520904
104B 15E

CARMAC RESOURCES LTD.

NAME: KERR 31

CLAIMS: Best Bet # 1 - 4
80 units
Assessment filed to January 22, 1992

STATUS: Claims are owned by Canarc Resources Corp. and Carmac has an option to earn 50% by:

1. Exploration expenditures of $350,000 by October 30, 1993. A minimum work program was conducted in 1990.

2. Issuance of 50,000 shares on October 30, 1991 (50,000 previously issued) and payments of $100,000 ($25,000 already paid) by October 30, 1994.

3. Paying a 2% N.S.R., with 1% available for purchase for $1.0 million.

TARGET: Polymetallic mineralization similar to that at the Eskay Creek deposit and the GOZ-RDN showing and gold bearing quartz and fissure veins as found at the Snip and Sulphurets deposits.

LOCATION & ACCESS: The property is located 115 km north of Stewart, B.C. on NTS sheet 104B/15E. Access is by helicopter from the Bob Quinn staging area located along the Stewart-Cassiar Highway, 30 km to the east.

HISTORY: There is no record of any work having been carried out on the claims. Recent exploration and development activity has been focused on vein and fissure vein gold mineralization at the nearby Snip, Skyline and Sulphurets deposits and on gold and silver bearing polymetallic deposits similar to that at Eskay Creek. Within the immediate area, drilling completed in 1990 by Noranda/High Frontier 14 km to the north intersected a 4.4 m section that averaged 0.341 opt Au. Adjacent to the northwest exploration by Ecstall Mining on its Fargold property, has located in outcrop samples that assay up to 3.3 opt Au, 85.8 opt Ag, 31.5% Cu, 14.7% Zn and 6.9% Pb. The Kerr 31 occurs in rocks similar to those on High Frontier's and Ecstall's ground.

GEOLOGICAL DESCRIPTION: The Kerr 31 property is underlain by Eskay Creek facies rocks consisting of andesitic flows and tuffs along with intercalated sediments in which granitic bodies have intruded. Several small faults occur throughout. Moderate chloritization is observed within local gossans. Sulphide mineralization consists of 2-4% disseminated pyrite within sediments. In 1990 a limited exploration program consisting of regional stream and rock chip sampling was completed in the northern third of the property. Rock chip results were largely negative. However, the stream sediments outline four sites of anomalous gold geochemistry with values of up to 60 ppb. No follow-up work was completed to determine the sources of these anomalies.

TERMS: To be discussed.