RECEIVED

APR 28 1997

GEOLOGICAL REPORT

Gold Commissioner's Office VANCOUVER, B.C.

on the

WAHLEACH 1 - 11 MINERAL CLAIMS (Including the POPKUM LIMESTONE QUARRY)

BRIDAL FALLS - CHEAM PEAK AREA

NEW WESTMINSTER MINING DIVISION, B.C. NTS 92 H / 4E 49° 13'N Latitude / 121° 42' W Longitude

for

STEELHEAD AGGREGATES LTD.

203-20353 64th Ave PO Box 3160 Langley, B.C. V3A 1R5 Phone: 604-530-3990 (Owner)

by

J.T. SHEARER, M.Sc., P.Geo. HOMEGOLD RESOURCES LTD.

Unit #5-2330 Tyner St.
Port Coquitlam, BC
V3C 2Z1
Phone/Fax: 604-944-6102

February 28, 1997 DOGICAL SURVEY BRANCE ASSESSMENT REPORT

Fieldwork completed between February 10, 1997 and February 19, 1997

TABLE OF CONTENTS

•	<u>Page</u>
LIST OF ILLUSTRATIONS AND TABLES	ii
SUMMARY	iii
INTRODUCTION	1
LOCATION AND ACCESS	2
CLAIM STATUS	3
PROPERTY GEOLOGY AND MINERALIZATION	4
GEOCHEMISTRY	6
GEOPHYSICS	7
CONCLUSIONS AND RECOMMENDATIONS	8
COST ESTIMATE FOR FUTURE WORK	9
REFERENCES	10
APPENDICES	
Appendix I - Statement of Qualifications	11
Appendix II - Statement of Costs	12

LIST OF ILLUSTRATIONS AND TABLES

	Following					
	Page					
Illustrations						
FIGURE 1	Location Map1					
FIGURE 2	Topographic & Geological Map - 1:50,0002					
FIGURE 3	Claim Map - 1:50,000 3					
FIGURE 4	Regional Geology - 1:250,000 4					
FIGURE 5	Detail Location Map of Area - 1:20,000 6					
FIGURE 6	Sketch Map of Popkum Limestone Quarry - 1:1,000 5					
FIGURE 7	Detail Geology - 1:5,000in pocket					
FIGURE 8	Airborne Magnetometer Survey - 1:63,3607					
	Tables					
TABLE 1	List of Claims3					
TABLE 2	Geochemical Results6					
TABLE 3	Results of 1995 Chip Samples - PopkumQuarry -					
	Major Oxides5					

SUMMARY

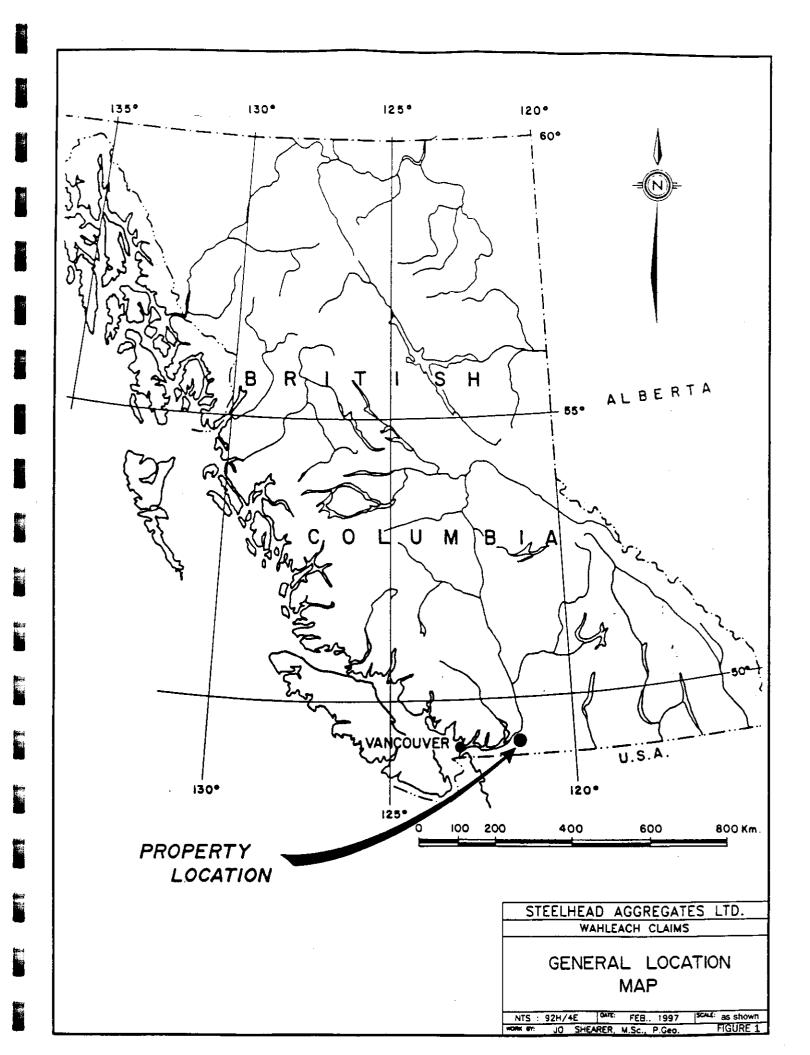
- Geological mapping was carried out in February 1997 on the Wahleach 1-11 claims. The Wahleach claims were located to cover a favourable geological environment consisting of hornfelsed and skarnified Lower Permian limestone intruded by granodiorite which contains the Popkum Limestone Quarry, a small past producer of mainly agricultural CaCo₃.
- 2) Low-grade gold-bearing arsenopyrite float was previously discovered to the east of the claim boundaries and stream sediment samples previously collected were also anomalous in arsenic and gold (up to 950 ppb Au). A chip sample taken in 1947 across 24 meters of the western Limestone band averaged 45.75% CaO.
- 3) The general geological setting, composed mainly of Permian limestone intruded by Miocene granodiorite is similar to that of several other interesting copper-gold properties in the general area. The suitability of the limestone unit for cement manufacture requires additional study. Past production from the Popkum Quarry is reported to be 107,000 tonnes in the period 1917 to 1970.
- 4) Samples taken from the Popkum Quarry in 1995 averaged 8.28% SiO2, 0.75% Al2O3, 49.44% CaO and 0.04 % total Alkali.
- 5) The initial stage of the proposed program of test excavations would cost about \$25,000 and, with success in target definition of a calcium carbonate resource, a follow-up program involving shallow trenching and exploratory drilling would be required with a considerably larger budget.

INTRODUCTION

The Wahleach 1-11 two-post mineral claims are located in Cheam Mountain area of the New Westminster Mining Division of British Columbia adjacent to the Trans Canada Highway. This report describes the geological setting and mineral potential found on the Wahleach 1-11 mineral claims and contains recommendations for further exploration work. The area is underlain by a clastic and carbonate sequence of the Chilliwack Group intruded by the Miocene Mount Barr Batholith (Richards and McTaggert, 1976).

The Wahleach 1-11 claims are drained by several steep, west flowing creeks. The steepness of the terrain coupled with the thick underbrush has hampered evaluations in the past. Two lower Permian carbonate units of the Devonian Permian Chilliwack Group are exposed as north trending bands 300 metres apart along the base of Mount Cheam for at least 600 metres. The western band is at least 24 meters thick while the eastern band is at least 60 metres thick. This section is orientated 150°/30°NE.

Present work has defined the general carbonate environment which has not been evaluated in detail in the past, despite the relative ease of access.



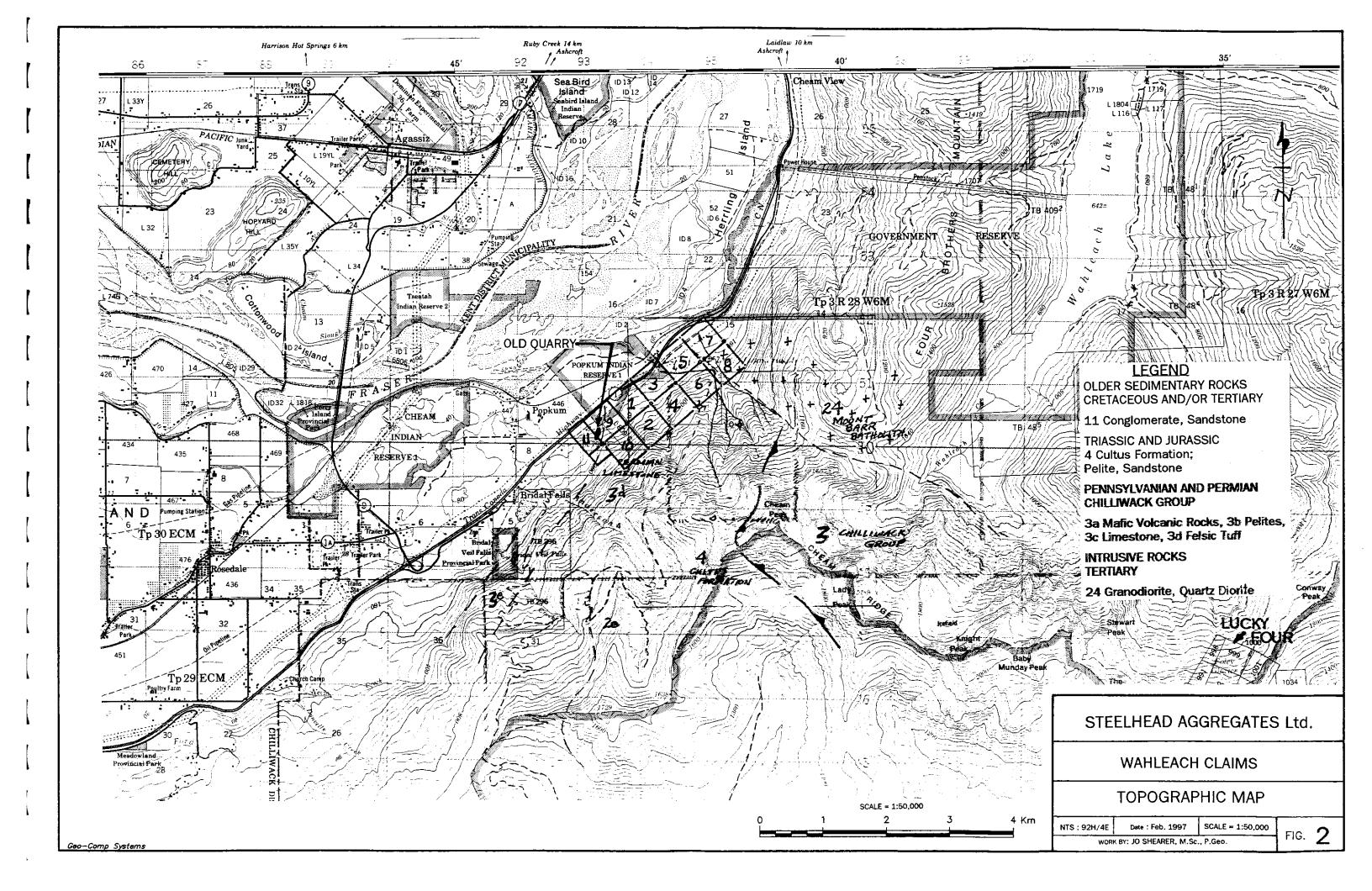
LOCATION AND ACCESS

The property is reached via the Trans Canada Highway (Hwy. No.1), which parallels the steep northwesterly facing slope of Cheam Mountain in the vicinity of Bridal Falls, a road distance of approximately 90 km east of Vancouver, B.C., Figure 1. A gated power line service and gas pipeline road traverses the west side of the Wahleach 1-11 mineral claims and provides access from the Trans Canada Highway, approximately 2,000 metres west of the village of Popkum, B.C. The gate is usually kept locked by Trans Mountain Pipeline Ltd. (for information phone: Vancouver 876-6711 or Hope 869-5993). This service road is 1.7 km east of the overpass at Exit No. 138 and opposite Julseth road. This junction turn-off is also 4 km west of the Jones Lake Power Station. An old overgrown logging road provides easy access to the western side of the claims. This road could be brushed out by a bulldozer in short order if more advanced exploration is required. Cheam Peak is a prominent geographical feature along the southeast boundary of the Wahleach mineral claims.

The Wahleach 1-11 mineral claims are centred at latitude 49° 13′N, longitude 121° 42′W at an elevation that ranges from 60 metres in the northwest to 450 metres in the southeastern portion of the claims, (Figure 2).

Topography is steep and covered by dense second growth except in cliff or talus zones. Snowfall is rare at lower levels but heavy near the upper limits, although present for only a few winter months. Water is available in small creeks usually year-round. The property is far enough removed from the Highway and power and gas lines to allow medium-scale mining.

Surface rights are held by Mr. Chuck McKay, who operates a small sawmill and other enterprises. When the Trans Canada Highway was widened in the mid 1980's Mr. McKay moved this sawmill from across from Harling Island to his present location. Recently, Mr. McKay indicated that Maris Transport produced from the Popkum Quarry in the near past. He has expressed concern—about slope stability associated with future mining. Some geotechnical studies would be required to demonstrate to Mr. McKay that no danger is present. Mr. McKay apparently has the rights to a transportation corridor along an abandoned rail spur which came into the old quarry during the 1930's. He also claims control of "docking" rights into the Fraser River just west of Popkum Village.



CLAIM STATUS

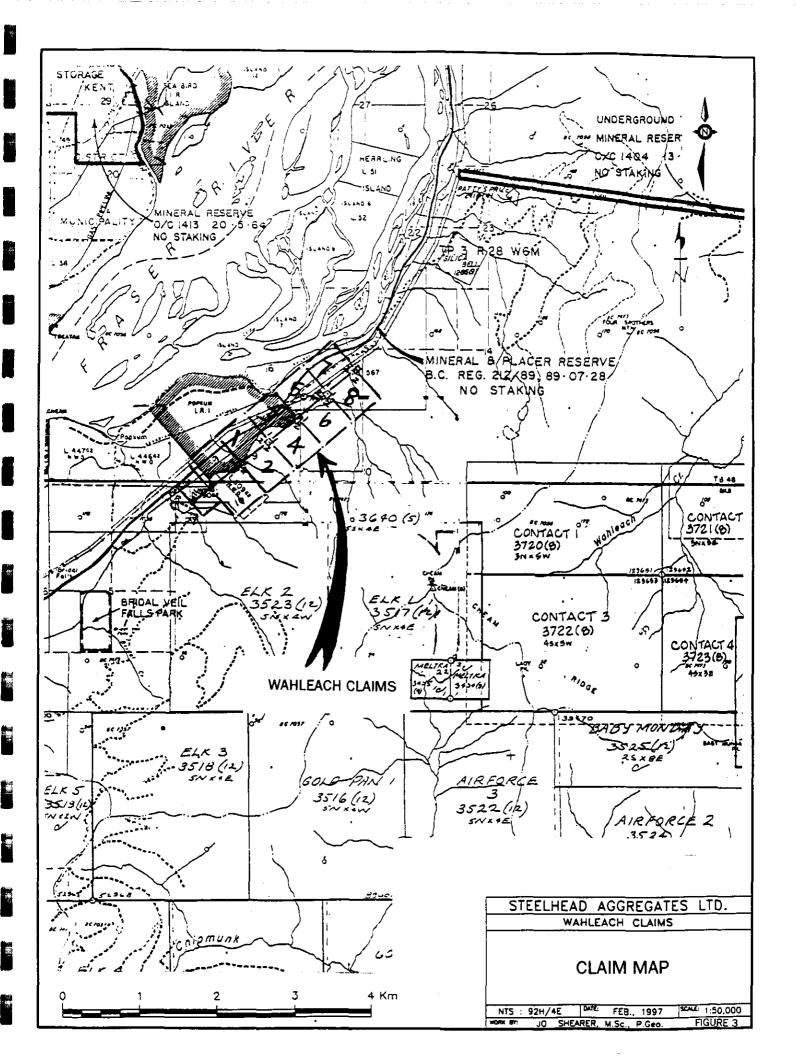
The principal area of interest is covered by the Wahleach 1-11 mineral claims staked under the two-post system (appendix A) and registered in the name of J.T. Shearer. A bill-of-sale has been executed in the name of Steelhead Aggregates Ltd., 203 - 20353 64th Ave., Langley V3A 1R5. Figure 3 shows the record claim block. The claims are located within the New Westminster Mining Division.

TABLE 1 List of Claims						
Claim Name	Record No.	Units	Location Date	Expiry Date		
Wahleach 1	333977	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 2	333978	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 3	333979	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 4	333980	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 5	333981	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 6	333982	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 7	333983	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 8	333984	1	Feb. 21, 1995	Feb. 21, 1998 *		
Wahleach 9	335175	1	April 25, 1995	April 25, 1998 *		
Wahleach 10	335176	1	April 25, 1995	April 25, 1998 *		
Wahleach 11	335177	1	April 25, 1995	April 25, 1998 *		

• with application of assessment work documented in this report.

Under the present status of mineral claims in British Columbia, the consideration of industrial minerals requires careful designation of the product's end use. An industrial mineral is a rock or naturally occurring substance that can be mined and processed for its unique qualities and used for industrial purposes (as defined in the *Mineral Tenure Act*). It does not include "Quarry Resources". Quarry Resources includes earth, soil, marl, peat, sand and gravel, and rock, rip-rap and stone products that are used for construction purposes (as defined in the *Land Act*). Construction means the use of rock or other natural substances for roads, buildings, berms, breakwaters, runways, rip-rap and fills and includes crushed rock. Dimension stone means any rock or stone product that is cut or split on two or more sides, but does not include crushed rock.

The apparent expected end use of the CaCO₃ resource (that of supporting a cement plant raw materials) from the Wahleach Project of Steelhead Aggregates Ltd. comes within the Industrial Use definition and therefore can be considered under the *Mineral Tenure Act*. Claims require \$100 of assessment work per unit (or cash-in-lieu) each of the first three years and \$200 per unit each year after.



PROPERTY GEOLOGY AND MINERALIZATION

There has been little detailed mapping of the property in the past and only reconnaissance geochemical sampling and float prospecting has been carried out within the area of the Wahleach 1-11 mineral claims (Figure 7) until the work by the present owner in 1995 and 1997. Float specimens containing arsenopyrite, pyrrhotite and minor chalcopyrite within a brecciated siliceous hornfels were located to the east of Wahleach 6 & 8 mineral claims. Other float samples containing weakly mineralized garnetiferous skarn, biotite hornfels and intrusive lithologies have been collected but the actual contact areas have yet to be located and explored.

The Wahleach 1-11 claims are mainly underlain by late Paleozoic Chilliwack Group and Triassic-Jurassic Cultus Formation. To the northeast, the claims are intruded by Conway Phase granodiorite (ca.18Ma) of the Mount Barr Batholith (Richards & McTaggert, 1976). The upper part of Cheam Peak consists of a thrust sheet of Chilliwack Group Rocks.

The structure of the area (Monger, 1970) is that of northwesterly overturned and recumbent folds, which gently plunge to the northeast (at approximately 30°). Within the Wahleach 1-11 Claims Permian Chilliwack Group limestone is duplicated at least twice (unit 2d).

The Mount Barr Batholith is exposed at the north edge of the property at the entrance to "Cheam" Creek canyon. These outcrops are composed of coarsely crystalline biotite granodiorite (Figure 6 and 7). The Cultus Formation consists mainly of black slate to cherty black hornfels.

The Chilliwack Group is composed mainly of Permian marble which has been altered to varying degrees to calc-silicate assemblages. Diopside and epidote altered carbonates are common within the talus of Cheam Creek.

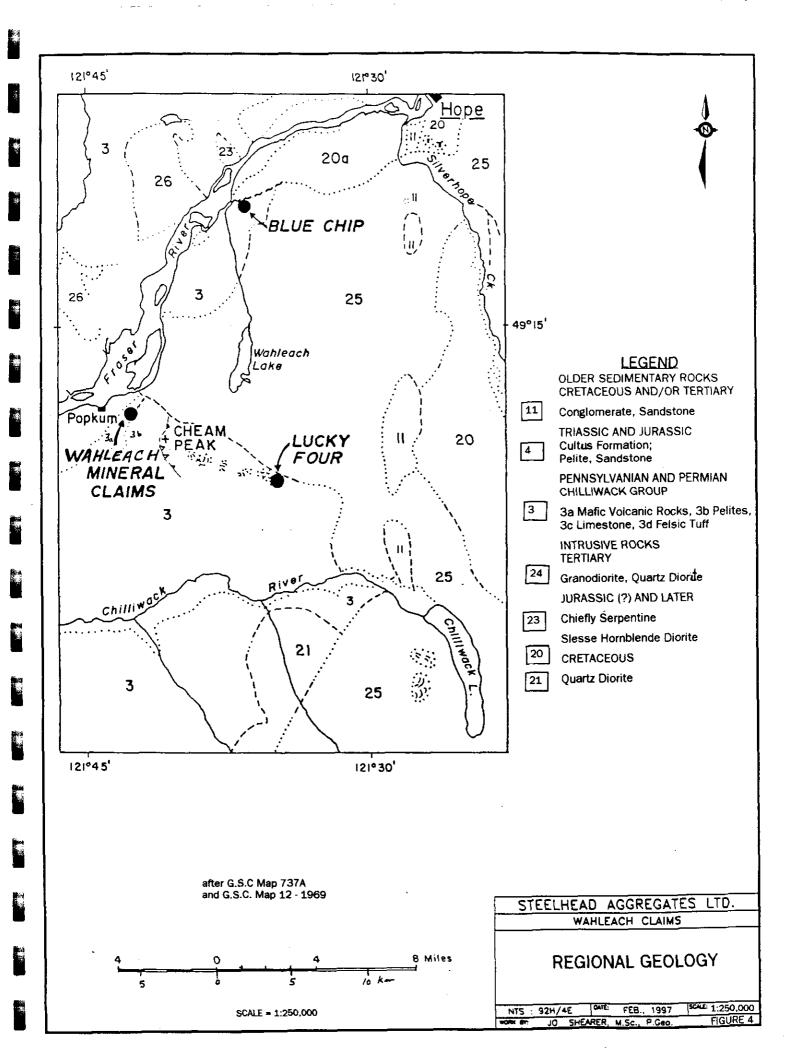
Garnet-actinolite-epidote skarn containing minor pyrite was observed in several localities. A similar skarn occurrence at the contact Chilliwack Group limestone and Conway phase granodiorite of the Mount Barr Batholith is the Lucky Four Property which is located 5 miles east of the Wahleach claims. Although the Lucky Four Group has been investigated by considerable diamond drilling and underground drifting between 1918 and 1955 (Cairnes, 1923), its location at 6,400 ft. elevation in a very rugged part of the Cheam range has hampered definition of ore.

Previous work to the east of Wahleach 1-11 claims area is recorded in the Minister of Mines Annual Report 1966, page 61. The Cheam No.2 claim had been held since 1957 and the main showing was 0.6 miles south of the power line crossing of the highway at the elevation of 1,700 ft. (515m) above the highway. Access was via the overgrown logging road for 1.5 miles and then 800 feet southeast through the bush. The main showing consisted of two irregular, parallel, vertical vuggy quartz "veins" (probably a quartz phase of the skarn assemblage), 7 feet wide and 50 feet apart. They can be traced southward up the face of a limestone bluff. Mineralization consists of scattered veinlets of chalcopyrite and irregular masses of pyrrhotite. Some sulfides were noted to extend into the limestone wall rocks (MMAR 1966) and the limestone is altered to garnet in spots. A pit 20 feet wide and 5 feet deep was excavated on the west "vein". Samples taken by government personnel are as follows (MMAR 1966):

		Copper%	Gold	Silver	WO3
(1)	7 foot channel on east vein	0.08	trace	nil	
(2)	7 foot channel on west vein	0.11	nil	nil	
(3)	grab of massive sulfide west vein	0.025	trace	trace	
(4)	grab of sulfides, west vein	0.17	nil	trace	trace

There is a series of topographic benches (faults?) at the 700-800m elevation which result in 10 to 15 meter high bluffs of limestone just above the uppermost old logging road. The pit dug in 1966 was not relocated.

The Popkum Quarry on Wahleach 9, and 11 occurs in the western unit of the Lower Permian Limestone. This unit has been dated by Fusilinids. Two northeasterly bands 300 metres apart occur along the base of Mount Cheam for at least 600 metres. The western band is at least 24 meters thick



while the eastern band is at least 60 metres thick. This section is orientated 150°/30°NE but disrupted by isoclinal folding and thrust faulting.

Both bands are generally composed of dark grey to black, medium-grained limestone containing some chert lenses and a few veinlets and masses of quartz and calcite. In the Popkum Quarry, Figure 7, lenses and thin beds of fine grained siliceous limestone are present. Chip samples taken in 1947, (Bulletin 40, page 42) across 24.3 meters averaged 45.75% CaO. Results of samples taken in 1995 are shown below:

TABLE 3
1995 Chip Samples - Popkum Quarry

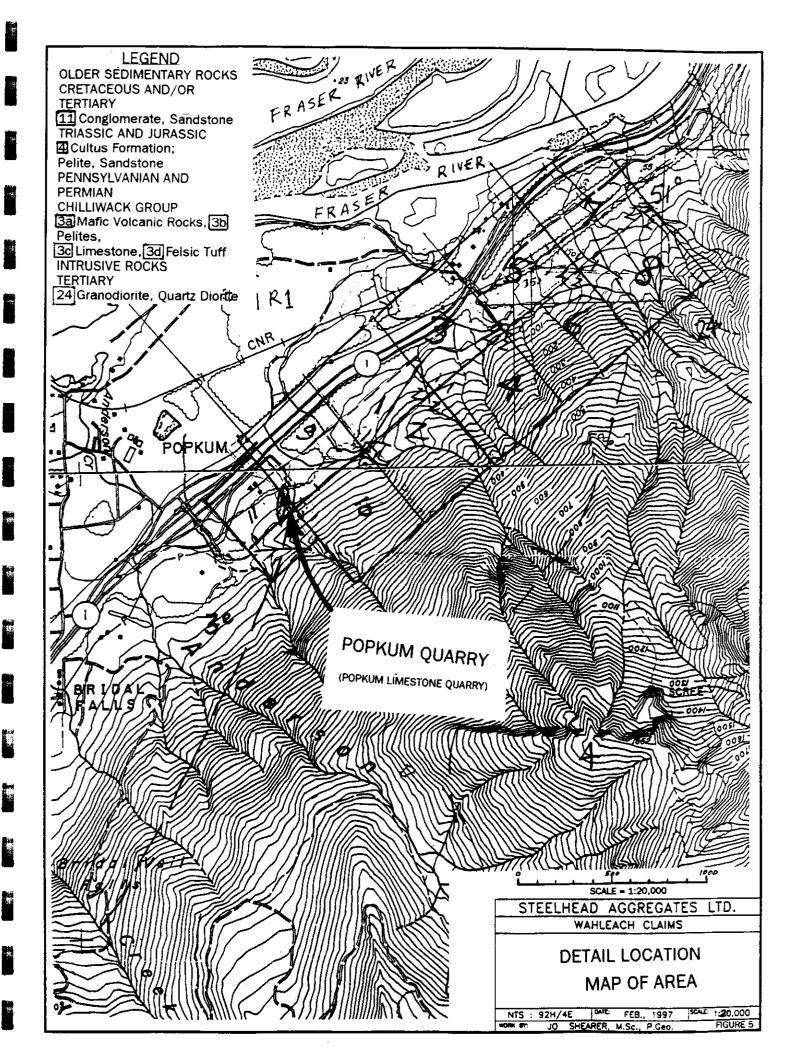
	SiO ₂	Al2O₃	Fe2O ₃	CaO	MgO	Na ₂ O	K ₂ O	SO₃	P2O5	TiO ₂	Total Alkali	Total
No.1	8.35	1.15	0.42	49.51	0.46	0.02	0.04	0.02	0.03	0.05	0.05	60.05
No.2	1.08	0.21	0.14	54.47	0.53	0.00	0.01	0.05	0.04	0.01	0.01	56.54
No.3	22.19	1.33	0.53	40.70	0.62	0.05	0.06	0.17	0.09	0.05	0.09	65.79
No.4	1.49	0.30	0.15	54.07	0.55	0.01	0.01	0.05	0.03	0.01	0.02	56.67

*loss on ignition - undetermined

Production, as detailed in Minfile, amounted to over 107,000 tons of limestone in the period 1917 to 1970. Most of the limestone was quarried by Fraser Valley Lime between 1949 and 1970.

To the northeast along strike of the main exposure of the eastern band, the Permian limestone unit is well exposed on Wahleach 2 and 1 as light grey weathering, medium crystalline, slightly recrystallized limestone. This section is exposed in a series of narrow benches subparallel to the central claim line. minor dark, coarsely crystalline diorite is exposed along the old logging road on Wahleach 3.

Distinctive bright red, siliceous tuffaceous argillite to jasperoid occurs above the western band of limestone. Occasionally, the red bedded tuffaceous section grades into tuffaceous lapilli breccias.



GEOCHEMISTRY

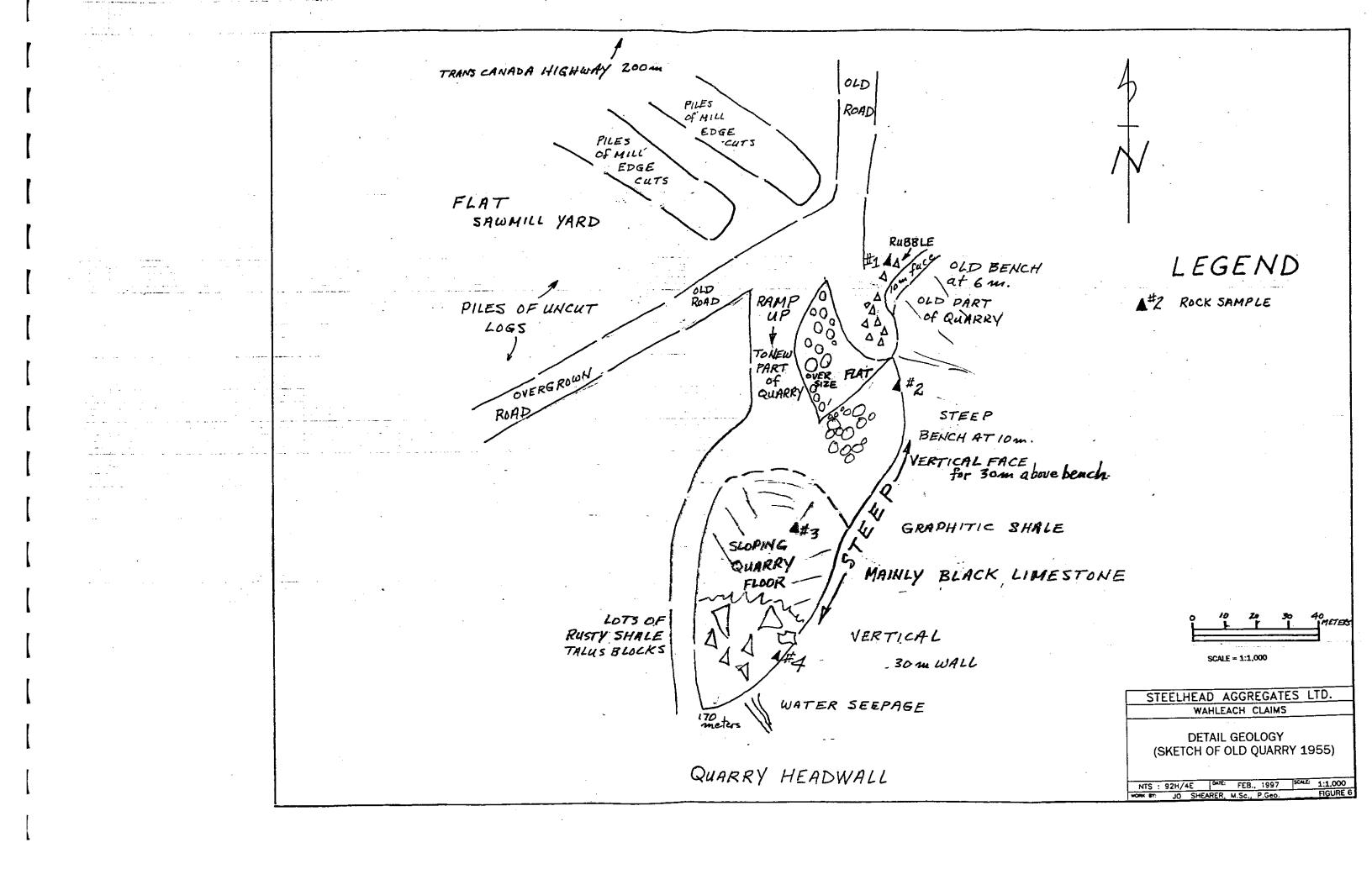
The following data are included in this report for completeness. Reconnaissance stream sediment geochemical results in 1983 and 1984 confirm the presence of moderately anomalous concentrations of arsenic (to 127 ppm) within the southern portion of the Wahleach mineral claims (see Figure 5) where float contains up to 418 ppm As. Gold in several of the silts are distinctly anomalous at 60, 90 and 950 ppb while a few rock chip samples showed anomalous gold results up to 270 ppb Au. A few zinc and copper silt values recorded are low but of interest while silver and lead results show no anomalous values.

Geochemical results are in Table 2.

TABLE 2
Geochemical Results

Туре	Number	Gold Range (ppb)	Arsenic Range (ppm)	Copper Range (ppm)	Zinc Range (ppm)	Lead Range (ppm)	Silver Range (ppm)
Silts	37	5 to 950	3 to 113	14 to 86	12 to 175	2 to 16	0.1 to 0.5
Soils	14	5 to 35	15 to 127	24 to 103	41 to 167	3 to 22	0.1 to 0.6
Rocks	7	5 to 270	2 to 418	3 to 1528	2 to 104	2 to 14	0.1 to 0.8

Due to the steepness of the terrain, stream sediment is not distributed evenly throughout the course of the creek. Reconnaissance soil sampling has demonstrated a close correlation of anomalous values to nearby silt samples with elevated Au and As content.

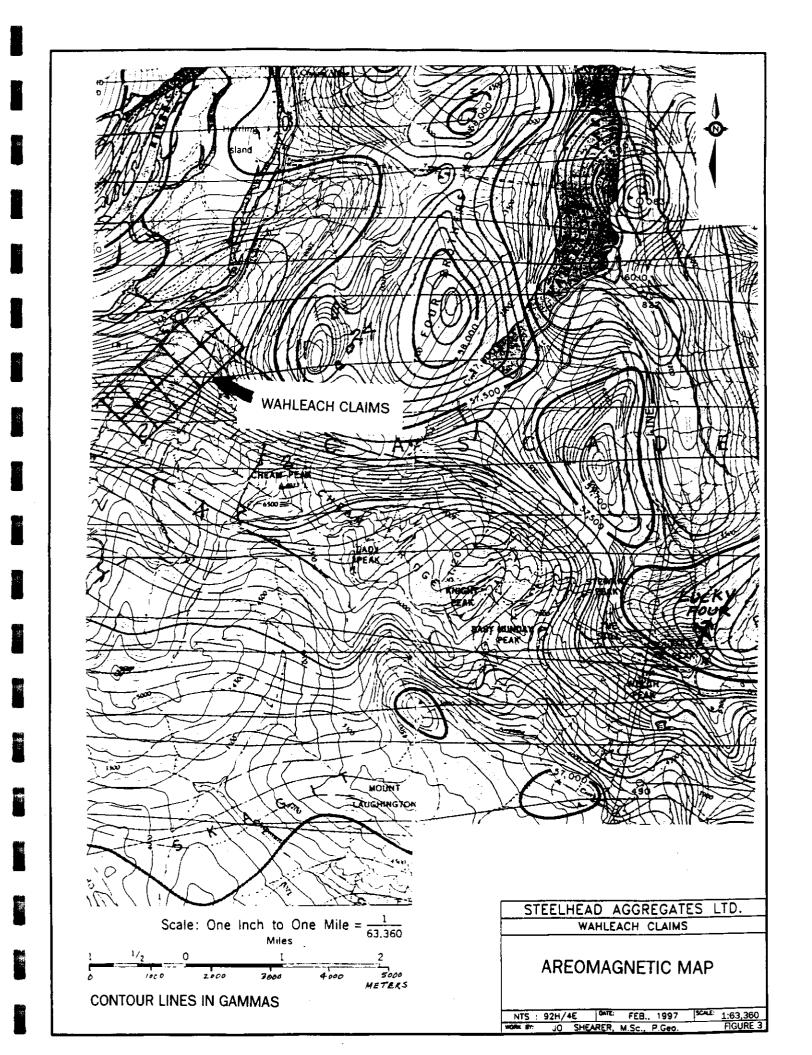


GEOPHYSICS

An airborne magnetic survey was completed in 1972 and published as Map 8536G (Chilliwack) a portion of which is shown as Figure 8. The Wahleach 1-11 claims are situated on the southwest margin of a highly complex pattern which reflects the area underlain by the Mount Barr Batholith.

The Cultus Formation and Chilliwack Group appear to have similar magnetic signatures and any subtleties are overshadowed by the strong anomalies from the Mount Barr Intrusions. The intrusive contact appears to trend northeast off the north end of the claims.

The results of the airborne survey suggests that a comprehensive ground magnetic survey would be useful in defining the complex intrusive contact observed during the mapping.



CONCLUSIONS AND RECOMMENDATIONS

A systematic exploration program is required to properly assess the mineral potential of the Wahleach 1-11 mineral claims. Previous production from the Popkum Quarry amounted to over 107,000 tons during the period 1917 and 1970.

A continuing exploration program is recommended to locate and evaluate the cement grade limestone potential of the Wahleach 1-11 mineral claims. Samples taken from the Popkum Quarry in 1995 averaged 8.28% SiO2, 0.75% Al2O3, 49.44% CaO and 0.04% total Alkali.

The exploration program recommended consists of hoe excavations of the old quarry to take a bulk sample for crushing and processing and establish chemical parameters. A control baseline should be established running approximately north-south through the central southern portion of the property, and a number of flagged east-west (approximately contour) lines run from 100 metre intervals along it. Detailed geological mapping should be keyed to gridlines.

Respectfully/submitted,

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

February 28, 1997

COST ESTIMATE FOR FUTURE WORK

Total

A follow-up program of Hoe work in the old quarry to determine the quality of the limestone unit.

An	estimate of the costs is as follows:	
1)	Excavation and Bulk sample old Quarry	\$ 10,500.00
(Ca	t 225 Hoe)	
2)	Geologist (mapping)	2,100.00
7 d	ays at \$300 per day	
3)	Field Supplies	
	a) chain, flagging, base map	1,100.00
	b) trenching supplies	1,500.00
4)	Assays	
50 s	samples for Major elements and minor contaminants	2,000.00
5)	Engineering and Supervision, Office Overhead,	
	Permit Application	3,800.00
	Consulting Reports	2,500.00
	Subtotal	21,000.00
6)	Contingency at approximately 20%	4,000.00

Exploratory drilling as a follow-up stage to define reserves, would probably require some road building support with estimated cost of \$75,000.000 minimum.

\$ 25,000.00

REFERENCES _

BC Minister or Mines, Annual Report, 1966, p.61.

Cairnes, C.E., 1923.

Lucky Four Mining Property, Cheam Range, B.C. Geological Survey of Canada, in Summary Report, 1922, Part A, Page 127-138.

McDougall, J.J., 1984.

Report on the Pop and Pop 1 Mineral Claims, Bridal Falls - Cheam Peak Area, Private Report for Saturn Energy and Resources Ltd., Jan. 9, 1984, 11 pp.

McDougall, J.J., 1988.

Report on the Pop Mineral Claim, Private Report for Gold Ventures Ltd., May 25, 1988, 10 pp.

Monger, J.W.H., 1970.

Hope Map Area, West Half, Geological Survey of Canada, Paper 69-47, 75 pp.

Rav. G.E., 1982.

The Nagy Gold Occurrences, B.C. Department of Mines Paper 1983-1, Geological Fieldwork 1982.

Richards, T.A. and McTaggert, K.C., 1976.

Granitic Rocks of the Southern Coast Plutonic Complex and Northern Cascades of British Columbia. Geological Society of America Bulletin 87, P. 935-953.

Shearer, J.T., 1984.

Assessment Report on the Hunter Group, Hunter Creek Area. Assessment Report, 1984, 12 pp.

1990:

Assessment Geological and Prospecting Report on the POP #1 Mineral Claim, Bridal Falls - Cheam Peak Area, Private Report for New Global Resources Ltd., May 25, 1990, 10 pp.

1995:

Geological and Prospecting Report on the Wahleach 1-11 Mineral Claims, (including the Popkum Limestone Quarry) Bridal Falls - Cheam Peak Area. Private Report for Steelhead Aggregates Ltd. May 15, 1995, 10 pp.

APPENDIX I

STATEMENT OF QUALIFICATIONS

February 28, 1997

Appendix I

STATEMENT OF QUALIFICATIONS

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

- 1. I am a graduate of the University of British Columbia (B.Sc., 1973) in Honours Geology, and the University of London, Imperial College (M.Sc., 1977).
- 2. I have over 25 years experience in exploration for base and precious metals and industrial mineral commodities in the Cordillera of Western North America with such companies as McIntyre Mines Ltd., J.C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd.
- 3. I am a fellow in good standing of the Geological Association of Canada (Fellow No. F439) and I am a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia (Member No. 19,279).
- 4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. at #5-2330 Tyner St., Port Coquitlam, B.C.
- 5. I am the author of a report entitled "Geological Report on the Wahleach 1-11 Claims, Bridal Falls Area, British Columbia" dated February 28, 1997.
- 6. I have visited the property on April 28 to May 10, 1995 and February 10, 18 & 19, 1997 and numerous times in previous years. I have carried out mapping and sample collection and am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the Wahleach 1-11 claims by examining in detail the available reports and maps and have discussed previous work with persons knowledgeable of the area.

Dated at Vancouver, British Columbia, this 28th day of February 1997.

J.T. Shearer, M.Sc., F.G.A.C., P.Geo.

APPENDIX II

STATEMENT OF COSTS

February 28, 1997

APPENDIX II

Statement of Costs Wahleach 1997

\$ 2,019.00

Wages and Benefits	
J.T. Shearer, M.Sc., P.Geo.	\$ 1,050.00
3 days at \$300 per day Feb. 10, 18 & 19, 1997	
Transportation	
3 days truck rental at \$53.50 per day	160.50
Gasoline	60.00
Meals	25.00
Drafting and basemap to 1:5,000	150.00
Report Preparation	350.00
Word Processing and Reproduction	150.00

GRAND TOTAL

