

REPORT ON THE
REST 1-2, KER 9, TIC 4-5 MINERAL CLAIMS)
1990 GEOCHEMICAL SAMPLING PROGRAM

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ISKUT RIVER AREA
LIARD MINING DIVISION
BRITISH COLUMBIA

56°55' NORTH LATITUDE
130°48' WEST LONGITUDE
N.T.S. 104 B/15

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RECEIVED
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Work Period: June 1990 - September 1990

Owner and Operator: KESTREL RESOURCES LTD.
506 - 675 West Hastings Street
Vancouver, B.C.
V6B 1N2
(604) 683-9177

By: S. J. Tennant

May 14, 1991

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

21,349

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INTRODUCTION

During the summer of 1990, Kestrel Resources Ltd. completed a geochemical rock sampling program on the REST 1-2, KER 9 and TIC 4-5 mineral claims.

The claims are located approximately 10 kilometres northeast of Newmont Lake in the Iskut River area (NTS 104 B/15).

The 1990 geochemical was designed to fill in certain gaps in geochemical sampling programs completed in 1988 and 1989. During July-August of 1990, 26 rock chip samples were collected.

The eastern half of the claim block is underlain by Jurassic intrusives while the western part of the claim block lies within the Newmont Lake Graben.

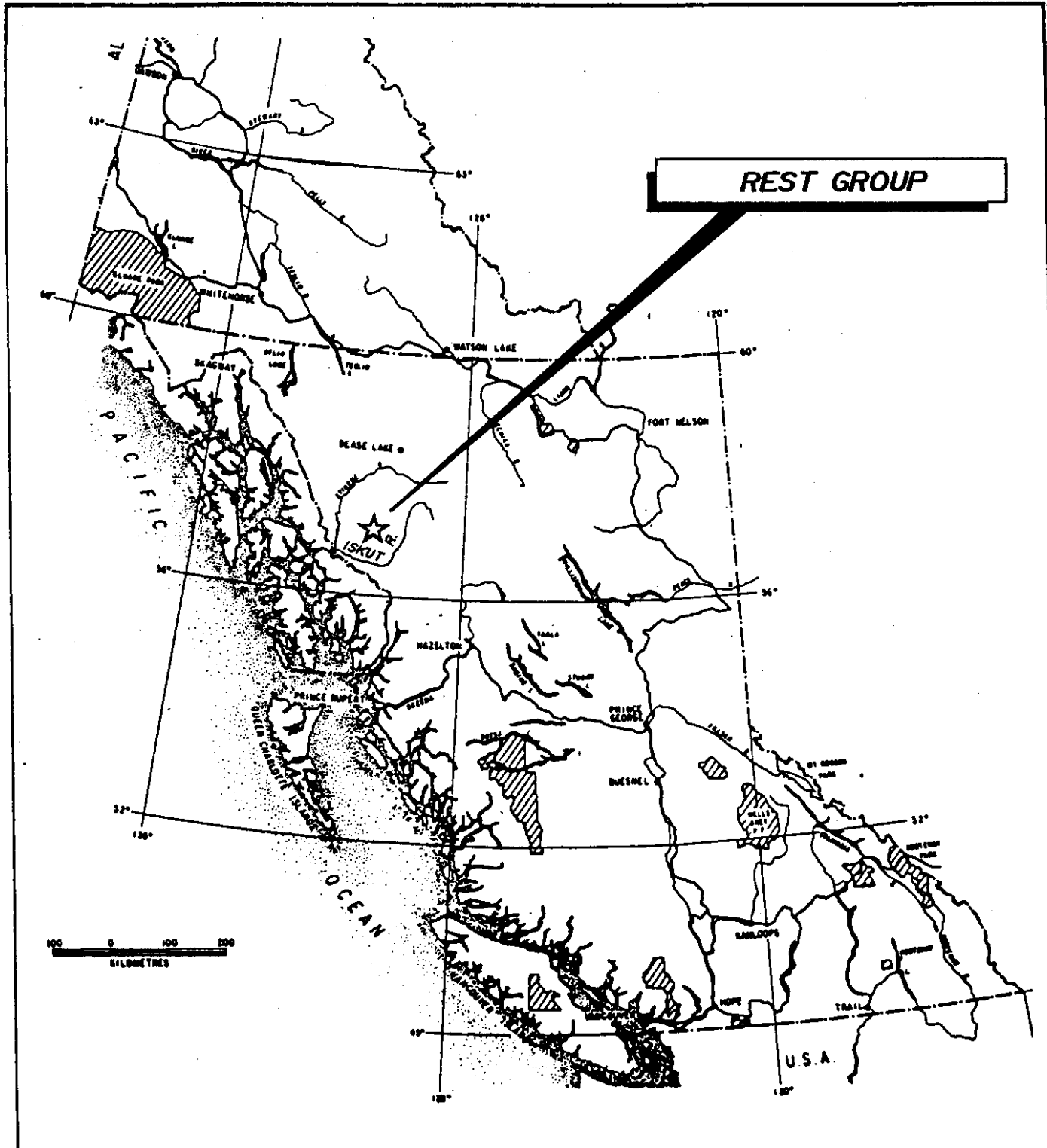
Results of the 1990 program are discussed in the text of this report and the data are plotted on the accompanying maps.

LOCATION, ACCESS AND TOPOGRAPHY

The claims are located approximately 10 kilometres northeast of Newmont Lake centered at 56°56' north latitude and 130°48' west longitude in the Liard Mining Division of northwestern British Columbia.

Access to the claims is via fixed wing aircraft from Smithers or Terrace to Bronson or the Forrest Kerr airstrip located at the headwaters of the Forrest Kerr River. Access from Bronson or Forrest Kerr is via helicopter and via foot traverse within the claims.

Most of the claim group is accessible by foot or helicopter. Elevations range from 600 metres to 1870 metres. Above 1200 metres the claims are devoid of vegetation except for grasses and shrubs, while below 1200 metres, the usual coast mountain evergreens, alder and devils club predominate. The area generally receives heavy precipitation, snow in excess of 6 metres being common during the winter. The field season extends from mid May to late October.



| | | | |
|-----------------------------|-------------------|-----------|-------------------|
| KESTREL RESOURCES LTD. | | | |
| LOCATION MAP | | | |
| LIARD MINING DIVISION, B.C. | | | |
| STU TENNANT | | | |
| SCALE: NOTED | DATE: APRIL 91 | MAP: 1 | N.T.S. 104B/15 |

PROPERTY AND LIST OF CLAIMS

The REST GROUP of mineral claims consist of the following claims:

| <u>Claim Name</u> | <u>Record No.</u> | <u>No. of Units</u> | <u>Record Date</u> | <u>Expiry Date</u> |
|-------------------|-------------------|---------------------|--------------------|--------------------|
| REST 1 | 3981 | 20 | March 10, 1987 | March 10, 1991 |
| REST 2 | 3982 | 20 | March 10, 1987 | March 10, 1991 |
| KER 9 | 4752 | 12 | June 28, 1988 | June 28, 1991 |
| TIC 4 | 4503 | 16 | Feb. 24, 1988 | Feb. 24, 1991 |
| TIC 5 | 4504 | 20 | Feb. 24, 1990 | Feb. 24, 1991 |

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

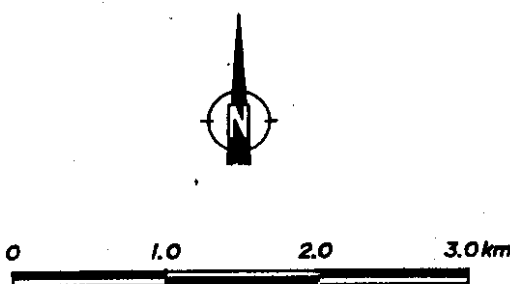
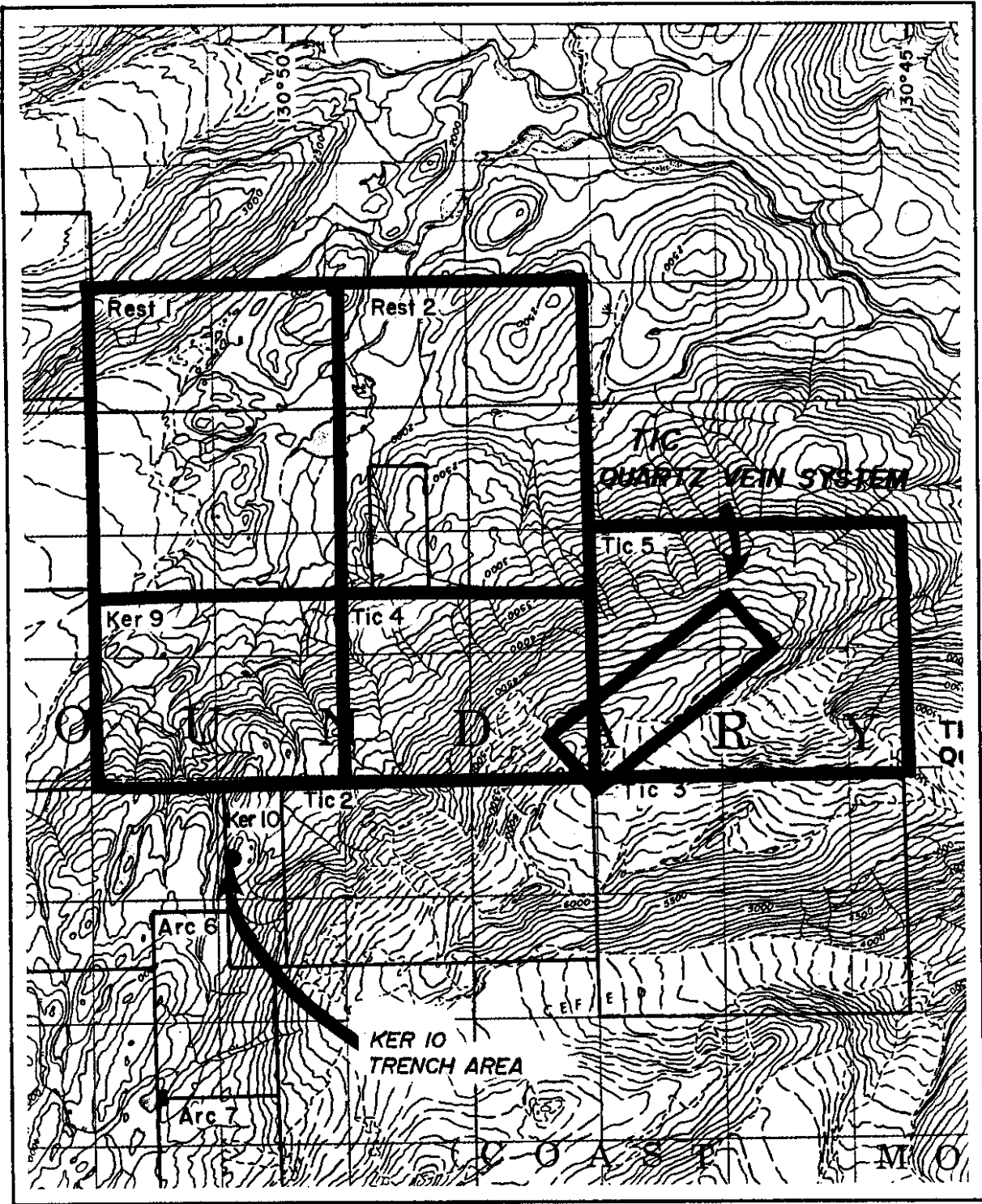
AREA HISTORY

