

YALAKOM PROPERTY

SUMMARY

LOCATION

Big Dog mtn. @ elevn. 2300 m (7500')

9 Adit on Yalakom 2 claim is 280m above and

1.5 kms. west of Elizabeth mine.

CLAIMS

8 Crown Granted (reverted) claims.

Yalakom 1-4

Plateau 5-8.

HISTORY

1948 High grade boulders in talus found by Bralorne on present Yalakom 2 claim.

Trenching - 250' long, 2'-3' wide, north striking vein. (# 9 vein)

1949-50 Drifting - 807' on # 9 vein.

- Values in vein but no spectacular V.G. as found in float - Bralorne assays 1.45 opt/1.23 over 164'. (Thompson 1957)

1956 - W.H. White est. 800 tons containing 1770 ozs. (2.21 opt)

1957 - White - "# 9 substantially narrower than Elizabeth but higher grade than the west vein, and a greater part of its 807' contains Au. . . . best shoots where cross-fractures and where strike deflections. . . . Dip 70° West? . . .

- Thompson -

1982 Pseudler - est. 4000+ tons of 0.77 opt. assuming 20% dilution on 1.23' vein

1983 Pseudler - sampling - indicates 3 Zones.

1 - ~~1.294 opt~~ / 1.403' over 160' (incl 46.7 opt / 0.7')

2 0.741 opt / 2.03' over 50'

3 0.601 opt / 1.43' over 35'.

(2)

1984 * Surface drilling - 3 holes? - drilled below #9 vein.
 adit. map indicates holes collared east of portal.
 84-1 - drilled - 45°, ~ 280° - 290° az?
 84-2 - " - 40°, ~ 270°
 84-3 - " - 40°, ~ 350°?
 Best i/s 84-1 - 1.09 opt / 0.7'

(* Information as shown on sketch plan held by Ken Hewton and brief ref. in Hardy report.)

According to Phendler, Zone #1 takes south and mineralisation extends 115' down dip?

Est. 1670 tons @ 0.38 opt. (no back-up for this)

1987 Surface drilling - 2? holes. - map indicated holes collared west of portal, and drilled south along vein.
 87-1 - 45°
 82-2 - 70°

(Hewton says driller set up @ wrong site and drilled wrong way.)

According to Culbert & Leighton ① the 1984? drilling - indicated multiple veins; with erratic high grade Au.

② 1987 drilling failed to reach target.

Underground sampling - Jenna Hardy - 1. adit sampled full length? - 27 samples gave approx. confirmation of Phendler 1983 sampling. (Report for Batsam for prospectus)

2. 80 lb sample selected vein sent to Northair mill - gave 85-90% recovery.
 3. Dump sampled

Max. assay 4 opt.

1989 Hardy report revised for prospectus by Culbert & Leighton

(3)

Geology - Hardy repr. 1987.

Quartz Diomite porphyry } intruding Triassic - Tertiary
Serpentine } rocks and metaseds.

Known veins in diomite (good ground.)

- # 9 Vein structure very strong (Shulaps type? according to SeDM)

Alteration (and silicification) not pervasive.
Structures steep dipping, narrow but strong.

TELEPHONE DISCUSSION WITH JENNA HARDY (currently employed by Granges) 27.3.90

- Confirmed information summarised above.
- Sup previous work poorly done
 - drill holes not surveyed
 - collar locations uncertain.
 - 'Few' drill hole logs
 - No surface mapping.
 - Pender data incomplete - (died before reports/maps completed.)
 - is bullish about property.
 - thinks south end of # 9 vein has potential.

ATTACHED

1. Extracts from Stockwater
2. Can. Mines Handbook ref. to Balsam (1989)
3. Current claim map / topo map.

(4)

BALSAM RESOURCES INC

INC. 1979

(BC)

Montreal Trust.

6017 LARCH ST.

10 x 10⁶ shares - 2.4 issued

VANCOUVER, B.C.

V6M 4E5

TEL. 263-4681.

CNHS 1989.

1989

Capital Feb 29, 1988 (\$17,000 def.)

DIRECTORS.

Ken Newton Pres. Van

ROBT. NEWTON. "

CLOYD. FISH. Vic.

PROPERTIES.

1. YAKAMAZ (Au) 8 clms. acquired 1983? (Elizabeth claims)
1983. Adit rehabs, sampled.
1984 - D. Drilling?

2. Cu-Ag-Au. 24 clms. Humboldt City. NV.

3. SUBSET COP. 4 clms. Guineca

PONTIAC/RADIO COP. 2 "

4. Negotiating for Cu/Ag pros. Humboldt City NV.

Ken Newton phoned Peter Busse @ Blackdown ne Yakamaz pty., ostensibly to see if (B) interested in potential gold source / mill feed. - Peter Busse referred Newton to MW.

According to Newton Balsam is in the process of filing their prospectus and anticipate raising \$150,000 for 1990 programme. (1 x 10⁶ shares @ 16¢)

Programme to consist of rehabs. of adit (# 9 vein), deicing etc., and putting in road to investigate # 11 Vein, west of # 9 Vein, by trenching and drilling. Information on # 11 Vein obtained from a 1942 Bralorne map given to Newton by

(B)

Mark Tindall of Corona. (Corona reported to hold surrounding ground and to be or have been interested in the Balsam property) map shows no details but according to Newton the # 11 vein is 3' wide and 300' long ^(March 27/90)

Further discussion with Newton ~~reveals~~ that he has been in touch with the owners of the adjoining Elizabeth claims, and that he is aware that an agreement is being discussed with BD. His call to BD is most likely a fishing ploy. He is obviously not on overly friendly terms with Mr. White and claims that his plans for the property have been delayed 6 months by his inability to come to terms with White and Midge.

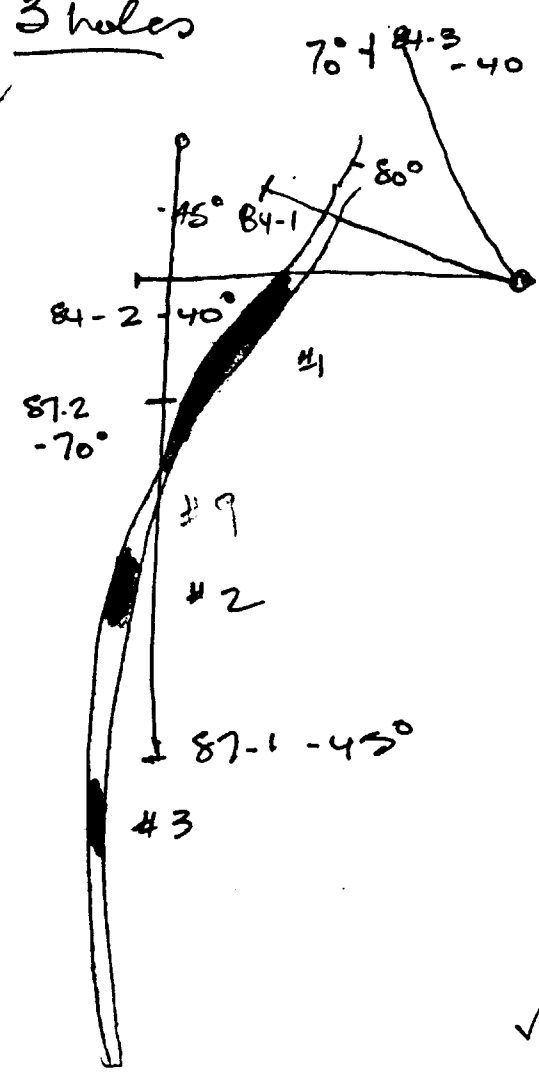
- He provided only 1. a copy of Jenna Hardy's report (which I was allowed to read, but not copy),
2. a copy of Culbert and Deighton's report (missing pages 6 and 7) copy attached.
 3. a map showing assaying of the # 9 vein adit.
 4. a map showing the apparent location of the # 11 vein, west of the # 9 vein.

I was allowed to ~~examine~~ ^{Hardy} ~~Culbert~~ report, and the two maps, but not to copy, as Newton's lawyer suggested that would not be fitting in view of the imminent financing. Culbert & Deighton's report is in the prospectus and was therefore available for copying.

Phone call from Newton April 2 to say that he would be willing to talk a deal with BD, as the Yalatom & Elizabeth claims form an entity.

1984 3 holes

84-1 1.07 / ?



807'

YALAKOM PROPERTY
DIAGRAMMATIC SKETCH
9 VEIN ADIT