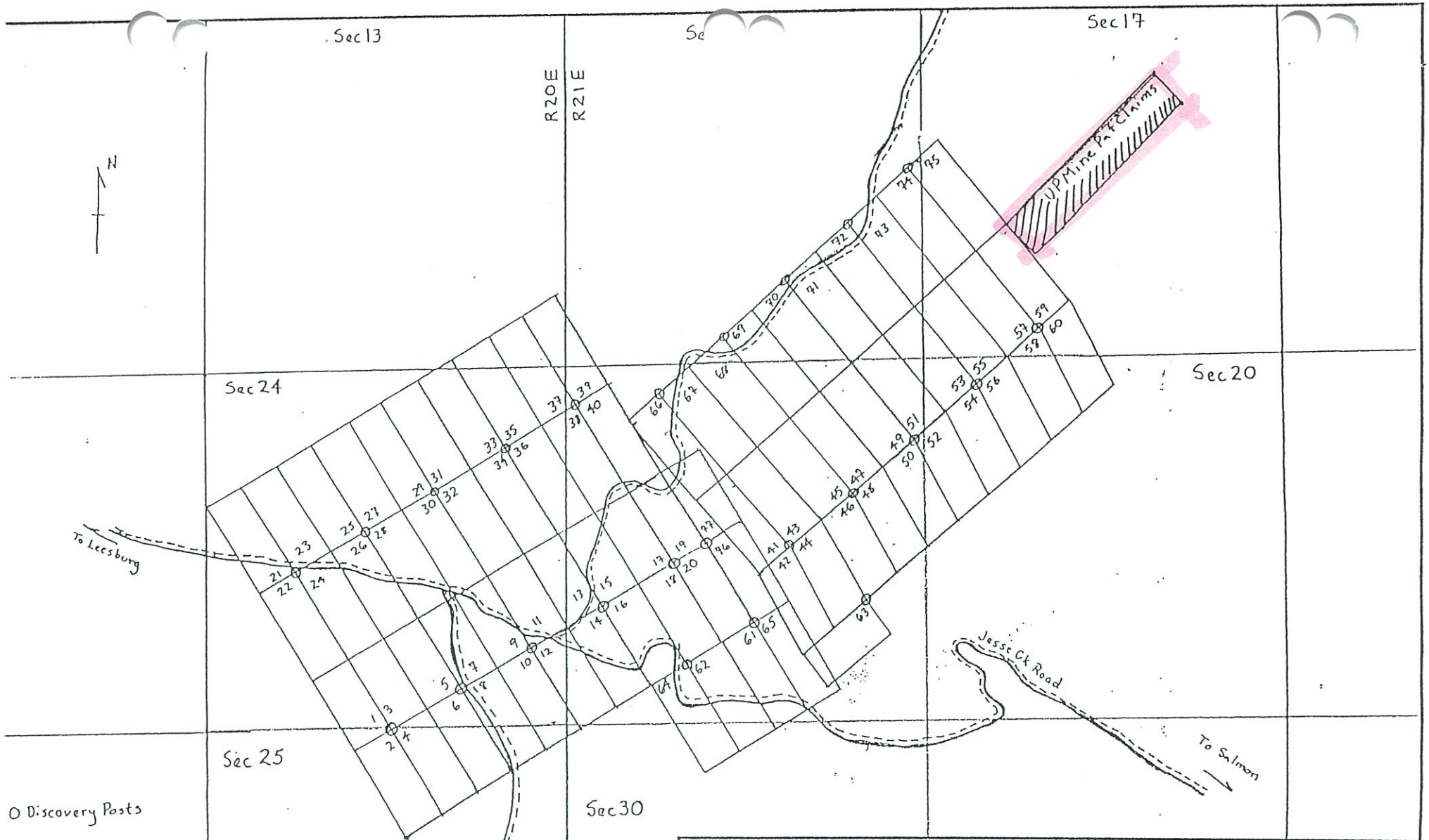
Sampling on the property includes 8 stream sediment samples and 24 rock samples. Two separate areas with values grading greater than 0.30 oz/ton gold have been identified on ground owned by Formation.

Geological reconnaissance on the property has traced the Sharky Creek shear for a distance greater than 5000 feet to date. The shear is predominately hosted within intrusive quartz monzonite where it expresses itself by completely altering the host rock. Alteration consists of advanced argillic and potassic with extensive oxidation products. The shear contains numerous quartz veins, vein stockworks and stringer zones. Old workings found along the structure consist of pits, trenches and short adits. All workings are presently caved, except for those found along strike at the U.P. & Burlington patents.

