

WESTERVELT ENGINEERING LTD.

MT. SKUKUM Au-Ag PROJECT

ZONE LOCATION MAP

MAIN CIRQUE AREA

Scale 1:10000

008823

Another anomalous zone occurs on the CHIEF claims, where veins have not been located yet, but where 45 soil samples, collected over an 1,100 m area, averaged 206 ppb Au, with a high of 2,620 ppb Au.

The WOOF claims, located to the south of the KUKU claims, between Skukum and Berney Creeks, were examined by geological mapping, and rock and soil sampling in 1983. A 1:10,000 scale orthophoto base was produced. Nineteen rock samples, mainly from quartz-calcite veining along the Berney Creek Fracture, did not contain significant gold values, although some anomalous copper values were present. Similarly, 94 soil/talus fine samples returned low and erratically distributed gold values.

General geological information and drill results from the Mt. Skukum property were released to the public in May, 1984: "The discovery resulted from regional grass roots exploration programs. Geochemical anomalies defined in 1980 were followed up by surface work in 1981 and by diamond drilling in both 1982 and 1983. To date 7866 meters of drilling in 69 holes have been completed on the property.

Five separate zones of gold-silver mineralization have been identified and drill testing has been carried out on two of these, the Main and Lake Zones" (see Figure 1). "In addition other structures and geochemical anomalies remain to be tested.

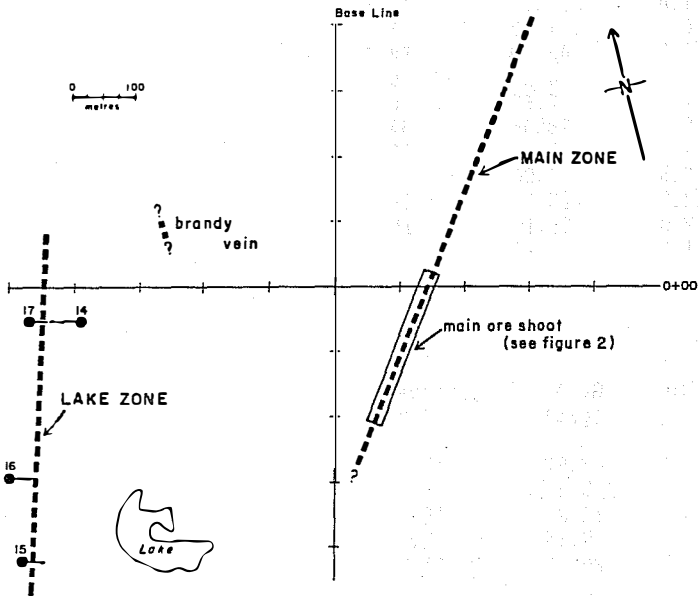


Figure 1. Plan map of the Mount Skukum gold-silver deposit showing the location of the Main and Lake Zones.

The Main Zone, consisting of quartz-calcite veining occupying a NE-trending fault, has been traced for about 1 km" (see Figure 2). "Emphasis has been placed on testing an ore shoot - the Main Ore Shoot - which extends approximately 225 m along this structure, and this has been blocked out on 25 m centres to a vertical depth of 75 to 105 m. Significant drill results are reported below" (see Table I). "Mineralization intercepts are uncut and not corrected for true structure width, which varies

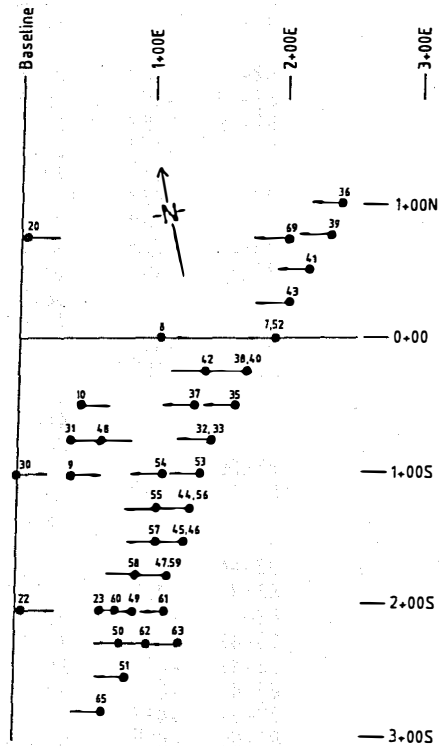


Figure 2. Diamond drill hole location map over the Main ore shoot of the Mount Skukum deposit.

from 55 % to 75 % of intersected width.

A study prepared by Wright Engineers Ltd. indicates that proven, probable and possible geological reserves exceed 450,000 tonnes. Of this amount, approximately 235,000 tonnes of recoverable mine reserves at a grade of 20 grams gold per tonne have been proven in the Main Zone.

Six drill holes have been completed on the Lake Zone, a system of north-trending quartz-calcite veins located 500 m west of the Main Zone. Four of these drill holes intersected mineralization over 400 m of strike. Significant results are "... reported in Table II.

"The Brandy Vein, discovered late in the 1983 season, was stripped and sampled along a 30 meter strike length. The average grade of seven chip samples spaced 5 meters apart is 45.7 g/t gold and 37.3 g/t silver across a one meter vein width.

Detailed exploration of the property is continuing. Of immediate priority is exploration for further ore shoots on the Main Zone structure and delineation of reserves on the Lake Zone. Surface evaluation of other mineralized zones and geochemical anomalies is also planned."

Table I

Hole	Dip	From (m)	To (m)	Core Width (m)	Gold (g/t)	Silver (g/t)
82- 3	-45 ⁰	20.1	21.1	1.0	4.46	1.6
82- 8	-45 ⁰	42.0	45.0	3.0	2.65	4.4
82- 9	-45 ⁰	61.0	66.0	5.0	13.94	8.5
82-10	-45 ⁰	57.2	62.9	5.7	2.12	1.6
	-45 ⁰	78.3	84.8	6.5	13.52	5.9
83-30	-45 ⁰	149.7	152.7	3.0	7.14	7.9
	-45 ⁰	159.5	160.5	1.0	8.04	4.0
83-31	-55 ⁰	93.6	97.6	4.0	1.44	3.2
83-32	-45 ⁰	17.1	18.6	1.5	2.26	7.5
		36.7	37.1	0.4	134.26	62.3
		74.9	86.7	11.8	39.48	67.7
83-33	-60 ⁰	97.0	103.0	6.0	2.28	3.1
83-37	-45 ⁰	9.3	10.2	0.9	14.34	11.5
		38.7	41.9	3.2	21.00	14.1
		44.1	47.4	3.3	4.60	9.6
		64.5	65.2	0.7	7.62	5.4
83-38	-45 ⁰	80.7	85.6	4.9	39.55	20.0
83-42	-45 ⁰	22.8	23.8	1.0	8.37	5.5
		30.0	31.3	1.3	3.22	5.1
		32.3	34.3	2.0	2.52	2.9
83-44	-50 ⁰	81.2	82.3	1.1	12.70	9.0
83-45	-45 ⁰	74.9	79.4	4.5	43.11	32.4
83-46	-55 ⁰	97.9	100.8	2.9	3.87	5.9
83-47	-45 ⁰	71.5	78.8	7.3	8.51	8.8
83-48	-45 ⁰	36.0	37.8	1.8	27.1	19.3
83-49	-60 ⁰	57.6	63.9	6.3	1.33	3.6
83-54	-45 ⁰	30.5	44.2	13.7	42.80	34.3
83-55	-50 ⁰	43.8	46.6	2.8	4.28	5.1
	-50 ⁰	50.6	52.5	1.9	7.52	6.7
83-57	-45 ⁰	42.9	51.2	8.3	78.95	64.8
	-45 ⁰	56.7	61.4	4.7	9.81	11.8
83-58	-45 ⁰	37.2	39.7	2.5	9.06	11.7
83-60	-45 ⁰	24.5	26.8	2.3	23.13	21.8
83-61	-65 ⁰	91.7	93.7	2.0	11.19	15.6
83-62	-60 ⁰	76.5	77.8	1.3	2.22	9.7

Table II

Hole	From (m)	To (m)	Core Width (m)	Gold (g/t)	Silver (g/t)
82-14	90.8	91.7	0.9	63.92	18.0
82-15	79.3	81.8	2.5	3.2	3.8
82-16	87.8	89.0	1.2	11.8	18.0
82-17	68.9	69.5	0.6	5.64	2.8
	72.1	73.3	1.2	25.72	11.5