REPORT ON THE

ROU 1 - 2 MINERAL CLAIMS

1990 PROSPECTING PROGRAM

ISKUT RIVER AREA
LIARD MINING DIVISION
BRITISH COLUMBIA

57°05' NORTH LATITUDE
131°02' WEST LONGITUDE

Claim Name	Record No.	No. of Units	Record Date
ROU 1	6392	16	Sept 14, 1989
ROU 2	6393	20	Sept 14, 1989

Work Period: July 1990 to September 5, 1990

Owner and Operator: KESTREL RESOURCES LTD.
507 - 675 West Hastings Street
Vancouver, B.C.
V6B 1N2
(604) 683-9177

By: S. J. Tennant

December 11, 1990

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SUMMARY

Kestrel Resources Ltd. acquired the ROU claims in September of 1989. The claims are located 20 kilometres north of the Forrest Kerr airstrip. The claims are underlain by foliated rocks of Paleozoic age consisting of phyllite, greenstone, quartz sericite-chlorite schist, argillaceous quartzite, and schistose tuff.

A total of 54 rock sample were collected and the results are discussed in the text of this report and the data are plotted on the accompany map.

INTRODUCTION

The ROU 1-2 claims are located approximately 15 kilometres southwest of Arctic Lake within the Liard Mining Division of northwestern British Columbia.

The claims are accessible by helicopter from a base camp at the Forrest Kerr airstrip, located 20 kilometres to the south.

A program of preliminary prospecting and sampling was carried out by Kestrel Resources Ltd. during the summer of 1990, to evaluate the mineral potential of the property.

LOCATION, ACCESS AND TOPOGRAPHY

The property is located within the Liard Mining Division some 15 kilometres southwest of Arctic Lake. Latitude 57°05' North and Longitude 131°02' West pass through the property. Access to the property is via fixed wing aircraft from Smithers or Terrace to Bronson, which is located 110 kilometres northwest of Stewart, British Columbia, or to Forrest Kerr located at the headwaters of the Forrest Kerr River. Access from Bronson is via helicopter (35 kilometres) and then via foot traverse

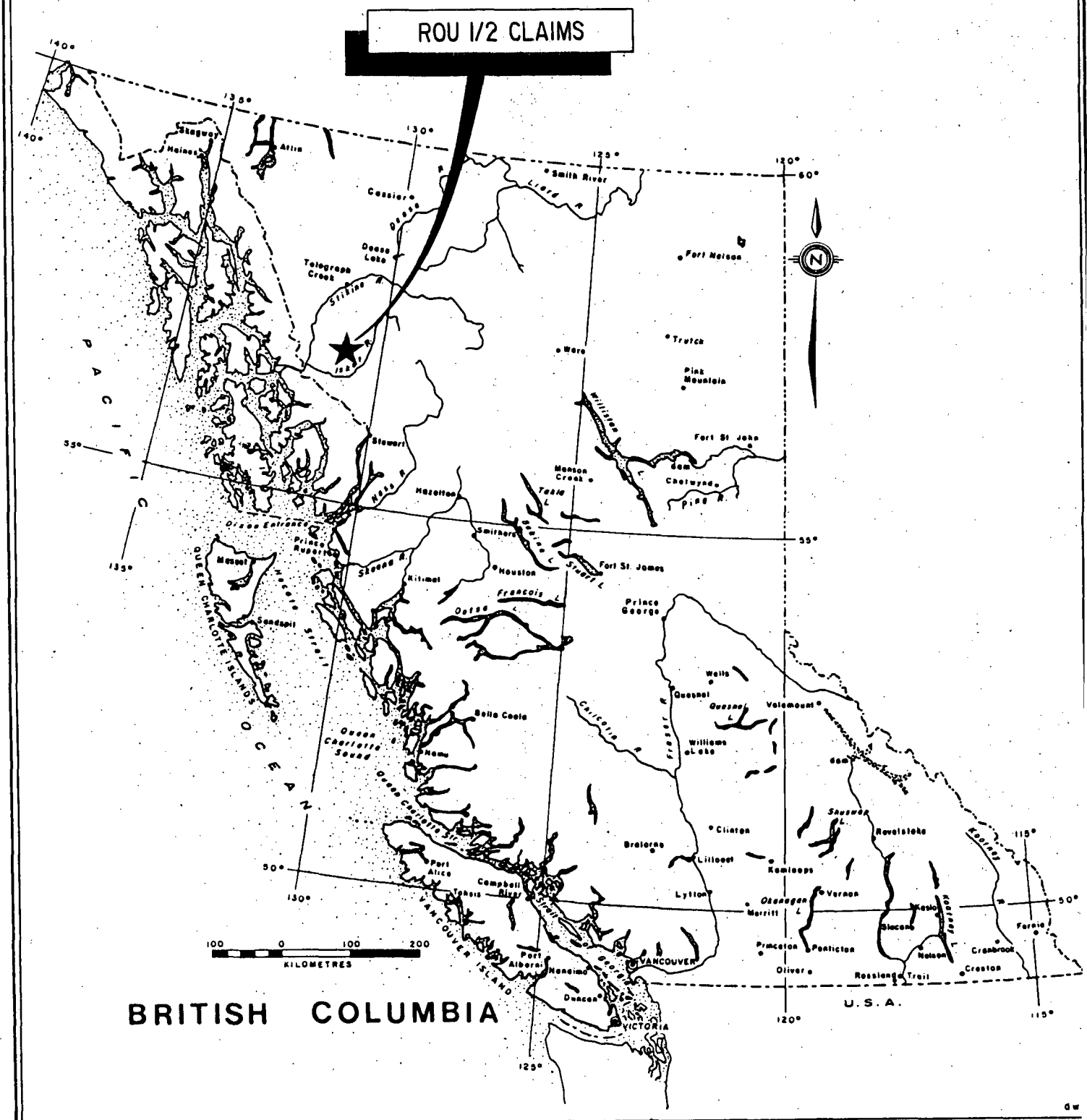
KESTREL RESOURCES LTD.

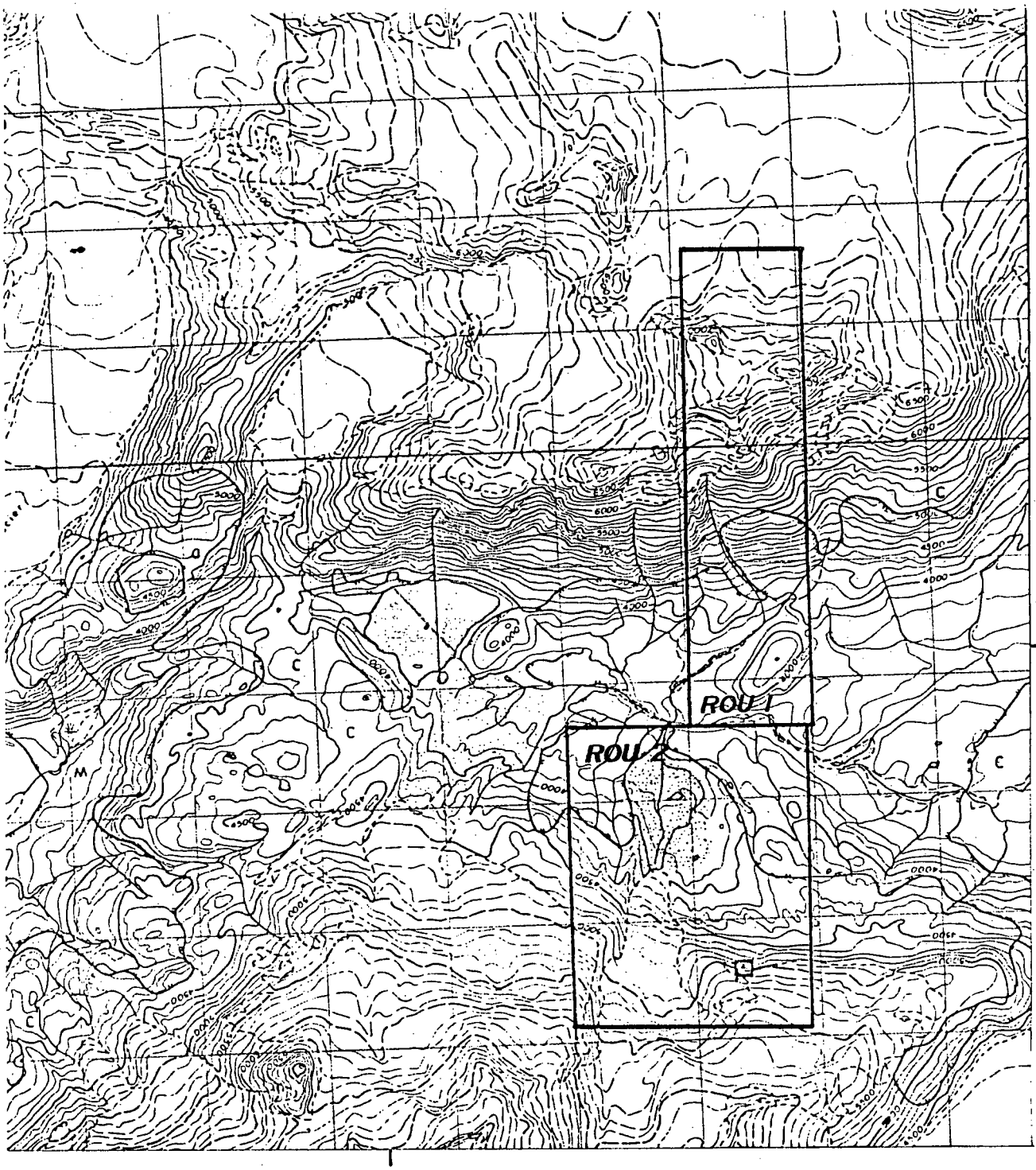
LIARD MINING DIVISION, B.C.

LOCATION MAP

S. TENNANT

N.T.S. 104 B/15, 104 G/2	SCALE: As Shown	FIG.
DATE: NOV. 1990	DRAWN: J. B. / dw	1





KESTREL RESOURCES LTD.

ROU 1 & ROU 2 MINERAL CLAIMS
LIARD MINING DIVISION, B.C.

CLAIM MAP

S. TENNANT

SCALE	DATE	FIGURE	NTS
1 : 50000	NOV 1990	2	104 G/3

within the claims. Most of the property is accessible by foot or helicopter, although there are portions at higher elevations which are not readily accessible due to steep terrain or ice. Elevations range from approximately 1100 metres in the centre of the claim block to well above 2,000 metres at the north end of the ROU 1 claim. Above 1350 metres the claims are devoid of vegetation except for shrubs and grasses, and exhibit abundant outcrop. Below this elevation the usual coast mountain evergreens, devils club and alder predominate. Precipitation exceeds 4,000 mm (160 inches) annually, while temperatures range from -40° to 25° Centigrade.

PROPERTY AND LIST OF CLAIMS

The ROU prospect consists of the following modified grid claims wholly owned by Kestrel Resources Ltd.

Claim Name	Record No.	No. of Units	Record Date	Expiry Date
ROU 1	6392	16	Sept 14, 1989	Sept 14, 1990
ROU 2	6393	20	Sept 14, 1989	Sept 14, 1990

So far as the writer is aware the claims were properly staked and recorded and are in good standing as indicated by the expiry dates.

AREA HISTORY

Sporadic exploration efforts have continued intermittently in the Iskut River area since the turn of the century, with early activity concentrated in the area of the Stewart mining camp. As prospecting and exploration continued northward, various placer gold operations were discontinuously active along both the Iskut and Unuk Rivers.

In 1907, a prospecting party from Wrangell, Alaska staked nine mineral claims north of Johnny Mountain, the first recorded work in the area. The claims were subsequently explored and mined by the Iskut Mining Company, who in 1917 shipped a ton of high grade ore which reportedly assayed $1.20 gold, 44.2 ounces silver and 12.45% copper (B.C.M.M.A.R., 1917).

Little is known about subsequent work until 1954 when Hudson Bay Mining and Smelting Limited discovered high grade gold-silver-lead zinc mineralization, known as the "Pickaxe" showing, on the slopes of Johnny Mountain. These claims were eventually allowed to lapse after and initial evaluation.

Several major mining companies initiated reconnaissance exploration programs in the 1960's in the Iskut River Area. Of these, Cominco Ltd. drilled several core holes in search of pyritic mineralization on Johnny Mountain area potential to host significant sulphide mineralization increased with Skyline Exploration Ltd.'s discovery of mineralized float on the Bronson Creek glacier in 1969, resulting in that company staking the Inel property. In 1980, the company staked the REG property on Johnny Mountain after the discovery of high grade gold-bearing veins. Exploration on both their INel and REG properties continued to 1989.

Skyline Exploration Ltd. reported in late fall of 1989, geological reserves of their Stonehouse deposit of 740,000 tons grading 18.0 gms/tonne (0.52 opt), gold with significant silver and copper values. Production commenced in 1988, but the mine experienced difficulties in both recovery of metal and ore reserves. Consequently the mine shut down in September of 1990.

The joint venture partners of Prime Resources Corporation and Cominco Ltd. are currently in the final stages of a feasibility study of their SNIP property, located immediately north of REG property on the northern slopes of Johnny Mountain. The latest combined geological reserve for the property is 1,000,000 tons grading 0.80 opt gold.