The first recorded work from the Iskut River region was in 1907 when a staking party from Wrangell, Alaska recorded nine mineral claims north of Johnny Mountain. The Iskut Mining Company worked the claims and in 1917 shipped a ton of high grade ore which reportedly assayed \$1.20 gold, 44.2 ounces silver and 12.45% copper (B.C.M.M.A.R., 1917).

In 1954 Hudson Bay Mining and Smelting Limited discovered high grade gold-silver-lead-zinc mineralization, known as the "Pickaxe" showing, on the slopes of Johnny Mountain.

Throughout the 1960's several major mining companies undertook reconnaissance prospecting and exploration programs in search for porphyry copper-molybdenum deposits resulting in the location of several claims on Johnny Mountain and on Sulphurets Creek.

Skyline Exploration Limited staked the Inel property in 1969 following the discovery of massive sulphide in float on the Bronson Creek glacier. In 1980 the company staked the Reg property. During the 1980's, Skyline has developed both these



| | |
|---|--------------------|
| KESTREL RESOURCES LTD. | |
| REST 1-2, KER 9, TIC 4-5 CLAIMS LIARD MINING DIVISION, B.C. | |
| CLAIM MAP | |
| STU TENNANT | |
| DATE : APRIL 1991 | SCALE : 1 : 50 000 |
| NTS : 104B/15 | FIGURE : 2 |

properties discovering high grade veins and polymetallic massive sulphide mineralization on the Inel and Reg properties.

The joint venture partners of Cominco Ltd. and Prime Resources Corporation have developed their Snip property which is located immediately north of the Reg property on the northern slopes of Johnny Mountain. The combined geological reserve for the Snip property is 1,000,000 tons grading 0.80 opt gold.

Other advanced prospects currently undergoing intense exploration efforts in the area include Gulf International Mineral Ltd.'s Inel and McLymont properties, Placer Dome Ltd.'s Kerr porphyry copper-gold deposit and Calpine's Eskay Creek gold deposit, as well as the redevelopment of the Silback Premier/Big Missouri mines by Westmin.

The discovery of the Eskay Creek gold prospect in November 1988 has done much to stimulate exploration activity in the Iskut region. Drill hole intersections varying from 5 to 10 metres (16 to 33 feet) and grading to 100 grams gold per tonne (2.92 opt) with an average 1,000 grams or more of silver per tonne (29.2 opt), are not uncommon. The Eskay Creek deposit is probably the most significant precious metal deposit discovered in British Columbia.

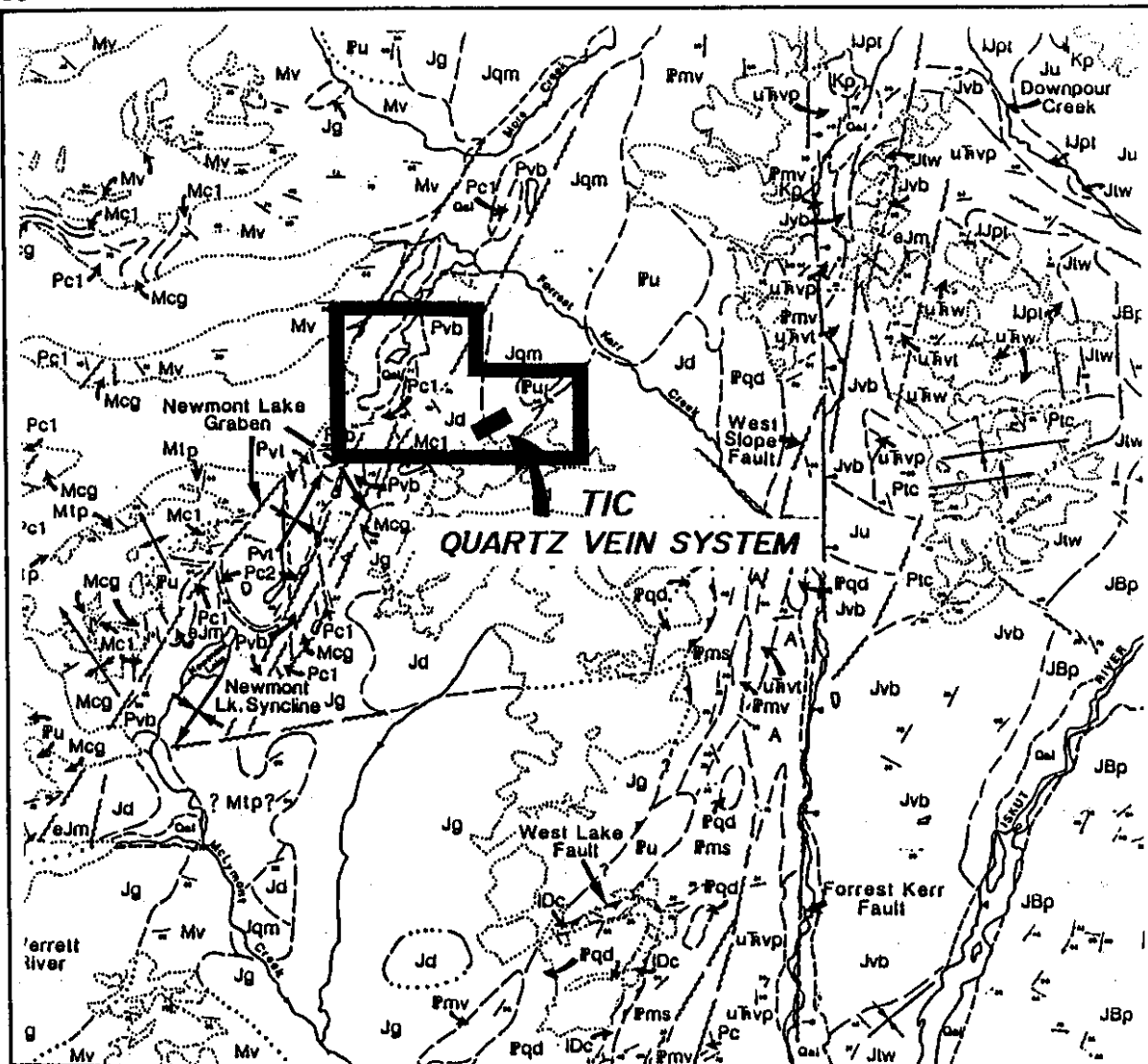
Recently completed road access studies has resulted in a proposed shared cost road which would commence at the Stewart-Cassiar highway near Bob Quinn Lake and extend into the Iskut Valley.

REGIONAL GEOLOGY

Generally the area consists of a northerly trending succession of Upper Triassic and Jurassic volcanic and sedimentary rocks underlain in part by Paleozoic volcanic and sedimentary units. All of these units have been intruded by Mesozoic and Tertiary intrusive rocks and cut by extensive fault zones. These country rocks form the Stewart Complex bounded on the west by the main Coast Plutonic Complex, and on the east by the Bowser Basin sedimentary assemblage.

131°00'

57°00'



Geology map of the Forrest Kerr Creek map sheet 104B/15.



KESTREL RESOURCES LTD.

**REST 1-2, KER 9, TIC 4-5 CLAIMS
LIARD MINING DIVISION, B.C.**

REGIONAL GEOLOGY MAP

STU TENNANT

DATE : APRIL 1991

SCALE : NOTED

NTS : 104B/15

FIGURE : 3

LEGEND

QUATERNARY

Qal TEL ALLUVIUM

STRATIFIED ROCKS

MIDDLE TO UPPER JURASSIC BOWSER LAKE GROUP

JBp SLTSTONE, SANDSTONE, MINOR CONGLOMERATE

JURASSIC

Ju UNDIVIDED VOLCANICS AND SEDIMENTS

Jlw SILICEOUS WACKE, TUFF, CONGLOMERATE

Jvb PILLOW BASALT, BRECCIA FLOWS, SILICEOUS SEDIMENTS

Ujpt SHALE, SANDSTONE, LESSER LIMESTONE, TUFF

UPPER TRIASSIC STUHINI GROUP

uRv MAROON AND GREEN EPICLASTICS, ALKALI AND PLAGIOCLASE-PHYRIC VOLCANIC BRECCIAS

uRvp DARK GREEN PLAGIOCLASE-PHYRIC FLOWS

uRve GREY-GREEN APHANTIC TUFF

uRw TUFFACEOUS WACKE, ARGILLITE, LIMESTONE, CONGLOMERATE WITH LIMESTONE CLASTS, PLAGIOCLASE-PORPHYRYIC ANDESITE

MIDDLE TRIASSIC

mRr CARBONACEOUS CALCAREOUS SLTSTONE

PALEOZOIC STIKINE ASSEMBLAGE

su UNDIVIDED METAVOLCANICS AND METASEDIMENTS

WESTERN ASSEMBLAGE

PERMIAN

Pv1 FELSIC WELDED TUFF, VOLCANIC SANDSTONE AND SLTSTONE, RHYOLITE FLOWS

Pc2 THIN LAMINATED, GREY ALGAL LIMESTONE

Pvb INTERMEDIATE TUFF AND EPICLASTICS, MAROON LAHAR, BRECCIA FLOWS

Pc1 MEDIUM-BEDDED BIOCLASTIC LIMESTONE WITH CHERTY INTERBEDS

MISSISSIPPIAN

Mip SLTSTONE, SANDSTONE, TURBIDITES, LESSER LAPILLI TUFF

Mcq POLYMYCTIC VOLCANIC CONGLOMERATE

Mc1 INTERBEDDED SILICEOUS SLTSTONE AND LIMESTONE, THICK-BEDDED CANONICAL CALCARENITE

Mv PILLOW BASALT, HYALOCLASTITE, ASH-FLOW FELSIC TUFF

EASTERN ASSEMBLAGE

PERMIAN

Ptc INTERMEDIATE TO MAFIC META-TUFF, THIN-BEDDED LIMESTONE AND METASEDIMENTS

Pc MEDIUM-BEDDED BIOCLASTIC LIMESTONE

PERMIAN AND OLDER

Pms SILICEOUS TURBIDITES, PHYLITES, LESSER CHERTY TUFFS

Pmv MAFIC TO FELSIC METAVOLCANICS, METASEDIMENTS, LIMESTONE LENSES

LOWER DEVONIAN

IDc LIMESTONE, SILICEOUS TUFF

INTRUSIVE ROCKS

CRETACEOUS AND YOUNGER (?)

Kp PLAGIOCLASE QUARTZ PORPHYRY

JURASSIC

Jg PINK HORNBLende BIOTITE GRANITE

Jqm QUARTZ MONZONITE

Jd HORNBLende DIORITE, HORNBLende QUARTZ DIORITE

EARLY JURASSIC

eJm HORNBLende-PLAGIOCLASE-PORPHYRYIC MONZONITE, SYENITE

PALEOZOIC

Pqd DEFORMED HORNBLende QUARTZ DIORITE

UNKNOWN

A ALTERED DIORITE

Since 1948, Government workers have attempted to clarify relationships and assign ages to various lithological units of the area. Work completed by Kerr, 1948, G.S.C. Memoir 246; G.S.C. maps 9-1957, 1481-1979-Iskut River, and Grove, E.W., 1986, Bulletin No. 58 B.C. Department of Mines, form the basis of earlier government mapping. Recently work completed by the G.S.C. - Open File o. 2094 (1989) and the B.C. Department of Mines Open File 1990-2 has greatly enhanced the geological data base.

The oldest known rocks of the area are limestone, dolomite and low grade metamorphosed sediments (quartzite, slate, phyllite) of Lower Cambrian age that have been correlated with the Cache Creek Group prevalent in the southern half of the province. The limestone unit contains fossil crinoids and is unconformably overlain by Upper Triassic Hazelton volcanics and sediments.

Overlying the Triassic Hazelton volcanic-sedimentary assemblage is a similar group of volcanic-sedimentary rocks of Middle Jurassic age tentatively named the Betty Creek Formation.

Cretaceous to Tertiary Coast Plutonic intrusions of granite, granodiorite and diorite occupy large portions of the map area. In addition, smaller bodies of monzonite or syenite, as well as subvolcanic acidic porphyries, are sparsely distributed.

Tufa, hot spring deposits and pyroclastic material of Pleistocene and Recent age occur at several localities within the area, notably at Hoodoo Mountain.

The foliated rocks, present in the area, are not of great lateral extent and owe their origin to low grade metamorphism, rather than high temperature regional metamorphism.

Structurally, the map area is bisected by a prominent thrust fault along the Iskut River from Forrest Kerr Creek to the Stikine River Junction. The thrust separates unconformably, Mississippian-Pennsylvanian rocks from middle Jurassic strata and is thought to override rock formations to the south. Regionally, a dominant northeast trending and a subdominant northwest trending faulting system complicate the local geology, especially where folding of the strata, which is common, has occurred.

PROPERTY GEOLOGY

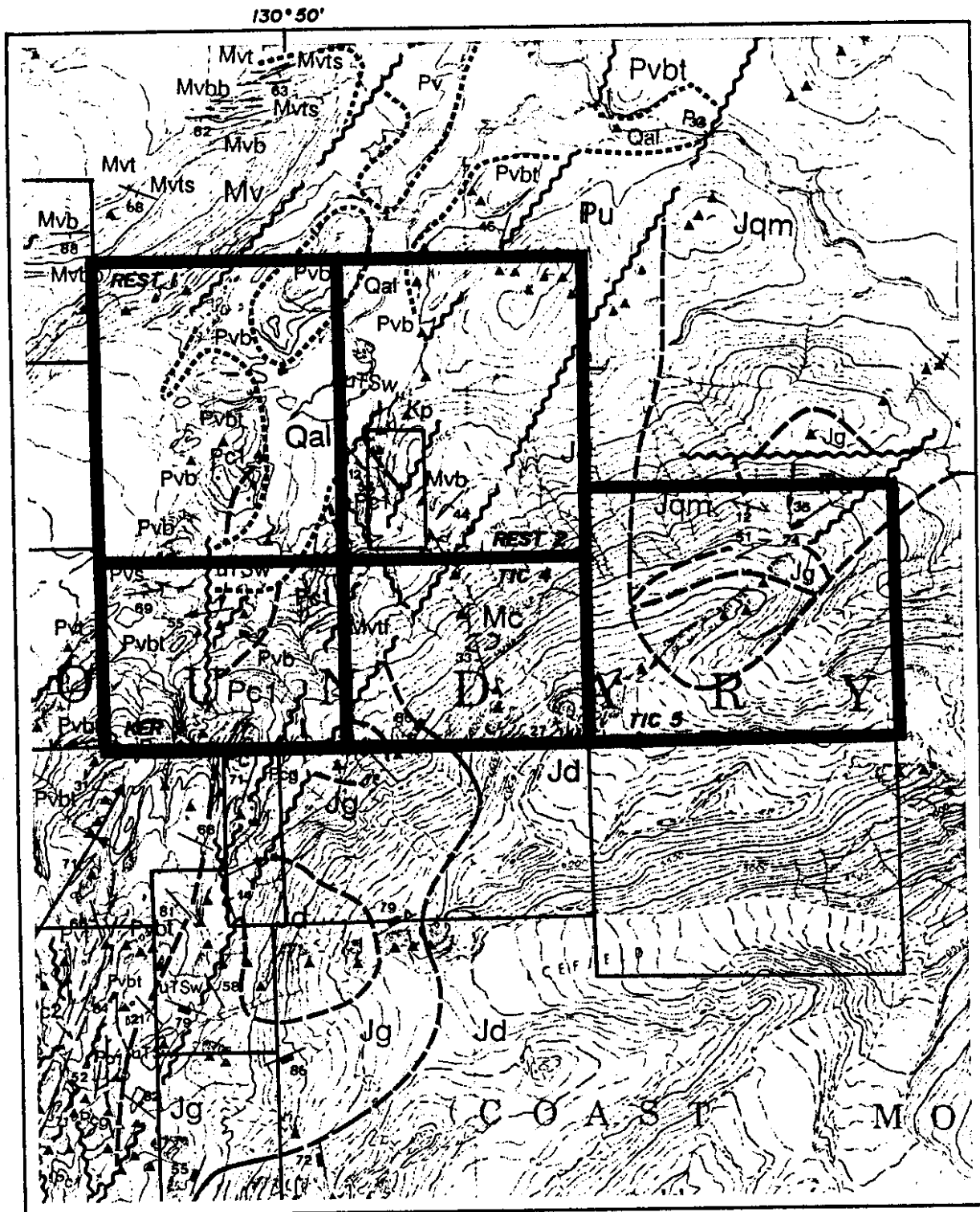
Open File Report No. 1990-2 - Geology, Geochemistry and Mineral Occurrences of the Forrest Kerr-Iskut River Area, Northwestern British Columbia, prepared by the British Columbia Department of Mines and released in the winter of 1990 describes the geology of the REST-TIC property at a scale of 1:50,000 and reveals the distribution of Middle and Lower Jurassic volcanic-sedimentary rocks and their associated Coast plutonic intrusions. These rocks are significant in that a number of the precious metal vein occurrences such as the Big Missouri, Silbak-Premier and Sulphurets deposits are associated with them.

Figure 4 shows the location of intrusive rocks varying from a diorite to a monzonite, underlying the eastern half of the claim block, while the western half is located within the Newmont Lake Graben. The northeast-trending Newmont Lake Graben is 3 kilometres wide, and is characterized by a large upright, open northeasterly trending, doubly plunging syncline in Permian volcanics and limestone. The eastern side is comprised of a network of parallel fault structures which separate various Jurassic intrusive phases from Permian limestones, volcanoclastics and clastics. The western fault is a single, strong 040° trending structure separating Mississippian from Permian strata. Overall apparent movement across the Graben is left lateral. Northerly and northeasterly trending faults crosscut this structure.

1990 EXPLORATION PROGRAM

The 1990 lithogeochemical program was designed to fill in certain gaps in previous geochemical sampling programs. The field program was conducted during July and August.

Access was via helicopter (provided by Northern Mountain Helicopters) from a base camp at Forrest Kerr Airstrip some 5 kilometres to the northwest. Field work was conducted by employees of Kestrel Resources Ltd. under the supervision of the author. A total of 26 rock chip samples was collected. Considerable time and effort was given to checking values in the field from the extensive geochemical program completed in 1989 where the best results return values as high as 1.238 opt gold and 2.0 opt silver.



KESTREL RESOURCES LTD.

**REST 1-2, KER 9, TIC 4-5 CLAIMS
LIARD MINING DIVISION, B.C.**

PROPERTY GEOLOGY MAP

STU TENNANT

DATE : APRIL 1991

SCALE : 1 : 50000

NTS : 104B/15

FIGURE : 4

LEGEND

QUATERNARY

| | |
|-----|------------------|
| Rv | RECENT VOLCANICS |
| Qal | TILL, ALLUVIUM |

LAYERED ROCKS

MIDDLE TO UPPER JURASSIC BOWSER LAKE GROUP

| | |
|------|--|
| JBp | PLANAR BEDDED SHALE AND LOCALLY CROSSBEDDED SANDSTONE TURBIDITE COUPLETS |
| JBcg | CHERT PEBBLE TO GRANULE CONGLOMERATE |

JURASSIC

| | |
|----|---|
| Ju | UNDIVIDED SEDIMENTS AND VOLCANICS |
| Jw | BRECCIATED AND CRACKLE FRACTURED DARK GREEN AND GREY SILICEOUS SILTSTONES AND PYRITIC CHERT, CARBONACEOUS TUFFACEOUS WACKES WITH INTERBEDDED CONGLOMERATE CONTAINING CLASTS OF CHERT, BLACK SILTSTONE, AND INTERMEDIATE TO FELSIC VOLCANICS (Jwq) |

MIDDLE(?) JURASSIC

| | |
|------|--|
| mJvb | DENSE MEDIUM GREY TO GREEN PILLOW BASALT, LOCALLY ANHYGALOIDAL, PLAGIOCLASE PHYRIC, PILLOW BRECCIA FLOWS AND FLOW BRECCIAS, HYALOCLASTITE. |
| mJvs | THINLY BEDDED, ALTERNATING BLACK AND WHITE SILICEOUS TUFFS AND SEDIMENTS |

LOWER(?) JURASSIC

| | |
|----|---|
| Jp | FISSILE, THIN BEDDED, SILTSTONE AND SANDSTONE WITH CARBONACEOUS WOOD FRAGMENTS, GRANULE CONGLOMERATES CONTAINING INTERMEDIATE VOLCANIC, SEDIMENTARY AND LIMESTONE CLASTS. |
| Jh | BROWNISH GREY LAPILLI AND CRISTAL TUFF; RHYOLITE CRISTAL TUFF AND LESSER FLOWS (Jh) |

UPPER TRIASSIC STUHINI GROUP

| | |
|------|--|
| uTs | UNDIVIDED VOLCANICS AND SEDIMENTS |
| uTsw | MAROON AND GREEN PLAGIOCLASE AND LESSER ALGITE-PHYRIC LAPILLI TO BLOCK TUFFS AND ASSOCIATED EPICLASTICS |
| uTsv | MAROON AND GREEN PORPHYRITIC VOLCANIC FLOW BRECCIAS, PLAGIOCLASE-PHYRIC (uTsv); ALGITE-PHYRIC (uTsv) |
| uTsi | GREY-GREEN APHYRITIC TUFF |
| uTsw | TUFFACEOUS WACKE, ARGILLITE, LIMESTONE, CARBONACEOUS AND CALCAREOUS SILTSTONE INTERBEDDED WITH FINE GRANED SANDSTONE AND MINOR CONGLOMERATE; MAROON VOLCANIC CONGLOMERATE WITH LIMESTONE CLASTS (uTsw) |

PALEOZOIC STIKINE ASSEMBLAGE

Pu UNDIVIDED METAVOLCANICS AND METASEDIMENTS

WESTERN ASSEMBLAGE

PERMIAN

Pv UNDIVIDED PERMIAN VOLCANICS AND SEDIMENTS

Pvt LAPILLI AND PLAGIOCLASE CRYSTAL TUFF, FELSIC WELDED ASH TUFF, THINLY BEDDED SILICEOUS LIMESTONE LENSES, RHYOLITE FLOWS (Pvt); VOLCANIC SANDSTONE, SILTSTONE AND MARCON SHALLOW(?) WATER CONGLOMERATES (Pvt)

Pc2 ALGAL LIMESTONE; THIN-LAMINATED, DARK GREY TO BLACK, LOCALLY FETID, WEATHERS BUFF, RESOLITE-RICH BEDS AND CUSPATE STACKED CONCAVE ALGAL STRUCTURES COMMON

Pvb HORNBLENDE-PLAGIOCLASE PORPHYRYTIC ANDESITE BRECCIA FLOWS; LOCALLY AMYGDALOIDAL, CONTAINS 30 TO 40 PERCENT EUMEDIAL WHITE PLAGIOCLASE AND 15 PERCENT CHLORITIC ACICULAR HORNBLENDE CRYSTALS; MARCON LAHAR AND LAPILLI TUFF (Pvb)

Pc1 BIOCLASTIC LIMESTONE WITH CHERY INTERBEDS; MEDIUM-BEDDED TO MASSIVE GREY BIOCLASTIC CALCARENITE AND LESSEER BUFF SALTY DOLOMITIC UNITS; THIN BEDDED SECTIONS CONTAIN BLACK TO YELLOWISH BUFF AMORPHOUS SILICA BEDS UP TO 20 CENTIMETRES THICK; SOLITARY CORALS, FORAMMIFERA, BRYOZOA, CRINIDS AND VARIOUS BRACHIOPODS ARE LOCALLY ABUNDANT

Pcg THICK BEDDED, BOULDER TO PEBBLE CONGLOMERATE, CLASTS ARE AUKITE PHYRIC, PLAGIOCLASE PHYRIC, ANDESITE, BASALT, AND LIMESTONE CLASTS.

MISSISSIPPIAN - PENNSYLVANIAN

Msb SILTSTONE-SANDSTONE TURBIDITES AND LESSEER CHERTS

Mc THICK-BEDDED CRINOIDAL CALCARENITE WITH INTERBEDDED SILICEOUS SILTSTONE

Mv UNDIVIDED VOLCANICS

Mvt MAFIC TO INTERMEDIATE SCORIAEUS LAPILLI TUFF; SILICEOUS DUST TUFFS AND EPICLASTICS (Mvt); INTERMEDIATE TO FELSIC ASH FLOW AND WELDED TUFFS (Mvt)

Mvr RHYOLITE, RHYODACITE, PINK AND ORANGE FLOW BANDED BRECCIAS VARYING TO MASSIVE SUBVOLCANIC BODIES, GLOMEROPORPHYRYTIC FELDSPAR AND QUARTZ EYES COMMON.

Mvb MASSIVE-AMYGDALOIDAL BASALT FLOWS; HYALOCLASTITE DEBRIS FLOWS (Mvb); FELLOW BASALT (Mvb)

EASTERN ASSEMBLAGE

PERMIAN

Pie DEFORMED CHLORITIC TUFFS AND METAVOLCANICS, INTERBEDDED TUFFACEOUS AND SILICEOUS SILTSTONES AND NUMEROUS THIN BEDDED RECRYSTALLIZED LIMESTONES.

Pc LIMESTONE; BIOCLASTIC, MEDIUM-BEDDED, RECRYSTALLIZED, WHITE TO BUFF, SPARSELY CRINOIDAL CALCARENITE WHICH LOCALLY IS COMPLETELY RECRYSTALLIZED TO COARSE CALCITE

PERMIAN AND OLDER

Pms METASEDIMENTS AND MINOR LIMESTONE; SILTSTONES ARE GREY TO LIGHT GREEN, PHYLITIC AND INTERLAYERED WITH GRAPHITIC ARGILLITE AND SILICEOUS PHYLITE AND THIN LENSES OF DARK BROWN LIMESTONE; GREEN AND WHITE SILICEOUS TURBIDITE COUPLETS AND CHERY TUFFS (Pms) OCCUR HIGH IN THE STRATIGRAPHY.

Pc LIMESTONE; RECRYSTALLIZED, THIN BEDDED TO MORE COMMONLY MASSIVE, WHITE TO BUFF COLOURED.

Pmv MAFIC TO FELSIC METAVOLCANICS, RARE LIMESTONE LENSES; VARIABLY FOLIATED TO SCHISTOSE, PURPLE TO DARK GREEN PLAGIOCLASE PORPHYRYTIC FLOWS AND TUFFS.

LOWER DEVONIAN

Idc DEFORMED CORALLINE LIMESTONES; LESSEER INTERBEDDED PEBBLE CONGLOMERATE, SILICEOUS AND CARBONACEOUS SHALES AND BOTH MAFIC AND FELSIC TUFFS.

INTRUSIVE ROCKS

CRETACEOUS AND YOUNGER (?)

Kp **PLAGIOCLASE QUARTZ PORPHYRY; OCCURS AS SMALL PLUGS AND DYKES INTRUDING NORTH TRENDING FAULTS, PHYRIC AND GRNIZED TO YELLOW AND RED GOSSANS.**

JURASSIC AND YOUNGER(?)

Jg **BIOTITE GRANITE; PINK, COARSE TO MEDIUM GRAINED, EQUIGRAMULAR TO QUARTZ EYE PORPHYRYIC, LESS COMMONLY HORNBLLENDE IS THE MAFIC CONSTITUENT, QUARTZ EXCEEDS 30 PERCENT, QUARTZ RICH PHASES (50 PER CENT) ARE SPATIALLY RELATED TO FAULT STRUCTURES**

Jqm **HORNBLLENDE QUARTZ MONZONITE TO MONZONITE; COARSE TO MEDIUM GRAINED, HORNBLLENDE AVERAGES 20 PERCENT AS 3 MILLIMETRE CRYSTAL LATHS AND POWLITIC CLOTS, BIOTITE WHERE PRESENT IS FINE GRAINED AND LESS THAN 5 PERCENT.**

Jd **HORNBLLENDE DIORITE; HORNBLLENDE QUARTZ DIORITE; HORNBLLENDE IS CHLONITIC AND COMPRISES MORE THAN 40 PERCENT OF THE ROCK.**

MIDDLE(?) JURASSIC

Jdl **DIORITE TO GABBRO; COARSE GRAINED, OCCURS AS STOCKS AND SILLS, PLAGIOCLASE CRYSTALS ARE EUMEDRAL TO SUBMEDRAL ACCLAR CLOTS WHICH IMPART A DISTINCTIVE FELTY INTERLOCKING TEXTURE, THESE SUBVOLCANIC INTRUSIONS MAY REPRESENT FEEDERS TO THE FLOW BASALTS.(a)**

EARLY JURASSIC

eJm **HORNBLLENDE-PLAGIOCLASE-PORPHYRYIC MONZONITE; OCCURS AS DYKES, SILLS AND PLUGS CHARACTERIZED BY A HEMATITIC GROUNDMASS ALTERED WITH PINK SUBMEDRAL TO EUMEDRAL PLAGIOCLASE (UP TO 40 PERCENT) AND HORNBLLENDE CRYSTALS, TRACHYTIC TEXTURES ARE COMMON, STRONGLY MAGNETIC.**

eJg **HORNBLLENDE BIOTITE POTASSIUM FELDSPAR MEGACRYSTIC GRANITE.**







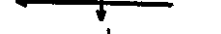






AGE UNKNOWN

qd **HORNBLLENDE QUARTZ DIORITE; MEDIUM GRAINED, LOCALLY FOLIATED AND ALTERED, CONTAINS IRREGULAR MAFIC INCLUSIONS (UP TO 100 CENTIMETRES) OF AMPHIBOLITES.**

d **ALTERED DIORITE**

DYKES **a) APHYRIC ANDESITE AND BASALT; pm) MAFIC PLAGIOCLASE PHYRIC; j) LAMPORPHYRE; q) PHYLITIC/APLITE**

MAP SYMBOLS

| | |
|--|---|
| Geological contact (defined, approximate, assumed) |  |
| Unconformable contact (defined, assumed) |  |
| Bedding (horizontal, inclined, overturned)..... |  |
| Foliation |  |
| Fault (observed, inferred)..... |  |
| Thrust or high angle reverse fault (defined, assumed)..... |  |
| Anticline (direction of plunge indicated)..... |  |
| Syncline (direction of plunge indicated)..... |  |
| Minor fold axis..... |  |
| Joint |  |
| Dyke..... |  |
| Vein..... |  |
| Outcrop visited..... |  |

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

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

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

Prospecting traverses and all sample locations are shown on Figure 5 of this report. The lithogeochemical sample descriptions and analytical results accompany this report as Appendices I and II respectively.

DISCUSSION OF RESULTS

A total of 19 man days was spent on the geochemical program carried out in 1990 on the REST Group consisting of the REST 1-2, KER 9 and TIC 4-5 mineral claims. The program was designed to check 1989 geochemical sampling and to take additional samples in certain areas, in order to plan a trenching program to be followed up with a modest diamond drill program for next year.

Intrusive rocks underlie the eastern half of the claim block while the western half is within the Newmont Lake Graben. Within the TIC 4-5 claims, mineralization

occurs in zones of alteration along shearing. These zones contain pyrite, chalcopyrite, magnetite, calcite, quartz, chlorite and epidote. A sparse, widely spaced quartz vein system occurs on the claims, see Figure 5. Quartz veins varying in widths from a few centimetres to one metre, are often associated with narrow shear zones and extend to tens of metres in length, striking northeasterly and dipping to the northwest. These veins carry anomalous gold and silver values. The best results from the 1989 program returned values as high as 1.238 opt gold and 2.0 opt silver. The vein system is hosted by relatively unaltered diorite with aplite dykes which trend southeasterly. The area lies at 1,800 metres and trends in a general east-west direction along a ridge approximately one kilometre in length.

The REST 1,2 and KER 9 claims are made andesite and basalt flows to the west with recrystallized limestone exposed in shale and argillites to the east and south. Mineralization in the andesite unit occurs in fractures and shear zones that carry pyrite and chalcopyrite in quartz-calcite veins and chloritic alteration. In the sedimentary unit, up to 15% and sporadic chalcopyrite are contained within zones of calcite veins occurring in the fractures and shears. The limestone unit carries pyrite, chalcopyrite, malachite, magnetite and chlorite occurring in fractures and shears.

The 1990 geochemical sampling program was successful in that it has completed the groundwork in order to plan the next phase of exploration which should consist of trenching and drilling.

RECOMMENDATIONS

The quartz vein system outlined on the TIC 4-5 claims is a target for additional work next year. A trenching program is recommended and if results are encouraging, a modest short hole, diamond drill program should be carried out in order to check precious metal content to depth. Work on the TIC claims should be tied into additional work to be carried out on the adjacent claims which also belong to Kestrel Resources.

Additional prospecting and sampling should be carried out along the major northeast trending faults of the Newmont Lake Graben that exist on the REST-KER claims.

BIBLIOGRAPHY

Logan, J.M.; Koyanagi, Victor M.; Drobe, John R. Geology, Geochemistry and Mineral Occurrences of the Forrest Kerr-Iskut River Area, Northwestern British Columbia, Open File 1990-2, Ministry of Energy, Mines and Petroleum Resources, Geological Survey Branch.

GSC Open File No. 2094 (1989).

Kerr, 1948: GSC Memoir 246; GSC Maps 9 - 1957; GSC Maps 1481-1979" "Iskut River".

STATEMENT OF QUALIFICATIONS

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

1. I am a Geologist employed by Kestrel Resources Ltd. during the period October 1989 to present.
2. I am a graduate of the University of British Columbia with a B.Sc. in Geology in 1959.
3. From 1959 until present, I have been engaged in exploration primarily in Western Canada.
4. I personally supervised and participated in the field work and have compiled, reviewed and assessed the data resulting from the work.



Stuart J. Tennant

DATED at Vancouver, British Columbia, this 14th day of May, 1991.

PROGRAM COSTS

| | | |
|---------------------------|--------------------|-----------------|
| S. Tennant Geologist | 5 days @ \$325/day | \$ 1,625 |
| J. Buchholz Geologist | 3 days @ \$325/day | 975 |
| B. Chase Prospector | 3 days @ \$275/day | 825 |
| C. Bilquist Prospector | 2 days @ \$200/day | 400 |
| W. Grier Prospector | 3 days @ \$200/day | 600 |
| K. Forster Prospector | 3 days @ \$200/day | <u>600</u> |
| | | \$ <u>5,025</u> |

Field Expense

| | | |
|------------------------|-------------------------|------------------|
| Room and Board | 19 man days @ \$125/day | \$ 2,375 |
| Helicopter | 3 hours @ \$800/hour | 2,400 |
| Assaying | 26 @ \$18/sample | 468 |
| Freight and expediting | | 137 |
| Drafting and Maps | | 320 |
| Report Compilation | | <u>2,675</u> |
| TOTAL COST | | \$ <u>13,400</u> |

APPENDIX I
Sample Assay Results

INCORPORATED
VANCOUVER, B.C. V6L 1K5
(604) 251-5656

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
~~1988 TRIUMPH ST.~~
~~VANCOUVER, B.C. V6L 1K5~~
● (604) 251-5656
● FAX (604) 254-5717

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

REPORT NUMBER: 900247 GA

JOB NUMBER: 900247

SULLIVAN MANAGEMENT/KESTREL RES.

PAGE 1 OF 1

| SAMPLE # | Ag ppm | Au ppb |
|----------|-----------|-----------|
| 01516 | .5 | 10 |
| 01517 | .4 | nd |
| 01518 | .1 | nd |
| 01519 | .5 | nd |
| 01520 | .4 | nd |
| 01521 | .4 | nd |
| 01522 | .3 | nd |
| 01523 | .7 | 10 |
| 01524 | .4 | nd |
| 01525 | nd | nd |
| 01526 | .1 | nd |
| 01527 | .4 | nd |
| 01528 | .4 | nd |

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

VANGEOCHEM LAB LIMITED

1630 Pandora Street, Vancouver, B.C. V5L 1L6
 Ph: (604)251-5656 Fax: (604)254-3717

ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO₃ to H₂O at 95 °C for 90 minutes and is diluted to 10 ml with water.
 This leach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST: *Ryzak*

REPORT #: 900247 PA SULLIVAN MANAGEMENT / KESTREL RES. PROJECT: TIC 5 KIK DATE IN: AUG 16 1990 DATE OUT: SEPT 06 1990 ATTENTION: MR. TENNANT & MR. BUCHHOLZ PAGE 1 OF 1

| Sample Name | Ag | Al | As | Ba | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | Mg | Mn | Mo | Na | Ni | P | Pb | Sb | Sn | Sr | U | W | Zn |
|-------------|------|------|-----|-------|-----|--------|------|-----|-----|-----|------|-------|------|------|-----|-------|-----|-------|-----|-----|-----|-----|-----|-----|-----|
| | ppm | μ | ppm | ppm | ppm | μ | ppm | ppm | ppm | ppm | μ | μ | μ | ppm | ppm | μ | ppm | μ | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| 81516 | 0.5 | 2.13 | 27 | 52 | 184 | 1.12 | 4.2 | 38 | 59 | 134 | 6.36 | 0.19 | 1.37 | 1329 | 24 | <0.01 | 49 | 0.07 | 141 | 25 | 37 | 21 | <5 | 15 | 542 |
| 81517 | 0.4 | 1.91 | <3 | >1000 | 98 | >10.00 | 3.5 | 29 | 45 | 29 | 9.47 | <0.01 | 5.10 | 4148 | 22 | <0.01 | 54 | 0.03 | 56 | <2 | 19 | 153 | <5 | 5 | 66 |
| 81518 | 0.1 | 0.58 | 11 | 142 | 108 | 0.17 | <0.1 | 11 | 54 | 3 | 1.60 | <0.01 | 0.13 | 515 | 13 | <0.01 | 24 | 0.02 | 54 | <2 | <2 | 3 | <5 | 5 | 44 |
| 81519 | 0.5 | 0.43 | <3 | 133 | <3 | >10.00 | 1.1 | 34 | 43 | 12 | 8.58 | <0.01 | 4.39 | 4470 | 26 | <0.01 | 24 | 0.02 | 71 | <2 | 15 | 85 | <5 | 14 | 54 |
| 81520 | 0.4 | 1.63 | <3 | 351 | 17 | 9.58 | 2.6 | 52 | 77 | 120 | 7.92 | <0.01 | 4.05 | 2327 | 25 | <0.01 | 66 | <0.01 | 37 | <2 | 39 | 126 | <5 | 10 | 55 |
| 81521 | 0.4 | 1.33 | <3 | 38 | <3 | 6.60 | <0.1 | 54 | 37 | 165 | 9.49 | <0.01 | 3.14 | 1837 | 25 | <0.01 | 42 | 0.03 | 36 | <2 | <2 | 87 | <5 | 7 | 108 |
| 81522 | 0.3 | 1.22 | <3 | 56 | 55 | 4.91 | <0.1 | 34 | 36 | 52 | 6.25 | <0.01 | 1.61 | 1470 | 17 | <0.01 | 14 | 0.07 | 44 | <2 | <2 | 46 | <5 | 15 | 90 |
| 81523 | 0.7 | 1.59 | <3 | 64 | <3 | 0.60 | 3.0 | 35 | 39 | 152 | 4.49 | 0.20 | 0.94 | 809 | 18 | <0.01 | 2 | 0.07 | 73 | <2 | 13 | 22 | <5 | 9 | 169 |
| 81524 | 0.4 | 1.22 | 67 | 41 | <3 | 0.48 | <0.1 | 17 | 37 | 147 | 3.33 | 0.22 | 0.72 | 375 | 14 | <0.01 | 10 | 0.06 | 40 | <2 | <2 | 8 | <5 | 11 | 36 |
| 81525 | <0.1 | 0.34 | 27 | 79 | <3 | 1.29 | <0.1 | 21 | 38 | 109 | 4.63 | <0.01 | 0.89 | 1010 | 19 | <0.01 | <1 | 0.08 | 44 | <2 | <2 | 16 | <5 | 8 | 91 |
| 81526 | 0.1 | 0.38 | 41 | 115 | <3 | 3.24 | <0.1 | 18 | 25 | 223 | 3.04 | <0.01 | 1.05 | 935 | 18 | <0.01 | 1 | 0.04 | 56 | <2 | <2 | 26 | <5 | 14 | 43 |
| 81527 | 0.4 | 1.64 | <3 | 32 | <3 | 3.05 | 1.0 | 55 | 12 | 30 | 8.83 | <0.01 | 5.53 | 704 | 32 | <0.01 | 6 | 0.12 | 70 | <2 | <2 | 66 | <5 | 12 | 158 |
| 81528 | 0.4 | 2.76 | <3 | 73 | <3 | 2.36 | 2.0 | 47 | 20 | 24 | 8.90 | <0.01 | 7.08 | 862 | 32 | <0.01 | <1 | 0.11 | 59 | <2 | <2 | 56 | <5 | 12 | 197 |

Minimum Detection 0.1 0.01 3 1 3 0.01 0.1 1 1 1 0.01 0.01 0.01 1 1 0.01 1 0.01 2 2 2 1 5 3 1
 Maximum Detection 50.0 10.00 2000 1000 1000 10.00 1000.0 20000 1000 20000 10.00 10.00 10.00 20000 1000 10.00 20000 10.00 20000 2000 1000 10000 100 1000 20000
 (- Less Than Minimum) (> - Greater Than Maximum) (is - Insufficient Sample) (ns - No Sample) ANOMALOUS RESULTS - Further Analyses By Alternate Methods Suggested.

IN PROOF BY CANADA

1630 HANCOCK STREET
VANCOUVER, BC V5L 1L6
(604) 251-5656

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
~~1088 TRIUMPH ST.~~
~~VANCOUVER, B.C. V5L 1K5~~
● (604) 251-5656
● FAX (604) 254-5717

BRANCH OFFICES
PASADENA, N.F.L.D.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 900220 GA

JOB NUMBER: 900220

SULLIVAN MANAGEMENT/KESTREL RES.

PAGE 1 OF 1

| SAMPLE I | Ag ppm | Au ppb |
|----------|-----------|-----------|
| 81529 | .1 | nd |
| 81530 | nd | nd |
| 81531 | .4 | nd |
| 81532 | nd | nd |

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample

VANGEOCHEM LAB LIMITED

1630 Pandora Street, Vancouver, B.C. V5L 1L6
Ph: (604) 251-5656 Fax: (604) 254-3717

ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO₃ to H₂O at 95 °C for 90 minutes and is diluted to 10 ml with water.
This leach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST: *Ryan*

REPORT #: 900220 PA

SULLIVAN MANAGEMENT / KESTREL RES.

PROJECT: TIC / REST

DATE IN: AUG 10 1990

DATE OUT: AUG 29 1990

ATTENTION: MR. TENNANT & MR. BUCHHOLZ

PAGE 1 OF 1

| Sample Name | Ag | Al | As | Ba | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | Mg | Mn | Mo | Na | Ni | P | Pb | Sb | Sn | Sr | U | W | Zn |
|-------------------|------|-------|------|------|------|--------|--------|-------|------|-------|--------|-------|-------|-------|------|-------|-------|-------|-------|------|------|-------|-----|------|-------|
| | ppm | % | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | % | % | % | ppm | ppm | % | ppm | % | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| B1529 | 0.1 | 0.14 | <3 | 22 | <3 | >10.00 | 1.2 | 31 | 18 | 539 | >10.00 | <0.01 | 4.80 | 4781 | 31 | <0.01 | 6 | <0.01 | 42 | <2 | 17 | 391 | <5 | <3 | 90 |
| B1530 | <0.1 | 2.55 | <3 | 249 | <3 | 3.70 | 1.0 | 22 | 62 | 11 | 4.89 | <0.01 | 2.05 | 1101 | 17 | <0.01 | 4 | 0.11 | <2 | <2 | 11 | 237 | <5 | <3 | 64 |
| B1531 | 0.4 | 0.69 | 11 | 79 | <3 | 0.99 | 1.9 | 25 | 18 | 57 | 4.31 | 0.08 | 0.24 | 803 | 8 | <0.01 | 2 | 0.08 | 4 | <2 | 11 | 10 | 6 | 11 | 70 |
| B1532 | <0.1 | <0.01 | 31 | 15 | <3 | >10.00 | 0.2 | <1 | 5 | <1 | 0.20 | <0.01 | 0.49 | 500 | 8 | <0.01 | <1 | 0.01 | 18 | <2 | 4 | 387 | <5 | 68 | 11 |
| Minimum Detection | 0.1 | 0.01 | 3 | 1 | 3 | 0.01 | 0.1 | 1 | 1 | 1 | 0.01 | 0.01 | 0.01 | 1 | 1 | 0.01 | 1 | 0.01 | 2 | 2 | 2 | 1 | 5 | 3 | 1 |
| Maximum Detection | 50.0 | 10.00 | 2000 | 1000 | 1000 | 10.00 | 1000.0 | 20000 | 1000 | 20000 | 10.00 | 10.00 | 10.00 | 20000 | 1000 | 10.00 | 20000 | 10.00 | 20000 | 2000 | 1000 | 10000 | 100 | 1000 | 20000 |

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

1030 ... STREET
VANCOUVER, BC V5L 1L6
(604) 251-5656

VGC VANGEOCHEM LAB LIMITED

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

BRANCH OFFICES
PASADENA, N.F.L.D.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 900227 GA

JOB NUMBER: 900227

SULLIVAN MANAGEMENT/KESTREL RES.

PAGE 1 OF 1

| SAMPLE # | Ag ppm | Au ppb |
|----------|-----------|-----------|
| 82372 | 2.4 | nd |
| 82373 | .2 | nd |
| 82374 | 1.1 | nd |
| 82375 | 1.9 | nd |

DETECTION LIMIT
nd = none detected

0.1 5
-- = not analysed

is = insufficient sample

VANGEOCHEM LAB LIMITED

1630 Pandora Street, Vancouver, B.C. V5L 1L6

Ph: (604)251-3656 Fax: (604)254-3717

ICAP GEOCHEMICAL ANALYSIS

A .5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO₃ to H₂O at 95 °C for 90 minutes and is diluted to 10 ml with water.
This teach is partial for Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, Sn, Sr and W.

ANALYST: *Raymond*

REPORT #: 900227 PA

SULLIVAN MANAGEMENT / KESTREL RES.

PROJECT: KERR 9

DATE IN: AUG 10 1990

DATE OUT: AUG 29 1990

ATTENTION: MR. JOHN BUCHNOLZ

PAGE 1 OF 1

| Sample Name | Ag | Al | As | Ba | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | Mg | Mn | Mo | Na | Ni | P | Pb | Sb | Sn | Sr | U | W | Zn |
|-------------------|------|-------|-------|-------|------|--------|--------|-------|------|-------|--------|-------|-------|-------|------|-------|-------|-------|-------|------|------|-------|-----|------|-------|
| | ppm | % | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | % | % | % | ppm | ppm | % | ppm | % | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| 82372 | 2.4 | 1.32 | >2000 | 4 | <3 | 1.27 | 22.4 | 59 | 33 | 105 | >10.00 | 0.04 | 0.29 | 333 | 109 | <0.01 | 46 | 0.01 | 254 | <2 | 15 | 47 | <5 | <3 | 63 |
| 82373 | 0.2 | 0.23 | 67 | >1000 | <3 | >10.00 | 1.1 | <1 | 45 | 9 | 0.81 | <0.01 | 0.16 | 10094 | 7 | <0.01 | 22 | <0.01 | 44 | <2 | <2 | 701 | <5 | <3 | 27 |
| 82374 | 1.1 | 0.52 | <3 | >1000 | <3 | >10.00 | 0.8 | 18 | 23 | 27 | 2.50 | <0.01 | 2.27 | 4961 | 16 | <0.01 | 5 | 0.03 | 56 | <2 | 8 | 726 | <5 | <3 | 90 |
| 82375 | 1.9 | 0.41 | <3 | >1000 | 73 | >10.00 | <0.1 | <1 | 67 | 107 | 0.65 | <0.01 | 0.24 | 2805 | 7 | <0.01 | 17 | 0.02 | 60 | <2 | 7 | 422 | 5 | <3 | 26 |
| Minimum Detection | 0.1 | 0.01 | 3 | 1 | 3 | 0.01 | 0.1 | 1 | 1 | 1 | 0.01 | 0.01 | 0.01 | 1 | 1 | 0.01 | 1 | 0.01 | 2 | 2 | 2 | 1 | 5 | 3 | 1 |
| Maximum Detection | 50.0 | 10.00 | 2000 | 1000 | 1000 | 10.00 | 1000.0 | 20000 | 1000 | 20000 | 10.00 | 10.00 | 10.00 | 20000 | 1000 | 10.00 | 20000 | 10.00 | 20000 | 2000 | 1000 | 10000 | 100 | 1000 | 20000 |

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

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
 1988 TRIUMPH ST.
 VANCOUVER, B.C. V5L 1K5
 • (604) 251-8658
 • FAX (604) 254-5717

BRANCH OFFICES
 PASADENA, N.F.L.D.
 BATHURST, N.B.
 MISSISSAUGA, ONT.
 RENO, NEVADA, U.S.A.

REPORT NUMBER: 200033 VA

JOB NUMBER: 200033

SULLIVAN MANAGEMENT/ANSTRELL RES.

PAGE 1 OF 1

SAMPLE #

Ag
ppm

As
ppb

| | | |
|-------|--------|-----|
| 92206 | 12.8 | 50 |
| 92207 | > 50.0 | 250 |
| 92208 | 17.6 | 20 |
| 92209 | .6 | 30 |
| 92210 | 3.5 | 60 |
| 92401 | 2.0 | 40 |

DETECTION LIMIT

0.1 5

nd = none detected

-- = not analysed

is = insufficient sample

REPORT NUMBER: 900093 AA

JOB NUMBER: 900093

SULLIVAN MANAGEMENT/KESTREL RES.

PAGE 1 OF 1

| SAMPLE # | Ag oz/st |
|----------|-------------|
| 92207 | 1.26 |

DETECTION LIMIT

.01

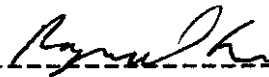
1 troy oz/short ton = 34.28 ppm

1 ppm = 0.0001%

ppm = parts per million

< = less than

signed: _____



ICAP GEOCHEMICAL ANALYSES

1.5 gram sample is digested with 5 ml of 3:1:2 HCl to HNO₃ to H₂O at 90°C for 20 minutes and is diluted to 10 ml with water.
 This method is partial for Al, Ba, Ca, Cr, Fe, K, Pb, Mn, Ni, P, Sr, S and Zn.

ANALYST: Raymond

REPORT #: 900013 PA

SULLIVAN MANAGEMENT/KESTREL RES.

PROJECT: RAG

DATE 10: JULY 30 1990

DATE 11: JULY 12 1990

ATTENTION: MR. STUART TERNANT

PAGE 1 OF 1

Sample Name

92528
 92529
 92530
 92206
 92207
 92208
 92209
 92210
 92401

| | Ag | Al | As | Ba | Bi | Ca | Cl | Co | Cr | Cu | Fe | K | kg | Mn | Mo | Ni | Nb | NO | P | Pb | Sb | Se | Sr | S | Zn |
|-------------------|-------|-------|------|------|------|-------|--------|-------|------|-------|--------|-------|-------|-------|-----|-------|-------|-------|-------|------|------|-------|-----|------|-------|
| | ppm | μ | ppm | ppm | ppm | μ | ppm | ppm | ppm | ppm | μ | μ | μ | ppm | ppm | μ | ppm | μ | ppm | ppm | ppm | ppm | ppm | ppm | ppm |
| 92528 | .6 | .6 | 13 | 17 | 13 | .03 | .5 | 3 | 5 | 6 | .35 | .01 | .18 | 104 | 2 | .01 | 6 | 01 | 25 | 12 | 12 | 2 | 92 | 13 | 12 |
| 92529 | .6 | 1.56 | 26 | 205 | 13 | .62 | 2.7 | 10 | 42 | 33 | 2.92 | .10 | .11 | 719 | 6 | .02 | 22 | 08 | 34 | 12 | 6 | 18 | 15 | 13 | 84 |
| 92530 | .5 | 1.89 | 126 | 146 | 13 | .22 | 2.5 | 11 | 31 | 33 | 3.42 | .03 | .19 | 853 | 7 | .02 | 16 | 06 | 27 | 12 | 7 | 10 | 15 | 13 | 85 |
| 92206 | 12.6 | 1.11 | 1076 | 25 | 13 | 3.79 | 23.4 | 16 | 69 | 877 | 8.24 | .28 | 1.11 | 2991 | 36 | .24 | 167 | 06 | 1573 | 39 | 11 | 30 | 15 | 148 | 2144 |
| 92207 | 150.0 | 2.34 | 1127 | 38 | 19 | .11 | 9.5 | 13 | 44 | 2439 | 110.00 | .01 | 1.10 | 3627 | 53 | .20 | 112 | 10 | 19814 | 111 | 17 | 6 | 15 | 242 | 1447 |
| 92208 | 17.6 | .30 | 469 | 789 | 13 | .85 | 5.1 | 12 | 80 | 1940 | 1.47 | .14 | .8 | 278 | 33 | .31 | 38 | 30 | 1284 | 1115 | 2 | 34 | 1 | 13 | 144 |
| 92209 | .6 | 1.50 | 118 | 81 | 13 | .69 | 2.8 | 16 | 36 | 117 | 5.10 | .10 | .12 | 617 | 9 | .02 | 11 | 06 | 89 | 31 | 12 | 29 | 15 | 29 | 48 |
| 92210 | 3.5 | .10 | 1007 | 65 | 13 | .02 | 3.2 | 29 | 141 | 498 | 5.70 | .01 | .12 | 95 | 124 | .06 | 211 | 01 | 2166 | 80. | 4 | 1 | 15 | 13 | 424 |
| 92401 | 2.9 | 2.22 | 791 | 264 | 5 | 1.01 | 6.1 | 12 | 109 | 236 | 5.15 | .14 | 1.12 | 3340 | 18 | .07 | 76 | 06 | 201 | 47 | 11 | 15 | 15 | 15 | 498 |
| Minimum Detection | 0.1 | 0.11 | 3 | 1 | 3 | 0.01 | 0.1 | 1 | 1 | 1 | 0.01 | 0.01 | 0.11 | 1 | 1 | 0.01 | 1 | 0.01 | 2 | 2 | 2 | 1 | 1 | 3 | 1 |
| Maximum Detection | 50.0 | 10.00 | 2100 | 1000 | 1000 | 10.00 | 1000.0 | 20000 | 1000 | 20000 | 15.00 | 15.00 | 10.10 | 20000 | 000 | 10.00 | 20000 | 10.00 | 20000 | 2000 | 1000 | 10000 | 100 | 1000 | 20000 |

< - Less Than Minimum

> - Greater Than Maximum

is - Insufficient Sample

ns - No Sample

ABNORMAL RESULTS - Further Analyses By Alternate Methods Suggested

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1630 PANDORA STREET
VANCOUVER, B.C.
V5L 1L6
TEL (804) 251-5656
FAX (804) 254-6717

BRANCH OFFICES
BATHURST, N.B.
RENO, NEVADA, U.S.A.

April 30, 1991

TO: Mr. Stuart Tennant
KESTREL RESOURCES LTD.
506 - 675 W. Hastings St.
Vancouver, BC V6B 1N2

FROM: VANGEOCHEM LAB LIMITED
1650 Pandora Street
Vancouver, BC V5L 1L6

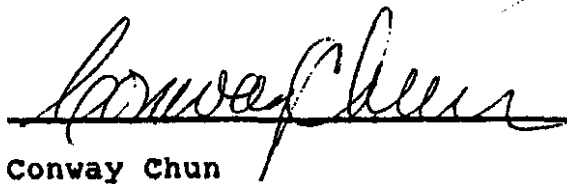
SUBJECT: Analytical procedure for soil samples preparations.

1. Method of Sample Preparation

- (a) Geochemical soil, silt or rock samples were received at the laboratory in high wet-strength, 4" x 6", Kraft paper bags.
- (b) Dried soil and silt samples were sifted by hands using an 8" diameter, 80-mesh, stainless steel sieve. The plus 80-mesh fraction was rejected. The minus 80-mesh fraction was transferred into a new bag for subsequent analyses.

2. Analysts

The sample preparations were supervised or determined by Mr. Conway Chun or Mr. Raymond Chan and his laboratory staff.



Conway Chun
VANGEOCHEM LAB LIMITED

VANGEOCHEM SAMPLE ANALYSIS DESCRIPTION

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

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

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

APPENDIX II
Sample Descriptions

Geochemical Data Sheet - ROCK SAMPLING

BURMAE

NTS 104B/15

Sampler Chase/Bilquist
Date Aug 2/90

Project ~~XXXX~~ ~~XXXXXXXXXXXX~~
Property Tic 5, 4

Location Ref _____
Air Photo No _____

| SAMPLE NO. | LOCATION | SAMPLE TYPE | Sample Width | True Width | DESCRIPTION | | | ADDITIONAL OBSERVATIONS | ASSAYS | | | | | |
|------------|----------|-------------------|------------------|------------|---------------------------|---------------------------|--|------------------------------|--------|--------|--|--|--|--|
| | | | | | Rock Type | Alteration | Mineralization | | Au 205 | Ag 205 | | | | |
| 81516 | 4240 | vert local rubble | | | chlorite diorite | dis fire blebs py | | | 10 | .5 | | | | |
| 17 | 4240 | select grabs | | | carbonate | | strong carb ankerite stringers pink monz | | nd | .4 | | | | |
| 18 | 4580 | | | | chlorite quartz monzonite | | green diorite mix | | nd | .1 | | | | |
| 19 | 4600 | chips | 2m | 1.5 ± | chloritic diorite | very mild propylitic | rare dis py | | nd | .5 | | | | |
| 20 | 4470 | chips | 2m | | ankerite calcite | | rare dis py, dk green sulfide | | nd | .4 | | | | |
| 21 | 4430 | chips | 1m | | rhy andisite | | hemite stringers | pt of iron orange gosson | nd | .4 | | | | |
| 22 | 4210 | chips select | 1m | | andisite rhyolite | | pt carb hem stringers | | nd | .3 | | | | |
| 23 | | chips | several boulders | | quartz chlorite | dis blebs py | | abundant angular float | 10 | .7 | | | | |
| 24 | 3740 | chips | 40 cm | | chlorite | pyritized silicified zone | | | nd | .4 | | | | |
| 25 | 3800 | chips | 1/2 m | | secular hematite | | silicified zone rare blebs calc | | nd | nd | | | | |
| 26 | 3800 | chips | 1/2 m | | qtz | | minor calc | | nd | .1 | | | | |
| 27 | 3790' | chips | 1/2 m | | blue rhy | | blebs dis py calc | steep hillside w/ overburden | nd | .4 | | | | |
| 28 | 3790' | chips | 1/2 m | | " | chlorite | blebs dis sulfide | adj. previous | nd | .4 | | | | |
| 29 | 3500' | chips | 20 cm | | | carb. shear | py ep | | | | | | | |
| 30 | 3500' | chips | 15 cm | | maroon rhy | | ble dis py | | | | | | | |

Geochemical Data Sheet - ROCK SAMPLING

Sampler B Chase / Bilquist
 Date Aug 3/90

Project Burmac
 Property TLC 4, Rest 2

NTS 104 B/15
 Location Ref _____
 Air Photo No _____

| SAMPLE NO. | LOCATION | SAMPLE TYPE | Sample | | DESCRIPTION | | | ADDITIONAL OBSERVATIONS | ASSAYS | | | | | | | |
|------------|----------|-------------|--------|------------|------------------------|----------------|-----------------|-------------------------|-----------|-----------|--|--|--|--|--|--|
| | | | Width | True Width | Rock Type | Alteration | Mineralization | | Au ppb | Hg ppm | | | | | | |
| 81529 | 3500' | chips | 20cm | yes | | carb shear | cpy, py mal | N60°E? | nd | nl | | | | | | |
| 30 | 3500' | " | 75cm | + | margin yokes | | fine dis py. | | nd | nd | | | | | | |
| 31 | 3540' | " | 1m | | cherty sed | strong carb | rare dis py | long draw @ N60°E | nd | nl | | | | | | |
| 32 | 2900' | " | 50cm | | crinoidal limestone | | minor py | | nd | nd | | | | | | |
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Geochemical Data Sheet - ROCK SAMPLING

Sampler KENT FORESTER + J. LEE
Date July 5/90

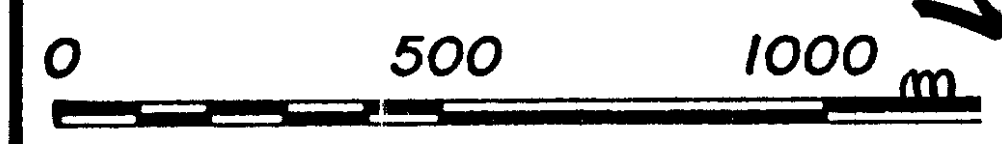
Project TIC 5
Property _____

Location ISCUIT LIARD
M.D. _____
NTS B-15

| SAMPLE NO. | LOCATION | SAMPLE TYPE | Sample Width | DESCRIPTION | | | OBSERVATIONS | ASSAYS | | | | |
|------------|----------|-------------|--------------|---------------|------------|---|--|------------------------|--------|--|--|--|
| | | | | Rock Type | Alteration | Mineralization | | Ag ppm | Au ppb | | | |
| 92206 | 5770 ft. | ROCK | 30 cm | QUARTZ | SHEAR. | MASSIVE PYRITE MALACHITE LIMONITE | = LOCATED ON CLIFF FACE | 12.8 | 50 | | | |
| 92207 | " | ROCK | 15. | | | PYRITE + LIMONITE MALACHITE | SHEAR PINCHES + SWELLS | 750 1020 | 250 | | | |
| 92208 | " | ROCK | 15. | QUARTZ | | MALACHITE AZURITE CALICO PYRITE | | 17.6 | 20 | | | |
| 92401 | " | ROCK | 30 | QUARTZ | SEEL ZONE | LIMONITE STANNITE PYRITE | SHEAR EXTENDS FOR 7m. | 6 | 30 | | | |
| 92209 | 6134 ft | ROCK | 15 | SED. MOUNTAIN | | PYRITE + LIMONITE STANNITE | 15m LONG | 3.5 | 60 | | | |
| 92210 | 5770 ft | ROCK | 15 | QUARTZ | | PYRITE LIMONITE STANNITE | SAMPLE TAKEN IN SAME AREA AS FIRST FOUR | 2.0 | 40 | | | |
| | | | | | | | | | | | | |
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AR 21349

- ASSAYS- Au (ppb)/Ag (ppm)
- Outcrop
- Traverse
- Sample location
- - - Geological Contact
- ~ ~ ~ Fault



KESTREL RESOURCES LTD.
 REST 1-2, KER 9, TIC 4-5 MINERAL CLAIMS
SAMPLE LOCATION MAP
 LIARD MINING DIVISION, B.C.
 DATE: APRIL 1991 SCALE:
 DRAWN: S. TENNANT FIGURE: 5

