

CANEX PLACER LIMITED
EXPLORATION DIVISION

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

No. 6371

DIAMOND DRILLING REPORT
ON THE
FAR MINERAL CLAIM, REVELSTOKE MINING DIVISION
51°38'N., 118°22' W.

32

Owned by: Seaforth Mines Limited

Operated by: Canex Placer Limited

BY: W.S. Pentland

Supervised by: D.A. Howard, M.Sc., P. Eng. (B.C.)

June, 1977

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| General Location Map, Figure 1 | |
| Location Map - Drill Hole Relative to Claims, Fig. 2 | |
| Statement of Expenditures | 1 |
| Introduction | 2 |
| Location & Access | 2 |
| Description of Drilling | 3 |
| Statement of Qualifications | 4 |
| Certification | 5 |
| Diamond Drill Log D.D.H.#1 | |
| Diamond Drill Agreement | |
| MAPS (in pocket) | |
| Fig. 3. Detail Location Map DDH#1 on FAR MC. | |
| Fig. 4. DDH #1 Graphic Log and Assays | |

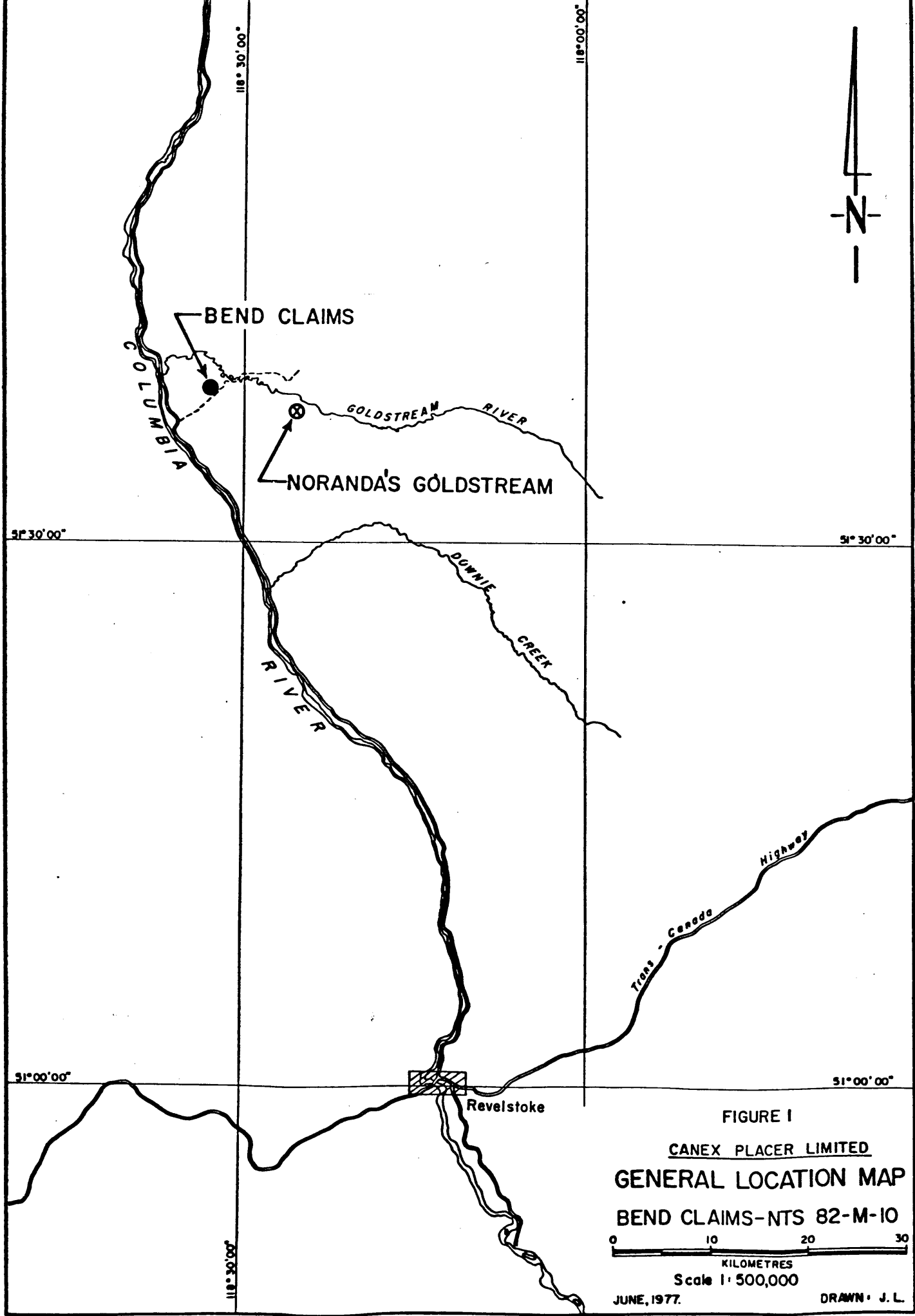


FIGURE I
CANEX PLACER LIMITED
GENERAL LOCATION MAP
BEND CLAIMS-NTS 82-M-10

0 10 20 30
 KILOMETRES

Scale 1:500,000

JUNE, 1977.

