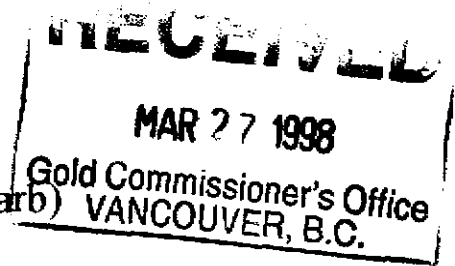


GEOLOGICAL ASSESSMENT REPORT

ON THE

HILLSBAR NO. 1

(Hillsbar 1, Hillsbar 2, Victor, Mike & Barb)



AND

HILLSBAR NO. 2

(John Walters, Bar-Gold, Edgar, Louise & Solomon)

CLAIM GROUPS

NEW WESTMINSTER MINING DIVISION
Latitude 49° 32' N and Longitude 121° 22' W
NTS 92H/11W

Prepared For

HILLSBAR GOLD INC.
Box 250
4927 Laurel Road
Sechelt, B.C. V0N 3A0

By

D.G. CARDINAL, BSc., P.Geo.
CARDINAL GEOCONSULTING LTD.

HOPE, B.C.
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
MARCH 6, 1998



25,451

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A. INTRODUCTION

The writer was retained by Hillsbar Gold Inc. of Sechelt, British Columbia to conduct preliminary reconnaissance mapping on the Hillsbar No.1 & No.2 mineral claim groups. The work, which was carried out between September 1 and November 1, 1997, was for assessment work purposes.

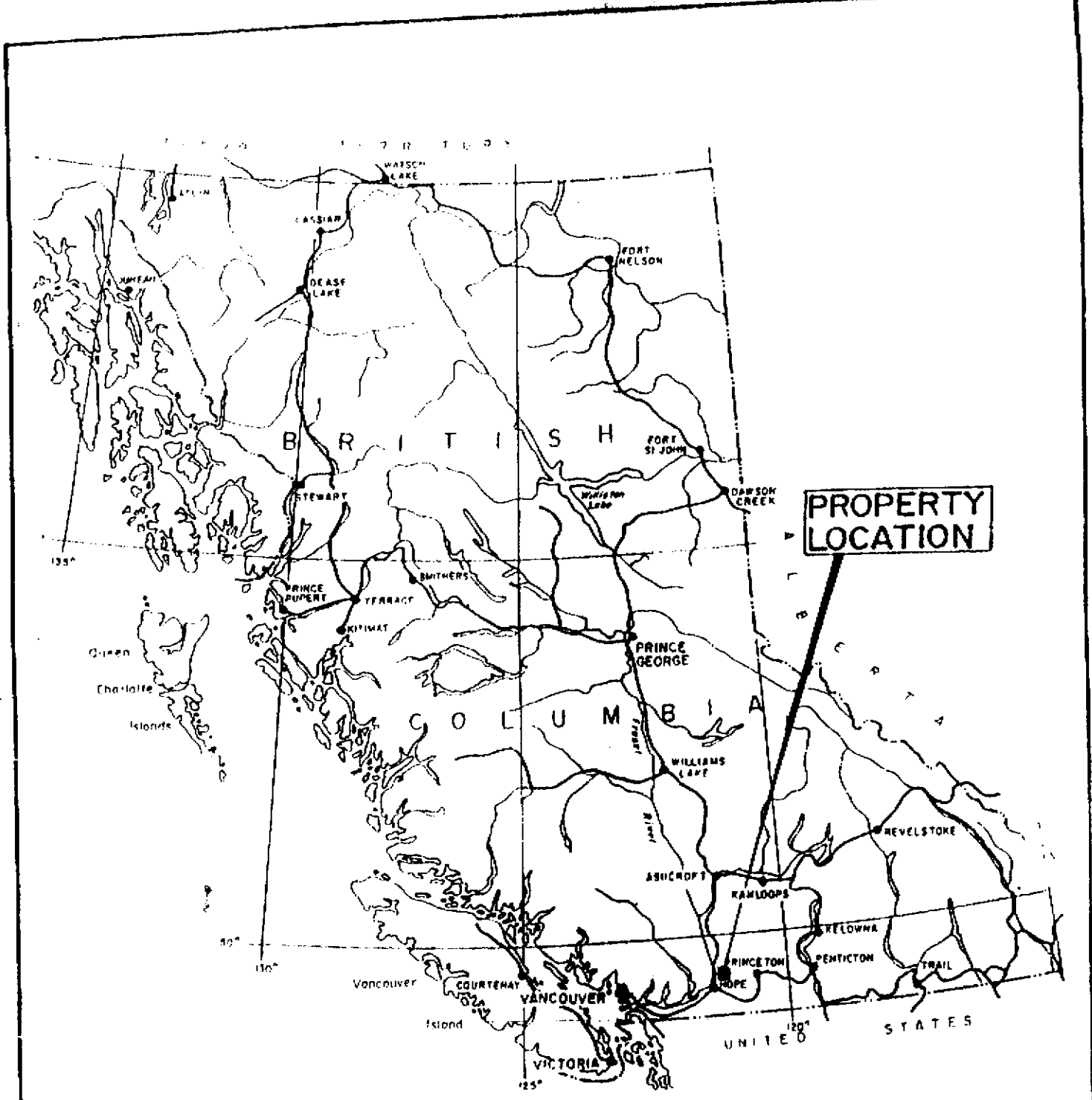
Majority of the reconnaissance work was concentrated on the Hillsbar 1, Mike and Barb claims which form the northern and eastern part of the Hillsbar No.1 group. Additional work was also carried out on portions of the Hillsbar No.2 group, on the Edgar and Louise claims.

Based on the writer's experience, the eastern portion of the Hillsbar No.1 would appear to have the best potential for gold exploration. The claims along this area straddle a section of the Hozameen Fault system and the Coquihalla Serpentine - Gold Belt (G.E. Ray, 1986 & 1989). The belt is a host to a number of old gold showings and former producing gold camps including the Carolin Mines. The writer strongly recommends that Hillsbar Gold Inc. concentrates its future gold exploration efforts in this area of the claims.

The Hillsbar 1 and Mike claims cover the northern extension of the East and West Hozameen faults. The 2 fault systems converge in this area to form a potentially important structure favourable for deposition of gold-bearing quartz type structures. Mineralized gold-bearing quartz veins can be found to the north and south of the claims, hosted in the fault system.

This area has also experienced very limited gold exploration mainly to due poor access. However, in recent years, logging has opened up the area affording much improved access. As well, for the most part, the west Hozameen Fault has mainly been neglected and has not been seriously explored for its gold potential in contrast to the East Hozameen Fault, which historically has received extensive exploration and is spatially related to a number of former gold producing mines.

Limited reconnaissance surveys were also conducted on portions of the Hillsbar No.2 group. Sampling traverses and geological surveys were carried out on parts of the Edgar and Louise claims. Some attempt was also made to locate a reported old gold tunnel along Qualark Creek, without much success.



