ASSESSMENT REPORT

FOR THE

1996 DIAMOND DRILLING PROGRAM

ON THE

SILVER GHOST MINERAL PROPERTY

SKEENA MINING DIVISION

NTS 103I/15W

LATITUDE: 54° 57’N

LONGITUDE: 128° 53’W

OWNED BY: JOHN WESLEY MOLL

WORK BY: JOHN WESLEY MOLL

REPORT BY: D.J. HANSON

DECEMBER 1996
TABLE OF CONTENTS

LIST OF FIGURES .............................................. (ii)
LIST OF TABLES .............................................. (ii)
LIST OF APPENDICES ................................. (ii)

1.0 INTRODUCTION

1.1 LOCATION, ACCESS & PHYSIOGRAPHY .......................... 1
1.2 CLAIM OWNERSHIP ........................................... 2
1.3 HISTORY ...................................................... 2-3
1.4 PURPOSE ..................................................... 3
1.5 SUMMARY ...................................................... 5

2.0 GEOLOGY

2.1 REGIONAL GEOLOGY ........................................... 6
2.2 PROPERTY GEOLOGY ......................................... 6-7

3.0 1995 DIAMOND DRILLING PROGRAM ......................... 7

4.0 RESULTS AND DISCUSSION

4.1 LITHOLOGY ................................................. 8
4.2 STRUCTURE ................................................. 8
4.3 MINERALIZATION ............................................. 8

5.0 INTERPRETATION & RECOMMENDATIONS ........................ 9

AUTHOR'S QUALIFICATIONS ................................. 11
REFERENCES ................................................. 12

(i)
FIGURES, TABLES AND APPENDICES

LIST OF FIGURES

Figure 1 - Project Location Map ..................... 4
Figure 2 - Claim Location Map ..................... 5

LIST OF TABLES

Table 1 - Claim Status ................................. 2
Table 2 - List of Expenditures .................... 11

LIST OF APPENDICES

Appendix I - Drill Hole Log
1.0 INTRODUCTION

1.1 LOCATION, ACCESS and PHYSIOGRAPHY

The Silver Ghost mineral claim is situated 62 km by road north-northwest of Terrace, British Columbia at latitude 54° 57'N and longitude 128° 53'W in NTS map area 103I/15W (Figure 1).

Access to the property is via the paved Nass River Road along the east side of Kitsumkalum Lake from the city of Terrace. Local logging roads provide good access to most parts of the claim.

Elevations within the claim area range from 235 metres in the bottom of the Kitsumkalum valley to 450 metres along the northern claim boundary. The mineralized showing is on a bench at 350 metres elevation in the central part of the claim (Figure 2).

Bedrock exposure is non-existent in the valley bottom and generally poor throughout the rest of the claim.
1.2 CLAIM OWNERSHIP

The Silver Ghost mineral property consists of one, 20 unit Modified Grid claim owned by John Wesley Moll of Houston, B.C. The current claim status is summarized in Table 1.

<table>
<thead>
<tr>
<th>CLAIM</th>
<th>RECORD NO.</th>
<th>UNITS</th>
<th>EXPIRY DATE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SILVER GHOST</td>
<td>253245</td>
<td>20</td>
<td>October 3, 1997</td>
</tr>
</tbody>
</table>

*pending acceptance of this report

1.3 HISTORY

Mineral showings contained within the area of the present Silver Ghost claim were originally staked in 1913. Since then the property has been variously known as the Iona, Silver Dollar, Silver Coin, Silver Plate, Silver Cup, and Hope Silver. Work in the 1920's included a six metre shaft and a fifteen metre adit.

In 1966, 5.4 tonnes grading 1380 grams per tonne silver, 2.8% copper, and 5.4% lead were shipped directly to a smelter.

In 1969 the claims were acquired by Kleanza Mines Ltd. (later Kendal Mining and Exploration Ltd.). Work over the next four years included bulldozer trenching, geophysics, and five short diamond drill holes totalling 52.7 metres.
The property was staked by John Wesley Moll in 1986 as the Weary claims which were later restaked as the Silver Ghost. Equity Silver Mines Limited optioned the property in 1989 and conducted programs of geological mapping, ground mag and VLF, soil geochemistry, and excavator trenching.

1.4 PURPOSE

The purpose of the 1996 diamond drilling program on the Silver Ghost mineral claim was to attempt to test coincident VLF-EM and soil anomalies that may be related to the "Hope" showing approximately 200 metres to the east-southeast.
EQUITY SILVER MINES LIMITED
SILVER GHOST CLAIMS

FIGURE 2 - CLAIM MAP
N.T.S. 1031/15W 1:50,000

Figure 2 - Claim Location Map
1.5 SUMMARY

A 136 foot diamond drill hole drilled at an azimuth of 360° and a dip of -60° from a grid location of 2+00W and 0+25N intersected a barren, quartz-carbonate breccia vein from 111.0 to 117.5 but failed to locate the cause of the coincident VLF-EM and soil anomalies. No assay samples were taken from the core.

This report documents expenditures by John Wesley Moll of $5370.00 on the Silver Ghost property between April 28 and May 5, 1996 under Work Permit No. SMI96-0100584-63.
2.0 GEOLOGY

2.1 REGIONAL GEOLOGY

The Silver Ghost property is underlain by late Jurassic Bowser Assemblage sedimentary rocks which flank the eastern margin of the Coast Plutonic Complex. This geologic setting, between Terrace and Alice Arm, is noted for a number of porphyry molybdenum deposits associated with small granitic stocks; and for numerous polymetallic vein deposits.

2.2 PROPERTY GEOLOGY

The west-central portion of the grid is underlain by very fine grained, dark grey/black, weakly to moderately siliceous siltstone (argillite) with minor interbedded dark grey wacke. Beds range from one centimetre to greater than one metre in thickness with an average orientation of $083^\circ / 45^\circ$ N. Siltstone beds are occasionally internally laminated. Tops direction, as determined by cut and fill structures, is toward the north. No alteration of the sediments was observed in outcrop.

In the southwest corner of the claim, the sediments are intruded and contorted by a medium grained quartz-diorite of unknown areal extent. Mafic inclusions within the intrusive are more common near the sedimentary contact. Trace pyrite mineralization occurs as fine spots. Alteration is restricted to chloritization of hornblende.
The sediments are occasionally cut by quartz veins, veinlets, and stockworks. At the old Hope Silver showing, quartz-sulfide veins and quartz-sulfide breccias are developed over a width of 7.5 metres in the hangingwall of west-northwest striking, steeply southerly dipping structure (fault?). Stereonet analysis of the vein orientations shows two distinct groupings at 310°/151° NE and 088°/80° S.

The eastern half of the claim is generally covered by overburden.

3.0 1995 DIAMOND DRILLING PROGRAM

An X-ray diamond drill hole was collared in argillite at L2+00W and 0+25N. The hole was oriented at -60° in a direction of 360° azimuth and drilled to a depth of 136 feet. Drilling was discontinued due to the inability to drill deeper. The core was placed in core boxes and transported to Houston for logging.

The core was logged by the author and the log is included as Appendix I of this report. No samples were taken for assay.
4.0 RESULTS AND DISCUSSION

4.1 LITHOLOGY

The lithologies encountered are typical argillites and greywackes of the Bowser Assemblage with the exception of minor interbedded feldspathic arenite. Bedding ranges from 18° to 34° measured with respect to the core axis. All lithologic contacts with the exception of the arenite are gradational or disrupted so that contact attitudes are unobtainable. The lower arenite contact was observed at 40° to the core axis. No top indicating structures were observed.

4.2 STRUCTURE

Quartz and quartz-carbonate veins, veinlets and weak stockworks were observed in the core. Veining intensity was generally low with narrow, local stockwork zones. The attitude of veins ranged from 11° to 65° with respect to the core axis. The strike of the veins relative to the bedding could not be determined.

4.3 MINERALIZATION

Rare specks of chalcopyrite and a trace of pyrite were the only sulfide occurrences observed. Trace pyrite occurs on a slickensided surface in a quartz-carbonate vein at 113 feet and two specks of chalcopyrite occur in two separate quartz-carbonate veins at 108 and at 110 feet.
5.0 INTERPRETATION & RECOMMENDATIONS

The 1995 and 1996 drillhole results are consistent with a northerly bedding dip of 75-85°.

The large, barren, quartz-carbonate vein intersected by the drillhole is interpreted to be unconnected to the "Hope" showing. It is probably a subparallel footwall vein. No further follow-up of this vein structure is recommended at this time.

The results of the drilling do not explain the VLF-EM or the copper soil geochemistry anomaly.

The interpretation (Hanson, 1995) of the "Hope" zone geometry remains untested. It is recommended that a hole be collered at approximately 30 metres west and 35 metres north of the showing and oriented at -60° with an azimuth of 180° to test the along strike potential.

A larger drill would be required to test the down dip potential of the "Hope" breccia zone.
TABLE 2

STATEMENT OF EXPENDITURES

1. Diamond Drilling
   - 136 feet @ $20.00 per foot  
     $2,720.00
   - mobe and demobe - 100 hrs. @ $15.00/hr  
     $1,500.00

2. Camp
   - 14 mandays @ $30.00 per manday  
     $ 420.00

3. 4x4 Truck
   - 8 days @ $60.00 per day  
     $ 480.00

4. Logging Core & Report
   - 1 day @ $200.00 per day  
     $ 300.00
   - expenses  
     $  50.00

   **TOTAL**  
     $5,370.00
AUTHOR'S QUALIFICATIONS

I, Daryl J. Hanson, do hereby certify that:

1. I am a geologist residing at R.R.#1, Quick East Road, Telkwa, B.C.

2. I am a 1971 graduate of the University of British Columbia with a Bachelor of Applied Science in Geological Engineering.

3. I have practised my profession as a geologist for twenty-four years in the fields of exploration, mining and development.

4. I am a member in good standing of the Professional Engineers and Geoscientists of British Columbia.

5. I have no real or beneficial interest in the Silver Ghost mineral claim.

6. I personally examined the core from the program described in this report.

Respectfully submitted,

Daryl J. Hanson, P.Eng.
REFERENCES


APPENDIX 1

DRILL HOLE LOG
<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
<th>DESCRIPTION</th>
<th>PLK</th>
<th>RBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>35.0</td>
<td>Dk grey, well indurated, weakly bedded siltstone</td>
<td>0-6</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- locally interlaminated fine grained feldspathic arenite</td>
<td>6-10</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- weak CB and QZ micro-veining crosscutting bedding</td>
<td>10-11</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- bedding @ 20° to CA</td>
<td>11-14</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 35.0 gradational contact</td>
<td>14-17.5</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 17.5-22</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>35.0</td>
<td>38.3</td>
<td>Lt grey, med grained, feldspathic arenite w/ approx. 5% silty laminations defining bedding @ 34° to CA</td>
<td>22-26</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- bedding cross-cut by v. weak QZ+CB? fracture fillings</td>
<td>26-28</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 38.0 CB vein (10mm wide; 52° to CA)</td>
<td>28-33</td>
<td>86%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- lower cut @ 40° to CA</td>
<td>33-34</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 34-35</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 35-38</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>38.3</td>
<td>44.0</td>
<td>Dk grey, well indurated, weakly bedded siltstone a/a 0.0 to 35.0</td>
<td>38-39</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. thin, black, carbonaceous, wavy laminations @ 38° to CA (bedding?)</td>
<td>39-44</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. weak CB veinlets and fracture fillings</td>
<td>44-45</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- disrupted lower cut - no attitude</td>
<td>45-48</td>
<td>77%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 48-51</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>44.0</td>
<td>49.6</td>
<td>Lt grey, med grained, feldspathic arenite a/a 35.0 to 38.3 w/ v. thin wavy laminations locally (bedding?) @ 30° to CA</td>
<td>51-53</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. weak CB vein fracture filling</td>
<td>53-56</td>
<td>77%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 45.3 CB vein (6mm wide; 65° to CA)</td>
<td>56-60</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 46.0 CB vein (5mm wide; 34° to CA)</td>
<td>60-63</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- lower cut is sheared (fault?) @ 20° to CA</td>
<td>63-67</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 67-72</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 72-75</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>49.6</td>
<td>70.0</td>
<td>Dk grey, well indurated, weakly bedded siltstone a/a 0.0 to 35.0 and 38.3 to 44.0</td>
<td>75-80</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- locally interbedded med grey wacke</td>
<td>80-85</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. weak CB vein fracture filling</td>
<td>85-89</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- bedding at 25° to CA</td>
<td>89-92</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- gradational cut @ 70.0</td>
<td>92-96</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 96-97</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>70.0</td>
<td>88.0</td>
<td>Med to dk grey wacke w/ rare silty laminations defining bedding @ 42° to CA</td>
<td>97-102</td>
<td>78%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. weak CB vein fracture filling</td>
<td>102-106</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 72.5 to 74.8 QZ+CB vein parallel to CA (5mm wide)</td>
<td>106-110</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 75.0 weak shear (10mm wide; 17° to CA) w/ broken core and minor gouge</td>
<td>110-113</td>
<td>96%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- grades loc. to dk grey wacke</td>
<td>113-117</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 117-118</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>88.0</td>
<td>111.0</td>
<td>Dk grey, well indurated, weakly bedded siltstone a/a 49.6 to 70.0; 38.3 to 44.0; and 0.0 to 35.0</td>
<td>118-122</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- grades locally to med grey wacke</td>
<td>122-125</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- bedding @ 27° to CA</td>
<td>123-127</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 127-136</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>111.0</td>
<td>117.5</td>
<td>CB + QZ Breccia Vein w/ 10% sediment fragments</td>
<td>113.0</td>
<td>minor pyrite smeared on slickenside surface</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- broken up contacts - no attitudes possible</td>
<td>117.5</td>
<td>100%</td>
</tr>
<tr>
<td>117.5</td>
<td>136.0</td>
<td>Dk grey, well indurated, v. weakly bedded siltstone grading locally to dk grey wacke</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- v. weak CB vein fracture filling</td>
<td>136.0</td>
<td>*speck chalcopyrite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- bedding @ 15° to CA</td>
<td>110.0</td>
<td>*speck chalcopyrite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- locally weak black, carbonaceous laminations (disrupted)</td>
<td>110.0</td>
<td>*speck chalcopyrite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- load casts indicating top are up</td>
<td>110.0</td>
<td>*speck chalcopyrite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EOH @ 136 feet</td>
<td>110.0</td>
<td>*speck chalcopyrite</td>
</tr>
</tbody>
</table>