MAR 19950028: BIRCH

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FOCAL RESOURCES LIMITED

Birch Property

Assessment Report

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L. Smith, P. Geol.

August 1995

Table of Contents

Summary

Focal Resources Limited began its Northeast Alberta exploration programme in the spring of 1994. The Birch Property was included in that study. The principal exploration objective was to find gold and other metals in the Devonian limestones. In order to test the mineralisation model, stream sediment and peat bogs were sampled.

Relatively high geochemical values were found in the peat samples. However, due to the difficulty in interpreting the results and the amount of work that would be required to obtain a meaningful data set, it is recommended that the property be dropped.

Introduction

This report summarizes the exploration efforts carried out by Focal Resources Limited on the Birch Property (NTS 84 H and 84 A; Maps 1 and 2) during the 1994 summer field season.

Regional Geology

The Northeast corner of Alberta is occupied by rocks of the Canadian Shield belonging to the Churchill Structural Province. These rocks are overlain by Phanerozoic sediments, thickening westwards. The Precambrian rocks in the region consist of the basement complex of intrusive and metasedimentary gneisses, unconformably overlain by the flat-lying sandstones of the Athabasca Group. During the Hudsonian Orogeny theses rocks were structurally deformed, and metamorphosed to amphibolite grade. A hematitic regolith (the La Loche Formation), is commonly found overlying the Athabasca Formation (if present) or the Precambrian basement. A wedge of Devonian limestones unconformably overlies the Precambrian rocks, but is rarely found in outcrop due to the thick layer of glacial cover. Further west the Devonian is overlain by Cretaceous sandstones and shales.

Map 3 shows the bedrock geology of North-eastern Alberta, and Diagram 1 represents the regional stratigraphy of Northeast Alberta.

Mineralisation Model

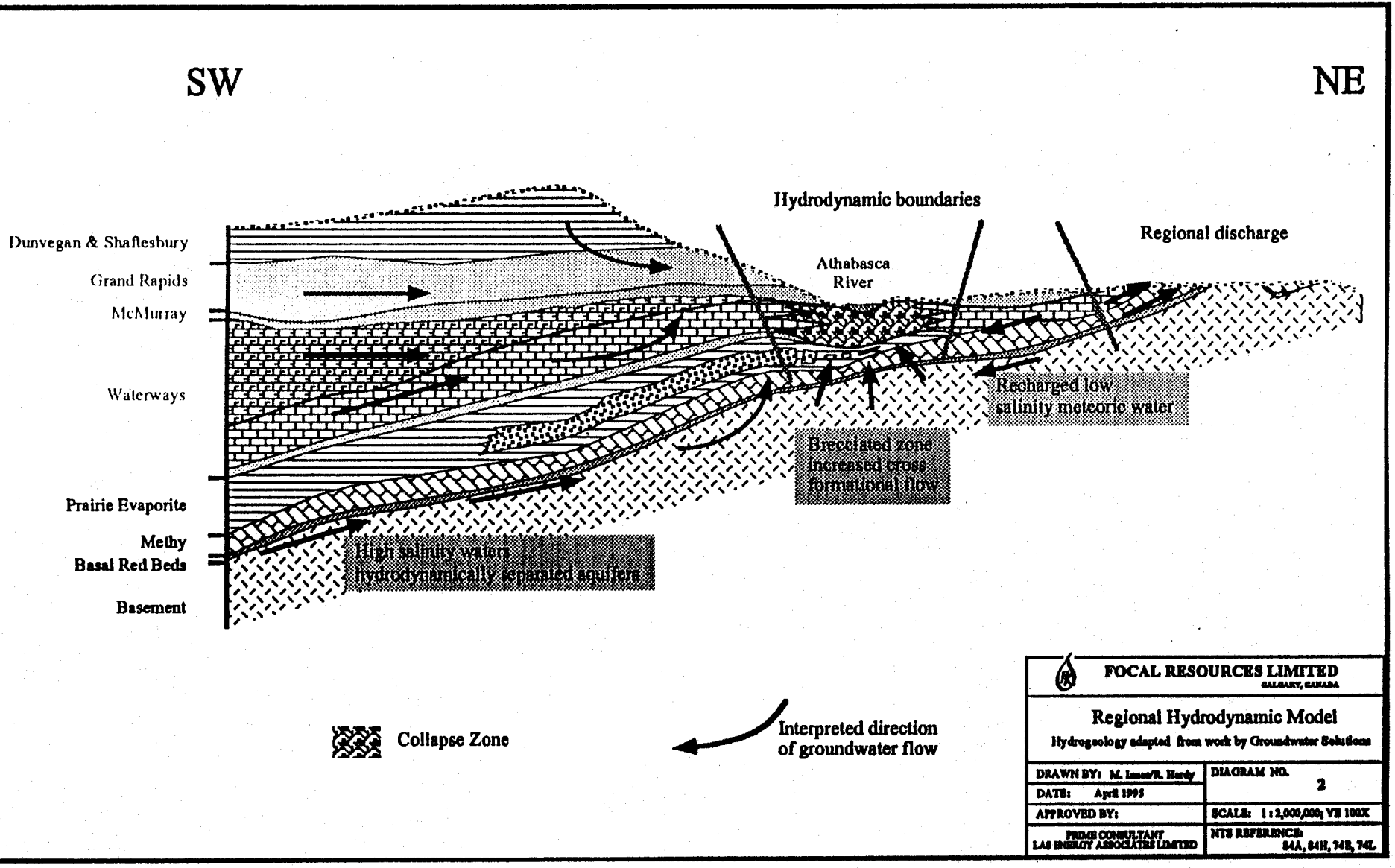
Several variations of a working model were developed before the field work began and have been improved upon since (Diagram 2).

The generic model for metallic mineral deposition involves ion rich waters migrating upwards and precipitating metals upon reaching an appropriate change in redox conditions. The upward migration of such fluids from the basal red beds or granite wash (La Loche

Diagram 1. Generalized Stratigraphy of Northeastern Alberta.

SYSTEM		GROUP	FORMATION	MEMBER	DOMINANT LITHOLOGY
Recent-Pleistocene			Drift		till, outwash gravels, aeolian sands
Cretaceous	Upper	La Biche	La Biche		shale
			Dunvegan		sandstone, siltstone
			Shaftsbury		shale, bentonites, fish scale horizon
	Lower		Pelican		sand
			Joli Fou		shale
		Mannville	Grand Rapids		lithic sands
			Clearwater		shale & glauconite sands
			McMurray		quartzose sands, heavy oil
Devonian	Upper	Beaverhill Lake	Waterways	Mildred	argillaceous limestone
				Moberly	limestone & shale
				Christina	shale & limestone
				Calumet	limestone & shale
				Firebag	shale, minor limestone
	Middle		Slave Point		limestone
		Upper Elk Point	Prairie Evaporite		salts, anhydrite, shale & dolomite
			Methy		dolomite, minor reefs
	Lower	Lower Elk Point	McLean River		shale, siltstone, dolomite
			Cold Lake		salt, minor shale
			Erestina		shale, limestone, anhydrite
			Lotsberg		salt, minor shale
			La Loche		arkosic sand & conglomerate (basal red beds/granite wash)
Precambrian			Athabasca Group		sandstone
			Basement Complex		granitoids

Modified after Dufresne et al (1994), and Hamilton and Mellon (1973).



FOCAL RESOURCES LIMITED
CALGARY, CANADA

Regional Hydrodynamic Model

Hydrogeology adapted from work by Groundwater Solutions

DRAWN BY: M. Imasa/R. Hardy	DIAGRAM NO. 2
DATE: April 1995	
APPROVED BY:	SCALE: 1:2,000,000; VE 100X
PRIME CONSULTANT LAS ENERGY ASSOCIATES LIMITED	NTS REFERENCE: 84A, 84H, 74B, 74L

Formation) is dependent on the breaching of aquatards in the overlying formations. Dissolution of the Prairie Evaporite salts results in collapse structures, and the associated faulting/brecciation would provide the necessary fluid conduits for cross-formational fluid migration. The salts also provide a source of ions for the migrating fluids. Fluids with meteoric compositions moving downward through the overlying surficial material will also affect overall fluid chemistry. The resultant fluids have a high oxygen content, and precipitation of the dissolved ions will occur when the fluids encounter a reducing environment. The McMurray Formation in the area contains hydrocarbons, providing the necessary reducing conditions. The redox boundary may not be a planar horizon, such as the base of the McMurray Formation, but due to leakage of hydrocarbons into the underlying rocks may be a wider zone enveloping the McMurray/Waterways contact. As such, there is potential for mineralisation in the Cretaceous sands as well as in the Devonian limestones.

The model described above is a variation of the two-fluid mixing model for the deposition of Mississippi Valley Type lead-zinc ores. The carbonate rocks in the area exhibit several of the regional characteristics of MVT deposits: high porosity and permeability as a result of karstification, fracturing or faulting; the presence of biostromal carbonates; dolomitization and silicification; and an association with hydrocarbons (Olson et al, 1994).

In order to determine the potential for the type of mineralisation described above, geological interpretation (air photo and Landsat image analysis) and subsequent geochemical sampling of peat bogs and stream sediments was conducted. The analyses indicate elevated geochemical values for several metals in the peat samples.

Location, Access and Permit Tabulation

The Birch Property comprises the lands listed in Table 1. They are found within NTS map 84 H and 84 A. Map 1 shows the regional context of the property, and Map 2 shows the boundaries and permit numbers in detail. All Metallic Mineral Permits for the Birch Property are curently in Cieszynski's name, but are on option to Focal.

Table 1
Permit Numbers and Locations

Permit Number	Section(s)	Township	Range	Meridian	Commencement Date
9393100091	1-8; 9S,NE, L11,L12;;10-15;16N,SE;17-36	94	20	W4	October 20, 1993
9393100093	1-36	93	20	W4	October 20, 1993
9393100093 4	1-36	95	20	W4	October 20, 1993

Access was gained via helicopter from Fort McMurray as there are no roads in the area.

Work Performed

Tables 2 and 3 show the work carried out on and/or in support of work on the Birch property from May 1994 - June 1995, and the cost of that work.

Table 2
Work Performed - Geological and Geochemical Surveys

Type of Work	Dates	Statistics
Compilation of Existing Information	May - July 1994	
Peat Sampling	August 1994	3 samples
Stream Sediment Sampling	October 1994	2 samples
Sample Analysis	September & October 1994	
Data Analysis, Interpretation and Consolidation	November 1994	

Table 3
Cost of Work Performed, as of September 30, 1995 (as per the attached)

Sampling Rationale, Procedures and Analysis

Exploration Strategy

The permits discussed in this report form a portion of the lands considered in Focal Resources Limited overall Northeast Alberta exploration programme. Positioning any specific property in a regional geological framework is an essential step in the interpretation of any data collected from that property. The information gathered from the literature was assembled and interpreted, an exploration and data collections strategy was developed, the appropriate field work was implemented, and the results were interpreted within a regional framework.

				Table 3			
	FOCAL RESOURCES LIMITED						
	BIRCH PROPERTY EXPENDITURE STATEMENT						
	AS OF SEPTEMBER 30, 1995						
Code				EXPENDITURES			
1	Company labour			$ 3,468.98			
2	Travel & vehicles			2,036.93			
3	Contract Labour			1,761.09			
10	Consulting Fees			8,822.22			
15	Meals & Entertainment			120.57			
90	Safety & Security			0.73			
100	Site access & prep.			71.05			
110	Camp & catering			2,147.20			
120	Communications			199.47			
160	Permits & licenses			23.70			
190	Surveying & photogrammetry			524.53			
200	Assaying & testing			3,287.30			
210	Studies - geological & mapping			3,765.51			
211	Studies - geophysical			2,882.15			
212	Studies - geochemical			5,543.18			
255	Fuel, lubricants & utilities			33.44			
260	Printing & reproduction			443.99			
300	Non-controllable material			709.59			
310	Controllable equipment			1,812.85			
411	Transportation - helicopters			1,805.94			
412	Transportation - fixed wing aircraft			269.24			
413	Transportation - vehicles			27.27			
430	Move- in/out			18.40			
480	Equipment rentals			509.36			
900	Miscellaneous			16.95			
990	Overhead			5,778.37			
	TOTAL EXPENDITURES			$ 46,080.00			

Due to the lack of bedrock exposure in this area, alternatives to the conventional approach were taken. Based on the literature and the available sampling media stream sediment and peat samples were collected for geochemical analysis.

Stream Sediment Sampling

Sample sites were selected based on previous work and aerial reconnaissance of the property. The sampling was done in the fall to take advantage of low water levels. A 6mm screen was used to remove course material in the field. Approximately 40 kg of >6mm material was collected in a large plastic pail. The stream samples were taken to the University of Alberta Minerals Benefaction Laboratory and screened to 60 mesh. The minus 60 mesh fraction was run over a shaker table, and each sample was divided into concentrate, middling and tails; the heavy mineral fraction making up most of the concentrate. The fractions were subsequently examined under the light microscope and the concentrate assayed for gold using FA-AA (Appendix 1,Table 5 and 6).

Peat Sampling

Peat samples were taken, using a peat sampler designed by Dr. J.D Campbell of Jaycon Reconnaissance.

The peat samples were assayed using ICP-AES and FA-AA for gold (Appendix I, Table 5 and 6).

Regional Ground Water Study

Water chemistry data from deep formations was collected over a wide area in the vicinity of this and other properties of interest. Existing wells were sampled using the best technology available. The waters were treated and analysed as described above for the surface waters. Existing water observation wells drilled by the Alberta Research Council and others formed the bulk of those sampled. Additional samples were taken from water supply wells and gas well separators in areas not covered by the existing piezometers. None of these samples were taken from within the boundaries of this property, however, the analysis of this data formed an important part of the overall evaluation of the mineral potential of these permits.

Results

The analytical results are presented in Appendices II and III. Table 4 summarizes the ranges of selected elements.

Table 4
Analytical Results - Ranges of Selected Elements

	Gold	Copper	Lead	Zinc	Nickel
Peat	12-16 ppb	6-14 ppm	6-11 ppm	20-56 ppm	10-26 ppm
Stream Sediment	20-21 ppb				

Conclusions

This area is geochemically interesting due to the presence of elevated values for several base metals. There is not enough data to conduct meaningful statistics, but a review of the data shows that the values are relatively high. Background values for the various elements has not been statistically defined, but it can be assumed to be well above detection for Pb, Zn, Cu, Ni, and Au in peats.

The small number of samples from the area makes interpretation difficult. The fact that the background for the various elements in peats is undefinable, coupled with the fact that the correlation between peats and other sampling media is unknown makes interpretation of this data almost impossible.

From the field work done to date, there is no indication that the elevated values have a bedrock source. The fact that the area is covered with muskeg underlain by thick glacial sediments lends credence to the alternative: that the elevated values have a surficial source.

At the present time there is no evidence that these values are anomalous, because we have no indication of background abundances of the various elements. Detailed geochemical study of suites of elements will be the key to understanding the geology and mineralisation potential of this area.

Recommendation

Although there are seemingly high geochemical values on the property, it is recommended that Focal not proceed with further work at this time. The amount of work necessary to determine the meaning of the geochemical results found to date would be phenomenal, and the costs would outweigh the benefits. Thick overburden and lack of easy access to the property compound the problem.

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Author Information

This report was prepared by L.A. Smith, D. Nikols, M. Innes, and D. Reynolds. The geological service work and results reported herein was carried out by or under the supervision of the preparation team.

Leslie A. Smith, B.Sc., P. Geol. is a registered geologist in Alberta and has over 20 years of experience in mining and petroleum geology and project management.

Dennis J. Nikols, B.Sc., P. Geo. is a registered geoscientist in British Columbia. He has 26 years of experience in mineral exploration and mining geology and the management of geoscience projects for industry and the Alberta Geological Survey.

Michele B. Innes, B.Sc., MBA, G.I.T., a recent graduate of the University of Saskatchewan was directly involved in the mapping, sampling, and data collection on this project.

Darryl M. Reynolds, B.Sc., (Wildlife Biology), a recent graduate of the University of Montana was directly involved in the mapping, sampling, and data collection on this project.

Appendices

Appendix I Analytical Techniques and Detection Limits

Table 5
ICP-AES Element Suite and Detection Limits

Element	Atomic Number	Symbol	Detection Limit	Units
Molybdenum	42	Mo	1	ppm
Copper	29	Cu	1	ppm
Lead	82	Pb	3	ppm
Zinc	30	Zn	1	ppm
Silver	47	Ag	0.3	ppm
Nickel	28	Ni	1	ppm
Cobalt	27	Co	1	ppm
Mangenese	25	Mn	2	ppm
Iron	26	Fe	0.01	%
Arsenic	33	As	2	ppm
Uranium	92	U	5	ppm
Thorium	90	Th	2	ppm
Strontium	38	Sr	1	ppm
Cadmium	48	Cd	0.2	ppm
Antimony	51	Sb	2	ppm
Bismuth	83	Bi	2	ppm
Vanadium	23	V	1	ppm
Calcium	20	Ca	0.01	%
Phosphorous	15	P	0.001	%
Lanthium	57	La	1	ppm
Chromium	24	Cr	1	ppm
Magnesium	12	Mg	0.01	%
Barium	56	Ba	1	ppm
Titanium	22	Ti	0.01	%
Boron	5	B	3	ppm
Aluminum	13	Al	0.01	%
Sodium	11	Na	0.01	%
Potassium	19	K	0.01	%
Tungsten	74	W	2	ppm

Table 6
Fire Assay Elements and Detection Limits (ICP-AES samples)

Element	Atomic Number	Symbol	Detection Limit	Units
Gold	79	Au	5	ppb

Table 7
Neutron Activation Analysis Element Suite and Detection Limits

Element	Atomic Number	Symbol	Detection Limit	Units
Silver	47	Ag	5.0000	ppm
Arsenic	33	As	2.0000	ppm
Gold	79	Au	5.0000	ppb
Barium	56	Ba	100.0000	ppm
Bromine	35	Br	1.0000	ppm
Calcium	20	Ca	1.0000	%
Cadmium	48	Cd	5.0000	ppm
Chromium	24	Cr	10.0000	ppm
Cesium	58	Cs	3.000	ppm
Iron	26	Fe	0.1000	%
Hafnium	72	Hf	1.0000	ppm
Molybdenum	42	Mo	5.0000	ppm
Sodium	11	Na	500.0000	ppm
Nickel	28	Ni	100.0000	ppm
Rubidium	37	Rb	30.0000	ppm
Antimony	51	Sb	0.2000	ppm
Selenium	34	Se	5.0000	ppm
Strontium	38	Sr	500.0000	ppm
Tantalum	73	Ta	1.0000	ppm
Thorium	90	Th	0.5000	ppm
Uranium	92	U	0.5000	ppm
Tungsten	74	W	4.0000	ppm
Zinc	30	Zn	50.0000	ppm
Lanthanum	57	La	1.0000	ppm
Cerium	58	Ce	3.0000	ppm
Neodymium	60	Nd	10.0000	ppm
Samarium	62	Sm	0.5000	ppm
Europium	63	Eu	0.2000	ppm
Terbium	65	Tb	0.5000	ppm
Ytterbium	70	Yb	0.2000	ppm
Lutetium	71	Lu	0.0500	ppm
Iridium	77	Ir	20.0000	ppb

Appendix II Summary of Analytical Results

Stream Sediments

Sample Number	Gold in Gross Sample (g/t)	Gold in Gross Sample (ppb)
Dunkirk # 1	0.020	20
Dunkirk # 2	0.021	21

Corrected Data			atomic number		5	11	12	15	19	20	21	22	23
Datapoint Id	Sample Id	Sample Type	Lab Id	LOI	B	Na	Mg	Al	P	K	Ca	Ti	V
			units	%	ppm	%	%	%	%	%	%	%	ppm
			detection limit		3	0.01	0.01	0.01	0.001	0.01	0.01	0.01	1
BMMI-PT-1	BMMI-PT-1	peat	73052	28.36	20	0.04	0.30	2.35	0.04	0.38	0.64	0.01	46
BMMI-PT-2	BMMI-PT-2	peat	73053	49.44	9	0.02	0.15	1.14	0.05	0.20	0.56	0.02	20
BMMI-PT-3	BMMI-PT-3	peat	73054	85.99	22	0.04	0.25	0.28	0.11	0.12	1.18	0.00	6

Corrected Data		24	25	26	27	28	29	30	33	38	42	47	48	51
Datapoint Id	Sample Id	Cr	Mn	Fe	Co	Ni	Cu	Zn	As	Sr	Mo	Ag	Cd	Sb
		ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
		1	2	0.01	1	1	1	1	2	1	1	0.3	0.2	2
BMMI-PT-1	BMMI-PT-1	77	82	1.43	6	26	14	56	5	79	1	0.1	0.4	< 2
BMMI-PT-2	BMMI-PT-2	73	71	0.69	5	15	7	28	1	48	2	0.2	0.5	< 2
BMMI-PT-3	BMMI-PT-3	33	368	0.26	1	10	6	20	1	52	1	0.1	0.2	< 2

Corrected Data		56	57	74	79	82	83	90	92
Datapoint Id	Sample Id	Ba	La	W	Au	Pb	Bi	Th	U
		ppm	ppm	ppm	ppb	ppm	ppm	ppm	ppm
		1	1	2	5	3	2	2	5
BMMI-PT-1	BMMI-PT-1	220	24	2	16	11	< 2	5	< 5
BMMI-PT-2	BMMI-PT-2	177	14	2	12	6	< 2	4	< 5
BMMI-PT-3	BMMI-PT-3	31	3	< 1	NSS	7	0	1	< 5

Appendix III Assay and Analysis Certificates

To: FOCAL RESOURCES,
640, 910 - 7th Avenue S.W.,
Calgary, Alberta T2P 3N8

ATTN: Eric Allen

File No. 37036
Date November 18, 1994
Samples Sand

Certificate of Assay
LORING LABORATORIES LTD.

SAMPLE NO.	OZ./TON GOLD	OZ./TON SILVER	OZ./TON PLATINUM
"Assay Analysis"			
DUNKIRK # 1 CONC	0.366	0.17	
DUNKIRK # 2 CONC	0.250	0.21	

I Hereby Certify that the above results are those assays made by me upon the herein described samples....

[redacted]
Assayer

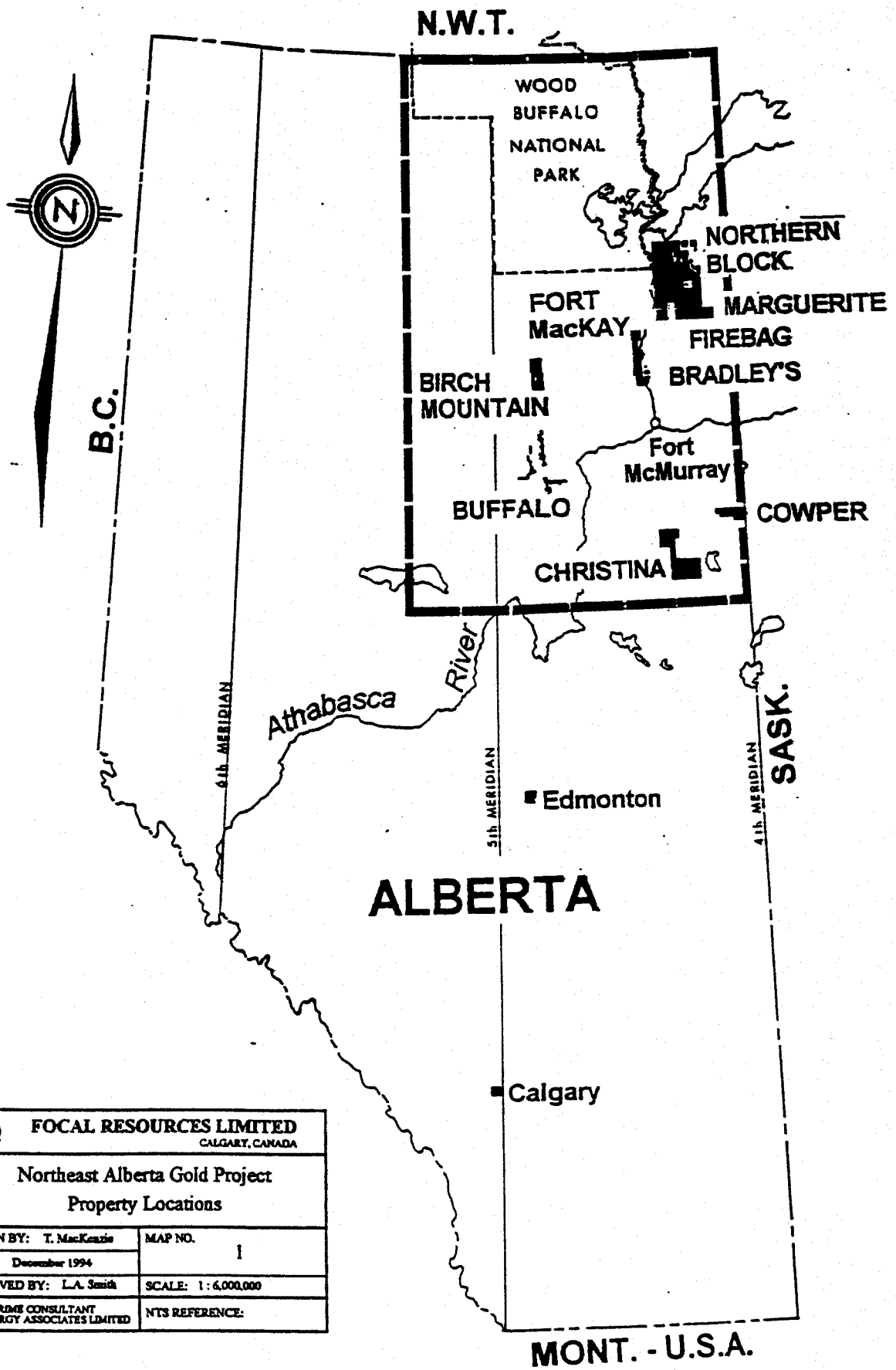
Rejects retained one month.
Pulps retained one month
unless specific arrangements
are made in advance.

Raw ICP Data	Atomic number		5	11	12	13	15	19	20	22	23	24
Sample Id	Lab Id	LOI	B	Na	Mg	Al	P	K	Ca	Ti	V	Cr
	Units	%	ppm	%	%	%	%	%	%	%	ppm	ppm
	Detection limit		2	0.01	0.01		0.001	0.01	0.01	0.01	2	
BMMI-PT-1	73052	28.36	28	0.06	0.42	3.28	0.06	0.53	0.9	0.01	64	107
BMMI-PT-2	73053	49.44	18	0.04	0.3	2.26	0.098	0.4	1.11	0.03	40	145
BMMI-PT-3	73054	85.99	156	0.31	1.77	1.99	0.784	0.85	8.39	0.02	45	233

Raw ICP Data	Atomic number		25	26	27	28	29	30	33	38	42	47
Sample Id	Lab Id	LOI	Mn	Fe	Co	Ni	Cu	Zn	As	Sr	Mo	Ag
	Units	%	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
	Detection limit				1	1	1	1	2		1	0.1
BMMI-PT-1	73052	28.36	115	1.99	9	36	19	78	7	110	2	0.1
BMMI-PT-2	73053	49.44	140	1.36	9	29	14	56	2	94	3	0.3
BMMI-PT-3	73054	85.99	2625	1.85	9	74	44	143	6	369	10	1

Raw ICP Data	Atomic number		48	51	56	57	74	79	82	83	90	92
Sample Id	Lab Id	LOI	Cd	Sb	Ba	La	W	Au	Pb	Bi	Th	U
	Units	%	ppm	ppm	ppm	ppm	ppm	ppb	ppm	ppm	ppm	ppm
	Detection limit		0.2	2		2	1	5	2	2	2	5
BMMI-PT-1	73052	28.36	0.6	< 2	307	33	3	22	15	< 2	7	< 5
BMMI-PT-2	73053	49.44	0.9	< 2	351	27	3	23	11	< 2	7	< 5
BMMI-PT-3	73054	85.99	1.5	< 2	220	18	< 1	NSS	51	2	4	< 5

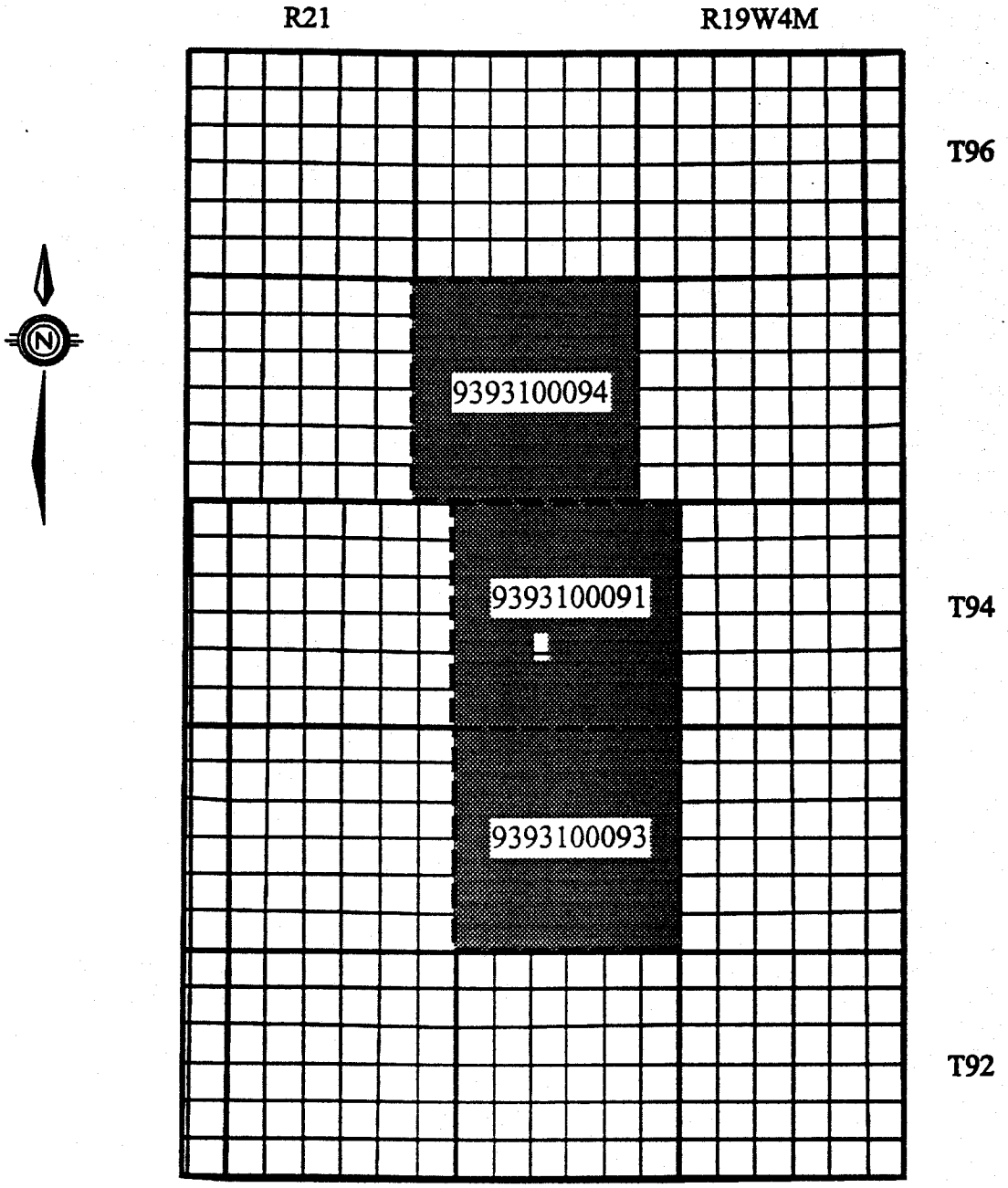
Appendix IV Maps



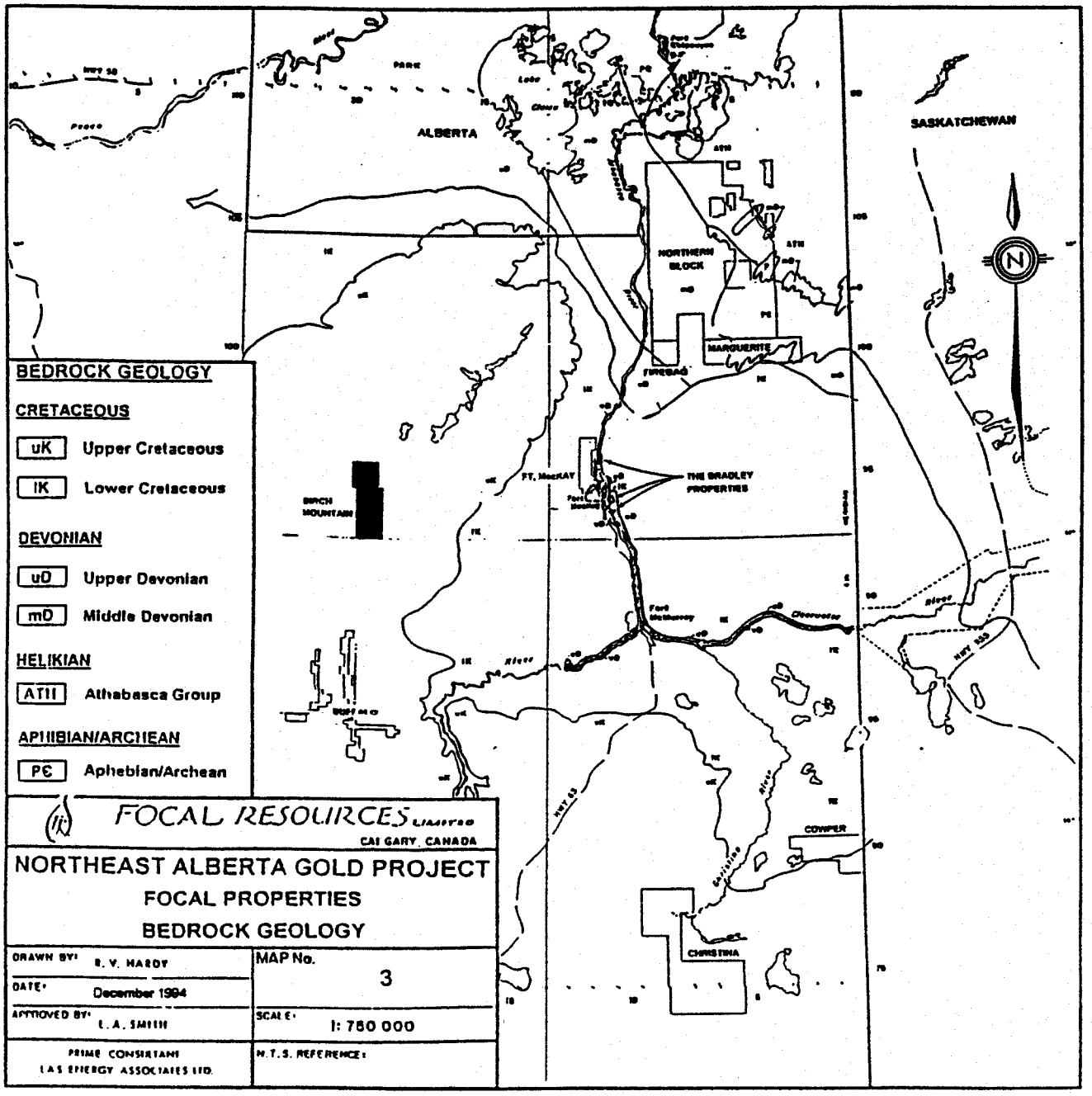
FOCAL RESOURCES LIMITED CALGARY, CANADA	
Northeast Alberta Gold Project Property Locations	
DRAWN BY: T. MacKenzie	MAP NO. 1
DATE: December 1994	
APPROVED BY: L.A. Smith	SCALE: 1 : 6,000,000
PRIME CONSULTANT LAS ENERGY ASSOCIATES LIMITED	NTS REFERENCE:

Focal Resources Limited

Birch Mountain Property

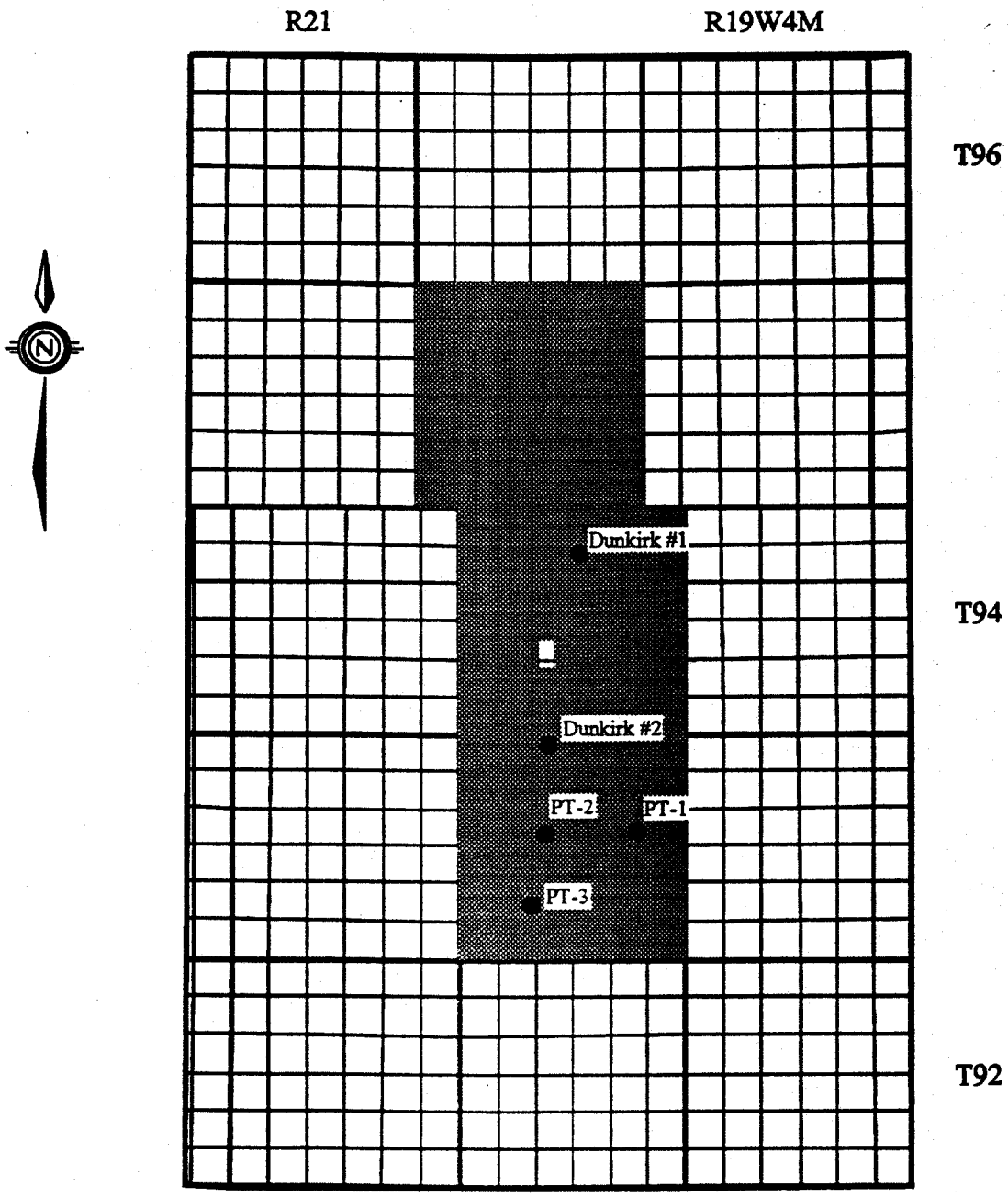


FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Permits	
DRAWN BY: M. Innes	MAP NO. 2
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H


ALBERTA
SASKATCHEWAN
NORTHERN BLOCK
MARGUERITE
FIREBAG
FT. MacKAY
THE BRADLEY PROPERTIES
BIRCH MOUNTAIN
COMPER
CHRISTINA
N
BEDROCK GEOLOGY
CRETACEOUS
uK Upper Cretaceous
lK Lower Cretaceous
DEVONIAN
uD Upper Devonian
mD Middle Devonian
HELIKIAN
ATH Athabasca Group
APHIBIAN/ARCHEAN
PE Aphebian/Archean
FOCAL RESOURCES Limited
CALGARY, CANADA
NORTHEAST ALBERTA GOLD PROJECT
FOCAL PROPERTIES
BEDROCK GEOLOGY
DRAWN BY: R. V. HARDY
DATE: December 1994
APPROVED BY: L. A. SMITH
MAP No. 3
SCALE: 1: 750 000
PRIME CONSULTANT
LAS ENERGY ASSOCIATES LTD.
N.T.S. REFERENCE:

Focal Resources Limited

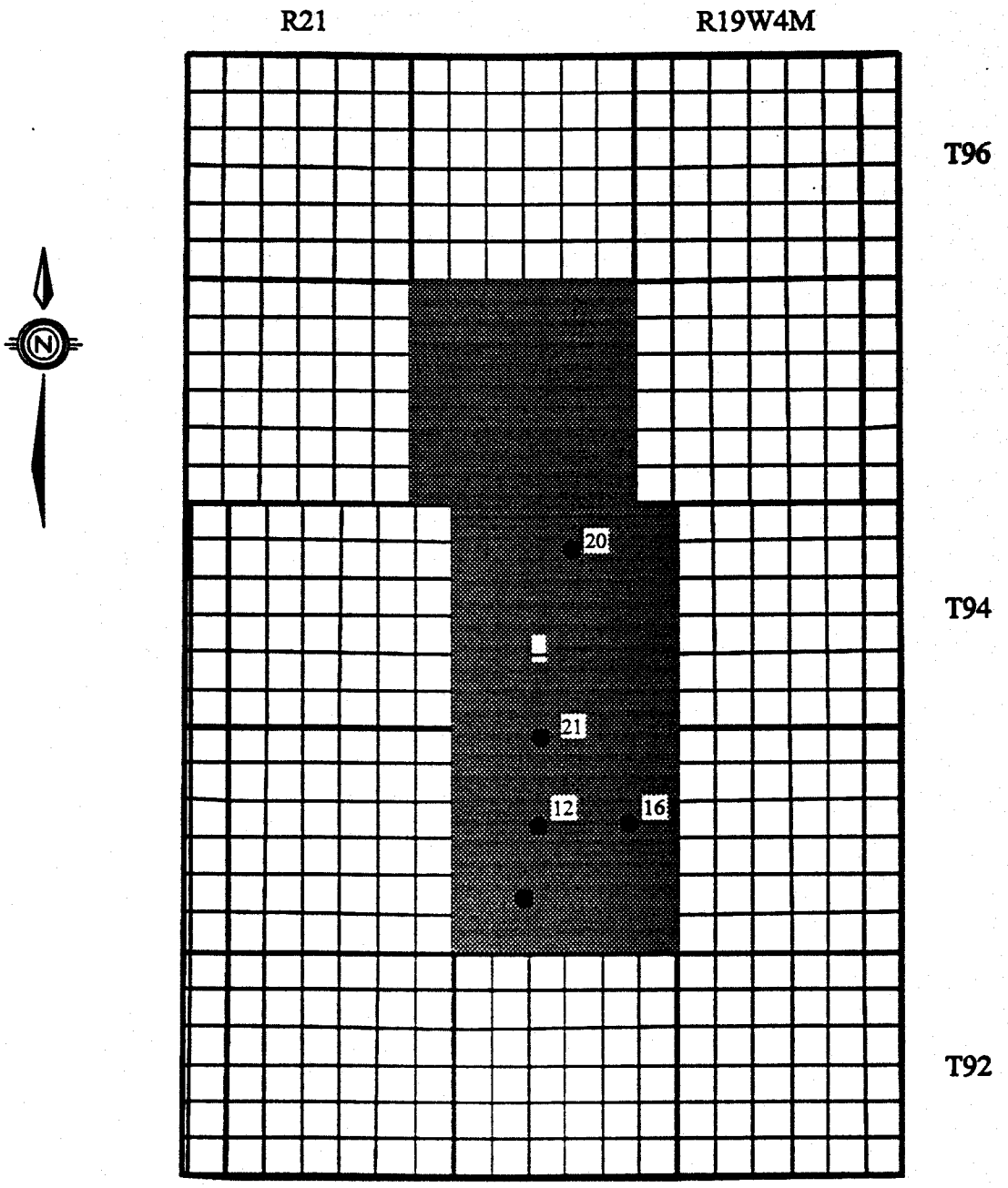
Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Sample Locations	
DRAWN BY: M. Innes	MAP NO. 4
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H

Focal Resources Limited

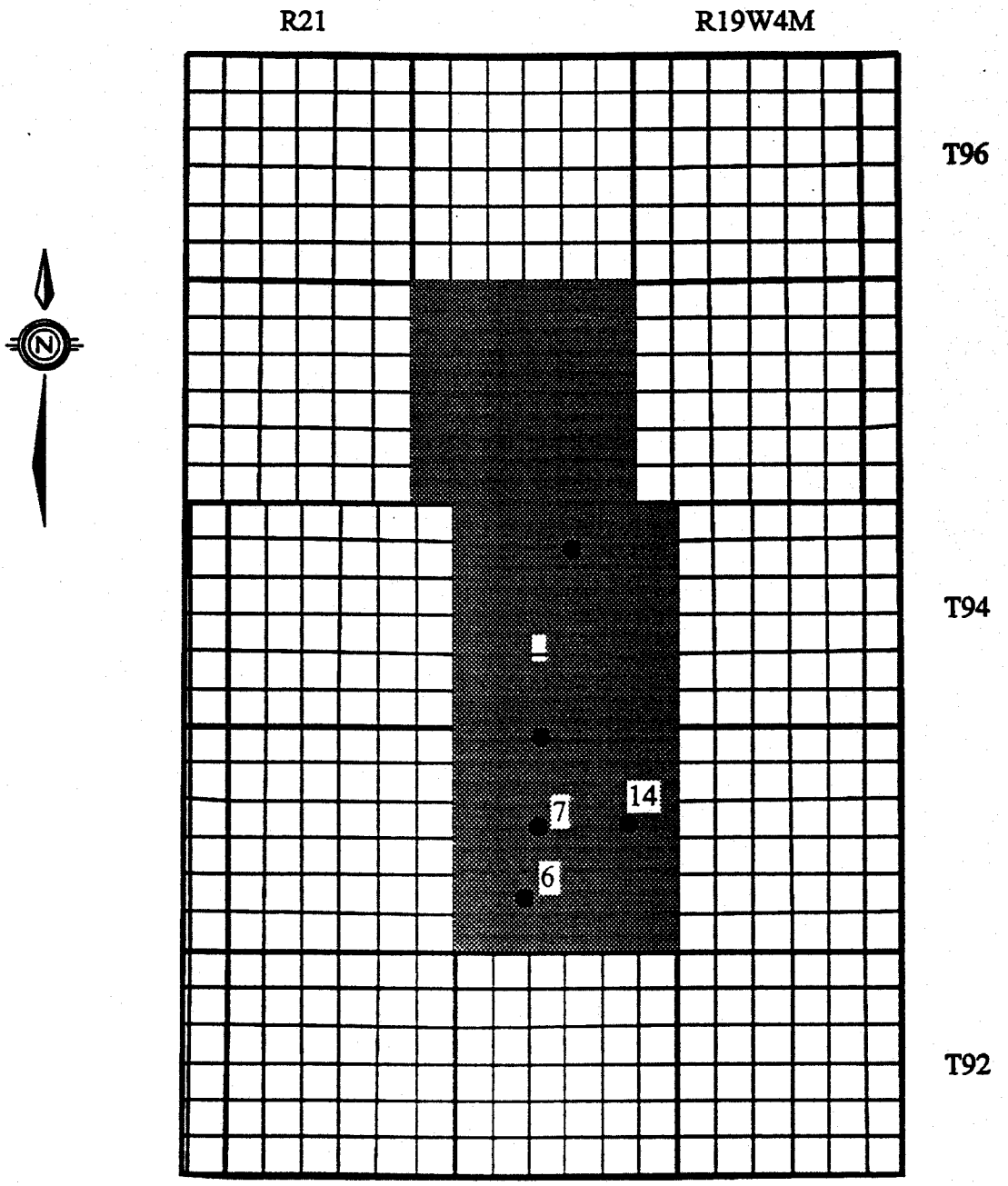
Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Results Au	
DRAWN BY: M. Innes	MAP NO. 5a
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H

Focal Resources Limited

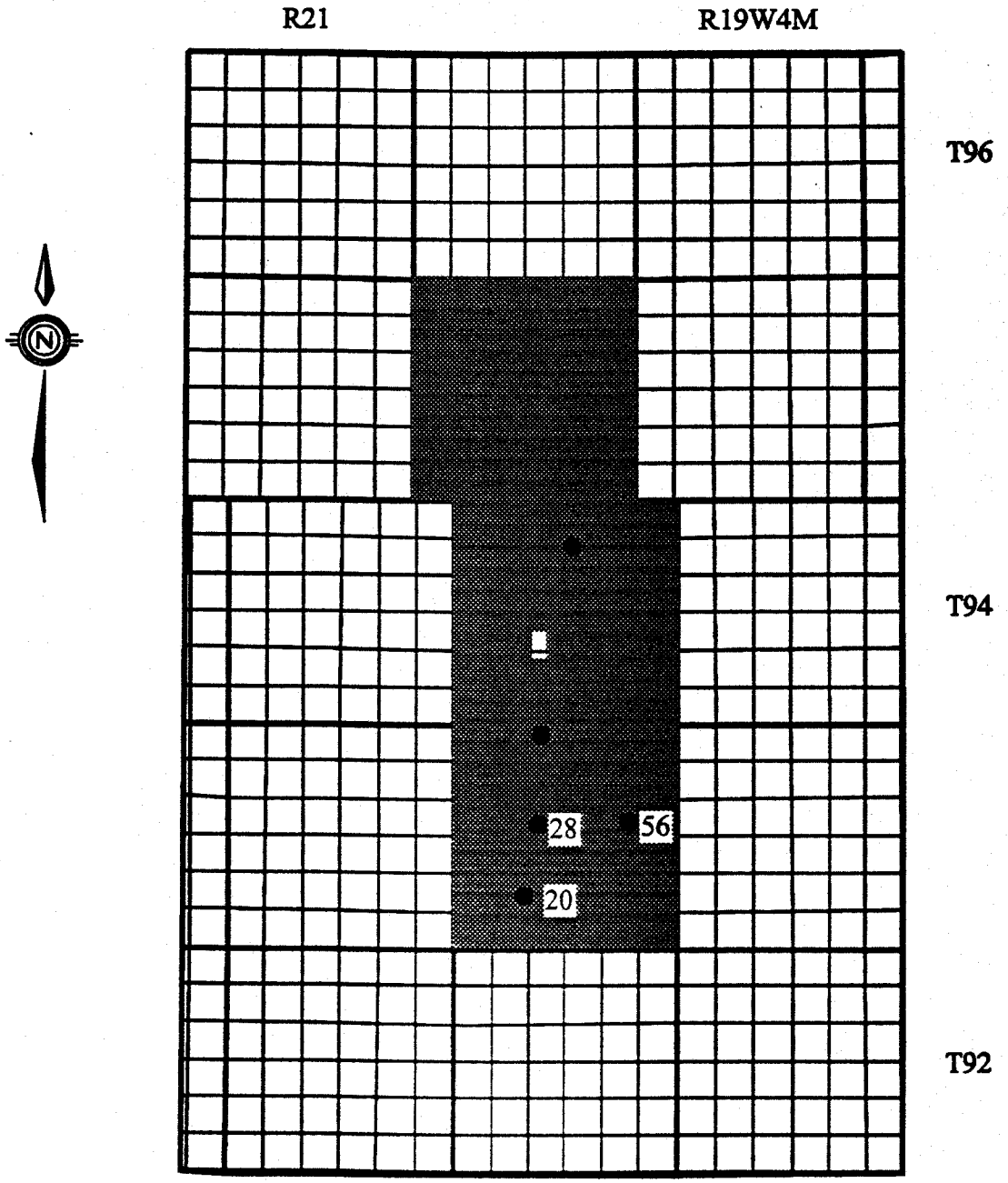
Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Results Cu	
DRAWN BY: M. Innes	MAP NO. 5b
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H

Focal Resources Limited

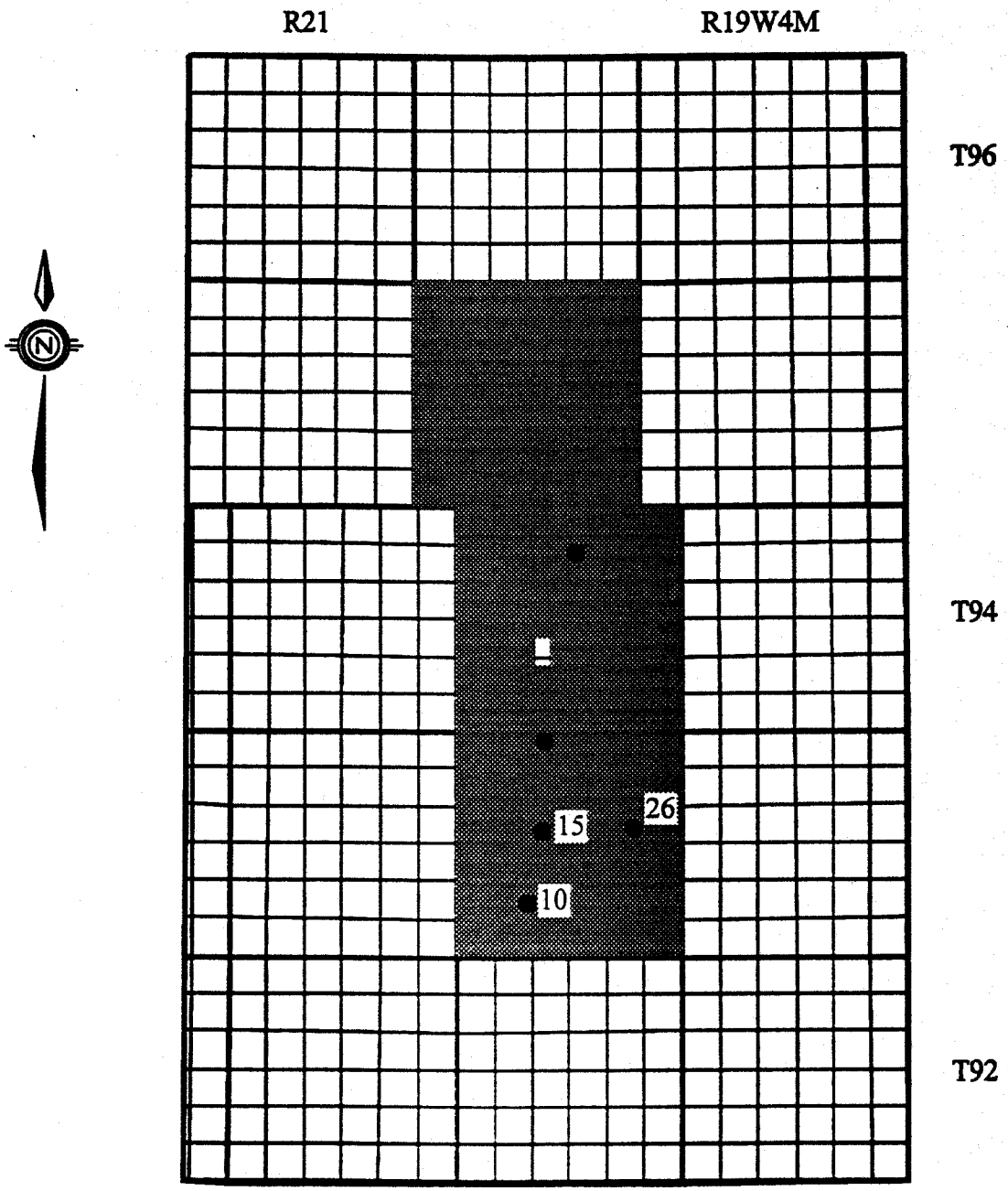
Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Results Zn	
DRAWN BY: M. Innes	MAP NO. 5c
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H

Focal Resources Limited

Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Results Ni	
DRAWN BY: M. Innes	MAP NO. 5d
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
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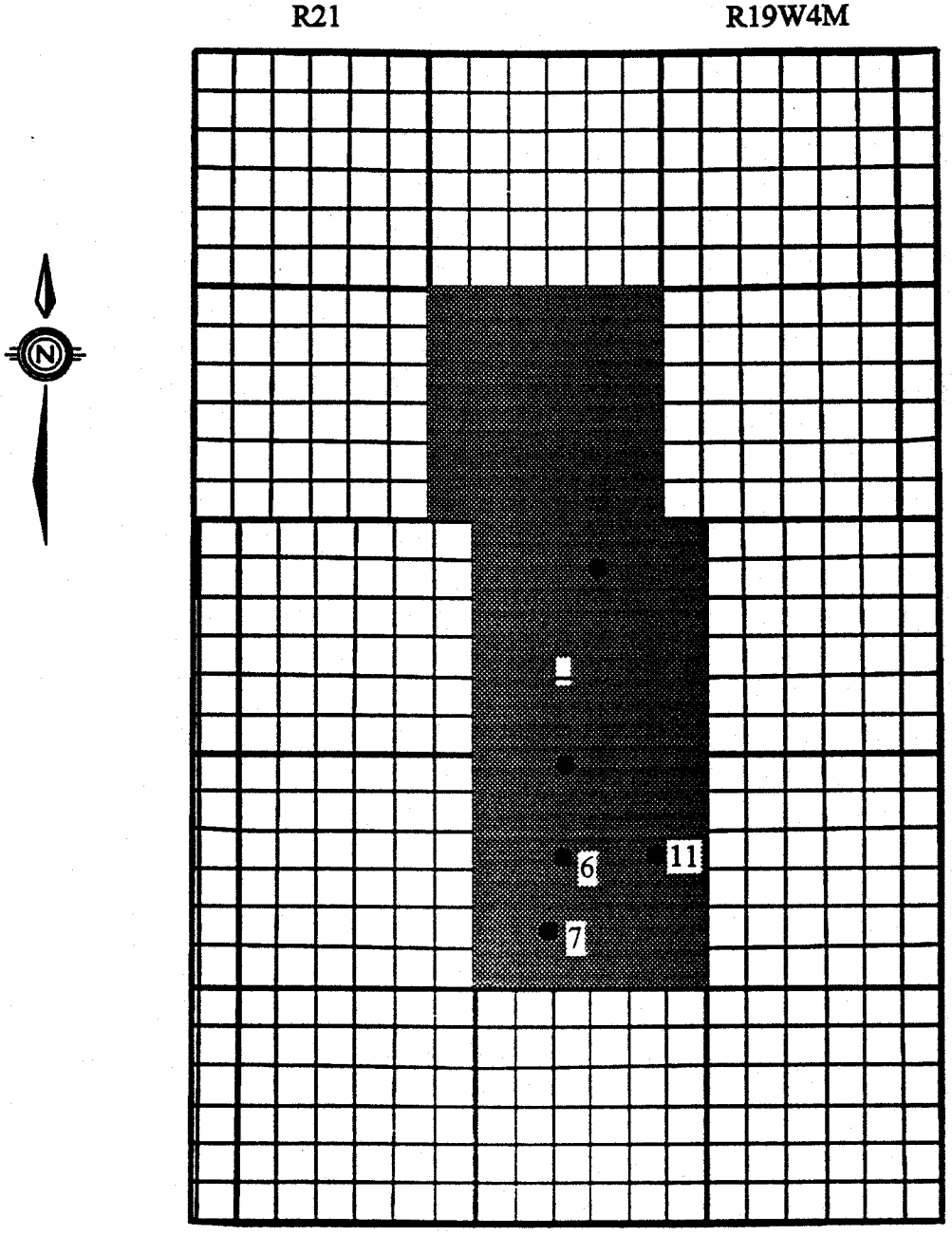
Focal Resources Limited

Birch Mountain Property



FOCAL RESOURCES LIMITED CALGARY, CANADA	
Birch Mountain Property Results Pb	
DRAWN BY: M. Innes	MAP NO. 5e
DATE: June 1995	
APPROVED BY:	SCALE: 1 : 300 000
	NTS REFERENCE: 84H

FOCAL RESOURCES LIMITED

SUITE 640, 910 – 7TH AVENUE S.W. • CALGARY, ALBERTA T2P 3N8 • TELEPHONE (403) 261-9770 • FAX (403) 261-9772

November 6, 1995

Alberta Energy/Mineral Resources Division
Resource Agreements
12th Floor, South Tower
Petroleum Plaza
9915 - 108th Street
Edmonton, Alberta
T5K 2G8

Attention: Mr. Brian Hudson, Manager Mineral Agreements

Dear Sir:

Enclosed are two copies of the Birch Property Assessment Report for your files.

This report covers some 3 permits which were acquired by Focal in March 1994. Exploration expenditures are detailed in Table 3 in this report.

Focal wishes to retain for a further 2 years the Northern Lands, being Township 95, Range 20, W4M.

We anticipate that this report will meet your requirements, but should you need additional information, please do not hesitate to contact us.

FOCAL RESOURCES LIMITED

[redacted]

Chris C. Abbott
President & C.E.O.