ASSESSMENT WORK

over

WOLF II AND III CLAIMS

MINING DIVISION

NANAIMO

BRITISH COLUMBIA

MAY 1996

PROPERTY: The Wolf II and III group is located east side of Quinsam coal mine 23 km southwest of Campbell River on Vancouver Island, B.C.
N.T.S. 92F 14W
Longitude 125°26', latitude 49°56'

WRITTEN BY: J.P. Loiselle
Box 1003, Station A
Vancouver, B.C.
V6C 2P1

DATED: May 13, 1996

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LIST OF ILLUSTRATIONS

INTRODUCTION

The Wolf II and III claims consist of 16 units to cover an aeromagnetic anomaly located north and northeast of Iron River skarn deposit.

The Wolf II and III claims are underlain by volcanic (Karmutsen formation), limestone [Quatsino formation] and granodiorite. The claims were partly covered with an electromagnetic instrument (BM-IV) which efficiently detects conductive zone and magnetic outcrop near the surface.

I recommend detailed geophysical and geochemical surveys on Wolf II and III claims.

LOCATION AND ACCESS

The Wolf II and III claims group is located 23 km west southwest of Campbell River, east side of the Quinsam coal mine. Travelling time is approximately 35 minutes from Campbell River by car.

To reach the property, use Highway No. 28 (which goes to Gold River) for approximately 12 miles. Turn left on Argonaut Road, then left again at Quinsam coal mine. Go to Middle Quinsam Lake, pass Quinsam River, then turn left and drive east for 1.5 km (approximately) to reach the claim line.

GEOLOGY

Most of the exposed rocks are of the Vancouver group.

Wolf II and III are mainly underlain by the Karmutsen formation (volcanic and andesitic flows, tuffs, etc.).

The Quatsino formation (limestone) is exposed south of the Wolf II claims near the claim line. There is also intrusion by diorite in the area.

Mineralization occurs north-east side of Wolf II, south and southeast.

There is also magnetic anomalies in the Karmutsen formation near the Iron River on Wolf III claims.

DESCRIPTION OF ROCK SAMPLES

Sample W-02 and -03 (sub-in place samples)

are located northeast side of Wolf II claims on steep slope with intermittent well outcrop exposure. The mineralized zone is at least 100 meters. Iron mineralization with pyrite and pyrrhotite in dark volcanic (Karmutsen Formation).

Texture fine to medium grained.

Some areas well fractured with epidote alterations.

Sample W-05 and -06 (on solid bedrock samples)

are located south side of Wolf II claim, approximately 100m northeast of I.P. post 2 east.

Well altered and fractured green volcanics on contact with black volcanics.

Visible malactite and pyritic mineralization with outcrop intermittent well with mangenese in fractures texture fine grained.

Low iron content. Epidote alteration.

FIELD PROCEDURE

Electromagnetic Prospection

1. (a) 2 prospectors made a strategic exploration with an electromagnetic survey instrument in early May 1996 to find new anomalies. This instrument is designed to measure the intensity or quantity of magnetite in outcrop or boulders and also can detect conductive zones near the surface.

   (b) The BM-IV model can detect magnetite and conductors at the same time. The high-pitched and low-pitched claims will be heard with respective negative (dh mag) and positive (oL) values.

2. Three main areas were located with below 100 grams low and high magnetite values ranging from 1,000 gammas to 6,000 gammas.

   (a) On the northeast side of Wolf II claims we found up to 6% magnetite near pyritic mineralization (sulphides).

   (b) On the southeast side of Wolf II claim in the Karmutsen formation (volcanics) we found high magnetite (from 1 to 6%).

   (c) On the south side of Wolf II claims, approximately 100 m northeast of claim past 2 east, we found some malachite in a green volcanic with pyrite mineralization. However this green volcanic is very low magnetite content - only ± 35 gammas.

   (d) on the center part of Wolf III claims beside thed Iron River the volcanics are magnetic but not visible mineralization.

GEOCHEMICAL RESULT

Four rock samples were collected and analyzed.

I.C.P. 30 elements + Au FA + AA

Two samples located northeast side of Wolf II claims.

Two samples located south side of Wolf II claims.

ACME ANALYTICAL LABORATORIES LTD. 852 E. HASTINGS ST. VANCOUVER BC V6A 1R6 PHONE(604)253-3158 FAX(604)253-1716

GEOCHEMICAL ANALYSIS CERTIFICATE

J.P. Loiselle File # 96-1656

Box 1003 Stn A, Vancouver BC V6C 2P1

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 ppm	Au* ppb
W-02	<1	399	<3	13	.5	40	222	81	10.13	9	<5	<2	<2	28	2.8	13	6	94	1.27	.042	<1	33	.47	22	.35	3	1.52	.05	.04	<2	24
W-03	1	277	<3	11	1.1	63	224	16	11.00	8	<5	<2	<2	26	2.3	11	6	127	.99	.066	<1	24	.33	18	.64	<3	.75	.10	.04	<2	20
W-05	<1	2594	<3	96	.8	55	59	1142	3.15	102	8	<2	<2	88	.6	2	23	45	1.67	.032	<1	7	.16	43	.17	<3	.60	.03	.04	2	14
W-06	<1	1594	<3	51	.8	30	22	760	2.95	115	5	<2	<2	88	.2	2	22	72	1.43	.071	<1	8	.16	35	.25	<3	.82	.04	.04	<2	7
RE W-06	<1	1705	<3	56	.9	30	24	811	3.14	126	<5	<2	<2	92	<.2	<2	28	76	1.51	.077	<1	8	.17	37	.25	<3	.86	.04	.04	<2	8

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* - IGNITED, AQUA-REGIA/MIBK EXTRACT, GF/AA FINISHED.
Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: MAY 7 1996 **DATE REPORT MAILED:** May 13/96. **SIGNED BY**.....D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS

CONCLUSION

Prospecting with this electromagnetic instrument has revealed very high gammametric anomalies.

The rock samples #W-02 and W-03, located northeast of Wolf II claims, revealed anomalous copper cobalt and gold values.

The rock samples located south of Wolf II (W-05-06) claims is in a low magnetite green volcanic with visible malachite which suggests that the magnetite was destroyed and replaced by iron sulphides with interesting values of copper.

I strongly recommend a detailed and systematic exploration program over Wolf II and III claims.

Exploration Services

J. P. Loiselle

APPENDIX I

STATEMENT OF COST

Field technicians	$ 600.00
Room and board	400.00
Transportation	300.00
Equipment rental	250.00
Sample analysis	80.00
Report and compilation	150.00
Total	$ 1,780.00

Box 1003 Station A, Vancouver, B.C. V6C 2P1

Exploration Services

J. P. Loiselle

APPENDIX II

STATEMENT OF QUALIFICATIONS

I, J.P. Loiselle, Vancouver, British Columbia, hereby certify that:

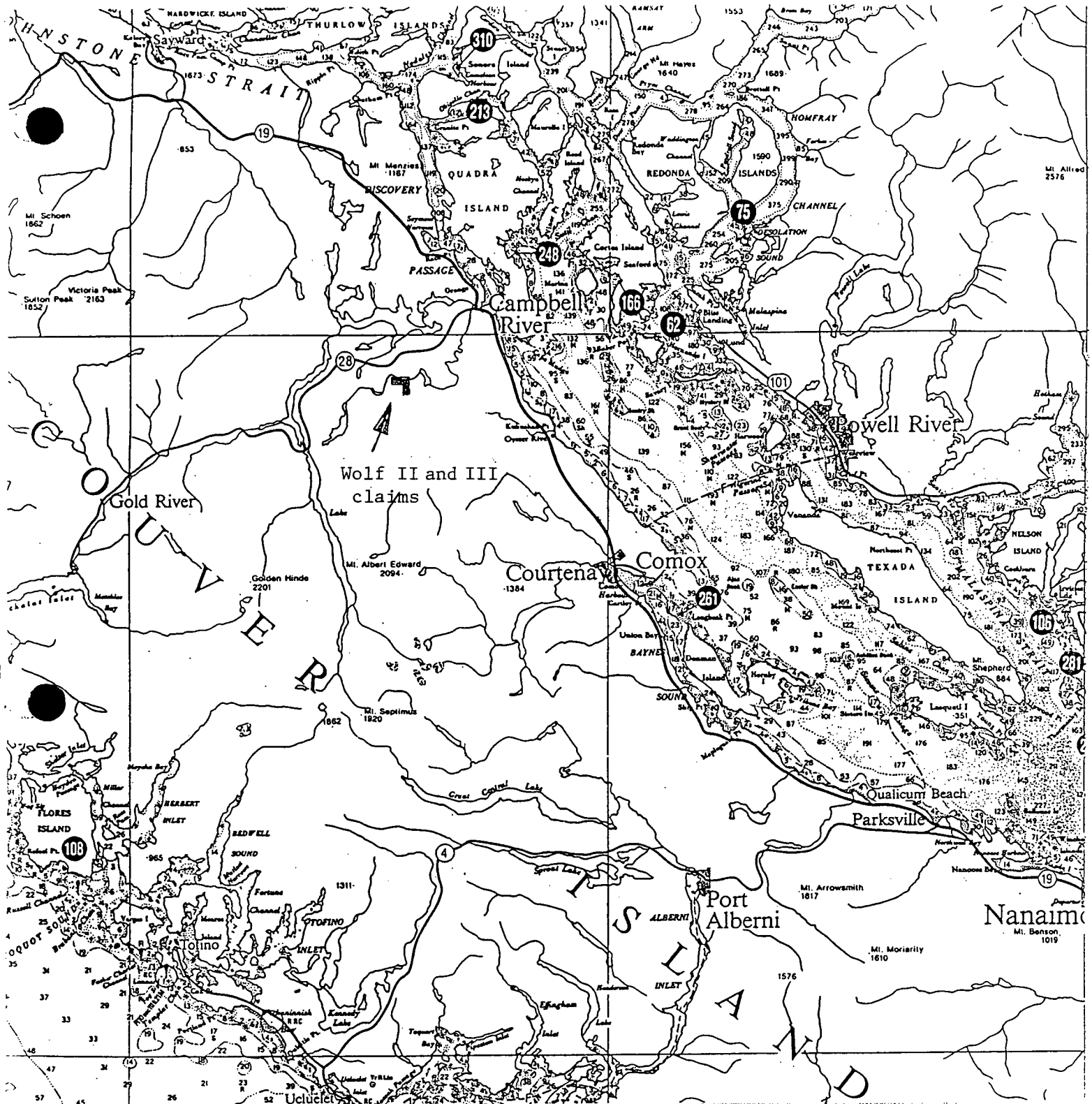
I graduated from the following mineral exploration courses:

1970	Ecole Polytechnique de Montreal
1973-74	C.I.P.R.A. CEA Razes France
1985	B.C. and Yukon Chamber of Mines, Vancouver, B.C.
1986	B.C. Government, Mesachie Lake, Vancouver Island, B.C.

I have worked in mineral exploration since 1970, for several mining companies in Canada and the United States.

J.P. Loiselle
Dated at Vancouver, B.C.
This: May 14, 1996

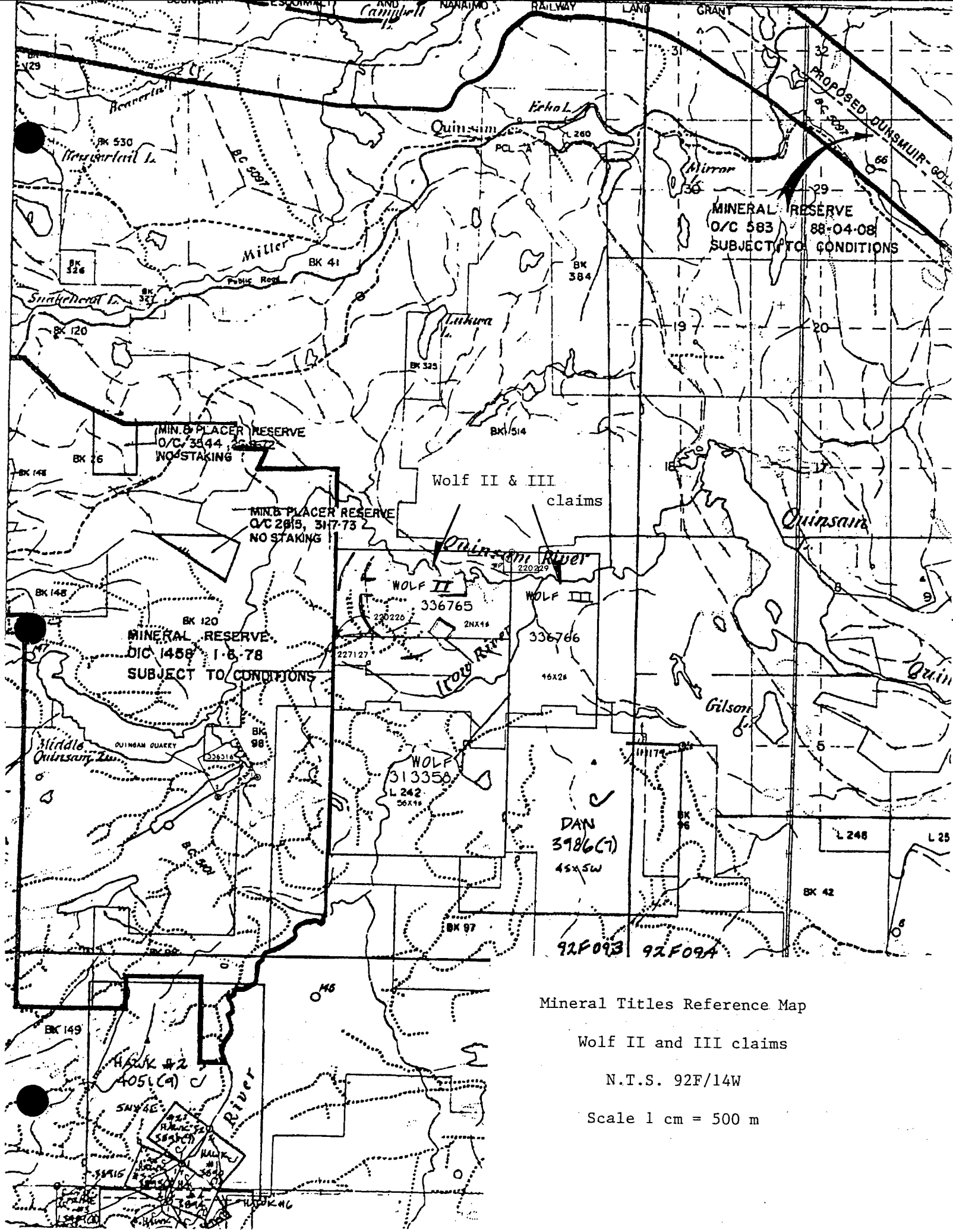
Box 1003 Station A, Vancouver, B.C. V6C 2P1



Location and Access Map

Wolf II and III

1:800,000



Mineral Titles Reference Map

Wolf II and III claims

N.T.S. 92F/14W

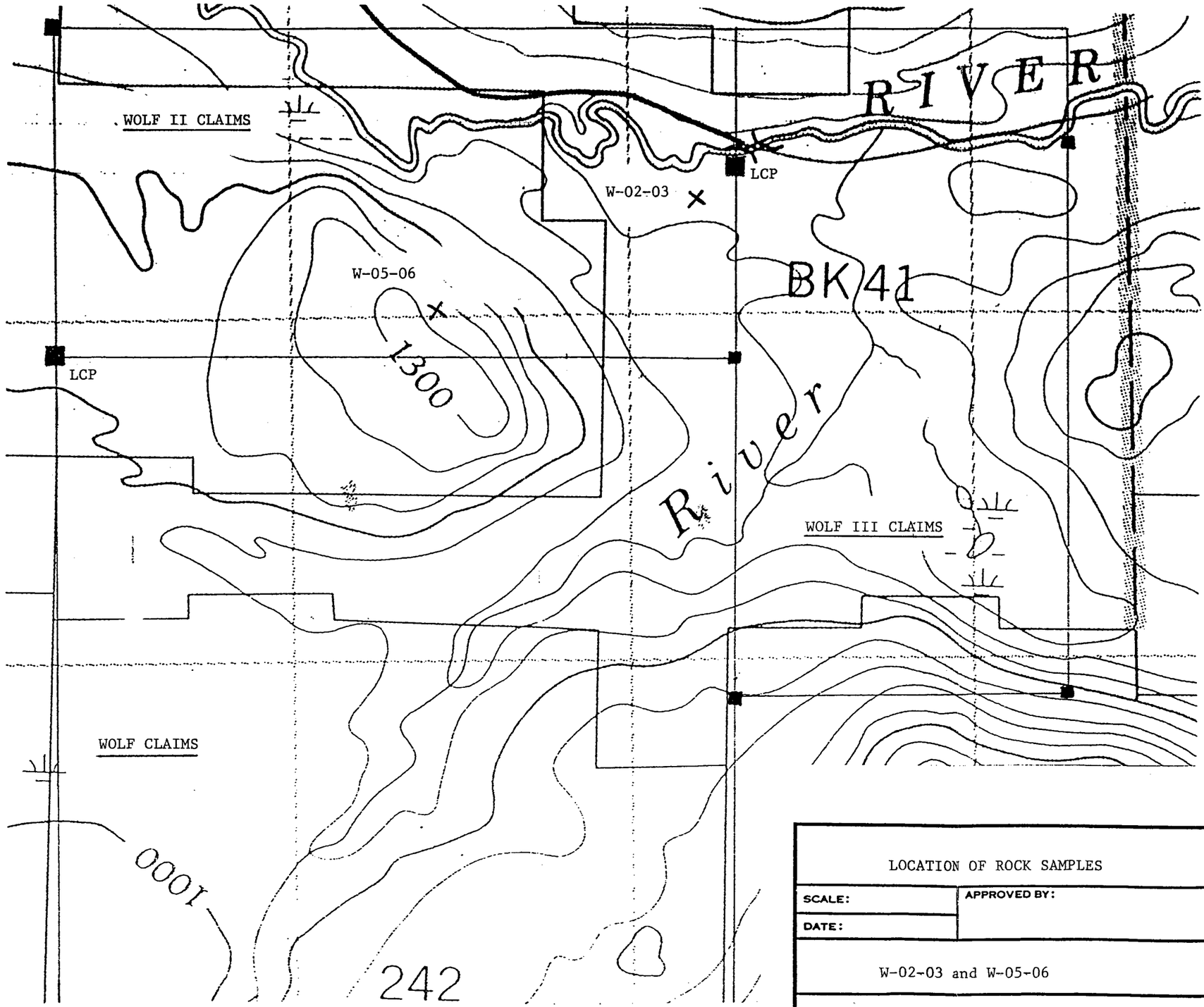
Scale 1 cm = 500 m

4

500 meters

- W-02-03
  pyritic mineralization
  high magnetite
  -1000 to -6000 gammas

- W-05-06
  copper mineralization malachite
  low magnetite
  -50 gammas



LOCATION OF ROCK SAMPLES

SCALE:	APPROVED BY:	DRAWN BY
DATE:		REVISED

W-02-03 and W-05-06

J.P. Loiselle

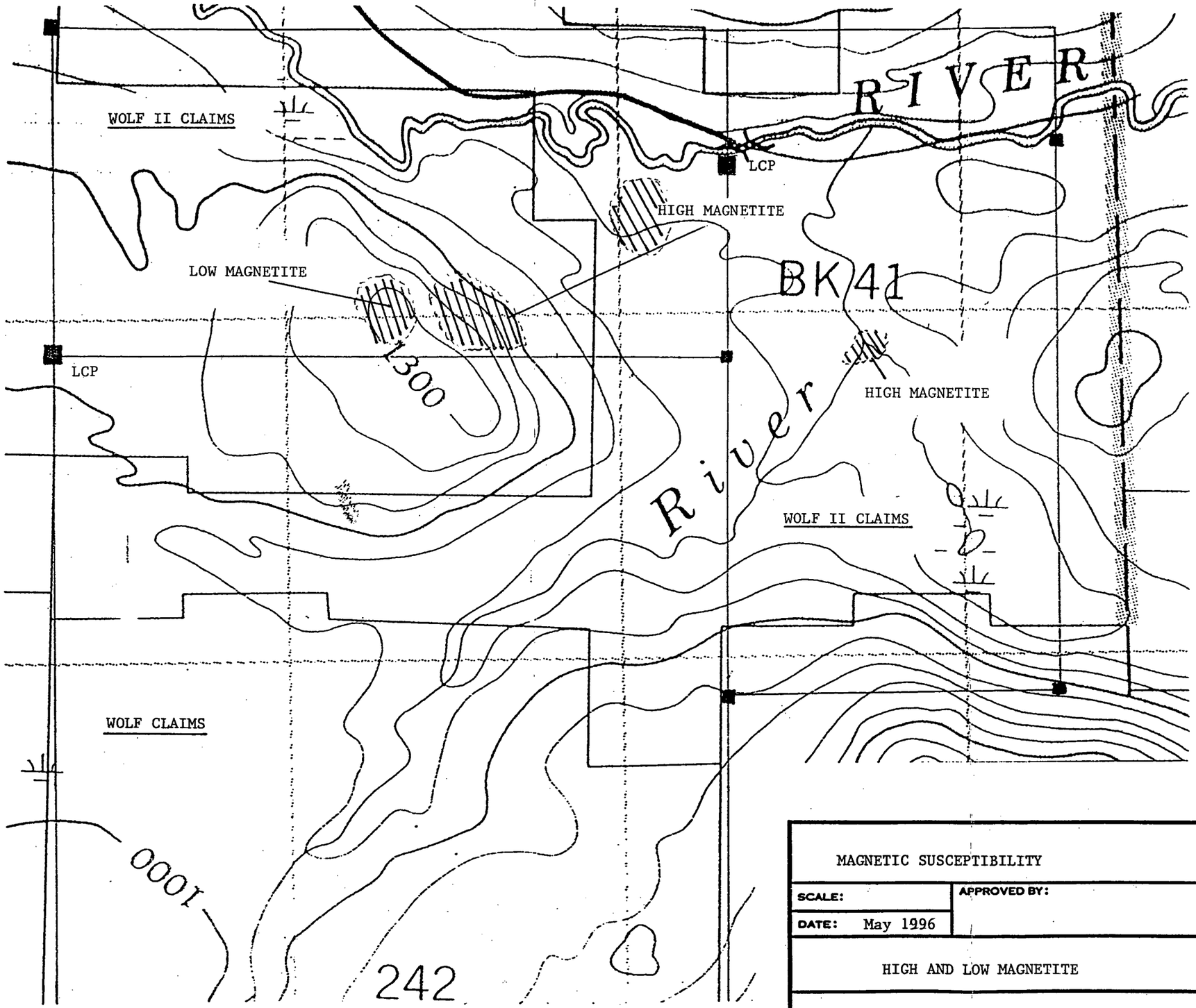
DRAWING NUMBER

4

500 meters

Low magnetite
-200 and less

High magnetite
-1000 gammas
to
-6000 gammas



MAGNETIC SUSCEPTIBILITY

SCALE:	APPROVED BY:	DRAWN BY
DATE: May 1996		REVISED

HIGH AND LOW MAGNETITE

J.P. Loiselle

DRAWING NUMBER