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669-8959

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GEOLOGICAL REPORT

ON THE

GOLDEX, NR AND MAY MINERAL CLAIMS  
FORMER NIT.

IN THE

ALBERNI AND VICTORIA MINING DIVISIONS

48° 55' North Latitude

124° 30' West Longitude

for

TERRAMAR RESOURCE CORPORATION

June 24, 1980

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## INTRODUCTION

In May 1980 officers of Terramar Resource Corporation commissioned W.G. Stevenson & Associates Ltd. to assess the mineral potential of three separate mineral claims which they held on Vancouver Island and to propose a program of exploration to test this potential.

To accomplish this assignment I spent the period May 29 - 30, 1980 mapping the geology, collecting samples for assay and appraising each of the properties. Mr. Wally Deans prospector and one of the vendors of the properties accompanied me on my examination and provided valuable assistance, information and background data.

## PROPERTY AND TITLE

Terramar Resource Corporation have acquired options from Messrs. Wally Deans and Peter Fox on three separate mineral claims. These claims, the Goldex, NR and May are within the Alberni and Victoria Mining Divisions in the southern part of Vancouver Island.

The attachment marked Appendix "A" provides data pertinent to each of the mineral claims, the map marked Appendix "B" shows the location and relative position of each of these mineral claims.

The May mineral claim is within the E & N Railway holdings. The staking of mineral claims within the E & N Railway conveys only the gold and silver rights from the Crown to the claim holder. Base metal rights which are retained by the E & N Railway must be acquired through leases from the E & N.

LOCATION AND ACCESS

The subject mineral claims are centered near the west end of Cowichan Lake approximately 65 miles northwest of Victoria. (48°55' North Latitude and 124°30' West Longitude)

The Goldex mineral claim is in the Alberni Mining Division, 1/2 mile southeast of the south end of Tuck Lake and 4½ miles west of the west end of Cowichan Lake.

The NR mineral claim is in the Victoria Mining Division 5½ miles southwest of the west end of Cowichan Lake and 5 miles south of the Goldex mineral claim.

The May mineral claim is in the Victoria Mining Division near the headwaters of the Gordon River, 9 miles southeast of the Goldex mineral claim.

Access can be gained to the mineral claims westerly from Duncan over Provincial Highway No. 18 to Honeymoon Bay, a distance of 22 miles. From Honeymoon Bay, well maintained logging roads extend to each of the mineral claims, a distance of approximately 15 miles.

Duncan, a town on the east coast of Vancouver Island is located 30 miles northwest of Victoria.

### HISTORY

Over the past 75 years claims have been staked over mineral discoveries made in the southern part of Vancouver Island. Approximately 25 years ago Mr. Wally Deans, who was then working for Cowichan Copper Company, prospected in this area, made discoveries and staked mineral claims. Geological mapping, soil sampling, test pitting and dozer trenching was accomplished on several of the properties staked by Mr. Dean. These claims were eventually allowed to lapse and Mr. Dean has periodically staked and explored certain of his original discoveries.

On April 19, 1980, Mr. Deans staked the Goldex mineral claim 1/2 mile southeast of Tuck Lake. This was a re-staking of the Nit 1-4 mineral claims numbers 18662-18665 which he had staked on April 28, 1972 and recorded on May 3rd, 1972. During 1973 Nomad Mines Ltd. obtained an option on these claims and conducted a program of exploration. Certificates of work were submitted to the provincial government which satisfied the assessment requirements for a number of years; however, the Nomad option was terminated in about 1974.

The NR claim group was located on July 6th, 1975 by Mr. Wally Deans and recorded on July 7th, 1975. This claim

covered part of a large block of claims formerly held by Cowichan Copper Company. A program of geological mapping and sampling was accomplished, and a Certificate of Work was submitted which satisfied the assessment requirements on these claims for a period of 5 years.

The May mineral claim was staked by Mr. W.W. Dean on May 1st, 1980 to cover an old tunnel located near the headwaters of Gordon Creek, within the E & N Railway grant. This property was first staked by Mr. Deans in about 1960. Mr. Dean has periodically staked claims over the old mine workings since that time. I have been unable to find any reference in the literature pertinent to this old working.

#### GEOLOGY

The surficial geology encompassing the area over the western end of Cowichan Lake is essentially flat-lying or gently dipping volcanic flows, breccias and ash layers, part of the Karmutsen Group, and sedimentary shale and limestone beds, part of the Quatsino Formation, all of Upper Triassic age. These volcanic and sedimentary beds have been intruded by stocks and dikes of variable composition which have, in places, near their contact, produced skarn horizons and altered zones.

MINERALIZATION

GOLDEX MINERAL CLAIM

A map prepared by Mr. Dean of the Goldex Mineral area was available to me for my examination. This map showed seven dozer trenches within and beyond the limits of the Goldex claim, the location of the samples collected in the trenches, and their assay values.

At the time of my examination most of the pits and dozer trenches were sloughed in, and the workings and trails overgrown with second growth firs and alders. I would judge that bedrock is masked by overburden over 95% of the mineral claim. Where I saw outcrops, the country rock was a dark volcanic flow, classified as part of the Karmutsen Group.

During my examination I collected one chip sample, seven specimen samples and two soil samples. At two of my sample sites, the volcanic rock was cut by northwesterly-trending, weak shear zones. A series of narrow, white quartz veinlets, subparallel with the shear zone, was exposed at one of the sample sites. The veinlets were intermixed with bands of oxidized iron with remnant iron sulfides and minor copper oxide staining.

I collected a chip sample across the volcanic series over a width of four feet where seven quartz veinlets made up approximately 14% of the sample. The specimen samples were collected from the strongest mineralization which I recognized on the property. The assay of four of these samples showed significant gold content.

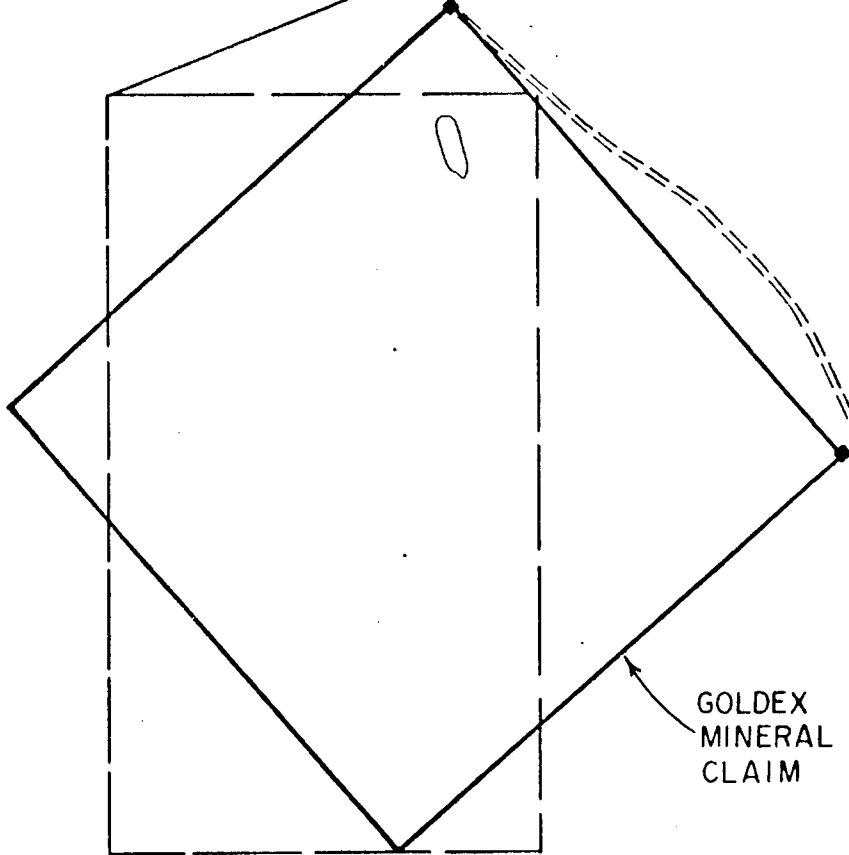
CONCLUSIONS .

1. Four of the eight rock samples which I collected on the Goldex mineral claim showed significant gold content.
2. Overburden masks bedrock exposure over approximately 95% of the surface over the Goldex claim.
3. In my judgment, a program of geological mapping, geochemical and geophysical surveying, test pitting and trenching is warranted in an effort to develop drilling objectives.
4. The mapping and sampling accomplished over the NR mineral claim has revealed scattered occurrences of copper associated with magnetite in a complex geological environment.
5. The existence of magnetite within the claim suggests that a magnetitic geophysical survey, coupled with geological mapping and sampling would provide sufficient information to reach a decision whether ongoing exploration is justified.
6. The position of the May mineral claim within the E & N Railway grant reduces the importance of the lead and zinc mineralization found in the samples on the dump.
7. The absence of gold and silver in the exposed vein on the May mineral claim reduces the importance of this prospect.



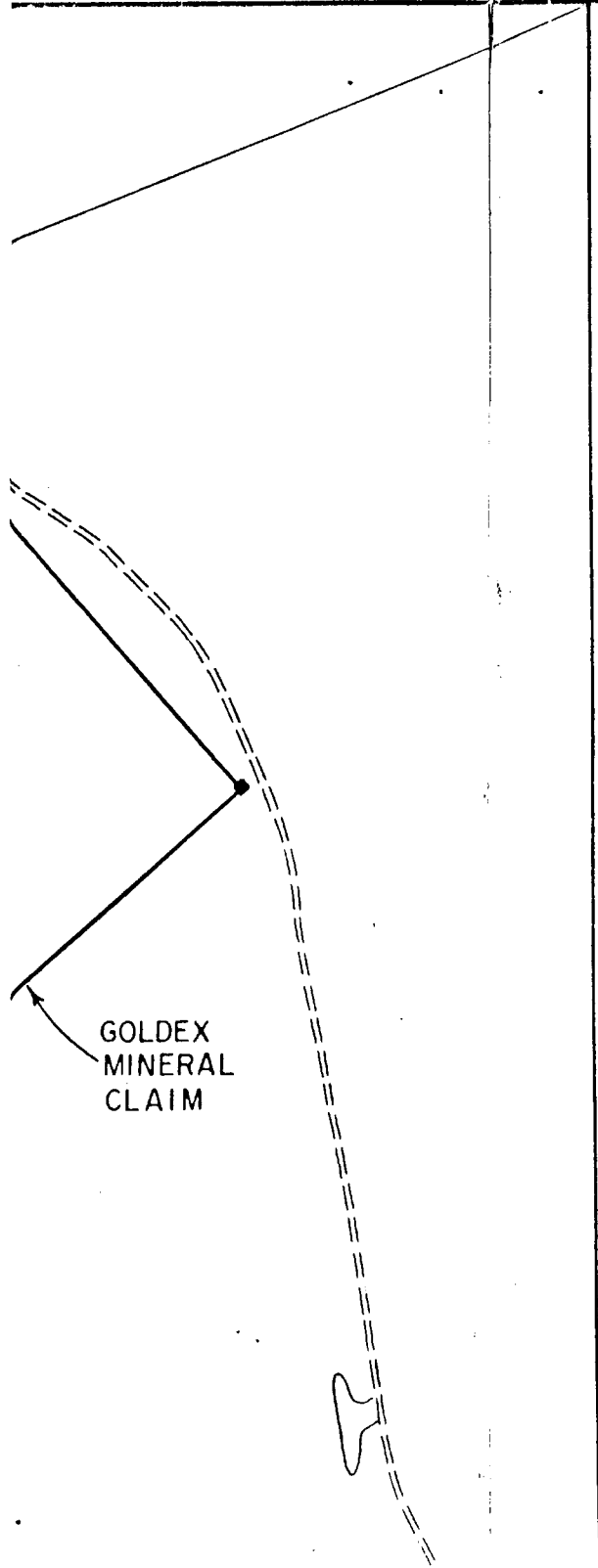


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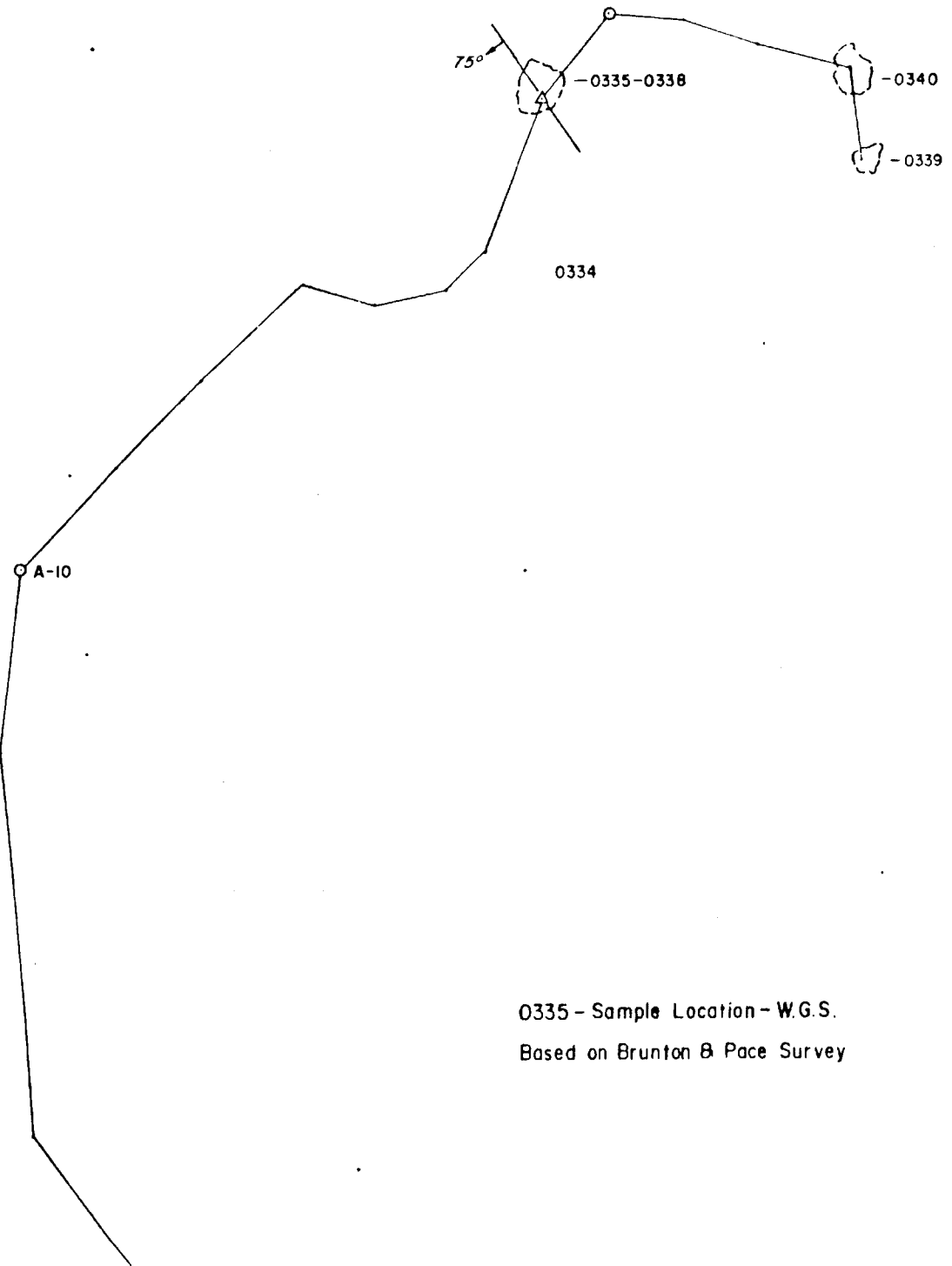


GOLDEX  
MINERAL  
CLAIM

3



GOLDEX  
MINERAL  
CLAIM



0335 - Sample Location - W.G.S.  
Based on Brunton & Pace Survey



TO:  
**W.G. STEVENSON & ASSOC. LTD.**  
 609 - 475 Howe Street  
 Vancouver, B.C.  
 V6C 2B3

# General Testing Laboratories

A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST. VANCOUVER B.C. CANADA V8A 1W2  
 PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

## CERTIFICATE OF ASSAY

No.: 8006-0658      DATE June 18, 1980

We hereby certify that the following are the results of assays on:

Ore

MARKED	GOLD	SILVER	Copper	Lead	Zinc	XXX	XXX	XXX
	(oz/st)	(oz/st)	Cu (%)	Pb (%)	Zn (%)			
0333	0.002	trace	-	-	-			
0334	0.002	trace	-	-	-			
0335	0.002	trace	-	-	-			
0336	0.084	trace	-	-	-			
0337	0.268	0.05	-	-	-			
0338	0.112	0.03	-	-	-			
0339	0.012	trace	-	-	-			
0340	0.572	0.10	-	-	-			
0346	0.002	trace	0.03	-	-			
0347	0.002	trace	0.09	3.23	9.33			
0348	0.002	trace	0.01	0.02	0.03			
0349	0.002	trace	0.02	0.14	0.18			
0350	0.002	trace	0.04	0.03	0.03			
345	0.002	0.11	0.68	-	-			
<u>Geochem Samples</u>								
		<u>GOLD</u>						
		<u>Au (oz/st)</u>						
0341		0.004						
0342		0.008						

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR

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J. WONG      PROVINCIAL ASSAYER

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TABULATION OF SAMPLE AND ASSAY DATA PERTINENT TO THE MINERAL CLAIMS  
IN THE VICTORIA AND ALBERNI MINING DIVISIONS WHICH ARE HELD BY  
TERRAMAR RESOURCES CORPORATION TO ACCOMPANY REPORT DATED JUNE 24/80  
BY W.G. STEVENSON & ASSOCIATES LTD.

Sample Number	Location	Description	Width	Oz/Ton		%		
				Gold	Silver	Copper	Lead	Zinc
0333	Goldex Mineral Claim	Karmutsen Vol. with 7 quartz veinlets	4'	.002	Tr			
0334	Goldex Mineral Claim	Karmutsen with iron oxide & quartz	1½	.002	Tr			
0335	Goldex Mineral Claim	" " " "	9"	.002	Tr			
0336	Goldex Mineral Claim	" " " "	Specimen	.084	Tr			
0337	Goldex Mineral Claim	" " " "	6" chip sample	.268	.05			
0338	Goldex Mineral Claim	" " " "	6" chip sample	.112	.03			
0339	Goldex Mineral Claim	" " " "	6" chip sample	.012	Tr			
0340	Goldex Mineral Claim	" " " "	6" chip sample	.572	.10			
0341	Goldex Mineral Claim	Soil		(.004)*				
0342	Goldex Mineral Claim	Soil		(.008)**				
0345	NR Mineral Claim	Karmutsen Vol.	Specimen	.002	.11	0.68		
0346	NR Mineral Claim	Karmutsen Vol.	1'	.002	Tr	.03		
0347	X May Mineral Claim	Selected Spec. min. mtl. from dump		.002	Tr	.09	3.23	9.33
0348 ✓	X May Mineral Claim	Qtz. Vein	6'	.002	Tr	.01	0.02	0.03
0349 ✓	X May Mineral Claim	Qtz. Vein	3'	.002	Tr	.02	0.14	0.18
		adjoins & is NE of 0348						
0350 ✓	X May Mineral Claim	Qtz. Vein	9"	.002	Tr	.04	0.03	0.03
		adjoins and is NE of 0349						

(\*) = .14 ppm gold  
(\*\*) = .17 ppm gold