REPORT

ON THE RESULTS OF

GEOLOGICAL AND GEOPHYSICAL WORK

FOR

CENTRAL CRUDE LTD.

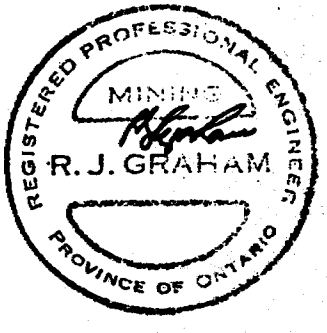
ON THEIR 26 CLAIM GOLD PROPERTY

NEAR BAD VERMILLION LAKE

KENORA MINING DIVISION

ONTARIO

OCTOBER 15, 1983



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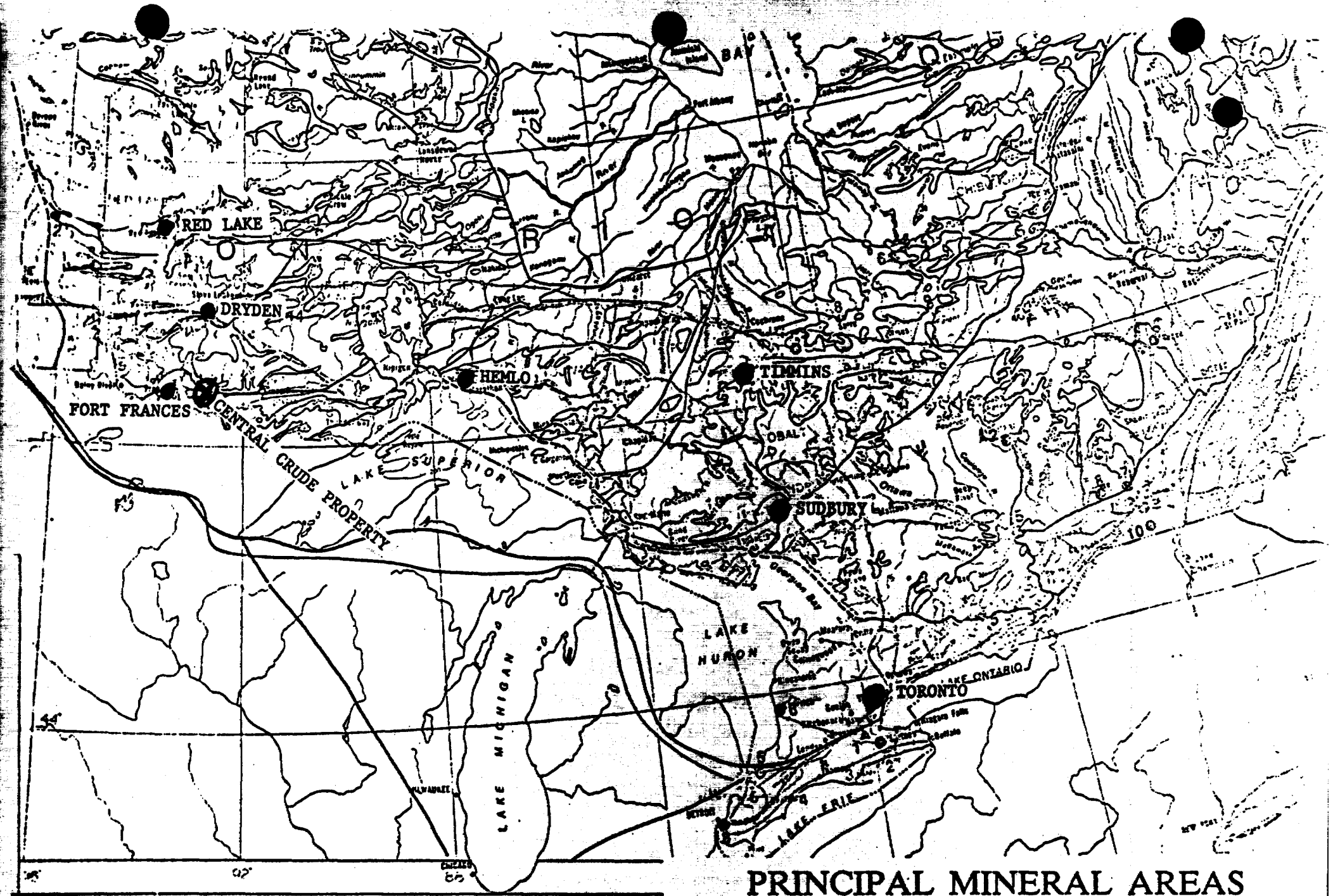
SUMMARY

Central Crude Ltd. of 436 Adelaide Street West, Toronto, Ontario holds 26 contiguous unpatented mineral claims under option covering a high grade gold prospect 35 miles east of Fort Francis, Ontario near the village of Mine Centre. Several former mines, the Golden Star, Olive and Foley are located nearby and produced a total of 17,146 ounces of gold for an average recovered grade of 0.44 oz. gold per ton up until 1942. Exploration, mining and milling were primitive and innefficient, and management was poor.

58% of the Central Crude Ltd. Property had never been explored. The remainder had undergone general work and limited, widely spaced diamond drilling, insufficient to properly evaluate the 7 known veins. A shallow prospect shaft on the Rainbow vein before the turn of the Century exposed spectacular high grade gold. With the closing of the local producers, the full exploration potential of this Property has never been determined.

The undersigned examined the Central Crude Ltd. Property on May 30 and 31, 1983 for sampling purposes and obtained values up to 7.96 oz. gold per ton over 36" sample width in the vicinity of the shallow prospect shaft on the Rainbow vein. In the report dated June 13, 1983, the undersigned recommended a two phase detailed exploration



PRINCIPAL MINERAL AREAS OF CANADA

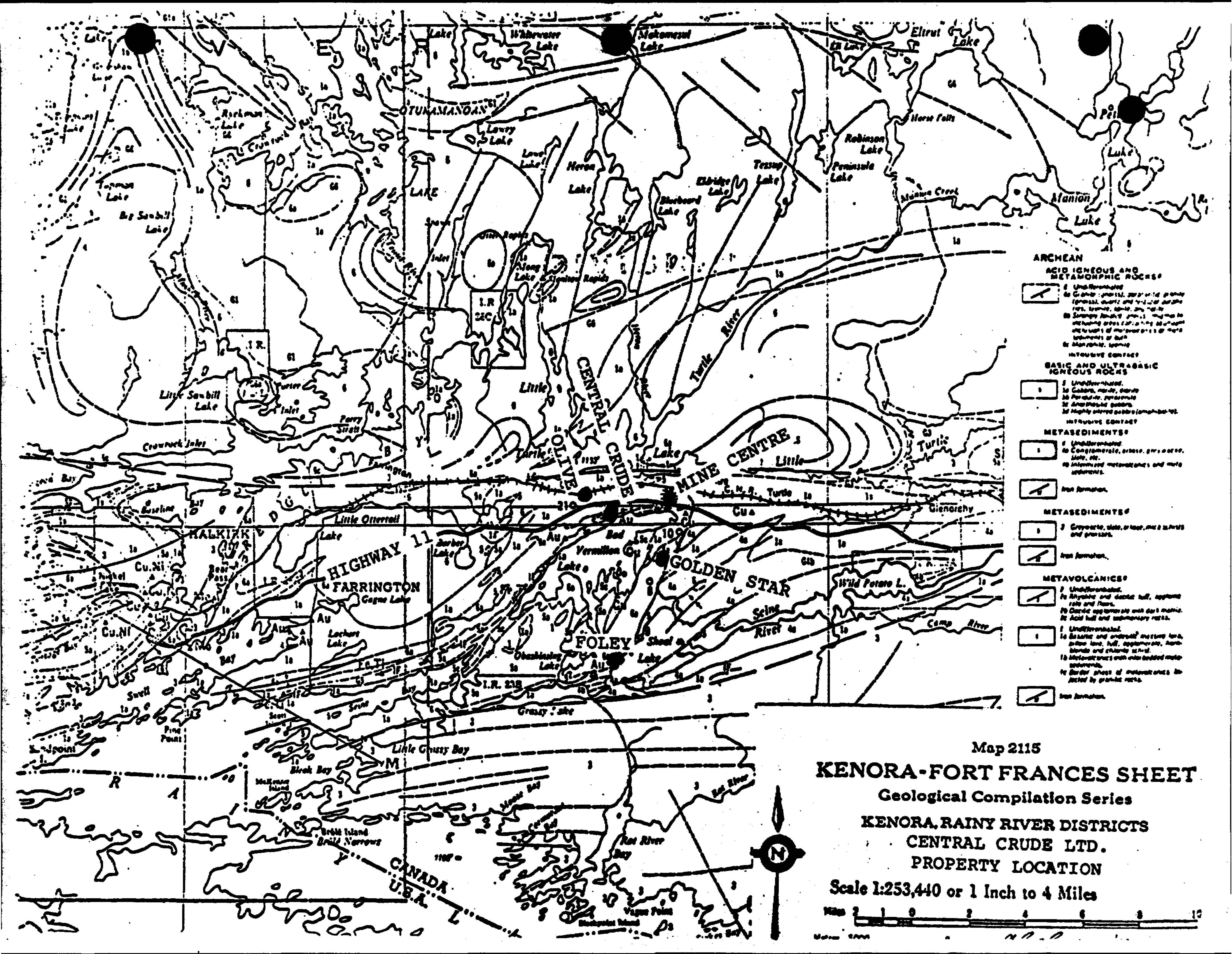
SCALE: 1 INCH TO 120 MILES = $\frac{1}{7,603,200}$

program for $155,816.00 including 15% for contingencies. During the summer and fall of 1983, geophysical and geological surveys were carried out as part of this program, together with bulk sampling of the Rainbow vein dump, and trenching and sampling of other structures found during the prospecting. In general these results showed that the best potential for gold mineralization of possible economic merit remains the Rainbow vein, which still warrants detailed diamond drilling in the winter to properly test its swamp-covered strike extension. Ten 150' holes are initially recommended for direct costs of $20.00 per foot, and a two phase program of further detailed work consisting of diamond drilling is recommended in this report for a total of $158,300.00.

INTRODUCTION

The undersigned was contracted by Central Crude Ltd. of 436 Adelaide Street, West Toronto, Ontario to assess the exploration potential for gold of their 26 claim unpatented mineral property, the former Stellar Gold Mine, some 35 miles east of Fort Frances, Ontario. Three old gold mines in the immediate vicinity produced a total of 17,146 ounces of gold from 1897 to 1942, and a detailed evaluation of the gold production potential of the area is presently underway by several mining companies.

The undersigned has 28 years of experience in gold mining and exploration in North America, and is familiar with the Central Crude Property, having examined it in the late 1950s during a data compilation for Preston East Dome Mines Ltd., in November 1981 during a detailed field examination of the nearby Olive and Golden Star Mine, and again on May 30 and 31, 1983 for Central Crude Ltd.

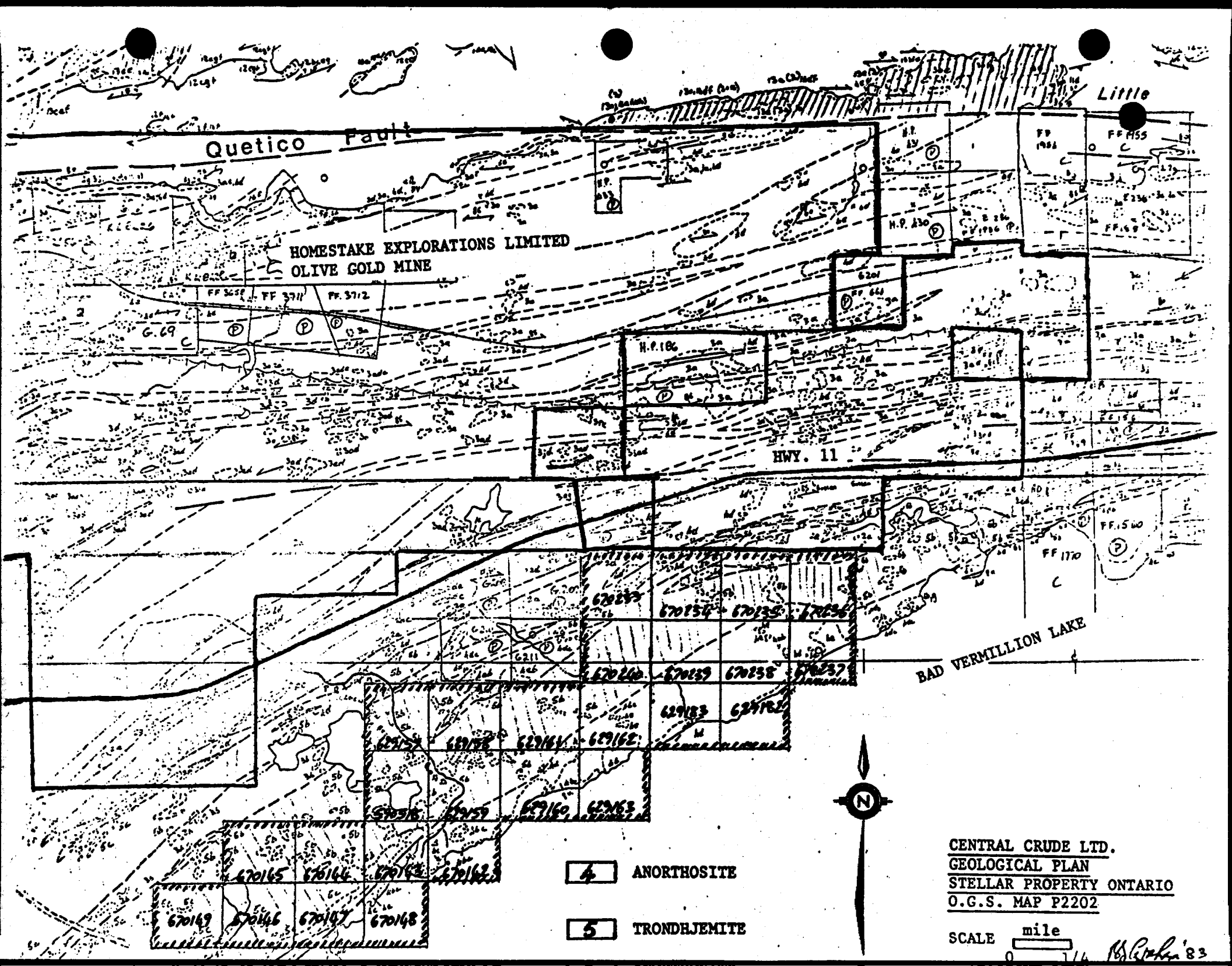

CENTRAL
CRUDE
OLIVE
MINE CENTRE
GOLDEN STAR
FOLEY
FARRINGTON
HIGHWAY 11
HALKIRK
Cu.Ni
Au
OTUKAMAMOAN
LAKE
Heron Lake
Tessup Lake
Robinson Lake
Peninsula Lake
Manion Lake
Whitewater Lake
Makemesai Lake
Little Otter Tail Lake
Barber Lake
Gagne Lake
Lochart Lake
Vermilion
Shoal Lake
Seine River
Camp River
Wild Potato L.
Little Grassy Bay
Grassy Lake
Rat River Bay
Birch Bay
Brûlé Island
Brûlé Narrows
Crowrock Inlet
Little Sandbill Lake
Big Sandbill Lake
Turtle River
Little Turtle Lake
Glenorchy
Swell
Pine Point
I.R. 21B
CANADA
U.S.A.
ARCHEAN
ACID IGNEOUS AND METAMORPHIC ROCKS
BASIC AND ULTRABASIC IGNEOUS ROCKS
METASEDIMENTS
METAVOLCANICS
Map 2115
KENORA-FORT FRANCES SHEET
Geological Compilation Series
KENORA, RAINY RIVER DISTRICTS
CENTRAL CRUDE LTD.
PROPERTY LOCATION
Scale 1:253,440 or 1 Inch to 4 Miles

PROPERTY LOCATION AND ACCESS

The Central Crude Ltd. claims lie between Highway 11 and the north shore of Bad Vermillion Lake at a point some 35 miles east of Fort Frances, Ontario.

Access is easy, via Highway 11 then south by a 3/4 mile gravel access road which crosses the claims to cottages on the lake.

Regular two hour airline flights are available twice a day from Toronto to Dryden where a vehicle can be rented to drive the 112 miles via Highways 502 and 11 to the Property.


Quetico Fault
Little
HOMESTAKE EXPLORATIONS LIMITED
OLIVE GOLD MINE
HWY. 11
BAD VERMILLION LAKE
4 ANORTHOSITE
5 TRONDHJEMITE
N
CENTRAL CRUDE LTD.
GEOLOGICAL PLAN
STELLAR PROPERTY ONTARIO
O.G.S. MAP P2202
SCALE mile
0 1/4
B. Graham '83

PROPERTY OWNERSHIP, CLAIM LIST, AND ASSESSMENT STATUS

The 26 contiguous, unpatented mineral claims are held by Central Crude Ltd. of 436 Adelaide Street, West Toronto, and are registered in the office of the Mining Recorder, P.O. Box 5160, 808 Robertson Street, Kenora, Ontario, P9N 3X9. The following tabulation details the assessment status of the claims.

CLAIM NUMBERS	ASSESSMENT STATUS
K670142-K670149	Work due by March 3, 1984
K590518	Work due by March 3, 1984
K629157-K629163	Under extension until December 15, 1983
K670233-K670240	Work due by March 15, 1984
K629182-K629183	Work due by March 15, 1984

The area covered by the 26 claims is approximately 1040 acres. No disputes or leins are pending against any of the above claims. Parts of the following 7 claims are under Bad Vermillion Lake, K629182, K629183 K629160, K629163, K670142, K670147, K670148.

Airborne magnetic and electromagnetic surveys covering the entire 26 claim block were flown by Kenting Earth Sciences, and 80 days work per claim was applied for in August 1983. In December 1983, 40 days linecutting and geological prospecting was applied for on all but 670237, 670142, 670148, 629160, 629163, 629182 and 629183 which are partly covered by Bad Vermillion Lake.

REGIONAL GEOLOGY AND NEARBY GOLD DEPOSITS

Early Precambrian granitic intrusives to the north are separated from ancient submarine metasediments to the south by a graben some 10 miles wide bounded by the east-striking Quetico and Seine River Faults.

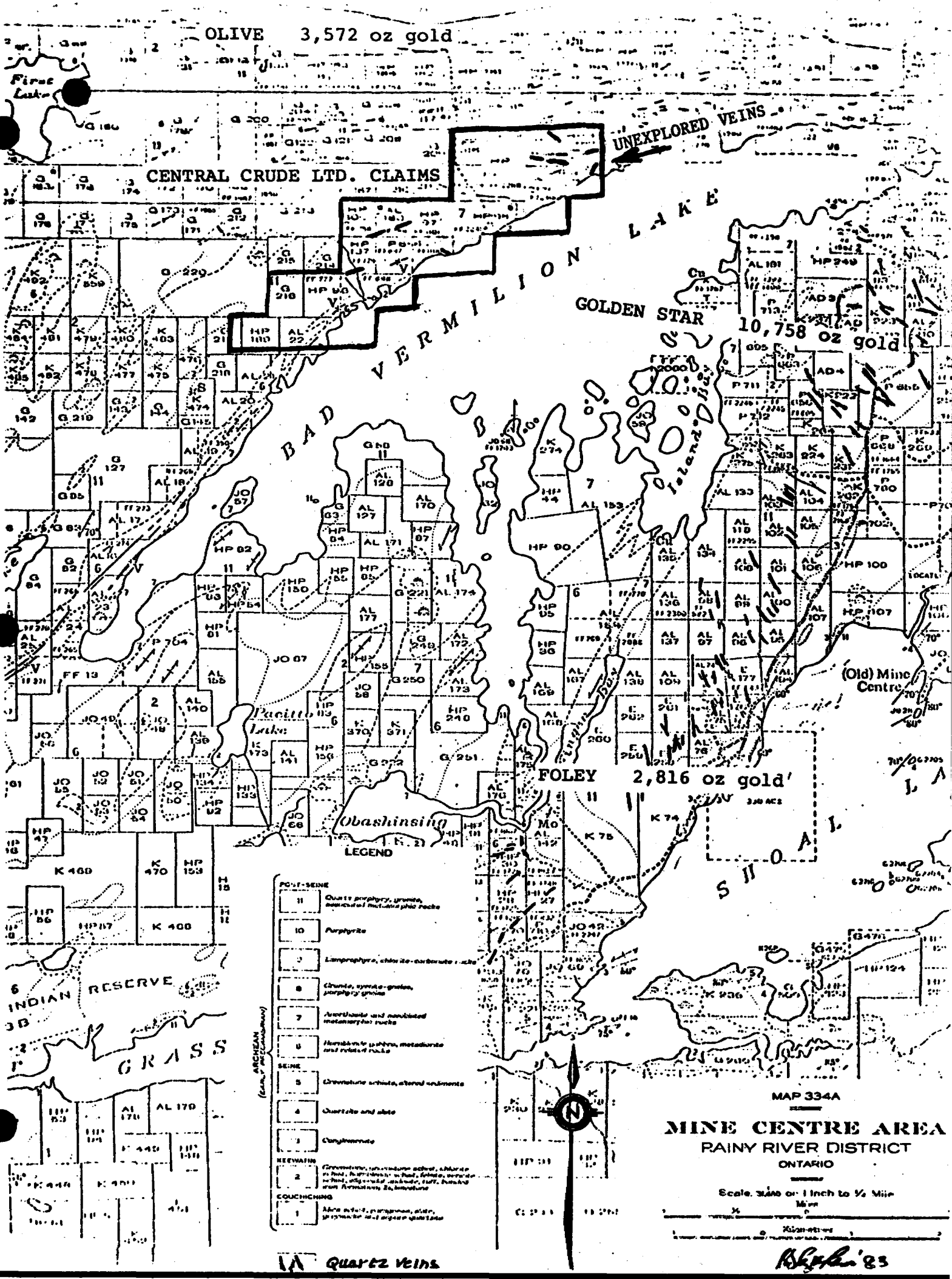
Within the graben, steeply-dipping, east-striking, isoclinally-folded metavolcanics and calcareous metasediments are intruded by a large sill-like body ranging in composition from an anorthosite to quartz-diorite.

The metavolcanic flows are felsic to the north, intermediate in the middle, and mafic to the south.

South of the Seine River Fault, deep water mudstones and sandstones dominate the format, with the metamorphic grade increasing rapidly to the south. Despite the metamorphism, graded bedding is evident, providing evidence of small-scale very tight isoclinal folds. This sequence is intruded by sill-like bodies of monzonite.

North of the Quetico Fault, the geology comprises migmatites with a wide variety of compositions and textures, considered to represent granitized felsic to ultramafic flows.

Within the central area, numerous strike and transverse faults occur, the latter apparently being


OLIVE 3,572 oz gold
UNEXPLORED VEINS
CENTRAL CRUDE LTD. CLAIMS
BAD VERMILION LAKE
GOLDEN STAR
10,758 oz gold
Island
(Old) Mine Centre
FOLEY
2,816 oz gold
Pacitto Lake
Obashinsing
INDIAN RESERVE
GRASS
LEGEND
POST-SEINE
Quartz porphyry, granite, associated metamorphic rocks
Porphyrite
Lamprophyre, chlorite-carbonate rocks
Granite, syenite-granite, porphyry granite
Amphibolite and associated metamorphic rocks
Hornblende gabbro, metadiorite and related rocks
SEINE
Greywacke, schists, altered sediments
Quartzite and slate
Conglomerate
KEEWATIN
COUCHICHING
ARCHEAN
MAP 334A
MINE CENTRE AREA
RAINY RIVER DISTRICT
ONTARIO
Scale, 3,960 or 1 inch to ½ Mile
Quartz Veins

younger. Metallization includes gold, iron, copper, lead, zinc, and molybdenum. Outside the fault graben, sulphides are uncommon.

Early prospecting dates back to the 1880s when the gold rush in northern Minnesota spilled over into this area. Primitive work resulted in the discovery of 3 producing gold mines, the Foley, Golden Star, and the Olive, with (free-milling) gold production of 2816 ounces, 10,758 ounces and 3,572 ounces respectively.

Limited work has been carried out for base metals, and no significant discoveries have been made to date, but the widespread distribution of small base-metal showings suggests further exploration potential, using sophisticated geoscientific techniques in the central area.

The following tabulation summarizes production data of the 3 former gold mines in the vicinity of the Central Crude Ltd. Property.

MINE	TONS MILLED	PRODUCTION OZ GOLD	RECOVERED GRADE OZ/TON	HOST	SHAFT DEPTH
Golden Star	19,345	10,758	0.56	Metavolcanics	532'
Olive	9,424	3,572	0.38	Metasediments	251'
Foley	10,555	2,816	0.27	Granite	750'
	39,324	17,146	0.44		

In each case, the gold was distributed in an erratic manner in the veins, with pockets of hand-cobbed coarse

spectacular gold accounting for a substantial part of the production. Mineralogy was simple with accessary minerals consisting of minor pyrite, pyrrhotite, chalcopyrite, sphalerite and galena. Personal observation using an ultra-violet lamp at the three mines failed to detect scheelite. Concentrations of sulphide appear to be too low for Induced Polarization, but might be detected by Self-Potential (see Recommendations). Soil geochemistry for copper, lead, zinc and gold could also prove useful for exploration.

At the Golden Star and the Foley the production vein strikes north while at the Olive, it strikes east.

Several gold-bearing veins are present on each of the above mines, but work was concentrated on one vein. The lensy nature of the high grade shoots made it difficult to provide mill feed, and the problems were compounded by an almost complete absence of exploration by diamond drilling. In addition, cyanidation was a new process, and with the presence of coarse gold, the time necessary for dissolving it was often insufficient, as is evidenced by the free gold in the tailings. "High grading" was rife, and with the discovery of the more easily accessible gold mines in the Timmins area, interest quickly subsided even before any of the more promising prospects had undergone more then preliminary prospecting.

The complete absence of any pattern drilling, necessary to locate and outline high grade gold overshoots is remarkable even at the former producers, and the proper implementation of geoscientific exploration is just beginning in 1983 at the Olive Mine, which has been dormant for 40 years.

With the advent of access roads, efficient exploration and milling methods, and $500.00 an ounce for gold instead of $20.00, the Mine Centre area has a lot to offer the explorationist.

TOPOGRAPHY, VEGETATION AND OVERBURDEN

Relief on the Central Crude Ltd. claims is slight, with occasional rocky ridges alternating with overburden and swampy areas. Fault linears are expressed by sharply defined rock scarps to 10 feet and except for beaver-flooded areas in the summer the claims are easy to traverse.

Tree cover is mixed deciduous and evergreen, with birch, poplar and thick alder growths in the swampy areas.

Overburden is generally shallow and is not expected to exceed 30 feet.

GEOLOGY OF THE PROPERTY

Gold-bearing quartz-carbonate veins have been prospected and locally mined since 1893 on 35 properties within a 10 mile radius of the Central Crude mineral Property.

Their mineralogical and geologic settings are strikingly similar, and all are related to fault openings in competent rock units between the Quetico and Seine River Faults.

In each case of successful gold production, the gold occurred in highly spectacular but very erratic shoots of limited extent, especially in a lateral direction. Such potential zones of gold mineralization are very difficult to detect without detailed diamond drilling, and this must be considered in context with the following description of the geology of the Central Crude Ltd. Property, and the results of the field work carried out in 1983.

The sequence underlying the Central Crude Ltd. claims comprises Archean anorthosite to gabbro in irregular and sill-like bodies to ¼ mile wide and extending N55°E along the north shore of Bad Vermillion Lake beyond the extent of the Property.

This mafic unit is centrally intruded by a sill of leucocratic trondhjemite with granodioritic phases in a more or less conformable manner. This felsic intrusion is identical to that hosting the rich gold-bearing quartz veins at the Golden Star Mine two miles to the southeast

on the south shore of Bad Vermillion Lake (10,758 oz. gold, recovered grade 0.56 oz. gold per ton).

Between the east-striking Quetico Fault running through Little Turtle Lake to the north, and the Seine River Fault parallel, and about 10 miles to the south, the sequence is isoclinally folded. This folding, together with lateral fault movement produced a widespread pattern of quartz-filled fractures. On the Central Crude Property, the veins in the felsic intrusive strike northeast, conformable to the shearing which is locally intense, sub-horizontal as narrow tension stringers, and north to northwest identical to the Golden Star.

The quartz is sugary and often contains varying amounts of ankerite. Minor pyrite, (anhedral and euhedral) chalcopyrite, galena and sphalerite together with free gold were seen by the undersigned in the steeply dipping Rainbow vein which was probed by a 3 compartment cribbed shaft to 60 feet. The vein width varies in a manner characterized by boudins, both vertical and lateral. Such a pattern is caused by differential rock competency between the mafic and felsic intrusives which respectively produced slippage and fracturing. Coarse visible gold is present at surface in the Rainbow vein at a point 15 feet east of the shaft. It appears to be associated with the minor galena and sphalerite found locally, but has also been observed free of any sulphides.

The distribution of gold in quartz veins at the Golden Star, Foley and Olive Mines is characteristically

erratic, and the same is true on the Central Crude Ltd. Property. The very discovery of the Rainbow vein at surface with a spectacular gold showing is remarkable, it could have been barren at that point.

The Rainbow vein is the strongest found on the Central Crude Property, and in 1934, it was described by C.H. Miles, M.E. as follows.

> "The vein appears on the surface of irregular form varying from a few inches to 16 inches in width. The vein increases in width from 16 inches on the surface to 46 inches in the bottom of the shaft 24 feet from the surface. The vein consists of quartz, ankerite, copper, galena, zinc blende, pyrite and native gold. Spectacular samples of gold have been taken from the shaft."

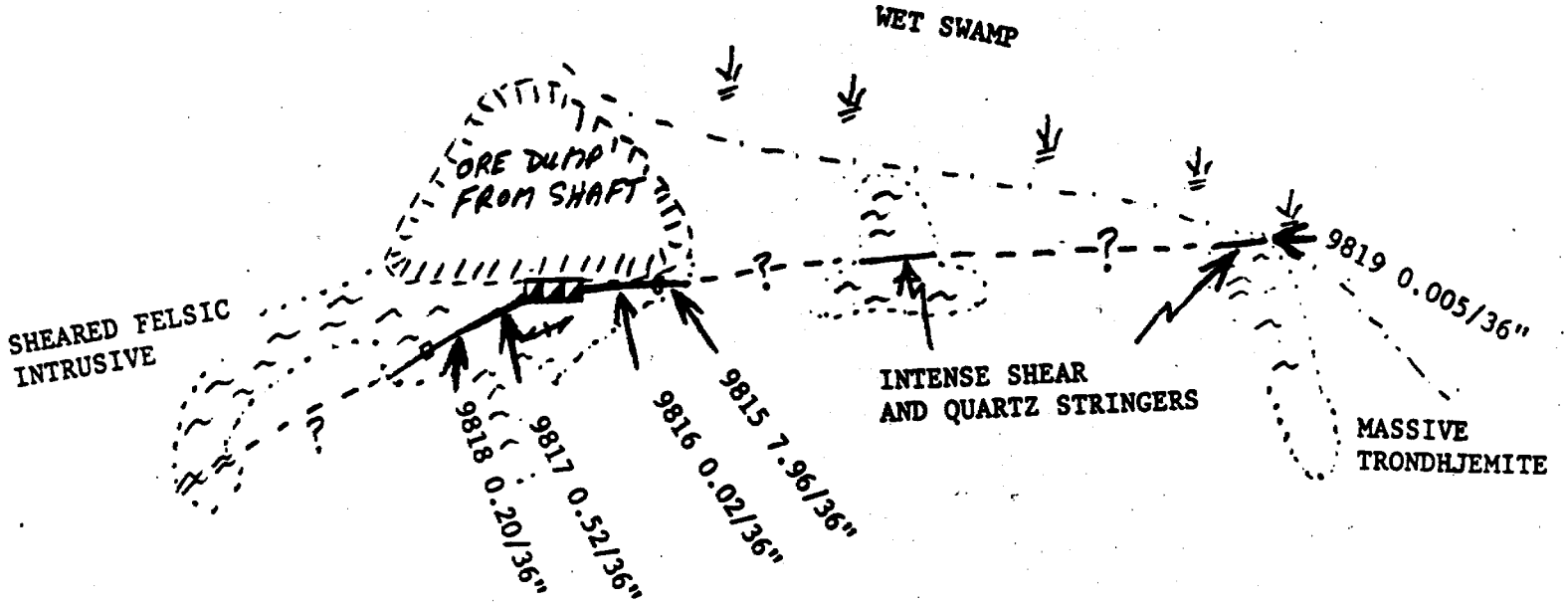
Results of sampling by Miles follows.

SURFACE

15 feet west of shaft	1.17 oz gold per ton over 30 inches
3 feet east of shaft	0.34 oz gold per ton over 42 inches
10 feet east of shaft	0.12 oz gold per ton over 42 inches
17 feet east of shaft	2.49 oz gold per ton over 26 inches

UNDERGROUND

9' below collar, E side	0.43 oz gold per ton across vein
9' below collar, W side	0.50 oz gold per ton across vein
12' below collar, E side	1.22 oz gold per ton across vein
15' below collar, E side	2.19 oz gold per ton across vein
15' below collar, W side	3.25 oz gold per ton across vein
17' below collar, E side	0.78 oz gold per ton across 36"
19' below collar, W side	1.03 oz gold per ton across 54"
24' below collar, W side	0.63 oz gold per ton across 54"



N

NB 7.96/36" - OZ GOLD PER TON/SAMPLE WIDTH INCHES

CENTRAL CRUDE LTD.
STELLAR GOLD PROPERTY ONTARIO
SAMPLE PLAN RAINBOW VEIN
AT SHAFT

SCALE metres
0 10

In 1977 surface sampling was carried out by G.K. Monteith, P. Eng., for Ed Vic Explorations with assays ranging up to 0.57 oz gold per ton over 24 inches.

In 1978, C.R. Bowdidge, Ph. D., sampled the Rainbow vein, and obtained 5.20 oz gold per ton in a grab sample 15' east of the shaft.

On June 10, 1983 eleven grab samples by Mr. R. Nemis on the Rainbow vein returned assays as follows: 2.84, 1.08, 0.006, 1.14, 3.81, 2.67, 4.49, 0.25, 0.03, 1.69 and 4.89 oz gold per ton (X Ray Assay Lab, Toronto).

5 chip samples cut by the undersigned returned the following assays.

NO.	OZ GOLD/TON	WIDTH	REMARKS
9815	7.96	36"	Rainbow vein 15' E of shaft
9816	0.02	36"	Rainbow vein 8' E of shaft
9817	0.52	36"	Rainbow vein 5' W of shaft
9818	0.20	36"	Rainbow vein 10' W of shaft
9819	0.005	36"	Rainbow vein (?) E of swamp

Assaying was by Swastika Lab, Swastika, Ontario. (See plan for sample locations.)

It is obvious that gold values of interest occur in the immediate vicinity of the Rainbow shaft. The program of grid drilling as recommended should define these areas of values, and determine if other gold-bearing shoots occur nearby.

It is unlikely that any other exploration method is better than diamond drilling in this case, where repeated sampling has returned high assays. A hypothetical shoot 50'x50'x5' at 0.50 oz. gold per ton holds 520 ounces of gold, a very significant figure at the present market price and its possible discovery could only be made by a dense drilling pattern.

In August of 1983 a timberjack and a backhoe were used for a total of 41 hours to better expose the Rainbow vein, trench the dump for bulk sampling, and carry out prospecting and stripping on other veins on the Property. This work verified the exploration potential of the Rainbow vein, and showed it to be the strongest and most promising structure with diamond drilling on the Property.

Bulk sampling by the undersigned of the dump at the shaft returned the following results.

Sample No.	Weight	Oz. Gold per ton	Remarks
9826	50 lbs.	0.03	50% vein material
9827	50 lbs.	0.018	50% vein material
9828	50 lbs.	0.096	50% vein material
9829	50 lbs.	0.112	50% vein material
9830	50 lbs.	0.092	50% vein material

These five samples were taken by continuously removing material from both sides of a 4' deep trench across the 50' width of the dump, and give an average grade of 0.07 for the 200 tons of material representatively sampled. Again, it must

be remembered that the spectacular gold showing which prompted the shaft sinking is of limited size, and the dump material represents the waste cobbed by hand from the high grade which was removed and crudely smelted elsewhere.

Careful stripping to the west of the shaft showed only narrow, very discontinuous stringers, while the vein projection to the east is covered by wet muskeg, which can only be probed by a diamond drill in the winter.

It is recommended in this report that ten 150 foot holes be drilled to probe the vicinity of the shaft and also the swamp covered strike extension to the east, which still remains unexplored and has possible economic potential.

At the extreme east end of the Property near the boundary of claim 670237 with the old Verlac claim FF1537 detailed prospecting and limited backhoe work located several narrow (up to 6") quartz carbonate veinlets which may represent the faulted extension of the Verlac veins to the east. At the claim boundary, an intense north-striking fault shear transects the Verlac vein which is some 4 feet wide, and shows drag folding into the fault. There must be considerable vertical movement also as the offset portion on 400' lateral movement shows a dramatic narrowing of the vein together with a paucity of gold values.

Six chip samples taken by the undersigned on the Central Crude side of the boundary assayed as follows.

Sample No.	Oz. Gold per ton	Sampled Ft.	Remarks
9831	.002	2.0	6" Bull quartz
9832	.004	2.0	6" Bull quartz
9833	.010	2.0	6" Bull quartz
9836	.002	2.0	6" Bull quartz
9837	.310	2.0	6" vein, 1 speck V.G.
9838	.002	2.0	6" Bull quartz

Two samples of the Verlac vein just east of the Central Crude boundary assayed as follows.

Sample No.	Oz. Gold per ton	Sampled Ft.	Remarks
9834	.002	4.0	5% chalcopyrite
9835	.008	4.0	15% chalcopyrite

The gold value in sample 9837 appears to be isolated and of no economic significance as the vein is only 6" wide. No further work is warranted at this end of the claims.

Eight samples taken from a newly stripped narrow vein, (maximum 12") by the access road to the Rainbow vein assayed as follows over the 75 foot E-W strike length.

Sample No.	Oz. Gold per ton	Sampled Ft.	Remarks
9839	.058	2.0	6" vein, barren
9840	.004	2.0	6" vein, barren
9841	.002	2.0	12" vein, barren
9842	.008	2.0	12" vein, barren
9843	.131	2.0	6" vein, pyrite
9845	.098	2.0	6" vein, pyrite
9846	.086	2.0	4" vein, pyrite
9847	.116	2.0	2" stringer, sphalerite

The general weakness of this structure is not encouraging, and no further work is warranted.

A grab sample of several patchy quartz occurrences in the creek bed just north of the access road to the Rainbow vein, No. 9844 assayed 0.939 oz. gold per ton, but it could not be traced on strike and is again an isolated occurrence with no exploration merit.

Further exploration emphasis is on detailed diamond drilling of the Rainbow vein, starting in the vicinity of the shaft, and continuing to the east on the swamp-covered strike projection.

GEOPHYSICAL SURVEY RESULTS

1. Magnetometer Survey

This was carried out at 30 meter stations on 100 meter line spacing, using a Unimag G836 Proton Magnetometer with 10 gamma sensitivity.

The baseline was rapidly traversed in both directions and readings were averaged to provide proper control for each line. This procedure also enabled correlation with the magnetometer survey on the central part of the Property which had been previously covered by the same instrument.

The anorthosite along the edge of Bad Vermillion Lake returned a high magnetic response while the trondhjemitic felsic intrusive was predictably low. The anorthosite contains concentrations of titaniferous magnetite, as reported in Economic Geology Report No. 25, G.S.C. 1969.

On the west end of the claims, the anorthosite lies to the south, and the magnetic response was very flat, this part of the Property being underlain by the felsic intrusive.

Adjacent to the north contact of the trondhjemite, a 30 meter belt of anomalously high readings occurs, which is probably caused by remobilization of iron minerals in the mafic volcanics by the felsic intrusion.

Some evidence of transverse faulting across the trondhjemite is apparent from the discontinuity of the magnetic contours. This is important, as northwest-striking quartz veins occupy this type of fault pattern south of the lake, where significant gold production was recorded in an identical felsic body.

2. V.L.F. E-M Survey

The 30 meter readings on 100 meter line spacing using a Geonics E-M 16 unit defined several conductors of interest.

To the west, from line 9W at 180N to 11W at 310N, a moderately strong conductor was outlined. This anomaly is entirely within the trondhjemite and has weak magnetic correlation.

To the east there are three conductors as follows.

1. Line 28E at 210S to line 21E at 630N.
2. Line 24E at 200S to line 19E at 890N.
3. Line 22E at 260S to line 17E at 180N.

On anomaly No. 1, the strongest part is on Line 26E at 70N. On anomaly No. 2 the strongest parts are on Line 19E at 890N and also Line 23E at 30S.

These anomalies might represent quartz-filled fault planes in the felsic intrusive and could possibly carry gold values. Further work should be considered to explain these anomalies.

CONCLUSIONS

The geological and geophysical work carried out by the undersigned for Central Crude Ltd. during July and August 1983 on their gold property on the north side of Bad Vermillion Lake, western Ontario verified the presence of high but erratic gold values in quartz veins hosted by a trondhyemite sill. The geologic setting is identical to that on the south side of the lake; where the Golden Star and Foley Mines produced a total of 13,574 ounces of gold per ton between 1897 and 1901. It is important to note that the coarse gold in these two mines had a very erratic distribution, as has been determined on the Central Crude claims. Proper exploration necessarily entails a dense grid of pattern diamond drilling in order to locate and define gold-bearing oreshoots within the quartz veins.

A program of diamond drilling is warranted on the Central Crude property on the strongest of these gold-bearing veins as recommended originally on page 17 of a report on the property by the undersigned dated June 13, 1983, under Recommendations, Phase I, diamond drilling, 1,500 feet in ten 150 foot B.Q. diamond dill holes to test the Rainbow Vein.

Further work on the property would be dependent on the results of the drilling and the market price of gold at that time.

RECOMMENDATIONS

The following program of diamond drilling is recommended by the undersigned to test the Rainbow vein which remains the most promising gold-bearing structure found to date.

PHASE I

Diamond drilling, Rainbow vein, ten B.Q. holes for a total of 1,500 feet in a dense pattern at 50 foot centres in the immediate vicinity of the known gold-bearing mineralization. Cost estimates follow.

1.	Diamond drilling, 1,500 ft. @ $20/ft.	$ 30,000.00
2.	Assaying	2,000.00
3.	Spotting holes, supervision, logging & sampling core, shipping samples for assay	5,000.00
4.	Report with recommendations	2,500.00
		39,500.00
	Contingencies 20%	8,400.00
	Total Phase I	$ 47,900.00

PHASE II (Dependent on promising results of Phase I)

This would consist of further diamond drilling to block out ore reserves, prior to consideration of possible gold production. Cost estimates follow.

1.	Diamond drilling, 3,000 ft. @ $25/ft.	$ 75,000.00
2.	Assaying	4,000.00
3.	Supervision, etc.	10,000.00
4.	Report with recommendations	3,000.00
		92,000.00
	Contingencies 20%	18,400.00
	Total Phase II	$110,400.00

Total estimated cost, Phase I and Phase II (if warranted) including a 20% contingency fund is $158,300.00.

CERTIFICATION

This certifies that the undersigned graduated from the Camborne School of Metalliferous Mining, Cornwall, England in 1954. He became a Member of the Association of Professional Engineers of Ontario (Mining) in 1957 and has remained a fully paid-up Member to date.

For the last 28 years, the undersigned has been actively engaged in mining and exploration in Canada and the U.S.A. with particular emphasis on gold.

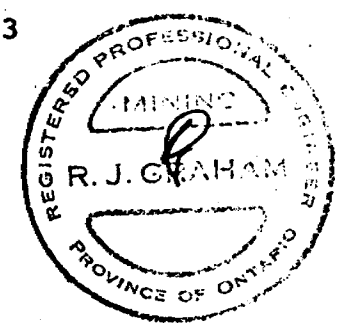
The undersigned is familiar with the Central Crude Ltd. Property, having examined it in 1957, 1981 and on May 30 and 31, 1983 for Central Crude Ltd.

These personal field observations together with scrutiny of assessment work and geological data in the M.N.R. files at Kenora were combined to provide an objective evaluation from factual information.

The undersigned has no financial interest direct or indirect in the Central Crude Ltd. gold property near Bad Vermillion Lake, Ontario described in this Report dated June 13, 1983, or Securities of the Company or any Affiliate of the Company, nor does he expect to receive any financial interest, direct or indirect in the Property, or Securities of the Company or any Affiliate of the Company.

Dated at Callander, Ontario

October 15, 1983



R.J. Graham, P. Eng.
Geoconsulting Services
23 Westview Drive
Callander, Ontario
POH 1HO

Tel: (705) 752-1170

CONSENT TO USE THIS REPORT IN A PROSPECTUS

I, Robert James Graham, P. Eng., Consulting Geologist residing in Callander, Ontario hereby consent to the use of my name and this Report, dated June 13, 1983 on 26 claims held by Central Crude Ltd. near Bad Vermillion Lake, Ontario, in a Prospectus to be filed with the Superintendent of Brokers for British Columbia, and with any other Regulatory Bodies as is deemed necessary.

Dated at Callander, Ontario
October 15, 1983

R.J. Graham, P. Eng.
Geoconsulting Services
23 Westview Drive
Callander, Ontario
POH 1HO

Tel: (705) 752-1170

ACKNOWLEDGEMENTS

The undersigned wishes to acknowledge several helpful discussions on the old Stellar Gold Mine with Dr. C. Blackburn, Resident Geologist, Ministry of Natural Resources, Kenora, Mr. P. Brown, BSc, ARSM, Consulting Geologist, Corbeil, and Dr. Colin Bowdidge, Ph.D., Consulting Geologist, Toronto who are familiar with previous work done on the Property.

REFERENCES

1983 All pertinent assessment files, M.N.R. Kenora

1983 Claim map M2433 (Little Turtle) and M2474 (Bad Vermillion)

1980 O.G.S. Airborne geophysical maps 80500 & 80502, scale 1:20,000

1980 O.G.S. P2201, P2202, scale 1:15,840

1980 O.G.S. Geological Highway Map 2440, scale 1:1,600,000

1979 E.M.R. Topographic maps 52C/9, 52C/10, scale 1:50,000

1976 O.D.M. Circular No. 16, pg. 38 (Stellar Gold Mines) & Chart A

1973 O.D.M. Circular No. 13, Gold Deposits of Ontario, Part I

1967 E.M.R. Topographic map 52C, edition 4, scale 1:250,000

1965 Air photos 65-4831-42 (94 and 95)

1936 G.S.C. Map 334A, scale 1"=½ mile

1935 O.D.M. Annual Report, Vol XLIV Pt. I, page 144

1935 Canadian Mines Handbook, page 233

1934 Northern Miner Press, August 23

1934 Unpublished Reports by C.H. Miles & by T.C. Tanton, (M.N.R. files, Kenora)

Abbreviations

M.N.R. = Ministry of Natural Resources

O.G.S. = Ontario Geological Survey

E.M.R. = Energy, Mines and Resources

O.D.M. = Ontario Department of Mines

#2771-84

Ministry of Natural Resources
Ontario

Report of Work
(Geophysical, Geological, Geochemical and Expenditures)

#2771-84

Ft

N.

52C15SE0015 2.7424 LITTLE TURTLE LAKE

900

Type of Survey(s)	Township or Area
Geological	Bad Vermilion Lake, M2474 (M.C.2665)

Claim Holder(s)	Prospector's Licence No.
Central Crude Ltd.	T1361

Address: 436 Adelaide Street West, Toronto, Ontario M5V 1S7

Survey Company	Date of Survey (from & to)	Total Miles of line Cut
R.J. Graham P. Eng., Geoconsulting Services	03 07 83 (Day Mo. Yr.) 25 08 83 (Day Mo. Yr.)	20.62

Name and Address of Author (of Geo Technical report): 23 Westview Drive, Callander, Ontario P0H 1H0

Credits Requested per Each Claim in Columns at right

Special Provisions		Days per Claim
For first survey: Enter 40 days. (This includes line cutting)	Geophysical	
	- Electromagnetic	
	- Magnetometer	
For each additional survey: using the same grid: Enter 20 days (for each)	- Radiometric	
	- Other	
	Geological	40
	Geochemical	

Man Days		Days per Claim
Complete reverse side and enter total(s) here	Geophysical	
	- Electromagnetic	
	- Magnetometer	
	- Radiometric	
	- Other	
	Geological	
	Geochemical	

Airborne Credits		Days per Claim
Note: Special provisions credits do not apply to Airborne Surveys.	Electromagnetic	
	Magnetometer	
	Radiometric	

Expenditures (excludes power stripping)

Type of Work Performed:

Performed on Claim(s):

Calculation of Expenditure Days Credits

Total Expenditures: $ ÷ 15 = Total Days Credits

Instructions: Total Days Credits may be apportioned at the claim holder's choice. Enter number of days credits per claim selected in columns at right.

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
K	590518	
	629157	
	629158	
	629159	
	629160	
	629161	
	629162	
	629163	
	629182	
	629183	
	670142	
	670143	
	670144	
	670145	
	670146	
	670147	
	670148	
	670149	
	670233	
	670234	
	670235	
	670236	
	670237	

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
K	670238	
	670239	
	670240	

RECEIVED
NOV 21 1984
MINING LANDS SECTION

KENORA MINING DIV.
RECEIVED
NOV 16 1984
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

590518

Total number of mining claims covered by this report of work: 26

For Office Use Only

Total Days Cr. Recorded	Date Recorded	Mining Recorder
1040	Nov. 16/84	M. Lemay (Acting)
	Date Approved as Recorded	Branch Director
	See Revised Statement	

Date: Nov. 14, 1984

Recorded Holder or Agent (Signature): Charles E. Page

Certification Verifying Report of Work

I hereby certify that I have a personal and intimate knowledge of the facts set forth in the Report of Work annexed hereto, having performed the work or witnessed same during and/or after its completion and the annexed report is true.

Name and Postal Address of Person Certifying: Charles E. Page, 916 - 111 Richmond St. W., Toronto, Ontario M5H 2G4

Date Certified: Nov. 14, 1984

Certified by (Signature): Charles E. Page

1362 (81/9)

Ontario

Ministry of Natural Resources

File _____

GEOPHYSICAL – GEOLOGICAL – GEOCHEMICAL TECHNICAL DATA STATEMENT

TO BE ATTACHED AS AN APPENDIX TO TECHNICAL REPORT
FACTS SHOWN HERE NEED NOT BE REPEATED IN REPORT
TECHNICAL REPORT MUST CONTAIN INTERPRETATION, CONCLUSIONS ETC.

Type of Survey(s) Geological

Township or Area Bad Vermilion Lake

Claim Holder(s) Central Crude Ltd.
436 Adelaide St. W., Toronto, Ont.

Survey Company R.J. Graham Geoconsulting Services

Author of Report R.J. Graham

Address of Author 23 Westview Dr. Callander, Ont.

Covering Dates of Survey June 1/83 - August 25/83
(linecutting to office)

Total Miles of Line Cut 20.62

SPECIAL PROVISIONS CREDITS REQUESTED

ENTER 40 days (includes line cutting) for first survey.

ENTER 20 days for each additional survey using same grid.

	DAYS per claim
Geophysical	
–Electromagnetic	
–Magnetometer	
–Radiometric	
–Other	
Geological	40
Geochemical	

AIRBORNE CREDITS (Special provision credits do not apply to airborne surveys)

Magnetometer _____ Electromagnetic _____ Radiometric _____
(enter days per claim)

DATE: Nov 14/84 SIGNATURE: Charles E. Page
Author of Report or Agent

Res. Geol. _____ Qualifications 63.2642

Previous Surveys

File No.	Type	Date	Claim Holder

MINING CLAIMS TRAVERSED
List numerically

(prefix)	(number)
K	590518
	629157
	629158
	629159
	629160
	629161
	629162
	629163
	629182
	629183
	670142
	670143
	670144
	670145
	670146
	670147
	670148
	670149
	670233
	670234
	670235
	670236

TOTAL CLAIMS 26

If space insufficient, attach list

OFFICE USE ONLY

837 (5/79)

GEOPHYSICAL TECHNICAL DATA

GROUND SURVEYS – If more than one survey, specify data for each type of survey

Number of Stations _____ Number of Readings _____

Station interval _____ Line spacing _____

Profile scale _____

Contour interval _____

MAGNETIC

Instrument _____

Accuracy – Scale constant _____

Diurnal correction method _____

Base Station check-in interval (hours) _____

Base Station location and value _____

_____

ELECTROMAGNETIC

Instrument _____

Coil configuration _____

Coil separation _____

Accuracy _____

Method: ☐ Fixed transmitter ☐ Shoot back ☐ In line ☐ Parallel line

Frequency _____
(specify V.L.F. station)

Parameters measured _____

GRAVITY

Instrument _____

Scale constant _____

Corrections made _____

_____

Base station value and location _____

_____

Elevation accuracy _____

INDUCED POLARIZATION RESISTIVITY

Instrument _____

Method ☐ Time Domain ☐ Frequency Domain

Parameters – On time _____ Frequency _____

– Off time _____ Range _____

– Delay time _____

– Integration time _____

Power _____

Electrode array _____

Electrode spacing _____

Type of electrode _____

Mining Claims Traversed

K 670237

670238

670239

670240

SELF POTENTIAL

Instrument _____ **Range** _____

Survey Method _____

_____

Corrections made _____

_____

RADIOMETRIC

Instrument _____

Values measured _____

Energy windows (levels) _____

Height of instrument _____ **Background Count** _____

Size of detector _____

Overburden _____

(type, depth – include outcrop map)

OTHERS (SEISMIC, DRILL WELL LOGGING ETC.)

Type of survey _____

Instrument _____

Accuracy _____

Parameters measured _____

_____

Additional information (for understanding results) _____

_____

_____

AIRBORNE SURVEYS

Type of survey(s) _____

Instrument(s) _____

(specify for each type of survey)

Accuracy _____

(specify for each type of survey)

Aircraft used _____

Sensor altitude _____

Navigation and flight path recovery method _____

_____

Aircraft altitude _____ **Line Spacing** _____

Miles flown over total area _____ **Over claims only** _____

GEOCHEMICAL SURVEY – PROCEDURE RECORD

Numbers of claims from which samples taken _____

_____

_____

Total Number of Samples _____

Type of Sample _____
(Nature of Material)

Average Sample Weight _____

Method of Collection _____

_____

Soil Horizon Sampled _____

Horizon Development _____

Sample Depth _____

Terrain _____

_____

Drainage Development _____

Estimated Range of Overburden Thickness _____

_____

_____

SAMPLE PREPARATION
(Includes drying, screening, crushing, ashing)

Mesh size of fraction used for analysis _____

_____

_____

_____

General _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

ANALYTICAL METHODS

Values expressed in: per cent ☐
p. p. m. ☐
p. p. b. ☐

Cu, Pb, Zn, Ni, Co, Ag, Mo, As,-(circle)

Others _____

Field Analysis (_____ tests)

Extraction Method _____

Analytical Method _____

Reagents Used _____

Field Laboratory Analysis

No. (_____ tests)

Extraction Method _____

Analytical Method _____

Reagents Used _____

Commercial Laboratory (_____ tests)

Name of Laboratory _____

Extraction Method _____

Analytical Method _____

Reagents Used _____

General _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Mining Lands Section

File No 2.7424

Control Sheet

TYPE OF SURVEY

___ GEOPHYSICAL

_✓_ GEOLOGICAL

___ GEOCHEMICAL

___ EXPENDITURE

MINING LANDS COMMENTS:

L.D. 6d.

J. Hurst

Signature of Assessor

84-11-22

Date

1985 01 07

Your File: 271-84
Our File: 2.7424

Mining Recorder
Ministry of Natural Resources
808 Robertson Street
Box 5080
Kenora, Ontario
P9N 3X9

Dear Sir:

RE: Notice of Intent dated December 17, 1984
Geological Survey on Mining Claims K 590518
et al in Bad Vermilion Lake

The assessment work credits, as listed with the above-mentioned Notice of Intent, have been approved as of the above date.

Please inform the recorded holder of these mining claims and so indicate on your records.

Yours sincerely,

S.E. Yundt
Director
Land Management Branch

Whitney Block, Room 6643
Queen's Park
Toronto, Ontario
M7A 1W3
Phone:(416)965-4888

S. Hurst:mc

cc: Central Crude Ltd
436 Adelaide Street West
Toronto, Ontario
M5V 1S7

cc: Charles E. Page
Suite 916
111 Richmond Street West
Toronto, Ontario
M5H 2G4

cc: R.J. Graham P. Eng.,
Geoconsulting Services
23 Westview Drive
Callander, Ontario
P0H 1H0

cc: Resident Geologist
Kenora, Ontario

cc: Mr. G.H. Ferguson
Mining & Lands Commissioner
Toronto, Ontario

Encl.

Ministry of Natural Resources
Ontario

Technical Assessment Work Credits

File 2.7424

Date 1984 12 17

Mining Recorder's Report of Work No. 271-84

Recorded Holder: CENTRAL CRUDE LTD

Township or Area: BAD VERMILION LAKE

Type of survey and number of Assessment days credit per claim	Mining Claims Assessed
Geophysical	
Electromagnetic _____ days	
Magnetometer _____ days	
Radiometric _____ days	
Induced polarization _____ days	
Other _____ days	
Section 77 (19) See "Mining Claims Assessed" column	
Geological 40 days	K 590518 629157-58-59-61 670144-49 670233 to 236 inclusive 670238 to 240 inclusive
Geochemical _____ days	
Man days ☐ Airborne ☐	
Special provision ☒ Ground ☒	
☐ Credits have been reduced because of partial coverage of claims.	
☐ Credits have been reduced because of corrections to work dates and figures of applicant.	

Special credits under section 77 (16) for the following mining claims

30 DAYS CREDIT	20 DAYS CREDIT	10 DAYS CREDIT
K 629160-62 670143-45-46-47	K 629183 670237	K 629163-82 670142

No credits have been allowed for the following mining claims

☒ not sufficiently covered by the survey ☐ Insufficient technical data filed

K 670148

The Mining Recorder may reduce the above credits if necessary in order that the total number of approved assessment days recorded on each claim does not exceed the maximum allowed as follows: Geophysical — 80; Geological — 40; Geochemical — 40; Section 77(19)—60:

828 (83/6)

Ministry of Natural Resources

Ontario

Jan 2/85

1984 12 17

Your File: 271-84
Our File: 2.7424

Mining Recorder
Ministry of Natural Resources
808 Robertson Street
Box 5080
Kenora, Ontario
P9N 3X9

Dear Sir:

Enclosed are two copies of a Notice of Intent with statements listing a reduced rate of assessment work credits to be allowed for a technical survey. Please forward one copy to the recorded holder of the claims and retain the other. In approximately fifteen days from the above date, a final letter of approval of these credits will be sent to you. On receipt of the approval letter, you may then change the work entries on the claim record sheets.

For further information, if required, please contact Mr. R.J. Pichette at 416/965-4888.

Yours sincerely,

S.E. Yundt
Director
Land Management Branch

Whitney Block, Room 6643
Queen's Park
Toronto, Ontario
M7A 1W3

S. Hurst:mc

R2

Encls.

cc: Central Crude Ltd
436 Adelaide Street West
Toronto, Ontario
M5V 1S7

cc: R.J. Graham P.Eng.,
Geoconsulting Services
23 Westview Drive
Callander, Ontario
P0H 1H0

cc: Charles E. Page
Suite 916
111 Richmond Street West
Toronto, Ontario
M5H 2G4

cc: Mr. G.H. Ferguson
Mining & Lands Commissioner
Toronto, Ontario

Ministry of Natural Resources

Ontario

Notice of Intent

for Technical Reports

1984 12 17

2.7424/271-84

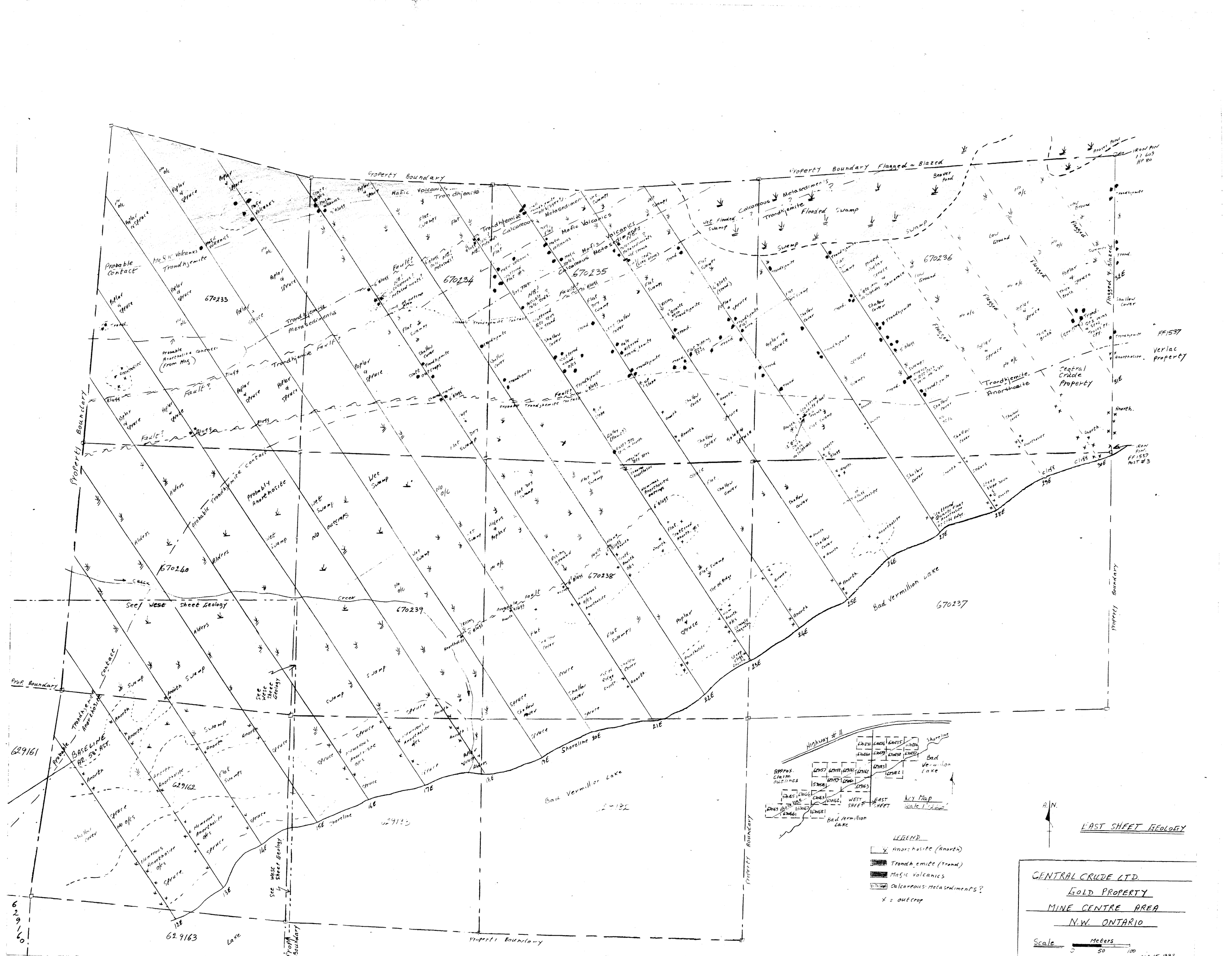
An examination of your survey report indicates that the requirements of The Ontario Mining Act have not been fully met to warrant maximum assessment work credits. This notice is merely a warning that you will not be allowed the number of assessment work days credits that you expected and also that in approximately 15 days from the above date, the mining recorder will be authorized to change the entries on his record sheets to agree with the enclosed statement. Please note that until such time as the recorder actually changes the entry on the record sheet, the status of the claim remains unchanged.

If you are of the opinion that these changes by the mining recorder will jeopardize your claims, you may during the next fifteen days apply to the Mining and Lands Commissioner for an extension of time. Abstracts should be sent with your application.

If the reduced rate of credits does not jeopardize the status of the claims then you need not seek relief from the Mining and Lands Commissioner and this Notice of Intent may be disregarded.

If your survey was submitted and assessed under the "Special Provision-Performance and Coverage" method and you are of the opinion that a re-appraisal under the "Man-days" method would result in the approval of a greater number of days credit per claim, you may, within the said fifteen day period, submit assessment work breakdowns listing the employees names, addresses and the dates and hours they worked. The new work breakdowns should be submitted direct to the Land Management Branch, Toronto. The report will be re-assessed and a new statement of credits based on actual days worked will be issued.

									2742			
590518	✓			670233	✓							
629[redacted]7	✓			34	✓							
58	✓			35	✓							
59	✓			36	✓							
60	1/4			37	1/2							
61	✓			38	✓							
62	1/4			39	✓							
63	3/4			40	✓							
182	3/4				43/4							
83	1/2											
670142	3/4			40 × 25 = 1000								
43	1/4			1000 ÷ 29 3/4 = 34								
44	✓											
45	1/4											
46	1/4											
47	1/4											
48	WVC											
49	✓											


Property Boundary
Property Boundary Flagged & Blazed
Mafic Volcanics
Trondhjemite
Calcareous Metasediments?
Trondhjemite Metasediments
Trondhjemite Fault?
Probable Contact
Probable Anorthosite Contact (From Mag)
Probable Trondhjemite Contact
Probable Anorthosite
Fault?
Bluffs
Swamp
Flooded Swamp
Wet Swamp
Flat Swamp
Flat Dry Swamp
Shallow Cover
No Outcrops
Beaver Pond
Bad Vermillion Lake
Creek
Shoreline
Cliffs
Iron Pin
Poplar & Spruce
Spruce
Alders
Anorth.
Trond.
670233
670234
670235
670236
670237
670238
670239
670240
629160
629161
629162
629163
FF1537
Verlac Property
Central Crude Property
Trondhjemite-Anorthosite
Baseline Br. 58° Ast.
See West Sheet Geology
Prop. Boundary
Highway #11
Approx. Claim Outlines
Key Map
West Sheet
East Sheet
Legend
Anorthosite (Anorth)
Trondhjemite (Trond)
Mafic Volcanics
Calcareous Metasediments?
X = outcrop
East Sheet Geology
Central Crude Ltd.
Gold Property
Mine Centre Area
N.W. Ontario
Scale
Meters
0
50
100
Dec. 15/1983
R. Grahan
2.7424

WEST SHEET GEOLOGY
27424
CENTRAL CRILDE LTD.
GOLD PROPERTY
MINE CENTRE AREA
N.W. ONTARIO
Scale
Meters
0
50
100
Oct 15 1983
LEGEND
Anorthosite (Anorth)
Trondhjemite (Trond)
Mafic Volcanics
Calcareous Metasediments?
Similar To Olive Mine)
Y = outcrop.
Key Map
Scale 1"=2640'
Highway #11
Bad Vermillion Lake
WEST SHEET
EAST SHEET
A N
670240
629162
SEE EAST SHEET GEOLOGY
629163
629161
629158
629157
629159
629160
590518
670142
670143
670144
670145
670146
670147
670148
670149
Baseline
Tie Line
Probable Contact
Cottage Lots
Beaver Pond
Pond
Bad Vermillion Lake
Scattered Poplar & Birch
To Highway #11