Geological Assessment Report

On The

GOLD RIDGE CLAIM GROUP
(Gold Ridge 1,2,3 & 5)
TALC MINERAL CLAIMS

Located In The

Kamloops and New Westminster Mining Divisions
Latitude 50 4', Longitude 121 36'
NTS 92 I/4E

Report Prepared On Behalf Of

HIGHLAND TALC MINERALS LTD.
Hope, B.C.

By

D.G. Cardinal, P.Geo., F.G.A.C.
Hope, B.C.
December 11, 1992

HIGHLAND TALC MINERALS LTD.	
FRONTISPIECE	
BY: J.W. MURTON & ASSOCIATES	
DATE: AUG. 28, 1992	MAP* 1

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A. TERMS OF REFERNCE

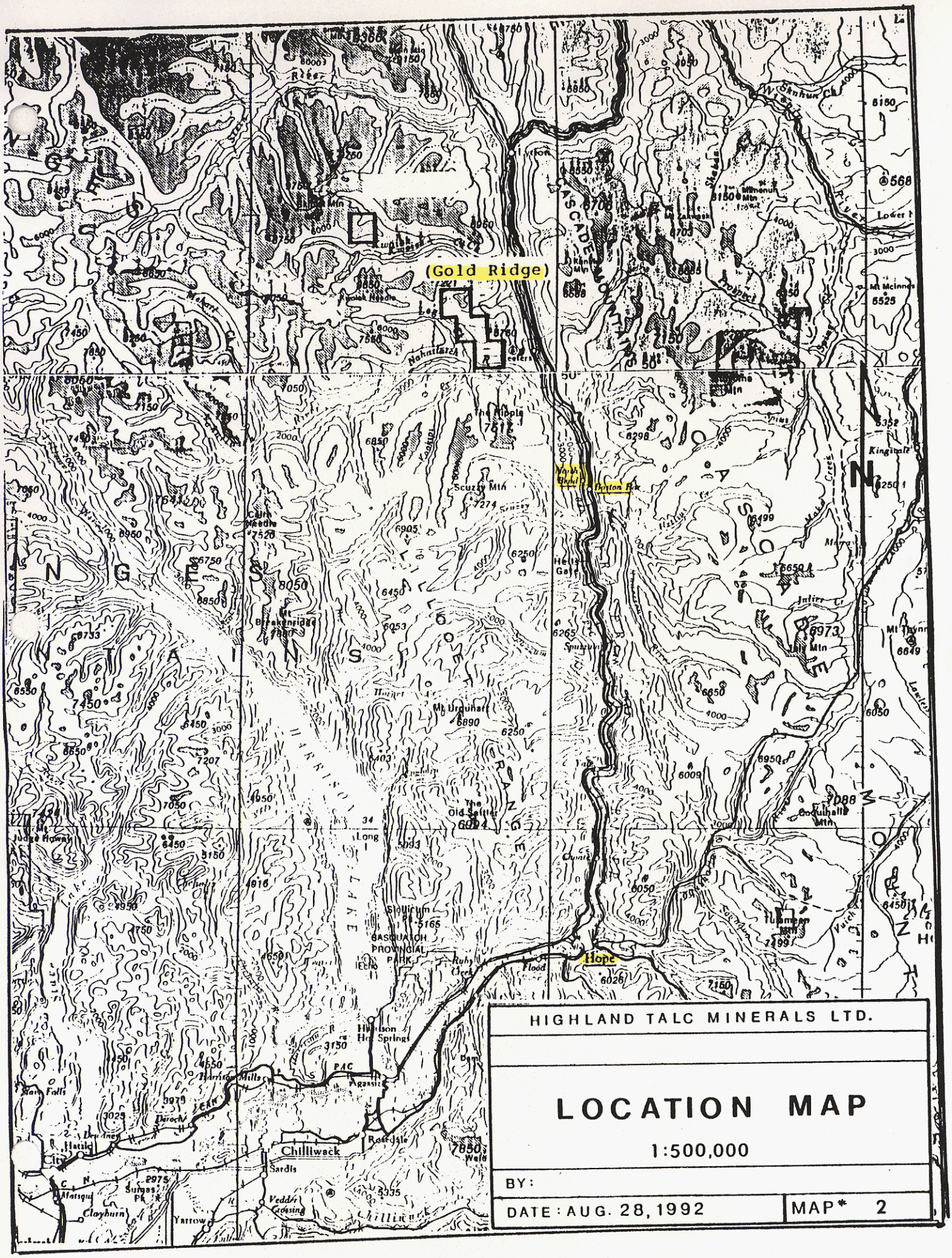
A.1 INTRODUCTION

HIGHLAND TALC MINERALS LTD. is a privately held industrial mineral resource compay based in Hope, B.C.. It has access to extensive reserves of crude talc favourable for future development.

Highland's future objectives are to develope and bring into production these extensive reserves and to process the crude talc into high-quality talc pigments for application in the pulp and paper, paints and, plastics industries.

Over the last 3 years Highland has initiated several key programmes in persuing these objectives. It began exploring and outlining talc reserves on it's properties and has now defined a major source of talc for future markets. In-house marketing surveys are presently ongoing. Talc as a pitch control agent, filler and coating pigment in the pulp and paper industry, is presently been addressed. Several meetings and discussions have already been held with a number of the major pulp and papermaking organizations. Lastly, in terms of processing the crude talc to meet the standards acceptable to mineral pigment end users, Highland has approached a world leading Finnish talc producing company. Two trips have already been made to Helsinki, Finland and meetings held with the Finnish company with regards to importing and using their up-to-date talc processing technology.

This report pertains to the field work conducted on the property during the 1992 season and is herein submitted for assessment work credits.



HIGHLAND TALC MINERALS LTD.

LOCATION MAP

1:500,000

BY:

DATE: AUG. 28, 1992

MAP* 2

A.2 SUMMARY

The Gold Ridge Claim Group consists of 4 contiguous mineral claims, the Gold Ridge 1,2,3,& 5. They occur in the Kamloops Mining Divisions within the NTS 92I/4E.

These claims are presently in good standing until November, 1994.

The Property's south boundary is located some 21 kilometres due northwest of Boston Bar and North Bend. However, majority of the field work conducted on the Property is located 35km road kilometres from North Bend. Acess is by the Nahatlatch River Forestry Road for 15km and by Nahatlatch Lookout Forestry Road and 4 Barrel Mainline logging road for additional 20km.

For infrastructure, the Property is within easy reach to electrical power and a good transportation system which includes a major highway and 2 (CN/CP) railways. Both Boston Bar and North Bend communities and the town of Hope offer skilled labour force and heavy construction machinery.

The Property hosts extensive reserves of crude talc an industrial mineral which has application in various industries such as, the pulp and paper, paint and plastics industries.

Talc mineralization was first noted in this area by the G.S.C. in 1950. In 1973-74, a company conducted talc surveys and outlined a deposit of talc. But due to limited talc markets at the time, further work was suspended. In 1986, Highland restaked this area. Between 1989-92, Highland has sytematically conducted work from grassroots through to stripping and diamond drilling. A significant deposit of crude talc has now been defined on the Property.

Geologically, the Property is underlain by a northwesterly striking band of serpentinized ultramafic rock in fault-contact with a thick sequence of phyllite, micaceous schist and greenstone. At least 3 significant zones of talc have been found to date potentially hosting large reserves of talc. Two of the deposits (North and Talc Deposits) occur along the serpentinite and phyllite fault-contact and the other (Talc Lake Deposit) occurs entirely within the serpentinite.

The deposits typically consist of homogenous admixture of talc and subordinate magnesite with minor amounts of chlorite, iron carbonates, and minor iron sulphides and iron oxides.

Based on the geological surveys, trenching, stripping and, diamond drilling to date; the Property is currently estimated to host in the order of 43 million tonnes of 60-65% talc and 30-40% magnesite.

A.3 PROPERTY INFORMATION

The Gold Ridge Group herein referred to as the 'Property' consists of 4 contiguous mineral claims representing 80 units. The claims were filed for assessment as a 'group'.

The Property occurs within the Kamloops Mining Division. Majority of the field work was conducted on the Gold Ridge 2 mineral claim.

Claim information is as follows:

Claim Name	Tenure Number	Number of Units	Recording Date	Expiry Date
Gold Ridge 1	217695	20	11/17/86	11/17/94
Gold Ridge 2	217696	20	11/17/86	11/17/94
Gold Ridge 3	217697	20	11/17/86	11/17/94
Gold Ridge 5	217698	20	11/17/86	11/17/94

The above information is also recorded in the mineral claim map, NTS 92I/4E.

Registered claim owner is D.G.Cardinal also principle owner of Higland.

A.4 LOCATION AND ACCESS

The southern most boundary (Gold Ridge 2) of the Property is located some 21km due northwest of Boston Bar and the North Bend communities. Boston Bar is located on the Trans Canada Highway 60km north of the town of Hope.

Majority of the work was carried out on the Gold Ridge 2 on the South Talc deposit. The deposit is located 35km road kilometres north-northwest from Boston Bar and North Bend,

Access to the deposit is via a series of well maintained gravelled roads which begin at North Bend. The first 15km is a section of road which leads to the Nahatlatch River. This is heavily used by log haulage trucks, rural farmers and ranchers that live in the area and, by tourists that visit the Nahatlatch River valley and lakes. At the 15km sign is an intersection. The road which forks to the right is referred to as the Nahatlatch River Forestry Road and the

Four Barrel Mainline logging road. The final 20km of this road leads to the deposit and work site.

This season Highland constructed a 2km access road which ties into the Four Barrel logging road. The final 20km is a seasonally maintained road which gradually climbs to about 1500m elevation before it reaches the headwaters of Four Barrel Creek watershed. This section is normally accessible from late May to late November.

A.5 PHYSIOGRAPHY AND INFRASTUCTURE

The Property is geographically situated along the northern portion of the Lillooet Range of the Coast Range Mountains and is some 3-4km west of the Fraser River Canyon.

The talc deposits found on the Property occur along a northwesterly trending ridge-like plateau. The plateau physiographically represents the height-of-land with elevation between 1500m-1600m above sea level.

Drainage tends to be poor in areas with the occassional small lake or willowed swamp and seasonal streams. Vegetation at this level consists mainly of unmerchantable timber with sparse stands of immature spruce, hemlock, balsam and fir.

The deposits are normally free of snow and open to exploration from late May-early June to late October-early November.

Over the years a well developed infrastructure has been established in the Boston Bar and Fraser Canyon area. Heavy equipment and machinery along with a skilled labour force is readily available. The Property is within only a few kilometres of a major transportation corridor which runs along the Fraser Canyon. A transportation network consisting of both the Trans Canada Highway and CN and CP Railways including hydo-electrical powerlines run through Boston Bar. This network links to the City of Vancouver and it's seaports some 210km to the southwest.

A.6 BRIEF BACKGROUND

The Property covers a geological belt that is favourable for precious metals and in the past has been explored for gold. In fact, the Latch 1 and 2 host an auriferous bearing structure that was first reported in 1935. In 1984-85, Hudson Bay Exploration & Development Co.Ltd. conducted

exploration surveys and limited diamond drilling over the structure.

Significant occurrences of talc mineralization was first reported in this area in the early 1950s by the Geological Survey of Canada.

In 1973, talc was first reported on-the-now Gold Ridge 2 by J.A. Chamberlain Consultants while conducting surveys in this area for nickel. Low grade (0.2%) nickel was identified over a wide area and a talc and magnesite zone was also outlined. A bulk sample obtained from the zone at the time assayed: 62% talc and 30% magnesite. This zone is now referred to as the Talc Lake Deposit.

Between 1986-88, a total of 3000 hectares of ground was staked to cover a geological structure known to host a series of talc (magnesite) lenses.

In 1989-90, Highland began conducting systematic geological surveys on the Property. In 1990, limited trenching, sampling and mapping were conducted over the Talc Lake Deposit. During the latter part of the 1990 field season a second talc zone now referred to as the South Talc Deposit was defined. Four exploratory drill holes were completed over the south deposit during this time. This season (1992), 4 follow-up drill holes were completed.

Between 1991 to present, detail geological surveys, stripping, and additional drilling have been completed and a proper access road built to the south deposit. This season a another significant zone of talc was discovered in a recently logged-clearcut area. This brings to 3 significant talc zones and 5 smaller satellite lenses of talc that have been uncovered on the Property to date.

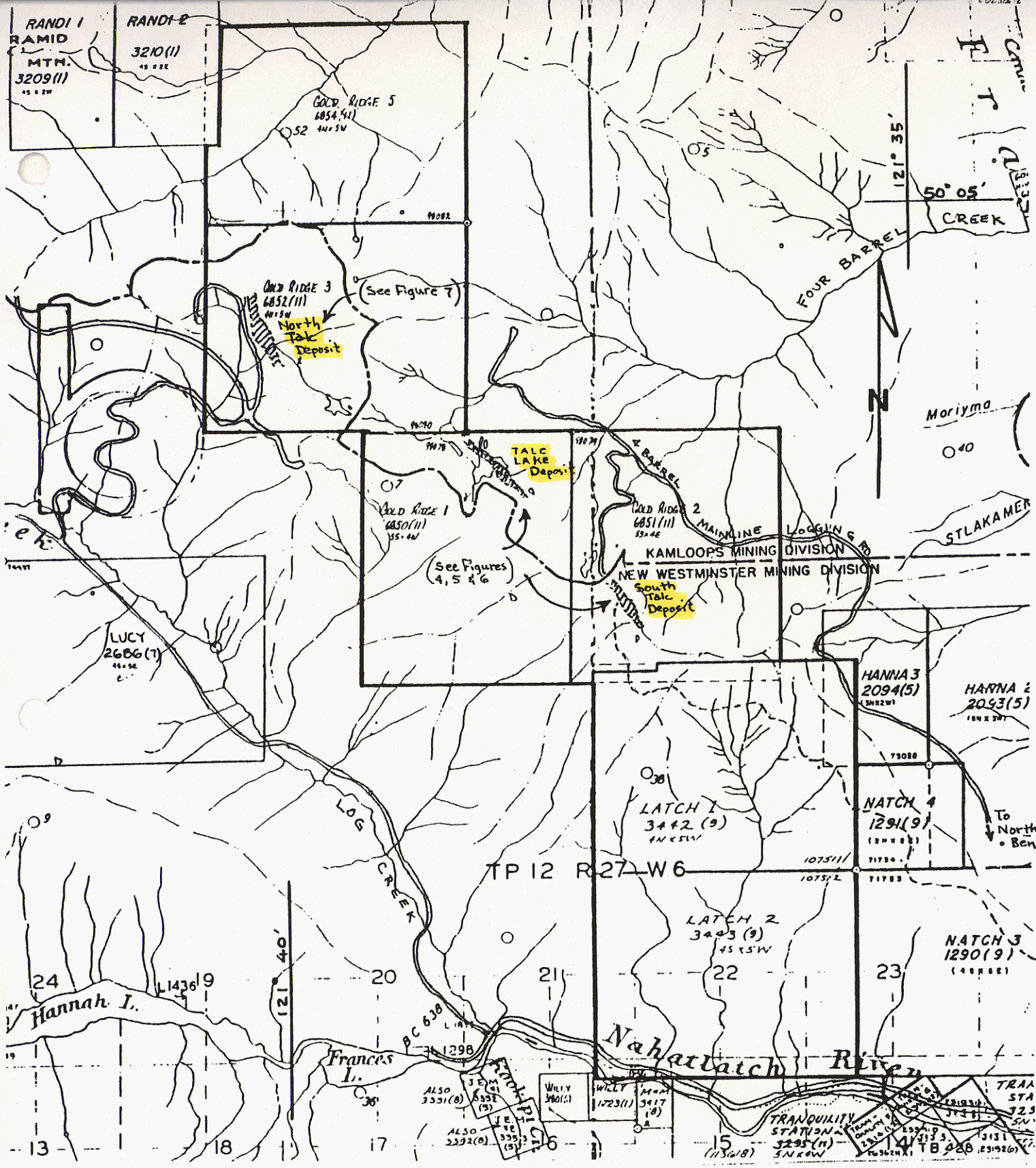
Highland proposes to start developing these deposits in 1993.

B. FIELD PROGRAMMES

B.1 REGIONAL GEOLOGY

The talc mineralization is typically hosted in or immediately adjacent to a regionally northwest-southeast trending belt of serpentinized ultramafic rock.

The ultramafic belt is a semicontinous faulted structure that can be traced for some 32km along strike. It is in fault contact with volcanic greenstones and sedimentary schists and phyllites. This complex is believed to be an alpine type metamorphic terrane which is lithologically



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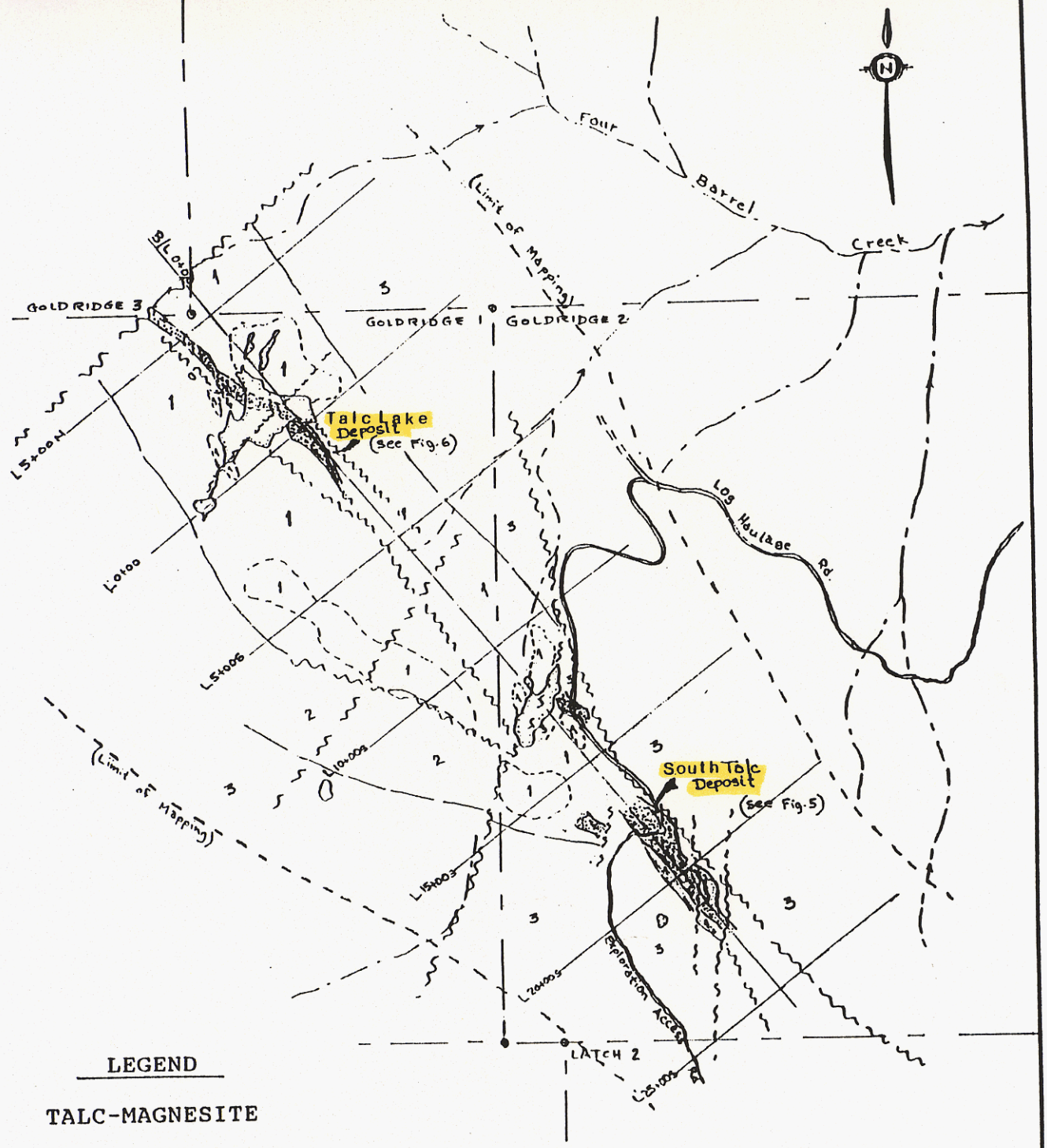
HIGHLAND TALC MINERALS LTD.	
GOLD RIDGE CLAIMS	
CLAIM MAP	
92I-4E	
BY:	
DATE: AUG. 28, 1992	MAP # 3



LEGEND

▨	TALC-MAGNESITE
1	SERPENTINE
2	ANDESITIC GREENSTONE
3	PHYLLITE, MICACEOUS SCHIST
4	LIMESTONE
5	GRANITE, GRANODIORITE

FAULT - INFERRED
GEOLOGICAL CONTACT - INFERRED
TRENCH
DIAMOND DRILL HOLE

0 500 1000
1:20,000

HIGHLAND TALC MINERALS LTD.

GOLD RIDGE CLAIMS

PROPERTY GEOLOGY

BY:

DATE: AUG. 28, 1992

MAP* 4

equivalent to the Bridge River Complex of Permian to Jurassic age (JWS Monger, G.S.C., 1980-82).

The belt now forms part of a roof pendant which is enclosed on 3 sides by Cretaceous age granites and granodiorites of the Coast Range Mountains. The southern extention of the belt is terminated by the Fraser River Fault System.

The talc deposits discovered on the Property are believed to be altered products of the magnesium-rich, serpentinized ultramafic rocks. The deposits vary in size from small, satelite, pod-like deposits potentially hosting 0.5-1 million tonnes of crude talc to, large lensoid-shaped deposits potentially hosting 20 million tonnes or more of crude talc.

B.2 PROPERTY GEOLOGY

Majority of the work completed to date on the Property has been on the Gold Ridge 2 claim where at least 2 significant deposits of talc have been defined - the South Talc Deposit and the Talc Lake Deposit. In this area as well, are at least 5 smaller satellite deposits.

Bedrock underlying the Property consists of a northwest-southeast trending ultramafic serpentinite. On strike, the serpentinite varies in width from just a few metres to 1000m. It is fault bounded by sedimentary schists, phyllites and greenstones along it's western margins and by predominately phyllites along it's eastern margins. A number of post northeast-southwest trending faults cut the entire sequence (see fig.4). Talc mineralization can be found hosted within the serpentinite as is the case with the Talc Lake Deposit or, along the fault-contact margins such the North and South Talc Deposits and some of the smaller satellite occurrences.

b.1 South Talc Deposit

Since 1990 to present, several systematic programmes were completed on this deposit. The programmes have included: reconnaissance and detail geological surveys; detail gridline layout; bulldozer stripping,trenching and drill sites; BQ diamond drilling of 8 holes totalling 746.3m and; a new 2km access road. Included in this is the 1992 field work which includes stripping, 4 drill holes and new road.

The deposit has been traced for at least 500m along strike and varies in width from about 50m to 120m. Drilling has tested the deposit down to a depth 128m and talc continues beyond this depth. All holes drilled to date begin and end

in talc mineralization. It is yet to be fully defined along strike and at depth.

A relatively thin veneer of overburden masks the deposit ranging in thickness from about 0.5m-3m. In some areas talc is naturally exposed and is usually covered with a thin (1-2cm) oxidized coating (see fig. 5).

Several sections of the 1990 drill core samples were analysed with an XRD Analyser. The results range between 50%-98% talc and 1%-48% magnesite with low percentage of chlorite and ankerite (see Appendix II). Based on the sections analysed the current average grade of the deposit is 68% talc and 28% magnesite (see Appendix II). The 1992 drill holes have yet to be analysed but based on core logging, visual talc and magnesite are estimated to range 50%-70% and 30%-40% respectively (see Appendix I)

b.2 Talc Lake Deposit

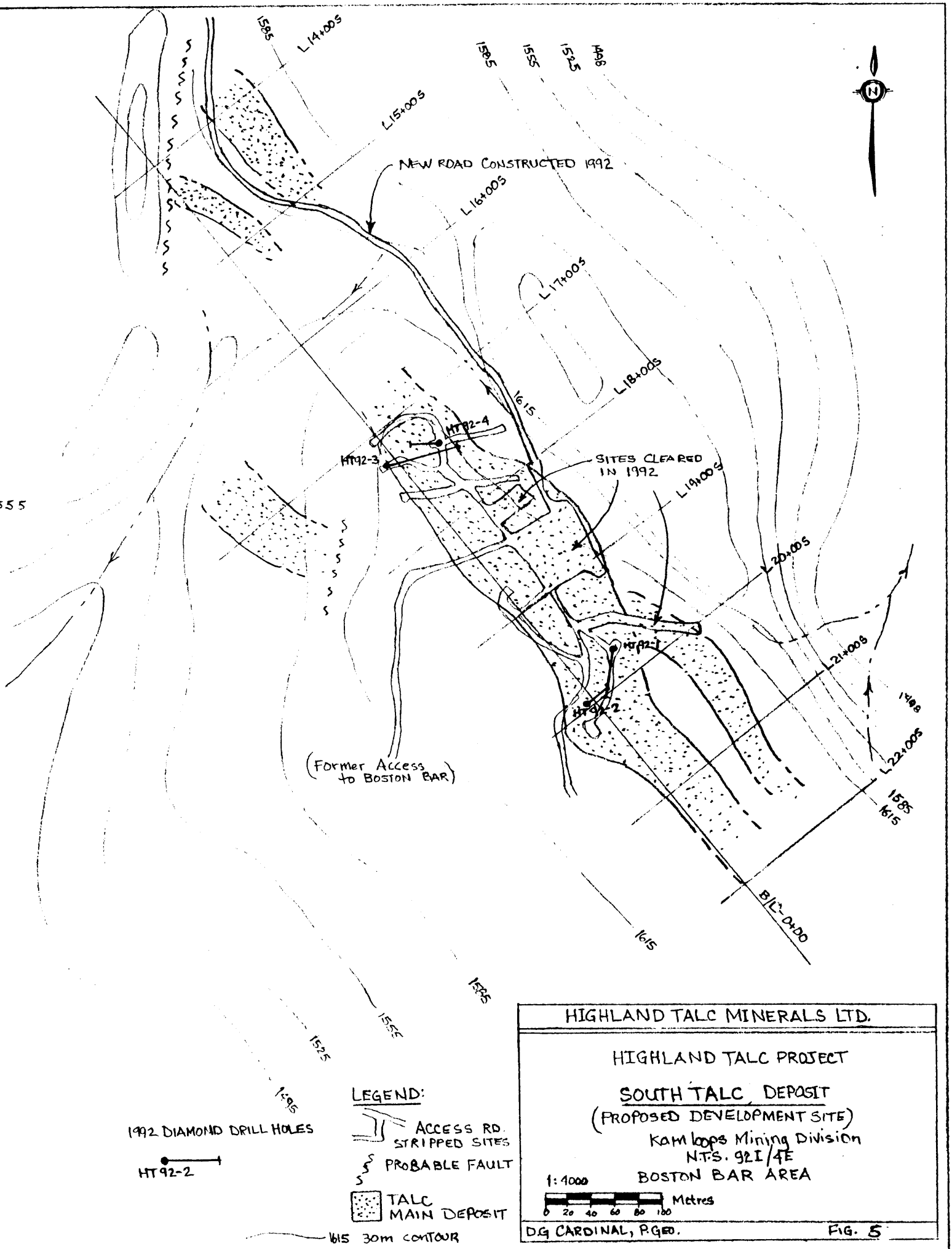
Geological surveys were conducted over the Talc Lake Deposit (lake deposit) and a gridline suvey laid out (fig.6). Three trenches were drilled and blasted by hand along the south shores of a small lake (referred in this report as 'Talc Lake')where the deposit is well exposed. The trenches show a homogenous admixture of talc and magnesite. Ten (10) metre continous chip samples were collected from each trench. The samples were analysed with XRD and returned an average of 57% talc, 41% magnesite, 1% chlorite and, less than 0.5% siderite. Also previous sampling conducted in the same area by another company in 1973, returned 62% talc, 30% magnesite, 8% chlorite and 6% iron oxide.

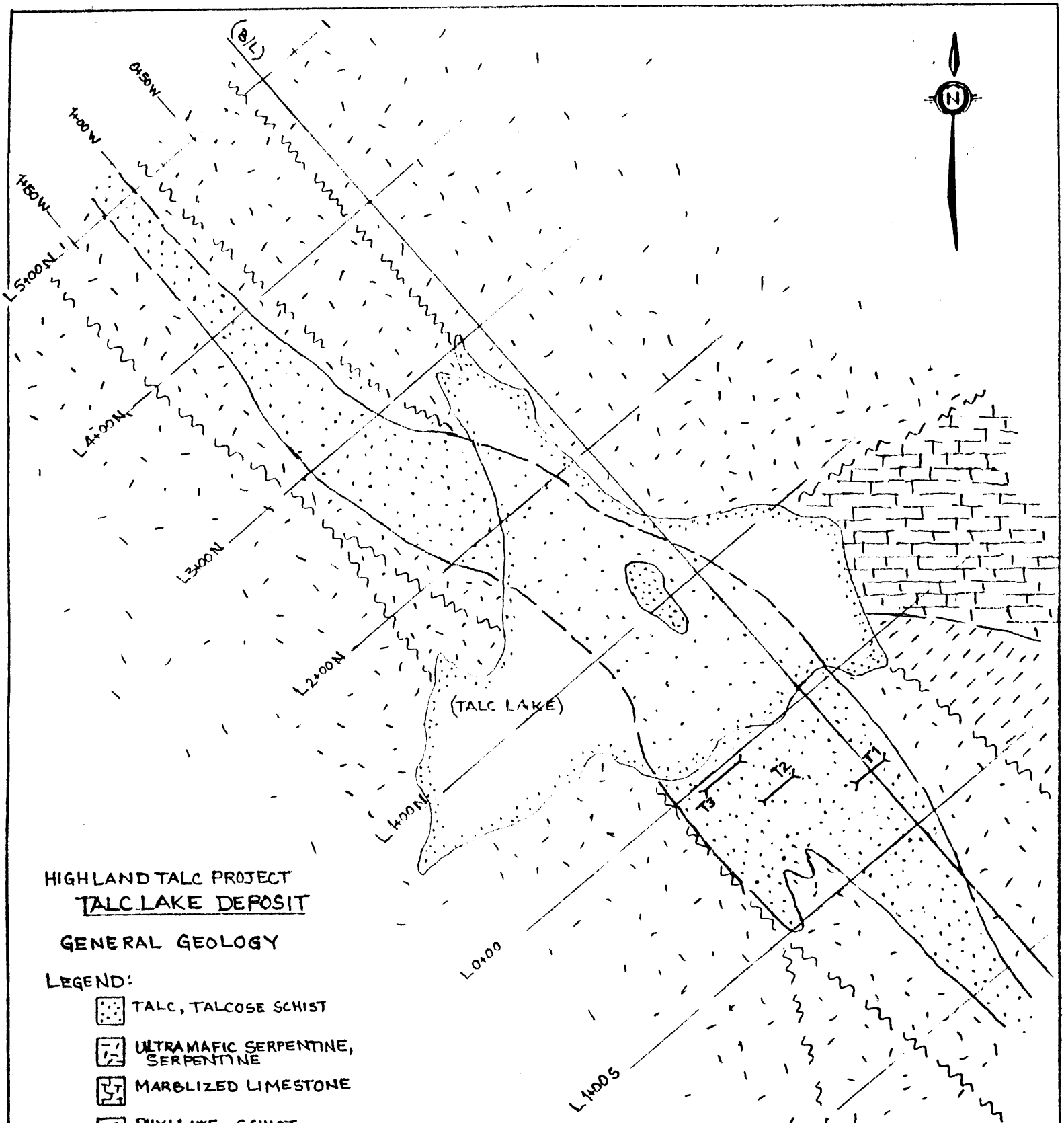
The lake deposit is hosted entirely within the serpentinite and appears to be lensoid in shape. It can be traced for some 800m along strike and varies in width from about 25m to 100m. The lake deposit appears to be similar in size as the South Deposit and also has the potential of hosting significant tonnages of crude talc. The deposits are approximately 1.5km apart (fig. 4).

b.3 North Talc Deposit

Very recent clear-cut logging has exposed a new talc zone located some 2km to the northwest of the Talc Lake Deposit along the same serpentinite belt noted above.

A baseline was established over the zone late this summer and preliminary geological surveys conducted. Although much of the area is masked by shallow (1-2m thick) over burden,


1585
L14+00S
1585
1555
1525
496
L15+00S
NEW ROAD CONSTRUCTED 1992
L16+00S
L17+00S
L18+00S
1615
HT92-4
HT92-3
SITES CLEARED IN 1992
L19+00S
1555
20+00S
HT92-1
HT92-2
L21+00S
L22+00S
1585
1615
(Former Access to BOSTON BAR)
BL 0+00
1615
1585
1555
1525
1585
N
LEGEND:
1992 DIAMOND DRILL HOLES
HT92-2
ACCESS RD. STRIPPED SITES
PROBABLE FAULT
TALC MAIN DEPOSIT
1615 30m CONTOUR
HIGHLAND TALC MINERALS LTD.
HIGHLAND TALC PROJECT
SOUTH TALC DEPOSIT
(PROPOSED DEVELOPMENT SITE)
Kamloops Mining Division
N.T.S. 92I/4E
BOSTON BAR AREA
1:1000
0 20 40 60 80 100 Metres
D.G CARDINAL, P.GEO.
FIG. 5



HIGHLAND TALC PROJECT

TALC LAKE DEPOSIT

GENERAL GEOLOGY

LEGEND:

- TALC, TALCOSE SCHIST
- ULTRAMAFIC SERPENTINE, SERPENTINE
- MARBLIZED LIMESTONE
- PHYLLITE, SCHIST
- FAULT
- INFERRED CONTACT

0 100 200

1:3,000

CONTINOUS CHIP SAMPLES:

TRENCH #	WIDTH	% TALC	% MAGNESITE
T1	15m	56	42
T2	15m	64	34
T3	15m	52	46
	AVG.	57	41

HIGHLAND TALC MINERALS LTD.

Fig. 6.

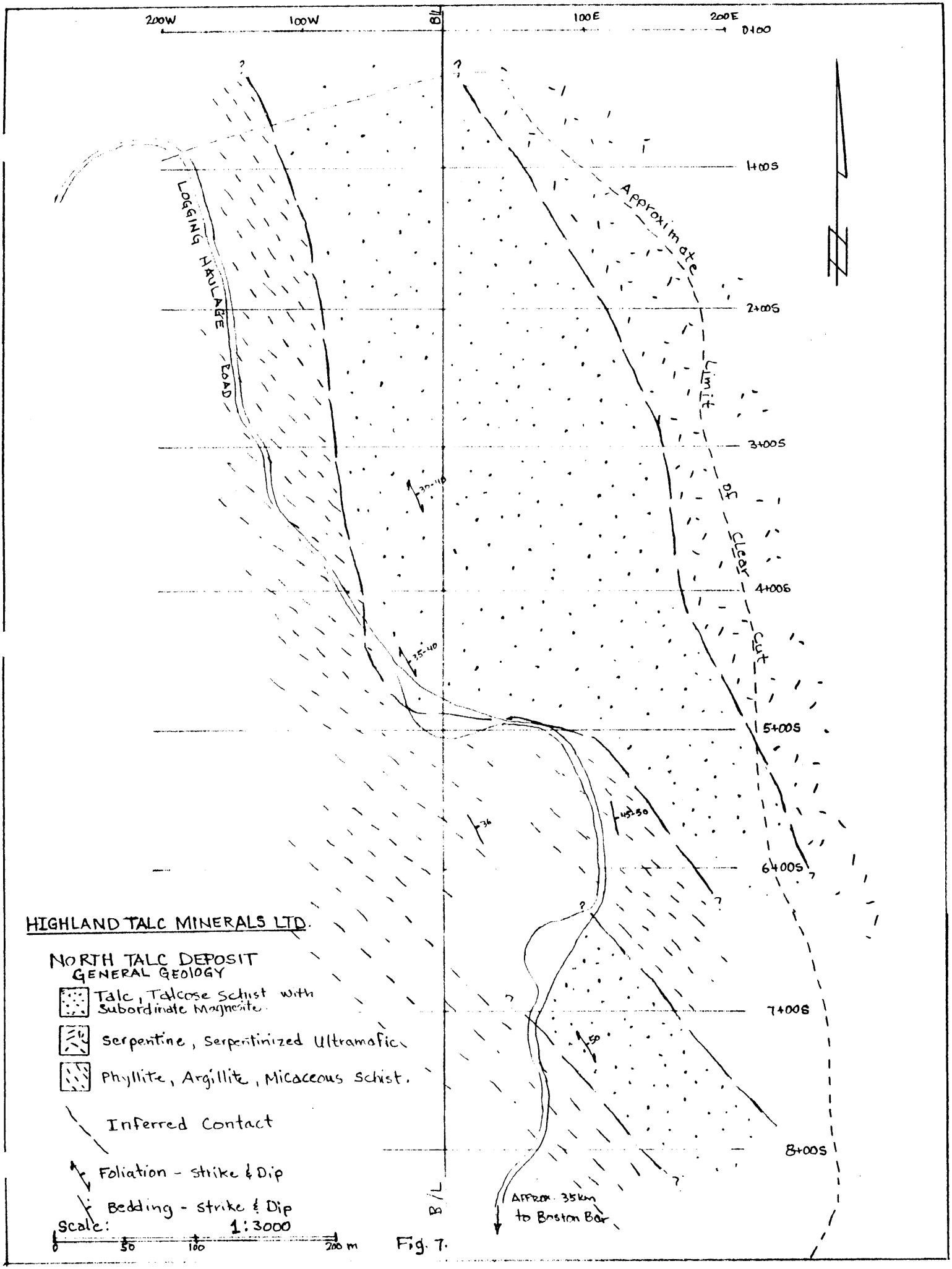

200W
100W
B/L
100E
200E
D+00
1+00S
2+00S
3+00S
4+00S
5+00S
6+00S
7+00S
8+00S
LOGGING HAULAGE ROAD
Approximate Limit of Clear Cut
B/L
Approx. 35km to Boston Bar
HIGHLAND TALC MINERALS LTD.
NORTH TALC DEPOSIT
GENERAL GEOLOGY
Talc, Talcose Schist with Subordinate Magnesite
Serpentine, Serpentinized Ultramafic
Phyllite, Argillite, Micaceous Schist.
Inferred Contact
Foliation - Strike & Dip
Bedding - Strike & Dip
Scale: 1:3000
0
50
100
200 m

Fig. 7.

there is enough exposed talc to indicate the extent of this new zone.

At present, it has been traced for some 800m along strike and appears to range betweem 50m-150m wide. It is also partly exposed along 2 sections of a recently constructed logging road.

The deposit is fault bounded to the west-southwest by a thich sequence of argillite and phyllite and to the east-northeast by serpentinite (fig.7).

In general, the mineralization observed on all of the 3 above-noted deposits is relatively consistent and contains a homogenous admixture of talc and magnesite. They consist on the average of about: 60%-65% talc, 30%-40% magnesite and minor amounts of chlorite, suphides (predominately pyrrhotite), magnetite/chromite, and iron carbonates of siderite/ankerite.

B.3 FIELD PROCEDURES

During the 1992 field season, gridline control was established over both the North, South and Talc Lake Deposits. A 3-person crew was employed to survey out the gridlines. Hip chain measurements and compass readings were taken to properly survey in the lines.

A detail grid was established over the South Talc Deposit with station control at every 25m intervals. Drill access roads and 4 drill sites were cleared and tied to the grid system. Stripping was also conducted in order to expose a portion of the deposit. A D8 dozer was utilized to do this work.

In August, a new 2km access road was surveyed and constructed connecting to the existing Fletcher Challenge Canada Ltd.'s logging roads. The new road now serves as a proper access to the work site.

The drilling was carried out using a Long Year 28 drill machine. The drill was moved to the drill sites by a small John Deere tractor. Each hole was surveyed by chain and brunton compass both before and after the hole was completed and then tie to the grid system. Drill core size is BQ. Holes were logged by an on site geologist and temporary stored on the Property. In October the drill core was moved to Hope to prevent possible vandalism.

Systematic geological surveys were conducted using the grid as control. Surveys were concentrated on defining the 3 deposits and adjacent satellite deposits. A geologist and a

field assistant conducted the surveys during much of the field season.

B.4 DRILLING PROGRAMME

Between July and August of this season, a 3-man drill crew was contracted to conduct the drilling and supervised by an on-site geologist.

A 4 drill hole programme was completed over the South Talc Deposit for a total of 494.5m of BQ drill core. The holes were numbered from HT92-1 to HT92-4 (fig.5).

The deepest hole, HT92-4, angled at -80 degrees, tested the deposit to 127.5m. The remaining holes were drilled at various angles ranging between -60 to -75 degrees and to depths ranging between 112.2m to 127.4m.

Some chlorite schist lenses were intersected but all holes intersected thick sections of talc mineralization starting from the surface and ending in talc.

B.5 POTENTIAL RESERVES

A geological engineer (J.W. Murton & Associates,P.Eng.) was retained at the end of the programme to compile the data and to calculate potential reserves on the Property based on the drilling and geological surveys.

A 6 page exerpt from his engineering report entitled, 'Summary of the Talc Properties Of Highland Talc Minerals Ltd.' documenting the reserves, is herein included.

Based on the report, current reserve estimate stands at 43 million tonnes of combined talc and magnesite grading 60%-65% and 30%-40% respectively.

10. RESERVES

While the development of the claims is in a very preliminary state, it is possible to generate a reserve of talc - magnesite mineralization based on surface exposures and limited diamond drilling. This reserve cannot be construed as being proven, but portions may certainly be categorized as drill indicated and geologically inferred, while other tonnage may only be classified as possible.

Even using very conservative parameters, a significant tonnage of talc mineralization occurs on the claims, at a grade that has only been roughly established but appears to be in the range of 50% - 65% talc.

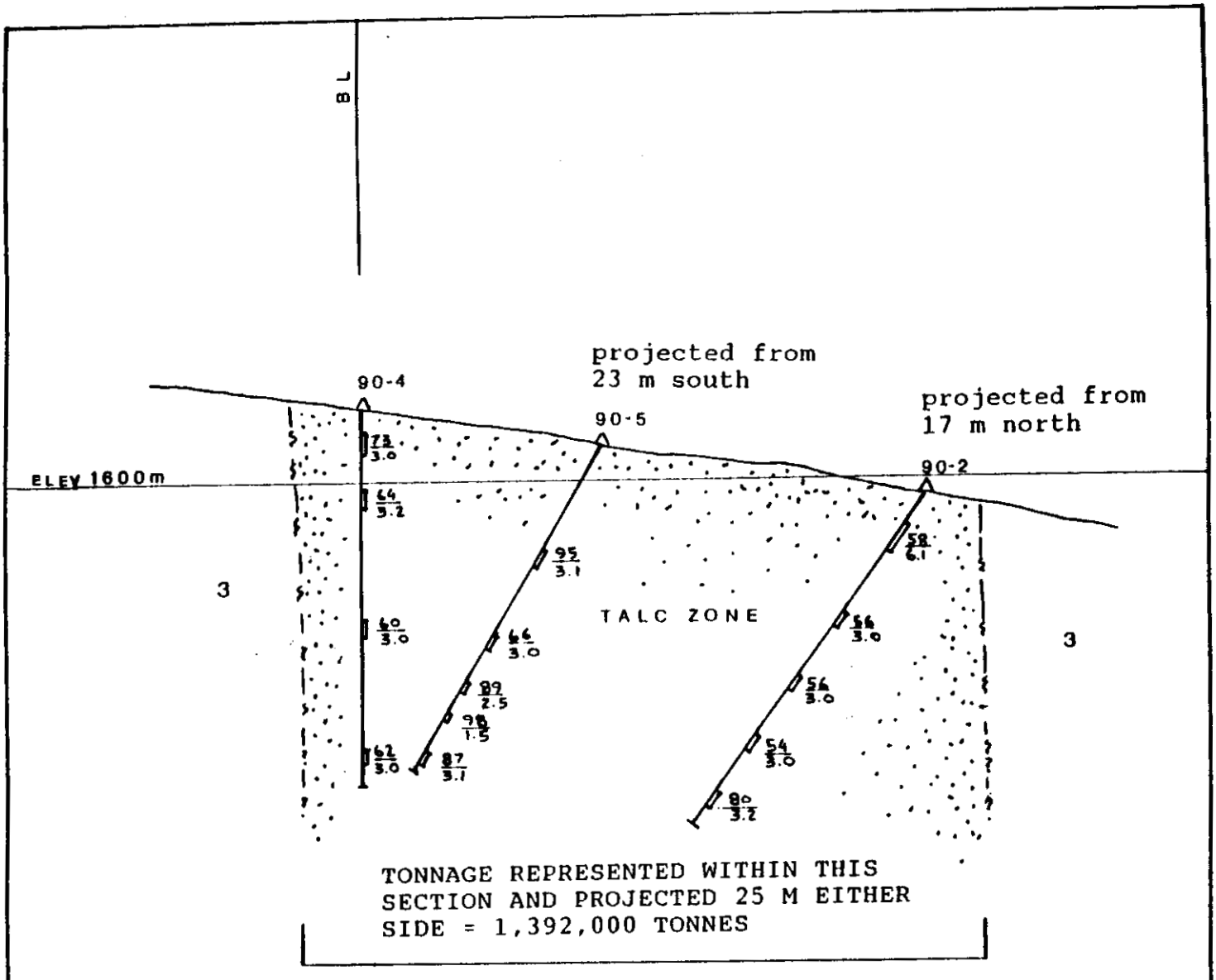
A factor of 2.9 tonnes / cubic meter has been used in all calculations

A. GOLD RIDGE CLAIMS

1.) SOUTH TALC ZONE See map #5A

Based on diamond drill holes that are spaced between 50 - 100 m apart and the homogeneity of the deposit, an area of influence for each drill hole has been set at up to 50 m. This is more than normally would be allowed, but for a preliminary reserve calculation it will suffice.

Category	Block	L(m)	W(m)	D(m)	Tonnes
Drill Indicated	S2	135	60	145	3,406,050
Drill Indicated	S3	.5x130	50	145	1,366,625
Drill Indicated	S4	.5x175	35	145	1,287,781
Drill Indicated	S5	175	80	145	5,887,000
Total Drill Indicated					11,947,456
Geol. Inferred	S1	.5x120	55	145	1,387,650
Total South Talc Zone					13,335,106



TONNAGE REPRESENTED WITHIN THIS SECTION AND PROJECTED 25 M EITHER SIDE = 1,392,000 TONNES

AVERAGE OF 14 DRILL SAMPLES ON THIS SECTION = 71% TALC

LEGEND

- TALC-MAGNESITE
- 1 SERPENTINE
- 2 ANDESITIC GREENSTONE
- 3 PHYLLITE, MICACEOUS SCHIST
- 4 LIMESTONE
- 5 GRANITE, GRANODIORITE

- FAULT - INFERRED
- GEOLOGICAL CONTACT - INFERRED
- TRENCH
- DIAMOND DRILL HOLE

$$\frac{60}{3.0} = \frac{\text{TALC \%}}{\text{METERS}}$$

0 10 20 50

1:1,000

HIGHLAND TALC MINERALS LTD.

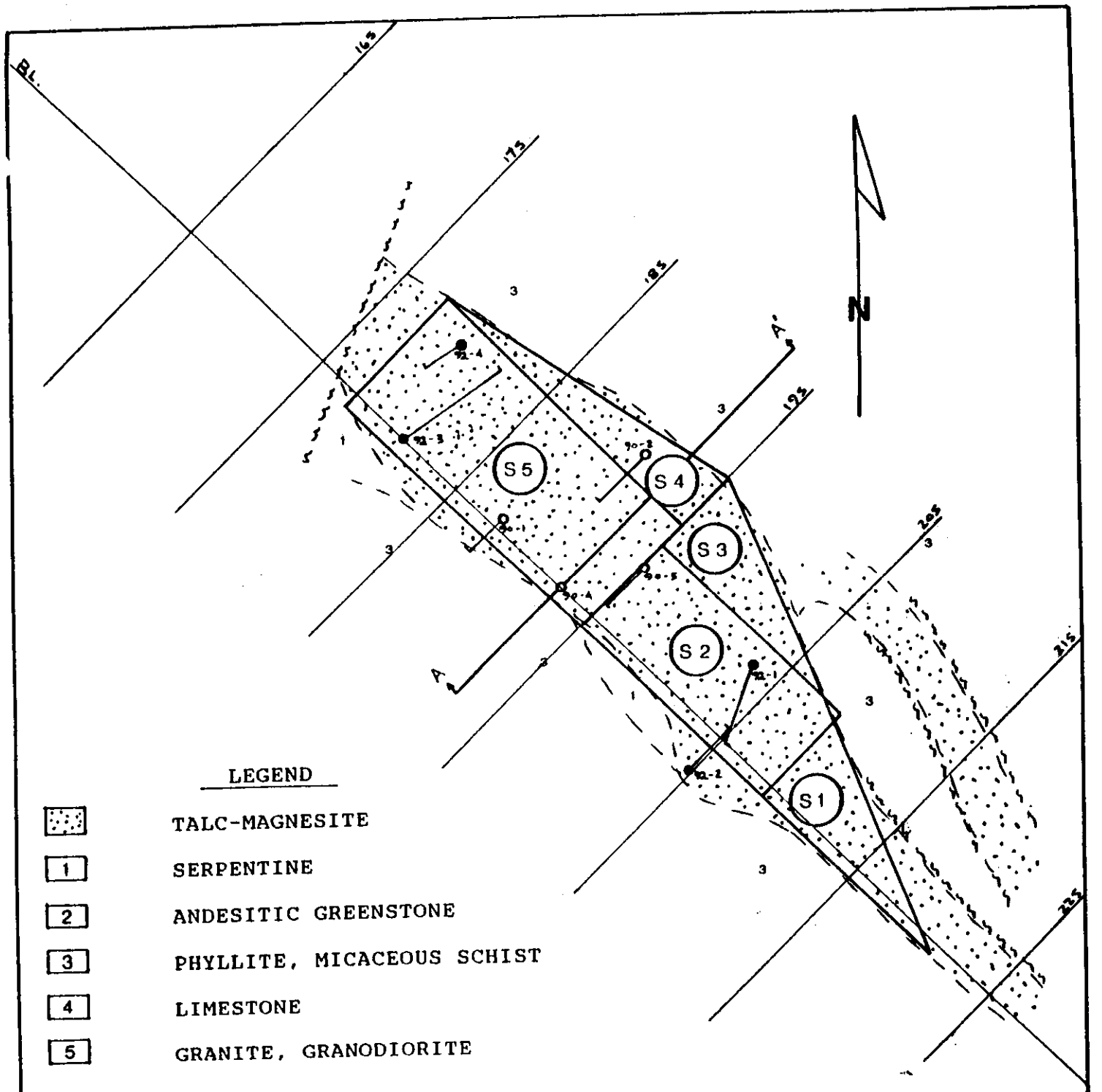
GOLD RIDGE CLAIMS

CROSS SECTION A-A'
South Talc Zone

BY: J.W. MURTON & ASSOCIATES

DATE: AUG. 28, 1992

MAP* 6



HIGHLAND TALC MINERALS LTD.

GOLD RIDGE CLAIMS

RESERVE BLOCKS
South Talc Zone

BY: J.W. MURTON & ASSOCIATES

DATE: AUG. 28, 1992 | MAP# 5A

2.) TALC LAKE ZONE See Map #5B

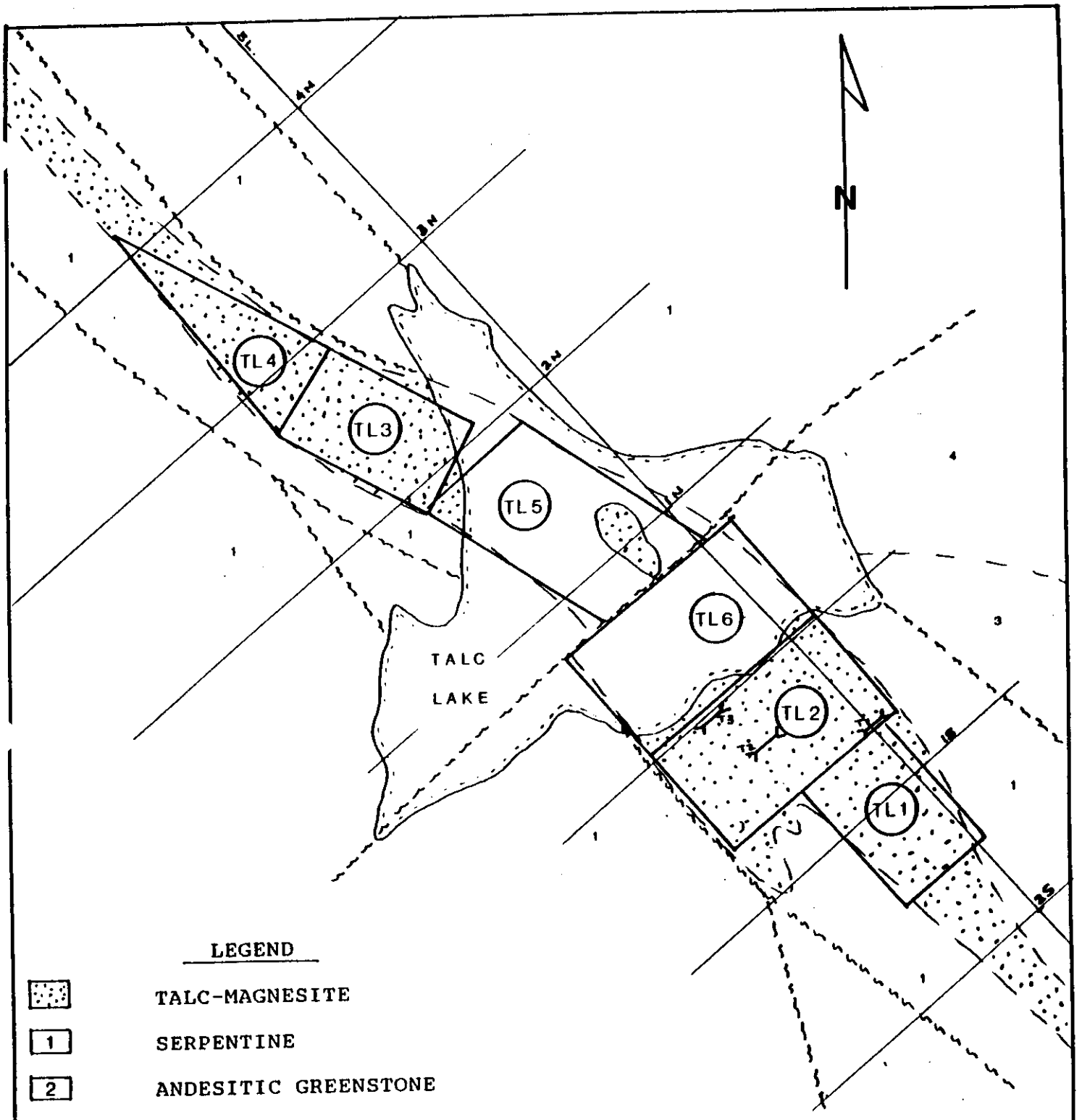
The Talc Lake Zone reserve is based solely on surface exposures and hence is categorized as geologically inferred. The possible extension of the zone under Talc Lake has been categorized as possible. A depth of 80 m below surface has been allowed for these calculations except for block TL2 which includes an additional 20 m to allow for the talc bluffs.

Category	Block	L(m)	W(m)	D(m)	Tonnes
Geol. Inferred	TL1	80	60	80	1,113,600
Geol. Inferred	TL2	65	120	100	2,262,000
Geol. Inferred	TL3	90	50	80	1,044,000
Geol. Inferred	TL4	.5x140	50	80	812,000
Total Geol. Inferred					5,231,600
Possible (lake)	TL5	120	70	70	1,705,200
	TL6	75	120	70	1,827,000
Total Talc Lake Zone					8,763,800

3.) NORTH TALC ZONE

This newly discovered area has had only a very preliminary examination, but dimensions of 200 m length, 150 m width, and a possible 150 m depth would generate:

Possible reserve ..... 13,000,000 tonnes.



LEGEND

- TALC-MAGNESITE
- 1 SERPENTINE
- 2 ANDESITIC GREENSTONE
- 3 PHYLLITE, MICACEOUS SCHIST
- 4 LIMESTONE
- 5 GRANITE, GRANODIORITE

- FAULT - INFERRED
- GEOLOGICAL CONTACT - INFERRED
- TRENCH
- DIAMOND DRILL HOLE

HIGHLAND TALC MINERALS LTD.

GOLD RIDGE CLAIMS

RESERVE BLOCKS
Talc Lake Zone

BY: J.W. MURTON & ASSOCIATES

DATE: AUG. 28, 1992 | MAP* 5B

4.) SATELLITE ZONES

Other "smaller" zones of talc mineralization have been identified near the larger zones discussed above. These satellite blocks have approximate dimensions of: length 100 m, width 30 m, depth say 25 m, and would contain about 2,000,000 tonnes each. There are at least 4 known areas of this type of reserve generating:

Possible reserve, 4 deposits ..... 8,000,000 tonnes.

5. SUMMARY

Summary of known reserves on the Gold Ridge claims.

	Tonnes
1.) South Talc Zone	
Drill Indicated	11,947,456
Geologically Inferred	1,387,650
2.) Talc Lake Zone	
Geologically Inferred	5,231,600
Possible	3,532,200
3.) North Talc Zone	
Possible	13,000,000
4.) Satellite Zones	
Possible	8,000,000
Total All Gold Ridge Categories	43,098,906

B.6 COST BREAKDOWN

1992 Field Programmes:

Geological:

Geologist/Supervisor and mapping surveys 60 days @ $250/d	$ 15,000
Field Assistant, 45 days @ $125/d	5,625
Gridline Surveys & Line cutting, 2-person crew 15 days @ $250/d	3,750

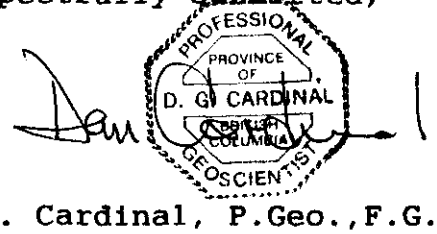
Drilling Programme:

Long Year 28, 4 BQ drill holes, 494.5m @ $65/m	32,142

Clearing/Road Programme:

D8 Dozer, Clearing/Stripping and Drill Site Preparation, 40hrs @ $135/hr	5,400
Road Construction, 2.5km of road building 169hrs @ $135/hr	22,815
Total	$ 84,732.00

Respectfully submitted,



D.G. Cardinal, P.Geo.,F.G.A.C.

APPENDIX I

Geological Drill Logs

GEOLOGICAL CORELOG DATA SHEET

PROJECT Highland Talc — CORE SIZE BQ. — RIG TYPE Longyear 28
DATE Aug. 16/92 — HOLE LOCATION — COMENTS TD. 12.2m
HOLE NO. HT 92-1 — ORIENTATION (DIP) -65 (AZ.) 202
LOGGED BY D.G. Cardinal — % RECOVERY

TALC MAGNESITE

DEPTH M	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						NO drill core 0-3m oxidized broken ground
5		50-60	40-50			- homogenous admixture of flakey talc & crystalline magnesite. - Lt grey/grn, mottle-marble texture
						1-3% finely disseminated pyrrhotite throughout much of the core.
10						Shear - talc gouge
						talc foliation ~70° to drill core axis.
15		50	50			
20						
		60-65	30-35			- Massive homogenous talc-magnesite throughout the core
25						- Seams of Lt grn, pearly lustre, flakey talc
						- Crystalline magnesite also appears to impart - Fe carbonate ankerite/siderite.
30						
35						
						37.5-40 Chlorite Schist
40						
		60-65	30-35			
45						
						46.5-48.5 Chlorite Schist
50						
						52.5-61 chlorite schist
55						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-1 ORIENTATION (Dip) (Az.) _____

LOGGED BY _____ % RECOVERY _____

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL ESTIMATES GRADE TALC %	VISUAL ESTIMATES GRADE MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						Chlorite Schist
						Massive - homog. chlorite
65						
						Lt gry - grn, massive talc & magnesite throughout.
66						1-2% Fine dissemin. pyrrhotite
		60-70	20-30			talc foliation ~ 70-75° to drill core axis.
70						
						71-72 Chlorite schist
75						
		60-70	20-30			
80						
						82.0 - 83.5 Chlorite Schist
85		50-60	30-40			
						Homogenous fine flakey talc & crystalline magnesite with probable ankerite/siderite
90						
						Lt grn, pearly seams talc in sections of drill core.
95		60-70	30-40			
100						
		50-60	30-40			
105						
						Massive talc. magnesite at end of hole.
110						End of Hole 112.2 m

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT Highland Talc — CORE SIZE BQ — RIG TYPE Long Year 28
DATE Aug. 21/92 — HOLE LOCATION — COMENTS T.D. 127.4m
HOLE NO. HT 92-2 — ORIENTATION (DIP) -75 (AZ) 45
LOGGED BY D Cardinal — % RECOVERY

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						0-1.5m no drill core
		50-60	40-50			1.5-12 talc-magnesite drill core partly oxidized
5						Massive, homogenous talc-magnesite w/ minor (1-2%) disseminated Pyrrhotite
10		50-60	40-50			
						12-21.3 Chlorite schist
15						
20						
		50-60	40-50			21.3-27 Lt grey-grn, massive talc-magnesite
25						Lt grey-grn massive talc-magnesite
30		50-60	40-50			narrow (0.45m) chlorite schist seam @ 32.6 m
35						Lt. grey-grn, massive talc-magnesite throughout w/ minor (1-2%) sulphides
40		50-60	40-50			Slickenside planes ~50-70° to drill core axis
45						
50		50-60	40-50			
55						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL
CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-2 ORIENTATION (Dip) (Az.) _____

LOGGED BY DGC. % RECOVERY _____

TALC MAGNESITE

DEPTH M	LITHO LOG	VISUAL ESTIMATES GRADE TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
		50-60	30-40			Homogenous talc-magnesite throughout drill core
						@ 59m narrow (0.3m) chlorite lense
60						Shear & slickenside planes ~ 60-70° to drill core axis.
		50-60	30-40			
65						seams of white, pearly talc flakes
		80-90	10-20			
70						Lt gry-grn, massive, homogenous talc-magnesite
		50-60	30-40			- disseminated pyrrhotite 1-2%
75						
80		50-60	30-40			
		70-80	10-20			seams of grn-white pearly talc flakes.
85						Lt gry-grn, massive, homogenous talc-magnesite throughout.
		50-60	30-40			
90						
95						
100						98.4-100.46 chlorite schist
		50-60	30-40			
105						@ 105.5 narrow (.3m) chlorite schist
		60-70	20-30			Homogenous talc-magnesite
110						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL
CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-2 ORIENTATION (Dip) (Az.) _____

LOGGED BY D.G.C. % RECOVERY _____

▨ TALC ▨ MAGNESITE

DEPTH m	LITHO LOG	VISUAL ESTIMATES GRADE TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						111-112 m chlorite schist
		60-70	20-30			Massive, ltgrn-white talc with minor magnesite
115						
120						@ 121 m, 0.6 m thick chlorite schist
		60-70	20-30			talc-magnesite
						123-124 m chlorite schist
125						
						126-127 m chlorite schist
		60-70	20-30			talc-magnesite
						End of Hole @ 127.4 m

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT Highland Talc
DATE August 22 | 92
HOLE NO. HT 92-3
LOGGED BY D.G.C.

CORE SIZE BQ
HOLE LOCATION
ORIENTATION (DIP) -60 (AZ.) 56
% RECOVERY

RIG TYPE Long Year 28
COMENTS TD. 127.5m

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	VISUAL GRADE ESTIMATES MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						0-2 no drill core
						3-4.5 talc-chlorite schist
5		50-60	30-40			oxidized talc-magnesite
						-massive talc magnesite w/minor oxidization. 1-2% finely disseminated pyrrhotite.
10		60-70	30-40			-Foliation & Slickensides ~60-70° to drill core axis.
15						Shear - talc gouge
20		5-20				19.5 - 31.5 massive chlorite ~~schist~~ with minor talc flakes throughout.
25						
30						
		60-70	30-40			-Homogenous talc & magnesite Crystalline magnesite & probable ankerite/siderite throughout
35						-Fine pearly lustre talc flakes throughout
40						
45						
50		60-70	30-40			Lt gray-grn, massive talc-magnes.te
55						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-3 ORIENTATION (Dip) (Az) _____

LOGGED BY _____ % RECOVERY _____

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL ESTIMATES GRADE TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						-Lt gry-grn, massive, homogenous admixture of talc & magnesite throughout entire length of drill core
60						-w/ finely disseminated pyrrhotite
		60-70	30-40			-w/ foliation & shear planes ~ 50-60° to drill core axis.
65						
70						
75		60-70	30-40			Talc - magnesite
80						
85						
90						
		60-70	30-40			talc - magnesite
95						
100						
105						104-106 chlorite schist
110						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-3 ORIENTATION (Dip) (Az:)

LOGGED BY _____ % RECOVERY _____

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL ESTIMATES GRADE TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
		50-60	30-40			talc - magnesite
115						
120						
125		60-70	20-30			talc - magnesite
						End of Hole @ 127.5m.

LAB ANALYSES - HISTOGRAM

% TALC 30 40 50 60 70 80 90

% MAGNESITE 20 30 40 50 60

GEOLOGICAL CORELOG DATA SHEET

PROJECT Highland Talc
DATE Aug. 24/92
HOLE NO. HT 92-1
LOGGED BY Dan Cardinal
CORE SIZE BQ
HOLE LOCATION
ORIENTATION (DIP) -80 (AZ.) 238
% RECOVERY
RIG TYPE Long Year 28
COMENTS T.D. 127.4m

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Mineral(s))
						0-2.4m no drill core
		50-60	40-50			2.5-94 m Massive, lt grey-grn homogenous talc-magnesite throughout w/ fine disseminated minor (1-2%) pyrrhotite.
5						Slicken side planes ~ 60 to drill core axis.
10						
		50-60	40-50			Massive, homogenous talc-magnesite
15						
20						
		60-70	30-40			Homogenous talc-magnesite
25						
30						
35						
		60-70	30-40			Homogenous talc-magnesite
40						
45						
		60-70	30-40			Homogenous talc-magnesite
50						
55						

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL
CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT 92-4 ORIENTATION (DIP) (AZ.) _____

LOGGED BY D.G.C. % RECOVERY _____

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	VISUAL GRADE ESTIMATES MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
		60-70	30-40			Massive, Homogenous Ltgry-grn fine grain talc-magnesite w/ minor (1-2%) pyrrhotite
60						Slickenside planes ~ 50-60 to drill core axis
65		60-70	30-40			
70						Massive, homogenous talc-magnesite throughout.
75						
		60-70	30-40			
80						
85						
90		60-70	30-40			Homogenous talc-magnesite throughout.
95						94-98 m chlorite schist
100		60-70	30-40			
105						102-108 greenschist-serpentine
110						minor talc-magnesite grnschist / serpentine

LAB ANALYSES - HISTOGRAM

% TALC: 30 40 50 60 70 80 90

% MAGNESITE: 20 30 40 50 60

GEOLOGICAL
CORELOG DATA SHEET

PROJECT _____ CORE SIZE _____ RIG TYPE _____

DATE _____ HOLE LOCATION _____ COMENTS _____

HOLE NO. HT92-4 ORIENTATION (DIP) (AZ.) _____

LOGGED BY D.G.S. % RECOVERY _____

TALC MAGNESITE

DEPTH m	LITHO LOG	VISUAL GRADE ESTIMATES TALC %	VISUAL GRADE ESTIMATES MAG. %	SAMPLE INTERVAL	SAMPLE NUMBER	DESCRIPTION: (Texture, Colour, Alteration Accessory Minerals)
						grn schist / serpentine
		60-70	30-40			Talc shear @ 114m ~60° to drill core axis
115						Talc-magnesite
						greenschist / serpentine
120						massive, Lt grn-grey talc-magnesite
		60-70	30-40			
125						End of Hole @ 127.4m

LAB ANALYSES - HISTOGRAM

% TALC 30 40 50 60 70 80 90

% MAGNESITE 20 30 40 50 60

APPENDIX II

1990 DIAMOND DRILL HOLE RESULTS

HOLE #	INTERVAL (feet)	TALC %	MAGNESITE %	CHLORITE %	ANKERITE %
90-1	18- 28	52	45	2	<0.5
	58- 68	50	48	1	<0.5
	113-123	55	41	1	1
90-2	28- 38	58	40	1	<0.5
	78- 88	56	42	1	<0.5
	118-128	56	41	1	<0.5
	158-168	54	43	1	1
	193-203	80	15	2	2
90-4	18- 28	73	24	1	<0.5
	43- 53	64	34	1	<0.5
	113-123	60	37	2	<0.5
	183-193	62	34	1	2
90-5	63- 73	95	1	1	2
	113-123	66	31	1	0.5
	143-148	89	1	9	<0.5
	163-168	98	1	<0.5	<0.5
	188-198	87	6	3	3
NUMERICAL AVERAGE		68%	28%	2%	1%

APPENIX III

REFERENCES:

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Maclean, M (1988), Talc and Prophyllite in British Columbia, B.C., Ministry of Energy, Mines and Petroleum Resources, Mineral Resources Division, Geological Survey Branch.

Monger, J.W.H. (1980-82), Bedrock Geology ofAshcroft (92I) Map Area, Scale 1:125,000, Geological Survey of Canada.

Murton, J.W., P.Eng., J.W. Murton & Associates (Aug. 28, 1992), Summary Report on the Talc Properties of Highland Talc Minerals Ltd., Kamloops Mining Division and New Westminster Mining Division, NTS 92I/4E.

APPENDIX IV

I, Daniel G. Cardinal of the municipality of Hope, British Columbia, do hereby certify that:

I'am a Professional Geoscientist residing in Hope, address - 65661 Birch Trees Drive, P.O. Box 594, Hope, B.C., VOX 1L0.

I'am a graduate of the University of Alberta (1978) and hold a BSc. degree in Geology.

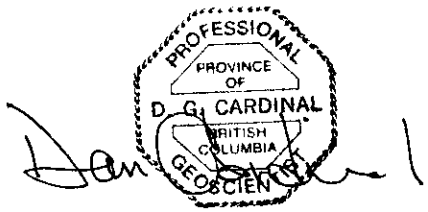
I'am registered as a Fellow of the Geological Association of Canada (F.G.A.C.); a member in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta (P.Geo.) and with the Professional Engineers and Geoscientists of British Columbia. (P.Geo.).

I have been practicing my profession continously for the past 14 years.

I'am the principle owner of the mineral properties described in this report.

I have supervised the 1992 field programmes documented in this report.

and, that I'am the author of this report.



D.G. Cardinal, P.Geo.,F.G.A.C.