GEOCHEMICAL REPORT
(Includes Grid Work and Trenching)

ON

ROCK SAMPLING

OVER THE

NOME PROPERTY

POOLEY CREEK, CASSIAR AREA

LIARD MINING DIVISION, BRITISH COLUMBIA

PROPERTY LOCATION: Nome #1 is 7.6 km 194°E of McDame Lake
Nome #2 is 7.0 km 158°E of McDame Lake
Latitude: 59°10'N,
Longitude: 129°36'W and 43°W
N.T.S. - 104P/4E

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GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT

25,708

GEOTRONICS SURVEYS LTD.
# TABLE OF CONTENTS

*SUMMARY* ................................................................................................................................. i

*CONCLUSIONS* .................................................................................................................................. ii

*RECOMMENDATIONS* .......................................................................................................................... iii

*INTRODUCTION* ...................................................................................................................................... 1

*PROPERTY AND OWNERSHIP* ............................................................................................................... 2

*LOCATION AND ACCESS* ....................................................................................................................... 2

*PHYSIOGRAPHY* ..................................................................................................................................... 3

*HISTORY* .................................................................................................................................................. 3

*GEOLOGY (from I. Borovic's, 1994 report)* ............................................................................................ 4
  (a) Regional ............................................................................................................................................... 4
  (b) Property ............................................................................................................................................... 4
  (c) Mineralization ..................................................................................................................................... 5

*GRIDEMPLACEMENT* ............................................................................................................................... 6

*SURVEYPROCEDURE* ............................................................................................................................... 7

*TESTINGMETHOD* ...................................................................................................................................... 7

*COMPILATION OF DATA* ........................................................................................................................... 9

*DISCUSSION OF RESULTS* ...................................................................................................................... 9

*SELECTED BIBLIOGRAPHY* .................................................................................................................... 10

*GEOPHYSICIST'S CERTIFICATE* ............................................................................................................... 11

*AFFIDAVIT OF EXPENSES* ..................................................................................................................... 12

# LIST OF ILLUSTRATIONS

<table>
<thead>
<tr>
<th>MAP - At Back of Report</th>
<th>Scale</th>
<th>MAP #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Map</td>
<td>1:50,000</td>
<td>1</td>
</tr>
</tbody>
</table>

**MAPS IN POCKET**

Rock Geochemistry - Nome-1 Claim

<table>
<thead>
<tr>
<th>Plan</th>
<th>Scale</th>
<th>MAP #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>1:2,500</td>
<td>GP-9</td>
</tr>
</tbody>
</table>

Note: GP-1 to -8 occur in the writer's previous report.
SUMMARY

An exploration program consisting of two grid emplacements, trenching along quartz veins, and rock sampling was carried out from September 15 to October 8, 1997 over parts of the Nome claims which consist of two separate properties located on or adjacent to Pooley Creek within the Cassiar area within the northwest corner of British Columbia. The terrain of the claims, which covers 86 units, is moderately-sloped to steep with a number of streams occurring throughout. Access can be gained by vehicle from the Cassiar Highway south of Vines Lake.

The two properties are underlain by volcanic and sedimentary units of the Sylvester Group which is of Devonian-Mississippian age. On the adjacent Cusac Mines property, gold and silver is being mined from quartz veins that are easterly to northeasterly trending and that are associated with gossan forming quartz-carbonate-pyrite alteration as well as other sulphides. Some of the mineralization occurs within shear zones. Two major zones of alteration and veining have been found on the Nome claims.

The main purpose of the work on the Nome 1 grid was to explore for gold mineralization along a southwesterly trend within which occurs high grade gold veins at the Cusac Mine. It is also a follow-up to magnetic and VLF-EM lineations located from the previous work. The new grid on the Nome 1 Claim is the southerly extension of the previous grid on which the magnetic and VLF-EM surveys were done. The grid on the Nome 5 Claim was located on the Erickson Creek fault in order to carry out exploration for gold that may be associated with the fault.

The rock sampling was carried out along the Nome 1 grid. A total of 53 samples were picked up and 39 of these were forwarded to a lab in Vancouver for testing. The samples were tested for gold using a fire assay/AA process.
CONCLUSIONS

1. The Nome claims are underlain by geology similar to that occurring on the adjacent Cusac Mines property where gold and silver is being mined from quartz veins, some occurring within shear zones. The main strike directions are easterly and northeasterly. Two major zones of veining with associated alteration occur on the Nome claims. In addition, the northern part of the Nome 1 Claim occurs on strike of a zone of high grade veins occurring at the Cusac Mine.

2. Five of the rock samples contained anomalous amounts of gold (above 100 ppb) indicating that gold occurs with the area of each sample. Further work is needed to determine whether any economic deposits occur within the area, including at depth.

3. There were no samples containing anomalous gold values occurring within the area of the magnetic and VLF-EM lineations north of the baseline where the geophysical surveys were done. This includes the sampling within the trenches done along the quartz veins. However, the sampling was sparse and was done near-surface where the gold may have weathered out, and thus the low values do not preclude any economic deposit of gold occurring within this area.
RECOMMENDATIONS

The following recommendations were made within the writer's previous report. Not enough work has been done to warrant changing the recommendations and thus they are repeated below.

1. The magnetic and VLF-EM surveys should be extended throughout the Nome claims if the terrain will permit it. The principle areas of focus should be the soil geochemistry anomalies and the alteration zones. VLF-EM surveying is particularly proficient at mapping geological structure and magnetic surveying, lithology. The line interval should be done at 100 meters and the reading interval, 25 meters.

2. Geological mapping and prospecting should be carried out over areas of prime interest, such as the stronger VLF-EM conductors and areas of possible cross-structure, especially any areas that correlate with soil geochemistry anomalies.

3. Trenching should be carried out over areas of interest developed from 1. and 2. as above. Depending on accessibility this could be hand-trenching and/or excavator trenching. Any quartz veins should then be sampled.

4. IP and resistivity surveying is recommended since sulphides are known to occur with the gold mineralization and since it occurs within quartz. The IP should respond to the sulphides and the resistivity to the quartz. The IP/resistivity is a tool that would more accurately delineate the mineralization than the geochemistry surveys would. Also the depth penetration of soil geochemistry surveys is only 20 meters, or bedrock depth, whichever is shallower, whereas the depth penetration of the IP survey is greater. The dipole length/reading interval of the IP survey should be kept small, perhaps about 12.5 meters.
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INTRODUCTION
This report discusses rock sampling carried out at certain locations on a grid located within the northern part of the Nome 1 Claim. Some of the sampling was done within trenches that were dug out by hand. A grid was also emplaced within the western part of the Nome 5 Claim. The Nome claims are located on or adjacent to Pooley Creek within the Cassiar Area of British Columbia.

The rock sampling, trenching, and grid emplacements were supervised and carried out by Gerry Diakow, geophysical technician, with the aid of three men, from September 14 to October 8, 1997.

The Nome 1 grid consists of 22,000 meters which includes 1,000 meters of baseline and the Nome 2 grid consists of 5,300 meters which includes 800 meters of baseline. A total of 53 samples were picked up of which only 39 were tested for gold. A total of 8 small trenches were hand-dug out.

The purpose of the trenching and rock sampling within the Nome 1 grid was to test quartz veins and certain rock-types potentially carrying economic gold mineralization. Some of the testing was done in the area of the magnetic and VLF-EM lineations that were delineated in the previous work. The Nome 1 grid is located along the southwesterly extension of a zone within which is located the high grade gold veins of Cusac Mines and is the southerly extension of the grid put in earlier in the year and on which the magnetic and VLF-EM surveys were done.

The Nome 5 grid is located along the Erickson Creek Fault and thus the purpose of putting this grid in was for future exploration along a fault system that could carry gold.
Much of the description of the property was taken from I. Borovic's report written in 1994.

**PROPERTY AND OWNERSHIP**

The property consists of five claims totaling 86 units, as described below and as shown on Map #1. The Nome #1 occurs alone and the Nome #2, #3, #4, and #5 are contiguous.

<table>
<thead>
<tr>
<th>CLAIM NAME</th>
<th>TAG NUMBER</th>
<th>RECORD NUMBER</th>
<th>NUMBER OF UNITS</th>
<th>EXPIRY DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nome #1</td>
<td>228917</td>
<td>318281</td>
<td>16</td>
<td>June 8, 1998</td>
</tr>
<tr>
<td>Nome #2</td>
<td>228918</td>
<td>318282</td>
<td>20</td>
<td>June 8, 1998</td>
</tr>
<tr>
<td>Nome #3</td>
<td>228919</td>
<td>318283</td>
<td>20</td>
<td>June 8, 1999</td>
</tr>
<tr>
<td>Nome #4</td>
<td>228920</td>
<td>318284</td>
<td>20</td>
<td>June 8, 1999</td>
</tr>
<tr>
<td>Nome #5</td>
<td>228921</td>
<td>318285</td>
<td>10</td>
<td>June 8, 1999</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>86</strong></td>
<td></td>
</tr>
</tbody>
</table>

The expiry dates shown assume that the work under discussion within this report will be accepted for assessment credits.

The registered owner of the property is Betty Lo of Vancouver, B.C., who is holding the property on behalf of Tako Resources Ltd. of Vancouver, British Columbia. Tako Resources is the operator of the property.

**LOCATION AND ACCESS**

The Nome Claims are located within the Cassiar area of northwestern British Columbia within the Liard Mining District. The Nome #1 Claim is located 7.6 km 194°E of McDame Lake on the east side of Needlepoint Mountain and to the immediate west of Pooley Creek. The Nome #2 to 5 claims are located 7.0 km 158°E of McDame Lake to the east of Pooley Creek. The Nome #1 Claim occurs about 4.5 km west of the Nome #2 to 5 claim group.

The geophysical coordinates are 59°10' N latitude and 129°43'W longitude for the Nome #1 claim and 129°43'W longitude for the Nome #’s 2 to 5 claims.

Access is gained by traveling five km on the Cusac Mines road which leaves the Cassiar Highway at the south end of Vines Lake. At this point is a ‘Y’ in the road and one takes the south road to the Katherine Mine pit, a distance of about 0.5 km. From this area one walks for about one km along a cut line that runs to the northeast corner of the Nome #1 Claim. To the Nome 2 to 5 claims, one takes the north road of the ‘Y’ which means continuing along the main Cusac Mines road for about 3.5 km. At this point is a Cusac Mines
exploration road that goes in a southerly direction. At about 2 km, the road passes within about 100 meters of the northwest corner of the Nome #2 claim.

**PHYSIOGRAPHY**

The Nome claims are found within the Stikine Mountains which occur within the Cassiar Mountains which is a physiographic subdivision of the Interior Plateau System. The Stikine Mountains are characterized by its peaks and ridges above 1800 meters being sharply scalloped by cirque glaciers. Below this level the peaks and ridges are more rounded and less harsh.

On the Nome #1 claim, the terrain varies from near flat within the northern part of the claim to somewhat more steep within the southern part with some steep parts occurring throughout. The elevations range from 1,340 meters (4,400 feet) to 1,740 meters (5,700 feet) to give a range of 400 meters (1,300 feet).

On the Nome #2 to 5 group of claims, the terrain varies from moderately-sloped to very steep and rugged. The elevations vary from 1,060 meters (3,500 feet) within the southwest corner of the Nome #5 claim on Pooley Creek, to 1,980 meters (6,500 feet) within the southeast corner of the Nome #2 claim to give an overall relief of 910 meters (3,000 feet).

About 70% of the Nome #1 claim and 85% of the Nome #2 to 5 claims is above timberline with forest cover occurring mostly along Pooley Creek.

Mountainous streams occur throughout the Nome claims with the major drainage being the southeasterly-flowing Pooley Creek, which flows into Dease River; occurring largely between the two properties. The Nome #1 claim and the western part of the Nome #2 to 5 claims are drained by tributaries of Pooley Creek whereas the eastern part of the Nome #2 to 5 claims are drained by two easterly-flowing tributaries of the Huntergroup Creek.

**HISTORY**

The following, up to 1993, is taken from I. Borovic’s 1994 report where more detail is provided on the results.

<table>
<thead>
<tr>
<th>1983</th>
<th>Nome Claims were staked.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983 - 1984</td>
<td>Geological mapping, geochemical survey, and hand trenching by H. Copland. Samples collected were 128 soil, 3 stream, and 16 rock mostly from Nome #1 claim and some from Nome #2 to 5 claims - J.R. Poloni, 1984, and H. Copland, 1983</td>
</tr>
<tr>
<td>1987</td>
<td>Geological and geochemical work was carried out on Nome #1 and Nome #2 to 5 by Aurum Geological Consultants for Evergrow Resources. Nome #1 claim - 159 samples, 24 rock samples, and 4 hand trenches, Nome #2 to 5 claims - 251 soil samples and 40 rock samples - Tom Garagan, 1987</td>
</tr>
<tr>
<td>1988</td>
<td>Geological mapping and geochemical work by Sookochoff Consultants. Nome #1 claim - 46 soil and 8 rock samples; Nome #3 Claim - 311 soil and 24 rock samples - L. Sookochoff, 1988</td>
</tr>
</tbody>
</table>
1993 | Geochemical soil sampling was done on the Nome #1 and #2 claims under supervision of Emil Leimanis. Nome #1 claim - 10 soil samples; Nome #3 Claim - 37 soil samples - I. Borovic, 1994
---|---
1997 | Magnetic and VLF-EM surveying was done on the Nome #1 claim (5,000 meters), and the Nome #2 claim (4,450 meters) under supervision of the Gerry Diakow - D. Mark, 1997.

**GEOLOGY** (from I. Borovic's, 1994 report)

(a) **Regional**

The Nome Property is located within the Sylvester Allochton, a fault-bounded assemblage of Upper Paleozoic cherts, greenstones, clastic and metamorphic rocks, thrust over rocks autochtonous to the North American craton in post-Triassic to early Cretaceous times.

The rocks underlying the area of and around the Nome property are Sylvester Group volcanic and sedimentary rocks of Late Devonian to early Mississippian age.

Sediments include siltstone, chert, sandstone, argillite, greywacke and minor limestone.

The volcanics include flow-type and pyroclastic rocks. Ultramafic rocks, subsequently altered to listwanite, were probably emplaced during the Mississippian Period.

During the Mid-Cretaceous Period the Cassiar Batholith intruded the western part of the allochton. Tertiary diabase dykes occur throughout the area.

Characteristic structure of the area are low-angle layer-parallel slices within Sylvester Allochton. Superimposed on that general structural pattern are north to northwest striking steep faults. The southeast slope of the Needlepoint Mountain is cut by north striking steep fault as is Table Mountain area to the north. It appears that gold/silver mineralized quartz veins are also associated with those shears and related alterations.

(b) **Property**

The Nome claims are underlain by intermediate to basic volcanic and fine-grained clastic rocks of the Sylvester Group. The Nome 1 claim is underlain by interlayered light and dark green andesites to basaltic andesite flows and lapilli to ash tuffs. These units are generally massive and are interbedded and interfingered with thin, dark green to black chert units. According to Diakow and Panteleyev (1981), these form part of the lowermost package within the Sylvester Group.

The Nome 2-5 claims are underlain by two distinct units within the Sylvester Group. The west side of the claims is underlain by a weathered interbedded argillite and siltstone with minor thin andesite flows. Argillites are the most dominant unit and are locally carbonaceous. The sediments are thinly bedded, trend northwesterly, and are generally steeply dipping.
Cliff forming basalt to basaltic andesite flows and lapilli and ash tuffs outcrop east of the sediments. The volcanics are dark green and massive and contain very thin (up to 50 m wide) massive to locally crinoidal limestones. Bedding within the limestone is often contorted and the limestone pinches and swells over short distances. The volcanics are cut by 1-3 m wide, very fine-grained basaltic andesite dykes, which apparently do not cut adjacent argillites. The volcanic and limestone package trends northwesterly with moderate northeasterly and southwesterly dips. According to Diakow and Panteleyev (1981), basalt and basaltic andesite flows are the youngest members of the Sylvester Group in the Cassiar area.

The change in dips between the volcanics and sediments and the lack of mafic dykes within the sediments suggest that the contact between the two are faulted. This fault contact is offset 800 m by an east-west trending right lateral fault in the central part of the Nome 4 claim.

In the northwest corner of the Nome 4 claim, the volcanics are cut by 2-3 m wide chocolate brown weathering northwesterly trending lamprophyre dyke of possibly Jurassic to Cretaceous age.

(c) Mineralization

The Nome property is located within the so-called Erickson-Cusac vein system. All the significant gold-bearing quartz veins in the area are hosted by Sylvester Group rocks. The veins are generally east-west to northeasterly trending and are usually associated with gossan forming quartz-carbonate-pyrite (occasionally mariposite) alteration. Veins vary between a few centimeters to five metres in width and may be up to several hundred metres in length. The gold-bearing veins usually contain free gold and up to 2%-3% sulphides.

In the Cusac's Eileen and Katherine veins, gold and silver mineralization occurs in listwanite zones bounding the upper contact of basalt-sediment sequence. Gold grades average 30 g/t. Cusac is about 1.4 km northeast of the Nome 1 claim.

Hunter shear zone is located about 0.8 km east of the Nome 2-5 claim group. Quartz vein within the shear is about 1 m wide and contains erratic gold values to 6.9 g/t.

Vollaug vein is located on Table Mountain about 3 km north of the Nome property. Gold occurs in an easterly striking quartz vein. The vein was mined and the average gold content of the ore was 10.5 g/t.

Erickson Mine (Jennie and Maura veins) are about 4 km to the north of the Nome property. Gold occurs in the steeply dipping quartz veins in sheared basalts. Some 490,000 t was mined and averaged 15.3 g/t gold and 11.3 g/t silver.

Two major zones of alteration and veining have been found on the Nome claims. A large gossan (25 m x 100 m) over carbonate-pyrite altered volcanics and associated quartz-ankerite veins is located on the west side of the Nome 1 claim. Boulders of massive quartz-ankerite and vuggy quartz-limonite vein material and quartz-ankerite...
stockwork within carbonate altered volcanics were found within the area. Vein boulders are up to 45 cm across, but veins found within a hand-dug trench (Trench #1) are only 1 to 3 cm wide. The area represents an east-west trending zone of quartz-ankerite veining and stockwork within carbonate-pyrite altered andesites, similar to those related to gold-bearing veins on Total Erickson's and Cusac's properties.

In the northeast corner of the Nome 3 claim, a 600 m long zone of carbonate-pyrite altered volcanics was located. Boulders of bull quartz-ankerite vein material and quartz-ankerite vein stockwork occur at the southeast corner of the gossan. Individual veins appear to be at least 40 cm wide. The zone is related to a northwest trending lineament (probably fault zone) and is very similar in appearance to the zone located on the Nome 1 claim.

Several 1 to 50 cm wide bull quartz veins (with minor siderite) were found on the west side of the Nome 2-5 claims. The veins trend east-west and dip steeply north. Alteration associated with these veins consists of narrow zones of bleached rocks within the volcanics.

A one-meter wide northwest trending quartz-limonite gouge zone within argillite occurs in the southeast corner of the Nome 4 claim. The vein contains trace chalcopyrite with malachite staining. The strike length of the zone is not known.

A quartz vein with visible gold is reported by M. Kreklo to occur in the southwest corner of Nome 1 (Copland, 1983). This could not be confirmed at the time of exploration because of snow cover in that area.

GRID EMPLACEMENT

Two survey grids were established, one within the northern part of the Nome #1 Claim and the other within the western part of the Nome #5 Claim. These are shown on map #1 at a scale of 1:50,000. The Nome #1 claim grid is located to the immediate south of the grid put in for the magnetic and VLF-EM surveys described within the writer's previous report and in fact is the southerly extension of that grid. The baseline for the new grid was placed at 500S and re-labeled 000. The old baseline was then re-labeled 500N and all the other station re-labeled accordingly.

The two new grids are described as follows:

<table>
<thead>
<tr>
<th>GRID</th>
<th>BASE LINE DIRECTION</th>
<th>SURVEY LINE DIRECTION</th>
<th>SURVEY LINE INTERVAL</th>
<th>STATION INTERVAL</th>
<th>GRID SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOME 1</td>
<td>west</td>
<td>north-south</td>
<td>50 meters</td>
<td>25 meters</td>
<td>baseline - 1,000 m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>survey lines - 21,000 m</td>
</tr>
<tr>
<td>NOME 5</td>
<td>135°E</td>
<td>45°E - 225°E</td>
<td>100 meters</td>
<td>25 meters</td>
<td>baseline - 800 m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>survey lines - 4,500 m</td>
</tr>
</tbody>
</table>
The stations were marked by blaze-orange flagging.

**SURVEY PROCEDURE**

A total of 53 rock samples were taken within the area bounded by 000W to 400W and 550S to 400N, as shown on the accompanying map. Some of these samples were taken within trenches that were dug out by hand by the crew. The trenches, which are shown on map GP-9, were hand-dug along quartz veins. In addition, buckets of water were packed in to wash the dirt off of the exposed quartz before it was sampled. Trench #1 and the three trench #1 extensions were dug along the same quartz vein.

Trenches A, B, and C shown on the map were dug previously by other operators.

**TESTING METHOD**

The samples were forwarded to Acme Analytical Laboratories Ltd. in Vancouver for analysis. The samples were crushed to -80 mesh and a fraction of each was digested in hot aqua regia for one hour, and after cooling, adding MIBK. The sample is then shaken to extract gold into the MIBK phase. An extract of the sample is then aspirated into a graphite furnace for the determination of gold.

The gold analysis for each sample is shown in the table below which also describes the samples and where they were located.
<table>
<thead>
<tr>
<th>TAHOE SAMPLE NUMBER</th>
<th>LAB SAMPLE NUMBER</th>
<th>GRID LOCATION</th>
<th>GOLD VALUE (ppb)</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Y129155</td>
<td>400W 020N</td>
<td>-</td>
<td>chert outcrop, fractured, Fe stained</td>
</tr>
<tr>
<td>2</td>
<td>Y129156</td>
<td>300W 230S</td>
<td>370</td>
<td>quartz vein material</td>
</tr>
<tr>
<td>3</td>
<td>Y129157</td>
<td>400W 330N</td>
<td>29</td>
<td>brecciated quartz vein</td>
</tr>
<tr>
<td>4</td>
<td>Y129158</td>
<td>400W 430N</td>
<td>-</td>
<td>greenstone and cherty vein</td>
</tr>
<tr>
<td>5</td>
<td>Y129159</td>
<td>000W 150N</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Y129160</td>
<td>300W 360S</td>
<td>1</td>
<td>lime green chert</td>
</tr>
<tr>
<td>7</td>
<td>Y129161</td>
<td>300W 230S</td>
<td>118</td>
<td>quartz with sulphides</td>
</tr>
<tr>
<td>8</td>
<td>Y129162</td>
<td>250W 400S</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Y129163</td>
<td>250W 300S</td>
<td>5</td>
<td>2nd vein</td>
</tr>
<tr>
<td>10</td>
<td>Y129164</td>
<td>250W 300S</td>
<td>207</td>
<td>quartz</td>
</tr>
<tr>
<td>11</td>
<td>Y129165</td>
<td>250W 700S</td>
<td>-</td>
<td>outcrop</td>
</tr>
<tr>
<td>12</td>
<td>Y129166</td>
<td>250W 300S</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Y129167</td>
<td>300W 030S</td>
<td>-</td>
<td>greenstone with sulphides</td>
</tr>
<tr>
<td>14</td>
<td>Y129168</td>
<td>300W 030S</td>
<td>-</td>
<td>greenstone with sulphides</td>
</tr>
<tr>
<td>15</td>
<td>Y129169</td>
<td>400W 170N</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>Y129170</td>
<td>R3, past Cirque Lake</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>Y129171</td>
<td>250W 975S</td>
<td>-</td>
<td>creek bed,</td>
</tr>
<tr>
<td>18</td>
<td>Y129172</td>
<td>Vollang Vein, Cusse Mine</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>Y129173</td>
<td>250W 225S</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>Y129174</td>
<td>300W 100S</td>
<td>83</td>
<td>quartz fracture</td>
</tr>
<tr>
<td>21</td>
<td>Y129175</td>
<td>300W 300N</td>
<td>-</td>
<td>hard green volcanics</td>
</tr>
<tr>
<td>22</td>
<td>Y129176</td>
<td>BL, 550W BL, 675W</td>
<td>-</td>
<td>2 samples</td>
</tr>
<tr>
<td>23</td>
<td>Y129177</td>
<td>200W 550S</td>
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<td>200W 525S</td>
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<td>Y129179</td>
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<td>28</td>
<td>Y129182</td>
<td>250W 150S</td>
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<td>29</td>
<td>Y129183</td>
<td>000W 175S</td>
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<td>320W 030N</td>
<td>4</td>
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<td>Y129185</td>
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<td>Y129186</td>
<td>200W 360S</td>
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<td>Y129187</td>
<td>200W 300S</td>
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<td>000W 800S</td>
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<td>250W 450S, 465S, 776S</td>
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<td>Trench #5, Sample #5</td>
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</table>
COMPILATION OF DATA

An XYZ file of the gold results was created and then a plan map at a scale of 1:2500 was created using software from Geosoft of Toronto. Trenches and other physical features were then hand-drawn on the plan.

DISCUSSION OF RESULTS

The number of samples is too small to give an accurate value as to what is anomalous. However, in examining the results, it appears that values above 100 ppb are anomalous.

As a result, five of the samples contain anomalous values in gold. Three of the samples consist of quartz, one consists of chert, and one consists of a mixture of quartz and chert. These samples indicate that there is gold within the system(s) and that an economic deposit may occur nearby, possibly at depth. Further work is therefore required to be done in the area.

In the area of the magnetic and VLF-EM lineations, none of the samples contained anomalous amounts of gold. However, the sampling was very limited and therefore does not preclude gold occurring in the area. Most of this sampling was done near surface on quartz veins within the trenches. Sampling at a greater depth may return higher values in gold.

Yours sincerely,

GEOGRAPHICS SURVEYS LTD.

[Signature]

David G. Mark, P. Geo.
Geophysicist

October 19, 1998
SELECTED BIBLIOGRAPHY


GEOPHYSICIST'S CERTIFICATE

I, DAVID G. MARK, of the City of Vancouver, in the Province of British Columbia, do hereby certify that:

I am registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

I am a Consulting Geophysicist of Geotronics Surveys Ltd., with offices at 6204 - 125th Street, Surrey, British Columbia.

I further certify that:

1. I am a graduate of the University of British Columbia (1968) and hold a B.Sc. degree in Geophysics.
2. I have been practicing my profession for the past 30 years, and have been active in the mining industry for the past 33 years.
3. This report is compiled from data obtained from rock sampling carried out on a grid emplaced within the northern part of the Nome #1 Claim. The surveys were done from September 15 to October 8, 1997, under the field supervision of Gerry Diakow, exploration technician.
4. I do not hold any interest in Tako Resources Ltd., nor in the properties discussed within this report, nor do I expect to receive any interest as a result of writing this report.

October 19, 1997

David G. Mark, P.Geo.,
Geophysicist

- 11 -
AFFIDAVIT OF EXPENSES

Grid emplacement, trenching, and rock sampling was carried out within the northern part of the Nome #1 claim and a grid was put in within the western part of the Nome #5 claim belonging to Tako Resources Ltd., from September 15 to October 8, 1997, located adjacent to Pooley Creek in the Cassiar area within the Liard Mining Division, British Columbia, to the value of the following:

**Mob/Demob:**
- Wages, 1 man, 2 days @ $300/day $600.00
- Airfare 1,200.00
- Airfreight 200.00
- Room and Board 200.00
- Truck Rental and fuel 375.00

**Field:**
- 4 men, 23 days @ $900/day $20,700.00
- Room & board, 23 days @ $400/day 9,200.00
- Truck rental and fuel, 23 days @ $125/day 2,875.00
- Field supplies 450.00

**Laboratory:**
- Sample preparation and testing of 39 samples @ $11/sample $429.00

**Data Reduction & Report:**
- Senior geophysicist, 15 hr. @ $50/hr. $750.00
- Technician, 3 days @ $300/day 900.00
- Printing, photocopying, compilation 50.00

**GRAND TOTAL** $37,929.00

Note: About 80% of the work was done on the Nome #1 claim for amount of $30,343. About 20% of the work was done on the Nome #5 claim for amount of $7,586.

Respectfully submitted,
TAKO RESOURCES LTD.

S. G. Diakow,
Project Manager

October 19, 1998