

**GEOLOGICAL AND ROCK SAMPLING EVALUATION
OF THE VMS & LGY CLAIMS**

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**VMS PROPERTY
(VMS 1 - 4 & LGY CLAIMS)**

| | |
|-------|--------|
| VMS 1 | 369532 |
| VMS 2 | 369533 |
| VMS 3 | 369534 |
| VMS 4 | 369535 |
| LGY | 378490 |

Registered claim owner: Fayz Yacoub

**NTS 103-P-11
SKEENA MINING DISTRICT, BRITISH COLUMBIA
LAT. 55° 38' N. LONG. 129° 18' W.**

Work Began on Sept. 25TH and Finished Sept. 26TH, 2002

by

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&

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Vancouver, British Columbia

for

Canadian Empire Exploration Corp.
**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

May 29, 2003

27,153

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1.0 SUMMARY

This report describes and evaluates the mineral potential in conjunction with fieldwork carried out on the VMS and LGY claims (VMS Property). Fieldwork consisted of geological prospecting and rock geochemical surveys carried out on September 25th-26th, 2002 by Canadian Empire Exploration Corporation personnel George Norman and Brian Thurston (geologists).

The VMS Property is comprised of the VMS 1-4 claim group consisting of four claims totaling 19 units and the single LGY claim consisting of 2 units. The claims are underlain by geology of Lower to Middle Jurassic volcanic and sedimentary rocks of the Hazelton and Stuhini Groups, the host stratigraphy of the Eskay Creek deposit located approximately 135 km to the northwest which contains a resource of 2.558 MT grading 48.4 g/T Au, 2152 g/T Ag, 2.5% Pb, 4.16% Zn and 0.54% Cu.

The claims cover the highest gold and copper stream sediment anomalies of the map sheet as well as strong lead and zinc values. Several areas with known VMS style mineralization have returned grab sample assays up to 5.6g/t Au and 1.6% Cu. Additional massive and semi-massive sulfide float assayed to 4.54g/t Au, 10% Cu and 99.7g/t Ag. Historic prospecting and sampling returned highlights of 11.60% Zn in grab samples of chloritic andesite tuff, and up to 8.12% Cu in volcanic tuff (float).

Samples collected during the 2002 prospecting program returned significant gold and copper values from the Boulder Zone. Sample 13351 assayed 14 g/t Au and 5.21% Cu. However, the mineralization was attributed to small structurally controlled veins and/or fracture fillings which is not representative of the style of mineralization consistent with typical VMS deposits.

Assay results from 2002 prospecting also returned significant lead and zinc values from the Western Gossan Zone. Samples 288659-288661 averaged 1.52% Pb and 3.89% Zn over 1.6 meters with significantly elevated values of arsenic, cadmium, and mercury. The mineralization in this area is attributed to a structurally controlled shear zone and alteration halo. Again this mineralization does not appear to be representative of VMS style mineralization.

Although a VMS style deposit has been the focus of past prospecting, the area appears favorable for discovery of a gold vein deposit. Prior work that has included preliminary prospecting and sampling has returned values of up to 20.24g/t Au from quartz vein float from the property. No advanced stage targeting or drilling has been undertaken to date and the property still presents an attractive target for discovery of gold enriched massive sulfide and/or epithermal vein deposits.

2.0 INTRODUCTION

2.1 Property Description and Location

The four claims that comprise the VMS property consist of 19 units that cover approximately 5 km². The LGY claim is located 4.5 km south-southeast of the VMS claims and consists of 2 units that cover approximately 0.5 km². The two claim groups are located approximately 55 km southeast of Stewart, BC, and lie within the Skeena Mining Division on NTS map-sheet 103 P/11 (Figure 1). The properties are centered at 55° 37.64' north latitude and 129° 17.08' west longitude.

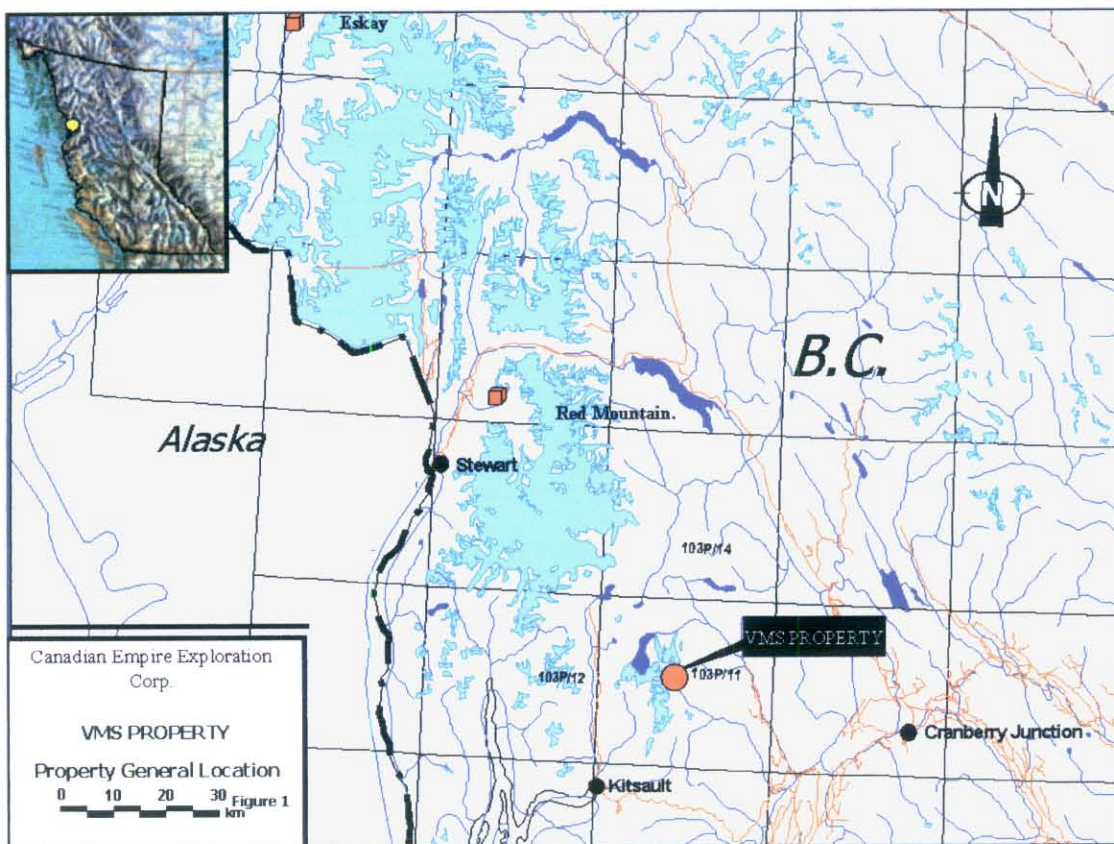


Figure 1. General Location Map

2.2 Accessibility, Infrastructure, Climate, Physiography, and Local Resources

Stewart is the closest community to the VMS Property and can adequately support exploration programs in the area. The property is accessed by helicopter from Stewart (approximately 55 km northwest), approximately 25-30 minutes flying time. A logging road, which ties into the Lavender mainline, comes within 10 kilometers of the property.

The VMS Property lies within the Skeena coast physiographic unit and locally covers a variety of topographic styles ranging from mountainous alpine to heavily wooded valleys. Elevations within the property area vary from moderate to extreme, ranging from 732 to 1460 meters. The mountainous terrain is also variable with numerous areas covered with glacial ice and snowfields and areas with steep, unstable rock walls. Varying amounts of glacial and glacial-fluvial debris occur in the valleys and along valley walls. Alpine style vegetation occurs above elevations of approximately 1000 meters while forest vegetation below this elevation consists of mountain varieties of fir, hemlock, spruce and cedar with areas of thick brush comprised of alder, willow and devil's club. Prolific summer seasonal plants are common at lower elevations, forming a thick vegetable mass in some areas.

Precipitation within the coastal climatic zone is very high with winter precipitation resulting in heavy snowfalls of 5-12 meters. Snow covers the property from late September to late June and coastal weather strongly affects airborne access to the property during the summer exploration season. The exploration field season usually runs from early July until mid-September, however geophysical surveys and drill programs may extend from March to October.



Photo 1. Physiography of the VMS Property

VMS Property Claim Location Map

Mineral Titles Layers

-  MINERAL titles outline labelled (<200K)
-  VMS / LGY CLAIMS (FAYZ YACOUB – OWNER)

Topographic Layers

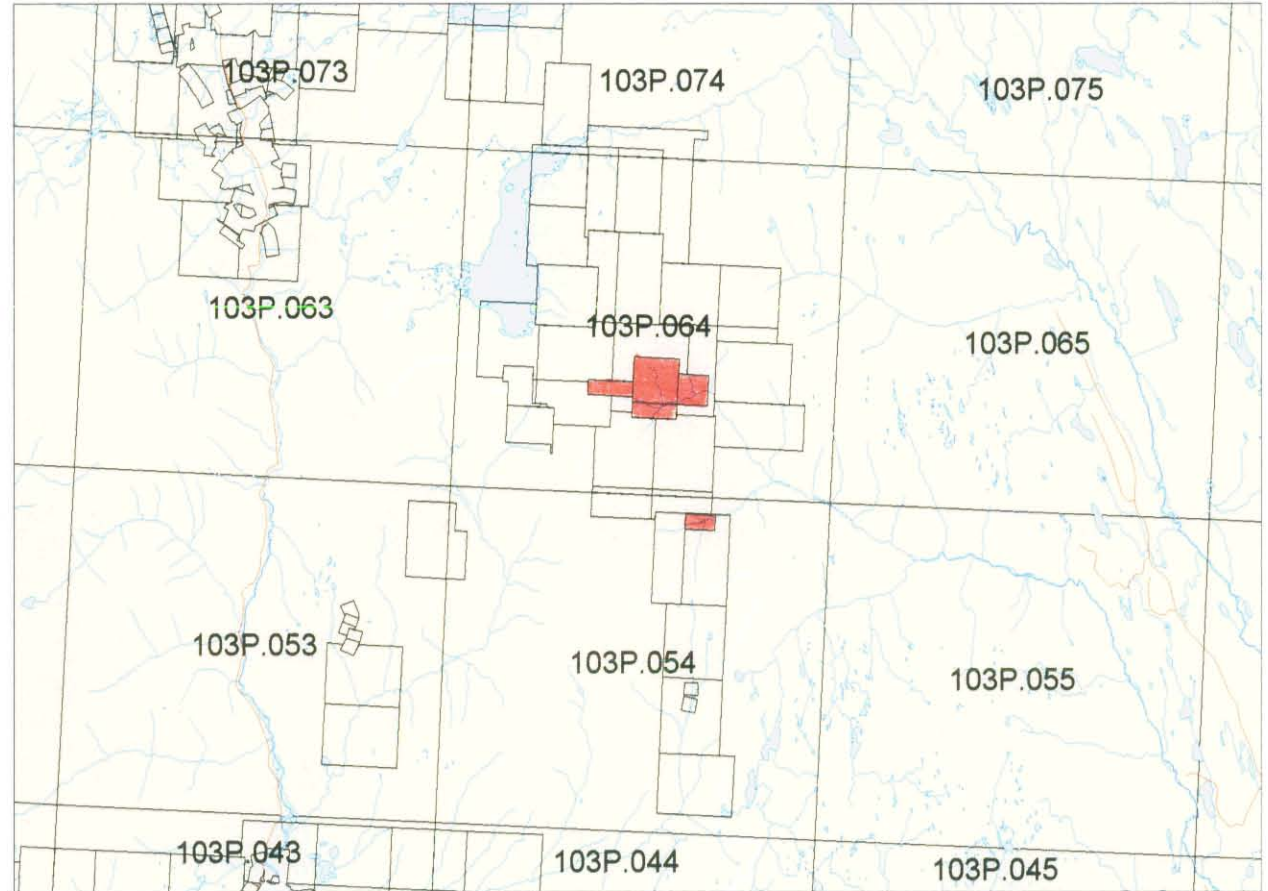
-  Roads 1:250K (<2M)
-  Lakes 1:50K (<300K)
-  Rivers 1:50K (<300K)

Grid Layers

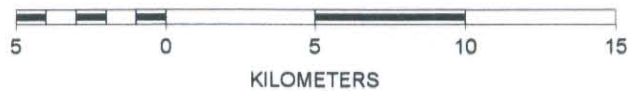
-  Grid 1:20K maps - labels
-  Grid 1:20K maps - outline
-  Grid 1:250K maps - outline

BC Border Layers

-  BC Border 1:50K (<300K)



SCALE 1 : 250,000



2.3 List of Claims

A total of 19 units in 5 claims, make up the VMS Property. The claims are listed in Table 1 and outlined in Figure 2:

| Claim Name | Record No. | Expiry Date | Registered Owner | % Owned | NTS #'s |
|------------|------------|-------------|------------------|---------|----------|
| VMS 1 | 369532 | 2003/06/10 | Fayz Yacoub | 100.00 | 103-P-11 |
| VMS 2 | 369533 | 2003/06/10 | Fayz Yacoub | 100.00 | 103-P-11 |
| VMS 3 | 369534 | 2003/06/10 | Fayz Yacoub | 100.00 | 103-P-11 |
| VMS 4 | 369535 | 2003/06/10 | Fayz Yacoub | 100.00 | 103-P-11 |
| LGY | 378490 | 2007/07/01 | Fayz Yacoub | 100.00 | 103-P-11 |

Table 1. List of claims.

2.4 Previous Work (History)

The surrounding area has seen an extended exploration history dating back to approximately 1910. Earliest recorded information dates back to provincial government Annual Reports from 1915. The primary area of exploration has been centered in the Kitsault River area with lesser exploration in the Lahte Creek-Illiance River valley, the Dak River area and the area surrounding Kinskuch Lake.

The VMS 1-4 claim group was staked to replace the Lavender 1-4 and Lahte 7 claims. Previous work on the property consisted of prospecting, reconnaissance mapping, soils, pan concentrates, silts and rock sampling. A summary of the history of the area is given below:

- Hudson Bay Exploration carried out a prospecting, rock sampling and geological mapping program in the summer of 1981. The work program identified a number of rhyolitic massive sulfide float boulders located on the south side of Lahte Creek.
- In 1989, Dolly Varden Minerals Inc. conducted prospecting, reconnaissance mapping, and pan concentrate silt sampling. Significant gold values were returned from outcrop and float boulders. A number of gossan zones were identified on the now VMS 2 claim. The gossan zones were not tested due to difficulty crossing the Lahte Creek. Gold values ranged up to 20240 ppb from quartz vein float.
- In 1994, the VMS 1-4 claim group was included as part of a regional stream sediment geochemical sampling program by the Geological Survey of Canada. Anomalous gold values of 226 and 229 ppb were returned. These values were the highest in the map sheet area, indicating a possible favorable environment for gold deposits, similar to Red Mountain.
- In 1995, Cyprus Canada Inc., and Rubicon Management Ltd. staked the area based on the results of the regional geochemical survey, and conducted prospecting, along with rock, silt and soil sampling programs. An anomalous gold value of 320 ppb was returned from a mineralized shear zone.

- In 1997, Rubicon Minerals Corp. conducted a rock sampling program targeted at evaluating a number of gossan zones on what is now the VMS 1 claim. Assays returned values up to 6.26% Zn and 414 g/t Ag with elevated metal values up to 202 ppm As, 145 ppm Hg, and 356 ppm Sb. Numerous boulders of massive sulfide were located at the toe of the main glacier, and a barite-sphalerite-galena showing was located on the north side of Lahte Creek. Assays from grab samples returned values ranging from 1.65-11.60% Zn and up to 5.25% Pb.

3.0 GEOLOGY

3.1 Regional Geology

The well-mineralized Stewart Complex extends from Alice Arm to the Iskut River. Exploration and development of major mines in the Stewart area, including Silbak-Premier, Eskay Creek, Snip, Johnny Mountain, Anyox, Alice Arm, Granduc, Scottie, Big Missouri, Porter-Idaho, Tenajon SB, Maple Bay, and reserves outlined at Red Mountain, Willoughby, and Sulphurets make this area one of Canada's most active mining camps.

The VMS Property is primarily located within Lower to Middle Jurassic volcanic rocks and sediments deposited in a marine environment along the western margin of the Bowser basin Figure 3. This sequence is collectively known as the "Hazelton Group" which consists of a well-mineralized sequence formed in an island arc environment. This sequence in the Kitsault area is bounded by Tertiary intrusives to the west and the marine-lacustrine Bowser basin to the east. In the Kitsault area, the Hazelton Group has undergone west to east compression, which has resulted in asymmetric folding and thrusting that produced low-grade greenschist metamorphism of the rocks.

The Kitsault area contains the southern limit of a continuous belt of the Hazelton group which hosts the highly profitable Eskay Creek VMS deposit, owned and operated by Barrick Resources and located 135 km northwest of the VMS Property. This unusually highly precious metal enriched VMS system has a total resource of 2.558 MT grading 48.4 g/T Au, 2152 g/T Ag, 2.5% Pb, 4.16% Zn and 0.54% Cu. This high-grade resource is contained within a substantially larger resource of lower grade material. The Eskay deposit occurs within sediments overlying felsic volcanics in a setting at the top of the Hazelton volcanics.

The Red Mountain deposit with a resource of 13.2 Mt @ 0.074 opt Au is another gold system in the region that is yet undeveloped. Seabridge Resources Inc. is presently exploring the potential of developing a higher-grade portion of this deposit. The mineralization is related to ~190MY Goldslide intrusions that are also present throughout the area including intrusions along the southern shore of Kinskuch Lake.

Another undeveloped system is the Sulphurets camp where Seabridge and Noranda are assessing the economic potential of a variety of deposit types in a complex gold and copper system. The deposit types include Cu-Au porphyries (Kerr with 135Mt @ 0.76% Cu, 0.34 g/t Au), Au porphyries (Snowfield with 7 Mt @ 2.8 g/t Au), and high grade Au-Ag vein systems

(West Zone @ 15.4 g/t Au, 650 g/t Ag) again related to Mitchell intrusions ~190MY aged Goldslide –Texas Creek equivalents.

The Dolly Varden camp owned by New Dolly Varden Minerals Inc. is located in the Kitsault River valley approximately 20 km north of Alice Arm. The Dolly Varden Camp hosts an existing resource of 515 Kt grading 11.04 opt Ag. Previous production from the Dolly Varden, North Star and Torbrit mines totaled 19.9 million oz. Ag, and 11 million lbs of Pb. Recent work (Devlin, 1987 and others) suggests this system is a possible VMS system.

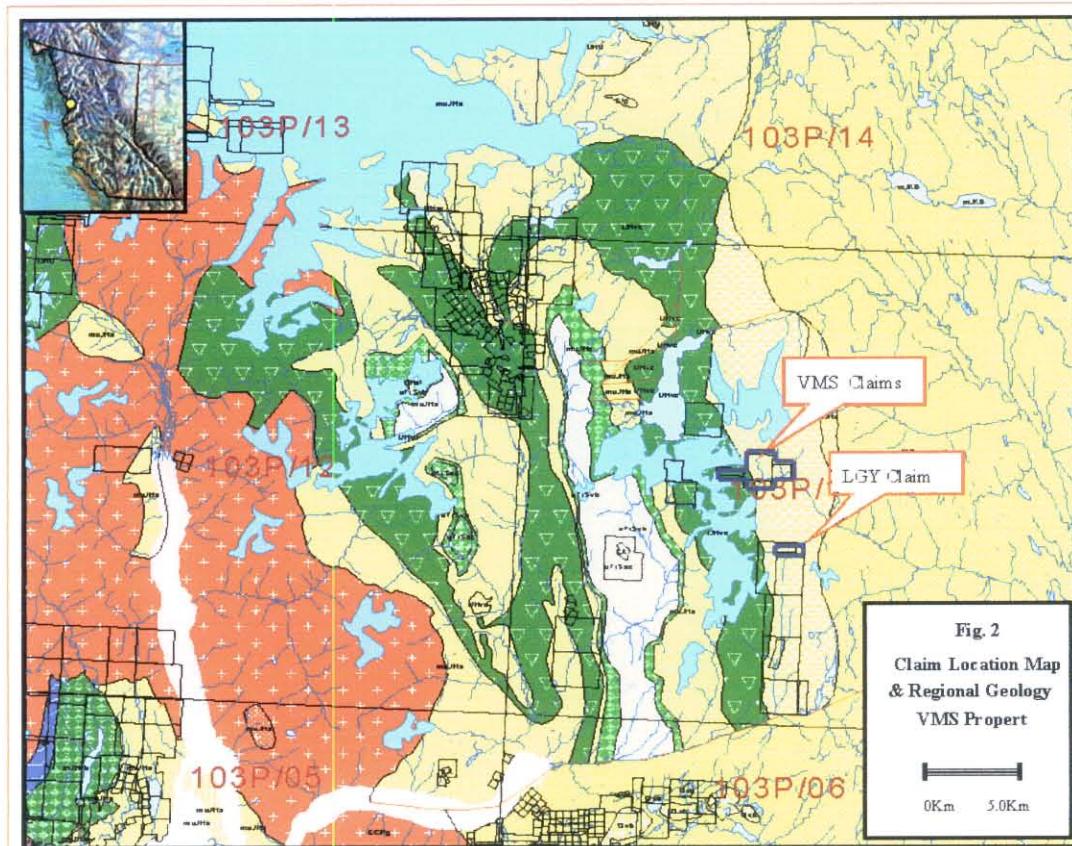


Figure 3. VMS Claim Group & Regional Geology

3.2 Property Geology

The VMS Property is predominantly underlain by Lower to Middle Jurassic volcanic and sedimentary rocks of the Hazelton and Stuhini Groups. The majority of the property geology has been divided into two main rock units that are intermediate volcanics, composed of green andesite pyroclastic feldspar, and andesite porphyry. The latter unit is exposed in the western part of the property (VMS 4 claim). Maroon and green volcanic conglomerate, volcanic breccia, and minor sandstone and rhyolite beds underlie the majority of the property. Rhyolite is observed in the eastern part of the property (VMS 1-3 claims). Tertiary hornblende-feldspar porphyry dykes up to 6 meters in width cut most units.

