

LOG NO: AUG 25 1994 RD.

ACTION.

EEL PROPERTY, SUMAS MOUNTAIN
BRITISH COLUMBIA, CANADA

1994 GEOLOGICAL EVALUATION

EEL Claims 1 to 9

New Westminster Mining Division - NTS 92G/1E

Latitude 49°4' N - Longitude 122°11' W

Prepared for

QUALITY INDUSTRIAL MINERAL & SUPPLY INC.

37195 Ward Road, R.R. # 4

Box 12, Abbotsford, British Columbia

V2S 4N4

By

BAKKER GEOLOGICAL CONSULTING

Ebo Bakker, P.Geol. (Alberta)

4 Whitebrook Rise

Fairport, New York, 14450 - U.S.A.

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

July 1, 1994

23,449

**B
G
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SUMMARY

Quality Industrial Mineral & Supply Inc. (QUIMS) controls a group of seven contiguous mineral claims in British Columbia, (the EEL property). The claims are in good standing and total about 162½ ha

The EEL property is concluded to be of potential economic interest, on its own or, more likely, in conjunction with QUIMS' Feldspar property 1 km to the north.

The EEL property is close to the Trans Canada Highway and is easily accessible by paved road. The elevation ranges from about 90 m in the south to 270 m in the north. Most of the property is forested.

The EEL property is underlain by Middle Jurassic Chehalis Volcanics which consist of massive fine- to medium-grained intermediate and mafic volcanics. The rocks appear to have been lower greenschist facies metamorphosed. Deformation is mainly confined to the development of joints. Subvertical S20E joints dominate. The property is to the south and east bound by SW-NE and NW-SE faults, (i.e., along the north-west edge of the Sumas River valley and along the McKay creek valley).

Pyrite is in certain areas common on joints and in thin veinlets. An alteration zone paralleling subvertical NW-SE fractures is associated with bleaching, silicification and pyrite and copper mineralization.

Quality Industrial Mineral & Supply Inc. is developing the volcanics in the northern part of the property for road base material. The rocks are blasted in a large quarry and subsequently crushed.

Only the northern part in and around the quarry has been visited by the author. This is the best accessible part. Conclusions and recommendations are based on visits by the author, available information and on knowledge of the area obtained in relation to work done on QUIMS' Feldspar property.

It is recommended that the EEL property is mapped in detail and that rock exposures are sampled.

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A. INTRODUCTION

A.1 Scope of Work

Bakker Geological Consulting ('BGC'), of Fairport, New York, United States, was requested by Pegasus Earth Sensing Corporation of North Vancouver, B.C., to evaluate the EEL property on Sumas Mountain in British Columbia for Quality Industrial Minerals & Supply Inc. of Abbotsford, B.C..

The author visited the property in April and in June, 1994. In addition available background material was studied. This report contains the evaluation of the property and recommendations for future work.

A.2 Legal Status

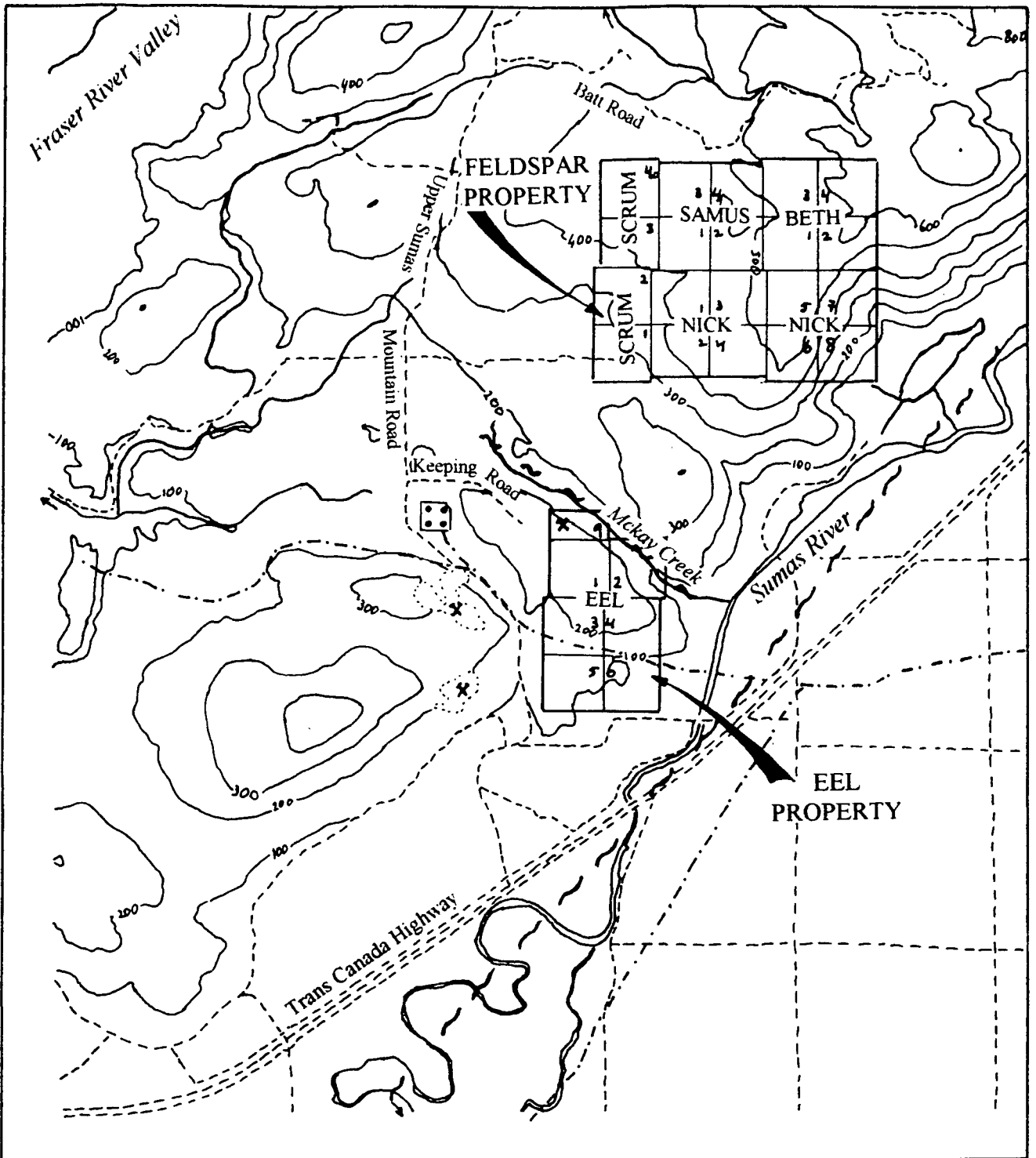
The EEL property consists of seven mineral claims in good standing (Figure 1):

claim	number	size	expiry date
EEL 1	324529	25 ha	April 7, 1995
EEL 2	324530	25 ha	April 7, 1995
EEL 3	324531	25 ha	April 9, 1995
EEL 4	324532	25 ha	April 9, 1995
EEL 5	324533	25 ha	April 11, 1995
EEL 6	324534	25 ha	April 11, 1995
EEL 9	324082	12.5 25 ha	March 9, 1995

The property measures (because of claim overlap) about 1¾ by 1 km and totals about 162½ ha. The claims are registered in the name of Mr. Jack D. Lee of Abbotsford, B.C., the president of Quality Industrial Minerals Ltd. (QUIMS).

A.3 Location and Access

The EEL property is situated on the south-west side of Sumas Mountain, just north-west of the Sumas River valley. The property is reached from the Trans Canada Highway by the Upper Sumas Mountain Road. The Keeping Road, heading east from the Upper Sumas Mountain Road, ends in the northern part of the property.



- Creek/River
- Road
- Contours (interval 100 m)
- Oil pipeline
- Fault
- Quarry

QUALITY INDUSTRIAL MINERAL & SUPPLY INC.

**EEL PROPERTY
SUMAS MOUNTAIN
NTS 92G/1E**

TO ACCOMPANY REPORT BY E. Bakker

**BAKKER
GEOLOGICAL
CONSULTING**

SCALE 1:50,000

DATE July 1994

FILE 202-

FIGURE 1

DRAWN EB

CHKD

The EEL property is about one kilometer south of the so-called Feldspar property, of which the claims are also registered in the name of Mr. Jack D. Lee. A Trans Mountain Oil Pipeline right-of-way crosses the southern part of the property.

