

800243

**INTERIM REPORT**

on the

**BLACKCOCK CLAIM GROUP  
NELSON MINING DIVISION  
YMIR, B.C.**

for

**O'HARA RESOURCES LTD.,  
Vancouver, B.C.**

**May 16, 1987  
Vancouver, B.C.**

**W.G. Hainsworth, P. Eng.  
International Field Services Inc.  
Vancouver, B.C.**

**TABLE OF CONTENTS**

	Page
Introduction. . . . .	1
The Ymir Project British Columbia . . . . .	2
Location and Access . . . . .	3
Property . . . . .	4
History. . . . .	5
Geology. . . . .	6
Production . . . . .	7
Previous Exploration . . . . .	8
Past Company Operations. . . . .	9
Recommendations. . . . .	.10
Cost Estimates . . . . .	.12
The Beardmore Project, Ontario. . . . .	.13
Property . . . . .	.14
Previous Work. . . . .	.15
Recommendations. . . . .	.16

**MAPS**

- Location Map ---- Ymir Property
- Claim Layout ---- Ymir Property
- Location Map ---- Beardmore Property
- Claim Layout ---- Beardmore Property

# INTERNATIONAL FIELD SERVICES INC.

*Consultation, Exploration & Management*

SUITE 905  
837 WEST HASTINGS STREET  
VANCOUVER, BRITISH COLUMBIA  
V6C 1B6 (604) 687-6930

## Introduction

The writer has been requested to review and advance a program with cost projections for the several precious metal properties of O'Hara Resources Ltd. This report confines itself to the B.C. and Ontario claim groups.

The Ontario block of claim was acquired in 1983 and several work programs have been carried out since the acquisition.

The British Columbia property was acquired in 1985 and several limited programs were completed during 1986.

Of the two claim blocks, the Ymir group in British Columbia shows more promise at the present time. The Ontario block, while in a well respected mining area and considered "hot" at the present, has shown nothing distinctive and should only be maintained in good standing because of its location.

### The Ymir Project, British Columbia

The Ymir claim block was acquired as two reverted crown - granted claims in an outright purchase in late 1985. During 1986 three claims were staked adjoining the crown - grants and an option was taken on a closeby 8 claim staked group called the "Daybreak Group." Two programs consisting of surface work and diamond drilling were completed during the year 1986 on the main group. A road building program was laid out for the optioned Daybreak claims but was not undertaken in 1986.

### Location and Access

The Blackcock property of O'Hara Resources Ltd. is located at the 3,800 foot elevation 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 showings over a 3/4 mile length and better than a 500 foot (152 meters) elevational difference.

The Daybreak group ties on to the western end of the O'Hara 1 claim. There is no road access to the showings on these claims at the present time.

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 three staked claims. The claim layout shows the two crown grants and the adjoining staked claims. Abutting the west boundary of the claims are the eight NE-SW trending "Dayreak" claims. Refer to figure 2.

In total the property occupies approximately 120 hectares (300 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, 1990 *
Glitter 1	4481	October 15, 1990 *
Glitter 2	4482	October 15, 1990 *

\*Assessment credits awaited.

## 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 Rossland 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.

## 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.



## Production

The two crown grants go back to the turn of the century when work was organized and production commenced. The first recorded shipment for example was in 1899 when a shipment containing some 35 to 40 tons of ore exceeded \$25 per ton in gold and silver. (Gold at \$20.66 per ounce and silver at 0.57¢ per ounce.) In 1928 a shipment of 69 3/4 tons of ore forwarded to the Trail smelter assayed 1.14 ounces gold per ton and 2.77 ounces silver per ton.

A perusal of government records by the writer shows that in addition to the previous mentioned 35 to 40 tons in 1896 a shipment of 43 tons was made in 1900 with no recorded value. From 1928 to 1942, B.C. Department of Mines reports show a total of 2195.907 tons shipped from the claims which averaged 0.322 ounces gold per ton and 0.91 ounces silver per ton. The low value is believed due to the shipment of development rock from the #8 adit in 1936 and 1937. Some 1408.2 tons of this weak material graded 0.177 gold per ton and silver 0.52 ounces per ton. It is also presumed that 654.55 tons of ore shipped in 1940, 1941 and 1942 came from the stopes of #8 adit. This tonnage ran 0.428 ounces gold per ton (at \$35 gold) and 1.33 ounces silver per ton (at 0.38¢ per ounce).

