

ASSESSMENT REPORT

ON A

SOIL SAMPLING, MAGNETOMETER

AND

CORE LOGGING AND SAMPLING PROGRAM

ON THE

GNAT PASS PROPERTY

NAT 1-9 MINERAL CLAIMS

DEASE LAKE AREA

LIARD MINING DIVISION, B.C.

NTS: 104I/4W, 104I/5W
LATITUDE: 58° 15'30"N
LONGITUDE: 130° 50'W
OWNER: W.R. Gilmour
OPERATOR: Discovery Consultants
AUTHORS: T.H. Carpenter, P.Geo.
DATE: October 21, 1997

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,202^{1/2}

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SUMMARY

Sulphide copper mineralization occurs on the Nat 1-9 claims in the Dease Lake area of the Liard Mining Division, B.C. Exploration work has been carried out intermittently on the property from 1960 to the present and has delineated unclassified reserves of 22.7 million tonnes grading 0.44 per cent copper.

In 1997 soil sampling program and magnetometer survey were carried out over the property. As well selected drill holes in storage on the property were logged and sampled for gold and copper content.

The results of the survey are presented and discussed in the following report.

LOCATION AND ACCESS

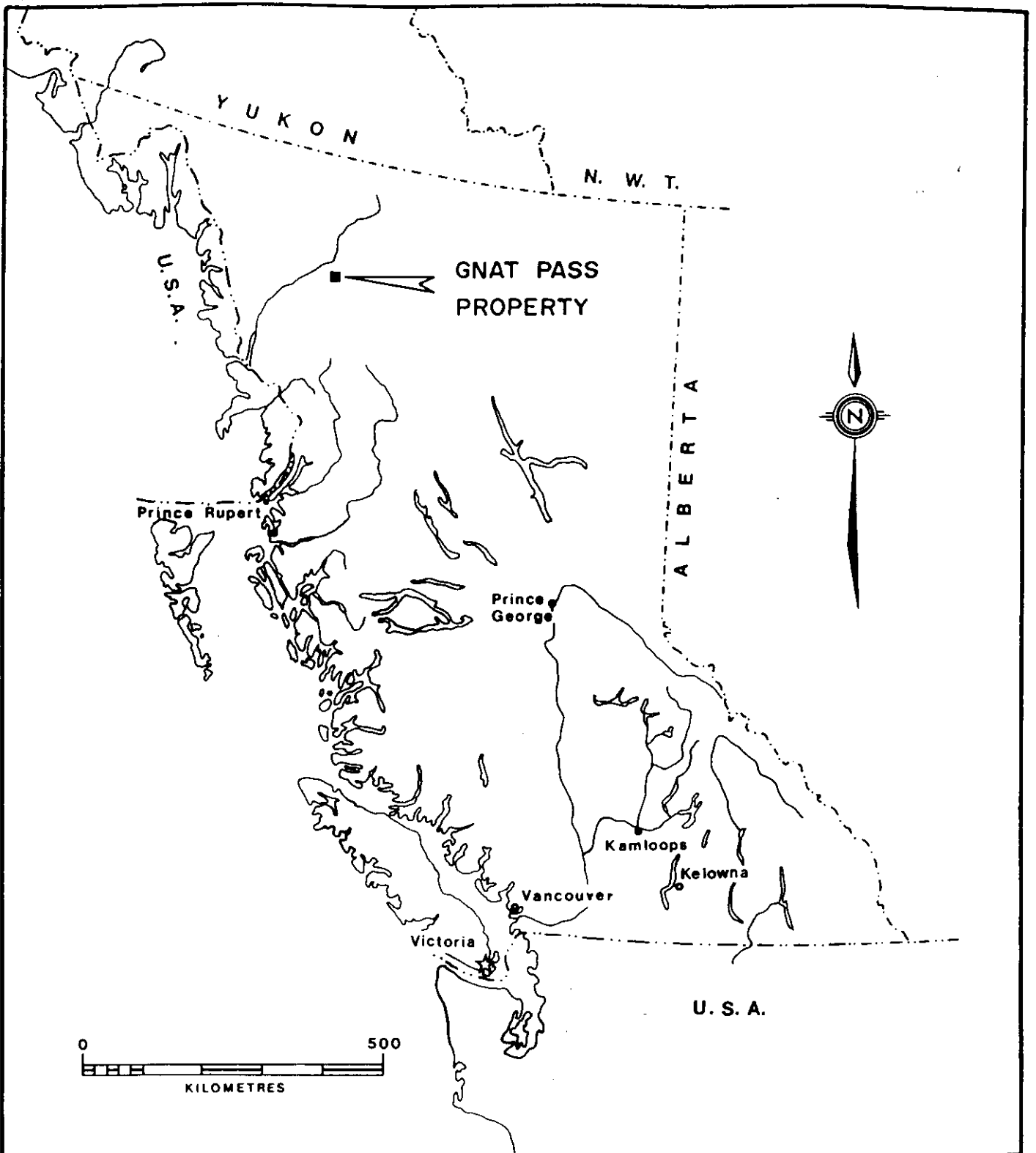
The Gnat Pass property is centered at latitude $58^{\circ}15'30''\text{N}$ and longitude $130^{\circ}50'\text{W}$ on the Tanzilla Plateau along the eastern edge of the Stikine Range.

The property is located 23.5 km south of the town of Dease Lake just to the east of Highway #37 (the Cassiar-Stewart highway). Gnat Creek flows north through the western extremity of the claim block at the north end of Lower Gnat Lake.

Access to the property is excellent using the Cassiar-Stewart highway which lies on the western edge of the claim block. Numerous drill roads criss-cross the property and are useable by foot or 4-wheel-drive vehicle after crossing Gnat Creek.

TOPOGRAPHY

The five westernmost claim blocks overlie a flat river plain covered with grass and scrub alders. The four eastern claims overlie a knoll with elevations ranging from 1200 metres above sea level at the plateau floor to about 1410 metres above sea level at the top. Vegetation here is generally mature fir and spruce trees.



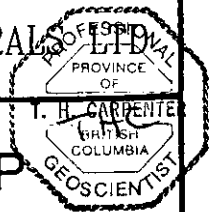
DISCOVERY

Consultants

EVEREST MINES and MINERALS LTD.

GNAT PASS PROPERTY

LOCATION MAP



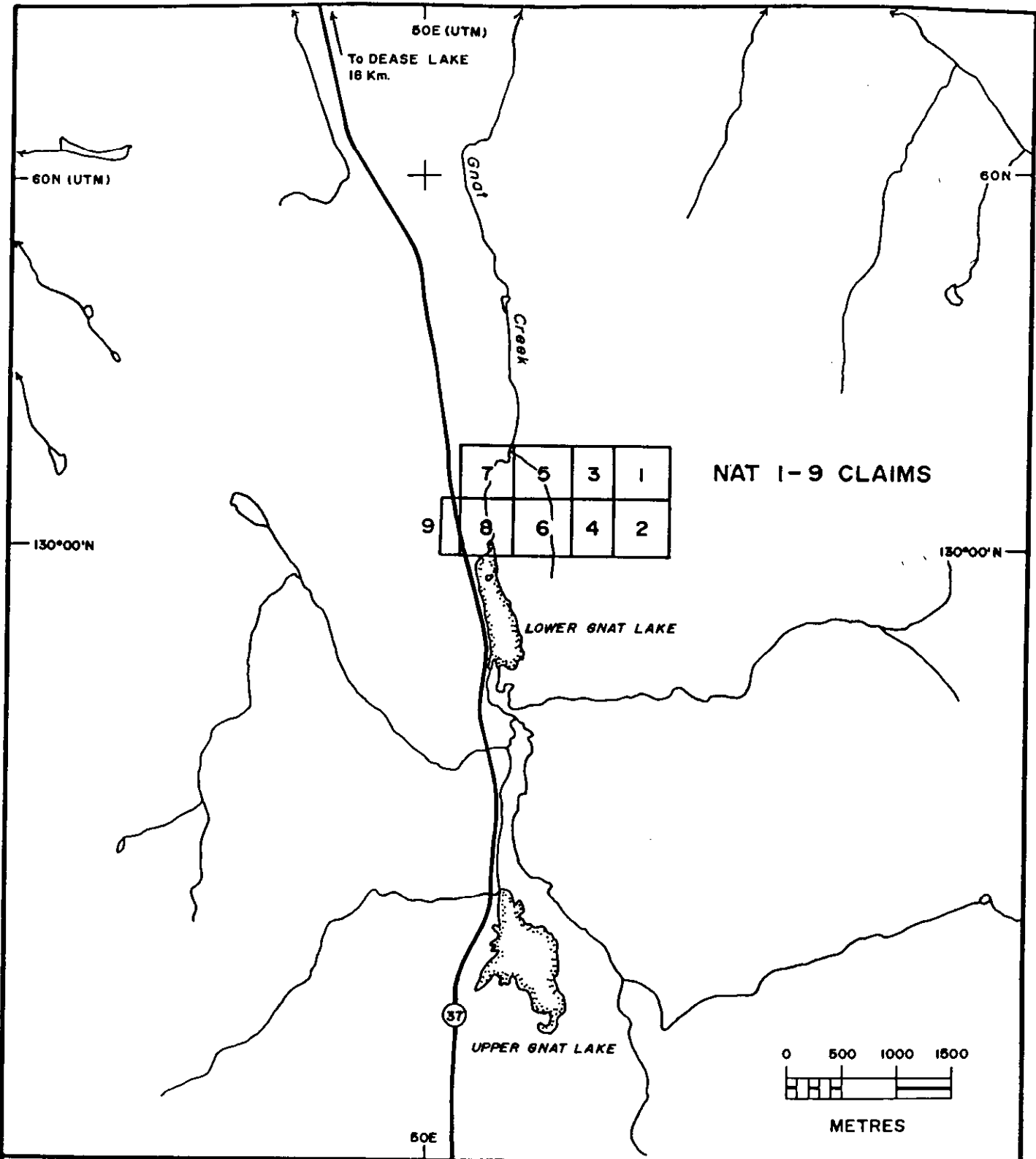
PROPERTY

The Gnat Pass property consists of nine two-post claims designated Nat 1-8 inclusive located by R. Wymer on August 20, 1993 and recorded in Vernon, B.C. on September 1, 1993 and Nat 9 located by T.H. Carpenter on July 29, 1996.

<u>Claim Name</u>	<u>Record No.</u>	<u>Owner of Record</u>	<u>Anniversary Date *</u>
NAT 1	320615	W.R. Gilmour	August 20, 2002
NAT 2	320616	W.R. Gilmour	August 20, 2002
NAT 3	320617	W.R. Gilmour	August 20, 2002
NAT 4	320618	W.R. Gilmour	August 20, 2002
NAT 5	320619	W.R. Gilmour	August 20, 2002
NAT 6	320620	W.R. Gilmour	August 20, 2002
NAT 7	320621	W.R. Gilmour	August 20, 2002
NAT 8	320622	W.R. Gilmour	August 20, 2002
NAT 9	349164	W.R. Gilmour	July 29, 2002

The claims are owned by W.R. Gilmour in trust for the Predator Syndicate.

* Pending acceptance of this report.



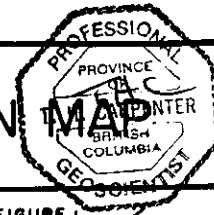
DISCOVERY

Consultants

EVEREST MINES and MINERALS LTD.

GNAT PASS PROPERTY

CLAIM LOCATION



DATE: JAN. 20/1994

PROJECT: 608

SCALE: 1:50,000

N.T.S.: 1041/5W

M.D.: LIARD

FIGURE: 2

HISTORY

Mineralization was first discovered in the property area in 1960 but only intermittent work was done up to 1964 when fairly extensive exploration of the widespread, low-grade copper mineralization commenced.

In 1965 geological mapping, geophysical and geochemical surveys were carried out. Four trenches totalling 800 feet (244 metres) were made by bulldozer and 4,600 feet (1402 metres) of diamond drilling was done in ten holes.

In 1966, 8,900 feet (2713 metres) of diamond drilling in fourteen holes was completed, in addition to geological mapping and magnetometer and geochemical surveys.

In 1967, geological mapping, geochemical, IP and magnetometer surveys were carried out, as well as 22,036 feet (6717 metres) of diamond drilling in forty-one holes.

In 1968, 21,726 feet (6622 metres) of diamond drilling in thirty-seven holes was completed.

In 1986 a diamond drill program comprising 3070 feet (935.7 metres) in eight holes attempted to test the precious metal content of previously explored copper mineralization.

A limited soil sampling program was carried out on the property in 1994.

The British Columbia Mineral Inventory File (Minfile) states that the property contains unclassified reserves of 22.7 million tonnes grading 0.44 percent copper.

GENERAL GEOLOGY

The Nat property lies in a north-trending valley near the north end of Lower Gnat Lake. A substantial portion of the property is covered by extensive overburden obscuring the geology.

Regional mapping indicates that the area is underlain by rocks of the Upper Triassic Stuhini Group consisting of andesite and basalt flows, tuffs and breccias, with some sediments intruded by small stocks and sills of porphyritic andesite and basalt. The property is adjacent to hornblende quartz monzonite and granodiorite of the Jurassic-Triassic Hotailuh batholith which occurs to the south.

On the slopes east of the property, beds of greywacke and basic volcanics are reported to dip between 35 and 40 degrees to the north-east. Major north-trending faults cutting the area are inferred.

Carbonate alteration is widespread, both disseminated throughout the rocks and as veinlets. Sericite and silicification are patchy, while iron-oxide staining and hematite are widespread. Chlorite occurs as fracture fillings in the volcanics, as do dense black veinlets of tourmaline. Rocks of all types usually exhibit some degree of cataclastic textures and variable evidence of deformation due to movement.

Mineralization consists of chalcopyrite, pyrite and traces of bornite. The sulphides commonly occur as blebs, stringers and skins on fracture surfaces in the altered andesitic greenstones and dark-green porphyritic andesites. Magnetite is common in the volcanic rocks and tends to concentrate with chalcopyrite.

WORK COMPLETED

The work carried out on the property in 1996 consisted of soil sampling, a magnetometer survey, logging of stored drill core and systematic core sampling.

The details of the various programs are discussed below.

1. Soil Sampling

a) Program Parameters

The soil sampling program was carried out on sample lines established by hip-chain and compass.

Lines were established at 100 metre intervals in an east-west direction with soil samples collected at 25 metre intervals along the lines. In total 577 soil samples were collected.

Samples were taken by shovel from the "B" horizon where available, placed in kraft sample bags and shipped to Bondar-Clegg Laboratories in Vancouver, B.C. At Bondar-Clegg analysis was carried out for Au (F.A.-A.A.) and 35 other elements by ICP methods. Geochemical results are contained in Appendix 1.

A substantial portion of the western part of the property is covered by reworked tills and outwash deposits cut by paleo stream channels. "B" horizon development in this area is poor to non-existent with most of the material comprising grit to cobbles with very little fine material.

Soil sample locations are shown on Figure 3.

b). **Program Results**

The strongest copper values occur over the "Hill Zone" at the east end of the property. Copper values to 6861 ppm are found in this area.

The Hill Zone appears to be largely truncated to the south at L.400N but is open to the north.

At the "Creek Zone" on the west bank of Gnat Creek a prominent north-south trending copper linear is noted with values to 4328 ppm.

In the south central part of the property occurs a third, weaker anomaly with copper values to 1809 ppm. This anomaly is found in an area of till cover and is not a part of any recognized zone.

Other, isolated copper anomalies are found between the Hill and Creek zones. The sporadic nature of these anomalies may be a result of the poor sampling medium.

Copper values in soils are shown on Figure 4.

Gold

Gold values to 638 ppb are found on the property, mostly as isolated anomalies. A larger more cohesive anomaly occurs southeast of the Hill zone in the area of drill hole G89-7. (Figure 5).

Overall the gold anomalies exhibit a northerly trend which

may in part represent a bias in contouring. Results could also be interpreted to show a north-northwesterly trend.

2. Magnetometer Survey

a) Program Parameters

The magnetic survey on the property was carried out along the previously established soil sampling grid. Readings were taken at 25 metre intervals along lines 100 metres apart utilizing a Geometrics Unimag II Total Field Magnetometer. Readings were corrected for diurnal variation.

Results of the magnetometer survey are shown on Figure 6.

b) Program Results

Magnetic results appear to show a north-northwesterly trend with distinct linears. Higher magnetic values occur at the east and west sides of the property. This seems to correspond with available information outlining a correspondence between higher copper values and magnetite. Lower magnetic values in the central part of the property may be a result of thicker overburden in this area.

3. Core Logging & Sampling

a). Program Parameters

In excess of one hundred diamond drill holes with over 2000

boxes of core are in storage in a core shack or cross-stacked on the Gnat Pass property. During the present program selected holes were logged and holes which had been stored outside the core shack and were deteriorating were reboxed, retagged, sampled and cross-stacked.

In total 19 holes were logged and some 46 holes systematically sampled. The purpose of the resampling was to determine a gold association with copper mineralization in the core.

During a first phase of sampling 120 samples (635-TC-01 to 120) comprising 1' (0.3m) samples of core from five mineralized holes were collected. These samples contained gold values to 8530 ppb (635-TC-005).

A second phase of sampling consisted of more systematic sampling in 46 holes. During this phase five feet (1.5m) of material was sampled in approximately every 20 feet (6m) of core. Within the 5ft. interval every second piece of core averaging 2-3 inches (5-7.5cm) was removed and combined to form a single sample. In most cases the core had been previously split.

Assay results are contained in Appendix 2. Drill logs are included in Appendix 2. Drill logs include logs by the author and holes previously logged by Andre Panteleyev of the B.C. Department of Mines. The latter are included to supplement assay data.

b) Program Results

Copper values to 3.9% over 5' (1.5m) were obtained in Hole 15A (#135821) as part of a larger section which averaged 1.39% Cu over 94' (28.6m). In the same hole, from 155-165' (3.3 m) gold values averaged 1803 ppb and copper values averaged 1.35%.

Other holes (see Appendices 2 and 3) contained significant thickness of copper mineralization without any notable gold content.

Coincidentally however hole 15A was one of the few angle holes drilled on the property.

It is possible therefore that gold mineralization may be associated with vertical to near vertical shears or fractures on the Gnat Pass property that are not necessarily intersected in vertical drill holes which form the majority of diamond drill holes on the property.

CONCLUSIONS

The Gnat Pass property is host to a porphyry copper deposit in the Hill Zone which, based on soil sampling data, appears to be open to the north.

Significant copper anomalies also occur in the partially explored Creek Zone at the west end of the property and in the south central part of the property in an unexplored area.

Soil sampling as an exploration technique in the central part of the property is severely hampered by reworked till deposits and poor soil development.

Significant gold values have been found in an angle drill hole on the property and may indicate that gold mineralization is associated with near vertical shearing and fracturing. As all but a handful of the 100 plus holes on the property were drilled at -90° it is likely that the gold potential of the property has not been fully delineated.

Soil sampling data also shows gold to occur as narrow linears not directly associated with copper mineralization.

RECOMMENDATIONS

The property should be covered with a detailed magnetometer/VLF survey to define alteration and structure.

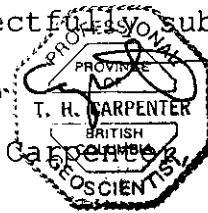
An IP survey should be carried out on the property especially in the till covered areas to explore for potential mineralization in this area. Both magnetometer and IP surveys have been run previously but the data from these surveys is no longer available.

Ground should be acquired and soil sampling should be carried out to the north of the Hill Zone to test for continuity of mineralization.

A program of angle drill holes should be carried out across areas of known mineralization to further test for a gold association. Any new targets defined by geophysical and geochemical surveys should be tested by drilling.

Respectfully submitted,


T.H. Carpenter, P. Geo.



Vernon, B.C.
October 21, 1997

REFERENCES

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STATEMENT OF COSTS

Professional Services

T. Carpenter

Field (Aug. 23- Sept. 12, 1996)

16 days @ \$450/day \$7,200.00

Compilation

5 days @ \$450/day 2,250.00

Reporting

1 day @ \$450/day 450.00

\$ 9,900.00

Field Personnel (Resampling of Drill Core)

M. Beenen

(Aug. 24-30, Sept. 4-9, 1996)

13 days @ \$231.12/day 3,004.56

D. Orme

(Aug. 23-31, Sept. 4-12, 1996)

18 days @ \$171.20/day 3,081.60

C. Woolverton

(Aug. 24-30, Sept. 3-9, 1996)

14 days @ \$231.12/day 3,235.68

9,321.84

Expenses

Analyses

21,755.52

Lodging and Meals

4,908.40

Communications

316.26

Equipment Rental

745.34

Field Supplies

593.65

Maps and Publications

130.75

28,449.92

sub-total

\$47,671.76

Transportation Costs

5,103.75

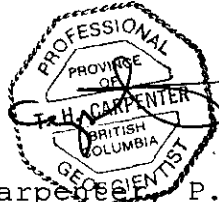
Total Costs

\$52,775.51

STATEMENT OF QUALIFICATIONS

I, THOMAS H. CARPENTER of 3902 14th Street, Vernon, B.C.,
V1T 3V2, DO HEREBY CERTIFY that:

1. I am a consulting geologist in mineral exploration associated with Discovery Consultants, Vernon, B.C.
2. I have been practicing my profession for 26 years.
3. I am a graduate of the Memorial University of Newfoundland with a Bachelor of Science degree in geology.
4. I am a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia.
5. This report is based upon knowledge of the Gnat Pass property gained from field work and supervision.
6. I hold no interest either directly or indirectly in the Gnat Pass property.

T.H. 
T.H. Carpenter P. Geo.

Vernon, B.C.
October 21, 1997