

REPORT ON THE
BELLAS GATE PROPERTY
FOR
TREVCO OIL & GAS COMPANY LIMITED

October 3, 1989

N.E. Brewster
Minroc Management Limited

TABLE OF CONTENTS

	<u>PAGE</u>
Introduction	1
The Economic Geology of Jamaica	5
Geology	10
Evaluation of Special Permit No 318	13

FIGURES

Figure 1	Location Map	2
Figure 2	Geology and Copper Showings on the Bellas Gate Area	6
Figure 3	Geology of the Northern and Southern Alteration Zones, Bellas Gate Area	8
Figure 4	Copper Occurrences in the Gold Mine Area	11

MAPS

(See pocket in rear)

CIDA Geochemical Results

Jamaica Geochemical Survey 1986 Sheets for Copper, Gold
and Antimony

INTRODUCTION

Terms of Reference

Pursuant to a meeting on September 14, 1989 and subject to discussions with Mr. Fraser Currah for Trevco Oil & Gas Limited, Minroc Management Limited was requested to review the Company's property holdings in Jamaica in order to prepare an evaluation of these holdings. The property interests of Trevco Oil & Gas in Jamaica consist of Special Permit No. 318 (Figure 1) acquired by Trevco from Inland Precious Metals Limited of Toronto, Ontario.

Trevco Oil & Gas incorporated in Alberta on October 13, 1987 and is traded on the Alberta Stock Exchange and is active in the pursuit of mineral and oil/gas exploration/development projects. The present report is to document information on the Company's Jamaican Special Permit No. 318 and establishes a basis for an exchange of shares in Trevco for the property controlled by the special permit.

Valuation Parameters and Approach

For purposes of the present evaluation fair market value is defined as the price in an open and unrestricted market between informed buyers and sellers acting at arm's length with no compulsion to act. The valuation of mineral claims may be based on a combination of the following techniques.

1. Discounted Cash Flow Analysis.

This approach is applicable where a property is in the near production phase and reserves and capital and operating costs are known.

2. Appraised Value Method

This approach is subjective and considers past and committed expenditures, any reserves available, the geological potential and the comparison to established properties of merit.

3. The Kilburn Technical Evaluation Method

This approach considers the cost of acquiring a property factored by a series of considerations based on location, geology, mineralization and anomaly.

4. The Farm In Commitment Analysis

This is again a subjective approach related to the appraised value method and involves a consideration of the exploration/discovery potential.

5. Comparable Transaction Analysis

This technique utilizes a direct comparison between a property and other transactions on equivalent properties in the area.

For purposes of the present analysis Minroc has recognized that a combination of the appraised value analysis and the farm in commitment analysis are the most appropriate for this property and has utilized these methods. We have further prepared a preliminary discounted value for the drilled reserves in the Connors showing area.

The appraised value approach and the farm in commitment analysis approaches involve certain assumptions which follow.

1. The property value is either enhanced or diminished by an exploration program.
2. Funds already expended on a property of value and those to be expended will produce a value in today's dollars not less than the expenditure.

In completion of this report the available geological data has been reviewed to gain an understanding of the geological setting and the appropriateness of further work on the permit. This also allows a format for subjective judgement. A set of guidelines was utilized to determine the nature of expenditures to be included in property valuation. These are as follows.

<u>Property Status and Nature of Expenditure</u>	<u>Retained Expenditures Included in Value</u>
Exploration warranted and funds budgeted for 1989.	Up to 100%.
No 1989 budgeted program but subeconomic resources, reserves identified.	Up to 75% of retained expenses or 10% of in ground metal value.
No 1989 program, no resources or reserves however specific exploration potential exists and the property is being retained.	Up to 50% of retained expenses.
No 1989 budgeted program, exploration results essentially negative but property not completely tested.	Up to 25% value.
Fallow land, no work to date or being planned for 1989.	Acquisition cost if known or nominal value.

We would point out that the above are general guidelines and that we have used an independent judgement of value based on exploration potential where warranted. In all cases after adjustments described retained expenditures are inflated to current dollar value.

Sources of Information

Minroc Management has had considerable experience in tropical environments although it has no had direct exposure in Jamaica other than being short listed for government contracts awarded by CIDA during the 1985 - 1988 period.

For purposes of preparing this valuation we have relied on reports generated by the Government of Jamaica and reports available in the files of Inland Precious Metals Limited. Geochemical survey results for copper, antimony and gold are presented which were prepared as a result of the CIDA survey carried out in the mid 1980s and are appended for reference purposes.

Units of Currency

All references to currency in the report are in the terms of Canadian dollars.

Assay Values

Assay values are expressed in either percentages or in troy ounces of gold per short ton.

THE ECONOMIC GEOLOGY OF JAMAICA

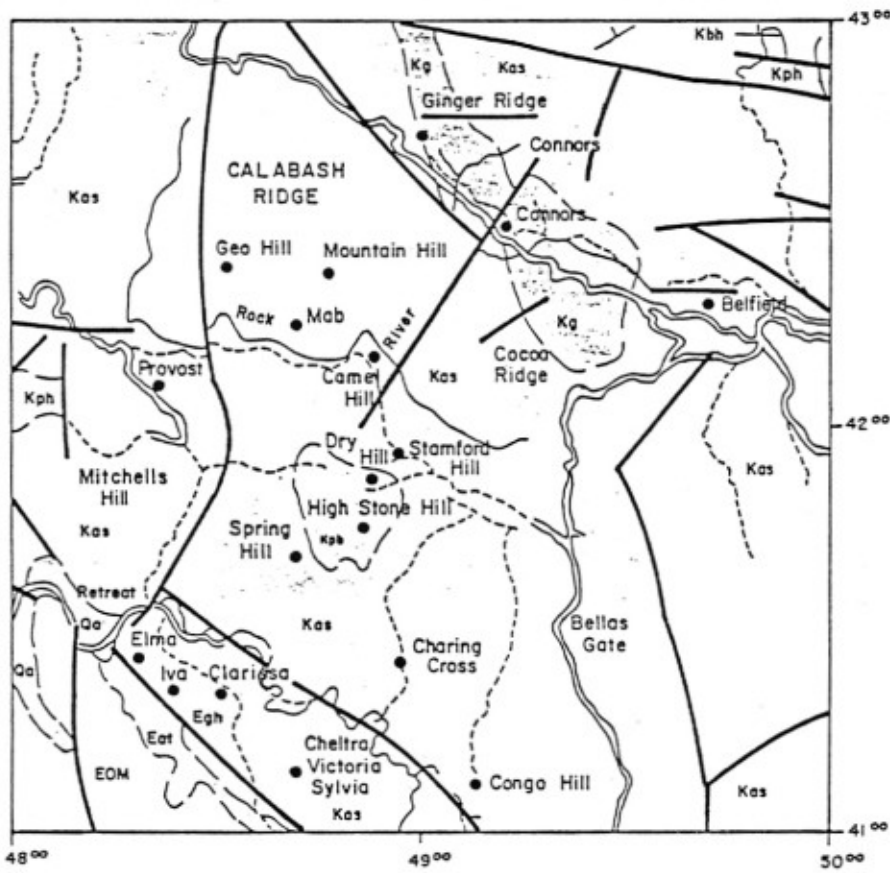
There are two general areas of copper/gold mineralization within the Central Inlier. These are 1) The Bellas Gate area which includes certain of the better known copper and gold prospects in Jamaica and 2) the Arthurs Seat area which comprises numerous small showings around Arthurs Seat and Crofts Hill both in the eastern section of the Central Inlier. The most significant copper and gold occurrences consist of low grade disseminated or porphyry style mineralization associated with small intrusive bodies of intermediate composition and their altered host rocks. These showings include successively the Connors, George Hill, Camel Hill and Mab prospects which are the more prominent showings within the Bellas Gate area. All of these are related to zones of hydrothermal alteration and fracturing. Within Jamaica a fairly large amount of prospecting data has been generated for the above style of deposit. Other types of deposits exist for which less detailed information is available and these consist of vein, fracture filling and bedding plane replacement types of mineralization.

Copper sulphides are the chief minerals of economic importance of the Central Inlier but gold has been reported from at least two prospects namely the Charing Cross and minor gold values occur in the Connors drilling. The copper/gold occurrences in the Bellas Gate group of prospects (Figure 2) have been described by Bergey (1958) who classified them into four main types.

1. The low grade disseminated sulphide with high pyrite/chalcopyrite ratio associated with zones of hydrothermal alteration near margins of intrusive bodies. These being the Connors and Camel Hill showings.
2. Quartz and/or carbonate veins or zones of stringers containing high grade copper some of which also contain gold. Examples: Charing Cross and Stamford Hill.
3. Replacement of calcareous sedimentary rocks by copper minerals without appreciable sulphide presence. Example: Dry Hill.
4. Dyke contact or shear zone were disseminated malachite and azurite occur in sheared volcanics near diorite dykes. Example: High Stone Hill.

The earliest record of systematic prospecting in the Central Inlier is that of Jamaica Consolidated Copper Company in the area just east of Retreat, Clarendon. Prospecting consisted mainly of locating showings and driving shafts, tunnels, etc. and was carried out in a concession some four square miles in the early part of the century.

GEOLOGY AND COPPER SHOWINGS ON THE BELLAS GATE AREA



LEGEND

Qa	Alluvium	} Quarternary		Dip / Strike	
EOM	White Limestone Group		} Eocene - Miocene		Fault
Eat	Albert Town Formation	} Eocene			River
Egh	Guys Hill Formation			} Yellow Limestone Group	
Kbh	Bull Head Formation	} Cretaceous			Geological Contact
Kph	Peters Hill Formation		} Cretaceous		Copper Showings
Kas	Arthurs Seat Formation (Eastern Volcanic Group)				
Kg	Intrusive Rocks				

SCALE

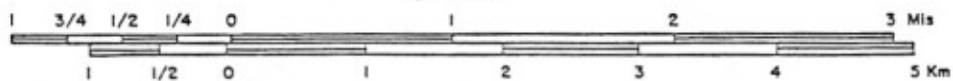


FIGURE 2

Jamaica Copper and Iron Ltd. held several prospecting licences over the Bellas Gate area between 1955 and 1966 with the original concession being about 56 square miles. During this time prospecting activities consisted of airborne magnetometer surveys, geological mapping, ground geophysical surveys (magnetic, resistivity and self potential) and semi-detailed geochemical soil surveys for copper in an area of about 10 square miles.

Detailed follow up work in the areas of interest included mapping, soil sampling, trenching and drilling. Most of this work was carried out under the technical direction of Geophysical Engineering and Surveys Limited which later took up prospecting licences over most of the same area between 1968 and 1975. Their exploration included diamond drilling and limited stream sediment surveys. Geophysical Engineering completed two diamond drilling programs over the Connors showing and carried out trenching over various other showings. Their work was reported in reports generated in 1969 and 1970 by A.I. Betamis is the most extensive information available on any showing in the Special Permit 318 area.

The known showings in the Special Permit No. 318 are confined to the Bellas Gate area and occur in association with two linear zones of hydrothermal alteration which appear to follow structural controls which have been interpreted to be shear zones. The showings tend to occur and be localized where faults intersect these shear zones. The two linear alteration zones have been variously referred to in the literature as the northern and southern alteration zones. The northern zone has a length of 2 miles and a width of approximately 600 to 800 feet. Whereas the southern zone is approximately 1 mile long and approximately 800 feet wide. Within the zones the rocks consist of altered crystalline types with pyrite finely disseminated in veinlets and fractures. The extent of pyrite mineralization varies from trace to 15% by volume with a chalcopyrite to pyrite ratio estimated to be 1:10 or less. Other minerals found within the alteration zones consist of bornite in minor amounts, chalcocite as a partial replacement of sulphides beneath the leached outcrop and malachite which occurs in oxidized material in outcrops. Alteration minerals occurring within the zones consist of quartz, sericite, chlorite, pyrite, epidote, calcite, sphene, jarosite and biotite. Near the margins of the alteration zones disseminated pyrite is absent and the rocks grade imperceptibly from slightly altered volcanics with pyrite veinlets and fracture fillings into fresh rock. A more detailed description of the two alteration zones (Figure 3) follow.

GEOLOGY OF NORTHERN AND SOUTHERN ALTERATION ZONES
 BELLAS GATE AREA

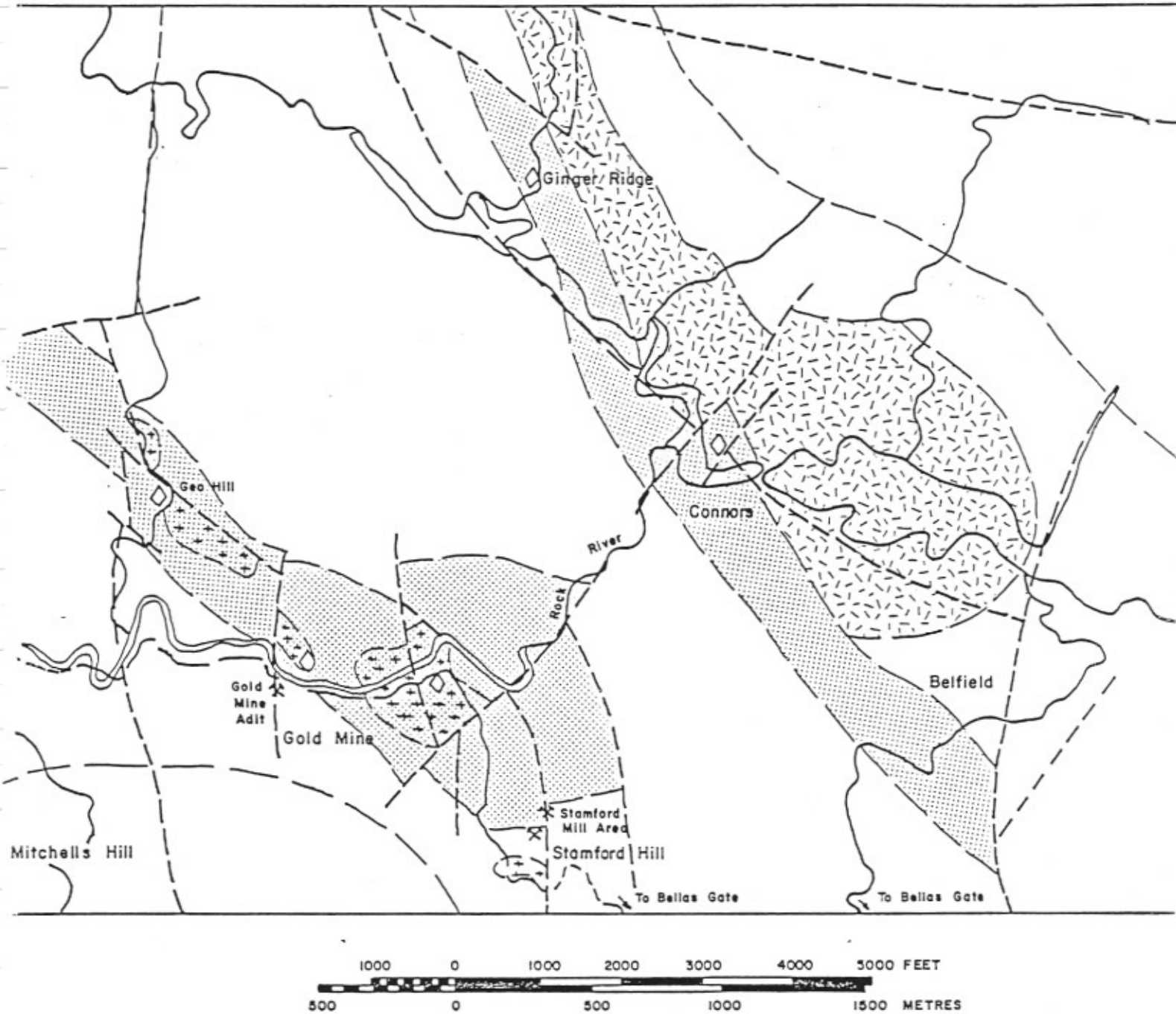


FIGURE 3

The Northern Alteration Zone

The northern alteration zone extends from Belfield in the east to beyond the village of Ginger Ridge in the west. Exposures of altered rocks are seen in road cuts and in gulleys within the area. Previous work within the alteration zone has consisted of soil geochemistry, geophysical surveys and chip sampling for copper. Geophysics has included self potential, magnetic resistivity and induced polarization surveys. In addition limited diamond drilling, totalling 4,000 feet, was carried out on the Connors showing.

Rock types within the northern alteration zone consist of massive epiclastic rocks and subordinate lavas of the eastern volcanic group which have been intruded by a small stock of equigranular granodiorite, the Ginger Ridge stock. The clastic rocks have been baked around the margins of the stock with biotite bearing hornfels in a narrow zone close to the stock and actinolite and epidote bearing rocks further away. In these rocks contact metamorphism has partially obscured clastic textures and in hand specimen they resemble lava. A narrow belt (600 feet wide) of volcanic breccia and lava of andisitic composition has been identified in the Connors/Ginger Ridge area. The Ginger Ridge stock is elongated in roughly a north-west to south-east direction parallel to the alteration zone. This zone forms a feature containing bleached volcanoclastic rock stained red, brown and purple on fracture surfaces. Although the alteration zone abuts the stock only rocks along the margins have been affected by alteration and it contains no significant mineralization. Metamorphic minerals from the south contact of the Ginger Ridge stock have been hydrothermally altered suggesting that alteration postdates the intrusion of the stock. A small intrusion of feldspar porphyry similar to rocks exposed at Camel Hill was intersected in drill holes at Connors but surface exposures are limited to scattered weathered outcrops. At its east end the alteration zone appears to be terminated by faulting. In the west section the limits of the zone are less clearly defined. A number of faults has affected the distribution of the altered rocks in the area north of Semon just north of the north boundary of Special Permit No. 318.

Within the northern alteration zone several prospects occur. The most extensive work has been carried out on the Connors prospect. The Connors prospect was intensely investigated and a few surface indications of copper mineralization present as small amounts of disseminated chalcopyrite and malachite were located. Detailed geochemical, geophysics and IP anomalies further indicated mineralization. A total of 13 diamond drill holes consisting of 6,200 feet testing a surface area of 41,800 square metres were drilled to test Connors prospect.

As a result of this drilling program a potential tonnage of 3.9 million at a grade of 0.5% copper (Betamis, 1970) was indicated. Minor gold values of 0.02 oz Au per ton are reported in the diamond drilling results. The drilling further indicated that the mineralization extended to a depth of 300 - 400 feet below surface and occurs below a narrow enriched zone approximately 25 feet thick. A leached and weathered zone of approximately 100 feet thick was present above the zone of enrichment. Petrographic investigation of the diamond drill core suggests that mineralization is related to a small feldspar porphyry intrusion and not with the granodiorite stock which is predominant intrusion in the area.

The Southern Alteration Zone

The southern alteration zone is located approximately 2 1/2 miles east of Rock River village. Within the zone altered rocks are exposed on the southern slopes of Calabash Ridge and in the stream course of Rock River near the village of Gold Mine. Minor dirt roads cross the area from Rock River to Bellas Gate and within the area numerous tracks, trails and gulleys provide coverage of the mineralized zone.

Previous work in the southern alteration zone has included prospecting activities by Jamaica Copper & Iron Limited between 1955 and 1966. A prospecting program was undertaken to test three copper geochemical anomalies at Camel Hill, Mab and George Hill. Following the prospecting program a limited amount of diamond drilling was carried out by the Geological Survey in 1972.

GEOLOGY

The southern alteration zone is underlain by rock of the eastern volcanic group. These rocks consist of massive clastic rocks, breccias, conglomerates and sandstones with subordinate porphyritic lavas. Only in finer grain sediments is bedding evident. A north-west trending zone of hydrothermal alteration and pyritic mineralization extends from an area just east of Camel Hill to George Hill and beyond (Figures 3 and 4). At its eastern end the alteration appears to die out gradually. At George Hill the zone is interrupted by faulting. The exact limits of the zone west of George Hill has not yet been determined but the presence of limonite stained and bleached outcrops as well as several geochemical copper anomalies indicate continuation of the zone to the west.

Small plugs of feldspar porphyry occur within the alteration zone which have produced minor baking along their margins. Surface samples of feldspar porphyry within the zone consists of

COPPER OCCURRENCES IN THE GOLD MINE AREA

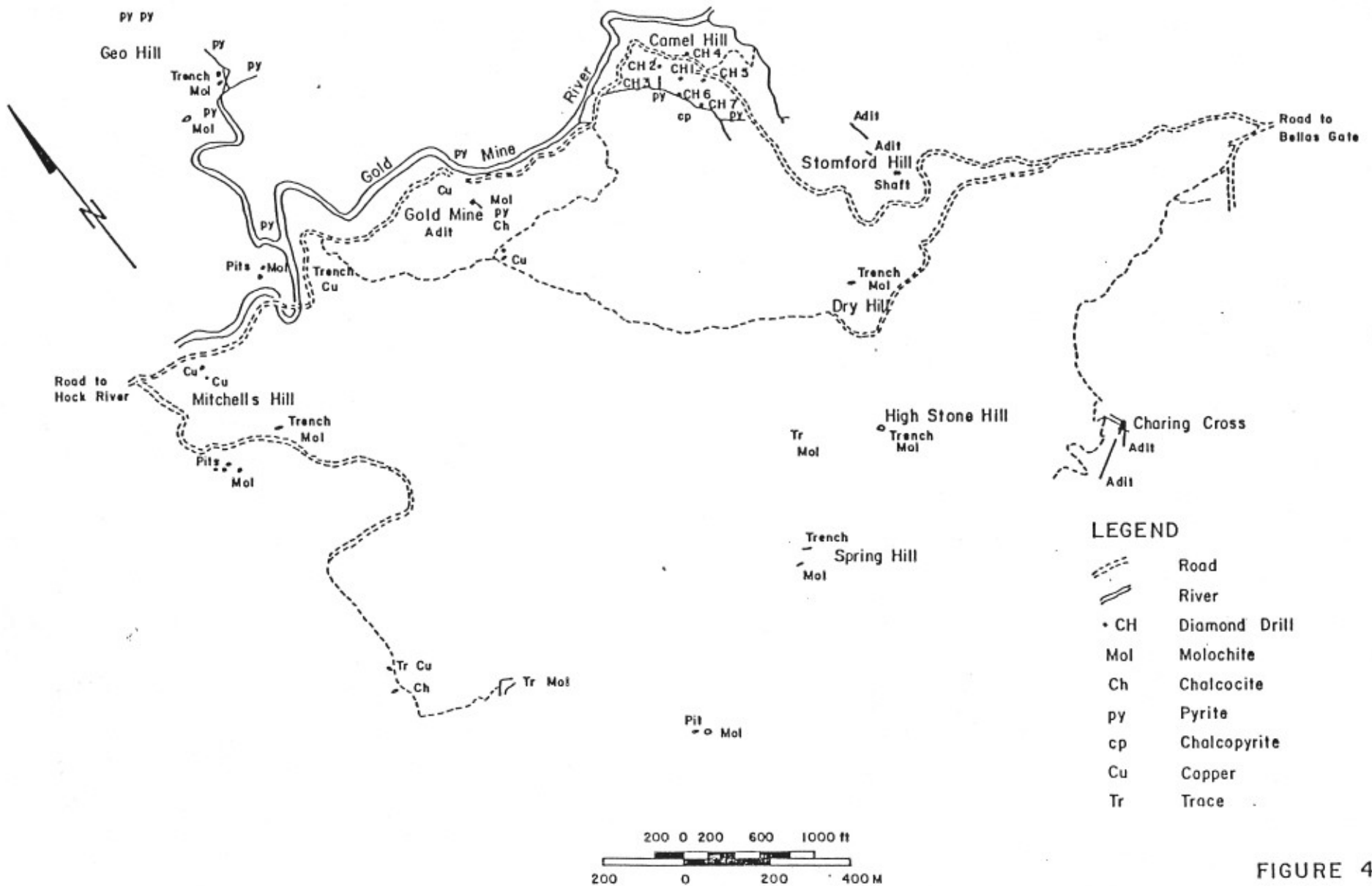


FIGURE 4

plagioclase phenocrysts, rounded quartz grains with corroded margins in a ground mass consisting of predominant quartz and minor plagioclase feldspar. Mafic phenocrysts have been completely replaced commonly by pseudomorphs of two or more of chlorite, epidote, calcite and sphene. Feldspar phenocrysts are commonly replaced by either epidote or sericite. Faults trending roughly north-south north-west south-east and north-east south-west intersect the alteration zone, however displacements seem to be in a range of a few hundred feet or less. Some of the small faults and minor shears present within as well as outside the alteration zone are associated with secondary copper minerals.

Within the southern alteration zones three localities were drilled by Jamaica Copper & Iron Limited, the grade mineralization was found to average about 0.3% copper with individual assays seldom below 0.2% copper (Bergey, 1958). The more prominent showings are discussed below.

Camel Hill Showing

Mineralization is present in a feldspar porphyry plug which outcrops in the Camel Hill locality. Malachite has been observed in the intensely fractured rocks and small amounts of disseminated chalcopyrite and disseminated molybdenum occur on fracture surfaces. In addition a one inch veinlet of sphalerite is present.

Seven drill holes were drilled by Jamaica Copper & Iron Limited totalling 2,744 feet in an area about 500 feet square on the Camel Hill showing. The extent of this work indicated that an area with a strike length of approximately 1,000 feet and an average width of approximately 700 feet graded 0.4% copper with sections of 40 to 50 feet averaging between 0.6 and 1% copper. Two holes totalling 1,109 were drilled by the Geological Survey of Jamaica along the northern edge of the geochemical copper anomaly indicated by Jamaica Copper & Iron. These holes indicated mineralization grading less than 0.5% copper.

The Camel Hill location is associated with an intense geochemical anomaly and SP anomalies in addition to moderate magnetometer anomalies.

The Mab and George Hill Showings

These prospects occur west of Camel Hill and are defined by geochemical and magnetometer anomalies. Two diamond drill holes totalling 423 feet were drilled at the Mab showing to test a geochemical copper anomaly. Following the diamond drilling 27 out of 28 core samples contained less than 0.5% copper. Minor pyrite and chalcopyrite were found in altered rocks consisting of quartz diorite, andesite and andesite tuff (Bergey, 1958).

At George Hill a geochemical soil anomaly is present having a length of approximately 1,500 feet and a width of 200 feet. Two diamond drill holes for a total length of 1,060 were drilled to test this anomaly. No extensive mineralization was found although pyritized volcanics and minor veinlets of calc-pyrite were found in outcrops in a nearby stream. There is some question whether the diamond drill holes were sighted properly to test the known mineralization.

Charing Cross

The Charing Cross prospect is located approximately three quarters of a mile south-west of the village of Bellas Gate. The prospect is reachable from Bellas Gate by a secondary road for a distance of one half mile and then by a winding track.

Work on the Charing Cross property dates back to the last century when Wheal Jamaica Mining Company worked on the property during the 1850s. This company is reported to have excavated 207 tonnes of material between the years 1854 and 1857 which had an average grade of 14.3% copper (Sawkins, 1969).

Further work was carried out on the Charing Cross prospect by Base Metal Mining Corporation during the years 1954 and 1955. At this time reconnaissance work was carried out and also during the 1950s two adits were re-opened by Jamaica Copper & Iron Company for a total length of 2,000 feet.

Mineralization at Charing Cross is reported to consist of quartz carbonate vein material with chalcopyrite mineralization. The vein has been opened through a length of 300 feet however mineralization on surface is reported to extend through a distance of one half mile. The vein which strikes west of north and dips steeply to the west contains sections of massive chalcopyrite up to 18 inches wide. One worker (Bergey, 1958) reports that certain high grade sections of the vein contain good gold values with one 9 inch section reportedly assaying 0.67 oz. of gold per ton.

EVALUATION OF SPECIAL PERMIT NO. 318

The most detailed work in the permit work in the permit has been carried out in the Connors showing. This showing has been investigated by two campaigns of diamond drilling as well as by geochemical and geophysical examination.

The result of the two drilling campaigns carried out by A.I. Betamis has defined an occurrence of 3.9 million tonnes of copper bearing mineralization at a grade of 0.5% copper with minor gold values. While this is not presently a commercial ore body it is nevertheless a mineral inventory having an inground metal value of

\$35.10 million at a copper price of \$0.90 Canadian per pound. We have utilized a \$0.90 value for copper for conservatism, copper is presently selling well above \$1.00 in U.S. currency.

For purpose of this analysis and in line with other comparisons previously made for projects in Canada we have used a 90% discount factor to reflect mining and recovery costs for metal. This would give a potential recoverable metal value of approximately \$3.510 million for the contained metal in the Connors showing.

Bearing in mind the renewed mining and exploration interest in base metals that is occurring both within Canada and elsewhere we consider this to be an attractive showing upon which to base a regional exploration program for purposes of developing base metal tonnages. This is enhanced in the Special Permit 318 as wide spread showings are known which contain copper values and have been previously documented.

For purposes of this evaluation we would thus conclude that the Connors showing has a potential value of \$3.510 million. This value is enhanced by other known showings in the area.

The other predominant showing within the permit is the Charing Cross showing which has been reported on by various people and was mined briefly during the 1850s when 270 tons was recovered containing 14% copper mineralization. While the author has been unable to find extensive documentation dealing with the Charing Cross showing Vihonen (Personal Communication) has reported that there exists some 15,000 tonnes of available mineralization in the Charing Cross showing which has a grade of 25% of copper equivalent. As two adits are presently in place on the Charing Cross showing it would be a reasonably simplistic mining exercise to excavate the 15,000 tonnes of material. This being a possibility one could demonstrate value of in ground contained metal of approximately \$7,500,000 for the Charing Cross showing. This methodology again being a retention of 10% of the contained metal value in the showing area. Such an analysis would produce, on a 90% discounted basis, a value of \$750,000 for the contained in ground metal value. Coincidentally Trevco Oil & Gas has prepared an exploration budget for the Charing Cross prospect which, including equipment purchases, labour costs and engineering costs, etc., has for the months of October, November and December a committed budget of \$582,000.

Utilizing our guidelines for ascribing value we would therefore attribute a 100% of this exploration budget as value to the Charing Cross showing which would result in an ascribed value of \$582,000. With respect to the Charing Cross showing we would strongly recommend that this initial mining activity take place as (i) it provides a good bulk sample and (ii) is an important source of hard cash for support of exploration activities. As such the budgeted program is well warranted in our opinion.

Numerous other showings are known within the Bellas Gate area and comprise approximately 21 in total. These all tend to be copper showings and have had relative stages of exploration carried out on them varying from that of the Camel Hill showing on which limited diamond drilling has been carried out over an area of 1,000 by approximately 600 feet.

Copper mineralization is known on the Stone Hill showing and has been exposed to trenching activity. A trench excavated on the copper bearing zone at Stone Hill has shown values of 2.3% copper over widths of up to 8 feet up to lengths of 60 feet (Bergey).

Other showing although not detailed presently are described in the Geological Survey memoir bulletin no. 9 by A.D. Fenton compiled for the Geological Survey Division, Ministry of Mining and Natural Resources for Jamaica. Of these the George Hill and Mab showings as examples. All have known geochemical anomalies for copper some of them have showings of mineralization such as Dry Hill where one trench revealed grades of 7.8% attained over widths of 6 feet.

As little information exists on these showings other than notations we have ascribed a value to these showings as being equivalent to raw prospect land and equal in part to the funds committed to have purchased the ground. Thus a notional value of \$100,000 is attributed to the various other showings located within the Special Permit No. 318.

During the process of preparing this report it was communicated to the author by Mr. Fraser Currah that negotiations were underway with an independent party for a vend in on the whole permit area. The vend in terms of agreement consisted of a cash payment of \$1,000,000, and a work committment of \$5,000,000 controlled by the vendors for the vend in to earn 80% interest in the permit area.

This deal is probably the best measure of the potential value of the permit. This guideline being that the permit area is equal to 100% of the monies paid plus budgeted exploration programs on the ground utilizing this parameter a \$6,000,000 expenditure for a 80% interest in the permit would equate to \$7,200,000 as the full value for a 100% interest in the permit.

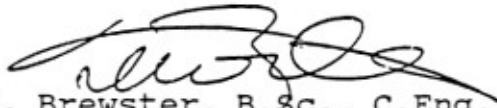
As a result of the various approaches to attempt to value the Bellas Gate Special Permit No. 318 we have reached a position where a minimum value can be ascribed to the permit area. In our opinion this minimum value should be equivalent to the minimum contained metal value in ground for an exploration play plus the values of the committed exploration budgets presently contemplated or underway on the property. Utilizing this approach we would ascribe a value of \$4,250,000 which would be equivalent to the combined metal values on the Connors and Charing Cross prospects. Alternatively, we would ascribe a value of \$4,182,000 which would

be a combination of the minimum in ground value on the Connors prospect and the cost of the planned and committed exploration budget on the Charing Cross prospect with a notional value for the other showings within the Special Permit.

We would consider this to be a minimum value for evaluation purposes and would feel confident that a dedicated exploration program on the Special Permit area would demonstrate mineralized occurrences having in ground values in excess of those already demonstrated.

Respectfully submitted,

MINROC MANAGEMENT LIMITED


N.E. Brewster, B.Sc., C.Eng., F.G.A.C.

October 3, 1989

SECTION III

1. JAMAICAN MINE DEVELOPMENT

Trevcorp's Jamaican concession, S.E.P.L. #318, has had extensive exploratory work performed on it during the last nine months. During this time, Trevcorp has had from four to 25 Jamaicans, along with Canadian mining professionals, active in the property.

We have prospected the concession and of the 283 samples assayed, all of which have tested gold, silver and copper. Gold values are up to 2.25 oz/ton, silver 27.27 oz/ton and copper 29.69%.

Our extensive geophysics have located several major anomalies with particular emphasis on the major veins joining the previously worked Charing Cross and Stamford Hill mines. This work confirmed the historical data, which contained reference to the 20 ft. wide vein, leading from the Stamford Hill adit to the Charing Cross; a distance of approximately 3,000 feet long with top heights of 750 feet. Mine manager's reports of the day refer to shipping values of 15 to 25% copper. In addition, Sawkins in the same data tells us that gold was present in all shipments and values ranged upwards to 15 oz/ton.

We have opened the Charing Cross No. 5 adit and chip samples from the side veins in the crosscut carry commercial values.

In May outlined and reaffirmed the intrusive at Connors in which 5,000,000 tons of commercially viable low grade ore has been drilled. Indications are that this ore body, in the form of a large porphyry intrusive, continues to the southeast.

We are in the process of negotiating with a "major" mining partner to further delineate, test and develop this large low grade ore body in the north area of the 14.44 square mile concession.

Trevcorp has received approval for the further extension of the lease documents covering the property. Additional exploratory as well as development work will be done in anticipation of high grade ore production beginning in October, 1990.

The enclosed Three Phase budget is self-explanatory and follows the steps necessary to finalize production planning, prior to mining.

Fraser Currah
Director

Encl.