REPORT ON THE CAT TRACK GOLD PROPERTY

SAVANT LAKE AREA, NORTHWEST ONTARIO

LOCATION:

PATRICIA MINING DIVISION,
POISSON & JUTHEN TWPS.
N.T.S.: 52J/8
LATITUDE: 50° 24' 21"N.
LONGITUDE: 90° 26' 24"W.

CLAIMS:

794695, 794696 & 794698 TO 794700
959601 TO 959610
1054188 TO 1054201
1054328

REPORT FOR:

GOLDEN PEAKS RESOURCES LTD.
1013-837 WEST HASTINGS STREET
VANCOUVER, B.C. V6C 1B6

PREPARED BY:

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PETER CHRISTOPHER AND ASSOCIATES INC.
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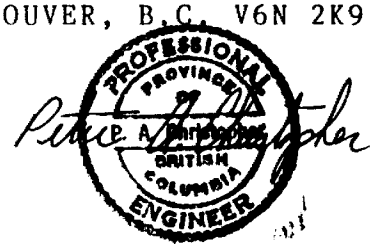
VANCOUVER, B.C. V6N 2K9



SEPTEMBER 24, 1988

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SUMMARY

The Cat Track Property, consisting of 30 recorded claims, covers about 405 ha (1000 acres) on the Southeast Bay of Savant Lake in the Patricia Mining Division, northwest Ontario. The property is situated about 26 kilometers northeast of the village of Savant Lake with Highway 599, from Ignace to Pickle Lake about 13 km west and a main logging road about 3 km southeast of the property. Summer access is best by float plane from Savant Lake with snowmobile access from nearby logging roads during the winter. Golden Peaks Resources Ltd. is presently earn 50% working interest in the property from the Arc Resources Group partnership.

The 1988 field program conducted for Golden Peaks Resources Ltd. included about 35.5 km of grid construction, geological mapping, soil geochemical survey, VLF-EM and magnetics over the grid area. A limited amount of hand trenching was completed with about 102 rock geochemical samples collected.

The property is mainly underlain by basaltic andesite, now greenstone, of the Archean Savant Lake Group with massive flows and pillow units interbedded with tuffs and iron formation. Units subparallel the Stellar Bay shear zone which trends east-northeasterly across the Cat Track Property.

The Southeast Bay gold occurrence is situated within the Stellar Bay shear zone in the eastern part of the property. Previous drilling in 1941 and 1971 yielded values up to 2.636 oz Au/ton over one foot and 0.22 oz Au/ton over 12 feet (3.66m) respectively. The writer's and Sandberg's (1988) samples generally support previous results with a 8 foot (2.44 m) section of hole 71-2 containing 4740 ppb gold (0.14 oz Au/t) and a seven foot (2.13 m) chip sample from trench 9c containing 6480 ppb gold (0.19 oz Au/t). Sandberg's sample CT-TR9C (Figure 4) gave a weighted average of 0.327 oz Au/t over 4.90 meters (16.1 feet).

The exploration program conducted for Golden Peaks Resources Ltd. provides encouragement for further exploration of iron formation units with trenching recommended for areas with anomalous gold values in soils. Sampling results obtained from trench 9c and previous drill results provide encouragement for further drilling of the Southeast Bay occurrence.

The writer recommends further success contingent, staged, exploration of the Cat Track Property. A recommended Phase 2 program of trenching and 400 meters of diamond drilling should test targets developed during the Phase I program at an estimated cost of $100,000. A contingent, Phase 3, 800 meter and Phase 4, 1200 meter diamond drill programs are estimated to cost $150,000 and $200,000 respectively.

INTRODUCTION

The Cat Track Property, consisting of 30 unpatented claims, is owned by Norontex Exploration Ltd. with Golden Peaks Resources Ltd. presently earning a 50% working interest from Arc Resource Group partnership. The writer was retained by Golden Peaks to examine the property and prepare an engineering report. A property examination was conducted by the writer and project geologist T.M. Sandberg of Cooke Geological Consultants Ltd. on August 3rd, 1988.

This report summarizes the geological setting of precious metal mineralization on the Cat Track Property, and provides recommendations for further, success contingent, staged exploration of the property.

LOCATION AND ACCESS (FIGURES 1 & 2)

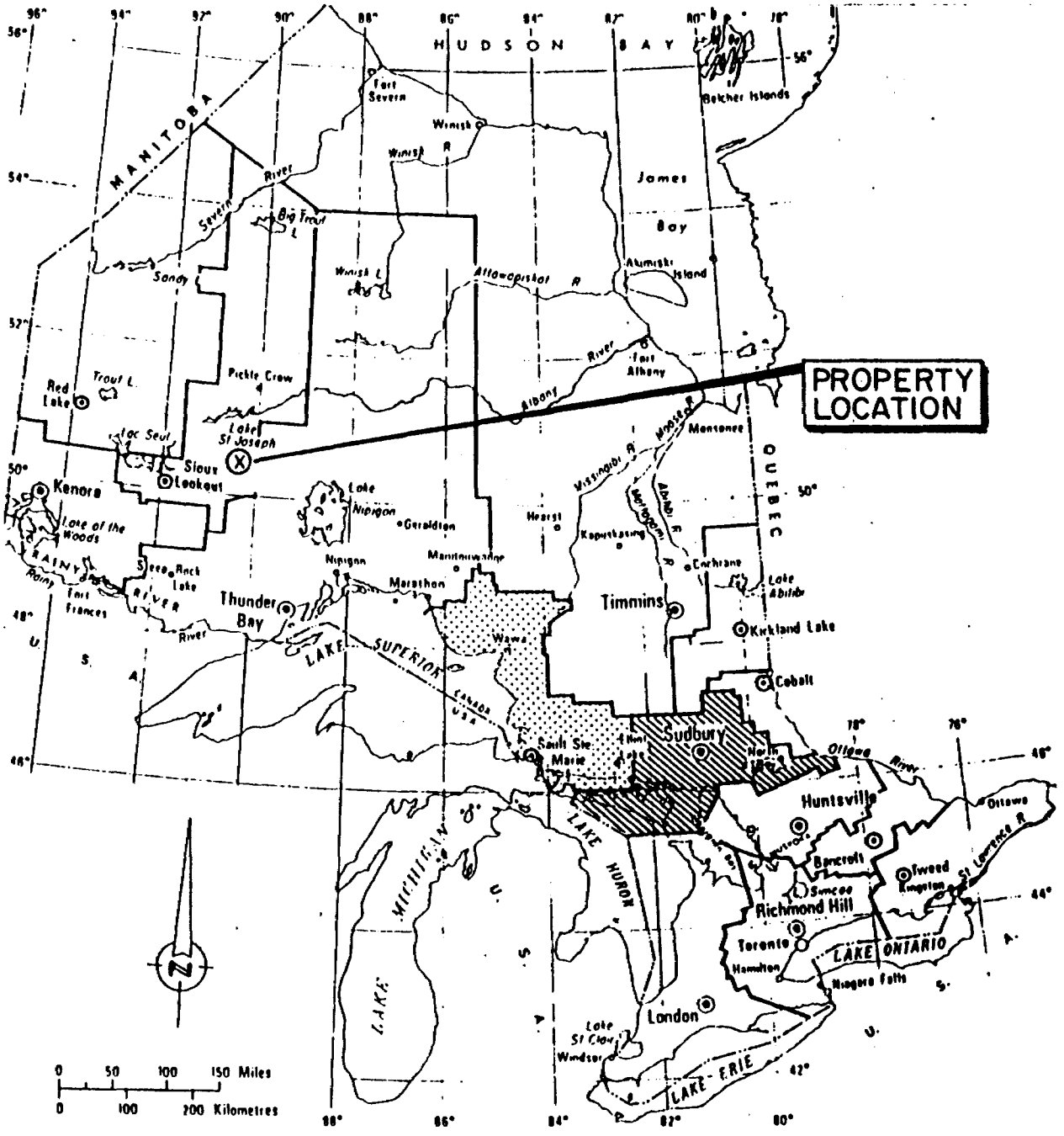
The Cat Track Property is located immediately south of the southeast bay of Savant Lake, northwest Ontario (Figure 1). The claims are center at about geographic coordinates 50°24'21"N. latitude and 90°26'24"W. longitude in map sheet NTS 52J/8. The claims are situated in the Poisson and Jutten Townships and Patricia Mining Division. Highway 599 is about 13 kms (8 miles) westerly from the property and the town of Savant Lake on the Canadian National Railway is at a distance of 26 kms (16 miles) to the southwest.

