

521717

REPORT ON THE  
MAR 1 [8 UNITS], MAR 2 [12 UNITS], MAR 3 [6 UNITS]  
Lat. 53°30'N Long. 132°08'W

NTS 103F/8E, 9E  
QUEEN CHARLOTTE ISLANDS, B. C.  
SKEENA M. D.

for

PRYME ENERGY RESOURCES LTD.  
202 - 595 Howe Street  
Vancouver, B. C.

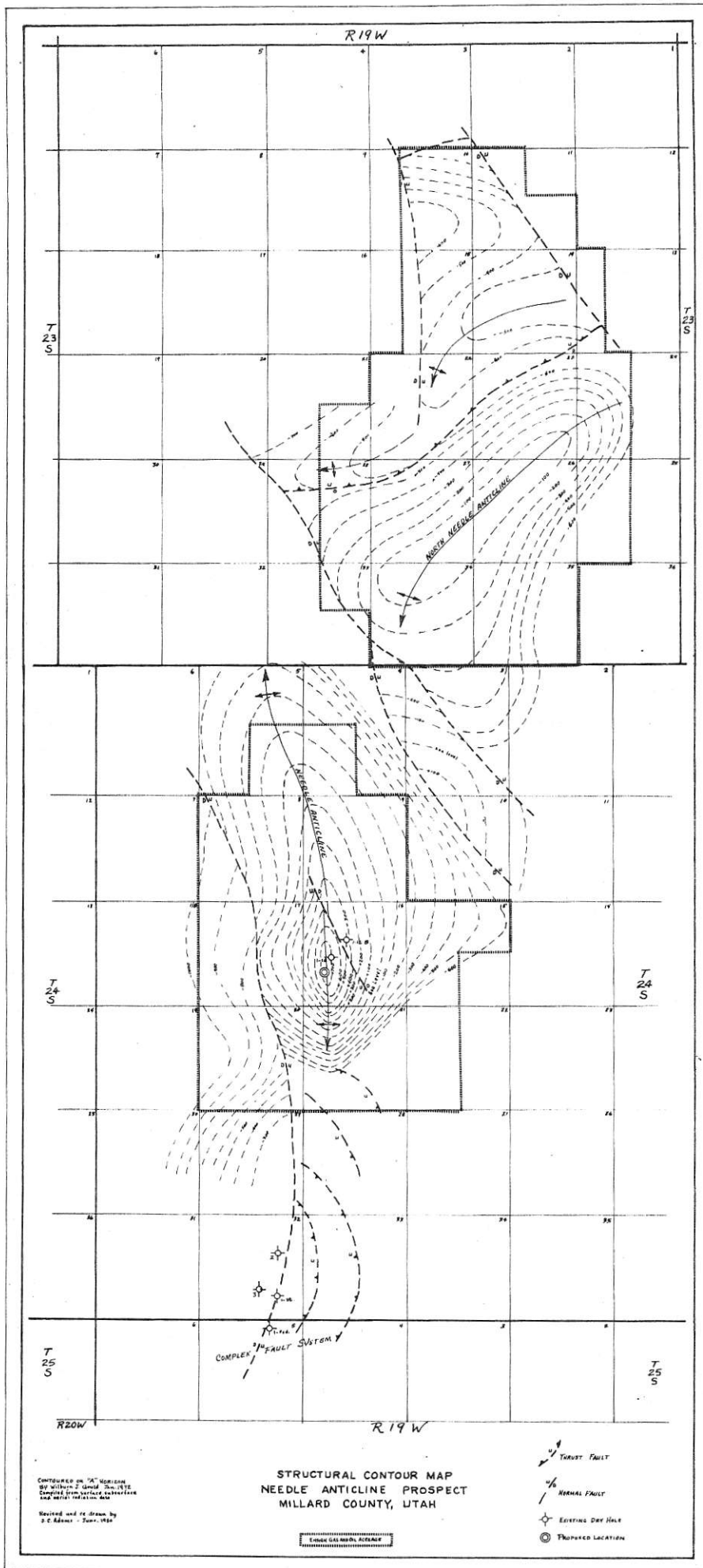
by

A.F. ROBERTS, P. ENG.

July 6, 1980

**A. F. ROBERTS, P.ENG.**  
CONSULTING MINING ENGINEER

717152



This map applies to another report (Needle Anticline Prospect)

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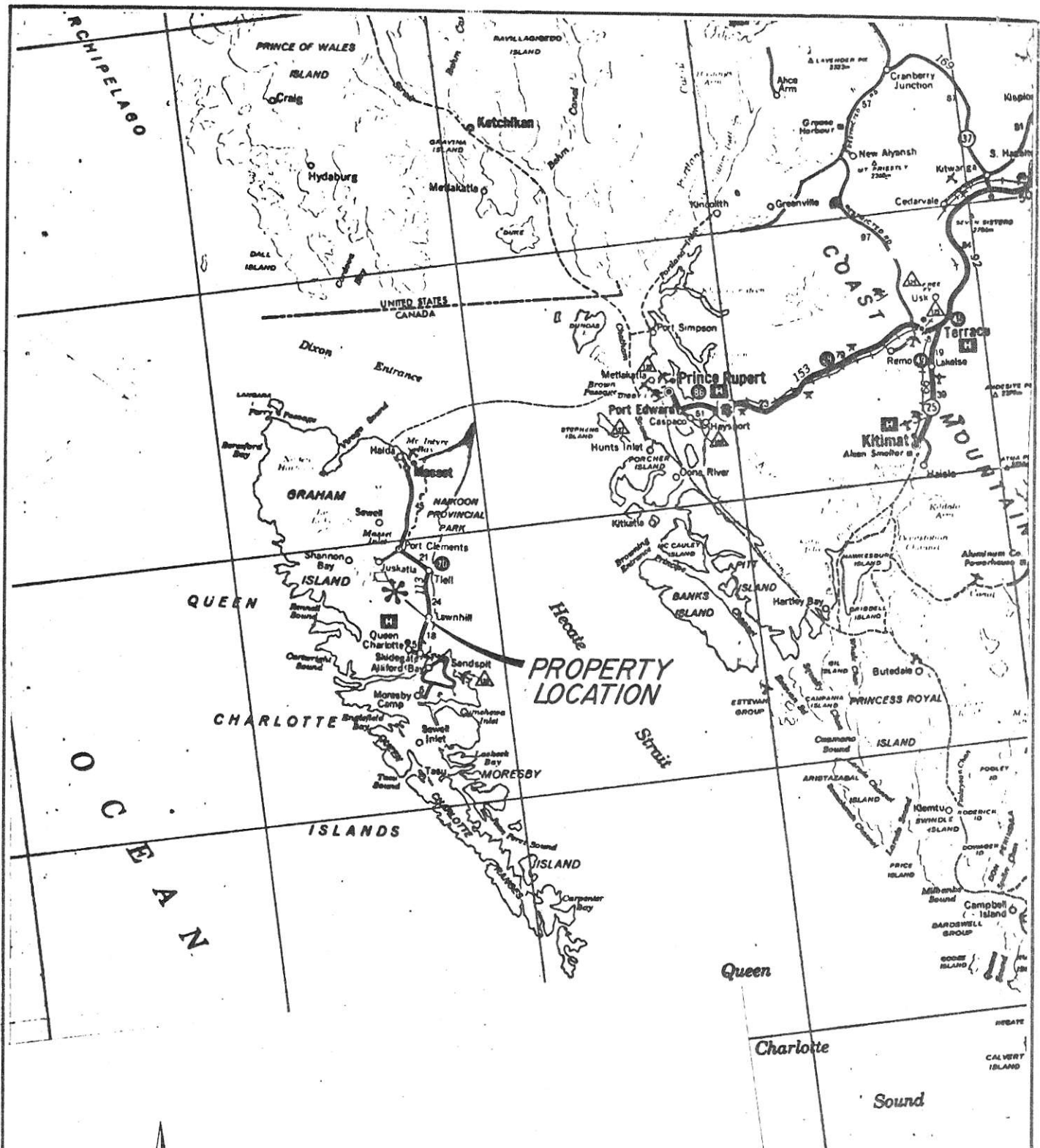
### MAPS

Ref. No.

- 1] Location Map: B.C. Road Map,  
1 cm = 76 km.....[Frontispiece]
- 2] Logging Roads: MacMillan-Bloedel,  
1.8 in. = 4 miles.....[Follows page 1]
- 3] Topographic Map: NTS 103F/8E, 9E  
1:50,000.....[Follows page 2]
- 4] Claim Map: B.C. Department of Mines  
& Petroleum Resources, 103F/9,  
1:50,000.....[Follows page 3]
- 8] Geology Map, from Bulletin 54,  
with Legend.....[Follows page 4]

### REFERENCES

- 5] B.C. Department of Mines & Petroleum Resources, Bulletin  
54, Geology of the Queen Charlotte Islands, B.C., by A.  
Sutherland Brown, 1968
- 6] Reports with Drill Logs, for Consolidated Cinola Mines  
Ltd., by A.F. Roberts, P.Eng., 1977-1979
- 7] Qualifying and Geochemistry Reports for several companies,  
by A.F. Roberts, P.Eng., 1979 to date
- 9] B.C. Department of Mines & Petroleum Resources, Babe Gold  
Prospect, Queen Charlotte Islands, B.C.; by A. Sutherland  
Brown, T.G. Schroeter, 1977



**PRYME ENERGY RESOURCES LTD.**  
 VANCOUVER, B.C.

**MAR CLAIMS**  
 QUEEN CHARLOTTE ISLANDS, B.C.  
 SKEENA M.D.  
 NTS 103 F / 9E, 8E

**LOCATION MAP**

SCALE IN KILOMETRES  
 0 24 48 72 96

TO ACCOMPANY REPORT BY A.F. ROBERTS, P.Eng. July 6, 1980

S U M M A R Y

It has been found that in all the formations seen in the Islands, all carry pyrite, very fine, in fractures, and disseminated, often rimming conglomerate pebbles and breccia fragments.

Assays of specimens, and samples of these materials all report measurable amounts of gold and silver. There have been no "blanks" or "traces".

The Consolidated Cinola property is a large low grade occurrence of auriferous pyrite.

A number of major, and junior companies are engaged in exploration programs to find similar deposits of economic importance.

The Mar Group of mineral claims is believed to be underlain by rocks favourable to the formation of an economic deposit of auriferous pyrite.

Therefore, a Phase I program of soil sampling and VLF-EM surveying is recommended.

The cost of a Phase I program is estimated at \$47,000.00.

Phase II would be a program of detailing anomalous areas found in Phase I, and if overburden permits, backhoe trenching to cost an estimated \$44,000.00.

Phase III, diamond drilling, is estimated to cost a minimum of \$150,000.00.

Respectfully submitted

*A.F. Roberts*  
A.F. Roberts, P. Eng.,  
July 6, 1980



REPORT ON THE  
 MAR 1 [8 UNITS], MAR 2 [12 UNITS], MAR 3 [6 UNITS]  
 Lat.  $54^{\circ}30'N$  Long.  $132^{\circ}08'W$

NTS 103F/8E, 9E  
 QUEEN CHARLOTTE ISLANDS, B. C.  
 SKEENA M.D.

for  
 PRYME ENERGY RESOURCES LTD.  
 202 -595 Howe Street  
 Vancouver, B.C.

by  
 A.F. ROBERTS, P. ENG.

June 6, 1980

### INTRODUCTION

This report is authorized by the Directors of the Company.

Its purpose is to evaluate the claims as a possible source of an economic deposit of gold ore, similar to that of Consolidated Cinola Mines Ltd.

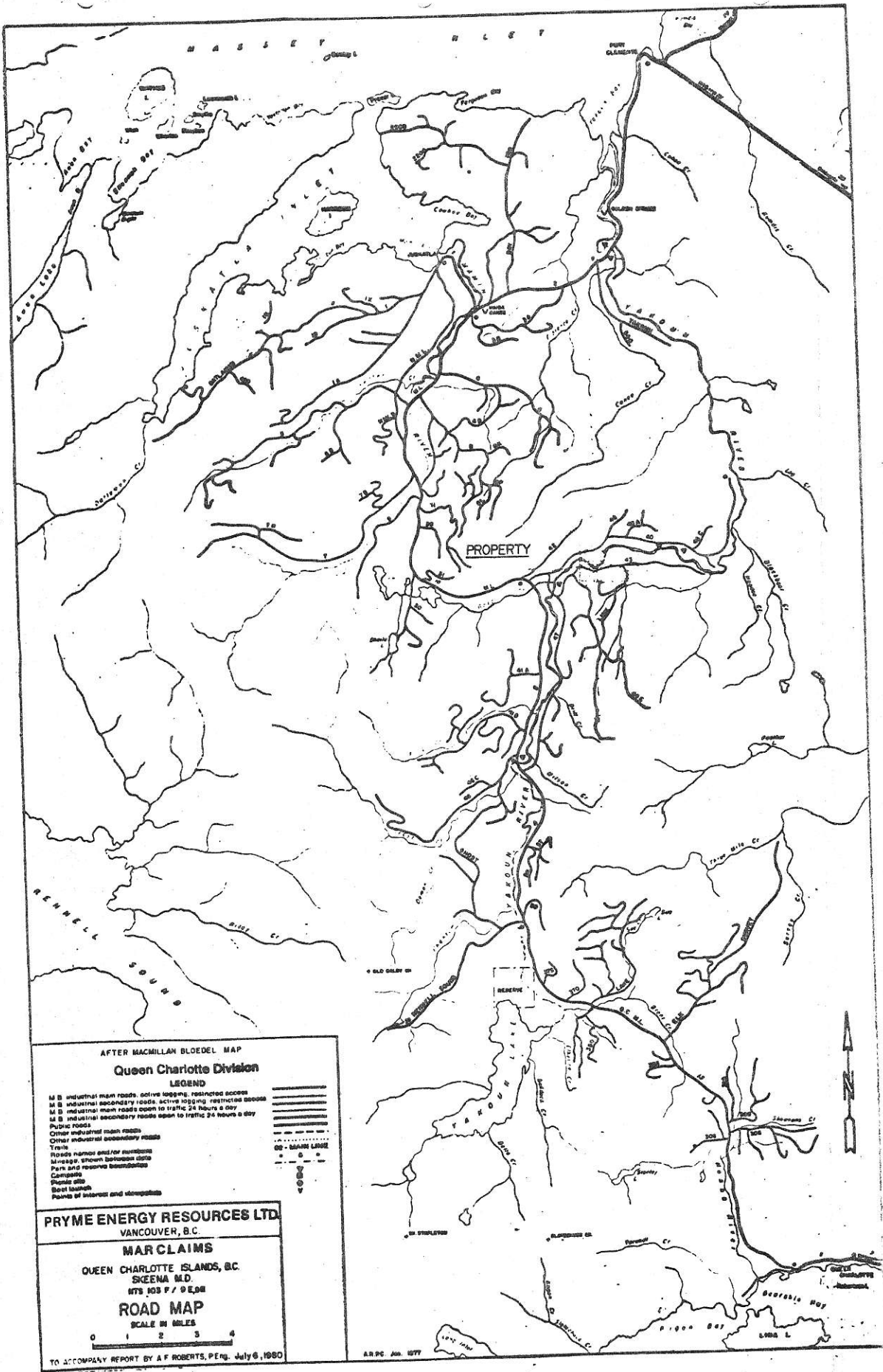
The Mar Claims were traversed in the period August 24-27, 1979 while on adjoining claims for other companies.

Information from other sources is acknowledged in the text.

### LOCATION, ACCESS, TOPOGRAPHY 1] 2] 3]

The claims lie near the centre of Graham Island, the northern main island of the group. They are almost midway between Queen Charlotte City, and Juskatla.

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- 1] Location Map: B.C. Road Map, 1 cm = 76 km [Frontispiece]  
 2] Logging Roads: MacMillan-Bloedel  
 1.8 in. = 4 mi. [Follows page 1]  
 3] Topographic Map: NTS 103F/8E, 9E;  
 1:50,000 [Follows page 2]



AFTER MACMILLAN BLOEDEL MAP  
**Queen Charlotte Division**

**LEGEND**

- M B industrial main roads, active logging, restricted access
- M B industrial secondary roads, active logging, restricted access
- M B industrial main roads open to traffic 24 hours a day
- M B industrial secondary roads open to traffic 24 hours a day
- Public roads
- Other industrial main roads
- Other industrial secondary roads
- Trails
- Roads narrow and/or hazardous
- Minerals shown by various dots
- Park and reserve boundaries
- Campsite
- Point of interest
- Point of interest and viewpoint

**PRYME ENERGY RESOURCES LTD.**  
 VANCOUVER, B.C.

**MAR CLAIMS**

QUEEN CHARLOTTE ISLANDS, B.C.  
 SKENA M.D.

475 105 P / 9 E, 08

**ROAD MAP**

SCALE IN MILES



TO ACCOMPANY REPORT BY A.F. ROBERTS, P.Eng. July 6, 1980

ARPC July 1977

Branch roads 40, 40c, and 43 give access to the claims.

Permission to use the logging roads during working hours must be obtained from MacMillan-Bloedel offices in either Queen Charlotte City or Juskatla.

The Yakoun River divides the claims flowing from west to east. The Blackburn and Hoodoo Creeks flow north-erly through Mar 2 claim. There is plenty of water for all purposes within the group.

The claims are covered with slash and heavy second growth timber, with some small sections of virgin timber.

Elevations range from 30 metres ASL at the Yakoun River to 100 metres on all claims. The country is generally flattish and slopes are reasonably gentle.

No outcrops were seen.

CLAIM GROUP 4]

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Mar 1	8	1702	September 13, 1980
Mar 2	12	1703	September 13, 1980
Mar 3	6	1704	September 13, 1980

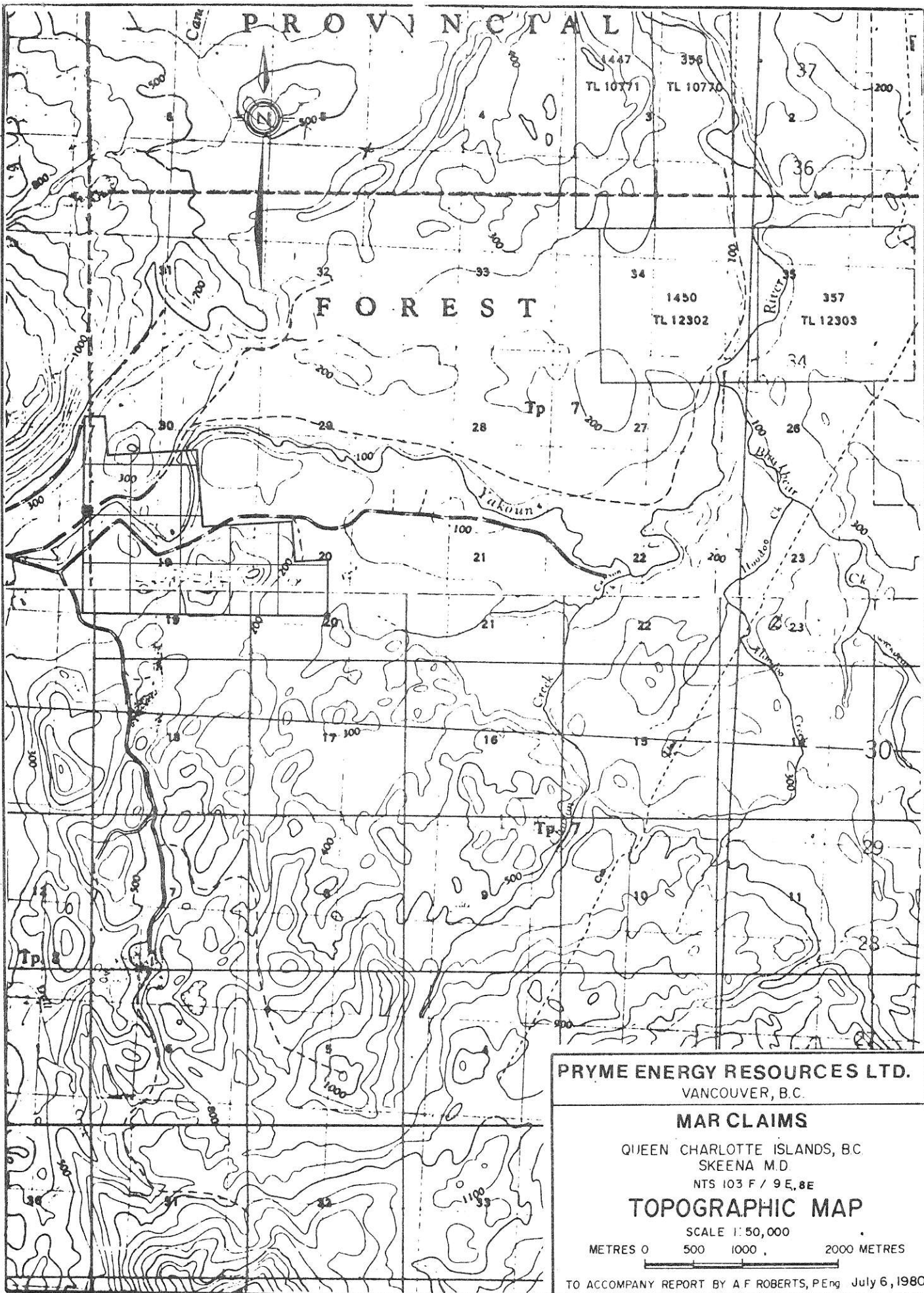
Legal Posts, and unit posts noted, fulfilled the requirements of the Mining Act.

The exact location, and the amount of ground covered can only be determined by a Legal Survey.

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4] Claim Map: B.C. Department of Mines & Petroleum Resources, 103F/9, 1:50,000 [Follows page 3]





**PRYME ENERGY RESOURCES LTD.**  
 VANCOUVER, B.C.

**MAR CLAIMS**

QUEEN CHARLOTTE ISLANDS, B.C.  
 SKEENA M.D.  
 NTS 103 F / 9 E, 8 E

**TOPOGRAPHIC MAP**

SCALE 1:50,000

METRES 0 500 1000 2000 METRES

TO ACCOMPANY REPORT BY A F ROBERTS, P.Eng July 6, 1980

HISTORY 5]

A brief history from Bulletin 54, is as follows: Gold was discovered at Mitchell Inlet, mined by the Hudson Bay Company, and a small amount of gold was recovered from a narrow vein. This vein was mined again, at least twice, for small recoveries, and is being investigated again at this date.

Other gold veins have been mined at several locations within the islands, usually short high grade sections, with very small tonnages, but nothing substantial enough to provide a continuing operation.

Placer gold, and heavy minerals are found along the northeastern beaches, but to date have not proven economic.

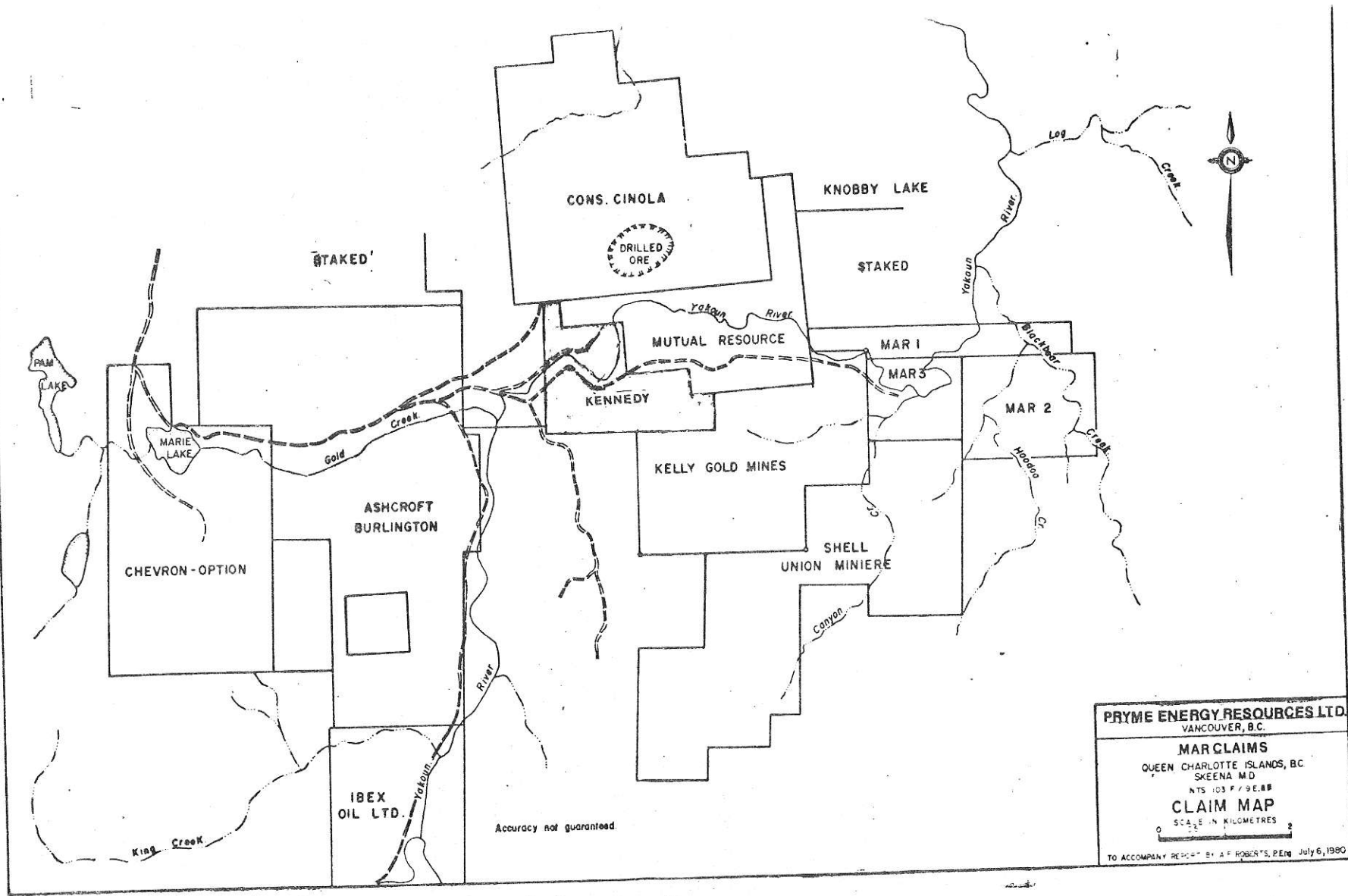
Prospectors have told the writer of finding colours in a number of creeks, but have not provided factual data.

Several major companies did some work on the Specogna prospect, where Consolidated Cinola Mines Ltd. has, since 1977, drilled off some millions of tons of low grade gold-silver ore. This company expects to go into production in the near future at 10,000 tons per day.

The Consolidated Cinola property lies approximately 5 km northwest of the Mar claims.

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5] B.C. Department of Mines & Petroleum Resources, Bulletin 54, Geology of the Queen Charlotte Islands, B.C., by A. Sutherland Brown, 1968; pages 165, 168, 173-4.



**PRYME ENERGY RESOURCES LTD.**  
 VANCOUVER, B.C.  
**MAR CLAIMS**  
 QUEEN CHARLOTTE ISLANDS, B.C.  
 SKEENA M.D.  
 NTS 103 P 9 E, 88  
**CLAIM MAP**  
 SCALE IN KILOMETRES  
 0 1 2  
 TO ACCOMPANY REPORT BY A.F. ROBERTS, P.Eng July 6, 1980

Accuracy not guaranteed.

A number of major companies, and many junior companies are carrying on exploration programs in the immediate area. 6] 7]

GENERAL GEOLOGY 8] 9]

No outcrops were noted on the Company's property. Therefore, reliance for geology is made on Bulletin 54, and the writer's knowledge of adjacent and other nearby properties.

The probable formations are:

QS - Quaternary alluvium, overlying Skonan formation covers the entire area.

TS - Tertiary Skonan formation: sandstone, conglomerate, mudstone.

TM - Paleocene, Masset Formation, sub-aerial flows, basalt flows, dacite, rhyolite, breccias, ash flows.

KHo - Cretaceous, Queen Charlotte group, conglomerate with granitic pebbles, arkosic grits, minor shales.

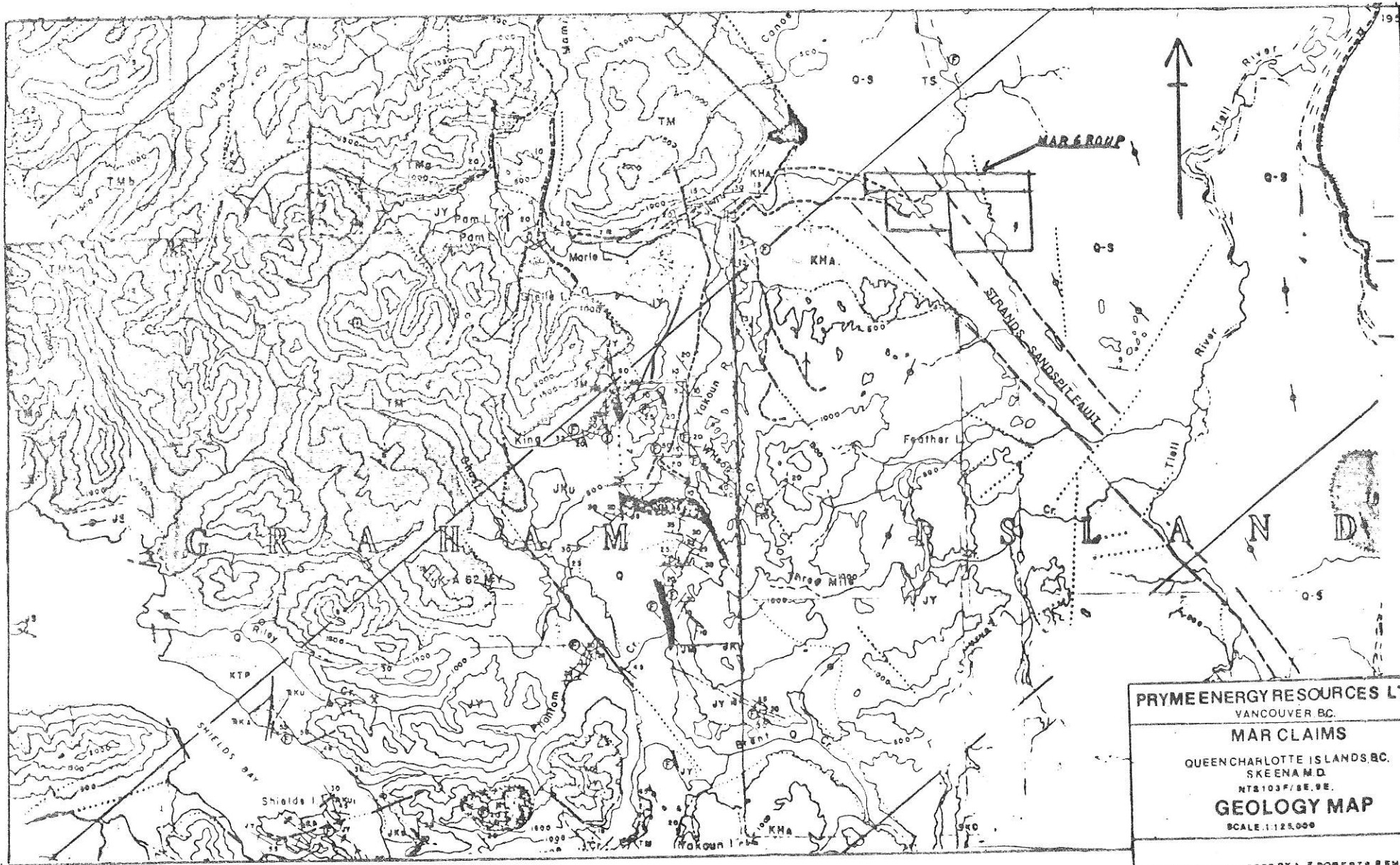
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6] Reports, with drill logs, for Consolidated Cinola Mines Ltd., A.F. Roberts, P.Eng., 1977-79

7] Qualifying and Geochemistry Reports for several companies, A.F. Roberts, P.Eng., 1979-1980

8] Geology Map: Bulletin 54,  
1:125,000 with Legend [Follows page 4]

9] B.C. Department of Mines & Petroleum Resources; Babe Gold Prospect, Queen Charlotte Islands, B.C. [103F/9E]; A. Sutherland Brown, T.G. Schroeter, 1977



PRYME ENERGY RESOURCES LTD  
 VANCOUVER, B.C.  
**MAR CLAIMS**  
 QUEEN CHARLOTTE ISLANDS, B.C.  
 SKEENA M.D.  
 NTS 103 P/SE, SE.  
**GEOLOGY MAP**  
 SCALE: 1:125,000

TO ACCOMPANY REPORT BY A. F. ROBERTS, P. ENG.  
 DATED July 6, 1980

All rocks sampled carry pyrite. Many samples and specimens have been assayed by the writer to get low values in gold and silver. No assays have gone "trace" or "blank". All rocks sampled have carried a measurable amount of gold and silver.

There is a great abundance of chalcedonic quartz in the fractures of all rocks.

### STRUCTURE

On the ground there is no apparent evidence of structure.

The geology map shows a photo lineament with a northerly strike passing through the Mar 1 and Mar 3 claims.

It is highly probable that the Sandspit Fault, which is believed to be related to the Cinola ore, or one of its strands passes through the property.

Geochemical anomalies on nearby properties show a strong east to northeast trend, which is probably related to fracturing, and could occur on this property.

### CONCLUSIONS

These claims are considered to be a good geological bet for finding of an economic deposit of gold ore, similar to that of the Consolidated Cinola properties to the northwest.

The rocks are favourable, and the structure is considered good.

RECOMMENDATIONSPhase I

1. a] Lay out a reconnaissance grid 100 metres by 50 metres.
- b] Take soil samples, auguring if necessary, to get the "B" horizon; take "A" horizon if there isn't any "B". If outcrops are found that were missed on the reconnaissance, take chip samples.
- c] Map any geology found on the grid.
- d] Using a Sabre Model 27, VLF-EM instrument, measuring dip angles and total field on 25 metre spacing on all lines. If cross overs are noted in the field, then repeat the line on 12½ metre spacing in the interval of the cross over.

Phase II

Depending on the results of Phase II, diamond drilling will be required.

If Phase II is not feasible in its entirety, Phase III may be advanced to Phase II.

ESTIMATED COSTSBasic Costs

Sample collection: \$10/sample with grid and map of lines.  
 Assay \$8.25/sample. Gold, Arsenic, Mercury, Silver required.  
 VLF-EM survey \$150/km, proving useful on other properties on reconnaissance grid 100 metres by 50 metres. Total line distance - 64 km.

Costs

Sample Collection:	
1280 samples at \$10/sample	\$ 12,800.00
VLF-EM survey 64 km @ \$150/km	9,600.00
Assaying	10,560.00
Engineering, supervision, mapping, reports	<u>7,500.00</u>
Sub-total	\$ 40,460.00
15% contingencies	<u>6,063.00</u>
Total	<u>\$ 46,523.00</u>

Say \$47,000.00

Phase II

Detail 33-1/3% of Phase I, say	\$16,000.00
Backhoe trenching and roads 200 hours @ \$95.00/hour	19,000.00
Mobilization, demobilization	1,000.00
Engineering, supervision, reports	<u>7,500.00</u>
Total	<u>\$43,500.00</u>

Say \$44,000.00

Phase III

Diamond drilling will cost about \$100.00/metre

A minimum of 1,000 metres will be required to test anomalies, and with related costs, including assaying, is estimated at a minimum of \$150,000.00

Respectfully submitted,

*A. F. Roberts*

A.F. Roberts, P.Eng.  
July 6, 1980





CERTIFICATE

I, A.F. Roberts, of 812 Fairbrook Crescent, Richmond, British Columbia, do hereby certify that:

- 1] I am a graduate of the University of British Columbia, B.Ap.Sc., in Mining Engineering, 1951.
- 2] I am a Registered Professional Engineer of the Province of British Columbia; and am a Member of the Canadian Institute of Mining and Metallurgy.
- 3] I have practiced my profession since 1951, with Quatsino Copper-Gold Mines Ltd., Giant Mascot Mines Ltd., Cochenour-Willans Gold Mines Ltd., Mogul Mines Ltd., Kerr-Addison Gold Mines Ltd., Atlantic Coast Copper Corporation Ltd., Wasamac Mines Ltd., Brenda Mines Ltd., and T.C. Explorations Ltd.

Since January 1970, I have been an independent Consulting Engineer.

Previous to, and during University, I worked underground as a miner, and on several exploration-development projects.

- 4] The accompanying report is based entirely on my personal examination of the area, August 24-27 and September 19-22, 1979, while engaged in the area.
- 5] I have no interest, direct or indirect, in the Mar Claims, nor have I any interest, direct or indirect, in the Pryme Energy Resources Ltd., or in any companies with which it may be associated. I have not, nor do I expect to receive any interest in shares of any company, in its securities, or any company with which it may become associated.
- 6] I consent to the use of this report in, or in conjunction with a prospectus, or a statement of material facts, relating to the raising of funds for this project.

DATED at Vancouver, British Columbia, this sixth day of July, 1980.

*A.F. Roberts*

A.F. Roberts, P.



20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

September 30, 1980  
(Date)

Anthony Louis Agostino - President, Director and Promoter

James Gerald Ager - Secretary, Director and Promoter

Edward Peter Ostashek, Director and Promoter

CERTIFICATE OF THE UNDERWRITER(S):

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

September 30, 1980  
(Date)

CANARIM INVESTMENT CORPORATION LTD.

Per: [Signature]  
CONTINENTAL CARLISLE DOUGLAS

Per: [Signature]