HILLSBAR GOLD INC. HILLSBAR PROPERTY		
LOCATION MAP		
SCALE AS SHOWN	N.T.S. 92M/11W	FIGURE NO. 1
DRAWN BY	DATE	



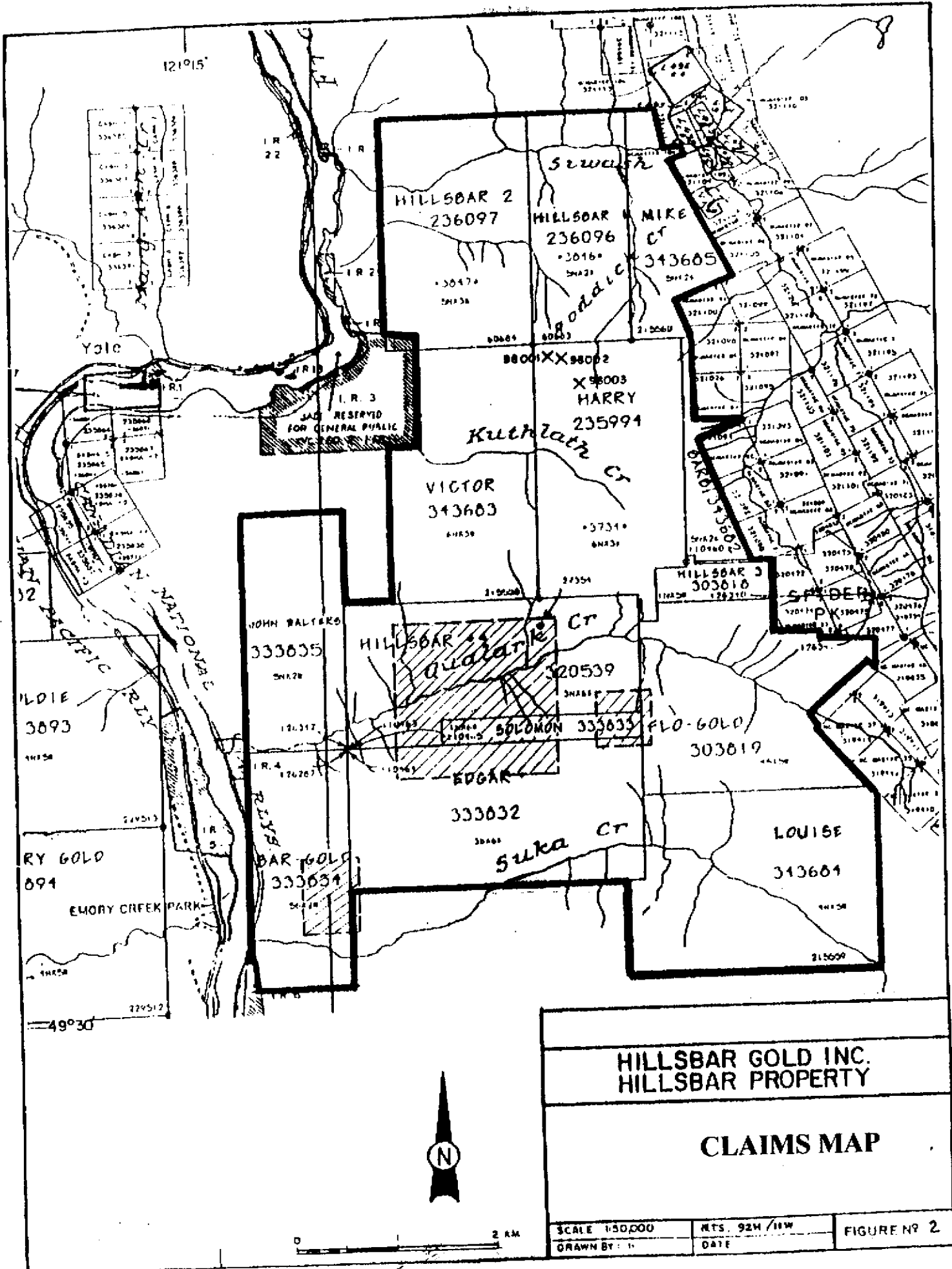
0 100 200KM

B. LOCATION AND ACCESS

The property is located in southwestern British Columbia, approximately 15 km north-northeast of the town of Hope. Hope is forms part of important major transportation corridor for both the railways and highways.

The south portion of the property, Hillsbar No.2, is accessible only by helicopter, which is about a 15 minute ferry time from Hope. Former access into the area was on logging roads, which have since become impassable due to slides and washouts. The north portion, which forms the Hillsbar No.1, has logging roads but require upgrading for proper access. Presently a 4-wheel drive vehicle can reach with about a kilometer of the claims. A helicopter from Hope is currently utilized, a 20-25 minute ferry ride, to reach the main areas of interest.

Geographically, the claims are situated in the northern Cascade Mountain Range and cover an extensive area. The west boundary of the claims flank the east side of the Fraser River canyon an area located between Hope and Yale. The south boundary of the Hillsbar No.2 group covers a portion of Suka Creek valley with the Hillsbar No.1 group covering the northern extensions along Siwash Creek. The claims cover an area encompassing some 4,700 hectares (or 11,615 acres).



C. CLAIM STATUS

For assessment work purposes, the claims are divided into 2 separate groups: the Hillsbar 1 & 2 groups. The Hillsbar No.1 consists of 5 contiguous mineral claims – Hillsbar 1 & 2, Victor, Mike and Barb. The Hillsbar No.2 consists of 4 contiguous mineral claims – John Walters, Bar-Gold, Edgar and Louise.

The claims lie within the New Westminster Mining Division and are located on claim map NTS 92/11W. The NTS co-ordinates, which centrally locate the claims, are: Latitude $49^{\circ}32' N$ and Longitude $121^{\circ}22' W$,

The registered claim owner is Hillsbar Gold Inc. of Sechelt, B.C. The table below shows the current claim status.

Table 1.

<u>Group Name</u>	<u>Claim Name</u>	<u>Tenure No.</u>	<u>No. of Units</u>	<u>Current Expiry Date</u>
Hillsbar No.1	Hillsbar 1	236096	10	January 18, 1999
	Hillsbar 2	236097	15	January 18, 1999
	Victor	343683	18	February 13, 1999
	Mike	343685	10	February 13, 1999
	Barb	343682	10	February 13, 1999
Hillsbar No.2	John Walters	333835	10	January 28, 1999
	Bar-Gold	333834	10	January 28, 1999
	Edgar	333832	18	January 28, 1999
	Louise	434684	20	February 13, 1999
	Solomon	333833	<u>6</u>	January 28, 1999
		Total	127	

D. BRIEF HISTORICAL BACKGROUND

Historically, the Fraser River Canyon between Hope and Yale has experienced placer and gold mining activity dating back to the turn of the century. In fact, Yale at one time, during its brief gold-booming live, was the largest city north of San Francisco. It was also the terminus for the stern wheelers and the start of the Cariboo wagon trail, which lead to the Cariboo gold fields.

As the '49ers' - the placer and lode gold seekers from the California gold fields - headed north to the BCs interior in the 1850s, many stopped to rest and to work the various small tributaries of the Fraser River and its gravel bars.

Placer gold was found on bars such as the Hills and Emory, which became the most prolific bars in the canyon. Tributaries such as the Siwash, Emory, and Hillsbar (now Qualark) creeks were explored for the possible source of the placer gold discovered on the bars. Subsequently, circa 1891, hard rock miners discovered gold-bearing quartz veins along Siwash Creek. For a brief period between 1900-1906, 2 stamp mills operated at Siwash forks. Gold-bearing quartz veins were also discovered along Qualark Creek in 1921. By 1927, it is reported that 3 tunnels had tested the vein system.

During this period gold was also discovered along a serpentine belt, which the experienced California miners recognized as having very similar geological bedrock as the Mother Lode Gold Belt. The Emancipation (1915) and the Aurum (1927) mines briefly produced high-grade gold. Numerous other small mines and workings along the serpentine belt tested for gold, which included the Pipestem, McMaster, Idaho, Pittsburgh and the Montana to name a few. The Idaho-Pittsburgh workings subsequently formed the Carolin gold mine, a 1,500 tonne per day operation, which briefly went into production between 1982-84. Today, this belt is referred to as the Coquihalla - Serpentine Gold Belt (G.E. Ray, 1990).

The Hillsbar claims were subsequently re-staked by Hillsbar Gold Inc. to cover the old gold workings found along Qualark Creek. Between 1930-74, very little attention was given to this area. In 1975, Carolin Mines Ltd. Conducted limited exploration, evaluating the old Hillsbar tunnels and examining the gold-bearing quartz veins. Hillsbar Gold gradually increased its land position in the area by staking a large piece of ground between Suka and Siwash creeks. Recent (1992-96) work by Hillsbar Gold was concentrated along Qualark Creek valley. This included re-sampling of the old tunnel and conducting limited geophysical and sampling surveys along old logging roads, which expose both granite and Hozameen sedimentary-chert rocks.

This season, between September and November 1997, the writer was requested by Hillsbar Gold Inc. to conduct limited reconnaissance surveys on the Hillsbar group for assessment work purposes. Based on the writer's geological knowledge of the area and experience on the Coquihalla Gold Belt, it was decided that ground covering a portion of

the belt warranted some attention. The writer also believes that there is greater potential of discovering gold-bearing structures in this area because of the favourable geological setting. As well, it appears little to no exploration work was ever conducted in this area. Therefore, limited reconnaissance surveys were carried out over the Barb, Mike and Hillsbar claims, which make up the Hillsbar No. 1 group. As a result of the limited mapping and sampling surveys, the area warrants a detail geological and sampling program. The writer recommends that for the 1998 field season, a program orientated to explore and evaluate the gold potentials of the area, which covers a section of the gold belt, should be carried out.

E. REGIONAL GEOLOGY AND GOLD MINERALIZATION

The Hozameen Fault forms a major, steeply dipping, north-northwest-trending fracture system that exceeds 100 km in length in southwestern British Columbia. Southward, it extends into Washington State, while to the north it is truncated by the younger Hope-Fraser Fault systems.

The Hozameen Fault is associated with the Coquihalla – Serpentine Gold Belt and separates two distinct crustal units (G.E. Ray, 1985 & 1990). Northeast of the fault are greenstones of the Early Triassic Spider Peak Formation, which are unconformably overlain by Jurassic to Cretaceous turbidite and successor basin deposits of the Pasayten Trough.

The oldest sedimentary rocks in the trough, the Ladner Group, contain a locally developed basal unit that hosts the former Carolin mine - Idaho Zone gold deposit, along with several other smaller, former gold producers. Southwest of the fault, the Permian to Jurassic Hozameen Group represents a dismembered ophiolite succession comprising ultramafic rocks of the Petch Creek serpentine belt, overlain in turn by greenstone and chert units.

The Coquihalla Gold Belt shows similarities in its geological setting, mineralogy and alteration assemblages to the Bridge River camp of British Columbia and the Mother Lode district of California. It comprises five past-producing mines (Carolin, Emancipation, Aurum, Pipstem and the Ward mine) as well as at least 25 minor gold occurrences. Total production from the belt was 1473 kilograms of gold from just over 800,000 tonnes of ore mined, although over 90% of this came from the Carolin mine.

The source and age of the gold mineralization in the belt is unknown. The Hozameen fault probably played an important role as a conduit for ore-forming fluids; most of the occurrences are hosted by the Ladner Group and lie close to the Hozameen fault. However some gold mineralization is hosted by the Spider Peak Formation (e.g.

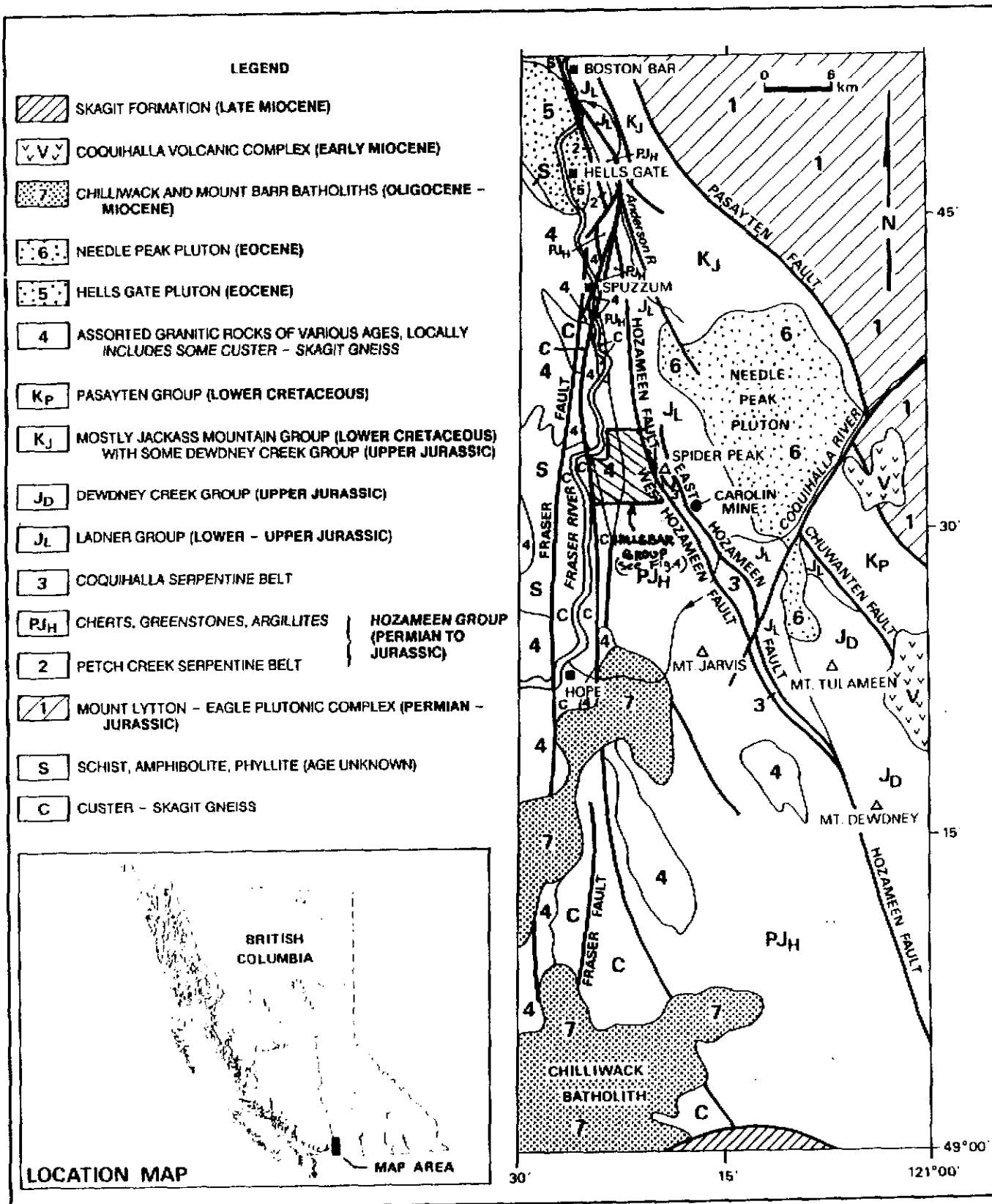


Figure 3a. Regional geology of the Hope-Boston Bar area (adapted from Monger, 1970; Ray, 1986b).

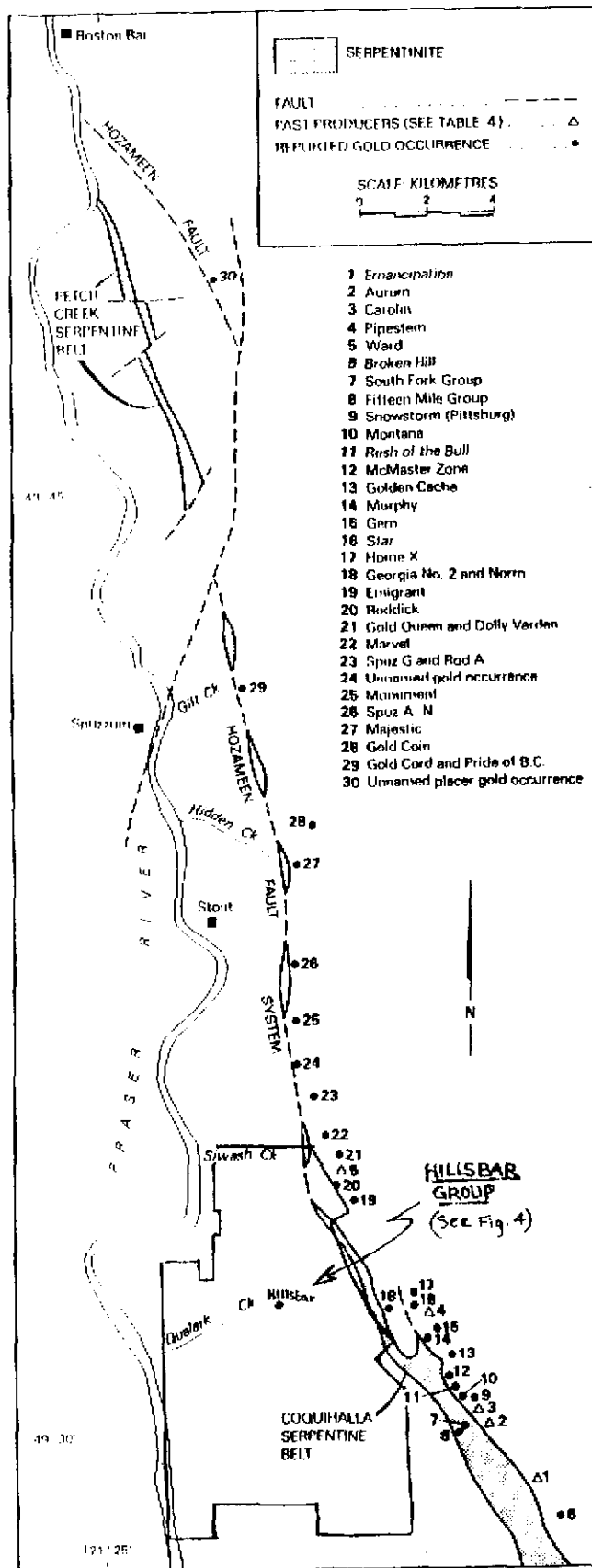
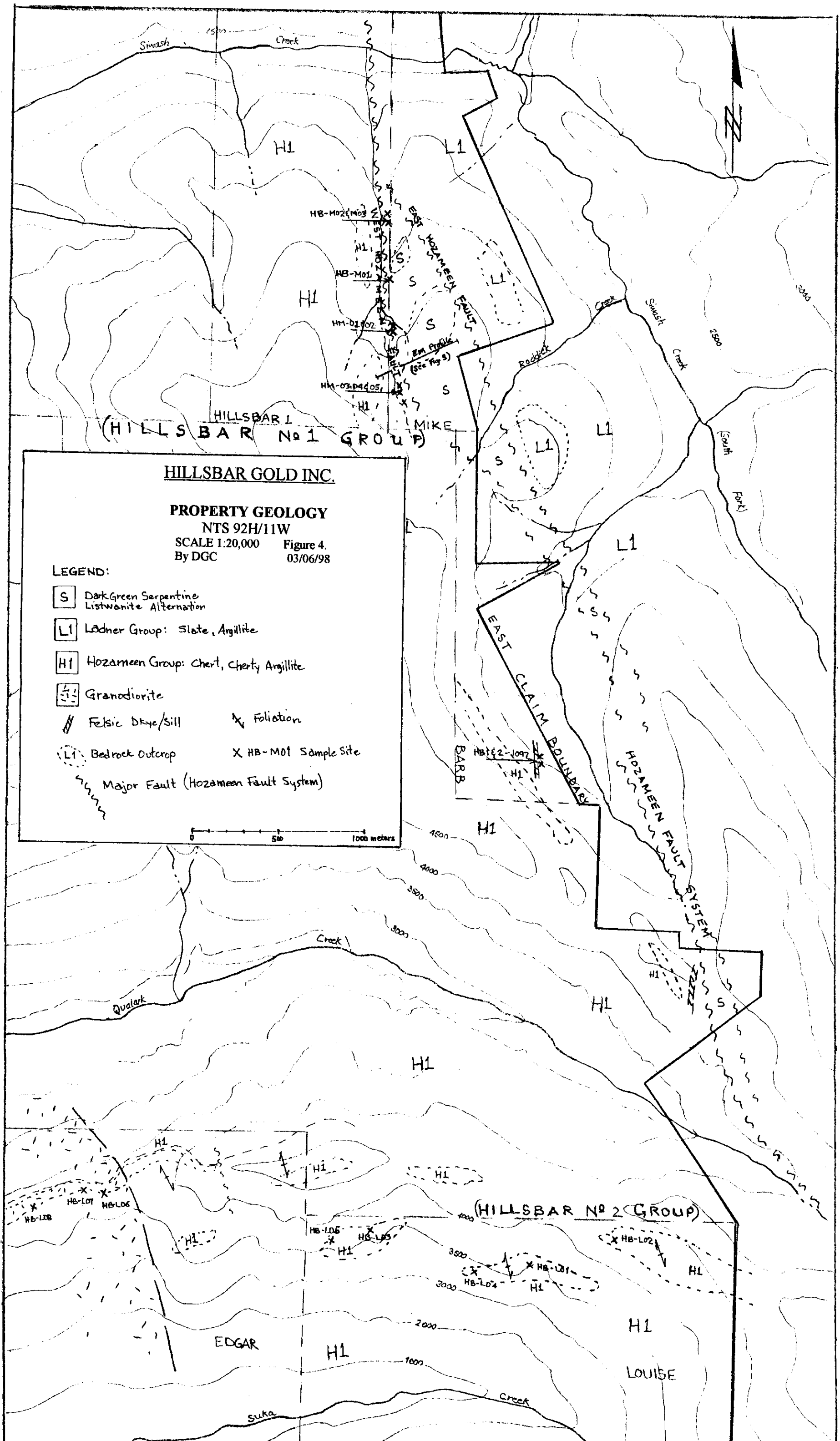


Figure 3b. Location of the past-producing mines and minor occurrences comprising the Coquihalla gold belt.



HILLSBAR GOLD INC.

PROPERTY GEOLOGY
 NTS 92H/11W
 SCALE 1:20,000 Figure 4.
 By DGC 03/06/98

LEGEND:

[S]	Dark Green Serpentine Listwanite Alternation	[X]	Foliation
[L1]	Ladner Group: Slate, Argillite	[X]	HB-M01 Sample Site
[H1]	Hozameen Group: Chert, Cherty Argillite		
[G]	Granodiorite		
[//]	Felsic Dyke/Sill		
[L1]	Bedrock Outcrop		
[---]	Major Fault (Hozameen Fault System)		

0 500 1000 meters

Emancipation mine) or is associated with a suite of small sodic felsic intrusions of uncertain age that cut the Ladner Group (e.g. Ward mine).

There is potential for the discovery of more auriferous mineralization in the Coquihalla Gold Belt. The reported occurrence of placer platinum in Sowaqua Creek raises intriguing possibilities that the Coquihalla serpentine belt represents an exploration target for platinum-group elements.

F. PROPERTY GEOLOGY

The property encompasses an area covering roughly 5 km wide by 9 km long. Underlying this area are major geological rock formations and structures that are important for potentially hosting gold mineralization.

Majority of the recent work conducted by others (B. Lennon, 1996 & M. Bradely, 1992 & 93) was concentrated along Qualark Creek area, which forms the Hillsbar #4 and Flo-Gold mineral claims. The writer also briefly examined sections of the creek and carried out reconnaissance traverses on the contiguous claims to the south (Edgar & Louise). The area in general, is predominately underlain by granodioritic rocks of the northern Cascade Range. These rocks intrude cherts and cherty argillites of the Hozameen Group.

Reconnaissance mapping and sampling surveys were conducted on the Edgar and Louise claims along an east-west trending ridge, which forms the height of land between the Suka and Qualark watersheds. A thick section of northwest-southeast trending, steeply dipping-foliated, graphitic-cherty argillites were observed. This unit is intruded by light grey, medium grained, dioritic granite. The granite in places, is cut by irregular, late stage, quartz fissure veins. The veins where observed, were barren of any mineralization and, are usually milky white in color.

An attempt was also made to locate a reported old tunnel located along Qualark Creek (not related to the Hillsbar tunnels, which are well documented in other reports), which apparently followed a gold-bearing quartz structure. Unfortunately, a number of slides and washouts have occurred along this area since logging has taken place. The area where the tunnel, is said to be located, is also hampered by steep, unstable slopes. As well, the slides in the area could easily have buried the workings, leaving little to no trace of their existence.

The writer believes that main area of interest for potential gold mineralization, occurs along the Barb, Mike and Hillsbar 1 claims, which form part of the Hillsbar No. 1 group. These claims cover a section of both the east and west Hozameen fault systems and the Coquihalla – serpentine gold belt, which hosts a former producing gold camp.

Reconnaissance mapping surveys were conducted along the eastern claim boundary of Barb claim. The claim boundary parallels the west Hozameen fault. West of the fault is the Hozameen Group rocks comprised of thick unit of steeply dipping and foliated, northwest trending, cherty argillites. Immediately to the east of the fault, in fault contact with the Hozameen rocks, is a zone of intensely sheared talcose serpentine associated with indurated lenses of listwanite alteration. These altered and sheared rocks form part of the Coquihalla-serpentine gold belt. "Listwanite" is an important fuchsite-bearing quartz-magnesite rock, which in places along the belt, is known to be spatially related to gold mineralization. Along the claim boundary and west of the fault, cutting the cherty argillites, is a fined grained, cream colored, mineralized, felsic dyke/sill. Fine, fracture-filled arsenopyrite veinlets are associated with the felsic rock.

Also just east of the claim boundary is Spider Peak, a prominent ridge in the area, which is comprised of a thick sequence of volcanic greenstone making up the Spider Peak Formation (G.E. Ray, 1990). The formation is interpreted to be part of an unconformable basement for the overlying Ladner Group sediments.

The west Hozameen fault and the Coquihalla – serpentine belt is traceable from the Barb claim northward to the Mike and Hillsbar 1 claims. Reconnaissance mapping and sampling carried out over a portion of the claims have defined the extension of the west Hozameen fault. Surveys conducted west of the fault have mapped thick banded, light colored, chert rocks. In fault contact with the chert, and to the east of the fault, is a wide belt, 300 m to 400 m, of dark green, massive serpentine.

A small, north-flowing stream, which empties into the Siwash Creek, was partly traversed by the writer. The stream follows the west Hozameen fault fracture, and according to Ministry of Mines geological surveys (G.E. Ray, 1990), the west and east Hozameen fault systems converge along this stream. The writer did not have the opportunity do to limited time, to examine and trace this important structure however, one site along the stream was panned to examine for trace heavy metals. The heavys contained magnetite and chromite grains along with 2 fine, white-silver, platinum-like colors. It is possible for platinum mineralization to occur along this area as the bedrock serpentine and related fault structures are potentially favourable to hosting such potential platinum-group elements. As well, angular, mineralized quartz float was also noted along the stream.

Additional traverses were carried out along the east boundary of Mike claim, which parallels the east Hozameen fault. The serpentine in this area is in fault contact with north-northwest trending, steeply dipping, carbonaceous shale and argillite belonging to the Ladner Group.

The Mike and Hillsbar 1 claims cover an important fault structure and favourable geology, which offers an excellent gold exploration target. Known gold-bearing quartz veins (Monument Vein) are also found north of the claims along strike and adjacent to

the Hozameen fault zone. Geochemically, gold anomalous related listwanite rocks can also be found along the fault, which are important as gold exploration targets. Platinum – group mineral investigation along Hozameen – serpentine fault contact is warranted.

G. DISCUSSION OF RESULTS

Limited reconnaissance sampling was carried out along parts of Louise and Edgar claims. A total of 8 rock-grab samples were collected from bedrock exposures. Five (5) of the samples were from mineralized, cherty argillites, which contained finely disseminated pyrrhotite and minor quartz veinlets. Three (3) samples were from quartz fissure veins, which cut the granodiorite. The samples were geochemically analysed for multi-elements including gold.

None of the rock samples analysed returned any anomalous amounts of gold. One sample, HB-L07, showed anomalous lead (522ppm), zinc (1090ppm), and copper (111ppm). Another sample, HB-L08, contained anomalous arsenic (680ppm).

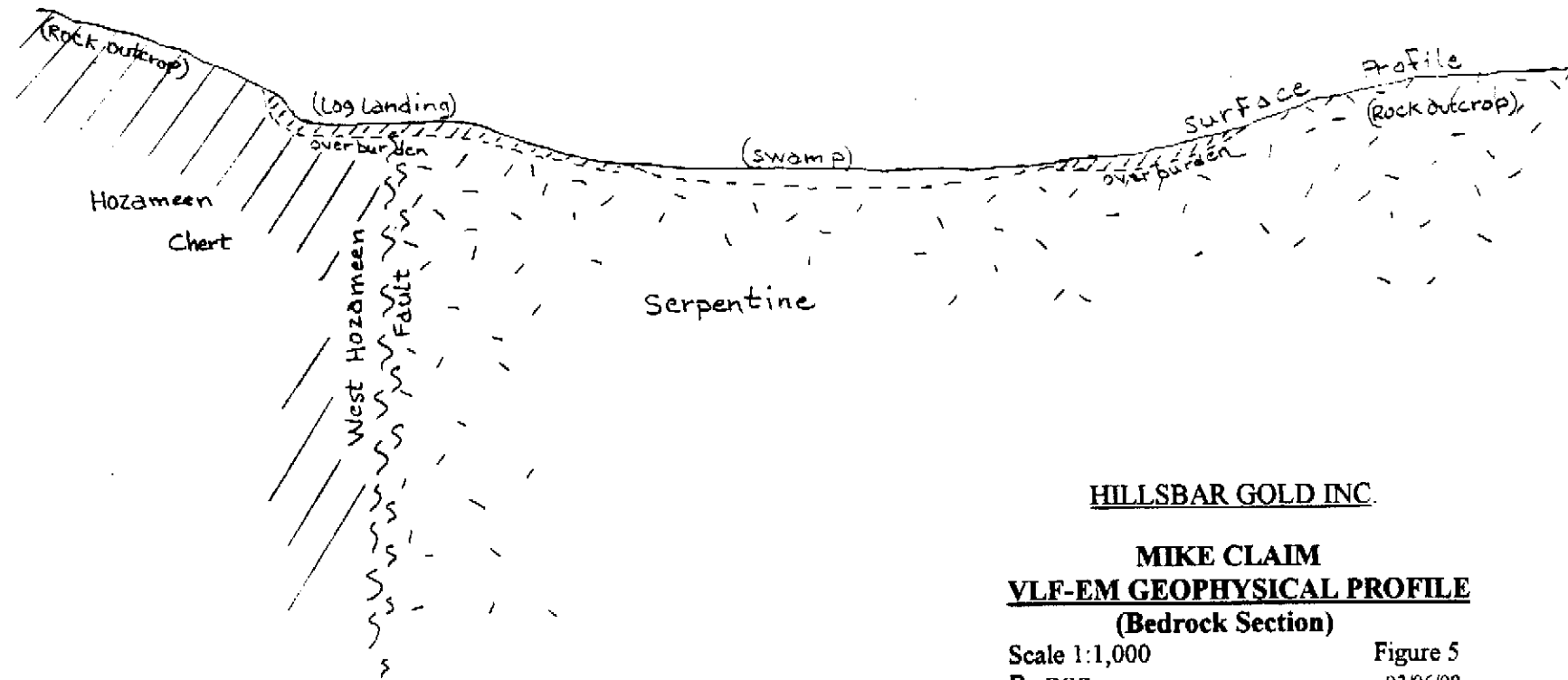
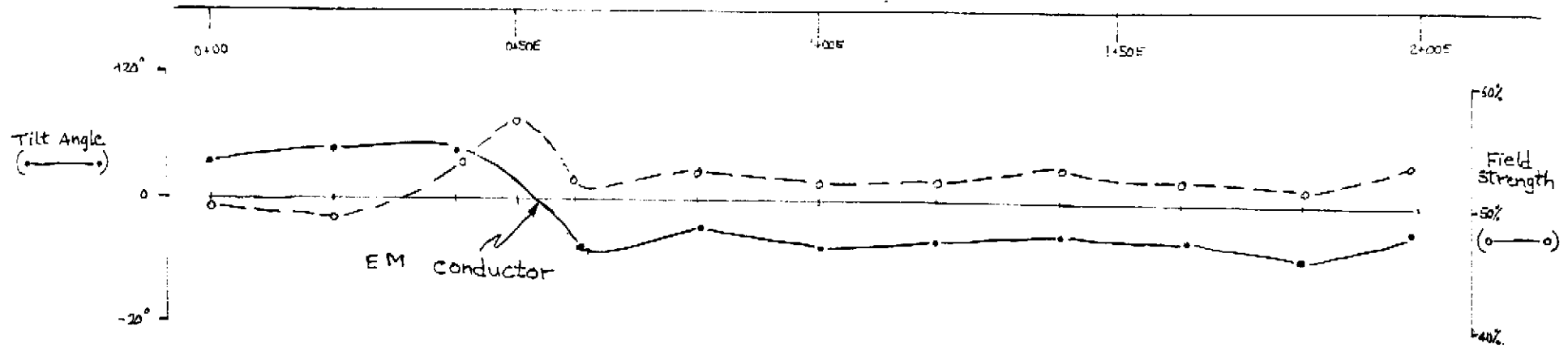
The Hozameen Group rocks – cherty argillites are not generally known to carry anomalous gold, if so, it normally occurs as small, isolated anomalies, which the sampling data tends to support. The quartz veins samples obtained from the granodiorite are also bearers of gold. However, the old Hillsbar tunnels along Quarlark Creek are reported to carry gold values in quartz veins hosted in granite.

Limited sampling was carried out along the eastern boundary of the Barb claim and along the Mike claim, following the west Hozameen fault system. A total of 10 rock-grab samples were collected. Several of the samples were anomalous with respect to gold and arsenic. It should be noted that 40ppb Au or higher along the Coquihalla gold belt is considered to be anomalous. As well, arsenic (As) is characteristically associated with gold and is used as a pathfinder element for gold. Two (2) samples (HB 1 & 2-1097) were obtained from the Barb claim, from a mineralized felsic dyke/sill, which hosted narrow fracture veinlets of arsenopyrite. These samples returned 49ppb Au/1351ppm As and 219ppb Au/755ppm As respectively.

Two (HB-M02 & M03) other anomalous gold-arsenic rock samples, which contained mineralized quartz and breccia fragments, were obtained as float material from the small stream on the Mike claim. HB-M03 sample is highly anomalous with respect to gold and arsenic containing 1160ppb Au and 3904ppm As. Although these samples are float material, their angular shape suggests they were transported down stream for only a short distance. These samples also come from near the area where both the east and west Hozameen faults converge and may reflect a mineralized quartz system associated with the faults.

West

East

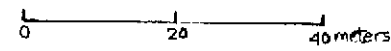


HILLSBAR GOLD INC.

MIKE CLAIM
VLF-EM GEOPHYSICAL PROFILE
(Bedrock Section)

Scale 1:1,000
 By DGC

Figure 5
 03/06/98



The Hozameen fault system is known to host several gold-bearing quartz veins all associated with arsenopyrite mineralization. The element arsenic, is considered a good pathfinder for gold exploration along the Coquihalla gold belt. The fault system may act as a conduit for migrating hydrothermal, gold-bearing solutions to produce the gold veins found along the belt. Such potential gold mineralized systems may also occur within the Mike and Hillsbar 1 claims.

The potential for platinum-bearing mineralization on the claims should also not be overlooked. Panning along the small stream produced fine platinum-like colors, which may have originated from the serpentine body found on the Mike claim.

Additionally, a geophysical profile was conducted on the Mike claim, over the west Hozameen fault, to determine if the fault system would produce a conductive signature. A VLF-EM Receiver - Sabre Model 27 instrument was employed. A conductor with a strong signature response was outlined, reflecting the fault system. The profile indicates that VLF-EM surveys would assist in locating the fault in areas where it is covered by overburden.

H. FIELD SURVEY PROCEDURES

Helicopter support was required to conduct mapping traverses on the Louise and Edgar claims. Surveys were carried out along height of land where rock outcrop was more abundant. Additional surveys were conducted along an old logging road, which was still intact at higher elevations and where the road was not prone to washouts. The road cut across wide sections of bedrock.

Helicopter support was also required on the Barb and Mike claims. Although a 4x4-wheel vehicle was utilized to partly access the northern portion of the Mike claim.

The property geology was mapped at reconnaissance scale of 1:20,000, utilizing topographic maps and available government geological survey maps. Brunton and hip chain were used for control to tie in bedrock outcrop and logging roads.

For the geophysical survey, a 200 meter, east-west cross line was established using brunton and hip chain. Stations were flagged with ribbon at every 20 meter intervals. The instrument employed was a Sabre Model - VLF-EM Receiver. The Receiver was tuned to the Seattle transmitter (station NPG @ frequency 18.6 KHz). The survey procedures were followed according to the field manual, which included the following the steps:

1. With the instrument held horizontal in front of you, turn around until a null appears on the field strength meter. You should now be facing the station.

2. With the receiver still facing the station, lift it to the vertical position and rotate it slightly in the vertical plane to your right or left until the best null appears on the field strength meter. Record the angle on the inclinometer at which the null appears. This is the Dip Angle (positive or negative).
3. Return the instrument to the horizontal plane and turn around until the field strength meter is at its maximum reading. Set this maximum reading at 100 on the meter and record the reading on the gain control dial. This is the Field Strength Reading.
4. Repeat steps 1, 2 and 3 at each station.

I. CONCLUSIONS AND RECOMMENDATIONS

- The Barb, Mike and Hillsbar 1 claims cover a favourable geological structure – the east and west Hozameen fault system, and a past producing gold camp – the Coquihalla Gold Belt.
- The Coquihalla Gold Belt has strikingly similar geological settings as the California Mother Lode Gold Belt and Bride River Gold Belt in B.C. Both of these belts have historically been strong gold producing camps.
- Several rock samples collected from claims returned encouraging results with geochemical anomalous values in gold and associated arsenic, which warrants serious investigation.
- Surveys from the Louise and Edgar claims did not produce any encouraging gold results.
- A geophysical profile conducted over a portion of the Mike claim, generated a strong EM conductor, reflecting the west Hozameen fault system. This suggests a VLF-EM instrument may be utilized to follow the fault in areas where it is covered by overburden.
- Mineralized, angular quartz float material was found on the north-flowing small stream on the Mike claim, which indicates a potential mineralized quartz vein system in the area. The Hozameen fault is known to be associated with several gold-bearing quartz veins, which forms part of the Coquihalla Gold Belt. Similar type of mineralization and controls may found on the claims.
- Fine platinum-like colors were panned from the stream, possibly originating from the wide belt of serpentine found on the claim. Further to the south along the serpentine

- belt, platinum placer is also reported to been found on Sowaqua Creek, also possibly originating from the serpentine.

It is therefore recommended that an exploration program be established and orientated to follow up the encouraging results obtained from the 1997 reconnaissance surveys. The program should be designed toward exploring the Hozameen fault structures and the serpentine belt and, evaluating the potential for gold mineralization and platinum-group minerals on the claims.

The following proposed estimated cost breakdown is recommended for the initial phase of the exploration program.

Proposed Surveys	Estimated Costs
A. Geological Mapping: (30 days @ \$600/d) <i>Geologist & Experienced Prospector-Field Assistant</i>	\$ 18,000
B. Geochemical Surveys: Au + As + Pt-group elements – soils & silts Au + As + Pt-group elements – rocks (500 samples @ \$20 per sample plus 2 samplers, 20days @ \$300/d)	16,000
C. Geophysical Surveys: VLF-EM Instrument (rental, 20days @ \$75/d)Field Operator and Assistant (20days @ 300/d)	7,500
D. 4-man Base Camp + Related Camp Materials: (Food, supplies, tent, etc., 30 days @ \$100/d)	3,000
E. Transportation Support: 4x4 Wheel Vehicle (30 days @ \$75/d + gas) Helicopter (5 hours @ \$800/hr)	6,250
F. Compilation of Data + Professional Report:	4,500
Contingencies @ 12 %	6,630
Total Proposed Exploration Expenses (Say \$60,000)	<u>\$ 61,880.00</u>

K. EXPLORATION COST STATEMENT

The exploration costs incurred and submitted for assessment work credits have been divided into 2 groups: Hillsbar No.1 Group (Hillsbar 1 & 2, Victor, Mike & Barb) and, Hillsbar No.2 Group (John Walters, Bar-Gold, Edgar, Louise & Solomon).

HILLSBAR NO. 1 GROUP:

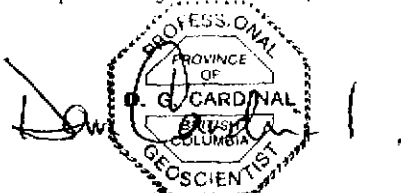
Field work conducted between September 1 and November 1, 1997.

Geological Surveys:	Costs Incurred
Geologist and Assistant (8 days @ \$450 per day)	\$ 3,600.00
Helicopter Support (3 hours @ \$800 per hr.)	2,400.00
Geophysical	580.00
Operator and Assistant (1 day @ \$450 per day)	
VLF-EM Equipment Rental (1 day @ 100 per day)	
4x4-Wheel Truck (3 days @ \$75 per day)	225.00
Report and Data Compilation	2,000.00
	Total <u>\$ 8,805.00</u>

HILLSBAR NO. 2 GROUP:

Geological Surveys:	
Geologist and Assistant (6 days @ \$450 per day)	\$ 2,700.00
Helicopter Support (3 hours @ \$800 per hour)	2,400.00
Report and Data Compilation	1,500.00
	Total <u>\$ 6,600.00</u>

Respectfully submitted,



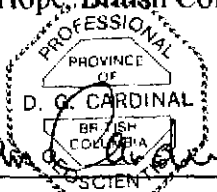
D. G. Cardinal, BSc., P. Geo.

STATEMENT OF QUALIFICATIONS

I, DANIEL G. CARDINAL, of 65661 Birch Trees Drive, mailing address P.O. Box 594, Hope, British Columbia, VOX 1L0, do hereby certify:

1. I am a graduate of the University of Alberta with a BSc., major in Economic Geology, 1978 and, the Northern Alberta Institute of Technology, Technologist Diploma in Exploration-Geology, 1972.
2. I am a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia (#18455); Association of Professional Engineers, Geologists and Geophysicists of Alberta (M#29405); and a Fellow of the Geological Association of Canada (#F4891).
3. I have practiced my profession for the past 20 years in western and northern Canada and western United States, and have experience in precious and base metal projects, industrial minerals and oilsands projects with companies such as: Noranda Explorations Ltd., Cominco Ltd., Aquarius Resources Ltd., Westerra Resources Ltd., Syncrude Canada Ltd., Highland Talc Minerals Ltd., and Athabasca Gold Resources Ltd.
4. I am an independent consulting geologist employed by Cardinal Geoconsulting Ltd. at 451A Wallace Street, Hope, British Columbia.
5. I conducted the reconnaissance surveys on the Hillsbar No. 1 and No. 2 groups and I am the author of this assessment report entitled "Geological Assessment Report on the Hillsbar No. 1 and Hillsbar No. 2 Claim Groups".
6. I do not expect to receive any direct or indirect interests in the claims or from the company, Hillsbar Gold Inc.

Dated at Hope, British Columbia, this 6th day of March, 1998.


Daniel G. Cardinal

D. G. Cardinal, BSc., P. Geo.

L. REFERENCES

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APPENDIX 1

DESCRIPTION OF ROCK SAMPLES

<u>Sample Number</u>	<u>Rock Description</u>
HM-01& 02	Oxidized, iron carbonate, listwanite-fuchsite alteration Collected near old log landing on Mike claim.
HM-03, 04 & 05	Residual soil – iron oxidized, decomposed bedrock. From old logging road on Mike claim.
HB 1 & 2 – 1097	Light colored, fine grain felsic dyke/sill with narrow fracture-filled veinlets of arsenopyrite. Obtain from Barb east claim boundary.
HB-M01, M02 & M03	Angular float material, mineralized quartz with siliceous fragments and fine disseminated pyrite. Obtained from small stream on the Mike claim.
HB-L01 & L02	Graphitic argillite with disseminated pyrrhotite and minor quartz veinlets. Outcrop ridge on Louise claim
HB-L03 – L05	Cherty argillite with finely disseminated pyrrhotite. Road cut on Louise and Edgar claims.
HB-L06	Milky-white quartz with minor pyrite and muscovite. Vein cutting granodiorite. Logging road on Edgar claim.
HB-L07 & L08	Massive, white quartz with minor muscovite and albite veinlets. No sulphides noted. Road cut on Edgar claim.

APPENDIX II
GEOCHEMICAL ANALYSIS CERTIFICATES

P.02/00
 804 850 1716 TO 16048693398
 11AP 6:38 14:45 FR ACME LABS

ACME ANALYTICAL LABORATORIES LTD.

852 E. HASTINGS ST. VANCOUVER BC V6A 1R6

PHONE (604) 253-3156 FAX (604) 253-3157

GEOCHEMICAL EXTRACTION-ANALYSIS CERTIFICATE

Cardinal Geoconsulting Ltd. PROJECT HILLSBAR File # 9800597

P.O. Box 594, Hope BC V0X 1L0 Submitted by: D. Cardinal

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Tl	Hg	Se	Te	Ga	Au*
	ppm	ppm	ppm	ppm	ppb	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	%	%	%	%	ppm	ppm	ppb	ppm	ppm	ppm	ppb
HM-01	.5	27.6	2.8	60.2	<30	1630	85	1171	5.41	<.5	<.5	<.2	1	.11	<.2	<.2	25	.06	.005	<1	700	19.32	9<.01	5	.44	.01	<.01	<2	<.2	<10	<.3	<.2	.8	2	
HM-02	32.5	16.4	4.9	420.1	68	192	19	12947	30.35	31.3	8	10	11	.27	.6	<.2	27	.12	.156	3	31	.35	99	.05	<.3	.72	.01	.07	<2	<.2	12	<.3	<.2	3.8	<1
HM-03	2.9	20.8	4.5	11.6	48	13	2	192	1.35	51.6	<.5	<.2	2	.02	.6	<.2	28	.01	.015	3	27	.27	13	.01	<.3	.25	.03	.04	6	<.2	<10	.5	<.2	1.8	4
HM-04	5.7	23.2	5.7	12.9	43	7	1	62	.94	9.2	<.5	2	8	.03	.3	<.2	23	.01	.022	5	17	.04	19	<.01	<.3	.21	.01	.08	6	<.2	40	.6	<.2	1.3	1
HM-05	5.6	56.1	21.7	37.9	242	17	4	469	1.89	12.1	<.5	<.2	11	.27	1.3	1.7	57	.08	.036	14	31	.45	50	.09	<.3	.67	.03	.10	2	.3	18	.5	.5	4.1	3
HB1-1097	2.8	10.6	23.8	50.4	270	2	<1	243	.67	1351.4	<.5	8	4	.19	1.3	<1	1	.01	.003	3	7	<.01	12	<.01	<.3	.16	.06	.08	3	<1	259	<1.5	<1	2.7	69
HB2-1097	.5	17.5	9.0	75.5	88	7	6	409	1.74	255.7	<.5	<2	115	.28	1.1	<.2	20	2.31	.067	4	8	.60	47	<.01	<.3	.62	.05	.08	2	<.2	<10	<.3	.3	6.7	219
HB-M01	.6	26.1	34.9	15.6	183	9	3	174	1.06	75.8	<.5	<2	2	.04	.2	.3	19	.02	.010	3	17	.15	5	<.01	<.3	.23	.03	.01	6	<.2	<10	.6	<.2	1.8	4
RE HB-M01	.6	25.6	35.4	16.1	172	9	3	171	1.04	55.5	<.5	<2	2	.03	<.2	.2	19	.02	.010	3	16	.15	5	<.01	<.3	.22	.03	.01	6	<.2	<10	.6	<.2	1.8	4
HB-M02	1.3	24.1	9.3	359.6	1239	9	7	353	2.26	3904.8	<.5	<2	47	4.10	7.0	<2	7	1.12	.068	2	6	.09	12	<.01	<.3	.20	.13	.01	2	<2	51	<.3	<2	<.5	1160
HB-M03	.9	10.3	6.1	164.2	85	7	5	422	1.61	823.2	<.5	<2	97	2.00	4.2	<.2	12	1.71	.068	3	10	.44	38	<.01	<.3	.61	.07	.06	5	.2	11	<.3	.4	4.0	81
STANDARD	24.3	121.2	98.8	280.4	1918	31	18	1020	4.20	76.7	23	20	60	1.92	8.7	20.3	74	.72	.109	16	54	1.09	253	.14	25	2.26	.04	.70	21	2.7	939	.5	2.5	7.4	580

Standard is STANDARD 02/C3/AU-2.
 ICP - 15 GRAM SAMPLE IS DIGESTED WITH 90-ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 300 ML WITH WATER. THIS LEAD IS PARTIAL
 FOR Cu, Fe, Sr, Ca, P, EA, DR, Mg, Ba, Ti, S, U AND LIMITED FOR Ni, K, Zn AND AL. SOLUTION ANALYSED DIRECTLY BY ICP. NO LEAD IS ASSESSED IN THIS TEST.
 Hg, Se, Te AND GA ARE EXTRACTED WITH MIBK-ALCOHOL 336 AND ANALYSED BY ICP. ELEVATED DETECTION LIMITS FOR SAMPLES CONTAINING LEAD, Ni, AND Zn ARE 2000, 1000, AND 2000 PPM, RESPECTIVELY.
 - SAMPLE TYPE: ROCK AU+ - AQUA-REGIA/MIBK EXTRACT, GF/AA FINISHED. Samples beginning "RE" are REFINED and "RSE" are REFINED SELENIUM.

DATE RECEIVED: FEB 25 1998 DATE REPORT MAILED: *March 1998* 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 FA

GEOCHEMICAL ANALYSIS CERTIFICATE



Cardinal Geoconsulting Ltd. PROJECT HILLSBAR File # 9800598

P.O. Box 594, Hope BC V0X 1L0 Submitted by: D. Cardinal

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	Al	Na	K	W	Zr	Sn	Y	Nb	Be	Sc	
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	%	ppm	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
HB-L01	3	54	8	46	<.5	15	4	221	2.27	8	<10	<.4	4	20	.4	<.5	<.5	70	.06	.031	15	52	1.02	1251	.17	3.78	.27	1.61	5	30	<2	7	5	<1	9	
HB-L02	5	68	<5	50	<.5	20	5	369	1.80	<5	<10	<.4	3	104	<.4	<.5	<.5	56	.05	.028	12	77	.75	3535	.11	3.24	.13	2.56	6	30	<2	7	3	<1	5	
HB-L03	<2	57	<5	50	<.5	18	4	162	1.58	5	<10	<.4	3	20	<.4	<.5	<.5	31	.02	.017	12	41	.60	1249	.11	2.57	.16	1.01	4	17	<2	4	3	<1	7	
HB-L04	6	58	<5	119	<.5	60	10	1597	5.56	25	<10	<.4	4	30	<.4	7	<.5	198	.42	.052	14	313	2.62	807	.47	6.46	.18	2.76	4	28	<2	26	4	<1	22	
HB-L05	144	50	11	72	<.5	14	5	831	4.87	<5	<10	<.4	2	232	<.4	<.5	<.5	199	2.91	.136	18	170	1.12	839	.83	7.92	2.55	1.63	5	68	2	32	14	<1	24	
RE HB-L05	139	49	9	66	<.5	13	4	791	4.58	<5	<10	<.4	3	221	.5	<.5	<.5	188	2.75	.129	15	159	1.06	796	.79	7.52	2.42	1.53	<.4	59	<2	30	13	<1	23	
HB-L06	66	42	11	76	<.5	7	3	358	2.54	<5	<10	<.4	2	94	.5	<.5	<.5	121	.47	.055	11	24	.73	805	.26	5.74	1.81	1.72	4	53	2	23	4	<1	12	
HB-L07	3	111	522	1090	5.5	29	11	1075	3.14	8	<10	<.4	4	99	4.9	16	<.5	116	1.12	.065	13	68	1.55	426	.29	5.76	.56	1.61	4	2	4	15	2	<1	11	
HB-L08	3	49	8	84	.6	9	4	147	4.82	680	<10	<.4	<2	423	<.4	8	<.5	155	.37	.017	5	34	.04	343	.24	6.05	4.04	.53	20	3	2	3	<2	<1	11	
STANDARD CT3	24	62	41	174	5.6	39	13	951	4.11	59	16	<.4	25	235	22.4	20	19	135	1.52	.103	28	252	.92	1039	.40	6.95	1.81	1.88	31	51	20	18	18	4	9	
STANDARD G-2	<2	4	21	49	<.5	10	5	713	2.36	6	<10	<.4	7	730	.4	<.5	<.5	53	2.72	.095	30	69	.69	958	.24	7.73	2.51	2.81	<.4	6	<2	18	18	1	5	

ICP - .250 GRAM SAMPLE IS DIGESTED WITH 10ML HClO4-HNO3-HCl-HF AT 200 DEG. C TO FUMING AND IS DILUTED TO 10 ML WITH DILUTED AQUA REGIA. THIS LEACH IS PARTIAL FOR MAGNETITE, CHROMITE, BARITE, OXIDES OF AL, ZR & NN AND MASSIVE SULFIDE SAMPLES. AS, CR, SB, AU SUBJECT TO LOSS BY VOLATILIZATION DURING HClO4 FUMING.

SAMPLE TYPE: ROCK Samples beginning 'RE' are Returns and 'RRE' are Reject Returns.

DATE RECEIVED: FEB 25 1998 DATE REPORT MAILED: Mar 6/98 SIGNED BY: *[Signature]* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS