REPORT OF GEOPHYSICS AND DRILLING

ON THE

REGINA BAY PROPERTY

NTS 52E-8E

WILLINGDON TOWNSHIP, KENORA, ONTARIO, CANADA

FOR

LODI METALS INC.

VANCOUVER, BC

Prepared by:

HERB WAHL, P. Eng., BC

Period 6. MARCH - 6. APRIL, 1985

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The Regina Mine property of Lodi Metals Inc. is located in the Kenora Mining Division of Ontario. Intermittent production during the 1895 - 1943 period, from the 9-level, 540-foot deep mine, has amounted to 36,828 tons averaging 0.212 opt Au and 1,460 opt Ag. Mine tailings aggregate some 8,000 tons grading 0.15 opt Au. Remaining reserves in the lower levels are given as 4,000 tons grading 0.43 opt Au.

The property has excellent locational and access features and lies about 16 miles WNW of the Nuinsco/Lockwood Petroleum discovery. Altogether, some 10 auriferous quartz vein shears have been identified on the property. These are pyrite-carbonate altered features occurring within Archean (pillow basalt) greenstone formations. Their orientation is generally WNW - ESE parallel with the Pipestone - Cameron fault zone.

During the late winter of 1985 (6. March - 6. April) a preliminary geophysical drilling program was conducted. The drilling was concentrated in the Neda Vein Zone, where old reports indicated an earlier intercept of 15 feet @ 0.65 opt Au. Two holes drilled in profile on this zone returned an upper intercept of 0.112 opt Au over 15 feet (true thickness), and a lower intercept (250 feet vertically below) of 0.07 opt Au over 23 feet (true thickness). The Neda Zone is open about 50 feet to the east, at depth, and the western limit is not defined.

Magnetic gradiometer survey proved the most effective geophysical technique in defining mineralized shears. Further work is definitely warranted and recommended to test for near surface gold accumulations within known and suspected shears. A first phase $50,000 program of shear definition and continued sectional drilling on the Neda Zone is proposed. Successful results would trigger an expanded Phase II drill program budgeted at $150,000.

This report summarizes results of geophysics and drilling conducted during March 6 to April 6, 1985 at the captioned property. Geophysical work was performed by Ex-Plorex Management of Winnipeg, while overall supervision was provided by H. J. Wahl. The objective of the program was twofold:

(1) To measure VLF and total field magnetic responses over known zones of gold mineralization, and
(2) To verify previous mineralization intercepts at the Neda Zone reported by earlier operators.

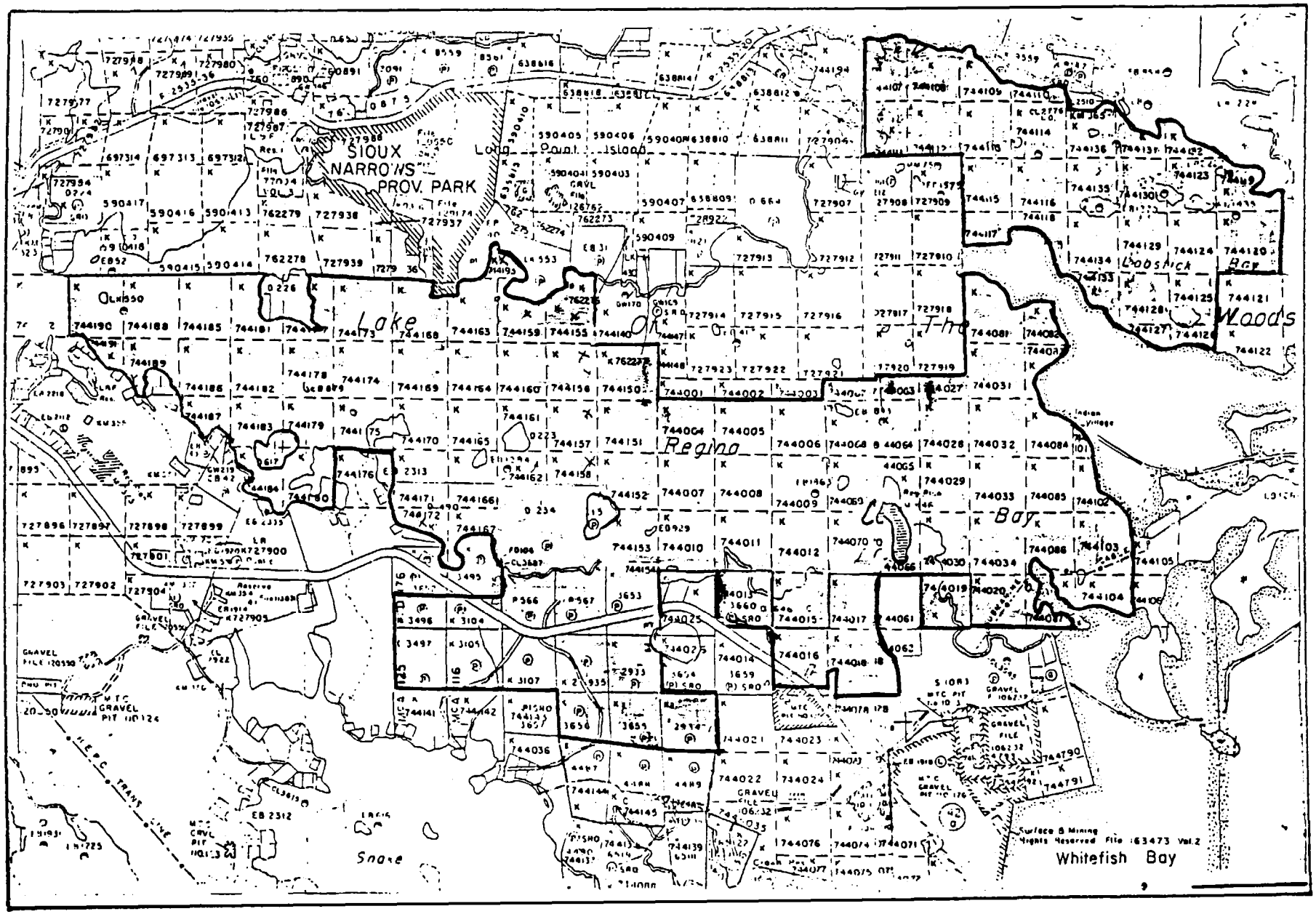
PROPERTY (Figure 1)

The property is held under option by Lodi Metals Inc. from New McManus Red Lake Gold Mines Ltd. The property consists of 18 patented claims as follows:

K2933	K3104	K3496	K6522	K3487	P566
K2934	K3105	K3497	K3655	K3488	P567
K2935	K3107	K3653	K3656	K3489	D234

The above are subject to a sub-option between New McManus and the owner Robert Erickson of Sioux Narrows, Ontario. The balance of the property consists of 109 located claims overlying large portions of the Lake of the Woods. The located claim numbers are: K744004 to K744013, K744015 to K744020, K744027 to K744034, K744063 to K744070, K744081 to K744087, K744101 to K744104, K744107 to K744120, K744123 to K744136, K744149 to K744174, K744177 to K744191, and K744193, each group inclusive.

The claims are all located within the Kenora Mining Division.



- LOCATION MAP - REGINA BAY PROPERTY

WILLINGDON TOWNSHIP

KENORA, ONTARIO

SCALE 1" = ½ MILE

LOCATION (Figure 1)

The property lies along (largely to the north) of Ontario Provincial Highway No. 71, about 2 miles east of the Village of Sioux Narrows. The Regina Mine itself lies some 200 meters north of Highway 71. A number of secondary gravel roads provide good access to nearly all land portions of the claims.

HISTORY

Historical details have been adequately described in references (1) and (2). In brief, the Regina Mine is a quartz vein deposit developed within a shear zone striking 315° and dipping vertically. The mine consists of a 540-foot shaft which allegedly "bends" from vertical to 80° - 85° NE between the 6th and 9th levels. Some 3,200 feet of drifting has been performed over nine levels. The shaft is at present sealed and the workings are flooded.

Production has occurred at intervals between 1895 to 1943. The total of ore produced is reported at 36,828 tons yielding 7,812 ounces gold (0.212 opt) and 1,460 ounces of silver (0.04 opt). Mine tailings which line the near shore of Lake of Woods have been estimated at 8,000 tons grading 0.15 opt Au. About 4,000 tons of mineralization are estimated to remain in the lower mine levels that grade 0.43 opt Au.

GEOLOGY

The Regina Bay Mine is situated at the margin of the Precambrian Regina Bay granitic intrusion. The invaded rocks are Archean basaltic flows. The shaft is located about 2.5 miles south of the Pipestone-Cameron fault, a major regional structural feature trending WNW - ESE. Along this structure,

about 16 miles southeast of Regina Bay, Nuinsco/Lockwood Petroleum Inc. have identified some 1 million tons of gold bearing material grading 0.20 opt Au. The property is still under intensive investigation.

The Regina Mine, also referred to as the No. 3 Vein, is localized along the granite greenstone contact. It appears to be a pipe-like zone developed within a shear which has been traced intermittently on surface for approximately 1,000 feet. Trenches along the vein have indicated low gold values. There is no record of drilling to test the shear at depth. Additionally, a number of other gold-bearing shears are known. All of these structures are carbonate and pyrite altered. Of the other zones, some of the more noteworthy are:

West Vein: This vein is located 800 feet SW of the Regina Shaft. Assays by Sherritt Gordon have returned values of 0.18 opt over 3 feet, 0.16 opt over 5 feet, and 0.17 opt over 2.5 feet. Grab samples show values to 0.40 opt. The shear is up to 20 feet wide and was originally developed by a 70-foot prospect shaft.

Abraham Vein: This shear is located $\frac{1}{2}$ mile southeast of the Regina Mine. The shear, characterized by silicification and carbonatization, strikes 135° and varies from 10 to 25 feet in width. A 500-foot section was indicated by Sherritt Gordon sampling to contain narrow, spotty gold assays as follows:

Trench E - Grabs: 0.11, 0.05, and 0.08.
- The vein varies from 9 inches to 1 foot within pyritic, silicified wall rock carrying low gold values.

-0.11 opt Au over 1.5 feet another anomalous section further along the trench.

Trench H - separated anomalous sections reported.
- A 4 inch quartz vein ran 1.592 opt Au

- 0.035 opt Au over 2.5 feet, sheared silicified zone

Neda Vein: This zone strikes 110° with a dip of 80° NE. Old reports state that 178.5 tons were mined and milled that graded 0.29 opt Au in 1936.

Drilling by Silver Belle Mines (date unknown) returned the following values:

Hole 1	5 feet	@	0.20 opt Au
Hole 1	12 feet	@	0.16 opt Au
Hole 2	3.75 "	@	0.09 opt Au
Hole 4	15 feet	@	0.65 opt Au

The collars of these holes are still visible although individual identification is uncertain. Sampling by Sherritt Gordon of a 6-inch Quartz vein partly exposed in the excavation returned values of 0.52 opt, 0.963 opt, and 3.358 opt Au.

Some 6 other minor veins are reported throughout the property varying from a few inches to 1 foot in width. These all reportedly carry gold values of variable intensity.

RESULTS OF GEOPHYSICAL WORK

VLF surveys did not indicate any significant or useful response over previously mapped structural zones. Total field magnetic surveys interpreted with 1981 Sherrit Gordon geological mapping are useful in defining the granite-greenstone contact zone. Interrupted magnetic trends overlie portions of known shears, with patterns much broader than the actual structure.

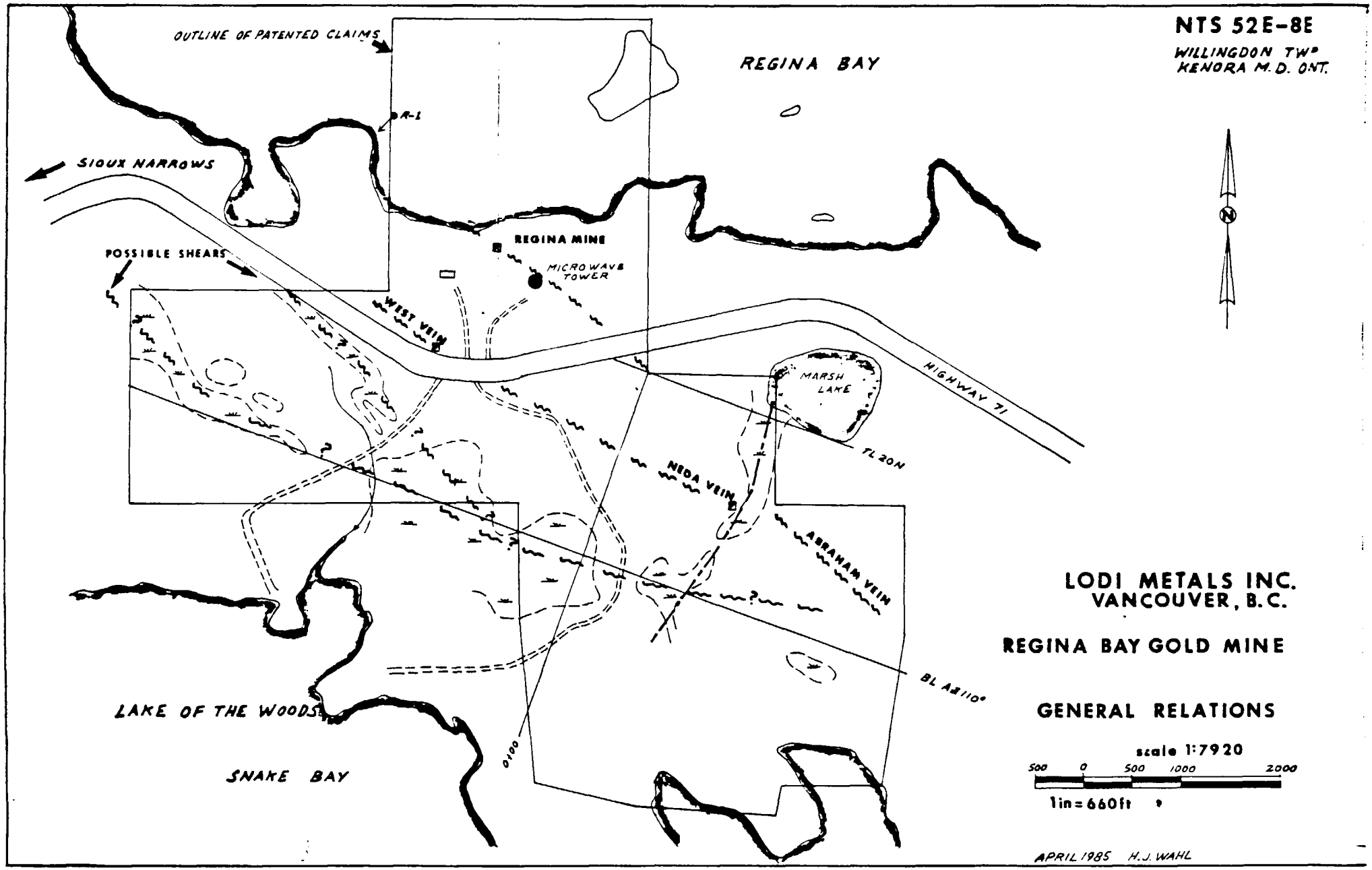
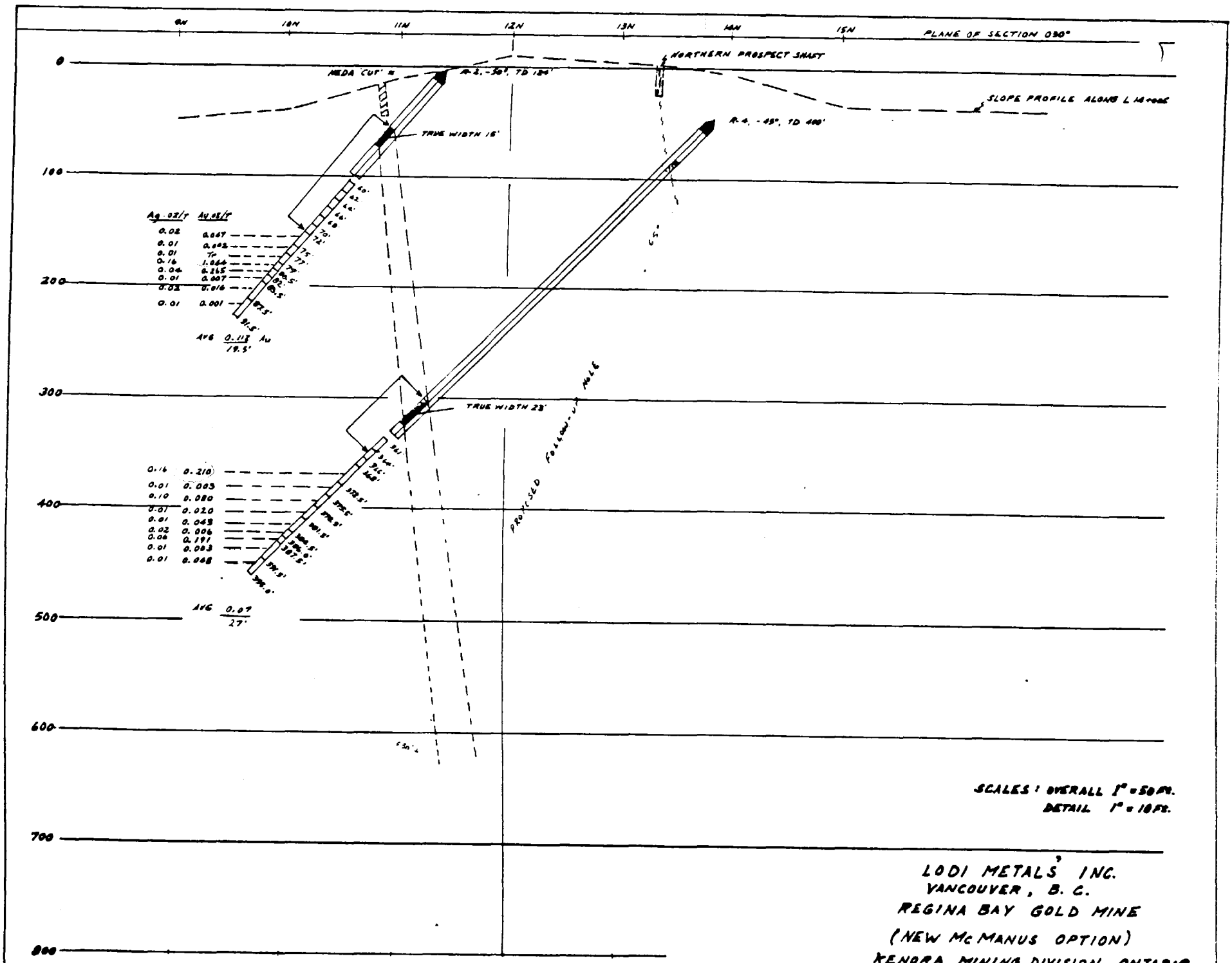
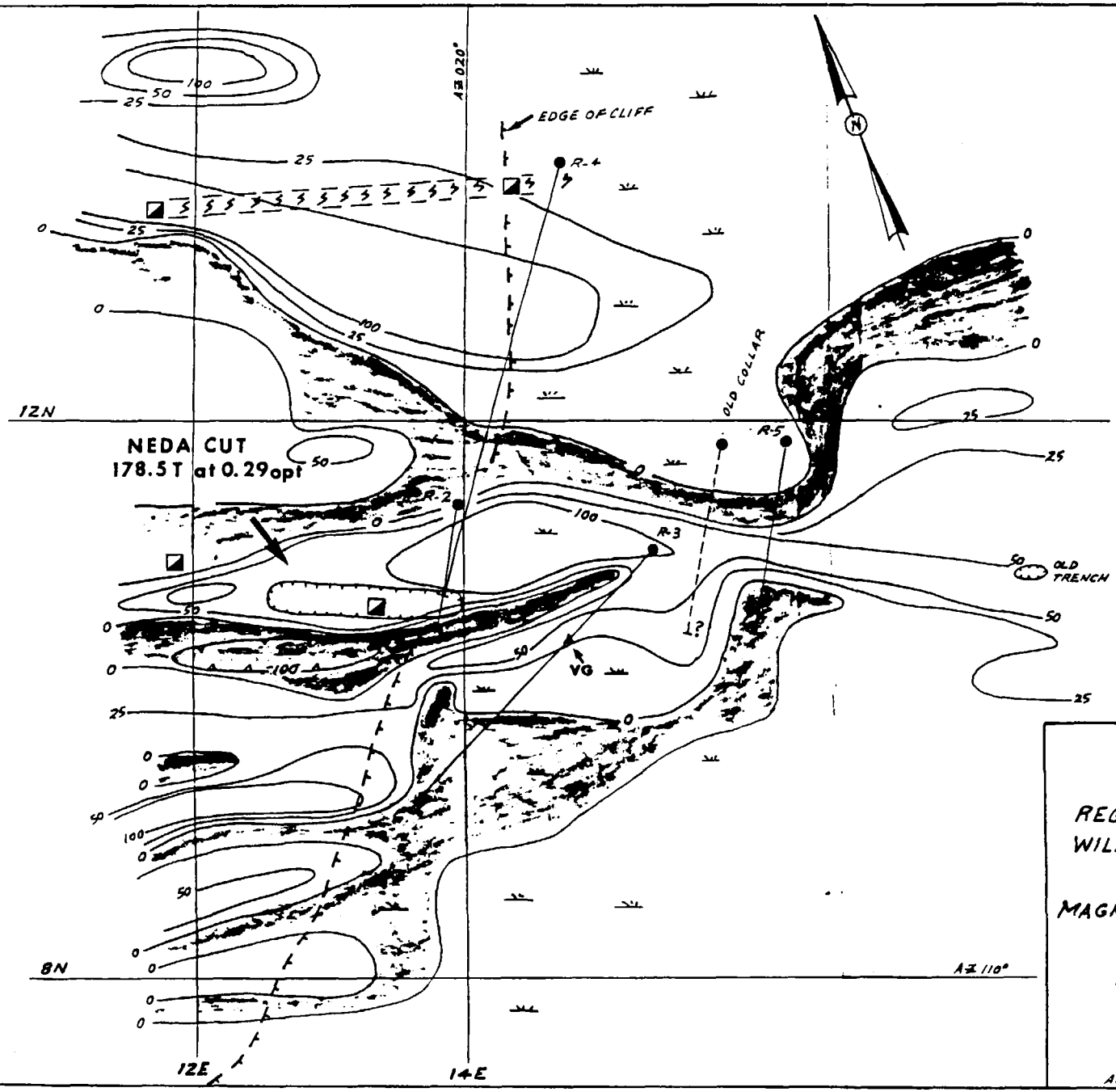

NTS 52E-8E
WILLINGDON TWP
KENORA M.D. ONT.
OUTLINE OF PATENTED CLAIMS
REGINA BAY
R-1
SIOUX NARROWS
REGINA MINE
MICROWAVE TOWER
POSSIBLE SHEARS
WEST VEIN
MARSH LAKE
HIGHWAY 71
TL 20N
NEOA VEIN
ABRAHAM VEIN
BL A@110°
0100
LAKE OF THE WOODS
SNAKE BAY
LODI METALS INC.
VANCOUVER, B.C.
REGINA BAY GOLD MINE
GENERAL RELATIONS
scale 1:7920
500 0 500 1000 2000
1in = 660ft
APRIL 1985 H.J. WAHL

FIG. 2


9N
10N
11N
12N
13N
14N
15N
PLANE OF SECTION 090°
0
100
200
300
400
500
600
700
800
NORTHERN PROSPECT SHAFT
MEDA CUT
A-2, -30°, TD 134'
A-4, -45°, TD 400'
SLOPE PROFILE ALONG L 14+00E
TRUE WIDTH 16'
TRUE WIDTH 23'
PROJECTED FOOTWALL OF MAIN ORE ZONE
Ag oz/T
Au oz/T
0.02 0.047
0.01 0.092
0.01 Tr
0.16 1.044
0.04 0.265
0.01 0.007
0.02 0.016
0.01 0.001
Avg 0.118 Au / 19.5'
0.16 0.210
0.01 0.003
0.10 0.080
0.01 0.020
0.01 0.043
0.02 0.006
0.06 0.191
0.01 0.083
0.01 0.068
Avg 0.07 / 27'
SCALES: OVERALL 1" = 50 Ft.
DETAIL 1" = 10 Ft.
LODI METALS INC.
VANCOUVER, B. C.
REGINA BAY GOLD MINE
(NEW McMANUS OPTION)
KENORA MINING DIVISION, ONTARIO
NTS 52E-8E

P-10, 3

NTS 52E-8E



LODI METALS INC.
Vancouver, B.C.

REGINA BAY GOLD PROPERTY
WILLINGDON TWP. KENORA, ONT.

- NEDA ZONE -

MAGNETIC GRADIOMETER · SURVEY

$\Delta\gamma = \gamma^{1}(5') - \gamma^{2}(8')$

25 0 25 50 75 100 200

SCALE: 1:750
1 CM = 25 FT.
1 IN = 62.5 Ft.

APRIL 1985

H. T. NEAL

FIG 1.

A trial vertical gradient magnetic survey (4) at 25 ft. stations gave a clear and distinct response over the Neda Zone. A moderate high of plus 50-100 gammas flanked by negative bands overlies the area hosting Neda gold mineralization.

RESULTS OF DIAMOND DRILLING (Figs. 2, 3, & 4)

The holes drilled are summarized below:

Hole No.	Dip	AZ	Total Depth	Remarks
R - 1	-50°	245°	(237')	Test lake conductor:All granite with no shearing or values.
R - 2	-50°	210°	(124')	Test Neda shear:19.5' intercept of silicified,carbonated shear with Au values.
R - 3	-45°	245°	(251')	Test swamp depression due east of Neda shear for cross fault: No values except minor V.G.@ 126'.
R - 4	-45°	216°	(408')	Drilled under intercept in R-2: 30' zone of shearing 250' vertically below R-2. Several 5'-7' quartz veins.
R - 5	-45°	210°	(200')	Test Abraham shear 70' east of, and 50' north of R-3. No shear intercepts.
			1,220'	Total Footage

Assay results for the R-2 intercept are: (cores prepared and tested by Bondar Clegg Ltd., Ottawa)

Sample #	Oz/T Au	From - To		Feet
R-2-5	0.047	72'	75'	2
R-2-6	0.002	75	77	2
R-2-7	Trace	77	79	2
R-2-8	1.044	79	80.5	1.5
R-2-9	0.265	80.5	82	1.5
R-2-10	0.007	82	83.5	1.5
R-2-11	0.016	83.5	87.5	4.0
R-2-12	0.001	87.5	91.5	4.0

				19.5 Total Length

The weighted average grade of gold across the slant intercept length is 0.112 opt. The estimated true width of the intercept is 15 feet based upon a zone dip of 85°. The best values are associated with a swarm of quartz-pyrite-carbonate veinlets at 79' to 82'.

Hole R-4 drilled 250' behind R-2 at a -45° angle intercepted the Neda Shear 250 feet vertically below the R-2 section. Good shearing plus several 5' to 7' thick quartz veins are present and altogether this section is much more impressive in appearance than R-2. The total intercept runs from 361' to 395'.

Assay results for the R-4 section are:

Sample #	Oz/T Au	From	To	Feet
R-4-6	0.210	368'	372.5	4.5
R-4-7	0.003	372.5	375.5	3.0
R-4-8	0.080	375.5	378.5	3.0
R-4-9	0.020	378.5	381.5	3.0
R-4-10	0.043	381.5	384.5	3.0
R-4-11	0.006	384.5	386	1.5
R-4-12	0.191	386	387.5	1.5
R-4-13	0.003	387.5	391.5	4.0
R-4-14	0.048	391.5	395	3.5
				27.0 Total Length

The weighted average grade of gold for this intercept is 0.07 opt. Given the good widths of quartz, these results are somewhat disappointing. Holes R-3 and R-5 show that the Neda Shear is cut off about 50 feet east of the drill section reported above, but is open to the west.

CONCLUSIONS

The current work indicates the presence of a gold-bearing shear in the Neda area and further drilling is required to determine the ultimate limits and grade of potential ore zones. For the property as a whole, two definite shear zones are known:

(a) The Regina Mine Shear

(b) The West Vein-Neda-Abraham Shear, which may be all one structure.

In addition, swamp-filled depressions aligned with, and south of the above, are very suggestive of additional structures.

These features have strike lengths in excess of a mile. A more comprehensive onward exploration program is warranted and required.

The obvious target of testing for additional reserves in the Regina Mine per se (or No. 3 Zone), should be held in abeyance. Such a program would require deep drill holes with uncertain ultimate outcome, and high cost drilling, and/or dewatering and re-entry of the shaft and workings, also a very expensive undertaking. The good potential to find additional gold mineralization close to surface on the known structures mitigates against the above noted alternative work option.

RECOMMENDATIONS

1. Reconstruct survey grid over the No. 3, West Vein, Neda, & Abraham showings, and swamp-filled depressions aligned with trends of known shears.

2. Conduct close-spaced magnetic gradiometer surveys @ 20-foot station spacing.

3. Conduct geochemical survey directly over and along known shears and swampy depressions.

4. Continue drilling of Neda Mineralized Zone indicated by the initial program.

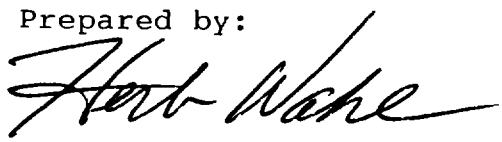
The estimated budget to complete the recommended program is:

Phase I

$ 4,000	Line Cutting, 12 line miles @ $325/mile
2,000	Magnetic Gradiometer Survey @ $150/mile
2,000	Geochemical Survey (collection) @ $150/mile
4,000	Assays, 400 each for Au @ $10/each
1,500	Vehicle operations
26,400	Contract coring, 1,200 feet @ $22/ft
1,500	Assays on cores
1,600	Travel, room and board
5,000	Management and supervision
$50,000	Total Phase I

Based upon independent engineering review of the results of Phase I, positive encouragement would then trigger an expanded drilling program. A further $150,000 should be budgeted to cover continued drilling and sampling.

Prepared by:



Herb Wahl, P. Eng., BC

REFERENCES

(1) Gaboury, B. E., P. Eng., MB, 22 February 1985. Report on the New McManus Red Lake Gold Mines Ltd. Property in the Regina Mine Area.

(2) Hannigan, Peter, February 1982. Geological Report on Regina Mine Property for Sherritt Gordon Ltd.

(3) District Geologist's Office, Kenora, ON. Various open file maps and reports related to the Regina Mine and environs.

(4) Hunter, Doug. Cameron Lake: another reason to re-evaluate old showings; Canadian Mining Journal, April 1985, pp45-48.

CERTIFICATION

THIS IS TO CERTIFY THAT:

1. I, Herbert J. Wahl, am a resident of British Columbia and live at R.R.#4, Gower Point Road, Gibsons, BC V0N 1V0.

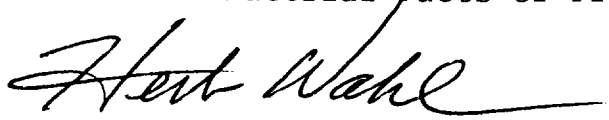
2. I am a graduate of Dartmouth College, Hanover, New Hampshire, with the degree of Bachelor of Arts with Honors in Geology (1957).

3. I am a member of the Association of Professional Engineers of British Columbia and have practised my profession continuously from 1961 to the present.

4. I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in the property of Lodi Metals Inc., or of any affiliate, or beneficially own, directly or indirectly, any securities of the company or of any affiliate.

5. This report is based upon field work performed by myself or under my direct supervision, and is considered to be accurate within the limits of any technology employed.

6. Consent is given to submit this report as herein presented, to the Vancouver Stock Exchange and Superintendent of Brokers in support of a Statement of Material Facts or Prospectus.



Herb Wahl, P. Eng., BC

020

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R3C 2E7

REPORT ON THE NEW McMANUS RED LAKE GOLD MINES LTD., PROPERTY IN THE REGINA BAY MINE AREA

KENORA MINING DIVISION

DISTRICT OF KENORA

ONTARIO

FOR

LODI METALS INC.

BY

B.E. Gaboury
P. Eng.

Febuary 22, 1985

020C

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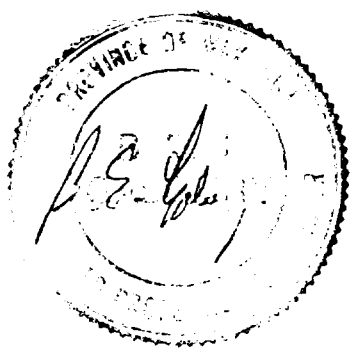
SUMMARY

New McManus Red Lake Gold Mines Ltd. holds an option on 18 patented claims covering the Regina Bay Mine area, and holds 100% of 109 mining claims adjoining the Regina Mine area to the north.

The area is described and this report recommends an exploration budget of $ 117,838 to explore the known gold-bearing veins, and three geophysical anomalies which may result from new veins.



INTRODUCTION

This report has been prepared at the request of Lodi Metals Inc.

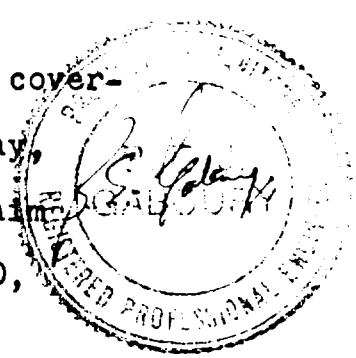
The report is based upon personal examination of the property on October 30, 1984, and a study of the literature concerning the Regina Bay mine and adjacent areas as described in the sources of information section of this report.

PROPERTY

The property consists of 18 patented claims which are optioned to New McManus Red Lake Gold Mines Ltd. from Robert Erickson of Sioux Narrows, Ontario; and 109 unpatented claims staked for New McManus who holds signed transfers of the claims. These are to be transfered to New McManus. All claims are in Willingdon Township, Kenora Mining Division, District of Kenora, Ontario.

The patented claims are known as the Erickson Option and include Nos. K2933, K2934, K2935, K3104, K3105, K3107, K3496, K3497, K3653, K6522, K3655, K3656, K3487, K3488, K3489, P566, P567, D234.

The unpatented claims are water claims covering large portions of Regina Bay and Lobstick Bay, which are portions of the Lake of the Woods. Claim Nos. are: K744004 to K744013, K744015 to K744020,



K 744027 to K 744034, K 744063 to K 744070, K 744081 to K 744087, K744101 to K 744104, K 744107 to K 744120, K 744123 to K 744136, and K K 744149 to K 744174, K 744177 to K 744191, and K 744193, each group inclusive.

The claim groups are shown in Figure 1 which is a portion of the Willingdon Township claim map.

SOURCES OF INFORMATION

The sources of information are described in this section rather than as a bibliography because much of the information is in company reports and in numerous geological, geophysical, and sampling plans, and government files, as well as in published reports.

Published reports include the following:

Blue, A (1895) The Regina Mine, in A Tour of Inspection in Northwestern Ontario; O.B.M. Ann. Rept. Vol. 5, pp. 180-185.

Blue, A. (1896) Regina Mine, in General Introduction, O.B.M. Ann. Rept. Vol. 6, pp. 51-52.

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Corkill, E. T. (1906) Regina or Black Eagle Mine, in O.B.M. Ann. Rept., Vol. 11, p. 16

Sutherland, T. F. et al (1924) Kenora, Regina Reef Gold Mine, Mines of Ontario, O.D.M. Ann. Rept., Vol. 33, p. 20.

Bruce, E. L. (1925) Gold Deposits of Kenora and Rainy River Districts, O.D.M. Ann. Rept., Vol. 34, Pt. 6, pp. 10-13.

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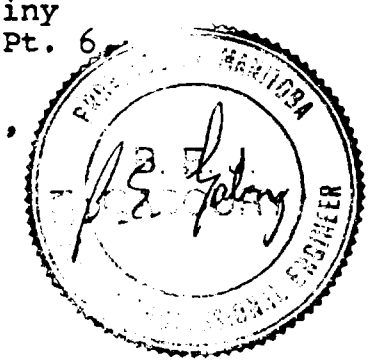

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Survey of Mines (1948) Long Bay Gold Mines Ltd., in Financial Post Survey of Mines, p. 236.

Canadian Mines Handbook (1961) Neeland Flin Flon Mines and Exploration Ltd., p. 164, Northern Miner Press.

Canadian Mines Handbook (1962) Silver Belle Mines Ltd., p. 230, Northern Miner Press.

Goodwin, A. M. (1965) Silver Belle Mine, in Preliminary Report on Volcanism and Mineralization the Lake of the Woods-Manitou Lake-Wabigoon Region of Northwestern Ontario, O.D.M. Provisional Report 1965-2.

Trowell, N. R. et al (1980) Preliminary Geological Synthesis of the Savant Lake - Crow Lake Meta-volcanic - Metasedimantary Belt, Northwestern Ontario and its Bearing upon Mineral Exploration. Ont. Geol. Surv. Misc. Paper 89, 30 p.

Neilson, J. N. and Bray, R. C. E. (1981) Feasibility of Small Scale Gold Mining in Northwestern Ontario. Ont. Geol. Surv. open file report 5332, Vol. 2.

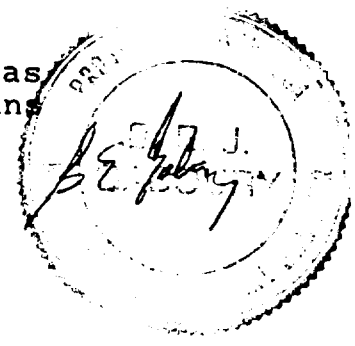
Geological Maps include:

Ontario Geological Survey Map P. 2594, Long Bay - Lobstick Bay Area, Western Part, 1983.

Ontario Geological Survey Map P. 2595, Long Bay - Lobstick Bay Area, Eastern Part, 1983

Other reports available include:

Two reports of Sherritt Gordon Mines Ltd. as well as some twenty detailed geological and assay plans showing surface exploration.



Three reports with accompanying maps prepared by Xplor-X Management Ltd. for New McManus Red Lake Gold Mines Ltd. These concern magnetic, V. L. F., and I.P. surveys of McManus' patented and unpatented claims. A soil geochemistry survey is also available.

LOCATION AND ACCESS

The property is in the Sioux Narrows area in the District of Kenora, Ontario. The community of Sioux Narrows is situated approximately 45 miles southeast of the town of Kenora.

Ontario Provincial Highway No. 71 passes by Lobstick Bay at Reed Narrows, and skirts Regina Bay near Sioux Narrows and thus provides direct access to the water areas of the unpatented claims. The town of Sioux Narrows is at the west end of Regina Bay. Highway No. 71 passes through the patented Etickson option claims and the former gold producing Regina mine is situated approximately 200 meters to the North of Highway No. 71.

Locations are shown on the Location Map, Fig. 2.

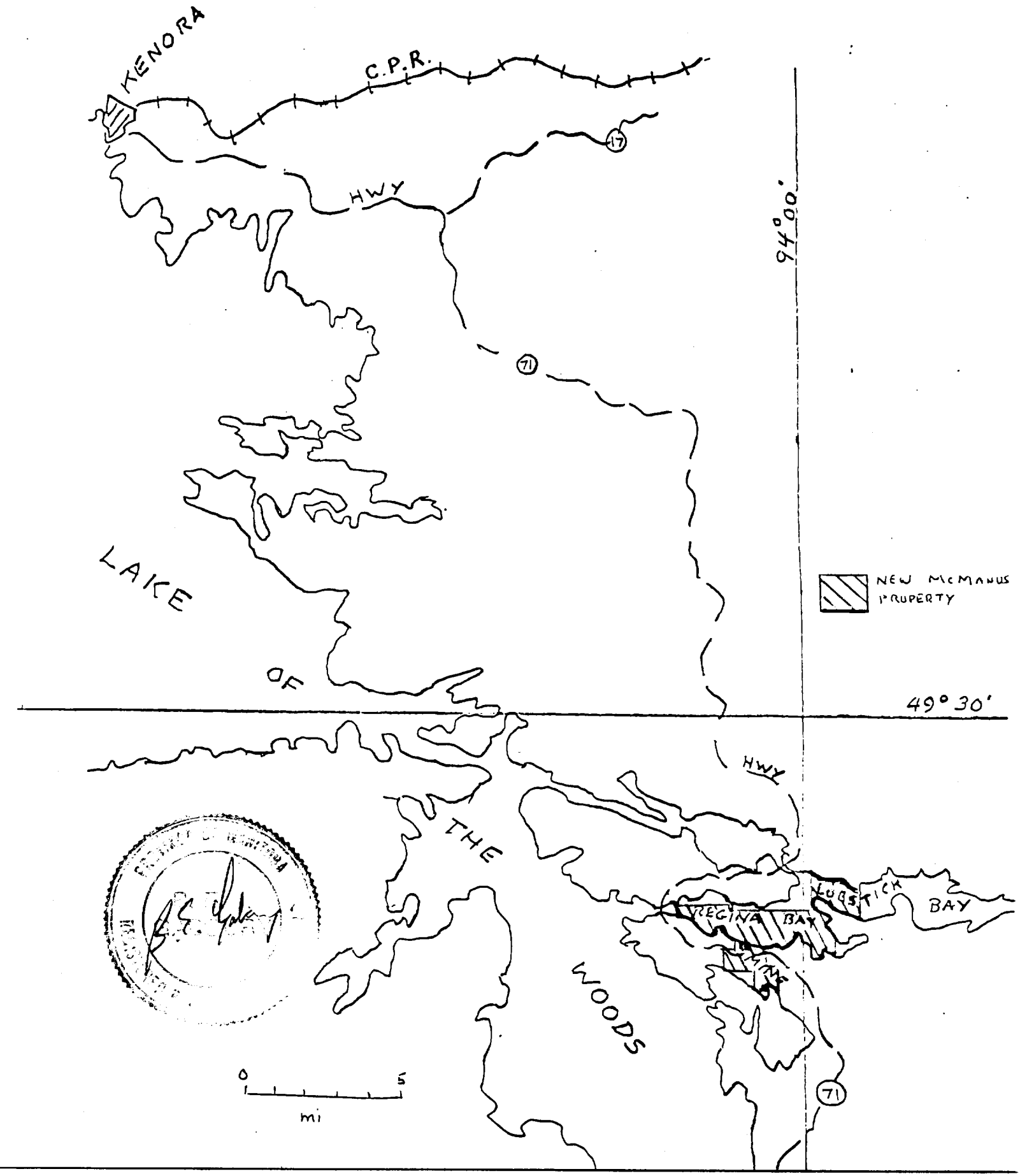
HISTORY OF MINING
(Regina Mine)

The complex history of exploration, mining, and ownership is shown in tabular form. The principal reference is the Ontario Department of Mines file, but exploration is brought up to date, and the nature of the work in each period is added.

Prior to 1894: P.Proulx, J. Henesy and J. McLean p Prospecting
1894-1896: Regina Mining Co. (a result of reorganization of Rajah Gold Minigg Co.). Mining.
1896-1901: Regina (Canada) Gold Mining Co. Major mining period.
1901-1923: Black Eagle Gold Mining Co. Ltd. Major production in 1902, intermittent in 1904 and 1905 production ceased.
1923-1929: Regina Reef Gold Mines Ltd. No production.
1929-1936: Horse Shoe Gold Mines Ltd. Brief production in 1936.

Fig. 2

LOCATION MAP



1936-1938: Kenland Gold Mines Ltd. Small Neda vein shipment.
1938-1947: Goldwood Gold Mines Ltd. leased to J. D. Shannon from 1940-1942, and to C. S. Walsten in 1943. Production in 1941, small production in 1942, ceasing in 1943.
1947-1960: Long Bay Gold Mines Ltd.
1960-1962: Neeland Flin Flon Mines Ltd. C. N. Halstead recommended drilling the Neda vein.
1962-1966: Silver-Belle Mines Ltd, name changed.
1966-1969: Consolidated Silver Bell Mines Ltd., name changed again in 1966 to Silver Belle Mines (1966) Ltd.
1969: Amalgamation and name changed to Alchib Development Ltd.
1973: Zenmac Metal Mines Ltd. drilled Neda vein under agreement with Alchib Development Co. who owned the property.
1981-1982: Sherritt Gordon Mines Ltd. Detailed geological mapping and extensive trenching and sampling. Recommended drilling program was not undertaken.
1983-1984 New McManus Red Lake Gold Mines Ltd. optioned patented claims from R. Erickson the present owner. Conducted geochemical and geophysical exploration.

Production History.

Production as shown in O.D.M. file:

Year	Gold (oz)	Value $	Ore Milled tons	Gold Recovered oz/ton
1895	389	5,032		
1896		16,105	3,221	
1897	1,000	23,000	3,735	0.27
1898	1,600	27,000	5,237	0.31
1899	1,101	20,559	2,888	0.38
1902		68,000	9,000	
1904		345	41	
1905	88	1,258	475	0.19
1936	638	22,346	4,121	0.15
1941	2,696	103,786	8,110	0.33
1942	255	9,878		
1943	45	1,744		

1460 oz silver were also produced in the 1936 - 1943 period.

GEOLOGY AND MINERALIZATION

The claims are underlain by Archean formations which form part of what is commonly called the Kenora greenstone belt. This belt consists mainly of volcanic and sedimentary formations intruded by granitic bodies. Mafic intrusions also occur in places. Isoclinal folding is common and regional metamorphism is low grade.

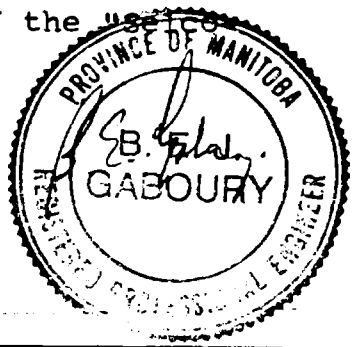
Two geological features are of principle interest in the search for gold deposits on the Regina Bay properties. These features are the Regina Bay intrusion and the Pipestone-Cameron fault.

The Regina Bay intrusion is a granitic stock that underlies most of Regina Bay. The stock intrudes mafic and intermediate volcanic formations. The contact of the stock with the volcanic rock lies approximately along the irregular north and south shores of Regina Bay so that the contact is near the shore either on land or under water.

The Pipestone - Cameron fault separates Regina and Lobstick Bays. The formations to the south of the fault under Regina Bay are mainly volcanic, and those to the north of the fault under Lobstick Bay are predominately sedimentary on the New McManus properties.

Two types of gold deposits may be encountered on the New McManus properties: (a) gold-quartz veins in the vicinity of the Regina Bay stock, and (b) gold occurring in large alteration zones in basalt, and associated geographically with the Pipestone - Cameron fault. Sedimentary gold deposits are also possible in this area where gold occurrences are so frequent but, as yet, firm evidence of such deposits is lacking.

The Regina Bay stock is the obvious locus for the gold-quartz vein mineralization such as that of the Regina Bay mine, a former producer on the south contact of the stock, and the gold-bearing deposits of the "set-co

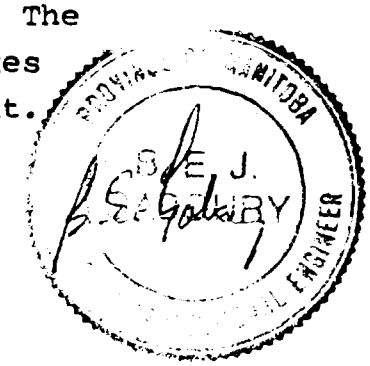


Gossan" Fairservice option on the north side of the stock that were being explored during 1983.

The gold-quartz veins to the south of the Regina Bay stock on the Erickson option are typified by that of the Regina Bay Mine (No. 3 vein) that produced all of the ore in the 1895-1900 and later periods. The gold-quartz vein crosses the granite-greenstone contact with ore production from both sides of the contact. Both rock types must, therefore, be considered as hosts for ore.

The nature of the No. 3 vein is described in O.D.M. Vol. 30, Pt. 2, p. 57, 1924. The vertical section shows that the steeply dipping vein was mined to a depth of approximately 550 feet and that the vein averaged 500 feet in length. Stoping within the vein is irregular, but one stope was carried through from the sixth level (356 feet) to the surface. The stope is 60 feet long and averages 6 feet wide. The vein in the lower level is seven to twelve feet wide and averaged $7/ton when gold price was $17 per ounce (0.41 oz/ton). The vein continues in the winze below the bottom level. Other reports give the width of the vein in the lower level at the shaft as seven feet, tapering to four feet at the two ends of the drift. The grade and tonnage on unstoped portions of the vein is not well known except for Sherritt-Gordon's report of three surface samples running 0.46 oz. Au/ton over 4' 2"; 0.28 oz Au/ton over 2' 4"; and 0.62 oz Au/ton over 4' 4".

The gold-quartz vein type of deposit has the greatest potential on the New McManus property because they are known to occur, and one has been mined. The "alteration zone" type could occur beneath the lakes but deposits of this type are not known at present.



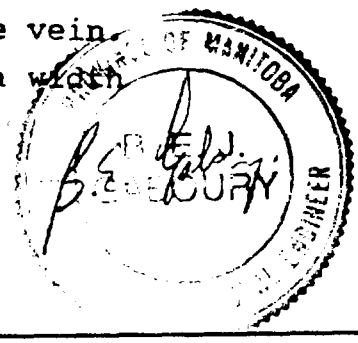
VEIN SYSTEM

The early reports of the Regina Mine property indicate the presence of eight gold-bearing veins in the vicinity of the Regina Mine. The Sherritt-Gordon geological maps show seven of these veins and the report mentions three small additional veins. The Neda (Abraham) vein occurs on patented claim K 2933 approximately ½ mile southeast of the Regina mine. The veins form a subparallel vein system striking approximately 110° to 125° azimuth, although some confusion exists in the literature concerning the strike of the Regina mine vein. Three distinctive subparallel geophysical anomalies occur in the lake to the north of the Regina mine and may represent a continuation of the vein system to the north beneath the lake.

The No. 3 vein, the West vein, and the Neda vein appear to be the most important of the known veins. The No. 3 vein has already been described.

The West vein is as much as 20 feet wide and is formed of two parts: a northern interbanded quartz and rusty carbonate zone, and a southern rusty carbonate zone. A 70 foot shaft was sunk on the vein. Sherritt-Gordon chip sampling in trenches showed a total strike length of 90 feet with an average of 0.14 Oz. gold/ton across an average width of 3.9 feet. The vein was traced, but not sampled, for 800 feet by Sherritt-Gordon. Early reports state the length is 1100 feet.

The first reported work on the Neda vein (Thomson, 1935) was in 1934.. Strike is approximately 110° azimuth, and dip 70° north. The quartz is in an 8 foot wide shear zone, the widest quartz being 1 foot, but stringers and silicification occur over a 3 foot width. A large open cut and a shaft were excavated on the vein. The vein in the shaft assayed 0.36 oz. gold over a width



of 3.5 feet. A sixty foot section west of the shaft produced an average of 0.31 oz. gold/ton over a width of 3 feet., A mill test on 178.5 tons of material taken from east of the shaft produced a gold content of 0.29 oz./ton. Hollinger Mines is reported to have sampled the vein to the east of the shaft (Sherritt-Gordon report) over a length of 50 feet and a width of 2.7 feet with an average assay value of 0.79 0z. gold per ton. The shaft and trench are now filled with rubble and cannot easily be sampled. A report to Silver Belle Mines Ltd. by M. C. Halstead, P. Eng. reported three diamond drill holes with the following intersections:

Hole 1 5 feet of 0.20 oz. gold/ton
Hole 1 12 feet of 0.16 oz. gold/ton
Hole 2 3.75 feet of 0.09 oz. gold/ton
Hole 4 15 feet of 0.65 oz. gold/ton

The O.D.M. report confirmed these results and indicate that seven other holes missed the vein when it turned. Locations of the holes are not known exactly and drill logs have not been found.

The other veins: Nos. 1, 2, 4, 5, 6, and 7 are all small veins from a few inches to one foot wide, except where Nos. 6 and 7 join where width is reported as three feet. All these small veins are reported to have significant gold values in some samples.

Wallrock alteration consisting of chlorite, serpentine, and magnetite, as well as shearing are common adjacent to most of the veins, both in granite and greenstone.

ORE RESERVES

Neilson and Bray (1981) attempted to calculate ore reserves in the Regina mine and the Neda vein as part of their report on small scale mining in north-western Ontario. All of these reserves are speculative.

Regina mine:

On 9th level	3600 tons ave.	0.57 oz Au/ton
Below 9th level (winze)	4800 tons ave.	0.43 oz Au/ton
6th to 9th level	11250 tons ave.	0.40 oz Au/ton

Total speculated reserve is 19,650 tons averaging 0.44 oz. gold/ton.

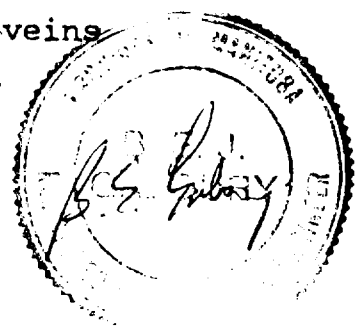
Several authors stress the potential below the 9th level because the vein is stated to be widest and highest grade on the 9th level. J. E. Thomson (1935), for example, summarizes "In any future development attention should be paid to the possible downward projection of the ore shoot below the 9th level and to the north of the tenth level".

Neda vein:

Neilson and Bray estimated 4,450 tons but did not estimate a grade.

GEOPHYSICAL AND GEOCHEMICAL SURVEYS

Test surveys including magnetic, V. L. F., and I. P. methods were done over the Regina Bay patented claims to the north of Highway 71. The known veins respond well to all three geophysical methods producing distinct anomalies. This is unusual in gold-quartz veins so that the anomalies are probably produced by the shearing and wallrock alteration within which the veins occur. Some anomalies occur in areas which do not appear to have been explored.



Geophysical surveys of the water claims showed that three distinct coincident magnetic and V. L. F. anomalies occur over the lake to the north of the Regina mine. The anomalies are 800 to 1200 feet long, terminate abruptly, and are sub-parallel to the quartz-vein system.

A soil geochemistry survey of the patented group of claims showed anomalous gold in the soils in the vicinity of known veins. A long, weak anomaly on claims K 3655 and K 2934 occurs in drift covered ground which appears undisturbed by previous work.

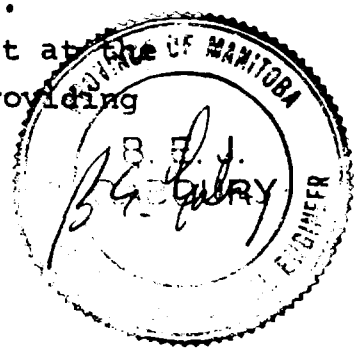
CONCLUSIONS

1. The patented property contains a set of sub-parallel gold-bearing quartz veins, one of which, the Regina mine, has been partially mined to a depth of 540 feet, over a length of 500 feet. The strike of the Regina vein is uncertain. Various authors disagree by as much as 70°. Dip of the vein appears to be vertical in granite and 80° to 85° north in the green stone.

2. The principle exploration for gold has been by traditional pitting, trenching, and shaft sinking and sampling methods. Most of this was done when the price of gold was $35 per oz., or less.

3. Diamond drilling seems limited to the Neda vein. Geophysical testing does not appear to have been tried until 1984. Magnetic and V. L. F. surveys are promising for locating and extending veins, as well as for definition of the strike of the Regina vein.

4. The Regina vein appears to be widest at the bottom of the mine and warrants a deep hole, providing that the strike of the vein can be determined.



5. The West vein warrants a drill test.

6. The Neda vein is worth further drilling, particularly if the strike if the vein extension can be determined, because past drilling missed the extension of the vein.

7. Geophysical anomalies on the lake on claims D 234, K 744161, And K744162 may indicate new veins.

RECOMMENDATIONS

Phase 1

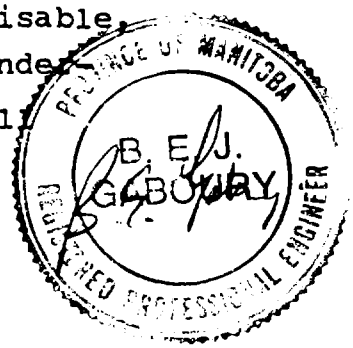
1. A limited grid should be cut and picketed over the veins in the vicinity of the Regina mine and over the Neda vein area because the old picket grids are unreadable and now unreliable. Lines spaced at 200 foot intervals are suitable with 100 foot lines to be established later in critical areas.

2. A magnetic and V. L. F. survey should be conducted over the new grid with readings at 25 foot intervals because veins are narrow and near surface.

3. An I. P. survey over the Regina mine should help confirm its strike prior to siting a deep borehole.

Phase 2

1. A deep diamond drill hole should be attempted to intersect the Regina mine vein at approximately the 720 foot level. This hole is provisional until the strike of the vein is determined. Deflections from the hole should be drilled for additional sampling if the hole is successful in intersecting the vein below the old workings. The hole should be surveyed, and if advisable, should be corrected for direction. It should be understood that this is a risky hole shooting for a small target.

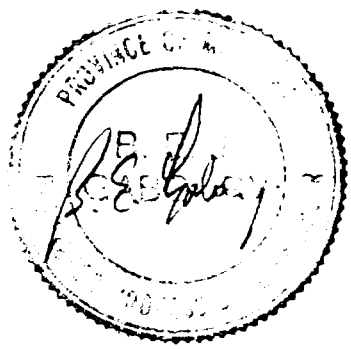


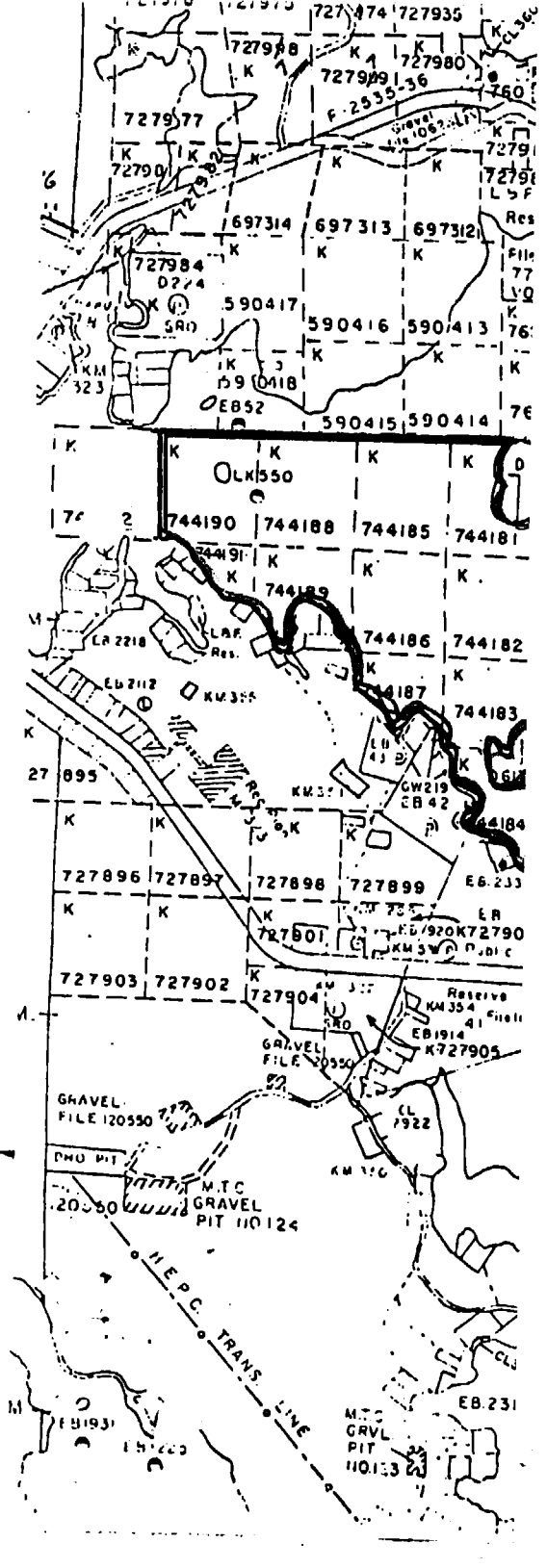
2. Two diamond drill holes, spaced 200 feet apart should be drilled to test the West vein. The holes should be drilled from the north side to intersect the vein at a depth of 100 to 125 feet below surface. The holes should be sited approximately 130 feet north of the shaft, and drilled -45° to the southward perpendicular to the vein. Sites are conditional on results of geophysical surveys.

3. Two, 250 foot holes should be drilled from the north side of the Neda vein. The holes should be drilled -45° to the southard, perpendicular to the vein, to intersect the vein 100 feet vertically below the surface. The holes should be 100 feet apart. Provisional sites are suggested at 11 N/14 E, and 11 N/15 E on the old grid. Drill direction is S 20° W. Final siting should be conditional on geophsical surveys which might define parallel veins.

4. Three boreholes should be drilled from the ice of Regina Bay to test the geopysical anomalies on claims D 234, K 744161, and K 744162. Winter picket grids would have to be relocated and anomalies detailed prior to citing the holes.

Phase 3. Follow up drilling if Phases 1 and 2 are successful.

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CERTIFICATE

1. I, B.E. Gaboury with residence and office at Box 17, GRP 335 RR 3, Winnipeg, Manitoba, a practising geologist, do hereby certify;

2. That the foregoing report is based upon a personal examination of the property on Oct. 30, 1984 and from a study of the literature.

3. I am a member of the Association of Professional Engineers for the Province of Manitoba.

4. I graduated from the University of Manitoba, B. Sc., 1975; and am currently completing a Ph.D at the University of Manitoba, specializing in Economic Geology.

5. I have worked in Economic Geology since 1978.

6. I do not have any beneficial interest, either directly or indirectly in the property described in this report or in the securities of New McManus Red Lake Gold Mines.

Febuary 22, 1985
Winnipeg, Manitoba

B.E. Gaboury P. Eng.

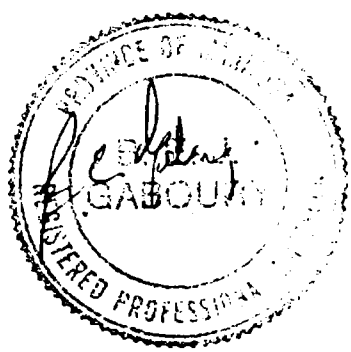
LETTER OF CONSENT

TO WHOM IT MAY CONCERN:

Re: Report on the New McManus Red Lake Gold Mines Ltd. Property in the Regina Bay Mine Area, Kenora Mining Division, District of Kenora, Ontario.

I consent to the lawful use of my report dated Feb. 22, 1985, covering certain mining claims in the Regina Bay Area, Lake of the Woods provided that the report is quoted in full. Any exerpts from the report cannot be quoted without written permission from the author. The report may be filed and published in connection with any statement of Material Facts to any Canadian Securities commission.

B.E. Gaboury P. Eng.



LOCATION Neda Vein | BEARING 210° | DDH # R. 2. 1/2

Collar CO-Ord's 14+00 E, 11+40 N | Dip Collar - 50° | DEPTH 124 ft.

Grid Southern Grid.

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
0	3'	Casing		
3'	13'	Light grey to dark grey silicified schist (sheared fine grained basalt or andesite ?) with numerous small (≤ 1" wide) saccharoidal quartz veinlets, chloritic stringers and numerous offsets. Foliation varies from 20° to 40° to core and is often contorted. Smaller quartz veinlets ptygmatically folded. Pyrite overall < 1%. Well sheared section from 4' to 6' with py & minor cpy.	R-2-1	4' - 6.5'
13'	17'	Dark grey fine grained basalt with numerous carbonate filled tension gashes.		
17'	20'	Light to dark grey banded mylonite similar to section from 3' to 13' but overall pyrite ≈1%		
20'	49'	Medium f.g. to f.g. dark green basalt. Section from 20' - 23' fairly intensely fractured with 2 - 3% overall py with minor cpy. Fracturing decreases downhole as does the frequency of carbonate filled tension gashes and qtz-epidote veinlets (also tensional in nature). Carbonate and epidote filled fractures begin to increase in frequency again toward the bottom of the section. These show all possible orientations to core and are often contorted.	R-2-2	19.5' - 22.5'
49'	52.5'	Mylonite section. grey to maroon banded with minor py except in some small (≤ 2") quartz veinlets. Extensively carbonatized and slightly hematitized.		
52.5'	56.5'	More hematitized and carbonate rich, quartz rich but fairly pyrite poor section similar to above. Quartz carbonate veinlets occur cutting core at ~50° and measure ≤3" in dia. These contain very little py.	R-2-3 R-2-4	54' - 56.5' 56.5' - 60'

DRILL LOG

DDH # R 2 1/2

LOCATION Lakeshore West of Regina Mine. BEARING 245°

Collar CO-Ord's 14+00 W, 0+50 S Dip Collar - 50°

Grid Northern Grid.

DDH # R 1.

DEPTH 237 ft.

Footage		DESCRIPTION	SAMPLES	
From	To		No.	Footage
0	237'	Fresh granite, no shears, mineralization or alteration zones.		
	END,			

DRILL LOG

DDH # R 1.

LOCATION Collar CO-Ord's Grid | BEARING Dip Collar | DDH # R 2. 2/2 | DEPTH

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
56.5'	60'	Gradational section, grades from the more hematite carbonate rich mylonite back to a dark gray banded mylonite similar to section from 49' - 52.5'		
60'	72'	Dark gray green to maroon basalt with numerous white and pink colored carbonate filled tension gashes. Shearing is much less intense but rock is pervasively altered and somewhat brecciated. Section from 61.5' - 63' contains lenses of disseminated pyrite, hematite and carbonate, ≈ 1% py. Foliation and fractures (often slickensided) trend at ~50° to core.		
72'	79'	Banded pink-gray-maroon mylonite with foliation ~45° to core. Siliceous pink bands parallel to foliation (1 - 20 mm wide) are fairly common as are fine dark gray ptygmatically folded siliceous veinlets (usually < 5 mm wide) which carry appreciable pyrite. Pyrite is fairly evenly disseminated throughout (~ 1 - 3%). One 2" qtz carb weinlet with black stringers and minor pyrite stringers at ~ 74'.	R-2-5 R-2-6 R-2-7	72' - 75' 75' - 77' 77' - 79'
79'	83.5'	Similar to 72' - 79' section but more intensely sheared with more dark gray siliceous pyritic bands and more dark red hematite rich bands. Numerous qtz-carb-py veinlets from 79' - 82' (usually ≤ 4"). These often contain or sandwich sections of green pyritic serecite. Pyrite averages 3 - 5% overall. Contact with next section is gradational.	R-2-8 R-2-9 R-2-10	79' - 80.5' 80.5' - 82' 82' - 83.5'
83.5'	91.5'	Grayish moderately silicified banded mylonite with disseminated pyrite (1 - 2% overall)(often very fine). Small pyrite lenses and minor quartz veinlets (≤ $\frac{1}{2}$"). Grades downward into unsheared basalt.	R-2-11 R-2-12	83.5'- 87.5' 87.5'- 91.5'
91.5'	124'	Gray green fine grained basalt with occasional carbonate filled tension gashes.		
	END			

DRILL LOG

DDH # R 2. 2/2

LOCATION Neda Vein | BEARING 245° | DDH # R 3.

Collar CO-Ord's 15+40 E, 11+00 E | Dip Collar - 45° | DEPTH 251 ft.

Grid Southern Grid.

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
0	12'	Casing		
12'	15'	gray banded silicified mylonite with 1 - 3% fine pyrite and minor cpy. Brecciated appearance at top of section.	R-3-1	12' - 13.5'
15'	77'	Med f.g. to f.g. dark green mafic volcanics (andes-basalt) with carb filled discontinuous and offset fractures. Minor epidotized sects (particularly around fractures). Overall pyrite < 1%		
77'	80'	Light greyish green altered (bleached) med fg intermediate to mafic volcanic rock (andesite). Grades into next section.		
80'	90'	Dark green to gray mylonite, banded. Moderately silicified but pyrite practically nonexistant. Banding varies from 0°to 30° to core.	R-3-2	83' - 87'
90'	128'	Moderately sheared and brecciated dark grey green mafic volcanic with 1 - 2% dissem pyrite plus minor cpy, and carbonate filled tension gashes. Contains the occasional qtz-py-cpy vein (usually ≤ 3" wide). Visible gold in quartz veinlet at 126' (veinlet 3" wide)	R-3-3 R-3-4 R-3-5	94' - 96.3' 96.3' - 99' 99' - 103.5'
128'	133'	Mylonitized section (basalt) banded light to dark grey with minor quartz veinlets (≤ 1") and sulphides. Foliation and banding at 25° to 35° to core. Qtz-sulphide veinlets 1". Some ptygmatically folded carbonate veinlets at very shallow angles to core axis.	R-3-6 R-3-7 R-3-8	113' - 117' 123' - 128' 128' - 133'
133'	251'	Olive green basalt with crosscutting carbonate filled fractures at varying angles to core axis.		
	END			

DRILL LOG

DDH # R 3. 1/1

LOCATION Neda Vein | BEARING 216° | DDH # R 4

Collar CO-Ord's 14+75 E, 13+75 N. | Dip Collar - 45° | DEPTH 407.8'

Grid Southern Grid. | @ 200' - 51° | @ 390' - 47°

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
0	15'	Casing		
15'	17'	Grayish green med fine grained basalt with carbonate filled tension fractures (possibly boulder)		
17'	21.5'	Blocky version of above, some granite fragments. (Still overburden ?)		
21.5'	32'	Fractured and moderately sheared med fg basalt (fractures at ~20° to core with limonite coatings). Also contains chlorite offsets which offset the carb filled tension gashes. Grades into a more blocky version of a basalt toward the bottom of the section.		
32'	35.75'	weathered basalt.		
35.75'	42'	Mylonitized mottled gray, green and maroon mfg basalt. Contains some quartz carbonate veinletswhich contact the foliation (foliation varies from 0° to 25° to core axis). Minor pyrite (< 1%) in some veinlets.		
42'	49.5'	a gray, green slightly brecciated mfg slightly sheared basalt with carb filled tension gashes.		
49.5'	52.5'	Gray green - green - reddish fg non-silicified to slightly silicified mylonite with some dark quartz-sulphide veinlets (≤ 3" wide) which are approx concordant with foliation (foliation 30° - 40° to core) Also some thin crosscutting ptygmatically folded qtz-chlorite veinlets.	R-4-1	50.3'-52.5'
52.5'	57'	Light greenish serecitic moderately silicified mylonite with dark siliceous pyrite bearing veinlets crosscutting foliation (foliation 35° - 40° to core). Contains disseminated limonite pseudomorphs after pyrite in sections adjacent to quartz venlets. Overall py ~1% but locally varies to 5%, also some minor cpy near qtz veinlets which are abundant at bottom of section.		

DRILL LOG

DDH # R 4. 1/4

LOCATION
Collar CO-Ord's
Grid

BEARING
Dip Collar

DDH # R 4
DEPTH

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
57'	62'	Dark gray to slightly maroon fine gr moderately silicified mylonite with some small lenses of clear quartz and some dark chloritic healed fractures crosscutting foliation (foliation at ~35° to core axis)		
62'	84'	Light gray green med grained silicified slightly sheared igneous rock of felsic to intermediate composition which grades downhole into a darker colored phase. Minor barren quartz-chlorite veinlets (< 1"). Minor shearing with chlorite at 75'(shearing at ~35° to core). Some minor crosscutting siliceous tension fractures.		
84'	89.5'	Dark gray fine grained igneous rock of intermediate to mafic composition with greenish colored plagioclase phenocrysts which increase in frequency downhole.		
89.5'	222.3'	Abrupt contact at 35° - 40° to core axis of porphyritic section above with a med fine grained dark green basalt with minor carbonate filled tension fractures at various orientations to core. Occasional small (< 1") qtz-chl-py veinlets. Minor shearing with carbonate filled fractures at 166.5' - 168.5'. Local concentrations of py (up to 5% in places) but these are in areas devoid of silicification or appreciable alteration and often appear to mark a minor change in lithology. Section from 211' to 222.3' exhibits more intense fracturing with carb infilling of fractures.		
222.3'	224.3'	Moderately silicified light and dark gray banded med fine gr mylonite with < 1% dissem pyrite. Banding at about 55° to core axis.	R-4-2	222.3-224.3'
224.3'	229.3'	Intensely sheared and carbonatized (some bands of coarse carbonate) ptygmatically folded mylonite with abundant bands and contorted veinlets of qtz-carb-py with minor cpy. Moderately silicified. Py averages 4 - 6%.	R-4-3 R-4-4	224.3-226.9' 226.9-229.3'

DRILL LOG

DDH # R 4. 2/4

LOCATION

Collar CO-Ord's

Grid

BEARING

Dip Collar

DDH # R 4.

DEPTH

Footage		DESCRIPTION	SAMPLES	
From	To		No.	Footage
229.3'	233.3'	Gradational section. grades from the highly contorted sulphide rich mylonite of 224.3 - 229.3' back to the light and dark gray banded mylonite of 222.3 - 224.3'. Overall py 3 - 5%. Minor quartz-pyrite veinlets. Bottom of section grades into moderately brecciated mfg basalt with numerous qtz-carb filled tension fractures.		
233.3'	243	mfg weakly brecciated(locally) dark green basalt with numerous contorted qtz-carb filled tension fractures at varying orientations to core. Overall py 1 - 3%. Offsets and tension fractures common.		
243'	361'	Dark green mfg basalt with occasional carb filled tension fractures. 1% py. Minor shearing and brecciation at 279' - 280.5' (4" qtz veinlet with sulphide). Bottom contact at 15° to core axis.		
361'	368'	mg to mfg light greenish gray igneous rock of intermediate composition with light green (altered plagioclase) phenocrysts. Contains some carb filled tension fractures which may be offset. Shearing increases downhole and is oriented ~ 50° to core axis.		
368'	372.5'	A more sheared and altered (bleached to a lighter green) version of the above section. Contains abundant qtz-carb-py veinlets, epidotization and chlorite stringers parallel to foliation (~ 50° to core axis). Moderately to fairly well silicified. Pyrite averages 1 - 3% but is more abundant in and near quartz veinlets.	R-4-6	368' - 372.5'

FIELD LOG

DDH # R 4. 3/4

LOCATION

Collar CO-Ord's

Grid

BEARING

Dip Collar

DDH # R 4.

DEPTH

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
372.5'	395'	A well silicified locally banded gray to greyish green mylonite with numerous quartz-pyrite veinlets with dark stringers (ribbon qtz) which vary up to 4 - 6". Pyrite averages 3 - 5%. Banding is more intense in sections 372.5 - 375.5' and 389 - 395'	R-4-7	372.5-375.5'
			R-4-8	375.5-378.5'
			R-4-9	378.5-381.5'
395'	407.8'	A mfg dark green basalt with carbonate filled tension fractures. Minor brecciation at top of section decreasing toward bottom.	R-4-10	381.5-384.5'
			R-4-11	384.5- 386'
	END		R-4-12	386 -387.5'
			R-4-13	387.5-391.5'
			R-4-14	391.5- 395'

DRILL LOG

DDH # R 4. 4/4

LOCATION Neda Vein | BEARING 210° | DDH # R 5

Collar CO-Ord's 16+20 E, 11+50 N | Dip Collar - 45° | DEPTH 200 ft.

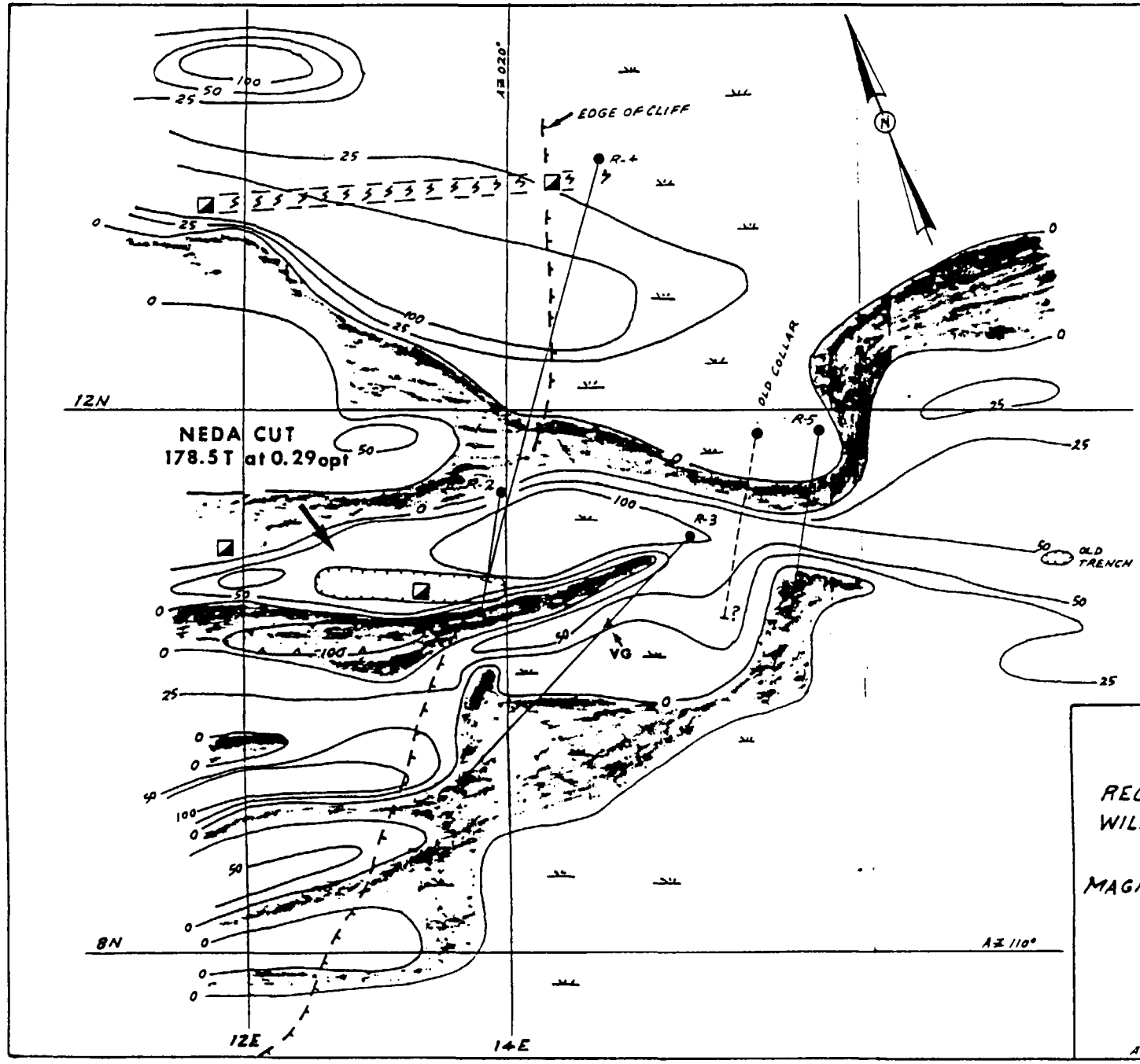
Grid Southern Grid.

Footage From	Footage To	DESCRIPTION	SAMPLES No.	SAMPLES Footage
0	15'	Casing		
15'	38'	mfg dark green basalt with some carb filled tension fractures. Increasing degree of brecciation toward bottom of section.		
38'	45.5'	Dark gray - light gray - greenish, banded mfg mylonite with small boudins and contorted veinlets of quartz-pyrite. Moderately well silicified, pyrite 1 - 3% overall.	R-5-1	38' - 43'
45.5'	193.5'	A mfg dark green basalt with carb filled tension fractures. Similar to rock encountered from 15' - 38'		
193.5'	200'	A dark gray fg igneous rock of intermediate composition with light greenish phenocrysts (plagioclase ?)		
	END			

DRILL LOG

DDH # R 5 1/1

NTS 52E-8E



LODI METALS INC.
Vancouver, B.C.

REGINA BAY GOLD PROPERTY
WILLINGDON TWP. KENORA, ONT.

- NEDA ZONE -

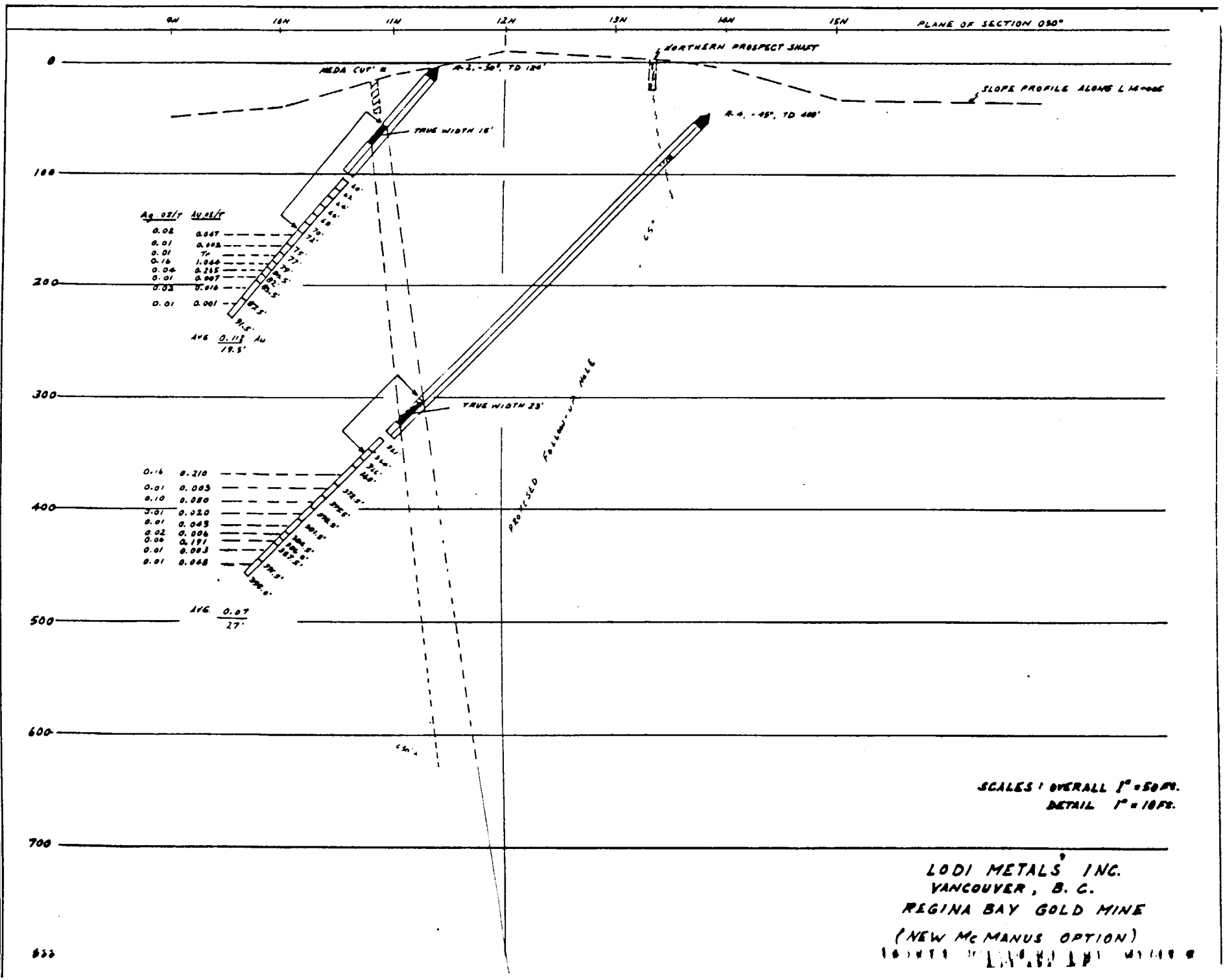
MAGNETIC GRADIOMETER · SURVEY

$\Delta\gamma = \gamma^1(5') - \gamma^2(8')$

25 0 25 50 75 100 200

SCALE: 1:750
1 CM = 25 FT.
1 IN = 62.5 Ft.

APRIL 1985


9N
10N
11N
12N
13N
14N
15N
PLANE OF SECTION 090°
NORTHERN PROSPECT SHAFT
MEDA CUT
A-2, -50°, TD 124'
SLOPE PROFILE ALONG L 14+00E
A-4, -45°, TD 400'
TRUE WIDTH 15'
TRUE WIDTH 23'
PROJECTED FOOTWALL DRILL HOLE
0
100
200
300
400
500
600
700
Ag oz/T
Au oz/T
0.02 0.067
0.01 0.003
0.01 Tr.
0.16 1.044
0.04 0.215
0.01 0.007
0.02 0.016
0.01 0.001
AVG 0.113 Au / 19.5'
0.16 0.210
0.01 0.003
0.10 0.080
0.01 0.020
0.01 0.043
0.02 0.006
0.06 0.191
0.01 0.003
0.01 0.068
AVG. 0.07 / 27'
SCALES: OVERALL 1" = 50 Ft.
DETAIL 1" = 10 Ft.
LODI METALS INC.
VANCOUVER, B. C.
REGINA BAY GOLD MINE
(NEW Mc MANUS OPTION)

r-Clegg & Company Ltd.
20 Canotek Rd.,
Ottawa, Ontario,
Canada K1J 8X5
Phone: (6[illegible]2220
Telex: 053

BONDAR-CLEGG

Certificate of Analysis

REPORT: 415-0760

PROJECT:

SAMPLE NUMBER	ELEMENT UNITS	Au O/T	Ag O/T	NOTES
R-2-01		<0.001	0.03	
R-2-02		<0.001	0.03	
R-2-03		<0.001	0.02	
R-2-04		<0.001	0.02	
R-2-05		0.047	0.02	
R-2-06		0.002	<0.01	
R-2-07		<0.001	<0.01	
R-2-08		1.044	0.16	
R-2-09		0.265	0.04	
R-2-10		0.007	0.01	
R-2-11		0.016	0.02	
R-2-12		0.001	0.01	
R-3-1		<0.001	<0.01	
R-3-2		0.002	0.02	
R-3-3		0.005	0.04	
R-3-4		<0.001	0.02	
R-3-5		0.018	0.02	
R-3-6		0.005	0.02	
R-3-7		0.016	0.01	
R-3-8		0.021	0.02	

& Company Ltd.
ak Rd.,
ntario,
K1J 8X5
) 749-2220
233

BONDAR CLEGG

Certificate of Analysis

REPORT: 415-0783

PROJECT:

SAMPLE NUMBER	ELEMENT UNITS	Au O/T	Ag O/T	NOTES
R-4-1		0.001	<0.01	
R-4-2		<0.001	<0.01	
R-4-3		0.011	<0.01	
R-4-4		<0.001	<0.01	
R-4-5		0.003	<0.01	
R-4-6		0.210	0.16	
R-4-7		0.003	<0.01	
R-4-8		0.080	0.10	
R-4-9		0.020	<0.01	
R-4-10		0.043	<0.01	
R-4-11		0.006	0.02	
R-4-12		0.191	0.06	
R-4-13		0.003	<0.01	
R-4-14		0.048	<0.01	
R-5-1		0.002	<0.01	

RESULTS OF DIAMOND DRILLING (Figs. 2, 3, & 4)

The holes drilled are summarized below:

Hole No.	Dip	AZ	Total Depth	Remarks
R - 1	-50°	245°	(237')	Test lake conductor:All granite with no shearing or values.
R - 2	-50°	210°	(124')	Test Neda shear:19.5' intercept of silicified,carbonated shear with Au values.
R - 3	-45°	245°	(251')	Test swamp depression due east of Neda shear for cross fault: No values except minor V.G.@ 126'.
R - 4	-45°	216°	(408')	Drilled under intercept in R-2: 30' zone of shearing 250' vertically below R-2. Several 5'-7' quartz veins.
R - 5	-45°	210°	(200')	Test Abraham shear 70' east of, and 50' north of R-3. No shear intercepts.
			1,220'	Total Footage

REGINA BAY

R1

North Base Line
Az 135°

0+00

REGINA MINE

WEST VEIN

MARSH LAKE

HIGHWAY 71

NEDA VEIN

R4
R2
R3
R5

ABRAHAM VEIN

Outline of Patented Claims

South Base Line
Az. 110°

SNAKE BAY

0 1000 2000 ft.

Known Veins
Possible Shear
Grid Base Lines
Diamond Drill Holes
Pits & Shafts

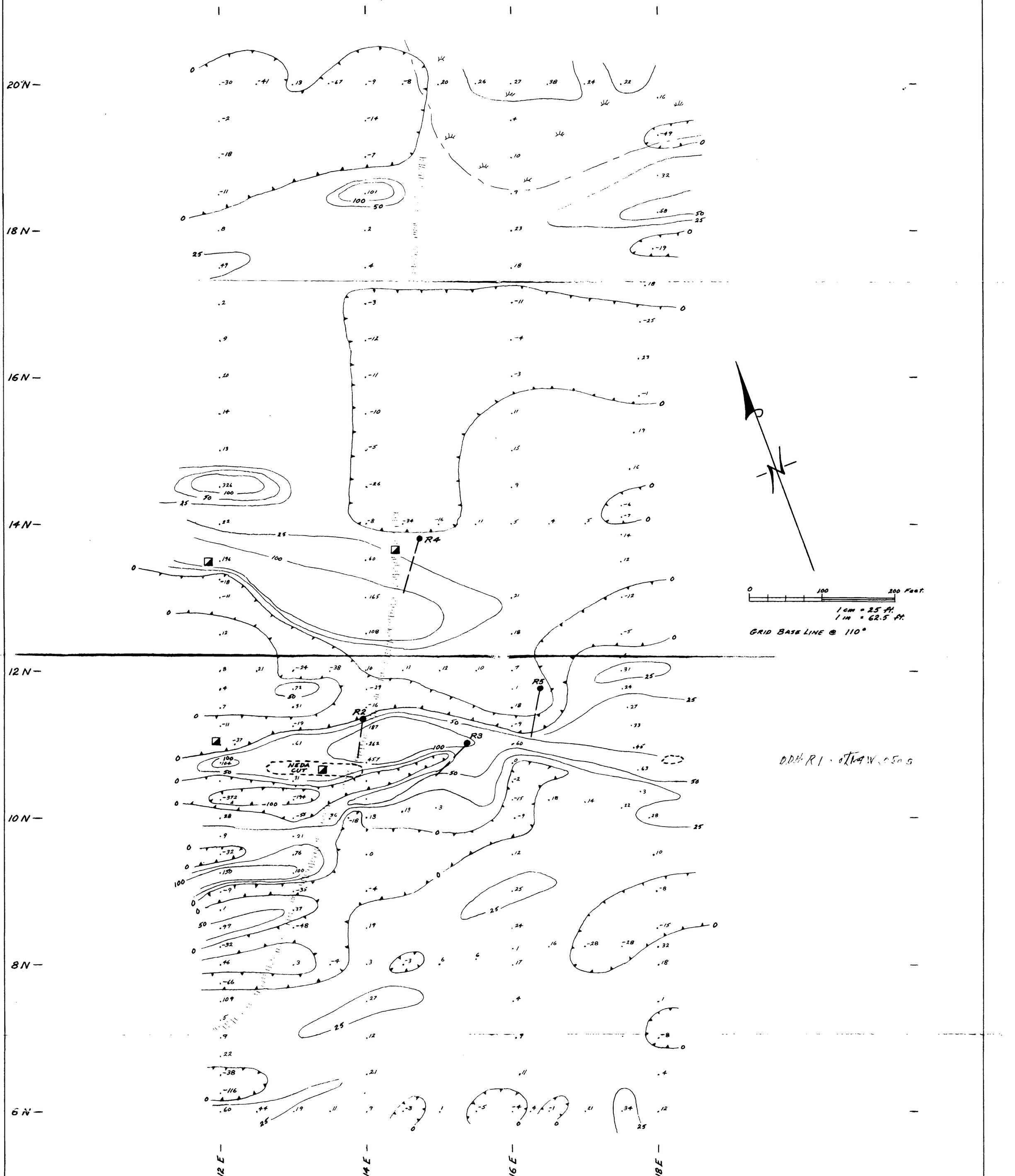
REGINA MINE AREA

SCALE 1"=660'	APPROVED BY	DRAWN BY C.R.H.
DATE Feb/86		REVISED

LOC'N BASE LINES & DDH's

DRAWING NUMBER

200



Cliffs
Swampy
Cuts & Trenches
Pits & Shafts
D.D.Hole, 1985

NEDA ZONE AREA
MAGNETIC GRADIOMETER SURV.

$\Delta\gamma = \gamma'(@\,5') - \gamma''(@\,8')$

Map prepared from H.J. Wahl, P.Eng., Maps & Field Notes.
by. C.R. Harris, P.Eng.
Feb 20, 1986.