There has been no recorded shipments since 1942, although it is suspected that leasing operations may have taken place at intervals.

### 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.

## Past Company Operations

In January of 1986 the writer visited the showings, sampled the #8 adit and issued a recommendation report February 7, 1986. The Stage I - Exploration was broken into two phases. Approximately half of the 1st phase has been completed with the surface geochemical and geophysical programs run through and the limited exploratory drilling program proving possible extensions. (See February 7, 1986 report.)

The surface surveys, undertaken in early October, were confined to the immediate area of the showings and covered an area 200 meters (650 feet) east - west and 400 meters (1,300 feet) north - south. The soil and EM - 16 results from this grid substantiated the mineralized extension of the showings. In addition, sampling of the various surface showings lent more credibility to the ore structure. (See November 7, 1986 report.)

In November 1986, diamond drilling of an exploratory nature was undertaken on the claim. A local Ymir drill contractor - West-Gate Diamond Drilling Ltd. - undertook five drill holes of BQ size for an aggregate footage of 745 feet.

The following chart details the holes parameters:

<u>Hole #</u>	<u>Depth</u>	<u>Elevation</u>	<u>Bearing</u>	<u>Dip</u>
86-001	133'	4140'	N 10° E	-30°
86-002	155'	4140'	N 50° E	-30°
86-003	231'	4140'	N 40° W	-30°
86-004	126'	4130'	North	-30°
86-005	100'	4130'	N 40° E	-30°

Total footage = 745 feet

Drilling was carried out over the period November 7th to 28th, 1986 using a single shift.

Holes 86 - 1 (0.310 ounces gold per ton and 0.82 ounces silver per ton across 13.7 feet) and 86 - 2 (0.185 ounces gold per ton and 0.55 ounces silver per ton across 8.6 feet) proved the up dip extension of the structure above the stope area of the #8 adit. Hole 86 - 3 skimmed below the vein's structure and because of its short length did not penetrate deep enough to intercept the structure. Hole 86 - 4 did not show strong mineralization in the short length sampled. More core is to be cut and assayed from this hole. Hole 86 - 5 apparently cut through a weak portion of the zone. However, more core will be run for assay from this hole. ( See January 8, 1987 report.)

Work to date on the showings has shown the existence of strong and weak values within the Blackcock vein structure. The continuity of the zone is well recorded.

## Recommendations

Past and present exploration and mining operations of the Blackcock claims of O'Hara Resources have shown a single, continuous structural unit capable of producing economic precious metal volumes. Stopeing operations have taken place in the main shaft and the #8 Adit. Until O'Hara's limited drilling program in November 1986, there is no recorded history, or surface evidence, of previous drill action. The full extent of the structure's strike and its depth remain unknown.

It is recommended that O'Hara plan an exploration program of a magnitude to delineate the above zone parameters. In the writers original report of February 7, 1986, a recommendation calling for expenditures of \$475,000 in two phases was advanced. This size of a program should be maintained.

The following recommendations are presented as essential to the overall countenance of the properties structure leading to its eventual mineral inventory.

Repair poor areas of main road and reinforce bridges.

The drill access road should be extended westward well beyond the most westerly showing. From this road, which will require rock blasting, the drill sites for the surface diamond drill program will be laid out. This is a high priority situation.

Drain the main level of the #8 adit workings and clean the portal.

Drill, blast and muck a sump in one of the subcrosscuts of the #8 workings for future water - required operations.

Rehabilitate the raines and stope accesses of the #8 adit so that examination can be made of the stopes.

Rehabilitate the raise connecting the #8 adit workings with the main shaft workings.

Thoroughly sample all underground workings of the #8 adit and main shaft once safe access has been accomplished.

Continue the November 1986 drill program by diamond drilling along the structure's strike at shallow elevations.

Probe underground possibilities of parallel structures by flat and inclined drill holes from the #8 underground workings.

Survey all surface workings and showings and tie into the underground operations of the #8 adit and main shaft.

Open any collapsed adits such as the #3 adit and rehabilitate for examination.

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

Geologically map the fault structure at the east end of the main workings to evaluate its presence.

On the Daybreak claims, drive an access road to the main showings and bulldoze the showings for further examination and sampling.

Preliminarily drill the Daybreak showings if sample results warrant.

Cost Estimates

Upgrade poor areas of main road . . . . .	\$	15,000
Drill Access Road extention . . . . .		20,000
Extend present access to #8 adit and install ore bin. . . . .		75,000
#8 Adit and Stope Rehabilitation . . . . .		50,000
Surface and Underground Survey. . . . .		4,500
Surface Diamond Drilling 4,000 feet at \$25/ft . . . . .		100,000
Underground Diamond Drilling 2,000 feet at \$20/ft . . . . .		40,000
Equipment purchase (rail, timber compressor, ore cars) . . . . .		75,000
Equipment rentals (trucks, drill equipment). . . . .		6,500
Daybreak road Access . . . . .		10,000
Daybreak drilling 1,000 feet at \$25/ft . . . . .		25,000
Supervision . . . . .		10,500
Crew billoting and meals. . . . .		3,500
Assaying, shipping. . . . .		10,000
Consulting, travel and report . . . . .		<u>25,000</u>
	\$	<b>395,000</b>
15% Contingency		<u>60,000</u>
		<b>455,000</b>

Respectfully submitted,

W.G. Hainsworth, P.Eng.  
International Field Services Inc.

The Beardmore Project, Ontario

The Beardmore claim block was acquired through a staking process. The original size group has been allowed to dwindle to a present day 10 claim size and these are presently in an allotted 8 month extension period. The claims, since acquisition in 1983, have had several programs conducted over them.

Property

The claim group, located in Summers Township, Thunder Bay Mining Division, is 2 1/2 miles north of the village of Beardmore, Ontario. Access is by a gravel spur road which passes through the group.

TB 686294 to 686296 incl. February 22, 1987\*  
TB 686298 to 686300 February 22, 1987\*  
TB 686302 to 686304 incl. February 22, 1987\*  
TB 731448 to 731449 incl. January 12, 1988

\* 8 month time extension granted February 6, 1987.



### Previous Work

On December 19, 1983 the writer visited the claim group and reported with recommendations in a report dated January 25, 1984. The recommendations included a soil survey coupled with an EM 16 VLF survey which were carried out in the fall of 1984. The program showed several geochemical anomalous areas which coincided with EM conductors. In a report of January 8, 1985 the writer recommended further soil gridding and/or trench work. The latter was carried out in April 1985. However the assessment work was incorrectly recorded and the claims were not assigned the work load. In reports of March 4, 1986 and March 12, 1986 the writer describes the magnetometer survey and additional trench work carried out primarily to keep the claims in good standing.

The claims were due to come open in January 1987 but an application for extension of time was made and granted. Work should be done by October 30, 1987.

## Recommendations

The Beardmore claims have shown very little results from the previous surveys. It is therefore recommended, considering the Beardmore area is under full scrutiny by the mining fraternity watching events at the two interesting properties, that O'Hara do enough work to keep their claims in good standing for an additional 2 years. Depending upon developments, the claims could then come open or be retained by doing additional work.

To maintain the ten claims in good standing, it is recommended that a magnetometer survey costing in the area of \$5,000 be done on the claim group.

Respectfully submitted,

W.G. Hainsworth, P.Eng.  
International Field Services Inc.

CERTIFICATE

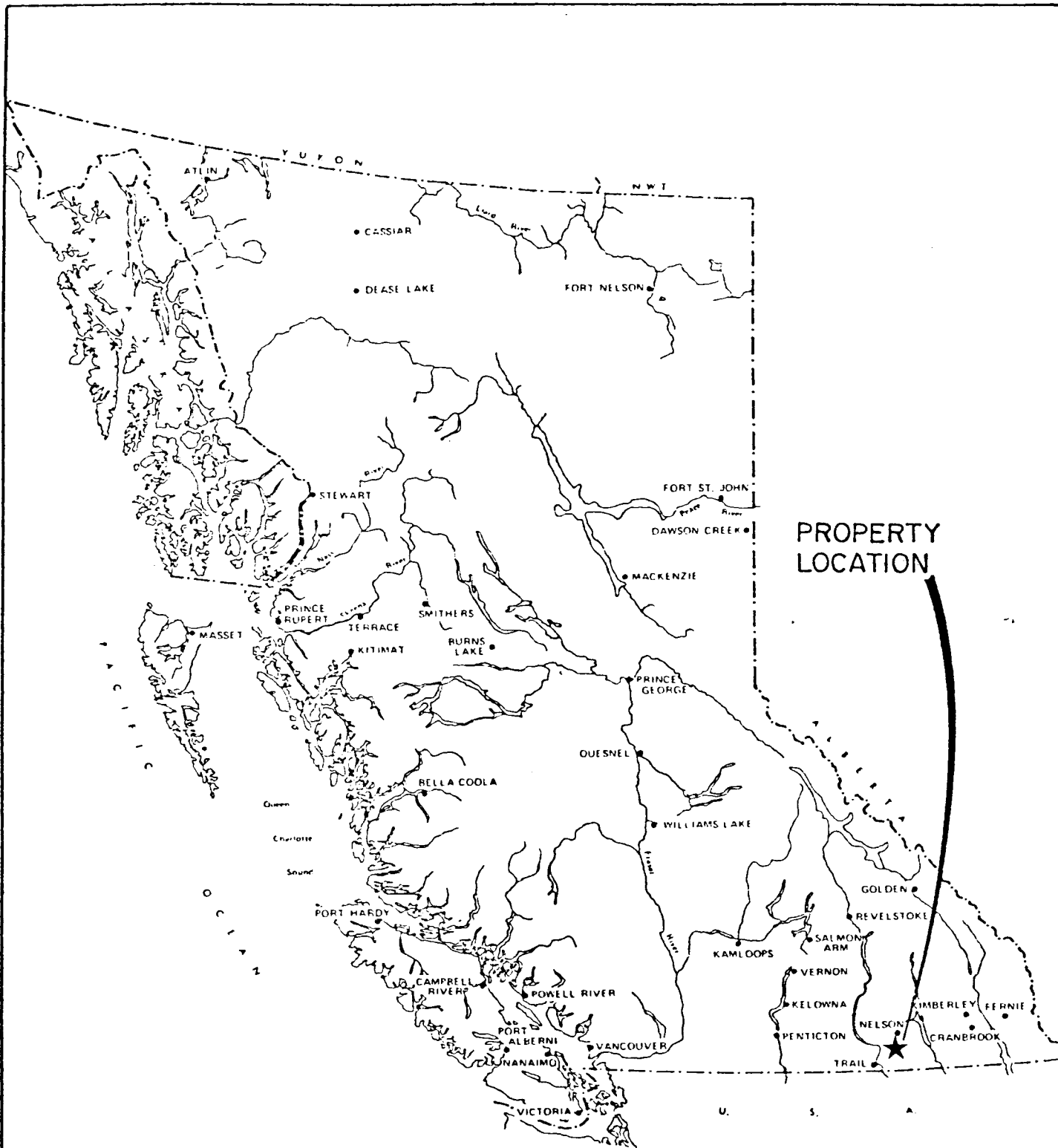
I, W.G. Hainsworth, P.Eng., of Vancouver, B.C. do hereby certify:

- (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 Ymir property on several occasions 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:

Interim Report  
on the  
Blackcock Claim Group,  
Nelson Mining Division,  
British Columbia  
for  
O'Hara Resources Ltd.,  
Vancouver, B.C.  
May 16, 1987



**PROPERTY  
LOCATION**



<b>O'HARA RESOURCES LTD.</b>	
<b>O'HARA CLAIM GROUP LOCATION MAP</b>	
N.T.S. 82F/6E	NELSON M.D., B.C.
SCALE: AS SHOWN	FIGURE 1

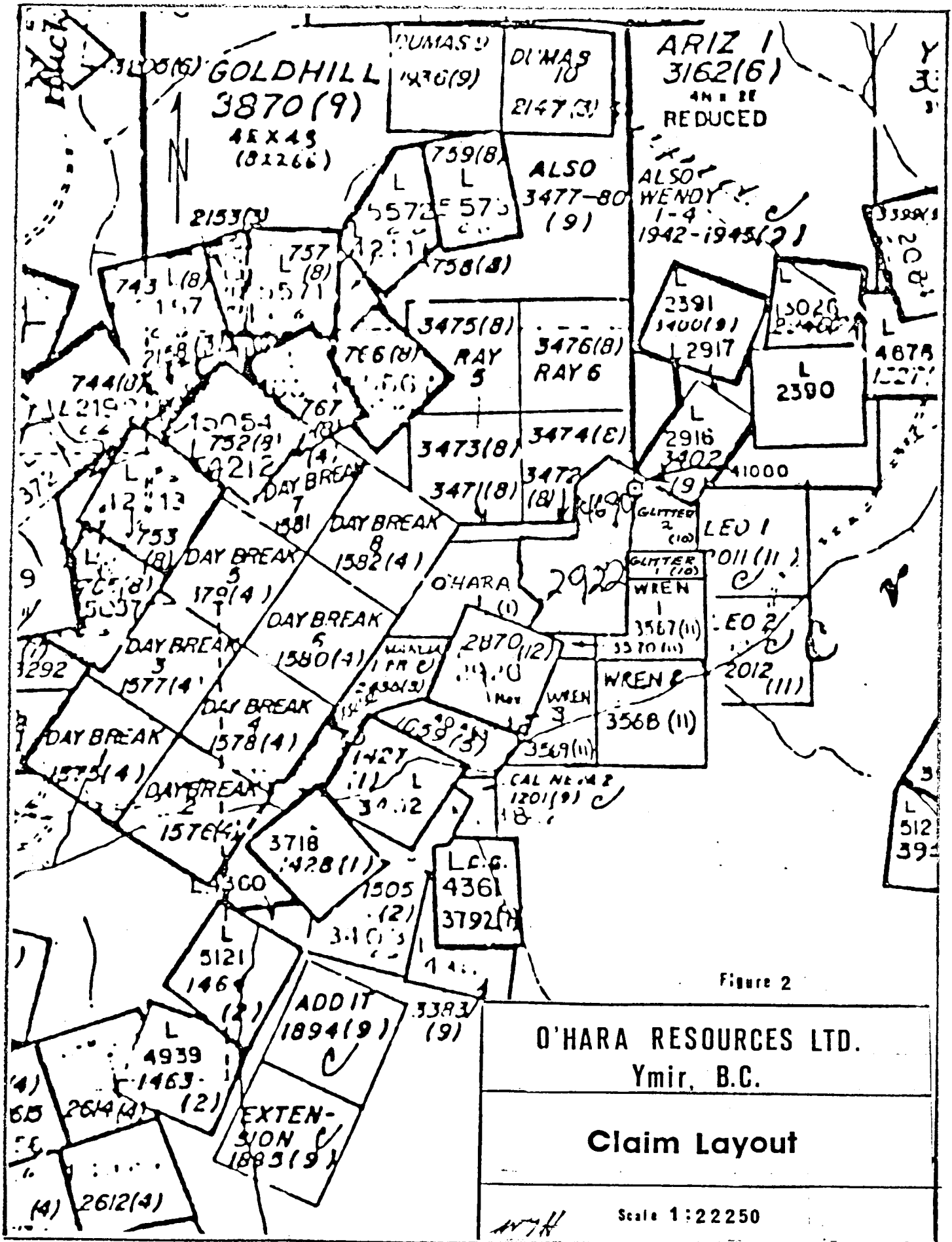


Figure 2

O'HARA RESOURCES LTD.  
Ymir, B.C.

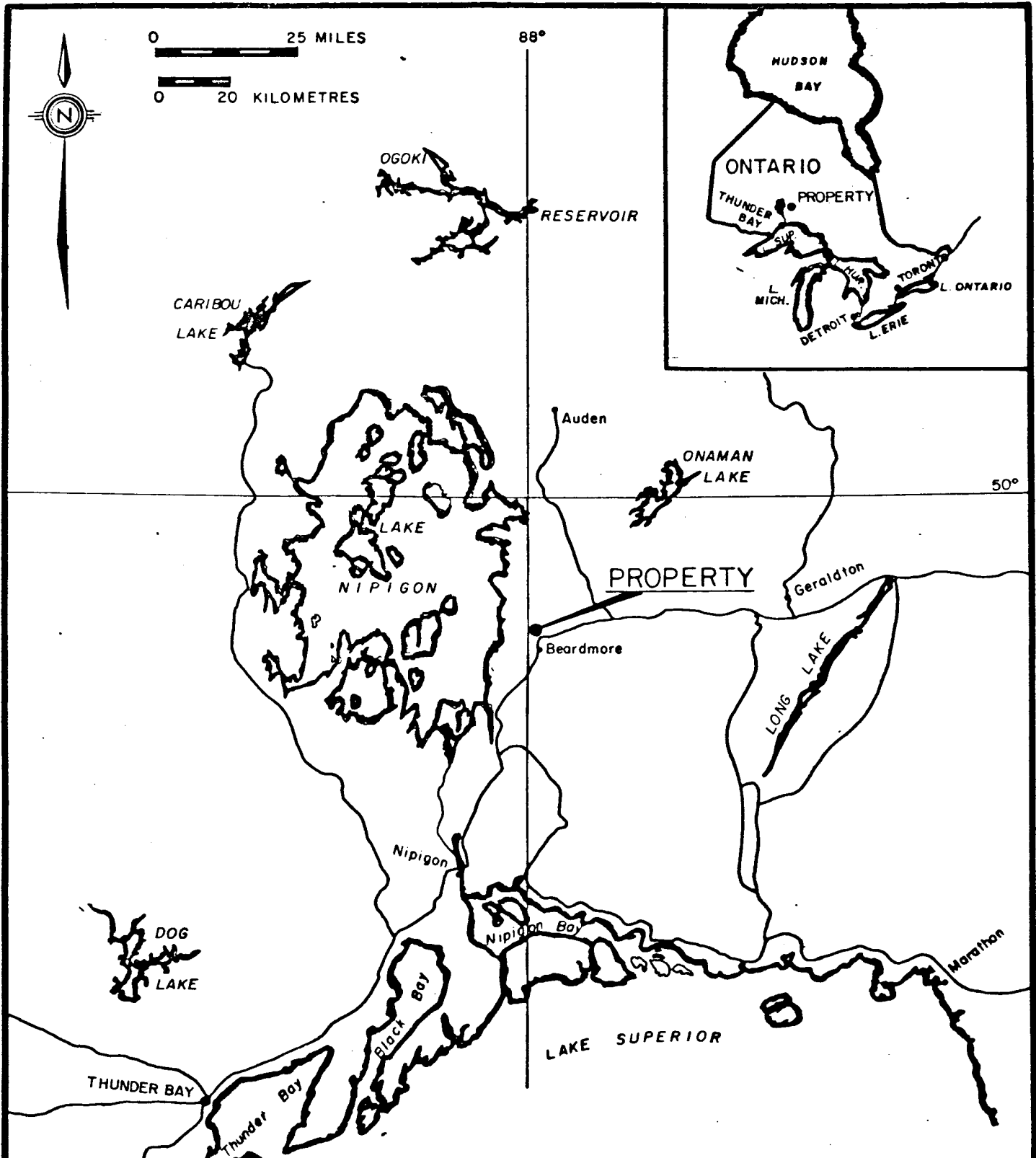
**Claim Layout**

Scale 1:22250



0 25 MILES  
0 20 KILOMETRES

88°



50°

O'HARA RESOURCES LTD.  
BEARDMORE, ONTARIO.  
**LOCATION MAP**

To accompany a report by  
W.G. Hainsworth P.Eng.

FIG. 3

