

FRENCH PEAK SILVER PROPERTY

SUPPLEMENTARY REPORT

Silverado Group: Silverado, Eldorado, Mag Hi, Silver Iron

Omineca Mining Division 93M/7W

55° 21' N 126° 48' W

OWNER & OPERATOR:

Silverado Mines Ltd.

AUTHOR:

A.M. Homenuke, P. Eng. (Geol.)

SUBMITTED:

October 3, 1991

GEOLOGICAL BRANCH ASSESSMENT REPORT

21,698

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I. INTRODUCTORY NOTES

Location and Access

The claims are located southeast of French Peak, 10 km. west of the north end of the Babine Lake and 65 km northeast of Smithers, B.C., in the Omineca Mining Division (Fig. 1).

The property is reached by gravel roads from Smithers along the route to Smithers Landing, the Nilkitkwa Forest Access Road and a mine road constructed in 1976, a total distance of 120 km.

Physical Features

Elevation on the property ranges between 975 metres and 1,200 metres. On the north and south the terrain is mountainous with more moderate slopes towards Tsezakwa Creek which flows easterly across the central portion of the claim group.

Outcrop is generally scarce, with the major exposures being in creek banks and topographic highs. Further exposures have been provided by trenching.

Rainfall is relatively low, but snowfall exceeds 1.5 metres most years and lasts from late October until May.

Vegetation consists mainly of subalpine fir, with spruce in flatter areas and poplar and alder near the main creeks. Old burnt areas are presently covered with a dense regrowth.

Claims and Ownership

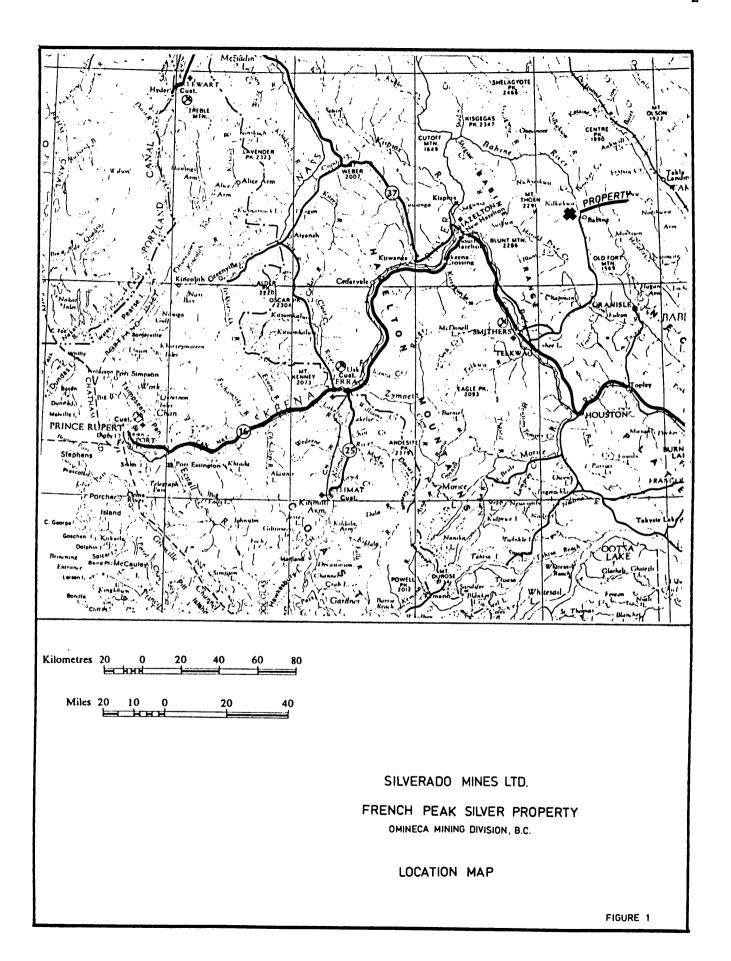
The French Peak Silver Property consists of four claims totalling 30 units (Fig. 2). The following table lists the claim data:

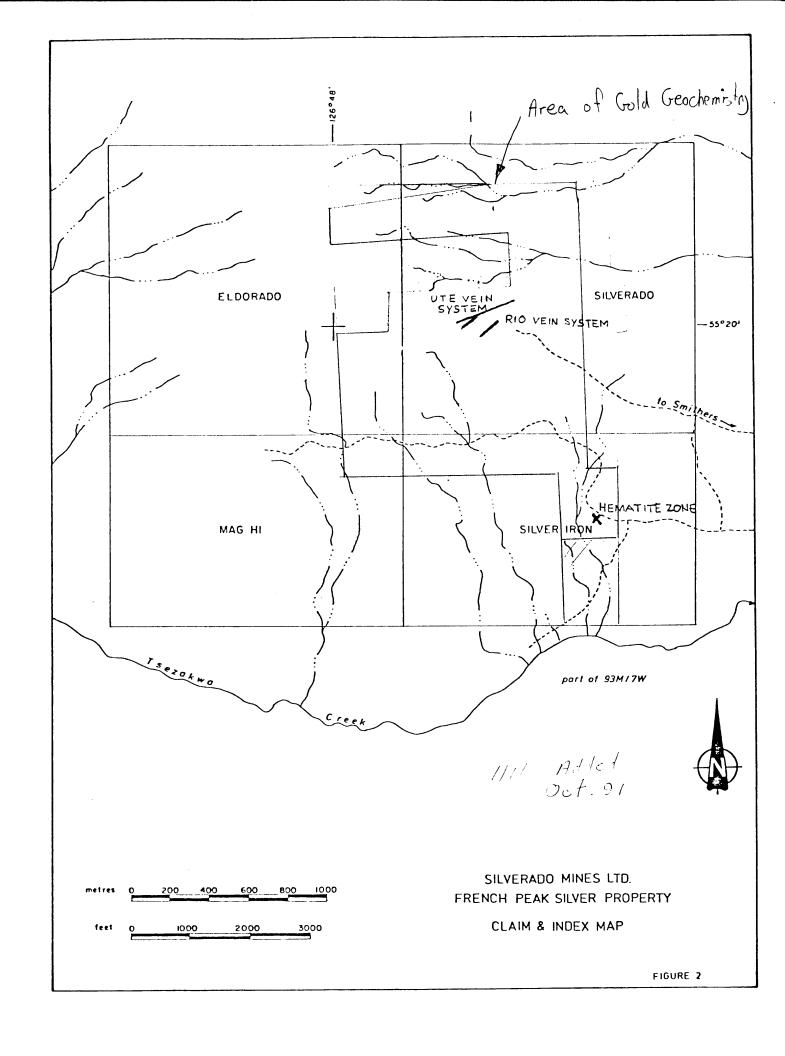
NAME	RECORD #	UNITS	RECORD DATE	YEAR OF LOCATION
Silverado	298	9	May 26	1976
Eldorado	299	9	May 26	1976
Mag Hi	348	6	July 9	1976
Silver Iron	349	6	July 9	1976

The Claims are owned by Silverado Mines Ltd.

HISTORY

The first mineralization was discovered by a Rio Tinto exploration party in 1955. In 1956 they explored the area of the Ute and Rio Vein Systems with trenching, 1722 feet of diamond drilling in 12 holes, mapping and surface sampling.





Sometime in the 1960's cat trenching to the south led to the discovery of the Hematite Zone.

In 1964, S. Homenuke and H. Gilleland leased the property and shipped a total of 24 tons of hand-sorted ore. In 1974, S. Homenuke and J. Sargent, having purchased the property, shipped a further 28.4 tons. The 52.4 total tons yielded over 10,500 ounces of silver, plus copper, lead, zinc and gold.

Renniks Resources Ltd. optioned the property in 1974 and carried out a program of mapping, sampling, trenching and electromagnetic surveying. Renniks allowed the option to lapse, due to commitments elsewhere.

In 1976, Silverado Mines Ltd. optioned the property and commenced a drilling program. Thirty holes were drilled, totalling 2,646 feet. Work also included construction of an access road, trenching, detailed mapping, magnetometer surveying and minor reconnaissance.

From 1977 to 1980, the property was optioned from Silverado to Mohawk Oil Co. Ltd. To cover assessment requirements, some linecutting and a petrographic study were done. In 1980, by agreement, Mohawk was required to have the property in production, at least on a limited basis. To this end, metallurgical testing, a preliminary environmental analysis, and a preliminary feasibility analysis were done. The project had reached the point of initial government permit applications when Mohawk, due to other commitments, returned the property to Silverado.

During the 1981 field season, Silverado, through Tri-Con Mining Ltd., and under the writer's direction, carried out an extensive program of geochemical sampling and geophysical surveying.

From 1983 to 1989, exploration included further drilling and trenching on the Ute Vein and Hematite Zone, further geochemical sampling, airphoto fracture analysis, geological mapping, preliminary IP & magnetic surveys and preparation of a new topographic base map. Several new veins related to the Ute System were discovered and several targets were enhanced for future exploration.

Economic Assessment

The production record and drilling results indicate that the French Peak Silver Property has potential as a high-grade silver-gold-base metal producer. Some of the drilling and mapping indicates possibilities for larger tonnage, lower grade mineralized zones.

Present work and Distribution

263 samples from all of the claims were analyzed for gold.

II. GEOCHEMICAL SURVEY

Purpose and Procedure

In 1981, a major portion of the property was covered by a multi-element soil survey. Gold analysis was not done. In 1986, the soil survey was extended to the west and gold analysis was included. The 1986 survey (See Fig. 3) showed a weak gold anomaly open to the east.

It was decided that gold geochemistry might locate new exploration targets and assist in interpretation of other geochemical and geophysical data. As pulps were still available from the 1981 survey, it was decided to have a batch these analyzed for gold at Chemex Labs in North Vancouver. The samples were subjected to a fire assay/AA finish procedure with a 5 ppb detection limit. Only four samples showed values from 5 - 15 ppb gold. These results were discussed in an earlier assessment report (Homenuke, 1991) and the data are shown on Fig. 3. An additional batch of smaples was submitted to the same procedure. These results are also shown on Fig. 3 and the lab sheets are included in Appendix I.

Discussion of Results

The second batch of pulps analyzed for gold returned five times as many smaples with detectable gold (21 vs 4) and a range from 5-50 ppb compared to 5-15 ppb previously.

The positive results are erratic with a weak clustering on the northeast part of the grid. Previous work showed up - ice to be northeast.

III. CONCLUSIONS & RECOMMENDATIONS

The previous report on this gold geochemistry voiced some concern for the validity of the results. The results from this second batch of samples indicated that gold analysis on a 10 gram subsample is of limited usefulness on the French Peak Property, but that the results are valid.

The low range of values (5 - 50 ppb) obtained indicates that gold is unlikely to be chemically mobile on the property and that the erratic "highs" have probably been produced by glacially transported particles.

This implies that there may be a source area to the northeast of the grid. This conclusion is supported in part by previous results for other metals.

A test program with larger samples, gravity preconcentration and profiling to bedrock over a known gold bearing occurrence on the property should be done prior to any further gold geochemistry.

Respectfully submitted, TRI-CON MINING LTD.

A.M. Homehuke, P. Eng. Senior Vice-President

COST STATEMENT

A. Homenuke, P. Eng.

Sample selection, reports, maps and interpretation

Total	\$ 2,564.40
Analytical 263 samples for gold @ 8.80	2,314.40
Secretarial, copying, etc.	50.00
1/2 day @ \$400/day	\$ 200.00

REFERENCES

1976 - 1989, Homenuke, A.M., various assessment reports

Homenuke, A.M., 1991, Gold Geochemistry on the French Peak Silver Property (Assessment Report)

CERTIFICATE OF QUALIFICATION

I, Alexander M. Homenuke, do hereby certify:

- 1. THAT I am a member in good standing of the Association of Professional Engineers of British Columbia.
- 2. THAT I received the Degree of Bachelor of Science in Geological Engineering from the Colorado School of Mines in 1974.
- 3. THAT I received a Diploma of Technology in Mining from the B.C. Institute of Technology in 1969.
- 4. THAT I have been employed in various aspects of mining exploration for 22 years and am presently employed by Tri-Con Mining Ltd., of Suite 2580, 1066 West Hastings Street, Vancouver, British Columbia.
- 5. THAT I presently reside at 29825 Harris Road, Mt. Lehman, British Columbia.
- 6. THAT this report is based on work supervised or conducted by myself.

DATED at Vancouver, British Columbia, this 3rd day of October, 1991.

A.M. Homenuke, P. Eng. Geological Engineer.

APPENDIX I GEOCHEMICAL CERTIFICATES



Analytical Chemists * Geochemists * Registered Assayers

212 Brooksbank Ave., North Vancouver British Columbia, Canada V7J 2C1 PHONE: 604-984-0221 .3: TRI-CON MINING LTD. BOX 12542 2580 - 1066 W. HASTINGS ST. VANCOUVER, B.C. V6E 3X2 Page Nun. _r :1 Total Pages :7 Certificate Date: 08-JUL-91 Invoice No. :19117392 P.O. Number :

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