

**DIAMOND DRILLING AND GEOLOGICAL
ASSESSMENT REPORT**

NOV 13 1997
Gold Commissioner's Office
VANCOUVER, B.C.

On The

RABBITT PROPERTY

(Rabbitt 1-4, Boulder 1-2, Nero, Oshkosh, Morning,
Black Bird, Berlin Fr., Freddie Burn, Anaconda,
Winibago and Ymir)

Similkameen Mining Division
Lat. 49° 35'N, Long. 120° 48'W
NTS 92H/10W (92H056)

Prepared for

K.L.S. INVESTMENTS LTD.
P.O. BOX 669
HOPE, B.C.
VOX 1L0

Prepared by

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PROFESSIONAL
PROVINCE
OF
BRITISH
COLUMBIA
GEOLOGICAL SURVEY
HOPE BRANCH
GEOLOGICAL SURVEY
ASSESSMENT
VOX 1L0

NOVEMBER 10, 1997

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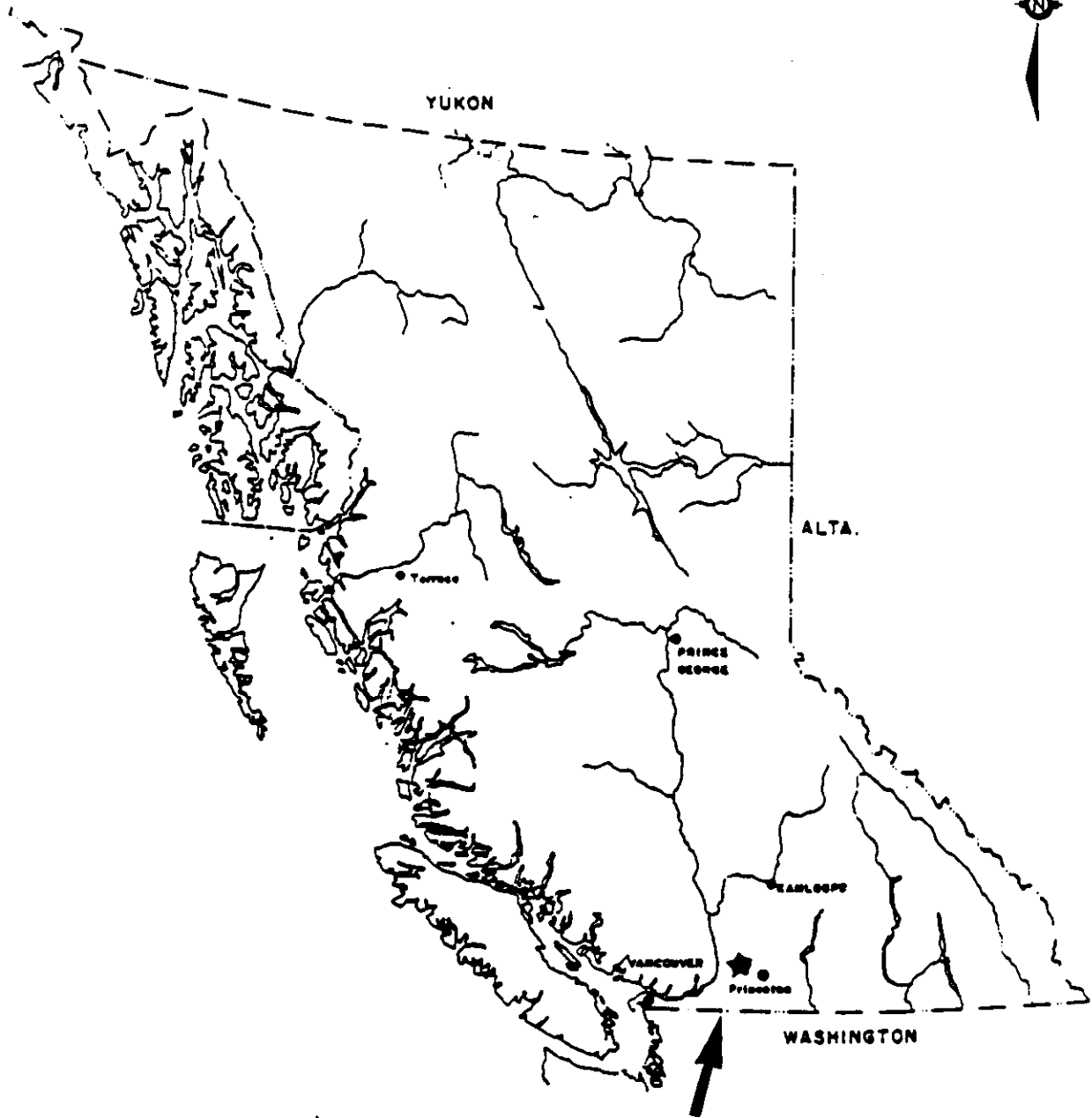
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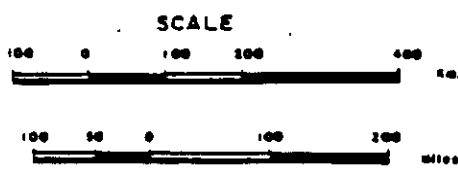
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PROPERTY LOCATION



K.L.S. INVESTMENTS LTD.			
RABBITT PROPERTY TULAMEEN AREA			
LOCATION MAP			
SCALE: AS SHOWN	NTS	DATE: 9/24/10W	FIGURE:
WORK BY:	D.G. Cardinal, P.Geo.		1.

SUMMARY

- The Rabbitt Property is located 3km northwest of Tulameen, B.C. directly west of Otter Lakes. The property is 30km west of the town of Princeton and approximately 150km east of Vancouver.
- The property consists of 9 contiguous 4-post mineral claims and 11 crown granted claims.
- The property covers numerous old gold-copper showings which have been explored at intervals since 1900. Several have extensive underground exploration drifting and test pitting.
- The property is mainly underlain by deformed Nicola Group volcanics intruded by three major intrusive bodies. Previous workers have suggested that the general geological setting is similar to the nearby Ingerbelle-Copper Mountain Mine of Similco Mining Corp.
- Considerable preliminary soil geochemistry, ground geophysics, geological mapping trenching and about 3,050m of diamond drilling have been completed since the mid 1960's.
- A single diamond drill hole was completed August, 1997, to test the potential down dip extension of the old Red Bird zone and workings located on the Rabbitt # 4 mineral claim.
- This report documents the drilling and limited geological surveys conducted around the Red Bird zone and filed for assessment work purposes.

INTRODUCTION

The limited (1 hole) drilling conducted in August, 1997 met two basic objectives: firstly to carry out the necessary work for assessment credit purposes and secondly, to test the potential down dip extension of the copper mineralization found in the old Red Bird workings.

The Rabbitt Property has a long history of intermittent exploration since the turn of the century. Underground exploration began in 1901 on the Cousin Jack, Freddie Burn and International Groups. Since the mid 1960's, several important exploration programs including about 3,050 meters of diamond drilling have been completed.

The Rabbitt Property is located in a highly mineralized region of southern British Columbia in which the bulk of mineral occurrences are closely related in their distribution and origin to the volcanic history of the Nicola rocks and co-magmatic intrusives.

Just a few kilometers south of Princeton and some 37km southeast of the Rabbitt Property, Granby Consolidated operated the Copper Mountain Mine, a large underground producer on the east side of the Similkameen River from 1923-30 and from 1937-55. Production totaled 31,552,000 tonnes averaging 1.08% copper. On the west side of the Similkameen River is the Ingerbelle Copper Deposit discovered in the 1960's and which started open pit production in late 1972. Between 1972-81, the total tonnage milled was 51 million tonnes averaging 0.43% copper (Taylor, 1995). On the Copper Mountain side production began in 1981 through to 1993 with 86 million tonnes of ore mined averaging 0.43% copper. Total production from all 3 phases of mining through to 1993 was 168 million tonnes with an average grade of 0.456% copper, 0.127g/t Au and 1.724g/t Ag. Remaining reserves at Copper Mountain in 1993 were 120 million tonnes averaging 0.4% Cu, (Taylor, 1995). The Similco operation, which encompasses both Ingerbelle and Copper Mountain has recently, temporarily, suspended production.

Immediately to the southwest of the Rabbitt Mountain Property, small high grade gold-quartz veins were discovered on Grasshopper Mountain in the 1930's, by the Rabbitt family out of Tulameen (personal communications with Mr. Pat Rabbitt). Shipping ore amounted to 1,400 tonnes from which 1,065 oz of gold was recovered.

LOCATION and ACCESS

The property is located 3km northwest of Tulameen, B.C. It occupies the upland area immediately west of Otter Lake (Figures 1 & 2). The southern part of the claims covers the crest and slopes of the southeasterly trending ridge between Mount Rabbitt and Mount Riddell. The northern part of the property covers Boulder Mountain.

The claims extend north from the Lawless Creek logging road, 2.5km to 5.0km west of Tulameen, to Elliot Creek, 1.5km west of Frembd Lake in the Otter Valley, a total distance of 7km. Lockie (Boulder) Creek, an easterly flowing tributary of Otter Creek, bisects the claim block. The Rabbitt 1-4 and Deer claims are located south of Lockie Creek and the Boulder 1-2, Nero and 11 reverted Crown-granted claims are located north of the creek.

Access to the various showing is provided by steep 4-wheel drive roads at the north and south end of the property. The Rabbitt Mountain area is accessible by a network of roads which leave the main Lawless Creek road between 3.5km and 8.0km west of Tulameen. The drill site is accessed from the south end of the property on the Lockie Creek logging for 5km heading northerly, then turning south following a logging spur road for about 1.5km which leads to the old Red Bird workings. The drill hole (Rab 97-01) is located just off the road.

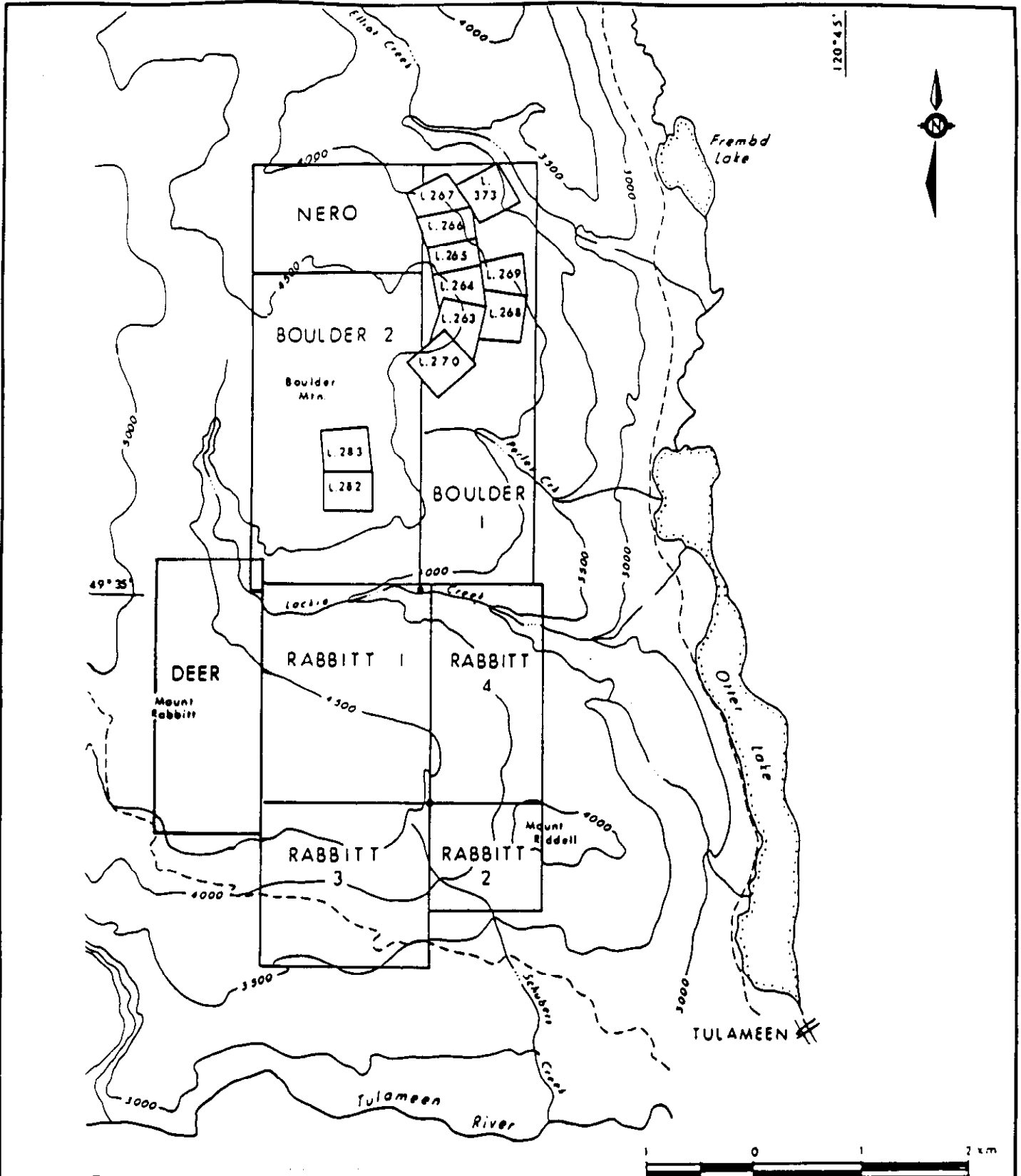
The upper slopes of Rabbitt and Boulder Mountains are gently sloping with deeply incised creek canyons. The slopes of the valleys to the Tulameen River, Otter Valley and Lockie Creek are steep to precipitous. Elevations vary from 470m in Lockie Creek to slightly over 1,500m on Rabbitt and Boulder Mountains.

CLAIM INFORMATION

The Rabbitt Property is held by 8 modified grid claims and 11 reverted Crown-granted claims. The list of claims in the following table and shown on Figure 3, are the claims which have been filed for assessment work in this report.

<u>Claim Name</u>	<u>Tenure No.</u>	<u>No. of Units</u>	<u>Date of Location</u>	<u>Expiry Date</u>
Rabbitt 1	248789	12	Nov. 29, 1979	Nov. 29, 1998
Rabbitt 2	248790	4	Nov. 29, 1979	Nov. 29, 1998
Rabbitt 3	248791	9	Nov. 29, 1979	Nov. 29, 1998
Rabbitt 4	248792	8	Nov. 29, 1979	Nov. 29, 1998
Boulder 1	248793	16	Nov. 29, 1979	Nov. 29, 1998
Boulder 2	248794	18	Nov. 29, 1979	Nov. 29, 1998
Nero	249029	6	Sept. 10, 1985	Sept. 10, 1998
Black Bird	248614	1	Aug. 26, 1977	Aug. 26, 1998
Berlin Fr.	248615	1	Aug. 26, 1977	Aug. 26, 1998
Freddie Burn	248616	1	Aug. 26, 1977	Aug. 26, 1998
Anaconda	248617	1	Aug. 26, 1977	Aug. 26, 1998
Winibago	248618	1	Aug. 26, 1977	Aug. 26, 1998
Ymir	248619	1	Aug. 26, 1977	Aug. 26, 1998
Oshkosh	248620	1	Aug. 26, 1977	Aug. 26, 1998
Morning	248621	1	Aug. 26, 1977	Aug. 26, 1998
	Total Units	81		

K.L.S. Investments Ltd. Acquired an option on the Rabbitt Property from Harold J. Adams of Princeton, B.C. in December, 1996.



K.L.S. INVESTMENTS LTD.			
RABBITT PROPERTY TULAMEEN AREA			
CLAIM MAP			
SCALE: 1:50,000	NTS	DATE: 12/1/07	FIGURE: 2.
WORK BY: D.G. Cardinal, P. Geo.			

EXPLORATION HISTORY

The Tulameen district has had a long history of mining and mineral exploration. Placer gold was discovered on Granite Creek in 1885 and 38,000 ounces of gold have been recovered from Tulameen River and its tributaries. One such placer creek is Lockie (formerly Boulder) Creek, an easterly flowing tributary of Otter Creek that bisects the Rabbitt Property. Early placer mining on Lockie Creek in the late 1800's led to the discovery of copper-gold showings on Rabbitt and Boulder Mountains.

In 1918, extensive surface and underground exploration resumed on the Rabbitt Mountain showings, including the Spokane-Motherlode, Red Bird and Shamrock groups. Several chalcopyrite-pyrite veins were discovered which could be traced along strike for hundreds of feet. By the 1930's attention was shifted to the Cousin Jack group where some 2,500 feet (760m) of strike length of pyrite-galena-sphalerite quartz vein system was uncovered.

The area lay dormant for several years until in the mid 1960's when Copper Mountain Consolidated Ltd. carried out bulldozer trenching and limited diamond drilling on Rabbitt Mountain.

In 1976, Harold Adams of Tulameen staked a large block of claims covering all known showings on Rabbitt and Boulder Mountains. In 1978, Northern Lights Resources Ltd. optioned the claim block from H. Adams and conducted ground magnetometer survey over the Rabbitt Mountain showings.

Majority of the exploration work was conducted between 1980-86, when H. Adams optioned the property to two different companies, initially to Brican Resources Ltd. followed by Aberford Resources Ltd. During this period several kilometers of gridline lines were established and extensive ground geophysical: VLF-EM and magnetometers surveys were completed along with geological and geochemical surveys and trenching. Much of this work centered around the Cousin Jack group.

In January 1997, one 200 foot (61m) diamond drillhole was completed by H. Adams on the Deer Claim for assessment purposes. In August 1997, another drillhole was completed on the Rabbitt #4 claim adjacent to the Red Bird working totalling 116.43m. This hole was filed for assessment and is included the appendix of this report for assessment purposes.

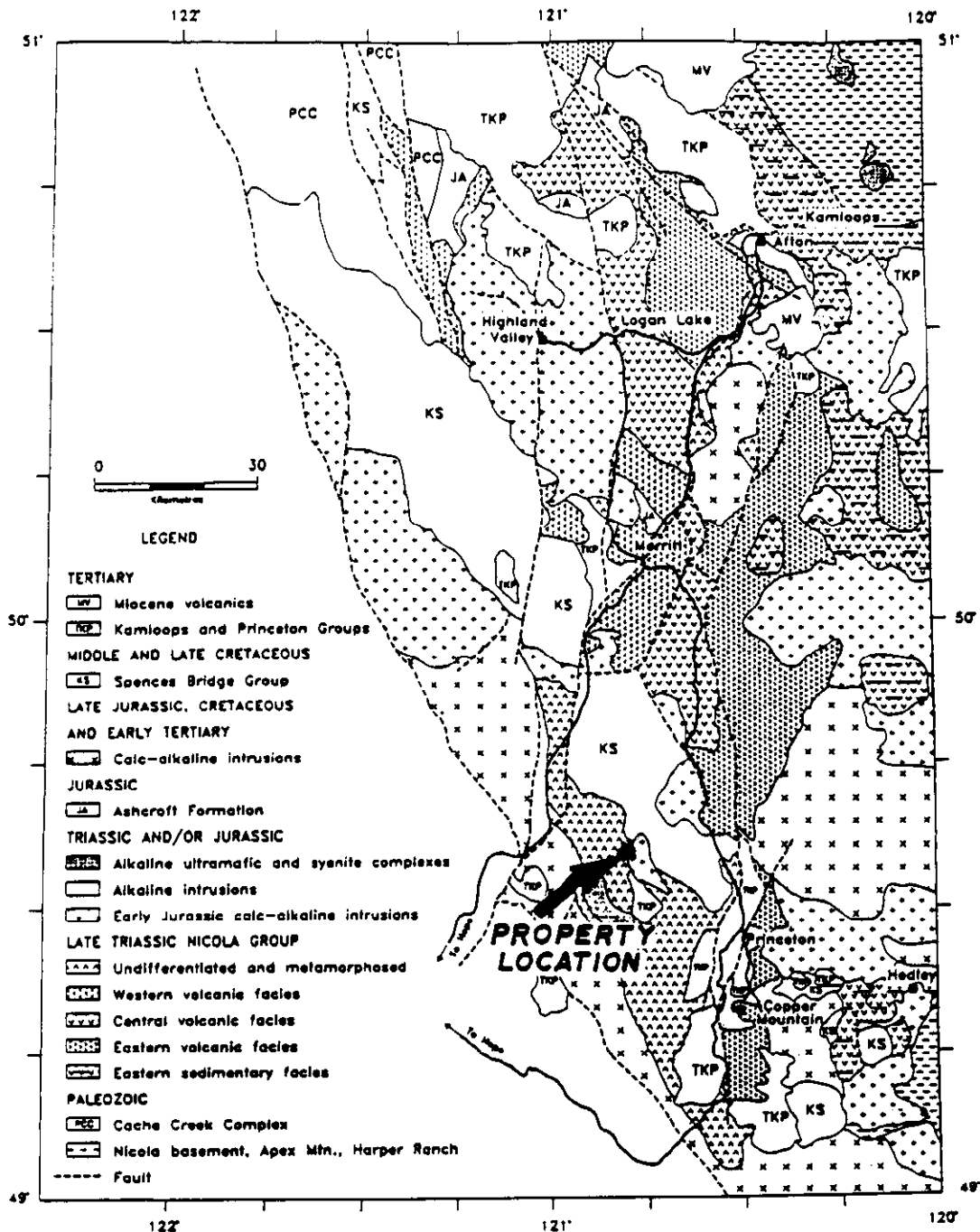
REGIONAL GEOLOGY

The Rabbitt Property is underlain by the fault-bounded Western Belt (Preto 1977 & 1979), where shallow water environment Nicola rocks include: basaltic-andesitic to rhyolitic flows, breccias, volcanoclastics, epiclastic sediments and reefoidal limestones. These formed the rapidly accumulating volcanic pile which gradually became subaerial. The Western Belt age, based on fossil evidence, range from Lower Norian (Triassic) to Lower or even Middle Jurassic (Preto, 1977).

The Nicola Group is associated with the majority of economic ore deposits found in the region. Chemically, the bulk of Nicola Group belong to an alkaline rock suite. The Nicola assemblage has been subsequently deformed and cut by a series of co-magmatic and later intrusives and subjected to low-grade, greenschist facies, metamorphism.

In the vicinity of the Rabbitt property, intrusive rocks include the Jurassic or later Eagle Granodiorite; related dykes of the Coast Plutonic Complex, Jurassic or later peridotite, pyroxenite and gabbro dykes and plugs probably related to the Olivine Mountain body to the south (Rice, 1952) and, pink to grey granite and granodiorite of the Upper Cretaceous or later Otter intrusions.

These are all evidenced on the Rabbitt property by cross-cutting and concordant bodies of felsic to intermediate composition and by irregular outcrops to basic to ultrabasic rock. Relations to other rocks are often obscured due to poor outcrop. Intrusive rocks are non-foliated and include fine quartz-eye feldspar porphyry, medium grained feldspar porphyry, pink feldspar-hornblende porphyry and fine, dark brown weathering basic rocks.



- LEGEND**
- TERTIARY**
- Miocene volcanics
 - Kamloops and Princeton Groups
- MIDDLE AND LATE CRETACEOUS**
- Spences Bridge Group
- LATE JURASSIC, CRETACEOUS AND EARLY TERTIARY**
- Calc-alkaline intrusions
- JURASSIC**
- Ashcroft Formation
- TRIASSIC AND/OR JURASSIC**
- Alkaline ultramafic and syanite complexes
 - Alkaline intrusions
 - Early Jurassic calc-alkaline intrusions
- LATE TRIASSIC NICOLA GROUP**
- Undifferentiated and metamorphosed
 - Western volcanic facies
 - Central volcanic facies
 - Eastern volcanic facies
 - Eastern sedimentary facies
- PALEOZOIC**
- Cache Creek Complex
 - Nicola basement, Apex Mtn., Harper Ranch
- Fault

Generalized geology map of southern Quesnellia (after Meager, 1969).
 CIM Special Volume 48

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RABBITT PROPERTY TULAMEEN AREA			
General Geology of Southern Quesnellia			
SCALE: AS SHOWN	NTS	DATE: 9/24/10W	FIGURE: 3.
WORK BY:		D.G. Cardinal, P. Geo.	

PROPERTY GEOLOGY and MINERALIZATION

The majority of the bedrock geology underlying the Rabbitt Mountain property is comprised of andesitic to rhyo-dacitic assemblage of flows, dykes, breccias, pyroclastic, tuffs, and volcano-sediments of the Upper Triassic Nicola Group.

The western section of the property is composed mainly of Jurassic and Tertiary age granitic rocks.

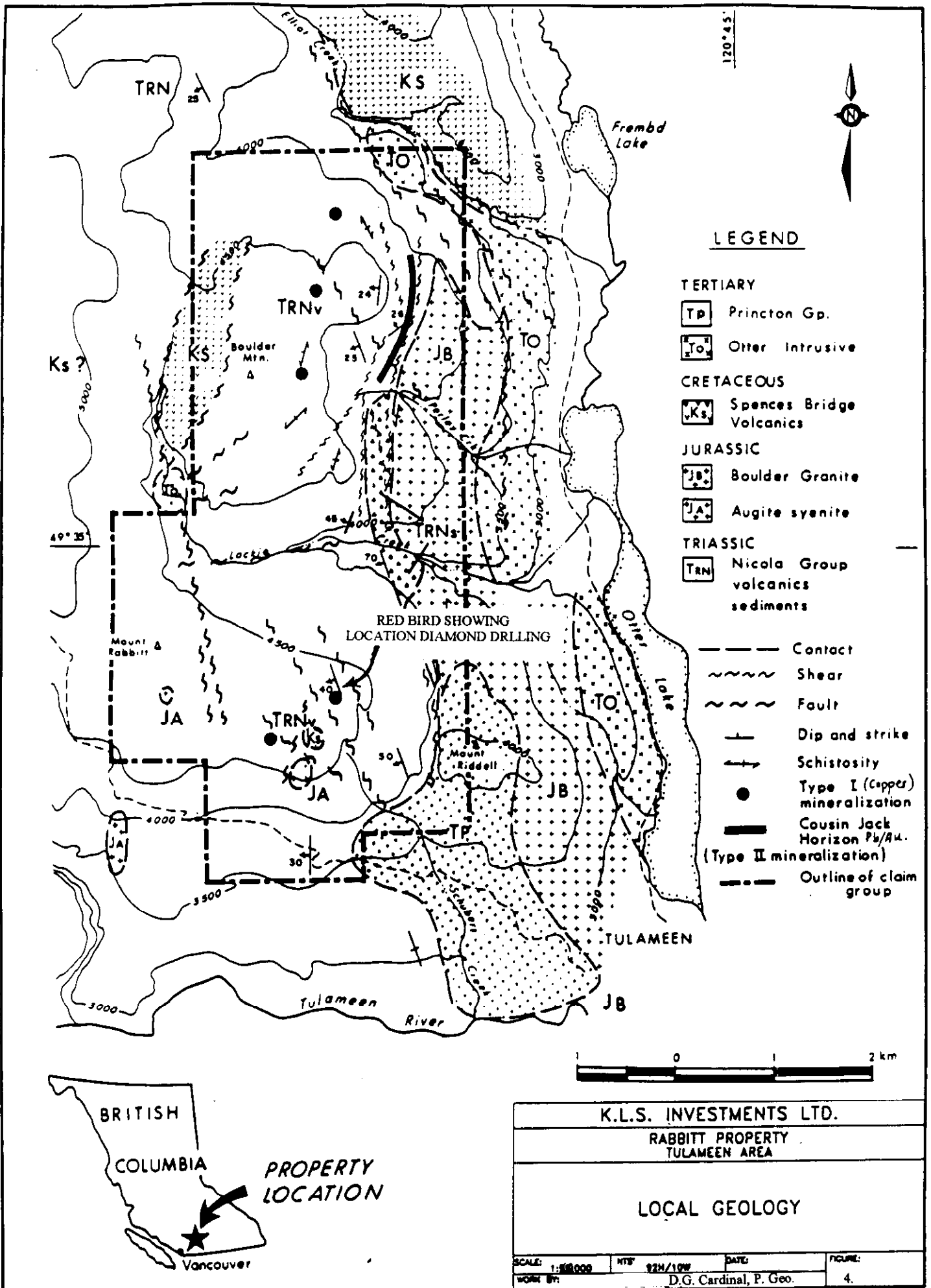
The predominant structural fabric of the Nicola volcanic sequence is a north-south trend and a shallow to moderate westerly dip. A weak to moderately well developed foliation is ubiquitous and varies from 130° to 180° in strike with shallow (25° - 35°) westerly dips. Intensity of the foliation is variable and largely a function of lithology as finer grained fragmental rocks tend to be more schistose than their coarser counterparts. Layering is difficult to discern to the massive nature of many of the rocks, but where observed is sub-parallel to the foliation.

Faulting, of probable Tertiary age (Rice, 1952) disturbs the volcanoclastic rocks. It is difficult to determine offset and movement on these faults due to poor outcrops, the relative homogeneity of rocks, lack of distinctive layering and marker horizons, and the lensoid nature of units within the sequence and faults are largely recognized by distinctive linear structures. North, north-east trends for faults are dominant but some east-west trends are also evident.

The author had the opportunity to examine the mineralization around the old Red Bird showings and other adjacent workings. Intensely silicified, pyritiferous lenses occur concordant to the volcanic layering. At the Red Bird portal, massive chalcopyrite-quartz lenses up to 0.5m thick are exposed and traceable for short (15-25m) distances along strike before pinching out. The wall rock (foot-hanging walls) around the chalcopyrite-pyrite lenses is highly bleached displaying saussurite and sericite alteration. Other workings about 100m to the north of the Red Bird also expose similar type of mineralization and occur along the same volcanic horizon. Some of the lenses are predominately massive pyrite with little to no chalcopyrite.

The host rock is an andesitic-dacitic sequence which is pervasively calcareous and altered to greenschist facies. At the Red Bird portal, the mineralized lenses are also associated with a silicified mylonitic zone. The mineralization follows the layered sequence striking 340° - 350° and dipping 30° - 35° to the west.

In the Boulder Mountain area, north of Lockie Creek and several kilometers north of the Red Bird zone, two other old copper occurrences are exposed, the South and North Copper Showings. These two showings are very similar in style of mineralization as the Red Bird and appear to also occur along the same volcanic horizon.



120°45'



LEGEND

- TERTIARY**
- TP Princeton Gp.
 - TO Otter Intrusive
- CRETACEOUS**
- Ks Spences Bridge Volcanics
- JURASSIC**
- JB Boulder Granite
 - JA Augite syenite
- TRIASSIC**
- TRN Nicola Group volcanics sediments
-
- — — Contact
 - ~~~~~ Shear
 - ~~~~~ Fault
 - / — Dip and strike
 - → — Schistosity
 - Type I (Copper) mineralization
 - — — Cousin Jack Horizon Pb/Au. (Type II mineralization)
 - - - - - Outline of claim group

RED BIRD SHOWING
LOCATION DIAMOND DRILLING



K.L.S. INVESTMENTS LTD.			
RABBITT PROPERTY TULAMEEN AREA			
LOCAL GEOLOGY			
SCALE: 1:50,000	NTS 82H/10W	DATE:	FIGURE:
WORK BY:	D.G. Cardinal, P. Geo.		4.

Mineralization at the Cousin Jack claim, where majority of the historical workings occur, is strikingly different to above-noted copper showings which may indicate a different genesis for the sulphides. A zone of discordant quartz-sulphide veins is associated with an area of intense shearing and hydrothermal alteration. Quartz sulphide mineralization contains variable amounts of sphalerite, pyrite, galena, and chalcopyrite. These veins often contain values in gold and silver.

Based on previous work, it is evident that the gold is directly related to the zinc mineralization. An increase in zinc invariably also shows an increase in gold. Geochemically, zinc being a highly mobile element could assist in indirectly searching for auriferous-bearing structures on the Cousin Jack.

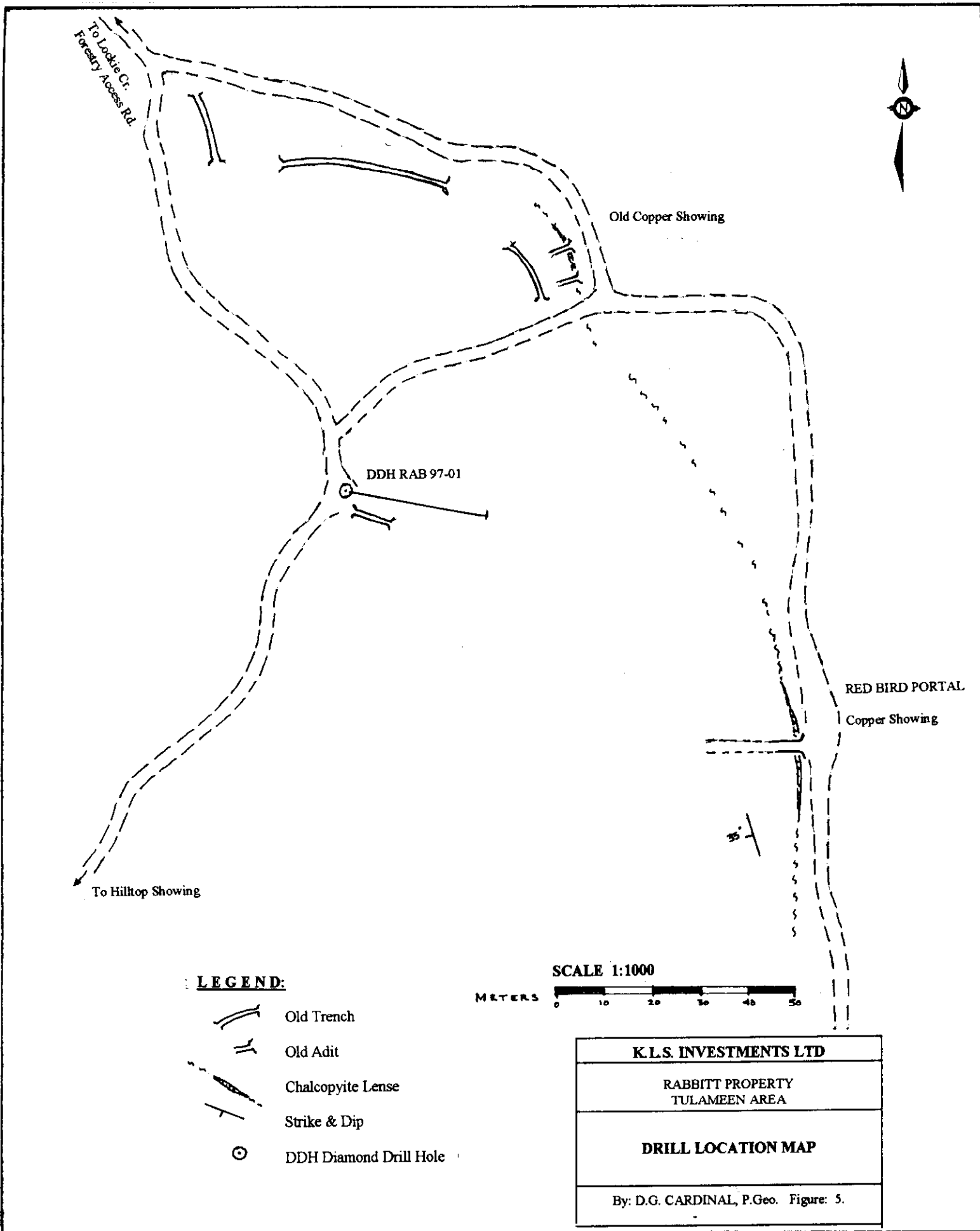
DIAMOND DRILLING

A drill site was located about 100m west-northwest of the old Red Bird portal and 50m-75m west of other old copper sulphide workings. The purpose of the dillhole was to test the potential down dip extension of chalcopyrite-pyrite-siliceous lenses. As well, to conduct sufficient drilling for the purpose of meeting the assessment work requirements.






The drill hole identified as RAB 97-1 is located on an old mineral exploration access road which leads to the summit of Rabbitt Mountain and the old Hill Top (or Lloyd George) Copper Showing. The hole is orientated with azimuth 100° and a dip of -75° . This attitude would intersect the volcanic sequence at normal to the core axis.

The drilling was conducted by Grizzly Diamond Drilling Ltd. of Princeton, B.C., owner H. Adams. The drill machine used was unitized skid mounted LongYear 28 with BQ size core barrel. A small 350 John Deere was utilized to mobilize the drill into place and to prepare the drill site. An adjacent old trench was used to capture and contain all drill mud and cuttings. Water needed to be trucked from several kilometers away as no stream of sufficient flow volume is available near the site.

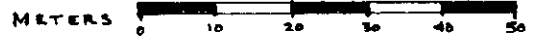
Majority of the work such as mobing drill machine in, preparing drill site, drilling, to demobing was conducted between August 10th – 22nd.



LEGEND:

-  Old Trench
-  Old Adit
-  Chalcopyrite Lense
-  Strike & Dip
-  DDH Diamond Drill Hole

SCALE 1:1000



K.L.S. INVESTMENTS LTD
RABBITT PROPERTY TULAMEEN AREA
DRILL LOCATION MAP
By: D.G. CARDINAL, P.Geo. Figure: 5.

DISCUSSION OF DRILL RESULTS

The author logged the drill core (appendix I). A total of 116.43 meters of BQ size core was recovered with close to 100% recovery.

The first 45m-50m of the drill core displays an andesitic, greenschist facies sequence with the occasional pyroclastic-breccia flow and associated minor (<1%) finely disseminate pyrite. The andesite then grades to more dacitic composition with an increase in calcareous alternation and minor rhyolitic tuffaceous flows. The flow bands and layering range from near normal to 40° - 50° to the core axis.

At interval 55m-60m, the sequence grades to more felsic or acidic composition, from rhyodacite to rhyolite, displaying kaolinitic and sericitic alteration. The sequence repeats itself with andesite grading to rhyodacite and to rhyolite between intervals 65m to 84m. A band of quartz-eye rhyolite was intersected between 93m-97m with pyritiferous sections containing 2-3% pyrite. The drillhole ends in chloritic, unmineralized andesite.

No copper mineralization or intense silicification as evident at the Red Bird portal and the nearby showings was encountered in the drill core. Based on the strike and dip of the sulphide lenses and host rock, a projected down dip extension should have collared the copper-pyrite mineralization around 61m-67m, no such alteration or copper mineralization was intersected in the core.

Clearly, a single drillhole does not eliminate the potential for encountering copper mineralization in perhaps an other area within the Red Bird zone. However, the hole does demonstrate that the mineralized lenses are not easy targets to encounter with drilling. This also suggests that the quartz-chalcopyrite-pyrite lenses uncovered around the old workings are small and isolated with limited strike length and down dip extension.

CONCLUSIONS

- The Rabbitt Property is a large claim block covering a number of old gold and copper showings which were discovered in the early part of the century.
- Considerable amount exploration including: geochemistry, geophysics, geology, trenching and diamond drilling has been completed since 1965.
- Two horizons of massive sulphide mineralization have been recognized on the property. The sulphide horizons appear stratabound, lensoid and some such as the Cousin Jack Showing, shows a remarkable strike length. Other sulphide horizons such as the Red Bird zone are lensoidal along strike also down dip.
- Known sulphide occurrences include: the Motherlode-Spokane, Red Bird, Shamrock, Thynne, and Hilltop (Lloyd George?) showings on the southern part of the property and south of Lockie Creek. Showings north of the creek include, the South Copper (Oro Fino, Constitution, International), Mid Copper, and the Cousin Jack.
- One drill hole, RAB 97-1 was completed between August 10th-22nd, 1997 for assessment purposes. The hole is located about 100m west of the Red Bird zone to the potential down dip extension of the zone.
- The drill hole was logged in detail. No copper mineralization was encountered indicating the Red Bird zone to be in lenses with limited down dip extension also, the lenses appear to pinch and swell making it difficult to intersect with drilling.

STATEMENT OF WORK COST BREAKDOWN

Diamond Drill Costs:

BQ drill core, 116.43 meters @ \$50/meter	\$ 5,821.50
350 John Deere, 25 hrs @ \$60/day	1,500.00
1000 gal. Water truck, 30 hrs. @ \$50/hr	1,500.00
Core boxes, 15 @ \$8/box	120.00
Mob. and Demob.	800.00

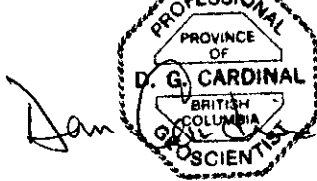
Geological and Field Related Costs:

Geologist, supervision and reconn. mapping, 8 days @ \$350/day	2,500.00
Core logging 2.5 days @ \$350/day	875.00
Assistant, 10 days @ \$150/day	1,500.00
Rental 4x4 truck, 8 days @ \$50/day	400.00
Rental Core splitter, \$150	150.00
Travel: gas and meals	500.00

Report: report preparation, word processing and drafting 2,500.00

Total costs incurred **\$18,166.50**

Respectfully submitted;



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APPENDIX I

Geological Drill Logs – Drill Hole RAB 97-01

K.L.S. ENTERPRISES LTD. - Locke Creek Project

SECTION: _____

Page: 2/3

DDH #: RAB 97-01

from (m)	to (m)	Code	Description	sample No.	width (m)	Au (oz/t)	Au (g/t)
55.67	58.40		Volcanic: Rhyolite, kaolinitic alteration, light creamy color, minor Qtz-eye phenocrysts with minor fine cubic py. From 58.00-58.40m grading to more dacite. Flow structures 35-40° to core axis.				
58.40	65.67		Dacitic volcanic, light purple to greenish color, occasional breccia flow fragments w/ tuffaceous flow bands. Flow bands vary from 45° to 75° to core axis. @65.67m grades to more tuffaceous andesite.				
65.67	76.60		Andesite / Tuffaceous andesite, dark green, occasional breccia flows w/ subrounded clasts. Chloritic alteration, occasional Qtz/calcite veinlets along healed fractures. Minor py (< 1%). Flows ~ 45° to core axis. @76.60 gradational to dacitic / rhyolitic unit				
76.60	79.65		Rhyodacite, chloritic w/ part kaolinitic alter ⁿ . occasional tuffaceous & tuffaceous-subvolcanic bands. Filiation; flow bands ~ 40° to core axis. Minor py, no other sulfides				
79.65	81.40		Rhyolite porphyry, basaltic phenocrysts. Disseminated py throughout @81.30m fault-ground core - part fault gouge fault 10-15° to core axis, also fractures subparallel to axis.				
			Sample Interval: 79.70 - 81.08		1.12		
82.40	91.12		Rhyolite, grey-green to cream color bands. occasional elongated flow breccia clasts. Flow bands - 50-60° to core axis. Minor py.				

K.L.S. ENTERPRISES LTD. - Locke Creek Project

SECTION: _____

Page: 3/3

DDH #: RAG 77-01

from (m)	to (m)	Description	sample No.	width (m)	Au (oz/t)	Au (g/t)
84.12	93.00	Code Andesitic-lacite volcanic, chloritic, Occasional subrounded - elongated flow clastic structures. Minor irregular qtz/calcite veinlets. Flow bands 75-80° to core axis				
93.00	96.75	Qtz Eye Rhyolite, 93.00 - 94.00m gradational from rhyolite to qtz eye rhyolite. Crystals reddish color. Black qtz-eye phenocrysts w/ finer chloritic green-blackish specks. Occasional blue-translucent to milky qtz veinlets. Disseminated py throughout ~2-3% Sample Interval: 95.00 - 96.00 1.00 96.00 - 96.75 0.75				
96.75	116.43	Andesite volcanic, chloritic alter ⁿ . Between 97.50 - 103.00m numerous irregular qtz-calcite veinlets w/ carbonate alter ⁿ . Flow structures 25-30° to core axis. Increase in large (100-100m) epidote altered breccia clasts in chloritic altered matrix. Darker green flow bands - possible flow riv. structures Flow bands & clasts vary 85-45° to core axis. Little to no sulphides observed. E.D.H. @ 116.43m				

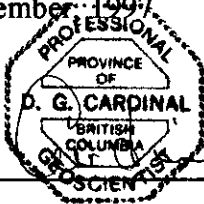

APPENDIX II

STATEMENT OF QUALIFICATIONS

I, Daniel G. Cardinal of 65661 Birch Trees Drive in the town of Hope, British Columbia, do hereby certify:

1. I am a graduate of Northern Alberta Institute of Technology (1972) in Exploration Geology (Diploma); and the University of Alberta in Geology (BSc., 1978).
2. That I have practiced my profession as an Exploration Geologist, continuously since graduation, and have been employed by such companies as Cominco Ltd., Noranda Mines Ltd., Syncrude Canada Ltd., Aquarius Resources Ltd., Westerra Resources Ltd., and Highland Talc Minerals Ltd. I am presently employed by Cardinal Geoconsulting Ltd.
3. I am a Fellow of the Geological Association of Canada (No. F4891). I am member in good standing with the Association of Professional Engineers, Geologists and Geophysicists of Alberta (No. M29405); and with Association of Professional Engineers and Geoscientists of British Columbia (No. 18,455).
4. I am an independent consulting geologist employed since January 1983, by Cardinal Geoconsulting Ltd. at 591A Wallace Street, P.O. Box 594, Hope, B.C. VOX 1L0.
5. I am the author of this report entitled "Diamond Drilling and Geological Assessment Report" dated November 10, 1997.
6. I supervised the Diamond Drill Program mentioned in this report and I have examined the various old workings located on the Rabbitt Property; and I have logged the drill core described in drill log sheets attached to the appendix of this report.

Date at Hope, British Columbia, this 10th day November, 1997.



D.G. Cardinal, BSc., F.G.A.C., P.Geo.