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Gold Commissioner's Office
VANCOUVER, B.C.

REED GROUP PROPERTY
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GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORTS

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24,667

FILMED



TITLE OF REPORT [type of survey(s)]	TOTAL COST
GEOLOGICAL ASSESSMENT	\$3,366.70

AUTHOR(S) Francis Movle SIGNATURE(S) _____

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) SM1960101291-297 YEAR OF WORK 1996

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S) 3091581 - August 2, 1996

PROPERTY NAME Reed Group

CLAIM NAME(S) (on which work was done) Silver Mtn. 1-4, Debby 1,2,5, Christa

COMMODITIES SOUGHT Zn, Cu, Ag, Mo, W, Pb

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN _____

MINING DIVISION Liard NTS 104P-06W

LATITUDE 59 ° 19 ' 10 " LONGITUDE 129 ° 27 ' 30 " (at centre of work)

OWNER(S)

1) Dan Brett 2) _____

MAILING ADDRESS

#908 - 700 West Pender Street
Vancouver, B.C.
V6C 1G8

OPERATOR(S) (who paid for the work)

1) Dan Brett 2) _____

MAILING ADDRESS

#908 - 700 West Pender Street
Vancouver, B.C.
V6C 1G8

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

The Reed Group property is underlain by thrust imbricated Lower Cambrian Boya, Rosella Formations and
Carbro-Ordovician Kechika strata. These units occur on the eastern flank of the McDame Synclorium and
strike northwesterly with dips of 40-60 degrees to the southwest. Granitic intrusions exist on the west
side of Mounts Haskin and Reed. Porphyry Moly-copper mineralizations exist within the granitic intrusions.
The associated skarn developments along limestone-clastic contacts contain mostly Zn, Pb and Ag.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS _____

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1.0 SUMMARY

The Reed Group comprises 8 contiguous claim blocks totalling 28 units located approximately 14 miles or 22.4 km northeast of Cassiar, B.C. Access to the property is from the Mile 72 turn-off from the #37 Highway, thence along the old Della Mines Road which is passable by 4-wheel drive vehicles.

The property is located in the Good Hope Lake map area in north central B.C. and covers an area of low to high relief with exposed bedrock mainly in the high relief areas.

The claims are underlain by thrust imbricated Boya, Rosella, and Kechika strata, Cambrian to Upper Cambrian in age, which are cut by later high-angle fault swarms that center on the north trending Rosella Creek fault. These sedimentary rocks have been intruded by a 48.8 - 51.5 Ma monzogranite to the northwest and southeast of the claim group. In the valley, east of Mt. Haskin, the upper Proterozoic Espee Formation outcrops as two distinct limestone bands separated by a forested section possibly underlain by the more phyllitic-rich interval of the Espee Formation.

A review of all available information indicates the area has experienced a large amount of exploration to the northwest, around the old Della Mine site, with previous drilling also conducted to the southeast of the claims on the western flank of Reed Mountain.

The 1996 exploration program consisted of 4x4 truck supported reconnaissance prospecting, geological mapping and rock chip sampling with the objective of evaluating the property's potential for hosting large economic base metal deposits. Reconnaissance prospecting and geochemical sampling indicates that massive sulphide mineralization is generally restricted to skarn deposits within the limestone at the contact with the underlying Atan quartzites.

Geochemical analysis of rock chips yielded elevated to anomalous values for Zn, Mo, Cu and Ag. A rock chip sample taken over 0.5m of an exposed skarn yielded 0.145% Cu, 5.62% Zn, 0.08 oz/t Ag, 0.026% Cd and 0.002 oz/t Au.

2.0 INTRODUCTION

A field exploration program was conducted during the summer of 1996 on the Reed Group property located in the Good Hope Lake map area of north central B.C. Exploration work was performed by a 1-man crew based out of the Cusac Gold Mines' camp.

The objective of this program was to evaluate the property's economic potential through follow-up exploration on the property's mineralized skarn outcrops and to provide reconnaissance coverage throughout the property. The 1996 program was conducted during the period of July 25-29, 1996 and included geological mapping, prospecting and rock chip sampling.

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A total of 18 rock chip and grab samples were collected from the property. Geological and geochemical data were compiled on 1:10,000 scale contour maps.

All samples were shipped to Acme Analytical Labs in Vancouver for geochemical analysis utilizing the 30 element ICP and wet Au extraction method. Analytical procedures are described in Appendix III and analytical results are presented in Appendix IV.

2.1 Location and Access:

The Reed Group is located 22.4 km (by air) northeast of Cassiar (Figure 1). The claims are situated within NTS map sheet 104 P/06W and centered about 59°19'10" N latitude and 129°27'30" W longitude. Access to the property is via 4-wheel drive vehicle along the old Della Mines Road off Hwy. #37, approximately 12 km northeast of the Cassiar Junction. The road extends northward for 9km to the south boundary of the Debby claims.

