GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORTS

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NTS 82 L/4 W LAT.- 50 04' N LONG.- 119 50' W

GEOLOGICAL AND GEOCHEMICAL REPORT ON THE FLAPJACK 1-6 CLAIMS, NICOLA MINING DIVISION

for: VERDSTONE GOLD CORP., 1959-152nd St., SURREY,B.C. V4A 9E3

by: ANDRIS KIKAUKA, P.Geo., BOX 370, BRACKENDALE,B.C.

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OCTOBER 31, 95

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1.0 INTRODUCTION

This report was prepared at the request of Verdstone Gold Corp. to evaluate mineral potential by performing detailed geological mapping and sampling on the Flapjack 1-6 claims. Work on the claims included rock chip sampling of eleven 0.25 to 2.0 meter wide hand trenches as well as 1:1,000 and 1:5,000 geological mapping which was performed by A.Kikauka (geologist) and P.Jette (geotechnician) from Oct.10-15, 1995.

2.0 LOCATION, ACCESS, AND PHYSIOGRAPHY

The Flapjack 1-6 claims are located west of Kelowna (Figure 1) and can be accessed by using the Bear Lake Main and then either the Esperon or Whiterocks Main logging roads. The claims are approximately 45 kilometers from Kelowna.

The property ranges from 1,450-1,550 meters (4,800-5,100 feet) elevation, and is snow free from Mid-May to Mid-Oct. The claims cover a plateau with a relief of about 100 meters. The area is about 80% clear cut logged.

3.0 PROPERTY STATUS

The Flapjack group consists of 6 contiguous 2 post claims summarized as follows:

CLAIM NAME	UNITS	RECORD #	RECORD DATE	EXPIRY DATE
Flapjack 1	1	339910	Sept.4,95	Sept.4,96*
Flapjack 2	1	339911	Sept.4,95	Sept.4,96*
Flapjack 3	1	339912	Sept.4,95	Sept.4.96*
Flapjack 4	1	339913	Sept.4,95	Sept.4.96*
Flapjack 5	1	339914	Sept.4,95	Sept.4,96*
Flapjack 6	1	339915	Sept.4,95	Sept.4,96*

*Note-Assessment work summarized within this report has been applied for and new expiry date will become Sept.4,98.

The property comprises 300 hectares (720 acres) within the Nicola Mining Division.

4.0 AREA HISTORY

The area within 50 kilometers of the subject property has numerous gold occurrences which include: 1) Fairfield Minerals Ltd. Elk (Siwash North) which has reserves of 122,500 tonnes of 54.5 g/t Au, and 24.68 g/t Ag. 2) Huntington/Liquid Gold Res. Brett Bonanza Zone which contains an estimated 2,300 tonnes @ 100/200 g/t Au. 3) Blue Hawk and White Elephant Au-Ag occurrence near the headwaters of Shorts Creek.

Several molybdenum prospects occur in close proximity to many of the gold showings including the Tadpole Lake Mo deposit (AKA Bard) approximately 2 kilometers east of the Flapjack claim group.

5.0 PROPERTY HISTORY

Gold bearing quartz was located by prospectors but little work was carried out until 1988-90 when Rea Gold Corp. performed geological mapping, rock & soil sampling, HLEM and IP geophysics, and diamond drilling. Highlights of these programs include:

- 1) Quartz stringer zones report assays up to 0.77 oz/t Au. The stringer zone is developed over a radius of 100 meters (Medford, G., 1988).
- 2) A 400 X 600 meter area of anomalous Au soil samples coincides with the quartz stringer zones (Medford, G_{\star} , 1988).
- 3) DDH 88-6 intersected the following values-

Sample	#	Interval	Width	oz/t Ag	oz/t Au
68723		290.0-295.0	0.5 ft.	0.07	0.067
68735		370.0-372.0	2.0 ft.	0.11	0.044
68774		669.0-669.5	0.5 ft.	1.53	0.211
68781		693.0-696.0	3.0 ft.	7.79	1.614

DDH 89-13 intersected the following values-

Sample	#	Interval	Width	oz/t Au
54438		177.5-178.0	0.5 ft.	0.198
54481		326.0-326.5	0.5 ft.	0.199

DDH 88-4 intersected the following values-

Sample	#	Interval	Width	oz/t Au
68190		266.5-268.0	1.5 ft.	0.098
68193		281.5-282.0	0.5 ft.	0.112

Trenching and bulk sampling of the main gold bearing zones is recommended (Medford, G., 1989).

6.0 GENERAL GEOLOGY (FIGURE 3)

The area covered by the Flapjack claims is underlain by Lower Jurassic and/or Triassic? Nicola Group volcanics and sediments. The lithologies of the Nicola Group include andesite tuff/flow, basalt flows, volcanic breccia, aglomerate, argillite, limestone. The Nicola Group roof pendant of volcanics and sediments form a NW trending elongated belt within the Jurassic Okanagan Batholith which consists of massive granodiorite/quartz diorite.

Various Tertiary monzonite, granite, syenite, and feldspar porphyry plugs and stocks occur in close proximity to known mineral zones on the subject property as well as most of the other precious metal prospects in the district. page 3

- 7.0 1995 FIELD PROGRAM
- 7.1 METHODS AND PROCEDURES

Using hip chains and compasses, a survey of all roads and previous diamond drill sites was done (Figure 4). All outcrops in a 600 X 900 meter area were mapped at a scale of 1:5,000 by outline and lithology (Figure 4). Detailed 1:1,000 scale geological mapping, hand trenching, and rock chip channel sampling was carried out in a 300 X 300 meter area close to previous drill holes. 11 hand trenches were excavated in solid bedrock using pick, shovel, and a gas powered rock chipper giving a total of 10.0 meters of trench at a depth of 0.5 meters. 40 rock chip samples were taken at 0.25 meter intervals (Figure 5.6.7). Each sample was comprised of 10 kilograms (22 lbs.) of 1-5 cm. wide rock chips which were extracted from trenches using rock hammers and moils. Samples were placed in marked plastic sample bags and shipped to Eco-Tech Labs, Kamloops, B.C. previously detected coarse gold nugget effect, all 40 rock samples were screened for total metallics by Eco-Tech Labs.

7.2 GEOLOGY AND MINERALIZATION

The Flap 1-6 claim group is underlain by the follwing lithologies:

TERTIARY OR OLDER INTRUSIVE ROCKS

- 2 Granite/granodiorite/quartz monzonite form dykes, stocks, and small outliers intruding older deformed volcanics and sediments
- JURASSIC/TRIASSIC OR OLDER VOLCANICS-SEDIMENTS

 1 Volcaniclastics, crystal and lithic tuff (dacitic composition), minor argillaceous siltstone, sandstone and chert, minor schist and phyllite

Outcroppings of these lithologies are common throughout the 300 X 300 meter area of detailed geological mapping where previous diamond drill holes are located. The remaining area of the claims are largely cover by 3-9 meters of overburden which obscures most of the bedrock. In the area of the drill holes, the outcrops are characterized by NNW trending, steeply dipping weak foliation resulting in elongated surface exposures parallel to the foliation.

Weak (3-8%) to moderate (9-20%) quartz stringer zones consisting of 0.1 to 1.75 meter wide quartz veins were the target for hand trenches. These quartz stringers contain trace to 12% pyrite as disseminated and fracture filling blebs up to 3 mm. wide. Geological mapping identified a NNW linear trend in the west portion of the detailed grid area which includes trench F-1 to F-6 (Figure 5,6). This appears to be the most important gold bearing trend based on previous drill results (DDH 88-6) and

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current trench results which include:

TRENCH	SAMPLE #'s	WIDTH (m.)	Au g∕t	Au oz/t
F-1	66501-08	2.00	0.61	0.018
F-1	66501	0.25	2.60	0.076
F-2	66509-14	1.50	0.29	0.008
F-3	66515-16	0.50	0.27	0.008
F-4	66517-18	0.50	2.23	0.065
F-4	66517	0.25	3.15	0.092
F-5	66519	0.25	0.11	0.003
F-6	66520	0.25	1.75	0.051

These gold bearing quartz stringers are hosted in green volcaniclastics, crystal and lithic tuffs, minor volcanic breccia which contain traces of talc-sepentine, epidote, and chlorite alteration. At the north end of this auriferous silicified trend is a granite/quartz monzonite dyke which contains elevated molybdenum values (Medford, G., 1988). The dyke can be traced along a ENE trend (perpendicular to the mineral trend) for 600 meters. Samples from trench F-11 are within the dyke and contain below detection limit gold values (Figure 7).

8.0 DISCUSSION OF RESULTS

Hand trenching has confirmed the presence of gold bearing quartz stringers hosted by Mesozoic volcanics and sediments. The previous diamond drilling program focused on a 200 X 300 meter area where numerous gold bearing quartz stringers were identified. Drill hole 88-6 intersected gold bearing quartz with high grade values up to 1.614 oz/t Au across a width of 3.0 feet and was collared near trench F-1 where the best hand trenching results were achieved. Elevated gold values were also obtained from trench F-4 and F-6 which corresponds to DDH 88-4 which returned significant gold assays. It would appear that these two zones as well as the area near DDH 89-13 (which also returned significant gold values) represent targets for bulk tonnage gold deposits.

It appears that F-1 to F-6 trenches trend NNW and are cut by a ENE trending granitic dyke which may be associated with the input of quartz stringers within the volcanic/sedimentary host rocks.

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9.0 CONCLUSION

The Flapjack claim group has potential to host an econmic gold deposit based on the following facts:

- 1) There are several coilciding trenches and drill intersections which contain elevated assays up to 1.614 oz/t Au.
- 2) There are zones of quartz stringers across widths of several meters which suggest potential for bulk tonnage and/or open pit mining methods.
- 3) Mineralogy of gold bearing zones consists of sparse pyrite sulphides suggesting minimal milling and extraction problems.
- 3) There are good roads to the showings.

10.0 RECOMMENDATIONS

A program of backhoe trenching, short drilling & blasting should be performed in 5 areas:

- 1) Four 25 meter long trenches (trending ENE) in a 25 X 30 meter area centered on trench F-1.
- 2) Four 25 meter long trenches (trending ENE) in a 25 \times 30 meter area centered between F-4 and F-6.
- 3) Four 25 meter long trenches (trending ENE) in a 25 \times 60 meter area centered between F-2 and F-3.
- 4) Four 25 meter long trenches (trending NNW) in a 25 \times 30 meter area centered on F-9.
- 5) A 100 meter long trench in the valley between F-10 and F-11

The field program would be supervised by a geologist who would perform detailed geological mapping as the trenching was being done. Representative sampling methods, i.e. large, screened samples across narrow widths are mandatory for this type of coarse (nugget) native gold which o ccurs in the quartz stringers.

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11.0 PROPOSED BUDGET

Phase 1 program would consist of: FIELD CREW:		
Geologist 21 days		\$ 4,200
Geotechnician 21 days		3,150
Equipment operator 21 days		4,200
FIELD COSTS:		
Mob/demob		2,500
Backhoe 90 hours		7,500
Fuel		1,000
Food/accomodations		4,000
Assays		2,500
Drilling & blasting equipment		2,000
Equipment and supplies		1,000
Supervision		2,000
Communication		500
Report		1,000
	Total=	\$ 35,550

Contingent on the results of phase 1, a phase 2 program of bulk sampling, i.e. 500 ton sample may be required.

REFERENCES

Medford, G., 1988, Geological, Geochemical, and Geophysical Survey of the Flap 1 and 2 Claims, Rea Gold Corp.

Medford, G., 1989, Diamond Drilling Report on the Flap 1 Claim, Rea Gold Corp.

Okulitch, A.V., 1980, G.S.C. Open File 637. Thompson-Shuswap-Okanagan Compilation.

Roddick, J.A., et.al., 1985, Field Guide to Geology and Mineral Deposits in the Southern Cordillera, G.S.A. Publication, edited by Dirk Tempelman-Kluit G.S.C.

CERTIFICATE

I, Andris Kikauka, of Box 370, Brackendale, B.C., hereby certify that;

- I am a graduate of Brock University, St. Catharines, Ont., with an Honours Bachelor of Science Degree in Geological Sciences, 1980.
- 2. I am a Fellow in good standing with the Geological Association of Canada.
- I am registered in the Province of British Columbia as a Professional Geoscientist.
- 4. I have practised my profession for fifteen years in precious and base metal exploration in the Cordillera of Western Canada and South America, and for three years in uranium exploration in the Canadian Shield.
- 5. The information, opinions, and recommendations in this report are based on fieldwork carried out in my presence on the subject properties and on published and unpublished literature and maps.
- 6. I have no interest, direct or indirect with the subject property.
- 7. I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

Andris Kikauka, P. Geo.,

PROVINCE
OF
A. A. KIKAUKA
BRITISH
COLUMBIA
COLUMBIA

October 31, 1995

A. Kikauha

ITEMIZED COST STATEMENT- FLAPJACK 1-6 CLAIMS, NICOLA MINING DIVISION, NTS 82 L/4 W, OCT.10-15, 1995

FIELD CREW: Andris Kikauka, Geologist 6 days Pierre Jette, geotechnician 6 days		ģ	\$1,200.00 900.00
FIELD COSTS:			
Mob/Demob			300.00
Equipment and Supplies			225.00
Assays			670.00
Food and accompdation			720.00
Truck rental			550.00
Report			300.00
	Total	\$	4,865.00



ASSAYING
GEOCHEMISTRY
ANALYTICAL CHEMISTRY
ENVIRONMENTAL TESTING

26-Oct-95

10041 E. Trans Canada Hwy., R.R. #2, Kamloops, B.C. V2C 6T4 Phone (604) 573-5700 Fax (604) 573-4557

CERTIFICATE OF ASSAY AK 95-964

VERDSTONE GOLD CORP.

WINDSOR SQUARE 310-1959 -152nd STREET SURREY, B.C. V4A 9E3

ATTENTION: LARRY REAUGH

40 Rock samples received October 16, 1995

PROJECT NAME: FLAP SHIPMENT #:None given

Metallic Gold Screen Assay
Au Au

		74	74
ET#.	Tag #	(g/t)	(oz/t)
1	66501	2.60	0.076
2	66502	0.41	9.012
3	66503	0.11	0.003
4	66504	0.38	_0.011
5	68505 F-/	0.11	0.003
8	66506	0.18	0.005
7	66507	0.15	0.004
8	88508	0.98	<i>:</i> 0.029
9	66509	0.56	0.016
10	68510	0.34	0.010
11	68511	0.31	0.009
12	88512 F-Z	0.18	0.005
13	66513	0.22	0.006
14	66514	0.14	0.004
15	66515	0.31	800.0
16	66518 F-3	0.22	0.006
17	86517 =-4	3.15	9.092
18	66518 <u>'</u>	1.30	0:038
19	68519 F-5	0.11	0.003
20	66520 F-6	1.75	0 .051
21	66521	0.09	0.003
_22	66522 F-7	<.03	<.001
23	66523	0.06	0.002
24	66524	0.13	0.004
25	86525 -8	0.03	0.001
26	66526	<.03	<.001

FEED FAX THIS END						
FAX						
To: Larry Reagh						
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Fax No.:						
Post-41 lez pad 7903E						

Frank J. Pezzotti, A.Sc.T. B.C. Certified Assayer

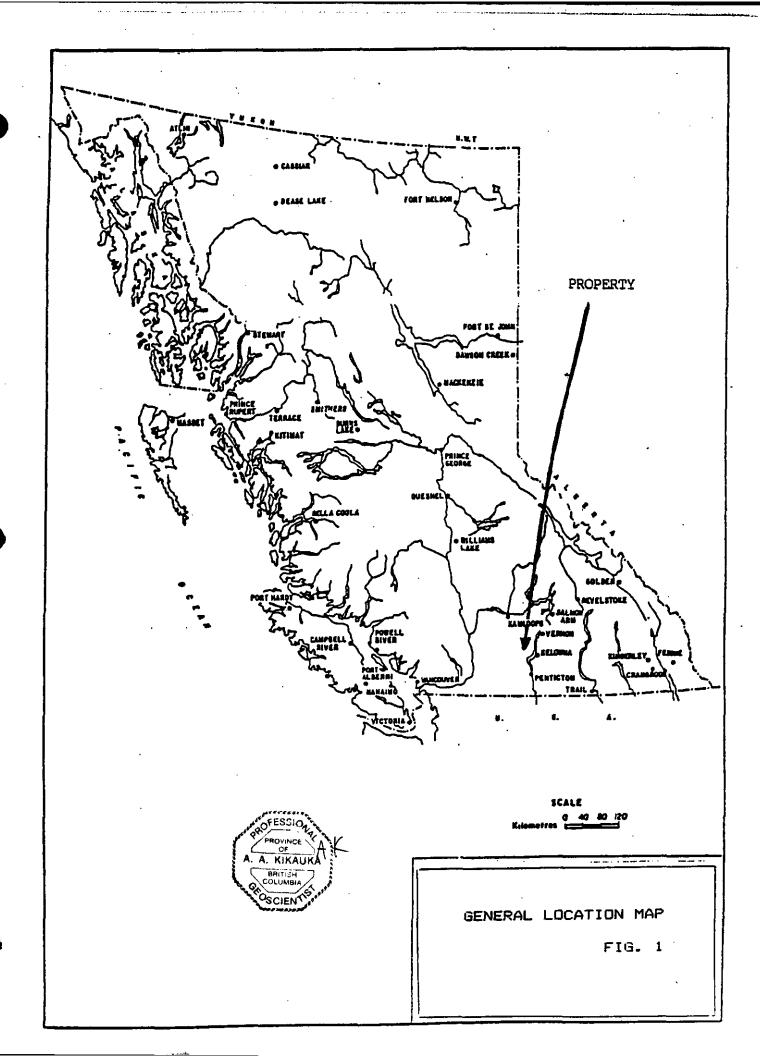
Metailic Gold Screen Assay

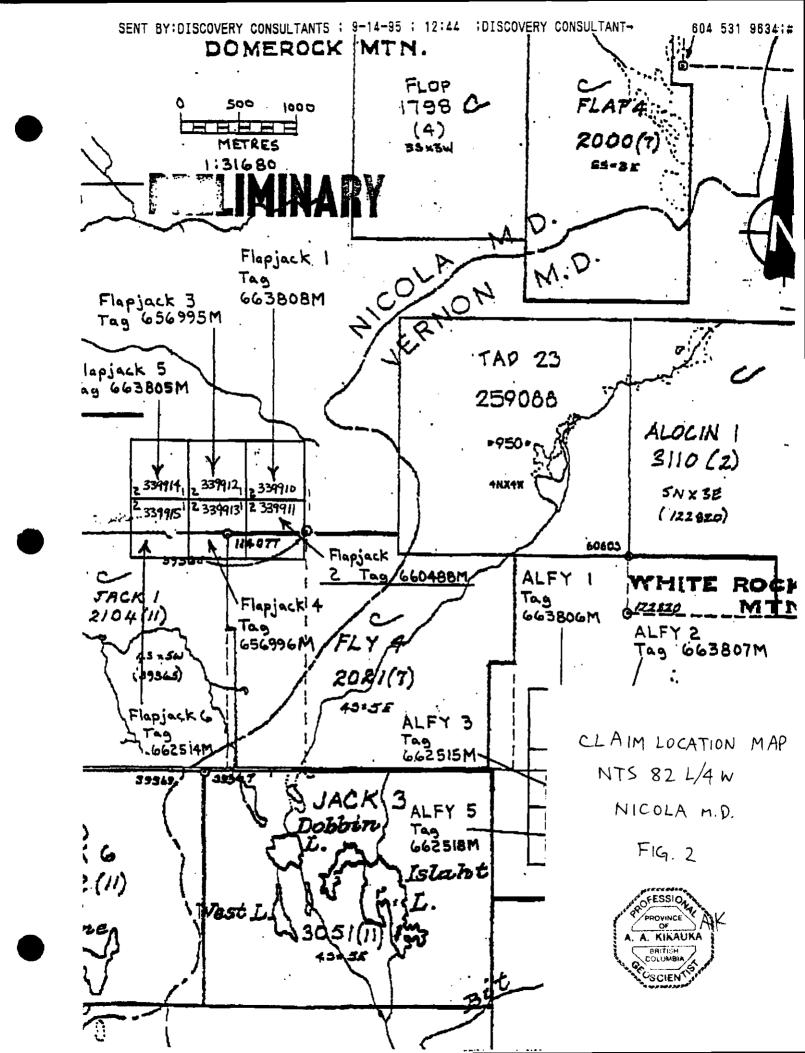
					Au	Au	
	_	ET#.	Tag #		(g/t)	(oz/t)	
I3	_	.27	66527		0.09	0.003	
	5	28	66528	F-8	<.03	<.001	
•		29	66529	. U	0.06	0.002	
-		30	66530	-	0.09	0.003	•
		31	66531		0.28	0.008	
		32	66532		<.03	<.001	
,	٨,	33	66533	F-9	0.10	0.003	.*
F.	4	34	66534		80.0	0.002	
		35	66535	•	0.03	0.001	
	-	36	66536		0.18	0.005	
F.	16	37	66537	F-10	<.03	<.001	
		38_	6653 <u>8</u> _		0.28	0,008	
1	-/1	39	66539	- 1	. <.03	<.001	
	, ,	40	66540	H -1	<.03	<.001	

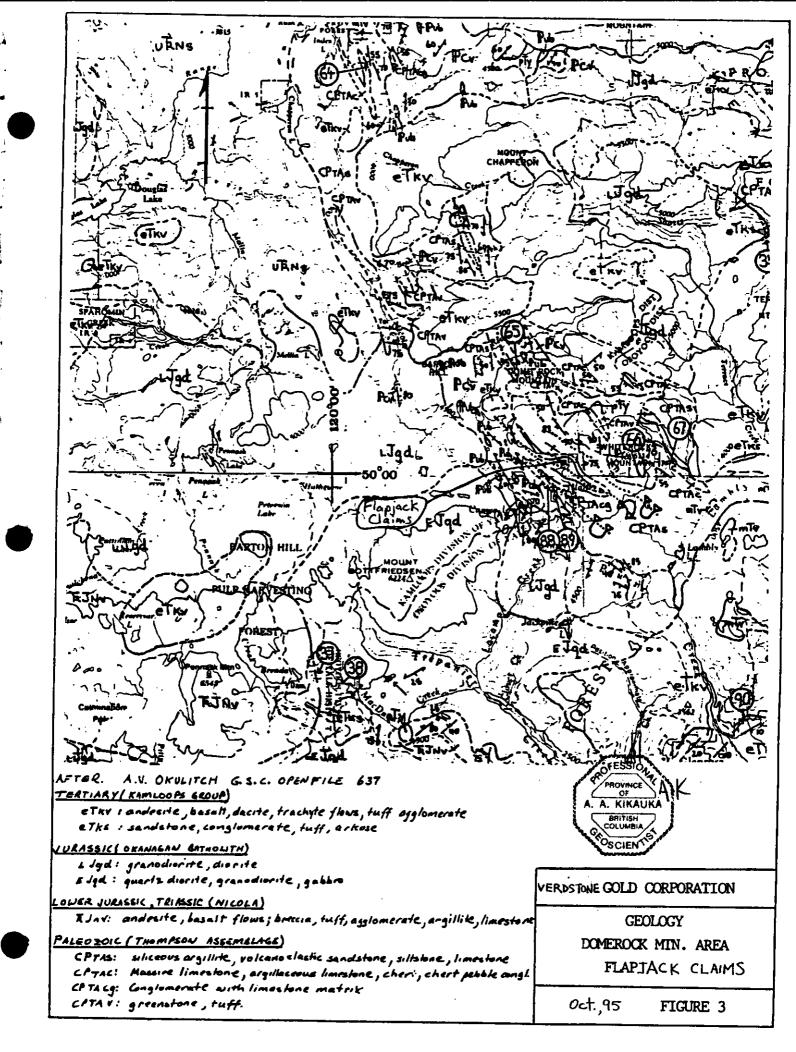
XLS/95Verdstone

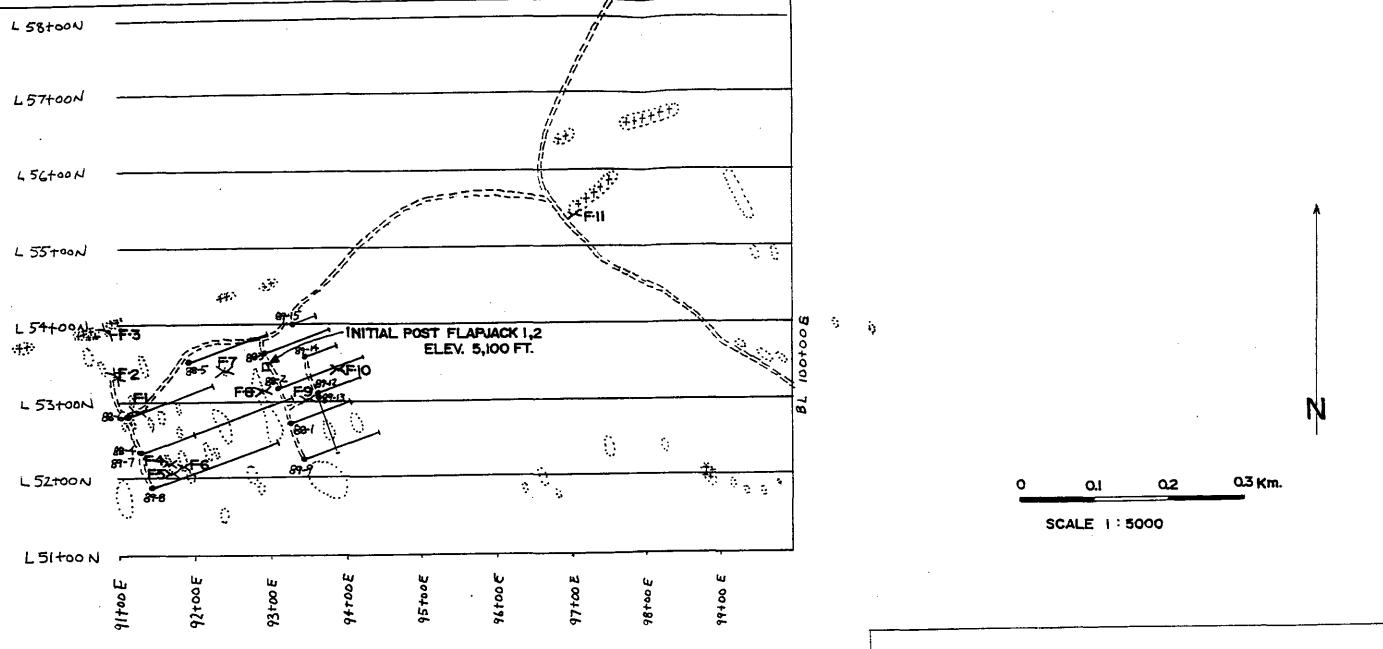
O-TECH LABORATORIES LTD.

Prank J. Pezzotti, A.Sc.T. B.C. Certified Assayer









LEGEND

- TERTIARY OR OLDER INTRUSIVE ROCKS
 GRANITIC/GRANODIORITIC DYKES
- U. TRIASSIC/L JURASSIC NICOLA GROUP
 VOLCANICLASTICS/SILTSTONE/SANDSTONE
 MINOR CHERT

TRENCHES LOCATED ON SILICIFIED ZONES

TRENCH LOCATION MAP

FLAP GOLD PROJECT VERNON M.D. FIG. 4

F-I > TRENCH

DIAMOND DRILL HOLE

ROAD



FLAPJACK CLAIM GROUP ROCK SAMPLE DESCRIPTIONS

0.25 m. 1.0 m. wide zone of 15-25% quartz (sample #'s

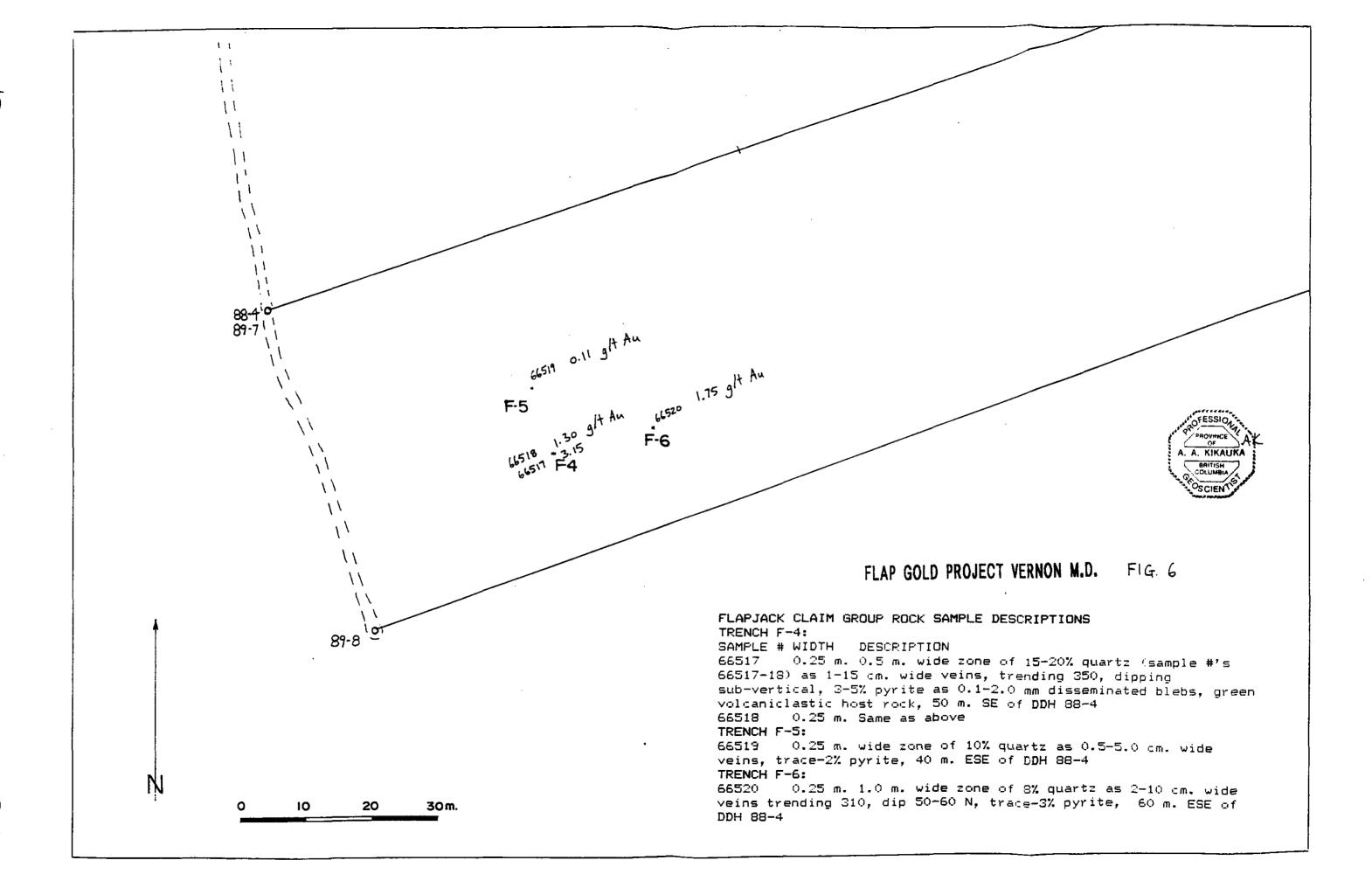
66501-04) as 1-25 cm. veins, main trend is 345, sub-vertical dip, cross-cutting quartz veins trend 300 with variable dip, trace-3% pyrite as disseminated blebs in quartz hosted by green, fine

DESCRIPTION

TRENCH F-1: SAMPLE # WIDTH

66501

```
usib 0.31 glt Au
                         grained, weakly pyritic volcaniclastic, roadcut 18 m. from DDH
                         88-6
                         66502
                                  0.25 m. Same as above
                         66503
                                  0.25 m. Same as above
                         66504
                                  0.25 m. Same as above
                                  0.25 m. Fine grained, green, pyritic volcaniclastic
                         66505
F·3
                         with 3-5% quartz as 0.1-3.0 cm. wide veins, no preferred
                         orientation, trace-2% pyrite
                                  0.25 m. Same as above
                         66506
                                  0.25 m. Same as above
                         66507
                         66508
                                  0.25 m. Same as above
                         TRENCH F-2:
                         66509
                                  0.25 m. 1.0 m. wide zone of 20-30% quartz (sample \#' =
                         66509-12) as 1-15 cm. wide veins, trending 310 and 350, dipping
                         60-70 E, 3-5% pyrite as 0.1-2.0 mm disseminated blebs, green
                         volcaniclastic host rock exhibits weak foliation trending 310,
                         dipping 60-70 E, near roadcut about 56 m. NNW of DDH 88-6,
                         66510
                                  0.25 m. Same as above
                         66511
                                  0.25 m. Same as above
                         66512
                                  0.25 m. Same as above
                         66513
                                  0.25 m. Fine grained, green, pyritic volcaniclastic
                         with 3-5% quartz as 0.1-5.0 cm. veins adjacent to main quartz
                         vein zone.
                                  0.25 m. Same as above
                         66514
                         TRENCH F-3:
                         66515
                                  0.25 m. Green volcaniclastic outcropping 5 m. south of
                         granitic dyke 115 m. NNW of DDH 88-6, 0.5 m. wide quartz vein
                         zone, 10% quartz as 1-12 cm. wide veins, trending 315, dipping
                         60-80 NE, 1-3% pyrite as disseminated blebs to 2 mm.
                         66516
                                  0.25 m. Same as above
       11
        11
        11
           DDH 88-6
                                                        FLAP GOLD PROJECT VERNON M.D.
               Ü
                                                           OFESSIO
                                                                            FIG. 5
                                                           PROVINCE
                                                         A F KIKAUKA
                                                          CHUMBIA
                                                           OSCIENT
                                                                              30 m.
                                                              10
                                                                      20
```



65322 0.03 F-7

FLAP GOLD PROJECT VERNON M.D. FIG. 7

FLAPJACK CLAIM GROUP ROCK SAMPLE DESCRIPTIONS SAMPLE # WIDTH DESCRIPTION TRENCH F-7: 0.25 m. 0.5 m. wide quartz vein occurs in 345 trending gulley, hosted in dark green volcaniclastic with weak foliation, 1-3% disseminated pyrite, 72 m. NW of DDH 88-2 0.25 m. Same as above 66522 TRENCH F-8: 0.25 m. Quartz vein with 1-8% disseminated pyrite, qtz. vein trends 350, dipping 65-85 W, hosted in weakly foliated volcaniclastic with felsic lapilli sized clasts, fabric parallel to qtz. vein trend 0.25 m. Same as above 66524 0.25 m. Same as above 66525 0.25 m. Same as above 66526 0.25 m. Same as above 66527 0.25 m. Quartz vein with 1-8% disseminated pyrite, qtz. 66528 vein trends 000, dipping 50-75 W 0.25 m. Same as above 66529

