1990 SUMMARY REPORT
SUMMIT LAKE PROPERTY

NTS: 104B/1
LATITUDE: 56°30'N
LONGITUDE: 130°05'W

Owner/Operator: Royal Scot Resources Ltd.
860 - 625 Howe Street
Vancouver, B.C.
V6C 2T6

Report By: D. Visagie and P. Varas
January 28, 1991
RST91-410

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1.0 INTRODUCTION

Royal Scot Resources Ltd.'s Summit gold property is comprised of two groups centred about the formerly producing Summit Lake gold mine. The claims occur within the Stewart Gold camp being located approximately 50 km north of Stewart, B.C. They are underlain by Hazelton Group andesitic flows and tuffs that have been intruded by granodiorite. Exploration, dating back to 1928, resulted in the discovery of several shear hosted quartz veins in which gold associated with pyrrhotite occurs. The most significant of these the Main Zone was mined from 1981 to 1985 by Scot Resources. Since 1985 various programs have been completed to locate additional ore. The purpose of the 1990 program was five fold:

i) locate additional reserves below the 3000 level on the Main Zone by underground drilling,

ii) evaluate the C Zone by drilling,

iii) evaluate a previously detected geophysical target in the vicinity of the E Zone,

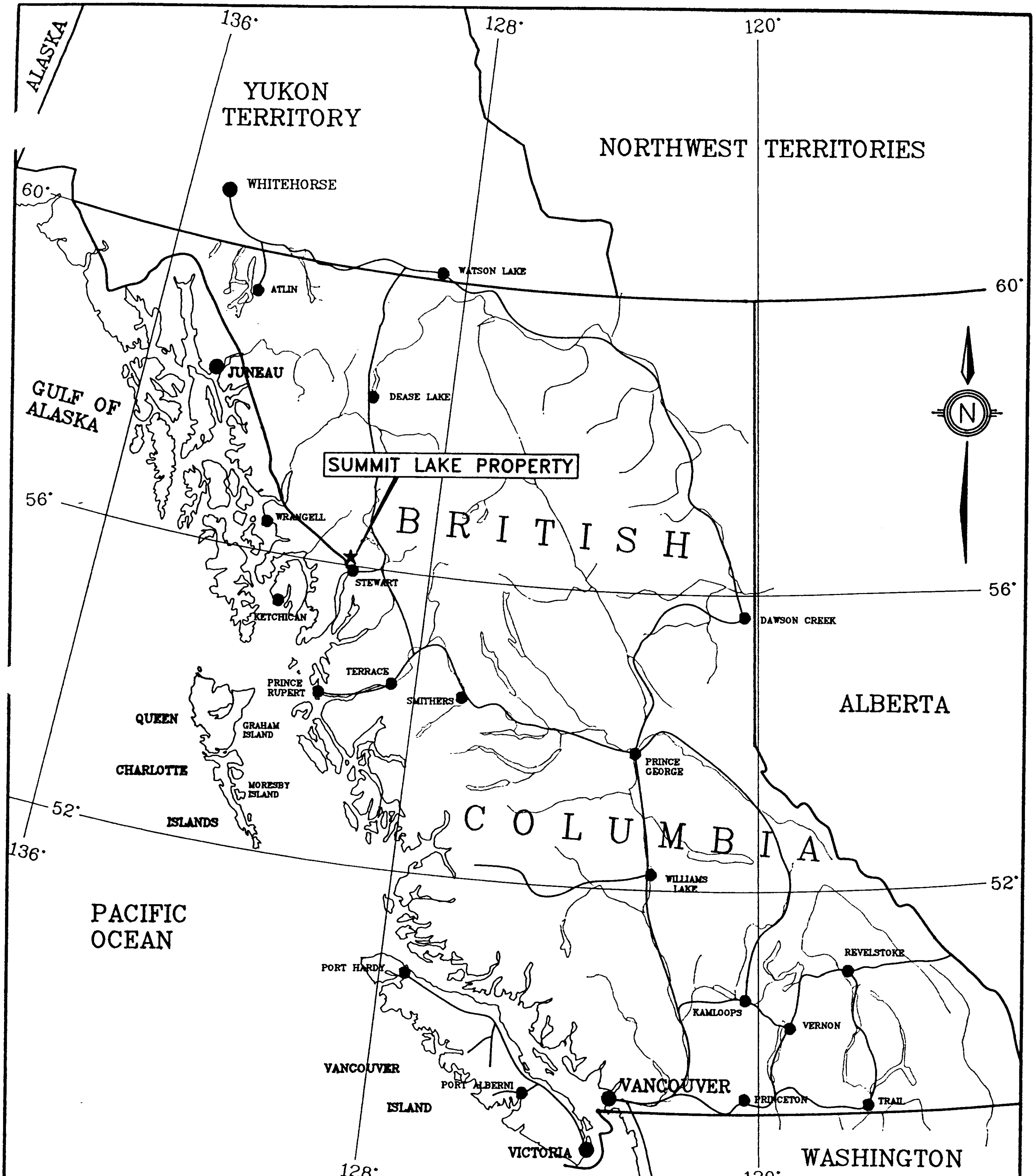
iv) prospect other selected areas and

v) map, sample and drill, if possible, the Sulphide Zone.

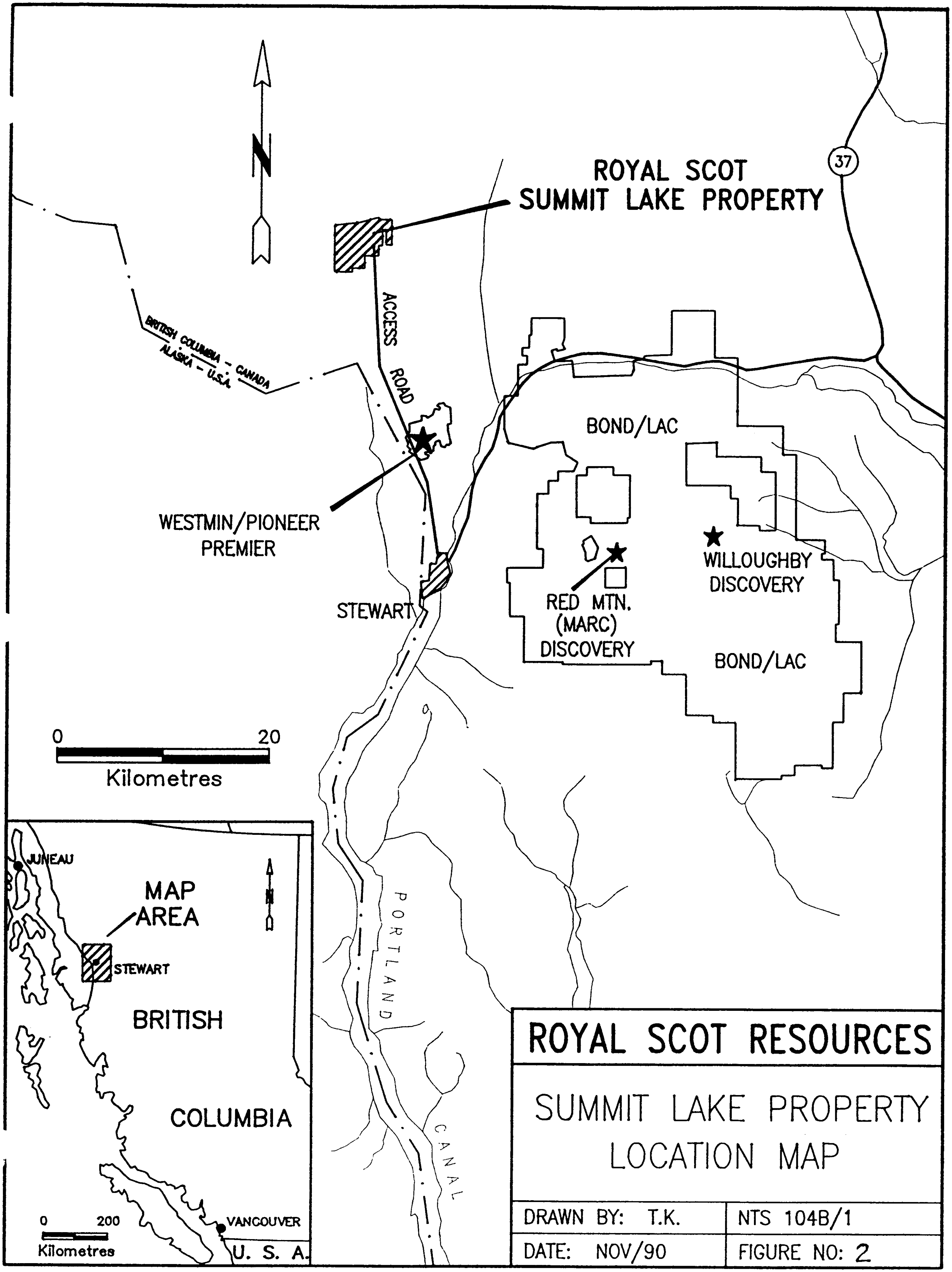
The 1990 field program, completed between July 15 and October 15, resulted in the mapping and prospecting of favourable areas and the taking of 151 rock chip samples from selected outcrops. Geophysical surveying, consisting of magnetometer and VLF-EM, totalling 2.50 miles in length, was completed over two areas. Follow-up drilling totalling 563 feet, in three surface holes, and 1792 feet, in four holes, from underground developments was conducted on selected targets. In part, the property evaluation was hampered by severe topographic and climactic conditions.

2.0 LOCATION AND ACCESS (Figures 1 and 2)

The property is located approximately 50 km north of Stewart, northwestern B.C. Access to the property is by gravel road from Stewart, however, there are several areas on the property that are accessible only by helicopter. The closest heli-base is located in Stewart. The property is centred at latitude 56°30'N, longitude 130°05'W and occurring on NTS sheet 104B/1.



ROYAL SCOT RESOURCES	0 100 200 300 400 500 kilometres
SUMMIT LAKE PROPERTY LOCATION MAP	DRAWN BY: T.K. / FIGURE NO: 1
	DATE: DEC/1990 / SCALE: 1:10,000


ROYAL SCOT
SUMMIT LAKE PROPERTY
37
ACCESS ROAD
BRITISH COLUMBIA - CANADA
ALASKA - U.S.A.
BOND/LAC
WESTMIN/PIONEER
PREMIER
WILLOUGHBY
DISCOVERY
STEWART
RED MTN.
(MARC)
DISCOVERY
BOND/LAC
0
20
Kilometres
JUNEAU
MAP
AREA
STEWART
BRITISH
COLUMBIA
0
200
Kilometres
VANCOUVER
U. S. A.
PORTLAND
CANAL
ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY
LOCATION MAP
DRAWN BY: T.K.
NTS 104B/1
DATE: NOV/90
FIGURE NO: 2

3.0 PHYSIOGRAPHY, VEGETATION AND CLIMATE

The topography of the area is typical of the Stewart area, being very rugged with elevations ranging from 2600 feet a.s.l. to 6500' a.s.l. Morris Summit mountain slopes upward at 25° to 45°. It is estimated that more than half of the property is by snowfields or glaciers. Outcrops near the icefields are generally well exposed and free of overburden and vegetation. Areas removed from the ice and, generally, below 4000 feet are covered with heavy alpine vegetation, slide alder, scrub hemlock, blueberries and heather.

Glaciers within the region are retreating rapidly. Summit Lake purges itself annually in late summer with a resulting lake level drop of over 100 feet with refilling occurring in the fall, spring and early summer. The weather is typical of the northern Coast Mountains with heavy snowfalls occurring in the winter, while summers tend to be cool and wet.

4.0 CLAIM STATUS (Figure 3)

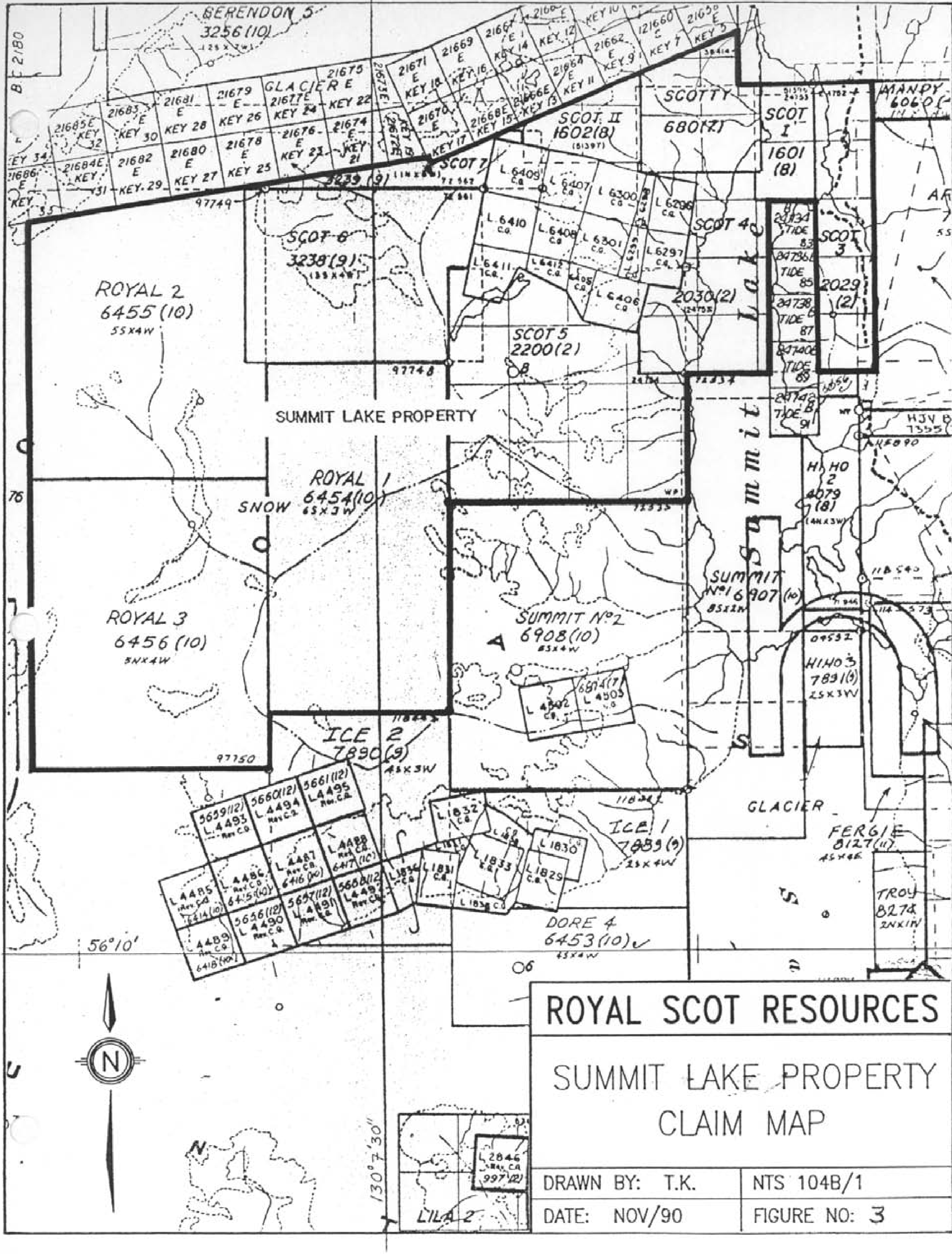
The Summit Lake property is divided into two groups as listed below:

North Scot Group

Claim	Record #	Units	Expiry Date
Royal 2	6455	20	October 8, 1993
Scot 6	3238	12	September 25, 1995
Scot 7	3239	5	September 25,1995
Scot II	1602	6	August 2, 1995
Scotty	680	6	July 31, 1995
Scot 1	1601	2	August 2, 1995
	total	51	

South Scot Group

Claim	Record #	Units	Expiry Date
Prince No. 1	6407	1	July 1, 1995
Prince No. 2	6408	1	July 1, 1995
Prince No. 4	6409	1	July 1, 1995
Prince No. 5	6410	1	July 1, 1995
Prince No. 6	6411	1	July 1, 1995
Prince Fraction	6412	1	July 1, 1995
Summit Lake #1	6296	1	July 1, 1995
Summit Lake #2	6297	1	July 1, 1995
Summit Lake #3	6298	1	July 1, 1995
Summit Lake #4	6299	1	July 1, 1995
Summit Lake #5	6300	1	July 1, 1995
Summit Lake #6	6301	1	July 1, 1995


BERENDON 5
3256 (10)
GLACIER E
SCOTTY
680(7)
SCOT II
1602(8)
SCOT I
1601
(8)
MANDY
SCOT 7
3239 (9)
SCOT 6
3238 (9)
SCOT 4
2030(2)
SCOT 3
2029
(2)
SCOT 5
2200(2)
ROYAL 2
6455 (10)
SUMMIT LAKE PROPERTY
ROYAL 1
6454(10)
SNOW
ROYAL 3
6456 (10)
SUMMIT N°2
6908(10)
SUMMIT N°1 6907 (10)
HI HO 2
4079
(8)
HI HO 3
7891(9)
ICE 2
7890(9)
ICE 1
7889 (9)
GLACIER
FERGIE
8127(11)
TROY
8274
DORE 4
6453(10)
Summit Lake
56°10'
130°7'30"
LILA 2
ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY
CLAIM MAP
DRAWN BY: T.K.
NTS 104B/1
DATE: NOV/90
FIGURE NO: 3

South Scot Group (con't.)

Summit Lake #7 Fr.	6405	1	July 1, 1995
Summit Lake #8	6406	1	July 1, 1995
Scot 3	2029	5	February 13, 1995
Scot 4	2030	15	February 13, 1995
Scot 5	2200	16	February 25, 1995
Royal 1	6454	18	October 8, 1993
Royal 3	6456	20	October 8, 1993
Tide 83	24734	1	February 27, 1995
Tide 85	24736	1	February 27, 1995
Tide 87	24738	1	February 27, 1995
Tide 89	24740	1	February 27, 1995
Tide 91	24742	1	February 27, 1995
	total	93	

All claims, with the exception of the Tide claims which are held by Northair Mines Ltd., are owned by Royal Scot Resources Ltd. Royal Scot is acting as the operator for the program.

5.0 HISTORY AND PREVIOUS WORK

The history of the Summit Lake property dates back to 1928 when Ted Morris and Associates of Stewart, B.C. staked the main surface showings under the name "Salmon Gold". In 1931, the property was optioned to the Premier Gold Mining Company, who completed trenching and drilling programs resulting in the discovery of two veins of 85 and 350 feet in length.

In 1934, Consolidated Mining and Smelting Company of Canada Ltd. optioned the property who between then and 1939 completed several drill programs and 1650 feet of cross-cutting and drifting at the 3600 level. The exploration disclosed that the main vein was 210 feet long with average widths of 2.4 feet and grades of 0.357 opt Au. In 1939, CM&S relinquished its option. Between 1946 and 1948, Morris Summit Gold Mines Ltd. completed approximately 4000 feet of lateral work and raise development from a new portal located at the 3000 level. In addition, some 17,000 feet of diamond drilling was completed. As a result, four ore shoots were located, however, the company was unable to obtain financial backing to further develop the property.

In 1952, a joint venture was formed between Newmont Mining Company and Granby Mining and Smelting Company who gained control of Morris Summit Gold Mines. In 1955 the companies re-sampled the workings and diamond drill core, the results of which confirmed those of earlier programs. In addition, surface prospecting and geophysical surveying completed in 1956 located several more gold veins however, no further work was completed. The property remained idle until 1978, when the controlling interest of Morris Summit Gold Mines was sold to Scotty Gold Mines Ltd.

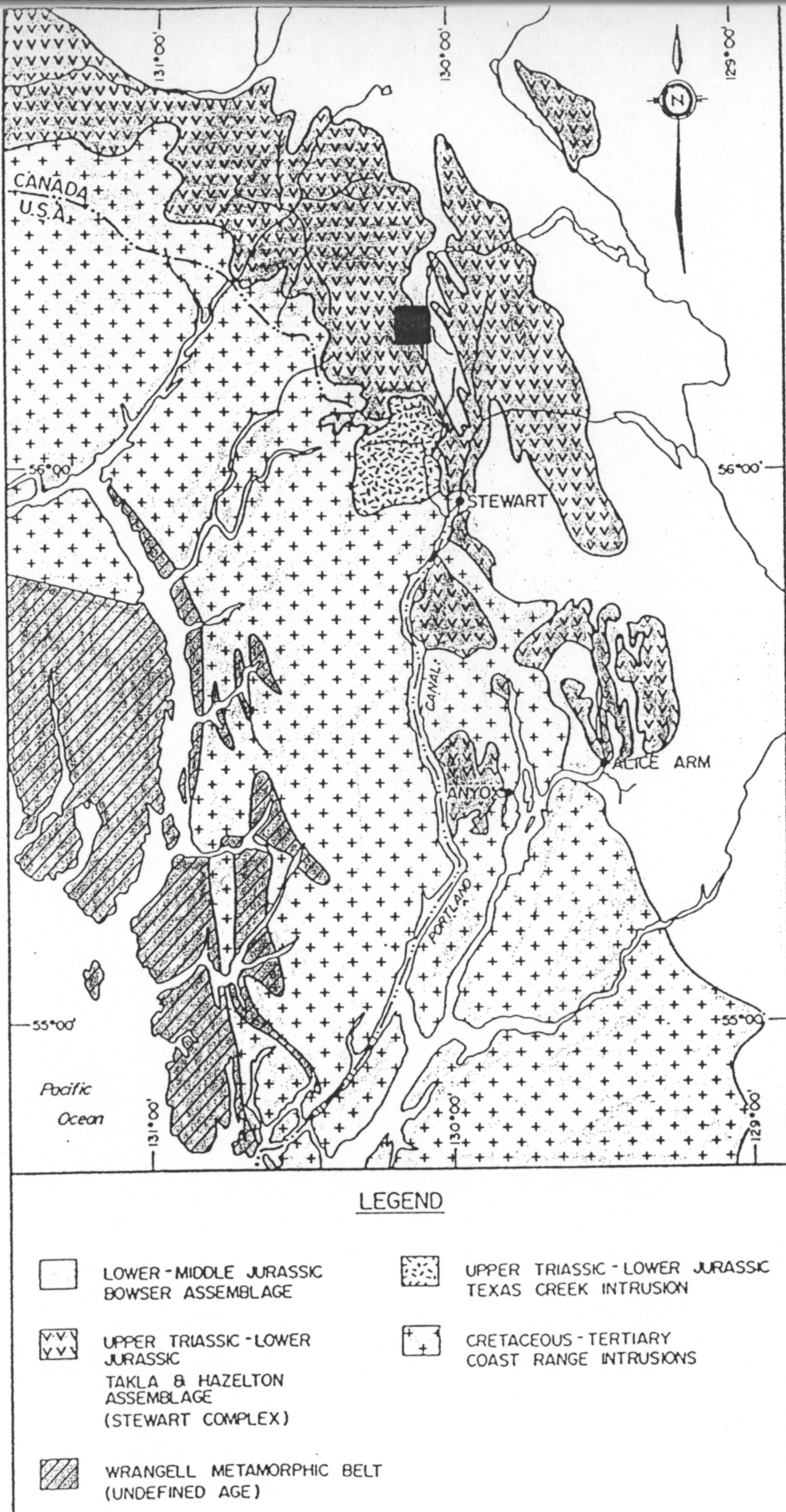
In 1981 the property was brought into production with mining continuing until 1985. Production was 201,462 tons averaging 0.474 opt Au. During 1983 and 1984 comprehensive exploration programs consisting of surface diamond drilling, air and ground geophysical surveying and both surface and underground mapping were completed. During 1987, an underground drill program, conducted in the vicinity of the Main Zone from the 3000 level, resulted in the completion of 5214 feet in 18 drill holes. In 1989 a two day exploration program consisting of prospecting and mapping was completed on the Back and Samuelson grids. As a result of this program, several new showings were located, the most significant being the Sulphide Zone located on the Back Grid where grab samples assayed up to 1.219 opt Au with up to 2.45 opt Ag.

In 1990, Royal Scot Resources Ltd. completed a comprehensive evaluation consisting of both surface and underground drilling, mapping, sampling, prospecting and geophysical surveying of selected areas.

6.0 REGIONAL GEOLOGY (Figure 4)

The Summit Lake property occurs within what Grove (1986) has termed the Stewart Complex. This complex, situated within the Intermontane Belt on the western edge of Stikinia terrain is immediately adjacent to the eastern margin of the Coast Plutonic Complex. Stikinia terrain, composed primarily of Upper Triassic to Middle Jurassic Hazelton Group rocks consisting of partially subaerial, differentiated andesitic to dacitic calc-alkaline volcanics, coeval intrusions and interbedded sediments, is thought to represent an island arc sequence that extends from south of Stewart near Anyox, north to the Iskut River, a distance of 150 km. This belt is highly mineralized throughout hosting several past and present producers including the Big Missouri, Silbak Premier, Scottie Gold, Granduc and Johnny Mountain mines and major ongoing developments at the Sulphurets, S.B., Snip and Eskay Creek deposits.

Middle to Late Jurassic Bowser Group sediments consisting mainly of chert pebble conglomerate and siltstone unconformably overlie Hazelton Group rocks to the northeast while Upper Triassic to Lower Jurassic Texas Creek granodiorite plutons intrude Hazelton Group rocks to the southwest. Cretaceous-Tertiary granodiorite and quartz monzonite of the Coast Range Plutonic Complex and variable composed dyke swarms intrude all other rocks.



REGIONAL GEOLOGY OF THE STEWART - ANYOX AREA

20 10 0 20 40 60 kilometres

Figure 4 (after Dykes et al, 1988)

7.0 PROPERTY GEOLOGY AND MINERALIZATION (Figure 5)

The Summit Lake property is underlain by Hazelton Group andesitic flows and tuffs along with intercalated sediments that have been intruded by hornblende quartz monzonite or granodiorite (Summit Lake Stock). The volcanics are steeply folded. Mapping by Grove indicates that a north-south striking syncline passes just east of Summit Lake and another north-south synclinal structure passing to the west of the lake. In addition, an east-west striking syncline passes just north of the Berendon Glacier paralleling the trend of the granodiorite and the trend of the main showings. A major north trending fault (Morris Summit) passes through the immediate mine area between the 3000 and 3600 portals. The fault dips westerly at approximately 45°. In the hanging wall of the fault the mineralized breaks trend westerly, dipping steeply in an anastomosing swarm.

Alteration consists primarily of the propylitization of andesites. Where the alteration is intense as near the stock contact or within the ore zones, epidote and chlorite replace the matrix of the andesite lapilli tuff.

Pyrrhotite, pyrite and trace amounts of chalcopyrite are associated with intense alteration while fracture-coated and disseminated pyrite are pervasive throughout the area.

The majority of the gold-bearing mineralized showings occur in three to four localized fracture zones which include:

1. quartz carbonate veins, with pyrite/pyrrhotite
2. pyrrhotite bearing shear zones/fractures
3. irregular pyrite bearing shears
4. pyrite/pyrrhotite in an altered volcanic host rock
5. hematite bearing shear zones.

The most important zone occurs at the Main Zone. Here the gold mineralization is hosted primarily by massive sulphide within less quartz carbonate veins which strike sub-parallel and plunge steeply to the northwest to a depth of at least 1200 feet below surface. The gold mineralization occurs in approximately a 1:1 ratio with silver and is contained as small inclusions in the sulphides, principally pyrrhotite and chalcopyrite. As a general rule, substantial gold is restricted to quartz-carbonate veins with pyrite and pyrrhotite.

Faulting is pronounced on the property being in part largely related to the emplacement of the Summit Lake stock. The Morris Summit fault however, is unrelated to the others, being post mineral. It cuts the ore zones, with the movement being unknown.

8.0 GEOCHEMICAL SAMPLING

A total of 151 rock chip and 62 drill core samples were taken during the 1990 program. The rock chip samples, weighing up to 5 kg consist of both grab and measured width samples taken from outcrop and float while whole drill core samples were taken over measured widths from selected areas of interest. All samples were identified, stored in plastic bags and then sent for analysis to Eco-Tech Laboratories. The surface sample locations are plotted on Figure 6 & 7 with the sample descriptions being listed in Appendix 1. The assay certificates are located in Appendix 2.

8.1 Assay Procedure

All of the samples were analyzed by Eco-Tech Laboratories with the preparation being completed in Stewart, the assaying in Kamloops, B.C. The following is an outline of the procedure used for the preparation and analysis of the samples:

i) Samples dried (if necessary), crushed or sieved to pulp size and pulverized to approximately -140 mesh.

ii) For gold determination by atomic absorption a 10 gram sample that has been ignited overnight at 600°C is digested with hot dilute aqua regia and the clear solution obtained is extracted with Methyl Isobutyl Ketone (MIBK). Gold is determined in the MIBK extract by atomic absorption using a background detection (detection limit 5 ppb).

iii) For fire assay analysis, a one assay ton subsample was used.

iv) Silver analysis is completed with an aqua regia digestion followed up by an atomic absorption finish.

9.0 1990 WORK PROGRAM

The 1990 work program is summarized on Table 1. Magnetometer and VLF-EM surveys were completed by Lloyd Geophysics, the results of which are summarized in Appendix 3. Drilling was completed by Boisvenu Drilling of Vancouver, B.C. The drill hole results are summarized in Table 2 while the logs are located in Appendix 4. Presently all drill core is stored at the Summit Lake camp.

TABLE 1 - 1990 WORK PROGRAM: SUMMIT PROPERTY

Zone	Claim	Rock Chip Samples (#)	Surface Drilling Holes	Surface Drilling Ftg	Surface Drilling Samples	Underground Drilling Holes	Underground Drilling Ftg	Underground Drilling Samples	Geophysical Surveying
Main	Crown Grants	7				4	1792	35	
C		21	1	251	12				760 line ft
D		20							
E		30	1	277	15				13,180 line ft
F		7							
P		22							
Sulphide	Scot 6	22	1	35					
Elsewhere		22							
Totals		161	3	563	37	4	1792	35	13,940 line ft

Table 2

Drill Hole Summary - Summit Gold Project

Hole	Zone	Length	Intersection			Assay		Comments
			From	To	Int	Au opt	Ag opt	
S90-1	E	277'	187.4	188.4	1	0.042	3.66	Quartz vein with 30% Pyrrhotite
S90-2	C	251'	120	123	3	0.215	0.24	Massive pyrrhotite
			140.5	145	4.5	0.205	0.37	Quartz sulphide vein, 30% pyrrhotite
			145	148	3	0.102	0.07	Quartz sulphide vein, 30% pyrrhotite
		or	140.5	148	7.5	0.164	0.25	Quartz sulphide vein, 30% pyrrhotite
S90-3	Sulphide	35'						Abandoned due to adverse conditions
	Total:	563'						
U90-699	M	357'	338.2	344	5.8	0.308	0.25	Semi-massive pyrrhotite
U90-700	M	409'	366.3	378.9	12.6	0.777	0.51	QV Bx zone up to 90% pyrrhotite
U90-701	M	503'	No significant assays					
U90-702	M	523'	503	505.7	2.7	0.055	1.72	16" quartz vein with 6" band 30% py.
			512'	517.1	5.1	0.045	1.56	Silicified tuffs with 20% pyrite
	Total:	1792'						

S - Surface drill hole
U - Underground drill hole

9.1 C Zone (Figures 8 and 9)

The C Zone is a quartz-pyrrhotite filled shear occurrence that is hosted by andesitic flows and tuffs. It trends 260°-270° with a dip of 80°N and is intermittently exposed for 200 feet with the western extension being talus covered. Widths are variable to 6 feet with grades of up to 2.100 opt Au. Before 1990 seven holes had been drilled that defined a continuous shear vein structure in which drill intercepts of up to 0.454 opt Au over 6.5 feet occur. The following is a summary of the 1990 work program by zone. It should be noted that because of pre-existing standards the imperial system of measurements was used throughout the property.

The purpose of the 1990 program was to verify the high grade nature of the zone and to determine, using geophysical surveying, whether the C Zone continues to the west under the talus cover. Three test lines were located in the vicinity of the C Zone showings. A signature line was located across the centre of the zone while two lines, one to the east and the other to the west, were located to test the along strike extensions. The signature line shows the C Zone does not produce a magnetic profile but does have a prominent VLF-EM cross-over while results from the easternmost line failed to locate any significant anomalies. The westernmost line shows a prominent broad VLF-EM cross-over that was believed to be the continuation of the C Zone.

One drill hole, 90-2 drilled to test the western extension, intersected a 7.5 foot section that averaged 0.164 opt Au that included a 1.5 foot section of massive pyrrhotite within quartz assaying 0.438 opt Au that corresponded to the C Zone. In addition, a second three foot sheer zone, in which pyrrhotite veining occurs, was intersected that averaged 0.215 opt Au.

9.2 D Zone (Figure 10)

The D Zone has been intermittently explored since 1946. The zone is hosted by silicified andesitic fragmental tuffs in which several sub-parallel shears and cross-cutting post mineral faults occur, resulting in a shear system that is at least 10 feet wide. Sulphide mineralization is restricted to small pods, up to three feet long, consisting of massive pyrite and pyrrhotite along with fine grained galena. A total of 15 rock chip samples were collected. Nine of the samples assayed better than 0.100 opt Au with the best sample assaying 1.572 opt over one foot occurring in massive pyrrhotite.

Drilling completed previously however, has failed to intercept, at depth, any significant zones of interest.

9.3 E Zone (Figure 11)

The E Zone is a collective term used in describing the altered fragmental tuffs in the vicinity of the C portal where several gossanous zones that host narrow quartz calcite-sulphide bearing, veins and or shears occur.

In 1983 detailed mapping, sampling and trenching were completed in addition to an airborne magnetometer and EM survey over the E Zone. Follow-up sampling showed several areas of weakly to moderately, 0.01 - 0.05 opt Au to occur with the best sample being a one foot chip sample of a shear hosted quartz vein in which massive pyrrhotite and pyrite along with chalcopyrite was found that assayed 2.745 opt Au. The airborne survey showed a strong EM anomaly along strike from the E Zone to occur within Summit Lake.

In 1990 after the lake had drained itself, Lloyd Geophysics of Vancouver was contracted to complete a limited test using VLF-EM and magnetometer surveys across the airborne anomaly. The survey outlined two VLF-EM anomalies that appeared to be on strike from the E Zone. Both anomalies however, do not have a magnetic expression. Trenching using a backhoe was completed on a point of land where surface geophysics indicated the anomaly to be. As a result, a three foot wide shear zone in which quartz-calcite veins that host massive to blebby clusters of pyrrhotite, pyrite and chalcopyrite was located. Grab sample assay results are low with a maximum value of 0.106 opt Au. Even though the results of the surface sampling program were disappointing, one diamond drill hole located on the lake bottom was located to test the outlined geophysical targets.

Drilling shows the E Zone at depth to be hosted by dark grey to black argillaceous tuff in which several small stringers and up to 1 centimetre bands of pyrrhotite occur. In addition, two quartz-sulphide veins believed to represent the ground conductors were intersected however, both of these assayed less than 0.050 opt Au.

9.4 F Zone (Figure 8)

The F Zone is located immediately north of the E Zone some 40 feet above the road that leads to the Summit Lake Mine. At surface it is a dark gossanous occurrence some 60 feet in length that strikes 080° with a dip of 75° to the north. Widths are variable to 15 feet. It pinches out along strike. Host rocks are strongly chloritized and silicified schistose and/or brecciated tuffs while the sulphide mineralization consists of blebby to massive pyrite and pyrrhotite found within sheared pockets often accompanied by vuggy quartz calcite veins or stringers.

Gold assay values, from seven rock samples taken from the F Zone, returned disappointing results. Silver values however, were highly anomalous, with six of the samples returning grades of one opt or better with the highest being 11.49 oz/t from a grab sample.

9.5 P Zone (Figure 12)

Previous exploration completed in 1956 located a shear-hosted massive pyrrhotite vein in excess of 300 feet long some 900 feet north-northwest of the 3600 level portal that is referred to as the P Zone. Minor trenching was completed however, there is no record of assays. In 1990, two days were spent mapping the zone. Mapping has shown that the P Zone shears are healed mostly by quartz carbonate veins within intensely chloritized andesite fragmental tuffs host rocks. Occassionally the shears are enriched by massive pyrrhotite pods with minor pyrite. For the most part, vein widths do not exceed one foot, and may not carry any sulphides; however, in places such as in the vicinity of the P Zone trench, the veins are up to four feet wide and contain up to 90% massive pyrrhotite.

A total of 22 rock chip samples were taken from the zone and surrounding area. Assay results were generally low, however, 13 of the samples revealed a weak enrichment of silver mineralization with grades ranging from 1.0 to 3.50 opt Ag.

9.6 Sulphide Zone (Figure 7)

In 1989 limited prospecting was carried out by Royal Scot Resources that resulted in the discovery of the Sulphide Zone. The zone, as mapped in 1989, is east-west trending steeply northerly dipping zone that has been traced for 600' with widths of up to 13.5 feet. Grab samples assayed up to 1.215 opt Au. Grid mapping completed in 1990 has shown the zone to be a shear hosted quartz calcite vein that occurs within highly altered silicified and chloritized, andesitic tuffs that are in close proximity to granodiorite. A pronounced gossan overlies the zone. The veins bifurcate in part and contain variable up to massive pyrrhotite, pyrite and arsenopyrite along with minor chalcopyrite. In 1990, 22 rock chip samples were taken with values ranging up to 0.887 opt Au. One drill hole, S90-3, was located to test the zone. However, due to the late start of the drilling program, deteriorating weather conditions made its completion impossible. Only 35 feet were drilled. The hole for all of its length intersected fine grained andesitic tuffs that are in part sericitized, carbonatized and silicified. Minor disseminated pyrite occurs throughout.

9.7 Elsewhere (Figure 6)

Prospecting and sampling was completed on several selected areas where limited exploration had been previously completed. In general, several shear zones were located however, none were significantly gold anomalous.

9.8 Underground Exploration (Figures 13 and 14)

During the 1987 underground drill program, completed on the Main Zone, several holes located below the 3000 level returned positive grades over mineable widths. The success of the program showed that it would be possible to develop easily accessible ore in the vicinity of the existing mine workings. In 1989, longitudinal plans were plotted which show the Main Zone to pinch and swell along strike with ore shoots raking some 60° to 70° to the northwest with the ore shoots appearing to widen below the 3000 level. As a result, a drill program was proposed to test the zone at depth from existing workings.

As part of the program, four holes totalling 1,792 feet were drilled. The program was partially successful in delineating positive grades and widths. On section 104+00W, hole U90-699 intersected a 5.3 foot section averaging 0.308 opt Au at approximately the 2910 level while hole U90-700, located on the same section, intersected at the 2850 level intersected a 12.6 foot section that averaged 0.777 opt Au. Two holes drilled to the north of this section failed to intersect the zone (105+00W). It is possible that the two holes drilled over the top of the zone or that the hosting structure swings southward.

10.0 SUMMARY AND CONCLUSIONS

A detailed exploration program was completed on the Summit Lake gold property by Royal Scot Resources Ltd. personnel between August 13 and October 15, 1990. The program consisted of drilling: Surface - 3 holes totalling 563 feet, Underground - 4 holes totalling 1,792 feet; mapping, prospecting, trenching, sampling and geophysical surveying.

Mapping has shown the property to be underlain by Hazelton Group volcanics that have been intruded by granodiorite. Several mineralized zones have been located within andesitic tuffs. All appear to be quartz-filled shears in which variable amounts (up to massive) of pyrrhotite, pyrite, arsenopyrite along with lesser chalcopyrite occur. The zones are, in general, short in length (less than 500 feet) with widths variable to 50 feet as in the case of the Main Zone but more generally less than 5 feet. Alteration consists of chloritization, silicification and sericitization.

The C Zone is a shear controlled quartz carbonate vein in which massive pyrrhotite occurs that has been traced at surface and by drilling for 400 feet. It is generally less than 5 feet wide. To date eight drill holes have intersected the zone with the best intersection averaging 0.454 opt Au over 6.5 feet. In 1990, a drill hole drilled to the north of this section intersected two mineralized zones: a three foot section averaging 0.215 opt Au and a 7.5 section corresponding to the C Zone that averaged 0.164 opt Au. In general, the zone is open along strike and at depth however, due to the narrow width and limited grade, no further work is warranted.

On the D Zone, mapping has shown narrow pods to contain anomalous, up to 1.572 opt Au over 1 foot. The pods are limited in length and width. Previously completed drilling has shown the pods to not extend down dip and no further work is warranted.

Geophysical surveying shows the E Zone to extend under Summit Lake. At surface, previous sampling has shown the it to contain weakly anomalous, up to 0.050 opt Au, within shear hosted quartz veins. One hole tested the along strike extension under Summit Lake. In drill core, numerous dissemination and bands of pyrrhotite occur throughout along with narrow quartz veins. The best assay results are associated with pyrrhotite bearing quartz veins with the section averaging 0.042 opt Au, 3.66 opt Ag over one foot. Due to the lack of significant assay results and the narrow widths, it is unlikely that a significant mineralized zone occurs at depth.

Sampling on the F Zone showed the zone to be of limited length and width with gold values being negligible.

On the P Zone mapping has shown a 400 foot long x up to 4 feet wide zone of massive pyrrhotite. Although to date assay results are largely negative, it is possible that the zone at depth may become gold enriched. To date no drilling has been completed.

The Sulphide Zone, located on the Back Grid area, has been traced for 580 feet with widths variable to 13.5 feet. The shear system contains quartz carbonate veins that have variable amounts of pyrrhotite, pyrite and arsenopyrite with associated values in gold. The alteration immediately adjacent to and within the zone consists of chloritization, silicification and sericitization. Sampling completed over two years has returned grab samples of up to 1.045 opt Au in 1989 and 0.887 opt Au over one foot in 1990. Silver values throughout the zone are weak. At the west end of the zone there appears to be a splaying of the system. A two foot wide sample of pyritized sheared andesitic tuff in the northernmost splay assayed 0.646 opt Au with 2.54 opt Ag.

One drill hole was located to test the zone at depth, however, due to climactic conditions and the lack of water, it was abandoned at 35 feet.

Four holes totalling 1,792 feet were drilled to test the Main Zone below the 3000 level. Two of the holes intersected significant zones of mineralization with the best section averaging 0.777 opt Au over 12.6 feet. The two northernmost holes failed to intersect the zone, although it is thought that the holes were stopped short of the zone. In view of the results to date, it is thought that the potential to develop additional tonnage is good in the area between 102+00W and 106+00W between the 2400 and 3000 levels.

11.0 RECOMMENDATIONS

It is recommended that no further work be completed on the C, D, E, or F Zones. As the P Zone has many similarities to the Main Zone at surface and has never been drilled, it is proposed that one hole test the zone at depth to determine whether gold enrichment occurs.

Three holes totalling approximately 750 feet should be drilled on the Sulphide Zone. The purpose of this program would be to test the shear zone at three spots with one hole being a deeper down-dip test.

On the Main Zone underground drilling should be completed both above and below the 3000 level. Drilling between the 2800 and 3000 levels should be completed at 50 foot intervals between 98+00W and 102+00W while below the 2800 level, drilling should be concentrated between 102+00W and 106+00W. Drilling above the 3000 level should fill in known areas of mineralization to test for continuity. To carry out the drill program below the 3000 level, it is recommended that a spiral decline be developed some 150 feet to the northeast and paralleling the Main Zone. The decline should extend from 90+00W to 106+00W in order to test the structure roughly on cross-section making interpretations of the structure and manipulation of data more efficient.

Elsewhere on the property additional prospecting and sampling should be completed in areas not mapped. If the program is successful, then detailed mapping of any new showings should be done.

12.0 COST STATEMENT - NORTH AND SOUTH SCOT GROUPS

Personnel involved during the 1990 work program include:

Name	Position	Daily Wage
Bruce McLeod	Project Manager	$ 300.00
Dave Visagie	Senior Geologist	$ 232.00
Pat Varas	Project Geologist	$ 192.00
Mike Genn	Geologist	$ 187.00
Frank Permisser	Camp Maintenance	$ 125.00
Don Moore	Surveyor/Labourer	$ 175.00
Brian Kinney	Labourer	$ 150.00
Cheryl McCrae	Cook	$ 150.00

North Scot Group

1. Labour

Bruce McLeod	4 man-days	$ 1,200.00	
Dave Visagie	2.75 man-days	$ 638.00	
Pat Varas	24 man-days	$ 4,608.00	
Mike Genn	13 man-days	$ 2,405.00	
Frank Permisser	24 man-days	$ 3,000.00	
Don Moore	1 man-day	$ 175.00	
Brian Kinney	6 man-days	$ 900.00	
Cheryl McCrae	11 man-days	$ 1,650.00	
Drill crew	44 man-days		
	129.75 man-days		$14,576.00

2. Room & Board

i)	Room: 129.75 x $50/day	$ 6,487.50	
ii)	Board: 129.75 x $25/day	$ 3,243.75	
			$ 9,731.25

3. Transportation

i) Truck: 35 days x $75/day — $ 2,625.00

ii) Helicopter: Supplied by VIH of Stewart

Aug 24	1.6 hrs	$ 1,141.60		
Aug 27	0.4 hrs	$ 285.40		
Sept 9	0.8 hrs	$ 570.80		
Sept 18	0.9 hrs	$ 642.15		
Sept 19	5.6 hrs	$ 3,995.60		
Sept 20	1.7 hrs	$ 1,212.95		
Sept 21	4.3 hrs	$ 3,068.05		
Sept 22	6.4 hrs	$ 4,566.40		
Sept 23	1.6 hrs	$ 1,141.60		
Sept 24	0.7 hrs	$ 499.45		
Sept 26	2.7 hrs	$ 1,926.45		
Sept 30	1.9 hrs	$ 1,355.65		
	28.6 hrs	$20,406.10	$20,406.10	
				$23,031.10

4. Drilling Cost - Surface

i) Demobilization Costs		$ 2,000.00	
ii) Drill Costs		$ 8,960.90	

Cost & Charges

Sept 17	20 man-hours	
Sept 18	25 man-hours	7 drill hours
Sept 19	39 man-hours	
Sept 20	9 man-hours	1 drill hour
Sept 21	28 man-hours	4 drill hours
Sept 22	42 man-hours	12 drill hours
Sept 23	24 man-hours	16 drill hours
Sept 24	32 man-hours	4 drill hours
Sept 25	25 man-hours	4 drill hours
Sept 30	8 man-hours	2 drill hours
	252 man-hours	46 drill hours

Man hour costs are at $28/hour	$ 7,056.00		
Drill hour costs are at $18/hr	$ 828.00		
		$ 7,884.00	
			$18,844.90

Of the 563 feet of drilling, 528 feet were on a per foot basis while the rest were on a cost + basis.

iii) Consumables	$ 62.50

5. Equipment

Field gear rental, topofile, plastic bags, etc.	$ 500.00

6. Sampling

159 samples x $12.50/sample (includes pre and fine assay for Au & Ag)	$ 1,987.50

7. Report preparation

Includes xeroxing, drafting, data entry, preparation, office overhead	$ 6,000.00
Total	$74,733.25

South Scot Group

1. Labour

Bruce McLeod	5.75 man-days	$ 1,725.00	
Dave Visagie	1.50 man-days	$ 348.00	
Pat Varas	24 man-days	$ 4,608.00	
Mike Genn	22 man-days	$ 4,070.00	
Frank Permisser	31 man-days	$ 3,875.00	
Don Moore	2 man-days	$ 350.00	
Brian Kinney	4 man-days	$ 600.00	
Cheryl McCrae	6 man-days	$ 2,100.00	
Drill crew	36 man-days		
	132.25 man-days		$17,676.00

2. Room & Board

i)	Room: 132.25 man-days x $50/day	$ 6,612.50	
ii)	Board: 132.25 man-days x $25/day	$ 3,306.25	
			$ 9,918.75

3. Transportation

i) Truck: 41 days x $75/day $ 3,075.00

ii) Helicopter: Supplied by VIH of Stewart

Aug 19	1.1 hrs	$ 784.35		
Aug 21	0.5 hrs	$ 356.75		
Aug 23	0.4 hrs	$ 285.40		
Sept 6	0.4 hrs	$ 285.40		
Sept 15	1.6 hrs	$ 1,141.60		
	4 hrs	$ 2,853.50	$ 2,853.50	
				$ 5,928.50

4. Drilling Cost

i) Mobe $ 2,000.00

ii) Drill cost (1723 ft @ $17.59) $30,307.57

Cost & Charges

Sept 26	4 man-hours	1 drill hour
Sept 27	16 man-hours	6 drill hours
Sept 28	4 man-hours	
Sept 29	2 man-hours	
Oct 1	2 man-hours	
Oct 2	6 man-hours	
Oct 3	10 man-hours	
Oct 4	12 man-hours	
	56 man-hours	7 drill hours

Man hour costs are at $28/hr $ 1,568.00

Drill hour costs are at $18/hr $ 126.00

iii) Acid test		$ 258.00	
iv) Equipment Charges			
Gen set rental	$ 1,000.00		
John Deere Cart rental	$ 1,000.00		
		$ 2,000.00	
v) Consumables		$ 62.50	
			$36,322.07
5. Equipment			
Field gear rental, topofile, plastic bags, etc.			$ 500.00
6. Sampling			
54 samples x $12.50/sample (includes prep and fire assay for Au and Ag)			$ 675.00
7. Report Preparation			
Includes xeroxing, drafting, data entry, preparation, office overhead, etc.			$ 6,500.00
		Total	$77,520.32

13.0 STATEMENT OF QUALIFICATIONS

I, D.A. Visagie of 860 - 625 Howe Street, Vancouver, British Columbia, do hereby declare that:

1. I graduated from the University of British Columbia with a Bachelor of Science Degree, majoring in Geology, in 1976.

2. I have been steadily employed in the mining industry since then and have since January 1990 been employed by Northair Mines Ltd. as Senior Geologist.

3. The work undertaken on the North and South Scot Groups was under my supervision.

Dated at Vancouver, British Columbia, this 25th day of January, 1991.

David A. Visagie

APPENDICES

Appendix 1

ROYAL SCOT RESOURCES LTD.

Summit Property Sample List

1990 EXPLORATION PROGRAMME

SAMPLE #	ZONE\LOCATION	DESCRIPTION	MINERALIZATION	WIDTH FEET	AU OZ/TON	AG OZ/TON
84266	"Main" Zone 3000 Level	Qtz-carb vein + sulphs	40% Po bands	2.0	0.011	1.29
84267	"Main" Zone 3000 Level	Qtz-carb vein + sulphs	40% Po bands	2.0	0.021	1.14
84268	"Main" Zone 3000 Level	Massive Sulphide Vein	70% Po,10% Py	muck	0.329	1.41
84269	"Main" Zone 3000 Level	Massive Sulphide Vein	70% Po,10% Py	muck	0.084	2.09
84365	"Main" Zone 3000 Level	Quartz carbonate vein	10-20% Po, Sphal	4.0	0.011	0.48
84366	"Main" Zone 3000 Level	Quartz carbonate vein	10-20% Po, Sphal	4.0	0.023	0.38
84367	"Main" Zone 3000 Level	Quartz carbonate vein	massive Po bands	1.0	0.017	0.25
84444	North of Morris Summit Glacier	Gossanous Silicif Antf	with 4" Qtz v-let (60% Py)	1.0	0.056	0.13
84445	North of Morris Summit Glacier	Qtz breccia vein	5% Py	grab	0.001	0.05
84490	North of Morris Summit Glacier	Silicif. Chlorit. shear	30% Py Blebby-massive	1.0	0.011	0.48
84258	South of Morris Summit Glacier	Qtz healed fracture	5% Py-Ars	1.0	0.007	0.04
84259	South of Morris Summit Glacier	Gossanous silicif. tuff	diss Py-Po	1.0	0.156	0.06
84260	South of Morris Summit Glacier	Quartz calcite shear	15% Galena	1.0	0.024	6.20
84261	South of Morris Summit Glacier	Chlor. shear with Qtz-carb	diss Py	1.0	0.001	0.02
84262	South of Morris Summit Glacier	Chlor. shear with Qtz-carb	diss Py-Po	3.0	0.001	0.01
84351	South of Morris Summit Glacier	Massive Po boulder	90% Po, Py	float	0.045	0.12
84353	South of Morris Summit Glacier	Sheared qtz vein	30% diss Py	grab	0.003	0.04
84354	South of Morris Summit Glacier	Qtz-carbonate Chlorite vei	bands Py, 1% sphalerite	float	0.011	0.67
84355	South of Morris Summit Glacier	Gossanous silicif. tuff	4" massive Py strngrs.	5.0	0.002	0.03
84356	South of Morris Summit Glacier	Silicified shear zone	diss Pyrite	grab	0.001	0.03
84251	"Sulphide" Zone	Str. Chloritized shear	diss Py-Po	1.5	0.112	2.09
84252	"Sulphide" Zone	Str. Chloritized shear	5% Py	1.0	0.005	0.47
84253	"Sulphide" Zone	Quartz calcite vein	diss Py-Po	float	0.020	0.13
84254	"Sulphide" Zone	Chlor. Qtz-Calcite shear	diss Py-Po	float	0.012	0.37
84255	"Sulphide" Zone	Quartz calcite vein	diss Py-Po	float	0.080	0.63
84256	"Sulphide" Zone	Quartz calcite vein	diss Py-Po	float	0.589	4.93
84257	"Sulphide" Zone	Str. Chloritized shear	10%+ Pyrite clusters	1.0	0.882	0.24
84352	"Sulphide" Zone	Silicified shear	5% Py-Arseno Py	2.0	0.718	2.54
84446	"Sulphide" Zone	Quartz vein	2-3% Py-Po	4.0	0.043	0.85
84447	"Sulphide" Zone	Quartz vein	5% Py	3.0	0.038	0.69
84448	"Sulphide" Zone	Silicious boxwork	10% massive Py	2.0	0.134	2.17
84449	"Sulphide" Zone	Silicif.,chlor. shear w Qtz	30% Massive Py-Ars	1.0	0.298	2.61
84450	"Sulphide" Zone	Quartz vein	5% diss Py	1.0	0.005	0.45
84491	"Sulphide" Zone	Silicified Antf shear	Diss Py	0.5	0.092	1.03
84492	"Sulphide" Zone	Silicif. Chlorit. shear	5% diss Py	1.0	0.043	0.78
84493	"Sulphide" Zone	Chloritized Sheared Antf	Diss Py	1.0	0.029	0.11
84494	"Sulphide" Zone	Chloritized Sheared Antf	Diss Py	1.0	0.010	0.66
84495	"Sulphide" Zone	Silicified Antf shear	Diss Po-Py	1.0	0.139	0.89
84496	"Sulphide" Zone	Chloritized Sheared Antf	Diss Py	1.0	0.057	0.97
84497	"Sulphide" Zone	Quartz calcite vein\shear	20-30% Po	2.0	0.144	2.26
84498	"Sulphide" Zone	Quartz calcite vein\shear	Diss Po-Py	float	0.367	3.97
84499	"Sulphide" Zone	Quartz calcite vein\shear	Diss Po-Py	float	0.128	3.57
84401	" C " ZONE	Quartz carbonate vein	strong diss. Py	grab	0.004	0.44

SAMPLE #	ZONE\LOCATION	DESCRIPTION	MINERALIZATION	WIDTH FEET	AU OZ/TON	AG OZ/TON
84404	" C " ZONE	Altered Andesite Tuff	3-4% Py diss	grab	0.003	0.06
84405	" C " ZONE	Rusty altd. tuff with shear	5% diss Po	1.0	0.057	0.21
84406	" C " ZONE	Rusty altd. tuff with shear	3-4% diss\blebby Po	2.0	0.003	0.04
84407	" C " ZONE	Flt. gouge 50% clay\chlorit	10% diss sulphides	1.0	0.022	0.24
84408	" C " ZONE	Rusty altd. tuff with shear	3-4% diss sulphides	grab	0.616	0.17
84409	" C " ZONE	Quartz sulphide vein	40% + massive Po	float	0.974	0.28
84425	" C " ZONE	Silicif. andesite tuff	10-20% Massive Po, Py	grab	0.001	0.04
84426	" C " ZONE	Sil. Antf \ Qtz-carb veining	5%+ diss Po, Py	2.0	0.001	0.21
84455	" C " ZONE	Massive sulphide vein	70% Po-Py	1.0	0.598	0.79
84456	" C " ZONE	Massive sulphide vein	60% Po,10% Py	2.0	3.715	2.84
84457	" C " ZONE	Silicified shear w gouge	4% Po, Py	1.0	0.492	0.21
84458	" C " ZONE	Qtz sulphide vein	40% Po, Py	1.0	0.189	0.06
84459	" C " ZONE	Silicif., chlor. shear	diss Po, Py	1.0	0.014	0.01
84460	" C " ZONE	Sil. shear w sulphide vein	50% Po, Py	1.0	0.306	0.17
84461	" C " ZONE	Silicif. shear	5% Po, Py	grab	0.003	0.54
84479	" C " ZONE	Qtz-calcite-sulphide shear	10% Massive Po-Py	1.0	0.003	0.02
84480	" C " ZONE	Qtz-calc shear\vein	Trace sulphides	1.0	0.003	0.22
84481	" C " ZONE	Silicified, chloritized Antf	>20% Po, Py	float	0.003	0.02
84265	" C " ZONE 2800 Access	Qtz-carb-chlor vein + sulpl	30% Po bands	1.0	0.002	0.11
84362	" C " ZONE 2800 Access	Quartz carbonate vein	30% Po, Py (3")	0.5	0.006	0.20
84369	West of "C" and "D" Zones	Chlor., Silicif shear	10% diss Py, 2-3% moly	grab	0.018	1.97
84402	West of "C" and "D" Zones	Gossanous silicified tuff	30-40% diss Py	1.5	0.002	0.01
84451	West of "C" and "D" Zones	Quartz calcite vein	diss Po-Py	1.5	0.006	0.02
84452	West of "C" and "D" Zones	Gossanous Silicif Antf	2%Py, Po?	4.0	0.001	0.01
84410	" D " ZONE	Rusty Quartz sulphide vein	50% + Massive Po, Cp, Py	1.0	0.040	43.51
84417	" D " ZONE	Chlorit. Andes. tuff	2% diss Py, Sulph V-lets	grab	0.001	0.11
84418	" D " ZONE	Quartz vein	Massive Py blebs	grab	0.006	0.47
84419	" D " ZONE	Rusty silicif. Andes tuff	diss py	grab	0.198	0.27
84420	" D " ZONE	Carbonate vein	50% Galena	1.0	0.102	6.64
84421	" D " ZONE	Quartz-Calcite vein	30% Po, Py	3.0	0.122	0.49
84422	" D " ZONE	Silicified andes tuff	diss Po, Py	float	0.002	0.72
84424	" D " ZONE	Quartz vein	10% strgrs Po+Py	0.5	0.001	0.05
84471	" D " ZONE	Silicif. Antf shear	10-15% Py-Po	grab	0.172	0.40
84472	" D " ZONE	Silicif. Antf shear	35% Py-Po	3.0	0.059	1.42
84473	" D " ZONE	Silicif. Antf shear	10% Py, Po?	2.0	0.001	0.01
84474	" D " ZONE	Sil. chlor Antf shear	65% Po, Py, Gal?	0.5	0.372	3.55
84475	" D " ZONE	Silicif. Antf shear	<40% Po,Py,Gal in clusters	grab	0.237	2.85
84476	" D " ZONE	Silicif. Antf shear	Massive Po-Py pods	1.0	1.572	1.60
84477	" D " ZONE	Silicified Antf	Pods (70%Po,15%Py)	0.5	0.615	5.05
84427	North of "D" Zone	Qtz-stkwk in chlor. Antf	2-3% Galena, diss Po-Py	0.5	0.034	5.03
84428	North of "D" Zone	Quartz-carbonate vein	Po-Py v-lets, Tr. Gal.	1.0	0.010	0.16
84429	North of "D" Zone	Silicified andesite	10% diss Py	grab	0.004	0.15
84403	Upper "D" Zone Creek	Gossanous silicified tuff	3-4% Py, Po?	grab	0.001	0.02
84423	Upper "D" Zone Creek	Quartz vein	diss Py	0.5	0.003	0.01
84453	Upper "D" Zone Creek	Silicified, chloritized Antf	5% diss Py & Po	float	0.001	0.01
84454	Upper "D" Zone Creek	Sil Antf w Qtz-Cal fracture	5-8% Po-Py in clusters	2.0	0.002	0.08
84478	Upper "D" Zone Creek	Silicified Antf	Diss Py	1.0	0.002	0.01

SAMPLE #	ZONE\LOCATION	DESCRIPTION	MINERALIZATION	WIDTH FEET	AU OZ/TON	AG OZ/TON
84263	" E " ZONE	Chlor. shear with Qtz-carb	50% Po-Py	3.0	0.008	1.10
84270	" E " ZONE	Sulph vein with Qtz-carb	40% Po, 7% Chalc, 5% Py	4.0	0.017	0.39
84271	" E " ZONE	Sulph vein with Qtz-carb	40% Po, 7% Chalc, 5% Py	2.0	0.002	0.39
84272	" E " ZONE	Sulph vein with Qtz-carb	40% Po, 7% Chalc, 5% Py	2.0	0.015	0.39
84273	" E " ZONE	Quartz vein & Chlor. shear	20% Chalc, <10% Po-Py	2.5	0.039	2.19
84357	" E " ZONE	Qtz vein\ Chlor. shear	Mal,Azu, diss Py	1.0	0.012	2.29
84358	" E " ZONE	Quartz vein	20% blebby Py	1.0	0.013	11.64
84359	" E " ZONE	Quartz carbonate vein	Strong Pyrite	grab	0.015	0.98
84360	" E " ZONE	Andesite Breccia	10% Po, Py	grab	0.001	0.39
84361	" E " ZONE	Silicified shear	50% Pyrite	grab	0.106	0.51
84368	" E " ZONE	Quartz sulphide vein	20% Chalc, <10% Po-Py	1.0	0.035	0.58
84411	" E " ZONE	Chlor. shear\Qtz carb vein	V-lets of Po, Py	1.0	0.008	0.99
84412	" E " ZONE	Qtz-carb Andes. breccia ve	4-5% Blebby Po, Cp, Ga	grab	0.007	0.39
84413	" E " ZONE	Qtz-carb Andes. breccia ve	4-5% Blebby Po, Cp, Ga	grab	0.013	0.72
84414	" E " ZONE	Carbonate vein, minor Qtz	Po, Py stringers	0.5	0.001	0.02
84438	" E " ZONE	Gossanous Antf	1-2" Po veinlet	float	0.034	0.49
84439	" E " ZONE	Silicified andesite tuff	< 60% massive Po	float	0.017	0.31
84440	" E " ZONE	Gossanous sheared Antf	10% Po-Py, 5% Gal	float	0.166	5.59
84441	" E " ZONE	Silicified andesite tuff	with 3" massive Po veinlet	float	0.004	0.27
84442	" E " ZONE	Silicified andesite tuff	with 2" massive Po veinlet	float	0.006	0.49
84443	" E " ZONE	Gossanous Silicif Antf	3-4% diss Galena	grab	0.076	7.08
84462	" E " ZONE	Silicif. Antf shear	10% Py-Chalc-Po	1.0	0.004	7.65
84463	" E " ZONE	Silicified, chloritized Antf	5% diss Py	2.0	0.006	0.47
84464	" E " ZONE	Sheared Antf & Qtz	Diss Py, Po?	0.5	0.010	0.18
84465	" E " ZONE	Gossanous Silicif Antf	5% diss Py	float	0.002	0.01
84274	" E " ZONE 2800 Access	Qtz-carb-chlor shear	Po seams 1" + wide	0.5	0.017	0.26
84275	" E " ZONE 2800 Access	Str. Chloritized shear	diss Py-Po	0.5	0.003	0.13
84276	" E " ZONE 2800 Access	Sulphide vein	10 Chal,25 Po-Py, Tr. Born.	0.5	0.001	0.23
84363	" E " ZONE 2800 Access	Quartz carbonate vein	5-10% Po, Py	0.5	0.002	0.18
84370	" E " ZONE 2800 Access	Qtz-Calc vein & Po seams	strong blebby Po, diss Py	0.5	0.001	0.12
84264	South West of "E" Zone	Qtz-sulph., chlor shear	diss Py-Po	1.5	0.007	1.21
84364	South West of "E" Zone	Weathered shear	Strong Pyrite	1.0	0.006	0.65
84415	" F " ZONE	Sil. chlor anbx shear zone	5-10% Blebby Po, Py	grab	0.011	1.99
84416	" F " ZONE	Sil. chlor anbx shear zone	Carb v-lets w 40%+ Po, Py	grab	0.003	1.54
84466	" F " ZONE	Silicified, chloritized Antf	Blebby Py	grab	0.001	0.29
84467	" F " ZONE	Gossanous Silicif Antf	10-25% Po, Py	grab	0.002	1.30
84468	" F " ZONE	Sil. chlor anbx shear zone	50% Po, Py	grab	0.004	4.60
84469	" F " ZONE	Sil. chlor anbx shear zone	50% Po, Py	grab	0.017	11.49
84470	" F " ZONE	Sil. chlor anbx shear zone	5-10% Po-Py	grab	0.001	3.07
84277	" P " ZONE	Qtz-Calc-Sulph vein\shear	20% Pyrrhotite +	1.0	0.030	1.77
84371	" P " ZONE	Chlor Qtz-sulph shear	Blebby Py	1.0	0.004	0.36
84372	" P " ZONE	Qtz-carbonate Chlorite she	weak Po,Py	1.0	0.023	0.06
84373	" P " ZONE	Chlorite carbonate shear	Massive Po bands	2.0	0.010	2.26
84374	" P " ZONE	Gossanous silicified tuff	diss Py,Po?	3.0	0.006	0.10
84375	" P " ZONE	Sulphide v-letting in shear	50% Po, 20% Py	0.5	0.053	0.12
84430	" P " ZONE	Chlor., Sil. shear w sulphs	Massive Po pods, diss Py	3.0	0.003	0.33
84431	" P " ZONE	Chlor., Sil. shear w sulphs	Massive Po pods, diss Py	1.0	0.002	1.58

SAMPLE #	ZONE\LOCATION	DESCRIPTION	MINERALIZATION	WIDTH FEET	AU OZ/TON	AG OZ/TON
84432	" P " ZONE	Qtz-carb\sulphide vein	Massive Po pods, diss Py	1.0	0.003	3.36
84433	" P " ZONE	Qtz-carb\sulphide vein	20% massive Po-Py	2.0	0.006	2.87
84434	" P " ZONE	Qtz-sulphide vein	50% massive Po-Py	0.5	0.006	1.03
84435	" P " ZONE	Qtz-sulphide vein	50% massive Po-Py	1.0	0.034	3.55
84436	" P " ZONE	Massive Pyrrohtite vein	80% + Po, Py	2.0	0.031	1.09
84437	" P " ZONE	Massive Pyrrohtite vein	80% + Po, Py	2.0	0.002	0.51
84482	" P " ZONE	Brecciated Antf shear	Massive Po pockets	3.0	0.005	0.75
84483	" P " ZONE	Qtz-calcite shear	Massive Po pockets	1.0	0.003	0.70
84484	" P " ZONE	Chloritized shear breccia	Massive Po pockets	4.0	0.003	1.60
84485	" P " ZONE	Chloritic Qtz-calcite shear	Massive Po pockets	2.0	0.006	1.73
84486	" P " ZONE	Chloritic Qtz-calcite shear	Massive Po pockets	0.5	0.003	3.32
84487	" P " ZONE	Bxd-chlor., Qz-calc shear	Massive Po pockets	1.0	0.012	1.76
84488	" P " ZONE	Chlor. shear zone	90% Po, Py	3.0	0.006	0.43
84489	" P " ZONE	Quartz calcite vein	80% + Po, Py	float	0.034	1.06

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Appendix 2

OCTOBER 16, 1990

CERTIFICATE OF ANALYSIS ETS 90-9159

ROYAL SCOT
C/O TENAJON RESOURCES
860, 625 HOWE ST.
VANCOUVER, B.C.

SAMPLE IDENTIFICATION: 36 CORE samples received OCTOBER 6, 1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9159 -	1	83728	.03	.001	.3	.01
9159 -	2	83729	<.03	<.001	.5	.02
9159 -	3	83730	.28	.008	<.1	.00
9159 -	4	83731	.14	.004	1.4	.04
9159 -	5	83732	3.89	.113	4.7	.14
9159 -	6	83733	18.03	.526	12.8	.37
9159 -	7	83734	.11	.003	2.2	.06
9159 -	8	83735	.17	.005	7.1	.21
9159 -	9	83736	.05	.001	7.2	.21
9159 -	10	83737	<.03	<.001	.3	.01
9159 -	11	83738	.13	.004	.9	.03
9159 -	12	83739	1.43	.047	.3	.01
9159 -	13	83740	.48	.014	.3	.01
9159 -	14	83741	72.02	2.100	73.3	2.14
9159 -	15	83742	56.42	[illegible]	27.6	.81
9159 -	16	83743	18.61	[illegible]	17.2	.50
9159 -	17	83744	.81	.024	5.4	.16
9159 -	18	83745	7.62	.222	5.6	.16
9159 -	19	83746	[illegible]	.009	2.1	.06
9159 -	20	83747	[illegible]	.009	7.4	.22
9159 -	21	83748	.19	.006	5.8	.17
9159 -	22	83749	.34	.010	4.4	.13
9159 -	23	83750	.17	.005	7.5	.22
9159 -	24	83751	.07	.002	5.9	.17
9159 -	25	83752	.11	.003	2.6	.08
9159 -	26	83753	.05	.001	1.3	.04
9159 -	27	83754	.45	.013	1.3	.04
9159 -	28	83755	.05	.002	1.0	.03
9159 -	29	83756	.17	[illegible]	29.5	.86
9159 -	30	83757	1.86	[illegible]	58.8	1.72

JUTTA JEALOUSE, [illegible] Assayer

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ROYAL SCOT

OCTOBER 16, 1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9159 -	31	83758	.24	.007	6.5	.19
9159 -	32	83759	.94	.027	54.9	1.60
9159 -	33	83760	1.68	.049	77.2	2.25
9159 -	34	83761	1.41	.041	34.2	1.00
9159 -	35	83762	.22	.006	7.7	.23
9159 -	36	83763	.16	.005	3.4	.10

cc: P. VARAS
NORTHAIR GROUP
850 - 625 HOWE ST., VANCOUVER, B.C.

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JUTTA JEALOUSE
B.C. Certified Assayer

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OCTOBER 5, 1990

CERTIFICATE OF ANALYSIS ETS 90-9135

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
VOT 1WO

A S S A Y S

SAMPLE IDENTIFICATION: 26 CORE samples received SEPTEMBER 26,1990

ET#	Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG oz/t)
9135 - 1	83701	.11	.003	6.6	.19
9135 - 2	83702	.18	.005	7.1	.21
9135 - 3	83703	.42	.012	4.0	.12
9135 - 4	83704	.16	.005	2.5	.07
9135 - 5	83705	.15	.004	2.3	.07
9135 - 6	83706	.03	.001	4.3	.13
9135 - 7	83708	.52	.015	5.3	.16
9135 - 8	83709	.04	.001	.2	.01
9135 - 9	83710	.07	.002	3.0	.09
9135 - 10	83711	<.03	<.001	.4	.01
9135 - 11	83712	.04	.001	.5	.02
9135 - 12	83713	1.11	.032	1.6	.05
9135 - 13	83714	7.37	.215	8.2	.24
9135 - 14	83715	.27	.008	1.4	.04
9135 - 15	83716	.41	.012	1.5	.04
9135 - 16	83717	.32	.009	.9	.03
9135 - 17	83718	3.06	.089	4.0	.12
9135 - 18	83719	15.01	.438	29.4	.86
9135 - 19	83720	3.49	.102	2.4	.07
9135 - 20	83721	.41	.012	4.7	.14
9135 - 21	83722	.12	.003	5.2	.15
9135 - 22	83723	.10	.003	4.2	.12
9135 - 23	83724	.75	.022	5.4	.16
9135 - 24	83725	.11	.003	4.1	.12
9135 - 25	83726	1.45	.042	125.4	3.66
9135 - 26	83727	.08	.002	4.3	.13

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FAX: TENAJON

SC90/ROYAL SCOTT

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SEPTEMBER 17, 1990

CERTIFICATE OF ANALYSIS ETS 90-9096

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
V0T 1W0

P A R T I A L S

SAMPLE IDENTIFICATION: 12 ROCK samples received SEPTEMBER 10, 1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9096 -	1	84274	.58	.017	8.8	.26
9096 -	2	84275	.09	.003	4.4	.13
9096 -	3	84276	<.03	<.001	8.0	.23
9096 -	4	84277	1.03	.003	60.6	1.77
9096 -	5	84368	1.19	.035	20.0	.58
9096 -	6	84369	.61	.018	67.4	1.97
9096 -	7	84370	.05	.001	4.0	.12
9096 -	8	84371	.13	.004	12.3	.36
9096 -	9	84372	.78	.023	2.0	.06
9096 -	10	84373	.35	.010	77.4	2.26
9096 -	11	84374	**	**	**	**
9096 -	12	84375	**	**	**	**

NOTE: ** RESULTS TO FOLLOW

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SEPTEMBER 13, 1990

CERTIFICATE OF ANALYSIS ETS 90-9083

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
V0T 1W0

R E V I S E D

SAMPLE IDENTIFICATION: 16 ROCK samples received SEPTEMBER 4, 1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9083 -	1	84264	.23	.007	41.4	1.21
9083 -	2	84265	.07	.002	3.8	.11
9083 -	3	84266	.38	.011	44.1	1.29
9083 -	4	84267	.71	.021	39.2	1.14
9083 -	5	84268	11.29	.329	48.5	1.41
9083 -	6	84269	2.87	.084	71.7	2.09
9083 -	7	84270	.59	.017	13.2	.39
9083 -	8	84271	.08	.002	13.4	.39
9083 -	9	84360	.05	.001	13.5	.39
9083 -	10	84361	3.65	.106	17.4	.51
9083 -	11	84362	.19	.006	6.9	.20
9083 -	12	84363	.06	.002	6.1	.18
9083 -	13	84364	.20	.006	22.1	.65
9083 -	14	84365	.37	.011	16.6	.48
9083 -	15	84366	.80	.023	13.1	.38
9083 -	16	84367	.58	.017	8.4	.25

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Assay Certificate

0S-0458-RA1

Company: **NORTHAIRE-ROYAL SCOTT RES.**
Project: SUMMIT LAKE
Attn: DAVE VISAGIE

Date: SEP-10-90
Copy 1. NORTHAIRE-ROYAL SCOTT RES., VAN.,B.C.

He hereby certify the following Assay of 2 ROCK samples submitted SEP-08-90 by DAVE VISAGIE.

Sample Number	AU g/tonne	AU oz/ton	AG g/tonne	AG oz/ton	CU %
84272	.51	.015	13.5	.39	.131
84273	1.35	.039	75.0	2.19	.296

Certified by ____________________
MIN-EN LABORATORIES

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SEPTEMBER 5, 1990

CERTIFICATE OF ANALYSIS ETS 90-9073

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
V0T 1W0

SAMPLE IDENTIFICATION: 4 ROCK samples received AUGUST 28,1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9073 -	1	84263	.27	.008	37.6	1.097
9073 -	2	84357	.42	.012	78.4	2.286
9073 -	3	84358	.44	.013	399.2	11.642
9073 -	4	84359	.51	.015	33.6	.98

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FAX:TENAJON, STEWART
SC90/ROYAL SCOTT

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SEPTEMBER 4, 1990

CERTIFICATE OF ANALYSIS ETS 90-9067

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
VOT 1WO

SAMPLE IDENTIFICATION: 61 ROCK samples received AUGUST 26,1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9067 -	1	84481	.09	.003	.7	.020
9067 -	2	84482	.17	.005	25.8	.752
9067 -	3	84483	.10	.003	24.0	.700
9067 -	4	84484	.11	.003	54.7	1.595
9067 -	5	84485	.22	.006	59.2	1.726
9067 -	6	84486	.12	.003	113.9	3.322
9067 -	7	84487	.41	.012	60.2	1.756
9067 -	8	84488	.20	.006	14.6	.426
9067 -	9	84489	1.18	.034	36.3	1.059
9067 -	10	84490	.39	.011	16.5	.481
9067 -	11	84491	3.16	.092	35.3	1.029
9067 -	12	84492	1.46	.043	26.9	.784
9067 -	13	84493	.98	.029	3.8	.111
9067 -	14	84494	.33	.01	22.6	.659
9067 -	15	84495	4.75	.139	30.6	.892
9067 -	16	84496	1.94	.057	33.1	.965
9067 -	17	84497	4.95	.144	77.4	2.257
9067 -	18	84498	12.59	.367	136.1	3.969
9067 -	19	84499	4.40	.128	122.4	3.570
9067 -	20	84251	3.83	.112	71.6	2.088
9067 -	21	84252	.18	.005	16.2	.472
9067 -	22	84253	.70	.02	4.5	.131
9067 -	23	84254	.41	.012	12.8	.373
9067 -	24	84255	2.70	.079	21.4	.624
9067 -	25	84256	20.18	.589	169.0	4.929
9067 -	26	84257	30.25	.882	8.3	.242
9067 -	27	84258	.25	.007	1.3	.038
9067 -	28	84259	5.33	.155	2.2	.064
9067 -	29	84260	.84	.024	212.6	6.200
9067 -	30	84261	.04	.001	.5	.015

JUTTA JEALOUSE, Certified Assayer

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ROYAL SCOTT SEPTEMBER 4, 1990

ET#	Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9067 - 31	84262	<.03	<.001	.3	.009
9067 - 32	84427	1.13	.033	172.6	5.034
9067 - 33	84428	.35	.01	5.3	.155
9067 - 34	84429	.13	.004	5.2	.152
9067 - 35	84430	.10	.003	11.2	.327
9067 - 36	84431	.06	.002	54.3	1.584
9067 - 37	84432	.10	.003	115.2	3.360
9067 - 38	84433	.22	.006	98.4	2.870
9067 - 39	84434	.21	.006	35.2	1.027
9067 - 40	84435	1.18	.034	121.8	3.552
9067 - 41	84436	1.06	.031	37.2	1.085
9067 - 42	84437	.07	.002	17.6	.513
9067 - 43	84438	1.17	.034	16.9	.493
9067 - 44	84439	.58	.017	10.5	.306
9067 - 45	84440	5.68	.166	191.6	5.588
9067 - 46	84441	.15	.004	9.4	.274
9067 - 47	84442	.22	.006	16.7	.487
9067 - 48	84443	2.62	.076	242.6	7.075
9067 - 49	84444	1.93	.056	4.6	.134
9067 - 50	84445	.04	.001	1.7	.050
9067 - 51	84446	1.48	.043	29.3	.854
9067 - 52	84447	1.31	.038	23.7	.691
9067 - 53	84448	4.60	.134	74.6	2.176
9067 - 54	84449	10.22	.298	89.5	2.610
9067 - 55	84450	.18	.005	15.4	.449
9067 - 56	84351	1.56	.045	4.0	.117
9067 - 57	84352	24.62	.718	87.1	2.540
9067 - 58	84353	.12	.003	1.3	.038
9067 - 59	84354	.38	.011	22.8	.665
9067 - 60	84355	.07	.002	.9	.026
9067 - 61	84356	.03	.001	1.0	.029

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AUGUST 27, 1990

CERTIFICATE OF ANALYSIS ETS 90-9055

ROYAL SCOTT
P.O. BOX 830
STEWART, B.C
VOT 1WO

SAMPLE IDENTIFICATION: 56 ROCK samples received AUGUST 19,1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9055 -	1	84401	.14	.004	15.2	.443
9055 -	2	84402	.07	.002	<.1	<.001
9055 -	3	84403	.03	.001	.7	.02
9055 -	4	84404	.12	.003	2.1	.061
9055 -	5	84405	1.94	.057	7.1	.207
9055 -	6	84406	.11	.003	1.3	.038
9055 -	7	84407	.75	.022	8.1	.236
9055 -	8	84408	21.13	.616	5.9	.172
9055 -	9	84409	33.40	.974	9.7	.283
9055 -	10	84410	1.36	.04	1492.0	43.511
9055 -	11	84411	.26	.008	34.2	.997
9055 -	12	84412	.25	.007	13.6	.397
9055 -	13	84413	.43	.013	24.7	.72
9055 -	14	84414	.05	.001	.8	.023
9055 -	15	84415	.38	.011	68.2	1.989
9055 -	16	84416	.11	.003	52.8	1.54
9055 -	17	84417	.05	.001	3.9	.114
9055 -	18	84418	.20	.006	16.1	.47
9055 -	19	84419	6.79	.198	9.3	.271
9055 -	20	84420	3.50	.102	227.8	6.643
9055 -	21	84421	4.20	.122	16.7	.487
9055 -	22	84422	.07	.002	24.8	.723
9055 -	23	84423	.11	.003	.3	.009
9055 -	24	84424	.05	.001	1.6	.047
9055 -	25	84425	.03	.001	1.2	.035
9055 -	26	84426	.03	.001	7.1	.207
9055 -	27	84451	.22	.006	.8	.023
9055 -	28	84452	.03	.001	.2	.006
9055 -	29	84453	.03	.001	.4	.012
9055 -	30	84454	.07	.002	2.7	.079

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ROYAL SCOTT

AUGUST 27, 1990

ET#		Description	AU (g/t)	AU (oz/t)	AG (g/t)	AG (oz/t)
9055 -	31	84455	20.50	.598	27.1	.79
9055 -	32	84456	127.40	3.715	97.5	2.843
9055 -	33	84457	16.87	.492	7.3	.213
9055 -	34	84458	6.48	.189	2.2	.064
9055 -	35	84459	.48	.014	<.1	<.001
9055 -	36	84460	10.49	.306	5.7	.166
9055 -	37	84461	.10	.003	18.4	.537
9055 -	38	84462	.13	.004	262.3	7.649
9055 -	39	84463	.22	.006	16.1	.47
9055 -	40	84464	.35	.01	6.1	.178
9055 -	41	84465	.07	.002	.4	.012
9055 -	42	84466	.05	.001	9.8	.286
9055 -	43	84467	.08	.002	44.7	1.304
9055 -	44	84468	.14	.004	157.8	4.602
9055 -	45	84469	.57	.017	394.0	11.49
9055 -	46	84470	.03	.001	105.3	3.071
9055 -	47	84471	5.89	.172	13.6	.397
9055 -	48	84472	2.04	.059	48.7	1.42
9055 -	49	84473	.03	.001	.3	.009
9055 -	50	84474	12.76	.372	121.8	3.552
9055 -	51	84475	8.12	.237	97.8	2.852
9055 -	52	84476	53.90	1.572	54.7	1.595
9055 -	53	84477	21.10	.615	173.2	5.051
9055 -	54	84478	.06	.002	.2	.006
9055 -	55	84479	.12	.003	.8	.023
9055 -	56	84480	.10	.003	7.6	.222

Jutta Jealouse
ECO-TECH LABORATORIES LTD.
JUTTA JEALOUSE
B.C. Certified Assayer

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SC90/TENAJON

Lloyd Geophysics Inc.
1503-1166 Alberni Street, Vancouver, B.C. V6E 3Z3
Tel: (604) 688-5813 / Fax: (604) 688-1307

Lloyd Geophysics

JOHN LLOYD
GEOPHYSICAL ENGINEER

September 5, 1990

Mr. Fred Hewitt, P. Eng.
Vice-President & Exploration Manager
The Northair Group
860 - 625 Howe Street
Vancouver, B.C.
V6C 2T6

RE: MAG/VLF-EM Surveys SUMMIT LAKE PROPERTY, Skeena Mining Division
Lat: 56°15'N; Long: 110°04'W; NTS 104 B/1E, 104 B/8E

Dear Mr. Hewitt:

This letter will act as a brief report of our findings and drilling recommendations on the above captioned geophysical surveys.

1. General

The magnetic component of the VLF primary field is horizontal. Local conductivity inhomogeneities will add vertical components. The total field is then tilted locally on both sides of a local conductor. This local vertical field is not always in phase with the primary field on the ground surface. The EDA OMNI PLUS measures the in-phase and quadrature components of this vertical field.

When the primary field penetrates the conductive ground and underlying rocks, the wave length of the wave becomes very short, maybe only a few 10's of metres, depending of course on conductivity and frequency. At the same time the EM wave travels practically directly downwards. The amplitude of the field also decreases very fast, completely disappearing within one wavelength, however, the magnetic field remains horizontal.

2. L Bend Test Line (Dwg. No. 90310-1)

The test consists of a single line 300 feet long over the known showing/vein with readings taken every 10 feet for both MAG. and VLF-EM.

The Bend vein gives a "classic" VLF-EM response with a sharp normal crossover for both the in-phase and quadrature components. It is indicative of a good "thin" conductor dipping steeply to the north. All these factors are in good agreement with the geological description of the Bend vein and fault structure (McGuigan and Wilson February 6, 1985, pages 19 to 23). There is a discrepancy in my calculation of the depth to the top of the conductor of approximately 30 feet (10m) with the known depth of 0 feet, which illlustrates one of the many pitfalls in VLF-EM data interpretation.

The MAG. response over the Bend vein/fault showed a 700nT response below background. This indicates the destruction (alteration) or lack of magnetic minerals across the fault zone. My calculations indicate the fault zone is vertical and 18 feet wide (5.5m). In fact it dips 60 to 70°N and is 13 to 16 feet wide (McGuigan & Wilson Feb. 5, 1985). This is fairly good agreement.

3. C Zone Grid (Dwg. Nos. 90310-2, 3 and 4)

This anomaly is worthy of testing by initially drilling the following 2 holes

Hole No.	Line No.	Collar Location	Azimuth	Angle	Length of Hole
1	200W	80N	-180°	-45°	130 ft
2	200W	80N	-180°	-60°	200 ft

If hole #1 does not intersect the conductor then I could have misinterpreted the direction of dip or drilled above the upper edge of the conductor or below a very shallow conductor. If in fact this does happen you may wish to step back to 20N and drill your #2 hole at -45°to the North (0° azimuth).

This conductor has no significant MAG. expression.

4. Scottie Point Grid

I am recommending 2 drill holes to test 2 parallel conductors interpreted as near vertical with surface traces at about 1320N and 1410N on L300E. These conductors are associated with a single broad 600 to 700nT low.

Hole No.	Line No.	Collar Location	Azimuth	Angle	Length of Hole
3	300E	1350N	180°	-45°	100 ft
4	300E	1450N	180°	-45°	200 ft

Please let me know if and when drilling commences and I may be able to help you more as drilling proceeds.

Good Luck!!

Respectfully Submitted,
LLOYD GEOPHYSICS INC.

John Lloyd, M.Sc., P. Eng.
President

JL:jz

ROYAL SCOT RESOURCES

Diamond Drill Hole Record

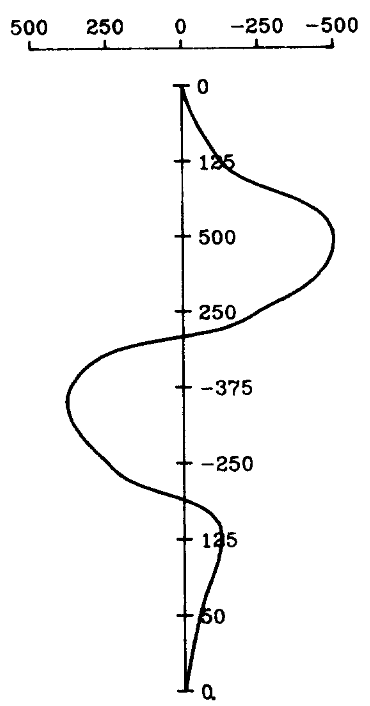
Project: Summit Lake - 'C' zone

DEPTH	BEARING	DIP	SURVEY TYPE			
COLLAR	212°	-45°	SILVA	PROPERTY: Summit Lake	LENGTH: 251'	HOLE NO.: S90-2
				CLAIM: SCOTTY	CORE SIZE: AQTK	SHEET NO. 1 of 6
				LATITUDE: 6945 N	RECOVERY: 99%.	LOGGED BY: J.P. Varas
				DEPARTURE: 10730 E	STARTED: Sept/20/90	SAMPLED BY: J.P. Varas
				ELEVATION: 3280'	COMPLETED: Sept/21/90	PURPOSE: 'C' zone - explor

Interval (feet) From	Interval (feet) To	Rock Type	Geologic Description	From	To	Alteration % Vein	Alteration # Veins	Alteration Chl.	Alteration Cal.	Alteration Ser.	Alteration Sil.	Alteration K-Spar	Mineralization % Py	Mineralization % Cp	Mineralization % Ga	Mineralization % Sp	Mineralization Agt	Mineralization El	Assay Data Sample No.	Assay Data From	Assay Data To	Assay Data Int	Assay Data Au opt	Assay Data Ag opt	Assay Data Au check	Assay Data Ag check	Assay Data Cu %	Assay Data Pb %	Assay Data Zn %	Core Data RQD %	Core Data Run	Core Data Recovery %
0	19	CASH	CASING - overburden																											—	—	<10
19'	143.5'	ANTF	Altered Andesitic Fragmental TUFF - (Volcanoconglomerate) -matrix is fine grained, equigranular, w <5% to 10% variably altered subrounded to subangular ANTF fragments. Alteration - mainly seen as bleaching due to strong silicification, w hint to weak sericitic chloritization of some fragments and along rehealed structure surfaces. The unit is predominantly light to med greenish grey w rare darker greenish chloritized sections. - QTZ veinletting makes up <1% of the unit, usually seen as sharp stringers; most <1/4" wide and may comprise 0-50% carb, Tr-20% fine Po stringers. Most are @			1		Tr	?	<7	50+		Tr-2																	—	—	99

LEGEND

BASE LEVEL OF 58000 nT REMOVED FROM ALL POSTINGS

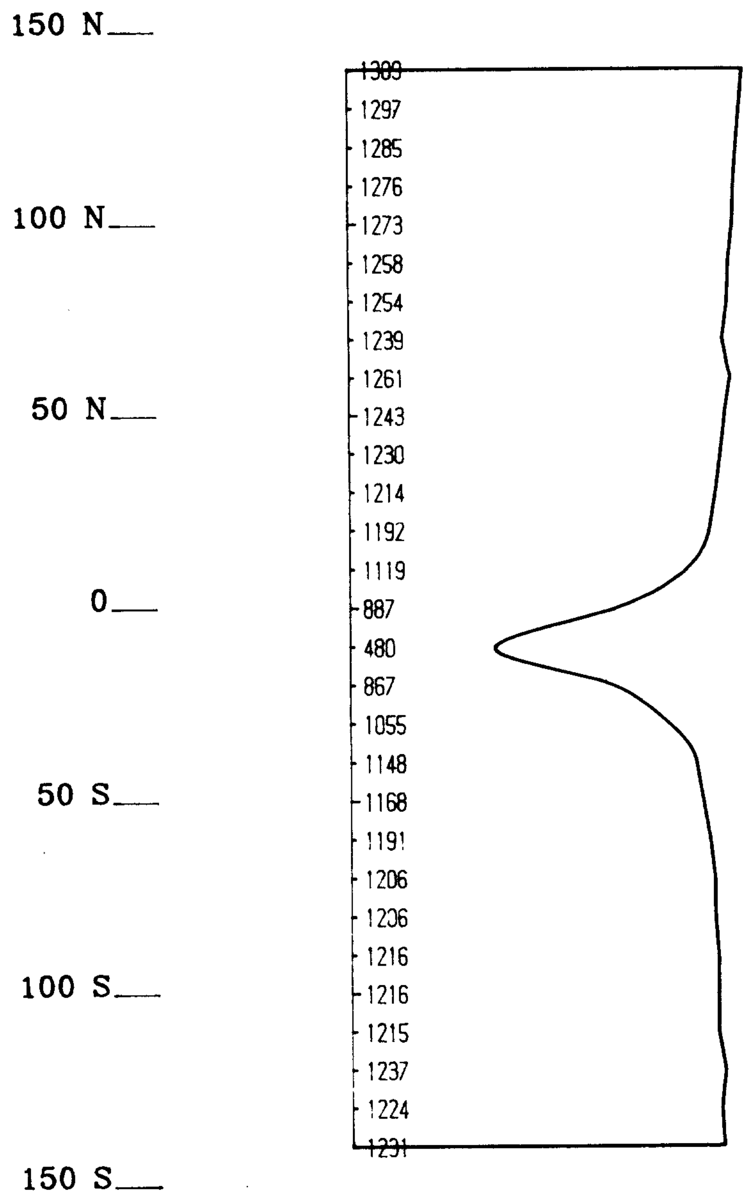


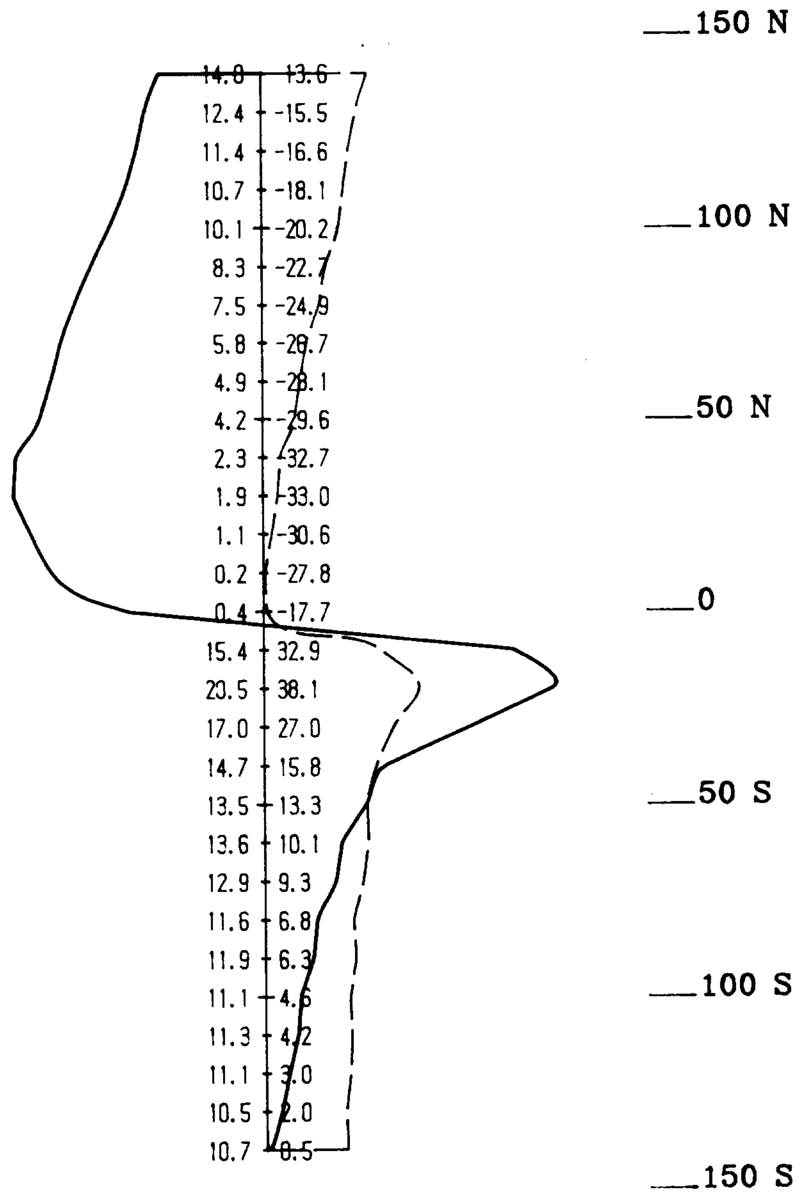
PROFILE SCALE = 250 nT / cm

INSTRUMENT

EDA OMNI PLUS

EDA OMNI IV BASESTATION



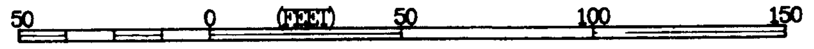


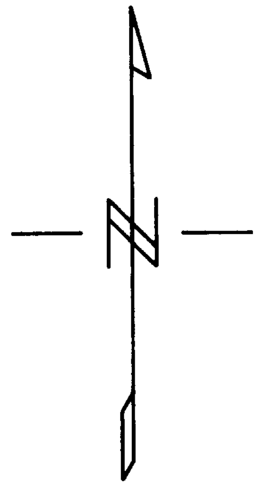
To Accompany a Report by

JOHN LLOYD M.Sc., P. Eng.

September 1990

SCALE 1 : 600
1 in. = 50 ft





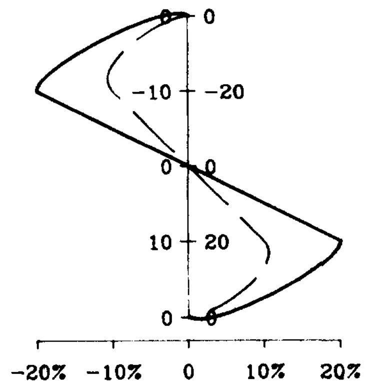
LEGEND

COMPONENTS

INPHASE

QUADRATURE

Q POSTING IP



1 cm. = 10 %

TRANSMITTER STATION

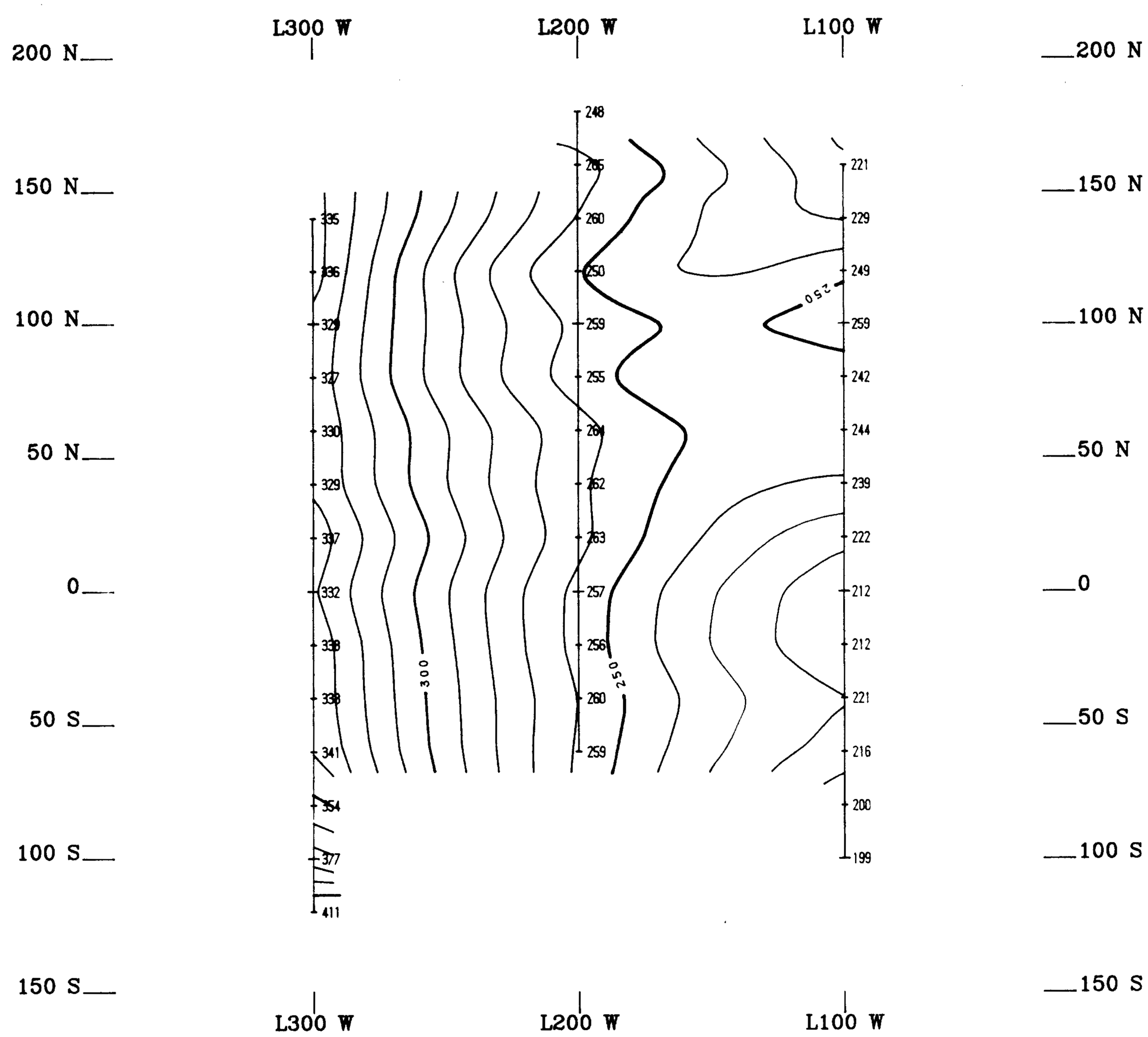
NSS ANNOPOLIS, MARYLAND 21.4 kHz

INSTRUMENT

EDA OMNI PLUS

3 ORTHOGONAL Rx. COILS, TILT COMPENSATED

ROYAL SCOT RESOURCES LTD.
SUMMIT LAKE PROPERTY L BEND TEST LINE Skeena Mining Division
TOTAL FIELD MAGNETIC PROFILE VLF–EM PROFILE Map Scale 1 : 600 Drawing : 90310-1
LLOYD GEOPHYSICS INC.



LEGEND

CONTOUR INTERVALS

(thin line)	10 nT
(medium line)	50 nT
(thick line)	250 nT

BASE LEVEL OF 57000 nT REMOVED FROM ALL READINGS

INSTRUMENT

EDA OMNI PLUS

EDA OMNI IV BASESTATION

To Accompany a Report by
JOHN LLOYD M.Sc., P. Eng.
September 1990

SCALE 1 : 600
1 in. = 50 ft
50 0 (FEET) 50 100 150

ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY

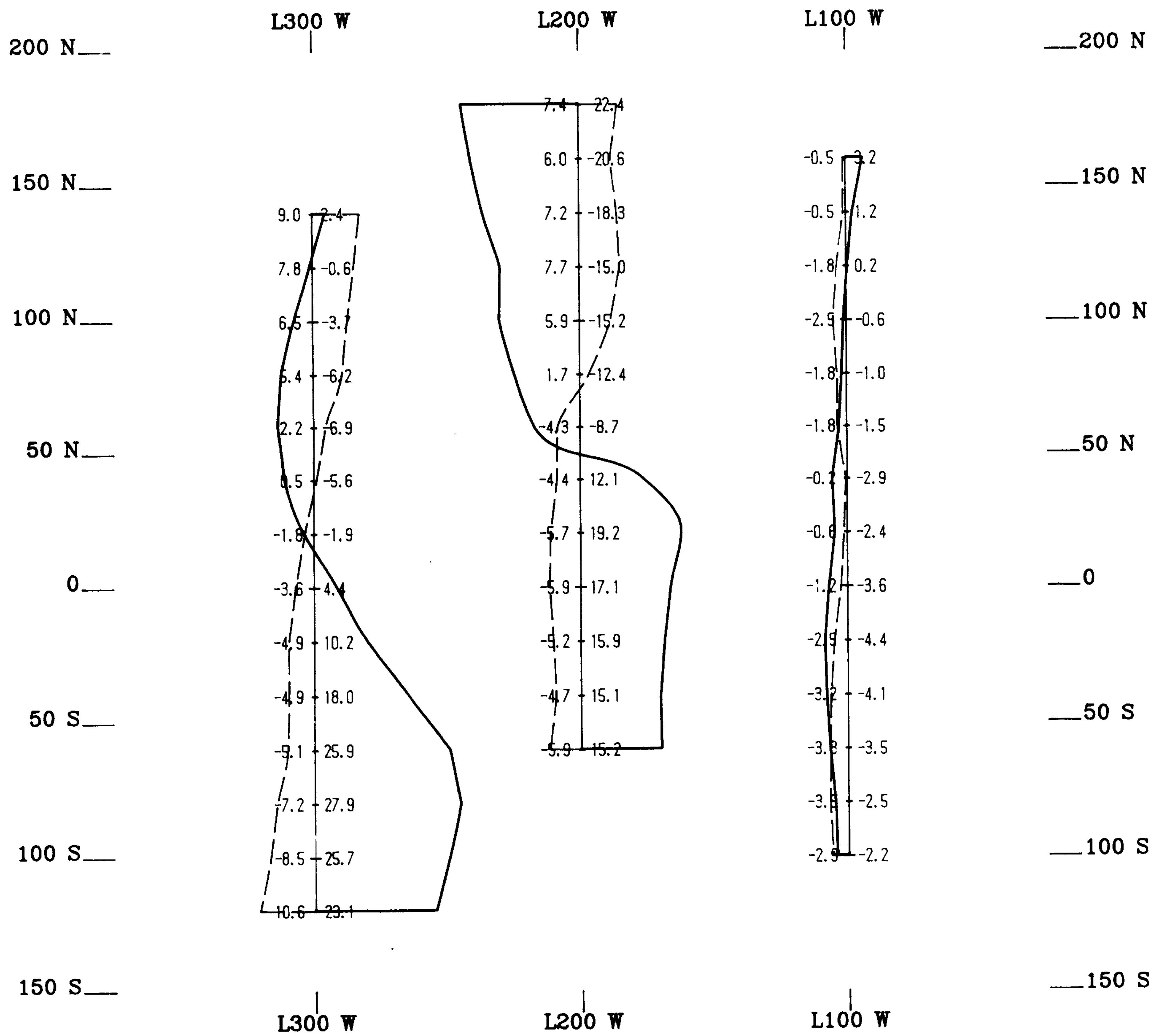
C ZONE GRID

Skeena Mining Division

TOTAL FIELD MAGNETIC CONTOURS

Map Scale 1 : 600 Drawing : 90310-2

LLOYD GEOPHYSICS INC.



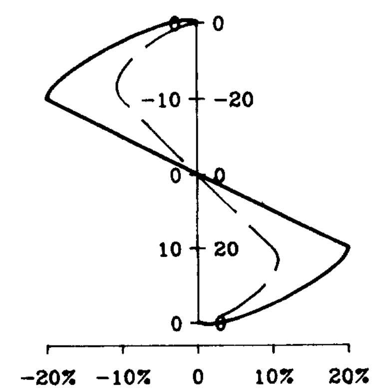
LEGEND

COMPONENTS

INPHASE

QUADRATURE

Q POSTING IP



1 cm. = 10 %

TRANSMITTER STATION

NSS ANNOPOLIS, MARYLAND 21.4 kHz

INSTRUMENT

EDA OMNI PLUS

3 ORTHOGONAL Rx. COILS, TILT COMPENSATED

To Accompany a Report by

JOHN LLOYD M.Sc., P. Eng.

September 1990

SCALE 1 : 600 (500)

1 in. = 50 ft

50 0 (FEET) 50 100 150

ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY

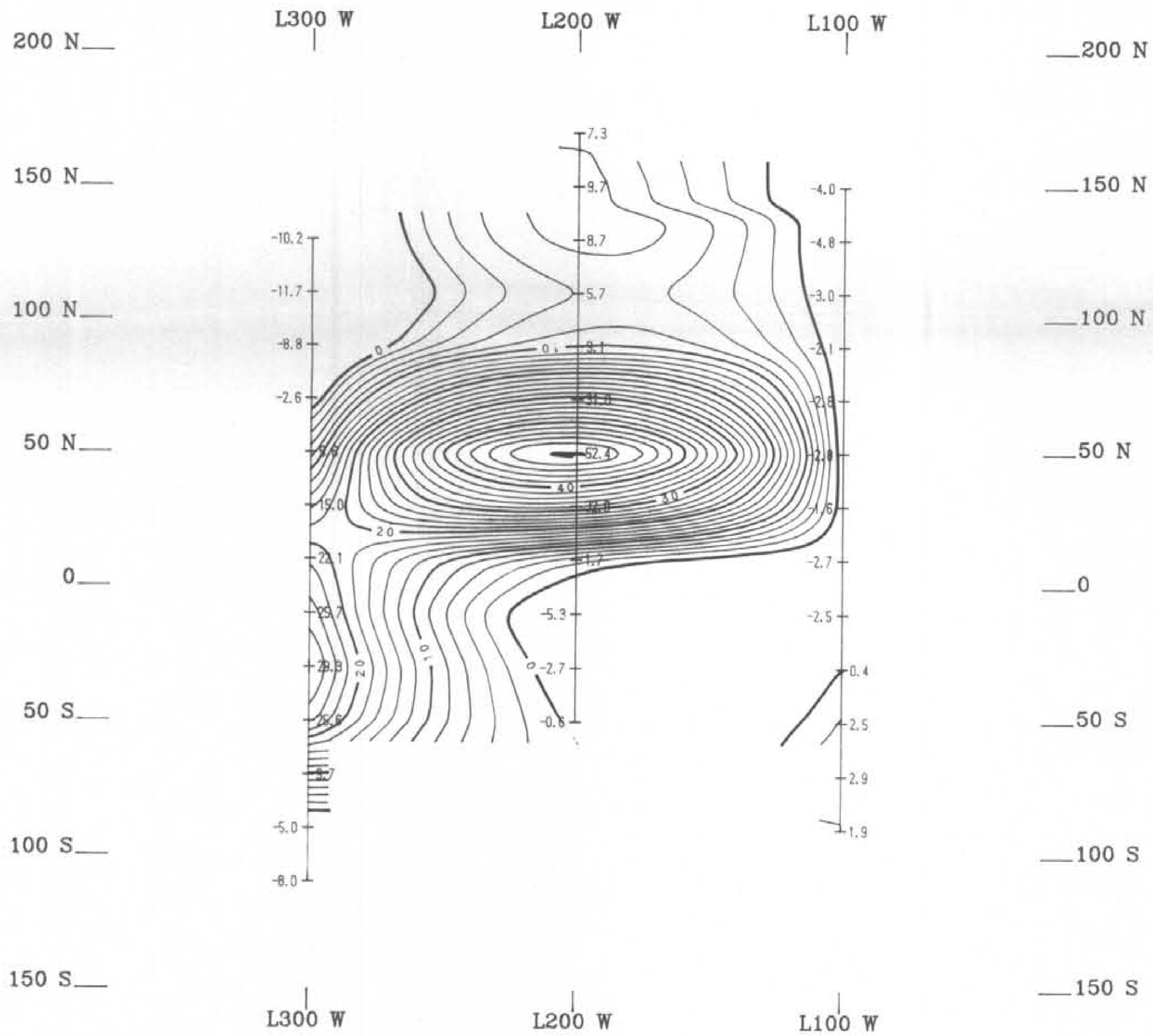
C ZONE GRID

Skeena Mining Division

VLF-EM PROFILES

Map Scale 1 : 600 Drawing : 90310-3

LLOYD GEOPHYSICS INC.



LEGEND

CONTOUR INTERVALS

2.0

10.0

50.0

READING DIRECTION : SOUTH TO NORTH

TRANSMITTER LOCATION

ANNAPOLIS, MARYLAND (NSS 21.4 kHz)

INSTRUMENT

EDA OMNI PLUS

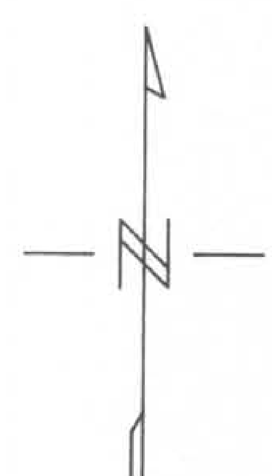
3 Orthogonal Rx. Coils, Tilt Compensated

To Accompany a Report by

JOHN LLOYD M.Sc., P. Eng.

September 1990

SCALE 1 : 600
1 in. = 50 ft



ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY

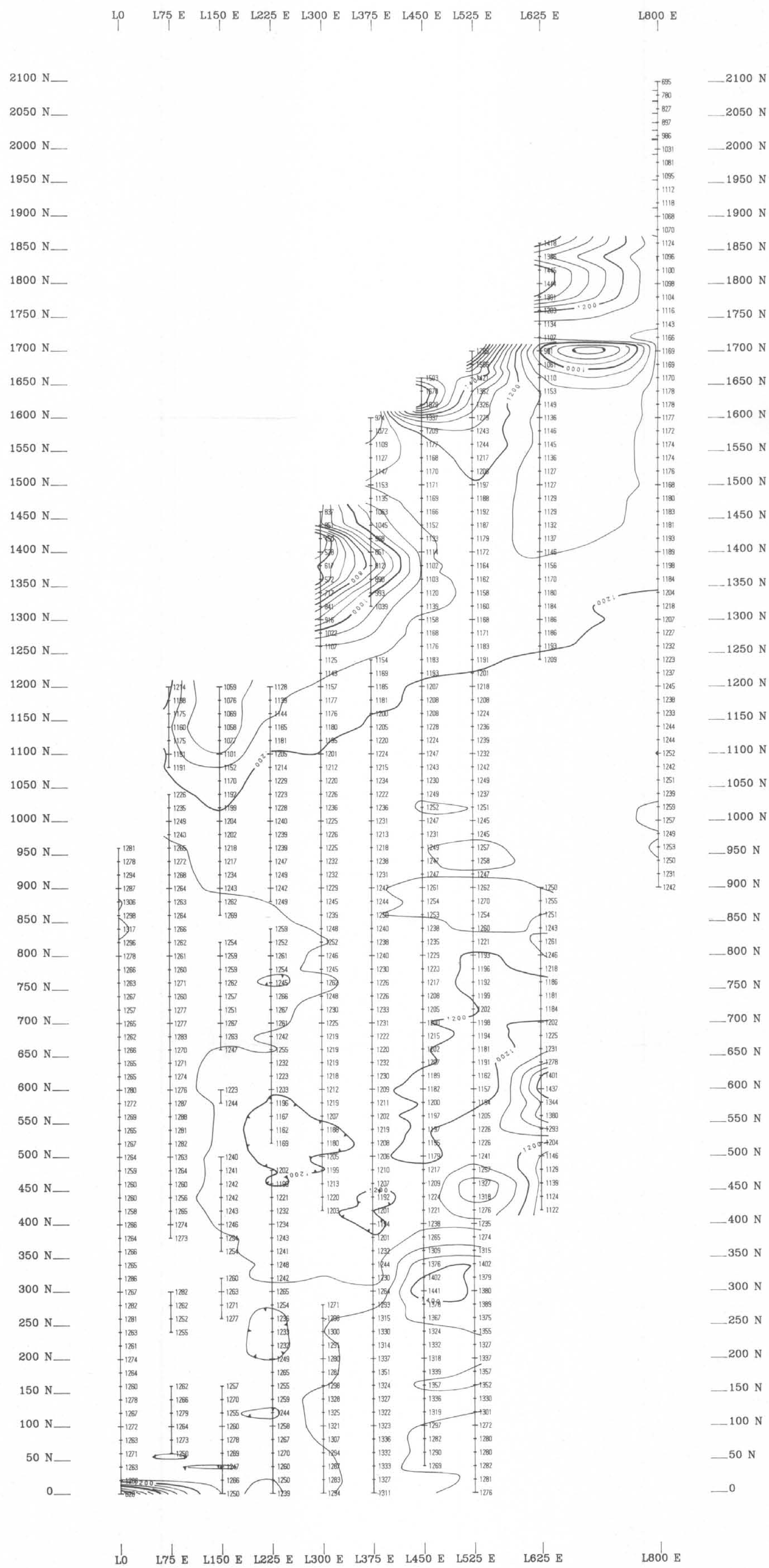
C ZONE GRID

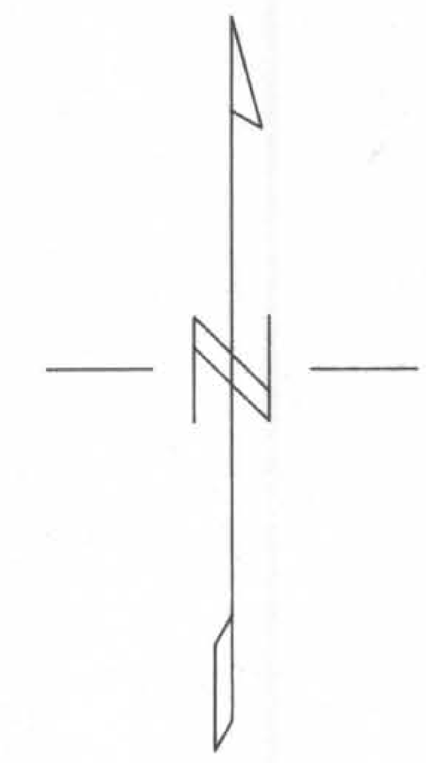
Skeena Mining Division

VLF–EM FRASER FILTER CONTOURS

Map Scale 1 : 600 Drawing : 90310-4

LLOYD GEOPHYSICS INC.





LEGEND

CONTOUR INTERVALS

50 nT

200 nT

1000 nT

BASE LEVEL OF 56000 nT REMOVED FROM ALL READINGS

INSTRUMENT

EDA OMNI PLUS

EDA OMNI IV BASESTATION

To Accompany a Report by
JOHN LLOYD M.Sc., P. Eng.
September 1990

SCALE 1 : 1200 1000
1 in. = 100 ft

100 0 (FEET) 100 200 300

ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY
SCOTTIE POINT GRID
Skeena Mining Division

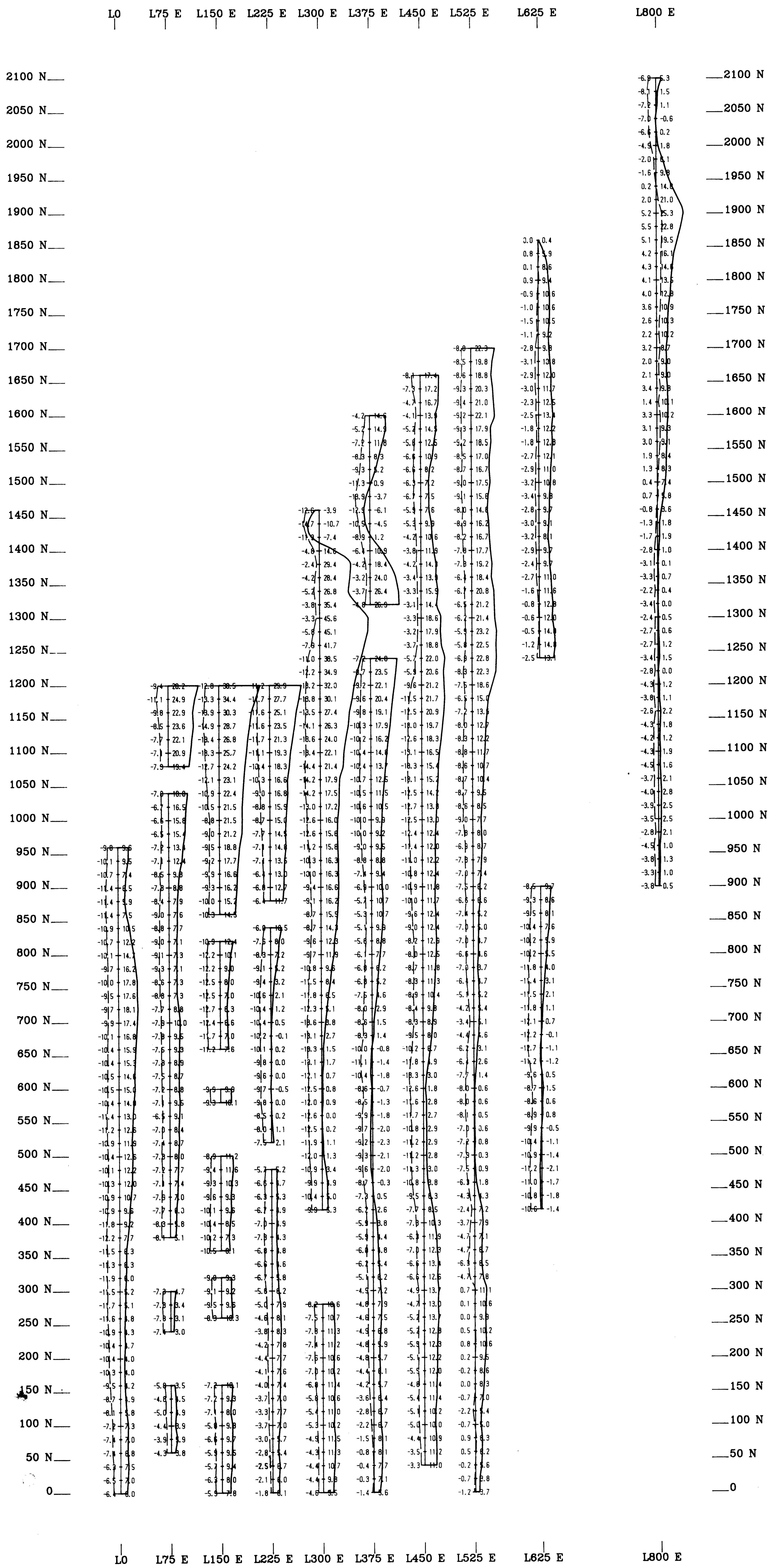
TOTAL FIELD MAGNETIC CONTOURS

Map Scale 1 : 1200 Drawing : 90310-5

LLOYD GEOPHYSICS INC.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,987



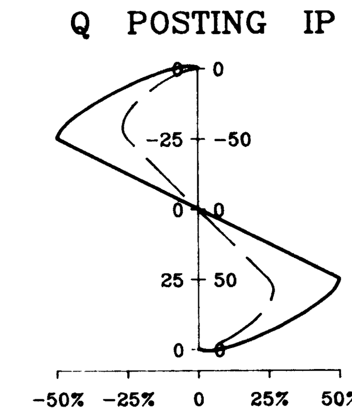
LEGEND

COMPONENTS

INPHASE

QUADRATURE

Q POSTING IP



1 cm. = 25 %

TRANSMITTER STATION

NSS ANNOPOLIS, MARYLAND 21.4 kHz

INSTRUMENT

EDA OMNI PLUS

3 ORTHOGONAL Rx. COILS, TILT COMPENSATED

To Accompany a Report by

JOHN LLOYD M.Sc., P. Eng.

September 1990

SCALE 1 : 1200

1 in. = 100 ft

100 0 (FEET) 100 200 300

ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY

SCOTTIE POINT GRID

Skeena Mining Division

VLF-EM PROFILES

Map Scale 1 : 1200 Drawing : 90310-6

LLOYD GEOPHYSICS INC.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

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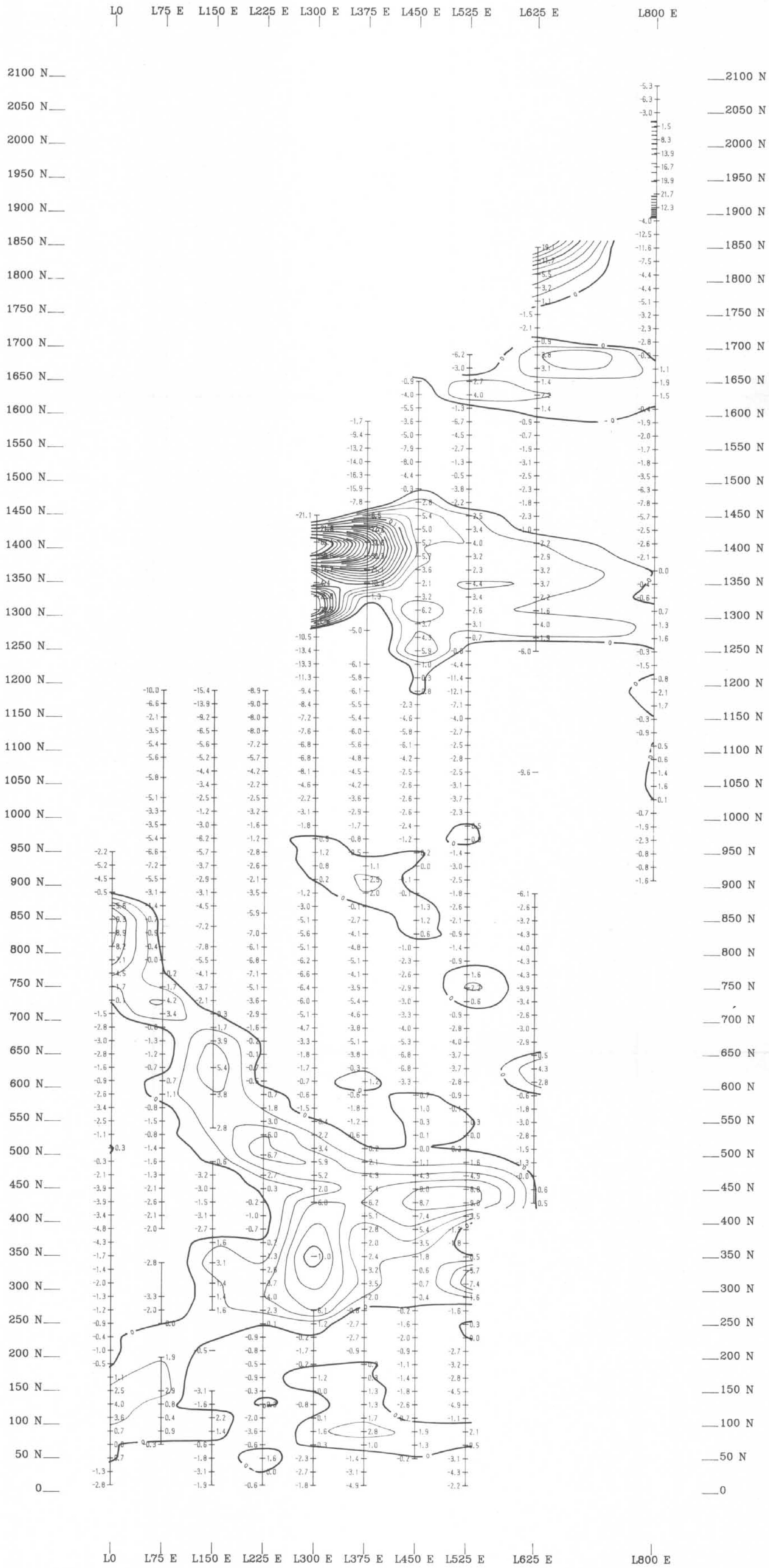

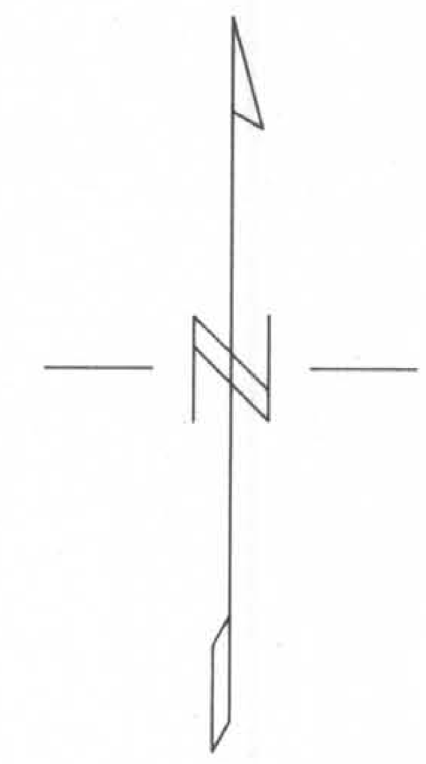

LEGEND

CONTOUR INTERVALS

(thin line)	2.0
(medium line)	10.0
(thick line)	50.0

READING DIRECTION : SOUTH TO NORTH

TRANSMITTER LOCATION

ANNAPOLIS, MARYLAND (NSS 21.4 kHz)

INSTRUMENT

EDA OMNI PLUS

3 Orthogonal Rx. Coils, Tilt Compensated

To Accompany a Report by
JOHN LLOYD M.Sc., P. Eng.
September 1990

SCALE 1 : 1200
1 in. = 100 ft
100 0 (FEET) 100 200 300

ROYAL SCOT RESOURCES LTD.

