GEOLOGICAL AND PHYSICAL ASSESSMENT REPORT ON THE CRUZ CLAIMS

MINERAL TITLES BRANCH
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VANCOUVER, B.C.

CRUZ 92, 93,94,96,80,81,82,83
STONE 1,2,3,4

NTS 82G/4E

Latitude 49° 12' N Longitude 115° 50'W

Owners – Chapleau Resources Ltd.
104-135 10th. Avenue South
Cranbrook, B.C.
V1C 2N1

Operator – Ascot Resources Ltd.
#1300 – 409 Granville St.
Vancouver, B.C.
V6C 1T2

Consultant – Anderson Minsearch Consultants Ltd.
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Submitted –February,1999

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,858

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1.00 Introduction

The set of Cruz claims which are the subject of this report form the central portion of a larger block of Cruz claims straddling the northeast end of the Yahk anticline. They are centered about 35 kilometers south of Cranbrook, B.C. in the East Kootenay region of British Columbia. South of Highway 3, the claims where the work was done cover part of the height of land between the Moyie and Hawkins creek drainages in the very headwaters of Stone creek. The claims involved extend from 1300m ASL to almost 1900 meters. The area is one of modest relief with complete and often thick forest cover with a very low percentage of outcrop.Access is from Highway 3 just south of the Moyie Lakes up old logging roads starting as Sunrise then switching to the Sundown creek road. Some east-west access is available from this main road. Another access is from the south, up logging roads of Hawkins, Cold, and Ryan creeks. (See enclosed Index Map.)

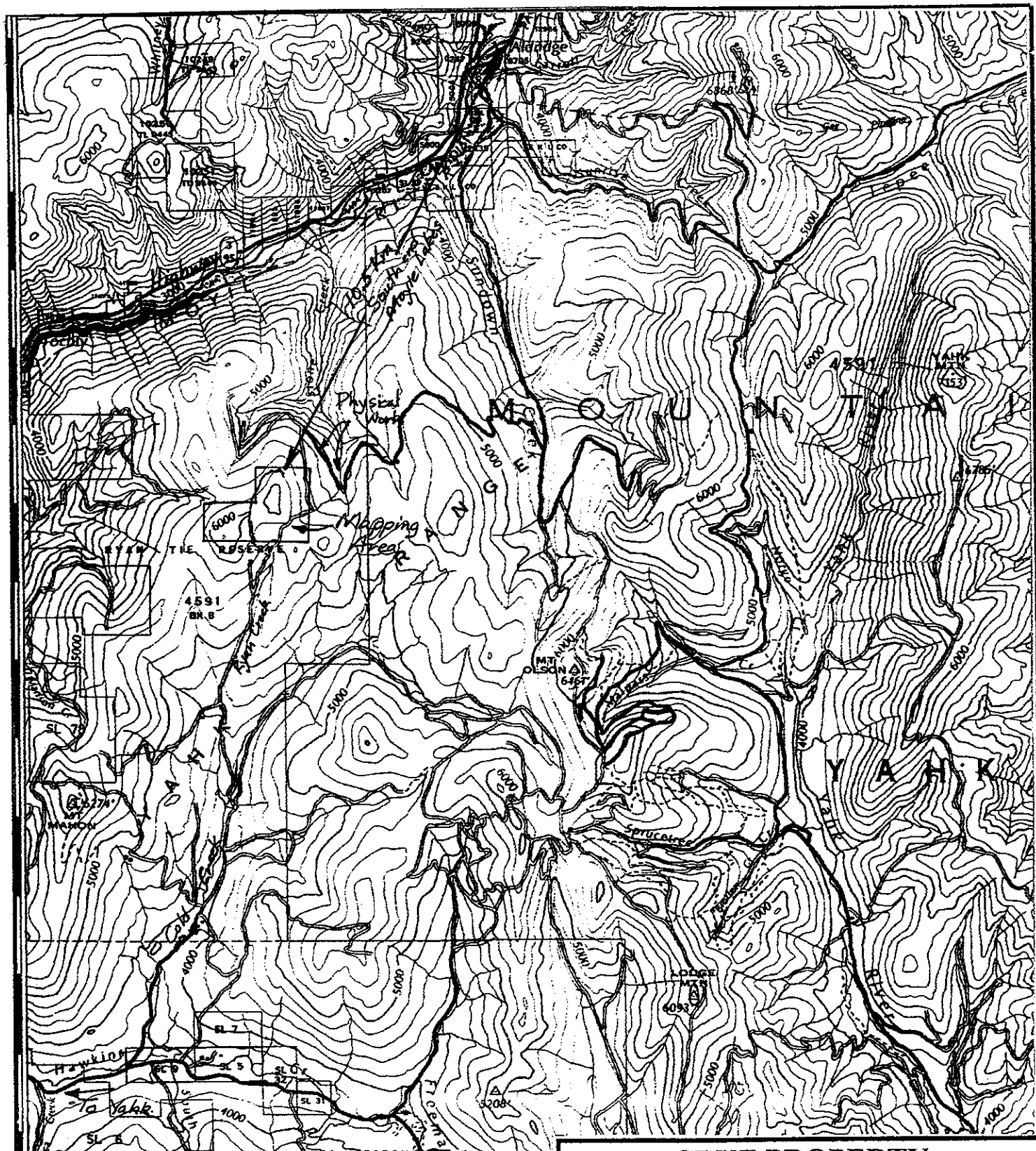
1.10 Property Definition, History, Background Information

The part of the property of concern to this report includes:

Claim	#Units	TN#	Expiry (prior to filing)
Cruz 92	20	342709	14.12.98
Cruz 93	1	342662	06.12.99
Cruz 94	1	342663	05.12.99
Cruz 96	1	342665	06.12.99
Cruz 80	1	342652	05.12.98
Cruz 81	1	342653	06.12.98
Cruz 82	1	342654	06.12.98
Cruz 83	1	342655	06.12.98
Stone 1	1	337204	28.06.99
Stone 2	1	337205	28.06.99
Stone 3	1	337206	26.06.99
Stone 4	1	337207	26.06.99

The current owners are Chapleau Resources Ltd. of Cranbrook, who have optioned the claims to Ascot Resources Ltd. who were operators for most of the field work completed during 1998.

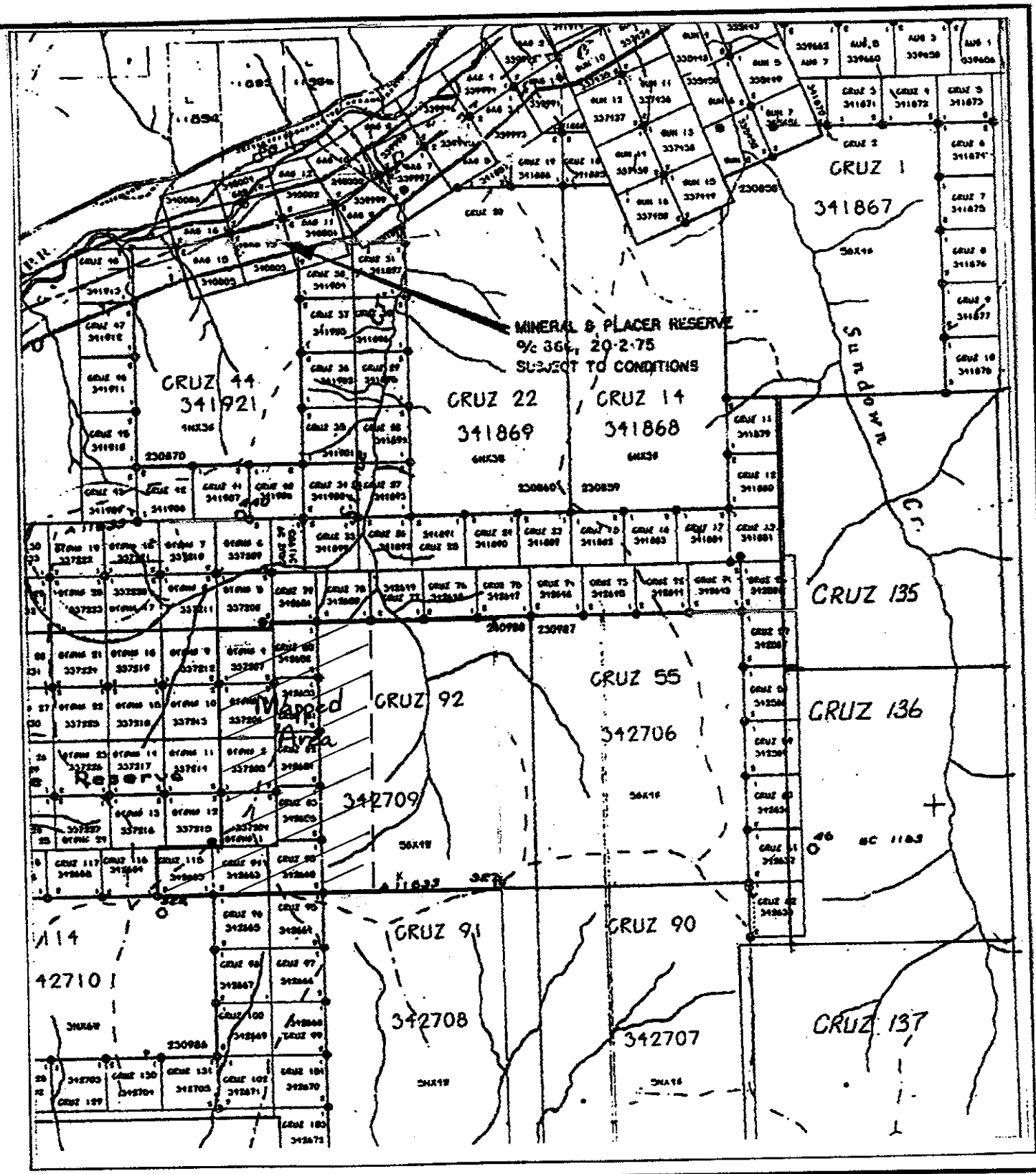
The earlier history of the area is brief and not well known. Small lead/zinc showings along northern Sundown creek attracted initial attention. Modern exploration has included a variety of approaches on the current Cruz/Stone claim block.About 4 kilometers north of the north boundary of the above claims, a 3476 meter oil/gas exploration well was drilled in 1987, it yielded chips collected over 3 meter intervals for a significant portion of the Aldridge Formation. The present owners acquired the claims in 1994 spurred on by finding of fragmentals and altered rocks between Sunrise and Farrell creeks. In 1995, an east-west section was drilled across this Cruz Deplata occurrence, defining several fragmentals stacked over several hundred meters of stratigraphy as cored by the holes. In 1996, a single hole (R96-5) was drilled to 229



CRUZ PROPERTY

LOCATION MAP

NTS: 082G4	FIGURE: 1
SCALE: 1:125,000	



CRUZ PROPERTY

CLAIM MAP

NTS: 082G4	FIGURE: 2
SCALE: 1:50,000	

meters on the Cruz 1 claim in Sundown creek. It cored a Moyie gabbro sill intrusion then Middle Aldridge rocks to the end of the hole. A soil geochem grid was completed over a two year period, to the southeast of the claims defining a significant copper anomaly. To the north, a soil geochem grid straddling Stone creek defined lead/zinc anomalies downslope of and along strike of a gossan. A UTEM geophysical survey was done to the northwest. On the claims in question, Minnova did minor mapping and drilled one hole (ST 91-03, 285.6m) on the west side (Cruz 94) in the 1990/92 period. To the south, two holes were drilled (ST89 – 1+2, totalling 519m) following up on anomalies from two lines of AMT run across the area. None of the holes hit significant sulfide mineralization.

The Cruz claims have economic potential for lead/zinc/silver deposits of the Sullivan-style Sedex type and for smaller cross-cutting vein deposits occupying structural breaks. Underlain by Middle Aldridge rocks and Moyie intrusives, there are occurrences of disseminated galena and sphalerite within the Yahk anticline and other Sullivan indicators including fragmentals, tourmalinites, and albitized sediments. Significant mineralization occurs peripheral to the Cruz area. There are lead-zinc-silver veins with associated gold at the St. Eugene mine (some 12 km to the northeast) where production totalled about 1.47 million tons from two northwest-trending vein systems and an intervening system of cymoid structures.At the much smaller Midway mine (5 km to the north) production was approximately 1280 tons of 0.23 oz/ton Au and 2.15 oz/ton Ag from a north-striking quartz vein.

1.20 Summary of Work Done

The 1998 exploration program included some prospecting, physical work as linecutting and rehabilitation of an existing road, and geological mapping. The mapping was conducted at a scale of 1:10,000, covering about 5 square kilometers on a detailed basis over claims Cruz 92,93,115, 80 through 83 and Stone 1 through 4.

Approximately one kilometer of cut line (mostly brushing out)was established through the center of the area to provide control for later work. The main access road from the north up Sundown creek traverses west across to this part of the property by crossing the upper headwaters of Stone creek. Here the road was impassable at several locations and subject to erosion due to uncontrolled spring runoff. Rehabilation of the road was done at spots along a one kilometer stretch of the road.

Part A

2.00 Geological Mapping

The Cruz property is underlain by the oldest formation of the Proterozoic Belt-Purcell Supergroup. The Supergroup is a thick sequence of terrigenous clastic, carbonate, and minor volcanic rocks of Middle Proterozoic age. The basal Aldridge Formation, as exposed in Canada, is siliciclastic turbidites about 4000 meters thick. It is informally divided into the Lower, Middle, and Upper members. To the north and east in the basin, the Lower Aldridge, the base of which is not exposed, is about 1500 meters of rusty weathering (due to pyrrhotite), thin to medium bedded argillite, wacke and quartzitic wacke generally interpreted as distal turbidites with a dominant transport direction of south to north. The Sullivan orebody occurs at the top of this division.To the south and west in the basin in Canada, the upper part of the Lower Aldridge is dominated grey weathering, medium to thick bedded quartz wackes considered to be proximal turbidites

derived from a source area to the west/southwest. The Lower Aldridge is commonly host to a proliferation of Moyie intrusions, principally as sills. The Middle Aldridge is about 2500 meters of grey to rusty weathering, dominantly medium bedded quartzitic wacke turbidites with periodic inter-turbidite intervals of thin bedded, rusty weathering argillites some of which form finely laminated marker beds (time stratigraphic units correlated over great distances within the Aldridge/Prichard basin). The Upper Aldridge is about 300 meters of thin bedded to laminated, rusty weathering, dark argillite and grey siltite often in couplet-style beds.

Stratigraphically, the emtire Cruz property is underlain by middle to upper Middle Aldridge rocks and several Moyie sills. It is an east-facing panel, younging to the east where it is overlain by the shallower-water siliclastics of the Creston Formation, east of the property boundary. Upper Aldridge is exposed only in the extreme southeast corner. The Middle Aldridge is dominated by moderately rusty weathering, medium bedded, wackes to quartzitic wackes. There are some thicker-bedded, quartz wacke to arenite intervals on the claims. The individual beds are turbidites of a Bouma style but generally of the AE form with a poorly graded sand base and a muddy top. Current features are common with sole marks, small cross-beds, and flame structures. These sediments are intruded by gabbro sills which can be shallow cross-cutting. There are two principle sills on the Cruz property; they are sills recognized throughout the basin. A third sill is likely but it is only identified in a limited area. The gabbros range from fine-grained near the contacts to medium and coarse-grained within. Hornblende and plagioclase dominate, dictating the textures which can be equicrystalline ranging to a coarse, plumose hornblendite. They appear to change in thickness along the length of the property but this is largely apparent.

The particular claims of concern for this report cover a portion of the eastern limb of the Yahk anticline which is a broad, open fold with a modest northerly plunge in Canada (reversing itself in the United States). The fold is limited on the north and west by the major, transcurrent Moyie reverse fault. Being on the height of land allows for more outcrop than is normally the case on the Cruz property but the percentage is still low at a few percent only. The primary focus is fragmental rock and tourmalinized sediments located on the Cruz 80 to 83 and Stone 1 to 4 claims. The mapping was limited in scope so the larger picture remains unknown. However, details of the immediate area are as follows. The stratigraphy is defined as middle of the Middle Aldridge with some laminated marker beds identified. A sequence of very thick bedded, arenaceous quartzites occur in the footwall with a gabbro sill (about 100 meters thick) intruding close to the top of this package. Above the sill, white weathering quartzites continue for about 10 meters at which point a change occurs to rusty weathering, thin bedded to laminated argillite/wacke sediments which in turn are succeeded by thin to medium bedded quartzitic wacke turbidites typical of the Middle Aldridge.

Structurally, this east facing panel is segmented by faults. At least two north/northeast striking faults are present. One cuts the center of the area and is reflected in steepening of bedding and dip reversals; folding is likely but not defined to date. The second such fault occurs on the west side as a shear in outcrop, dropping the west side down repeating the sill. At least two east-west faults are postulated but not defined by the

limited areal coverage of this mapping.

Base metal mineralization has not been noted. The upper sediment package is notably pyrrhotitic but this is not particularly unusual for this part of the Aldridge. The fragmental is mixture of outcrop exposures and float material in a small area likely along a north-trending fault. Quite variable, the fragmentals range from white weathering, quartzite dominated matrix and clasts to rusty weathering, multiple-lithology clasts in a wacke matrix. The distribution and form of the fragmentals has not been determined to date. Downhill and likely down-section are some altered quartzites, tourmalinization is evident in some units whereas others simply reflect alteration as a brownish coloration to otherwise white quartzites. Again the distribution/extent of this zone has not been defined, primarily due to a lack of outcrop.

3.00 Interpretations and Conclusions

This part of the Cruz property has more exposure than other areas of the property but still lacks good continuous exposure. The claims are underlain by Middle Aldridge rocks including one sill recognized throughout the basin. A sequence of thick bedded quartites is overlain by a more pyrrhotitic, argillaceous package. It is along this sedimentary change that fault-controlled fragmental units appear to align as well as selective tourmalinization of particular units.

The property requires more detailed and widespread mapping in consort with soil geochemisty to try to identify targets and trends. Geophysical surveys including mag and EM could be used to further define potential targets.

4.00 Itemized Cost Statement

Consultant D. Anderson's time:
Fieldwork between Sept.1 and October 31st, 1998 included

8 days @$330/d - this included orientation, mapping, and plotting.	$2640.00
Transportation costs: $45/day and $0.35 per km for a 4x4 truck-930km	$ 685.50
Office work and Report Preparation – 3 days at $330/d	$ 990.00
Draughting costs to produce maps – 20 hours @ $20/hr.	$ 400.00
Report assembly and deliver – 5 hours	$ 100.00
Miscellaneous supplies – field and drafting	$ 50.00
Total	$4865.50

Part B

1.0 Physical Work

A control line was brushed out through this logged area to provide control for mapping and geochem soil sampling contemplated for later in the program. The line is about 1.2 kilometres long and <1 metre wide with 50 metre stations established by compass, inclinometer, and chain. The area has numerous old skid trails and thick brush

making it difficult to place oneself on the ground. Therefore a single control line (azimuth 015 degrees) helped provide some ground control.

The road access from the north was re-established by conducting some repairs on the road surface during the fall of 1998. The road which proceeds from Highway 3 at Moyie Lake up Sunrise then Sundown creeks eventually crosses west into the headwaters of Stone creek, onto Claim Cruz 92. At this point it was impassable due to two old wooden culverts which had rotted and caved in and because a series of erosion channels had crossed the road on a downhill to the southeast stretch of the road. This road provides principal access to the northern portion of the Cruz property and will be needed upon the resumption of exploration activities in the spring of 1999.

The road surface was rehabilatated by using a D7 bulldozer to remove the caved culverts and create two U-shaped crossings to control seasonal stream flows. In one case an attempt was made to simply widen the road for travel around the culvert but ground conditions wouldn't allow for this, so this minor disturbance will need to be seeded in the spring. Several washouts were present up the road (to the northwest) from the culvert, so side ditching and cross-ditching were done to try to control the spring runoffs which had eroded the road surface.

AUTHOR'S QUALIFICATIONS

I, Douglas Anderson, Consulting Geological Engineer, have my office at 3205 6th. St. South in Cranbrook, B.C., V1C 6K1.

I graduated from the University of British Columbia in 1969 with a Bachelor of Applied Science in Geological Engineering.

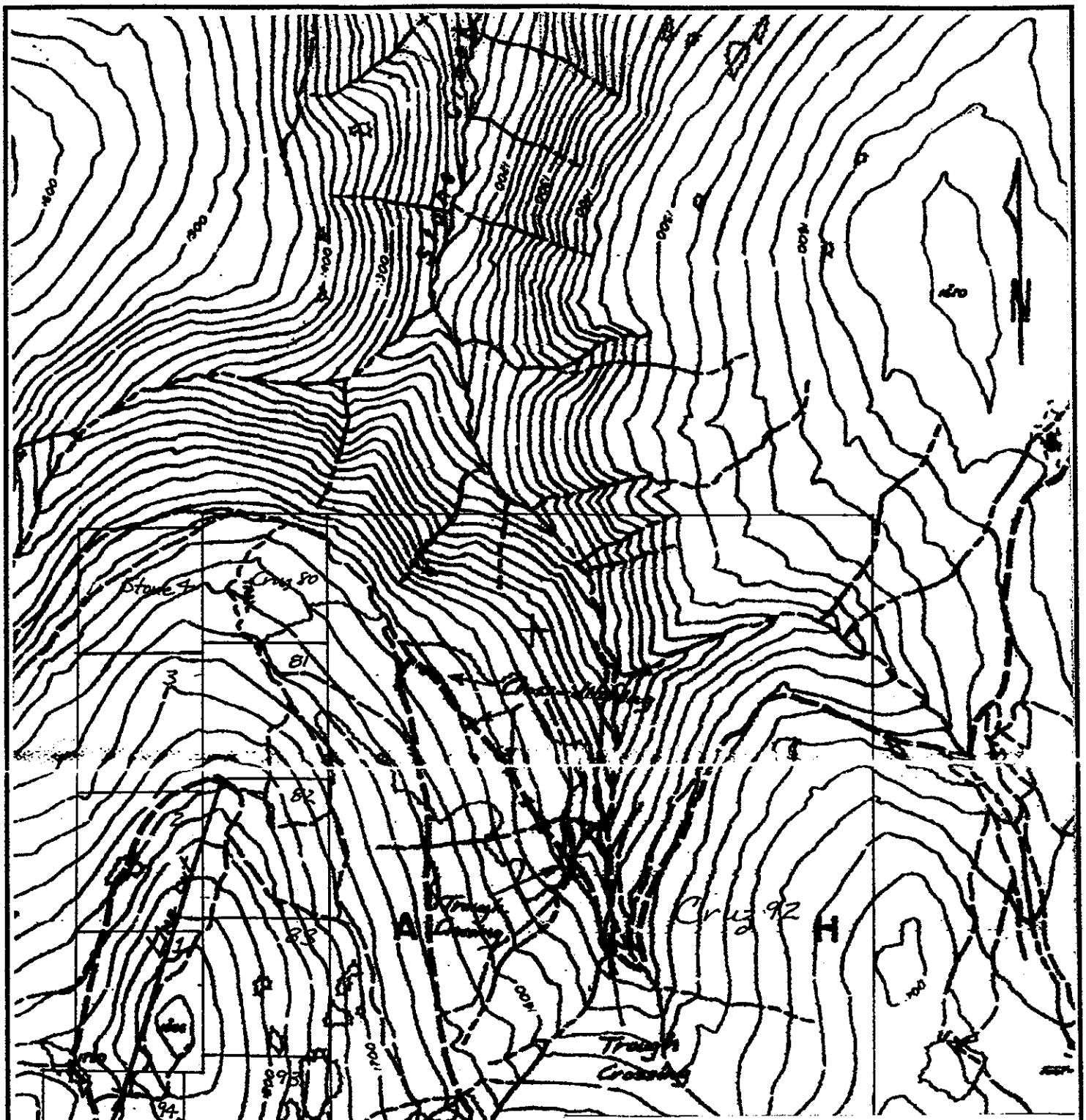
I have practiced my profession since 1969, dominantly with one large mining company, in a number of capacities all over Western Canada.

I am a Registered Professional Engineer and member of the Association of Professional Engineers and Geoscientists of B.C., and I am authorized to use their seal which has been affixed to this report.

I am also a Fellow of the Geological Association of Canada.

Dated this 17th day of February, 1999

Douglas Anderson, P.Eng., B.A.Sc., FGAC
Consulting Geological Engineer



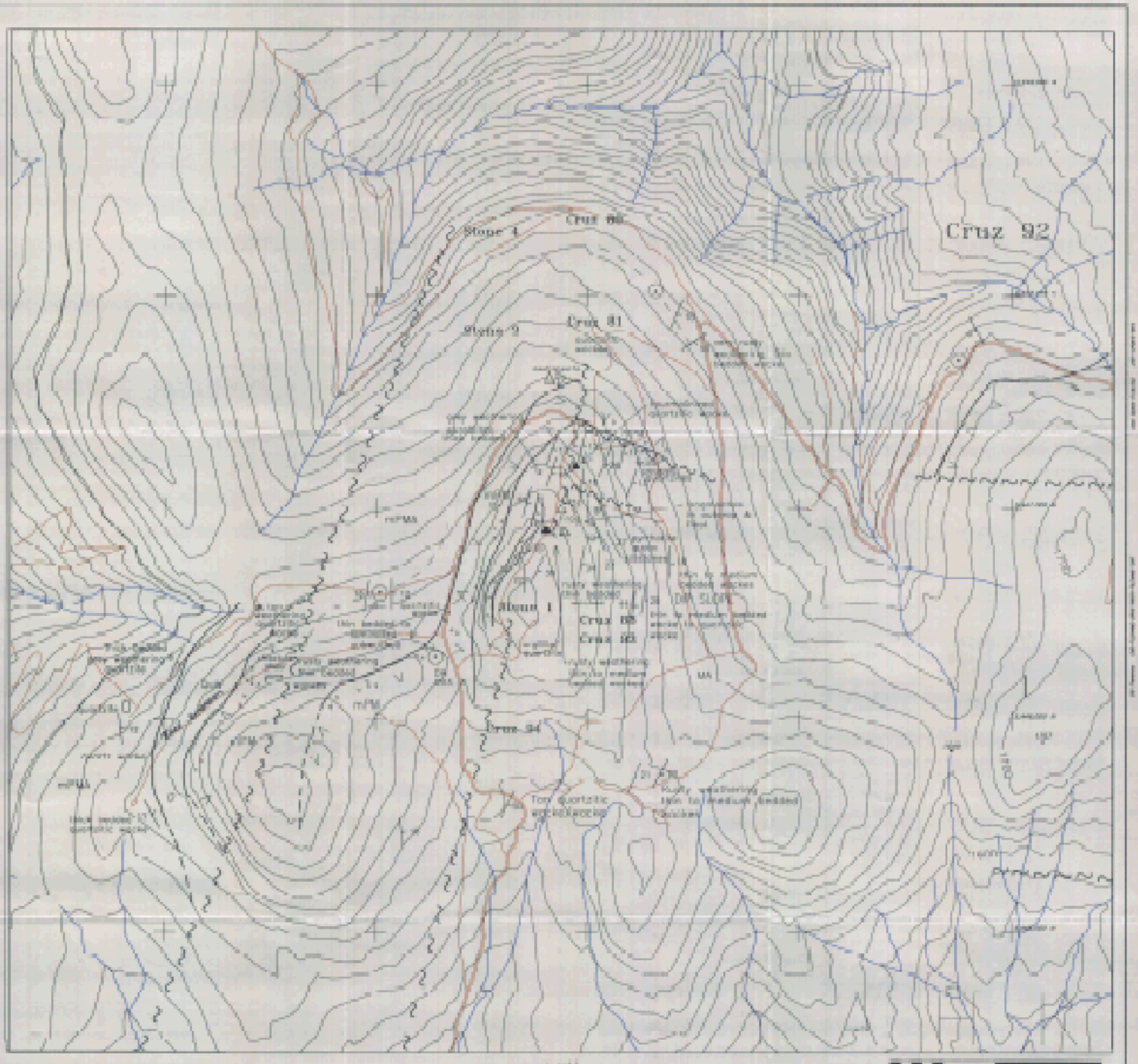
CRUZ PROPERTY

PHYSICAL WORK

NTS:082G4

SCALE: 1:20,000

FIGURE: 3



ASCOT RESOURCES LTD

Figure 4

CRUZ PROPERTY

GEOLOGY MAP

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