DRAWN: J. L.

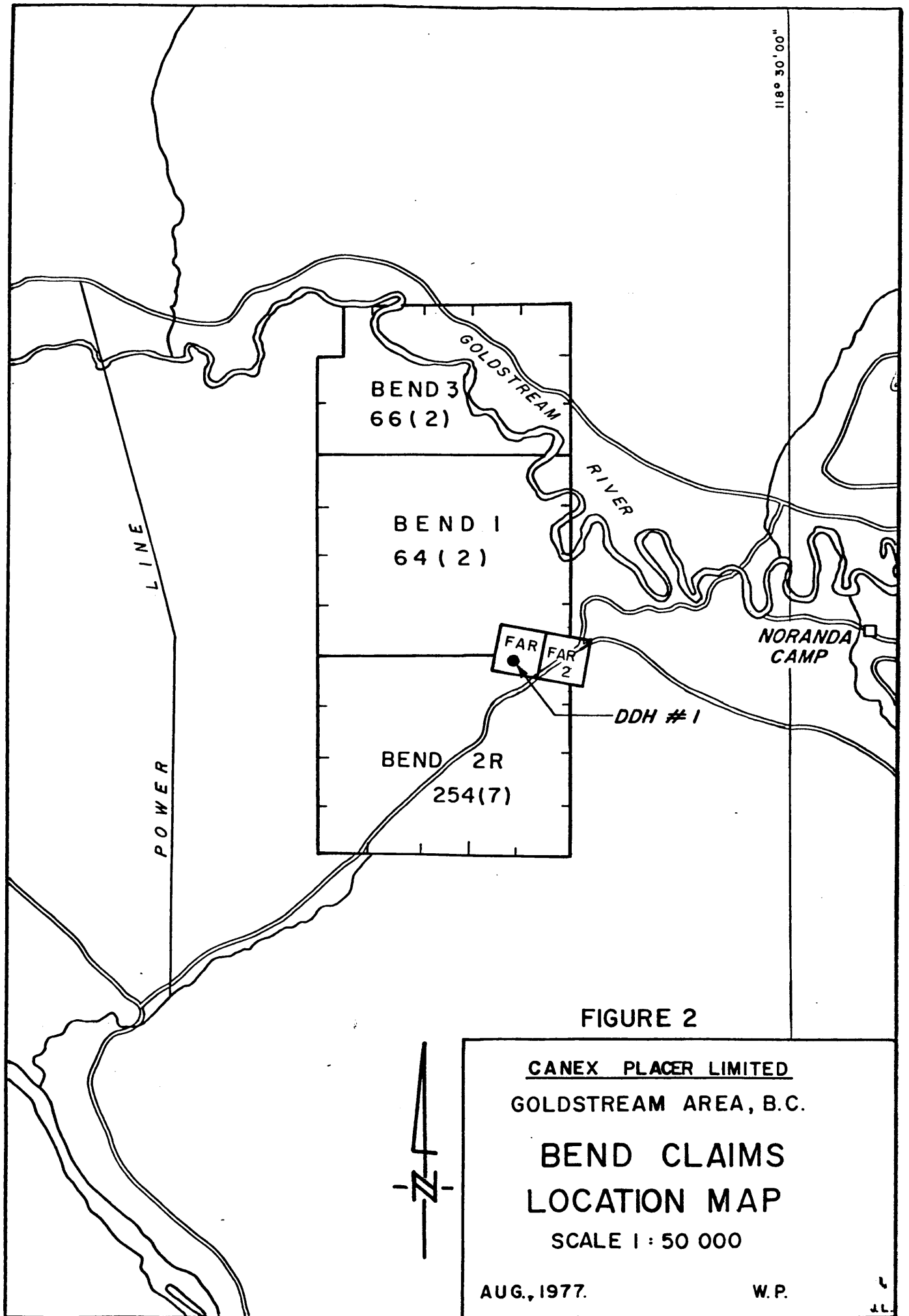


FIGURE 2

CANEX PLACER LIMITED
 GOLDSTREAM AREA, B.C.

BEND CLAIMS
 LOCATION MAP

SCALE 1 : 50 000

AUG., 1977.

W.P.

4
 J.L.

Statement of Expenditures

The following is a breakdown of expenses incurred for
the diamond drilling on the FAR mineral claim in June, 1977.

Drilling

| | |
|--------------------------------|-------------|
| 507' BQWL @ \$15.00/ft. | \$7,605. |
| Mobilization & demobilization | 500. |
| Reaming - 3 hrs. @ \$38.00/hr. | <u>114.</u> |
| | \$8,219.00 |

Assaying

| | |
|--|--------------|
| 51 samples - sample preparation @ \$1.25 | \$63.75 |
| 51 samples - copper analysis @ .60 | 30.60 |
| 51 samples - zinc analysis @ .60 | <u>30.60</u> |
| | \$124.95 |

Supervision

| | |
|------------------------------------|-----------------|
| W. Pentland - 10 days @ \$175./day | <u>\$1,750.</u> |
| | \$10,093.95 |

Introduction

This report covers the diamond drilling of a hole on the FAR mineral claim in the Revelstoke Mining Division. The expenditures are to be applied as 2 years assessment work to the following claims: -

| <u>Claim Name</u> | <u>Record No.</u> | <u>No. of Units</u> |
|-------------------|-------------------|---------------------|
| FAR | 11033 (N) | |
| FAR 2 | 11353 (0) | |
| BEND 1 | 64 (2) | 20 |
| BEND 3 | 66 (2) | 15 |

Location & Access


The FAR, FAR 2, BEND 1, and BEND 3 mineral claims are located 50 miles north of Revelstoke, B.C. and 4 miles east of the highway to the Miss dam. The claims extend from the Goldstream River on the north to the old Goldstream River channel on the south.

Access is by paved road to a point 50 miles north of Revelstoke, from which a good logging road extends east to the claims. Several secondary logging roads provide access to the drill site.

Description of Drilling

D.D.H. #1 was drilled June 12 - 17, 1977, to a depth of 152.4 metres by Interior Diamond Drilling Limited of Summerland, B.C. using a truck mounted Longyear 38 machine.

The hole was located on the FAR mineral claim (see location maps) at approximately 2,200' elevation. The bearing was 200° and the dip - 51° . BQWL core was recovered and is presently stored at Placer Research Laboratory 323 Alexander Street, Vancouver, B.C.



W. Pentland

August 24th, 1977

WP/ct

STATEMENT OF QUALIFICATIONS

I, W. S. PENTLAND, with business address in Vancouver, British Columbia, and a residential address in Delta, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a geologist;
2. I am a graduate of the University of British Columbia, Vancouver, British Columbia, with a B.A. in 1951.
3. From 1951 to 1977 I have worked in mineral exploration in various parts of Canada.
4. I personally examined the area and have assessed the results of the work.

Respectfully submitted,


W. S. Pentland

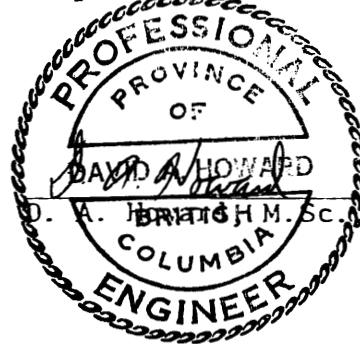
DATED this 25th day of
August 1977, Vancouver,
British Columbia.

CERTIFICATION

I, D. A. Howard, with a business address at 800 - 1030 West Georgia Street, Vancouver, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a professional engineer registered in the Province of British Columbia;
2. I have examined the report by W. S. Pentland on work done in 1977 on the BEND 2R claim, 51°38'N; 118°33'W, Revelstoke Mining Division;
3. To the best of my knowledge the acquisition of the data and expenditure claimed for the performance of work is correct.

Respectfully submitted,



DATED this 25 day
August 1977, Vancouver,
British Columbia

Grid No. _____ Property _____ Section No. _____ Hole No. _____

| Started | | Bearing | Dips | Lat. | Elevation | Location | | | | |
|-----------|------|---------------------|---|---------------|-------------------------------------|----------------------------|----------------------------------|----|-------------------------------------|-------------------|
| Completed | | Length | Surface Hole | Dep. | Level | Logged by | | | | |
| Standpipe | | Casing | Underground Hole | Remarks | | | | | | |
| FOOTAGE | | Core Re- covered | Description | Sample No. | Footage | Width Core | Assay | | | Average Values |
| From | To | | | | | | Cu | Zn | | |
| 49.4 | 53.5 | 4.1 | Var. cal. sericite schist with short sections graphitic schist. Greyish green in color with few white limy and qtz. layers sulph. var. - mostly pyrr. Av. 2% | | 50-53 | 3 | 91 | | 99 | |
| 53.5 | 59.1 | 4.5 | Cal. graphitic schist. Layered but mostly black in color. Few patches and irreg. streaks py. and pyrr. to 5 mm wide. Several sects. white qtz. to 10 cm. 55.5 - 59.1 fault zone. Lost core. Heavy graphitic gouge Pyritic - N | | 53-56 56-59 | 3 3 | 128 100 | | 139 106 | |
| 59.1 | 76.7 | 17.5 | Cal. chl. ser. schist. Varies from grey (limestone) to greyish green for the chl. ser. schist. Occas. narrow sects. with graphite developed. Angle on layering and limestone bands av. 80°- varies 65° to 85° | | 59-62 65 68 71 74 77 | 3 3 3 3 3 3 | 47 63 67 64 62 65 | | 108 90 103 70 120 78 | |

CANEX PLACER LIMITED
EXPLORATION DIVISION

410 1-1-50

A G R E E M E N T

This A G R E E M E N T made as of the 1st day of June 1977

BETWEEN: CANEX PLACER LIMITED
700-1030 West Georgia Street
Vancouver, B.C.
V6E-3A8
(hereinafter referred to as the "COMPANY")

AND: INTERIOR DIAMOND DRILLING LIMITED
Summerland, B.C.
YOH-1Z0
(hereinafter referred to as the "CONTRACTOR")

WHEREAS the COMPANY hereby requests that the CONTRACTOR carry out certain surface diamond drilling and other services, on certain of the COMPANY'S mineral claims, located approximately fifty miles north of Revelstoke, B.C.

AND WHEREAS the CONTRACTOR hereby agrees to perform said diamond drilling and other services requested, under the terms and conditions hereinafter contained.

Now therefore this AGREEMENT witnesseth that in consideration of the premises and the mutual covenants herein contained, the Parties hereto covenant and agree as follows:

...2/

1. SCOPE OF WORK

The work (hereinafter referred to as "The Work") is to consist of drill holes, drilled at locations specified by the COMPANY. A total minimum footage of 500 feet shall be drilled, but total footage may be extended beyond that amount, by mutual consent. Holes shall be drilled with BQWL tools producing 1 7/16" diameter core, as far as is reasonably practical. Maximum depth of any hole shall be around 500 feet, and minimum depth shall be ~~100~~ 300 feet.

R.M.I.
Q

2. THE CONTRACTOR HEREBY CONVENANTS AND AGREES:

- a) To provide all of the labour, materials, transportation, drilling machinery and associated tools necessary to carry out the work, including, but not limited to: One truck mounted LY38 drill outfit complete with pumps, rods, casing, diamond set items, fuel, oil and grease, transportation vehicles and water line.
- b) That drilling crews will follow good drilling practice and shall use due care and diligence as shall enable them to recover as high a percentage of core as the nature of the ground being drilled shall permit. All cores shall be delivered to the COMPANY, in boxes provided by the COMPANY at the drill sites.
- c) The CONTRACTOR shall be responsible for, and will pay promptly all costs and charges, incurred by itself for labour, machinery, tools and supplies used in completing the work hereunder so that no lien or other such charge relative to the CONTRACTOR may be registered against the COMPANY or the Property. The CONTRACTOR shall be responsible for the payment of all assessments for Workmen's Compensation, Holiday Pay, Canada Pension, Unemployment Insurance, Sales Tax, or other such applicable charges relative to its own labour and supplies purchased.

- d) The CONTRACTOR shall, at all times enforce strict discipline and maintain good order among its employees and shall not retain on the work any unfit person or anyone not skilled in the work assigned to him. Any employee who is objectionable or unsatisfactory to the COMPANY shall be removed from the work and replaced by an employee satisfactory to the COMPANY.
- e) The CONTRACTOR shall keep his camp and drill sites free from waste and rubbish, and at the completion of his work he shall leave the camp area and all drill sites as clean as possible.
- f) The CONTRACTOR or its personnel shall not divulge any information concerning drilling results, or permit access to, or examination of the drill core by any person not specifically authorized by the COMPANY.
- g) The CONTRACTOR shall commence the Work on or about June 10, 1977.

4. THE COMPANY HEREBY AGREES:

- a) Should cavities, loose or caving ground or excessive water flows be encountered in a hole so that further drilling in that hole is deemed impracticable, that hole may by mutual consent be abandoned, and the CONTRACTOR be paid at rates so specified herein for all footage completed in that hole. However, should the COMPANY request that further work be carried out in the hole beyond this point, then the CONTRACTOR shall continue work in the hole but such continuing work shall be at Field Cost.

b) To provide access roads to as near all drill sites as is practical, and prepare sites suitable for drill set-up. Also the COMPANY will maintain road to camp suitable for CONTRACTOR'S service vehicle.

c) To provide, at no cost to the CONTRACTOR, all rights of way of ingress and egress to all lands that may be required to enable the CONTRACTOR to carry out the work as specified.

5. THE COMPANY HEREBY AGREES to pay the CONTRACTOR for footage drilled and other services performed as follows:

a) Mobilization and demobilization: For equipment and crews from CONTRACTOR'S base of operations to job site and return at job completion, a total sum of \$500.00.

b) Drilling: BQWL 0 - 500 feet at \$15.00 a foot

c) Core recovery: The CONTRACTOR guarantees core recovery 90 percent or better, as requested by the COMPANY, provided that ground conditions are such that it is not impossible to obtain. If equipment neglect or personnel negligence can be proven the CONTRACTOR agrees to redrill hole.

d) Dip testing: Shall be taken, if requested, at field cost.

e) Delay time, or other time during which the CONTRACTOR'S crews are performing services for the COMPANY, not otherwise covered herein: At Field Cost.

f) Cementing of drill holes, and redrilling of cemented section of hole: If required, at Field Cost.

g) The CONTRACTOR will be responsible for supplying the water required for drilling operations.

- h) Moving of drill and equipment (including tearing down and setting up): Moving and setting up equipment, from site to site, is all included in contract price.
- i) Drilling mud and additives, if required, shall be ^{THE COMPANY'S} at cost F.O.B. the drill site. *R.M. D.K.*
- j) Wherever pipe or casing is lost or is left in a hole on the instructions of the Owner, the Owner agrees to pay the CONTRACTOR for such pipe or casing at their depreciated value, F.O.B. drill site. The Owner agrees to pay the CONTRACTOR the cost of diamond set casing shoe bits in addition to the cost of any casing left in the hole.
- k) Truck rental: The CONTRACTOR will supply transportation and service vehicles for its personnel.
- l) Core boxes: Will be supplied by the COMPANY.
- m) The CONTRACTOR will supply his own camp facilities.
- n) Standby: If requested by the COMPANY, at Field Cost.
- o) Field Costs, where applicable, shall mean: Labour at \$14.00 a man hour, equipment rental at \$10.00 a drill shift hour, plus all the "down the hole" consumables during the field cost portion of the work at cost plus ten percent.
- p) Interim service trips in connection with the maintenance of drill camps and the drilling operation shall be for the CONTRACTOR'S account.

6. INSURANCE AND GENERAL

- a) The CONTRACTOR shall insure and keep insured during the term of this contract with an insurer acceptable to and approved by the COMPANY, at the CONTRACTOR'S own expense and cost, the following liability insurances:
- i) Comprehensive general liability insurance on an occurrence basis, and including but not limited to, operations, CONTRACTOR'S protective, contractual, products and completed operations and non-owned automobile. The COMPANY shall be added as an additional insured under this item and the following clause shall be made part of this insurance policy: "Cross Liability - the insurance afforded by this policy shall apply to any action brought against any of the insureds by any other insured in the same manner as though separate policies were issued to each."
 - ii) Automobile - owned.
The insurers limit of liability in respect to the above mentioned insurances shall not be less than one million dollars (\$1,000,000.00) inclusive for bodily injury and/or property damage each occurrence, and one million dollars (\$1,000,000.00) aggregate for products and completed operations.
- b) The CONTRACTOR shall not be held liable for any loss or damage suffered by reason of any cause beyond its active control such as riots, strikes, lockouts, Acts of God, or failure of transportation.

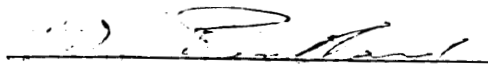
- c) Under the foregoing terms and conditions the CONTRACTOR does not guarantee to drill any hole to any specified depth. The CONTRACTOR will however, expend every reasonable effort to complete all holes to the satisfaction of the company.

- d) The CONTRACTOR shall invoice the COMPANY semi-monthly for footage drilled and other services performed. Such invoices shall be due and payable within 30 days of the invoice date at the rate of eighty-five percent (85%) of the value of the completed work. The amount remaining due to the CONTRACTOR shall be retained by the Owner until the expiration of seventy (70) days after completion and acceptance of the work. If at the expiration of the said seventy (70) days there are no mechanic's liens filed against the Property relating to the work the amount of the fifteen percent (15%) holdback shall thereupon be paid by the COMPANY to the CONTRACTOR.

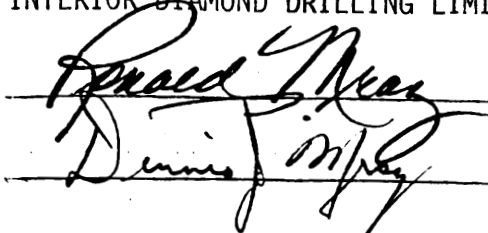
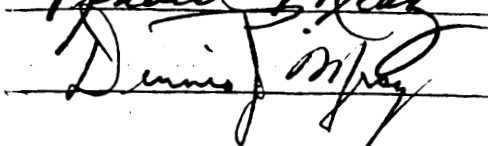
- e) Any condoning, excusing or overlooking by the COMPANY of any breach, or no-performance by the CONTRACTOR at any time or times in respect to any covenant, term, condition, and proviso contained in this AGREEMENT shall not operate as a waiver of the COMPANY'S right in respect of any continuing or subsequent default, breach or non-performance.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by their respective officers in that behalf.

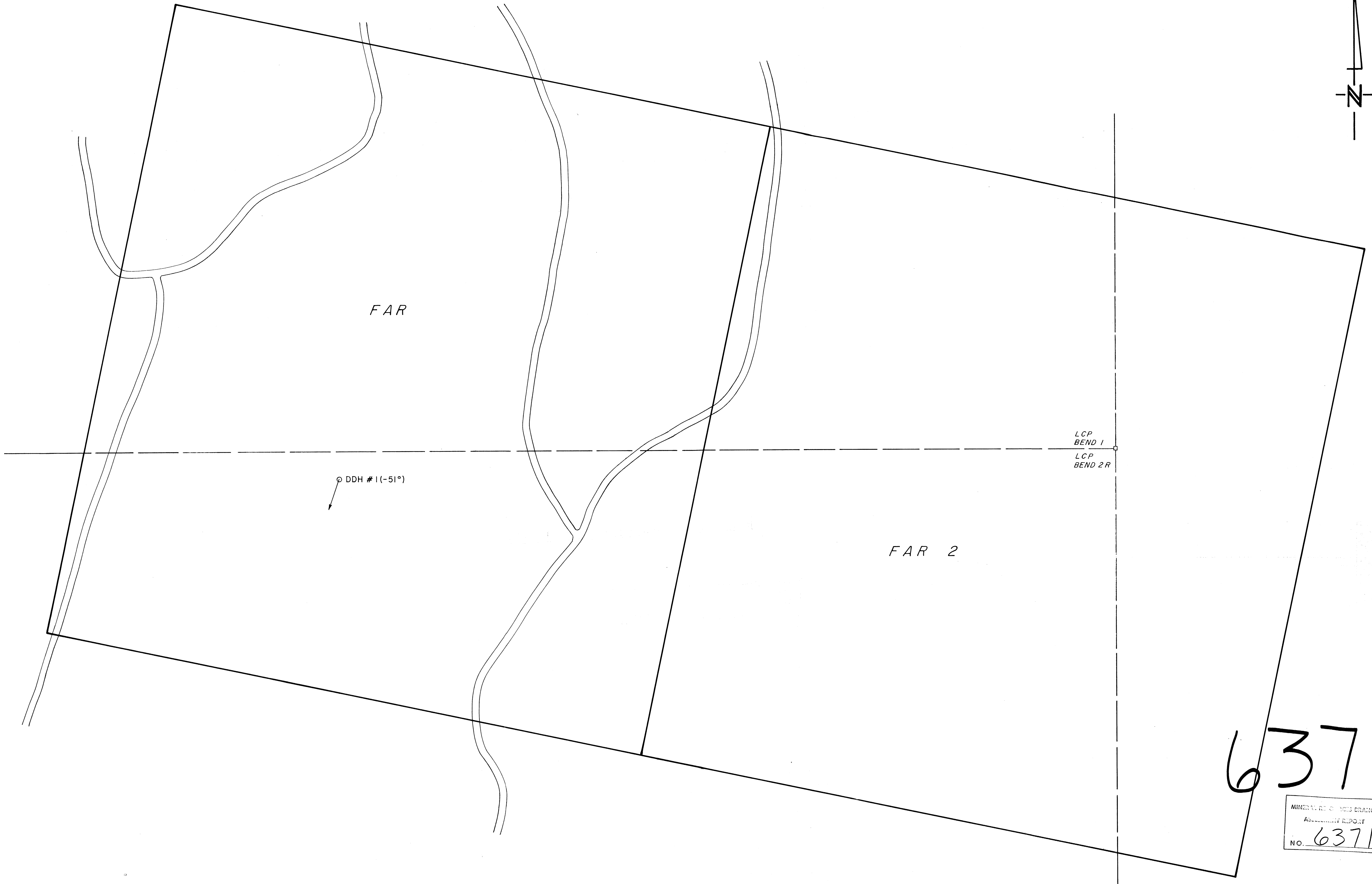
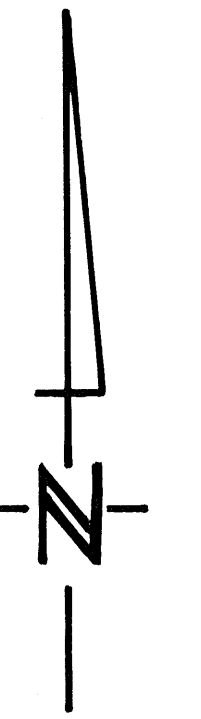
CANEX PLACER LIMITED



INTERIOR DIAMOND DRILLING LIMITED

DH/ct



6371

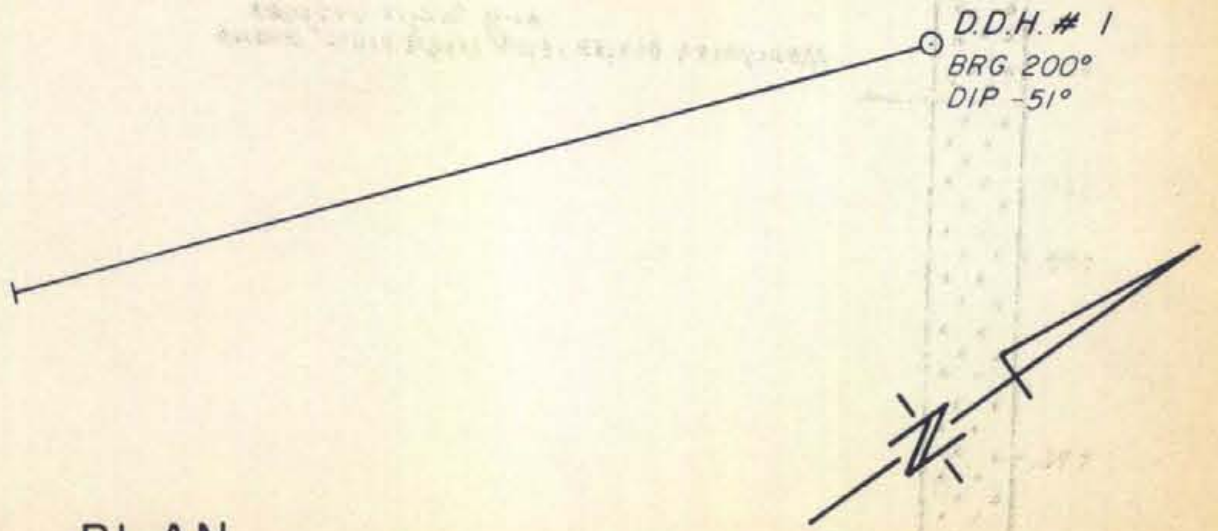
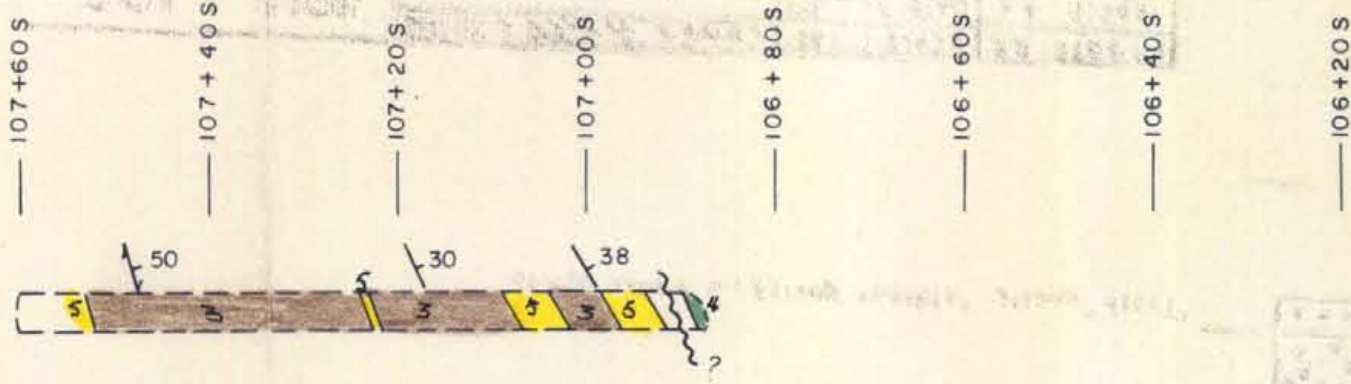
MINERAL RIGHTS BRANCH
ASSESSMENT REPORT
NO. 6371

FIGURE 3

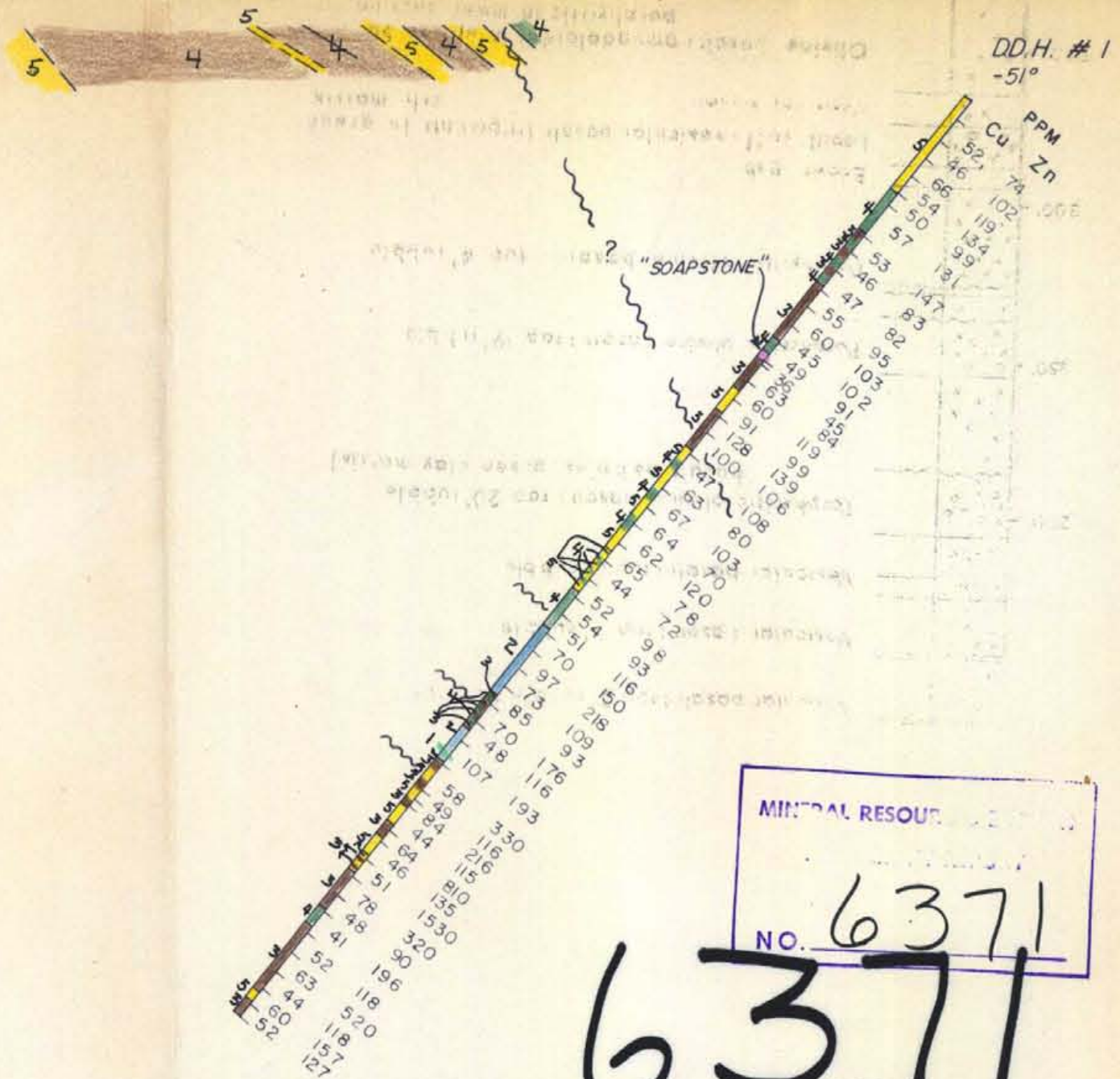
| | | | |
|----------------|------------------|-----------------------|--------------------------------------|
| DRAWN: J.L. | SCALE: 1:1250 | CANEX PLACER LIMITED | LOCATION OF DDH #1 FAR MINERAL CLAIM |
| TRACED: J.L. | DATE: AUG. 1977. | GOLDSTREAM AREA, B.C. | FILE No. V-156 |
| APPROVED: W.P. | | | |

W. Eastland

LINE 102+50 W



PLAN



LEGEND

- 5 MUSCOVITE SCHIST
- 4 CHLORITE SCHIST
- 3 GRAPHITIC SCHIST
- 2 LIMESTONE
- 1 QUARTZITE
- 50 ATT. ON CONTACT
- 30 ATT. ON FOLIATION

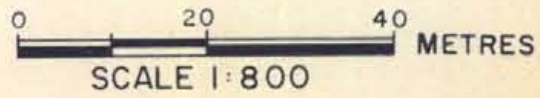
SECTION

MINERAL RESOURCES ACT
NO. 6371

6371

FIGURE 4

CANEX PLACER LIMITED
GOLDSTREAM AREA, B.C.
GEOLOGY D.D.H. #1



W. Pentland