GEOLOGICAL AND GEOPHYSICAL

REPORT ON THE

CHALICE I, WALLY I AND STEIN CLAIMS

SECHELT PENINSULA,

VANCOUVER MINING DIVISION,

BRITISH COLUMBIA.

LATITUDE: 49° 46' N
LONGITUDE: 123° 57'W

NTS 92G/12W, 92G/13W, AND 92F/16E.

FOR: BLUE CHIP RESOURCES INC
706-525 SEYMOUR ST.
VANCOUVER, B.C.

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RR-1 L-9
BOWEN ISLAND, B C.
VON-1GO

JULY 13, 1991.

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1. INTRODUCTION

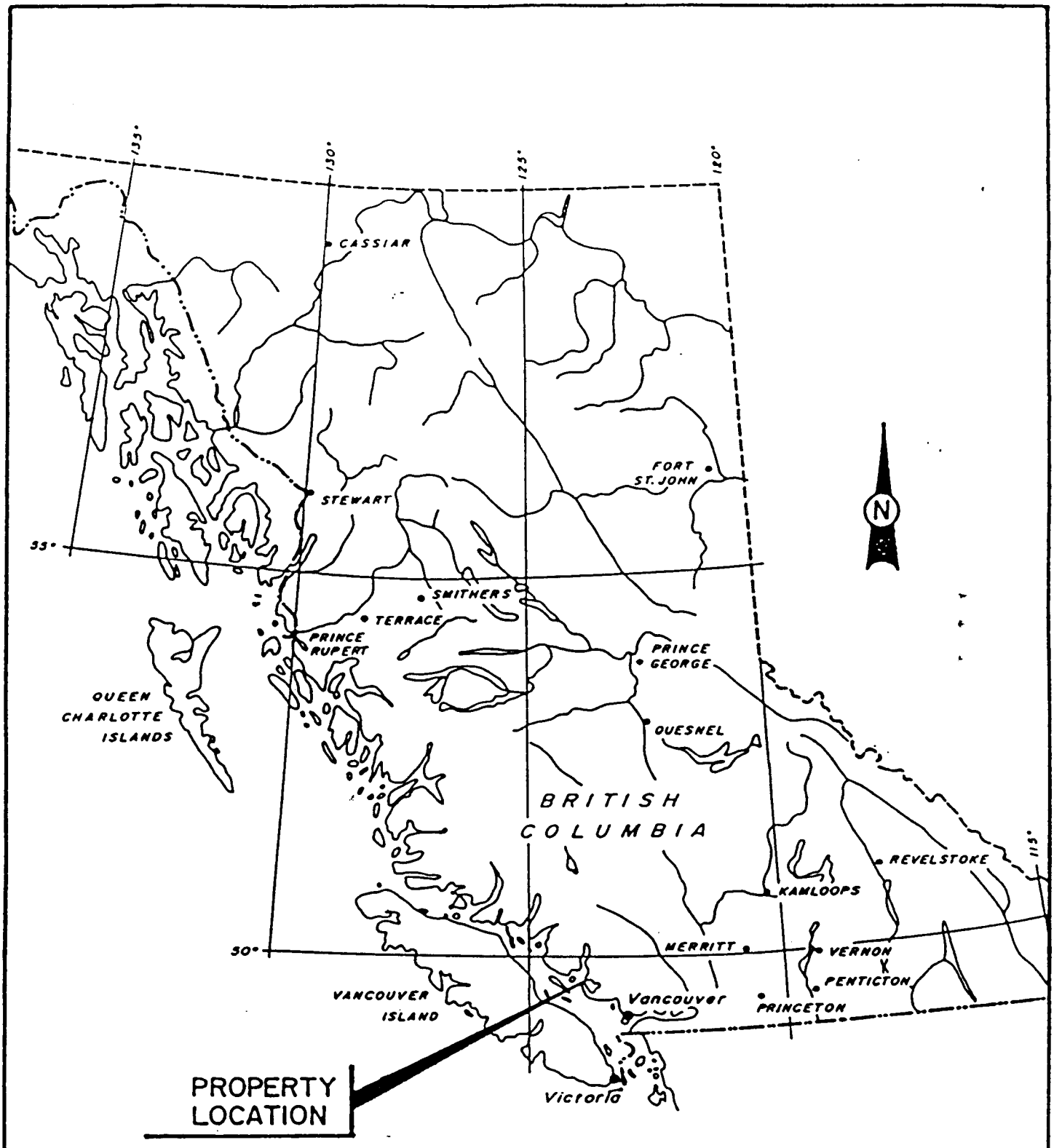
At the request of Mr. Art Hewitson; President of Blue Chip Resources Inc., an exploration program was conducted on the Egmont Property. The program consisted of line cutting, geological mapping and a proton magnetometer survey over 3.0 km of grid. In total $ 5,000.00 was expended on this program.

The primary types of target sought by this years program were Mesothermal gold-bearing quartz veins, similar to the Surf Inlet, Treadwell or AJ mines of the northwestern coast of North America. The purpose behind this years program was to evaluate in some detail the area immediately to the south of the Stein Adit. Previous sampling near the mouth of this adit produced values of 1.17 oz/ton gold.

The crew consisted of Brian V. Hall (geologist) and Brian Sauer (prospector). The field work was carried out between July 3 and 7 of 1991. Further work is recommended for the property and this should consist of detailed geological mapping, trenching and diamond drilling. The bulk of this work should be carried out on the mineralized showings of the Chalice I claim, and southeast of the Stein Adit.

1.1 Location and Access

The Egmont property is located at the northern end of the Sechelt Peninsula, roughly 100 km northwest of Vancouver(Figure1). Highway 101 cuts through the property providing access from Vancouver through the cities of Sechelt and GIbsons Landing via the B.C. Ferry System. Gravel roads are abundant over the entire property and are especially prevalent in the area of this most recent grid work.



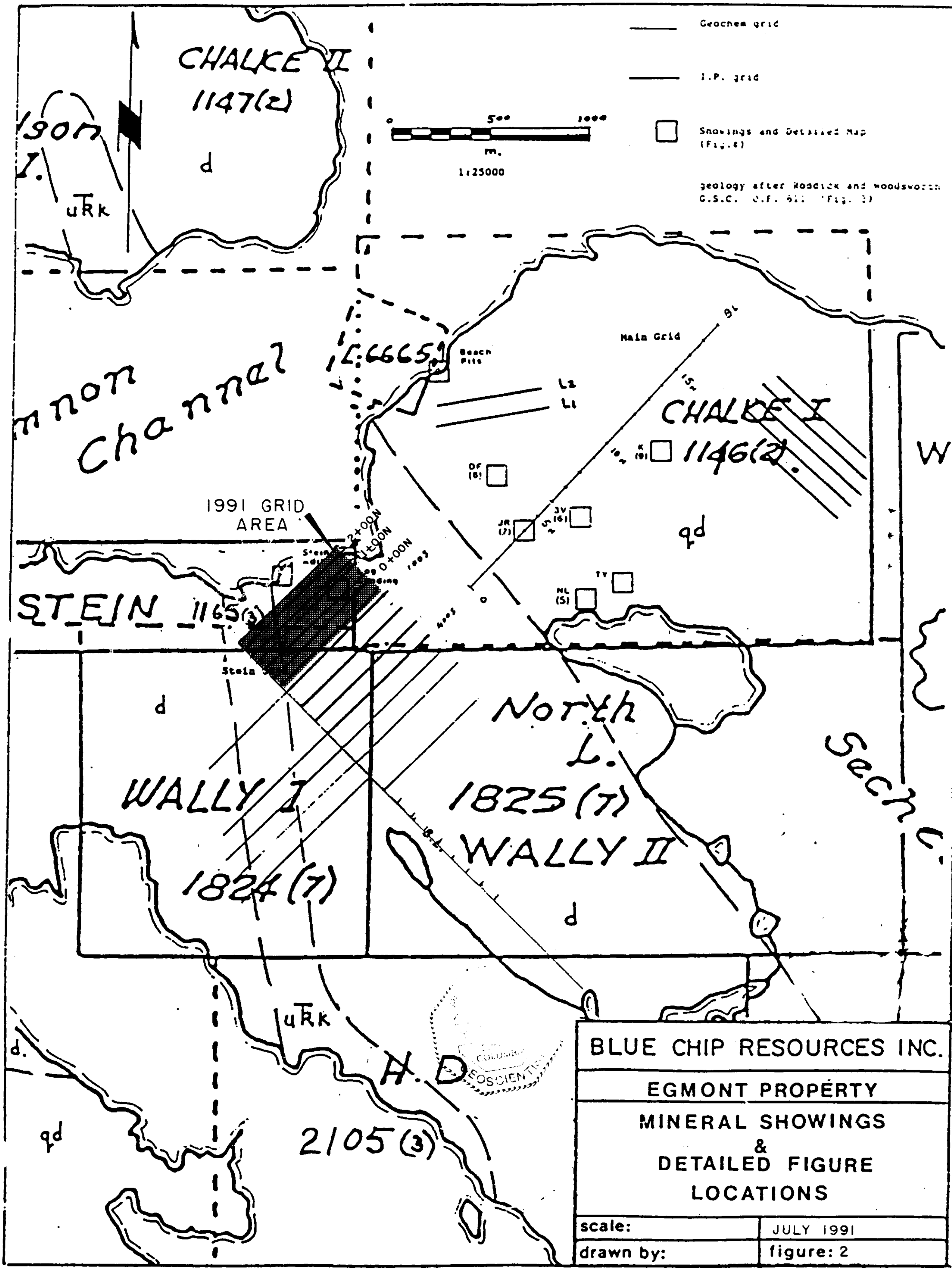
PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
B. V. HALL

BLUE CHIP RESOURCES INC.

PROPERTY LOCATION PLAN

0 100 200 400 KM.

drawn by:	JULY 1991	
SCALE 1:8,000,000		FIGURE 1


Geochem grid
I.P. grid
Showings and Detailed Map
geology after Roddick and Woodsworth
0
500
1000
m.
1:25000
CHALKE II
1147(2)
d
uRk
Channel
L.6665
Beach Pits
Main Grid
BL
L2
L1
CHALKE I
1146(2)
W
DF (8)
JR (7)
3V (6)
TY
NL (5)
qd
1991 GRID AREA
2+00N
1+00N
0+00N
STEIN 1165(3)
Stein
d
North L.
1825(7)
WALLY II
WALLY I
1824(7)
B.L.
d
uRk
d.
qd
H.D.
2105(3)
BLUE CHIP RESOURCES INC.
EGMONT PROPERTY
MINERAL SHOWINGS
&
DETAILED FIGURE
LOCATIONS
scale:
JULY 1991
drawn by:
figure: 2

1.2 Physiography

The claims occupy an area of steeply undulating coastal lowlands. THe topography ranges from sealevel to approximately 800 meters on the northern flank of Mount Hallwell. However most of the property lies below 180 meters in elevation. Cliffs of 3 to 20 meters in height are common, especially along the beach fronts. Several bodies of water are present such as Waugh, North, Klein and Ruby Lakes. To the north Agememnon Channel seperates the Chalice II and III claims from the remainder of the claim group.

Vegetation on the property is lush and abundant, typical of the coastal regions of British Columbia. The underbrush is quite thick except where the more mature forest cover does not allow the sunlight to penetrate. Most of the property has been logged several decades ago. The second growth has now reached marketable sizes for fir, hemlock and cedar, however a few stands of original timber remain.

The climate is temperate with minor short snowfalls during the winter months. Rainfall is abundant, especially in the fall and early spring, with the exception of short periods of time (generallly not more than 3 weeks) the property can be worked on virtually year round.

1.3 Claim Information

The Egmont Property consists of 8 modified claims, which total 120 units. This represents an area of roughly 3,000 hectares. All the claims are located in the Vancouver Mining District (Figure 2, p.3).

Ownership of the claims currently resides with Chalice Mining Inc. and were acquired through staking in 1982. Under terms of an option agreement dated July 3, 1987 Blue Chip Resources Inc. can aquire a 49% interest in the property.

The pertinent claim status information for the claims is given on Table 1 and all the present claims have been grouped as the Chalice Claim Group.

TABLE I

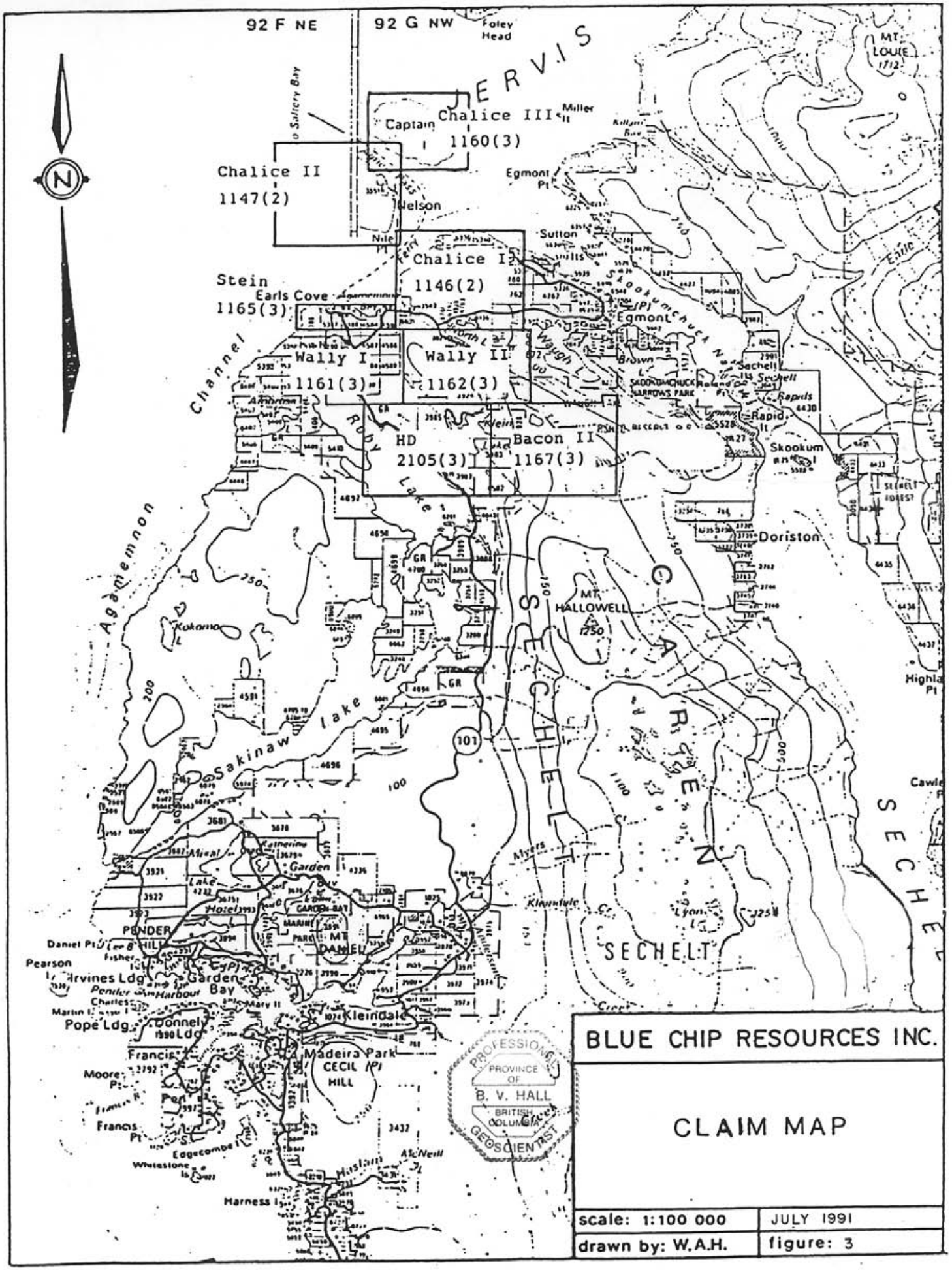
CLAIM INFORMATION

CLAIM NAME	RECORD NUMBER	UNITS	RECORD DATE	EXPIRY DATE
ChaliceI	1146(2)	20	February 5,1982	February 5, 1992
ChaliceII	1147(2)	20	February 12, 1982	February 12, 1992
ChaliceIII	1160(3)	12	March 9, 1982	March 9, 1992
H. D.	2105(3)	20	March 27, 1987	March 27, 1992
BaconII	1167(3)	20	March 23, 1982	March 23, 1992
WallyI	1824(7)	9	July 10, 1985	July 10, 1993
WallyII	1825(7)	15	July 19, 1985	July 10, 1992
Stein	1165(3)	4	March 22, 1982	March 22, 1992

1.4 Property History

The earliest known work on the property occurred in 1913 when Mr. R. Dunsford Jr. was reported to be tunnelling in the vicinity of Earls Cove (Stein Adit?). Some additional mineralization known as the " Skookum " was discovered along the shoreline in 1952. In 1965 Abacon Minerals Exploration Ltd. reportedly shipped 106 tons of material from a showing (Skookum or RC) on the Chalice I claim to the Tacoma Smelter. This shipment returned 34 ounces of gold, 45 ounces of silver and 170 pounds of copper (Grove, E.W. 1982).

Between 1966 and 1969 the property then known as the RC Group was taken over by Bart Mines. Work by Bart Mines suggested the fracture zone that hosts the Beach Pits continued to the northeast for at least 250 meters. Samples of quartz veins from the northeast of the Beach Pits ranged from 1.42 to 4oz/ton gold. An electomagnetic survey was also conducted by Bart Mines.



BLUE CHIP RESOURCES INC.

CLAIM MAP

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
B. V. HALL
GEOSCIENTIST

scale: 1:100 000	JULY 1991
drawn by: W.A.H.	figure: 3

The RC claims were then allowed to lapse and Chalice Mining Inc. then aquired the present land position through staking. Programs of geological mapping, soil sampling, VLF-EM, magnetometer, induced polarization, trenching and diamond drilling have been subsequently carried out over selected portions of the property. Some of the more significant showings include the Beach Pits and Stein Adit. These returned gold values of 4.290oz/ton and 1.17oz/ton respectively, with the Beach Pits also containing 3.77oz/ton silver. Other significant showings include JR (0.90oz/ton gold over 2.7meters), TY (0.148oz/tongold, 32.9ppm silver), 3V (0.760oz/ton gold), and the DF (2.630 oz/ton gold) (Brownlee, D.J 1986; Brownlee, D.J. and Allen, D.G. 1986; FLeming, D. 1983; Grove, E.W. 1982a; Grove, E.W. 1982b: Grove, E.W. 1985; Hodgson, S. 1984; Hodgson,S. 1985; Howell, W.A. 1988: LaRue, J.P. 1983; Mark, D.G. 1984; MacQuarrie, D.R. 1983; MacQuarrie, D.R. 1984; MacQuarrie, D.R. 1985; MacQuarrie, D.R. and Brownlee, D.J. 1986).

2 REGIONAL GEOLOGY

The Sechelt peninsula lies within the western boundary zone of the Coast Plutonic Complex. It is mainly underlain by Cretaceous (and possibly Tertiary) plutons of granodioritic to dioritic composition. Inclusions or pendants of mid to lower Jurrassic (Bowen Island Group) and upper Triassic (Karmutsen Formation) are present as northwesterly trending remnants of a once more extensive country rock cover (Friedman, R.M. etal 1990, Roddick, J.A. and Woodsworth, G.J., 1979). One major pendant described mainly as basalt or greenstone (Bowen Island Group) occupies a height of land along the east side of the Sechelt Peninsula.

A second pendant consisting of basalts of the Karmutsen Formation lies along the east side of Ruby Lake. Seperating these pendants is what is now thought to be a major fault zone (Monger, J.W.H. personal communication). This structure may continue up to Cordero Channel (Bute Inlet Mapsheet 92K) where a number of other gold bearing quartz veins are known.

BLUE CHIP RESOURCES INC.

REGIONAL GEOLOGY

scale:	JULY 1991
drawn by:	figure: 4

BLUE CHIP RESOURCES INC.
FEB 1988

Legend to Accompany Fig. 4

STRATIFIED ROCKS

QUATERNARY

PLEISTOCENE AND RECENT

Q — Alluvial, marine and glacial deposits.

TERTIARY AND QUATERNARY

PLIOCENE TO RECENT
GARIBALDI GROUP
TQv — Basalt to rhyodacite flows and pyroclastics, minor intercalated sediments.

UPPER CRETACEOUS AND TERTIARY

CAMPANIAN TO EOCENE
BURRARD FORMATION
eTb — Sandstone, shale and conglomerate; basalt flows, sills and dykes; minor tuff and coal.

CRETACEOUS

UPPER CRETACEOUS
HARRISON GROUP
uKm — Conglomerate and sandstone.

LOWER CRETACEOUS
GAMBIER GROUP
lKv — Andesite to rhyodacite flows and pyroclastics, greenstone, argillite; minor conglomerate, limestone and schist.

JURASSIC

MIDDLE JURASSIC (?)
PENDER ISLAND AMBER
Jb — Greenstone; minor chert and greywacke.

LOWER JURASSIC
HARRISON FORMATION
lJh — Feldspathic wacke, siliceous argillite, phyllite, quartzite; minor limestone.

TRIASSIC

UPPER TRIASSIC
KARMUTSEN FORMATION
uTrK — Basalt flows, pillow lava, pillow breccia, greenstone; minor limestone and shale.

PALEOZOIC (?)

gn — Gneiss, schist, amphibolite, agmatite.

PLUTONIC ROCKS

(IUGS Classification, 1973)

g — Muscovite granite

gd,gdu — Granodiorite; gdu (non-IUGS classification, from older reports)

gd' — Leucocratic varieties of granodiorite, tonalite and quartz diorite; minor β - granite

qd,qdu — Quartz diorite; qdu (non-IUGS classification, from older reports)

qd' — Leucocratic quartz diorite, minor granodiorite and tonalite

t — Tonalite, minor quartz diorite

qmd — Quartz monzodiorite, minor quartz diorite

md — Monzodiorite

d — Diorite, minor gabbro and quartz diorite

gb — Gabbro, minor diorite

Approximate limit of outcrop

Geological boundary (known, approximate) — — — —

Attitude of bedding or flows (inclined, vertical)

Attitude of foliation (inclined, vertical, dip unknown)

Outcrop examined; bedding or foliation absent

Fault (approximate) — — —

Fossil Locality

Dyke Swarm

Observed minerals: MA - magnetite; PY - pyrite; PR - pyrrhotite; CP - chalcopyrite; GA - garnet; SP - sphene

RADIOMETRIC AGES (millions of years)

Plutonic and volcanic rocks ●

Dykes ○

Minerals: h - hornblende; b - biotite; m - muscovite
z - zircon; w - whole rock

System: K - potassium-argon; U - uranium-lead

Laboratory: All determinations by G.S.C. except
(u) - University of B.C.
(b) - Baadsgaard, 1961

Geology by J.A. Roddick, G.J. Woodsworth and W.W. Hutchison, 1970-1974, including data from
D.H. Matthews, 1936 - Mt. Garibaldi area
A.H. Bacon, 1957 - Lower Jervis Inlet
H.H. Bostock, 1963 - vicinity of Britannia Mine
J.A. Roddick and J.E. Armstrong, 1965 - Vancouver North Map-area
N.L. Green, 1977 - Garibaldi Volcanics

Compilation by J.A. Roddick and G.J. Woodsworth, 1974.

Both the country rock pendants and the enclosing intrusive rocks have been cut by Tertiary dyke swarms and faults. These dyke swarms are quite prominent in the general area along the shoreline west of Earls Cove Many of the younger faults trend northwesterly and appear to have a normal sense of displacement.

In the area of the Chalice Claim Group hornblendic and biotitic granodiorites are predominate. Irregular zones within the granodiorite were noted to have been epidotized, silicified and variably pyritized. All of the underlying rocks as well as the known types of mineralization have been cut by a few diorite dykes which generally trend about $N50^{0}W$. Basaltic dykes ranging up to 2.0 meters wide appear to be the youngest rock unit in the area, and generallly trend between $N40^{0}W$ and $N55^{0}W$. The various dykes appear to be distributed irregularly and comprise up to 10% of the rock on the shoreline. Air photographs for the area reveal two strong sets of fractures which correspond to trends of the observed mineral zones and crosscutting dykes (Grove, E.W. 1983) .

3. GRID GEOLOGY

Geological mapping was undertaken in the area of the grid at a scale of 1: 2,500. The purpose behind this mapping was to outline the stratigraphic and structural relations. Detailed prospecting accompanied the geological mapping with the aim to locate new zones of mineralization. Seven rock samples were taken and analysed for gold during the course of the prospecting.

3.1 Stratigraphy and Lithology

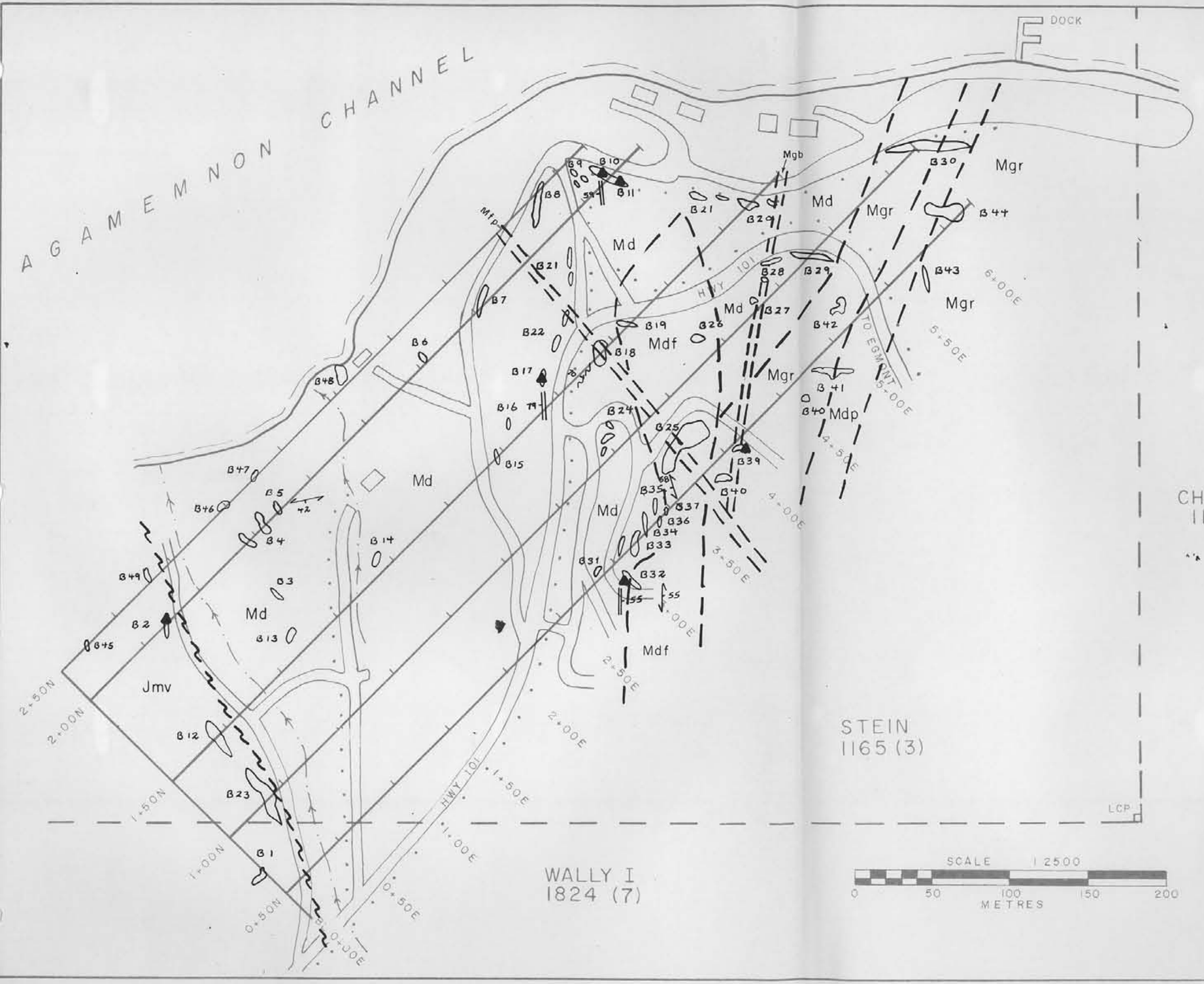
In general terms the geology of the property consists of two main rock packages. The oldest being matic volcanics of what is

likely to be the lower Jurrassic Bowen Island Group. These are enclosed by a variety of intrusive rocks, all of which belong to the Mesozoic Coast Plutonic Complex.

On the area of the grid the mafic volcanics (Jmr) occur along the eastern extremity. The eastern boundary of which appears to represent a north-north westerly trending shear zone. On the regional map this rock unit represents a northwesterly trending pendant which originates near the southern end of the Sechelt Inlet and continues up to Jervis Inlet. Based upon some recent age dating (Friedman, R.M. etal 1990) it is likely this pendant correlates with a similar pendant in the Mount Elphinstone area which gives an age of 185 Ma. In the field the mafic vocanics are medium-green , aphanitic, slightly biotitic and exhibit a faint foliation. Representing the eastern contact is a prominent north-northwesterly trending linear. Along this linear the volcanic rocks are quite sheared and bleached. In places (B-2) this zone is represented by commutated volcanic material which contain a large percentage (10-20%) anatomising quartz veins (1-5cm wide). This shear zone is likely 5-15 meters wide. The composition of these mafic volcanics are likely andesitic to basaltic, in keeping with the bulk of the Bowen Island Group. The grade of metamorphism for the mafic volcanics also appears to be lower greenschist facies.

The next oldest rock type on the property is a foliated diorite (Mdf). This rock type occurs in northerly trending zones which are roughly 25 meters wide, centered about L 1+00E/4+25N. It is fine-grained, equigranular, with the foliation defined by a crude alignment of biotite flakes. Xenoliths of mafic volcanic rock (B-34) are also present in this area. These xenoliths are quite well rounded and are partially recrystallized.

Diorites (Md) represent the most abundant intrusive rock type on the property, of which there is a coarse and a fine-grained phase. The fine-grained phase appears to dominate in the area of



CHALICE I
1146 (2)

STEIN
1165 (3)

WALLY I
1824 (7)

LCP

SCALE 1:2500
0 50 100 150 200
METRES

LEGEND:

MESOZOIC (Likely CRETACEOUS)

- Md — DIORITE
- Mdf — FOLIATED DIORITE
- Mdp — PORPHYRITIC DIORITE
- Mgr — GRANITE
- Mgb — GABBRO
- Mfp — FELDSPAR PORPHYRY

JURASSIC

- Jmv — MAFIC VOLCANIC

ROCK SAMPLE

// // VEIN (VERTICAL, INCLINED)

BANDING (VERTICAL, INCLINED)

FAULT ZONE

HYDRO LINE

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY- SECHELT

VANCOUVER, M.D. NTS 92G/13W

GRID GEOLOGY

BY B.V. HALL
DATE JULY 10, 1991

FIGURE 5

the magnetic high (L 1+50E/2+00E). This rock type is fine to medium grained, equigranular, melanocratic with 10-20% hornblende grains. Intruding (B-24) this fine-grained phase is a coarse-grained, equigranular phase. This phase has 5-15% hornblende grains which are 2-5mm long. The matrix is dominately plagioclase, with up to 5% quartz.

A granite (Mgr) occurs along the eastern boundary of the grid. This rock type is leucocratic, medium-grained, and equigranular. It contains less than 5% hornblende grains (1-3mm long) which have been chloritized. Quartz is also present (15-20%), as small interstitial grains. Based upon a number of small granitic dykes (B-39) within the diorite (Md) it is postulated that the granites (Mgr) postdate the diorites (Md).

Crosscutting the diorites (Md and Mdf) and the granite are three phases of dyked; 1) gabbro (Mgb), 2) porphyritic diorite (Mdp), and 3) feldspar porphry (Mfp). The relative age relations of these rock types have not been determined.

The gabbros (Mgb) are coarse-grained, melanocratic, and equigranular. Hornblende is the dominant mineral comprising over 50% of this rock type. Two outcrops (B-30 and B-28) contain this rock type. If connected then it is likely the gabbros represent a northerly trending dyke.

The porphyritic diorite (Mdp) occurs as a northerly trending dyke zone within the area of dominately granitic material (Mgr). It is similar in most respects to the fine-grained diorites found elsewhere on the property, except for the presence of roughly 10% euhedral phenocrysts of plagioclase (2-5mm long). These occur in random orientations.

The feldspar porphry (Mfp) dykes are likely the youngest rock type on the property. This rock type occurs in two locations (B-18 and B-25) and if connected would represent a northwesterly trending kyke. Phenocrysts of plagioclase 2-4 mm in length characterize this rock with the matriz being fine-grained and medium -

green, (likely andesitic). Rare phenocrysts of hornblende are also present.

3.2 Structure

Structurally the property is relatively simple. The most prominent structure is a north-northwesterly trending shear located at the western edge of the grid. This fault zone seperates the mafic volcanics of the Bowen Island Group (Jmv) from the intrusive phases of the Coast Plutonic Complex. For an interval at least 5 meters wide the volcanics are quite sheared and bleached. Quartz veins are also present. This feature is also seen in the magnetometer data as there is a distinct contrast between the relatively subdued magnetic signature of the mafic volcanics from the more active diorites.

Other structures which may be present on the property include some northerly trending faults within the intrusive phases. These may host the porphyritic diorite (Mdp) and gabbro (Mgb) dykes, plus a number of the quartz veins (B-10, B-32 etc.). In outcrop B-10 a number of northerly trending slickensided surfaces were observed.

3.3 Mineralization

A total of seven rock samples were submitted for assay. Most of these samples represented quartz veins (B-10, B-11,B-17, B-32, and B-39) which were between 3 and 15 cm wide. These were characteristically milky and faintly ribboned and in the case of sample B-39 contained a central brecciated intereval. Two of these veins (B10b and B-32) contained 1-5% disseminated pyrite along the margins of the vein and in the wallrock material. Gold values in case of samples B-10a, b, 11, 17, 32 and 39 were low ranging from 1 to 43 ppb. Generally these veins had a northerly strike dipping moderately to the east and west (B-10, 17 and 32).

The most significant sample was B-2. This contained 312 ppb

gold. It consisted of a sheared mafic volcanic which was bleached and crosscut by a number of small quartz veins. These quartz veins were generally less than 3 cm wide and comprised up to 15% of the rock in places. Other than containing 312 ppb gold this sample is important in that it is aligned along a major structure as outlined by the geological mapping and magnetometer survey. This structure is at least 5 meters wide and is orientated in a north-northwesterly fashion. It has also been traced for at least 250 meters and may align up with the Stein Adit. It is by far the largest structure on the area of the grid, and could have serious exploration potential.

4. PROTON MAGNETOMETER SURVEY

In conjunction with the geological mapping it was decided to conduct a magnetometer survey over the area of the grid. This was to aid in the interpretation of the geological mapping and help locate any major fault zones which could contain gold-bearing quartz veins.

4.1 Method

The survey instrument was Geometrics Model G836 portable magnetometer. Duplicate readings were taken at 25 meter intervals over the entire grid with instrument always pointing northwest. For the diural drift corrections main base station readings were taken at the beginning and end of the day. From this data the main base station readings along the baseline at the beginning and end of every traversed loop was corrected. This data was in turn used to correct the survey data taken along the lines.

4.2 Results

The results of the magnetometer survey were for the most part subdued. Overall the survey had a range of 201 gammas from a low

AGAMEMNON CHANNEL

DOCK

CHALICE I
1146 (2)

STEIN
1165 (3)

WALLY I
1824 (7)

HWY 101

EGMONT

LCP

BL 0+00E

0+50N
1+00N
1+50N
2+00N
2+50N

0+50E
1+00E
1+50E
2+00E
2+50E
3+00E
3+50E
4+00E
4+50E
5+00E
5+50E
6+00E

LEGEND:

CONTOUR INTERVAL ▫ 25 GAMMAS

SCALE 1:2500

0 50 100 150 200
METRES

BLUE CHIP RESOURCES INC.

EGMONT PROPERTY- SECHELT

VANCOUVER, M.D. NTS 92G/13W

PROTON MAGNETOMETER SURVEY

BY: B.V. HALL
DATE: JULY 10, 1991

FIGURE: 6

of 5573 to a high of 5774 gammas (Figure 6).

Occupying the central portion of the grid is an elongate high that trends roughly east-west. According to the geological mapping this high is totally enclosed by a large body of Mesozoic diorites (Md). When viewed in detail this portion of the grid is occupied by a finer grained more melanocratic phase of the diorites. Two other easterly trending highs occur on either side of this feature. The northernmost of which is abruptly truncated against a northwesterly trending shear zone that represents the contact between the mafic volcanics (Jmv) and the Mesozoic diorites (Md). No other fault zones were observed, although some of the boundaries on the east-west magnetic highs may represent fault zones.

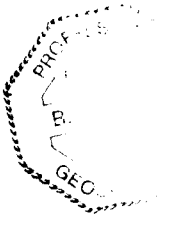
5. CONCLUSIONS AND RECCOMENDATIONS

The area of the grid is underlain dominately of intrusive phases of the Mesozoic Coast Plutonic Complex. These are in contact to the west with a small pendant contoining mafic volcanic rocks of the lower Jurassic Bowen Island Group. Numerous northerly trending fault zones are present, some of which contain quartz veins. Gold values from thes quartz veins are uniformly low ranging from 1 to 43 ppb. Some pyrite is associated with these quartz veins, which are generally less than 20 cm in width.

The most significant area lies on the eastern extremity of the grid. Here a large shear zone seperates the mafic volcanics of theBowen Island Group from the intrusive phases of the Coast Plutonic Complex. This shear zone trends north-northwesterly and is at least 5 meters wide. A pronounced linear occurs in this area which can be traced for in excess of 250 meters. One sample (B-2) from a sheared, bleached mafic volcanic which contained 5-10% quartz veins contained 312 ppb gold. Definitely anomalous and definitely worth following up.

Detailed sampling should be undertaken along the trace of this linear. In addition the geological mapping, prospecting and

magnetometer survey should be continued along this fault zone to the southeast. This would mean establishing a grid in this area. To adequately cover this portion of the property roughly 12 km of new grid would be required. The cost for soil sampling, magnetometer and geological surveys over this area would be roughly $15,000.00. Trenching should also be carried out if the results of the geological surveys warrant.



B. V. Hall

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July 13, 1991.

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APPENDICIES

APPENDIX A

DESCRIPTION OF ROCK SAMPLES SUBMITTED FOR ANALYSES

NUMBER	LOCATION	DESCRIPTION
91-B-2 312 ppb	L2+00N/0+65E	Random chip sample of a sheared mafic volcanic which is bleached and cross-cut by a number of small quartz veins.
91-B-10a 27 ppb	L2+00N/4+75E	Channel sample of a 10cm. wide quartz vein, milky, faintly ribboned, and orientated at 180/59W.
91-B-10b 30 ppb	L2+00N/4+75E	Channel sample of commutated wallrock material from 5 cm either side of quartz vein 91-B-10a, 5% disseminated pyrite present.
91-B-11 10 ppb	L1+90N/4+75E	Channel sample of a 3-5 cm wide quartz vein which is milky and finely ribboned.
91-B-17 43 ppb	L1+70N/3+50E	Channel sample of a 10-15 cm wide quartz vein orientated at 178/79W, faintly ribboned, old orange flag present .
91-B-39 1 ppb	L0+50N/4+00E	Grab sample of a quartz vein which is at least 12 cm wide, ribboned, milky with the central portion brecciated. Rusty but no sulphides are visible.

91-B-32 19 ppb	L0+40N/2+90E	Channel sample of a 10-15 cm wide quartz vein, milky that is hosted by a 30 cm wide shear zone. Vein is orientated at 179/55E and contains 1-5% disseminated pyrite at the margins.

APPENDIX B

ASSAYS AND ANALYSES

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

GEOCHEM PRECIOUS METALS ANALYSIS

Brian Sauer FILE # 91-2342
629 Ewen Ave, New Westminster BC V3M 5C2

SAMPLE#	Au** ppb
91-B-2	312
91-B-11	10
91-B-17	43
91-BR-10a	27
91-BR-10b	30
91-BR-32	19
91-BR-39	1

AU** ANALYSIS BY FA/ICP FROM 10 GM SAMPLE.
- SAMPLE TYPE: ROCK

DATE RECEIVED: JUL 8 1991 DATE REPORT MAILED: July 12/91.

SIGNED BY..... D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

APPENDIX C

COST STATEMENT

Wages		
Brian V. Hall (Geologist)		
July 3-5, 9-12, 1991		
7 days at $400.00/day		$2,800.00
Brian Sauer (Prospector)		
July 3-7, 13, 1991		
6 days at $175.00/day		$1,050.00
	Subtotal.....	$3,850.00
Rentals		
Camp Rental		
July 3-7,1991		
5 days at $50.00/day		$ 250.00
Truck Rental		
July 3-7, 1991		
5 days at $50.00/day		$ 250.00
Magnetometer Rental		
July 3-7, 1991		
5 days at $30.00/day		$ 150.00
	Subtotal.....	$ 650.00
Assays and Analysis		
7 Samples analysed for gold		
at $11.20/Sample		$ 78.38
	Subtotal.....	$ 78.38

Food	$ 180.47
Travel	$ 96.62
Typing and Drafting	$ 163.78
Xeroxing	$ 70.00
Telephone	$ 10.75
Grand Total	$ 5,100.00

APPENDIX D

STATEMENT OF QUALIFICATIONS

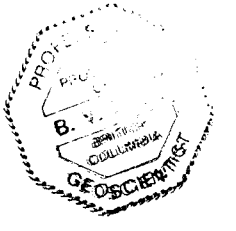
I, Brian V. Hall of RR-1 L-9, Bowen Island , B.C. VON 1GO do certify that:

1) I am a graduate of the University of British Columbia (B.Sc. 1975) and the University of Waterloo (M.Sc. 1978) in geology.

2) I have practiced the profession of geology for 16 years since my graduation from the University of British Columbia.

3) I am a member of the Society of Economic Geologists, Fellow of the Geological Association of Canada and a Professional Geoscientist (P. Geo.) for the province of British Columbia.

4) I have no beneficial interest in the property discussed in this report, nor do I expect to recieve any in the future.



Brian V. Hall M. Sc. P. Geo.

July 10, 1991