DATE PERFORMED: JULY 18-21, 1991
DATE FILED: OCTOBER 15, 1991
LOCATION: LAT.: 61'33"N
         LONG.: 132'42"W
VALUE $: 2,800
CLAIM NAME & NO.: TERN 1-28

WORK DONE BY: DIGHEM SURVEYS; D.L. MCCONNELL
WORK DONE FOR: PACIFIC COMOX RESOURCES LIMITED

DATE TO GOOD STANDING:

REMARKS: DIGHEM CONDUCTED AN AIRBORNE MAG/VLF SURVEY OVER THE TERN PROPERTY IN AN EFFORT TO DETECT ZONES OF CONDUCTIVE MINERALIZATION. SEVERAL ANOMALOUS FEATURES WERE DETERMINED FROM THE SURVEY. 22 LINE KILOMETERS OF SURVEY WERE FLOWN ON THE TERN GROUP.
**TRANSMITTAL FORM**

From: Mining Recorder at: Watson Lake

To: Regional Manager, Mineral Rights at Whitehorse, Y.T.

**Action are:**
- NEW APPLICATION FOR PLACER LEASE TO PROSPECT
- RENEWAL APPLICATION PLACER LEASE TO PROSPECT
- AFFIDAVIT OF EXPENDITURE ON PLACER LEASE
- SECURITY DEPOSIT
- FINANCIAL ABILITY
- ASSIGNMENT OF PLACER LEASE NO.
- GROUPING APPLICATION UNDER SEC. 52(2) PLACER MINING ACT.
- DIAMOND DRILL LOGS
- QUARTZ ASSESSMENT REPORT

**Quartz Assessment Report**

- **Type of report:** VLF-EM
- **Submitted by:** Pacific Comal
- **Claims:** TERN 1-28
- **Claim sheet no.:** 105-F-10
- **Cts. Work performed on:** TERN 1-28 YB33282 YM33289
- **Date req. for ren. application:** Sep 03, 2800.00

**Signature**

**REPLY ACTION**

Date returned

Date 29/91

M.R. file no.

R.M.M.R. file no.

Date forwarded 16 Oct 1991

**OFFICE OF THE REGIONAL MANAGER**

**MINERAL RIGHTS**

**YUKON TERRITORY**

**WHITEHORSE**
INTRODUCTION

The enclosed report covering a helicopter mounted magnetometer and VLF-EM survey conducted by Dighem Surveys & Processing Inc. of Mississauga, Ontario is submitted as received. The survey covered Pacific Comox' TAY-LP project as well as the TERN Claim Group. Survey data supplied with this report is only for the Tern Claim Group.

CLAIM OWNERSHIP

<table>
<thead>
<tr>
<th>CLAIM NAMES</th>
<th>RECORD NUMBERS</th>
<th>RECORD DATE</th>
<th>REGISTERED OWNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>TERN 1-28</td>
<td>YB33262 - YB33289</td>
<td>July 25</td>
<td>Donald Graham Moore</td>
</tr>
</tbody>
</table>

SURVEY COSTS

Survey costs submitted with "Application for a Certificate of Work" dated July 20, 1991 included Dighem costs of $27,725 as the firm contract price plus $3,540 in extra survey costs attributed to TERN and RAM SE for a total of $31,365.

The Dighem invoice included with this report amounts to $31,239 plus $436.73 GST for a total of $31,675.73.

Dighem has not yet supplied us with reproducible copies of the survey maps.

PACIFIC COMOX RESOURCES LTD.

J.C. Stephen, President
DIGHEM MAGNETICS/VLF SURVEY
FOR
PACIFIC COMOX RESOURCES LTD.
TAY-LP PROJECT
TERN CLAIM GROUP

NTS 105 F/7,10

DIGHEM SURVEYS & PROCESSING INC.
MISSISSAUGA, ONTARIO
September 12, 1991

A1113SEPT.92R
SUMMARY

This report describes the logistics and results of a DIGHEM airborne geophysical survey carried out for Pacific Comox Resources Ltd. over the TAY-LP Project area, near Ross River, Yukon Territory. Coverage of the main survey block amounted to 545 km. Additional flying of three smaller test blocks amounted to 108 km. The survey was flown from July 18 to July 21, 1991.

