



SEARCHLIGHT CONSULTANTS INC.

**REPORT ON THE 1990 PROGRAMME OF
PROSPECTING AND HEAVY MINERAL SEDIMENT GEOCHEMISTRY
CARRIED OUT ON THE
MOUNT DUNN AREA PROPERTIES**

(Loki 4-7, Dunn 1-4, Bun 2 & Odin 10 Claims)

SKEENA MINING DIVISION

BRITISH COLUMBIA

Latitudes: 56° 25' to 56° 30' N
Longitudes: 130° 38' to 130° 44' W

N.T.S. 104 B/7

LOG NO: <i>March 19/91</i>	RD.
ACTION:	
FILE NO:	

**Owners: Ruth Ditto, Winslow Gold Corp.
Kelly Gourley & Dino Cremonese**

**Operators: Daiwan Engineering Ltd.
1030-609 Granville Street
Vancouver, British Columbia
V7Y 1G5**

**Ross Resources Inc.
Suite 1290, Sun Life Plaza III
112-4 Avenue S.W.
Calgary, Alberta
T2P 0H3**

**PBX Resources Ltd.
410-750 West Pender Street
Vancouver, British Columbia
V6C 2T7**

Author: David M. Nelles, B.Sc., FGAC

Date: November 20, 1990

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

21,111

LOG NO:	AUG 30 1991	RD.
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FILE NO:		

TABLE OF CONTENTS

INTRODUCTION..... 1

Location and Access 1

Physiography, Vegetation and Climate..... 2

Claim Information 2

History..... 3

Summary of Work 4

GEOCHEMISTRY 5

PROSPECTING..... 6

RESULTS AND INTERPRETATIONS..... 7

CONCLUSIONS 8

COST STATEMENT..... 9

CERTIFICATE OF QUALIFICATIONS..... 10

BIBLIOGRAPHY..... 11

List of Figures

Figure 1 Location Map..... Following 1

Figure 2 Claim Map..... Following 2

Figure 3 Geochemical Sample Locations and Results..... Following 7

Appendices

Appendix A..... Assay Certificates

Appendix B..... Rock Descriptions

INTRODUCTION

The Loki 4-7, Dunn 1-4, Bun 2 and Odin 10 claims (collectively known as the Mt. Dunn area properties) are situated approximately 22 kilometres southwest of the rich Eskay Creek deposit and were all staked between December, 1988 and February, 1989.

At the request of the various operators, the writer supervised a programme of prospecting and heavy mineral sediment geochemistry on the properties between October 10th and 16th, 1990. The results of this programme form the basis of this report.

Location and Access

The Mt. Dunn area properties are situated in the Skeena Mining Division, approximately 285 kilometers northwest of Smithers and 7 kilometres northeast of the British Columbia-Alaska border (figure 1). The properties are located on N.T.S. map 104 B/7, between latitudes 56° 25' and 56° 30' north and longitudes 130° 38' and 130° 44' west.

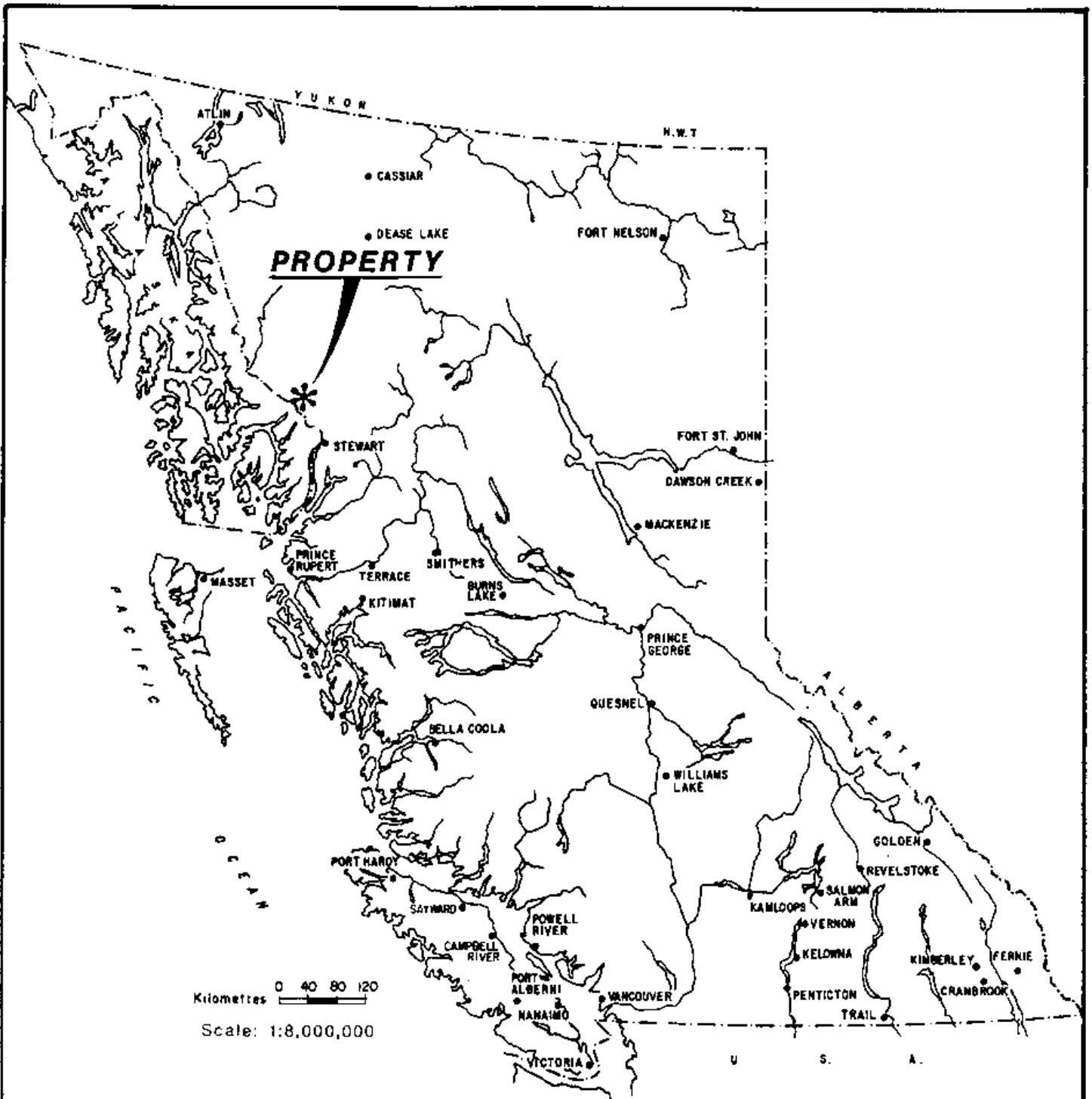
The claims can be accessed from the northeast by helicopter from Bell II on highway 37, approximately 275 kilometres by road from Smithers or from the Bronson Creek airstrip, 35 kilometres northwest of Mt. Dunn. A return trip using the latter route takes approximately 30 minutes under ideal flying conditions. Road access to within 22 kilometres of the properties should be established by the end of 1991.

Physiography, Vegetation and Climate

The property is situated within the Boundary Ranges of the Coast Mountains, northwest of the Unuk River. The immediate area is typified by broad, drift-filled, U-shaped valleys separating steep, deeply incised mountains. Numerous glaciers were observed on the north flanks of Mt. Dunn. Elevations vary from approximately 150 metres (500 feet) on the Unuk River to over 2,165 meters (7,100 feet) along the western boundary of the Dunn 4 claim.

Although a large portion of the claimed area is above tree-line, slopes below approximately 1,000 metres support mature stands of both deciduous and coniferous growth. Spruce, the dominant conifer, were observed on lower valley slopes, while poorly drained areas support dense stands of slide alder, willow and devil's club. The higher portions of the properties support only moss and lichen, affording good outcrop exposure.

Precipitation in the district is heavy, averaging approximately 2,000 millimetres per annum. While snow can fall in any month of the year, the ice-free portions of the properties are generally exposed from July until September.



Kilometres 0 40 80 120
 Scale: 1:8,000,000

David M. Hill
 DAIWAN ENGINEERING LTD.
 ROSS RESOURCES INC.
 PBX RESOURCES LTD.

DAIWAN ENGINEERING LTD. ROSS RESOURCES INC. PBX RESOURCES LTD.		
MT. DUNN AREA PROPERTIES SKEENA MINING DIVISION, B. C.		
LOCATION MAP		
SEARCHLIGHT CONSULTANTS INC.		
SCALE: 1:8,000,000	DATE: NOV, 1990	FIGURE No. 1

Claim Information

The Mt. Dunn area properties comprise ten modified grid mineral claims totalling 164 units, all located in the Skeena Mining Division (figure 2). The following tables detail information pertinent to the individual claims:

LOKI CLAIMS

Owners: Ruth Ditto (75%), Winslow Gold Corp. (25%)

Operators: Daiwan Engineering Ltd. (50%), Ross Resources Inc. (50%)

CLAIM NAME	RECORD NUMBER	UNITS	EXPIRY DATE*
Loki 4	7143	18	January 27, 1992
Loki 5	7144	18	January 27, 1992
Loki 6	7145	20	January 27, 1992
Loki 7	7146	15	January 27, 1992

DUNN CLAIMS

Owner: Kelly Gourley

Operator: PBX Resources Ltd.

CLAIM NAME	RECORD NUMBER	UNITS	EXPIRY DATE*
Dunn 1	7060	6	December 21, 1991
Dunn 2	7061	15	December 21, 1991
Dunn 3	7062	20	December 21, 1991
Dunn 4	7063	20	December 21, 1991

ODIN 10 CLAIM

Owner: Ruth Ditto

Operator: Daiwan Engineering Ltd.

CLAIM NAME	RECORD NUMBER	UNITS	EXPIRY DATE*
Odin 10	7139	20	January 23, 1992

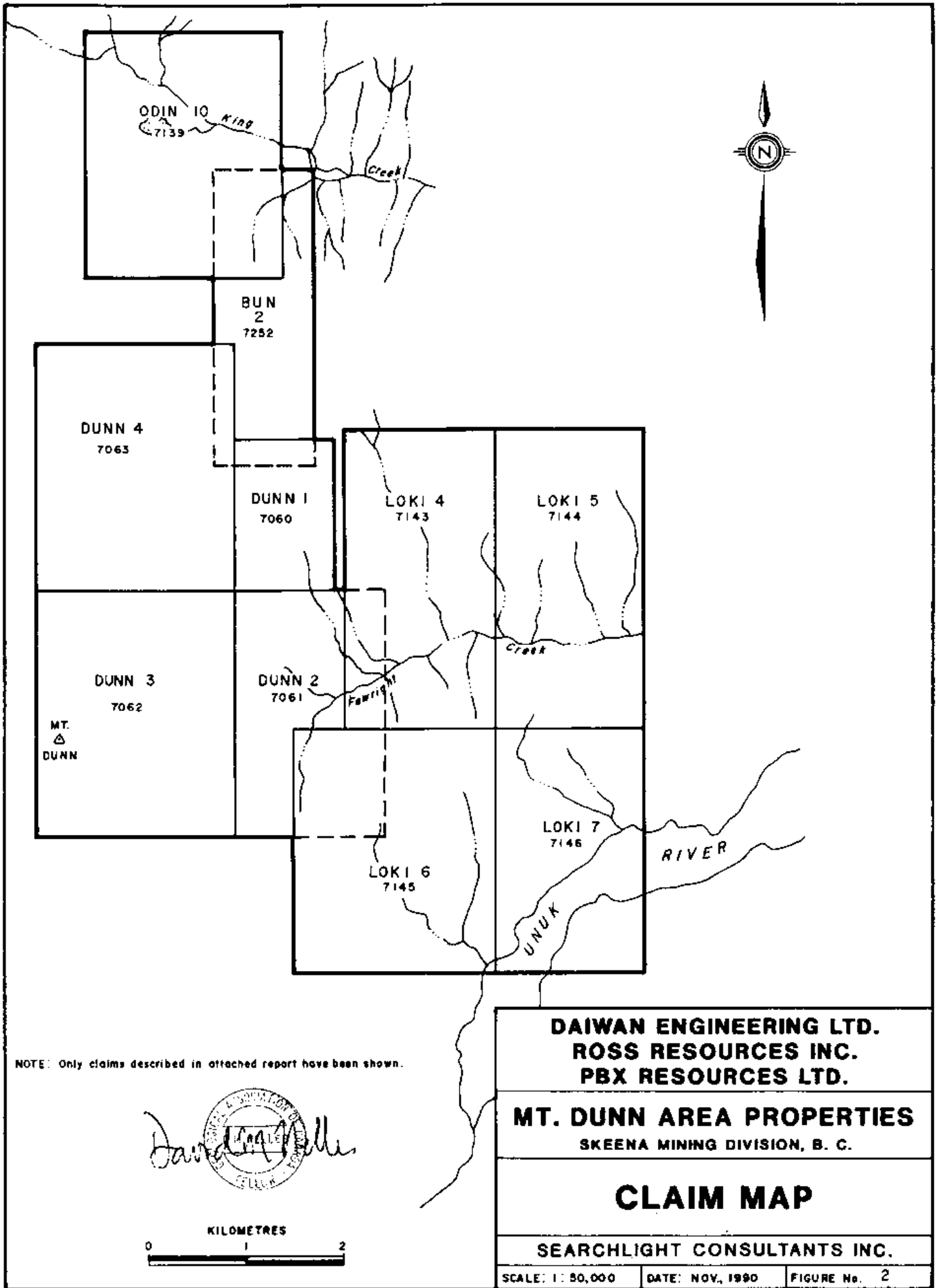
BUN 2 CLAIM

Owner: Dino Cremonese

Operator: Ross Resources Inc.

CLAIM NAME	RECORD NUMBER	UNITS	EXPIRY DATE*
Bun 2	7252	12	February 10, 1992

* when the work detailed in this report is accepted as assessment.



NOTE: Only claims described in attached report have been shown.

David G. Kelly
 REGISTRAR
 MINING & COUNCIL OF B.C.
 VICTORIA, B.C.



DAIWAN ENGINEERING LTD. ROSS RESOURCES INC. PBX RESOURCES LTD.		
MT. DUNN AREA PROPERTIES SKEENA MINING DIVISION, B. C.		
CLAIM MAP		
SEARCHLIGHT CONSULTANTS INC.		
SCALE: 1 : 50,000	DATE: NOV., 1990	FIGURE No. 2

History

As Arnold (1989) prepared an comprehensive summary of exploration in the Iskut-Unuk River area, the reader is asked to reference this work for a detailed description of both past and recent activity in the area.

Interest in ground now encompassed by the Mt. Dunn area properties is reported to have begun in the 1960's when Skyline Resources conducted a programme of soil geochemistry and blast trenching on claims located between King and Fewright Creeks. Reports describing this work, however, have yet to be located.

The first documented exploration in the area is believed to have been carried out by Great Plains Development Company of Canada, Ltd. in 1971. Results from this programme of reconnaissance geochemistry led to the staking of the VV 1-6 claims on the ridge separating King and Fewright Creeks. Work carried out in 1975, including geological mapping, soil and litho-geochemistry, was successful in delineating a north-south trending, linear monzonitic intrusion hosting porphyry copper \pm gold mineralization.

The following year, detailed mapping, fill-in geochemistry and magnetic and induced polarization-resistivity geophysics were undertaken in an effort to define the extent of this mineralization. Rock samples grading as high as 0.252 ounces per ton gold, 0.57 ounces per ton silver, 1.2% copper and 0.19% molybdenum were reported, prompting the staking of additional claims, both to the north and south.

In 1981, Dupont of Canada Exploration Limited staked claims north of King Creek to encompass drainages from which anomalous heavy mineral samples were obtained the previous year. Subsequent work, funded by Placer Development and Skyline Resources, was successful in outlining fault related quartz-pyrite veins associated with the previously located porphyry system.

Additional exploration in the area was undertaken in 1987 by Crest Resources Ltd., who carried out silt, soil and litho-geochemical surveys in the vicinity of the original VV 1-6 claims. Samples anomalous in copper, gold and silver were obtained as a result of this work.

In 1989, Hi-Tec Resource Management Ltd. assessed numerous properties in the Mt. Dunn area, including the Loki 4-7 and Odin 10 claims. This work consisted of heavy mineral sediment and litho-geochemistry. No significantly anomalies were obtained from samples taken on ground now encompassed by the Mt. Dunn area properties. Prospecting and geological assessment of the Dunn 1-4 claims is also reported to have taken place in 1989.

Summary of Work

Work completed as part of the 1990 assessment programme on the Mt. Dunn area properties was undertaken between October 10th and 16th and included prospecting and lithogeochemical sampling on the Odin 10 and Loki 5 claims and heavy mineral sediment sampling on the creeks draining the Odin 10, Dunn 2 and the Loki 4 and 5 claims. The effectiveness of this work was limited somewhat by the accumulation of snow on the portions of the properties above 600 metres.

In total, 5 rock and 12 heavy mineral sediment samples were collected over three field days. Bad weather prevented access to the property by helicopter on two additional days.

GEOCHEMISTRY

As part of the geochemical survey, 12 heavy mineral sediment samples were extracted from tributaries to King and Fewright Creeks (figure 3). A Keene, 50 millimetre suction dredge with a one metre sluice box was utilized to take these samples, which consisted of approximately five kilograms of concentrate derived from between 0.25-0.75 cubic meters of alluvial material. The material sluiced consisted of sand, silt and gravel collected, where possible, from sediment traps behind natural obstructions in the creeks. The concentrates were bagged, labelled and shipped to Chemex Labs where they were dried and split into -20+80 and -80 mesh fractions, the former being saved for future analysis. Subsamples of the -80 mesh fraction of each sample were then analyzed for gold as follows:

Thirty gram subsamples were fused in litharge, carbonate and siliceous flux with the addition of 30 milligrams of gold-free silver metal. The fusion was then cupelled and the resulting silver bead parted with dilute nitric acid and treated with aqua regia. The remaining salts were then dissolved in HCl and analyzed for gold via atomic absorption spectrophotometer. The detection limit for this procedure is five parts per billion (ppb).

Five samples of float collected below mineralized outcrops and placed in polyethylene bags were also sent to Chemex Labs for analysis. Here the samples were dried and crushed to approximately -10 mesh. A 200-300 gram split of each was then pulverized to approximately -150 mesh. Subsamples were then analyzed for gold, as described above, and for antimony, arsenic, copper, lead, molybdenum, silver and zinc as follows:

For copper, lead, molybdenum, silver and zinc, one gram subsamples were digested for approximately two hours using a nitric-aqua regia combination, cooled and made up to 25 millilitres with distilled water. The solutions were then mixed, the resulting solids allowed to settle and finally analyzed using atomic absorption techniques. The detection limit using this procedure is one part per million (ppm) for all elements except silver, for which the limit is 0.2 ppm.

For antimony, two gram subsamples were digested in concentrated HCl and potassium chlorate and allowed to cool. After the addition of KI and the reduction of iron, the solutions were extracted with TOPO-MIBK and analyzed via standard atomic absorption techniques. The detection limit using this procedure is 0.2 ppm.

For arsenic, one gram subsamples were digested in a HNO₃-aqua regia solution for two hours, diluted to volume and mixed. Aliquots of the digests were then acidified, reduced with NaBH₄ and analyzed using flameless atomic absorption techniques. The detection limit using this procedure is one ppm.

Assay certificates and sample descriptions can be found in Appendices A and B, respectively.

PROSPECTING

In the course of heavy mineral sediment sampling, two mineral occurrences were investigated (figure 3). Both occurrences were gossanous and could easily be discerned from a distance.

The first occurrence was observed within the Odin 10 claim, at the southern end of a train of gossanous float boulders along the western margin of a large glacier flowing north into King Creek. This area is dominated by medium to coarse grained, intermediate intrusive rocks, both in float and in outcrop. In the immediate area of the occurrence, which is exposed on the steep slopes above the glacier, the intrusives are finer grained, siliceous and appear to have been affected by a north-south shear zone. Proximal to this zone, the intrusives host from five to 15% coarsely disseminated pyrite which, as a result of oxidation, has stained the surrounding rocks. Assays of three samples of some of the more pyritic float did not, however, reveal any significant results.

Several other gossans were also observed on the slopes north of King Creek, just east of the Odin 10 claim. These were, however, not investigated as part of this programme.

The second occurrence was located within the Loki 5 claim, in a steep gully on the north side of Fewright Creek. Unlike the Odin showing described above, the gossanous rocks in this area appear to be silicified volcanic tuffs(?) hosting up to 20% finely disseminated pyrite ± chalcopyrite. Widespread malachite staining and limonite, resulting from oxidation of the exposed sulphides, was also noted.

The alteration of the tuffs is believed to be the result of the emplacement of a monzonitic intrusion reported on the ridge to the north (see History). Previous mapping shows the southern end of this 'dyke' extending to within a few hundreds of metres of this occurrence. One, well mineralized float sample taken at the foot of a steep exposure returned 445 ppb gold and 1200 ppm copper. Another sample of similar material cemented by iron oxides also contained elevated levels of gold (165 ppb).

While traversing Fewright Creek, it was noted that the float boulders changed from being dominantly granitic to primarily sedimentary east of the major tributary assessed by sample F-90-07. This would suggest that the boundary between the Intermontane and Coastal Crystalline Tectonic Belts traverses this area.

RESULTS AND INTERPRETATIONS

Of the 12 heavy mineral sediment samples collected, five contain anomalous concentrations of gold ranging from 320 to 710 ppb gold. With the exception of sample F-90-02, which was taken in the headwater area of Fewright Creek, all of these samples were extracted on tributaries draining south from the ridge separating Fewright and King Creeks.

The best value came from sample F-90-10 (710 ppb gold), which was extracted on a steep south flowing tributary to Fewright Creek. As the catchment area encompassed by this creek is relatively small, the source of the gold in this sample should be easily found. Sample F-90-07 (435 ppb gold), however, was extracted on a major drainage and follow-up testing of its tributaries will be needed before a probable source area can be determined.

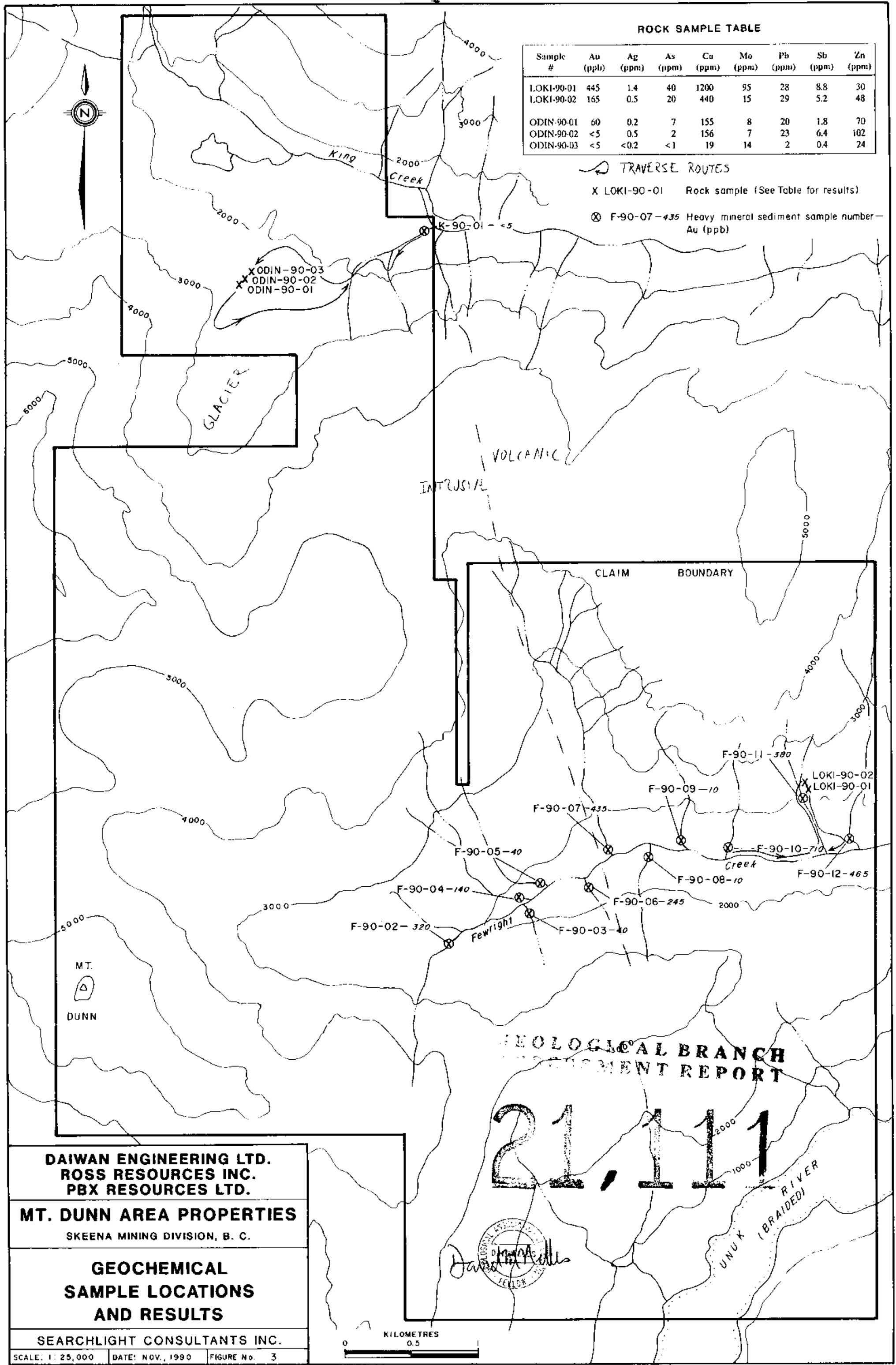
Both samples F-90-11 and 12 (380 and 465 ppb gold) were taken from creeks draining the gossanous area located within the Loki 5 claim (see Prospecting). The altered tuffs hosting this occurrence would, therefore be, the obvious source of the gold in these samples.

The drainage area assessed by sample F-90-02 (320 ppb gold) is too large to isolate a possible source area without follow-up heavy mineral sediment geochemistry.

ROCK SAMPLE TABLE

Sample #	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Sb (ppm)	Zn (ppm)
LOKI-90-01	445	1.4	40	1200	95	28	8.8	30
LOKI-90-02	165	0.5	20	440	15	29	5.2	48
ODIN-90-01	60	0.2	7	155	8	20	1.8	70
ODIN-90-02	<5	0.5	2	156	7	23	6.4	102
ODIN-90-03	<5	<0.2	<1	19	14	2	0.4	24

- ↪ TRAVERSE ROUTES
- X LOKI-90-01 Rock sample (See Table for results)
- ⊗ F-90-07-435 Heavy mineral sediment sample number - Au (ppb)



GEOLOGICAL BRANCH
 INVESTIGATION REPORT

21,111

David A. Wells
 GEOLOGICAL BRANCH
 INVESTIGATION REPORT

DAIWAN ENGINEERING LTD.
ROSS RESOURCES INC.
PBX RESOURCES LTD.

MT. DUNN AREA PROPERTIES
 SKEENA MINING DIVISION, B. C.

**GEOCHEMICAL
 SAMPLE LOCATIONS
 AND RESULTS**

SEARCHLIGHT CONSULTANTS INC.
 SCALE: 1: 25,000 | DATE: NOV., 1990 | FIGURE No. 3

0 0.5 KILOMETRES

CONCLUSIONS

Based on results obtained from exploration carried out on the Mount Dunn area properties in 1990, the following conclusions have been drawn:

1. The Mount Dunn area properties are situated along the boundary of the Intermontane and Coastal Crystalline Tectonic Belts, 22 kilometres southwest of the Eskay Creek deposit. Both igneous intrusive and extrusive, as well as sedimentary rocks were observed in the creeks draining the properties.
2. Heavy mineral sediment sample results suggest that, of the area tested, the ridge separating Fewright and King Creeks holds the best potential for further exploration.
3. Prospecting within the Loki 5 claim indicates some potential exists for the location of economic mineralization within or in association with volcanic tuffs proximal to a dyke-like monzonitic intrusion on this ridge.
4. Although favorable geology appears to underlie some of the Mount Dunn area properties, a follow-up programme of exploration will have to be carried out before their economic potential can be fully assessed. A careful examination of the reports of previous operators describing work carried out in the area should be part of this programme. In addition, the +80 mesh portions of the heavy mineral sediment samples taken in 1990 should be analyzed to determine if any coarse gold is present in the creeks tested.

COST STATEMENT**Field****Wages:**

D. Nelles, October 10-16, 7 man-days @ \$300/day	2,100.00
Brian Callaghan, October 10-16, 7 man-days @ \$300/day	2,100.00
Transportation*:	
Helicopter, October 11-15, 3.4 hours + fuel & oil	2,750.45
Airfare, 2 Vancouver-Bronson return @ \$827	1,654.00
Shipping	144.25
Miscellaneous	170.03
Room & Board*: October 10-15, 12 man-days @ \$125/day (Pamicon)	1,500.00
Supplies and consumables*	30.47
Equipment rental:	
2" Suction dredge, 1 week @ \$210/week	210.00
Miscellaneous equipment, 2 man-weeks @ \$30/week	60.00
Assays*:	
5 rocks, Au & Trace-7 @ \$24.50 each	122.50
12 heavy mineral sediment, Au @ \$11.50 each	138.00
Subtotal	\$10,979.70

Office

Project & report preparation: 5 days @ \$270	1,350.00
Engineering and supervision	467.28
Drafting*	289.50
Computer and copying	253.00
Telephone*	18.94
Subtotal	\$2,378.72
Management Fee: 20% of direct costs* (\$6,818.14)	\$1,363.63
Total	\$14,722.05

CERTIFICATE OF QUALIFICATIONS

I, David M. Nelles , do hereby certify that:

1. I am a geologist with business offices at 505-744 West Hastings Street, Vancouver, British Columbia, and am employed by Searchlight Consultants Inc.
2. I am a graduate of the University of British Columbia with a Bachelor of Science degree in Geology (1983). I have practised my profession in Canada and the USA continuously for over seven years.
3. I am a Fellow of the Geological Association of Canada (#F5480).
4. This report is based on a three day field programme carried out under my direction on the Mt. Dunn area properties in October, 1990.
5. I currently have no interest in the properties or securities of either Daiwan Engineering Ltd., Ross Resources Inc. or PBX Resources Ltd., nor do I expect to receive any.

Dated this 20th day of November, 1990 at Vancouver, British Columbia


David M. Nelles, B.Sc., FGAC

BIBLIOGRAPHY

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- Winter, Colin Q. and McInnis M.D. (1975): Geological and Geochemical Report on the VV 1-6 Claims for Great Plains Development Company of Canada, Ltd., Geological Branch Assessment Report 5616.

APPENDIX A

ASSAY CERTIFICATES



Chemex Labs Ltd.

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

o: SEARCHLIGHT CONSULTANTS INC.

505 - 744 W. HASTINGS ST.
 VANCOUVER, BC
 V6C 1A5

Page No: 1
 Total Pag: 1
 Invoice Date: 1-NOV-90
 Invoice No.: I-9025647
 P.O. Number: LOK1-90

Project: MT. DUNN
 Comments:

CERTIFICATE OF ANALYSIS A9025647

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA	Ag ppm Aqua R	As ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	Zn ppm		
LOK1-90-01	205 294	445	1.4	40	1200	95	28	8.8	30		
LOK1-90-02	205 294	165	0.5	20	440	15	29	5.2	48		
ODIN-90-01	205 294	60	0.2	7	155	8	20	1.8	70		
ODIN-90-02	205 294	< 5	0.5	2	156	7	23	6.4	102		
ODIN-90-03	205 294	< 5	< 0.2	< 1	19	14	2	0.4	24		

CERTIFICATION:

Hart Buehler



Chemex Labs Ltd.

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

J: SEARCHLIGHT CONSULTANTS INC.

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VANCOUVER, BC
V6C 1A5

Page No: 01
Total Pages: 01
Invoice Date: 5 NOV 90
Invoice No.: I-9025646
P.O. Number: LOK1-90

Project: MT. DUNN
Comments:

CERTIFICATE OF ANALYSIS

A9025646

SAMPLE DESCRIPTION	PREP CODE	Au ppb FA+AA										
F-90-02	201 240	320										
F-90-03	201 240	40										
F-90-04	201 240	140										
F-90-05	201 240	40										
F-90-06	201 240	245										
F-90-07	201 240	435										
F-90-08	201 240	10										
F-90-09	201 240	10										
F-90-10	201 240	710										
F-90-11	201 240	380										
F-90-12	201 240	465										
K-90-01	201 240	< 5										

CERTIFICATION:

APPENDIX B

ROCK DESCRIPTIONS

SAMPLE #	TYPE	DESCRIPTION
LOKI-90-01	FLOAT	Oxidized volcanic tuff(?) hosting up to 20% very finely disseminated pyrite-chalcopyrite. Local malachite staining
LOKI-90-02	FLOAT	Ferricrete derived from above material
ODIN-90-01	FLOAT	Oxidized, siliceous microdiorite(?) hosting from 5-15% disseminated pyrite proximal to a distinct north-south shear zone.
ODIN-90-02	FLOAT	
ODIN-90-03	FLOAT	