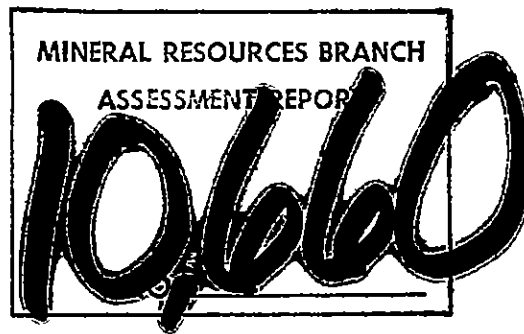


LONG LAC RESOURCES LTD.

#1110 - 1055 West Hastings

Vancouver, B.C. V6E 2E9

Telephone: 685-0531



LONG LAC RESOURCES LTD.

POISON MOUNTAIN PLACER CLAIMS

Bulk Sampling Program
Clinton M.D., B.C. - N.T.S. 920/2E

Latitude - $51^{\circ} 10'$ N
Longitude - $122^{\circ} 35'$ W

PLACER GROUPS:

Group "A"

Group "B"

Group "Churn A"

Group "Churn B"

Group "Churn C"

Group "Churn D"

Submitted by,
A.R. Pollmer
PROJECT COORDINATOR

TABLE OF CONTENTS

	<u>PAGE</u>
Introduction	1
Location of Access	1 - 2
History	2
Placer Lease Statistics	• 3
Work Done:	
a) Bulk Test Pits	4
b) Pan Sampling	5
c) Equipment Description	5
Sediment Description	5
Mineralization	6
Conclusion	6
Recommendation	6

FIGURES

- 1) Location Map
- 2) Lease Map Showing Groups
- 3) Bulk Test Pits
- 4) Pan Test Sites

PLATES

- 1) Loading Hopper
- 2) Alluvial Sediment
- 3) Waste Water Collection Pond
- 4) Reclaimed Site Backfill
- 5) Reclaimed Site

APPENDICES

Statement of Qualification
Les Allen Daily Report
Statement of Costs

INTRODUCTION

A total of 43 placer claims are held by Long Lac Resources Ltd. on both Poison Mountain Creek and the headwaters of Churn Creek. Both of these creeks are recorded gold-bearing creeks with placer working dating back to the early 1900's. The total production of placer gold from Churn Creek is recorded at 20 ounces and Poison Mountain Creek at 85 ounces. (B.C. Dept. of Mines, Bulletin No. 28, Stuart S. Holland, 1950). It is realized that neither creek bears any economical placer gold potential. Due to the possible future requirement of these drainages for the Poison Mountain mining operation it has been necessary to maintain these claims.

In July 1982, a bulk sample testing of the stream gravel was done using a hydrolic wash plant and loading equipment. Further, small scale pan samples were also taken along the creeks in areas having no road access.

LOCATION AND ACCESS

Poison Mountain Creek is a tributary to Churn Creek which flows north, northeast and eventually flows into the Fraser River. The drainage basin which supply these creeks is mainly from the western slopes of Poison Mountain and the Eastern slope of Quartz Mountain.

The property is situated in Clinton mining district approximately 90 kilometers by road from Lillooet which is the nearest supply center. Access during the summer months is by vehicle along the Bralorne Highway from Lillooet northwest for 29 kilometers. At the Yalachom Valley turn north (right) and follow a gravel road to 83 km then proceed northwest along the valley separating Quartz Mountain and Poison Mountain.

At 88 km the road cuts PL 4350 and at km 90 the road crosses Poison Mountain Creek. The main campsite is situated 1 km up Poison Mountain Creek.

HISTORY

The discovery of the Poison Mountain copper-gold porphyry deposit can be largely attributed to the exploration of the placer miners. As reported in the Annual Report from the Department of Mines 1935, Churn Creek and Poison Mountain Creek were staked in 1931 & 1932 by Julian Fention a local sheep herder's wife. By the end of the summer the entire Poison Creek had been staked by local residents. The possibility of locating lode gold was also explored at that time and this is what eventually led to the discovery of the Poison Mountain porphyry discovery.

The amounts of placer gold in both the Churn and Poison Mountain Creek drainages has never given any economic returns. The gold-bearing sands are reported to be very limited in the area and excavation was made difficult by the presence of numerous large boulders.

PLACER LEASE STATISTICS

GROUP "A"	PL	3540	-	July 2/84	6
		2475	-	Dec 31/84	
		2476	-	Dec 31/84	
		2469	-	Dec 31/84	
		2471	-	Dec 31/84	
		2473	-	Dec 31/84	
GROUP "B"	PL	2470	-	Dec 31/83	8
		2472	-	Dec 31/83	
		2474	-	Dec 31/83	
		2467	-	Dec 31/83	
		2468	-	Dec 31/83	
		4350	-	Dec 29/84	
		3539	-	Dec 29/84	
		3541	-	Dec 29/84	
GROUP "CHURN A"	PL	4343	-	Aug 29/82	7
		4345	-	Aug 29/82	
		4347	-	Aug 29/82	
		4349	-	Aug 29/82	
		4352	-	Aug 29/82	
		4354	-	Aug 29/82	
		4355	-	Aug 29/82	
GROUP "CHURN B"	PL	4340	-	Aug 29/82	7
		4342	-	Aug 29/82	
		4344	-	Aug 29/82	
		4346	-	Aug 29/82	
		4348	-	Aug 29/82	
		4351	-	Aug 29/82	
		4353	-	Aug 29/82	
GROUP "CHURN C"	PL	4330	-	Aug 29/82	8
		4328	-	Aug 29/82	
		4326	-	Aug 29/82	
		4333	-	Aug 29/82	
		4335	-	Aug 29/82	
		4337	-	Aug 29/82	
		4339	-	Aug 29/82	
		4341	-	Aug 29/82	
GROUP "CHURN D"	PL	4331	-	Aug 29/82	7
		4329	-	Aug 29/82	
		4327	-	Aug 29/82	
		4332	-	Aug 29/82	
		4334	-	Aug 29/82	
		4336	-	Aug 29/82	
		4338	-	Aug 29/82	

TOTAL CLAIMS = 43

WORK DONE

a) Bulk Test Pits

On June 23-24 the property was visited by A.R. Pollmer, D. Agur and H. Smith by helicopter charter. The proposed bulk test sites were layed out at that time and a reconnaissance of access road conditions was done.

On July 6, 1982 the necessary equipment was mobilized from Kelowna and Summerland. The initial three days were spent upgrading the main access road.

The wash plant rated at 80-100 cubic yards per day was set up on ten different sites along Churn and Poison Mountain Creeks. A total of 630 cubic yards was processed through the plant. The areas tested were largely centered in the vicinity of existing access roads in order to minimize undue road construction. Testing was also done in areas adjacent to older workings.

At each site a settling pond was constructed away from the creek drainage. Test holes were dug using a backhoe with a maximum reach of 14 feet. Upon completion of the bulk sample all sites were reclaimed by back filling the test holes and leveling of the site area. These sites are scheduled to be re-seeded with a grass mix in the fall when natural germination will take place.

b) Pan Sampling

Smaller scale samples were also done in areas which were inaccessible to the larger equipment. These tests consisted of hand digging of a trench approximately 2 feet long by 3 - 4 feet deep and separating the material into 5 samples. These were then screened down and each 10- mesh sample panned.

c) Equipment Description

- 1) D-7 catapillar crawler tractor
- 2) Washplant designed by Juniper equipment rated at 100 cubic yards/day capacity consisting of a vibrating 2 x 8 ft. screen fed by pressure water jets, 16 ft. slice box with removable riffle sections.
- 3) 580 Case backhoe, 14 foot reach.

SEDIMENT DESCRIPTION

The most abundant sedimentary material encountered along both creeks was a mixture of coarse rounded to sub-rounded gravels separated by smaller beds of sand-silt mixture, sand and fine gravel and some blue clay horizons. In almost all test pits large well rounded boulders were encountered. These ranged in size from 0.6 - 1.2 m and would have been difficult to remove without the advent of hydrolic equipment.

MINERALIZATION

In the bulk sampling program a total of 640 cubic yards was tested netting 2 pennyweight and sixteen flakes of gold. In most of the test pits large quantities of magnetite was recovered and the associated gold was extremely fine. The gold had to be amalgamated for recovery. Generally the pits on Poison Mountain Creek were slightly more productive than Churn Creek. In test Pit No. 3 on Churn Creek the wash plant recovered small quantities of cinnibar.

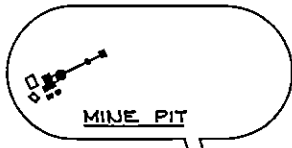
CONCLUSIONS

The results of both the bulk testing and pan samples clearly show that the accumulation of placer gold in both creeks falls well below any economic potential. Even placer mining on a recreational basis would find this area to be unrewarding. The gold which is present is extremely fine grain. Consequently, it would be very difficult to separate from the associated black sand. The alluvium is poorly sorted and contains abundant large boulders. It is felt that the placer gold present in both creeks originated from the Poison Mountain copper-gold porphyry deposit. It is known that the gold values in this deposit are extremely low grade.

RECOMMENDATIONS

No further tests work is warranted.

FIGURES



MINE PIT



FOR PLAN VIEW SEE
DRWG. 4946 A-510-001

RAIL VANCOUVER TO
LILLOOET 255 km (157 miles)

100 MILE HOUSE

CLINTON

80

MOHA

80

GOLD BRIDGE

BRALORNE

CACHE CREEK

76

ASHCROFT

KAMLOOPS

LILLOOET

47

SPENCE BRIDGE

LYTTON

34

PEMBERTON

BRITISH COLUMBIA RAILWAY

95

CANADIAN PACIFIC RAILWAY
KAMLOOP LILLOOET BRANCH
THE CANADIAN NATIONAL RAILWAY

MERRITT



SCALE 1:600 000

REFERENCE

- ROADS - HARD SURFACE: —————
- MAIL: · ·
- CITY: - - - - -
- RAILWAY: - - - - -
- BOUNDARY - INTERNATIONAL: --- · ---

VANCOUVER

CHILLIWACK

HOPE

PROJECT No. 4946-A	DATE: APRIL, 1980
LONG LAC MINERAL EX. LTD.	
KEY PLAN	
H. A. SIMONS (INTERNATIONAL) LIMITED CONSULTING ENGINEERS	
SCALE: 1:600,000	SKETCH NO.
DRAWN: J.M. FLEAUB-G	D-4946-510-002

APPENDICES

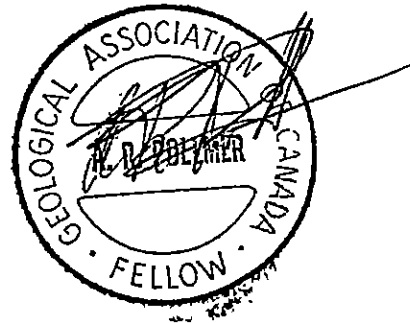
STATEMENT OF QUALIFICATIONS

A.R. Pollmer
Project Coordinator

Graduate Wisconsin State University
B.Sc. Geology, 1972

- 1972-74 Exploration Geologist within central B.C.
Specializing in porphyry deposits working for
Pickands Mather & Company
- 1974-75 Mine Geologist - Noranada Mines Ltd. Boss Mountain
- 1976-77 Chief Geologist supervising geological evaluation of
an open pit feasibility and major mine expansion.
- 1977-82 Chief Geologist/Exploration Manager - Brenda Mines Ltd.
- 1982-present Project Coordinator - Long Lac Resources evaluation
and supervision of company feasibility programs.

