

Daiwan Engineering Ltd.
1030-609 Granville Street, Vancouver, B. C. Canada. V7Y 1G5
Phone: (604) 688-1508

| | |
|--------------|-----|
| LOG NO: 0813 | RD. |
| ACTION: | |
| FILE NO: | |

PROSPECTING REPORT
ON THE
GOLDILOX MINERAL CLAIMS
NORTH VANCOUVER ISLAND, BRITISH COLUMBIA

NTS: 92L/12W

Latitude: 50° 40'
Longitude: 127° 57'

For

Consolidated Paytel Ltd.
1030 - 609 Granville Street
Vancouver, B.C.
V7Y 1G5

By

Ron Bilquist

June 19, 1990

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

20,182

| |
|---------------------------------|
| SUB-RECORDER RECEIVED |
| AUG 02 1990 |
| M.R. # \$..... |
| VANCOUVER, B.C. |

TABLE OF CONTENTS

| | <u>Page</u> |
|-------------------------------|-------------|
| INTRODUCTION | 1 |
| ACCESS | 2 |
| PROSPECTORS REPORT | 2 |
| STATEMENT OF COSTS | 3 |
| CERTIFICATE OF QUALIFICATIONS | 4 |

Figures

| | |
|----------------------------|------------------|
| Figure 1 - Location Map | Following Page 1 |
| Figure 2 - Claim Map | Following Page 1 |
| Figure 3 - Prospecting Map | Following Page 2 |

Appendices

| | |
|----------------------------------|---|
| Appendix I - Assay Certificates | 5 |
| Appendix II- Sample Descriptions | 6 |

INTRODUCTION

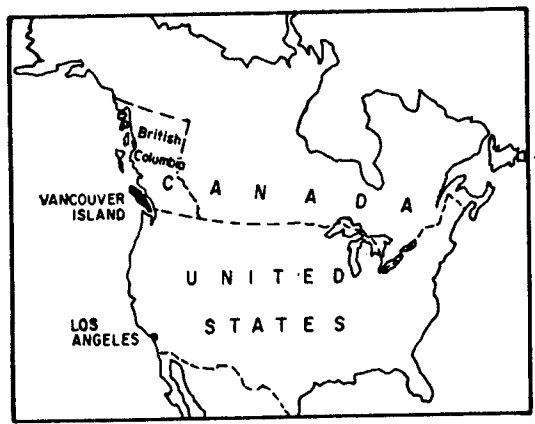
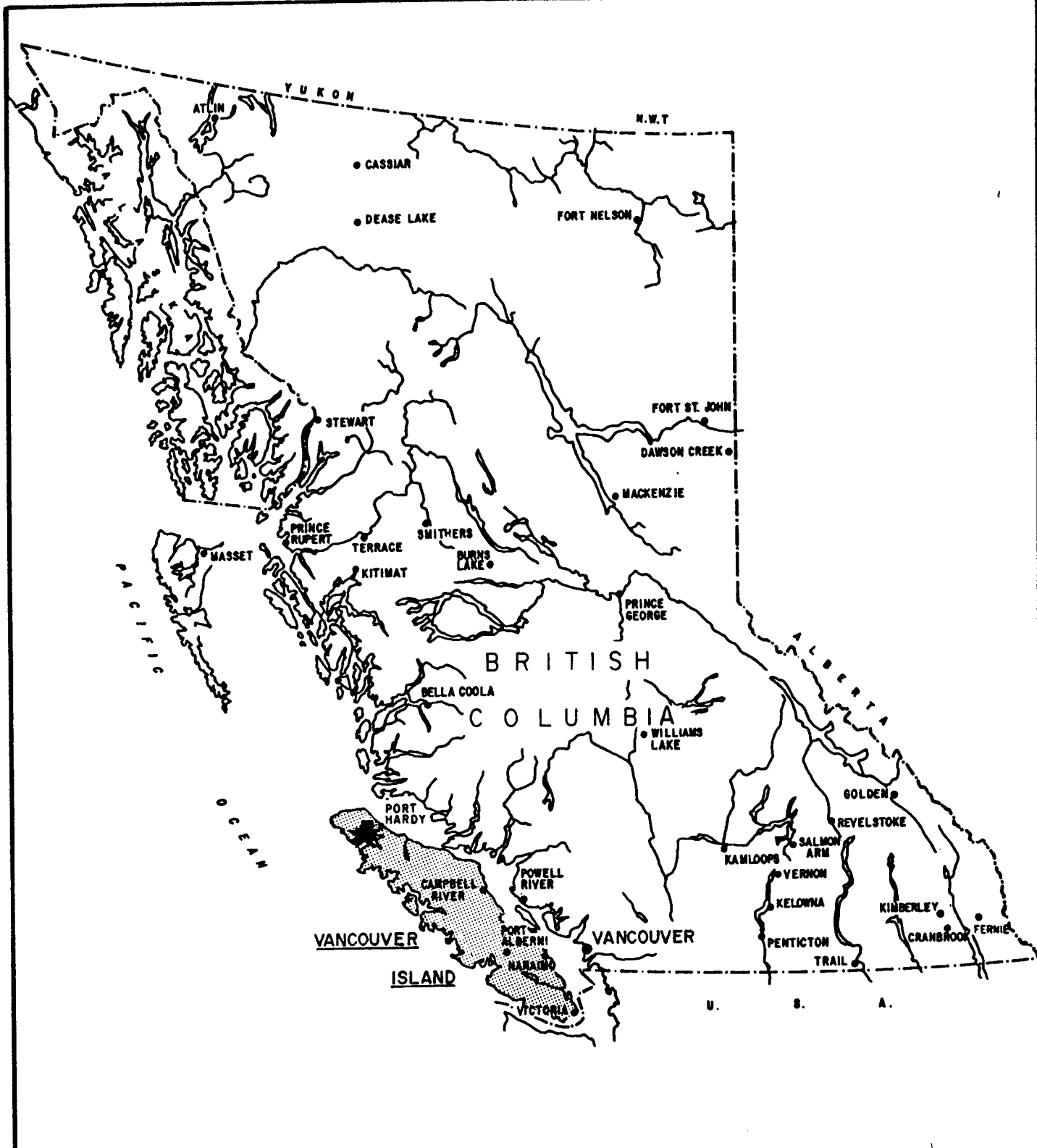
At the request of Ruth Ditto, Director and Secretary of Consolidated Paytel Ltd., Daiwan Engineering Ltd. conducted 5 days of prospecting on the Goldilox claim group. The claim was originally staked in June, 1989 to cover an area reported to have anomalous values of several base and precious metals. The claims are located approximately 10 kilometres southeast of Holberg on the north end of Vancouver Island.

The work program carried out on the claims consisted of reconnaissance prospecting and panning several of the creeks on the claims to check for heavy metals

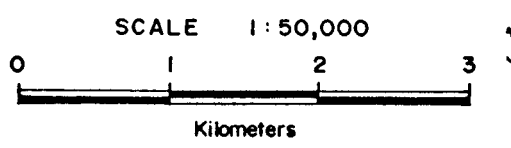
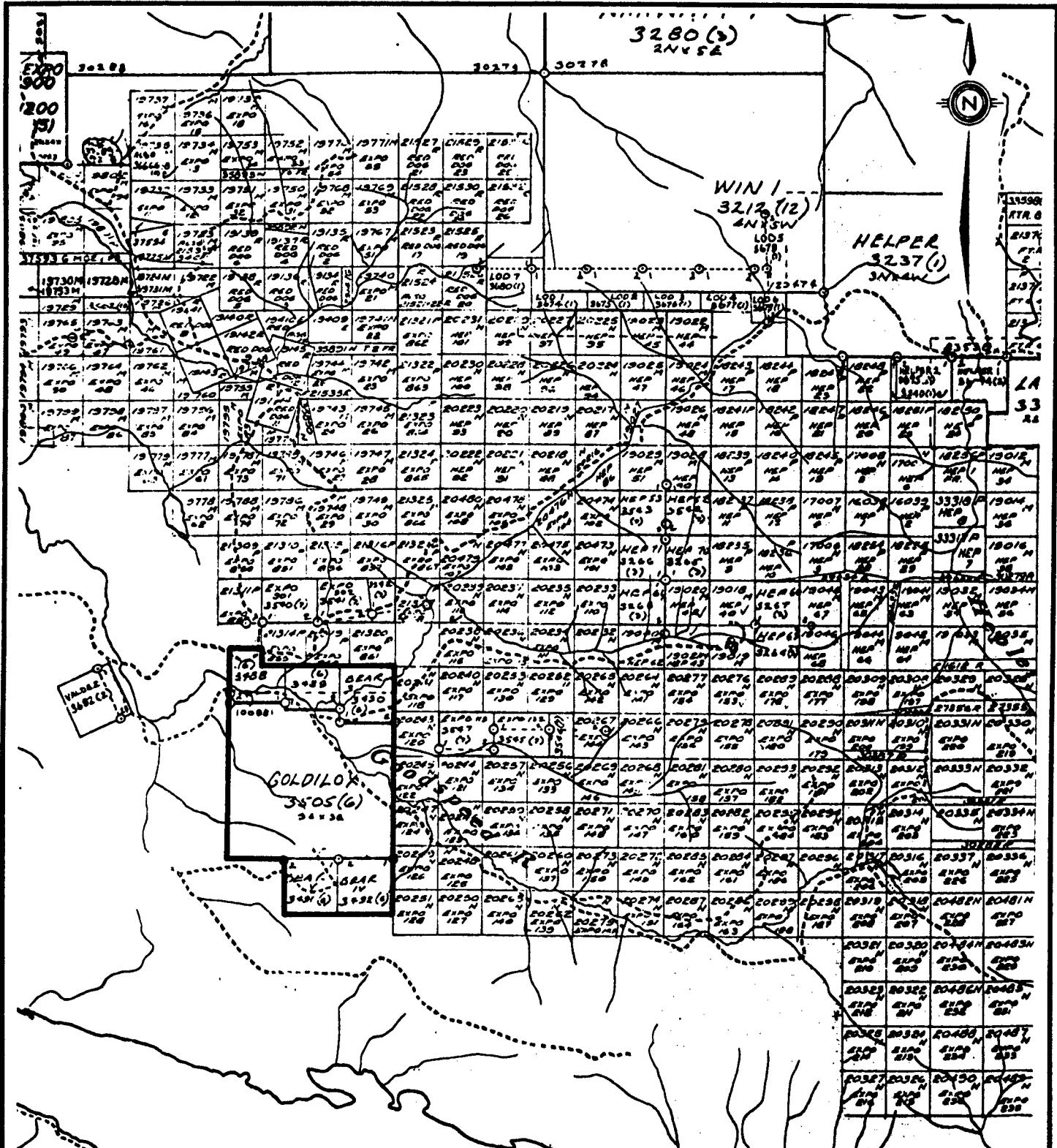
The work program carried out between May 26 and May 31, 1990 consisted of prospecting. A total of \$2,900.40 was spent prospecting the claims.

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508



| | | |
|--|------------------|-----------|
| CONSOLIDATED PAYTEL LTD. | | |
| GOLDILOX CLAIM GROUP NANAIMO MINING DIVISION, B.C. | | |
| LOCATION MAP | | |
| DAIWAN ENGINEERING LTD. | | |
| SCALE 1: 8,000,000 | DATE June '90 | FIG. 1 |



NTS 92L/12W

| | | |
|---------------------------------|------------------|-----------|
| CONSOLIDATED PAYTEL LTD. | | |
| GOLDILOX CLAIM GROUP | | |
| NANAIMO MINING DIVISION, B.C. | | |
| CLAIM MAP | | |
| DAIWAN ENGINEERING LTD. | | |
| SCALE 1: 50,000 | DATE June '90 | FIG. 2 |

ACCESS

The property can be reached via the Holberg/Coal Harbour *short cut* road. A short distance from Holberg. The road enters the claim near the northwest corner then turns southeast near the north center of the property and exits the claims about two thirds the way down the east boundary. A couple of old partially overgrown logging roads provide hiking access to the southwest and northeast corner of the claims. Two access lines were cut a kilometer apart to allow access to the heart of the property and to provide an escape from the dense unforgiving underbrush and spacing debris. The most northerly line was cut 450m and the southerly line 700m.

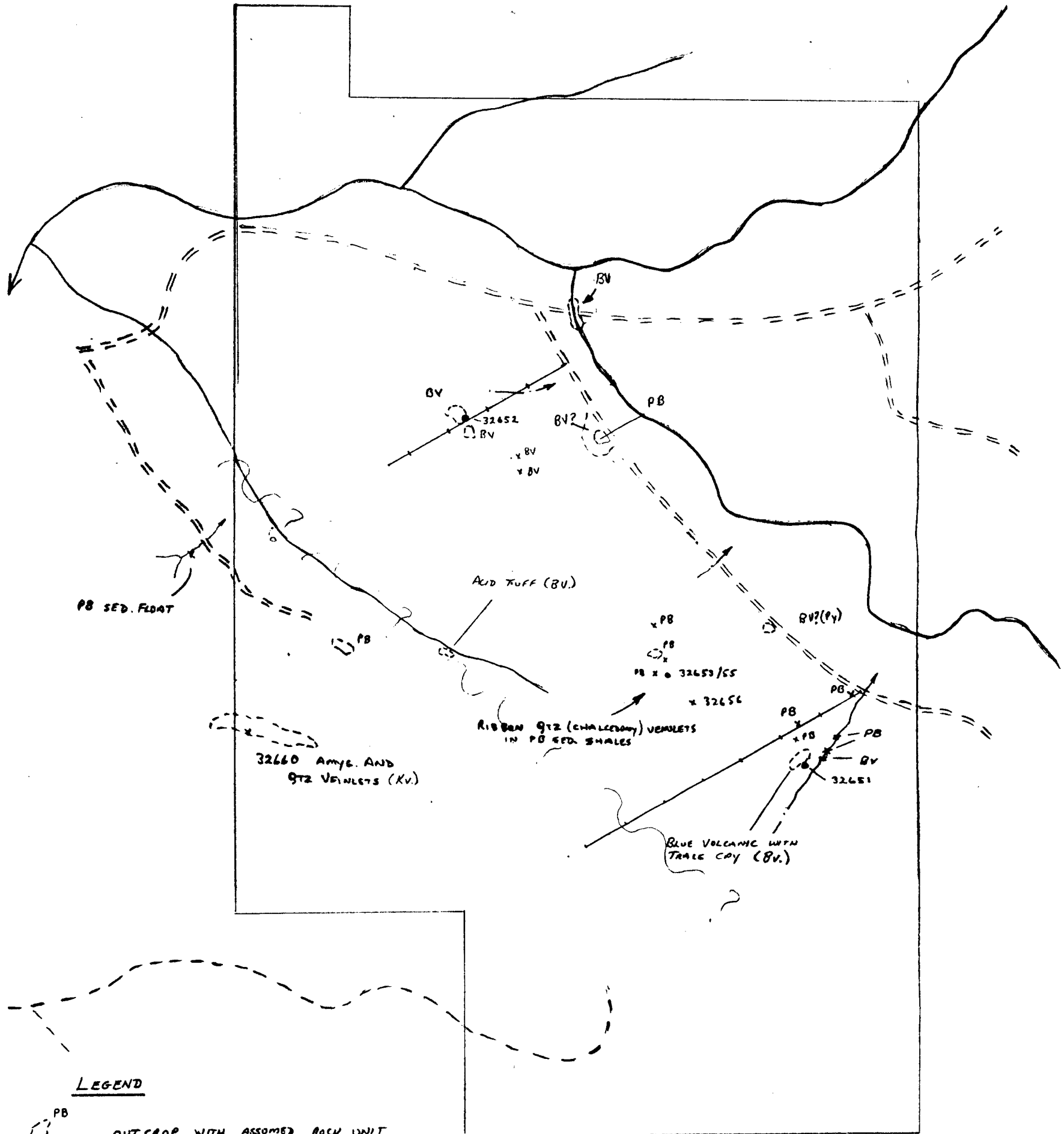
PROSPECTORS REPORT

Five days were spent by two prospectors on the Goldilox claims. Work consisted of brushing out an access road, line cutting and limited prospecting. Approximately .8km of an old logging road was brushed out to permit hiking access to the southwest corner of the claims. Two lines were cut (total of about 1.15km) to give access to the central area of the claims where dense underbrush and downed trees from spacing make getting around near impossible. Very limited prospecting was carried out and the prospectors observations are illustrated on the accompanying sketch. The most interesting feature found was in the sediments (Parson Bay) where some silica flooding was found. The silica is chalcedony and a few of the quartz veinlets are ribboned. No sulphides were detected. The geology on the property appears to have been confused somehow, possibly by faulting or folding, as the different rock units seen are not in the geologic sequence one would expect. Rocks of the Karmutsen, Parson Bay and Bonanza packages were found on the property. No limestone was found, but it is reported to occur in the Goodspeed River at the north end of the property. More prospecting is required on these claims.

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508

DRAWN BY R. Gilquist.



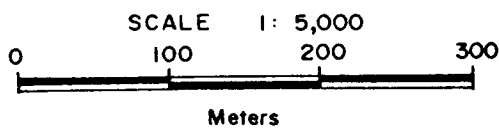
LEGEND

- PB OUTCROP WITH ASSUMED ROCK UNIT
- x BV ANGULAR (LOCAL) FLOAT WITH ASSUMED ROCK UNIT
- 32811 SAMPLE LOCATION; NUMBER
- ~?~? POSSIBLE FAULT.

SYMBOLS

- BV BONANZA VOLCANICS
- PB PARSON BAY SEDIMENTS
- KV KARMUTSEN VOLCANICS
- CPY CHALCOPYRITE
- QTZ QUARTZ
- Py PYRITE
- Tr TRACE

- BRUSHED OUT ROAD .822 km
- Cut L-1 .45 km
- Cut L-3 .70 km



| | | |
|--|------------------|-----------|
| CONSOLIDATED PAYTEL LTD. | | |
| GOLDOLOX CLAIM GROUP NANAIMO MINING DIVISION, B.C. | | |
| PROSPECTING MAP | | |
| DAIWAN ENGINEERING LTD. | | |
| SCALE 1: 5,000 | DATE June '90 | FIG. 3 |

STATEMENT OF COSTS**1.0 Personnel**

| | | |
|---|---------------|------------|
| 1 Project Supervisor - .65 days @ \$380/day | \$ 247.00 | |
| 1 Prospector - 5 days @ \$260/day | 1,300.00 | |
| 1 Assistant - 2 days @ \$200/day | 400.00 | |
| 1 Assistant - 2.5 days @ \$170/day | <u>425.00</u> | \$1,372.00 |

2.0 Food and Accommodation

| | | |
|------------------------------|--|--------|
| 7 man days @ \$30.12/man day | | 210.95 |
|------------------------------|--|--------|

3.0 Transportation

| | | |
|--|--|--------|
| 4x4 truck - 5 days @ \$24.95/day (incl. gas) | | 124.74 |
|--|--|--------|

| | | |
|--|--|-------------|
| 4.0 Field Supplies (topo, etc.) | | 4.75 |
|--|--|-------------|

5.0 Assays

| | | |
|------------------------|--|--------|
| 8 Rocks @ \$12.50/each | | 100.00 |
|------------------------|--|--------|

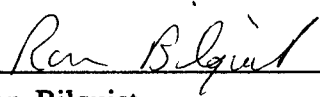
| | | |
|---|--|---------------------|
| 6.0 Office Costs (typing, copying, etc.) | | <u>88.00</u> |
|---|--|---------------------|

\$2,900.40**Daiwan Engineering Ltd.**1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508

CERTIFICATE OF QUALIFICATIONS

I, Ron Bilquist, do hereby certify that:

- 1.0 I am a prospector employed by Daiwan Engineering Ltd. with offices at 1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5.
- 2.0 I have been employed as a prospector for the past 21 years in various parts of Canada and the United States, and am President of Lone Trail Prospecting Ltd., at Box 81, Gabriola, B.C.
- 3.0 I have acquired a working knowledge of the techniques of prospecting over the past 21 years.
- 4.0 This report is based on a property examination between May 26 and May 31, 1990.
- 5.0 I have no interest in the Goldilox property or in Consolidated Paytel Ltd. nor do I expect to receive anything.



Ron Bilquist
Prospector
June 19, 1990

APPENDIX I

Assay Certificates

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508

GEOCHEMICAL ANALYSIS CERTIFICATE

Daiwan Engineering Ltd. PROJECT GOLDILOX File # 90-1661

1030 - 609 Granville St., Vancouver BC V7Y 1G5 Submitted by: D.J. PAULIUK

| 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 |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| D 32651 | 1 | 103 | 5 | 65 | .1 | 37 | 28 | 834 | 5.71 | 14 | 5 | ND | 1 | 387 | .9 | 2 | 2 | 163 | 3.75 | .054 | 7 | 85 | 3.42 | 199 | .03 | 4 | 4.05 | .50 | .14 | 1 | 3 |
| D 32652 | 1 | 33 | 5 | 65 | .1 | 13 | 13 | 1014 | 5.00 | 9 | 5 | ND | 1 | 104 | .4 | 2 | 3 | 126 | 2.12 | .061 | 9 | 19 | 1.92 | 371 | .44 | 4 | 3.05 | .16 | .05 | 2 | 3 |
| D 32653 | 4 | 13 | 2 | 13 | .2 | 10 | 1 | 35 | .88 | 4 | 5 | ND | 1 | 6 | .2 | 2 | 2 | 14 | .05 | .025 | 2 | 10 | .02 | 41 | .01 | 3 | .18 | .01 | .02 | 1 | 2 |
| D 32654 | 9 | 14 | 2 | 27 | .1 | 10 | 2 | 70 | 1.13 | 3 | 5 | ND | 1 | 18 | .2 | 3 | 2 | 32 | .18 | .012 | 2 | 11 | .16 | 29 | .01 | 4 | .31 | .02 | .02 | 1 | 1 |
| D 32655 | 12 | 8 | 2 | 14 | .1 | 9 | 1 | 25 | .62 | 2 | 5 | ND | 1 | 4 | .2 | 2 | 2 | 24 | .01 | .005 | 2 | 8 | .01 | 35 | .01 | 4 | .18 | .01 | .02 | 1 | 1 |
| D 32656 | 9 | 14 | 2 | 38 | .1 | 15 | 1 | 44 | .64 | 4 | 5 | ND | 1 | 4 | .2 | 2 | 2 | 20 | .01 | .008 | 2 | 10 | .01 | 57 | .01 | 5 | .12 | .01 | .02 | 1 | 3 |
| D 32657 | 14 | 14 | 2 | 21 | .2 | 18 | 2 | 72 | 1.22 | 4 | 5 | ND | 1 | 5 | .3 | 2 | 2 | 21 | .05 | .024 | 2 | 16 | .01 | 43 | .01 | 2 | .13 | .01 | .01 | 1 | 1 |
| D 32660 | 1 | 72 | 5 | 60 | .1 | 43 | 29 | 791 | 5.53 | 11 | 5 | ND | 1 | 511 | .7 | 2 | 2 | 137 | 3.99 | .049 | 6 | 65 | 3.59 | 836 | .05 | 7 | 3.41 | .12 | .13 | 1 | 3 |

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: Rock AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: JUN 7 1990 DATE REPORT MAILED: June 13/90 SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

APPENDIX II

Sample Descriptions

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5
Phone: (604) 688-1508

ROCK DESCRIPTIONS**Sample Number**

| | |
|-------|---|
| 32651 | angular tuff float; dissem. chalco? weakly magnetic |
| 32652 | dark blue andesite tuff; dissem. pyrite |
| 32653 | black shales (siltstone) with veins and veinlets of chalcedonic quartz |
| 32654 | black shales (siltstone) with veins and veinlets of chalcedonic quartz |
| 32655 | black shales (siltstone) with veins and veinlets of chalcedonic quartz |
| 32656 | black shales (siltstone) with veins and veinlets of chalcedonic quartz |
| 32657 | black shales (siltstone) with veins and veinlets of chalcedonic quartz |
| 32660 | amyg. andesite; vesicules of quartz and feldspar; tiny quartz (chalcedony) veinlets |

Daiwan Engineering Ltd.

1030 - 609 Granville Street, Vancouver, B.C. V7Y 1G5

Phone: (604) 688-1508