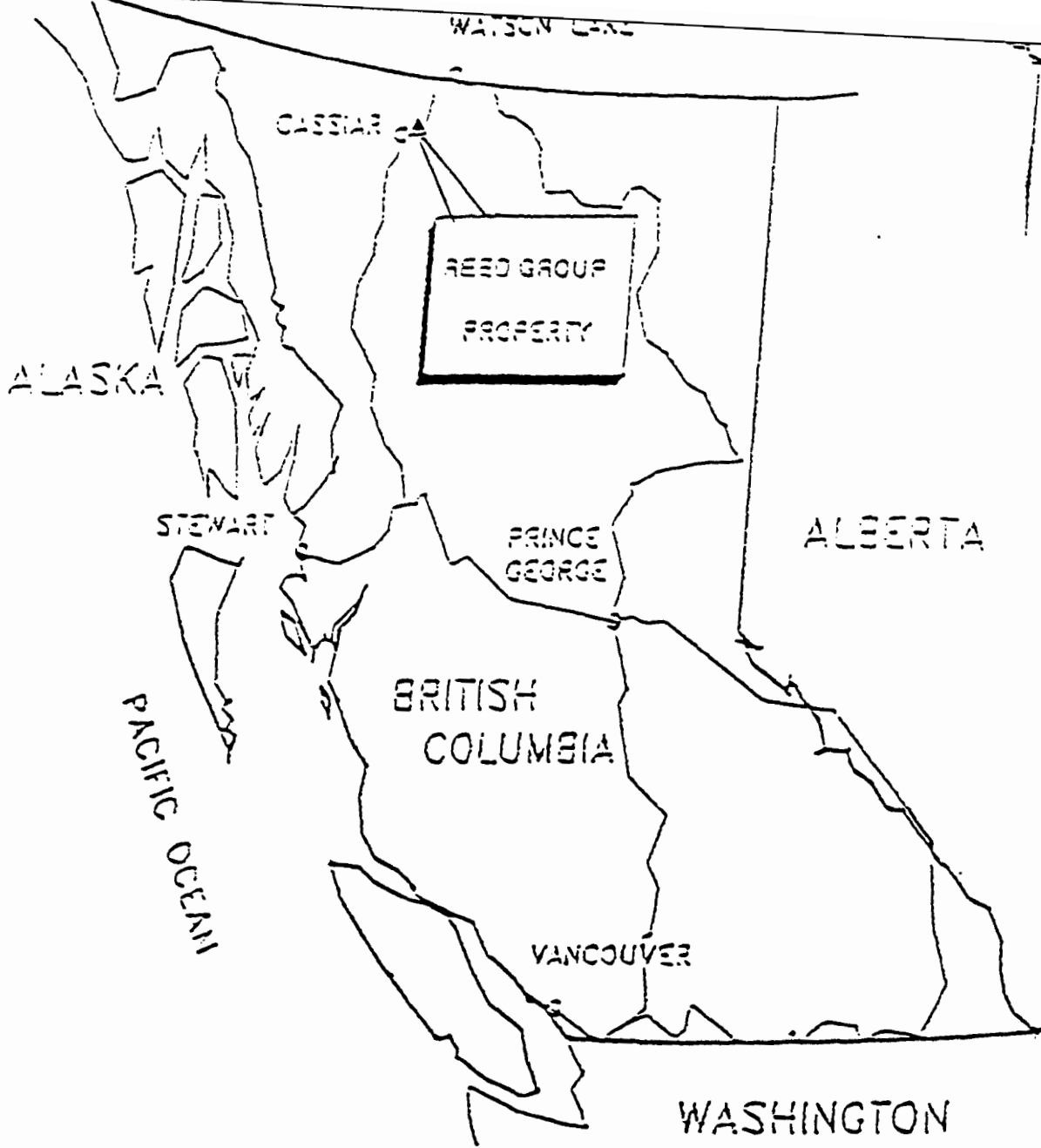
2.2 Physiography, Vegetation and Climate

The Reed Group is located within the McDame area which is characterized by steep to gently sloping mountains separated by broad open valleys. The property has relief up to 900m and lies within the Cassiar Mountain Range near the eastern flank of the Cassiar Batholith. In low relief areas, bedrock exposures are rare owing to the dense cover of forest, swamp and Pleistocene glacial and glaciofluvial deposits.

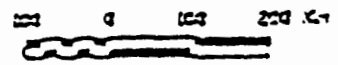
Forests of alpine spruce, balsam, willow and jackpine cover half of the claim block with the remainder above tree line. Precipitation is moderate to heavy with a 3m to 4m snow base in the winter and temperatures ranging from -35° to 30° Celsius. The climate is a continental type with short, warm summers and long, cold winters.

2.3 Property Status and Ownership

The Reed Group (Figure 2) consists of 8 claims totalling 28 units located within the Liard Mining Division. The claims were staked by Francis Moyle and sold to Dan Brett and are 100% owned by Dan Brett. Relevant claims data are tabulated in the following Table 1.



SCALE 1:10,000,000



BASELINE RESOURCES LTD.

REED GROUP PROPERTY
LOCATION MAP

Prepared by a report of FRANCIS MOYLE

DATE OCTOBER 1988 Figure 1

NTS REF: 104P 06W	REVISIONS
Work by: E. M. W. L. E.	Work by:
Drawn by:	Drawn by:
Date: October 1996	Date:
	Scale: 1:31637

6576768

NASTY 2
349325
NASTY 1
349324
NASTY 3
349326
NASTY 4
349327

203191
25X12

PEDDY 2
319820
PEDDY 5
319821

L301 CG
L330 CG
L303 CG
GEO 1
349180
319881

DEBBY 1
3NX2S
213138
233206

FRANK 3
349561
FRANK 1
349559
FRANK 2
349560
FRANK 4
349562
A. 11392

SILVER MOUNT 1
330057
SILVER MOUNT 2
330058
SILVER MOUNT 3
330059
SILVER MOUNT 4
330060

BC 568
336108
HOT 19
5NX4E
3476+1
5768 1
(222314)

WARM 3
344228
WARM 2
344227
WARM 1
344226

COLD 3
344503
4NX5W

HABU 1
336261
HABU 2
336262
HABU 3
336263
HABU 4
336264
HABU 5
336265
HABU 6
336266
HABU 7
343493
HABU 8
343494
HABU 9
343495

215183
215184
215181
215182

KHONDA 5
343496
KHONDA 6
343497
KHONDA 7
343498



M. HASKIN

222

28

6103
021

222313

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TABLE 1: PROPERTY CLAIM STATUS

CLAIM NAME	NO. OF UNITS	TENURE NUMBER	EXPIRY DATE
Silver Mountain 1	1	330057	August 7, 1997
Silver Mountain 2	1	330058	August 7, 1997
Silver Mountain 3	1	330059	August 7, 1997
Silver Mountain 4	1	330060	August 7, 1997
Debby 1	6	319881	August 10, 1997
Debby 2	1	319820	August 3, 1997
Debby 5	1	319821	August 3, 1997
Christa	16	348273	July 12, 1998

3.0 EXPLORATION HISTORY

3.1 Property History

The first mineral discovery in the immediate area was in 1937 by Joe Reed who discovered a Pb-Zn-Ag vein on the southwestern flank of Reed Mountain and staked the first claims. These claims were allowed to lapse and were subsequently restaked by Jack Ashton. During the boom period of porphyry exploration between 1965-1975, stockwork-type molybdenite mineralization was discovered and subsequently drilled on Mounts Haskin and Reed. Work done by several companies delineated a "Moly Zone" containing 11 million tonnes grading 0.15% MoS₂ on Mount Haskin. W-Mo skarns were the drill targets for mineral exploration by Glen Copper Mines in 1969. Canadian Superior Exploration optioned the property from Jack Ashton in 1978-1982, and drilled seven holes, totalling 570m, on Reed Mountain to determine the extent of skarn mineralization.

In 1965, the discovery, by United States Smelting, Refining & Mining Company, of the "Main Zone" on Mount Haskin boasted an ore reserve of 426,000 tons of 1.94% Pb, 5.54% Zn and 1.36 oz/ton Ag. In the early 1970's Della Mines made an unsuccessful attempt to mine this deposit. They drove two tracked drifts in an attempt to intersect the main zone. Adverse metal prices and changing political climate at the time, forced the company to discontinue exploration. The claims were held by cash in lieu from the mid-1970's until 1993.

3.2 Exploration Program: 1996

The 1996 exploration program conducted by Francis Moyle, consisted of five days of geological mapping and rock sampling. Approximately 90% of the work was concentrated in areas of gossanous bedrock and sulphide mineralization on the Christa/Debby #1 Claims. The remaining portion of work was on the Silver Mountain 2 and 4 claims. A large skarn outcrop called the DAKO showing, located in northwestern Christa claim, was previously trenched by Della Mines and assayed 10% Zn, 647 ppm Cu, 517 ppb Au and 137.3 ppm Ag.

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4.0 GEOLOGY

4.1 Regional Geology

The property lies within the northern extension of the Omineca lithotectonic domain. Mounts Reed and Haskin are underlain by a northwest trending belt of Cambro-Ordovician Kechika Group and Lower Cambrian Atan Group sediments (Rosella and Boya Formations) which have been intruded by Eocene granitic stocks. The oldest rocks exposed in the region are thick bedded limestone and dolomite with olive-green to gray phyllitic partings belonging to the Espee Formation. In the valley east of Mount Haskin, the Espee Formation outcrops as two limestone bands separated by a forested section which probably masks the phyllitic interval. Exposed on Mount Haskin are the Boya quartzites, Rosella limestones and the Kechika siltstones (Table 2). The siltstones have been hornfelsed pervasively. The rocks exposed on Mount Reed are the Boya quartzites and Rosella limestones which have been locally skarnified above the quartzite contact. The Rosella Creek Fault structure runs northwesterly on the eastern flank of Mount Reed.

4.2 Property Geology

The Reed Group property was geologically mapped and lithogeochemically sampled. The data was plotted on a 1:10,000 scale contour map (Map 1). Approximately 75% of the property is covered by forest and scrub vegetation. Outcrop accounts for approximately 20% of the claims area and occurs primarily in isolated exposures on hillsides, ridges and along road cuts.

4.2.1 Lithologies:

Geological mapping has identified the primary lithologies underlying the claims area as a package of Atan Group sediments composed of interbedded quartzite with phyllite and limestone with dolostone.

The bedrock geology on the Christa and Debby claims consists of northwest to northerly striking, moderate to steeply southwest dipping Atan Group sediments. The Lower Cambrian Rosella Formation consists of thin to thick bedded limestone with recessive slatey/muddy interbeds. The limestone is partly replaced by orange-weathered, coarse secondary dolomite. The Rosella limestone ranges from 200m to 700m thick and rests conformably on the Boya Formation. The Boya Formation occurs as rubbly subcrop of a siliciclastic sequence consisting predominantly of quartzite with interbedded slate and siltstone. The Boya Formation probably represents a shallow marine fan-top facies evidenced by crossbedded sandstones found in float (Table 2). Within the Silver Mountain claims (Figure 2), a blind granitic intrusion was located by drilling done between 1968-1972. This

CASSIAR TERRANE STRATIGRAPHY

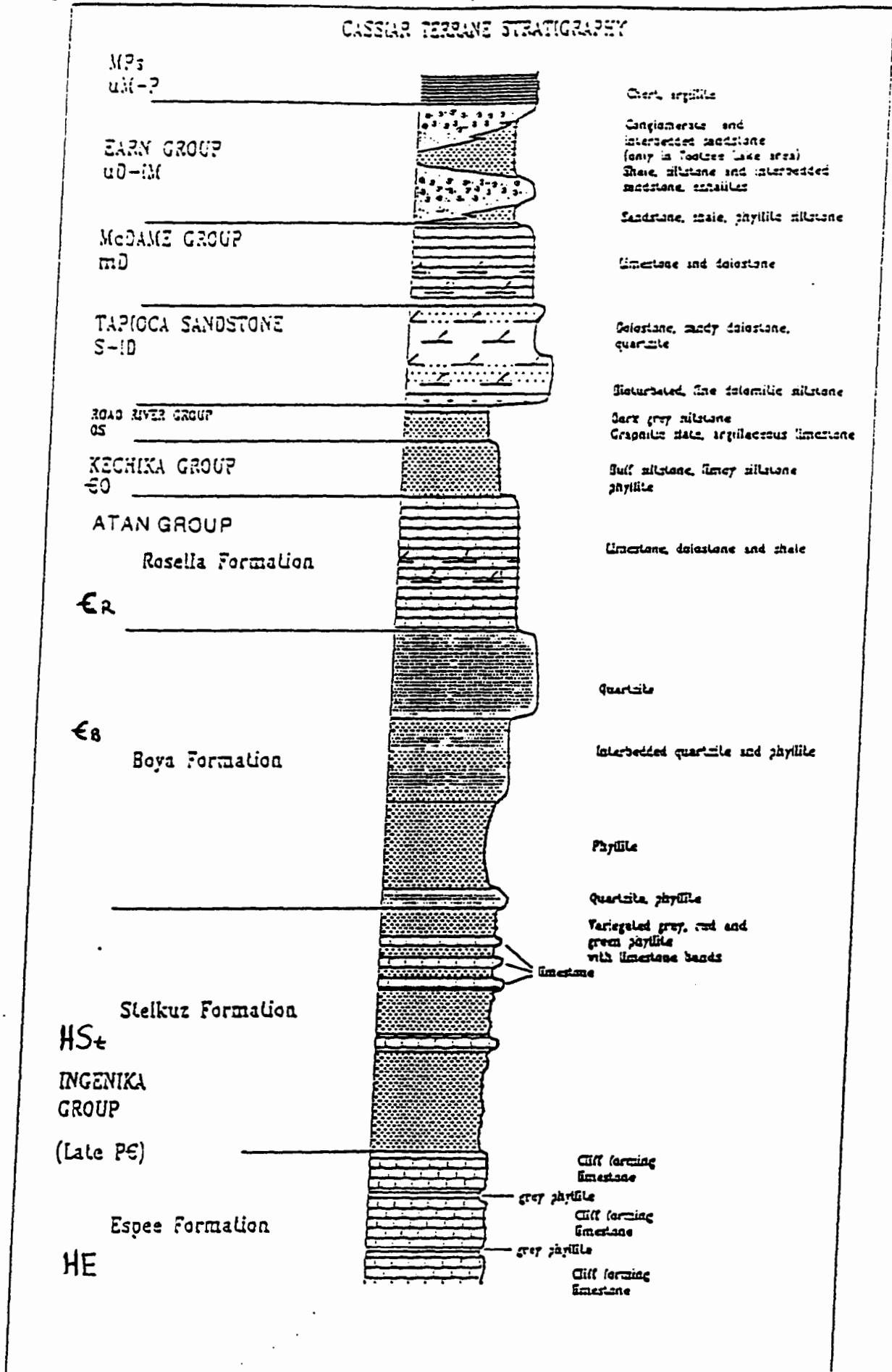


TABLE 2

Table of Formations, Good Hope Lake map area

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granitic intrusion is dated from early to middle Eocene (48.8 - 51.5ma). It is composed of 3 facies; a coarse granite, a fine granite and an aplitic facies. The granite stock is a coarse grain quartz and alkali-feldspar megacrystic monzogranite. It contains 30% quartz, 1-3% biotite and equal portions of K-feldspar and plagioclase. Xenoliths of aplite, cut by quartz veins, are found within the main granitic stock and, coarse granitic dykes cut the aplite facies which indicates that the aplitic rocks were emplaced prior to granitic intrusion. It has been determined, through past study, that the mineralization within the claim block is mostly related to the aplitic intrusive stage.

4.2.2 Structure:

The general attitude of the stratigraphic sequences is to the northwest with moderate to steep dips to the southwest. The faults on the property follow two dominant trends. The first are northwest trending faults paralleling the stratigraphy and the long axis of the Mount Reed intrusion. Secondly, a series of faults trending northeast cut the northwesterly trending faults. The northeasterly trending faults are a controlling factor on the extent of skarn development and Ag-Pb-Zn bearing veins.

4.2.3 Alteration and Mineralization:

There are four types of mineralization associated with the granitic intrusion at Mount Reed and Mount Haskin. (1) Quartz stockwork in the plutons and (2) metasomatized metapelitic hornfels both contain molybdenite. (3) The carbonate-hornfels contacts contain massive base metal-in-sulphide skarn lenses. The skarns contain abundant sphalerite, with lesser amounts of chalcopyrite, galena and arsenopyrite. Near the southern end of the claim block, a 3-6m wide north-trending shear zone occurs across the contact between Boya clastic and Rosella limestones. (4) Within this shear zone, Ag-rich, sphalerite-galena-pyrite vein mineralization occurs patchily for approximately 80m along strike of the shear. This has been known as the Joe Reed Vein.

The patterns of mineralization and alteration at Mounts Reed and Haskin are related to the emplacement of two separate pulses of granitoid magmas which created complex nearby hydrothermal systems. The metamorphic minerals formed in the Rosella carbonates include tremolite, actinolite and diopside. The intensity of metamorphism, especially around Mount Haskin, suggests the presence of a larger intrusion at depth. The exact age relationships between the two episodes of intrusion and development of the exoskarns are unclear. Evidence from previous drilling shows that the exoskarn system was cut by the granitic stock underlying the west flank of Reed Mountain thus suggesting that the monzogranite emplacement post-dated the main stage skarn development. It is possible that the main stage exoskarns were associated with earlier aplitic intrusions. The temporal relationship of the base metal skarn and the vein hosted sulphide mineralization is unknown, however, by analogy from other areas, they most likely both formed late and peripherally within the hydrothermal systems in the area.

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5.0 1996 EXPLORATION PROGRAM

5.1 Geological Mapping

Approximately 20% of the property was evaluated by geological mapping and prospecting during the 1996 exploration program. Lithochemical sampling was conducted concurrent with the mapping survey (Map 1).

5.2 Geochemistry

5.2.1 Sampling Procedure:

A total of 18 rock grab, float and chip samples were collected during the 1996 property evaluation program. Rock grab and chip samples were collected from outcrop exposures exhibiting favourable characteristics such as gossanous staining, sulphide content and alteration. Rock specimens were placed in marked plastic bags. All sample sites were marked with a fluorescent ribbon displaying the corresponding sample code. Ground control for mapping and sampling was provided by altimeter, compass and a 1:10,000 scale topo map for plotting data. During initial work on the Reed-Haskin property by previous companies, skarn outcrops were exposed by trenching and blasting. In 1996, some of these exposed outcrops were sampled and mapped at a scale of 1:10,000.

5.2.2 Rock Geochemistry:

Lithochemical analytical results are presented in Appendix V. The majority of the samples collected were sulphide bearing and were collected from areas of alteration (skarnification) and lithological contacts.

Table 3 records anomalous values for Mo, Pb, Zn, Cu, Bi, W, Ag, Au and Cd, resulting from lithochemical analysis of mineralized showings:

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TABLE 3: REED GROUP SHOWINGS SAMPLED

<u>SAMPLE #</u>	<u>Mo ppm</u>	<u>Pb ppm</u>	<u>Zn ppm</u>	<u>Cu ppm</u>	<u>Bi ppm</u>	<u>W ppm</u>	<u>Ag ppm</u>	<u>Au ppb</u>	<u>Cd ppm</u>
Della Showing:									
FR 96 84	1,105	2,502	50,692	16,426	13,057	2,070	166.4	232	398.4
FR 96 85	116	11,325	60,727	7,271	12,951	627	321.8	466	504.7
Dako Showing:									
FR 96 81	<1	43	99,999	647	218	<2	2.7	517	782.9
FR 96 82	1	5,961	48,382	774	543	353	137.3	56	292.8
FR 96 83	1	1,244	38,136	753	348	222	20.7	145	194.3
Reed Lst Float:									
FR 96 18	12	421	589	48	<2	34	83.3	-.001oz/t	0.9
FR 96 19	172	8,210	39,407	520	436	<2	52.1	.002 oz/t	238.3

The Della showing is located where Andy Robinson of Della Mines Ltd. had constructed two drifts to mine out the skarn hosted sulphide mineralization on Mount Haskin. The samples collected were grabs from the ore dump at the entrance to the upper drift.

The Dako showing is a trenched and blasted skarn outcrop, exposed by Andy Robinson of Della Mines Ltd. Two grab rock samples were taken on the east and west sides of the outcrop. A 1.5m long chip sample was also collected, at the center of the outcrop (FR96 82).

The Reed limestone float samples were taken on the southwestern slopes of Mount Reed, above old drill pads constructed by Glen Copper Mines in the late 1960's.

6.0 CONCLUSIONS

Geological mapping and lithochemical sampling were the focus of the exploration activity on the Reed Group property during the 1996 reconnaissance program. Geological mapping has shown that the property covers an assemblage of northwest striking Atan Group siliciclastic and carbonate units. This sequence of rocks was locally intruded by Eocene monzogranite-syenogranite stocks. Evaluation of previous data indicates that the four types of mineralization are spatially related to the granitic stocks underlying the northwestern and southeastern corners of the property. Geological mapping confirms that mineralization occurs proximal to the monzogranite intrusions. The four styles of mineralizations are summarized below:

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- 1) In the thermal metamorphic aureoles at Mount Reed and Mount Haskin, biotite hornfels in contact with the carbonate units have been converted to calc-silicate hornfels which host stockwork Mo-W mineralization. The series of northeast and northwest trending faults exert a control on the extent of massive base metal sulphide-skarn development and locations of the Ag-Pb-Zn bearing veins within the metasedimentary units. The molybdenite bearing quartz stockworks occur within the plutons themselves.
- 2) Exoskarn hosted Mo mineralization in marble, in contact with the granitic (aplitic) intrusion.
- 3) Massive base metal sulphide-in-skarn lenses along carbonate-hornfels/carbonate-quartzite contacts.
- 4) Ag-Pb-Zn veins within shear zones.

The nature of the mineralization indicates that major amounts of Fe, Al, Si, B and F with Mo, W and base metals were carried into the depositional environment by hydrothermal fluids. There are two weakly developed, superimposed stages of skarn mineralization which contain tungsten. The restricted development of these scheelite rich amphibole skarns, seen from the present erosional level, limits the economic potential for tungsten in the Mount Reed area.

Geological mapping failed to outline a third granitic intrusion due to the thick overburden cover. The weak anomalous copper values within the Dako showing suggest another possible granitic intrusion between the two existing monzogranite-syenogranite intrusions. If a third intrusion is located then the reserve potential for base metal mineralization including W-Mo could be greatly increased.

7.0 RECOMMENDATIONS

Analytical results from the 1996 lithogeochemical sampling program were encouraging. Geological mapping and prospecting helped to delineate two prospective targets that warrant immediate follow-up work in the form of close-spaced soil sampling plus geophysical IP and EM surveys. The purpose of the follow-up work would be to delineate a target for drilling in hopes of locating a third granitic stock or manto-style mineralization.

A work program is recommended as follows:

- 1) Two 500m x 500m grids should be constructed in the vicinity of the Dako showing. One grid should be constructed to the east of the Dako showing, encompassing valley floor and hillside. A second grid should be constructed on the west side of the Dako showing with lines cross-cutting stratigraphy and faulting.

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- 2) A geochemical soil sampling program should be initiated with samples taken at 25m intervals along 50m spaced grid lines.
- 3) A ground geophysical program should be initiated following the geochemical survey. The geophysical program should involve MAG, VLF-EM and possibly IP surveys in order to outline any granitic intrusions and mineralization within the fault structures. The depth to the intrusion could be 500-700m, therefore MAG and VLF-EM would be most penetrative.
- 4) Diamond drilling is recommended for a phase II exploration program contingent upon positive results from the geochemical and geophysical surveys.

8.0 REFERENCES

Nelson, J.L., Bradford, J.A., 1993. Geology of the Midway-Cassiar Area, Northern British Columbia (104/0, 104/P). Mineral Resources Division, Geological Survey Branch

Nelson, J.L., Bradford, J.A., 1989-1. Geology and Mineral Deposits of the Cassiar and McDame Map Areas, British Columbia (104P/3,5). British Columbia Ministry of Energy, Mines and Petroleum Resources, Geological Fieldwork.

Gower, S.J., Clark, A.H., Hodgson, C.J., 1985. Tungsten-Molybdenum Skarn and Stockwork Mineralization, Mount Reed - Mount Haskin District, Northern British Columbia, Canada. Can. J. Earth Sci. 22, 728-747.

APPENDIX I

Itemized Cost Statement

ITEMIZED COST STATEMENT

FIELD COSTS:

Salaries:	Mandays	Cost/Manday	Total
F. Moyle	5	@ \$190.00	\$950.00

FIELD EXPENSES:

	Mandays	Cost/Manday	Total
Accommodation	5	@ \$50.00	\$250.00
Meals	5	@ \$30.00	\$150.00
Truck Rental	5	@ \$100.00	\$500.00
Fuel	5	@ \$40.00	\$200.00
Freight/Shipping			\$107.06
Field Supplies & Materials			\$ 50.00
TOTAL			\$1,257.06

GEOCHEMICAL ANALYSIS:

	Samples	Cost Per Sample	Total
Rock Samples (ICP	18	\$17.12	\$308.16
Rock Assay (Cu, Pb, Zn, Ag, Cd, Au)	1	\$26.48	\$ 26.48
Total			\$334.64

OFFICE COSTS:

Salaries	Mandays	Cost/Manday	Total
Francis Moyle	5	\$165.00	\$825.00

TOTAL EXPENDITURES: **\$3,366.70**

APPENDIX II

Summary of Personnel

SUMMARY OF PERSONNEL

The following personnel are credited with the field and office work on the Reed Group property during the 1996 field season:

FRANCIS S. MOYLE

APENDIX III

Analytical Procedure

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B.C., Canada V6A 1R6

Telephone: (604) 253-3153 Fax: (604) 253-1716

**METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE
GROUP 1D - 30 ELEMENT ICP BY AQUA REGIA**

Sample Preparation:

Soils and sediments are dried (60°C) and sieved to -80 mesh (-177 microns), rocks and drill core are crushed and pulverized to -100 mesh (-150 microns). Plant samples are dried (60°C) and pulverized or dry ashed (550°C). Moss-mat samples are dried (60°C), pounded to loosen trapped sediment then sieved to -80 mesh. At the clients request, moss mats can be ashed at 550°C then sieved to -80 mesh although this can result in the potential loss by volatilization of Hg, As, Sb, Bi and Cr. A 0.5 g split from each sample is placed in a test tube. A duplicate split is taken from 1 sample in each batch of 34 samples for monitoring precision. A sample standard is added to each batch of samples to monitor accuracy.

Sample Digestion:

Aqua Regia is a 3:1:2 mixture of ACS grade conc. HCl, conc. HNO₃ and demineralized H₂O. Aqua Regia is added to each sample and to the empty reagent blank test tube in each batch of samples. Sample solutions are heated for 1 hour in a boiling hot water bath (95°C).

Sample Analysis:

Sample solutions are aspirated into an ICP emission spectrograph (Jarrel Ash Atom Comp model 800 or 975) for the determination of 30 elements comprising: Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sr, Th, Ti, U, V, W, Zn.

Data Evaluation:

Raw and final data from the ICP-ES undergoes a final verification by a British Columbia Certified Assayer who then signs the Analytical Report before it is released to the client. Chief Assayer is Clarence Leong, other certified assayers are Dean Toye and Jacky Wang.

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis

852 E. Hastings St., Vancouver, B.C., Canada V6A 1R6

Telephone: (604) 253-3153 Fax: (604) 253-1716

METHOD FOR WET GEOCHEM GOLD ANALYSIS

Sample Preparation:

Soils and sediments are dried (60°C) and sieve to -80 mesh.

Rocks and cores are crushed and pulverized to -100 mesh.

Sample Digestion

1. 10g samples in 250 ml beaker, ignite at 600°C for four hours.
2. Add 40 ml of 3:1:2 mixture HCL:HNO₃:H₂O.
3. Cover beaker with lids.
4. Boil in hot water bath for one hour.
5. Swirl samples 2 to 3 times within the hour.
6. Cool, add 60 ml of distilled water and settle.
7. Pour 50 ml of leached solution using a graduated cylinder into 100 ml volumetric flask.
8. Add 10 ml of MIBK and 25 ml of distilled water.
9. Shake 3 to 4 minutes in shaker.
10. Add additional 25 ml of distilled water to stripe out excess iron.
11. Shake each flask 10 times.
12. Pour MIBK into container for graphite AA finished.

APPENDIX IV

Rock Geochemical Lab Reports

ACME ANALYTICAL LABORATORIES LTD.

852 E. HASTINGS ST. VANCOUVER BC V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716



ASSAY CERTIFICATE



CUSAC Industries Ltd. File # 96-3194R

908 - 700 W. Pender St., Vancouver BC V6C 1G8

SAMPLE#	Cu %	Pb %	Zn %	Ag oz/t	Cd %	Au** oz/t
FR96-20	.145	<.01	5.62	.08	.026	.002

1 GR SAMPLE LEACHED IN 50 ML AQUA - REGIA, DILUTE TO 100 ML, ANALYSIS BY ICP.
- SAMPLE TYPE: ROCK PULP AU** BY FIRE ASSAY FROM I A.T. SAMPLE.

DATE RECEIVED: AUG 12 1996 DATE REPORT MAILED: *Aug 20/96* SIGNED BY: *C. Long* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

P.02/02

604 253 1715 TO 6827576

96 15:06 FR ACME LABS

** TOTAL PAGE.002 **



GEOCHEMICAL ANALYSIS CERTIFICATE



Cusac Industries Ltd. File # 96-3194 Page 1
908 - 700 W. Penzler St., Vancouver BC V6C 1G8 Submitted by: Frank Hoyle

SAMPLE#

Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Nb	K	U	Au ^a
ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm

IR96-20	<1	14.75	31	59	11.0	2.4	10	41	6311	18.76	<2	<5	<2	3	2	202.4	<2	90	5	2.40	.005	5	6	1.86	5	.03	31	.26	<.01	.01	<2	69
IR96-21	32	44	33	496	.6	6	4	11563	7.70	2	<5	<2	4	12	.8	<2	8	9	8.66	.069	14	9	.43	7	.03	<3	.89	.01	.11	747	2	
IR96-22	434	82	9	1460	<.3	2	<1	5270	5.87	6	<5	<2	<2	32	8.6	<2	2	4	24.76	.001	3	2	10.92	4	<.01	2559	.13	<.01	.05	360	<1	
IR96-23	308	21	18	2558	.5	<1	<1	4569	3.49	150	18	<2	17	8	14.3	3	170	3	14.89	<.001	19	3	4.99	6	.01	668	2.05	<.01	.02	424	32	

IR96-30	1	46	10	57	<.3	8	1	1155	2.64	3	<5	<2	8	59	<.2	<2	33	8	3.24	.356	19	13	.29	24	.07	5	1.99	.08	.09	37	3
IR96-31	<1	2	26	21	.6	2	3	1105	2.11	78	<5	<2	<2	48	.3	7	2	1	28.77	<.001	2	1	10.49	2	<.01	<3	.03	.02	.01	2	1
IR96-32	1	4	8	55	<.3	7	3	4869	.88	12	<5	<2	<2	66	.3	2	5	2	7.50	.001	<1	3	.65	2	<.01	<3	.05	<.01	.01	<2	1
IR96-33	<1	21	11	56	.3	6	1	7026	7.78	34	<5	<2	<2	39	<.2	<2	3	7	12.65	.006	1	2	.63	2	<.01	<3	.24	<.01	.01	73	9
STANDARD C2/AU-R	19	55	36	140	6.0	60	34	1082	3.72	37	24	7	33	49	18.9	16	20	69	.56	.101	38	62	.95	194	.08	20	1.95	.06	.14	10	471

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 IN FE SR CA P LA CR HG BA TI B U 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: P1 ROCK P2 TO P14 SOIL AU^a - IGHITED, AQUA-REGIA/HIBK EXTRACT, GF/AA FINISHED.
 Samples beginning 'RE' are Returns and 'RRE' are Reject Returns.

DATE RECEIVED: JUL 27 1996 DATE REPORT MAILED: *Aug 3/96* SIGNED BY: *[Signature]* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS



SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Cr	P	Lo	Cr	Wg	Os	Ti	B	Al	Na	K	U	Tl	Hg	Au*
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm
FR96-16	<1	859	41	204	.5	<1	<1	4501	31.60	<2	<5	<2	3	2	<.2	<2	<2	2	.54	.001	2	<1	.29	9.01	73	.05	.01	.02	338	<5	<1	<.001	
FR96-17	1	17	101	61	.3	16	6	281	1.59	5	<5	<2	9	61	.7	5	3	18	1.52	.071	16	29	.45	13.16	3	2.31	.27	.36	5	<5	<1	<.001	
FR96-18	12	48	421	589	83.3	3	3	76573	1.03	655	<5	<2	<2	192	.9	872	<2	3	35.57	<.001	2	<1	.46	2202	<.01	<3	.06	<.01	.06	34	<5	1	.002
* FR96-19	166	492	7784	37869	52.1	7	16	64523	5.29	13	8	<2	4	128	229.6	16	406	8	14.53	<.001	17	15	2.06	46.07	710	1.88	.05	1.48	<2	<5	<1	<.001	
RE FR96-19	172	520	8210	39407	53.8	9	18	66595	5.49	18	<5	<2	5	133	238.3	16	436	9	15.08	<.001	18	16	2.99	46.07	746	1.96	.04	1.55	<2	<5	1	.001	

Rec'd/Hush

Sample type: ROCK. Samples beginning 'RE' are Retuns and 'RR' are Re-test Retuns.
AU* BY FIRE ASSAY FROM 1 A.T. SAMPLE.

* Assay recommended for Pb, Zn, Ag.

1996 10:10 CUSAC GOLD MINES LTD
1996 17:17 FR ACME LABS
504 582 7575 P. 006-007

1996 10:10 CUSAC GOLD MINES LTD
1996 17:17 FR ACME LABS



SAMPLE #	Hg	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	Lo	Cr	Hg	Bn	Ti	B	Al	Mn	K	U	Au*
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	%	%	%	%	ppm	ppm
FR96-B0	<1	1	7	12	<.3	3	<1	815	1.65	7	5	<2	<2	247	<.2	<2	<2	3	34.88	.004	<1	1	13.20	20	<.01	<3	.04	<.01	.01	2	2
FR96-B1	<1	647	43	99999	2.7	7	12	6562	12.39	5	<5	<2	2	8	782.9	3	218	3	1.96	.010	5	152	.20	14	.02	40	.49	.01	<.01	<2	517
FR96-B2	1	774	5961	48302	137.3	6	17	3212	11.73	<2	<5	<2	2	11	292.8	7	543	4	1.91	.010	2	35	.27	11	.07	6	.44	<.01	<.01	353	56
FR96-B3	1	753	1231	37735	20.5	12	29	5104	12.50	<2	<5	<2	3	5	192.5	4	348	5	2.07	.011	3	32	.17	12	.05	15	.66	<.01	<.01	222	145
RE FR96-B3	<1	746	1244	38136	20.7	13	29	5112	12.54	<2	5	<2	4	4	194.3	<2	347	6	2.07	.010	3	26	.17	13	.05	13	.66	<.01	<.01	222	140
FR96-B4	1105	16426	2502	50692	166.4	10	4	6083	30.23	3	26	<2	4	1	398.4	<2	13057	12	1.95	<.001	1	136	18.40	37	.01	716	.19	<.01	.17	2070	232
FR96-B5	116	7271	11325	60727	321.8	6	<1	5702	20.72	<2	9	<2	2	2	504.7	<2	12951	19	2.48	<.001	<1	131	12.70	71	.01	190	1.20	.01	1.36	627	466

Sample type: ROCK. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.
 AU* - IGNITED, AQA-REGIA/HIBK EXTRACT, GF/AA FINISHED.

Assay recommended for Cu, Pb, Zn > 1%
 Ag > 30 ppm
 W > 100 ppm

Cu-Pb-Zn-Ag-Au

APPENDIX V

Rock Sample Descriptions

Reed Cr RECCE TRAVERSE/SAMPLE RECORD

NAME: F. Moyle

PAGE 1 OF 2

DATE	TRAVERSE	NTS	AREA	SAMPLE #'s	COMMENTS/ROCK DESCRIPTION
July 25/96	Reed Group	104 P6W	Haskin	FR96 16	Crossinuous skarn outcrop - S end of old mine. Lst surrounding subcrop. conc. Mo, Pb, Zn mineral (grab)
"	"	"	"	FR96 17	Azite w/ py/po disseminations - float from cliffs above. Cliffs are Lst w/ greis interbedded.
"	"	"	"	FR96 18	Jugy Lst w/ conc. Mo rich locally oxidized (black) grab w/in Lst subcrop.
"	"	"	"	FR96 19	Mo in altered Lst - friable - dense (pb) grab w/in Lst subcrop
July 26/96	Reed Group	104 P6W	Reed	FR96 20	Skarn contact w/ Lst mineral of Mo, Pbs/Zn. cpy, py, po w/in skarn - skarn possibly extends thru valley (grab)
"	"	"	"	FR96 21	Skarn subcrop on roadcut to old drill pad - grab.
"	"	"	"	FR96 22	Brecciated/hydrothermally altered Lst. - Fe stained w/ Mo coatings along veinlets - w/ clasts epidote
"	"	"	"	FR96 23	Skarn - epidote rich body above brecciated Lst w/ Mo in veinlets. Skarn clasts in breccia
July 27/96	"	"	Haskin	FR96 30	Crossinuous Lst w/ moly mineral - Fe rich Grab from subcrop
"	"	"	"	FR96 31	Fe stained skarn - w/ actinolite (white) grab from subcrop
"	"	"	"	FR96 32	Altered Lst - w/ moly coatings locally grab from subcrop
"	"	"	"	FR96 33	small gully - moly coated skarn w/ py cubes - weathered out - outcrop grab
July 28/96	"	"	Haskin	FR96 80	skarn w/ gtz veinlets w/ actinolite (white) moderately dense - weak mineralization outcrop grab
"	"	"	"	FR96 81	skarn outcrop grab strongly mineralized w/ Zn, Pbs, cpy, py po - epidote / carb intx - Duko showing
"	"	"	"	FR96 82	chip across 1.5m of exposed skarn outcrop Duko showing
"	"	"	"	FR96 83	skarn outcrop grab on W side of showing (Duko) well mineralized w/ Zn, Pbs, cpy, po - epidote rich

Reed Gp RECCE TRAVERSE/SAMPLE RECORD

NAME: F. Moyle

PAGE 2 OF 2

DATE	TRAVERSE	NTS	AREA	SAMPLE #'s	COMMENTS/ROCK DESCRIPTION
July 27/76	Reed Group	104 P/6W	Della Mine	FR 9684	Della Mines grab from dump pile at base of Adit - Massive sulphide.
"	"	"	"	FR 9685	Della Mines grab from dump pile at base of adit - massive sulphide.

APPENDIX VI

Statement of Qualifications

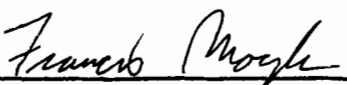
STATEMENT OF QUALIFICATIONS

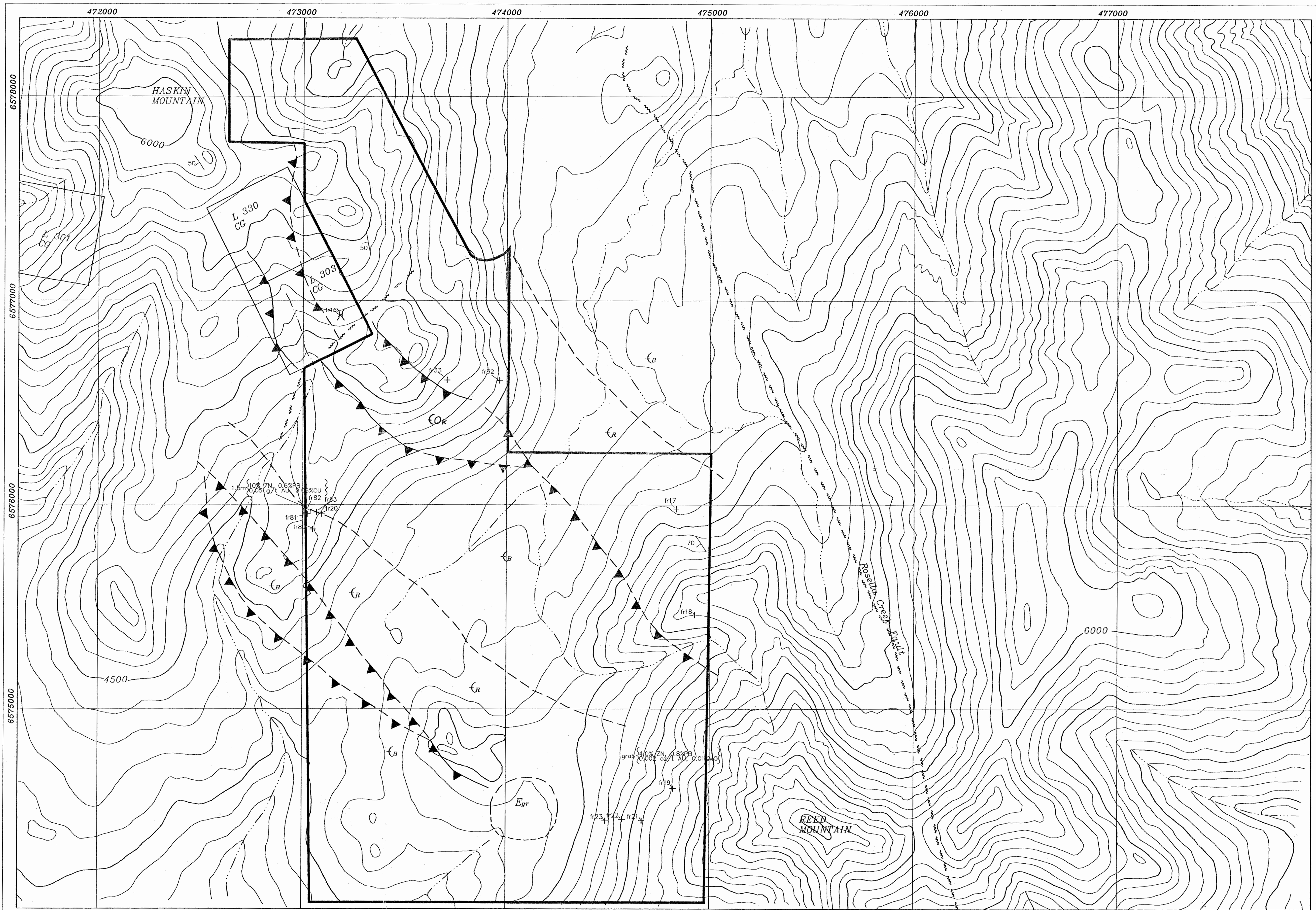
I, Francis S. Moyle, of 928 Berkley Road in the municipality of North Vancouver, British Columbia, do hereby certify that:

- 1) I am an independent contract geologist currently employed under contract to Cusac Gold Mines Ltd., Pacific Bay Minerals Ltd., Demand Gold Ltd. and Dan Brett. The office is at #908-700 West Pender Street, Vancouver, B.C. V6C 1G8;
- 2) I am a graduate of the University of British Columbia (1994) with a B.Sc degree in geology and have had this profession continuously since graduation;
- 3) I have been employed in the mineral exploration industry since 1990, within Canada;
- 4) I am the author of a recent report dated October, 1996 entitled "Geological and Geochemical Assessment Report" on the Reed Group Property in Liard Mining Division, British Columbia;
- 5) I have personally performed the work discussed in this report;
- 6) I do not own or expect to receive any interest (direct, indirect or contingent) in the property described herein with respect of services in the preparation of this report.

Dated at Vancouver, B.C. this 29 day of October, 1996.

Respectfully submitted:


Francis S. Moyle, B.Sc.



- LEGEND**
- Thrust Fault (defined approximate)
 - Trench
 - Sample Location
 - Contact (approximate)
 - Fault
 - Creeks
 - Claim boundary

- Eocene**
- Egr** Granite, medium to fine grained, leuco grainie
- Cambrian to Ordovician**
- Kechika Group**
 - Cok** Pale coloured calcareous slate, siltstone, limestone calcussilicate and biotite hornfels
- Lower Cambrian**
- Atan Group**
 - Rosella Formation**
 - CR** Limestone, dolostone, calcareous slate, red and green slate
- Boya Formation**
- CB** Quartzite, siltstone, slate, phyllite

GEOLOGICAL SURVEY BRANCH
ASSESSMENT UNIT 2007



SCALE: 1:10000

COMPANY: BASELINE RESOURCES LTD	
DRAWING TITLE: REED MOUNTAIN BASE MAP	
LOCATION: MOUNT HOSKIN	
DATE: OCTOBER, 1996	SCALE: 1 : 10000
DRAWN: TC 96162 MSH	GEOLOGIST: F.MOYLE
DATA: 104 P 6W	DRAWING: