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	SOUTH OF FERNIE, B (FORT STEELE MII		
	CLAIMS AUB	YRD 1 to 3	
	Geographic Co 49° 08 114° 33 NTS Sheet 82 G/1	'N 'W	
Owner of Claims:	Aubyrd 1 to Aubyrd 3 Peter Kleespies 11 Mural Crescent St Albert, AB, T8W 1J8		
Operator:	Commerce Resources Cor 600 – 789 West Pender St Vancouver, B.C., V6C 1H2	reet	
Consultant:	Dahrouge Geological Con: 18, 10509 – 81 Avenue Edmonton, AB, T6E 1X7	sulting Ltd.	CONTRANCA
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Date Submitted:	2000 06 22		

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INTRODUCTION

The AuByrd Property is located in Flathead River Valley of southeastern British Columbia, about 60 km southeast of the Town of Fernie. The claims were staked to cover Palaeozoic sedimentary and associated alkalic intrusives on Trachyte Ridge. Previous exploration in the vicinity of the AuByrd claims identified several styles of mineralization including intrusive related gold (syenite and intrusive breccia) and mineralized quartz-carbonate veins.

During December, 1999, Geoterrex-Dighem completed a high-resolution heliborne magnetic/resistivity/electromagnetic geophysical survey totaling 68.7 line kilometers. Interpretation of airborne data identified a north trending, sharp, 220 nT, 400 m wide by 900 m long magnetic anomaly in the central part of the property. The magnetic high is coincident with a broad resistivity low and a conductive electromagnetic channel along its eastern margin.

1.1 GEOGRAPHIC SETTING

1.1.1 Location and Access

The AuByrd Property encompasses the southern portion of Trachyte Ridge of Rocky Mountains in southeast British Columbia. The property is about 60 km southeast of Fernie, about 20 km north of the Montana border, and 30 km west of the Alberta border. It is within National Topographic System (NTS) map areas 82 G/1 W and G/2 E and centered about 49^o 08' north latitude and 114^o 33' west longitude (Fig. 1.1).

Access to the property is via a gravel logging road which branches off Provincial Highway 3 about 6 km east of the Town of Natal and extends southeast along Flathead River to the International Border (Corbin Road). Alternately, an all-weather gravel logging road branches off Highway 3 south of Fernie, along Bighorn Creek Valley and joins Corbin Road 4 km southwest of the property. A dry-weather gravel road spurs westerly from Corbin Road along Howell Creek which provides 4 wheel drive or ATV access to the center of the property. Remote areas of the property are accessible either by ATV, foot, or at higher elevations by helicopter.

1.1.2 Topography, Vegetation, and Climate

The claims encompass the southern part of Trachyte Ridge on the west side of Flathead River Valley. They are within an area of rugged mountains with elevations greater than 2,500 m above sea level (a.s.l.); elevations along valley bottoms are about

1,200 m a.s.l. Much of the area is characterized by broad river valleys edged by moderate slopes leading upward to steep cliffed mountain tops.

Most of the lower parts of the mountain slopes are heavily timbered with spruce, pine, and lesser deciduous varieties. Treeline is at an elevation of about 1,800 m. In the subalpine zone, vegetation consists of a sparse cover of stunted spruce and pine, and above timberline of alpine shrubs and foliage.

Climate is alpine with average summer temperatures of 20° to 25° C and average winter temperatures of -10° to -15° C. Rainfall averages about 120 cm per year with maximum snowfall in November and December which averages 150 to 165 cm.

1.2 PROPERTY

The AuByrd Property consists of three contiguous mineral claims which cover 10 km² within the Fort Steele Mining Division (Fig. 1.2). AuByrd 1 to 3 are four-post mineral claims which total 40 units and are registered in the name of Kleespies, Peter (Table 1.1). The property is held under option by Commerce Resources Corp.

TABLE 1.1

LIST OF MINERAL CLAIMS

Claim Name	Tenure Number	Units/Claim	Record Date	Actual or Expected Expiry Date
AuByrd 1	368365	16	April 2, 1999	April 2, 2004
AuByrd 2	368366	4	April 2, 1999	April 2, 2006
AuByrd 3	368367	<u>20</u> 40	April 2, 1999	April 2, 2004

1.3 HISTORY AND PREVIOUS INVESTIGATIONS

Active oil seeps in the Sage Creek watershed attracted the earliest exploration activity in Flathead Valley. In the early part of the century several companies drilled shallow wells in their vicinity and more recently Shell Canada Resources has been exploring the Flathead Valley for oil and carbon dioxide reservoirs. Shell's exploration model depicts volcanic intrusions liberating large volumes of CO₂ from carbonate rocks. During the 1990's Shell completed seismic surveys and test wells in the area.

Coal has been known to occur in Flathead Valley for many years. Early exploration occurred around the abandoned village of Flathead about 15 km north of the AuByrd Property. More recent exploration activity by the Sage Creek Coal Consortium has occurred east of the property within the Cabin Creek watershed. Fording Coal Ltd. has completed several exploration drill holes within the upper Flathead Valley. Concentrated exploration for base and precious metals in Clark Range of British Columbia and Alberta was initiated in the late 1960's, prior to that time only scattered reports of copper mineralization had been made.

Mineral claims in the Howell Creek area were first staked in 1969 by N.C. Lenard to cover a trachyte-syenite complex on Piaysoo Ridge. Geologic and geochemical work evaluated the potential for copper, molybdenum, lead and zinc mineralization. The claims were subsequently worked by Canartic Resources Ltd. and Cominco Ltd. (Cominco) in 1972 (Lenard, 1977). Subsequently the claims were allowed to lapse.

The property was restaked by Cominco for gold in 1983 on the basis of heavy mineral sampling results. Soil and rock geochemistry, and mapping followed in 1984. Several gold-silver showings and outcrops of disseminated pyrite, fluorite and galena were found associated with trachytes on the western side of Piaysoo Ridge (Noakes, 1984).

In 1984 Fox Geological Consulting Ltd., on behalf of Dome Exploration (Canada) Limited, initiated a regional silt sampling and prospecting survey within Clark Range. The exploration identified several anomalous drainages along Trachyte Ridge which were staked as the Flathead claims. Work completed between 1985 and 1994 included geochemical gridding, prospecting, trenching and diamond drilling focusing on trachyte-syenite intrusions emplaced within Palaeozoic carbonates. Anomalous results included drill intersections of 7.58 g Au/t across 1.5 m, grab samples yielding up to 620 g Au/t from mineralized syenite and syenite breccia, and 350.7 g Au/t from a 3 m wide by 47 m long quartz vein associated with a syenite dyke (Morton and Garratt, 1999). During 1997, the Flathead claims were allowed to expire and a portion of the original property restaked as the Flat claims by P.E. Fox.

In 1998, Eastfield Resources Ltd. (Eastfield) optioned the Flat claims and staked additional claims along Trachyte Ridge immediately north of the AuByrd Property. During 1999, Eastfield and joint venture partner International Curator Resources Ltd. conducted geological, geophysical and geochemical surveys based on a bulk minable gold model and to locate the source of a 1½ km long gold in soil geochemical anomaly and auriferous magnetite bearing mineralized syenite cobbles. Exploration identified a) two large induced polarization geophysical anomalies, b) a well defined >50 ppb gold in soil geochemical anomaly which covers an area of about 1,400 by 250 m, c) 35 syenite and breccia rock samples from overburden below the soil anomaly with up to 620 g Au/t with an average grade of 8 g Au/t for all mineralized samples, and d) an existing trench of altered syenite yielded 8.6 g Au/t across 16.5 m (International Curator, 1999a). Diamond

3

drilling completed during the fall of 1999 comprised 10 drill holes totaling 1,096 m. All 10 holes intersected syenite intrusions, breccia and weakly altered carbonate rocks; anomalous gold values were encountered only in drill holes CP-99-03 and CP-99-08 with peak values of 330 ppb Au and 215 ppb Au respectively (International Curator, 1999b). Drill conditions were difficult with poor core recovery.

1.4 PURPOSE OF SURVEY

The work described in this report was undertaken to provide geophysical information on the bedrock within the AuByrd Property. The aeromagnetic survey provided data for recognition of magnetic bodies and localized conductors and/or resistivity changes which reflect lithology, structure, and alteration/mineralization in the bedrock.

1.5 SUMMARY OF WORK

Between December 16 and 20, 1999 Geoterrex-Dighem of Mississauga, Ontario flew a low level magnetic/resistivity/electromagnetic survey over the AuByrd Property. The data collected was leveled, processed, and reviewed. Total magnetic field contour and vertical gradient data were examined for areas of high magnetic intensity, contrasting zones, and offsets or breaks in magnetic trends. Electromagnetic conductance and resistivity data were examined for bedrock conductive zones and areas of low resistance; caution interpreting EM data in areas of strong topographic relief was required for anomalies caused by turbulence from rapid altitude changes encountered while flying the survey.

To assist in the interpretation, digital contour maps were produced for total magnetic field, calculated vertical magnetic gradient, apparent resistivity for 7,200 and 56,000 Hz coplanar, and one displaying conductance of electromagnetic anomalies (Fig's, 4.1 to 4.5).

1.6 FIELD OPERATIONS

The airborne geophysical survey was based out of Fernie, B.C., totaled 68.7 linekm's, and was flown by helicopter at 57 m terrain clearance along east-west trending traverse lines spaced at 200 m intervals. The average airspeed was 67 km/h with the electromagnetic sensor towed 30 m above ground.

2.

3.

REGIONAL GEOLOGY

The region is underlain by a series of Precambrian sedimentary rocks of the Belt-Purcell Series and Palaeozoic to Mesozoic marine sediments of the Lewis Thrust Sheet. The Lewis Thrust carried the Precambrian rocks, which now constitute a portion of Clark Range, eastward between 7½ to 9 km and superimposed them on younger Palaeozoic and Mesozoic strata. Regionally, the Lewis Thrust Sheet forms a broad synclinorium within which Precambrian sediments form the Akamina Syncline. The Akamina Syncline is a broad northwest trending structure approximately 30 km wide by 65 km long and is truncated along its western edge by Flathead Fault. Flathead Fault is a major southwest dipping normal fault which has dropped strata on its west side by more than 6,000 m.

Price (1962) shows bedrock geology in the area of the AuByrd Property to consist dominantly of Palaeozoic strata which include marine sediments of the Palliser, Exshaw, Banff, Livingstone, Mount Head, Etherington and Rocky Mountain formations. Cretaceous and/or Tertiary aged dykes and anastomosing stock-like masses of trachyte, syenite, and intrusion breccias intrude the Proterozoic succession. A summary of the regional stratigraphy is provided in Table 2.1.

PROPERTY GEOLOGY

The geology of the AuByrd Property is known from reconnaissance scale government mappings (see Section 2). It is underlain by Palaeozoic sediments including Devonian marine limestone of the Palliser Formation, and Mississippian sediments including marine black shale and limestone of the Exshaw and Banff formations, marine limestone and dolomite of the Livingstone and Mount Head formations, and marine limestone, dolomite, red shale, and siltstone of the Etherington Formation (Fig. 3.1). Most of the sedimentary strata have been intruded by Purcell diabasic sills and dykes and Cretaceous and/or Tertiary aged dykes and anastomosing stock-like masses of trachyte, syenite, and intrusion breccia. The strata has subsequently been modified by Tertiary normal faulting. Detailed geological maps of the property are unavailable.

The Trachyte Ridge area is host to three types of mineralization including:

- gold with lesser amounts of silver associated with syenitic diatremes, dykes and sills;
- 2) quartz-carbonate veins peripheral to the intrusions;
- skarn mineralization in Palaeozoic sediments.

Intrusive related mineralization will occur as bulk tonnage disseminated deposits within the diatreme or in fracture/breccia zones in and peripheral to the intrusions, and high grade vein deposits generally marginal to the intrusions. Restricted halos of intense sericite and carbonate alteration and elevated Te, F, Cu, Zn, Pb, V, Ba, Mo, and Mn values are typically associated with intrusive mineralization.

TABLE 2.1	TABLE OF FORMATIONS
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Ша	Period or Epoch	Formation	Lithology	Thickness (m)
		Rocky Mountain	Marine sandstone, dolomite, chert, shale, siltstone	0-455
.0	Mississippian	Etherington	Marine limestone, dolomite, shale, siltstone, anhydrite	60-260
		Mount Head	Marine limestone, dolomite, dolomite and limestone breccias	120-305
		Livingstone	Marine limestone, cherty limestone, dolomite	245-425
ΣΟ.		Banff	Marine limestone, cherty limestone, shale, chert	180-320
Paleozoic		Exshaw	Marine shale	2-12
		Palliser	Marine limestone, dolomite	200-220
		Alexo	Marine limestone, dolomite, siltstone, sandstone	6-150
	Devonian	Fairholme	Marine limestone, argillaceous limestone, shale, dolomite	290-455
	Cambrian	Elko	Marine dolomite, dolomitic limestone	85-215
		Flathead	Marine sandstone, conglomeratic sandstone	7-45
	<u></u> 48	Roosville	Green argillite, siltstone, sandstone, stromatolitic dolomite	1070+
		Phillips	Red sandstone, siltstone, argillite	150-215
	Purcell	Gateway	Argillite, argillaceous siltstone, dolomite, sandstone	350-915
orian		Sheppard	Quartzitic and dolomitic sandstone, dolomite, argillite, siltstone, pillowed andesite	45-275
^o recambrian		Purcell	Chloritized andesite, amygdaloidal andesite flows, pillowed andesite	0-180
E C		Siyeh	Limestone, dolomite, argillite	345-915
E.		Grinnell	Red argillite, sandstone, siltstone	110-520
		Appekunny	Argillite, sandstone, siltstone	455-610
		Altyn	Argillaceous limestone and dolomite, argillite	150-1,220
		Waterton	Limestone and dolomite, argillite, argillaceous dolomite	455+

4.

AIRBORNE GEOPHYSICAL SURVEY

The AuByrd Property is characterized by a low gradient total magnetic field which increases in intensity toward the center of the property where two large oblate magnetic highs exist (Fig. 4.1). The central, northerly trending magnetic anomaly is 220 nT in amplitude, 400 m wide by 900 m long, coincident with a broad resistivity low, has a linear series of electromagnetic conductors along its eastern margin, and several weak 'spot'

conductive anomalies within its core. The sharp magnetic gradient edging the anomaly suggests a vertical body sourced about 150 m below surface; extreme topographic relief in the area may affect the depth to source estimate. The broad, circular western magnetic anomaly is about 600 m in diameter with a magnetic intensity of 100 nT. The anomaly has gentle, symmetrical edges suggesting a vertical body sourced at a depth of about 350 m.

Both magnetic anomalies show characteristics of a bedrock source and may represent shallowly emplaced intrusive stocks. Conductive electromagnetic anomalies along the anomaly margins may represent alteration/mineralization at lithologic/structural contacts. A northerly trending, linear resistivity low exists along the eastern property boundary which is coincident with Flathead River Valley and probably represents conductivity in surficial sediments.

5. CONCLUSIONS AND RECOMMENDATIONS

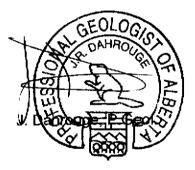
Based upon a review of geologic and geophysical information available, it can be concluded that the AuByrd Property is located in an area favourable for hosting intrusive related gold (syenite and intrusive breccia) and mineralized quartz-carbonate veins. The airborne geophysical survey identified discrete magnetic anomalies coincident with electromagnetic conductive zones which may be near surface mineralized/altered intrusive plugs and/or structurally related mineralization. Additional exploration for the intrusive related mineralization is warranted. Future exploration on the AuByrd claims should include:

- a) sampling sediments in streams draining the property and areas undertain by geophysical anomalies followed by prospecting and rock sampling of anomalous drainages;
- b) property-scale geologic mapping and prospecting;
- c) detailed geologic mapping and sampling of discovered and known mineral occurrences;
- d) geochemical soil sampling over areas of discovered mineral occurrences;
- e) ground geophysical surveys including magnetometer, very low frequency, and induced polarization over areas of detailed geologic mapping and geochemical sampling;
- f) limited trenching of those areas with encouraging results.

In areas of mineralization, detailed mapping and sampling of alteration and mineralization should be conducted with emphasis on relationships between stratigraphy, contact zones, structure, and intrusive units. Geochemical soil sampling should be considered in areas where mineralization or rocks of interest are obscured by overburden. Ground geophysical surveys may be required to elucidate structure, lithology and extent of mineralization. Contingent upon favourable results, diamond drilling may be required to further evaluate the mineral potential of the AuByrd Property.

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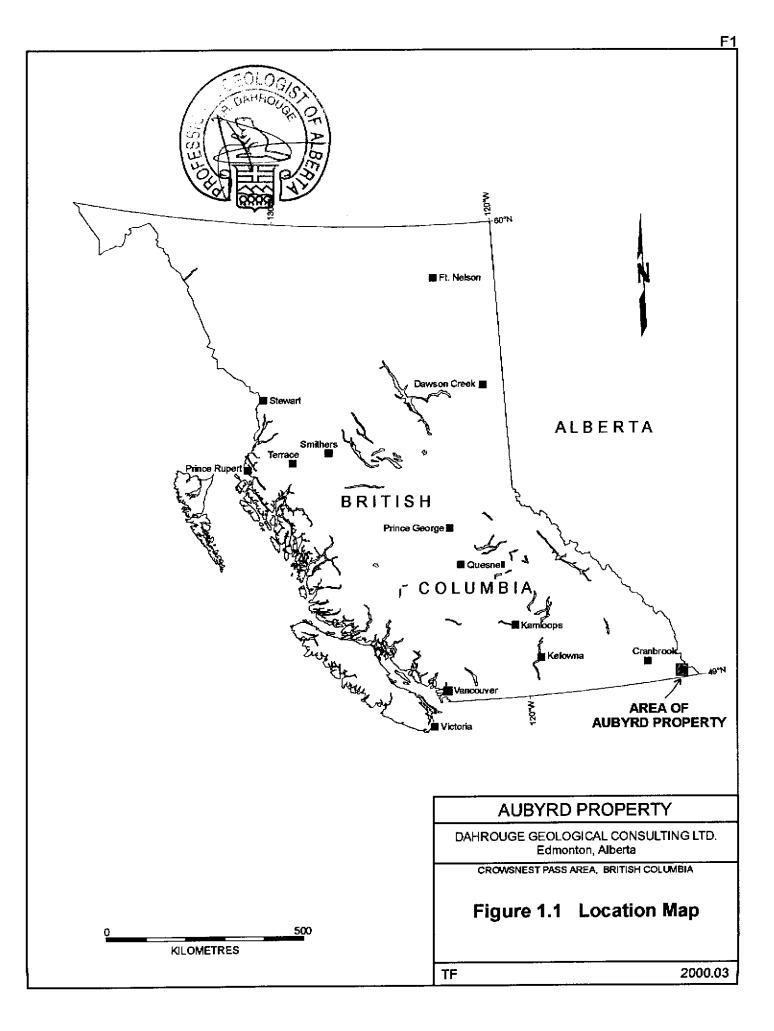
APPENDIX 1: ITEMIZED COST STATEMENT

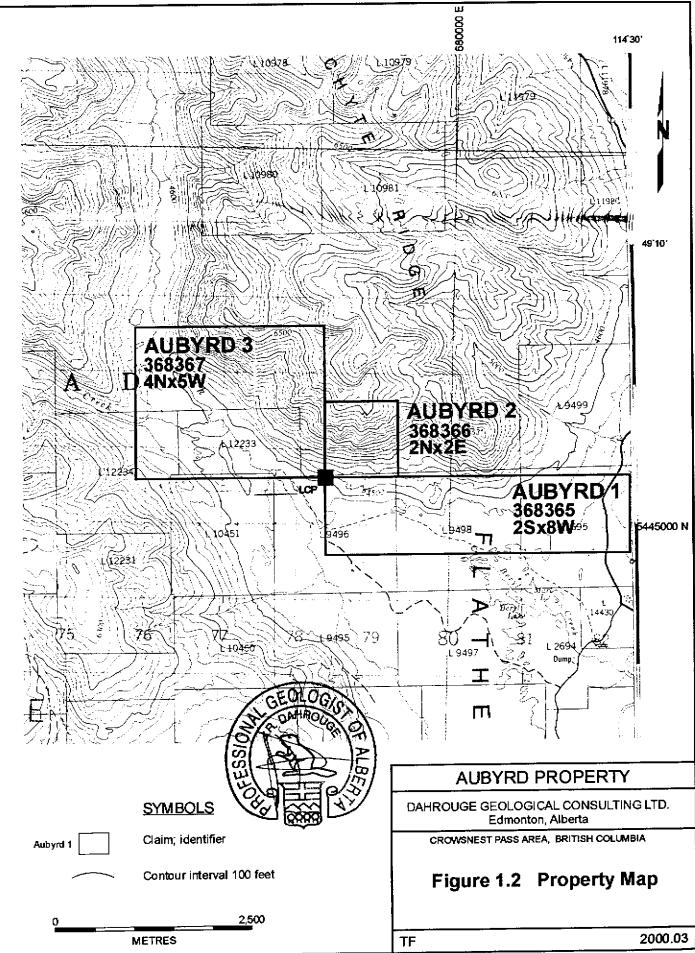
a) <u>Personnel</u> J. Dahrouge, geologist arranging for airborne geophysics, report writing, and 1.8 days supervision 776.82 1.8 @ \$428.00 \$ days T. Faragher, geologist review geophysical data, report writing 4.8 days 4.8 \$ 1,791.98 days @ \$374.50 W. McGuire, draftsman preparing figures and maps 3.1 days 3.1 days @ \$374.50 \$ 1,161.70 \$ 3,730.50 b) Food and Accommodation n/a c) Transportation n/a d) Instrument Rental n/a e) Drilling n/a f) Analyses n/a \$ 75.00 g) <u>Report</u> h) Other \$12,803.41 Airborne Geophysics (Geoterrex-Dighem) 847.44 Geophysical Data Interpretation (Intrepid Geophysics) \$ Courier \$ 30.93 \$ 3.98 Long distance telephone Map reproductions \$ 33.01 \$ 13,793.77 \$ 17,524.27 Total

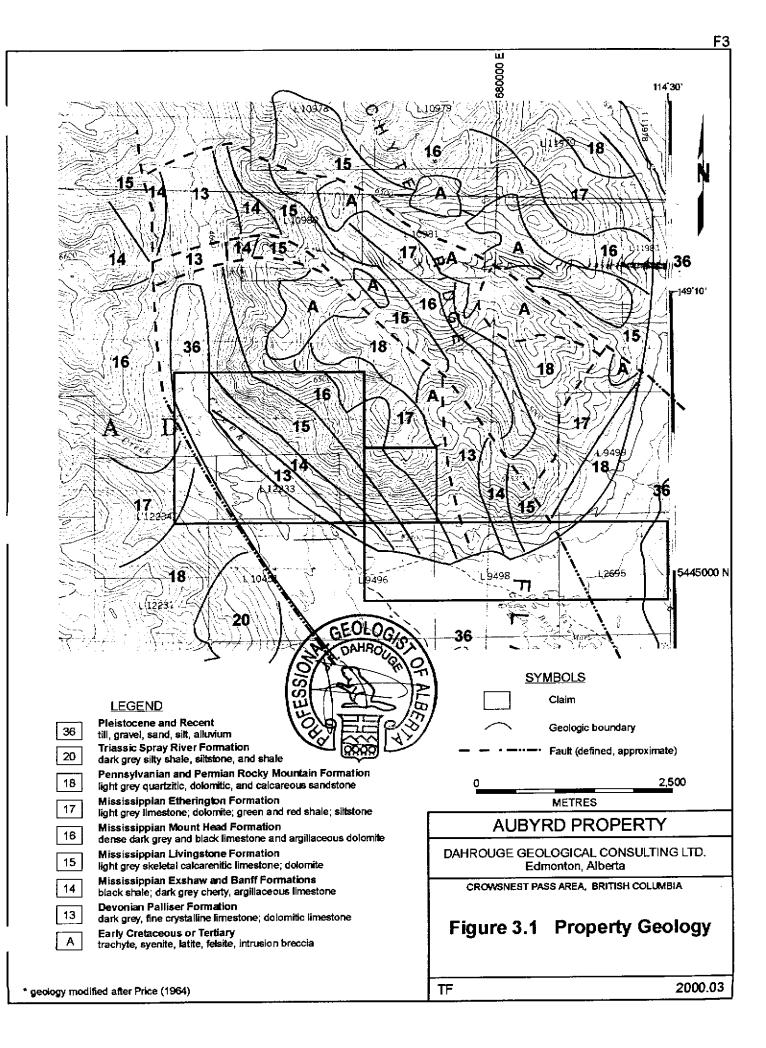
APPENDIX 2: STATEMENT OF QUALIFICATIONS

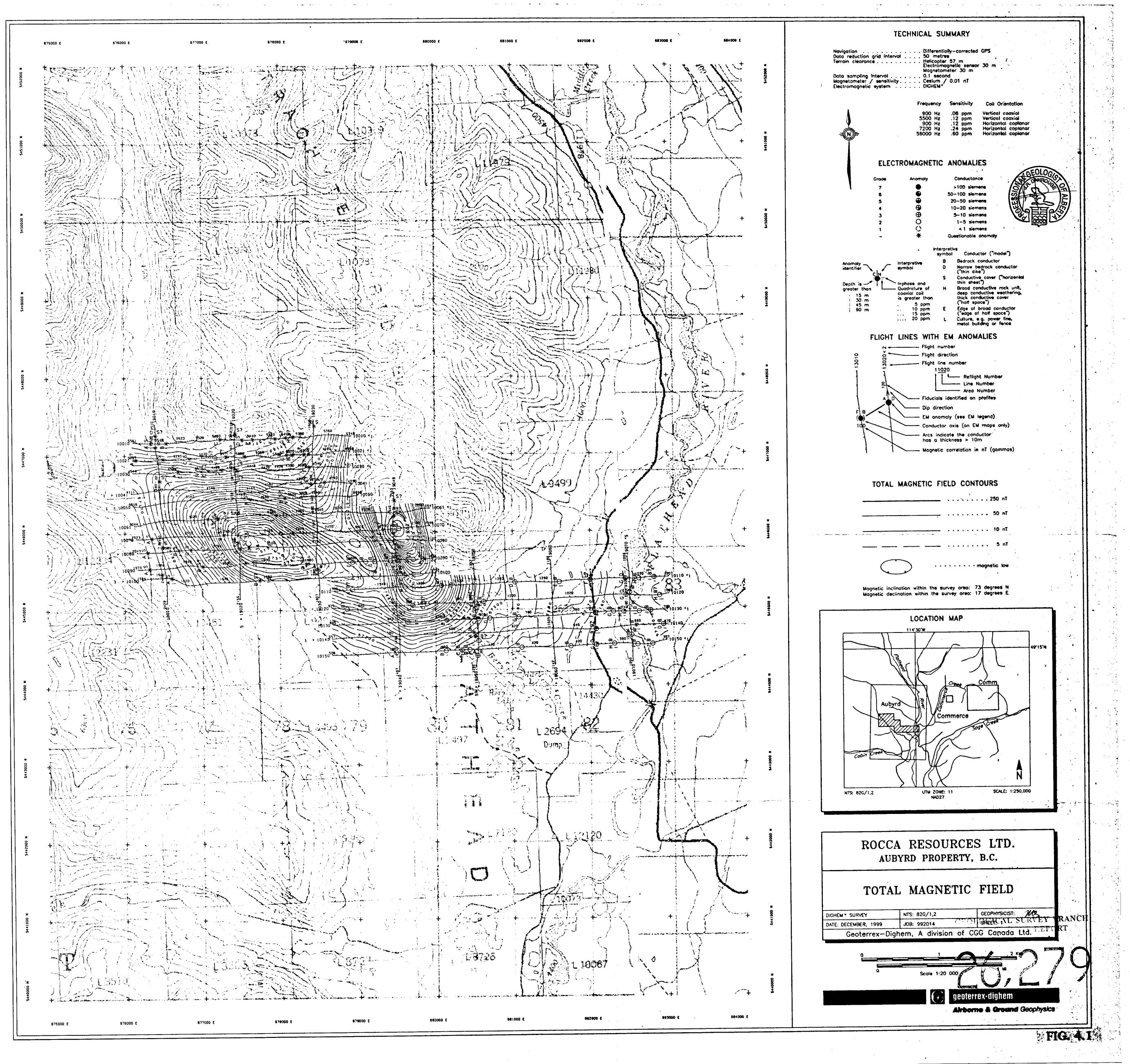
T. Faragher obtained a degree in geology from the University of Alberta, Edmonton in 1988. He has more than 10 years of experience in mineral exploration.

The work described in the report was under the supervision of J.R. Dahrouge who obtained degrees in geology and computing science from the University of Alberta, Edmonton in 1988 and 1994 respectively. He has more than 10 years of experience in mineral exploration. He is a member of the Canadian Institute of Mining and Metallurgy and is registered as P.Geol. with the Association of Professional Engineers, Geologists, and Geophysicists of Alberta.

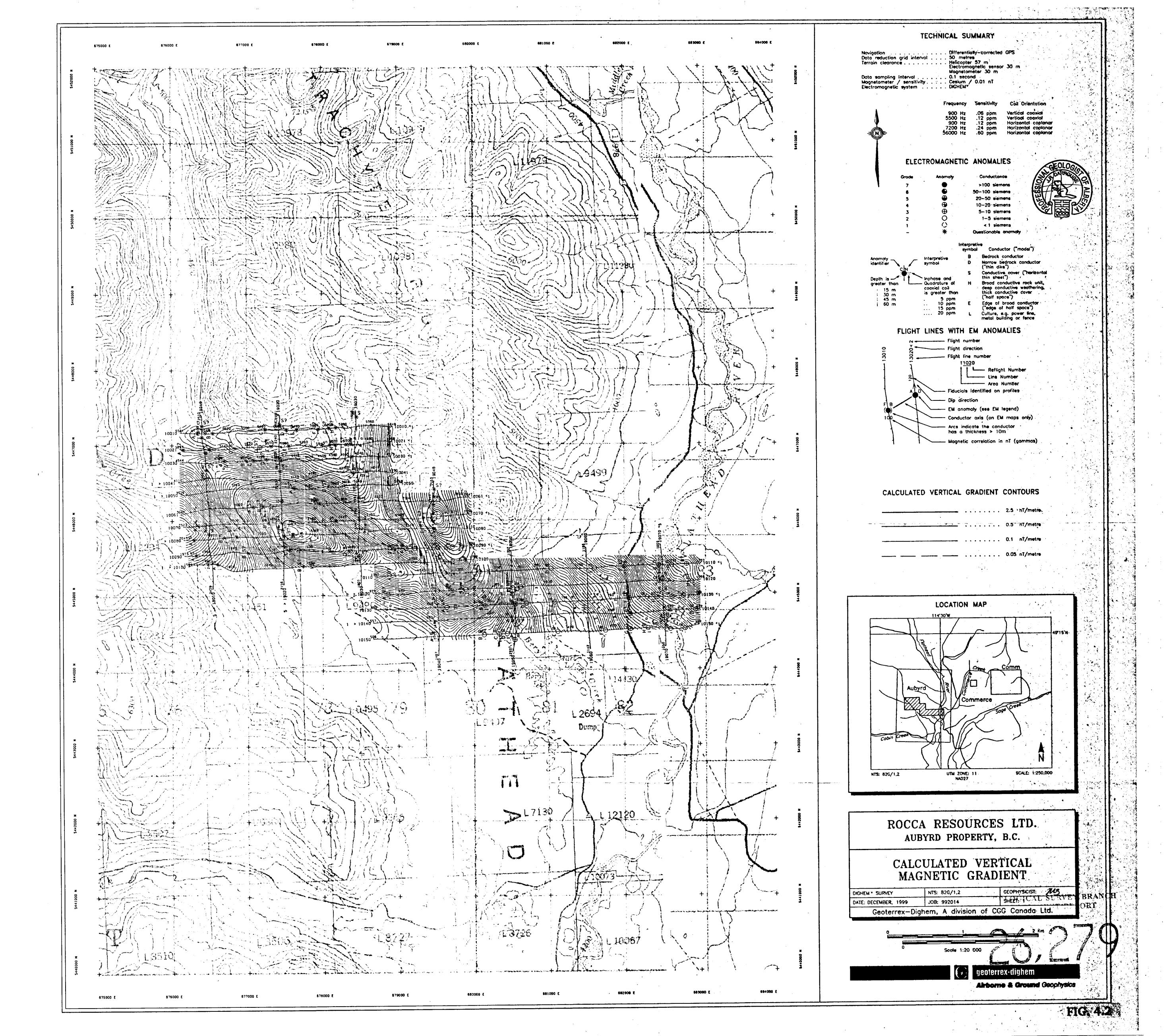


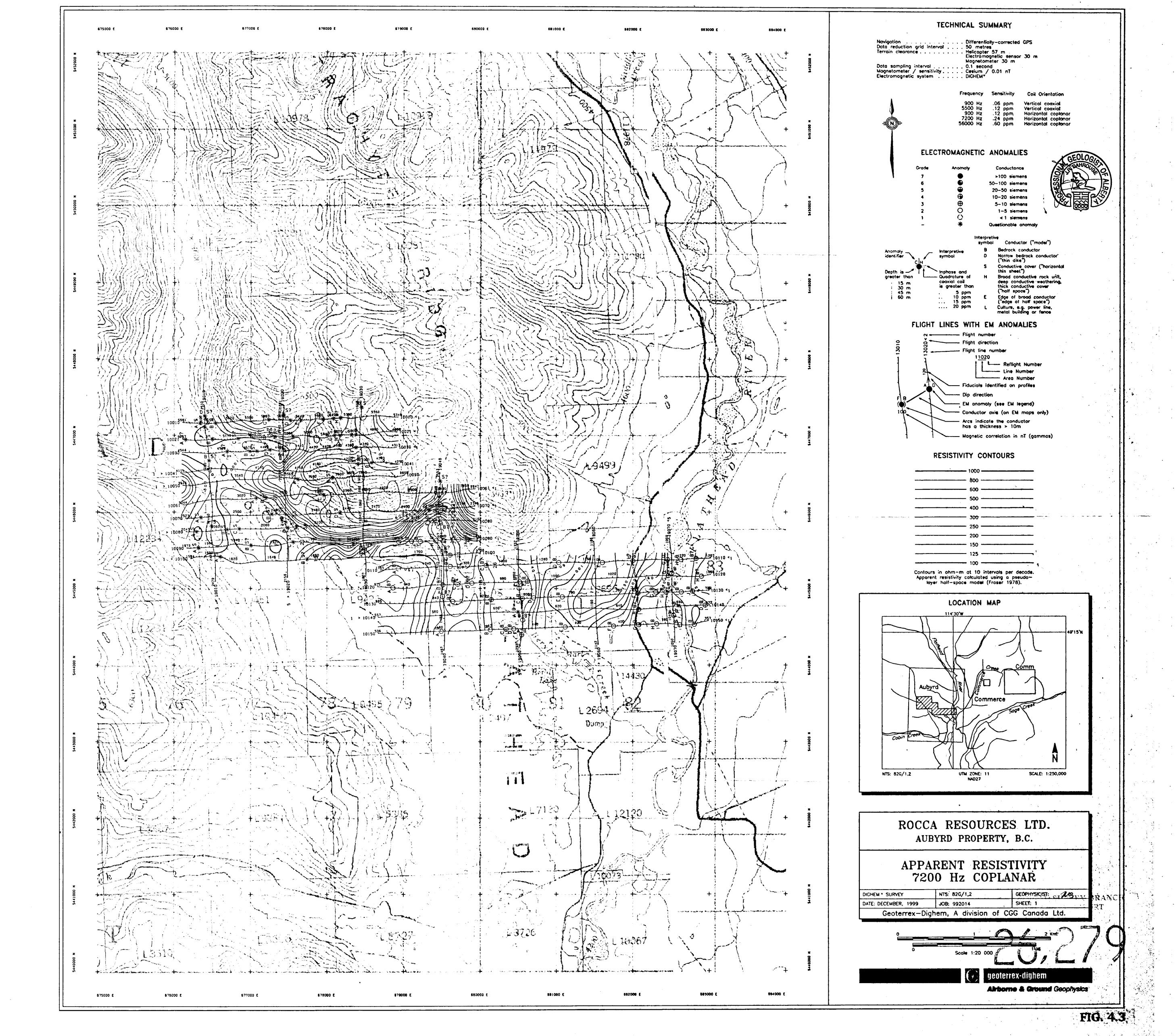


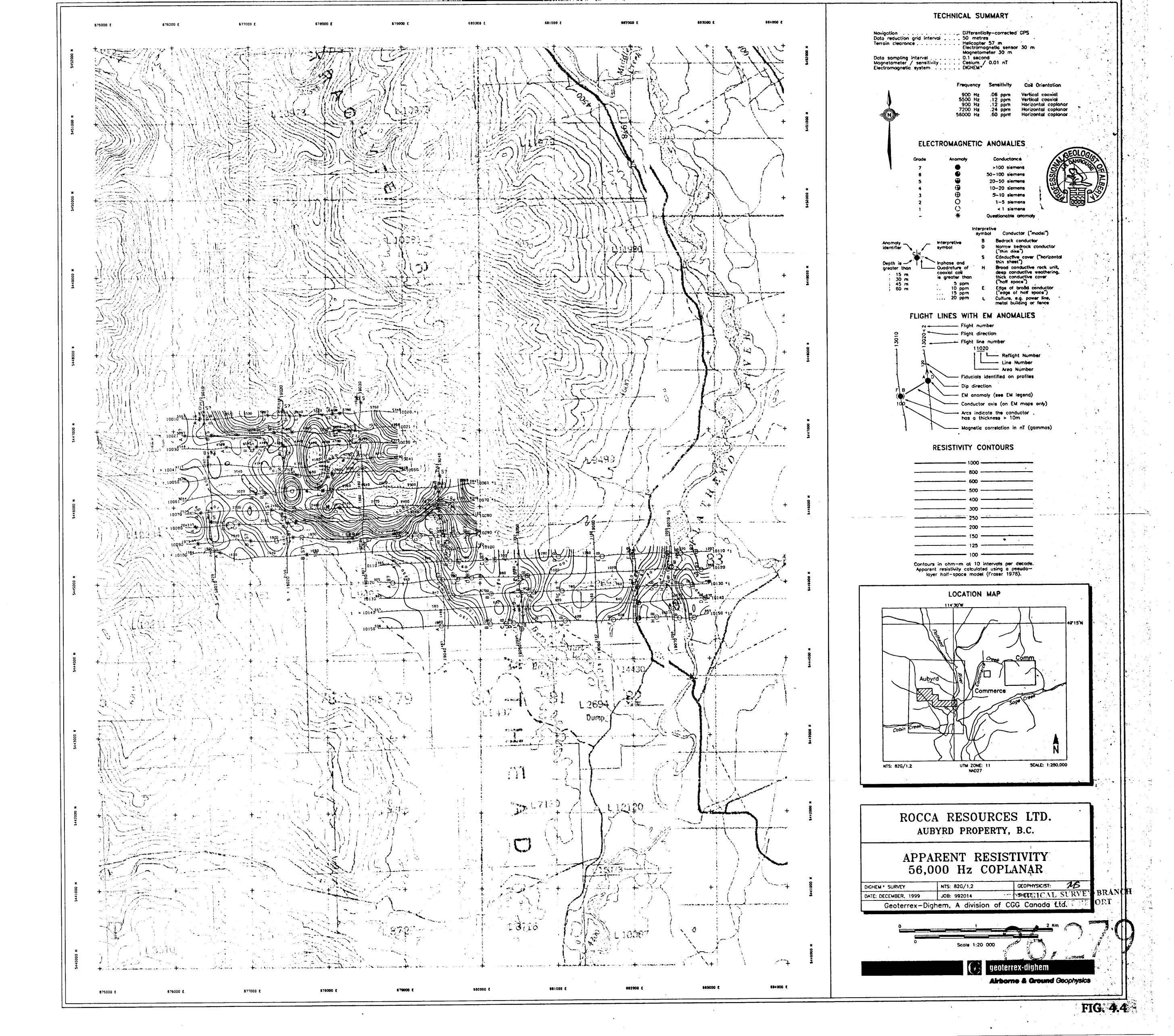




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