- Memberships - CIMM
- Prospectors and Developers Association
- Geologic Association of Canada (Fellow)



STATEMENT OF COSTS

LABOUR

Project Coordinator 4 days @ \$120/day	= \$ 480.00	
Field Supervisor 20 days @ \$80/day	= \$2,500.00	
		<u>\$2,980.00</u>

Equipment & Operator Rental

1 D-7 Cat Dozer 108 hrs @ \$65/hr	= \$7,020.00	
1 580 Case Backhoe 76 hrs @ \$40/hr	= \$3,040.00	
1 Washplant & Pumps 6.8 days @ \$260/day	= \$1,775.00	
		<u>\$11,835.00</u>

Transportation

1 Service Truck & Operator 12.5 days @ \$90/day	= \$1,125.00	
3 trucks 4 x 4 15 days @ 46.70/day	= \$2,101.50	
1 Helicopter Rental	= \$1,101.82	
		<u>\$4,331.32</u>

Mobilization

Equipment mobilization	=	
Equipment Demobilization	=	
		<u>\$4,278.45</u>

Accommodation

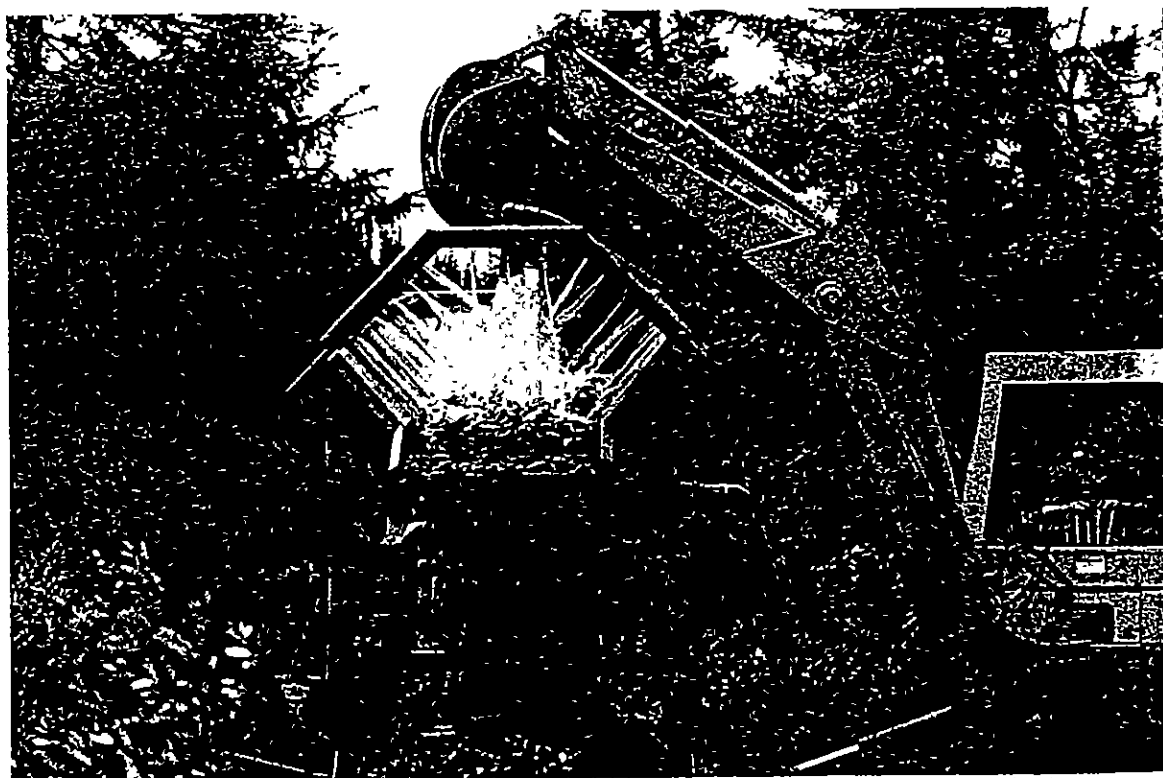
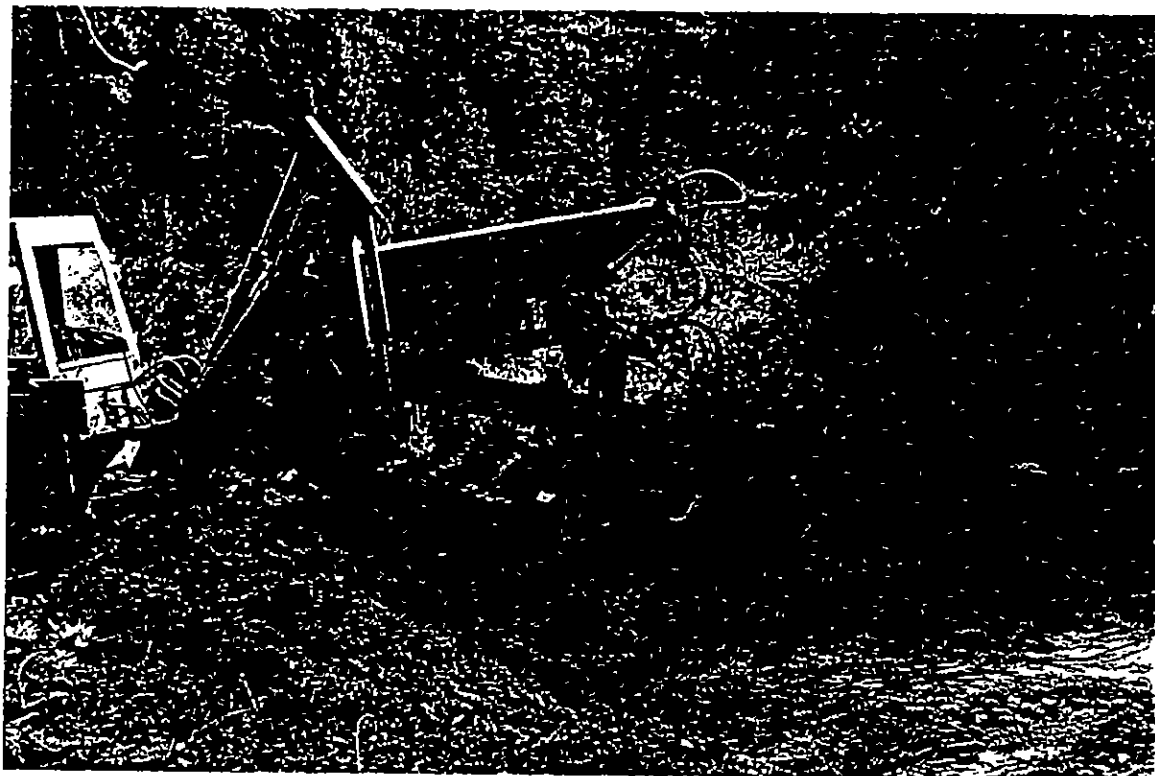
Camp Service & Equipment 12.3 days @ \$130/day	= \$1,600.00	
		<u>\$1,600.00</u>