SUMMIT LAKE PROPERTY
SCOTTIE POINT GRID
Skeena Mining Division

VLF-EM FRASER FILTER CONTOURS

Map Scale 1 : 1200 Drawing : 90310-7

LLOYD GEOPHYSICS INC.

GEOLOGICAL BRANCH
ASSESSMENT REPORT

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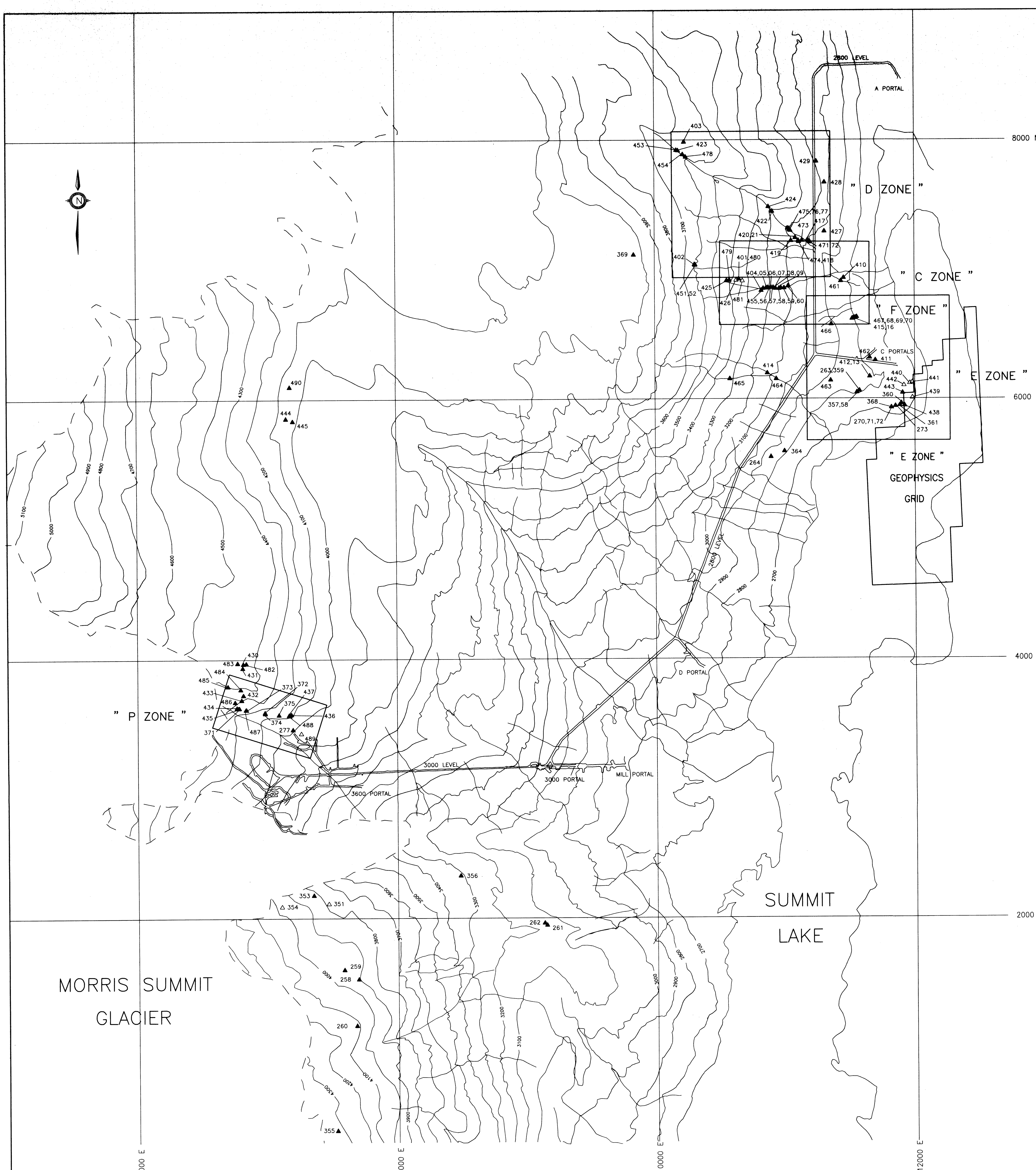


ASSAY DATA

SAMPLE #	Au oz/t	Ag oz/t
84258	0.007	0.04
84259	0.156	0.06
84260	0.024	6.20
84261	0.001	0.02
84262	0.001	0.01
84263	0.008	1.10
84264	0.007	1.21
84270	0.017	0.39
84271	0.002	0.39
84272	0.015	0.39
84273	0.039	2.19
84277	0.030	1.77
84351	0.041	0.18
84353	0.003	0.14
84354	0.011	0.67
84355	0.002	0.03
84356	0.001	0.03
84357	0.012	2.29
84358	0.013	11.64
84359	0.015	0.98
84360	0.001	0.39
84361	0.106	0.51
84364	0.006	0.65
84368	0.035	0.58
84369	0.018	1.97
84371	0.004	0.36
84372	0.023	0.06
84373	0.010	2.26
84374	0.006	0.10
84375	0.053	0.12
84401	0.004	0.44
84402	0.002	0.01
84403	0.001	0.02
84404	0.003	0.06
84405	0.057	0.21
84406	0.003	0.04
84407	0.022	0.24
84408	0.616	0.17
84409	0.974	0.28
84410	0.040	43.51
84411	0.008	0.99
84412	0.007	0.39
84413	0.013	0.72
84414	0.001	0.02
84415	0.011	1.99
84416	0.003	1.54
84417	0.001	0.11
84418	0.006	0.47
84419	0.198	0.27
84420	0.102	6.64
84421	0.122	0.49
84422	0.002	0.72
84423	0.003	0.01
84424	0.001	0.05
84425	0.001	0.04
84426	0.001	0.21
84427	0.034	5.03
84428	0.010	0.16
84429	0.004	0.15
84430	0.003	0.33
84431	0.002	1.58
84432	0.003	3.36
84433	0.006	2.87
84434	0.006	1.03
84435	0.034	3.55
84436	0.031	1.09
84437	0.002	0.51
84438	0.034	0.49
84439	0.017	0.31
84440	0.166	5.59
84441	0.004	0.27
84442	0.006	0.49
84443	0.075	7.08
84444	0.051	0.13
84445	0.001	0.05
84451	0.006	0.02
84452	0.001	0.01
84453	0.001	0.01
84454	0.002	0.08
84455	0.598	0.79
84456	3.715	2.84
84457	0.492	0.21
84458	0.182	0.06
84459	0.014	0.01
84460	0.306	0.17
84461	0.003	0.54
84462	0.004	7.65
84463	0.006	0.47
84464	0.010	0.18
84465	0.002	0.01
84466	0.001	0.29
84467	0.002	1.30
84468	0.004	4.60
84469	0.017	11.49
84470	0.001	3.07
84471	0.172	0.40
84472	0.059	1.42
84473	0.001	0.01
84474	0.372	3.55
84475	0.237	2.85
84476	1.572	1.60
84477	0.615	5.05
84478	0.002	0.01
84479	0.003	0.02
84480	0.003	0.22
84481	0.003	0.02
84482	0.005	0.75
84483	0.003	0.70
84484	0.003	1.60
84485	0.006	1.73
84486	0.003	3.32
84487	0.012	1.76
84488	0.006	0.43
84489	0.031	1.06
84490	0.011	0.48

LEGEND

▲ FLOAT SAMPLE
△ CHIP SAMPLE

GEOLOGICAL BRANCH
ASSESSMENT REPORT

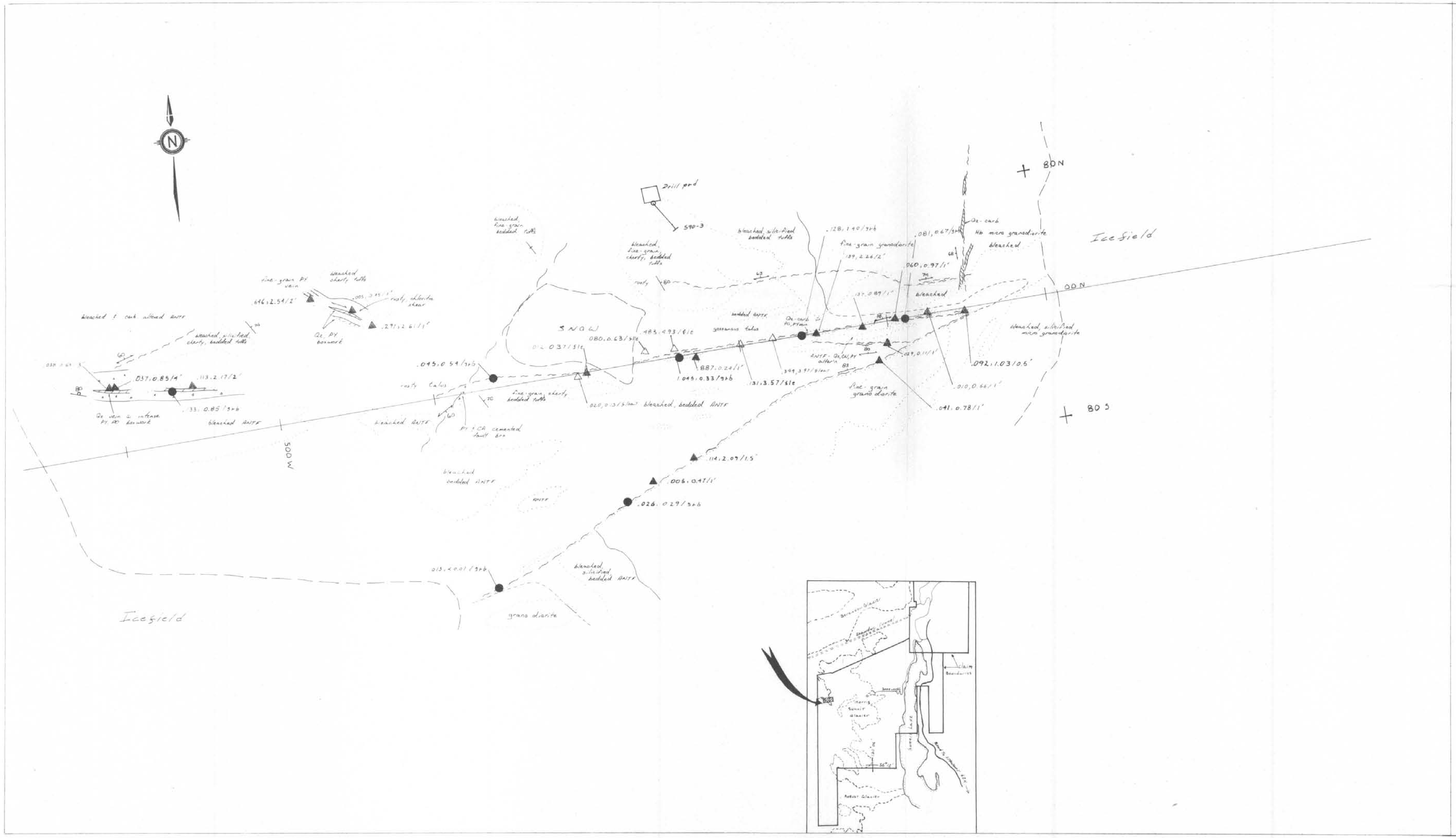
20,987

0 500 1000
feet

ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY

1990 SAMPLE LOCATIONS
(MAPPING LEGEND)

DRAWN BY: P.V., T.K.	SCALE: 1":300'
DATE: DEC/90	NTS: 104B/1
FIGURE NO: 6	SKEENA MIN. DIV.



LEGEND

- OUTCROP
- SNOW, ICEFIELD
- FAULT OR SHEAR
- GEOLOGIC CONTACT (GRANODIORITE / TUFFS)
- BEDDING (70)
- QUARTZ CARBONATE VEIN
- FOLIATION (72)
- 1990 CHIP SAMPLE (Au oz/t, Ag oz/t/width)
- 1990 FLOAT SAMPLE (Au oz/t, Ag oz/t)
- 1989 SAMPLE (Au oz/t, Ag oz/t)
- DRILL HOLE

0 40 80 120
feet

ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY
SULPHIDE ZONE
SURFACE GEOLOGY

DRAWN BY: M.G.,P.V.	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 7	SKEENA MIN. DIV.

0 40 80 120
feet

LEGEND

- OUTCROP
- FAULT OR SHEAR
- QUARTZ CARBONATE VEIN
- FOLIATION
- DRILL HOLE
- TRENCH
- JOINTING
- CREEK
- 1946 SAMPLE (Au oz/t/width)
- 1990 SAMPLE (Au oz/t, Ag oz/t/width)
- 1983 SAMPLE (Au oz/t, Ag oz/t/width)
- 1990 UNDERGROUND SAMPLE (Au oz/t, Ag oz/t/width)

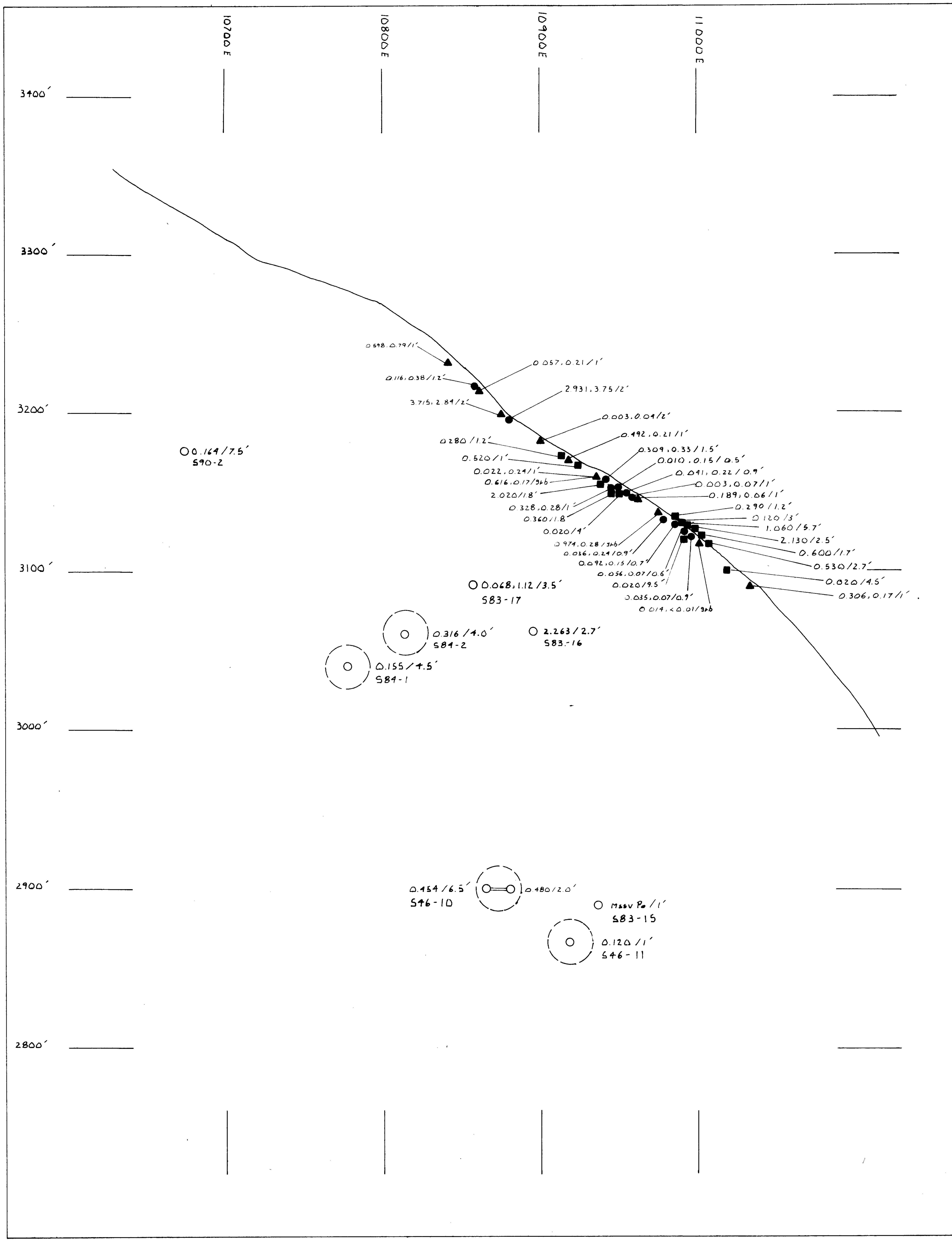
HAZELTON GROUP *

- 3b ANDESITIC TUFFS AND FLOWS REGIONAL QUARTZ-PYRITE-PYRRHOTITE ALTERATION
- 2b VOLCANIC CONGLOMERATE

* ADOPTED FROM WARES-GEWARGIS, 1982

ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY
C AND F ZONES
SURFACE GEOLOGY AND SAMPLING COMPILATION

DRAWN BY: M.G.,P.V.	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 8	SKEENA MIN. DIV.



LEGEND

▲ 1990 SAMPLE (Au oz/t, Ag oz/t/width)

● 1983 SAMPLE (Au oz/t, Ag oz/t/width)

■ 1946 SAMPLE (Au oz/t/width)

○ DRILL HOLE INTERCEPT (Au oz/t/width) Drill Hole ID

◎ DRILL HOLE INTERCEPT—ESTIMATED LOCATION (Au oz/t/width) Drill Hole ID

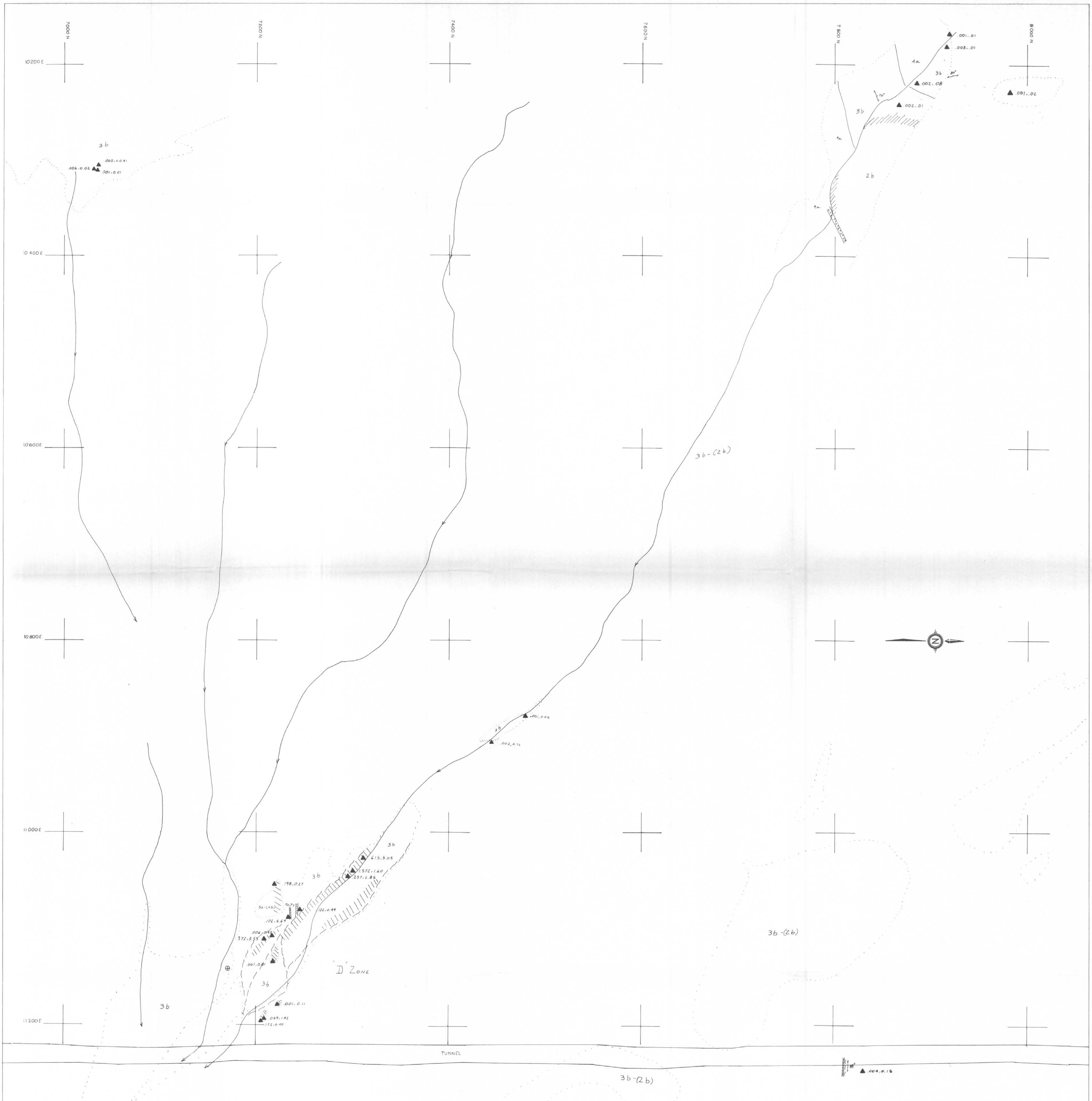
GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,987

0 40 80 120
feet

ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY
C ZONE
LONG SECTION & SAMPLING COMPILATION
(LOOKING NORTH)

DRAWN BY: P.VARAS	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 9	SKEENA MIN. DIV.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,987

0 40 80 120
feet

LEGEND

OUTCROP		CREEK	
FAULT OR SHEAR		ROCK SAMPLE (Au oz/t, Ag oz/t)	
QUARTZ CARBONATE VEIN		HAZELTON GROUP *	
FOLIATION	3b	ANDESITIC TUFFS AND FLOWS REGIONAL QUARTZ-PYRITE-PYRRHOTITE ALTERATION	
GOSSANOUS ALTERATION			
DYKE	2b	VOLCANIC CONGLOMERATE	
JOINTING		* ADOPTED FROM WARES-GEWARGIS, 1982	

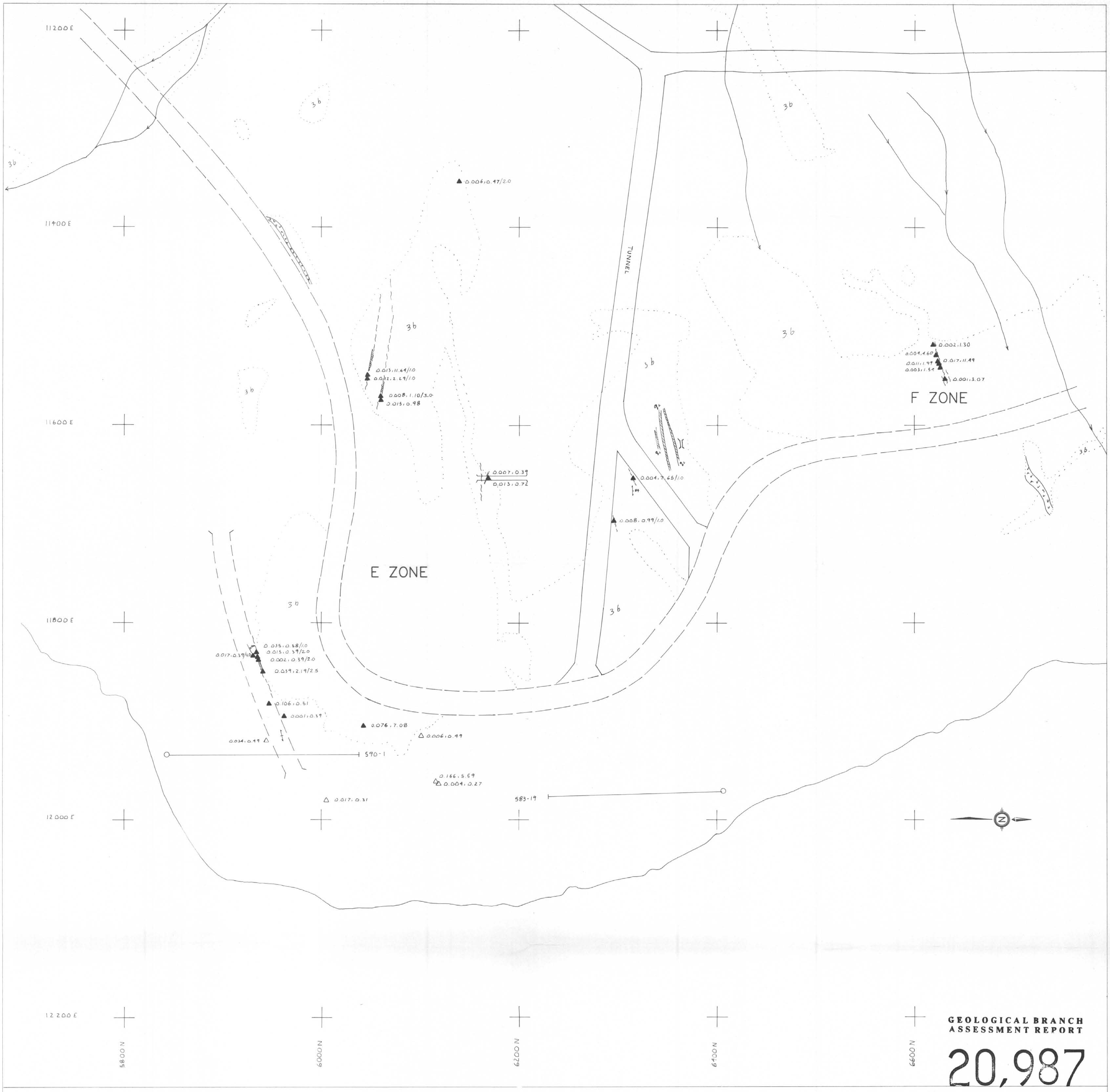
ROYAL SCOT RESOURCES

SUMMIT LAKE PROPERTY

D ZONE

SURFACE GEOLOGY AND 1990 SAMPLING

DRAWN BY: M.G.,P.V.	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 10	SKEENA MIN. DIV.



0 40 80 120
feet

LEGEND

	OUTCROP		CREEK
	FAULT OR SHEAR	▲	CHIP SAMPLE (Au oz/t, Ag oz/t/width)
	QUARTZ CARBONATE VEIN	△	FLOAT SAMPLE (Au oz/t, Ag oz/t)
72	FOLIATION		HAZELTON GROUP *
	ROAD	3b	ANDESITIC TUFFS AND FLOWS REGIONAL QUARTZ-PYRITE-PYRRHOTITE ALTERATION
	DYKE		
	DRILL HOLE		* ADOPTED FROM WARES-GEWARGIS, 1982

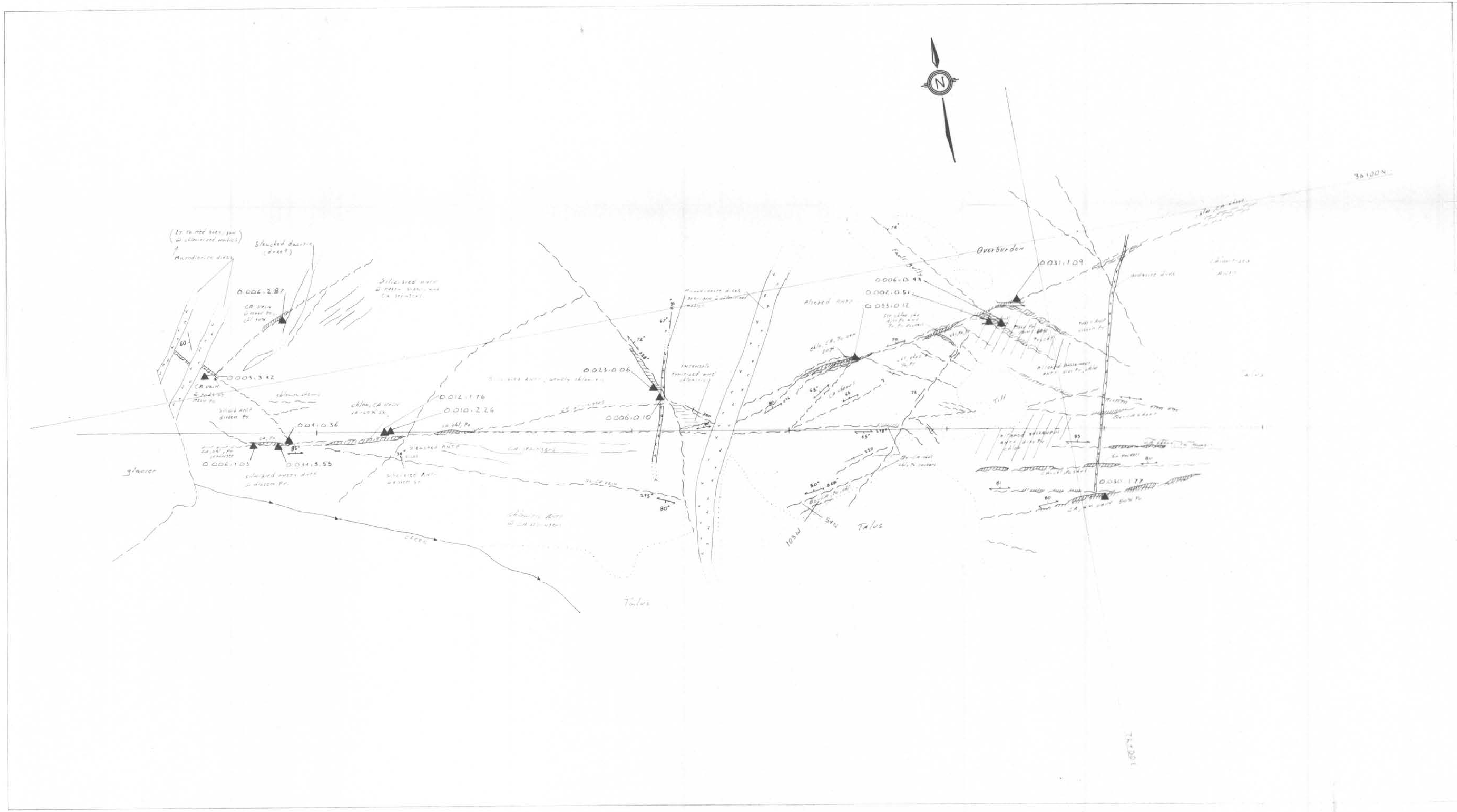
ROYAL SCOT RESOURCES

SUMMIT LAKE PROPERTY

E AND F ZONES

SURFACE GEOLOGY AND 1990 SAMPLING

DRAWN BY: M.G.,P.V.	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 11	SKEENA MIN. DIV.



<u>LEGEND</u>

- OUTCROP
- FAULT OR SHEAR
- QUARTZ CARBONATE VEIN
- FOLIATION
- GOSSANOUS ALTERATION
- DYKE
- TRENCH
- ROCK SAMPLE (Au oz/t, Ag oz/t)

GEOLOGICAL BRANCH ASSESSMENT REPORT

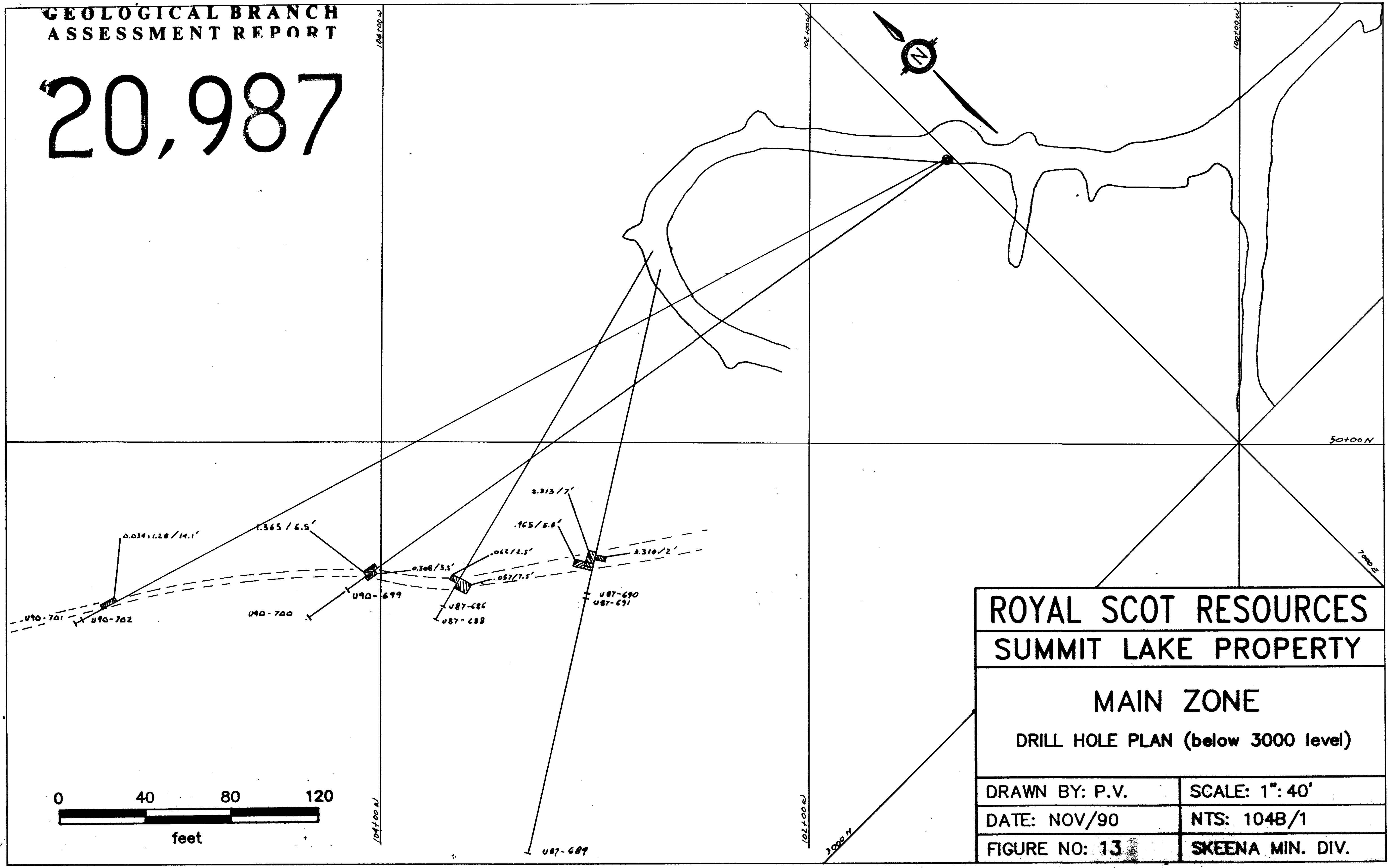
20,987

0 40 80 120
feet

ROYAL SCOT RESOURCES
SUMMIT LAKE PROPERTY

P ZONE
SURFACE GEOLOGY AND 1990 SAMPLING

DRAWN BY: M.G.,P.V.	SCALE: 1":40'
DATE: AUG/90	NTS: 104B/1
FIGURE NO: 12	SKEENA MIN. DIV.



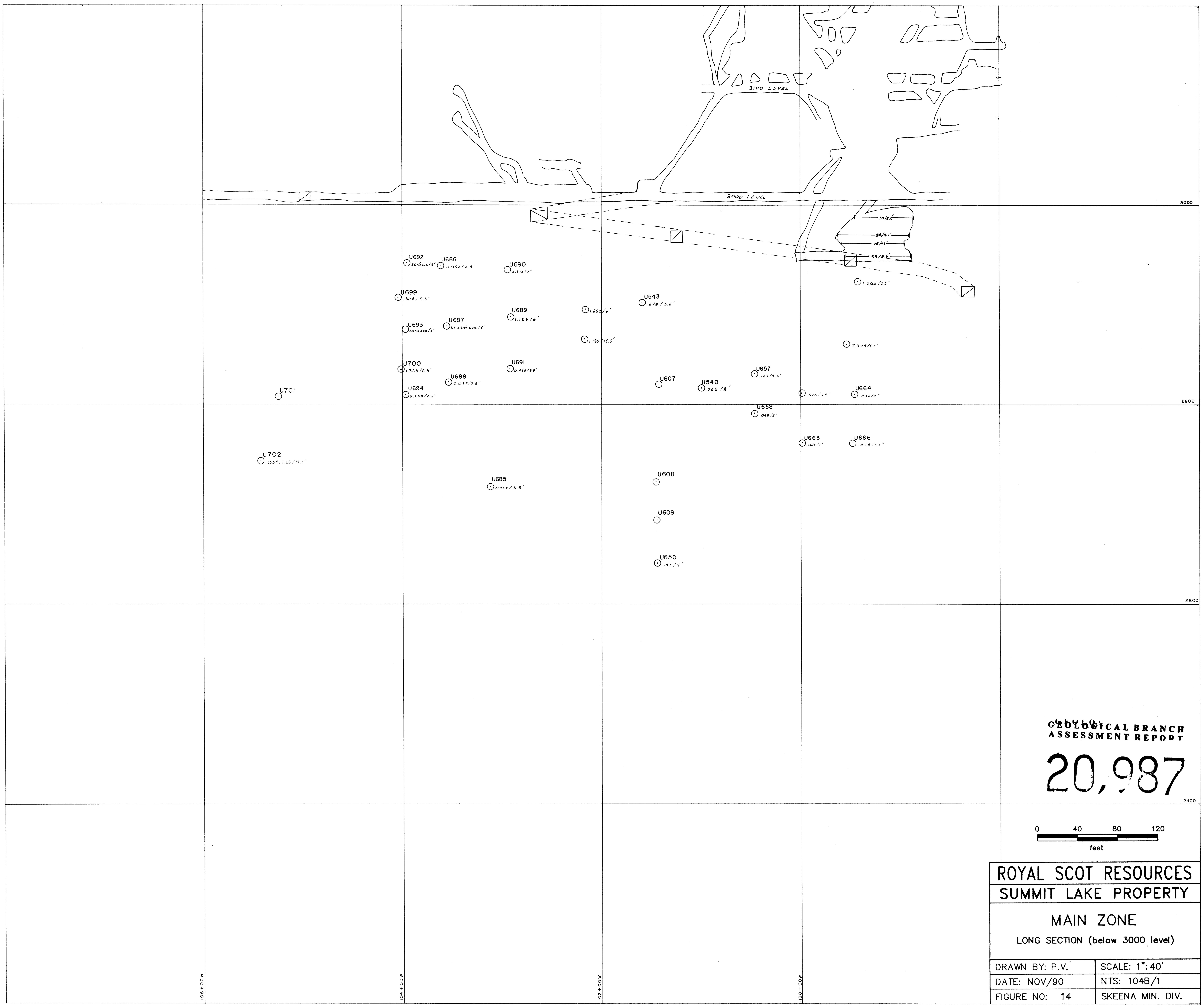
ROYAL SCOT RESOURCES

SUMMIT LAKE PROPERTY

MAIN ZONE

DRILL HOLE PLAN (below 3000 level)

DRAWN BY: P.V.	SCALE: 1": 40'
DATE: NOV/90	NTS: 104B/1
FIGURE NO: 13	SKEENA MIN. DIV.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

20,987

ROYAL SCOT RESOURCES

SUMMIT LAKE PROPERTY

MAIN ZONE

LONG SECTION (below 3000 level)

DRAWN BY: P.V.	SCALE: 1":40'
DATE: NOV/90	NTS: 104B/1
FIGURE NO: 14	SKEENA MIN. DIV.