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Assessment Report

For The

1998 Diamond Drilling Programme

On The

CR Mineral Property

Omineca Mining Division

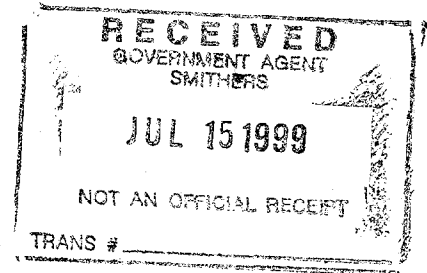
NTS 93L/7W

Latitude 54° 17' N

Longitude 126° 50' W

Owned By: John Wesley Moll

Work By: John Wesley Moll



Report By: W.R. Bulmer, F.G.A.C

July 1999

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,950

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1.0 Summary

This report documents expenditures by Mr. Moll of \$ 7969.00 on the CR property between Oct 2, 1998 and Oct 13, 1998 under Work Permit No. SMI98-0200225-03

A diamond drill was set up at two locations approximately 150 feet apart some 170 metres NW of the LCP for the CR1, CR2, CR3 & Cr4 block of claims. DDH CR#1 was drilled at an azimuth of 90° , and an angle of -60° . DDH CR#2 was drilled at an azimuth of 270° and at an angle of -60° . The holes were cored to a depth of 75 and 78 feet respectively, and revealed a mineralised porphyritic and altered granitic material, often vuggy in nature. Subsequent assays showed elevated values of Cu, Au and Ag.

1.0 Introduction

1.1 Location, Access and Physiography¹

The CR mineral claims are situated 15 km SW of Houston, British Columbia at latitude 54° 17' N and longitude 128° 50' W in NTS map area 93L7W (Fig. 1).

Access to the property is via a logging road that skirts the west side of Mount Morice about 15 Km south of Houston. A subsidiary road winds eastward up the mountain and is useful in accessing the middle of the claim area

Elevations within the area range from 2200 metres in the eastern area of the claims which is the bottom of the Morice River valley, to over 5000 metres elevation in the west. The DDH are near the 3200 metre level.

Bedrock exposure is poor to non-existent in the valley bottom but increases with elevation.

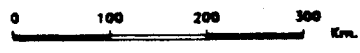
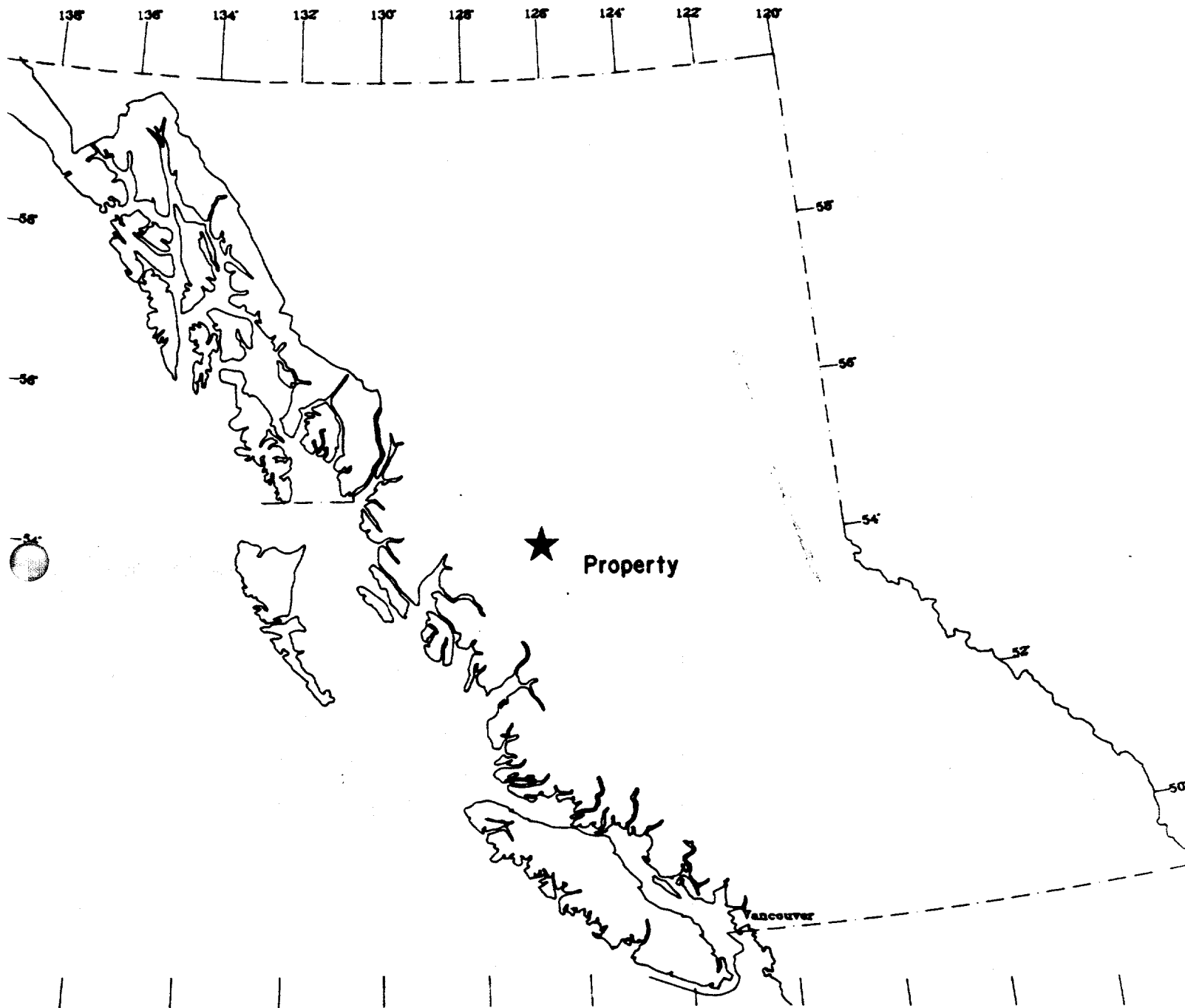
1.2 Claim Ownership

