

GEOLOGICAL AND GEOCHEMICAL REPORT

ON

LONDOND CLAIM GROUP

82 F 3 (W)

~~49° 5'~~ N, 117° 19' W
49° 01'

for

CARMAC RESOURCES LTD.

#333-885 DUNSMUIR ST., VANCOUVER, B.C.

by

J.W. MacLeod, P. Eng.

Vancouver, B.C.

September 15, 1978

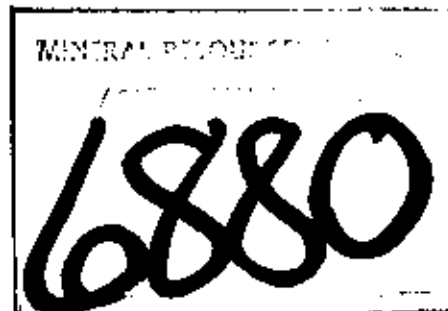


TABLE OF CONTENTS

| | <u>PAGE NO.</u> |
|------------------------------|-----------------|
| SUMMARY AND CONCLUSIONS..... | 1 |
| PROPERTY..... | 1 |
| HISOTRY..... | 2 |
| INTRODUCTION..... | 2 |
| GENERAL..... | 3 |
| GEOLOGY..... | 3 |
| GEOCHEMISTRY..... | 4 |
| MINERALIZATION..... | 4&5 |
| RECOMMENDATION..... | 5 |

| | |
|--------------|--|
| APPENDIX I | Analytical Procedure and Sample Results |
| APPENDIX II | Expenditures |
| APPENDIX III | Certificate |

| | <u>ILLUSTRATIONS</u> | <u>SCALE</u> |
|--------|--------------------------|--------------|
| Fig. 1 | Location of Lomond Group | 1 : 880,000 |
| Fig. 2 | Plan of Lomond Group | 1"= 2000' |
| Fig. 3 | Geology | 1 : 5000 |
| Fig. 4 | Sample Location Map | 1 : 5000 |
| Fig. 5 | Zinc in Soils | 1 : 5000 |
| Fig. 6 | Lead in Soils | 1 : 5000 |

SUMMARY AND CONCLUSIONS

During July and August the soil sampling grid of the property was completed as a follow up of the program carried out last year by R.C. Potter. Where anomalous indications were obtained detailed sampling was carried out to provide control for bulldozer stripping of the anomalies. The trenching exposed limonite mineralization, similar to that mined in the old workings, associated with fracturing and brecciation.

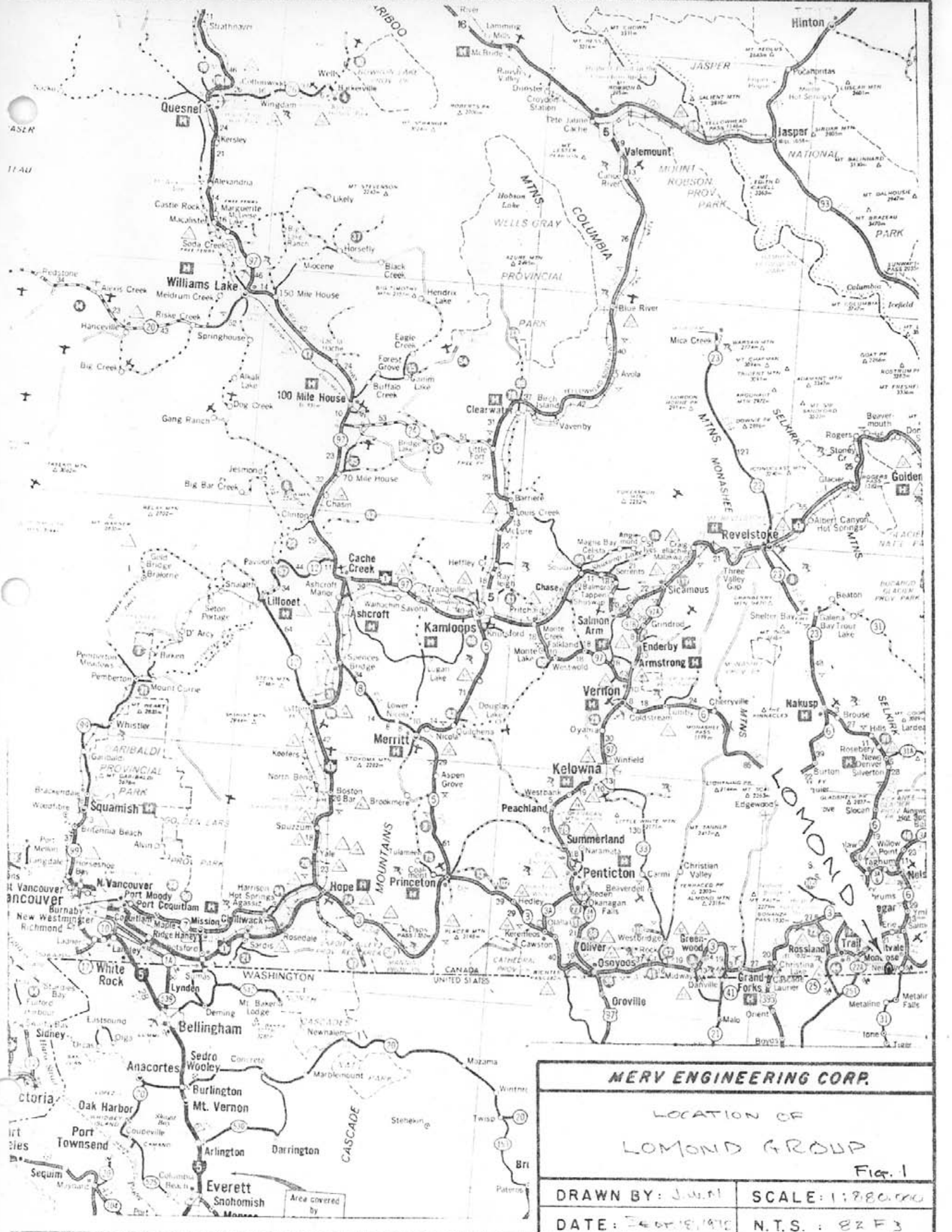
It would appear that the iron in the form of oxide and carbonate with associated lead and zinc is secondary, that is, it is remobilized from a deeper primary source.

The geochemical anomalies could be haloes associated with breccia pipe type structures requiring deep drilling to locate the source and extent of sulfide mineralization.

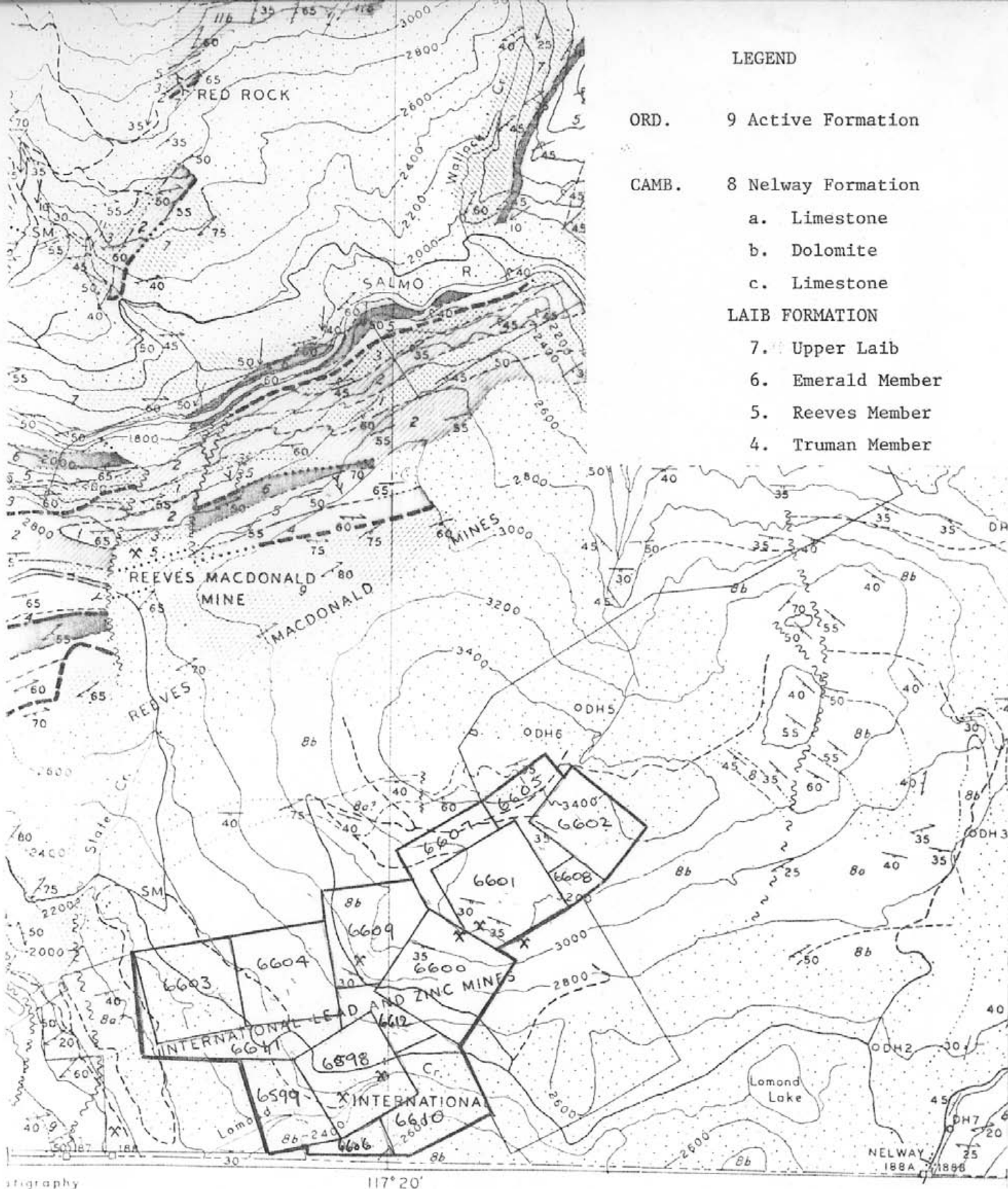
PROPERTY

The property consists of the following 15 contiguous reverted crown grants, acquired as 14 mineral claims.

| <u>NAME</u> | <u>LOT NO.</u> | <u>RECORD NO.</u> | <u>ACREAGE</u> | <u>RECORD DATE</u> |
|-------------------------|----------------|-------------------|----------------|--------------------|
| Hastings | 6598 | 306 | 51.65 | Oct. 1, 1976 |
| Glasgow | 6599 | 307 | 38.09 | " |
| Salmo | 6600 | 308 | 51.65 | " |
| Pioneer | 6601 | 309 | 51.65 | " |
| Lake View | 6602 | 310 | 40.12 | " |
| Medoc | 6603 | 311 | 49.91 | " |
| Kenfrew | 6604 | 312 | 51.65 | " |
| Golden Rod | 6605) | | | " |
| Pioneer No. 1 Fr. 6608) | | 313 | 23.20 | |
| International | 6606 | 314 | 11.84 | " |
| Golden Fleece | 6607 | 315 | 23.73 | " |
| Kenfrew No. 1 | 6609 | 316 | 40.24 | " |
| International | 6610 | 317 | 36.99 | " |
| No. 1 | | | | |
| Glasgow No.1 Fr. 6611 | | 318 | 12.05 | " |
| Salmo No. 1 Fr. 6612 | | 319 | 15.71 | " |



| | |
|------------------------------------|------------------|
| MERV ENGINEERING CORP. | |
| LOCATION OF LOMOND GROUP | |
| Fig. 1 | |
| DRAWN BY: J.W.M. | SCALE: 1:880,000 |
| DATE: 26th 9, 1970 | N.T.S.: 82 F3 |



PLAN OF LOMOND GROUP

1" = 2000'

FROM B.C. BULL. No. 41

FIG. 2

HISTORY

Recorded history of the property dates from 1908.

In 1946-47, a joint venture with Sheep Creek, Coldbelt and Calumet and Hecla drilled 816 feet but the results are not known.

Between 1948-50, 7292 tons of limonite were shipped to the Lehigh Cement plant at Metaline Falls. This market is now supplied by slag from the smelter at Helena, Montana.

International Lead and Zinc Mines Ltd. held the property from 1951 to the lapse date in 1976 when they were acquired as reverted crown grants and optioned to Carmac Resources Ltd., #333-885 Dunsmuir St., Vancouver, B.C.

INTRODUCTION

Between July 1 and August 4 a soil sampling program was carried out by Mr. N. Wychopen and an assistant under the direction of the writer.

Anomalous lead zinc indications were explored by bulldozer trenching and the resulting exposures mapped by the writer.

GENERAL

The Lomond group of claims are shown on Mineral Reference Map 82 F 3 W in the Nelson Mining Division. Co-ordinated are 49° 0' N and 117° 19' W.

49 01

The property straddles the road to the Reeves MacDonald mine 1 km west of the Nelway customs station. From this road old logging roads make most of the property readily accessible.

Most of the area appears to be lightly overburdened except in the area of trench 9 where the cat was unable to reach bedrock. Trees are small second growth jack pine and tamarac.

GEOLOGY

The geology of the area is detailed in B.C. Dept. of Mines Bull. No. 41 by Fyles and Hewlett.

The property lies within the Kootenay arc, a regional feature containing at least three carbonate units favourable to the disposition of lead-zinc mineralization.

The Lomond group is underlain by a dolomitic sequence trending east-west and dipping 30 to 40 degrees to the south. This is the Middle Member of the Nelway Formation which contains the productive Yellowhead unit south of the border.

All bedrock exposed by the trenches put down to test the geochemical anomalies consists of grey dolomite banded with discontinuous lenses of black dolomite. The black lenses are often mottled with white spots of dolomite.

GEOCHEMISTRY

Soil samples of the "B" horizon were collected at 50 m intervals on north-south lines 100 m apart over that portion of the property not covered by last years survey. Where anomalous values were obtained in this and last years surveys detailed sampling was carried out at 25 m intervals on lines 50 m apart. This resulted in the collecting of 324 samples as shown on Fig. 4.

Using Potter's frequency distribution curves to indicate zinc values over 400 p.p.m. and lead values over 100 p.p.m. to be anomalous, a broad east west trending anomaly is indicated from 15 E to 25 E a length of 1000 M and open to the east. Within this large anomaly a number of isolated highs up to 5000 p.p.m. in zinc and 2500 p.p.m. in lead occur.

MINERALIZATION

The old showings of limonite are described in detail on pages 128, 129 and 130 of Bull. No. 41. These showings are located on the south end of lines 14 E and 16 E, where isolated high soil sample results were obtained.

Trenching of the anomalies to the north of these showings uncovered similar limonite although the material exposed is not as massive. The best exposure is in Trench 7 where irregular masses of limonite is found over a width of 10 meters. A selected sample of this material assayed 1.22% Pb and 1.66 % Zn. $\frac{1}{2}$ m of soft limonite from Trench 6 assayed 0.58% Pb and 0.53% Zn, and that from Trench 1 assayed 1.07% Pb and 0.52 % Zn.

The limonite in these trenches is found in vertical breccia and fracture zones in dolomite beds that strike EW and dip 30-40 degrees to the south. No sulfide mineral was noted nor was it possible to obtain a positive reaction with "zinc solution" so the form of the zinc mineralization is not known.

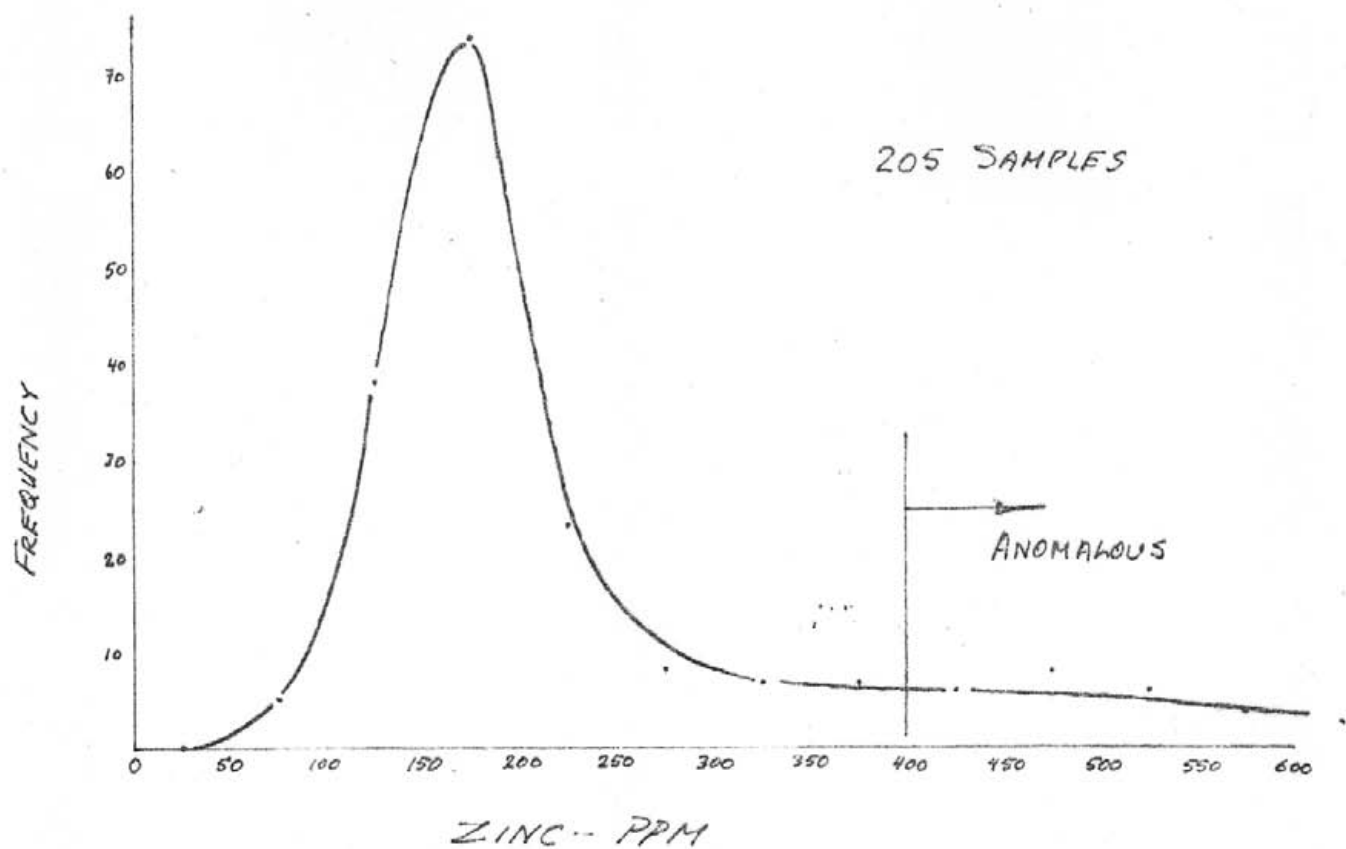
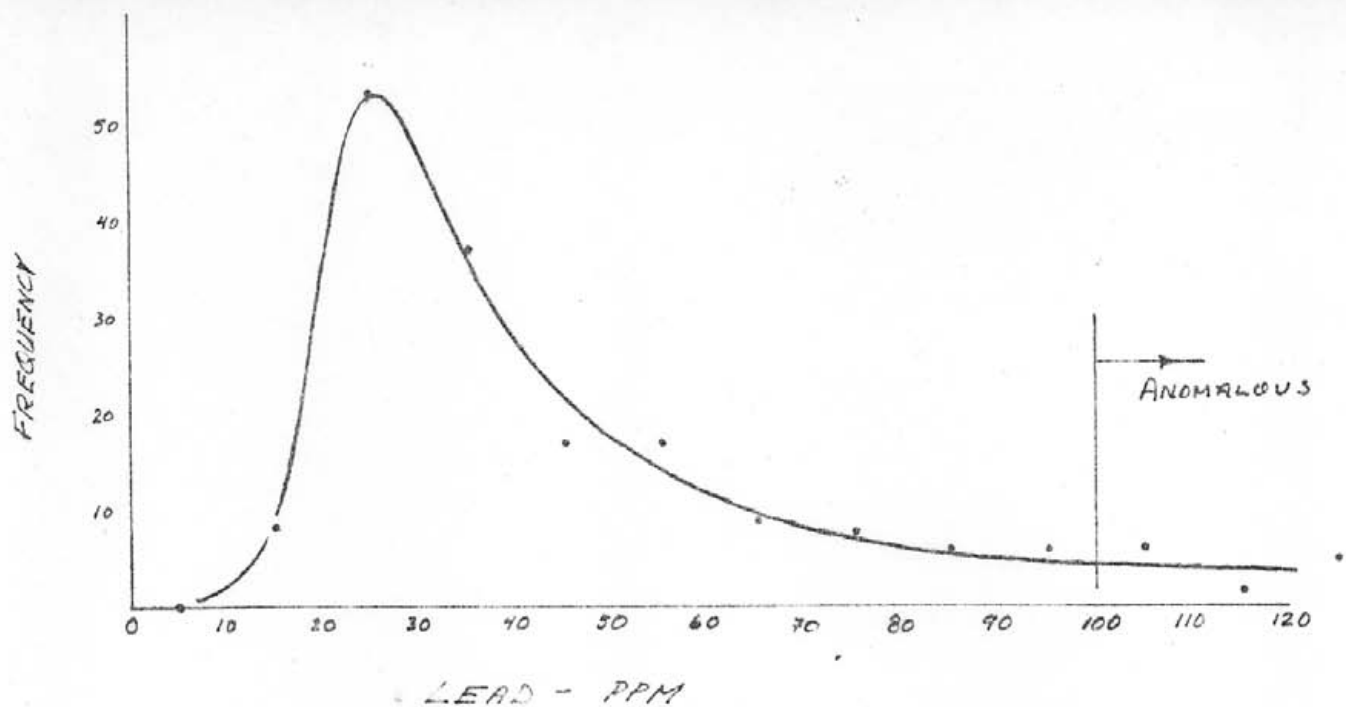


FIG. 3
 FREQUENCY DISTRIBUTIONS
 FOR LEAD AND ZINC IN SOILS

L. O. MOND PROPERTY - NELSON M.D.

RGP

MINERALIZATION CONT'D.

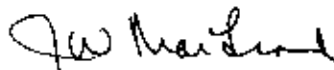
The mineralization would appear to be the result of remobilization and not oxidization of sulfide bodies in place.

The broad geochem anomaly suggests the possibility of a breccia pipe type of structure providing the plumbing for ascending solutions and therefore a strata bound source bed at depth. In this section an equivalent of the Yellowhead horizon could be the source, which, south of the border is 1200 feet below the top of the Nelway Formation.

RECOMMENDATION

Available data suggest that a vertical drill hole in the broad geochemical anomaly 700 m long would test the breccia pipe theory to the contact between the middle and lower members of the Nelway formation, where one might expect the Yellowhead horizon. Such a hole is justified after a detailed study of the geologic section is made to determine more accurately the depth of hole required to prospect the section.

Respectfully submitted,



J.W. MacLeod, P. Eng.

Vancouver, B.C.

September 15, 1978

APPENDIX I

Analytical Procedure and Sample Results



986-5211

VANGEOCHEM LAB LTD 1521 PEMBERTON AVENUE NORTH VANCOUVER, B.C. V7P 2S3

V7P 2S3

September 19, 1978

To: Merv Engineering Corp.,
#335 - 885 Dunsmuir Street,
Vancouver, B. C. V6C 1N5

From: Vangeochem Lab Ltd.,
1521 Pemberton Avenue,
North Vancouver, B. C. V7P 2S3

Subject: Analytical procedure used to determine hot acid soluble Pb
and Zn in geochemical silt, soil, and rock samples.

Re: Carmac Project 1978

1. Sample Preparation

- (a) Geochemical rock, silt and soil samples were shipped to the lab by Greyhound Bus Express. The rock samples were either stored in 8" x 13" plastic bags or in 4" x 9" cotton mailing bags. The silt and soil samples were stored in wet strength 3½" x 6½" Kraft paper bags.
- (b) The wet samples were dried in a ventilated oven over-night.
- (c) The dried soil or silt samples were sifted by a shaking machine with an 80-mesh stainless steel sieve. The plus 80-mesh fraction materials were rejected and the minus 80-mesh fraction materials were transferred into coin envelopes for analyses later.
- (d) The dried rock samples were crushed and pulverized by using a jaw crusher and a disc mill to minus 100-mesh. The pulverized samples were stored in 4" x 6" paper bags for later analyses.

....2

2. Method of Digestion

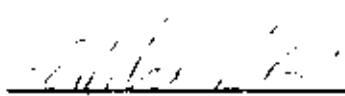
- (a) 0.50 gram of the minus 80-mesh samples was used. Samples were weighed out by using a top-loading balance.
- (b) Samples were heated in a sand bath with nitric and perchloric acids (15% to 85% by volume).
- (c) The digested samples were diluted with demineralized water to a fixed volume and shaken.

3. Method of Analysis

Pb and Zn analyses were determined by using a Techtron Atomic Absorption Spectrophotometer Model AA4 or AA5 with their respective hollow cathode lamps. The digested samples were aspirated directly into an air and acetylene flame. The results in parts per million were calculated by comparing a set of their respective standards to calibrate the atomic absorption spec units.

4. Analysts

The analyses were supervised or determined by Mr. Conway Chun or Mr. Eddie Tang and the laboratory staff.



Eddie Tang, C.E.T.
VANGEOCHEM LAB LTD.



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 NORTH VANCOUVER, B.C.,
 CANADA V7P 2S3

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-IN ACCOUNT WITH-

Merv Engineering Ltd.
 #333 - 885 Dunsmuir St.
 Vancouver, B. C. V6C 1N5
 Attention:

Report No: 78 60 001 Page 1 of 7
 Samples Arrived: July 11, 1978
 Report Completed: July 13, 1978
 For Project: Salmo
 Analyst: A.E.
 Invoice #2019 Job #78 107

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 01 | 19 | 159 | | | | |
| 02 | 30 | 137 | | | | |
| 03 | 22 | 179 | | | | |
| 04 | 21 | 123 | | | | |
| 05 | 21 | 181 | | | | |
| 06 | 21 | 206 | | | | |
| 07 | 24 | 160 | | | | |
| 08 | 25 | 158 | | | | |
| 09 | 23 | 126 | | | | |
| 10 | 22 | 173 | | | | |
| 11 | 13 | 202 | | | | |
| 12 | 16 | 112 | | | | |
| 13 | 17 | 104 | | | | |
| 14 | 25 | 159 | | | | |
| 15 | 34 | 144 | | | | |
| 16 | 62 | 430 | | | | |
| 17 | 47 | 214 | | | | |
| 18 | 28 | 322 | | | | |
| 19 | 24 | 134 | | | | |
| 20 | 65 | 310 | | | | |
| 21 | 41 | 226 | | | | |
| 22 | 25 | 201 | | | | |
| 23 | 25 | 112 | | | | |
| 25 | 27 | 151 | | | | |
| 26 | 17 | 179 | | | | |
| 27 | 14 | 247 | | | | |
| 28 | 27 | 154 | | | | |
| 29 | 15 | 80 | | | | |
| 30 | 19 | 115 | | | | |
| 31 | 19 | 104 | | | | |
| 32 | 26 | 194 | | | | |
| 33 | 16 | 199 | | | | |
| 34 | 24 | 171 | | | | |
| 35 | 26 | 224 | | | | |
| 36 | 35 | 186 | | | | |
| 37 | 31 | 206 | | | | |
| 38 | 14 | 124 | | | | |
| 39 | 16 | 174 | | | | |
| 40 | 19 | 202 | | | | |

Signed:



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Report No: 78 60 001

Page 2 of 7

Samples Arrived:

Report Completed:

For Project:

Analyst:

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 41 | 21 | 114 | | | | |
| 42 | 26 | 116 | | | | |
| 43 | 16 | 134 | | | | |
| 44 | 32 | 159 | | | | |
| 45 | 25 | 119 | | | | |
| 46 | 20 | 139 | | | | |
| 47 | 19 | 117 | | | | |
| 48 | 21 | 158 | | | | |
| 49 | 24 | 160 | | | | |
| 50 | 57 | 239 | | | | |
| 51 | 21 | 150 | | | | |
| 52 | 20 | 176 | | | | |
| 53 | 20 | 183 | | | | |
| 54 | 25 | 176 | | | | |
| 55 | 28 | 220 | | | | |
| 57 | 31 | 182 | | | | |
| 58 | 19 | 99 | | | | |
| 59 | 20 | 111 | | | | |
| 60 | 36 | 141 | | | | |
| 61 | 19 | 118 | | | | |
| 62 | 19 | 120 | | | | |
| 63 | 23 | 194 | | | | |
| 64 | 16 | 157 | | | | |
| 65 | 17 | 235 | | | | |
| 66 | 24 | 152 | | | | |
| 67 | 34 | 186 | | | | |
| 68 | 400 | 710 | | | | |
| 69 | 17 | 179 | | | | |
| 70 | 17 | 115 | | | | |
| 71 | 16 | 116 | | | | |
| 72 | 14 | 127 | | | | |
| 73 | 17 | 118 | | | | |
| 74 | 13 | 194 | | | | |
| 75 | 16 | 132 | | | | |
| 76 | 15 | 159 | | | | |
| 77 | 15 | 164 | | | | |
| 78 | 16 | 182 | | | | |
| 79 | 23 | 204 | | | | |
| 80 | 19 | 128 | | | | |

By: [Signature]

Signed: [Signature]



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Attention:

Report No: 78 60 001 Page 3 of 7
 Samples Arrived:
 Report Completed:
 For Project:
 Analyst:

| Sample Marking | Pb ppm | Zn ppm | | | |
|----------------|-----------|-----------|--|--|--|
| 81 | 18 | 164 | | | |
| 82 | 18 | 86 | | | |
| 83 | 20 | 154 | | | |
| 84 | 26 | 134 | | | |
| 85 | 16 | 159 | | | |
| 86 | 19 | 172 | | | |
| 87 | 17 | 148 | | | |
| 88 | 19 | 181 | | | |
| 89 | 21 | 106 | | | |
| 90 | 15 | 94 | | | |
| 91 | 10 | 109 | | | |
| 92 | 17 | 192 | | | |
| 93 | 22 | 134 | | | |
| 94 | 14 | 89 | | | |
| 95 | 20 | 183 | | | |
| 96 | 23 | 134 | | | |
| 97 | 13 | 64 | | | |
| 98 | 22 | 179 | | | |
| 99 | 16 | 190 | | | |
| 100 | 25 | 169 | | | |
| 101 | 15 | 139 | | | |
| 102 | 19 | 140 | | | |
| 103 | 14 | 169 | | | |
| 104 | 16 | 150 | | | |
| 105 | 14 | 146 | | | |
| 106 | 16 | 182 | | | |
| 107 | 21 | 183 | | | |
| 108 | 25 | 174 | | | |
| 109 | 20 | 163 | | | |
| 110 | 24 | 155 | | | |
| 111 | 23 | 161 | | | |
| 112 | 12 | 110 | | | |
| 113 | 14 | 133 | | | |
| 114 | 20 | 146 | | | |
| 115 | 21 | 101 | | | |
| 116 | 19 | 183 | | | |
| 117 | 18 | 211 | | | |
| 118 | 16 | 218 | | | |
| 119 | 19 | 215 | | | |

Signed:



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 Samples Arrived:
 Report Completed:
 For Project:
 Analyst:

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 120 | 36 | 162 | | | | |
| 121 | 18 | 116 | | | | |
| 122 | 27 | 379 | | | | |
| 123 | 35 | 386 | | | | |
| 124 | 62 | 290 | | | | |
| 125 | 47 | 187 | | | | |
| 126 | 25 | 152 | | | | |
| 127 | 27 | 131 | | | | |
| 128 | 23 | 181 | | | | |
| 129 | 19 | 164 | | | | |
| 130 | 15 | 124 | | | | |
| 131 | 16 | 120 | | | | |
| 132 | 16 | 108 | | | | |
| 133 | 15 | 119 | | | | |
| 134 | 15 | 123 | | | | |
| 135 | 14 | 129 | | | | |
| 136 | 35 | 271 | | | | |
| 137 | 27 | 142 | | | | |
| 138 | 40 | 198 | | | | |
| 139 | 42 | 173 | | | | |
| 140 | 38 | 179 | | | | |
| 141 | 39 | 172 | | | | |
| 142 | 26 | 169 | | | | |
| 143 | 23 | 189 | | | | |
| 144 | 21 | 140 | | | | |
| 145 | 22 | 157 | | | | |
| 146 | 20 | 128 | | | | |
| 147 | 15 | 139 | | | | |
| 148 | 14 | 152 | | | | |
| 149 | 15 | 128 | | | | |
| 150 | 20 | 163 | | | | |
| 151 | 210 | 430 | | | | |
| 152 | 20 | 150 | | | | |
| 153 | 24 | 155 | | | | |
| 154 | 32 | 184 | | | | |
| 155 | 71 | 420 | | | | |
| 156 | 100 | 308 | | | | |
| 157 | 47 | 179 | | | | |
| 158 | 36 | 144 | | | | |

REMARKS:

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Page 5 of 7

Samples Arrived:

Report Completed:

For Project:

Analyst:

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 159 | 43 | 174 | | | | |
| 160 | 29 | 114 | | | | |
| 161 | 42 | 156 | | | | |
| 162 | 100 | 321 | | | | |
| 163 | 102 | 299 | | | | |
| 164 | 47 | 112 | | | | |
| 165 | 282 | 580 | | | | |
| 166 | 260 | 490 | | | | |
| 167 | 930 | 820 | | | | |
| 168 | 121 | 480 | | | | |
| 169 | 208 | 470 | | | | |
| 170 | 100 | 470 | | | | |
| 171 | 90 | 249 | | | | |
| 172 | 132 | 298 | | | | |
| 173 | 237 | 490 | | | | |
| 174 | 66 | 209 | | | | |
| 175 | 45 | 190 | | | | |
| 176 | 48 | 234 | | | | |
| 177 | 140 | 440 | | | | |
| 178 | 30 | 134 | | | | |
| 179 | 80 | 234 | | | | |
| 180 | 38 | 197 | | | | |
| 181 | 20 | 111 | | | | |
| 182 | 48 | 181 | | | | |
| 183 | 115 | 323 | | | | |
| 184 | 175 | 490 | | | | |
| 185 | 160 | 450 | | | | |
| 186 | 1330 | 2680 | | | | |
| 187 | 560 | 1420 | | | | |
| 188 | 375 | 890 | | | | |
| 189 | 940 | 2130 | | | | |
| 190 | 148 | 379 | | | | |
| 191 | 405 | 1040 | | | | |
| 192 | 394 | 1120 | | | | |
| 193 | 212 | 560 | | | | |
| 194 | 120 | 500 | | | | |
| 195 | 89 | 350 | | | | |
| 196 | 273 | 750 | | | | |
| 197 | 106 | 530 | | | | |

Signed: 

4 MoS₂ 1.6683 % MoS₂ 1 Tray 22.1000 34.28 ppm 1 ppm = 0.0001% nd = none detected ppm = parts per million

All values are believed to be correct to the best knowledge of the analyst based on the method and instruments used.



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Report No: 78 60 001 Page 6 of 7

Samples Arrived:

Report Completed:

For Project:

Analyst:

Attention:

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 198 | 143 | 720 | | | | |
| 199 | 250 | 700 | | | | |
| 200 | 167 | 690 | | | | |
| 201 | 127 | 650 | | | | |
| 202 | 19 | 145 | | | | |
| 203 | 21 | 150 | | | | |
| 204 | 23 | 132 | | | | |
| 205 | 21 | 154 | | | | |
| 206 | 20 | 142 | | | | |
| 207 | 41 | 245 | | | | |
| 208 | 24 | 147 | | | | |
| 209 | 24 | 275 | | | | |
| 210 | 23 | 161 | | | | |
| 211 | 20 | 201 | | | | |
| 212 | 100 | 296 | | | | |
| 213 | 20 | 224 | | | | |
| 214 | 1150 | 2260 | | | | |
| 215 | 56 | 226 | | | | |
| 216 | 33 | 130 | | | | |
| 217 | 100 | 326 | | | | |
| 218 | 116 | 400 | | | | |
| 219 | 52 | 246 | | | | |
| 220 | 25 | 164 | | | | |
| 221 | 25 | 186 | | | | |
| 222 | 29 | 211 | | | | |
| 223 | 29 | 221 | | | | |
| 224 | 24 | 179 | | | | |
| 225 | 19 | 147 | | | | |
| 226 | 36 | 145 | | | | |
| 227 | 342 | 1240 | | | | |
| 228 | 35 | 151 | | | | |
| 229 | 24 | 231 | | | | |
| 230 | 21 | 182 | | | | |
| 231 | 29 | 252 | | | | |
| 232 | 31 | 184 | | | | |
| 233 | 23 | 113 | | | | |
| 234 | 36 | 186 | | | | |
| 235 | 20 | 120 | | | | |
| 236 | 17 | 174 | | | | |

REMARKS:

Signed:



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 AREA CODE: 604

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Merv Engineering Ltd.

Attention:

Report No: 78 60 001 Page 7 of 7
 Samples Arrived:
 Report Completed:
 For Project:
 Analyst:

| Sample Marking | Pb ppm | Zn ppm | | | | |
|----------------|-----------|-----------|--|--|--|--|
| 237 | 26 | 244 | | | | |
| 238 | 30 | 249 | | | | |
| 239 | 24 | 194 | | | | |
| 240 | 21 | 175 | | | | |
| 241 | 40 | 359 | | | | |
| 242 | 33 | 294 | | | | |
| 243 | 125 | 590 | | | | |
| 244 | 100 | 480 | | | | |
| 245 | 77 | 379 | | | | |
| 246 | 52 | 600 | | | | |
| 247 | 34 | 196 | | | | |
| 248 | 31 | 186 | | | | |
| 249 | 124 | 490 | | | | |
| 250 | 157 | 365 | | | | |
| 251 | 45 | 280 | | | | |
| 252 | 30 | 234 | | | | |
| 253 | 22 | 165 | | | | |
| 254 | 20 | 117 | | | | |
| 255 | 19 | 112 | | | | |
| 256 | 21 | 121 | | | | |
| 257 | 44 | 312 | | | | |
| 258 | 38 | 144 | | | | |
| 259 | 22 | 181 | | | | |
| 260 | 21 | 166 | | | | |
| 261 | 34 | 204 | | | | |
| 262 | 22 | 171 | | | | |
| 263 | 20 | 113 | | | | |
| 264 | 21 | 122 | | | | |
| 265 | 22 | 101 | | | | |
| 266 | 27 | 110 | | | | |
| 267 | 21 | 141 | | | | |
| 268 * | 20 | 153 | | | | |
| 269 | 530 | 2280 | | | | |
| 270 | 54 | 374 | | | | |
| 271 | 41 | 206 | | | | |
| 272 | 21 | 124 | | | | |
| 273 | 60 | 288 | | | | |

REMARKS

Signed:

1. MoS₂ 1 Tray of 10 34.70 ppm 1 ppm = 0.0001% and none detected ppm parts per million

All values are believed to be correct to the best knowledge of the analyst based on the method and instruments used.



GENERAL TESTING LABORATORIES

DIVISION SUPERINTENDENCE COMPANY (CANADA) LTD

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2
 PHONE (604) 254-1047 TELEX 04-307514 CABLE SUPERVISE

TO:
CARMAC RESOURCES LTD.
 333 - 885 Danesmir Street
 Vancouver, B.C.
 V6C 1N5

CERTIFICATE OF ASSAY

No.: 7809-1162 DATE: Sept. 15/78

We hereby certify that the following are the results of assays on: **Ore**

| MARKED | GOLD | SILVER | Lead | Zinc | XXX | XXX | XXX | XXX |
|--------|-------|--------|--------|--------|----------|-----|-----|-----|
| | oz/mt | oz/mt | Pb (%) | Zn (%) | | | | |
| E-3671 | | | | | | | | |
| 876 S | 0.002 | 0.22 | 1.22 | 1.66 | TRANCH 7 | | | |
| 877 S | 0.001 | 0.20 | 0.58 | 0.53 | TRANCH 6 | | | |
| 878 S | 0.002 | 0.28 | 1.07 | 0.52 | TRANCH 1 | | | |

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSIONS OR EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.

L. WOBG
 L. WOBG

PROVINCIAL ASSAYER

Analytical and Consulting Chemists. Bulk Cargo Specialists. Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists' Society • Canadian Testing Association
 REFEREE AND/OR OFFICIAL CHEMISTS FOR: National Institute Of Oil Seed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

APPENDIX II

Expenditures

DISTRIBUTION OF EXPENDITURE

| <u>ITEM</u> | <u>GRIDDING</u> | <u>GEOLOGICAL</u> | <u>GEOCHEMICAL</u> | <u>TRENCHING</u> | <u>ANALYSES</u> |
|---------------------|-------------------|-------------------|--------------------|-------------------|------------------|
| | 8/24 | 2/24 | 8/24 | 6/24 | |
| Wychoopen | 562.50 | 150.00 | 562.50 | 450.00 | |
| Smith | 40.00 | | 40.00 | | |
| Stavast | 312.50 | | 312.50 | 80.00 | |
| MacLeod | | 600.00 | | | |
| Motel | 107.00 | 28.00 | 107.00 | 79.30 | |
| Truck & Gas | 252.50 | 63.00 | 252.50 | 189.52 | |
| Living Ex.&Supplies | 157.00 | 39.00 | 157.00 | 118.80 | |
| Soil&Rock Analyses | | | | | 919.09 |
| Draft & Print | | 343.95 | 343.95 | | |
| Cat Rental | | | | 1,350.00 | |
| Report Prep. | | 150.00 | 150.00 | | |
| | <u>\$1,431.50</u> | <u>\$1,373.95</u> | <u>\$1,925.45</u> | <u>\$2,267.62</u> | <u>\$ 919.09</u> |

TOTAL EXPENDITURE - \$7,917.61

(B.C. Tel \$11.63 and Vangeochem \$144.45 not applicable)

7917.61
 less 2267.62 physical
 5649.99

MERV ENGINEERING CORP.
 335 - 885 DUNSMUIR ST.
 VANCOUVER, B.C. V6C 1N5

PHONE: 604 689-8325

Invoice # 350

August 17, 1978

Carmac Mines Ltd.,
 335-885 Dunsmuir St.,
 Vancouver, B.C.

Expenses to July 31, 1978:

| | | | |
|------------------------------|-------|----|----------|
| Selkirk Motel | ..... | \$ | 226.80 |
| Vangeochem In. # 2080 | ..... |  | 705.60 * |
| Vangeochem In. # 2035 | ..... |  | 5.25 |
| Vangeochem In. # 2019 | ..... |  | 569.10 |
| Vangeochem In. # 2020 | ..... |  | 51.55 |
| Esso & Shell Vouchers | ..... |  | 138.95 |
| Elden Exploration | ..... |  | 52.22 |
| N. Wychopen Expense Acct. | ..... |  | 278.84 |
| J.W. MacLeod, Exp.Acct. | ..... |  | 124.75 |
| Selkirk Motel | ..... |  | 94.50 |
| Altair Drafting In. # 026611 | ..... |  | 82.50 |

Salary Disbursement:

| | | | |
|------------------------------------|---------------|--|---------------|
| J.W. MacLeod ... 2 days @ \$150.00 | | | 300.00 |
| Grant Smith 2 days @ \$ 32.00 | \$64.00 | | |
| Plus 25% overhead | <u>16.00</u> | | 80.00 |
| N. Wychopen 6 days @ \$ 60.00 | 360.00 | | |
| Plus 25% overhead | <u>90.00</u> | | 450.00 |
| N. Wychopen 16th to 31st July | 900.00 | | |
| Plus 25% overhead | <u>225.00</u> | | 1,125.00 |
| R. Stavast 16th to 31st July | 500.00 | | |
| Plus 25% overhead | <u>125.00</u> | | <u>625.00</u> |

Expenses \$ 4,910.06
 Less credit 3,956.25

TOTAL \$953.81

\$ 4,910.06

21 Aug. 1978
CH # 144

MERV ENGINEERING CORP.
 333 - 885 DUNSMUIR ST.,
 VANCOUVER, B.C. V6C 1N5

PHONE: (604) 689-8325

Sept. 8, 1978.

Invoice # 354

Carmac Mines Ltd.,
 335-885 Dunsmuir St.,
 Vancouver, B. C.

Expenses to Sept. 8th 1978.

| | | |
|--|--------------------|---------------------------|
| J. Klovance..... Cat Rental | | \$ 1,350.00 |
| B. C. Telephone | | 11.63 |
| Vangeochem In, # 2084 1/3 share | | 11.20 |
| Vangeochem In. # 2090 | | 144.45 ✕ |
| Vangeochem In. # 2087 | | 107.10 |
| Budget Rent a Truck In.# 47259 1/2 share | | 293.57 |
| Budget Rent a Truck In.# 46263 1/2 share | | 325.00 |
| N. Wychopen Expense Acct. 2/31 X\$247.85 | | 15.99 |
| <u>Salary Disbursement:</u> | | |
| J. W. MacLeod 2 days @ \$150.00 per day | ..... | 300.00 |
| Robert Stavast 2 days @ \$32.00 per day | \$ 64.00 | |
| plus 25% overhead | <u>16.00</u> | 80.00 |
| Nick Wychopen 2 days @ \$ 60.00 per day | 120.00 | |
| plus 25% overhead | <u>30.00</u> | 150.00 |
| | | <u>\$ 2,788.94</u> |
| Credit Re: Vangeochem Invoice # 2080 (54 samples) | ..... | - 592.21 |
| | Total | <u><u>\$ 2,196.73</u></u> |

pd
 SEPT. 11/78
 CH # 148

J. W. MacLeod, P. Eng.

APPENDIX III

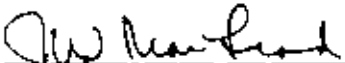
Certificate

CERTIFICATE

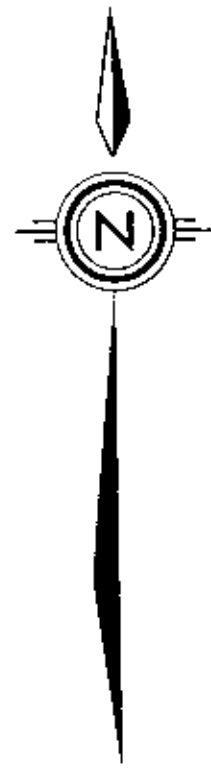
I, James W. MacLeod, of 1220 Arbutus Street, in the city of Vancouver, in the Province of British Columbia.

DO HEREBY CERTIFY:

1. That I am a Consulting Engineer, with a business address at #335-885 Dunsmair Street, in the City of Vancouver, in the Province of British Columbia.
2. That I am a graduate of the University of Alberta with the degree of B.Sc. in Mining Engineering.
3. That I have actively practiced my profession in mineral exploration since graduation in 1946.
4. That I am a registered Professional Engineer in the Province of British Columbia.
5. That this report is based on a review of available data, the results of 4 days spent on the property and directing the soil sampling survey.


J.W. MacLeod, B.Sc., P. Eng.

Dated at the City of Vancouver,
Province of British Columbia,
this 15th day of September 1978.



MINISTRY OF ENERGY SERVICES
 6880
 NO.

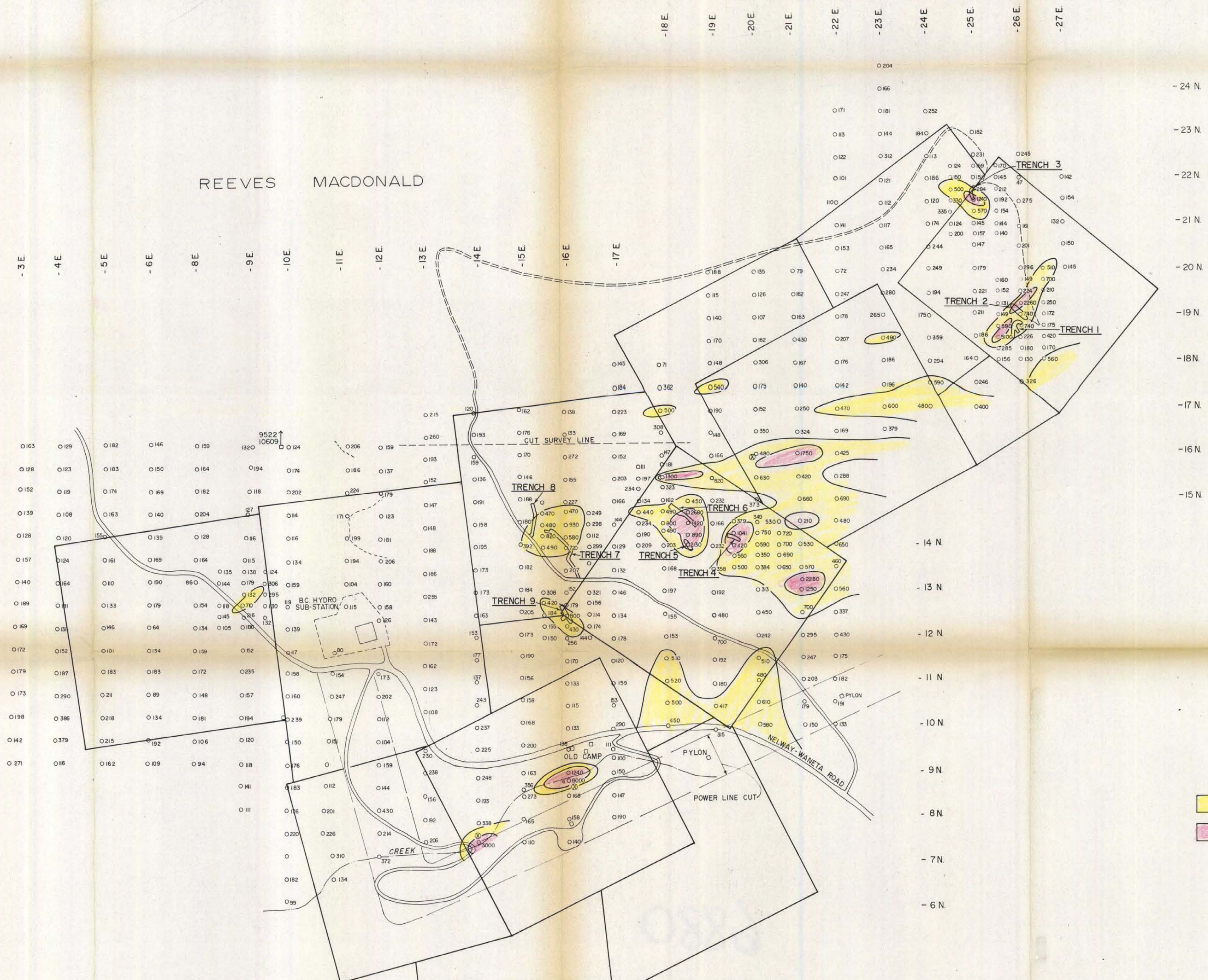
CARMAC RESOURCES LTD.
 LOMOND PROPERTY
 SALMO AREA, NELSON M.D.
SAMPLE LOCATION MAP

SCALE IN METRES
 100 200 300 400
 DRAWN BY: J. W. Macleod DATE: September 1, 1978
 SCALE: 1:5000 FIG: 4

To accompany report dated Sept. 1, 1978 on the Lomond Claim Group by J. W. Macleod

1:50,000

49°00'



+400 p.p.m.
 +1000 p.p.m.

MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
6880
 NO.

49°00' CANADA U.S.A. 49°00'

CARMAC RESOURCES LTD.

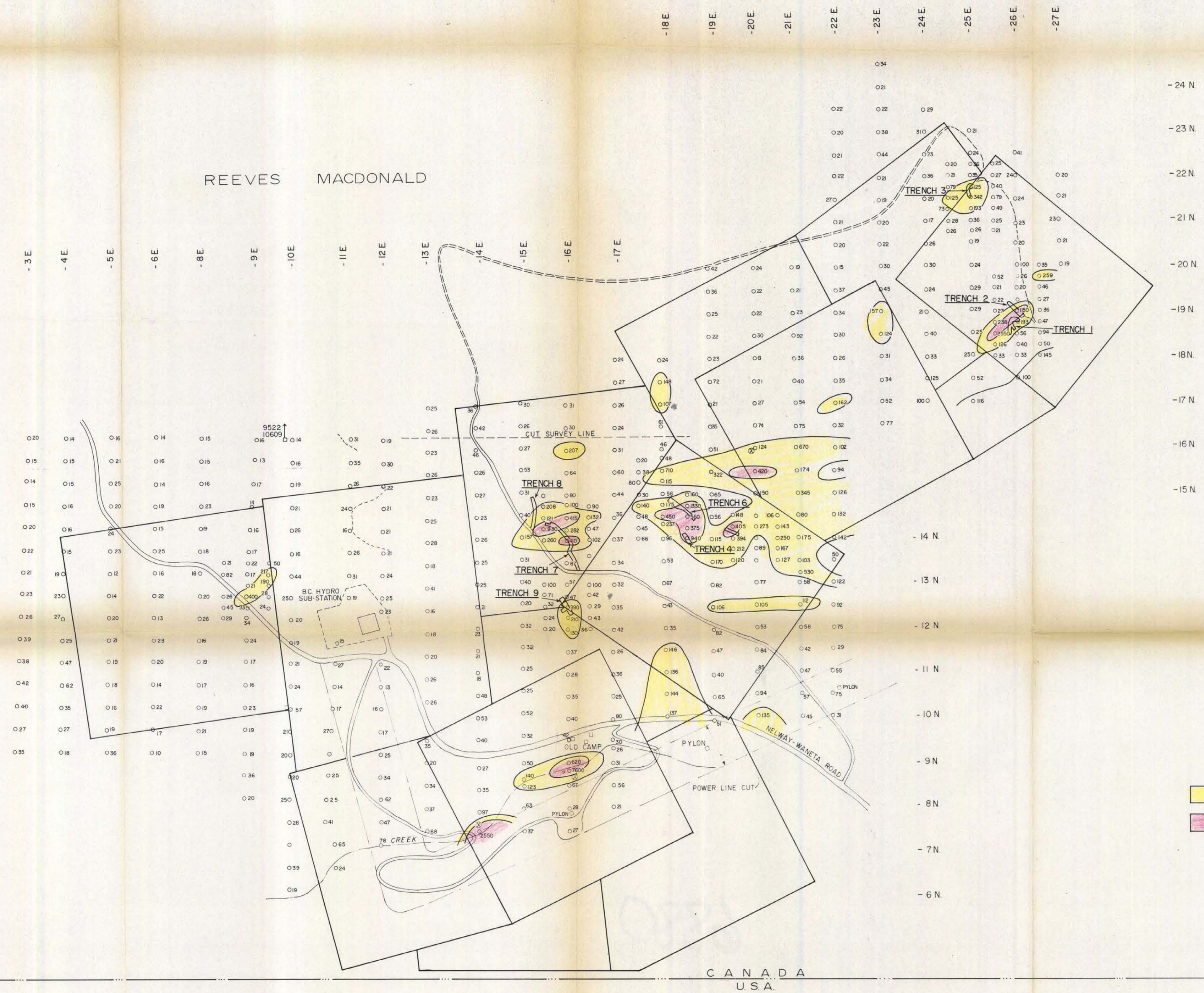
LOMOND PROPERTY
SALMO AREA, NELSON M.D.

GEOCHEMISTRY
(ZINC IN SOILS)

SCALE IN METRES
100 200 300 400

DRAWN BY : J. W. Macleod DATE : September 1, 1978
 SCALE : 1:5000 FIG : 5

To accompany report dated Sep 1, 1978 on the Lomond Claim Group by *J. W. Macleod*



+100 ppm.
 +400 ppm.

MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
6880

CANADA
U.S.A.

CARMAC RESOURCES LTD.

LOMOND PROPERTY
SALMO AREA, NELSON M. D.

GEOCHEMISTRY
(LEAD IN SOILS)

SCALE IN METRES
100 200 300 400

DRAWN BY: J. W. Macleod DATE: September 1, 1978
SCALE: 1:5000 FIG.: 6

To accompany report dated Sept. 1, 1978 on the Lomond Claim Group by *J. W. Macleod*