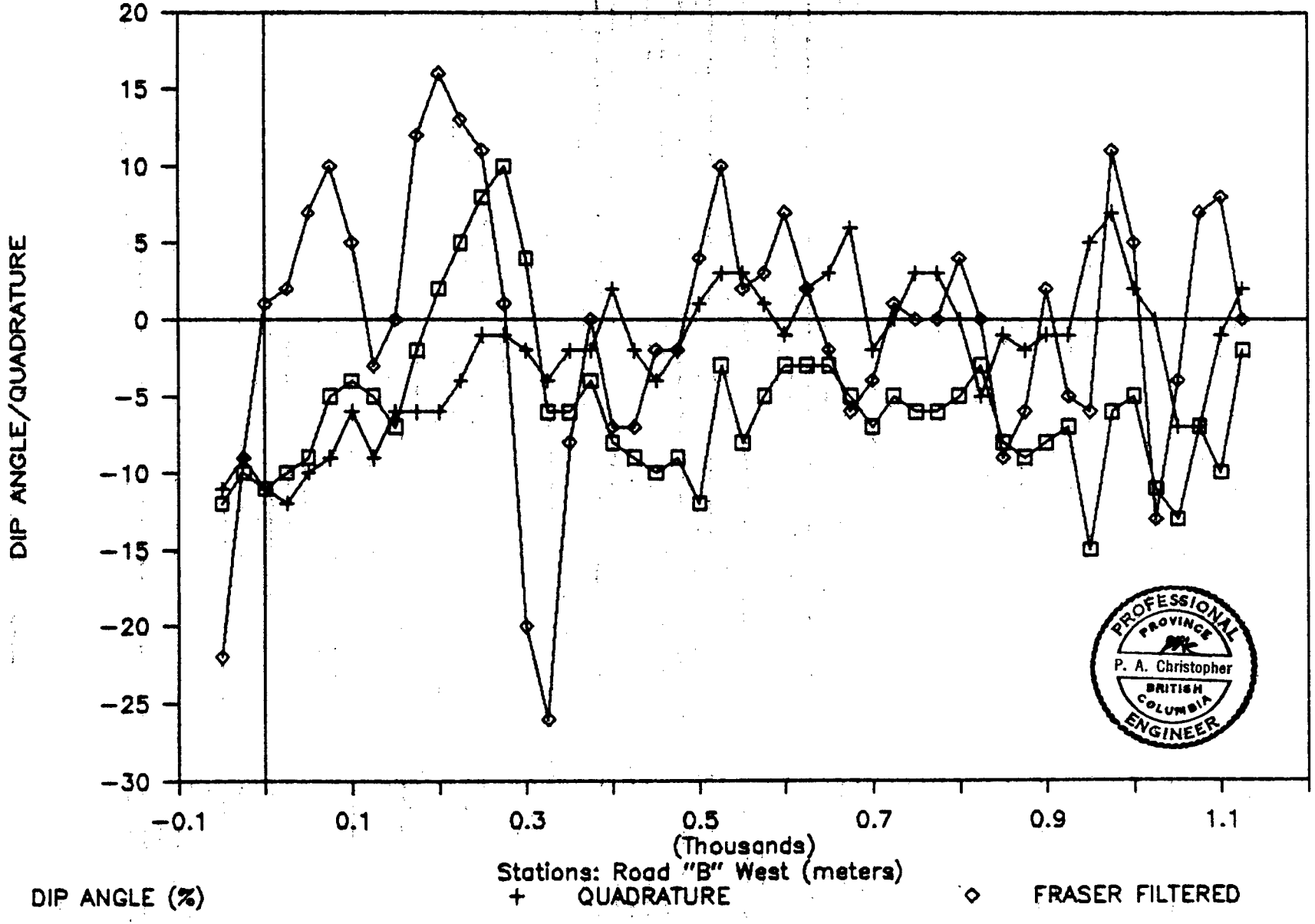
MAGNETOMETER total field strength FIG. 12B

BLUE CHIP RESOURCES, EGMONT B.C.



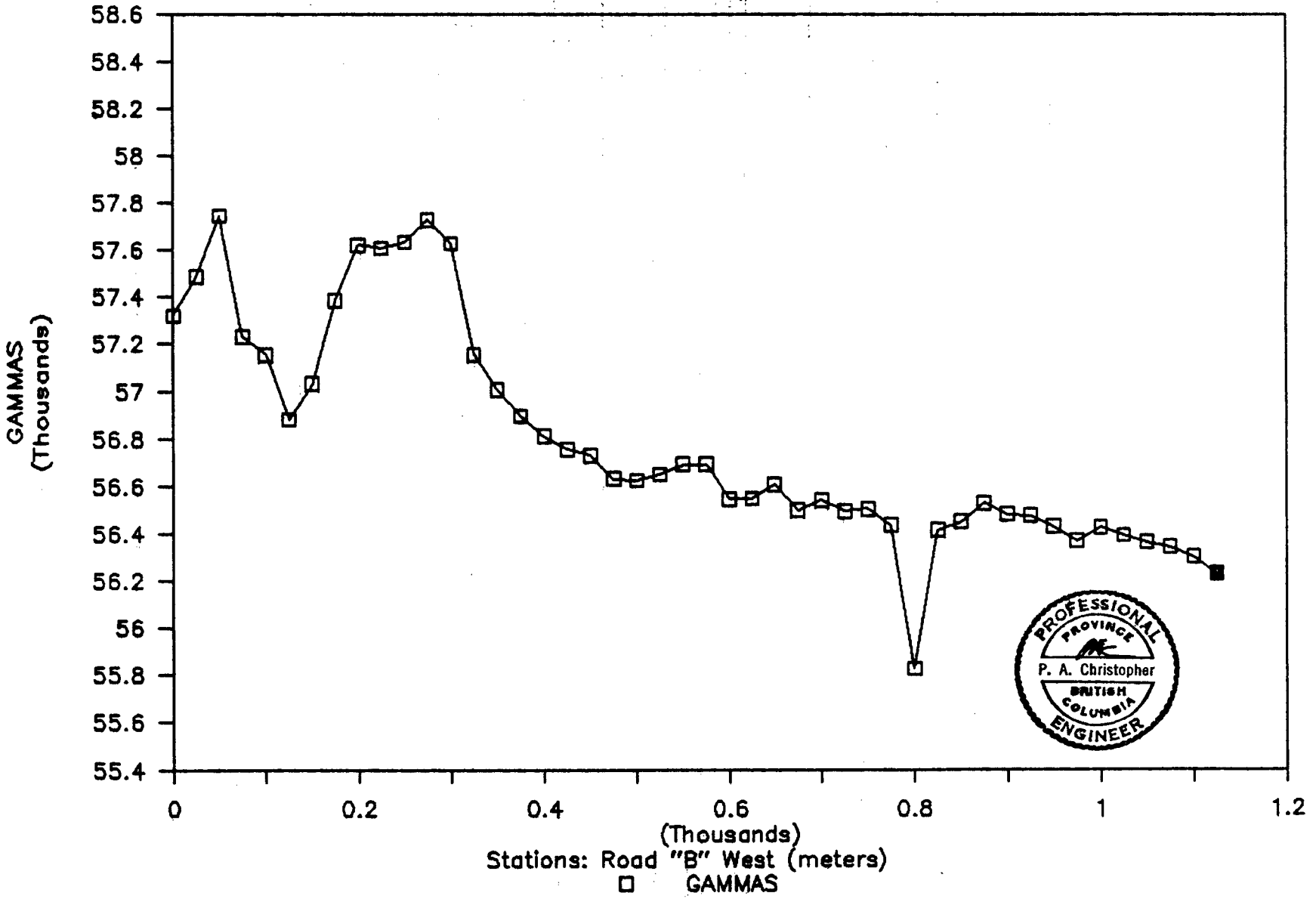
VLF-EM DATA FIG. IIC

BLUE CHIP RESOURCES, EGMONT B.C.



MAGNETOMETER total field strength FIG12C.

BLUE CHIP RESOURCES, EGMONT B.C.



Data from the DF showing is inconclusive and anomalies do not show strong correlation with known showings. Magnetic values over the DF showing varied from 56,501 gammas to 57,784. The lowest magnetic values are in the area of the DF vein (Figure 10C).

VLF-EM data for road traverses on the HD and Bacon 2 claims is summarized on Figures 11A, 11B and 11C. Strong fraser filter anomalies occur at 5+00N, 10+00N, and 13+25N on road A north (Figure 11A), at 5+50S, 7+50S and 12+00S on road A south (Figure 11B), and at 1+00W, 2+25W, 5+25W and 9+75W on road B west (Figure 11C). Two very strong magnetic responses of about 59,000 gammas occur at 1+75N and 11+50N on Road A north with a zone of magnetic high readings from 8+25N to 13+50N (Figure 12A). Magnetic readings along road A south are relatively flat with the exception of a zone from 8+00S to 10+00S which corresponds to a pendent of andesitic volcanic rocks. Road B has a magnetic peak of 57,675 gammas at 0+50W and a zone of high readings from 2+00W to 3+25W which corresponds to magnetite bearing gabbro.

CONCLUSIONS AND RECOMMENDATIONS

Precious metal values obtained from the HD and Bacon 2 claims are weak but may reflect only thick alluvial till. A weak copper anomaly with three values from 121 ppm to 226 ppm copper obtained from road B.

A kilometer of VLF-EM and magnetics obtained over the 3V and DF zones suggest that auriferous shear zones are not strong conductors but possibly magnetic low feature. Four kilometers of magnetic and VLF-EM 16 data obtained from the Bacon 2 and HD claims indicate that magnetic and VLF-EM surveys outline both rock type changes and conductive fault structures.

The writer feels that future exploration should concentrate on drilling and trenching of mineral occurrences and possibly mineralized fault structures. The 500 meter diamond drill program recommended by Howell (1988) should be part of the next work program.

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No. 3757 Geochemical Report on behalf of Cone Mountain Mines Ltd., Gold, Eddy, Day, John, Lake and BEV Mineral Claims, Pender Harbor Area, by Glen E. White, 1972.

CERTIFICATE

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

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

2) I have practised my profession as a geologist for over 25 years.

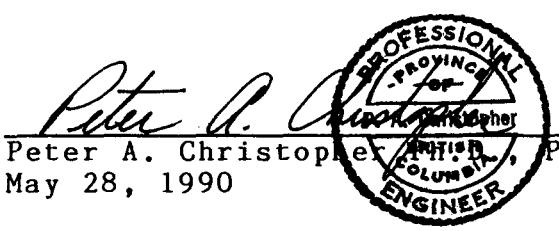
3) I am a Fellow of the Geological Association of Canada and a Member of the Society of Economic Geologist.

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

5) I am a director of Blue Chip Resources Inc. and hold 20,000 shares of the Company.

6) I have based this report on previous exploration experience in the Egmont Area, a review of government and company reports listed in the bibliography, field work conducted by me and under my field supervision on March 3rd and 4th, 1990 and between March 17th and March 20th, 1990.

7) I consent to the use of this report by Blue Chip Resources Inc. in any Filing Statement, Statement of Material Facts, support document, or assessment work.



Peter A. Christopher, Ph.D., P.Eng.
May 28, 1990

APPENDIX A
Geophysical Instruments and Field Data

VLF-EM INSTRUMENTS

A Phoenix VLF-2 Electromagnetic Reciever, rented from Rapitan Resources Inc., was compared with a Geonics VLF-EM 16 Receiver by reading the same survey stations over the 3V and DF showings. The instruments measures response from one or more VLF communication stations. At the Egmont Property, stations at Cutler, Maine, and Jim Creek, (Seattle), Washington were used. Best results were obtained using the Jim Creek station, although the station orientation was not optimal in this locality. Readings were taken at intervals of 5 to 25 meters as shown on Figures 9 and 10.

Results are shown in profile form, and as "Fraser Filtered" data, (four point moving average). Data was entered into a computer, (Lotus 123 format), which provided the "filtered" values and several orientation plotted profiles, (Figures 9 through 12).

PHOENIX VLF-2 ELECTROMAGNETIC RECEIVER

The Phoenix VLF-2 Electromagnetic (EM) Receiver is a small, light weight geophysical instrument which measures the orientation and magnitude of major and minor axes of the ellipse of polarization of secondary electromagnetic fields induced in conductive bodies in the ground by primary VLF (very low frequency) radio signals emitted by Naval radio stations in various parts of the world, and used by submarines for navigation.

The Instrument has two channels selectable by digital switches from a total of 15 or more frequencies ranging from 14.0 kHz to 29.9 kHz.

Parameters normally measured are the dip angle and field strength of the secondary field. The dip angle is measured in degrees by a clinometer, oriented facing the transmitting station, and the field strength is measured in "per cent" at right angles to the transmitting station.

When the orientation of conductive bodies on the mineral property being explored is known, generally two stations are chosen with transmitter locations as close as possible to the azimuth of the axis of the conductor. When orientation of conductors is not known, an orientation is done with two orthogonally positioned transmitters, (at right angles). Orientation is generally done over known conductive bodies to determine which station will give the best response.

The instrument coils are positioned such that the instrument base points toward the conductive body during measurement of dip angle. Dip angle results are plotted as profiles, with dips toward the facing direction arbitrarily and conventionally plotted as "positive" and dips opposite the facing direction as "Negative". The point of inflection, or "cross-over" from positive to negative, determines the geographic location of the conductive body. This position also is marked by maximum measured field strength, also plotted as profiles, as in the attached example.

In practice, topography affects the position of crossovers, and measurement over a hill will generally give a "False Crossover". Careful notation of topography will permit selection of real anomalies, and inflection points which do not actually cross the Zero reference line may still represent real conductive bodies.

Various mathematical filters used on the field data, such as "Fraser Filter", may enhance the data and reduce topographic effects. Fraser filter values were calculated for the VLF 2 readings.

Geonics VLF-EM 16

The EM16 is a sensitive receiver covering the frequency band of VLF-transmitting stations with means of measuring the vertical field components.

The receiver has two inputs with two receiving coils built into the instrument. One coil has normally vertical axis and the other is horizontal. The instrument is used to measure In-phase (Dip angle) and quadrature components of vertical magnetic field as a percentage of horizontal primary field.

The EM16 differs from the Phoenix VLF-2 in that it does not have a field strengt measuring devise.

SCINTREX MP-2

The Scintrex MP-2, proton precession magnetometer, was employed for collecting readings of the total intensity of the earth's magnetic field in gammas. A staff mounted sensor was employed during the survey. Readings were colleced by W.A. Howell and plotted and contoured on Figures 9C, 10C for the 3V and DF areas. Profiles of of magnetic readings on the HD and Bacon 2 claims are presnted as Figures 12A, 12B and 12C.

Diyurnal variations in the magnetic field were small and no corrections were made.

Field measurements for the geophysical surveys are presented below.

VLF EM EVALUATION | | RAPITAN 1990 | EGMONT 6
CLIENT: | BLUE CHIP | STATION 1 | SEATTLE
LOCATION: | EGMONT | STATION 2 | ANNAPOLIS
LINE: | DF LN 5+25 w. | DATE | MAR 4/90

GRID MKR	F1	F.S. 1	F2	F.S.2	FF 1	FF2
75 WEST	NR	NR	NR	NR	NR	NR
100	NR	NR	NR	NR	NR	NR
125	NR	NR	NR	NR	NR	NR
150	NR	NR	NR	NR	NR	NR
175	NR	NR	NR	NR	NR	NR
200	NR	NR	NR	NR	NR	NR
225	-2	86	3	52	7	1
237.5	-4	86	-2	52	2	-5
250	-5	84	4	52	-2	-2
262.5	-3	88	2	46	-2	3
275	-4	88	2	48	-3	3
287.5 WEST	-2	84	1	51	-2	3
300	-2	90	0	50	-2	1
312.5	-2	88	0	48	-4	0
325	0	90	0	48	0	4
337.5	0	92	0	48	2	4
350	-2	90	-4	48		

VLF EM EVALUATION | | RAPITAN 1990 | EGMONT5
CLIENT: | BLUE CHIP | STATION 1 | SEATTLE
LOCATION: | EGMONT | STATION 2 | ANNAPOLIS
LINE: | DF ln 4+75W | DATE | MAR 4/90

GRID MKR	F1	F.S. 1	F2	F.S.2	FF 1	FF2
75 WEST	NR	NR	NR	NR	NR	NR
100	NR	NR	NR	NR	NR	NR
125	NR	NR	NR	NR	NR	NR
150	NR	NR	NR	NR	NR	NR
175	NR	NR	NR	NR	NR	NR
200	NR	NR	NR	NR	NR	NR
225	-3	84	1	52	-1	1
237.5	-1	82	-2	54	-1	-1
250	-1	78	2	54	-2	-2
262.5	-2	79	-2	56	-7	-4
275	2	78	4	54	-6	0
287.5 WEST	2	80	0	58	-2	4
300	4	79	2	58	0	4
325	2	80	-2	58	2	0
350	4	82	0	52		

VLF EM EVALUATION | | RAPITAN 1990 | EGMONT 4
CLIENT: | BLUE CHIP | STATION 1 | SEATTLE
LOCATION: | EGMONT | STATION 2 | ANNAPOLIS
LINE: | LN 500 NW | DATE | MAR 4/90

GRID MKR	F1	F.S. 1	F2	F.S.2	FF 1	FF2	
75 WEST	0	72	-2	62			
100	2	72	-1	60	-1	-3	
125	3	74	0	62	6	-1	
150	0	72	0	66	4	2	
175	-1	72	0	64	-4	0	
200	0	74	-2	62	-5	-3	ROCK KNOB
225	3	72	2	62	4	1	
250	1	74	-1	62	6	1	BLAST
275	-2	76	0	61	3	-1	SHOWING A
300	0	80	0	62	4	-2	
325	-4	76	0	60	-2	-2	
350 WEST	-2	78	2	62	-6	2	END

VLF EM EVALUATION | | RAPITAN 1990 | EGMONT2
CLIENT: | BLUE CHIP | STATION 1 | SEATTLE
LOCATION: | EGMONT | STATION 2 | ANNAPOLIS
LINE: | V3-LN 3 | DATE | MAR 3/90

GRID MKR		F1	F.S. 1	F2	F.S.2	FF 1	FF2
100	NORTH	0	110	-3	68		
90		-1	110	2	70	2	7
80		-1	110	-5	68	3	5
70		-2	110	-3	68	-1	3
60		-3	110	-5	70	-8	2
50		1	110	-6	70	-4	-2
40		2	105	-4	68	2	-1
30		0	105	-5	68	0	-3
20		1	110	-4	70	-2	-5
10	NORTH	1	105	-2	68	0	-4
0		2	105	-2	68	0	-3
10	SOUTH	0	105	0	68	-3	1
20		3	105	-1	68	1	4
30		2	105	-2	68	5	3
40		0	105	-3	66	1	0
50		0	102	-3	62	-3	0
60		1	100	-2	66	-3	2
70		2	100	-4	62	-2	-1
80		2	100	-3	62	-1	0
90		3	105	-2	61	3	0
100	SOUTH	2	105	-5	60	5	-7

VLF EM EVALUATION | RAPITAN 1990 | EGMONT1

CLIENT:	BLUE CHIP	STATION 1	SEATTLE
LOCATION:	EGMONT	STATION 2	ANNAPOLIS
LINE:	V3-LN2	DATE	MAR 3/90

GRID MKR		F1	F.S. 1	F2	F.S.2	FF 1	FF2
100	NORTH	-4	135	-1	86		
90		-2	125	-2	85	0	-1
80		-2	130	1	82	2	7
70		-4	135	-3	86	-1	10
60		-2	135	-5	86	-2	2
50		-3	135	-7	83	-4	-7
40		-1	135	-3	82	-2	-4
30		0	140	-2	80	4	3
20		-2	135	-4	82	2	2
10	NORTH	-3	135	-4	78	-3	-2
0		-1	135	-4	82	-1	-3
10	SOUTH	-1	135	-2	78	1	1
20		-2	130	-3	76	-2	2
30		-1	130	-4	75	-1	-1
40		0	130	-3	76	0	-2
50		-2	130	-3	74	-6	-1
60		1	135	-2	72	-2	3
70		3	130	-3	72	7	3
80		-2	130	-5	74	2	-1
90		-1	130	-3	72	-3	-4
100	SOUTH	0	130	-4	72	-1	-7

VLF EM EVALUATION | | RAPITAN 1990 | EGMONT3
CLIENT: | BLUE CHIP | STATION 1 | SEATTLE
LOCATION: | EGMONT | STATION 2 | ANNAPOLIS
LINE: | V3-LN 1 | DATE | MAR 3/90

GRID MKR		F1	F.S. 1	F2	F.S.2	FF 1	FF2	
100	NORTH	-2	72	-6	94			
90		-3	76	-4	78	-3	-4	
80		0	76	-2	78	1	0	
70		-2	76	-4	82	-1	2	
60		-2	76	-2	82	-5	4	
50		1	72	-6	78	1	0	
40		0	76	-4	82	1	-4	
30		-2	76	-4	84	-6	-1	
20		2	76	-2	82	-4	3	
10	NORTH	2	78	-5	84	2	-1	
0		2	78	-4	84	1	0	
10	SOUTH	0	72	-2	84	-3	4	
20		3	76	-7	82	1	2	
30		2	78	-3	82	1	2	
40		0	78	-8	82	-2	-4	
50		4	80	-4	84	0	-5	
60		0	78	-3	84	3	-1	
70		4	82	-4	88	7	-3	ANOM
80		-3	78	-2	86	-1	2	
90		0	80	-2	88	-5	2	
100	SOUTH	2	78	-6	84			

VLF EM EVALUATION PAC/WAH 1990 VLF001

CLIENT: Blue Chip STATION 1 SEATTLE

LOCATION: Egmont STATION 2 CUTLER

LINE: Road A DATE Mar 19/90

GRID MKR	dip % 1	Quad 1	F2	F.S.2	FF 1	FF2	MAG
-75 [south]	-19	-14			11		57483
-50 [south]	-15	-14			11		57109
-25 [south]	-15	-11			6		67567
0 north	-11	-11			11		57320
25	-10	-9			-4		57479
50	-12	-11			-15		57736
75	-5	-10			-13		67527
100	-2	-12			-3		57550
125	-2	-11			-4		57303
150	-2	-10			-6		57288
175	2	-8			-2		57435
200	0	-15			-7		57563
225	2	-15			-15		57390
250	7	-3			-11		57851
275	10	-2			4		58999
300	10	-6			17		57899
325	3	-5			9		57711
350	0	-6			0		58032
375	4	-5			5		57956
400	-1	-6			3		57678
425	0	-4			3		58470
450	0	-2			14		58331
475	-4	-2			16		67638
500	-10	-4			12		57272
525	-10	-3			15		57550
550	-16	-8			11		57549
575	-19	-9			6		56604
600	-18	-6			8		56874
625	-23	-4			-2		56445
650	-22	-2			-16		56572
675	-17	-4			-28		56392
700	-12	-2			-33		56654
725	1	-3			-28		56584
750	3	-2			-24		56741
775	14	-5			-15		56782
800	14	-1			-10		56927
825	18	-6			-11		57293
850	20	-4			-7		58034
875	23	-4			-9		57700
900	22	-2			-17		57703
925	30	-6			-25		57755
950	32	5			-25		58054
975	45	3			-1		58379
1000	42	-2			15		58595
1025	36	-3			16		58667

Road A North cont.

1050	36	-5	13	58351
1075	26	-8	-1	58732
1100	33	-7	5	58182
1125	30	-4	17	58316
1150	24	-9	14	59008
1175	22	-13	13	58820
1200	18	-13	16	58400
1225 north	15	-14	14	57753
1250 north	9	-16	9	57375
1275	10	-10	11	57818
1300	5	-8	15	57695
1325	3	-4	20	57817
1350	-3	-10	31	58050
1375	-9	-10	30	58468
1400	-22	-14	12	58008
1425	-20	-9	-17	56430
1450	-23	-3	-31	55788
1475	-2	0	-5	56496
1500	-10	0	3	57396
1525	-10	2	-9	56498
1550 north	-5	1	ERR	56721
1575	-6	-2	ERR	56356

VLF EM EVALUATION | | PAC/WAH 1990 | VLF001
CLIENT: | Blue Chip | STATION 1 | SEATTLE
LOCATION: | Egmont | STATION 2 | CUTLER
LINE: | road A | DATE | Mar 19/90

GRID MKR	dip % 1	Quad 1	F2	F.S.2	FF 1	FF2	MAG
1200 south	-10	-1			20		56525
1175	-14	-2			9		56788
1150	-16	-1			2		56442
1125	-17	2			-2		56405
1100	-15	5			-1		56500
1075	-16	4			0		56444
1050	-15	6			0		56510
1025	-16	6			-4		56149
1000	-15	8			-10		57067
975	-12	3			-12		56284
950	-9	3			-5		56599
925	-6	6			1		56880
900	-10	3			-9		57235
875	-6	-5			-30		56431
850	-1	-5			-34		56636
825	15	-4			-7		56833
800	12	-5			13		56421
775	9	-7			13		56491
750	5	-10			17		56319
725	3	-7			17		56198
700	-6	-4			14		56340
675	-3	-14			14		56397
650	-14	-14			1		56425
625	-9	-16			-3		56598
600	-9	-12			2		56450
575	-11	-14			3		56433
550	-9	-12			10		56525
525	-14	-12			11		56490
500	-16	-12			3		56648
475	-18	-10			-5		56343
450	-15	-12			-4		56411
425	-14	-11			0		56510
400	-15	-10			0		56635
375	-14	-10			2		56462
350	-15	-10			2		56612
325	-16	-10			2		57054
300	-15	-10			3		56700
275	-18	-13			1		57009
250	-16	-13			4		57042
225	-18	-13			3		56803
200	-20	-12			-1		56831
175	-17	-13			5		57126
150	-20	-13			5		56948
125	-22	-14			-3		57082
100	-20	-14			-8		57025
75	-19	-14			-9		57483
50	-15	-14			-8		57109
25	-15	-11			-10		57567
0	-11	-11			-6		57324
-25 [north]	-9	-10			-9		57479
-50 [north]	-11	-12			-20		57736

VLF EM EVALUATION PAC/WAH 1990 VLF001

CLIENT: Blue Chip STATION 1 SEATTLE

LOCATION: Egmont STATION 2 CUTLER

LINE: road B DATE Mar 19/90

GRID MKR	dip % 1	Quad 1	F2	F.S.2	FF 1	FF2	MAG
1125 west	-2	2					56232
1100	-10	-1			8		56304
1075	-7	-7			7		56346
1050	-13	-7			-4		56366
1025	-11	0			-13		56394
1000	-5	2			5		56428
975	-6	7			11		56371
950	-15	5			-6		56432
925	-7	-1			-5		56478
900	-8	-1			2		56484
875	-9	-2			-6		56530
850	-8	-1			-9		56454
825	-3	-5			0		56418
800	-5	0			4		55828
775	-6	3			0		56437
750	-6	3			0		56506
725	-5	0			1		56495
700	-7	-2			-4		56541
675	-5	6			-6		56499
650	-3	3			-2		56608
625	-3	2			2		56548
600	-3	-1			7		56547
575	-5	1			3		56692
550	-8	3			2		56693
525	-3	3			10		56651
500	-12	1			4		56624
475	-9	-2			-2		56632
450	-10	-4			-2		56731
425	-9	-2			-7		56755
400	-8	2			-7		56811
375	-4	-2			0		56896
350	-6	-2			-8		57008
325	-6	-4			-26		57155
300	4	-2			-20		57627
275	10	-1			1		57728
250	8	-1			11		57632
225	5	-4			13		57606
200	2	-6			16		57620
175	-2	-6			12		57385
150	-7	-6			0		57031
125	-5	-9			-3		56880
100	-4	-6			5		57155
75	-5	-9			10		57232
50	-9	-10			7		57745
25	-10	-12			-8		57486
0	-11	-11			-21		57320

Mar 3/90 - Chalice

STA	mag	sta	mag.
L2 10S	51993	L3 100N	57225
L2 20S	57030	90N	57259
L2 30S	56550	80N	57036
L2 40S	56688	70N	57347
L2 50	56430	60	57010
L2 60S	56335	50	56840
L2 70S	56362	40N	57028
L2 80S	56820	30N	56890
L2 90S	56902	20	56855
L2 100S	56680	10N	56973
		0	56991
		10S	57186
		20	56665
		30	56689
		40	56333
		50S	56812
		60	57095
		70	56977
		80	57001
		90	56853
		100S	56645

Mar. 03/90 Chalice

sta	mag.	
K1 0N	56973	
10N	56830	
20	56844	
30	57073	
40	57068	
50	56927	
60	57052	
70	56931	
80	56925	
90	57082	3 m.s. of all sta 200N 0+75E
100N	57133	(See over)
10S	56737	
20	56708	
30	56822	
40	56721	
50S	56700	
60	56832	
70	56360	N side of Main accum Rd
80	56576	
90	56994	
100S	56780	

Mar 3/90 (A)

Chalice Mines Ltd.

3V Showing —

Mag.

Pete on VLF EM-16

Barry on VLF - Phoenix

Will on Proton Precession Mag.

under staff - facing N (Coil axis E-W)

sta Mag.

Line ran N-S across structure every 25m starting @ LINE 2 @ 6+25 N, 1+00E

sta

LINE 2 / 90 N

antenna is 2M NE of all sta. 6+85N 0+35E

L2 100N	57136	L2 50N	57028
90N	57378	40N	57102
80N	57287	30N	56972
70N	56872	20N	56959
60N	56976	10N	56906
		0N	56716

March 4 1990

CHALICE claim

with B.J.P & P.A.C. (F)

"DF Slimming.

Slope line 5N 0+25W

coil axis is along line facing N.

Sta	Mag
L5N 75W	56624
100W	56896
125W	56720
150W	56808
175W	57313
200W	57420
225W	57149
250W	57155
275W	56935
300W	57023
325W	56911
350W	56805
L4+75N 3+50W	

L4+75N	2+25W	57037
	2+50W	56821
	2+60W	56809
	2+70W	56819
	2+75W	56807
	2+80W	56724
	2+90W	56501
	3+00W	56811
	3+25W	56971
4+75N	3+50W	56893

on slope

(over)

NEVILLE CROSBY INC. 46L

(F)

Mar 4/90. Halicl

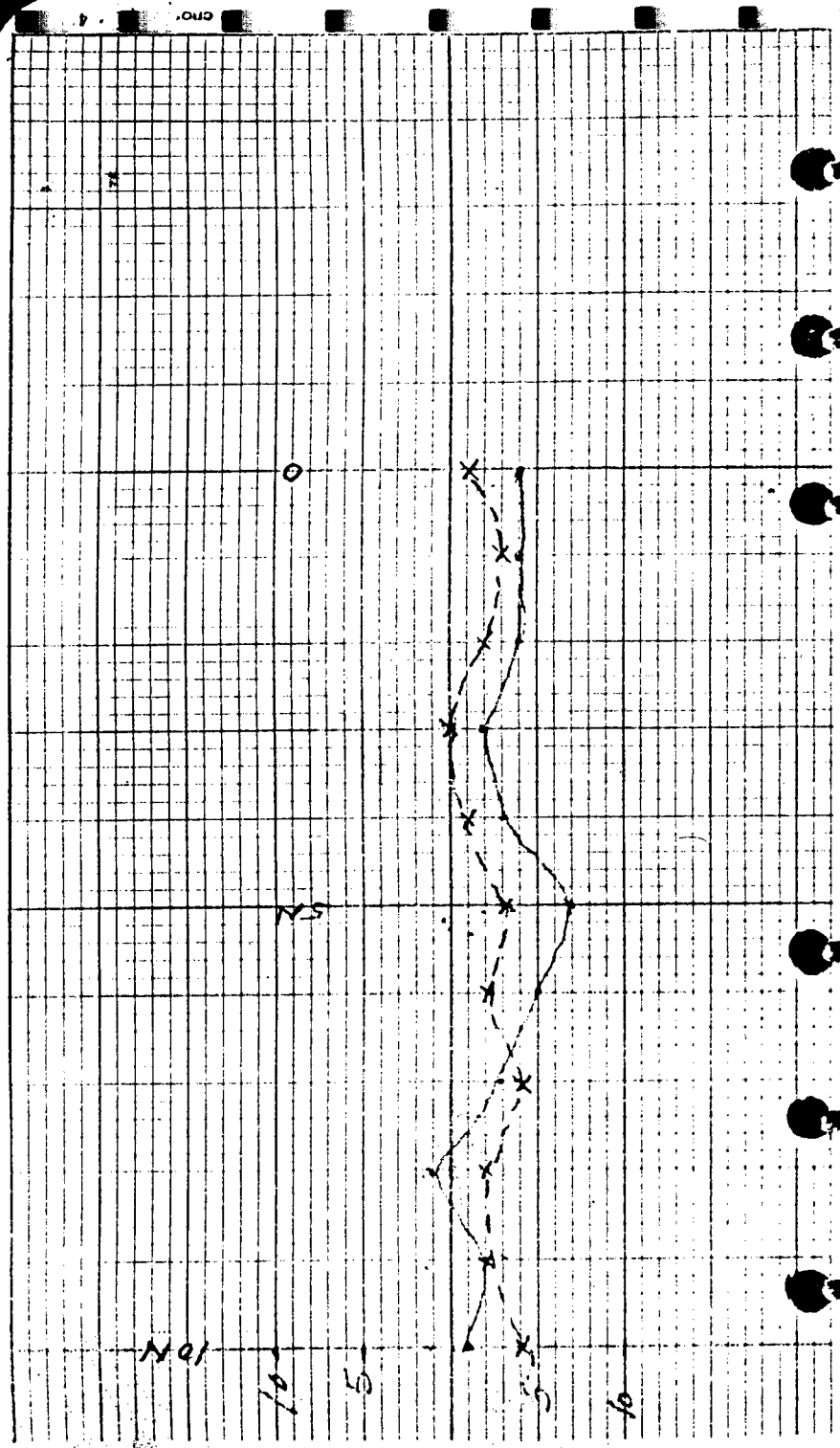
w/ RAC & BJP.

STA	Mag
L5+25N 2+25W	57200
2+37½	57109
2+50	57260
2+62½	57362
2+75	57226
2+87.5	57506
3+00	57411
3+12.5	57452
3+25W	57221
3+37.5	56784
3+50	56843

NEVILLE CROSBY INC. 46L

LINE 1

					LNT
10N	2E	72	6N	94	Q12 Vein
9	3E	76	4N	78	in cliff
8	0	76	2N	78	cover
7	2E	76	4N	82	
6	2E	76	2N	82	
5	1W	72	6N	78	
4	0	76	4N	82	
3	2E	76	4N	84	
2	2W	76	2N	82	
1	2W	78	5N	84	
0	2W	78	4N	84	
1S	0	78	2N	84	
2	3W	76	7N	82	
3	2W	78	3N	82	
4	0	78	8N	82	
5	4W	80	4N	84	
6	0	78	3N	84	Road
7	4W	82	4N	88	
8	3E	78	2N	86	
9	0	80	2N	88	
10S	2W	78	6N	84	



EGMONT. Blue Chip
Chalice Property V3 showing
Mar 3/1990 Overcast
Set up F1 = Seattle
F2 = Annapolis

	F1		F2		
625N/100E	0	74	8N	68	E of showing

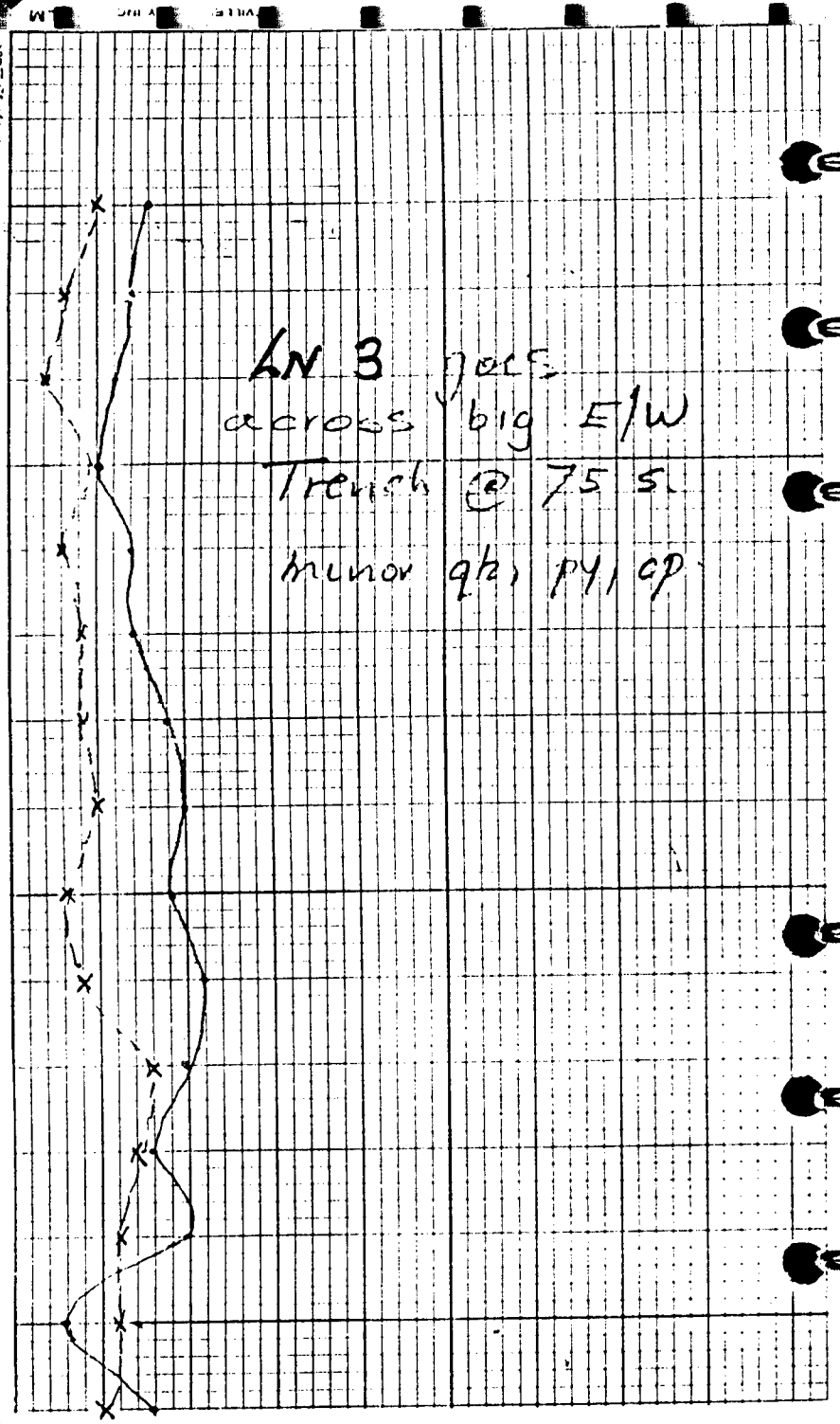
Set up B/L along showings
= LN a/00. = 625N/100E

0	1E	135	4N	82	
10N	3E	135	4N	78	
20N	2E	135	4N	82	
30N	0	140	2N	80	
40N	1E	135	3N	82	
50N	3E	135	7N	83	
60N	2E	135	5N	86	
70N	4E	135	3N	86	
80N	2E	130	1S	82	
90N	2E	125	2N	85	
100N	4E	135	1N	86	END

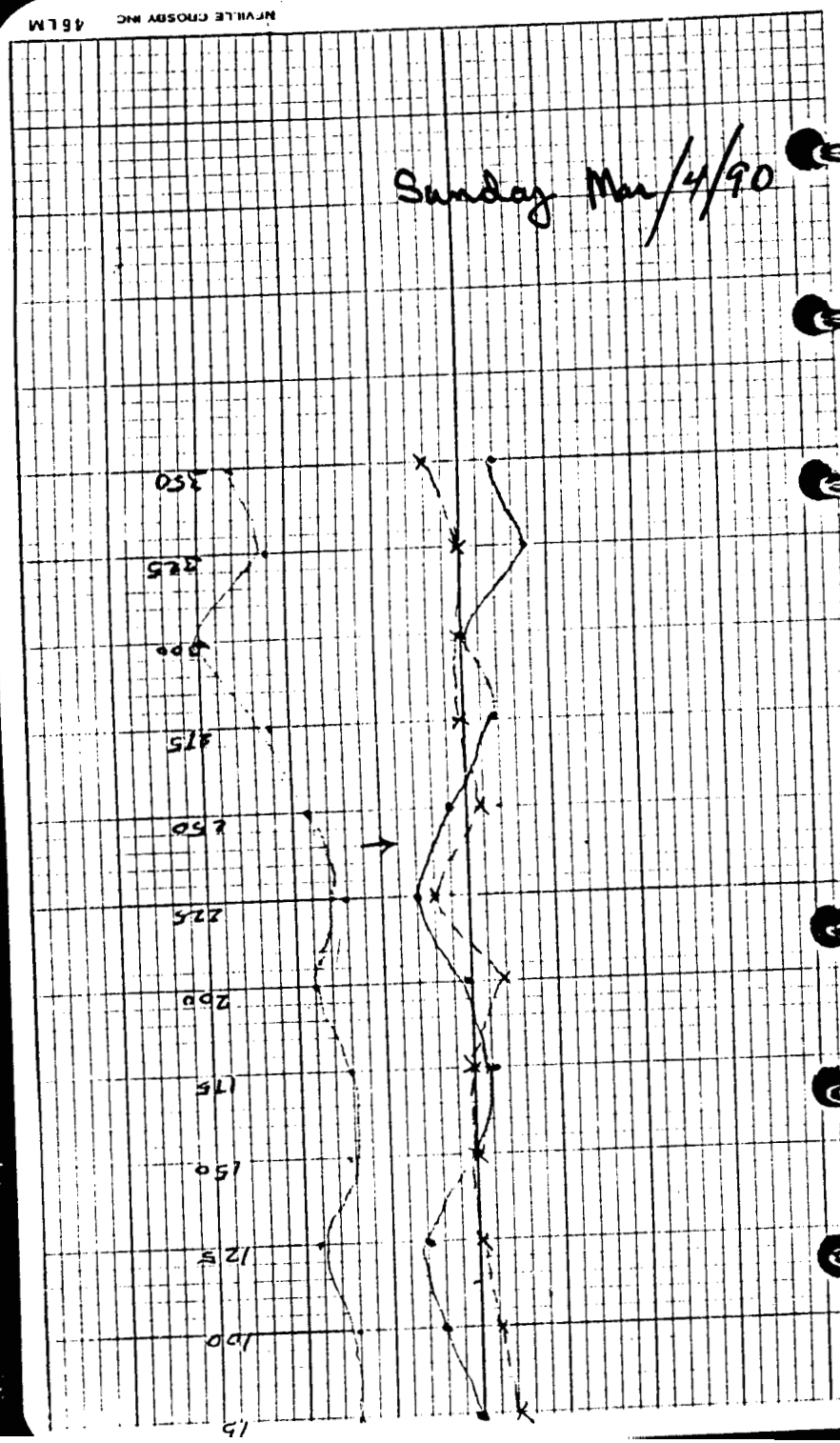
Magnetic S ↓ 10-15°.

L2.	F1	Seattle	F2	Annapolis	
0	1E	135	4N	82	E of Pit
10S	2E	130	2N	78	clear
20	1E	130	3N	76	
30	0	130	4N	75	MAG LOW.
40	2E	130	3N	76	Road
50	1W	130	3N	74	Ford
60	3W	135	2N	72	
70	2E	130	3N	72	
80	1E	130	5N	74	
90	0	130	3N	72	
100S	0	130	4N	72	

L2	F1	Seattle	F2	ANNAPOLIS



		F1		F2	
10N	0	110/88	3N	68	
9	1E	110	2S	70	
8	1E	110	5N	68	HILL TOP
7	2E	110	3N	68	GD Knob.
6	3E	110	5N	70	CLIFF
5	1W	110	6N	70	
4	2W	105	4N	68	
3	0	105	5N	68	
2	1W	110	4N	70	
1	1W	105	2N	68	
0	2W	105	2N	68	PIT ←
1S	0	105	0	68	
2	3W	105	1N	68	
3	2W	105	2N	68	ROAD
4	0	105	3N	66	
5	0	102	3N	62	Grand D.
6	1W	100	2N	66	
7	2W	100	4N	62	= TR
8	2W	100	3N	62	
9	3W	105	2N	61	
10S	2W	105	5N	60	End
		F1		F2	



SUN MAR 4/90

F1 = Seattle F2 = Annapolis

Re-marking cut line. Go West.

	F1		F2		
ZN 5 0+75	0	72%	2S	62	30m from Rd
100W	2W	72	1S	60	5-10%
125W	3W	74	0	62	↑
150W	0	72	0	66	↑
175W	1E	72	0	64	GD all on rocky knob
200W	0	74	2S	62	"
225	3W	72	2N	62	BLAST PIT SHOWING AREA
250	1W	74	1S	62	
275	2E	76	0	61	o/c.
300	0	80	0	62	
325	4E	76	0	60	
350	2E	78	2N	62	END

Measure down 25m

2+25	3E	84	1N	52
12.5	1E	82	2S	54
2+50	1E	78	2N	54
12.5	2E	79	2S	56
2+75	2W	78	4N	52
* 12.5	2W	80	0	58
3+00	4W	79	2N	58
25	2W	80	2S	58
3+50	4W	82	0	52

5+25N

LN 5+25N

	F1		F2		
	Top of cliff				
2+25E	2E	86	3N	52	
"	4E	85	2S	52	
2+50	5E	84	AN	52	
	3E	88	2N	46	
2+75	4E	88	2N	48	PITS NEARBY
	2E	84	1N	51	
3+00	2E	90	0	50	
	2E	88	0	48	
3+25	0	90	0	48	TOPO ANOM
	0	92	0	48	
3+50	2N	90	4S	48	END

LN 5+25N

APPENDIX B

CERTIFICATES OF ANALYSIS

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

GEOCHEMICAL ANALYSIS CERTIFICATE

Peter A. Christopher PROJECT B.C.90-1 File # 90-0752 Page 1

3707 W. 34th Ave, Vancouver BC V6N 2C9

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm
RdB 10+00W	1	12	5	53	.2	11	7	291	2.84	2	5	ND	2	27	1	2	2	52	.23	.036	5	18	.32	58	.16	2	2.53	.01	.03	1
RdB 9+50W	1	53	4	48	.1	9	7	328	2.50	10	5	ND	2	28	1	2	2	52	.37	.060	10	14	.40	47	.13	2	2.30	.01	.07	1
RdB 7+75W	3	58	2	58	.1	11	5	224	3.09	5	5	ND	2	31	1	2	2	61	.26	.044	6	22	.41	39	.20	2	2.74	.01	.04	1
RdB 7+50W	7	154	2	50	.2	9	5	175	3.18	2	5	ND	2	19	1	2	2	61	.18	.054	6	19	.35	37	.17	2	3.57	.01	.03	1
RdB 7+25W	5	121	2	72	.3	10	5	369	3.30	11	5	ND	2	24	1	4	2	59	.25	.150	6	17	.37	67	.18	2	3.08	.01	.04	1
RdB 7+00W	6	226	7	87	.5	9	7	400	2.84	5	5	ND	3	46	1	2	2	46	.36	.064	6	16	.35	89	.16	2	2.27	.01	.06	1
RdB 6+50W	2	43	2	54	.4	9	5	272	2.57	2	5	ND	2	20	1	2	2	46	.22	.033	6	12	.26	61	.16	3	2.62	.01	.05	1
RdB 6+25W	4	27	5	44	.4	7	5	197	2.86	9	5	ND	3	19	1	3	2	62	.24	.035	9	16	.26	34	.16	2	2.50	.01	.04	1
RdB 6+00W	2	26	4	43	.2	9	5	464	2.41	6	5	ND	1	20	1	2	2	48	.27	.038	5	14	.33	33	.13	2	2.25	.01	.04	1
RdB 5+75W	2	38	17	90	.2	8	6	684	2.73	7	5	ND	1	64	1	2	2	54	1.30	.119	6	17	.43	142	.17	16	2.95	.02	.15	1
RdB 5+50W	3	19	5	73	.3	10	5	318	2.93	5	5	ND	2	37	1	2	2	59	.45	.042	5	16	.30	43	.19	7	2.14	.01	.04	1
RdB 5+00W	2	23	4	65	.2	6	4	360	2.58	3	5	ND	1	22	1	2	2	58	.25	.035	4	13	.19	48	.17	2	1.60	.01	.03	1
RdB 4+50W	2	26	2	46	.2	7	5	281	2.59	6	5	ND	2	22	1	2	2	54	.25	.058	6	16	.39	36	.16	4	2.80	.01	.04	1
RdB 4+00W	1	8	4	52	.1	6	5	711	2.43	3	5	ND	2	22	1	2	2	50	.22	.052	4	13	.32	60	.13	7	1.66	.01	.02	1
RdB 3+75W	1	15	2	59	.2	11	7	403	3.00	6	5	ND	1	25	1	2	2	63	.24	.036	6	17	.41	54	.17	3	2.42	.01	.03	1
RdB 3+50W	1	11	2	37	.1	9	5	243	2.58	2	5	ND	1	25	1	2	2	56	.23	.022	6	17	.38	42	.16	2	1.86	.01	.02	1
RdB 3+25W	1	14	2	64	.1	8	7	366	2.76	2	5	ND	1	22	1	2	2	60	.22	.029	7	15	.23	69	.18	2	1.87	.01	.02	1
RdB 2+50W	1	30	4	73	.1	11	10	1203	3.40	2	5	ND	1	41	1	3	2	69	.47	.065	6	23	.55	88	.16	2	2.72	.01	.04	1
RdB 2+25W	1	27	4	99	.2	11	16	3242	4.44	6	5	ND	1	76	1	2	2	88	1.13	.106	9	24	.46	185	.19	2	2.78	.01	.04	1
RdB 2+00W	1	27	5	52	.4	11	7	377	2.91	2	5	ND	4	25	1	2	2	61	.28	.037	8	22	.56	55	.18	5	3.14	.01	.06	1
RdB 1+75W	1	21	2	55	.4	10	9	492	2.72	4	5	ND	3	21	1	2	2	54	.28	.045	8	18	.41	52	.17	7	3.01	.01	.05	1
RdB 1+50W	2	44	2	50	.2	11	22	576	2.76	3	5	ND	2	23	1	2	2	54	.31	.038	8	18	.41	41	.18	3	2.81	.01	.04	1
RdB L4S 1+25W	1	36	4	49	.1	10	10	289	2.37	2	5	ND	1	30	1	2	2	42	.33	.027	7	17	.61	38	.16	2	2.27	.01	.05	1
RdB L4S 1+00W	1	56	2	59	.1	10	9	258	2.90	4	5	ND	1	19	1	2	2	61	.26	.032	9	19	.47	36	.17	2	3.44	.01	.05	1
RdB L4S 0+75W	2	30	6	57	.5	11	9	385	3.32	2	5	ND	3	22	1	2	2	71	.26	.031	6	20	.42	53	.20	6	2.64	.01	.05	1
RdB L4S 0+50W	3	42	6	77	.1	11	10	423	3.59	3	5	ND	1	24	1	2	2	80	.31	.045	8	22	.46	71	.21	3	3.59	.01	.06	1
RdB L4S 0+25W	4	50	2	91	.3	14	11	522	3.52	7	5	ND	1	24	1	2	2	76	.44	.053	9	23	.75	67	.18	8	3.46	.02	.08	1
RdB L4S 20+00	2	36	4	71	.1	10	8	650	3.52	6	5	ND	1	27	1	2	2	77	.41	.055	6	21	.35	83	.18	3	2.88	.01	.05	1
STD C	19	57	38	132	7.3	67	31	1061	4.06	37	21	8	40	51	19	15	20	61	.51	.095	41	55	.90	181	.08	38	1.92	.06	.13	13

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: P1 Soil P2 Rock

DATE RECEIVED: MAR 26 1990 **DATE REPORT MAILED:** March 28/90 **SIGNED BY** C. Leong .D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
90-WH-101	4	10	2	25	.1	5	3	231	1.44	2	5	ND	1	46	1	2	2	36	1.31	.013	2	5	.67	5	.11	2	1.50	.01	.02	1	1
90-WH-102	2	29	2	42	.3	4	8	491	4.79	7	5	ND	1	396	1	2	2	103	1.59	.168	6	3	1.35	133	.27	6	3.27	.18	.29	1	4
PC 90-34-2	4	55	3	84	.2	21	6	580	2.83	4	5	ND	7	5	1	2	2	39	.69	.050	18	12	.13	14	.09	5	.89	.04	.02	1	3

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

DATE RECEIVED: MAY 22 1990

DATE REPORT MAILED: May 24/90

GEOCHEMICAL ANALYSIS CERTIFICATE

Peter A. Christopher PROJECT B.C.90-1 FILE # 90-0752R

3707 W. 34th Ave, Vancouver BC

SAMPLE#	AU* ppb
RdB 10+00W	2
RdB 9+50W	1
RdB 7+75W	1
RdB 7+50W	3
RdB 7+25W	2
RdB 7+00W	1
RdB 6+50W	13
RdB 6+25W	5
RdB 6+00W	4
RdB 5+75W	2
RdB 5+50W	4
RdB 5+00W	3
RdB 4+50W	2
RdB 4+00W	2
RdB 3+75W	1
RdB 3+50W	1
RdB 3+25W	1
RdB 2+50W	1
RdB 2+25W	5
RdB 2+00W	2
RdB 1+75W	7
RdB 1+50W	1
RdB L4S 1+25W	1
RdB L4S 1+00W	2
RdB L4S 0+75W	3
RdB L4S 0+50W	1
RdB L4S 0+25W	8
RdB L4S 20+00	3
STANDARD C	53

- SAMPLE TYPE: Soil Pulp AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

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

Appendix C. Cost Statement

Mobilization				$ 500.00
Field Personnel				
P. Christopher P.Eng.	March 3, 4 & 17-20	6 days	$ 3000.00	
B.J. Price M.Sc.	March 3, 4	2 days	700.00	
W.A. Howell B.Sc.	March 3, 4 & 17-20	6 days	2100.00	
				5800.00
W.A. Howell & B.J. Price	1 day ea office			700.00
Room & Board	14 man days @ $60/man day			840.00

Disbursements

Assays Inv. 90-0752	$ 147.05	
Assays Inv. 90-0752R	126.00	
Phone	30.00	
Hip Chain 4 rolls	16.00	
Flagging 1.5 doz.	24.00	
Note Books (3)	9.00	
Sample Bags 60@ .20ea	12.00	
Maps	20.00	
Gas + Oil	70.00	
Ferry 27.50; 32.50	60.00	
Pickets 20 @ 0.25ea.	5.00	
Misc. Office	20.00	
	$ 539.05	539.05

Equipment Rentals

Phoenix VLF-Em	2 days @ $30 ea.	60.00	
Scintrex MP-2 Magnetometer	6 days @ 30 ea.	180.00	
Geonics VLF-EM 16	6 days @ 30 ea.	180.00	
4x4 Truck	6 days @ 70 ea.	420.00	
Mileage 1000 Km @ 0.15ea		150.00	
Chain saws	6 days @ 25 ea.	150.00	
			1140.00
Report Preparation			1800.00
Word Processing, Binding, Copies			300.00
Drafting & Computer Plotting			600.00
	Total		$ 12219.05
Management @ 15%			1832.86
	Total Cost		$ 14051.91

Peter A. Christopher P.Eng., Ph.D.
May 28, 1990

PROFESSIONAL ENGINEER OF BRITISH COLUMBIA

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

Office/Res: 263-6152

May 28, 1990

BLUE CHIP RESOURCES INC.
705-543 Granville Street
Vancouver, B.C. V6C 1X8

Dear Sirs:

I, Peter A. Christopher P.Eng., PhD., hereby consent to the use of my report dated May 28, 1990 on the Egmont Property by Blue Chip Resources Inc., in any Filing Statement, Statement of Material Facts, Prospectus or for filing assessment work.

Dated at Vancouver, British Columbia, this 28th day of May, 1990.

Peter A. Christopher P.Eng., PhD.

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA P. A. Christopher