A.4 Physiography

The EEL property straddles a NW-SE ridge which slopes steeply down to McKay Creek irregularly to the south-west to the Fraser/Sumas river valley. Access to McKay creek is presently not possible due to steepness and dense growth. The elevation of the property ranges from about 90 m in the south to about 270 m in the north. The upper part of the forested ridge contains some water filled depressions.

A.5 1994 EXPLORATION

Four man days were spent mapping the EEL property in April and June, 1994. Work consisted of mapping and sampling using aerial photographs and a Thommen 2000 altimeter for control.

B. GEOLOGY AND MINING

B.1 Regional Geology

Most of the region surrounding the EEL property is underlain by Mesozoic biotite and/or hornblende bearing intrusive rocks with compositions ranging from granites to diorites. Paleozoic to Recent sedimentary and volcanic deposits are present locally in subordinate amounts. Glacial drift is occasionally present in significant amounts, (see Roddick and Armstrong, 1956).

The major structural trend in the region is NE-SE parallel to the overall pattern of the Coast Mountains. SW-NW trends occur locally. The older Upper Paleozoic to Lower Mesozoic rocks are generally more severely deformed, and are generally higher metamorphosed than the younger rocks. In the younger rocks generally only low-temperature alteration products, such as chlorite, epidote and sericite are present.

Roddick and Armstrong (1956) describe three types of mineralization in the region:

1. The most common mineralization is a pyrite filling in narrow veins, or replacing large areas of fine-grained, dark hornblende granulites. Chalcopyrite and less commonly, other copper sulphides, sphalerite and galena are concentrated at scattered localities in the pyritized areas. These deposits are small, erratically distributed and discontinuous. Commonly the principal metal of value is copper, with minor amounts of gold and silver.
2. White quartz veins (most in non-granitic rock) containing minor amounts of pyrite and other sulphides. Gold is the only metal of value in these veins, but is rarely present in encouraging amounts.
3. Small, rust-colored pods of molybdenite and pyrite in fine-grained hornblende diorite, or hornblende-rich quartz diorite.

B.2 Property Geology

The EEL property is underlain by the Middle Jurassic ^{Harrison Lake} ~~Chehalis~~ Volcanics. Roddick and Armstrong (1956) describe these volcanics as massive andesite and dacite porphyries characterized by phenocrysts of plagioclase and commonly quartz.

The property is situated just north-west of a significant SW-NE trending fault along the north-westerly edge of the Sumas River valley. The relative deep and straight McKay Creek valley at the eastern boundary appears to parallel a NW-SE fault.

The author visited the northern part of the property, where good exposures exist in the quarry of Quality Industrial Mineral & Supply Inc. Exposed are fine- to medium-grained, dark greenish chloritic, usually massive, mafic to intermediate rocks, locally with feldspar phenocrysts. Joints are very common, they are predominantly subvertical and trend S20°E, other directions are common but less regular. The jointing causes the rock to fracture in small angular fragments. The joints are typically coated with iron (hydr)oxides. The rocks are overlain by glacial till and topsoil.

Fine grained pyrite is common on joint surfaces or in veinlets in some areas. A quartz vein with some calcite was observed. An alteration zone, recently opened up in the quarry, is of particular interest. The bleached zone with chlorite and

carbonate is at least 40 cm wide and follows parallel NW-SE subvertical fractures. Mineralization consists of veinlets and small pods with pyrite, chalcopyrite and possibly with other sulfides.

Four samples were taken in April and one sample in June (#36001 to 36005). Two samples, #36001 (intermediate rock) and #36004 (mafic rock), were taken to study the overall composition of the major rock types on the property in conjunction with the geology of the Feldspar property to the north. The other samples, #36002 (bleached rock) and #36003 and #36005 (mineralized) were collected in order to study the mineralization. Samples were sent to Acme Analytical Laboratories Ltd. of Vancouver, B.C. for whole rock ICP analysis, geochemical multi-element analyses and/or gold fire assay, (Appendix 2).

