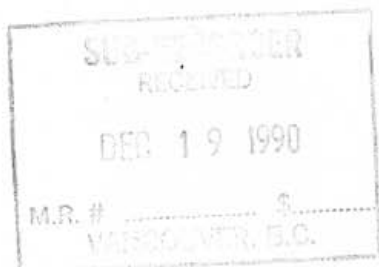




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ACTION:	
FILE NO:	

1990
PHYSICAL AND DIAMOND DRILLING REPORT
OF THE BULL 16

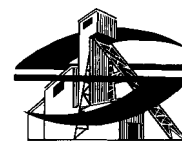
Liard Mining Division, B.C.
N.T.S. 104-0-16W
Lat. 59°56'N; Long. 130°15'W
DECEMBER 1990
B.C. 1990 ASSESSMENT



GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,735

Part 1 of 2



1990
PHYSICAL AND DIAMOND DRILLING REPORT
ON THE
BULL 16 CLAIM

Liard Mining Division, British Columbia
N.T.S. 104-0-16W
Latitude 59°56'N; Longitude 130°15'W

OWNER/OPERATOR: REGIONAL RESOURCES LTD.

BY

R.A. Sutherland, P.Eng.

Strathcona Mineral Services Limited
12th Floor, 20 Toronto Street
Toronto, Ontario
M5C 2B8

DECEMBER 1990

WORK PERIOD: OCTOBER 1, 1989 to NOVEMBER 10, 1990



Strathcona Mineral Services Limited

12th Floor, 20 Toronto Street, Toronto, Ontario, Canada M5C 2B8

Telephone: (416) 869-0772

Telex: 06-23565

Telecopier: (416) 367-3638

December 19, 1990

Ms G.D. Phillips
Deputy Gold Commissioner
Ministry of Energy, Mines
and Petroleum Resources
Robson Square
Suite 159, 800 Hornby Street
Vancouver, British Columbia
V6Z 2C3

Dear Ms Philips:

Re: Midway Project - Liard Mining Division

We are enclosing herewith two copies of our report on the 1989/90 exploration undertaken at the Midway project. The report is in support of the Statement of Work filed by G.G. Clow in October for the Polar 1 through Polar 16 claim groups. Please transfer any excess amount of assessment credit to a PAC account in the name of Regional Resources Ltd.

If you have any questions please contact me at the Strathcona Mineral Services office in Toronto.

Yours truly,

R.A. Sutherland

RAS:lb
encl.



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6 Geological Section N43560	1:1000



1.0 INTRODUCTION

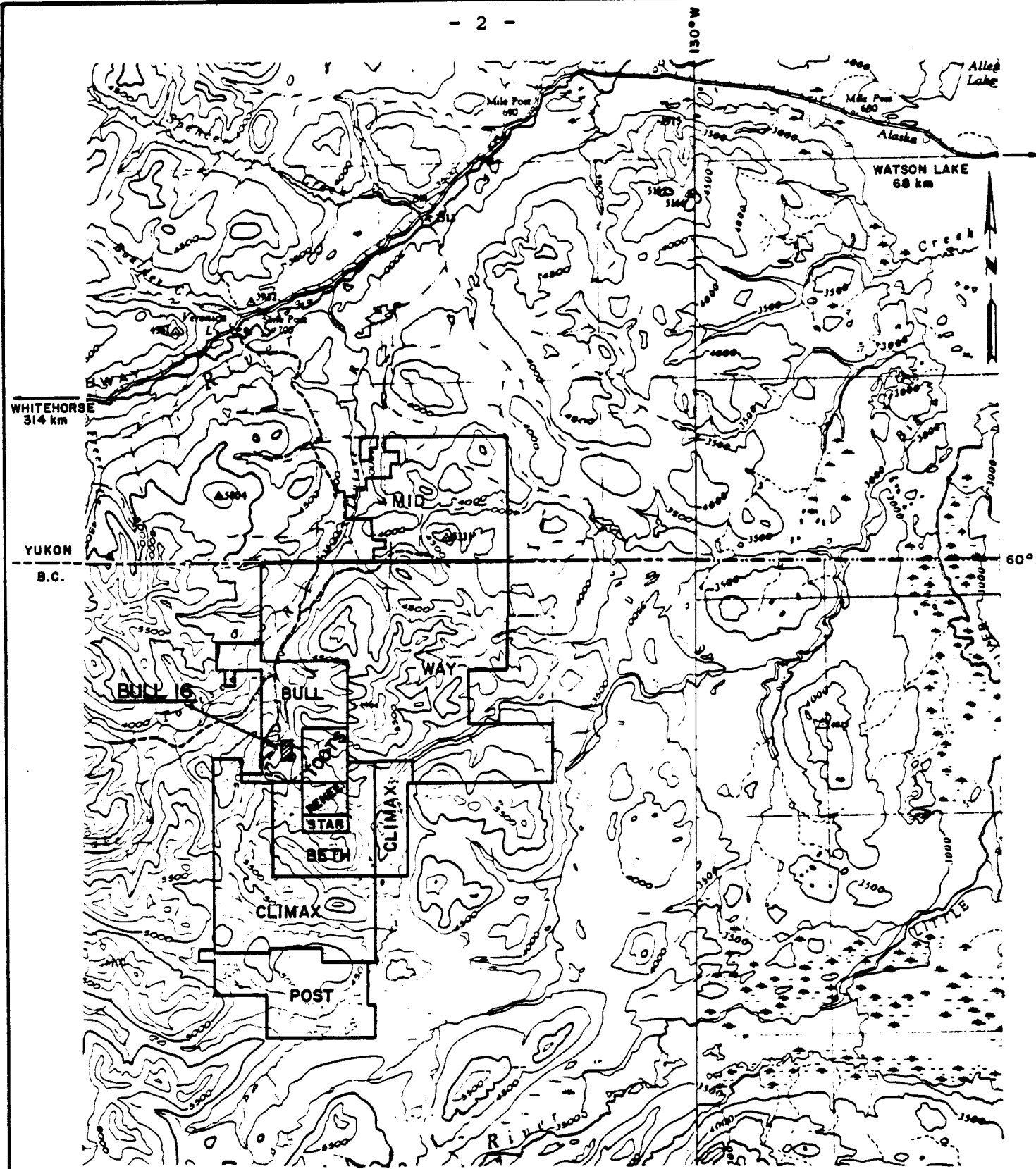
1.1 LOCATION AND ACCESS

The B.C. portion of the Midway property consists of the Way, Bull, Climax, Post, Beth, Star, Toots and Renee mineral claims (total 887 units) located 85 km west of Watson Lake, Y.T. (Figure 1). Access to the property is provided by 25 km of gravel road which connects with the Alaska Highway at Kilometre post 1128.

The terrain is moderately mountainous, with broad U-shaped valleys and rounded mountains. Elevations range from 900 m to 2050 m above sea level. Valleys are mostly vegetated by pines, slopes by spruce; local permafrost is found on north facing slopes.

1.2 CLAIM STATUS

The status of the B.C. claims comprising the Midway property, as of October 10, 1990, is given in Table 1. Assuming acceptance of the 1990 assessment, all claims will be in good standing until their date of record in the year 2000. The relative locations of the claims are shown in Plate 1.



REGIONAL RESOURCES LTD.
 MIDWAY PROPERTY
**LOCATION MAP -
 CLAIM BLOCKS**

LIARD MINING DIVISION, B.C. NTS 104 0/16

1: 250 000

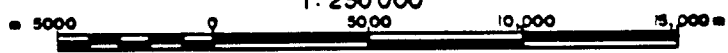


Figure 1

MIDWAY PROPERTY - BRITISH COLUMBIA CLAIMS

Registered Owner: Regional Resources Ltd.

Liard Mining Division; NTS: 104/0-16

(89 Claims; 887 Units)

CLAIM	UNIT	RECORD NO.	EXPIRY DATE	CLAIM	UNIT	RECORD NO.	EXPIRY DATE	CLAIM	UNIT	RECORD NO.	EXPIRY DATE
Way	1	20 1684	20-Oct-92	A Bull	1	12 1705	12-Nov-96	Post	1	4 1708	12-Nov-94
Way	2	20 1685	20-Oct-92	A Bull	2	20 1706	12-Nov-96	Post	2	9 2275	20-Apr-95
Way	3	20 1686	20-Oct-96	A Bull	4 Pr	1 1725	26-Nov-96	Post	3	20 2276	20-Apr-95
Way	4	20 1687	20-Oct-90	A Bull	5	12 1959	21-Jul-96	Post	4 Pr	1 2799	20-Jun-95
Way	5	20 1688	20-Oct-93	A Bull	7	18 2415	24-Aug-96	Post	5 Pr	1 2800	20-Jun-95
Way	6	20 1726	26-Nov-94	A Bull	8	15 2665	18-Jan-94	Post	11	10 2412	24-Aug-95
Way	7	20 1727	26-Nov-96	A Bull	10	2 2667	18-Jan-95	Post	12	15 2413	24-Aug-94
Way	8	20 1728	26-Nov-96	A Bull	11 Pr	1 2668	18-Jan-95	Post	13	18 2414	24-Aug-94
Way	9	15 1729	26-Nov-94	A Bull	12 Pr	1 2669	18-Jan-94	Post	14	2 2593	20-Oct-95
Way	10	20 1730	26-Nov-93	A Bull	15 Pr	1 2776	14-Jun-96	Post	15	20 2933	19-Sep-94
Way	11	20 1731	26-Nov-94	A Bull	16	2 2777	14-Jun-95	Post	16	2 2946	03-Oct-95
A Way	12	15 1732	26-Nov-96	A Bull	17	2 2778	14-Jun-95				
Way	16	20 1736	26-Nov-94	A Bull	18	2 2779	14-Jun-95		11	102	
Way	17	20 1737	26-Nov-93	A Bull	19	2 2780	14-Jun-95				
Way	18	15 1738	26-Nov-93	A Bull	20	2 2781	14-Jun-95	A Climax	1	8 1716	26-Nov-96
Way	19	20 1739	26-Nov-94	A Bull	21	2 2782	14-Jun-96	A Climax	2	20 1709	12-Nov-96
Way	20	20 1740	26-Nov-94	A Bull	22	2 2783	14-Jun-95	Climax	3	20 1710	12-Nov-95
Way	21	20 1741	26-Nov-93	A Bull	23	2 2784	14-Jun-95	Climax	4	20 1717	26-Nov-95
Way	22	10 1742	26-Nov-93	A Bull	24 Pr	1 2785	14-Jun-95	Climax	5	20 1718	26-Nov-95
Way	23	18 1743	16-Nov-96	A Bull	25 Pr	1 2786	14-Jun-96	Climax	6	15 1719	26-Nov-96
Way	24 Pr	1 2763	14-Jun-96	A Bull	26 Pr	1 2787	14-Jun-95	Climax	7	15 1720	26-Nov-93
Way	25 Pr	1 2764	14-Jun-96	A Bull	27 Pr	1 2934	19-Sep-95	Climax	8	15 1721	26-Nov-95
Way	26 Pr	1 2765	14-Jun-94	A Bull	28 Pr	1 3677	14-Oct-96	Climax	9	15 1722	26-Nov-95
Way	27 Pr	1 2766	14-Jun-96					Climax	10	20 1723	26-Nov-95
Way	29 Pr	1 2768	14-Jun-94		23	104		A Climax	11	6 1724	26-Nov-96
Way	30 Pr	1 2769	14-Jun-96					A Climax	12	12 2411	24-Aug-96
Way	31 Pr	1 2770	14-Jun-96	B Beth	1	12 1516	08-Aug-96	Climax	13	1 2591	20-Oct-94
Way	32 Pr	1 2771	14-Jun-96	B Beth	2	20 1517	08-Aug-95	A Climax	14 Pr	1 2592	20-Oct-95
Way	33 Pr	1 2772	14-Jun-96	B Beth	3	20 1518	08-Aug-95	Climax	15 Pr	1 2989	17-Oct-93
Way	34 Pr	1 2773	14-Jun-96	B Beth	4	18 1519	08-Aug-96	Climax	16 Pr	1 2990	17-Oct-93
Way	35 Pr	1 2774	14-Jun-96	B Star	2 Pr	1 2775	14-Jun-96				
				B Star	3	4 2829	06-Jul-96		16	190	
	31	384		B Renee	1	12 1132	02-Nov-96				
				B Toots	4	20 848	06-Jul-96				
					8	107					

BRITISH COLUMBIA CLAIMS - MIDWAY PROPERTY
TABLE 3





1.3 HISTORY AND 1990 EXPLORATION

Early exploration efforts on the property date back to 1954. A number of companies explored the Silvertip Hill area of the present property. During the 50's and 60's the following work was completed:

- underground drifting, two adits, 548 m
- surface diamond drilling, 20 holes, 2352 m
- underground drilling, 9 holes, 1120 m
- surface rotary drilling, 4 holes, 684 m

The results were reviewed by Holland, 1968.

In 1980 Cordilleran Engineering personnel, acting on behalf of Regional Resources Ltd., found a shale-hosted massive sulfide showing as the result of a regional stream sampling program. This showing is situated just to the north of the area worked previously and was called the Discovery area. A sizeable property was assembled by staking at that time. Adjoining claims owned by Amax of Canada and Brinco Mining Ltd. were subsequently acquired and are now included in the property.

Intensive exploration for massive sulphide deposits followed in 1981 to 1986. This work is summarized as follows:

- 1981 - airborne EM/Mag survey by Dighem
 - line cutting
 - trenching and sampling of the Discovery area
 - 857 m of diamond drilling in 6 holes, Discovery area

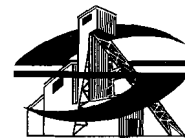


- 1982 - airborne photography at three different scales
 - soil sampling and geologic mapping of parts of the property
 - ground EM and gravity surveys
 - 5313 m of diamond drilling in 19 holes, mostly in the Discovery area

- 1983 - 11 743 m of diamond drilling in 32 holes, mainly in the Discovery and Silver Creek areas
 - dowhole pulse EM in some holes
 - pre-feasibility site assessment
 - initial metallurgical test work

- 1984 - 10 891 m of diamond drilling in 50 holes, mostly in the Silver Creek area
 - improvement of access road and site infrastructure
 - driving of underground access to Silver Creek North
 - petrologic and facies studies
 - exploration of the Ewen Barite, Spider Swamp and Bull 7 claim areas
 - reconnaissance soil sampling, Keystone grid

- 1985 - underground exploration program of the Silver Creek North area (started in late 1984) comprised 1453 m of adit advance
 - 12 383 m of underground diamond drilling in 171 holes
 - downhole PEM surveys on part of these holes
 - metallogenetic studies
 - ore reserve calculations
 - computerization of project data
 - additional metallurgical testwork



- 1986 - surface exploration in various parts of the property to search for additional deposits to augment the reserves outlined in the Silver Creek area
- soil geochemistry, line cutting, pulse EM and magnetometer geophysical surveys in 7 target areas (Bull 7, Donegal Mtn., Keystone Mtn., NW Discovery/Silver Creek North, Spider Swamp, Survey Creek, Tricorn/Tour Creek)
 - 2660 m of surface diamond drilling in 14 holes; downhole pulse EM
 - 984 m of reserve circulation drilling in 9 holes, Bull 7 area

The property was on care-and-maintenance during 1987 and 1988.

Exploration resumed in the fall of 1989 with the goals of defining the mineralization and evaluating the mining conditions in the Discovery area. The underground workings were rehabilitated and the surface facilities were upgraded, including a new shop and generator installation, and a mine water treatment plant.

An access decline to the Discovery area was collared off the old sump and taken south and east into the hangingwall shales where drill drifts were turned off north and south. These stopped short of target because of difficult ground conditions and the south drift was lost to a fall of ground. A total of 765 m of ramp and drift were driven at an estimated cost of \$4 541 219.



Diamond drilling totalled 9620 m in 68 holes from the access ramp and the north drift, at an estimated cost of \$1 571 013. NQ core was recovered in the target areas in all completed holes.

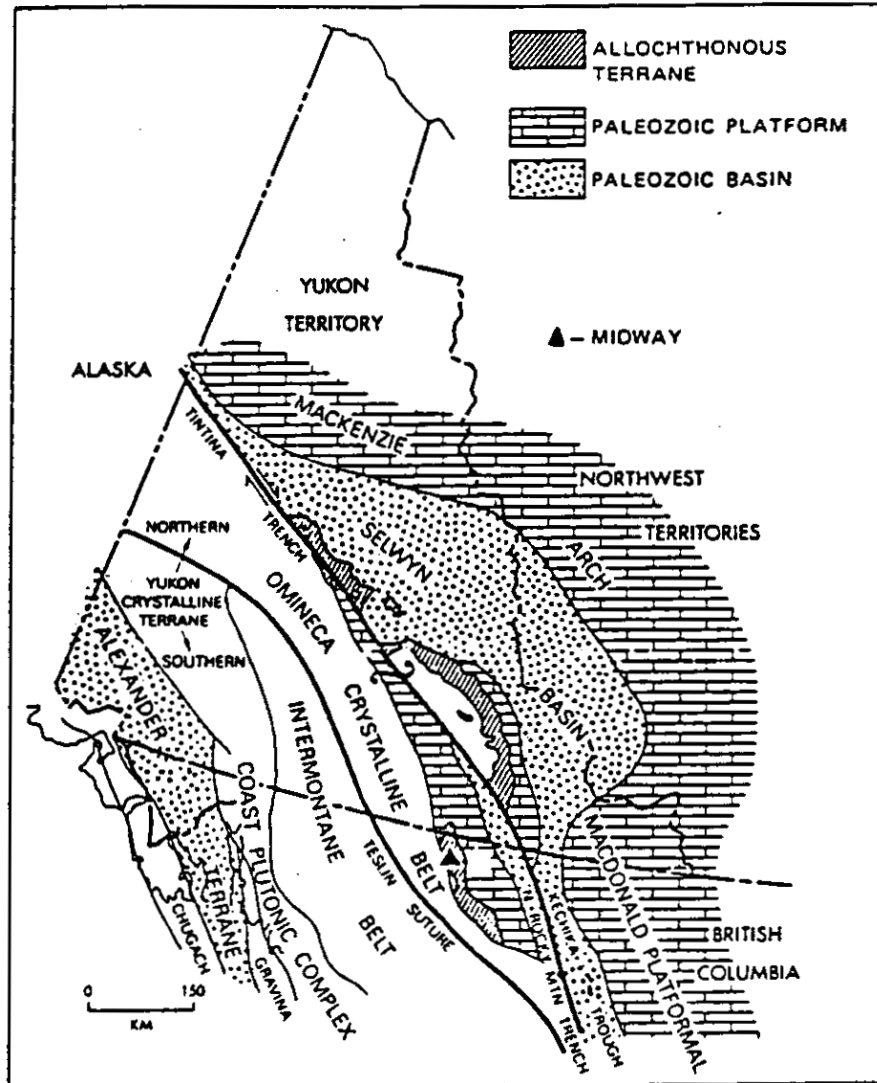
1.4 GEOLOGY (From Cordilleran Engineering, 1986)

REGIONAL GEOLOGY

The Midway property area is located within the Cassiar Platform terrain of the Northern Cordillera. Location and relationships with the major geological units of the region are shown in Figure 2.

The Cassiar Platform is an autochthonous miogeosynclinal wedge of relatively shallow-marine carbonate and clastic sediments, Proterozoic to Early Mississippian in age(?). The sedimentary wedge probably plunged to the southwest towards deeper-water depositional environments. During Mid Jurassic to Early Cretaceous times, a complex of oceanic sediments, volcanics and igneous ultramafics (the "Upper Sylvester Allochthon", Gordey et al., 1982a) was thrust, probably from the southwest, and emplaced over the platform, which was later intruded by Mid- to Late-Cretaceous quartz monzonite ("Cassiar Batholith").

The Cassiar platform is bounded to the east by the Rocky Mountain trench, filled with basinal clastic facies. The trench is marked by a major dextral strike-slip fault along which the Cassiar Platform may have moved over a distance of at least 450 km during Mesozoic and Cenozoic times (Templeman-Kluit and Blusson, 1977). The Midway property area is underlain by Lower and Middle Paleozoic sediments intruded on the west by the Cassiar Batholith.



REGIONAL GEOLOGICAL SETTING OF THE
MIDWAY PROPERTY
(Modified after MacIntyre, 1983)

Figure 2



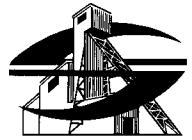
The sedimentary succession has been assigned to the Kechika, Sandpile, McDame and Sylvester Groups (Gabrielse, 1969).

The Cambrian to Lower Silurian Kechika Group consists of siltstone, phyllite and limestone, altered to hornfels and skarns near the Batholith contact. The Silurian to Middle Devonian Sandpile and McDame Groups consist of quartzite, dolostone and limestone. These Lower Paleozoic sediments were deposited in shallow water and on tidal flats of the Cassiar Platform. The Upper Devonian to Mississippian Lower Sylvester Group consists of a thick section of argillite, sandstone, and local conglomerate beds. These clastic rocks were deposited by turbidity currents in an offshore basin or trough, which probably developed by subsidence of fault-bounded blocks, possibly associated with a rifting center. The Mississippian to Permian Upper Sylvester Group consists of phyllite, chert, local calcarenite beds, volcanic flows and tuffs and ultramafics. This unit is part of the allochthon which was thrust over the Cassiar Platform (Gordey et al., 1982a).

PROPERTY AND DEPOSIT GEOLOGY

The geology of the Midway property in general and of the deposits area in particular was presented in Cordilleran Engineering, 1984.

Massive sulphide deposits have been found in two stratigraphic locations: "exhalative", shale-hosted, stratabound deposits near the base of Unit 2A of the Lower Sylvester Group, and replacement and open space filling, carbonate-hosted deposits at and below the unconformity between the Lower Sylvester and McDame Groups. The former have not



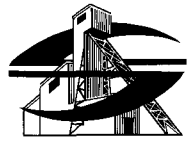
proven to be of economic interest; exploration activity since 1982 has focused on the latter.

The carbonate-hosted sulphide deposits (Lower Zone or LZ) have been found over a vertical interval of 100 m in McDame carbonate, throughout the upper limestone into the top of the underlying dolostone. The most extensively explored deposits are those immediately below the unconformity in the Silver Creek North zone, where sulphides have been found 20 m to 120 m below the surface. Massive sulphides have been intersected at depths between 175 m and 480 m northeast, east and south of the Silver Creek deposits.

The sulphides are spatially associated with, but not restricted to, altered and brecciated carbonate. In the Silver Creek zone there is a preferred azimuth of veins and tabular shaped bodies of 130 degrees to 150 degrees. The deposits vary in width and thickness from centimetres to tens of metres. The minerals of interest are argentiferous galena, sphalerite, and various silver-bearing sulphosalts, almost invariably accompanied by massive pyrite with lesser pyrrhotite and minor marcasite.

Both pre- and post-Sylvester faults have been found. Pre-Sylvester, post-McDame faults do not appear to have acted as barriers to mineralization. Major post-Sylvester faults are oriented northwest-southeast to north-south, dip to the east and have measured displacements of up to 200 m, east side down.

The source of the mineralizing fluids in the Midway area is unknown. Alteration in the Lower Sylvester clastics, apparent mineral zoning and interpretation of aeromagnetic



data indicate a center could lie 1.5 km to 2.0 km southeast of the known deposits.



2.0 PHYSICAL WORK

2.1 UNDERGROUND EXCAVATION

Drifting and detailed underground diamond drilling in 1984-85 outlined several mineralized bodies in the Silver Creek zone but the reserves defined were insufficient to support a mining operation. Surface drilling at wide spacing indicated that similar mineralized zones could be expected in the Discovery area.

The Discovery mineralization occurs at deeper levels than Silver Creek, so a decline and hangingwall drill drift were planned to provide access for more detailed drilling in the central portion of the area. This project was conceived as the first phase of a 3-stage exploration and development program leading to eventual production.

Site preparation commenced in mid October 1989 and dewatering and rehabilitation of the previous workings started in November.

Actual development started on January 5, 1990 and continued until June 11, 1990. In all, 765 metres of access decline and hangingwall drill drift were completed (Table 2). All mining equipment, personnel and underground service work were supplied by the contractor, Canadian Mine Development. Project management, consumables and support such as camp facilities and power generation were supplied by Regional Resources Ltd. through Strathcona Mineral Services.



An electric-hydraulic 2-boom jumbo drill and 5-cubic-yard scooptrams were used for the drilling and mucking functions. Two 13-tonne trucks were used for hauling the broken muck to surface. Services, including 42-inch ventilation ducting, 6-inch compressed air line, 2-inch fresh water line, 8-inch drain water line, blasting cable and main power cables, and electrical switch panels were hung as required using hand-held drills from a portable work platform carried by the scooptram. Crews of 3 or 4 men worked continuously, rotating on three, 8-hour shifts per day.

TABLE 2
SUMMARY OF HEADINGS

	<u>Slope</u>	<u>Nominal Size</u>	<u>Length</u>
Main Decline	-15%	4.5 x 5.0 m	250 m
Drill Access Drift	-15%	3.5 x 3.5 m	230 m
Drill Drift North	+1.5%	3.5 x 3.5 m 3.0 x 3.0 m	35 m 85 m
Drill Drift South	+1.5%	3.5 x 3.5 m 3.0 x 3.0 m	25 m 50 m
4 Remuck Stations	0%	4.5 x 5.0 m	50 m
2 Sumps	-15%	3.5 x 3.5 m	40 m
		Total	765 m

The main decline encountered a limonite filled cavern after advancing 60 metres and had to be relocated about 50 metres to the south to get past it (Plate 2). Thereafter intermittent delays were caused by heavy flows of water from



cavernous fractures, but these drained relatively quickly allowing progress to be resumed.

The drill access drift encountered broken incompetent ground conditions along the limestone/shale contact which required timbering of the back for about 20 metres. When the shale competency improved, the bottom sump and muck bay were driven, and the north and south drill drifts turned off. Ground conditions deteriorated again in the drill drifts and mining was stopped after a severe fall of ground in the south drift. Much of the north drift was then shotcreted to ensure safe working conditions for the ensuing diamond drilling program.

The direct contract cost was estimated at \$2 863 274 or, \$3743 per metre of advance. The relatively high cost performance resulted from delays caused by water intrushes and local difficult ground conditions. This does not include the cost of support services provided by Regional Resources Ltd.

2.2 RESULTS

The main decline and the first 190 m of the drill access drift were in McDame limestone, stratigraphically below the anticipated mineralized horizon (Plate 2). The limestone was generally blocky and competent except in the water and mud-filled cavernous areas. The caverns are locally controlled by steep fractures and do not appear to reflect important faulting.

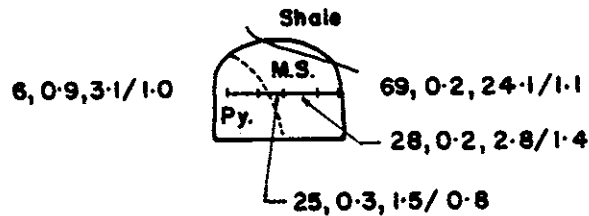
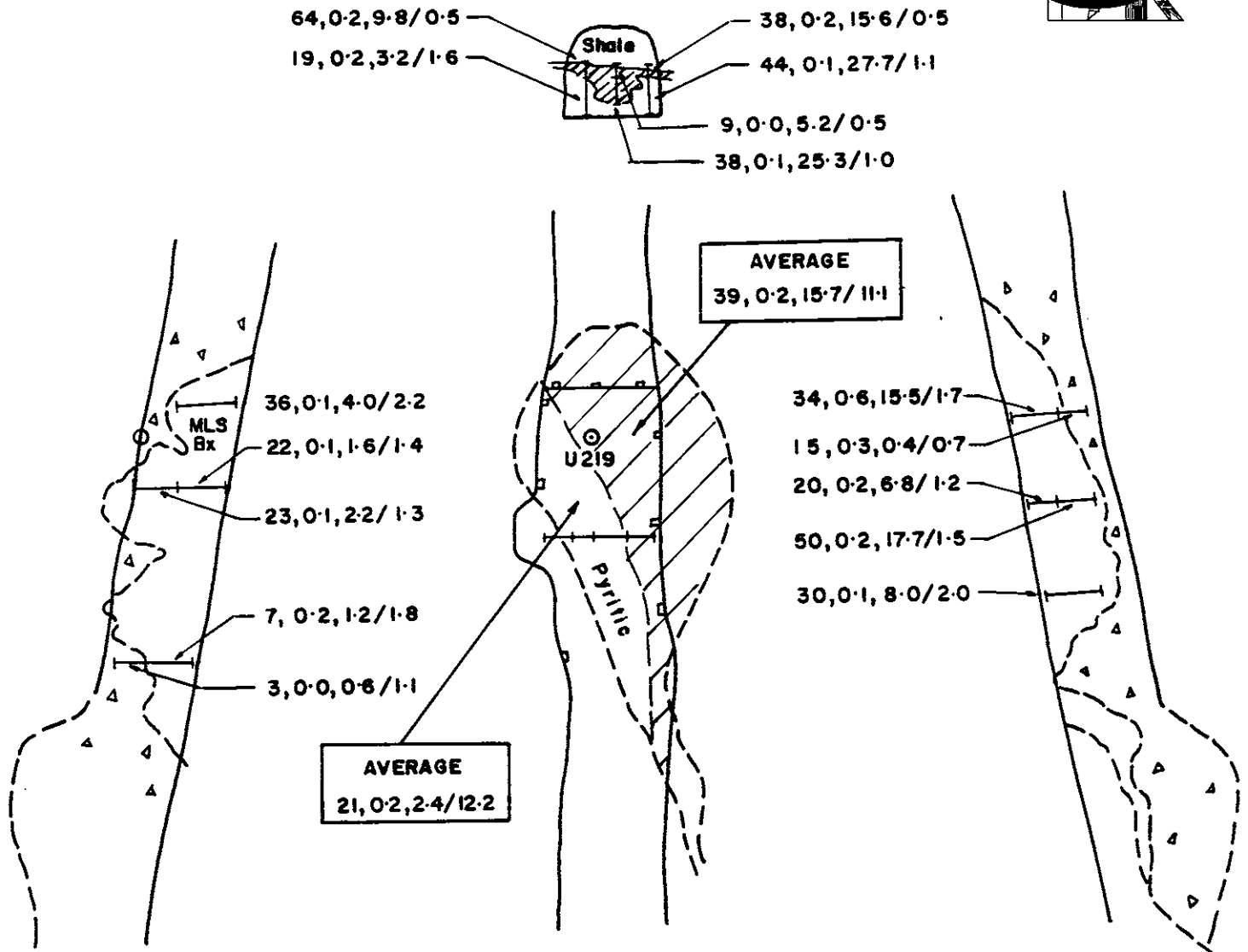
An irregular pod of sulphide mineralization was exposed by the drill access drift. The adjacent limestone and shale is