Supplies (including food, fuel & misc.)

15 days @ \$268/day	= \$4,020.66	
		<u>\$4,020.66</u>

TOTAL = \$29,045.43

PLATES



LOADING HOPPER

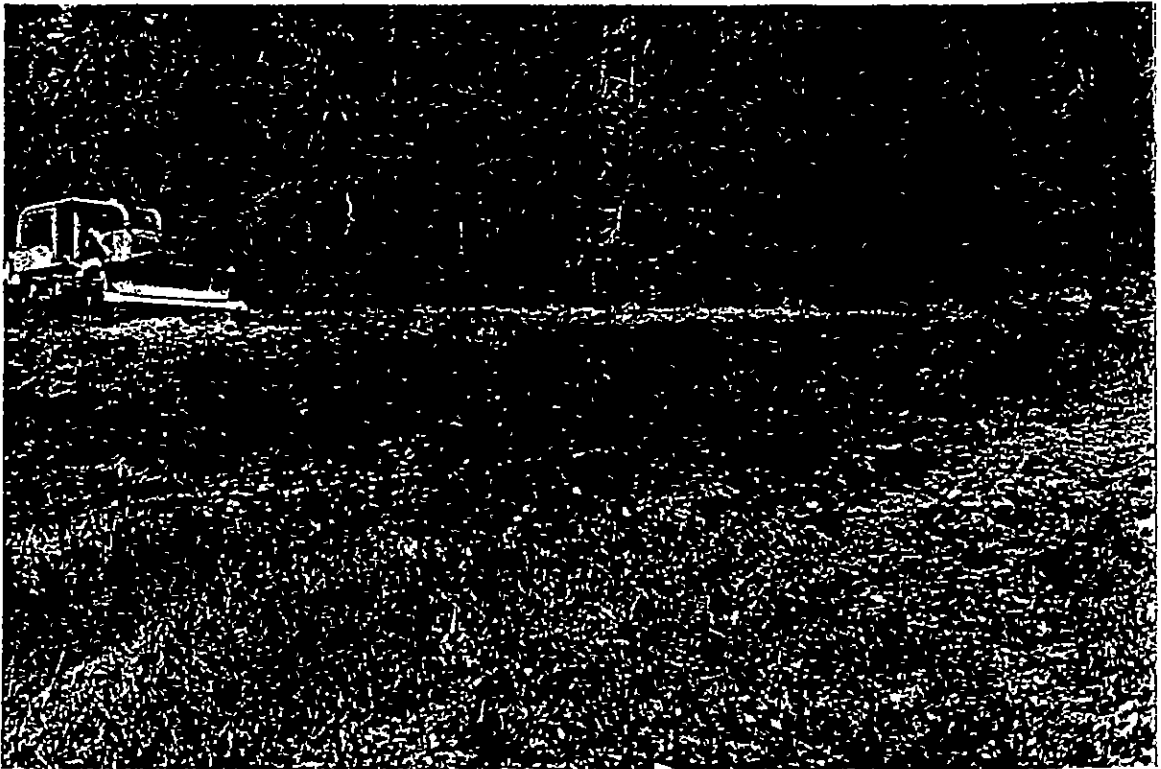


Alluvial Sediment



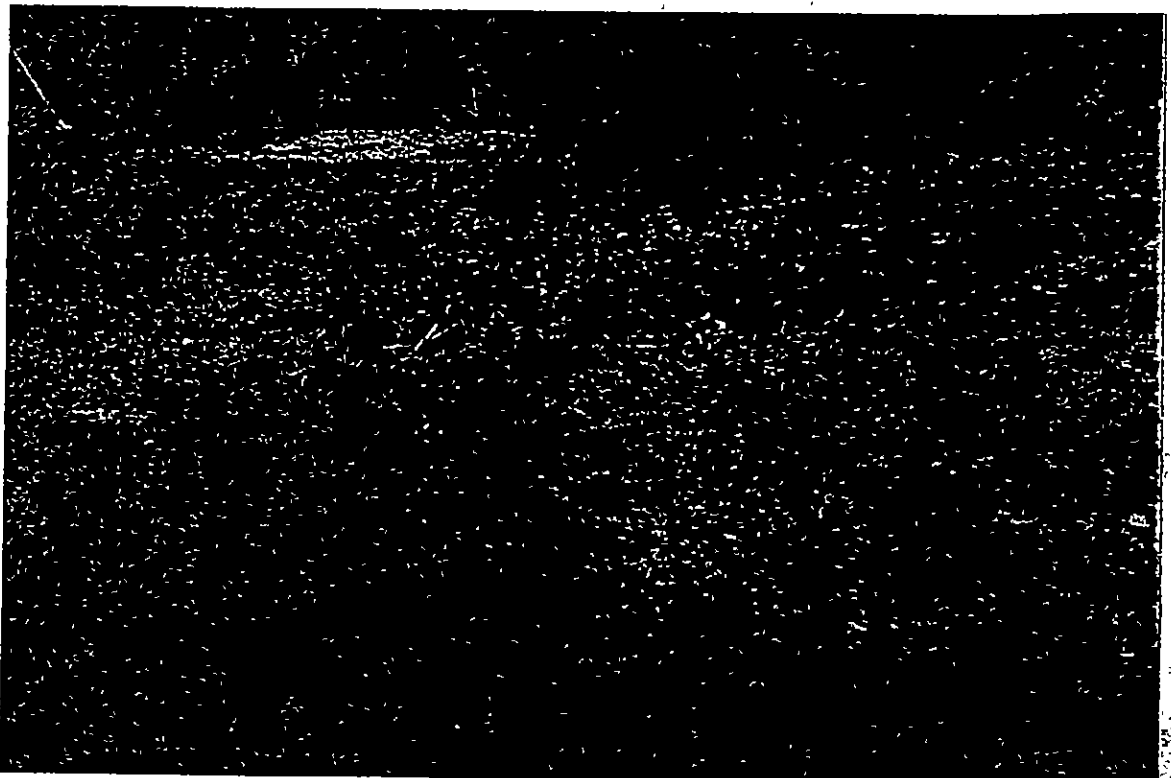
Waste Water Collection Pond

Plate 4



Reclaimed Site Backfill

Plate 5



Reclaimed Site

DAILY WORK REPORT

by

LES ALLEN

Tuesday July 6, 1982.

D-7 Cat and related equipment was hauled from Summerland via Lillooet to 44 km on the Yalakum Valley Road by Lind Trucking (from Princeton, B.C.). Personnel travelled from Summerland to 44 km on the Yalakum Valley Road.

Don Agur - Owner of Equipment.
Pat Bruce - D-7 Cat Operator.
John - Service man - mechanic.

Road Washed out at 46 km. D-7 Cat worked 4 hours to upgrade road so that access to claims was available.

Camp was set up at 44 km next to Yalakum Creek.

Wednesday July 7, 1982.

D-7 Cat worked for 13 hours repairing road from 44km to 72 km on the Yalakum Valley Road. Camp moved from 44km to 72 km.

Thursday July 8, 1982.

D-7 Cat worked 13 hours repairing road from 72km to 90km. Mobilized camp to 90 km. Set up camp of Poisonmount Creek approximately 1.8 km from confluence of Poisonmount Creek and Churn Creek, elevation 5500 feet. Lind Trucking arrived with washplant and backhoe on Low Bed in the afternoon. Washplant and backhoe operator arrived shortly after.

Friday July 9, 1982.

Cat clearing road from 90km to 94 km on the lower part of Churn Creek. Backhoe dug test pit on Poisonmount Creek - PL 2468. Panned out fines from washplant cleanup. Just a few small colors in pans.

Saturday July 10, 1982.

Cat finished road to Lower Churn Creek then returned to camp. Cleaned out old road into PL 4353, Upper Churn Creek. Dug out settling pond and

Saturday July 10, 1982. cont'd.

AND Pulled in Wash Plant. Backhoe filled in Poisonmount Creek Test pit and moved into Churn PL 4353. Les Allen and Don Agur located claims post for PL 2468, PL2467, PL 4355, PL 4354 and PL 4353. Measured and located test pit No. 1 on upper Churn Creek. Don and Howard went to Lillooet for groceries. Pan tested Poison Group B.

July 11, 1982.

Working on Churn Creek test pit No. 1. After 20 yards run through wash plant, we panned out concentrate fine pieces of gold. Settling pond filled with water so we moved North 15 meters with Wash Plant and started Test Pit no. 2.

Total yards for test pit No. 1 was approximately 55. Fine pieces of gold throughout. Hit clay at 12 feet in Test Pit No. 1.

On test pit No. 2 there was 3 yards of gravel processed through the Wash Plant. At this time the Back hoe developed difficulty and had to be shut down. We panned out the fines from the washplant and found a few small pieces of gold a little larger than the ones found in Test Pit 1. Total yards moved on Test Pit 2 was 30 yards.

July 12, 1982.

Crew worked until noon on PL 4353 then moved to PL 4354. Total yards moved in the morning was 80. Still very little gold was found. The move from PL 4353 to PL 4354 took one hour and all equipment was in complete operation. Total yards moved on PL 4354 was 80. Gold found here was slightly coarser but still uneconomical. Les Allen and John went to Lillooet to get fuel and groceries. Les Allen at this time contacted Arnie Pollmer at his Toronto office.

July 13, 1982.

Crew working on Test Pit No, 3 on Churn Creek and found the ground very silty and mucky to the 3 foot level. There were no large rocks in this

July 13, 1982 cont'd.

ground. Equipment discovered an underground spring at the 7 foot level. Blue clay with large amount of Black Sand found at the 9 foot level but very little gold. A fair amount in Cinnabar was found in the Wash Plant. We panned the fines from wash plant and found coarser gold, plus one clinker nugget. Still very uneconomic.

Clean up at this site done by D-7 Cat was well done (Test Pit 1 and 2.) Total yards moved was approximately 140.

Settling pond on Test Pit No. 3 filled with water, therefore, equipment shut down and clean up was done on Washplant in the afternoon. Equipment was moved back to base camp and serviced.

Cat dug settling pond on Poison Group "A". PL 3540.

July 14, 1982. Lower Churn Creek.

Les Allen located Post No. 9534 and No. 9533 at second crossing of Churn Creek. Each Post was marked with yellow flagging.

Traverse done by Les Allen down Churn Creek to pan test other leases. Method used was 1 pan testing and 5 pan testing. The first two sample pan testing locations proved a few pieces of gold in each pan. Samples taken thereafter were barren of gold. Creek valley narrowed to canyon therefore traverse was abandoned.

On steep descent to Lower Churn Creek brakes failed on Backhoe causing the operator to lift the bucket and turn into a tree in order to stop. This action resulted in the Backhoe tipping onto its side. The washplant was also tipped over due to the steep road. These pieces of equipment received minimal damage as a result. D-7 Cat was brought in and the equipment was set back up with no further damage occurring.

Crew returned to camp at 9 P.M. as a result of these occurrences. Long Cold Day.

July 15, 1982.

Heavy snowfall turning to rain later on forced shut down of operation. Crew went to Lillooet for supplies (gasoline, groceries and propane). Wet weather caused the main road to be treacherous, therefore, they arrived back in base camp at 5:30 p.m.

July 16, 1982.

Les Allen and Daryl Smith loaded welder into the back of Les's Truck as part of repair operation to the Backhoe. Crew arrived at Lower Churn Creek and D-7 Cat pushed out 3 settling ponds on Churn Group "C" and "D". Repair of WashPlant and Backhoe was done by Howard and Daryl Smith as well as service man John. All equipment was in operation by noon and work on Test pit 1 Churn Group "D" began with 55 yards being moved through Wash plant. Equipment was moved to Test pit 2, Churn Group "D" and set up for the next days operation.

July 17, 1982.

Crew started work at Test Pit 2 on Lower Churn Creek, 30 yards of gravel was moved at this site. Panned fines from washplant proving less than one grain per yard. Moved to Test pit 3 Churn Group "C" where 50 yards of gravel was moved. Panned fines from washplant and still proved less than one grain per yard. Operation shut down and equipment moved to top of hill, ready to move back to Poison Group. Les Allen worked on expenses and other related paper work then went of Traverse to pan test Poison Group "A". Results from these pan tests were poor.

July 18, 1982.

Operation running smoothly at Poison Group "A" on Test pit 3. The amount of yards moved here was 80. Pan testing of washplant fines proved less than one grain of gold per yard.

Les Allen travelled to Lillooet to meet with A.R. Pollmer, representative from

July 18, 1982 cont'd.

Long Lac Resources. Spent the night in Lillooet at Jay Gee Motel.

July 19, 1982. Churn Creek

A.R. Pollmer and LessAllen returned to base camp to review all work recorded and expenditures . A.R. Pollmer arrived at Poison Group "A", Test pit 4 to watch work being done.

July 20, 1982,

Backhoe and washplant moved to 90km for loading onto lowbed supplied by Lind Trucking. All equipment in general loaded up onto trucks as the job was complete as far as the large equipment was concerned. Howard and Daryl Smith left and followed the lowbed out, on thier way home. Cat worked on clean up on Test pit No. 3 Churn Group "A" site. Cleaned up road and loading site. Lowbed operator warned that if weather turned rainy he would not make it into 72km for pickup of D-7 Cat on the original loading site at 90km.

July 21, 1982.

Spent the day moving trucks to 60km on Yalakum Road. Cat walked out behind us to km60 where lowbed was to meet and load the D-7 Cat. Cat was then loaded and moved back to Summerland. Pat and John went to Lillooet and Les Allen returned to camp.

July 22, 1982.

Spent the day pan testing Churn Group "A" and "B". Five test sites proved very poor results, only a few small flakes of gold. The creek narrowed into canyons in several area. There aren't many workable hectares along this part of the creek (Churn) and no access roads.

July 23, 1982.

Spent this day cleaning up the old Long lac drill camp. Picked up all garbage and stacked all pieces of wood neatly. Les Allen then took pictures of all clean up sites on Poison Group "A", test pits no. 3 and 4, then he went to Churn Group "A" test pits no. 3 and took photographs. All clean up operations were done very well.

July 24, 1982.