The intermediate and mafic rocks differ mainly in their iron content, (7.8 and 10.20 % Fe_2O_3 , values much higher than in the feldspar-rich rocks of the Feldspar property). Calcium and sodium is higher and potassium is lower in the sample of the intermediate rock. The sample of the 'bleached' rock is enriched in silica (64.9 % SiO_2 , versus 55.0-56.8 %), probably due to silicification as part of the mineralization process. One of the mineralized samples is enriched in iron (14.6 %) and copper (0.13 %). Results of the other sample has not been received yet.

B.3 Mining

The company 'Quality Industrial Mineral & Supply Inc.' (QUIMS) is presently quarrying the volcanics at the EEL 9 claim in the northern part of the property. The rocks in the ridge here are blasted and crushed. Crushed materials are intend for road base. The joints in the volcanics facilitate the fracturing of the rocks. QUIMS intends to level most of the west side of the ridge here from a high of about 270 down to about 240 m. The topsoil is, prior to blasting, removed and stockpiled. QUIMS plans to replace the topsoil when reclaiming the site after quarrying. Parts of the ridge are left in place to shield the dwellings south of the quarry.

The development of the quarry and associated issues are excellently described in detail by Reimchen (1993).

C. CONCLUSIONS AND RECOMMENDATIONS

C.1 Conclusions

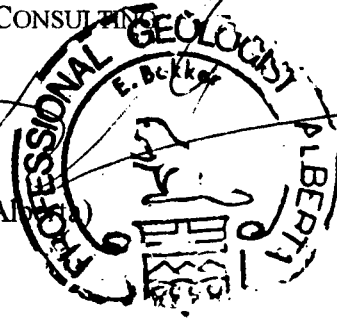
1. The about 162½ ha EEL property on the south side of Sumas Mountain just north of the Sumas River valley is registered in the name of Jack D. Lee, the president of Quality Industrial Mineral & Supply Ltd. The property consists of seven contiguous claims, totaling about 162½ ha. The claims are not grouped, they expire in the period March 9 to April 11, 1995.
2. The EEL property is underlain by the Middle Jurassic Chehalis Volcanics, which consist of fine-grained and porphyritic intermediate and mafic volcanic rocks. The rocks appear to have been lower greenschist facies metamorphosed. Deformation is mainly confined to development of closely spaced joints. Subvertical S20E joints dominate. SW-NE and NW-SE faults are present south and west of the property.
3. Pyrite and copper mineralization exists along a NW-SE subvertical alteration and fracture zone.
4. Based on the mineralization found at the property, the closeness of major faults and the general setting of the property, it is concluded that the EEL property has a potential economic interest.
5. Quality Industrial Mineral & Supply Inc. is developing the volcanics in the northern part of the property for road base material.

C.2 Recommendations

1. Map the EEL property in detail and sample rock exposures in order to locate mineralized areas.
2. Inspect the quarry on a regular basis to see if the present mineralization changes in significance, or if other mineralized areas are being exposed.
3. Study of the EEL property and future evaluation should be done in conjunction with a new study and a re-evaluation of the Feldspar property 1 km to the north.

Respectfully Submitted,
BAKKER GEOLOGICAL CONSULTING

Ebo Bakker, P.Geol. (Alb.)



D REFERENCES

Ministry of Energy, Mines and Petroleum Resources (1994) Mineral Titles Reference Map O92GO1E, updated April 25.

Pegasus Earth Sensing Corporation (1993) Quims Quarry map, 1:1000. Cambria Data Services Ltd.

Roddick, J.A. and Armstrong, J.E. (1956) Pitt Lake (Vancouver, East Half), 1:253,440. Geological Survey of Canada Map 8-1956.

Reimchen, T.H.F. (1993) Preliminary environmental review of land leveling, access road construction for Quality Industrial Mineral & Supply Inc. Pegasus Earth Sensing Corp.