highly brecciated and disturbed and the ground overlying the zone required timbering. The brecciated limestone and massive sulphide tends to be rehealed with calcite but the broken shales tend to be soft and friable, possibly because they were less permeable and thus resistant to the introduction of cementing solutions. The mineralization is pyritic and siliceous in nature, low in Pb and Ag, and thus may represent an early zinc-rich phase of mineralization that preceded the main Ag-Pb-Zn stage.

Sampling results are shown in Figure 3.

Strathcona Mineral Services Limited



ASSAYS :

Ag (g/t), Pb (%), Zn (%) / length (m)

M.S. Massive sulphides

▲▲ Breccia

Figure 3
MIDWAY PROJECT
DISCOVERY DECLINE
CHIP SAMPLES

1 : 250

R.A.S.

1990-11-30

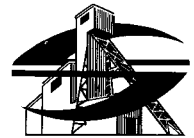


3.0 DIAMOND DRILLING

3.1 UNDERGROUND DRILL PROGRAM

Advanced Drilling Ltd. of Surrey, B.C. was chosen as drilling contractor and drilling activities on site commenced July 16, 1990. Two electric-hydraulic drills were provided, one tractor mounted, both using a proprietary drill head (the Superdrill) designed by the contractor. Drilling was done on two, 10-hour shifts daily; this schedule was chosen in order to attract a good calibre of personnel for the job. The crew for each drill comprised 1 supervisor, 2 drillers and 2 helpers. One of the supervisors was qualified as an underground shift boss, and each crew was visited twice a shift (or more often) in compliance with B.C. regulations. Operations were continuous for about 17 weeks until November 9 when demobilization was completed.

When the drill drifts were stopped due to bad ground, the drilling plan was modified to include holes fanned from the drill access drift. An area approximately 400 x 400 m adjoining the Silver Creek zone to the east was in fact explored (Plate 3). Fans of holes designed to intersect the limestone/shale contact at approximately 40 m spacing were drilled north-south from the drill access drift at 25080E, 25140E, and 25200E. Similiar fans were drilled at 43560N, 43600N, and 43640N from the drill drift north. Additional holes were fanned northerly and southerly from the drill drift and a number of followup holes were drilled from the access drift. In addition 6 holes from the drill access drift and many of the holes from the drill drift north tested the limestone at depth.



A total of 9620 metres were drilled in 68 holes, at an average advance rate of 27.3 m per shift. All drilling was NQ size except for 2 holes which were collared HQ because of expected poor ground conditions (total HQ drilling 182 m). Core recovery in the mineralization varied from excellent to poor even with the comparatively large size of core recovered. The estimated overall contract cost was \$851,894 or \$88.55 per metre drilled. This does not include the cost of support services provided by Regional Resources Ltd.

All core was stored in existing racks on the Midway site, and the particular location for each hole is noted on the drill log. The racks are numbered from 1 to 10 and the bays in each rack are designated alphabetically.

Core samples were split and sent to Northern Analytical Laboratories Ltd. in Whitehorse for analysis. All samples were assayed by AA for silver, lead and zinc. Samples indicated to run higher than 100 grams per tonne Ag were reassayed for Ag and Au using standard fire assay methods.

Assay certificates are enclosed in Appendix 1.

Collar and downhole survey data along with lithology, storage and assay details are posted on the drill logs.

The drill logs are enclosed in Appendix 2.

3.2 RESULTS

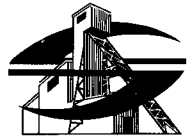
The purpose of the development and diamond drilling was to evaluate the mineralization and potential mining conditions



reserves in the sparsely drilled areas between Zones F and G.

On Plate 5, Zones H, I and J lie west of the YBR fault, and are similar in attitude to and continuous with the mineralized zones outlined by previous detailed exploration in the Silver Creek area (Cordilleran Engineering, 1985). Zone J contains several very thick intersections. Zones K to O are east of the YBR fault in an area complicated by faulting. The faults appear to strike northerly and to step the stratigraphy repeatedly down to the east (Plate 6).

Ground conditions in the shales immediately overlying the limestone and the contact-related mineralization are variable but generally poor. The shales are carbonaceous, broken, and distorted, particularly east of the YBR fault. Ground conditions in the limestone are generally good. During primary development delays can be expected due to inrushes of water but these should not be troublesome once the local water table is drawn down.



4.0 CONCLUSIONS AND RECOMMENDATIONS

1. The Discovery area mineralization appears to be repeatedly offset down to the east by northerly striking faults. The YBR fault can be used in future to define the boundary between the Discovery and Silver Creek areas.
2. The shales overlying the contact in the Discovery area are deformed and generally incompetent because of the faulting. For this reason the thicker zones of contact-related mineralization and mineralization in the limestone away from the contact are the best targets for further exploration. Zones C, D and N are the most attractive targets presently indicated, and drifting, cross-cutting and detailed drilled is recommended.
3. An exploration drift northerly to Hole 89 and then towards Hole 280 would permit exploration for limestone hosted mineralization in the sparsely drilled area north of Zones C and D. A drift at the 1000 m elevation or deeper is recommended to go at least as far north as Hole 18.



5.0 COST REPORT

5.1 PROJECT ORGANIZATION

Project Manager: Strathcona Mineral Services Limited (SMS)

- project management, administration, support staff and technical.

Owner: Regional Resources Ltd.

- consumables, supplies, surface installation and equipment

Contractor: Canadian Mine Development Ltd. (CMD)

- underground development crews, equipment and supervision

Contractor: Advanced Drilling Ltd.

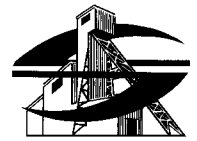
- underground diamond drill crews, equipment and supervision

SMS staff varied from 3 to 7 persons on site. Approximate dates and days worked are listed in Table 3.

Travel costs are due to leave rotation (6 weeks in, 2 weeks out) and to management visits.

CMD staff varied from 5 to 16 persons on site. A small crew (2 to 7) worked during the rehabilitation/setup phase during October 10 to December 20, 1989. The mining crew (12 to 16) worked during the development phase from January 3 to June 22, 1990.

Advanced Drilling staff varied from 5 to 11 persons on site. The drill crew worked from July 16 to November 10, 1990.



5.2 OUTLINE OF WORK

October 10, 1989 - December 20, 1989

- rehabilitation of camp, shop and generator installation, piping, electrical, dewatering of mine, ground support (old workings)
- SMS staff and CMD staff on site

January 3, 1990 - June 22, 1990

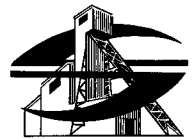
- development of decline and drill drifts, ground support, muck out old workings
- SMS staff and CMD staff on site

July 18, 1990 - November 9, 1990

- diamond drilling from new development
- SMS staff and Advanced Drilling staff on site

June 23, 1990 - July 18, 1990; and November 10 - 30, 1990

- SMS support staff on site (cook, electrician, technician, CMD mechanic)

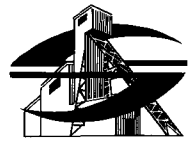
TABLE 3STAFF

<u>Function</u>	<u>Duration</u>	<u>Days Worked</u>
Engineering/Design	Apr/89 - Aug/89	20
Project Manager (1 day/week)	Oct 1/89 - Oct 31/90	60
Project Superintendent	Oct 1/89 - Dec 20/89	71
	Jan 3/90 - Jun 25/90	122
	Jul 16/90 - Nov 30/90	112
Technician	Oct 10/89 - Dec 20/89	62
	Jan 3/90 - Apr 3/90	80
	May 7/90 - Aug 24/90	97
	Sept 14/90 - Dec 6/90	82
Geologist	Apr 3/90 - Jun 20/90	31
	Aug 24/90 - Oct 26/90	69
Cook	Oct 10/89 - Dec 20/89	71
	Jan 3/90 - Nov 30/90	334
Bull Cook	Oct 10/89 - Dec 20/89	71
	Jan 3/90 - Oct 22/90	292
Electrician	Oct 10/89 - Nov 30/90	410
HEO/Mechanic	Oct 10/89 - Dec 20/89	71



5.3 COST STATEMENT

	<u>Amount</u>
Underground Exploration Drilling	
Contractor (Advanced Drilling Ltd.)	\$ 776 904
Assaying (Northern Analytical Labs)	8 337
Supplies	17 691
Geological staff	48 962
Underground Development	
Contractor (Canadian Mine Development)	1 992 686
Labour	30 321
Supplies	806 140
Equipment	34 127
Water and Environment	
Consultant (Hatfield and subcontractors)	11 930
Labour	24 279
Supplies	31 774
Equipment	3 800
Water analysis (Bondar Clegg)	26 322
Power and Fuel	
Equipment	91 769
Labour	38 421
Supplies	121 695
Diesel	298 540
Gasoline	14 074
Propane	60 698
Lubricants	46 374
Mobile Equipment	
Labour	4 560
Supplies	43 478
Rental	10 168
Equipment	208 943
Site Maintenance	
Labour	166 547
Supplies	24 755
Equipment and buildings	124 958
General Services	
Safety supplies	11 912
Catering	243 375
Telephone and TV	113 293
Equipment	11 353



Transportation	
Travel	54 053
Air freight	14 816
Surface freight	142 981
Administration	
Property, health, life insurance	6 364
Accrued vacation	64 011
Project Management	
General management	100 522
Engineering and geology	13 972
Purchasing and accounting	37 005
Site supervision	185 500
Travel and expense	44 822
	<hr/>
Total	\$ 6 112 232

5.4 COST DISTRIBUTION

Development direct contract cost	\$ 2 863 274
Drilling direct contract cost	851 894
Service and support costs	2 397 064
Allocated to development (70%)	1 677 945
Allocated to drilling (30%)	719 119
Estimated cost of development	4 541 219
Estimated cost of drilling	1 571 013



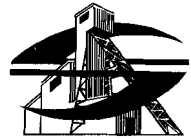
6.0 BIBLIOGRAPHY

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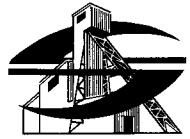
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STATEMENT OF QUALIFICATIONS

I, R.A. Sutherland, hereby certify that:

1. I am a geologist employed by Strathcona Mineral Services Limited of 12th Floor, 20 Toronto Street, Toronto, Ontario, M5C 2B8.
2. I am a Professional Engineer registered in the Province of British Columbia.
3. I am the author of this report and supervised the drilling program reported on herein.
4. I graduated from the University of British Columbia in 1964 with a degree of B.A. Sc. in Geological Engineering. I have engaged in the practice of mining geology and mineral exploration since 1964.
5. I have no beneficial interest in Regional Resources Ltd. or in the claims comprising the Midway Property.

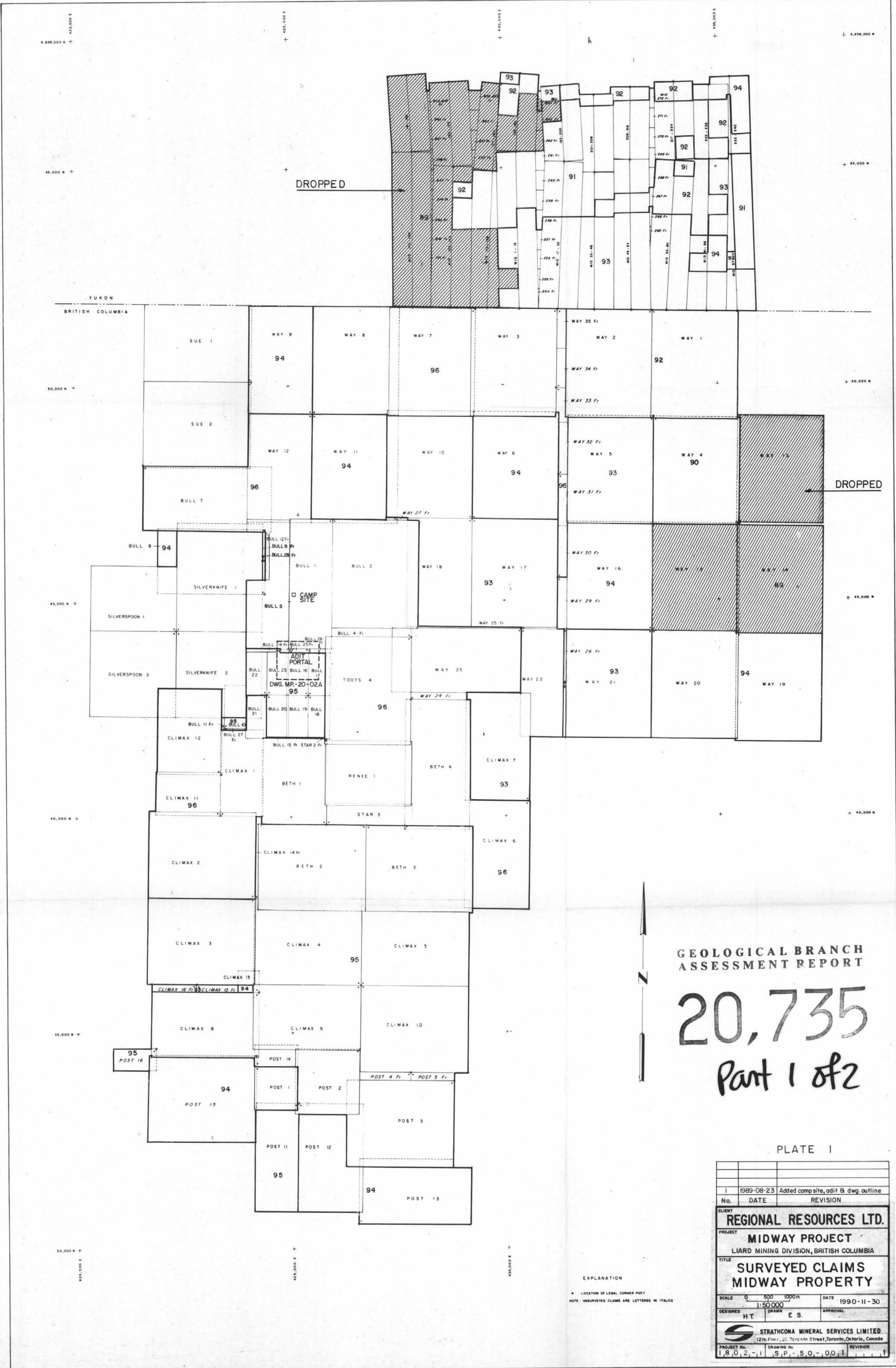
R. Sutherland, P. Eng.

R.A. Sutherland, P.Eng.

STATEMENT OF QUALIFICATIONS

I, Peter C. LeCouteur of the District of North Vancouver, in the Province of British Columbia, do certify that:

1. I am a geologist employed by Strathcona Mineral Services Limited with offices located at #701 - 1177 West Hastings Street, Vancouver, B.C. Canada V6E 2K3.
2. I have been a practising geologist in mineral exploration continuously since 1973.
3. I graduated from the University of Auckland (N.Z.) with the degrees of B.Sc. (1964) and M.Sc. (1967), and from the University of B.C. with a Ph.D. (1972).
4. I have been a Fellow of the Geological Association of Canada since 1969, and a Professional Engineer of the Province of B.C. since 1971.
5. The information in this report is based on person field supervision of the Midway project, on reports acknowledged in the references, and on the work of others acknowledged in this report.
6. I do not personally hold shares in or have agreements of any kind with, companies that own the claims within the property that is the subject of this report.



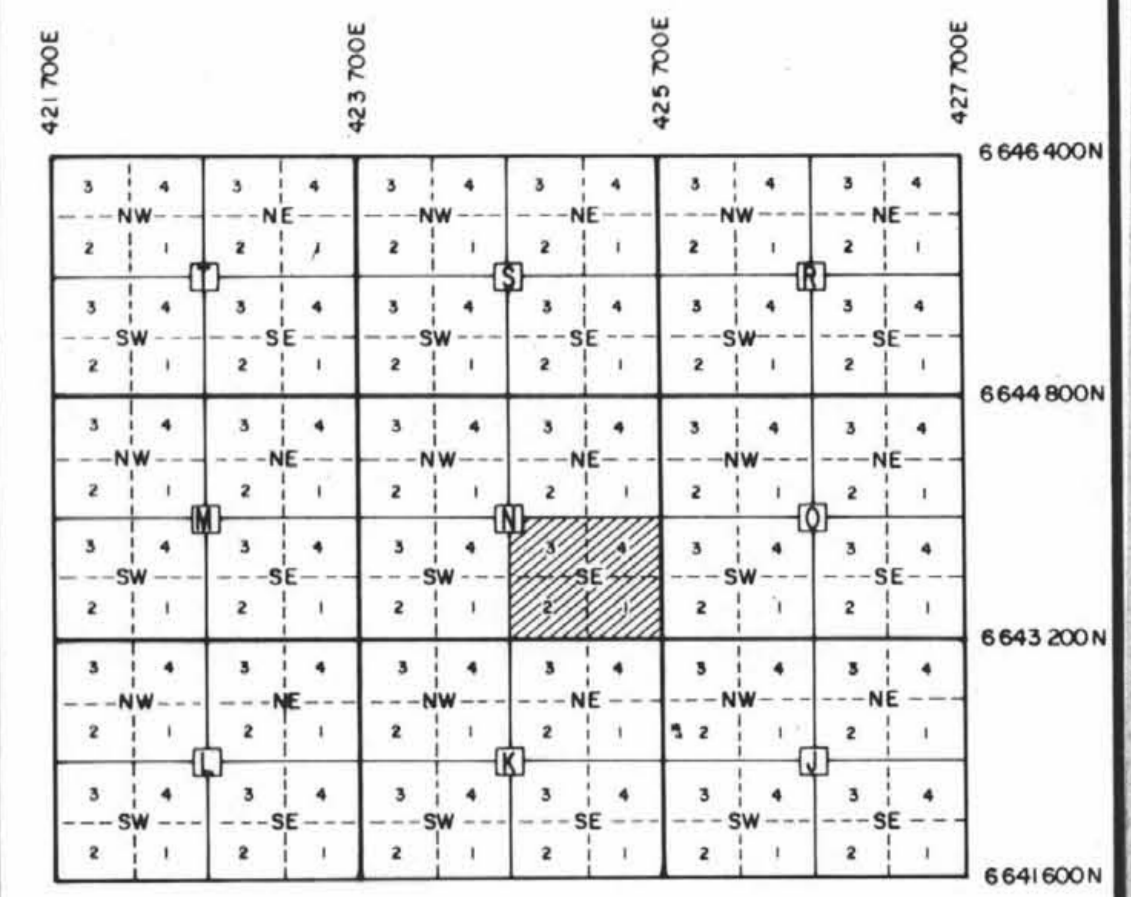
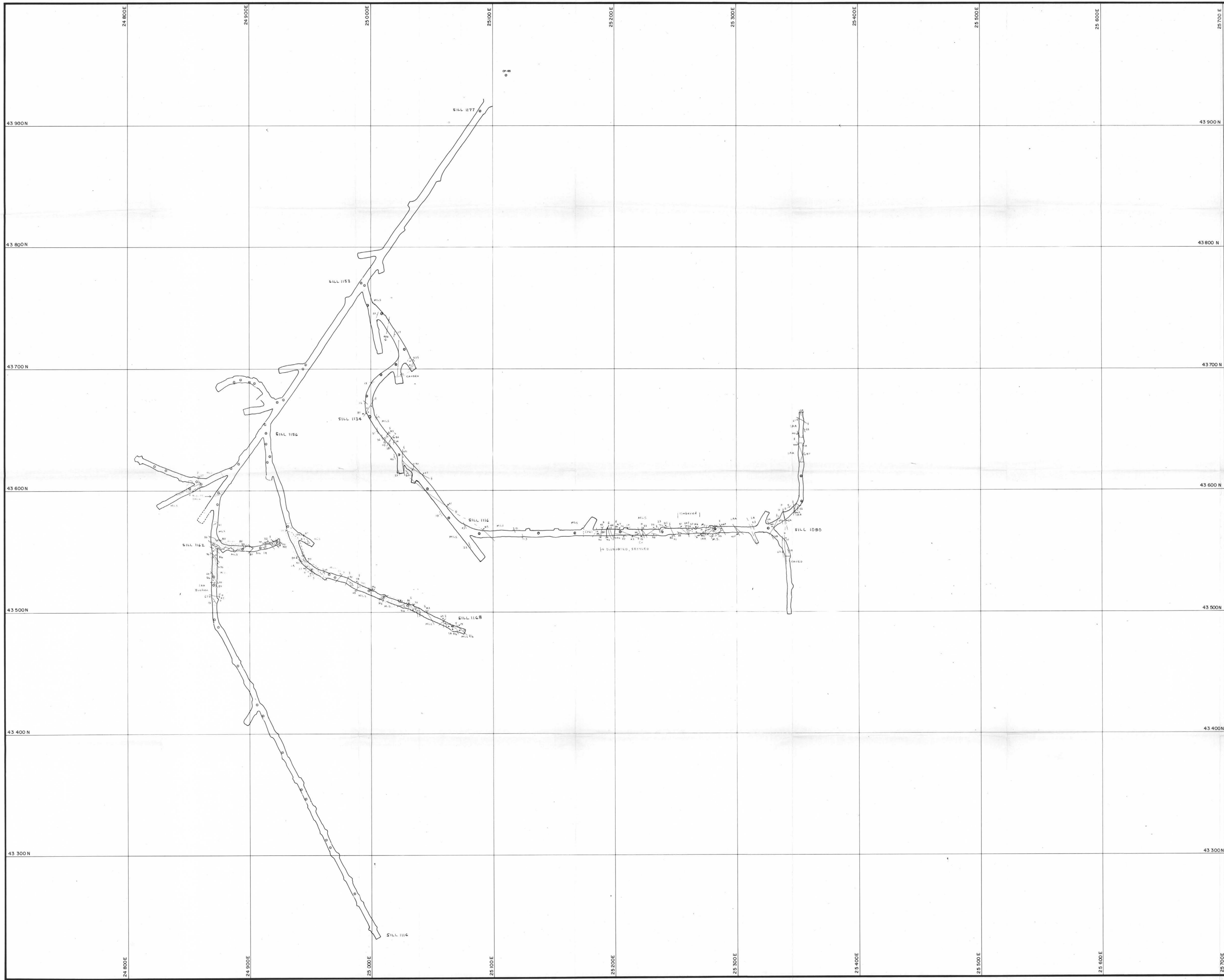
**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

20,735
Part 1 of 2

PLATE I

EXPLANATION
* LOCATION OF LEGAL CORNER POST
NOTE: UNSURVEYED CLAIMS ARE LETTERED IN ITALICS

1		1989-08-23	Added camp site, adit & dwg. outline
No.	DATE	REVISION	
CLIENT			
REGIONAL RESOURCES LTD.			
PROJECT			
MIDWAY PROJECT			
LIARD MINING DIVISION, BRITISH COLUMBIA			
TITLE			
SURVEYED CLAIMS MIDWAY PROPERTY			
SCALE	0 500 1000m	DATE	1990-11-30
1:50,000			
DESIGNED	H.T.	DRAWN	E.S.
APPROVAL			
STRATHCONA MINERAL SERVICES LIMITED			
12th Floor, 20 Toronto Street, Toronto, Ontario, Canada			
PROJECT No.	DRAWING No.	REVISION	
1,802-1	S.P.-50-001		



INDEX MAP
SCALE 1:50 000

1:2000
 1:1000
 1:500

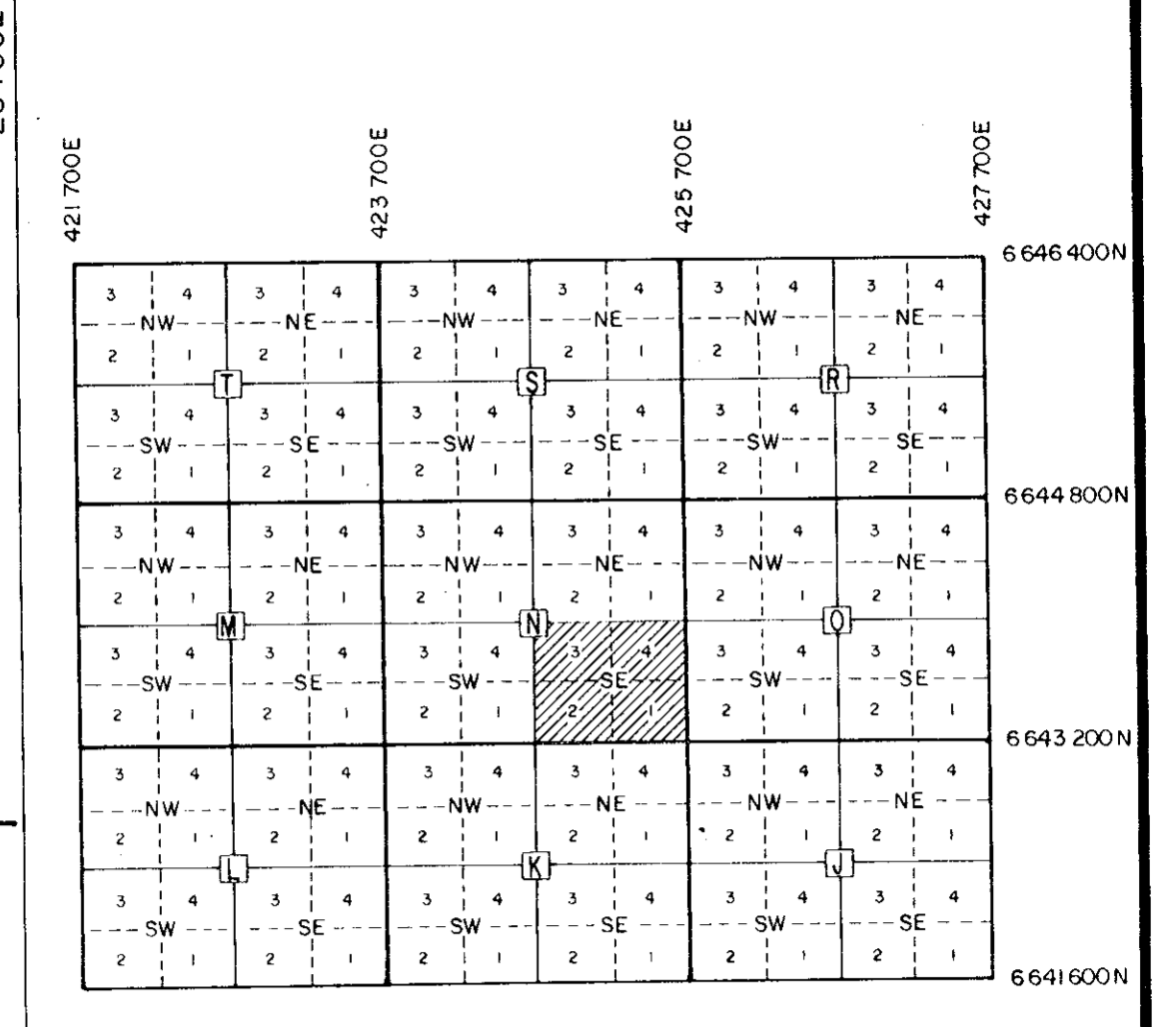
LEGEND

- MAP UNITS
- MLS : McDAME LIMESTONE
 - ML1, ML2 ML8 McDame facies units
 - (PR) : Partially recrystallized
 - IA : SYLVESTER SHALE
 - IAA : Carbonaceous, normally sheared
 - IAC : Calcareous
 - SIL IA : Siliceous, hard
 - MS : MASSIVE SULPHIDES
- BRECCIAS :
- MLS fragment breccia
 - IA fragment breccia
 - MLS fragments, sulphide matrix
 - Rubble breccia, probably collapse
 - Matrix breccia, may be tectonic
 - Crackle breccia
- STRUCTURES
- Fault, dips 45°
 - Minor fault or shear surface
 - Bedding, dips 22°
 - U : Relative movement up
 - D : Relative movement down
 - Slickensides

REGIONAL BRANCH
ASSESSMENT REPORT
PLATE 2

20,735 Part 1 of 2

No.	DATE	REVISION
CLIENT REGIONAL RESOURCES LTD.		
PROJECT MIDWAY PROJECT LIARD MINING DIVISION, BRITISH COLUMBIA		
TITLE DISCOVERY / SILVER CREEK AREA GEOLOGY PLAN UNDERGROUND DEVELOPMENT		
SCALE	0 10 20 30 40 50m	DATE 1990-11-30
DESIGNED	R.A.S.	DRAWN R.A.S. APPROVAL
STRATHCONA MINERAL SERVICES LIMITED TORONTO, ONTARIO, CANADA		
PROJECT No.	DRAWING No.	REVISION
1802-11		



INDEX MAP
SCALE 1:50,000
1:2,000
SE 1:1,000
4:1:500

- Drift hole collar
- g/l Ag, % Pb, % Zn / length in metres
Elevation at top of intersection
- Contact, Limestone / Shale, with elevation
- Elevation, end of hole
- Hole number
- Dip
- Existing underground development
- Claim post, line

PART 1

Part 1 of 2

No. 20,735

DATE 20,735 REVISION 35

REGIONAL RESOURCES LTD.

MIDWAY PROJECT

LIARD MINING DIVISION, BRITISH COLUMBIA

DRILL HOLE PLAN

1990 ASSESSMENT REPORT

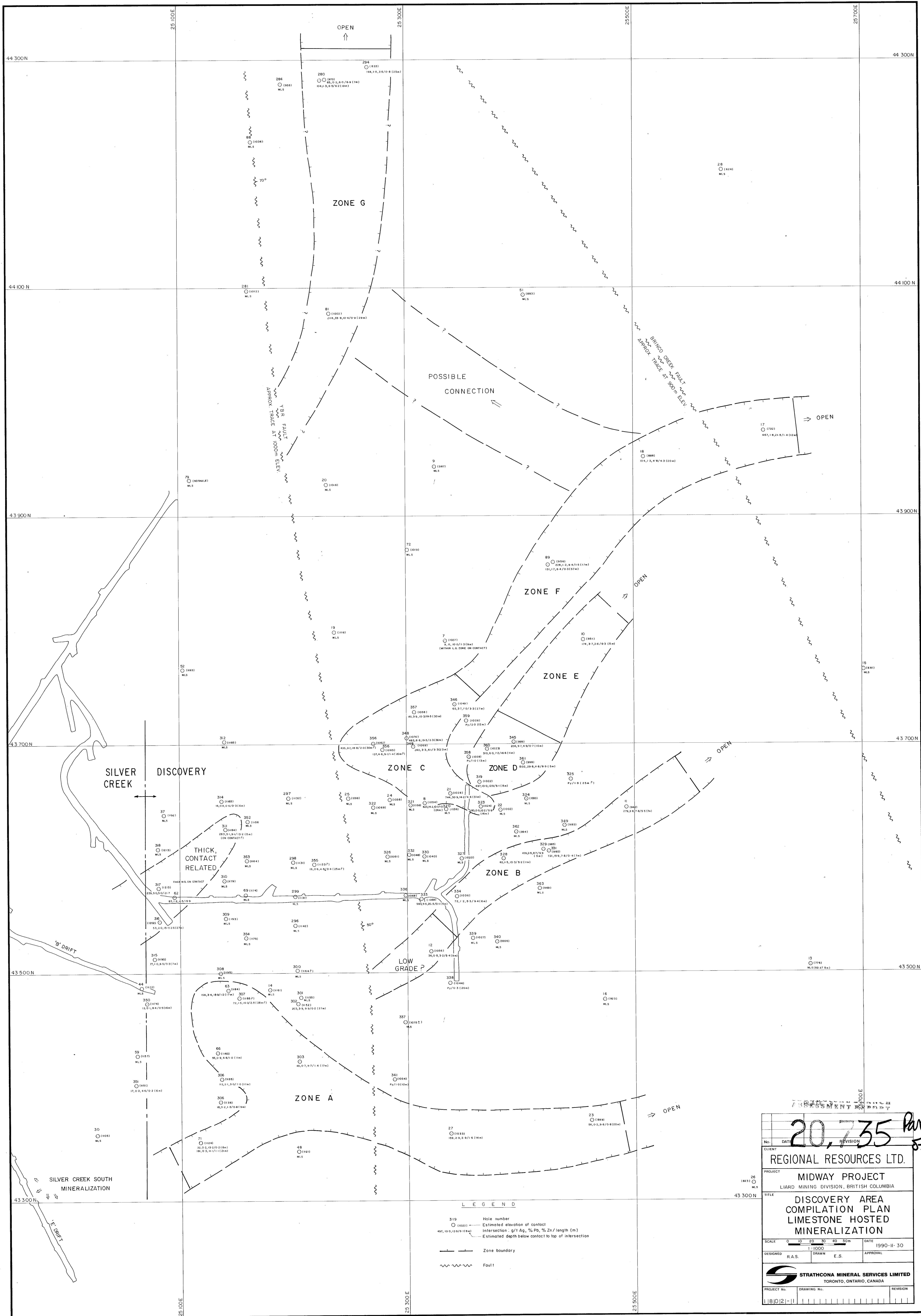
SCALE 0 10 20 30 40 50 m DATE 1990-11-30

DESIGNED R.S. DRAWN E.S. APPROVAL

STRATHCONA MINERAL SERVICES LIMITED

TORONTO, ONTARIO, CANADA

PROJECT No. 118021-11 DRAWING No. REVISION



LEGEND

- 319 — Hole number
- (1022) — Estimated elevation of contact
- 497, 130, 129.5 (18m) — Intersection: g/t Ag, % Pb, % Zn / length (m)
- Estimated depth below contact to top of intersection
- Zone boundary
- ~~~~~ Fault

20,735 Part 1 of 2

REGIONAL RESOURCES LTD.	
MIDWAY PROJECT	
LIARD MINING DIVISION, BRITISH COLUMBIA	
DISCOVERY AREA COMPILATION PLAN LIMESTONE HOSTED MINERALIZATION	
SCALE 0 10 20 30 40 50m 1:1000	DATE 1990-11-30
DESIGNED R.A.S.	DRAWN E.S.
STRATHCONA MINERAL SERVICES LIMITED TORONTO, ONTARIO, CANADA	
PROJECT No. 118102-11	REVISION

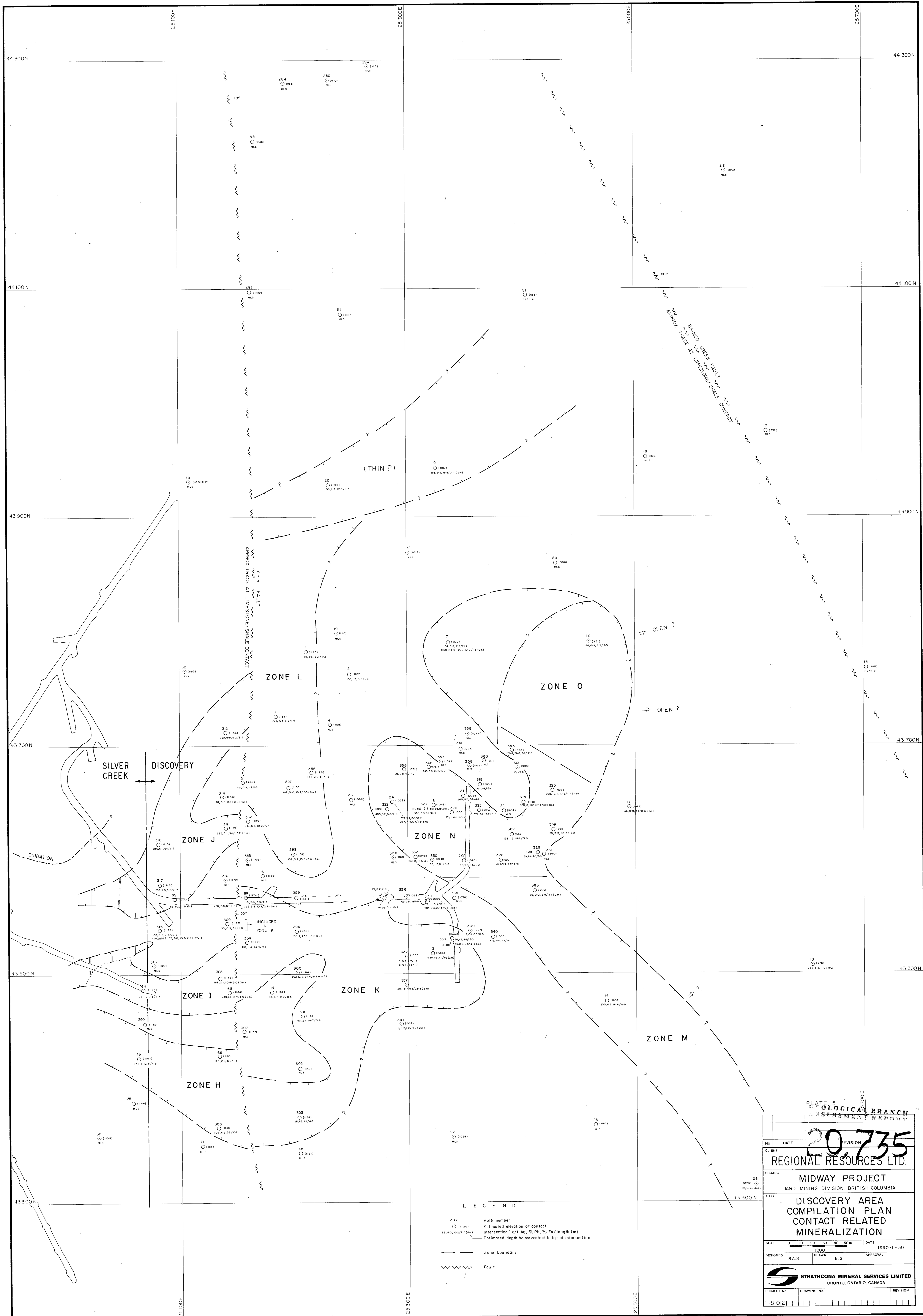


PLATE 5
GEOLOGICAL BRANCH
ASSESSMENT REPORT

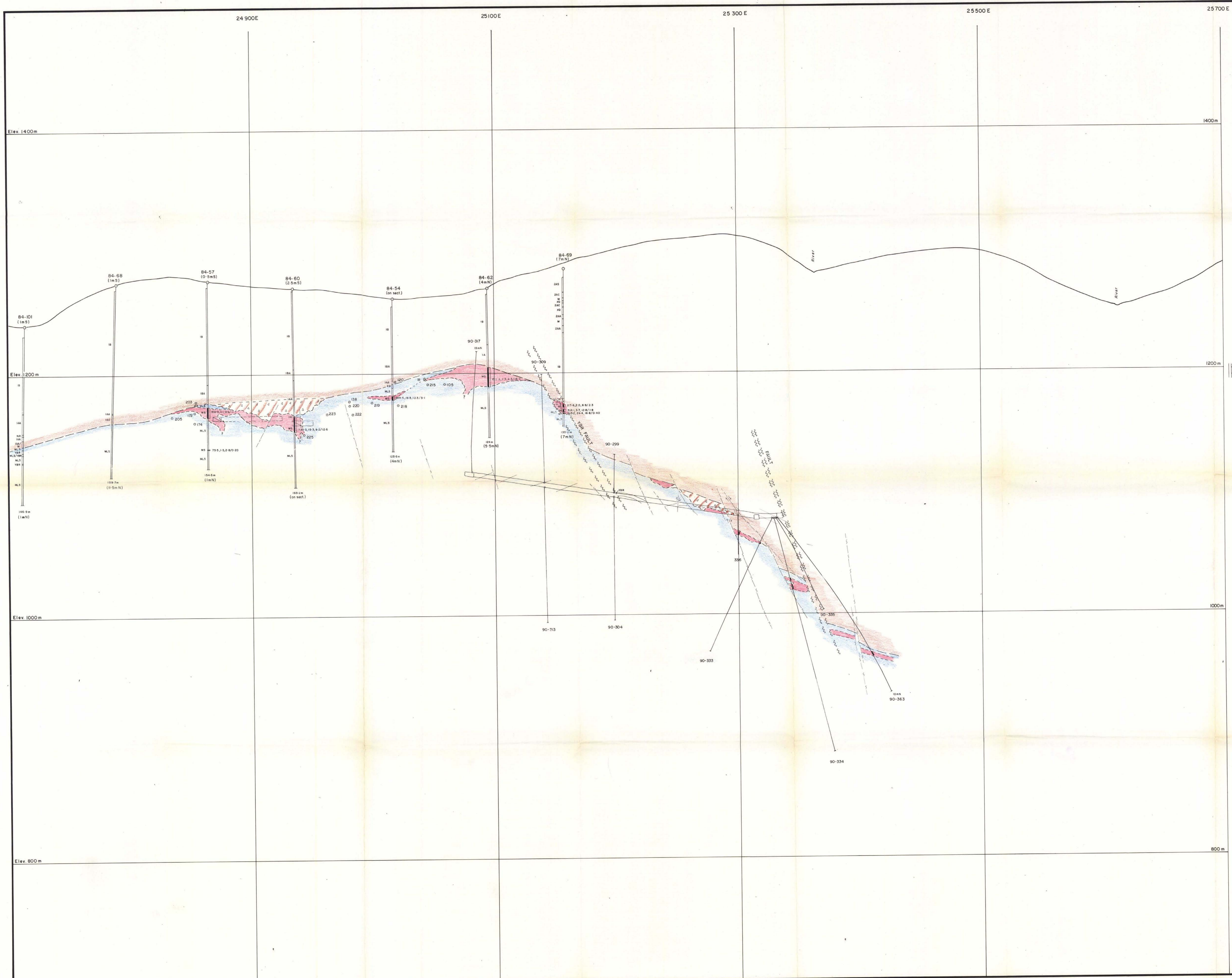
20,735

Part 1 of 2

NO.	DATE	REVISION	DATE	REVISION
REGIONAL RESOURCES LTD.				
PROJECT: MIDWAY PROJECT LIARD MINING DIVISION, BRITISH COLUMBIA				
TITLE: DISCOVERY AREA COMPILATION PLAN CONTACT RELATED MINERALIZATION				
SCALE: 0 10 20 30 40 50m		DATE: 1990-11-30		
DESIGNED: R.A.S.		DRAWN: E.S.		APPROVAL:
STRATHCONA MINERAL SERVICES LIMITED TORONTO, ONTARIO, CANADA				
PROJECT NO.	DRAWING NO.	REVISION		
118102-11				

LEGEND

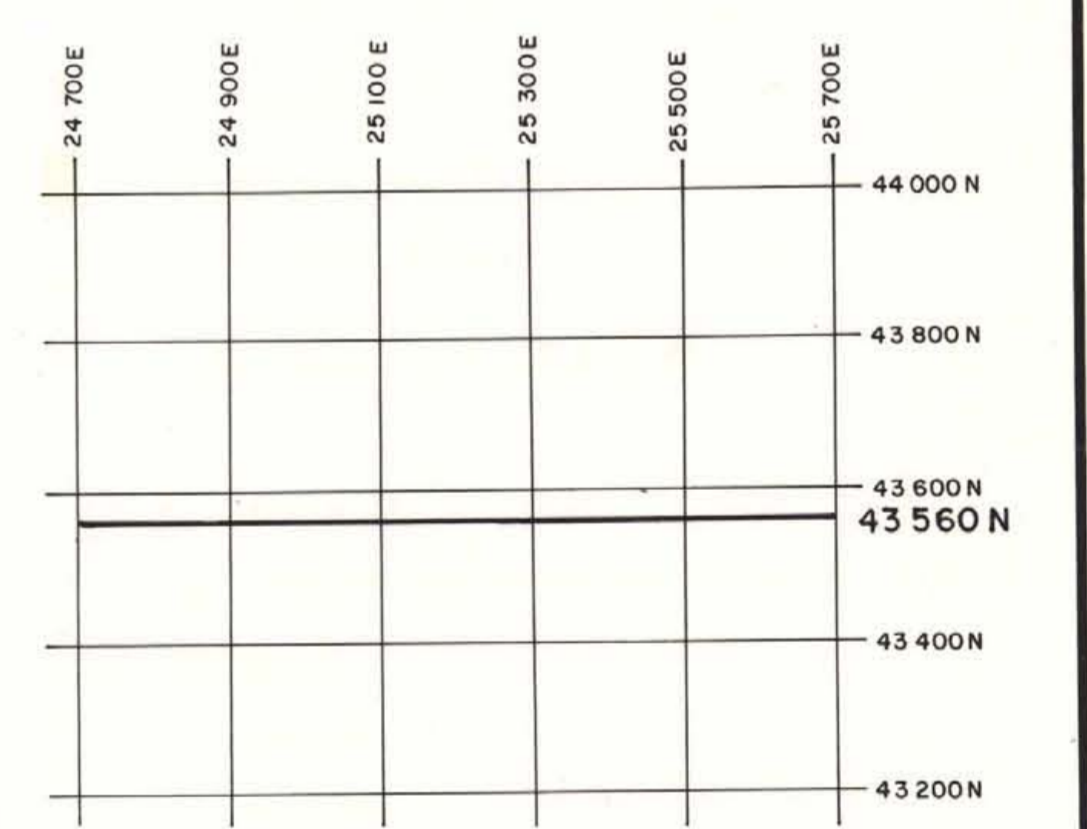
297 Hole number
 ○ (11300) Estimated elevation of contact
 182.50, 0.22/2.91km Intersection: g/t, Au, % Pb, % Zn/length (m)
 — Estimated depth below contact to top of intersection
 --- Zone boundary
 ~~~~~ Fault



- L E G E N D**
- Overburden
  - LOWER SYLVESTER GROUP-UPPER DEVONIAN-MISSISSIPPIAN**
  - 2B Sandstone, lesser conglomerate
  - 2AP Slump breccia
  - 2AS Siltstone
  - 2AA Carbonaceous siltstone
  - 1B Sandstone, lesser siltstone and conglomerate
  - 1BA Transition zone
  - 1A Siltstone
  - 1AA Carbonaceous siltstone
  - 1AC Calcareous siltstone
  - McDAME GROUP - MIDDLE DEVONIAN**
  - MLB Limestone, units ML1 - ML7
  - MDS Dolostone, units ML8 and lower
  - SANDPILE GROUP**
  - SP Dolomite
  - AGE UNCERTAIN**
  - YBR Greenstone dykes and altered rocks of uncertain parentage
  - M Mud and gouge (fault)

- MINERALIZATION**
- XG Siliceous "Exhalite"
  - MS Massive sulfides
  - OX Oxidization
- Assays over intersection in metres (g/t Ag, % Pb, % Zn, g/t Au)

- SYMBOLS**
- Bedding
  - Foliation
  - Geological contact
  - Fault, slip
  - Crackle breccia
  - Rubble breccia



INDEX MAP  
SCALE: 1:10,000

**GEOLOGICAL BRANCH ASSESSMENT REPORT**

**20,735** Part 1 of 2

REGIONAL RESOURCES LTD.

MIDWAY PROJECT  
LIARD MINING DIVISION, BRITISH COLUMBIA

GEOLOGY SECTION  
43 560 N  
LOOKING NORTH

SCALE: 0 10 20 30 40 50 60 m DATE: 1990-11-30  
DESIGNED: R.A.S. DRAWN: E.S. APPROVAL:

**STRATHCONA MINERAL SERVICES LIMITED**  
TORONTO, ONTARIO, CANADA

PROJECT No. DRAWING No. REVISION  
11802-1 10