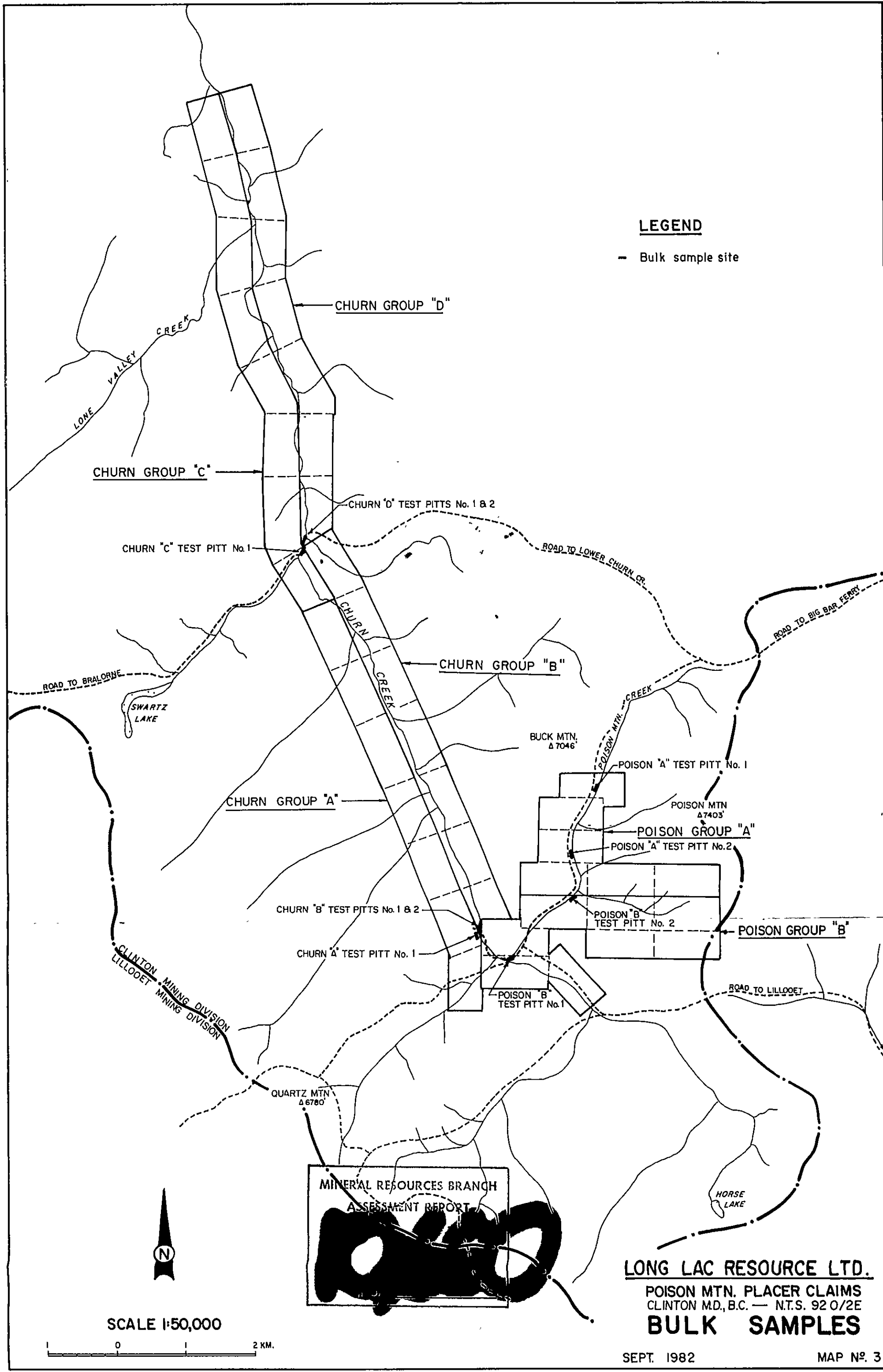
Les Allen travelled home to Naramata.

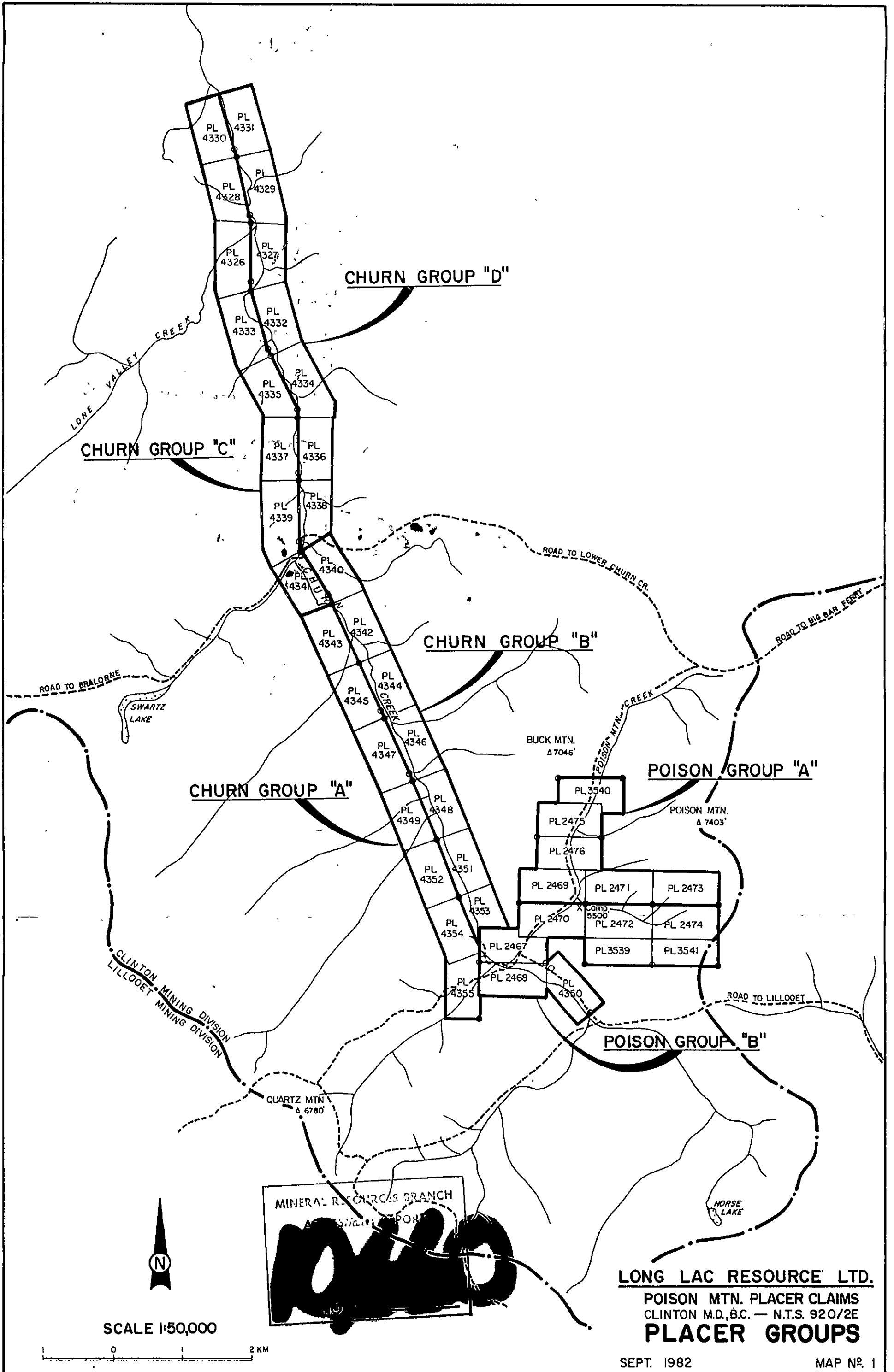
July 25, 1982.

Compilation of maps and reports.

July 26, 1982.

Compilation of maps and reports pertaining to above daily work reports.





CHURN GROUP "C"

CHURN GROUP "D"

CHURN GROUP "B"

CHURN GROUP "A"

POISON GROUP "A"

POISON GROUP "B"

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT



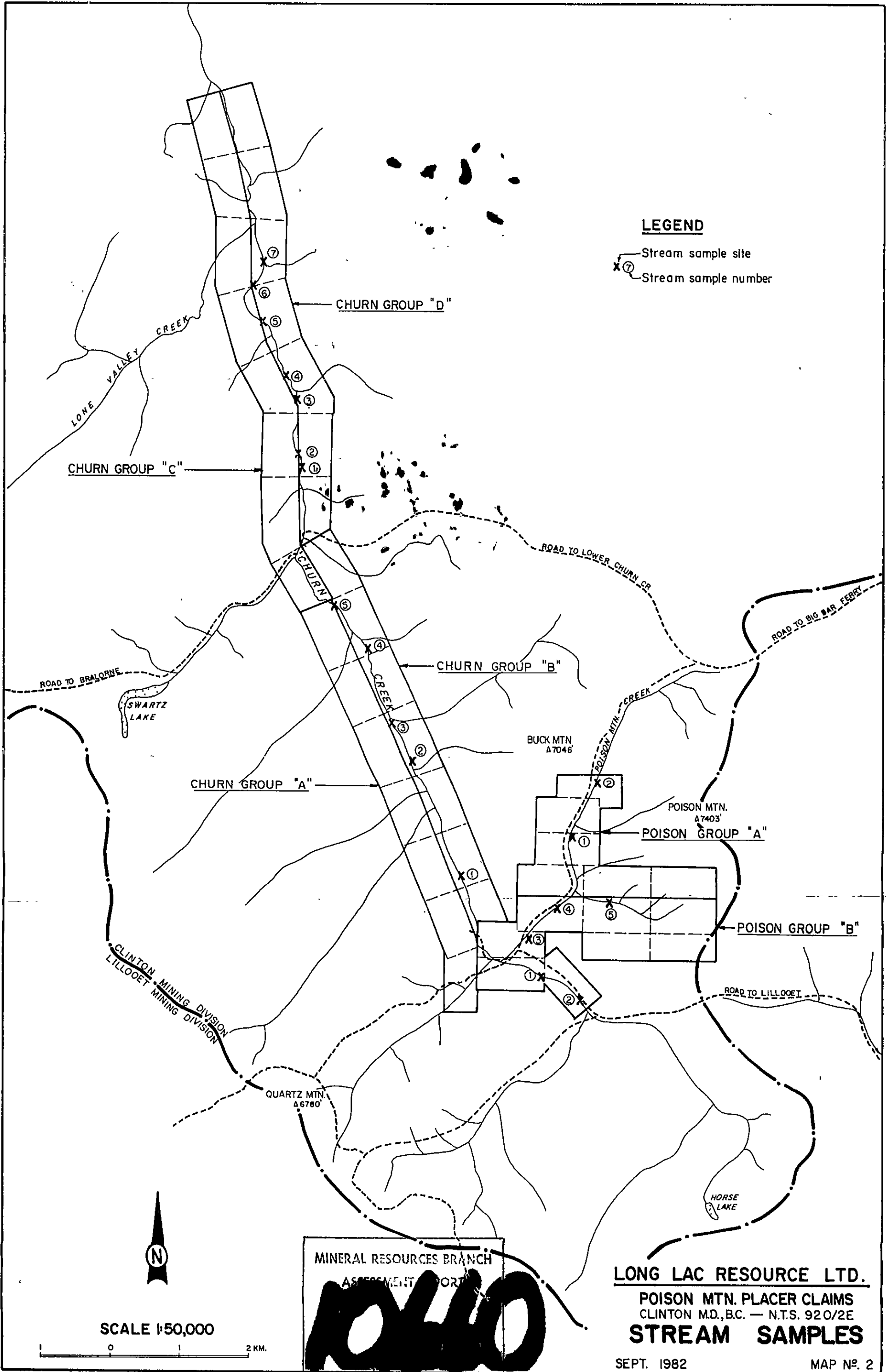
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LONG LAC RESOURCE LTD.
POISON MTN. PLACER CLAIMS
CLINTON M.D., B.C. — N.T.S. 920/2E
PLACER GROUPS

SEPT. 1982

MAP No. 1



LEGEND

- X — Stream sample site
- (7) — Stream sample number



SCALE 1:50,000



MINERAL RESOURCES BRANCH
ASSESSMENT PORT

10410

LONG LAC RESOURCE LTD.

POISON MTN. PLACER CLAIMS
CLINTON MD., B.C. — N.T.S. 92 O/2E

STREAM SAMPLES

SEPT. 1982

MAP NO. 2