CARMAC RESOURCES LTD.

NAME:

BARNATO

CLAIMS:

28 Reverted Crown granted claims.
2 Mineral claims totalling 40 Units.

Valid until 1992.

STATUS:

100% owned by Carmac Resources Ltd.

TARGET:

Gold bearing quartz and fissure veins, bulk tonnage disseminated, and skarn gold.

LOCATION & ACCESS: The property is located 50 km east of Penticton, B.C. on NTS sheet 82E/7W. Access to the property is by local logging roads from either the main Kettle Valley road to the east or from

Beaverdell to the west.

HTSTORY:

The property has been intermittently evaluated since 1878 with the majority of work being concentrated on gold-arsenic bearing veins located on the Barnato crown grant. In 1938, 84.9 tons of hand sorted ore were sent to Tacoma, Washington for smelting from the Barnato Mine. The ore averaged 1.58 opt Au, 0.23 opt Ag and 10.17% As. Since then, sporadic exploration has been completed on the property.

GEOLOGICAL DESCRIPTION: Mapping has shown the claims to be underlain by Late Palaeozoic to Early Mesozoic volcanic flows, tuffs and volcanic derived sediments and limestone that have been intruded by quartz diorite to granodiorite plugs and dykes. Mineralization consisting of trace to massive pyrite, pyrrhotite and arsenopyrite occurs in both the volcanic and intrusive rock as disseminations, along fracture faces and within quartz veins generally in close proximity to the volcanicintrusive contact.

Sampling and mapping has outlined several areas of interest. On the Highland Mary crown grant, a 75 m long by up to 2.0 m wide northwest striking, steeply east dipping vein was shown to contain variable gold and arsenic. Assaying has shown gold values to be associated with arsenic. Grab samples from the vein range up to 1.838 opt Au with a 40 cm chip sample assaying 0.276 opt Au. Sampling of weakly arsenopyrite mineralized quartz vein material assayed 0.01 opt Au.

A second vein located 15 m to the west and parallel to the above was exposed in trench located at the south end of the system. A 30 cm chip sample of the vein assayed 0.542 opt Au. Both veins are open along strike. In addition, the ground between the two veins has not been trenched thereby offering the potential for the existence of additional veins.

On the Pan #1 and Kingston claims an extensive gossanous quartz diorite plug has been located in which several trenches assaying weakly anomalous (<500 ppb Au occur) with the best trench 90-1, averaging 0.051 opt Au over 5 m. In contrast to other mineralized areas arsenic was negligible (<50 ppm). Grab samples of arsenopyrite bearing quartz vein material located in the vicinity of Adit 90-1 assayed 0.226 opt Au.

Elsewhere on the property, several extensive in soil gold anomalies (>50 ppb Au) have been located that outline possible bulk tonnage targets. In addition, some of these gold anomalies occur in areas underlain by limestone which suggests skarn type mineralization.

TERMS:

To be discussed.