Several gossan zones are located within the felsic maroon volcanic unit of the Jurassic Hazelton rocks. These rocks are overlain by Middle to Upper Jurassic sedimentary rocks consisting of basal fossiliferous wackes, siltstones and argillites. These units are observed in the central part of the VMS 3 claim.

3.3 Deposit Type

Canadian Empire Exploration Corp.'s primary deposit model for the VMS property is the Eskay Creek VMS deposit, owned and operated by Barrick Resources. This deposit has a total resource of 2.558 MT grading 48.4 g/T Au, 2152 g/T Ag, 2.5% Pb, 4.16% Zn and 0.54% Cu. This high-grade resource is within a substantially larger resource of lower grade material. The Eskay deposit occurs in sediments overlying felsic volcanics in a setting at the top of the Hazelton volcanics, which is similar to the setting observed at the VMS property.

Although a VMS style deposit has been the focus of past prospecting, the area also appears favorable for discovery of potentially economic high-grade vein deposits. Assays of quartz vein float from the property have returned values of up to 20.24g/t Au.

3.4 Rock Geochemistry

A total of 25 rock samples were collected from the property and surrounding area between September 25th and September 26th 2002. These samples were submitted to ACME Analytical Laboratories in Vancouver, BC, for analysis. The descriptions of the samples are reported in Appendix I. The assay certificate is located in Appendix II. The samples have been plotted on Map 1 located in the back pocket.

4.0 2002 Prospecting Program

Canadian Empire Exploration Corp. personnel conducted a limited prospecting program on the VMS property between September 25th and September 26th 2002. Four areas of interest were targeted during this program but due to time constraints only the Boulder Zone, Western Gossan Zone and east of the Float Zone were prospected and sampled in detail. A total of 25 rock samples were collected and analyzed for 32 elements by the Induced Coupled Plasma (ICP) method. Sample locations are plotted Map 2 located at the end of this report. Results for the analyzed elements can be found in Appendix II.

Several additional gossan zones were identified during helicopter reconnaissance but were not prospected. The property remains under explored and holds potential for a new discovery. The main mineralized zones of the VMS Property are described below:

4.1 The Boulder Zone

Mineralized boulders of volcanic rock up to 10 meters in diameter have been located on the VMS-2 claim. The rock contains veins, fracture fillings and disseminations of chalcopyrite and malachite, +/- specular hematite, galena and sphalerite. The boulders are sub-angular to

sub-rounded and are scattered over an area 75 meters by 50 meters. A nearby ridge above the boulder zone that hosts visible copper mineralization may be the source (Fayz Yacoub, pers. Comm.).

Dolly Varden Mineral Inc. sampled quartz vein float on this claim that returned values up to 20.24g/t Au, however, no quartz vein material was encountered during the 2002 program.

Boulder Zone - Historic Assay Results

| Sample Number | Rock Type | Sample Width (m) | Au g/t | Ag g/t | Cu % | Pb % | Zn % |
|---------------|-----------|------------------|--------------|--------|------------|------|------|
| R-4 | ands | grab | 4.54 | 99.7 | 10 | - | - |
| R-6 | ands | grab | 5.6 | - | 1.6 | - | - |
| Dolly-1 | | float | 20.24 | | | | |

Boulder Zone - 2002 Canadian Empire Assay Results

| Sample Number | Rock Type | Sample Width (m) | Au g/t | Ag g/t | Cu % | Pb % | Zn % |
|---------------|-----------|------------------|-----------|--------|-------------|------|------|
| 13351 | ands | grab | 14 | 2.4 | 5.21 | 0.05 | 0.01 |
| 13352 | ands | grab | 2 | - | 4.92 | - | 0.01 |
| 13353 | ands | grab | <2 | 0.6 | 0.54 | 0.01 | 0.01 |
| 13354 | ands | grab | <2 | 0.4 | 0.06 | 0.00 | 0.01 |
| 13355 | ands | grab | 2 | 2.9 | 1.96 | 0.00 | 0.01 |

Table 2. Boulder Zone Assay Results



Photo 2: Boulder Zone (sample 13351)

4.2 Main Gossan Zone

This gossan zone is located near the center of VMS-3 and is exposed for approximately 1 kilometer. The alteration consists of silicification and argillization. Samples were collected by Fayz Yacoub (2001) and are presented in Table 3 below.

Main Gossan Zone - Historic Assay Results

| Sample Number | Sample Width (m) | Au g/t | Ag g/t | Cu % | Pb ppm | Zn ppm |
|---------------|------------------|--------|--------|------|--------|--------|
| R-18 | 3 | - | 29.9 | - | 1446 | 456 |
| R-19 | 20 | - | 10.4 | - | - | - |

Table 3. Main Gossan Zone Assay Results



Photo 3: Main Gossan Zone

4.3 The Western Gossan Zone

This gossan zone is located at the boundary of the VMS-1 and VMS-2 claims approximately 800 meters southwest of the Main Gossan Zone. Within a silicified alteration zone of volcanic rocks mineralization consists of 5-6% fine-grained pyrite, very fine-grained galena and traces of chalcopyrite. The zone can be traced for approximately 250 meters and averages 3 meters in width.

Evaluation of a number of gossan zones on the VMS-2 claims by Rubicon in 1997 returned assays up to 6.26% Zn, and 414g/t Ag. A barite-sphalerite-galena showing returned grab sample assays ranging from 1.65%-11.6% Zn and up to 5.25% Pb.

Western Gossan Zone - Historic Assay Results

| Sample Number | Rock Type | Sample Width (m) | Au g/t | Ag g/t | Cu % | Pb % | Zn % |
|---------------|-----------|------------------|--------|--------|------|------|------|
| R-7 | int volc | 3 | 0.09 | 13.2 | - | 1.39 | 4.51 |
| Rub-1 | | - | - | 414 | - | - | 6.26 |
| Rub-2 | | grab | - | - | - | - | 11.6 |
| Rub-3 | | grab | - | - | - | 5.25 | - |

Western Gossan Zone - 2002 Canadian Empire Assay Results

| Sample Number | Rock Type | Sample Width (m) | Au g/t | Ag g/t | Cu ppm | Pb % | Zn % |
|---------------|-----------|------------------|--------|--------|--------|------|--------|
| 288654 | int volc | 1.5 | <2 | 5.4 | 528 | 0.75 | 1.09 |
| 288655 | int volc | 1.5 | <2 | 2.5 | 95 | 0.33 | 0.82 |
| 288656 | int volc | grab | <2 | <3 | 79 | 0.05 | 0.30 |
| 288657 | int volc | talus | <2 | 53.3 | 317 | 2.37 | 5.84 |
| 288658 | int volc | talus | <2 | 6.9 | 206 | 0.29 | 1.05 |
| 288659 | int volc | 0.6 | <2 | 8.5 | 105 | 1.76 | 1.77 |
| 288660 | int volc | 0.15 | <2 | 39.2 | 1123 | 2.32 | >10.00 |
| 288661 | int volc | 0.85 | <2 | 11.1 | 89 | 1.20 | 4.30 |
| 288662 | qtz/cb vn | bldr | <2 | 12.8 | 2108 | 0.02 | 0.04 |

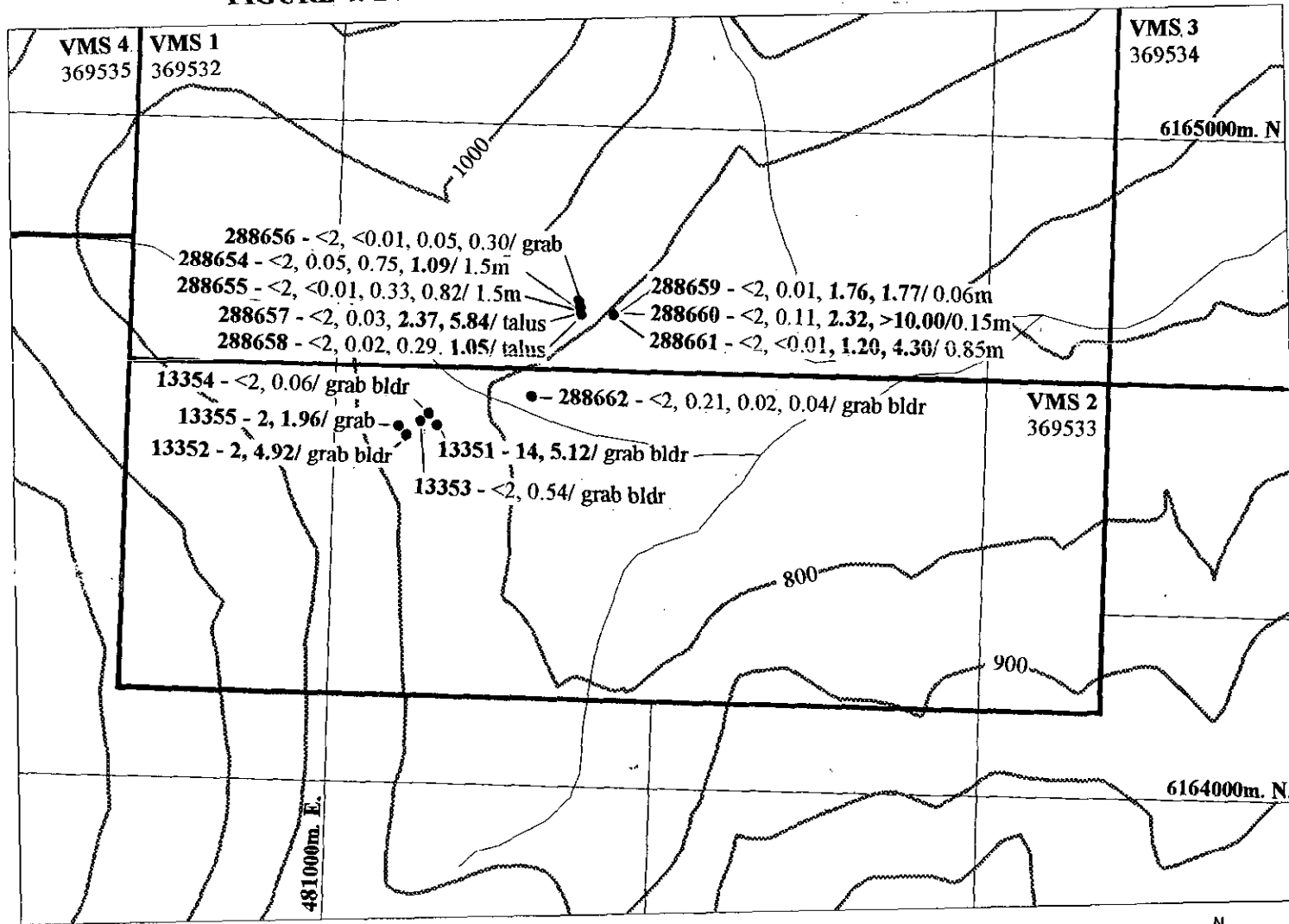
Table 4. Western Gossan Zone Assay Results



Photo 4: Western Gossan Zone (samples 288654-288655)

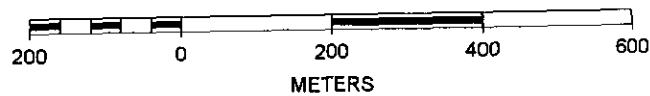
VMS Claim Group - 2003 Geochemical Rock Sampling Data

FIGURE 4: Boulder/Western Gossan Zones Sample Location Map



● - 288654 - ppm Au, %Cu, %Pb, %Zn / sample width

SCALE 1 : 10,000



4.4 Float Zone

An intense gossan zone is believed to be the source for numerous massive sulfide boulders located in the northwestern part of VMS-1. The terrain is quite rugged and is accessed only by well-trained mountain climbers. Canadian Empire personnel prospected an area east of the float zone reportedly containing quartz and barite veins. A quartz vein averaging 1.2 meters thick was encountered cutting green-maroon volcanics. The quartz was white chalcedony-chert to very fine-grained sugary textured. Local areas of gossan and disseminated hematite were observed, as well as pyrite disseminations in trace amounts. Trace malachite stain was observed which resulted in anomalous Cu assay values.

East of Float Zone - 2002 Canadian Empire Assay Results

| Sample Number | Rock Type | Sample Width (m) | Au g/t | Ag g/t | Cu ppm | Pb % | Zn % |
|---------------|-----------|------------------|--------|--------|--------|------|------|
| 13356 | quartz | 1.2 | <2 | 1.2 | 78 | 11 | 10 |
| 13357 | quartz | 1.2 | <2 | 0.3 | 64 | 180 | 206 |
| 13358 | quartz | 1.2 | <2 | 0.7 | 40 | 55 | 23 |
| 13359 | goss/sh | 0.35 | <2 | 11.6 | 3620 | 66 | 37 |
| 13360 | lmst | 0.8 | <2 | <0.3 | 399 | 4 | 21 |

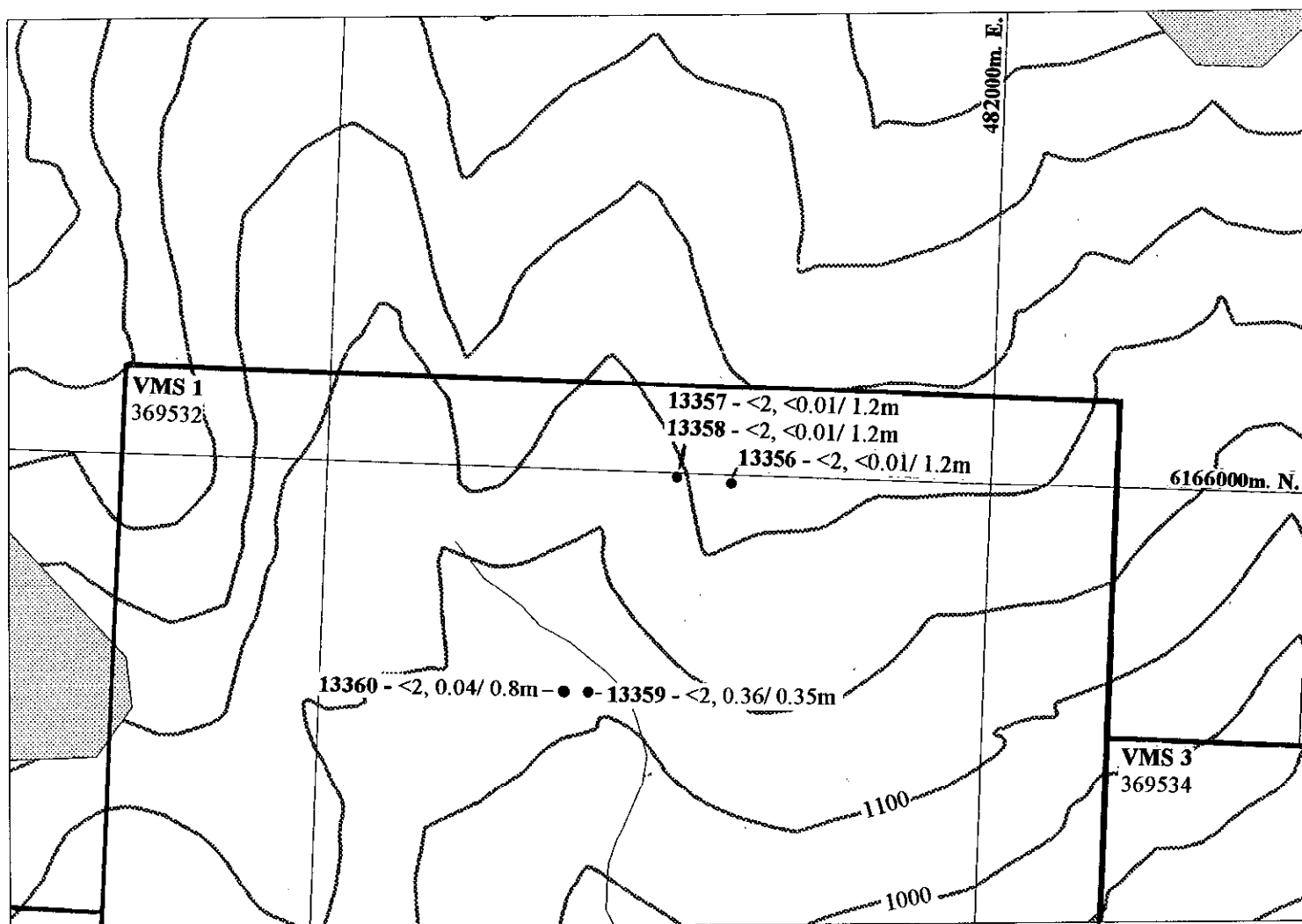
Table 5. Eastern Float Zone Assay Results



Photo 5: Quartz Vein East of Float Zone (samples 13356-13358)

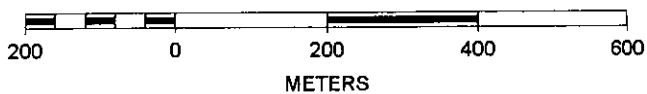
VMS Claim Group - 2003 Geochemical Rock Sampling Data

FIGURE 5: Float Zone Sample Location Map



● - 13358 - ppm Au, % Cu / sample width

SCALE 1 : 10,000



4.5 New Gossan Zones

Several gossan zones were observed from the air during helicopter reconnaissance of the VMS claim area. Several areas may be accessed by foot, however some areas are quite steep and would require experienced mountain climbers with proper climbing gear. Several gossan zones remain under explored and holds potential for a new discovery. The photo below shows a gossanous zone approximately 10-20 meters thick which requires additional follow-up prospecting.



Photo 6: Gossan Zone South of VMS-4

4.6 Sampling Method and Chain of Custody

A total of 25 rock samples were collected during the prospecting program. The rock samples were taken from the VMS property directly to the base camp in Stewart where they were packed into rice sacks, sealed by the authors and transported via ground transportation from Stewart to Smithers. Hawk Air Ltd. then shipped the samples as regular air cargo to Vancouver. The samples were then transported to ACME Analytical Laboratories in Vancouver, BC by the authors.

4.7 Sample Preparation, Analysis and Security

All the samples were submitted to ACME Analytical Laboratories in Vancouver, BC, which is an ISO 9002 registered and accredited laboratory. All work is guaranteed to ISO 9002

standards. At the laboratory the samples were dried, pulped and analyzed for 32 elements by the Induced Coupled Plasma (ICP) method. Sample analytical data for the rock samples are reported in Appendix II.

5.0 Adjacent Properties

The Eskay Creek VMS deposit, owned and operated by Barrick Resources is located approximately 135 km northwest of the VMS Property. This VMS system has a total resource of 2.558 MT grading 48.4 g/T Au, 2152 g/T Ag, 2.5% Pb, 4.16% Zn and 0.54% Cu. This high-grade resource is within a substantially larger resource of lower grade material. The Eskay deposit occurs in sediments overlying felsic volcanics in a setting at the top of the Hazelton volcanics similar to that observed at the VMS property.

The Red Mountain deposit with a resource of 13.2 Mt @ 0.074 opt Au is another system in the region located approximately 60 kilometers northwest of the VMS property. Seabridge Resources Inc. is presently exploring the potential of developing a higher-grade portion of this system. The system is related to ~190MY Goldslide intrusions that are also present northwest of the VMS area including intrusions along the southern shore of Kinskuch Lake.

Another undeveloped system is the Sulphurets camp between Eskay and Red Mountain where Seabridge and Noranda are assessing the economic potential of a variety of deposit types in a complex system. The deposit types include Cu-Au porphyries (Kerr with 135Mt @ 0.76% Cu, 0.34 g/t Au), Au porphyries (Snowfield with 7 Mt @ 2.8 g/t Au), and high grade Au-Ag vein systems (West Zone @ 15.4 g/t Au, 650 g/t Ag) related to Mitchell intrusions ~190MY aged Goldslide - Texas creek equivalents.

The Dolly Varden camp owned by New Dolly Varden Minerals Inc. is located in the Kitsault River valley approximately 17 kilometers northwest of the VMS property. The Dolly Varden Camp hosts an existing resource of 515 Kt grading 11.04 opt Ag. Previous production from the Dolly Varden, North Star and Torbrit mines totaled 19.9 million oz. Ag, and 11 million lbs of Pb. Recent work (Devlin, 87 and others) suggests this system is a possible VMS system.

6.0 Interpretation and Conclusions

The VMS property is underlain by intermediate volcanic stratigraphy, which includes quartz-carbonate and quartz-sericite-pyrite alteration zones. The overall stratigraphical setting is considered to be similar to that which hosts the Eskay Creek deposit and is believed to hold potential to host a volcanogenic massive sulphide deposit. The geologic setting is also similar to the Premier Mine and the Red Mountain gold deposit. Sericite altered dacite - andesite volcanic rocks are observed at the VMS claims and are believed to be the hosts to VMS style mineralization.

THE BOULDER ZONE

Assay results from the Boulder Zone demonstrate a strong correlation between copper and gold. The highest copper and gold assays taken from the property during the 2002 program come from this zone. Sample 13351 assayed 14-g/t Au and 5.21% Cu. The sample was taken from a small boulder of gray green-maroon colored andesite located in an area of previous sampling. The sample contained 50% host rock and 50% vein/fracture filling, 1-3 centimeters in width, comprised of carbonate-chalcopyrite-specular hematite and malachite. No alteration was observed within the host-rock or along vein margins. Arsenic, cadmium and mercury are contained in background to only very weakly anomalous quantities.

It was determined that although the vein was high-grade, its narrow nature combined with the density of veins/fracture filling observed locally in out-crop would deem it uneconomic to mine. The style of mineralization appeared to be structurally controlled and not consistent with the VMS model. Also, the lack of alteration associated with the mineralization was not consistent with an epithermal system. However, due to the limited amount of time spent prospecting this area it is believed that although preliminary investigations were not positive additional prospecting may be warranted.

THE WESTERN GOSSAN ZONE

The Western Gossan zone is located at the boundary of the VMS-1 and VMS-2 claims approximately 800 meters southwest of the Main Gossan Zone. A silicified alteration zone of volcanic rocks hosts mineralization in the form of 5-20% fine-grained pyrite, very fine-grained galena and sphalerite as well as traces of chalcopyrite. The zone can be traced for approximately 250 meters and averages 3 meters in width. Samples obtained from this zone during the 2002 field program returned values up to 2.3% Pb and >10% Zn. 1997 Rubicon assay results from this area returned assays up to 6.26% Zn, and 414g/t Ag, including a barite-sphalerite-galena showing, presumably the Western Gossan Zone, with grab sample assays ranging from 1.65%-11.6% Zn and up to 5.25% Pb.

The high-grade Pb-Zn mineralization encountered within this zone appears to be associated with a shear zone approximately 1-6 centimeters wide. The mineralized alteration zone along this shear includes sericitization and gossan staining in felsic (dacitic?) volcanic rocks. Elevated values of arsenic, cadmium, and mercury are associated with the higher grades of Pb and Zn mineralization. Further prospecting and geophysical surveys are recommended for this area.

THE MAIN GOSSAN ZONE

During the 2002 program the main gossan zone was observed from the helicopter. The zone is quite extensive and would require approximately two days to prospect and sample. This zone remains open for further testing. A program of prospecting and rock sampling is recommended.

THE FLOAT ZONE

As mentioned previously in this report, the steep nature of the terrain in the float zone would require experienced mountaineers to accurately assess the areas mineral potential. Canadian

Empire Exploration personnel briefly prospected the area east of the Float Zone. No significant values were returned from this area. The actual Float Zone mineralization as described by Yacoub, 2001 was not prospected and remains a possible target.

NEW ZONES

Potential exists for the discovery of new mineralized, potentially economic zones on the VMS property. Several gossan zones were observed from the air, which were not prospected.

7.0 2002 Exploration Expenditures

The following statement of expenditures details the costs associated with prospecting of the VMS Property during the fall of 2002 between September 24th and September 27th. The field party was comprised of two geologists mobilized from Vancouver and based in Stewart for the duration of the exploration activities. Two days, September 25th and September 26th, were spent on the ground at the VMS Property completing prospecting and sampling. Expenditures for the prospecting campaign are detailed below in Table 6.

| Supplier | Exploration Function | Total Cost |
|------------------------------|---|--------------------|
| Yellow Cab | Taxi to and from airport | 103.46 |
| Hawk Air | 2 geologists return flights from Vancouver to Smithers | 556.00 |
| Thrifty Car Rental | Car rental for four days | 343.22 |
| ESSO / PetroCan | Gas for rental Car | 57.35 |
| Kathi's B & B | 2 geologists room for three nights & breakfast - lunch | 370.00 |
| Safeway & Bitter Creek Café | Food - 2 geologists for four days | 281.13 |
| Vancouver Island Helicopters | 2 Trips from Stewart to the property - Return | 4248.13 |
| ACME Analytical Laboratories | 25 rock samples - Group 1D 32 element @ 12.68/sample | 316.99 |
| Advanced Parking | Drop off Rocks and Supplies | 39.50 |
| Geological Survey of Canada | Topographic Maps | 55.00 |
| Badger and Company Ltd. | 2 Geologists for 4 days @ \$320.00/day | 2560.00 |
| Badger and Company Ltd. | Project Management Fee @ 15% of Expenditures | 1339.62 |
| Badger and Company Ltd. | 1 Geologist 3 days to write report and file with Govn't | 960.00 |
| | TOTAL ALLOWABLE EXPENDITURES: | \$11,230.40 |

* Exploration on the Property took place from Sept. 25, 2002 to Sept. 26, 2002

Table 6. Statement of 2002 Expenditures

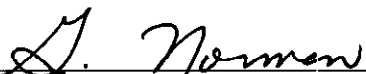
8.0 CERTIFICATE OF QUALIFICATIONS

CERTIFICATE OF QUALIFICATIONS George Norman, P. Geo

I, George Norman, of 12252 North Park Crescent in the city of Surrey, in the Province of British Columbia, certify that:

1. I am a consulting geologist providing exploration services to the mining community.
2. I am a graduate of University of Alberta with a Bachelor of Science (Honors) degree in Geology (1973).
3. I have practiced my profession continuously since 1973 and have been involved in projects and evaluations conducting exploration for precious and base metal deposits in North, Central and South America
4. I have visited and performed work on the VMS Property over a 2-day period from September 25th to the 26th of 2002.
5. I am a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia, and the Association of Professional Engineers, Geologists and Geophysicists of Alberta. I am also a fellow of the Geological Association of Canada.
6. I am responsible for the collection of data and its presentation in the report entitled "Report on Prospecting, VMS and LGY Claims".

Dated at Vancouver, BC, this 29th day of May, 2003



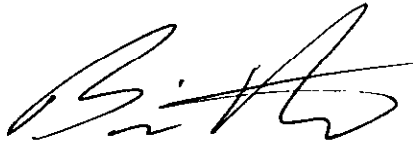
George Norman, P. Geo

CERTIFICATE OF QUALIFICATIONS
Brian G. Thurston, B.Sc. (Honours) Geology

I, Brian G. Thurston, of #2-2770 Fraser Street in the city of Vancouver, in the Province of British Columbia and of business address 1205-675 West Hastings Street in the city of Vancouver, in the Province of British Columbia, certify that:

1. I am a consulting geologist providing exploration services to the mining community.
2. I am a graduate of the University of Western Ontario with a Bachelor of Science (Honors) degree in Geology (1992).
3. I have practiced my profession continuously since 1992 and have been involved in projects and evaluations conducting exploration for precious and base metal deposits in North, Central and South America.
4. I have visited and performed work on the VMS Property over a 2-day period from September 25th to the 26th of 2002.
5. I am responsible for the collection of data and its presentation in the report entitled "Report on Prospecting, VMS and LGY Claims".

Dated at Vancouver, BC, this 29th day of May, 2003



Brian G. Thurston, B.Sc, Geologist

9.0 References

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MORaine

KINSKUCH RIVER

BRITISH COLUMBIA

CASSIAR DISTRICT

103 P/11

1000 500 0 1000 Metres

Scale 1:25,000

6166000m. N.

6165000m. N.

6164000m. N.

6161000m. N.

6160000m. N.

LAVENDER PEAK

ICEFIELD

ICEFIELD

ICEFIELD

VMS 1
369532

FLOAT ZONE

MAIN GOSSAN ZONE

VMS 4
369535

WESTERN GOSSAN ZONE

VMS 3
369534

BOULDER ZONE

VMS 2
369533

Lahte Creek

LGY
378490

LEGEND

North

- - - Claim Boundary

VMS 1
369532 - Claim Name

▨ - Moraine

W C - Wooded Area

○ - Extent of Icefield

■ - Minfile Occurrence

● - Sample Locations

361080 - Sample Number

- - - Indian Reserve, Park, etc.

~ ~ ~ Contours (Interval is 100 ft.)



Canadian Empire Exploration Corp.

VMS PROJECT

103 P, KINSKUCH LAKE AREA, BC

MAP 1: ZONE LOCATION MAP

480000m. E.

481000m. E.

482000m. E.

483000m. E.

TCHIN PEAK

MORAINES

KINSKUCH RIVER

BRITISH COLUMBIA

103 P/11

CASSIAR DISTRICT

1000 500 0 1000 Metres

Scale 1:25,000

6166000m. N.

ICEFIELD

6165000m. N.

VMS 4
369535

6164000m. N.

550

ICEFIELD

6161000m. N.

6000

6160000m. N.

LEGEND

North ↑

- Claim Boundary
- Claim Name
- Moraine
- Wooded Area
- Extent of Icefield
- Minfile Occurance
- Sample Locations
- Sample Number
- Indian Reserve, Park, etc.
- Contours (Interval is 100 ft.)

VMS 1
369532

13359
13360

13356
13357
13358

13351
13352
13353
13354
13355

VMS 2
369533

288654
288655
288656
288657
288658
288659
288660
288661
288662

Lahte Creek

VMS 3
369534

LGY
378490

480000m. E.

481000m. E.

482000m. E.

483000m. E.

TCHIN
PEAK



Canadian Empire Exploration Corp.

VMS PROJECT

103 P, KINSKUCH LAKE AREA, BC

MAP 2: SAMPLE LOCATION MAP

APPENDIX I

SAMPLE LEDGERS
2002

Rock Sample Description Sheet

Property: VMS (Canadian Empire) Sampler(s): Brian Thurston / George Norman Date: Sept.25-26, 2002 Pages: 1 of 3

| Assay Number | Location UTM | Sample Width (m) | Sample Description | Assay (ppm) | | | | | | | |
|--------------|--|------------------|--|-------------|------|-------|-----|-----|-----|------|----|
| | | | | Au | Ag | Cu | Pb | Zn | As | Cd | Hg |
| 13351 | 481514 , 616427 Boulder Zone | bldr | 30x20cm bldr, rnded./ carb-cpy-spec hem vn (1-3cm) within grey green-maroon andesite-within bldr zone | 14 | 2.4 | 5.21% | 495 | 123 | 12 | <0.5 | 2 |
| 13352 | 481451 , 6164281 Boulder Zone | bldr | 17x40cm bldr, rnded./ cpy-spec hem vn (3cm) within grey green andesite-within bldr zone ~10m west of VMS 12000 R-5 | 2 | <0.3 | 4.92% | <3 | 100 | <2 | <0.5 | <1 |
| 13353 | Boulder Zone | bldr | 25x15cm bldr, rnded./ carb-cpy vn (1cm) within grey green-maroon andesite-within bldr zone | <2 | 0.6 | 5430 | 122 | 69 | 2 | <0.5 | <1 |
| 13354 | Boulder Zone | bldr | 5x3x2m bldr, s/c? / spec hem-Mc vn (5cm) within grey green-maroon andesite-within bldr zone Old samples VMS R-1,2,3 & RWO-258267 | <2 | 0.4 | 630 | 29 | 101 | 4 | 1 | <1 |
| 13355 | 10m S of 12000 R-5 Boulder Zone | grab | s/c, spec hem-Mc vn (1cm) within grey green-maroon andesite-within bldr zone Old samples VMS R-6 & RWO-258268 | 2 | 2.9 | 1.96% | 38 | 91 | 22 | 1 | 1 |
| 13356 | 481609 , 6165984 Eastern Float Zone | 1.2 | o/c, 015/38 E north end of quartz vein, ~1.2m white sugary-cherty chalcedonic qtz with He diss as bands & blebs of diss Py<0.5% rarely as f.f., F.W./ maroon volc, H.W. green-1m then maroon | <2 | 1.2 | 78 | 11 | 10 | 76 | <0.5 | <1 |
| 13357 | 481529 , 6165992 Eastern Float Zone | 1.2 | o/c, south end of quartz vein ~3m into H.W./ chert? Black with white qtz stockwork/ layers of graphite within sll black layers | <2 | 0.3 | 64 | 180 | 206 | 82 | 2 | <1 |
| 13358 | same area as 13357 Eastern Float Zone | 1.2 | o/c qtz vein with more gossan than 13356, chacedny quartz with trace diss Py | <2 | 0.7 | 40 | 55 | 23 | 40 | <0.5 | <1 |
| 13359 | 481406 , 6165664 Eastern Float Zone | 0.35 | Shear zone @ 275/60 N with minor mal stain within tuff/shale | <2 | 11.6 | 3620 | 66 | 37 | 196 | <0.5 | <1 |
| 13360 | 481367 , 6165664 Eastern Float Zone | 0.8 | Thin beds of buff lst, / narrow 3-5 cm hem/ jasperoid bds unit appears to be folded, bedding @ 10/50 E within gry-maroon lam tuff -shale | <2 | <0.3 | 399 | 4 | 21 | 6 | 2 | 1 |
| 13361 | Kinskuch Lk. | 1.8 | o/c stringers cpy/py stockwork ~10-15% sulphide old sample C-001 | 3 | 7.1 | 1.18% | 9 | 64 | 75 | <0.5 | <1 |
| 13362 | Kinskuch Lk. | 20 | o/c with strong sil-chl alt'n ~15-20% sulphide Py-Cpy-Mo sampled @ 010Az | 2 | 7.0 | 1.18% | 9 | 59 | 138 | <0.5 | <1 |

Rock Sample Description Sheet

Property: VMS (Canadian Empire) Sampler(s): Brian Thurston / George Norman Date: Sept.25-26, 2002 Pages: 2 of 3

| Assay Number | Location UTM | Sample Width (m) | Sample Description | Assay (ppm) | | | | | | | |
|--------------|--|------------------|---|-------------|------|-------|-------|-------|------|------|----|
| | | | | Au | Ag | Cu | Pb | Zn | As | Cd | Hg |
| 13363 | Kinskuch Lk. | 4 | o/c poor sample py-mo-cpy at beginning of sequence, sampled @ 346Az, old sample 030208/4.0m | <2 | 1.7 | 5305 | 4 | 82 | 71 | <0.5 | <1 |
| 13364 | 477183 , 6166945 old 91 VM-03,04,05 Kinskuch Lk. | 6 | o/c chip @350Az old sawcut ~5% sulphide (mostly Cpy with Tr Mc and brochantite?- blue Cu-oxide), Cpy stockwork zone through volc prop. Alt'd chl-Ep in rock, euh. Felds pheno's wht-lht grn, o/c sil. | 3 | 6.8 | 1.97% | 9 | 71 | 94 | <0.5 | <1 |
| 13365 | old 030201 chip Kinskuch Lk. | 3.5 | o/c old saw cut @ 336Az, very poor chip, intrusive feld ppy with med. Green chlorite diss in groundmass & black chl as rectangular pheno's replacing plag? Hbld?, ~3% diss sul/p Cpy>Py+/-Ba, Tr Mc | 2 | 4.0 | 1.08% | 7 | 89 | 43 | <0.5 | 1 |
| 13366 | 477201 , 6166947 Kinskuch Lk. | grab | o/c, subcontinuous chip over 0.9m, o/c is mod stained 5% sulphide Cpy-Py, fg volc | <2 | 2.7 | 8508 | 8 | 89 | 37 | <0.5 | <1 |
| 288654 | 481624 , 6164479 Western Gossan Zone | 1.5 | o/c, felsic-int volc (no mafics) gossan stained with (qtz) Carb (+/-Ba?) veins & blebs, diss Ga+Cpy tr to 0.5% (chl+ep 1%) zone stike 110, sampled @ 020, 10-15% diss Py | <2 | 5.4 | 528 | 7473 | 1.09% | 312 | 144 | 5 |
| 288655 | 481624 , 6164479 cont'd from 288654 Western Gossan Zone | 1.5 | Outcrop: weathered surface- dk brn yellow, fresh - lt gy, ser altered dacitic volc / diss py to 10%, carb/qtz vns diss py to 10%, / minor galena and tr sphal | <2 | 2.5 | 95 | 3290 | 8183 | 165 | 96 | 4 |
| 288656 | ~5m uphill from 288655 Western Gossan Zone | grab | zone pinches out uphill, whithe-leached sericite altered with 10-15% vfg diss Py & Py patches <1cm | <2 | <0.3 | 79 | 457 | 2971 | 20 | 28 | 2 |
| 288657 | 481611 , 6164476 Western Gossan Zone | talus | In talus down slope from 655, 30x15cm, / 15-20% py & 1-2% galena , tr cpy | <2 | 53.3 | 317 | 2.37% | 5.84% | 1175 | 815 | 30 |
| 288658 | 481611 , 6164476 Western Gossan Zone | talus | In talus down slope from 655, 10x10cm, / 50-60% py & tr sphal, massive sulph blder (poss orig from vein ?) | <2 | 6.9 | 206 | 2864 | 1.05% | 1329 | 108 | 8 |
| 288659 | 481657 , 6164457 old VMS R-7, 258268 Western Gossan Zone | 0.6 | o/c @ 190 with shear @ 180-200, ~085 west dip 60cm of 1.6m gossan zone with 2-4% diss Py & <1% Ga diss white-light green (ser) volc, / old VMS 12000-R7/RW-01-258268 | <2 | 8.5 | 105 | 1.76% | 1.77% | 367 | 244 | 8 |
| 288660 | from end of 288659 Western Gossan Zone | 0.15 | High-grade Ga-Py-Cpy (8%Ga) diss in vein, ~6cm vein assoc. with shearing in o/c | <2 | 39.2 | 1123 | 2.32% | >10% | 975 | 1640 | 45 |
| 288661 | from end of 288660 Western Gossan Zone | 0.85 | Cont's from 660, lt gy f g volc / 10-15 % py ser altered dacitic ? Volc, Str frac zone @ 180-200 Az /86 W (Old samples VMS 12000 R-7, RW 258268 | <2 | 11.1 | 89 | 1.20% | 4.30% | 716 | 571 | 22 |

Rock Sample Description Sheet

Property: VMS (Canadian Empire) Sampler(s): Brian Thurston / George Norman Date: Sept.25-26, 2002 Pages: 3 of 3

| Assay Number | Location UTM | Sample Width (m) | Sample Description | Assay (ppm) | | | | | | | |
|--------------|---|------------------|--|-------------|------|------|-----|-----|----|----|----|
| | | | | Au | Ag | Cu | Pb | Zn | As | Cd | Hg |
| 288662 | 481572 , 6164368 Western Gossan Zone | bldr | Qtz / carb vn appears to be ~ 6cm, minor mal stain with <1% vuggs & 1cm qtz xtls, Mc stain with spec hem in <1cm fract of bldr, VMS 12000 R-2,3 / RWO-258267 | <2 | 12.8 | 2108 | 202 | 381 | 94 | 6 | <1 |

APPENDIX II

CERTIFICATE OF ASSAYING
2002

ACME ANALYTICAL LABORATORIES LTD.
(ISO 9002 Accredited Co.)

852 E. HASTINGS ST. VANCOUVER BC V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716



GEOCHEMICAL ANALYSIS CERTIFICATE



Canadian Empire Exploration Ltd. File # A204144
1205 875 W. Hastings St. Vancouver BC V6B 1A2 Submitted by: Wayne Roberts

| SAMPLE# | Mo | Cu | Pb | Zn | Ag | Ni | Co | Mn | Fe | As | U | Au | Th | Sr | Cd | Sb | Bi | V | Ca | P | La | Cr | Kg | Ba | Ti | B | Al | Na | K | W | Tl | Hg |
|--------------|-----|-------|-------|-------|------|-----|-----|-------|-------|------|-----|-----|-----|-----|--------|-----|-----|-----|-------|-------|-----|-----|------|-----|------|----|------|------|------|-----|-----|----|
| | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | % | % | ppm | ppm | % | ppm | % | % | % | % | ppm | ppm | ppm | |
| SI | <1 | 12 | <3 | <1 | <3 | <1 | <1 | 7 | .02 | <2 | <8 | <2 | <2 | 3 | <.5 | <3 | <3 | 1 | .13 | <.001 | <1 | 3 | <.01 | 4 | <.01 | <3 | .01 | .59 | <.01 | <2 | <5 | <1 |
| 013351 | 7 | 52109 | 495 | 123 | 2.4 | 10 | 35 | 1878 | 10.73 | 12 | <8 | 14 | <2 | 62 | <.5 | <3 | 37 | 33 | 2.44 | .014 | 3 | 10 | 1.25 | 67 | <.01 | <3 | 2.75 | .02 | .07 | <2 | <5 | 2 |
| 013352 | 7 | 49192 | <3 | 100 | <3 | 7 | 23 | 1948 | 11.69 | <2 | <8 | 2 | <2 | 15 | <.5 | <3 | 19 | 58 | .76 | .062 | 5 | 10 | 1.58 | 34 | <.01 | <3 | 3.60 | .01 | .10 | <2 | <5 | <1 |
| 013353 | 1 | 5430 | 122 | 69 | .6 | 6 | 12 | 1472 | 5.10 | 2 | <8 | <2 | <2 | 71 | <.5 | <3 | <3 | 19 | 2.56 | .074 | 5 | 15 | .75 | 112 | <.01 | 4 | 2.03 | .01 | .21 | 6 | <5 | <1 |
| 013354 | 9 | 630 | 29 | 101 | .4 | 6 | 6 | 1148 | 8.44 | 4 | <8 | <2 | <2 | 72 | .8 | <3 | <3 | 62 | 2.32 | .091 | 5 | 9 | .95 | 235 | .02 | 3 | 1.93 | .02 | .23 | 24 | <5 | <1 |
| 013355 | 7 | 19604 | 38 | 91 | 2.9 | 4 | 6 | 1411 | 6.66 | 22 | <8 | 2 | <2 | 54 | .5 | 4 | 6 | 39 | 2.21 | .079 | 5 | 11 | .79 | 110 | .02 | <3 | 1.96 | .01 | .21 | 13 | <5 | 1 |
| 013356 | 7 | 78 | 11 | 10 | 1.2 | 7 | 9 | 264 | 1.34 | 76 | <8 | <2 | <2 | 6 | <.5 | 15 | <3 | 16 | .11 | .004 | 1 | 40 | .02 | 103 | <.01 | 4 | .12 | .01 | .03 | 17 | <5 | <1 |
| 013357 | 19 | 64 | 180 | 206 | .3 | 4 | 4 | 93 | 1.10 | 82 | <8 | <2 | <2 | 7 | 2.0 | 4 | <3 | 24 | .15 | .074 | 6 | 27 | .02 | 27 | <.01 | 4 | .19 | .01 | .06 | 10 | <5 | <1 |
| 013358 | 9 | 40 | 55 | 23 | .7 | 10 | 8 | 184 | .98 | 40 | <8 | <2 | <2 | 9 | <.5 | 9 | <3 | 8 | .06 | .016 | 1 | 31 | .02 | 33 | <.01 | <3 | .21 | .01 | .08 | 15 | <5 | <1 |
| 013359 | 12 | 3620 | 66 | 37 | 11.6 | 7 | 30 | 2284 | 2.48 | 196 | 15 | <2 | <2 | 122 | <.5 | 9 | 6 | 17 | 6.21 | .091 | 10 | 8 | .23 | 64 | <.01 | 4 | .88 | .03 | .20 | 2 | 5 | <1 |
| 013360 | 1 | 399 | 4 | 21 | <.3 | 2 | 5 | 4925 | 1.65 | 6 | 9 | <2 | <2 | 275 | 1.6 | <3 | <3 | 24 | 16.10 | .031 | 3 | 9 | .39 | 281 | <.01 | <3 | .43 | <.01 | .03 | 5 | 8 | 1 |
| RE 013360 | <1 | 378 | 3 | 20 | <.3 | 2 | 4 | 4815 | 1.59 | 4 | 11 | <2 | <2 | 267 | 1.5 | <3 | <3 | 23 | 15.64 | .030 | 3 | 7 | .38 | 272 | <.01 | 7 | .41 | <.01 | .03 | 4 | 7 | <1 |
| 013361 | 6 | 17571 | 9 | 64 | 7.1 | 10 | 36 | 1548 | 6.28 | 75 | <8 | 3 | <2 | 58 | <.5 | <3 | 10 | 87 | 2.39 | .122 | 6 | 13 | 1.56 | 38 | .01 | <3 | 1.89 | .02 | .34 | <2 | <5 | <1 |
| 013362 | 57 | 11293 | 9 | 59 | 7.0 | 11 | 40 | 1471 | 6.52 | 138 | <8 | 2 | <2 | 46 | <.5 | <3 | 5 | 114 | 1.71 | .137 | 6 | 21 | 1.71 | 28 | .01 | <3 | 2.04 | .04 | .34 | 3 | <5 | <1 |
| 013363 | 10 | 5305 | 4 | 82 | 1.7 | 6 | 29 | 1397 | 5.15 | 71 | <8 | <2 | <2 | 73 | <.5 | 9 | <3 | 71 | 1.41 | .135 | 3 | 13 | 1.50 | 45 | <.01 | 3 | 1.56 | .02 | .44 | 3 | <5 | <1 |
| 013364 | 29 | 19724 | 9 | 71 | 6.8 | 12 | 38 | 1529 | 7.56 | 94 | <8 | 3 | <2 | 35 | <.5 | <3 | <3 | 107 | 1.35 | .139 | 5 | 19 | 1.73 | 24 | .01 | <3 | 2.02 | .02 | .32 | 2 | <5 | <1 |
| 013365 | 78 | 10776 | 7 | 89 | 4.0 | 8 | 24 | 1376 | 5.16 | 43 | <8 | 2 | <2 | 65 | <.5 | 3 | 3 | 121 | 3.14 | .145 | 5 | 19 | 1.72 | 80 | <.01 | <3 | 2.11 | .03 | .30 | <2 | <5 | 1 |
| 013366 | 7 | 8508 | 8 | 89 | 2.7 | 8 | 27 | 1075 | 4.94 | 37 | <8 | <2 | <2 | 47 | <.5 | 6 | <3 | 102 | .85 | .125 | 4 | 18 | 1.42 | 37 | <.01 | 5 | 1.74 | .04 | .40 | 3 | <5 | <1 |
| 0288654 | 14 | 528 | 7473 | 10920 | 5.4 | 12 | 64 | 2064 | 5.34 | 312 | 10 | <2 | <2 | 83 | 144.4 | 5 | <3 | 16 | 2.72 | .116 | 8 | 7 | .12 | 46 | <.01 | <3 | .71 | .03 | .32 | <2 | 6 | 5 |
| 0288655 | 14 | 95 | 3290 | 8183 | 2.5 | 6 | 23 | 3700 | 4.29 | 165 | 13 | <2 | <2 | 211 | 96.3 | <3 | <3 | 11 | 5.17 | .106 | 7 | 12 | .08 | 41 | <.01 | <3 | .58 | .03 | .28 | <2 | 8 | 4 |
| 0288656 | 2 | 79 | 457 | 2971 | <.3 | 5 | 10 | 379 | 3.74 | 20 | <8 | <2 | <2 | 15 | 27.8 | <3 | <3 | 12 | .47 | .050 | 5 | 3 | .05 | 46 | <.01 | <3 | .63 | .03 | .39 | 2 | <5 | 2 |
| 0288657 | 23 | 317 | 23741 | 58391 | 53.3 | 51 | 370 | 28249 | 9.13 | 1175 | <8 | <2 | 3 | 143 | 814.5 | 15 | <3 | 31 | 6.34 | .078 | 6 | 6 | .49 | 38 | <.01 | <3 | 1.63 | .01 | .20 | <2 | 36 | 30 |
| 0288658 | 31 | 206 | 2864 | 10540 | 6.9 | 13 | 49 | 1683 | 17.06 | 1329 | <8 | <2 | <2 | 38 | 108.4 | <3 | <3 | 20 | 1.39 | .069 | 2 | 9 | .18 | 24 | <.01 | <3 | .86 | .01 | .27 | <2 | 13 | 8 |
| 0288659 | 6 | 105 | 17649 | 17749 | 8.5 | 10 | 65 | 4812 | 3.90 | 367 | 17 | <2 | <2 | 78 | 243.7 | 9 | <3 | 19 | 3.00 | .128 | 5 | 5 | .39 | 82 | <.01 | 5 | 1.04 | .03 | .30 | <2 | 16 | 8 |
| 0288660 | 26 | 1123 | 23229 | 99999 | 39.2 | 36 | 236 | 3400 | 6.96 | 975 | <8 | <2 | <2 | 315 | 1639.6 | 58 | <3 | 14 | 2.33 | .056 | 1 | 9 | .28 | 12 | <.01 | <3 | .69 | .01 | .16 | <2 | 29 | 45 |
| 0288661 | 30 | 89 | 11074 | 42955 | 11.1 | 12 | 61 | 2020 | 6.76 | 716 | 10 | <2 | <2 | 56 | 570.6 | 11 | <3 | 18 | 1.23 | .132 | 4 | 6 | .30 | 24 | <.01 | <3 | .89 | .03 | .29 | <2 | 20 | 22 |
| 0288662 | 5 | 2108 | 202 | 381 | 12.8 | 6 | 3 | 1600 | .94 | 94 | <8 | <2 | <2 | 196 | 5.8 | 47 | 8 | 4 | 4.99 | .009 | 7 | 30 | .10 | 291 | <.01 | <3 | .24 | .01 | .03 | 15 | <5 | <1 |
| STANDARD 094 | 6 | 128 | 31 | 154 | <.3 | 33 | 11 | 775 | 3.13 | 20 | <8 | <2 | <2 | 28 | 4.9 | 5 | 6 | 73 | .56 | .090 | 16 | 163 | .55 | 146 | .12 | 3 | 1.66 | .04 | .17 | 6 | <5 | <1 |

GROUP 10 - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-ES.
UPPER LIMITS - AG, AU, NG, U = 100 PPM; MO, CO, CD, SB, BI, TH, U & B = 2,000 PPM; CU, PB, ZN, NI, MN, AS, V, LA, CR = 10,000 PPM.
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPM
- SAMPLE TYPE: ROCK R150 60C Samples beginning 'RE' are Returns and 'RRE' are Reject Returns.

DATE RECEIVED: SEP 30 2002 DATE REPORT MAILED: *Oct 9/02* SIGNED BY: *[Signature]* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of the analysis only.

Date *1/1* FA

APPENDIX III

Geological and Geochemical Prospecting Report
on the VMS 1-4 Claim Group

2001

NTS 103P/11W
Latitude 55 37.64' N
Longitude 129 17.08' W

**GEOLOGICAL AND GEOCHEMICAL PROSPECTING
REPORT ON THE VMS 1-4 CLAIM GROUP
STEWART CAMP AREA
SKEENA MINING DIVISION
BRITISH COLUMBIA**

By

Fayz F. Yacoub, P.Geo., F.G.A.C.
6498-128 B Street
Surrey, B.C.
V3W 9P4

May 2001

SUMMARY

The VMS claim group is comprised of four mineral claims, VMS1- 4, totaling 19 units, and lies approximately 55 kilometers southeast of Stewart, B.C. The Stewart Camp is well known to host epithermal and base metal deposits. Several major and small mines have been developed since 1900. The most recent is the intrusive related gold deposit of **Red Mountain located 40 kilometers north of the VMS claim group.**

Geologically the area of the VMS 1-4 claims is predominantly underlain by lower to middle Jurassic volcanic and sedimentary rocks of the Hazelton and Stuhini Groups. Intensive propylitic to argillic alteration is pervasive in all major rock units within the area of the VMS claim group in a form of several gossan zones where rocks are intensively altered, bleached and silicified.

Previous and recent mineral exploration on the property has outlined a favorable geological environment for two different types of deposits; epithermal gold and strata bound massive sulfide deposit. Two gossan zones represent excellent potential for epithermal gold deposit, located on the VMS-1 and VMS-3 claims, and two areas of mineralized angular, large size boulders pin point to a strong possibility of strata bound massive sulfide source within the property area.

The 2000 geological and geochemical prospecting program on the VMS claim group has outlined four promising areas.

Area One

Mineralized, angular volcanic boulders were located on the north side of the Lahte creek, the boulders are scattered over an area of 75 meters long by 50 meters wide.

Sulfide mineralization consists of disseminated, semi-massive to massive banded galena, sphalerite, chalcopyrite, and green malachite up to 25%. The strongest sulfide mineralization occurs in intermediate volcanic rocks, usually associated with barite.

A total of six rock grab, and float samples were collected from the boulders zone. The highest assay results came from sample R-4 which returned 10% Cu, .16 oz/ton Au, and 99.7 g/ton silver. The highest gold value on the property also came from the boulders zone, sample R-6 returned 1.6% Cu, and 5.6 g/ton gold.

Two malachite-staining outcrops were spotted from the air, approximately 1800 meters above the area of the boulders zone during the demobilization at the end of the program. It is most probable that these outcrops are the source of the boulders zone (Area one) described above. To date, the new discovered malachite staining outcrops never been tested by rock sampling.

Area Two

The main gossan zone located approximately at the center of VMS-3 claim on the north side of Lahte Creek. This zone is considered the most persistent alteration zone on the property, exposed for approximately one kilometer. **The best results came from rock sample R-19 across 20 meters of silicified, altered argillite, returned 10.4 g/ton silver, and R-18 returned 1446 ppm**

lead, 456 ppm zinc, and 29.9 g/ton silver, over 3 meters. These two samples were collected from the gossan zone, which may represent the surface expression of epithermal gold deposit.

Area Three

Silicified altered, oxidized volcanic rocks, located approximately 800 meters southwest of the main gossan zone, approximately 50 meters north of the Lahte creek, at southeast corner of VMS1. Mineralization consists of 5-6% fine-grained pyrite, very fine-grained galena, and trace of chalcopyrite in rusty altered volcanic dacite with dark brown weathering surfaces. The zone can be traced for more than 20 meters with an average width of 2-4 meters.

Chip sample R7 collected across 3 meters of altered, mineralized volcanic dacite, returned 1.39%pb, 4.51%Zn, 13.2g/ton silver, 86 ppb gold, and 665.3 g/ton Cadmium which is considered the highest cadmium value on the property.

A helicopter reconnaissance over the area indicated that the zone can be followed for 200 – 250 meters to the north, and the size of the zone is even much larger than what is exposed in the Lahte creek valley.

Area Four

Numerous massive sulfide boulders were located during previous prospecting program on the western side of the property. A helicopter reconnaissance over the area has delineated an intense gossan zone, which can be accessed only by well-trained mountain climbers. The massive sulfide boulders may have originated from this gossan zone since boulders are found mainly accumulated on the south side of the creek valley on the glacier moraines.

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1.0 INTRODUCTION

The writer conducted a mineral prospecting fieldwork program on the VMS 1-4 Claim Group, Skeena Mining Division, British Columbia between June 21 to July 1st, 2000. The writer and a field assistant performed the fieldwork.

The main purpose of this report is to evaluate the precious and base metal potential of the property as well as the 2000 results of the geological, and geochemical prospecting program carried out on the property.

The report also describes regional geology and past activities in the area and outlines a budget proposed for next phase exploration program. The writer and a field assistant performed the fieldwork.

This report is based upon the geological and geochemical data collected during the year 2000 prospecting program conducted on the Claim Group. The report is also based upon property history and previous work by other companies, a review of government assessment reports, regional geological maps, and claim data from the Vancouver Mining Office.

2.0 LOCATION, ACCESS & PHYSIOGRAPHY (Figure 1)

The VMS Claim Group is located approximately 55 kilometers southeast of Stewart, B.C., 155 kilometers northwest of Smithers. The property lies within the Skeena Mining Division on NTS map-sheet 103 P/11W.

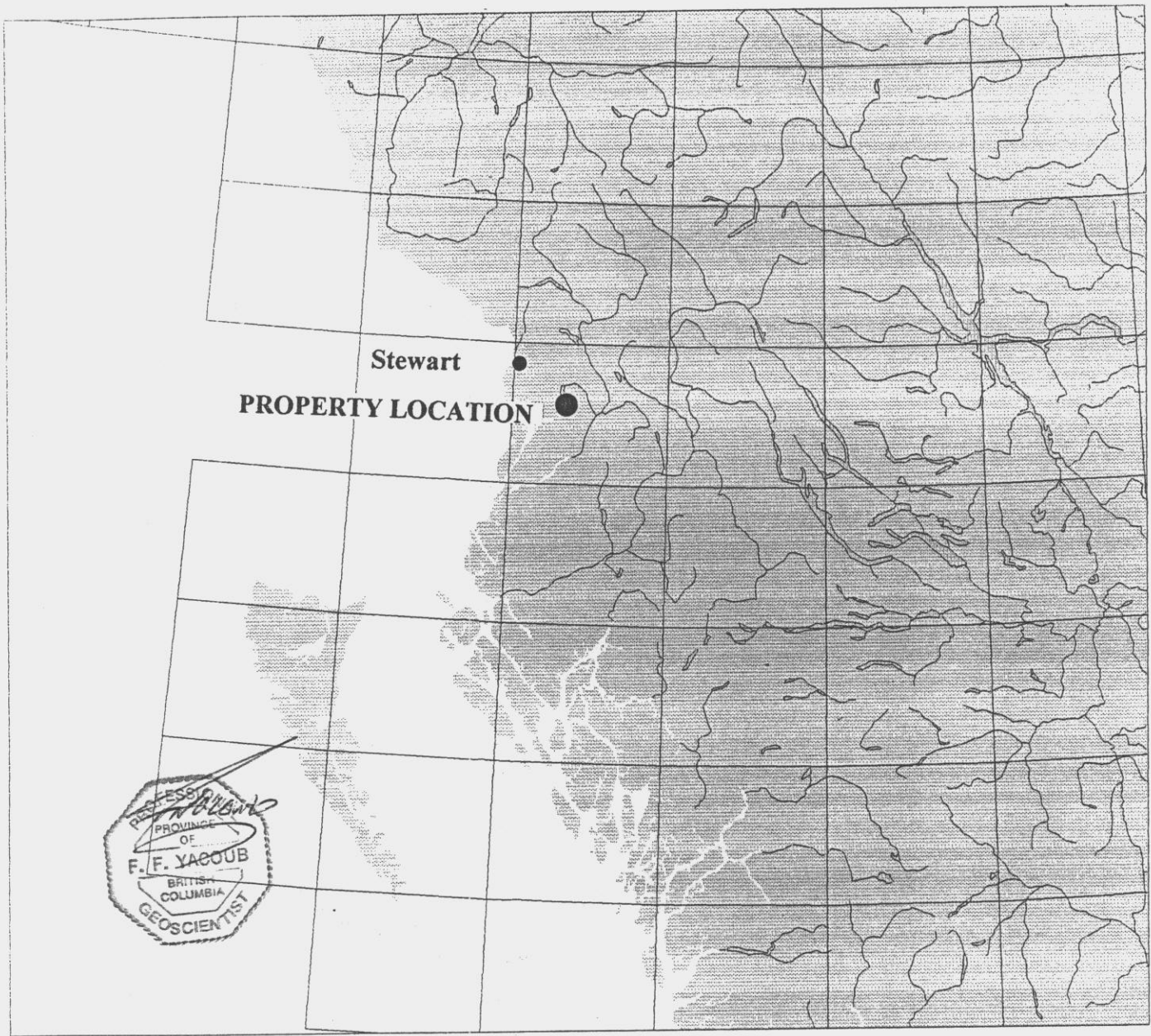
A logging road off the Lavendar mainline comes within 10 kilometers of the property. A helicopter from Stewart is the only access to the Claim Group, approximately 25-30 minute trip, on a clear day.

The area of the VMS claims exhibits the characteristics of the typical glaciated physiography. These include wide U-shaped, drift-filled valleys flanked by steep rugged mountains. Elevations within the property range from 4800 feet at the north part of the claim group to 2400 feet in the valley at the south-central part of the property. Vegetation consists mainly of mixed grassland and scrub brush in the valleys, where at higher elevations vegetation grades into alpine. The highest parts of the property support only moss and lichen. Water for drilling is available from several creeks draining the north side of the property, and the Lthtte Creek, which runs through the southern part of the property.

3.0 PROPERTY STATUS (Figure 2)

The subject property is comprised of four mineral claims totaling 19 units. The property was located in June 10th, 1999 and is owned by the writer Fayz Yacoub of Surrey B.C. The claims are currently in good standing until June 10, 2001.

VMS Claim Group General Location Map



SCALE 1 : 5,000,000

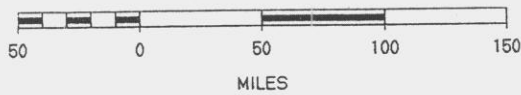
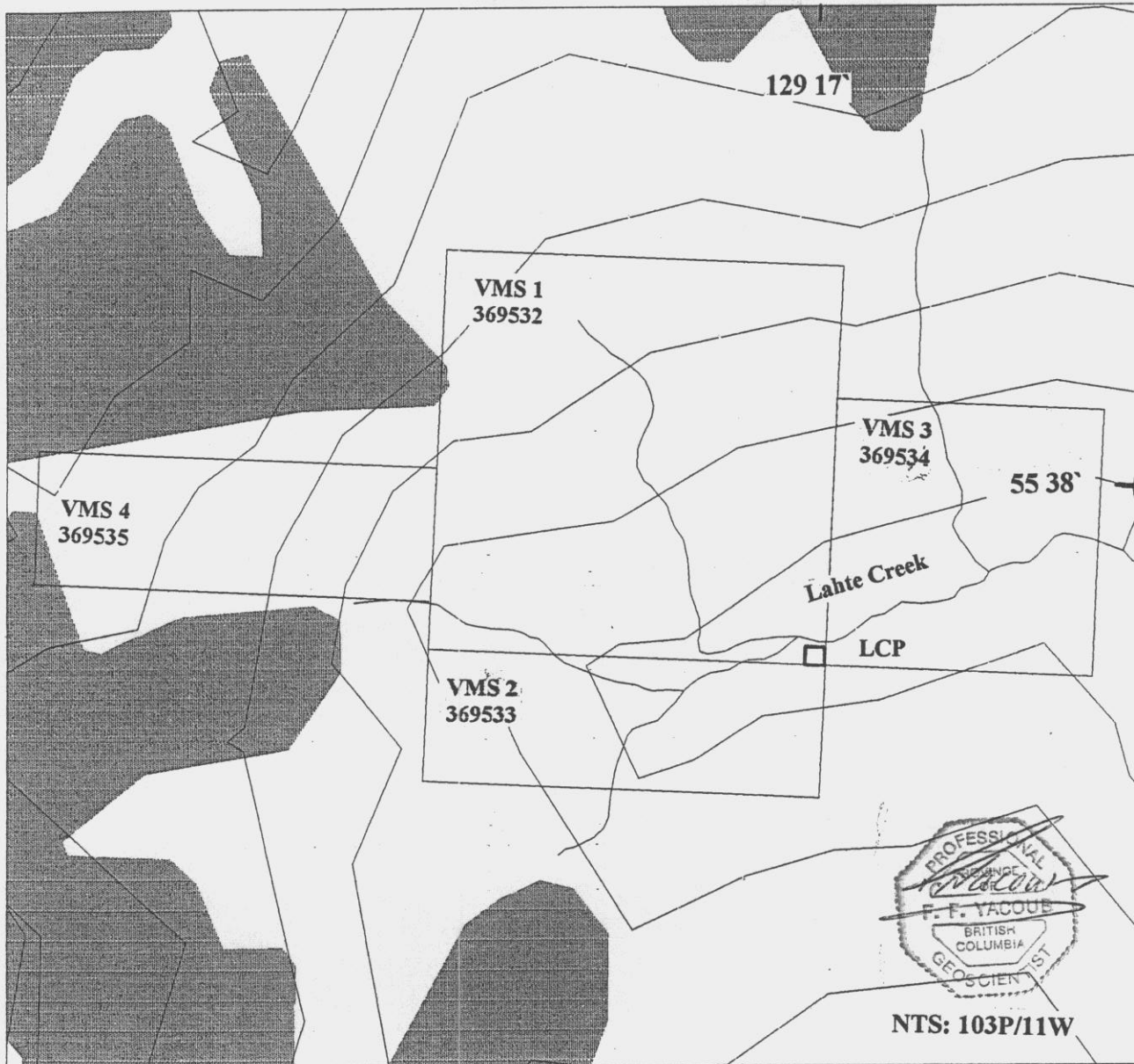


Figure 1



VMS Claim Group - Skeena Mining Division - Claim Map



SCALE 1 : 25,000

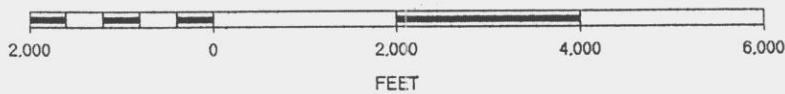


Figure 2

Pertinent claim data is as follows:

| Claim Name | Number of Units | Record Number | Record Date | Expiry Date |
|------------|-----------------|---------------|---------------|----------------|
| VMS 1 | 9 | 369532 | June 14, 1999 | June 10, 2003* |
| VMS 2 | 3 | 369533 | June 14, 1999 | June 10, 2003* |
| VMS 3 | 4 | 369534 | June 14, 1999 | June 10, 2003* |
| VMS 4 | 3 | 369535 | June 14, 1999 | June 10, 2003* |

* **Date up to which the 2000 assessment report is accepted by the Gold Commissioner to be applied to the claims.**

The total area of the property is 9 km² (2,223 acres). The legal Corner Post and the witness Post of the VMS claims were located by the writer as indicated on the claim map at GPS: N55 37.647' W 129 17.086'.

4.0 AREA HISTORY

The Stewart area has been explored for precious and base metal deposits for the last one hundred years, and approximately 100 deposits within the Stewart Camp have been developed

The Stewart Camp Complex extends from Alice Arm to the Iskut River. Several major and small mines have been developed since 1900, including Silbak-Premier, The Snip, Johnny Mountain, Anyox, Alice Arm, Granduc, Scottie, Big Missouri, Porter-Idaho, and Maple Bay, and recently Eskay Creek, Red Mountain, Willoughby, and Sulphorets.

The number of deposits, and the economic value of each one make the Stewart Camp Area one of Canada's most viable mining camps.

Total recorded production from Stewart Camp area is approximately 1,900,000 ounces of Gold, 40,000,000 ounces of Silver, and 100,000,000 pounds Copper, Lead, and Zinc. Most of this production comes from Silbak-Premier mine, which operated from 1918 to 1968, then reactivated in 1987 by Westmin Resources.

The discovery and subsequent development of the Granduc Copper mine, kept the Stewart Camp alive as an important mining district for mining explorations. More discoveries of important gold deposits within the Stewart Camp Area such as the Snip, and Eskay Creek mines, kept exploration activities at high levels. The exploration activities peaked in the year 1990.

The Eskay Creek deposit contains an estimated 4,000,000 ounces Gold, 45,000,000 ounces Silver, and 120,000,000 ounces Copper-Lead-Zinc. The unique high grade, stratiform massive sulfide is outstanding in terms of predictability of its geology and tenor.

The discovery of the promising intrusive-related gold deposit at Red Mountain, located approximately 16 kilometers east of Stewart, has reestablished the interest in the Stewart Camp area. In 1994, several juniors explored in the local area around the Red Mountain discovery

including Prime Equities, Terv Corp, Teuton Resources Corp, Oracle Minerals, Camnor/Golden Giant and Aquaterre Mineral Development.

In 1994, Teuton Resources conducted an exploration program consisting of reconnaissance geochemical sampling, prospecting and trenching on the Konkin, King Kong, and Niknock showings. Trench results from the Konkin showing returned values as high as 36.27 opt Ag, 2.13 % Pb and 2.94% Zn across 5 meters, and results from the Niknock trench returned 34.94 opt Ag, 2.3% Pb and 2.02% Zn across 9 meters.

The two most prominent silver mines in the Kitsault area were the Dolly Varden and the Torbrit. The Torbrit operated during the 1920's and 1950's, according to Grove (1971) the mine produced the 19 million ounces of Silver, in its last year of production, the Torbrit turned out 450 tons /day and maintained a 120 man camp. It was Canada's third largest silver mine after United Keno and the Sullivan mines

5.0 PROPERTY HISTORY

The VMS 1-4 claim group was recently staked to replace Lavender 1-4 and Lahte 7 claims with previous geological history in Stewart Camp.

Previous work on the property has consisted mostly of prospecting, reconnaissance mapping, soils, pan concentrate silts, and rock sampling.

- Hudson Bay Exploration carried out a prospecting, rock sampling and geological mapping program in the summer of 1981. **The work program identified a number of rhyolitic massive sulfide float boulders located on the south side of Lahte Creek.**
- In 1989, Dolly Varden Mineral Inc., conducted prospecting, and reconnaissance mapping, and pan concentrate silt sampling. Significant gold values were returned from outcrops and float boulders. A number of gossan zones were identified on the now VMS-2 claim, the gossan zones were not tested due to difficulties in crossing the Lahte Creek. **Gold values ranged up to 20240 ppb from quartz vein float.**
- In 1994, the area of the VMS1-4 claim group were included as part of regional stream sediment geochem sampling program by the geological survey. **Anomalous gold (226, and 229 ppb) were returned, these values were the highest in the map sheet area, and indicated a favorable environment for gold deposit possibly similar to that at the Red Mountain gold deposit.**
- In 1995, Cyprus Canada Inc., and Rubicon Management Ltd. Staked the area based on the results of the regional geochem survey, and conducted prospecting, rock, silt, and soil sampling. Anomalous gold value of .32 g/t was returned from mineralized shear zone.
- Most recently (in the summer of 1997), an exploration work on the claims was carried out by Rubicon Minerals Corporation, rock sampling was targeted at evaluating a number of gossan zones on what is now known as the VMS 1 claim. **Assays returned up to 6.26% Zn, and 414 g/t Ag and elevated metal values up to 202 ppm As, 145 ppm Hg, and**

356ppm Sb. Numerous boulders of massive sulfides were located at the toe of the main glacier, and a barite-sphalerite-galena showing was located on the north side of the Lahte

Creek. Assays from grab samples returned values ranging from 1.65% - 11.6% Zn and up to 5.25 % Pb.

6.0 REGIONAL GEOLOGY (Figure 3)

The subject property lies within the Stewart Complex on the western margin of the intermountain belt of lower to middle Jurassic volcanic and sedimentary rocks belonging to the Hazelton and Stuhini Groups. The Stewart Complex is composed of a broad belt of island arc volcanics and related intrusions trending north for 150 kilometers from Anyox in the south to the Iskut River in the north (Grove, 1986). The volcanics are part of Hazelton Group and are Jurassic in age. The general geology of the area is shown on open file map 1986/2, British Columbia, Ministry of Energy, Mines and Petroleum Resources by D.J. Alldrick, G.L. Dawson, J.A. Boshier, and I.C.L. Webster, 1986.

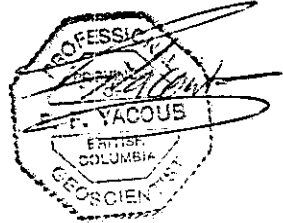
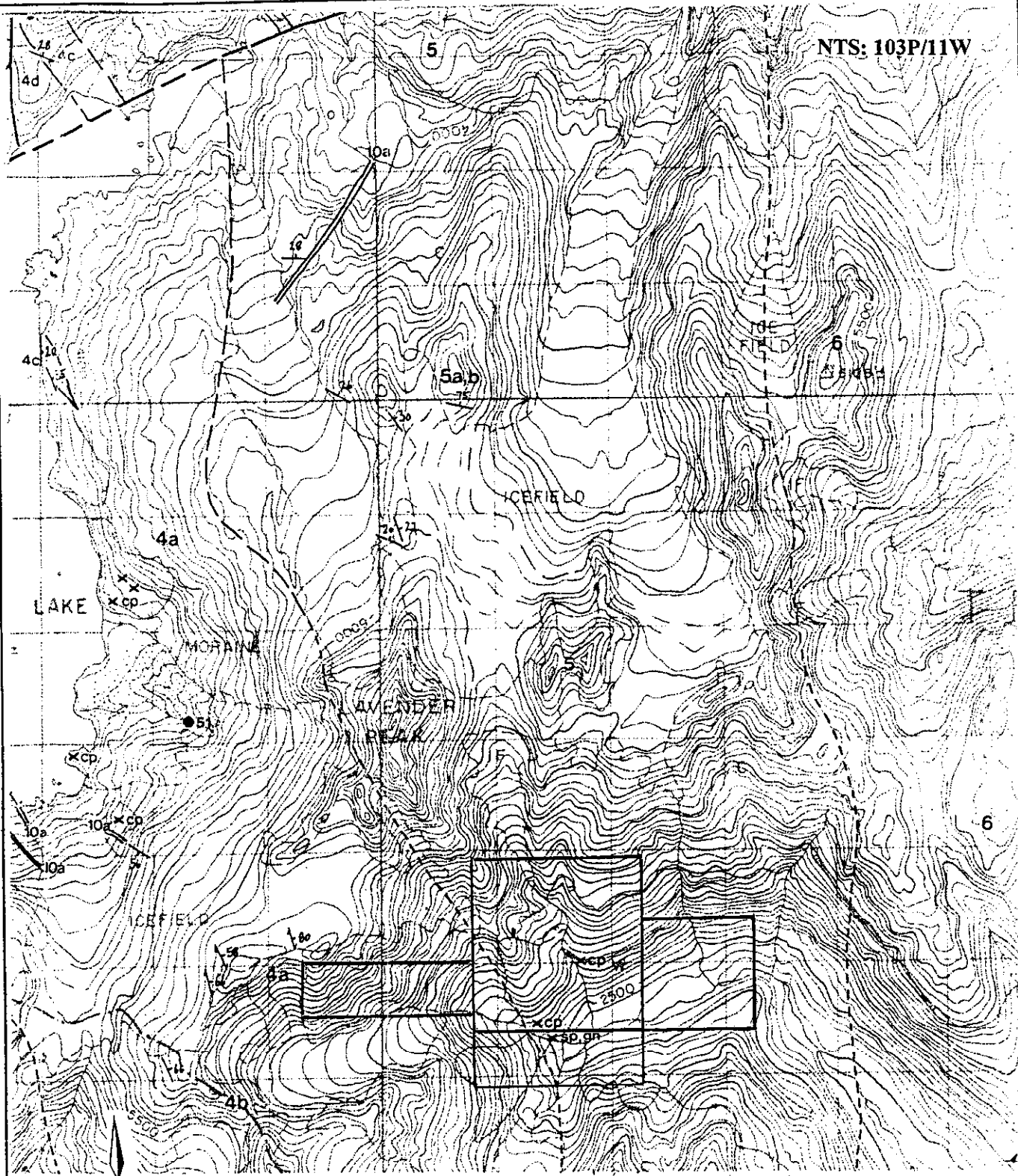
The Stewart Complex includes a thick sequence of Late Triassic to Middle Jurassic volcanic, sedimentary, and metamorphic rocks cut by granitic to syenitic suite of lower Jurassic through Tertiary plutons, which together form part of the Coast Plutonic Complex.

Country rocks in the Stewart Camp area comprise mainly of Hazelton Group Strata that includes the Lower Jurassic Unuk River Formation, and the Middle Jurassic the Betty Creek Formation. This sequence is unconformably overlain by Salmon River Formation, and the Nass River Formation (Grove, 1971, 1986).

The Stewart Complex hosts several mines, the rocks are highly prospective with numerous mineralized showings and prospects, including Royal Oak's Red Mountain deposit, Homestake's Eskay Creek deposit, Snip, Willoughby, Newhawk's Sulphurets, Teuton's Clone deposit, and the old Dolly Varden and Torbrit Mines.

Over 700 mineral deposits and showings have been discovered in a large variety of rocks and structures in the Stewart Complex. The Silback-premier represents an epithermal gold-silver base metal deposit localized along complex, steep fracture systems, in Lower Jurassic volcanoclastics unconformably overlain by shallow dipping Middle Jurassic Salmon River Formation sedimentary rocks.

NTS: 103P/11W



Scale: 1-50,000

**VMS CLAIM GROUP
STEWART CAMP
SKEENA MINING DIVISION
REGIONAL GEOLOGY MAP**

Figure 3

GEOLOGY OF THE KITSALT RIVER AREA
NTS 103P

Geology by D. J. Aldrick, G. L. Dawson, J. A. Boshier, and I.C.L. Webster

Compilation and drafting by G. L. Dawson

LEGEND

INTRUSIVE ROCKS

TERTIARY
EOCENE AND YOUNGER

| | |
|----|---|
| a | b |
| 10 | |
| c | |

 DYKES: diorite, microdiorite (a); lamprophyre (b); diorite, sill phase (c)

EARLY TO MIDDLE EOCENE

| | |
|---|---|
| a | b |
| 9 | |
| c | |

 ALICE ARM INTRUSIONS: quartz monzonite (a); biotite quartz monzonite porphyry (b); sericite quartz monzonite porphyry (c)

| | |
|---|---|
| a | b |
| 8 | |
| | |

 COAST RANGE BATHOLITH: quartz monzonite (a); granodiorite (b)

VOLCANIC AND SEDIMENTARY ROCKS

QUATERNARY
PLEISTOCENE

| |
|---|
| 7 |
|---|

 MAFIC VOLCANICS: olivine basalt flows

JURASSIC
MIDDLE TO UPPER JURASSIC

| | |
|---|---|
| a | b |
| 6 | |
| c | d |

 UPPER SEDIMENTARY UNIT: basal fossiliferous wacke (a); siltstone, shale, and minor sandstone (b); intraformational conglomerate (c); limestone (d)

LOWER TO MIDDLE JURASSIC

| | |
|---|---|
| a | b |
| 5 | |
| c | |

 EPICLASTIC AND FELSIC VOLCANIC UNIT: maroon and green volcanic conglomerate, breccia, and minor sandstone (a); black siltstone, argillite, wacke, and limestone (b); greenish grey dacitic pyroclastic rocks and feldspar porphyritic flows (c)

| | |
|---|---|
| a | b |
| 4 | |
| c | d |
| e | f |

 INTERMEDIATE VOLCANIC UNIT: green and minor maroon andesite pyroclastic rocks (a); feldspar ± hornblende andesite porphyry (b); black siltstone (c); maroon siltstone, sandstone, and conglomerate (d); limestone and fossiliferous limestone (e); chert (f)

7.0 THE 2000 PROSPECTING FIELDWORK PROGRAM

7.1 Scope & Purpose

On June 2nd, and from June 21st to July 1st 2000, the writer and a field assistant carried out a prospecting and fieldwork program of geological mapping, rock and stream sediment sampling. The purpose of this program was to:

- a) Prospect the property with geological and geochemical method in order to define new targets for follow-up exploration work;
- b) To evaluate and extend the known showings; and
- c) To locate and systematically sample the mineralized zones on the property.

7.2 Methods & Procedures

Prospecting and geological mapping was performed at scale of 1:5000 over selective parts of the property, control for mapping was established using compass, hip-chain, topographic map, GPS, and one kilometer of base line.

Stream sediment samples were collected from the active parts of selective creeks draining the northern side of the property. Grain size varied from fine to very fine-grained silt. Altogether, 11 stream sediment samples were collected and sent to ACME Labs for gold and multi-element ICP (see figure #10 for sample location and appendix B for results).

Rock sampling was performed over selective areas of interest and previous showings within the property. A total of twenty rock (chip, and float) samples were collected during the prospecting program. All samples were sent to ACME Lab for gold and multi element ICP, (see figure #5 for rock sample locations, and appendix B for analytical results).

8.0 RESULTS

8.1 PROPERTY GEOLOGY

The area of the VMS 1-4 claims is predominantly underlain by lower to middle Jurassic volcanic and sedimentary rocks of the Hazelton and Stuhini Groups. The property geology has been divided into two rock units, intermediate volcanic, composed of green andesite pyroclastic feldspar, and andesite porphyry. This unit is exposed in the far western part of the property (VMS 4 claim). The majority of the property is underlain by maroon and green volcanic conglomerate, volcanic breccia, minor sandstone and rhyolite beds, this unit exists in the eastern side of the property (VMS 1, 2, and 3 claims). Both units are cut by hornblende-feldspar porphyry Tertiary dykes up to 6 meters in width.

Significantly, several gossans were located within the felsic maroon volcanic unit of the Jurassic Hazelton rocks. These rocks are overlain by middle to upper Jurassic sedimentary unit consisting of basal fossiliferous wacke, siltstones and argillites occupies the central part of VMS-3 claim.

8.2 ALTERATION

Intensive propylitic to argillic alteration is pervasive in all major rock units within the area of the VMS claim group in a form of several gossan zones, where rocks are intensively altered, bleached and silicified.

Alteration in the property is present as:

- a) Extensive carbonate, chlorite and quartz replacement, carbonate and local quartz veining are common in altered maroon volcanic outcrops occurs in the eastern side of the property and locally at the contact between the felsic maroon volcanics and the argillite, shale, and siltstone sedimentary unit.
- b) Tens of meters of hematitic-limonitic, silicified, altered gossan zones containing disseminated sulfides (mainly pyrite) within both the Hazelton group volcanics as well as the argillite sedimentary unit.
- c) Iron oxide zones within the sediments, located at the contact with the maroon volcanics (on the VMS-3 claim). The zones are comprised of hematite and limonite, and are slightly to moderately magnetic. The zones are gossanous, rusty, light to dark brown on weathering surfaces, massive to unconsolidated, and contain sulfide proportions varying from 1-5% disseminated pyrite-pyrrhotite and minor galena. The gossan zones range from 50-100 meters in width, and approximately one kilometer in length. They tend to grade sharply into relatively unaltered volcanics near the alteration boundary at the far north.
Local shear zones and quartz-carbonate veins trending N-S are related to the intensely altered parts of the zone.

Silicification, brecciation and quartz veining are present as mineralized brecciated quartz-carbonate veins, veinlets associated with the local N-S structure within the gossan zones.

All alteration zones located during 2000 prospecting program are not high-grade precious or base metal content, but they contain anomalous amounts of Au, Ag, As, and Cd, especially in the vicinity of the structural features such as faults or shear zones.

The Main gossan zone is interpreted as the surface expression of possible epithermal gold mineralization.

8.3 STRUCTURE

The most prominent structural features in the area of the VMS 1-4 claims are north-northwest trending faults and shear zones along a set of creeks draining the north part of the property. These

structural elements provide the dominant structural control and most of the mineralization zones on the property.

The north-northwesterly oriented shear zones and faults are possibly part of the regional structure. It persists for one kilometer in the central part of VMS-3 and VMS-1 claims. The most significant alteration zone in the property area is exposed within a fault zone along creek running south-southeast parallel to the geological contact between the maroon-green volcanics and the argillite in the central part of VMS-3. The zone is known as the main gossan zone.

Mineralization and quartz veining on the property is associated with the north-northwest structural elements.

Foliation on the property is non-existent to weak in the volcanics of the Hazelton group, and increase in intensity towards the northern part of the property.

8.4 MINERALIZATION AND ROCK GEOCHEMISTRY (Figure # 4 & 5)

Previous and recent mineral exploration on the property has outlined a favorable geological environment for two different types of deposits:

- 1- Gold deposit
- 2- Strata bound massive sulfide deposit

During the recent 2000 prospecting program, the writer observed that mineralization on the property is specifically related to structural elements within a number of gossan zones. The strongest mineralization occurs in intensely fractured, contact zone accompanied by silicification, and intense pyritization in both the volcanic and the sedimentary rock units of the Hazelton group.

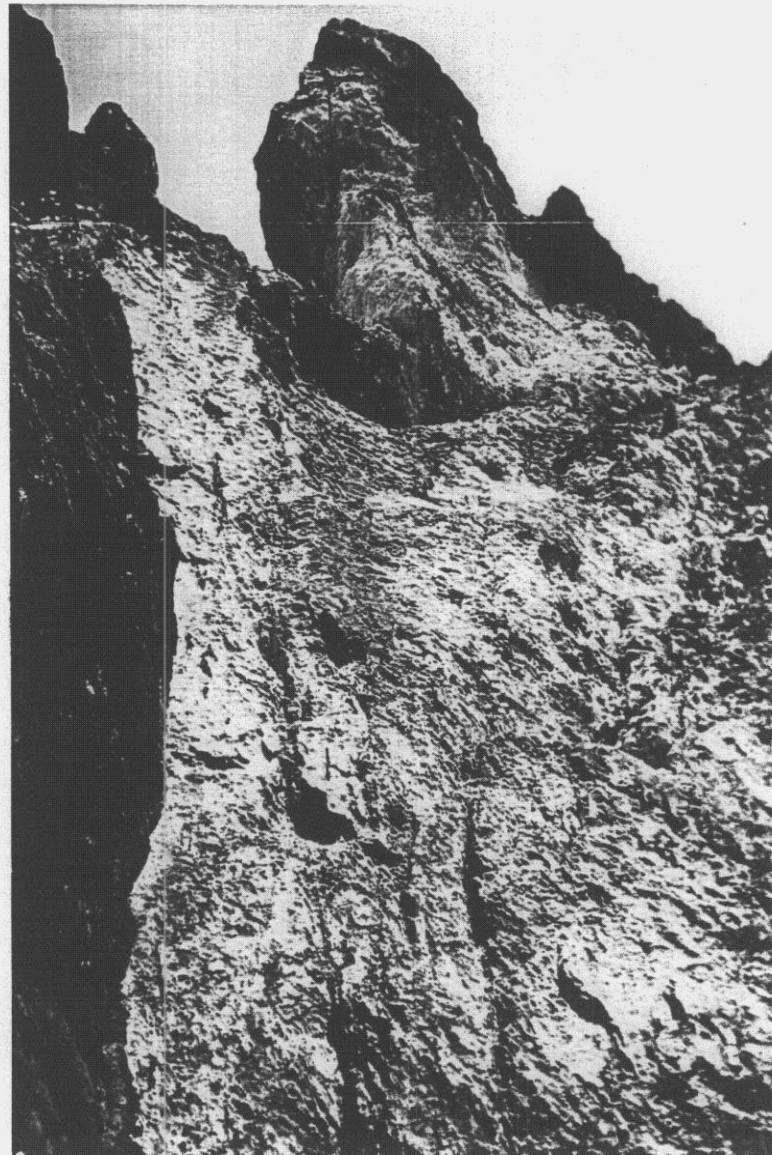
Pyrite is the most common sulfide mineral present, and is usually associated with several altered gossan zones on the property. Weathering of pyrite results in light brown iron oxides. Quartz-carbonate veins and pods, appear to be associated with areas of advanced argillic alteration within the gossan zones.

Four promising mineralized areas were located on the VMS 1-4 claims, three of which were sampled during this program.



Photo # 1

THE MAIN GOSSAN ZONE
(Altered sediments and volcanics along contact zone)



THE MAIN GOSSAN ZONE
(Sample site R-19)

Photo # 2

8.4.1 THE BOULDERS ZONE

Mineralized, angular boulders of intermediate, light gray volcanics were located on the north side of the Lahte creek, the boulders are scattered over an area of 75 meters long by 50 meters wide, centered at GPS N55 37.553'-W129 17.701'. Light gray to green volcanic boulders, range in size from 1 cubic foot to 20x30 feet. Mineralization consists of disseminated, semi-massive to massive banded galena, sphalerite, chalcopyrite, and green malachite.

A total of 6 rock grab, and float samples were collected from the boulders zone.

The highest assay results came from sample R-4 which returned 10% Cu, .158 oz/ton Au, and 99.7 g/ton silver. The highest gold value on the property also came from this zone, sample R-6 returned 1.6% Cu, and .165 oz/t gold.

The topography of the area around the boulders zone strongly suggests that the best area to prospect for the source rock would be north to northwest from the boulders location.

Two large size malachite-staining outcrops were located above the area of the boulders zone during helicopter reconnaissance at the end of the program. It is most likely that these outcrops are the source of the boulders zone (Area one) described above. The new discovered outcrops never been tested by rock sampling to date.

8.4.2 THE MAIN GOSSAN ZONE

(Figure # 4 & 5)

This zone is located approximately at the center of the VMS-3 claim on the north side of Lahte Creek. A north trending gossan zone exposed on the west bank of a creek flowing south, draining the north part of the VMS-3 claim.

The main gossan zone is considered to be the most persistent alteration zone on the property, and represents a fault contact between the green maroon volcanic dacite and sedimentary argillite.

The gossan zone is exposed for approximately one kilometer with an average width of 100 meters. Rocks are light brown to red on weathering surfaces. Argillic to sericitic alteration is common within the zone particularly at the volcanic-sedimentary contact. The gossan zone displays strong silicification and pyritization associated with advanced argillic alteration. Sulfide mineralization consists of fine-grained pyrite, minor pyrrhotite and galena.

The most intense mineralization and alteration within this zone is located near the top at GPS N55 38.320'-W129 16.728', and at elevation of 3636 feet, where a bleached, strongly altered argillite is exposed 150 meters long and 25 meters wide, bedding is 350 degrees, dipping 48- 62 degrees.

Two rock samples were collected from this locality. **Rock sample R-19 was collected across 20 meters of silicified, altered gossanous argillite, returned 10.4g/ton silver, and 784 ppm Ba.**

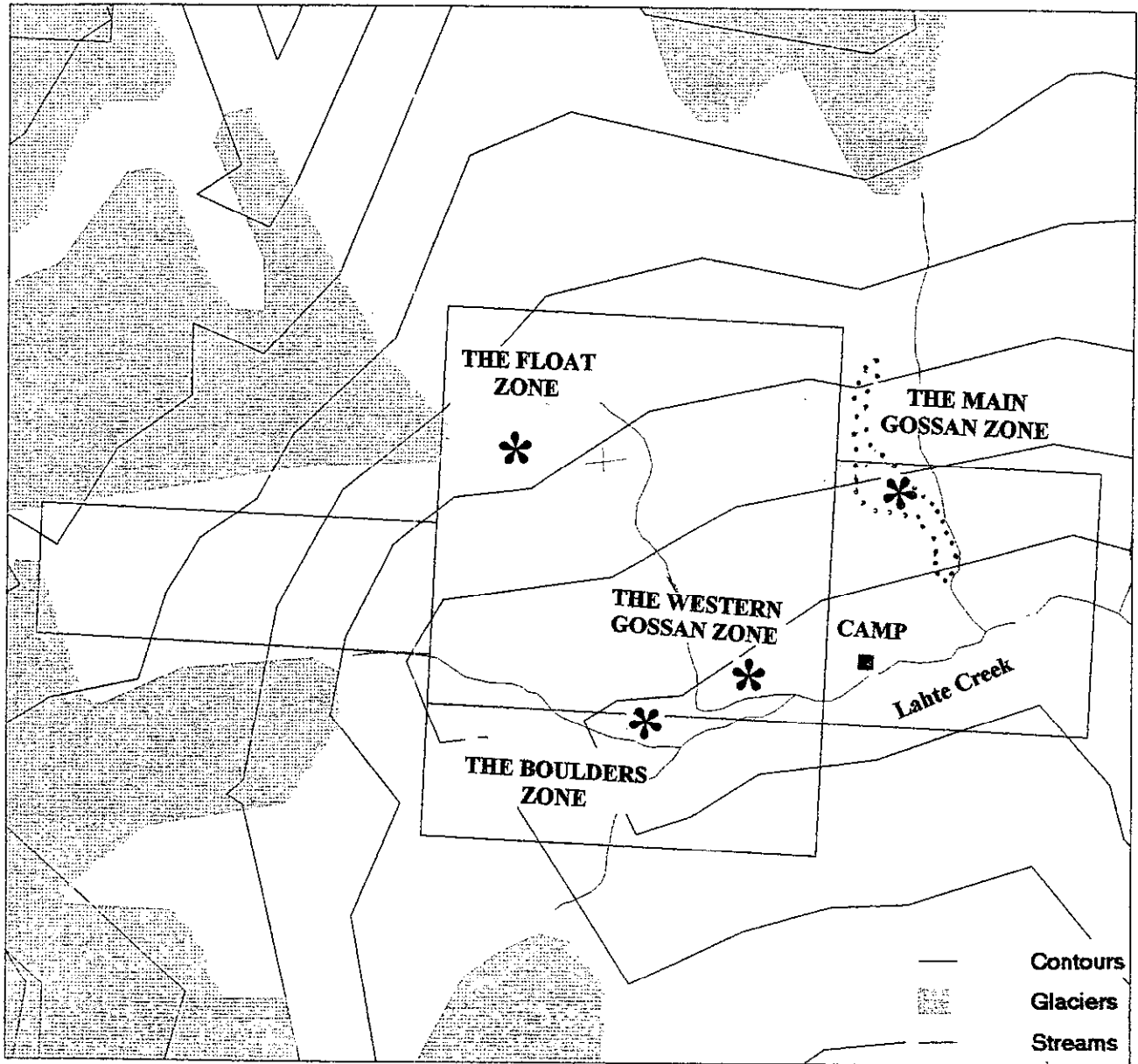
The best result came from sample R-18 which returned 1446 ppm lead, 456 ppm Zinc, and 29.9g/ton silver, over 3 meters of altered sediments.

8.4.3 THE WESTERN GOSSAN ZONE (Figure # 4 & 5)

Intensive alteration zone represented by brown rusty volcanic dacite rocks, located approximately 800 meters southwest of the main gossan zone at 2439' elevation, approximately 50 meters north of the Lahte creek, at the southeast corner of the VMS-1 claim, GPS N55 37.649'-W129 17.583'.

The zone is characterized by intensive alteration, and silicification. Mineralization consist of

481 547
4 51 055 110 m E
6 22 055 12 m W



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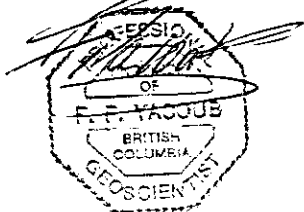
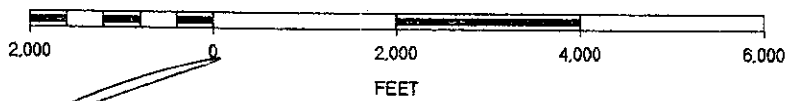
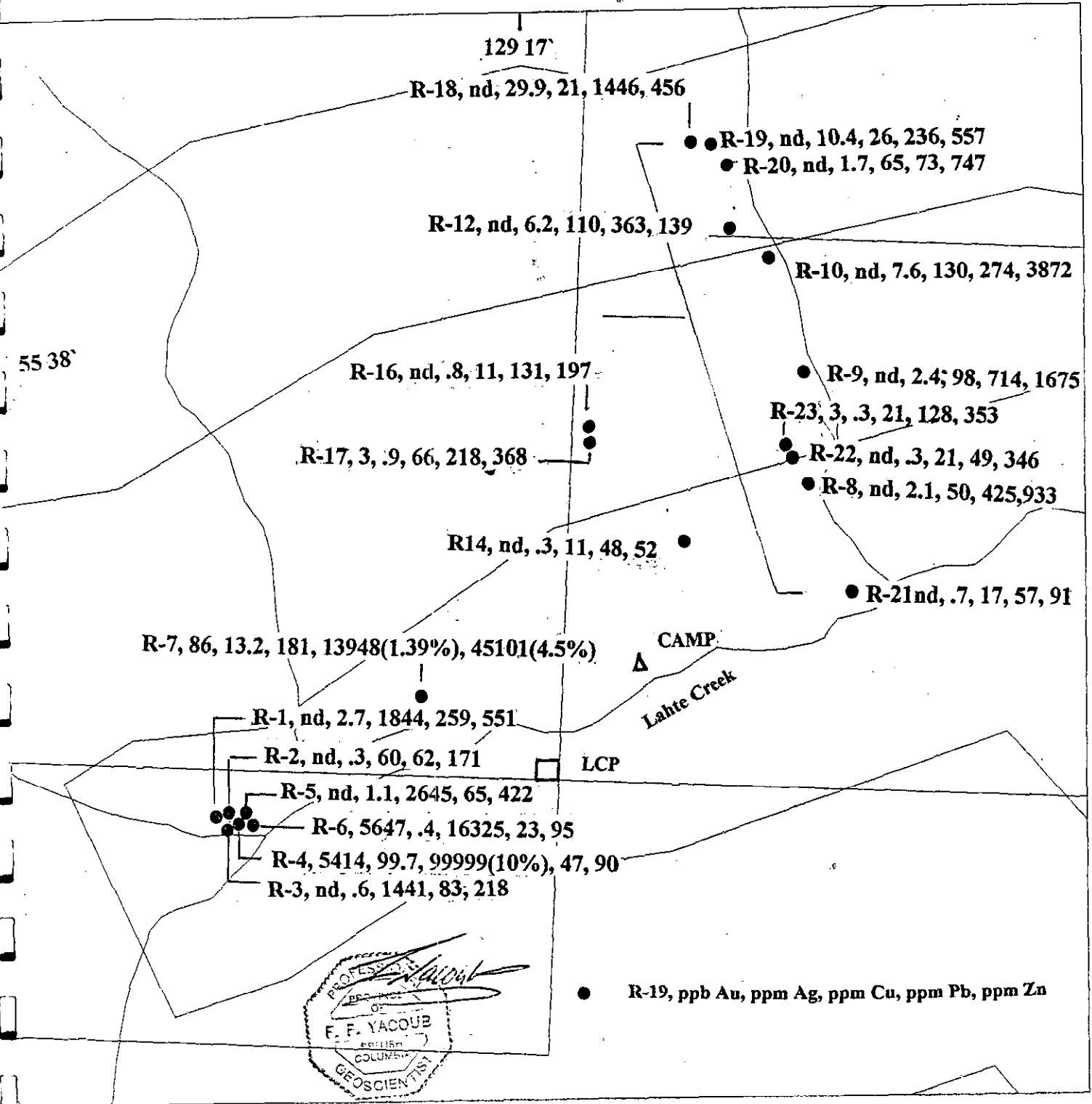


Figure 4

**VMS CLAIM GROUP
SKEENA MINING DIVISION
TARGET AREAS LOCATION MAP
NTS: 103P/11W.**

VMS Claim Group - Skeena Mining Division - Rock Sample Locations Map



SCALE 1 : 10,000

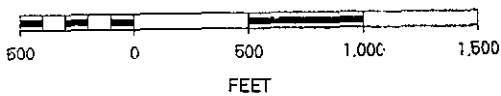


Figure 5

5-6% fine-grained pyrite, very fine-grained galena, and trace of chalcopyrite in altered, rusty volcanic outcrop. The zone can be traced for twenty meters with an average width of 3 meters. Small quartz pod (.3mx1m) trending 185 degrees is exposed in the center of the zone. **Chip sample R7 collected across 3 meters of the mineralized zone, returned 1.39%pb, 4.51%Zn, 13.2g/ton silver, and 665.3 g/ton Cadmium, which considered the highest cadmium value on the property.**

8.4.4 THE FLOAT ZONE

Numerous massive sulfide boulders were located on the western side of the property during previous prospecting program. The mineralized boulders were found just below the main glacier and along the flats southeast of the main creek below the ice field. A helicopter reconnaissance during the 1997 fieldwork over the south side of the main ice field has delineated an intense gossan zone. Trained mountain climbers can only access the area. The massive sulfide boulders may originated from this gossan zone since the boulders are found mainly accumulated on the south side of the creek valley on the glacier moraines.

8.5 STREAM SEDIMENTS GEOCHEMISTRY (Figure # 6, 7, 8, 9, & 10)

The VMS claim group was staked based on anomalous gold lead and zinc in stream samples collected during the regional geochemical survey released in June 1995

A stream sediment geochemical sampling program was carried out by the writer on the VMS1-4 claims during the 2000 prospecting program, and a total of 11 samples were collected from creeks and tributaries within the area of the claim group.

Results were compared with the RGS 43 by the British Columbia Geological survey. Samples greater than the 95th percentile were considered anomalous. Anomalous thresholds are outlined in the following table.

| Element | Anomalous Values |
|---------|----------------------|
| Gold | Greater than 29 ppb |
| Silver | Greater than 0.5 ppm |
| Lead | Greater than 23 ppm |
| Zinc | Greater than 221 ppm |

Gold values range from 4.4 to 169.5 ppb. Four samples are considered anomalous for gold and having greater than 29 ppb.

The highest gold value in stream sediments is 169ppb, came from sample SS-2 collected from small tributary creek draining the area of the main gossan zone, the sample is located 435 meters east of the camp (Figure # 10), approximately 200 meters south of the main gossan zone on the VMS-3 claim just north of the Lahte creek at GPS N55 37.891-W129 16.287. The second highest gold value came from sample SS-7 collected from creek flowing south, draining the northern part of VMS-1, returned anomalous gold value of 62.3 ppb. Sample SS-6 was collected

VMS CLAIM GROUP RGS (Gold)

Regional Geochem Layers (<1M)

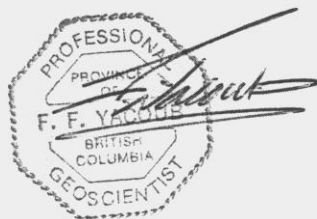
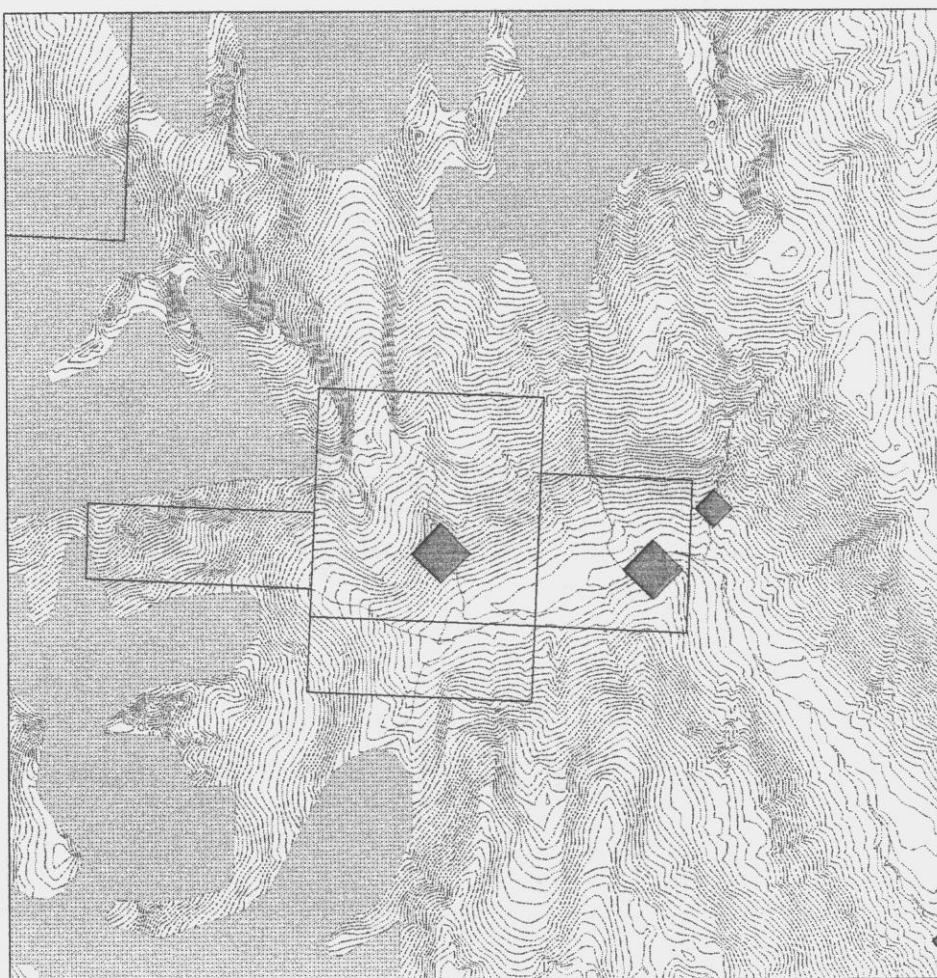
- ◆ ◆ RGS - Gold by NA (<1M)
 - ◆ 50th Percentile
 - ◆ 70th Percentile
 - ◆ 90th Percentile
 - ◆ 95th Percentile
 - ◆ Greater than 95th Percentile
 - All Others

Mineral Titles Layers

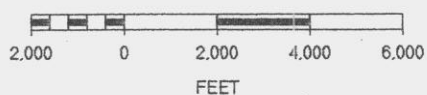
- □ Mineral titles outline (<1M)
- All Others

Topographic Layers

- ▨ Glaciers (<2M)
- Contours west 1:20K (<100K)
- Rivers 1:50K (<300K)
- Border 1:250K (<2M)



SCALE 1 : 50,000



VMS CLAIM GROUP RGS (Copper)

Regional Geochem Layers (<1M)

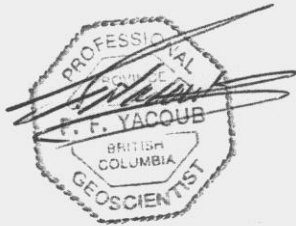
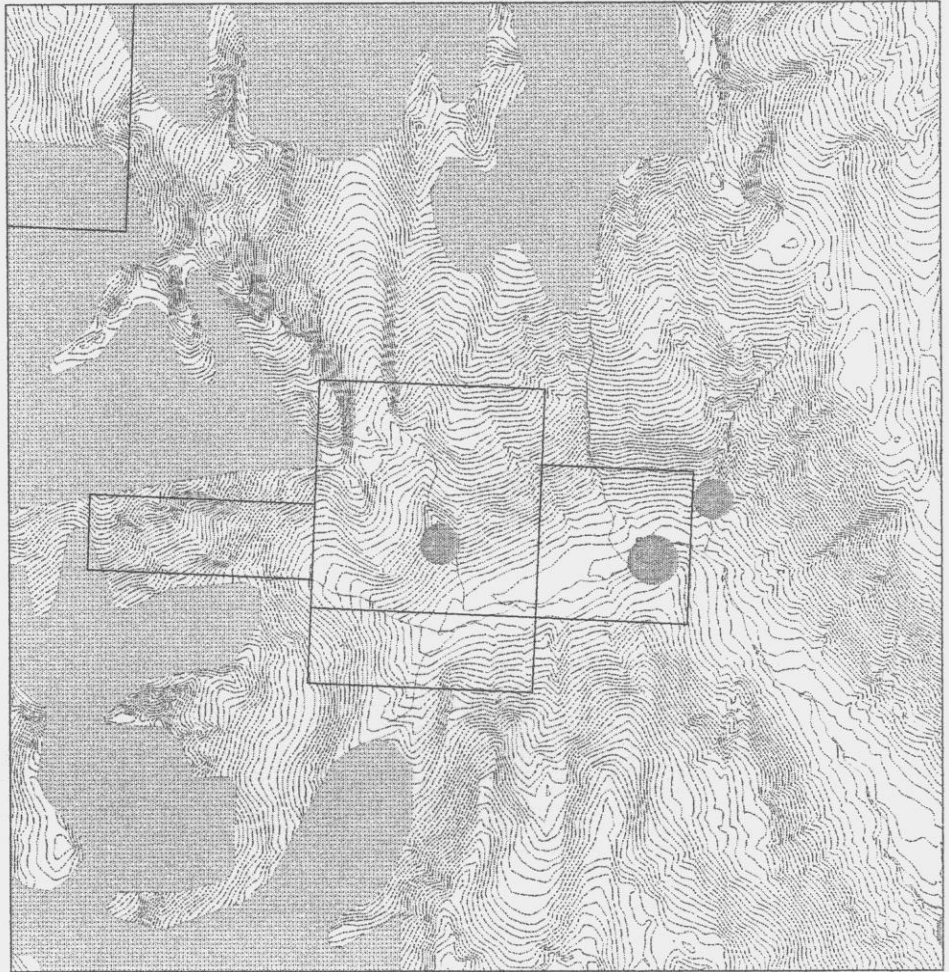
- RGS - Copper (<1M)
 - 50th Percentile
 - 70th Percentile
 - 90th Percentile
 - 95th Percentile
 - Greater than 95th Percentile
 - All Others

Mineral Titles Layers

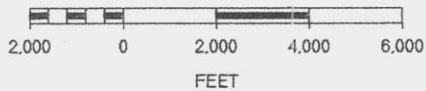
- Mineral titles outline (<1M)
- All Others

Topographic Layers

- Glaciers (<2M)
- Contours west 1:20K (<100K)
- Rivers 1:50K (<300K)
- Border 1:250K (<2M)



SCALE 1 : 50,000



VMS CLAIM GROUP RGS (Lead)

Regional Geochem Layers (<1M)

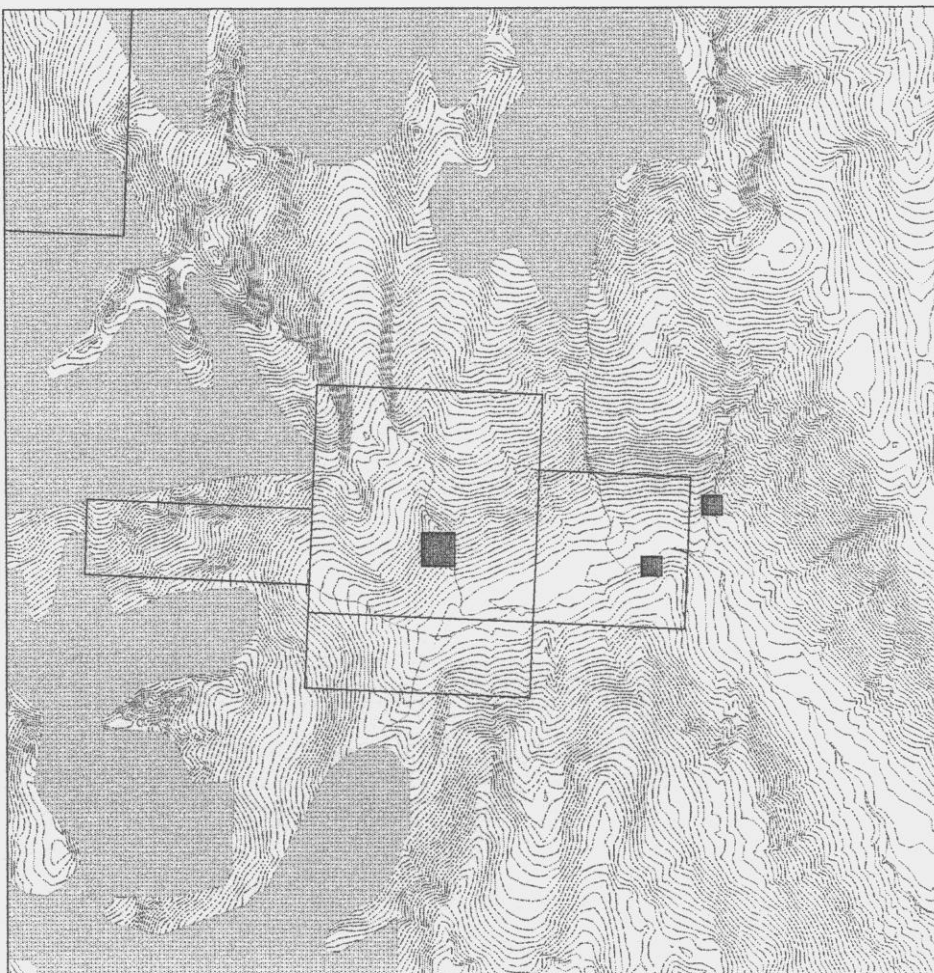
- RGS - Lead (<1m)
 - 50th Percentile
 - 70th Percentile
 - 90th Percentile
 - 95th Percentile
 - Greater than 95th Percentile
 - All Others

Mineral Titles Layers

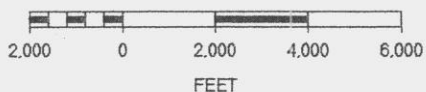
- Mineral titles outline (<1M)
- All Others

Topographic Layers

- Glaciers (<2M)
- Contours west 1:20K (<100K)
- Rivers 1:50K (<300K)
- Border 1:250K (<2M)



SCALE 1 : 50,000



VMS CLAIM GROUP RGS (Zinc)

Regional Geochem Layers (<1M)

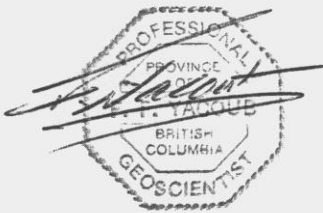
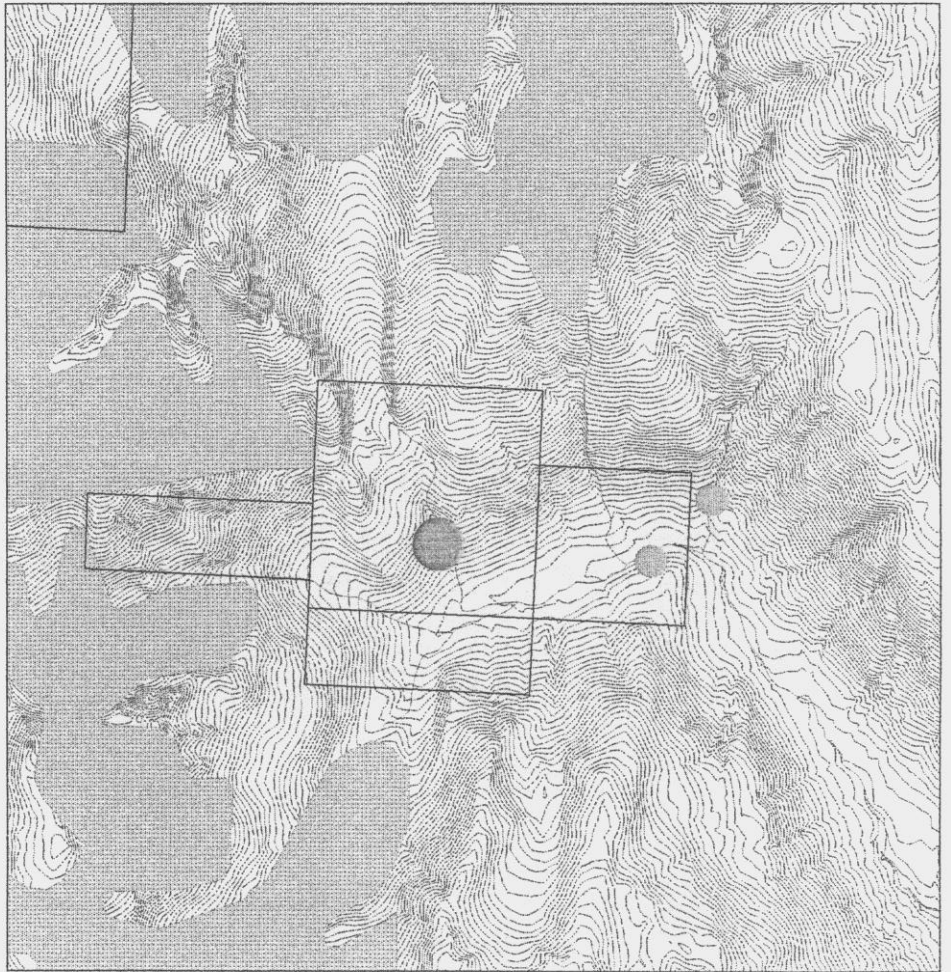
- RGS - Zinc (<1M)
- 50th Percentile
- 70th Percentile
- 90th Percentile
- 95th Percentile
- Greater than 95th Percentile
- All Others

Mineral Titles Layers

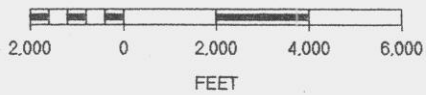
- Mineral titles outline (<1M)
- All Others

Topographic Layers

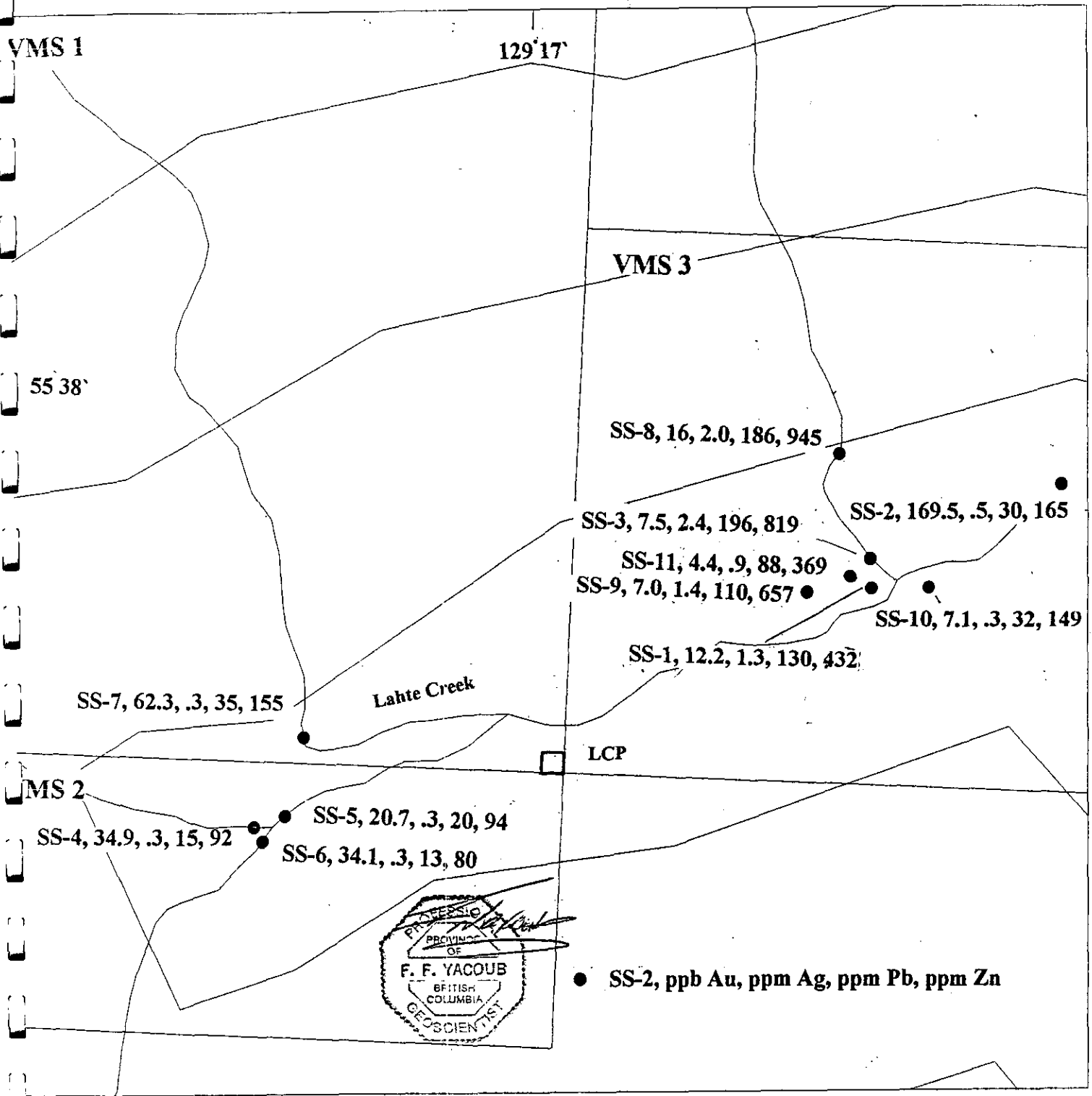
- ▨ Glaciers (<2M)
- Contours west 1:20K (<100K)
- Rivers 1:50K (<300K)
- Border 1:250K (<2M)



SCALE 1 : 50,000



VMS Claim Group - Skeena Mining Division - Streamsediment Location Map



SCALE 1 : 10,000

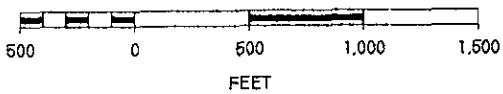


Figure 10

from small tributary creek draining the north part of VMS-1, returned 34.1 ppb gold, and sample SS-4 was collected from creek flowing southeast, draining the area of VMS-4 claim, returned 34.9 ppb gold.

More than 60% of all samples are anomalous in silver, seven samples returned silver values above 0.5 ppm, five of which contain more than one ppm silver.

The highest silver value in stream sediments is 2.4 ppm, came from sample SS-3 draining the area northwest of the massive sulfide boulders.

Nine samples were anomalous in lead, and six samples were anomalous in zinc. The highest lead and zinc values came from samples SS-3, and SS-8 draining areas located northwest of the massive sulfide boulders, and the main gossan zone respectively.

9.0 CONCLUSION

The VMS claim group is situated in an area that is well known for hosting precious and base metal deposits. The Stewart Camp has been explored for the last one hundred years and approximately 100 deposits have been developed including Silbak-Premier, the Snip, Johnny Mountain, anyox, Alice Arm, Granduc, Scottie, Big Missouri, and recently the Eskay Creek, Red Mountain. The number of deposits, and the economic value of each one make Stewart Camp Area one of Canada's most viable mining camps.

The VMS claim group is underlain by altered, faulted volcanic rocks of early Jurassic Hazelton Group. Mineralization and alteration on the claim group is localized along altered gossan zones of lower Jurassic volcanics in contact with shallow dipping Middle to upper Jurassic sedimentary argillite. This geological setting is a favorable environment for hosting economic mineralization.

Similarities may exist between the VMS claim group and the Silback-Premier in mineralization, alteration and geological environment.

The 2000 prospecting program has outlined four target areas characterized by strong geochemical signature that was located on the claim group.

Field programs to date have covered only 25% of the property. Good potential exists for locating more significant mineralization on the remainder of the claim group.

For these reasons further exploration work is strongly recommended.

10.0 RECOMMENDATIONS

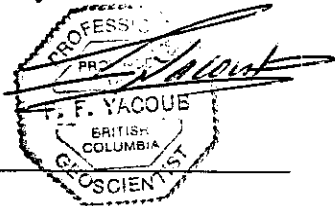
- 1) Helicopter reconnaissance over the entire area south of the main ice field at the center and the northwest corner of the VMS-1 to locate the malachite staining outcrops previously discovered from the air during the 2000 program.
- 2) Perform follow-up prospecting and rock sampling program on the discovery area, and determine the attitude, the strike length and the width of the new discovered zone.
- 3) Perform follow-up work on the main gossan zone located at the center of VMS-3 claim. The work should consist of detailed geological mapping and rock sampling. More attention should be paid to the structural setting of the gossan area to better understand its mode of occurrence and to determine the viability of the zone to be considered as a drill target.
- 2) Perform follow-up work on the western gossan zone located on the VMS-1. Detailed mapping and rock sampling should be performed to test the extension of the zone to the north.
- 4) Geologically map, prospect, and rock sample the rest of the property.

PROPOSED BUDGET

Phase 1: Project Geologist, Prospector, and mountain climber, 10 days.

| | | |
|-----------------------------|--------------------------|------------------|
| Project Preparation | | \$1,600 |
| Mob/Demob | | 11,100 |
| Field Crew | | 7,500 |
| Field Costs | | 2,500 |
| Helicopter Support | 6 hours @ \$1000/hr | 6,000 |
| Lab Analysis | 60 samples @ \$20/sample | 1,200 |
| Petrographic Analysis | | 400 |
| Data compilation and report | | 3,500 |
| | Subtotal | 31,800 |
| <u>G.S.T@7%</u> | | 2,226 |
| | TOTAL | 36,026.00 |
| | SAY | 36,000.00 |

Respectfully Submitted



Fayz Yacoub, P.Geo., F.G.A.C.

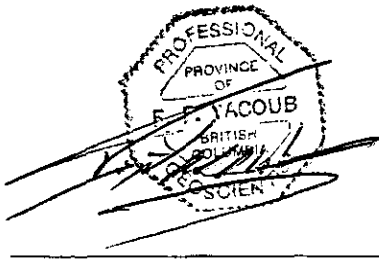
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- Lorn Warren (1998) B.C. Assessment Report # 25442 on the Lahte Creek Property.

CERTIFICATE OF QUALIFICATIONS

I, FAYZ F. YACOUB, of 6498-128B Street, Surrey, British Columbia, V3W 9P4, do hereby declare that:

- 1) I am a graduate in: Geology and Chemistry from Assuit University, Egypt (B.Sc., 1967), and Mining Exploration Geology of the International Institute for Aerial Survey and Earth Sciences (I.T.C.), Holland (Diploma 1978):
- 2) I am a fellow in good standing with the Geological Association of Canada;
- 3) I am a professional geologist and a member of the Association of the professional Engineers and Geoscientists of British Columbia.
- 4) I have actively pursued my career as a geologist for the past twenty one years;
- 5) The information, opinion, and recommendations in this report is based upon fieldwork carried out by myself, and on published literature. I was present on the subject property on June 2nd and from June 21st - July 1st /2000.
- 6) I am the recorded owner and have 100% interest in the VMS Claim Group.



Fayz Yacoub, P. Geo., F.G.A.C.

APPENDIX A

ROCK SAMPLE DESCRIPTIONS

- R-1** Angular, light gray mineralized volcanic boulder 3x4 feet in size, 5% disseminated pyrite, minor chalcopyrite and trace of galena. Mineralization is associated with barite.
- R-2** Float, angular boulders of light gray volcanic tuff, 2-3% fine-grained pyrite associated with quartz- carbonate fragments, and barite.
- R-3** Float, angular, local volcanic boulder, narrow banded quartz-carbonate vein lets disseminated with fine-grained pyrite, chalcopyrite, and Mn oxide (the boulders zone).
- R-4** Float intermediate volcanic, more than 40% sulfides consisting of galena, sphalerite, malachite staining, Chalcopyrite and barite. Sample located at GPS: N 55 37.553' W 129 17.701' (the boulders zone).
- R-5** Float sample collected from angular volcanic boulder, disseminated with 5-10% fine-grained pyrite, pyrrhotite, and Mn oxide.
- R-6** Mineralized intermediate volcanic (5x8 meters in sub-crop, or possible large float). Mineralization consists of 6-8% chalcopyrite, 2% malachite, 1% galena. Chip sample over one meter collected at GPS: N 55 37.534' W 129 17.742' from the boulders zone.
- R-7** Chip sample across three meters of rusty altered (argillic) dark brown volcanic andesite. Mineralization consists of 5-7% fine-grained pyrite, galena, and sphalerite. Sample taken from the western gossan zone at GPS: N 55 37.649' W 129 17.583'.
- R-8** Float sample taken from dacitic to andecitic volcanic float just below the main gossan zone, Mineralization consists of fine-grained pyrite, and minor galena.
- R-9** Chip sample across 10 meters of strongly altered (argillic) dacitic volcanic outcrop dominated by moderate to strong silicification, and earthy hematite. Sample collected from the main gossan zone area.
- R-10** Chip over 4 meters of altered (argillic) dacitic volcanic outcrop with fine-grained pyrite dissemination. Sample collected from the main gossan zone.

- R-12** Chip over three meters of the intensely altered, rocks of the main gossan zone, strong pyrite alteration (20-30% fine-grained pyrite in light gray to green friable volcanic dacite to andesite).
- R-14** Local, angular quartz float, cavities filled with dark brown hematite, about 10% MnO₂. Sample located just below the main gossan zone.
- R-16** Light to dark brown, altered (propylitic) volcanic rocks, with banded to disseminated, fine-grained pyrite. Chip sample across two meters, collected from the main gossan zone.
- R-17** Chip over three meters of altered outcrop, disseminated with 5-8% pyrite, rusty brown weathered surfaces. Sample similar to R-16.
- R-18** Chip across three meters of altered (argillic) sedimentary argillite in contact with the Hazelton group volcanics. Mineralization consists of 10-12% pyrite, and minor fine-grained galena. Sample collected at the top of the main gossan zone at GPS; N 55 37.827 W 129 16.683'.
- R-19** Chip sample across 20 meters of the altered rocks of the main gossan zone. Sample located 30 meters east of R-18. Altered argillite, disseminated with pyrite and fine-grained galena. Sample taken at the top of the main gossan zone GPS: N 55 38.320' W 129 16.728'.
- R-20** Chip across 8 meters of altered, sheared sedimentary argillite, located at 60 meters below (south) of R-19 at GPS: 55 38.323' W 129 16.742', bedding 350, dipping 48-62 degrees east, from the main gossan zone.
- R-21** Chip across two meters of mineralized, angular boulder of volcanic dacite hosting a set of quartz barite veins, and small pods of fine-grained pyrite, dark brown weathered surfaces.
- R-22** Quartz-barite vein system exposed in a small creek bed at the south end of the main gossan zone, GPS: N 55 38.080' W 129 16.658'. A system of quartz barite veins range from 10 cm to two meters in thickness. The system strikes 358 degrees, and vertical, hosted by altered (argillic) volcanic tuff disseminated with 10-20% fine-grained pyrite. Chip sample across 10 meters of the vein and the host Volcanic rocks.

APPENDIX B
ANALYTICAL RESULTS



GEOCHEMICAL ANALYSIS CERTIFICATE



Yacoub, Fayz File # A002361

6498 - 1288 St., Surrey BC V3W 9P4 Submitted by: Fayz Yacoub

| SAMPLE# | Mo ppm | Cu ppm | Pb ppm | Zn ppm | Ag ppm | Ni ppm | Co ppm | Mn ppm | Fe % | As ppm | U ppm | Au ppm | Th ppm | Sr ppm | Cd ppm | Sb ppm | Bi ppm | V ppm | Ca % | P % | La ppm | Cr ppm | Mg % | Ba ppm | Ti % | B ppm | Al % | Na % | K % | W ppm |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|-------|--------|--------|--------|--------|--------|--------|-------|-------|-------|--------|--------|------|--------|------|-------|------|------|-----|-------|
| R-1 | 22 | 1844 | 259 | 551 | 2.7 | 3 | 4 | 2856 | 9.08 | 13 | <8 | <2 | <2 | 354 | 3.3 | <3 | 8 | 62 | 7.14 | .036 | 8 | 5 | .77 | 675 | .01 | <3 | 1.32 | .01 | .08 | 47 |
| R-2 | 13 | 60 | 62 | 171 | <.3 | 3 | 6 | 3547 | 6.89 | 6 | <8 | <2 | <2 | 635 | 1.2 | 3 | 4 | 44 | 9.89 | .045 | 9 | 5 | .77 | 2388 | .01 | <3 | 1.35 | .01 | .08 | 19 |
| R-3 | 8 | 1441 | 83 | 218 | .6 | 4 | 8 | 3610 | 6.03 | 9 | <8 | <2 | <2 | 542 | 1.2 | <3 | 10 | 43 | 10.00 | .055 | 9 | 2 | .98 | 1851 | .01 | <3 | 1.69 | .01 | .10 | 22 |
| R-4 | 308 | 99999 | 47 | 90 | 99.7 | 2 | 3 | 436 | 6.46 | 4 | <8 | <2 | <2 | 12 | 11.2 | <3 | <3 | 17 | .11 | <.001 | 4 | 5 | .45 | 39 | .17 | 3 | .92 | <.01 | .02 | 27 |
| R-5 | 13 | 2645 | 65 | 422 | 1.1 | 5 | 8 | 3435 | 9.21 | 11 | <8 | <2 | <2 | 172 | 1.1 | 4 | 8 | 38 | 5.15 | .046 | 10 | 4 | 1.83 | 240 | .02 | <3 | 3.16 | .01 | .06 | 29 |
| R-6 | 4 | 16325 | 23 | 95 | .4 | 4 | 4 | 1803 | 7.08 | 30 | <8 | 8 | <2 | 87 | .3 | 6 | 40 | 40 | 3.79 | .059 | 6 | 12 | .58 | 131 | .02 | <3 | 1.36 | .01 | .13 | 32 |
| R-7 | 12 | 181 | 13948 | 45101 | 13.2 | 11 | 44 | 2664 | 5.87 | 513 | <8 | <2 | <2 | 128 | 665.3 | 8 | 6 | 18 | 2.72 | .082 | 4 | 9 | .50 | 14 | <.01 | 4 | 1.00 | .02 | .17 | <2 |
| R-8 | 1 | 50 | 425 | 933 | 2.1 | 2 | 10 | 468 | 2.56 | 58 | <8 | <2 | <2 | 12 | 11.0 | <3 | 4 | 6 | .25 | .118 | 4 | 3 | .09 | 70 | <.01 | 13 | .65 | .02 | .31 | <2 |
| R-9 | 4 | 98 | 714 | 1675 | 2.4 | 4 | 7 | 7735 | 9.15 | 31 | <8 | <2 | <2 | 30 | 9.2 | 3 | 3 | 17 | 1.05 | .059 | 2 | 12 | .97 | 62 | <.01 | <3 | 1.78 | .01 | .06 | <2 |
| R-10 | 29 | 130 | 274 | 3872 | 7.6 | 3 | 11 | 1741 | 9.63 | 225 | <8 | <2 | <2 | 19 | 17.1 | 15 | 7 | 14 | .63 | .108 | 2 | 3 | .15 | 7 | <.01 | <3 | .44 | .01 | .26 | <2 |
| R-12 | 4 | 110 | 363 | 139 | 6.2 | 7 | 10 | 167 | 15.75 | 83 | <8 | <2 | <2 | 5 | .4 | 6 | <3 | 9 | .06 | .009 | <1 | 9 | .02 | 3 | <.01 | 3 | .30 | .01 | .16 | 4 |
| R-14 | 3 | 11 | 48 | 52 | .3 | 4 | 1 | 2752 | 1.18 | 4 | <8 | <2 | <2 | 14 | .4 | <3 | <3 | 2 | .14 | .017 | 2 | 19 | .02 | 444 | <.01 | 6 | .13 | .01 | .06 | 9 |
| R-16 | 1 | 11 | 131 | 197 | .8 | 2 | 6 | 439 | 4.65 | 341 | <8 | <2 | <2 | 15 | .3 | <3 | 4 | 9 | .55 | .055 | 5 | 5 | .07 | 25 | <.01 | 7 | .42 | .01 | .25 | 3 |
| R-17 | 1 | 66 | 218 | 368 | .9 | 3 | 10 | 1203 | 6.77 | 126 | <8 | <2 | <2 | 68 | 2.2 | 4 | 5 | 13 | 1.02 | .118 | 10 | 3 | .19 | 15 | <.01 | 5 | .44 | .01 | .35 | <2 |
| R-18 | 3 | 21 | 1446 | 456 | 29.9 | 2 | 6 | 1284 | 5.11 | 107 | <8 | <2 | 2 | 90 | 3.5 | 8 | 4 | 20 | 1.86 | .072 | 5 | 5 | .21 | 26 | <.01 | 7 | .31 | .01 | .24 | 2 |
| RE R-18 | 3 | 20 | 1409 | 436 | 28.6 | 2 | 6 | 1245 | 4.98 | 105 | <8 | <2 | <2 | 88 | 3.4 | 7 | 5 | 18 | 1.81 | .072 | 5 | 7 | .21 | 26 | <.01 | 5 | .31 | .01 | .23 | <2 |
| R-19 | 4 | 26 | 236 | 557 | 10.4 | 4 | 4 | 1651 | 3.26 | 37 | <8 | <2 | <2 | 269 | 3.5 | 8 | 3 | 6 | 2.18 | .076 | 7 | 11 | .02 | 784 | <.01 | 9 | .29 | .01 | .18 | 4 |
| R-20 | 3 | 65 | 73 | 747 | 1.7 | 6 | 26 | 6291 | 9.67 | 126 | <8 | <2 | <2 | 6 | 3.5 | <3 | 4 | 32 | .05 | .042 | 5 | 6 | .09 | 108 | <.01 | 3 | .45 | .01 | .19 | <2 |
| R-21 | 3 | 17 | 57 | 91 | .7 | 3 | 4 | 2902 | 4.57 | 133 | <8 | <2 | <2 | 296 | .8 | <3 | <3 | 3 | 2.39 | .104 | 3 | 9 | .43 | 22 | <.01 | 8 | .34 | .02 | .24 | 4 |
| R-22 | 1 | 21 | 49 | 346 | <.3 | 2 | 11 | 3220 | 4.40 | 12 | <8 | <2 | <2 | 113 | .9 | <3 | <3 | 17 | 4.08 | .089 | 5 | 6 | .70 | 234 | <.01 | 3 | .42 | .02 | .16 | 2 |
| R-23 | 2 | 21 | 128 | 353 | <.3 | 5 | 12 | 3376 | 4.49 | 11 | <8 | <2 | <2 | 135 | .6 | <3 | <3 | 11 | 2.45 | .038 | 3 | 16 | .27 | 257 | <.01 | <3 | .39 | .01 | .08 | 6 |
| STANDARD C3 | 25 | 61 | 37 | 177 | 5.2 | 36 | 12 | 775 | 3.33 | 59 | 17 | 3 | 19 | 28 | 23.7 | 11 | 24 | 76 | .56 | .086 | 17 | 161 | .61 | 150 | .09 | 27 | 1.77 | .04 | .16 | 16 |
| STANDARD G-2 | 1 | 4 | 4 | 48 | <.3 | 8 | 4 | 550 | 2.07 | <2 | <8 | <2 | 4 | 73 | <.2 | <3 | 3 | 37 | .67 | .096 | 8 | 74 | .63 | 225 | .13 | 11 | .98 | .08 | .46 | 2 |

GROUP 1D - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-ES.
UPPER LIMITS - AG, AU, HG, W = 100 PPM; MO, CO, CD, SB, BI, TH, U & B = 2,000 PPM; CU, PB, ZN, NI, MN, AS, V, LA, CR = 10,000 PPM.
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB
- SAMPLE TYPE: ROCK Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: JUL 14 2000 DATE REPORT MAILED: *July 26/00* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

| SAMPLE# | Mo ppm | Cu ppm | Pb ppm | Zn ppm | Ag ppm | Ni ppm | Co ppm | Mn ppm | Fe % | As ppm | U ppm | Au ppm | Th ppm | Sr ppm | Cd ppm | Sb ppm | Bi ppm | V ppm | Ca % | P % | La ppm | Cr ppm | Mg % | Ba ppm | Ti % | B ppm | Al % | Na % | K % | W ppm | Au* ppb |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| SS-1 | 2 | 49 | 130 | 432 | 1.3 | 5 | 10 | 1980 | 3.63 | 30 | <8 | <2 | <2 | 50 | 2.6 | 7 | <3 | 26 | .43 | .174 | 7 | 6 | .37 | 326 | .01 | 3 | .69 | <.01 | .03 | <2 | 12.2 |
| SS-2 | 1 | 77 | 30 | 165 | .5 | 6 | 13 | 1508 | 3.62 | 15 | <8 | <2 | <2 | 56 | .7 | 3 | <3 | 61 | 1.44 | .193 | 10 | 9 | .79 | 317 | .02 | <3 | 1.05 | .01 | .04 | 3 | 169.5 |
| SS-3 | 2 | 79 | 196 | 819 | 2.4 | 9 | 15 | 4265 | 4.55 | 51 | <8 | <2 | <2 | 64 | 5.1 | 11 | 3 | 26 | .41 | .186 | 8 | 7 | .30 | 627 | .01 | <3 | .81 | <.01 | .05 | <2 | 7.5 |
| SS-4 | 1 | 66 | 15 | 92 | <.3 | 4 | 9 | 1251 | 2.69 | 7 | <8 | <2 | <2 | 53 | .2 | <3 | <3 | 42 | 1.60 | .160 | 10 | 6 | .72 | 335 | .03 | 3 | .94 | .01 | .04 | <2 | 34.9 |
| SS-5 | 1 | 58 | 20 | 94 | <.3 | 5 | 10 | 1194 | 3.02 | 9 | <8 | <2 | 2 | 57 | <.2 | <3 | <3 | 47 | 1.80 | .180 | 10 | 7 | .67 | 268 | .02 | 4 | .92 | .01 | .03 | <2 | 20.7 |
| SS-6 | 1 | 80 | 13 | 80 | <.3 | 9 | 14 | 1112 | 3.28 | 14 | <8 | <2 | <2 | 61 | <.2 | 3 | <3 | 63 | 2.26 | .154 | 8 | 12 | 1.09 | 198 | .02 | <3 | 1.31 | .01 | .05 | <2 | 34.1 |
| SS-7 | 1 | 75 | 35 | 155 | <.3 | 9 | 11 | 1355 | 3.09 | 15 | <8 | <2 | <2 | 37 | .6 | <3 | <3 | 43 | .44 | .156 | 9 | 9 | .65 | 283 | .02 | 4 | .97 | .01 | .04 | 2 | 62.3 |
| SS-8 | 2 | 78 | 186 | 945 | 2.0 | 11 | 15 | 4197 | 4.40 | 53 | <8 | <2 | <2 | 63 | 6.0 | 11 | <3 | 28 | .40 | .175 | 7 | 7 | .33 | 560 | .01 | <3 | .81 | <.01 | .04 | <2 | 16.0 |
| SS-9 | 2 | 55 | 110 | 657 | 1.4 | 4 | 11 | 6086 | 2.81 | 22 | <8 | <2 | <2 | 259 | 5.6 | 4 | 3 | 13 | 1.69 | .190 | 6 | 2 | .22 | 451 | <.01 | 5 | .53 | <.01 | .05 | <2 | 7.0 |
| RE SS-9 | 2 | 54 | 103 | 648 | 1.3 | 4 | 11 | 5921 | 2.79 | 20 | <8 | <2 | <2 | 248 | 5.3 | 4 | <3 | 13 | 1.62 | .185 | 6 | 2 | .22 | 427 | <.01 | 5 | .51 | <.01 | .05 | <2 | 8.9 |
| SS-10 | 2 | 47 | 32 | 149 | <.3 | 6 | 11 | 3579 | 2.05 | 64 | <8 | <2 | <2 | 358 | 1.1 | 3 | <3 | 29 | 1.00 | .208 | 6 | 5 | .16 | 555 | <.01 | 3 | .46 | .01 | .04 | 2 | 7.1 |
| SS-11 | 3 | 57 | 88 | 369 | .9 | 17 | 11 | 3151 | 2.92 | 30 | <8 | <2 | <2 | 117 | 1.9 | 5 | <3 | 28 | .59 | .154 | 7 | 15 | .37 | 429 | .01 | 3 | .90 | <.01 | .05 | <2 | 4.4 |
| STANDARD DS2 | 14 | 127 | 32 | 156 | <.3 | 35 | 11 | 813 | 3.02 | 58 | 20 | <2 | 4 | 27 | 10.1 | 12 | 9 | 74 | .51 | .089 | 15 | 150 | .58 | 146 | .09 | 4 | 1.63 | .04 | .15 | 10 | 192.8 |

GROUP 10 - 0.50 GM SAMPLE LEACHED WITH 3 ML 2-2-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR, DILUTED TO 10 ML, ANALYSED BY ICP-ES.
 UPPER LIMITS - AG, AU, HG, W = 100 PPM; MO, CO, CD, SB, BI, TH, U & B = 2,000 PPM; CU, PB, ZN, NI, MN, AS, V, LA, CR = 10,000 PPM.
 - SAMPLE TYPE: SILT AU* BY ACID LEACHED, ANALYZE BY ICP-MS. (10 gm)
 Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: JUL 14 2000 DATE REPORT MAILED: *July 24/00* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

ASSAY CERTIFICATE



Yacoub, Fayz File # A002361R
6498 - 1288 St., Surrey BC V3W 9P4 Submitted by: Fayz Yacoub

| SAMPLE# | Au** oz/t | Au** oz/t |
|---------------|--------------|--------------|
| R-4 | .158 | .056 |
| R-6 | .165 | - |
| R-7 | .002 | - |
| R-16 | <.001 | - |
| R-17 | <.001 | - |
| R-18 | <.001 | - |
| R-22 | <.001 | - |
| R-23 | <.001 | - |
| RE R-23 | <.001 | - |
| STANDARD AU-1 | .106 | - |

GROUP 6 - PRECIOUS METALS BY FIRE ASSAY FROM 1 A.T. SAMPLE, ANALYSIS BY ICP-ES.
- SAMPLE TYPE: ROCK PULP
Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: SEP 15 2000 DATE REPORT MAILED: *Sept 25/00* SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

ACME ANALYTICAL LABORATORIES LTD.
(ISO 9002 Accredited Co.)

852 E. HASTINGS ST. VANCOUVER BC V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716



ASSAY CERTIFICATE



Yacoub, Fayz File # A002361R
649B - 128B St., Surrey BC V3W 9P4 Submitted by: Fayz Yacoub

SAMPLE#

Au** Au**
ppb ppb

| | | |
|---------------|------|------|
| R-4 | 5414 | 1920 |
| R-6 | 5647 | - |
| R-7 | 86 | - |
| R-16 | <2 | - |
| R-17 | 3 | - |
| R-18 | <2 | - |
| R-22 | <2 | - |
| R-23 | 21 | - |
| RE R-23 | 3 | - |
| STANDARD AU-1 | 3651 | - |

GROUP 6 - PRECIOUS METALS BY FIRE ASSAY FROM 1 A.T. SAMPLE, ANALYSIS BY ICP-ES.
- SAMPLE TYPE: ROCK PULP
Samples beginning 'RE' are Reruns and 'RRE' are Reject Reruns.

DATE RECEIVED: SEP 15 2000

DATE REPORT MAILED: *Sep 29/2000*

SIGNED BY: *[Signature]*

D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS