

82-#568

10534

ASSESSMENT WORK REPORT
PLACER LEASE NOS. PL6422-PL6449 INCLUSIVE,
PLS6030-PL6035, PL6040
OMINECA MINING DIVISION
94E/6E, 94E/7W
57°23'N. LAT., 127°05' W. LONG
OWNED BY
TARMIK PLACER & RESOURCES LTD.
CONSULTANT: WAYNE M. ASH P. ENG.
AUTHOR OF REPORT: WAYNE M. ASH P. ENG.

July 24, 1982

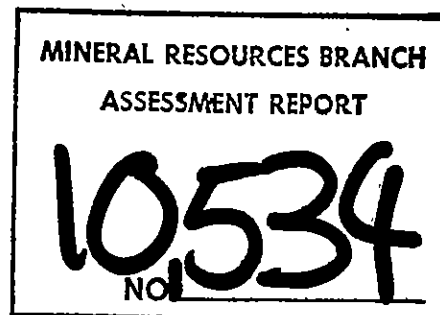


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McCLAIR CREEK DELTA AREA	
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PROPERTY

Tarmik Placer & Resources Ltd. presently holds thirty-six placer leases encompassing approximately 4000 acres on the Toodoggone River and McClair Creek in northern British Columbia. These include:

a) twenty-eight placer leases, wholly-owned by Tarmik Placer & Resources Ltd., including placer lease numbers P.L. 6422--P.L. 6449 inclusive.

b) Eight placer leases sub-leased to Tarmik Placer & Resources Ltd. by the Charles Kowall-Silver Standard Mines Limited partnership. These include placer lease Numbers P.L. 6030--P.L. 6036 inclusive, and P.L. 6040.

LOCATION

The property is located 195 miles due north of Smithers, B. C., at 57°23' north latitude and 127°00' west longitude. The leases are located at elevations varying from 3760 to 4500 feet above sea level. (see figs. 1, 2, 3).

ACCESS

Access to the property, at present may be gained in two manners. The normal access is by Charter aircraft to the 1600 meter gravelled Sturdee air strip, thence 12 miles by helicopter to the camp. The second major method access is by float plane from Smithers to Toodoggone Lake, thence 5 miles by foot or 10 miles by shallow-draft boat to the camp during high spring-time waters.

A third access route, while not yet usable, will probably be constructed within the next 3 years. A 310 mile long summer road presently exists from Fort St. James to Moose Valley via Germansen Landing. An additional 40 miles of construction will be required to put the road through to the Serem camp, and a further 10 miles to the Tarmik lease group.

SUMMARY

Tarmik Placer and Resources Ltd. presently holds thirty-six placer leases in the Toodoggone River Designated Placer area of northern British Columbia, including twenty-eight wholly-owned and eight sub-leases.

In 1981 approximately \$160,000 was spent on the property in prospecting, mapping, drilling and pitting. The results indicate that at least one potentially economic placer deposit exists on the property. Although very encouraging values in gold have been found, a further \$200,000 will be required to prove up the potential placer ground on the McClair Creek Alluvial Fan.

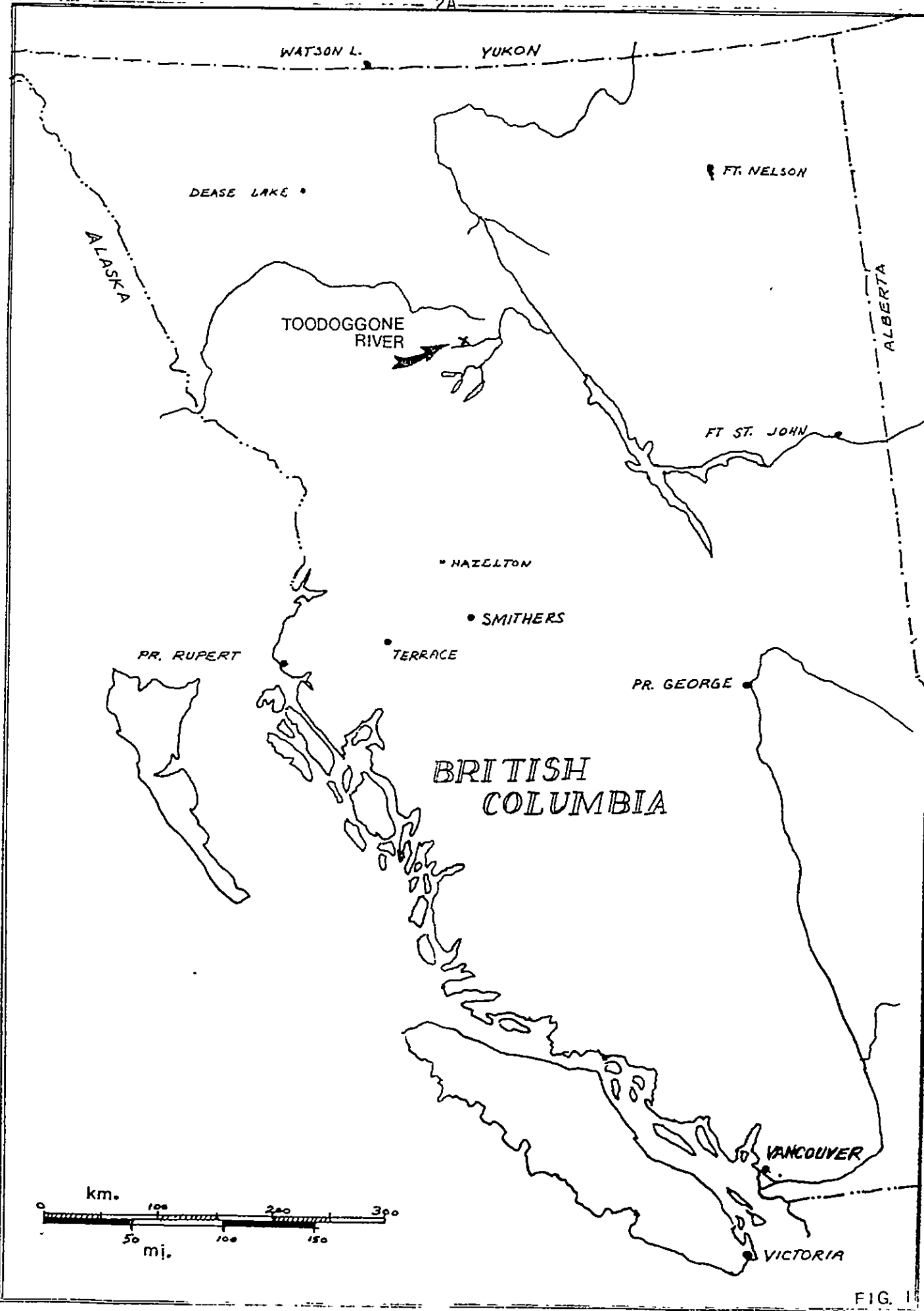
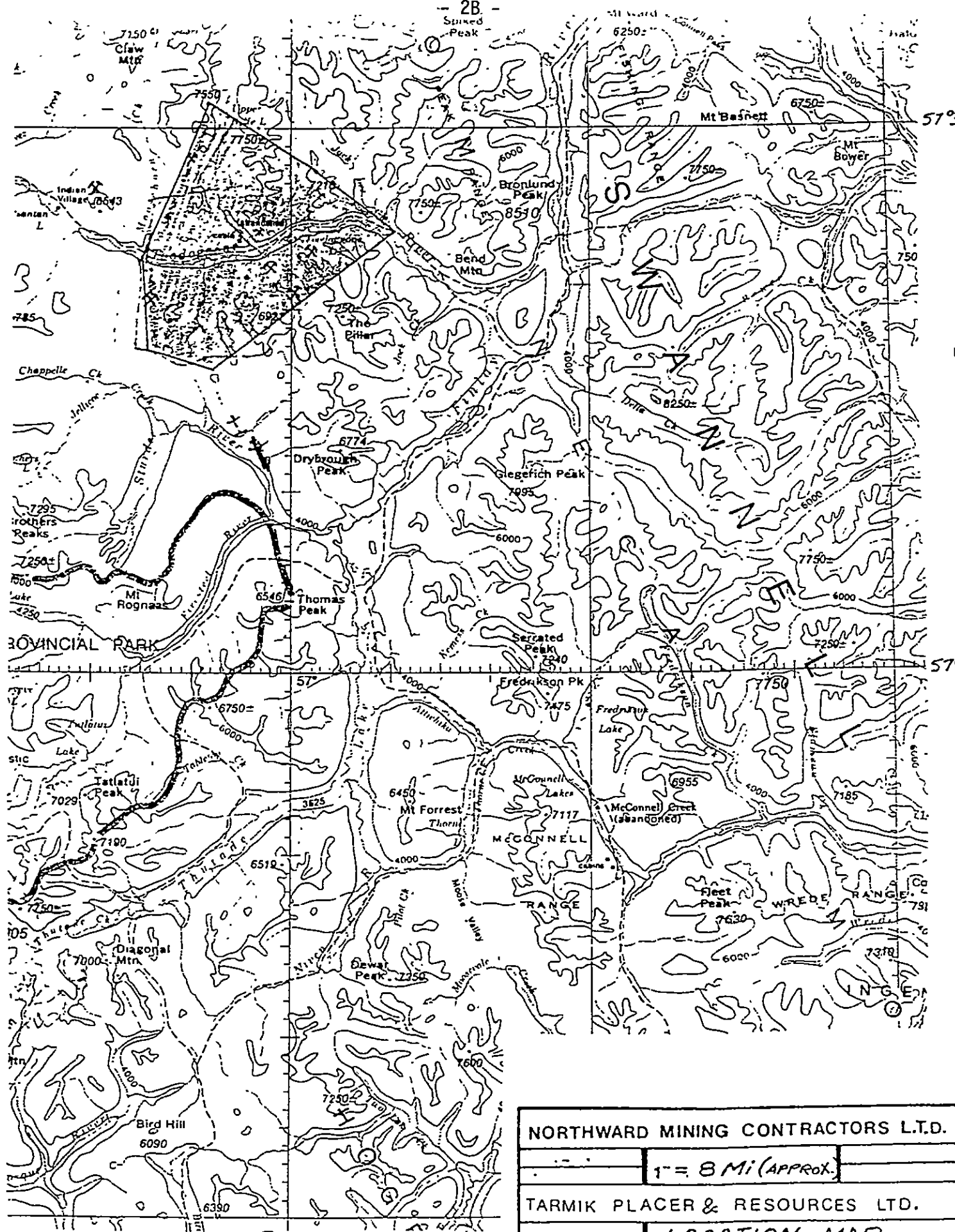


FIG. 1



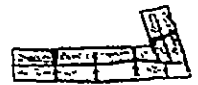
NORTHWARD MINING CONTRACTORS L.T.D.	
1" = 8 Mi (APPROX.)	
TARMIK PLACER & RESOURCES LTD.	
fig. 2	LOCATION MAP



LEGEND

HARDROCK MINE OR PROSPECT X

ROAD - - - - -

PLACER LEASES HELD BY TARMIK 

NORTHWARD MINING CONTRACTORS L.T.D.

SCALE: 1:250,000 - ~~1:100,000 (APPROX.)~~

TARMIK PLACER & RESOURCES LTD.

fig. 3 LOCATION MAP

CLIMATE & TOPOGRAPHY

The climate of the area is considered northern mountain-type. Winter snows are heavy and last from October 15 to June 1. The treeline occurs at an elevation of approximately 4500 feet.

The mountains in the immediate area attain heights of 7500 to 8000 feet and are quite steep. The valleys of the Toodoggone River and the feeder creeks are normally U-shaped. The valley of the Toodoggone River is wide (averages 2000 ft.), and flat. However, this stream has been overdeepened by glaciation so that the feeder streams, including McClair Creek, have cut deep gorges into the rim rock adjacent to the main valley.

McClair Creek runs between a series of wide, dry gravel terraces. These terraces are lightly vegetated with grasses, willow, or jack-pine. The creek itself, however, is confined to a steep-sided channel. In the lower portion the creek runs through a canyon for 2 miles before breaking out into a wide gravel fan in the Toodoggone valley.

HARDROCK GEOLOGY

The region lies along the western contact of the Cassiar-Omineco batholith. Although there are abundant showings of base metals, gold and silver appear to be most widely sought, with one gold mine and at least eight prospects being developed.

Dupont's Baker mine located 7 miles south of the Tarmik camp, containing over 100,000 tons of high-grade gold-silver ore has been in production since early 1981. Serem Ltd. is presently developing a potential orebody some 50 feet wide and 2000 feet long. It is located approximately 7 miles southwest of Tarmik's camp, while Texasgulf, some 4 miles northwest of Tarmik's camp, have located highly-anomalous gold values in shallow overburden, up to 850 feet wide and several thousands of feet long. Diamond drilling on these deposits and several others, will continue in 1982.

The Northern Miner has suggested the Toodoggone area may become one of the major hardrock gold producing areas of North America, and consequently, the local occurrence of placer gold is not a surprising phenomena.

HISTORY

Gold was discovered in the region in the early 1920's by Chas. McClair. Between 1925 and 1926, McClair mined approximately 1500 cubic yards of gravel from lower McClair Creek. Reports of production vary from 140 to 1,000 troy ounces of gold, depending upon the source of the report. McClair and his partner are assumed to have been killed in the region in 1927.

Thomas Thomas, a prospector, rediscovered McClair's workings in 1930. He prospected the creek and in 1932, just prior to his death, he interested an Edmonton Syndicate in the property's vast mining production potential.

In 1933 a party of men, including Ronald Watson, (an experienced mining engineer), Barney Phillips and Grant McConachie (founders of CP Air), and others, was dispatched and reportedly found very encouraging gold values at many points along both McClair Creek and the Toodoggone River. Two Brothers Valley Gold Mines Ltd., a private company, was formed and in 1934 a major exploration program, with a complement of 30 men, was undertaken. A nine mile road was constructed and a permanent camp was built at the mouth of McClair Creek. Over one thousand pans of gravel were panned along 12 miles of the Toodoggone River, all reportedly showing gold values. In addition 26 bulk samples of 1 cubic yard of gravel each, were sluiced at various points from the benches adjacent to the Toodoggone River, reportedly showing consistent values ranging from \$1.10 to \$2.26 per cubic yard (@ \$35 gold). An undisclosed number of churn drill holes were drilled at the mouth of McClair creek grading \$0.54 per cubic yard (@ \$35 gold).

In early 1935 the company applied for listing on the Toronto, Vancouver, and Calgary Stock Exchanges and attempted to issue 500,000 shares to the public at 50¢ per share. No further information is available on this company. The company was not listed on the Vancouver Stock Exchange and it is assumed the \$250,000 could not be raised during those depression years and that the company failed.

In 1961, Northern Alluvials Development Ltd. tested the delta of McClair Creek by 15 churn drill holes. The program indicated the gravels to be gold-bearing in the upper 12 to 32 feet but of low grade.

In 1981 the ground was staked by various groups, including Tarmik Placer & Resources Ltd. Tarmik was the only company to perform actual assessment work, which was done on their specific property and that sub-leased to them by the Charles Kowall - Silver Standard Mines Limited group.

BRIEF ECONOMIC ASSESSMENT

The writer assessed both the Tarmik Placer and Resources Ltd., and Silver Standard Mines Ltd. properties and considers that the consolidation of the whole offers a greater chance of economic success than either property by itself. The Tarmik leases contain a high-grade but smaller tonnage while the Silver Standard leases (sub-leased to Tarmik) appears to hold a lower grade but larger tonnage of potentially economic gravels. The writer considers the pitting to be too far-spaced to be able to put an "ore reserves" figure into place but the grades and continuity indicate that the property warrants further investigations.

SUMMARY OF WORK

SAMPLING - 6500 lbs. of samples in 20 lbs. bags were panned off-site and some 150 pans were panned on-site.

GEOLOGICAL MAPPING - 4,000 hectares of surficial geological mapping was done on a scale of 1:4800.

DRILL TESTING - Ten only Winky Vibracore drill holes of total linear length 44 meters, were drilled

TOPOGRAPHIC SURVEY - A topographic map was compiled on a scale of 1:4800, of total area 3230 hectares.

PITTING & TRENCHING - A total of twenty hand pits were dug for a total linear depth of 47.95 meters.

RESEARCH TESTWORK - Various types of equipment were tested using gravels from the property, in order to determine the best units for the job of concentration. Other studies included cost comparison of transportation alternatives.

ASSAYING - 88 samples were assayed.

SURFICIAL GEOLOGY

Although the hardrock geology is important in determining the sources from which the placer gold was derived, an understanding of the surficial geology is paramount in assessing where economic placers are most likely to occur.

A careful study of the surficial geology done during the 1981 field season indicated that the gold present is of glacial origin.

During the glacial periods the feeder creek valleys were covered by deep beds of glacial material. As the glaciers receded, the rivers smoothed the surface of the debris and rapidly cut through these deposits leaving behind terraces at successively lower elevations. The gravels washed from the feeder creeks were deposited as alluvial fans over the silts which covered the over-deepened Toadoggone River Valley floor.

There appears to be little chance of locating ancient channels or true bedrock placers. The gold found to date is normally fine, but nuggety, and occurs near surface, although values appear to increase with depth.

1981 EXPLORATION PROGRAM

The original objectives of the 1981 program were to confirm or dispute the results published in the 1934 report of Two Brothers Valley Gold Mines Limited, and to prove sufficient yardage reserves to warrant mining. However, as the general economy was in a decline, only limited private funds were made available. Consequently the objectives were altered to:

1) test the capabilities of a new, light-weight vibratory core drill to determine whether the deposits would lend themselves to testing in this manner, and if so, to prove up enough reserves to warrant mining.

2) In the event that the drill capabilities proved insufficient for the job, hand-dug pits were to be sunk in areas sampled in 1934 to confirm or disprove the claims of the earlier owners.

3) Geologically map the areas in and adjacent to the leases in order to determine the possible origin of the placers and to determine the environment within the lease group, in which economic placer deposits were most likely to occur.

WORK ACCOMPLISHED

1. A total of 28 placer leases were staked in March 1981, with the leases granted by early August.

2. A sub-lease of 8 placer leases was negotiated with Silver Standard Mines Limited which covers part of the potentially economic placer ground.

3. A temporary camp was set up in July but was replaced in August with a 4-tent permanent tent camp, complete with wooden floors and frames, plus shower, toilet and garbage disposal facilities.

4. Ten drill holes were cored to depths varying from 4 feet to 25 feet, for an aggregate length of 144 feet. These were all located adjacent to the Toodoggone River. Four of these were drilled between McClair and Kodak Creeks, three at the mouth of Mulvaney Creek and three in the delta of the Toodoggone River.

5. Twenty pits were dug to depths of 8 to 10 feet, including 4 on the McClair Creek Alluvial fan, 6 on the Nicholson fan, 2 on the McClair delta flats, 2 in the Moosehorn Creek delta area, and five pits on the Methodist outwash and upper McClair Creek. All pits were bulk sampled, screened, bagged. The resulting samples were sent to Vancouver for further test work.

6. The entire area over which leases had been staked by Tarmik Placer & Resources Ltd. and Silver Standard Mines Ltd. was prospected and geologically mapped. Several hundred samples were panned in order to evaluate the tenor and continuity of gold values along the creeks, river, benches, delta flats, alluvial fans and glacial till deposits.

7. The 6400 lbs. of screened gravel from the original 15,000 lbs. of pit bulk samples were tested in Squamish, B. C. during September and October. Tests were done with two types of sluice boxes, an automatic gold panner, two models of hydrostatic separators, and various amalgamation techniques. Eighty-six concentrate samples were assayed.

RESULTS

The results of the season's field work were most satisfactory in that one placer deposit estimated to contain in excess of 700,000 cubic yards of potentially economic gravels was located, of assumed average thickness of 10 feet. At the same time, sixteen pits dug in other areas failed to yield the positive results suggested in the Two

Brothers Valley Gold Mines Limited report of 1934. Although the probabilities of developing huge low-grade placer deposits are now considered remote, further work can be concentrated on two areas in which a good likelihood occurs of establishing economic placer mining operations.

Both areas occur on McClair Creek and are shown as cross-hatched areas in Fig. #4.

McCLAIR CREEK ALLUVIAL FAN

The McClair Creek Alluvial Fan (see fig. #4) is located just upstream from the mouth of McClair Creek, and downstream from the mouth of the canyon.

It has an upstream length of some 2600 feet, an average width of some 750 feet and encompasses an area of some 45 acres. The creek, which runs through the central portion of the fan, is flanked by a series of low-lying benches rising to ultimate heights of fifteen to twenty feet above the present creek level. A total of 4 pits were dug in this area. The results of these, and previous drilling, indicated:

a) bedrock occurs at relatively shallow depths at the upstream end of the fan (6 to 10 feet) but the gravels deepen to over 70 feet at the downstream end.

b) Gold values are found at surface in the boundary gravels immediately adjacent to the creek, but are normally covered by 3 to 6 feet of relatively barren silt, sand, and fine gravel on the low-lying benches. Below the barren upper layer the values increase rapidly with depth. Where bedrock is encountered values do not occur directly upon it, but stop about 1 - 2 feet above it, a condition which was also noted by prospectors in 1934.

The values encountered in the McClair Creek were most encouraging (see fig. 5).

Pit 19, located immediately at the mouth of the canyon was collared on a bench, some 20 feet from the creek and 10 feet vertically above it. The pit was sunk to a depth of 10 feet and included 1 foot of bedrock and one foot of clayey material immediately above. Samples were hand panned and assayed as follows:

<u>DEPTH INTERVAL</u>	<u>PANNING VALUE (mg/CU.Meter)</u>	<u>SLUICING VALUE</u>
2' - 3' (slit)	Nil	
3' - 4' (sand)	52 mg/M3	
4' - 5½ (fine gravel)	16 mg/M3	
5½ - 6' (coarse gravel)	268	
6' - 7' (coarse gravel)	464	747.7mg/Cu meter
7' - 8' (coarse gravel)	674	2' - 10' depth
8' - 9' (clay)	5.2	
9' - 10' (weathered bedrock)	14.1	

This would suggest that the interval between 5½' and 8 feet should have averaged 508mg/M3 and the entire pit from 2' - 10' should have averaged 179mg/M3. However, of the 1404 lbs. of unscreened material charged to the sluice 294.6 mgms. of gold was recovered, equivalent to 747 mg/M3 from the entire 2 foot to 10 foot interval. This attests to the advisability of taking large samples vs. small samples.

Pit No. 20, was collared 150 feet downstream from pit No. 19, and across the creek. It was located 75 feet from the water's edge and 6 feet above the creek elevation. Bedrock and water were encountered at a depth of 6 feet. The pit contained many boulders to 2 feet in diameter, with coarse gravel between the boulders. The upper two feet was not sampled as no values were anticipated. The bottom 3 feet assayed 165 mg/cu meter.

Weekend gold panners were allowed to pan for gold at the water's edge between pit 19 and pit 20, in exchange for the information gained from the results of their work. The results were rather spectacular, with considerable coarse as well as fine gold being recovered. A rough estimation of the yardage removed from the bank suggested that the tenor of these gravels would have averaged approximately 1400mg/M3.

Pit No. 1 was collared approximately 400 feet downstream from the mouth of the canyon, some 250 feet from the creek, at an elevation of 20 feet above the creek level. The pit was sunk to a depth of 8½ feet, through sand, silt and fine gravel for the upper 5½ feet and coarse gravel for the bottom 3 feet. Bedrock was not reached. Sampling began at 5½ feet with the following resulting assays:

DEPTH INTERVAL

5.5 - 6.5		484mg/cu meter
6.5 - 7.5'		468mg/M3
7.5 - 8.0'		1506mg/M3
8.0 - 8.2'		3078mg/M3
8.2 - 8.5	est.	2850mg/M3

Average Value 5.5' - 8.5' = 1058mg/cu meter

Pit #5, located some 600 feet downstream from the canyon and 500 feet distant from the creek, was sunk on a bench some 20 feet above the elevation of the creek, within 100 feet of the base of a bluff. The entire 9 feet assayed 243mg/M3.

A cribbed shaft dug in 1934, located 950 feet downstream from the mouth of the canyon, 400 feet from the creek, and approximately 20 feet above the level of the creek, was inspected. It was badly caved, with debris built up to the 12 foot depth. However, a probe indicated that its original depth continued to at least 17 feet.

Samples were taken from behind the rotten timbers and assayed. as follows:

<u>DEPTH OF SAMPLE</u>	<u>ASSAY</u>
8'	270 mg/cu. meter
9'	95 mg/cu. meter
11'	10.4mg/cu. meter

The material was mainly pea gravel, indicating that much of the finer material (containing gold?) had been washed away by surface waters percolating between the shaft spilling wall and the gravel. Signs were encouraging in that values continued to be found at this location and that 2 samples of the three showed colour.

OTHER FIELD WORK

The success visually noted from the pits dug in the McClair Creek Alluvial fan prompted the exploration of Moosehorn Creek. Although located outside the Toadogone River Designated Placer Area (see drawing #4) it was felt the government could be persuaded to open Moosehorn Creek to placer activity.

Excellent values in fine gold were obtained from surface panning in one area but the provincial government has refused to designate this area for placer, on the basis that it encroaches upon land occupied by large herds of wildlife.

SUMMARY OF PITS SUNK

PIT NO.	DEPTH (METERS)	VALUE MGMS AU/M3	NOTES
1	2.6	619.0	1.7 to 2.6 meter depth interval
2	2.6	2.4	
3	2.6	5.3	
4	1.2	1.0	
5	2.75	142.0	
6	2.6	.4	Located on bench at mouth of Moosehorn Creek.
7	2.6	.4	
8	2.6	.4	
9	2.4	22.5	
10	3.3	6.9	
11	0.9	Nil	
12	2.6	1.7	
13	2.4	1.7	
14	2.4	3.9	
15	2.4	3.9	Located on Upper McClair Creek
16	2.4	18.2	
17	2.4	.4	
18	2.4	13.0	
19	3.0	746.8	0.6 - 3.0m depth interval
20	1.8	127.7	0.9 - 1.8m dpeth interval

MID-McCLAIR CREEK VALLEY GRAVELS

One additional area which has good potential is located along McClair Creek approximately $3\frac{1}{2}$ miles above the mouth (see drawing #4). It has a length of 2500 feet and an average width of some 400 to 500 feet. No pitting was done but it's geological setting and potential tailings room warrant it as a good bet.

It is expected that the gravels will be shallow, probably less than eight feet in thickness but should contain substantial gold values.

Good values were reported by the early operators at various other points along the creek bottom but were assessed by the writer to be too small for profitable mining by modern means, and as no adequate possible tailings disposal areas are available near by, they were not considered to have any economic value. Consequently they were not seriously prospected.

OTHER KNOWLEDGE GAINED BY 1981 PROGRAM

In addition to the Company locating one potentially economic placer deposit, and locating of another prime exploration target, the following knowledge has been gained:

LOCATION OF POTENTIALLY ECONOMIC PLACERS

High level benches have not been found to contain economic quantities of gold. The highest-grade pit sunk on the upper benches was pit No. 16, on the Nicholson "fan". It assayed only 18.2 mg/M3 over its 9 foot depth. In addition, the gravels found on this bench, although water-washed to their full depth, were partially cemented with iron oxide. On most other high-level benches, the water washed gravels were shallow, and overlay glacial till.

Values appear to increase in successively lower benches, obviously due to the continuous reconcentration of values.

Terraces and glacial till along the Toadoggone River seldom contain values. Values in gold within the valley are restricted to post-glacial alluvial fans at the mouths of McClair and Moosehorn creeks, of which only the McClair fan appears to contain economic gold concentrations.

DRILLING

Vibratory drilling does not appear to do an adequate job as the ground contains too many large cobbles to allow penetration of the drill rods. This is particularly true in dry ground. Although the drill works extremely well in silt and loose gravels, gold in appreciable quantities does not occur in these.

Churn (Keystone) drilling is also not considered to have an application in the dry ground placers. The gravels, although quite tightly packed, are extremely porous and allow the gold values to be ejected into the surrounding gravels during the churning process, resulting in negative salting of samples.

PITTING

Pitting appears to be the most accurate method of sampling the ground. The practical depth limit of hand-excavating is 9 feet. However, mechanical backhoes, which can be flown to the property, have practical limits of 15 feet, and as values appear to increase with depth, backhoe pitting appears to be the best system to systematically "prove up" the ground.

METALLURGY

A sluice box whose bottom was covered by Astroturf was used for concentrating the bulk sample of each pit. While extreme care

was taken in sluicing it is apparent that approximately 43% of the values were not caught by this method. It is understood that the Ross Box is very capable of catching fine gold but the size of the bulk samples was not great enough to test this type of sluice.

The entire sluice tailings, some 6500 lbs. of $\frac{1}{4}$ " material originating from some 15,600 lbs. of run-of-mine gravel, was charged to a 10" diameter LEEMAR HYDROSTATIC SEPARATOR. An additional 162 mgms. of gold were recovered, computing out to an additional 43mg/cu meter of run-of-mine gravel. This would indicate that the sluice box used, was only 57.5% as efficient as the LEEMAR HYDROSTATIC SEPARATOR. By weighting the 74% added potential recovery over the bulk samples, the average values in pit #19 would be increased to 1300mg/M3 over the 8 foot interval.

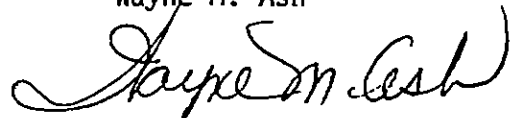
The capability of this Hydrostatic separator to grizzly, screen and process some 4 cu. yds. of run-of-mine gravel per hour makes this an invaluable tool for evaluating pit bulk samples.

CERTIFICATE OF QUALIFICATIONS

I, Wayne M. Ash, P. Eng., Mining, of 2543 Orkney Way, Garibaldi Highlands, B. C. certify as follows:

1. That I am a graduate of the Provincial Institute of Mining (Ontario) and Michigan Technological University and hold a Bachelor of Sciences degree in Mining Engineering.
2. That I have been a member of the Association of Professional Engineers of British Columbia since March 1971 (Registration No. 7940).
3. That I have been engaged in the Profession of Mining Engineering for the past thirteen years and have been involved in the mining industry for the past 22 years.
4. That the attached report is based upon the day to day involvement on the lease groups.
5. That I presently hold a fifteen percent interest in Tarmik Placer and Resources Limited.

Wayne M. Ash



Wayne M. Ash, P. Eng.

Dated this 12th day of
August 1982, at Stewart, B. C.

ITEMIZED COST STATEMENT

APPENDIX 1

I am enclosing the Tarmik Placer & Resources Ltd. Trial Balance Sheet as of February 28, 1982. Also enclosed is the Chart of Accounts.

The costs shown on the Trial Balance Sheet were incurred almost entirely between July 23 and December 31, 1981.

I would itemize costs in a more detailed fashion. However, as I have been employed in a bush mining operation near Stewart, B. C. since March, 1982 and have had no access to all receipts (all in Richmond office) since that time, I am hoping the following will suffice.

It should be noted that the cost incurred during the field season far outweigh the assessment work requirement for the three year maximum allotment.

Copies of receipts you specifically desire will be sent to you upon request.

ITEMIZED COST STATEMENT

APPENDIX 1

The following is an itemized cost statement for the work done on the Toodoggone placer leases held by Tarmik Placer & Resources Ltd.:

1. WAGES

<u>Persons Employed</u>	<u>Days On Property</u>	<u>Days Off Property</u>	<u>Daily Rate</u>	<u>Total Wages</u>
Consultant Manager	52	24	\$250	\$19,000
Foreman	58	24	\$110	\$ 9,020
Cook	58	3	\$ 84	\$ 5,124
Labourer#1	25	3	\$ 62	\$ 1,736
Labourer#2	43	1	\$ 70	\$ 3,080
Labourer#3	46	2	\$ 73	\$ 3,504
				<u>\$41,384</u>

2. FOOD & ACCOMODATION

	<u>Days On Property</u>	<u>From - To</u>
Consultant-Manager	52	August 1 - September 22
Foreman	58	July 25 - September 22
Cook	58	July 23 - September 22
Labourer#1	25	July 25 - August 22
Labourer#2	43	August 9 - September 22
Labourer#3	46	August 5 - September 22
	<u>282</u>	

Camp Provision (Food) \$5,409.77

Cost Per Man Day \$19.18/man day (all costs borne by Co.)

3. TRANSPORTATION

1. Transportation cost included mainly the use of airplane ferrying of supplies from Smithers to and from the Sturdee Airstrip, a total one-way distance of 200 miles per trip. Equipment included fuel for the helicopter, gas for pumps, stove oil and propane for the camp, wood for permanent tent camp construction, beds, stove, fridge, pipelines, beds etc., kitchen supplies, fore fighting equipment and some three tons of samples, as well as people, food, and personal supplies. The total transportation bill for the year was \$18,178 all spent during the field season.

In addition, a transportation by helicopter cost of \$15,593 was incurred. Approximately two-thirds of which was incurred in bringing supplies to the campsite from the Sturdee airstrip, a one-way distance of approximately 12 miles. An estimated one-third of the helicopter cost was used in bringing crews to the far reaches of the property for exploration purposes.

4. INSTRUMENT RENTAL

A Winky Vibracore drill, complete with drill rods, bits and tools was rented for one month, beginning August 3, 1981 at a monthly rental rate of \$7,500 per month.

5. SURVEYS

A topographic map on a scale of 1"=400' (1:4800) was compiled by Pacific Surveys Ltd., from federal and Provincial air photos, at a total cost \$2,542. The map was compiled immediately prior to the field season and a total of some 3,230 hectares were covered, a contour interval of 25 feet (7.62m), was used.

6. ANALYSIS

A total of \$1,240 was spent on gold analysis on 88 black sand concentrate samples. As the total milligrams of gold was smelted, and many of the samples were larger than could be assayed in single crucibles, additional charges were incurred which might tend to make the cost per sample seem somewhat out of line, at first appearance.

7. REPORT PREPARATION

Report preparation costs were incurred under the "SubContractors" heading.

8. OTHER DOCUMENTED COSTS INCURRED

a) On-Site Labour Cost Breakdown

1. <u>Camp setup</u> - 36 man days @\$96.83	\$3,490
2. <u>Prospecting, Geological Mapping</u> 64 man days @ \$188.30	\$12,050
3. <u>Vibrocure Drilling</u> - 21 man days @\$110.53	\$2,331
4. <u>Pitting</u> (hand dug trenches) 121 man days @ 82.49	\$9,981
5. <u>Camp Cook, Clean</u> -	\$3,696

b) Off-Site Labour Costs

Cost included panning of some 1500 pans, concentration of samples, experimentation on the recovery of gold, etc.
- 48 man day @ \$206.58 \$9,916

c) Pitting Statistics

Total meters depth excavated	48.3
Total Cost	9981.
Man days employed	121
Cubic Meters excavated	226
Cost per lineal meter depth	\$206.65
Cost per cubic meter excavated	\$ 44.16
Meters depth/man day	0.399
Cu. meters excavated/man day	1.87

d) Vibracore Drilling Statistics

Total holes drilled	12
Total lineal ft. drilled	144
Man days employed	21
<u>Cost</u> Rental Machine (1 month)	\$7000
Labour	\$2331
	<hr/>
	\$9331
Cost/mtr.drilled	\$ 64.80

TARMIK PLACER & RESOURCES LTD.

AS AT 28FEB82

ACCOUNTING PER

YEAR TO

ACCOUNT	DESCRIPTION	DEBITS
100-01	BANK GENERAL	4,276.14
100-02	BANK TERM DEPOSITS	0.00
100-03	PETTY CASH	0.00
110-02	ACCOUNTS RECEIVABLE-EMPLOYEES	0.00
110-10	ACCOUNTS RECEIVABLE-OTHER	0.00
130-10	INVENTORY-OTHER	0.00
140-10	PREPAID-OTHER	0.00
170-50	EQUIPMENT-OTHER	0.00
180-10	OTHER	0.00
200-01	ACCOUNTS PAYABLE-TRADE	
200-10	ACCOUNTS PAYABLE-OTHER	
210-01	BANK DEMAND LOAN	0.00
210-10	LOANS PAYABLE-OTHER	0.00
220-01	ACCRUED PAYROLL	0.00
220-02	ACCRUED C. P. P.	0.00
220-03	ACCRUED U. I. C.	0.00
220-04	ACCRUED EMPLOYEE INCOME TAX	0.00
220-10	ACCRUED EXPENSES-OTHER	0.00
230-10	LONG TERM DEBT-OTHER	0.00
250-01	CORPORATE INCOME TAX PAYABLE	0.00
260-01	LIMITED PARTNERSHIP-INVESTMENT	0.00
260-02	LIMITED PARTNERSHIP-EXPENSES	0.00
300-01	CAPITAL STOCK	
300-10	RETAINED EARNINGS	0.00
400-20	OTHER	0.00
405-01	LABOUR-STAKING & GENERAL	0.00
405-02	MATERIALS & SUPPLIES-STAKING	315.09
405-03	SUBCONTRACTOR-STAKING	11,692.10
405-04	EQUIP RENTAL & REPAIR	0.00
405-06	LAND PURCHASE	0.00
405-07	LAND LEASE	4,288.34
405-08	RECORD FEE, PERMITS-ETC.	1,271.14
405-20	OTHER	0.00
410-01	LABOUR	0.00
410-02	MATERIAL & SUPPLIES	0.00
410-03	SUBCONTRACTOR	0.00
410-04	EQUIP RENTAL & REPAIR	0.00
410-08	PERMIT, FEES & LICENCES	12.00
410-20	OTHER	0.00
415-01	LABOUR	9,322.44
415-02	MATERIAL & SUPPLIES	1,507.79
415-03	SUBCONTRACTORS	0.00
415-04	EQUIP RENTAL & REPAIR	0.00
415-20	OTHER	0.00
420-01	LABOUR	0.00
420-02	MATERIAL & SUPPLIES	499.13
420-03	SUBCONTRACTORS	0.00
420-04	EQUIP RENTAL & REPAIR	7,500.00
420-20	OTHER	0.00
425-01	LABOUR	0.00

TRIAL BALANCE

PAGE:

TARMIK PLACER & RESOURCES LTD.

AS AT 28FEB82

ACCOUNTING P

YEAR T

ACCOUNT	DESCRIPTION	DEBITS	YEAR T
425-02	MATERIAL & SUPPLIES	0.00	
425-03	SUBCONTRACTORS	0.00	
425-04	EQUIP RENTAL & REPAIR	0.00	
425-20	OTHER	0.00	
450-01	LABOUR	0.00	
450-02	MATERIAL & SUPPLIES	1,066.67	
450-03	SUBCONTRACTORS	28,748.00	
450-04	EQUIP RENTAL & REPAIR	0.00	
450-05	CONSULTING FEES & EXPENSES	0.00	
450-06	MAPS, PHOTOS, ETC.	2,541.98	
450-07	ASSAYING & ANALYSIS	1,240.00	
450-20	OTHER	0.00	
480-01	LABOUR	5,409.77	
480-02	MATERIAL & SUPPLIES	13,213.83	
480-03	SUBCONTRACTOR-CATERING	0.00	
480-04	EQUIP RENTAL & REPAIR	0.00	
480-06	CAMP PROVISIONS	3,702.67	
480-20	OTHER	0.00	
490-01	LABOUR-MECHANIC & OTHER	0.00	
490-02	MATERIAL & SUPPLIES	7,853.85	
490-03	EXPEDITING	3,040.00	
490-04	EQUIP RENTAL & REPAIR	3,271.70	
490-05	FUEL, OIL & GREASE	3,701.39	
490-06	TRANSPORTATION COSTS	18,177.64	
490-07	HELECOPTER CHARTERS	15,593.50	
490-08	COMMUNICATIONS	3,582.57	
490-20	OTHER	315.03	
495-01	NORTHWARD FEES & EXPENSES	0.00	
495-02	ACCOUNTING & ADMIN. EXPENSES	0.00	
950-01	ADVERTISING & PROMOTION	0.00	
950-02	BUILDING RENTAL & REPAIR	0.00	
950-06	INTEREST & BANK CHARGES	48.17	
950-07	MEMBERSHIP, DUES, SUB.	0.00	
950-09	OFFICE SUPPLIES & EXPENSES	67.05	
950-10	PROFESSIONAL FEES	8,297.00	
950-12	SALARIES - MANAGEMENT	0.00	
950-14	SALARIES-OFFICE	0.00	
950-16	TELEPHONE & COMMUNICATIONS	0.00	
950-17	TRAVEL & ENTERTAINMENT	1,232.82	
950-18	UTILITIES	0.00	
950-19	VEHICLE RENTAL & EXPENSE	0.00	
960-10	OTHER	0.00	
965-10	OTHER	0.00	
995-01	INCOME TAX	0.00	
		161,787.81	

CHART OF ACCOUNTS

DATE: 01OCT81

PAGE: 1

TARMIK PLACER & RESOURCES LTD.

GROUP	ACCOUNT	DESCRIPTION
100		CASH & BANK
	100-01	BANK GENERAL
	100-02	BANK TERM DEPOSITS
	100-03	PETTY CASH
110		ACCOUNTS RECEIVABLE
	110-02	ACCOUNTS RECEIVABLE-EMPLOYEES
	110-10	ACCOUNTS RECEIVABLE-OTHER
130		INVENTORIES
	130-10	INVENTORY-OTHER
140		PREPAID EXPENSE
	140-10	PREPAID-OTHER
170		FIXED ASSETS
	170-50	EQUIPMENT-OTHER
180		CAPITAL LEASES
	180-10	OTHER
200		ACCOUNTS PAYABLE
	200-01	ACCOUNTS PAYABLE-TRADE
	200-10	ACCOUNTS PAYABLE-OTHER
210		LOANS PAYABLE
	210-01	BANK DEMAND LOAN
	210-10	LOANS PAYABLE-OTHER
220		ACCRUED EXPENSES
	220-10	ACCRUED EXPENSES-OTHER
230		LONG TERM DEBT
	230-10	LONG TERM DEBT-OTHER
250		CORP. INCOME TAX
	250-01	CORPORATE INCOME TAX PAYABLE
260		LIMITED PARTNERSHIP
	260-01	LIMITED PARTNERSHIP-INVESTMENT
	260-02	LIMITED PARTNERSHIP-EXPENSES
300		SHAREHOLDERS EQUITY
	300-01	CAPITAL STOCK
	300-10	RETAINED EARNINGS
400		REVENUE
	400-20	OTHER
405		PROPERTY AQUISITION
	405-01	LABOUR-STAKING & GENERAL

CHART OF ACCOUNTS

DATE: 01OCT81

PAGE: 2

TARMIK PLACER & RESOURCES LTD.

GROUP	ACCOUNT	DESCRIPTION
405		PROPERTY AQUISITION
	405-02	MATERIALS & SUPPLIES-STAKING
	405-03	SUBCONTRACTOR-STAKING
	405-04	EQUIP RENTAL & REPAIR
	405-06	LAND PURCHASE
	405-07	LAND LEASE
	405-08	RECORD FEE, PERMITS ETC.
	405-20	OTHER
410		LINECUTTING
	410-01	LABOUR
	410-02	MATERIAL & SUPPLIES
	410-03	SUBCONTRACTOR
	410-04	EQUIP RENTAL & REPAIR
	410-08	PERMIT, FEES & LICENCES
	410-20	OTHER
415		TRENCHING & BULK SAMPLING
	415-01	LABOUR
	415-02	MATERIAL & SUPPLIES
	415-03	SUBCONTRACTORS
	415-04	EQUIP RENTAL & REPAIR
	415-20	OTHER
420		DRILLING & SOIL SAMPLING
	420-01	LABOUR
	420-02	MATERIAL & SUPPLIES
	420-03	SUBCONTRACTORS
	420-04	EQUIP RENTAL & REPAIR
	420-20	OTHER
425		SITE PREPARATION & ACCESS
	425-01	LABOUR
	425-02	MATERIAL & SUPPLIES
	425-03	SUBCONTRACTORS
	425-04	EQUIP RENTAL & REPAIR
	425-20	OTHER
450		ENGINEERING & GEOLOGY
	450-01	LABOUR
	450-02	MATERIAL & SUPPLIES
	450-03	SUBCONTRACTORS
	450-04	EQUIP RENTAL & REPAIR
	450-05	CONSULTING FEES & EXPENSES
	450-06	MAPS, PHOTOS, ETC., <i>Typing</i>
	450-07	ASSAYING & ANALYSIS
	450-20	OTHER
480		CAMP OPERATIONS
	480-01	LABOUR

(assaying)

CHART OF ACCOUNTS

DATE: 01OCT81

PAGE: 3

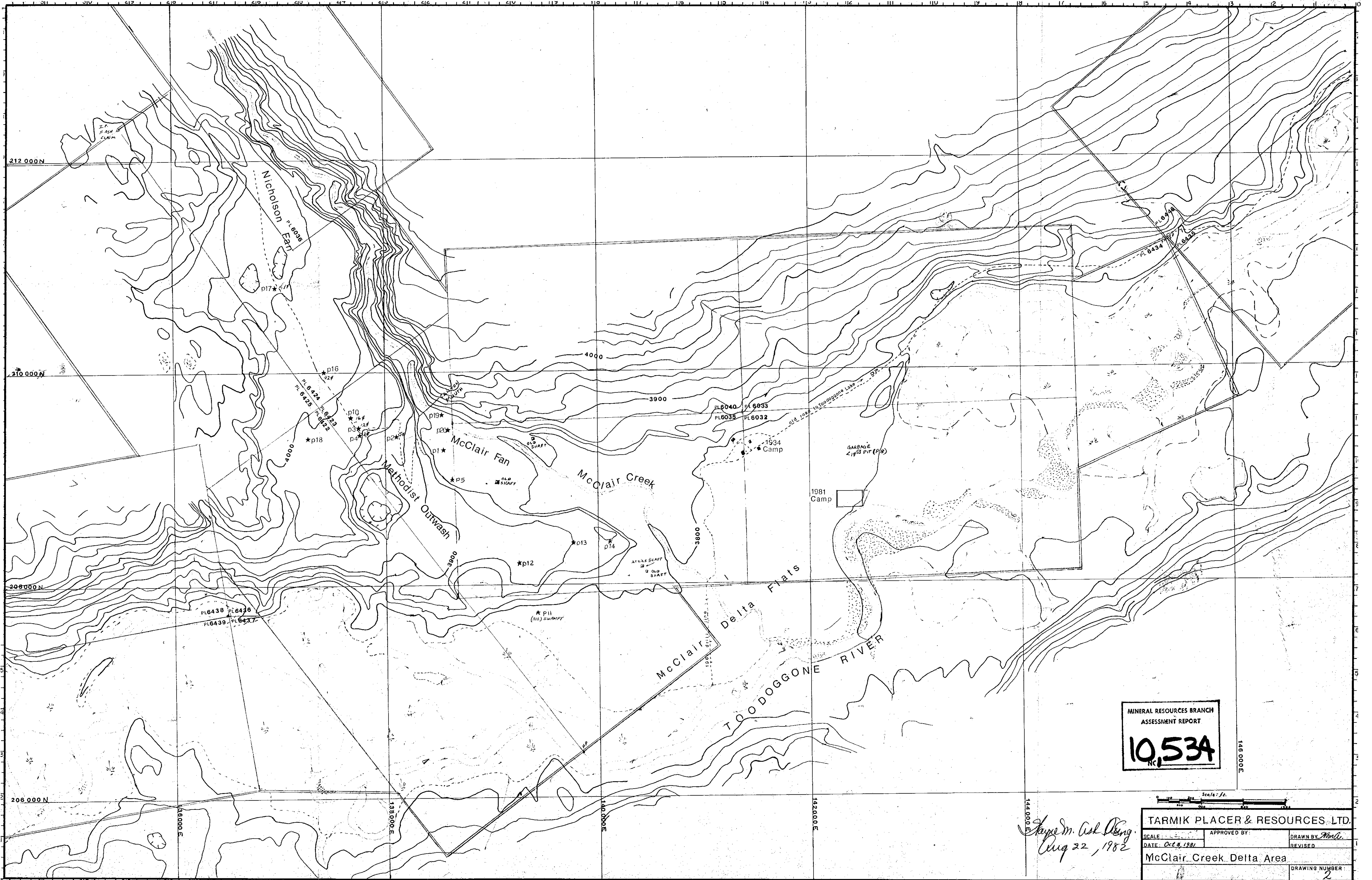
TARMIK PLACER & RESOURCES LTD.

GROUP

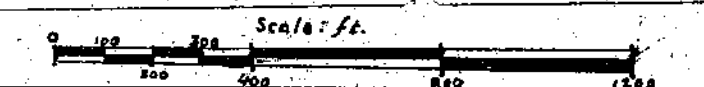
ACCOUNT DESCRIPTION

480	CAMP OPERATIONS
480-02	MATERIAL & SUPPLIES
480-03	SUBCONTRACTOR-CATERING
480-04	EQUIP RENTAL & REPAIR
480-06	CAMP PROVISIONS
480-20	OTHER
490	GENERAL PROJECT EXPENSE
490-01	LABOUR-MECHANIC & OTHER
490-02	MATERIAL & SUPPLIES
490-03	EXPEDITING
490-04	EQUIP RENTAL & REPAIR ✓
490-05	FUEL, OIL & GREASE
490-06	TRANSPORTATION COSTS
490-07	HELICOPTER CHARTERS
490-08	COMMUNICATIONS
490-20	OTHER
495	ADMIN PROJECT EXPENSE
495-01	NORTHWARD FEES & EXPENSES
495-02	ACCOUNTING & ADMIN. EXPENSES
950	GENERAL & ADMIN EXPENSE
950-01	ADVERTISING & PROMOTION
950-02	BUILDING RENTAL & REPAIR
950-06	INTEREST & BANK CHARGES
950-07	MEMBERSHIP, DUES, SUB.
950-09	OFFICE SUPPLIES & EXPENSES
950-10	PROFESSIONAL FEES
950-12	SALARIES - MANAGEMENT
950-14	SALARIES-OFFICE
950-16	TELEPHONE & COMMUNICATIONS
950-17	TRAVEL & ENTERTAINMENT
950-18	UTILITIES
950-19	VEHICLE RENTAL & EXPENSE
960	OTHER INCOME
960-10	OTHER
965	OTHER EXPENSES
965-10	OTHER
995	CORPORATION INCOME TAX
995-01	INCOME TAX

490-07 Expediting

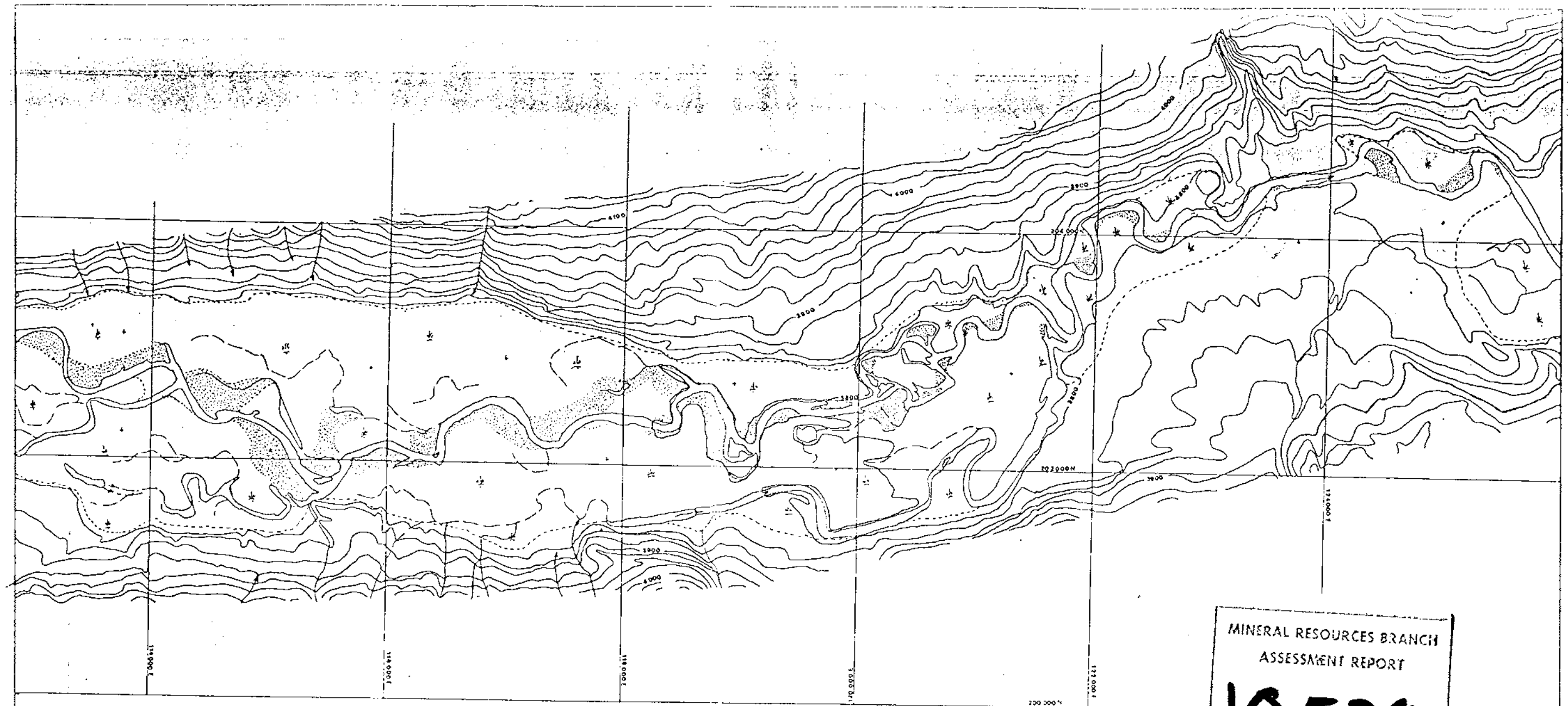


MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
10,534
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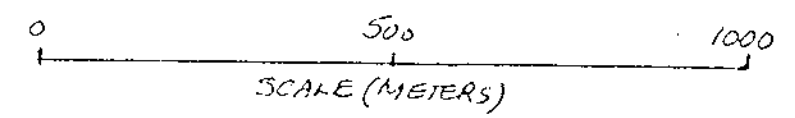


Steve M. Ash
 Aug 22, 1982

TARMIK PLACER & RESOURCES LTD.		
SCALE: _____	APPROVED BY: _____	DRAWN BY: <i>W.M.</i>
DATE: Oct 9, 1981		REVISED: _____
McClair Creek Delta Area		DRAWING NUMBER: 2



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
10,534
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Hayne M. Ash P. Eng
 Aug 22, 1982

TARMIK PLACER RESOURCES LTD.		
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TARMIK PLACER RESOURCES LTD.		
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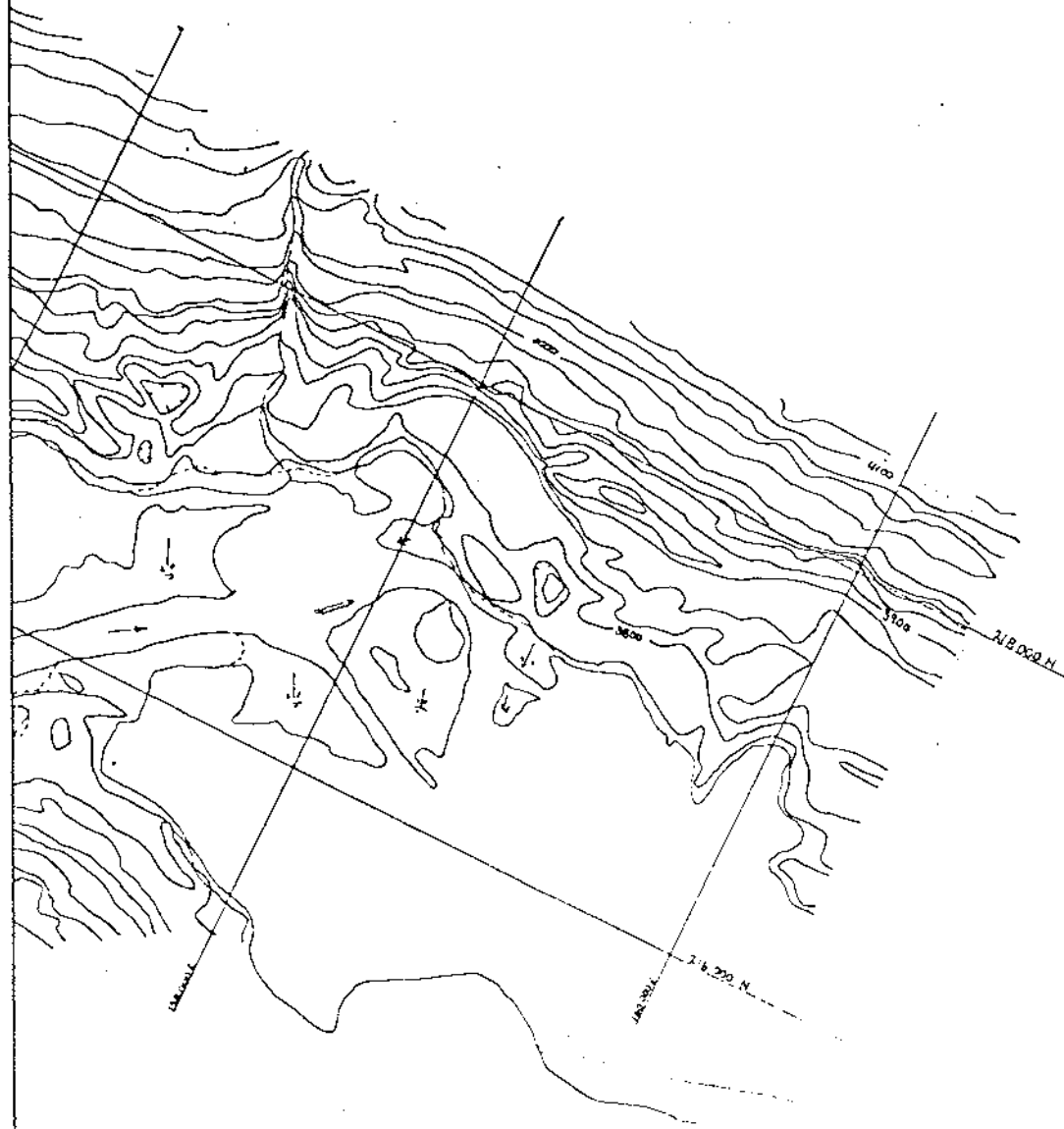
MINERAL RESOURCES BRANCH
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10,534
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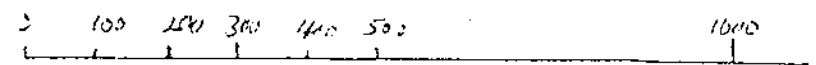
James M. Cook P. Eng
 August 22, 1982

SCALE: 1" = 888'

TARMIK PLACER & RESOURCES LTD.		
SCALE 1"	DATE 01.08.81	BY J.M.C.
CONTOUR MAP (TOODOGGONE VALLEY)		
		3 of 6



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
10,534
 NO.



SCALE (METERS)

James M. Ash P. Eng.
Aug 22, 1982

TARMAC PLANT & RESOURCES LTD		
DATE:	APPROVED BY:	DRAWN BY:
	SCOTT W. ROBB	
		DATE OF PRINTING
		8/82