Summer access is via float equipped airplane from Savant Lake (Rusty Myers Flying Service ph. 807-584-2922) or by boat via Jutten and Savant Lakes with a 0.40 km. porterage between the two lakes. Winter access is by snowmobile or via ski equipped aircraft, however the Rusty Myers Flying Service does not operate from Savant Lake during winter months. An all weather gravel road to a Great Lakes Forestry Products camp passes about 2.4 kms (1.5 miles) south of the southeastern corner of the property.

PROPERTY DEFINITION (FIGURE 2)

The Cat Track Property consists of unpatented claims 794695, 794696, 794698 through 794700, 959601 through 959610, 1054188 through 1054201 and 1054328. The property covers about 405 ha. (1000 acres) in the Patricia Lake Mining Division, Ontario with records kept at government recording offices in Sioux Lookout and Toronto, Ontario. Claims 1054198 through 1054201 form a small block that is separated by about 1.5 km from the main block of 26 claims.

The writer examined claim posts which confirmed the location of claims 794695, 794696, 959601, and 959602 with claim locations plotted on Figure 2 after the Jutten Township (G-2874) and Poisson Township (G-2883) government claim maps. Pertinent claim data is presented in Table 1 with 1988 girds located on the claim map (Figure 2).



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

— Mining Division Boundary

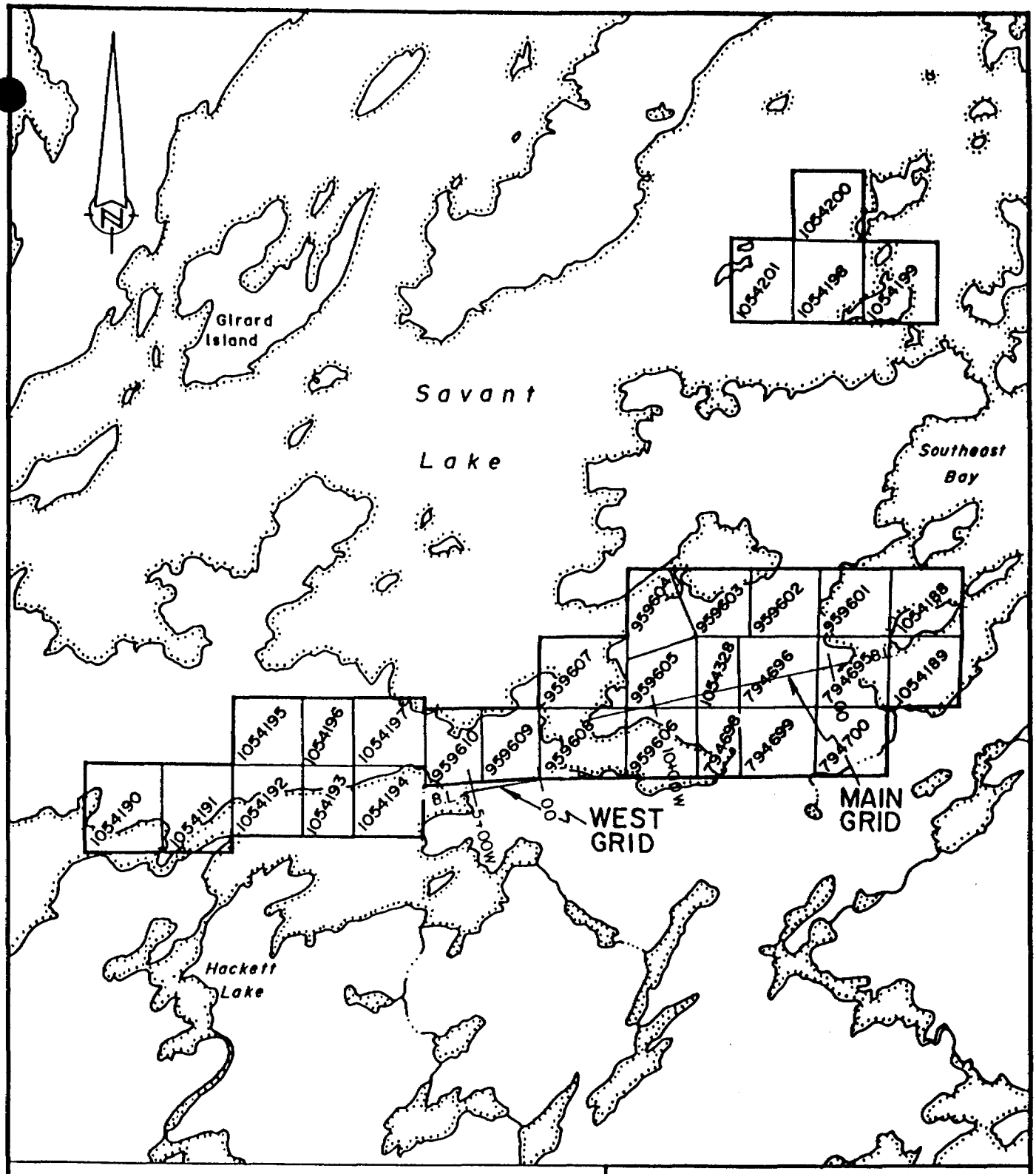
Golden Peaks Resources Ltd.

CAT TRACK PROPERTY
POISSON – JUTTEN T.P.
LOCATION MAP

PATRICIA M.D. SAVANT LAKE, ONT.

P. CHRISTOPHER and ASSOCIATES LTD.

Scale	1 : 9504 000	Drawn	T.M.S.	Figure
N.T.S.	52 J / 8	Date	Aug. 1988	1



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher

Golden Peaks Resources Ltd.

CAT TRACK PROPERTY

CLAIM MAP

PATRICIA M.D. SAVANT LAKE, ONT.

P. CHRISTOPHER and ASSOCIATES LTD.

Scale	Drawn	Figure
1" : half mile	T.M.S.	2
N.T.S. 52 J/8	Date Aug. 1988	

Table 1. Pertinent Claim Data for Cat Track Property.

Claim	Record Date	Expiry*	Staking	Recorded Owner
794695	JUNE 20/84	1988	June 14/84	J. Langulaar
794696	"	"	"	"
794698	"	"	"	"
794699	"	"	"	"
794700	"	"	"	"
959601	OCT. 27/86	"	Oct. 3/86	"
959602	"	"	"	"
959603	"	"	"	"
959604	"	"	Oct. 2/86	"
959605	"	"	Oct. 1/86	"
959606	"	"	"	"
959607	"	"	Oct. 2/86	"
959608	"	"	"	"
959609	"	"	"	"
959610	"	"	Oct. 3/86	"
1054188	July 1988	1989	June 30/88	T. Sandberg
1054189	"	"	"	"
1054190	"	"	July 11/88	"
1054191	"	"	"	"
1054192	"	"	"	"
1054193	"	"	July 12/88	"
1054194	"	"	"	"
1054195	"	"	July 11/88	"
1054196	"	"	July 12/88	"
1054197	"	"	"	"
1054198	"	"	July 19/88	"
1054199	"	"	"	"
1054200	"	"	"	"
1054201	"	"	"	"
1054328	Aug. 4/88	"	Aug. 4/88	"

HISTORY

Gold was discovered at Savant Lake at least as early as 1901. Early prospecting, mainly conducted west of Savant Lake, failed to discover significant gold, but in 1926, native gold was discovered east of Savant Lake. By the end of 1926, over 700 claims were acquired in the area.

The early history of development of the Cat Track Property is obscure, because all of the work was not filed. The earliest record is of some $ 5,000 spent on surface work in 1927. Following probable restaking of the property by Messrs. E. MacKinnon and H. Hollingsworth for Mr. Williams of Williams Refining Co., Fort Erie, in 1939, the property was known as the M.C. Williams Option. Drilling and trenching programs were conducted in 1939 and 1941 with 11 diamond drill holes totalling 328.3 m. (1,077 feet) completed. The drilling was reported in the name of Sylvanite Gold Mines Ltd.

The property appears to have remained dormant until the discovery of the Mattabi base metal deposit south of Sturgeon Lake. United Macfie Mines Limited acquired the area of present Cat Track Property and by the summer of 1971 had conducted electromagnetic and magnetic surveys. Anomalous magnetic results was interpreted to be caused by iron formation. Bond (1979) stated that, "United Macfie Mines Limited sunk three diamond-drill holes for a total of 284 m. (932 feet) in 1971.... The best assay yielded 0.22 ounces of gold per ton with a trace of silver, 0.02 percent copper, and 0.03 percent zinc over an approximate length of 3.66 m. (12 feet)." During the 1972 field season, contractor Mid-North Engineering Services Limited cleared and restripped many of the old showings. In 1975, United Macfie Mines drilled another four holes and subsequently allowed the claims to lapse.

Near Pride Lake, east of the property, Amalgamated Rare Earth explored a silicified zone. Detailed geophysical surveys, soils sampling and eight diamond drill holes totalling 654 m. (2,146 feet) were carried out. The showing was initially considered a base metal occurrence but gold values up to 0.27 oz/ton justified reclassification to a gold-base metal prospect.

The Cat Track area was restaked in 1981 and optioned to Abitibi Price Inc. who conducted ground magnetometer, VLF-EM and Max Min surveys. The claims were allowed to lapse in 1984.

In June 1984, J. Langelaar acquired six unpatented claims (79695 through 794700) and in January and February of 1986, completed magnetometer and VLF surveys over the trenched area of claim 794696 (Langelaar, 1986). In October 1986, Langelaar staked 10 additional claims (959601 through 959610). Arc Resource Group partnership acquired an option on the property in 1988 and subsequently allowed Golden Peaks Resources Ltd. to earn a 50% interest in the Arc Resource Group interest through payments and work programs. From June 20th to July 21st, 1988, contractor Cooke Geological conducted geological, geophysical and geochemical surveys over the claims for Golden Peaks Resources Ltd. (Christopher, 1988).

On August 3rd, 1988, the writer and Mr. T. M. Sandberg, project geologist for Cooke Geological, examined and sampled the Cat Track Property.

1988 WORK PROGRAM

The 1988 work program was conducted by Cooke Geological for Golden Peaks Resources Ltd. with Peter Christopher & Associates Inc. retained to prepare a qualifying engineering report and an assessment report (Christopher, 1988) on the Cat Track Property. The writer, accompanied by Mr. T.M. Sandberg B.Sc geologist, conducted an engineering examination on August 3rd, 1988. Six samples were collected from the main mineralized zone and the property location was checked.

The 1988 work program consisted of grid preparation with 4050 meters of cut baseline and 38310 meters of flagged cross lines. Magnetometer, VLF-EM and geological surveys were conducted over 31.4 line kilometers with detailed magnetics over 2.1 line kilometers

(Figure 11). A small orientation VLF-EM survey was conducted to compare results for VLF station Seattle (Figure 8) and VLF station Cutler, Maine (Figure 9).

Geochemical surveys consisted of 680 soil and 96 rock samples which were shipped to Chemex Labs Ltd. in North Vancouver for 32 element ICP and gold analyses. The writers samples were analyzed for 30 element ICP and gold by Acme Analytical Laboratories Ltd. in Vancouver, B.C.

Trench work consisted of: (1) mucking and sampling 15 old trenches, (2) constructing 4 new hand trenches with sampling of three, and (3) five old trenches were partially mucked or probed to determine if bedrock could be found. Figure 4 shows a trench plan with sample results from Sandberg's and the writer's samples.

The total cost of the 1988 work field program and reporting is in excess of $ 60,000.

GEOLOGY (FIGURES 3A & 3B)

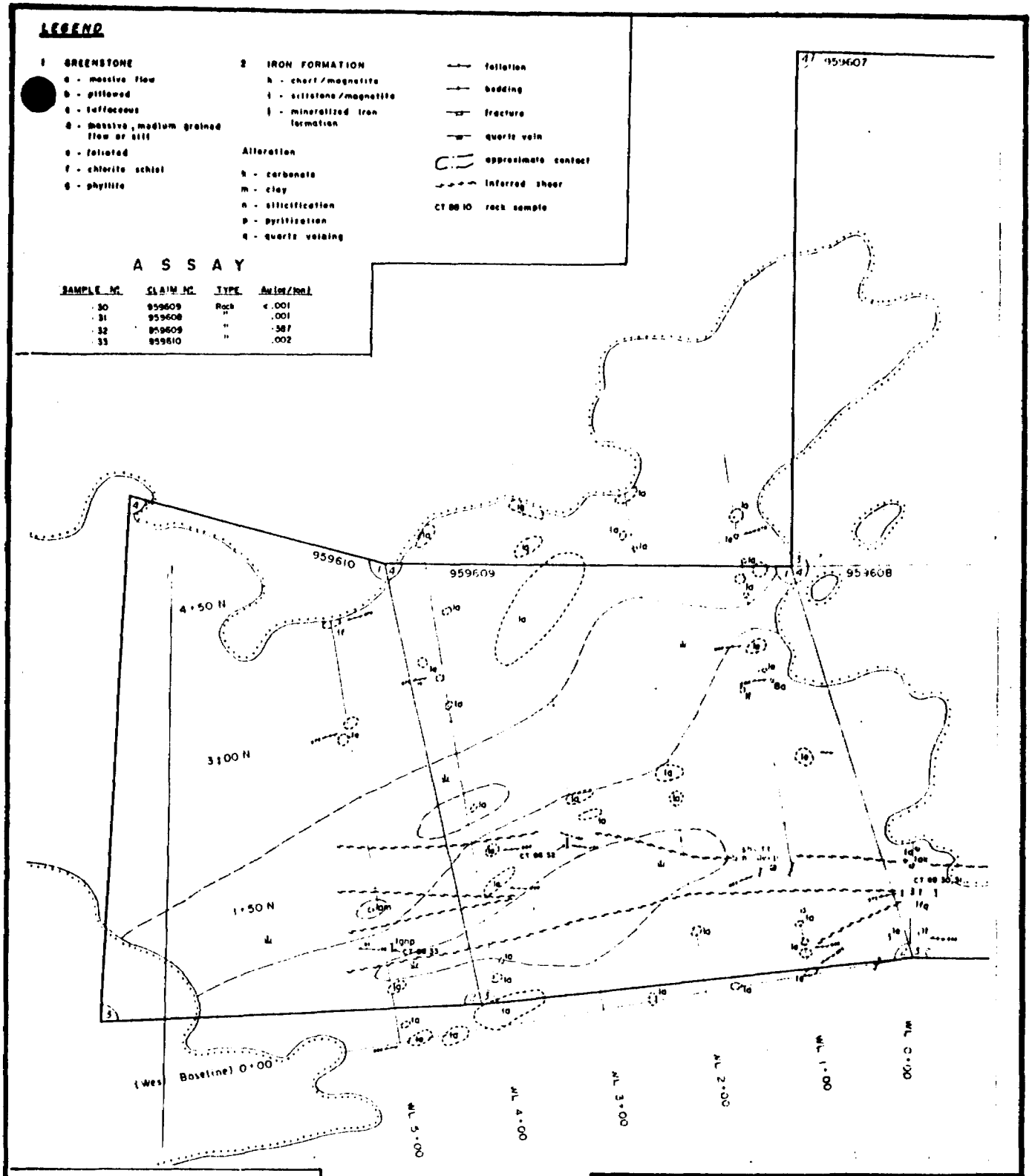
The Cat Track Property is situated in the Superior Tectonic Province which is characterized by easterly trending belts of Archean supracrustal rocks, separated by large areas of granitic rocks. Gold prospects generally lie in volcanic-rich, greenstone belts. The Cat Track Property is situated in the Wabigoon Greenstone Belt. Regional geology has been mapped by Moore (1928) and Bond (1977, 1979).

All of the rocks underlying the Jutten and Poisson Townships are of Early Precambrian (Archean) age. Mafic metavolcanics are the oldest rocks in the map area. The mafic units grade upward into intermediate to felsic metavolcanics. The Cat Track Property is underlain mainly by basaltic andesite of the Archean Savant Lake Group with massive flows and pillow units interbedded with tuffs and iron formation. A large intrusive mass is situated about 2 km southeast of the property.

The Cat Track Property has been mapped by Sandberg (1988) as shown in Figures 3A and 3B. He defined two main units: greenstone and iron formation. The greenstone unit is divided into eight mappable types: a) massive flow, b) pillowed, c) tuffaceous, d) massive, medium grained flow or sill, e) foliated, f) chlorite schist, and g) phyllite. The iron formation is divided into three types: h) chert/magnetite, i) siltstone/magnetite and j) mineralized iron formation. Alteration types distinguished included: k) carbonate, m) clay, n) silicification, p) pyritization and q) quartz veining.

Sandberg (1988) found that pillow units are generally easily recognizable, and provide good stratigraphic markers with lateral continuity of several hundred meters. They define the stratigraphy as subparallel to the Stillar Bay shear zone which trends about 60° to 70° with steep to vertical dips.

Iron formation crop out in several locations on the property and is characteristic of auriferous mineralized zones (Figure 4). The iron formation is detectable by magnetometer which shows a broad fold in the southeast part of the property.


LEGEND
1 GREENSTONE
a - massive flow
b - pillowed
c - tuffaceous
d - massive, medium grained flow or sill
e - foliated
f - chlorite schist
g - phyllite
2 IRON FORMATION
h - chert/magnetite
i - siltstone/magnetite
j - mineralized iron formation
Alteration
k - carbonate
m - clay
n - silicification
p - pyritization
q - quartz veining
foliation
bedding
fracture
quartz vein
approximate contact
inferred shear
CT 88 10 rock sample
ASSAY
SAMPLE NO. CLAIM NO. TYPE Au(oz/ton)
30 959609 Rock <.001
31 959608 " .001
32 959609 " .387
33 959610 " .002
959610
959609
959608
4+50 N
3+00 N
1+50 N
(West Baseline) 0+00
ML 5+00
ML 4+00
ML 3+00
ML 2+00
ML 1+00
ML 0+00
704700 tag number
claim post and claim line
property boundary
grid line
swamp or muskeg
trench
drill hole
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher
N
GOLDEN PEAKS RESOURCES LTD.
CAT TRACK PROPERTY
GEOLOGY
WEST GRID
POISSON-JUTTEN TWP.
N.T.S. 52J-8 PATRICIA M.D., ONT.
0 100 200 300 metres
P. A. CHRISTOPHER & ASSOCIATES LTD.
SCALE: AS SHOWN SEPT. 1988 FIG. 3B

CHONG

The property is structurally complex with ground preparation for mineralizing solution provided by folding, faulting and shearing. Folding is indicated by tight chevron kinks in iron formation, broader kinks in pillow units, and broad curves in the magnetometer trace of the iron formation. Fold axes have been defined by Sandberg (1988) as generally vertical to steep northeasterly plunging.

The Stillar Bay shear zone constitutes a broad regional, east-northeast, trending shear zone up to 200 meters wide. Rocks within the zone are foliated and schistose. The main mineralized zone has been described as chloritic shear zone hosted (Bond, 1979) and intersections of sericite schist have been described by van Enk (1985) as occurring in drill hole #14.

MINERALIZATION

Quartz veins in the Savant Lake area are reported to carry sericite, carbonate, pyrrhotite, marcasite, pyrite, arsenopyrite, galena, sphalerite, chalcopyrite, and in places tourmaline and visible gold. The setting is similar to the quartz veins with iron formation at the Pickle Crow Mine near Pickle Lake. The model used to guide exploration is similar to that at Pickle Crow with silica and gold introduced along shear zones. When solutions encounter magnetite bearing iron formation, oxidation occurs with magnetite converting to iron sulphide and gold precipitating with quartz. The deposits are combined vein and replacement types.

The mineralized zone (Southeast Bay Occurrence) in the main trenches on the Cat Track Property (Figure 4) consists of a silicified zone enclosed within schistose volcanic rocks. Although the mineralized zone is nearly vertical, the north side has commonly been referred to as the hanging wall. Sandberg (1988) suggests that, "The footwall commonly consists of phyllite or sericite schist which probably represents metamorphosed clay alteration and gouge while the hanging wall generally consists of chlorite schist, which probably represents metamorphosed propylitic alteration."

The following description of the Southeast Bay occurrence is quoted from Bond (1979): "Essentially the test pits are characterized by a series of discontinuous quartz and carbonate veins and silicified volcanic rocks that are locally mineralized, and hosted in a chloritic shear zone located between mafic metavolcanic pillow lavas and flows. The quartz and silicified veins are locally folded and contorted as shown in Figure 6. In trench number 7, the silicified veins average 15cm (6 inches) in width, but are up to 50cm (20 inches) across. The widest quartz vein observes was 1m (3.5 feet) wide. Individual quart and silicified veins have observed maximum length of 9m (30 feet). The shear zone varies in direction from N65°E in the western test pits to N80°E in its eastern flanks, and dips from vertical to 80° north. Locally, the dip varies to 85°S due to the dip of the intruded quartz veins. The main mineralized, silicified zone varies along strike but is up to 4.6m (15 feet) wide. Mid-North Engineering Services Limited extended the stripping southeast of Trench No. 8, and the shear zone is at least 120m (400 feet) wide at that point. Iron formation is shown to occur as a band in the long thin test pit to the north of Trenches 12, 13, 14..." Bond (1979) reported that the best assay from

United Macfie Mines Limited 1971 drilling as: "0.22 ounce of gold per ton with a trace of silver, 0.02 percent copper, and 0.03 percent zinc over an approximate length of 3.66m (12 feet). An intersection of 2.636 oz Au/ton over one foot was reported by Van Enk (1985) to have been obtained from hole number 5.

Rock sampling of the main, Southeast Bay occurrence was carried out by Sandberg (1988) with six check samples collected by the writer. Rock geochemical results is summarized on Figure 4 and in Table 2 and Table 3.

Table 2. Description of Sample Collected by P.A. Christopher (8/3/88).

SAMPLE #	TYPE	LOC.	DESCRIPTION
59267	SPLIT CORE	71-2(72-74')	CARBONATE IRON FORMATION WITH MAGNETITE
59268	SPLIT CORE	71-2(75-83')	SILICEOUS AND PYRITIC IRON FORMATION WITH MAGNETITE; 1% ARSENOPYRITE
59269	2.13m. Chip	TRENCH 9c	3' QTZ. VEIN WITH SILICEOUS PYRITIC IRON FORMATION; WEAKLY MAGNETIC
59270	1.52m. Chip	TRENCH 3	2' MASSIVE QUARTZ & 3' SILICEOUS IRON FORMATION
59271	1.22m. Chip	TRENCH 10	CHALCOPYRITE Tr, ARSENOPYRITE <1%, PYRITE 5% IN SILICEOUS IRON FORMATION
59272	1.22m. Chip	TRENCH 14	CHALCOPYRITE 0.1%, PYRITE 3-5% WITH QUARTZ VEIN AND SILICEOUS SULPHIDE IRON FORMATION.

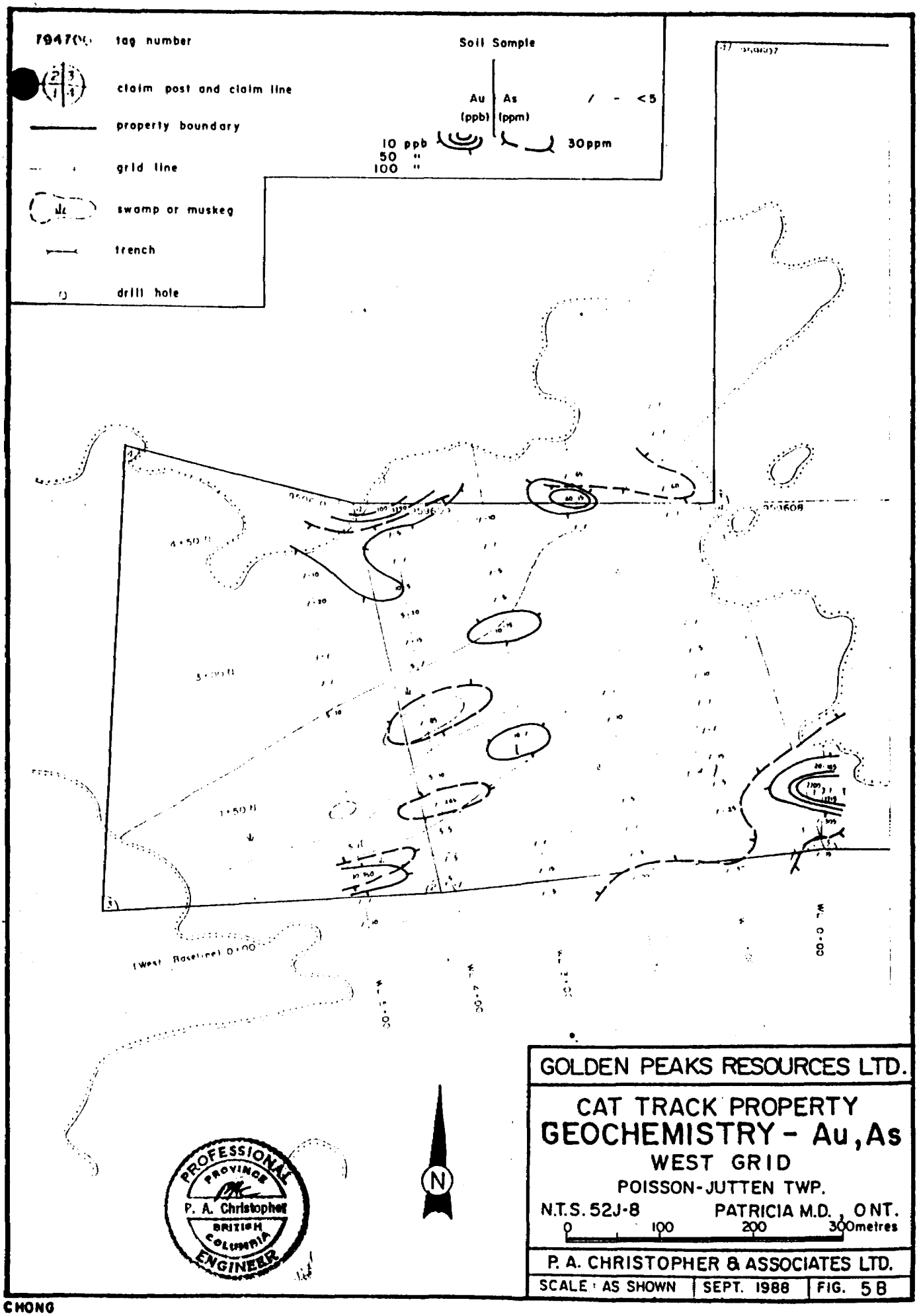
Table 3. Sample Result Summary.

SAMPLE #	TYPE	WIDTH METERS	Au PPB	Ag PPM	Zn PPM	As PPM	Cu PPM
59267	Core	0.61	325	0.4	46	3370	113
59268	Core	2.44	4740	0.8	56	903	125
59269	Chip	2.13	6480	1.1	297	396	368
59270	Chip	1.52	2490	0.7	417	600	326
59271	Chip	1.22	1160	0.3	1050	103	136
59272	Chip	1.22	1730	1.0	1033	94	629

The writer's and Sandberg's (1988) samples generally support previous results with a 8 foot (2.44 m) section of hole 71-2 containing 4740 ppb gold (0.14 oz Au/t) and a seven foot (2.13 m) chip sample from trench 9c containing 6480 ppb gold (0.19 oz Au/t). Sandberg's sample CT-TR9C gave a weighted average of 0.327 oz Au/t over 4.90 meters (16.1 feet).

GEOCHEMICAL PROGRAM

A geochemical program consisted of 680 soil samples which were collected at chained and flagged stations in the main grid and west grid areas (Figure 2). Samples were collected 15 or 30 meter intervals from the B horizon at about 25 cm, placed in kraft sample bags, dried and shipped to Chemex Labs Ltd. in Vancouver for 32


7947(N) tag number
claim post and claim line
property boundary
grid line
swamp or muskeg
trench
drill hole
Soil Sample
Au (ppb) | As (ppm) / - <5
10 ppb
50 "
100 "
30ppm
(West Baseline) 0+00
PROFESSIONAL ENGINEER
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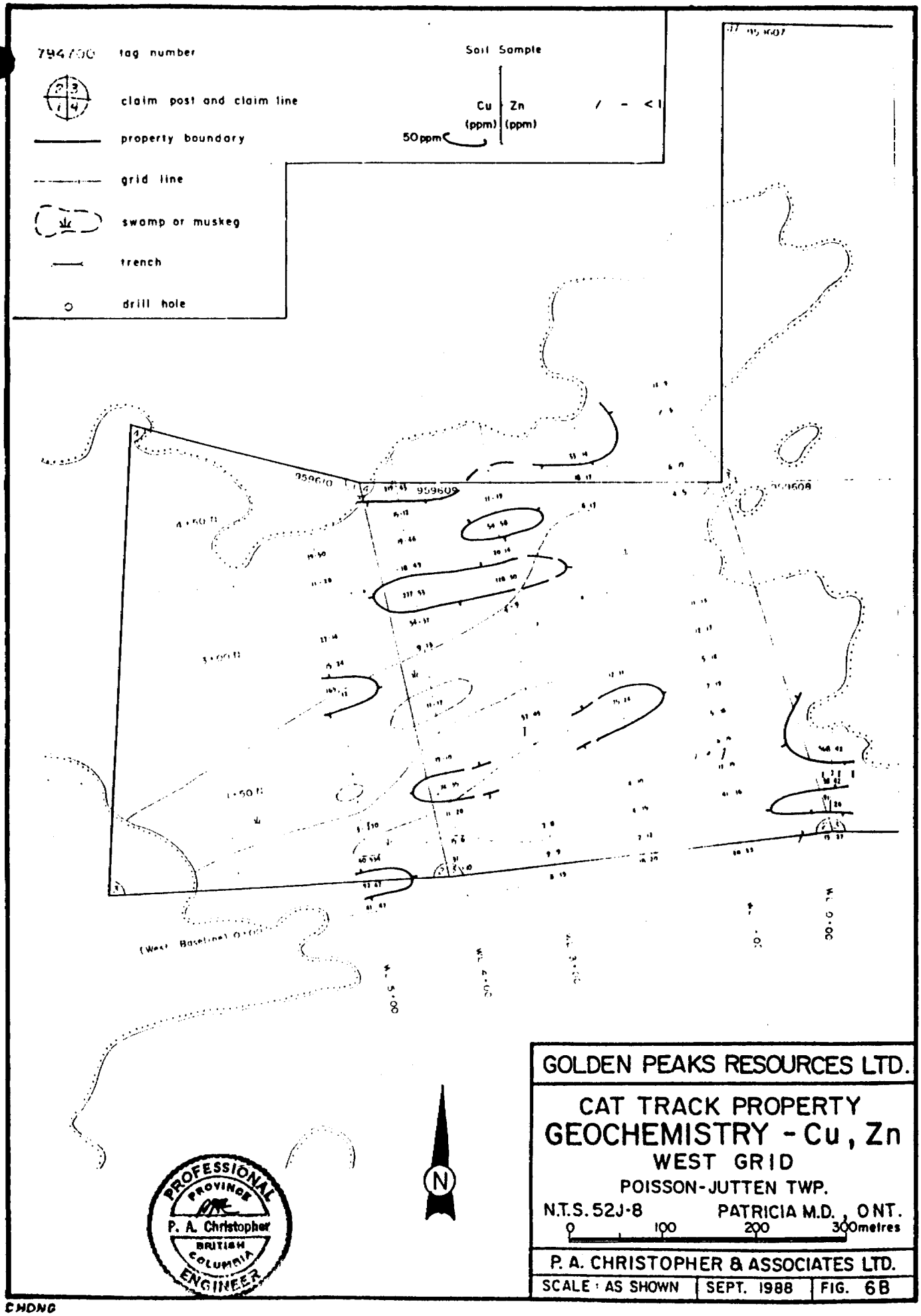
N
GOLDEN PEAKS RESOURCES LTD.
CAT TRACK PROPERTY
GEOCHEMISTRY - Au, As
WEST GRID
POISSON-JUTTEN TWP.
N.T.S. 52J-8 PATRICIA M.D. ONT.
0 100 200 300metres
P. A. CHRISTOPHER & ASSOCIATES LTD.
SCALE: AS SHOWN
SEPT. 1988
FIG. 5B

CHONG


794700 tag number
claim post and claim line
property boundary
grid line
swamp or muskeg
trench
drill hole
Soil Sample
Cu (ppm) | Zn (ppm)
/ - <1
50ppm
959610
959609
959608
(West Baseline) 0+00
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. A. Christopher
N
GOLDEN PEAKS RESOURCES LTD.
CAT TRACK PROPERTY
GEOCHEMISTRY - Cu, Zn
WEST GRID
POISSON-JUTTEN TWP.
N.T.S. 52J-8
PATRICIA M.D., ONT.
0 100 200 300metres
P. A. CHRISTOPHER & ASSOCIATES LTD.
SCALE: AS SHOWN
SEPT. 1988
FIG. 6B

CHONG

element ICP and gold geochemical analyses. Results for gold and arsenic are plotted on Figures 5 (A,B) and results for copper and zinc are plotted on Figures 6 (A,B). Analytical results and statistical treatment of selected elements is included as Appendix A to the assessment report (Christopher, 1988).

A total of 96 rock samples were collected to check the main zone (Figure 4) and mineralized and altered areas in other parts of the property (Figures 3A and 3B). The writer collected six samples to check previously reported values (Appendix A; Figure 4; Tables 2 & 3).

Results

Gold values in soils range from 2 to 7700 ppb with a mean value of 16 ppb. Gold values were contoured at 10, 50 and 100 ppb levels. The strongest response of 7700 ppb is from a trenched area on line 0+00 in the west grid with a value of 100 ppb at the north end of line 4+00W. An anomalous trend follows the east-northeast trend of the Southeast Bay occurrence in the main grid with values up to 375 ppb gold. Several anomalous gold values to 65 ppb occur with a magnetic anomaly in the southeast part of the main grid. The anomalous results in this area may reflect a gold bearing layer of iron formation.

Arsenic values in soils varied from a minimum value of 2 ppm to a maximum value of 1790 ppm. Arsenic values were contoured at the 30 ppm level. Values of 1715 ppm and 1790 ppm occur in the west grid with the anomalous gold values of 7700 ppb and 100 ppb, respectively. The anomalous arsenic generally occurs with anomalous gold but arsenic has a more restricted distribution.

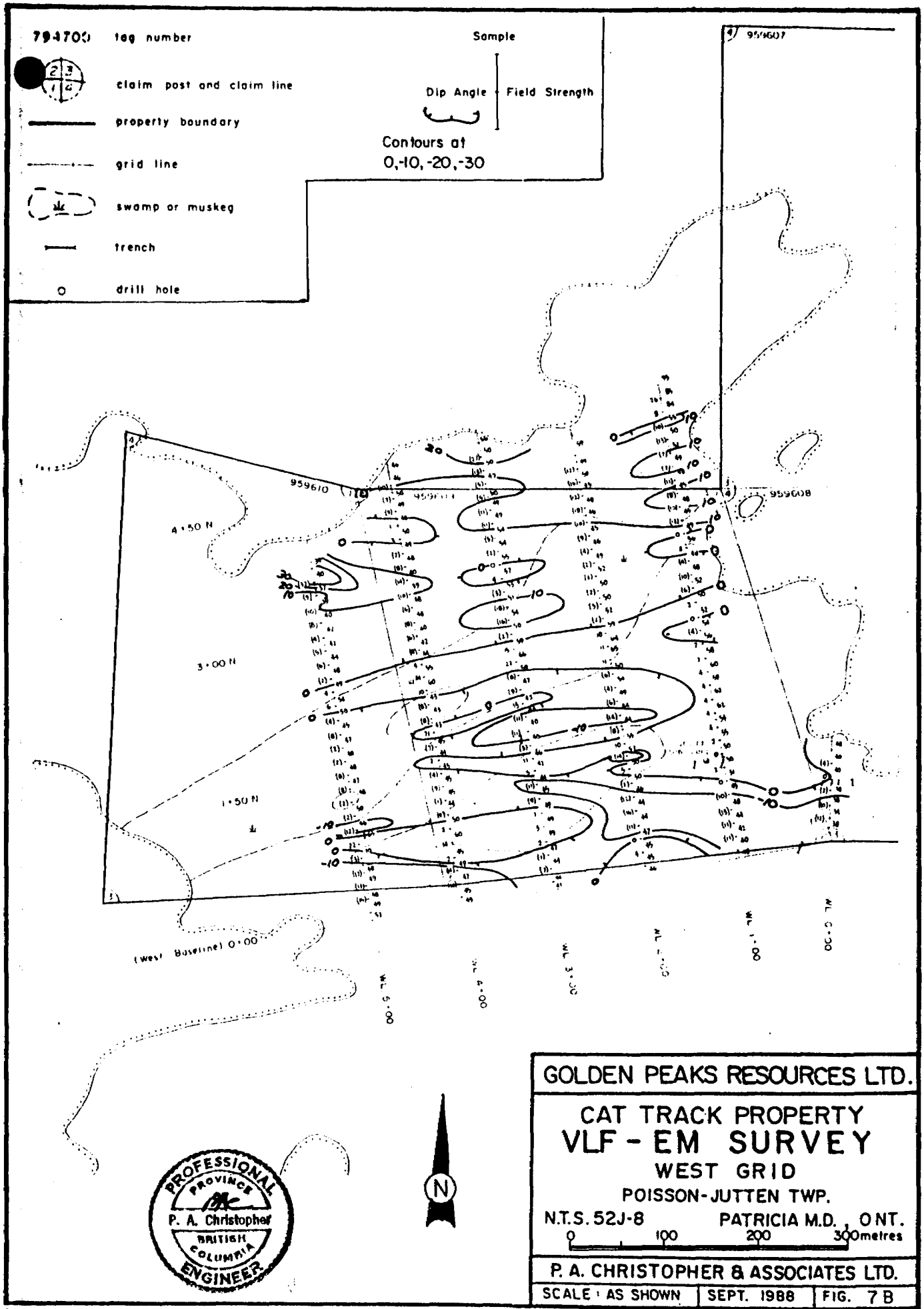
Copper values varied from 0.5 ppm to 568 ppm with values above 50 considered of interest and contoured on Figures 6A and 6B at the 50 ppm level. The strongest copper response was generally found in the west grid area with a number of anomalous values also concentrated in the westerly part of the Southeast Bay occurrence area. The main trenched zone (ie. Figure 4) had low copper and zinc response.

Zinc values varied from 0.5 to 534 ppm with only two values over 150 ppm considered anomalous and the strongest values of 534 ppm from a swampy area of line 5+00W in the west grid.

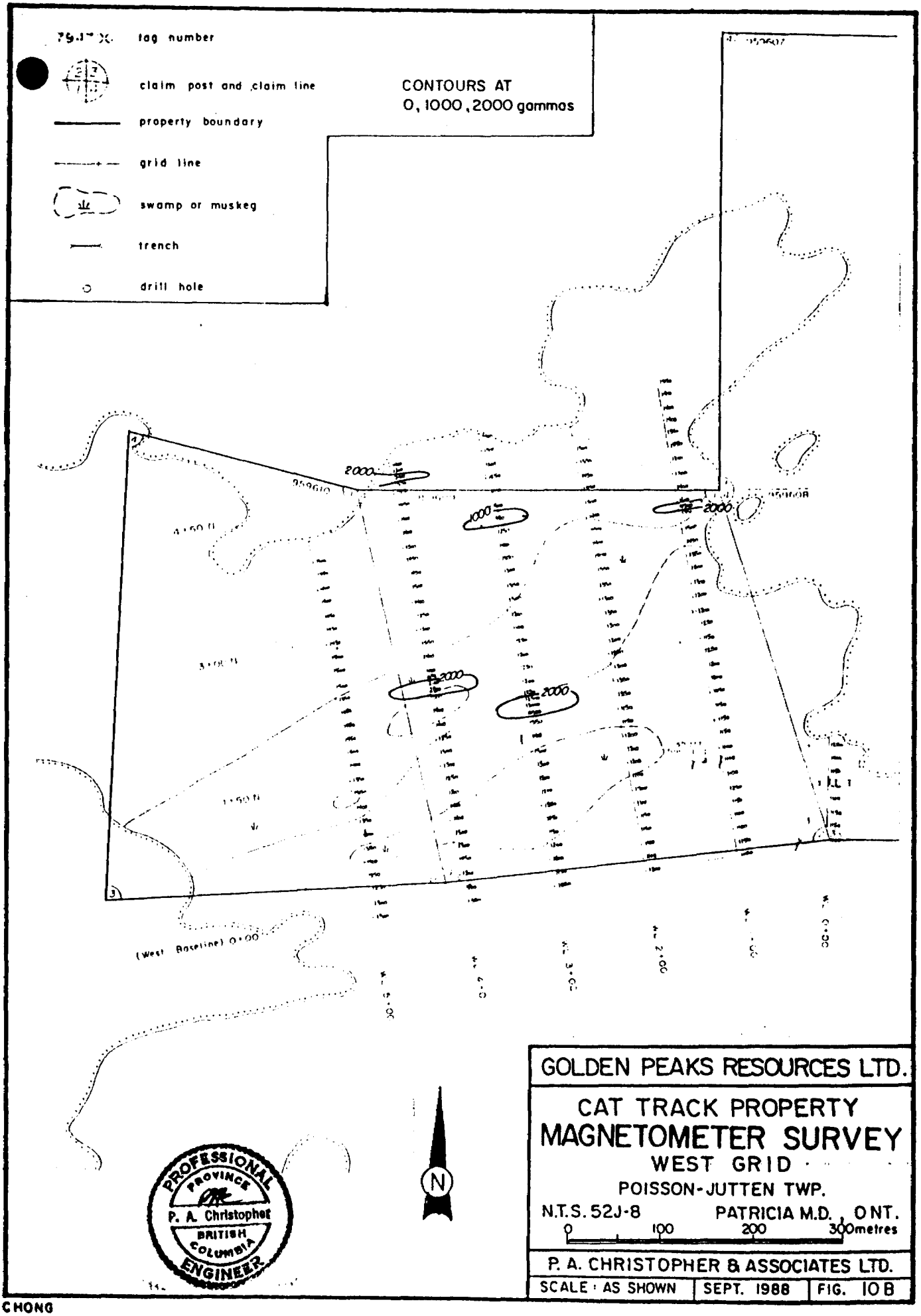
GEOPHYSICAL PROGRAM

Magnetometer (Figure 10 (A,B)) and VLF-EM surveys (Figure 7 (A,B)) were conducted over 31.4 line kilometers with a detailed magnetic survey over 2.1 line kilometers covering the Southeast Bay occurrence (Figure 11). A small VLF-EM orientation survey was conducted over part of the Southeast Bay occurrence to compare results using signals from Seattle (Figure 8) and Cutler, Maine (Figure 9). Since Seattle gave a better signal and had a better orientation relative to expected conductors, it was used for the property wide survey.

The magnetic survey employed a Scintrex MF-1 Fluxgate Magnetometer with a base station at L0+00W, 0+00N. Readings were collected at 15 meter intervals, corrected for diurnal variation and plotted on Figure 10(A,B). Magnetic readings varied from -3000 gammas to 24,000 gamma with the extreme magnetic relief caused by banded, magnetite bearing,


794703 tag number
claim post and claim line
property boundary
grid line
swamp or muskeg
trench
drill hole
Sample
Dip Angle
Field Strength
Contours at
0,-10,-20,-30
959607
959610
959608
4+50 N
3+00 N
1+50 N
(west Baseline) 0+00
PROFESSIONAL ENGINEER
PROVINCE
P. A. Christopher
BRITISH COLUMBIA
N
GOLDEN PEAKS RESOURCES LTD.
CAT TRACK PROPERTY
VLF - EM SURVEY
WEST GRID
POISSON-JUTTEN TWP.
N.T.S. 52J-8
PATRICIA M.D., ONT.
0 100 200 300 metres
P. A. CHRISTOPHER & ASSOCIATES LTD.
SCALE : AS SHOWN
SEPT. 1988
FIG. 7B

CHONG



GOLDEN PEAKS RESOURCES LTD.

CAT TRACK PROPERTY
MAGNETOMETER SURVEY
WEST GRID

POISSON-JUTTEN TWP.

N.T.S. 52J-8 PATRICIA M.D., ONT.

0 100 200 300 metres

P. A. CHRISTOPHER & ASSOCIATES LTD.

SCALE : AS SHOWN	SEPT. 1988	FIG. 10B

CHONG

iron formation. The magnetic survey suggests that the Southeast Bay occurrence is associated with lean iron formation with magnetite partially converted to sulphides. Two strongly magnetic bands occur northwest of the Southeast Bay occurrence.

The VLF-EM survey was conducted with a Saber-27 unit employing the the Seattle signal at 24.8 KHz. Readings were collected at 15 meter intervals with field strength and contoured, filtered dip angles presented in Figure 7(A,B). The VLF-EM survey suggests that conductors are stratabound. The contoured filtered data shows that a number of the magnetic anomalies are also conductors.

DISCUSSION

The Cat Track Property covers a belt of Archean greenstone with contained iron formation and gold bearing, siliceous shear zones. The property has been explored in the past with trenching and limited, shallow, diamond drilling that has provided encouraging results. Visible gold was reportedly (Bond, 1979) intersected in 1941 holes 5 and 12 with grades up to 2.636 oz Au/ton over one foot reported for hole 5. A 1971 hole drilled by United Macfie Mines is reported (Bond, 1979) to have intersected 0.22 oz Au/ton over about 3.66m (12 feet). Surface sampling by Sandberg (1988) in trench 9c has yielded 0.327 oz Au/ton over 4.90m (16.1 feet). The Southeast Bay occurrence requires further testing to evaluate previously reported intersection with excellent gold grade or visible gold. The Phase 2 drill program should define targets for deeper drill tests. Care must be taken to insure good core recovery within the mineralized shear zone.

Reconnaissance soil sample in the southern part of the main grid resulted in gold soil anomalies to 65 ppb with associated magnetic trends that suggest folded iron formation. The southern part of the main grid area should be soil sampled in detail to define targets for trenching and possibly drilling.

The area north of the Southeast Bay zones has two main strongly magnetic bands which require further evaluation with an initial trenching program. Zones with intersections of shears and iron formation are considered the best prospecting area.

In the west grid area, isolated strong gold in soil values of 7700 ppb and 100 ppb require field examination to determine if further exploration is justified.

CONCLUSIONS AND RECOMMENDATIONS

The Cat Track Property contains an iron formation related gold occurrence in greenstone of the Pickle Crow Type (Ferguson, 1966). Detailed geological, geophysical and geochemical surveys conducted for Golden Peaks Resources Ltd. have indicated a number of possible bands of iron formation and several additional gold in soil anomalies. Previous drill tests of the Southeast Bay occurrence have produced a number of encouraging intersections that justify further drill testing.

The writer recommends further success contingent, staged, exploration of the Cat Track Property. A recommended Phase 2 program of trenching and 400 meters of diamond drilling should test targets developed during the Phase I program at an estimated cost of $100,000. A contingent, Phase 3, 800 meter and Phase 4, 1200 meter diamond drill programs are estimated to cost $150,000 and $200,000 respectively.

COST ESTIMATES

Phase 2. Geochemical, Trenching and Diamond Drilling.

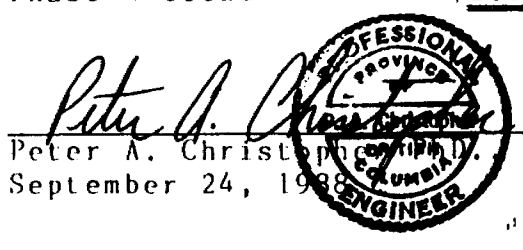
Mobilization	$ 6,000
Supervision	10,000
Geochemical Survey	5,000
Trenching	7,000
Diamond Drilling 400 meters @ $100ea.	40,000
Geochemical Costs	8,000
Transportation & Shipping	4,000
Reporting Cost	5,000
Contingency & Management	15,000
Phase 2 Total	$100,000

Phase 3. Trenching and Drilling (Contingent)

Mobilization	$ 8,000
Supervision & Engineering	18,000
Trenching	6,000
Diamond Drilling 800 meters @ $ 95ea.	76,000
Geochemical Costs	5,000
Transportation & Shipping	6,000
Reporting Cost	6,000
Contingency & Management	25,000
Phase 2 Total	$150,000

Phase 4. Road Construction and Diamond Drilling (Contingent)

Mobilization	$10,000
Road Access	20,000
Supervision & Engineering	25,000
Diamond Drilling 1200 meters @ $80ea.	96,000
Geochemical Costs	7,000
Transportation & Shipping	7,000
Reporting Costs	6,000
Contingency & Management	29,000
Phase 4 Total	$200,000



Peter A. Christopher, Ph.D., P.Eng.
September 24, 1988

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van Enk, R.J., 1986. Cat Track Gold Property. report for Norontex Exploration Ltd. dated Jan. 23, 1986.

CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.

3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.

4) I have been practising my profession as a Geologist for over 20 years.

5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Golden Peaks Resources Ltd.

6) I have based this report on previous exploration experience on Archean Gold Deposits, a review of government and company reports listed in the bibliography, a field examination conducted by me on August 3, 1988 and an exploration program conducted for Golden Peaks Resources Ltd. in June and July of 1988.

7) I consent to the use of this report by Golden Peaks Resources Ltd. for any Filing Statement, Statement of Material Facts, Prospectus, or Assessment Work.

Peter A. Christopher, Ph.D., P.Eng.
Peter Christopher & Associates Inc.
September 24, 1988

Peter Christopher & Associates Inc.
GEOLOGICAL & EXPLORATION SERVICES
3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

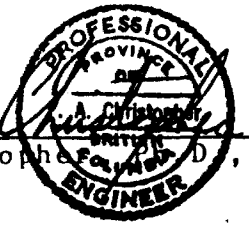
September 24, 1988

Golden Peaks Resources Ltd.
1013 - 837 West Hastings Street
Vancouver, British Columbia

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated September 24, 1988 on the Cat Track Property, Patricia Mining Division, Northwestern Ontario, in any Filing Statement, Statement of Material Facts, Prospectus or for Assessment Work.

Dated at Vancouver, British Columbia, this 24th day of September, 1988.



Peter A. Christopher, Ph.D., P.Eng.

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

GEOCHEMICAL ANALYSIS CERTIFICATE

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

DATE RECEIVED: AUG 4 1988 DATE REPORT MAILED: Aug 15/88 ASSAYER. C. Leong ..D.TOYE OR C.LEONG, CERTIFIED B.C. ASSAYERS

PETER A. CHRISTOPHER PROJECT CAT TRACK File # 88-3273

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au** PPB
E 59267	1	113	3	46	.4	8	7	1803	12.17	3370	5	ND	1	23	1	2	2	25	6.55	.045	2	13	1.69	5	.01	2	.71	.01	.04	4	325
E 59268	1	125	4	56	.8	10	9	1419	11.25	903	5	5	2	24	1	2	2	28	5.10	.032	2	9	1.26	2	.01	2	.60	.01	.02	3	4740
E 59269	6	368	8	297	1.1	21	23	871	12.91	396	5	11	1	1	1	2	2	42	.26	.024	3	14	1.19	6	.01	8	1.96	.01	.02	9	6480
E 59270	2	326	7	417	.7	38	49	1574	9.42	600	5	2	1	15	1	2	2	35	3.21	.024	3	23	1.47	6	.01	2	1.25	.01	.04	1	2490
E 59271	2	136	4	1050	.3	26	14	1205	7.22	103	5	2	1	15	6	2	2	26	4.64	.023	2	19	1.69	5	.81	5	1.14	.01	.04	1	1160
E 59272	2	629	6	1033	1.0	65	41	1163	6.76	94	5	7	1	12	4	2	2	11	4.21	.012	2	10	.58	5	.01	10	.51	.01	.04	1	1730
STD C/AU-R	17	57	39	132	6.6	67	28	1055	4.03	42	18	7	36	47	17	16	19	56	.48	.090	38	56	.90	173	.06	33	1.94	.06	.14	11	520