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**DIAMOND DRILLING REPORT
ON THE HD PROPERTY**
for Moll, Merkley & Merkley

J.M. Hutter, P. Geo
April 20, 1999

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**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

25,891

DIAMOND DRILLING REPORT
ON THE
HD PROPERTY, HOUSTON, B.C.

Omineca Mining Division

NTS 93L/7E

Latitude 54° 27' N
Longitude 126° 39' W

For:

MOLL, MERKLEY & MERKLEY
Owners & Operators

By:

J.M. Hutter, P. Geo.

April 20, 1999

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INTRODUCTION:

The HD claim group is comprised of 5 modified grid claims totalling 75 units. The claims cover the greater part of Mount Harry Davis, north of Houston, B.C.

Six diamond drill holes totalling 86.9 metres were drilled by the property owners.

LOCATION AND ACCESS:

The centre of the HD claim group (NTS 93L/7E) is located on Mount Harry Davis about 5 km north of the town of Houston in west central British Columbia (Fig. 1 & 2). The main access road, which is suitable for two-wheel drive vehicles, services a Ministry of Transportation and Highways VOR facility on the top of the mountain. The road leaves Highway 16 about one kilometre east of Houston.

Elevations on the property range from about 660 to 1260 metres. The claims are entirely below the treeline and are mostly forested. The northern and southeast-facing slopes of the mountain are quite steep but elsewhere are fairly gentle.

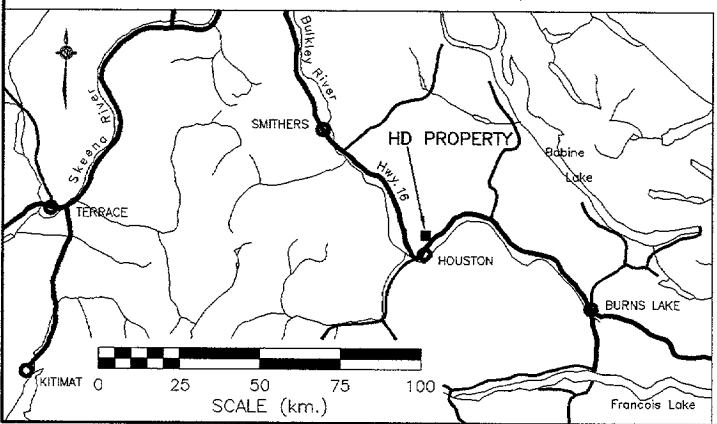
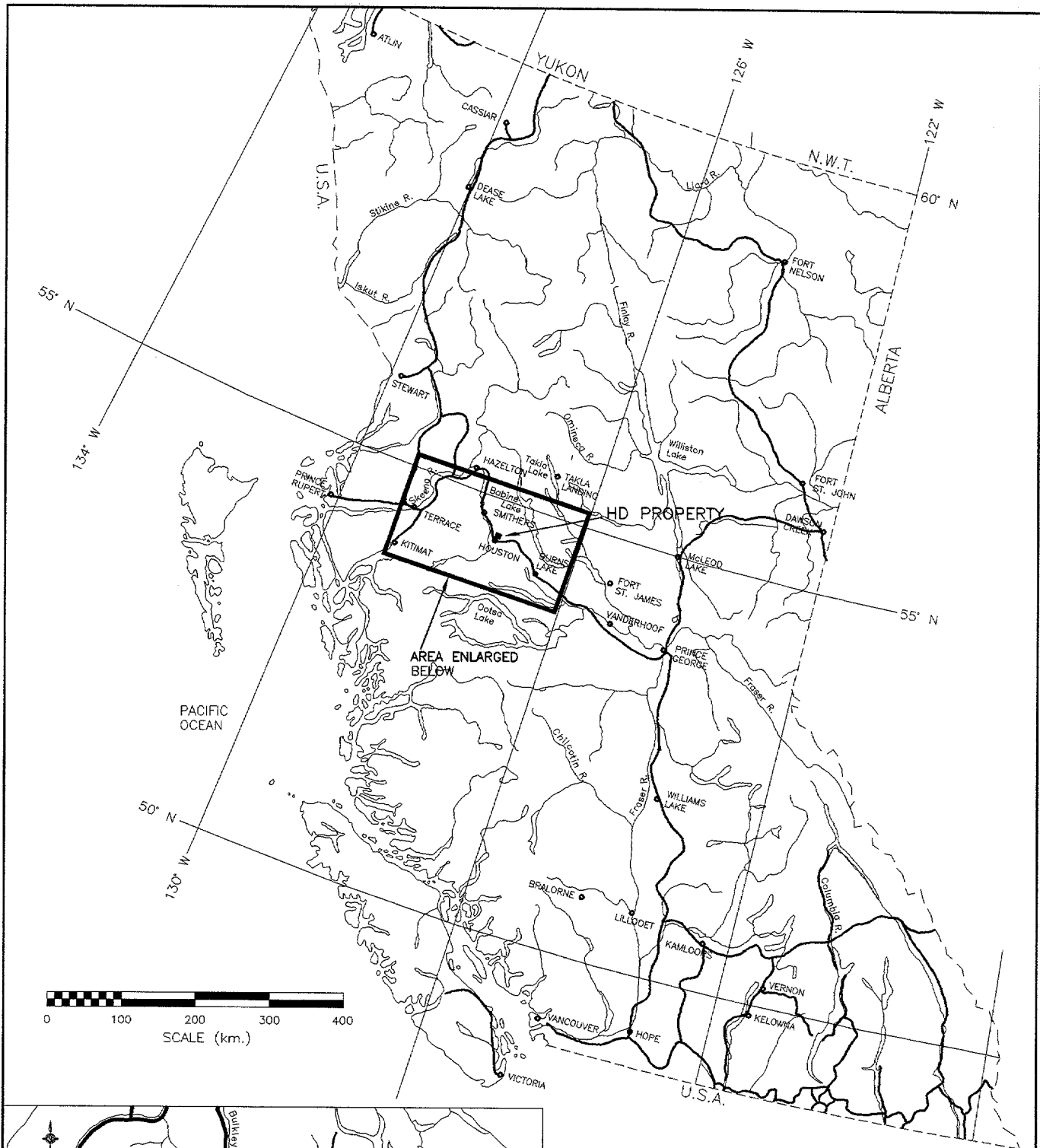
CLAIM DATA:

The HD property includes 5 modified grid claims totalling 75 units as follows:

| Claim Name | No. of Units | Tenure No. | Expiry Date |
|------------|--------------|------------|------------------|
| HD-1 | 15 | 238545 | April 21, 2000 * |
| HD-2 | 20 | 238546 | April 21, 2000 * |
| HD-3 | 15 | 238547 | April 21, 2000 * |
| HD-4 | 20 | 238548 | April 21, 2000 * |
| HD-5 | 5 | 240082 | Aug. 18, 2000 * |

* pending acceptance of this report.

The claims are owned by Wes Moll, Daniel Merkley and Gloria Merkley, all of Houston, B.C.

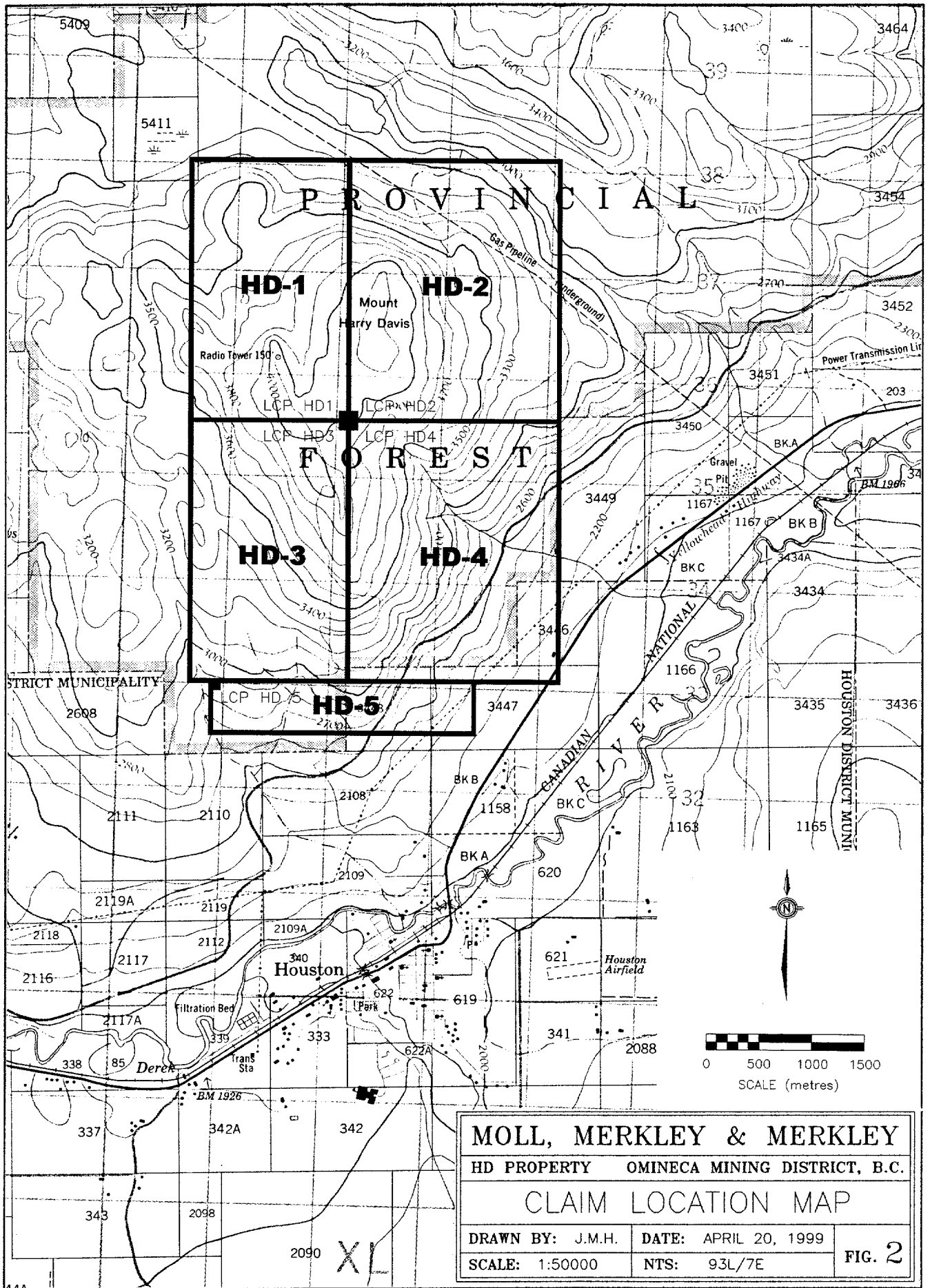


MOLL, MERKLEY & MERKLEY

HD PROPERTY
OMINECA MINING DISTRICT, B.C.

PROPERTY LOCATION MAP

| | | |
|-----------------|-----------------------|----------------------|
| SCALE: AS SHOWN | DRAWN BY: J.M. HUITER | DATE: APRIL 20, 1999 |
| NTS: 93L/7E | | FIG. 1 |



HISTORY:

Mineral showings are first noted on Mount Harry Davis in the 1918 Annual Report of the Minister of Mines. Development occurred sporadically over the next several decades, limited mostly to trenching and test pitting .

In 1967 Molybdenum Exploration Ltd. conducted geological mapping, geochemical surveys, stripping and trenching on the property.

In 1981 the Endako Mines Division of Placer Development Ltd. conducted geological , geochemical and VLF-EM surveys on the ground, which was re-staked as the HD-1 to -4 claims in 1982. Placer continued work in 1982 with geological mapping, soil & rock geochemical surveys, VLF-EM and ground magnetometer surveys.

In 1984 and 1985 Eldor Resources Ltd. did a topographic survey, rock sampling, a gravity survey, geological mapping, SP surveys, VLF-EM, soil sampling, and completed two short diamond drill holes totalling 45.8 metres with a Winkie drill.

Equity Silver Mines Ltd. staked the HD-5 claim to cover an area of new showings in 1988. In 1988 and 1989 the company conducted a program of soil sampling, line cutting, trenching and bedrock geochemistry, IP survey and completed six NQ diamond drill holes totalling 776.2 metres, obtaining no intersections of economic grade.

Teck Corporation optioned the property in 1993 and did geological mapping and drilled 4 NQ holes totalling 648.5 metres.

REGIONAL GEOLOGY:

The HD claims are underlain by rocks of the Telkwa Formation, which are the oldest (lower Jurassic) rocks of the Hazelton Group. The Hazelton Group is an island arc assemblage characterized by numerous lateral and vertical facies changes.

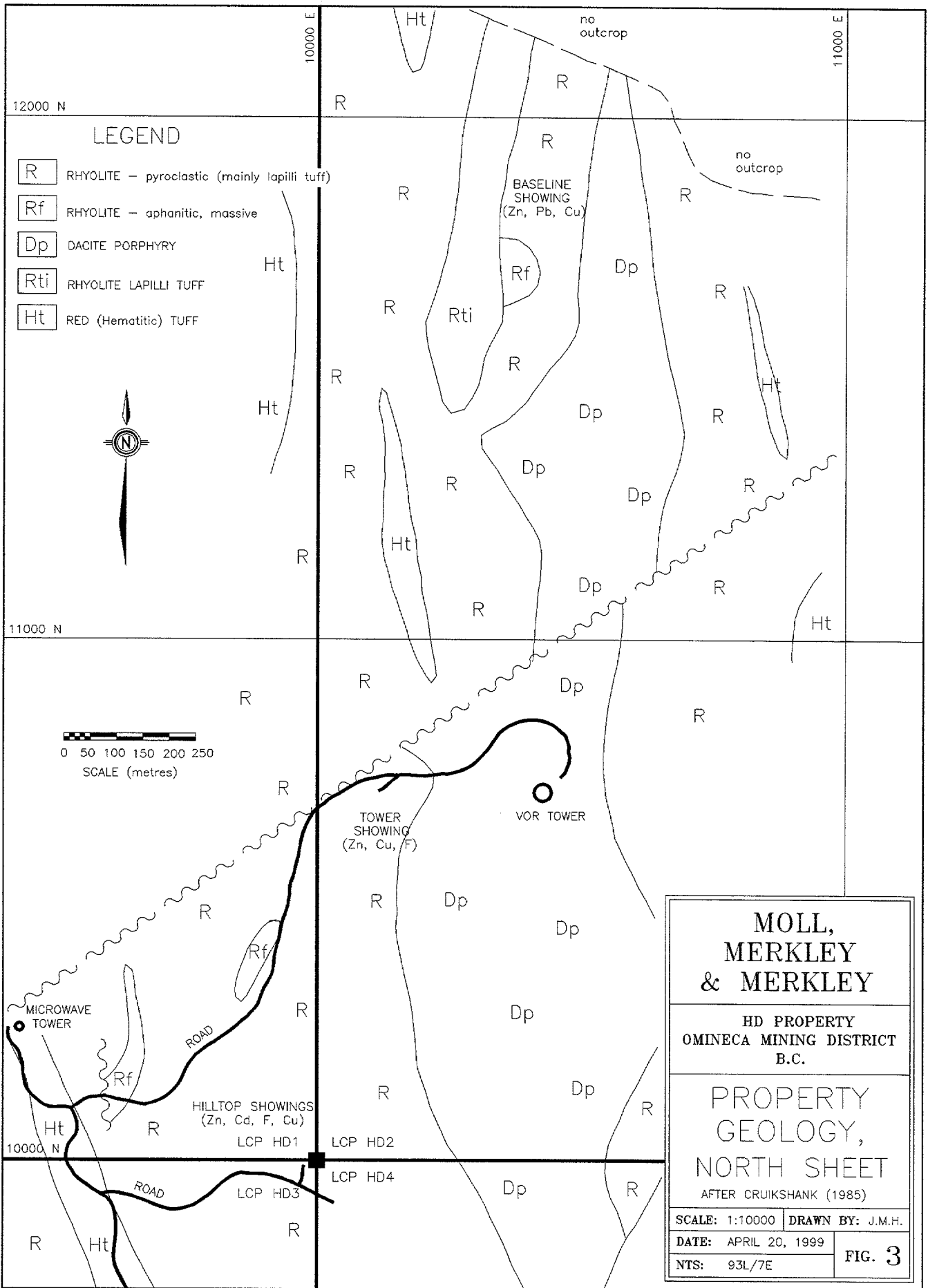
Tipper and Richards (1976) map the area of the HD claims as "Babine Shelf Facies", a transitional area between the non-marine volcanics of the Telkwa Range 40 km to the west and marine deposits of the Babine Lake area 50 km to the northeast. They describe rocks of the Babine Shelf Facies as "calc-alkaline basalt to rhyolite; subaerial and subaqueous flow, breccia and tuff; limestone, greywacke, siltstone and shale."

PROPERTY GEOLOGY:

The following discussion of lithologies on the HD Property (Fig. 3 and 4) is taken directly from Cruikshank (1985).

"Chert was found at only two locations, and the two are quite dissimilar. Chert at the Hilltop Showing is dense, dark grey to almost black in colour, carries moderate to heavy sphalerite mineralization, and varies from massive to laminated. The other chert occurrence, near the east end of line 30+00N is red, well laminated, contains laminations of felsic ash tuff, and is unmineralized. Chert therefore appears to be very restricted in occurrence. This lithology does not necessarily indicate submarine conditions; exhalative subaqueous cherts can also be present in a predominantly subaerial environment, as reported by Sillitoe et. al. (1984) from a late Tertiary maar volcano in Papua-New Guinea.

Jurassic basalt occurs only at the extreme southeast corner of the grid area. Basalt is more common outside of the grid to the south, where it contains other copper showings.



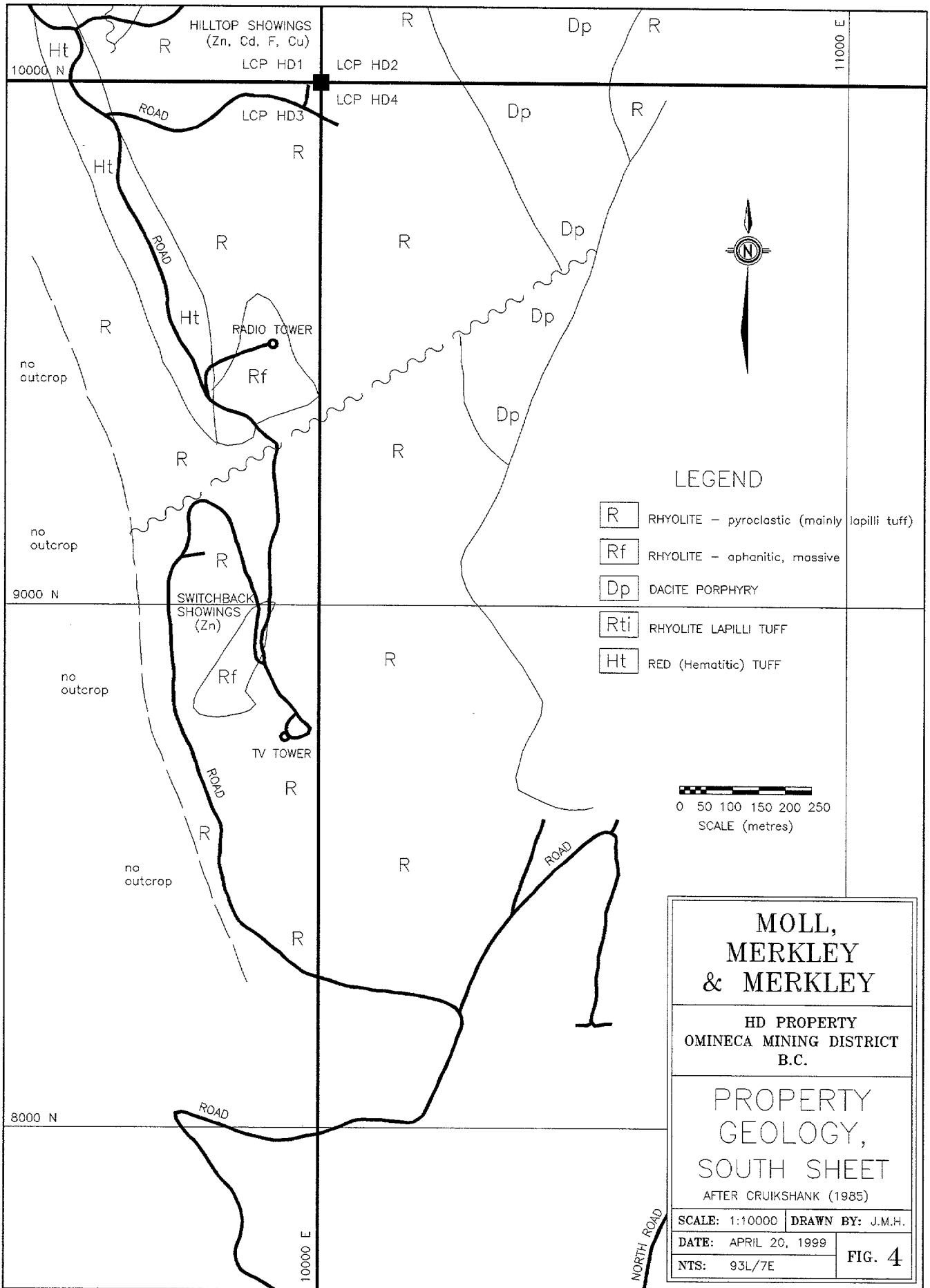
**MOLL,
MERKLEY
& MERKLEY**

HD PROPERTY
OMINECA MINING DISTRICT
B.C.

**PROPERTY
GEOLOGY,
NORTH SHEET**

AFTER CRUIKSHANK (1985)

| | |
|----------------------|------------------|
| SCALE: 1:10000 | DRAWN BY: J.M.H. |
| DATE: APRIL 20, 1999 | |
| NTS: 93L/7E | FIG. 3 |



The hematitic tuff unit ("Ht" on the map) is a very distinctive lithology. It is usually noticeably red in colour, and displays bedding, lamination, and/or preferred orientation of pyroclasts. It commonly contains accretionary lapilli. Whole rock analyses indicate that this unit is very siliceous (over 70% silica), and therefore of rhyolitic composition. All outcrops of this unit are polymictic pyroclastic rocks; most are ash or lapilli tuffs. These characteristics generally agree with Tipper and Richards (1976) criteria for subaerially erupted Hazelton rocks. The well-defined bedding and apparent chilling of the outer layers of individual accretionary lapilli may indicate deposition in a lake or shallow sea.

A few beds or lenses of andesitic tuff are present. These are dark green, polymictic rocks in which bedding is occasionally discernable; both ash and lapilli tuffs are present. One whole rock analysis yielded results of about 61% SiO_2 and 15% Al_2O_3 , indicating andesitic composition.

Pale rhyolites are the most abundant rocks in the grid area, and are host to most of the zinc showings. A wide variety of sub-units were recognized, as can be seen by reference to the map legend. With few exceptions, these sub-units are not mappable over very great distances. A mappable body of coarse tuff (lapilli tuff and agglomerate) occurs along the north end of the baseline, and aphanitic varieties are locally mappable. Most outcrops are clearly pyroclastic in origin. The massive aphanitic rocks (Rf) are more problematical, and may include dust tuffs, highly silicified coarser pyroclastics, or sub-volcanic intrusives. Analyses of rocks from this unit always produce SiO_2 contents of greater than 70%.

The dacite porphyry (Dp) is a very distinctive unit of uncertain origin. This rock has an aphanitic, dark grey matrix, with abundant euhedral white feldspar phenocrysts 1 to 2 mm in size. Close inspection of most outcrops also reveals the presence of angular, ash or lapilli-sized lithic fragments. The unit is therefore either a crystallitic tuff, or else a porphyry intrusion which contains a great many smallish inclusions. This rock is extremely uniform in appearance wherever found, and never displays bedding or preferred orientation of

constituents; for these reasons, the author believes it to be an intrusive porphyry. The silica and alumina content of two rocks from this unit, from widely separated locations, are nearly identical: about 67% SiO₂ and 14% Al₂O₃.

Dark green basalt or andesite dykes are abundant but volumetrically insignificant. They probably belong to the Endako Group of Tertiary age.

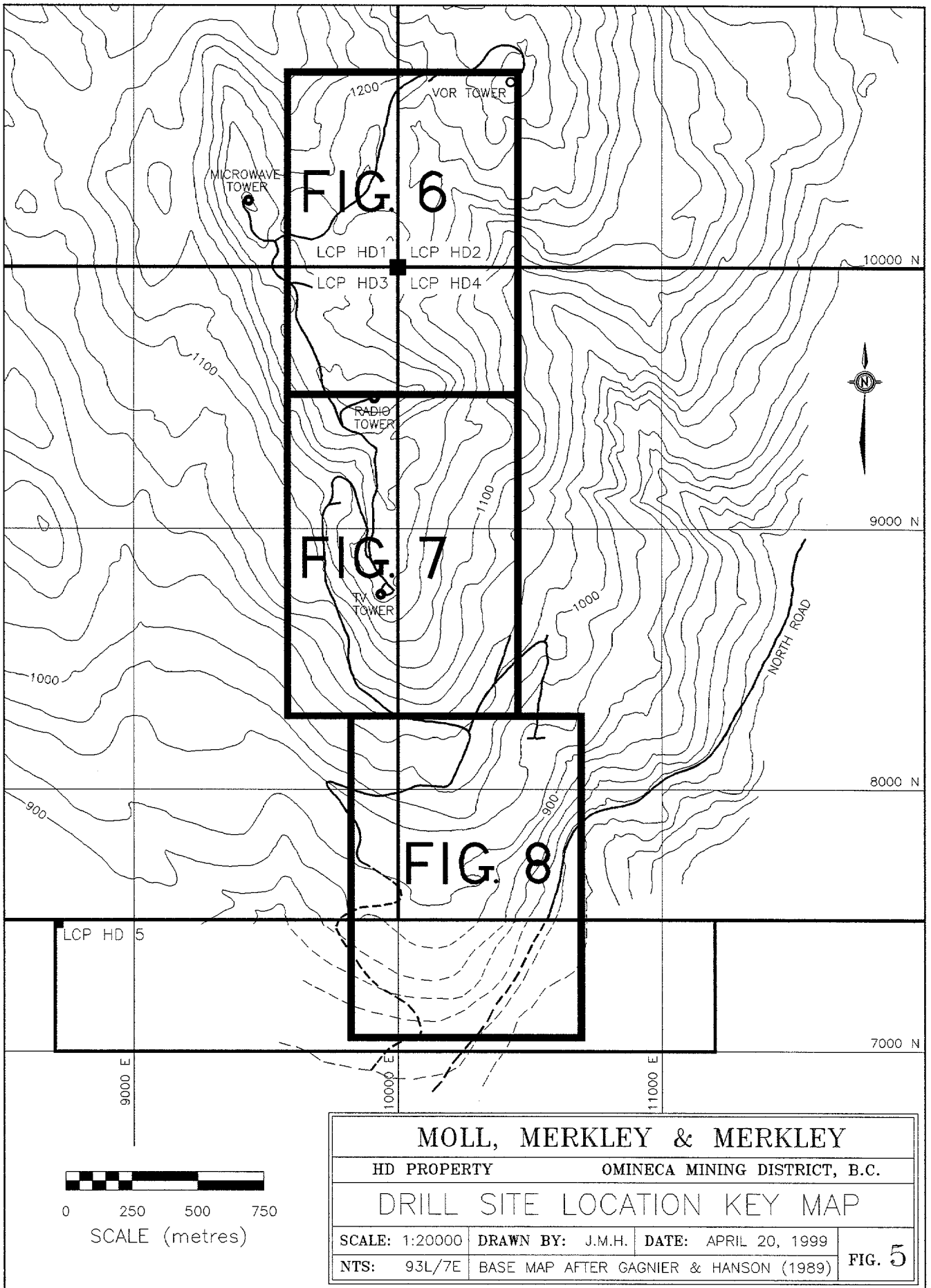
Till has been mapped where exposed in road cuts or trenches, and approximate thickness indicated. Overburden is usually thin, being 1 metre or less, but attains a maximum of greater than 5 m in a road cut at the extreme south end of the map area. Till in excess of 1 metre thick only occurs on the lower slopes of the mountain. An unstable slope of continually slumping glacio-fluvial material is present a few hundred metres east of the southern end of the grid."

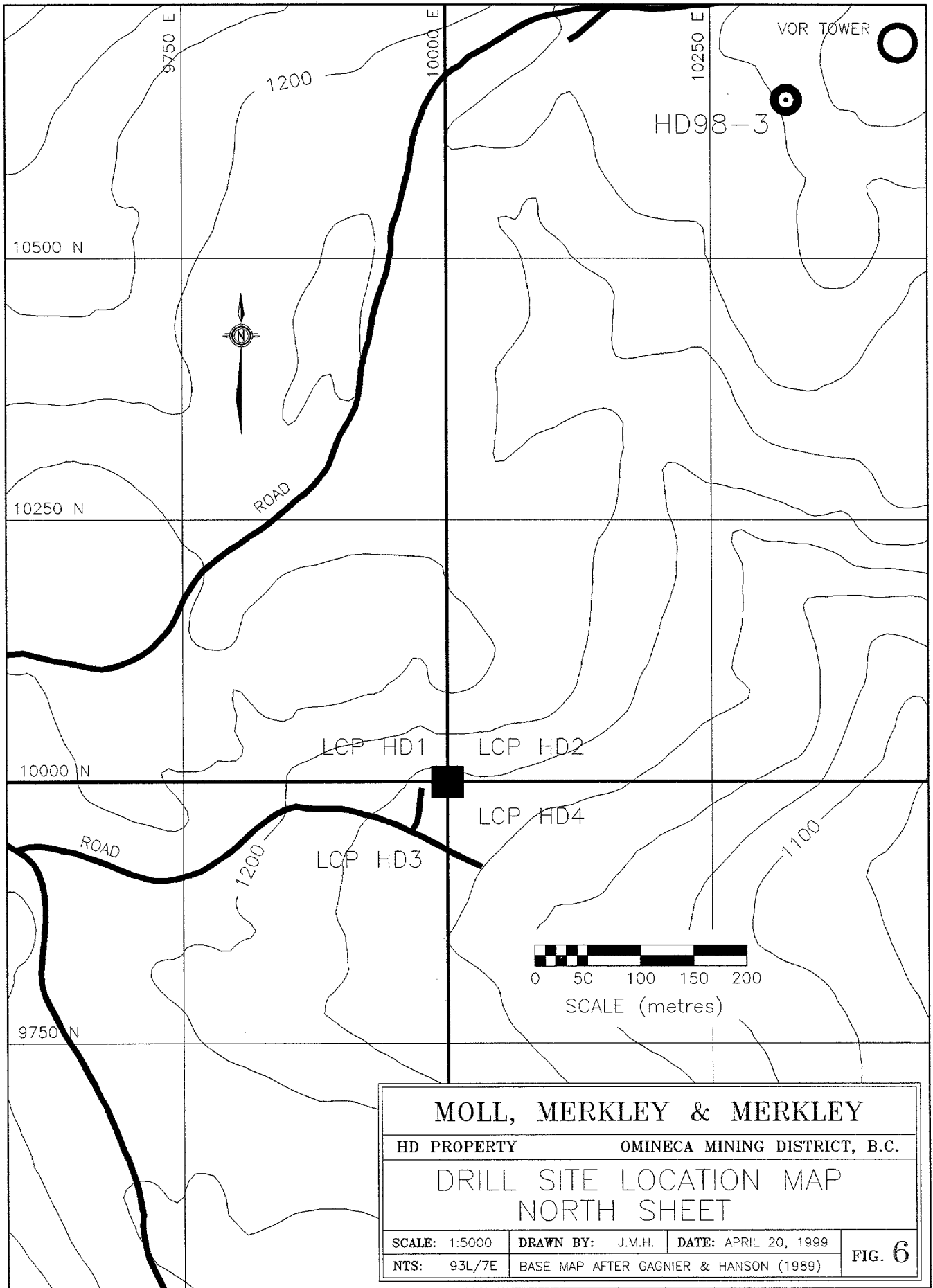
DIAMOND DRILL PROGRAM:

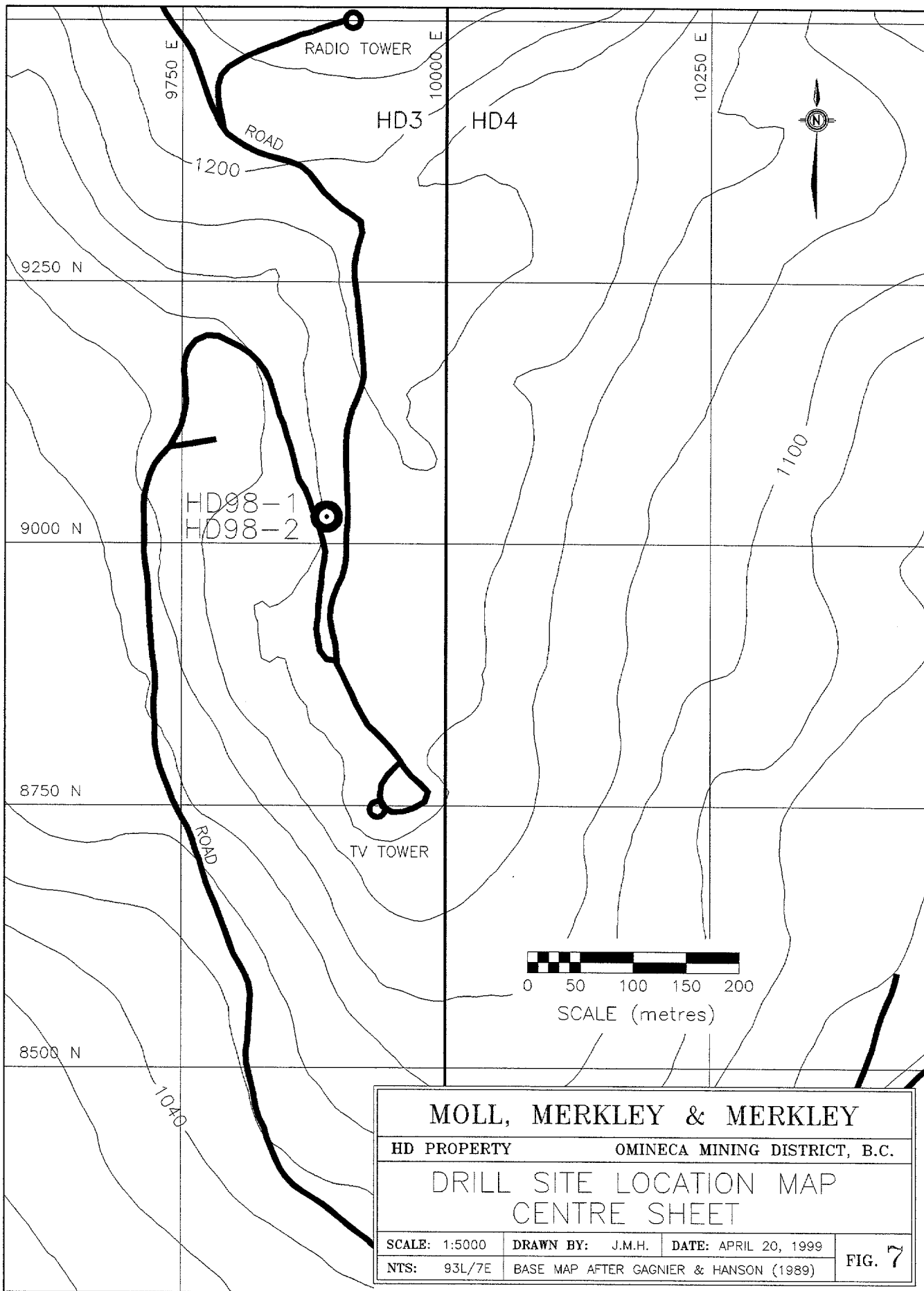
Diamond drilling was carried out from September 3 to September 9, 1998 and from April 14 to April 18, 1999. A total of 86.9 metres of EX size core was drilled by an X-ray drill in six holes. The purpose of the drilling was to test mineralized surface showings.

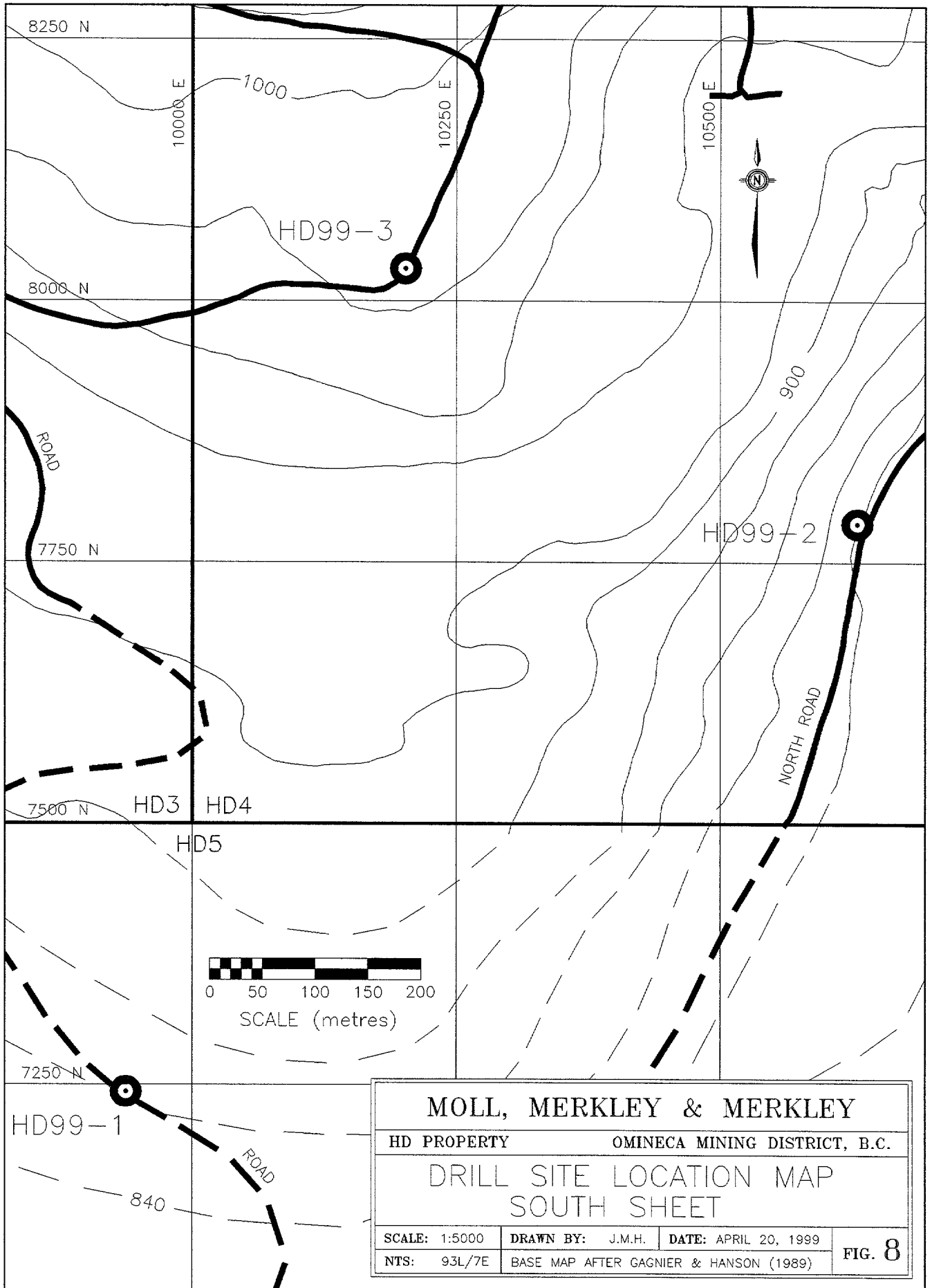
Core was not assayed, except for one interval at the beginning of DDH HD98-3.

Drill collar locations were determined by using a hip chain (and compass where necessary) from known road locations. Elevations were interpolated from Gagnier and Hanson's (1988) topographic map. Drill hole locations are shown on Figures 5 to 8.









CONCLUSIONS:

The diamond drill program did not encounter economic concentrations of base or precious metals.

Drill hole HD99-3 encountered favorable alteration in an area which has not been drilled before. Propylitic alteration found in this area indicates that the rocks have been subject to the action of hydrothermal fluids and could be within an alteration halo related to more intense hydrothermal activity, such as that associated with a mineralizing event. Such a halo (in the case of a porphyry copper deposit, for example) can be quite large and therefore a rather rough tool for pinpointing a mineral deposit. The area immediately to the north and west appears to be fairly well covered by the 1988 Equity Silver soil sampling program, the results of which should not have been masked by the relatively thin till cover. This leaves only the area at depth and to the south and east (under heavy till cover) as potential targets.

The author has so far been unable to find geological maps of the area in question, although some maps were missing from the reports which were available and might in fact cover this area. If no maps can be found then geological mapping of this part of the property would be in order as a first step in further exploration.

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TIPPER, H.W., RICHARDS, T.A. (1976): Jurassic stratigraphy and history of north-central British Columbia; G.S.C. Bull 270.

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WALCOTT, P.E.(1989): Induced Polarization Survey of the HD 3 and 4 Mineral Claims, for Equity Silver Mines Ltd; BC MEMPR assessment report No. 18864.

BC MEMPR, Annual Reports: 1918 (127), 1927 (139), 1929 (176), 1930 (143), 1931 (74), 1967 (108).

BC MEMPR, Exploration in B.C.: 1977 (E194), 1979 (227), 1981 (135), 1982 (308), 1985 (C311).

BC MEMPR, Geology in B.C.: 1977-1981 (122-124).

BC MEMPR, Geological Fieldwork 1977, Paper 1978-1 (66).

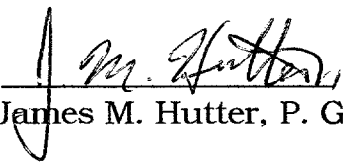
APPENDIX A

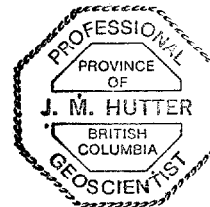
CERTIFICATE OF QUALIFICATIONS

I, James M. Hutter, hereby certify that:

1. I graduated from the University of British Columbia in 1976 with a B.Sc. in geology.
2. I am a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
3. I am a practicing Professional Geologist with offices at 4407 Alfred Avenue, Smithers, B.C.
4. I have worked in mining exploration since graduation, mostly in British Columbia. I have been working as a geologist approximately 40% of the time.
5. I have no financial interest, directly or indirectly, in the property which is the subject of this report.
6. I am familiar with the geology of the general area but have not examined the ground covered by the HD claims, except to verify the locations of the drill holes. I logged the core that is described in this report but did not supervise or otherwise have any role in the actual drilling.

April 20, 1999.


James M. Hutter, P. Geo.



APPENDIX B

COST STATEMENT:

Dates: Sept. 3 - 9, 1998 and April 14 -18, 1999.

Work done by Wes Moll, Dan Merkley and Bill Merkley.

Mobilization & demobilization:

| | |
|-----------------------------------------------|------------|
| 101 hrs. @ \$ 20.00 per hour: | \$ 1620.00 |
| Drilling 6 holes: 285 ft. @ \$26.00 per foot: | 7410.00 |
| 4x4 Truck & Camper: 5 days @ \$ 80 per day: | 400.00 |
| 2-wheel-drive: 10 days @ \$ 30 per day: | 210.00 |
| 4x4 Truck: 5 days @ \$ 50 per day: | 100.00 |
| Board @ \$ 30 per day: 7 days / 3 persons: | 630.00 |
| 3 days / 2 persons: | 180.00 |
| ATV: 7 days @ \$ 50 per day: | 350.00 |
| Chain saw: 7 days @ \$ 10 per day: | 70.00 |
| Jackhammer: 7 days @ 10 per day: | 70.00 |
| Water Truck: 50 hrs. @ \$ 60.00 per hr: | 3000.00 |
| Water pump: 5 days @ \$ 35.00 per day: | 175.00 |
| Cutting core & sample shipping charge: | 160.00 |
| Logging core (J. Hutter, geologist): | |
| 1.25 days @ \$ 300.00: | 375.00 |
| Report preparation (J. Hutter, geologist): | |
| 1.25 days @ \$ 300.00: | 375.00 |

Total \$ 15915.00

APPENDIX C

Diamond Drill Logs

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD HOLE NO: HD98-1
LOCATION: Switchback Showing, HD-3 claim
CO-ORDINATES: 9024 N, 9985 E
AZIMUTH: N/A DIP: -90° ELEVATION: 1160 m
LENGTH: 29.0 m
PURPOSE: to test mineralized surface showing.
CORE SIZE: EX CONTRACTOR: Moll, Merkley & Merkley
DATE STARTED: Sept 5, 1998 DATE COMPLETED: Sept 6, 1998
CORE STORAGE: yard of D. Merkley
LOGGED BY: J.M. Hutter DATE LOGGED: April 12, 1999

SUMMARY OF RESULTS:

| | |
|---------------|-----------------------------------------------|
| 0 - 4.0 m | Rhyolite ash / lapilli tuff. |
| 4.0 - 9.0 m | Intermediate dyke. |
| 9.0 - 16.8 m | Rhyolite lapilli tuff. |
| 16.8 - 22.9 m | Hematitic rhyolite lapilli tuff. |
| 22.9 - 29.0 m | Rhyolite lapilli tuff w/ hematitic fragments. |

MINERALIZATION:

- fleck of galena at 10.8 m.

ALTERATION:

- weak chloritization and bleaching of wall rocks near dyke.
- weak argillization 11.4 - 12.2 m.
- silicification 15.2 - 15.9 m.
- very weak chloritization 16.8 - 22.9 m.
- weak chloritization 22.9 - 29.0 m.

CORE RECOVERY:

- poor to good.

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD98-1

Page: 2 of 2

| METRES From To | | DESCRIPTION | FROM | TO | RECOVERY % |
|-------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------|
| 0 | 4.0 | Rhyolite ash / lapilli tuff. 0 - 0.6 light brown to light grey silicified ash tuff. 0.6 - 2.4 light grey-green matrix - supported polymictic ash tuff, occasional calcite vnlts 1-2 mm at 45-60° to CA, 1 cm calcite vnlts at 2.3 m at 70° to CA. 2.4 - 4.0 alteration near dyke: clasts are rounded and diffuse with chloritized centres and bleached rims. Minor pyrite noted partially replacing central area of one clast. Rock is weakly magnetic. Occasional wispy calcite vnlts to 1 mm at 40° to CA. | 0 | 1.7 | 25 |
| | | | 1.7 | 2.1 | 50 |
| | | | 2.1 | 4.0 | 30 |
| 4.0 | 9.0 | Intermediate dyke: 10 - 15 % mafics in fine light grey-green matrix containing abundant very fine randomly-oriented feldspar crystals. Locally weakly magnetic. Moderate calcite veining to 3 mm, most at 60 - 80° to CA, less commonly at 20° to CA. Dyke margins are both chilled for a core length of 0.3 m. Lower contact at approximately 60° to CA. | 4.0 | 9.0 | 90 |
| 9.0 | 16.8 | Rhyolite lapilli tuff. 9.0 - 10.1 alteration similar to 2.4 - 4.0. Altered fragments in grey-green fine-grained matrix. Rock is locally very weakly magnetic. Hematite coating some fractures. Occasional calcite vnlts to 3 mm, mostly at 60 - 80° to CA. 10.1- 16.8 light grey to light brown polymictic lapilli tuff, matrix-supported. Rare to locally moderate quartz-calcite veining to 3 mm, mostly at 45 - 80° to CA. Weak argillic alteration 11.4 to 12.2 m, small amount of hematitic rubble at 12.2 m, locally brecciated and silicified 15.2 - 15.9 m (or containing silicified fragments). Single 1.5 mm bleb of galena noted at 10.8 m. | 9.0 | 10.1 | 80 |
| | | | 10.1 | 16.8 | 50 |
| 16.8 | 22.9 | Hematitic rhyolite lapilli tuff: heterolithic pyroclasts, some hematitic, in matrix which may be either hematitic or weakly chloritized. Matrix-supported. Rare quartz-calcite vnlts. | 16.8 | 22.9 | 50 |
| 22.9 | 29.0 | Rhyolite lapilli tuff: heterolithic pyroclasts in light green weakly chloritized matrix. Hematitic pyroclasts common. Matrix-supported. Rare quartz-calcite vnlts to 5 mm. | 22.9 | 25.9 | 65 |
| | | | 25.9 | 29.0 | 10 |

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD

HOLE NO: HD98-2

LOCATION: Switchback Showing, HD-3 claim

CO-ORDINATES: 9022 N, 9987 E

AZIMUTH: N/A

DIP: -90°

ELEVATION: 1160 m

LENGTH: 12.5 m

PURPOSE: a twin of hole HD98-1, attempting to reach greater depth.

CORE SIZE: EX

CONTRACTOR: Moll, Merkley & Merkley

DATE STARTED: Sept. 7, 1998

DATE COMPLETED: Sept. 7, 1998

CORE STORAGE: yard of D. Merkley

LOGGED BY: J.M. Hutter

DATE LOGGED: April 12, 1999

SUMMARY OF RESULTS:

0 - 12.5 m Rhyolite ash / lapilli tuff.

MINERALIZATION:

- pyrite, galena and sphalerite weakly disseminated or as partial replacements of pyroclasts.

ALTERATION:

- weak to moderate chloritization.

CORE RECOVERY:

- very poor.

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD98-2

Page: 2 of 2

| METRES From To | | DESCRIPTION | FROM | TO | RECOVERY % |
|-------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------|---------------|
| 0 | 12.5 | Rhyolite ash / lapilli tuff: light grey-green, weakly to moderately chloritized. Pyroclasts are often indistinct and are about the same color as the matrix. Pyrite, galena and sphalerite noted especially from 0 to 1.8 m as weak disseminations or as partial replacements of pyroclasts; less commonly noted at other locations in the hole, including the bottom. Note very poor core recovery. | 0 3.0 | 3.0 12.5 | 50 10 |

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD

HOLE NO: HD98-3

LOCATION: Tower Showing, HD-2 claim.

CO-ORDINATES: 10650 N, 10320 E

AZIMUTH: N/A

DIP: -90°

ELEVATION: 1244 m

LENGTH: 17.4 m

PURPOSE: to test mineralized surface showing.

CORE SIZE: EX

CONTRACTOR: Moll, Merkley & Merkley

DATE STARTED: Sept. 8, 1998

DATE COMPLETED: Sept. 8, 1998

CORE STORAGE: yard of D. Merkley

LOGGED BY: J.M. Hutter

DATE LOGGED: April 12, 1999

SUMMARY OF RESULTS:

- 0 - 2.3 m Mineralized brecciated chert.
- 2.3 -14.6 m Rhyolite ash / lapilli tuff.
- 14.6 - 17.4 m Hematitic rhyolite ash / lapilli tuff.

MINERALIZATION:

- galena and sphalerite filling fractures and / or matrix of brecciated chert 0 - 2.3 m.

ALTERATION:

- silicification and argillization 2.7 - 7.6 m.

CORE RECOVERY:

- fair to good.

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD98-3

Page: 2 of 2

| METRES From To | | DESCRIPTION | FROM | TO | RECOVERY % |
|-------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------|
| 0 | 2.3 | Crackled and brecciated chert with calcite, galena, sphalerite and hematite filling fractures and matrix. Assay: Au: 0.06 g/t, Ag: 3.6 g/t, Pb: 0.64%, Zn 3.04% | 0 | 2.3 | 60 |
| 2.3 | 14.6 | Rhyolite ash / lapilli tuff. 2.3 - 2.7 lithic crystal tuff with abundant feldspar crystals to 2 mm dispersed through matrix. 2.7 - 7.6 altered tuff, silicified and argillized; pyroclasts obliterated. 7.6 - 14.6 partially welded ash / lapilli tuff, light to medium grey matrix with darker or lighter pyroclasts; locally weakly layered at 70 - 80° to CA. Occasional carbonate vnlts to 1 mm. | 2.3 | 14.6 | 65 |
| 14.6 | 17.4 | Hematitic rhyolite crystal lapilli tuff: abundant feldspar crystals to 2 mm and occasional polymictic pyroclasts supported by a reddish-brown hematitic matrix. Occasional carbonate vnlts at random angles. | 14.6 | 17.4 | 90 |

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD

HOLE NO: HD99-1

LOCATION: on access road under power line, HD-5 claim.

CO-ORDINATES: 7245 N, 9940 E

AZIMUTH: 285°

DIP: -70°

ELEVATION: 860 m

LENGTH: 9.1 m

PURPOSE: to test mineralized surface showing.

CORE SIZE: EX

CONTRACTOR: Moll, Merkley & Merkley

DATE STARTED: April 14, 1999

DATE COMPLETED: April 14, 1999

CORE STORAGE: yard of D. Merkley

LOGGED BY: J.M. Hutter

DATE LOGGED: April 19, 1999

SUMMARY OF RESULTS:

0 - 5.5 m Rhyolite crystal tuff.

5.5 - 9.1 m Rhyolite ash tuff.

MINERALIZATION:

0 - 5.5 m - finely disseminated pyrite.

6.1 - 6.7 m - pyrite in hairline fractures.

ALTERATION:

3.5 - 5.5 m - bleached and carbonitized.

5.5 - 9.1 m - calcite in hairline fractures.

6.1 - 6.7 m - bleached.

CORE RECOVERY:

- mostly good.

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD99-1

Page: 2 of 2

| METRES | | DESCRIPTION | FROM | TO | RECOVERY % |
|--------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----|------------|
| From | To | | | | |
| 0 | 5.5 | Rhyolite crystal tuff: abundant feldspar crystals to 2 mm with finely disseminated hematite and pyrite in a fine-grained light brown matrix. Rare lithic clasts to 2 cm. Finely fractured with iron oxides filling fractures. 3.5 - 5.5 bleached and carbonitized, especially near fractures | 0 | 0.9 | 35 |
| | | | 0.9 | 3.5 | 80 |
| | | | 3.5 | 4.9 | 95 |
| | | | 4.9 | 5.5 | 80 |
| 5.5 | 9.1 | Rhyolite ash tuff, light grey-green with disseminated hematite to 1 mm. Finely fractured (in places almost crushed) with calcite filling hairline fractures. Most fractures at 30°-45° to CA. 6.1 - 6.7 bleached, with pyrite partially filling some hairline fractures | 5.5 | 7.9 | 85 |
| | | | 7.9 | 9.1 | 75 |

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD

HOLE NO: HD99-2

LOCATION: on North Road, 1.6 km northeast of intersection with access road, on HD-4 claim.

CO-ORDINATES: 7785 N, 9940 E

AZIMUTH: 330°

DIP: -75°

ELEVATION: 820 m

LENGTH: 9.8 m

PURPOSE: to test mineralized surface showing.

CORE SIZE: EX

CONTRACTOR: Moll, Merkley & Merkley

DATE STARTED: April 15, 1999

DATE COMPLETED: April 16, 1999

CORE STORAGE: yard of D. Merkley

LOGGED BY: J.M. Hutter

DATE LOGGED: April 19, 1999

SUMMARY OF RESULTS:

| | |
|-------------|-------------------------------------|
| 0 - 1.2 m | Andesite lapilli tuff. |
| 1.2 - 2.7 m | Hematitic andesite ash tuff. |
| 2.7 - 6.3 m | Andesite ash tuff. |
| 6.3 - 8.5 m | Andesite ash tuff with fine mafics. |
| 8.5 - 9.8 m | Andesite ash tuff. |

MINERALIZATION:

- finely disseminated pyrite through entire hole.
- minor chalcopyrite 0 - 1.2 m.

ALTERATION:

- propylitic
- calcite veining & fracture fillings.

CORE RECOVERY:

- fair to good.

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD99-2

Page: 2 of 2

| METRES From To | | DESCRIPTION | FROM | TO | RECOVERY % |
|-------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----|---------------|
| 0 | 1.2 | Andesite lapilli tuff: hematitic lapilli to 4 cm (but usually less than 1 cm) in medium grey-green weakly chloritic ash matrix. Abundant (2 - 3%) very fine disseminated pyrite and minor chalcopryite in matrix and to lesser extent in clasts. Moderate calcite veining to 3 mm, most at 20° - 40° to CA. Calcite- chalcopryite veinlet 3 mm wide at 1.2 m at 45° to CA. | 0 | 0.8 | 60 |
| | | | 0.8 | 2.3 | 40 |
| 1.2 | 2.7 | Hematitic andesite ash tuff: dark purple fine-grained with scattered feldspar crystals to 1 mm and scattered lithic fragments to 5 mm. Both fragments and matrix are hematitic. Contains very fine disseminated pyrite, but less than in interval above. Minor calcite filling hairline fractures. | 2.3 | 4.0 | 80 |
| | | | 4.0 | 4.6 | 40 |
| | | | 4.6 | 6.1 | 70 |
| 2.7 | 6.3 | Andesite ash tuff: weakly chloritic, mostly fine-grained medium grey-green with a few diffuse clasts to 5 mm. Abundant (3 - 5%) very fine disseminated pyrite. Calcite-filled hairline fractures common at various angles. | 6.1 | 7.3 | 90 |
| 6.3 | 8.5 | Andesite ash tuff: similar to interval above but slightly darker, and contains fine mafic particles to 1 mm. Has 1 -2% very fine disseminated pyrite. Calcite-filled hairline fractures common at various angles. | 7.3 | 9.8 | 75 |
| 8.5 | 9.8 | Andesite ash tuff: weakly chloritic, mostly fine-grained medium grey-green with a few weakly hematitic fragments to 1 cm. Abundant (3 - 5%) very fine disseminated pyrite. Calcite-filled hairline fractures common; locally weakly brecciated with calcite filling interstices. | | | |
| | | Note: Calcite-filled fractures common throughout entire hole. Core is generally broken in pieces less than 3 or 4 cm in length. | | | |
| | | Weak propylitic (chlorite - pyrite) alteration throughout length of hole. | | | |

Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

PROPERTY: HD

HOLE NO: HD99-3

LOCATION: on access road, HD-4 claim.

CO-ORDINATES: 8030 N, 10200 E

AZIMUTH: 270°

DIP: -78°

ELEVATION: 984 m

LENGTH: 9.1 m

PURPOSE: to test mineralized surface showing.

CORE SIZE: EX

CONTRACTOR: Moll, Merkley & Merkley

DATE STARTED: April 17, 1999

DATE COMPLETED: April 18, 1999

CORE STORAGE: yard of D. Merkley

LOGGED BY: J.M. Hutter

DATE LOGGED: April 19, 1999

SUMMARY OF RESULTS:

0 - 9.1 m Hematitic rhyolite crystal lapilli tuff.

MINERALIZATION:

- none

ALTERATION:

- calcite-filled hairline fractures

CORE RECOVERY:

- fair to good.

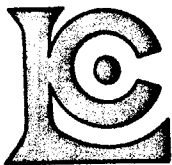
Moll, Merkley & Merkley

DIAMOND DRILL HOLE LITHOLOGIC RECORD

Hole No. HD99-3

Page: 2 of 2

| METRES | | DESCRIPTION | FROM | TO | RECOVERY % |
|--------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----|---------------|
| From | To | | | | |
| 0 | 9.1 | Hematitic rhyolite crystal lapilli tuff. Lapilli to 1 cm range from crowded to rare with abundant feldspar crystals to 3 mm in fine-grained purple hematitic matrix. Locally well banded at 60° to CA. Calcite-filled hairline fractures fairly common, most at 10°-20° to CA. No sulphides. | 0 | 1.8 | 85 |
| | | | 1.8 | 4.7 | 90 |
| | | | 4.7 | 5.8 | 80 |
| | | | 5.8 | 9.1 | 60 |



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

212 Brooksbank Ave., North Vancouver
British Columbia, Canada V7J 2C1
PHONE: 604-984-0221 FAX: 604-984-0218

To: MERKLEY, DAN

BOX 453
HOUSTON, BC
V0J 1Z0

A9831784

Comments: ATTN: DAN MERKLEY

CERTIFICATE

A9831784

(MFW) - MERKLEY, DAN

Project:

P.O. #:

Samples submitted to our lab in Vancouver, BC.
This report was printed on 29-SEP-1998.

SAMPLE PREPARATION

| CHEMEX CODE | NUMBER SAMPLES | DESCRIPTION |
|-------------|----------------|-------------------------------|
| 208 | 1 | Assay ring to approx 150 mesh |
| 226 | 1 | 0-3 Kg crush and split |
| 3202 | 1 | Rock - save entire reject |

ANALYTICAL PROCEDURES

| CHEMEX CODE | NUMBER SAMPLES | DESCRIPTION | METHOD | DETECTION LIMIT | UPPER LIMIT |
|-------------|----------------|--------------------------------|--------|-----------------|-------------|
| 999 | 1 | Au g/t: 1 assay ton, AA finish | FA-AAS | 0.03 | 150.00 |
| 386 | 1 | Ag g/t: Conc. Nitric-HCL dig'n | AAS | 0.3 | 350 |
| 312 | 1 | Pb %: Conc. Nitric-HCL dig'n | AAS | 0.01 | 100.0 |
| 316 | 1 | Zn %: Conc. Nitric-HCL dig'n | AAS | 0.01 | 100.0 |

APPENDIX D



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers

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PHONE: 604-984-0221 FAX: 604-984-0218

To: MERKLEY, DAN

BOX 453
HOUSTON, BC
V0J 1Z0

Project :
Comments: ATTN: DAN MERKLEY

Page Number : 1
Total Pages : 1
Certificate Date: 29-SEP-1998
Invoice No. : I9831784
P.O. Number :
Account : MFW

CERTIFICATE OF ANALYSIS

A9831784

| SAMPLE | PREP CODE | Au g/t | Ag g/t | Pb % | Zn % | | | | | | |
|----------------------------------|-----------|--------|--------|------|------|--|--|--|--|--|--|
| HDDH-3 DDH HD98-3 0-2.3 m. | 208 226 | 0.06 | 3.6 | 0.64 | 3.04 | | | | | | |

APPENDIX E

CERTIFICATION: