MAGNETOMETER, GEOLOGICAL AND GEOCHEMICAL REPORT ON THE EALUE LAKE PROPERTY

Record Nos.7325, 121-123, 72290-72293
Liard Mining Division
NTS 104H/13
57°30' N 129°50' W

for (operator):
KYLITE VENTURES INC.
1122-470 Granville St.
Vancouver, British Columbia V6B 1C5

by
GREG L. VEN HUIZEN, P.ENG.
15 NOVEMBER 1991

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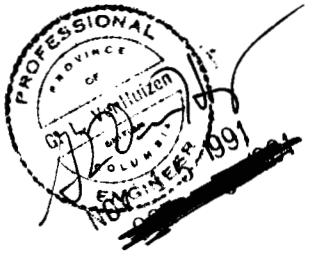
SUMMARY

At the request of John Oliver, President of Kylite Ventures Inc. during 9 Aug to 25 Aug 1991 the author supervised work on the Ealue Lake property consisting of grid preparation, 20 km of magnetometer readings on a 25 meter spacing, reconnaisance geological mapping and rock geochemical sampling totalling 59 samples.

The purpose of the program was to identify areas for a future diamond drilling program. Rock geochemical samples were taken from areas where previous programs had shown geochemical soil anomalies in copper and zinc and on showings found on the claims. The magnetometer survey was undertaken to identify possible geological contact zones which are important features of skarn and porphyry type mineralization which are found in the area.

Samples from the showing areas taken by the author include samples which analyzed as high as 52500 ppb Au and 11853 ppm Cu over 1 m. Samples taken from the western part of the Core claim show Cu values under 1000 ppm which probably account for the Cu soil anomalies in the area. The magnetometer survey shows the showings areas to be located on the boundary between low relief felsic rocks on the southwest and high relief intermediate volcanic rocks on the northeast.

Based on the results of the program the author recommends that diamond drilling take place to investigate mineralization found along the contact zone on the property.



km 100 0 100 200 300 400 km

Miles 100 50 0 100 200 Miles

EALUE LAKE PROPERTY

LOCATION MAP

GREG L. VEN HUIZEN, P.ENG.

N.T.S. 104H 13/W	SCALE: AS SHOWN	FIG.
DATE: APRIL 91	DRAWN: G.V.H.	1

PROPERTY DESCRIPTION, PHYSIOGRAPHY AND ACCESS

The Ealue Lake property consists of 9 claims totalling 14 claim units located in the Liard Mining Division, NTS 104H/13, 57°30' N 129°50' W as follows:

NAME	RECORD #	# OF UNITS	MINING DIVISION	ANNIVERSARY DATE
Low	7325	1	Liard	30 Apr. 93
Chance	121	1	Liard	14 June 92
Shore	122	3	Liard	14 June 92
Core	123	4	Liard	14 June 92
Hi 1-4	72290-93	4	Liard	21 Nov. 92
Now	1960	1	Liard	20 ~~June~~ July 92

Kylite Ventures Inc. has an agreement with the current record holder of the claims (John H. Oliver), the details of which are beyond the scope of this report.

The claims cover rugged topography at elevations of 860m to 1615 m. Vegetation on the property is heavy scrub timber on the south facing slopes and tundra on the upper parts of the claims which are above tree-line. Several streams cut deeply into the slopes and form cliffs in places.

The claims are accessible by road from Hwy 37 east on the Ealue Lake road for 10 to 12 km (mile marker 6 to 8) which passes through the southern part of the property. The interior portions of the claims are accessible by foot or by helicopter. A fishing resort is located on Ealue Lake near the property where accommodations can be found.

HISTORY OF THE AREA

Work on the claims area dates back to the late 1920,s on what is known as the "Klappan Rose" showing and includes various pits, trenches and an adit excavated into the copper mineralization. In the late 1960's Yukonadian Mineral Exploration owned the claim area and ground located to the northwest. Granduc Mines Ltd. conducted a program of reconnaissance geological mapping and stream and soil geochemical sampling in 1970 after which the ground lapsed in 1974. The northwest area (adjacent to the Ealue Lake property) was staked by Texasgulf Canada Ltd. in 1975 who conducted geological, geochemical, geophysical surveys and diamond drilling in 1976 which led to the discovery of a porphyry copper deposit which is currently owned by Manchester Resources Corp. Drilling in 1990 has resulted in significant intersections of Cu/Au porphyry mineralization.

Work on the Ealue Lake property includes a 1.6 km VLF-EM and magnetometer survey in 1975, a three hole, 182 meter diamond drilling program in 1976, a geochemical soil survey including 208 soil samples in 1979 by Bethlehem Copper Corporation and geological mapping of the claims area and geochemical soil sampling including 178 soil samples under the supervision of V.Cukor, P.Eng. in 1981. Other work includes reconnaisance mapping and local geophysical and geochemical programs and the taking of chip samples from the various exposed showings.

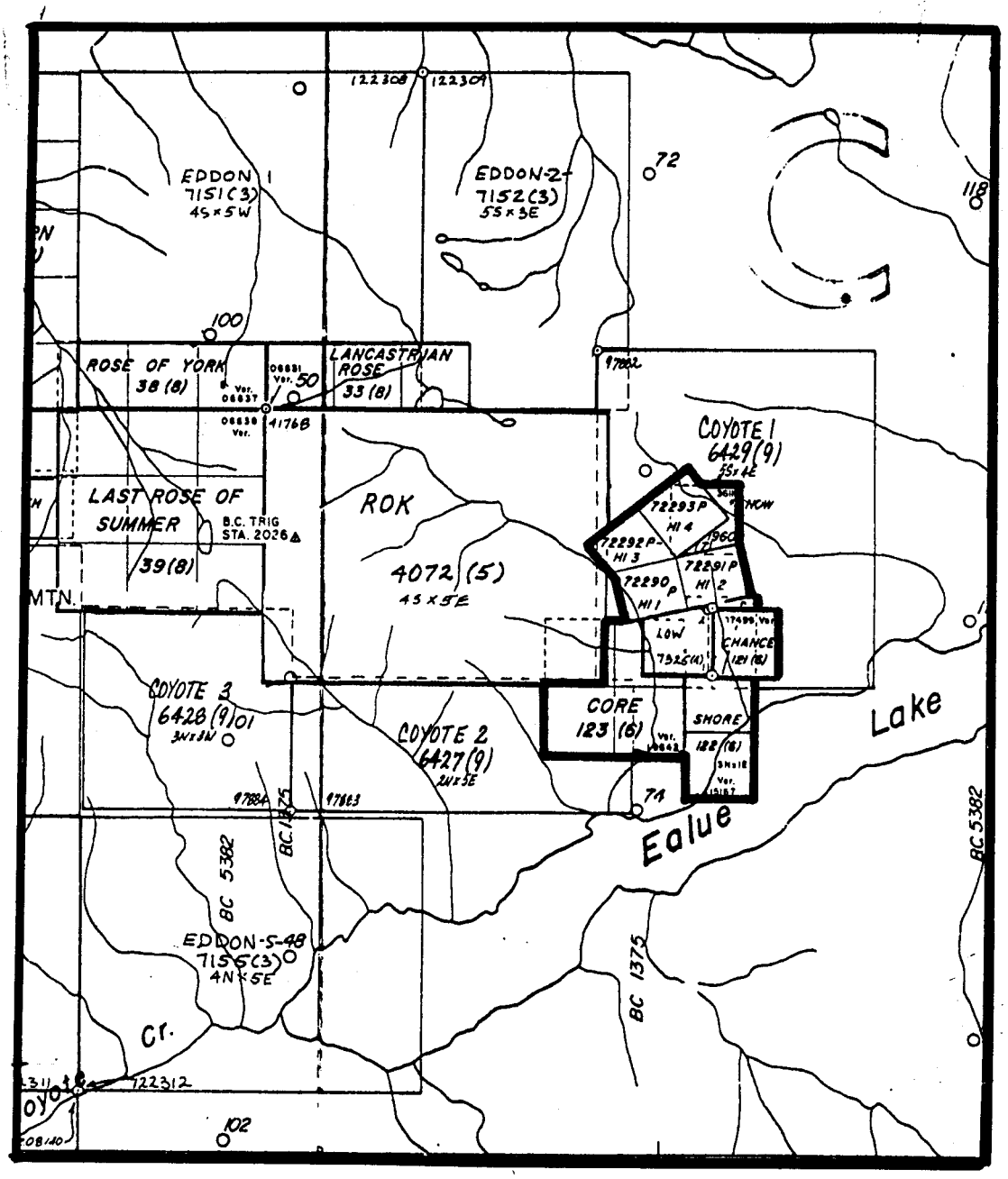


FIGURE 2-CLAIM OUTLINE MAP-EALUE LAKE PROPERTY

from BCDMPR map M104H/13

Scale 1:50000

Metres 1000 0 1000 2000 3000 4000 Mètres

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NOV 15 1991

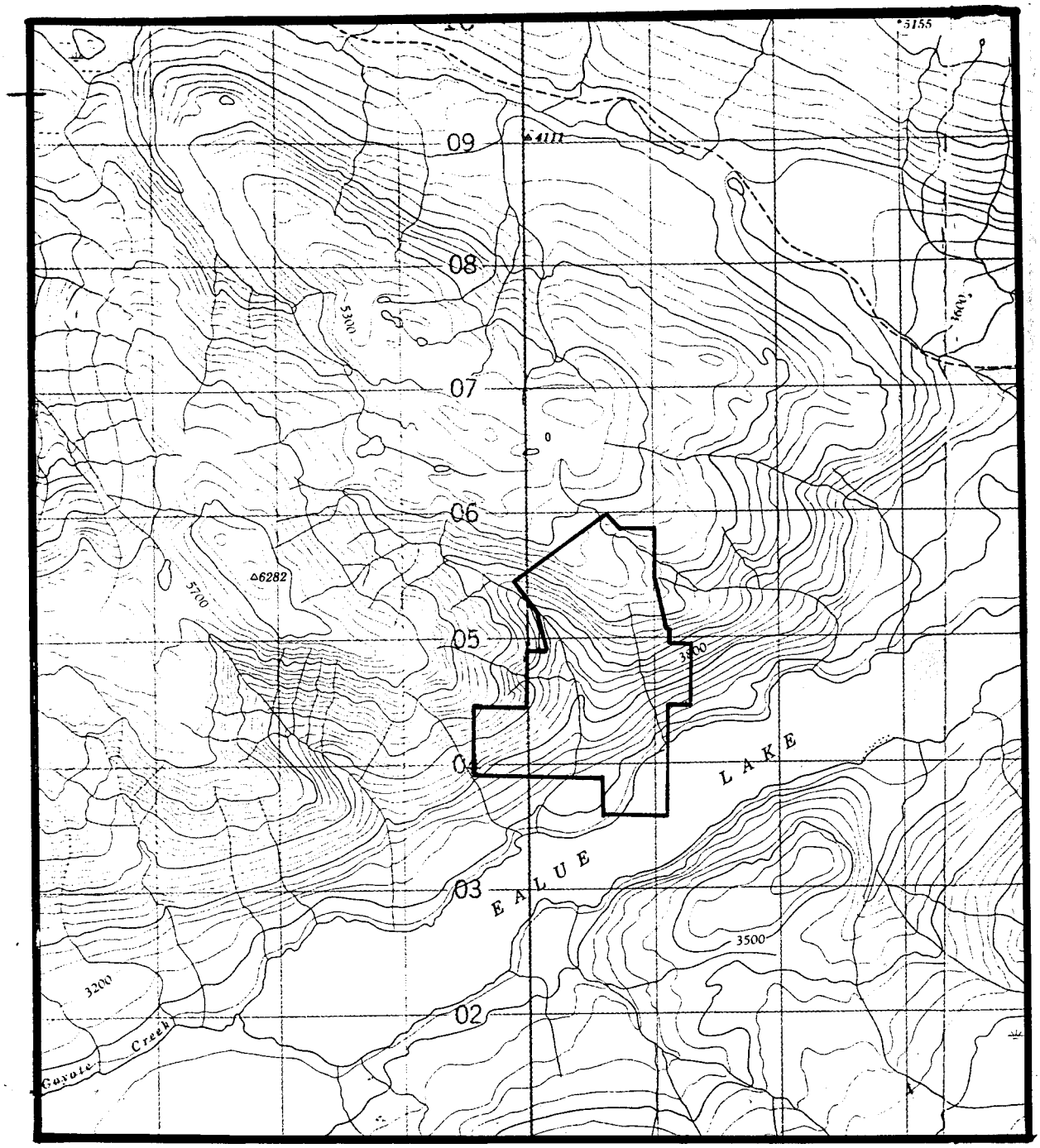

FIGURE 3-CLAIM TOPOGRAPHIC MAP- EALUE LAKE PROPERTY

from DEMR map NTS 104H/13

SCALE 1:50000

Metres 1000 0 1000 2000 3000 4000 Mètres

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
G.L. Ventluizen

NOV 15 1991

REGIONAL GEOLOGY

The Ealue Lake property lies on the Klastline Plateau on the eastern flanks of the Stikine Arch near the northwestern corner of the Bowser sedimentary basin. During the late Trassic and early Jurassic time thick sequences of andesitic volcanic and eugeosynclineal clastic sedimentary rocks were deposited in the area. These units were moderately deformed and were intruded by subvolcanic intrusives and post Upper Triassic syenites, porphyry dykes and many small igneous stocks of late Mesozoic to Tertiary age. Most of the intrusions are acidic in composition and are accompanied by alteration halos of sericite and pyrite. The regional geology is shown on figure 4.

MAPPING AND SAMPLING PROGRAM

During 9 August to 25 August 1991 the author was engaged in a rock geochemical sampling program and reconnaisance mapping of the claim area. The purpose of the sampling and mapping program was to investigate areas with anomalous Cu and Zn soil geochemical values (reported from previous studies) in conjunction with a magnetometer survey in order to locate diamond drill targets.

Seven divisions of rock types were mapped by the author as shown on Figure 5. Outcrop areas were plotted with the aid of field notes and with aerial photos. Many of the outcrop areas consist of sparse bedrock outcrop surrounded by talus, thin soil cover or brush which obscures contacts between the rock units.

Some rock types were observed only in trenched areas such as the lapilli, tuffs and cherts (Unit C) which host copper mineralization near the adit found on the property and near showings found on the NW of the property. Aerial photos show the trend of the outcrops to run NW with distinct N-S lineations offsetting the outcrops N on the west side of the outcrops. The outcrops on the NE and SW portions of the property are intermediate to mafic volcanics. In the central portion of the property are found aphanitic felsic rocks which are light green to pink in color.

Along the contact between the felsic unit and the intermediate unit is found skarn type mineralization consisting of various calc-silicate rocks including chlorite, epidote, calcite and silica. This zone as represented near the adit area (Figure 5) and samples #297-299 consist of specularite, malachite, chalcopyrite, pyrite, epidote and potassic feldspar emplaced concordantly with tuffs and conglomerates with a bedding attitude of N-S and 34° E. Samples 297 and 298 were consecutive samples of an exposed zone in an open cut for a total of 2.5 meters with the upper 1.5 analyzing 4992 ppm Cu and 6800 ppb Au and the lower 1 m analyzing 11853 ppm Cu and 52500 ppb Au. Samples taken on the NW end of the property were of fracture filled vein type mineralization consisting of quartz, pyrite and chalcopyrite. A hornblende syenite dike (Unit D) is found spacially associated with mineralization found in that area. Gold values were less in these high-grade samples than near the adit with the highest

value being 2270 ppb Au (Sample # 287) suggesting that the Cu/Au ratio decreases towards the south.

Samples taken on the west side of the property were taken to determine the source of Cu soil anomalies found in the area. Only weak mineralization was found in andesitic host rocks producing low grade rock geochemical anomalies similar to values found in the soil samples taken in the area. Some samples taken of gossanned andesite showed less than 100 ppm Cu while some samples of relatively unmineralized appearing andesite analyzed up to 726 ppm Cu (#255). Gold values on the western side of the property were below 25 ppb except for #271 which was 106 ppb. This portion of the property does not appear to warrant further attention.

Samples #304-#309 were taken along the creek area where gossanned andesitic outcrops are found. The highest sample from the area was #308 which was taken from a .2 m clay guouge zone within a 2m pyritic shear zone and which analyzed 27701 ppm Cu and 2560 ppb Au. The next highest sample was #304 taken from a gossanned area where .3m of a pyritic shear zone was exposed producing analytical results of 4216 ppm Cu. Further sampling along the creek is warranted to investigate additional gossanned areas.

Of particular interest is the contact with Unit E which on its northern edge appears to control high grade mineralization. The contact as defined by magnetometer data should be found near 400-500 meters north where few outcrops are found.

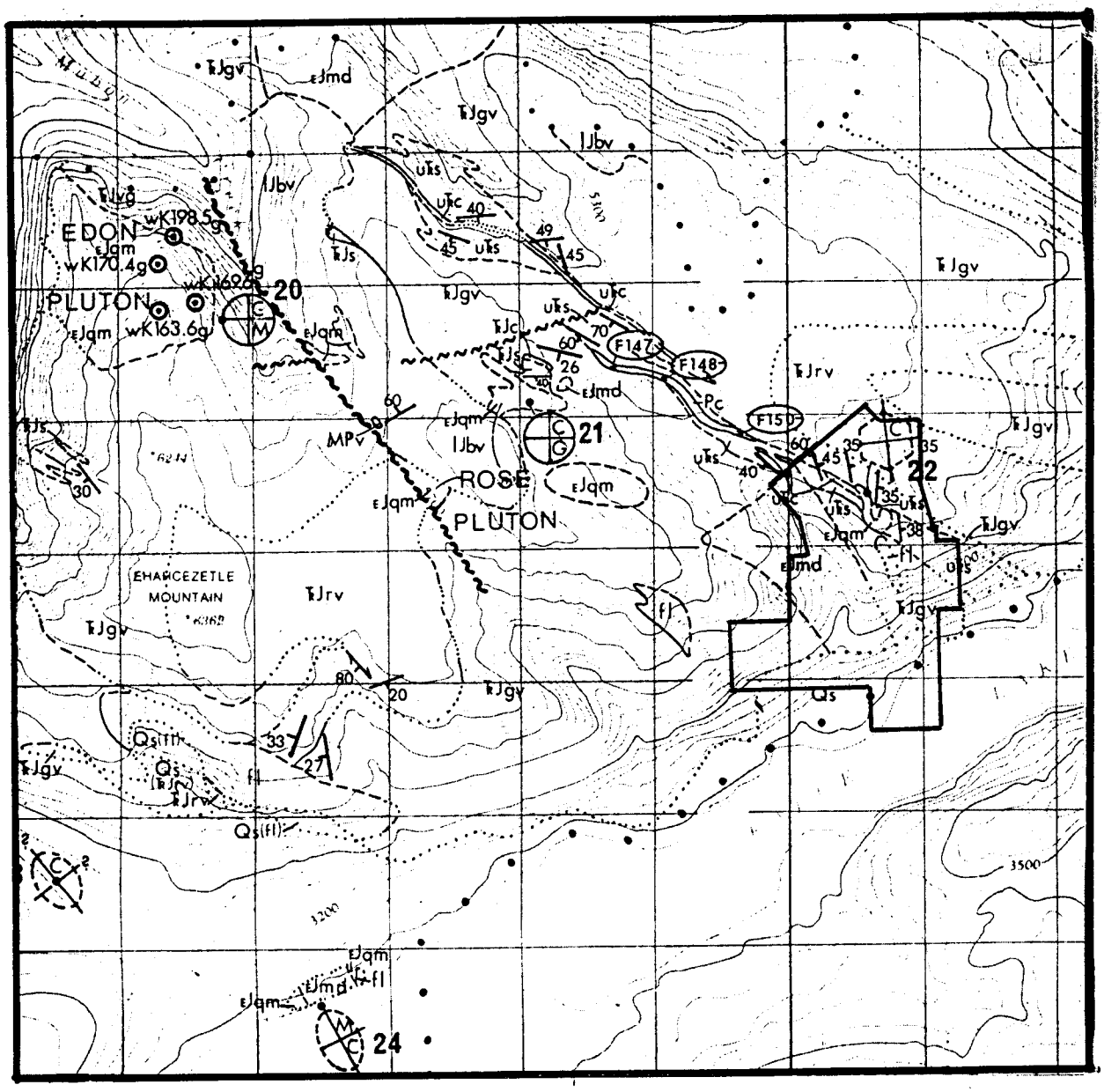

FIGURE 4-GENERAL GEOLOGY MAP- EALUE LAKE PROPERTY

from GSC MAP O.F. 1080

Scale 1:50,000

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PROVINCE OF
G. L. VenHuizen

NOV 15 1991

LEGEND FIGURE 4

CENOZOIC

QUATERNARY
RECENT

Rv — **"BIG RAVEN FORMATION"** Grey porphyritic (augite, olivine, plagioclase) basalt flows

Ral — Unconsolidated river channel sediments. Probable subcrop unit within parentheses

PLEISTOCENE AND RECENT

Qs(mbs) — Unconsolidated sediments: mainly glacial deposits; minor colluvium and alluvium; few if any outcrops. Probable subcrop unit within parentheses

PLEISTOCENE
LATE PLEISTOCENE

Pv — **"KLASTLINE FORMATION"** Grey, porphyritic (augite, olivine, plagioclase) basalt flows

Pvl — Basal, swirly jointed, vesicular porphyritic (plagioclase, augite, olivine) basalt flow

Pal(mbs) — Unconsolidated river channel sediments; mainly alluvium; minor glacial and colluvial deposits. Probable subcrop unit within parentheses

TERTIARY
MIOCENE AND PLIOCENE
LATE MIOCENE AND EARLY PLIOCENE

MPv — **"NIDO FORMATION"** Grey, porphyritic (augite, olivine, plagioclase) basalt flows with common ultramafic inclusions; rare breccia and ash

EOCENE

Ecg — **"TANZILLA CANYON FORMATION"** (Ecg to Ebx) Chert pebble conglomerate, some sandstone and shale interbeds

Ec — Freshwater limestone

Es — Feldspathic sandstone, siltstone, shale and carbonaceous shale

Ebx — Basal breccia: monomictic, subangular pebble to cobble conglomerate; local, subrounded chert pebble conglomerate

EOCENE
EARLY EOCENE

Egd — **"MEEHAUS PLUTON"** Biotite augite granodiorite

MESOZOIC/CENOZOIC

CRETACEOUS OR TERTIARY
LATE CRETACEOUS OR EOCENE

Tfp — Quartz latite porphyry

MESOZOIC

CRETACEOUS
UPPER CRETACEOUS

SUSTUT GROUP (uKs to lKbx)
BROTHERS PEAK FORMATION (uKs , uKcg)

uKs — Green, lithic sandstone; thin zeolitized bedded tuff layers

uKcg — Chert pebble conglomerate; minor sandstone and carbonaceous shale

LOWER AND UPPER CRETACEOUS

TANGO CREEK FORMATION (lKs , lKbx)

lKs — Feldspathic sandstone siltstone, shale, and carbonaceous shale, locally muscovite-bearing

lKbx — Basal conglomerate: monomictic, subangular pebble to cobble conglomerate; local, subrounded chert pebble conglomerate

JURASSIC TO TERTIARY
MIDDLE JURASSIC TO TERTIARY

JTmg — **"McEWAN CREEK PLUTON" AND RELATED INTRUSIONS** Biotite hornblende leucogranite; rare quartz monzonite

JURASSIC
MIDDLE JURASSIC

HOTAILUH BATHOLITH (Jrsg to l̄Jpx)
THREE SISTERS PLUTONS (Jrsg to Jrsdi)

Jrsg — "Potassic marginal phase": hornblende biotite granite

Jrsqmd — Biotite hornblende quartz monzodiorite and granodiorite

Jrsdi — Hornblende diorite and gabbro

mJvp — Maroon plagioclase porphyry flows and breccia

mJs — Maroon sandstone siltstone; local grey and green argillite and wacke

mJcg — Chert pebble conglomerate lenses

mJd — Grey-green meta-diabase intrusions

EARLY AND/OR MIDDLE JURASSIC

HOTAILUH BATHOLITH
McBRIDE RIVER PLUTON

Jgd — Hornblende biotite granodiorite or tonalite

PALLEN CREEK PLUTON AND SATELLITIC INTRUSIONS

εJqmd — Biotite hornblende quartz monzodiorite and quartz monzonite; rare granodiorite

TANZILLA PLUTON

εJgd — Biotite hornblende granodiorite

LOWER JURASSIC

"TOODOGGONE VOLCANICS"

lJgv — Green and grey-green, plagioclase porphyry flows and breccia

lJgs — Green tuffaceous wacke and argillite

lJgc — Grey bioclastic limestone

lJrv — Interbedded maroon and grey, plagioclase porphyry flows, breccia; minor tuff

lJvr — Pink layered rhyodacite flows; minor breccia and welded tuff

lJrs — Interbedded maroon and green tuffaceous wacke, argillite; minor cobble and boulder conglomerate

lJg — Green and grey-green aphanitic and plagioclase porphyry andesite and basalt flows, breccia, and minor tuff

lJc — Light grey bioclastic limestone

lJbvr — Rhyolite breccia and welded tuff

lJbs — Grey-green and locally maroon tuffaceous wacke, siltstone, shale, volcanic breccia

lJbc — Medium grey or maroon limestone

lJbcg — Chert pebble conglomerate; minor sandstone

lJbv — Interbedded grey-green and maroon plagioclase porphyry flows, breccia, tuff

lJbvt — Grey and maroon plagioclase porphyry tuff

EARLY JURASSIC

εJmd — Porphyritic (plagioclase, hornblende) monzodiorite

εJqm — **"ROSE" AND "EDON" PLUTONS AND SATELLITIC INTRUSIONS** Hornblende quartz monzonite

TRIASSIC OR JURASSIC
LATE TRIASSIC OR EARLY JURASSIC

HOTAILUH BATHOLITH
BEGGERLAY CREEK PLUTON (εJsdi, εJsy)

εJsdi — Hornblende augite meta-diorite and meta-gabbro

εJsy — Biotite meta-syenite

TRIASSIC TO JURASSIC
UPPER TRIASSIC TO LOWER JURASSIC

l̄Jrv — Maroon and grey, aphyric and porphyritic (plagioclase) breccia, tuff, and flows

l̄Js — Maroon, grey and green tuffaceous wacke, siltstone and argillite; rare thin limestone lenses

l̄Jvr — Pink layered rhyodacite flows; minor breccia and welded tuff

l̄Jgv — Grey-green and green, aphyric to porphyritic (plagioclase and locally augite) breccia, tuff and flows

TRIASSIC
UPPER TRIASSIC

STUHINI GROUP (uT̄w to uT̄c)

uT̄w — Green tuffaceous wacke and siltstone; basal breccia and conglomerate

uT̄s — Olive green to grey tuffaceous argillite, siltstone and wacke

uT̄gv — Green, aphanitic plagioclase ± augite-phyric breccia, tuff, flows; patterned where breccia contains Permian limestone clasts

uT̄lf — Grey-green, vaguely bedded, tuffaceous argillite, some greywacke; minor aphyric, grey-green and maroon meta-andesite flows; rare augite porphyry flows

uT̄cg — Granitic pebble to cobble conglomerate

uT̄c — Light grey limestone

LATE TRIASSIC

HOTAILUH BATHOLITH
CAKE HILL PLUTON

εT̄cnqmd — Biotite hornblende quartz monzondiorite; some monzodiorite and leucogranodiorite; rare augite hornblende diorite

"LATHAM CREEK PLUTON"

εT̄lqmd — Biotite hornblende quartz monzodiorite, hornblende augite monzodiorite; rare diorite and quartz diorite; all locally foliated

εT̄qd — Quartz diorite porphyry

"CARIBOO MEADOWS PLUTON" AND MINOR INTRUSIONS (εT̄b, εT̄hb)

εT̄b — Augite meta-gabbro

εT̄hb — Hornblendite; minor meta-gabbro

GNAT LAKES ULTRAMAFITE

εT̄px — Hornblende pyroxenite, hornblende augite gabbro

MIDDLE TRIASSIC

"TSAYBAHE GROUP" (T̄vo to mT̄p)
"Upper Volcanic Unit" (T̄vo to T̄vp)

T̄vo — Porphyritic (augite) meta-andesite and meta-basalt breccia, tuff and flows

T̄s — Grey to green tuffaceous greywacke, siltstone and argillite

T̄vp — Porphyritic (plagioclase) meta-andesite pillow lava, flows; some breccia

"Middle Sedimentary Unit"

mT̄s — Grey, bedded argillite, siliceous argillite, phyllite, tuffaceous greywacke; olive nonbedded tuffaceous argillite; rare chert and dark grey limestone

"Lower Volcanic Unit" (mT̄vo, mT̄vp)

mT̄vo — Porphyritic (augite) meta-andesite and meta-basalt breccia, tuff and flows

mT̄vp — Porphyritic (plagioclase) meta-andesite pillow lavas and flows; some breccia

LEGEND FIGURE 4 (CONTINUED)

PALEOZOIC

LOWER AND MIDDLE TRIASSIC
"Basal Sedimentary Unit"
mTRp — Grey to green phyllite and argillite; rare chert

TRIASSIC
EARLY TO LATE TRIASSIC
"RAILWAY PLUTON"
TRmd — Biotite augite meta-monzodiorite

PERMIAN AND(?) OLDER
LOWER PERMIAN AND(?) OLDER
Ps — Grey phyllite and ribbon chert
Pc — Massive white and grey bedded limestone
Pgyp — Buff to light grey alabaster
Pp — Rusty weathering, light green phyllite, phyllitic greenstone; minor chert; rare limestone
Pv — Dark green phyllitic greenstone

CARBONIFEROUS OR OLDER
Pg — Mylonitic to massive biotite muscovite leucogranite and leucogranodiorite
Pqd — Biotite hornblende quartz diorite and tonalite; minor hornblende augite gabbro

CARBONIFEROUS(?) AND OLDER
Ps — Grey phyllite and ribbon chert
Pc — Massive white and grey bedded limestone
Pp — Rusty weathering, light green phyllite, phyllitic greenstone; minor chert; rare limestone
Pv — Dark green phyllitic greenstone

INTRUSIONS OF UNKNOWN AGE
fl — Rusty weathering felsite (intrudes units TRJgv and TRJrv)
fp — Grey-green plagioclase porphyry (intrudes unit uTs)
mfp — Porphyritic (hornblende, plagioclase ± augite) andesite (intrudes unit uTs)
di — Hornblende meta-diorite (intrudes unit uTgv)
g — Pink biotite granite (intrudes unit mTvg)
hb — Hornblendite (intrudes unit Pp)

Geological boundary: defined; approximate; assumed
Fault: defined; approximate; assumed; beneath rock units or water; normal fault (peg side down); strike-slip fault; low angle fault (▼ on hanging wall); low angle fault beneath rock units
Bedding, facing determined: inclined; vertical; overturned
Bedding, facing undetermined: inclined; vertical
Foliation: inclined; vertical
Lineation: horizontal; plunging
Fold: undetermined vergence*; northerly vergence*; no vergence
Trace of axial plane: upright anticline; anticline overturned to SE; upright syncline; syncline overturned to NW
Paleocurrent direction
Boundary of former, present or potential slide area
Fossil locality (indicates barren)
Radiometric date

location and rock type	mineral	method	age in millions of years	
O igneous rock	b biotite	K potassium-argon	197	s SFU
	h hornblende	R rubidium-strontium		g GSC Van.
	w whole rock	U uranium-thorium-lead		o GSC Ottawa
	z zircon			v UBC

Radiocarbon date ◇=C8780

location and rock type	material	method	8780 age in years before present	
◇ sedimentary rock	w wood	C ^{14}C		s SFU
				g GSC Van.
				o GSC Ottawa
				v UBC

*Vergence is the direction of the upper member of the rotational couple implied by the asymmetry of the fold viewed in profile.

Geology by Geotex Consultants Limited: P.B. Read 1979 to 1983; D.W. Klepacki 1980, 1981; R.L. Brown 1980 to 1982; L.J. Werner 1980; J.F. Psutka 1981 to 1983; L. Lane 1981; J.M. Moore, 1981, 1982; M. Journeay 1982.

Geological compilation and cartography: P.B. Read, 1984

Geological investigations funded by B.C. Hydro and the Geological Survey of Canada

EXPLANATION OF PROPERTY INFORMATION

NO. — Property number assigned so that numbering increases from north to south.

PROPERTY NAME — Presently used name.

COMMODITIES — Elements or industrial minerals are listed in order of decreasing economic importance.

TYPE — Commonly used terms which describe the general type of deposit in this map area.

ANOM, A = geochemical or geophysical anomaly
PORF, P = porphyry
REPL, R = replacement (includes deposits which may be syngenetic)
SKRN, S = skarn
STFM = stratiform
VEIN, V = vein

STATUS — Describes the property in terms of its size, grade, and production as of 1978.

S = showing; dimension and grade are unknown and lacks underground workings.
PR = prospect or developed prospect; an estimate of dimension is available but grade may not be known.
P = producer or past producer; has produced 1 ton or more.

LOCATION — All properties lie in UTM Zone 9V. Northings and eastings are read from NTS 1:50,000 maps.

CERT — Certainty of location of property.

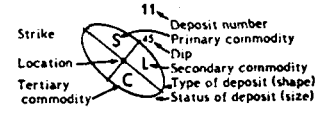
1 = located to within a 1.6 km square but usually to within 100 m.
2 = located to within a range of 1.6 to 6 km square.
3 = located to within a range of 6 to 10 km square.

MINDEPID — Property identification number from the Mineral Deposit file.

STATUS OF DEPOSIT (1978)	TYPE OF DEPOSIT						
	Porphyry	Vein	Skarn	Replacement	Stratiform	Placer	Unknown
Showing	○	⬭	⬡	□	▭		X
Prospect	○	⬭	⬡	□	▭	⛏	Anomaly A

COMMODITY

C ..... Copper
G ..... Gold
I ..... Iron
L ..... Limestone
M ..... Molybdenum
S ..... Silver



PROPERTY INFORMATION

No.	PROPERTY	COMMODITIES	TYPE	STATUS	LOCATION EAST	LOCATION NORTH	CERT	MINDEPID
1	MOSS	Cu	-	S	VQ0448300	VQ6456600	2	-
2	JUNE, STIKINE, SEPTEMBER	Cu	PORF	PR	VQ0451400	VQ6456500	1	03692
3	BELL	Cu	-	S	VQ0446900	VQ6455300	1	03659
4	NOVEMBER	Cu	-	S	VQ0451000	VQ6455300	1	-
5	CROWN	Cu	VEIN	S	VQ0441500	VQ6454650	1	03660
6	KING	-	ANOM	-	VQ0445300	VQ6451000	2	-
7	DALVENIE, NEW DEAL, MAC	Cu Au Ag Ba As	REPL	S	VQ0448400	VQ6449200	1	03611
8	BCR, SS	Cu	-	S	VQ0451600	VQ6449600	1	30121
9	LOUISE	Cu	VEIN	S	VQ0455100	VQ6437200	1	03680
10	RAND	Cu	-	S	VQ0440900	VQ6434200	2	-
11	BUD	Cu	VEIN	S	VQ0439000	VQ6433400	2	08264
12	CB	Fe	VEIN	S	VQ0447800	VQ6424600	1	-
13	TSETOGAMUS CREEK	Cu	-	S	VQ0452900	VQ6421300	2	07853
14	DRUM	-	-	S	VQ0449500	VQ6417300	2	-
15	KITTY, FIFE	Cu	VEIN	S	VQ0442700	VQ6415900	2	36079
16	HANS	-	ANOM	-	VQ0430100	VQ6414500	1	-
17	KLASTLINE PLATEAU	Ls	STFM	S	VQ0453000	VQ6410000	1	-
18	CASTLE #1, CASTLE #2	Cu Mo Au Ag	VEIN	S	VQ0429100	VQ6407700	1	-
19	JO	Cu	VEIN	S	VQ0429100	VQ6407700	1	07703
20	WESTERN	Cu, Mo	PORF	PR	VQ0445750	VQ6406700	1	-
21	ROSE, MFJ, KLAPAN	Cu Au	P, S	PR	VQ0448100	VQ6406150	1	07851
22	HI, WIT, LOW	Cu	SKRN	S	VQ0430600	VQ6405400	1	-
23	RD	Cu	VEIN	S	VQ0444500	VQ6402600	2	36071
24	COYOTE	Mo Cu	VEIN	S	VQ0446400	VQ6401600	1	35058

MAGNETOMETER SURVEY

The magnetometer survey was conducted using a Scintrex Model M-2 proton precession magnetometer. Readings were taken in gammas from stations every 25 meters as shown on the accompanying contoured map. A base station was read near the camp at the beginning and end of the day and all lines were looped to allow correction for diurnal magnetic variations. The instrument measures total magnetic field with an accuracy approaching 1 gamma. The readings have been contoured to assist in interpretation and are presented on Fig. 6.

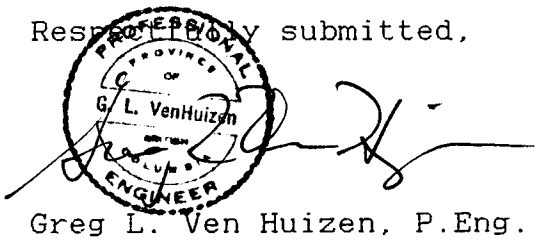
Magnetic data show three domains. In the NE is found high magnetic relief with ranges from 57000 to 59200 gammas which represent intermediate volcanic rocks found there. The trend of this domain is NW with the boundary on the south being with an area of low relief with ranges from 57500 to 58000 gammas which represent felsic rocks found there. The boundary between the two domains is important in that high grade copper and gold values occur at the contact. The southern and western domain is an area of high relief with ranges between 57500 and 59800 gammas and represents intermediate to mafic volcanics with some of the peaks being associated with gossanous areas found along the creek. The contact with this domain and the felsic contact to the north is of interest due to its similarity to the mineralized contact. A few trenches should be considered in the area as rock exposure is poor.

CONCLUSIONS AND RECOMMENDATIONS

The results of this investigation show the area of major interest on the property to be the NW trending contact area where high grade copper and gold mineralization is found. The contact zone is between felsic rocks and intermediate volcanic rocks and is shown quite clearly by magnetometer data. The origin of and structural nature of the felsic rocks is not clear at this time but should be investigated further due to its relationship with mineralization found in the area.

It is recommended that further work be done on the property consisting of diamond drilling near the adit area where the best gold values were obtained, additional sampling along the creek and hand blasting and trenching to investigate the poorly exposed southern felsic contact zone as shown by magnetic data.

Respectfully submitted,



Greg L. Ven Huizen, P.Eng.

15 November 1991

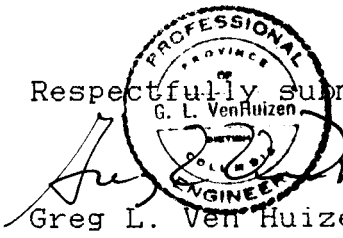
ITEMIZED COST STATEMENT

Greg L. Ven Huizen, P.Eng. 9-25 August 91, 17 days @ 250.	$ 4250
J.H. Oliver, Manager 12 days @ 300.....	3600
Magnetometer survey 20km @ 200.....	4000
Groceries, gas, oil, acco., telephone, air tickets.....	3881
Mileage 5820 km @ .15.....	877
Analyses.....	805
Magnetometer rental.....	670
Report.....	1500
TOTAL.....	$19583

CERTIFICATE OF QUALIFICATIONS

I, Greg L. Ven Huizen of 3889 Hudson Street, Vancouver, British Columbia hereby certify that:

1. I am registered in the Association of Professional Engineers of the Province of British Columbia, No. 14584.
2. I am a graduate of the University of Minnesota with a Bachelor of Geo-Engineering Degree (Exploration Option) with Distinction, March 1979.
3. I have been practicing my profession since graduation.
4. The information contained in this report is the result of work carried out by myself and under my supervision.
5. I own no direct, indirect and do not expect to receive any interests in the property covered in this report or any shares in Kylite Ventures Inc.



Respectfully submitted,

Greg L. Ven Huizen, P.Eng.

15 Nov 1991

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3. "Geochemical Survey Report on the Hi #1, Low, Chance, Core and Shore Mineral Claims", J.R. Bellamy, 31 August 1979 (BC Assessment Report #7418)

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6. News Release, Manchester Resources Corporation, 22 October 1990

7. BCDMPR, Claim Map M104H/13W, 1 November 1990

8. DEMR, NTS Map "Ealue Lake" 104H/13

9. GSC, Map "Geology Klastline River (104G/16E), Ealue Lake (104H/13W), Cake Hill (104I/4W) and Stikine Canyon (104J/1E)" O.F.1080

10. Aerial photos BC 5382 117-118, BC 82014 138

APPENDIX 1
ANALYSES

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

GEOCHEMICAL ANALYSIS CERTIFICATE

Ven Huizen Mining Exploration File # 91-4633 Page 1

3889 Hudson St., Vancouver BC V6H 3A9

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
26251	1	15	2	134	.1	7	15	1460	5.36	42	5	ND	1	55	.2	2	2	142	3.11	.108	4	14	1.69	80	.20	3	1.92	.08	.18	1	11
26252	1	8	2	190	.1	8	13	1964	5.73	50	5	ND	1	34	.3	3	2	161	1.12	.121	3	12	2.41	33	.21	5	2.28	.05	.16	1	6
26253	1	3	3	139	.1	6	15	1208	4.64	50	5	ND	1	64	.2	2	2	139	1.09	.122	2	8	2.43	32	.20	4	2.06	.06	.09	1	8
26254	1	148	4	55	.1	8	19	852	5.56	15	5	ND	1	57	.2	2	2	195	.95	.124	2	15	3.09	76	.27	5	2.28	.09	.12	1	5
26255	1	726	3	71	1.3	7	20	923	5.33	36	5	ND	1	55	.4	2	2	169	1.66	.114	3	11	2.37	44	.22	4	2.09	.06	.12	1	22
26256	1	58	7	195	.1	5	25	2028	6.86	33	5	ND	1	48	.5	2	2	149	1.32	.144	3	5	2.41	133	.12	5	3.28	.12	.58	1	17
26257	1	65	3	206	.1	5	4	2167	4.93	21	6	ND	1	27	.4	2	2	134	2.12	.126	5	11	2.02	26	.08	2	1.99	.05	.12	1	3
26258	1	88	15	136	.2	5	19	1318	6.51	25	5	ND	1	20	.2	2	3	124	.54	.129	2	5	1.85	64	.12	3	2.35	.03	.24	1	2
26259	1	40	33	108	.2	3	12	818	5.13	21	5	ND	1	24	.2	2	2	161	.55	.145	3	5	1.94	18	.24	2	1.78	.05	.17	1	6
26260	1	77	14	152	.6	6	18	1105	6.24	28	5	ND	2	23	.2	2	3	128	.53	.134	4	15	1.67	25	.13	5	2.15	.05	.25	1	9
26261	1	120	5	66	.1	7	15	867	4.30	16	5	ND	1	77	.2	2	2	108	.80	.116	2	7	1.90	75	.20	6	2.09	.09	.14	1	10
26262	1	112	8	55	.1	2	17	569	4.75	21	5	ND	1	54	.2	2	2	109	.63	.112	2	2	1.76	61	.16	4	1.81	.07	.11	1	7
26263	1	103	4	97	.1	5	8	953	3.49	17	5	ND	1	63	.3	2	2	68	1.33	.115	5	15	1.12	94	.15	5	1.60	.05	.28	1	4
26264	1	31	2	113	.1	8	16	1028	5.54	38	5	ND	1	43	.2	2	2	179	1.00	.149	5	8	2.18	137	.24	5	1.95	.06	.10	1	2
26265	1	42	2	104	.1	5	15	1139	5.02	19	5	ND	1	53	.3	2	2	105	.97	.143	4	5	2.14	130	.25	5	2.21	.04	.13	1	2
26266	1	93	2	166	.1	6	8	1585	5.70	19	5	ND	2	32	.2	2	2	232	.80	.118	4	11	2.73	45	.27	2	2.64	.04	.13	1	3
26267	1	169	2	162	.1	8	14	1355	6.25	25	5	ND	1	29	.2	2	2	166	.79	.112	3	7	2.65	66	.27	4	2.34	.05	.15	1	3
26268	1	104	5	173	.1	4	17	1430	5.64	20	5	ND	1	36	.2	2	2	134	1.82	.109	3	5	1.92	47	.23	3	1.80	.04	.10	1	2
26269	2	25	90	162	.8	4	24	2086	6.42	34	5	ND	1	9	.4	2	4	91	.43	.112	3	9	2.13	30	.10	3	2.52	.03	.18	1	9
26270	1	490	2	196	.2	5	4	1376	5.63	26	5	ND	2	20	.5	2	2	190	1.58	.110	4	5	2.01	42	.26	3	1.79	.04	.10	1	2
26271	3	243	34	33	2.5	2	8	286	4.53	34	5	ND	2	50	.2	4	11	74	.12	.052	2	3	.40	62	.09	2	.80	.03	.26	1	106
26272	18	81	6	44	.1	6	28	568	5.46	32	5	ND	2	46	.3	2	2	119	.89	.114	2	10	1.27	48	.28	7	1.50	.10	.17	1	11
26273	2	89	5	37	.1	5	12	513	4.54	31	5	ND	1	59	.2	2	2	107	.96	.115	2	4	1.19	36	.28	3	1.42	.08	.16	1	3
26274	1	112	2	48	.1	3	16	655	5.29	25	5	ND	2	71	.4	2	2	107	.97	.114	2	1	2.14	29	.30	3	2.41	.12	.12	1	7
26276	6	24	3	51	.2	10	3	485	1.86	22	7	ND	2	9	.2	2	2	52	.21	.066	2	54	.45	80	.02	3	.75	.04	.12	1	51
26277	2	166	2	57	.1	5	16	858	4.77	28	5	ND	1	88	.2	2	2	162	.81	.116	2	7	1.81	35	.31	4	2.06	.09	.11	1	11
26278	1	66	13	97	.4	4	13	1028	5.90	30	5	ND	2	65	.8	2	2	152	.59	.117	3	8	2.05	61	.30	3	2.10	.10	.30	1	5
26279	2	47	2	91	.1	6	12	1118	3.05	19	5	ND	2	13	.2	2	2	82	.65	.119	6	19	.81	51	.14	2	1.14	.05	.13	1	6
26280	1	49	2	61	.1	9	8	675	3.94	16	5	ND	2	10	.2	2	2	138	.40	.083	5	10	1.09	92	.12	6	1.30	.04	.19	1	12
RE 26277	2	166	7	56	.2	5	16	842	4.68	27	5	ND	3	91	.2	2	4	162	.81	.116	2	6	1.77	34	.32	4	2.03	.10	.12	1	7
26281	3	85	36	23	1.2	3	23	214	5.22	50	5	ND	3	34	.2	7	7	125	.21	.109	7	5	.21	103	.20	4	.64	.06	.25	1	22
26282	1	7	9	121	.1	4	9	1428	4.69	6	5	ND	4	129	.4	2	2	90	1.89	.120	21	5	1.09	64	.13	7	1.64	.15	.19	1	8
26283	9	462	31	128	.3	10	16	823	4.59	8	5	ND	2	49	.7	2	3	146	.57	.114	10	19	1.96	192	.23	2	1.70	.04	.09	1	22
26284	9	421	10	70	.4	12	18	844	5.36	20	5	ND	3	28	.4	2	3	152	1.26	.083	7	25	1.83	18	.15	3	1.63	.03	.12	1	34
26287	24	83376	2	85	75.7	55	37	419	11.79	10	5	ND	3	97	7.5	2	6	35	.86	.195	7	7	1.45	31	.14	2	1.47	.01	.02	1	2230
26288	2	6214	2	64	1.4	10	39	664	4.27	10	5	ND	3	19	.9	2	2	84	.93	.099	6	4	1.72	56	.01	2	2.00	.04	.09	1	24
26289	4	9181	2	64	1.4	10	32	672	4.12	8	5	ND	4	25	1.2	2	2	75	1.07	.104	8	4	1.31	242	.01	2	1.69	.04	.10	1	70
STANDARD C/AU-R	21	62	36	133	7.5	70	32	1084	3.98	42	21	7	40	53	19.0	16	22	60	.48	.094	39	58	.88	177	.09	33	1.90	.07	.15	11	460

