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GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORTS
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**DIAMOND DRILLING
SMOKE-TRAK MINERAL CLAIM GROUP
SLOCAN MINING DIVISION
PAYNE MOUNTAIN AREA, SANDON, B.C.
NTS 82 K 3 E
LATITUDE 50°01'30"N, LONGITUDE 117°15'W**

**Prepared for
TOUCHSTONE RESOURCES LTD.**

ARCTEX ENGINEERING SERVICES

**Locke B. Goldsmith, P.Eng., P.Geo.
Consulting Geologist**

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

FILMED

October 3, 1996

24,588

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**DIAMOND DRILLING
SMOKE-TRAK MINERAL CLAIM GROUP
SLOCAN MINING DIVISION
PAYNE MOUNTAIN AREA, SANDON, B.C.**

SUMMARY

Three diamond drill holes were sited to cross fracture zones which had been outlined by previous surface exploration. Intense fracturing was intersected in several locations but no mineralization was observed. The recommended Phase 1 work on the Smoke-Trak area has been completed by this drilling. No additional exploration is planned for this part of the claim group.

PROPERTY, LOCATION, ACCESS

The claim group covers the western ends of London Ridge, Seaton Creek and Kane Creek valleys, the northern tip of Payne Ridge, and extends across Carpenter Creek in the southwest corner of the Creek Side claim. Highway 31A, which joins New Denver and Kaslo, crosses the Alamo and Lynn claims in Seaton Creek valley. The gravel road which trends southeasterly from Highway 31A at Three Forks to Sandon provides access through the southern portion of the property. A logging road extends from Highway 31A into the northern part of the Alamo claims. Dirt roads in the Smoke claims lead to the Payne Mine from Sandon. Elevations range from 760 m (2500') near Three Forks to 1940 m (6350') on Payne Ridge in the southeast corner of the Smoke 1 claim.

HISTORY

No history of production is known. Only short adits and small trenches have been observed. Recorded work prior to 1986 has been mainly soil geochemistry and geological mapping by various operators from 1980 to 1985; VLF-EM was conducted by Sookochoff in 1980 and 1981. From 1986 through 1988 soil geochemistry, geological mapping, and trenching have been completed on various parts of the claim group by the authors of this report. Titles of reports which document all of the above work, with company names where available, are included on the References pages.

Maps of the Creek Side detail area and Smoke-Trak area were amended in 1991 by the addition of soil geochemistry and geological mapping. During September 1992, 236 metres of continuous trenching by hand to bedrock, including accompanying geological mapping and soil and rock geochemistry.

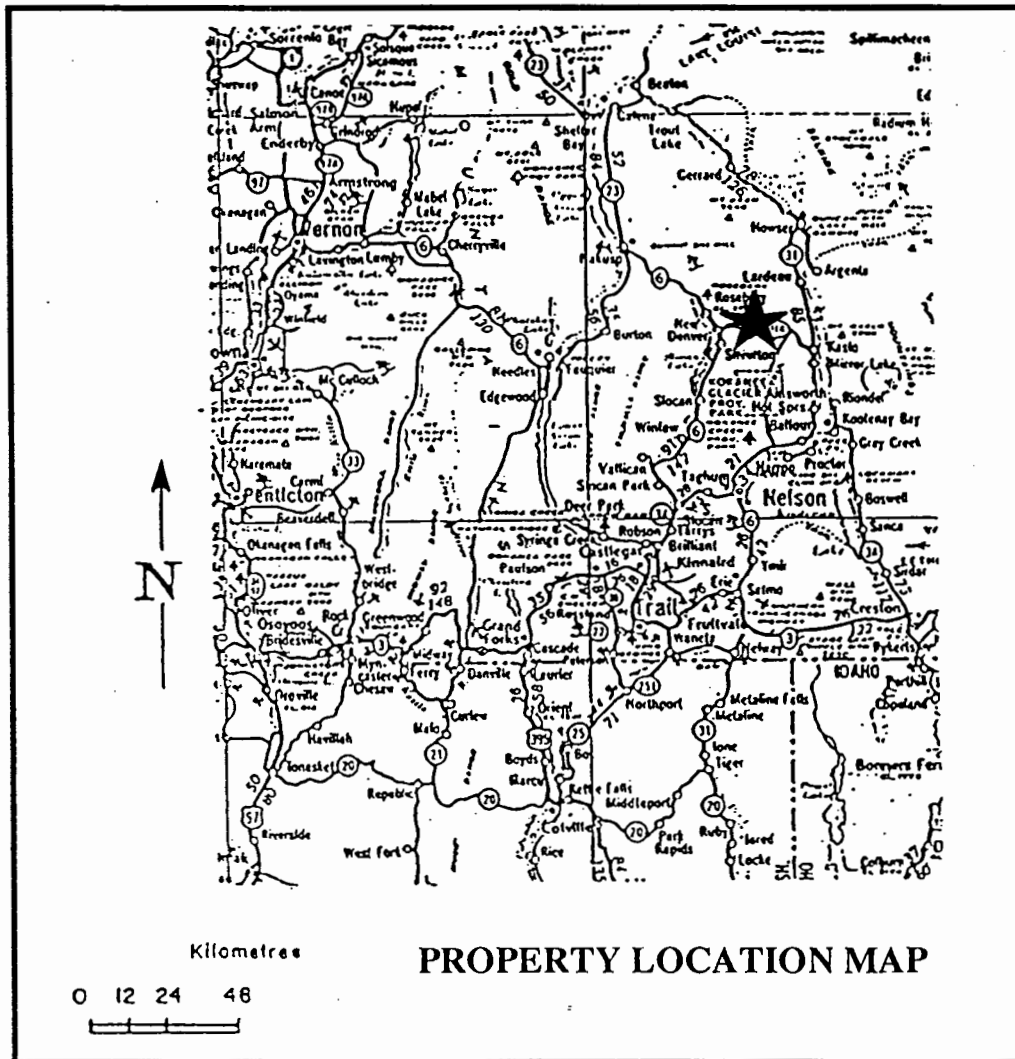
GENERAL GEOLOGY AND MINERALIZATION

The claims are underlain by clastic sediments of the Triassic-Jurassic Slocan Group. Bedding and foliation strike northwesterly with variable dips which are predominantly southwesterly. Granitic dykes and small stocks intrude the sediments. Fracture directions trend northeasterly and northwesterly. Formerly productive northeast-trending fissure-filling veins, which include the Payne, Monitor, Cork, and Victor (Violamac) deposits, occur to the southwest of the claims.

Detailed geological mapping has been completed on the Smoke and Trak claims and the area around the Payne Mine. The competent argillite and limestone rocks which host the Payne vein have been traced into the Smoke claims. Splays of a fracture zone have been observed parallel to the Payne vein in non-competent shale and shaly argillite in and near adits on the Trak claim.

Touchstone Resources Ltd. Mineral Claims, Slocan Mining Camp

SLOCAN MINING DIVISION NTS 82K / 3E & 3W



To accompany report by

LOCKE B. GOLDSMITH, P.Eng.
Consulting Geologist

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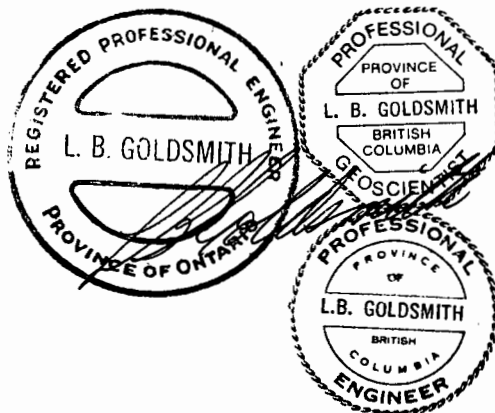
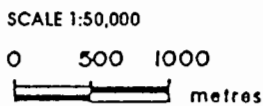
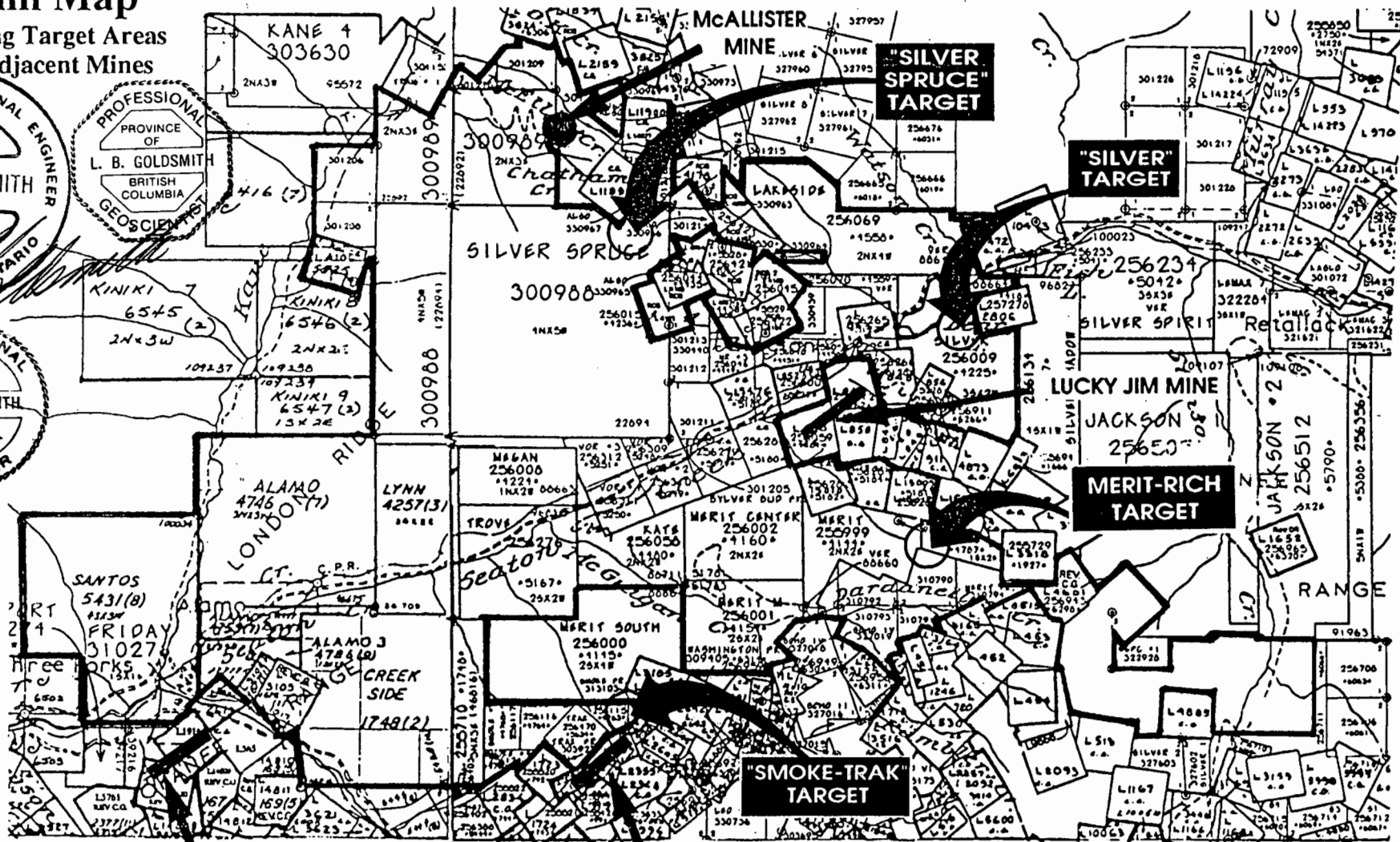
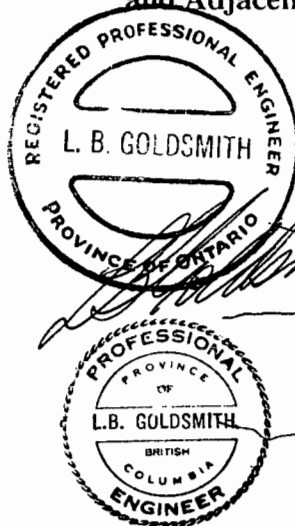


Figure 1

Touchstone Resources Ltd. Slocan Mining Camp

Claim Map

Showing Target Areas
and Adjacent Mines



MONITOR MINE

82 K3 W 82 K3 E
117°15W

PAYNE MINE

To accompany report by
LOCKE B. GOLDSMITH, P.Eng., P.Geo.
Consulting Geologist

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OCTOBER 1996

Figure 2

LIST OF CLAIMS

TABLE 1

<i>Claim Name</i>	<i>Units</i>	<i>Record No.</i>	<i>Record Date</i>	<i>Expiry Date</i>
Silver	6	256009	Feb. 14, 1984	Feb. 14, 1999
Lakeside	8	256069	Dec. 5, 1984	Dec. 5, 1999
Lakeside Fr.	1	256070	Dec. 5, 1984	" "
Lowlander	1	256284	Dec. 8, 1986	Dec. 8, 1998
Lowlander Fr.	1	256281	Dec. 8, 1986	" "
Jubilee	1	256282	Dec. 8, 1986	" "
Homer	1	256279	Dec. 3, 1986	Dec. 3, 1999
Hecla	1	256280	Dec. 3, 1986	" "
Hercules	1	256283	Dec. 8, 1986	Dec. 8, 1999
Phroso	1	256300	Jan. 26, 1987	Jan. 26, 1999
Alta	1	256265	Sept. 24, 1986	Sept. 24, 1999
Dragon	1	256266	Sept. 24, 1986	" "
Moses/John Plummer	1	256301	Jan. 26, 1987	Jan. 26, 1999
Ironside/Seattle Fr.	1	256423	Sept. 24, 1987	Sept. 24, 1999
Atlas #3	1	256418	Sept. 11, 1987	Sept. 11, 1999
Vor #1	1	256309	Apr. 1, 1987	Apr. 1, 1999
Vor #2	1	256310	Apr. 1, 1987	" "
Vor #3	1	256312	Apr. 1, 1987	" "
Vor #4	1	256311	Apr. 1, 1987	" "
Trak	1	256470	May 9, 1988	May 9, 1999
Trak Fr.	1	303923	Sept. 11, 1991	Sept. 11, 2000
Smoke 1	1	256115	Aug. 2, 1985	Aug. 2, 2000
Smoke 2	1	256116	Aug. 2, 1985	" "
Smoke 3	1	256117	Aug. 2, 1985	" "
Smoke 4	1	256124	Aug. 30, 1985	Aug. 30, 2000
Smoke Fr.	1	313103	Sept. 15, 1992	Sept. 15, 2000
Alamo	9	256106	July 9, 1985	July 9, 1997
Alamo 2	2	256114	July 30, 1985	July 30, 1998
Alamo 3	2	256125	Sept. 3, 1985	Sept. 3, 1998
Creekside	9	255710	Feb. 18, 1981	Feb. 18, 1997
Lynn	6	256018	Mar. 21, 1984	Mar. 21, 1997
Santos	12	256380	Aug. 21, 1987	Aug. 21, 1997
Ouray & Ouray Fr.	1	255697	Jan. 17, 1980	Jan. 17, 1999
Nellie Fr.	1	255698	Jan. 17, 1980	" "
Silver Bud 1	1	301211	June 7, 1991	June 7, 1997
Silver Bud 2	1	301212	June 7, 1991	" "
Silver Bud 3	1	301213	June 7, 1991	" "
Silver Bud 4	1	301214	June 7, 1991	" "
Silver Bud 5	1	301215	June 7, 1991	" "
Silver Bud 6	1	301208	June 8, 1991	June 8, 1997
Silver Bud 7	1	301206	June 9, 1991	June 9, 1997

Continued...

Table 1 (continued)

<i>Claim Name</i>	<i>Units</i>	<i>Record No.</i>	<i>Record Date</i>	<i>Expiry Date</i>
Sylver Bud 8	1	301209	June 9, 1991	June 9, 1998
Sylver Bud 9	1	301210	June 9, 1991	" "
Sylver Bud Fr.	1	301205	June 11, 1991	June 11, 1997
Sylver Pine	1	301216	June 6, 1991	June 6, 1998
Sylver Pine Fr.	1	301204	June 11, 1991	June 11, 1998
Sylver Spruce	20	300988	June 9, 1991	June 9, 1997
Sylver Bear	6	300989	June 9, 1991	June 9, 1998
Silver Paw 1	1	310790	June 29, 1992	June 29, 1997
Silver Paw 2	1	310791	June 29, 1992	June 29, 1997
Silver Paw 3	1	310792	June 30, 1992	June 30, 1997
Silver Paw 4	1	310793	June 30, 1992	" "
Merit Fraction	1	310794	June 30, 1992	" "
Merit Fraction	1	331410	Oct. 11, 1994	Oct. 11, 1997
Silver Leaf 1	1	333323	Jan. 6, 1995	Jan. 6, 1998
Silver Leaf 2	1	333324	Jan. 6, 1995	" "
Silver Leaf 3	1	330439	Aug. 16, 1994	Aug. 16, 1998
Silver Leaf 4	1	330440	Aug. 16, 1994	" "
Silver Leaf Fr	1	333393	Jan. 12, 1995	Jan. 12, 1998
Alpine Frac	1	331411	Oct. 7, 1994	Oct. 7, 1997
Ridge #2 Frac	1	331412	Oct. 7, 1994	" "
Ridge Frac	1	331413	Oct. 5, 1994	Oct. 5, 1998
Ridge #1	1	331414	Oct. 5, 1994	" "
Ridge #2	1	331415	Oct. 5, 1994	" "
Ridge #3	1	331416	Oct. 7, 1994	Oct. 7, 1997
Ridge #4	1	331417	Oct. 7, 1994	" "
Alpine #1	1	331418	Oct. 6, 1994	Oct. 6, 1997
Alpine #2	1	331419	Oct. 6, 1994	" "
Alpine #3	1	331420	Oct. 6, 1994	" "
Alpine #4	1	331421	Oct. 6, 1994	" "
Merit	4	255999	Oct. 31, 1983	Oct. 31, 1999
Merit M	4	256001	Nov. 29, 1983	Nov. 29, 1999
Merit Centre	4	256002	Nov. 29, 1983	" "
Megan	2	256008	Feb. 14, 1984	Feb. 14, 1999
Kate	4	256058	Sept. 4, 1984	Sept. 4, 1999
Famous Fr	1	256059	Sept. 4, 1984	" "
Rich	2	256126	Sept. 3, 1985	Sept. 3, 1999
Trove	4	256276	Jan. 5, 1987	Jan. 5, 1999
Mino Fr	1	256911	Mar. 15, 1990	Mar. 15, 1999
Whale Fr	1	256912	Mar. 15, 1990	" "
Cody Fr	1	256943	Mar. 15, 1990	" "

Attitudes of foliation (which in some outcrops may also be bedding) on opposite sides of the Payne vein structure show deflections. Similar deflections can be seen in several locations on the Smoke and Trak claims where a fracture zone is either observed or inferred (see Interpretive Geology Map, in pocket of this report).

Production from the Payne Mine is listed in MINDEP files of the University of British Columbia as:

Tons	Ag oz/ton	Pb %	Zn %
121,921	30.7	15.7	1.57

This figure includes a considerable amount of low-grade ore which was mined towards the end of the mine life. Early silver grades were approximately 180 oz/ton.

Goldsmith (1992) hypothesized a northeast extension of a mineralized structure which is projected from the Ocean and Trak adits and outcrops along the Payne Road, northeast into the Smoke 1 claim. Evidence in support of this exploration target includes:

1. Threshold soil geochemical lead values which overlie argillite and limestone on the presumed trace of the mineralized structure.
2. A spacing between known past productive veins of 150 to 200 metres along Payne Ridge suggests that another vein could occur to the northwest within a similar distance from the Payne vein.
3. High-grade mineralization in this target area may apex somewhat lower than the top of the Payne vein, i.e. below surface on the Smoke claim.
4. Competent argillite and limestone are favourable wallrocks to host mineralization within northeast-trending lode zones.

Continuous trenches dug by hand in September 1992 were intended to define the location of the potentially mineralized structures and aid in drill site positioning.

DIAMOND DRILLING

A total of 253.46 metres was cored in three holes on the Smoke 1 claim. The target zone was tested on two cross-sections in the vicinity of the 1992 trenches. Intense fracturing was intersected several locations in sediments and dykes in each hole but no silver-lead-zinc mineralization was observed. Drill logs are included in the Appendix of this report.

CONCLUSIONS

No economic mineralization was encountered in shallow drill holes. Phase 1 of the recommended work in the October 1992 and January 1995 report has been completed.

RECOMMENDATIONS

Any additional work should await results from three other areas of interest on the property.



Vancouver, B.C.
October 3, 1996



All of which is respectfully submitted,

A handwritten signature in cursive script that reads "Locke B. Goldsmith". The signature is written in black ink and is positioned over the text "All of which is respectfully submitted," and partially over the Professional Engineer seal for British Columbia.

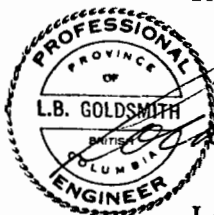
Locke B. Goldsmith, P.Eng., P.Geo.
Consulting Geologist



ENGINEER'S CERTIFICATE
LOCKE B. GOLDSMITH

1. I, Locke B. Goldsmith, am a registered Professional Engineer in the Province of Ontario, and a Registered Professional Geologist in British Columbia and the State of Oregon. My address is 301, 1855 Balsam Street, Vancouver, B.C.
2. I have a B.Sc. (Honours) degree in Geology from Michigan Technological University, a M.Sc. degree in Geology from the University of British Columbia, and have done postgraduate study in Geology at Michigan Tech and the University of Nevada. I am a graduate of the Haileybury School of Mines, and am a Certified Mining Technician. I am a Member of the Society of Economic Geologists, the AIME, and a Fellow of the Geological Association of Canada.
3. I have been engaged in mining exploration for the past 38 years.
4. I have authored the report entitled, "Diamond Drilling, Smoke-Trak Mineral Claim Group, Slocan Mining Division, Payne Mountain Area, Sandon, B.C.", dated October 3, 1996. The report is based upon fieldwork and research supervised by the author.
5. I have no ownership in the property, nor in the stocks of Touchstone Resources Ltd.
6. I consent to the use of this report in a prospectus, or in a statement of material facts related to the raising of funds. Sheets of analyses in the Appendix could be omitted from a prospectus because all values are plotted on maps.

Respectfully submitted,



Locke B. Goldsmith, P.Eng., P.Geo.
Consulting Geologist

Vancouver, B.C.
October 3, 1996

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COST STATEMENT, 1996 PROGRAM

Personnel

L.B. Goldsmith, July 11-23, Aug. 6-16, Oct. 1, total 25 days @ \$540/day	13,500.00	
G. Bennett, July 12, 1/2-13, 16, 1/2 17, 1/2 19, 20-24, 27, Aug. 3, 4, 1/2 5, 7, 9-11, 14, 1/2 15, 16-25, total 27-1/2 days @ \$300/day	<u>8,250.00</u>	21,750.00

Transportation

4x4 vehicle, 33-1/2 days @ \$50/day	1,675.00	
6525 km @ \$0.40/km	2,610.00	
Gas	753.46	
Parts	<u>60.00</u>	
	5,098.46	5,098.46

Accommodation, Meals

\$4436.29 divided by 65.5 man days (Includes 13 man/days standby) = \$67.73/man/day		4,436.29
-------------------------------------------------------------------------------------------	--	----------

Diamond Drilling

253.46 metres (including mob/demob) = \$86.09/metre		21,820.75
--------------------------------------------------------	--	-----------

Analyses

2 samples cost = \$11.61/sample		23.22
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Supplies

1,060.35

Report

Drafting, word processing, materials		<u>429.60</u>
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TOTAL	\$54,619.67
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APPENDIX

**TOUCHSTONE RESOURCES LTD.
SMOKE 1 CLAIM
DIAMOND DRILL LOG**

Hole No.: T-96-01

Co-ordinates: 1+82N 6+02E

Azimuth: 315°

Dip: -50°

Date Commenced: July 18, 1996

Core Storage: 210 Alpha Street, Silvertown, B.C.

Elevation: (approx.) 1900 m (6230')

Length of Hole: 98.82 m (324')

Date Completed: August 10, 1996

Core Size: NQ

Contractor: Kootenay Exploration Drilling

Logged By: L.B. Goldsmith

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
0	1.83	Overburden				
1.83	7.02	Black mudstone. Foliation & bedding @ 90° to CA. Blebs of pyrite. 3.60 3.66-4.88: Much fracturing. 0.61 m core recovery. 4.88-7.63: 1.53 m core recovery	60 50			
7.02	13.73	Gray micaceous mudstone. Blebs of pyrite in foliation planes. 7.38: Fracturing with quartz + green mica. 7.63-10.83: 1.07 m core recovery. 8.08-18.61: Mud + fracture zone. 10.82-13.73: 0.76 m core recovered. 11.13.	20 & 160 50 & 70			
13.73	13.87	Argillite and quartzite. Micaceous.	70			
13.87	15.25	Black mudstone. 13.73-15.25: 1.07 m core recovered.	0, 70			
15.25	26.60	Gray mudstone & argillite. 18.30-18.36: Vuggy quartz, iron-stained, 40° to CA. 19.83: Foliation and fracturing. Fracturing. 21.35: Foliation and fracturing. 22.88-23.64: Fracture zone with Fe + Mn oxides. Minor pyrite. 24.55: Mud + fracture zone. 25.47-26.60: Fracture zone. Mud at 26.60 m.	160 & 0 50 140 50 0, 50 25,60 0, 20, 50			

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
26.60	38.03	Gray mudstone & argillite with black graphitic siltstone intervals to 0.46 m wide. 27.45: Foliation at 85° to CA. 27.75-28.06: Sedimentary breccia. 29.13-29.43: Brecciated quartz with iron stain and mica. 30.81: Bedding & foliation at 65° to CA. 32.03: Fracturing with iron oxide. 33.86: Irregular 2 cm qtz veinlet @ 120°. 35.08-35.14: Vuggy micaceous quartz, 50° to CA. 35.08-38.03: Becoming competent.	50 10 & 50 80			
38.03	41.18	Fine-grained intermediate to felsic dyke. Upper gradational contact @ 55°. Lower gradational contact @ 70°.				
41.18	41.45	Quartz on dyke contact. Micaceous. Inclusions of sediments. Lower contact at 85-90° to CA.				
41.45	44.53	Black mudstone and argillite. Foliation and bedding at 15° to CA. 44.53: Graphitic. Mud.	30, 90			
44.53	47.73	Black mudstone and argillite with graphitic, shaly beds to 0.46 m wide. Foliation and bedding at 85° to CA.				
47.73	48.64	Fine-grained intermediate to felsic dyke, within black graphitic shale-mudstone. Upper contact @ 70°, lower contact crushed, possibly @ 40° to CA.				
48.64	70.76	Graphitic mudstone with lesser gray mudstone-argillite beds to 0.46 m wide. Brecciated (possibly soft sediment) @ 35°. 52.16: Foliation & bedding, 30°-40° to CA. 56.88: Bedding contorted to 0°. 61.15: Bedding @ 40° to CA. 63.75-65.42: Grit with black graphitic silt. Possibly mud crack fillings. 65.42-69.69: Shear zone, intensely foliated. Quartz fragments in breccia. Late fracturing. 66.64-68.32: Sampled. 69.69-70.76: Foliated at 20° to CA.	0-10 55-60 20	2.8	12	110

Hole No. T-96-01 (continued)

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
70.76	72.90	Gray mudstone with argillite. Foliated at 45° to CA.				
72.90	74.73	Black graphitic mudstone. Grit and granule beds. Foliated at 25° to CA.				
74.73	82.81	Gray mudstone and argillite. Massive. Minor disseminated pyrite in small blebs.				
		78.39:	0 to 10			
		80.79: Rusty fractures. Bedding and foliation indistinct, but possibly 30° to CA.				
82.81	87.84	Black graphitic mudstone. Foliated at 15° to CA. Gray mudstone beds to 0.46 m wide.				
		84.18-86.16: Sheared, iron stained.			15	
		86.16-86.47: Crush zone, iron stained.			5, 60	
					40, 160	
87.84	98.82	Fine-grained intermediate to felsic dyke. Iron oxide at upper contact. Biotite. No silica. Blebs of greenish mica. Possibly flow. Biotite as "lapilli".				
		90.59: Rusty fractures.			40, 160	
End of hole.						

**TOUCHSTONE RESOURCES LTD.
SMOKE 1 CLAIM
DIAMOND DRILL LOG**

Hole No.: T-96-02

Co-ordinates: 1+79.5N 6+04.5E

Azimuth: 135° Dip: -50°

Date Commenced: August 11, 1996

Core Storage: 210 Alpha Street, Silverton, B.C.

Elevation: (approx.) 1900 m (6230')

Length of Hole: 47.58 m (156')

Date Completed: August 16, 1996

Core Size: NQ

Contractor: Kootenay Exploration Drilling

Logged By: L.B. Goldsmith

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
0	1.53	Overburden.				
1.53	3.36	Gray mudstone. 1.53-3.36: 3.36:	5-15, 70 30			
3.36	3.97	Quartzite. 3.66: Quartz veinlets to 1 cm wide.	40, 140			
3.97	5.49	Gray mudstone. 4.27: Blebs and irregular boudins of quartz. 5.19: Intersecting quartz veinlets to 3 cm wide, 40° & 135°.				
5.49	6.10	Quartz veining. Rusty, vuggy. Rust probably after micas and mafics. Upper and lower contacts are crushed.	60			
6.10	17.08	Crush zone. Sand, mud, fractured mudstone. Possibly sand filling in fractures. 4.27 of 10.98 m of core recovered. 12.20-12.51: Sample of mud. Gray, very rusty, with quartz fragments.	50, 160			
17.08	32.94	Fine-grained intermediate to felsic dyke. Rusty, micaceous, no quartz. Weathered. Fractured throughout. 17.08-19.83: 1.83 m core recovered. 17.39: 19.83: 22.88: 24.71: 25.01: Hairline quartz, 30° to CA. "Lapilli" of greenish mica; suggestive of metamorphosed felsic tuff. Biotite after pyroxene.		0.3	12	150
			10, 35 20, 45 65, 150 70, 150			

Hole No. T-96-02 (continued)

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
		26.38:	20			
		27.76:	10, 50			
		27.76-30.50: 1.37 m core recovered.				
		30.50-32.94: 1.22 m core recovered.				
		30.20:	10, 25 rotated 90			
		30.81:	15, 65 rotated 90			
32.94	34.31	Quartzite. Gray to rusty. Very fine grained. Mostly oxidized.				
		33.40-33.70: Quartz veining and silicification. Vuggy, rusty.	25			
		33.70-34.31: Soft sediment with fragments of white quartzite.				
		34.31:	45, 75			
34.31	41.48	Fine-grained intermediate to felsic dyke. Gray, speckled white, rusty. Micaceous in patches, no quartz.				
		34.47: Unoxidized patches.				
		34.47-35.38: 0.61 m core recovered.	30, 90			
		35.38-36.14: Mostly unoxidized, with oxidation around fractures.				
		Banding @ 30°. Minor disseminated pyrite-pyrrhotite.	50			
		36.14: Rusty.				
		36.14-38.06: Rusty with unoxidized patches.				
		38.06-38.37: Unoxidized. Specimen taken, 38.13-38.17.				
		38.37-39.65: Oxidized.	45, 150			
		38.43-41.18: 1.83 m of core recovered.				
		39.65-41.48: Contact zone with argillite-mudstone. Low angle to CA.				
41.48	45.14	Gray mudstone.	15			
		44.23-45.14: Contact zone with dyke, 10-15° to CA.				
		Appearance of irregular sedimentary contact.				
45.14	47.58	Oxidized fine-grained intermediate to felsic dyke. Upper contact at 20° to CA. Hairline fractures in dyke parallel to the contact.				
		46.67: Mud.				
		46.97-47.28: Contact with mudstone, 0-20° to 160°. Shards of dyke in foliation parallel to the contact.				
		47.28-47.58: Oxidized dyke, as above.	15, 55			
End of hole.						

**TOUCHSTONE RESOURCES LTD.
SMOKE 1 CLAIM
DIAMOND DRILL LOG**

Hole No.: T-96-03

Co-ordinates: 1+90N 6+80E

Azimuth: 315°

Dip: -50°

Date Commenced: August 16, 1996

Core Storage: 210 Alpha Street, Silverton, B.C.

Elevation: (approx.) 1930 m (6330')

Length of Hole: 107.06 m (351')

Date Completed: August 25, 1996

Core Size: NQ

Contractor: Kootenay Exploration Drilling

Logged By: G. Bennett

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
0	1.53	Overburden.				
1.53	4.58	Argillite, fractured. Quartz and white carbonate as fracture fillings. Minor iron stain.				
4.58	5.49	Limestone, fractured.				
5.49	6.10	Mud. Argillite, broken.				
6.10	7.32	Argillite, broken, with beds of limestone. White carbonate as fracture fillings.				
7.32	10.98	Limestone, competent. White carbonate fracture fillings.				
10.98	11.59	Argillite, competent.				
11.59	13.73	Argillite & interbedded limestone. Minor iron stain. White carbonate fracture fillings.				
13.73	15.56	Argillite & interbedded limestone. Broken, rubble. 14.64: 2 cm quartz, minor iron stain.				
15.56	18.30	Argillite, broken. Minor limestone. 18.00: 10 cm mud seam.				
18.30	18.61	Argillite-limestone, competent.				
18.61	18.91	Limestone, competent.				
18.91	24.10	Argillite interbedded with limestone. 20.44-21.35: White carbonate fracture fillings.				
24.10	25.62	Fine-grained light coloured intermediate to felsic dyke with pyrite. Competent.				

Hole No. T-96-03 (continued)

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
25.62	26.23	Argillite & interbedded limestone.				
26.23	27.45	Argillite. White carbonate fracture fillings. 27.15: 4 cm quartz.				
27.45	29.28	Argillite and limestone. Quartz and white carbonate fracture fillings.				
29.28	31.72	Argillite. Quartz fracture fillings. Minor Fe stain.				
31.72	32.33	Argillite and limestone. Quartz and white carbonate fracture fillings. Minor Fe stain.				
32.33	41.18	Limestone. Minor argillite beds. Competent. Quartz and carbonate as fracture fillings. Minor Fe stain.				
41.18	43.31	Argillite-limestone interbedded. Minor fracture fillings of quartz-carbonate and Fe stain.				
43.31	44.84	Limestone. Minor quartz-carbonate fracture fillings and Fe stain.				
44.84	47.58	Argillite. Minor fracture fillings and Fe stain.				
47.58	48.19	Fine-grained intermediate to felsic dyke. Light colour to iron-stained.				
48.19	48.50	Limestone. Dark colour. Broken.				
48.50	49.72	Argillite and minor limestone.				
49.72	56.12	Argillite and interbedded limestone, successive beds of approximately 0.6 m argillite and 0.15 m limestone.				
56.12	58.26	Limestone. 56.12-56.73: Minor radiating carbonate crystals on fractures. 56.73-57.65: Minor argillite.				
58.26	64.05	Argillite. Minor limestone and quartz-carbonate fracture fillings.				
64.05	65.58	Limestone. Minor argillite and Fe stain.				
65.58	74.42	Argillite. Minor quartz-carbonate fracture fillings. 65.58-66.49: Fractured. 72.59-73.20: "				

Hole No. T-96-03 (continued)

Interval		Description	Angle of Fracturing to Core Axis, degrees	Geochemical		
From	To			Ag ppm	Pb ppm	Zn ppm
74.42	75.64	Limestone. Calcite fracture fillings.				
75.64	96.38	Argillite. Minor limestone. 77.78-78.39: Fractured. 79.00-80.83: Fractured. Minor Fe stain. 84.18-87.23: Major calcite fracture fillings.				
96.38	98.21	Limestone with minor argillite. Calcite fracture fillings.				
98.21	99.13	Argillite. Quartz-calcite fracture fillings.				
99.13	99.43	Limestone. Calcite fracture fillings.				
99.43	107.06	Argillite. Finely bedded. Minor Fe stain.				
End of hole.						



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221

To: GOLDSMITH, MR. L. B.

301 - 1855 BALSAM ST.
VANCOUVER, BC
V6K 3M3

A9221632

Comments:

CERTIFICATE

GOLDSMITH, MR. L. B.

Project: SM
P.O. #:

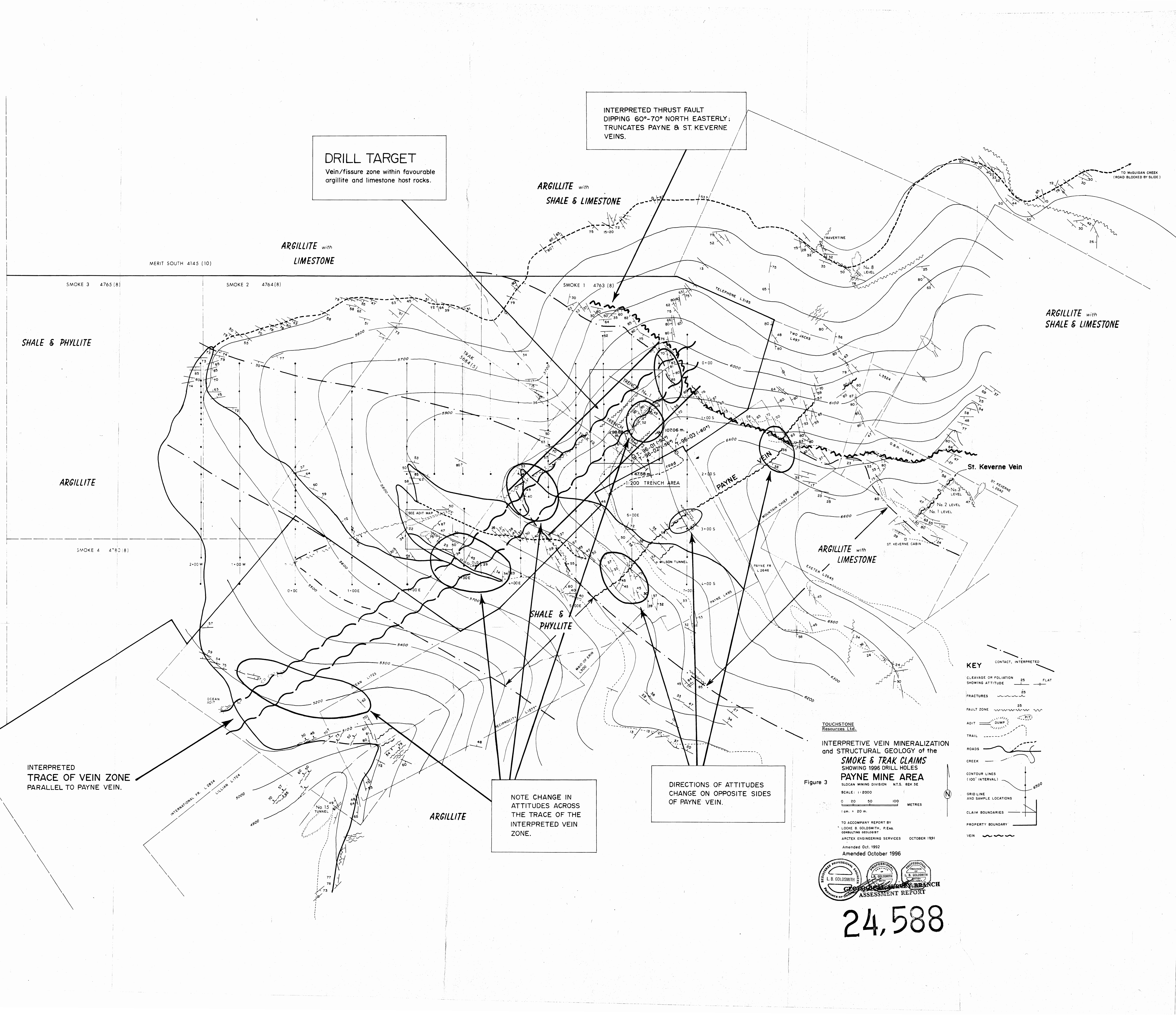
Samples submitted to our lab in Vancouver, BC.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
201 238		Dry, sieve to -80 mesh Nitric-aqua-regia digestion

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
4		Pb ppm: HNO ₃ -aqua regia digest	AAS-BKGD CORR	1	10000
5		Zn ppm: HNO ₃ -aqua regia digest	AAS	1	10000
6		Ag ppm: HNO ₃ -aqua regia digest	AAS-BKGD CORR	0.2	100.0



DRILL TARGET
 Vein/fissure zone within favourable argillite and limestone host rocks.

INTERPRETED THRUST FAULT
 DIPPING 60°-70° NORTH EASTERLY;
 TRUNCATES PAYNE & ST. KEVERNE
 VEINS.

SHALE & PHYLLITE

ARGILLITE with
 LIMESTONE

ARGILLITE with
 SHALE & LIMESTONE

ARGILLITE with
 SHALE & LIMESTONE

ARGILLITE

SHALE & PHYLLITE

ARGILLITE with
 LIMESTONE

ARGILLITE

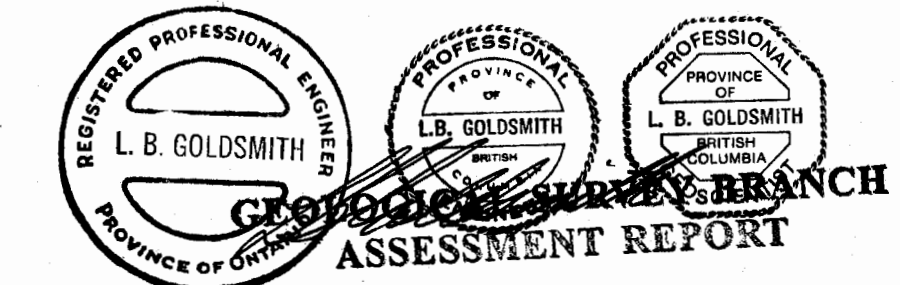
INTERPRETED
 TRACE OF VEIN ZONE
 PARALLEL TO PAYNE VEIN.

NOTE CHANGE IN
 ATTITUDES ACROSS
 THE TRACE OF THE
 INTERPRETED VEIN
 ZONE.

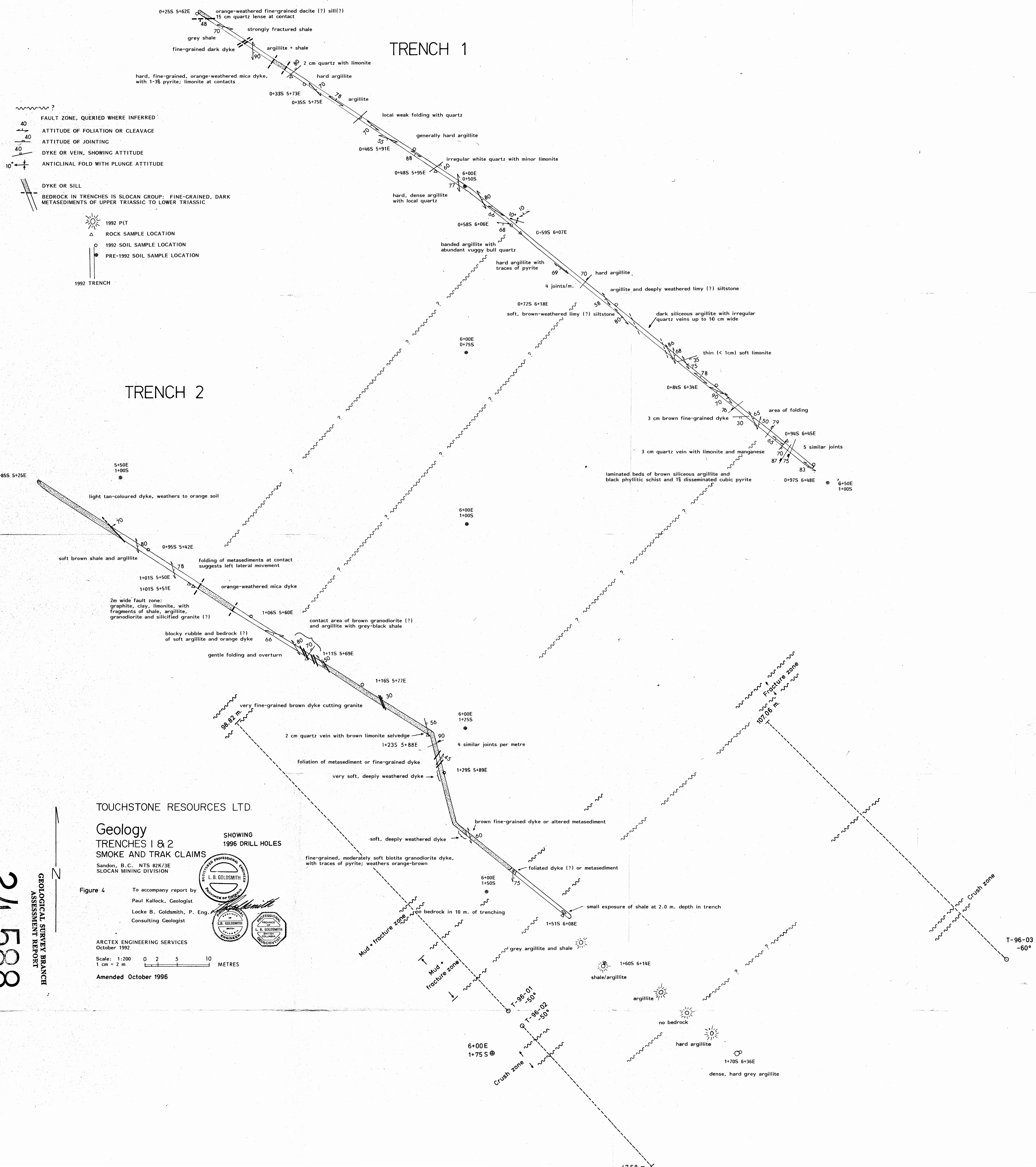
DIRECTIONS OF ATTITUDES
 CHANGE ON OPPOSITE SIDES
 OF PAYNE VEIN.

TOUCHSTONE
 Resources Ltd.
 INTERPRETIVE VEIN MINERALIZATION
 and STRUCTURAL GEOLOGY of the
SMOKE & TRAK CLAIMS
 SHOWING 1996 DRILL HOLES
PAYNE MINE AREA
 SLOCAN MINING DIVISION N.T.S. 82K.3E
 SCALE: 1:2000
 0 20 50 100 METRES
 1 cm = 20 m.
 TO ACCOMPANY REPORT BY
 LOCKE B. GOLOSMITH, P.Eng.
 CONSULTING GEOLOGIST
 ARCTEX ENGINEERING SERVICES OCTOBER 1991
 Amended Oct. 1992
 Amended October 1996

- KEY**
- CONTACT, INTERPRETED
 - CLEAVAGE OR FOLIATION SHOWING ATTITUDE
 - FLAT
 - FRACTURES
 - FAULT ZONE
 - ADIT
 - TRAIL
 - ROADS
 - CREEK
 - CONTOUR LINES (100' INTERVAL)
 - GRID LINE AND SAMPLE LOCATIONS
 - CLAIM BOUNDARIES
 - PROPERTY BOUNDARY
 - VEIN



24,588

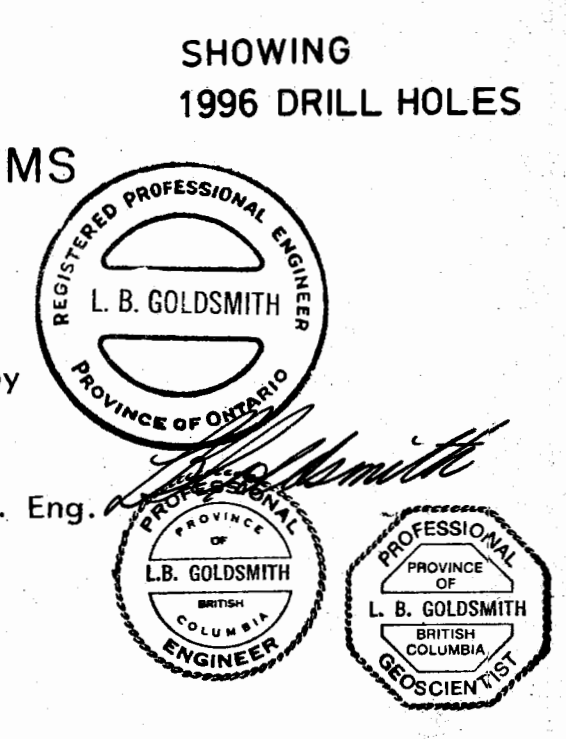


TOUCHSTONE RESOURCES LTD.

Geology
TRENCHES 1 & 2
SMOKE AND TRAK CLAIMS

Sandon, B.C. NTS 82K/3E
 SLOCAN MINING DIVISION

Figure 4
 To accompany report by
 Paul Kallock, Geologist
 Locke B. Goldsmith, P. Eng.
 Consulting Geologist



ARCTEX ENGINEERING SERVICES
 October 1992

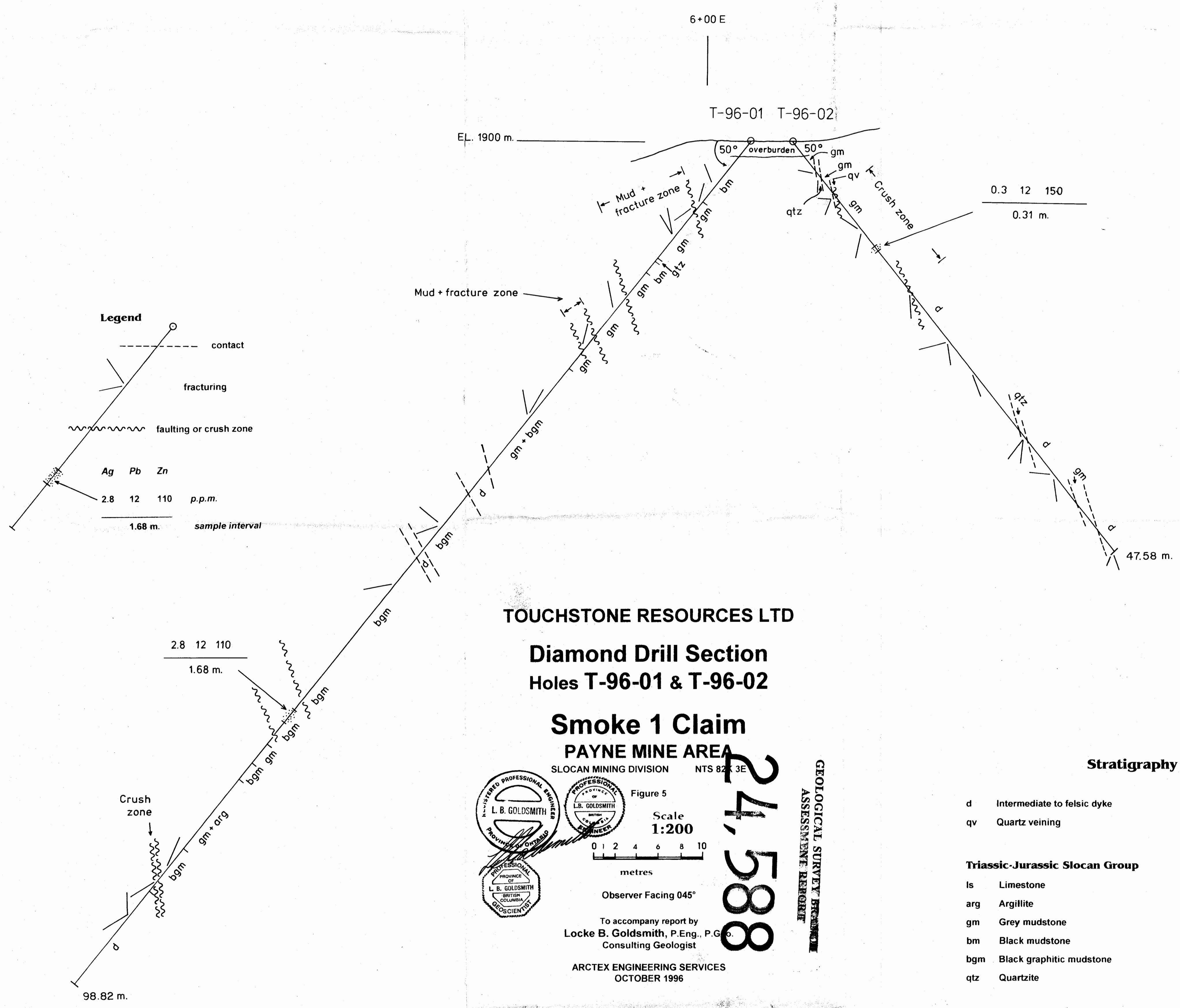
Scale: 1:200
 1 cm = 2 m

Amended October 1996

24,588

GEOLOGICAL SURVEY BRANCH
 ASSESSMENT REPORT

T-96-03
 -60°



Legend

- contact
- ↗ fracturing
- ~~~~~ faulting or crush zone

Ag	Pb	Zn	
2.8	12	110	p.p.m.

1.68 m. sample interval

TOUCHSTONE RESOURCES LTD
Diamond Drill Section
Holes T-96-01 & T-96-02

Smoke 1 Claim
PAYNE MINE AREA

SLOCAN MINING DIVISION NTS 82-3E

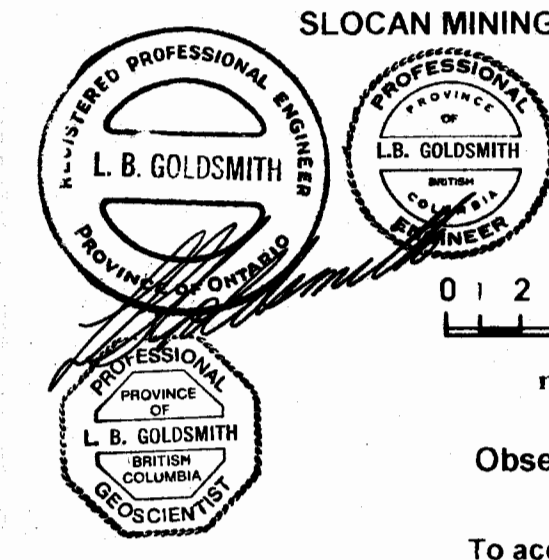


Figure 5
 Scale
1:200
 0 1 2 4 6 8 10
 metres

Observer Facing 045°
 To accompany report by
 Locke B. Goldsmith, P.Eng., P.Geo.
 Consulting Geologist

ARCTEX ENGINEERING SERVICES
 OCTOBER 1996

24,588

GEOLOGICAL SURVEY BRITISH COLUMBIA ASSESSMENT REPORT

Stratigraphy

- d Intermediate to felsic dyke
- qv Quartz veining

Triassic-Jurassic Slocan Group

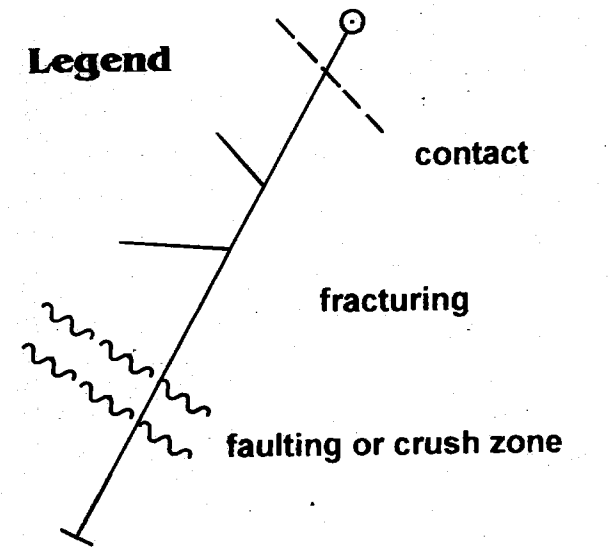
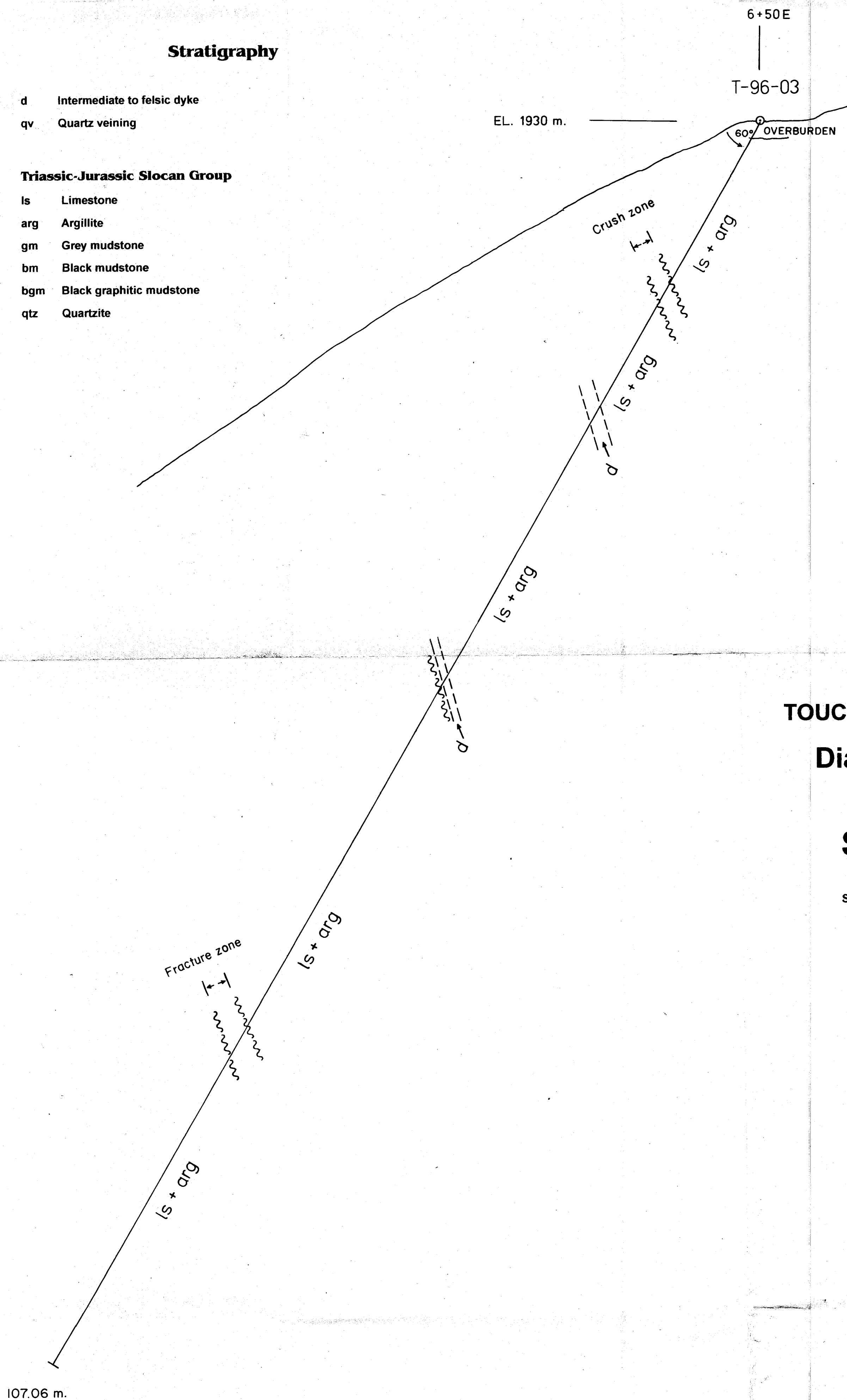
- ls Limestone
- arg Argillite
- gm Grey mudstone
- bm Black mudstone
- bgm Black graphitic mudstone
- qtz Quartzite

Stratigraphy

- d Intermediate to felsic dyke
- qv Quartz veining

Triassic-Jurassic Slocan Group

- ls Limestone
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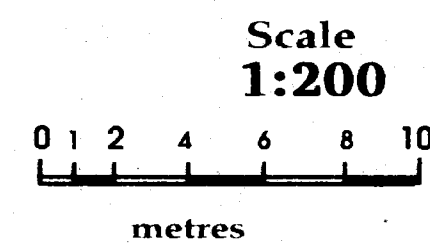
TOUCHSTONE RESOURCES LTD

**Diamond Drill Section
Hole T-96-03**

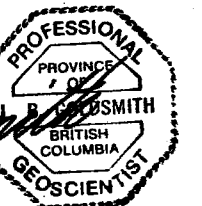
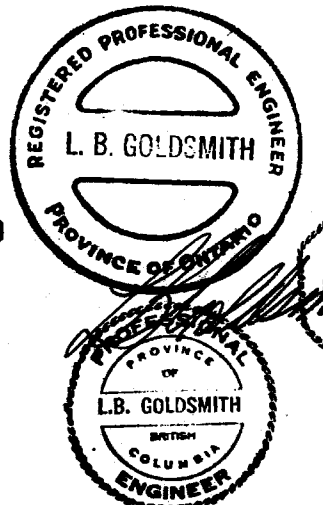
**Smoke 1 Claim
PAYNE MINE AREA**

SLOCAN MINING DIVISION NTS 82K 3E

Figure 6



Observer Facing 045°



To accompany report by
Locke B. Goldsmith, P.Eng., P.Geo.
Consulting Geologist

ARCTEX ENGINEERING SERVICES
OCTOBER 1996

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

24,588