

RECEIVED
JUL 03 1997
Gold Commissioner's Office
VANCOUVER, B.C.

PROSPECTING REPORT

on the

KLN PROPERTY
KLN 1-4 CLAIMS

VANCOUVER MINING DIVISION
BRITISH COLUMBIA
NTS 092N/5E/6E
Latitude: 51°20'00" Longitude: 125° 30' 15"

Prepared for:

Frank Onucki

Vancouver, B.C.
July, 1997

Brian D. Game, P.Geo
Douglas G. Baker, B.Sc.

25,067

SUMMARY

The KLN 1-4 claim group consists of four contiguous claim blocks for a total of 80 units. Claims were staked to envelope known mineralization in the rugged Hoodoo Creek area, located approximately 120 kilometres north of Campbell River, B.C. The 1996 exploration program focused on prospecting and gathering logistical information necessary to develop a strategy for future mapping, sampling and drilling.

The property was staked in March 1996 by J.R. Deighton and F. Onucki. KLN 1-4 cover mineralization known to Mr. Deighton and Mr. Onucki through assessment reports and their personal knowledge of the region. The area of the KLN 1-4 claims was first staked in the 1960's by Kennco Exploration Ltd. to cover a zone of copper-molybdenum mineralization. Minimal work was conducted in 1968 by Kennco and the claims were allowed to lapse. In 1976, United Mineral Services restaked the area. Again minimal work was conducted and the claims allowed to lapse. During 1987, the area of the current claims was staked by United Pacific Gold Ltd. as part of the Hannah group. Previous assessment reports show significant, sporadic geochemical results associated with limonitic stockwork veins, hosted primarily in dikes and intrusions, probably part of a Tertiary intrusive - extrusive complex emplaced in the Coast Plutonic Complex.

The KLN claims are underlain by rocks of the Coast Plutonic Complex, primarily made up of coarse crystalline intrusive rocks of Jurassic through Cretaceous age varying in composition from granite to granodiorite, and are locally overlain by volcanic agglomerate and flows.

The purpose of the 1996 prospecting program was to perform property reconnaissance to facilitate future exploration, and to locate reported high grade silver mineralization reported by property owners. Unfortunately, field work was severely hampered by very poor weather. A total of \$8,300 was expended during the 1996 work program.

The KLN 1-4 contains two areas that previous assays and visible gossans indicates the potential for polymetallic Ag/Au mineralization associated with the adjacent Hoodoo molybdenum - copper mineral resource. Future work should be concentrated in the area immediately west and southwest of sample 308048. Field work must be conducted from late July to mid September. Future work should concentrate on detailed geologic mapping, soil, silt and rock chip sampling.

TABLE OF CONTENTS

SUMMARY	2
TABLE OF CONTENTS	3
INTRODUCTION	4
LOCATION AND ACCESS	5
PHYSIOGRAPHY, VEGETATION, CLIMATE	6
CLAIM INFORMATION	
HISTORY	8
GEOLOGIC SETTING	9
Introduction	
Lithology	
Structure	
Mineralization	
1996 WORK PROGRAM	12
CONCLUSION AND RECOMMENDATIONS	14
REFERENCES	

TABLES

Table 1:	CLAIM INFORMATION	6
----------	-------------------	---

FIGURES

Figure 1:	LOCATION MAP	5
Figure 2:	CLAIM MAP	7
Figure 3:	REGIONAL GEOLOGY MT. WADDINGTON AREA	10
Figure 4:	AREA AND PROPERTY GEOLOGY	11
Figure 5:	SAMPLE LOCATION MAP	Jacket

APPENDICES

Appendix 1:	STATEMENT OF QUALIFICATIONS	15
Appendix 2:	STATEMENT OF COSTS	18
Appendix 3:	ANALYTICAL RESULTS	20
Appendix 4:	ROCK SAMPLE DESCRIPTIONS	26
Appendix 5:	STATEMENT OF WORK	28

INTRODUCTION

The KLN property, consisting of 4 contiguous claims, KLN 1-4, totalling 80 units, is located approximately 120 km north of Campbell River, B.C. and approximately 25 km northeast of the head of Knight Inlet on the coast of British Columbia. Access to the property is via helicopter from either Campbell River or from the logging camp at Knight Inlet.

The claims are underlain by foliated granodiorite and quartz diorite of the Jurassic to Tertiary Coast Plutonic Complex and are locally overlain by volcanic agglomerate and flows. Previous work on the claims indicated significant, sporadic geochemical results associated with limonitic stockwork veins, hosted primarily in dikes and intrusions.

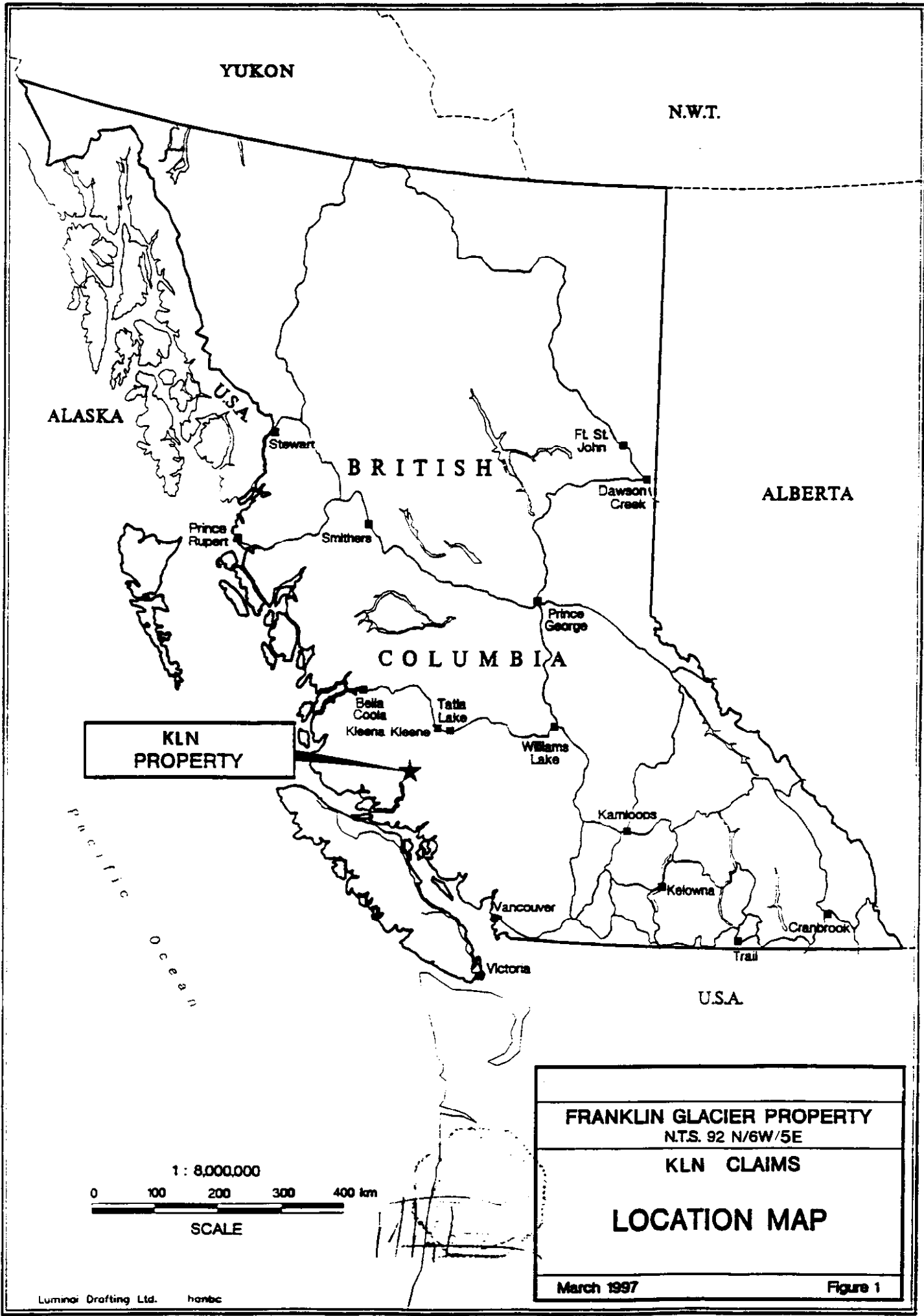
It is believed that the KLN property warrants further exploration. Future work should concentrate on detailed geologic mapping, in conjunction with soil, silt and rock chip sampling.

LOCATION AND ACCESS

The KLN 1-4 claims are located approximately 25 km northeast of the head of Knight Inlet on the coast of British Columbia, 80 km southeast of the town of Kleena Kleene on Highway 20 and approximately 120 km north of Campbell River, B.C. The property is centred on 51° 21' 00" latitude and 125° 30' 15" longitude. Figure 1.

Access to the property can be made directly by helicopter from Campbell River 120 km to the south. Fletcher - Challenge operates a logging camp at the head of Knight Inlet and maintains a gravel surface airstrip capable of serving small fixed wing aircraft as well as helicopters.

Logging road access extends from a dock area at the head of Knight Inlet to a point approximately 10 km up the Franklin River Valley and within 15 km of property limits.



YUKON

N.W.T.

ALASKA

USA

BRITISH

ALBERTA

Prince Rupert

Smithers

Ft. St. John

Dawson Creek

COLUMBIA

Prince George

Bella Coola

Tatla Lake

Kleena Kleene

Williams Lake

KLN PROPERTY

Kamloops

Pacific Ocean

Vancouver

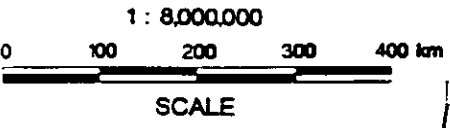
Kelowna

Victoria

Cranbrook

U.S.A.

Trail



1 : 8,000,000



SCALE

FRANKLIN GLACIER PROPERTY
 N.T.S. 92 N/6W/5E
KLN CLAIMS
LOCATION MAP
 March 1997 Figure 1

PHYSIOGRAPHY, VEGETATION, CLIMATE

The claims lie in the near of the Coast Mountain Range. Elevations range from 1,280 m in the Hoodoo Creek Valley to 2,120 m at the height of Lancer's Peak. Topography is moderate over half of the property and steep in areas marginal to glaciers.

Vegetation is limited to south and southwest facing slopes between 1,400 and 1,700 m elevation and consists of dense fir and spruce growth with mature open stands occurring at lower elevations.

Climate is typically west coast - marine characterized by mild temperatures and high precipitation, with an annual rain equivalent average of 150 cm. Above 1,000 m, 500 cm of total snowfall can occur with accumulations lasting into early July.

CLAIM INFORMATION

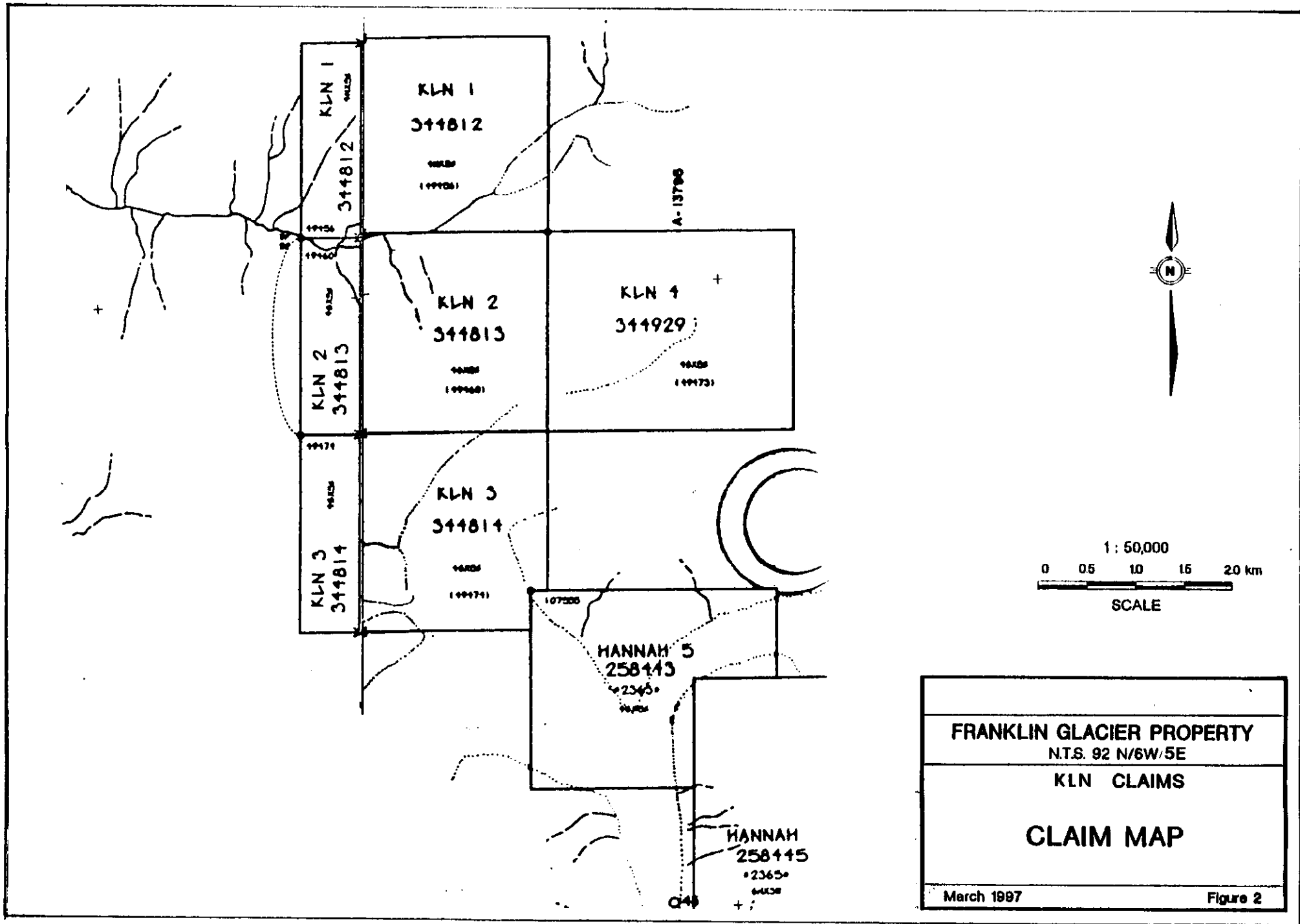
The KLN 1-4 claim group consist of 4 contiguous mineral claims totalling 80 units, 2,000 hectares, located in the Vancouver Mining Division. Figure 2.

Claim information is presented in the following table:

Table 1: Claim Information

<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
KLN 1	20	344812	March 26, 1998
KLN 2	20	344813	March 26, 1998
KLN 3	20	344814	March 26, 1998
KLN 4	20	344929	March 26, 1998

- Work Permit No. NAN-96-0801065-112
- New expiry dates after approval of Statements of Work



FRANKLIN GLACIER PROPERTY

N.T.S. 92 N/6W.5E

KLN CLAIMS

CLAIM MAP

March 1997

Figure 2

HISTORY

The area of the KLN 1-4 claims was first staked in the 1960's by Kennco Exploration Ltd. as the B.H.A. claims to cover a zone of copper molybdenum mineralization associated with a Tertiary quartz monzonite stock. Work on claims proximal to the present KLN property consisted of geological mapping, silt and soil geochemical sampling and a short drill program of 630 feet drilled in 7 holes. No further work was conducted and the claims lapsed in 1976.

United Mineral Services Ltd. restaked the area in April 1976. Limited work in the form of reconnaissance mapping and regional research was conducted but no further exploration and the claims lapsed.

The Hannah 1-11 claims covering the present area of the KLN 1-4 claims and the southeast adjacent Hannah 5-11 claims were staked in late 1987 and restaked due to irregularities in late 1988 by United Pacific Gold Ltd. The 1988 field season, conducted on the present Hannah 5-11 claims, consisted of mapping, geophysics, trenching, geochemical sampling and diamond drilling nine holes totaling 785 m on the Saffron Creek or Discovery Zone. No further work was conducted on the claims since 1988, and the Hannah 1-4 allowed to lapse. In March 1996, J.R. Deighton and F. Onucki staked the KLN 1-4 claims to cover ground previously covered by the Hannah 1-4 claims.

GEOLOGIC SETTING

Introduction

The KLN claims occur south west central to the Mount Waddington Map area. This area is dominated by the Coast Mountains which are underlain by the Coast Plutonic Belt. To the northeast, Tchaikazan Fault, defines the boundary between the Coast tectonic belt and the Intermontane belt (Roddick 1985). Figure 3.

Lithology

The Coast Plutonic Complex is made up primarily of coarse crystalline intrusive rocks of Jurassic through Cretaceous age varying in composition from granite to granodiorite.

Within the region are roof pendants of gneiss, amphibolite, metasediments and metavolcanics which represent metamorphosed remnants of volcanic-arc rocks. These deformed and metamorphosed rocks define the Central Gneiss Complex which is flanked to the west by the quartz diorite Page Pluton and to the east by granodiorite-tonalite of the Tiedemann and Klinaklin Plutons.

These rocks are in several places cut by Tertiary intrusive and volcanic complexes in part representing the Chilliwack Suite (Gabrielse 1992) and defining an 'axial fracture zone' (Culbert 1977) which traces north northwest from Washington into the Coast Belt. One of these the Franklin Glacier Complex occurs in the Hoodoo Ck - Franklin Glacier area. Figure 4.

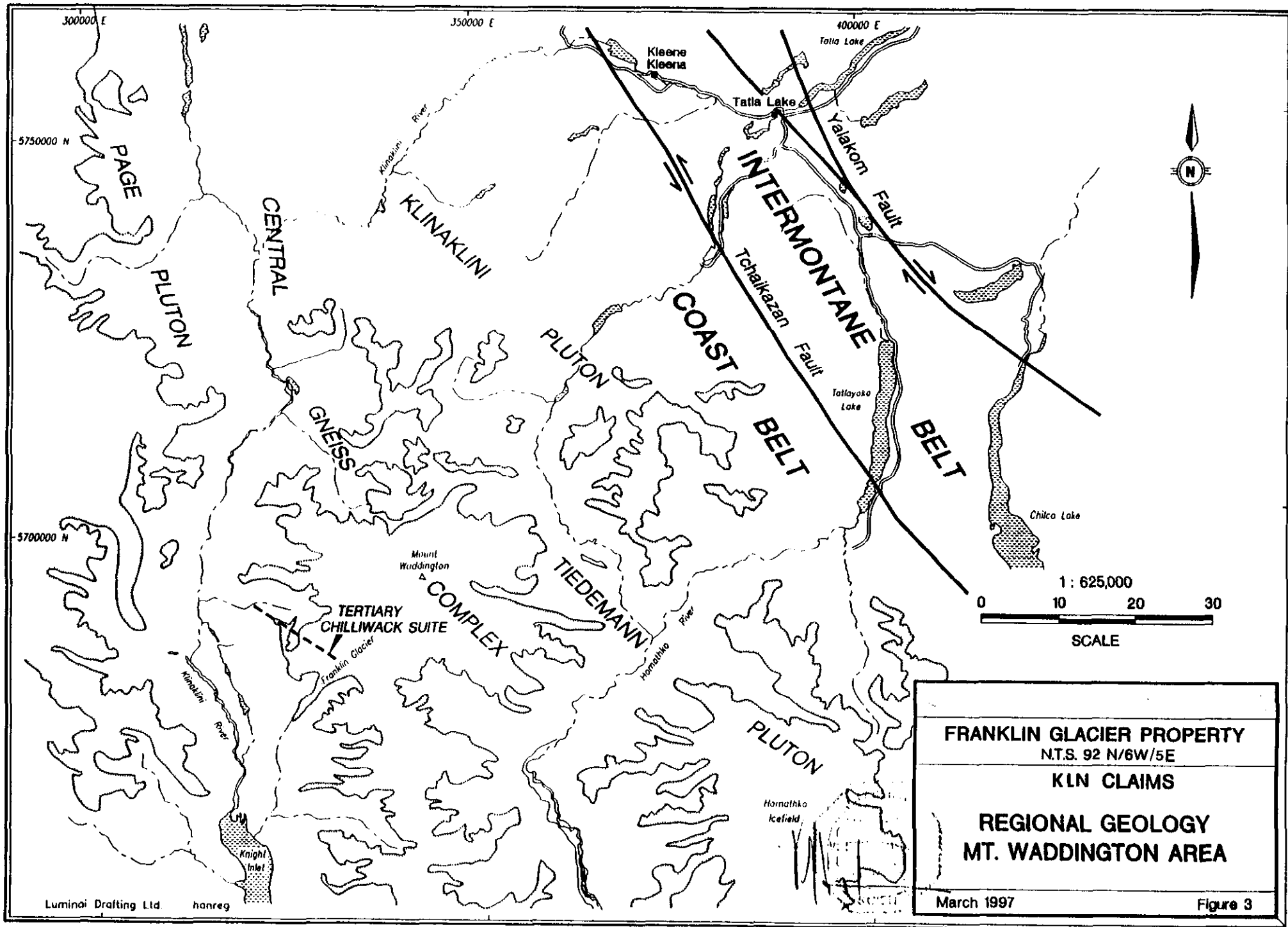
Structure

Tchaikazan fault strikes northwest dipping west with right lateral transcurrent motion indicated. To the south and west of this boundary feature structure is dominated by southwest dipping thrust faults. Steep dips observed within the central gneissic rocks are suggestive of extensive isoclinal folding.

Mineralization

Almost all of the area mineral occurrences are located within a narrow belt between the margin of the metamorphic - plutonic complex and Yalakom fault. These occurrences are primarily mesothermal precious and base metal transitional vein prospects hosted by or related to intrusions of the Coast Plutonic Complex (Rees 1992).

Outside of this area mineral occurrences are rare with the notable exception being the Hoodoo Creek Franklin Glacier area. Five occurrences in close proximity have been documented. These are the Hoodoo south, Hoodoo north, Mt. Lancer, Darlene and Hannah prospects. All of these prospects appear to be porphyry and transitional vein type occurrences related to the central emplacement of an elongate Miocene quartz monzonite body.



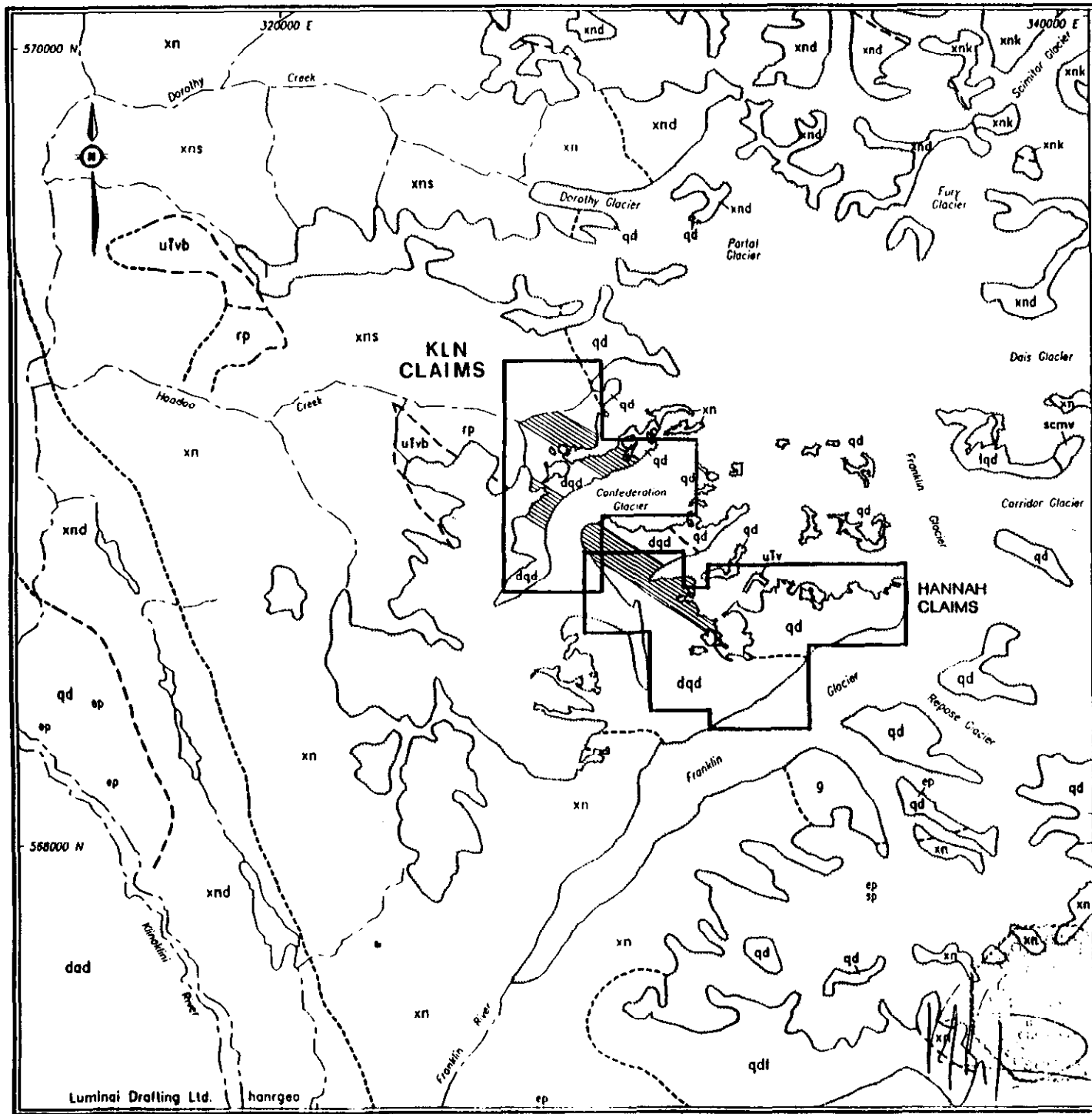
FRANKLIN GLACIER PROPERTY
 N.T.S. 92 N/6W/5E

KLN CLAIMS

REGIONAL GEOLOGY
MT. WADDINGTON AREA

March 1997

Figure 3



LEGEND

TERTIARY VOLCANICS

- uTv Vesicular basalt and andesite flows, related breccia and tuff
- uTvb Volcanic breccia

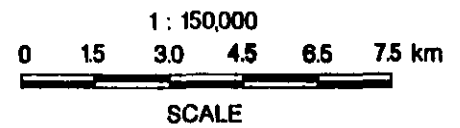
COAST PLUTONIC COMPLEX

- g Granodiorite
- lqd Tonalite and quartz diorite
- qd Quartz diorite
- qdt Quartz diorite and tonalite
- ddd Diorite and quartz diorite

CENTRAL GNEISS COMPLEX

- xn Granitoid gneiss
- xns Granitoid gneiss: siliceous
- xnd Dioritic granitoid gneiss and/or dioritic complex
- xnk Granitoid gneiss: stockwork
- scmw Schist and metavolcanic rock
- rp Rhyolite porphyry
- Rusty, rhyolitic feldspar-quartz porphyry dyke swarm

- - - Geologic contact: approximate, assumed
- ep Epidote
- sp Sphene



FRANKLIN GLACIER PROPERTY
N.T.S. 92 N/6W/5E

KLN CLAIMS
AREA and PROPERTY
GEOLOGY

March 1997

Figure 4

1996 WORK PROGRAM

During 1996, D. Baker (geologist) and Paul MacDonald (prospector) mobilized from Vancouver, B.C. to Campbell River on Oct. 14th. The flight from Campbell River to Knights Inlet was canceled, due to inclement weather. The following is a summary of the work performed.

- Oct. 15th, flew from Campbell River to Knights Inlet, and carried equipment to bunk house owned by Interfor. At 4:00 p.m. flew in helicopter to Lancer Peak. Visibility was poor, but located area of interest and dropped food cache (LZ1) approx. 2 kms, N 10°E of Lancer Peak.
- Oct 16th, flew in helicopter from camp to LZ1 at 8:30 a.m. Snowing lightly upon arrival. Climbed from LZ1 southeast up steep drainage bottom (the drainage is unnamed and forms a steep incised canyon on the northeast flank of Lancer Peak). Approximately 700 m from LZ1, on the east side of the drainage sample 046 was taken. The traverse from LZ1 to 046 included moderate difficulty in climbing with 20-25 cm of snow on the ground. Took sample 046 from 2cm wide shear, trending N 50 W, 80 SW, and located in an 8 m high, well foliated gneiss, cliff face. Traversed 400 m south from 046 to 047 (located at cliff base). Samples 047 - 049 were taken from gossanous, pyritized shears with minor qtz stockworks trending northwest. The mineralization appears to be associated with a NW set of parallel dikes. Parallel gossans occur along cliff faces and were viewed southwest from site 047 over a vertical extent of approximately 200 m and estimated to extend along strike for 500+ m. Took samples 047 - 049 and the weather worsened. Began to descend to the creek bottom. Helicopter attempted to pickup, but could not see us. Returned to LZ1. Began to set camp at 5:00 p.m. Helicopter returned and we pulled cache and flew to bunkhouse.
- Oct 17th, raining at lower elevations and snowing above 200 m. Helicopter flew us to confluence of Hoodoo Creek and Klinaklini and dropping us off. Could not access up Hoodoo Creek due to inclement weather. Conducted recon in the Hoodoo South mineralized area. Could not access cliffs due to instability of ground. Helicopter could not pick up. Walked out logging road approx. 9 km and was picked up at 5:00 p.m. by logging crew.
- Oct. 18th, storming, helicopter did not fly, stayed in camp.
- Oct. 19th, partially clear in morning. Helicopter flew us to LZ1 at 8:30 a.m. Staked KLN 5. Moved cache with helicopter 3 km west in Hoodoo Creek, to LZ2. Tried to perform recon on south side of Hoodoo Creek. Ground thawing, small avalanches, and was not safe to climb. Helicopter picked us up from LZ2 at 4:00 p.m.
- Oct. 20th, storming hard, stayed in camp.

- Oct. 21st, was scheduled to fly out, but inclement weather canceled the flight.
- Oct. 22nd, scheduled to fly out on Coville Air, but flight was canceled and flew out on Rush Air. In Campbell River at 1:00 p.m. Stayed night in Campbell River.

SAMPLE RESULTS

The only significant assay result was from sample 308048 which assayed nil Au and 0.79 opt. Ag. Assaying was conducted by Chemex Labs, Inc. A copy of the assay results and assay procedures are included in Appendix 3. A map showing rock sample locations and illustrating path of traverse is shown on Figure 5.

CONCLUSION AND RECOMMENDATIONS

The KLN 1-4 contain two areas that previous assay and the visible gossans indicate the potential for a polymetallic stockwork Ag/Au system associated with the adjacent Hoodoo moly/copper mineral resource. Future work should be concentrated in the area immediately west and southwest of sample 308048. Field work must be conducted from late July to mid September. Helicopter support for a portable 3 to 4 man camp is necessary. A potential helicopter landing zone is located on Lancer Peak's northeast ridge approx. 600 m northeast from the summit. Experienced climbers with proper equipment will be required for geologic mapping and sampling. Destend into the area of interest is recommended.

REFERENCES

Deighton, J.R. and Onucki, F., 1996, Compilation report on the KLN Claims gold-silver property, Vancouver Mining Division.

Van Damme, V.P., 1997, Summary Report on the Franklin Glacier Property, Vancouver Mining Division, B.C. for Goldzone Explorations Inc.

Roddick, J.A., Tipper, H.W. (1985): Geology, Mount Waddington (92N) Map Area; Geological Survey of Canada, Open File 1163.

APPENDIX 1

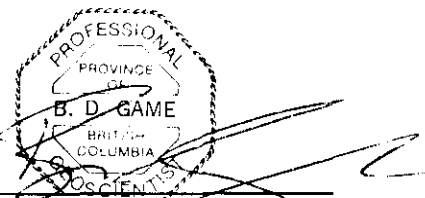
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, **Brian D. Game**, of Vancouver, British Columbia hereby certify that:

1. I am a graduate of the University of British Columbia with a Bachelor of Science Degree (1985) in Geology.
2. I have practiced my profession as a geologist in Canada, the United States and South America continually since graduation.
3. I am Consulting Geologist with an office at 1210 - 675 West Hastings Street, Vancouver, British Columbia.
4. I am a registered member in good standing at the Association of Professional Engineers and Geoscientists of British Columbia (#19896).
5. The information in this report is based on published and unpublished reports on the property and the surrounding area, and by work supervised but not conducted by myself during the period of October, 1996.

DATED in Vancouver, B.C., this 3rd day of July, 1997.




Brian D. Game, P. Geo.

STATEMENT OF QUALIFICATIONS

I, **Douglas G. Baker**, of Nezperce, Idaho USA, hereby certify that:

- 1) I am a graduate of the University of Idaho, School of Mines and Geology with a Bachelor of Science Degree in Geology.
- 2) I have practiced my profession as a geologist in North and Central America continually since graduating in 1988.
- 3) I am a consulting geologist with an office at 312 Birch Street, Nezperce, ID 83543, USA.
- 4) This report is based on data and knowledge which I acquired, through field work and research.
- 5) I personally performed geologic exploration at the KLN property during October, 1996.
- 6) I have not received, nor do I expect to receive any interest, direct or indirect, in the property and/or any related securities.
- 7) I consent to and authorize the use of this report in any prospectus, statement of material facts, or other public documents.

DATED in Nezperce, Idaho, USA, this 25th day of June, 1996.


Douglas G. Baker
Douglas G. Baker

APPENDIX 2

STATEMENT OF EXPENDITURES

Statement of Expenditures

CLAIMS: KLN Claim Group

Manpower:	Project Geologist	1 day @ \$425/day	\$ 425.00
	Geologist	6 days @ \$400/day	2,400.00
	1 Assistant	6 days @ \$250/day	1,500.00
Mob/demob			1,000.00
Room & Board		8 days @ \$125/day	1,000.00
Helicopter		3 hours @ \$850/hr	2,350.00
Travel		(2) Airline Fares	600.00
		Truck Rental	650.00
Analytical Charges			86.58
Report Preparation		2 days @ \$400/day	800.00
Drafting, secretarial, etc.			<u>200.00</u>
		TOTAL COSTS	<u>\$11,011.58</u>
Total costs for assessment purposes			\$8300.00

APPENDIX 3

ANALYTICAL RESULTS



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers

994 Glendale Ave., Unit 3, Sparks
Nevada, U.S.A. 89431
PHONE: 702-356-5395 FAX: 702-355-0179

To: B & H DEVELOPMENT

P.O. BOX 3057
WEAVERVILLE, CALIFORNIA
96093

A9640781

Comments: ATTN: DOUG BAKER CC: DOUG BAKER

CERTIFICATE

A9640781

(Oil) - B & H DEVELOPMENT

Project:
P.O. #:

Samples submitted to our lab in Sparks, NV.
This report was printed on 26-NOV-96.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
244	4	Pulp; prev. prepared at Chemex ICP - AQ Digestion charge
229	4	

* NOTE 1:

The 32 element ICP package is suitable for trace metals in soil and rock samples. Elements for which the nitric-aqua regia digestion is possibly incomplete are: Al, Ba, Be, Ca, Cr, Ga, K, La, Mg, Na, Sr, Tl, W.

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
2118	4	Ag ppm: 32 element, soil & rock	ICP-AES	0.2	100.0
2119	4	Al %: 32 element, soil & rock	ICP-AES	0.01	15.00
2120	4	As ppm: 32 element, soil & rock	ICP-AES	2	10000
2121	4	Ba ppm: 32 element, soil & rock	ICP-AES	10	10000
2122	4	Be ppm: 32 element, soil & rock	ICP-AES	0.5	100.0
2123	4	Bi ppm: 32 element, soil & rock	ICP-AES	2	10000
2124	4	Ca %: 32 element, soil & rock	ICP-AES	0.01	15.00
2125	4	Cd ppm: 32 element, soil & rock	ICP-AES	0.5	100.0
2126	4	Co ppm: 32 element, soil & rock	ICP-AES	1	10000
2127	4	Cr ppm: 32 element, soil & rock	ICP-AES	1	10000
2128	4	Cu ppm: 32 element, soil & rock	ICP-AES	1	10000
2150	4	Fe %: 32 element, soil & rock	ICP-AES	0.01	15.00
2130	4	Ga ppm: 32 element, soil & rock	ICP-AES	10	10000
2131	4	Hg ppm: 32 element, soil & rock	ICP-AES	1	10000
2132	4	K %: 32 element, soil & rock	ICP-AES	0.01	10.00
2151	4	La ppm: 32 element, soil & rock	ICP-AES	10	10000
2134	4	Mg %: 32 element, soil & rock	ICP-AES	0.01	15.00
2135	4	Mn ppm: 32 element, soil & rock	ICP-AES	5	10000
2136	4	Mo ppm: 32 element, soil & rock	ICP-AES	1	10000
2137	4	Na %: 32 element, soil & rock	ICP-AES	0.01	5.00
2138	4	Ni ppm: 32 element, soil & rock	ICP-AES	1	10000
2139	4	P ppm: 32 element, soil & rock	ICP-AES	10	10000
2140	4	Pb ppm: 32 element, soil & rock	ICP-AES	2	10000
2141	4	Sb ppm: 32 element, soil & rock	ICP-AES	2	10000
2142	4	Sc ppm: 32 elements, soil & rock	ICP-AES	1	10000
2143	4	Sr ppm: 32 element, soil & rock	ICP-AES	1	10000
2144	4	Tl %: 32 element, soil & rock	ICP-AES	0.01	5.00
2145	4	Tl ppm: 32 element, soil & rock	ICP-AES	10	10000
2146	4	U ppm: 32 element, soil & rock	ICP-AES	10	10000
2147	4	V ppm: 32 element, soil & rock	ICP-AES	1	10000
2148	4	W ppm: 32 element, soil & rock	ICP-AES	10	10000
2149	4	Zn ppm: 32 element, soil & rock	ICP-AES	2	10000

The results of this assay were based solely upon the content of the sample submitted. Any decision to invest should be made only after the potential investment value of the claim or deposit has been determined based on the results of assays of multiple samples of geologic materials collected by the prospective investor or by a qualified person selected by him/her and based on an evaluation of all engineering data which is available concerning any proposed project.

Statement required by Nevada State Law NRS 519



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers
994 Glendale Ave., Unit 3, Sparks
Nevada, U.S.A. 89431
PHONE: 702-356-5395 FAX: 702-355-0179

To: B & H DEVELOPMENT **
P.O. BOX 3057
WEAVERVILLE, CALIFORNIA
96093

Page Number : 1-A
Total Pages : 1
Certificate Date: 26-NOV-96
Invoice No. : I9640781
P.O. Number :
Account : OII

Project :
Comments: ATTN: DOUG BAKER CC: DOUG BAKER

CERTIFICATE OF ANALYSIS A9640781

SAMPLE	PREP CODE		Ag	Al	As	Ba	Be	Bi	Ca	Cd	Co	Cr	Cu	Fe	Ga	Hg	K	La	Mg	Mn	Mo
			ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	%	ppm	ppm
308046	244	229	0.6	2.28	12	490	< 0.5	4	5.86	1.0	12	22	52	4.81	10	< 1	0.20	< 10	1.54	2190	< 1
308047	244	229	0.2	1.69	< 2	50	< 0.5	2	1.16	1.0	8	50	78	2.79	10	< 1	0.15	< 10	1.30	825	< 1
308048	244	229	25.4	0.82	216	< 10	< 0.5	38	0.35	12.0	69	47	982	13.45	< 10	1	0.29	< 10	0.33	1145	2
308049	244	229	6.0	1.57	14	10	< 0.5	8	0.17	0.5	60	51	598	8.93	10	< 1	0.19	< 10	1.02	360	16

CERTIFICATION: Stan Bichler



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers

994 Glendale Ave., Unit 3, Sparks
Nevada, U.S.A. 89431
PHONE: 702-356-5395 FAX: 702-355-0179

To: B & H DEVELOPMENT **

P.O. BOX 3057
WEAVERVILLE, CALIFORNIA
96093

Project:

Comments: ATTN: DOUG BAKER CC: DOUG BAKER

Page Number :1-B
Total Pages :1
Certificate Date: 26-NOV-96
Invoice No. :I9640781
P.O. Number :
Account :OII

CERTIFICATE OF ANALYSIS

A9640781

SAMPLE	PREP CODE	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sc ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
308046	244 229	< 0.01	7	630	8	2	3	172	0.01	< 10	< 10	65	< 10	140
308047	244 229	0.05	9	750	< 2	2	4	38	0.08	< 10	< 10	77	< 10	264
308048	244 229	< 0.01	12	350	500	2	< 1	8	< 0.01	< 10	< 10	26	< 10	3190
308049	244 229	0.01	15	530	46	< 2	1	6	0.01	< 10	< 10	60	< 10	124

CERTIFICATION:

Hart Buchler



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers
994 Glendale Ave., Unit 3, Sparks,
Nevada, U.S.A. 89431
PHONE: 702-356-5395

To: B & H DEVELOPMENT

**

P.O. BOX 3057
WEAVERVILLE, CA
96093

INVOICE NUMBER

I 9 6 3 9 9 2 2

BILLING INFORMATION

Date: 19-NOV-96
Project: KLN
P.O. No.:
Account: Oil

Comments:

Billing: For analysis performed on
Certificate A9639922

Terms: Payment due on receipt of invoice
1.25% per month (15% per annum)
charged on overdue accounts

Please Remit Payments to:

CHEMEX LABS, INC.
994 West Glendale Ave.,
Suite 7, Sparks, Nevada,
U.S.A. 89431

# OF SAMPLES	ANALYSED FOR CODE - DESCRIPTION	UNIT PRICE	SAMPLE PRICE	AMOUNT	
4	208 - Assay ring to approx 150 mesh	2.10			
	226 - 0-3 Kg crush and split	2.00			
	996 - Au FA oz/T	9.95			
	385 - Ag oz/T	4.00	18.05	72.20	
				Total Cost \$	72.20
				Client Discount (10%) \$	-7.22
				TOTAL PAYABLE (U.S.) \$	64.98

COPY



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers

994 Glendale Ave., Unit 3, Sparks
Nevada, U.S.A. 89431
PHONE: 702-356-5395 FAX: 702-355-0179

To: B & H DEVELOPMENT

P.O. BOX 3057
WEAVERVILLE, CA
96093

A9639922

Comments: ATTN: DOUG BAKER CC: DOUG BAKER

CERTIFICATE

A9639922

(Oil) - B & H DEVELOPMENT

Project: KLN
P.O. #:

Samples submitted to our lab in Sparks, NV.
This report was printed on 18-NOV-96.

SAMPLE PREPARATION

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION
208	4	Assay ring to approx 150 mesh
226	4	0-3 Kg crush and split

ANALYTICAL PROCEDURES

CHEMEX CODE	NUMBER SAMPLES	DESCRIPTION	METHOD	DETECTION LIMIT	UPPER LIMIT
996	4	Au oz/T: 1 assay ton	FA-GRAVIMETRIC	0.002	30.000
385	4	Ag oz/T: Conc. Nitric-HCL dig'n	AAS	0.01	10.00

The results of this assay were based solely upon the content of the sample submitted. Any decision to invest should be made only after the potential investment value of the claim or deposit has been determined based on the results of assays of multiple samples of geologic materials collected by the prospective investor or by a qualified person selected by him/her and based on an evaluation of all engineering data which is available concerning any proposed project
Statement required by Nevada State Law NRS 519



Chemex Labs, Inc.

Analytical Chemists * Geochemists * Registered Assayers

994 Glendale Ave., Unit 3, Sparks
Nevada, U.S.A. 89431
PHONE: 702-356-5395 FAX: 702-355-0179

To: B & H DEVELOPMENT **

P.O. BOX 3057
WEAVERVILLE, CA
96093

Page Number : 1
Total Pages : 1
Certificate Date: 18-NOV-96
Invoice No. : 19639922
P.O. Number :
Account : Oll

Project : KLN
Comments: ATTN: DOUG BAKER CC: DOUG BAKER

CERTIFICATE OF ANALYSIS

A9639922

SAMPLE	PREP CODE	Au FA oz/T	Ag oz/T								
308046	208 226	< 0.002	0.03								
308047	208 226	< 0.002	0.01								
308048	208 226	0.004	0.79								
308049	208 226	0.003	0.19								

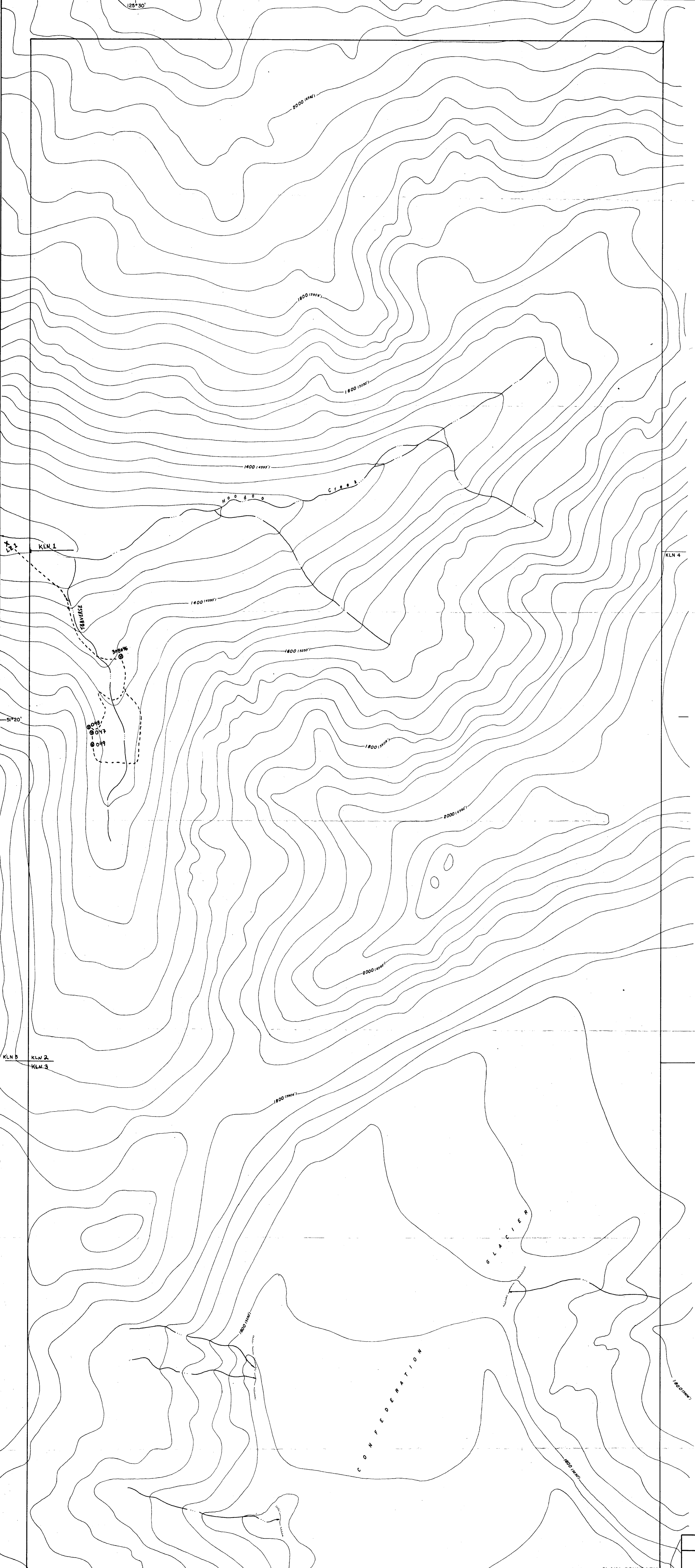
CERTIFICATION:

APPENDIX 4
ROCK SAMPLE DESCRIPTION

ROCK SAMPLE DESCRIPTION

- 308046 - sample site located 500 m up steep incised drainage on the northeast flank of Lancer Mountain. Selective rock chip channel taken along shear, ranging from 1 - 2 cm wide, over a 10 m length. Host rock is a well foliated gneiss trending northwest.
- 308047 - sample site located 1 km southeast of LZ1, on the west side of the drainage at the base of a 10 m high, vertical cliff trending northwest. Fe-oxides abundant along parallel fractures, minor stockworking. A rock chip channel was taken over a 10 cm wide pyritized fracture, w/ minor qtz. Host rock is a granitoid gneiss with a lineation that appears to parallel the mineralized fractures.
- 308048 - sample site is located approximately 20 m north of 308047, within a cliff face. Sample difficult to obtain due to poor weather and steepness of terrain. A 1 m rock chip channel was taken across a fracture filled, pyritized shear, with areas of qtz vnlt and minor stockworking. Similar to 308047.
- 308049 - sample site is located approximately 40 m southwest of 308047, at base of cliff face. A 2 m rock chip channel was taken across massive pyritization as fracture filling, gossanous in local areas, minor qtz.

(11)



LEGEND

- OH7 Rock Chip Sample
- OH8 Rock Chip Sample
- OH9 Rock Chip Sample
- Traverse



Contours at 40 metres interval

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,067

CLAIM BOUNDARY

KLN 1, 2 & 3, 4 CLAIMS
SAMPLE LOCATION
MAP

NTS. 92N-5, 6 VANCOUVER M.D., B.C.

SCALE 1:5000	DATE
DRAWN BY:	FIGURE NO. 5