

DRILLING REPORT
ON THE
GRANITE BASIN PROPERTY

N.T.S.: 94C/5

DECEMBER, 1997

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

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Operator: Canasil Resources Inc.

25,297

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1.0 INTRODUCTION

During the period of July 3, 1997 to August 6, 1997 Canasil Resources Inc. and Britton Brothers Diamond Drilling conducted a programme of diamond drilling. 4 holes were drilled, totaling 499.30 meters.

1.1 Location and Access

The Granite Basin Property is centered at latitude 56° 29' N and 125° 52' E on N.T.S. Mapsheet 94C05W. It lies to the northwest of Aiken Lake in the Omineca Mining Division of British Columbia (Figure 1).

The Omineca Resource Access Road and main line logging roads provide access to within 3.6 km of the property. This distance is 365 road km north of Fort St. James, B.C. The final 3.6 km is accessible by 4-wheel drive only.

The geological and drilling crews were housed at a temporary exploration camp located at the Granite Basin Property.

1.2 Topography and Physiography

The Granite Basin Property is situated within the Osilinka Ranges and covers 2 northeast trending ridges separated by a cirque valley, as well as several northeasterly trending drainage's flowing into Lay Creek. Topography is steep to precipitous over the ridged areas, but is subdued to fairly flat in creek valleys and on the eastern edge of the property, toward Lay Creek. Elevations range from 1200 meters in the valley of Lay Creek to 2180 meters on the western edge of the property. The higher elevations are devoid of vegetation, or are covered by grasses and mountain willow. At lower elevations mature conifer forests are dominant. Intervening elevations are covered by dense growths of sub-alpine lodgepole pine and spruce.

1.3 History

Below is a brief outline of work performed on the Granite Basin Property in chronological order.

1936: The area was staked by Cominco and 1,142 linear feet of hand trenching was completed. A drift of 110 feet was driven without reaching bedrock.

1937: A 158 foot drift with 2 crosscuts of 66 feet and 10 feet respectively was driven at a higher elevation and good gold grades were intersected (6.86 gpt/12.2m).

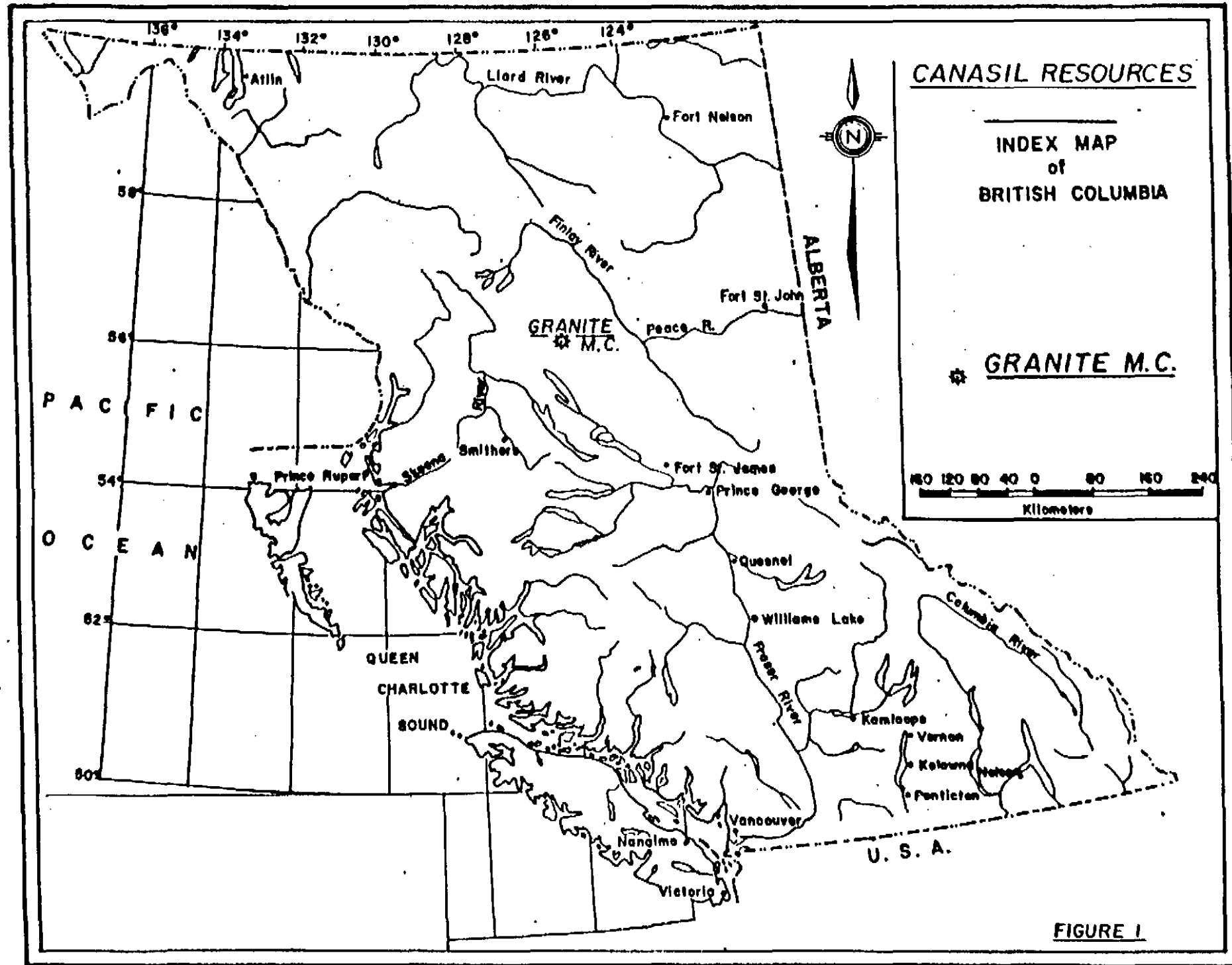


FIGURE 1

- 1939: Douglas Lay of the Department of Mines visited the property, collected samples and wrote a summary report.
- 1962: Prospecting by Emil Bronlund located new showings to the west of the adit workings and the area was restaked.
- 1963: Kerr Addison Gold Mines Ltd. sampled the area.
- 1971-73: Union Minere and Stellac Exploration conducted a soil geochemical survey and collected rock samples.
- 1974-75: Susie Gold Mines conducted geotechnical soil and rock chip surveys, road access was constructed and trenching was completed to the southeast of the 1936 trenching.
- 1979-80: Mark V Petroleum Ltd. conducted EM and magnetometer surveys and collected chip samples along the access road.
- 1990-92: Paul Weishaupt re-staked the area (Granite claim), conducted a soil survey, collected rock samples, and blasted trenches into the cliff face.
- 1993-94: Noranda Exploration Co. Ltd. as agents for Hemlo Gold Mines Inc. staked the surrounding ground (Basin 1-3), conducted a geochemical soil survey, collected rock samples, and completed reconnaissance style mapping.
- 1994-95: Hemlo Gold Mines conducted a 2 hole drill program.

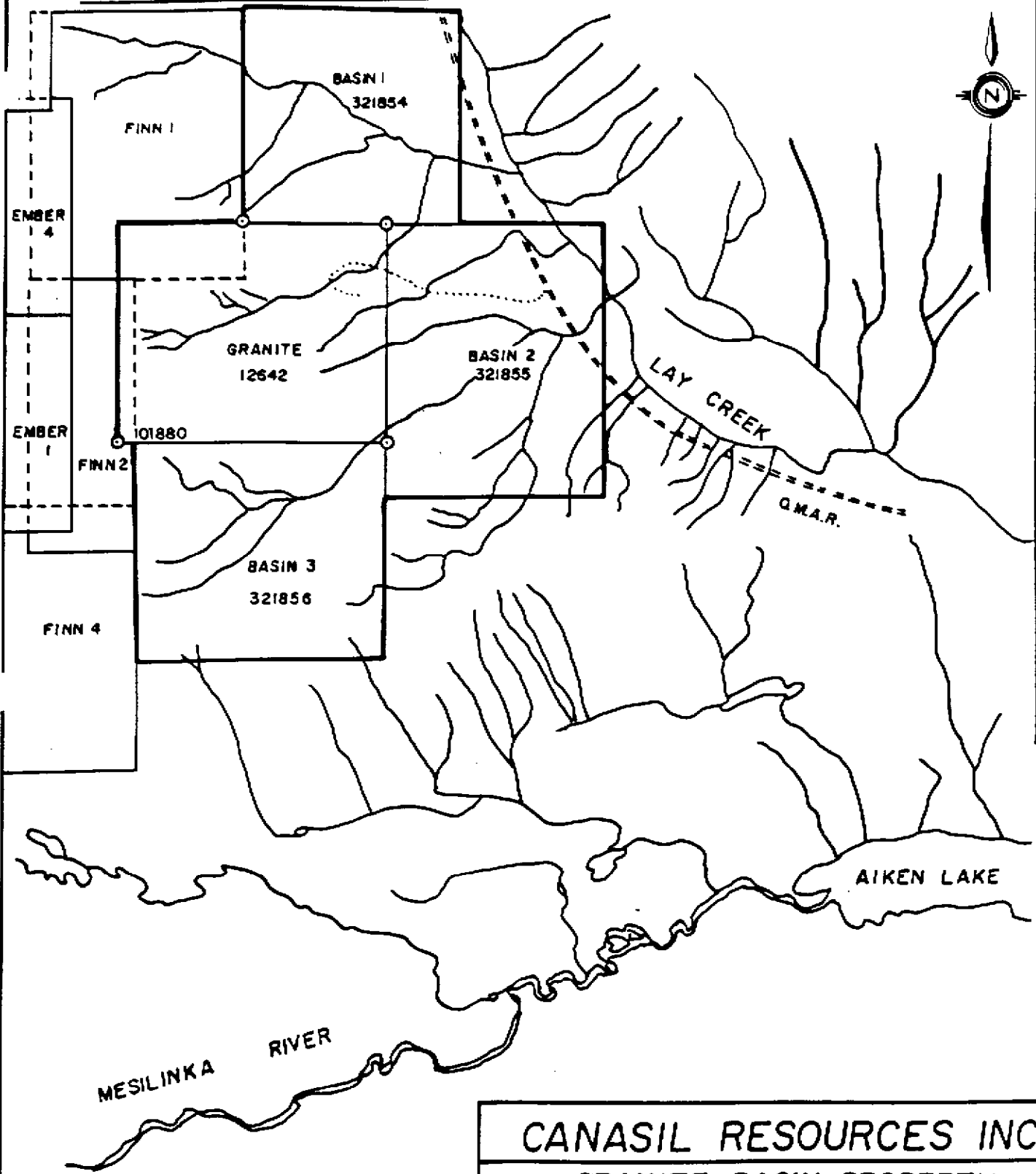
1.4 Claims

The Granite Basin Property is comprised of three 20 unit claim blocks and one 16 unit claim block. Following is a list of the claims with corresponding tenure number, anniversary date (upon acceptance of this report) and owner (Drawing 2).

<u>Claim Name</u>	<u>Tenure No.</u>	<u>Units</u>	<u>Anniversary Date</u>	<u>Owner</u>
Basin 1	321854	16	October 9, 1997	Canasil Resources
Basin 2	321855	20	October 10, 1997	Canasil Resources
Basin 3	321856	20	October 10, 1997	Canasil Resources
Granite	242792	20	October 8, 2005	Canasil Resources

125° 45'

56° 30'



CANASIL RESOURCES INC.
GRANITE BASIN PROPERTY

CLAIM MAP



SCALE: 1: 50,000	DRAWN BY: P.J.W.	FILE:
DATE: Nov. 1997	REV	FIGURE: 2

1.5 Economic Potential

The Granite Basin Property is considered promising for hosting an economic shear hosted gold/silver deposit. Early work concentrated on 5 porphyritic diorite sills which produce a strong colour anomaly (gossan), but overall results were poor. Later work has shown the Au-Ag mineralization to be hosted in shears which cut across all rock types and contacts. Previous results of 9.4 gpt Au/439 gpt Ag over 3 m and 7.54 gpt/271 gpt Ag over 3 m suggest the potential exists for a bulk mineable gold/silver deposit.

1.6 Survey Control

Flagged lines were established for mapping purposes using a compass and hip chain. All lines were slope corrected, as the talus slope has an average angle of 35, and were tied into topographic features. In addition the previously established trails along and up the talus slope were surveyed in the same manner. Drill collars were tied into surveyed grid.

2.0 GEOLOGY

2.1 Regional

The Granite Basin Property is situated within the Intermontane Belt. In the vicinity of the Granite Basin Property this is comprised of Upper Triassic to Lower Jurassic island arc volcanics, volcanoclastics and minor sediments of the Takla Group. The dominantly volcanic package has been intruded by Jura-Cretaceous aged diorites, monzonites and syenites associated with the Hogem batholith. In fault contact to the east are volcanics and sediments of the Mississippian Cache Creek Group, intruded by ultramafics of the Triassic Trembleur intrusions.

2.2 Property Geology

Geologic mapping was done at a scale of 1:200 and was confined to the central part of the Granite claim, in the vicinity and to the west and south of the 1937 Cominco adit.

The following geological descriptions are relevant for the property as a whole.

The dominant rock type is a fine to medium grained augite porphyritic andesite. It is composed of up to 15% 0.5 mm to 3 mm pyroxene crystals in a dark to medium green groundmass. It may also contain, in equal abundance, phenocrysts of feldspar to 0.5 mm in diameter.

Higher in the section black silstones, impure limestones and volcanoclastics are intercalated in the augite porphyry. These rocks have been hornfelsed where they are in contact with bodies of feldspar porphyry (see below).

Dioritic intrusives are of two types - a porphyritic and a generally non-porphyritic type. Both types are leucocratic, fine to medium grained, have a sugary texture, and contain hornblende as well as feldspar. The porphyritic diorite contains feldspar phenocrysts up to 3 mm in diameter and hornblended crystals to 5 mm in length. It most likely had the same magmatic source as the non-porphyritic diorite, but followed a different cooling path. Both types are present as sills.

Isolated outcrops of quartz-feldspar or hornblende only porphyritic diorite are also present in outcrop but could not be followed for any distance. The former was included with the porphyritic diorite, the latter with the non-porphyritic diorite.

Feldspar porphyry is present as dykes and sills cutting both the volcanosedimentary package as well as both phases of diorite. It varies in colour from light grey to dark green, and contains up to 20% light grey feldspar phenocrysts up to 3 mm in size. It contains little to no hornblende. This rock type appears to be restricted to the vicinity of the gossanous central area.

Structural measurements on bedded sediments or volcanoclastics located on ridge tops indicate an approximate north-south strike (172° to 192°) with dips to the west from 25° to 40° . Further to the north the strike becomes more westerly (approximately 220°), however the angle of dip remains the same.

Prior to the work by Noranda in 1994 exploration programmes had identified three zones of shearing, identified as Zones 1 to 3. Zone 1, the easternmost zone, strikes at 310° and dips steeply to the northeast at 75° . This is the zone intersected by Comincos 1937 adit and is reported to have a width of 12 meters. Zones 2 and 3 lie to the southwest, are higher in elevation by 85 m and 182 m respectively and have similar strikes and dips $266^{\circ}/40^{\circ}$ N (Zone 2) and $262^{\circ}/58^{\circ}$ N (Zone 3). These latter two zones are now believed to be outcrops of the same shear, with the steep talus slope between Zones 2 and 3 covering an irregular dip slope exposing the upper limits and hanging wall of the shear. Although the footwall of this second zone is never exposed it is at least 5 meters wide, as measured at the previously named Zone 3.

2.3 Mineralization

The augite porphyritic andesite and associated sediments are generally non-mineralized, or may be sparsely mineralized with fine grain disseminated pyrite. However in contact with the porphyritic diorite these rocks may be heavily pyritized.

The porphyritic diorite always hosts pyrite, in concentrations of up to 20%. Prior to 1975, exploration programmes focused on these pyritic horizons, and in general the gold content was negligible except in the vicinity of the adit where a pyritic horizon is coincident with the Zone 1 shear.

In 1975 it was recognized that it was the shears which hosted the Au-Ag mineralization and that these shears cut across all rock types. Rocks within the shears are foliated, altered to a fine grain, white to light blue colour and contain cryptocrystalline quartz veinlets, patchy carbonate, sericite, minor mariposite (?), and pyrite, both as wavy laminations as well as disseminated. Two generations of pyrite are clearly visible: 1. An early fine grain silvery phase often observed as a film along fracture planes, and 2. a later coarser grained yellowish phase occurring along foliation planes and as irregular pods. Very rarely trace amounts of galena are associated with the quartz veinlets.

Detailed mapping by Hemlo in 1995 shows that the sheared foliated outcrops always occur in the footwall of a 5 cm wide brittle fault generally striking from 310° to 330° and dipping shallowly to the northeast. Rocks exposed in the hanging wall are unaltered andesites or limy sediments, and may or may not contain pyrite. This fault does not have a flat planar surface but undulates in both the dip and strike direction, as evidenced by the dip slope connecting Zones 2 and 3, and in outcrop above the trench blasted by Canasil in 1992.

3.0 DIAMOND DRILLING PROGRAMME

The focus of the 1997 drilling programme was to establish the lateral extent and thickness of the Au anomalous horizon, as well as to test the theory that this horizon is located in the footwall and is cut off by, a shallowly dipping fault.

Core is stored at the Granite Basin Property.

3.1 Presentation of Drill Hole Data

Drilling parameters for holes 1, 2, 3 and 4 are listed in the table below. Refer to drawings, Figure 3, 4, 5 and 6 for plan view and hole sections. Sections show Au and Ag results with corresponding sample widths in meters. Detailed hole logs are found in Appendix III and geochemical results from core are found in Appendix II.

Hole #	Total Length (m)	Coordinates North	East	Azimuth	Dip	Date Collared	Date Completed
GB-97-01	130.15	9955	9994	029°	-70°	July 20/97	July 22/97
GB-97-02	133.2	9921	9873	175°	-45°	July 23/97	July 26/97
GB-97-03	93.57	9921	9873	175°	-60°	July 26/97	July 29/97
GB-97-04	145.39	9850	9767	187°	-45°	July 30/97	August 1/97

3.2 Synopsis of Drill Holes

DDH-GB 97-01 - This hole (Figure 3) was collared approximate meters vertical above Cominco's 1937 adit (exact position unknown) in an attempt to intersect the gold anomalous horizon (6.8 gpt Au over 12.0 meters) sampled by D. Lay Department of Mines in the underground workings. It is assumed that the underground horizon and the one exposed outcrop highly anomalous in Au (5.32 gpt Au over 7.5 meters) were part of the same structure. The hole intersected a series of feldspar, augite and hornblende porphyries, some of which could be identified as intrusions, others of which could either be volcanic or intrusive. Identifiable intersections of andesitic volcanics were rare. In general the feldspar porphyries have an average pyrite content of 10% whereas the other lithologies have pyrite contents ranging from 1% to 3%. Sericite/clay alterations and foliation begins below 20.40 m. With local sections showing abundant fractures.

23 of the 34 sample intervals contained anomalous values of Au-Ag. Only pyrite was observed in core.

DDH GB 97-02 and 97-03

The two holes (Figure 3) was target to test the downdip extension of a mineralized horizon intersected by Diamond Drilling in 1995. The drill holes collar locations is approximately 60.0 m downslope from the 1995 HGB-02 hole. The HGB-02 hole intersected two Au-Ag anomalous sections from 3.0 to 12.1 m and 57.0 to 60.3 m respectively. The former averaged 3.3 gpt Au and 11.7 gpt Ag over 9.1 meter, the latter 1.67 gpt Au and 4.4 gpt Ag over 4.5 meters.

Anomalous concentrations of Pb and Zn are also present, but these are not always associated with anomalous Au-Ag values, however wherever Au-Ag is anomalous Pb and Zn are also.

The holes intersected a series of dykes intrusive into various types of diorite and below 70.0 m hornblende on feldspar porphyritic andesites are dominant. Sections of the diorites have a brownish colour, from the alteration of mafic minerals to biotite whereas the volcanic porphyries at the bottom of the holes exhibit sericite alteration.

DDH GB 97-04

This hole was target to test the down clip extention of a high grade outcrop sampled in 1996 (16.95 gpt Au and 492.0 gpt Ag over 0.5 meter). The drill hole collar location (Figure 3) is approximately 150.0 m downslope from the anomalous outcrop.

Feldspar on hornblende porphyritic andesites are dominant. Diorite from 84.0 to 112.0 meters is very altered. Sericite/clay alteration begins below 116.0 m with local sections showing abundant fracture and minor foliation. Silica flooding has overprinted the sericite/clay alteration from 140.0 meters to the end of the hole. Only one of the 34 sample intervals contained anomalous values of Au-Ag. This sample also analyzed 458 ppm Pb and 2477 ppm Zn, suggesting that the gold is associated with base metal.

4.0 SUMMARY

The 1997 drill programme target the downdip extensions of Zone 1 and 2. It was expected that the anomalous zones will be intersected directly below the Talus. Difficulty in drilling the casing into solid rock and keeping the casing in place resulted in very low core recovery of the target area. The results of hole GB 97-02, 97-03 and 97-04 are inconclusive.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The Granite Basin property is host to a gold-silver +/- base metal anomalous structure which outcrops in two areas of the property, an eastern and a western zone. This structure is a ductile shear cutting across all lithologies and is evidenced by foliated, mariposite(?) bearing, sericitic rocks. The shearing is restricted to the footwall of a shallowly dipping brittle fault, perhaps of regional extent. The western zone (Zone 2) has a confirmed strike length of at least 240 meters in an approximate east-west direction, and extends for 250 meters upslope to connect with Zone 3. Based on results from DDH-HGB-95-2 the zone has a width of 9.1 m.

The 1997 downdip extension drilling of Zone 2 is inconclusive due to the lack of core recovery of the target area.

The relationship between the western and eastern zone is still unknown. If these zones do in fact connect at depth the strike length becomes at least 600 meters.

In addition the discovery of a biotized diorite at depth suggest a potential porphyry system and should be explored further.

Further drill testing should be pursued to test the relationship between the western and eastern zones. Further drilling will be required to test the updip extent and thickness of Zone 2. This drilling would confirm that Zone 2 and 3 are part of the same structure.

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APPENDIX I
LABORATORY ANALYTICAL TECHNIQUES



ACME ANALYTICAL LABORATORIES LTD.

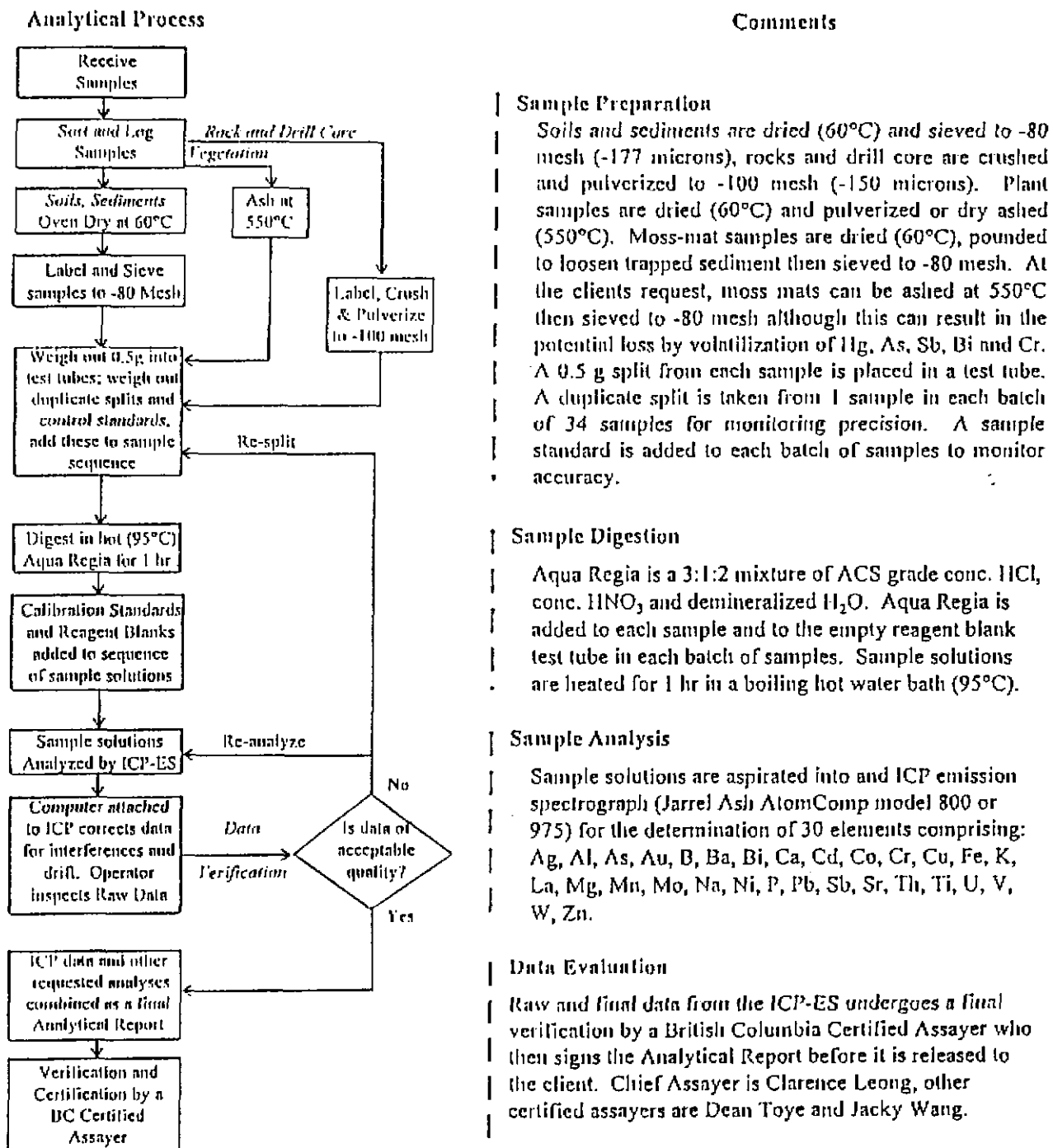
Assaying & Trace Analysis

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

Telephone: (604) 253-3158 Fax: (604) 253-1716

METHODS AND SPECIFICATIONS FOR ANALYTICAL PACKAGE

GROUP 1D - 30 ELEMENT ICP BY AQUA REGIA



APPENDIX II
DRILL CORE RESULTS

GEOCHEMICAL ANALYSIS CERTIFICATE



Canasil Resources Inc. PROJECT GRANITE BASIN File # 97-4128 Page 1

200 - 1695 Marine Drive, North Vancouver, BC V7P 1V1 Submitted by: Paul J. Weishaup

SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	V ppm	Au* ppb
A 110401	25	58	61	278	6.9	70	28	655	4.94	125	11	6	2	57	1.5	<3	<3	22	3.08	.065	3	18	1.08	71	<.01	4	1.47	.01	.25	<2	3480
A 110402	7	29	54	105	5.1	61	25	664	4.68	110	<8	2	<2	48	.5	<3	<3	18	2.84	.067	3	22	.88	57	<.01	3	1.46	.04	.27	<2	1150
A 110403	2	27	47	52	2.9	48	21	714	4.57	96	<8	<2	<2	74	.3	<3	<3	10	4.46	.055	4	14	.67	61	<.01	<3	1.07	.02	.20	<2	524
A 110404	1	29	47	214	7.3	33	18	1004	3.50	60	<8	8	<2	77	1.1	<3	<3	15	8.15	.052	2	14	.52	100	<.01	<3	.99	.03	.20	<2	5570
A 110405	<1	31	25	76	3.3	23	15	968	3.68	52	<8	<2	<2	56	.2	<3	<3	17	6.94	.058	3	22	.33	79	<.01	<3	.79	.04	.18	<2	1140
A 110406	1	30	27	73	2.5	24	15	1138	3.77	45	<8	<2	<2	56	.2	<3	<3	20	9.57	.055	4	23	.39	97	<.01	<3	.90	.05	.20	<2	380
A 110407	3	25	26	86	1.6	29	15	1742	3.58	43	<8	<2	<2	52	<.2	<3	<3	48	6.82	.051	4	48	1.36	86	.02	3	1.79	.08	.13	2	160
A 110408	1	33	24	96	1.7	34	16	2153	4.27	42	<8	<2	2	71	.2	<3	<3	66	7.12	.052	3	61	1.67	78	.06	3	2.51	.16	.14	<2	153
A 110409	3	40	23	259	1.5	26	15	1265	3.65	36	<8	<2	2	59	1.2	<3	<3	43	6.71	.059	4	33	1.08	96	.01	4	1.72	.05	.21	<2	198
A 110410	5	37	36	165	3.0	30	17	1161	4.09	38	<8	<2	<2	48	.6	<3	<3	34	6.35	.051	2	40	.77	73	.07	4	1.41	.11	.17	<2	482
RE A 110410	6	37	36	165	3.0	32	17	1180	4.20	39	<8	<2	<2	52	.5	<3	<3	35	6.62	.050	1	40	.78	75	.07	3	1.43	.11	.18	2	482
RRE A 110410	6	37	36	167	3.0	31	17	1138	4.07	40	<8	<2	<2	53	.4	<3	<3	35	6.65	.050	1	38	.76	74	.07	<3	1.38	.10	.17	2	521
A 110411	1	56	26	100	3.3	33	19	1400	5.07	36	<8	<2	<2	115	.2	<3	<3	71	3.57	.055	2	73	1.78	46	.11	<3	2.93	.22	.11	<2	472
A 110412	2	50	22	87	2.1	26	17	1466	3.85	31	<8	<2	<2	129	<.2	<3	<3	62	5.35	.057	5	70	1.80	57	.03	<3	2.23	.06	.12	<2	244
A 110413	<1	50	67	379	3.8	36	17	1567	3.75	67	<8	<2	<2	216	1.3	<3	<3	69	3.49	.051	3	79	2.26	46	.08	<3	3.00	.12	.10	<2	880
A 110414	2	61	102	583	4.0	44	18	1518	3.88	61	<8	<2	<2	106	1.9	<3	<3	57	4.42	.049	2	66	1.64	47	.03	<3	2.29	.10	.12	<2	467
A 110415	3	54	101	639	2.4	34	14	1124	3.58	61	<8	<2	<2	63	3.1	<3	<3	23	6.46	.036	3	27	.97	63	<.01	<3	1.44	.03	.15	<2	287
A 110416	3	82	127	911	4.7	57	21	922	5.34	84	<8	<2	<2	46	3.7	<3	<3	43	2.09	.051	3	58	1.20	60	.02	<3	1.78	.08	.19	<2	415
A 110417	2	34	33	316	2.7	55	23	1628	4.91	56	<8	<2	<2	83	.5	<3	<3	83	2.41	.056	3	79	2.06	50	.10	3	2.70	.16	.14	<2	231
A 110418	1	40	34	250	3.8	31	17	1463	4.81	56	<8	<2	<2	53	.8	<3	<3	74	1.93	.051	3	46	2.13	52	.05	<3	2.63	.13	.14	<2	246
A 110419	2	46	5	95	.5	27	19	1557	3.99	6	<8	<2	<2	176	.2	<3	<3	80	9.73	.031	2	52	1.02	83	.08	<3	2.74	.23	.07	<2	16
A 110420	3	84	11	74	.5	32	23	933	4.34	3	<8	<2	<2	137	.2	<3	<3	80	4.49	.038	3	57	1.17	53	.02	3	2.25	.11	.16	<2	11
RE A 110420	4	85	8	75	.4	32	24	936	4.37	2	<8	<2	<2	137	.3	<3	<3	82	4.47	.038	3	57	1.18	53	.02	<3	2.27	.12	.16	<2	10
RRE A 110420	4	81	6	76	.5	33	24	1048	4.45	4	<8	<2	<2	137	.3	<3	<3	83	5.04	.038	3	58	1.23	58	.02	<3	2.34	.12	.17	<2	10
A 110421	3	50	10	40	.4	30	22	910	4.63	4	<8	<2	<2	62	.2	<3	<3	74	5.24	.038	2	58	.93	70	.01	<3	1.68	.07	.15	<2	9
A 110422	1	54	5	36	.4	32	21	708	4.25	<2	<8	<2	<2	39	.2	<3	<3	72	4.21	.039	3	64	1.46	68	.01	<3	2.00	.07	.10	<2	6
A 110423	9	37	3	101	.7	6	14	1201	4.55	5	<8	<2	<2	60	<.2	<3	<3	93	3.10	.110	2	22	1.95	49	.20	<3	4.00	.26	.05	2	23
A 110424	2	63	62	118	5.1	25	21	1290	4.82	51	<8	<2	<2	97	.3	<3	<3	76	3.85	.038	1	56	1.06	31	.17	<3	2.42	.12	.11	<2	320
A 110425	<1	57	92	318	8.6	58	25	892	7.78	60	<8	<2	<2	50	.9	<3	<3	55	2.41	.051	<1	33	.70	26	.16	<3	2.57	.07	.13	<2	450
A 110426	3	77	115	1242	10.4	50	25	1460	6.99	56	<8	<2	<2	66	4.0	<3	<3	78	2.13	.050	1	63	1.14	32	.17	<3	2.24	.18	.10	<2	492
A 110427	1	100	155	205	10.2	40	25	1725	6.26	103	<8	<2	<2	79	.7	<3	<3	56	2.69	.042	1	49	.64	23	.16	<3	2.54	.28	.11	2	517
A 110428	3	84	83	110	8.0	26	24	793	7.05	56	<8	<2	<2	58	<.2	<3	<3	44	2.70	.042	<1	38	.61	23	.14	<3	2.86	.05	.16	<2	426
A 110429	1	36	34	61	3.2	11	19	619	3.66	7	<8	<2	<2	122	<.2	<3	<3	17	2.11	.044	1	10	.15	20	.11	<3	1.71	.15	.15	2	128
A 110430	<1	42	21	49	2.2	22	23	557	4.36	16	<8	<2	<2	53	<.2	<3	<3	20	1.81	.045	1	11	.11	27	.12	<3	1.50	.09	.21	<2	120
A 110431	2	39	19	23	1.9	33	26	409	4.83	20	<8	<2	<2	44	<.2	<3	<3	16	1.10	.050	1	12	.12	19	.11	<3	1.18	.08	.20	2	112
A 110432	4	92	24	380	3.0	41	39	1930	5.68	29	<8	<2	<2	58	1.3	<3	<3	85	2.65	.066	1	62	1.14	31	.20	<3	2.92	.08	.15	<2	216
STANDARD C3/AU-R	25	66	31	156	5.4	36	12	744	3.43	54	16	2	20	31	22.9	14	19	82	.62	.086	20	171	.65	152	.10	18	2.00	.04	.16	16	463

GB DDH 97-01

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL.
 ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZH AS > 1X, AG > 30 PPM & AU > 1000 PPB
 - SAMPLE TYPE: CORE AU* - IGNITED, AQUA-REGIA/MIBK EXTRACT, GF/AA FINISHED.(10 GM)
 Samples beginning 'RE' are Returns and 'RRE' are Reject Returns.

DATE RECEIVED: AUG 6 1997 DATE REPORT MAILED: Aug 12/97 SIGNED BY: [Signature] D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only.

Data 11-FA



SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	V ppm	Au ^d ppb
A 110852	1	101	458	2477	10.0	37	20	1184	5.48	40	<8	<2	<2	118	10.8	<3	<3	38	2.67	.062	1	33	.76	118	.08	<3	2.91	.27	.27	2	435
A 110853	2	99	41	389	2.9	39	21	976	6.30	32	<8	<2	<2	102	1.2	<3	<3	27	1.03	.069	2	28	.92	67	.04	<3	2.71	.09	.14	<2	65
A 110854	2	18	23	64	2.5	27	15	595	4.72	35	<8	<2	<2	158	.2	<3	<3	45	1.88	.060	2	25	.96	139	.06	<3	3.75	.07	.10	<2	93
A 110855	<1	14	9	23	3.4	39	17	117	4.59	8	<8	<2	<2	29	<2	<3	<3	6	.46	.068	2	16	.27	46	.01	<3	.87	.05	.20	2	109
A 110856	3	29	15	20	1.4	40	21	137	5.80	15	<8	<2	<2	219	<2	<3	<3	8	1.40	.064	2	16	.17	48	.03	<3	1.68	.14	.20	2	31
A 110857	2	16	17	15	1.5	45	25	204	5.66	16	<8	<2	<2	29	<2	<3	<3	15	3.11	.056	2	15	.15	33	.10	<3	1.37	.01	.17	<2	48
A 110858	2	20	11	15	1.6	54	24	301	5.63	20	<8	<2	<2	18	<2	<3	<3	16	3.73	.057	2	19	.21	34	.09	<3	1.04	.01	.15	2	84
A 110859	3	25	7	18	.9	59	30	222	7.26	24	<8	<2	<2	104	.2	<3	<3	31	1.65	.060	2	45	.59	96	.07	<3	3.03	.33	.26	3	34
A 110860	2	12	4	17	1.0	49	27	172	6.57	16	<8	<2	<2	103	<2	<3	<3	25	1.73	.065	1	35	.62	112	.06	<3	3.22	.40	.24	2	60
A 110861	1	10	7	15	1.1	48	26	176	6.38	28	<8	<2	<2	76	.3	<3	<3	27	1.70	.061	1	34	.70	136	.06	<3	3.48	.39	.36	2	61
A 110862	1	10	5	18	.7	45	24	217	5.80	13	<8	<2	<2	81	<2	<3	<3	25	1.86	.060	1	43	.97	114	.04	<3	3.82	.43	.27	<2	41
RE A 110862	3	10	7	17	.8	44	24	216	5.77	15	<8	<2	<2	81	<2	<3	<3	24	1.86	.059	2	42	.96	121	.05	<3	3.83	.43	.28	2	41
RRE A 110862	1	10	10	20	.7	45	24	222	5.72	17	<8	<2	<2	84	<2	<3	<3	25	1.94	.060	2	41	.98	121	.05	<3	3.98	.45	.28	2	46
A 110863	2	18	10	26	1.0	37	21	301	5.07	8	<8	<2	<2	106	<2	<3	<3	35	1.58	.063	1	36	1.16	105	.05	<3	3.33	.38	.18	<2	66
A 110864	6	26	4	30	1.4	53	27	311	6.31	23	<8	<2	<2	85	<2	<3	<3	44	1.70	.058	1	52	1.08	103	.07	<3	3.22	.36	.20	2	96
A 110865	5	22	8	41	.8	54	26	359	5.21	20	<8	<2	<2	80	<2	<3	<3	70	2.01	.054	1	68	1.10	71	.09	<3	3.59	.45	.12	2	57
A 110866	7	25	9	43	.8	45	23	358	5.13	18	<8	<2	<2	61	<2	<3	<3	62	1.92	.058	1	61	1.05	84	.10	<3	3.33	.42	.15	3	52
A 110867	24	15	9	24	<.3	50	41	159	7.70	<2	<8	<2	<2	64	<2	<3	<3	26	2.39	.050	1	37	.33	47	.09	<3	3.59	.40	.11	3	22
A 110868	19	27	5	24	<.3	47	22	190	4.61	2	<8	<2	<2	80	<2	<3	<3	43	2.99	.055	1	41	.38	67	.11	<3	4.19	.42	.14	2	19
A 110869	13	6	11	19	<.3	48	24	185	4.71	3	<8	<2	<2	86	<2	<3	<3	43	2.83	.058	1	40	.38	70	.10	<3	3.92	.44	.14	3	17
A 110870	17	7	16	16	<.3	55	27	161	5.47	4	<8	<2	<2	63	<2	<3	<3	36	2.54	.058	1	42	.32	61	.10	<3	3.71	.44	.15	3	26
A 110871	15	7	12	22	<.3	47	23	170	5.18	4	<8	<2	<2	53	<2	<3	<3	39	2.28	.057	2	39	.37	64	.09	<3	3.19	.38	.16	4	26
A 110872	13	25	13	20	<.3	50	25	192	8.91	10	<8	<2	<2	39	<2	<3	<3	38	1.78	.055	<1	41	.35	26	.11	<3	2.40	.23	.12	3	48
A 110873	20	264	4	16	.4	51	33	153	11.31	<2	<8	<2	<2	30	<2	<3	<3	26	1.48	.047	<1	26	.24	18	.09	<3	1.99	.15	.09	3	56
A 110874	14	8	4	13	<.3	47	20	121	4.55	2	<8	<2	<2	66	<2	<3	<3	31	2.92	.060	1	30	.21	74	.08	<3	3.84	.46	.10	3	30
RE A 110874	14	7	6	12	<.3	45	19	118	4.44	<2	<8	<2	<2	65	<2	<3	<3	30	2.88	.059	1	30	.21	76	.08	<3	3.74	.45	.10	3	30
RRE A 110874	12	7	7	13	<.3	46	20	114	4.54	4	<8	<2	<2	67	<2	<3	<3	30	2.83	.060	2	31	.22	71	.08	<3	3.75	.46	.10	4	30
A 110875	5	6	3	6	.3	32	16	262	3.89	4	<8	<2	<2	18	<2	<3	<3	24	7.71	.041	<1	15	.04	55	.08	<3	2.51	.07	.08	3	56
A 110876	6	7	4	5	<.3	38	18	67	3.59	7	<8	<2	<2	35	<2	<3	<3	17	2.17	.057	1	15	.03	64	.08	<3	1.95	.16	.11	3	35
A 110877	5	10	3	11	<.3	42	20	84	4.33	<2	<8	<2	<2	41	<2	<3	<3	22	2.74	.058	1	20	.14	67	.08	<3	3.47	.18	.14	3	25
A 110878	6	45	9	8	<.3	47	23	72	4.22	<2	<8	<2	<2	45	<2	<3	<3	24	3.20	.056	1	26	.11	69	.08	<3	3.61	.15	.12	3	35
A 110879	5	9	3	10	<.3	55	24	106	4.37	7	<8	<2	<2	74	<2	<3	<3	21	3.40	.061	1	22	.18	42	.08	<3	3.98	.38	.14	3	37
A 110880	5	8	10	6	.5	43	20	63	3.70	14	<8	<2	<2	101	<2	<3	<3	12	2.37	.057	1	15	.11	75	.05	<3	3.26	.37	.12	3	68
A 110881	4	16	10	8	1.1	44	21	65	4.55	16	<8	<2	<2	89	<2	<3	<3	11	2.27	.053	<1	12	.05	67	.06	<3	3.07	.36	.14	3	107
A 110882	7	54	8	13	<.3	44	21	94	4.17	2	<8	<2	<2	72	<2	<3	<3	19	3.15	.054	1	26	.17	71	.06	<3	3.08	.34	.12	3	16
A 110883	8	56	11	11	.7	46	24	85	4.83	11	<8	<2	<2	43	<2	<3	<3	21	2.23	.056	1	21	.11	65	.10	<3	2.27	.27	.16	3	32
A 110884	4	116	5	29	.4	35	25	270	4.43	4	<8	<2	<2	31	<2	<3	<3	33	1.33	.055	<1	30	.58	67	.09	<3	1.55	.05	.12	3	28
STANDARD C3/AU-R	26	64	33	148	5.4	35	12	727	3.37	51	18	3	19	28	22.5	16	20	78	.58	.088	19	163	.64	147	.08	16	1.91	.04	.15	17	465

Sample type: CORE. Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

APPENDIX III
DETAILED DRILL LOGS

CANASIL RESOURCES INC.

DIAMOND DRILL RECORD

PAGE 1 of 3 HOLE No. GB97-02

Location: 9465W		Longitude: Northing 9955N		Latitude: Easting 9994.2E		Property: GRANITE BASIN	
Azimuth: 029°		Length: 130.15		Elevation: 1575		Claim: GRANITE	
Dip: -70°		Core Size: N6		Date Logged: August 4, 1997		Section: 9994.2E	
Date Started: July 19, 1997		Dip Test: N/A				Logged By: P.J.W	
Date Completed: July 22, 1997							

Purpose:
Check Au values at depth

Meters		Recovery %	DESCRIPTION	Sample No.	Meters		Length Meters	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
From	To				From	To						
0	11.27		OVERBURDEN CASING	110401	20.40	21.40	1.0	3480	6.9			
11.27	20.42	25	Diorite grey to light brown section oxidized and broken up. Poor core recovery. Fine disseminated fine grained pyrite.	" 02	21.40	22.40	1.0	1150	5.1			
				" 03	22.40	23.40	1.0	524	2.9			
				" 04	23.40	24.40	1.0	5570	7.3			
				" 05	24.40	25.40	1.0	1140	3.3			
				" 06	25.40	26.40	1.0	380	2.5			
20.42	62.20	85	FELDSPAR PORPHYRITIC ANDESITE (ALTERED light grey, obscure feldspar phenocrysts. minor foliation from 20.42 to 26.0m Poor core recovery from 26.40 to 35.60m (40%) pervasive and fracture fill carbonate Fine grained disseminated pyrite along fracture planes and also replacing mafic minerals. Variably sericitic from weak to moderately Minor black crystals fine grained (zn) with "spots" of green mineral (Mariposite)	" 07	26.40	29.60	3.2	160	1.6			
				" 08	29.60	32.60	3.0	153	1.7			
				" 09	32.60	35.65	3.05	198	1.5			
				110410	35.65	36.65	1.0	521	3.0			
				" 11	36.65	37.65	1.0	472	3.3			
				" 12	37.65	38.65	1.0	244	2.1			
				" 13	38.65	39.65	1.0	880	3.8			
				" 14	39.65	40.65	1.0	467	4.0			
				" 15	40.65	41.65	1.0	287	2.4			
				" 16	41.65	43.65	2.0	415	4.7			
				" 17	43.65	45.65	2.0	231	2.7			
				" 18	45.65	47.65	2.0	246	3.8			
62.20	80.10	100	HORNBLende PORPHYRY light grey in color siliceous feldspar are saussuritized. some sections show phenocrysts of hornblende. Abundant carbonate filled fractures Disseminated pyrite is medium grained and forming discrete cubic shapes. Sericite fracture planes but the rock is not foliated	" 19	47.65	49.65	2.0	16	0.5			
				110420	49.65	51.65	2.0	10	0.5			
				21	51.65	53.65	2.0	9	0.4			
				110422	53.65	54.90	1.25	6	0.4			

APPENDIX IV
STATEMENT OF COSTS

CANASIL RESOURCES INC.

Statement of Costs

October 1, 1997

Project Granite Basin

Type of Report: Diamond Drilling

- a. Wages: Geological Crew
No. of Mandays : 56
Rate per Manday : \$215.90
Dates : July 3 to August 4, 1997
Total Wages : \$12,090.00
- b. Food & Accommodation: Geological Crew plus Drillers
No. of Mandays : 110
Rate per Manday : \$35.00
Dates : July 3 to August 4, 1997
Total Cost : \$3,850.00
- c. Transportation: Truck
No. of Mandays : 36
Rate per Manday : \$63.00
Dates : July 2 to August 6, 1997
Total Cost : \$2,268.00
- d. Supplies
No. of Mandays : 56
Rate per Manday : \$35.00
Dates : July 3 to August 4, 1997
Total Cost : \$1,960.00
- e. Drilling Britton Bros. Diamond Drilling, Smithers, B.C.
No. of Meters : 499.30
Cost per Meter : \$83.62
Dates : July 16 to August 4, 1997
Total Cost : \$41,751.00
- f. Drill Access Road (D8 CAT)
Contractor: Polier Contracting Ltd.
Kamloops, B.C.
Total Cost : \$4,972.83

Sub Total \$66,891.83

Statement of Costs Cont'd.

Sub Total: \$66,891.83

g. Mob & Demob of Drill Equipment

Contractor: Swift River Contracting Ltd.
MacKenzie, B.C.

Total Cost : \$2,503.80

Mob & Demob of Crew

Total Cost : \$1,115.00

h. Analysis

Total Cost : \$1,941.20

(See attached schedule)

i. Communication

Satellite phone

Total Cost : \$662.75

GRAND TOTAL: \$73,114.58

APPENDIX V

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

NAME: P.J. Weishaupt

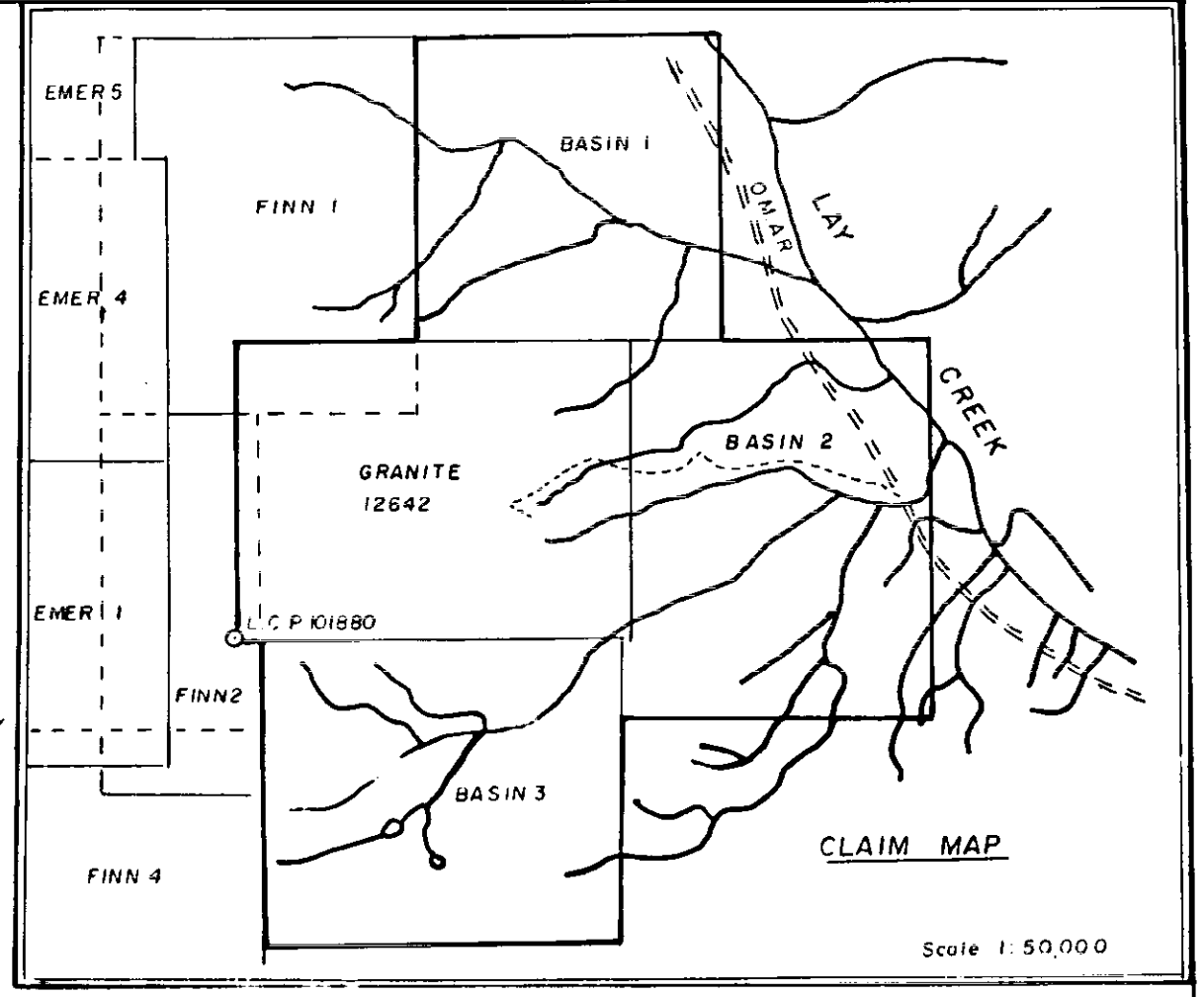
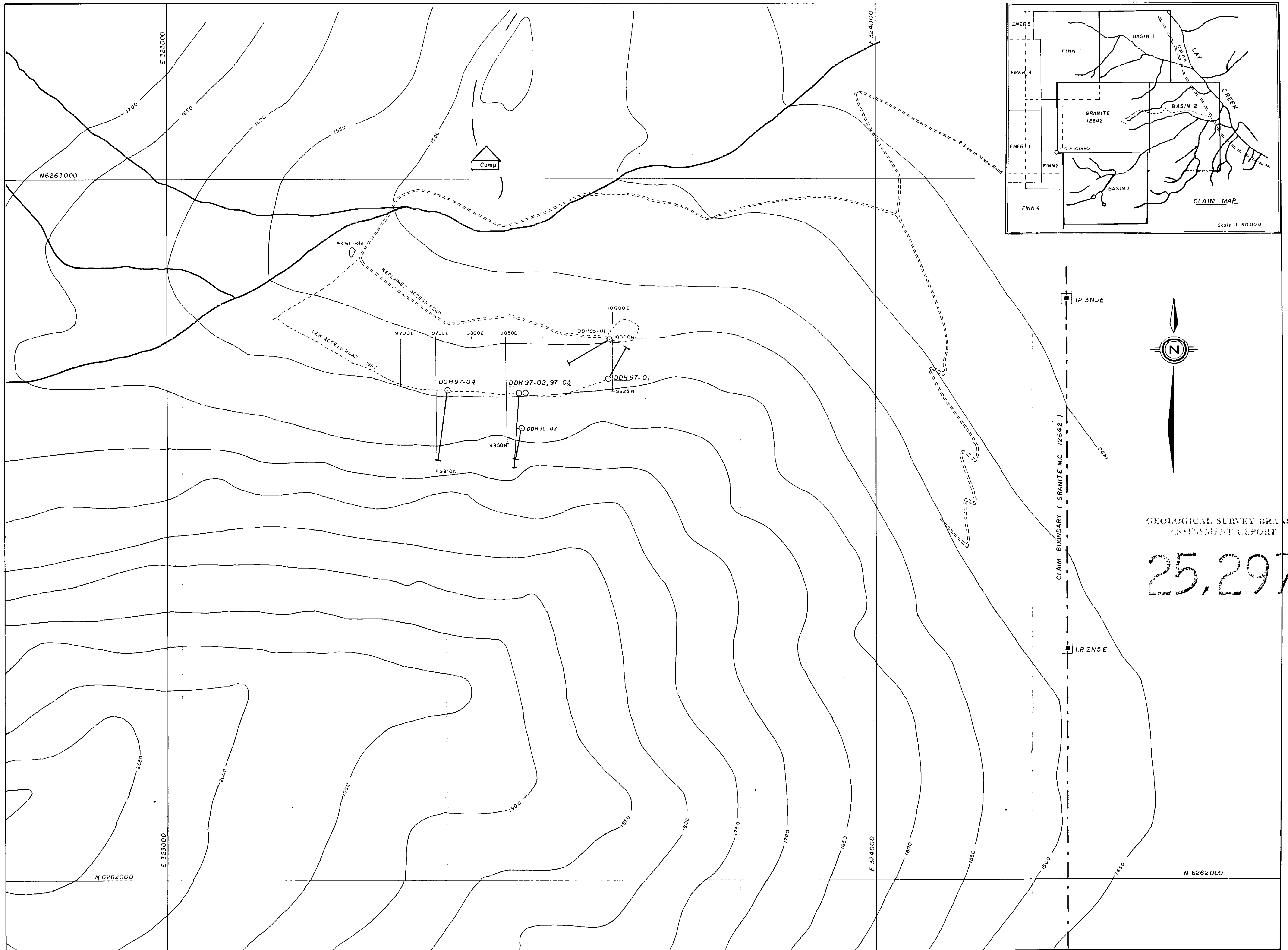
EDUCATION: Graduated Institute of Technology Agriculture
Flawil, Switzerland

AFFILIATIONS: Member Canadian Institute of Mining
The Geological Society
Member Geological Association of Canada

EXPERIENCE:

1981 - Present	Canmine Development Company Inc. & Canasil Resources Inc. President
1978 - 1981	McIntyre Coal Mine Environmental Consultant
1975 - 1977	Dolmage, Mason & Stewart Consulting Project Manager
1973 - 1975	Westfour Contracting Ltgd. Manager, Coal Division
1970 - 1973	Bralorne Resources Ltd. Exploration Manager
1968 - 1970	Can-Fer Mines Ltd. Geologist
1960 - 1967	Bralorne-Pioneer Mines Prospector, Geologists' Assistant Underground mining and surveying

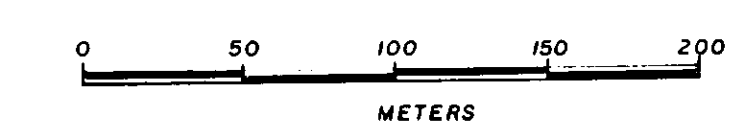
P.J. Weishaupt



GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,297

NTS 94C/5W



Elevations in meters above Mean Sea Level
Contour Interval - - - - - 50 Meters
Grid System - - - - - U.T.M. Grid

CANASIL RESOURCES INC.
GRANITE BASIN GOLD-SILVER PROJECT
DIAMOND DRILL HOLE LOCATION MAP

Scale: as shown	Drawn by: P.J.W.	File:
Date: Nov. 1997	Rev.	Figure: 3

1600

1600

1550

1550

1500

1500

1450

10000 N

9950 N

9900 N

GB 97-01

Centre

	Au ppb	Ag ppm	Width m
3480	6.9	1.0	1150
524	2.9	1.0	5570
1140	3.3	1.0	380

160	1.8	3.2
153	1.7	3.0

198	1.5	3.05	521	3.0	1.0
472	3.3	1.0	244	2.1	1.0
880	3.8	1.0	467	4.0	2.0
287	2.4	1.0	415	4.7	2.0
231	2.7	2.0	246	3.8	2.0

320	5.1	1.0	450	8.6	1.0
492	10.4	1.0	517	10.2	1.0
428	8.0	1.0			

130.18 m

LEGEND

ROCK UNITS

- 1 Feldspar Porphyritic Intrusive
- 2 Feldspar Porphyry
- 3 Diorite
- 4 Andesite
- 5 Augite Porphyritic Andesite
- 6 Hornblende Porphyry
- 7 Volcanic Tuff
- 8 Dyke
- 9 Overburden (Talus)

ALTERATION

- a Pyrite
- b Sericite
- c Chlorite
- d Epidote
- e Foliation

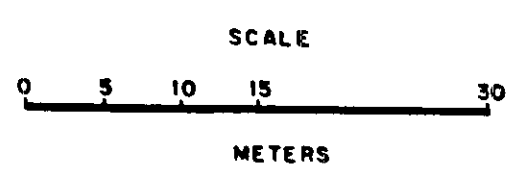
Mineralized Interval

Fault

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,297

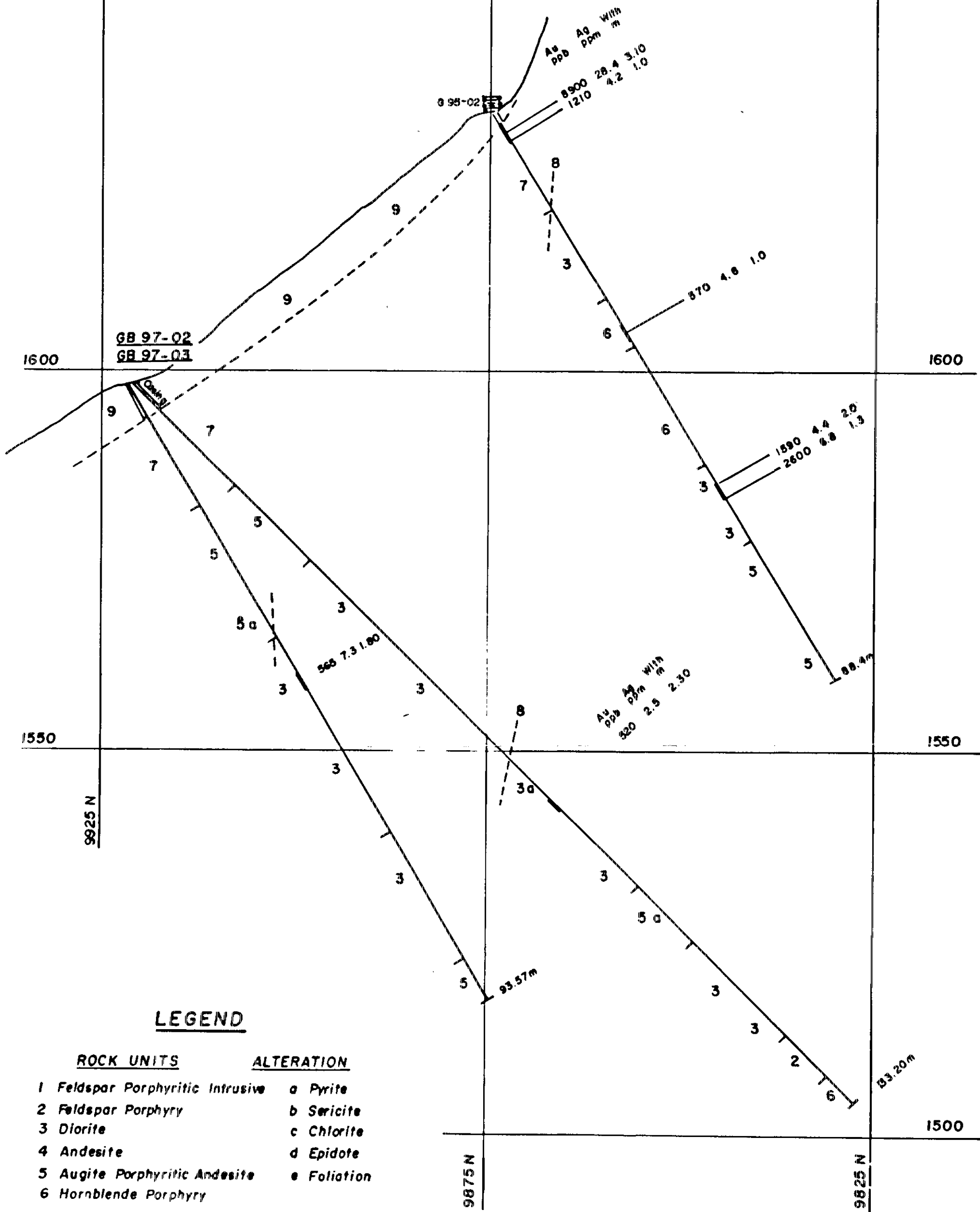
Au (ppb) Ag (ppm) Width (meter)



CANASIL RESOURCES INC.		
GRANITE GOLD-SILVER PROPERTY		
GEOLOGY		
SECTION 9994 EAST		
NORTH-SOUTH FACING EAST		
Scale: as shown	Drawn by: P.J.W.	File:
Date: Dec. 1997	Rev.	Figure: 4

1650

1650



LEGEND

ROCK UNITS

ALTERATION

- 1 Feldspar Porphyritic Intrusive
 - 2 Feldspar Porphyry
 - 3 Diorite
 - 4 Andesite
 - 5 Augite Porphyritic Andesite
 - 6 Hornblende Porphyry
 - 7 Volcanic Tuff
 - 8 Dyke
 - 9 Overburden (Talus)
 - a Pyrite
 - b Sericite
 - c Chlorite
 - d Epidote
 - e Foliation
- Mineralized Interval
- Fault

GEOLOGICAL SURVEY BRANCH
MINERAL RESOURCES REPORT

25,297

Au (ppb) Ag (ppm) With (meter)

SCALE

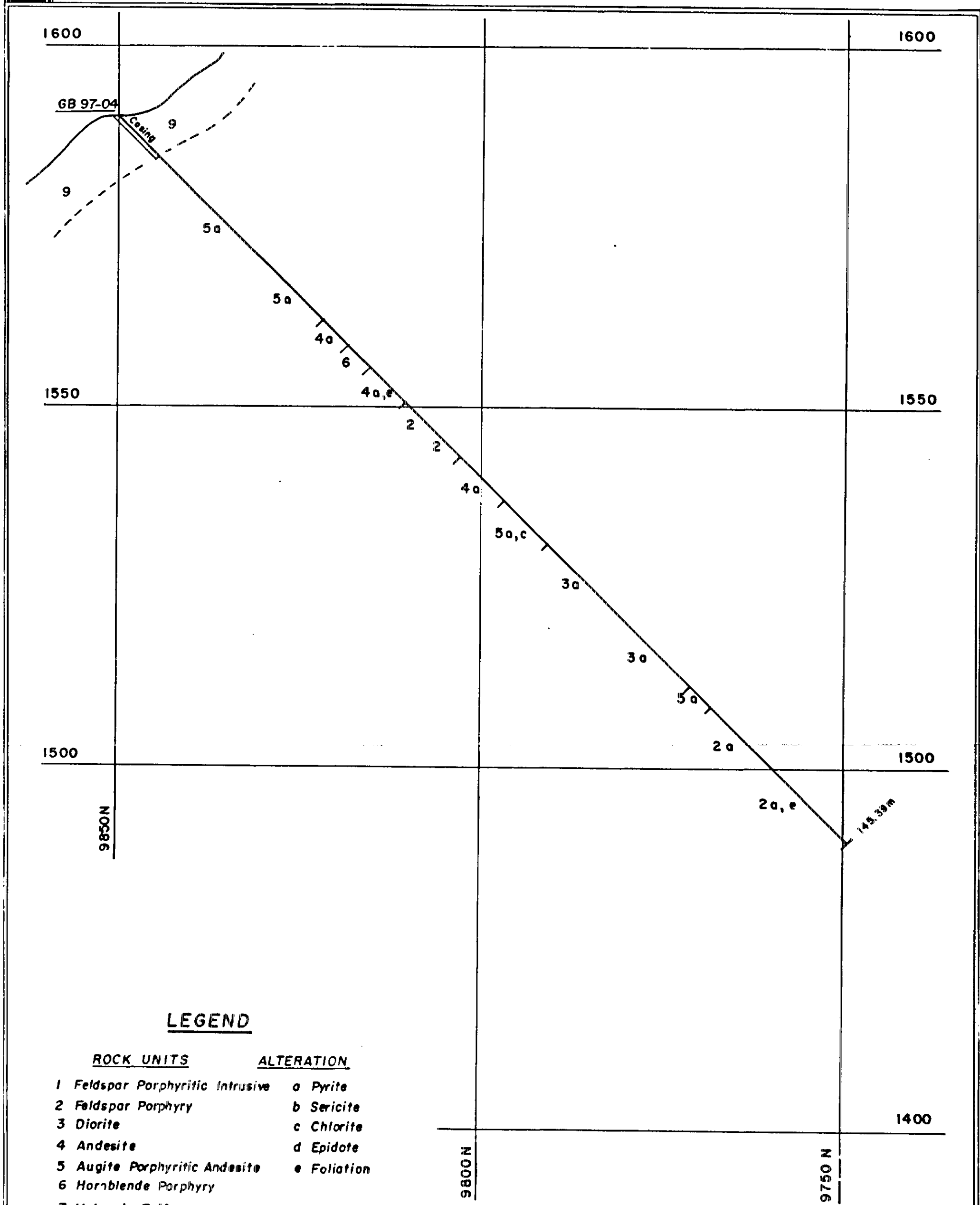


CANASIL RESOURCES INC.
GRANITE GOLD-SILVER PROPERTY

GEOLOGY
SECTION 9873 EAST

NORTH - SOUTH FACING EAST

Scale: as shown	Drawn by: P.J.W.	File:
Date: Dec. 1997	Rev.	Figure: 5





LEGEND

ROCK UNITS

ALTERATION

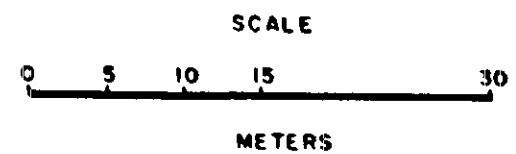
- | | |
|----------------------------------|-------------|
| 1 Feldspar Porphyritic Intrusive | a Pyrite |
| 2 Feldspar Porphyry | b Sericite |
| 3 Diorite | c Chlorite |
| 4 Andesite | d Epidote |
| 5 Augite Porphyritic Andesite | e Foliation |
| 6 Hornblende Porphyry | |
| 7 Volcanic Tuff | |
| 8 Dyke | |
| 9 Overburden (Talus) | |

-  Mineralized Interval
 Fault

GEOLOGICAL SURVEY BRANCH
 ASSESSMENT REPORT

25,297

Au (ppb) Ag (ppm) With (meter)



CANASIL RESOURCES INC.		
GRANITE GOLD-SILVER PROPERTY		
GEOLOGY		
SECTION 9767 EAST		
NORTH-SOUTH FACING EAST		
Scale: as shown	Drawn by: R.J.W.	File:
Date: Dec. 1997	Rev.	Figure: 6