PROSPECTING AND GEOCHEMICAL ASSESSMENT REPORT ON THE EUREKA-VICTORIA MINE (SILVER PEAK 1-4 CLAIMS) SILVER PEAK AREA, HOPE, B.C.

New Westminster M.D., N.T.S. 92H/6W
Latitude 49° 18'N Longitude 121° 28'W

For

HOMEGOLD RESOURCES LTD.
Unit #5 - 2330 Tyner Street
Port Coquitlam, B.C., V3C 2Z1
Phone/Fax (604) 944-6102
(Owner)

By

J.T. Shearer, M.Sc., P. Geo.
Consulting Geologist

March 15, 1996

CONTENTS

LIST OF ILLUSTRATIONS AND TABLES

TABLES

SUMMARY

(1) The Silver Peak claims cover the Eureka-Victoria Silver Mine which has the distinction of being the first Crown-granted mineral property in British Columbia.

(2) High grade silver veins were first discovered in 1868 and considerable ore was shipped up until 1874. Assays of reminant oxide material are recorded up to 658 oz./Ag per ton.

(3) The property is located 6 km south of the Town of Hope. An overgrown road extends to the workings. Presently access is best gained by a 4 km helicopter ride from the Valley Helicopters Ltd. base in Silver Creek on the Trans Canada Highway.

(4) The mine workings comprise several adits, interconnected raises and a glory hole. Underground work was completed in 1924, 1961, 1971 and 1981. An indicated resource based on this work (Spencer 1982) was reported as:

(indicated)	38,000 tonnes grading 449.15 grams (13.10 oz./ton) per tonne silver.
(inferred)	10,900 tonnes grading 449.15 grams per tonne silver.

(5) The area is underlain by metamorphosed Eocene conglomerate on the east side of a major structure called the Hope Fault. To the east and north is granodiorite of the Oligocene to Miocene Mount Barr batholith. To the west is the Cretaceous quartz diorite of the Spuzzum Pluton.

(6) Cutting the conglomerate at an angle to both bedding and joint planes are a number of quartz porphyry dykes. The largest has an average width of 6 meters and follows the line of Glory Hole gulch.

(7) The silver deposits occur in well defined fracture zones in the conglomerate which coincide with northeast trending joint planes and areas of brecciation.

(8) Chief gangue minerals ares siderite, limonite and quartz. The principle ore mineral is tetrahedrite (freibergite).

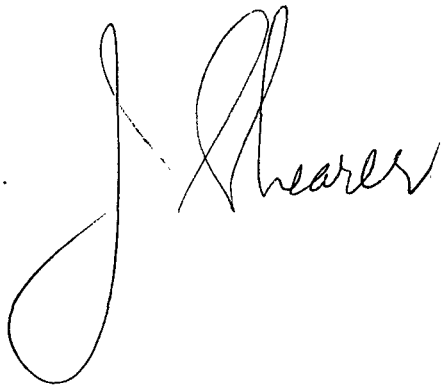
(9) The principal ore bodies are called the Eureka, Victoria (formerly the Van Bremer) and Victoria West. At least two minor zones cross the Glory Hole gulch below the Eureka lode.

(10) The Eureka body has been traced across the summit of Silver Peak for about 427 meters, striking 053°, varying in width from 1.5 to 6 meters and dipping steeply to the east. The Eureka Zone has been defined over 1,000 feet (300 m) down dip. The zone is open down dip.

(11) The Victoria Lode has been traced for about 366 meters on the southwestern slopes of Silver Peak. The depth to which mineralization persists has not been defined by work to date.

(12) Minor diamond drilling was attempted in 1983 without the benefit of survey control and was stopped by bad weather on October 31, 1983. It is not known if the target depth was reached.

(13) A program of detail geological mapping, transit surveying and follow-up diamond-drilling is recommended to investigate all the zones at depth.



INTRODUCTION

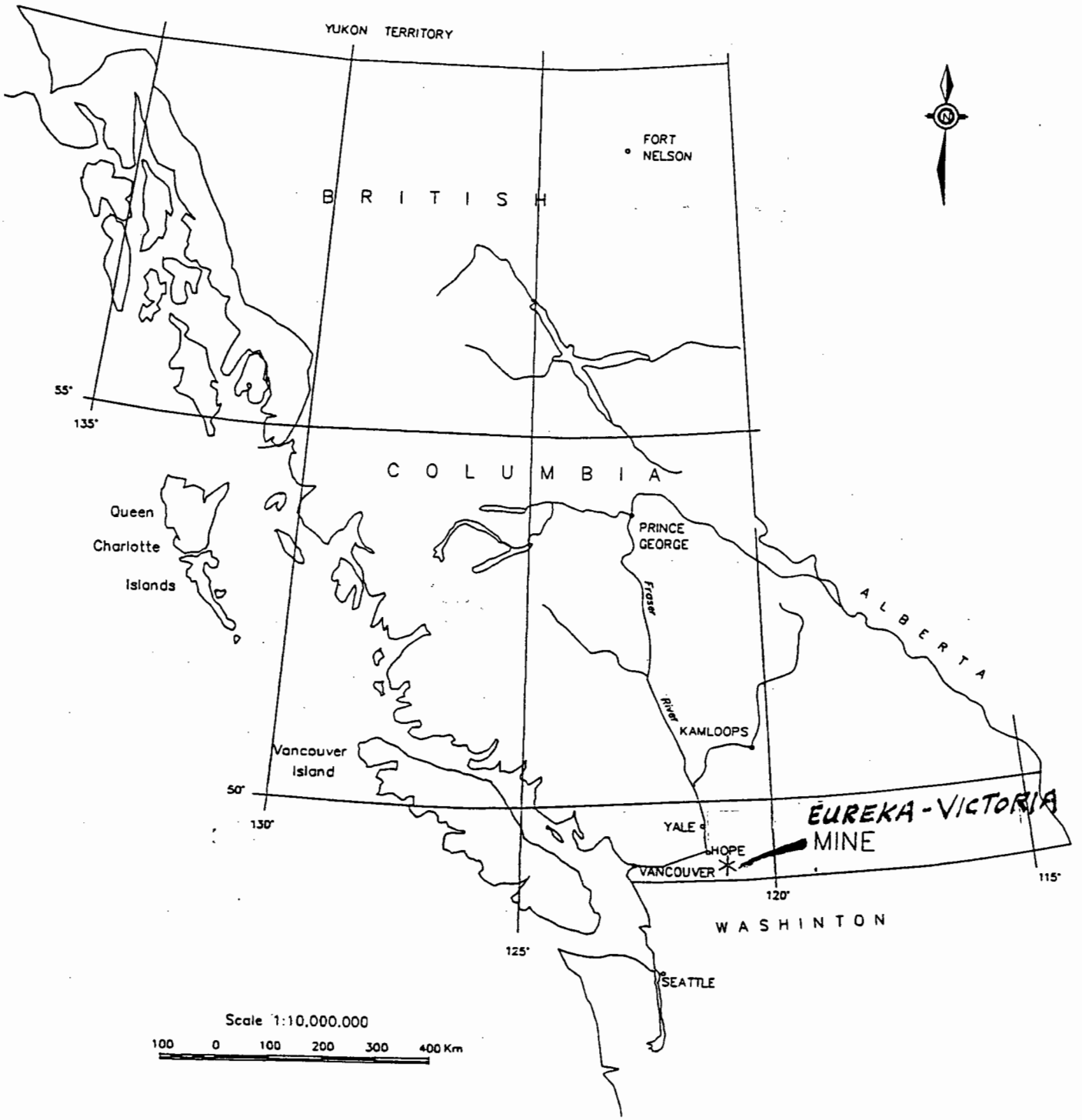
The historic Eureka-Victoria Silver Mine was acquired by Homegold Resources Ltd. on June 12, 1995 when the three 1869 Crown grants reverted to the Crown. The surrounding ground was staked on June 23, 1995 when previous located claims lapsed.

The property is located on the rugged western slopes of Silver Peak between the elevations of 4,800 and 6,000 feet. A partially overgrown road leads to the mine site. The general mine area is clearly visible from the Trans Canada Highway at the Village of Silver Creek.

The veins are characterized by silver-rich tetrahedrite (freibergite) in a siderite gangue. The upper parts of the veins, which were oxidized, produced spectacularly high silver values up into the hundreds of oz./Ag per ton. The primary, unaltered vein material appears to average around 10 to 25 oz./ton silver. Minor preliminary metallurgical testing has been done in 1982 for bench scale leaching. The mineralization is amenable to leaching and recoveries in the order of 50% to 60% may be possible.

Preliminary resource assessments have been made (Spencer 1982) suggesting the following inventory:

	Sample Location	Length	Oz./Ag	Width
Block A	Surface samples	300 ft	15.73	3.0 ft
	New Carbonate level	214 ft	17.12	3.0 ft
	Average grade		16.31	3.0 ft
Block B	New Carbonate level	214 ft	17.12	3.0 ft
	Eureka Raise	200 ft	7.78	3.0 ft
	Eureka Drift	280 ft	8.78	3.0 ft
	Average grade		11.06	3.0 ft
Block C	Eureka Drift	280 ft	8.78	3.0 ft
Total Indicated Reserves		42,000 @ 13.10 oz./ton Ag		
Inferred Inventory, Block D		12,000 @ 13.10 oz./ton Ag		
Total Indicated and Inferred		54,000 ton @ 13.10 oz./ton Ag		



HOMEGOLD RESOURCES LTD.

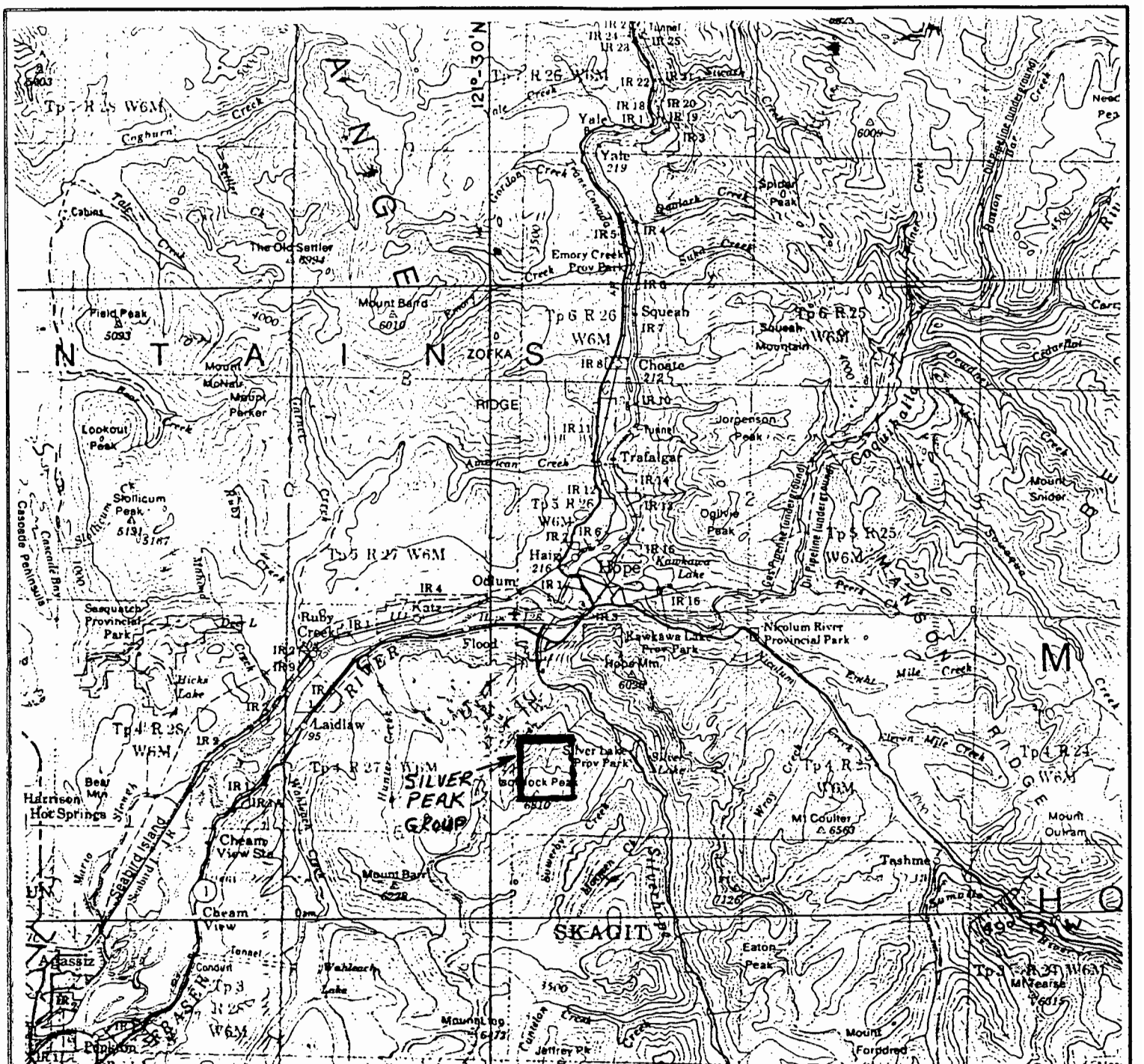
SILVER PEAK PROPERTY

LOCATION MAP

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 1
Work by: J. Shearer, M.Sc., P.Geo.			

It appears that the vein systems have **not** been tested at depth below the Eureka Drift. The lack of accurate survey data apparently has hampered the exploration efforts in the past. The "Lower Tunnel" did not explore the main Eureka vein as was demonstrated by a 20 ft crosscut driven in late 1981.

A phased exploration program is proposed to adequately test the vein systems at depth. An accurate survey base map is key to this program.



HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

ACCESS MAP

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 2
Work by: J. Shearer, M.Sc., P.Geo.			

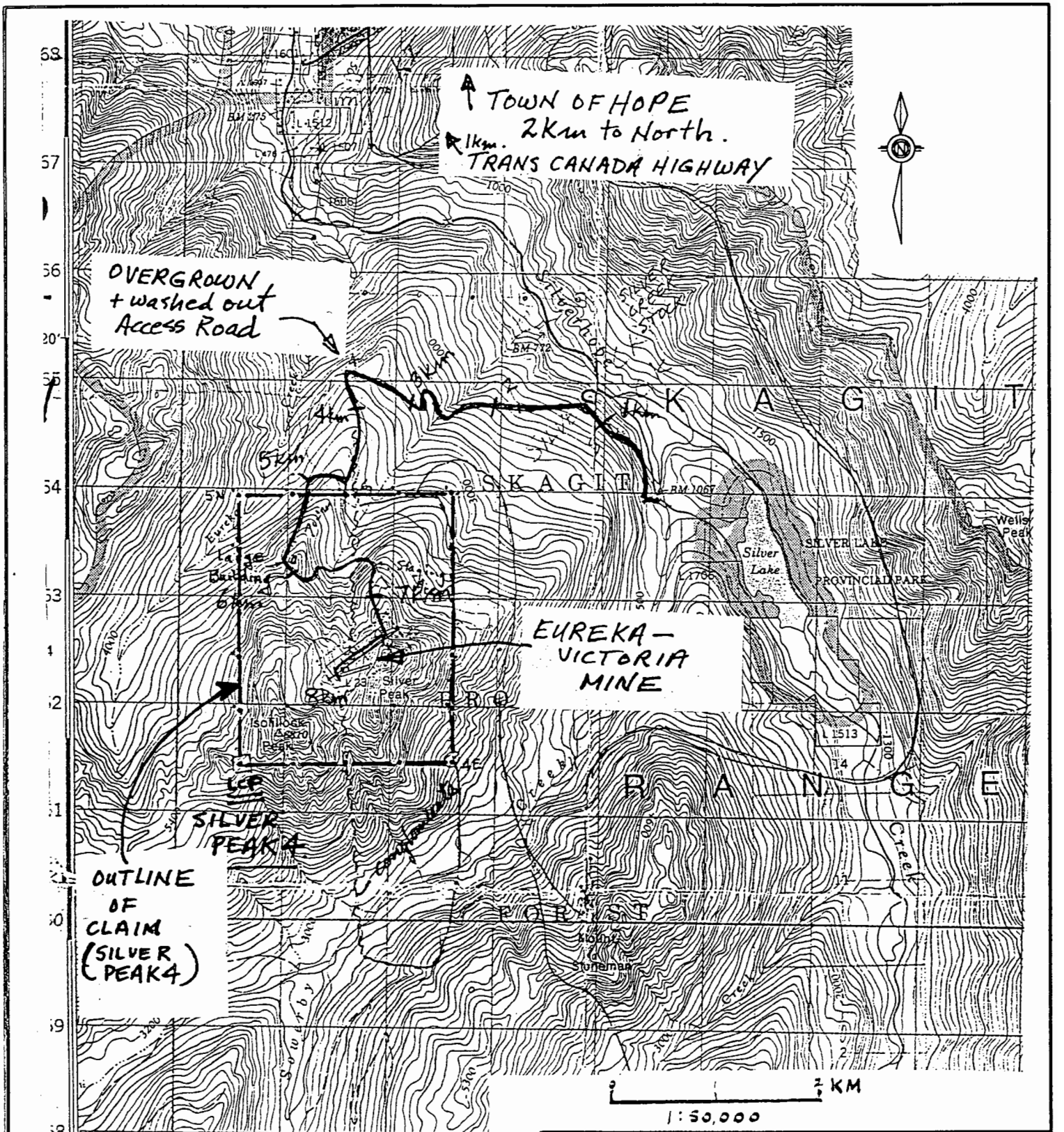
LOCATION AND ACCESS

The Eureka-Victoria Mine is located 6 km south of the Town of Hope, Figure 1 and 2, bounded by Silverhope Creek to the northeast, Eureka Creek to the northwest and Sowerby Creek to the south and east. Topography rises very steeply from about 200 feet at the Fraser River to 6,810 feet elevation on the top of Isolillock (Holy Cross) Peak.

Access to the mine site is presently (summer 1996) best by a short 4 km helicopter flight from the Valley Helicopters Ltd. base at Silver Creek on the Trans Canada Highway.

The lower slopes of Silver Peak have been logged off in the late 1950s and early 1960s. A series of logging roads extends up to the 4,500 foot level. A steep mine road in good condition provides access from the logging road network. Unfortunately the main logging road is washed out a short distance up from the Silverhope Mainline and the upper parts are grown in with alders. This road could be cleaned out with a few days of bulldozer work.

Due to the recent implementation of the British Columbia *Forest Practise Code* and its provisions for forest road standards, the opening of the access road will require deactivation plans and extensive slope stability work. The result is that road "activation" is more costly in the Province of British Columbia and that Forestry Technicians are more fully involved in road maintenance.



HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

TOPOGRAPHIC MAP

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 3
Work by: J. Shearer, M.Sc., P.Geo.			

CLAIM STATUS

The area is held by the Silver Peak 1-4 claims as shown in Table 1 and Figure 3.

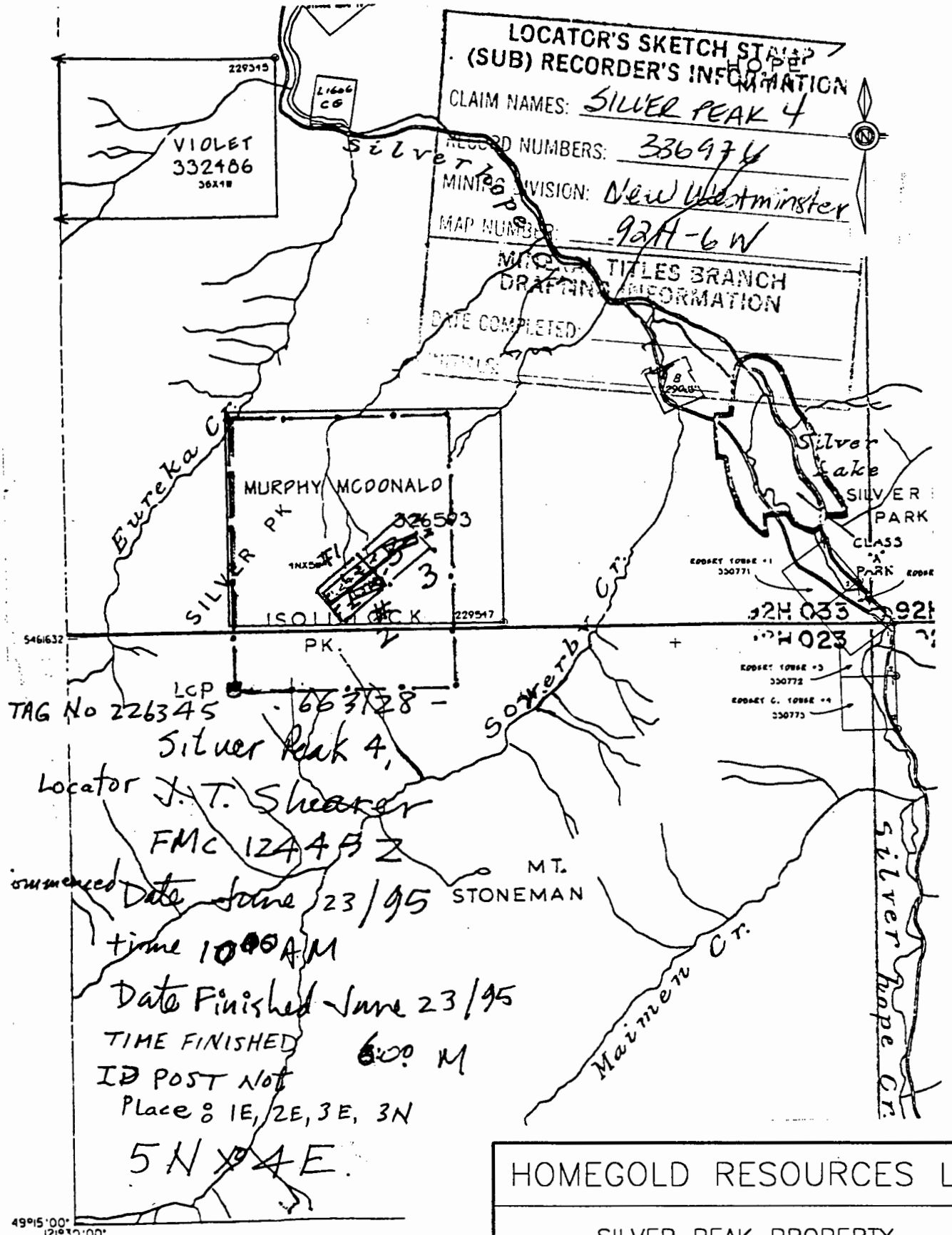
TABLE 1

LIST OF CLAIMS

Claim Name	Tenure No.	Size	Units	Location Date	Recorded Owner	Current Expiry Date
Silver Peak 1	336759	2 post	1	June 12/95	J.T. Shearer	June 12, 1996
Silver Peak 2	336760	2 post	1	June 12/95	J.T. Shearer	June 12, 1996
Silver Peak 3	336761	2 post	1	June 12/95	J.T. Shearer	June 12, 996
Silver Peak 4	336976	5Nx4E	20	June 23/95	J.T. Shearer	June 23, 1996
Total units			23			

Subsurface mineral title in British Columbia is held under the regulations of the *Mineral Act*. Mineral tenure is secured by locating two post or modified grid claims in the prescribed manner and then completing approved assessment work on the claims in the amount of $100 per unit for each of the first three years and then $200 per unit thereafter.

When the Silver Peak Claims were located in 1995, a fraudulent claim was also filed, which precluded having a substantial work program approved by the Mines Branch. Fortunately, these fraudulent claims were cancelled in late March 1996 after J.T. Shearer filed a successful Section 35 complaint.



HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

CLAIM MAP

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 4
Work by: J. Shearer, M.Sc., P.Geo.			

HISTORY

High grade silver deposits were discovered by Peter Emery in 1868 while hunting mountain goat. He showed samples of the mineralization to George Schooley of Yale who located the ground for himself and friends. Cairnes (1924) records that:

> In 1869 a company was formed by local and Victoria capital, called the Eureka Mining Company. About 1871 they sold out to the New Eureka Mining Company, Limited for $80,000. That company had a capital of $150,000. The Victoria claim was also disposed of by the original locators. The purchasers afterwards formed a company called the Victoria Silver Mining Company, Limited, with R.P. Rithet, secretary, and a nominal capital of $600,000 in $20 shares. Among the original subscribers were the well-known pioneers of British Columbia, E.P. Moody, who built the first sawmill on Burrard Inlet, H. Nelson, George Dietz, and George Dunbar. Cariboo pioneers were Francis Garesche, T.C. Hughes, and others prominent in the early history of British Columbia.
>
> The amount of ore shipped apparently amounted to a considerable tonnage containing high values. The ore was packed part way down on Indian backs, and the rest of the way to Hope on pack horses. It was then floated on barges down Fraser River, towed to Victoria, and loaded on sailing vessels for San Francisco. Some shipments went round Cape Horn to Swansea, Wales. This ore netted $420 per ton.
>
> The mines were **closed in 1874**, due in part, to the expensive methods of transportation, and, in part, to unfortunate litigation as to their ownership and management.
>
> The mines were **reopened in 1920** for the present owners Sperry and White, of Seattle, under the management of A.S. Williamson.

It is reported that during 1924 one of the old drifts was extended. There is no record of any production at this time except a 5-ton test sample was assayed 268 oz./Ag/ton. In 1961, Tru-West Exploration Ltd. with W. Ferguson, President and J. Knopp, Manager, drove a new crosscut at an elevation of 5,200 feet extending 126 meters and a 69-meter raise driven about 60 meters from the portal. In 1963, a 3,500-foot aerial tramway was installed in June to move equipment and materials.

A new company, Holy Cross Mountain Mines Ltd., S. McClay, President, contracted 1½ miles of new road in 1968 and in 1971 drove 205 feet of 6' x 7' drift which employed 10 men for six months under the direction of A. Aalde.

Vanstates Exploration Ltd. acquired an option of the three Crown grants in 1980. In 1981, a 61-meter raise was driven from the Eureka drift and a new adit was driven 65 meters to intersect the raise. Based on this work, an indicated resource (Spencer 1982) of:

Indicated	38,000 tonnes grading 449.15 grams per tonne silver (13.10 oz./ton)
Inferred	10,900 tonnes grading 449.15 grams per tonne silver
	48,900 tonnes (54,000 tons)

Vanstates also attempted to carry out some diamond drilling in 1983. Unfortunately the drill sites were not surveyed and the drill crew was forced out by bad weather on October 31, 1983 without knowing if the target was reached.

A VLF-EM survey was conducted by J. Lloyd in 1982 and some prospecting was done for Guinet Management by R. Yorston in 1990.

REGIONAL GEOLOGY

Cairnes (1944) compiled the regional geology of the Hope Area as Map 737A. This was revised by Monger (1970). The area around Hope encompasses the major tectonic boundary between the Coast Plutonic Complex and the Cascade Fold Belt. A recent contribution to the regional geological setting is by Richards and McTaggart (1976), Figure 4.

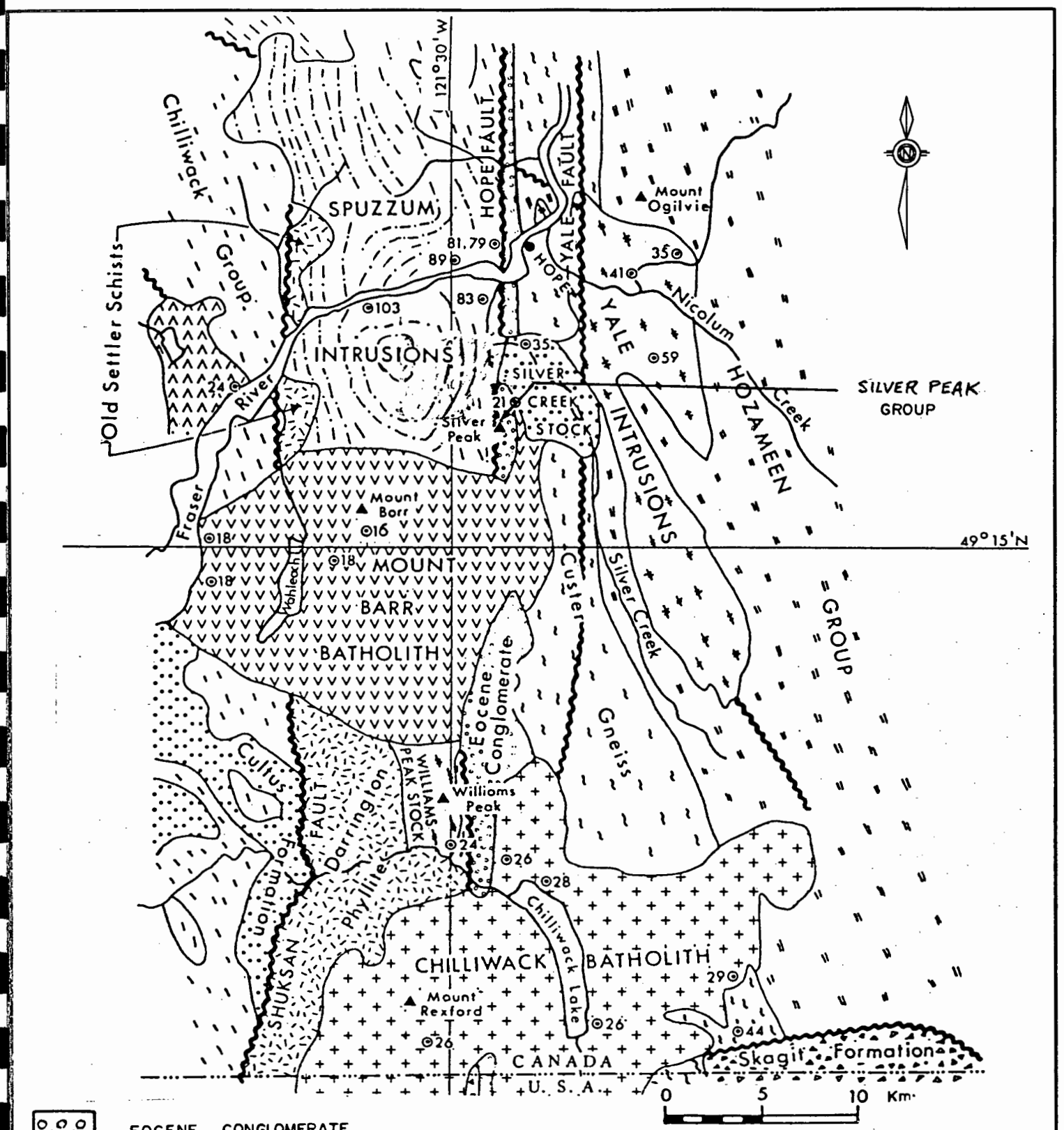
Structurally the area lies within imbricate fault slices between the Yale and Hope Faults and the Shuksan Thrust to the west. The graben created by the Yale and Hope Faults is a major fault system that extends northward for many kilometres and controls the course of the Fraser River.

The intrusive evolution of the area is varied and complex. The Silver Peak Claims are underlain to the west by Late Cretaceous Spuzzum Intrusions which range in age from 73 m.y. to 89 m.y. These are the oldest plutonic rocks of the region. The Yale Intrusions northeast of Hope are a group of stocks and sills that lie along a belt extending from 5 km north of Yale southward to near the head of Silver Creek. This suite of rocks range from tonalite and granodiorite to quartz monzonite. All units of the Yale intrusions display some degree of cataclastic foliation.

The Silver Creek Stock, 5 km south of Hope, is about 25 km^2 in area. It is composed of homogeneous and unfoliated medium grained tonalite. Richards and McTaggart (1976) page 944, describe the stock as follows:

> "The stock intruded and metamorphosed Eocene conglomerate and has been intruded by the Miocene Mount Barr batholith. The walls of the stock appear to be vertical. A single K Ar. determination on hornblende gave an age of 35 m.y. which is considered to be the time of emplacement of the stock. That the stock is epizonal is suggested by the high-temperature structural state of the alkali feldspar, fine grained margins, adjacent hornfels, and mid-Tertiary age."

Emplacement of the Mount Barr batholith has been dated at 21 m.y. (Richards and McTaggart 1976) and is exposed 4 km south of the Silver Peak Group. The later phases of the Mount Barr batholith at 16 m.y. represent the youngest major intrusive phase in the area.



EOCENE CONGLOMERATE

CHILLIWACK GROUP

HOZAMEEN GROUP

TONALITE MED. GRAINED

TONALITE-DIORITE COMPLEX

TONALITE, GRANODIORITE, QTZ. MONZONITE

⊙ K/Ar age (million years)

HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

REGIONAL GEOLOGY

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 5
Work by: J. Shearer, M.Sc., P.Geo.			

LOCAL GEOLOGY AND MINERALIZATION

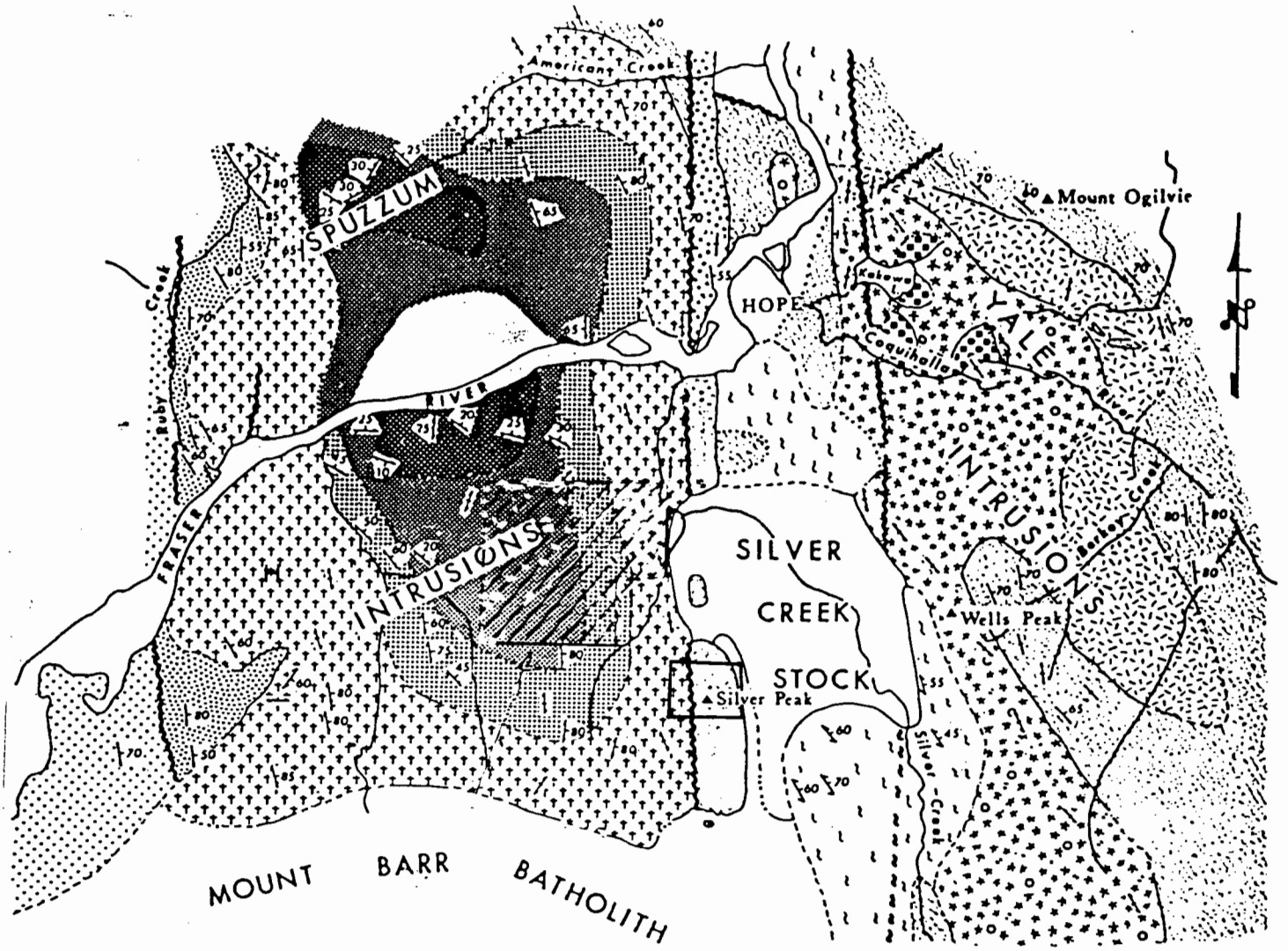
The area to the west of the claims are underlain by diorite and tonalite of the Spuzzum intrusions (McTaggart and Thompson 1967). Two main units are distinguished: a central zoned diorite complex and a surrounding tonalite, Figure 5. The diorite is a fresh, medium-grained rock consisting of bronze-brown hypersthene and black augite with variable hornblende. Biotite is a minor constituent and quartz was rarely identified.

Richards and McTaggart (1976) describe the dioritic complex as follows:

> "The diorite complex is crudely zoned, with hypersthene-augite diorite (rarely norite) in its core regions and hypersthene-hornblende diorite (rarely tonalite) at its margins. The mineralogical variation appears continuous, but three varieties have been defined: hypersthene-augite-hornblende diorite and a marginal zone of biotite-hypersthene-hornblende diorite. Only a small chemical differences accompany the pronounced mineralogical variation."

The area immediately around the Eureka-Victoria Mines working is best described in Cairnes (1924) as reproduced below:

> "The upper 2,000 feet of Silver Peak is composed chiefly of a massive conglomerate of Lower Cretaceous age. Other remnants of this formation occur on the southern flank of Hope mountain and in the Fraser valley on either side of the river near Hope. The conglomerate varies greatly in the size of its constituent pebbles. A large proportion might be regarded as a coarse-grained grit, but in other sections it contains cobbles varying up to 6 or 8 inches in diameter. The general attitude on Silver Peak is nearly north and south, with an average high dip to the east. The attitude is, however, subject to local variation and syncline. This conglomerate has been invaded by a large batholithic body of quartz diorite, locally known as "granite", that comes in contact with the conglomerate on all except the southern flank of Silver Peak, where a narrow band of highly metamorphosed sediments, probably also of Cretaceous age, intervene. These sediments on the divide between Silver Peak and Isolillock Mountain form a belt less than 200 feet wide, but their width at lower elevations could not be determined. They comprise both shaly and sandy materials, but their original character has been largely marked by the metamorphism to which they have been subjected by the quartz diorite, as well as by an earlier intrusive lying farther to the northwest.
>
> Cutting the conglomerate at an angle to both bedding and joint planes are a number of quartz porphyry dykes. The largest of these has an average width of



Eocene conglomerate, etc.

Yale Intrusions
- Coquihalla stock
- Ogilvie Peak stock
- Gabbroic complex

Spuzzum Intrusions
- Tonalite
- Biotite–hypersthene–hornblende diorite
- Augite–hypersthene–hornblende diorite
- Hypersthene–augite diorite

- Custer Gneiss
- Hozameen Group
- Chilliwack Group
- Old Settler Schist

KILOMETERS

0 1 2 3 4 5 6 7 8

HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

LOCAL GEOLOGY

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 6
Work by: J. Shearer, M.Sc., P.Geo.			

20 feet and follows in an irregular fashion the line of the Glory Hole gulch which cuts through the middle of the property in an east-west direction (Figure 6).

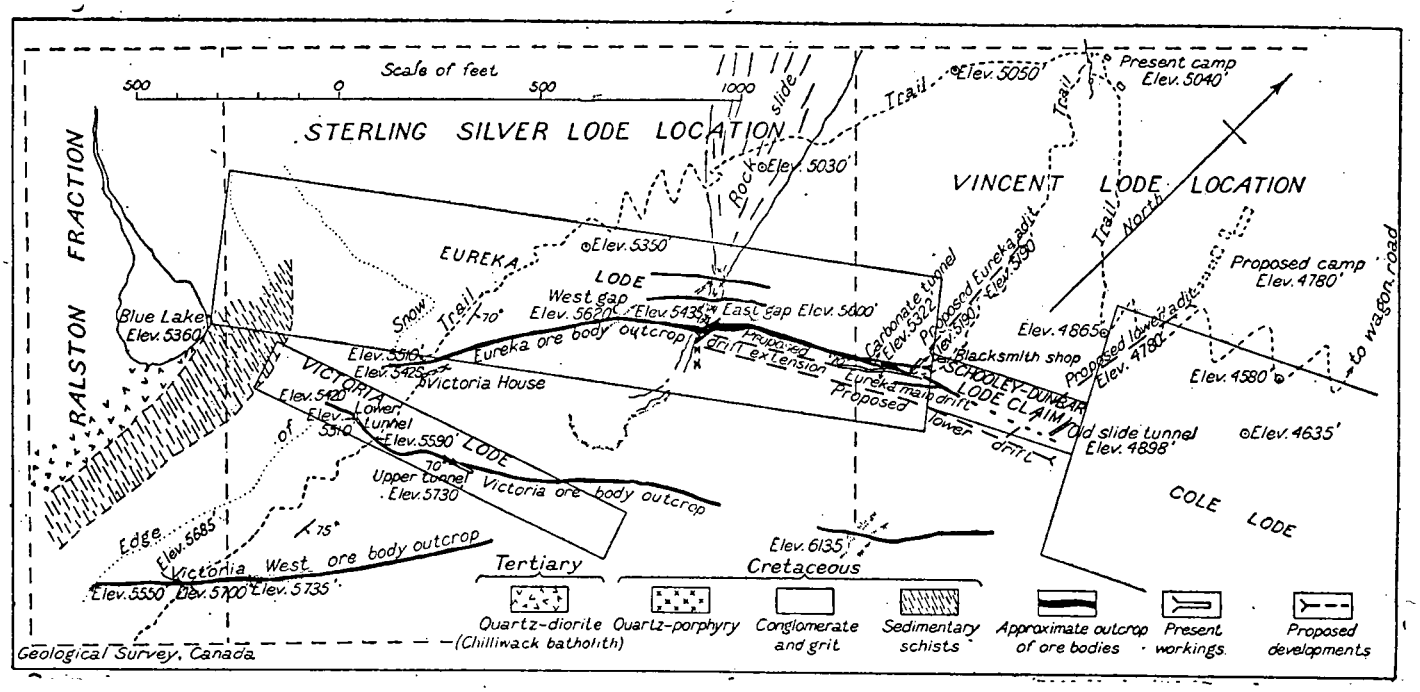
Mineral Deposits. The mineral deposits at the Eureka-Victoria mines occur in well-defined fracture zones in the conglomerate. These coincide with a prominent set of joint-planes which intersect the conglomerate in a general northeast-southwest direction. Along these joint fissures; more or less movement and brecciation of the conglomerate has occurred, so that fracture zones, many of them several feet wide, have been developed. These zones furnished relatively easy passage to the mineralizing solutions forming the present ore deposits.

The principal deposits occur in veins within the fracture zones. They rarely occupy the entire width of the zone, often form only a minor part of it, and in general, favour the hanging-wall side. Together with the intervening and in some cases sparingly mineralized conglomerate gangue they constitute the ore-bodies or lodes. Only in rare instances can the high-grade vein material be mined separately.

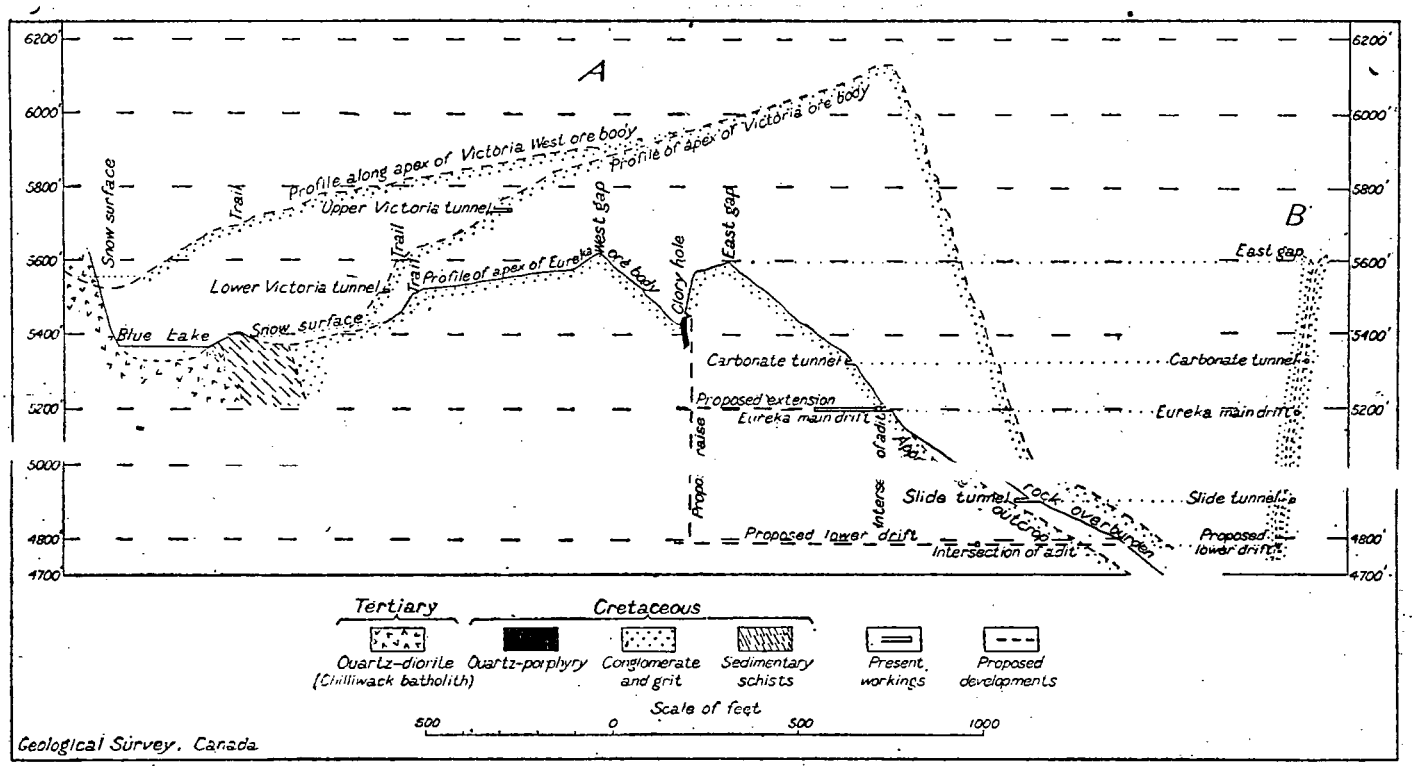
The chief gangue minerals are siderite, limonite and quartz. The first occurs either as a brownish, coarsely crystalline mineral with large lustrous cleavage surfaces, or as a cream-coloured aggregate intergrown with clear crystalline quartz. The limonite occurs in two generation. That of the first is, in part, pseudomorphous after siderite and forms characteristic wedge-shaped crystals that project into open fissures in the vein. That of the second generation has been deposited over the older gangue minerals, is quite soft, and shows a botryoidal structure. The quartz is formed in two generations, the first intergrown with the siderite as well with tetrahedrite and iron sulphides, and the second forming crystals on the surfaces of the other minerals.

The principal ore minerals is the sulphantimonide of copper, tetrahedrite. This mineral carries a varying proportion of lead as well as the primary silver values in the deposits. It occurs in intergrown or deposited at different stages the siderite, quartz and pyrite and may replace the earlier formed minerals. It is disseminated irregularly throughout the ore-bodies in small specks or irregular masses that rarely exceed a cubic centimetre in size.

A concentration of silver values occurs in certain of the upper sections of the ore-bodies. There, superficial processes involving oxidation, carbonatization, and solution have resulted in the substantial reduction of gangue minerals and a differential enrichment of the mineral content of the veins. The tetrahedrite there has suffered decomposition. The copper has largely disappeared and the little left converted to carbonates. The lead has been largely retained, probably as an amorphous carbonate, and holds the silver values. The oxidation products of the silver and lead have lent a characteristic yellowish appearance to the decomposed ore. The result is a rich concentrate, running into hundreds of dollars per ton, from which shipments were made in the early years of mining.



Plan of Eureka-Victoria mines, Coquihalla River area, Yale district, B.C. (Plan reproduced by permission of mine management.)



Geological sections across Silver peak in vicinity of Eureka-Victoria mines, Coquihalla River area, Yale district, B.C.
A, Three profile sections, not exactly parallel, projected into one plane
B, Projection of Eureka ore-body on a vertical plane through East gap.

HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

PLAN & CROSS SECTION OF EUREKA–VICTORIA DEPOSITS

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 7
Work by: J. Shearer, M.Sc., P.Geo.			

Description of Ore-bodies. The principal mineral deposits occur in the Eureka, Victoria and Victoria West ore-bodies. A couple of minor bodies cross the Glory Hole gulch below the Eureka lode outcrops (Figure 6).

The Eureka lode, at present the most important ore-body, has been traced across the summit of Silver Peak for about 1,400 feet, its course for the greater part of the way being well defined by solid conglomerate walls. Its width varies, according to surveys made by the management, from 5 to 20 feet, and is greatest east of the Glory Hole gulch where for about 600 feet it is between 12 and 20 feet. The western section of 800 feet has been neither close followed nor measured, but may average 5 feet in width. The actual proportion of vein and mineral disposition within this fracture zone is extremely variable. In part the entire zone is occupied by gangue mineral, but these are mostly confined to narrow veins or stringers within the fractured belt and their combined width is measurable in inches rather than feet.

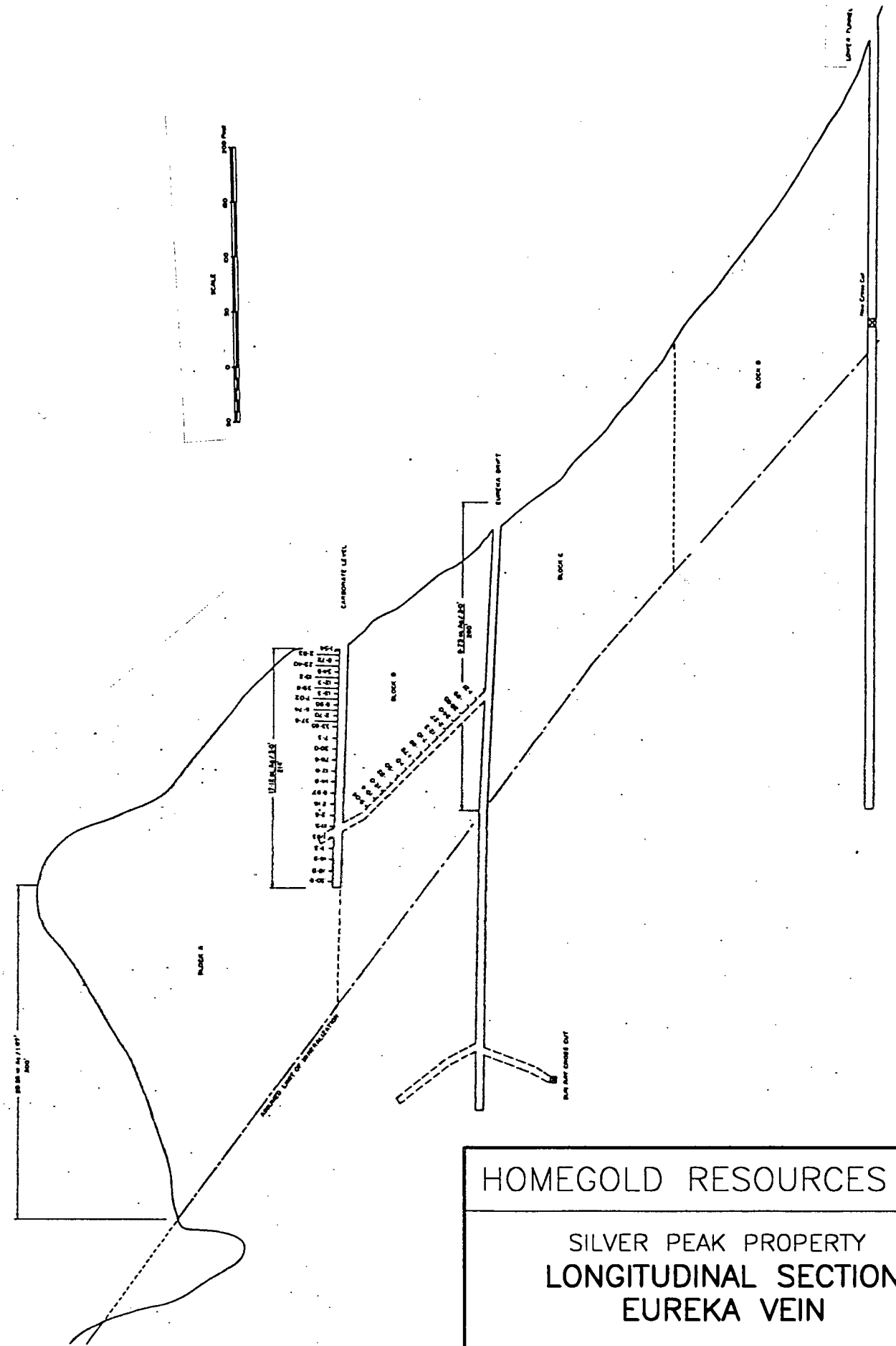
An adit was driven, in the early days, from the eastern side of Silver Peak, and at 5,190 feet above sea-level, for a distance of 240 feet along the principal ore-body. At the face a sample taken across 2 feet of ore was assayed by the Mines Branch, and ran 4.42 ounces in silver per ton and 0.17 per cent copper. Near the mouth of the adit some gangue richly impregnated with tetrahedrite is said to have assayed high in silver. Farther up the hill the values have been concentrated by oxidation and an adit disclosing copper-stained ore was driven for 20 feet along a narrow vein of this oxidized ore.

Where the Eureka ore-body crosses the Glory Hole gulch it encounters a wide rhyolite dyke. This dyke does not cross the ore-body, but forms the northwest wall for a distance corresponding to its width. The opposite wall is conglomerate, but the dyke may reappear again farther up the gulch.

The Victoria lode originally constituted the old Van Bremer mine. It has been traced for approximately 1,200 feet on the southwestern slope of Silver Peak, its course, like that of the Eureka ore-body, being obscured at lower elevations by snow. The general character of this lode is essentially similar to the other.

At an elevation of 5,510 feet, or 90 feet above the snowbank (Figure 6), a drift 8 feet long, known as the lower Victoria tunnel, has been driven on the ore-body, the mineralized part of which has a width of 14 inches. A sample across this was assayed by the Mines Branch and showed: silver, 11.65 ounces per ton; no gold; no lead; and 0.30 per cent copper.

Two hundred and twenty feet above this short drift another adit has been driven for 50 feet along a vein of richly oxidized ore. The vein, which strikes nearly east and west and dips at about 70 degrees south, has an average width of a foot. A sample taken at the portal of this tunnel across 14 inches of ore was assayed by the Mines Branch, and yielded 168.75 ounces silver per ton, a trace of gold, 1.12 per cent copper, and 11.96 per cent lead. A sample taken the previous year from



HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY
LONGITUDINAL SECTION
EUREKA VEIN

Scale: as shown	Date: March 1996	NTS: 92H/6W	Fig. 8
Work by: J. Shearer, M.Sc., P.Geo.			

the richest part of this vein gave an assay return of 658.42 ounces silver, and 26.72 per cent lead.

At 50 feet below the portal of the upper adit this enrichment is not noticeable. A sample was taken across a vein 12 inches wide in which the gangue minerals were siderite and limonite. This sample, assayed by the Mines Branch, yielded 38.65 ounces silver, trace of gold, 1.04 per cent lead and 44.37 per cent iron.

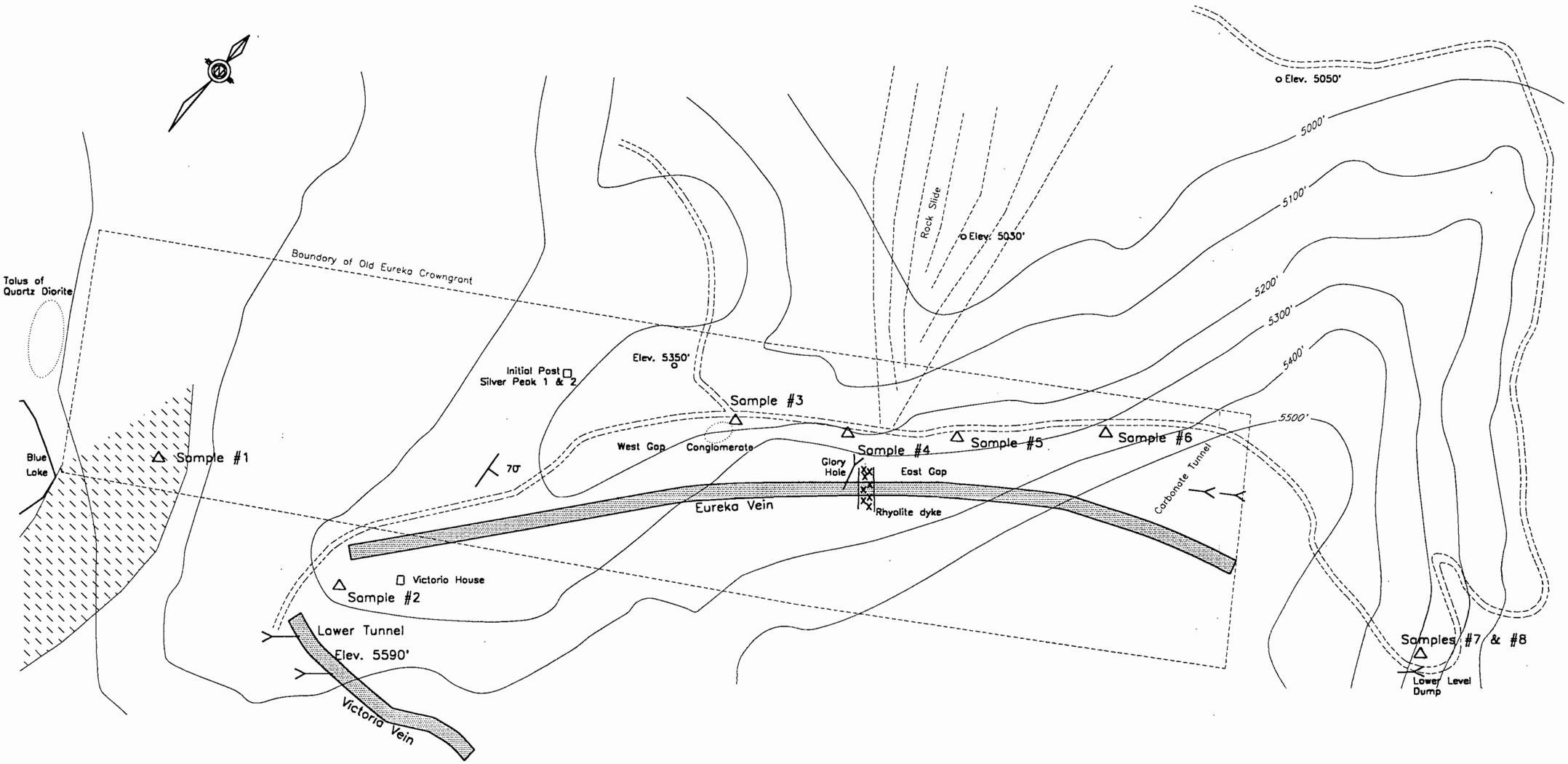
The Victoria South ore-body, and the smaller veins crossing the Glory Hole gulch below the Eureka lode, are composed of much the same materials."

Sampling results by Vanstates Resources in 1981 (Spencer 1982) are shown on Figure 7 from which the mineral inventory of 54,000 tons averaging 13.10 oz./ton was calculated.

Limited prospecting and sampling was completed in 1995. Assay results of a suite of altered, chloritic conglomerate samples are shown in Table 2 and plotted on Figure 9. The suite of typically chlorite altered but unmineralized conglomerate averaged about 68.5% of SiO_2 and 14.1% Al_2O_3, but the combined alkali content (Na_2O+K_2O) is 4.3%.

TABLE II
1995 SAMPLING - ASSAY RESULTS
SILVER PEAK CLAIMS

Sample #	Description	SiO_2%	Al_2O_3%	Fe_2O_3%	CaO%	MgO%	Na_2O%	K_2O%	SO_3%	Cl%	P_2O_5%	TiO_2%	LoI%
6	Tertiary	66.75	12.19	6.38	2.34	3.19	2.05						
	Schist	70.69	13.70	6.76	2.48	2.32	2.17	1.68	0.00	0.00	0.142	0.65	1.059
7	Tertiarty	57.99	13.32	8.05	2.82	3.70	3.04						
	Conglomerate #1	63.24	15.63	8.78	3.07	4.03	3.32	1.47	0.23	0.13	0.118	0.98	1.091
4	Eureka Dump	64.93	11.37	6.69	3.45	2.84	2.45						
	Tertiary Conglomerate	69.03	12.92	7.11	3.67	3.02	2.61	1.35	0.06	0.025	0.087	0.75	1.063
5	Tertiary	69.31	10.20	5.74	2.14	2.38	2.70						
	Conglomerate #2	73.51	11.55	6.09	2.27	2,52	2.87	0.84	0.15	0.002	0.077	0.66	1.061
3	Tertiary	62.72	11.53	7.32	3.71	2.81	2.98						
	Conglomerate #3	67.5	13.23	7.87	3.99	3.03	3.20	0.97	0.00	0.007	0.088	0.74	1.076
1	Tertiary	62.09	15.06	4.79	4.62	2.21	2.85						
	Conglomerate #4	66.00	16.67	5.10	4.91	2.35	3.03	1.65	0.06	0.035	0.049	0.62	1.063
2	Tertiary	66.63	11.98	3.82	6.58	1.71	2.63						
	Conglomerate #5	69.89	13.1	4.01	6.91	1.79	2.76	1.20	0.12	0.017	0.054	0.48	1.049
8	Tertiary	64.64	14.43	4.18	3.43	2.53	3.19						
	Conglomerate #6	68.13	15.98	4.41	3.61	2.66	3.36	1.64	0.02	0.022	0.048	0.72	1.054
	Average	86.50	14.1	6.3	3.9	2.7	2.9	1.4	0.08	0.029	0.083	0.70	1.065



0 25 50 75 100
meters

0 500'
feet

GeoComp Graphics

Legend

- Rock Sample Geochemical Analysis
- Tertiary Schist
- Road
- 5200' Topographic Contour
- Porphyry Rhyolite Dyke

HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

Eureka – Victoria Mine

SAMPLE LOCATION AND PROSPECTING SKETCH

Scale: 1:2,000	Date: March 1966	NTS: 92H/6W	Fig. 9
Work by: J. Sheorer, M.Sc., P.Geo.			

AIRBORNE MAGNETICS

An airborne magnetic survey around the Silver Peak Group issued by the Department of Energy, Mines and Resources, Ottawa in 1972, Figure 8, illustrates many of the geological features discussed under Regional Geology. Clearly evident is the circular outline of the Silver Creek Stock which is located to the north of the claims. A subsidiary local magnetic high occurs along the central part of Eureka Creek. The highly variable magnetic signature of the Mount Barr batholith shows along the south edge and to the east of Silver Peak. In contrast the Spuzzum Intrusions have a relatively featureless magnetic profile. Slightly higher magnetic response is suggested for the core zone of the dioritic pluton. An east-west elongate trough occurs along the north part of Silver Peak 4 claims. This may reflect a subsidiary fault which trends the same direction as the Hope Fault and occurs near the 1200 m elevation break-in slope.

HOMEGOLD RESOURCES LTD.

SILVER PEAK PROPERTY

AEROMAGNETIC MAP

Scale: as shown | Date: March 1996 | NTS: 92H/6W

Work by: J. Shearer, M.Sc., P.Geo. | Fig. 10

METALLURGICAL TESTING

Spencer (1982) reports that:

> A 131 pound composite sample of assay reject material was shipped to Witteck Development Inc. in Mississauga, Ontario for bench scale leach testing. The results of this test work indicate the silver values are evenly distributed in the various size fractions and fine grinding was necessary to obtain optimum recoveries. The ore is amenable to leaching and recoveries in the order of 50% to 60% may be possible from heap leaching methods. A sample of coarser run-of-mine ore will be required for permeability testing of the potential heap leaching extraction method.

Since the nearby Ladner Creek Mine-Mill complex may be in production by 1997, testing of the Silver Peak mineralization in relation to flotation recoveries is warranted.

CONCLUSIONS AND RECOMMENDATIONS

The Eureka-Victoria Mine was the first Crown-granted mineral property in British Columbia. A substantial unknown quantity of high-grade oxidized silver ore was produced between 1868 and 1874. Grades of oxide material range up to 500-600 oz./ton silver. Primary mineralization consists of silver-rich tetrahedrite (friebergite) in a siderite-quartz gangue. Underground drifting in 1924, 1962, 1971 and 1981 has suggested a mineral inventory on the Eureka vein of 54,000 tons averaging 13.10 oz./ton silver. The vein system consists of three main veins: (1) Eureka, (2) Victoria (formerly Van Bremmer) and the (3) Victoria West. The veins strike about 053° and dip steeply to the east. Several smaller veins are known at lower elevations. None of the veins has been tested at depth, although the Eureka Vein has been traced over 300 meters of dip length and is open down dip.

The mine has been developed on several levels and raises between the levels. Access is available by a combination of recent logging and mining roads (which are presently overgrown and washed out, but could be brushed out and cleared at minimum cost).

Exploration in the past has been hampered by a lack of detailed survey control. Accurate survey control will be especially important as the vein system is tested at depth. A two-phase exploration program is recommended to establish transit and EDM survey control, geologically map the area around the vein system and diamond-drill to test the veins at depth.

Respectfully submitted,

J.T. SHEARER, M.Sc., P.Geo.

COST ESTIMATE OF FUTURE WORK

Phase I

Detailed Transit and EDM survey of workings and surface points, detailed geological mapping.

Survey crew - $1,200 per day for 7 days	$ 8,400
Geological mapping (2 man crew) - 7 days at $650 per day	4,550
Helicopter support - 7 days at $550 per day	3,850
Meals and accommodation - 28 man days x $60 per man day	1,680
Survey plotting	1,500
Report, drafting and reproduction	2,000
10% contingency	2,000
Phase I Total	**$ 23,980**

Phase II

Open road, road repairs, diamond drill lower part of vein system

5,000 ft. contract diamond drilling at $35 per foot all in cost	$175,000
Opening road - 5 days at $1,500 per day	7,500
Road repairs, culverting	40,000
Camp cost	7,500
Geological supervision and control	19,000
Report preparation, drafting and reproduction	5,000
10% contingency	22,000
Phase II Total	**$276,000**
Phase I and II	**$300,000**

REFERENCES

British Columbia Minister of Mines, Annual Report:

1874 p 15; 1875 p 17; 1890 p 378; 1902 p 196;
1921 p 197; 1924 p 138; 1926 p 198; 1962 p 92;
1963 p 90; 1968 p 78

Cairnes, C.E. 1921 Coquihalla Area, British Columbia
Geological Surv. Canada, Sum. Rept.
1920, Pt A, pp 23-41

1924a Reconnaissance of Silver Creek, Skagit and Similkameen Rivers, Yale District B.C.
Geol. Surv. Canada, Sum. rept.
1923, Pt A, pp 46-80

1924b Coquihalla Area, British Columbia
Geol. Surv. Canada, Memoir 139, 187 pp

1944 Hope Area Geological Survey of Canada,
Map 737A
1" = 4 miles, one sheet

Goldsmith, L. and Logan 1984 Report for Ransom Resources
Assessment Report # 12415

Krueckl, G.P. 1983 Field Program Report on the Eureka-Victoria Property, Hope, B.C.
Private Report for Vanstates Resources Ltd., dated December 12, 1983, 6 pp

Lloyd, J. 1983 VLF-EM Report on the Silver Peak Area.
Assessment Report 11057 for Lynn Beard, Feb. 1983

McTaggart, K.C. and Thompson, R.M.
1967 Geology of part of the Northern Cascades in Southern British Columbia
Canadian Jour. Earth Sci., Vol. 4, pp 1199-1228

Monger, J.W.H. 1970 Hope Map-Area, West Half, British Columbia
Geol. Surv. Canada, Paper 69-47 75 pp

Richards, T.A. and McTaggart, K.C.
1976 Granitic Rocks of the Southern Coast Plutonic Complex and Northern Cascades of British Columbia
Geol. Soc. Amer. Bulletin, V87, pp 935-953

Shearer, J.T. 1983 Diamond Drilling and Prospecting Report on the Hunter Group, 92H/5E + 6W
Assessment Report # , October 8, 1983, 12 pp

Spencer, B.E. 1981 Summary Report on the Eureka-Victoria Property
Private Report in the Vanstates Prospectus, dated February 5, 1981

Spencer, B.E. 1982 Report on the Eureka-Victoria Property, Hope, B.C.
Private Report for Vanstates Resources Ltd., dated September 27, 1982, 10 pp

Yorston, R. 1990 Assessment Report 20491 for Guinet Management, Sept. 1990

STATEMENT OF QUALIFICATIONS

I, Johan T. Shearer, of 1817 Greenmount Avenue, in the City of Port Coquitlam, in the Province of British Columbia, do hereby certify:

1. I graduated in Honours Geology from the University of British Columbia (B.Sc., 1973) and the University of London, Imperial College (M.Sc., 1977).

2. I have practised my profession as an Exploration Geologist continuously since graduation and have been employed by such mining companies as McIntyre Mines Ltd., J.C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd. I am presently employed by Homegold Resources Ltd.

3. I am a fellow of the Geological Association of Canada (Fellow No. F439). I am also a member of the Canadian Institute of Mining and Metallurgy and the Geological Society of London. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo.). Member #19,279.

4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. at Unit #5 — 2330 Tyner Street, Port Coquitlam, British Columbia.

5. I am the author of the present report entitled "Prospecting and Geochemical Assessment Report on the Eureka-Victoria Mine, Silver Peak 1-4 Claims, Silver Peak Area", dated March 15, 1996.

6. I have visited the property in June and August 1995. I am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the Silver Peak by examining in detail the available reports, plans and sections, and have discussed previous work with persons knowledgeable of the area. I have worked in the general Hope area extensively since 1981. I have worked on the adjacent Hope-Hunter Group (WP Gold Mine) in 1984 and examined the Silver Creek stock and Mount Barr Intrusions.

7. I own 100% of the Silver Peak 1-4 and 100% of Homegold Resources Ltd.

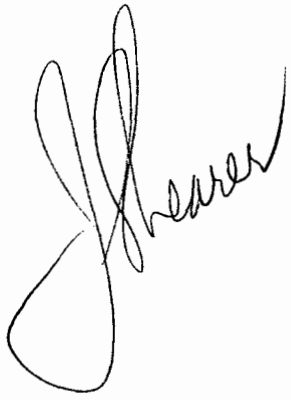
Dated at Port Coquitlam, British Columbia, this 15th day of March, 1996.

J.T. Shearer, M.Sc., P.Geo.

APPENDIX I

STATEMENT OF COSTS 1995-1996

Wages and Benefits	
J.T. Shearer, M.Sc., P.Geo 3 days @ $350/day August 23, 24, 25, 1995	$ 1,150.00
Transportation	
4 x 4 truck, 3 days rental @ $53.50	160.50
Gas and mileage @ 240 km	58.00
Helicopter (Valley Helicopters, Hope)	639.01
Analytical	
XRF Trace and Major Oxides Tilbury Cement Lab 8 samples @ $25.00/sample	200.00
Hotel and Meals	155.00
Report Preparation	450.00
Drafting	150.00
Word Processing and Reproduction	250.00
TOTAL	$ 3,212.01



APPENDIX III

ASSAY CERTIFICATES AND ANALYTICAL METHODS

Tertiary Schist

TILBURY CEMENT LIMITED 5-SEP-95 13:53

Sample: 6 49: MAT 5-SEP-95 13:53

Concentrations

File: DISK$USER1:[X40.246]MAT.DPS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
66.75%	12.19%	6.30%	2.34%	3.19%	2.05%

LIQ	LSF	BI	BF	TALK	LOI FCT.
57.94	1.14	-13.85	19.83	3.10	1.059

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
70.69%	13.70%	6.76%	2.46%	2.32%	2.17%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.68%	-0.00%	0.000	0.142%	0.65%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-628.82	677.04	24.86	20.57	3.45	2.03

LIQ	LSF	BI	BF	TALK
61.37	1.14	-13.84	18.89	3.28

Eureka Dump

TILBURY CEMENT LIMITED 6-SEP-95 13:48

Sample: 4 AP: MAT 6-SEP-95 13:48

Concentrations

File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
64.93%	11.37%	6.69%	3.45%	2.84%	2.45%

LIQ	LSF	BI	BF	TALK	LOI FCT.
57.14	1.73	-13.84	17.77	3.29	1.063

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
69.03%	12.92%	7.11%	3.67%	3.02%	2.61%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.35%	0.06%	0.025	0.087%	0.75%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-606.66	655.56	22.22	21.64	3.45	1.62

LIQ	LSF	BI	BF	TALK
60.74	1.73	-13.83	16.61	3.50

Tertiary Conglomerate #1

TILBURY CEMENT LIMITED 5-SEP-95 13:55

Sample: 7 #1 AP: MAT 5-SEP-95 13:55
Concentrations
File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
57.99%	13.32%	8.05%	2.82%	3.70%	3.04%

LIQ	LSF	SI	SF	TALK	LOI FCT.
68.11	1.53	-11.00	4.55	3.95	1.091

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
63.24%	15.63%	8.78%	3.07%	4.03%	3.32%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.47%	0.23%	0.013	0.118%	0.96%	99.600%

C3S	C2S	C3A	C4AF	S/R	A/F
-585.70	623.17	26.56	26.73	2.59	1.76

LIQ	LSF	SI	SF	TALK
74.28	1.53	-10.99	2.48	4.29

Tertiary Conglomerate

TILBURY CEMENT LIMITED 5-SEP-95 15:51

Sample: 5 #2 AP: RAT 5-SEP-95 15:51

Concentrations

File: DISK$USER1:[X40.X46]MAT.CF5

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
69.31%	10.20%	5.74%	2.14%	2.38%	2.70%

LIQ	LSF	SI	SF	TALK	LOI FCT.
50.72	1.02	-16.38	25.90	3.23	1.061

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
73.51%	11.55%	6.09%	2.27%	2.52%	2.87%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
0.84%	0.15%	0.002	0.077%	0.66%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-635.66	690.29	20.30	18.52	4.17	1.90

LIQ	LSF	SI	SF	TALK
53.79	1.02	-16.38	24.88	3.42

Tertiary Conglomerate No 3

TILBURY CEMENT LIMITED 5-SEP-95 13:46

Sample: 3 #3 AP: MAT 5-SEP-95 13:46

Concentrations

File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
62.72%	11.53%	7.32%	9.71%	2.81%	2.98%

LIQ	LSF	SI	SF	TALK	LOI FCT.
59.18	1.91	-13.07	14.73	3.57	1.076

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
67.50%	13.23%	7.87%	3.99%	3.03%	3.20%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
0.97%	0.00%	0.007	0.086%	0.74%	99.900%

C3S	C2S	C3A	C4AF	S/R	A/F
-596.89	643.80	21.74	23.96	3.20	1.68

LIQ	LSF	SI	SF	TALK
63.68	1.91	-13.06	13.28	3.84

Tertiary Conglomerate #4

TILBURY CEMENT LIMITED

Sample: 1 #4 AP: MAT 5-SEP-95 13:41 5-SEP-95 13:41
Concentrations
File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
62.09%	15.06%	4.79%	4.62%	2.21%	2.85%

LIQ	LSF	BI	BF	TALK	LOI FCT.
63.47	2.37	-11.77	14.46	3.87	1.063

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
66.00%	16.67%	5.10%	4.91%	2.35%	3.03%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.65%	0.06%	0.035	0.049%	0.62%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-600.92	642.56	35.55	15.51	3.03	3.27

LIQ	LSF	BI	BF	TALK
67.47	2.37	-11.77	13.31	4.11

Testava Conglomerate #5

TILBURY CEMENT LIMITED 5-SEP-95 13:43

Sample: 2 #5 AP: MAT 5-SEP-95 13:43

Concentrations

File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
66.63%	11.98%	3.82%	6.58%	1.71%	2.63%

LIQ	LSF	BI	BF	TALK	LOI FCT.
50.80	3.24	-14.87	26.82	3.38	1.049

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
69.89%	13.10%	4.01%	6.91%	1.79%	2.76%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.20%	0.12%	0.017	0.054%	0.48%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-596.83	650.63	27.94	12.20	4.08	3.27

LIQ	LSF	BI	BF	TALK
53.30	3.24	-14.87	28.07	3.55

Tertiary Conglomerate #6

TILBURY CEMENT LIMITED 5-SEP-95 10:57

Sample: 6 #6 AP. MAT 5-SEP-95 10:57

Concentrations

File: DISK$USER1:[X40.X46]MAT.CFS

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
64.64%	14.43%	4.18%	3.43%	2.53%	3.19%

LIQ	LSF	SI	SF	TALK	LOI PCT.
61.23	1.71	-12.77	14.90	4.22	1.054

SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O
68.13%	15.98%	4.41%	3.61%	2.66%	3.36%

K2O	SO3	Cl-	P2O5	TiO2	TOTAL
1.64%	-0.02%	0.022	0.048%	0.72%	99.800%

C3S	C2S	C3A	C4AF	S/R	A/F
-616.73	660.59	34.89	13.41	3.34	3.53

LIQ	LSF	SI	SF	TALK
64.54	1.71	-12.77	13.80	4.44