

DIAMOND DRILLING REPORT

on the

DAVIES BAY #1 MINERAL CLAIM

Tenure # 367495

RECEIVED

AUG 9 2004

Gold Commissioner's Office
VANCOUVER, B.C.

TEXADA ISLAND

BRITISH COLUMBIA

Longitude 124°23'55"/Latitude 49°36'05"
NTS: 92F/9W (92F.069)

Prepared for

LEHIGH NORTHWEST CEMENT LTD.

7777 Ross Road, P. O. Box 950

Delta, B.C., V4K 2S6

Prepared by

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May 21, 2004

Fieldwork completed between January 15 and May 15, 2004

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ILLUSTRATIONS and TABLES

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SUMMARY

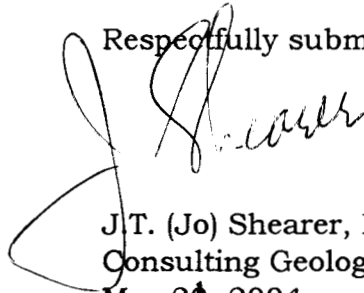
The Davies Bay #1 Mineral Claim lies adjacent on the west from Lot 573 (which is a mining lease and private land owned by Lehigh Northwest Cement). Together these two tracts of land cover a large part of the southern Davies Bay Limestone Belt.

In 1999, a series of 3 diamond drillholes were completed to compliment data gathered in the 1950's and 1960's and 1999, the core of which the core is no longer available for study. Three more holes were drilled in 2004. Total footage in the 2004 program was 174 ft. (53.04m)

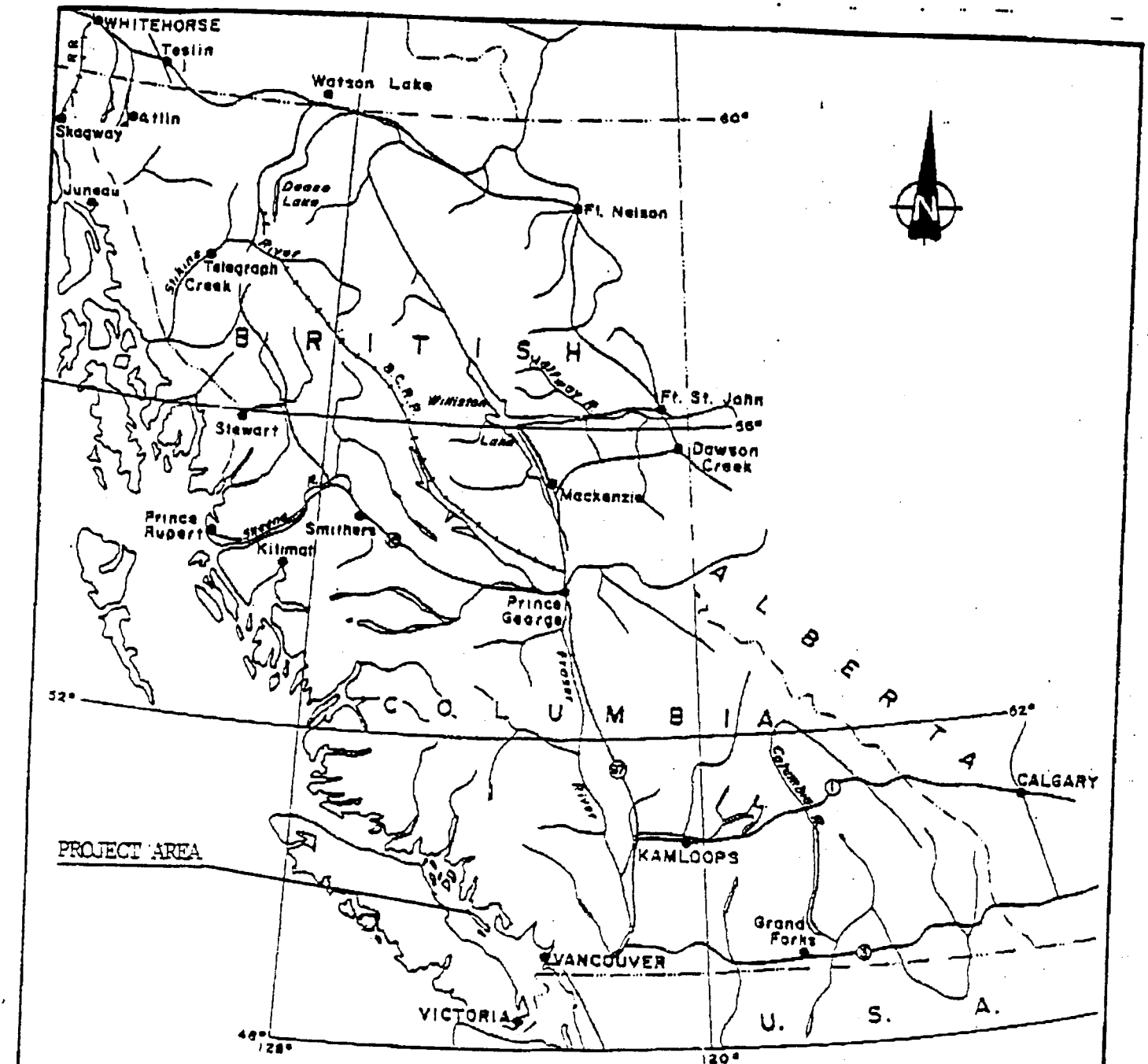
To the northwest, Lafarge holds a large block of ground, which has been investigated, in the early 1970's and 1980's.

The 2004 work indicates that fine-grained, high calcium limestone belonging to Upper Triassic Quatsino Formation was encountered to the relatively shallow depth drilled. The extent of the limestone unit from the surface exposures suggests that there is considerable greater thickness of limestone present beyond the limits tested by the 1999 and 2004 drillholes.

Respectfully submitted,



J.T. (Jo) Shearer, M.Sc., P.Geo.
Consulting Geologist
May 20, 2004



LOCATION MAP
OF

LEHIGH PORTLAND CEMENT	
DAVIES BAY #1 CLAIM	
LOCATION MAP	
WORK BY J. SHEARER, P. Geo	NTS: 92F/9W
DATE: Feb. 15, 2004	FIGURE 1



INTRODUCTION

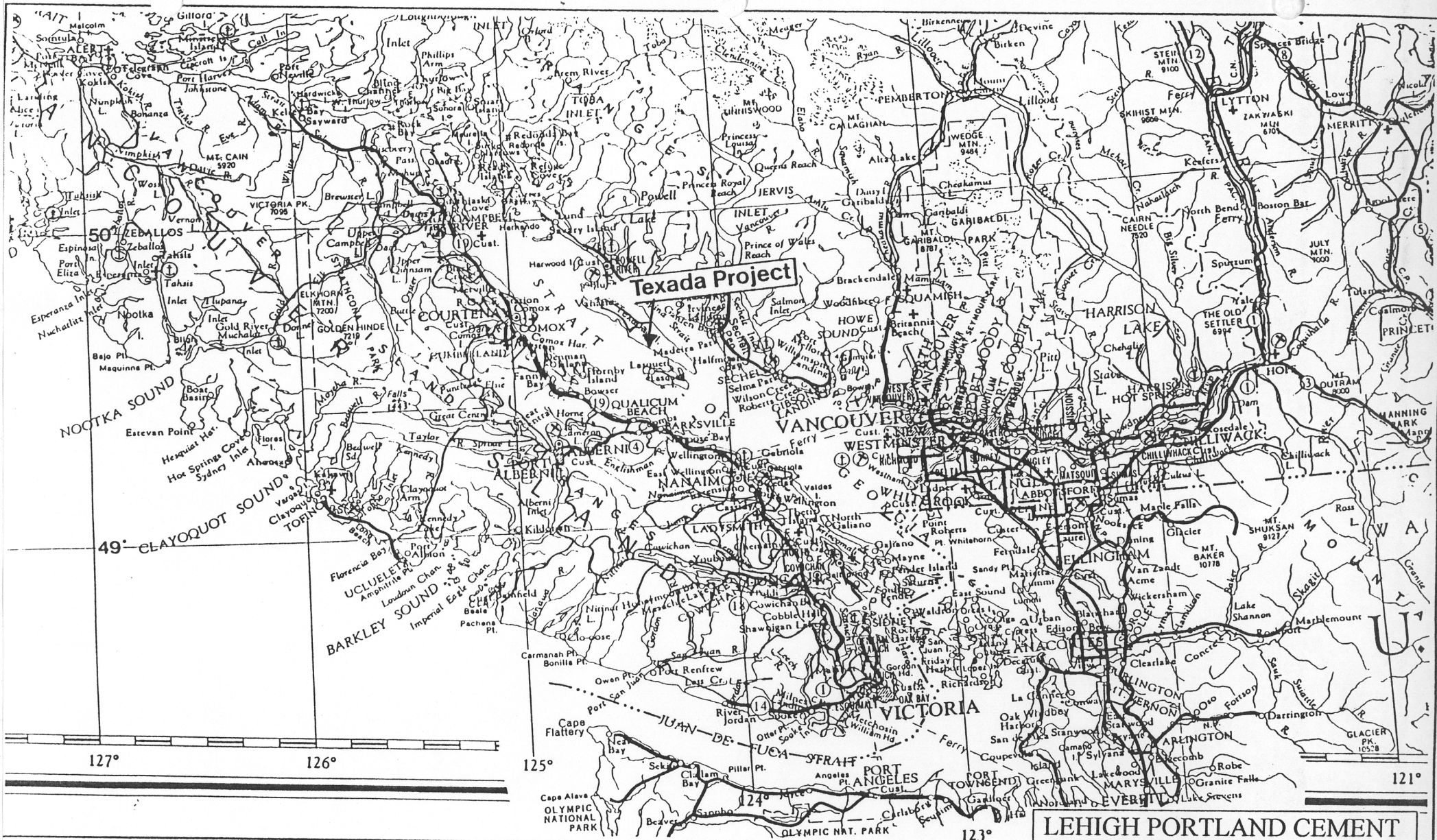
Limestone and dolomite are currently produced from a few locations throughout the province for a variety of uses. Most of the limestone production currently originates from Texada Island. The present program consisted of follow-up diamond drilling in the Davies Bay Area (southern belt) to compliment work done in the 1950's.

Most of the limestone consumed in cement manufacturing in British Columbia is quarried on northern Texada Island by Ashgrove Cement West Inc. (Blubber Bay Quarry) and Holnam West Materials Ltd. (formerly Ideal Cement Company Ltd. and now recently purchased by Lafarge). The two companies supply the cement plants of Tilbury Cement Ltd. in Delta, and Lafarge Canada Inc. in Richmond B.C. Both also supply their own cement plants in Washington and Oregon. Lafarge Canada operated a quarry on Texada Island up to 1986 and CBR operated the Grilse Point Quarry from 1926 to 1957. Generally high-calcium limestone is required for cement manufacturing, although some calcium limestone is also used. The higher silica and alumina contents found in some limestones may be useful for manufacturing cement but excessive amount of alkalis cannot be tolerated. Total alkalis ($\text{Na}_2\text{O} + 0.658 \times \text{K}_2\text{O}$) should be below 0.6 percent. Magnesia content commonly cannot exceed 3 percent (Fisch., 1992).

Lime manufacturing is another important use of limestone in the province. Texada Lime Ltd. produces lime (CaO) and Quicklime [$\text{Ca}(\text{OH})_2$] at a plant in Langley. The company is supplied with limestone from Texada Island. Limestone used for lime manufacture must be at least high-calcium in composition, with less than 2.5 percent MgO .

The pulp and paper industry is also a significant consumer of limestone in British Columbia. It was initially consumed by pulp mills using the acid sulphite process of manufacturing pulp from wood chips. About half the mills now use the sulphate (kraft) process, while the remaining half use mechanical processes. The sulphate process has gained wide acceptance over the years, because it produces a stronger pulp more economically. Pulp mills using this method require lime (CaO) to recover the caustic soda (NaOH) used in the sulphate process. Most mills calcine their own limestone on site to produce the required lime. The various mechanical processes presently used by half the mills do not require lime or limestone. Kraft and mechanical processing are expected to maintain their relative importance in the local pulp industry in the near future. Kraft mills situated on or near the coast are currently supplied by Texada Island. Limestone from Texada Island has been shipped to mills along the Pacific Coast from Alaska to northern California.

A small amount of carbonate rock quarried in the province is crushed and ground for a variety of uses such as fillers and extenders in paints and plastics, as chips and granules for architectural and decorative purposes, and in the manufacture of glass. Imperial Limestone and Holnam West Materials each produce white limestone from two quarries on northern Texada island, largely for export to Washinton State. Limestone and dolomite for use in most fillers and extenders must have a brightness in excess of 85 percent (ideally 95 to 96 percent dry brightness in blue light), low iron contents and no silicates. Glass manufacturers require limestone with no more that 0.10 percent Fe_2O_3 . Excessive iron causes a greenish discoloration in glass.



N.T.S. 92F/5

LOCATION MAP
 0 20 40 60 km

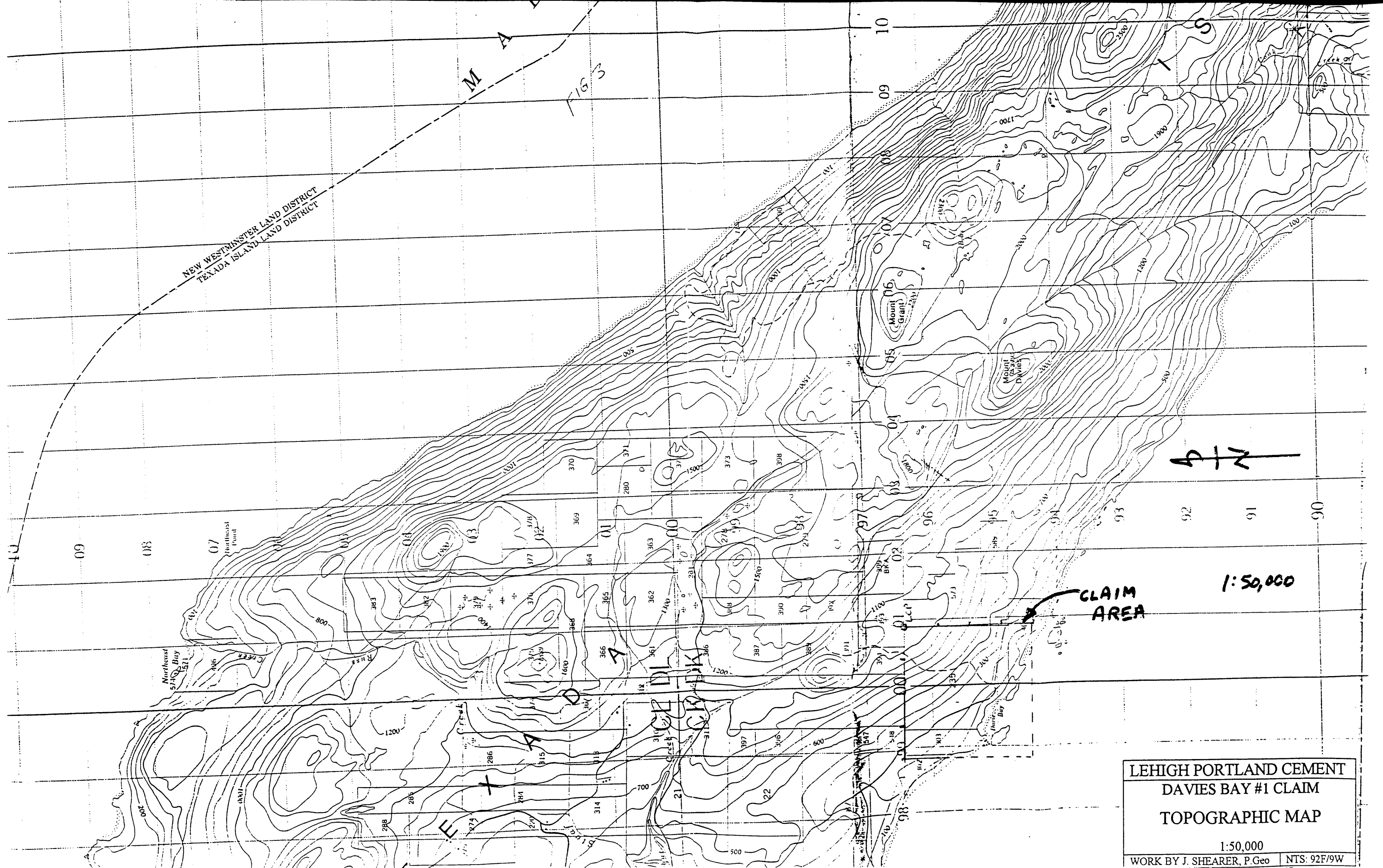
Scale: 1:1,900,800

**LEHIGH PORTLAND CEMENT
 DAVIES BAY #1 CLAIM
 ACCESS MAP**

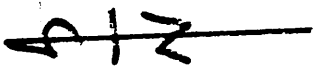
WORK BY J. SHEARER, P.Geo	NTS: 92F/9W
DATE: Feb. 15, 2004	FIGURE 2

Fig 2

The consumption of limestone and dolomite is expected to increase in a number of areas in the near future. The province's mining industry will be relying more on limestone to control acid rock drainage and to neutralize waste cyanide used in the treatment of gold ores. The pulp and paper industry is expected to consume increasing amounts especially with the recent construction of new mills in northern Alberta, some of which will require limestone. In addition to pulp manufacturing, limestone is also used as a coater and filler in paper, where alkali processes are employed. Alkali processing of pulp for paper manufacturing in Europe is quite common. North American paper producers have been slow to switch to alkali processes but is scope for development in this market for white limestone. Limestone is currently used as a filler and coater in fine paper but production is comparatively small in British Columbia and the Pacific Northwest, because of the limited market for the product. The increasing use of precipitated calcium carbonate (PCC) in paper manufacturing may also limit this market for white limestone (Fischl, 1992).



NEW WESTMINSTER LAND DISTRICT
TEXADA ISLAND LAND DISTRICT



1:50,000

CLAIM AREA

LEHIGH PORTLAND CEMENT
DAVIES BAY #1 CLAIM
TOPOGRAPHIC MAP
1:50,000
WORK BY J. SHEARER, P.Geo NTS: 92F/9W

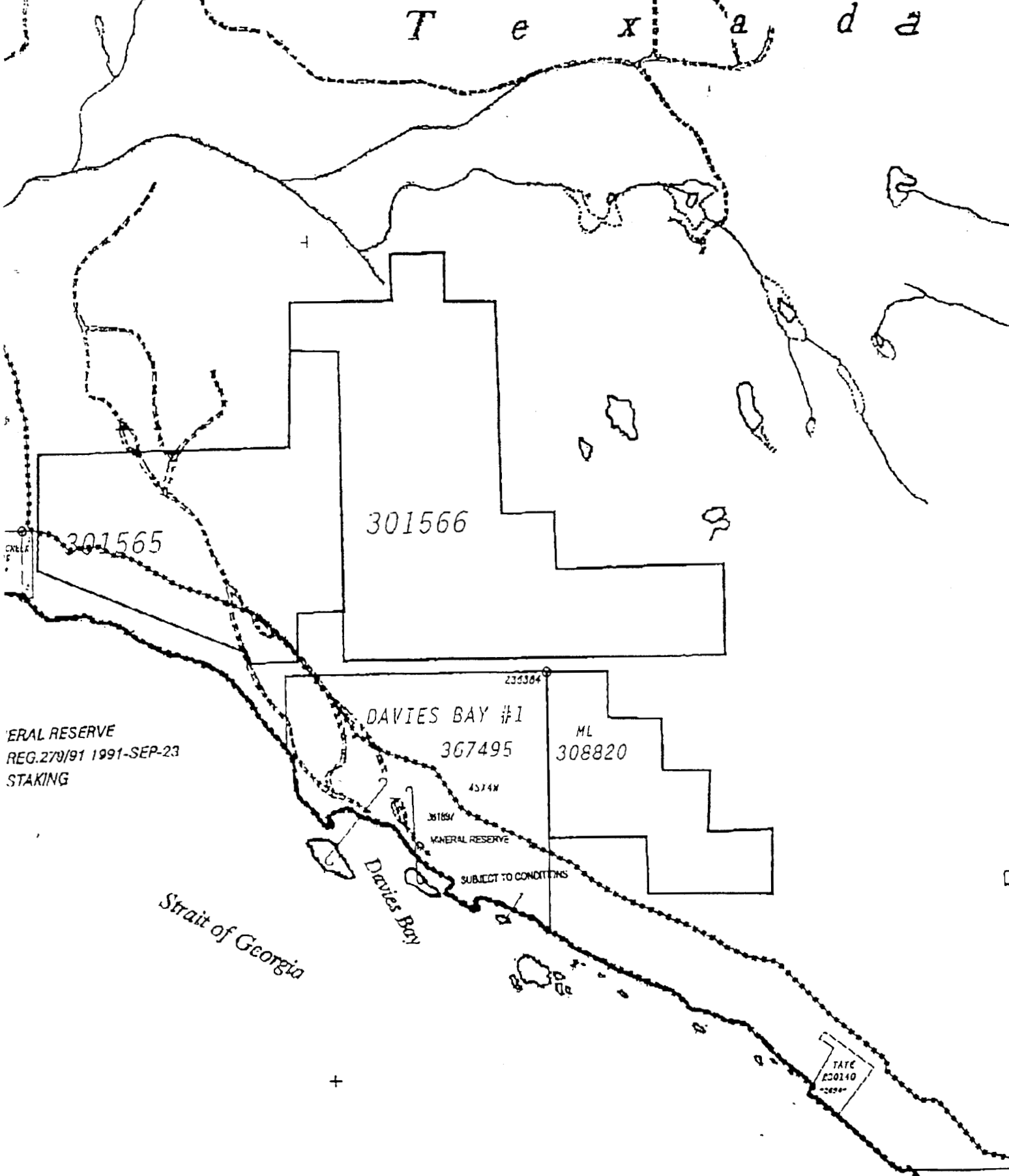
FIGURE 3

LOCATION and ACCESS

A north-westerly-trending belt of limestone, 6.4 km long and as much as 1.5 km wide, exists near the west coast of Texada Island in the vicinity of Mouat (Lower Gillies) and Davies (Davie) Bays. It lies 10 to 15 miles south-east of Vananda, the nearest regular port of call for coastal steamers. Mouat Bay can be reached by paved road from Vananda and a good "Hydro"-logging road exists between Mouat Bay and Davies Bay, a distance of 4 km.

Mouat Bay has an exposed and shelving shore, and although the hulk of the old Canadian Pacific steamer "Princess Beatrice" has been beached there to serve as a breakwater for booming operations, no suitable shelter exists for tugs and scows. Davies Bay is well sheltered and though of limited size, is suitable for tugs and scows, if not for larger vessels. Lehigh Portland Cement Ltd. owns the lot around Davies Bay.

T e x a s



ERAL RESERVE
REG.270/91 1991-SEP-23
STAKING

DAVIES BAY #1
367495

ML
308820

Strait of Georgia

Davies Bay

MINERAL RESERVE
SUBJECT TO CONDITIONS

TATE
E20140

LEHIGH PORTLAND CEMENT	
DAVIES BAY #1 CLAIM	
CLAIM MAP	
1:31280	Figure A
WORK BY J. SHEARER, P.Geo	NTS: 92F/9W
DATE: 11-15-2004	

CLAIM STATUS

The south end of the Davies Bay Limestone Deposit is covered by the following claims and mining lease shown on Figure 3.

TABLE I
LIST of CLAIMS

Claim Name	Tenure Number	Size	Units	* Current Anniversary Date
Davies Bay #1	367495	4Sx4W	16	December 30, 2014
Mining Lease Lot 573	308820	130.31 hectares		Yearly Rental Fee Payable

* on application of assessment work documented in this report.

The mineral claim Davies Bay #1 also covers land lot 235 which is owned (surface rights) by Lehigh Northwest Cement. Each claim unit is 25 hectares.

Under the present status of mineral claims in British Columbia, the consideration of industrial minerals requires careful designation of the products end use. An industrial mineral is a rock or naturally occurring substance that can be mined and processed for its unique qualities and used for industrial purposes (as defined in the *Mineral Tenure Act*). It does not include "Quarry Resources". Quarry Resources includes earth, soil, marl, peat, sand and gravel, and rock, rip-rap and stone products that are used for construction purposes (as defined in the *Land Act*). Construction means the use of rick or other natural substances for roads, buildings, berms, breakwaters, runways, rip-rap and fills and includes crushed rock. Dimension stone means any rock or stone product that is cut or split on two or more sides, but does not include crushed rock.

The apparent expected end use of the CaCO₃ resource (that of supporting a cement plant raw materials) from Davies Bay Project of Lehigh Northwest Cement Ltd., comes within the Industrial Use definition and therefore can be considered under the *Mineral Tenure Act*. Claims require \$100 of assessment work per unit (or cash-in-lieu) each of the first three years and \$200 per unit each year after.

FIELD PROCEDURES

Field orientation was started by using a Transit and chain to pick up survey monuments near the LCP of Davies Bay #1 and bring survey control down into the drilling area. Results were plotted on a new 1:5,000 scale topographic compilation constructed during preliminary quarry design. Lines were cut using a chainsaw along angles provided by the transit points on the cut claim-survey line. The drill used was a Packwireline machine capable of drilling in excess of 100m in dense limestone. The core was consumed in chemical and physical testing.

HISTORY

Discovered and named in 1791 by Spanish explorers, Texada Island was soon used by the whaling industry. In 1876 a whaler named Harry Trim discovered iron ore which precipitated the boon of exploration on Texada. In 1886 the first iron mine was opened, in 1890 copper was found and in 1898 copper and gold were mined at Marble Bay. Captain Sturt purchased the first lot in Van Anda in 1878 and by 1898 Van Anda had become a boom town.

Mining activity on Texada Island dates back to the turn of the century when several small mines were in operation in and around the town of Vananda near the north end of the Island. From these old producers, approximately 75,000 ounces of gold, 500,000 ounces of silver and 19,000,000 pounds of copper were recovered. The larger of these mines being the Marble Bay Mine, the Little Billie Mine, the Cornell Mine and the Copper Queen Mine. Several kilometres to the south, near the town of Gilles Bay, Texada Mines Ltd. operated a large underground and open pit mine at Welcome Bay between 1952 and 1976. Over 20 million tones of ore was mined yielding iron and copper concentrates and approximately 35,000 ounces of gold. At present there are three open pit limestone quarries in operation at the north end of the Island.

The Davies Bay Limestone deposit comprises the southern limestone belt, which extends northwestward for 6.4 kilometres, parallel to the adjacent west coast of Texada Island between Davies Bay and Mouat Bay.. The belt has a maximum exposed width of 1600 metres. The limestone dips southwest, with underlying basaltic flows of the Karmutsen Formation outcropping along the northeast margin of the belt. To the southwest the limestone is in fault contact with the Karmutsen volcanics. The unit possibly up to 300 metres thick.

Diamond drilling on the Paul claim group in 1973 and 1974 (Savelieff, 1974) intersected limestone frequently cut by calcite veins. In places tiny dolomite crystals are disseminated in the limestone. On lot 25 high-calcium limestone is interbedded with magnesian limestone.

B.C. Cement Co. (Ltd. (now part of Lehigh Northwest Cement) initially carried out some exploration work near the south end of the deposit in the 1950's. Lafarge Canada Inc. drilled 31 holes on the north end of the deposit, near Mouat Bay, in 1973 and 1974. The company conducted a total field magnetometer survey over the area of drilling in 1985 (Lavaque, 1986) to test for the presence of dykes within the limestone.

No production has taken place on the Davies Bay Deposit either by Lafarge or CBR.

GEOLOGY

The Quatsino Formation contains the most significant limestone resources situated on or near tidewater along the British Columbia coast. The formation was named for the extensive outcrops of limestone of Late Triassic age occurring on Quatsino Sound on northern Vancouver Island. Similar limestone on Texada Island, previously referred to as Marble Bay Formation, is included with the Quatsino Formation. On southern Vancouver Island most Upper Triassic limestones were initially mapped as the Sutton Limestone. These have also been incorporated into the Quatsino Formation. The Sutton Limestone is now restricted to the latest Triassic limestone member of the Parsons Bay Formation.

The Quatsino Formation is conformably underlain by basalts and andesites of the Karmutsen Formation. In places these volcanic rocks are intercalated with the limestone, such as in the Cowichan Lake area on southern Vancouver Island. The Quatsino Limestone grades upward into thinly bedded black limestone and black calcareous argillite of the Parsons Bay Formation.

Two large masses of Quatsino Limestone, referred to as the northern and southern belts, outcrop on Texada Island. The northern belt, with a strike length of 13 kilometres and up to 3 kilometres wide, extends from the north end of the Island south towards Gilles Bay. It is preserved along the axis of a broad north-westerly plunging syncline that is complicated by subsidiary folds. The southern belt (Davies Bay deposit) trends northward along the west coast of the Island for 6 kilometres within a tilted fault block.

The Quatsino Formation is composed largely of massive to thickly bedded, fine-grained (microtic), black to light grey, bluish grey weathering limestone. The rock is predominantly calcium to high calcium in composition. Silica contamination, in the form of chert nodules and beds, is fairly common. The limestone in the northern belt can be separated into three members, each at least 100 metres thick, based on composition (Mathews, 1947; Mathews and McCammon, 1957). The lower member is composed exclusively of high calcium limestone is overlain by a middle member of generally calcium limestone, which is in turn overlain by an upper member of magnesian limestone.

Stratification has not been found in the Davies Bay Limestone belt. Direct evidence of its relationship to the surrounding volcanic rocks of the Karmutsen Formation can not be determined. In view of similarity of this limestone in appearance and composition to the limestone on the northern part of Texada Island, it may be with little doubt, be referred to the Quatsino Formation overlying the Karmutsen Group. The volcanic rocks exposed along the shore to the southeast of the limestone belt strike easterly at a marked angle to the concealed limestone-volcanics contact. The limestone in this part appears, therefore, to be in a faulted relationship with the Karmutsen Formation to the west. Along the north-eastern edge and at the northern end of the limestone belt, however, the main limestone body appears to be in conformable relationship with the volcanics, for at several places a bed of limestone a few feet across has been found in the Karmutsen Formation paralleling the contact with the main limestone body (figure 4). The limestone body appears, therefore, to be a south-westerly dipping block of the Quatsino Formation bounded on the west by a fault. A possible southerly plunging fold is indicated at the north end of the belt by the form of the contact. The high-grade limestone of the lower part of the Quatsino Formation should, therefore, occur along the eastern edge of the belt. The angle of the dip and the thickness of limestone in the

belt have not been determined, but calcium limestone similar to that in the second member of the Quatsino Formation farther north occupies the south-western half of the belt, hence possibly 300m of limestone may be present in some parts.

No dykes have been observed in the limestone and very few in the volcanics exposed along the shore between Mouat and Davies Bays.

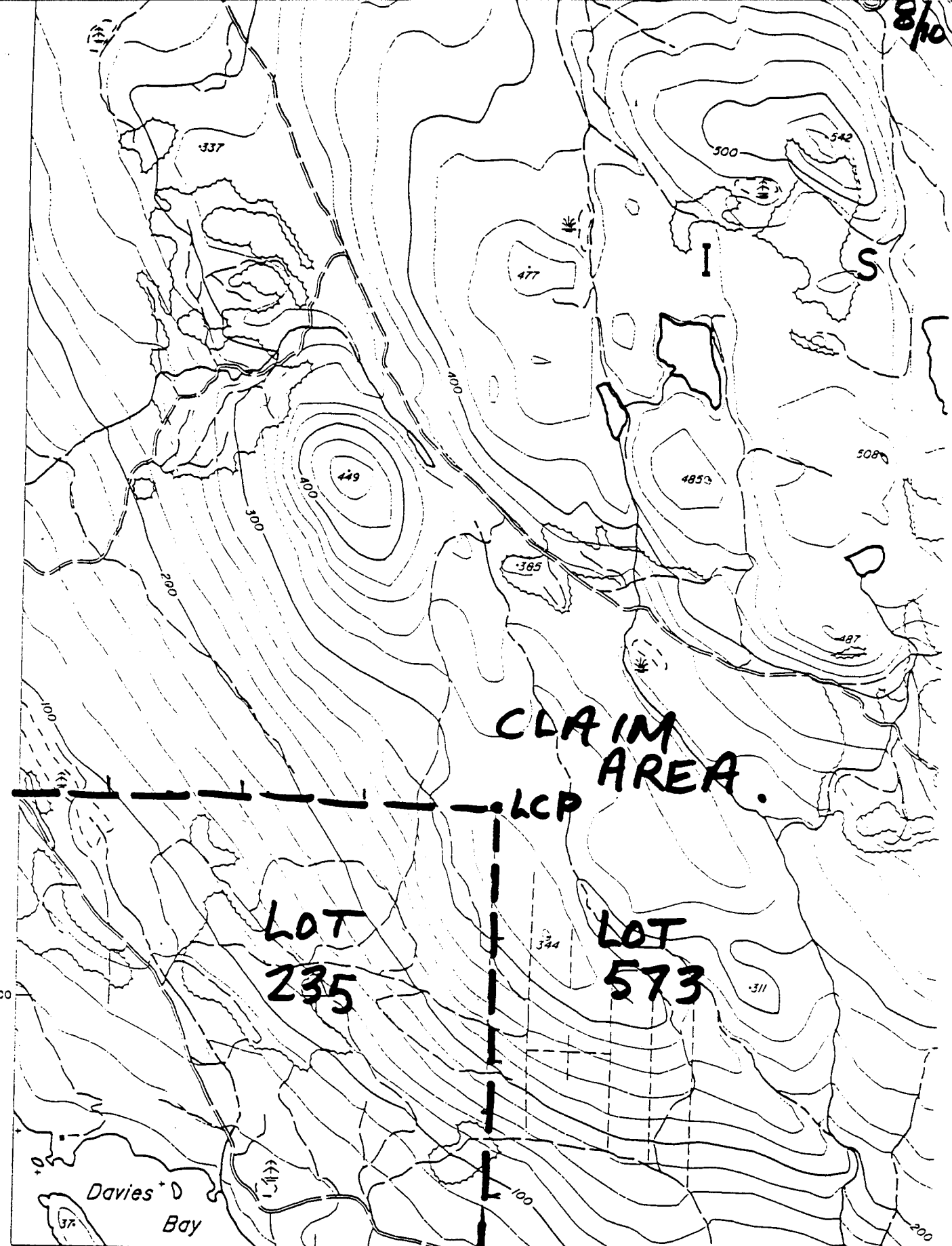
Overburden is extensive in the western part of the limestone belt and its depth along the eastern shore of Mouat Bay may exceed 150 feet. In most parts of the higher and more steeply sloping eastern half of the limestone belt overburden is thin or missing. The projection of the eastern contact of the limestone belt under local cover of drift in the central part of Lot 395 is marked by a series of conical pits as much as 100 feet wide and 40 feet deep where unconsolidated debris has apparently fallen through a central aperture into an underlying chamber, presumably in the limestone or along the limestone-volcanics contact. It is reported that prospectors once found one of these chambers accessible and descended into it in an unsuccessful search for ore, but so far as is known none of the chambers can now be reached.

Analyses - Samples, each composed of chips taken at 25 foot intervals along a line 250 feet long, obtained from the southern end of the limestone belt (see figure 5), have the following analyses (from Mathews, 1947):

TABLE II
Limestone Analyses from Davies Bay Deposit

Distance from:	Insol.	R ₂ O ₃	Fe ₂ O ₃	MnO	MgO	CaO	P ₂ O ₃	@	Ig. Loss.	H ₂ O
South-western edge of exposure										
0-250 ft	0.40	0.20	0.25	0.009	3.52	51.08	0.017	0.04	44.42	0.13
250-500 ft	0.20	0.01	0.13	0.004	3.66	51.38	0.093	0.03	44.54	0.08
500-650 ft	0.24	0.11	0.16	0.006	3.14	51.59	0.046	0.03	44.56	0.10
Drift-covered area from about 500 ft wide										
North-eastern edge of exposure										
1200-1000 ft	0.24	0.42	0.11	0.006	1.70	53.38	0.011	0.06	43.96	0.07
1000-750 ft	0.18	0.10	0.07	0.004	1.00	54.45	0.010	0.03	43.93	0.07
750-500 ft	0.30	0.19	0.06	0.003	1.22	54.45	0.013	0.04	43.88	0.05
500-250 ft	0.30	0.06	0.07	0.006	2.98	52.31	0.028	0.03	44.32	0.13
250-0 ft	0.42	0.12	0.10	0.006	0.74	54.35	0.014	0.03	43.91	0.04
Contact with Karmutsen Formation										

8/10



CLAIM AREA.

LCP

LOT 235

LOT 573

5496000

Davies Bay

49° 36' 00"
124° 24' 00"

1:20,000

1:20,000

PROVINCE OF BRITISH COLUMBIA
Ministry of Environment, Lands, Parks
Surveys and Resource Mapping

92F.069

Universal Transverse
North American
UTM Zone

LEHIGH PORTLAND CEMENT

DAVIES BAY #1 CLAIM

TRIM MAP

WORK BY J. SHEARER, P.Geo

NTS: 92F/9W

DATE: Feb. 15, 2004

FIGURE 6

DIAMOND DRILLING

A total of 7 holes were drilled in the 1999 program as summarized in Table III.

TABLE III

Drill Hole Data

	Dip/Angle	Depth	Location Easting	Location Northing
DB04-1	-90	68'	399748	5496304
DB04-2	-90	48'	399545	5496208
DB04-3	-90	58'	400071	5496587

Total 178 ft = 53.04m

The locations of the three holes completed in 2004 are plotted on Figure 7.

The main rock type encountered in the drilling program is dominated by equant grains of calcite averaging 0.02mm in grain size, with about 10% coarser grained and patches averaging 0.05-0.1mm in size and few, mainly elongated grains from 0.3-1.3mm in length. A very few patches up to 0.4mm across consist of extremely fine-grained calcite. Drill logs are contained in Appendix III.

Hole DB04-1 was positioned within an area of extensive outcrop of dense grey limestone that had been recently logged. The hole encountered medium grey fine-grained limestone varying from dark grey to relatively light grey in colour. Irregular white calcite veinlets dominate over stylolitic fractures. Brecciation is common over short intervals.

Hole DB04-2 encountered medium grey limestone cut by numerous white calcite stringers. Banding of the sequence was at 30° to 40° to core axis.

Hole DB04-3 intersected light to medium grey fine-grained to dense limestone with pronounced marbled texture accompanied by well developed stylolitic solution fractures.

Interestingly, no hole encountered any igneous dyke material although some small dykes were observed close to the collars of DB99-1. Possibly a magnetometer survey, as was conducted on the adjacent property (Lavaque, 1986) may be helpful in defining the density of dykes present.

CONCLUSIONS and RECOMMENDATIONS

Most of the limestone production currently mined in British Columbia originates from Texada Island. The Quatsino Formation contains the most significant limestone resources situated on or near tidewater along the British Columbia coast.

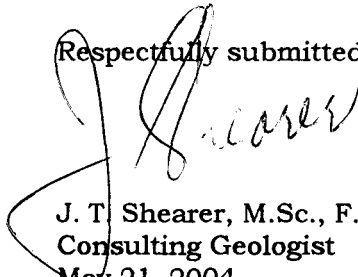
The Quatsino Formation is a thick carbonate sequence conformably underlain by basalts and andesites of the Lower Triassic Karmutsen Formation. In places these volcanic rocks are intercalated with limestone. The Quatsino Formation is composed largely of massive to thickly bedded, fine-grained (microtic), black to light grey, bluish grey weathering limestone. The rock is predominantly calcium to high calcium in composition. Silica contamination, in the form of chert nodules and beds, is fairly common.

The deposit drilled in this study comprises the south part of the southern limestone belt, which extends northwestward for 6.4 kilometres, parallel to the adjacent west coast of Texada Island between Davies Bay and Mouat Bay. The belt has a maximum exposed width of 1600 metres. The limestone dips southwest, with underlying basaltic flows of Karmutsen Formation outcropping along the northeast margin of the belt. To the southwest the limestone is in fault contact with the Karmutsen volcanics. The unit is possibly up to 300 metres thick.

A short 7 hole program of diamond drilling was completed in 1999 for a total of 1060 fr (323.1m). Assaying and physical tests are ongoing at the CBR research facility in Delta, B.C.

A program of continuing diamond drilling on a 50m square grid of 100m holes along the lower part of the ridge is recommended to confirm the uniformity of the CaCO_3 resource at depth. Encouraging results from the diamond drilling could lead to quarry development from the continuation to the south of the top bench.

Respectfully submitted



J. T. Shearer, M.Sc., F.G.A.C., P.Geo.
Consulting Geologist
May 21, 2004

COST ESTIMATE for FUTURE WORK

Continued drilling will require minor road building. The diamond drilling contractor needs some sort of road access to the lower part of the ridge from the existing drill area. To proceed with a 10,000 ton bulk sample, getting approval to put in a tote trail for drill access should be done in 2005.

Geological Mapping & Drill Supervision

Senior Geologist, 8 days @ \$350	\$ 2,800.00
Core Splitter/Assistant, 8 days @ \$200	1,600.00
GST	<u>308.00</u>
Subtotal	\$ 4,708.00

Diamond Drilling of 10 Holes @ 100m Depth Each:

Footage price	\$19.50 x 3000	\$60,000.00
Mob/demob		1,800.00
Standby/machine time (if required) Field costs		zero
Moving	Field costs	3,000.00 or
less		
Meals/Accommodations		At Contractor's Expense
Set up	Field costs	<u>3,000.00</u> or
less		
	Subtotal	\$19,500.00

Dozer time in moves/road access

Road - 8 hrs @ \$85	\$ 680.00
Moves - 6 hrs @ \$85	<u>510.00</u>

Diamond Drilling Subtotal \$20,690.00

Environmental Survey & Report	\$ 5,000.00
Application & Preparation of required reports & documents for Mine Development Certificate	6,000.00
Tote Road Preparation	10,000.00
Bulk Sample Mining & Crushing 10,000 tons + Loadout	45,000.00
Trucking Sample to Loadout	35,000.00
Final Report Preparation	<u>4,000.00</u>

TOTAL \$178,698.00

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British Columbia, for Lehigh Portland Cement Ltd., February 15, 2000, 16pp.

APPENDIX I

STATEMENT OF QUALIFICATIONS

J. T. SHEARER, M.Sc., F.G.A.C., P.Geo.

May 21, 2004

Appendix I

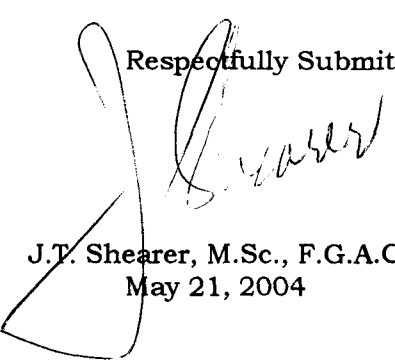
STATEMENT OF QUALIFICATIONS

I, Johan T. Shearer of 1817 Greenmount Avenue, in the City of Port Coquitlam, in the Province of British Columbia, do hereby certify:

1. I graduated in Honours Geology (B.Sc., 1973) from the University of British Columbia and the University of London, Imperial College, (M.Sc. 1977).
2. I have practiced my profession as an Exploration Geologist continuously since graduation and have been employed by such mining companies as McIntyre Mines Ltd., J.C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd. I am presently employed by Homegold Resources Ltd.
3. I am a fellow of the Geological Association of Canada (Fellow No. F439). I am also a member of the Canadian Institute of Mining and Metallurgy, and the Geological Society of London. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo., Member Number 19,279).
4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. at Unit #5 2330 Tyner Street, Port Coquitlam, British Columbia.
5. I am the author of the report entitled "Diamond Drilling Report on the Davies Bay #1 Mineral Claim" dated May 21, 2004.
6. I have visited the property in 1999 and supervised the line-cutting and drilling program in February, April 1999 and February 2004. I have toured and studied the operating Limestone Quarries on Texada since 1980. I am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the Davies Bay Property by examining in detail the available reports, plans and sections, and have discussed previous work with persons knowledgeable of the area.
7. I do not own or expect to receive an interest (direct, indirect or contingent) in the property described herein or in the shares of Lehigh Northwest Cement Ltd.

Dated at Port Coquitlam, British Columbia, this 21st day of May, 2004.

Respectfully Submitted



J.T. Shearer, M.Sc., F.G.A.C., P.Geo.
May 21, 2004

APPENDIX II

STATEMENT OF COSTS

May 21, 2004

STATEMENT of COSTS

DAVIES BAY #1 CLAIM

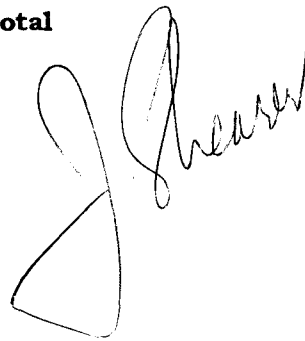
2004

Wages and Benefits

J.T. Shearer, M.Sc., P.Geo., Core logging, Supervision of Program 5 days @ \$400, Feb. 8-10, 19 & 20	\$ 2,000.00
R. J. Savelieff, Layout of Holes, Supervision of Drilling 5 days @ \$300, January & February	<u>1,500.00</u>
	\$ 3,500.00
GST	<u>245.50</u>
Subtotal Wages	\$ 3,745.00

Transportation

Truck Rental, Fully equipped 4x4 5 days @ \$60	300.00
Gas	80.00
ATV Rental	287.74
Accommodation, 10 man days @ \$80/day	800.00
Meals & Food Supplies	320.00
Drill Construction (Shelter Point Enterprises Ltd.)	2,596.00
Contract Diamond Drilling (Advance Drilling) 176.52 feet of core in 3 holes @ \$18.75/ft.	3,600.00
Mob & Demob of Drill	770.66
Consumables, oil/grease, core boxes, field time, labour	2,369.89
Water Truck	595.68
Contract Core Sawing, \$2/ft.	383.99
Road Construction	397.94
Process Research Labs, Bond Testing & Pulverizing	1,940.58
Report Preparation	466.66
Word Processing and Reproduction	<u>133.33</u>
Subtotal	15,042.47
Total	\$ 18,787.47



APPENDIX III

Drill Logs

May 21, 2004

LEHIGH NORTHWEST CEMENT

Lehigh South Project, Texada Island

SECTION: Lehigh South

Diamond Drill Log

DDH#: DB-04-02

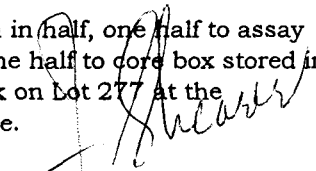
Northing: 5496208
 Easting: 399545
 Elevation: ?
 Azimuth: 000
 Inclination: -90
 Grid: Davie Bay
 Length (m): 14.63m (48')
 Core size: NQ
 Contractor: Advanced Drilling
 Drill Type: Tracked Rig

Drill Hole survey
 Method: _____
 Azimuth Dip Depth

000	-90	Collar

Property: Davie Bay
 NTS: 92F/9
 Claim: Davie Bay
 Date Started: Feb. 16, 2004
 Date Completed: Feb. 16, 2004
 Logged by: J.T. Shearer,
 M.Sc., P.Geo.

Core sawn in half, one half to assay sample, one half to core box stored in core shack on Lot 277 at the Farmhouse.



Purpose: Follow-up Diamond Drilling at Davie Bay

from (m)	to (m)	Description	from/to	width (m)	CaO %
0.00	4.27 (14')	OVERBURDEN: boulders of coarse crystalline diorite and granite			
4.27 (14')	14.63 (48')	LIMESTONE: medium grey, varigated, network of white veinlets and gash veinlets Often stylolites form the boundaries of the white veinlets, thin dark insolubles commonly associated with stylolites White veinlets at 8.94m (29'4") are at 41° to core axis Relatively uniform network to 14.63m (48' E.O.H.) Minor insitu brecciation, complex stylolites common Dark fragment at 14.48m (47'6")			
		End of Hole 14.63m (48 feet)			

LEHIGH NORTHWEST CEMENT

Lehigh South Project, Texada Island

SECTION: Lehigh South

Diamond Drill Log

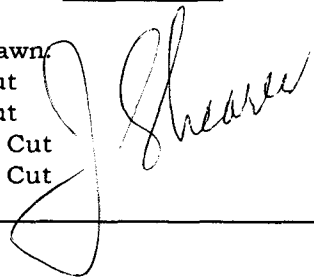
DDH#: DB-04-3

Northing: 5496587
 Easting: 400071
 Elevation: 8.53m (38')
 Azimuth: 000
 Inclination: -90
 Grid: Davie Bay
 Length (m): 17.68m (58')
 Core size: NQ
 Contractor: Advanced Drilling
 Drill Type: Tracked Rig

Drill Hole survey		
Method: _____		
Azimuth	Dip	Depth
000	-90	Collar

Property: Davie Bay
 NTS: 92F
 Claim: Davie Bay
 Date Started: Feb. 9, 2004
 Date Completed: Feb 10, 2004
 Logged by: J.T. Shearer,
 M.Sc., P.Geo.

Samples Sawed:
 28'-35'? Cut
 35'-37'? Cut
 45'-53' Not Cut
 57'-68' Not Cut



Purpose: Follow-up Diamond Drilling at Davie Bay

from (m)	to (m)	Description	from/to	width (m)	CaO %
0.00	8.53 (28')	OVERBURDEN: rubble core of diorite and dyke boulders			
8.53 (28')	11.28 (37')	LIMESTONE: some limestone breccia at 10.16m (33'4") at 46° to core axis, light to medium grey Red gouge fractures Gradational lower contact, gradually becoming more siliceous			
11.28 (37')	11.58 (39')	ALTERED ZONE: 3 Highly altered carbonatized volcanics, relatively soft			
11.58 (39')	12.73 (41'9")	ALTERED LIMESTONE: very heavy iron oxide staining, red stain, medium grey matrix			
12.73 (41'9")	14.76 (48'5")	CARBONATE-SILICA ZONE: prominent banding at 54° to core axis Abundant slickensides			
14.76 (48'5")	16.67 (55')	HEMATITE ZONE: probable Karmutsen Volcanics, highly oxidized Red gouge to 15.06m (45'9"), thin patchy hematite in carbonate and sericite Very gougy			
16.67 (55')	17.68 (58')	QUARTZ-CARBONATE ZONE: soft, yellowish colour, fine grained No soft red gouge			
End of Hole 17.68m (58 feet)					

399000 E

400000 E

401000 E



Lehigh Northwest
Cement Limited

Davie Bay 2004
Diamond Drill Program

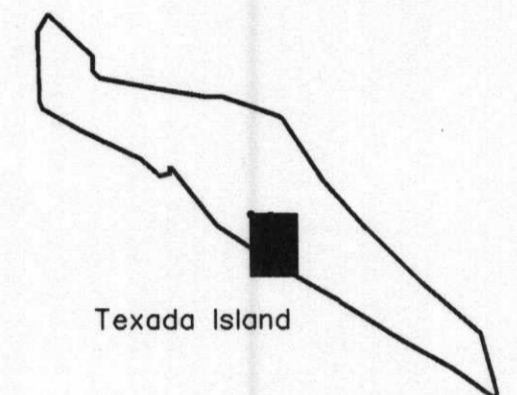
Lot 235
Texada Island

1:5000



CONTOUR INTERVAL : 5 METERS

Location Map

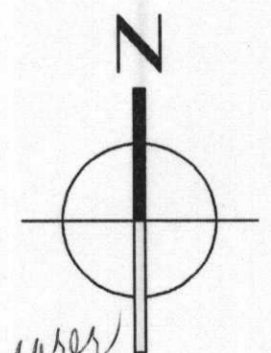


Texada Island

Job Number: 04230

Legend

- Diamond Drill Hole 2004
- 330- Contour Index
- Contour Intermediate
- Creek
- Bridge
- Road
- Road Secondary
- Trail
- Swamp
- Wooded Area
- Lone Tree
- Gravel Pit
- Marsh
- Opening
- Power Line
- Legal Boundary



5495000 N

5495000 N

Davie Bay

J. Shearer
AERO GEOMETRICS LTD.
 PHOTOGRAMMETRIC SERVICES
 *209 837 West Hastings St.
 Vancouver, B.C. V8C 3N6
 Telephone: (604) 408-8740
 Facsimile: (604) 408-8747

399000 E

400000 E

401000 E