

88-036

GEOLOGICAL REPORT - 1988 DIAMOND DRILLING
BUTLER GULCH PROPERTY

(Pra 45-56 claims, YA 89118-89129)
(Pra 57,59,61,63,65,67 claims)
(Record Numbers YA 89130,132,134,136,138,140)
Tony 1-10 claims, Record Nos YB 04073-082)
Sixtymile River Area, Dawson Mining District
Yukon Territory

Lat:63 55 North/ Long:140 44 West
NTS Mapsheet 115 N 15

owned by:

KELAN RESOURCES INC.
CROESUS RESOURCES INC.
600 - 890 West Pender Street
Vancouver, B.C.
V6C 1J9

by:

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November 5, 1988



Barry Price

GEOLOGICAL REPORT - 1988 DIAMOND DRILLING
BUTLER GULCH PROPERTY
(Pra and Tony Claims)
Sixtymile River Area, Dawson Mining District
Yukon Territory

SUMMARY

During July and August, 1988, ten diamond drill holes totalling 1036 feet were drilled on the Pra and Tony claims owned by Kelan Resources Inc. and Croesus Resources Inc. This report describes the drilling program carried out by Caron Diamond Drilling Ltd. and supervised by the writer.

The Butler Gulch property is situated at the headwaters of Butler Gulch, a northerly flowing tributary of Sixtymile River. The property, 70 kilometers southwest of Dawson City, Y.T. and 15 kilometers east of the Alaskan border is reached by a road leading south from the "Top of the World" Highway, two hours driving time from Dawson City, Y.T. The property is between 1,000 meters to 1,400 meters above sea level, mostly above tree-line, in an unglaciated area with permafrost.

The property includes the Pra 45-56 and Pra 57,59,61,63,65 and 67 claims and the Tony 1-10 claims, totaling 28 in all, in the Dawson Mining District.

Geologically, the Sixtymile area is situated between the Tintina Fault and the Denali Fault, in a block of Paleozoic ? rocks known as the "Yukon Cataclastic Complex". Most of the area is underlain by metasedimentary rocks of Paleozoic age, including "Klondike Schist", Nasina Quartzite, Limestone and Marble units, Chert and Metachert units, and undifferentiated schists and gneisses. The gneisses represent metamorphosed intrusive rocks - the Fiftymile Batholith.

On the Pra and Tony claims, several narrow but high grade composite veins carry silver, lead, arsenic, antimony and gold. The central part of the veins are massive galena, which carries silver. The quartz rich margins have arsenopyrite, stibnite and gold. Values obtained in selected samples from the veins are up to 151 oz/ton silver, 79 % lead, 5.40 % Arsenic and 0.088 oz/ton gold.

During the period July 15, 1988 to August 10 1988, a total of \$112,484.77 was expended on the claims. The program included road repairs, cat trenching, drill pad preparation and 1,036 feet of BQ diamond drilling in 10 drill holes.

Soil samples taken during the initial 1987 exploration revealed a strong gold geochemical anomaly, with values up to 9090 ppb, associated with an area of magnetite-chalcopryrite skarn. In addition, strong silver-lead-arsenic-antimony anomalies are associated with vein faults seen on the adjacent property which outcrop on the property boundary and appear to trend on to the Kelan claims.

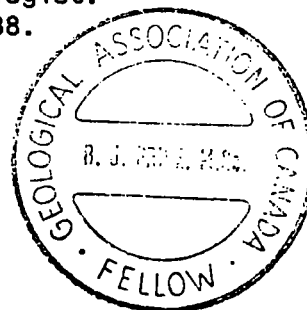
The first three holes tested the No.9 vein system on the eastern end of the Kelan property and the western part of the Bozo claims of Croesus Resources Inc., in an area of altered quartz monzonite. Porphyry copper and molybdenum mineralization was noted in clay and sericitic altered zones, and later quartz veins in strong fault zones contain small and sub-economic amounts of silver, lead and arsenic mineralization with gold values.

Farther west, in an area of magnetite and quartz-carbonate and diopside skarn, drillholes K-88 4 to 9 tested a zone which was delineated by VLF and soil geochemistry in 1987. The skarn is up to 30 feet thick, and scattered 5 ft sections contain gold values up to 0.219 oz/ton. However, the closely spaced drill holes did not permit delineation of any "geologic reserves", because of the erratic distribution of values.

It was concluded that although several types of mineralization occur on the property, the best drill targets were tested, and further exploration by Kelan or Croesus is not recommended at this time. However, the vein systems may be worthy of further prospecting along strike, and other skarn zones remain to be explored.

respectfully submitted

Barry J. Price
.....
Barry J. Price, M.Sc, FGAC.
Consulting Geologist.
November 5, 1988.



1988 DIAMOND DRILLING REPORT
BUTLER GULCH PROPERTY
Kelan Resources Inc.
Sixtymile River Area, Dawson M.D.
Yukon Territory

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GEOLOGICAL REPORT
BUTLER GULCH PROPERTY
Kelan Resources Inc.
Sixtymile River Area, Dawson M.D.
Yukon Territory

INTRODUCTION:

This report summarizes results of a diamond drilling program done by Caron Diamond Drilling Ltd., for Kelan Resources Inc. and Croesus Resources Ltd., on the Pra and Tony claims, under the supervision of the writer in July and August, 1988.

LOCATION AND ACCESS:

The Butler Gulch property of Kelan Resources Inc. and Croesus Resources Ltd. is situated at the headwaters of Butler Gulch, a northerly flowing tributary of Sixtymile River. The property is 70 kilometers southwest of Dawson City, Y.T. and 15 kilometers east of the Alaskan border.

The exploration camp, situated near the mouth of Miller Creek and on the north bank of Sixtymile River, is reached by a short branch road leading south from the "Top of the World" Highway, west of Dawson City, which is two hours driving time by 2 wheel drive vehicle. At times, 4 wheel drive vehicles are preferable. The camp can be reached in one half hour by helicopter from Dawson City. A short airstrip services numerous placer mines in the vicinity of Miller Creek, but is not often used.

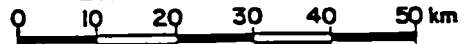
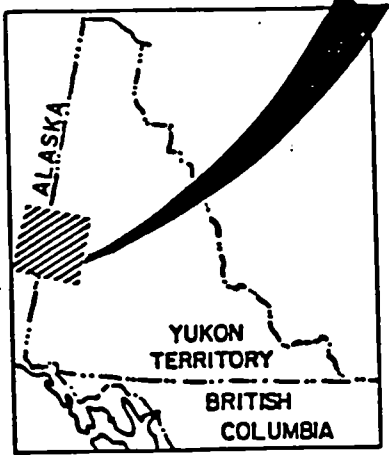
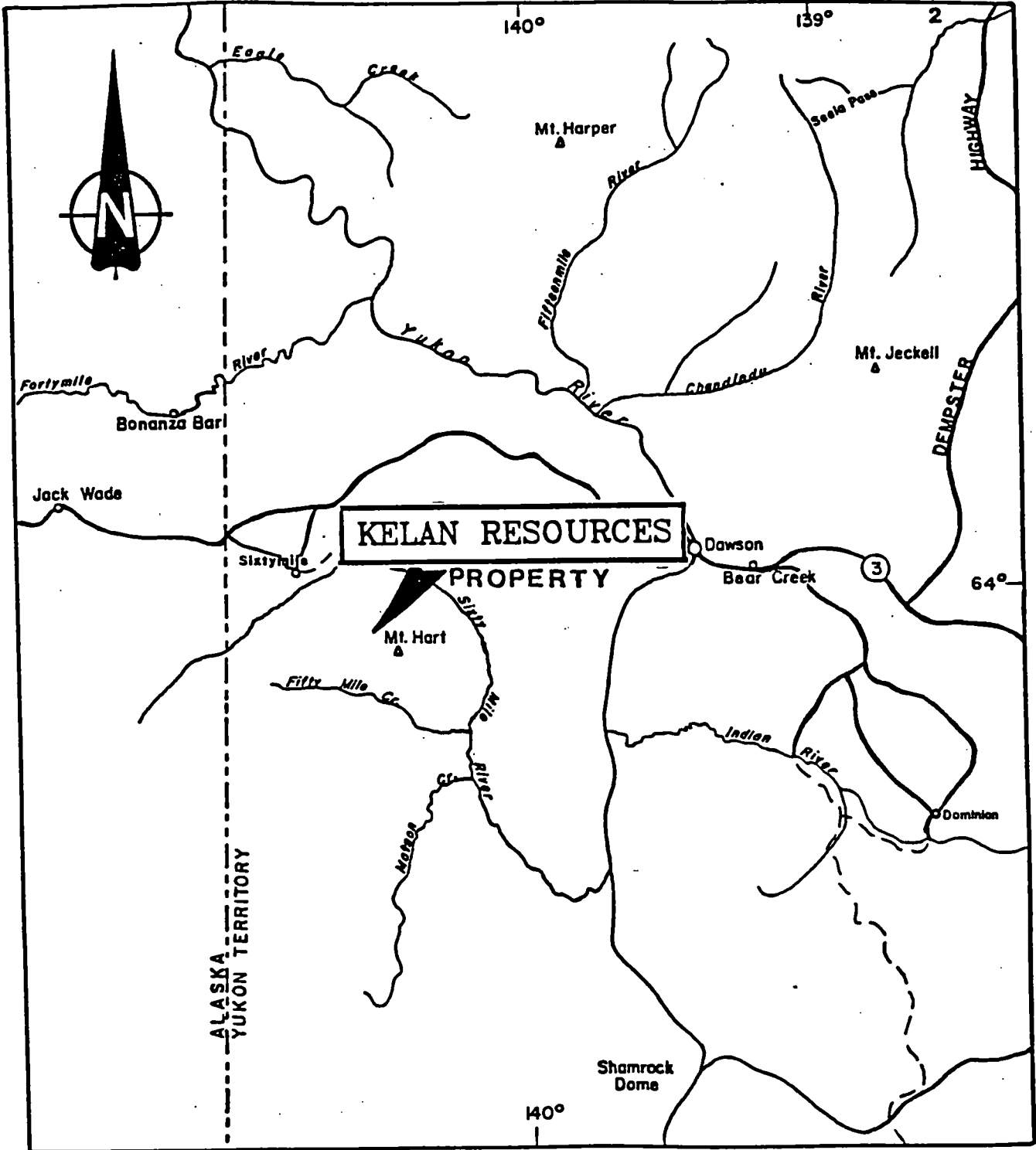
The property is at the height of land, (maximum 1,400 meters ASL.) between Sixtymile River and the headwaters of Fiftymile Creek. A four wheel drive access road crossing the property is a side branch of the Matson Creek and Ladue River access road. The road has been improved but is still rough, with soft areas near springs, and steep slopes in some areas. Areas above tree line can be reached by All Terrain Vehicles.

Dawson City, Y.T. is a placer mining and tourist center. Groceries and some hardware supplies are available but most supplies, equipment and parts must be flown in from Whitehorse or trucked in from Whitehorse or Vancouver. Daily aircraft flights from Whitehorse allow access to the property in one day from Vancouver, via Whitehorse. One or more helicopter companies have their base in Dawson City during the summer months.

Heavy equipment and labour are often available locally, as a great number of placer mines operate in the Dawson City area, or from Whitehorse.

PHYSIOGRAPHY, VEGETATION AND CLIMATE:

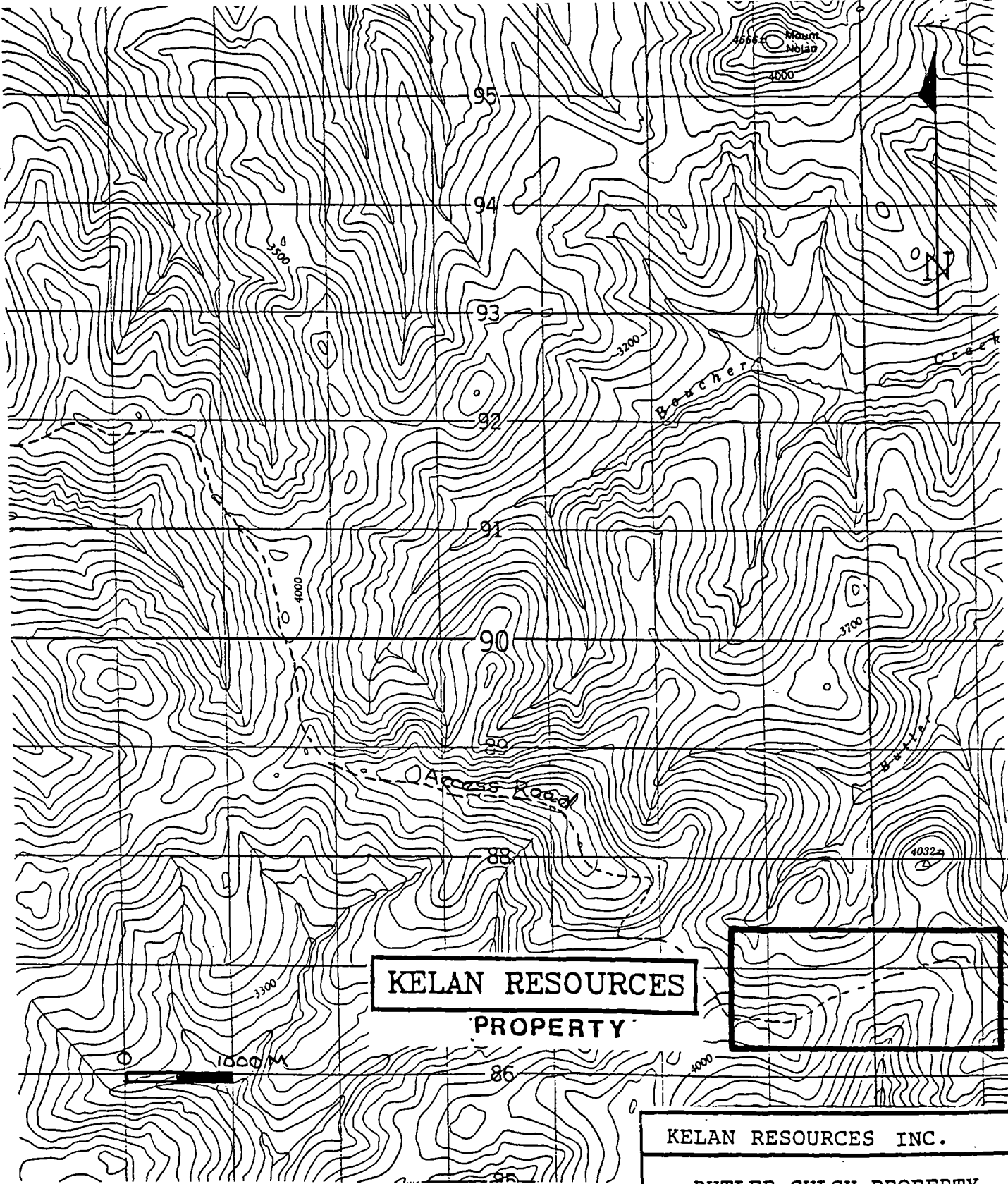
The property is situated in the northern part of the Dawson Range, which was not subjected to glaciation. Elevations of the property range from 1,000 meters to 1,400 meters above sea level. The ground is mostly above tree-line and has permafrost. Climate has short, warm summers with long cold winters, and low precipitation (about 25 cm annually).



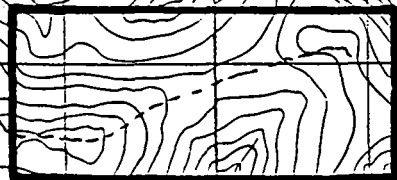
KELAN RESOURCES INC.
 BUTLER GULCH PROPERTY
 PRA CLAIMS
 Location Map - Yukon

Figure 1.

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**KELAN RESOURCES
PROPERTY**



KELAN RESOURCES INC.

BUTLER GULCH PROPERTY

PRA CLAIMS

Topography, Claims Area

Figure 2.

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PROPERTY DEFINITION:

Kelan Resources Inc. has under option from Darrel Krell, of New Westminster, B.C., the following claims in the Dawson Mining District, as shown on the accompanying figure, (Figure 3):

TABLE I - CLAIM DATA.

Claim Names	Record Numbers	Expiry Date
Pra 45-56	YA 89118-129	April 28, 1989 *
Pra 57	YA 89130	April 28, 1989
Pra 59	YA 89132	April 28, 1989
Pra 61	YA 89134	April 28, 1989
Pra 63	YA 89136	April 28, 1989
Pra 65	YA 89138	April 28, 1989
Pra 67	YA 89140	April 28, 1989

=====
 Total: 18.Claims
 =====

* (2 ADDITIONAL YEARS APPLIED WITH THIS REPORT)

The writer examined a number of claim posts and lines and the claims appear to be staked in accordance with the Quartz Mining Act of the Yukon Territory.

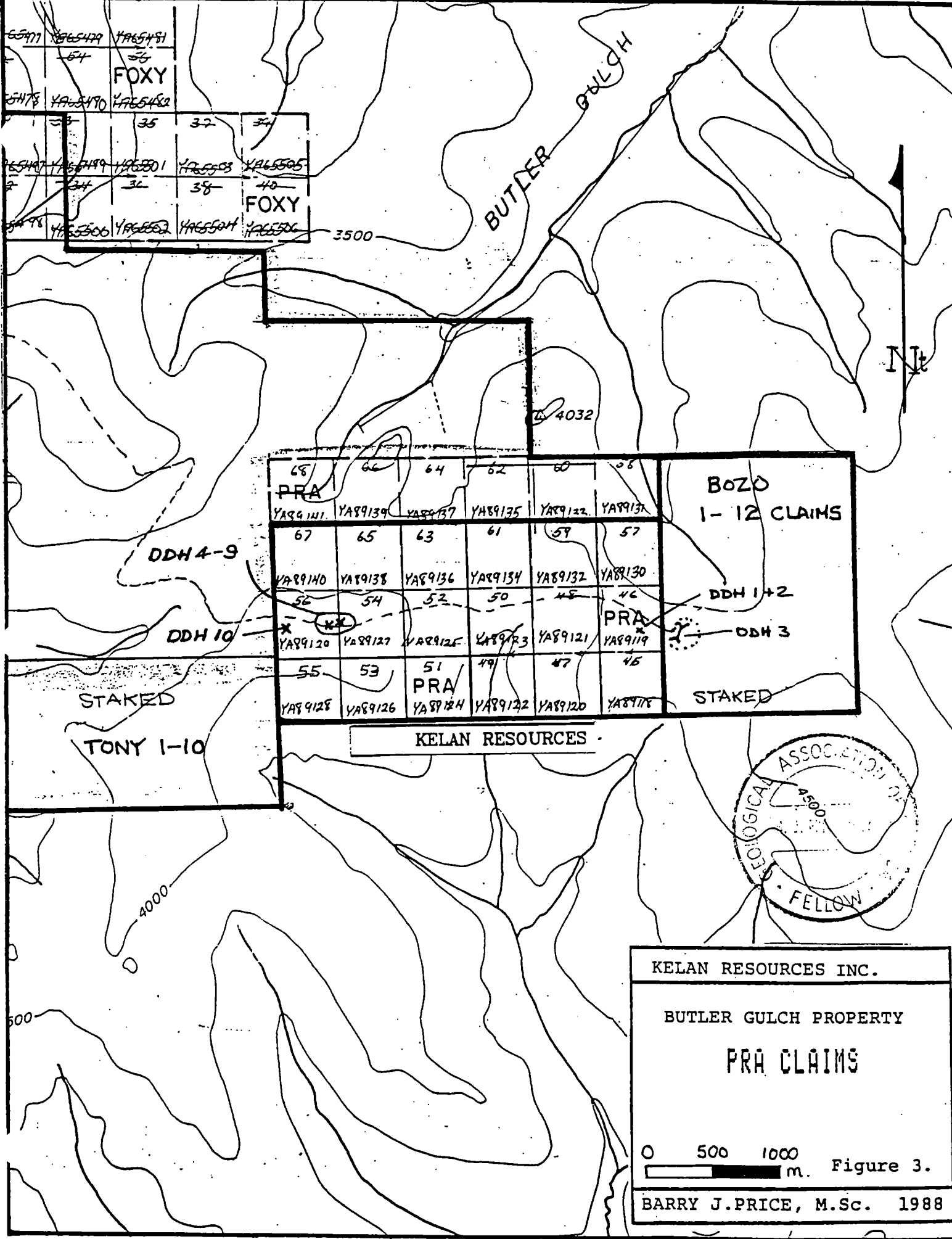
For the purposes of filing assessment work, the Tony 1-10 claims, owned by Croesus Resources Ltd., and situated immediately adjacent to the Pra claims, have been grouped with the Pra claims.

REGIONAL GEOLOGY:

As shown in the accompanying Yukon Tectonic Map, (Figure 4), the Sixtymile area is situated between the Tintina Fault and the Denali Fault, in a block of Paleozoic ? rocks known as the "Yukon Cataclastic Complex", which includes three assemblages of highly sheared and metamorphosed rocks. These are, in structural order (not necessarily stratigraphic) from top to bottom, the Simpson Allocthonous Assemblage, a slice of biotite granodiorite schist which underwent ductile deformation; below which is the Anvil Allocthon, comprising amphibolite and serpentinite and representing a sheared ophiolite; and at the bottom, the "Klondike Schist" (Nisutlin Allocthonous Assemblage), quartz-muscovite and chlorite schists, representing metamorphosed sedimentary and volcanic rocks. (Templeman-Kluit, 1981).

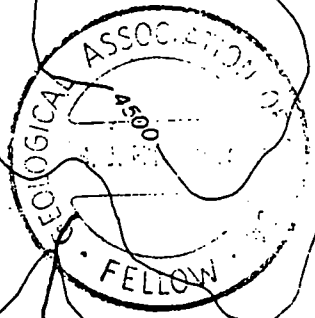
In greater detail, Figure 4 is a simplified version of regional mapping done by Templeman-Kluit in the Stewart River Map area, (Map 18-1963). Most of the area is underlain by Metasedimentary rocks of Paleozoic age, including "Klondike Schist", Nasina Quartzite, Limestone and Marble units, Chert and Metachert units, and undifferentiated schists and gneisses.

North of Boucher Creek and Sixtymile River, the main rock unit is the "Nasina Quartzite" - dark grey to black graphitic and micaceous quartzite



65477	Y865479	Y865481		
	54	56		
	FOXY			
65478	Y865480	Y865482		
	33	35	37	39
65479	Y865489	Y865501	Y865503	Y865505
	34	36	38	40
	FOXY			
65478	Y865500	Y865502	Y865504	Y865506

68	66	64	62	60	58	BOZO 1-12 CLAIMS
PRA						
Y889131	Y889139	Y889137	Y889135	Y889122	Y889137	
67	65	63	61	59	57	
Y889140	Y889138	Y889136	Y889134	Y889132	Y889130	
56	54	52	50	48	46	
Y889120	Y889127	Y889125	Y889123	Y889121	Y889119	PRA
55	53	51	49	47	45	
Y889128	Y889126	Y889124	Y889122	Y889120	Y889118	



KELAN RESOURCES INC.

BUTLER GULCH PROPERTY

PRA CLAIMS

0 500 1000 m. Figure 3.

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with interfoliations of graphitic biotite-muscovite schist, and locally thick lenses of grey marble. The unit, believed to be of Pennsylvanian to Permian age, and represents clastic sediments metamorphosed to the Greenschist facies, possibly in Triassic time. (Hilker, 1981).

In the vicinity of Crag Mountain, the metasediments adjoin a large area of granodiorite to quartz monzonite orthogneiss, mapped as the "Pelly Gneiss", or equivalents, and described by Tempelman Kluit as the "Fiftymile Batholith". Gneissosity strikes east-west to northwest, with moderate northward dip of foliation. Leucocratic sills up to 10 meters thick make up a significant proportion of the rock, and examination of Map 18-1963 and aeromagnetic maps indicates that several true intrusive centers may be present. This supposition was verified during the drill program when it became apparent that Drillholes K-88-1 to 3 were drilled into a porphyritic quartz monzonite intrusive, and another intrusive center was seen north of Drillholes K-88-4 to 10, immediately adjacent to Butler Gulch.

Biotite from the Fiftymile Batholith gave a potassium-argon age of 97.6 Million years, interpreted by Templeman-Kluit as time of cooling following metamorphism, but possibly indicating age of intrusion of porphyritic stocks in the area.

The nearest economic mineral deposits are the placer workings on Sixtymile River, operated by the Brisebois family, and a separate operation funded by Granges Exploration Ltd. On Miller Creek, across the Sixtymile valley to the north, considerable gold has been produced by a number of operators, including Walter Yaremco, O. Medby, Territorial Gold Placers, and others.

Placer gold has also been produced on Glacier Creek, Moose Creek, Bedrock Creek, Glacier Creek, Little Gold, Big Gold, Matson Creek, Ten Mile Creek, and Twelve Mile Creek.

It is estimated that total production of placer gold from the Sixtymile area from 1892 to 1965 has been 234,314 ounces.

A variety of epigenetic mineral occurrences are found in the area, including epithermal style mercury mineralization, "porphyry" copper and molybdenite mineralization, skarn magnetite occurrences, and the polymetallic quartz veins present on the subject claims.

BRIEF HISTORY OF HARDROCK EXPLORATION:

In 1948, silver-lead mineralization was found on the Sixtymile River, below Miller Creek, and selected material assayed 75.1% lead and 21.8 ounces silver.

In 1955, 20 claims were staked over a silver-lead prospect on Miller Creek. Traces of silver lead mineralization had been known in this area for many years. Since 1955, cinnabar and scheelite have been recovered from placer workings on the creek, and study of placer gold from the creek

indicates that source of the gold may be epithermal, associated with relatively young clay-silica alteration zones.

Galena mineralization in place is also reported from the headwaters of Miller Creek. In 1957, 40 claims were staked on Miller Creek on what was thought to be a nickel prospect. These claims expired in 1958.

A Silver-lead-zinc-gold showing on the Sixtymile River opposite Miller Creek is a vein from several inches to 2.5 feet wide has been traced for 200 feet. The best assay was 26.4 % Lead, 4.7 % Zinc, 12.5 oz/ton Silver and 0.04 oz/ton gold over 2.5 feet. (Paper 73-41, p 75.). Cinnabar was found in sluice concentrates in this area.

PROPERTY HISTORY AND GEOLOGY:

Claims were staked in the area in the early 1960's as a result of a regional exploration program by Canex Exploration Ltd. A brief history of the Connaught Mines property to 1970 is provided by Craig and Laporte, (1972) and is not reproduced here.

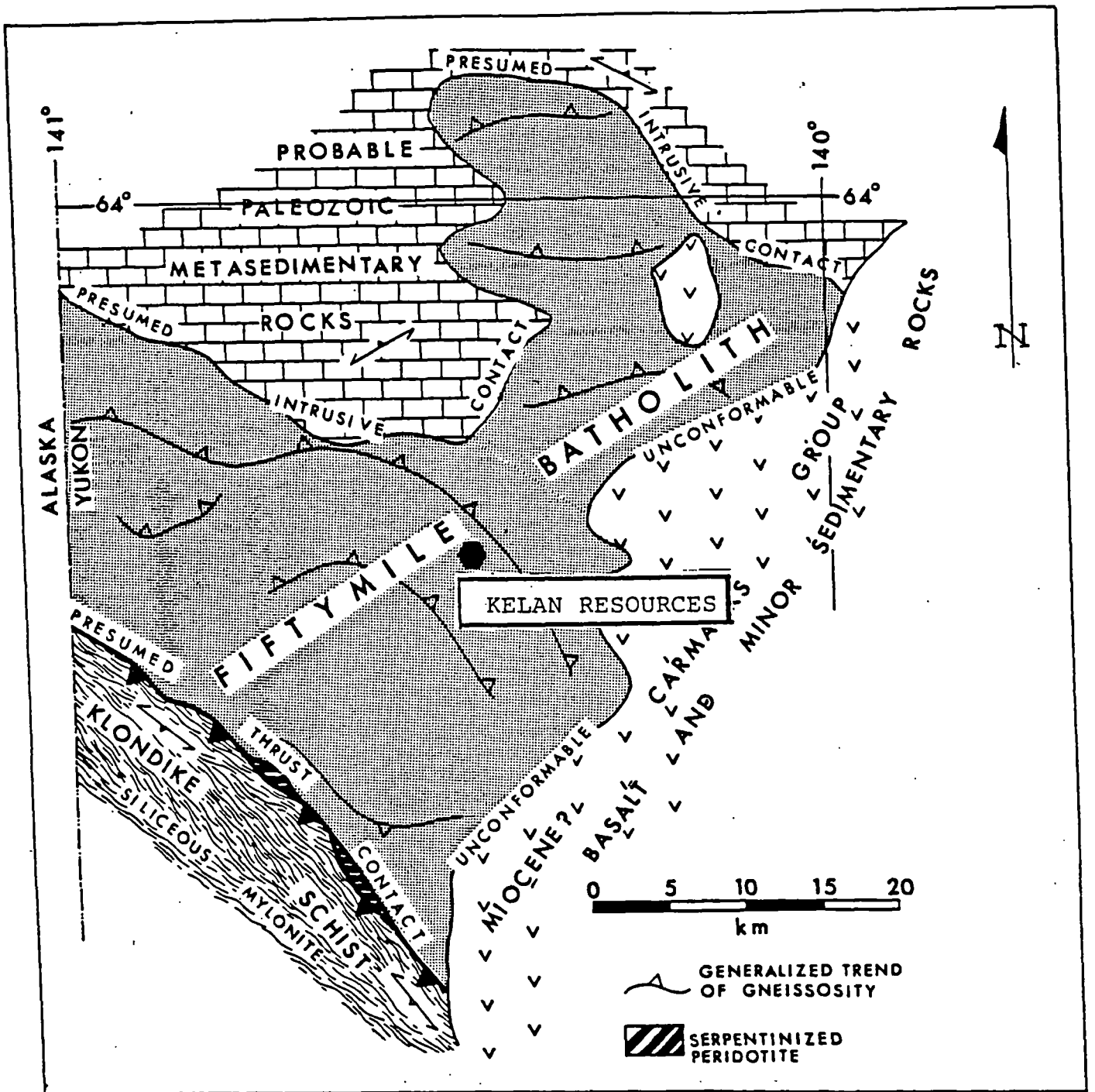
During 1969, a comprehensive silt sampling program in the Sixtymile area and southward to the Ladue area outlined a large multi-element geochemical anomaly centered on the headwaters of Mosquito Creek, Butler Gulch, Boucher Creek, and the north branches of the upper part of Fiftymile Creek. This area was anomalous in copper, molybdenum, silver, and lead, with the Butler Gulch area well-outlined by the samples with greater than 50 ppm lead. A more recent Federal-Territorial regional geochemical survey in the same area has verified this anomaly. Work done by Connaught Mines included considerable soil sampling (11,000 samples), which pinpointed areas in which lead-silver, antimony-arsenic, gold, copper and magnetite mineralization has been found.

The Kelan contains the showing described by Templeman Kluit, (1974); as a chalcopyrite bearing epidote-magnetite skarn, reported to be 50 feet wide and 500 feet long. The skarn is at the contact of marble and a Cretaceous monzonite stock. Location is 63 55 N Lat/ 140 35 W.Long., and appears to coincide exactly with the magnetite occurrence mapped on the Kelan grid by H.Keyser, (1987).

The Kelan claims cover the eastern part of the former Lou 1-4, Ben 51-54, Con 152 and 153, and Brushy Buck claims, explored by Connaught Mines Ltd. in 1968 and 1969, and Moly Ore Mines Ltd. in 1969, as part of the "Mosquito Creek" property.

Scattered trenching was done by Connaught Mines and Moly Ore Mines Ltd., after widely-spaced grid soil sampling by Archer Cathro and Associates indicated broad copper and lead anomalies. (Other elements, except Mo, were not analyzed).

Most of the efforts by Connaught Mines in the area were concentrated on the No. 6 vein, exposed in trenches on the claims immediately west of the Kelan Claims, and the No.9 vein, also exposed in trenches immediately east of the Kelan property, (both veins lie mainly on claims belonging to Croesus Resources Inc.).



FROM: TEMPLEMAN-KLUIT, (1981)

KELAN RESOURCES INC.

BUTLER GULCH PROPERTY

PRA CLAIMS

Geology - Sixtymile Area

Figure 4

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Geology of the area covered by the Kelan property is described by Craig and Laporte as follows:

"The geology of the eastern part of the property is quite complex with remnants of minor rock units; quartzite, limestone and skarns of the Nasina Series (op. cit.) occurring within and along the contact of biotite-rich gneisses with Cretaceous granitic intrusions.

1969 Exploration Results are further described by Craig and Laporte as follows:

"The geochemical surveys consisted of a regional stream silt survey and soil surveys over three grids. The stream sediment sampling survey outlined a number of lead, copper and molybdenum anomalies which were then staked as the Con claims.

"The survey also outlined a large copper anomaly, about 4000 feet by 6000 feet, near the center of the grid. Three molybdenum anomalies occur within and slightly to the west of the copper anomalies. Float mapping of the area indicated that the anomalies correspond to a quartz and magnetite rich phase of a highly jointed granitic stock 3 miles in diameter." (NOTE: Some of these anomalies are situated on the Pra claims belonging to Kelan Resources Inc.)

"The geochemical work on the eastern grid outlined several lead anomalies trending east across the southern part of the grid. Trenches were cut across these anomalies and uncovered galena-tetrahedrite-barite veins, samples of which assayed:

WIDTH (FT)	SILVER (OZ/T)	LEAD %	GOLD (OZ/T)
2.0	64.7	62.00	0.005
4.0	166.2	52.5	0.12
0.9	29.1	38.7	0.08
3.3	32.6	24.2	0.04

A review of assays taken by Archer Cathro and Associates in 1969 from this occurrence indicated a 240 foot section averaging 6 feet wide with 5.67 % lead, 12.9 oz/ton silver and 0.011 oz/ton gold. The zone trends westward toward the Kelan claim area and extension of the zone on to the property was suggested by the strong Pb-As-Sb soil geochemistry on the property.

1987 EXPLORATION PROGRAM:

In 1987 the property came open and was staked by Walhalla Explorations Ltd. The claims were optioned to Croesus Resources Inc. The Pra 45-57, and Pra 59,61,63,65, and 67 claims were then farmed out to Darrel Krell, from whom the claims were acquired by Kelan Resources under an option agreement which will allow Kelan to earn 50 % interest in the property by expending \$150,000.00.

Aurum geological Consultants Inc. was hired by the claim holders to do a comprehensive exploration program on the entire "Golden Crag" property. Kelan Resources Inc. paid their pro rata share of camp and exploration costs, which amounted to \$65,552, for work done on the Butler Gulch area claims.

All 1969-72 base maps, trench plans and drill sections were kindly provided by Archer Cathro and Associates.

The program on the Kelan claims was supervised by Harmen Keyser, B.Sc., F.G.A.C. A comfortable camp suitable for up to 10 men was built by Morley Barker, who also supplied labour for line cutting and grid preparation. The baseline extends east-west for 2.4 km. and cross lines 200 meters apart, with short intermediate lines, and stations at 25 meter spacing comprise a total of 20.8 line-kilometers of grid. On the grid a total of 885 soil samples were taken; these were analyzed by Bondar Clegg for 5 elements, Gold, Antimony and Arsenic, using Neutron Activation method, and Lead and Silver, using Acid Dissolution and Atomic Absorption methods. Rock samples were analysed by Fire Assay methods. A D-8 bulldozer was used for road repairs and maintainance.

Geochemical sampling on the Kelan property in 1987 outlined a zone 300 meters wide and 2400 meters long along the ridge crest which has a number of polymetallic (Pb,Ag,As,Sb) soil geochemical anomalies probably associated with two-stage galena-arsenopyrite-stibnite veins, and one strong gold geochemical anomaly associated with a magnetite skarn outcropping.

1988 EXPLORATION PROGRAM:

In early July, 1988, roadwork was done on the access road by personnel belonging to Brisebois Brothers Construction, using D9 and D4 bulldozers when they were not needed on the Sixtymile River placer mine operated by the same company. Considerable trenching was done on the No. 9 vein area and the "Magnetite Showing" areas, in preparation for the drill program. Both cats were also used to cut drill pads and to move the drill and other equipment from site to site.

The 1987 campsite was used again; several days-work by M.E.Elson and M.Ryan were necessary to re-connect water and electrical systems. The camp was managed by M.Elson and cooking was done by M.Ryan.

The diamond drill was mobilized to the initial site with the assistance of Gerry's Trucking, from Dawson City, Y.T, and the two bulldozers mentioned previously.

Drilling began on July 25, 1988, and the writer supervised drilling, logged and split core from July 27 to August 10, 1988. J.Bergvinson was in charge of logistics and acted as "Foreman" from July 20th to August 10.

As the drill was moved August 10 to an adjacent property, Kelan and Croesus were not responsible for costs of demobilization of drill and crew to Whitehorse at the end of the job.

A total of 10 diamond drill holes were completed on the Kelan and Croesus properties, for a total footage of 1036 feet, as shown in the accompanying table.

Samples were shipped via Canadian Airlines and Canadian Freightways to Acme Analytical Laboratories, who assayed split sections by ICP geochemical methods, with well-mineralized sections checked by fire assay for silver.

TABLE II

Tabulation of Diamond Drill Holes
KELAN/RED FOX DRILLING PROGRAM
 August 1988

KELAN RES: NO.9 VEIN TARGET

HOLE	AZIMUTH	INCL	LOCATION	DEPTH
K-88-1	00	-45	12872E/255.5N	100'
K-88-2	00	-45	129E /225N	150

CROESUS RES: NO 9. VEIN TARGET

K-88-3	354	-45	13020E/233N	100
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KELAN RES. MAGNETITE SKARN AREA

K-88-4	180	-45	11213E/095S	100
K-88-5	235	-45	11178E/120S	100
K-88-6	235	-60	11178E/120S	100
K-88-7	265	-45	11178E/120S	85
K-88-8	207	-45	11213E/095S	58
K-88-9	235	-45	11213E/095S	120

KELAN RES. NO 8 VEIN TARGET

K-88-10	350	-45	SEE PLAN	118
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10 HOLES		TOTAL FOOTAGE	1,031 FT.
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RESULTS OF THE DRILLING PROGRAM:KELAN/CROESUS AREA: NO.9 VEIN TARGET

The initial three drill holes were designed to test the continuity of the No.9 vein system, which has impressive surface showings of high grade silver-bearing galena and tetrahedrite with barite, quartz, and arsenic/antimony staining. (Stibnite was seen in samples in 1987). A secondary target was copper/moly "porphyry" mineralization outlined by previous operators in 1969 by extensive soil-sampling.

Hole K-88-1 tested the suspected continuation of the vein below a trench in which mineralized float was discovered. Although no major vein structure was seen in this hole, several clay-sericite altered zones contain MoS₂ mineralization, and the interval 93-100 may contain oxidized arsenic mineralization (small amounts).

Sampled intervals:

<u>Sample</u>	<u>Interval</u>	<u>Description</u>
1	17-20	Fractured rusty QM
2	20-24.5	" "
3	34.5-37	Clay altered QM
4	45-50	Clay altn + Mos ₂
5	63.5-65.5	Fractured, clay altn.
6	84-88	V.rusty, carbonate, clay
7	93-97	Fault zone, As Mineral??
8	97-100	Clay sericite, Yellow stn, As??

Hole K-88-2 was positioned on the basis of VLF crossovers, which suggested that No.9 vein was actually 25-50 meters south of the previous drill hole. Again no major Pb-Ag-Au vein was intersected, but Clay-sericite alteration was even stronger and several well mineralized MoS₂ veinlets were present, particularly from 110.6-115.6. Four samples were taken:

<u>Sample</u>	<u>Interval</u>	<u>Description</u>
1	110.6-11.5	Clay altn w Mos ₂ veins
2	129-132	" "
3	139-142	Faulted rusty QM
4	142-148	Faulted, clay altn + MoS ₂ .

Hole K-88-3 was drilled directly under the No.9 vein on the Croesus property, in the large stripped area. Copper-Moly mineralization was seen in the trench south of the Pb-Ag vein. Although the vein is about 1 ft wide directly above, and appears strong, no major vein was intersected in the hole. A fault with 2 small pieces of quartz with galena at 70' probably represents the zone. Samples were:

Hole K-88-3 (continued)

<u>Sample</u>	<u>Interval</u>	<u>Description</u>
1	66.5-70	Mn stain, poor recov.
2	70-75	Oxidized fault zone
3	75-80	rusty fault gouge
4	80-84	Clay-sericite altn, gouge.

Drill holes K88-4 to 9: were drilled on the magnetite-carbonate-pyrite skarn zone previously mapped in 1969 and delineated by 1987 magnetometer traverses. Several strong Au soil samples in the area suggested a nearby source, and 1988 trenching revealed quite an area of carbonate-pyrite underneath the magnetite cap. Drill holes 4 and 9, at right angles to each other, positioned at the east end of the hill near several small magnetite pits intersected thin (4-8 ft) magnetite, but appear to be separated from the thick magnetite, pyrite, carbonate skarn to the north west by a major fault. Nevertheless, Sb-As yellow stain was seen in both holes, and galena is present in 6" of faulted material, suggesting a "No 9 type" vein goes through the area.

Drillholes 5,6,7 and 8 were drilled from the same set up above the deep 1988 trench which exposed the rusty carbonate-pyrite horizon suspected to be the source of gold. In each hole, magnetite-mica-serpentine-talc? skarn at the top gives way to banded tan (manganiferous) carbonate, coarse radiating quartz, coarse cubic pyrite, and minor amounts of galena, sphalerite, arsenopyrite and other sulphides. (Sulphides are disseminated, except for narrow massive galena veins), but other sulphides besides pyrite are really quite rare. Thickness of the zone is 20-32 feet with true thickness about 20-25 feet.

Drill hole 9 was drilled roughly on section with drillholes 5 and 6, but from the same set up as DDH-4, some 140 feet away. The drillhole has a thin section of magnetite, but no quartz-carbonate skarn. A thick quartzite and gneiss section indicates little potential for continuation of the mineralized zone at depth, because of two or three strong faults.

Drill hole 10 tested Vein No. 8 underneath a 1969 trench. The vein appears to be faulted off at depth, even though the surface continuity is remarkable.

DISCUSSION OF RESULTS:

Although most of the holes intersected the targetted areas, namely the No. 9 Veins and the Magnetite Skarn areas, only two sections contained economically interesting amounts of gold. These were:

DDH No K-88-6, 25-30.5 (5.5 feet) - 0.118 oz/ton Au.
Check Assay 0.124 oz/ton

DDH No.K-88-8 23.5-25, (1.5 Feet) - 0.219 oz/ton Au
Check Assay 0.213 oz/ton Au

In spite of these interesting assays, no economic reserves are suggested to be present, either in the silver-lead-barite veins or in the Quartz-Carbonate-Pyrite or Magnetite skarn. The gold values noted above do not carry to adjacent drillholes, indicating a strong "Nugget Effect" with probable low overall average.

The theory held by previous operators, that a "porphyry copper-molybdenum system is present in the Butler Gulch Area, has been shown to be valid. Best copper and molybdenum values in any of the drillholes were 0.09 % Copper over 4 feet in Hole K88-1 and 0.075 % MoS₂ over 5 feet in the same hole. The drill holes indicate either a weak porphyry system or the lower grade fringe of a system. In any case, a porphyry Cu-Mo target in this area is not economically attractive at this time unless substantial values of precious metal are present.

The Galena-Barite-Quartz veins, with Arsenic-Gold-Silver values have been shown to occur over the whole property. Geochemical results from 1987 and drill results from 1988 suggest that one overall structure may transect the property. This is believed to be a younger event than the porphyry mineralization. Although only a small strike length of the vein-fault zone has been drilled, certainly the best drill targets have been tested.

CONCLUSIONS:

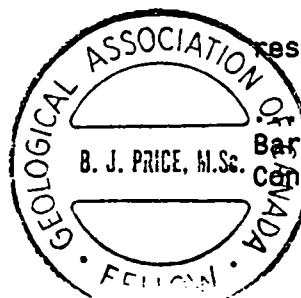
The drilling program in 1988 established that several types of mineralization previously known on the property; porphyry copper-molybdenum, quartz veins with silver lead and gold, and magnetite skarns, have sub-economic amounts of precious metals. The continuity of the quartz veins is suggested by 1987 soil sampling, but surface high grade shoots are lensoid, and narrow at depth. Continuity of gold mineralization in the magnetite skarn is erratic, and the known dimensions of the skarn bodies are restricted by faulting and topography. Pursuit of the copper-molybdenum zone is hampered by location of the property and oversupply of molybdenum.

RECOMMENDATIONS:

For the above reasons, no further work is recommended by Kelan Resources or Croesus Resources on the property at the present time. This does not imply that the property has no further merit, because other targets such as skarn zones on the Tony/Bozo claims were not investigated during 1988.

Further work by the vendors on the No.9 vein or other targets, by surface trenching, geophysics, geochemistry or other methods may delineate further drill targets, at which time the data should be reviewed.

The property is worthy of additional exploration efforts toward this goal. Encouragement at the surface in initial trenching could result, after review of economics, in the decision to trace the veins to greater depth, by another program of drilling.



respectfully submitted

B. J. Price
Barry J. Price, M.Sc., FGAC.
Consulting Geologist.

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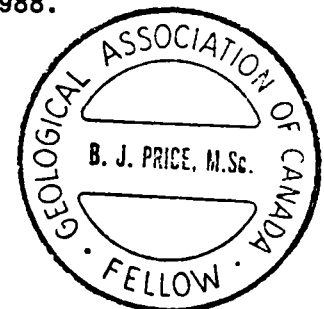
CERTIFICATE

I, Barry J. Price, with business address at 2505 W. 1st. Avenue, Vancouver, B.C. do hereby certify that:

- 1) I am a Consulting Geologist registered with the Geological Association of Canada as a Fellow and I am entitled to use their seal, which has been affixed to this report. I am a member of the Canadian Institute of Mining, the Society of Exploration Geologists, and several other professional organizations.
- 2) I hold a B.Sc. (Honors) Degree in Geology (1965) and a M.Sc. in Geology (1972), both from the University of British Columbia., Vancouver, B.C.
- 3) I have practised my profession as a geologist continuously since 1965, having worked in Canada, The United States of America, Mexico, and the Republic of the Phillipines, for a number of large and small companies and consulting firms, including Manex Mining Ltd., J.R. Woodcock and Associates, Archer Cathro and Associates and P.A. Christopher and Associates.
- 4) I have based this report on available geological data and a field examination of the subject property and a literature review of adjacent properties and mineral deposits, and on my personal knowledge of the area.
- 5) I have no interest in the claims described in the report nor in the securities of Kelan Resources Inc., and will receive only normal consulting fees for the preparation of this report.
- 6) I do not have any interest in any mineral claims within 100 km. of the subject property. I have 2,000 shares of Croesus Resources Inc., joint-venture partners of Kelan Resources Inc., and owners of adjacent claim blocks. These shares were purchased during the primary issue, before the commissioning of this report.

Barry Price

Barry James Price, M.Sc.
Consulting Geologist.
November 5, 1988.



ITEMIZED COST STATEMENT

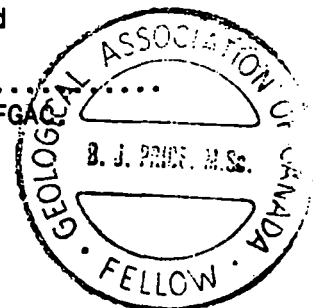
1988 Diamond Drilling Project
Butler Gulch Property - Sixty Mile Area, Y.T.

GEOLOGICAL SUPERVISION:		
CONSULTING: B.Price, M.Sc., (Rapitan Resources Inc.)		\$4,039.30
July 27 - Sept 10, 1988; Rate \$350/day.		
Including Expenses		
CAMP SUPERVISION:		\$20,574.60
FOREMAN: J.Bergvinson, Rate 250./day		
July 20 to Aug 10.		
CAMP MANAGER: Michael Elson, Rate 250./day		
June 15 to Aug 10.		
COOK: Mona Ryan, Rate: \$150/day		
June 15 to Aug.10,		
E.CARON DIAMOND DRILLING:		42,319.72
Drilling, man-hours and standby		
Mobilization and supplies		
ASSAYS: Acme Analytical Laboratory,		1,811.20
Vancouver, B.C.		
CAMP AND SUPPLIES: Groceries, propane, fuel		5,849.05
Rentals, Lumber		
Hardware etc.		
Radiotelephone and telephone		
MOBILIZATION AND DEMOBILIZATION:		1,170.90
Airlines and charters.		
Bergvinson, Elson and Ryan.		
EQUIPMENT RENTAL AND WAGES:		36,720.00
Brisebois Construction, D4 and D9 bulldozers		
Backhoe and trucks, Wages.		
Gerry's Trucking, Dawson City, (Low-bed Truck)		
2 ATV's for personnell (15 km to site)		
Fuel, repairs and maintenance.		
=====		
TOTAL OF ALL COSTS		\$112,484.77

Note: The above accounts have been provided by accountants to Kelan Resources. The writer believes the figures to be a fair summary of costs. Actual Invoices will be supplied on request.

respectfully submitted

Barry J. Price
 Barry J. Price, M.Sc., F.G.A.C.
 Consulting Geologist.



APPENDIX I

ICP ANALYSES AND CHECK ASSAYS

SAMPLE#	Pb %	Ag OZ/T	Au OZ/T	As %	Sb %
K-88-A-1	22.35	21.09	.047	4.97	.17
K-88-C-1	84.65	55.46	.002	.01	.43
K-88-C-2	78.76	160.35	.004	.09	1.07
K-88-D-1	75.05	47.60	.007	.08	.56
K-88-E-1	72.30	72.91	.019	.78	.24
K-88-F-1	64.03	57.31	.004	.41	.23
K-88-G-1	.76	.66	.001	1.18	.01

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: AUG 11 1988
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED: *Aug. 25/88..*

ASSAY CERTIFICATE

- SAMPLE TYPE: P1 CORE P2 ORE
AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Long* D.TOYE OR C.LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON FILE # 88-3479A Page 1

SAMPLE#	Ag**	Au**
	OZ/T	OZ/T
K-3-1	.71	.002

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR NH FE SR CA P LA CR HG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 11 1988

DATE REPORT MAILED: Aug 25/88

ASSAYER: C. Leong D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON

File # 88-3479

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Tb	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Au*
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPB
K-1-1	5	112	18	66	.1	4	6	381	2.74	33	5	ND	25	52	1	2	2	45	.64	.081	35	7	.46	93	.07	2	.83	.02	.18	2	1
K-1-2	2	138	21	53	.1	4	6	431	2.80	3	5	ND	24	43	1	2	2	43	.94	.085	34	6	.54	652	.04	2	1.21	.02	.18	2	1
K-1-3	126	527	10	34	.5	2	6	664	2.38	7	5	ND	24	103	1	2	2	24	2.91	.074	50	4	.27	81	.01	3	1.15	.01	.13	2	3
K-1-4	749	208	13	36	.1	3	5	681	1.93	16	5	ND	17	109	1	2	2	19	3.07	.066	61	4	.29	86	.01	3	.95	.01	.14	1	1
K-1-5	43	81	13	31	.1	3	3	469	1.62	96	5	ND	21	56	1	2	2	14	1.98	.047	45	4	.25	65	.01	2	1.07	.01	.09	3	2
K-1-6	344	419	800	766	5.2	9	19	3228	4.16	146	5	ND	18	18	9	26	2	4	.22	.049	31	2	.08	78	.01	7	.69	.01	.18	1	13
K-1-7	138	888	1108	397	11.1	4	16	154	4.12	7492	9	ND	21	71	3	52	8	11	.13	.044	30	2	.16	160	.01	2	1.07	.01	.15	1	720
K-1-8	207	326	686	177	3.6	1	3	120	3.70	527	5	ND	19	37	1	31	3	4	.03	.051	26	2	.07	137	.01	5	.57	.01	.36	1	4
K-2-1	789	72	21	39	.2	4	4	431	2.22	62	5	ND	23	52	1	2	2	34	1.20	.080	36	5	.59	67	.07	4	.86	.02	.20	2	1
K-2-2	131	138	17	35	.2	3	4	381	1.71	5	5	ND	20	94	1	2	2	19	1.37	.050	41	5	.36	69	.01	3	.84	.02	.14	2	1
K-2-3	90	37	10	32	.1	2	4	277	2.34	14	5	ND	22	152	1	2	2	18	.97	.052	41	5	.30	54	.01	2	1.00	.01	.11	1	2
K-2-4	67	36	12	35	.1	3	3	547	1.87	4	5	ND	20	137	1	2	3	20	2.35	.059	44	4	.33	44	.01	2	.96	.01	.10	1	9
K-3-2	50	281	207	904	1.7	3	12	783	2.60	260	5	ND	22	63	21	26	2	13	.27	.064	44	4	.14	490	.02	5	.91	.01	.19	2	6
K-3-3	61	577	798	877	3.4	3	3	140	3.53	657	8	ND	23	141	29	55	3	10	.17	.063	29	3	.07	202	.01	4	.71	.01	.17	1	19
K-3-4	66	617	3546	488	5.0	2	3	109	4.55	1220	7	ND	24	332	13	45	2	9	.16	.061	40	3	.13	272	.01	3	.77	.01	.27	1	13
K-4-1	1	42	42	253	.5	1	14	2040	40.54	23	5	ND	3	14	1	2	132	28	.50	.005	2	11	.66	4	.01	2	.31	.01	.04	1	104
K-4-2	1	244	55	418	.2	1	9	1419	17.16	81	5	ND	2	12	1	2	20	28	1.37	.042	3	16	1.96	137	.04	3	1.48	.02	.48	1	12
K-4-3	1	314	323	971	7.9	4	9	2913	7.64	7400	5	ND	2	72	9	345	5	13	7.19	.042	8	10	2.39	45	.02	2	.98	.02	.26	1	68
K-4-4	1	324	335	521	2.2	5	11	2399	9.48	410	5	ND	2	54	3	5	3	18	4.61	.031	5	10	2.41	28	.03	2	1.49	.01	.21	1	4
STD C/AU-R	18	59	37	132	6.6	68	28	1043	4.09	38	21	8	37	48	17	16	18	58	.47	.091	40	57	.91	180	.07	34	2.00	.06	.14	12	520

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR NH FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 18 1988

DATE REPORT MAILED: Aug 23 / 88

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON PROJECT BUTLER GULCH File # 88-3704

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Tb	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Hg	Ba	Ti	B	Al	Na	K	W	Au*	
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	PPM	PPM		
K88-5-1	1	95	402	1084	5.5	5	7	15529	19.80	312	5	ND	6	28	10	7	52	18	2.08	.035	5	16	1.29	22	.01	11	1.19	.01	.15	2	102	re-assay
K88-5-2	1	38	91	248	1.2	3	4	7279	27.69	261	5	ND	5	55	5	7	152	14	6.33	.017	3	27	2.74	8	.01	4	.28	.01	.03	1	395	re-assay
K88-5-3	1	281	874	2429	11.6	5	4	37782	31.24	1596	5	ND	10	14	31	40	10	6	.66	.012	2	19	.88	5	.01	10	.24	.01	.03	1	13	
K88-5-4	1	345	924	2110	19.6	1	2	54747	29.09	210	5	ND	12	16	21	33	7	7	1.52	.015	2	14	1.78	5	.01	2	.09	.01	.01	1	5	
K88-5-5	1	337	11082	15065	62.2	2	6	38950	24.14	856	5	ND	6	24	306	110	7	4	2.05	.026	4	14	1.37	4	.01	6	.23	.01	.03	1	27	
K88-5-6	1	340	89	3086	.6	7	17	16057	31.81	70	5	ND	7	8	17	4	2	16	.94	.036	5	17	.75	11	.02	7	.68	.01	.04	3	1	
K88-5-7	1	121	186	394	1.5	7	14	2451	4.97	39	5	ND	2	13	8	2	3	52	2.32	.049	8	14	1.63	106	.08	8	2.34	.02	.63	1	1	
K88-6-1	1	135	704	956	12.5	3	8	22049	11.26	311	5	ND	5	18	11	23	19	18	1.42	.027	7	12	1.01	14	.01	13	.76	.02	.15	1	7	
K88-6-2	1	186	580	319	10.2	2	11	3386	36.78	64	5	2	7	14	3	11	2731	8	1.22	.006	3	14	1.64	14	.01	6	.24	.01	.06	2	4055	re-assay
K88-6-3	1	111	650	1800	4.3	2	5	31387	24.68	656	5	ND	7	34	19	23	11	9	2.91	.006	2	20	1.38	4	.01	5	.14	.01	.02	5	36	
K88-6-4	1	65	582	2597	4.8	1	3	45403	18.34	409	5	ND	4	14	37	2	18	4	1.20	.037	2	9	1.30	3	.01	14	.20	.01	.03	2	29	
K88-6-5	1	121	436	2293	5.2	1	10	34180	18.04	1194	5	ND	5	31	33	44	4	4	3.89	.011	2	13	1.13	3	.01	5	.21	.01	.03	4	39	
K88-6-6	1	463	1168	5122	27.5	1	16	26815	19.34	840	5	ND	5	37	51	146	48	9	3.74	.079	2	15	1.87	5	.01	6	.41	.01	.06	14	18	
K88-6-7	1	185	1924	990	7.6	7	7	4440	6.31	71	5	ND	2	81	9	5	14	36	8.78	.042	9	18	2.08	13	.02	5	2.39	.04	.12	1	14	
STD C/AU-R	18	58	42	132	6.7	67	29	1065	4.13	39	17	8	36	47	19	20	17	57	.48	.090	40	61	.90	171	.07	31	1.97	.06	.15	13	510	

✓ ASSAY REQUIRED FOR CORRECT RESULT -

ACME ANALYTICAL LABORATORIES LTD.

DATE RECEIVED: SEP 13 1988

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED:

Sept. 19/88.

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp

AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS FILE # 88-4042R

SAMPLE#	Ag** OZ/T	Au** OZ/T
K-88-8-1	2.77	.213
K-88-8-3	-	.040
K-88-8-4	.35	-
K-88-8-5	.34	-
K-88-8-6	3.01	.008

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR NH FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 29 1988 DATE REPORT MAILED: *Sept 2/88* ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON PROJECT BUTLER GULCH File # 88-4002

SAMPLE#	No	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Au*
	PPH	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPB
K-88-7-1	1	4	436	845	.9	5	3	25731	9.90	357	5	ND	4	12	10	3	2	12	.67	.012	5	3	.62	3	.01	7	1.04	.01	.11	1	1
K-88-7-2	1	315	1805	1511	38.7	6	4	30400	10.99	823	5	ND	2	25	15	73	48	13	1.95	.011	2	3	.84	6	.01	6	.77	.01	.11	1	1
K-88-7-3	1	79	152	277	2.2	4	7	5471	29.23	38	7	ND	6	24	3	2	337	12	2.05	.009	2	12	2.50	2	.01	2	.17	.01	.02	2	460
K-88-7-4	1	109	603	2705	2.8	5	5	45894	16.01	252	5	ND	1	14	29	7	5	6	.67	.001	2	12	.54	1	.01	3	.18	.01	.02	1	2
K-88-7-5	1	88	1107	3575	12.2	8	5	47601	15.64	336	5	ND	1	18	48	12	29	5	.79	.021	2	11	.94	1	.01	2	.17	.01	.01	1	24
K-88-7-6	1	244	18399	1944	58.2	3	4	23623	11.56	365	5	ND	1	17	176	99	56	6	1.21	.013	2	10	.91	1	.01	2	.25	.01	.02	1	10
K-88-7-7	1	559	1690	3834	21.5	6	16	18974	16.34	687	8	ND	3	47	43	85	26	11	4.91	.033	2	12	3.06	2	.01	2	.66	.01	.01	1	49
K-88-7-8	1	1458	977	3148	18.3	22	10	15459	11.29	599	6	ND	4	44	34	139	28	29	5.82	.032	5	9	1.13	6	.01	4	1.18	.01	.08	1	1
STD C/AU-R	19	63	44	132	7.5	73	31	1110	4.05	41	23	8	40	53	19	17	19	61	.49	.088	40	61	.90	180	.07	38	2.03	.06	.14	13	525

✓ ASSAY REQUIRED FOR CORRECT RESULT -

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: SEP 5 1988
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED: *Sept. 8/88*

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp
AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON PROJECT BUTLER GULCH FILE # 88-4002R

SAMPLE#	Ag** OZ/T	Au** OZ/T
K-88-7-2	1.14	-
K-88-7-3	-	.014
K-88-7-5	.34	-
K-88-7-6	1.65	-
K-88-7-7	.64	-
K-88-7-8	.54	-

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: AUG 26 1988
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED: *Sept. 1/88.*

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp AG** & AU** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

J. BERGVINSON PROJECT BUTLER GULCH FILE # 88-3704R

SAMPLE#	AG** oz/t	AU** oz/t
K88-5-2	-	.011
K88-5-3	.32	-
K88-5-4	.58	-
K88-5-5	1.82	-
K88-6-1	.39	-
K88-6-2	.32	.124
K88-6-6	.81	-

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR HG BA TI B W AND LIMITED FOR NA K AND AL. AD DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 29 1988 DATE REPORT MAILED: *Sept 5/88* ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS File # 88-4042

KELAN

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Hg	Ba	Ti	B	Al	Na	K	W	Au*
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPM
K-88-0-1	2	924	2942	2177	39.4	13	7	9805	13.08	4255	15	4	7	138	33	137	1808	18	9.19	.054	11	22	1.26	9	.01	13	.89	.01	.16	1	7520
K-88-3-1	1	25	60	157	.6	11	6	2557	12.30	29	5	ND	5	153	5	7	5	29	9.97	.029	16	31	1.60	11	.02	11	1.32	.09	.20	1	104
K-88-4-2	1	95	84	194	1.4	5	9	4631	27.35	336	5	ND	5	51	2	7	199	14	5.42	.007	2	24	2.30	6	.01	2	.26	.01	.03	1	1380
K-88-3-4	1	320	811	1037	13.1	5	5	20640	19.93	294	5	ND	4	45	8	7	20	12	2.77	.032	2	37	2.78	3	.01	8	.32	.01	.04	1	29
K-88-6-5	2	93	653	1125	12.3	3	5	18859	18.46	315	5	ND	5	32	12	23	24	8	3.25	.018	2	17	2.65	4	.01	7	.14	.01	.02	1	12
K-88-9-6	1	455	4358	1005	102.2	7	13	30973	26.16	179	7	ND	6	26	14	71	3090	12	2.35	.015	2	22	2.63	2	.01	7	.38	.01	.02	1	310

APPENDIX II

SAMPLE LOGS, ASSAY RESULTS AND DRILL PLANS AND SECTIONS.

ASSAY RESULTS
1988 DRILLING - KELAN PROPERTY

Drillhole K-88-1

SAMPLE INTERVAL	DESCRIPTION	MO (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	17-20 Fractured rusty QM	5	18	33	.1	1
2	20-24.5 " "	2	21	3	.1	1
3	34.5-37 Clay altered QM	126	10	7	.5	3
4	45-50 Clay altn + Mos2	749	13	16	.1	1
5	63.5-65. Fractured, clay altn.	43	13	96	.1	2
6	84-88 V.rusty, carbonate, clay	344	800	146	5.2	13
7	93-97 Fault zone, As Mineral??	138	1108	7492	11.1	720 *
8	97-100 Clay sericite, Yellow stn	207	686	527	3.6	4

(NOTE * - 720 ppb = 0.02 oz/ton)

Drillhole K-88-2

SAMPLE INTERVAL	DESCRIPTION	MO (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	110.6-11.5 Clay altn w Mos2 veins	789	21	5	.2	1
2	129-132 " "	131	17	14	.2	1
3	139-142 Faulted rusty QM	90	10	4	.1	2
4	142-148 Faulted, clay altn +Mos2.67	12	260	.1	9	

Drillhole K-88-3

SAMPLE INTERVAL	DESCRIPTION	MO (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	66.5-70 Mn stain, poor recov. 2 small pcs qtz + galena	ROCK ASSAY			0.71 (opt)	.002 (opt)
2	70-75 Ozidixed fault zone	50	207	260	1.7	6
3	75-80 Rusty fault gouge	61	798	657	3.4	19
4	80-84 Clay-sericite altn, gouge.66	3546	1220	5.0	13	

Drillhole K-88-4

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	6-10.5' Massive black Magnetite	42	42	23	0.5	104 *
2	10.5-14' Faulted skarn	244	55	81	0.2	12
3	14-16 Faulted Qtzt and vein Sb-As-Pb min. @ 14.5-15	314	323	7400	7.9	68
4	16-20 Faulted zone	324	355	410	2.2	4

* NOTE: 104 ppb = 0.003 oz/ton

Drillhole K-88-5

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)	
1	26-29	Fault zone	95	402	312	5.5	102 *
2	29-35	Magnetite/carbonate, fault	38	91	261	1.2	395 *
3	35-37.5	QCPy Skarn, oxidized	281	874	1596	11.6	13
4	37.5-43	Massive QCPy skarn, Minor Asp,Gn,Sph	345	924	210	19.6	5
5	43-47	Massive QCPy skarn	337	11082 *	856	62.2*	27
6	47-52	Mostly Mag Skarn	340	89	70	0.6	1
7	52-56	Qtzite and Skarn	121	186	39	1.5	1

* NOTE: 102 ppb = 0.003 oz/ton

* NOTE: 395 ppb = 0.011 oz/ton

* NOTE: 62.2 ppm = 1.8 oz/ton Ag 11082 ppm Pb = 1.1 % Pb

Drillhole K-88-6

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)	
1	20-25 Ft	Altered Q.Diorite Minor Gn,Sph	135	704	311	12.5	7
2	25-30.5	Magnetite Skarn	186	580	64	10.2	4055*
3	30.5-35	Buff QCPy Skarn	111	650	656	4.3	36
4	35-40	" " "	65	582	409	4.8	29
5	40-45	"" Mass. Arseno.?+ Sph	121	436	1194	5.2	39
6	45-49	Buff QCPy Skarn	463	1168	840	27.5*	18
7	49-56.5	Skarn, Breccia, Gneiss	185	1924	71	7.6	14

* NOTE: 4055 ppb = 0.118 oz/ton Au 27.5 ppm Ag = 0.80 oz/ton.

Drillhole K-88-7

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)	
1	23.5-26Ft	Faulted Intrusive	4	430	357	0.9	1
2	26-27.5	Carbonat. Intrusive	315	1805	823	38.7	1
3	27.5-34	Banded Mag Skarn.	79	152	38	2.2	460*
4	34-40	Coarse QCPy Skarn	109	603	252	2.8	2
5	40-45	As Above	88	1107	336	12.2	24
6	45-50	As Above, narrow Gn Vein	244	18399*	365	58.2*	10
7	50-55	As Above, Minor Gn.	559	1690	687	21.5	48
8	55-60	As Above, Fault @ base	1458	977	599	18.3	1

* NOTE: 460 ppb = 0.013 oz/ton Au 58.2 ppm Ag = 1.70 oz/ton.
18399 ppm Pb = 1.84 %

Drillhole K-88-8

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	23.5-25 Rusty Py/Carb Skarn CHECK ASSAY (OPT)	924	2942	4255	39.4 2.77	7520 0.213
2	25-27 Chlorite Skarn	25	60	29	0.6	104
3	27-33 Massive QCPy Skarn CHECK ASSAY	95	84	336	1.4	1380 0.040
4	33-38 As Above	330	811	294	13.1	29
5	38-43 As Above	93	653	315	12.3	12
6	43-48 As Above, Fault @ base CHECK ASSAY (OPT)	455	4356	179	102.2 3.01	310 0.008

* NOTE: 7250 ppb = 0.219 oz/ton Au 39.4 ppm Ag = 1.15 oz/ton.

Drillhole K-88-9

(No Samples Taken)

Drillhole K-88-10

(No Samples Taken)

RAPITAN RESOURCES INC.,
2505 W.1st Ave.,
Vancouver, B.C.,
V6R 1W2
August 22, 1988.

KELAN RESOURCES INC.,
600 - 890 West Pender St.,
Vancouver, B.C.

INVOICE RE: DRILL PROGRAM, BUTLER GULCH PROPERTY:

DRILL SUPERVISION:

B.Price, 10 Days @ \$350/day (July 27-Aug 18). \$3,500.00
Plan drill program, supervise, log and split core
map drill area and prepare prelim sections.

Preparation of brief summary.

DISBURSEMENTS:

B.Price Expenses (as per attached list)

50 % of airfare and Taxi. 539.30

=====

TOTAL THIS INVOICE	\$4,039.30
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Respectfully submitted,

Barry Price.....
Barry J.Price, M.Sc.
Consulting Geologist.



DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE
 LOCATION: 128+T2E/255.5N
 Drilled underneath vein in trench.
 Page 1 of 1.

DRILL HOLE: K-88-1
 AZIMUTH: 00
 INCLINATION: -45°
 DEPTH: 100'

DEPTH	DESCRIPTION
0-10'	Overburden
10'-24.5'	Fractured, rusty quartz monzonite
	Sample K-88-1-1 17'-20'
	K-88-1-2 20'-24.5'
24.5-34.5	Quartz monzonite, rel. fresh. Minor pyrite, chalcopyrite. Small amount of MoS ₂ at 31' (no assay).
34.5-37'	Quartz monzonite. Clay altered. Faulted at each end. Assay K-88-1-3
37-45	Quartz monzonite. Relatively fresh.
45-50'	Quartz Monzonite. Abundant fine films of MoS ₂ . + clay alteration. Sample K-88-1-4.
50-63.5'	Quartz monzonite. Rel. Fresh.
63.5-65.5'	Fracture zone with high angle fractures and clay alteration. K-88-1-5
65.5-84'	Quartz Monzonite. Rel fresh.
84-88'	Qz. monzonite with very rusty clay alteration + carbonate. Sample K-88-1-6
88-93'	Quartz monzonite. Rel fresh
93-97'	Fault zone w. Arsenic mineral. K-88-1-7
97-100'	Q. Monzonite w. clay-sericite and grey mineral w. yellow stain. K-88-1-8.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. Price.....

DRILL HOLE: ..K-88-2....

LOCATION: 129E / 2+25N.....

AZIMUTH:00.....

Dilled underneath projected

INCLINATION: ...-45°.....

No. 9: Vein:.....

DEPTH: ..150 ft.....

DEPTH

DESCRIPTION

p. 1 of 1.

DEPTH	DESCRIPTION
0-12'	Overburden.
12'-65'	Quartz Monzonite. Very fresh. Minor green clay alteration, (weak propylitic w. chlorite and epidote). Solid, with only 1-2 fractures per foot. 1-2% disseminated pyrite and minor chalcopyrite.
47.5'	1/2" Quartz-pyrite vein w. clay + sericite alteration + bleaching on either side.
65-66'	Fault gouge of crushed Qtz. Monzonite.
66-150'	Quartz monzonite as above, with the following variations:
77-98'	Several 6 inch gouge sections
110-114'	Several quartz-pyrite veins with MoS ₂ . Several dark assimilated inclusions
120-120.5'	Fault zone.
124-129'	Strong clay alteration in fault zone.
129-139'	Clay sericite alteration with MoS ₂ .
139-142'	Faulted section
142-147.5'	Clay-sericite alteration,
147.5-150'	Faulted zone with poor recovery
150'	End of Hole.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE.....

DRILL HOLE: K-88-3.....

LOCATION: 130+20E/2+33N.....

AZIMUTH: 354°.....

Drilled under trench with
good exposure No. 9 vein.

INCLINATION: -45°.....

DEPTH: 100'.....

DEPTH CROESUS PROPERTY

DESCRIPTION

p. 1 of 1.

- | DEPTH | CROESUS PROPERTY | DESCRIPTION |
|------------|------------------|--|
| 0-17' | | Overburden - Casing |
| 17-24.5 | | Quartz Monzonite - medium grained. Biotite + Hornblende, partly chloritized, Abundant magnetite and minor pyrite. Continues to 100' with the following variations: |
| 24.5-25' | | Fault zone. |
| 25-31' | | Quartz Monzonite as before. |
| 31-37' | | Faulted and soft. |
| 37-42.5 | | Finely crystalline Q. Monzonite. Manganese stain. |
| 42.5-43.5' | | Fault zone. |
| 43.5-46.5 | | Medium crystalline Quartz Monzonite. |
| 46.5-57' | | Finely crystalline Q. Monz. Fresh Biotite. |
| 57-59.5' | | Fault gouge. |
| 59.5-66.5' | | Fresh. Finely crystalline Quartz Monzonite. |
| 66.5-83.5 | | Major fault or shear zone. Gouge and v. rusty Qtz. Monzonite. Clay alteration. |
| 83.5-100' | | Finely crystalline Fresh Quartz Monzonite |
| 100' | | End of Hole. |

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE..... DRILL HOLE: K-88-4.....
 LOCATION: 112+13E/0+95S..... AZIMUTH: 180°.....
Drilled under magnetite zone..... INCLINATION: -45°.....
exposed in road + trench..... DEPTH: 100'.....

DEPTH	DESCRIPTION	Pi. of I.
0-6'	Overburden. Casing.	
6-10.5'	Massive black magnetite. 90% recovery 2-3% green mica. 5-10% carbonate. Sample K-88-4-1.	
10.5'-14'	Fault Zone? Poor recovery of pieces of broken skarn, quartzite, magnetite. Sample K-88-4-2	
14-16'	Broken, faulted quartzite and vein material Galena-stibnite +/- Arsenopyrite from 14.5'-15'. Poor recovery. Yellow antimony- arsenic stain. Minor scorodite. K-88-4-3	
16-20'	Faulted green skarn. Sample K-88-4-4	
20-100'	Grey hornfelsed quartzites and gneissic metasediments. No apparent mineral- ization. Not sampled.	
100'	End of hole.	

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE

DRILL HOLE: K-88-5

LOCATION: III+78E/1+20S

AZIMUTH: 235°

Dilled under trench with

INCLINATION: -45°

Magnetite + Qz-Py-skarw.

DEPTH: 100'

p 1 of 2.

DEPTH	DESCRIPTION
0-6'	Overburden.
6-26'	Quartz Diorite sill or dyke. Medium grained. Fresh and unmineralized (post mm?).
26-29'	Faulted intrusive-magnetite contact. 2 or 3 Major faults with gouge. Sample K-88-5-1
29-35'	Mixed magnetite skarn with carbonate, talc or serpentine, pyrite. Faults parallel hole. Sample K88-5-2.
35-37.5'	QCP (quartz-carbonate-pyrite) skarn, oxidized. Sample K88-5-3
37.5-43'	QCP skarn. Massive. Minor arsenopyrite, Galena + Sphalerite. Sample K88-5-4.
43-47'	QCP skarn as above. Crumbly, faulted - and oxidized. Fault at base. Minor galena. Sample K88-5-5.
47-52'	Mostly magnetite skarn. Gradational to chlorite skarn w. magnetite. Sample K88-5-6
52-56'	Quartzite partly converted to skarn. Faulted at base. Sample K-88-5-7.
56-58'	Fault zone.
58-62'	limestone gradational to Quartzite

see p. 2.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE

DRILL HOLE: K-88-5

LOCATION:

AZIMUTH:

.....

INCLINATION:

.....

DEPTH:

p 2 of 2.

DEPTH

DESCRIPTION

62-67.5'	Light colored quartzite.
67.5-70.	Faulted brecciated quartzite.
70-73.5.	Light colored quartzite. Fault at base.
73.5-94'	Alternating light and dark colored quartzite.
94'-100'	Feldspar porphyry sill.
100'	End of Hole.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: ... B. PRICE DRILL HOLE: ..K.88-6.....
 LOCATION: III+T8E / I+20S... AZIMUTH: ..235°.....
 Drilled under DDH 5..... INCLINATION: ...-60°.....
 DEPTH: ...100'.....

p. 1. of 1.

DEPTH	DESCRIPTION
0-3'	Overburden, Casing
3-20.5'	Quartz diorite dyke (?). Green, chloritized with abundant magnetite. Medium crystalline, very fractured with areas of bleaching + epidote.
20.5-25'	Strongly altered intrusive gradational to green skarn. Carbonate alteration with pyrite. Minor galena or molybdenite at 24'.
25-31'	Banded magnetite skarn. Layered at 80° to core axis. Veins of quartz-carbonate (coarse) + pyrite faulted lower contact.
31-49'	Quartz carbonate skarn, Coarsely crystalline with pyrite > magnetite. Minor chlorite.
49-50'	Dark, banded, skarnified Biotite gneiss. Abundant pyrite.
50-51'	Garnet-diopside banded skarn.
51-100'	Biotite gneiss, quartzite, hornfels, partly skarnified. Foliation almost perpendicular to core axis. (80° SW average).
100'	End of hole.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. Price

DRILL HOLE: K-88-7

LOCATION: III+T8E/1+20S

AZIMUTH: 265°

Drilled toward road
under trench

INCLINATION: -45°
DEPTH: 85'

DEPTH	DESCRIPTION	pl. of l.
0-3	Overburden.	
3-24'	Granodiorite sill or dyke. Extremely broken & fractured. Several 1-2 ft. sections of fault breccia.	
24-28	Altered dyke. Clay, carbonate and minor magnetite. Fault gouge at base.	
28-35'	Magnetite skarn. (Replacing dyke?).	
35-59.5'	Quartz-carbonate alteration of limestone (skarn). Coarse bladed radiating quartz large pyrite cubes. Brecciated texture in places. 1/2 inch band of coarse galena @ 48'. Minor sphalerite and galena @ 55-60'. Fault gouge from 54-55'.	
59.5-60'	FAULT. Clay gouge.	
60-62'	Faulted & broken quartzite.	
62-85'	Meta quartzites and hornfelsed greissic rocks, partly skarnified (chlorite). Foliation about 45° to core axis.	
85'	END OF HOLE	

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE

DRILL HOLE: K-88-8

LOCATION: III+78E/1+20S

AZIMUTH: 207°

Same set up as holes

INCLINATION: -45°

K-88 5/7

DEPTH: 58'

DEPTH

DESCRIPTION

p1 of 1.

0-9'	Casing		
9-23.5'	Altered intrusive with magnetite. More chlorite and carbonate alteration at base		
23.5-25'	Rusty pyrite-carbonate skarn. Sample 1		
25-27'	Green-black chlorite skarn. Minor pyrite and magnetite. Sample 2		
27-48'	Quartz-carbonate-pyrite skarn.		
	Sampled	27-33'	Sample 3
		33-38'	" 4
		38-43'	" 5
		43-48'	" 6
48-58'	Biotite gneiss - massive.		
58'	END OF HOLE.		

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. Price
 LOCATION: 112+13E/0+95S
 Drilled toward DDH 5
 from vicinity of DDH-4

DRILL HOLE: K-88-9
 AZIMUTH: 235°
 INCLINATION: -45°
 DEPTH: 120'

DEPTH	DESCRIPTION
0-3	Overburden, Cased.
3-10'	Magnetite stain. Partly faulted Massive w. few fractures. Faulted at lower contact.
10-28'	Dark biotite greiss Faulted and broken.
28'	Strong fault.
28-35'	White metag quartzite. Pure. Minor quartz-pyrite veinlets and fractures.
35-36'	Very broken quartzite, Yellow antimony-arsenic stain.
36-49'	Quartzite, pale green. Chloritized and bleached. Faulted. Gradational to grey chloritized quartzite. Interval 45-48 strongly faulted.
49-69.5'	Hornfelsed quartzite. Chlorite, sericite, pyrite & brown biotite. Faulted at 59.5' but no major offset.
69.5-74.5'	As before but permeated with fine drusy quartz veinlets.
74.5-80'	Stockwork of silica in quartzite. Minor carbonate alteration.
80-120'	Hornfelsed light gray-greenish quartzite chloritized. Very uniform.
120'	END OF HOLE.

DRILL LOG

KELAN 1988 DRILL PROGRAM

LOGGED BY: B. PRICE

DRILL HOLE: K-88-10

LOCATION: See plan

AZIMUTH: 345°

Drilled under trench w

INCLINATION: -45°

Sample K-88-E-1

DEPTH: 105'

Vein No 6.

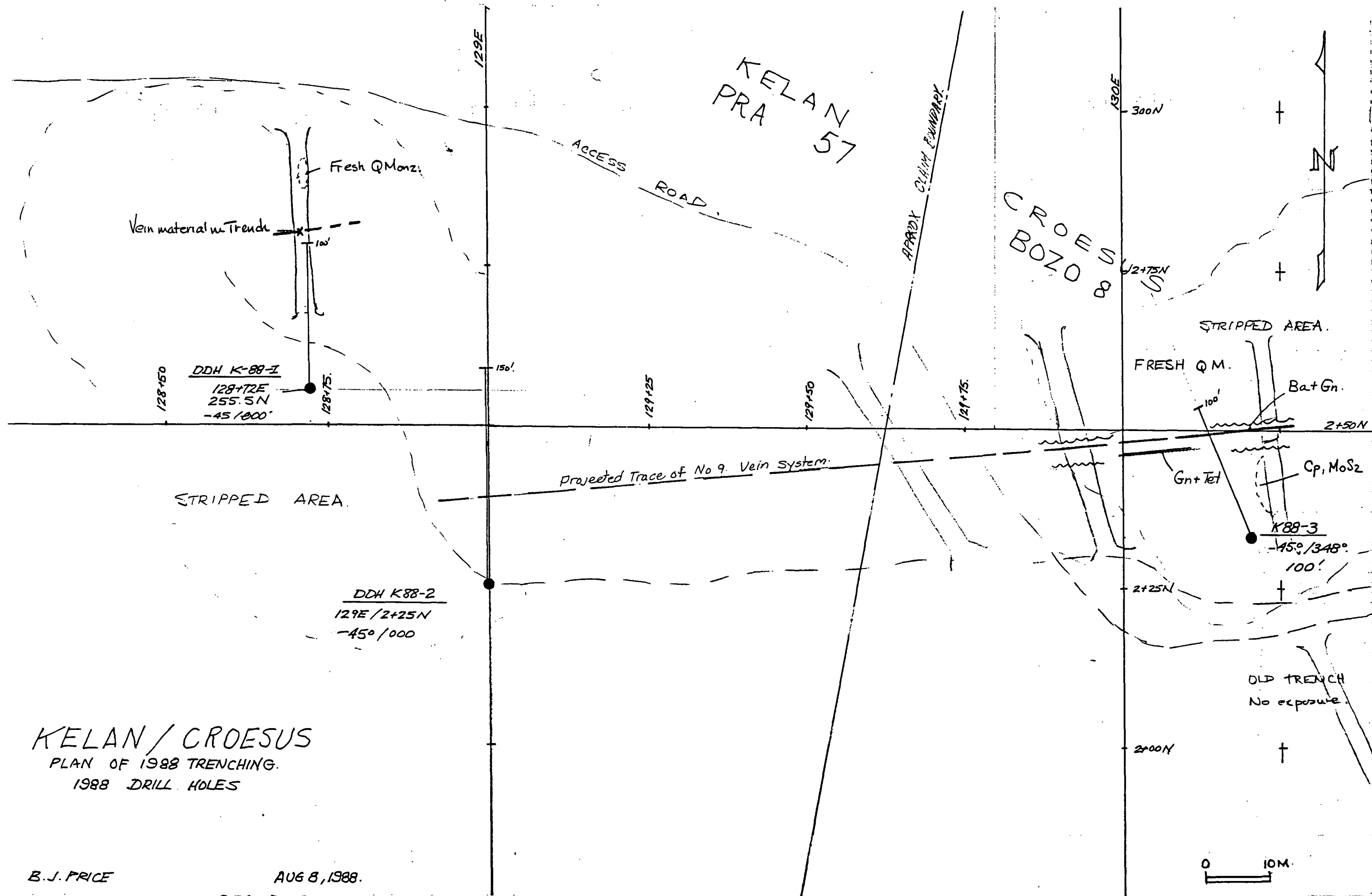
pl of 1.

DEPTH

DESCRIPTION

- 0-3. Overburden. CASING.
- 3-14'. Chloritic schist, green (Metatuff?).
Minor chalcopyrite and galena. Partly siliceous
& cataclastic texture.
- 14-19'. Faulted contact
- 19-39'. Biotite gneiss. Grey - dark grey + brown.
Foliation at 10° to core axis.
- 39-40 Major fault.
- 40-59.5. Massive biotite gneiss
- 59.5-60. Major Fault.
- 60-105 Massive biotite gneiss No vein
material
- 105'. END OF HOLE.

(No vein intersections + no samples taken).

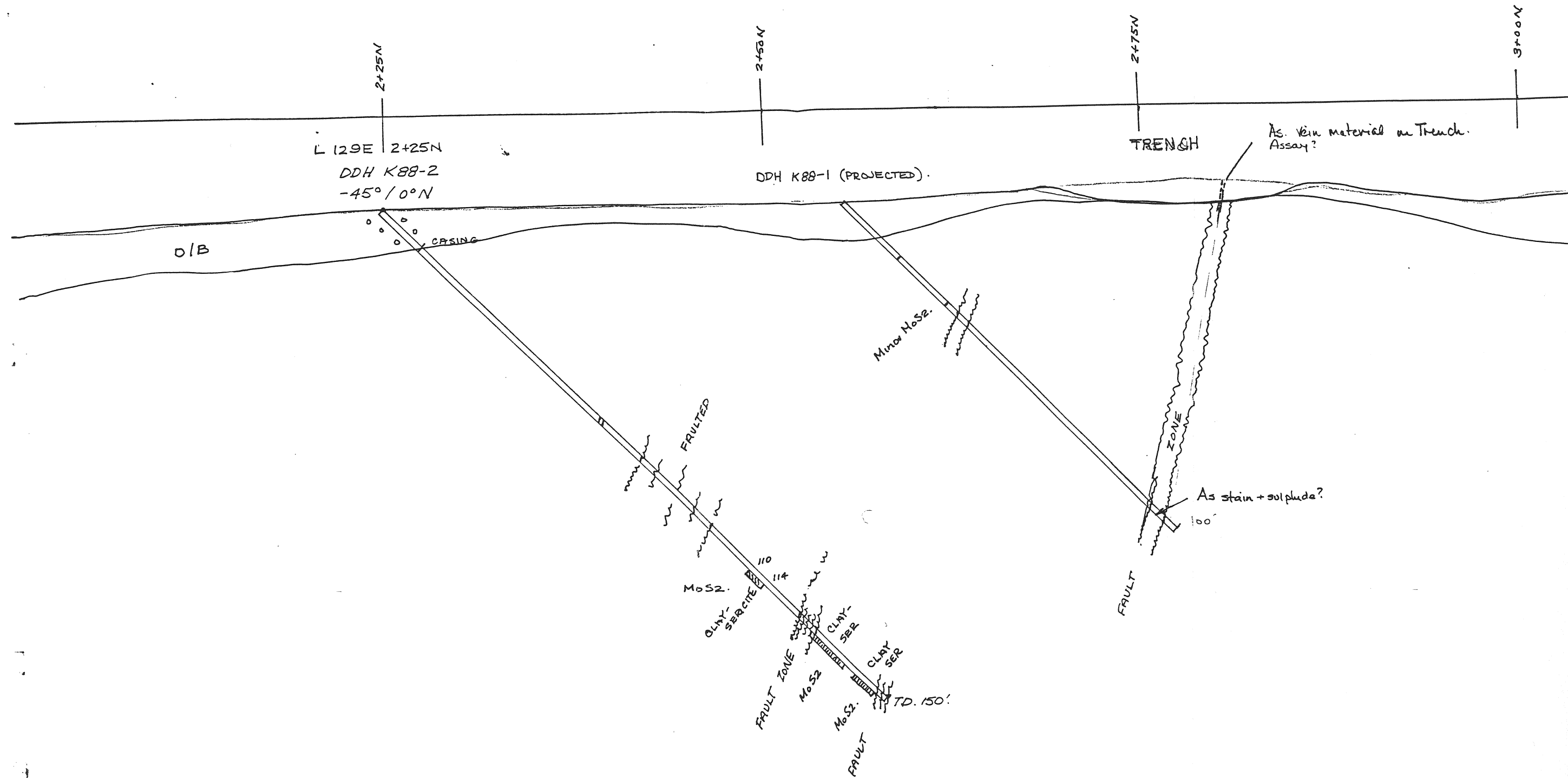


KELAN / CROESUS
PLAN OF 1988 TRENCHING.
1988 DRILL HOLES

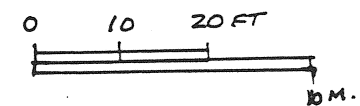
B.J. PRICE

AUG 8, 1988.

FIGURE D1



KELAN RESOURCES INC.
 DRILL SECTION K-88-1+2



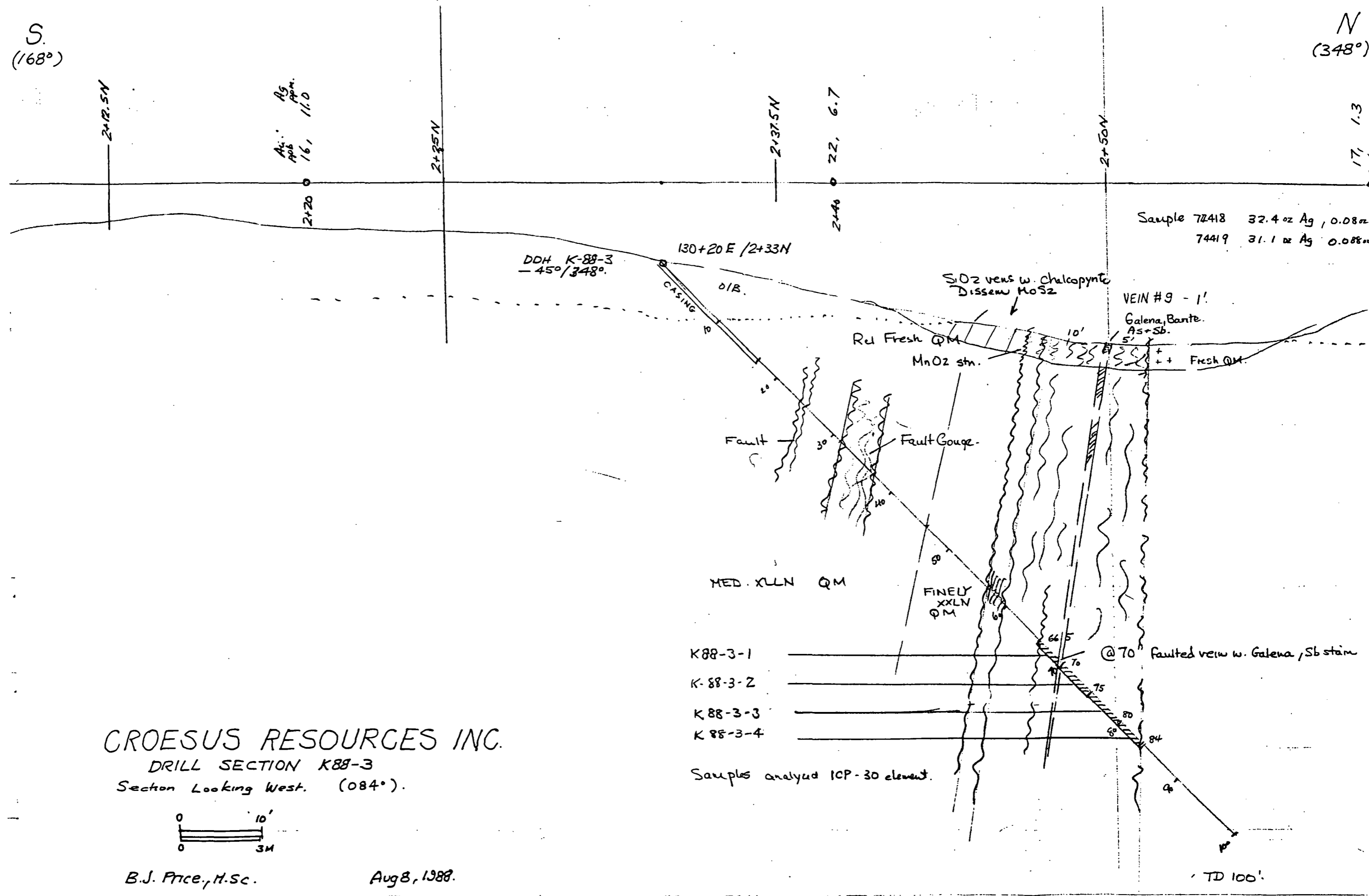
B. J. PRICE, M.Sc.

AUG 9 1988.

FIGURE D2

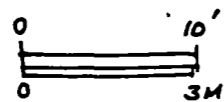
S.
(168°)

N
(348°)



Sample 72418	32.4 oz Ag	0.08 oz
74419	31.1 oz Ag	0.08 oz

CROESUS RESOURCES INC.
 DRILL SECTION K88-3
 Section Looking West. (084°).

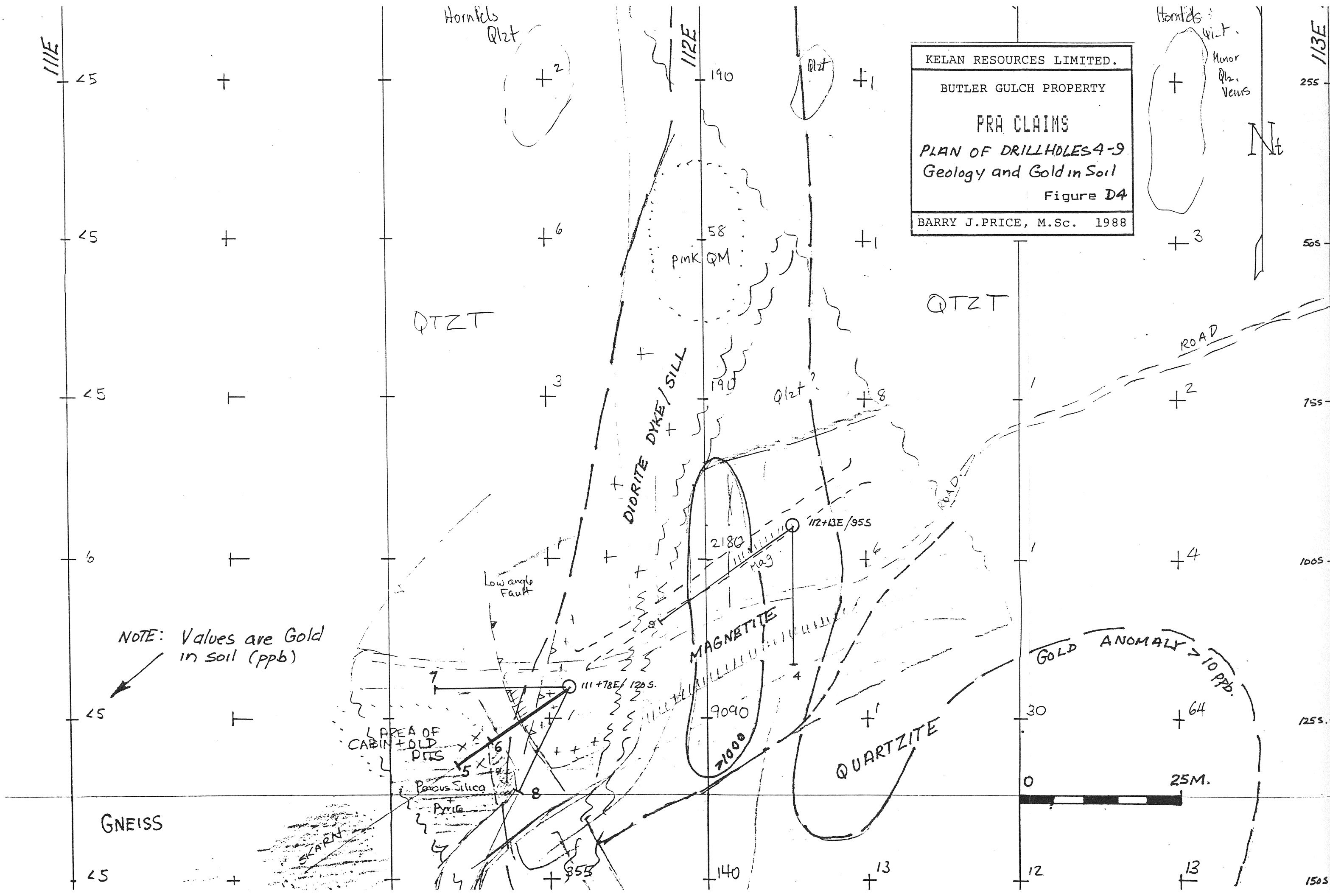


B.J. Price, M.Sc.

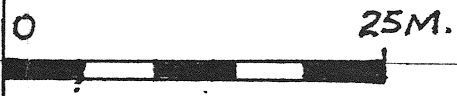
Aug 8, 1988.

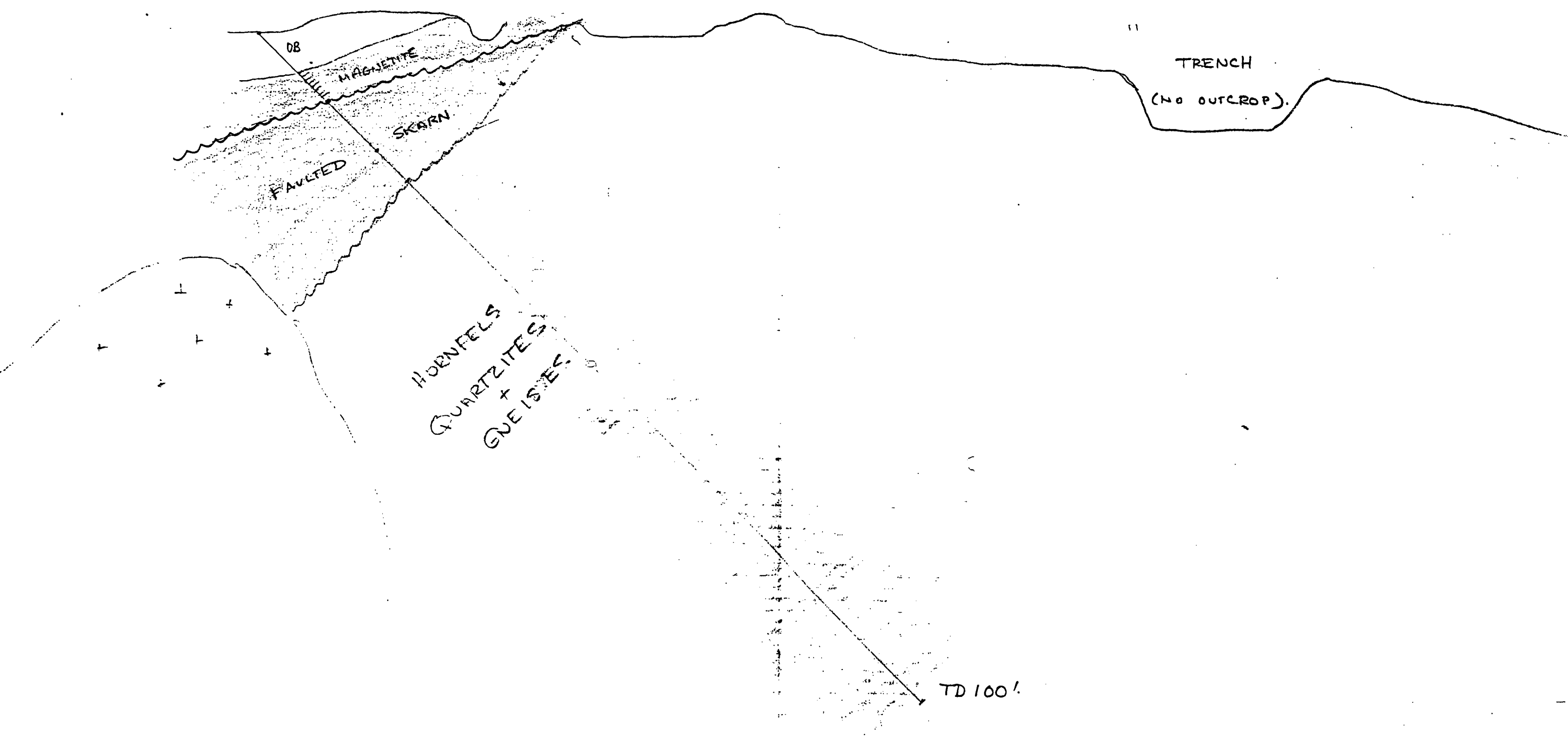
FIGURE D3

KELAN RESOURCES LIMITED.
 BUTLER GULCH PROPERTY
 PRA CLAIMS
 PLAN OF DRILLHOLES 4-9
 Geology and Gold in Soil
 Figure D4
 BARRY J. PRICE, M.Sc. 1988



NOTE: Values are Gold in soil (ppb)





KELAN RESOURCES INC.
DRILL SECTION K88-4

FIGURE D5
SCALE 1" = 10 FT (1:120).

55°

235°

DDH 88-6

DDH 88-5

111+78E/1+20S -45°

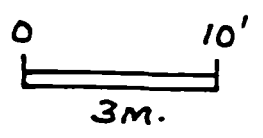
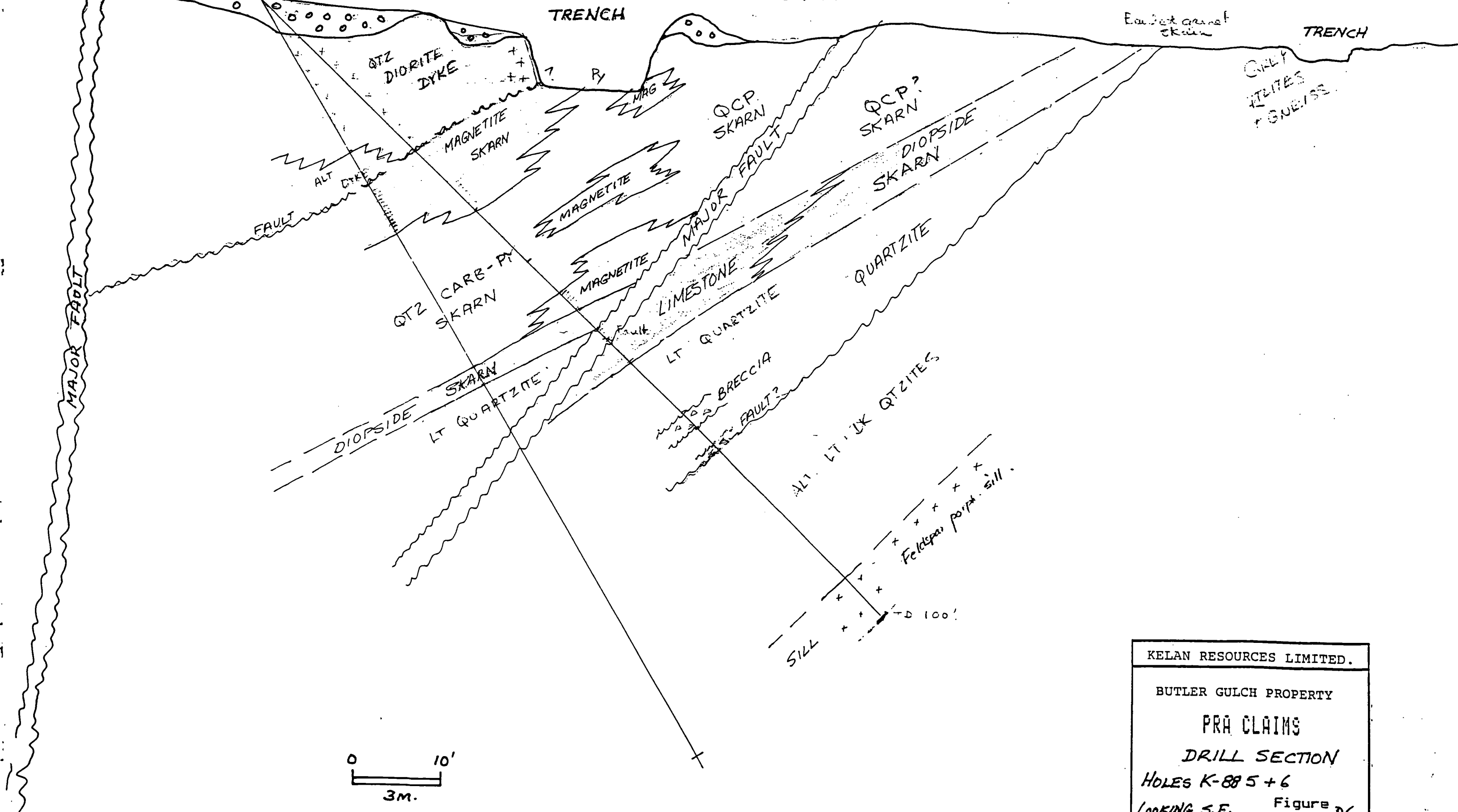
1988 TRENCH

OLD PITS

East West granite skarn

TRENCH

CHLY
TILITES
& GNEISS



1 in: 10 ft.

KELAN RESOURCES LIMITED.

BUTLER GULCH PROPERTY

PRA CLAIMS

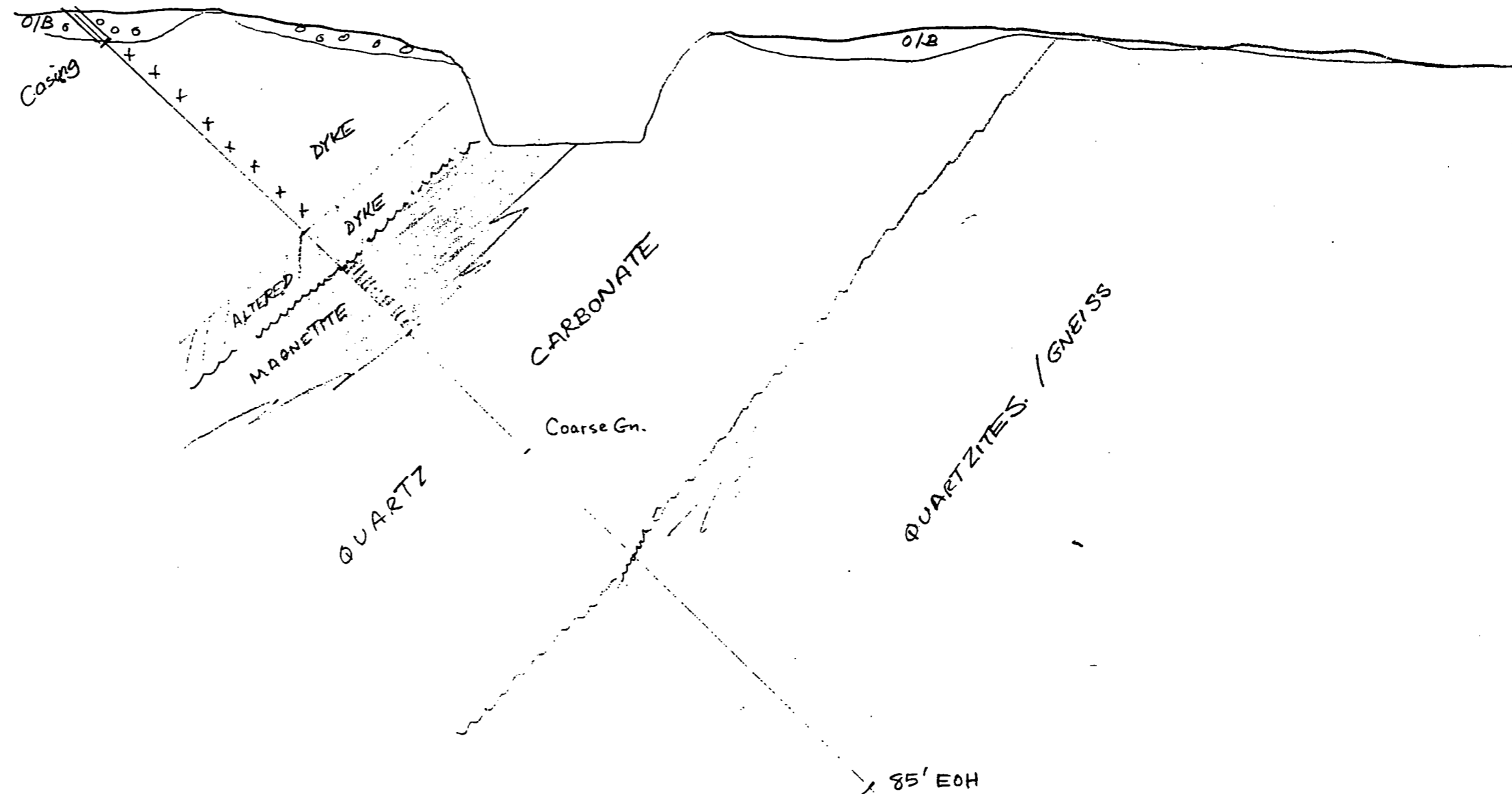
DRILL SECTION

HOLES K-88 5 + 6

LOOKING S.E. Figure D6

BARRY J. PRICE, M.Sc. 1988

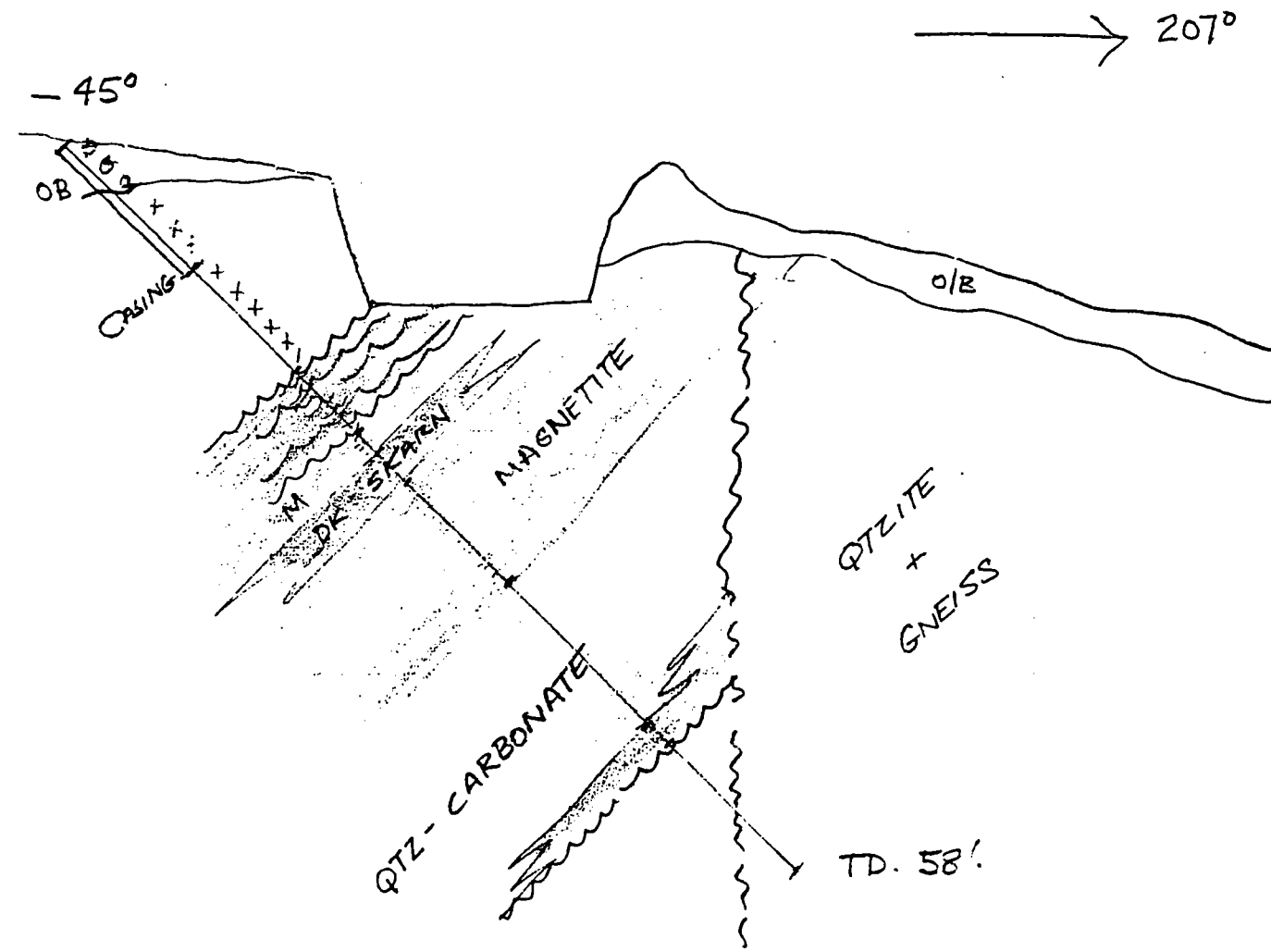
-45° / 270°



DRILL SECTION K-88-7.

FIGURE D7

SCALE 1:120



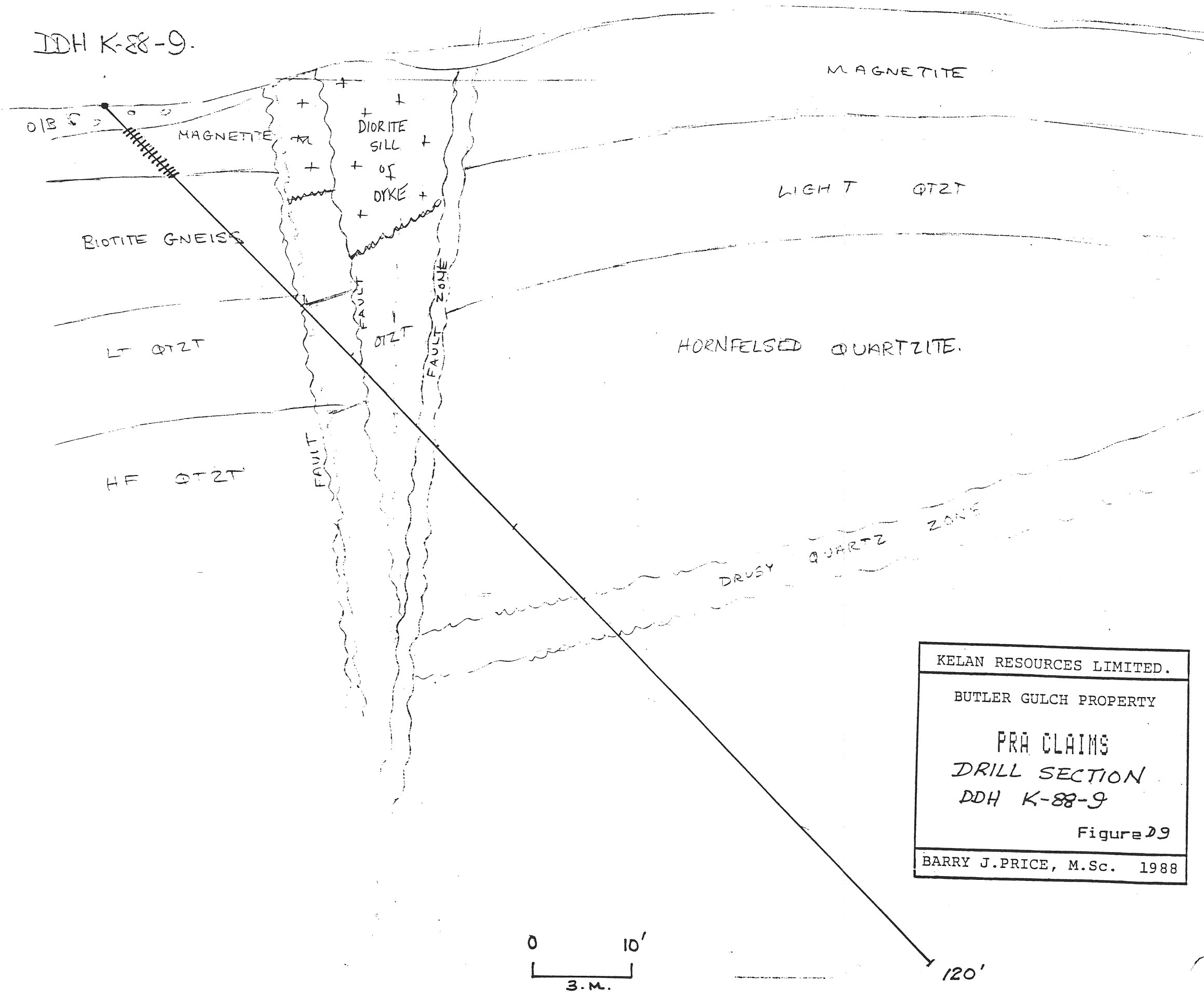
DRILL SECTION K-83-8.

FIGURE D8

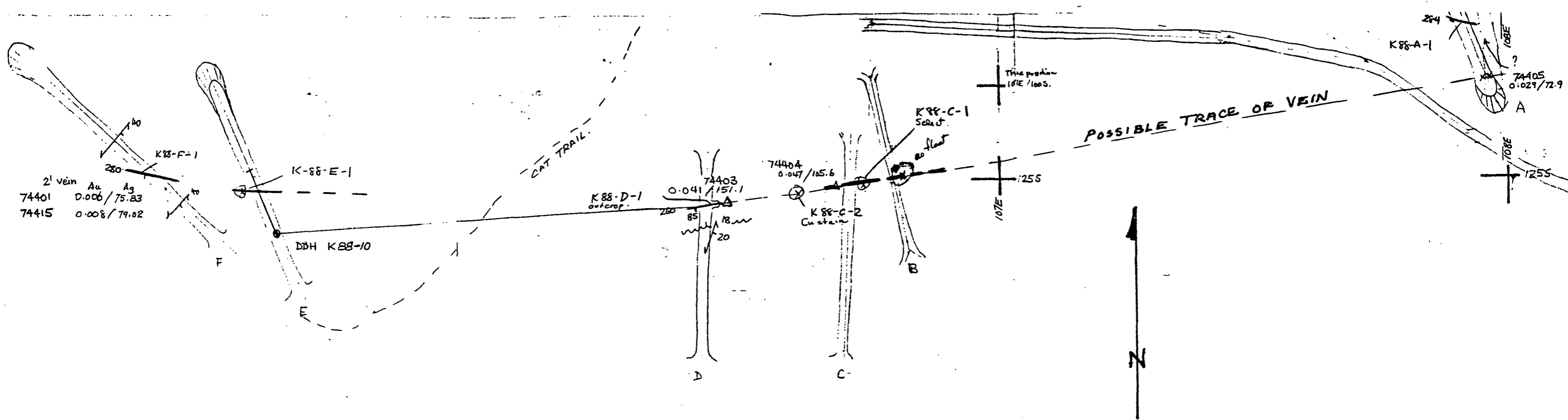
SCALE 1:120.

B. PRICE AUG 1988.









DDH K-88-9.

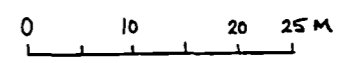


KELAN RESOURCES LIMITED.
 BUTLER GULCH PROPERTY
 PRA CLAIMS
 DRILL SECTION
 DDH K-88-9
 Figure 29
 BARRY J. PRICE, M.Sc. 1988



LEGEND

-  Fault
-  Vein
-  Sample.
-  Float
-  Drill Hole.
-  Foliation.
-  Grid Point
-  Trench.



KELAN RESOURCES LIMITED.
BUTLER GULCH PROPERTY
PRA CLAIMS
DRILL PLAN
DDH 10
VEIN NO. 8. Figure D10
BARRY J. PRICE, M.Sc. 1988

88-036

DIAMOND DRILLING REPORT

CRAG MOUNTAIN PROPERTY

(Pra 7-18 claims, YA 89080-89091)
(Pra 23-36 claims, YA 89096-89109)
Sixtymile River Area, Dawson Mining District
Yukon Territory

Lat:63 55 North/ Long:140 45 West
NTS Mapsheet 115 N 15

(Work done August 1 - 20, 1989)

owned by:

RED FOX MINERALS LTD.

708 - 530 Granville Street
Vancouver, B.C.,
(604) 684-7733

by:

BARRY J. PRICE, M.Sc., F.G.A.C.

Consulting Geologist

RAPITAN RESOURCES INC.
2505 West 1st Avenue, Vancouver, B.C.
V6K 1G8 (604) 733-6902



February 15, 1989

Barry Price

GEOLOGICAL REPORT
Crag Mountain Property
 Red Fox Minerals Ltd.
 Sixtymile River Area, Dawson M.D.
 Yukon Territory

SUMMARY

In the summer of 1988, Red Fox Minerals Ltd completed a diamond drilling program on the Golden Crag property which was acquired the previous year under an option agreement with Croesus Resources Inc. This report describes the drilling program for the purposes of filing assessment work on the claims.

The Crag Mountain property of Red Fox Minerals Ltd. is situated at the headwaters of Mosquito Creek, a northerly flowing tributary of Sixtymile River. The property, 70 kilometers southwest of Dawson City, Y.T. and 10 kilometers east of the Alaskan border is reached by a road leading south from the "Top of the World" Highway, two hours driving time from Dawson City, Y.T. The property is between 1,000 meters to 1,400 meters above sea level, mostly above tree-line, in an unglaciated area with permafrost.

The claims comprise the Pra 7-18 and Pra 23-36 claims, totaling 26 in all, in the Dawson Mining District. The property is under option from Croesus Resources Inc.; terms of the option involved the obligation by Red Fox to expend \$150,000 on exploration, after which the companies would have been equal partners under a joint venture.

In 1987, a total of \$67,000 was expended on the claims. The program included grid cutting, (24 km), marking and surveying, road construction and trenching, and soil sampling, (1014 samples). Results gave large, strong anomalies for lead, arsenic and antimony, with a moderate silver response and weak gold anomalies. Several anomalies occur where veins had not yet been found. A program of geological mapping, sampling, trenching and diamond drilling was recommended, at an estimated cost of \$105,000.

From August 1 to August 20, 1988, 972 feet of NQ diamond drilling in 8 drillholes was done by Caron Diamond Drilling Ltd., of Whitehorse, Yukon Territory at a total project cost of \$106,314.68 (exclusive of the cost of this report).

The Diamond drill program verified that the Number 4 vein is present along a strike length of approximately 220 meters (720 ft), and was tested up to 30 meters (100 ft) below the highest point on surface (Hole No. 88-6). Mineralization was intersected in all holes except DDH 88-7 which appeared to have followed a broad fault zone. The drill intersections are as follows:

SAMPLE INTERVAL	WIDTH	Pb %	Ag	opt Au	opt
88-1 56-61	5 ft	2.02	2.12	0.008	
88-2 94-95.5	1.5 ft	1.60	2.25	0.002	
88-3 77-80	3 ft	2.65	5.80	0.0006	
88-4 31.5-38.5	7 ft.	1.46	9.2	0.009	
88-5 31 - 43	12 ft	1.37	13.8	0.008	
88-5 69.5-80	10.5 ft	2.41	3.6	0.018	
88-6 98-115.5	17.5 ft	1.16	6.1	0.020	
88-8 62.5-70	7.5 ft	2.15	15.6	0.012	

Although geologic reserves of 22,000 tons averaging about 2% lead, 10 oz/ton silver and 0.01 oz/ton gold might be hypothesized for the No.4 vein system, to a depth of 200 ft below surface, in comparison with operating silver mines in the Yukon, such as United Keno Hill Mines Ltd., these reserves are well under the minimal economic parameters necessary even for small high grading operations.

For this reason it is recommended that no further work be done by Red Fox Minerals at this time. This does not suggest that the property is not worthy of further exploration efforts by other operators.

respectfully submitted



Barry J. Price, M.Sc., FGAC.
Consulting Geologist,
February 15, 1989.



GEOLOGICAL REPORT
CRAG MOUNTAIN PROPERTY
Red Fox Minerals Ltd.
Sixtymile River Area, Dawson M.D.
Yukon Territory

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APPENDIX II - CORE INTERCEPTS AND ASSAYS

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1988 DIAMOND DRILLING REPORT
Crag Mountain Property
Red Fox Minerals Ltd.
Sixtymile River Area, Dawson M.D.
Yukon Territory

INTRODUCTION:

Red Fox Minerals Ltd. has under option, the the Crag Mountain property, comprising 26 mineral claims in the Sixtymile River area west of Dawson City, Yukon Territory. At the request of Michael Elson, President of Red Fox, the writer has summarized results of the 1988 diamond drilling program.

A previous report, (Price, 1987), summarized work done by Archer Cathro and Associates in 1969, and described a work program supervised by Harmen Keyser, B.Sc. (Aurum Geological Consultants Inc.), completed October 1, 1987.

LOCATION AND ACCESS:

The Crag Mountain property of Red Fox Minerals Ltd. is situated at the headwaters of Mosquito Creek, a northerly flowing tributary of Sixtymile River. The property is 70 kilometers southwest of Dawson City, Y.T. and 10 kilometers east of the Alaskan border.

The exploration camp, situated near the mouth of Miller Creek and on the north bank of Sixtymile River, is reached by a short branch road leading south from the "Top of the World" Highway, west of Dawson City, which is two hours driving time by 2 wheel drive vehicle. At times, 4 wheel drive vehicles are preferrable. The camp can be reached in one half hour by helicopter from Dawson City. A short airstrip services numerous placer mines in the vicinity of Miller Creek, but is not often used.

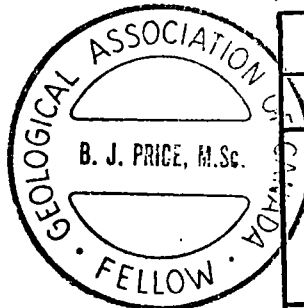
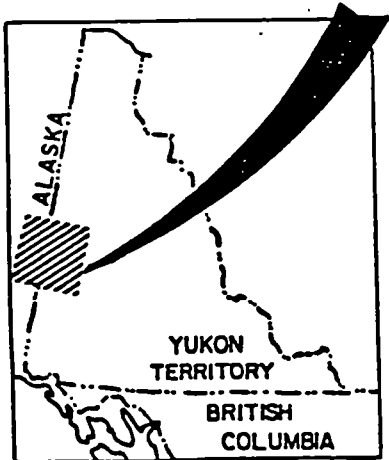
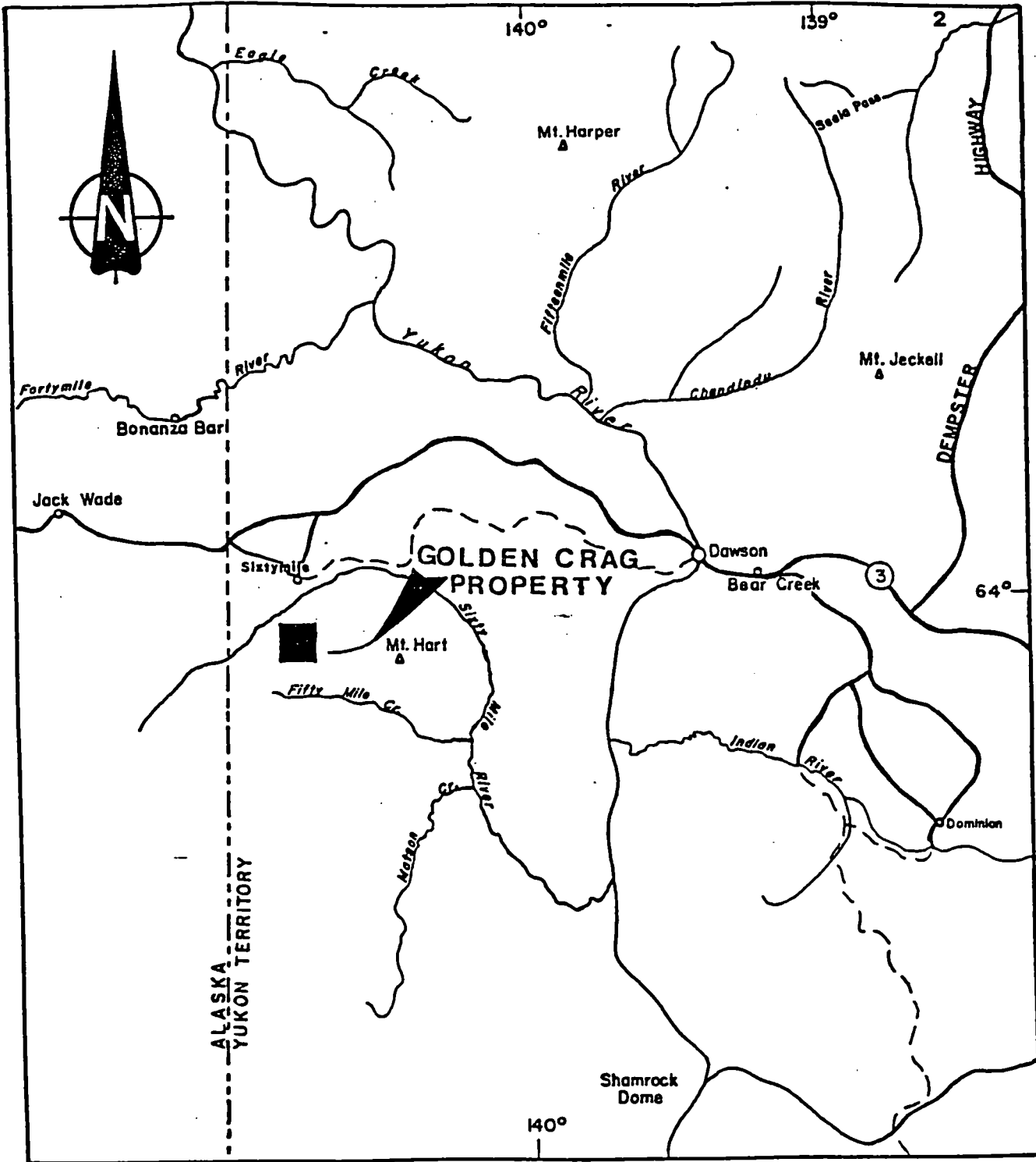
The property is at the height of land, (maximum 1,400 meters ASL.) south of sixtymile River and near the headwaters of Mosquito Creek. A fourwheel drive access road crossing the property is a side branch of the Matson Creek and Ladue River access road. The road has been improved but is still rough, with soft areas near springs, and steep slopes in some areas. Areas above tree line can be reached by All Terrain Vehicles.

Dawson City, Y.T. is a placer mining and tourist center. Groceries and some hardware supplies are available but most supplies, equipment and parts must be flown in from Whitehorse or trucked in from Whitehorse or Vancouver. Daily aircraft flights from Whitehorse allow access to the property in one day from Vancouver, via Whitehorse. One or more helicopter companies have their base in Dawson City during the summer months.

Heavy equipment and labour are often available locally, as a great umber of placer mines operate in the Dawson City area, or from Whitehorse.

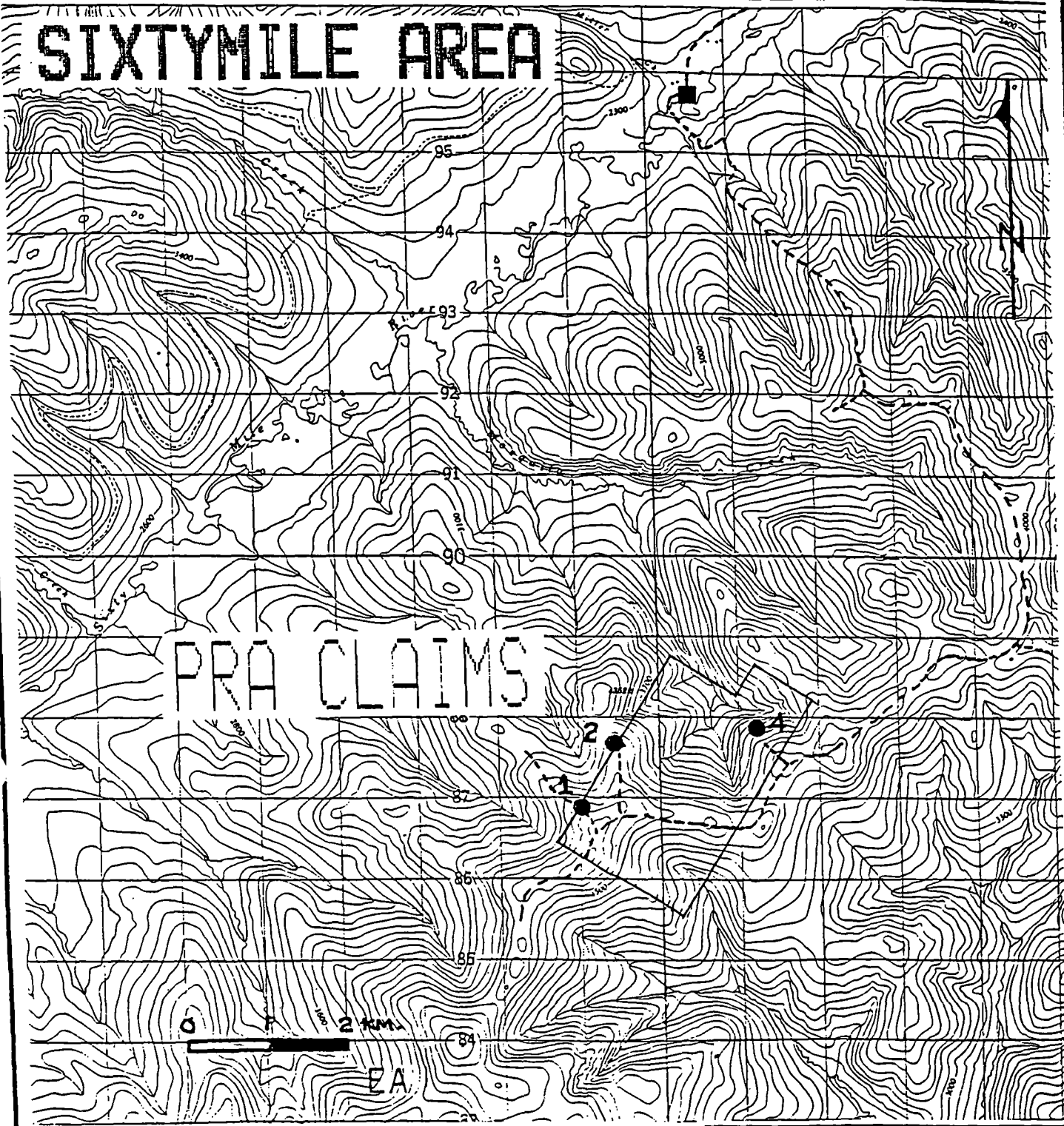
PHYSIOGRAPHY, VEGETATION AND CLIMATE:

The property is situated in the northern part of the Dawson Range, which was not subjected to glaciation. Elevations of the property range from



RED FOX MINERALS LTD.	
GOLDEN CRAG PROPERTY	
LOCATION	
FIG 1	
Aurum Geological Consultants Inc.	August, 1987
Drawn by N.S.	Checked by H.K.
Scale 1:1,000,000	FIGURE 1

SIXTYMILE AREA



PRA CLAIMS

2 KM



RED FOX MINERALS LTD.
GOLDEN CRAG PROPERTY
PRA CLAIMS
LOCATION - TOPOGRAPHY
Figure 2
BARRY PRICE, M.Sc., 1987

1,000 meters to 1,400 meters above sea level. The ground is mostly above tree-line and has permafrost. Climate has short, warm summers with long cold winters, and low precipitation (about 25 cm annually).

PROPERTY DEFINITION:

Red Fox Minerals Ltd. has under option from Croesus Resources Inc., the following claims, in the Dawson Mining District, as shown on the accompanying figure, (Figure 3):

TABLE I - CLAIM DATA.

Claim Names	Record Numbers	Expiry Date
Pra 7-18	YA 89080-091	April 28, 1989 *
Pra 23-36	YA 89096-109	April 28, 1989 *
Total: 26.Claims		

The writer examined a number of claim posts and lines and the claims appear to be staked in accordance with the Quartz Mining Act of the Yukon Territory.

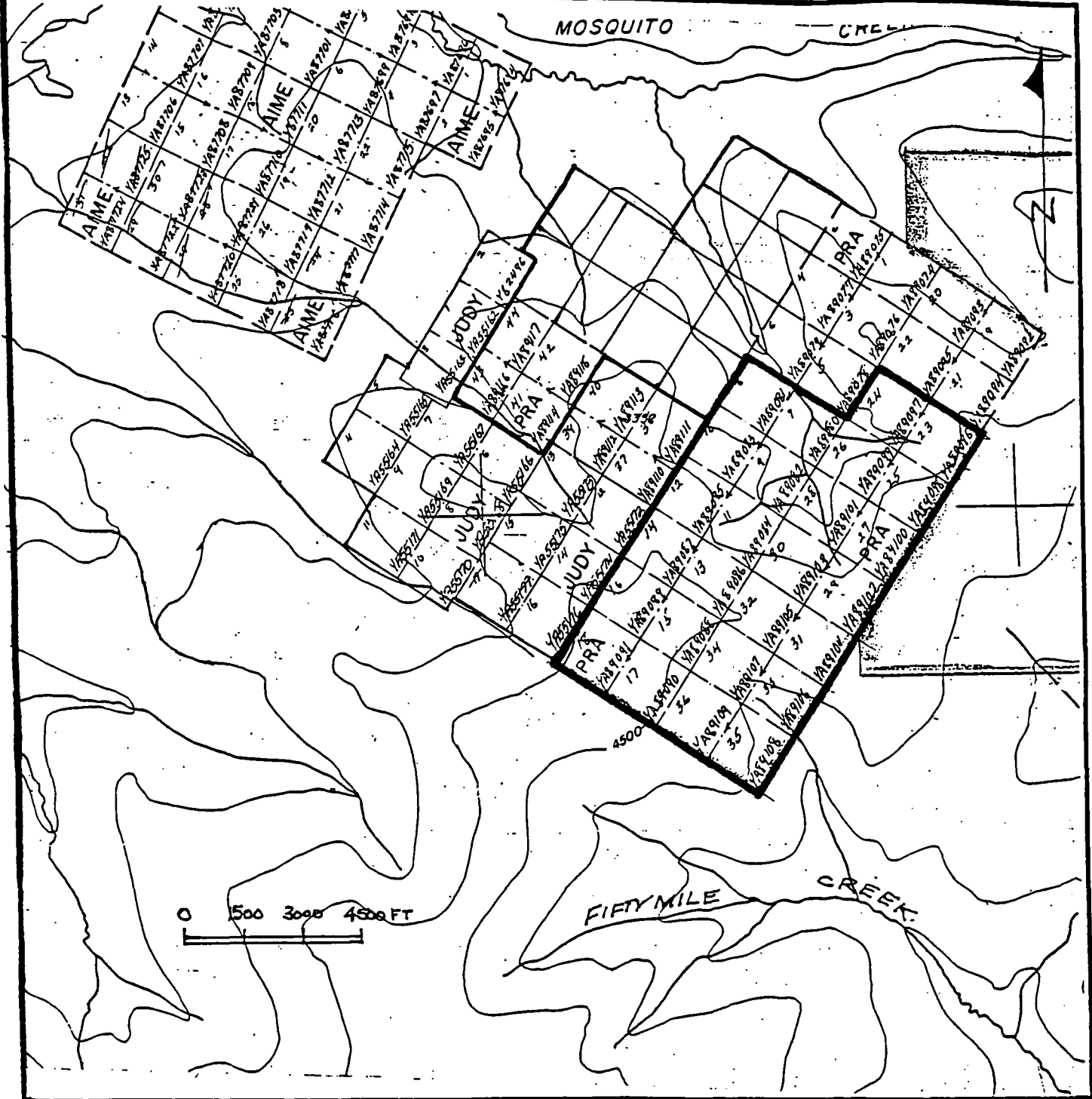
* During the period June 20 to August 25, 1988, a total of \$ 106,314.68 was expended on the claims listed above, as outlined in an itemized cost statement provided in the Appendix. When the work is filed as assesment, the claims will be in good standing for several years.

REGIONAL GEOLOGY:

As shown in the accompanying Yukon Tectonic Map, (Figure 4), the Sixtymile area is situated between the Tintina Fault and the Denali Fault, in a block of Paleozoic ? rocks known as the "Yukon Cataclastic Complex", which includes three assemblages of highly sheared and metamorphosed rocks. These are, in structural order (not necessarily stratigraphic) from top to bottom, the Simpson Allocthonous Assemblage, a slice of biotite granodiorite schist which underwent ductile deformation; below which is the Anvil Allocthon, comprising amphibolite and serpentinite and representing a sheared ophiolite; and at the bottom, the "Klondike Schist" (Nisutlin Allocthonous Assemblage), quartz-muscovite and chlorite schists, representing metamorphosed sedimentary and volcanic rocks. (Templeman-Kluit, 1981).

In greater detail, figure 5 is a simplified version of regional mapping done by Templeman-Kluit in the Stewart River Map area, (Map 18-1963). Most of the area is underlain by Metasedimentary rocks of Paleozoic age, including "Klondike Schist", Nasina Quartzite, Limestone and Marble units, Chert and Metachert units, and undifferentiated schists and gneisses.

North of Boucher Creek and Sixtymile River, the main rock unit is the "Nasina Quartzite" - dark grey to black graphitic and micaceous quartzite with interfoliations of graphitic biotite-muscovite schist, and locally thick lenses of grey marble. The unit, believed to be of Pennsylvanian to Permian age, and represents clastic sediments metamorphosed to the Greenschist facies, possibly in Triassic time. (Hilker, 1981).



RED FOX MINERALS LTD.

GOLDEN CRAG PROPERTY
PRA CLAIMS

CLAIM MAP

Figure 3

BARRY PRICE, M.Sc., 1987

In the vicinity of Crag Mountain, the metasediments adjoin a large area of granodiorite to quartz monzonite orthogneiss, mapped as the "Pelly Gneiss", or equivalents, and described by Tempelman Kluit as the "Fiftymile Batholith". Gneissosity strikes east-west to northwest, with moderate northward dip of foliation. Leucocratic sills up to 10 meters thick make up a significant proportion of the rock, and examination of Map 18-1963 and aeromagnetic maps indicates that several true intrusive centers may be present.

Biotite from the Fiftymile Batholith gave a potassium-argon age of 97.6 Million years, interpreted by Templeman-Kluit as time of cooling following metamorphism, but possibly indicating age of intrusion of porphyritic stocks in the area.

PROPERTY HISTORY AND GEOLOGY:

The Red Fox property forms a portion of the Mosquito Creek property, staked as a result of a regional exploration program by Canex Exploration Ltd., after which the ground was staked by J.Lerner and M.Chefkoi, and explored between 1968 and 1972 by Connaught Mines Ltd.

A brief history of the property to 1970 is provided by Craig and Laporte, (1972) as reproduced below:

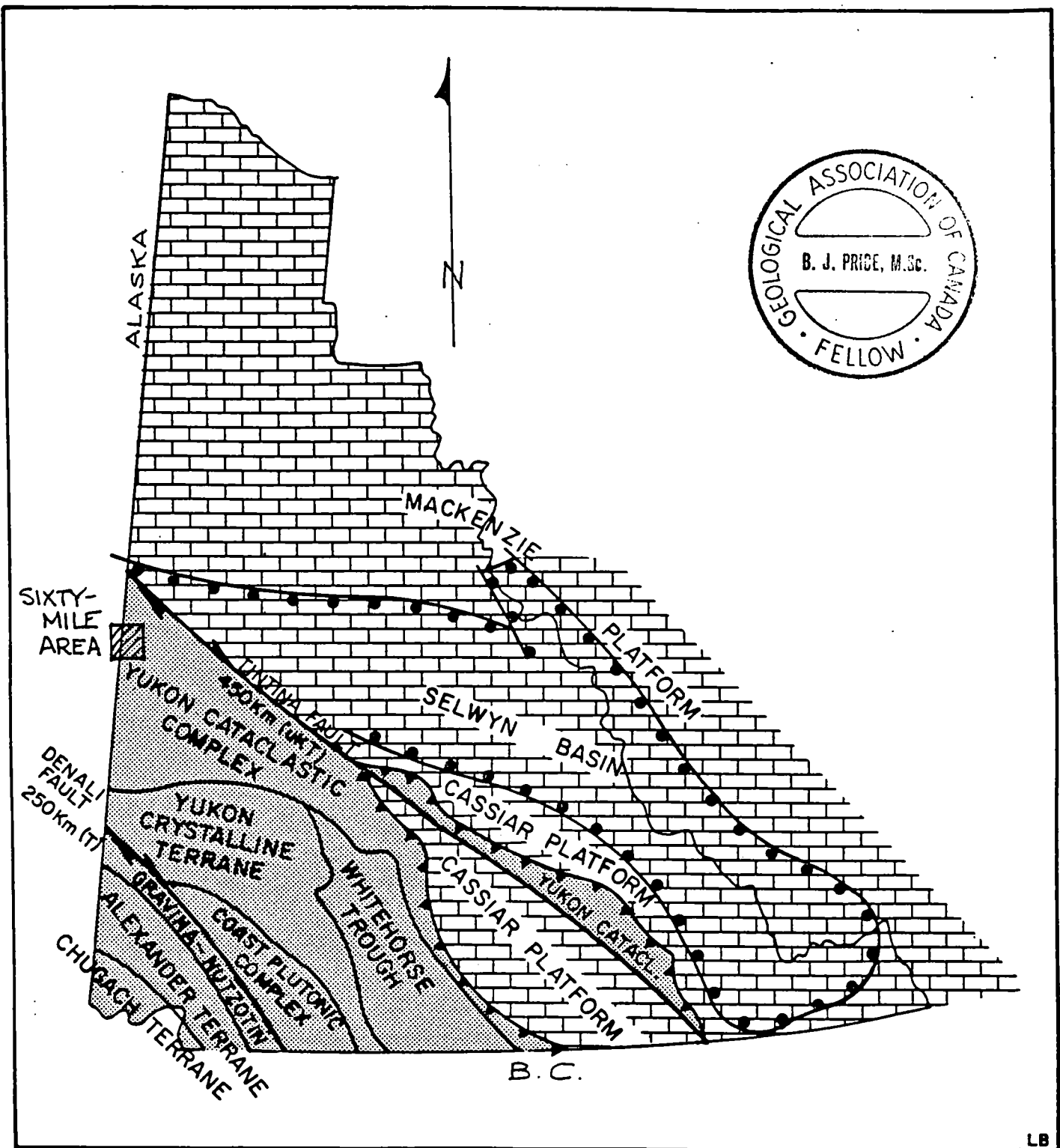
"The presence of silver-rich galena in the Sixtymile River area has been known since the 1890's, but the Mosquito Creek veins were first staked in 1965 by J. Lerner and M. Chefkoi during a prospecting and reconnaissance geochemical sampling program (Green, 1965). The 16 CCL claims staked by the prospectors were optioned, along with the CEL and LOU claims, by A.H. Moisey of Edmonton who carried out the bulldozer trenching which uncovered the veins."

"The 52-claim property was acquired by the Sixtymile Mining Company Limited of Edmonton in April, 1966, (Findlay, 1967) and the eight Jack claims were added to the property in July, 1966. The 1966 program involved limited bulldozer trenching and the shipping of 19.5 tons of material from the main showings to the Consolidated Mining and Smelting Company Limited at Trail, B.C. A limited reconnaissance electromagnetic survey was carried out near the showings in 1967 (Findlay, 1969a)."

"The 60-claim group was acquired by Connaught Mines Limited in 1968 and the 56 Ben claims added to it. Further bulldozer trenching was done on the claims in 1968 and in April, 1969, the 200 Con claims were staked."

Geology of the Connaught property is described by Craig and Laporte as follows:

"The predominant rock type in the western portion of the property is Precambrian Pelly gneiss (?) (unit A, Cockfield, 1921), a quartz-plagioclase-biotite granite-gneiss characterized by numerous feldspar augen; the central part of the group is



FROM: TEMPLEMAN-KLUIT, (1979)

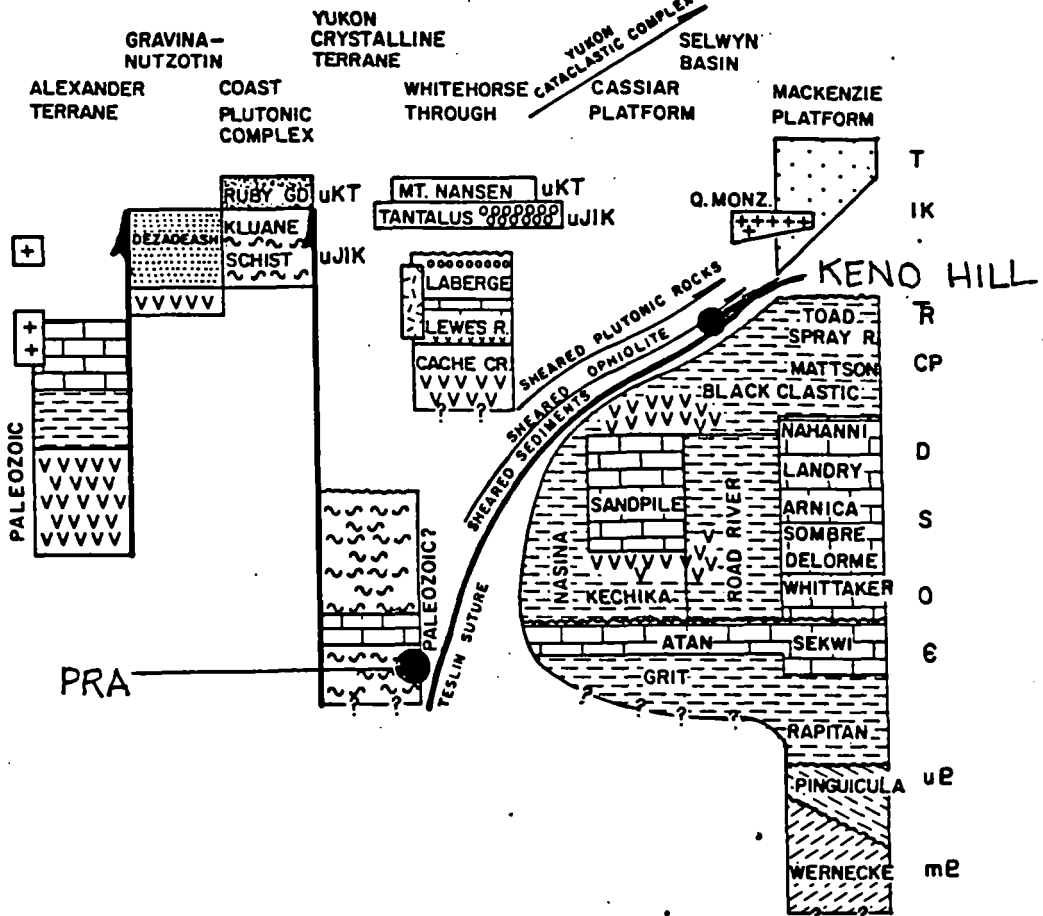
RED FOX MINERALS LTD.

GOLDEN CRAG PROPERTY
 PRA CLAIMS
 REGIONAL GEOLOGY
 YUKON

Figure 4

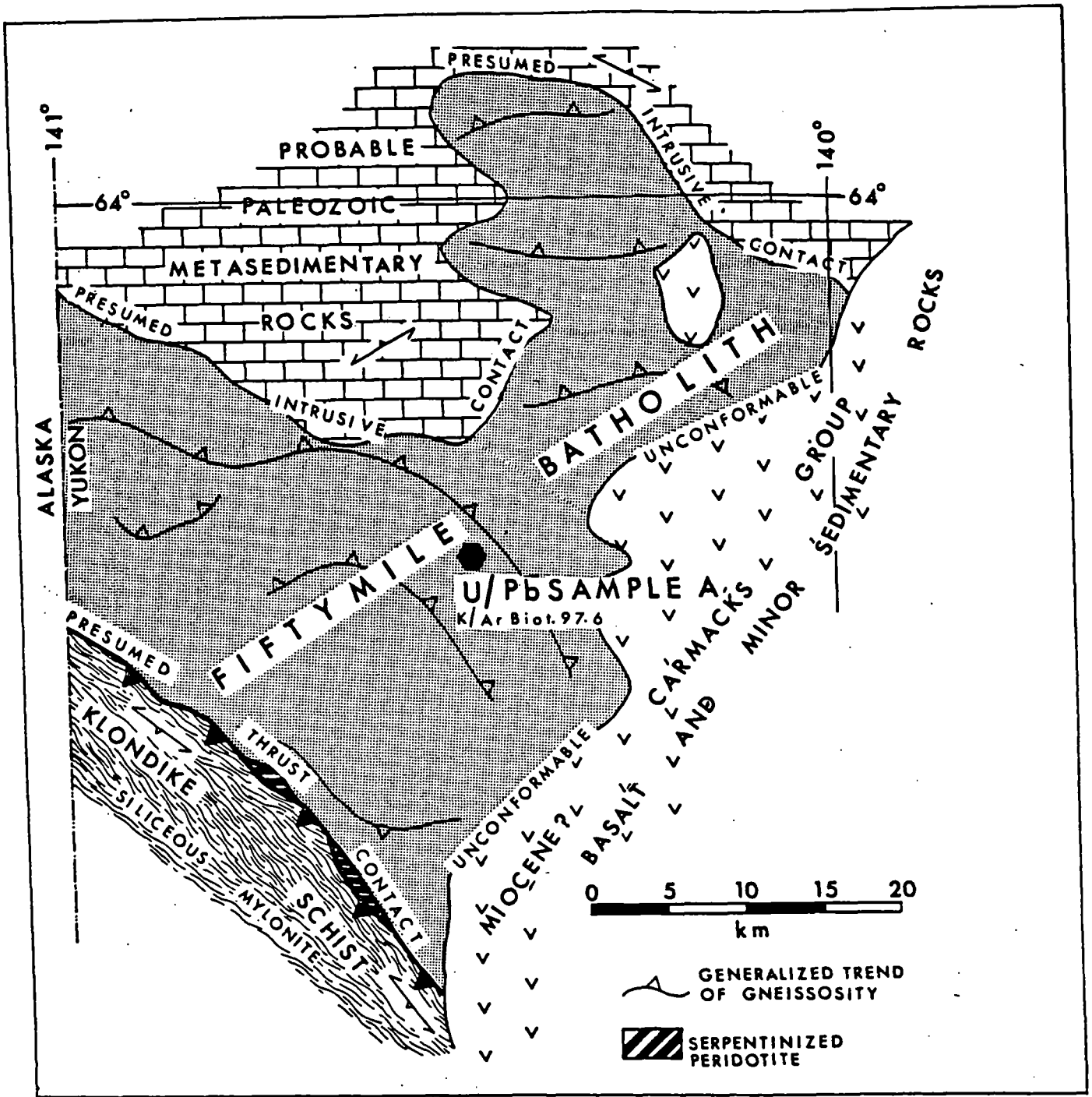
BARRY PRICE, M.Sc., 1987

FROM: TEMPLEMAN-KLUIT, (1979)



LEGEND FOR FIGURE 4





FROM: TEMPLEMAN-KLUIT, (1981)

RED FOX MINERALS LTD.

GOLDEN CRAG PROPERTY
 PRA CLAIMS
 REGIONAL GEOLOGY
 SIXTYMILE AREA

Figure 5

BARRY PRICE, M.Sc., 1987



underlain by quartz-muscovite schist of the Nasina Series (unit A 1, op. cit.). The geology of the eastern part of the property is quite complex with remnants of minor rock units; quartzite, limestone and skarns of the Nasina Series (op. cit.) occurring within and along the contact of biotite-rich gneisses with Cretaceous granitic intrusions (unit K, op. cit.).'

"The original property has two galena veins in the western part of the claim group. The main (No.1 or upper) occurrence is a quartz vein containing massive galena and up to 18 inches wide, trending northeast and dipping steeply southeast. A grab sample of massive galena from this showing assayed 58.5 ounces silver per ton, 63.0 per cent lead and trace zinc (Findlay, 1969a). A second showing (lower or No. 3 occurrence) is 3 miles northwest of the main showing and consists of a lens of massive galena with minor chalcocite to 3 feet wide and 20 feet along a northeast-trending fault. The bulk sample of ore from both these veins, sent to Trail, B.C., assayed 67.3 per cent lead, 67 ounces silver per ton, 0.06 ounces gold per ton and 0.6 per cent antimony. About midway between the two showings is a third vein some 3 to 5 feet wide, exposed for a length of 300 feet."

1969 Exploration Results are further described by Craig and Laporte as follows:

"The 1969 exploration program consisted of 46,040 cubic yards of bulldozer trenching, channel sampling, diamond drilling, geological mapping of limited areas, reconnaissance silt sampling and detailed soil sampling."

"Trenching has intermittently exposed the main showing (No. 1 vein) for a length of 3,400 feet with grades averaging 22.8 ounces silver per ton, 0.031 ounces gold per ton and 19.9 per cent lead over a 4-foot width along 150 feet of the vein. A total of 1,083 feet of drilling in six holes tested the mineralized section and the best intersection graded 29.1 ounces silver per ton, 26.5 per cent lead and 0.08 ounces gold per ton over a true width of 2.2 feet."

"The lower showing was mapped and channel sampled. The mineralized zone lacks continuity and the best grades were 60.7 ounces silver per ton and 67.8 per cent lead over 4.5 feet and 47.6 ounces silver per ton and 29.6 per cent lead over 2.6 feet. Two holes, having a total footage of 333 feet, were drilled on the vein with the best intersections grading 3.8 ounces silver per ton and 2.65 per cent lead over 3 feet."

"The geochemical surveys consisted of a regional stream silt survey and soil surveys over three grids. The stream sediment sampling survey outlined a number of lead, copper and molybdenum anomalies which were then staked as the Con claims.

The soil survey over the western grid outlined two major lead anomalies and a number of less extensive ones, and two large, low intensity copper anomalies, apparently associated with the silver-lead veins. Trenching of the main lead anomalies uncovered

a number of galena veins, one of which, in the northeastern part of the grid, grades 17.95 ounces silver per ton, 0.002 ounces gold per ton and 8.32 per cent lead over a 375-foot length and a 4-foot width. (Emphasis by B.Price - Note: This is vein #4 on the Red Fox property).

Property history from 1970-1987:

The history of the property is summarized below:

1970 - Work done in 1969 under the direction of Archer Cathro and Associates held most of the ground in good standing to 1972 and some to 1974.

1972 - Moly-Ore Mines Ltd., a VSE junior optioned 22.5 % from Connaught. Roadwork and trenching was done on the No 6 vein. None of the geochemical or geophysical work recommended by Connaught was done.

1974 - The property was optioned to Shamrock Mines Ltd. No work was done

1975 - Cash in lieu of assessment

1976 - A.F.Tottrup held 100 % interest. J.R.Lerner hand cobbled 5 tons of "ore" from CCL 7 and 8 and Con 149 claim.

1977 - J.R.Lerner hand cobbled an additional 30 tons which averaged 65 oz/ton silver, 60% lead and 0.03 oz/ton gold.

1978 - Cash in lieu was paid

1979 - The property was optioned to Westley Mines Ltd., Vancouver; no work was done and the option was dropped after one year. Cash in lieu was paid.

1980 - James L Brown, Geologist did trenching on CCL 5, 7 and 8 claims, and road work was done.

1981 - Trenching was done on CCL 5,7 and 8 and Con 137 claims.

1982-1986 - Cash in lieu was paid.

1987 EXPLORATION PROGRAM:

In 1987 the property came open and was staked by Walhalla Explorations Ltd. The claims were optioned to Croesus Resources Inc., who farmed out the subject Pra claims to Red Fox Minerals Ltd.

Aurum geological Consultants Inc. was hired by the claim holders to do a comprehensive exploration program on the entire "Golden Crag" property. Red Fox Minerals Ltd. paid their pro rata share of camp and exploration costs, which amounted to \$67,000. All 1969-72 base maps, trench plans and drill sections were kindly provided by Archer Cathro and Associates.

The 1987 program on the Red Fox claims was supervised by Harmen Keyser, B.Sc., F.G.A.C. and Mike Elson, B.Sc. A comfortable camp suitable for up to 10 men was built by Morley Barker, who also supplied labour for line cutting and grid preparation. The baseline extends east-west for 2.2 km, and cross

lines 200 meters apart and stations at 25 meter spacing comprises a total of 24.075 km of grid. On the grid a total of 1014 soil samples were taken; these were analyzed by Bondar Clegg for 30 elements using ICP methods. In addition, gold was analysed by Neutron Activation for greater accuracy.

A D-8 bulldozer was used for road repairs and maintainance.

DISCUSSION OF PREVIOUS EXPLORATION RESULTS:

1969 Work:

During 1969, a comprehensive silt sampling program in the Sixtymile area and southward to the Ladue area outlined a large multi-element geochemical anomaly centered on the headwaters of Mosquito Creek, Butler Gulch, Boucher Creek, and the north branches of the upper part of Fiftymile Creek. This area was anomalous in copper, molybdenum, silver, and lead, with the "Golden Crag" project area well-outlined by the samples with greater than 50 ppm lead.

A more recent Federal-Territorial regional geochemical survey in the same area has verified this anomaly.

Work done by Connaught Mines in 1969 in a large area surrounding Crag Mountain (mostly outside of the Red Fox property), included considerable soil sampling (11,000 samples), which pinpointed areas in which galena mineralization with values in lead, silver, antimony, arsenic, and gold were later found.

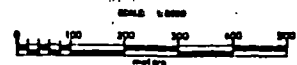
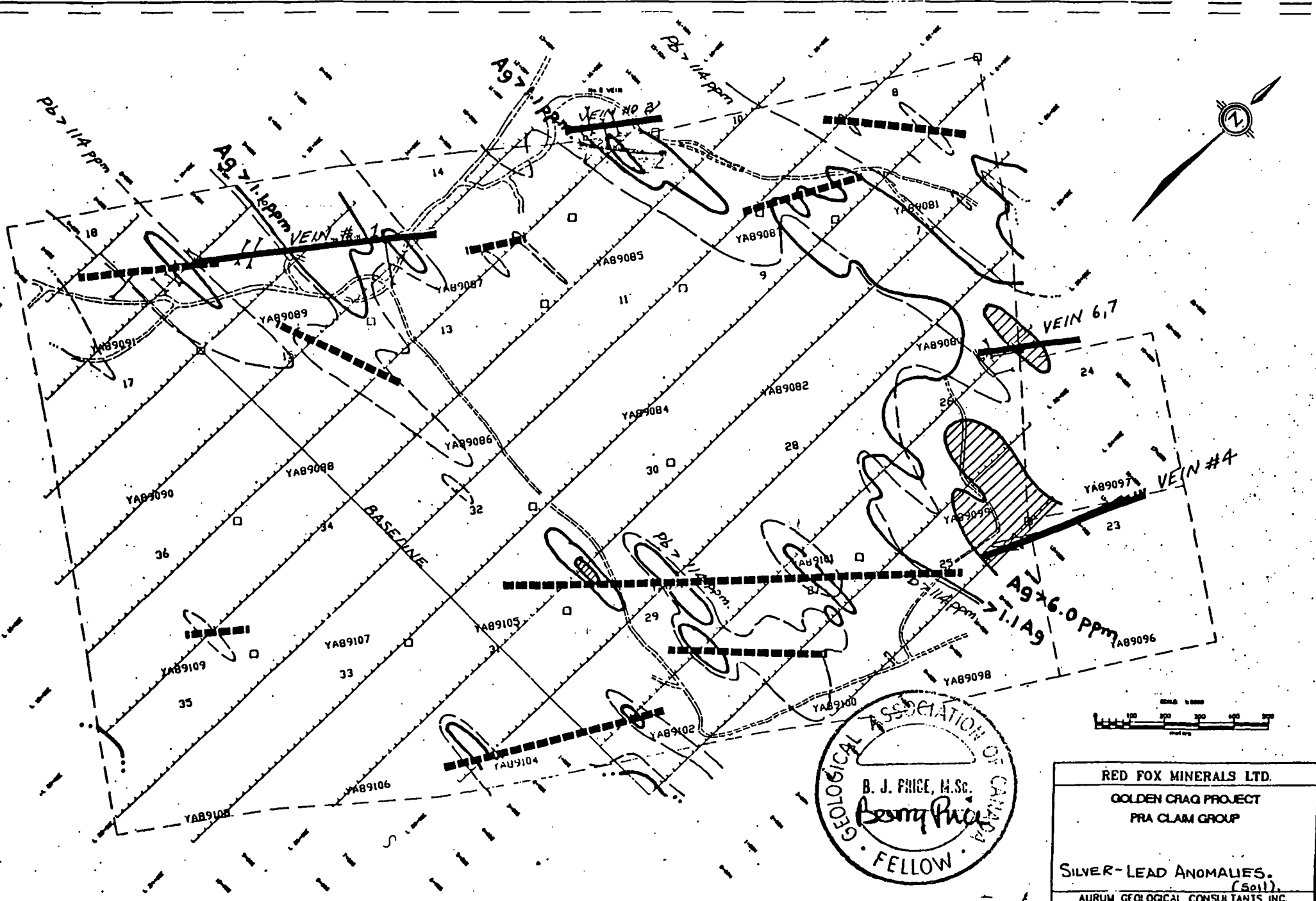
1987 Exploration Results:

During the writers 1987 inspection of the property, snow conditions prohibited geological mapping of any rock units. However, little outcrop exists, because of unglaciated terrain and thick soil mantling. As in other parts of the Dawson Range, geological mapping is dependant largely on plotting distribution of float and felsenmeer, and correlation between widespread outcrops.

The surveying and gridwork done by Aurum geological Consulting, (Harmen Keyser), outlined the location of the main veins, which had been thoroughly sampled by Cholach, Archer Cathro and others. Vein numbers 1, 2, and 4 occur on the Red Fox property as shown in the following figures. Veins 5 and 6 occur on Croesus Resources claims, east of the property boundary, and No.7 vein and No.3 vein both appear to fall within the Judy claims, owned by others. No 4 vein is the strongest structure with the most significant values. The trench results from 1969 are tabulated on the following page.

NO 1 VEIN:

A great deal of the work done by Connaught Resources in 1969-70 was done on the No.1 vein, situated on a ridge near the northern boundary of the Pra claims owned by Red Fox. A total of 32 trenches along a southwest trend from the ridge crest a distance of roughly 1100 meters. Cholach, (1969) reports that the No 1 vein is exposed in trenches for 3,400 feet. Channel sampling, according to Cholach, indicated the best mineralization in vein No 1 occurred over 150 feet of strike length in which samples averaged " 19.9 % Lead, 22.8 oz/ton silver, and 0.031 oz/ton gold over a 4 foot mining width."



RED FOX MINERALS LTD.			
GOLDEN CRAIG PROJECT			
PRA CLAIM GROUP			
SILVER-LEAD ANOMALIES.			
(5011)			
AURUM GEOLOGICAL CONSULTANTS INC.			
Date:	N.T.S.	Mining Division	Figure
NOVEMBER / 87	1154/75	DAWSON	6

DASHED LINES INDICATE POSSIBLE VEINS

The original Connaught Mines map No 5. has not been recovered, but sampling results from trenches 5 - 28 have results that are generally low. The best assays are as follows:

Vein No 1 Assays

SAMPLE	WIDTH	TRENCH #	PB %	AG opt	AU opt.
CH 25	2.1 Ft	7	54.50	54.10	0.06
CH 30	2.2 Ft	11	11.40	8.78	0.04
CH 36	2.8 Ft	25	0.39	2.02	0.04
CH 37	1.1 Ft	26	3.0	2.4	0.04
CH 38	1.8 Ft	27	4.70	3.40	0.02
CH 39	1.3 Ft	28	1.15	1.24	0.005

A total of 1,083 feet of diamond drilling was done in seven drill holes on Vein No. 1 in 1969. Maximum hole depth was 203 feet. Recoveries reported were 90% to 100%. Core logs indicate scattered galena veinlets and faults with gouge and galena mineralization cutting augen gneiss which is strongly bleached in places, probably as a result of hydrothermal alteration.

Drill sections and core logs do not indicate grid positions of drill holes; nor are trench results correlated with subsurface intersections. For this reason the drill results are useful only in a general way.

The best intersection was in DDH 1-106 (Hole 6 on Vein # 1), where a true width of 2.2 feet assayed 26.5 % lead, 29.1 oz/ton silver, and 0.08 oz/ton gold. The best gold values occur in DDH 1-103, where core length of 0.9 Ft (164.2-165.1 Ft) assays: 5.3 % lead, 8.56 oz/ton silver, and 0.28 oz/ton gold.

Scattered other intersections with generally low values occur in many of the holes. It is annoying that the data in hand does not permit location of the drill-holes and correlation with trenches. The drill intersections are fairly deep, (in the order of 100 feet vertically below surface). This is relatively deep. Several 3 to 5 foot intersections of 0.05 oz/ton to 0.10 oz/ton gold occur, and these are encouraging. Additional shallow drilling is recommended, if surface re-sampling of the vein and wallrock gives similar values.

Number 4 Vein:

In 1969, as shown on the accompanying figure and tabulated on the following page, an extensive program of cross trenching and stripping along the vein revealed a vein fault system with strike length in excess of 500 feet and variable width. Samples taken by Archer Cathro and Associates at that time gave the following dimensions and grades:

2.28 FT X 503 Ft: 13.40 % Pb 26.13 opt Ag 0.028 opt Au.

When diluted to a 4 ft vein width, the grades become:

4.00 FT X 503 Ft 9.34 % Pb 18.20 opt Ag 0.020 opt Au.

TABLE I

1969 CHANNEL SAMPLES - VEIN NO. 4
(From 1969 Maps)

SAMPLE	WIDTH	LENGTH *	BLOCK "A"		
			PB %	AG opt	AU opt.
CH 1	2.4 Ft.	13 Ft.	34.90 %	71.50 opt	0.02 opt
CH 2	4.0	25	8.00	19.30	0.03
CH 3	4.4	21	6.60	22.10	0.02
CH 4	3.4	34	3.30	16.86	0.06
WT. AVG: 3.65 Ft x 93 Ft:			8.48 %	24.0 opt	0.0365 opt

BLOCK "B"					
CH 5	3.4		1.90	3.61	0.01
CH 6	2.4		0.42	1.04	TR
CH 7	1.4		1.60	10.90	0.05
CH 8	1.2		1.15	10.30	0.04
CH 9	2.1		4.0	16.98	0.08
CH 10	4.7		3.30	6.82	0.02
WT. AVG: 2.62 Ft x 172.5 Ft:			2.22 %	6.62 opt	0.024 opt

BLOCK "C"					
CH 11	3.6		30.00	52.50	0.03
CH 12	2.1		22.40	54.40	0.01
CH 13	2.6		20.40	27.50	0.01
CH 14	3.8		25.80	40.00	0.03
WT. AVG 3.2 Ft x 162.5 Ft			25.14 %	41.26opt	0.024 opt

BLOCK "D"					
CH 17	1.1		5.90	27.10	0.04
CH 23	1.3		21.40	32.10	0.04
WT. AVG 1.13 Ft x 75 Ft:			8.86 %	28.06 opt	0.040 opt
TOTAL	2.28 FT X 503 Ft:		13.40 %	26.13 opt	0.028 opt
DILUTED	4.00 FT X 503 Ft		9.34 %	18.20 opt	0.020 opt

SEPARATE VEINS IN FOOTWALL OF VEIN NO. 4

SAMPLE	WIDTH	LENGTH *	PB %	AG opt	AU opt.
CH 15	3.2		1.70	20.06	0.04
CH 16	1.3		4.00	3.73	0.01
CH 18	2.5		12.60	13.50	0.04
CH 19	2.2		0.44	2.94	0.06
CH 20	1.1		5.60	8.02	0.08
CH 21	1.8		0.67	8.27	0.05
CH 22	2.0		19.90	36.90	0.02
CH 24	1.1		7.40	9.73	0.05

Source: Tabulated from Archer Cathro Map 1969. (B.Price, 1988).

1988 EXPLORATION PROGRAM:

In early July, 1988, roadwork was done on the access road by personnel belonging to Brisebois Brothers Construction, using D9 and D4 bulldozers when they were not needed on the Sixtymile River placer mine operated by the same company. Considerable trenching was done on between the No. 4 vein and the No.1 vein in an area in which geochemical sampling in 1987 and 1988 had indicated a strong lead-silver-arsenic anomaly; (the geochemical and trenching program are not discussed in this report.)

Both cats were also used to cut drill pads and to move the drill and other equipment from site to site. The 1987 campsite was used again; several days work by M.E.Elson and M.Ryan were necessary to re-connect water and electrical systems. The camp was managed by M.Elson and cooking was done by M.Ryan.

The diamond drill was mobilized to the initial site with the assistance of Gerry's Trucking, from Dawson City, Y.T, and the two bulldozers mentioned previously.

Drilling began on August 10, 1988, and the writer supervised drilling, logged and split core from August 10 to August 18, 1988. J.Bergvinson was in charge of logistics and acted as "Foreman" from August 10 to 18.

As the drill was mobilized on August 10 from an adjacent property, Red Fox was responsible only for costs of demobilization of drill and crew to Whitehorse at the end of the job.

A total of 8 diamond drill holes were completed on the Red Fox property, for a total footage of 972.4 feet, as shown in the accompanying table.

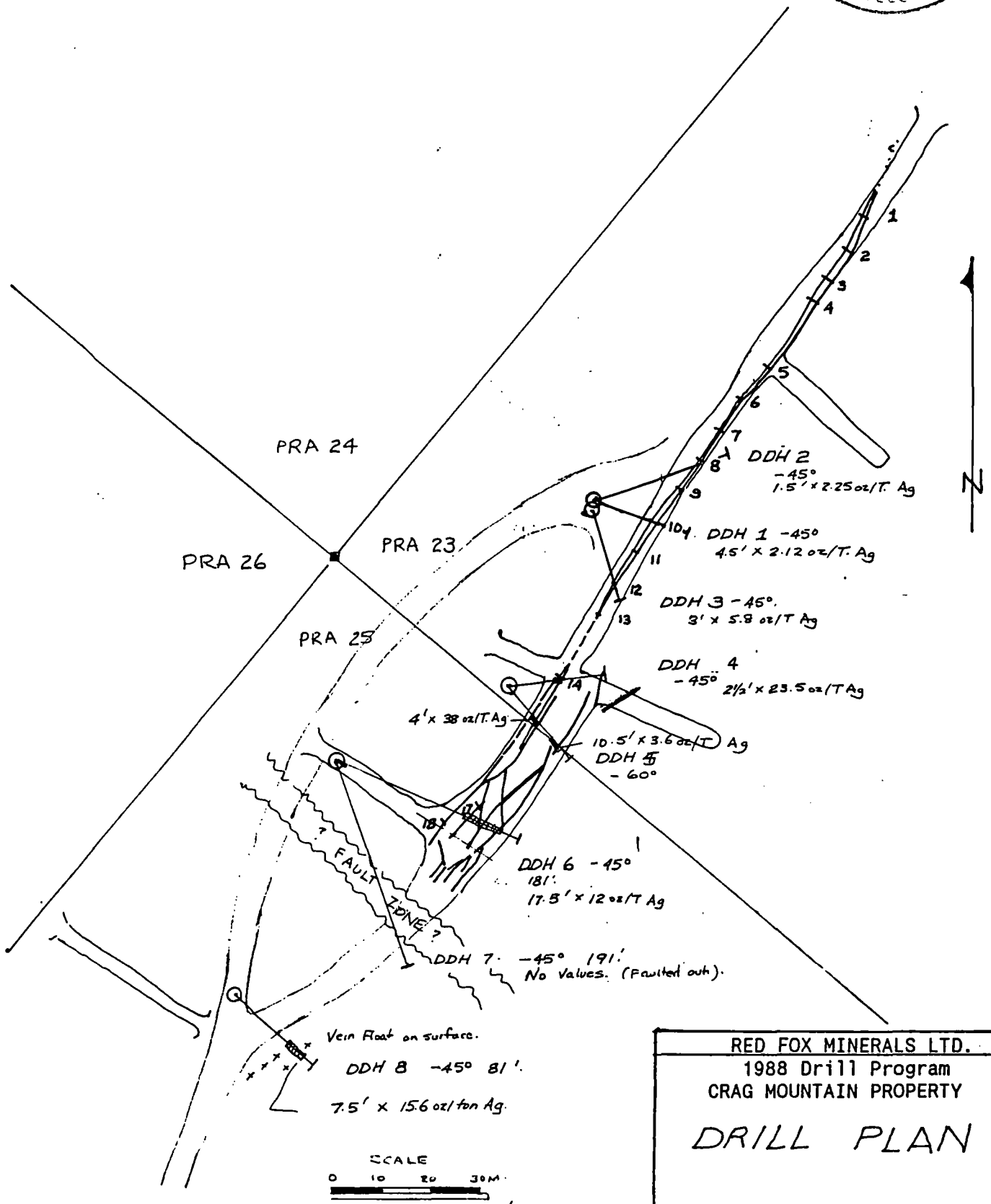
Samples were shipped via Canadian Airlines and Canadian Freightways to Acme Analytical Laboratories, who assayed split sections by ICP geochemical methods, with well-mineralized sections checked by fire assay for silver.

Total cost for the drilling program, including geological supervision and camp costs, but excluding the cost of this report, was \$106,314.68. An itemized cost statement in the appendix outlines how the funds were spent.

The following table summarizes the 1988 drilling program:

TABLE II
1988 Diamond Drill Hole Data
RED FOX DRILL HOLES
(No.4 Vein Area)

HOLE	AZIMUTH	INCL	LOCATION	DEPTH
R-88-1	106 degrees	-45	Under Ch 10	76 Ft.
R-88-2	074	-45	Under Ch 8	116
R-88-3	184	-45	Under Ch 12	137
R-88-4	085	-45	Under Ch 14	90.4
R-88-5	140	-60	W. of Ch 14	100.
R-88-6	114	-45	Wide altn.	181
R-88-7	159	-45	Same as #6	191
R-88-8	133	-45	W. OF # 6	81
8 HOLES				972.4 FT



RED FOX MINERALS LTD.
 1988 Drill Program
 CRAG MOUNTAIN PROPERTY
DRILL PLAN
 Fig. 7
 B. J. PRICE, M.Sc. 1989

DISCUSSION OF DRILL RESULTS:

The 1988 drilling, 972 feet in 8 holes, proved that the mineralized vein structure is relatively continuous over 220 meters (720 ft). The structure is a fault zone irregularly mineralized by narrow galena veins and silicified wallrock with arsenopyrite. The vein-fault material is soft and core recovery, although adequate, is mainly of fault gouge and granules of galena and quartz at this elevation.

At the eastern end of the No.4 vein, drill intersections in DDH 1-3 are narrow and low grade, as follows:

SAMPLE INTERVAL	WIDTH	PB %	AG opt	AU opt
88-1 56-61	5 ft	2.02	2.12	0.008
88-2 94-95.5	1.5 ft	1.60	2.25	0.002
88-3 77-80	3 ft	2.65	5.80	0.0006

Drill holes 4 to 6 were drilled under an area where numerous narrow galena veins are exposed in surface trenches, separated by wide areas of silica and clay alteration and gouge. Intersections of more encouraging grade and width occur in the drill holes, which cut the veins roughly 25 to 65 feet below the surface. The best intersections (averaged) are as follows:

SAMPLE INTERVAL	WIDTH	PB %	AG opt	AU opt
88-4 31.5-38.5	7 ft.	1.46	9.2	0.009
88-5 31 - 43	12 ft	1.37	13.8	0.008
	69.5-80	2.41	3.6	0.018
88-6 98-115.5	17.5 ft	1.16	6.1	0.020

Drillhole 88-8 intersected a wide fault zone with geochemically anomalous values all less than 1 oz/ton silver; indicating a hiatus in the mineralized vein-fault (possibly a cross-fault).

The last drill hole, at least 100 feet southwest of the last trench sample provided an encouraging intersection, indicating extension of the vein farther along strike an unknown distance. The grade was encouraging:

SAMPLE INTERVAL	WIDTH	%	opt	opt
88-8 62.5-70	7.5 ft	2.15	15.6	0.012

ECONOMICS:

Although the writer has not done a detailed mathematical calculation of proven, probable or possible reserves from a longitudinal section, a brief calculation by method of sections indicates that geologic reserves from surface to 200 ft below surface could be 22,000 tons averaging roughly 2 % lead, 10 oz/ton silver and 0.010 oz ton gold. At current metal prices (\$6.00 U.S. silver, \$.40 US lead and \$380 US gold) gross metal value per ton of the stated geological reserve would be \$ 82 U.S or \$ 97 Canadian.

At present, the major silver mine in the Yukon Territory is losing money, and has done so for at least 4 years; with mining statistics for 1987 outlined below:

1987 Production Data
UNITED KENO HILL MINES LTD.

1987 PRODUCTION	86,900 TONS
SILVER PRODUCED	1,492,708 OZ (= 17 oz/ton rec)
LEAD PRODUCED	3,152,820 Lb. (= 1.81 % rec).
RESERVES (1987)	190,100 Tons @ 30.4 opt Ag 5.4 % Pb.
REVENUE/TON	\$183.40
NET LOSS/TON	\$55.13

=====

Source: Canadian Mines Handbook, 1988-89.

These figures provide some guidance for economic evaluation of small silver lead prospects. Breakeven point for the Keno Hill mine was \$ 238.53 per ton, (or, excluding \$9 million exploration costs - \$135 per ton). This would suggest a breakeven grade of roughly 5 % Pb and 40 oz/ton silver, allowing for 75 % recovery, and providing for mining, transportation and processing costs of \$115 per ton.

Considering the poor economics at present, (mainly due to depressed silver prices), the nature of the veins, (fault gouge with lensy veinlets of high grade galena), and the high arsenic content of the material, it would be unwise to consider high grading the Golden Crag area deposits at this time, unless material with higher grades in silver and gold can be found.

CONCLUSIONS:

Diamond drilling in 1988 has verified that the Number 4 vein is present along a strike length of approximately 220 meters (720 ft), and was tested up to 30 meters (100 ft) below the highest point on surface (Hole No. 88-6). Best intersection in the eight holes was in hole 88-6, which had 17.5 ft averaging 1.16 % lead, 6.1 oz/ton silver and 0.02 oz/ton gold, including a 2 ft section which averaged 2.3 % lead, 5.5 % Arsenic, 61 oz/ton silver and 0.105 oz/ton gold.

Although geologic reserves can be calculated for the vein-fault zone at the No.4 showing on the Red Fox Crag Mountain property, these reserves are well under the minimal economic parameters necessary even for small high grading operations.

RECOMMENDATIONS:

For the reasons noted above, and considering the option payment required to maintain equity in the property and the cost of exploration in the subject area, it is recommended that no further work be done by Red Fox Minerals at this time.

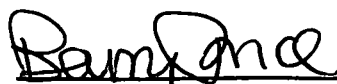
This does not suggest that the property is not worthy of further exploration efforts by other operators who are prepared to accept the risks. Potential for increasing the geologic reserves is considered good, with the possibility of increasing the grade of gold or silver in the zone less certain.

If further work by the vendors is contemplated, a second stage of drilling four or more deeper drill holes at least 200 feet below the surface underneath the area between drillholes 5 to 8 is recommended. Another two "wildcat holes" considerably deeper (300 - 500 feet) would be more risky, but would test the proposition that gold grades could improve at depth.

Some general recommendations which would enhance the property are as follows:

1. Make every effort to locate missing maps which would accurately position 1969 drill holes in the No.1 vein area.
2. Prepare topographic basemaps on a scale of 1:5,000 or less, on which geologic, geochemical and geophysical data can be accurately plotted.
3. Survey and replot trenches. Clean out old trenches and re-sample, early in the forthcoming season.
4. Extend the grid into the Vein No. 1 area, with infill lines.
5. Test VLF or deeper penetrating EM methods, on orientation lines over the most important veins. This may enable veins and faults to be traced with more certainty in overburden covered areas.
6. Prepare air-photo blowups for the area.
7. Survey in additional old claim posts and grid markers where possible.
9. Do geological mapping to help understand controls on mineralization and locate favorable structures.

respectfully submitted


Barry Price, M.Sc., FGAC.
Consulting Geologist.
February 15, 1988.



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CERTIFICATE

I, Barry J. Price, with business address at 3447 W. 7th Avenue, Vancouver, B.C. do hereby certify that:

1) I am a Consulting Geologist registered with the Geological Association of Canada as a Fellow and I am entitled to use their seal, which has been affixed to this report. I am a member of the Canadian Institute of Mining, the Society of Exploration Geologists, and several other professional organizations.

2) I hold a B.Sc. (Honors) Degree in Geology (1965) and a M.Sc. in Geology (1972), both from the University of British Columbia., Vancouver, B.C.

3) I have practised my profession as a geologist continuously since 1965, having worked in Canada, The United States of America, Mexico, and the Republic of the Phillipines, for a number of large and small companies and consulting firms, including Manex Mining Ltd., J.R. Woodcock and Associates, Archer Cathro and Associates and P.A. Christopher and Associates.

4) I have based this report on available geological data and a field examination of the subject property and a literature review of adjacent properties and mineral deposits, and on my personal knowledge of the area.

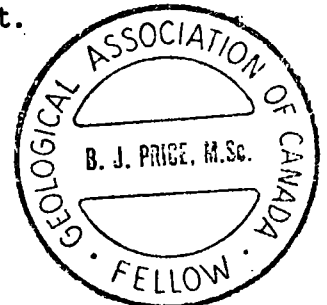
5) I have no interest in the claims described in the report nor in the securities of Red Fox Minerals Ltd., and will receive only normal consulting fees for the preparation of this report.

6) I do not have any interest in any mineral claims within 100 km. of the subject property. I have 2,000 shares of Croesus Resources Inc., joint-venture partners of Red Fox Minerals Ltd., and owners of adjacent claim blocks. These shares were purchased during the primary issue, before the commissioning of this report.

7) I consent to the use of this report by Red Fox Minerals Ltd. for the purposes of a Prospectus, Statement of Material Facts, or for any other corporate purpose.



Barry James Price, M.Sc.
Consulting Geologist.
February 15, 1989.



APPENDIX I

DIAMOND DRILL CORE LOGS - RED FOX PROPERTY.

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-1.....
LOCATION: Drilled under sample AZIMUTH: 106 degrees.....
Ch 10. on No.4 vein. INCLINATION: -45 degrees.....
East end of Vein..... DEPTH: 76 feet.....

DEPTH	DESCRIPTION
0-5 ft	Casing in overburden
5-12	Banded biotite leucogneiss. Foliation parallels core.
12-40	Bleached intrusive leucogneiss. Foliation parallel core. Barren quartz veinlets parallel foliation.
40-50	Coarse grained leucocratic intrusive, only faintly foliated. Minor chlorite but considerable white mica.
50-51.5	Bleaching and yellow stain, (Clay + sericite alteration).
51.5-61.5	Fault zone, brecciated and clay altered, with yellow stain. Much of the material is fault gouge. Grey sulphides and pyrite at 57.5 ft.
61.5-76	Coarse biotite feldspar porphyry intrusive. Faint lineation or foliation along core.
76 ft	END OF HOLE.
	SAMPLES: R-88-1 51.5-56.5 FT R-88-2 56.5-61.0 FT

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-2.....
LOCATION: Drilled under sample AZIMUTH: 074 degrees.....
Ch 8 from same loc as R-88-1 INCLINATION: - 45 degrees
..... DEPTH: 116 feet

DEPTH DESCRIPTION
=====

0-6.5 ft Casing in talus and overburden.
6.5-25 Leucocratic gneiss, white to buff, medium crystalline, minor crushed quartz veins, pegmatitic stringers. foliation at 45 degrees to core to parallel with core. Minor chlorite and pyrite. Massive, with little faulting or oxidation.
25-37 Same with slightly more biotite. in patches with pyrite, giving a grey color.
37-48.5 As above but more blocky and fractured. Less biotite and more muscovite.
48.5-74 Bleached leucogneiss. Abundant sericite and yellow clay. Very fractured. Minor biotite gneiss. Faulted at 59.5, 61, and 63.
74-94 Major fault. leucogneiss crushed along semi-orthogonal fractures filled with rusty clay. No sulphides seen. Oxidized strongly.
94-95.5 Silicified zone with finely dispersed grey sulphides.
95.5 - 98 Slightly bleached leucogneiss.
98 - 99.5 Grey Biotite gneiss
99.5 - 116 Fresh, massive leucogneiss.
116 END OF HOLE.

SAMPLES: R88-2-1 74-80
R88-2-2 80-85
R88-2-3 85-90
R88-2-4 90-94
R88-2-5 94-95.5

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-3.....
LOCATION: Drilled under sample AZIMUTH: 184 degrees.....
Ch 12 from same loc as R-88-1 INCLINATION: - 45 degrees
..... DEPTH: 137 feet

DEPTH DESCRIPTION
=====

0 - 4.5 ft Casing
4.5 - 37 White to buff leucogneiss. Minor biotite gneiss. Minor barren white quartz veins to 1/2 inch.
37 - 77 Grey biotite gneiss.
77 - 80 Major fault, mostly gouge.
80 - 89.6 Grey biotite gneiss, faulted, fractures parallel to core.
89.6 - 101 Massive leucogneiss. Few barren quartz veins to 1/2 inch.
101 - 103 Dark biotite gneiss, 40-50 % biotite.
103 - 117.5 Massive feldspar porphyry gneiss.
117.5 - 123 Same as above but very rusty and faulted. Yellow stain and black disseminated sulphides.
123 - 137 Grey biotite-feldspar gneiss. massive.

SAMPLES: R-88-3-1 77-80 FT
R-88-3-2 80-85
R-88-3-3 85-90
R-88-3-4 120-123.

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-4.....
LOCATION: Drilled under sample AZIMUTH: 085 degrees.....
Ch 14. INCLINATION: - 45 degrees
..... DEPTH: 90.4 FEET

DEPTH	DESCRIPTION
0 - 6 FT	Casing.
6 - 11	Rubble and overburden.
11 - 24	Bleached leucogneiss. Abundant grey quartz veins parallel to core. (foliation plane). Minor grey sulphides at 15 ft on fractures with yellow stained clay.
24 - 31.5	Bleached leucogneiss. Sericite and clay alteration. Vein from 33-34 is galena with green clay.
31.5 - 38.5	Major fault. Mostly yellow clay gouge.
38.5 - 40.5	Grey biotite gneiss..cataclastic texture.
40.5 - 42.5	Grey fault gouge.
42.5 - 48	White leucogneiss. Strongly faulted and oxidized. Partly gouge. Angular fragments of white quartz. crushed vein material.
48 - 49	Quartz vein, white.
49 - 51	Fault gouge and faulted grey biotite gneiss.
51 - 55	Grey biotite gneiss with some large quartz blebs or veins. Fault at base.
55 - 60	Grey biotite gneiss. Faulted at base.
60 - 90.4	Grey biotite gneiss. Foliation variable, 30 degrees to parallel to core.
90.4	End of hole.
SAMPLES	R-88-4-1 12-16 R-88-4-2 16-19 R-88-4-3 31.5-33 R-88-4-4 33-34 R-88-4-5 34-38.5 R-88-4-6 38.5-42.5 R-88-4-7 42.5-48 R-88-4-8 48-51

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-5.....
LOCATION: Drilled west of sample AZIMUTH: 140 degrees.....
Ch 14 INCLINATION: - 60 degrees
..... DEPTH: 100 FEET

DEPTH	DESCRIPTION
0 - 5 FT	Overburden/Casing
5 - 18.5	Leucogneiss with layers of dark biotite gneiss.
18.5 - 21	Very rusty stained silicic gneiss.
21 - 31	Silicified leucogneiss. Grey quartz veining
31 - 46.5	Strong Fault zone. Mostly dark grey and light green gouge. Grey sulphides present in steeply dipping section 41 - 42.
46.5 - 58	Light, massive leucogneiss grading to grey biotite gneiss. Faulted at base.
58 - 68.7	Shattered grey biotite gneiss, very rusty. represents fault zone.
68.7 - 80	Vein faults represented mostly by green or yellow clay gouge with quartz.
80 - 90	Faulted grey biotite gneiss. Abundant yellow clay and oxides on fracture surfaces.
90 - 100	Massive grey biotite gneiss.
100	END OF HOLE.
SAMPLES	
	R-88-5-1 18.5-21
	R-88-5-2 21-26
	R-88-5-3 26-31
	R-88-5-4 31-35
	R-88-5-5 35-41
	R-88-5-6 41-43
	R-88-5-7 43-46.5
	R-88-5-8 58-68.7
	R-88-5-9 68.7-69.5
	R-88-5-10 69.5-70
	R-88-5-11 70-74.6
	R-88-5-12 74.6-75.8
	R-88-5-13 75.8-80
	R-88-5-14 80-90

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-6.....
LOCATION: Area of broad altn + AZIMUTH: 114 degrees.....
several vein strands INCLINATION: - 45 degrees
West of DDH 5 in cross trench.... DEPTH: 181 FEET

DEPTH	DESCRIPTION
0 - 11	Overburden. Cased
11 - 66.7	Grey feldspar "augen" gneiss with biotite. Massive. Small faults and rusty fractures.
66.7 - 70.7	Black biotite schist or gneiss.
70.7 - 98	Light grey biotite gneiss. Several rusty sections but no alteration except bleaching at 93 ft.
98 - 115.5	Major fault zone. Mud gouge 101.2 to 102. Vein from 103.5 - 105.
115.5 - 120	Very fractured and rusty feldspar porphyry gneiss.
120 - 125	Rusty broken bleached gneiss. as before.
125 - 127.5	Vein material and fault breccia. Estimated 1 inch galena and 6 inches quartz and green clay + minor galena + Copper oxides.
127.5 - 155	Feldspar porphyry gneiss. Very broken adjacent to fault at 127.5
155 - 165	Feldspar porphyry with strong clay sericite alteration.
165 - 181	Pure white quartzite, (metaquartzite), strongly fractured in places but elsewhere very hard and massive. Excessive bit wear at this point.
181	END OF HOLE
SAMPLES	R-88-6-1 98-101 R-88-6-2 101-102 R-88-6-3 102-104 R-88-6-4 104-106 R-88-6-5 106-110 R-88-6-6 110-115.5 R-88-6-7 115.5-120 R-88-6-8 120-125 R-88-6-9 125-127.5

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-7.....
LOCATION: Drilled from same site AZIMUTH: 159 degrees.....
as DDH 88-6 but angled SW. INCLINATION: - 45 degrees
DEPTH: 191 FEET

DEPTH	DESCRIPTION
0 - 5 ft	Overburden, Casing
5 - 50	Feldspar augen gneiss. Massive, light grey or white with biotite and quartz.
50 - 80.5	Same as above but buff colored, slightly bleached and rusty fractures. Very blocky with minor muddy gouge seams.
80.5 - 83	Very broken and rusty approaching major fault.
83 - 87.5	Major fault. Biotite gneiss and leucogneiss with heavy clay alteration.
87.5 - 90	Leucogneiss. Not faulted but has strong clay alteration
90 - 91	Punky altered biotite gneiss.
91 - 107	Clay altered gneiss. Moderate to complete alteration. Several faults.
107 - 112	Partly silicified bleached gneiss. Clay and possible sericite alteration. Minor yellow stain.
112 - 156	Bleached leucogneiss, variable silicification and clay, and minor sericite. Several minor faults. Quartzite bands to 1/2 inch. No sulphides or veins.
156 - 158	Fault zone.
158 - 191	Leucogneiss, strong clay alteration. Fault zones 169-170 and 186-187.
191	END OF HOLE. (Driller reports quartzite in hole).
SAMPLES	R-88-7-1 80-83 R-88-7-2 83-87 R-88-7-3 112-117.5

DRILL LOG

RED FOX 1988 DRILL PROGRAM

LOGGED BY: B.PRICE..... DRILL HOLE: R-88-8.....
LOCATION: Drilled at jctn of road AZIMUTH: 133 degrees.....
and longitudinal trench west of INCLINATION: - 45 degrees
DDH-7 and west end No.4 vein..... DEPTH: 81 FEET

DEPTH	DESCRIPTION
0 - 6	Casing
6 - 11	Rubble and mixed core.
11 - 21	Biotite feldspar gneiss, (Feldspar augen).
21 - 41	Bleached leucogneiss. Clay alteration. and minor silicification.
41 - 50.5	Broken and rusty weathering biotite gneiss.
50.5 -	1/4 inch quartz vein, w green clay and sulphides.
50.5 - 62.5	Biotite gneiss, faulted and very rusty from 57-58.
62.5 - 65	Brecciated vein of quartz and clay with lead carbonate and minor galena (Recovered only 1.5 feet).
65 - 70	Fault gouge and broken vein material.
70-71.8	Gneiss with no apparent vein.
71.8 - 78	Leucogneiss.
78 - 81	Fault zone, quartz vein 3 inches at top but no sulphides.
81	END OF HOLE.

SAMPLES

APPENDIX II

TABULATED DRILL CORE ASSAYS

1988 DRILLING RESULTS

RED FOX MINERALS LTD.

Golden Crag Project, Sixty Mile River, Y.T.

Drillhole R-88-1

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	51.5-56.5 Fault zone, breccia + clay. Grey sulphides @ 57.5 (5 ft)	181	6097	4426	15.5	3
		CHECK ASSAY			0.52 opt	
2	56.5-61.0 As above (4.5 ft) Check assays in oz/ton.	315	20281	11765	78.7	280
					2.12	0.008

(NOTE * 280 ppb = 0.008 oz/ton)
78.7 ppm Ag = 2.29 oz/ton

Drillhole R-88-2

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	74-80 Fault zone w clay No sulphides seen	72	816	723	1.0	2
2	80-85 As above	55	71	268	0.6	1
3	85-90 As Above	62	201	858	3.8	4
4	90-94 As Above	102	1446	2416	6.8	5
5	94-95.5 Silicified w fine sulph Check assay in oz/ton	287	16076	7751	79.5	80
					2.25	

(NOTE * - 79.5 ppm Ag = 2.3 oz/ton)

Drillhole R-88-3

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	77-80 Fault zone, gouge Check assay in oz/t.	350	26566	699	209.0*	23
					5.80	
2	80-85 Faulted gneiss.	139	857	357	4.7	2
3	85-90 Faulted gneiss	79	192	63	0.9	16
4	120-123 Faulted porphyry gneiss	130	107	675	1.0	1

(NOTE * - 209 ppm = 6.1 oz/ton Ag.)

Drillhole R-88-4

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	12-16 Bleached gneiss w grey qtz veins. Grey sulphides @ 15 ft w yellow clay	29	139	60	1.0	1
2	16-19 As above	13	130	68	1.2	1
3	31.5-33 Fault zone. poor recov. Check assays in oz/ton.	771	26162	14776	332.5 11.22	380 * 0.009
4	33-34 Qtz-clay vein w. Galena, Arsenopy, Check assays in oz/ton.	2251	21864	50509	231.6 42.02	1050 * 0.028
5	34-38.5 Fault gouge Check assays in oz/ton.	149	9288	6535	46.2 1.21	230 0.006
6	38.5-42.5 Faulted grey gneiss	246	741	1324	8.8	1
7	42.5-48 Faulted leucogneiss, Gouge w white qtz frags	92	874	2342	2.3	1
8	48-51 Fault gouge, white quartz	175	324	1228	1.3	1
=====						
(NOTE *		Section 31.5-34 (2.5') averages 2.44% Pb, 2.9% As, 8.5 oz/ton Ag and 0.019 oz/ton Au				

Drillhole R-88-5

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	18.5-21 Siliceous gneiss, very rusty stained	34	118	625	0.9	4
2	21-26 Silicified leucogneiss w grey quartz veining	21	355	516	1.6	2
3	26-31 As Above	21	1511	866	2.4	1
4	31-35 Quartz-clay-Pb carbonates Check Assays	611	23795	54570	370.3 37.96 (opt)	745 0.021 (opt)
5	35-41 Mostly gouge Check Assay	94	3690	3269	13.0 0.35	5
6	41-43 Gouge w 1 in galena Check Assay	179	23682	12216	189.5 5.53	121
7	43-46.5 Mostly gouge	120	240	811	1.2	1
8	58-68.7 Shattered Bi. Gneiss	134	606	605	4.8	2
9	68.7-69.5 Clay Gouge	101	1162	2719	8.0	15
10	69.5-70 Vein, green clay, sulph. Check Assay	158	24010	35130	83.7 2.56	405 0.012
11	70-75 Fault gouge, clay Check Assay	530	24604	28736	131 3.88	750 0.022
12	75-75.8 Vein qtz, green clay, and sulphides	421	22746	50292	200.4	1660
13	75.8-80 Clay gouge, broken gneiss Check assay	377	23926	13926	104.9 3.03	305 0.008
14	80-90 Faulted grey Bi.Gneiss	79	784	1222	5.6	9

=====

(NOTE * 34.3 ppb = 1.0 oz/ton)

Drillhole R-88-6

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	98-101 Green fault gouge Check Assay Oz/ton	361	24710	23421	159.6 4.97	181
2	101-102 Brown Mud Gouge Check Assay	956	2488	2735	60.6 1.72 opt	58
3	102-104 1.5 ft green gouge + 0.5 ft vein Check Assay	598	23320	54728	424.5 16.36	1080 0.03
4	104-106 Vein, gouge, breccia Check Assay	516	22991	55280	404.3 61.09	4310 0.105
5	106-110 Mostly gouge, breccia Check Assay	105	4436	9775	290.7 8.79 opt	87
6	110-115.5 As Above Check Assay	114	3120	5343	52.5 1.47 opt	62
7	115.5-120 Brecciated rusty gneiss	131	586	738	7.2	4
8	120-125 As Above Check Assay	123	697	2029	10.3 0.28 opt	6
9	125-127.5 Vein + Fault Bx. Check Assay	3001	23400	52322	345 13.78	975 0.029

(NOTE * - Section.102-106' .averages 38.7 oz/ton Ag x 4'
 0.07 oz/ton Au
 Section 98 -115.5 averages 12.2 oz/ton Ag x 17.5'

Drillhole R-88-7

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1	80-83 Rusty Faulted gneiss Check assay	222	533	3433	10.8 0.38	440 0.011
2	83-87 Clay alt'n +Fault	266	961	1112	5.8	11
3	112-117.5 Rusty gneiss and gouge	79	424	1097	2.8	4

Drillhole R-88-8

SAMPLE INTERVAL	DESCRIPTION	CU (ppm)	PB (ppm)	AS (ppm)	AG (ppm)	AU (ppb)
1 50-51	1/2" qtz vein w green clay, sulphides, wallrk. Check assay	304	2094	7474	13.1	10
2 61-62.5	Faulted Bi.Gneiss	51	1515	2038	4.7	7
3 62.5-65	Qtz-clay breccia vein w green Pb carbonates Check Assay	887	23791	48180	344.3	815
					37.39	0.023
4 65-69	Fault gouge and vein mtl. Check assay	1.316	18814	9471	79.2	112
					2.48	
5 69-70	Broken vein Check Assay	349	26703	8959	380.8	710
					13.51	0.022
6 70-71.8	Wallrock gneiss Check Assay	60	3371	3306	46.6	11
					1.28	

(NOTE * - Section.62.5-70' .averages 15.6 oz/ton Ag x 4'
(7.5 ft) 0.01 oz/ton Au ??

APPENDIX III

ASSAYS AND GEOCHEMICAL ANALYSES

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR NH PR SR CA P LA CR NG BA TI B W AND LIMITED FOR NA K AND AL. NO DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 29 1988 DATE REPORT MAILED: *Sept 2/88* ASSAYER: *C. Long* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS File # 89-4001

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Cc	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Hg	Ba	Ti	B	Al	Na	K	W	Au*
	PPH	PPM	PPM	PPM	PPM	PPH	PPH	PPH	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPB
R-88-1-1	2	181	6097	303	15.5	1	1	55	2.20	4426	5	ND	31	8	51	203	2	1	.02	.007	59	19	.04	112	.01	9	.46	.01	.27	2	3
R-88-1-2	4	315	20281	622	78.7	4	1	41	2.35	11765	5	ND	20	9	62	1173	23	7	.02	.015	44	11	.06	71	.01	6	1.06	.04	.37	2	280
R-88-2-1	4	72	816	218	1.0	5	1	69	1.43	723	5	ND	26	2	12	17	2	1	.02	.007	43	8	.07	27	.01	3	.53	.01	.19	1	2
R-88-2-2	3	55	71	183	.8	3	1	79	1.33	266	5	ND	27	1	8	12	2	2	.01	.006	35	24	.08	15	.01	9	.59	.01	.20	1	1
R-88-2-3	4	52	281	134	3.8	6	1	47	1.31	856	5	ND	35	4	25	31	5	1	.01	.005	67	7	.04	27	.01	9	.44	.01	.22	1	4
R-88-2-4	4	102	1446	186	6.8	4	1	58	2.62	2416	5	ND	25	10	78	97	2	1	.01	.006	72	25	.05	50	.01	7	.43	.01	.30	1	5
R-88-2-5	6	287	16076	449	79.5	8	1	36	3.16	7751	5	ND	9	14	55	1044	2	3	.01	.023	55	9	.02	29	.01	10	.58	.03	.40	1	80
R-88-3-1	3	350	26586	772	209.0	3	1	105	1.57	699	8	ND	19	3	284	1808	8	2	.02	.009	29	26	.13	49	.01	2	.92	.01	.29	1	23
R-88-3-2	4	139	857	356	4.7	6	1	125	1.49	357	5	ND	19	4	14	73	2	4	.02	.013	37	9	.20	63	.01	2	.98	.02	.31	1	2
R-88-3-3	3	79	192	375	.9	3	1	62	1.33	63	5	ND	20	3	13	27	2	3	.02	.012	48	29	.12	114	.01	3	.63	.02	.23	1	16
R-88-3-4	4	130	107	658	1.0	5	1	62	3.02	675	5	ND	28	2	69	60	2	2	.02	.028	46	7	.16	37	.01	3	.79	.04	.37	1	1
R-88-4-1	3	29	139	129	1.2	3	1	44	1.95	60	5	ND	42	8	3	15	2	6	.02	.030	37	29	.06	31	.01	4	.61	.02	.31	2	1
R-88-4-2	3	13	130	47	.6	7	1	21	.66	68	5	ND	41	2	2	4	2	1	.01	.008	24	9	.02	21	.01	6	.29	.01	.19	3	1
R-88-4-3	10	771	26162	847	332.5	6	1	25	6.28	14776	5	ND	10	5	56	1775	5	3	.01	.044	9	22	.02	25	.01	17	.31	.01	.30	14	380
R-88-4-4	14	2251	21864	2113	231.6	4	1	17	13.71	50509	5	3	2	3	154	7372	258	3	.01	.010	2	9	.01	8	.01	13	.16	.02	.16	28	1050
R-88-4-5	5	149	9288	168	46.2	7	1	28	3.13	6535	5	ND	16	6	6	329	20	8	.01	.034	21	25	.06	169	.01	9	.69	.01	.69	1	230
R-88-4-6	3	246	741	470	8.8	8	3	273	3.41	1324	5	ND	15	6	20	85	2	21	.04	.025	30	22	.82	180	.08	4	2.67	.01	1.27	3	1
R-88-4-7	5	92	874	261	2.3	7	1	61	3.54	2342	5	ND	8	3	56	29	2	4	.02	.031	14	21	.07	32	.01	9	.70	.01	.35	1	1
R-88-4-8	36	175	324	405	1.3	12	1	187	3.38	1228	5	ND	26	3	26	36	3	19	.04	.064	31	19	.34	45	.03	9	1.99	.01	.61	1	1
SYD C/AU-R	19	63	45	131	7.2	73	30	1042	4.20	44	16	8	39	51	19	18	19	61	.49	.088	39	61	.95	179	.07	32	2.05	.06	.17	12	530

- ASSAY REQUIRED FOR CORRECT RESULT for Pb As > 10,000 ppm
 Sb > 1000 ppm
 Ag > 35 ppm

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO₃-H₂O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 29 1988

DATE REPORT MAILED: *Sept 5/88*

ASSAYER: *C. Leong* ... D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS File # 88-4042

KELAN

RED FOX

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Hg	Ba	Ti	B	Al	Na	K	W	Au*
PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	%	%	%	%	PPM	PPM	
K-88-8-1	2	924	2942	2177	39.4	13	7	9805	13.06	4255	15	4	7	138	33	137	1306	18	9.19	.054	11	22	1.26	9	.01	13	.89	.01	.16	1	7520
K-88-8-2	1	25	60	157	.6	11	6	2557	12.30	29	5	ND	5	153	5	7	5	29	9.97	.029	15	31	1.60	11	.02	11	1.32	.09	.20	1	104
K-88-8-3	1	95	84	154	1.4	5	9	4651	17.35	336	5	ND	5	51	2	7	199	14	5.42	.007	2	24	2.30	6	.01	2	.26	.01	.93	1	1386
K-88-8-4	1	320	811	1037	13.1	5	5	20640	19.93	294	5	ND	4	45	8	7	20	12	2.77	.032	2	37	2.78	3	.01	8	.32	.01	.94	1	29
K-88-8-5	1	93	653	1125	12.3	3	5	18355	18.46	315	5	ND	5	32	12	23	24	8	3.25	.018	2	17	2.65	4	.01	7	.14	.01	.02	1	12
K-88-9-6	1	455	4350	1005	102.2	7	13	30979	26.16	179	7	ND	6	26	14	71	3090	12	2.35	.015	2	22	2.63	2	.01	7	.38	.01	.02	1	310
R-88-5-1	2	34	116	232	.9	1	1	400	1.92	625	5	ND	45	2	10	9	2	1	.04	.005	14	3	.15	11	.01	5	.67	.01	.17	1	4
R-88-5-2	1	21	355	158	1.6	4	1	199	1.19	516	7	ND	41	2	4	16	14	1	.02	.005	20	2	.04	22	.01	5	.38	.01	.15	3	2
R-88-5-3	1	21	1511	150	2.4	2	1	59	1.11	866	5	ND	25	1	3	27	2	1	.01	.006	16	1	.04	32	.01	4	.37	.01	.22	2	1
R-88-5-4	2	611	23795	860	370.3	2	1	36	6.61	54570	6	ND	7	4	263	6030	90	2	.01	.022	3	3	.01	5	.01	8	.07	.01	.11	1	745
R-88-5-5	2	94	3690	225	13.0	2	1	49	4.69	3269	5	ND	14	10	20	101	2	5	.01	.054	16	3	.07	89	.01	8	.54	.01	.40	1	5
R-88-5-6	3	179	23682	412	189.5	3	1	79	4.44	12216	5	ND	12	3	67	1171	21	7	.01	.042	12	4	.13	46	.01	6	.76	.01	.33	1	121
R-88-5-7	2	120	240	323	1.2	4	2	356	2.84	811	5	ND	16	7	13	12	2	16	.02	.035	33	14	.60	129	.06	5	1.96	.01	.84	1	1
R-88-5-8	1	134	715	606	4.8	6	2	211	3.81	605	5	ND	18	5	12	34	2	14	.04	.055	18	13	.47	66	.03	3	1.66	.01	.46	1	2
R-88-5-9	2	101	1162	294	8.0	3	1	148	2.54	2719	5	ND	17	13	15	41	5	7	.03	.050	40	6	.15	54	.01	2	1.25	.02	.42	1	15
R-88-5-10	2	158	24010	424	83.7	3	1	89	3.94	35130	5	ND	8	4	44	166	10	5	.02	.028	20	6	.09	24	.01	3	.80	.01	.36	3	405
R-88-5-11	4	530	24604	689	131.0	3	1	63	4.69	28736	5	ND	8	3	50	776	10	4	.02	.034	14	3	.05	32	.01	8	.65	.02	.39	1	750
R-88-5-13	2	377	23926	807	104.9	4	1	68	4.84	13926	5	ND	11	5	69	846	3	5	.02	.040	14	5	.06	54	.01	16	.71	.02	.61	3	305
R-88-5-14	2	79	784	176	5.6	2	1	89	3.14	1222	5	ND	13	2	8	28	4	4	.01	.043	14	4	.13	24	.01	7	.92	.01	.41	1	9
R-88-6-1	8	361	24710	360	159.6	3	1	38	3.81	23421	5	ND	13	5	26	641	9	3	.01	.029	22	5	.02	55	.01	2	.57	.01	.32	1	181
R-88-6-2	10	956	2488	990	60.6	159	28	155	3.64	2735	5	ND	35	126	19	215	5	37	.04	.044	49	16	.41	398	.05	2	1.37	.04	.61	687	58
R-88-6-3	10	598	23320	357	424.5	5	1	40	5.31	54728	5	ND	12	6	21	799	11	3	.01	.014	13	6	.01	36	.01	3	.33	.01	.20	16	1080
R-88-6-4	7	516	22931	444	404.3	3	1	23	9.91	55280	5	2	4	9	32	2962	65	3	.01	.013	6	9	.01	58	.01	8	.39	.01	.19	1	4310
R-88-6-5	6	105	4436	63	290.7	2	1	35	1.82	9775	5	ND	15	2	16	325	7	1	.01	.007	15	3	.02	24	.01	7	.24	.01	.26	4	87
R-88-6-6	10	114	3120	102	52.5	3	1	35	1.83	5343	5	ND	20	2	8	119	10	2	.01	.012	15	5	.03	43	.01	5	.52	.01	.34	2	62
R-88-6-7	9	131	586	273	7.2	4	1	80	3.00	739	5	ND	30	2	4	23	2	2	.01	.013	17	3	.07	40	.01	2	.68	.01	.25	2	4
R-88-6-8	4	123	697	299	10.3	2	1	113	3.16	2029	5	ND	19	2	4	29	2	2	.01	.023	14	2	.10	45	.01	3	.82	.01	.38	1	6
R-88-6-9	2	3001	23400	809	345.0	4	1	39	5.16	52322	5	ND	6	1	68	1454	16	3	.01	.014	5	5	.03	20	.01	5	.40	.01	.22	1	975
R-88-7-1	6	222	523	1071	10.8	6	2	103	5.69	3433	15	ND	32	7	20	139	2	14	.01	.055	29	2	.05	29	.01	4	.70	.01	.15	3	440
R-88-7-2	10	266	961	353	5.8	5	2	213	6.70	1112	5	ND	6	18	9	35	2	145	.01	.060	36	37	.88	59	.13	2	2.73	.02	1.60	1	11
R-88-7-3	8	79	424	242	2.8	4	1	30	2.92	1097	7	ND	30	4	11	45	3	5	.01	.029	25	2	.03	26	.01	5	.57	.01	.18	3	4
R-88-8-1	3	304	2094	113	13.1	3	1	35	1.64	7474	5	ND	19	1	9	29	14	2	.01	.014	26	2	.03	34	.01	3	.37	.01	.30	1	10
R-88-8-2	3	51	1515	244	4.7	3	1	41	2.32	2038	5	ND	16	2	4	177	2	2	.01	.007	20	1	.03	50	.01	3	.42	.01	.36	1	7
R-88-8-3	1	887	23791	1006	544.3	4	1	38	4.79	48180	5	ND	4	4	400	4871	26	2	.01	.002	5	4	.01	16	.01	2	.37	.01	.10	1	815
R-88-8-4	3	316	18814	733	79.2	3	1	98	3.81	9471	5	ND	15	2	57	577	7	3	.01	.008	18	2	.05	81	.01	7	.87	.01	.40	1	112
R-88-9-5	3	349	26703	552	380.5	4	1	40	1.38	8959	5	ND	4	1	689	6713	5	1	.01	.007	3	2	.01	5	.01	3	.18	.01	.09	1	710
R-88-9-6	1	60	3371	311	46.6	3	1	55	2.08	3306	5	ND	20	2	15	120	16	1	.01	.012	24	2	.02	25	.01	11	.42	.01	.30	1	11
STD C/AU-R	20	63	44	132	7.5	73	31	1064	4.33	42	23	8	40	53	19	16	18	60	.52	.094	40	62	.97	183	.07	31	1.95	.06	.17	13	505

- ASSAY REQUIRED FOR CORRECT RESULT for Cu > 10,000 ppm
As > 25 ppm

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: SEP 13 1988

Sept. 19/88.

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp
AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Long* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS FILE # 88-4042R

	SAMPLE#	Ag** OZ/T	Au** OZ/T
	K-88-8-1	2.77	.213
	K-88-8-3	-	.040
	K-88-8-4	.35	-
KELAN	K-88-8-5	.34	-
	K-88-8-6	3.01	.008
<hr/>			
RED FOX	R-88-5-4	37.96	.021
	R-88-5-5	.35	-
	R-88-5-6	5.53	-
	R-88-5-10	2.56	.012
	R-88-5-11	3.88	.022
	R-88-5-13	3.03	.008
	R-88-6-1	4.97	-
	R-88-6-2	1.72	-
	R-88-6-3	16.36	.030
	R-88-6-4	61.09	.105
	R-88-6-5	8.79	-
	R-88-6-6	1.47	-
	R-88-6-8	.28	-
	R-88-6-9	13.78	.029
	R-88-7-1	.38	.011
	R-88-8-1	.39	-
	R-88-8-3	37.39	.023
	R-88-8-4	2.48	-
	R-88-8-5	13.51	.022
	R-88-8-6	1.28	-

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: SEP 3 1988 DATE REPORT MAILED: *Sept 15/88* ASSAYER: *C. Leong* D.TOYE OR C.LEONG, CERTIFIED B.C. ASSAYERS

RED FOX File # 88-4197

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Tb	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Au*		
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	PPM		
R88-5-12	3	421	22746	✓1292	200.4	✓	5	1	49	11.40	50292	✓	5	ND	3	1	131	697	117	2	.02	.007	2	10	.01	7	.01	3	.16	.01	.08	1	1660

✓ ASSAY REQUIRED FOR CORRECT RESULT -

ACME ANALYTICAL LABORATORIES LTD.

DATE RECEIVED: SEP 5 1988

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED:

Sept. 8/88.

ASSAY CERTIFICATE

- SAMPLE TYPE: Pulp

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

RED FOX MINERALS FILE # 88-4001R

SAMPLE#	Ag OZ/T	Au OZ/T
R-88-1-1	.52	-
R-88-1-2	2.12	.008
R-88-2-5	2.25	-
R-88-3-1	5.80	-
R-88-4-3	11.22	.009
R-88-4-4	42.02	.028
R-88-4-5	1.21	.006

APPENDIX IV

ITEMIZED COST STATEMENT

ITEMIZED COST STATEMENT

1988 Drill Program - Red Fox Minerals Ltd.
Pra Claims, Crag Mountain Property, Sixtymile Area Y.T.

GEOLOGICAL SUPERVISION:

CONSULTING: B.Price, M.Sc., (Rapitan Resources Inc.) \$4,039.30
Aug 10 - Aug 20, 1988 ; Rate \$350/day.
10 days @ \$350 plus expenses.
(does not include report costs)

CAMP SUPERVISION:

FOREMAN: J.Bergvinson, Rate 250./day 5,000.00
July 20 to Aug 20. (partial time)

CAMP MANAGER: Michael Elson, Rate 250./day 14,475.00
June 20 to Aug 24. (partial)

COOK: Mona Ryan, Rate: \$150/day 4,800.00
June 20 to Aug.24. (partial)

FIELD ASST: D.Pugh. June 20 - July 1 Rate \$150/day 862.50

E.CARON DIAMOND DRILLING:

46,615.23
Drilling, man-hours and standby
Mobilization and supplies

ASSAYS: Acme Analytical Laboratory, 2,119.55
Vancouver, B.C.

CAMP SUPPLIES: (Groceries, Fuel etc.)
M.Elson, Expense Accts: 8,682.95

CAMP AND EQUIPMENT RENTALS:

Northern Natural Res. Services 5,680.00
Hennings Yamaha 427.25
Brisebois Bros Construction (Bulldozers) 8,990.00
G.McCully Contracting (Trucking) 3,200.00
Paul S.White Contracting 1,200.00

TRAVEL EXPENSES:

Atlas Travel Ltd. 222.90

=====

TOTAL OF ALL COSTS \$106,314.68

Note: The above accounts have been provided by accountants to Red Fox Minerals. The writer believes the figures to be an accurate summary of costs. Actual Invoices will be supplied on request.

respectfully submitted

Barry J. Price

Barry J.Price, M.Sc., FGAC.
Consulting Geologist.

Feb 15, 1989.



PROJECT DETAILS

Red Fox Minerals Ltd. - Crag Mountain Project 1988

NAMES OF WORKERS

DATES WORKED

Michael Elson
Ste 65 - 1058 Nelson St.,
Vancouver, B.C.

June 20 - July 27 @ \$125/day
July 28 - July 31 @ 250
Aug 1 - Aug 27 @ 125
(Kelan and Red Fox).

David Pugh
307 - 6450 E. Boulevard,
Vancouver, B.C.

June 20 - July 1 (Kelan)

Jon Bergvinson
24977 - 72 Ave.,
Aldergrove, B.C.

June 20 - 30 (2.5 days total)
July 1 - 31 (18.5 days)
Aug 1 - 19 (19 days)
(Kelan and Red Fox)

Mona Ryan
75, Hudson Bay Trailer Court,
Smithers, B.C.

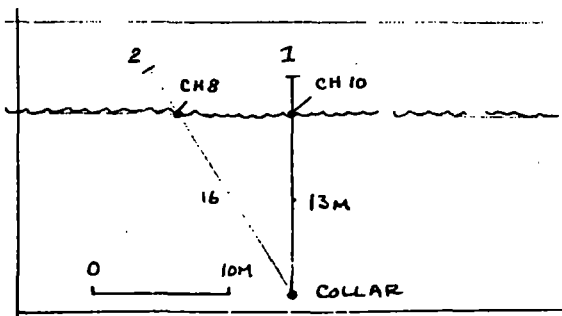
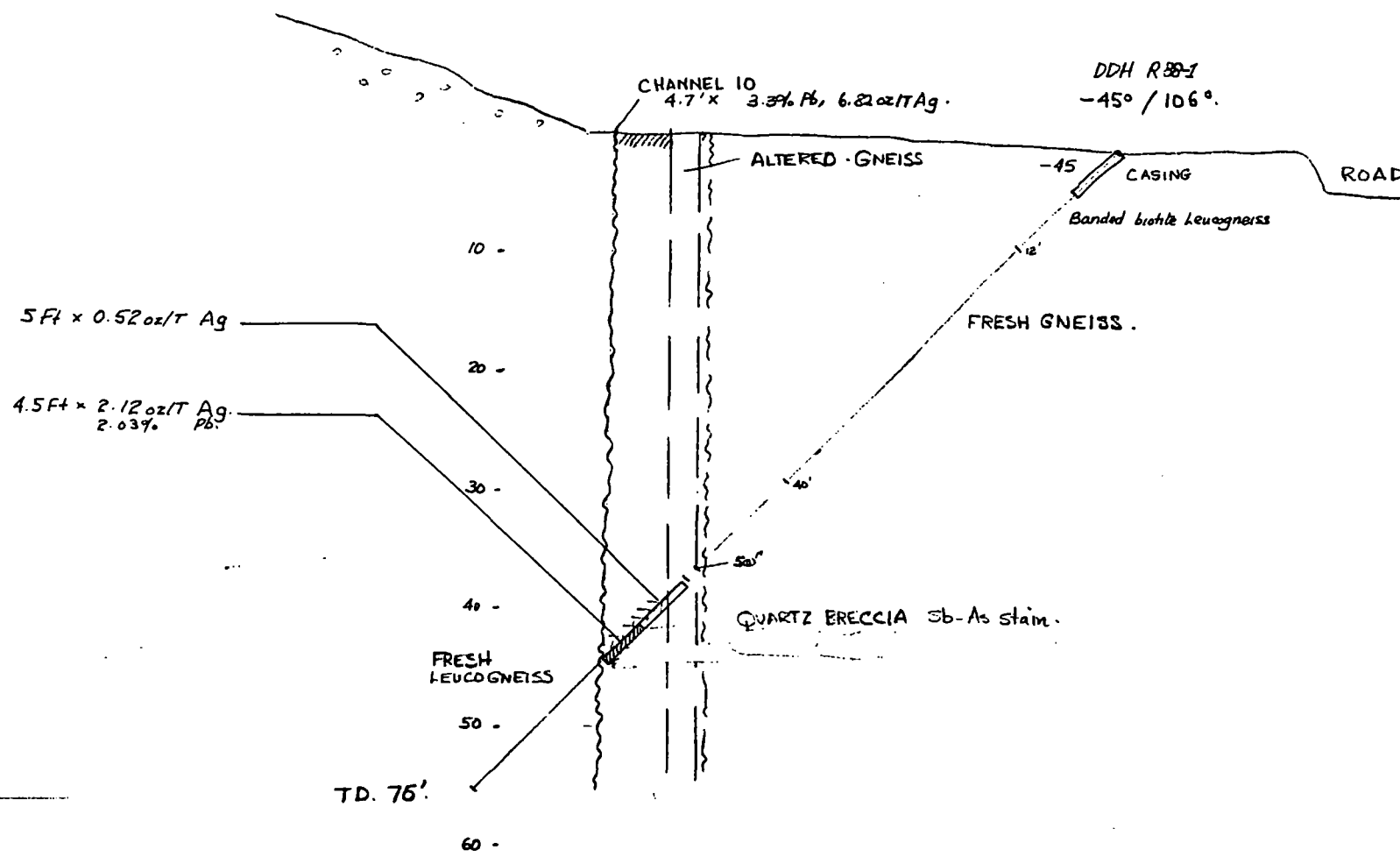
June 20 - July 31
Aug 1 - 22
(Kelan and Red Fox).

Barry Price, M.Sc.
2505 West 1st Avenue,
Vancouver, B.C.

July 25 - Aug 9 (Kelan)
Aug 10 - 20 (Red Fox)

Appendix V

DRILL SECTIONS.

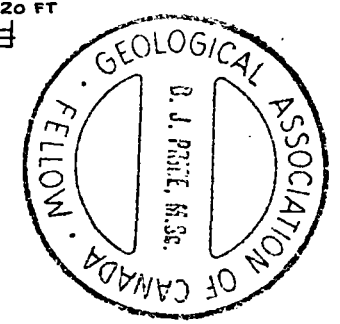
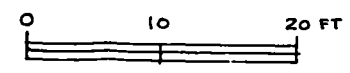


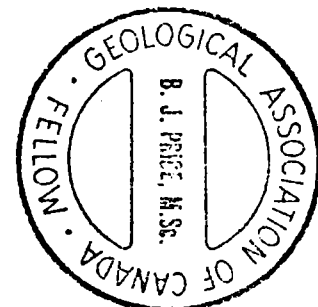
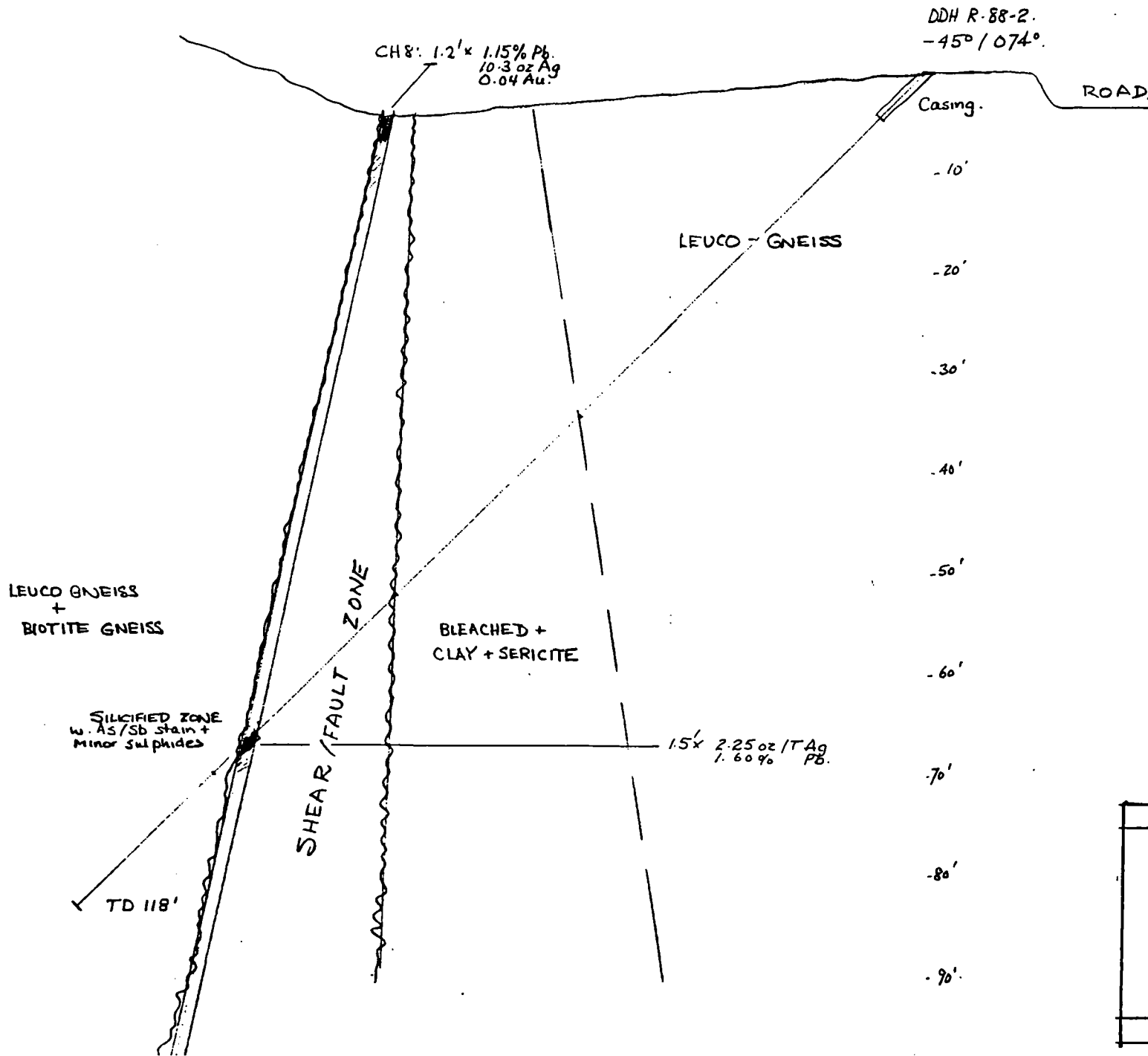
RED FOX MINERALS LTD.
1988 Drill Program
CRAG MOUNTAIN PROPERTY

DRILL SECTION 88-1

Fig. 8A

B. J. PRICE, M.Sc. 1989

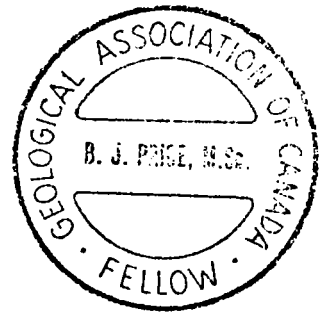




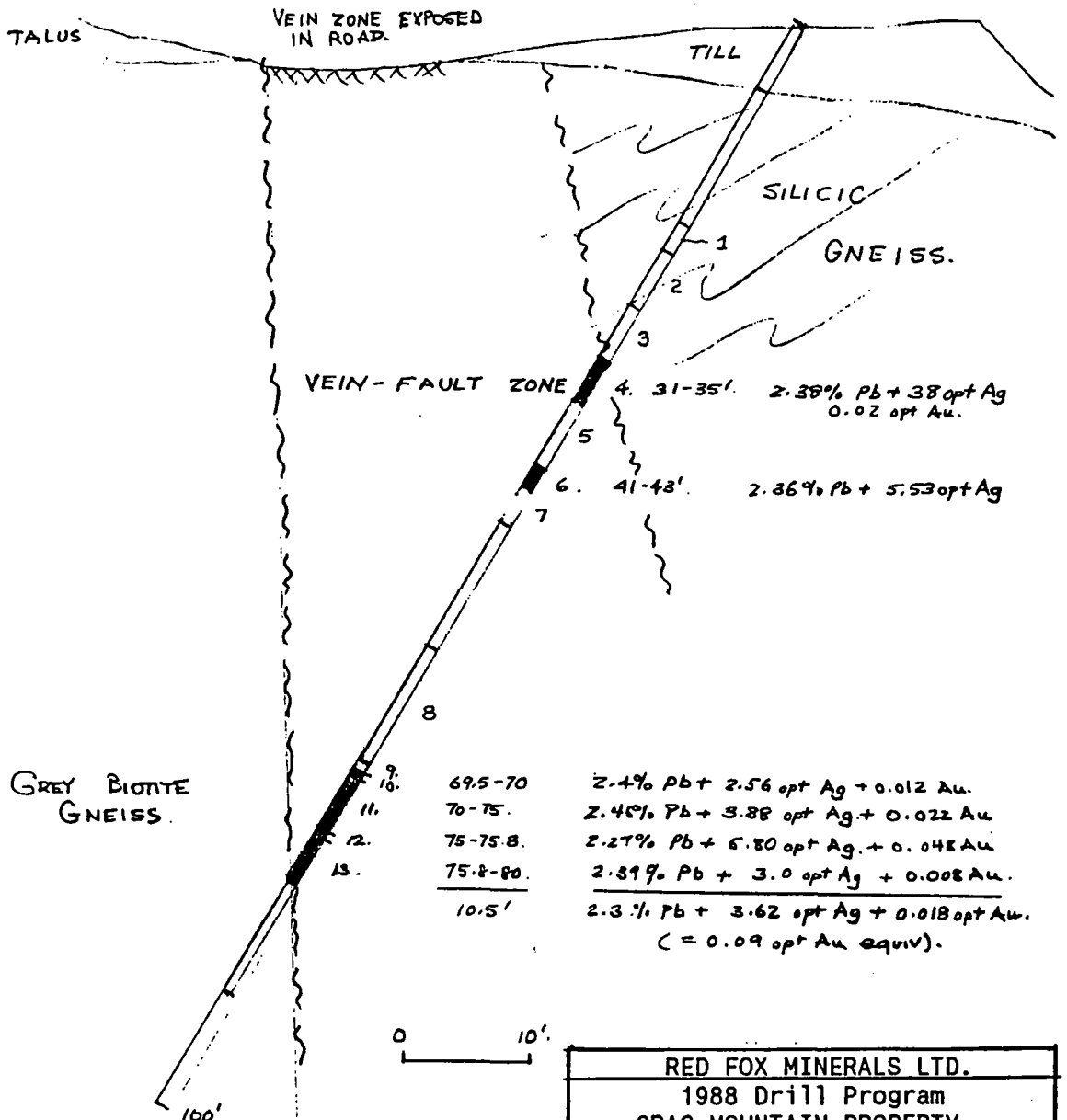
RED FOX MINERALS LTD.
1988 Drill Program
CRAG MOUNTAIN PROPERTY

DRILL SECTION 88-2.

Fig. 8B
B. J. PRICE, M.Sc. 1989



DDH R-88-5 - 60°
100'



VEIN - FAULT ZONE

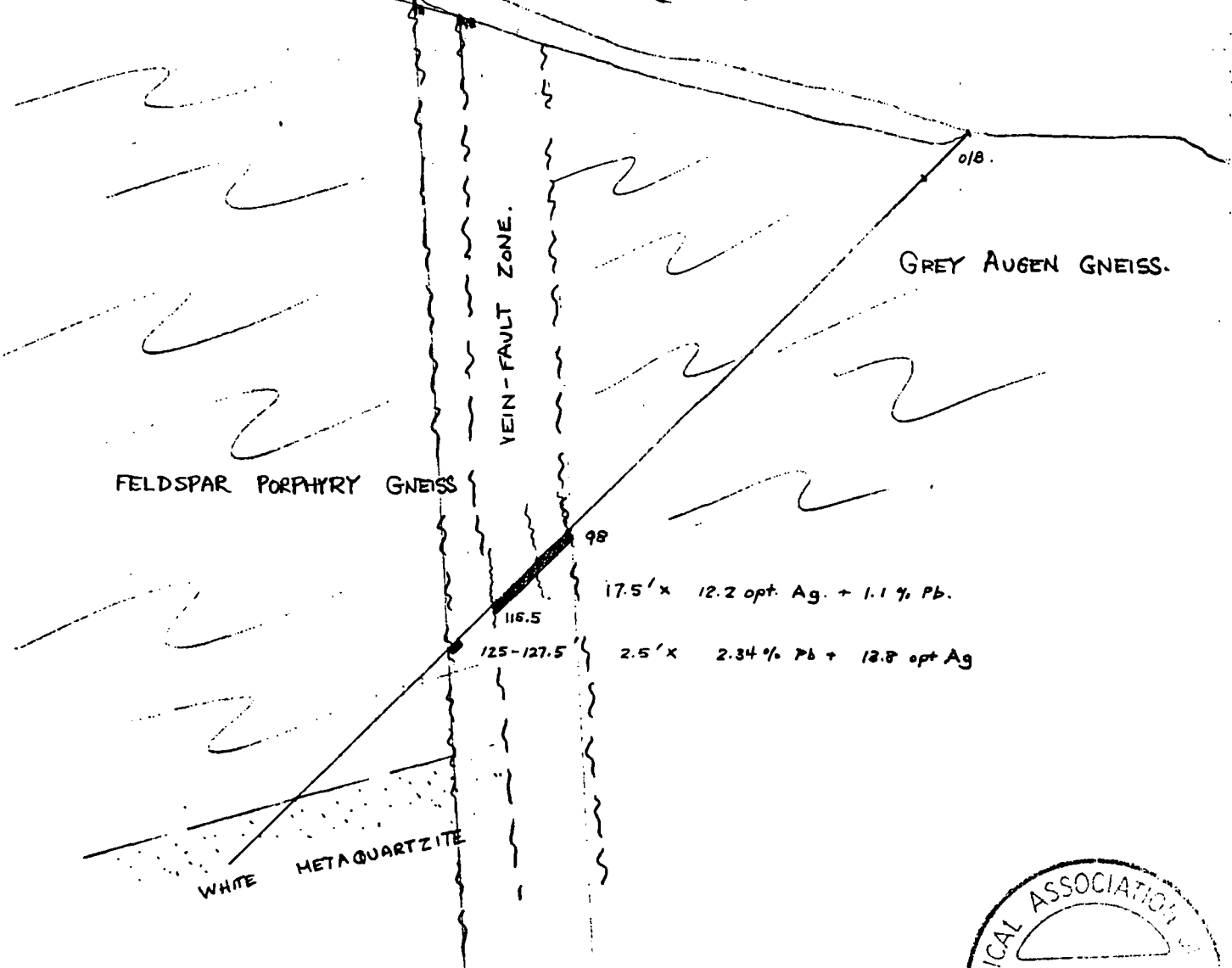
4. 31-35'	2.38% Pb + 38 opt Ag
	0.02 opt Au.
6. 41-43'	2.36% Pb + 5.53 opt Ag

9. 69.5-70	2.4% Pb + 2.56 opt Ag + 0.012 Au.
11. 70-75.	2.45% Pb + 3.88 opt Ag + 0.022 Au
12. 75-75.8.	2.27% Pb + 5.80 opt Ag + 0.048 Au
13. 75.8-80.	2.89% Pb + 3.0 opt Ag + 0.008 Au.
10.5'	2.3% Pb + 3.62 opt Ag + 0.018 opt Au.
	(= 0.09 opt Au equiv).

RED FOX MINERALS LTD.
1988 Drill Program
CRAG MOUNTAIN PROPERTY
DRILL SECTION 88-5
Fig. 8C.
B. J. PRICE, M.Sc. 1989

TALUS.

TRENCH. (1969)-



GREY AUGEN GNEISS.

FELDSPAR PORPHYRY GNEISS

VEIN-FAULT ZONE.

WHITE METAQUARTZITE

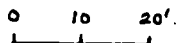
98

17.5' x 12.2 opt. Ag. + 1.1 % Pb.

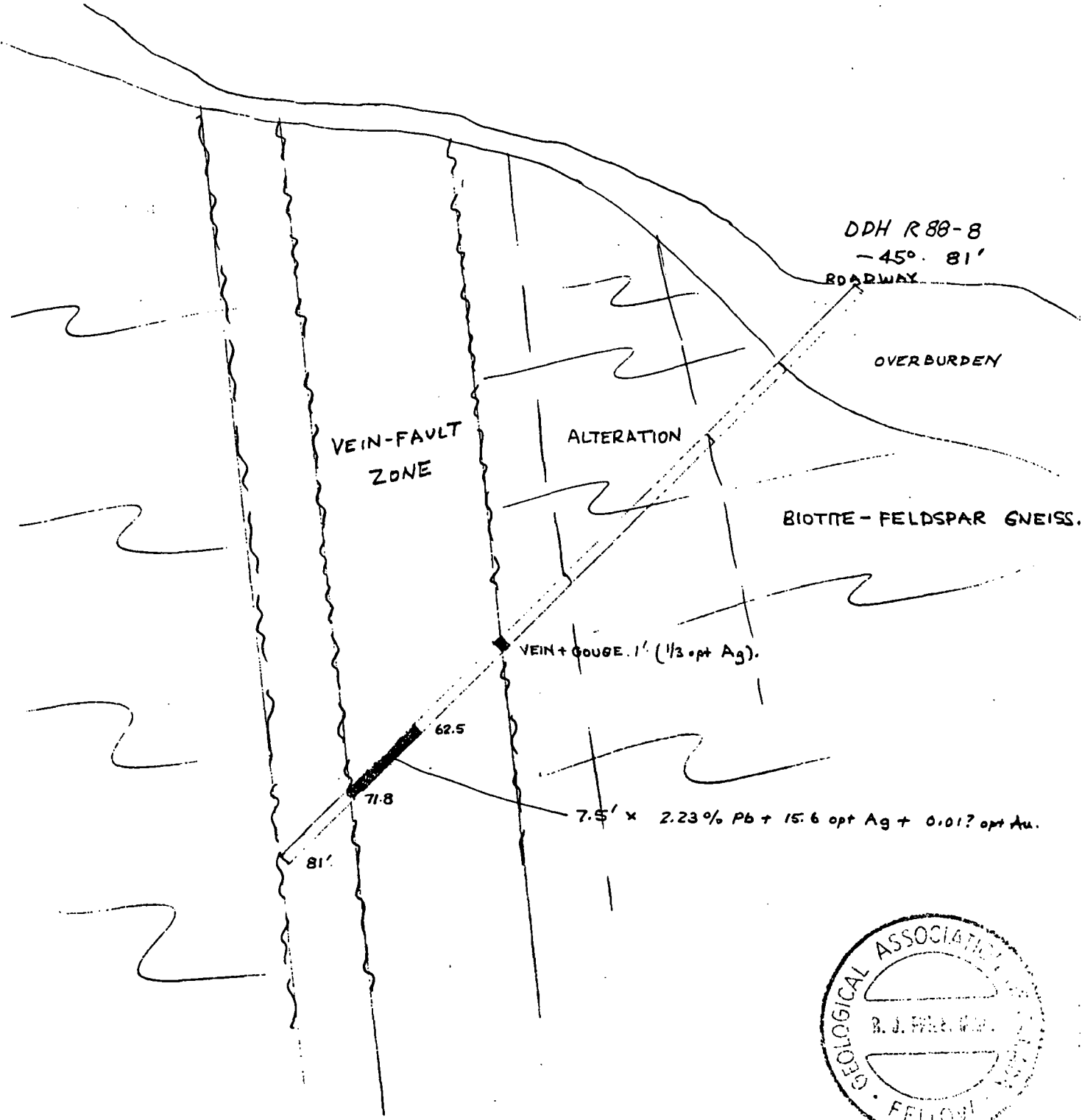
116.5

125-127.5

2.5' x 2.34 % Pb + 12.8 opt Ag



<p>RED FOX MINERALS LTD. 1988 Drill Program CRAG MOUNTAIN PROPERTY</p> <p><i>DRILL SECTION 88-6</i></p> <p>Fig. 8D</p> <p>B. J. PRICE, M.Sc. 1989</p>



RED FOX MINERALS LTD.
1988 Drill Program
CRAG MOUNTAIN PROPERTY

DRILL SECTION 88-8

Fig. 8E
B. J. PRICE, M.Sc. 1989