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**GEOLOGICAL AND GEOCHEMICAL REPORT
ON THE
MAL PROPERTY**

**Liard Mining Division, British Columbia
N.T.S. 104G/2
Latitude: 57°-12'-49" N
Longitude: 130°-35'-01" W**

on behalf of
SOLOMON RESOURCES LIMITED
Vancouver, B.C.

by
Rex Pegg, B.A.Sc., P.Eng.
KEEWATIN ENGINEERING INC.
800 - 900 West Hastings Street
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V6C 1E5

20,412

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

October 15, 1990

Keewatin Engineering Inc.

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INTRODUCTION

The Mal property is located within the 'Forrest Kerr - More Creek Gold Camp' which hosts the recently discovered high grade precious - base metal mineralization on the GOZ-RDN property. Precious and base metal occurrences are widespread in this area.

During July of 1990, Keewatin Engineering Inc. was engaged by Solomon Resources Limited, the project operator, for the purpose of conducting a small exploration program on the property. The target was economic gold \pm silver \pm base metal mineralization.

1. Location, Access, Physiography and Climate

The Mal property is situated in northwestern British Columbia, approximately 180 kilometres northwest of the town of Stewart (Figure 1). The property is centred upon 57°-12'-49" North latitude and 130°-35'-01" West longitude. This is within the 104G/2 NTS map sheet.

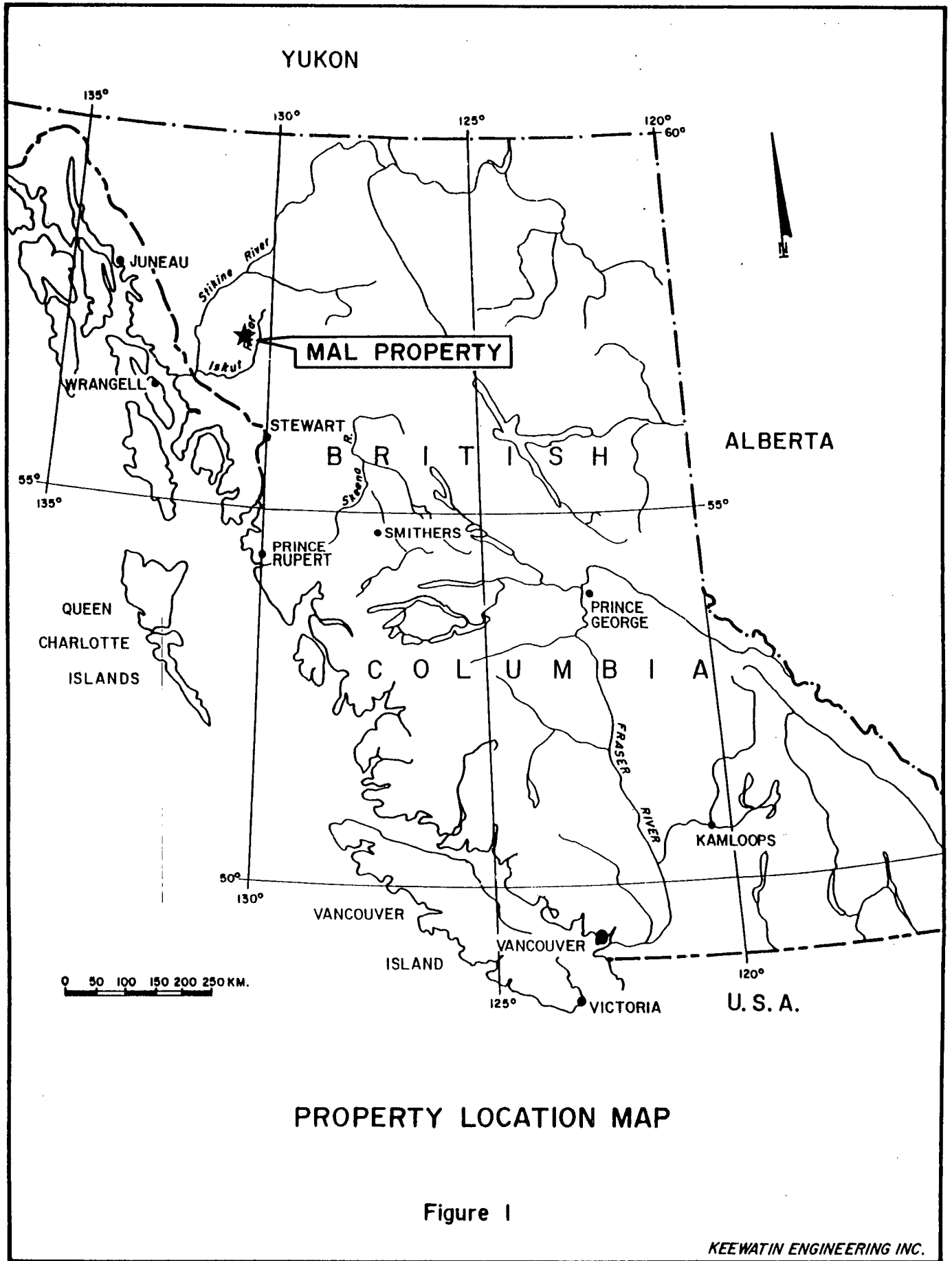
Access to the property is by helicopter from the Bronson Creek airstrip, located some 80 km to the southwest.

The claim covers a north-trending, narrow and steep sided valley which is mostly occupied by glacial snow and ice. Elevations range from 6,900 feet in the southwest corner to, approximately, 4,700 feet in the north-central portion of the property. The claim is above treeline and vegetation is non-existent.

The climate is typified by cold, snowy winters and short, warm and wet summers. Snow accumulations probably range from 4 to 10 metres in depth.

2. Property Status and Ownership

The property, see Figure 2, consists of one claim (20 units). This claim is located within the Liard Mining Division and its' status is summarized as follows:



PROPERTY LOCATION MAP

Figure 1

Claim Name	Record No.	Owner	Expiry Date
MAL	4815	Cominco Limited	July 20, 1990

The property is apparently under option to Solomon Resources Limited.

3. History of Exploration

The area drained by the upper reaches of the Iskut, Stikine, Unuk and Bell-Irving Rivers has been explored for gold since the late 1800's when prospectors passed through the region on their way to the interior. Only limited exploration was carried out within the region until the porphyry copper "boom" days (1955-1970), which led to the discovery of the large porphyry copper-gold Galore Creek deposit. Numerous small showings and prospectors were documented during this period.

Following a dramatic increase in precious metal prices in 1979, several companies carried out exploration programs in the region. Unfortunately, metal prices dropped and exploration was curtailed.

During the late 1980's gold exploration intensified in the region and resulted in discoveries on Lac Mineral's Hank property, Kestral's KRL property and Avondale's Forrest property.

Regional governmental mapping was completed by the G.S.C.'s J.G. Souther during the late 1950's and 1960's. Portions of the Forrest Kerr Creek and More Creek areas were the subject of a detailed structural geology mapping program commissioned by the B.C. Hydro and Power Authority (1980-1983).

The Mal claim was staked by Cominco in July of 1988, following the discovery of several fine-grained, silicified boulders which reportedly assayed up to 4.389 grams/tonne gold. During 1988, Cominco carried out a small prospecting and geochemical sampling program. A total of 40 soil samples, analyzed for Au, Ag, Cu, Pb, Zn and 11 rock samples, analyzed for Au, Ag, Cu, were collected.

During 1989, Cominco collected a total of 13 rock samples and mapped (1:10,000) a small portion of the property.

98

9

130° 40'

400

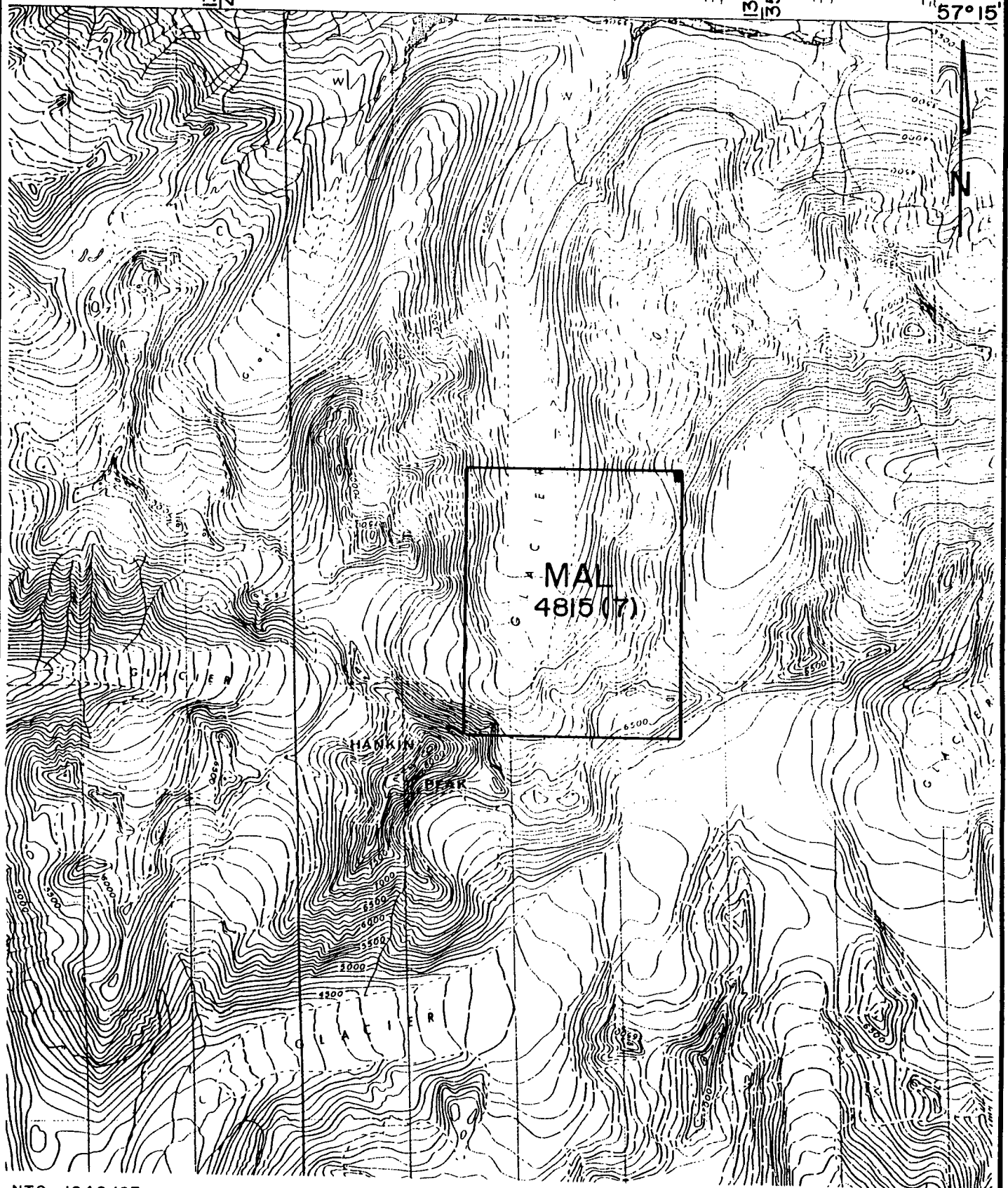
01

07

11

130° 35'

57° 15'

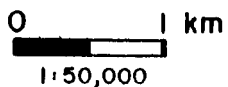


NTS 104G/2E

■ Legal corner post (LCP)

CLAIM MAP

Figure 2



4. The 1990 Work Program Summary

During July, two 2 man crews prospected and mapped the south-central portion of the property. Geochemical rock sampling of highly altered and sulphide-bearing strata was undertaken.

GEOLOGY

1. Regional Geology (see Figure 3)

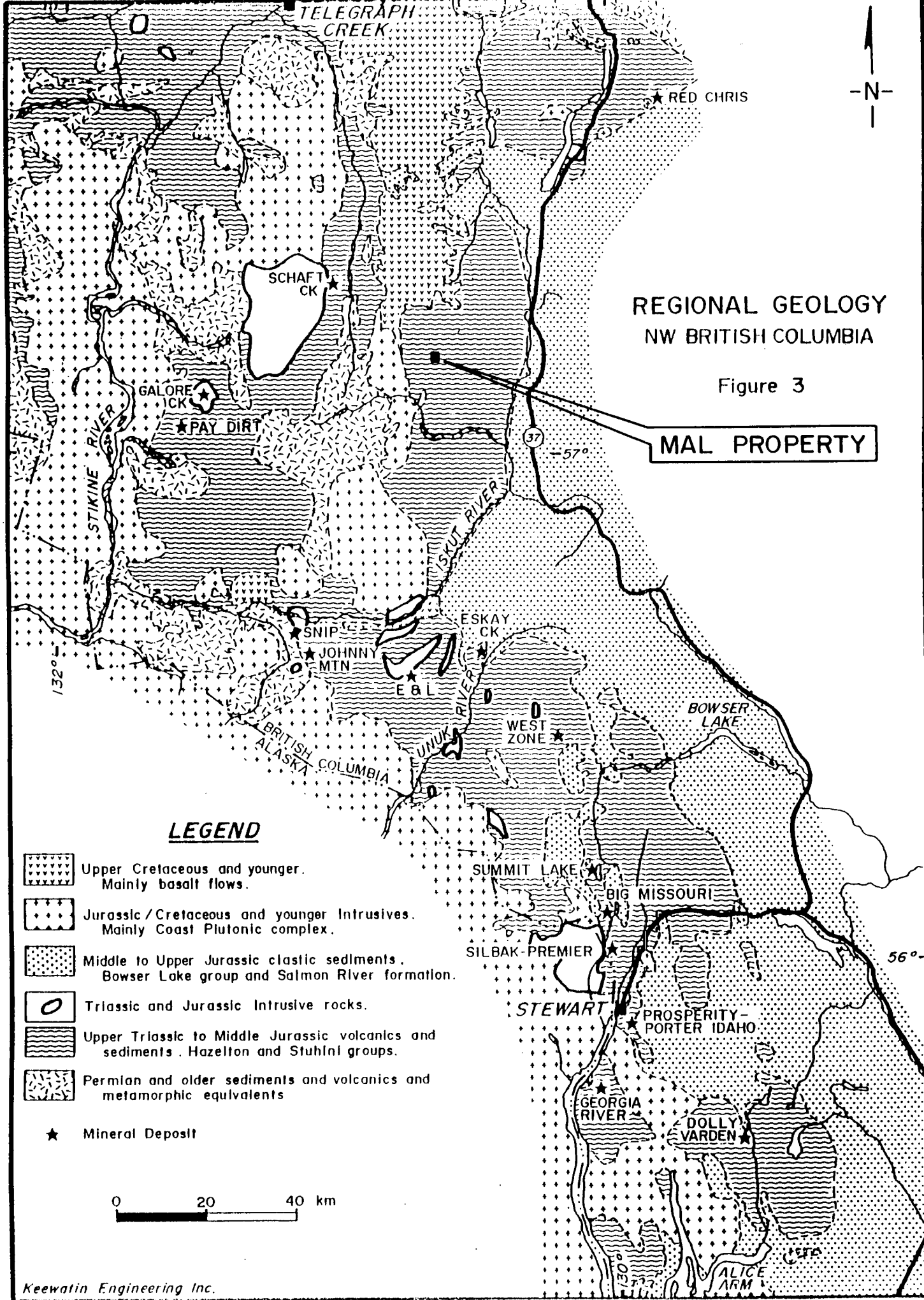
The More Creek area lies within the Intermontane tectono-stratigraphic belt - one of five, parallel, northwest/southeast trending belts which comprise the Canadian Cordillera. This belt of Permian to Middle Jurassic volcanic and sedimentary rocks define the Stikinia/Stikine terrane. This is bounded on the west by the Coast Plutonic complex and overlapped on the east by the Bowser Basin (Middle to Upper Jurassic). The belt has been intruded by at least four episodes of plutonic rocks, from Late Triassic to Oligocene-Miocene.

2. Property Geology

The investigated portion of the property is underlain by a mixed sedimentary/volcanic package of Upper Triassic age (Souther, 1972).

The volcanics consist mainly of dark green to maroon coloured, porphyritic andesites which contain, approximately, 30% mafic minerals. Locally the andesites are well fractured, sheared and contain relatively numerous carbonate (\pm quartz) stringers and fracture fillings. At or near the volcanic-sediment contact, the andesite is locally, intensely bleached and argillically altered. Greenish blebs, glauconite(?), were observed within the intensely altered andesites, especially at the small outcrops exposed within the glacier. The glauconite had previously been identified as fuchsite. To the northeast is a small exposure of polyolithic andesitic agglomerate. The agglomerate contains up to 60% rounded to subrounded fragments, to 15 cm, and euhedral feldspar and mafic phenocrysts. A narrow band of vesicular tuff was also observed.

The sediments on the south are dominated by interbedded siltstone, argillite, greywacke and sandstone. Bedding attitudes vary (164° - $190^{\circ}/23^{\circ}$ - 48° W) and thicknesses range from 5 to 10 cm in the argillites and up to 50 cm in the greywackes. Locally these sediments are well fractured and exhibit minor, discontinuous shears. To the north the strata are dominated by a conglomeratic









REGIONAL GEOLOGY
NW BRITISH COLUMBIA

Figure 3

MAL PROPERTY

LEGEND

-  Upper Cretaceous and younger. Mainly basalt flows.
-  Jurassic/Cretaceous and younger Intrusives. Mainly Coast Plutonic complex.
-  Middle to Upper Jurassic clastic sediments. Bowser Lake group and Salmon River formation.
-  Triassic and Jurassic Intrusive rocks.
-  Upper Triassic to Middle Jurassic volcanics and sediments. Hazleton and Stuhini groups.
-  Permian and older sediments and volcanics and metamorphic equivalents
- ★ Mineral Deposit

0 20 40 km

greywacke. The clasts are angular to locally well rounded, monolithic and range up to 20 cm in diameter. Locally, argillaceous material comprises up to 30% of the rock. Minor amounts of greywacke with grain sizes up to 1.5 mm is found locally interbedded with 1 to 2 mm thick argillites. To the east a grey, gritty limestone displays sharp contacts with the greywacke.

3. Mineralization

Jarosite stained shears, averaging 0.20 metres and up to 1.0 metre wide, were observed in both the sediments and the volcanics. Carbonate fracture fillings (\pm quartz) and lenses are common within the shears. Locally, silicified pods are present. Discontinuous and poddy (to 7 cm) pyritic fracture fillings, blebs and minor disseminations, up to 20%, were also observed. At one locality, 1 to 3% chalcopyrite and 1% sphalerite were observed within an irregular, 20 cm wide carbonate breccia in a porphyritic andesite. Traces of arsenopyrite were also observed in a few of the shears. This shear-related mineralization appears to be slightly concentrated at the junction of fracture and shear sets which have quite variable attitudes.

GEOCHEMISTRY

1. Sampling

During the course of the prospecting/mapping traverses, a total of 18 rock samples were collected. These eighteen altered and/or mineralized rocks represent two float, 10 grab and six chip samples.

2. Analysis

The rock samples were shipped to Min-En Laboratories in Smithers for preparation and then to their lab in North Vancouver for analysis. The analysis consisted of faa Au and an eight element I.C.P. package (Ag, As, Cu, Mo, Pb, Sb, Zn and Hg).

3. Description and Discussion of Results

The rock sample results indicate widespread geochemically elevated and anomalous Au, Ag, Cu, Pb, Zn, As and Sb contents. The results range up to 1840 ppb (0.057 oz/t) gold, 8.9 ppm silver, 1530 ppm copper, 198 ppm lead, 1858 ppm zinc, 4536 ppm arsenic and 61 ppm antimony. Six of the
Keewatin Engineering Inc.

samples (90T046MC-001 to 004, 90L046MR-002 and 007) returned multi-element anomalies. There are no obvious correlations between any of the elements.

Cominco had identified a 200 metre long gold (96-600 ppb) - silver (1.3-4.4 ppm) soil anomaly below the gossan. Their sampling of the volcanic hosted silicic shears returned values up to 5040 ppb gold and 30.3 ppm silver. The samples from the silicified and pyritized sediment hosted fracture/shear zones gave values up to 2820 ppb gold and 7.2 ppm silver. The 1990 rock sample results also indicate geochemically anomalous results from the gossanous area but not quite as high as those obtained previously.

ECONOMIC GEOLOGY

No economically significant precious or base metal mineralization was discovered during the 1990 exploration program. Sample results confirmed that the fracture/shear structures in the vicinity of the volcanic-sedimentary contact are enriched, geochemically, in gold.

CONCLUSIONS

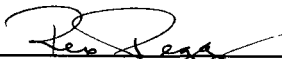
Although the sampled structures carry gold values, they are too discontinuous and low grade to be of interest at this time. Exploration has, so far, only covered, approximately, one third of the non-glacier covered portion of the property. Several gossans, observed from the air, are still untested.

RECOMMENDATIONS

A small helicopter-supported program of prospecting and mapping to cover the unexplored portions of the property is recommended. This work should not commence before the middle of July as snow cover will hinder the investigation.

Sincerely submitted,

KEEWATIN ENGINEERING INC.



Rex Pegg, B.A.Sc., P.Eng.



Keewatin Engineering Inc.

BIBLIOGRAPHY

G.S.C. Map 9 - 1957

G.S.C. Map 11 - 1971

G.S.C. Paper 71 - 44

Logan, J.M., Koyanagi, V.M. and Drobe, J.R. (1990): Geology of the Forrest Kerr Creek Area, Northwestern British Columbia (BCDM Paper 1990-1).

Westcott (April, 1989): 1988 Assessment Report, Geochemical and Geological Work on the Mal Claim on behalf of Cominco Ltd.

APPENDIX 1

Statement of Qualifications

STATEMENT OF QUALIFICATIONS

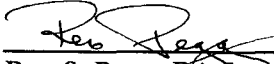
I, REX STEPHEN PEGG, of #1 - 410 Mahon Avenue in the District of North Vancouver in the Province of British Columbia, do hereby certify that:

- 1) I am a graduate of the University of Toronto, BA.Sc. (1976) in Geological Engineering (Exploration option) and have practised my profession continuously since graduation.
- 2) I have over 14 years of experience in exploration for base and precious metals in the Canadian Cordillera.
- 3) I am a member in good standing of the Association of Professional Engineers of British Columbia.
- 4) I am an independent consulting geologist with an office at #1-410 Mahon Avenue, North Vancouver, British Columbia.
- 5) I am presently under contract to Keewatin Engineering Inc. with offices at Suite 800 - 900 West Hastings Street, Vancouver, British Columbia.
- 6) I am the author of the report entitled "Geological and Geochemical Report on the Mal Property, Liard Mining Division, British Columbia", dated October 15, 1990.
- 7) I have personally performed or supervised the work referenced in this report and I am familiar with the regional geology and geology of nearby properties.
- 8) I do not own or expect to receive any interest (direct, indirect or contingent) in the property described herein nor in the securities of Solomon Resources Limited, in respect of services rendered in the preparation of this report.
- 9) I consent to and authorize the use of the attached report and my name in the Companies' Statement of Material Facts or other public document.

Dated at Vancouver, British Columbia this 15th day of October, 1990.

Respectfully submitted,




Rex S. Pegg, BA.Sc., P.Eng.

Keewatin Engineering Inc.

APPENDIX 2

Summary of Field Personnel

SUMMARY OF FIELD PERSONNEL

R. Pegg - Senior Geologist - July 17, 1990
A. Travis - Project Geologist - July 17, 1990
P. Lutynski - Project Geologist - July 17, 1990
S. Sheffield - Field Technician - July 17, 1990
C. Chandler - Cook/1st Aid Attendant - July 17, 1990

APPENDIX 3

Statement of Expenditures

STATEMENT OF EXPENDITURES

i)	Pre-field (map preparation)		\$ 556.60
ii)	Labour		
	R. Pegg (Senior Geologist)	1.0 days @ \$400/day	
	P. Lutynski (Geologist)	1.0 days @ \$325/day	
	A. Travis (Geologist)	1.0 days @ \$325/day	
	S. Sheffield (Field Assistant)	1.0 days @ \$200/day	
	S. Chandler (Cook/1st Aid)	1.0 days @ \$260/day	
	Total Labour:		1,510.00
iii)	Room and Board	5.0 man days @ \$60/man day	300.00
iv)	Field Equipment Rentals	4.0 man days @ \$15/man day	60.00
v)	Hand held radios	4 at \$5 each	20.00
vi)	Geochemical Analyses	18 rocks @ \$13.75 each	247.50
vii)	Helicopter	1.7 hours @ \$705/hour	1,198.50
viii)	Consumables (sample bags, tyvek tags, paint, etc.)		60.00
ix)	Freight, communications, expediting, courier, etc.		250.00
x)	Report (compilation, writing, drafting, word processing, copying)		<u>995.00</u>
	TOTAL EXPENDITURES:		<u>\$5,207.60</u>

APPENDIX 4

Rock Sample Descriptions

KEEWATIN ENGINEERING INC.

ROCK SAMPLES

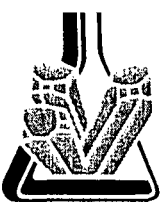
Project: Mat Property
 Area (Grid): _____
 Collectors: T. Ditzinger

Results Plotted By: _____
 Map: _____ NTS: 104G/2
 Date: July 17, 1990 Surface Underground _____

SAMPLE NUMBER	LOCATION	NOTES	REP. SAMPLE NUMBER	SAMPLE TYPE (LENGTH)					ROCK TYPE	SAMPLE DESCRIPTION	MAP SHEET
				GRAB	CHIP	CHANNEL	CORE	FLOAT			
90LMR-001	5360 Feet	See the map. Sample from the talus		✓					Andesite	Typical andesite with long mafic minerals. ~30% / placed in a plagioclase matrix. Network of veinlets / lenses filled with Pyrite 16-8% Veinlets / lenses < 1m wide. Sample from the talus.	
90LMR-002	536E Feet.	— " — Sample from the talus.		✓					Greywacke.	Rock strongly oxidized on the surface. Rock with fractures filled with Py < 4% / network of veinlets + lenses as well as dissem. white calcite mineralization. Sample from the talus.	
90LMR-003	5600 Feet	— " —		✓					Greywacke.	Sheared rock - greywacke. 0.5-0.6m wide. Contact of shear and surrounding rock is gradual. No mineralization was found. Rock was strongly weathered. Sample taken from shear + 0.5m on both sides.	
90LMR-004	5710 Feet	— " —		✓					Gossan-shear. Greywacke	Gossan-sheared greywacke rock ~ 30cm wide and min 20m long. Sample taken from the shear + ~40cm od the E side and ~1m on the W side. of the wall rock. Contact of the shear is not sharp.	
90LMR-005	5850 Feet	— " —		✓					Carbonate vein.	Carbonate vein 132/86 NE 0.4m-0.15m wide with. dip by < 4% in carbonate as well as greywacke - breccia side. Min length 5m	
90LMR-006	6350 Feet	— " —		✓					Carbonate rock. (breccia) - vein.	A shear zone up to 1m wide with carbonate / argillite breccia. 095°/75°N. Sharp contact with greywacke on both sides. Zone is ~1m wide min. 6m long. Sample taken from shear + 20cm of wall rock. by < 4%	
90LMR-007	6630 Feet	— " — Sample taken from the subcrop on the ridge.		✓					Limestone (breccia)	Limestone loc strongly brecciated. with Pyrite mineralization, dissem. and in fractures < 5%. Sample taken from subcrop on the ridge. Low white carbonate beds; grey limestone.	
90LMR-008	6560 Feet.	— " — Sample taken ~ 20m below the ridge on W side.		✓					Greywacke	Gossan zone - yellowish-red. with an attitude 037°/64°SE (dip can be wrong). Gradually runs in do not oxidized GR4. just below limestone (or on the contact). Zone. 3m-4m wide. and min 20m long. (probably much more). Mineralization of disse. pyrite < 1%	

APPENDIX 5

Geochemical Results



MIN-EN LABORATORIES
 (DIVISION OF ASSAYERS CORP.)

SPECIALISTS IN MINERAL ENVIRONMENTS
 CHEMISTS • ASSAYERS • ANALYSTS • GEOCHEMISTS

VANCOUVER OFFICE:
 705 WEST 15TH STREET
 NORTH VANCOUVER, B.C. CANADA V7M 1T2
 TELEPHONE (604) 980-5814 OR (604) 988-4524
 FAX (604) 980-9621

THUNDER BAY LAB.:
 TELEPHONE (807) 622-8958
 FAX (807) 623-5931

SMITHERS LAB.:
 TELEPHONE/FAX (604) 847-3004

Assay Certificate

OS-0167-RA1

Company: **KEEWATIN ENGINEERING**
 Project: 046M
 Attn: R.PEGG

Date: **JUL-26-90**
 Copy 1. KEEWATIN ENGINEERING, VANCOUVER, B.C.
 2. KEEWATIN ENGINEERING, C/O JAYCOX

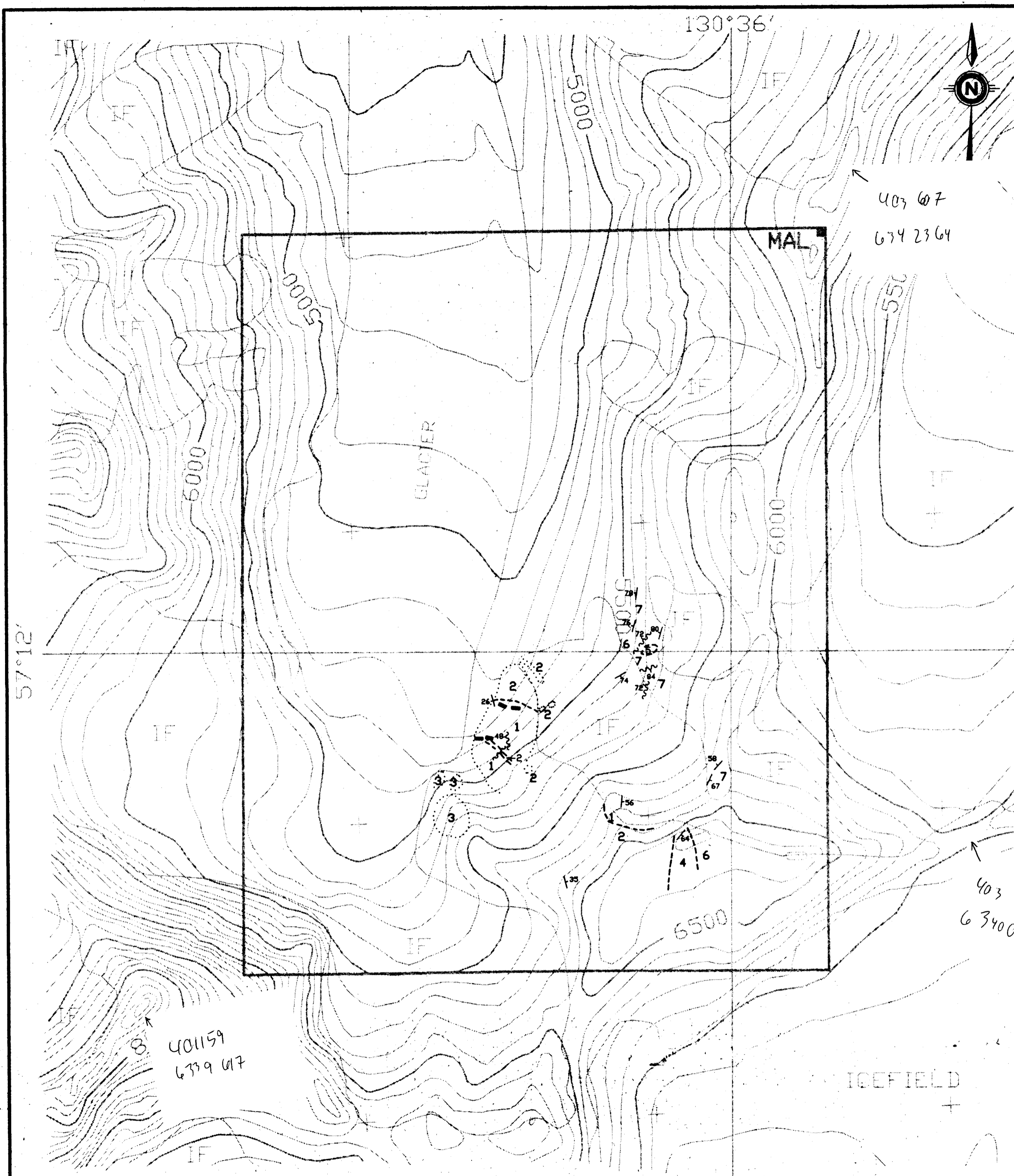
We hereby certify the following Assay of 3 ROCK samples submitted JUL-18-90 by R.PEGG.

Sample Number	*AU q/tonne	*AU oz/ton
90 TMC 001	1.18	.034
90 TMC 004	1.94	.057
90 RMC 002	1.37	.040

*AU - 1 ASSAY TON

Certified by

MIN-EN LABORATORIES

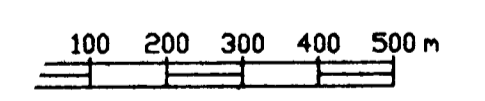


LEGEND

- 7 Conglomeratic greywacke (monolithic)
 - 6 Greywacke
 - 5 Agglomerate (fragments 10-15 cm phenocrysts to 1 cm)
 - 4 Gritty limestone
 - 3 Maroon andesite
 - 2 Porphyritic andesite; vesicular tuff
 - 1 Well bedded sediments (siltstones, grits and wackes)
- Outcrop
 - Bedding
 - ~ Shear / Fault
 - ▬ Silicified, pyritized zone
 - - - Geological contact

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

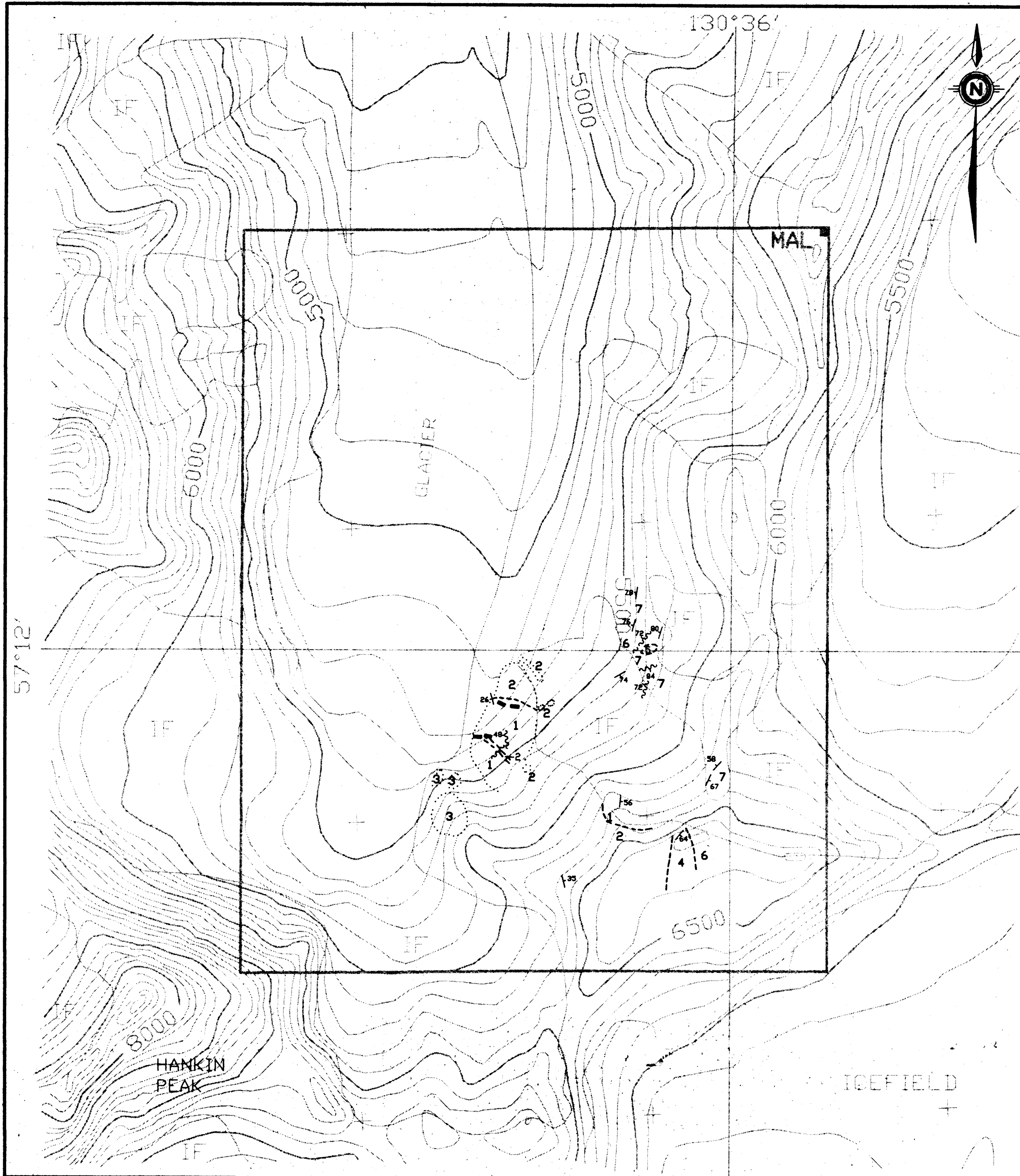
20,412



ALOMON RESOURCES LTD.

**MAL PROPERTY
GEOLOGY**

DATE: SEPT. 1990	NTS: 104G/2E
PROJECT:	BY: PLutynski, R.Pegg, ATravis
SCALE: 1:10,000	
Keewatin Engineering Inc.	MAP No. 1

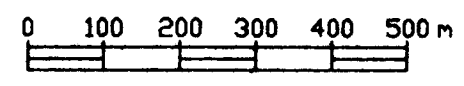


LEGEND

- 7 Conglomeratic greywacke (monolithic)
 - 6 Greywacke
 - 5 Agglomerate (fragments 10-15 cm; phenocrysts to 1 cm)
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- Outcrop
 - Bedding
 - ~ Shear / Fault
 - Silicified, pyritized zone
 - - - Geological contact

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ASSESSMENT REPORT**

20,412



SOLOMON RESOURCES LTD.	
MAL PROPERTY GEOLOGY	
DATE: SEPT. 1990	NTS: 104G/2E
PROJECT:	BY: P.Lutynski, R.Pegg, A.Travis
SCALE: 1:10,000	
Keewatin Engineering Inc. MAP No. 1	

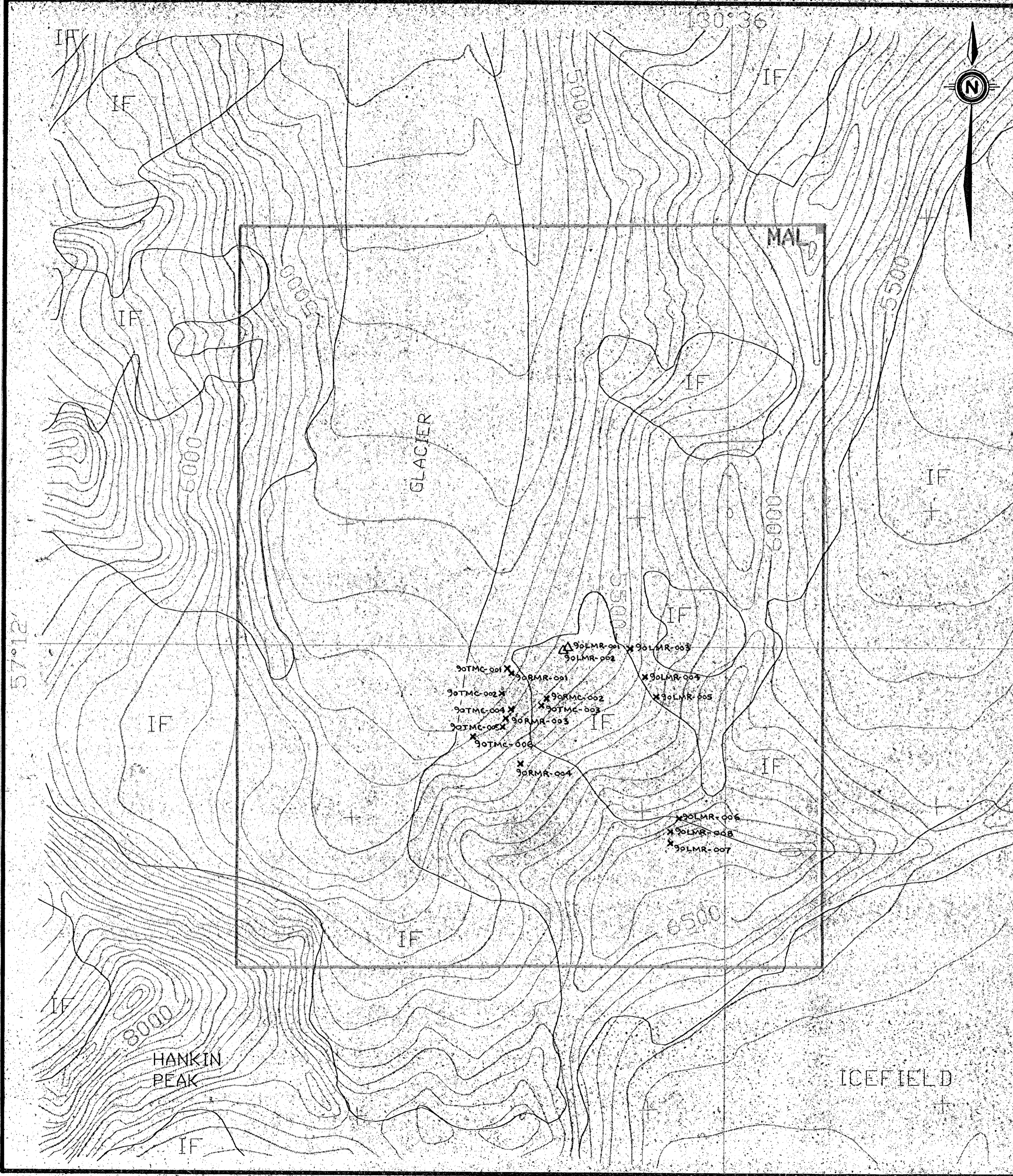
130°36'



GEOLOGICAL BRANCH
ASSESSMENT REPORT

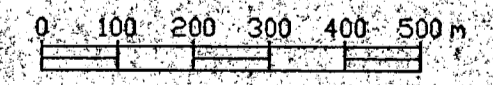
20,412

57°12'



LEGEND

- X Grab rock sample
- Δ Float rock sample



SOLOMON RESOURCES LTD.	
MAL PROPERTY	
ROCK SAMPLE LOCATIONS	
DATE: SEPT. 1990	NTS: 104G/2E
PROJECT:	BY:
SCALE: 1:10,000	
Keewatin Engineering Inc. MAP No. 2	