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ASSESSMENT REPORT
 GEOCHEMICAL SAMPLING PROGRAM
 ON THE
 ARGUS CLAIM GROUP

OMINECA MINING DIVISION
 BRITISH COLUMBIA

Location

NTS : 94E/6E & 94E/7W
 Latitude : 57° 20' North
 Longitude : 126° 55' West

Claims

Argus 1	Otto	Ian
Argus 2	Paul	Adrian

Owned and Operated By:

Rhyolite Resources Inc.
 340 - 1040 West Georgia St.
 Vancouver, B.C.
 V6E 4H1

Prepared By:

NEIL V. FROC, P.Eng.

October 1990

**GEOLOGICAL BRANCH
 ASSESSMENT REPORT**

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1.0 INTRODUCTION

This report summarizes the 1990 exploration work carried out on the Argus mineral claim group, 100% owned by Rhyolite Resources Inc. of 340 - 1040 West Georgia, Vancouver, B.C. Work consisted of soil geochemistry surveys on two separate areas within the claim group.

The soil geochemistry surveys were completed between September 5 to 16, 1990 by Marloch Resources Ltd. of 812 - 602 West Hastings St., Vancouver, B.C. under the direction and supervision of the author.

The objective of the sampling program was to extend the coverage of an existing survey grid and to explore a new area within the claim group.

The information contained in this report is based upon the author's personal examination of the property during the exploration program from September 7 to September 10, 1990, as well as from information obtained through various government and private publications.

2.0 LOCATION

The Argus Claim Group consisting of Argus 1, Argus 2, Otto, Ian, Paul, and Adrian claims are situated approximately 300 km north of the city of Smithers located in west-central British Columbia (see Figure 1).

The mineral claims are located within the Omineca Mining Division on NTS map sheets 94E/6E and 94E/7W, centered on geographic co-ordinates 57 20'N latitude and 126 55'W longitude (see Figure 2).

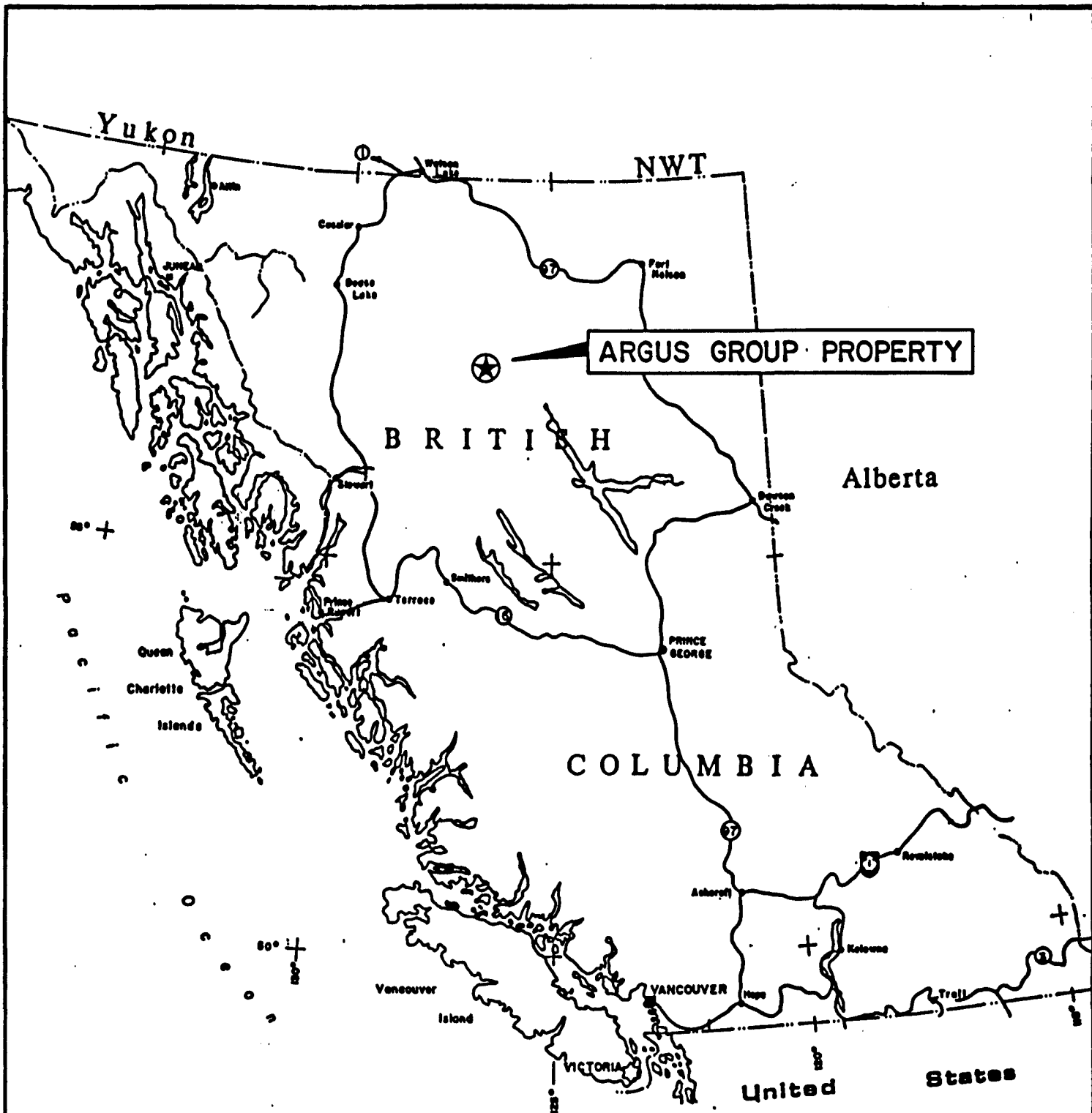
3.0 ACCESS

Access to the claim area is gained by a 13 km helicopter flight from the Sturdee River gravel airstrip.

The Sturdee River airstrip can be accessed by either regularly scheduled Central Mountain Airlines Ltd. flights via Smithers, B.C. or by vehicle along the newly constructed gravel road servicing the Cheni Gold Mine. Permission to travel on the road must be obtained from Cheni Gold Mines which includes a toll fee payment.

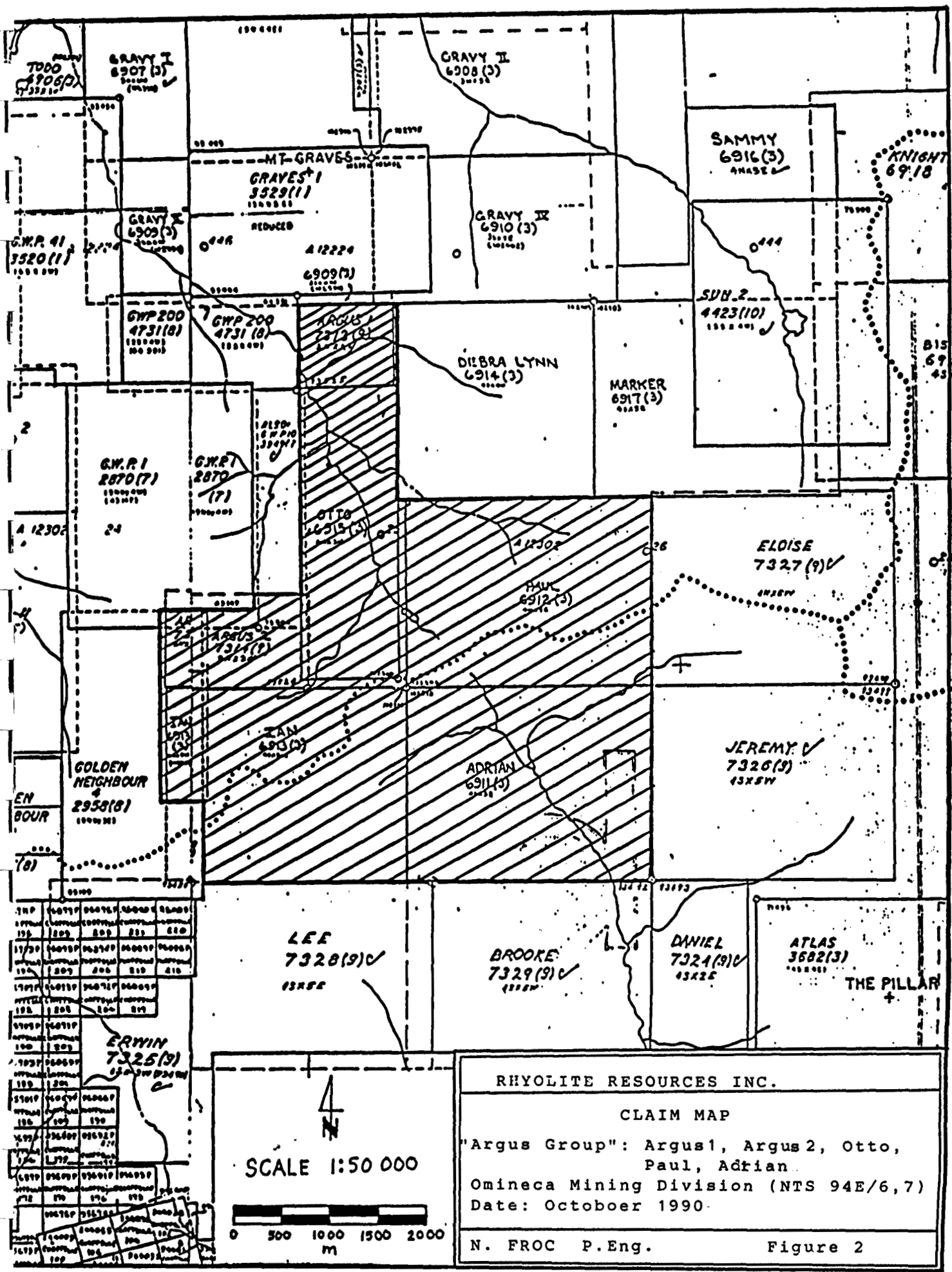
4.0 TOPOGRAPHY AND VEGETATION

Elevations on the property range from 1415m (4660 feet) to 2010m (6600 feet) above sea level. The topography is moderately rugged with outcrop exposed on the ridge tops and on occasional small cliffs. The hill sides and



RHYOLITE RESOURCES LTD
 PROPERTY LOCATION

Figure 1



RHYOLITE RESOURCES INC.

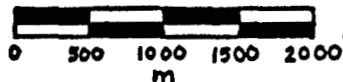
CLAIM MAP

"Argus Group": Argus 1, Argus 2, Otto,
Paul, Adrian
Omineca Mining Division (NTS 94E/6, 7)
Date: October 1990

N. FROC P.Eng.

Figure 2

SCALE 1:50 000



valley bottoms are covered by talus and glacial debris. Most of the property is above the tree line and is covered with patches of small scrubby trees and grasses.

5.0 CLAIM STATUS

The property consists of 82 contiguous mineral claims within the Omineca Mining Division on NTS sheets 94E/6E and 94E/7W. They are 100% owned by Rhyolite Resources Inc. and cover an area of approximately 2007 ha.

Pertinent claim data is summarized as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Dates</u>
Argus 1	4	7313	17/09/90
Argus 2	6	7314	17/09/90
Otto	12	6915	25/03/91
Paul	20	6912	25/03/91
Ian	20	6913	25/03/91
Adrian	20	6911	25/03/91

Assessment credit is applied for under this report.

6.0 HISTORY

The discovery of gold in the Toodoggone area is credited to Charles McClair who mined placer deposits in 1925, reportedly valued at \$17,500. After he and his partner disappeared in 1927, efforts to relocate their workings resulted in the formation of "Two Brothers Valley Gold Mines Ltd." in 1933. Cominco was active in the area at the same time, staking and working several base metal showings. There was sporadic exploration for gold, copper, lead and zinc between 1934 and 1960. The area was actively explored by Sumitomo, Umex and Texas Gulf Sulphur between 1963 and 1967, and in 1968 for porphyry copper and molybdenum deposits by Kennco Exploration (Western) Ltd., Cominco Ltd. and Cordilleran Engineering Ltd. Numerous copper-molybdenum prospects were acquired and explored as a result of the 1968 reconnaissance programs.

Kennco Exploration (Western) Ltd. recognized the precious metal potential of the area and staked the Lawyers and Chappelle claims and explored them until 1975. The Chappelle property was eventually optioned to Conwest Exploration Ltd. and then to DuPont of Canada Exploration Ltd. This led to the discovery of the Baker deposit. The Baker mine was put into production in 1981 at 100 tons/day with indicated reserves of 70,000 tons and

grades of 0.9 ounces/ton gold and 19.0 ounces/ton silver in the "A" vein. The Baker deposit was mined out in 1983. The Lawyers property was optioned to Semco Mining Corp. in May 1978 and obtained by an assignment of agreement by Serem Inc. in July 1978. Surface and underground drilling by Serem Inc. defined a deposit containing 1,000,000 tons grading 0.21 ounces/ton gold and 7.1 ounces/ton silver.

Commercial production of the Lawyers deposit commenced on March 1, 1989 at 550 tons/day. In 1989 production exceeded 48,500 ounces of gold and 918,000 ounces of silver. Proven and probable ore reserves on December 31, 1989 were estimated at 1,338,000 tons at an average grade of 0.208 ounces/ton gold and 7.08 ounces/ton silver.

Various other discoveries including Shasta and A1 are presently under various stages of exploration and development.

Previous work in the area of the Argus Group consisted of geological mapping and soil geochemistry by Cominco Ltd. in 1968 and Kennco Explorations Ltd. in 1968 and 1969. Cominco Ltd. was looking for porphyry copper-molybdenum mineralization and soil samples were analyzed for copper and molybdenum only. Kennco Explorations' effort on an adjoining area to the east was also in the search for porphyry deposits but included analysis for lead and zinc.

The Argus claim group area was first staked in 1980 by Serem Inc. In 1981, Serem Inc. conducted a program of stream sediment and contour soil sampling. Reconnaissance mapping was also carried out with several rock grab samples analyzed for base and precious metals. Although analysis of the steam sediment and soil samples indicated several areas which are anomalous in gold, silver and copper the claims were allowed to lapse.

In 1985, Rhyolite Resources Inc. relocated the "Argus" property and conducted several exploration programs including soil geochemical sampling, preliminary geological mapping, heavy sediment sampling, hand and blast trenching and rock sampling. This work was completed by several consultant companies including Orequest Consultants Ltd, Hi-Tec Resource Management Ltd., Ashworth Explorations Ltd. and Searchlight Resources Inc. The work identified several precious and base metal anomalies warranting further follow-up exploration work.

In early 1987, Rhyolite Resources Inc. commissioned Western Geophysical Aero Data Ltd. to process and interpret magnetometer and VLF-electromagnetometer data gathered across the Argus claim group. The data was gathered as part of a regional program completed in early spring of 1986. Five areas were outlined as "Areas of Interest". Zones of interest on the magnetic map have been chosen over lows adjacent to intrusives, and over the lows including quartz zones.

In August 1987, Rhyolite Resources Inc. conducted a regional program consisting of geologic mapping, multipole induced polarization and geochemical sampling. The intention of the survey was to geologically map and sample the claim group with particular attention to magnetometer lows. It was concluded from the program that the porphyry intrusions on the claim group control the mineralization deposition.

In September 1990, Rhyolite Resources Inc. conducted a soil geochemical sampling program to extend the coverage of an existing survey grid and to explore a new area within the claim group. The program is described in this report.

7.0 WORK PROGRAM

The work program completed by Rhyolite Resources Inc. during the fall of 1990 consisted of soil geochemical sampling. The soil geochemical sampling was carried out by Marloch Resources Ltd. from September 5 to 16, 1990 for Rhyolite Resources Inc.

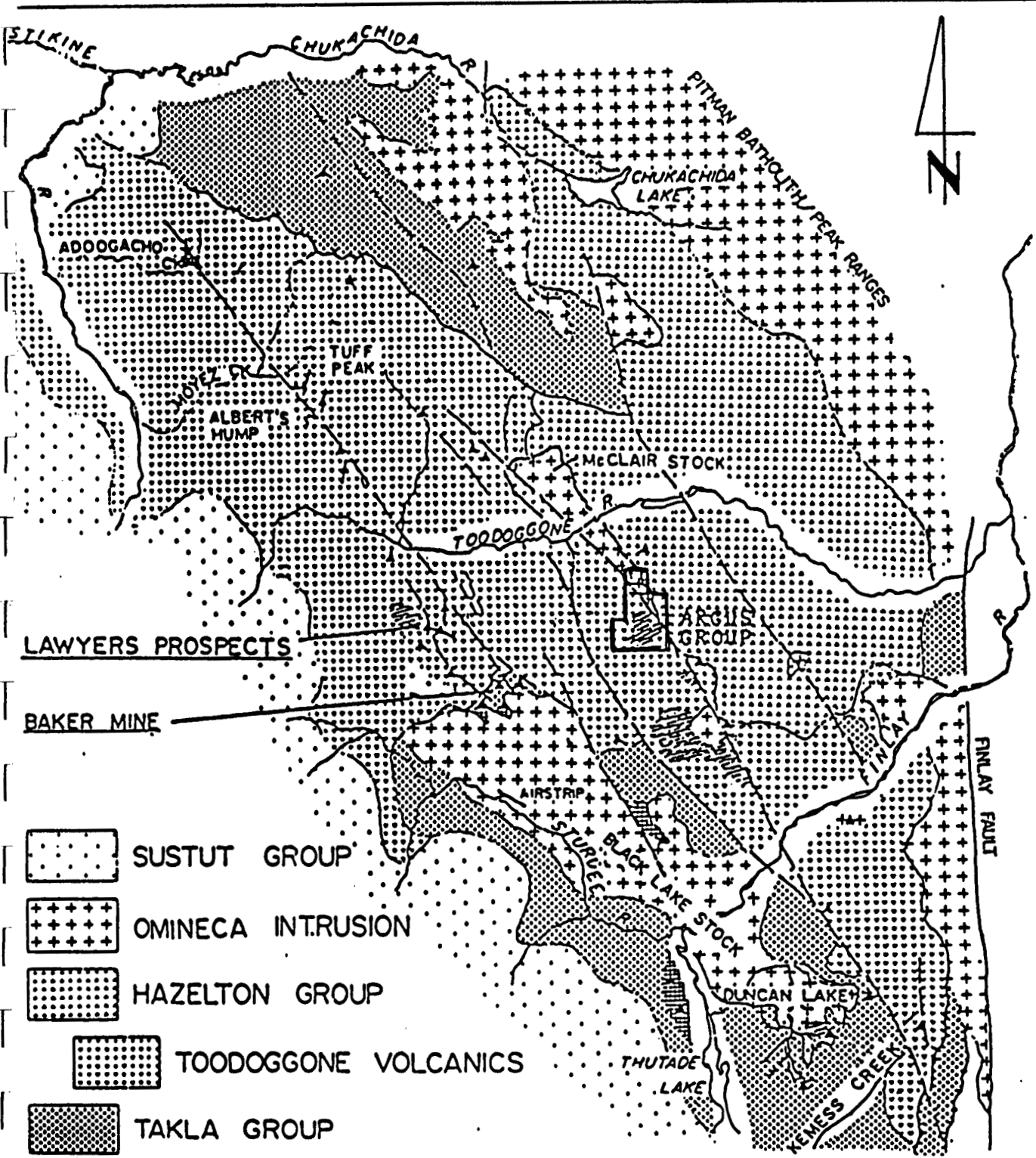
A total of 303 samples were collected, described and shipped to Chemex Laboratories for analysis.




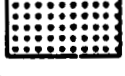

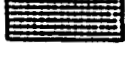
8.0 GEOLOGY



8.1 Regional Geology

The regional geology of the Toodoggone River area has been mapped and reported on by L.J. Diakow, A. Panteleyev and T.G. Schroeter, 1985 (on British Columbia Ministry of Energy, Mines and Petroleum Resources Open File) and by H. Gabielse, C.J. Dodds, J.L. Mansy and G.H. Eisbacher, 1977 (Geological Survey of Canada).

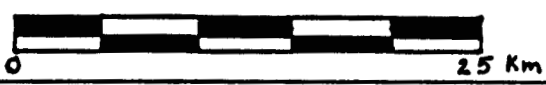
The Toodoggone River area is set within the Intermontaine Belt (see Figure 3). The main geologic units are the Upper Cretaceous Sustut Group, Jurassic undivided volcanics of Hazelton group, the Upper Triassic Takla



-  SUSTUT GROUP
-  OMINECA INTRUSION
-  HAZELTON GROUP
-  TOODOGGONE VOLCANICS
-  TAKLA GROUP
-  ASITKA GROUP

-  FAULT
-  GOSSAN
-  MINERAL OCCURRENCE

SCALE 1: 400 000



RYHOLITE RESOURCES INC.	
REGIONAL GEOLOGY	
Toodoggone River Area Omineca M.D. NTS 94E	
Date: October 1990	
N. FROC	Figure 3

Group and Permian carbonate units thought to belong to the Asitka Group. Several intrusive bodies of quartz monzonitic to grano-dioritic composition, irregular in size and shape (belonging to the Omineca Intrusives) intruded the volcano-sedimentary complex in several localities. Swarms of dykes and small stocks are related to these intrusions.

A distinctive volcanogenic complex of early Jurassic age (called the Toodoggone volcanics) consisting of a subaerial pyroclastic assemblage with mostly andesitic composition is widely spread through the Toodoggone River area. This complex seems to be equivalent to the lower part of the Hazelton group, and is probably associated with the Omineca Intrusions.

From the paleogeographic interpretation, it seems that the following sequence of events contributed to today's existence and distribution of stratigraphic units.

The Asitka group limestones were deposited in a marine environment. The Takla rocks are the product of a volcanic event that may have been accompanied by an uplift of the whole area (possibly changing the environment from submarine to sub-aerial). The result is a complex of interlayered volcanic and sedimentary units. This was followed by a period of regression and related deformations. Next was a volcanic episode during which the Hazelton volcanics and related cyclic Toodoggone volcanic rocks were formed. In the Toodoggone Belt, the event started with a quartzose acidic extrusion, followed by a mafic extrusion, and then by several intermediate extrusions. Much of the volcanics were porphyritic flows but within each cycle there are pyroclastic units and conglomerates, lahars and sandstones (reworked pyroclastics).

Of the structural elements, the most prominent are three fault zones, trending northwest-southeast, which are intermittently exposed where outcrop is developed and are clearly outlined by the airborne geophysics. They had a major role not only in the distribution of geologic units, but also in the deposition of minerals. The same northwest-southeast trend is also the general strike of the majority of the lithostratigraphic members.

Local uplifts accompanying intrusions resulted in several domal structures, characterized by a circular distribution of volcano-sedimentary units surrounding an intrusive core.

The Toodoggone River area is an important host of numerous precious metal and base metal prospects. Four main mineral deposit types have been identified:

- porphyry: occurring mainly in Takla Group volcanics and Omineca intrusives.

- skarn: contact of limestones (Asitka, and some in Takla) with intrusives.

- stratabound: occurring in Takla limestones interbedded with cherts.

- epithermal: occurring mainly in Toodoggone volcanics and in Takla rocks.

Of the four, the epithermal type is the most important, and has been divided into two subtypes: fissure vein deposits associated with fracture zones and possibly cauldrea formations, and hydrothermally altered and mineralized deposits (associated with major fault zones).

The most common of the ore minerals in the epithermal type deposits are argentite, electrum, native gold and silver. Of this type, the Baker and the Lawyers deposits are the two most prominent in the area.

8.2 Property Geology

The local geology of the "Argus" claim group area is shown on Figure 4.

8.2.1 Lithology

The claims are underlain by feldspar porphyritic flows, crystal lapilli tuffs, pyroclastic breccia, lahars and volcanically derived conglomerate, mudstone and greywacke.

These rocks are similar to the Lower Jurassic Toodoggone and Hazelton Groups. They are intruded by monzonite, syenite and quartz monzonite of Lower to Middle Jurassic age. Late mafic dykes cut the entire sequence.

The Toodoggone volcanic rocks are bordered on the west, and are in fault contact with the Hazelton Group underlying the eastern half of the property area.

In addition to the abundant intrusive of mafic and intermediate dykes reported within the volcanics, there are feldspar porphyry lenses ("eyes of quartz") reported and mapped on the southwest corner of the Adrian claim,

QUATERNARY

PLEISTOCENE AND RECENT

UNCONSOLIDATED GLACIAL, FLUVIOGLACIAL, ALLUVIAL AND COLLUVIAL DEPOSITS

CRETACEOUS

UPPER CRETACEOUS

SUSTUT GROUP (TANGO CREEK FORMATION)

POLYMITIC CONGLOMERATE, SANDSTONE, SHALE, CARBONACEOUS MUDSTONE

JURASSIC

LOWER AND (?) MIDDLE JURASSIC

"TOODOGGONE VOLCANICS" - (?) HAZELTON GROUP

UNDIVIDED: PREDOMINANTLY GREY, GREEN, PURPLE AND ORANGE-BROWN HORNBLende PLAGIOCLASE AND PLAGIOCLASE PHYRIC ANDESITE PORPHYRY FLOWS, TUFFS, BRECCIA, SOME LAHAR, CONGLOMERATE, GREYWACKE, SILTSTONE, RARE RHYOLITE-PERLITE. INCLUDES SOME DYKES AND SILLS

LOWER TO MIDDLE JURASSIC

"TOODOGGONE VOLCANICS" (CARTER, 1972)

"GREY DACITE"

DARK TO PALE GREY OR GREEN QUARTZOSE BIOTITE HORNBLende PLAGIOCLASE ASH FLOWS OF ANDESITIC AND RARELY DACITIC COMPOSITION, VARIABLY WELDED WITH LOCALLY WELL-DEVELOPED COMPACTION LAYERING; CONTAINS ABUNDANT GREY DACITE AND RARE GRANITIC CLASTS; OUTCROPS ARE COMMONLY BLOCKY AND STRONGLY JOINTED

POLYMITIC CONGLOMERATE WITH ABUNDANT TAKLA AND GREY DACITE CLASTS IN A QUARTZOSE SANDSTONE MATRIX

GREYWACKE, CONGLOMERATE DERIVED ENTIRELY FROM GREY DACITE

TOODOGGONE CRYSTAL ASH TUFFS AND FLOWS

RECESSIVE, GREY MAUVE, PURPLE QUARTZOSE PLAGIOCLASE CRYSTAL TUFF, LAPILLI TUFF, AND BRECCIA, WITH LESSER AGGLOMERATE, LAHAR, AND EPICLASTIC BEDS; INCLUDES SOME WELDED TUFFS AND PYROXENE HORNBLende FELDSPAR PORPHYRY FLOWS WHICH ARE LOCALLY DOMINANT; SOME MEMBERS CONTAIN NO QUARTZ, PINK WEATHERING WHERE LAUMONTITE IS ABUNDANT

EPICLASTIC RED BEDS - ARKOSIC SANDSTONE, SILTSTONE, CONGLOMERATE, AND SLIDE DEBRIS, CONTAINS SOME CRYSTAL TUFF

TUFF PEAK FORMATION

PALE PURPLE, GREY, AND GREEN BIOTITE AUGITE HORNBLende PLAGIOCLASE PORPHYRY FLOWS; SOME AUTOBRECCIATED FLOWS, MINOR SILLS AND PLUGS, SOME CRYSTAL AND LAPILLI TUFF

CONGLOMERATE OR LAHAR DERIVED FROM UNITS 6 AND 6B, WITH GRADED AND CROSSLAMINATED MUDSTONE AND SANDSTONE INTERBEDS; DEBRIS FLOWS, LAPILLI AND CRYSTAL TUFFS

FLOWS SIMILAR TO UNIT 6 BUT CONTAINING SPARSE ORTHOCLASE MEGACRYSTS

MCLAIR CREEK FORMATION

PURPLE, LAVENDER, GREY, RARELY GREY-GREEN, "CROWDED" FINE TO MEDIUM-GRAINED PLAGIOCLASE PORPHYRITIC FLOWS; INCLUDES SOME LAPILLI TUFF, BRECCIA, AND MINOR EPICLASTIC BEDS

INTRUSIVE DOME WITH AUTOBRECCIATED CARAPAGE AND FLANKING BRECCIA

MAFIC FLOW AND TUFF UNIT

BASALT FLOWS—THIN BEDDED, PURPLE TO DARK GREEN, COMMONLY EPIDOTIZED, FINE-GRAINED PYROXENE BASALT FLOWS AND TUFFS; INCLUDES SOME SILLS AND DYKES

PURPLE TO MAUVE, MEDIUM-GRAINED PORPHYRITIC BASALT, LOCALLY MAUVE TO PINK, ZEOLITIZED WITH LAUMONTITE, POSSIBLE INTRUSIVE (LACCOLITH)

LAPILLI, CRYSTAL, AND ASH TUFF; WELL BEDDED, INCLUDES MINOR THINLY BEDDED SANDSTONE AND RARE CALCAREOUS SILTSTONE (MARL), TOTALLY OR IN PART EQUIVALENT TO UNIT 7

PYROXENE BIOTITE HORNBLende PORPHYRY FLOWS WITH TRACES OF QUARTZ AND K-FELDSPAR; INTERBEDDED MIP OR BRECCIA AND LAPILLI TUFF, TOTALLY OR IN PART EQUIVALENT TO UNIT 6

JURASSIC (CONTINUED)

LOWER TO MIDDLE JURASSIC (CONTINUED)

"TOODOGGONE VOLCANICS" (CARTER, 1972) (CONTINUED)

LAWYERS—METSANTAN QUARTZOSE ANDESITE

GREEN TO GREY QUARTZOSE PYROXENE (?) BIOTITE HORNBLende PLAGIOCLASE PORPHYRY FLOWS AND TUFFS. QUARTZ CONTENT RANGES FROM NEGLIGIBLE TO ABOUT 3 PER CENT IN THE NORTH FLOWS PREDOMINATE WITH LOCAL FLOW BRECCIA, LAPILLI TUFF, AND RARE WELDED TUFF UNITS; TOWARD THE SOUTH ASH FLOWS ARE COMMON, INCLUDING RARE SURGE DEPOSITS. THE UNIT CONTAINS EXTENSIVE ZONES OF EPIDOTIZED, PHYRIC ROCK WITH CHARACTERISTIC SALMON, PINK, AND ORANGE PLAGIOCLASE CRYSTALS

MOYEZ CREEK VOLCANICLASTICS

CONGLOMERATE WITH SOME GRANITIC CLASTS, GRADED, CROSS-BEDDED GREYWACKE, WELL-BEDDED CRYSTAL TUFF EPICLASTIC SEDIMENTS; LOCAL LAMINATED CALCAREOUS SILT (MARL), RARE THIN LIMESTONE AND CHERT; LOCAL COARSE LANDSLIDE DEBRIS AND LAHAR, IN PART OR TOTALLY EQUIVALENT TO UNIT 6A

CRYSTAL TUFFS IN THIN, WELL-LAYERED UNITS; SOME EPICLASTIC SANDSTONE AND MUDSTONE; RARE PLANT FRAGMENTS IN SOME BEDS; MINOR LAPILLI TUFF

ADDOOGATMO CREEK FORMATION

PALE REDDISH GREY TO DARK RED-BROWN QUARTZOSE BIOTITE HORNBLende PHYRIC ASH FLOWS; THE ROCKS CONTAIN MINOR SANIDINE AND RARE AUGITE, WELDING IS WIDESPREAD AND RANGES FROM INCIPENT TO EUTACTIC; LOCALLY ORANGE TO BROWN VITROPHYRIC CLASTS ARE COMMON, INCLUDES LAPILLI TUFF AND BRECCIA UNITS AS WELL AS MINOR LAYERED GROUND SURGE DEPOSITS

CRYSTAL ASH TUFF, LAPILLI TUFF, AND RARE AGGLOMERATE WITH INTERSPERSED EPICLASTIC BEDS, TUFFACEOUS SEDIMENTS AND MINOR CONGLOMERATE THAT LOCALLY CONTAINS GRANITIC CLASTS; MINOR HORNBLende PLAGIOCLASE PHYRIC FLOWS FORMING SINGLE OR THIN COMPOSITE FLOW UNITS

QUARTZOSE PLAGIOCLASE PORPHYRY—JOINTED, DOMAL INTRUSION (?) OF HOMOGENOUS-APPEARING GREY TO GREEN, CHLORITIZED AND EPIDOTE-ALTERED ROCK CONTAINING ABUNDANT INCLUSIONS OF TAKLA VOLCANICS AND RARE METAMORPHIC ROCK CLASTS

TRIASSIC

UPPER TRIASSIC

TALKA GROUP

DARK GREEN AUGITE PORPHYRY BASALT FLOWS AND BRECCIAS WITH LESSER FINE GRAINED ANDESITE TO BASALT FLOWS AND MINOR INTERBEDDED SILTSTONE, TUFFACEOUS SEDIMENTS, AND CHERT. CONTAINS LIMESTONE LENSES THAT MAY BE PART OF THE "ASITKA GROUP"

PALEOZOIC

PERMIAN

ASITKA GROUP?

PREDOMINANTLY LIMESTONE (INCLUDING MARBLE AND MINOR SKARN) WITH SOME ARGILLITE, BLACK SHALE, AND CHERT. UNITS COMPOSED OF LIMESTONE, CHERT, ARGILLITE, AND BASALT (P.V.C.) MAY BE, IN PART, OR TOTALLY TAKLA GROUP

INTRUSIVE ROCKS

JURASSIC

LOWER JURASSIC (DYKES, SILLS, AND SMALL PLUGS)

BASALT

AUGITE HORNBLende PORPHYRY - BASALTIC STOCK, DOMAL INTRUSION (OR TAKLA INLIER)

BIOTITE HORNBLende DIORITE GABBRO

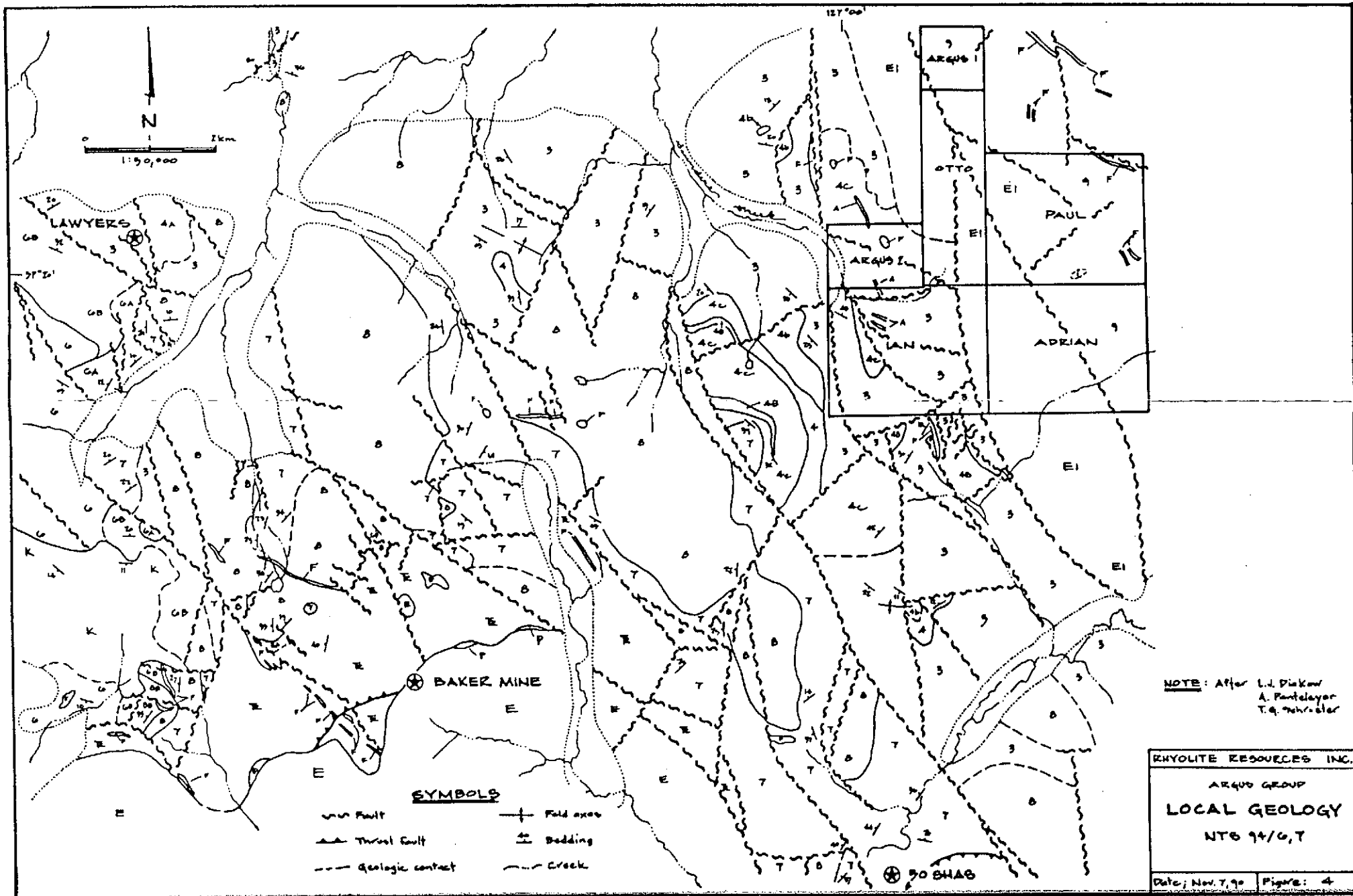
PYROXENE PLAGIOCLASE PORPHYRY

LOWER TO MIDDLE JURASSIC (DYKES AND STOCKS)

QUARTZ MONZONITE, GRANODIORITE—MEGACRYSTIC IN PART; MINOR SYENITE OR QUARTZOSE SYENITE ALONG CONTACTS

GRANODIORITE, QUARTZ DIORITE - MEDIUM GRAINED, PORPHYRITIC, FOLIATED IN PART

FELDSPAR PORPHYRY HORNBLende FELDSPAR PORPHYRY - DYKES AND PLUGS, RARE QUARTZ FELDSPAR PORPHYRY



and the northeastern corner of the Paul claim.

8.2.2 Contact

The contact area between the Toodoggone volcanics and Hazelton Group rocks follow a northwesterly trending set of structures crossing the central area of the property. However, erosion cleared the contact zone on the Otto and Adrian claim exhibiting the Jurassic monzonite intrusive bedrock representing the southern end of McClair Stock. The flat shape of the gossan area is interpreted as roof contact between the Omineca intrusive and the volcanics laying in the property. Also, several gossans are outlined on ridges of volcanic rocks along the southern boundary of the Paul claim and the western boundary of the Ian and Argus #2 claims. This feature suggests that the gossan layer continues under the ridge forming the roof contact partially exhibited and delineated on the elongated centre of the property.

8.2.3 Structure

The geomorphology of the property area, shows a graben structure of Omineca intrusive underlying Toodoggone volcanics. The axis of the graben is trending north-south and crossing the property along the Otto and the common boundary of the Ian and Adrian claims.

The down throw block of the graben occupies the central area of the property and it is limited by two major faults crossing the property. The up throw blocks east and west of the down throw blocks, are buried under the ridges of volcanics located at the boundary of the property. In between the two major blocks, a complex steps faults system forms small blocks. The western side of the graben, in the Ian claim, is a good example of high faulting activity. The eastern side of the graben is less complex, and shows two major steps. The highest steps (terraces) are located under ridges of the Paul and Ian claims. Those "terraces" form cirques for valley heads glaciers.

The resistance of ridges to erosion is attributed to the presence of dense and thick dike systems of mafic volcanics and feldspar porphyry as shown on the Paul claim. However, the ridge forming the eastern side of the Adrian claim is a large scale block of Omineca intrusive underlying the Toodoggone volcanics. The volcanics and sedimentary sequence has been faulted into a number of blocks. Major faults trend northwest and northeast, with minor faults trending to the north. Mafic dikes and mineralized fractures correspond to these

trends.

The property area is dominated by a northwesterly trending set of structures represented by younger steeply-dipping faults and syn-volcanics half-graben margins exhibited in Hazelton Group volcanics. These major structural breaks may be directly related to a northwest trending line of volcanic centres reported at regional scale.

Younger post volcanic and intrusive faults recognizable as lineaments on the topography also traverse the property area in a northwesterly direction. Most of the prominent gossans in the area are also aligned along this same configuration of faults.

8.2.4 Alteration and Mineralization

Numerous gossans on the claims mark an extensive zone of disseminated pyrite and intense propylitic (chlorite and epidote) alteration. Yellowish-white clay alteration occurs along faults. Locally, rocks are completely altered to blue-white silica with disseminated pyrite. Minor amounts of galena and malachite stain have been found.

Outside of the propylitic zone, chlorite and epidote are confined to fractures and narrow haloes around syenite-monzonite stocks and dykes. Rocks are extensively hematized. Vuggy quartz and calcite veins occur in a few areas. In 1980, mapping by Serem Ltd. discovered banded grey and amethyst quartz veins and adjacent malachite fracture fillings on the Paul claim (then the Argus 3 claim); however, gold and silver assays in the area were in the background range (Crawford and Vulimiri, 1981).

9.0 SOIL GEOCHEMISTRY

A total of 303 soil samples were collected by Marloch Resources Ltd. of Vancouver over two separate compass and flagged grid areas designated North and Argus 1.

On the North grid 111 samples (6 check samples BMC - 069,071-075) were collected on extension lines off the pre-existing "North" grid established in 1985 by Orequest. Sample stations were spaced at 50 metre intervals.

On the Argus 1 grid 192 samples were collected. The Argus 1 grid consists of a 1000m baseline oriented east-west on the northern boundary of the Argus 1 claim with grid lines extending southward every 100m. Sample stations were placed at 50 metre intervals.

Samples of the "B" horizon were collected where possible utilizing a heavy grubhoe at a general depth of 25 to 40 centimetres. All samples were prepared and analyzed by Chemex Laboratories Ltd. of North Vancouver for gold by fire assay with AA finish and by ICP for silver, arsenic, copper, iron, mercury, lead, antimony and zinc (see Appendix I 'Certificate of Analysis' and Appendix II 'Laboratory Methods').

The assay results are plotted on three separate plans (Figure 5,6 and 7) with the following element grouping; precious metals (gold/silver) base metals (copper/lead/zinc) and trace elements (arsenic/mercury/antimony). Values above threshold and anomalous are indicated on the plans and listed in Table I. Threshold and anomalous levels for gold, silver, copper and arsenic were determined by Orequest as part of the 1985 soil survey program. They are as follows:

- i) Gold (ppb) - Background < or = 20
- Threshold 25 - 45
- Anomalous > or = 50
- ii) Silver (ppm) - Background < or = 1.6
- Threshold 1.7 - 3.3
- Anomalous > or = 3.4
- iii) Copper (ppm) - Background < or = 99
- Threshold 100 - 149
- Anomalous > or = 150
- iv) Arsenic (ppm) - Background < or = 16
- Threshold 17 - 26
- Anomalous > or = 27

In total six samples anomalous in gold and six samples anomalous in copper were collected. The anomalous gold values range from 55 ppm to 125 ppm and the anomalous copper values from 152 ppm to 610 ppm. All the samples anomalous in copper appear to have been collected in seepage zones except for BMC-141 and BMC-142 on the Argus 1 grid. The cause of the anomaly is undetermined but may be related to the elevated organic content in the two samples. All of the anomalous gold samples on both grids appear isolated and uncorrelateable. However, the anomalous samples on the North grid occur near a known anomalous gold zone and may be attributed to downslope dispersion from the zone.

TABLE I

ASSAY RESULTS AT THRESHOLD AND/OR ANOMALOUS LEVELS

<u>Sample</u>	<u>Grid</u>	<u>Location</u>	<u>Value (s)</u>
BMC - 001	North	10+00W 0+00	45 ppb Au
BMC - 002	North	10+50W 0+00	20 ppb Au
*BMC - 033	North	14+00W 2+50S	25 ppb Au, <u>360 ppm Cu</u>
BMC - 037	North	15+00W 1+00S	<u>125 ppb Au</u>
BMC - 043	North	13+00W 2+00N	<u>55 ppb Au</u>
BMC - 062	North	16+00W 0+00	<u>110 ppb Au</u>
*BMC - 066	North	16+00W 2+00S	35 ppb Au, <u>152 ppm Cu</u>
BMC - 106	Argus I	3+00W 8+00S	<u>90 ppb Au</u>
BMC - 124	Argus I	3+00W 15+00S	35 ppb Au
BMC - 125	Argus I	3+00W 14+50S	<u>90 ppb Au</u>
*BMC - 135	Argus I	3+00W 4+00S	25 ppb Au
SW - 017	North	12+00W 0+50S	<u>55 ppb Au</u>
SW - 042	North	1+00E 5+00S	45 ppb Au, 26 ppm As
SW - 179	Argus I	1+00W 14+00S	25 ppb Au
*BMC - 109	Argus I	3+00W 9+50S	1.7 ppm Ag, <u>240 ppm Cu</u>
BMC - 003	North	11+00W 0+00	110 ppm Cu
BMC - 004	North	11+50W 0+00	110 ppm Cu
*BMC - 034	North	14+00W 3+00S	<u>250 ppm Cu</u>
BMC - 061	North	16+00W 0+50N	104 ppm Cu
BMC - 141	Argus I	5+00W 9+50S	<u>610 ppm Cu</u>
BMC - 142	Argus I	5+00W 10+00S	<u>530 ppm Cu</u>
SW - 028	North	11+00W 1+00S	114 ppm Cu
SW - 029	North	11+00W 0+50S	118 ppm Cu
SW - 175	Argus I	1+00W 12+00S	21 ppm As
SW - 176	Argus I	1+00W 12+50S	25 ppm As

Note - Underlined values are anomalous
 - * possible seepage contamination

10.0 RESULTS AND RECOMMENDATIONS

Soil sampling on the Argus I claim revealed only isolated anomalous gold and copper values. None of the anomalous values warrant follow-up work.

Soil sampling on extensions to the North grid revealed only isolated gold and copper values which may be related to downslope dispersion from the known gold soil anomaly centered at approximately 3+00W 1+00N.

It is recommended that further exploration work consist of soil geochemistry and IP geophysics surveys over other gossanous areas on the property with corresponding stream geochemical anomalies obtained from previous work programs.

APPENDIX I
CERTIFICATES OF ANALYSIS



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
 PHONE: 604-984-0221

To: METALS RESEARCH CORPORATION OF AMERICA **

300 - 1040 W. GEORGIA ST.
 VANCOUVER, BC
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Page Number : 1
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Project : ARGUS
 Comments :

CERTIFICATE OF ANALYSIS A9024959

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm	
SW-075	203 205	< 5	0.2	4	16	4.70	70	18	< 0.2	122	
SW-076	203 205	< 5	0.9	2	38	3.00	160	30	< 0.4	144	
SW-077	203 205	< 5	0.4	1	50	1.00	140	9	< 0.2	116	
SW-078	203 205	< 5	0.4	2	11	3.40	50	16	< 0.2	102	
SW-079	203 205	< 5	0.6	2	10	3.30	50	16	< 0.2	74	
SW-080	203 205	< 5	0.4	2	22	2.50	110	20	< 0.2	136	
SW-081	203 205	< 5	0.5	2	15	2.10	100	22	< 0.2	106	
SW-082	203 205	< 5	0.3	2	16	3.00	70	14	< 0.2	85	
SW-083	203 205	< 5	0.4	1	14	2.00	100	14	< 0.4	130	
SW-084	203 205	< 5	0.3	4	16	4.60	50	27	0.2	110	
SW-085	203 205	< 5	0.4	5	18	4.80	60	18	< 0.2	126	
SW-086	203 205	< 5	not/ss	not/ss	not/ss	not/ss	not/ss	not/ss	< 0.8	not/ss	
SW-087	203 205	< 5	0.3	3	18	3.50	60	15	< 0.2	100	
SW-088	203 205	< 5	0.2	4	23	3.60	70	26	< 0.2	100	
SW-089	203 205	< 5	0.2	1	14	2.50	90	22	< 0.2	108	
SW-090	203 205	< 5	0.4	5	18	4.00	60	21	0.2	102	
SW-091	203 205	< 5	0.2	6	21	4.00	40	18	0.2	94	
SW-092	203 205	< 5	0.3	1	12	2.50	70	17	< 0.2	126	
SW-093	203 205	< 5	0.2	3	12	4.30	60	17	< 0.2	106	
SW-094	203 205	< 5	0.2	3	11	4.50	60	20	< 0.2	104	
SW-095	203 205	< 5	0.3	2	14	4.00	70	28	< 0.2	180	
SW-096	203 205	< 5	0.4	2	12	3.20	50	23	< 0.2	66	
SW-097	203 205	< 5	< 0.2	2	15	3.30	60	14	< 0.2	94	
SW-098	203 205	< 5	0.5	3	16	4.40	50	21	0.2	148	
SW-099	203 205	< 5	0.5	5	20	5.20	60	20	0.2	184	
SW-100	203 205	< 5	1.4	5	59	3.50	70	24	0.2	158	
SW-101	203 205	< 5	0.2	3	16	5.00	60	14	0.2	94	
SW-102	203 205	< 5	0.3	2	12	4.50	50	14	0.2	102	
SW-103	203 205	< 5	0.4	2	9	4.00	60	14	0.2	64	
SW-104	203 205	< 5	0.5	3	14	5.40	60	18	0.2	134	
SW-105	203 205	< 5	0.5	4	16	5.40	50	16	0.4	118	
SW-106	203 205	< 5	0.4	3	13	5.00	50	16	0.2	98	
SW-107	203 205	< 5	0.6	2	12	4.80	50	14	0.2	96	
SW-108	203 205	< 5	0.3	2	12	4.50	60	11	0.2	94	
SW-109	203 205	< 5	0.4	2	18	4.80	60	10	0.4	90	
SW-110	203 205	< 5	0.2	2	24	5.70	40	9	< 0.2	100	
SW-111	203 205	< 5	1.4	1	17	4.00	60	9	< 0.2	84	
SW-112	203 205	< 5	1.0	< 1	12	2.40	100	44	< 0.2	110	
SW-113	203 205	< 5	not/ss	not/ss	not/ss	not/ss	not/ss	not/ss	< 0.8	not/ss	
SW-114	203 205	< 5	0.3	2	14	4.30	50	11	0.2	98	

CERTIFICATION:

Hart Buchler



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221

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SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm	
SW-115	203	205	< 5	0.3	3	21	5.40	50	9	0.2	102	
SW-116	203	205	< 5	0.3	2	13	4.20	50	10	0.2	105	
SW-117	203	205	< 5	0.7	3	20	4.60	70	9	0.2	104	
SW-118	203	205	< 5	0.3	12	29	4.60	60	16	0.2	120	
SW-119	203	205	< 5	0.3	3	16	5.20	40	11	0.2	92	
SW-120	203	205	< 5	0.4	4	15	4.20	50	11	0.2	96	
SW-121	203	205	< 5	0.2	4	15	3.60	40	10	0.4	90	
SW-122	203	205	< 5	< 0.2	4	26	4.20	40	14	0.2	140	
SW-123	203	205	< 5	0.2	5	29	5.50	50	17	0.2	130	
SW-124	203	205	< 5	0.5	2	13	3.00	50	16	0.2	94	
SW-125	203	205	< 5	0.4	2	14	3.80	50	16	0.2	86	
SW-126	203	205	< 5	1.0	5	41	4.30	60	20	0.2	120	
SW-127	203	205	< 5	0.5	3	30	3.90	50	19	0.2	92	
SW-128	203	205	< 5	0.3	2	15	2.20	40	18	0.2	56	
SW-129	203	205	< 5	1.0	3	18	3.10	50	28	0.2	100	
SW-130	203	205	< 5	< 0.2	3	27	3.60	40	20	0.2	54	
SW-131	203	205	< 5	< 0.2	4	25	3.40	50	28	0.2	104	
SW-132	203	205	< 5	0.4	6	23	4.40	50	28	0.4	148	
SW-133	203	205	< 5	0.7	5	32	4.80	70	27	0.2	180	
SW-134	203	205	< 5	0.4	10	38	4.70	60	28	0.4	134	
SW-135	203	205	< 5	0.3	10	34	4.00	50	23	0.4	126	
SW-138	203	205	< 5	0.4	6	54	4.80	50	22	0.2	120	
SW-139	203	205	< 5	0.3	5	64	5.00	60	36	0.6	174	
SW-140	203	205	< 5	0.7	6	40	5.00	60	32	0.4	136	
SW-141	203	205	< 5	0.4	2	37	2.70	40	18	0.4	134	
SW-142	203	205	< 5	0.4	5	48	4.30	50	24	0.4	134	
SW-143	203	205	< 5	0.7	7	29	4.70	70	17	0.4	108	
SW-144	203	205	< 5	0.3	10	25	5.20	60	25	0.4	126	
SW-145	203	205	< 5	0.3	10	55	5.00	40	27	0.6	110	
SW-146	203	205	< 5	0.3	15	40	4.90	50	18	0.6	290	
SW-147	203	205	< 5	0.2	8	90	4.20	50	40	0.4	245	
SW-148	203	205	10	0.3	8	56	3.70	40	40	0.4	295	
SW-149	203	205	< 5	0.3	4	34	4.50	50	40	0.4	160	
SW-151	203	205	< 5	0.3	12	36	4.20	40	46	0.6	168	
SW-152	203	205	< 5	0.3	5	34	3.10	40	108	0.2	240	
SW-153	203	205	< 5	0.5	7	32	2.80	40	85	0.2	138	
SW-154	203	205	< 5	0.3	7	26	3.20	40	100	0.4	215	
SW-155	203	205	< 5	< 0.2	2	16	3.00	40	20	0.2	102	
SW-156	203	205	< 5	< 0.2	2	18	3.40	40	23	0.2	90	
SW-157	203	205	< 5	0.5	2	21	4.80	50	26	0.2	146	

CERTIFICATION: *Hart Buchler*



Chemex Labs Ltd.

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 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
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SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm
SW-158	203 205	< 5	0.3	2	16	4.20	60	27	< 0.2	93
SW-159	203 205	< 5	0.7	2	16	4.80	60	20	< 0.2	102
SW-160	203 205	10	1.0	1	12	2.90	60	20	< 0.2	52
SW-161	203 205	< 5	0.4	4	16	4.60	60	20	0.2	94
SW-162	203 205	< 5	0.4	5	26	4.50	50	18	0.2	90
SW-163	203 205	< 5	0.5	5	25	5.20	60	20	< 0.2	164
SW-164	203 205	< 5	0.5	3	22	5.00	90	21	< 0.2	160
SW-165	203 205	< 5	0.2	3	15	4.30	90	18	0.2	136
SW-166	203 205	< 5	0.5	1	46	3.30	60	14	< 0.2	110
SW-167	203 205	< 5	0.5	2	18	4.60	60	13	< 0.2	92
SW-168	203 205	< 5	0.3	3	22	4.40	70	12	< 0.2	134
SW-169	203 205	< 5	0.3	1	24	3.10	40	32	< 0.2	176
SW-170	203 205	< 5	0.7	2	17	4.70	70	16	< 0.2	134
SW-171	203 205	< 5	0.7	1	16	2.00	60	11	< 0.2	90
SW-172	203 205	< 5	0.6	1	11	2.90	50	10	< 0.2	88
SW-173	203 205	< 5	< 0.2	3	21	4.60	40	21	< 0.2	95
SW-174	203 205	< 5	0.4	5	22	4.90	40	22	0.2	126
SW-175	203 205	< 5	0.4	21	34	8.00	60	46	0.6	190
SW-176	203 205	< 5	0.2	25	22	6.60	40	18	0.4	126
SW-177	203 205	< 5	0.4	1	12	1.40	110	23	< 0.2	64
SW-178	203 205	< 5	0.4	2	16	4.20	50	27	< 0.2	102
SW-179	203 205	< 25	0.3	3	22	4.20	50	29	< 0.2	170
NO NUMBER	203 205	< 5	0.7	8	40	4.50	60	41	0.2	210

CERTIFICATION: Hart Buchler



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Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
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SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm
BMC-001	203 205	45	< 0.2	2	44	3.45	60	70	< 0.2	134
BMC-002	203 205	20	0.6	3	70	5.10	60	21	< 0.2	74
BMC-003	203 205	< 5	0.6	3	110	5.50	60	21	< 0.2	109
BMC-004	203 205	< 5	0.2	3	110	4.90	70	22	< 0.2	112
BMC-005	203 205	< 5	0.2	2	78	4.00	50	17	< 0.2	94
BMC-006	203 205	< 5	< 0.2	3	86	4.80	60	16	< 0.2	72
BMC-007	203 205	< 5	0.2	1	40	4.70	40	18	< 0.2	49
BMC-008	203 205	< 5	0.4	2	60	5.50	60	31	< 0.2	61
BMC-009	203 205	< 5	0.4	2	36	5.40	60	47	< 0.2	72
BMC-010	203 205	15	< 0.2	5	64	5.00	50	38	< 0.2	144
BMC-011	203 205	10	< 0.2	5	56	5.90	70	32	< 0.2	114
BMC-012	203 205	15	0.2	10	32	6.40	60	24	< 0.2	84
BMC-013	203 205	< 5	< 0.2	2	46	4.20	40	27	< 0.2	108
BMC-014	203 205	< 5	0.2	2	24	5.40	70	20	< 0.2	66
BMC-015	203 205	< 5	0.8	5	43	5.60	60	140	< 0.2	184
BMC-016	203 205	< 5	< 0.2	6	60	4.60	40	36	< 0.2	470
BMC-017	203 205	< 5	0.5	5	36	4.70	60	42	< 0.2	120
BMC-018	203 205	< 5	< 0.2	5	22	3.10	50	29	< 0.2	68
BMC-019	203 205	< 5	< 0.2	7	26	5.20	60	25	< 0.2	130
BMC-020	203 205	< 5	< 0.2	12	26	4.70	50	26	< 0.2	92
BMC-021	203 205	< 5	0.4	8	36	5.40	70	41	< 0.2	154
BMC-022	203 205	< 5	0.9	7	62	4.80	90	74	< 0.2	275
BMC-023	203 205	< 5	1.5	5	44	4.50	110	320	< 0.2	450
BMC-024	203 205	< 5	0.8	5	48	5.50	80	60	< 0.2	108
BMC-025	203 205	< 5	0.3	2	46	6.25	60	40	< 0.2	100
BMC-026	203 205	< 5	< 0.2	2	29	4.90	50	24	< 0.2	116
BMC-027	203 205	< 5	0.3	2	30	4.15	50	33	< 0.2	96
BMC-028	203 205	< 5	< 0.2	2	32	4.80	60	26	< 0.2	60
BMC-029	203 205	< 5	0.5	2	28	4.45	90	18	< 0.2	56
BMC-030	203 205	10	0.5	2	27	4.40	100	18	< 0.2	72
BMC-031	203 205	< 5	0.4	2	40	4.70	50	27	< 0.2	60
BMC-032	203 205	< 5	0.5	3	54	4.30	70	44	< 0.2	96
BMC-033	203 205	25	0.8	8	360	6.25	80	21	< 0.2	3400
BMC-034	203 205	10	0.4	5	250	5.00	50	55	< 0.2	690
BMC-035	203 205	15	0.3	5	79	4.30	80	40	< 0.2	188
BMC-036	203 205	15	0.5	4	58	4.80	50	45	< 0.2	84
BMC-037	203 205	125	0.7	3	52	4.00	50	41	< 0.2	69
BMC-038	203 205	< 5	0.2	2	23	3.70	50	66	< 0.2	40
BMC-039	203 205	< 5	0.2	1	12	2.40	40	32	< 0.2	53
BMC-040	203 205	20	< 0.2	5	22	4.40	50	33	< 0.2	70

CERTIFICATION:

Hart Buchler



Chemex Labs Ltd.

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BMC-041	203 205	< 5	0.5	1	34	3.10	60	36	< 0.2	78
BMC-042	203 205	15	0.8	1	34	2.70	50	21	< 0.2	56
BMC-043	203 205	55	< 0.2	2	28	3.70	40	25	< 0.2	84
BMC-044	203 205	< 5	< 0.2	1	20	5.00	40	19	< 0.2	58
BMC-045	203 205	< 5	< 0.2	1	28	4.00	50	17	< 0.2	46
BMC-046	203 205	< 5	< 0.2	3	34	3.80	50	36	< 0.2	68
BMC-047	203 205	< 5	< 0.2	1	34	4.30	50	15	< 0.2	39
BMC-048	203 205	10	0.2	3	30	4.40	50	22	< 0.2	58
BMC-049	203 205	15	0.3	5	78	4.70	70	29	< 0.2	110
BMC-050	203 205	< 5	0.3	2	46	3.90	60	13	< 0.2	54
BMC-051	203 205	10	0.2	5	67	4.65	60	26	< 0.2	94
BMC-052	203 205	10	0.2	5	92	5.80	80	52	< 0.2	115
BMC-053	203 205	< 5	< 0.2	4	26	2.70	40	58	0.2	159
BMC-054	203 205	< 5	0.4	7	48	5.35	70	70	0.4	170
BMC-055	203 205	< 5	< 0.2	8	36	5.60	40	52	0.2	96
BMC-056	203 205	10	< 0.2	3	40	4.40	50	102	< 0.2	110
BMC-057	203 205	10	< 0.2	3	32	4.90	40	40	< 0.2	78
BMC-058	203 205	10	0.2	5	58	5.70	50	28	< 0.2	106
BMC-059	203 205	10	0.2	5	22	3.70	40	22	< 0.2	40
BMC-060	203 205	< 5	< 0.2	5	18	3.50	40	18	< 0.2	40
BMC-061	203 205	5	< 0.2	5	104	4.90	60	37	< 0.2	164
BMC-062	203 205	110	0.4	5	44	4.90	50	37	< 0.2	96
BMC-063	203 205	< 5	0.7	5	46	5.50	60	38	< 0.2	112
BMC-064	203 205	10	< 0.2	4	66	5.20	40	28	< 0.2	109
BMC-066	203 205	35	< 0.2	4	152	4.40	50	24	< 0.2	260
BMC-068	203 205	15	< 0.2	2	80	3.50	40	26	< 0.2	120
BMC-069	203 205	270	0.7	2	36	3.80	60	16	< 0.2	78
BMC-071	203 205	95	1.0	8	40	5.40	40	51	< 0.2	96
BMC-072	203 205	165	2.6	11	57	5.90	50	35	< 0.2	198
BMC-073	203 205	85	1.4	6	54	4.60	40	33	< 0.2	198
BMC-075	203 205	180	0.6	7	24	5.40	60	36	< 0.2	240
BMC-075S	203 205	55	3.5	10	66	5.00	40	25	< 0.2	235
BMC-076	203 205	< 5	< 0.2	6	12	4.30	30	6	< 0.2	165
BMC-077	203 205	< 5	< 0.2	8	12	4.50	30	8	< 0.2	154
BMC-078	203 205	< 5	< 0.2	5	10	3.40	70	8	< 0.2	120
BMC-079	203 205	< 5	< 0.2	4	12	5.10	40	6	< 0.2	136
BMC-080	203 205	< 5	< 0.2	2	25	5.20	30	2	< 0.2	96
BMC-081	203 205	< 5	< 0.2	5	20	4.40	30	6	< 0.2	140
BMC-082	203 205	< 5	< 0.2	3	20	4.00	40	5	< 0.2	128
BMC-083	203 205	< 5	< 0.2	3	13	3.80	40	7	< 0.2	122

CERTIFICATION:

Hart Buchler



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221

To: METALS RESEARCH CORPORATION OF AMERICA

300 - 1040 W. GEORGIA ST.
VANCOUVER, BC
V6E 4H1

Page Number : 3
Total Pages : 5
Invoice Date : 21-OCT-90
Invoice No. : I-9024774
P.O. Number :

Project : ARGUS
Comments :

CERTIFICATE OF ANALYSIS A9024774

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm
BMC-084	203 205	< 5	< 0.2	2	12	4.10	30	16	< 0.2	116
BMC-085	203 205	< 5	< 0.2	2	13	3.80	40	14	< 0.2	136
BMC-086	203 205	< 5	< 0.2	5	22	4.00	40	17	< 0.2	104
BMC-087	203 205	< 5	< 0.2	2	10	4.50	40	17	< 0.2	104
BMC-088	203 205	< 5	< 0.2	4	12	4.40	50	16	< 0.2	100
BMC-089	203 205	< 5	< 0.2	4	19	5.20	40	12	< 0.2	104
BMC-090	203 205	< 5	< 0.2	6	18	5.20	50	14	< 0.2	108
BMC-091	203 205	< 5	< 0.2	2	12	4.80	30	17	< 0.2	112
BMC-092	203 205	< 5	< 0.2	2	12	4.80	40	18	< 0.2	95
BMC-093	203 205	< 5	< 0.2	2	12	4.60	40	18	< 0.2	86
BMC-094	203 205	< 5	< 0.2	2	11	3.90	40	16	< 0.2	57
BMC-095	203 205	< 5	< 0.2	5	14	5.50	40	14	< 0.2	75
BMC-096	203 205	< 5	< 0.2	2	14	3.60	40	16	< 0.2	76
BMC-097	203 205	< 5	< 0.2	2	14	2.90	30	19	< 0.2	80
BMC-098	203 205	< 5	0.5	6	38	4.90	40	34	< 0.2	220
BMC-099	203 205	< 5	< 0.2	3	20	3.30	30	22	< 0.2	96
BMC-100	203 205	< 5	< 0.2	5	22	5.00	40	22	< 0.2	144
BMC-101	203 205	< 5	< 0.2	3	16	4.00	30	19	< 0.2	98
BMC-102	203 205	< 5	< 0.2	5	18	4.00	30	27	< 0.2	100
BMC-103	203 205	15	< 0.2	2	13	3.90	40	12	< 0.2	78
BMC-104	203 205	< 5	< 0.2	10	30	4.10	40	20	< 0.2	140
BMC-105	203 205	< 5	0.2	3	16	4.50	40	14	< 0.2	90
BMC-106	203 205	90	0.3	3	12	3.00	50	22	< 0.2	74
BMC-107	203 205	< 5	0.2	2	10	2.90	40	17	< 0.2	74
BMC-108	203 205	15	< 0.2	2	12	3.00	40	15	< 0.2	65
BMC-109	203 205	< 5	1.7	6	240	4.50	80	155	< 0.2	335
BMC-110	203 205	< 5	0.3	2	15	4.30	40	16	< 0.2	42
BMC-111	203 205	< 5	0.4	3	20	3.40	40	20	< 0.2	94
BMC-112	203 205	< 5	0.6	3	15	4.70	60	16	< 0.2	98
BMC-113	203 205	< 5	< 0.2	2	22	3.40	30	15	< 0.2	85
BMC-114	203 205	< 5	0.5	5	26	4.70	70	31	< 0.2	170
BMC-115	203 205	< 5	0.3	5	38	4.70	40	40	< 0.2	140
BMC-116	203 205	< 5	0.2	5	47	4.30	30	39	0.2	118
BMC-117	203 205	< 5	0.2	10	53	4.20	30	27	0.2	114
BMC-118	203 205	< 5	< 0.2	7	78	4.60	40	30	< 0.2	118
BMC-119	203 205	< 5	< 0.2	4	70	4.50	50	33	< 0.2	142
BMC-120	203 205	< 5	0.6	3	52	3.00	90	35	< 0.2	142
BMC-121	203 205	< 5	< 0.2	12	24	4.60	40	27	0.4	126
BMC-122	203 205	< 5	0.7	10	24	4.70	50	44	0.2	73
BMC-123	203 205	< 5	0.3	2	21	2.90	40	32	0.2	70

CERTIFICATION:

Hart Becker



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 Brooksbank Ave., North Vancouver

British Columbia, Canada V7J 2C1

PHONE: 604-984-0221

To: METALS RESEARCH CORPORATION OF AMERICA

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CERTIFICATE OF ANALYSIS

A9024774

SAMPLE DESCRIPTION	PREP CODE		Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm
BMC-124	203	205	35	0.2	3	14	2.10	30	43	< 0.2	68
BMC-125	203	205	90	0.3	2	19	1.50	30	38	< 0.2	64
BMC-126	203	205	< 5	< 0.2	5	30	3.30	30	50	< 0.2	235
BMC-127	203	205	< 5	< 0.2	3	19	2.70	30	41	< 0.2	98
BMC-128	203	205	< 5	< 0.2	2	18	3.20	50	23	< 0.2	106
BMC-129	203	205	< 5	< 0.2	1	10	3.00	40	19	< 0.2	70
BMC-130	203	205	< 5	< 0.2	2	18	3.80	40	18	< 0.2	84
BMC-131	203	205	< 5	< 0.2	2	13	4.80	40	12	0.2	124
BMC-132	203	205	< 5	< 0.2	3	10	4.30	50	13	0.2	96
BMC-133	203	205	< 5	< 0.2	3	9	4.00	50	16	0.2	104
BMC-134	203	205	10	< 0.2	2	17	4.00	50	13	< 0.2	116
BMC-135	203	205	25	< 0.2	1	7	2.80	40	11	< 0.2	102
BMC-136	203	205	< 5	< 0.2	3	18	2.50	40	17	< 0.2	112
BMC-137	203	205	< 5	< 0.2	4	15	2.80	40	20	0.2	96
BMC-138	203	205	< 5	< 0.2	4	14	2.70	30	20	0.2	106
BMC-139	203	205	< 5	< 0.2	8	30	4.40	40	16	< 0.2	120
BMC-140	203	205	< 5	< 0.2	8	33	4.80	30	17	< 0.2	122
BMC-141	203	205	< 5	< 0.2	3	610	11.00	100	6	< 0.2	2400
BMC-142	203	205	< 5	< 0.2	3	530	15.00	90	4	< 0.2	1800
SPW-001	203	205	15	0.7	3	100	5.00	40	31	< 0.2	144
SW-004	203	205	< 5	< 0.2	4	46	3.70	40	36	< 0.2	168
SW-006	203	205	< 5	< 0.2	2	27	2.90	30	17	< 0.2	98
SW-007	203	205	< 5	< 0.2	2	28	3.10	40	19	< 0.2	72
SW-008	203	205	10	< 0.2	3	29	3.10	50	24	< 0.2	78
SW-009	203	205	< 5	< 0.2	3	20	3.50	60	21	< 0.2	62
SW-010	203	205	< 5	< 0.2	3	23	3.30	50	22	< 0.2	68
SW-011	203	205	< 5	< 0.2	2	40	3.90	30	31	< 0.2	92
SW-015	203	205	< 5	< 0.2	2	44	3.90	50	25	< 0.2	66
SW-016	203	205	10	< 0.2	4	66	4.90	50	25	< 0.2	87
SW-017	203	205	55	< 0.2	3	68	5.10	50	27	< 0.2	90
SW-018	203	205	< 5	0.3	2	70	4.20	50	15	< 0.2	62
SW-019	203	205	< 5	0.6	2	55	3.50	50	13	< 0.2	52
SW-020	203	205	< 5	< 0.2	5	68	4.20	60	17	0.2	98
SW-021	203	205	< 5	< 0.2	6	40	4.70	50	15	0.2	114
SW-022	203	205	< 5	< 0.2	6	44	4.40	50	24	0.2	96
SW-023	203	205	< 5	< 0.2	4	58	4.30	60	26	< 0.2	98
SW-024	203	205	< 5	< 0.2	3	40	4.30	50	17	< 0.2	108
SW-025	203	205	< 5	< 0.2	3	50	4.20	50	13	< 0.2	98
SW-026	203	205	< 5	< 0.2	2	88	4.40	50	17	< 0.2	66
SW-027	203	205	< 5	< 0.2	2	58	4.50	50	14	< 0.2	66

CERTIFICATION:

Hart Buchler



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
 212 Brooksbank Ave., North Vancouver
 British Columbia, Canada V7J 2C1
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To: METALS RESEARCH CORPORATION OF AMERICA **

300 - 1040 W. GEORGIA ST.
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 Comments:

CERTIFICATE OF ANALYSIS A9024774

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Fe %	Hg ppb	Pb ppm	Sb ppm	Zn ppm
SW-028	203 205	< 5	0.6	3	114	4.60	60	20	< 0.2	86
SW-029	203 205	10	0.3	3	118	5.00	60	22	< 0.2	86
SW-035	203 205	< 5	< 0.2	8	25	3.90	40	10	< 0.2	108
SW-036	203 205	< 5	< 0.2	10	10	3.50	50	10	0.2	126
SW-037	203 205	< 5	< 0.2	8	15	3.70	40	8	0.4	154
SW-038	203 205	< 5	< 0.2	10	15	3.90	50	13	0.2	126
SW-039	203 205	< 5	< 0.2	5	17	3.50	50	16	0.2	104
SW-040	203 205	10	< 0.2	6	35	4.60	50	95	0.2	144
SW-041	203 205	20	0.4	10	56	4.60	50	82	0.2	200
SW-042	203 205	45	1.1	26	76	5.60	60	76	< 0.2	485
SW-043	203 205	< 5	< 0.2	10	24	3.80	30	75	0.4	280
SW-045	203 205	< 5	< 0.3	1	23	1.80	70	20	0.2	40
SW-046	203 205	< 5	< 0.2	4	16	3.90	60	17	0.2	106
SW-047	203 205	< 5	< 0.2	5	26	4.00	50	17	0.2	110
SW-048	203 205	< 5	0.2	4	29	3.60	90	16	0.2	94
SW-049	203 205	< 5	< 0.2	4	35	3.90	40	14	0.2	94
SW-050	203 205	< 5	< 0.2	8	45	4.00	50	18	0.2	100
SW-051	203 205	< 5	< 0.2	5	28	3.90	60	15	0.2	100
SW-052	203 205	< 5	< 0.2	5	32	3.80	40	24	0.2	106
SW-053	203 205	< 5	< 0.2	4	32	3.90	40	62	0.2	110
SW-054	203 205	< 5	< 0.2	5	34	3.80	40	68	0.4	114
SW-055	203 205	< 5	< 0.2	3	27	3.50	40	22	< 0.2	108
SW-056	203 205	< 5	< 0.2	3	30	3.60	50	20	< 0.2	110
SW-057	203 205	< 5	< 0.2	3	24	2.50	90	9	< 0.2	156
SW-058	203 205	< 5	< 0.2	3	19	3.10	70	11	0.2	94
SW-059	203 205	< 5	< 0.2	4	27	3.90	50	14	0.2	104
SW-060	203 205	< 5	0.2	2	16	4.50	50	11	0.2	78
SW-062	203 205	< 5	< 0.2	5	19	4.10	30	7	0.2	96
SW-063	203 205	< 5	< 0.2	3	10	4.70	50	8	0.2	92
SW-064	203 205	< 5	< 0.2	4	14	5.00	50	7	0.2	110
SW-065	203 205	< 5	< 0.3	6	14	1.90	80	5	< 0.2	89
SW-066	203 205	< 5	< 0.2	5	15	4.90	60	8	< 0.2	95
SW-067	203 205	< 5	< 0.2	2	9	4.50	40	6	< 0.2	101
SW-068	203 205	< 5	< 0.2	5	15	4.20	40	9	0.2	92
SW-069	203 205	< 5	0.3	5	18	4.00	40	25	< 0.2	110
SW-070	203 205	< 5	< 0.2	3	16	3.50	50	20	< 0.2	136
SW-071	203 205	< 5	0.3	3	12	3.90	50	19	< 0.2	124
SW-072	203 205	< 5	0.2	5	15	4.00	50	22	< 0.2	112
SW-073	203 205	< 5	< 0.2	2	10	3.50	40	18	0.2	96
SW-074	203 205	< 5	< 0.2	1	18	1.20	100	14	< 0.2	184

CERTIFICATION:

Hart Bickler

APPENDIX II
LABORATORY METHODS



Chemex Labs Ltd.

Analytical Chemists

Geochemists

Registered Assayers

212 Brooksbank Ave.
North Vancouver, B.C.
Canada V7J 2C1

Phone: (604) 984-0221

Telex: 04-352597

Fax: (604) 984-0218

TRACE - 8 package

Copper, Lead, Zinc, Silver ppm, and Iron %:

1.0 g of sample is digested with nitric - aqua regia for approximately 2 hours. The digested sample is cooled and made up to 25 ml with distilled water. The solution is mixed and solids are allowed to settle. The metals are determined by atomic absorption techniques. Lead and silver are corrected for background absorption.

Chemex Codes	Detection Limits:
2	Copper - 1 ppm
4	Lead - 1 ppm.
5	Zinc - 1 ppm.
6	Silver - 0.2 ppm
10	Iron - 0.05 %

Antimony ppm - Chemex Code 22

A 2.0 gm sample is digested with conc. HCl-KClO₃ at low heat. The iron is reduced to Fe⁺² state and the Sb extracted with TOPO-MIBK and analyzed via A.A., correcting for background absorption.

Detection Limit: 0.2 ppm

Arsenic ppm - Chemex Code 13.

A 1.0 gram sample is digested with HN₃ - aqua regia acids for approximately 2 hours. The digested solution is diluted to volume and mixed. An aliquot of the digest is acidified and reduced with NaBH₄ and arsenic content determined using flameless atomic absorption.

Detection limit: 1 ppm

Mercury ppb - Chemex Code 20.

A 1 gram sample is digested with nitric acid plus a small amount of hydrochloric acid. The solution is transferred to a reaction flask connected to a closed system absorption cell. Stannous chloride is rapidly added to reduce the mercury which is then measured by cold vapour atomic absorption.

Detection limit: 10 ppb



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Telex: 04-352597

Fax: (604) 984-0218

Gold FA-AA ppb - Chemex Code 100

A 10 gram sample is fused with a basic litharge flux inquarted with 10 mg of Au-free silver and then cupelled.

Beads for AA finish are digested for 1/2 hour in 1 ml HNO₃, then 3 ml HCl are added and digested for 1 hour. The samples are cooled and made to a volume of 10 ml, homogenized and run on the AAS with background correction.

APPENDIX III
STATEMENT OF COSTS

STATEMENT OF COSTS

SALARIES

N. Froc (Geological Engineer)
September 7 to September 10
4 days @ 300 \$/day..... \$ 1,200.00

FIELD SAMPLING

Marloch Resources Ltd.
As per invoice..... 20,007.00

Cost Breakdown

Food Accomodation..... 1,043.27
Mobilization/Demobilization..... 2,853.54
Helicopter Support..... 7,633.85
Equipment Rental..... 1,779.78
Contract Wages..... 6,696.00

SAMPLE ANALYSIS

Chemex Laboratories Ltd.

301 soil samples @ 25.00 \$/sample..... 7,525.00
2 soil samples @ 15.00 \$/sample..... 30.00

REPORT PREPARATION..... 1,006.00

TOTAL \$29,768.00

APPENDIX IV
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, NEIL VICTOR FROC, of 45170 Redwood Avenue, Sardis, British Columbia, do hereby certify that:

I am a graduate of the University of Saskatchewan, with a Bachelor of Engineering Degree in Geology, 1986.

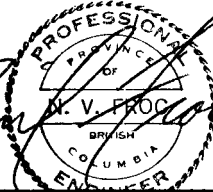
I am a graduate of the Northern Alberta Institute of Technology, Edmonton, Alberta with a diploma in Mineral Resources, 1981.

Prior to 1986, I was actively employed in mineral exploration in British Columbia, Saskatchewan and Arizona. One year was not spent in mineral exploration as employment was as a senior engineering technician (geotechnical).

Since 1986 I have been actively employed in mineral exploration and mine evaluation in British Columbia.

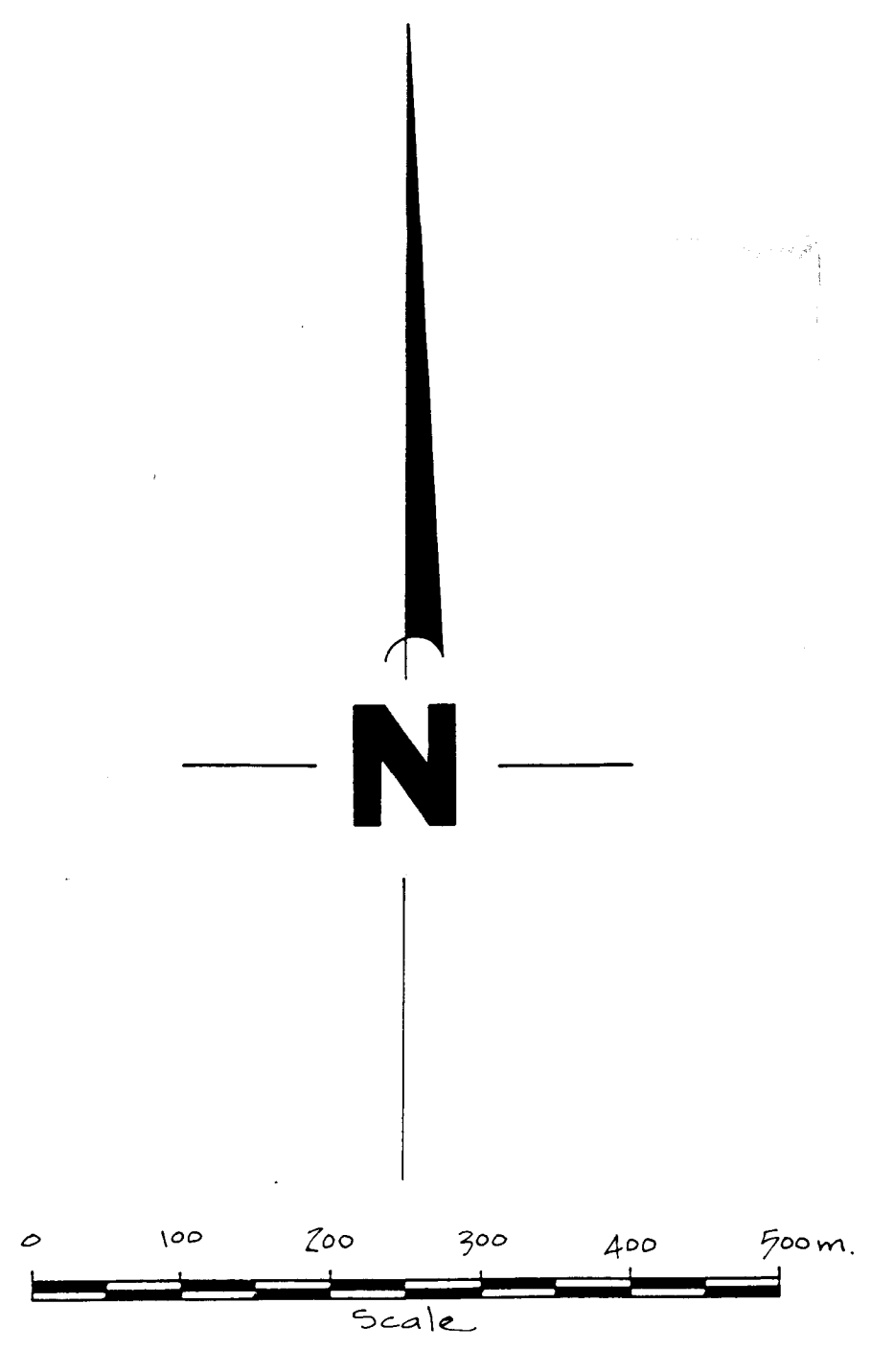
I am a Professional Engineer registered in the Province of British Columbia (APEBC).

I am a Geological Engineer.



The seal is circular with a double-line border. The outer ring contains the text "PROFESSIONAL ENGINEER" at the top and "BRITISH COLUMBIA" at the bottom. Inside the ring, the text "PROVINCE OF" is at the top and "NEIL V. FROC" is in the center. A signature is written across the seal.

NEIL V. FROC, P. Eng.



ARGUS GRID

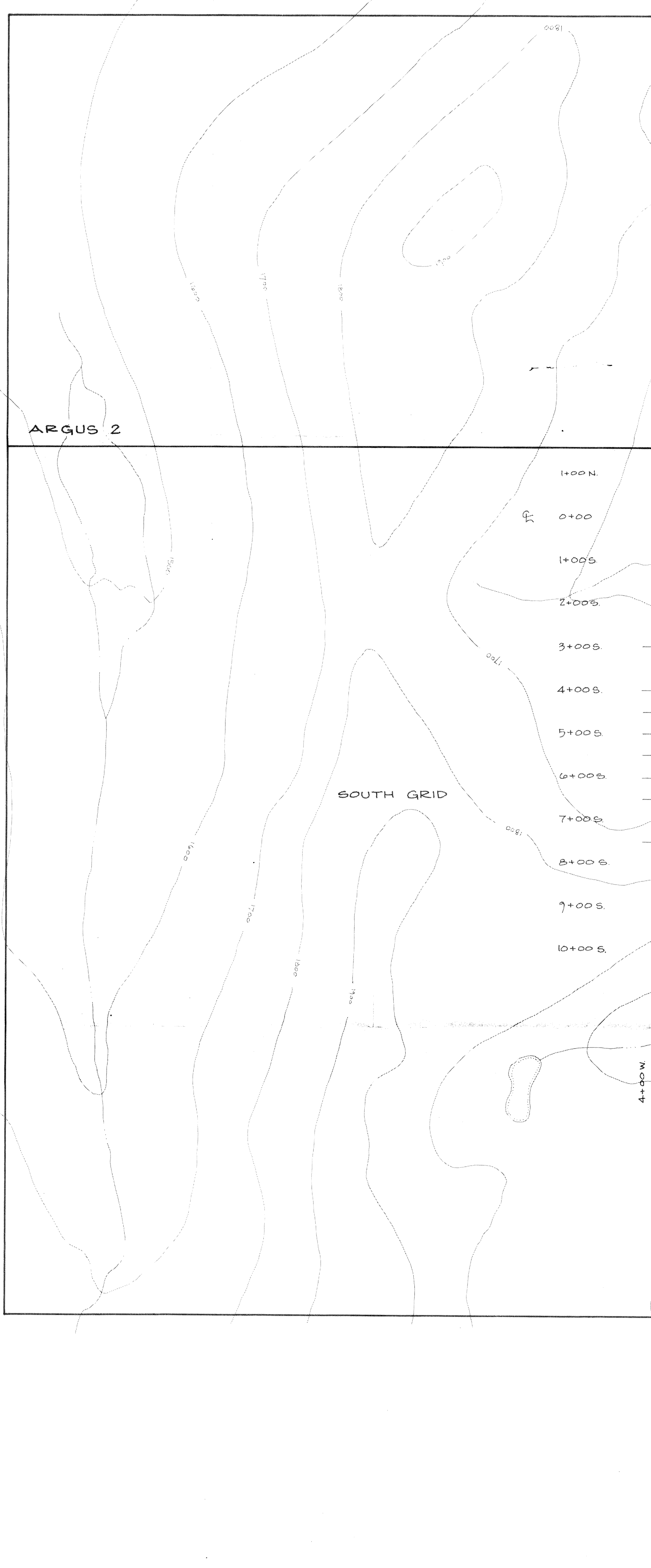
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10+00 E	9+00 E	8+00 E	7+00 E	6+00 E	5+00 E	4+00 E	3+00 E	2+00 E	1+00 E
10+00 N	9+00 N	8+00 N	7+00 N	6+00 N	5+00 N	4+00 N	3+00 N	2+00 N	1+00 N
10+00 S	9+00 S	8+00 S	7+00 S	6+00 S	5+00 S	4+00 S	3+00 S	2+00 S	1+00 S

ARGUS I

10+00 W	9+00 W	8+00 W	7+00 W	6+00 W	5+00 W	4+00 W	3+00 W	2+00 W	1+00 W
9+00 E	8+00 E	7+00 E	6+00 E	5+00 E	4+00 E	3+00 E	2+00 E	1+00 E	
8+00 N	7+00 N	6+00 N	5+00 N	4+00 N	3+00 N	2+00 N	1+00 N		
7+00 S	6+00 S	5+00 S	4+00 S	3+00 S	2+00 S	1+00 S			

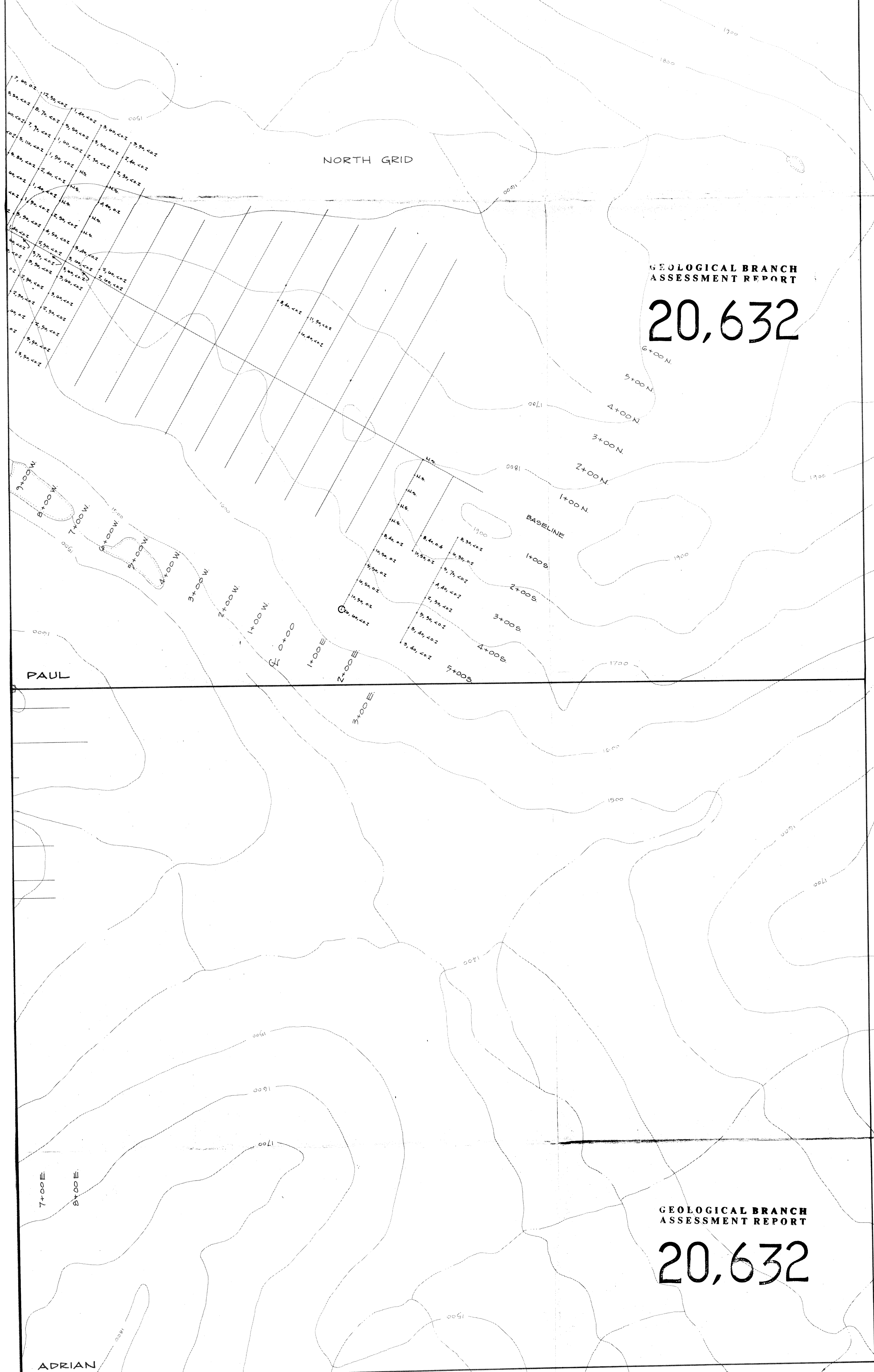
OTTO

10+00 W	9+00 W	8+00 W	7+00 W	6+00 W	5+00 W	4+00 W	3+00 W	2+00 W	1+00 W
9+00 E	8+00 E	7+00 E	6+00 E	5+00 E	4+00 E	3+00 E	2+00 E	1+00 E	
8+00 N	7+00 N	6+00 N	5+00 N	4+00 N	3+00 N	2+00 N	1+00 N		
7+00 S	6+00 S	5+00 S	4+00 S	3+00 S	2+00 S	1+00 S			



20,632

- 5,50,02 BASELINE
- 4,50,02
- 6,50,02 1+00S
- 5,00,02 2+00S
- 5,50,02 3+00S
- 4+00S
- 5+00S
- 6+00S
- 7+00S
- 8+00S
- 9+00S
- 10+00S
- 11+00S
- 12+00S
- 13+00S
- 14+00S
- 15+00S
- 16+00S
- 17+00S
- 18+00S
- 19+00S
- 20+00S



EXPLANATION

- Soil sample on grid line
- Baseline
- Center line
- Legal corner post (LCP)
- As ppm, Hg ppm, Sb ppm

Anomalous Results

- Threshold As 17-20 ppm
- Anomalous As >27 ppm

RHYOLITE RESOURCES LTD.
Suite 300-1040 W. Georgia, Vancouver, British Columbia V6E 4H1

ARGUS GROUP PROPERTY
SOIL GEOCHEMISTRY
ARSENIC - MERCURY
ANTIMONY

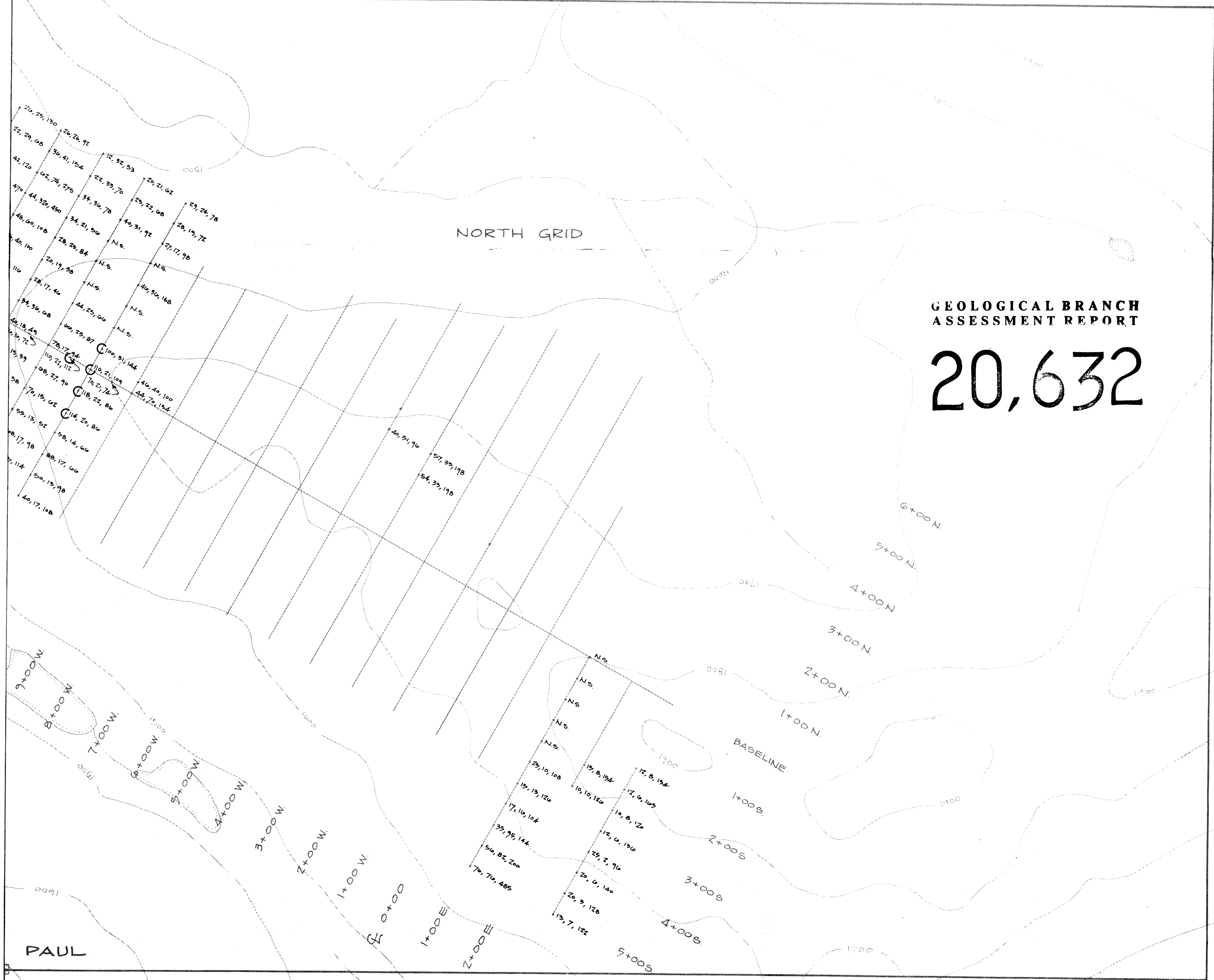
Date: Nov. 20, 1990
Data: Neg. Proc.
NTS: 94 / E 7
Scale: 1:5000
MAP NUMBER: 7

0700

10, 8, 92
 14, 7, 110
 14, 5, 89
 16, 5, 95
 9, 6, 101
 10, 5, 92

BASELINE

1+00 S
 2+00 S
 3+00 S
 4+00 S
 5+00 S
 6+00 S
 7+00 S
 8+00 S
 9+00 S
 10+00 S
 11+00 S
 12+00 S
 13+00 S
 14+00 S
 15+00 S
 16+00 S
 17+00 S
 18+00 S
 19+00 S
 20+00 S



GEOLOGICAL BRANCH ASSESSMENT REPORT

20,632

GEOLOGICAL BRANCH ASSESSMENT REPORT

20,632

EXPLANATION

- Soil sample on grid line
- Baseline
- Center line
- Legal corner post (LCP)
- 56, 82, 200
Cu ppm, Pb ppm, Zn ppm

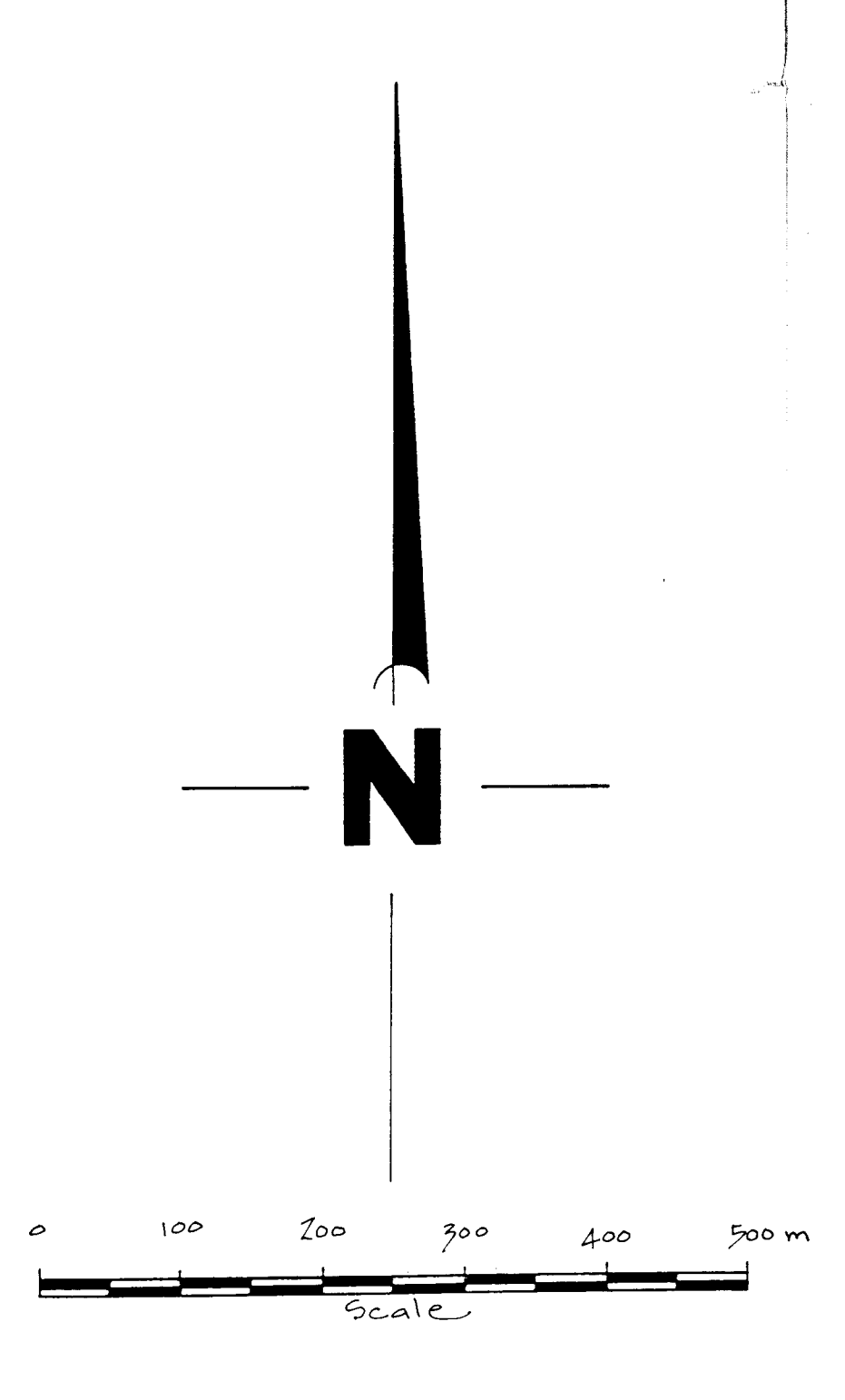
- Anomalous Results
- Threshold Cu 100-149 ppm
- Anomalous Cu >150 ppm

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ARGUS GROUP PROPERTY

SOIL GEOCHEMISTRY
 COPPER - LEAD - ZINC

Date: Nov. 20, 1990	NTS: 94/E 7
Data: Neil Froc	Scale: 1:5000
	MAP NUMBER: 6

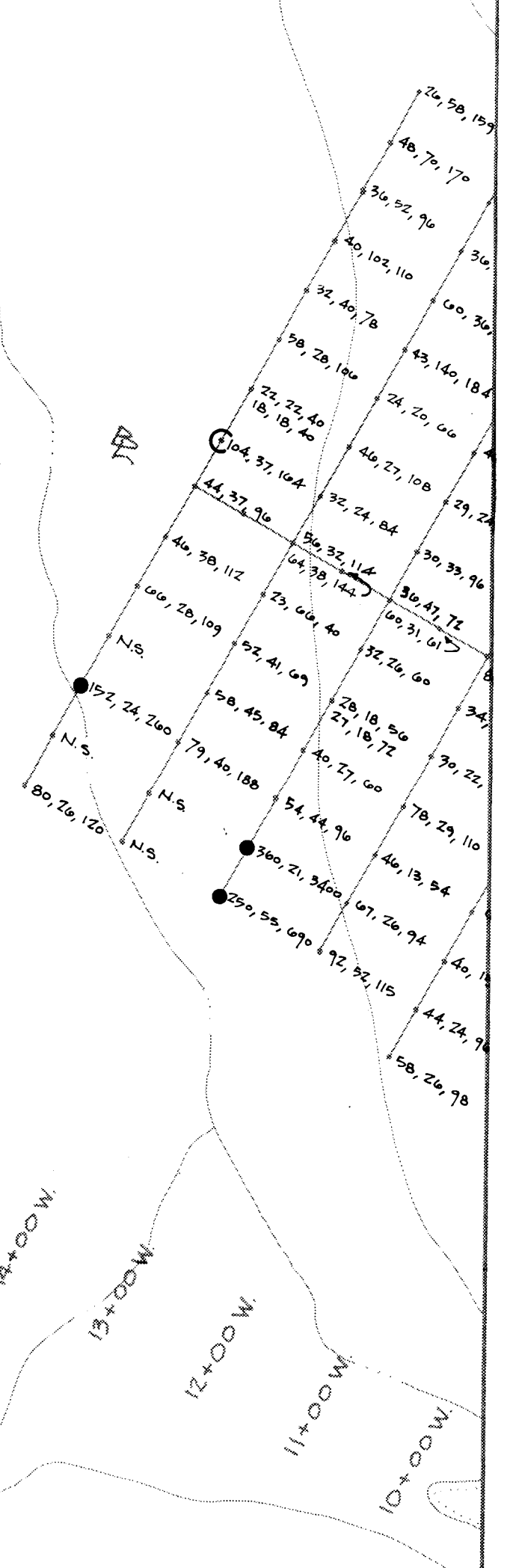
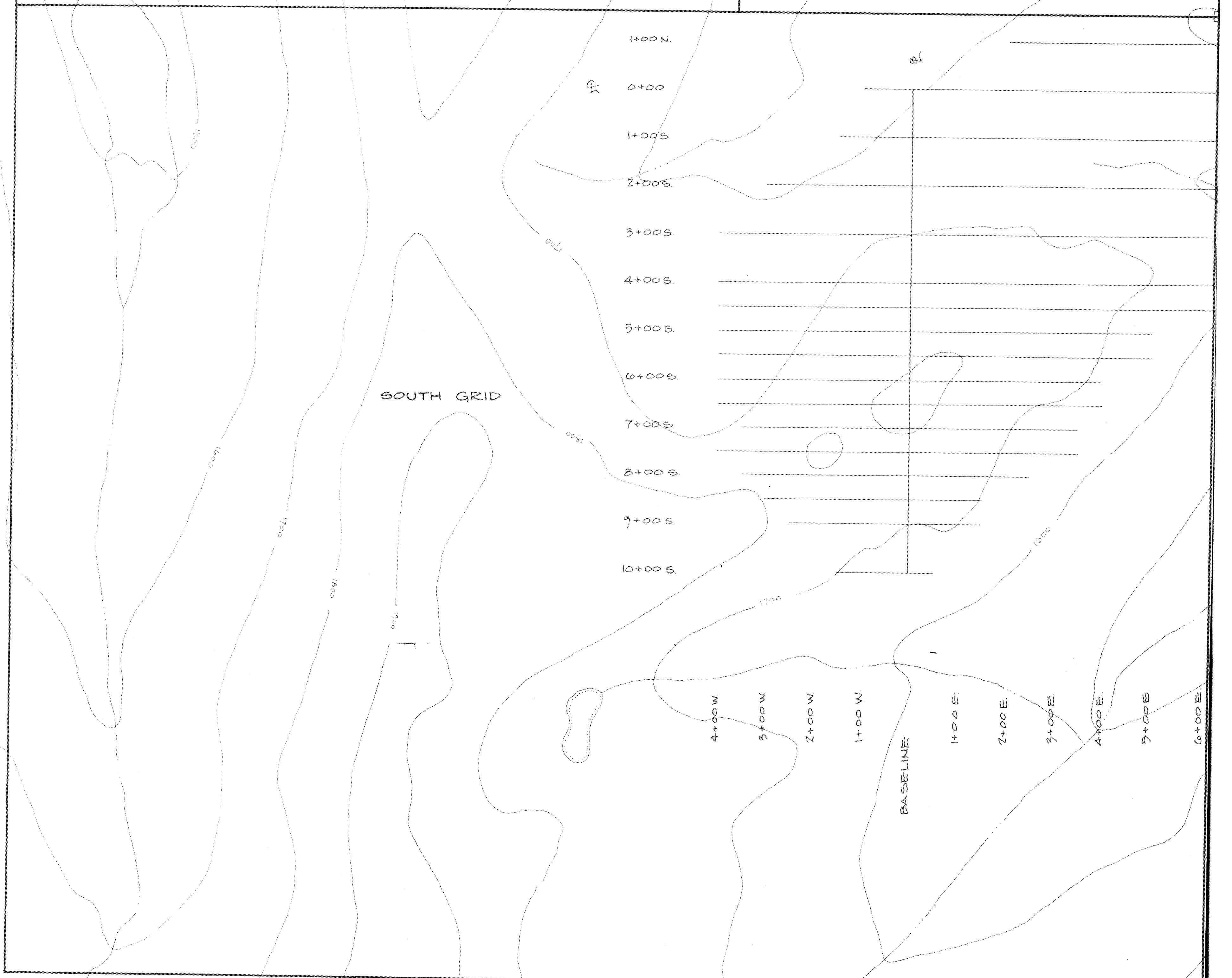
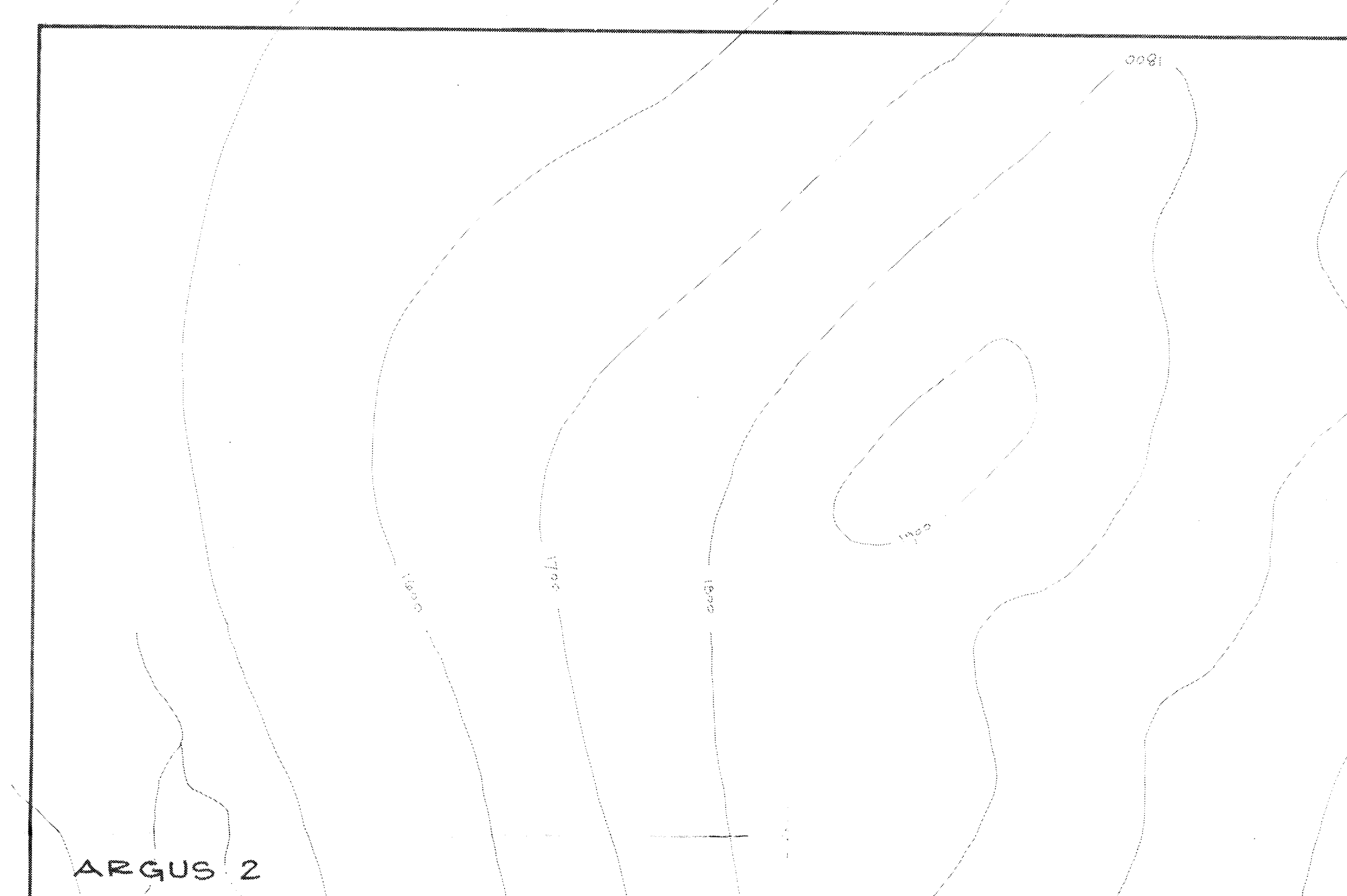


10+00 W
9+00 W
8+00 W
7+00 W
6+00 W
5+00 W
4+00 W
3+00 W
2+00 W
1+00 W

10+00 W	9+00 W	8+00 W	7+00 W	6+00 W	5+00 W	4+00 W	3+00 W	2+00 W	1+00 W
18,29,110	5.6	18,19,100							
18,29,130		18,18,120	29,24,100						
12,19,124	10,29,110	14,23,100							
18,22,102	14,14,130	18,21,102							
10,18,90	10,14,80	21,18,90							
8,14,180	10,22,100	12,17,110	12,16,100	19,14,104	12,11,94	18,14,90			
10,18,102	22,24,130	12,17,104	10,17,104	18,14,100	12,14,90	24,9,100			
38,34,144	50,9,110	11,24,104	22,17,104	12,17,110	19,10,90	17,9,84	7,11,102		
11,10,102	14,28,180	15,14,130	12,18,90	10,10,110	12,44,110	12,19,110			
10,10,74	12,23,100	12,10,110	12,18,80	18,18,134	0.0	9,10,104			
	10,14,94	10,21,100	11,10,90	9,14,104	14,11,90	10,10,90			
	24,24,184	14,14,70	12,14,102	27,9,102	13,13,124				
	39,24,150	14,14,70	10,14,94	13,10,105	13,12,70				
		14,19,80	18,17,102	29,9,104	30,24,140				
		10,14,94	17,10,104	10,10,90					
		24,22,94	14,20,100	10,11,90	12,22,74				
		20,12,144	10,10,110	10,11,90	18,19,90	20,12,134			
		10,19,90	10,17,102	10,19,90	12,10,105	40,14,110	24,92,170		
		18,27,100	20,14,140	20,14,140	19,18,130	17,10,144			
		20,14,140	20,17,130	10,10,142	22,21,100	10,11,90			

ARGUS GRID

ARGUS I



0+00

BASELINE
 1+00 S
 2+00 S
 3+00 S
 4+00 S
 5+00 S
 6+00 S
 7+00 S
 8+00 S
 9+00 S
 10+00 S
 11+00 S
 12+00 S
 13+00 S
 14+00 S
 15+00 S
 16+00 S
 17+00 S
 18+00 S
 19+00 S
 20+00 S

GEOLOGICAL BRANCH ASSESSMENT REPORT

20,632



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GEOLOGICAL BRANCH ASSESSMENT REPORT

20,632

EXPLANATION

- Soil sample on grid line
- Baseline
- Center line
- Legal corner post (LCP)
- Au ppb, Ag ppm

Anomalous Results

- Threshold Au 25-49 ppb
- Anomalous Au >50 ppb
- Threshold Ag 1.7-3.3 ppm
- Anomalous Ag >3.4 ppm

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ARGUS GROUP PROPERTY SOIL GEOCHEMISTRY GOLD and SILVER

Date: Nov. 20, 1990	NTS: 94 / E7
Data: Neil Froc	Scale: 1:5000
	MAP NUMBER: 5