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB
- SAMPLE TYPE: ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE. Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: SEP 20 1991 **DATE REPORT MAILED:** Sept 24/91 **SIGNED BY.....** D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
26290	3	3938	4	68	2.6	17	15	653	4.19	12	5	ND	1	21	.6	2	3	76	1.02	.111	7	28	1.47	183	.02	4	1.89	.04	.14	1	71
26291	22	2101	2	56	1.8	5	53	1315	5.13	7	13	ND	1	152	1.1	2	2	38	5.68	.083	2	4	1.65	16	.07	3	2.06	.01	.02	10	41
26292	6	17094	2	90	9.5	20	31	869	4.21	2	5	ND	2	23	1.6	2	6	76	.84	.127	7	9	1.80	43	.04	3	1.75	.03	.09	1	210
26293	38	95222	48	137	50.7	32	45	3517	9.43	18	11	ND	1	86	9.5	19	7	29	13.13	.118	3	9	.65	26	.01	2	.77	.01	.01	1	1220
26294	123	1447	15	14	1.5	3	30	298	6.15	16	6	ND	4	81	.7	2	2	68	.80	.188	7	1	.21	136	.13	2	.63	.01	.32	1	71
26295	12	24177	2	73	16.3	21	16	2490	6.19	6	7	ND	1	159	3.0	2	6	43	9.57	.153	13	3	.78	67	.07	2	1.96	.01	.34	1	240
26296	70	4389	914	786	6.8	8	4	503	1.49	2	5	ND	1	382	22.9	4	2	53	1.61	.065	3	12	.78	43	.10	2	.77	.03	.08	1	120
26297	4	4992	3	71	3.0	24	25	1374	5.10	4	8	2	2	76	1.1	2	4	93	4.23	.094	11	22	1.19	48	.03	4	1.73	.01	.20	1	6800
26298	3	11853	2	48	11.1	15	57	1003	12.98	17	5	30	2	45	2.7	2	9	86	1.46	.108	9	15	.72	69	.01	5	1.56	.01	.30	1	52500
26299	21	26	387	60	4.5	3	3	39	3.71	39	5	ND	1	66	.3	2	26	11	.03	.031	2	3	.04	133	.09	20	.20	.11	.26	1	92
26301	4	128	810	67	1.0	5	2	1041	2.54	6	5	ND	1	29	.4	2	2	78	2.00	.098	3	10	1.56	365	.07	2	1.67	.02	.10	1	42
26302	3	391	347	448	.3	8	7	1376	2.15	13	5	ND	1	82	7.5	2	2	112	2.25	.120	9	10	1.67	655	.20	2	1.45	.03	.10	1	64
26303	1	26	7	70	.1	8	6	1315	2.71	11	5	ND	1	40	.4	2	2	109	4.36	.109	4	23	1.97	69	.10	2	1.82	.02	.07	1	40
26304	1	4216	3	81	2.2	6	20	943	6.58	21	5	ND	1	28	1.3	2	2	176	2.84	.106	4	8	1.42	72	.22	2	1.49	.04	.10	1	76
RE 26299	21	26	395	59	4.3	3	3	40	3.69	39	5	ND	1	66	.3	2	27	11	.03	.029	2	3	.04	138	.09	19	.19	.11	.28	1	85
26305	3	92	19	79	.3	4	5	448	4.93	6	5	ND	3	20	.3	2	2	100	.20	.108	4	8	1.50	96	.13	2	1.62	.05	.21	1	57
26306	22	372	53	70	1.6	5	13	502	3.66	44	5	ND	1	44	.5	2	5	126	1.97	.064	2	5	.88	57	.24	2	.91	.06	.16	1	48
26307	3	1050	29	107	.9	7	9	649	3.91	22	5	ND	1	44	.7	2	4	75	.65	.091	3	11	1.25	59	.17	2	1.49	.08	.11	1	20
26308	1	27701	2	48	11.7	42	310	1222	19.34	25	14	ND	2	62	4.1	2	2	69	4.90	.115	7	11	.92	12	.01	5	2.07	.01	.20	1	2560
26309	1	104	16	103	.2	7	4	465	3.18	20	5	ND	1	40	.4	2	5	135	.47	.125	3	10	1.37	45	.16	3	1.58	.08	.07	1	13
26310	1	62	73	75	.4	5	5	824	2.85	13	5	ND	1	12	.2	2	2	71	.37	.110	3	11	1.38	35	.09	6	1.62	.03	.18	1	7
NO NUMBER	8	31	11	99	.9	7	14	771	4.93	42	5	ND	1	18	.2	2	3	110	.45	.117	4	9	1.31	54	.24	6	1.63	.05	.14	1	54
26285 CORE	1	48	2	43	.1	6	13	765	4.66	5	5	ND	1	39	.6	2	2	98	2.48	.100	5	6	1.88	134	.01	14	2.28	.06	.17	1	7
26286 CORE	2	48	31	55	.4	14	9	848	3.07	82	6	ND	1	89	.8	2	2	82	9.73	.085	7	15	.94	21	.01	4	1.30	.02	.05	1	5
STANDARD C/AU-R	19	59	38	132	7.0	74	33	1091	4.01	40	18	6	40	52	18.7	19	20	55	.50	.092	38	61	.88	182	.09	37	1.92	.06	.16	11	480

Samples beginning 'RE' are duplicate samples.

APPENDIX II
SAMPLE DESCRIPTIONS

DESCRIPTION OF SAMPLES TAKEN

SAMPLE #	DESCRIPTION
251	2m continuous chip of grey green silicified andesite, magnetic with minor dessiminated pyrite
252	1m continuous chip character sample of grey green aphanitic andesite, magnetic and carbonated
253	.5m continuous sample of dark green andesite, minor epidote
254	character sample of gossanous andesite, reddish brown dessiminations in dk green aphanitic andesite, minor epidote
255	character sample of brecciated dk green andesite with some plagioclase phenochrysts
256	character sample of dark green andesite porphyry with minor dessiminated pyrite
257	.3m from near malachite seamlet in dk green andesite
258	grab from gossanous siliceous rubble
259	2m chip sample from gossanous siliceous outcrop
260	1m chip sample from gossanous siliceous outcrop
261	1m chip sample from andesite porphyry w ~1% pyrite
262	1m chip sample from gossanous (hematite) andesite porphyry
263	1m chip sample from epidotized andesite porphyry with minor dessimated pyrite
264	2m chip sample of andesite porphyry with minor epidote and dessimated pyrite
265	1m chip sample of andesite porphyry
266	grab sample from o/c of epidotized andesite
267	2m chip sample of dk grn andesite w/ magnetite and epidote
268	1m chip sample of andesite w/ ~.5% sulfides
269	2m chip sample of gossaned andesite (hematite)
270	1m chip sample from andesite outcrop

271	2m chip sample from andesite with epidote and ~.5% pyrite
272	.5m chip from gossan zone with limonite and hematite after ~.5% pyrite in andesite
273	1m chip sample of gossanous andesite with up to 2% pyrite
274	2m chip sample of gossanous andesite with up to 1% pyrite
275	1m chip sample of gossanous andesite with up to 1% pyrite
276	1m chip sample of silicified breccea
277	1m chip sample of gossanous andesite with up to 1% pyrite
278	grab sample of gossanous andesite talus
279	1m sample of andesite
280	.5m from 2m wide zone with quartz stringers
281	1m chip sample of gossanous andesite with up to 1% pyrite
282	grab sample of dark grey dacite, magnetic
283	2m from pit rubble of dessimated sulfide in quartz carbonate
284	1m chip sample from quartz carbonate with dessimated sulfides
285	.3m sample of drill core with minor dessimated pyrite blebs (<1%)
286	.3m sample of drill core with minor dessimated pyrite blebs in pebble congomerate
287	.15m sample of high grade fracture filling including ~40% pyrite with chalcopyrite and malachite in epidotized syenite
288	1.5m sample of gossan zone with malachite and azurite stains
289	1.5m sample adjacent to 288 same zone
290	.5m sample next to 289 same zone

291	.3m sample of epidote with specularite and minor chalcopyrite
292	1m sample from old open cut of malachite stained fractures in dk aphanitic rock
293	2.5m sample of fracture filled vein w/ +50% pyrite + chalcopyrite with malachite in quartz
294	.6m chip sample across gossanous fracture zone
295	.6m chip sample across quartz vein with chalcopyrite
296	no description
297	1.5 meter chip sample from open cut near old adit in mineralized bedded tuffs with malachite stains
298	1.0 meter below 297
299	grab sample from slump above old adit (specularite)
301	1m sample of silicified felsite with minor dessiminated sulfides
302	character sample from cliffs on ravine, minor pyrite
303	1m sample of silicified felsite with minor dessiminated sulfides
304	.3 m of shear zone with minor quartz seams and dessiminated pyrite
305	3.5 m sample of pyritic siliceous stockwork
306	.8 m sample of pyritic silicified shear zone
307	2m sample of pyritic shear zone
308	.2m sample of clay gouge with grey fine sulfide within 307
309	grab of gossanous (limonite + hematite) silicified zone
310	grab of gossanous (limonite + hematite) silicified zone

KYLITE VENTURES INC.

EALUE LAKE PROPERTY

NTS 104H/13 57°30'N 129°50'W

GEOLOGY & ROCK SAMPLE LOCATIONS

SCALE 1:2500 0 50 250m

LEGEND

- OUTCROP
- APX CONTACT
- AERIAL PHOTO LINEATION (POSSIBLE FAULT)
- BEDDING
- SHEAR ZONE
- VEIN
- SAMPLE PT. ● NO. 302 456/3467 Cu PPM Au PPB
- A ANDESITE FRAGMENTAL, MAROON
- B DACITE, GREY
- C TUFF, CHERT & LAPILLI
- D SYENITE, W HORNBLENDE
- E FELSITE, PINK TO LT. GRN
- F ANDESITE PORPHYRY, DK GRN W/PLAG.
- G BASALT, BLACK
- GOSSANED AREA (AFTER PYRITE)

PROFESSIONAL ENGINEER PROVINCE OF B.C. G. L. VanHuizen

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FIGURE 5

GEOLOGICAL BRANCH ASSESSMENT REPORT

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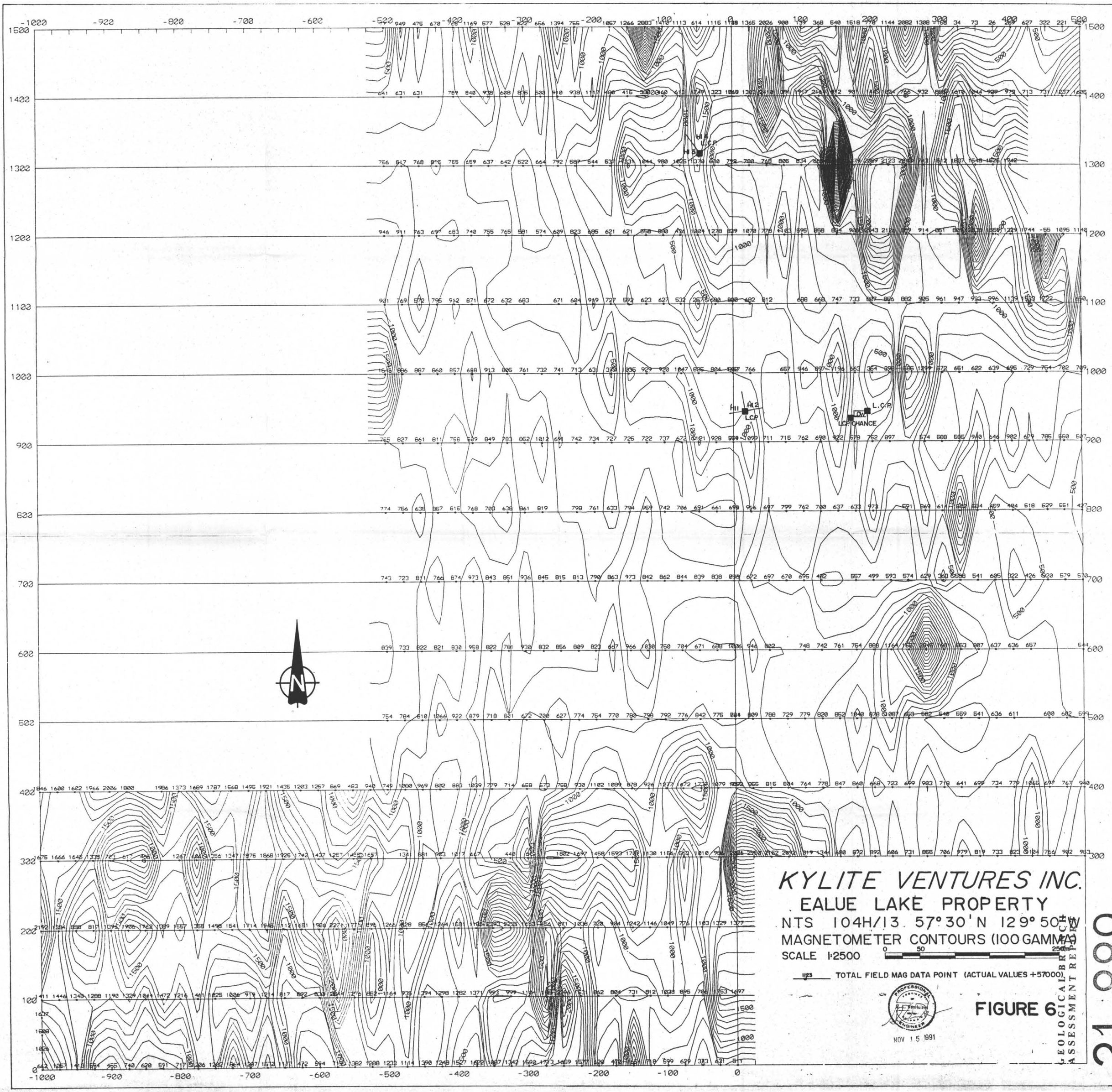

KYLITE VENTURES INC.

EALUE LAKE PROPERTY

NTS 104H/13 57°30'N 129°50'W

MAGNETOMETER CONTOURS (100 GAMMAS)

SCALE 1:2500

0 50 250m

1123 TOTAL FIELD MAG DATA POINT (ACTUAL VALUES +57000)

PROFESSIONAL ENGINEER
Ventuzen

NOV 15 1991

FIGURE 6

GEOLOGICAL BRANCH
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