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GCNL #158

16 AUG 1984

SOUTHERN LIGHTS RESOURCES LTD. (SLG-V)

| <u>Zone</u> | <u>Length</u> | <u>Oz. Gold/T, Uncut</u> | <u>Width, Diluted</u> |
|-------------|---------------|--------------------------|-----------------------|
| 1           | 160           | 1.294                    | 1.4 feet              |
| 2           | 50            | 0.741                    | 2.03                  |
| 3           | 35            | 0.601                    | 1.43                  |

920/2E

DRILLING CUTS GOLD ON LILLOOET AREA PROPERTY

Ken Newton, president, reports that on 1 Aug 84, Southern Lights Resources Ltd. started a diamond drilling program on their Yalakom property, 50 miles

NW of Lillooet, B.C. Bralorne Mines Ltd., in 1948, drifted 800 feet on a gold-bearing quartz vein. This adit was rehabilitated by Southern Lights in 1983 and resampled showing 3 mineral shoots (see table).

Reserves on these blocks are considered to be 4,248 tons, averaging 1.199 oz. gold/t., projecting each block above and below the adit level for half the strike length of each block. The first hole of the present program was completed on August 6 and was proposed to intersect the longest mineral shoot about 60 feet below the adit level. The gold bearing quartz vein was intersected at 313 feet and assayed 1.09 oz. gold across 0.7 feet. Six other quartz veins were intersected close to the vein mentioned above, with anomalous gold values in the 0.06 oz. gold/t. range that warrant further drilling.

GCNC #237

7 DEC 1983

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SOUTHERN LIGHTS RESOURCES LTD.

Corporate Structure

Public Offering: By Oct14/83 prospectus registered Oct14/83 with B.C. Sup't. of Brokers, Southern Lights Resources are offering 500,000 shares at 28¢ each to net 23¢ a total of \$115,000.

Head Office: 6017 Larch St., Vancouver, B.C.

Registered Office: 7th Floor, 609 Granville Street Vancouver, B.C.

Registrar & Tsf. Ag.: Canada Trust Company.

Authorized Capital: 10,000,000 common shares with no par value.

Shares Issued:

|                                |               |                  |
|--------------------------------|---------------|------------------|
| For \$404,310                  | at 10¢ to 50¢ | 2,062,441        |
| For property                   |               | 713,750          |
| Offered by Oct14/83 prospectus |               | 500,000          |
|                                |               | <u>3,276,191</u> |

Escrow & Pooled Shares: 713,750 escrowed; 285,000 pooled for release 25% on VSE listing day and 25% each 3 months thereafter.

Directors: John Newton, president, Vancouver, B.C.; Robert Newton, secretary, Vancouver, B.C.; Gordon Fish, Victoria, B.C.

Principal Shareholders: John Newton with 628,750 common shares.

FUNDS BEING RAISED TO  
EXPLORE A NEVADA COPPER  
SILVER PROPERTY AND A  
HIGH GRADE B.C. GOLD GROUP

Southern Lights Resources acquired 24 mineral claims in Humboldt county, Nevada in consideration for \$29,500. The area in which the claims are located is underlain by medium-grained, grey granodiorite. Mineralization consists of east-west striking tetrahedrite-bearing quartz veins. Little is known of the history of the property, but a report, dated 17 Jan 72, states that 2 incline shafts and 2 horizontal adits exist on the property.

A report by R.W. Phendler, P.Eng., dated 20 Feb 83, states that one chip sample taken across a 2 foot wide vein near an inaccessible winze assayed 3.37% copper, 1.15 oz/ton silver and 0.012 oz/ton gold. One drill hole, recently completed, intersected 3 one foot wide veins that assayed 1.12, 1.25 and 2.19%

copper and 0.24, 0.26 and 0.56 oz/ton silver.

Mr. Phendler recommends a phase I program consisting of geochemical surveying, geological mapping, diamond drilling and assaying at a total cost of \$74,980 to test for the possibility of a significant tonnage of copper-silver bearing material. A phase II program of diamond drilling, assaying, engineering and geology will be contingent on the results of phase I.

Southern Lights also has interests in the Yalakom Gold property, Lillooet mining division, B.C., the Keystone property and the Pontiac and Radio property both located in the Skeena mining division.

During August 1983 a 785 foot length of continuous quartz vein in the No.9 adit level on the Yalakom property, 27 km northwest of Gold Bridge, B.C., was sampled at 5 foot intervals starting 100 feet in from the portal to provide the following assay results. By

| Section | Interval | Length | Width  | Oz. Gold/Ton |        |       |
|---------|----------|--------|--------|--------------|--------|-------|
|         |          |        |        | Uncut        | Width  | Cut   |
| No. 1   | 105-265  | 160ft. | .89ft. | 2.014        | 1.4ft. | 1.294 |
| No. 2   | 365-415  | 50     | 1.53   | 0.983        | 2.03   | 0.741 |
| No. 3   | 600-635  | 35     | 0.93   | 0.926        | 1.43   | 0.601 |

Previous sampling by Bralorne Mines in 1956 gave an average of 0.94 uncut oz. gold/t. over 1.23 ft. wide for a 160 foot length. Further work is planned for this project.



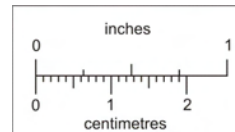
35'

122 30'

# AUGHTON CREEK

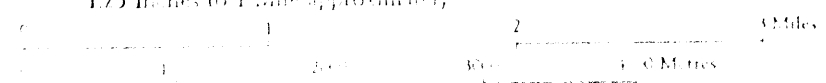
BRITISH COLUMBIA

Scale: 1:50,000  
1.25 Inches to 1 Mile (approximately)



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

MAGNETIC DECLINATION 24° 42' EAST  
AT CENTRE OF SHEET, 1954  
Annual magnetic change 35' westerly



INDEX TO ADJOINING SHEETS

GOLD CLAIMS EXPLORED IN B.C. - Work on the Yalakm gold claims of Northern Lights Resources Ltd., located 27 km NE of Gold Bridge, Lillooet area, B.C., including road repair, bulldozer trenching

and staking more claims, is proceeding toward the reopening of old workings that explored No.9 vein. In a 25July79 report, R.W.Phendler, P.Eng., says sampling of the vein in 1957 returned: Section 1 - 28 ft. long, 2 ft. wide, 100 ft. high - assaying 0.51 oz.gold/t. and Section 2 - 65 ft. long, 2.5 ft. wide, 100 ft. high - assaying 0.45 oz.gold/t.

J.K.Newton, vice president, says recent general grab samples of the dump of mined material near the portal of the No.9 vein workings gave the results shown in the table.

| Sample No.     | Silver Oz/Ton | Gold Oz/Ton |
|----------------|---------------|-------------|
| 20-2-1         | 1.84          | 4.676       |
| 20-2-2         | 0.22          | 0.418       |
| 20-2-3         | 0.02          | 0.174       |
| 20-2-4         | 0.20          | 0.484       |
| 20-2-5         | 0.18          | 0.282       |
| Average(uncut) | 1.21          |             |
| Average(cut)*  | 0.514         |             |

As soon as the old workings can be re-opened they will be resampled.

Mr.Newton says Northern Lights are to acquire the Barbara gold-silver property 120 miles SE of Reno, Nevada, in Mona county, California, for payments of \$500 per month for one year against a total purchase price of \$35,000 - subject to regulatory approvals.

In a recent report, Mr.Phendler says mineralization consists of gold and silver scattered throughout sheared sediments and in association with white to grey-white quartz veins. The vein has been traced for 600 feet. It is reported to have been explored by four winzes to a depth of 30 feet with minor lateral development. Two significant samples taken by Mr.Phendler assay 0.138 oz.gold and 3.58 oz.silver/ton across 1.5 feet, and 0.132 oz.gold and 0.25 oz.

\* Samples over 1.21 cut to average and re-averaged.

silver/ton across 6.0 feet. These samples were from winzes 150 feet apart on the Barbara structure indicating that significant values exist. He says the strength of the Barbara structure is impressive indicating that continuity in depth and along strike could be good. His work recommendations include diamond drilling along the vein.

Subject to regulatory approvals, a new public financing has been arranged.

925 935

*Ref.*  
George Cross News Letter (1984)

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NO. 158 (AUGUST 16, 1984) \* GEORGE CROSS NEWS LETTER LTD. \* THIRTY-SEVENTH YEAR OF PUBLICATION \*

*(#158) Aug 16 / 84*  
*1984*

*March 26 / 87*  
*(#158) 1987*

agent's warrant to buy 162,500 shs. at \$1.10 each. Angle shs. are out of primary distribution, effective 24 Mar 87. SOUTHERN LIGHTS RESOURCES LTD. has been renamed BALSAM RESOURCES INC. (BSM-V) following a 3-old for 1-new sh. con solidation. On 27 Mar 87, Southern Lights common shs. were replaced by Balsam common shs. on VSE. Balsam is a Developm. Co. of 10,000,000 no par value shs. auth., 1,185,397 are outst. incl. 237,917 in escrow. Transf. agt. is Canada Trust. ANGLO-CANADIAN MINING CORPORATION (ANP-V) rec. on VSE

*Mr. Robinson says this acquisition complete*  
**Seton's reorganization.**

**BALSAM RESOURCES INC. (BSM-V)**

*April 16 / 87*  
*(#158) 1987*

DRILLING IS PLANNED ON GOLD - Ken Newton, president of CLAIMS IN BRIDGE RIVER AREA Balsam Resources Inc.

(formerly Southern Lights Resources Ltd.) reports that surface and underground diamond drilling is planned on their Yalakom property (previously owned by Bralorne Mines Ltd.) as soon as field conditions permit, about mid-May, with the aim of adding to ore reserves in gold bearing ore shoots. Initial work will be concentrated in the vicinity of the portal (No. 1 shoot) where grades of up to 2 ounces per ton occur. Follow up work will concentrate on the No. 2 and No. 3 ore shoots. Drilling here will evaluate tenor of down dip extensions to the vein.

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V. 1984

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**ANGLO-CANADIAN MINING CORPORATION (AMC-V)** rec. 1, VSE

~~... REORGANIZATION.~~

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**SOUTHERN LIGHTS RESOURCES LTD (VSE) - 6017**  
 Larch St, Vancouver V6M 4E5. J. K. Newton, pres; R. Newton, sec; both Vancouver; G. Fish, Victoria; dirs. Inc. 1979. BC chart. Cap: 10,000,000 shs; iss 3,271,191 (713,750 escrowed). Tr Ag: Canada Trust, Vancouver.  
**Proposed Change:** May 1986, shareholders asked to approve name change to Balsam Resources Inc & sh cons on basis of 1 new sh for 3 old shs.  
**Properties:** (1) Gold pros, 60% int (Cal-Denver Resources 40%), 8 cls & 20 units incl former mine, Yalakom prop, Lillooet div, BC, 1983, adit rehabilitated & resampled; 1984, d d; further explor planned.  
 (2) Copper-silver-gold pros, 24 cls, Humboldt cty, Nev.  
 (3) Molybdenum pros, 9 cls, 136 ac, Sunset grp, Skeena div, BC.  
 (4) Gold-silver-lead-zinc pros, 2 cls, Pontiac & Radio prop, Skeena div, BC.  
 (5) Copper-silver pros, 6 cls, Mabel prop, Similkameen div, BC.

the properties will be subject to further evaluation.

*Vancouver Stockwatch Sep + 9/87*

**Balsam Resources Inc** BSM  
 Shares issued: 1,635,398 Sep 8 close: \$0.35  
**News Release**

Mr John Newton reports:

The company has received assay results from its Yalakom Property in the Lillooet Mining division.

A total of 1968 feet of core was drilled in four holes with best results of 0.144, 0.122 and 0.104 oz gold per ton. Assay values throughout the length of the holes are consistent with the gold grades encountered in the most northerly portion of the old workings, and establish that good grade gold mineralization continues to at least 460 feet below the elevation of the old adit. Previous sampling of this adit has shown that three zones of gold mineralization are present:

| Zone | From Portal | Length (feet) | Width (feet) | Grade/Width (oz/ton ft) |
|------|-------------|---------------|--------------|-------------------------|
| 1    | 105-265'    | 160           | 0.89         | 1.294/1.403             |
| 2    | 365-415     | 50            | 1.53         | 0.741/2.03              |
| 3    | 600-635     | 35            | 0.93         | 0.601/1.43              |

Zone 1 shows highest values of 46.70, 4.752, 3.144, 2.122 and 2.055 oz gold per ton, while zone 2 shows best assays of 15.46 and 4.624 oz gold per ton. Check sampling of portions of zones 1 and 2 in 1987, provided values up to 4.242 oz gold per ton.

Values up to 0.715 oz gold per ton were found during recent dump sampling. Highest gold values tend to be associated with calcite vein material accompanied by unidentified sulphides. A full-scale underground programme is clearly warranted and is expected to commence in mid-September.

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*Ref: Van Stockwatch (1987)*

the exchange *Vancouver Stockwatch Sept. 10/87*

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**News Release**

Mr John Newton reports:

The company announces that the Technical Advisory Committee of Vanguard Mining Exploration Limited Partnership has approved a program to finance \$200,000 of exploration work during 1987 on the company's Yalokem gold property located in the Lillooet mining division,

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province of B.C.

Due to results obtained from recent drilling on the Yalokem gold property, the company will be directing all of its resources towards this property. The company is terminating negotiations on the Durango property located in Colorado.

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*Vancouver Stockwatch* Sept. 12/87

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