REPORT

on the

VIRGINIA PROPERTY
(Part of Bayonne Group)

NELSON MINING DIVISION, BRITISH COLUMBIA

NTS 82F/2W

LAT 49 10 LONG 116 58 W

for

Goldrich Resources Inc.
1124 Lee Street,
White Rock, B. C.

by

S. A. Endersby, P. Eng., (B.C.)

May 15, 1996 White Rock, B. C.

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ILLUSTRATIONS

INTRODUCTION

The Virginia property is presently part of the Bayonne group. It is on the northwesterly slope of the mountain peak which is about 1 km northwest of the Bayonne mine. The workings consist of a caved adit and a number of sloughed in trenches and pits which extend along the vein for about 300 metres. The vein is not presently exposed but vein material is plentiful to indicate its existence. A cat road which switchbacked up the hill partway to the old workings lies partly along the westerly strike of the vein, and rusty weathered granodiorite typical of that adjacent to the vein is found in the soil at several spots for at least another 400 metres west of the workings. A compass and chain traverse was carried up the old cat road to the workings from the old Bayonne Mine road, and this will provide a control for further survey work along the westerly projection of the vein.

There is little information available on this property. H.M.A.Rice in GSC Memoir 228 states that he visited the property and that the deposit consists of a fracture 1 to 3 feet wide containing 6 inches to 2 feet of leached quartz in the granodiorite of the Mine Stock. Gold was reported by the leasers to run as high as 7.0 ounces per ton. The Report of the Minister of Mines for 1938 stated that development work included 200 feet of drifting, and 20 tons of ore was mined and shipped to Trail, yielding 10 ounces of gold and 16 ounces of silver.

The purpose of the present work and this report is to initially determine whether the vein gives a VLF-EM or an SP response which would allow one to follow it along strike under the overburden covered areas both to the east and west, and if so, then uncover any favouable sections prior to deciding on whether to do more detailed work.

LOCATION, ACCESS, PHYSIOGRAPHY

The property is situated in the Nelson Mining Division in southeastern British Columbia, approximately 50 kilometres southeast of Nelson and 450 kilometres due east of Vancouver. It lies about 15 kilometres north of the U.S. boundary.

The Virginia property can be accessed from the Salmo Creston Highway in two ways to a point near Arkansas Lake, which is about 1 km northwest of the old workings. The shortest route from the highway is for about 9 km via Bayonne Creek, or alternatively for about 17 km via Blazed Creek. The workings are at an elevation of about 2100 metres.

The topography of the area is moderately rugged, with elevations ranging up to 2225 metres. Much of the area has been logged or burned by forest fires, otherwise the untouched areas are heavily timbered.

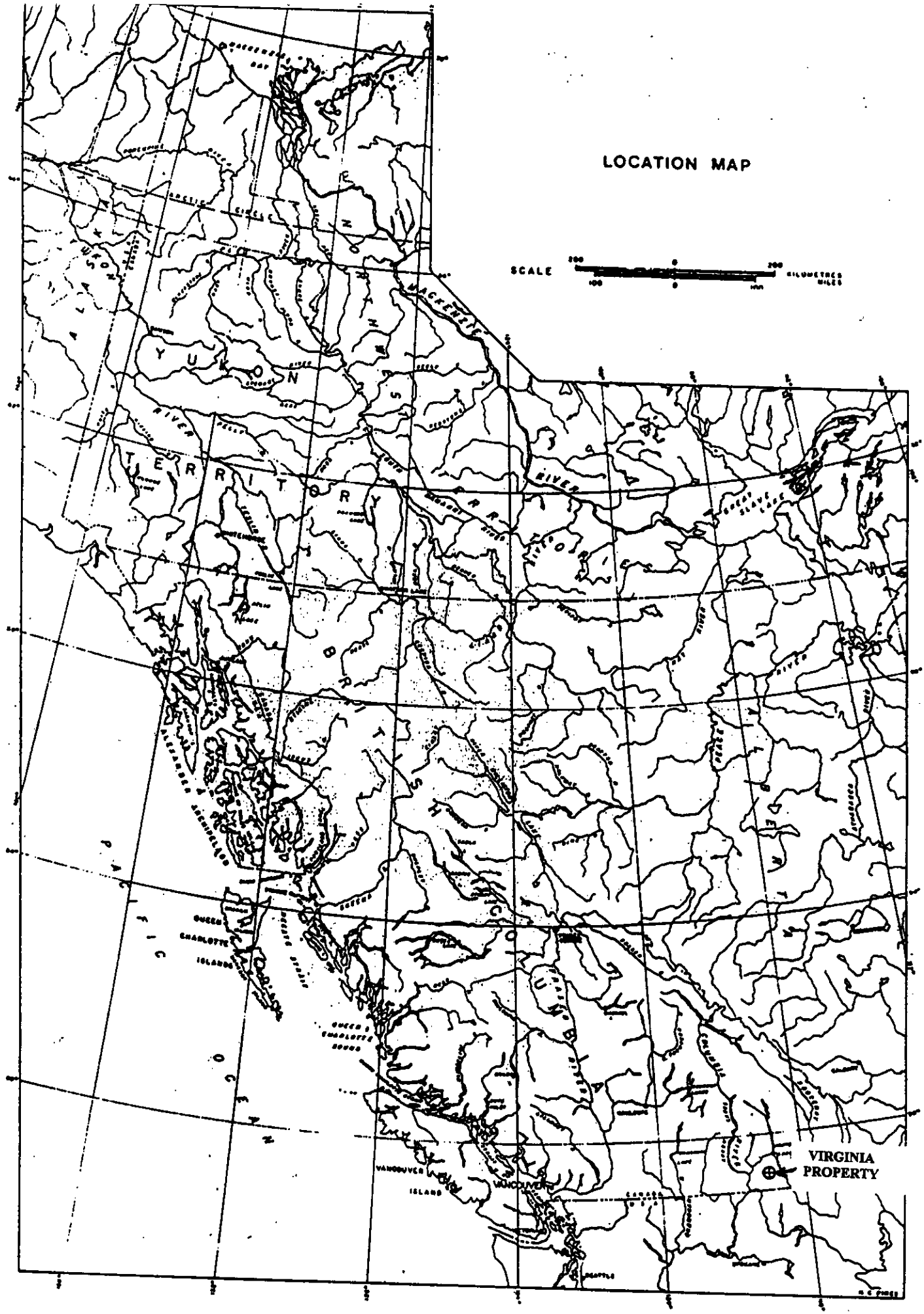
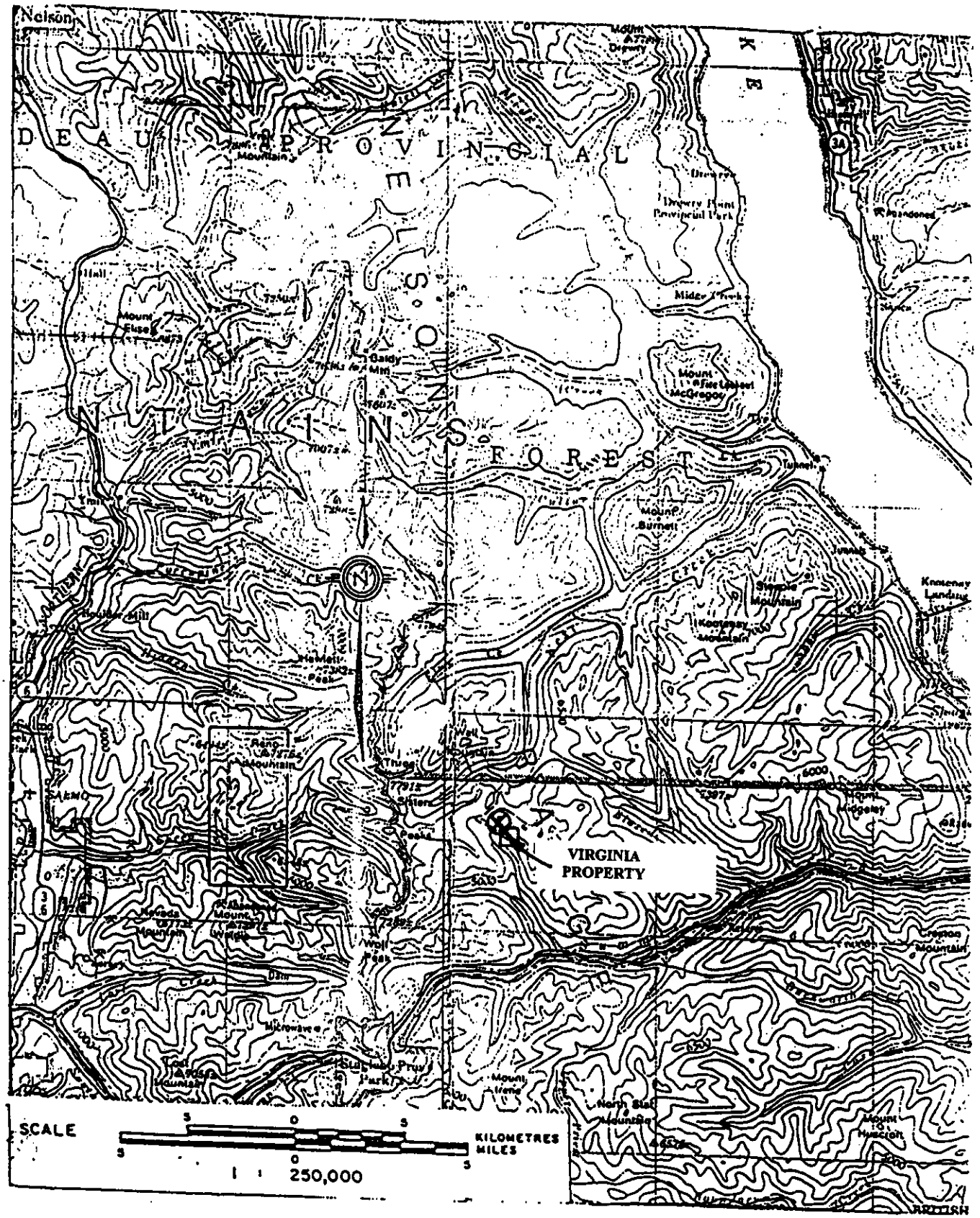

LOCATION MAP
SCALE
YUKON TERRITORY
MACKENZIE RIVER
BRITISH COLUMBIA
ALBERTA
PACIFIC OCEAN
QUEEN CHARLOTTE ISLANDS
VANCOUVER ISLAND
VANCOUVER
VIRGINIA PROPERTY

FIGURE – 1



ACCESS MAP

VIRGINIA PROPERTY

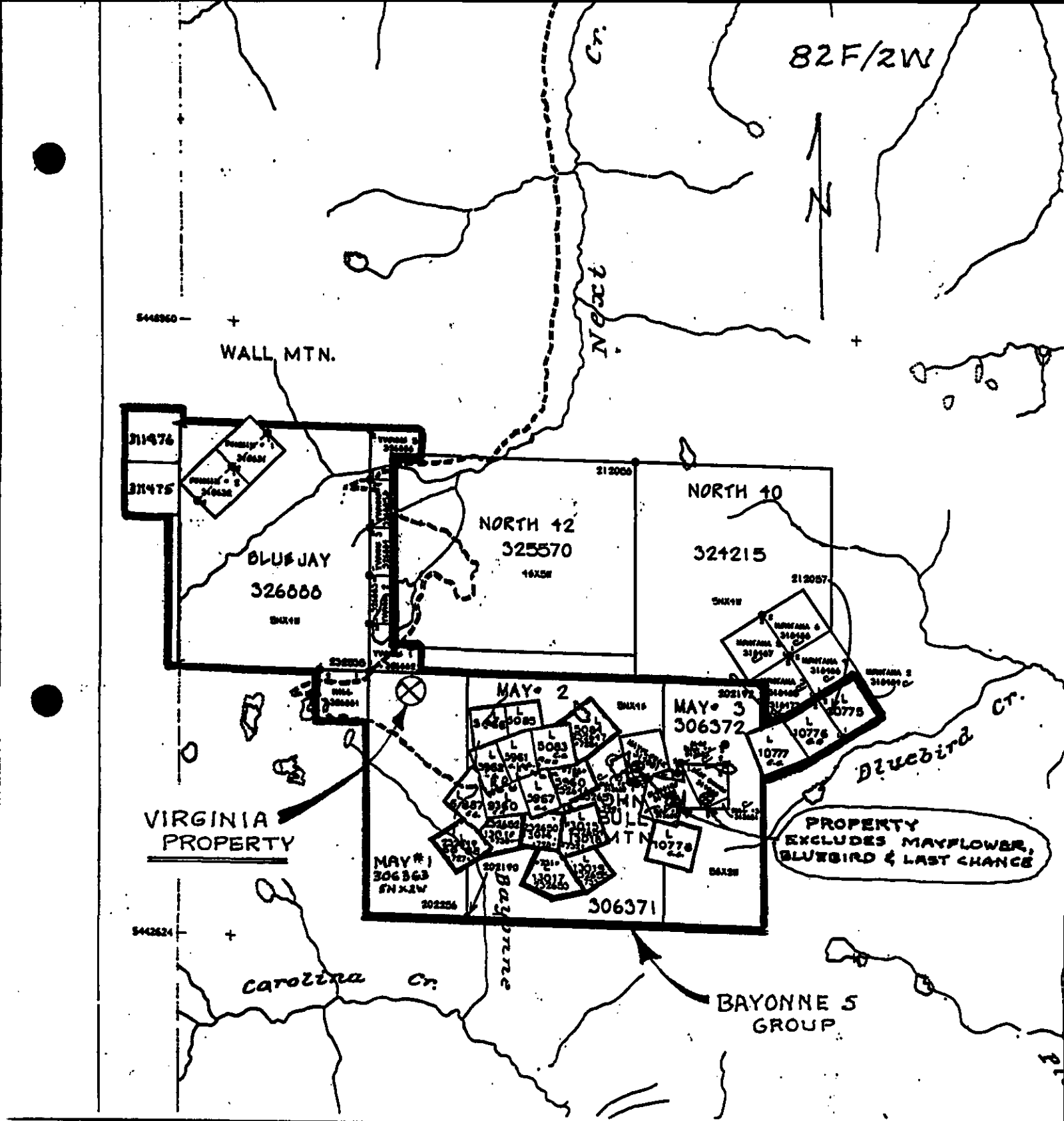
(PART OF BAYONNE GROUP)

Figure 2

CLAIM DATA

The Virginia property is part of the Bayonne group, which consists of the following claims. (See Figure 3).

Claim Name	Title No.	No. Units	Anniversary Date
Oxford	232647	1	August 15
Delaware	232648	1	August 15
Illinois	232649	1	August 15
Echo	232650	1	August 15
Echo Fract.	232651	1	August 15
Ontario	232652	1	August 15
Portland	232653	1	August 15
St. Elmo Fract.	232654	1	August 15
Idaho	232655	1	August 15
May #1	306363	10	November 18
May #2	306371	20	November 18
May #3	306372	10	November 19
Denmin 1	310631	1	June 25
Denmin 2	310632	1	June 25
Silver Wall #3	311475	1	July 25
Silver Wall #4	311476	1	July 25
Hill	326881	1	June 12
Yvonne 1	326882	1	June 12
Yvonne 2	326883	1	June 12
Yvonne 3	326884	1	June 12
Yvonne 4	326885	1	June 12
Yvonne 5	326886	1	June 12
Bluejay	326888	20	June 12
Bruce #1	336574	1	June 12
Bruce #2	336575	1	June 12
Bayonne	L.5083(c.g.)	1	
Columbus	L.5961(c.g.)	1	
Ohio	L.5962(c.g.)	1	
New Jersey	L.5967(c.g.)	1	
Virginia	L.6887(c.g.)	1	
Skookum	L.9360(c.g.)	1	
Michigan	L.10775(c.g.)	1	
Maggie Aikens	L.10776(c.g.)	1	
Summit Bell	L.10777(c.g.)	1	
Montana	L.10778(c.g.)	1	
	Total units	91	

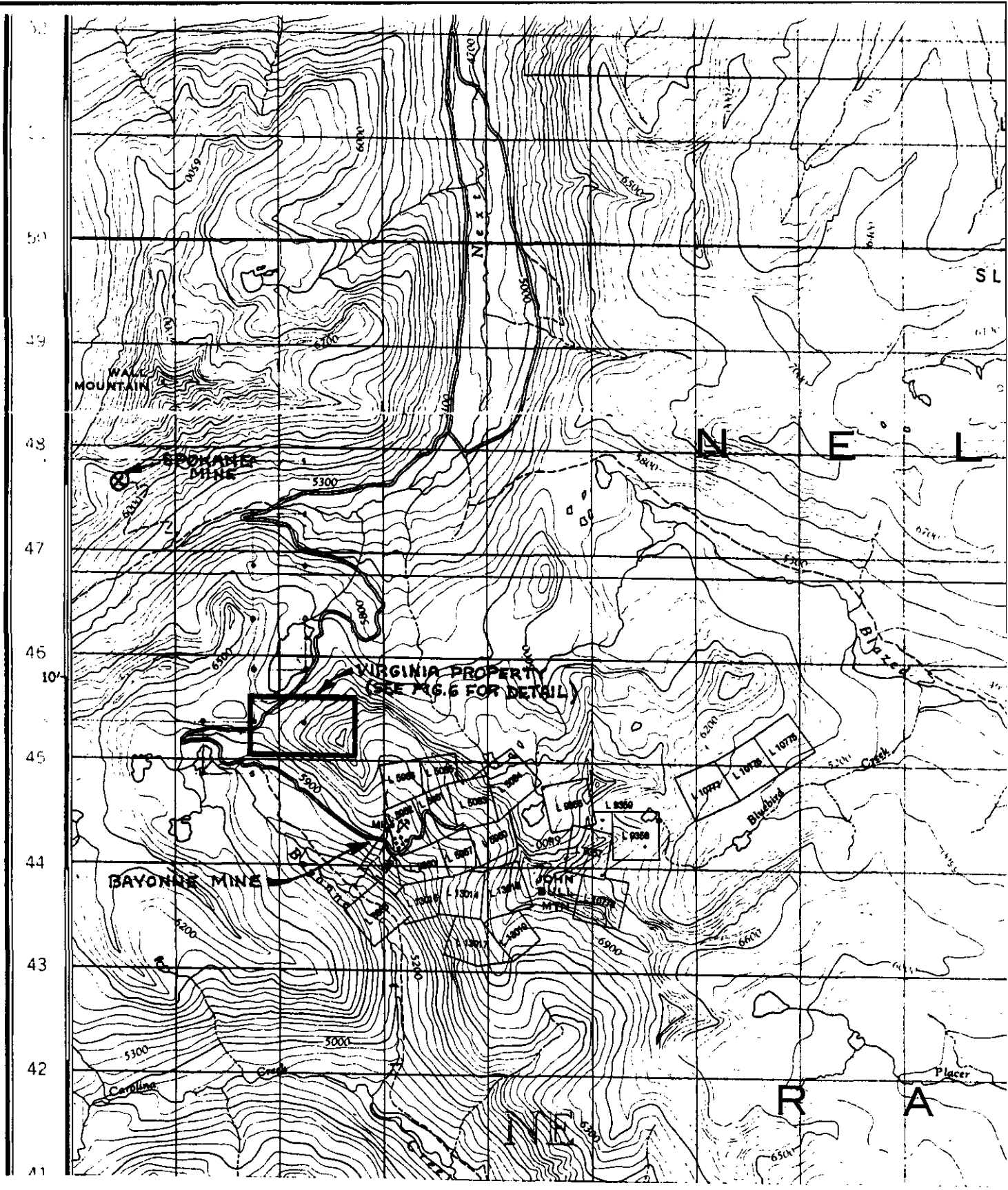


VIRGINIA PROPERTY
(PART OF BAYONNE GROUP)

CLAIM MAP

0 1000 2000 3000 4000
SCALE METERS

Figure 3



VIRGINIA PROPERTY
(PART OF BAYONNE GROUP)

TOPOGRAPHIC AND KEY MAP

0 1000 2000 3000 4000
SCALE METERS

Figure 4

LEGEND

NOTE: Since this map was originally printed, formations that were included in the upper part of the Windermere have proved to be Palaeozoic

MESOZOIC AND (?) CENOZOIC

POST-TRIASSIC

- *Syenitic intrusives; agglomerate*
- 17 — *Chiefly granite, granodiorite and quartz diorite*

MESOZOIC

TRIASSIC

SLOCAN SERIES

- 16 — *Slate, argillite, quartzite, limestone; schists*

KASLO SERIES

- *Lavas, tuffs, breccias; allied intrusives; schists*

PALAEOZOIC AND MESOZOIC

UPPER CARBONIFEROUS AND TRIASSIC (MILFORD GROUP)

- *Slate, argillite, chert, limestone; schists; some greenstone*

PALAEOZOIC

CAMBRIAN

LOWER CAMBRIAN

- 13 — *EAGER FORMATION: olive-green, purple and grey shale*
- 12 — *CRANBROOK FORMATION: silicious, white, rose, purple and grey quartzite and conglomerate*

WINDERMERE

LARDEAU SERIES

- 11 — *Micaceous and chloritic schists; quartzite and limestone; paragneiss*
- 10 — *BADSHOT FORMATION: magnesian limestone*

HAMILL SERIES

- 9 — *Grey, green and white, silicious quartzite*

HORSETHIEF CREEK SERIES

- 8 — *Green, argillaceous quartzite; blue-grey limestone, arkose, pebble conglomerate*

PROTEROZOIC (LATE PRECAMBRIAN)

- *IRENE VOLCANIC FORMATION: sheared, andesitic volcanic rocks*
- 6 — *TOBY FORMATION: conglomerate*

PURCELL

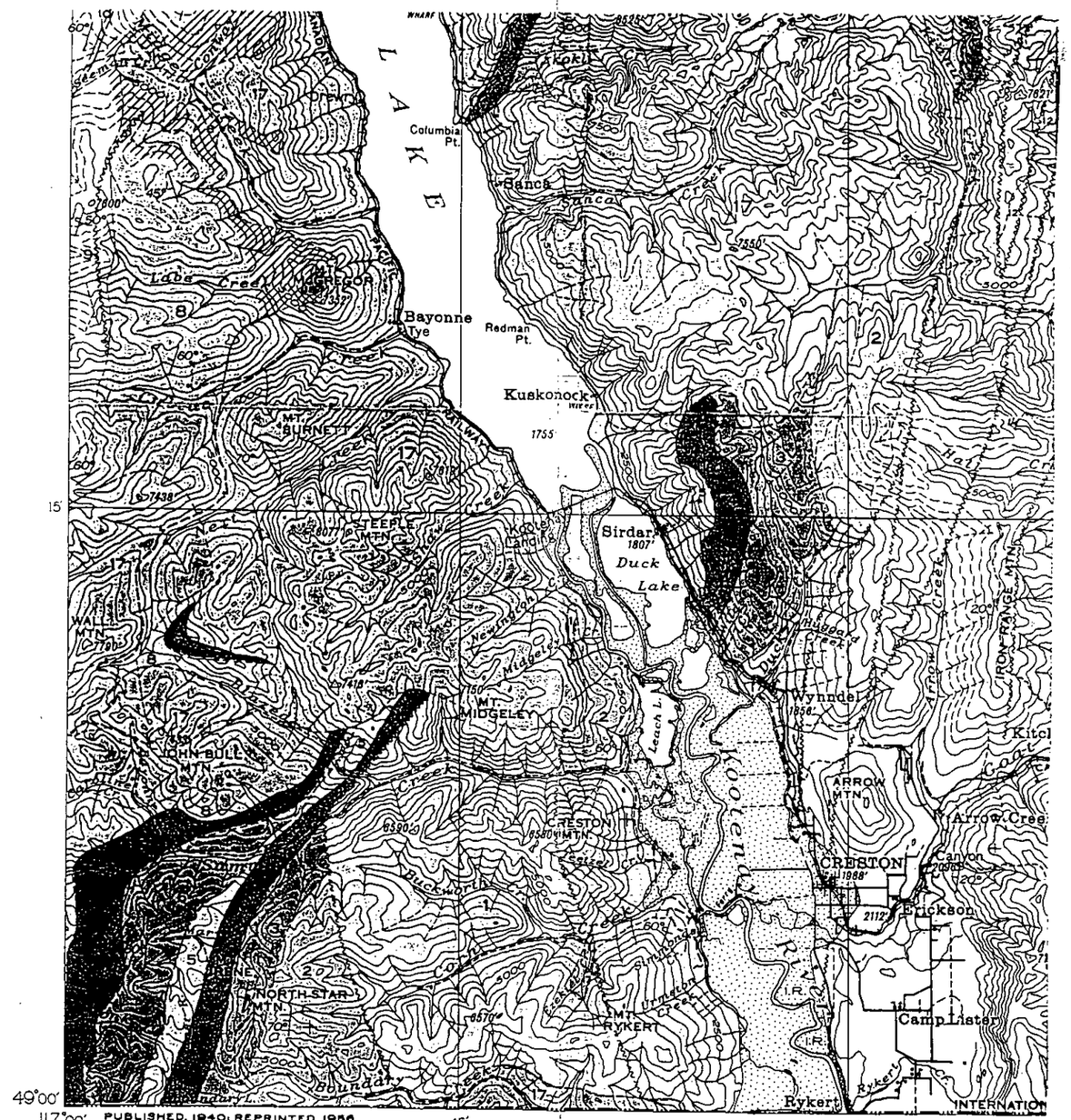
UPPER PURCELL

- 5 — *MOUNT NELSON FORMATION: laminated argillite, magnesian limestone, quartzite*
- *DUTCH CREEK FORMATION: laminated argillite, magnesian limestone, quartzite*

LOWER PURCELL

- *KITCHENER-SIYEH FORMATION: chiefly variegated magnesian limestone and argillite; calcareous quartzite*
- 2 — *CRESTON FORMATION: green, purple and grey, argillaceous quartzite; some argillite*
- 1 — *ALDRIDGE FORMATION: grey, rusty-weathering, argillaceous quartzite and argillite*

Source: Rice, H.M.A., Nelson Map-Area, East Half, British Columbia. GSC Memoir 228.



PUBLISHED, 1940; REPRINTED, 1956

MAP 603A

NELSON

(EAST HALF)

KOOTENAY DISTRICT

BRITISH COLUMBIA

Scale. ~~253,440~~ or 1 Inch to 4 Miles

Miles 0 4 8 12

Approximate magnetic declination, 24° East.

Figure 5

HISTORY

The earliest recorded history of the Bayonne area goes back to about 1901 when the Bayonne and Echo veins attracted some attention. Early development was limited as access to the property was difficult. The Bayonne mine was taken over in 1936 by the Bayonne Consolidated Mines, who installed a cyanide mill and the necessary mining machinery. A road was constructed to the Bayonne mine from Tye Siding on Kootenay Lake in 1935.

There is very little information available about the nearby Virginia property which is the subject of this report. It should be noted that this property is not the same as the Virginia claim (Lot 6887) at the Bayonne mine itself. The road to the Bayonne Mine passed near the Virginia property in the vicinity of Arkansas Lake and would have also given much improved access to it. The first reference to the Virginia property is in the 1938 Report to the Minister of Mines, wherein it was stated that it was owned by J. Mulholland and operated under lease by D. Masciangelo and three partners. Development work included 200 feet of drifting. A total of 20 tons of ore was mined and shipped to the Trail smelter, yielding 10 ounces of gold and 16 ounces of silver. The property is also briefly mentioned by H. M. A. Rice in GSC Memoir 228 where he visited the property around the same time. The work referred to in the 1938 report appears to have been the last done on the property.

GEOLOGY AND MINERALIZATION

The Bayonne Property, of which the Virginia property is part, is underlain by fine to medium grained granodiorite of Mezozoic age intruding a green argillaceous quartzite, limestone and coarse sediments of the Horsethief Creek series of late Preambrian age. The property is located near the southwest end of an elongate, northeast-trending, 60 km long body of granodiorite known as the Bayonne batholith. It varies in composition from a granite to a calcic granodiorite and contains phases described as course grained, fine grained, porphyritic, non-porphyritic, pink and light to dark grey and is often gneissic in nature. The variety centered on John Bull Mountain and underlying the Bayonne property is referred to as the Mine Stock and H. M. Rice believes this to be a separate and older body rather than a part of the Bayonnne batholith. Mineralization consists of quartz filled fissure veins striking N80E and dipping vertically. The veins vary in width from a few centimeters to 3 meters and average about 0.5 meters in width. Gold and silver are intimately associated with pyrite, galena, sphalerite and chalcopyrite.

The vein on the Virginia property is presently not exposed as the portal is caved and the pits and trenches are sloughed in. However there is abundant vein material on the tunnel dump and around the trenches and pits. The vein strikes about 293 degrees and has been exposed over a strike length of 300 metres by the

workings. Rusty weathered granodiorite typical of that adjacent to the vein is evident in the soil for several hundred more metres along strike to the west across the old cat road which comes partway up the hill.

H.M.A.Rice in GSC Memoir 228 mentions that the Virginia deposit consists of a fracture 1 to 3 feet wide containing 6 inches to 2 feet of leached quartz in the granodiorite of the Mine stock.

METHOD AND INSTRUMENTATION

Reconnaisance and 1.7 km of compass and chain surveys were done to find and show on a plan where the old work was done. A geochemical analysis was done on nine rock samples, and then four of these that showed high gold values were fire assayed

A very short line about 80 metres in length was run across the vein about 50 metres east of the caved adit, and SP and VLF-EM readings taken at 5 metre intervals to see whether the vein gave any response.

The self potential readings were taken using non-polarizing copper sulfate electrodes and a digital readout millivoltmeter with 10 megohms of internal resistance.

The VLF-EM readings were taken using the Annapolis, Maryland (21.4 kilohertz) and Seattle, Washington (24.8 kilohertz) as the transmitting stations. The instrument used was a Geonics EM-16 manufactured by Geonics Limited. It measures the in-phase and quad-phase of a vertical magnetic field as a percentage of the horizontal primary field. It has a resolution of 1%.

The VLF-EM method utilizes an electromagnetic field transmitted from radio stations in the 12 to 24 kilohertz range which are used for long range submarine communications. The magnetic field transmitted from the station will be horizontal. Conductive bodies, such as buried massive sulfides or fault structures, will create a secondary magnetic field. By measuring various parameters of the vertical component of the secondary field, conductive zones can be located and to a degree evaluated.

At this point the instruments were only used to see whether they responded to the known vein and could be used to trace the vein along strike under the overburden as well as possibly locate other similar structures.

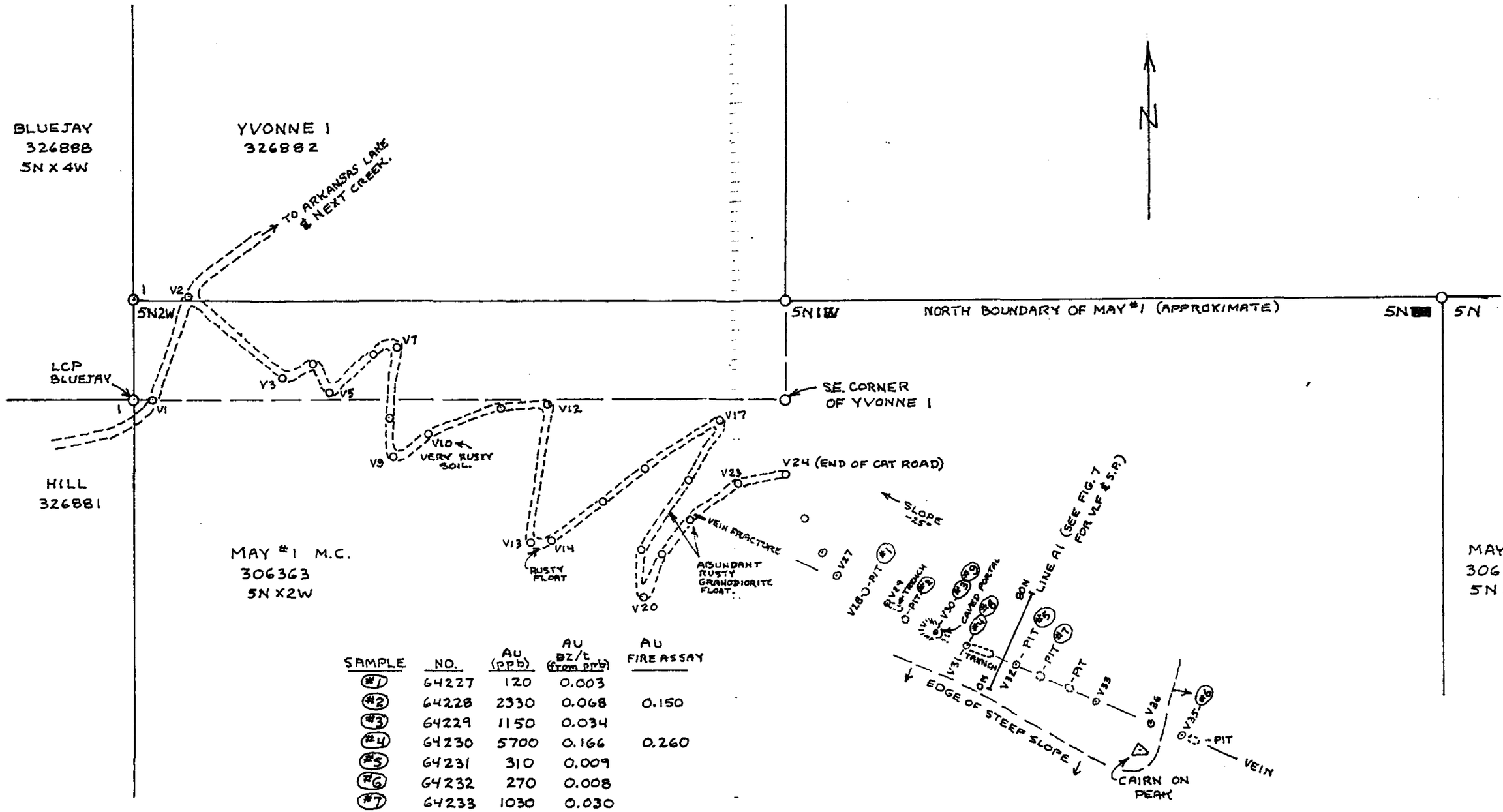
RESULTS AND CONCLUSIONS

The Virginia vein was exposed for a strike length of about 300 metres by the old workings, but these are now sloughed in and the vein is not visible. H.M.A.Rice in GSC Memoir 228 indicated a fracture 1 to 3 feet wide containing 6 inches to 2 feet of leached quartz in the granodiorite. The vein carries appreciable gold and untested sections of the vein along strike or down dip could carry economic values. Rusty weathered granodiorite float typical of that adjacent to the vein was observed at several points along the cat road down the hill and along strike westerly for several hundred metres. The vein is open along strike in both directions.

Three of the grab samples of vein material assayed 0.15, 0.26, and 0.62 ounces of gold per ton (See Figure 6).

The results of the SP and VLF-EM readings were uncertain (See Figure 7), but the line at the place taken was too short due to a steep drop off at the south end and a rock slide at the north end. Other reading should be taken further along strike and down the hill where a better line can be obtained, and if responsive to the vein then more extensive testing using this method can be done.

The property has some merit and some further work is warranted to check the vein out more thoroughly.



SAMPLE	NO.	AU (ppb)	AU oz/t (from ppb)	AU FIRE ASSAY
#1	64227	120	0.003	
#2	64228	2330	0.068	0.150
#3	64229	1150	0.034	
#4	64230	5700	0.166	0.260
#5	64231	310	0.009	
#6	64232	270	0.008	
#7	64233	1030	0.030	
#8	64234	14000	0.408	0.620
#9	64235	430	0.013	

NOTE: ALL SAMPLES ARE GRAB SAMPLES FROM EXCAVATED MATERIAL FROM SLOUGHED IN PITS OR TRENCHES OR CAVED PORTAL DUMP. THE VEIN ITSELF IS NOT EXPOSED AT ANY POINT ALTHOUGH QUARTZ VEIN MATERIAL IS QUITE ABUNDANT.

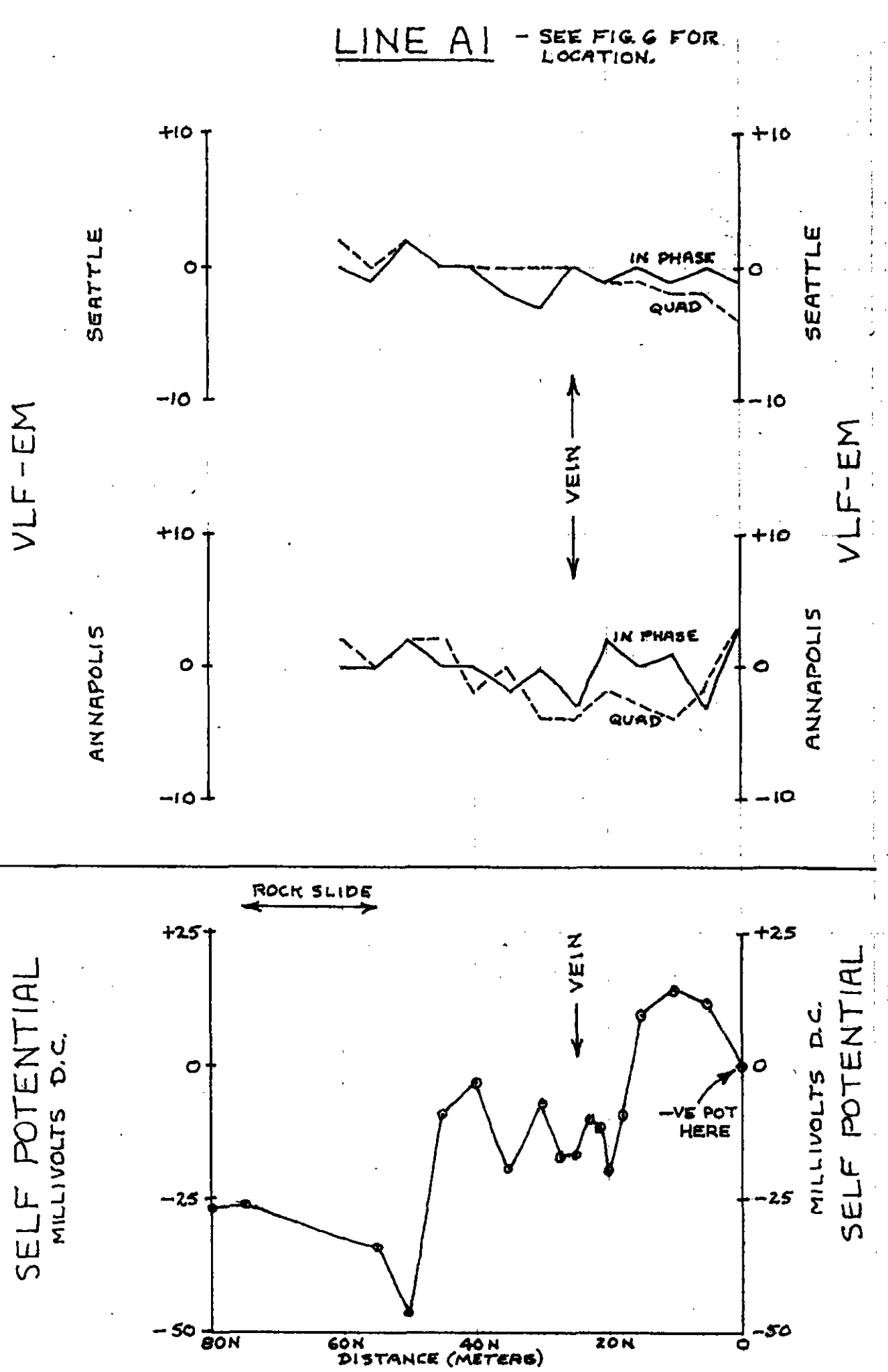
VIRGINIA PROPERTY

(PART OF BAYONNE GROUP)

0 100 200

SCALE (METERS)
1:3000

FIGURE 6



VLF-EM AND SELF POTENTIAL PROFILE
VIRGINIA PROPERTY

FIGURE 7

REFERENCES

Hitchins, A. (1987). Assessment Report on the Bayonne Claim Group. British Columbia Ministry of Mines, Energy and Petroleum Resources. Assessment Report for Goldrich Resources Inc.

Rice, H.M.A. (1941). Nelson Map Area East Half. Geological Survey Canada. Memoir 228.

Phendler, R. G. (1982) Report on the Bayonne Property. Private report for Goldrich Resources Inc.

Wells, R.A. and OGrady, F. (1984). Exploration and Development Proposal Bayonne Mine Property. Private report for Goldrich Ressources Inc.

Reports of the Minister of Mines. 1938.

AFFIDAVIT OF EXPENSES

This will certify that fieldwork was carried out on September 19th and 20th, 1995 on the Virginia property (part of the Bayonne Group) in the Salmo area of the Nelson Mining Division to the value of the following:

Labour - 2 man days @ $300/day	$600.00
3 man days @ $200/day	600.00
4WD vehicle rental - 2 days @ $55/day	110.00
Mileage - 240 km @ $0.25/km	60.00
VLF-EM16 rental	50.00
SP rental	25.00
Assaying	160.00
Meals & Lodging	165.00
Materials, flagging, etc.	25.00
Telephone	20.00
Report preparation	850.00
Total	$2,665.00

May 15, 1996

Stan A. Endersby, P. Eng.

CERTIFICATE

I, Stan A. Endersby, certify that:

1.) I am a graduate of the University of British Columbia in Chemical Engineering (BA.Sc. 1954). Also I have an M.Sc. in 1965.

2.) I am a member in good standing of the Association of Professional Engineers of B. C.

3.) This report is based on fieldwork carried out on the Virginia property (part of the Bayonne group) on September 19th and 20th, 1995. The work was supervised by myself and I was assisted by K.Bonde (Columbia Geophysics) and C.Adshead.

4.) I have an interest in the claims.

May 15, 1996.
White Rock, B. C.

Stan A. Endersby, P.Eng. (B.C.)

ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

2225 Springer Ave., Burnaby,
British Columbia, Can. V5B 3N1
Ph:(604)299-6910 Fax:299-6252

To : Nugget Mines Ltd.
1124 Lee Street
White Rock B.C. V4B 4P4

Project:

Type of Analysis: Assay

Certificate: 96023 A
Invoice: 50563
Date Entered: 96-03-13
File Name: NUG96023.A
Page No.: 1

PREFIX	SAMPLE NAME	PPB Au	oz/t Au*)
A1	64219	1000.0	
A1	64220	16000.	0.862
A1	64221	7900.0	0.855
A1	64222	380.00	
A1	64223	11000.	0.455
A1	64224	>20000	8.200
A1	64225	1900.0	
A1	64226	14000.	0.575
A1	64227	120.00	
A1	64228	2330.0	0.150
A1	64229	1150.0	
A1	64230	5700.0	0.260
A1	64231	310.00	
A1	64232	270.00	
A1	64233	1030.0	
A1	64234	14000.	0.620
A1	64235	430.00	
A1	64236	960.00	
A1	64237	640.00	
A1	64238	760.00	
A1	64239	1440.0	
A1	64240	20.000	
A1	64241	60.000	
A1	64242	70.000	
A1	64243	280.00	

VIRGINIA PROPERTY.
- SEE FIGURE 6 FOR LOCATION OF SAMPLES.

*) Fire Assay gold results.

CERTIFIED BY: Rossbach