The purpose of the survey was to detect zones of conductive mineralization and to provide information that could be used to map the geology and structure of the survey area. This was accomplished by using a high sensitivity cesium magnetometer and a two-channel VLF receiver. The information from these sensors was processed to produce maps which display the magnetic and conductive properties of the survey area. An electronic navigation system, operating in the UHF band, ensured accurate positioning of the geophysical data with respect to the base maps. Visual flight path recovery techniques were used in areas where transponder signals were blocked by topographic features.

The survey property contains several anomalous features which are considered to be of moderate to high priority as exploration targets. These appear to warrant further investigation using appropriate surface exploration
techniques. Areas of interest may be assigned priorities on the basis of supporting geophysical, geochemical and/or geological information. After initial investigations have been carried out, it may be necessary to re-evaluate the remaining anomalies based on information acquired from the follow-up program.
LOCATION MAP

Scale 1:250,000

FIGURE 1
THE PACIFIC COMOX RESOURCES LTD., TAY-LP SURVEY AREA - 1113
CONTENTS

Section

INTRODUCTION .............................................. 1

SURVEY RESULTS .......................................... 2

  GENERAL DISCUSSION ................................... 2-1
  MAGNETICS ............................................... 2-1
  VLF ..................................................... 2-5

SURVEY EQUIPMENT ......................................... 3

PRODUCTS AND PROCESSING TECHNIQUES ..................... 4

BACKGROUND INFORMATION ................................ 5

  VLF .................................................... 5-1

CONCLUSIONS AND RECOMMENDATIONS ....................... 6

APPENDICES

  A. List of Personnel
INTRODUCTION

A DIGHEM magnetic/VLF survey was flown for Pacific Comox Resources Ltd. from July 18 to July 21, 1991, near Ross River, Yukon Territory. The survey area can be located on NTS map sheets 105 F/7 and F/10. (See Figure 1).

Survey coverage of the main TAY-LP block consisted of approximately 545 line-km, including tie lines. Flight lines were flown in an azimuthal direction of $70^\circ/250^\circ$ with a line separation of 50 metres.

The South TAY-LP block had flight lines oriented at $70^\circ/250^\circ$, and is adjacent to the south end of the main survey block. The Nell Group block was flown at an azimuth of $20^\circ/200^\circ$. All lines in the South TAY-LP and Nell Group blocks were flown with a 300 metre line spacing. Coverage totaled 86 line-km. The VLF grid for lines 30010 to 30060 (Nell Group) was forced to contour in the direction of $159^\circ/339^\circ$ in order to enhance anomalies with this strike direction. Similar trending of the magnetics was also tried but yielded poor results.

The Tern block abuts the west edge of the main survey block and contains 22 line-km of survey coverage. Flight
lines were flown at an azimuth of 70°/250° with a 200 metre line spacing.

Two transponders were used in the electronic navigation setup for the main survey block. These were situated at approximately (+ or - 50 m) 624837.7 E, 6831743.0 N and 628624.0 E, 6824858.0 N, UTM zone 8.

The survey employed a magnetometer, radar altimeter, video camera, analog and digital recorders, a VLF receiver and an electronic navigation system. Details on the survey equipment are given in Section 3. Section 3 also provides details on the data channels, their respective sensitivities, and the navigation/flight path recovery procedure.

The instrumentation was installed in a Longranger 206L helicopter (Registration C-FJCH) which was provided by Capitol Helicopters. The helicopter flew at an average airspeed of 63 km/h with a magnetometer bird height of approximately 20 m.
SURVEY RESULTS

GENERAL DISCUSSION

The survey results are presented on two separate map sheets for each parameter at a scale of 1:5,000 for the main survey block, and three sheets at a scale of 1:10,000 for the test areas.

