REPORT OF ACTIVITIES ON THE CONTACT CREEK PROPERTY (Canyon 26 to 29)

LIARD MINING DIVISION
NTS: 104 G 4

OWNERS: Homestake Mineral Development Company
1000 - 700 West Pender Street
Vancouver, B.C.

and

Equity Silver Mines Ltd.
Suite 13 - 1155 Melville Street
Vancouver, B.C.

OPERATOR: Homestake Mineral Development Company

Darcy Marud
May, 1990

Distribution
HMDC - original
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7.0 SUMMARY AND RECOMMENDATIONS

The Contact Creek property is located approximately eighty - eight kilometers southwest of Telegraph Creek, B.C. and four kilometers east of the Stikine River. The property is comprised of the Canyon 26, 27, 28 and 29 mineral claims totalling eighty units.

Exploration on the Contact Creek property returned one sample containing 0.207 oz/ton gold and 3.3 ppm silver from a two to three meter wide quartz vein located near the centre of the property. The extent of the vein is not fully known due to overburden and talus cover. The remainder of the property did not return any significant results.

A program of mapping, rock sampling, soil sampling and ground geophysics should be implemented on a flagged grid to further assess the economic potential of the area that returned 0.207 oz/ton gold from a two to three meter wide quartz vein. If warranted, the vein should be trenched and sampled. The area north of Contact Creek should be prospected in an attempt to find the source of the skarn boulders found in the valley of Contact Creek.

1.0 INTRODUCTION

1.1 LOCATION

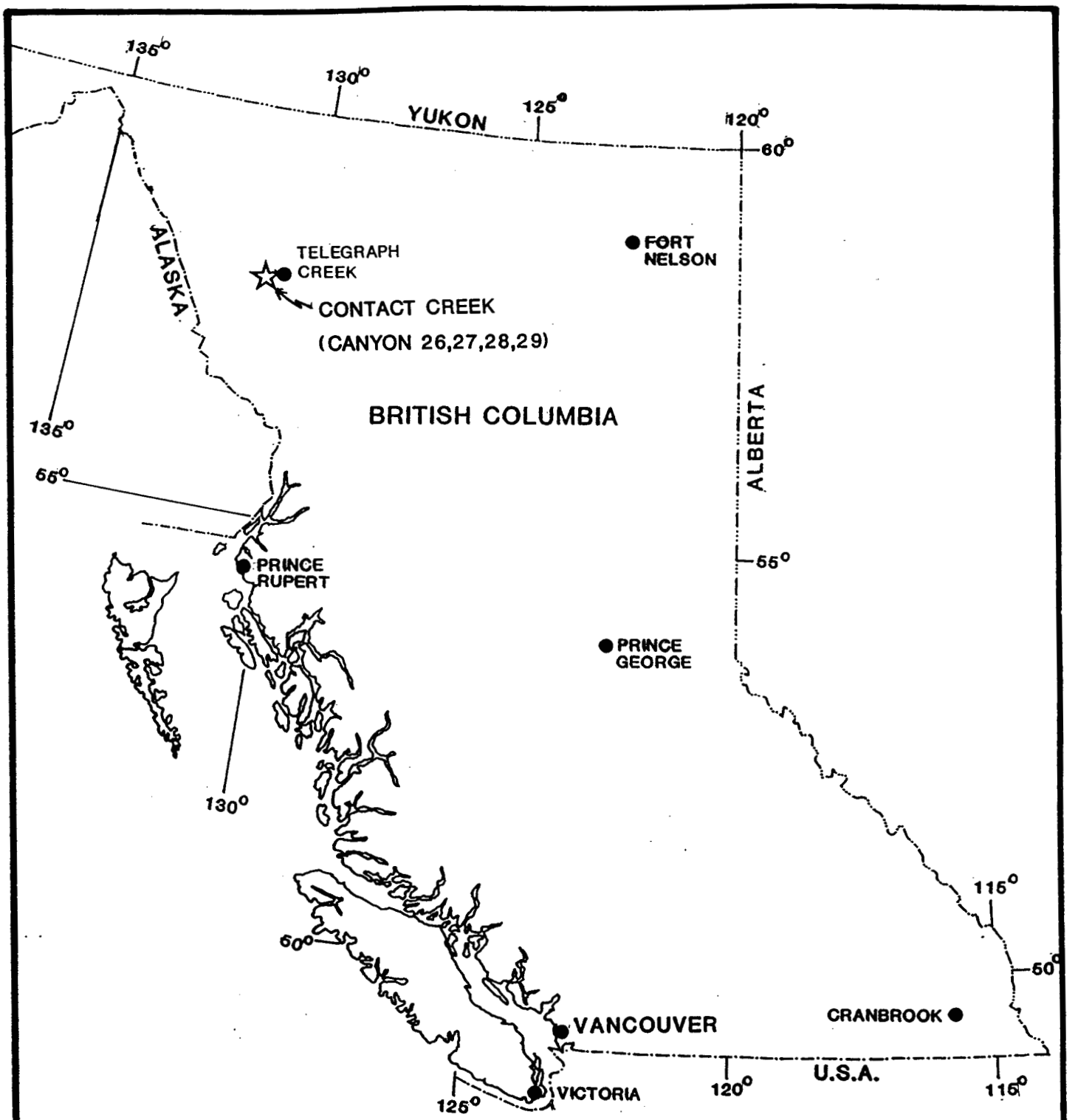
The Contact Creek property is located approximately 88 kilometres southwest of Telegraph Creek (Figure 2.1 and 2.2). The claims are centered at 57^0 10' north latitude and 131^0 37' west longitude on NTS map sheet 104G/4.

1.2 PHYSIOGRAPHY

The claims cover a very steep sided mountain on the north side of Jack Wilson Creek. Elevations vary from 240 meters at Jack Wilson Creek to 1490 meters at the mountain peak. Treeline is around 1060 meters on the south facing slope but drops to 700 meters on the north and east slopes. Vegetation includes spruce trees with alders and devil's club forming a dense undergrowth. The Stikine River is located three kilometres to the west.

1.3 ACCESS

Access to the property is via helicopter from Telegraph Creek, which is connected to Dease Lake by an all-weather road and serviced by fixed wing flights from Smithers, B.C. The Stikine River provides navigable water access from Wrangell, Alaska north to Telegraph Creek. A gravel airstrip capable of handling aircraft as large as DC-3's is located at the Galore Creek camp just south of the Scud River.



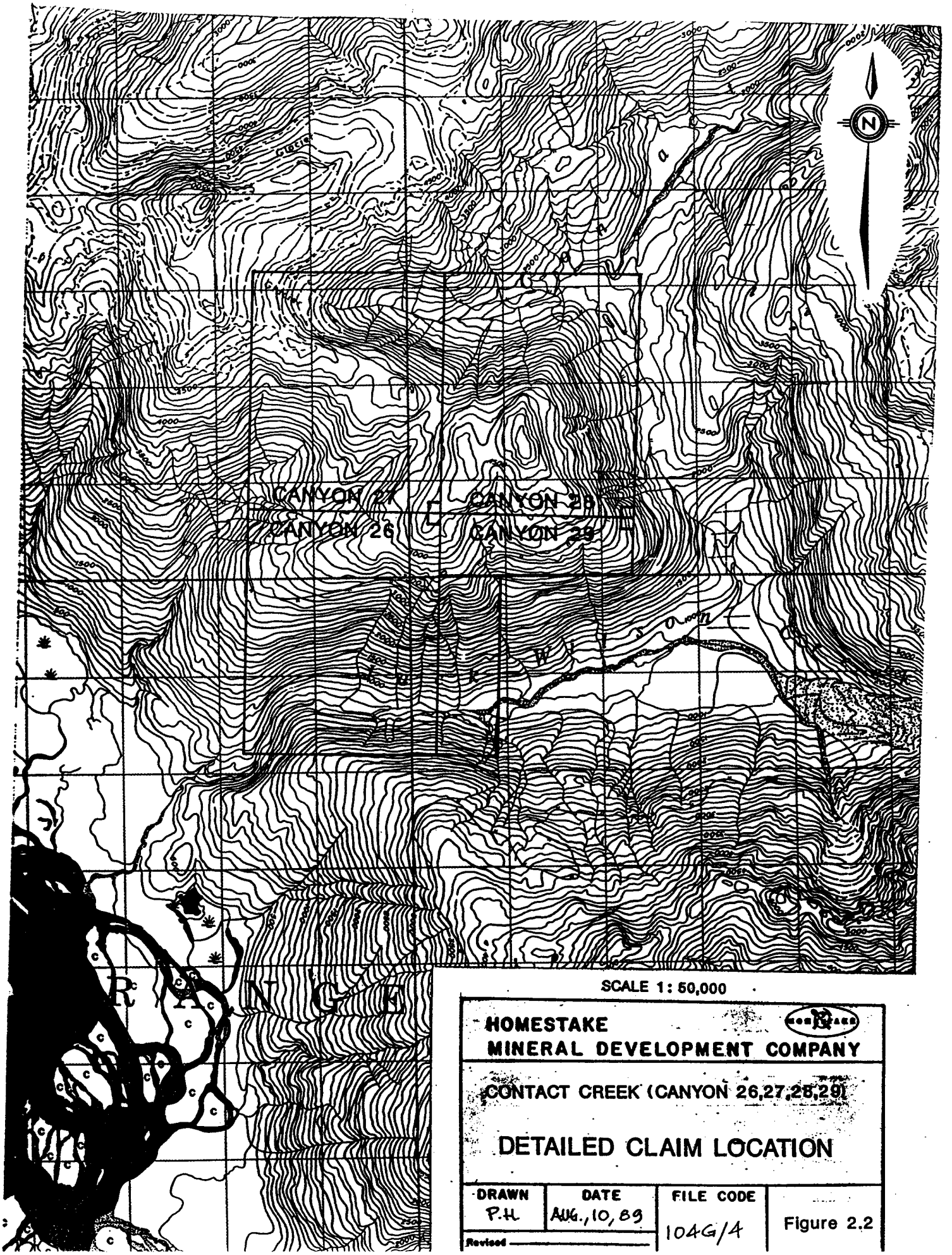
HOMESTAKE MINERAL DEVELOPMENT COMPANY

GRAND CANYON PROJECT, B.C.

CONTACT CREEK (CANYON 26,27,28,29)

LOCATION MAP

DRAWN	DATE	FILE CODE	
KMc	11/87	104G	FIGURE 1.1
Revised			



SCALE 1: 50,000

HOMESTAKE MINERAL DEVELOPMENT COMPANY

CONTACT CREEK (CANYON 26,27,28,29)

DETAILED CLAIM LOCATION

DRAWN	DATE	FILE CODE	
P.H	AUG., 10, 89	104G/4	Figure 2.2

Revised

2.0 CLAIM STATUS

The Contact Creek property consists of four claims totalling sixty - six units. The claims were recorded on June 28, 1988 and are owned by Homestake Mineral Development Company and Equity Silver Mines Ltd. Current claim data is as follows:

CLAIM	UNITS	RECORD#	RECORD	EXPIRY
Canyon 26	20	4730	28/06/88	28/06/90
Canyon 27	20	4731	28/06/88	28/06/90
Canyon 28	20	4732	28/06/88	28/06/90
Canyon 29	20	4733	28/06/88	28/06/90

3.0 EXPLORATION HISTORY

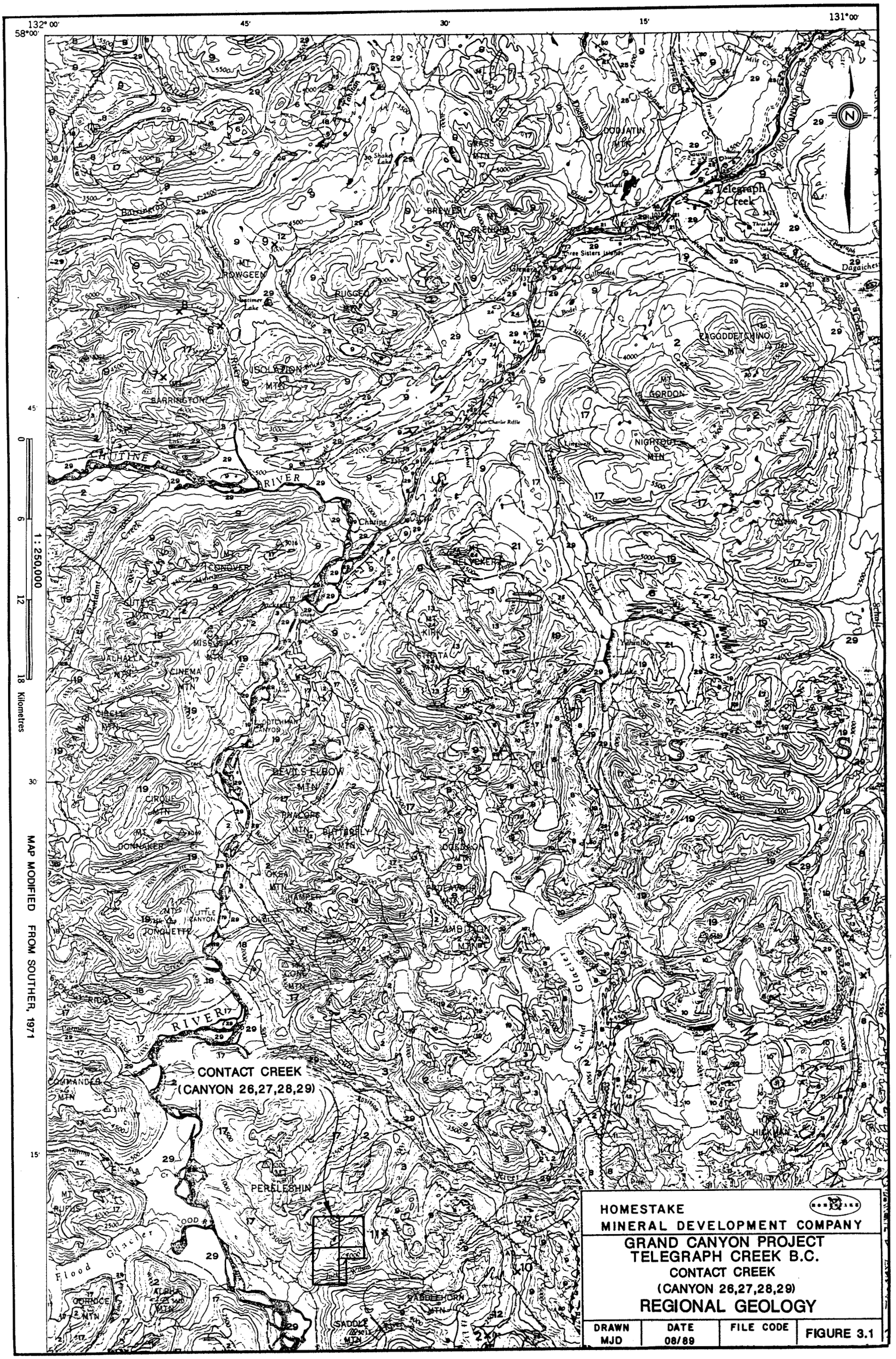
There are no records of previous work on the property, but the area immediately to the east has seen a lot of work both past and present. An anomalous stream sediment sample from the B.C. Regional Geochemical Sampling program of 1988 is located just east of the property on Jack Wilson Creek.

4.0 REGIONAL GEOLOGY

The property lies on the boundary between the Coast Plutonic Complex and Intermontane Belts and is underlain by rocks of the Stikine terrane. The terrane in this area can be divided into four tectonostratigraphic packages: a Late Palaeozoic to Middle Jurassic island arc suite represented by the Stikine assemblage of Monger (1977) and the Stuhini Group (Kerr, 1948); Middle Jurassic to early Late Cretaceous successor-basin sediments of the Bowser Lake Group (Tipper and Richards, 1976); Late Cretaceous to Tertiary volcanic arc assemblages of the Sloko Group (Aiken, 1959); and Late Tertiary to Recent post - orogenic plateau basalts of the Edziza and Spectrum Ranges.

Three stages of plutonism are recognized in the area. The Hickman batholith is composed of Early to Middle Triassic quartz monzonite to quartz diorite. The Yehiniko and Galore Creek Intrusions are composed of quartz diorite to syenite of Early to Middle Jurassic age. Numerous dykes and sills of monzonite to diorite of Tertiary age occur throughout the project area.

These rocks have undergone multiple stages of deformation, forming a complex structural pattern which is complicated by large differences in the competence of the different units. North and northwest trending normal faults are dominant and are cut by narrow west - trending extensional faults (Souther, 1972).


132° 00'
58°00'
45'
30'
15'
131°00'
45'
30'
15'
0
6
12
18 Kilometres
1 : 250,000
MAP MODIFIED FROM SOUTHER, 1971
CONTACT CREEK
(CANYON 26,27,28,29)
Telegraph Creek
Dagaicheen
Three Sisters Islands
DODJATIN MTN
GRASS MTN
BREWERY MT
GLENORA MT
MT ROWGEEM
RUGGED MTN
ISOLATION MTN
BARRINGTON MT
HUTHIM RIVER
MT CONOVER
CUTEYE MTN
MISSUSSAY MTN
VALHALLA MTN
CINEMA MTN
CIRQUE MTN
DONNAKER MT
DEVILS ELBOW MTN
PHALOPE MTN
BUTTERFLY MTN
OKSA MTN
HAMPER MTN
MT JONQUETTE
LITTLE CANYON
COMMANDER MTN
MT PERSLESHIN
MT RUFUS
ODRICE MTN
ALPHA MTN
SADDLE MTN
ABBEY HORN MTN
AMBITION MTN
BEAVER MTN
KIRK MT
STRATA MTN
HICKMAN
NIGHTOUT MTN
PAGODDETCHINO MTN
MT GORDON
Flood Glacier
Glacier
HOMESTAKE
MINERAL DEVELOPMENT COMPANY
GRAND CANYON PROJECT
TELEGRAPH CREEK B.C.
CONTACT CREEK
(CANYON 26,27,28,29)
REGIONAL GEOLOGY
DRAWN MJD
DATE 08/89
FILE CODE
FIGURE 3.1

5.0 PROPERTY GEOLOGY

The property is underlain by sediments and andesitic volcanic rocks of the Upper Triassic Stuhini Group. These rocks are intruded by medium grained diorite of the Coast Intrusive complex. Locally, at the intrusive contact, the sedimentary rocks are hornfelsed.

6.0 EXPLORATION PROGRAM

6.1 GEOLOGIC MAPPING AND LITHOGEOCHEMICAL SAMPLING

Geologic mapping on the Contact Creek property consisted of traversing all major creek drainages and areas of good rock exposure. Altered and mineralized zones and prominent intrusive contacts were followed up in more detail. All lithologies and major structures were plotted on base maps at a scale of 1:10,000 (Figure 4).

During the course of the program, a total of thirty - two rock samples were collected from altered and mineralized zones. All sample locations are plotted on Figure 5g.

The exploration program was carried out as a follow up of work completed during June, 1989 (B.C. Assessment Report 19064).

6.1.1 Results and Interpretations

The western half of the property, (Canyon 26 and 27), is underlain by a medium grained hornblende diorite. The intrusive is generally massive and is composed of approximately 50% plagioclase, 15% K-spar, 20% quartz, 10% hornblende and 5% biotite. Occasionally, the unit is cut by white bull quartz veins containing a trace pyrite. Samples 31761, 31085 and 31806 were collected from veins of this type and returned .059 oz/ton, <5 and <5 ppb gold respectively. Values for all other elements were not anomalous.

Along the north south claim line separating Canyon 27 and 28 and Canyon 26 and 29, the diorite has intruded sedimentary rocks at the north ends of the property and volcanic rocks at the south. Sedimentary rocks are typically hornfelsed and weather a rusty orange to yellow which can be caused by oxidation of 1 to 5%, fine-grained disseminated pyrite. Sampling of the hornfelsed rocks returned the following results:

SAMPLE NO	Au (ppb)	Ag (ppm)	Cu (ppm)
31724	<5	<0.2	53
31725*	378	1.36 opt	95
31726	<5	0.3	64
31727*	6	<0.2	13
31728	<5	0.2	54
31768	<5	<0.2	168
31802	<5	0.2	8
31803	7	0.2	134
31804	9	0.3	43
31964	<5	<0.2	74
31965	55	4.3	65

* Denotes quartz vein.

Volcanic rocks are exposed on the Canyon 28 and 29 claims and consist of fine - grained andesitic tuffs that are locally siliceous to silicified. They generally contain traces of pyrite and pyrrhotite but in siliceous and silicified sections, pyrite content can be as high as 5% and pyrrhotite, 1%. Sampling of this lithology returned generally poor results for all elements. Sample 31751, however, returned 0.207 oz/ton gold and 3.3 ppm silver. This sample was taken from a 2 to 3 meter wide, milky white, east-trending quartz vein. The vein was traced for approximately 50 meters before it was lost under talus cover.

Numerous skarn boulders were discovered in the valley of Contact Creek. The boulders varied in size from 0.5 to 1.0 meter in size and were generally rounded. Typically the boulders contained an assemblage of calcite, actinolite, quartz $\pm$ epidote with 10 to 40% massive pyrrhotite, 1 to 5 % pyrite and trace to 5% chalcopyrite. The boulders appear to be sourced somewhere north of the Canyon 27 claim. Sample results are tabulated below:

SAMPLE NO	Au (ppb)	Ag (ppm)	Cu (ppm)
31663	6	0.5	284
31701	10	1.7	1928
31744	51	4.1	135
31746	24	6.8	3382
31766	11	1.2	118
31767	162	1.9	953

Other samples of interest on the property include:

31745:Float sample from Canyon 28 consisting of brecciated quartz and calcite with traces of galena, chalcopyrite and pyrite. The sample returned: Au 18 ppb, Ag 9.3 ppm, Cu 188 ppm, Pb 197 ppm.

31730:Float sample from Canyon 29 consisting of quartz-carbonate veined, malachite stained andesitic tuff. The sample returned: Au 230 ppb, Ag 3.2 ppm, Cu 12339 ppm.

In general, the most promising values come from milky white, quartz veins that crosscut all lithologies on the property.

8.0 REFERENCES

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1966, pg 22, 24
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Souther, J.G. (1972): "Telegraph Creek Map Area, B.C.", GSC Paper 71-44.

APPENDIX I

(Sample Descriptions)

CONTACT CREEK (CANYON 26 - 29)

SAMPLE	NO	TYPE	DESCRIPTION	MINERALIZATION
CC-28	31663	float	quartz boulder	40% po,trace cpy and py
	31701	float	diopside-actinlite skarn	40% po, 1% cpy
CC-29	31702	grab	gossanous granodiorite	2% po, 2 to %5 py
	31722	grab	quartz vein	
CC-28	31723	silt		
	31724	grab	greywacke	5 to 7% f.g. py stringers
	31725	grab	quartz vein	1% galena, 3 to 5% py
	31726	grab	greywacke	3 to 4% f.g. diss py
	31727	grab	qtz vein in greywacke	trace to 1% py on fracs
	31728	grab	greywackes	1% f.g. po
	31729	grab	quartz vein	trace to 1% py
	31730	grab	andesitic tuff	
	31731	grab	andesitic lapilli tuff	2 to 3% galena and cpy,1% py
	31740	silt		
	31741	silt		
	31742	silt		
	31743	grab	4 meter wide quartz vein	trace py
	31744	float	quartz-calcite-actinolite skarn	50 to 60% po, trace po
	31745	float	quartz-czlcite breccia vein	trace galena, py and cpy
	31746	float	diopside-actinolite skarn	semi-massive po, 1 to 2% cpy
	31747	grab	quartz vein 0.8 meters wide	
	31748	float	quartz vein (diorite host)	trace py
	31750	float	rusty quartz vein(30 cm) in mafic volcs.	trace cpy
	31751	grab	white c.g. quartz vein	
	31752	grab	quartz breccia and vein	trace cpy
CC-27	31760	grab	granular quartz vein	trace py
	31761	grab	white quartz vein in granodiorite	
CC-28	31766	float	blue gray chalcedonic quartz vein	1 to 2% py, trace cpy
	31767	float	quartz-calcite-diopside skarn	15 to 20% po, trace py and cpy
	31768	grab	carbonate altered zone	trace to 1% f.g. diss py
	31801	grab	intermediate volcanic	trace to 1% diss py
CC-27	31802	grab	intermediate volcanic	trace py
	31803	grab	silicified argillite	trace py and malachite
	31804	grab	carbonatized volcanic	2 to 3% diss. py
	31805	grab	gossanous intrusive	trace to 1% diss py
	31806	grab	diorite intrusive	trace py
CC-28	31964	grab	silicified hornfels	2 to 10% diss py
	31965	grab	rusty quartz vein	trace py, 1% diss po

APPENDIX II

(Sample Results)

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BONDAR-CLEGG

A DIVISION OF INCHCAPE INSPECTION & TESTING SERVICES

Geochemical Lab Report

DATE PRINTED: 3-OCT-89

REPORT: V89-06199.0 | PROJECT: 5711CC | PAGE 1A

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Ag PPM	As PPM	Ba PPM	Be PPM	Bi PPM	Cd PPM	Ce PPM	Co PPM	Cr PPM	Cu PPM
S1 CN-30-2 31733		34	<0.2	34	96	<0.5	5	2	10	6	9	26
S1 CN-30-2 31754 *		28	0.2	46	219	<0.5	6	1	25	12	22	37
T1 CC-28-3 31723		28	0.2	14	170	<0.5	<2	<1	20	14	13	39
T1 CC-28-3 31740		12	<0.2	<5	130	<0.5	3	<1	20	11	9	25
T1 CC-28-3 31741		18	0.9	38	140	<0.5	3	<1	31	19	18	98
T1 CC-28-3 31742		7	0.2	20	104	<0.5	5	<1	14	8	12	37
R2 CC-27-1 31760		6	<0.2	<5	21	<0.5	<2	<1	27	1	147	22
R2 CC-27-1 31761		1526	1.4	<5	126	<0.5	<2	<1	<5	<1	290	17
R2 CC-27-1 31801		19	<0.2	<5	435	<0.5	<2	<1	32	1	142	7
R2 CC-27-1 31802		<5	0.2	<5	38	<0.5	<2	<1	19	<1	160	8
R2 CC-27-1 31803		7	0.2	8	336	<0.5	3	<1	24	14	27	134
R2 CC-27-1 31804		9	0.3	11	117	<0.5	5	<1	21	15	13	43
R2 CC-27-1 31805		<5	<0.2	<5	24	<0.5	<2	<1	<5	9	35	99
R2 CC-27-1 31806		<5	<0.2	8	42	<0.5	<2	<1	12	<1	167	4
R2 CC-28-1 31663		6	0.5	12	11	<0.5	6	<1	<5	41	246	284
R2 CC-28-1 31701		10	1.7	30	26	<0.5	10	<1	6	211	29	1928
R2 CC-28-1 31724		<5	<0.2	Ag(opt) <5	51	<0.5	4	<1	8	15	79	53
R2 CC-28-1 31725		378	>50.0	1.36 48	16	<0.5	6	29	<5	9	291	95
R2 CC-28-1 31726		<5	0.3	18	102	<0.5	4	<1	24	16	57	64
R2 CC-28-1 31727		6	<0.2	<5	8	<0.5	<2	<1	<5	3	261	13
R2 CC-28-1 31728		<5	0.2	<5	52	<0.5	5	<1	10	14	72	54
R2 CC-28-1 31729		<5	0.3	24	10	<0.5	5	<1	<5	12	300	184
R2 CC-28-1 31730		230	3.2	<5	30	<0.5	<2	<1	9	28	42	12339
R2 CC-28-1 31731		43	8.6	<5	67	<0.5	5	35	<5	12	295	956
R2 CC-28-1 31743		24	<0.2	<5	42	<0.5	<2	<1	15	1	162	26
R2 CC-28-1 31744		51	4.1	25	10	<0.5	8	<1	<5	22	4	135
R2 CC-28-1 31745		18	9.3	6	50	<0.5	2	<1	19	4	239	188
R2 CC-28-1 31746		24	6.8	31	7	<0.5	16	12	10	28	59	3382
R2 CC-28-1 31747		6	<0.2	<5	14	<0.5	<2	<1	<5	8	200	101
R2 CC-28-1 31748		22	0.2	<5	28	<0.5	<2	<1	<5	2	374	230
R2 CC-28-1 31750		19	1.5	<5	112	<0.5	<2	<1	<5	8	227	736
R2 CC-28-1 31751		4190	3.3	<5	97	<0.5	<2	<1	<5	3	289	129
R2 CC-28-1 31752		13	0.5	11	>2000	<0.5	<2	<1	<5	5	347	75
R2 CC-28-1 31766		11	1.2	57	34	<0.5	8	<1	<5	<1	83	118
R2 CC-28-1 31767		162	1.9	73	22	<0.5	10	<1	9	580	12	953
R2 CC-28-1 31768		<5	<0.2	6	219	<0.5	<2	<1	23	15	38	168
R2 CC-28-1 31964		<5	<0.2	<5	42	<0.5	2	<1	16	16	80	74
R2 CC-28-1 31965		55	4.3	14	53	<0.5	<2	1	<5	9	208	65

Samples 31702 + 31722 with Canyon 30 samples.

* Samples 31732 + 31754 belong to the [redacted] project

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SAMPLE NUMBER	ELEMENT UNITS	Ga PPM	La PPM	Li PPM	Mo PPM	Nb PPM	Ni PPM	Pb PPM	Rb PPM	Sb PPM	Sc PPM	Sn PPM
S1 CN-30-2 31733		<2	7	3	<1	36	12	28	36	9	4	<20
S1 CN-30-2 31754		<2	12	7	<1	18	19	54	47	<5	10	<20
T1 CC-28-3 31723		5	11	7	<1	3	13	3	<20	<5	4	<20
T1 CC-28-3 31740		5	11	5	<1	2	8	4	<20	<5	3	<20
T1 CC-28-3 31741		7	16	12	2	2	21	19	<20	<5	6	<20
T1 CC-28-3 31742		5	6	7	2	15	13	3	58	<5	3	<20
R2 CC-27-1 31760		<2	17	<1	9	<1	3	<2	<20	<5	<1	<20
R2 CC-27-1 31761		<2	<1	<1	<1	<1	4	18	<20	<5	<1	<20
R2 CC-27-1 31801		<2	22	<1	13	<1	3	3	<20	<5	<1	<20
R2 CC-27-1 31802		<2	9	<1	3	<1	3	3	<20	<5	<1	<20
R2 CC-27-1 31803		9	11	2	<1	6	17	5	80	<5	6	<20
R2 CC-27-1 31804		11	9	5	<1	7	3	3	<20	<5	8	<20
R2 CC-27-1 31805		3	2	2	2	1	4	<2	<20	<5	1	<20
R2 CC-27-1 31806		<2	10	<1	<1	<1	4	<2	<20	<5	<1	<20
R2 CC-28-1 31663		<2	<1	<1	2	<1	108	<2	<20	<5	<1	<20
R2 CC-28-1 31701		8	<1	<1	3	3	10	<2	133	<5	1	<20
R2 CC-28-1 31724		10	3	20	4	8	22	<2	118	<5	3	<20
R2 CC-28-1 31725		<2	<1	1	<1	<1	7	7212	52	8	<1	<20
R2 CC-28-1 31726		<2	10	6	3	<1	21	27	<20	<5	3	<20
R2 CC-28-1 31727		3	<1	2	<1	1	5	8	<20	<5	<1	<20
R2 CC-28-1 31728		9	4	10	2	4	15	16	<20	<5	2	<20
R2 CC-28-1 31729		<2	<1	<1	5	<1	6	<2	<20	<5	<1	<20
R2 CC-28-1 31730		16	4	16	2	6	7	20	43	<5	8	<20
R2 CC-28-1 31731		<2	<1	2	<1	<1	6	3704	<20	<5	<1	<20
R2 CC-28-1 31743		3	15	<1	4	<1	3	16	<20	<5	<1	<20
R2 CC-28-1 31744		<2	<1	<1	5	<1	6	<2	43	<5	<1	<20
R2 CC-28-1 31745		6	8	1	4	2	4	197	<20	52	2	<20
R2 CC-28-1 31746		6	1	2	10	3	28	24	<20	<5	1	<20
R2 CC-28-1 31747		<2	<1	1	1	<1	5	<2	43	<5	1	<20
R2 CC-28-1 31748		<2	<1	<1	<1	<1	6	<2	85	<5	<1	<20
R2 CC-28-1 31750		<2	<1	7	4	<1	11	5	<20	<5	2	<20
R2 CC-28-1 31751		<2	<1	<1	1	<1	6	7	35	<5	<1	<20
R2 CC-28-1 31752		<2	<1	<1	2	<1	6	<2	<20	36	3	<20
R2 CC-28-1 31766		<2	<1	14	62	<1	28	<2	37	<5	2	<20
R2 CC-28-1 31767		<2	<1	1	7	<1	186	<2	<20	<5	<1	<20
R2 CC-28-1 31768		5	11	1	1	5	7	5	61	<5	5	<20
R2 CC-28-1 31964		<2	8	5	3	<1	18	3	64	<5	1	<20
R2 CC-28-1 31965		<2	1	2	<1	<1	8	195	25	<5	<1	<20

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.con Ave.
ncouver, B.C.
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BONDAR-CLEGG

A DIVISION OF INCHCAPE INSPECTION & TESTING SERVICES

Geochemical Lab Report

REPORT: V89-06199.0

DATE PRINTED: 3-OCT-89

PROJECT: 5711CC

SAMPLE NUMBER	ELEMENT UNITS	Sr PPM	Ta PPM	Te PPM	V PPM	W PPM	Y PPM	Zn PPM	Zr PPM
S1 CN-30-2 31733		22	<10	<10	20	<10	18	120	2
S1 CN-30-2 31754		26	<10	<10	89	<10	19	233	3
T1 CC-28-3 31723		45	<10	<10	59	<10	6	67	2
T1 CC-28-3 31740		45	<10	<10	45	<10	5	41	2
T1 CC-28-3 31741		55	<10	<10	96	<10	12	123	3
T1 CC-28-3 31742		98	<10	<10	41	<10	8	60	2
R2 CC-27-1 31760		5	<10	<10	2	<10	2	9	3
R2 CC-27-1 31761		6	<10	<10	3	<10	<1	15	<1
R2 CC-27-1 31801		22	<10	<10	2	<10	3	15	2
R2 CC-27-1 31802		3	<10	<10	1	<10	1	5	2
R2 CC-27-1 31803		454	<10	<10	33	<10	10	87	1
R2 CC-27-1 31804		297	<10	<10	50	<10	11	66	1
R2 CC-27-1 31805		52	<10	<10	42	<10	6	10	2
R2 CC-27-1 31806		16	<10	<10	2	<10	2	5	<1
R2 CC-28-1 31663		13	<10	<10	18	<10	<1	14	1
R2 CC-28-1 31701		25	<10	<10	36	<10	3	29	7
R2 CC-28-1 31724		106	<10	<10	82	<10	7	62	2
R2 CC-28-1 31725		119	<10	29	6	60	1	6313	<1
R2 CC-28-1 31726		32	<10	<10	45	<10	9	54	4
R2 CC-28-1 31727		23	<10	<10	15	<10	<1	17	<1
R2 CC-28-1 31728		47	<10	<10	47	<10	6	59	1
R2 CC-28-1 31729		3	<10	<10	4	<10	<1	12	<1
R2 CC-28-1 31730		189	<10	19	185	<10	6	63	1
R2 CC-28-1 31731		16	<10	<10	13	12	2	1310	<1
R2 CC-28-1 31743		34	<10	<10	3	<10	1	9	<1
R2 CC-28-1 31744		4	<10	<10	5	<10	2	12	1
R2 CC-28-1 31745		81	<10	<10	7	<10	4	43	1
R2 CC-28-1 31746		179	<10	<10	32	<10	4	775	3
R2 CC-28-1 31747		44	<10	<10	27	<10	1	13	<1
R2 CC-28-1 31748		8	<10	<10	4	<10	<1	7	<1
R2 CC-28-1 31750		22	<10	<10	30	<10	3	42	<1
R2 CC-28-1 31751		5	<10	<10	3	<10	<1	5	<1
R2 CC-28-1 31752		245	<10	<10	14	<10	2	33	<1
R2 CC-28-1 31766		7	<10	<10	21	<10	3	121	2
R2 CC-28-1 31767		31	<10	<10	14	<10	3	27	3
R2 CC-28-1 31768		336	<10	<10	49	<10	9	67	<1
R2 CC-28-1 31964		55	<10	<10	40	<10	7	28	2
R2 CC-28-1 31965		74	<10	<10	9	<10	2	158	<1

ar-Clegg & Company Ltd.
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BONDAR-CLEGG

Certificate of Analysis

REPORT: V89-06199.5

DATE PRINTED: 10-OCT-89
PROJECT: 5711CC PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	WT G	WT-100 G	WT+100 G	Au DUP OPT	Au DUP OPT	Au AVG OPT	Au+100 OPT	Au+100 MG	Au TOT OPT
R6 CC-27-1 31761		29.17	969	13.07	0.040	0.047	0.044	1.17	0.526	0.059
R6 CC-28-1 31751		29.17	979	16.03	0.158	0.139	0.149	3.78	2.078	0.207

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BONDAR-CLEGG

Certificate of Analysis

REPORT: V89-06199.6

DATE PRINTED: 12-OCT-89

PROJECT: 5711CC PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Ag *OPT
R2 CC-28-1 31725		1.36

APPENDIX III

(Sample Methods)

SAMPLING METHODS

Rock

Approximately one to two kilograms were collected with a rock hammer with care being taken to sample as much unweathered material as possible. The sample was placed in a 3 mil plastic sample bag and shipped to Acme Analytical Labs or Bondar-Clegg & Company for 30 element ICP and geochemical aanalysis of gold.

Stream Silt

The samples were collected with a hand trowel or by hand and placed in kraft sample bags, air dried and shipped to Acme Analytical Lasb or Bondar-Clegg and Company for analysis of 30 elements by ICP and gold by geochemistry.

Heavy Mineral

Stream sediment was sieved through a 20 mesh screen and collected in large 3 mil plastic sample bags. A standard sample weight of 8 kilograms was used. The samples were shipped to C.F. Mineral Research Ltd. of Kelowna, B.C. for heavy mineral and magnetic separation of the -150 mesh and 150-60 mesh fractions. The heavy non - magnetic fractions were then shipped to Acme Analytical Labs for analysis by 30 element ICP and gold by fire assay. A portion of each sample was retained and sent to Acme where it was analyzed in the same manner as the stream sediment samples.

Soil Samples

Samples were collected from the B horizon using a maddock, placed in kraft paper bags and air dried. The samples were shipped to Acme Analytical Labs or Bondar-Clegg and Company where they were analyzed by 30 element ICP and geochemical gold.

In all instances, sample locations were marked in the field with orange flagging tape and metal tags bearing the sample number, date and samplers name.

APPENDIX IV

(Analytical Methods)

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Determination of Elements by Plasma Emission Spectroscopy

Lefort Aqua-regia Digestion

The samples of 0.5 grams in weight are digested in test tubes with concentrated nitric and hydrochloric acids. These tubes are heated in hot water baths for two and one-half hours. The sample is then diluted and mixed. This solution is analyzed on the Plasma Emission Spectrograph by using the appropriate emission line for each element. The emissions are compared to standard solutions to determine the amount of each element that is present.

Multi-acid Digestion

A sample weight of 0.5 grams is transferred to a teflon test tube. It is then treated with a mixture of hydrofluoric, nitric and perchloric acids. The sample and acid mixture is heated in an aluminum block until the volume is reduced and there are strong perchloric fumes. The residue is dissolved with hydrochloric acid and the solution is then diluted to 20 ml. with demineralized water and mixed. These solutions are analyzed on the Plasma Emission Spectrograph using the appropriate emission line for each element. The emissions are compared to standard solutions to determine the amount of each element that is present. These are run within one hour of digestion in order to minimize precipitation problems.

Contamination Prevention

The test tubes are used for DC Plasma analysis only and are discarded after use. A solution of de-ionized water or dilute acid is run between samples to prevent contamination during analysis.

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PROCEDURE FOR ASSAY Au ANALYSIS

FIRE ASSAY PROCEDURE:

A prepared sample of one assay ton (29.166 grams) is mixed with a flux which is composed mainly of lead oxide. The proportions of the flux components (the litharge, soda, silica, borax glass, and flour) are adjusted depending upon the nature of the sample. Silver is added to help collect the gold. The samples are fused at 1950 F until a clear melt is obtained. The 30-40 gram lead button that is produced contains the precious metals. It is then separated from the slag. Heating in the cupellation furnace separates the lead from the noble metals. The normal-sized precious metal beads that are produced are transferred to test tubes and dissolved with aqua-regia. This solution is analyzed using Atomic Absorption by comparing the absorbance of these solutions with that of standard solutions. In the case of high grade samples, greater than 0.200 OPT, the precious metal bead is parted in dilute HNO3 acid to dissolve the silver and the remaining gold is weighed.

COMMENTS:

As part of our routine quality control we run a duplicate analysis for 2 out of each batch of 24 as well as a standard. These total about 12% of the samples. Also, all samples which are over 0.20 OPT on the original fusion are run again to verify the results. If a sample gives erratic results, such as 0.10, 0.020, 0.30, we will indicate this on the report. We suggest that a new split should be taken from the reject for preparation and analysis by our metallics sieve procedure. Certified standards and in house pulp standards as well as synthetic solution standards are run with each report or batch of samples.

PROCEDURE FOR FIRE ASSAY SILVER

1) One assay ton (29.16 grams) of homogeneous pulp is weighed into a fireclay crucible and fluxed appropriately with litharge, borax, soda ash and silica.
2) No inquart is added, only flour or niter to control button size.
3) Fusion takes place in a furnace of about 1900 degrees F. The same procedure is used for fusing gold.
4) A standard for silver is run with each silver fusion.
5) All buttons are made up to the same weight with silver-free lead foil.
6) Controlled temperatures and a watchful cupeller ensure minimal silver losses in cupellation.
7) Corrections are applied to final results based on checks and standards.

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SILVER DETERMINATION (WET ASSAY)

A 3.0 gm sample is analytically weighed into a beaker. It is digested with hot nitric, hydrochloric, and hydrofluoric acids which breaks down the ore. Once digested, the sample is boiled in a dilute acid solution, transferred to a flask, and carefully diluted to exactly 100 mls. The samples are analyzed on the atomic absorption unit along with certified standards, in house standards and duplicates.

Total CU,PB,ZN,FE,Ni,Cd,Co BY A.A.

A 0.5 gram sample is weighed into a beaker and digested with HNO3, HCl, and HF on a hotplate. The sample is taken down to dryness and then HCl is added with water and KClO3 to boil the sample into solution. The sample is then run on the atomic absorption unit along with pulp standards and synthetic standards. Any sample over 10% will be rerun by titration methods.

APPENDIX V

(Staement of Qualifications)

STATEMENT OF QUALIFICATIONS

I, Darcy Edward Marud, of 2205 Graveley Street, Vancouver, British Columbia, Canada, hereby certify that:

1. I am a graduate of the University of Saskatchewan, having been granted the degree of Bachelor of Sciences - Honours degree in Geology in 1985.

2. I have practiced my profession as a geologist in mineral exploration since 1985.

3. I am presently employed as a geologist with Homestake Mineral Development Company of #1000 - 700 West Pender Street, Vancouver, British Columbia.

4. The work done in the accompanying report was done under my supervision and with my participation.

5. I am the author/co-author of the above report.

6. I have no direct or indirect financial interest in any companies known by me to have an interest in the mineral properties described by this report, nor do I expect to receive any such interest.

Dated at Vancouver, B.C. this 6th day of July, 1990

Respectfully submitted

Darcy E. Marud

APPENDIX VI
(Statement of Costs)

CONTACT CREEK

1.0 SALARIES AND WAGES

Project Geologist	5 days	@	250/day	1250	
Geologist	8 days	@	180/day	1440	
Assistant	3 days	@	130/day	390	
					3180

2.0 GEOCHEMISTRY AND ASSAYING

Geochemistry	36 rock	@	17.5/smpl	630	
Assaying	1 silver	@	9.75/smpl	9.75	
	2 gold	@	41.75/smpl	83.5	
					723.25

3.0 ADMINISTRATION

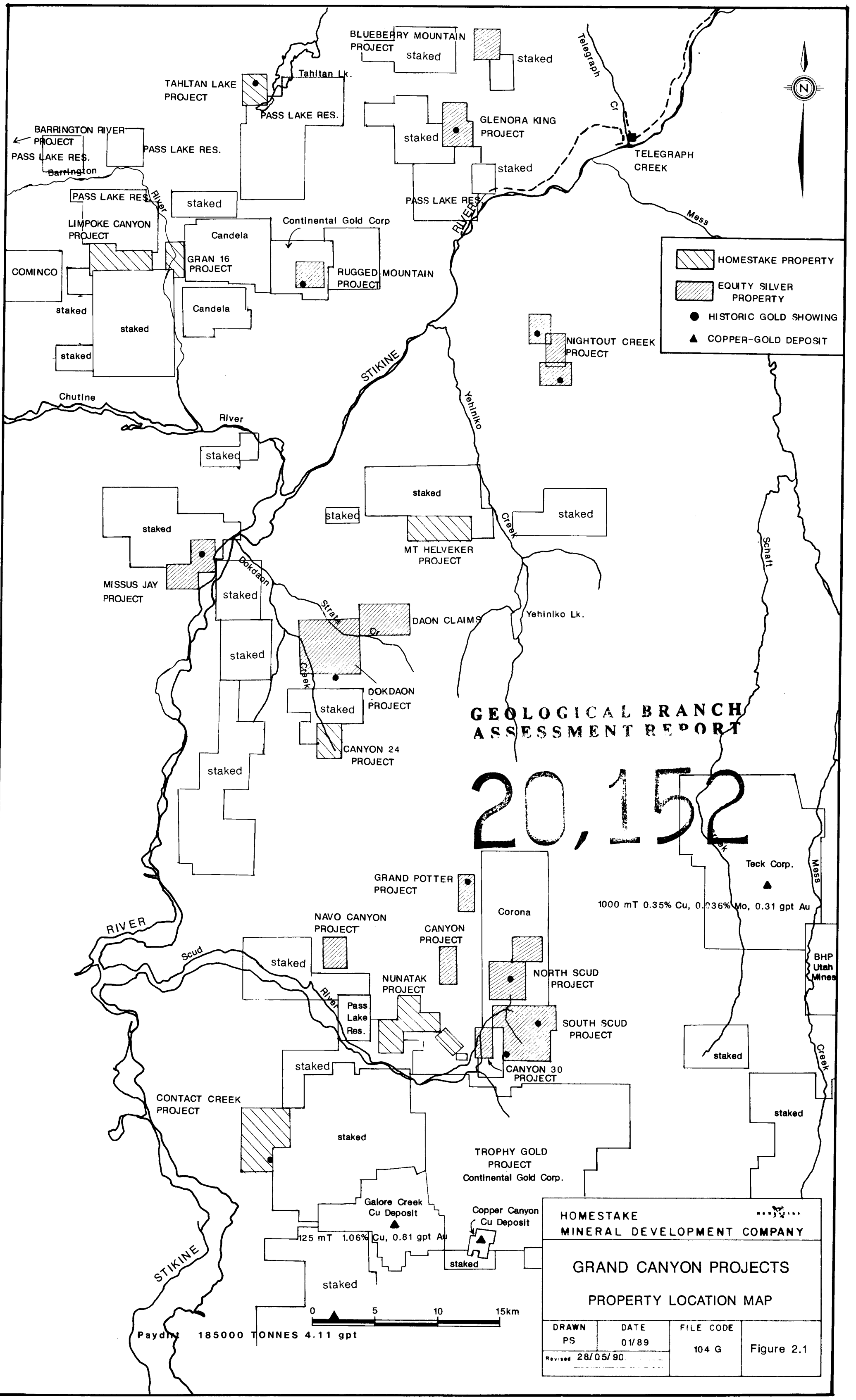
Travel expenses and airfare				400	
Maps, publications and photos				100	
Communications				20	
Freight and shipping				50	
					570

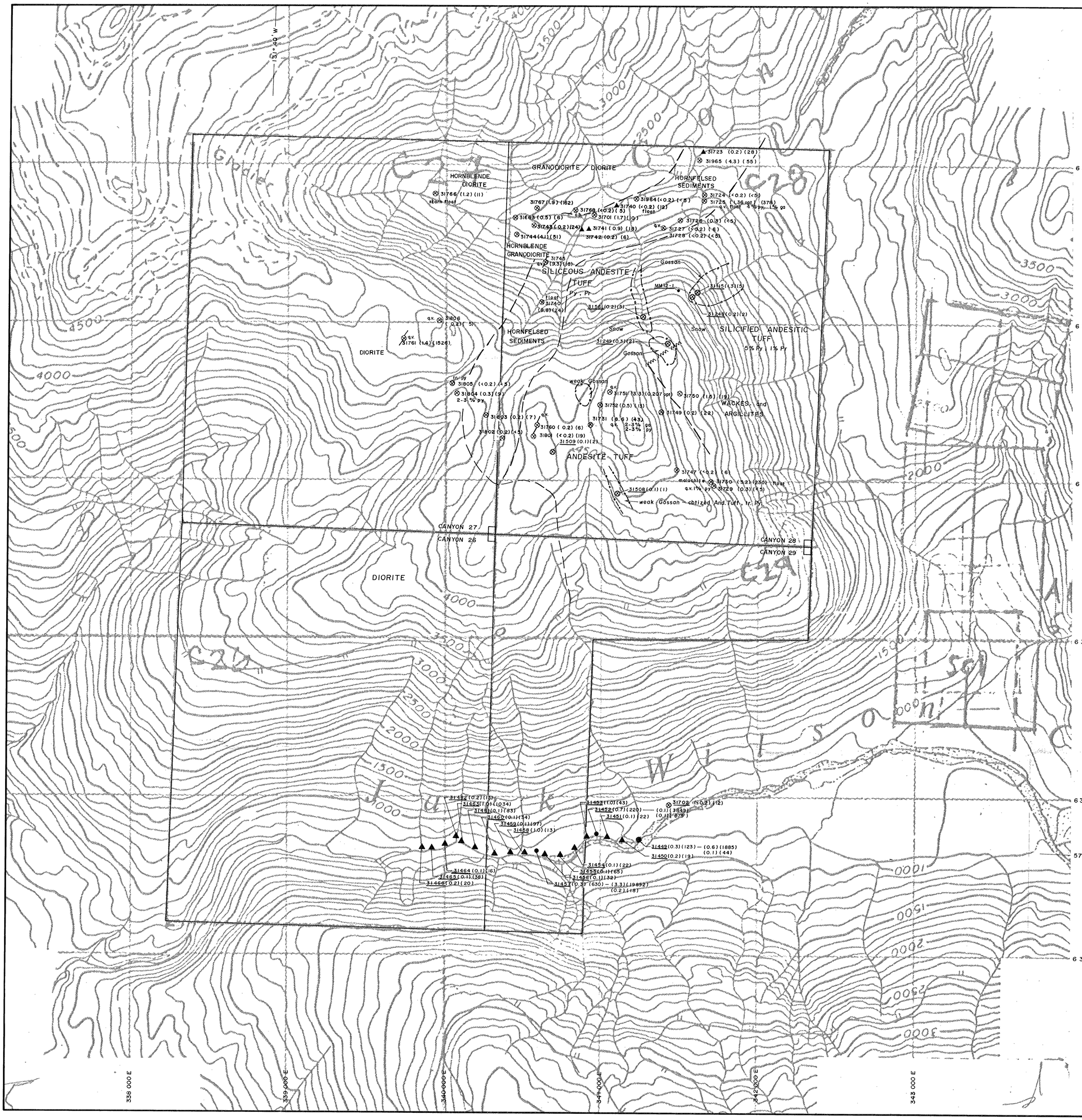
4.0 SURFACE WORK

Accomodation				1487.5	
Field Materials				100	
Air Support	6.4 hrs	@	655/hr	4192	
					5779.5

5.0 MACHINERY AND EXPENSES

Rentals - Motorola radios				20	
					20
			TOTAL		**10272.75**


BLUEBERRY MOUNTAIN PROJECT
staked
staked
Tahltan Lk.
TAHLTAN LAKE PROJECT
PASS LAKE RES.
GLENORA KING PROJECT
staked
staked
Telegraph Cr
TELEGRAPH CREEK
BARRINGTON RIVER PROJECT
PASS LAKE RES.
PASS LAKE RES.
Barrington
PASS LAKE RES.
River
staked
PASS LAKE RES.
RIVER
Mess
LIMPOKE CANYON PROJECT
Continental Gold Corp
Candela
GRAN 16 PROJECT
RUGGED MOUNTAIN PROJECT
COMINCO
staked
staked
staked
Candela
HOMESTAKE PROPERTY
EQUITY SILVER PROPERTY
HISTORIC GOLD SHOWING
COPPER-GOLD DEPOSIT
NIGHTOUT CREEK PROJECT
STIKINE
Yehiniko
Chutine
River
staked
staked
staked
Creek
staked
Schaft
MT HELVEKER PROJECT
MISSUS JAY PROJECT
staked
Dokdaon
Strata
Cr
DAON CLAIMS
Yehiniko Lk.
staked
Creek
DOKDAON PROJECT
staked
CANYON 24 PROJECT
GEOLOGICAL BRANCH
ASSESSMENT REPORT
20,152
Teck Corp.
1000 mT 0.35% Cu, 0.036% Mo, 0.31 gpt Au
Mess
GRAND POTTER PROJECT
Corona
NAVO CANYON PROJECT
CANYON PROJECT
RIVER
Scud
staked
NUNATAK PROJECT
NORTH SCUD PROJECT
BHP Utah Mines
River
Pass Lake Res.
SOUTH SCUD PROJECT
staked
Creek
staked
CANYON 30 PROJECT
CONTACT CREEK PROJECT
staked
staked
TROPHY GOLD PROJECT
Continental Gold Corp.
Galore Creek Cu Deposit
125 mT 1.06% Cu, 0.81 gpt Au
Copper Canyon Cu Deposit
staked
STIKINE
staked
0
5
10
15km
Paydirt 185000 TONNES 4.11 gpt
HOMESTAKE MINERAL DEVELOPMENT COMPANY
GRAND CANYON PROJECTS
PROPERTY LOCATION MAP
DRAWN PS
DATE 01/89
Revised 28/05/90
FILE CODE 104 G
Figure 2.1



LEGEND

- ⊗ Rock Sample
- ▲ Silt
- ■ Soil
- ● Heavy Mineral
- • Mapping Station
- Geological Contact/Limit of Outcrops
- Fault
- Outcrop

CURRENT WORK Ag-ppm Au-ppb — **PREVIOUS WORK** Ag-ppm Au-ppb

- ⊗ 31395 (0.5) (93) Sample Number, Sample Site
- ⊗ 31395 (0.5) (93) Sample Number, Sample Site

- ● 31395 (0.5) (93) (1000) (10000) Heavy Mineral - 150 mesh
- (500) (2000) Heavy Mineral - 60 + 150 mesh

Py	Pyrite
Po/Pr	Pyrrhotite
Mg/Mag	Magnetite
qtz vn	Quartz Vein
Sil	Silicified
EP	Epidote
Bi	Biotite
cp	Chalcopyrite
F.G	Fine Grained

GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,152

SCALE 1: 10,000

0 100 200 300 400 600 800
METERS

HOMESTAKE MINERAL DEVELOPMENT COMPANY

CONTACT CREEK PROPERTY
B.C.
(CANYON 26,27,28,29)

GEOLOGY AND SAMPLE LOCATIONS

DRAWN	DATE	FILE CODE	
P.H.	JULY, 26, 1989	104G/4	Fig 4
Revised			