The CR mineral property consists of four claims owned by John Wesley Moll of Houston, B.C. The current claim status is summarised in Table 1.

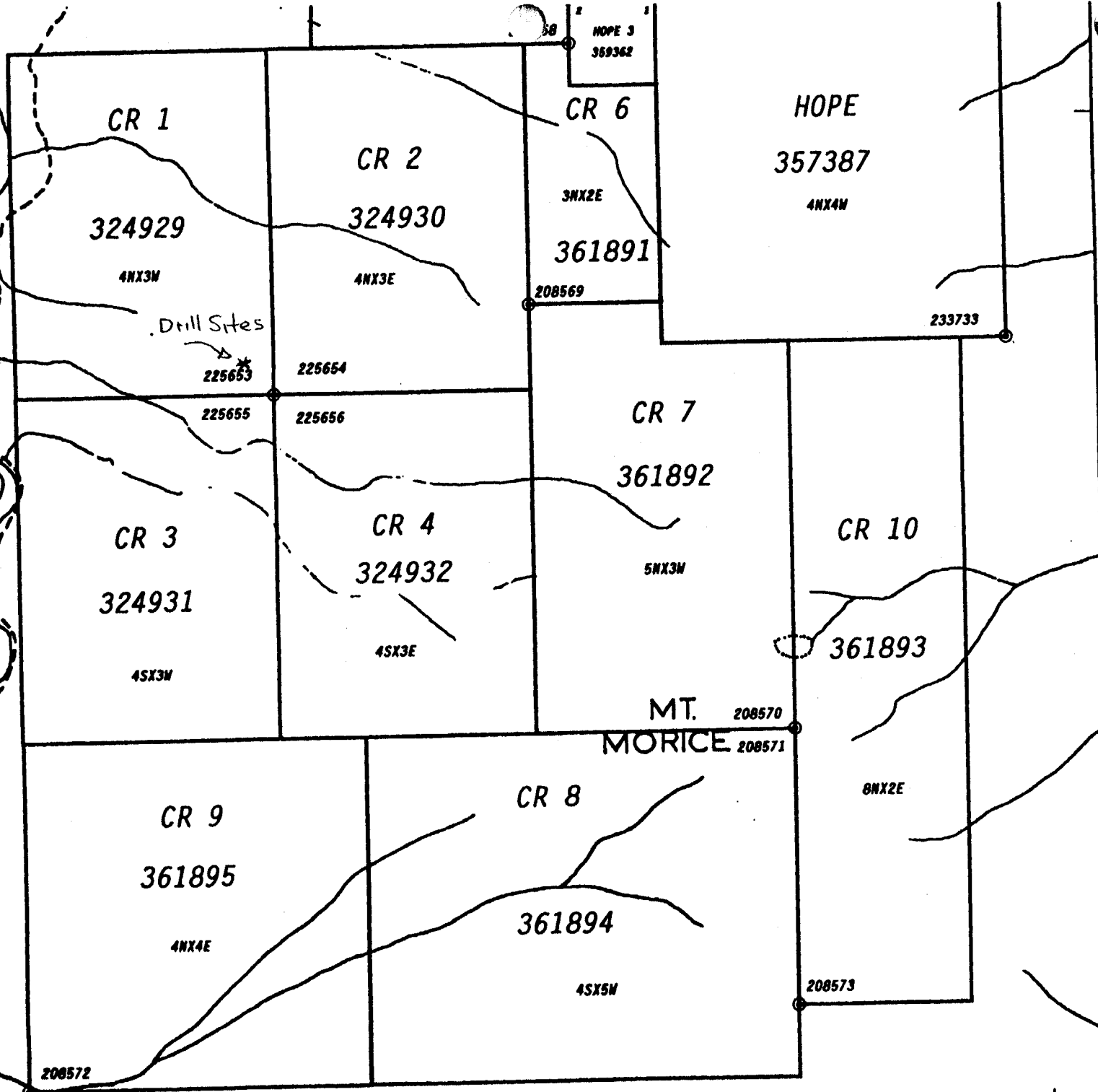
Table 1 - Claim Status

Claim	Tenure No.	Units	Expiry Date*
CR #1	324929	12	April 28, 2000
Cr #2	324930	12	April 28, 2000
Crt #3	324931	12	April 28, 2000
CR #4	324932	12	April 28, 2000

*pending acceptance of this report



M O R I C E



1.3 History

Mineral showings contained within the area of the present CR claims were originally staked in the early 1930's by R.J. Douglas of Houston. These claims, called the *Croesus* and *Sholto*, were underlain by mineralised granodiorite, alaskite and limestone. Assays gave .3 per cent copper "more than a trace of gold and silver" on the *Croesus*, and .03 oz./ton Au, 1.8 oz./ton Ag & 4.9% Cu in the limestone. on the *Sholto*.² More recently the property has been held by Amax (1966), Falconbridge (1970), and City Services (1977). Surveys and work done by these companies ranged from geophysical (IP, EM), geochemical (soil), geological, with trenching and diamond drilling to test anomalous areas.

In 1994 Cominco optioned the property from Mr. Moll and conducted an I.P./Resistivity survey over a grid that underlies the current claim group. Although high chargeabilities were recognised, they were attributed to pyrite in basalt tuffs. Readings indicated the presence of "two discreet rock units", however only one unit was named; basalt tuffs.

1.4 Purpose

The purpose of the 1998 diamond drilling programme on the CR mineral claim was to:

- A. Test for the continued presence of mineralisation at depth at the site of two outcrops of pyritiferous granite.