APPENDIX 1

LIST OF CLAIMS

COST STATEMENT

STATEMENT OF QUALIFICATIONS

COST STATEMENT 1994

Geological Mapping

Senior Geologist--3 days x \$500/day \$1500.00

Logistics

Transportation--truck rental, 4 days @ \$100/day \$ 400.00

Laboratory

Preparation/analysis \$ 95.00

Reporting

Aerial Photographs \$ 200.00

Drafting 5 hours @ \$40.00 \$ 200.00

Senior 1 day @\$500.00 \$ 500.00

Secretary--1 day x \$200.00 \$ 200.00

GRAND TOTAL **\$3095.00**

LIST OF CLAIMS

<u>CLAIMS</u>	<u>RECORD#</u>	<u>SIZE</u>	<u>EXPIRY DATE</u>
EEL 1	324529	25 ha.	April 7, 1995
EEL 2	324530	25 ha.	April 7, 1995
EEL 3	324531	25 ha.	April 9, 1995
EEL 4	324532	25 ha.	April 9, 1995
EEL 5	324533	25 ha.	April 11, 1995
EEL 6	324534	25 ha.	April 11, 1995
EEL 9	324802	12.5 ha.	March 9, 1995

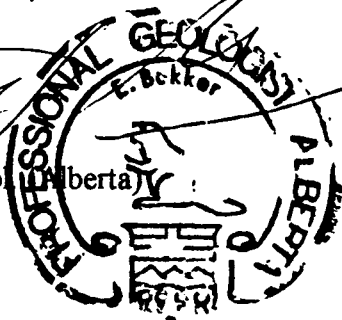
STATEMENT OF QUALIFICATIONS

I, Ebo Bakker, of 4 Whitebrook Rise, Fairport, in the state of New York, United States of America, do hereby certify that:

1. I am registered as a Professional Geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta, since 1985.
2. I am a Fellow of the Geological Association of Canada since 1981 and a Member of the Irish Association of Economic Geology since 1992.
3. I am a graduate of the University of Leiden in the Netherlands where I obtained a B.Sc. Degree in Geology with Mathematics, Physics and Chemistry in 1973, and an M.Sc. Degree in Geology in 1979.
4. I have practiced my profession as a geologist since 1973 in Sweden, Canada, U.S.A., Mexico, Turkey, Costa Rica and Brazil.
5. I am the author of this report on the EEL property in British Columbia, Canada. The report is based on visits by myself in April and June 1994 and on a review of existing material.
6. I am an independent consulting geologist and have no direct or indirect interests in the EEL property, nor in Pegasus Earth Sensing Corporation, nor in Quality Industrial Mineral & Supply Inc., nor do I expect to receive any.

DATED at Rostrevor, Northern Ireland this 1st day of July 1994.

Ebo Bakker, P. Geol. (Alberta)



APPENDIX 2

ASSAY CERTIFICATE

AA
LL

WHOLE ROCK ICP ANALYSIS

AA
LLPegasus-Cambria File # 94-1145 Page 1

1531 W. Pender St., Vancouver BC V6G 2T1

SAMPLE#	SiO2	Al2O3	Fe2O3	MgO	CaO	Na2O	K2O	TiO2	P2O5	MnO	Cr2O3	Ba	Ni	Sr	Zr	Y	Nb	Sc	LOI	SUM
	%	%	%	%	%	%	%	%	%	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%
E 36001	56.75	16.67	7.83	3.26	5.15	7.09	.39	.93	.29	.16	.002	99	27	224	105	30	14	22	2.0	100.59
E 36002	64.90	16.72	5.62	1.26	2.24	5.89	1.46	.72	.11	.04	.007	527	42	246	80	21	11	21	1.9	101.01
E 36004	55.02	17.18	10.17	3.21	4.34	3.67	2.80	.99	.32	.11	<.002	1003	25	211	82	33	13	24	2.8	100.83
RE E 36004	55.08	17.23	10.25	3.22	4.39	3.64	2.89	.98	.34	.11	<.002	1000	15	211	78	33	12	24	2.7	101.05

.200 GRAM SAMPLES ARE FUSED WITH 1.2 GRAM OF LIBO2 AND ARE DISSOLVED IN 100 MLS 5% HNO3. Ba IS SUM AS BaSO4 AND OTHER METALS ARE SUM AS OXIDES.

- SAMPLE TYPE: ROCK Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: APR 25 1994

DATE REPORT MAILED: April 29/94

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



GEOCHEMICAL/ASSAY CERTIFICATE



Pegasus-Cambria File # 94-1145 Page 2
1531 W. Pender St., Vancouver BC V6G 2T1

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 Au** ppm oz/t
36003	2	1335	16	44	.4	6	88	493	14.57	43	<5	<2	<2	22	.5	<2	<2	52	.46	.049	2	32	1.36	12	.12	<2	3.59	.01	.02	5<.001

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.

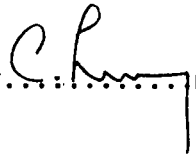
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB

- SAMPLE TYPE: ROCK AU** BY FIRE ASSAY FROM 1 A.T. SAMPLE.

DATE RECEIVED: APR 25 1994

DATE REPORT MAILED:

April 29/94

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

LOG NO: NOV 03 1994 RD.

ACTION.

*Back from
unrecorded*

**ADDENDUM TO
EEL PROPERTY, SUMAS MOUNTAIN
BRITISH COLUMBIA, CANADA**

1994 GEOLOGICAL EVALUATION

New Westminster Mining Division - NTS 92G/1E

Latitude 49°4' N - Longitude 122°11' W

Owner

QUALITY INDUSTRIAL MINERAL & SUPPLY INC.

37195 Ward Road, R.R. # 4

Box 12, Abbotsford, British Columbia

V2S 4N4

By

BAKKER GEOLOGICAL CONSULTING

Ebo Bakker, P.Geol. (Alberta)

4 Whitebrook Rise

Fairport, New York, 14450 - U.S.A.

October 28, 1994

**B
G
C**



PEGASUS

earth sensing
corporation

4761 COVE CLIFF ROAD
NORTH VANCOUVER, BRITISH COLUMBIA
CANADA, V7G 1H8
TELEPHONE: (604) 929-0244
FAX: (604) 929-7231

October 28, 1994

T.E. Kalnins, P. Eng.

Ministry of Energy Mines and Petroleum Resources

Geological Survey Branch

15th Floor, 1810 Blanshard Street

Victoria, B.C.

V8V 1X4

Dear Sir:

I have reviewed Ebo Bakker's field notes as well as mine taken during the development of the Quality Industrial Minerals Ltd. quarry from January/93 to July/94. Originally, this property was not staked for economic minerals, only as a source for crushed rock. Samples and mapping gathered by E. Bakker showed that the whole rock analysis and ICP matched some of the rocks that we were calling economic feldspars in the Mineral Property to the north. Subsequently, the Property was staked.

After blasting into the hillside interesting copper/pyrite mineralization was found along the major trending NW/SE faults.

I have plotted the geology as it was known in June/94. on the accompanying map.

Sincerely,

The seal is circular with a double border. The outer border contains the text 'PROFESSIONAL' at the top and 'BRITISH COLUMBIA' at the bottom. The inner border contains 'PROVINCE OF' at the top and 'GEOSCIENTIST' at the bottom. In the center of the seal, the name 'T. H. REIMCHEN' is printed.


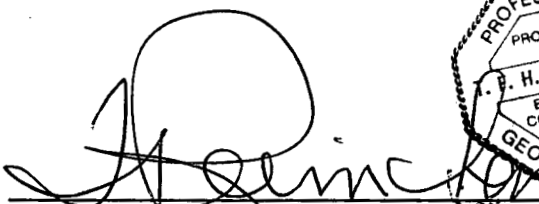
Ted H. F. Reimchen P. Geol., P. Geo.

CERTIFICATE

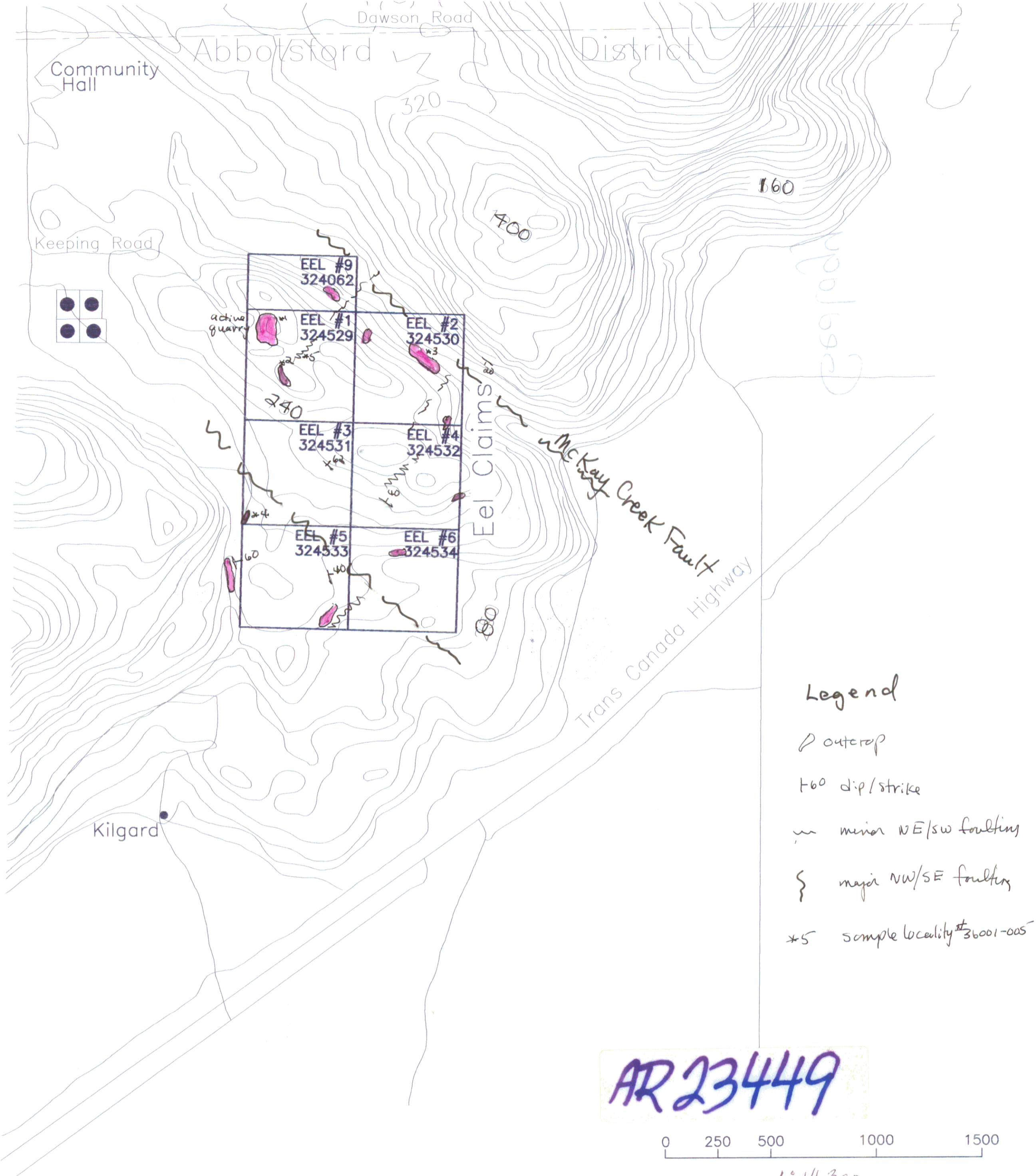
I, TED. H.F. REIMCHEN OF 4761 COVE CLIFF ROAD, North Vancouver, in the Province of British Columbia, Canada, DO HERBY CERTIFY:

1. THAT I am a Professional Geoscientist(1991-B.C.) and Professional Geologist(1972-Alta) with an office at the above address.
2. THAT I am a graduate of the University of Alberta located at Edmonton, Alberta where I obtained a BSc. and MSc. Degree in Geology in 1966 and 1968 respectively.
3. THAT I have been practicing my profession as a Professional Consulting Geologist in the Province of British Columbia, since 1972.
4. THAT I am a registered **Professional Geoscientist in the Association of Professional Engineers and Geoscientists of British Columbia (1991) and a Professional Geologist in the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1972.**
5. THAT I have personally prepared a portion of this report, mapped geology and produced the geology map for the EEL Property.

Dated this 28 day of October, 1994 at the City of North Vancouver in the Province of British Columbia.

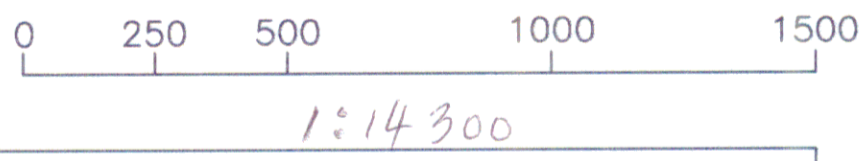


T.H.F. REIMCHEN, P. Geol. (1972, Alta.), P. Geo. (1991 B.C.)



- Legend**
- outcrop
 - $\pm 60^\circ$ dip/strike
 - minor NE/SW faulting
 - major NW/SE faulting
 - *5 sample locality #36001-005

AR 23449



Information taken from E. Butkes field notes and also from T. Reimchen

Quality Industrial Minerals and Supply

CAD/CAM by:
Jeff Reimchen
Date:
October 27, 1994

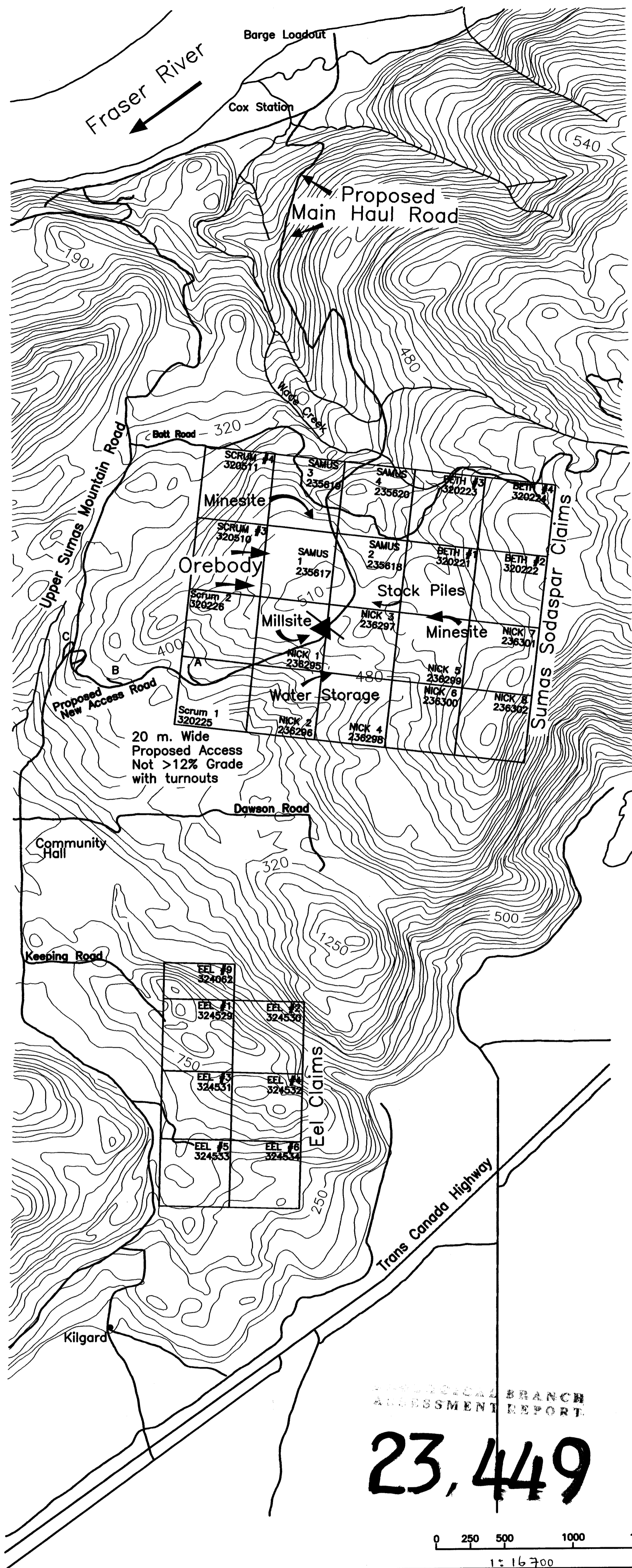
GEOLOGY

Eel Property



Pegusus Earth Sensing Corp

Figure:
1.



PROPOSED BRANCH ASSESSMENT REPORT

23,449

	Quality Industrial Minerals and Supply	
	CAD/CAM by: Jeff Reimchen	LOCATION
	Date: August, 1994	
	Map # 920E	
	Figure: 1.	