

LOG NO: JUL 16 1992 RD.

ACTION:

FILE NO:

**INTERNATIONAL TOWER HILL
MINES LIMITED**

**EXAMINATION AND PRELIMINARY
MINING APPRAISAL**

**ASHNOLA MINERAL
PROPERTY**

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

22,421

**SUB-RECORDER
RECEIVED OSOYOOS MINING DISTRICT
JUL 9 - 1992 BRITISH COLUMBIA
M.R.# S. 49° 12' N. 120° 00' W.
VANCOUVER, B.C.**

**FOR
INTERNATIONAL TOWER HILL MINES, LTD.
VANCOUVER, B.C., CANADA**

JUNE 30, 1992

**PREPARED BY:
BULLOCK ENGINEERING CORPORATION
MARKHAM, TORONTO
ONTARIO, CANADA.**

PROJECT No. 6292-02

TELEPHONE (416) 471-8164

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SUMMARY

International Tower Hill Mines Ltd. holds a block of 28 claims in the Osoyoos Mining District of B.C. Very little recent work has been done on the property.

The company wished to focus its efforts on potential early cash-flow producers and accordingly a target was selected in an old adit which is difficult to locate on the ground, but was known to exist from a helicopter overflight several years ago.

The adit was located and cleaned out at the mouth and examined inside for any hazards. It was found to penetrate the hillside about 35 metres, following a quartz vein which strikes NE and dips steeply to the NW. Two character samples were taken along the adit and these returned anomalous values in gold and silver.

A further work program is recommended to define the structural domain of the area by Landsat evaluation, and to map and sample the adit in detail in order to isolate the potential commercial value carriers.

The cost of the program is estimated at \$25,000.

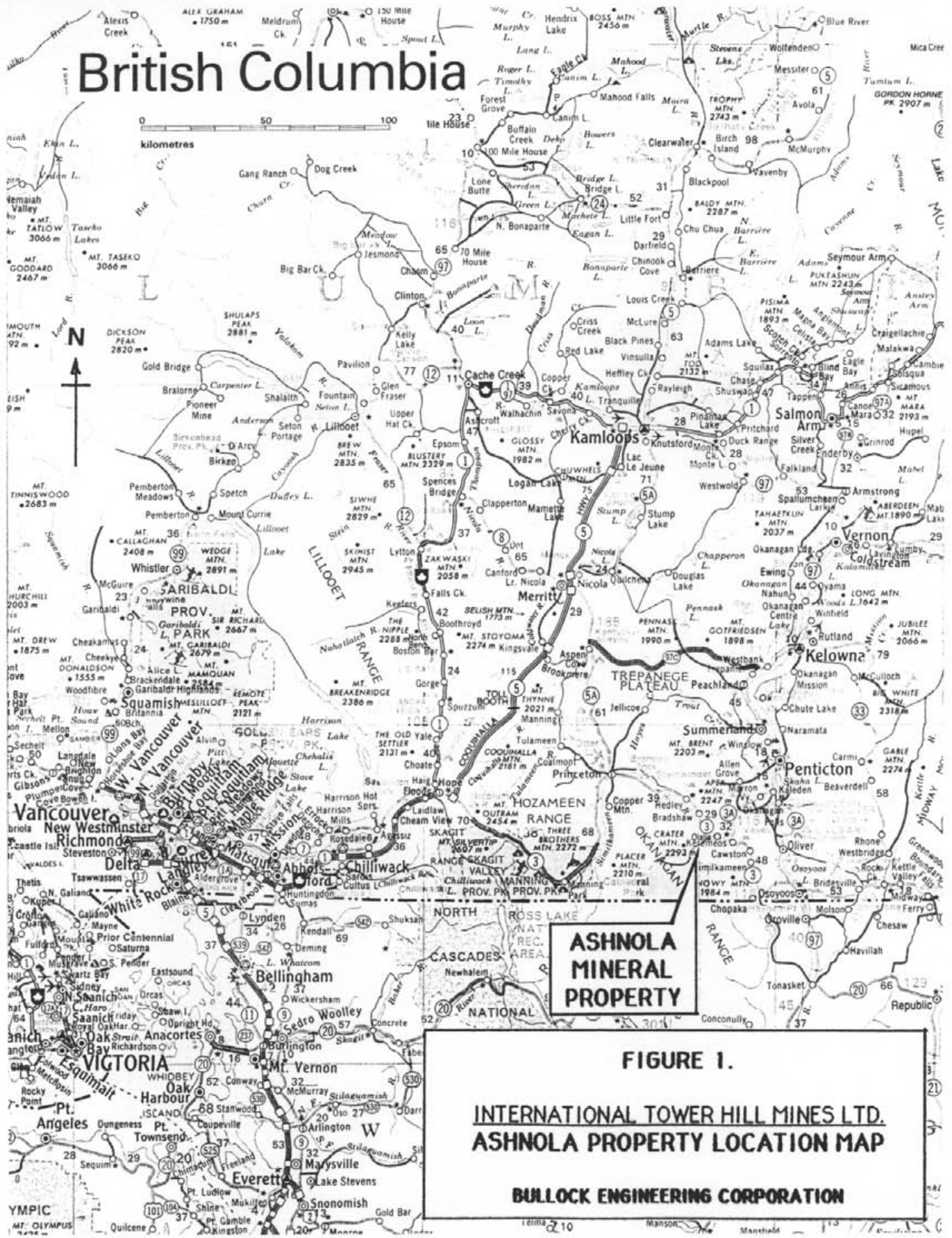
1. INTRODUCTION

The Ashnola Mineral Property of International Tower Hill Mines Limited is located in the Osoyoos Mining District, some 13 kilometres west of Keremeos, British Columbia, and about 30 kilometres due north of the U.S. border. The property is due east of Crater Mountain, on the east side of the Okanagan Range (Figure 1.). Access is from Route 3, along the north side of the Similkameen River, then south by gravel road alongside the Ashnola River, which cuts through the claim block, comprised of 28 claims, T01 through T028 (Figure 2.).

The property was originally staked as a possible porphyry-type copper-molybdenum, open pit, bulk-mining situation, close to Similkameen. However, very little work has been done on the property.

Recently, as a result of some reorganization of the Company, a change of Management and the economic necessity of the times, International Tower Hill has decided to review the property in a more focussed and cost-effective manner. This means the identification and examination of specific targets, with minimum levels of expenditure, which could lead to an early cash flow.

As a result of this operating philosophy, the initial target selected was an old adit located on claim T06 (Fig. 2), on the west side of the Ashnola River. The terrain is very rugged and the adit is difficult to find on the ground since it is located in a natural fissure (Figure 3.) and the development muck is camouflaged by a considerable amount of natural scree material. The presence of the adit had been recorded by one of the company's officers on a helicopter reconnaissance trip into the area some years ago. Without this certain knowledge, the adit search would have been very difficult.

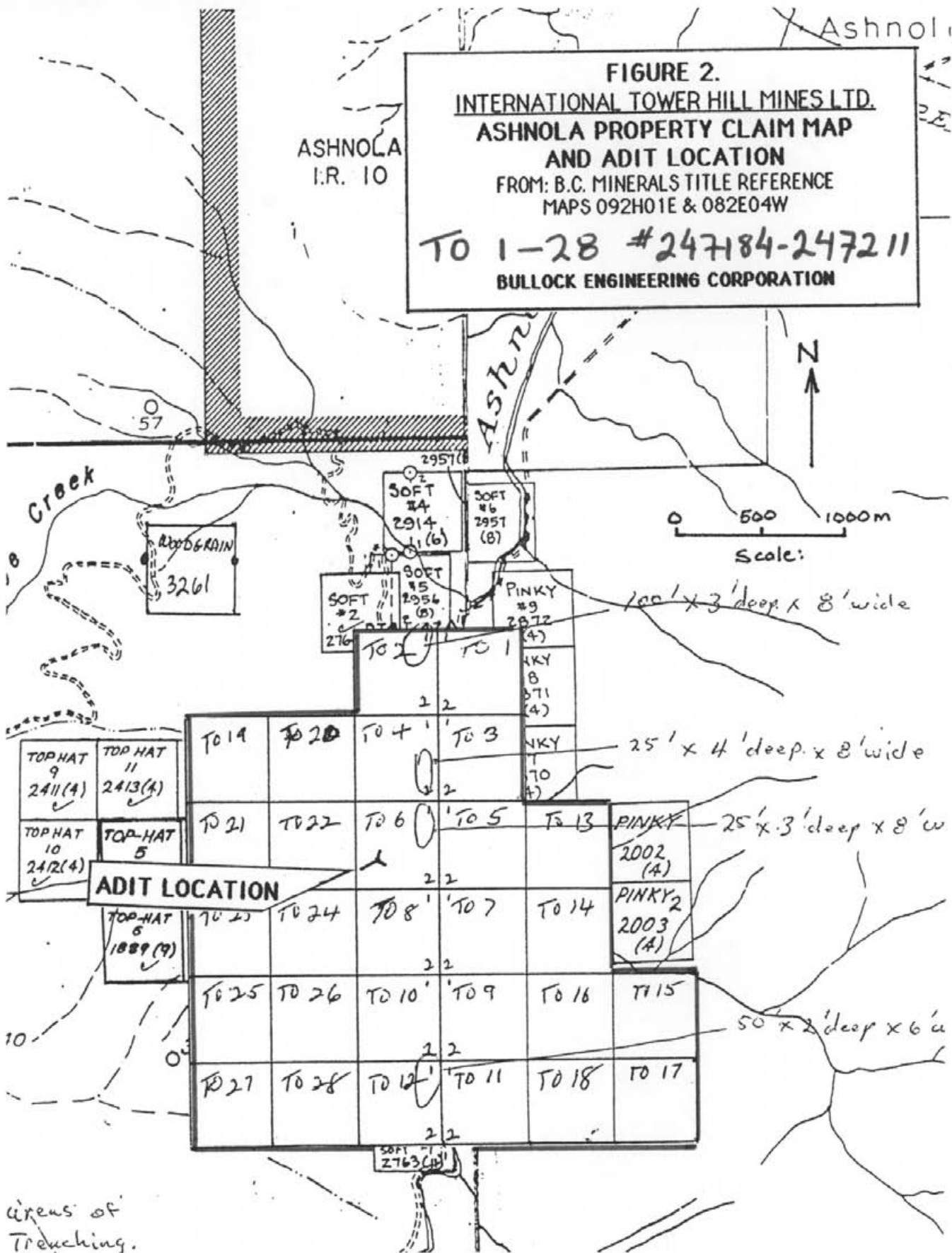


**ASHOLA
MINERAL
PROPERTY**

FIGURE 1.

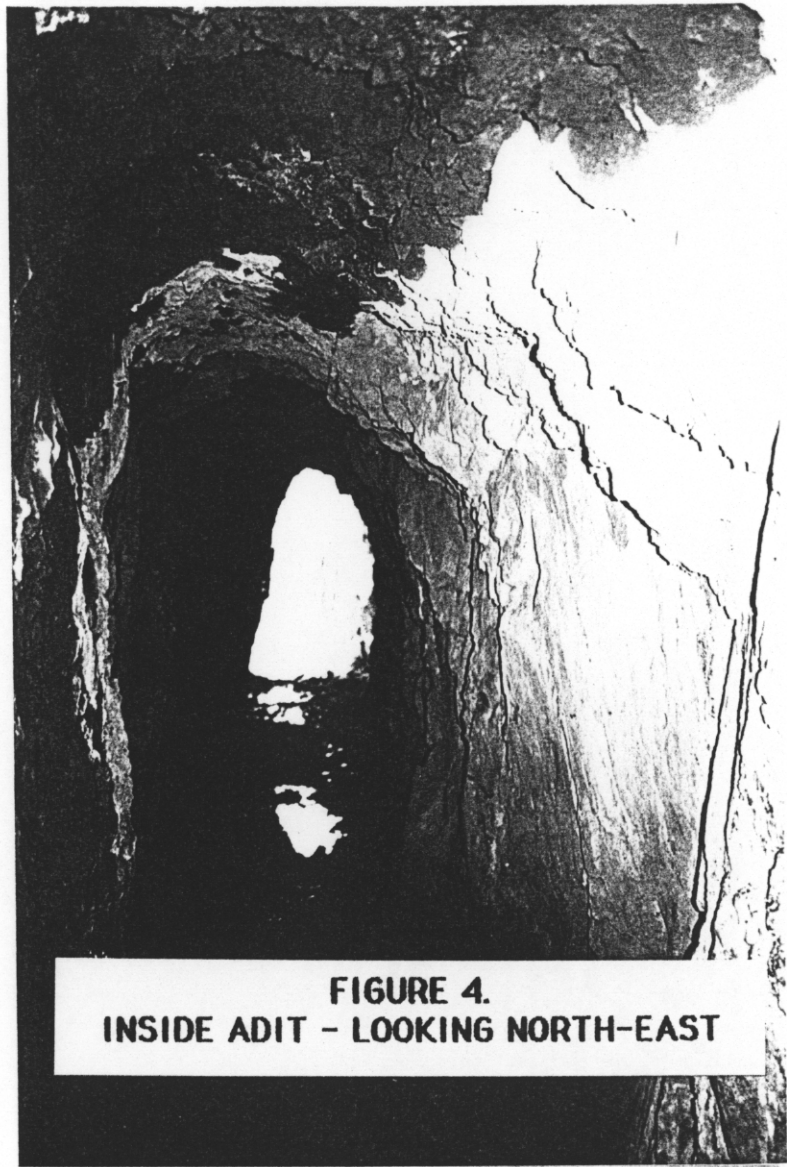
**INTERNATIONAL TOWER HILL MINES LTD.
ASHOLA PROPERTY LOCATION MAP**

BULLOCK ENGINEERING CORPORATION





**FIGURE 3.
ADIT PORTAL - LOOKING SOUTH-WEST**



**FIGURE 4.
INSIDE ADIT - LOOKING NORTH-EAST**

2. TECHNICAL DATA AND INTERPRETATION

The adit was cleaned out at the mouth and examined for loose on the back and sides, for fallen ground and for the presence of open raises or winzes. No problems were encountered and the adit was found to be in generally good condition (Figure 4.).

The adit runs approximately NE-SW and has a total length of about 35 metres. The approximate height is just over two metres and the width varies from 1.5 to 2 metres. It is relatively dry in the adit with minor inflows only. The purpose of the adit would seem to have been the exploration and exploitation of a quartz vein system, steeply dipping at some 75° to 80° to the NW. The hanging-wall (to the right in Fig. 3, and to the left in Fig. 4) is competent and relatively smooth. The vein apparently ranges in width from a few centimetres to half a metre, with discernable pinching and swelling in the plane exposed, and with some evidence of minor branching. The vein is comprised largely of quartz, with pyrite and chalcopyrite mineralization. Some sulphides appear in the exposed footwall.

Since the adit penetrated so far into the hill-side, and since there is very little evidence of vein material in the dump outside, it seems reasonable to surmise that the old-time miners were doing more than take a cursory look at the subject vein. In all probability, vein material was bagged and hauled down the mountain using mules. There is no water near the adit and a complete absence of the usual artifacts associated with such ventures (i.e. rails, pipes, tools, etc.). Accordingly the likely scenario is one of a very old operation (late 1800's?), in which valuable material was mined and processed off site. It is for these reasons that the adit should be the focus of a localized exploration and development effort.

The original plan had been to map the adit in some detail. However, as can be seen in Fig. 4, the adit has become, over time, encrusted with oxidation products and even the beginnings of small stalactites. In the absence of tools and water to wash the adit down and reveal clearly the structure, two character samples were taken, as indicated on Figure 5, by cutting channels across the back and face at about 5-metre intervals. Two such samples were submitted for assay.

The results returned from the Chemex lab. are as follows:-

Adit One	No. 2064	0.03g/t Au	3.0g/t Ag
Adit Two	No. 2065	0.03g/t Au	20.5g/t Ag

The lab. report is reproduced below.

Given that the sampling was of a character nature only, the adit clearly shows anomalous values in precious metals.



Chemex Labs Ltd.

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

SAMPLE DESCRIPTION	PREP CODE	Au g/tonne	Ag g/tonne	Cu %
SAMPLE #5	208 274	< 0.03	0.7	0.01
2062	208 274	< 0.03	5.7	0.02
2063	208 274	0.21	144.0	0.67
2064	208 274	0.03	3.0	0.05
2065	208 274	0.03	20.5	0.05
2066	208 274	0.10	0.7	0.10

CERTIFICATE OF ANALYSIS

A9216820

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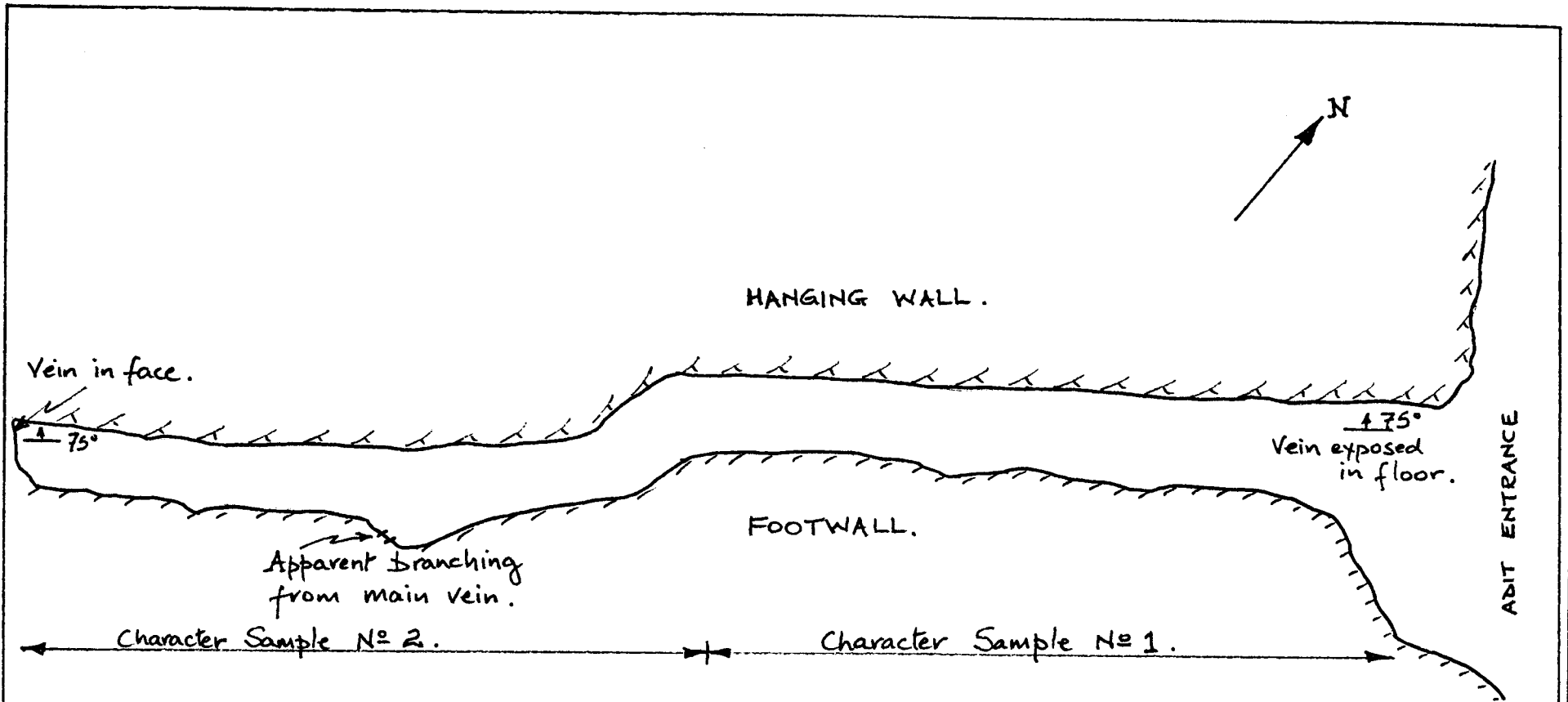


FIGURE 5.

INTERNATIONAL TOWER HILL MINES LTD.

Sketch Map of Adit Located by
Topographic Maps on Claim TOG

0 5m 10m SCALE

Drawn by: *ms.* Feb. 1992

BULLOCK ENGINEERING CORP.

3. COST STATEMENT

PRINCIPAL MINING ENGINEER	4 days @ \$800	= \$3200.00
FIELD ASSISTANT	4 days @ \$125	= \$500.00
4WD TRUCK RENTAL	4 days @ \$50	= \$200.00
TRAVEL	475km @ \$0.30	= \$142.50
SUBSISTENCE	4 days @ \$20	= \$80.00
REPORT PRODUCTION, PHOTOCOPIES, MAPS,etc.		= <u>\$38.00</u>
	<u>TOTAL</u>	= <u>\$4160.50</u>

4. RECOMMENDATIONS

The target adit is clearly of further interest. The anomalous precious metal values found in the character samples show that the vein followed by the adit contained what may have been commercial ore.

It is recommended that a Landsat interpretation be conducted on the entire claim block, with particular emphasis on the adit area, in order to define the possible relationship of the vein to local and regional structures, thus identifying further targets for exploration.

The adit itself should be cleaned, mapped and sampled on a detailed basis. It is entirely possible that the precious metal values picked up in the character sampling are confined to narrow bands in the vein system. Once this is done an assessment of potential commercial exploitation can be made.

ESTIMATED PROGRAM COSTS:

LANDSAT Interpretation	\$7,500
Adit Cleaning	\$6,000
Adit Mapping and Sampling	\$5,000
Analyses, Report Preparation	\$4,000
Contingencies	<u>\$2,500</u>
TOTAL	<u>\$25,000</u>

5. AUTHOR'S CERTIFICATE

The Author of the foregoing report (the "Engineer") hereby certifies:

- a) that the Engineer's name, address and occupation are as follows:

Derek Bullock, P.Eng.
104 Wootten Way North
Markham
Ontario L3P 4C6

Occupation: Consulting Mining Engineer; President, BULLOCK ENGINEERING CORPORATION
and Adjunct Professor of Mining Engineering at the University of Toronto.

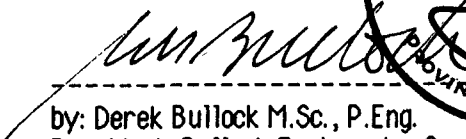
- b) that the Engineer's qualifications are as follows:

Higher National Diploma in Mining	- 1962 (U.K.)
First Class Certificate of Competency as Mine Manager	- 1962 (U.K.)
M.Sc. Mining Engineering	- 1969 (Queen's U.)
Registered Professional Engineer	- Ontario
Designated Consulting Engineer	- Ontario
Chartered Mining Engineer	- U.K.
Registered European Engineer	- Paris

- c) that the foregoing report is based on personal examinations.
- d) that the dates of such examinations were Feb. 20 - 24, 1992.
- e) that the Engineer is not a director, officer or employee of the company.
- f) that the Engineer has not, directly or indirectly, received nor expects to receive any interest, direct or indirect, in the property of the company, and does not beneficially own, directly or indirectly, any securities of the company.

DATED the 30th of June, 1992;

BULLOCK ENGINEERING CORPORATION
104 WOOTTEN WAY NORTH
MARKHAM, ONTARIO L3P 4C6


by: Derek Bullock M.Sc., P.Eng.
President, Bullock Engineering Corp.