Magnetics

A proton precession magnetometer was operated at the survey base to record diurnal variations of the earth's magnetic field. The clock of the base station was synchronized with that of the airborne system to permit subsequent removal of diurnal drift.

The background magnetic level has been adjusted to match the International Geomagnetic Reference Field (IGRF) for each survey area. The IGRF gradient across each survey block is left intact.

The total field magnetic data have been presented as contours on the base maps using a contour interval of 2 nT where gradients permit. The maps show the magnetic properties of the rock units underlying the survey area.
The total field magnetic data have been subjected to a processing algorithm to produce pole-reduced, residual magnetics maps. The total field magnetics data was pole-reduced then upward continued to 100 m above ground. The upward continued was then subtracted from the original pole-reduced total field. This procedure enhances near-surface magnetic units and suppresses regional gradients. It provides better definition and resolution of magnetic units and displays weak magnetic features which may not be clearly evident on the total field maps.

There is some evidence on the magnetic maps which suggests that the survey area has been subjected to deformation and/or alteration. These structural complexities are evident on the contour maps as variations in magnetic intensity, irregular patterns, and as offsets or changes in strike direction.

The general stratigraphic strike direction as inferred from the total field magnetics is northwest/southeast. Numerous narrow magnetic highs and lows have been mapped that conform to this strike direction.

There are also north/south and east/west trending structures that are particularly evident on shadows of the
total field magnetics and residual magnetics on the VISION imaging workstation.

Table 2-1 specifies start and end, line and fiducial points, for several magnetic trends with VLF correlation. Table 2-2 lists several structural breaks that are defined by the magnetics and VLF.

The magnetic anomalies with VLF conductor correlation may reflect sulphide-rich rock units which will be primary targets for follow up. VLF trends that flank magnetic anomalies may be due to mineralized contact zones or shears.

<table>
<thead>
<tr>
<th>Start Anomaly</th>
<th>2888</th>
<th>10200</th>
<th>2832</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10190</td>
<td>2888</td>
<td>10200</td>
<td>2832</td>
</tr>
<tr>
<td>10800</td>
<td>662</td>
<td>10870</td>
<td>4700</td>
</tr>
<tr>
<td>10960</td>
<td>2948</td>
<td>11050</td>
<td>708</td>
</tr>
<tr>
<td>11130</td>
<td>1978</td>
<td>11300</td>
<td>4595</td>
</tr>
<tr>
<td>11130</td>
<td>1952</td>
<td>11310</td>
<td>772</td>
</tr>
</tbody>
</table>
Table 2-2
Apparent Structural Breaks

<table>
<thead>
<tr>
<th>Start Lineament to End Lineament</th>
<th>Line</th>
<th>Fiducial</th>
<th>Line</th>
<th>Fiducial</th>
</tr>
</thead>
<tbody>
<tr>
<td>10250</td>
<td>2287</td>
<td>10700</td>
<td>2480</td>
<td></td>
</tr>
<tr>
<td>10430</td>
<td>2923</td>
<td>10870</td>
<td>4776</td>
<td></td>
</tr>
<tr>
<td>10610</td>
<td>4010</td>
<td>10800</td>
<td>666</td>
<td></td>
</tr>
<tr>
<td>11030</td>
<td>1456</td>
<td>11290</td>
<td>4366</td>
<td></td>
</tr>
<tr>
<td>11400</td>
<td>2476</td>
<td>11720</td>
<td>4854</td>
<td></td>
</tr>
</tbody>
</table>

Strong magnetic anomalies, which may reflect near surface, intrusive-like bodies are apparent between lines 11590 and 12060. Intrusive sources could have caused formation and migration of mineralizing solutions in the area.

A broad band of relatively higher magnetic values is apparent between lines 10860 and 11380. This may result from a deep source or uplifting of the magnetic rocks associated with this band by faulting.