- B. Assay core should mineralisation persist

² Report of the Minister of Mines, 1930 pg A 142-3.

2.0 Geology

2.1 Regional Geology³

The property lies in a NE trending graben, to the east of a west bounding fault which extends from the Berg deposit (70 km to the SW) to the Bell-Granisle deposits (85 km to the NE).

2.2 Property Geology

Property geology as described by Jackisch (1994), and as shown on geology maps produced by Cominco (1994), indicate that the claim area is essentially underlain by "a thick section of Jurassic, Hazelton Formation basalt tuffs and flows intruded by an Eocene Nanika quartz monzonite plug. The western part of the property is largely covered by overburden except for two small pits with Nanika quartz stock and a poorly exposed breccia".

3.0 1998 Diamond Drilling Programme

An X-ray diamond drill was set up on bedrock at two locations about 150 ft apart. The locations are near two outcrops of granitic bedrock about 170 metres from the LCP. CR#1 is drilled at azimuth 360° at an angle of -60°. Bedrock was cored to a depth of 75 feet. CR#2 is drilled at azimuth 180° at an angle of -60°. Bedrock was cored to a depth of 78 feet. The core was placed in core boxes and logged in Houston.

The core was logged by the author and is included as Appendix 1 of this report. The core was split and sampled in five foot increments for their entire lengths

4.0 Results and Discussion

4.1 Lithology

The lithology is generally restricted to an altered granitic rock that is rich in sulphides and possesses a peculiar "vuggy" appearance, although, in the top 20 feet of CR#1, a dark siliceous fine-grained material was encountered; most probably a dyke, or remnant of an overlying rhyolitic flow.

4.2 Stratigraphy

Aside from the few feet of "rhyolite" encountered in CR#1, and the peculiar vuggy nature of the granitic material, it is difficult to say what the genesis is for the "granite", ie. high level granite plug or thick sill. The gaseous nature of the unit points to conditions that, in any event, were of a low pressure regime.

4.3 Structure

4.31 Primary

The granitic material was characteristically pock-marked with gas holes or vugs that invariably contained crystals of pyrite. The vugs persisted over the length of the holes in varying degrees of intensity, although particularly vuggy sections in hole #1 & hole #2 were observed at ~40' and 60' respectively. The presence of the vugs points to degassing, generally a high-level or low pressure environment. Over all the granitic unit was medium-grained, but when "clean" section was observed, free from fractures, chloritisation, etc. the unit was seen to be porphyritic in nature; akin to a quartz-feldspar porphyry.

4.32 Fractures & Breccias

Two sets of fractures were observed, a set ~30-45 deg to the core axis and another set trending 0-10 deg. The fractures are not numerous, and show a characteristic bleaching of the host material between them. fractures below 57' in hole #1 were coated with iron sulphides. Breccia zones of a coarsely broken nature occur at the top of hole #2 and ~ 50' mark. A similar zone occurs at the 60' mark in hole #1, however, unlike the bleached nature of the host at the breccia in #2, #1 was rusty & sulphide rich. Aside from these minor fractures and breccia's no significant structural breaks were observed.

4.33 Veining

Quartz veining was minor and generally restricted to hole #2. Crystalline pyrite was often associated with some veining, particularly where the fractures were not completely "healed", ie. vuggy in appearance.

4.3 Structure Cont'd

4.4 Alteration

Chloritisation of the granitic material was not prevalent, but when observed imparted a greenish tinge to the rock.

4.4 Mineralisation

Mineralisation is confined to pyrite, and to a lesser extent chalcopyrite. Other mineralogy may be present, but was not observed. The sulphides were in abundance within the vugs and fracture zones, (up to ~ 15%), although as a rule the sulphides are throughout the host as small blebs and crystals averaging between 2 & 5%.

5.0 Interpretation & Recommendations

The diamond drill holes appear to intersect the upper level (gaseous phase) of a granitic intrusion. The gases were probably sulphide rich resulting in precipitation of sulphides in the gas holes or vugs. This would suggest that the granitic body as a whole had a high sulphide content, but "gassing off" has concentrated the sulphides at the top. The porphyritic nature of the rock suggests it took a long time to cool, strengthening the possibility that a zoning of Cu, Zn and Pb may exist.

Given the continuous nature of the mineralisation, and the elevated values returned in the assays, it is recommended that the holes be deepened, and prospecting for new outcrop be done at the elevations where the high values were found in the holes. In addition, particular attention ought to be made to the types of mineralisation encountered at the lower elevations.

STATEMENT OF QUALIFICATION

I, W.R. Bulmer of Smithers B.C. do hereby certify that:

1. I am a geologist residing at 8420 Kroeker Rd, Smithers, B.C.
2. I am a graduate of the University of Western Ontario with a Bachelor of Science Degree in Honours Geology 1976, and a graduate of Cambrian College of Applied Arts and Technology with a Technology Diploma in Geological Technology in 1973.
3. I have practised my profession as a geologist for twenty-five years in the fields of mineral exploration, project management and mineral deposit research. From 1971 until the present I have been engaged in mineral exploration in Ontario, Labrador, Newfoundland, Yukon Territory and British Columbia.
4. I was elected a Fellow of the Geological Association of Canada in 1983
5. I personally examined the core from the programme described in this report.
6. I have no personal interest nor do I stand to gain anything financially from the CR mineral claim.

W.R. Bulmer, July '89

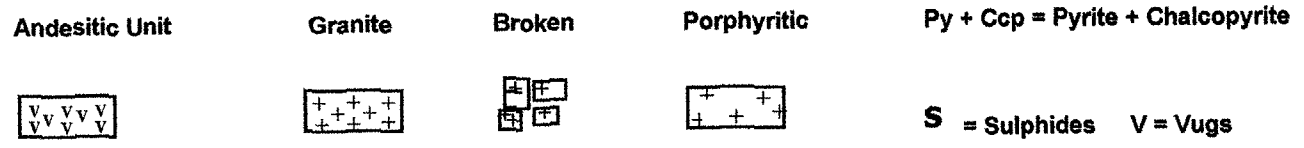
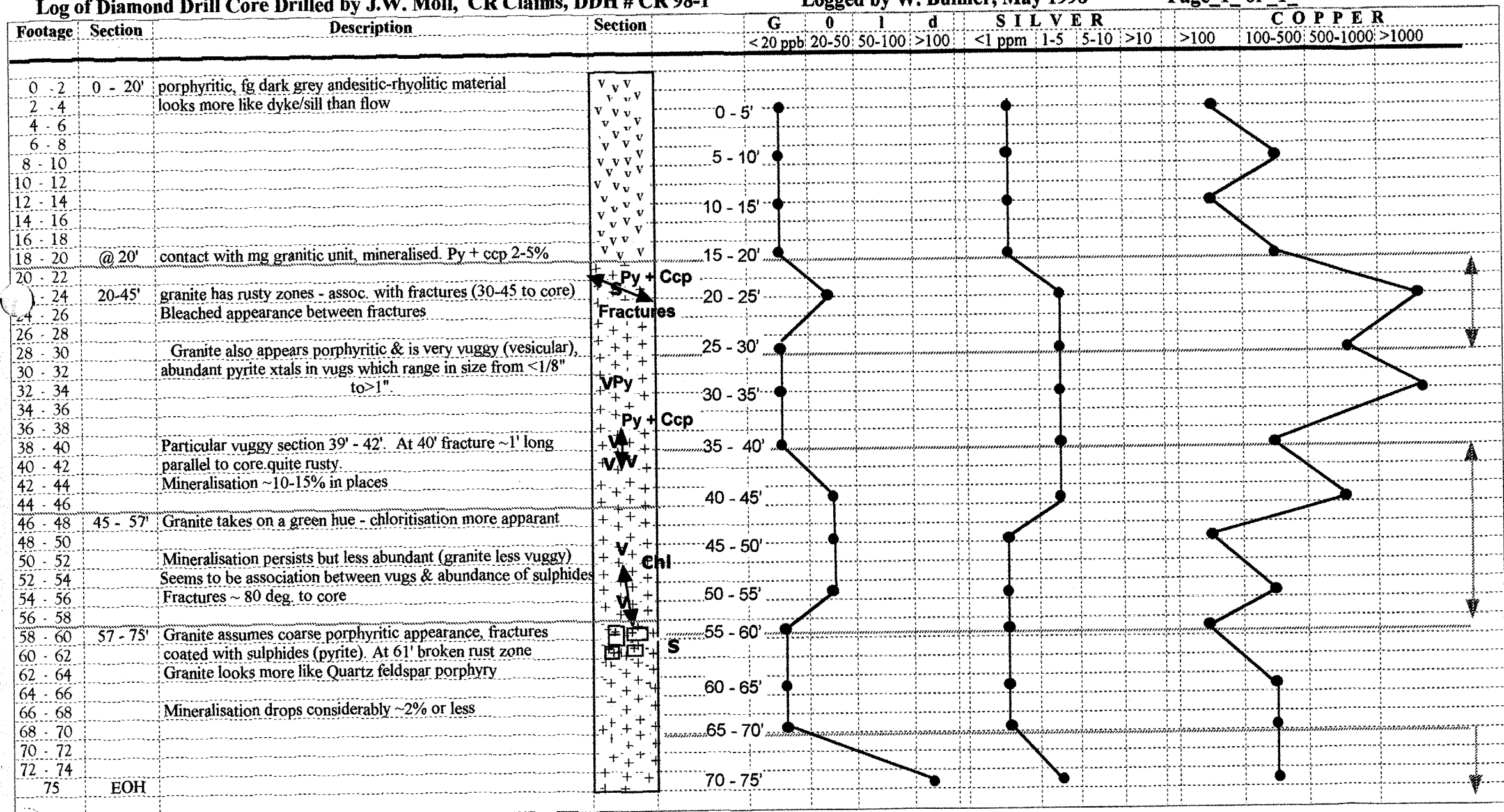
W.R. Bulmer, B.Sc., F.G.A.C

References

Jackisch I. 1994. Assessment Report 23698, I.P./Resistivity Survey on the Crow Raven Property

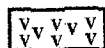
Report of the Minister of Mines, 1930

APPENDIX 1.

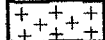


Footage	Section	Description	Section	G				SILVER			COPPER						
				< 25 ppb	25-50	50-100	>100	<1 ppm	-5	5-10	>10	>100	100-500	500-1000	1-3000	+3000	
0 - 2	0 - 6	0 - 6' broken vuggy granitic unit, abundant sulphides (2-5%), mostly py, some (<1%) ccp. Fractures 10-0deg to core.	Py + Ccp														
2 - 4		Unit bleached between fractures															
4 - 6																	
6 - 8																	
8 - 10	6 - 18	Unit has green tinge - chloritic, also appears porphyritic. Abundant dark fgts as in previous hole.	Chl														
10 - 12																	
12 - 14																	
14 - 16																	
16 - 18																	
18 - 20			Py + Ccp														
20 - 22	18 - 48	Unit a little pinker, foliation steepens to ~90 deg. to core and more abundant, esp. @ 22-23' mark. Cu & Fe sulphides persist. Qtz feldspar porphyry character evident @ 26' mark.	Foliation														
22 - 24																	
24 - 26																	
26 - 28																	
28 - 30																	
30 - 32		@ 33' Quartz vein - 20 deg to core, assoc. with Py + ccp. Py is xtalline. Some fractures that are healed with quartz are "open" or vuggy.	Qtz Vn														
32 - 34			Py + Ccp														
34 - 36																	
36 - 38																	
38 - 40																	
40 - 42																	
42 - 44		@48' granite beginning to be vuggy. Sulphide content increases dramatically upwards to 10 - 15%.															
44 - 46																	
46 - 48																	
48 - 50																	
50 - 52	48 - 64	Vuggy phase of granite esp. 61-64'. Unit brecciated 50-52', fractures 30 - 45 deg to core. Unit bleached where brecciated															
52 - 54																	
54 - 56																	
56 - 58																	
58 - 60																	
60 - 62		@ 64' QV with xtalline Py as @ 33'. Coarse porphyritic character very apparant															
62 - 64																	
64 - 66																	
66 - 68	64 - 78	Unit generally "cleans up" ie. odd vuggy section only ('73'). Mineralisation persists. Py & ccp 2-5%.															
68 - 70																	
70 - 72																	
72 - 74																	
74 - 76																	
76 - 78	78 EOH																

Andesitic Unit



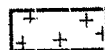
Granite



Broken



Porphyritic



Py + Ccp = Pyrite + Chalcocopyrite

S = Sulphides V = Vugs



Chemex Labs Ltd.

Analytical Chemists * Geochemists * Registered Assayers
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 British Columbia, Canada V7J 2C1
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To: RIO ALGOM EXPLORATION INC.
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 VANCOUVER, BC
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Number : 1-A
 Total Pages : 1
 Certificate Date: 22-MAR-1996
 Invoice No. : 19913725
 P.O. Number :
 Account : GZ

Project :
 Comments: ATTN: ALLAN McNUT CC: WES MOLL

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SAMPLE	PREP CODE	Au ppb FA+AA	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm	Hg ppm	K %	La ppm	Mg %	Mn ppm	
HOLE#1 5' INTERVAL	1-16552	205 226	< 5	< 0.2	1.86	8	520	< 0.5	< 2	1.52	< 0.5	17	61	65	3.86	10	< 1	0.12	10	1.91	1155
	1-16553	205 226	< 5	< 0.2	2.13	2	550	< 0.5	< 2	1.38	0.5	18	45	193	3.96	< 10	< 1	0.17	10	1.84	1150
	1-16554	205 226	< 5	< 0.2	1.89	< 2	230	< 0.5	< 2	1.73	< 0.5	16	52	97	3.55	10	< 1	0.18	10	1.72	1440
	1-16555	205 226	< 5	< 0.2	2.12	16	740	0.5	< 2	2.12	3.0	16	32	364	4.00	< 10	1	0.26	10	1.47	1515
	1-16556	205 226	20	3.0	0.55	10	80	< 0.5	14	0.07	0.5	3	60	1030	2.34	< 10	< 1	0.35	< 10	0.06	55
EOH	1-16557	205 226	10	4.8	0.43	2	30	< 0.5	32	0.03	1.5	2	46	874	2.82	< 10	< 1	0.33	< 10	0.04	20
	1-16558	205 226	15	4.0	0.44	2	40	< 0.5	32	0.05	1.0	4	72	1045	2.94	< 10	< 1	0.35	< 10	0.04	25
	1-16559	205 226	15	1.0	0.33	4	40	< 0.5	16	0.14	5.5	4	42	466	2.43	< 10	< 1	0.28	< 10	0.03	70
	1-16560	205 226	45	1.8	0.45	4	30	< 0.5	10	0.39	13.0	7	66	546	3.31	< 10	< 1	0.34	< 10	0.06	200
	1-16561	205 226	55	0.8	0.52	< 2	30	< 0.5	4	1.00	1.0	5	40	61	2.19	< 10	< 1	0.35	< 10	0.10	435
	1-16562	205 226	20	0.2	0.62	2	40	< 0.5	2	0.85	4.0	5	57	141	1.45	< 10	< 1	0.32	< 10	0.19	645
HOLE#2 INTERVAL	1-16563	205 226	10	0.4	0.69	2	40	< 0.5	< 2	0.96	1.0	5	54	56	1.59	< 10	< 1	0.33	< 10	0.25	540
	1-16564	205 226	< 5	0.6	0.73	< 2	40	< 0.5	< 2	0.71	2.0	5	70	233	1.70	< 10	< 1	0.36	< 10	0.29	465
	1-16565	205 226	< 5	0.4	0.84	< 2	40	< 0.5	< 2	0.90	1.5	5	62	115	1.64	< 10	1	0.32	< 10	0.37	570
	1-16566	205 226	200	1.0	0.78	2	50	< 0.5	2	0.90	1.5	5	70	304	1.94	< 10	< 1	0.36	< 10	0.37	510
	1-16567	205 226	15	1.6	0.70	12	180	< 0.5	< 2	0.15	< 0.5	4	65	246	1.73	< 10	< 1	0.32	< 10	0.12	680
	1-16568	205 226	25	2.6	0.67	8	120	< 0.5	6	0.47	4.0	3	70	912	1.60	< 10	< 1	0.36	< 10	0.11	780
EOH*	1-16569	205 226	15	1.4	0.65	10	80	< 0.5	4	0.75	0.5	3	50	254	1.83	< 10	< 1	0.32	< 10	0.12	560
	1-16570	205 226	15	2.4	0.68	6	140	< 0.5	18	0.49	1.0	4	74	1110	1.69	< 10	1	0.33	< 10	0.11	360
	1-16571	205 226	10	2.4	0.59	4	110	< 0.5	12	0.91	1.5	4	64	1215	1.55	< 10	1	0.32	< 10	0.10	365
	1-16572	205 226	25	4.2	0.56	6	60	< 0.5	36	0.49	1.0	4	54	1275	2.07	< 10	< 1	0.29	< 10	0.10	325
	1-16573	205 226	10	3.0	0.57	6	70	< 0.5	14	0.98	0.5	1	43	1430	1.91	< 10	< 1	0.28	< 10	0.10	435
	1-16574	205 226	5	3.2	0.61	6	70	< 0.5	14	0.83	0.5	3	58	815	1.96	< 10	< 1	0.29	< 10	0.10	375
	1-16575	205 226	10	3.0	0.63	6	110	< 0.5	8	0.83	1.5	5	60	1440	1.77	< 10	< 1	0.31	< 10	0.09	360
	1-16576	205 226	10	7.4	0.66	12	100	< 0.5	8	0.50	2.0	5	75	3900	2.16	< 10	< 1	0.36	< 10	0.08	275
*1-16582-3' INTERVAL	1-16577	205 226	15	4.4	0.66	8	160	< 0.5	10	0.33	2.0	4	72	3650	1.71	< 10	< 1	0.40	< 10	0.07	175
	1-16578	205 226	15	3.2	0.68	6	90	< 0.5	28	0.77	1.5	6	81	1960	2.55	< 10	< 1	0.42	< 10	0.07	325
	1-16579	205 226	10	2.4	0.63	8	90	< 0.5	6	0.62	3.0	4	63	962	2.02	< 10	< 1	0.37	< 10	0.07	275
	1-16580	205 226	10	1.0	0.67	2	90	< 0.5	6	1.36	0.5	2	71	681	1.41	< 10	< 1	0.38	< 10	0.10	605
	1-16581	205 226	35	3.8	0.59	4	60	< 0.5	34	0.83	2.0	6	61	2180	2.31	< 10	1	0.36	< 10	0.07	400
1-16582	205 226	20	0.8	0.70	< 2	50	< 0.5	2	1.71	2.5	3	80	520	1.18	< 10	< 1	0.41	< 10	0.11	810	

CERTIFICATION:



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: RIO ALGOM EXPLORATION INC.

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VANCOUVER, BC
V6C 1T2

Project :
Comments: ATTN: ALLAN McNUT CC: WES MOLL

Page Number : 1-B
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Account : GZ

CERTIFICATE OF ANALYSIS A9913725

SAMPLE	PREP CODE	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sc ppm	Sr ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm
1-16552	205 226	1	0.05	34	1140	2	4	7	611	0.09	< 10	< 10	94	< 10	78
1-16553	205 226	1	0.04	35	1140	< 2	6	7	100	< 0.01	< 10	< 10	60	< 10	182
1-16554	205 226	1	0.04	35	1120	2	4	7	62	0.01	< 10	< 10	70	< 10	100
1-16555	205 226	2	0.03	30	1190	2	8	6	97	< 0.01	< 10	< 10	36	< 10	290
1-16556	205 226	5	< 0.01	5	430	12	2	< 1	10	< 0.01	< 10	< 10	5	< 10	146
1-16557	205 226	4	< 0.01	5	210	34	2	< 1	4	< 0.01	< 10	< 10	3	< 10	264
1-16558	205 226	1	< 0.01	7	370	36	2	< 1	7	< 0.01	< 10	< 10	3	< 10	274
1-16559	205 226	1	< 0.01	6	470	36	2	< 1	5	< 0.01	< 10	< 10	2	< 10	944
1-16560	205 226	1	< 0.01	7	460	10	< 2	< 1	12	< 0.01	< 10	< 10	3	< 10	2450
1-16561	205 226	2	< 0.01	6	490	2	2	< 1	28	< 0.01	< 10	< 10	4	< 10	234
1-16562	205 226	1	0.01	5	500	8	2	< 1	40	< 0.01	< 10	< 10	3	< 10	910
1-16563	205 226	< 1	0.03	5	540	6	< 2	< 1	47	< 0.01	< 10	< 10	7	< 10	282
1-16564	205 226	1	0.03	5	510	< 2	< 2	< 1	34	< 0.01	< 10	< 10	9	< 10	436
1-16565	205 226	1	0.03	5	530	6	< 2	1	27	< 0.01	< 10	< 10	13	< 10	292
1-16566	205 226	1	0.03	5	500	2	< 2	1	49	< 0.01	< 10	< 10	10	< 10	422
1-16567	205 226	< 1	< 0.01	5	530	16	< 2	1	9	< 0.01	< 10	< 10	7	< 10	96
1-16568	205 226	1	< 0.01	5	520	22	2	< 1	15	< 0.01	< 10	< 10	5	< 10	670
1-16569	205 226	< 1	< 0.01	6	520	12	< 2	1	23	< 0.01	< 10	< 10	5	< 10	148
1-16570	205 226	5	< 0.01	6	510	14	2	< 1	15	< 0.01	< 10	< 10	6	< 10	176
1-16571	205 226	7	< 0.01	5	480	26	2	< 1	25	< 0.01	< 10	< 10	4	< 10	246
1-16572	205 226	7	< 0.01	6	500	32	< 2	< 1	14	< 0.01	< 10	< 10	3	< 10	158
1-16573	205 226	3	< 0.01	6	470	14	< 2	< 1	18	< 0.01	< 10	< 10	3	< 10	204
1-16574	205 226	3	< 0.01	6	510	10	< 2	< 1	16	< 0.01	< 10	< 10	4	< 10	168
1-16575	205 226	1	< 0.01	5	480	6	< 2	< 1	17	< 0.01	< 10	< 10	4	< 10	300
1-16576	205 226	2	< 0.01	6	540	12	2	< 1	12	< 0.01	< 10	< 10	5	< 10	332
1-16577	205 226	7	< 0.01	5	430	12	< 2	< 1	11	< 0.01	< 10	< 10	6	< 10	360
1-16578	205 226	3	< 0.01	7	490	26	< 2	1	14	< 0.01	< 10	< 10	7	< 10	286
1-16579	205 226	1	< 0.01	6	600	34	< 2	1	16	< 0.01	< 10	< 10	6	< 10	470
1-16580	205 226	3	< 0.01	5	510	6	2	1	29	< 0.01	< 10	< 10	7	< 10	196
1-16581	205 226	6	< 0.01	6	480	20	< 2	< 1	17	< 0.01	< 10	< 10	5	< 10	354
* 1-16582	205 226	1	< 0.01	5	520	4	< 2	1	38	< 0.01	< 10	< 10	6	< 10	474

HOLE #1
INTERVAL

EOH

HOLE #2
INTERVALS

EOH

* 1-16582 - 3' INTERVAL

CERTIFICATION: