

800242

REPORT
ON THE
BLACKCOCK CLAIM GROUP
NELSON MINING DIVISION
YMIR, B. C.
FOR
O'HARA RESOURCES LTD.,
VANCOUVER, B. C.

February 7, 1986
Vancouver, B. C.

W. G. Hainsworth, P. Eng
Consulting Geologist

CONTENTS

| | Page |
|---------------------------------|------|
| Summary | 3 |
| Recommendations | 5 |
| Cost Estimates | 7 |
| Introduction. | 8 |
| Location and Access | 9 |
| Property. | .10 |
| History | .11 |
| Previous Exploration | .13 |
| Geology | .15 |
| Showings. | .16 |
| Diamond Drilling. | .20 |
| Exploration Potential | .21 |
| Assay Certificate | .22 |
| Bibliography. | .23 |
| Certification | .24 |

Maps

| | |
|-------------------------------------------------------------------|-------------------|
| Figure 1 - Property Location Map | Following Page 9 |
| Figure 2 - Claim Location Map | Following Page 10 |
| Figure 3 - Surface Showings and Underground Workings | Following Page 19 |

Summary

The Blackcock property rights owned by O'Hara Resources Ltd., of Vancouver consist of 2 reverted crown-granted claims and one staked mining claim (approximately 100 hectares). The property is situated 5 miles east of Ymir, British Columbia some 626 kilometers from Vancouver, B. C. The Blackcock mine is a former gold producer which was operated in an erratic fashion from 1896 to 1942. Its various closures were more due to lack of funds, high grading operations and, possibly, mismanagement than to lack of ore.

It is virtually impossible to put a definite figure on past production due to poor production reporting in the early years, which was not uncommon for those times. From government and private source data the writer has estimated a past production from 1928 to 1942 of 2196 tons with a recovered grade of 0.322 ounces gold to the ton and 0.91 ounces silver per ton. Lead and zinc recovery values varied from 3% to 15% combined. A third of this tonnage came from leasor high grading operations which produced grades slightly under 0.5 oz gold per ton.

The wartime manpower shortage coupled with the intensive search and production of military required metals reduced the gold mines output in the early '40's. The post war years saw the rising expense of production dramatically reduce the profit margin of the fixed price gold metal. The Blackcock mine succumbed to these factors in the early 1940's. There has been no further attempts to reopen the mine.

Conflicting reports concerning diamond drilling, sometime in the early '30's, stated that in one case the vein structure was intersected at a 500 foot depth with disappointing results while the other report refers to grades of 3/8th of an ounce gold. There has been no recent drilling.

The claims were acquired by O'Hara Resources Ltd. in January 1986.

It is believed that the possibilities of intersecting further mineralized shoots both laterally and vertically are excellent as is the proving of continuity through the 5 underground developments over the 650 foot strike length. Therefore it is recommended that the extension of the Blackcock vein be tested for repetitions of ore shoots as previously mined and that concentration of this effort be applied to two specific areas, one being that of lateral extension both to the east and west of the present extremes, while the other being a fill-in procedure among the present developments. It is also recommended that exploration for the possible deep downward extension of the presently known ore shoots be deferred for future programs.

It is believed that the possibilities of locating additional ore reserves on the Blackcock vein are very good. Therefore with the view to developing sufficient tonnages and grade which would be commercial at present prices after due allowance for the cost of exploration, development, plant capital and operating the following two phase, two stage program is recommended. Phase I of Stage I in the amount of \$104,000 and Phase II of Stage I in the amount of \$370,000 are separate programs but could be conducted concurrently. Stage II which has not been costed out is a success-related stage and involves primarily underground developments.

Recommendations

The following exploration program is recommended to sample and test the Blackcock vein system with the objective of proving within a one to two year period sufficient reserves of gold mineralization to support a commercial operation. The program would be concentrated within and adjacent to the former producing areas and in areas where mineralization is known, or can be geologically projected but which have not been tested or only sporadically tested.

The possibility that additional ore shoots may be found within the Blackcock fissure structure to the east and west of the known workings must, on the basis of the promising results obtained by government sampling in 1928 and the writers 1986 sampling plus stope operations, be tested. This would eventually require surface drilling along the ridge extending east from the No. 8 adit workings and west from the No. 1 shaft area with the objective of locating such lodes in lateral extensions and fill-in sections of the structure.

It is also recommended that underground drilling be undertaken to explore for the dip extension of those stopes excavated within the No. 8 east drift workings and for other auriferous shoots as yet undiscovered.

It is further recommended that the exploration for the deep extensions of the known lode shoots be deferred for further programs unless, of course, they can be done within this budget.

It is proposed that these recommendations would be done in a two stage program over a 16 month period commencing May 1986.

Stage I would consist of two phases which might be carried out concurrently - logistics, weather and access permitting. Stage II which would be largely success dependant on the results of Stage I would follow that stage. Succeeding stages related to such matters as feasibility, metallurgical tests, development and production would depend on the results of all proceeding stages and economic considerations.

It is recognized that surface operations are restricted at these elevations to 4 to 5 months of the year and that only production operations would allow for year round activity.

STAGE I

Phase I

Rehabilitate the present access road and extend westward beyond No. 1 Shaft.

Drain the main level of the No. 8 adit workings.

Drill, blast and muck a sump in one of the sub crosscuts of the No. 8 workings for future water-required operations.

Rehabilitate the raises and stope access of the No. 8 workings.

Survey all surface showings and tie into all underground workings.

Open any adits which may be caved, and rehabilitate, if possible, any internally collapsed shafts or raises.

Geologically map and sample thoroughly all available points of interest, surface and underground.

Prospect by means of geochemical or geophysical methods remaining portions of property for additional veins.

Limited surface diamond drilling to prove structural continuity between showings.

Phase II

Surface diamond drilling to prove lateral vein extensions and shallow depth possibilities and/or additional Phase I targets.

Underground diamond drilling in No. 8 workings, to test for shallow depth penetration below present stopes.

STAGE II

This stage for which costs have not been estimated, would depend upon the results generated in Stage I. It would consist of detailed surface and/or underground diamond drilling and, more than likely, underground development work in any of the presently known headings.

COST ESTIMATEStage IPhase I

To contract:

| | | |
|----------------------------------------|-------|-----------------|
| All mine rehabilitation | 8,500 | |
| Access road | 2,000 | |
| Survey, sample and map | 5,500 | |
| Geochemically prospect | 4,000 | |
| | | <u>\$20,000</u> |
| Equipment Rentals | | 2,500 |
| Diamond Drilling-1000 feet @ \$50./ft. | | 50,000 |
| Consulting, travel and report | | 18,000 |
| | | ----- |
| | | \$90,500 |
| Contingency 15% | | 13,500 |
| | | ----- |
| | | \$104,000 |

Phase II

| | | |
|-------------------------------|-----|-----------|
| Surface Diamond Drilling | | |
| 5000 feet @ \$50./ft | | \$250,000 |
| Underground Diamond Drilling | | |
| 1000 feet @ \$35./ft | | 35,000 |
| Assaying, Shipping charges | | 15,000 |
| Equipment Rentals | | 2,500 |
| Consulting, Travel and Report | | 20,000 |
| | | ----- |
| | | \$322,500 |
| Contingency 15% | | 47,500 |
| | | ----- |
| | | \$370,000 |
| Estimate Phase I & II | | \$474,000 |
| | say | \$475,000 |

Stage II

As this is a success contingent phase, no estimates have been prepared at this time.

Introduction

The writer was commissioned by O'Hara Resources Ltd., (O'Hara) to report and make an exploration recommendation on the Blackcock Group of crown granted claims. The property was visited by the writer on January 23-25, 1986

O'Hara Resources Ltd. holdings in the Ymir area of British Columbia, consist of 2 crown-granted claims, and one staked and recorded mining claim which are subject to surveyors confirmation. The crown granted claims encompass a known past producer - the Blackcock Mine. This operation has a recorded production based on B.C. Minister of Mines reports and ore settlement statements from the Cominco Smelter at Trail, B. C. of in excess of 700 tons of raw ore shipments and 1400 tons converted to concentrates from which more than 700 ounces of gold, close to 2000 ounces of silver and minor quantities of lead and zinc were extracted.

Production from the property has been erratic since it's start up in 1898 with the principle production being from a series of leasors in the late 1930's - early 1940's. The claims were acquired by O'Hara in early 1986.

With the rapid advance in the price of gold to where it is many fold the \$35.00 price of the last major effort at the mine site (1940-1941); and with indication that the price may have established a floor level of \$330 U.S., and with expectations by many economists that the price of gold will continue to rise in value, it is considered that the exploration of the Blackcock mine of O'Hara Resources Ltd. based on past production and possible future potential, is warranted.

Location and Access

The Blackcock property of O'Hara Resources Ltd. is located on the south slope of a steep ridge of the Nelson Range overlooking Wildhorse Creek at a point where Wren Creek empties into it from the south. Access from the village of Ymir on Highway #6, is east along the hardpack gravel road that parallels the north shore of Wildhorse Creek (Ymir Creek). At the 5 mile mark a very steep and narrow wagon road branches off and winds its way up to the showing over a 3/4 mile length and better than a 500 foot (152 meters) elevational difference.

The Blackcock property is within the Nelson Mining Division with the claims centering on North 49° 20' latitude and west 117° 08' longitude. Its National Topographic System location is 82 F/6 East.

Property

The West Kootenay property of O'Hara Resources Ltd. is within the Nelson Mining Division.

The property consists of 2 reverted crown grants and one staked claim. The claim layout shows the two crown grants and the staked claim, "O'Hara 1", abutting the east boundary of the NE-SW trending "Daybreak" claims. Refer to figure 2.

In total the property occupies approximately 100 hectares (248 acres) with the northwest corner of the O'Hara claim being at an elevation of 1645 meters (5400 feet), the main showings on the Blackcock at 1120 meters (3680 feet) and the creek elevation 488 meters (1600 feet) south of the main showings at 945 meters (3100 feet).

The Claims

| <u>Name</u> | <u>Record No.</u> | <u>Expiry Date</u> |
|-------------|-------------------|--------------------|
| Blackcock | Rev. C.G. 2922 | -- |
| Whynot Fr. | Rev. C.G. 14690 | -- |
| O'Hara 1 | 4297 | January 14, 1987 |

History

The mining history of the Ymir area dates from 1885 when the two Hall brothers, prospectors, located the first claims at the headwaters of Wild Horse Creek. Two years later the Hall brothers boosted the area with their find of the Silver King mine on Toad Mountain near Nelson. However, the area was in competition with the nearby gold-copper deposits of Rosslund and it was not until 1896 that prospectors took notice of the rising mining camp. That year A. Julien, a prospector from Ymir, staked the Blackcock claim, amongst many of the eventual well-recognized claims of the area. Julien worked his claim the same year and shipped some 35 tons of raw ore to the Hall smelter at Nelson. In 1900, operating under the name, Blackcock Gold Mines Ltd., a total of 43 tons of ore was again shipped. During the period 1896 to 1908, mining activity was at a high point in the camp with several mills being constructed and ore shipments moving out from the developing mines. No reference is made to the Blackcock claim until 1910 when it was noted that negotiations were proceeding to enter it in with the Stirling claim group for a sale purpose. In the following years leasors intermittently operated the mine.

In 1912 a general slow down brought on by the popularity of the adjoining Sheep Creek camp resulted in numerous local operations curtailing their activities.

With the increase in the price of gold in December 1933, the pace of prospecting and development work improved.

In 1935 the Blackcock workings were re-opened with development work being undertaken. The Blackcock Mining Company was formed in 1936 and that year shipped 1207 tons of raw ore to the mill at Ymir which processed it for 216.4 ounces of gold, 647 ounces of silver and some 20,000 pounds of lead and 10,000 pounds of zinc.

The following year saw the mine leased to local Ymir operators who shipped 8 tons of raw ore to Trail yielding 4 ounces gold, 22 ounces silver, 479 pounds lead and 386 pounds of zinc. Ore was also shipped to the Ymir mill which concentrated it and forwarded the 9 tons of concentrate to Trail for a total of 33 ounces gold, 79 ounces silver, 2577 pounds of lead and 1984 pounds of zinc. However, World War II with its demands for military minerals, of which gold was not one, followed by the rising costs, led to the curbing of gold prospecting and production. During this period only the strict and, sometimes irrational, mining by leasors allowed for profits to be earned. Some 650 tons of raw ore were shipped to Trail during the 1940 - 1941 period. The freeing of the metal's price recently has improved the outlook for the gold properties in the Ymir district.

Past Production

A review of B. C. Department of Mines publications and a release by a Mr. Belyea of B. C. and Yukon Chamber of Mines library copies of Consolidated Mining and Smelting Co. ore settlement statements in 1945 show the following shipments (lead and zinc values have been omitted):

| | <u>Tons</u> | <u>Gold oz/t</u> | <u>Silver oz/t</u> | |
|------|-------------------|------------------|--------------------|---------------------------|
| 1896 | - 35 tons shipped | - no | assays | reported |
| 1900 | - 43 tons shipped | - no | assays | reported |
| 1928 | - 69.75 | 1.432 | 2.77 | Raw Ore (3 shipments) |
| 1932 | - 55.403 | 1.350 | 2.97 | Raw Ore (2 shipments) |
| 1936 | - 1207.0 | 0.179 | 0.54 | Converted to concentrates |
| 1937 | - 201.2 | 0.164 | 0.39 | Converted to concentrates |
| 1937 | - 8.0 | 0.500 | 2.75 | Raw Ore (1 shipment) |
| 1940 | - 97.984 | 0.654 | 1.91 | Raw Ore (4 shipments) |
| 1941 | - 549.67 | 0.389 | 1.23 | Raw Ore (14 shipments) |
| 1942 | - 6.9 | 0.336 | 1.10 | Raw Ore (1 shipment) |
| | ----- | ----- | ----- | |
| | 2195.907 | 0.322 | 0.91 | |
| | (2274 tons) | | | |

Early shipments of raw ore were made to the Hall smelter at Nelson, B.C., while later shipments were sent to the Cominco Smelter at Trail, B. C. In 1936 and 1937 the No. 8 adit workings were extended and it appears that the broken rock from this development work was shipped to the Ymir mill for conversion to concentrates which in turn were shipped to the Trail smelter. If true, this accounts for the low precious metals grades as the development work was not on the Blackcock vein structure, but a subsidiary shear zone.

Snow conditions did not permit the writer to examine workings other than No. 8 adit. From government reports and the writer's examination it appears that the only areas of production on the property were the raise to surface from the No. 3 workings (adit), the various short levels of the Main shaft area and the east drift of the No. 8 workings (adit).

Previous Exploration

The claims have been well prospected with underground exploration checking out the mineralized surface occurrences. Over the 650 feet (198 meters) of exposed strike length, development has included two shafts, totalling some 160 feet in depth, 3 adits with an aggregate 865 feet (264 meters) of development work, and in addition, several shallow open cuts plus a raise of unknown length through to surface from one of the adits.

Stoping has been verified in one of the adits and is said to have been done in another adit and one of the shafts.

Government publications do not report leasor action on the Blackcock claim since 1942.

Economic Geology

In the Nelson-Ymir area there are some 130 to 150 recorded occurrences of mineral deposits from which gold has been produced. Virtually all this production has been from quartz veins of varying habits and relationships. However, within the general area there are several groupings or concentrations of gold deposits for which the gold deposition manner shows certain similarities to one another.

In the Ymir camp the bulk of gold production has been from quartz veins in a northerly trending structural belt east of the Salmo River near the western contact of a tongue of the Nelson batholith. The veins occupy north dipping fault fissures which strike from north 60 east to east and slightly south of east diagonally across the sediments and intrusive dykes comprising the belt.

Within the productive vein systems individual ore-shoots have a tendency to follow the intersections of the vein fractures with the intrusive bodies. Within the more massive varieties of the intrusive the ore-shoots seemingly develop a rhythmic posture.

Mineralization consists of galena, with which the gold is in many cases associated, pyrite, sphalerite, and in some instances pyrrhotite, in a gangue of quartz. The ratio of silver to gold is roughly 3 to 1.

Geology

Sedimentary and igneous rocks, both intrusive and extrusive, occupy the general area of the Nelson-Ymir area.

A northerly trending belt of volcanics, classified as the Rossland Formation of Jurassic age, and sediments belonging to the Ymir Group of similar or possibly Triassic age, lie to the immediate east of the Salmo river in the Ymir area. These are underlain and cut by granite and related rocks of the Nelson plutonic rocks which form the huge Nelson batholith.

Structurally the regional trend of the flows and sediments is from north to northeast with dips steeply to the west and in some cases, overturned. Fissures tend to follow the regional pattern so that fissure veins within the sedimentary belt often lie to the north-south. Fissure veins on the other hand, within the granitic portion of the intrusive have an east to northeast trend.

The area is contained within that structural deformation zone known as the "Kootenay Arc". Within this section the more detailed structures are extremely complex and include many faults and folds.

At the Blackcock property the gold-silver deposits occurring in the fault fissures are often associated with lead and zinc with high grade precious metal values appearing with the more massive base metals. The lead-zincs normally belong to the disseminated variety of sulphides and in some cases equal in amount the predominant metallic mineral, pyrite. Pyrrhotite is occasionally present. The adjoining walls of the vein structures are often highly silicified carrying pyrite with auriferous values well into the granodiorite.

SHOWINGS

During the writer's examination of January 1986 some 3 to 4 feet of snow covered the ridge and made identification of open shafts, adits and pits impossible. Fortunately the main workings - No. 8 adit - had been kept open and a road snow ploughed to its portal. The writer visited, examined and sampled this important underground showing. Descriptions of the other workings are based on Federal and Provincial mining publications. (see bibliography).

No. 8 Adit

This adit had been the principle production unit of lease operators in the declining years of the property.

The No. 8 was driven as an unsuccessful cross cut adit during the early years of development but the identification of the vein after various approaches was made only in 1936. Refer to Figure 3.

Upon intersection of the 70° north dipping Blackcock vein, the operators put up a raise which connected via a short crosscut with the bottom level of the main shaft. This allowed water drainage and fresh air circulation. Due to peculiarities of early tunnel advancement and portal structure, a large pool of water lies trapped behind the portal for some 200 feet up the crosscut and drive.

A west drift has been run from the vein intersection for 62 feet (19 meters) while the main production east drift was driven for 167 feet (51 meters) and almost overrode the main drive. It should be noted that the vein was not identified in the main drive by the operators or the writer.

In the west drift the vein appears as a sheared, quartzitic structure striking east-southeast with minor amounts of galena and sphalerite. The width varies from one to two feet and snakes from one wall to the other. At a point several feet back from the west face the vein enters the south wall. Four chip samples by the writer attest to the changeful habits of the structure. Two adjoining samples at the face validate the absence of the vein:

| <u>No.</u> | <u>Location</u> | <u>Width</u> | <u>Au opt.</u> | <u>Ag opt.</u> |
|------------|-------------------|--------------|----------------|----------------|
| (63) 834 | South 1/2 of face | 36" | 0.031 | 0.03 |
| (63) 835 | North 1/2 of face | 36" | 0.024 | 0.06 |

23 feet east of the face the vein has emerged from the south wall and lies in the center of the drift. There is a 3" to 4" band of massive sulphides in the centre of the vein:

| | | | | |
|----------|------------------|-----|-------|------|
| (63) 833 | 23' east of face | 15" | 1.081 | 4.62 |
|----------|------------------|-----|-------|------|

7 feet beyond the last sample the vein appears in the shoulder of the north wall containing little visible sulphides:

| | | | | |
|----------|------------------|-----|-------|------|
| (63) 832 | 30' east of face | 18" | 0.073 | 0.11 |
|----------|------------------|-----|-------|------|

The East drift has seen production. There are 4 separate ore chutes at odd intervals along the drifts length. Ladders show stope action for variable heights and possibly, broken lateral mining.

The raise and the chute some 20 feet (6 meters) east, are wet indicating their connection with the lower (100 foot) level of the Main shaft. The remaining three chutes are relatively dry.

The chute at 36 feet (11 meters) from the raise has been taken up some 18 feet but shows little visible vein material. A sample at the base of this structure on a poorly mineralized, tight to the north wall shear shows:

| | | | | |
|----------|-------------------|-----|-------|------|
| (63) 831 | 36' east of raise | 12" | 0.027 | 0.02 |
|----------|-------------------|-----|-------|------|

The next chute, 39 feet (12 meters) further along, is carried back up the mineralized fissure for a height in excess of 45 feet. A sample cut from the drift vein along the south wall and carrying minor sulphides assayed:

| | | | | |
|----------|-------------------|-----|-------|------|
| (63) 830 | 89' east of raise | 24" | 0.098 | 0.34 |
|----------|-------------------|-----|-------|------|

Forty feet east in the drift from the last sample cut the vein appears very indistinct in a more siliceous than normal host rock. The structure lies in the center of the drift:

| | | | | |
|----------|---------------------|-----|-------|------|
| (63) 829 | 130 feet from raise | 20" | 0.700 | 1.87 |
|----------|---------------------|-----|-------|------|

The twin chutes with a central manway at 137 feet (42 meters) from the raise goes up for 18' and displays poor mineralization on the stope walls.

A sample cut 20 feet (6 meters) beyond the chutes across a well mineralized vein very tight to the north wall assayed:

| | | | | |
|----------|---------------------|-----|-------|------|
| (63) 828 | 157 feet from raise | 12" | 1.568 | 1.55 |
|----------|---------------------|-----|-------|------|

The mineralization in the above sample may well extend into the north wall.

At the east drift face, 167 feet (51 meters) from the raise, the vein structure continues to lie along the north wall. The face was completely sampled with weak values showing in the footwall section:

| | | | | |
|----------|-----------------------|-----|-------|------|
| | 167 feet from raise | | | |
| (63) 827 | South portion of face | 52" | 0.003 | 0.05 |
| (63) 826 | North portion of face | 12" | 0.306 | 0.80 |

The above sampling indicates:

In the west drift - 50 feet of 0.531 oz. gold per ton and 2.16 oz. silver per ton.

In the east drift - 167 feet of 0.490 oz. gold per ton and 0.93 oz. silver per ton.

Both drift faces allow opportunity for lateral mining of the vein. It would appear that the last 3 years shipments (1940 - 1942) of 655 tons of high grade material (.448 oz. gold per ton; 1.35 oz. silver per ton) came from stopes out of the east drift of the No. 8 adit.

Main Shaft

Some 420 feet (128 meters) west of the No. 8 portal is the Main Shaft which working has been sunk on the Blackcock vein to a depth of 110 feet (33 1/2 meters). Short drifts have been established to the east and/or west on the 25, 50 and 100 foot levels. Production prior to 1928 (100 to 200 tons) is reported to have been obtained from stoping in the shaft workings amongst other locations.

The Main Shaft, sunk on the 70° north inclined vein, is connected with the No. 8 adit workings on the lower 100 foot level by a short 8 foot crosscut linking it to a raise driven from the deeper adit workings. The 100 foot level shaft station, the connecting crosscut and the adit raise have been reported to be in ore material throughout.

In 1928, B.T. O'Grady of the B. C. Department of Mines examined the property, reported on it and sampled various locations. A 12 inch chip sample taken from an exposure close by the shaft collar assayed 0.91 ounces gold per ton and 6.8 ounces silver per ton in addition to combined 23% lead-zinc. The sulphides in the raise from the No. 8 workings are reported by W. E. Cockfield of the Geological Survey of Canada to have widened with progress up the raise from a massive 2" section at the collar to two feet and further up to have split into additional heavy sections. No samples are reported. The writer was unable to verify this in the underground workings.

On surface between the No. 8 adit and the Main Shaft, two shallow open cuts are recorded but no assays or visual vein descriptions are available.

No. 3 Workings - To the west 100 feet (30 meters) an adit originating as a crosscut for the first 40 feet (12 meters) has been located. At the 40 foot mark the east-west trending Blackcock vein structure was intersected with a drift being run west for 50 feet (15 meters) while at the vein junction a raise was run through to surface. No sample results are reported from the underground workings but O'Grady quotes his results from selected samples from the adit dump as being 1.78 ounces gold per ton, 5.2 ounces silver per ton and 21 1/2% combined lead-zinc.

No. 2 Workings - Slightly higher in elevation and some 100 feet (30 meters) further to the west, the No. 2 adit was driven on a northwesterly bearing for 25 feet thus cutting the vein diagonally. No apparent attempt was made to break through to the hanging wall. O'Grady's sampling along the southwest wall returned an average of 0.469 ounces gold per ton, 1.20 ounces silver per ton plus sulphides running from 2 to 13% combined over the 15 1/2 foot length (4.7 meters) in 4 contiguous chip samples.

No. 1 Shaft - At an elevation of 3890 feet (1186 meters) and some 650 feet (198 meters) west along the rocky ridge is a remnant of an old working known as the No. 1 shaft (55 feet deep). It is presumably the original workings on the Blackcock vein. Reported to be inaccessible because of water and, likely internal collapse, O'Grady's grab samples, taken from the shaft dump in 1928, returned 0.48 ounces gold per ton, 1.3 ounces silver to the ton, 2.3% lead and 3.1% zinc.

No other workings have been reported upon.

0.48 Au
1.3 Ag
2.3% Pb
3.1% Zn

GRAB



No. 1
Shaft

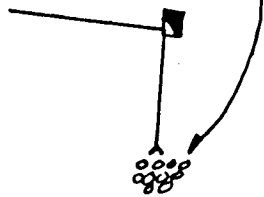
0.469 Au
1.20 Ag
3.30% Pb
2.04% Zn

15.5'

No. 2
Workings

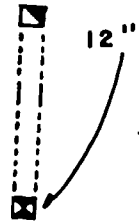
1.78 Au
5.2 Ag
13.8% Pb
7.6% Zn

GRAB

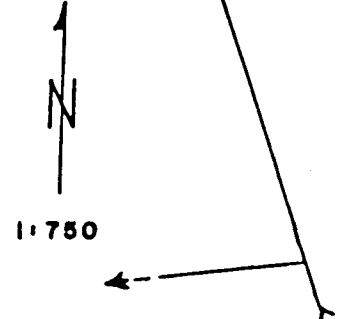


No. 3
Workings

0.91 Au
6.8 Ag
18.0% Pb
4.8% Zn



Main
Shaft



Open Cuts

No. 8
Workings

AFTER G.S.C.

SURFACE SHOWINGS & PAST SAMPLING

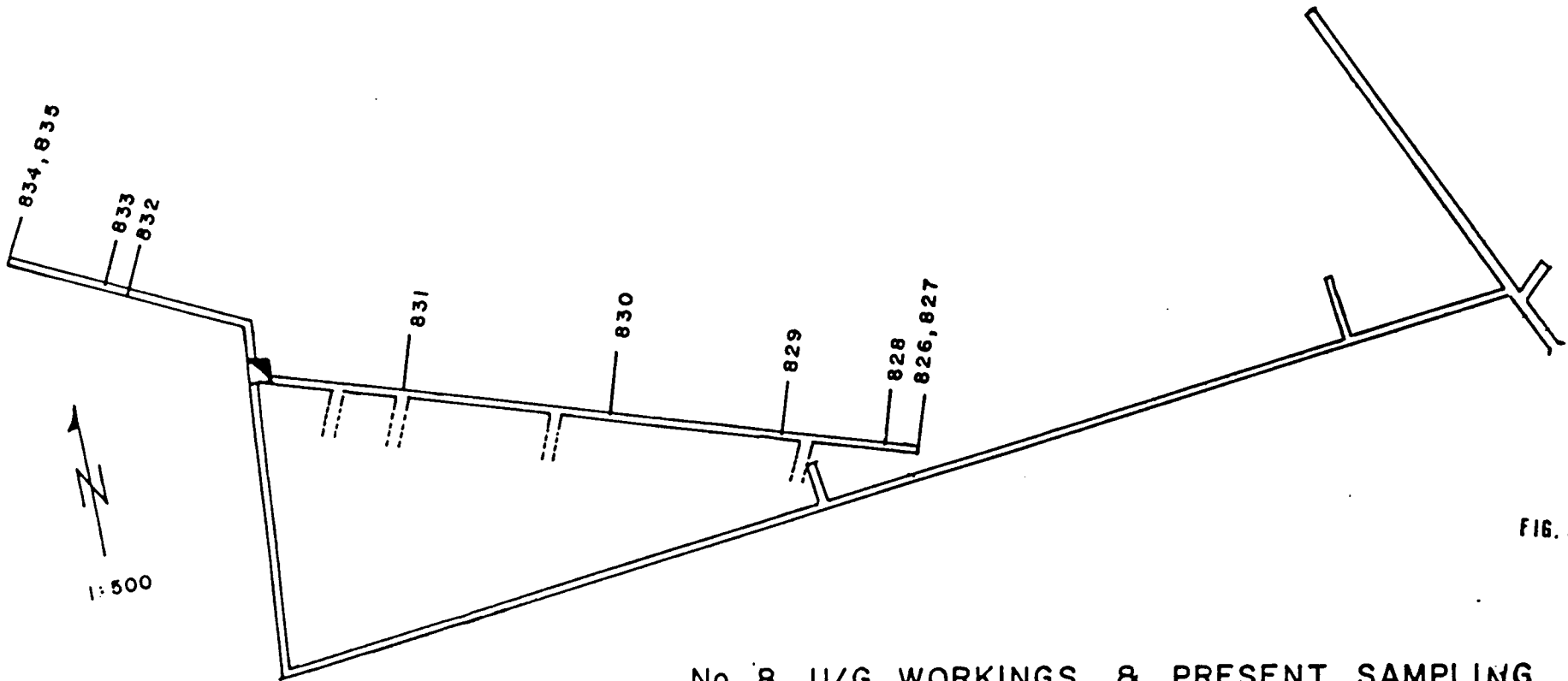


FIG. 3

No. 8 U/G WORKINGS & PRESENT SAMPLING

Diamond Drilling

Two conflicting reports refer to past drilling. In the 1933 B.C. Department of Mines Annual Report reference is made to "Two holes are reported to have been drilled to test the vein 500 feet below the outcrop. Large vein-widths are said to have been intersected, but values at these particular points were disappointing"

Another notation reportedly in an undated letter from an English Mining engineer, W.W. Owens of Ancobra Bancor Mines Ltd. of Tokeradi, West Africa, refers to "in previous drilling the cores revealed values of 3/8th ounce in gold over an ore body of about 500 feet in width."

To the writer's knowledge no drilling has been reported on the property in the last 45 years.

Exploration Potential

The opportunity for expansion of the Blackcock vein system to the east and west appears very good.

To the east the vein is strong in the east drift face of the No. 8 adit workings. It has not been identified on surface above the adit portal but apparently no attempt was made to locate the structure.

To the west, the No. 1 shaft was sunk for some 55 feet on the vein. It is presumed that the structure was developed the full depth of the shaft.

The development of this vein over a strike length of better than 650 feet (198 meters) and a surface elevational difference of 215 feet (65 meters) indicates the strength of the structure. It is unlikely that it dies out at the workings on the extremities. Expansion both laterally and vertically are good possibilities.

Respectfully submitted,

W.G. Hainsworth P. Eng.

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments

705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604)980-5814 OR (604)988-4524

TELEX: 04-352828

CERTIFICATE OF ASSAY

COMPANY: O'HARA RESOURCES
PROJECT:
ATTENTION: T. ANTONIOU/B.HAINSWORTH

FILE: 6-44
DATE: JAN.30/86.
TYPE: ROCK ASSAY

We hereby certify that the following are assay results for samples submitted.

| SAMPLE NUMBER | AG G/TONNE | AG OZ/TON | AU G/TONNE | AU OZ/TON |
|---------------|------------|-----------|------------|-----------|
| 63826 | 27.6 | 0.80 | 10.50 | 0.306 |
| 63827 | 1.8 | 0.05 | .09 | 0.003 |
| 63828 | 53.2 | 1.55 | 53.75 | 1.568 |
| 63829 | 64.0 | 1.87 | 24.00 | 0.700 |
| 63830 | 11.8 | 0.34 | 3.36 | 0.098 |
| 63831 | 0.8 | 0.02 | .92 | 0.027 |
| 63832 | 3.9 | 0.11 | 2.51 | 0.073 |
| 63833 | 158.5 | 4.62 | 37.05 | 1.081 |
| 63834 | 1.0 | 0.03 | 1.07 | 0.031 |
| 63835 | 2.1 | 0.06 | .82 | 0.024 |

Certified by

MIN-EN LABORATORIES LTD.

Bibliographies

G.S.C. Memoir 94 - Ymir Mines Camp - G.W. Drysdale

B. C. Dept of Mines Annual Reports - 1928, 1932, 1933, 1934,
1935, 1936

G.S.C. Memoir 191 - Lode Deposits of Ymir - Nelson Area - W.E.
Cockfield

Private Papers Circa 1945 re Blackcock property.

G.S.C. Memoir 308 - Nelson Map Area, West Half - H. W. Little

CERTIFICATE

I, W. G. Hainsworth, P.Eng., of Vancouver, B. C. do certify:

- (1) That I am a Consulting Geologist residing at 836 - 13th Avenue, Vancouver, B. C.
- (2) That I am a graduate of the University of Western Ontario, London, Ontario, Bachelor of Science Degree, Honours Geology
- (3) That I have practiced my profession for some 30 years.
- (4) That I have been a continuous member of the Association of Professional Engineers of British Columbia since 1965 and am a Professional Geologist registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1979.
- (5) That I have no financial interest, direct or indirect in O'Hara Resources Ltd. and do not expect to obtain any such interest.
- (6) That the information contained in this report is based on a visit to the Blackcock property on January 23-25, 1986 and perusal of all pertinent information available.
- (7) That consent is herewith given to O'Hara Resources Ltd. to use any or all material from this report in information circulars, offerings or shareholders' brochures, provided no attempt is made to misrepresent the stated facts of the report.

W. G. Hainsworth P. Eng. (B. C.)
P. Geol. (Alta)

To Accompany:

Report on the Blackcock Claims Group,
Nelson Mining Division,
Ymir, B. C.
for
O'Hara Resources Ltd.,
Vancouver, B. C.
February 7, 1986