



Geological Survey Branch
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[ARIS11A]

ARIS Summary Report

Regional Geologist, Kamloops

Date Approved: 1998.08.20

Off Confidential: 1999.06.25

ASSESSMENT REPORT: 25581

Mining Division(s): Nicola

Property Name: Gypsy-Roy

Location: NAD 27 Latitude: 50 20 02 Longitude: 120 52 00 UTM: 10 5577712 651827
NAD 83 Latitude: 50 20 02 Longitude: 120 52 05 UTM: 10 5577928 651723
NTS: 092107W

Camp: 018 Highland Valley Camp

Claim(s): Gypsy 1

Operator(s): Tarco Oil & Gas Ltd.
Author(s): Lindinger, J.E.L.(Leo)

Report Year: 1998

No. of Pages: 32 Pages

Commodities
Searched For: Copper, Molybdenum/Molybdenite, Silver, Gold

General
Work Categories: DRIL, GEOC

Work Done: Drilling
DIAD Diamond-surface (2 hole(s);BQTW) (301.8 m)
Geochemical
SAMP Sampling/assaying (11 sample(s);)
Elements Analyzed For : Multielement

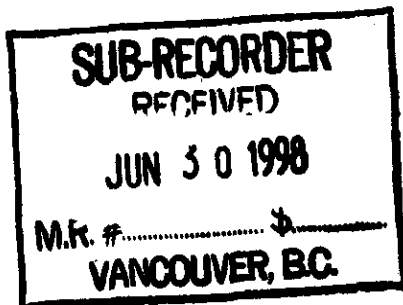
Keywords: Gabbros, Guichon Creek Batholith, Monzodiorites, Triassic-Jurassic

Statement Nos.: 3120683

MINFILE Nos.:

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RENAISSANCE GEOSCIENCE SERVICES, 879 McQueen Drive, Kamloops, B.C. V2B-7X8
J.E.L. (Leo) Lindinger, P. Geo., FGAC, Consulting Economic Geologist



DIAMOND DRILLING REPORT

ON THE

GYPSY-ROY PROPERTY

GYPSUM LAKE AREA

NTS 0921/07W, LAT. 50°, 20',30" N., LONG. 120°, 51'," W.

NICOLA MINING DIVISION

for

TARCO OIL AND GAS LTD.

by

J.E.L. (Leo) Lindinger, P. Geo.

June 19, 1998

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

Ph/Fax 250-554-6887, AutoTel/Fax 250-377-9981, Cellular 250-319-0117

25,561

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J.E.L. (Leo) Lindinger, P. Geo. , FGAC, Consulting Economic Geologist

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**RENAISSANCE GEOSCIENCE SERVICES, 879 McQueen Drive, Kamloops, B.C. V2B-7X8
J.E.L. (Leo) Lindinger, P. Geo., FGAC, Consulting Economic Geologist**

SUMMARY

The Gypsy-Roy property is located in the Nicola Mining Division, on NTS map sheet 092I/07W at Lat. 50°, 20', 30" N, Long. 120°, 51' W., about 25 km north of Merritt, B.C., on the west side of the Guichon Creek Valley. The property consists of 155 units in 10 claims and covers about 3500 hectares.

The property has been extensively explored since the turn of the century for Viny type high grade porphyry and vein copper deposits and since the 1950's for Highland Valley bulk tonnage low grade porphyry copper deposits.

Access to the property is via highway #97 from Merritt to Lower Nicola. Then north on the Chataway lodge road for 7 km, then northeast through the Aberdeen and Dot mineral properties. Numerous new roads cross the area. The drilling was completed on the Gypsy 1 claim about 1 km south of Gypsum Lake.

The property lies within the Intermontane Superterrane and covers a part of the east side of the lower Jurassic Guichon Creek Batholith and its contact with coeval in part lower Jurassic Nicola Group volcanics and sediments. The Nicola Group and its related intrusives are remnants of a west facing island arc that was obducted onto ancestral North America during the mid Jurassic.

The Guichon Creek Batholith hosts several world class porphyry copper-molybdenum deposits of calc-alkalic affinity, as well as many smaller ones. Nearly all of these deposits appear to be related to north striking subvertical and the intersection with northwesterly striking steeply dipping faults. The smaller deposits in the area of the Gypsy-Roy property are closely associated with, and often are confined to these structures. The larger ones may contain disseminated mineralization with the surrounding wall rocks.

Collision related activity during the Jurassic have tilted the lithologies moderately to the east.

The targets chosen for the 1998 program was an area of old bulldozer trenching about 1 km south of Gypsum Lake where traces of copper bearing mineralization was found. The trenching was reportedly an IP resistivity anomaly.

In May 1998, Mr. Pederson, a director of Alhambra Resources Ltd. and Tarco Oil and Gas Ltd. retained the writer for the purposes of logging and sampling of any mineralized drill core.

The drilling encountered Guichon Creek Intrusive rocks of the Guichon and Chataway varieties that were often extensively sheared and chloritically altered. Local argillic and sericite alteration zones were noted. Potassic alteration was localized and very weak. Structural control of alteration and mineralization was high.

11 samples were taken. Only one returned moderately anomalous copper and molybdenum mineralization. No further work is recommended in the area of this drill program.

Exploration targets do exist elsewhere on the property. However further exploration should only follow a thorough evaluation of past exploration results. A \$200,000.00 phase one program of surface work a drilling on the targets defined by the compilation is recommended. Contingent on the Phase 1 results a \$500,000.00 phase 2 program of mostly drilling could be recommended.

INTRODUCTION

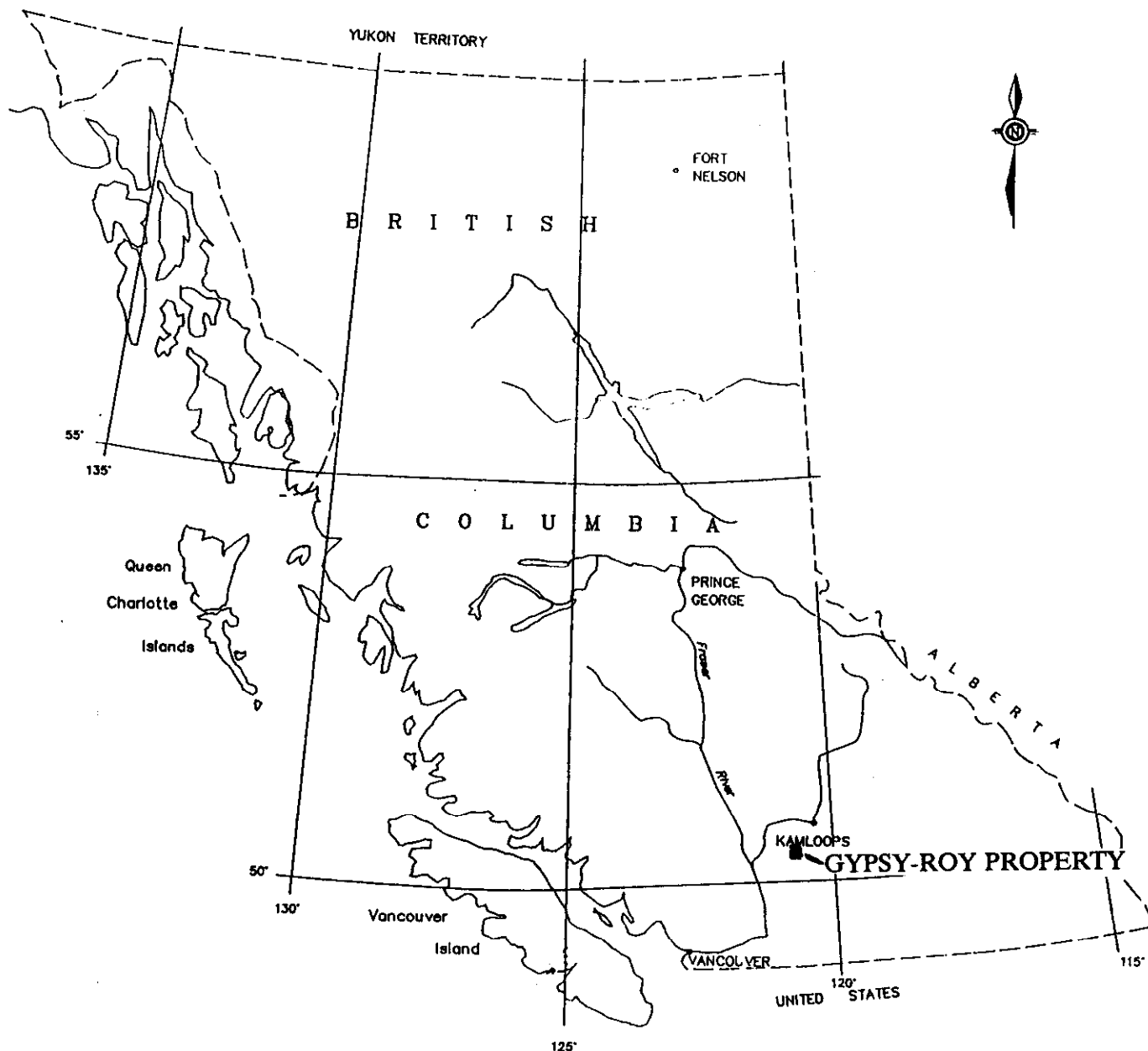
The following report documents the results of a diamond drilling program completed in May 1998 on the Gypsy 1 claim owned by Tarco Oil and Gas Ltd. The writer was retained by Mr. Henry Pederson, a director of Alhambra Resources Ltd. which owns Tarco Oil and Gas Ltd. to monitor the diamond drilling, log and sample the core and to complete the following report.

LOCATION AND ACCESS

The Gypsy property is located on NTS map sheet 092I/07W at Lat. 52°, 20' 30' N., Long. 120°, 51' E., near Gypsum Lake some 25 km north of Merritt B.C. Access to the property is via numerous old mining and newer logging roads that generally originate from major arteries accessing Merritt. Access to the drill site was via the Chataway Road and by subsidiary logging roads east from the 20 km point or via the old Aberdeen Mine road, and north through the Dot mineral property to the Gypsum Lake area. The site of the 1998 drilling is about 150 meters southeast of Twilight Lake, some 1000 meters south of Gypsum Lake.

CLIMATE TOPOGRAPHY AND VEGETATION

The Property is located in the Intermontane Physiographic region. The topography is moderately rolling with numerous sloughs, ponds and small lakes. The dominant vegetation is upland fir and spruce with local cedar bush in swampy areas. The climate is sub-continental with moderately hot summers and long winters. Precipitation is about 1 meter.



J.E.L. Lindinger, P. Geo.

TARCO OIL AND GAS LTD.

GYPSY-ROY PROPERTY

LOCATION MAP

SCALE:
AS NOTED

DATE:
JUNE 14/98

N.T.S.
092E/07W

DRAWN BY:
GEO-COMP

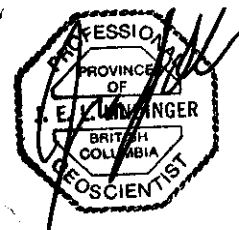
FIGURE: 1

PROPERTY

The Gypsy and Roy Properties comprise the following contiguous mineral claims. The claims are located in the Nicola Mining Division.

TABLE 1 - TENURE

NAME	RECORD NO.	# OF UNITS	EXPIRY
GYPSEY 1	357015	14	June 28, 1999*
GYPSEY 2	357016	20	June 27, 1999*
GYPSEY 3	357017	20	June 26, 1999*
GYPSEY 4	357018	1	June 28, 1998
ROY 1	359625	20	October 8, 1999*
ROY 2	359626	20	October 8, 1999*
ROY 3	359627	10	October 10, 1999*
ROY 4	359628	10	October 10, 1999*
ROY 5	359629	20	October 10, 1999*
ROY 6	359630	20	October 10, 1999*
total units		155	



The mineral claims comprise 155 units and cover about 3,500 hectares.

* providing acceptance for assessment credits the work this report documents.

HISTORY

The exploration history on the property is extensive. Numerous small pits and adits date from the turn of the century in efforts to expose high grade copper mineralization. Since the mid 1960's the focus has been on exploring for bulk tonnage porphyry copper deposits. Most of this work was confined to ground geophysics, in particularly induced polarization and ground magnetics, although geochemical, geological, trenching and diamond drilling work was also completed.

Results of these surveys suggest, that rather than large lower grade disseminated copper deposits, smaller but often higher grade copper deposits provide valid exploration targets on the property.

RENAISSANCE GEOSCIENCE SERVICES, 879 McQueen Drive, Kamloops, B.C. V2B-7X8
J.E.L. (Leo) Lindinger, P. Geo., FGAC, Consulting Economic Geologist

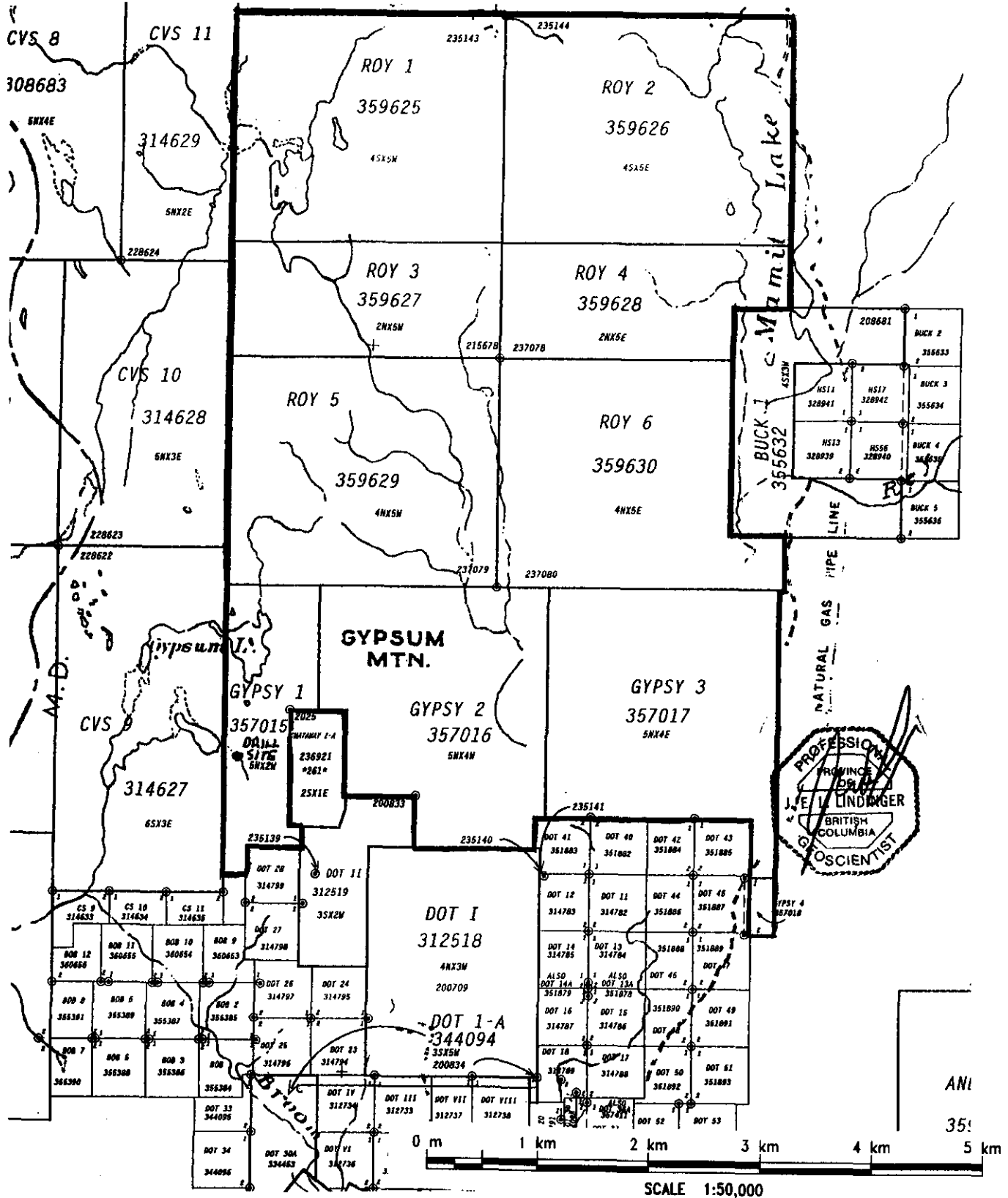


FIGURE 2 - GYPSY-ROY PROPERTY - NTS 0921/07W

CLAIM MAP

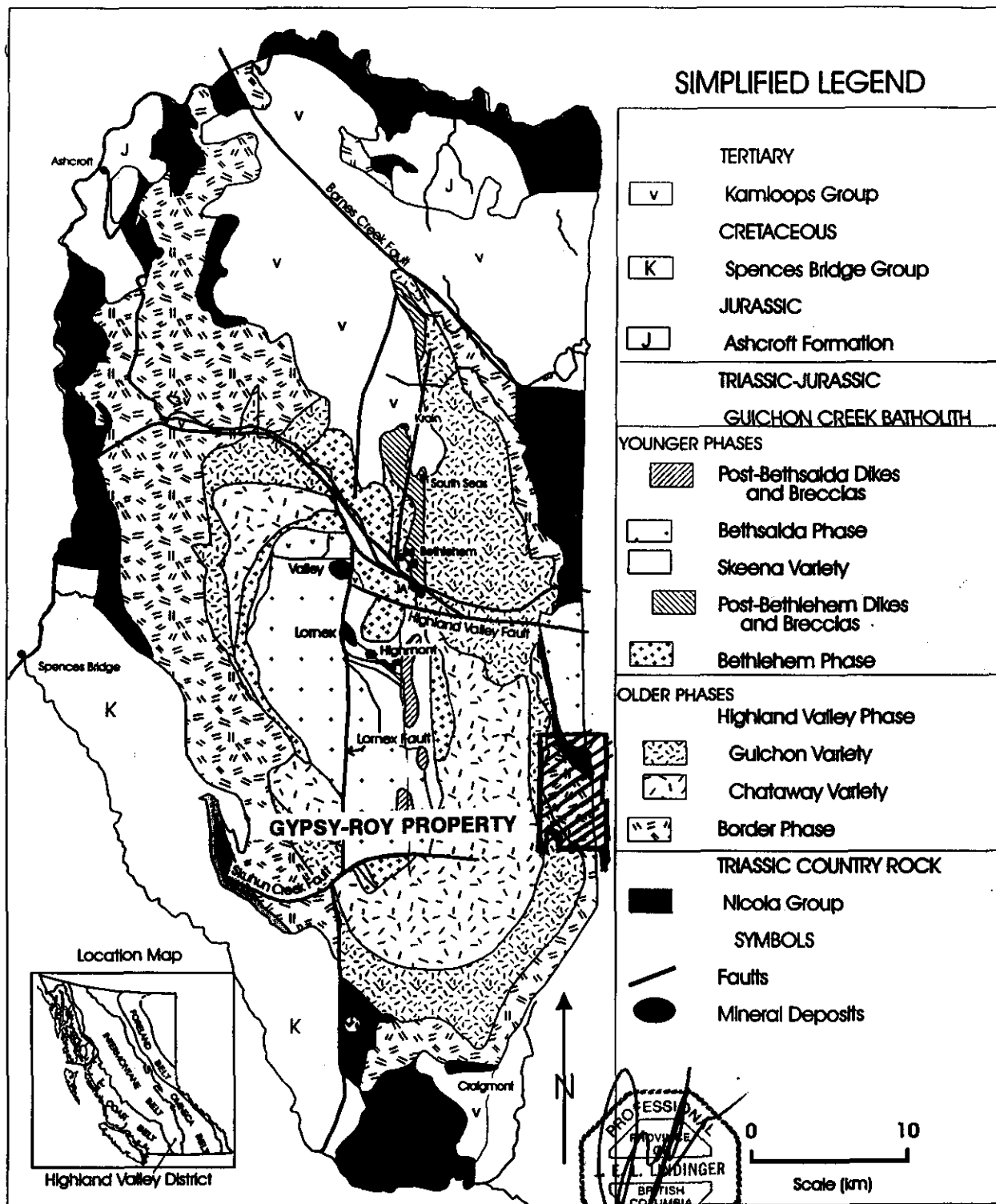
REGIONAL GEOLOGY

The Gypsum Lake area is located within the Intermontane Superterrane and underlain predominantly by rocks of the Quesnel Terrane island arc volcanics, derived sediments and intrusives of the Upper Triassic Nicola Group. The oldest common lithologies in the area are middle to late Triassic aged calc-alkalic mafic, intermediate and felsic volcanic rocks with interbedded volcanic sediments and reefoid carbonates of the east facing Western Belt of the Nicola Group. Adjacent to the Western Belt and in fault contact to the east are the alkaline mafic flows and pyroclastics of the Central Nicola Belt. Further east, also in fault contact are the mafic augite phyric volcanoclastic rocks and derived sediments of the Eastern Nicola Belt. These grade into and partially overlie greywackes, argillites, limestones and alkalic tuffs of the eastern Sedimentary Belt.

These rocks have been intruded by coeval to slightly later (earliest Jurassic) calc-alkalic batholithic sized intrusive bodies such as the Wild Horse and Guichon Batholiths; and plugs, stocks and small batholiths of dominantly alkalic rocks such as the Iron Mask Batholith into the eastern and central belt volcanics. These intrusive rocks are often host to significant porphyry copper mineralization.

The world class Highland Valley porphyry copper deposits northwest of Merritt are hosted by the calc-alkalic Guichon batholith, and deposits such as Afton and Ajax near Kamloops which are hosted alkalic Iron Mask batholith are the closest significant examples of these two deposit types. These arc rocks were obducted onto western north America during the mid Jurassic. It is believed that the batholith and the overlying volcanics as a block have been tilted to the east resulting in generally east dipping stratigraphy and west dipping vertical structures. The rocks in this area were subjected to a dextral transpressive tectonic regime resulting in northeast directed folding, shearing and southeast striking, southwest dipping thrust faulting.

Erosion from the mid Jurassic to the early Tertiary exhumed the Nicola rocks to the level where intrusive bodies are now exposed. Cretaceous sinistral transpression? changed to early Tertiary dextral transtensional activity regenerated the existing structures, and generated new dominantly north striking dextral structures, with subordinate northeast and east striking 'basin and range' block faults. This activity created numerous variably shaped fault bound basins now occupied by



Location and general geology of the Guichon Creek batholith showing major Highland Valley porphyry copper-molybdenum deposits (modified after McMillan, 1985).

FIGURE 3 - GYPSY-ROY PROPERTY - NTS 0921/07W

REGIONAL GEOLOGY

from Casselman et. al.

major drainages such as Guichon Creek and the Coldwater River; and lakes such as Nicola Lake and Stump Lake.

Unconformably overlying the Nicola lithologies are Eocene subaerial volcanics and subareal and subaqueous sediments of the Kamloops Group that now tend to occupy fault bound depressions. Remnants of undeformed Miocene "Chilcotin Group" flood basalts are found northeast of Merritt.

Quaternary "Valley" Basalts are found just east of Merritt, and in the Quilchena valley some 15 km east of Merritt.

Pleistocene to Recent accumulations of consolidated and unconsolidated glacial, interglacial and post glacial sediments cover large expanses of the area, particularly south slopes and in basins. Pleistocene glacial drift varies from very thin to locally deep.

PROPERTY GEOLOGY

The claims cover part of the east side of the multiphased Guichon Creek Batholith. The claims are underlain on the east by Nicola Group volcanics, and under most of the claims by various phases of the Guichon Creek Batholith. These are, from east to west medium grained border phase gabbroic to dioritic, and slightly later medium grained monzodioritic (Guichon Phase) and coarser grained granodioritic (Chataway phase) rocks. Near Mamit Lake, a small coarse grained satellite intrusive called the Gump Lake Stock that is thought to correlate to the Bethsaida phase occurs. These rocks, especially the Nicola, Border, Guichon and Chataway phases in turn have been intruded by dykes of various compositions ranging from aplitic to ultramafic.

Copper +/- molybdenum +/- silver +/- gold mineralization in the batholith are hosted in and adjacent to the intersection of subvertical north and northwest structures. The numerous porphyry copper deposits found within the Batholith in aggregate total over 2 billion tonnes grading in excess of 0.4% copper. The world class Valley deposit itself contained over 800 million tonnes of ore. In the Gypsum Lake area, smaller, higher grade, oxidized copper deposits are hosted by north and northwest trending steeply (now) west dipping structures. The Dot, Vimy and Aberdeen deposits each contain several hundred thousand to over 1 million tonnes grading greater than 1% copper, with locally significant silver and gold values. These deposits

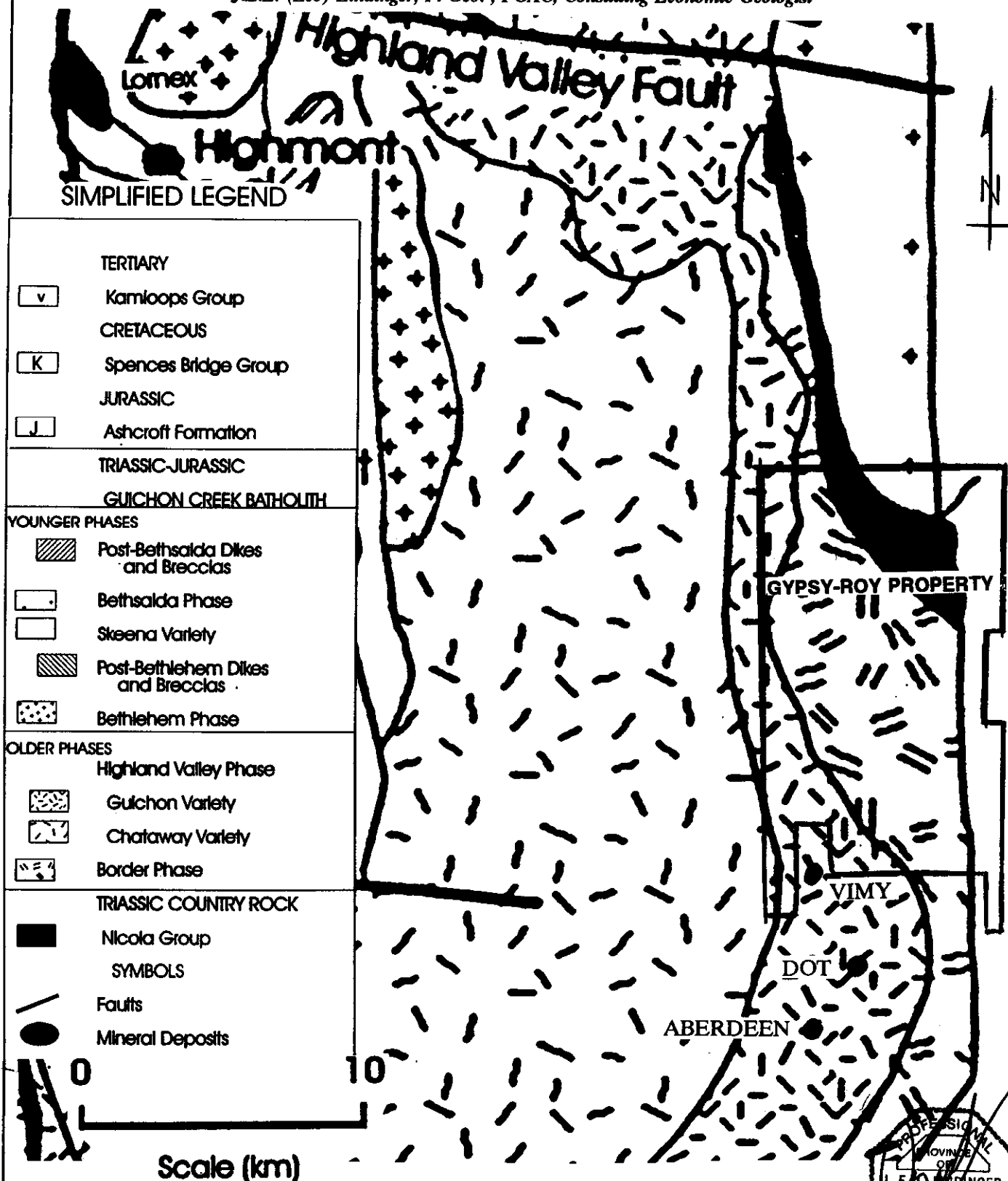


FIGURE 4 - GYPSY-ROY PROPERTY - 0921/07W

PROPERTY GEOLOGY from Casselman et. al.



are hosted by or associated with Dot phase granodiorite, a fine grained variety with a similar composition to but which intrudes and is slightly later than the Chataway phase.

Glacial till sourced from the north covers most of the property and ranges from nil to over 20 meters thick.

1998 DRILLING PROGRAM

The drilling was completed near the west side of the Gypsy 1 claim southeast of a small lake south of Gypsum Lake called Twilight Lake. The drill holes undercut an area of extensive trenching that was completed to expose the bedrock source of a induced polarization resistivity anomaly. Small fracture controlled copper mineralized zones were found in the trenches.

Drill hole G-98-01 was drilled at 295 Az. at a -45 degree dip. The hole was drilled to 527 feet (160.6 m.). Drill hole G-98-02 was drilled from the same location and had a bearing of 055 degrees. This hole also was drilled at a -45 degree dip and to a depth of 467 feet (142.34 m.). (refer to Figure 2 for drill site location, and Figure 6 for detailed pictorial information)

RESULTS

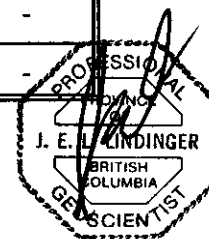
11 samples of drill core were submitted for 30 element ICP analyses at Ecotech Laboratories Ltd. of Kamloops B.C. One sample, 94657 was also analyzed for gold.

Most samples returned weakly anomalous results for copper, locally silver and molybdenum.

Results are tabulated below. Distances are in meters.

TABLE 2 - DRILLING AND ANALYTICAL RESULTS

Hole #	from	to	width	TAG #	Cu ppm	Mo ppm	Ag ppm	Au ppb
G-98-01	61.5	64.0	2.5	94651	142	1	<0.2	-
G-98-01	134.0	137.0	1.0	94652	110	1	<0.2	-
G-98-01	137.0	140.0	3.0	94653	116	<1	<0.2	-
G-98-01	145.0	146.5	1.5	94654	8	2	<0.2	-
G-98-01	157.8	160.3	1.5	94655	161	2	<0.2	-
G-98-02	46.2	47.7	1.5	94656	34	3	<0.2	-
G-98-02	47.7	49.8	2.1	94657	1842	60	4.6	5
G-98-02	49.3	51.3	1.5	94658	90	6	0.4	-
G-98-02	96.6	98.0	1.4	94659	55	2	<0.2	-
G-98-02	103.5	104.0	0.5	94660	30	2	<0.2	-
G-98-02	127.0	127.3	0.3	94661	21	1	0.4	-



CONCLUSIONS

The drilling program did not cut any significant copper mineralization. The alteration intersected is extensive, but is mostly propylitic and argillic. The alteration pattern may be indicative of the periphery of a mineralized system and that significant copper mineralization may occur along strike and at depth. Hallof, 1972a states that trenching and percussion drilling south of Twilight Lake was completed in 1969 by probably Bethlehem Mines Ltd. with minor copper mineralization encountered. His (Hallof) survey indicates better IP response south of where the 1998 drilling took place.

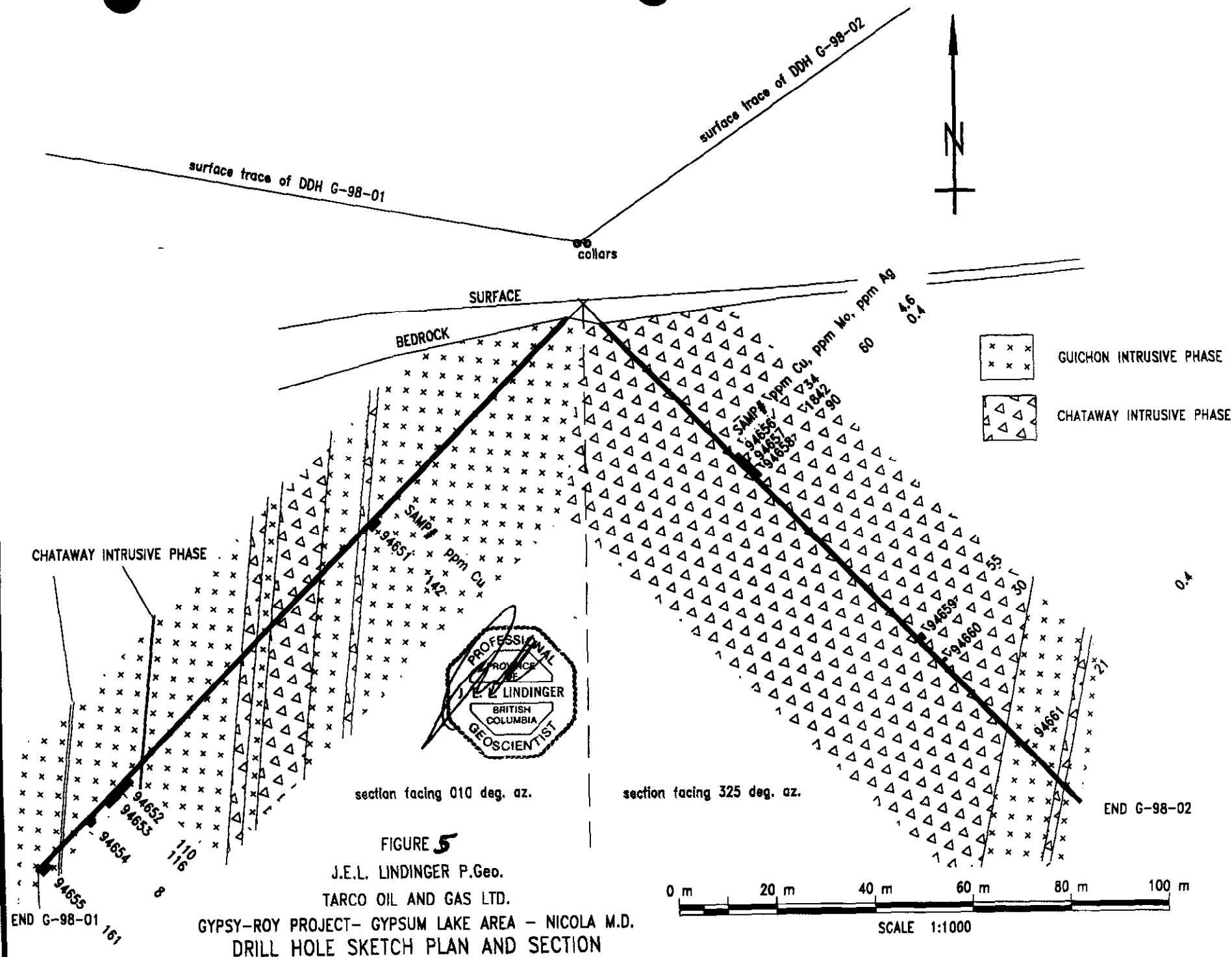
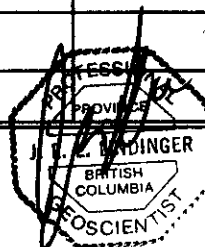


TABLE 3 - EXPENDITURES

Expense Item	rate	days-km-ft	misc	Total Cost
Preparatory surveys				
Elmer Stewart	\$ 400.00	2	\$/day	\$ 800.00
Travel and Expenses				\$ 375.00
Drilling - including Mobilization	\$ 16.50	1000	\$/ft+\$46.48	\$ 16,546.48
Analyses				\$ 226.57
Supervision				
H. Pederson - project supervisor	\$ 400.00	8	\$/day	\$ 3,200.00
J.E.L. Lindinger, P.Geo - site geologist	\$ 321.00	5	\$/day	\$ 1,605.00
Accommodation - Merritt	\$ 90.00	6	\$/day	\$ 540.00
Vehicle - Pederson	\$ 0.50	1300	\$/km	\$ 650.00
Vehicle - Lindinger	\$ 45.00	5	\$/day	\$ 225.00
Communications				\$ 300.00
Report				\$ 700.00
				\$ 25,168.05



RECOMMENDATIONS

A thorough compilation of the extensive historical database is necessary to fully evaluate this large property and the direction to take for future exploration.

In the short term several drill holes near the west side of Mamit Lake completed by Bethlehem Resources Ltd. in 1969 intersected anomalous to subeconomic grades of copper mineralization on what is now the Roy 2 claim. The best intersection was 50 feet (15.24 meters) grading 0.41% copper within a wider intersection of 170 feet (51.83 m.) grading 0.19% copper (Hallof, 1972b). There is no evidence that gold, silver or molybdenum were analyzed for. The IP survey this report discusses indicates better IP responses occur south of the drill site. This area remains untested and would appear to be an obvious drill target for future work.

Further work on much of the property is recommended with multi-phased target development partially contingent on the results of the property compilation. Much of this work would be reestablishing old grid lines that cover the entire property, and then filling in, detailing and extending any geochemical, geological and geophysical anomalies from past surveys. Drilling testing these targets would follow. A \$200,000.00 phase 1 program incorporating the above mentioned items is proposed.

TABLE 4 - PROPOSED EXPENDITURES

Compilation			\$ 5,000.00
Location and redefinition of past anomalies	Geophysics	Geochemistry	\$ 40,000.00
Drill testing (Phase 1)	1500 M	@\$60.00 per meter	\$ 90,000.00
Analytical costs - drilling	300 samples	@\$25.00 per sample	\$ 7,500.00
Supervision and Personnel			\$ 20,000.00
Accommodation and food			\$ 10,000.00
Report			\$ 4,000.00
Subtotal			\$ 176,500.00
Contingency @13%			\$ 22,945.00
Total program			\$ 199,445.00

Contingent on these results a \$500,000.00 Phase 2 program comprising mostly drilling of any partially delineated mineralized zones would be proposed.

SELECTED LIST OF REFERENCES

- Alhambra Resources Ltd. 1997: Technical Report on the Dot Copper Porphyry Project, June-October 1997. 2 pages, plus attachments. Unpublished company report.
- Casselman M.J. et. al. 1995: Highland Valley porphyry copper deposits near Kamloops, British Columbia: A review and update with emphasis on the Valley deposit. pp 161-191, in Canadian Institute of Mining, Metallurgy and Petroleum Special Volume 46. Schroeter T.G. Editor.
- Gower, S.C. 1986: Reconnaissance Geology and Silt and Rock Geochemistry on the Chataway I-A Mineral Claim. 20 pages plus attachments. B.C. EMPR Assessment report # 14978.
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- Hallof P.G. & Goudie M.A. 1972: Report on the Induced Polarization and Resistivity Survey on Project 1033, Mamit Lake Mining Ltd. (N.P.L.) Property, Nicola Mining Division, British Columbia for Geophysical Engineering and Surveys Ltd. 13 pages plus attachments. B.C. EMPR assessment report # 4053.
- Meyer, M, 1968: Report on Geological Survey of the Chataway Exploration Co. Ltd. (N.P.L.) Property, for King Resources Ltd. 31 pages plus attachments. B.C. EMPR assessment report # 1790.
- Ministry of Mines and Energy; Minfile Database; ABERDEEN, Minfile occurrence 092ISE024.
- Ministry of Mines and Energy; Minfile Database; BUCK, Minfile occurrence 092ISE065.
- Ministry of Mines and Energy; Minfile Database; TDM, Minfile occurrence 092ISE153.
- Ministry of Mines and Energy; Minfile Database; VIMY, Minfile occurrence 092ISE023.
- Ministry of Mines and Energy; Minfile Database; WIZ, Minfile occurrence 092ISE063.
- Moore J.M. et at. 1990; Nicola Lake Region, Geology and Mineral Deposits. 30 pp. BC-EMPR Open File 1990-2.

STATEMENT OF QUALIFICATIONS

I, J E. L.(Leo) Lindinger, hereby do certify that:

I am a graduate of the University of Waterloo (1980) and hold a BSc. degree in honours Earth Sciences.

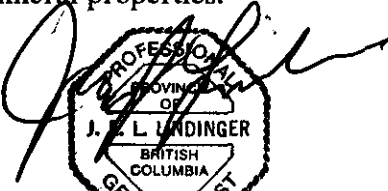
I have been practicing my profession as an exploration and mine geologist continually for the past 18 years.

I am a fellow in good standing with the Geological Association of Canada (1987).

I am a registered member, in good standing as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of the Province of British Columbia (1992).

I have a no interest, material or otherwise in the Gypsy and Roy Claims, Alhambra Resources Ltd. and Tarco Oil and Gas Ltd., nor do I expect to have any.

The observations and conclusions reached in the report are based in part on visual examination of some of the rock and mineralized exposures on the property, detailed examination of the diamond drill core from the 1998 program which this report documents, and a brief examination of extant assessment and internal company reports covering various parts of this and adjacent mineral properties.


The seal is a circular emblem for the Association of Professional Engineers and Geoscientists of the Province of British Columbia. It contains the text 'PROFESSIONAL', 'PROVINCE OF', 'J. E. L. LINDINGER', 'BRITISH COLUMBIA', and 'GEOSCIENTIST' around the perimeter. A handwritten signature is written over the seal.

J.E.L. (Leo) Lindinger, P. Geo.

JUNE 21, 1998

***RENAISSANCE GEOSCIENCE SERVICES, 879 McQueen Drive, Kamloops, B.C. V2B-7X8
J.E.L. (Leo) Lindinger, P. Geo. , FGAC, Consulting Economic Geologist***

APPENDIX 1 - ANALYTICAL RESULTS

Ph/Fax 250-554-6887, AutoTel/Fax 250-371-9961, Cellular 250-319-0717

3-Jun-98

ECO-TECH LABORATORIES LTD.
10041 East Trans Canada Highway
KAMLOOPS, B.C.
V2C 6T4

ICP CERTIFICATE OF ANALYSIS AK 98-167

TARCO OIL & GAS LTD.
Suite 400-933 7th Avenue S.W.
CALGARY, ALBERTA
T2T 5R6

Phone: 604-573-5700
Fax : 604-573-4557

ATTENTION: MIKE REKLOVICH/HENRY PETERSEN

No. of samples received: 11
Sample type: Rock
PROJECT #: None Given
SHIPMENT #: 98-01
Samples submitted by: Leo Linndinger

Values in ppm unless otherwise reported

Et #.	Tag #	Au(ppb)	Ag	Al %	As	Ba	Bi	Ca %	Cd	Co	Cr	Cu	Fe %	La	Mg %	Mn	Mo	Na %	Ni	P	Pb	Sb	Sn	Sr	Ti %	U	V	W	Y	Zn
1	94651	-	<0.2	0.91	<5	25	<5	1.19	<1	9	76	142	2.15	<10	0.57	248	1	0.03	5	390	4	<5	<20	22	0.06	<10	51	<10	2	15
2	94652	-	<0.2	0.91	<5	25	<5	0.89	<1	10	77	110	2.18	<10	0.82	312	1	0.04	6	440	4	5	<20	19	0.03	<10	49	<10	5	33
3	94653	-	<0.2	0.86	<5	35	<5	0.95	<1	9	57	116	2.12	<10	0.64	288	<1	0.04	4	430	4	5	<20	21	0.04	<10	50	<10	4	30
4	94654	-	<0.2	0.32	<5	15	<5	8.86	<1	3	69	8	0.71	10	0.07	810	2	0.02	<1	280	<2	5	<20	54	<0.01	<10	7	<10	12	19
5	94655	-	<0.2	1.11	<5	30	<5	1.46	<1	9	47	161	2.15	<10	0.58	299	2	0.05	4	420	4	<5	<20	35	0.07	<10	59	<10	2	20
6	94656	-	<0.2	0.77	<5	20	<5	1.85	<1	7	74	34	1.97	<10	0.52	430	3	0.03	4	470	2	<5	<20	28	0.02	<10	46	10	5	27
7	94657	5	4.6	0.38	<5	30	<5	8.62	<1	4	63	1842	3.41	<10	0.05	2788	60	<0.01	<1	140	2	<5	<20	64	0.02	<10	40	20	2	10
8	94658	-	0.4	0.70	<5	50	<5	3.72	<1	7	86	90	1.99	<10	0.37	1220	6	0.02	4	440	4	<5	<20	42	<0.01	<10	35	10	6	30
9	94659	-	<0.2	1.36	<5	20	<5	4.35	<1	8	24	55	1.72	10	0.86	629	2	0.03	3	430	4	10	<20	58	<0.01	<10	25	<10	8	49
10	94660	-	<0.2	2.04	<5	20	<5	1.58	<1	10	74	30	2.90	<10	1.76	498	2	0.03	5	440	4	10	<20	25	<0.01	<10	35	<10	4	80
11	94661	-	0.4	0.60	<5	20	<5	>10	<1	5	60	21	1.32	<10	0.52	1797	1	0.02	2	260	<2	5	<20	57	<0.01	<10	17	<10	12	22

QC DATA:

Resplit:

1	94651	-	<0.2	0.97	<5	25	<5	1.24	<1	9	67	154	2.13	<10	0.59	247	<1	0.04	3	420	4	<5	<20	21	0.06	<10	53	<10	3	14
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Repeat:

1	94651	-	<0.2	0.91	<5	20	<5	1.20	<1	9	71	150	2.05	<10	0.58	244	<1	0.03	4	400	4	<5	<20	20	0.06	<10	49	<10	2	15
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Standard:

7	94657	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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GEO'98	-	1.2	1.74	65	145	<5	1.75	<1	18	53	82	3.84	<10	0.90	664	<1	0.02	23	610	16	<5	<20	55	0.10	<10	73	<10	3	64
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df/164

XLS/98

fax: @ 250-757-8776 henry.petersen

cc: 554-6887 leo.linginger


ECO-TECH LABORATORIES LTD.
Frank J. Pezzotti, A.Sc.T.
B.C. Certified Assayer

RENAISSANCE GEOSCIENCE SERVICES, 879 McQueen Drive, Kamloops, B.C. V2B-7X8
J.E.L. (Leo) Lindinger, P. Geo. , FGAC, Consulting Economic Geologist

APPENDIX II - DIAMOND DRILL LOGS

DIAMOND DRILL HOLE TITLE PAGE

ALHAMBRA		RESOURCES		LTD.	
PROJECT		GYPSY		ZONE	
DRILL HOLE		G-98-02		SIZE BQTW	
LOCATION		NORTH		EAST	
COLLAR		BEARING 055		DIP - 45	
DATES DRILLED		MAY 26 98		TO MAY 27 1998	
DATES LOGGED		MAY 27		TO MAY 27, 1998	
LOGGED BY		J.E.L.		LINDINGER	
SAMPLED BY		J.E.L.		LINDINGER	
TESTS	at	0		Bearing 055 Dip - 45	
	at			Bearing Dip	
	at			Bearing Dip	
	at			Bearing Dip	
CAPSULE GEOLOGY		0-6.7 CASING			
		6.7 - 123.5 CHATAWAY VARIETY INTRUSIVE WITH MODERATE PROPYLITIC ALTERATION AND LOCALLY STRONG SERICITIC ALTERATION.			
		123.5 - 136.9. GUICHON VARIETY INTRUSIVE - MODERATE TO STRONG SERICITIC ALTERATION			
		136.9 - 139.1 - CHATAWAY VARIETY INTRUSIVE MODERATE SERICITIC ALT.			
		139.1 - 142.3 - GUICHON - AS ABOVE			
		142.3 END OF HOLE.			

Yellow 6.5/100

FROM	TO	ROCK CODE	% REC	ROCK DESCRIPTION colour, texture, rocktype, mineralogy of protolith	ALTERATION codes 1-trace 5-extreme	C	E	s	m	B	S	P	S	A
						h	p	e	u	i	o	i	l	g
44.0	47.9	75		QUINCY CARBONATE GNEISS		2								
47.9	49.8	75		STAINED QUARTZITICALLY ALTERED DIORITE WITH SOFT QUARTZ VENS IN FAULTS AND BACCUA - ~ 25° TO C.A.??										
49.8	50.9	95		- BACCUA A CALCITE VENS										
50.9	53.0	95		SS-62 SLIGHTLY MORE FELSIC UNWORN										
53.0	60.05	70		- 50.0-59.5 - BLACK QUARTZ VEINING SECTIONS SLIGHT - 10° TO C.A.										
60.05				61.5-69.0 w/ POT ALZ AND CARBONATE VEINING. SLIGHTLY TONIC (15-20% NATION SODIUM? AT 62.80. VEINS D - 45° TO C.A.										
				CONTACT - FAULT - 15° TO C.A.										
63.20	66.2	70		DYKE - SLIGHTLY FINE GRAINED GRANODIORITE PLANE SEPARATED - POT ?? PHASE 65.5-65.5 - STRONGLY BACCUA G. ALZ CHLORITIC FRACTURE (CHLORITE)		3	2	3						
				INTRUSIVE CONTACT 30° TO C.A. - SODIUM										
66.2	66.3	70		FINE GRAINED GRANODIORITE DYKE - CHLORITE - 10-15%		4	1							
				INTRUSIVE CONTACT SODIUM - 20° TO C.A.										
66.3	69.2	70		QUINCY GRANODIORITE - 45° AT SECT OF ROCK - 66.3-66.6 - POTASSIC ALZOMATION BATTLE FRACTURE AND CHLORITE CHLORITE ALZ		2	2	2						
69.2	71.4	75		66.6-GRADATION AL FOR C.A. 100 TO VERY STAINED QUARTZITIC GNEISS D - 15° TO C.A. 66.9 - QUINCY TO MAG SECTIONS A CHLORITE ALZ AND		5	2							
71.4	75.5	80		QUARTZITIC CONTACT MAGNETITE COMPLEX - 75.5 - STRONGLY STAINED CHLORITE MAG ALZ ROCK		3	3							
75.5	78.3	60		76.0-76.3 - BACCUA 30% IN FAULT - 45° TO C.A. 76.3-77.0 - DECREASING CHLORITE ALZ VEINING 77.0 - BACCUA CHLORITE VEINING		4								
				FAULT CONTACT - 77.9		2								

FROM	TO	MINERALIZATION tr-trace, remainder in percent, description of min.	p	c	b	c	m	h	ANALYSES SAMPLE # Au-ppb, others %	FROM	TO	W	Cu	Mo	Ag	Au
			y	p	y	r	v	g					ppb	ppb	ppb	
		F. CHLORITE MAGNETITE						2								
		CHLORITIC ALZ							94651	61.5	69.0	25.142	1			T

FROM	TO	ROCK CODE	% RE C	ROCK DESCRIPTION colour, texture, rocktype, mineralogy of protolith	ALTERATION codes 1-trace 5 extreme	C h	E p	a m	B u	S i	S o	S i	1 6
77.7	91.8	F.I.C.		CHATTAGUAY VARIETY. COARSE GRAINED 8% BIFIDE									
77.7	84.4		95	MORE REGULARLY GRANULAR "GEMMA"									
84.4	87.5		90	DEFINITE PICTURE SLICED ALTERED TO									
87.5	90.8		80	CHLORITE - 1/2" SEMI-TRANS.	2	3						2	
90.8				YELLOW BIFIDE - 1/2" SEMI-TRANS.									
				86.5-87.5 - CHLORITE ALT. d. BAKED. EQUV. GAS									
90.7	91.8	FALT	50	90.7-91.8 - SAND ZONE - 15' T.C.A. C									
			75	5-7 CM CHLORITE BAKED. VIBRATING - CHLORITE									
				B. VIBRATING - 1/2" SEMI-TRANS. - CHLORITE									
				LOTS OF OYST. CHLORITE MINERAL. 1/2" SEMI-TRANS.									
				ALTERED; OR ALICIT HARD OBTUSCATE 1/2" SEMI-TRANS.									
				IN FAULT.									
				FAULTING INTENSIVE CONTACT 15' T.C.A.									
96.2	96.0	F.I.C.	85	GUSHAN - FINE GRAINED HOMOGENEOUS BIFIDE									
				< 5% ASFA. - 10-15% CHLORITIZED. HOMOGENEOUS									
96.0	99.7		70	P. MINA BIFIDE 6.1%									
				91.8-92.1 - WK. SAND ALT.									
				95.2-96.0 - FAULT - SAND ZONE - 30 CM GRANULAR CORE									
96.0	101	F.I.C.		CHATTAGUAY - VARIETY - AS ABOVE. LOCALLY	2	1	3						
				SIMILAR TO GUSHAN - INC. SEMI-TRANS. BIFIDE									
99.7	107.3	FALT	60	- HEAVILY GRAINED CORE - 15' T.C.A. 50-50 DIO-T-H.									
				APPROXIMATE CONTACT - K.S.H. ALT - 100.5-101.5							2		
101.0	107.3	F.I.C.	90	GUSHAN VARIETY? - LOCALLY VERY STRONG									
107.3				SEMIFINE ALT. - 50-50 B. ALT. d. HOMOGENEOUS									
				101-106.1 - STRONG SEMI-TRANS. CHLORITE - 1/2" SEMI-TRANS.	3	1	4						
				106.1-107.3 - WK. MOD. CHLOR. SEMI-TRANS. DIO-T-H.	2		2						
				INTENSIVE CONTACT - 15' T.C.A.									
107.3		F.I.C.		GUSHAN - FINE GRAINED - MORE MARIE MARIE	2		3						
107.3	111.9		70	MAGNETIC. LOCALLY MARIE MARIE PHASE									
111.9	117.9		90	NUMEROUS SEMI-TRANS. MARIE MARIE 5-30' T.C.A. C									
117.9			85	BATTLE FRACTURES.									
				113.5-113.8 - INTERSE. SEMI-TRANS. CHLORITE SEMI-TRANS.	5								
117.9	121.0		90	113.8-118.5 - DECREASING CHLOR. 2 SEMI-TRANS. ALT	2		2						
				118.5-124.5									
121.0	124.5		100	124.5-126.2 INCREASING CHLORITE - SEMI-TRANS. ALT.									
				124.5-126.2 - 1/2" SEMI-TRANS. VIBRATING	3		3						
				126.2-126.6 - 1/2" SEMI-TRANS. VIBRATING	3		3						
				126.6-126.8 - SEMI-TRANS. 10-15' T.C.A.	5		4						
				126.8-127.2 - DECREASING CHLORITE ALT.									
				NUMEROUS BRITTLE FRACTURES.									

FROM	TO	MINERALIZATION tr-trace, remainder in percent, description of min.	p y	c p y	b o r v	e m a g m	h g m	ANALYSES SAMPLE # Au-ppb, others %	FROM	TO	W	Cu	Mo	Ag	Au
						2	1								
90.7	91.8					T	2								
91.8	96.0					4	1								
96.0	101					2	1								
101	107.3					3	1								
107.3	113.5					5	2								
113.5	118.8					T	2								
118.8	126.0					5	1								
126.0	126.8					1	1								

FROM	TO	ROCK CODE	% R E C	ROCK DESCRIPTION colour, texture, rocktype, mineralogy of protolith	ALTERATION codes 1-trace 5 extreme	C h l	E p i	s e r	m u l	S o d	P o t	S i l	M g	U	T
				GEUCHON CONT'D.											
1280	1285		90	INTENSE CHLORITE - FINE GR.											4
				TOUGHENED											
1285	1290	FIC	100	SHALLOO CLAY ALTHOUGH OUTCROST											
				CMA - CHLORITE - HIGHLY ALTERED	3		4								4
				CHATTAWAY PHASE? DYKE - WEAKLY MAINTAIN											
				E - 12818 MACHINING RECORDED											
1290	1515		80	SHALLOO CLAY ALTERED - CHLORITE 90% - 100%											
				GEUCHON - IRREGULAR GRAIN SIZE - IRREGULARLY	3		4								3
				ALTERED WITH LOCAL INTENSE CHLORITE - 100%											
				SHALLOO ZONES - 20° TO 30°											
				1340 - 1405 - IRREGULAR POTASSIC ALTERED											2
				ZONES - W/ IRREGULAR FLOWING											
				1395 - 1475 - INCREASING CHLORITE GLAY ALT	4		3								4
				1425 - 1468 - INTENSE CLAY CHLORITE ALT											
				ZONE - 20° TO 30°											
				1450 - 1461 - NEMATITE SHALLOO VEINS AND											
				STREAKING IN VEINS											
				1453 - 1468 - CALCITE PARTIAL VEIN											
				FRAGS IN SHALLOO ZONE											
				1463 - 1473 - INT CHLORITE - 100% ALT	4		4								4
1475	1525		0	1473 - 152 STAIN TO VEIN STAIN SECTIONS											
1525	153		90	CHLORITE ALT											
				152 - FAULT 75° TO 90°											
153	1535	FIC	100	CHATTAWAY OR BATHOLITH											
				1535 FAULT - 70° TO 90°											
1535	1603	FIC		GEUCHON - AS ABOVE											
				1535 - 1579 - MUD STAINING ARE - 90% - CHLORITE	3		3								3
				LOCALLY CHLORITE AND INTENSE											
				1579 - 1603	2		1								1
				1603 END OF HOLE											

FROM	TO	MINERALIZATION tr-trace, remainder in percent, description of min.	p y	c p y	b o o y	c o o y	m h g m	ANALYSES SAMPLE # Au-ppb, others %	FROM	TO	W	Cu ppm	Mo ppm	Ag ppm	Au
							0.1								
1289	1299						2.1								
1299	1340						3								
1340	1450						0.2	94652	1340	1370	3	110	1		T
								94653	1370	1400	4	116			T
1450	1465						0.2	94654	1450	1465	2.5	8	2		T
1515	1525						T.1								
153	1535						1.1								
1535	1579						3.1								
157															
1579	1603	NUMEROUS NEMATITE VEINS AND SOME STAINING					9.2	94655	1579	1603	2.5	161	2		T

DIAMOND DRILL HOLE TITLE PAGE

ALHAMBRA	RESOURCES	LTD.
PROJECT	GYPSY	ZONE
DRILL HOLE	G-98-01	SIZE B&W NQ
LOCATION	NORTH	EAST ELEV
COLLAR	BEARING 280	DIP -45 DEPTH
DATES DRILLED	MAY 23 1998 TO MAY 26 1998	
DATES LOGGED	MAY 24 1998 TO MAY 27 1998	
LOGGED BY	J.E.L.	LINDINGER
SAMPLED BY	J.E.L.	LINDINGER
TESTS	at 0	Bearing 280 Dip -45
	at	Bearing Dip
	at	Bearing Dip
	at	Bearing Dip
CAPSULE GEOLOGY	0-5.8 CASING	
5.8 - 160.63 - MOSTLY GUICHON GRANODIORITE		
WITH MINOR CHATAWAY GRANODIORITE.		
EXTENSIVE FAULTING WITH ACCOMPANYING		
CHLORITIC & WK ARGILLIC ALT.		
NO SIGNIFICANT ALTERATION OR MINERALIZATION		
INTERSECTED.		

FROM	TO	ROCK CODE	% RE C	ROCK DESCRIPTION colour, texture, rocktype, mineralogy of protolith	ALTERATION codes 1-trace 5 extreme	C	E	s	m	B	S	P	S	M
						h	l	i	r	o	d	i	l	n
0	6.7	CASG		CASING - NO RECOVERY										
6.7	11.3	ATG 95		CHATAWAY - MEDIUM GRAINED HORNBLANDIC DIORITE GRANODIORITE - 10% HORNBLANDE IN PALE GREY-PINK FELD- SPATHIC GRANODIORITE MASS. MODERATE CHLORITE - SERICITE ALTERED, ACIDIC? VIRNE COMMON - 6.7 - 10.7 - RETROGRADE? 10.7 - 11.2 - STRONG SERICITE ALT. - SHEAR 30° TGA WITH MONT MORILLAMITE GOUGE.	3 3 3 3 2 5									
11.3	14.3	90		11.3-15.6 - INTENS ZONED MODERATE TO INTENSE SERICITE ALTERATION - FAULTS - 45-90° T. 1 1 AV - 70° T. 1. A. - MONT MORILLAMITE ALT. IN FAULTS - MAGNETITE DESTRUCTION WITH SERICITE ALT.	4 2 4									3
14.3	15.4	80		15.6 - 17.4 INTENSE CHLORITE AND SERICITE ALT. ZONE - MAGNETITE DESTRUCTION VERY LOCAL	5 1 4									4
17.4	20.4	95		17.4-21.0 WK POTASSIC ALT. IN LOCAL STRONG SERICITE ALT - MOD MAGNETITE - HEMATITE STAINED RM?? 21.0 - 23.9 - MODERATE TO STRONG CHLORITE ALT. ASSOCIATED WITH FAULTS 0-10° T. G.A. 23.4 - 26.0 - WK K ALT MOD SERICITE MONT.	2 1 2 2 1 2							2		3
20.4	23.4	80		23.3-23.9 - CHLORITE FAULT 50° T. G.A. BRECCIA & GOUGE FILLED 26.0 - 34.2 INTERZONED WEAK TO LOCALLY INTENS USE SERICITE CHLORITE (IN FAULT ZONES) 1 MONT MORILLAMITE. 34.2 - 38.5 - MID SERICITE ALT. LOCAL STRONG ARGILL. AROUND SCAL - 70° T. G.A. - STRONG CONTACT 38.5 - 47.7 STRONG TO INTENSE SERICITE AND LOCALLY INTENSE MONT-CLAY ALT. LOCAL POTASSIC HEMATITE STAINED ZONES MINERALIZ 47.7 - 49.8 - QUARTZ SERICITE SHEAR ZONE WITH LOCAL LATE HORNBLANDIC BRECCIA VEINING	3 1 3 2 1 2 4 4								2	
49.8	49.8	20		49.8-51.0 SERICITE ALTERATION - STRONG 51.0 - 57.5 POTASSIC ALT - VERY HARD BRITTLE FRACTURING ZONE. 57.5 - 60.2 MOD TO STRONG TO LOCALLY INTENS INTENSE SERICITE CHLORITE ALT. ZONE 60.2 - 62.9 LOW TO MOD ALTERATION 62.9 - 65 - STRONG CHLOR. SERICITE ALT	3 1 4 3 3 4 10 1 3 2 1 2 4 3									2

FROM	TO	MINERALIZATION tr-trace, remainder in percent, description of min.	p y	b p r	c o v	m h e g m	ANALYSES SAMPLE # Au-ppb, others %	FROM	TO	W	Cu	Mo	Ag	Au
											ppm	ppm	ppm	ppm
6.7	11.3	EVENLY DISSEMINATED MAGNETITE MASS C. MAGNETITE MASS				4 2								
11.3	14.3					2 1								
14.3	17.4					2 1								
17.4	20.4	EVENLY DISSEMINATED MAGNETITE ASSOCIATED MAK MINERALS HEMATITE VEINING COMMON				2								
20.4	23.9					4 2								
23.9	26.0					1 1								
26.0	28.9					3								
49.8	47.8					2								
47.8	57.5	MAGNETITE - ASSOCIATED NATURAL				4								
57.5	60.2					3								
60.2	62.9					4								
62.9														
94656	44.8	47.7	2.9	34	3	7								
94657	47.7	49.8	2.1	1842	60	4.5								
94658	49.8	51.3	1.5	90	6	0.4								

FROM	TO	ROCK CODE	% REC	ROCK DESCRIPTION colour, texture, rocktype, mineralogy of protolith	ALTERATION codes 1-trace 5 extreme	C	E	s	m	B	S	P	S	M
						h	p	e	i	o	d	i	n	
				END OF CHATAWAY AT 12.6 FAULT 20% CH										
123.5				127.0 - 133.0 - VERY STRONG BASALIC ALT.										
123.5	136.9			QUICKEN - DECREASING QUARTZ, Joints	2	2							2	
				125.7 - INCREASING QUARTZ - MIN. ALT.		4								
				126.5 - 126.9 - INTENSE GABLA SERPENTINE ZONE										
				127.0 - 127.3 SERPENTINE RICH IN MIN. Q										
				GREEN: WHITE CARBONATE (AND LATE BROWN HEMATITE VEINING POSSIBLE TANG. QUARTZ)	2	1	4	2					2	
				QUARTZ 20 CM IN WALL ROCKS	2	1	3	1					3	
				127.2 AS AT 125.7 m										
				127.6 - WHITE AND BROWN SERPENTINIZATION	1								2	
				MINOR HEMATITE V. MIN. QUARTZ TO 132.0										
				132.0 INCREASING CHLOR - SERPENTINIZATION	2	1							3	
				- SOME IRREGULAR CALCITE VEINING										
				136.9 - CHILLED CONTACT AS TO G.A.										
136.9	139.1			CHATAWAY - GRABBS TO QUICKEN IN MIN. Q										
				AND SOME SERPENTIN ALT. OF 136.9 TO 137.0										
139.0	142.3			QUICKEN - AS ABOVE AND SERPENTINE AND ALT.	2	3							3	
				LOCALLY STRONG QUARTZ IN SHEARS AT MIN.										
				SOME TALLY JOINT										
				142.3 END OF HOLE										

FROM	TO	MINERALIZATION tr-trace, remainder in percent, description of min.	p	c	b	c	m	h	ANALYSES SAMPLE # Au-ppb, others %	FROM	TO	W	Cu	Mo	Ag	Au
			y	y	r	v	g	m								
123.0	123.5							1								
123.5	136.9							2								
127.0	127.3	HEMATITE VEINING						7.5								
									94.661	127.0	127.3	0.3	21	1	0.4	
127.2	136.9	IRREGULARLY DISSEMINATED MIN. QUARTZ DESTRUCTION						3								
136.9	139.0							3.3								
139.0	142.3							4								