Where the shear is hosted within Precambrian quartzites and where secondary structures have been identified within the quartzites, the predominate alteration is potassic bleaching and minor argillization. Several quartz tourmaline breccia zones which contain elevated gold values up to 73 ppb have been identified.

A separate zone of shear hosted quartz tourmaline veins has also been identified. A random chip sample of this material over a 5 foot width returned gold values greater than 0.3 opt.

The system has demonstrated strength and the existence of ore grade gold mineralization. The claim block is well situated structurally as well as geologically within the emerging Leesburg - Salmon gold camp.



Shark Claim Block, 1-77, Eureka Mining District, Lemhi Co, Idaho
Sec's 13, 24, 25 T22N, R20E and Secs 17, 18, 19, 20, 30 T22N, R21E

SCALE: 1" = 2000'	APPROVED BY: Scott Bending VP Exploration	DRAWN BY PCN
DATE: 29 Oct 88		REVIBED

Shark 1-20 Located 23 Oct 88
Shark 21-40 Located 24 Oct 88
Shark 41-60 Located 26 Oct 88
Shark 61-77 Located 28 Oct 88

By Phillip C Nisbet, Chief Geologist
for Formation Capital Corp. US
142 Court St, Elko NV

DRAWING NUMBER

L337

Shark Mercs

Gilt Edge

Although production records are not available, the number of old workings, the size of several dumps and the occurrence of a mill indicate that the mine was a past producer. The property contains at least two narrow quartz veins that strike N 70-80 W and are 6" to 12" thick at the surface. Although these veins have averaged about one to three ounces/ton gold during the minimal mining operations carried out over the past 10 years by the owner, FMC took a sample that returned 33 opt gold.

The high grade veins on the Queen are off-set or cut off on the west by a 5 to 6 foot wide quartz vein ("Big Vein") which trends N 15 E, 50 SW. Although the owner reports Big Vein assays up to 0.25 opt, two of three samples on the vein ran only 23 ppb and less than 5 ppb. The third sample was a 10 foot chip that included 5 feet of wall rock and returned 962 ppb. The structure apparently carries gold values although they appear to be spotty. The intersection of the Big Vein and the high grade structures is an obvious target. If off-set, the intersection of the high grade veins with the northeast continuation of the Sharkey Creek fault is another obvious target and one that FCC thinks it has recently discovered.

Encouraging samples from the Gilt Edge property include stockwork quartz and jasperoid veining within sericitized granite host rock that ranged from 181 to 2096 ppb gold. Samples of stockwork quartz veining within sericitically altered Yellowjacket siltites and quartzites were also encouraging, returning 609 and 1058 ppb from two samples.

FCC has just recently leased the property and as yet has no sample results from the property.

King Soloman

As with the Gilt Edge, the King Soloman has no record of past production but and abundance of old pits, shafts and adits and the occurrence of a mill indicate that the mine was a past producer. Gold occurs along the King Soloman fault which strikes N 30 W. FCC has mapped seven cross structures and many of the old workings are at the intersections of these cross structures and the King Soloman fault. The King Soloman structure contains old workings and prospect pits along 5000 feet of strike length and these intersections are primary exploration targets on the King Soloman block.

Several FCC samples of stockwork quartz veining within Precambrian granites returned promising values of 766, 2846 and 3726 ppb gold. FCC high grade samples of quartz vein material was sporadic, with a high of over 8 opt gold.

Only four of 21 samples from the property did not contain detectable gold, the most encouraging of which were several samples of choritically to sericitically altered granite with stockwork quartz veining that ran from 148 to 20,342 ppb gold.

The King Soloman structure appears to become richer in gold to the northwest as it approaches the Sharkey Creek/U.P. fault. This intersection should be considered a primary exploration target. Although surface widths on the King Soloman structure appear to be around 20 feet, the potential for coalescing of northeast-trending structures at depth along the King Soloman structure is another important target on the King Soloman block. Outcrop on the King Soloman block is very limited, so trenching and VLF-EM geophysics will be an important exploration tool.

Silverton Area

The Silverton mine is another probable small past producer for which no production records exist. Mineralization in the Silverton area is associated with at least three main shears that are 500 to 1000 feet apart and may merge to the west. This composite shear zone is the northwest continuation of the Lemhi fault/Trans-Salmon system which travels north up the Lemhi Valley, through the town of Salmon and then onto the property. Although exposure is very poor, at least two of these shears appear to have width potentials of at least 40 feet on the surface.

Although FCC sample write-ups for the Silverton area were not received by the time of this writing, their rock geochemical map (see enclosed) shows samples ranging up to 0.102 opt gold. This

particular sample is a 40 foot composite grab on the Middle (Moore) shear and was taken on a zone of stockwork quartz veining within Yellowjacket siltites. samples (see enclosed write-ups) ranged from 335 to 15,420 ppb gold from stockwork quartz vein zones within Yellowjacket siltites and quartzites. Alteration associated with this mineralization ranges from choritic to locally sericitic with zones of disseminated pyrite.

The Bob shear has been traced for over three miles by FCC and contains concentrations of old workings over 3500 feet of its length. This strike potential, coupled with width potentials of 40+ feet make the Bob shear a primary exploration target in the Silverton area. The North shear to the north of the Bob shear and the Middle shear to the south have been traced for 4000 and 3000 feet, respectively, and although very poor exposure limits sampling and width determinations, they both offer excellent secondary targets. As these shears seem to be part of a composite shear system, the potential for them to coalesce into a large Beartrack-type system at depth appears good (see Hypothetical Cross-Section).

Morning Glory

The Morning Glory workings consist of three or four short caved adits and numerous prospect pits and trenches. Judging from the size of the dumps, the longest adit appears to have been approximately 150 feet long. No old mill site remains in the area so past production was probably minimal.

Mineralization in the Morning Glory area consists of stockwork quartz veining, iron staining and chloritic to locally sericitic alteration along the Morning Glory shear, a southern parallel shear to the Middle, Bob and North shears and also part of the composite system that probably splays off of the Lemhi fault (Trans-Salmon).

FCC samples from dumps at Morning Glory range up to 0.174 opt gold from stockwork quartz veining in Yellowjacket siltites and quartzites. samples from the Morning Glory workings returned 335 and 1090 ppb gold from sheared and brecciated siltite and quartzite with stockwork quartz veining. Width potential on the Morning Glory shear is at least 20 to 30 feet, but outcrop is nearly non-existent, so delineating the width of the shear, or the presence of parallel shears and crossing structures will require trenching and the use of geophysics, probably VLF-EM. Old workings along the Morning Glory shear stretch for 2500 feet and the shear itself has been traced for at least 2.5 miles. The primary target at Morning Glory would be VLF-EM defined crossing structures in the vicinity of the old workings.

MG Box 1-23

ILKS-89-DT-1 Adit to west of main KS workings along KS shear. Alt. pC granite. Biotite removed; chlorite replaces matrix Feldspar fresh. Qtz stockwork and veining on shear fabric. Larger 1" veins vuggy w/ some hematite after pyrite. Dump grab.

ILKS-89-DT-2 150 ft down and 50 ft north of last adit. Prospect pit. Same general character as last sample, but feldspar partially clay altered and slightly greater stockwork. Pit grab.

ILKS-89-DT-3 Hematitically stained pC granite found as float uphill and south of prospects. Feldspar fresh but Biotite replaced matrix chloritized but no stockwork some possible disseminated pyrites.

ILKS-89-DT-4 Float of Qtz vein material south of last sample Vein vuggy with stockworks and boxworks of hematite after pyrite

ILRS-89-DT-S Qtz vein and altered granite near contact with pC Qtzite in Prospect pit east of mill. 5ft chip on vein. Very vuggy with botsal hematite On KS Shear.

ILKS-89-DT-G Prospect pit with high[illegible] altered pC granite on strike with southern most of KS Shears [illegible] east-[illegible] [illegible] [illegible] [illegible] of vuggy qtz. Dump [illegible].

King Salamon Mine Area -

ILKS-89-N-1 General Dump of veined and matrix altered pC granite from southern main adit set. Dump large, at least 300 ft workings. Matrix chlorite-sericite altered but biotite still fresh. Veins as stockwork, very vuggy.

ILKS-89-N-2 High grade vein sample from dump. White Qtz veins with large streaks of pyrite and strongly chloritically altered Qtzite with euhedral pyrites to 3 cm in stockwork.

ILKS-89-N-3 Altered pC granite across 15 ft at portal of main adit to King Salamon Mine. Iron stained, disseminated pyrite in matrix but biotite still fresh. Minor small Qtz veinlets.

ILKS-89-N-4 General Dump sample of pC intrusive plus finer grained felsic intrusive with abundant disseminated pyrites. From main dump of Adit above Mill.

ILKS-89-N-5 Small prospect pit West of main adits and uphill. Altered and stockworked pE granite with slight shear fabric iron staining over 10ft zone. Poor exposure.

ILKS-89-N-6 Tourmaline qtz vein Breccia zone covers large, 80ft wide, area on N20E strike. Small prospect pits on zone, Composite sample. Large acicular crystals and thick fine grained bands to 4Cm. Minor sulfides.

ILKS-89-N-7 Strongly altered pE granite. Biotite gone. Chloritic matrix with dis-sulfides. KSpar slightly rounded by alteration. some small Qtz stock on jointing surfaces. Prospect Pits shallow and some small trenchs. Composite.

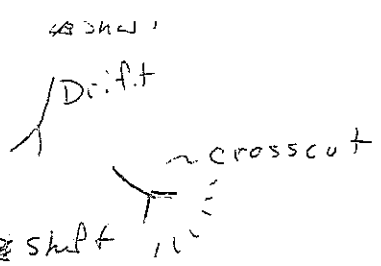
ILKS-89-N-8 Stockwork veining in pE granite with very heavy alteration much dis pyrite strong replacement but still has texture. Veinlets to 2cm, with pyrite. Biotite good away from shear. Atleast 40ft at contact with Qtzite. Trenchs+shafts.

ILKS-89-N-9 Trenchs uphill off trail from last sample north of the swamp. Highly altered pyrite bearing stockwork zone Kspar on altered. From 2 Trenchs of 10 M each.

ILKS-89-N-10 Shaft of 10-20 ft in depth just off trail returning toward mine. Stockwork Qtz sulfide veinlets in chloritically altered. pE, w/ disulfides, minor sericite. Over 10 ft dump around ~~excavated~~ shaft but zone greater.

ILKS-89-N-11 1800 ft east of main adits. Surface sample accross subcrops of Bxed qtzite on a N60E shear with vuggy qtz veining, chlorite alt. some disulfides in an otherwise grey and boring Qtzite, over 50 ft.

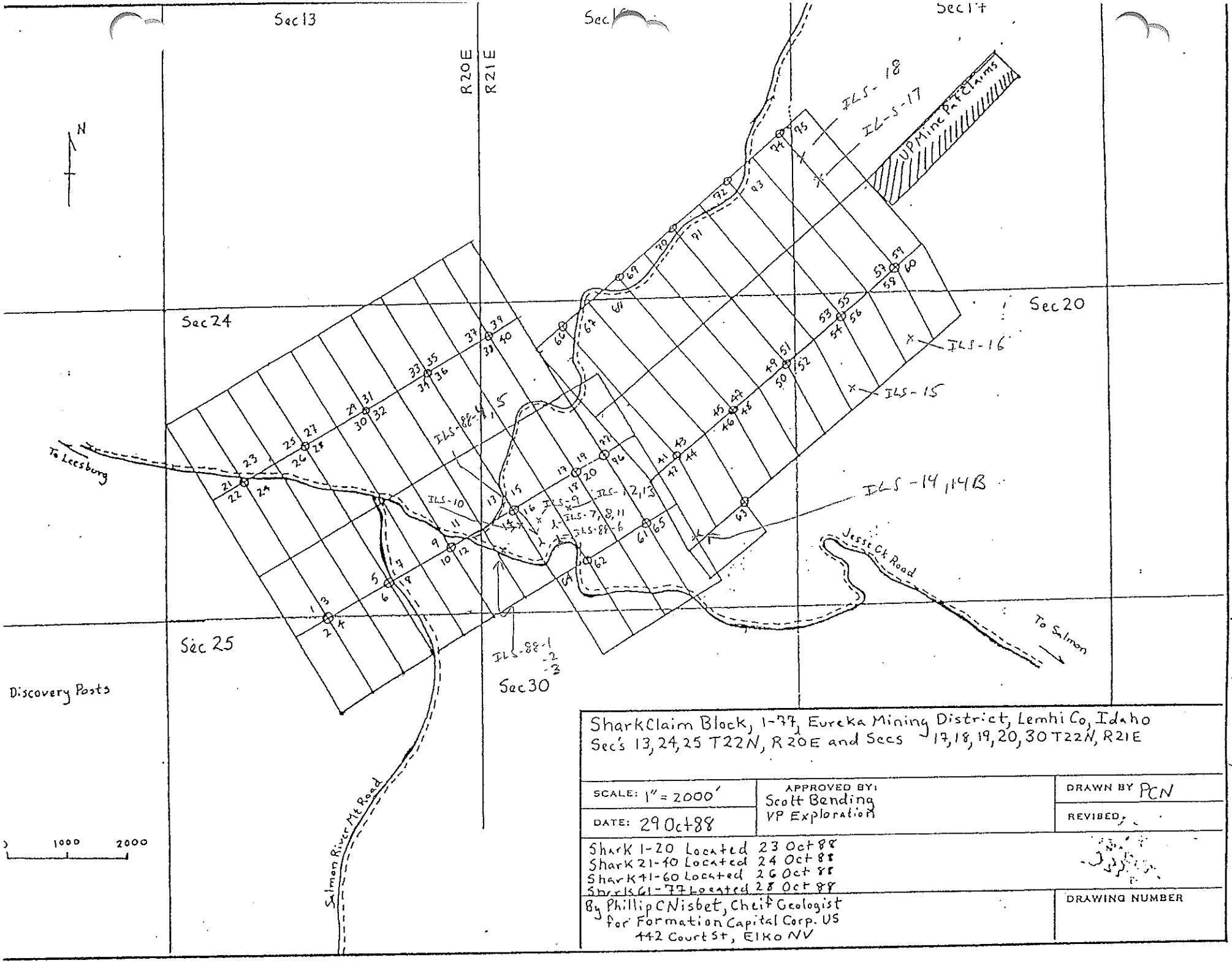
ILKS-89-N-12 Small shaft. Mostly Bull qtz veining over 20 ft near edge of mineralized zone. Some stockwork in altered Qtzite Minor sulfides.



ILKS-89-N-13 Adit complex with 2 shaft, drift & crosscut. Sample at drift portal @ of 10 ft of Heavy Bx w/ strong stockwork in chlorite alt. Qtzites. Zone 60 ft.

ILKS-89-N-14 Surface near Rd June 60 ft wide float zone. Qtz veining with large euhedral pyrites, tourmaline bands, pyrites disseminated in Qtzite.

ILKS-89-N-15 Gossan selected of alt qtzites from main adit dump. Hemat. tec Qtzite? Looks to contain VG.



Shark Claim Block, 1-77, Eureka Mining District, Lemhi Co, Idaho
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By Phillip C Nisbet, Chief Geologist
for Formation Capital Corp. US
442 Court St, Elko NV

DRAWING NUMBER

MG 1 - 24

MG1-24

DESCRIPTIONS OF SHARK ROCK SAMPLES

collected and described by Formation Capital Corporation, 1988

November 3, 1988

Sample ILS-88-15: On hill SW of UP & Burlington. Bleached quartzite. Partly argillized with numerous qtz stringers.

Sample ILS-88-16: Grab sample SW of UP & Burlington. Bleached, partly argillized quartzite and intrusive containing blue mica.

Sample ILS-88-17: Shark claims. Partly oxidized qtz vein material.

Sample ILS-88-18: Partly oxidized and saussuritized, abundant mica, tourmaline. 1/2" qtz veins, sheared with minor limonite. 5' chip sample.

MGT 24

...r-Clegg & Company Ltd.
...
...ver, B.C.
...
...al Telex 04-352667

BONDAR-CLEGG

Geochemical Lab Report

REPORT: V88-09393.0

PROJECT: NONE GIVEN PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Au PPB	Ag PPM
R2 ILB-88-1			
R2 ILB-88-2			
R2 ILB-88-3			
R2 ILB-88-4			
R2 ILB-88-5			
R2 ILB-88-6			
R2 ILBM-88-1			
R2 ILBM-88-2			
R2 ILBM-88-3			
R2 ILBM-88-4			
R2 ILBM-88-6			
R2 ILJ-88-1			
R2 ILJ-88-2			
R2 ILJ-88-3			
R2 ILJ-88-4			
R2 ILJ-88-5			
R2 ILS-88-1		<5	0.2
R2 ILS-88-2		6	0.5
R2 ILS-88-3		7	0.5
R2 ILS-88-4		12	0.1
R2 ILS-88-5		10	0.1
R2 ILS-88-6		10	<0.1
R2 ILS-88-7		>10000	23.7
R2 ILS-88-8		445	1.8
R2 ILS-88-9		65	0.2
R2 ILS-88-10		150	0.1
R2 ILS-88-11		38	2.0
R2 ILS-88-12		8680	>50.0
R2 ILS-88-13		75	1.2
R2 ILS-88-14		25	0.9
R2 ILS-88-14B		1417	1.5
R2 ILS-88-15		13	0.2
R2 ILS-88-16		<5	<0.1
R2 ILS-88-17		233	2.2
R2 ILS-88-18		>10000	2.1