If a specific magnetic intensity can be assigned to the rock type which is believed to host the target mineralization, it may be possible to select areas of higher priority on the basis of the total field magnetic data. This is based on the assumption that the magnetite content of the
host rocks will give rise to a limited range of contour values which will permit differentiation of various lithological units.

The magnetic results, in conjunction with the VLF, should provide valuable information which can be used to effectively map the geology and structure in the survey areas.

VLF

VLF results were obtained from the transmitting stations at Seattle, Washington (NLK - 24.8 kHz) and Lualualei, Hawaii (NPM - 23.4 kHz). The VLF maps show the contoured results of the filtered total field from Seattle for most of the area.

The VLF method is quite sensitive to the angle of coupling between the conductor and the propagated EM field. Consequently, conductors which strike towards the VLF station will usually yield a stronger response than conductors which are nearly orthogonal to it. The general northwest strike in the survey area provides good coupling with the VLF field from Seattle.
The VLF parameter does not normally provide the same degree of resolution available from the EM data. Closely-spaced conductors, conductors of short strike length or conductors which are poorly coupled to the VLF field, may escape detection with this method. Erratic signals from the VLF transmitters can also give rise to strong, isolated anomalies which should be viewed with caution. Regardless of these limitations, however, the VLF results have provided valuable additional information, particularly within the more resistive portions of the survey area. The VLF method could probably be used as a follow-up tool in most areas, although its effectiveness will be somewhat limited in areas of moderate to high conductivity. The filtered total field VLF contours are presented on the base maps with a contour interval of one percent.
SURVEY EQUIPMENT

This section provides a brief description of the geophysical instruments used to acquire the survey data:

**Magnetometer**

Model: Picodas 3340  
Type: Optically pumped Cesium vapour  
Sensitivity: 0.01 nT  
Sample rate: 10 per second

The magnetometer sensor is towed in a bird 15 m below the helicopter.

**Magnetic Base Station**

Model: Scintrex MP-3  
Type: Digital recording proton precession  
Sensitivity: 0.10 nT  
Sample rate: 0.2 per second

A digital recorder is operated in conjunction with the base station magnetometer to record the diurnal variations of the earth's magnetic field. The clock of the base station is synchronized with that of the airborne system to permit subsequent removal of diurnal drift.
VLF System

Manufacturer: Herz Industries Ltd.
Type: Totem-2A
Sensitivity: 0.1%
Stations: Seattle, Washington; NLK, 24.8 kHz; Lualualei, Hawaii; NPM, 23.4 kHz

The VLF receiver measures the total field and vertical quadrature components of the secondary VLF field. Signals from two separate transmitters can be measured simultaneously. The VLF sensor is towed in a bird 15 m below the helicopter.

Radar Altimeter

Manufacturer: Honeywell/Sperry
Type: AA 220
Sensitivity: 1 ft

The radar altimeter measures the vertical distance between the helicopter and the ground. This information is used in the processing algorithm which determines conductor depth.
Analog Recorder

Manufacturer: RMS Instruments
Type: DGR33 dot-matrix graphics recorder
Resolution: 4x4 dots/mm
Speed: 1.5 mm/sec

The analog profiles were recorded on chart paper in the aircraft during the survey. Table 3-1 lists the geophysical data channels and the vertical scale of each profile.

Digital Data Acquisition System

Manufacturer: RMS Instruments
Type: DGR 33
Tape Deck: RMS TCR-12, 6400 bpi, tape cartridge recorder

The digital data were used to generate several computed parameters. Both measured and computed parameters were plotted as "multi-channel stacked profiles" during data processing. These parameters are shown in Table 3-2.
### Table 3-1. The Analog Profiles

<table>
<thead>
<tr>
<th>Channel Name</th>
<th>Parameter</th>
<th>Scale units/mm</th>
<th>Designation on digital profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALTR</td>
<td>altimeter</td>
<td>3 m</td>
<td>ALTR</td>
</tr>
<tr>
<td>CMGC</td>
<td>magnetics, coarse</td>
<td>25 nT</td>
<td>MAG</td>
</tr>
<tr>
<td>CMGF</td>
<td>magnetics, fine</td>
<td>2.5 nT</td>
<td></td>
</tr>
<tr>
<td>VFI1T</td>
<td>VLF-total: primary stn.</td>
<td>2%</td>
<td>VFI1T</td>
</tr>
<tr>
<td>VFI1Q</td>
<td>VLF-quad: primary stn.</td>
<td>2%</td>
<td>VFI1Q</td>
</tr>
<tr>
<td>VFI2T</td>
<td>VLF-total: secondary stn.</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>VFI2Q</td>
<td>VLF-quad: secondary stn.</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

### Table 3-2. The Digital Profiles

<table>
<thead>
<tr>
<th>Channel Name</th>
<th>Observed parameters</th>
<th>Scale units/mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAG</td>
<td>magnetics, coarse</td>
<td>200 nT</td>
</tr>
<tr>
<td>MAG</td>
<td>magnetics, fine</td>
<td>05 nT</td>
</tr>
<tr>
<td>ALT</td>
<td>bird height</td>
<td>6 m</td>
</tr>
<tr>
<td>VFI1T</td>
<td>VLF-total: primary stn.</td>
<td>1%</td>
</tr>
<tr>
<td>VFI1Q</td>
<td>VLF-quad: primary stn.</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Computed Parameters**

<table>
<thead>
<tr>
<th>Channel Name</th>
<th>Description</th>
<th>Scale units/mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESID</td>
<td>Pole-reduced, residual magnetics, coarse</td>
<td>200 nT</td>
</tr>
<tr>
<td>RESID</td>
<td>Pole-reduced, residual magnetics, fine</td>
<td>05 nT</td>
</tr>
<tr>
<td>VFI1E</td>
<td>Filtered, total field VFI1T</td>
<td>1%</td>
</tr>
</tbody>
</table>
Tracking Camera

Type: Panasonic Video
Model: AG 2400/WVCD132

Fiducial numbers are recorded continuously and are displayed on the margin of each image. This procedure ensures accurate correlation of analog and digital data with respect to visible features on the ground.

Navigation System

Model: Del Norte 547
Type: UHF electronic positioning system
Sensitivity: 1 m
Sample rate: 2 per second

The navigation system uses ground based transponder stations which transmit distance information back to the helicopter. The ground stations are set up well away from the survey area and are positioned such that the signals cross the survey block at an angle between 30° and 150°. The onboard Central Processing Unit takes any two transponder distances and determines the helicopter position relative to these two ground stations in cartesian coordinates.
The cartesian coordinates are transformed to UTM coordinates during data processing. This is accomplished by correlating a number of prominent topographical locations with the navigational data points. The use of numerous visual tie points serves two purposes: to accurately relate the navigation data to the map sheet and to minimize location errors which might result from distortions in uncontrolled photomosaic base maps.
PRODUCTS AND PROCESSING TECHNIQUES

The following products are available from the survey data. Those which are not part of the survey contract may be acquired later. Refer to Table 4-1 for a summary of the maps which accompany this report, some of which may be sent under separate cover. Most parameters can be displayed as contours, profiles, or in colour.

Base Maps

Base maps of the survey area have been produced from published topographic maps. These provide a relatively accurate, distortion-free base which facilitates correlation of the navigation data to the UTM grid. Photomosaics are useful for visual reference and for subsequent flight path recovery, but usually contain scale distortions. Orthophotos are ideal, but their cost and the time required to produce them, usually precludes their use as base maps.

Total Field Magnetics

The aeromagnetic data are corrected for diurnal variation using the magnetic base station data. The regional IGRF can be removed from the data, if requested.
### Table 4-1  Plots Available from the Survey

<table>
<thead>
<tr>
<th>MAP PRODUCT</th>
<th>NO. OF SHEETS</th>
<th>ANOMALY MAP</th>
<th>PROFILES ON MAP</th>
<th>CONTOURS INK</th>
<th>CONTOURS COLOUR</th>
<th>SHADOW MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Field Magnetics</td>
<td>N/A</td>
<td>-</td>
<td>YES</td>
<td>YES</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Enhanced Magnetics</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1st Vertical Derivative Magnetics</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pole-reduced, residual magnetics</td>
<td>N/A</td>
<td>-</td>
<td>YES</td>
<td>YES</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Filtered Total Field VLF</td>
<td>N/A</td>
<td>-</td>
<td>YES</td>
<td>YES</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VLF Profiles</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Field Magnetic Profiles</td>
<td>N/A</td>
<td>YES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Multi-channel stacked profiles</td>
<td>Worksheet profiles</td>
<td>Yes</td>
<td>Interpreted profiles</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

N/A  Not available  
-  Not required under terms of the survey contract  
*  Recommended  

**Notes:**  
- Inked contour maps are provided on transparent media and show flight lines, and suitable registration. Two paper prints of each map are supplied.
Magnetic Derivatives

The total field magnetic data may be subjected to a variety of filtering techniques to yield maps of the following:

- vertical gradient
- second vertical derivative
- magnetic susceptibility with reduction to the pole
- upward/downward continuations

All of these filtering techniques improve the recognition of near-surface magnetic bodies, with the exception of upward continuation. Any of these parameters can be produced on request. Dighem's proprietary enhanced magnetic technique is designed to provide a general "all-purpose" map, combining the more useful features of the above parameters.

VLF

The VLF data are digitally filtered to remove long wavelengths such as those caused by variations in the transmitted field strength.
Multi-channel Stacked Profiles

Distance-based profiles of the digitally recorded geophysical data are generated and plotted by computer. These profiles also contain the calculated parameters which are used in the interpretation process. These are produced as worksheets prior to interpretation, and can also be presented in the final corrected form after interpretation.

Contour, Colour and Shadow Map Displays

The geophysical data are interpolated onto a regular grid using a modified Akima spline technique. The resulting grid is suitable for generating contour maps of excellent quality.

Colour maps are produced by interpolating the grid down to the pixel size. The parameter is then incremented with respect to specific amplitude ranges to provide colour "contour" maps. Colour maps of the total magnetic field are particularly useful in defining the lithology of the survey area.

Monochromatic shadow maps are generated by employing an artificial sun to cast shadows on a surface defined by the geophysical grid. There are many variations in the shadowing
technique. These techniques may be applied to total field or enhanced magnetic data, magnetic derivatives, VLF, resistivity, etc. Of the various magnetic products, the shadow of the enhanced magnetic parameter is particularly suited for defining geological structures with crisper images and improved resolution.
BACKGROUND INFORMATION

VLF

VLF transmitters produce high frequency uniform electromagnetic fields. However, VLF anomalies are not EM anomalies in the conventional sense. EM anomalies primarily reflect eddy currents flowing in conductors which have been energized inductively by the primary field. In contrast, VLF anomalies primarily reflect current gathering, which is a non-inductive phenomenon. The primary field sets up currents which flow weakly in rock and overburden, and these tend to collect in low resistivity zones. Such zones may be due to massive sulfides, shears, river valleys and even unconformities.

The VLF field is horizontal. Because of this, the method is quite sensitive to the angle of coupling between the conductor and the transmitted VLF field. Conductors which strike towards the VLF station will usually yield a stronger response than conductors which are nearly orthogonal to it.

The Herz Industries Ltd. Totem VLF-electromagnetometer measures the total field and vertical quadrature components. Both of these components are digitally recorded in the
aircraft with a sensitivity of 0.1 percent. The total field yields peaks over VLF current concentrations whereas the quadrature component tends to yield crossovers. Both appear as traces on the profile records. The total field data are filtered digitally and displayed as contours to facilitate the recognition of trends in the rock strata and the interpretation of geologic structure.

The VLF filter removes long wavelengths such as those which reflect regional and wave transmission variations. The filter sharpens short wavelength responses such as those which reflect local geological variations.
CONCLUSIONS AND RECOMMENDATIONS

This report provides a brief description of the survey results and describes the equipment, procedures and logistics of the survey.

There are several magnetic anomalies in the survey block which have VLF conductor association. These may reflect sulphide-rich material, and should be subjected to further investigation. The survey was also successful in locating a few VLF conductors that flank magnetic anomalies, which may warrant additional work. The various maps included with this report display the magnetic and conductive properties of the survey area. It is recommended that the survey results be reviewed in detail, in conjunction with all available geophysical, geological and geochemical information. Particular reference should be made to the computer generated data profiles which clearly define the characteristics of the individual anomalies.

It is also recommended that image processing of existing geophysical data be considered, in order to extract the maximum amount of information from the survey results. Current software and imaging techniques often provide valuable information on structure and lithology, which may not be clearly evident on the contour and colour maps.
These techniques can yield images which define subtle, but significant, structural details.

Respectfully submitted,

DIGHEM SURVEYS & PROCESSING INC.

[Signature]

Douglas L. McConnell
Geophysicist

DLM/sdp
A1113SEPT.92R
APPENDIX A

LIST OF PERSONNEL

The following personnel were involved in the acquisition, processing, interpretation and presentation of data, relating to a DIGHEM IV airborne geophysical survey carried out for Pacific Comox Resources Ltd., near Ross River, Yukon Territory.

Dave Miles         Senior Geophysical Operator
Delmar Washington  Pilot (Capitol Helicopters Ltd.)
Gordon Smith       Computer Processor
Doug McConnell      Interpretation Geophysicist
Reinhard Zimmerman Drafting Supervisor
Lyn Vanderstarren  Draftsperson (CAD)
Susan Pothiah      Word Processing Operator
Albina Tonello     Secretary/Expeditor

All personnel are employees of Dighem Surveys & Processing Inc., except for the pilot who is an employee of Capitol Helicopters Ltd.
STATEMENT OF COST

Date: September 24, 1991

IN ACCOUNT WITH
DIGHEM SURVEYS & PROCESSING INC.

To: Dighem flying of Agreement dated July 10, 1991,
pertaining to an Airborne Geophysical Survey
near Ross River, Yukon Territory.

Survey Charges

653 km of flying @ $43.00/km
plus mobilization and set-up
charges of $3,000.00, plus
shipping costs of map delivery
(at cost) $31,239.00*

Allocation of Costs

- Data Acquisition - July 18–July 21 (25%)
- Data Processing - July 29–Sep. 24 (40%)
- Interpretation, Report and Maps - Aug. 01–Sep. 24 (35%)

* Does not include GST

DIGHEM SURVEYS & PROCESSING INC.

Douglas L. McConnell
Geophysicist

Ref: Report #1113
Pacific Comox Resources Ltd.
704 - 850 West Hastings Street
Vancouver, British Columbia
V6C 1E1

Attention: Douglas MacQuarrie

IN ACCOUNT WITH
DIGHEM SURVEYS & PROCESSING INC.

Re:

Dighem Airborne Geophysical Survey in the Ross River area, Yukon, as per agreement dated July 10, 1991.

Final invoice, pursuant to paragraph A3.3, upon delivery of the final products.

Mobilization/demobilization and Setup Charges $3,000.00

653 kms of flying at $43.00 per line-km $28,079.00

Shipping (at cost) of extra sets of preliminary maps $160.00

Total of survey charges $31,239.00

Less, Dighem net charges previously invoiced pursuant to paragraphs A3.1 and A3.2 ($25,000.00)

Dighem net $6,239.00
GST at 7% (Registration No. R101391001) $436.73
Please pay this amount $6,675.73

DIGHEM SURVEYS & PROCESSING INC.

[Signature]

Douglas L. McConnell
Geophysicist
DLM/sdp

TERMS: Payment is due upon receipt. Accounts not paid within 30 days of date of invoice are subject to an interest charge of 1.2% per month from the date of invoice.

JC29109.36