MAGNETOMETER, HORIZONTAL LOOP EM, and INDUCED POLARIZATION SURVEY

on the

FRIENDLY LAKE PROJECT

Kamloops Mining Division N.T.S. 92 P/9W
Latitude: 51°35'N Longitude: 120° 27'W

Prepared for:
ELECTRUM RESOURCE CORP.
912-510 West Hastings Street,
Vancouver, B.C.
V6B 1L8

Survey by
SJ Geophysics Ltd.
Data Processing and Plotting by
S.J.V. Consultants Ltd.

Report by: E. Trent Pezzot, B.Sc., P.Geo.

Date: October, 1997

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INTRODUCTION

During the period August 25 to September 13, 1997, a geophysical exploration program was completed by SJ Geophysics Ltd., on the Friendly Lake Project for Electrum Resource Corporation.

Previous exploration has provided indications of structurally controlled gold mineralization on the property. The purpose of the survey was to gain further knowledge by traversing inferred structures across areas of no outcrop.

Exploration efforts were focused on two areas, referred to as the West and East Grids. The project entailed the extension of existing grids by line cutting. Three types of geophysical methods were run across these lines: magnetics, horizontal loop electromagnetics (Max-min HLEM) and time domain induced polarization.

LOCATION AND ACCESS

The claims are located approximately 28 km northwest of Little Fort, BC, on NTS map sheet 92 P/9W, at latitude 51°35'N and longitude 120 °27'W (Rebagliati, 1998). Access for the present work was gained by driving west on Highway 24 from Little Fort for 38 kilometers, then turning right (north) onto Forest Service Road 20-74. The West Grid area of this report is about 19 kilometers from Highway 24.

PHYSIOGRAPHY

The property is in the Interior Plateau of B.C., a rolling, hilly upland with elevations ranging from about 1,400 meters to 1,600 meters. Some low-lying areas are swampy. Timber consists of mature spruce and jackpine (Rebagliati, 1988), while swamps are brushy and grassy. Streams are typically 3 to 5 meters across and a few centimeters deep. Small lakes are abundant.

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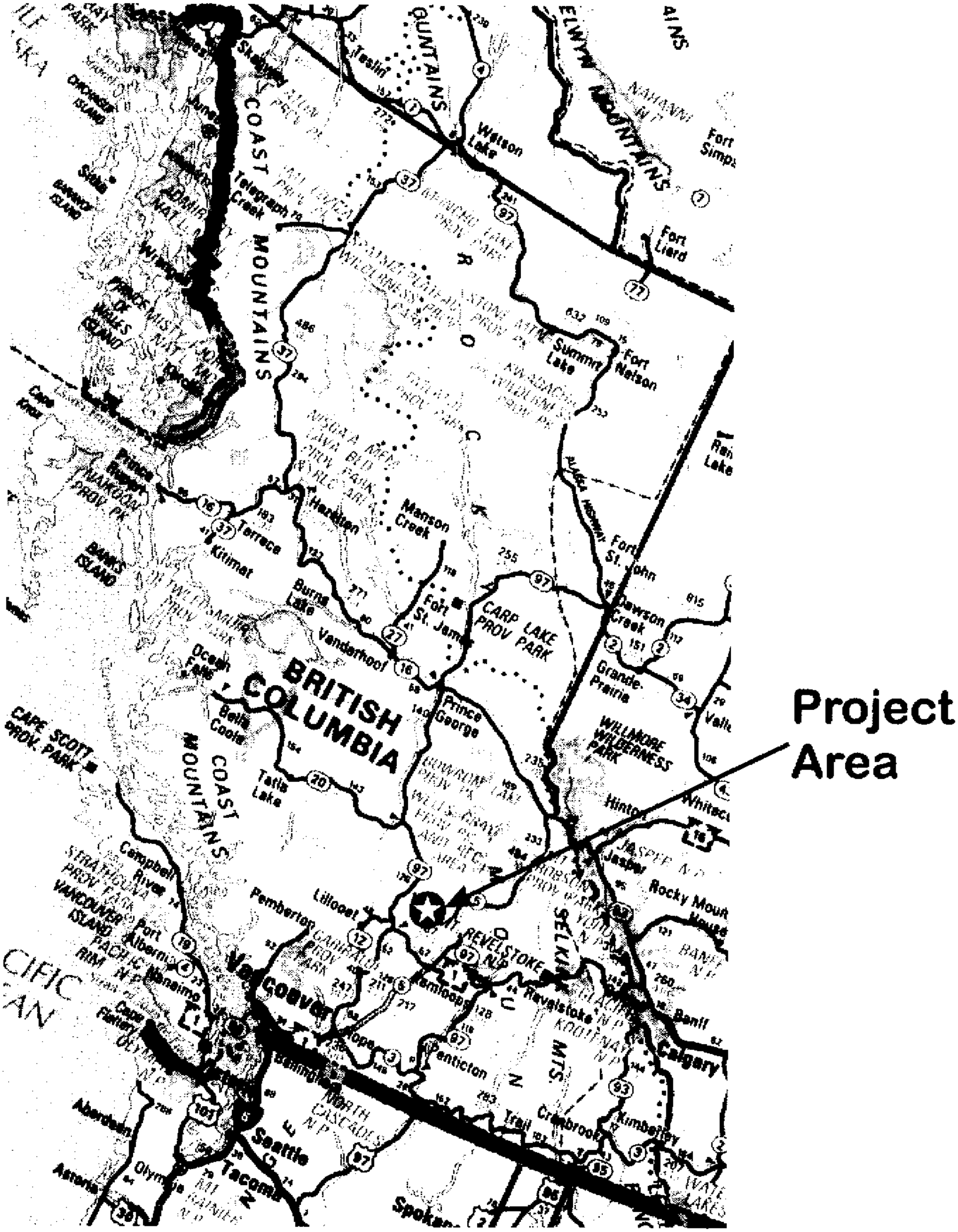


General Location Map

Figure 1

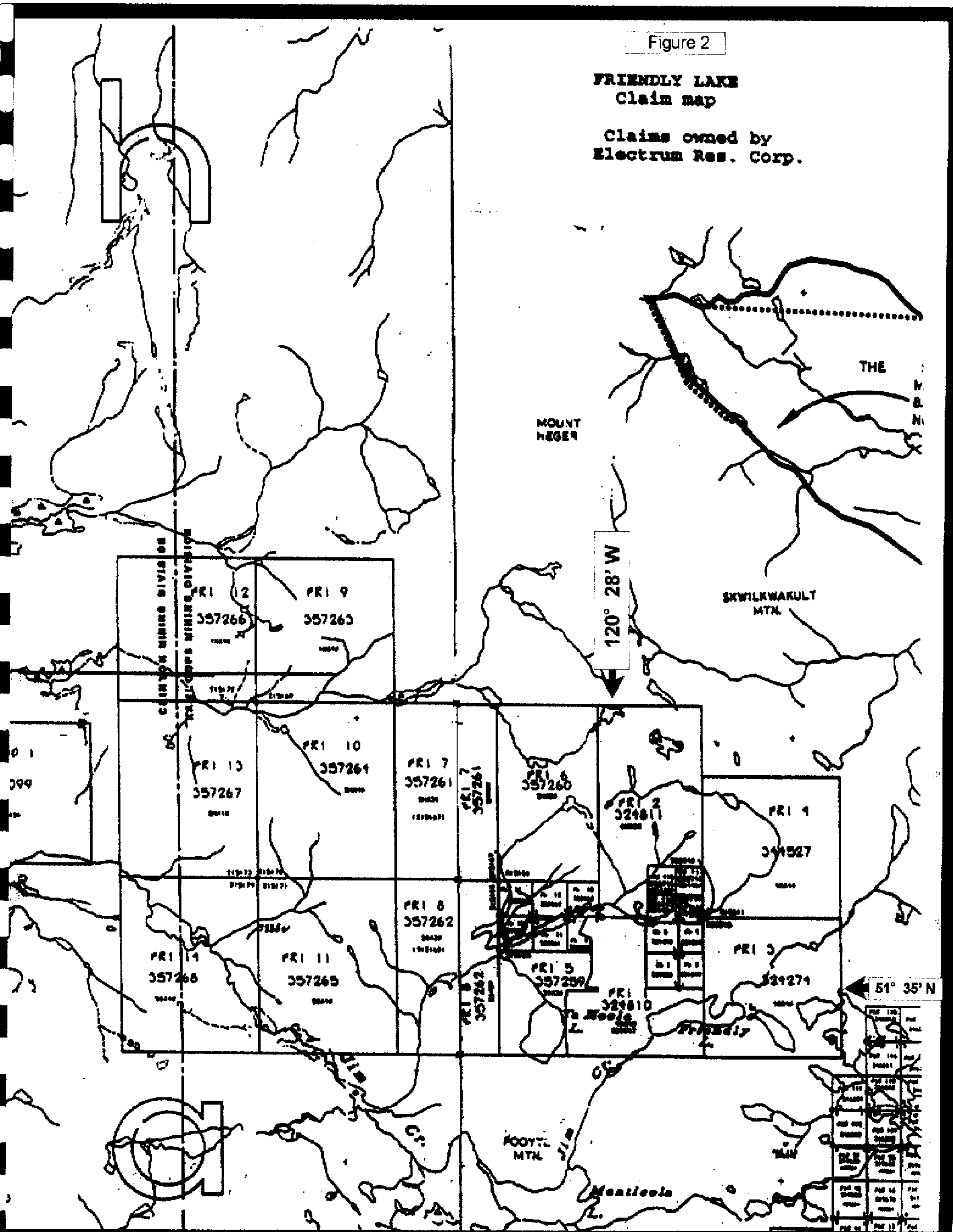
PROPERTY DESCRIPTION

The Friendly Lake Project is comprised of 28 contiguous claims as listed below and illustrated on Figure 2.

Table 1: List of Claims

Claim Name	Tenure Number	Issue Date	Expiry Date	Units	Registered Owner
FRI 1	324810	5 April 1994	5 April 1999	16	Electrum Resource Corporation
FRI 2	324810	5 April 1994	5 April 1999	18	Electrum ...
FRI 3	324274	18 Mar. 1994	18 Mar.1998	16	Electrum ...
FRI 4	3244527	19 Mar. 1996	19 Mar. 1998	16	Electrum ...
FRI 5	357259	8 Jul. 1997	19-Jun-98	9	Electrum ...
FRI 6	357260	8 Jul. 1997	20-Jun-98	15	Electrum ...
FRI 7	357261	8 Jul. 1997	21-Jun-98	15	Electrum ...
FRI 8	357262	8 Jul. 1997	19-Jun-98	15	Electrum ...
FRI 9	357263	8 Jul. 1997	23-Jun-98	16	Electrum ...
FRI 10	357264	8 Jul. 1997	23-Jun-98	20	Electrum ...
FRI 11	357265	8 Jul. 1997	21-Jun-98	20	Electrum ...
FRI 12	357266	8 Jul. 1997	24-Jun-98	16	Electrum ...
FRI 13	357267	8 Jul. 1997	23-Jun-98	20	Electrum ...
FRI 14	357268	8 Jul. 1997	21-Jun-98	20	Electrum ...
FL 1	350558	31 Aug. 1996	31 Aug. 2000	1	Electrum ...
FL 2	331247	21 Sept, 1994	21 Sept, 2001	1	Electrum ...
FL 3	331248	21 Sept, 1994	21 Sept, 2001	1	Electrum ...
FL 4	331249	21 Sept, 1994	21 Sept, 2001	1	Electrum ...
FL 9	350559	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
FL 10	350560	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
FL 11	350561	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
FL 12	350562	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
FL 13	350563	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
FL 14	350564	1 Sept. 1996	1 Sept. 2000	1	Electrum ...
Ro #15	220746	16 Aug. 1965	1 Aug. 2000	1	Fleck Resources Ltd.
Ro #16	220747	16 Aug. 1965	16 Aug. 2000	1	Fleck...
Ro #17	220748	16 Aug. 1965	16 Aug. 2000	1	Fleck...
Ro #18	220749	16 Aug. 1965	16 Aug. 2000	1	Fleck...
			Total Units:	256	

Figure 2


FRIENDLY LAKE
Claim map
Claims owned by
Electrum Res. Corp.
MOUNT HEGER
SKWILKWAKULT MTN.
120° 28' W
51° 35' N
FRI 12
357266
FRI 9
357263
FRI 13
357267
FRI 10
357264
FRI 7
357261
FRI 6
357260
FRI 2
324811
FRI 4
FRI 8
357262
FRI 14
357268
FRI 11
357265
FRI 5
357259
FRI
324810
FRI 3
324274
THE
FOOYTL MTN.
Friendly
Monticola L.

HISTORY AND PREVIOUS WORK

Anaconda American Brass Ltd. staked a large block of ground in the area of the Friendly Lake Project in 1965. Their staking was based on stream sediment anomalies in the drainage north of Friendly Lake. Their work led to the discovery of fracture controlled copper-molybdenum porphyry mineralization north of Friendly Lake. Considerable trenching and diamond drilling was done during the period 1966-68.

SMD Mining Co. Ltd. optioned the Anaconda claims in 1982, and did further geochemical, geological and geophysical surveys.

Lornex Mining Corporation Ltd. optioned the Anaconda ground in 1983 and drilled 17 short vertical percussion holes.

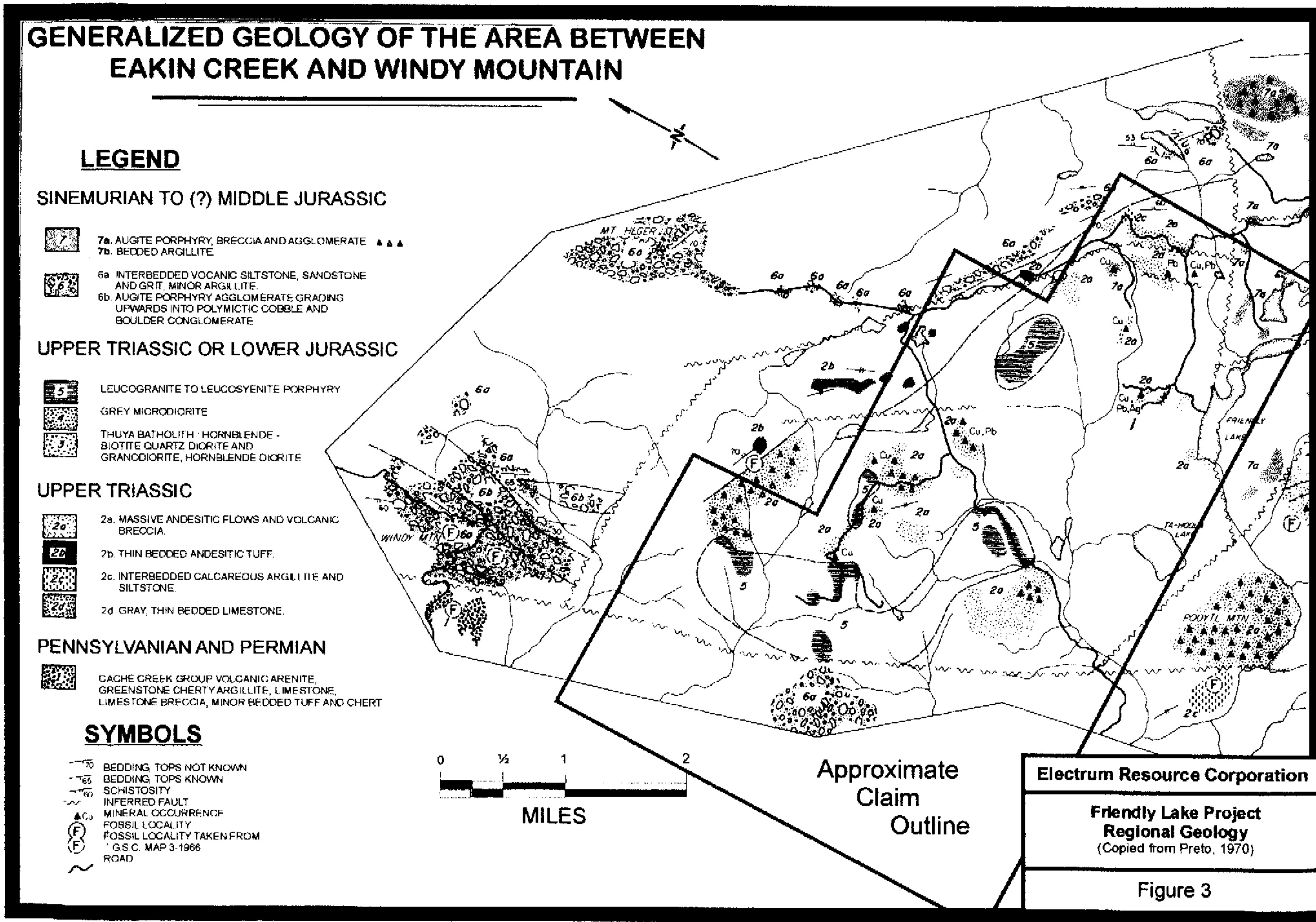
Electrum Resource Corporation staked the first claims of the present Friendly Lake Project in 1994. That same year Electrum undertook a rock and stream sediment geochemical survey (Zastavnikovich, 1995). During 1996 Electrum undertook VLF-EM geophysical surveys, rock geochemistry, photogeology and geological reconnaissance.

GEOLOGY

The following geological descriptions are condensed from a report prepared for Electrum Resource Corp. by Peter A. Ronning, dated February, 1997.

Regional Geology

The Friendly Lake property is situated within the Quesnel Trough, a 2,000 kilometer long northwesterly-trending belt consisting of upper Triassic to lower Jurassic volcanic rocks, derived sedimentary rocks and intrusives. The belt is characterized by a volcanic core of Triassic subaqueous andesite pyroxene porphyritic flows, tuffs and breccias. Interbedded with the volcanics are calcareous argillite, siltstone, siliceous cherty sediments and limestone. On the eastern and western margins of the volcanic core is an overlying and flanking sequence of lower Jurassic pyroxene porphyritic volcaniclastic breccias with proximal to distal epiclastic sediments consisting of conglomerate, greywacke and argillite. To the extreme east are fine clastic sediments, consisting of siltstone, shale and argillite, which appear to form the base of the Triassic sequence.


GENERALIZED GEOLOGY OF THE AREA BETWEEN
EAKIN CREEK AND WINDY MOUNTAIN
LEGEND
SINEMURIAN TO (?) MIDDLE JURASSIC
7a. AUGITE PORPHYRY, BRECCIA AND AGGLOMERATE
7b. BEDDED ARGILLITE
6a INTERBEDDED VOCANIC SILTSTONE, SANDSTONE AND GRIT, MINOR ARGILLITE.
6b. AUGITE PORPHYRY AGGLOMERATE GRADING UPWARDS INTO POLYMICTIC COBBLE AND BOULDER CONGLOMERATE
UPPER TRIASSIC OR LOWER JURASSIC
LEUCOGRANITE TO LEUCOSYENITE PORPHYRY
GREY MICRODIORITE
THUYA BATHOLITH : HORNBLENDE - BIOTITE QUARTZ DIORITE AND GRANODIORITE, HORNBLENDE DIORITE
UPPER TRIASSIC
2a. MASSIVE ANDESITIC FLOWS AND VOLCANIC BRECCIA.
2b. THIN BEDDED ANDESITIC TUFF.
2c. INTERBEDDED CALCAREOUS ARGILLITE AND SILTSTONE.
2d. GRAY, THIN BEDDED LIMESTONE.
PENNSYLVANIAN AND PERMIAN
CACHE CREEK GROUP VOLCANIC ARENITE, GREENSTONE CHERTY ARGILLITE, LIMESTONE, LIMESTONE BRECCIA, MINOR BEDDED TUFF AND CHERT
SYMBOLS
BEDDING, TOPS NOT KNOWN
BEDDING, TOPS KNOWN
SCHISTOSITY
INFERRED FAULT
MINERAL OCCURRENCE
FOSSIL LOCALITY
FOSSIL LOCALITY TAKEN FROM G.S.C. MAP 3-1966
ROAD
MT HEGER
WINDY MTN
FRIENDLY LAKE
TA-HOOL LAKE
POOYTL MTN
0 ½ 1 2
MILES
Approximate Claim Outline
Electrum Resource Corporation
Friendly Lake Project
Regional Geology
(Copied from Preto, 1970)
Figure 3

Regional mapping indicates the property area is underlain by Nicola Group alkaline volcanic and sedimentary rocks intruded by numerous comagmatic diorite to syenite stocks (Preto, 1910, Campbell and Tipper, 1971)

Hydrothermal events believed to be related to the plutons introduced volatiles and metal into the volcanics and extensively altered and mineralized large volumes of shattered volcanic rocks. The Copper Mountain, Afton, Mount Polley and several other porphyry copper-gold deposits are found in a similar geologic setting within the Nicola Group or, in northern British Columbia, the related Takla Group.

Auriferous carbonated alteration zones are known to exist on the Friendly Lake and nearby properties.

The Friendly Lake property lies within an area of intense block faulting, formed where the North Thompson Fault bifurcates into a multitude of northwesterly trending splays.

Local and Property Geology

Extensive glacial overburden one to a few meters deep covers the Friendly Lake property.

Lithologic Units

The Friendly Lake property is underlain by Nicola Group volcanic rocks intruded by syenitic plutons (Figure3). The volcanic rocks encountered during the 1996 fieldwork are principally hornblende phyric andesites. In most of the exposures encountered, details of the original petrology are obscured by alteration.

Structural Geology

As noted by Rebagliati (1988) the property lies within an area of intense block faulting. On the Fri claims the block faulting manifests itself geomorphologically as surface depressions that form photo linears with two prominent trends and a third less prominent one. These trends are approximated as:

65° 320° 0°

These depressions, forming photo-linears, are believed to be the surface expressions of major fracture systems. Their dips aren't known but are presumed to be steep, based on the lack of deflection of the linears with topographic elevation changes. Similarly the degree of displacement on any of the fracture systems isn't known.

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Since the fractures form topographic depressions filled with sediment they can't be directly observed in outcrop, so details of their character are unknown. The character of the surrounding rocks and the many minor fractures that are observable indicates that the fractures are probably brittle rather than ductile.

Along the northeastern edge of the Friendly Lake property, one of the 320° structures forms the demarcation between Triassic Nicola volcanics to the west and Jurassic epiclastic sediments to the east.

Recent interest on the Friendly Lake property has focused on a major swampy topographic depression on the west side of the property. From Spectacle Lakes it trends about 65° towards the centre of the property. Just west of the RO claims it crosses a 320° structure and then appears to weaken towards the northeast as it enters the syenite plug on the Fri 2 claim. For convenience this 65° structure is referred to as the Spectacle Lakes "a", or SLa Structure.

Peter Ronning believes that the strain taken up by the Spectacle Lakes "a" structure southwest of the syenite plug has been accommodated by a stepwise series of smaller 65° structures south of the plug. Two such structures are apparent on the aerial photographs. Together, these structures form an east-northeast trending lowland between Friendly Lake to the south and the syenite plug to the north.

Alteration and Mineralization

Preto (1970) described half a dozen types of mineral occurrences in the district. His second type, lead-silver mineralization, is localized on the present Friendly Lake property about 900 meters north of Friendly Lake. Preto describes it as disseminated argentiferous galena, pyrite and some chalcopyrite in andesite that is strongly altered to bluish antigorite, pyroxene, chlorite and calcite. Reportedly it is localized in a shear zone striking about 120 ° and dipping 65 ° southwest.

Recent work on the Fri property has focused on gold mineralization. Encouragement for this has come from rock samples collected from four locations spread over 2.6 kilometres along the margins of the swamps that mark the structure. Gold in the samples ranges from 593 ppb to 2,930 ppb. It is accompanied by copper in the 35 ppm to 405 ppm range and lead in the 66 ppm to 1,118 ppm range.

The gold and copper are found in quartz veins with typical thicknesses of 20 cm to 30 cm and local thicknesses as high as a meter. Mineralization consists of pyrite with minor chalcopyrite and/or galena, disseminated in the vein quartz. The host rocks are variably silicified and carbonatized and usually contain disseminated pyrite.

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These quartz veins are not thought to be exploration targets in and themselves, but they are indicators of mineralization spatially associated with the SL structures. The main target for gold is the SL structures themselves. The structures are believed to be part of a large fracture system that could contain larger bodies of structurally controlled gold-quartz mineralization than are seen exposed at surface.

The original objective of the 1960's era work in their area was copper (molybdenum) porphyry-style mineralization. The porphyry target remains valid, although experience elsewhere in the Nicola Group suggests that a copper-gold porphyry may be a more likely target.

FIELD WORK AND INSTRUMENTATION

The survey grids were established by compass and hip chain, using the existing grids as starting points. Lines were cleared and brushed but no large trees cut. Approximately 5.5 km of lines were established on the West Grid and 12 km on the East Grid.

The magnetic data was collected using two EDA OMNI PLUS magnetometers. One as field unit and the other as base station to correct for diurnal variations.

The HLEM equipment used was an APEX MAX-MIN I-10 horizontal loop EM systems with MMC data logger. A 100m coil separation was used for the survey and the data from five frequencies (220, 880,1760, 3520, and 14080Hz) were recorded.

The induced polarization (IP) survey was performed using an Androtex TDR6 six channel receiver and a high output Androtex 10Kw transmitter powered by a 15Kw/18Hp Honda motor-generator. The pole-dipole array configuration was used with six levels being measured (N=1-6) and an "a" spacing of 50m.

All the data was transferred to a computer and plotted using Geopak Systems software. Field plots were generated and field interpretation was provided by the geophysicist on site and presented to the project geologist.

The final data processing and plotting on a 36" Ink Jet printer was completed in Vancouver.

DATA PRESENTATION

The geophysical data is presented on separate maps for each of the two grids. All maps are referenced with common UTM co-ordinates. The precise location of the survey

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grids with respect to the claim outlines, roads, streams is presented on the compilation maps, Plates G4a and G8a (West and East Grids respectively).

Magnetic data is presented in stacked profile and contour format. The inphase and quadrature components of the HLEM (MaxMin) data are presented as stacked profiles on separate maps. The IP data is presented in two formats. Plan contour maps display integrated quantities (taking into account all depth levels) of the chargeability and apparent resistivity data. Additionally, pseudosections showing early and late time chargeability and apparent resistivity are presented for individual lines.

DISCUSSION OF RESULTS

West Grid

The previous grid was comprised of 5 survey lines, spaced at 50 metre intervals from 100W to 100E. The current program extended the baseline some 700 metres to the ENE and established 4 cross lines, spaced at 100 metres from 500E to 800E inclusive. Each line extended from 800N to 400S.

Magnetic

Magnetic data was gathered at 12.5 metre station intervals along the baseline and 4 survey lines. A total of 5,650 metres of data were recorded.

Two distinct magnetic characters are noted on this grid. Higher amplitude, quiet responses noted at the north end of the grid gradually decrease to the south. A subtle break noted near 400N on lines 500E and 600E likely reflects the near surface expression of a geological contact. An abrupt change to lower amplitudes and highly variable responses are noted to the south of the baseline. This southern area is punctuated by several high amplitude, localized anomalies. These anomalies are indicative of localized, near surface concentrations of magnetite or pyrrhotite. The six strongest of these anomalies are flagged on the compilation map.

HLEM

HLEM data was gathered at 25 metre station intervals along the grid and base lines.

The HLEM survey shows several conductivity features across this grid. All of these conductive responses may be classified as weak. The strongest of these is one component of a multiple conductor package striking across the grid from approximately 800E/200N to 600E/225N. Another anomaly noted on line 500E/150N appears to be an offset of the first feature. Two other conductive responses are noted on lines 700E and 800E. One is located near the base line 0N and the other near 200S. It is probable that the area is underlain by numerous, closely spaced conductive zones.

In the north there appears to be a flat lying conductive zone extending across all 4 survey lines, widening to the west as shown on the Compilation Map, Plate G4A.

Induced Polarization

IP data was gathered at 50 metre station intervals along the grid and baselines. Approximately 5.3 kilometres of data was recorded for each of 6 "n" values.

The IP pseudosections reflect a horizontal, surficial layer across the grid area. The data across the baseline suggests this unit increases in thickness from west to east. This response is likely related to overburden.

A poorly defined resistivity low appears to cross the grid in the vicinity of station 150N. This trend falls along the projected strike of an airphoto linear and partially defined VLF-EM conductor, mapped to the southwest.

The highest resistivity values are mapped at the northern end of line 500E. This response reduces in amplitude as it continues to the east. It roughly coincides with the flat-lying conductivity anomaly mapped by the MaxMin survey.

No strong chargeability anomalies are evident in this data, although there appears to be a general increase along the southern ends of the survey lines. This response is only partially defined but appears to reflect a geological contact. The westernmost line (500E) is anomalously noisy and characterized by an intersecting pantleg pattern. This type of response can usually be traced to variable surface conditions.

There are four, localized chargeability anomalies shown on the compilation map. They are all very weak but may be of exploration interest. The first is a double pantleg anomaly, noted at 500E/150N and seen on n values 4 to 6. This response is characteristic of a narrow, sheet like source and coincides with one of the MaxMin conductors and airphoto lineations. It may be indicating an area of increased sulphides along a more regional feature. The second anomaly is noted on line 500E near station 450N. This anomaly is evident on the wider n values only, and appears to lie beneath a relatively high resistivity zone. There is also weak evidence of this anomaly seen on line 600E. The third anomaly also reflects a deep target and is centred at 800E/0N. The fourth target is mapped at 800E/200S. Unlike the other three, this anomaly appears to be related to a near surface source.

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East Grid

The previous grid was comprised of 6 lines spaced at 50 metre intervals (50W to 500E), each 300 to 400 metres in length. This latest program extended the grid in all directions. 1000 metre lines were established at 50 metre intervals, from 300W to 300E. Surveying was completed across the original grid and these extensions.

Magnetic

Magnetic data was gathered at 12.5 metre intervals along each of the lines. A total of 13 kilometres of magnetic data were recorded.

The magnetic relief across this grid is relatively small (~400nT) although the character is highly variable and typical of a volcanic sequence. There are several weak responses that are evident across two or more lines. They generally exhibit orientations near N70W and likely reflect the local strike of structures within the volcanic host.

Four small areas of higher magnetic intensity are observed. All exhibit a high spatial frequency and are thus attributed to near surface events. The strongest is located in the northwest corner of the grid and likely maps a discrete geological unit. Two smaller anomalies, centred near 100W/325N and 0W/400N appear to be related to the contact of the syenite intrusion. Two localized anomalies centred near 50E/300S are unexplained. They likely reflect localized concentrations of magnetite or pyrrhotite within the volcanic host.

HLEM

HLEM data was gathered at 25 metre station intervals on 6 lines (200W, 100W, 50W, 0W, 100E and 200E) as well as on two base lines (0N and 175S). A total of 5.2 kilometres of lines were surveyed.

One well-defined HLEM anomaly is mapped on the East Grid. It is traced for some 350 metres, extending from 100E/175S to 150W/25N. The anomaly is characteristic of a thin sheet and appears to be dipping near vertically in the southwest and gradually swing to a southwesterly dip to the northwest. The anomaly can be characterised as weak in terms of conductivity but it is well defined against the negligible background. The axis of the conductor coincides with a larger structure interpreted from airborne magnetic data. The short strike length conductor could represent a local increase in the conductive response along one part of a more extensive structure.

A second anomaly is noted on line 50E at the baseline 0N. This response coincides with the previously mapped VLF-EM conductor but is masked by the stronger conductor described above and considered questionable.

Induced Polarization

IP data was gathered across 7 lines (300W to 300E) at 50 metre station intervals. Approximately 7 kilometres of data was recorded for each of 6 "n" values.

There are two pronounced chargeability highs evident across this grid, both of which are associated with elevated resistivities. The larger is roughly some 450 metres by 250 metres, elongated north-south and located immediately south of the syenite intrusion at the north end of the grid. This unit appears to plunge to depth and disperse to the east, possibly indicating thickening overburden in this direction. The second anomaly is much smaller and exhibits limited depth extent. It is centred near 100W/250S and associated with a weak magnetic high. Both anomalies could be reflecting increased sulphide concentrations.

The resistivity plan map shows a pronounced low extending from 100W/0N to 100E/200S. This response forms a narrow, southerly dipping pantleg in the pseudosection display, separating steeply sided resistivity highs to the north and south. The response suggests a linear source, possibly a contact. It is coincident with the MaxMin conductor and a regional, northwesterly trending break mapped in the aeromagnetic data. A similar low response is noted on lines 100E to 300E, offset to the north of the first response.

A near surface resistivity low is evident across the centre of lines 200W and 300W. This response is characteristic of a flat-lying surficial layer and is likely related to an overburden layer. Horizontal layering is also evident in the chargeability data.

A sharp contact type response is noted in both the chargeability and apparent resistivity pseudosections at the north end of lines 200W to 200E. This response is attributed to the edge of the syenite intrusion.

SUMMARY AND CONCLUSIONS

SJ Geophysics Ltd. was commissioned by Electrum Resource Corp. to complete grid preparation and magnetometer, MaxMin and induced polarization surveys across portions of their Friendly Lake Project area, located some 28 kilometres northwest of Little Fort, B.C. Work was completed on two separate grids where previous exploration has shown indications of structurally controlled bodies of gold mineralization.

The West Grid baseline was extended some 700 metres to the northeast and four 1200 metres long cross lines were established at 100 metre intervals to test the ENE trending Sla structure. Quiet, high amplitude magnetics mapped to the north of the baseline and lower amplitude, variable responses to the south reflect two different geological units or facies. Several high amplitude, localized anomalies in the southern portion of the grid likely reflect near surface accumulations of magnetite or pyrrhotite. The HLEM data suggests the contact between the two magnetic backgrounds forms an ENE trending package of closely spaced conductors. These trends coincide with airphoto linears and may represent localized conductivity increases along the regional Sla structure. A weak resistivity low generally coincides with the HLEM defined conductive trend and airphoto linear. No strong IP anomalies are evident in the area however 4 small chargeability highs have been identified. Chargeability and resistivity data suggest the central portion of the grid is covered by a relatively thick layer of overburden.

The East Grid was extended at in all directions and geophysical surveys were completed on the entire grid. Lines were spaced at 50 metre intervals. Highly variable magnetic responses observed across this area are typical of a volcanic sequence. Short strike length trends within the background generally trend N70W and may be reflecting a major structural orientation. A high amplitude response mapped in the northwest corner of the grid likely maps a discrete geological unit. Two localized magnetic highs are associated with the edge of a syenite intrusion mapped at the north end of the grid. Two small magnetic highs mapped in the southern part of the grid likely reflect near surface accumulations of magnetite or pyrrhotite. A well-defined HLEM anomaly is traced for some 350 metres. It coincides with a large, northwest trending structure interpreted from airborne magnetic data and may represent a localized increase in conductivity along the larger feature. The response is indicative of a sheet-like source and appears be dipping near vertical at it's southern end and towards the southwest at it's northern end. This trend is also evident in the IP data as a narrow, resistivity low. A large chargeability anomaly is mapped immediately south of the syenite intrusion. A second, smaller anomaly is located in the southern portion of the grid. These responses could be reflecting areas with increased sulphide concentrations.

RECOMMENDATIONS

The current exploration is focusing on the ENE trending regional "SL" structures as being the main target for gold mineralization. The HLEM results have shown variations in conductivity both along the trend crossing the West Grid and along a NW trending lineation across the East Grid. Although these conductive segments can not be directly attributed to gold mineralization, they should be identified to determine whether they can be used as indications of a favourable structural or lithological environment.

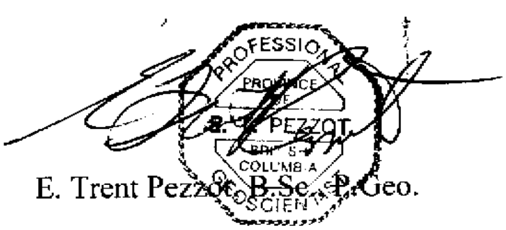
The resistivity component of the IP survey corroborates the mapping of the regional structures, but is not as definitive as the HLEM technique. The chargeability component has identified several anomalies that may be reflecting areas of increased sulphide concentrations. The large chargeability high identified immediately south of the syenite intrusion on the East Grid should be afforded a high priority for further investigations. The smaller anomaly in the southern portion of the East Grid and the four weak anomalies on the West Grid are considered to reflect lower priority targets.

The geophysical interpretation presented here should be correlated with the existing geological and geochemical data. Additionally, the results from a recent soil sampling program need to be included in the analysis.

Considering the lack of outcrop on the property, diamond drilling will be required to test the HLEM conductors and chargeability anomalies.

Respectfully submitted,

Per S.J.V. Consultants Ltd.



E. Trent Pezzot, B.Sc., P.Geo.

Geophysics, Geology

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APPENDIX I

STATEMENT OF QUALIFICATIONS - E. Trent Pezzot

I, E. Trent Pezzot, of the city of Surrey, Province of British Columbia, hereby certify that:

- I graduated from the University of British Columbia in 1974 with a B.Sc. degree in the combined Honours Geology and Geophysics program.

- I have practised my profession continuously from that date.

- I am a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.

- I have no interest in Electrum Resource Corporation, or any of their subsidiaries or related companies, nor do I expect to receive any.

October 1997

E. Trent Pezzot, B.Sc., P.Geo.

SJ Geophysics Ltd. / S.J.V. Consultants Ltd.
11762 - 94th Ave., Delta, B.C. Canada tel (604) 582-1100 fax (604) 589-7466

APPENDIX 2

Cost Breakdown

Dates (1997)	Description	Rate	Total
Aug 25	Mobilization – 5 persons	1220	1220.00
Aug 27	Mobilization – 1 person	112.50	112.50
Aug 26 - Sept 10	Line Cutting – 23 man days	287.50	6612.50
Aug 29 - Sept 12	IP Production – 5 person crew, 8 days	1775	14200.00
Aug 27 - Sept 10	Max Min production – 2 person crew – 7 days	885	6195.00
Aug 28 - Sept 10	Mag – 1st system – 1 person, 4 days	650	2600.00
Aug 28 - Sept 3	Mag – 2nd system, 1 person, 2 days	550	1100.00
Aug 25 - Sept 13	Expenses- meals, accommodation, consumables		1903.44
Aug 25 - Sept 13	Vehicle rental – 20 days	55	1100.00
Aug 25 - Sept 13	Vehicle mileage – 2400 km	0.25	600.00
Sept 9 - Oct 21	Report, plotting		3800.00
	Subtotal		39446.44
	GST		2761.04
	Total		42204.48

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APPENDIX 3

Maps

SJ Geophysics Ltd. / S.J.V. Consultants Ltd.
11762 - 94th Ave., Delta, B.C. Canada tel (604) 582-1100 fax (604) 589-7466

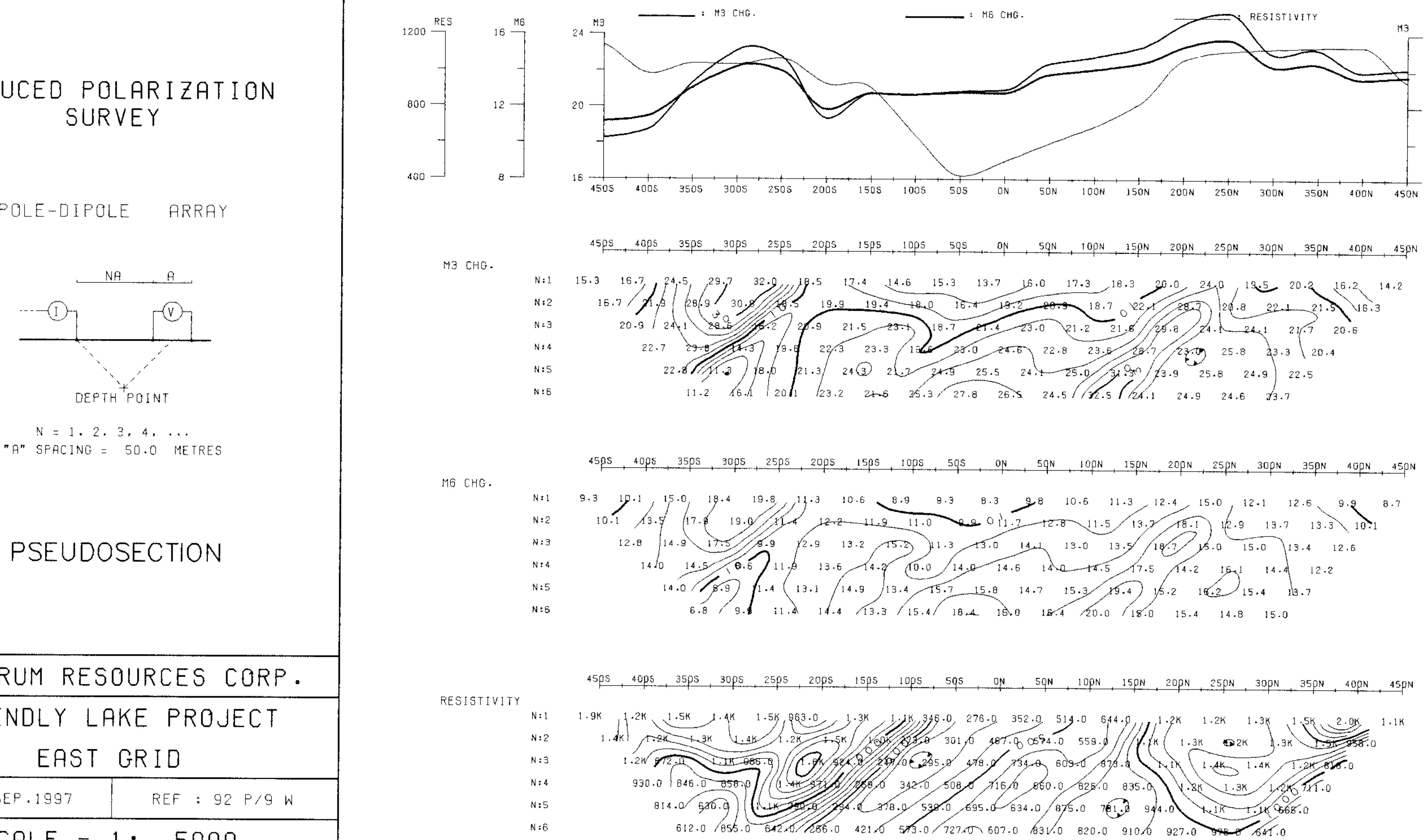
LINE : 100 W

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY

N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : SEP.1997	REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.

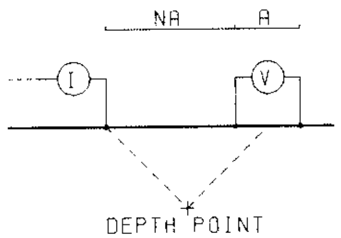
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

LINE : 200 W

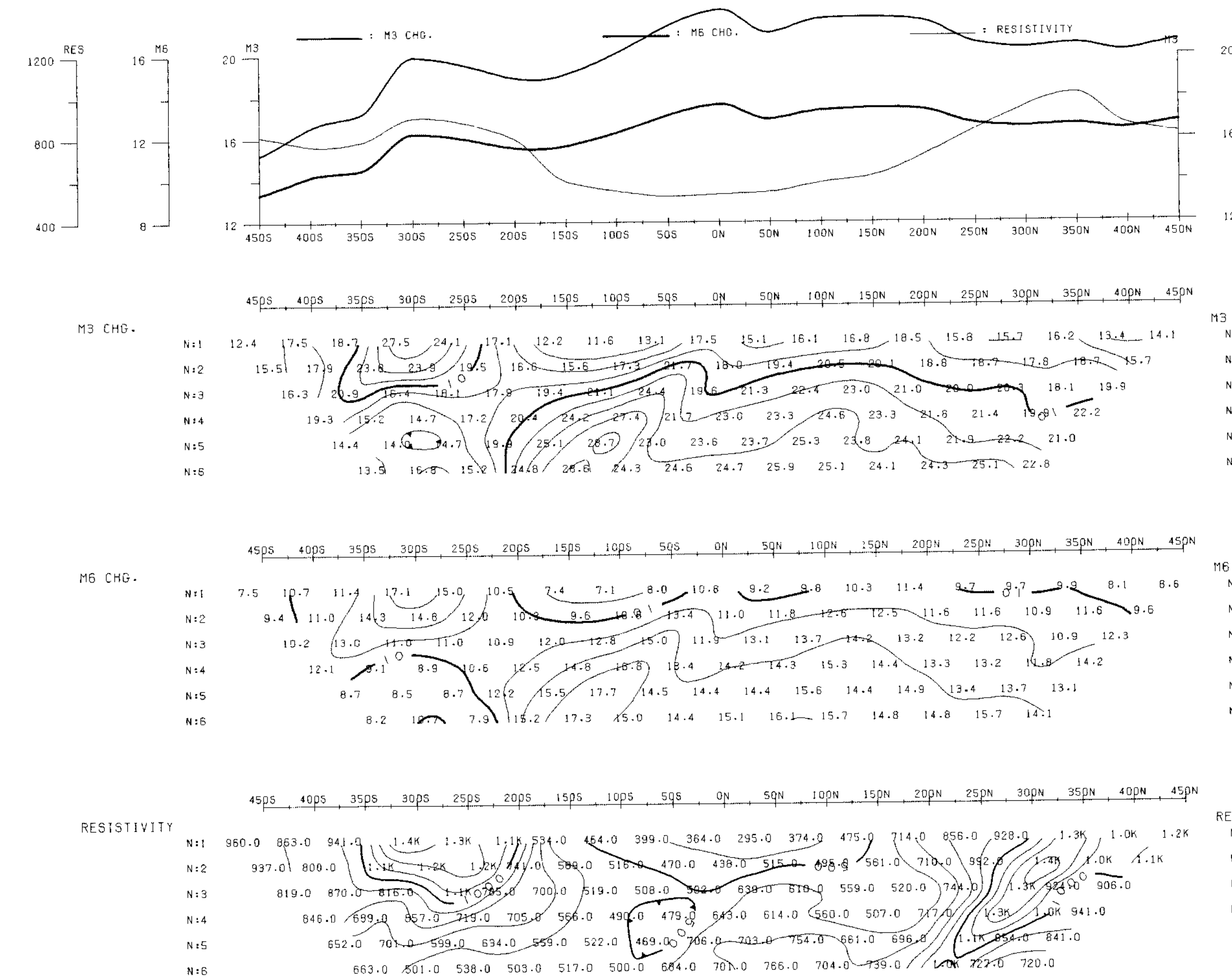
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997 | REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.

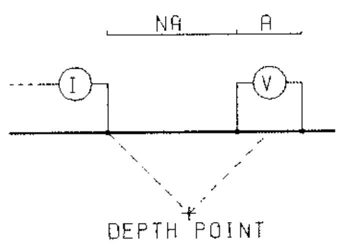
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

LINE : 300 W

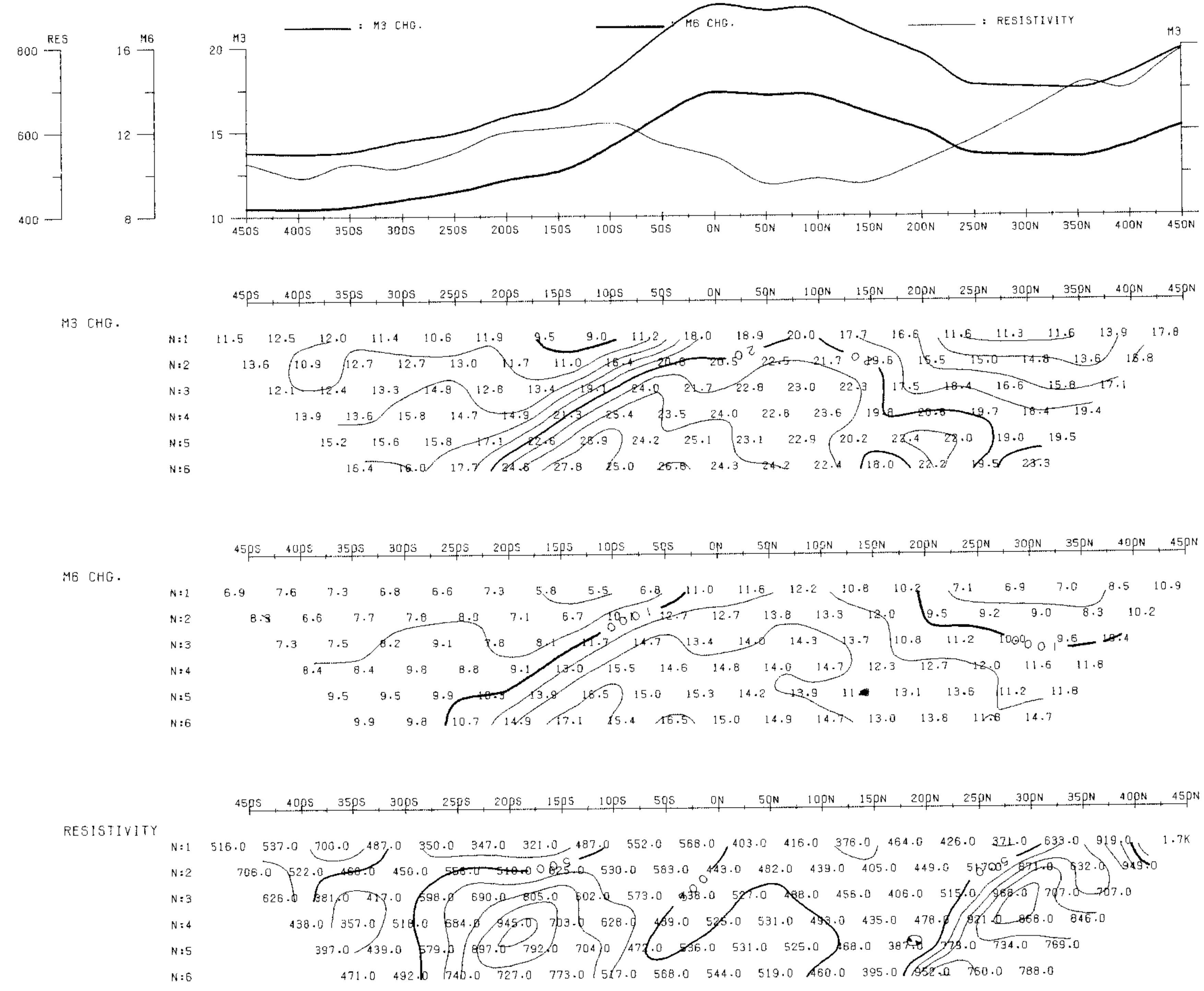
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997 | REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.

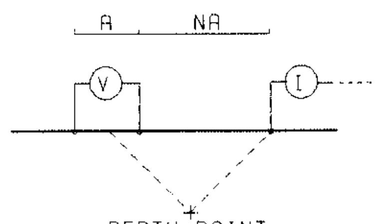
25,418

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

LINE : BL ON

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION

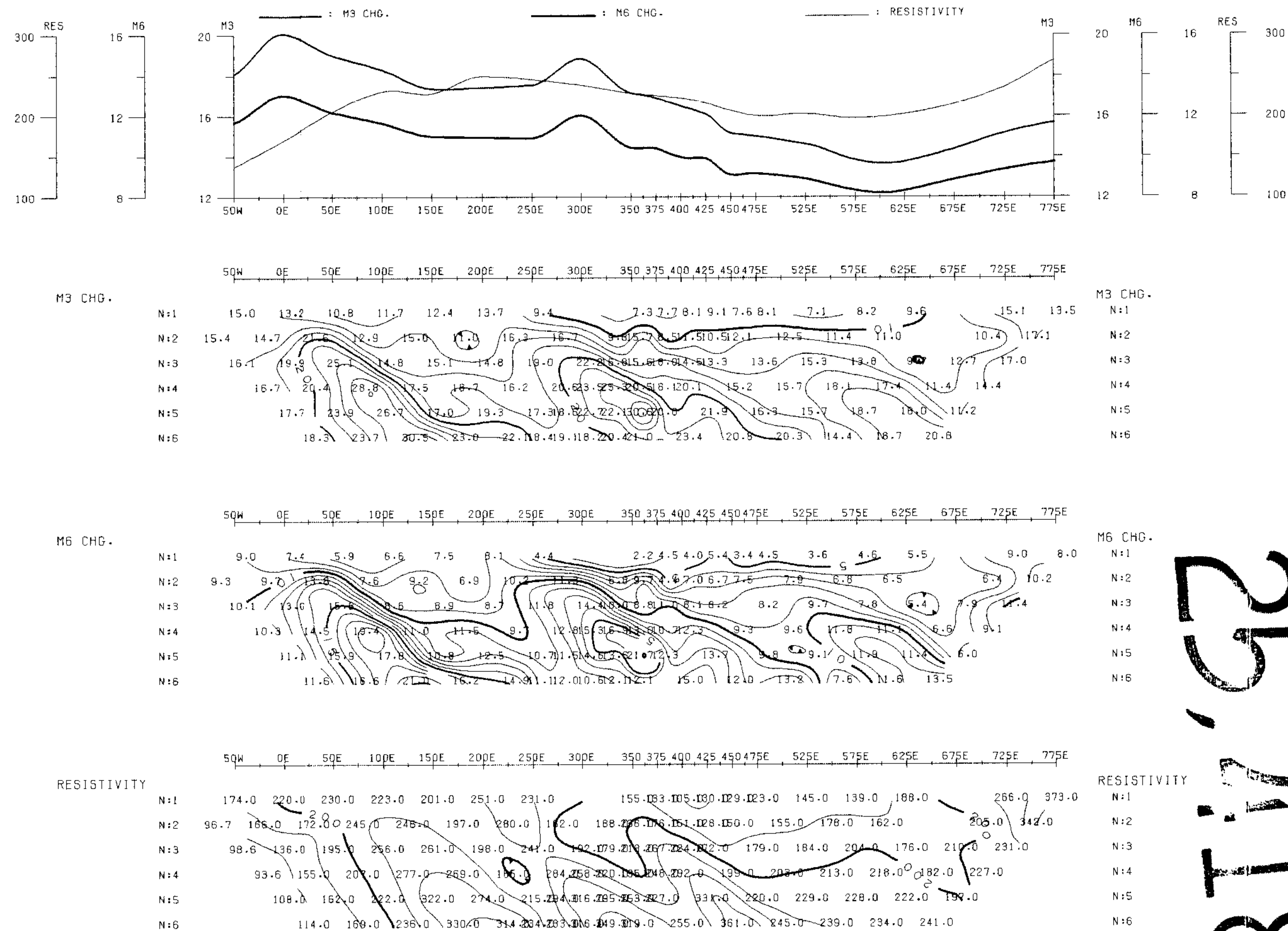
ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
WEST GRID

DATE : SEPT 97	REF : 92 P/9 W

SCALE = 1: 5000

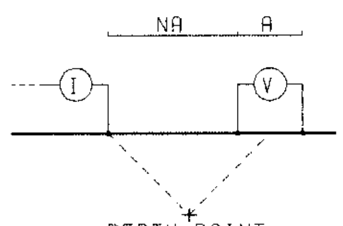
SJ GEOPHYSICS LTD.



LINE : 0 E

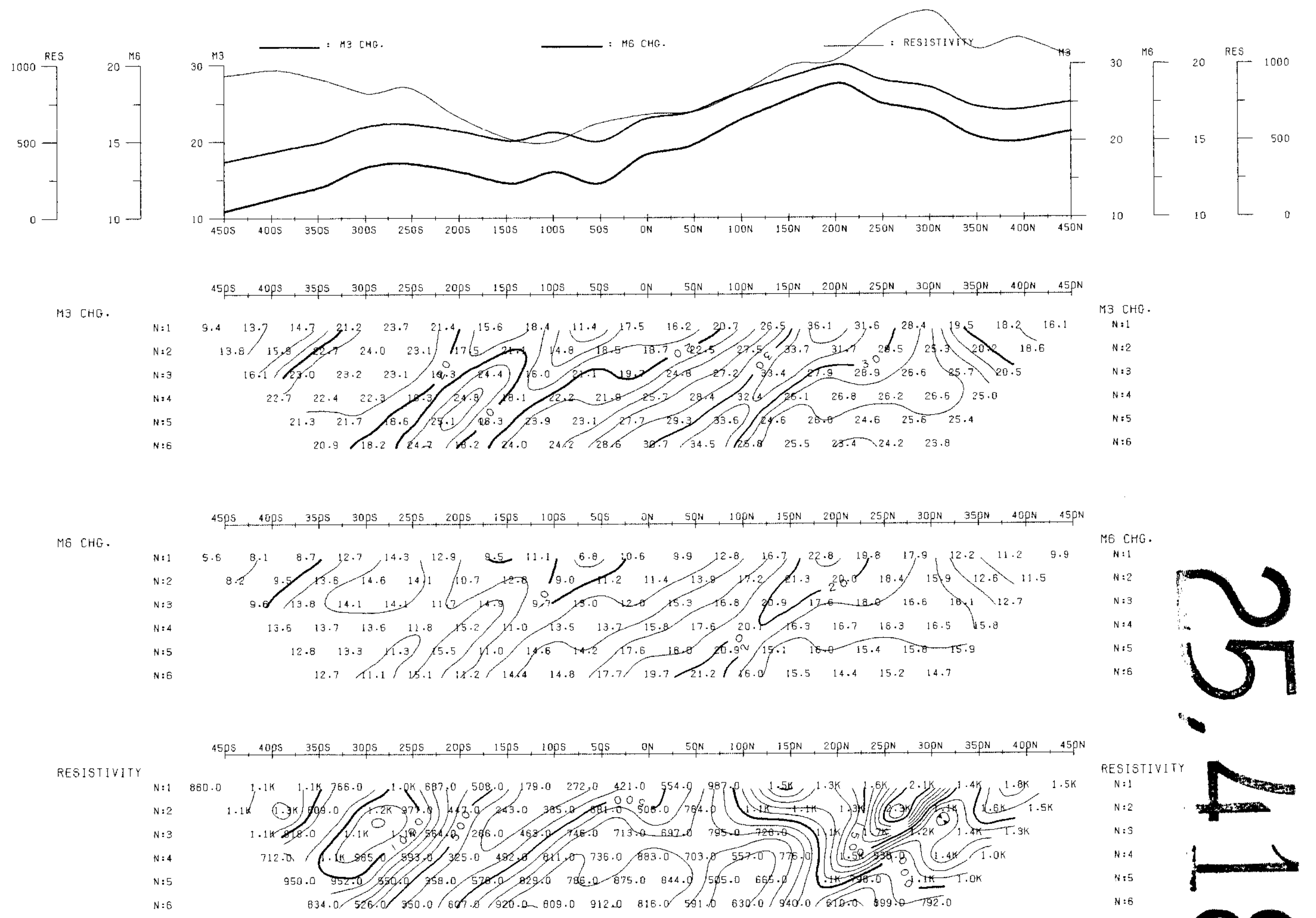
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997	REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.

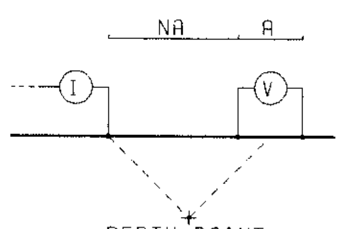
25,418

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

LINE : 100 E

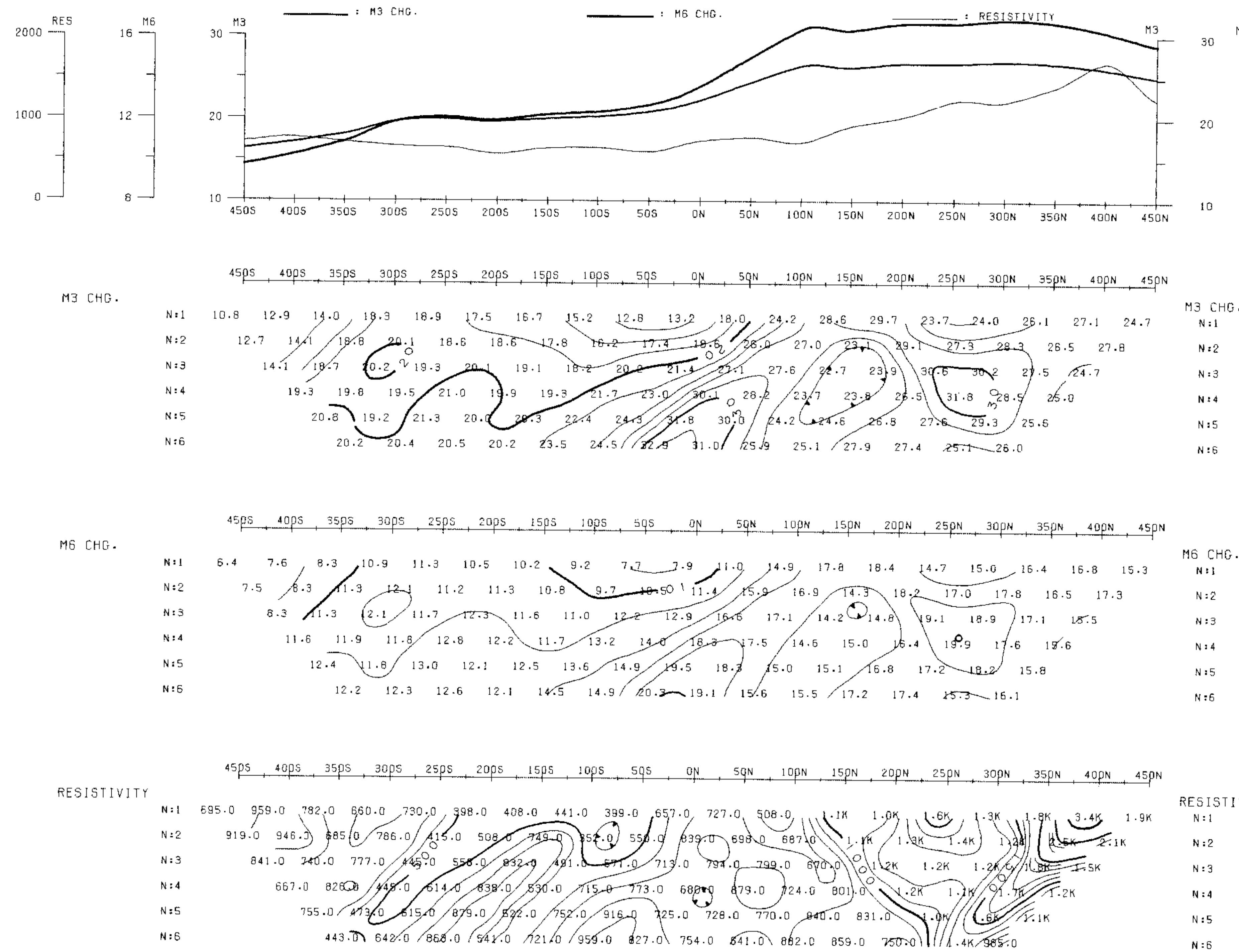
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997	REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.

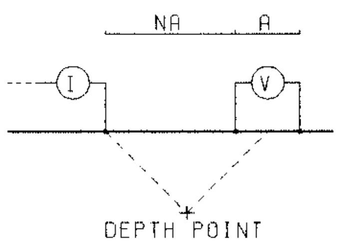
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

LINE : 200 E

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION

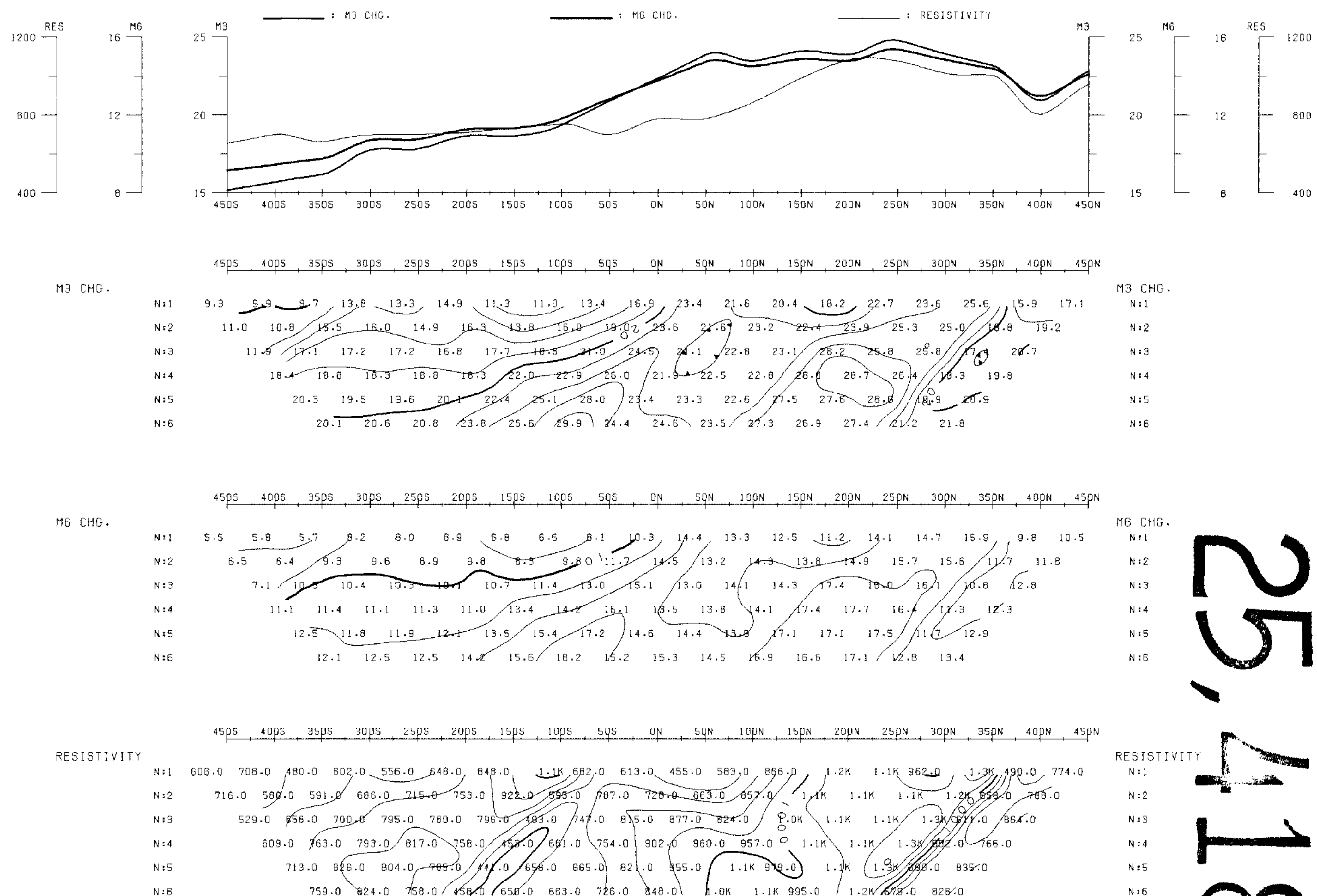
ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997	REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.



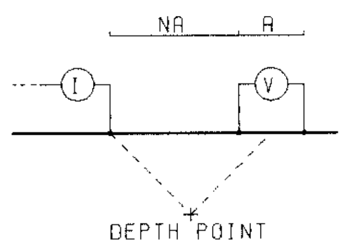
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

LINE : 300 E

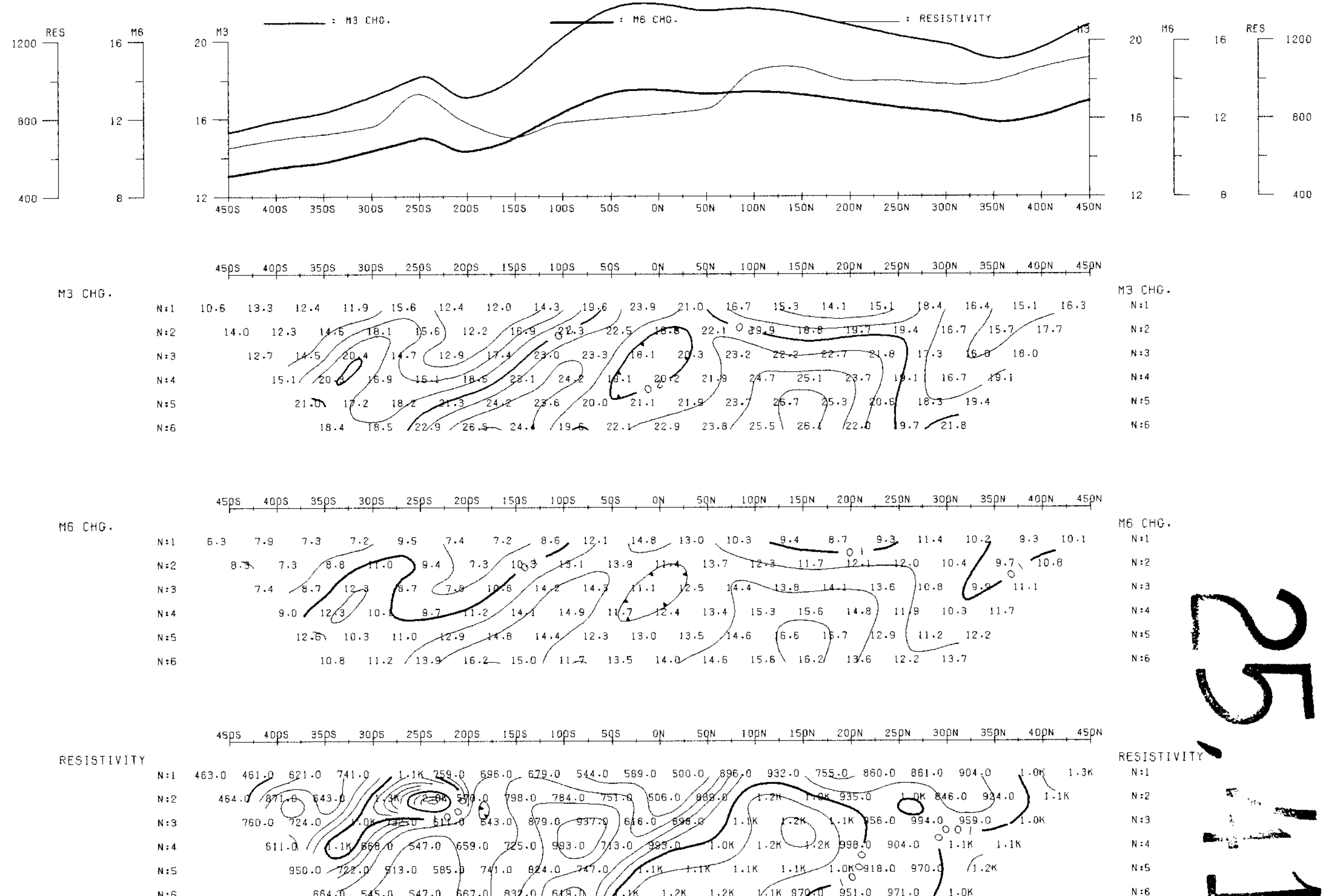
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
EAST GRID

DATE : AUGUST 1997	REF : 92 P/9 W

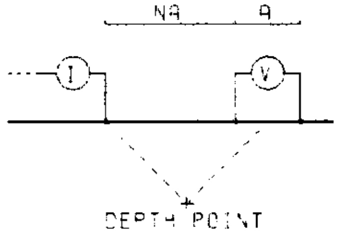
SCALE = 1: 5000

SJ GEOPHYSICS LTD.

LINE : 500 E

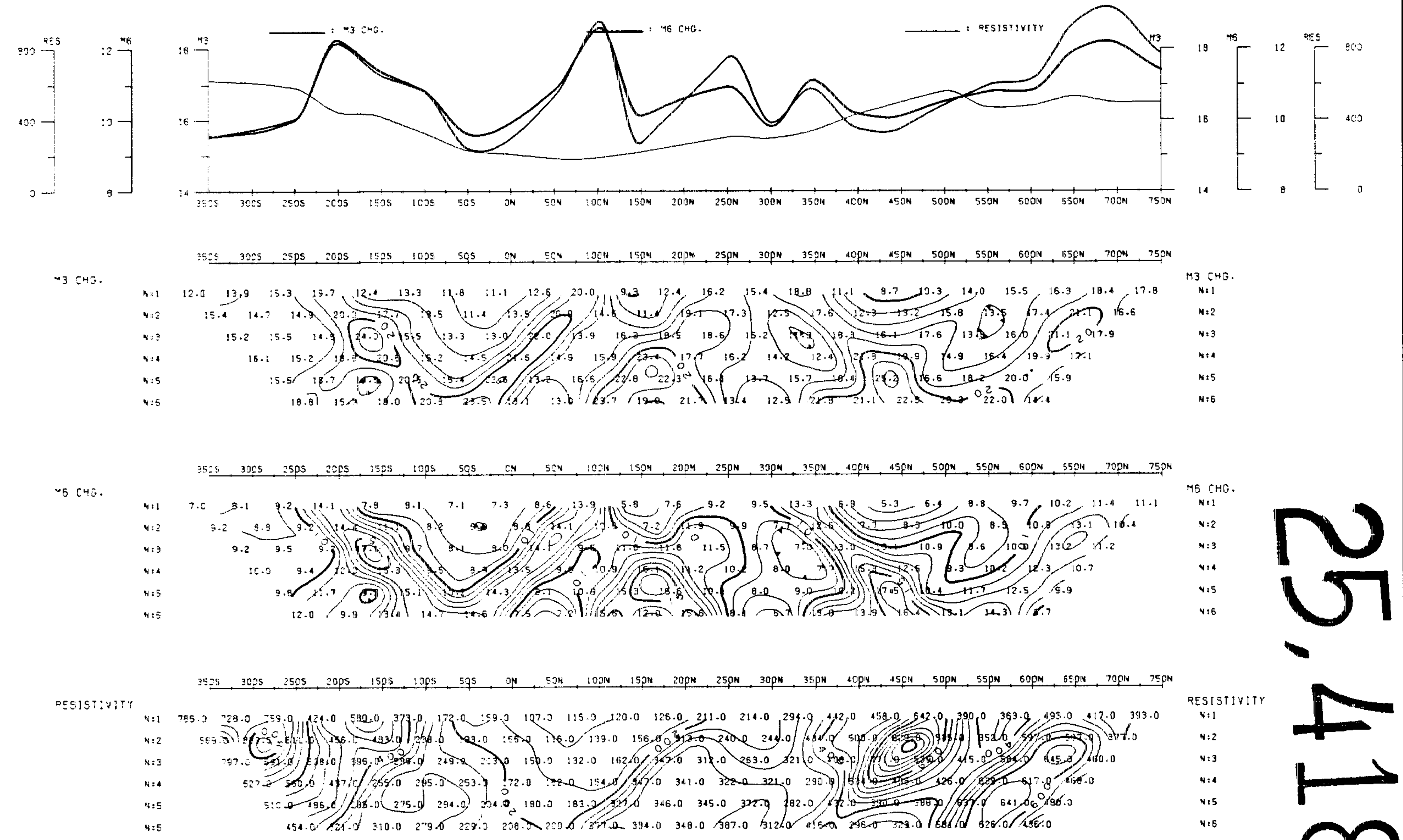
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION



ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
WEST GRID

DATE : SEPT 97	REF : 92 P/9 W

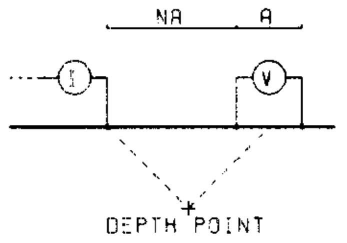
SCALE = 1: 5000

SJ GEOPHYSICS LTD.

LINE : 600 E

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION

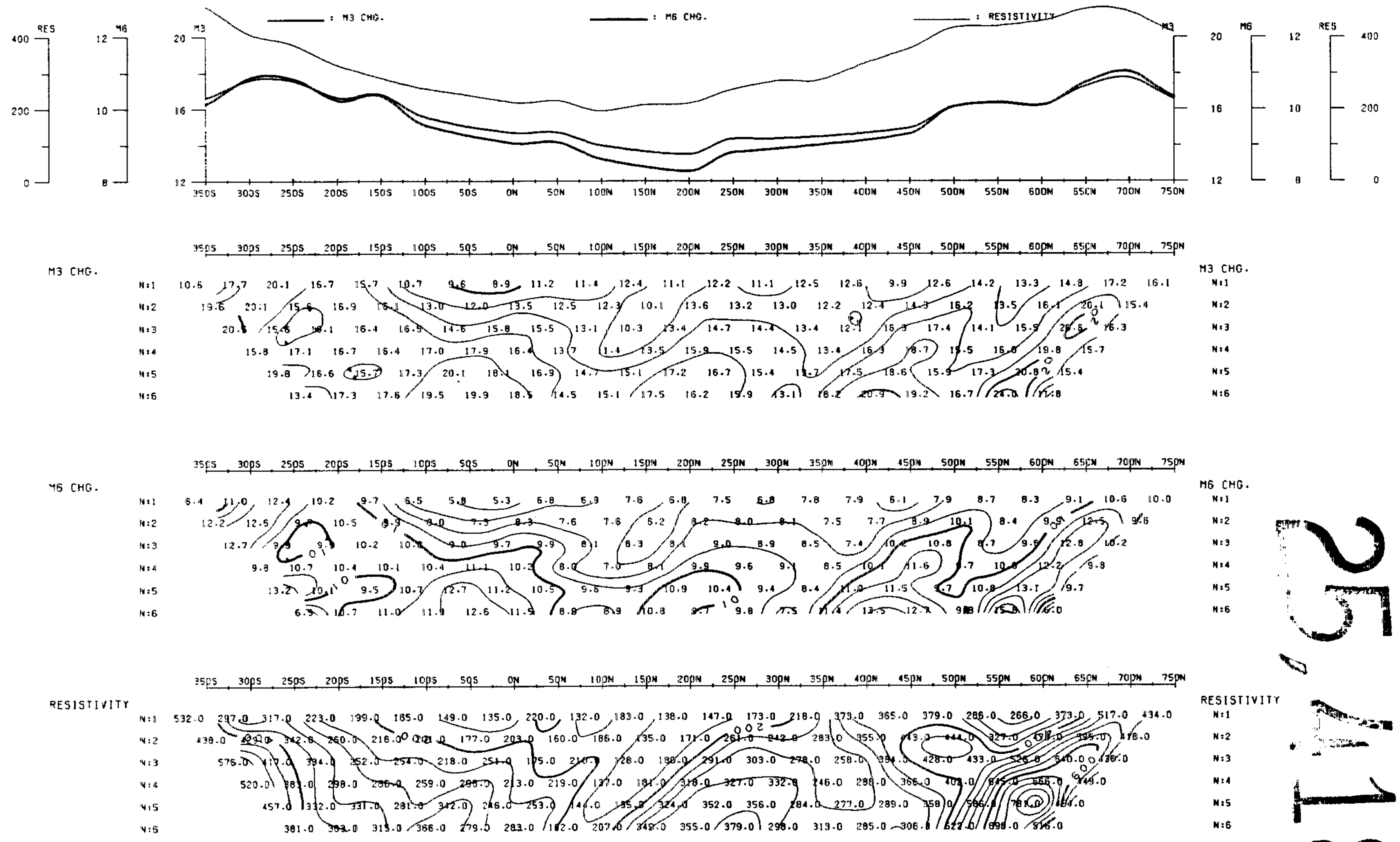
ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
WEST GRID

DATE : SEPT 97 | REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.



25,418

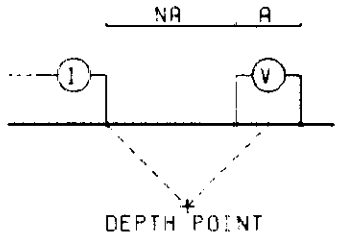
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

2 of 2 (2)

LINE : 700 E

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION

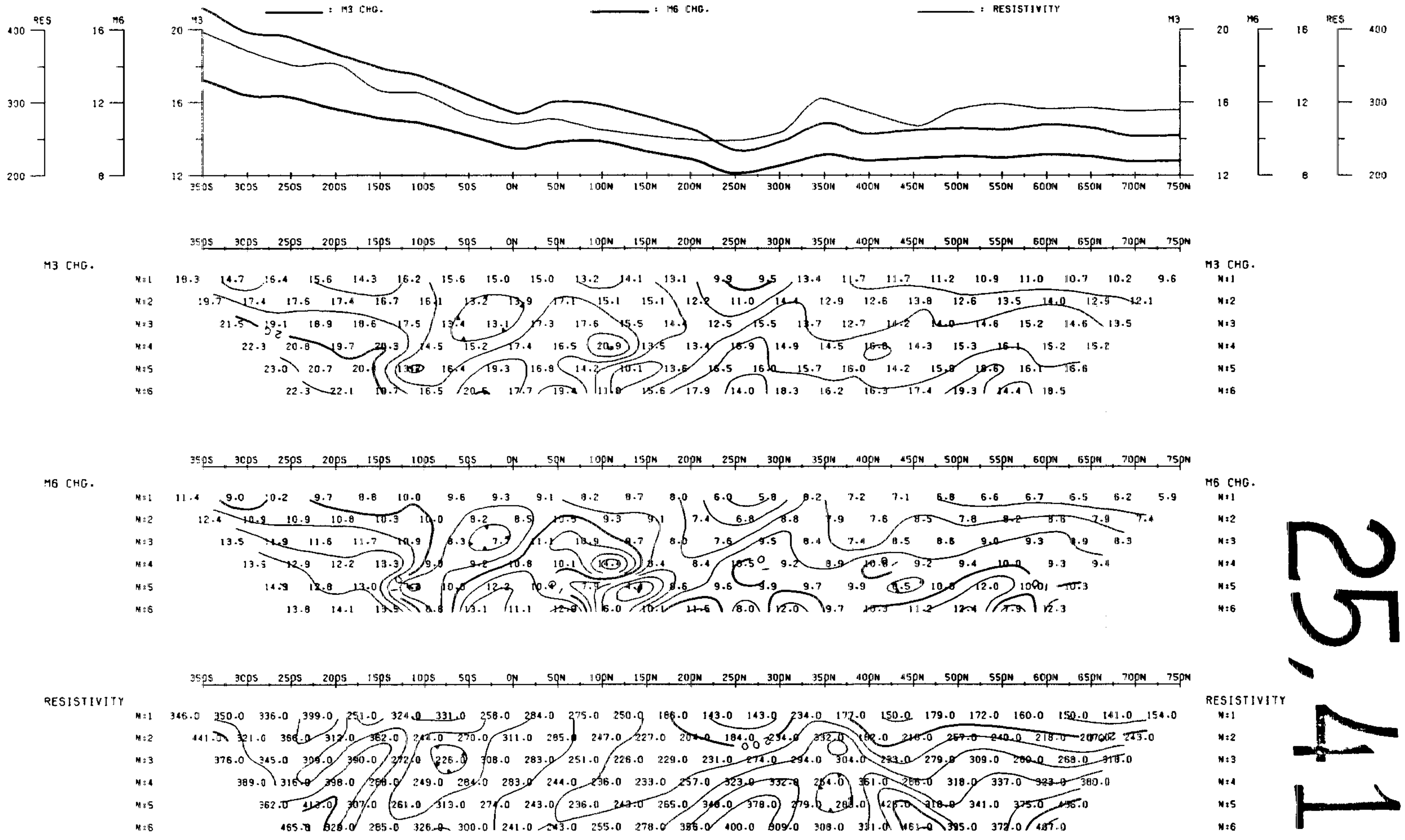
ELECTRUM RESOURCES CORP.

FRIENDLY LAKE PROJECT
WEST GRID

DATE : SEPT 97	REF : 92 P/9 W

SCALE = 1: 5000

SJ GEOPHYSICS LTD.



GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

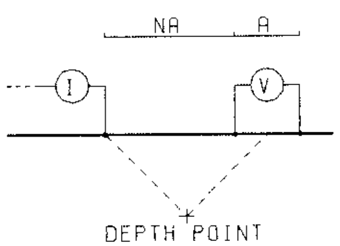
25,418

2 of 2 (3)

LINE : 800 E

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 50.0 METRES

PSEUDOSECTION

ECTRUM RESOURCES CORP.

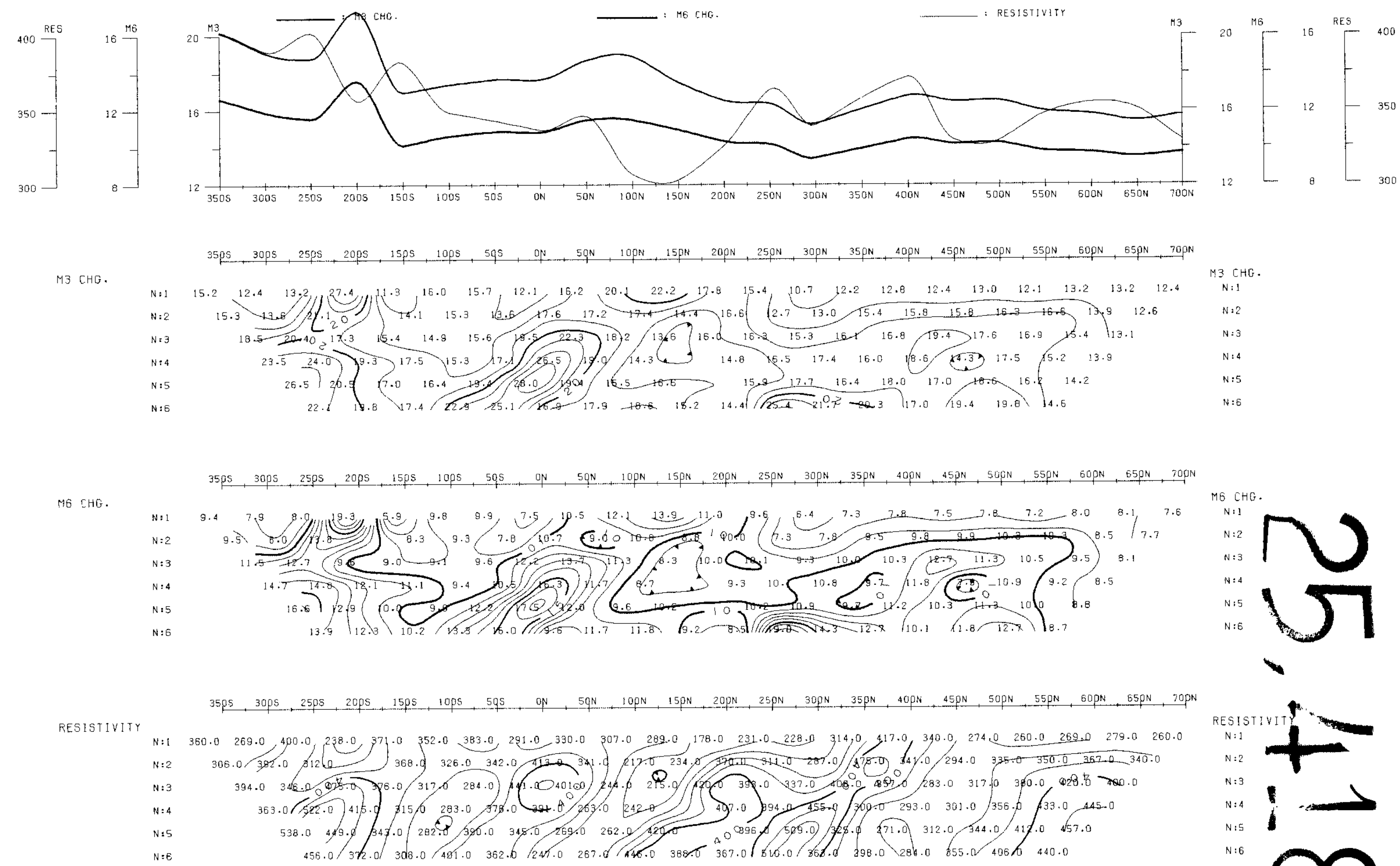
RIENDLY LAKE PROJECT

WEST GRID

TE : SEPT 97 | REF : 92 P/9 W

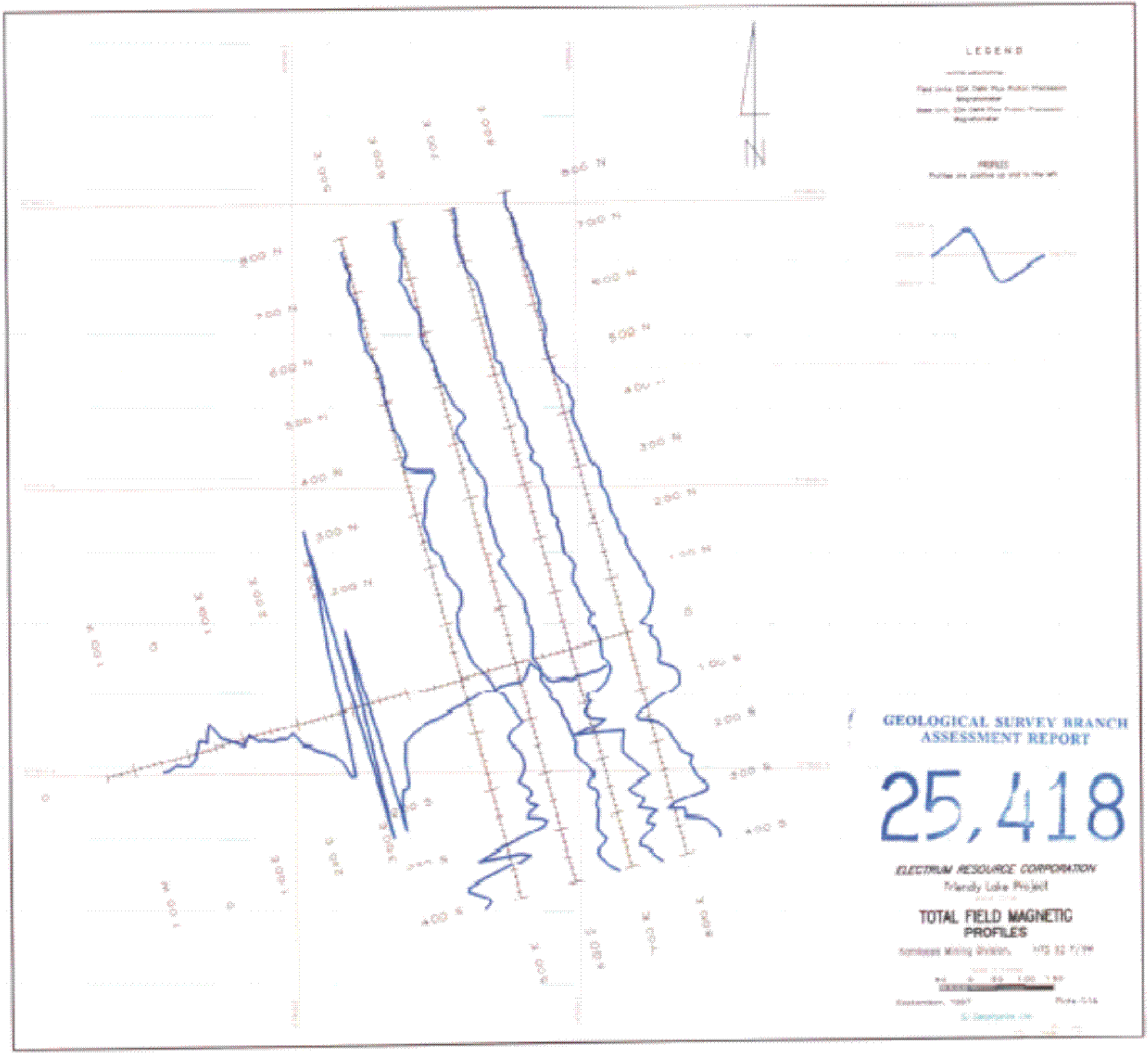
SCALE = 1: 5000

SJ GEOPHYSICS LTD.



GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418



LEGEND
PROFILES
800 N
700 N
600 N
500 N
400 N
300 N
200 N
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,418
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
TOTAL FIELD MAGNETIC
PROFILES

LEGEND

INSTRUMENTATION:

Field Units: EDA OMNI Plus Proton Precession Magnetometer

Base Unit: EDA OMNI Plus Proton Precession Magnetometer

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,[illegible]18

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project
West Grid

TOTAL FIELD MAGNETIC CONTOURS

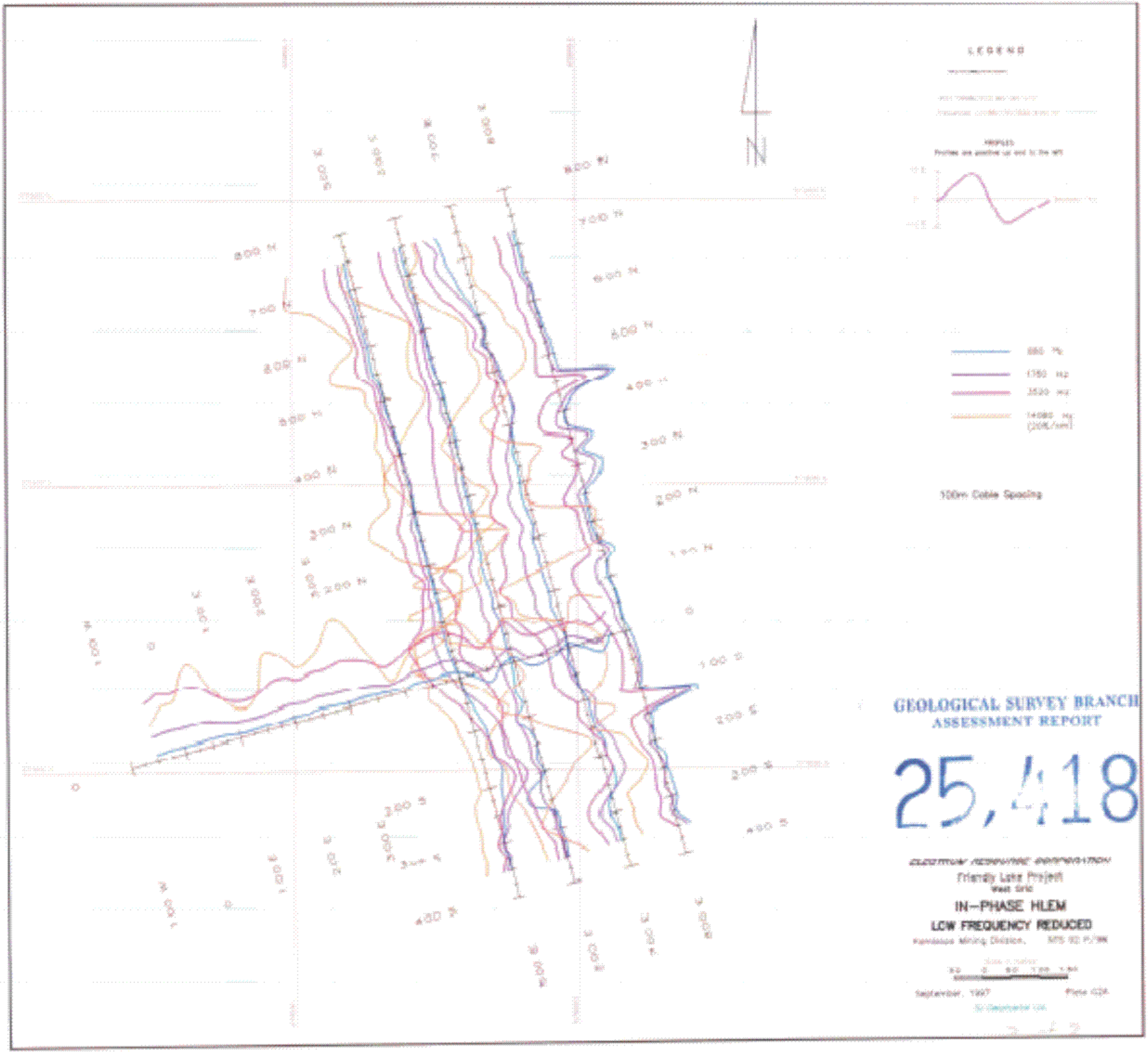
Kamloops Mining Division, NTS 92 P/9W

Scale in metres
50 0 50 100 150

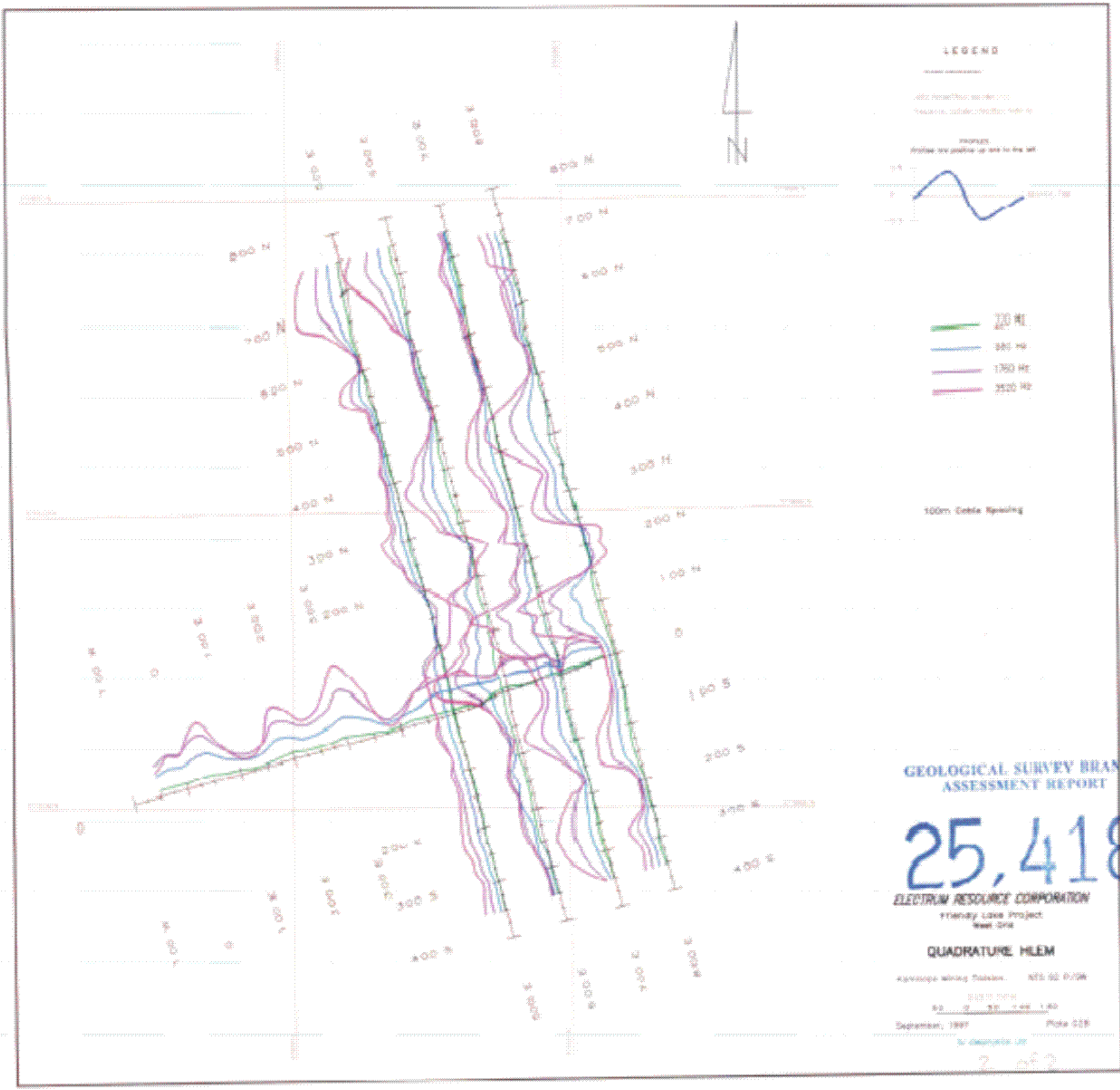
September, 1997 Plate G1B

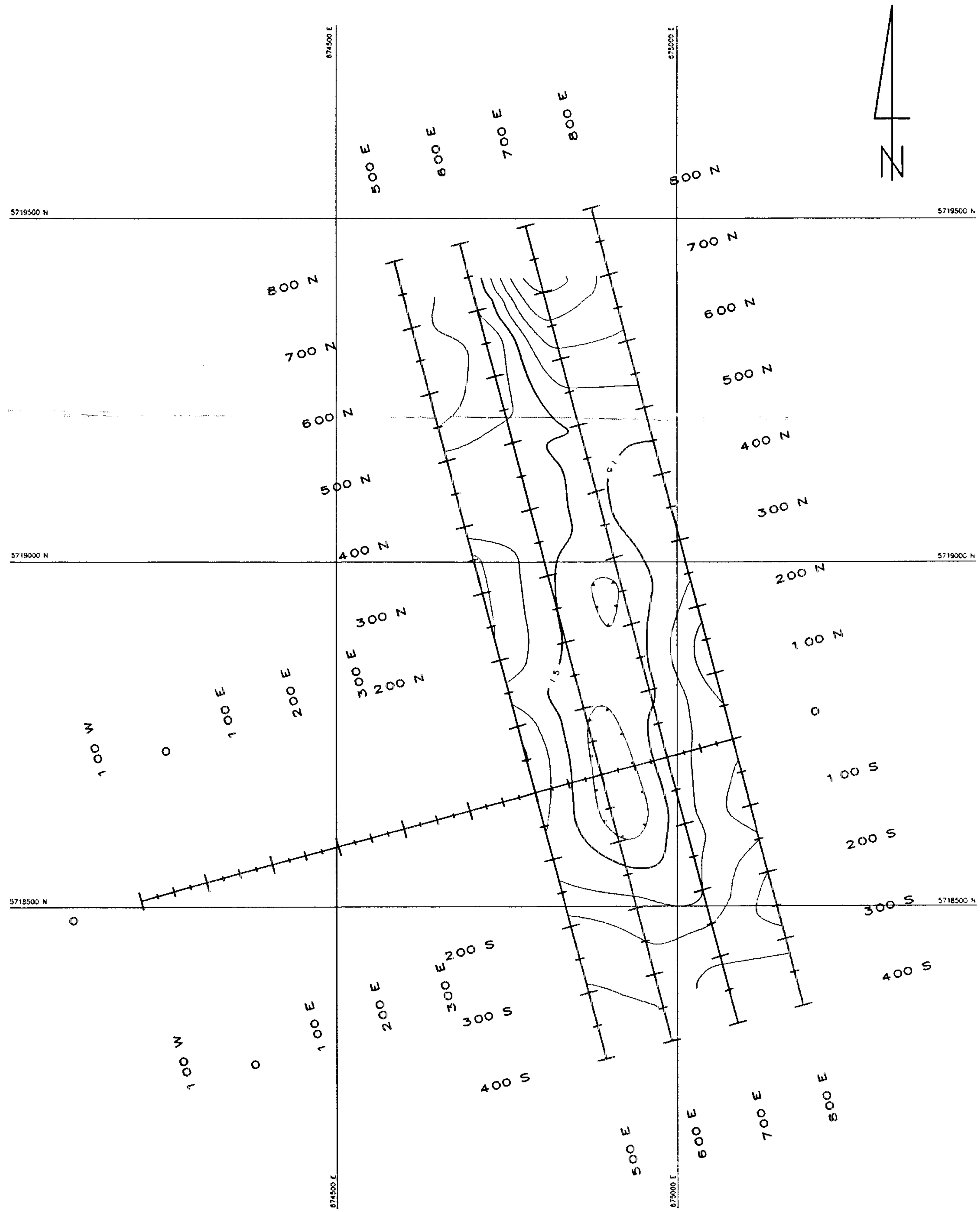
2 of 2

(5)



N
LEGEND
1750 Hz
3520 Hz
100m Cable Spacing
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,418
Friendly Lake Project
West Grid
IN-PHASE HLEM
LOW FREQUENCY REDUCED
September, 1997


LEGEND
720 Hz
3520 Hz
100m Cable Spacing
800 N
700 N
600 N
500 N
400 N
300 N
200 N
100 N
0
100 S
200 S
300 S
400 S
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,418
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
QUADRATURE HLEM
September, 1997



LEGEND

INSTRUMENTATION:

Receiver: Androtex IPR6

Transmitter: Androtex 10KW

Generator: 15KW Honda 18Hp

Pole – Dipole Array

"a" = 50 m, n = 1,2,3,4,5,6

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project
West Grid

IP EFFECT: CHARGEABILITY CONTOURS (msec)

Kamloops Mining Division, NTS 92 P/9W

Scale in metres
50 0 50 100 150

September, 1997 Plate G3A

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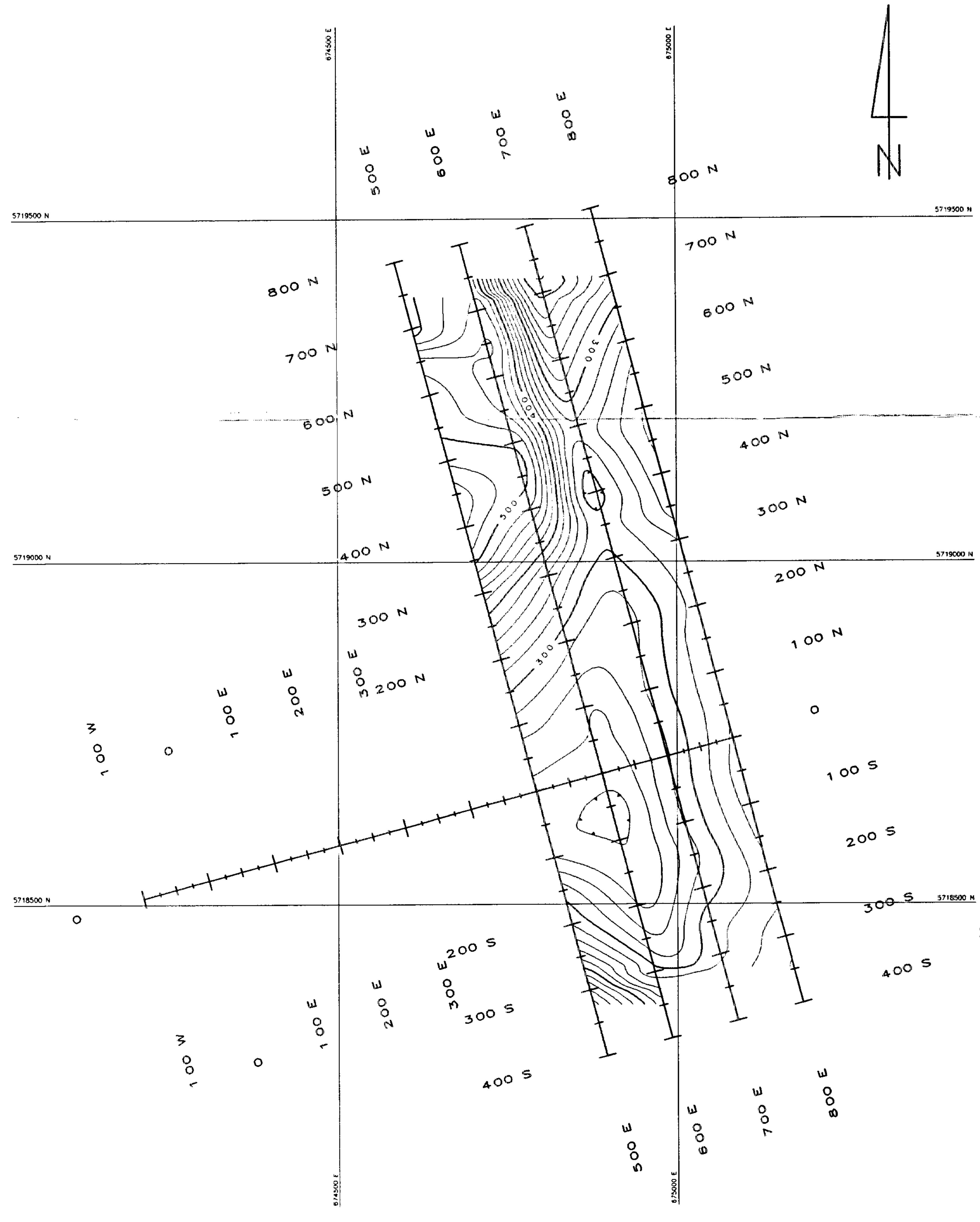
(8)

2 of 2



LEGEND

INSTRUMENTATION:

Receiver: Androtex IPR6
Transmitter: Androtex 10KW
Generator: 15KW Honda 18Hp
Pole – Dipole Array
"a" = 50 m, n = 1,2,3,4,5,6

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project
West Grid

APPARENT RESISTIVITY CONTOURS (ohm–m)

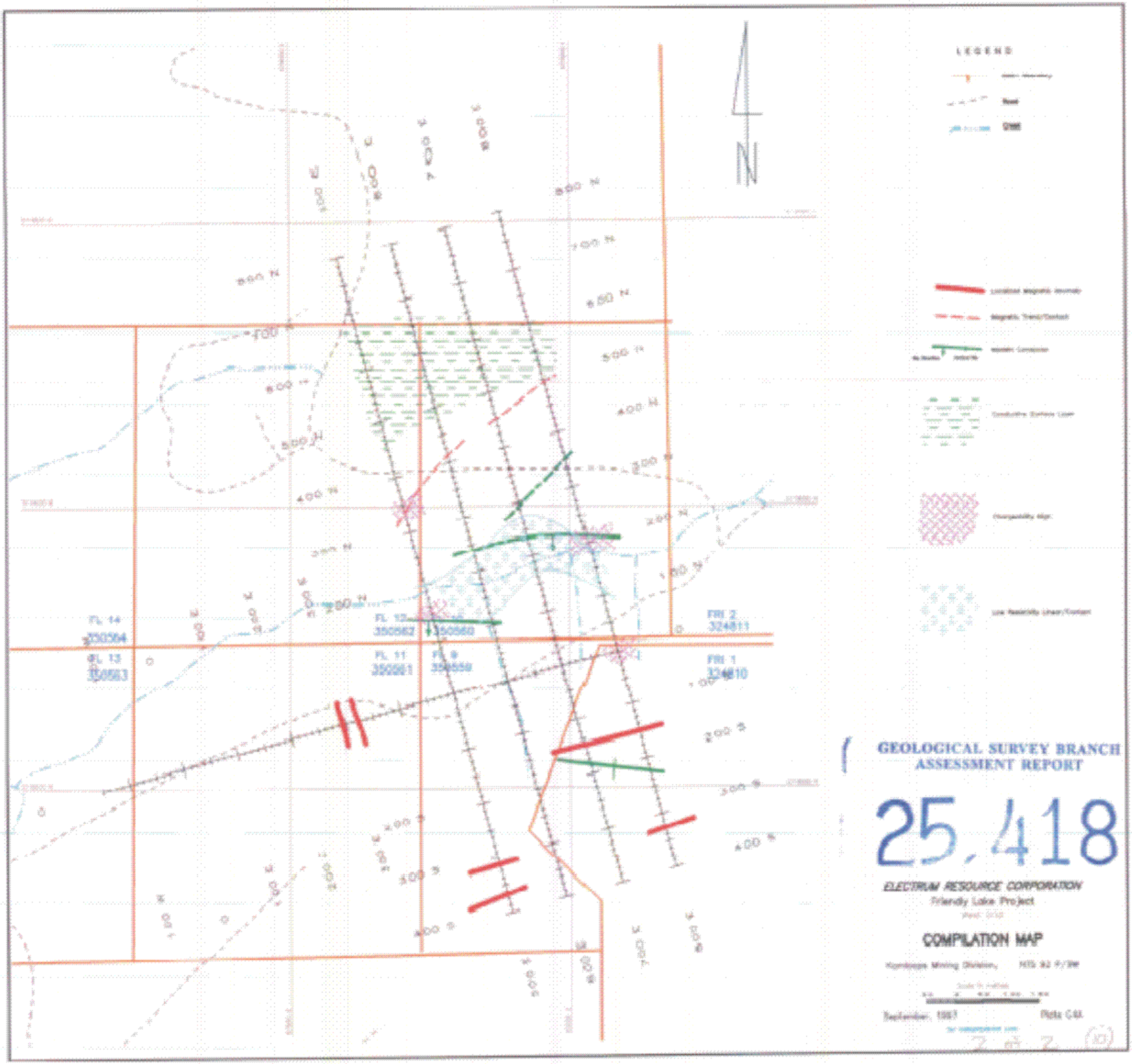
Kamloops Mining Division, NTS 92 P/9W

Scale in metres
50 0 50 100 150

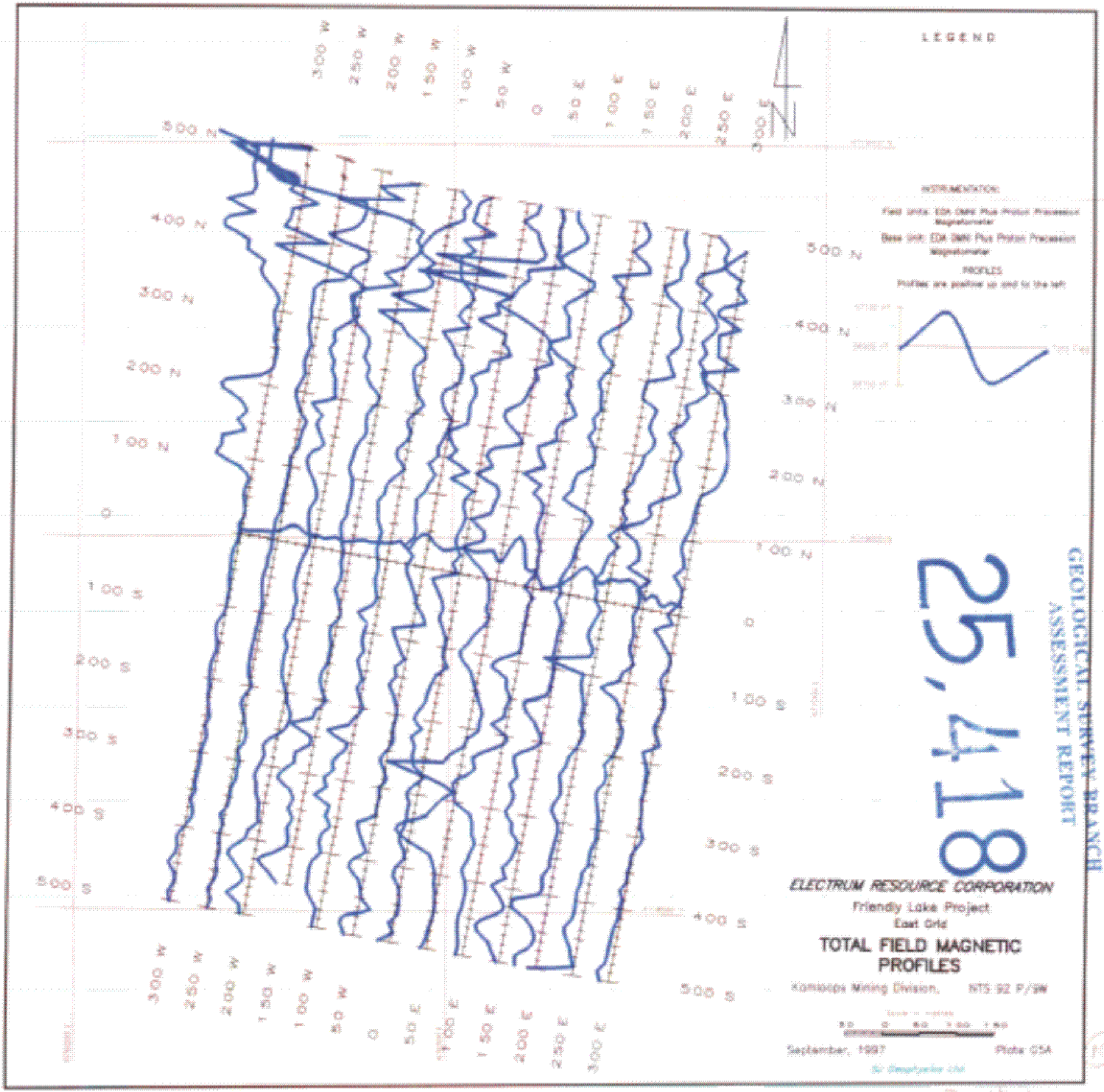
September, 1997 **Plate G3B**

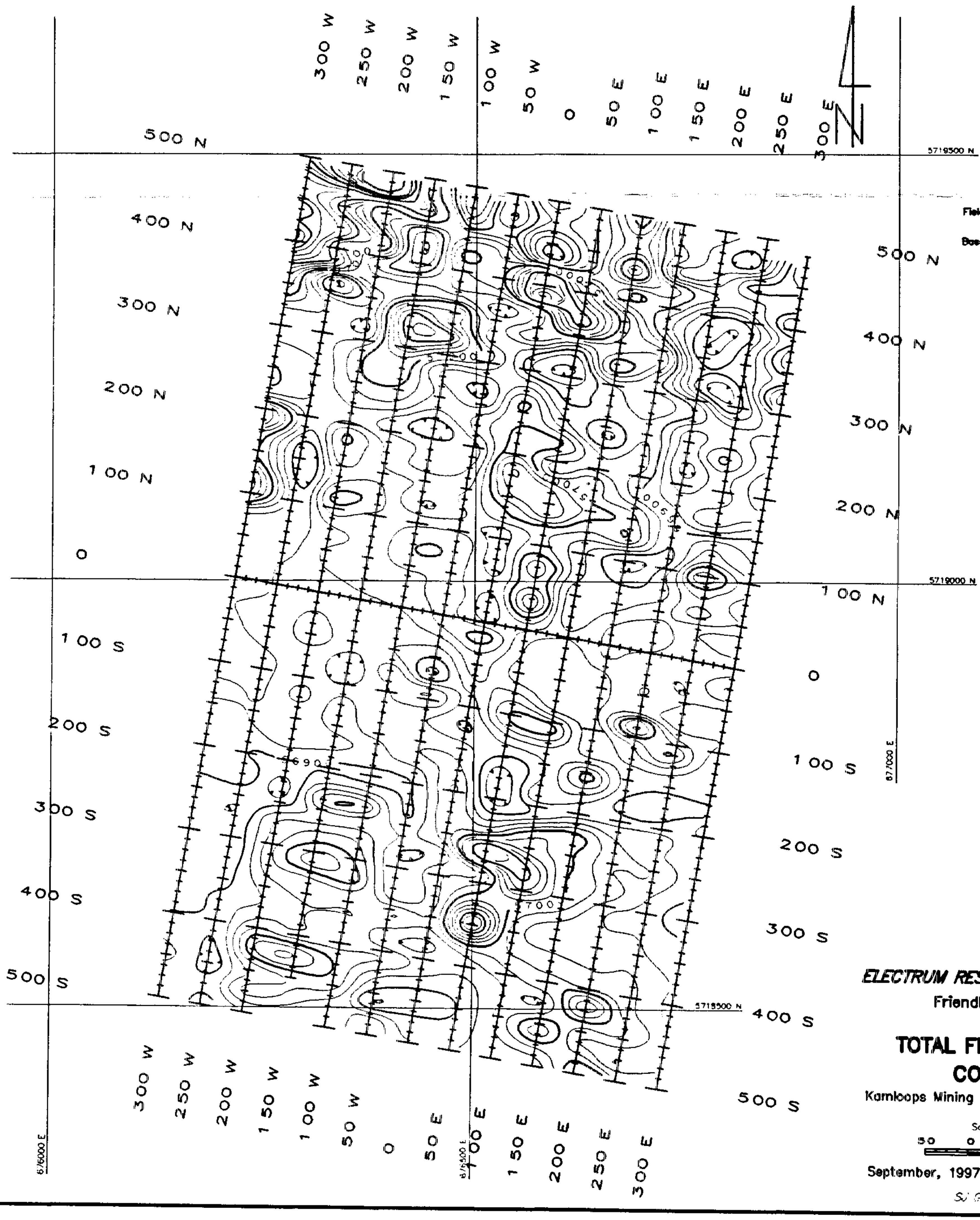
SJ Geophysics Ltd.

2 of 2 (9)



LEGEND
N
FL 14
350564
FL 13
350563
FL 12
350562
350560
FL 11
350561
FL 9
350559
FRI 2
324811
FRI 1
324810
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,418
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
COMPILATION MAP
September, 1997


LEGEND
INSTRUMENTATION:
Field Units: EDA OMNI Plus Proton Precession Magnetometer
Base Unit: EDA OMNI Plus Proton Precession Magnetometer
PROFILES
Profiles are positive up and to the left
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,418
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
East Grid
TOTAL FIELD MAGNETIC PROFILES
Kamloops Mining Division, NTS 92 P/9W
September, 1997
Plate G5A



LEGEND

INSTRUMENTATION:

Field Units: EDA OMNI Plus Proton Procession Magnetometer

Base Unit: EDA OMNI Plus Proton Procession Magnetometer

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project

East Grid

TOTAL FIELD MAGNETIC CONTOURS

Kamloops Mining Division, NTS 92 P/9W

Scale in metres

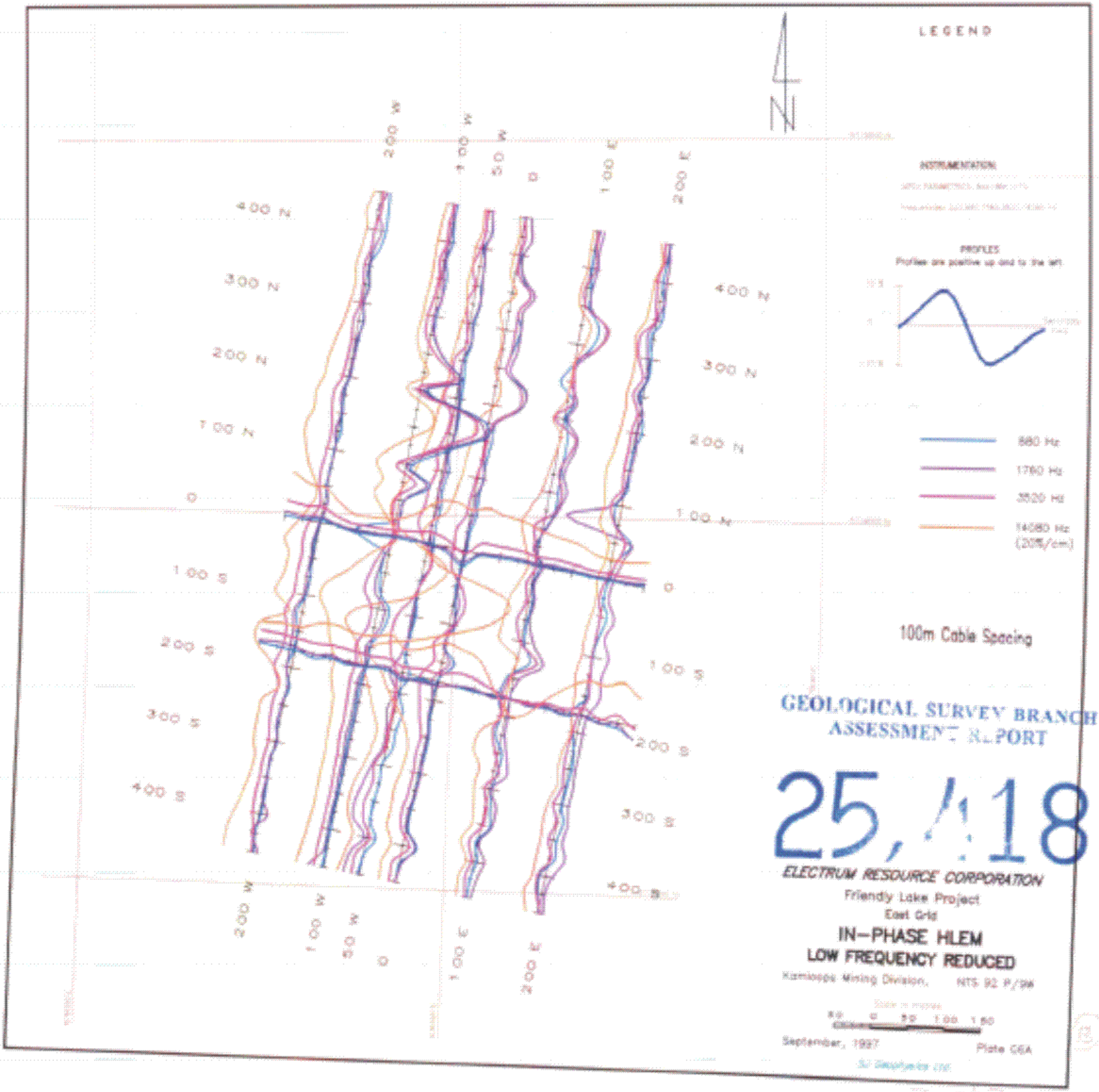
50 0 50 100 150

September, 1997 Plate G5B

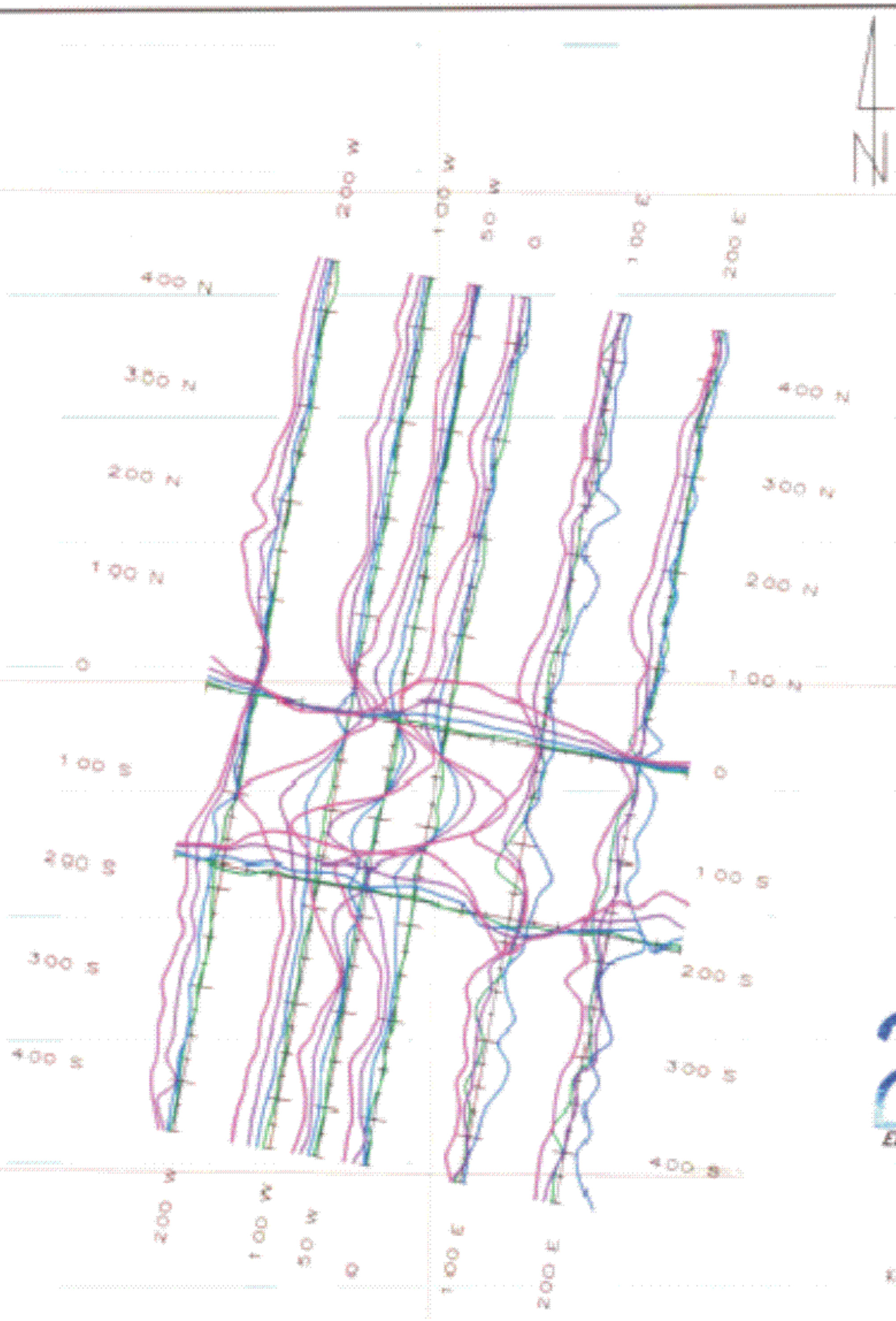
SJ Geophysics Ltd.

(12)

2 of 2



LEGEND
N
INSTRUMENTATION
PROFILES
Profiles are positive up and to the left
880 Hz
1760 Hz
3520 Hz
14080 Hz
(20%/cm)
100m Cable Spacing
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,118
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
East Grid
IN-PHASE HLEM
LOW FREQUENCY REDUCED
Kamloops Mining Division, NTS 92 P/9W
September, 1997
Plate G6A
400 N
300 N
200 N
100 N
0
100 S
200 S
300 S
400 S
200 W
100 W
50 W
0
100 E
200 E



LEGEND

INSTRUMENTATION

PROFILES
Profiles are positive up and to the left

220 Hz
880 Hz
1760 Hz
3520 Hz

100m Cable Spacing

ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
East Grid

QUADRATURE HLEM

Kamloops Mining Division. NTS 92 P/9W

50 0 50 100 150

September, 1997 Plate 06B

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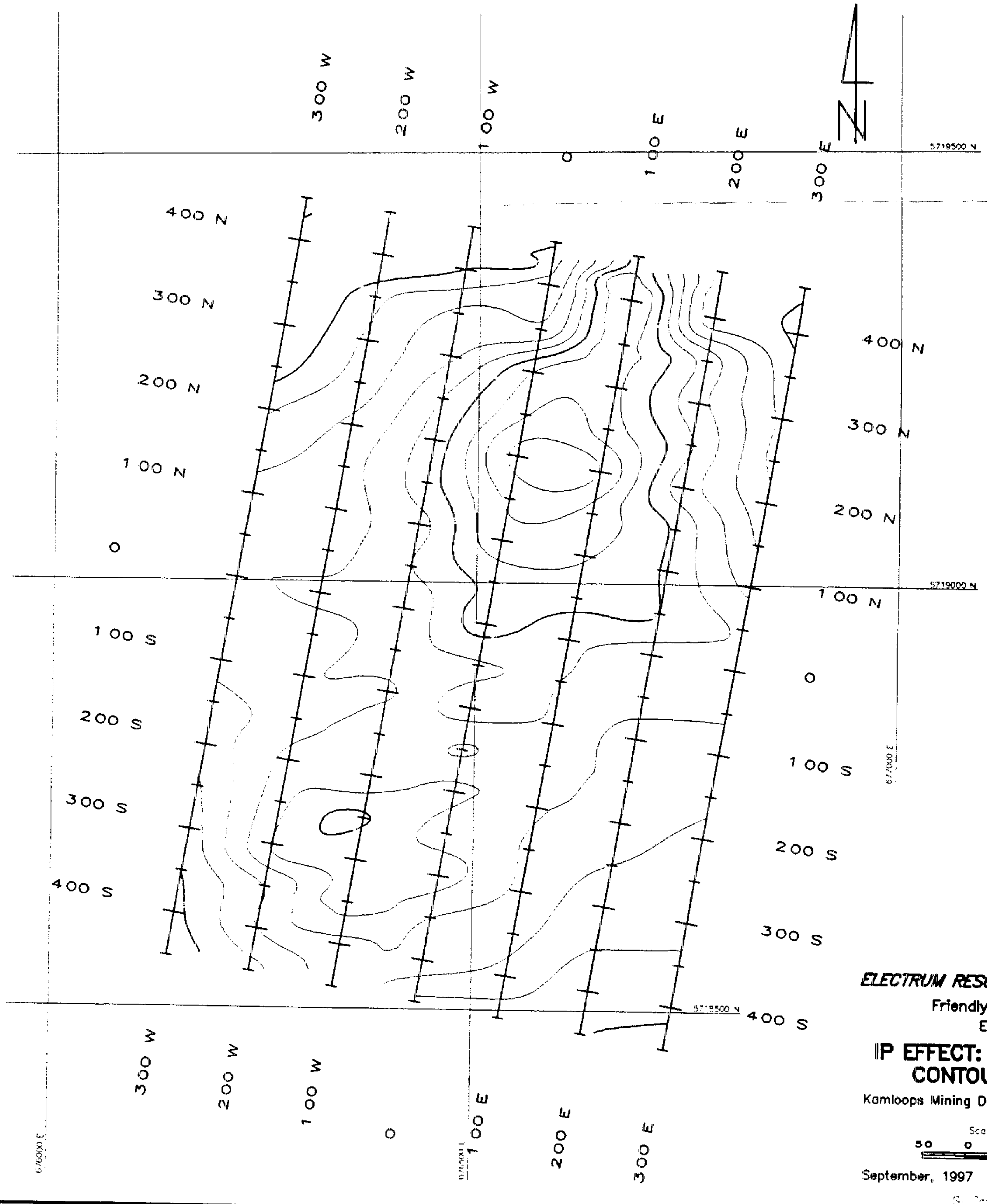
2 of 2



LEGEND

INSTRUMENTATION:

Receiver: Androtex IPR6

Transmitter: Androtex 10KW

Generator: 15KW Honda 18Hp

Pole – Dipole Array

"a" = 50 m, n = 1,2,3,4,5,6

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,418

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project
East Grid

IP EFFECT: CHARGEABILITY CONTOURS (msec)

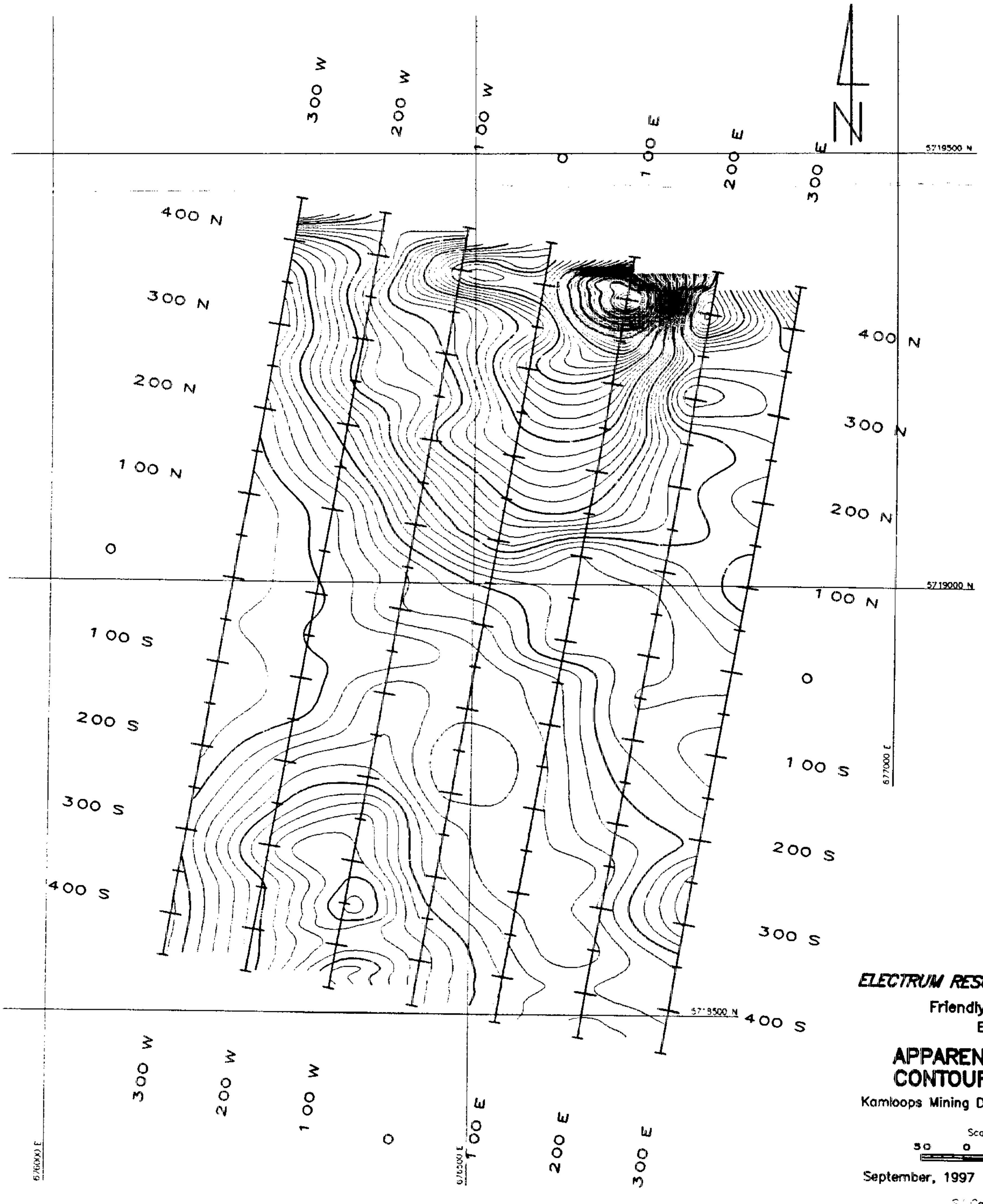
Kamloops Mining Division, NTS 92 P/9W

Scale in metres
50 0 50 100 150

September, 1997 Plate G7A

(15)

2 of 2



LEGEND

INSTRUMENTATION:

Receiver: Androtex IPR6

Transmitter: Androtex 10KW

Generator: 15KW Honda 18Hp

Pole – Dipole Array

"a" = 50 m, n = 1,2,3,4,5,6

...CAL SURVEY BRANCH
...SSMENT REPORT

25,418

ELECTRUM RESOURCE CORPORATION

Friendly Lake Project
East Grid

APPARENT RESISTIVITY CONTOURS (ohm–m)

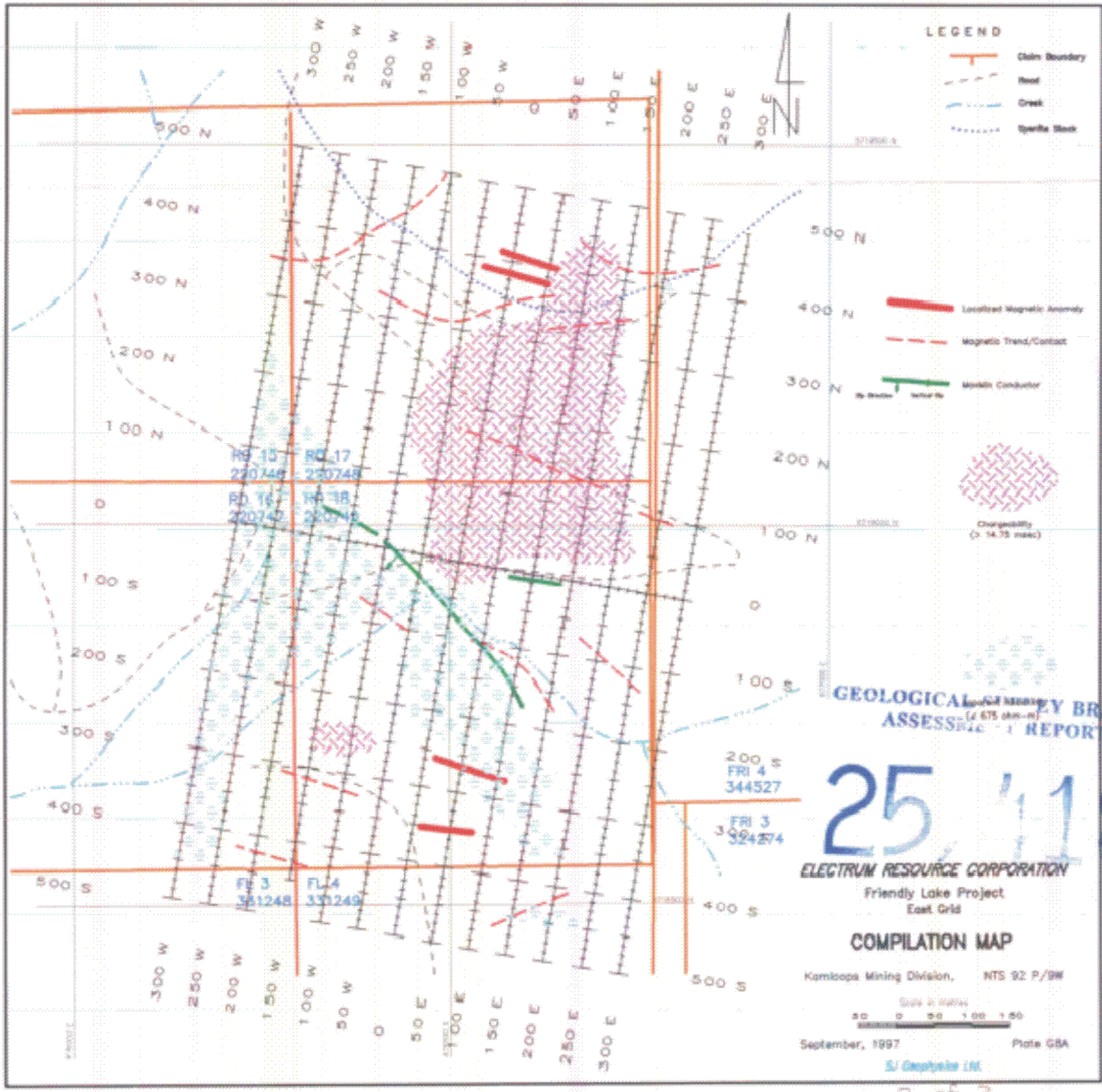
Kamloops Mining Division, NTS 92 P/9W

Scale in metres
50 0 50 100 150

September, 1997 Plate G7B

(16)

2 of 2



LEGEND
Claim Boundary
Road
Creek
Syenite Stock
Localized Magnetic Anomaly
Magnetic Trend/Contact
MaxMin Conductor
Chargeability
(> 14.75 msec)
RD 13
220746
RD 17
220748
RD 16
220747
RD 18
220749
FRI 4
344527
FRI 3
324274
FL 3
331248
FL 4
331249
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
25,118
ELECTRUM RESOURCE CORPORATION
Friendly Lake Project
East Grid
COMPILATION MAP
Kamloops Mining Division, NTS 92 P/9W
Scale in metres
September, 1997
Plate G8A
SJ Geophysics Ltd.

2 of 2