

CAROLIN MINES LTD. (CONT.)

NO. 221(1981)
NOVEMBER 19, 1981

The high light of the property tour was the visit to the concentrating plant with Rod Samuels who recently joined the company as mill manager after several years at Whitehorse Copper. The plant construction was completed about two months ago and the finishing touches have been in the process of being completed during this period. (This has got to be the best time to tour a plant, when construction is complete and before it is operating. It is all nice and neat, clean and so quiet one can hear and understand the explanations.) The ore is approximately 3% sulphides with the gold native and about 83% recoverable with the present plant design. On a daily basis at about the designed capacity, of 1,500 tons, the plant should produce 175 oz. gold plus between 30 and 40 oz. silver. The plant has been over designed in a number of areas and is likely to be able to process well in excess of its designed rate as ore feed is available. The ore is to be crushed to 98% minus 325 mesh, processed in a flotation circuit which will provide a ten to one concentration with the concentrate processed in a 72-hour leach circuit prior to a zinc recovery unit and melting into dore bars.

Net production proceeds are to be used to reimburse Carolin and the Aquarius group their pre-production costs according to a complex formula and then to be split 50-50 between Carolin and the group comprising Aquarius Resources Ltd., Ocelot Industries Ltd., Great Basin Petroleum Ltd. and Windjammer Power and Gas Ltd.

NO. 222(1981)
NOVEMBER 20, 1981

GCNL # 222 20 NOV 81. KINGDOM RESOURCES LTD.

104A/4W (104A 019)

TWO STEWART, B.C. PROPERTIES - As a result of an exploration program on the Rufus-Argyle TO BE FURTHER EXPLORED IN 1982 20 claims, located on the north side of the Bear River road, 14 miles northeast of Stewart, B.C. Kingdom Resources Ltd. became aware of the 18 unit, M M 100 claim group located six miles north of Stewart, B.C. The M M 100 claims have been acquired subject to an on going program. A two phased exploration program has been recommended and plans are being made to carry out the work in the 1982 field season. Additional work is also to be planned for the Rufus-Argyle property.

In a report dated Oct. 11, 1981, C.R. Harris, P. Eng., stated that the 1981 soil sampling and prospecting program on the M M 100 claim group found many of the old known showings. The Tye adit sampling proved disappointing but sampling of the shaft dump and the pits to the north indicate a shear in granite of undetermined continuity with assays of up to 0.22 oz. gold per ton, 12.36 oz. silver/t from massive sulphide on the dump and 0.131 oz. gold/t and 6.39 oz. silver/t from a cut 40 feet north of the shaft over the 36 inch exposure. The Tye area should be further prospected and diamond drilled. Mr. Harris stated.

The Mayflower Creek showings are narrow fissure veins with erratic sulphide content and precious metal values. Several veins outcrop only in the creek bed and have not been traced but one, above the No. 3 adit, has been traced for 150 feet in the creek and may be much wider than the outcrops indicate. General assays were low but the five highest assays obtained were 3.10, 2.72, 2.28, 0.979 and 0.128 oz. gold/t with appreciable silver, the engineer stated.

One of the other showings on the property is called the Silver Ledge cut and yielded 0.36 oz. gold/t, 5.04 oz. silver/t, across 8 feet of quartz-sulphide and appears to line up with one of the geochemical anomalies.

Diamond drill testing of the Tye and Mayflower showing has been recommended together with the continued prospecting, mapping and soil sampling on the other showings. This two phase program is estimated to cost \$150,000 in the first phase and \$120,000 in the second phase.

The M M 100 claims were acquired in the Spring of 1981 at a cost of \$6,000 cash plus 125,000 shares, of which 32,500 shares have been issued and the balance are issuable at intervals as work progresses.

Kingdom Resources Ltd. by a July 2, 1980 prospectus sold 300,000 shares at 60¢ each and used the bulk of the proceeds on the exploration of the two Stewart, B.C. properties. The shares of the company were called for trading on the Vancouver Stock Exchange on Jan. 22, 1981. There is currently \$60,000 in the treasury with which to start drilling of the Mayflower show.

104A/4W
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NO. 4 (1984)
JANUARY 6, 1984

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KINGDOM RESOURCES LTD.

PRELIMINARY EXPLORATION COMPLETED AT - On their 36 claims in the Terrace Bay area of TERRACE BAY, ONT. & NEAR STEWART, B.C. Ontario covering the ground between claims of Silver Sceptre Resources Ltd. to the north and Lake Superior to the west and south, Kingdom Resources Ltd. have completed an aerial survey followed by a limited program of prospecting and sampling under the direction of H.J. Bergmann, P.Eng. Results confirm the presence of a wide, mineralized shear zone in the NW corner of the claims. The best exposures of the zone at the shore of Lake Superior reveal a minimum width of 300 feet. The aerial survey and prospecting indicate that the shearing and sulphides extend N 75° E over a 1200-foot strike length on Kingdom property and then on to the Silver Sceptre claims. Silver Sceptre intend to start a drilling program on their property this month. Kingdom Resources await Mr. Bergmann's exploration recommendations. 104A/4w

On Kingdom's 81 claims of the Rufus and MM.100 groups near Stewart, B.C. a 6-man crew supervised by C.R. Harris, P.Eng., completed geochemical sampling, trenching and blasting which extended previously identified mineralized areas. On the Rufus Group, several anomalous high zinc areas were outlined accompanied by higher than normal lead and copper. Mr. Harris recommends further testing of these areas and of the silver sulphide occurrences along the north end of the Rufus group. On the MM 100 group, geochemical sampling confirmed the anomalous areas discovered in 1981 and show almost identical patterns of silver, copper and zinc. Two zones are particularly worthy of diamond drilling. In the Mayflower Creek area, geochemical results in 1983 show almost identical locations for silver as was identified for gold in 1981. Kingdom management agree with the consultant's recommendations for further work in 1984, including both diamond and back-pack drilling of the most likely identified targets.