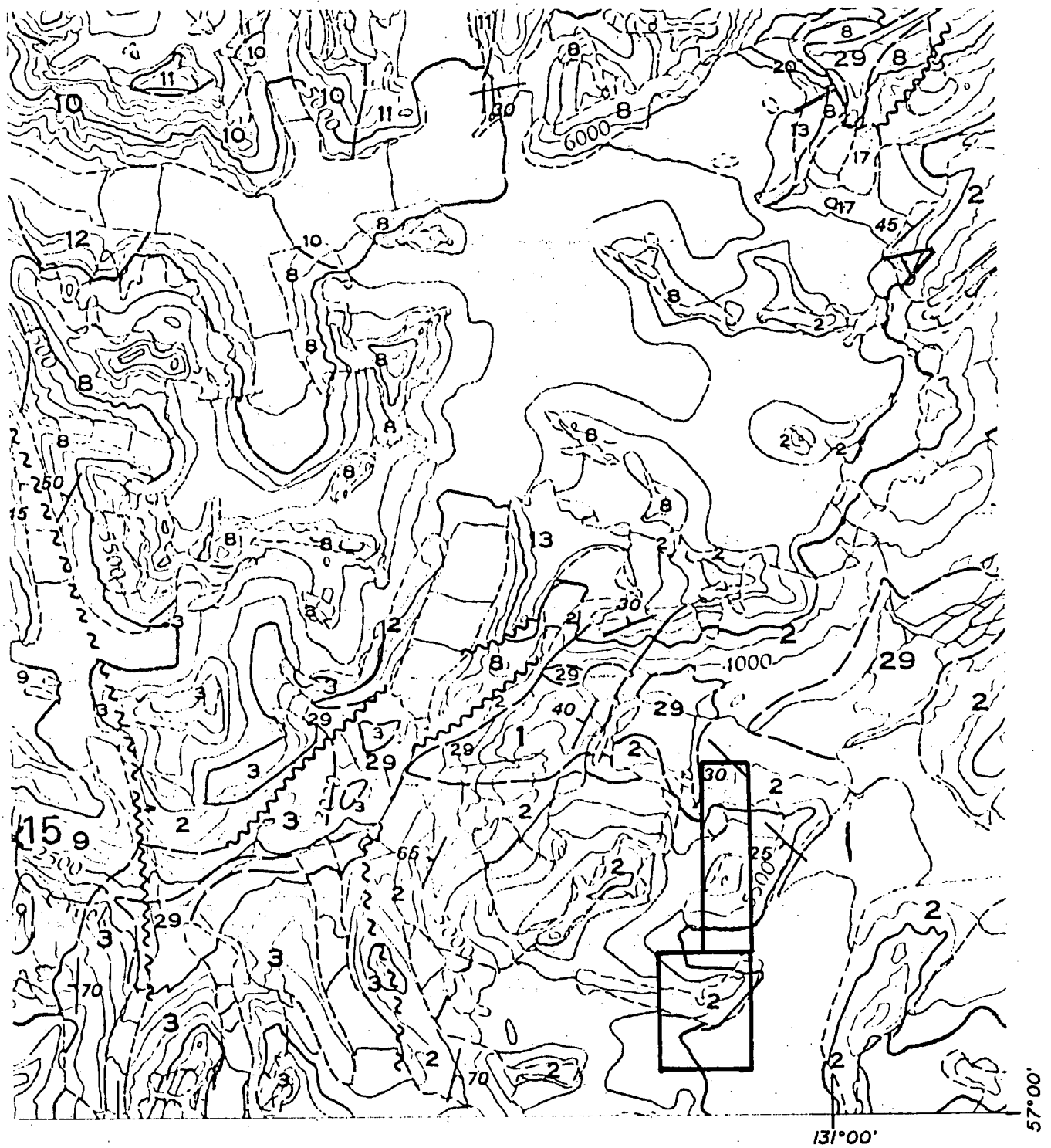
Other advanced prospects currently undergoing intense exploration efforts in the area include Inel Resources Ltd.'s property, Gulf International Minerals Ltd.'s McLymont property, Placer Dome Ltd.'s Kerr deposit and Calpine's 21 Zone Discovery.

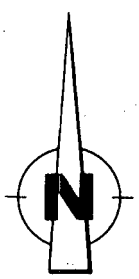
The discovery of the Eskay Creek gold prospect (Calpine 21 Zone) in November of 1988 has done much to stimulate exploration activity in the Iskut region. The deposit occurs essentially at the upper contact of a relatively flat lying, hydrothermally-altered andesit breccia (Rhyolite) within Middle Jurassic Hazelton Group volcanic and sedimentary rocks. The effects of faulting and folding are not clearly understood at this date. The zone remains open to the northeast and downdip, although fill-in drilling at 25 metre spacing is continuing. Spectacular results have been obtained in drill core assays, particularly those in Hole No. 109, which returned 201.2 metres (660 feet) grading 30 grams per tonne gold (0.876 opt). Drill hole intersection varying from 5 to 10 metres (16 to 33 feet) and grading to 100 grams gold per tonne (2.92 opt) with an average 1,000 grams or more of silver per tonne (29.2 opt), are not uncommon. Significant values in lead and zinc are present as well. This prospect is without doubt the most important precious metal deposit ever discovered in British Columbia.

REGIONAL GEOLOGY

The Stewart-Iskut-Eskay Creek gold silver area is situated along the western margin of the Intermontaine belt of volcanic and sedimentary rocks where they join the Coast Plutonic Complex of intrusive and metamorphic rocks. The most significant host of gold-silver mineralization in the area is the Triassic to Jurassic volcanic-sedimentary Stewart complex (Hazelton group). Triassic to Tertiary plutonic rocks of the Coast Intrusion are considered to be the source of the mineralization. Jurassic sedimentary rocks of the Bowser Basin are extensively underlain by rocks of the Stewart Complex.

Within the Stewart Complex of volcanics and sedimentary rocks, both narrow fractures and wide shear zones carry gold, silver and often, copper and molybdenum values associated with quartz veining. These mineralized areas are frequently close to felsic porphyry sills and dykes. The northern portion of the district appears to contain higher frequency of gold quartz veins grading to increased silver toward the south and increased copper toward the west.





Geology after: Souther, J.G.
Paper 71-44 Map 11-1971

KESTREL RESOURCES LTD.

ROU 1 & ROU 2 MINERAL CLAIMS
LIARD MINING DIVISION, B.C.

REGIONAL GEOLOGY

S. TENNANT

SCALE	DATE	FIGURE	NTS
1 : 125 000	NOV 1990	3	104 G/3

LEGEND

CENOZOIC

QUATERNARY
PLEISTOCENE AND RECENT

29 Fluviatile gravel; sand, silt; glacial outwash, till, alpine moraine and colluvium

28 Hot-spring deposit, tufa , aragonite

27 Olivine basalt, related pyroclastic rocks and loose tephra; younger than some of 29

TERTIARY AND QUATERNARY
UPPER TERTIARY AND PLEISTOCENE

26 Rhyolite and dacite flows, lava domes, pyroclastic rocks and related subvolcanic intrusions; minor basalt

25 Basalt, olivine basalt, dacite, related pyroclastic rocks and subvolcanic intrusions; minor rhyolite; in part younger than some 26

CRETACEOUS AND TERTIARY
UPPER CRETACEOUS AND LOWER TERTIARY
SLOKO GROUP

24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments

22 23 22. Biotite leucogranite, subvolcanic stocks, dykes and sills
23. Porphyritic biotite andesite, lava domes, flows and (?) sills

SUSTUT GROUP

21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal

20 Felsite, quartz-feldspar porphyry, pyritiferous felsite, orbicular rhyolite; in part equivalent to 22

19 Medium-to coarse-grained, pink biotite-hornblende quartz monzonite

JURASSIC AND/OR CRETACEOUS
POST-UPPER TRIASSIC PRE-TERTIARY

18 Hornblende diorite

17 Granodiorite, quartz diorite; minor diorite, leucogranite and migmatite

JURASSIC
MIDDLE (?) AND UPPER JURASSIC
BOWSER GROUP

16 Chert-pebble conglomerate, grit, greywacke, subgreywacke, siltstone and shale; may include some 13

MIDDLE JURASSIC

15 Basalt, pillow lava, tuff-breccia, derived volcaniclastic rocks and related subvolcanic intrusions

LOWER AND MIDDLE JURASSIC

14 Shale, minor siltstone, siliceous and calcareous siltstone, greywacke and ironstone

LOWER JURASSIC

13 Conglomerate, polymictic conglomerate; granite-boulder conglomerate, grit, greywacke, siltstone; basaltic and andesitic volcanic rocks, peperites,

MESOZOIC

TRIASSIC AND JURASSIC

POST-UPPER TRIASSIC PRE-LOWER JURASSIC

12 Syenite, orthoclase porphyry, monzonite, pyroxenite

HICKMAN BATHOLITH

10 | 11 10. Hornblende granodiorite, minor hornblende-quartz diorite 11. Hornblende, quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite

TRIASSIC

UPPER TRIASSIC

9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)

8 Augite-andesite flows, pyroclastic rocks, derived volcaniclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate

7 Siltstone, thin-bedded siliceous siltstone, ribbon chert, calcareous and dolomictic siltstone, greywacke, volcanic conglomerate, and minor limestone

6 Limestone, fetid argillaceous limestone, calcareous shale and reefoid limestone; may be in part younger than some 7 and 8

5 Greywacke, siltstone, shale; minor conglomerate, tuff and volcanic sandstone

MIDDLE TRIASSIC

4 Shale, concretionary black shale; minor calcareous shale and siltstone

PALEOZOIC

PERMIAN

MIDDLE AND UPPER PERMIAN

3 Limestone, thick-bedded mainly bioclastic limestone; minor siltstone, chert and tuff

PERMIAN AND OLDER

2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone, minor chert, schistose tuff and limestone

MISSISSIPPIAN

1 Limestone, crinoidal limestone, ferruginous limestone; maroon tuff, chert and phyllite

B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic

A Ultramafic rocks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassic

Geological boundary (defined and approximate, assumed) .....

Bedding (horizontal, inclined, vertical, overturned) .....

Anticline .....

Syncline .....

Fault (defined and approximate, assumed) .....

Thrust fault, teeth on hanging-wall side (defined and approximate, assumed). .

Fossil locality ..... Ⓕ

Mineral property ..... 15×

Glacier .....

INDEX TO MINERAL PROPERTIES

1. Liard Copper	5. Bam	9. MH	13. Ann, Su
2. Galore Creek	6. Gordon	10. BIK	14. SF
3. QC, QCA	7. Limpoke	11. JW	15. Goat

The recently discovered 21 Zone on the Stikine Silver/Calpine claims to the southeast of the ROU claims, is hosted in the Mount Dilworth formation of the upper Hazelton group. The Dilworth formation has been traced to the northwest from the 21 Zone.

PROPERTY GEOLOGY

Geological Survey Map 11-1971, prepared by J.G. Souther, shows the geology of the ROU claims at a scale of 1:250,000. More detailed maps are unavailable from Government sources and Kestrel Resources has not completed reconnaissance mapping on this property. According to Souther's work, the claims are underlain by foliated rocks of Paleozoic age, minor limestone, and associated intermediate intrusive rocks of Jurassic-Triassic age. Foliated rocks consist of phyllite, greenstone, quartz sericite - chlorite schist, argillaceous quartzite, minor chert and schistose tuff. The rock units generally trend northwesterly with moderate to steep dips to the southwest, and are variably altered, deformed and metamorphosed.

1990 EXPLORATION PROGRAM

The 1990 exploration program was undertaken to assess the exploration potential of the property. The field program was conducted during the last week of July.

Access was via helicopter (provided by Northern Mountain Helicopters), from a base camp at Forrest Kerr Airstrip, some 20 kilometres to the south. Field work was conducted by employees of Kestrel Resources Ltd. under the supervision of the author. A total of 9 man days were spent in collecting 54 rock samples.

The lithogeochemical samples were properly bagged, described and labelled in the field. Later, they were shipped by air and ground freight to Vangeochem Lab Ltd. in Vancouver, B.C. for analysis under the supervision of professional assayers. All

of the samples were analyzed for gold, using fire assay and atomic absorption procedures, and for a 25-element suite by inductively coupled argon plasma (ICAP) methods.

At Vangeochem Lab Ltd., each rock sample was ground to -100 mesh and a 0.5 gram pulp was digested with 5 millilitres of 3:2:1 hydrochloric acid to nitric acid to water at 95°C for 90 minutes, and then diluted to 10 millilitres with water. The resulting precipitate was then analyzed by ICAP methods for : silver, aluminum, arsenic, barium, bismuth, calcium, cadmium, cobalt, chromium, copper, iron, potassium, magnesium, manganese, molybdenum, sodium, nickel, phosphorus, lead antimony, tin strontium, uranium, tungsten and zinc.

A 20.0 to 30.0 gram pulp was split from each of the ground samples, mixed with flux, fused at 1,900°F to form a button, and subsequently digested in an aqua regia solution. This solution was then analyzed for gold be a Techtron model AA5 Atomic Absorption Spectrophotometer with a gold hollow cathode lamp.

Prospecting traverses and all sample locations are shown on Figure 4 of this report. The analytical results and lithogeochemical sample description accompany this report as Appendices I and II respectively.

DISCUSSION OF RESULTS

A total of 9 man days were spent prospecting the ROU 1-2 claims. The claims are underlain by variably altered, deformed, metamorphosed and mineralized phyllites, schists, greenstones and limestone. Structurally the formations trend northwesterly with moderate dips to the southeast.

Samples collected on the ROU claims were generally from quartz carbonate shears or quartz veins. Fine pyrite and some minor chalcopyrite were the only visible sulphides. Malachite staining is sparsely distributed. The highest value obtained was 210 ppb gold in Sample No. 92994 with the average value <20 ppb gold.

Assay results of the samples collected did not return significant values in base or precious metals. No concentrated zones of mineralization were identified.

RECOMMENDATIONS

The 1990 sampling program did not dilineate any strong anomalous zones. To the east of the ROU claims, Cominco own the large Foremore group of claims and have been successful in locating and tracing sulphide boulders on some of their claims. Additional work on the ROU claims should be concentrated on checking for sulphide boulders particularly in the low lying areas, along with some detailed geological mapping.

BIBLIOGRAPHY

Souther, J.G., Geological Survey of Canada, Paper 71-44, Map 11-1971

STATEMENT OF QUALIFICATIONS

I, STUART J. TENNANT, of Kestrel Resources Ltd., do hereby certify that:

1. I am a Geologist employed by Kestrel Resources Ltd. during the period October 1989 to present.

2. I am a graduate of the University of British Columbia with a B.Sc. in Geology in 1959.

3. From 1959 until present, I have been engaged in exploration primarily in Western Canada.

4. I personally supervised and participated in the field work and have compiled, reviewed and assessed the data resulting from the work.

Stuart J. Tennant

Stuart J. Tennant

DATED at Vancouver, British Columbia, this 11th day of December 1990

PROGRAM COSTS

S. Tennant Geologist	1 day @ $325/day	$	325
B. Chase Prospector	2 days @ $275/day		550
C. Bilquist Prospector	2 days @ $200/day		400
K. Forster Prospector	2 days @ $200/day		400
W. Grier Prospector	2 days @ $200/day		400
		$	2,075

Field Expense

Room and Board	9 man days @ $125/day	1,125
Helicopter	1.4 hrs. @ $800/hr	1,200
Drafting and Maps		100
Freight		40
Assaying (Vangeochem Labs) 53 samples @ $16/samples		848
TOTAL COST OF 1990 PROGRAM	$	**5,388**

APPENDIX I

Sample Assay Results

VANCOL BC V5L 1L6
(604) 251-5656

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
~~1988 TRIUMPH ST.~~
~~VANCOUVER, B.C. V5L 1K5~~
● (604) 251-5656
● FAX (604) 254-5717

BRANCH OFFICES
PASADENA, NFLD.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 900166 GA JOB NUMBER: 900166 SULLIVAN MANAGEMENT/KESTREL RES.

SAMPLE #	Ag ppm	Au ppb
81501	.4	nd
92293	.2	nd
92294	.1	nd
92295	.8	nd
92296	.2	nd
92297	.1	nd
92298	.1	10
92299	.2	10
92984	.1	10
92985	nd	nd
92986	nd	nd
92987	nd	20
92988	nd	nd
92989	nd	nd
92990	.1	nd
92991	.1	20
92992	.6	nd
92993	nd	nd
92994	.3	210
92995	.2	nd
92996	nd	10
92997	nd	nd
92998	nd	nd
92999	nd	nd
93000	nd	nd

DETECTION LIMIT	0.1	5

nd = none detected -- = not analysed is = insufficient sample

VANGEOCHEM LAB LIMITED
1630 Pandora Street, Vancouver, V5L 1L6
Ph:(604)251-5656 Fax:(604)251-5717

ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO_3 to H_2O at 95 °C for 90 minutes and is diluted to 10 ml with water.
This leach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST:

REPORT #: 900166 PA | SULLIVAN MANAGEMENT / KESTREL RES. | PROJECT: ROU 1-2 | DATE IN: AUG 01 1990 | DATE OUT: AUG 23 1990 | ATTENTION: MR. TENNANT & MR. BUCHHOLZ |

Sample Name	Ag	Al	As	Ba	Bi	Ca	Cd	Co	Cr	Cu	Fe	K	Mg	Mn	Mo	Na	Ni	P	Pb	Sb	Sn	Sr	U	W	Zn
	ppm	%	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	%	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
81501	0.4	1.44	<3	30	<3	1.32	1.3	11	145	35	3.95	0.25	0.88	887	7	0.02	3	0.27	16	13	8	93	<5	15	74
92293	0.2	0.10	<3	135	<3	4.33	<0.1	<1	60	27	1.32	0.05	0.65	1308	<1	0.01	<1	0.02	<2	<2	<2	169	<5	3	28
92294	0.1	0.46	22	102	<3	>10.00	<0.1	2	127	<1	3.39	<0.01	2.21	2815	4	0.03	<1	0.82	7	<2	2	435	<5	<3	29
92295	0.8	0.44	6	56	<3	3.54	2.6	11	86	360	2.07	<0.01	1.16	689	10	0.02	<1	0.05	52	24	3	151	18	3	51
92296	0.2	0.36	69	52	<3	0.22	<0.1	6	123	23	1.79	0.15	0.14	110	8	<0.01	<1	0.10	29	12	3	40	<5	4	11
92297	0.1	0.34	20	48	<3	1.57	<0.1	<1	258	<1	0.73	0.29	0.23	279	<1	<0.01	<1	0.01	<2	<2	<2	119	<5	7	15
92298	0.1	0.22	58	290	8	0.16	<0.1	1	186	39	2.83	0.19	0.01	115	12	0.02	<1	0.15	10	<2	<2	52	<5	7	98
92299	0.2	0.05	71	101	<3	1.47	<0.1	3	203	6	2.44	<0.01	0.69	297	15	0.02	<1	0.07	17	6	<2	50	11	5	77
92984	0.1	0.14	54	57	<3	1.57	<0.1	7	70	119	2.05	<0.01	0.84	235	12	0.01	<1	0.01	31	29	2	69	<5	6	41
92985	<0.1	0.09	15	286	<3	2.07	<0.1	3	187	16	1.99	0.03	1.16	482	<1	0.02	<1	0.02	2	<2	3	97	14	5	28
92986	<0.1	0.03	13	>1000	<3	1.99	<0.1	<1	69	241	1.25	0.47	0.76	1016	<1	0.01	<1	<0.01	<2	<2	<2	107	16	7	10
92987	<0.1	0.73	<3	71	<3	3.79	0.1	37	147	26	8.68	0.50	1.18	917	3	0.04	<1	0.24	<2	<2	3	117	<5	8	45
92988	<0.1	0.11	18	57	11	>10.00	0.4	<1	65	<1	2.96	0.23	5.02	1488	<1	0.04	<1	0.08	<2	<2	<2	350	<5	<3	14
92989	<0.1	0.17	<3	14	<3	5.84	2.2	<1	51	15	4.17	<0.01	2.66	2262	3	0.03	<1	0.02	4	4	2	254	14	<3	26
92990	0.1	0.09	31	50	<3	>10.00	4.0	2	78	<1	4.47	<0.01	4.74	2481	<1	0.05	<1	0.04	<2	<2	6	294	<5	<3	57
92991	0.1	0.30	<3	99	<3	7.09	1.9	5	38	<1	5.32	0.59	4.18	1430	<1	0.05	<1	0.12	<2	<2	2	254	<5	7	92
92992	0.6	4.07	<3	83	<3	5.18	0.4	35	32	190	8.99	0.59	3.72	2580	<1	0.09	43	0.65	13	19	3	403	<5	35	372
92993	<0.1	0.84	<3	92	<3	7.28	8.0	30	95	<1	9.01	0.09	4.41	2398	5	0.07	<1	0.45	<2	33	7	351	8	5	158
92994	0.3	0.30	<3	72	<3	3.61	<0.1	23	75	246	7.48	0.13	3.21	1176	<1	0.05	1	0.15	<2	7	4	185	22	<3	139
92995	0.2	0.07	<3	39	<3	9.63	<0.1	1	37	14	2.81	<0.01	3.44	1806	<1	0.03	<1	0.21	<2	<2	4	529	<5	<3	37
92996	<0.1	0.91	<3	25	<3	1.27	<0.1	<1	129	<1	2.26	0.83	0.77	703	<1	0.02	<1	0.19	<2	<2	<2	96	12	18	22
92997	<0.1	0.04	<3	104	<3	0.77	<0.1	<1	78	<1	0.92	0.50	0.12	364	<1	<0.01	<1	0.04	<2	<2	<2	21	<5	13	<1
92998	<0.1	0.05	5	40	<3	7.40	<0.1	<1	46	<1	4.09	0.13	2.44	3418	<1	0.03	<1	0.10	<2	<2	<2	560	<5	<3	19
92999	<0.1	0.12	48	9	<3	0.17	<0.1	<1	234	<1	0.93	<0.01	0.12	394	<1	<0.01	<1	0.02	<2	<2	<2	13	8	8	3
93000	<0.1	1.03	51	66	<3	0.28	<0.1	<1	90	132	2.16	0.31	0.69	194	<1	0.01	<1	0.18	<2	<2	3	39	20	17	26
Minimum Detection	0.1	0.01	3	1	3	0.01	0.1	1	1	1	0.01	0.01	0.01	1	1	0.01	1	0.01	2	2	2	1	5	3	1
Maximum Detection	50.0	10.00	2000	1000	1000	10.00	1000.0	20000	1000	20000	10.00	10.00	10.00	20000	1000	10.00	20000	10.00	20000	2000	1000	10000	100	1000	20000

< - Less Than Minimum > - Greater Than Maximum is - Insufficient Sample ns - No Sample ANOMALOUS RESULTS - Further Analyses By Alternate Methods Suggested.

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VGC VANGEOCHEM LAB LIMITED

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BRANCH OFFICES
PASADENA, NFLD.
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MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 900201 GA JOB NUMBER: 900201 SULLIVAN MANAGEMENT/KESTREL RES.

SAMPLE #	Ag ppm	Au ppb
92963	.2	40
92964	nd	10
92965	.4	10
92966	nd	nd
92967	.1	20
92968	nd	10
92969	.8	10
92970	.2	30
92971	.6	20
92972	.1	60
92973	.1	100
92974	nd	nd
92975	nd	nd
92976	nd	nd
92977	.2	20
92978	.7	20
92979	nd	10
92980	nd	20
92981	.4	20
92982	nd	20
92983	nd	10

DETECTION LIMIT 0.1 5
nd = none detected -- = not analysed is = insufficient sample

VANGEOCHEM LAB LIMITED

1630 Pandora Street, Vancouver B.C. V5L 1L6
Ph:(604)251-5656 Fax:(604)254-5717

ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO_3 to H_2O at 95 °C for 90 minutes and is diluted to 10 ml with water.
This leach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST: Rgwalker

REPORT #: 900201 PA | SULLIVAN MANAGEMENT / KESTREL RES. | PROJECT: NONE GIVEN | DATE IN: AUG 07 1990 | DATE OUT: AUG 27 1990 | ATTENTION: MR. JOHN BUCHHOLZ |

Sample Name	Ag	Al	As	Ba	Bi	Ca	Cd	Co	Cr	Cu	Fe	K	Mg	Mn	Mo	Na	Ni	P	Pb	Sb	Sn	Sr	U	W	Zn
	ppm	%	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	%	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
92963	0.2	1.29	<3	180	21	0.49	1.4	<1	65	123	1.84	0.06	0.87	381	14	<0.01	<1	0.05	<2	<2	17	97	<5	<3	42
92964	<0.1	0.51	72	163	<3	0.21	<0.1	<1	144	<1	0.77	<0.01	0.36	167	<1	<0.01	<1	0.02	<2	52	6	28	<5	<3	19
92965	0.4	1.74	99	>1000	<3	3.13	0.3	37	63	34	3.88	<0.01	2.17	1237	3	<0.01	31	0.04	<2	128	4	145	<5	<3	77
92966	<0.1	0.33	194	176	38	1.09	<0.1	<1	132	17	1.66	<0.01	0.28	431	1	<0.01	7	<0.01	<2	165	5	13	<5	116	7
92967	0.1	0.19	153	110	<3	0.02	<0.1	<1	96	<1	0.89	0.07	0.01	116	2	<0.01	<1	0.01	<2	110	5	3	<5	15	21
92968	<0.1	0.96	161	267	63	0.50	<0.1	20	54	93	3.47	0.22	0.29	492	2	<0.01	7	0.03	<2	167	7	23	<5	<3	72
92969	0.8	1.01	330	94	102	5.87	1.9	31	55	110	2.80	<0.01	0.87	358	4	<0.01	42	<0.01	53	334	5	273	<5	88	88
92970	0.2	0.38	108	559	73	6.74	<0.1	<1	137	<1	0.85	<0.01	0.44	391	<1	<0.01	<1	0.02	<2	52	<2	248	<5	<3	39
92971	0.6	1.39	287	53	<3	4.20	0.3	30	68	35	4.57	<0.01	1.31	309	9	<0.01	5	0.02	<2	173	11	183	<5	<3	60
92972	0.1	0.55	<3	8	34	1.42	<0.1	<1	94	<1	3.04	<0.01	0.30	89	2	<0.01	<1	<0.01	<2	15	7	51	<5	<3	8
92973	0.1	0.35	170	82	<3	5.14	<0.1	16	156	43	3.02	<0.01	1.62	710	<1	<0.01	<1	<0.01	<2	160	4	165	<5	86	34
92974	<0.1	0.07	241	49	100	>10.00	0.7	28	6	50	4.01	<0.01	5.52	1814	4	<0.01	16	0.02	14	277	8	167	<5	<3	45
92975	<0.1	0.13	<3	64	7	0.28	<0.1	<1	233	<1	0.45	<0.01	0.12	88	<1	<0.01	<1	0.01	<2	<2	3	21	<5	<3	2
92976	<0.1	0.11	307	44	110	0.09	<0.1	9	95	51	0.89	<0.01	0.04	162	<1	<0.01	<1	0.06	<2	269	2	14	<5	45	8
92977	0.2	0.40	235	110	6	0.05	0.7	<1	203	35	1.24	<0.01	0.29	40	<1	<0.01	1	0.08	<2	211	<2	5	<5	96	47
92978	0.7	0.10	<3	3	<3	0.23	1.5	<1	65	16	>10.00	0.06	0.04	27	10	<0.01	<1	<0.01	<2	7	8	10	<5	<3	137
92979	<0.1	0.32	<3	768	11	4.76	<0.1	23	65	<1	>10.00	<0.01	2.95	4460	11	<0.01	<1	0.36	<2	128	17	239	<5	<3	31
92980	<0.1	0.08	<3	81	<3	3.07	<0.1	<1	81	<1	2.88	<0.01	1.03	834	1	<0.01	<1	0.18	<2	<2	7	95	<5	<3	7
92981	0.4	0.58	7	30	89	0.07	<0.1	<1	164	53	2.78	<0.01	0.34	50	<1	<0.01	<1	0.02	<2	<2	7	<1	<5	<3	100
92982	<0.1	0.64	18	74	<3	3.50	<0.1	<1	55	<1	4.05	<0.01	0.73	1839	<1	<0.01	<1	0.25	<2	13	2	188	<5	<3	43
92983	<0.1	0.08	25	58	41	6.53	<0.1	<1	162	208	2.19	<0.01	3.39	1752	<1	<0.01	<1	0.01	<2	35	2	165	<5	<3	30
Minimum Detection	0.1	0.01	3	1	3	0.01	0.1	1	1	1	0.01	0.01	0.01	1	1	0.01	1	0.01	2	2	2	1	5	3	1
Maximum Detection	50.0	10.00	2000	1000	1000	10.00	1000.0	20000	1000	20000	10.00	10.00	10.00	20000	1000	10.00	20000	10.00	20000	2000	1000	10000	100	1000	20000

< - Less Than Minimum > - Greater Than Maximum is - Insufficient Sample ns - No Sample ANOMALOUS RESULTS - Further Analyses By Alternate Methods Suggested.

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BRANCH OFFICES
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MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 900211 GA JOB NUMBER: 900211 SULLIVAN MANAGEMENT/KESTREL RES.

SAMPLE #	Ag ppm	Au ppb
92285	.1	20
92286	.2	20
92287	nd	nd
92288	.4	20
92289	nd	10
92290	.1	10
92291	1.1	20
92292	.1	nd

DETECTION LIMIT 0.1 5
nd = none detected -- = not analysed is = insufficient sample

VANGEOCHEM LAB LIMITED
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ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO_3 to H_2O at 95 °C for 90 minutes and is diluted to 10 ml with water.
This leach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST: Reynold Cu

REPORT #: 900211 PA | SULLIVAN MANAGEMENT/KESTREL | PROJECT: NONE GIVEN | DATE IN: AUG 07 1990 | DATE OUT: AUG 24 1990 | ATTENTION: MR. TENNANT & MR. BUCHHOLZ | PAGE 1 OF 1

Sample Name	Ag	Al	As	Ba	Bi	Ca	Cd	Co	Cr	Cu	Fe	K	Mg	Mn	Mo	Na	Ni	P	Pb	Sb	Sn	Sr	U	W	Zn
	ppm	%	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	%	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
92285	0.1	0.12	14	>1000	<3	7.05	6.5	16	63	65	2.55	0.13	2.79	2615	15	<0.01	17	0.02	51	<2	13	104	36	<3	44
92286	0.2	0.61	39	157	<3	>10.00	7.5	31	28	220	6.79	0.11	4.68	2940	12	<0.01	17	0.04	51	<2	15	194	58	<3	100
92287	<0.1	0.11	7	>1000	<3	2.40	2.4	8	58	16	1.58	0.10	0.60	810	11	0.01	<1	0.03	39	<2	8	83	40	<3	21
92288	0.4	0.14	36	641	<3	2.57	3.7	9	193	25	2.10	0.11	0.95	2029	11	0.02	<1	0.03	49	<2	8	111	39	<3	40
92289	<0.1	0.43	20	54	<3	1.07	3.8	10	75	26	1.43	0.11	0.66	808	13	0.02	<1	0.03	60	<2	9	32	34	<3	29
92290	0.1	0.11	13	117	<3	1.97	3.8	13	198	23	2.37	0.12	0.46	788	11	0.02	<1	0.06	56	<2	9	28	28	<3	32
92291	1.1	0.15	8	28	<3	1.38	6.9	14	65	46	4.91	0.14	0.42	504	20	0.02	<1	0.06	93	25	12	12	<5	<3	46
92292	0.1	0.30	15	957	<3	0.96	4.6	12	217	19	1.43	0.15	0.13	1151	13	0.03	<1	0.02	70	3	11	29	28	<3	21
Minimum Detection	0.1	0.01	3	1	3	0.01	0.1	1	1	1	0.01	0.01	0.01	1	1	0.01	1	0.01	2	2	2	1	5	3	1
Maximum Detection	50.0	10.00	2000	1000	1000	10.00	1000.0	20000	1000	20000	10.00	10.00	10.00	20000	1000	10.00	20000	10.00	20000	2000	1000	10000	100	1000	20000

< - Less Than Minimum > - Greater Than Maximum is - Insufficient Sample ns - No Sample ANOMALOUS RESULTS - Further Analyses By Alternate Methods Suggested.

VANGEOCHEM SAMPLE ANALYSIS DESCRIPTION

The lithogeochemical samples were properly bagged, described and labelled in the field. Later, they were shipped by air and ground freight to Vangeochem Lab Ltd. in Vancouver, B.C. for analysis under the supervision of professional assayers. All of the samples were analyzed for gold, using fire assay and atomic absorption procedures, and for a 25-element suite by inductively coupled argon plasma (ICAP) methods.

At Vangeochem Lab Ltd., each rock sample was ground to -100 mesh and a 0.5 gram pulp was digested with 5 millilitres of 3:2:1 hydrochloric acid to nitric acid to water at 95°C for 90 minutes, and then diluted to 10 millilitres with water. The resulting precipitate was then analyzed by ICAP methods for: silver, aluminum, arsenic, barium, bismuth, calcium, cobalt, chromium, copper, iron, potassium, magnesium, manganese, molybdenum, sodium, nickel, phosphorus, lead, antimony, tin, strontium, uranium, tungsten and zinc.

A 20.0 to 30.0 gram pulp was split from each of the ground samples, mixed with flux, fused at 1,900°F to form a button, and subsequently digested in an aqua regia solution. This solution was then analyzed for gold by a Techtron model AA5 Atomic Absorption Spectrophotometer with a gold hollow cathode lamp.

APPENDIX II

Sample Descriptions

Geochemical Data Sheet - ROCK SAMPLING

NTS 104G/3

Sampler B Chase
Date July 29/90

Project Kestrel
Property Rou 2

Location Ref
Air Photo No

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width / True Width	DESCRIPTION: Rock Type	DESCRIPTION: Alteration	DESCRIPTION: Mineralization	ADDITIONAL OBSERVATIONS	ASSAYS: Ag ppm	ASSAYS: Itu ppb
92963	5000'	chips Select	3+ 30 m	chlorite schist	qtz veins Kspar, epi	cpy, mal py	abundant vert EW qvs.	.2	40
64	5000'	" "	"	"	" "	" "	" " " "	nd	10
65	5000'	chips	40 cm	"	qv		10 cm qv in strong carb. @ 158°, dip vert	.4	10
66	5000'	chips	40 cm	cherty seds	carb. qv veinlets	fine sulfides sul.		nd	nd
67	4800'	"	30 cm	slaty argillite	very rusty	fine minor py	7 cm qv	.1	20
68	4660'	"	100 cm	chlorite slate	strong carb		@ 160°	nd	10
69	4450'	"	X2 m yes	rusty slates	pt siliceous		NS, dip 45° W.	.8	10
70	4400'	"	15cm TW	grey green schist		minor py graphite	2 x 15 cm qvs.	.2	30
71	4400'	"	15m	" "		2 cm thick mass sulphide	adj. qv. (12 cm)	.6	20
72	4400'	"	100 cm yes	ferro-schist	very siliceous	py cubes		.1	60
73	4440'	"	60 cm		siliceous, carb.	rusty vuggy	2 x 10 cm qvs. @ 180°	.1	100
74	3770'	select grabs		limestone	orange carb.		pos. glacial debris.	nd	nd
75	3760'	chips	5cm yes	chlorite mica schist	qv	minor py		nd	nd
76	3760'	"	30 cm yes	" "	qv	fine py	vuggy	nd	nd
77	3820'	"	1m 2m	chlorite schist	siliceous	fine py	flat lying?	.2	20
78	3750'	"	4 x 30 cm	slate schist	qvs.	4 cm mass py	large angular boulder.	.7	20
79	3810'	"	1m	chlor schist	major carb	py	chlor, hem, q flooding	nd	10
80	"	"	2 m	" "	" "	hem.	zone orientated 130°	nd	20
81	3715'	"	1-2 m	mica-chlor schist	siliceous	mass sul.		.4	20
82	3710'	grab		" "	carb. qv	minor py	local rubble	nd	20

Geochemical Data Sheet - ROCK SAMPLING

NTS 104 G/3

Sampler B Chase/Bilquist Project Kestrel

Date July 29-30/90 Property ROU 2 Cont't

Location Ref

Air Photo No

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width / True Width	DESCRIPTION: Rock Type	Alteration	Mineralization	ADDITIONAL OBSERVATIONS	ASSAYS: Ag ppm	Au ppb
92983	3695'	chips	20cm / yes	graphitic sclust	qtz sweats	blebs bornite, mal		nd	10
84	4650'	1 of 2	1m	chlorite sclust	strong carb	fine dis py	zone @ 140° / qtz flooding	.1	10
85	4600'	2 of 2	1m	" "	"	" "	east half previous	nd	nd
86	4650'	"	1.5m +	" "	strong qtz carb zone	py, cpy mal	trends 75°	nd	nd
87	4580'	"	1.2m	talc-chlor sclust	pt carb. vuggy	tg cubes py mal, born	<2, 3cm and 9cm (flat lying) qvs (rusty)	nd	20
88	4590'	chips			qv. carb.	py	local rubble from cliff face to south.	nd	nd
89	4620'	grabs		chlorite sclust	carb-silicious	mass sul py, mal	prob. source 92988.	nd	nd
90	4500'	chips	50cm	" "	siliceous qtz carb.	tr to dis py bornite, mal.		.1	nd
92991	4500'	"	1m +		qtz carb serizite, talc	dis py, cpy, bornite	trends @ 150°	.1	20
92	4470'	grab		qtz serizite sclust		py, cpy	angular (local) boulder	.6	nd
93	4400'	chips	1m +		qtz carb ankerite	fine py	130°, dip 30° SW? 1 of 2	nd	nd
94	4400'	"	1m +		" "	" "	" " " " 2 of 2	.3	210
95	4170'	"	1.2m +	chlorite sclust	qtz carb	minor dis py	includes 3 x 6cm qvs.	.2	nd
96	4200'	grabs	10m	" "	several qvs.		flat lying, 10cm each, rusty.	nd	10
97	4210'	chips	2.5m / yes	" "	2 qvs bxc.	fine dis. py.	chlorite, serizite 40cm, 100cm.	nd	nd
98	4200'	"	4m / yes		qv/zone	" "	serizite	nd	nd
92999	4170'	"	2.5m / yes	chlor sclust	rusty vuggy qv.	rare fine py mal	100°/vert.	nd	nd
93000	4200'	chips		chlor sclust	qtz.		angular rubble.	nd	nd
81501	3860'	Select chips	2cm	" "	vuggy rusty qvs.	py stringers	2 x 6cm each	.4	nd

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7

Geochemical Data Sheet - ROCK SAMPLING

NTS 104G3E

Sampler Kent Forster Wes Grier
Date July 30/90

Project Iskut
Property Row 1

Location Ref
Air Photo No

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width / True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS	
				Rock Type	Alteration	Mineralization		Ag ppm	Au ppb
92293	El. 5800Ft.	Rock Select Grab	30cm	Qtz Carb. Shear	Limonitic staining	Disseminated Pyrite	UP to 30cm x 20m 300m E of W. Canyon → 15° ↓75°E	.2	nd
92294	"	"	40cm	"	"		15m East 92293	.1	nd
92295	El. 5840Ft.	"		Qtz "	"	Fe Pyrite	1m x 20m → 50° 60m NE of 92294	.8	nd
92296	El. 5760Ft.	"		Qtz. Float	"		50m S. 92295 E. Boundary	.2	nd
92297	El. 5570Ft.	"	20cm	Qtz vein Swarm	"		100m S. 92295 → 10° ↓45°E	.1	nd
92298	El. 5100Ft.	"	25cm	"	"		200m East of west Cr. 150m x 100m	.1	10
92299	El. 4880Ft.	"	20cm	"	"	Fe Pyrite	→ 90° ↓45°SE/120m East of West Cr.	.2	10

Geochemical Data Sheet - ROCK SAMPLING

NTS _____

Sampler Kent Forster Wes Grier Project Iskut Location Ref _____

Date July 29, 1990 Property Rau 1 Air Photo No _____

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width / True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS	
				Rock Type	Alteration	Mineralization		Ag ppm	Au ppb
92285	El. 6980 Ft.	Select Grab Rock	20cm	Qtz ~~Carbon~~ Carbonate	Malichite Limonite	Fe Pyrite	20cm 1m disappears into overburden ~~overbur~~	.1	20
92286	El. 6910 ft.	"	20cm	Carbonate Shear	"	"	⇒ 120°/35m S of 92285	.1	20
92287	El. 6900 Ft.	"	20cm	Qtz, Carbonate Shear	/ Limonite Staining		⇒ 30° ↓ SW / 20m W of 92286	nd	nd
92288	El. 6890 ft.	"		Qtz. float	"		10m E of 92287	.4	20
92289	El. 6860 Ft.	"	40cm	Qtz. Shear Carbonate	"		~~25m~~ 5m 92288 60cm x 25m ⇒ 60 ↓ 90°	nd	10
92290	El. 6715 ft.	"		Qtz. Carb. Shear ~~Quarz~~	"		400m S of 92289	.1	10
92291	El. 6650 Ft.	"	40cm	Qtz. Carb. Shear	"	Fe Pyrite	1m x 3m ⇒ 55-60° ↓ 90° 100m SW of 92290	1.1	20
92292	El. 6015 Ft.	"	20cm	Qtz. vein	"		20cm x 10m ⇒ 360° ↓ 90° 150m SE of W. Glacier toe	.1	nd

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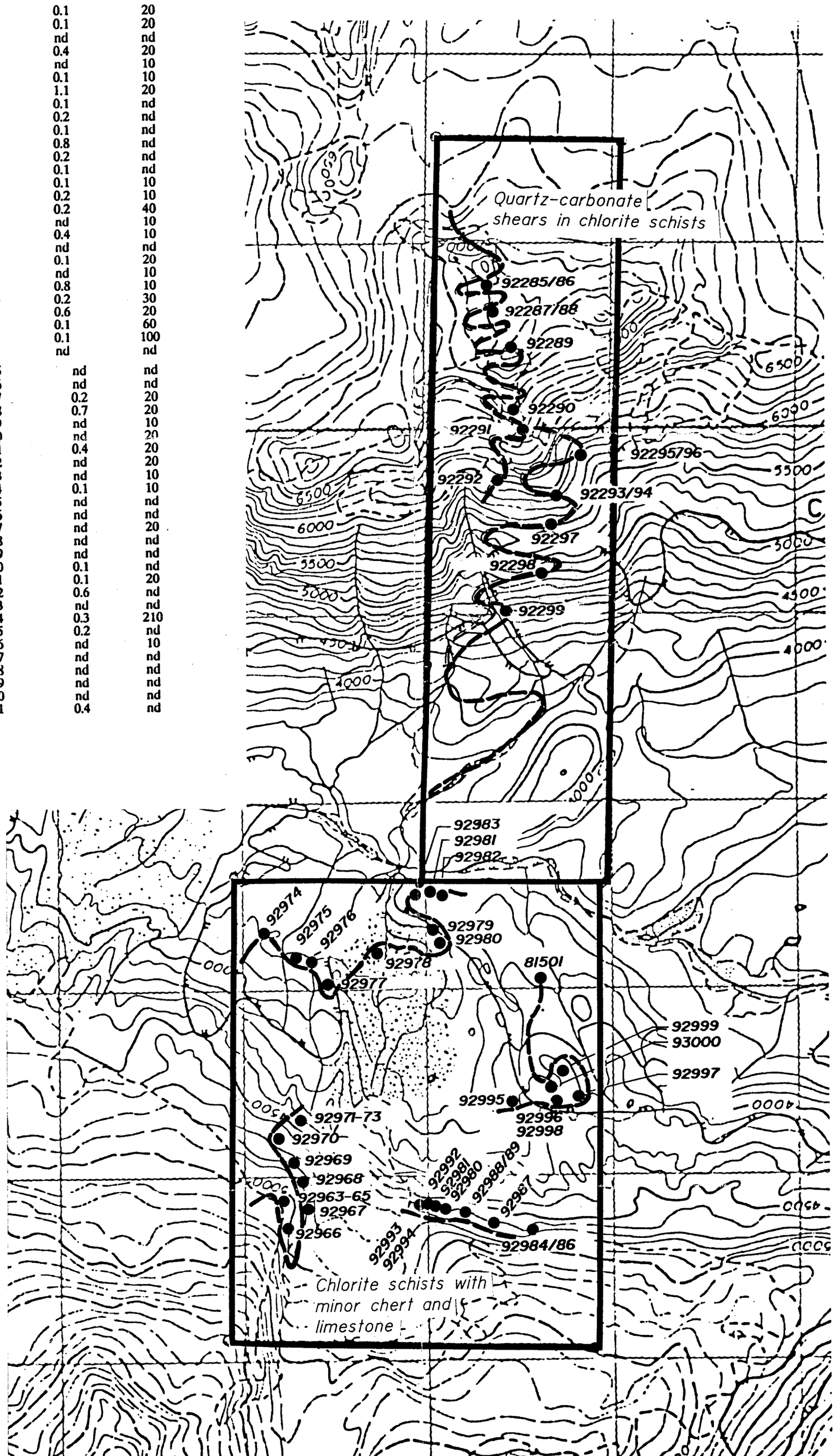
Sample No	Ag(ppm)	Au(ppb)
92285	0.1	20
92286	0.1	20
92287	nd	nd
92288	0.4	20
92289	nd	10
92290	0.1	10
92291	1.1	20
92292	0.1	nd
92293	0.2	nd
92294	0.1	nd
92295	0.8	nd
92296	0.2	nd
92297	0.1	nd
92298	0.1	10
92299	0.2	10
92963	0.2	40
92964	nd	10
92965	0.4	10
92966	nd	nd
92967	0.1	20
92968	nd	10
92969	0.8	10
92970	0.2	30
92971	0.6	20
92972	0.1	60
92973	0.1	100
92974	nd	nd
92975	nd	nd
92976	nd	nd
92977	0.2	20
92978	0.7	20
92979	nd	10
92980	nd	20
92981	0.4	20
92982	nd	20
92983	nd	10
92984	0.1	10
92985	nd	nd
92986	nd	nd
92987	nd	20
92988	nd	nd
92989	nd	nd
92990	0.1	nd
92991	0.1	20
92992	0.6	nd
92993	nd	nd
92994	0.3	210
92995	0.2	nd
92996	nd	10
92997	nd	nd
92998	nd	nd
92999	nd	nd
93000	nd	nd
81501	0.4	nd



GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,646

LEGEND
- Sample No.
- Traverse
- Gravels

KESTREL RESOURCES LTD.	
ROU 1 & ROU 2 MINERAL CLAIMS LIARD MINING DIVISION, B.C. SAMPLE LOCATION MAP	
DRAWN S. TENNANT	NTS 104G/3
DATE NOV. 1990	FIGURE 4